

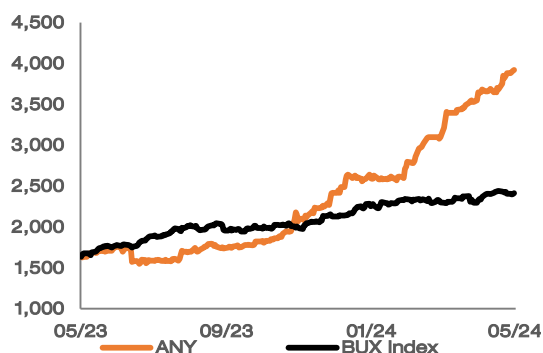
ANY Security Printing

Rating: Neutral (prev. BUY)

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

Share price: HUF 4000

HUF million	2023 Q1	2024 Q1	Chg. (YoY)
Revenues	11,164	17,767	59%
EBITDA	1,451	3,338	130%
EBIT	863	2,755	219%
Net profit	474	1,972	316%
EPS (HUF)	33	137	316%
Gross margin	36.0%	39.0%	309bps
EBITDA margin	13.0%	18.8%	579bps
EBIT margin	7.7%	15.5%	778bps
Profit margin	4.2%	11.1%	685bps
Export ratio	43%	59%	1621bps



Share price close as of 24/05/2024	4,000	Bloomberg	ANY HB
Number of shares [mn] (w/o own shares)	14.3	Reuters	ANYH.BU
Market capitalization [HUF bn/EUR mn]	59.2/153.8	Free float	58%
Daily turnover 12M [EUR th]	57.0	52-week range	HUF 1,550-4,000

Excellent start to 2024

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- **ANY posted Q1/24 results on Friday, AMC. The company reported outstanding quarterly revenues of HUF 17.8 bn, up +59% YoY and +55% QoQ. Net profit more than quadrupled (+316% YoY), coming in at HUF 2 bn resulting in an EPS of HUF 137. The Angolan project may have improved results significantly. Following the exceptional 2023 results, ANY started 2024 stronger than expected. We continue to believe that ANY's top line can show double-digit growth rate this year, with further export expansion and the EP and HU municipal elections boosting revenues as well.**
- Ratio of strategic product segments accounted for 96% in Q1/24. Sales of security products grew by a staggering 145% YoY, with the growth coming mainly from export sales. Card production sales grew by +14% on a yearly basis, while the form production and data processing segment fell by 7%. Export sales accounted for 59% of total sales in the quarter.
- ANY reported stellar operating results as well, with EBITDA amounting to HUF 3.3bn (+130% YoY) and EBIT totalling HUF 2.8bn (+219% YoY). Margins widened significantly; EBITDA margin came in at 18.8% while EBIT margin reached 15.5%.
- ANY's costs increased by +53% YoY, mainly driven by the increased material and personnel expenses. However, as mentioned in our previous notes, ANY can gradually pass on rising costs to customers. As a result, the company further improved its gross margin to 39% (vs. 36% in Q1/23).
- **ANY will pay out HUF 261/sh in dividends starting at the 15th of July, with an ex-date of July 5th, currently offering a dividend yield of 6.5%.**

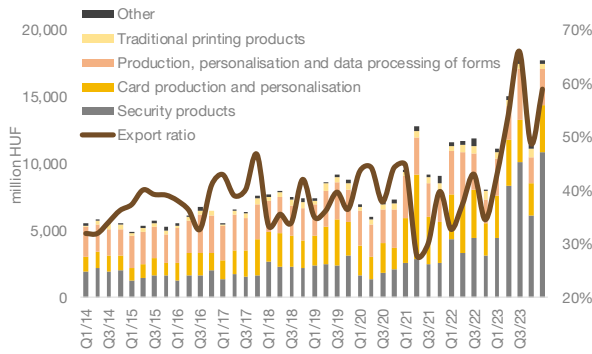
- After the very strong first quarter results, we believe ANY will achieve impressive results in FY24, with the upcoming elections in Q2 and the African projects boosting revenues. Therefore, we are sticking to our forecasts published in our March note, where we forecast full-year revenues to reach HUF 65 bn and an EPS of HUF 353.
- Following this quarter's impressive share price appreciation, we change our rating to Neutral, as the share price is nearing our 12-m ex-div TP. Despite being conservative and not increasing our estimates, we think there is still room for share price appreciation, as ANY offers an outstanding dividend policy to its investors, accompanied by an impressive export growth story. Based on our forecasts, the company is very likely to distribute DPS of more than HUF 300 after the 2024 results, which keeps ANY a very attractive alternative investment in the region.

PROFIT AND LOSS [HUF MILLION]

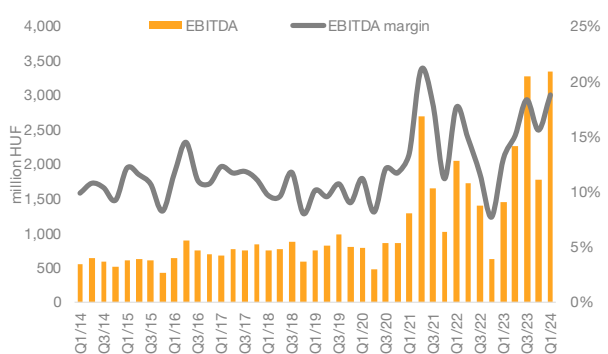
[HUF mn, except per share]	2023				2024	Change	
	Q1	Q2	Q3	Q4	Q1	Y-o-Y	Q-o-Q
P&L							
Revenue	11,164	15,011	17,862	11,438	17,767	59%	55%
Gross profit	4,014	5,863	4,533	3,274	6,938	73%	112%
EBITDA	1,451	2,267	3,274	1,782	3,338	130%	87%
EBIT	863	1,645	2,680	1,215	2,755	219%	127%
Net financials, tax, minority	-389	-627	-680	-439	-783	101%	78%
Net profit / (loss)	474	1,017	2,000	776	1,972	316%	154%
EPS	33	71	139	54	137	316%	154%
Total Sales							
Security products	4,421	8,395	10,163	6,082	10,825	145%	78%
Card production	3,167	3,390	3,123	2,483	3,611	14%	45%
Form production	2,853	2,549	3,797	1,952	2,666	-7%	37%
Traditional printing products	466	468	415	643	330	-29%	-49%
Other	257	209	364	278	335	30%	21%
Export Sales							
Security products	1,148	5,183	7,653	3,433	7,547	557%	120%
Card production	857	541	349	234	484	-44%	107%
Form production	2,509	2,235	3,556	1,589	2,277	-9%	43%
Traditional printing products	105	28	24	48	32	-70%	-33%
Other	159	135	226	281	144	-9%	-49%
Export ratio	42.8%	54.1%	66.1%	48.8%	59.0%	1621bps	1018bps
Margins							
Gross margin	36.0%	39.1%	25.4%	28.6%	39.0%	309bps	1042bps
EBITDA margin	13.0%	15.1%	18.3%	15.6%	18.8%	579bps	321bps
EBIT margin	7.7%	11.0%	15.0%	10.6%	15.5%	778bps	489bps
Net profit margin	4.2%	6.8%	11.2%	6.8%	11.1%	685bps	432bps

Source: ANY Security Printing, Concorde Research

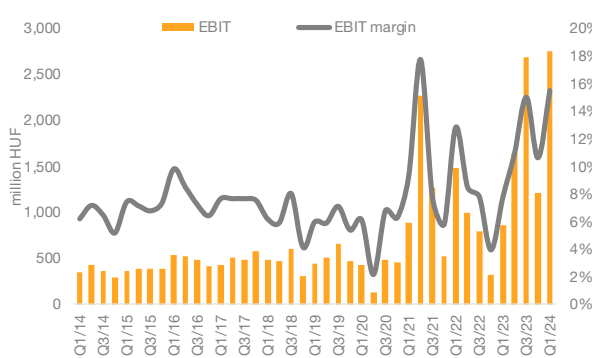
Quarterly sales breakdown



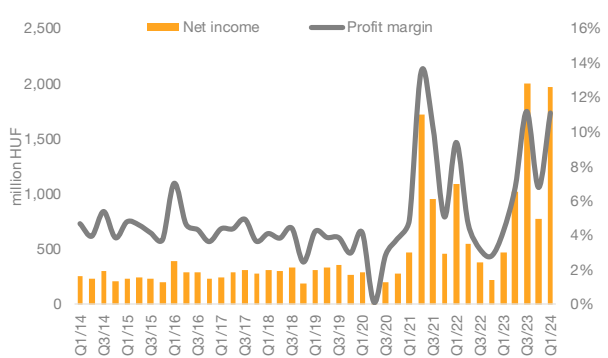
Development of quarterly EBITDA & EBITDA margin



Quarterly EBIT & EBIT margin



Quarterly net profit & net profit margin



Source: ANY Security Printing, Concorde Research

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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 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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