

VT Holdings (7593, Corporate)

Cost of capital focus

21st January 2025

Share price: ¥499

Market cap: ¥61.2bn

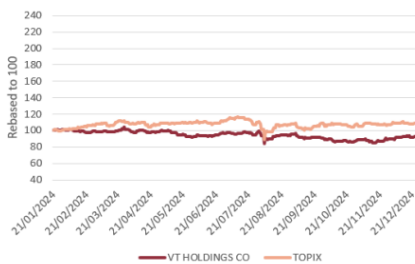
Record 1H sales & OP, allied to a growing focus on cost of capital, augur well for the stock's medium-term prospects.

Company sector

Specialty Retail (GICS Industry)

Stock data

Price (¥)	499
Mkt cap (¥bn)/(\$m)	61.2 / 393.4
52-week range (¥)	432 – 548
Shares O/S (m)	122.6
Average daily value (\$m)	1.3
Free float (%)	75.0
Foreign shareholding (%)	14.5
Ticker	7593
Exchange	Tokyo Prime
Net Debt/Equity (x)	111.3



Source: Bloomberg

BUSINESS OVERVIEW

VT HOLDINGS CO sells automobiles, replacement parts, & used cars, provides vehicle maintenance & repair services & arranges automobile financing & insurance. It also has a housing & condominium construction business.

Next event

1-3Q 3/2025 results in Feb 2025

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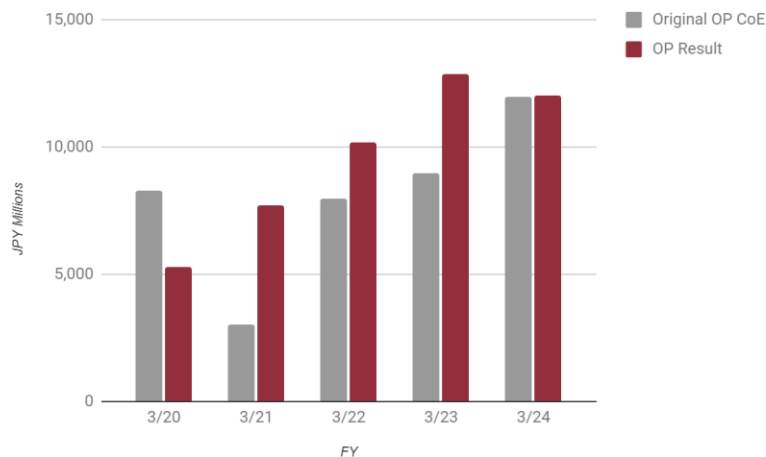
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- **Record 1H 3/25 sales & OP finished above the company's forecasts, largely due to VT Holdings' conservative forecast, but also a slight acceleration in the delivery of its substantial order backlog. In addition, the company's SG&A:sales ratio improved -0.5ppt YoY to 11.9%, contributing to OP strength.**
- **Auto Sales-related business recorded its fourth consecutive year of 1H sales & OP growth. Whilst new order growth continues to outpace shipments, manufacturer supply conditions have improved, & VT Holdings has successfully reduced the order-sales lead time, resulting in 2Q order backlog growth slowing QoQ. It also believes weak domestic auto production levels, which weighed on 1H domestic new car sales, have largely normalised at all manufacturers excluding Toyota & Daihatsu.**
- **In the Rent-a-Car business, the company has benefited from the tourism demand recovery & recently risen to #5 in the industry. It is not currently considering M&A, instead targeting organic growth by increasing store & car numbers. Subsidiary Caterham's joint project with Yamaha on a new EV Sports Coupe is forecast to complete the prototype around summer 2025.**
- **1H Housing-related OP increased +6.4%YoY despite rising land, material and labour costs. Whilst sales were below the company's internal forecast, it believes it is on track to achieve its FY target due to ongoing strong renewal & renovation enquiries.**
- **The company has left its FY 3/25 estimates unchanged, in part due to cautious forecasting & low visibility regarding 2H delivery timings but given the lack of clear negative factors we expect it to finish above plan. We also applaud the recent release of VT Holdings' policies on 'Action to Implement Management that is Conscious of Cost of Capital and Stock Price'. It includes a number of goals which we expect to be received positively by investors.**
- **On 8x FY 3/25 P/E & a 0.8x P/B ratio, with efforts to enhance profitability, optimise its financial structure, & improve market perception, we believe investors would benefit from time with senior management to discuss VT Holdings' long-term growth prospects: [here](#).**

Year end	3/2023	3/2024	1H 3/2025	3/2025E
Sales (¥bn)	266.3	311.6	170.2	330.0
OP (¥bn)	12.9	12.0	6.4	13.0
NP (¥bn)	7.2	6.7	3.2	7.0
EPS (¥)	61.9	56.9	26.7	57.8
DPS (¥)	23.5	24.0	12.0	24.0
Sales growth YoY (%)	11.9	17.0	17.3	5.9
OP growth YoY (%)	26.1	-6.6	12.4	8.3
NP growth YoY (%)	-38.5	-6.7	-2.9	4.5
EPS growth YoY (%)	-38.7	-8.1	-6.0	0.2
PER (x)	8.2	9.4	8.5	8.0
EV/EBITDA (x)	6.0	5.4	4.8	5.4
PBR (x)	0.9	0.9	0.8	0.8
ROE (%)	12.4	9.8	9.2	n/a
ROIC (%)	6.3	4.9	5.1	n/a
FCF yield (%)	n/a	n/a	n/a	n/a
Dividend yield (%)	4.6	4.9	n/a	4.8

Source: Bloomberg

RESULTS VS FORECAST HISTORY



EARNINGS

- 1H 3/25:

- Sales: 1H sales reached a record high, increasing +17.3%YoY to ¥170.2bn, & were comfortably above the 1H forecast, primarily due to VT Holdings' typically conservative guidance &, to a lesser extent, its ability to marginally accelerate auto order backlog deliveries.

- GP: 1H GP increased +12.6%YoY to ¥26.6bn. The 1H GPM declined -0.7ppt YoY to 15.6% due to a) a shift in new car sales mix bringing lower-GPM of new cars; & b) rising material, land, & labour costs in the Housing-related business which were not fully offset by price adjustments.

- OP: Conversely, 1H 3/25 SG&A:sales declined -0.5ppt YoY to 11.9%, resulting in the OPM remaining broadly flat at 3.8% -0.1ppt YoY. 1H OP consequently increased +12.4%YoY to ¥6.4bn, **exceeding the 1H forecast & reaching a record high.**

- NP: 1H NP decreased -2.9%YoY to ¥3.2bn, but a decline had been assumed & the figure was above the 1H estimate. Lower NP YoY was due to an approx. ¥130m accounting adjustment on non-100%-owned subsidiaries in the Rent-a-Car & Housing-related businesses, adjustment of provisions due to the abolition of executive retirement benefits & tax-related factors.

- FY 3/25 outlook: Despite 1H strength, VT Holdings has left its FY 3/25 estimates unchanged due to its lack of visibility regarding 2H auto delivery conditions as well as conservative forecasting. **Absent any unexpected negative factors, we anticipate FY 3/25 earnings finishing above plan.**

AUTO SALES-RELATED

(JPY millions)	3/24 Results	YoY	1Q 3/25 Results	YoY	1H 3/25 Results	YoY
- New cars	156,408	21.9%	42,634	27.0%	85,572	17.4%
- Used Cars	65,272	6.9%	18,965	30.8%	37,712	23.5%
- Maintenance	47,563	11.4%	12,717	14.5%	25,596	11.5%
- Rent-a-Car	15,176	23.3%	4,209	25.2%	9,230	26.4%
Total Auto Sales	284,418	16.4%	78,526	25.6%	158,110	18.3%
- New cars	14,622	22.8%	3,460	7.4%	6,983	0.2%
- Used Cars	9,250	-5.0%	2,879	36.6%	5,785	31.5%
- Maintenance	16,107	13.1%	4,296	18.6%	8,762	12.2%
- Rent-a-Car	5,093	19.9%	1,326	21.7%	3,183	29.5%
Total Auto GP	45,072	12.3%	11,962	19.1%	24,713	14.2%
GPM	15.9%	-0.5%	15.3%	-0.9%	15.6%	-0.7%
OP	8,858	2.7%	2,764	34.7%	5,693	23.1%
OPM	3.1%	-0.4%	3.5%	0.2%	3.6%	0.1%

Auto Sales-Related business sales increased +18.3%YoY to ¥158.1bn & OP +23.1%YoY to ¥5.7bn, representing record 1H highs & a fourth consecutive year of 1H growth.

- *Order backlog*: Following an approx. +600 QoQ increase in vehicles to >7,800 at 1Q 3/25 results, the order backlog grew approx. +400 QoQ to 8,200 at 1H results.

The company has successfully reduced the order-sales lead time from >1 year on certain models to an average 4-6 months, or as little as 2 months in faster cases.

Despite improving delivery times, the order backlog has continued to expand as 1H new car orders increased approx. +20%YoY & new cars delivered +7.9%YoY to 24,818.

VT Holdings does not anticipate any further major impediments to domestic auto production & supply, but manufacturers are also not significantly expanding production capacity. In the short term, it therefore expects order & sales growth to continue at broadly similar rates to the 1H 3/25, leading to gradual order backlog accumulation.

- *Domestic sales*:

- New car sales: Whilst 1H 3/25 new car units sold increased +7.9%YoY to 24,818, domestic new cars sold declined -2.3%YoY to 12,836 as production was impacted by model certification issues at certain automobile manufacturers. **At present, VT Holdings believes the domestic auto production level has returned to broadly normal levels at all manufacturers** excluding Toyota & Daihatsu, but also expects Toyota & Daihatsu production to recover in the 2H.

We note 1H Honda vehicle sales increased +3.3%YoY to 3,550, & VT Holdings reports orders are strong. Honda is maintaining regular new model releases, leading to stable sales growth.

Conversely, 1H new Nissan cars sold declined -7.5%YoY to 7,247, which we believe is a result of fewer new Nissan model releases.

Whilst Nissan's revitalisation plan includes an approx. -20% global production capacity cut, **VT Holdings expects this to primarily relate to overseas supply & anticipates domestic sales remaining largely unaffected.**

1H imported car sales increased +11.6%YoY to 1,687.

- Used car sales: Domestic used car unit sales increased +6.7%YoY to 13,177. Inventory shortages in this area have been resolved & used car market prices are on an upward trend, although VT Holdings' exposure to market fluctuations is limited by exclusively selling trade-in models from new car sales.

- *Overseas sales*: 1H new overseas car sales increased +21.4%YoY to 11,982 units due to strong sales in Spain &, to a lesser extent, South Africa.

Whilst 1H used overseas car volumes were broadly flat at 5,976 -0.1%YoY, overseas export volumes reached 3,795 units +37.3%YoY.

The Spanish business has been expanding consistently, which is likely to continue in the 2H. 1H UK sales were sluggish, but VT Holdings expects a recovery in the 2H to which regional sales are typically skewed. Whilst the Australian business faces challenges due to a shortage of car imports, particularly from Honda, the South African business continues to record stable growth.

- *Maintenance*: VT Holdings focused on expanding inspection & repair orders to increase commission income, resulting in +11.45%YoY 1H maintenance sales growth to ¥25.6bn. We expect stable growth to continue in the short-medium term.

- *Rent-a-Car*: 1H business sales increased +26.4%YoY to ¥9.2bn due to tourism demand recovery & increased demand for insurance courtesy cars.

The number of vehicles has been steadily growing, with a total of 19,528 vehicles in the J-net Rental & Lease fleet as of 1H 3/25 results. **The company has recently risen from the industry #6 to #5, & aims to rapidly reach #4 by increasing the number of stores & cars.** It is not currently planning to expand its Rent-a-Car business via M&A as it believes it has substantial capacity to grow organically.

- *Joint development with Yamaha*: Caterham & Yamaha Motor are collaborating on the development of a new EV sports coupe. The prototype cars are expected to complete around summer 2025.

- *Company statement on the Honda-Nissan merger*: 'We at VT Holdings are pleased that both the Honda and Nissan brands are expected to be preserved through the merger, based on their statement. We believe that if both brands increase their appealing product lineups & offer their customers a wider range of choices, this will create an even greater business opportunity for us.'

HOUSING-RELATED

(JPY millions)	3/24 Results	YoY	1Q 3/25 Results	YoY	1H 3/25 Results	YoY
Sales	26,993	23.5%	6,240	12.8%	11,977	6.4%
OP	1,954	-42.5%	403	13.8%	746	6.6%
OPM	7.2%	-8.3%	6.5%	0.1%	6.2%	0.0%

1H Housing-related business sales increased +6.4%YoY to ¥12bn, below internal expectations due to a delay in sales recognition versus projections, but **VT Holdings remains confident of**

achieving its FY target as renewal & renovation enquiries from other auto dealers remain strong.

Despite the impact of high land & construction material prices, as well as rising labour costs, 1H divisional OP increased +6.6%YoY to ¥746m.

BALANCE SHEET

- *Net debt/equity ratio:* The net debt/equity ratio increased from 1.4x at FY 3/24 results to 1.5x at 1H 3/25 results. **VT Holdings ultimately aims to reduce the level to <1x by selling cross-shareholdings to reduce total assets & using the proceeds to pay down debt.**

- *Liquidity:* Conversely, the 1H 3/25 current ratio improved +0.7ppt YoY to 93.4%. We also note the 1H fixed asset to long-term liability ratio improved -1.2ppt YoY to 113.3%.

CASH FLOW

In the 1H 3/25, VT Holdings generated ¥11.2bn positive cash flow from operations, in contrast to -¥3.1bn operating cash outflow in 1H 3/24. The company **attributes the improvement to its efforts to reduce inventory & grow earnings in 1H 3/25.**

The investment cash outflow widened from -¥5.8bn in the 1H 3/24 to -¥7.5bn in the 1H 3/25 but was as expected given the expansion of fixed assets, notably new car dealer stores & also cars for the Rent-a-Car business. In addition, due to the strong operating cash flow detailed above, 1H 3/25 FCF (operating & investing cash flow) was positive at ¥3.7bn versus -¥8.9bn 1H 3/24 free cash outflow.

- *Cost of Capital Consciousness:* On 28th Oct 2024, VT Holdings released its 'Action to Implement Management that is Conscious of Cost of Capital and Stock Price' policies.

With a FY 3/24 RoE of 9.8%, above its assumed 6-8% cost of equity, VT Holdings regards its FY 3/24 P/B ratio of 0.9x & P/E ratio of 9.4x as evidence the market is undervaluing its growth potential.

- *ROE growth:* By improving its profitability from a FY 3/24 OPM of 3.9% to a FY 3/28 OPM of $\geq 5\%$ & optimising its balance sheet, the company aims to trigger stable RoE growth to a FY 3/28 target of $\geq 12\%$.

We note its balance sheet optimisation plans include a number of actions likely to be positively received by investors, **including restructuring its business portfolio, unwinding cross-shareholdings, reducing interest-bearing debt, & improving shareholder returns.**

- *Lowering cost of capital:* VT Holdings aims to lower its cost of capital via IR activity enhancement & promotion of sustainability management, whilst improving its P/B ratio to $\geq 1x$.

- *Other FY 3/28 targets:* The company intends to improve the equity-to-asset ratio from 26.7% in FY 3/24 to 30-40% in FY 3/28, & reduce the net debt/equity ratio from 1.4x to $\leq 1x$ over the same period. It has a FY 3/28 dividend payout ratio target of $\geq 40\%$ (versus 42.2% in FY 3/24) & a DoE target of $\geq 4.0\%$ (versus 3.9% in FY 3/24).

- *Funds:* The company has outlined its estimated funds for FY 3/26-3/28 growth: approx. ¥50bn operating cash flow & ¥12-20bn from unwinding cross-shareholdings & streamlining the balance sheet.

It plans to spend these funds on new & existing business investment (approx. ¥25bn & ¥18bn respectively), shareholder returns (approx. ¥10bn in dividends & ¥5-10bn on share buybacks), & reduction of interest-bearing debt (approx. ¥5-7bn).

PREVIOUS REPORTS

- 30th September 2024: [‘Substantial order backlog’](#)
- 26th June 2024: [‘Initiating coverage: Car dealer M&A’](#)

COMPANY INFORMATION

Company Timeline

March 1983	HONDA VERO TOKAI CO., LTD. founded at Marune, Kagiyamachi, Tokai, Aichi Prefecture with capital of 40 million yen.
April 1983	Signed a basic agreement for a Verno dealership with HONDA MOTOR CO., LTD. and opened the Tokai store in Kagiyamachi, Tokai, Aichi Prefecture.
May 1994	Relocated head office to Dadaboshi, Kagiyamachi, Tokai, Aichi Prefecture.
Sep 1998	Listed on the Second Section of Nagoya Stock Exchange.
March 1999	Acquired FORD LIFE CHUBU CO., LTD, (currently FLC CO., LTD) and HONDA MOTOR SALES MEINAN CO., LTD. (currently HONDA CARS TOKAI CO., LTD.)
June 1999	Established ORIX RENT-A-CAR CHUBU CORPORATION (currently J-NET RENTAL & LEASE CO., LTD.)
March 2000	Established NEW STEEL HOMES JAPAN CORPORATION (currently ARCHISH GALLERY CO., LTD.)
April 2000	Expanded Honda dealership territory into Gifu prefecture by taking over sales areas from HONDA VERO GIFU CO., LTD. Established ORIX RENT-A-CAR OSAKA CORPORATION (currently J-NET RENTAL & LEASE CO., LTD.) Acquired CHUKYO HONDA CO., LTD. (currently HONDA CARS TOKAI CO., LTD.)
June 2000	Listed on the Nasdaq Japan Market.
Oct 2000	CHUKYO HONDA CO., LTD. merged with HONDA JIHAN MEINAN CO., LTD. and changed the company name to HONDA PRIMO TOKAI CO., LTD. (currently HONDA CARS TOKAI CO., LTD.)
March 2002	ORIX RENT-A-CAR CHUBU CORP. merged with ORIX RENT-A-CAR OSAKA CORP. and changed the company name to ORIX RENT-A-CAR MEIHAN CORP. (currently J-NET RENTAL & LEASE CO., LTD.)
March 2003	Acquired TRUST CO., LTD.
April 2003	Auto Sales-related business transferred to the newly established HONDA VERO TOKAI CO., LTD. Changed the trade name to VT HOLDINGS CO., LTD. and became a holding company.
Jan 2004	Acquired C.E.S CO., LTD.
Sep 2004	Established FACE ON CO., LTD. (currently PCI. CO. LTD.)
Nov 2004	TRUST CO., LTD. listed on TSE Mothers market.
April 2005	Acquired LCI. CO. LTD.
July 2005	Established E-ESCO CO., LTD. (currently MIRAIZ CO., LTD.)
Dec 2005	Acquired NAGANO NISSAN AUTO CO., LTD. and its three subsidiaries.
July 2006	Acquired SHIZUOKA NISSAN AUTO CO., LTD. and its subsidiary. Acquired MIKAWA NISSAN AUTO CO., LTD. and its two subsidiaries.
Aug 2006	HONDA VERO TOKAI CO., LTD. merged with HONDA PRIMO TOKAI CO., LTD. and changed the trade name to HONDA CARS TOKAI CO., LTD.
Feb 2011	Acquired WESTERN BREEZE TRADING 23 (PROPRIETARY) LIMITED (currently TRUST ABSOLUT AUTO (PTY) LTD.)
Oct 2011	Acquired SOJITZ ABSOLUT AUTO(PTY) LTD. (currently SKY ABSOLUT AUTO (PTY) LTD.)
April 2012	Acquired COLT CAR RETAIL LIMITED (CCR MOTOR CO. LTD. currently GRIFFIN MILL GROUP LIMITED) Acquired NISSAN SATIO SAITAMA CO., LTD. and its subsidiary. Acquired NISSAN SATIO NARA CO., LTD.
Aug 2014	Acquired MG HOME CO., LTD. (currently AMG HOLDINGS CO., LTD.)
Oct 2014	Acquired SCOTTS MOTORS ARTARMON PTY LTD.
Dec 2014	Acquired GRIFFIN MILL GARAGES LIMITED. (currently GRIFFIN MILL GROUP LIMITED)
May 2015	Transferred listing from the JASDAQ (Standard) Market to the TSE First Section and from the Second Section to the First Section of the Nagoya Stock Exchange.
Aug 2015	Acquired MG SOGO SERVICE CO., LTD.
Feb 2016	Established MOTOREN SHIZUOKA CO., LTD.
May 2016	Acquired WESSEX GARAGES HOLDINGS LIMITED.
July 2016	Relocated the head office to Nagoya, Aichi prefecture.
Oct 2016	Acquired MASTER AUTOMOCION, S.L. and its 11 subsidiaries.
Sep 2017	Established MASTER DEALER DE AUTOMOCION 2017, S.L.
Nov 2017	Acquired MOGACAR DE AUTOMOCION, S.L.
March 2018	Acquired QUIAUTO, S.A.
Aug 2019	Acquired KOYO AUTO CO. LTD. Established MOTOREN MIKAWA CO., LTD.

July 2020	Acquired TAKI HOUSE CO., LTD.
Jan 2021	Acquired HONDA YONRIN HANBAI MARUJUNE CO., LTD. (currently HONDA CARS TOKAI CO., LTD.)
April 2021	MG HOME CO., LTD. changed its name to AMG HOLDINGS CO., LTD. and became a holding company. The successor company changed its name to MG HOME CO., LTD. and took over the Housing-related business. Acquired CATERHAM CARS GROUP LIMITED and its two subsidiaries.
June 2021	Established M-MOTORBIKES ESPANA, S. L.
Nov 2021	HONDA YONRIN HANBAI MARUJUN CO., LTD. (currently HONDA CARS TOKAI CO., LTD.) became a wholly owned subsidiary through a share purchase. Acquired TAKAGAKI GUMI, INC.
April 2022	Transferred listing from the First Section to the TSE Prime Market, and from the First Section to the Premier Market of the Nagoya Stock Exchange. HONDA CARS TOKAI CO., LTD. merged with HONDA YONRIN HANBAI MARUJUNE CO., LTD.
June 2022	CCR MOTOR CO., LTD. took over the business of GRIFFIN MILL GARAGES LTD.
Sep 2022	Established MOTOREN DONAN CO., LTD.
Oct 2022	Acquired KAWASAKI HOUSING CO., LTD. and HOUMAINTÉ CO., LTD.
May 2023	The real estate leasing business split off and was taken over from HONDA CARS TOKAI CO., LTD. through an absorption-type split. Established CATERHAM EVO LIMITED.
July 2023	Acquired FUJI MOTOREN CO., LTD.

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Major Shareholder	Stake (%)
S&I	13.76
The Master Trust Bank of Japan	10.25
Mitsui Sumitomo Insurance	6.25
Custody Bank of Japan	5.30
Sompo Japan	3.26
Aioi Nissay Dowa Insurance Company	3.02
Tokio Marine & Nichido Fire Insurance	3.02
Kazuho Takahashi	2.92
Junko Takahashi	2.65
Tomoji Takhashi	1.60

Source: Company

J GAAP Financial statements

Income statement (¥bn)	FY 3/22	FY 3/23	FY 3/24
Sales	237.9	266.3	311.6
COGS	198.0	222.4	262.0
Gross profit	39.9	43.9	49.6
Gross profit margin (%)	16.8	16.5	15.9
Operating expense	30.3	33.6	39.0
Total OP	10.2	12.9	12.0
OP margin (%)	4.3	4.8	3.9
Non-Op Income (Loss)	-7.8	0.2	0.6
Pretax Income	18.0	12.6	11.5
Tax	5.5	3.3	3.8
Effective tax rate (%)	30.8	26.2	33.5
Net income	11.7	7.2	6.7

Balance sheet (¥bn)	FY 3/22	FY 3/23	FY 3/24
Cash & equivalents	11.9	12.8	13.5
Accounts & notes receivable	17.0	19.4	27.9
Inventories	37.5	56.2	72.3
Other short-term assets	7.2	9.2	9.6
Current assets	73.7	97.5	123.4
Property, plant & equipment (net of depreciation)	68.3	73.4	89.2
Long term investments & receivables	25.9	38.3	7.4
Other long-term assets	20.1	20.7	52.9
Total non-current assets	114.3	132.3	149.5
Total assets	188.0	229.8	272.9
Payables & accruals	30.8	38.7	60.4
Short-term debt	35.4	49.3	49.2
Other short-term liabilities	22.1	21.6	23.5
Total current liabilities	88.2	109.6	133.1
Long term debt	35.7	36.6	22.1
Other long-term liabilities	7.2	10.9	35.6
Total non-current liabilities	42.9	47.5	57.8
Total liabilities	131.1	157.1	190.9
Share capital & APIC	7.3	7.4	9.3
Treasury stock	0.9	0.9	0.7
Retained earnings	43.4	56.1	60.8
Other equity	1.5	1.8	3.5
Equity before minority interest	51.3	64.5	72.9
Total equity	56.9	72.7	82.0
Total liabilities & equity	188.0	229.8	272.9

Source: Bloomberg

Cash flow statement (¥bn)	FY 3/22	FY 3/23	FY 3/24
Net income/pre-tax profit	11.7	7.2	6.7
Depreciation/amortization	9.6	10.7	12.4
Other non-cash items	-3.9	0.1	0.6
Changes in working capital	-0.6	-6.8	-7.6
Net cash from discontinued operations	0.0	0.0	0.0
Cash from Operating Activities	16.8	11.2	12.1
Change in fixed & intangible assets	-7.1	-10.9	-10.2
Net change in long-term investments	0.1	0.5	0.1
Net cash from acquisitions & divestitures	-0.8	1.0	-0.1
Other investing activities	2.1	-0.3	-0.1
Net cash from discontinued operations	0.0	0.0	0.0
Cash from Investing Activities	-5.6	-9.8	-10.3
Dividends paid	-2.4	-2.6	-2.8
Cash from (repayment) debt	-6.3	2.1	-1.0
Cash from (repurchase) of equity	0.0	0.0	2.6
Other financing activities	-0.1	0.0	2.6
Net cash from discontinued operations	0.0	0.0	0.0
Cash from Financing Activities	-8.7	-0.6	-1.4
FX impact	0.2	0.0	0.5
Net cash flow	2.7	0.8	0.8
Free cash flow	8.0	-2.3	-1.6
EBITDA	19.8	23.5	24.4

Key metrics	FY 3/22	FY 3/23	FY 3/24
Profitability			
Gross margin (%)	16.8	16.5	15.9
Operating margin (%)	4.3	4.8	3.9
Net margin (%)	4.9	2.7	2.1
ROIC (%)	5.6	6.3	4.9
Liquidity			
Current ratio (x)	0.8	0.9	0.9
Quick ratio (x)	0.3	0.3	0.3
Leverage			
Debt/Equity ratio	138.4	133.1	97.8
Net Debt/Equity ratio	103.8	100.5	111.3

DISCLAIMER

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