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# Varta

ISIN: DE000A0TGJ55  
 country: germany  
 sector: industrial electronics  
 risk class: high  
 price: 146.05 EUR



## profile:

- well known developer and manufacturer of batteries
- business unit microbatteries (60%): for e.g. hearing-aids, smart watches & robotics
- business unit household batteries (30%): primary & rechargeable batteries; big energy storages
- 4.600 employees, more than 130 years experience and member of the SDAX & TecDax

## fundamentals (y-1):

**2.7**  
 equity ratio: 43.0% →  
 return on equity: ↑ 25% 19.1% →  
 ebit margin: 16.3% →

## stability (y-3, y-2, y-1):

**1.0**  
 max. equity drop: 12.6% ↑  
 max. sales drop: 12.2% ↑  
 max. earnings drop: 89.3% ↑

## price ratios (y-1):

**5.0**  
 price book ratio: ↓ 25% 11.8 ↓  
 price sales ratio: 6.8 ↓  
 price cashflow ratio: 25.8 ↓  
 price earnings ratio: 61.8 ↓

## expected growth (avg. of y & y+1):

**1.7**  
 sales growth: ↑ 25% 15.8% ↑ 1  
 cashflow growth: 10.4% → 3  
 earnings growth: ↑ 25% 44.3% ↑ 1

## past price development:

lin. price time corr. (90 days): 0.78  
 lin. price time corr. (1 year): 0.51  
 lin. price time corr. (2 years): 0.77  
 price divided by 200-days-aver.: 1.16

## price barriers:

take profit: - EUR  
 stop loss: 100.00 EUR

## investment consideration:

- + robust fundamental data: high return on equity (19.1%) and good ebit-margin (16.3%)
- + excellent expected growth for sales (Ø 15.8%) and earnings (Ø 44.3%) for the next two years
- + excellent results in the past: min. 12.6% growth in equity and min. 89.3% growth in earnings
- + should benefit from global trend to wireless electronical devices
- + worldwide innovation and technology leader
- production is mainly located in germany, but also in indonesia & romania
- member of the supervisory board, Mr. Michael Tojner, is majority shareholder (ca. 55%)
- 2021 was the first time the company paid a dividend (2.50 €)
- extremely high price book ratio ratio (11.8) and also a relative high price earnings ratio (61.8)
- major price drops like in march 2019 or february 2021 can not be ruled out

## investment decision:

→ BUY: healthy business model with very good future prospects for a long term investment.



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