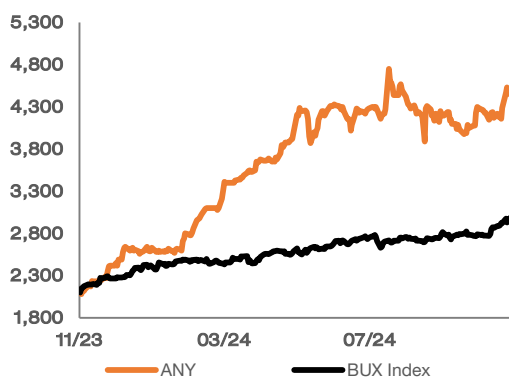


ANY Security Printing

Rating: Neutral (unch.)

Target price (12-m ex-div): 4,300 (prev. 4,090)

HUF million	2023 Q3	2024 Q3	Chg. (YoY)
Revenues	17,862	18,027	1%
EBITDA	3,274	3,576	9%
EBIT	2,680	2,973	11%
Net profit	2,000	2,061	3%
EPS (HUF)	139	144	3%
Gross margin	25.4%	38.6%	1324bps
EBITDA margin	18.3%	19.8%	151bps
EBIT margin	15.0%	16.5%	149bps
Profit margin	11.2%	11.4%	24bps
Export ratio	66%	61%	-477bps



Share price close as of 25/11/2024	4,530	Bloomberg	ANY HB
Number of shares [mn] (w/o own shares)	14.3	Reuters	ANYH.BU
Market capitalization [HUF bn/EUR mn]	67.0/163.5	Free float	65%
Daily turnover 12M [EUR th]	114	52-week range	HUF 2,060-4,780

Record profit exceeds our FY estimates, raises our TP

Equity Analyst
Mate Somlai-Kiss
+36 1 489 2341
m.somlai@con.hu

55-61 Alkotás
Street,
Budapest
www.con.hu

- **ANY posted Q3/24 results yesterday, AMC.** The company reported results that exceeded our full-year forecasts, with revenues of HUF 18 bn, up +1% YoY, while net profit reached HUF 2 bn (+3% YoY). This translates into a quarterly EPS of HUF 144. 9M/24 EPS of HUF 409 (excluding treasury shares) exceeded our FY/24 forecast of HUF 399. Considering the results of the first three quarters, after reviewing our model we made changes to our estimates. Despite the exceptional performance of the company, we remain slightly cautious looking into the future, as we note that the widened margins might not be sustainable in the long run.
- Ratio of strategic product segments accounted for 93% in Q3/24. Sales of security products decreased on the year by 21%, which is attributable to the high base period. Export security products on the other hand grew by 2%, due to the increased volume of passports and the revenues from the development of the passport issuing system. Form production also saw a decrease of 21% YoY. Card production was extremely strong in Q3, sales grew by +86% on a yearly basis, which can mainly be attributed to the increased circulation of document cards, with export card production increasing by 143% on the year. Export sales accounted for 61% of total sales in the third quarter, while staying stable at 54% in the first nine months.
- In Q3, gross margin widened significantly to 39% vs. 25% in Q3/23, due to costs decreasing YoY while revenues were boosted by milestone incomes and election related incomes. Quarterly EBITDA came in at HUF 3.6bn (+9% YoY) and EBIT reached HUF 3bn (+11% YoY). Margins remained elevated, with an EBITDA margin of 19.8% and an EBIT margin of 16.5%.

- FX movements were unfavourable in Q3, turning 9M FX gains into a slight loss, however we expect Q4 to reverse this trend, based on the current strength of the EUR and USD compared to HUF.
- We once again note that domestic and international institutions are gradually decreasing their holdings in ANY, while domestic retail investors are increasing investments by nearly the same amounts from quarter to quarter.
- **Considering the truly impressive results of the first three quarters of 2024, we decided to revisit our estimates. Looking at the widened margins seen so far this year, we upgraded our short-term profitability outlook, however, we remain cautious regarding the longer-term profitability of ANY. Since a good amount of growth comes from export projects, we cannot be certain that current growth and elevated profitability will be sustainable in the long run.**
- Following our model update, we forecast FY24 revenues to exceed HUF 65 bn, while we accounted for a good part of the increased profitability of the first nine months. We raised our EBIT forecast by 29% compared to our old estimates to HUF 9 bn. We expect ANY to reach FY24 EPS of HUF 474, while we continue to value the company by assuming a 100% payout ratio. In this case, ANY is expected to pay out dividends of up to HUF 488 in 2025, while even with a lower payout ratio of 80%, DPS could be at least HUF 390. These figures would represent a DivY of 8.6-10.7%, which we think will be fully priced in soon.
- All in all, ANY shares seem to offer a convincing DivY with a slight room for share price appreciation, as we set our new 12m ex-div TP at HUF 4300, while reiterating our Neutral rating.

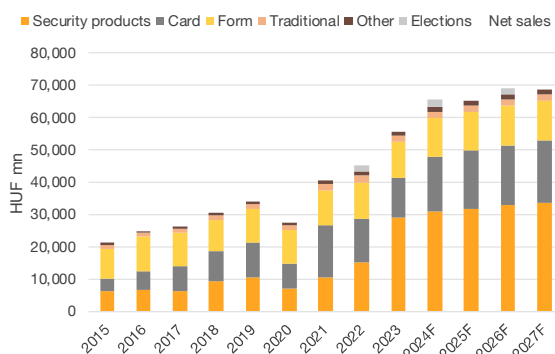
[HUF mn, except per share]	2023				2024			Change	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Y-o-Y	Q-o-Q
P&L									
Revenue	11,164	15,011	17,862	11,438	17,767	16,992	18,027	1%	6%
Gross profit	4,014	5,863	4,533	3,274	6,938	6,043	6,960	54%	15%
EBITDA	1,451	2,267	3,274	1,782	3,338	3,492	3,576	9%	2%
EBIT	863	1,645	2,680	1,215	2,755	2,895	2,973	11%	3%
Net financials, tax, minority	-389	-627	-680	-439	-783	-1,062	-911	34%	-14%
Net profit / (loss)	474	1,017	2,000	776	1,972	1,833	2,061	3%	12%
EPS	33	71	139	54	137	128	144	3%	12%
Total Sales									
Security products	4,421	8,395	10,163	6,082	10,825	7,870	8,007	-21%	2%
Card production	3,167	3,390	3,123	2,483	3,611	4,880	5,798	86%	19%
Form production	2,853	2,549	3,797	1,952	2,666	3,508	3,009	-21%	-14%
Traditional printing products	466	468	415	643	330	486	559	35%	15%
Other	257	209	364	278	335	248	654	80%	164%
Export Sales									
Security products	1,148	5,183	7,653	3,433	7,547	1,801	4,871	-36%	170%
Card production	857	541	349	234	484	1,183	2,571	637%	117%
Form production	2,509	2,235	3,556	1,589	2,277	3,408	3,004	-16%	-12%
Traditional printing products	105	28	24	48	32	49	39	63%	-20%
Other	159	135	226	281	144	316	573	154%	81%
Export ratio	42.8%	54.1%	66.1%	48.8%	59.0%	39.8%	61.3%	-477bps	2158bps
Margins									
Gross margin	36.0%	39.1%	25.4%	28.6%	39.0%	35.6%	38.6%	1324bps	305bps
EBITDA margin	13.0%	15.1%	18.3%	15.6%	18.8%	20.6%	19.8%	151bps	-71bps
EBIT margin	7.7%	11.0%	15.0%	10.6%	15.5%	17.0%	16.5%	149bps	-55bps
Net profit margin	4.2%	6.8%	11.2%	6.8%	11.1%	10.8%	11.4%	24bps	65bps

Source: ANY Security Printing, Concorde Research

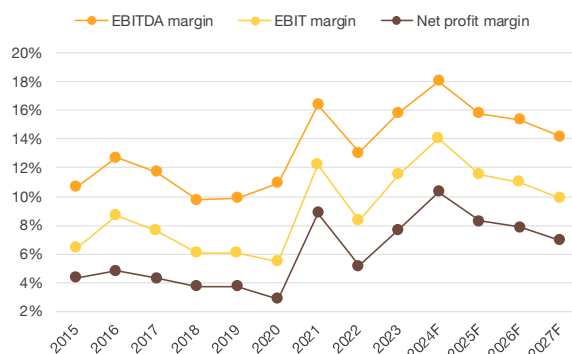
	24F Old	24F New	Chg (%)	25F Old	25F New	Chg (%)
Net sales	64,802	65,724	1%	64,423	65,270	1%
Cost of Sales	-45,152	-43,460	-4%	-44,136	-43,705	-1%
Gross profit	19,650	22,264	13%	20,287	21,565	6%
SG&A	-11,992	-12,527	4%	-12,839	-13,412	4%
Gain on sale of fixed assets	0	0		0	0	
Foreign currency (loss)/gain	150	150	0%	0	0	
Other expenses	-648	-657	1%	-644	-653	1%
EBITDA	9,946	11,858	19%	9,574	10,307	8%
Depreciation	2,786	2,629	-6%	2,770	2,807	1%
Operating profit	7,160	9,229	29%	6,804	7,500	10%
Interest inc./exp., net	-449	-384	-14%	-320	-346	8%
EBT	6,711	8,845	32%	6,484	7,154	10%
Deferred tax inc./exp.	0	0		0	0	
Income tax expenses	-1,208	-1,592	32%	-1,167	-1,288	10%
Profit after tax	5,503	7,253	32%	5,317	5,867	10%
Minority interest	444	457	3%	453	466	3%
Net profit	5,060	6,796	34%	4,864	5,401	11%
EPS	353	474	34%	339	376	11%

Source: Concorde Research

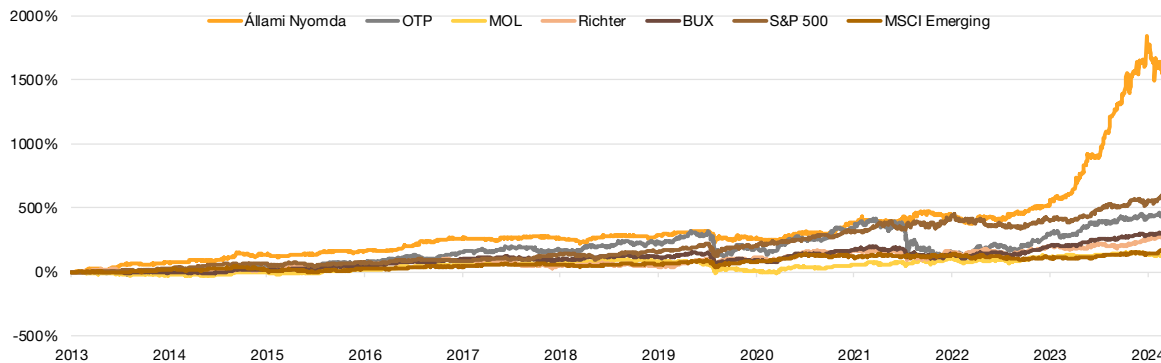
Revenues



Margins



Osztalékkal korrigált teljes hozam



Concorde Securities Ltd. does and seeks to do business with companies covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interests that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision. For analysts' certification and other important disclosures, please refer to the "Disclaimer" section at the end of this report.

DISCLAIMER I.

This research report has been prepared by Concorde Securities Ltd., a full-service Hungarian investment banking, investment management and brokerage firm. Concorde Securities Ltd. is under the supervision of the National Bank of Hungary in its capacity as financial supervisory authority.

Concorde Securities Ltd. is registered in Hungary and does not have any subsidiaries, branches or offices outside of Hungary. Therefore we are not allowed to provide direct investment banking services to US investors and restrictions may apply to our potential investment banking services according to your country's jurisdiction.

Our salespeople, traders and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are their own and may be contrary to the opinions expressed in our research products, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed by our analysts or traders.

Our research, sales and trading professionals are paid based on the profitability of the respective divisions of Concorde Securities Ltd., which from time-to-time may include revenues from the firm's capital market activity. Concorde Securities Ltd. does not prohibit analysts, salespeople and traders from maintaining a financial interest in the securities or futures of any companies that they cover or trade on their clients' behalf in strict compliance with the Hungarian Capital Markets Act.

ANALYSTS CERTIFICATION

The research analysts undersigned and responsible for the preparation of this report hereby certify that (i) the views expressed in this research report accurately reflect their personal views about any and all of the securities or issuers referred to in this research report; (ii) no part of the analysts' compensation was, is or will be directly or indirectly related to the specific recommendation or views expressed in this report and (iii) no part of their compensation is tied to any specific investment transactions performed by Concorde Securities Ltd.

Name and job title of individuals involved in the production of this report are disclosed at the end of this report.

Concorde Securities Ltd. is a leading manager and underwriter of Hungarian equity offerings. We have investment banking and other business relations with a substantial percentage of the companies traded on the Budapest Stock Exchange and covered by our research department. Concorde Securities Ltd, its directors and employees may have a position in these securities, which may change at any time.

Concorde Securities Ltd. acted as Lead Manager of the private and public share placement of the shares of FHB in 2003, Masterplast in 2012 and Duna House in 2016. Concorde Securities Ltd. acted as the Co-lead Manager of Gedeon Richter's exchangeable bond issue in September 2004. Concorde Securities Ltd. has provided financial advice to Magyar Telekom.

EXPLANATION OF RATINGS AND METHODOLOGY

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 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)

Research disclosures:

Concorde Securities Ltd. may have published other investment recommendations in respect of the same securities/instruments recommended in this report during the preceding 12 months. Disclosure of previous investment recommendations produced by Concorde Securities Ltd. in the previous 12 months can be found at [Rating history](https://www.con.hu/wp-content/uploads/2016/04/Rating-history.pdf?tstamp=201710021038). (https://www.con.hu/wp-content/uploads/2016/04/Rating-history.pdf?tstamp=201710021038)

GENERAL

This report is provided for information purposes only and does not represent an offer for sale, or the solicitation of any offer to buy or sell any securities.

The information, and any opinions, estimates and forecast have been obtained from sources believed by us to be reliable, but no representation or warranty, express or implied is made by us as to their accuracy or completeness. The information, opinions, estimates and forecasts may well be affected by subsequent changes in market conditions. This document may not be reproduced in whole or in part, or published for any purpose.

REPRODUCTION OR REBROADCAST OF ANY PORTION OF THIS RESEARCH REPORT IS STRICTLY PROHIBITED WITHOUT THE WRITTEN PERMISSION OF CONCORDE SECURITIES LTD.

DISCLAIMER II.

This research/commentary was prepared by the assignment of Budapest Stock Exchange Plc. (registered seat: 1013 Budapest, Krisztina krt. 55. ; company registration number: 01-10-044764, hereinafter: BSE) under the agreement which was concluded by and between BSE and Concorde Securities Ltd. (registered seat: H-1123 Budapest Alkotás utca 55-61., company registration number: 01-10-043521, hereinafter: Investment Service Provider)

BSE shall not be liable for the content of this research/commentary, especially for the accuracy and completeness of the information therein and for the forecasts and conclusions; the Service Provider shall be solely liable for these. The Service Provider is entitled to all copyrights regarding this research/commentary however BSE is entitled to use and advertise/spread it but BSE shall not modify its content.

This research/commentary shall not be qualified as investment advice specified in Point 9 Section 4 (2) of Act No. CXXXVIII of 2007 on Investment Firms and Commodity Dealers and on the Regulations Governing their Activities. Furthermore, this document shall not be qualified as an offer or call to tenders for the purchase, sale or hold of the financial instrument(s) concerned by the research/commentary.