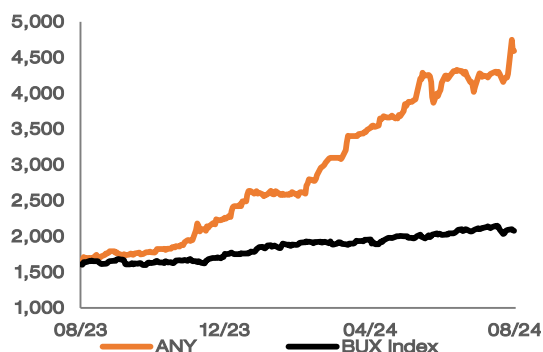


ANY Security Printing

Rating: Neutral (unch.)

Target price (12-m ex-div): 4,090 (prev. 4,015)

HUF million	2023 Q2	2024 Q2	Chg. (YoY)
Revenues	15,011	16,992	13%
EBITDA	2,267	3,492	54%
EBIT	1,645	2,895	76%
Net profit	1,017	1,833	80%
EPS (HUF)	71	128	80%
Gross margin	39.1%	35.6%	-350bps
EBITDA margin	15.1%	20.6%	545bps
EBIT margin	11.0%	17.0%	608bps
Profit margin	6.8%	10.8%	401bps
Export ratio	54%	40%	-1434bps



Share price close as of 15/08/2024	4,540	Bloomberg	ANY HB
Number of shares [mn] (w/o own shares)	14.3	Reuters	ANYH.BU
Market capitalization [HUF bn/EUR mn]	67.9/171.9	Free float	65%
Daily turnover 12M [EUR th]	102.6	52-week range	HUF 1,525-4,780

H1/24 profit exceeds Q1-Q3/23

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- **ANY posted H1/24 results yesterday, AMC.** The company reported impressive half yearly revenues of HUF 34.8 bn, up +32.8% YoY. Net profit came in at HUF 3.8 bn, which exceeds the profit of the first three quarters of 2023 (HUF 1.5 H1/23 and HUF 3.5 bn Q1-Q3/23). EPS for the first half of '24 came in at of HUF 265, matching the amount of the DPS paid after 2023 (HUF 261). Export revenues were boosted by strong Q1 while Q2 was weaker due to the lack of milestone incomes for the quarter. HU municipality and EP elections boosted revenues, while margins widened due to favourable product mix, which we note might not be sustainable in H2/24.
- Ratio of strategic product segments accounted for 96% in H1/24. Sales of security products grew by 45.9% YoY, with the growth mainly coming from strong export sales of Q1. Card production sales grew by +29.5% on a yearly basis, while the form production and data processing segment increased by 14.3%. Export sales accounted for 50% of total sales in H1, with Q2 export ratio coming in at 39.8%.
- ANY reported particularly strong operating results, with EBITDA amounting to HUF 6.8bn (+84% YoY) and EBIT totalling HUF 5.65bn (+219% YoY). Margins widened significantly; EBITDA margin came in at 19.6% while EBIT margin reached 16.3%. The improvement of margins is due to costs staying flat in Q2/24 on a yearly basis, thanks to the favourable product mix of the quarter. It is worth noting, that ANY was able to achieve these sets of results with essentially the same headcount we have seen as of last year, which is a significant efficiency improvement.
- **After the impressive first half of the year, we continue to believe that ANY will achieve outstanding results in FY24, with export sales picking up again and African projects boosting revenues. Considering the widened margins seen in H1, we made changes in**

our forecasts for FY24, representing a slight margin improvement vs. our previous forecasts. On the volume side, we are sticking to our estimated revenues of HUF 65bn, and with the updated margins we see an EPS of HUF 399, which may result in a DPS of HUF 411 next year. That would represent a dividend yield of 9%.

- Following the changes in our estimates, we reiterate our Neutral rating with a new 12-m ex-div TP of HUF 4,090. We believe ANY's results are more than encouraging, however fundamentally we believe that the share price is a bit far stretched. It is also worth noting that domestic and international institutions are gradually decreasing their holdings in ANY, while the domestic retail investors are increasing investments by nearly the same amounts. Despite agreeing on ANY's results being amazing so far, we continue to approach this stock conservatively. Having said that, we believe any more share price appreciation is unjustified. However, ANY still offers an outstanding dividend yield to its investors, accompanied by a continuous export growth story. Based on our forecasts, the company is very likely to distribute DPS of up to HUF 400 after the 2024 results, which keeps ANY a very attractive investment alternative in the region.

PROFIT AND LOSS [HUF MILLION]

[HUF mn, except per share]	2023			2024		Change	
	Q2	Q3	Q4	Q1	Q2	Y-o-Y	Q-o-Q
P&L							
Revenue	15,011	17,862	11,438	17,767	16,992	13%	-4%
Gross profit	5,863	4,533	3,274	6,938	6,043	3%	-13%
EBITDA	2,267	3,274	1,782	3,338	3,492	54%	5%
EBIT	1,645	2,680	1,215	2,755	2,895	76%	5%
Net financials, tax, minority	-627	-680	-439	-783	-1,062	69%	36%
Net profit / (loss)	1,017	2,000	776	1,972	1,833	80%	-7%
EPS	71	139	54	137	128	80%	-7%
Total Sales							
Security products	8,395	10,163	6,082	10,825	7,870	-6%	-27%
Card production	3,390	3,123	2,483	3,611	4,880	44%	35%
Form production	2,549	3,797	1,952	2,666	3,508	38%	32%
Traditional printing products	468	415	643	330	486	4%	47%
Other	209	364	278	335	248	19%	-26%
Export Sales							
Security products	5,183	7,653	3,433	7,547	1,801	-65%	-76%
Card production	541	349	234	484	1,183	119%	144%
Form production	2,235	3,556	1,589	2,277	3,408	52%	50%
Traditional printing products	28	24	48	32	49	75%	53%
Other	135	226	281	144	316	134%	119%
Export ratio	54.1%	66.1%	48.8%	59.0%	39.8%	-1434bps	-1924bps
Margins							
Gross margin	39.1%	25.4%	28.6%	39.0%	35.6%	-350bps	-348bps
EBITDA margin	15.1%	18.3%	15.6%	18.8%	20.6%	545bps	176bps
EBIT margin	11.0%	15.0%	10.6%	15.5%	17.0%	608bps	153bps
Net profit margin	6.8%	11.2%	6.8%	11.1%	10.8%	401bps	-31bps

Source: ANY Security Printing, Concorde Research

	24F Old	24F New	Chg (%)	25F Old	25F New	Chg (%)
Net sales	64,802	64,802	0%	64,423	64,423	0%
Cost of Sales	-45,152	-44,338	-2%	-44,136	-44,136	0%
Gross profit	19,650	20,464	4%	20,287	20,287	0%
SG&A	-11,992	-11,992	0%	-12,839	-12,839	0%
Gain on sale of fixed assets	0	0		0	0	
Foreign currency (loss)/gain	150	150		0	0	
Other expenses	-648	-648	0%	-644	-644	0%
EBITDA	9,946	10,760	8%	9,574	9,574	0%
Depreciation	2,786	2,786	0%	2,770	2,770	0%
Operating profit	7,160	7,974	11%	6,804	6,804	0%
Interest inc./exp., net	-449	-449	0%	-320	-320	0%
EBT	6,711	7,525	12%	6,484	6,484	0%
Deferred tax inc./exp.	0	0		0	0	
Income tax expenses	-1,208	-1,354	12%	-1,167	-1,167	0%
Profit after tax	5,503	6,170	12%	5,317	5,317	0%
Minority interest	444	444	0%	453	453	0%
Net profit	5,060	5,727	13%	4,864	4,864	0%
EPS	353	399	13%	339	339	0%

Source: Concorde Research

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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 the 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.

Securities prices:

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, visit (https://www.con.hu/wp-content/uploads/2016/04/Methodology_concorde_research.pdf?tstamp=201710021038)

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