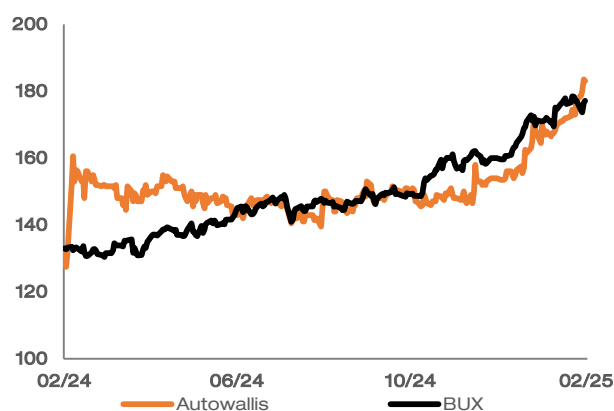


# AutoWallis

Rating: BUY (unch.)

Target price (12-m): 235 (prev. 230)

HUF million	2023	2024	Change (%)
Revenue	366,267	398,460	8.8%
EBITDA	23,155	20,175	-12.9%
EBIT	15,249	14,370	-5.8%
Net profit	9,731	6,827	-29.8%
EPS	21.32	12.81	-39.9%
Gross margin	16.6%	17.9%	127bps
EBITDA margin	4.2%	3.6%	-56bps
EBIT margin	6.3%	5.1%	-126bps
PBT margin	3.3%	2.3%	-97bps
No. of vehicles sold	44,909	48,386	7.7%
Export ratio	59%	60%	100bps



Share price close as of 27/02/2025	183 HUF	Bloomberg	AUTOWALL HB
Number of diluted shares [mn]	539.5	Reuters	AUTW.BU
Market capitalization [HUF bn/EUR mn]	98.7/247	Free float	26.57%
Daily turnover 12M [HUF mn/EUR ths]	36.8/92.3	52-week range	HUF 124 – 184

## Market weakness weighs on profitability, outlook raises our TP

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- AutoWallis posted FY/24 results this morning. Revenues came perfectly in line with our estimates at HUF 398.5 bn, increasing 8.8% YoY. Profitability shrunk significantly last year, as the European automotive industry struggled with weak demand globally. Despite this, earnings came ahead of our estimates, as EBITDA reached HUF 20.2 bn (vs. Concorde: HUF 18,7 bn), while EPS resulted in HUF 12,8 (vs. Concorde: HUF 12,2). The difference is mainly due to the stronger Q4 results, which makes us believe that earnings dynamics may pick up in 2025, as the acquisitions carried out last year will start to significantly boost results. We reviewed and updated our financial model, to better reflect the state of the European market, while taking last year's acquisitions into account. Based on these changes, we reiterate our Buy recommendation and set our 12m TP at HUF 235.

### FY/24 review

- COGS increased in line with revenue growth, while gross margin widened to 17,9% vs. 16.6% a year ago. Personnel expenses grew to HUF 19.5 bn, primarily due to the acquisitions carried out in the past years and the wage growth due to tight labour conditions.
- Financial results came in at a loss of HUF -5.7 bn, which was largely due to unfavourable FX movements (FX loss of HUF -1.6 bn) previously anticipated by us, while other financial losses decreased YoY.
- AutoWallis' capital structure remained reasonably strong, with a consolidated equity adequacy ratio of 31%. Net debt/EBITDA ratio increased to 3.1x. This is expected to decrease next year, as the EBITDA of the acquired companies will boost the P&L.
- Sales revenues of the group's Distribution BU slightly increased to HUF 219 bn (+0.8% YoY), while the Retail BU increased sales by 20% to HUF 171 bn. The EBITDA margin of the Distribution BU decreased to 5.3% from 5.6% a year ago. The Retail BU EBITDA margin came in at 2.9%, decreasing from 3.7% in 2023. The Mobility BU performed delightfully, closing 2024 with revenues of HUF 8.4 bn, an EBITDA of HUF 3.6 bn and a slightly negative net profit. Export ratio of 2024 reached 60%.

### Changes to our estimates

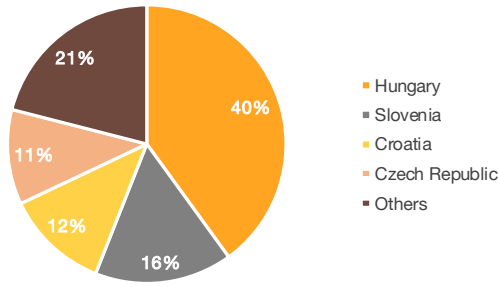
- Going into 2025, we decided to revisit our estimates, given the weakness of the European automotive industry. We believe we previously overestimated the growth prospects of the industry in the beginning of 2024, that we decided to adjust now. We expect a more restrained increase in European car sales than we did before, which negatively impacts the volumes in our forecasts. We also considered the CEE region's outperformance of the broader market, gaining weight in European sales, therefore we adjusted country exposure accordingly.
- AutoWallis also carried out significant acquisitions in 2024, that we haven't taken into consideration yet. These largely improved the company's market position in the region, while especially Milan Kral is expected to boost profitability, alongside the obvious revenue growth.
- We are curious to see what steps the company will take in 2025 to follow through on the 2028 plans for doubling financial results compared to 2023. We are starting to see the real cash generation the company is able to achieve, which can fuel further expansion.
- We continue to value AutoWallis without incorporating any future acquisitions in our TP, which we set at HUF 235, leaving an upside potential of 29%. Based on our updated forecasts, AutoWallis is now trading at 8.6 times 2025 earnings, which -given the track record of the management, the growth potential and the cash generation of the company- in our opinion is justified.

Consolidated financial and operational highlights

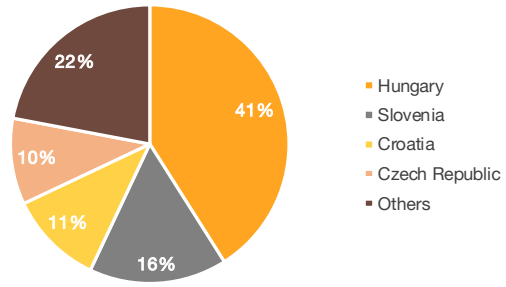
[HUF mn - except per share]	2023		2024					Diff.		Diff. (FY)
	Q4	FY	Q1	Q2	Q3	Q4	FY	Y-o-Y	Q-o-Q	Y-o-Y
<b>P&amp;L</b>										
Revenues	84,554	366,267	89,125	106,041	96,080	107,214	398,460	26.8%	11.6%	8.8%
EBITDA	2,212	23,155	4,758	4,249	5,012	6,156	20,175	178.3%	22.8%	-12.9%
EBIT	1,183	15,249	3,540	2,950	3,374	4,506	14,370	281.0%	33.6%	-5.8%
PBT	21	11,929	2,018	2,420	1,886	2,773	9,097	13241.6%	47.0%	-23.7%
Net income (parent)	-408	9,731	1,411	1,854	1,340	2,222	6,827	-644.2%	65.8%	-29.8%
Comprehensive income	-525	9,561	1,708	1,885	1,363	2,525	7,480	-580.7%	85.3%	-21.8%
EPS	-1.31	21.32	2.70	3.47	2.49	4.16	12.81	-417.4%	67.2%	-39.9%
<b>Margins</b>										
Gross margin	17.4%	16.6%	17.8%	15.7%	18.9%	19.3%	17.9%	190bps	47bps	127bps
EBITDA margin	2.6%	6.3%	5.3%	4.0%	5.2%	5.7%	5.1%	313bps	53bps	-126bps
EBIT margin	1.4%	4.2%	4.0%	2.8%	3.5%	4.2%	3.6%	280bps	69bps	-56bps
PBT margin	-0.5%	3.3%	2.3%	2.3%	2.0%	2.6%	2.3%	307bps	62bps	-97bps
<b>Distribution BU</b>										
Revenues	47,490	217,268	47,492	61,180	52,644	57,606	218,922	21.3%	9.4%	0.8%
EBITDA	1,730	12,067	2,692	2,660	2,458	3,853	11,663	122.7%	56.8%	-3.3%
PBT	1,105	10,337	1,409	1,944	1,316	2,786	7,455	152.2%	111.7%	-27.9%
EBITDA margin	3.6%	5.6%	5.7%	4.3%	4.7%	6.7%	5.3%	305bps	202bps	-23bps
PBT margin	2.3%	4.8%	3.0%	3.2%	2.5%	4.8%	3.4%	251bps	234bps	-135bps
No. of new vehicles sold	7,477	34,943	8,582	10,727	7,936	8,951	36,196	19.7%	12.8%	3.6%
<b>Retail and Services BU</b>										
Revenues	37,064	142,818	40,209	42,895	40,486	47,523	171,113	28.2%	17.4%	19.8%
EBITDA	-1,850	5,302	1,392	957	1,086	1,499	4,934	-181.0%	38.0%	-6.9%
PBT	-574	2,102	763	274	160	527	1,724	-191.8%	229.4%	-18.0%
EBITDA margin	-5.2%	3.7%	3.5%	2.2%	2.7%	3.2%	2.9%	832bps	47bps	-83bps
PBT margin	-1.6%	1.5%	1.9%	0.6%	0.4%	1.1%	1.0%	271bps	71bps	-46bps
No. of new vehicles sold	1,893	7,907	2,424	2,500	2,272	2,441	9,637	28.9%	7.4%	21.9%
No. of used vehicles sold	614	2,059	597	608	700	648	2,553	5.5%	-7.4%	24.0%
Total no. of vehicles sold	2,507	9,966	3,021	3,108	2,972	3,089	12,190	23.2%	3.9%	22.3%
Service hours	47,073	179,809	47,763	48,863	54,424	59,199	210,249	25.8%	8.8%	16.9%
<b>Mobility</b>										
Revenues	-	6,181	1,424	1,966	2,950	2,085	8,425	-	-29.3%	36.3%
EBITDA	-	2,336	673	633	1,468	804	3,578	-	-45.2%	53.2%
PBT	-	-511	-154	-243	410	-95	-82	-	-123.2%	-84.0%
EBITDA margin	-	37.8%	47.3%	32.2%	49.8%	38.6%	42.5%	-	-1120bps	468bps
PBT margin	-	-8.3%	-10.8%	-12.4%	13.9%	-4.6%	-1.0%	-	-1845bps	729bps
Fleet size (rental)	3,979	3,979	3,678	3,775	3,853	3,830	3,830	-3.7%	-0.6%	-3.7%
Rents (units)	130,357	148,607	91,920	99,204	92,515	92,586	376,225	-29.0%	0.1%	153.2%
Rental days	49,868	199,045	38,302	47,824	70,916	45,763	202,805	-8.2%	-35.5%	1.9%

Source: AutoWallis reports, Concorde Research

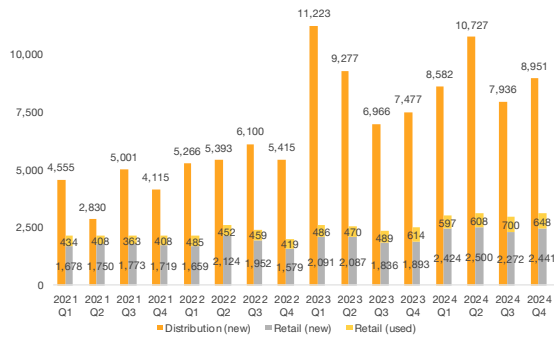
Country breakdown of sales - 2024



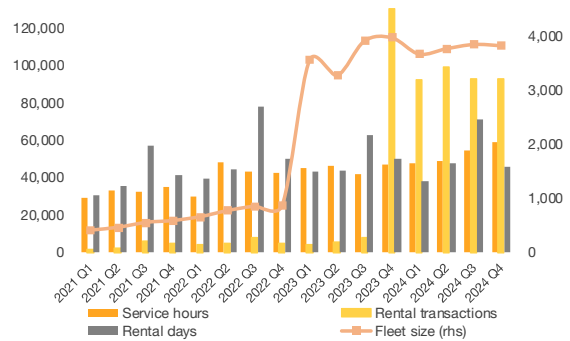
2023



Quarterly number of vehicles sold



Service and Mobility KPIs



Source: AutoWallis, Concorde Research

## APPENDIX

Indicators	2023	2024F	2025F	2026F	2027F	2028F	2029F
EPS	21.3	12.8	21.3	25.8	29.5	33.2	35.9
BVPS	107.6	114.8	136.0	161.9	191.3	224.6	260.4
CFPS	9.0	-24.4	31.7	35.9	23.4	29.2	34.0
P/E	6.1x	12.0x	8.6x	7.1x	6.2x	5.5x	5.1x
EV/EBITDA	4.3x	7.2x	6.2x	4.8x	4.0x	3.2x	1.5x
P/BV	1.2x	1.3x	1.3x	1.1x	1.0x	0.8x	0.7x
P/S	0.2x	0.2x	0.2x	0.2x	0.2x	0.2x	0.2x
P/CF	14.4x	-6.3x	5.8x	5.1x	7.8x	6.3x	5.4x
ROE	23.6%	12.6%	17.2%	17.5%	16.8%	16.1%	14.9%
ROA	6.2%	3.6%	5.5%	6.2%	6.4%	6.6%	6.6%
ROIC	15.2%	10.0%	11.2%	13.3%	14.6%	15.5%	16.0%
Gross margin	16.6%	17.9%	17.3%	17.3%	17.4%	17.4%	17.5%
EBITDA margin	6.3%	5.1%	5.1%	5.4%	5.5%	5.6%	5.7%
EBIT margin	4.2%	3.6%	3.8%	4.1%	4.2%	4.3%	4.4%
PBT margin	3.3%	2.3%	3.1%	3.5%	3.7%	3.8%	3.9%

Source: AutoWallis, Concorde Research

Income Statement	2023	2024F	2025F	2026F	2027F	2028F	2029F
Revenues	366,267	398,460	454,008	494,122	533,448	573,892	604,003
OPEX	-346,005	-379,405	-431,506	-468,332	-504,809	-542,333	-570,378
Depreciation	-4,452	-5,678	-5,902	-6,424	-6,935	-7,461	-7,852
Other income / expenses	-560	993	663	721	779	838	882
Operating profit	15,249	14,370	17,262	20,088	22,483	24,937	26,655
EBITDA	23,155	20,175	23,164	26,511	29,418	32,398	34,507
Financial profit	-4,391	-5,711	-3,510	-3,358	-3,345	-3,333	-3,314
Profit before taxes	11,929	9,097	14,190	17,168	19,576	22,042	23,778
Taxes	-2,086	-2,121	-2,554	-3,090	-3,524	-3,968	-4,280
Profit after tax	9,843	6,976	11,636	14,078	16,052	18,074	19,498
Comprehensive income	9,561	7,480	12,210	14,703	16,727	18,800	20,262

Source: AutoWallis, Concorde Research

Cash Flow Statement	2023	2024F	2025F	2026F	2027F	2028F	2029F
Cash Flow from Operation	206,834	236,194	25,464	27,230	21,091	23,488	26,546
Cash Flow from Investing	-3,767	-14,656	-7,673	-7,708	-8,322	-7,610	-8,009
Cash Flow from Financing*	-206,834	-210,179	-4,753	-5,648	-1,613	-1,533	-2,149
Opening Cash	16,887	13,097	24,421	37,459	51,333	62,489	76,835
Change in Cash	-3,789	11,324	13,038	13,874	11,156	14,345	16,387
Closing Cash	13,097	24,421	37,459	51,333	62,489	76,835	93,222

\*Actuals include reverse factoring items

Source: AutoWallis, Concorde Research

Balance Sheet	2023	2024F	2025F	2026F	2027F	2028F	2029F
<b>Assets</b>							
PP&E	21,885	37,437	38,145	38,659	39,214	39,274	39,336
Operating lease assets	2,696	2,988	3,165	3,294	3,432	3,447	3,463
ROU assets	6,106	8,363	8,806	9,127	9,474	9,511	9,550
Goodwill	5,460	8,681	8,681	8,681	8,681	8,681	8,681
Intangibles	3,037	2,937	3,380	3,701	4,048	4,085	4,124
Other LT assets	11,312	12,711	13,990	15,351	16,693	18,062	19,192
Inventories	58,385	69,693	68,412	64,980	70,152	75,471	79,431
Other inventories	139	207	207	207	207	207	207
Trade receivables	15,851	18,345	19,902	21,660	23,384	25,157	26,477
Other current assets	13,981	18,782	18,824	19,225	19,618	20,023	20,324
Cash and equivalents	13,097	24,422	37,459	51,333	62,489	76,835	93,222
<b>Total assets</b>	<b>151,949</b>	<b>204,566</b>	<b>220,971</b>	<b>236,218</b>	<b>257,392</b>	<b>280,751</b>	<b>304,007</b>
<b>Equity</b>							
Issued capital	6,163	6,743	6,743	6,743	6,743	6,743	6,743
Share premium	20,293	25,412	25,412	25,412	25,412	25,412	25,412
Share-based reserves	285	383	383	383	383	383	383
Treasury shares	-243	-598	-598	-598	-598	-598	-598
Translation difference	239	744	744	744	744	744	744
Retained earnings	22,377	29,219	40,706	54,634	70,538	88,463	107,812
NCI	995	992	1,141	1,290	1,439	1,588	1,737
<b>Liabilities</b>							
Bonds	9,522	17,839	17,800	17,140	16,480	15,820	15,160
LT loans	5,660	10,324	10,324	10,324	10,324	10,324	10,324
LT leases	9,036	10,420	10,420	10,420	10,420	10,420	10,420
LT deferred income	187	0	0	0	0	0	0
Non interest-bearing	808	2,975	2,975	2,975	2,975	2,975	2,975
ST loans	3,284	3,812	3,812	3,812	3,812	3,812	3,812
Inventory financing loans	8,207	10,365	9,607	9,126	9,850	10,595	11,149
Trade payables	25,033	23,627	28,609	31,136	33,615	36,163	38,060
ST leases	4,540	7,352	7,352	7,352	7,352	7,352	7,352
Reverse factoring (IB)	11,674	22,827	22,407	21,283	22,977	24,719	26,016
Other interest bearing	476	160	160	160	160	160	160
Reverse factoring (non IB)	6,134	9,278	10,283	11,189	12,075	12,985	13,653
Other ST liabilities	17,278	18,328	18,328	18,328	18,328	18,328	18,328
<b>Equity and liabilities</b>	<b>151,949</b>	<b>204,566</b>	<b>220,972</b>	<b>236,219</b>	<b>257,393</b>	<b>280,752</b>	<b>304,008</b>

Source: AutoWallis, Concorde Research

Valuation - (HUF mn)	2025F	2026F	2027F	2028F	2029F	TY
NOPAT	14,155	16,472	18,436	20,448	21,857	
+ D&A	5,902	6,424	6,935	7,461	7,852	
+/- WC	4,706	4,201	-4,417	-4,543	-3,382	
- CAPEX	-7,673	-7,708	-8,322	-7,610	-8,009	
FCFF	17,090	19,388	12,632	15,756	18,318	18,684
WACC	10.7%	10.8%	10.8%	10.8%	11.1%	
DCF	15,440	15,805	9,287	10,439	10,807	120,741
LT growth						2.0%
EV	182,520					
- Net Debt	-63,041					
- Minority	-992					
Associates	2,975					
Equity Value	121,462					
No. of shares (mn)	539					
Liquidity discount	10%					
Fair value / share	203					
12-m TP	235					

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Rating	Trigger
Buy	Total return is expected to exceed 20% in the next 12 months
Accumulate	Total return is expected to be in the range of 10-20%
Neutral	Total return is expected to be in the range of 10%-(-10%)
Reduce	Total return is expected to be in the range of -10-(-20%)
Sell	Total return is expected to be lower than -20%
Under Revision	The stock is put Under Revision if covering analyst considers new information may change the valuation materially and if this may take more time.
Coverage in transition	Coverage in transition rating is assigned to a stock if there is a change in analyst.



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Prices are taken as of the previous day's close on the home market unless otherwise stated.

**Valuations and risks:**

Analysis of specific risks to set stock target prices highlighted in our investment case(s) are outlined throughout the report. For details of methodologies used to determine our price targets and risks related to the achievement of the targets referred to in the main body of the report or at [Rating Methodology](https://www.con.hu/wp-content/uploads/2016/04/Methodology_concorde_research.pdf?tstamp=201710021038) on our website. (https://www.con.hu/wp-content/uploads/2016/04/Methodology\_concorde\_research.pdf?tstamp=201710021038)

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