

# Kontron AG

Austria | Technology | MCap EUR 1,206m

21 January 2025

UPDATE



## FY24 momentum sets stage for further growth in FY25; BUY

### What's it all about?

Kontron's preliminary FY24 results highlight dynamic growth, with revenues exceeding EUR 1.7bn (+40% yoy) and EBITDA surpassing EUR 190m. Q4 showed continued strong momentum, with revenues up 49% and EBITDA growing 71% yoy, driven by organic growth and the successful integration of Katek. With a healthy order backlog providing good visibility, the company's set FY25 targets of EUR 1.9–2.0bn in revenue and at least EUR 220m in EBITDA, indicating a solid growth trajectory. We reiterate our EUR 35.00 price target and maintain our BUY rating.

**BUY** (BUY)

<b>Target price</b>	<b>EUR 35.00 (35.00)</b>
Current price	EUR 18.41
Up/downside	90.1%



**MAIN AUTHOR**

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Austria | Technology | MCap EUR 1,206m | EV EUR 1,139m

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## FY24 momentum sets stage for further growth in FY25; BUY

**Preliminary FY24 results published:** Kontron has published preliminary headline figures for FY24. Revenues for the full year exceeded EUR 1.7bn, an increase of over 40% yoy (FY23: EUR 1.226bn). The strong increase was largely driven by the Katek acquisition, but also by organic growth. This also propelled EBITDA, which is to exceed EUR 190m for the full year, well within the company outlook (EUR 190m).

**Q4 with high momentum:** Breaking down the numbers, we expect Q4 revenues to have reached EUR 543m, representing a remarkable 49% increase compared to EUR 365m in Q4 2023. Preliminary EBITDA for Q4 2024 is estimated at c. EUR 51m, marking an impressive 71% year-over-year increase from EUR 30.2m a year ago. This improvement reflects the Kontron's focus on high-margin segments, such as Software + Solutions, as well as operational efficiencies achieved through streamlining and cost optimization. The EBITDA margin for the quarter improved to approx. 9.5%, compared to 8.3% in Q4 2023.

**FY25 outlook bolstered by healthy order situation:** As seen in Q3, the order situation for Kontron was strong (Q3: 1.21x book-to-bill, order backlog of EUR 2.1bn), providing good visibility for 2025. For FY25, Kontron anticipates continued robust growth, with projected revenues ranging between EUR 1.9bn and EUR 2.0bn. The company also expects a significant increase in profitability, with EBITDA forecasted to reach at least EUR 220m, which we expect to be positively impacted by efficiency gains from the full Katek integration (termination of low-margin business, workforce streamlining).

**Reiterate to BUY.** Kontron's preliminary FY24 results reaffirm the success of its growth strategy, driven by the Katek acquisition, organic expansion, and a strong focus on IoT solutions. The company plans to leverage its Industrial IoT (IIoT) standards, secure KontronOS platform, and innovative technologies in 5G communication to penetrate new markets. These developments, combined with a sound order backlog, position the company to capitalize on emerging opportunities and sustain its trajectory of strong growth. We reiterate our PT of EUR 35.00 and maintain our BUY rating.

Kontron AG	2021	2022	2023	2024E	2025E	2026E
Sales	1,003	1,064	1,226	1,750	1,925	2,041
Growth yoy	-20.1%	6.1%	15.3%	42.7%	10.0%	6.0%
EBITDA	90	70	126	193	233	265
EBIT	40	-2	86	118	143	169
Net profit	48	232	78	95	118	140
Net debt (net cash)	85	-75	-68	116	71	14
Net debt/EBITDA	0.9x	-1.1x	-0.5x	0.6x	0.3x	0.1x
EPS reported	0.74	3.59	1.19	1.45	1.80	2.14
DPS	0.35	1.00	0.50	0.65	0.81	0.96
Dividend yield	1.9%	5.4%	2.7%	3.5%	4.4%	5.2%
Gross profit margin	37.8%	36.9%	40.0%	38.6%	39.2%	39.5%
EBITDA margin	9.0%	6.6%	10.3%	11.0%	12.1%	13.0%
EBIT margin	4.0%	-0.2%	7.1%	6.8%	7.4%	8.3%
ROCE	4.5%	-0.2%	9.3%	11.8%	14.4%	17.1%
EV/Sales	1.3x	1.1x	0.9x	0.8x	0.7x	0.6x
EV/EBITDA	14.3x	16.2x	9.0x	6.9x	5.5x	4.6x
EV/EBIT	32.2x	-561.0x	13.2x	11.2x	8.9x	7.2x
PER	24.8x	5.1x	15.5x	12.7x	10.2x	8.6x

Source: Company data, mwb research



Source: Company data, mwb research

**High/low 52 weeks** 22.66 / 15.15  
**Price/Book Ratio** 2.0x

**Ticker / Symbols**

ISIN AT0000A0E9W5  
WKN A0X9EJ  
Bloomberg KTN:GR

### Changes in estimates

		Sales	EBIT	EPS
2024E	old	1,850	122	1.49
	Δ	-5.4%	-2.6%	-2.7%
2025E	old	1,998	148	1.86
	Δ	-3.7%	-3.1%	-3.2%
2026E	old	2,118	169	2.14
	Δ	-3.7%	-0.3%	-0.4%

### Key share data

Number of shares: (in m pcs) 65.51  
Book value per share: (in EUR) 9.19  
Ø trading vol.: (12 months) 113,941

### Major shareholders

Ennoconn Corp. 27.5%  
PPF Group NV 4.8%  
Amiral Gestion SA 2.9%  
Free Float 57.9%

### Company description

Kontron AG (formerly S&T AG) is a supplier of information technology (IT) solutions, specializing in Industry 4.0, embedded computer systems and Internet of Things (IoT) technology. Germany, Austria, Switzerland, France, Eastern Europe and North America are its core markets.

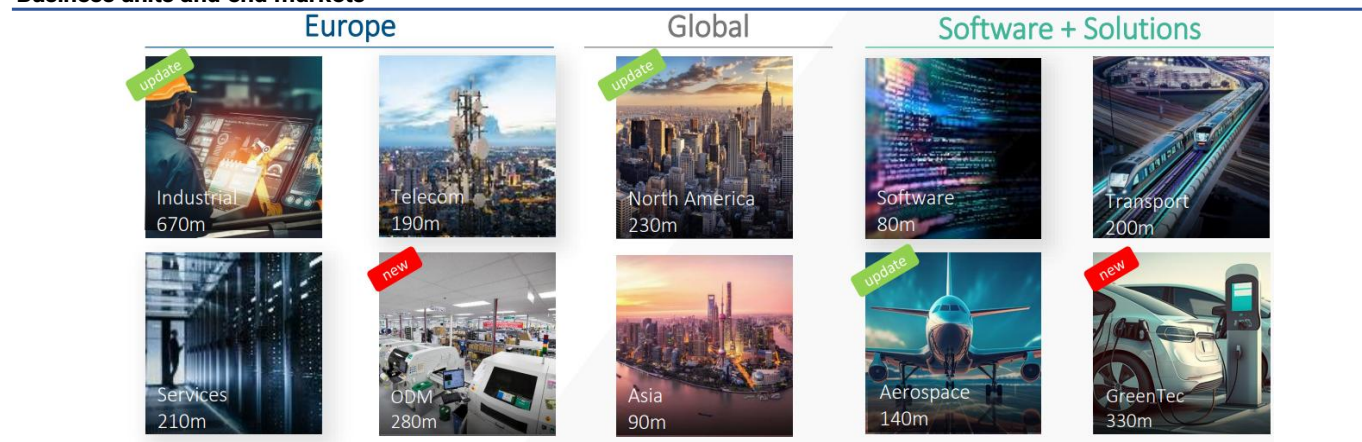
The following table displays the quarterly performance of **Kontron AG**:

P&L data	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024
Sales	308.7	262.0	277.3	295.1	365.0	356.1	423.8	427.7
yoy growth in %	-1.8%	6.1%	12.9%	12.5%	18.2%	35.9%	52.8%	44.9%
Gross profit	102.3	112.0	120.2	124.3	134.4	155.0	180.2	191.3
Gross margin in %	30.0%	40.3%	42.5%	41.4%	36.8%	43.5%	42.5%	44.7%
EBITDA	1.5	29.6	31.3	34.9	30.2	35.4	46.5	59.4
EBITDA margin in %	0.5%	11.3%	11.3%	11.8%	8.3%	9.9%	11.0%	13.9%
EBIT	-34.7	20.6	22.2	25.0	18.6	22.0	26.4	36.6
EBIT margin in %	-11.2%	7.9%	8.0%	8.5%	5.1%	6.2%	6.2%	8.5%
EBT	-37.5	20.2	19.8	22.3	16.9	18.8	22.0	29.4
taxes paid	-0.8	3.6	2.3	3.4	-5.8	2.1	1.7	3.7
tax rate in %	2.1%	17.9%	11.8%	15.1%	-34.1%	11.3%	7.8%	12.7%
net profit	-36.5	16.6	17.4	18.8	22.5	16.2	21.6	24.4
yoy growth in %	-550.5%	66.4%	92.6%	256.5%	-161.5%	-2.4%	24.0%	29.8%
<b>EPS</b>	<b>3.14</b>	<b>0.26</b>	<b>0.30</b>	<b>0.30</b>	<b>0.37</b>	<b>0.26</b>	<b>0.35</b>	<b>0.38</b>

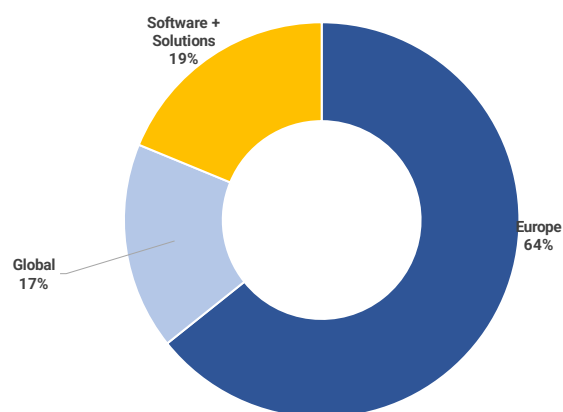
Source: Company data; mwb research

# Investment case in six charts

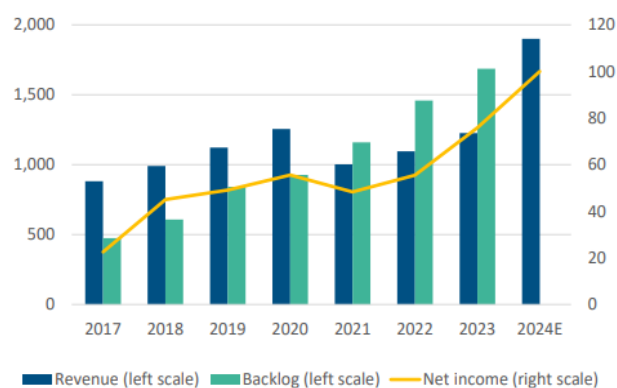
## Business units and end markets



## Segmental breakdown in %

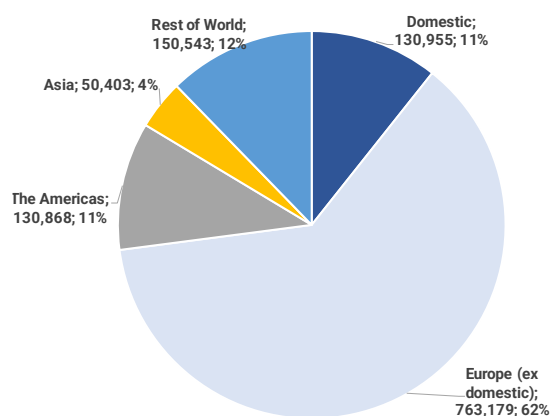


## Guidance

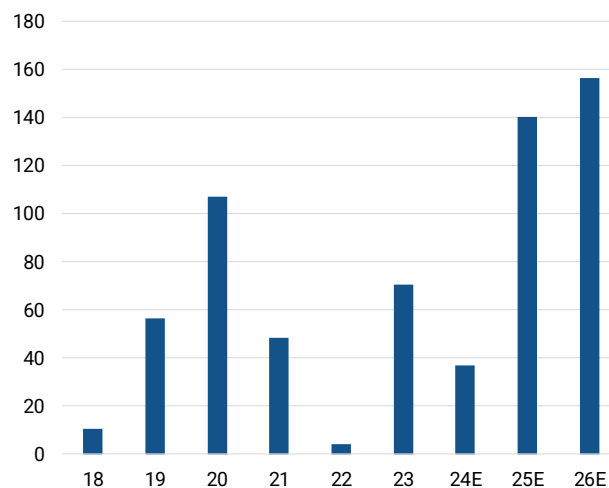


Agenda 2025: EUR 2bn in sales and EUR 140m in net income

## Regional sales



## FCF to strengthen going forward



Source: Company data, mwb research

# SWOT analysis

## Strengths

- Strong and strategic partnership with Foxconn
- Leading position in IoT market
- Strong presence in DACH and EE countries
- Has diversified clients and is present in multiple geographies, minimizing concentration risk

## Weaknesses

- Lacks a scalable platform
- Ongoing restructuring

## Opportunities

- Has a strong presence in medical and transport segments of IoT market, which are expected to grow well
- Has sufficient liquidity and balance sheet strength to undertake acquisitions in current market where valuations are attractive
- Margin expansion, as focus shifts to higher margin IoT segment and proprietary products
- Expanding presence in China, one of the fastest-growing IoT markets

## Threats

- A relatively small player in the IoT market and could be hard pressed to defend its turf if a larger player enters its segment
- Dependent on Asia for hardware manufacturing and China for raw material. Geopolitical tension in the area could impair its supply chain
- Aggressive acquisitions could drag company's prospects if not properly synergized

## Valuation

## DCF Model

The DCF model results in a **fair value of EUR 34.69 per share:**

**Top-line growth:** We expect Kontron AG to grow revenues at a CAGR of 4.4% between 2024E and 2031E. The long-term growth rate is set at 2.0%.

**ROCE.** Returns on capital are developing from 11.8% in 2024E to 13.8% in 2031E.

**WACC.** Starting point is a historical equity beta of 0.84. Unlevering and correcting for mean reversion yields an asset beta of 1.00. Combined with a risk-free rate of 2.0% and an equity risk premium of 6.0% this yields cost of equity of 10.3%. With pre-tax cost of borrowing at 5.0%, a tax rate of 25% and target debt/equity of 0.5 this results in a long-term WACC of 8.1%.

[illegible]

DCF per share derived from	
Total present value	2,101
Mid-year adj. total present value	2,185
Net debt / cash at start of year	-68
Financial assets	20
Provisions and off b/s debt	24
Equity value	2,272
No. of shares outstanding	65.5
<b>Discounted cash flow / share</b>	<b>34.69</b>
<b>upside/(downside)</b>	<b>88.4%</b>
<b>Share price</b>	<b>18.41</b>

DCF avg. growth and earnings assumptions	
Planning horizon avg. revenue growth (2024E-2031E)	4.4%
Terminal value growth (2031E - infinity)	2.0%
Terminal year ROCE	13.8%
Terminal year WACC	8.1%
Terminal WACC derived from	
Cost of borrowing (before taxes)	5.0%
Long-term tax rate	25%
Equity beta	0.84
Unlevered beta (industry or company)	1.00
Target debt / equity	0.5
Relevered beta	1.38
Risk-free rate	2.0%
Equity risk premium	6.0%
Cost of equity	10.3%

## Sensitivity analysis DCF

Change in WACC (%points)	Long term growth					Share of present value	
	1.0%	1.5%	2.0%	2.5%	3.0%		
2.0%	25.3	26.1	27.0	28.0	29.2	2024E-2027E	18.7%
1.0%	28.0	29.0	30.3	31.7	33.4	2028E-2031E	16.6%
0.0%	31.5	32.9	34.7	36.7	39.2	terminal value	64.7%
-1.0%	36.1	38.3	40.8	44.0	47.9		
-2.0%	42.6	45.9	50.0	55.3	62.2		

Source: mwb research



## FCF Yield Model

Due to the fact that companies rarely bear sufficient resemblance to peers in terms of geographical exposure, size or competitive strength and in order to adjust for the pitfalls of weak long-term visibility, an Adjusted Free Cash Flow analysis (Adjusted FCF) has been conducted.

**The adjusted Free Cash Flow Yield results in a fair value between EUR 21.03 per share based on 2024E and EUR 40.10 per share on 2028E estimates.**

The main driver of this model is the level of return available to a controlling investor, influenced by the cost of that investors' capital (opportunity costs) and the purchase price – in this case the enterprise value of the company. Here, the adjusted FCF yield is used as a proxy for the required return and is defined as EBITDA less minority interest, taxes and investments required to maintain existing assets (maintenance capex).

FCF yield in EURm	2024E	2025E	2026E	2027E	2028E
<b>EBITDA</b>	<b>193</b>	<b>233</b>	<b>265</b>	<b>286</b>	<b>294</b>
- Maintenance capex	74	90	96	103	109
- Minorities	3	4	4	5	5
- tax expenses	15	18	22	23	24
<b>= Adjusted FCF</b>	<b>101</b>	<b>121</b>	<b>143</b>	<b>155</b>	<b>157</b>
<b>Actual Market Cap</b>	<b>1,217</b>	<b>1,217</b>	<b>1,217</b>	<b>1,217</b>	<b>1,217</b>
+ Net debt (cash)	116	71	14	-47	-107
+ Pension provisions	0	0	0	0	0
+ Off B/S financing	0	0	0	0	0
- Financial assets	20	20	20	20	20
- Acc. dividend payments	33	75	129	192	260
<i>EV Reconciliations</i>	63	-24	-135	-258	-387
<b>= Actual EV'</b>	<b>1,280</b>	<b>1,193</b>	<b>1,082</b>	<b>959</b>	<b>830</b>
<b>Adjusted FCF yield</b>	<b>7.9%</b>	<b>10.2%</b>	<b>13.2%</b>	<b>16.1%</b>	<b>18.9%</b>
base hurdle rate	7.0%	7.0%	7.0%	7.0%	7.0%
ESG adjustment	0.0%	0.0%	0.0%	0.0%	0.0%
adjusted hurdle rate	7.0%	7.0%	7.0%	7.0%	7.0%
<b>Fair EV</b>	<b>1,441</b>	<b>1,730</b>	<b>2,042</b>	<b>2,210</b>	<b>2,240</b>
- <i>EV Reconciliations</i>	63	-24	-135	-258	-387
<b>Fair Market Cap</b>	<b>1,378</b>	<b>1,754</b>	<b>2,177</b>	<b>2,469</b>	<b>2,627</b>
No. of shares (million)	66	66	66	66	66
<b>Fair value per share in EUR</b>	<b>21.03</b>	<b>26.78</b>	<b>33.23</b>	<b>37.68</b>	<b>40.10</b>
<b>Premium (-) / discount (+)</b>	<b>14.2%</b>	<b>45.5%</b>	<b>80.5%</b>	<b>104.7%</b>	<b>117.8%</b>

Sensitivity analysis FV					
Adjusted hurdle rate	5.0%	30	37	46	54
	6.0%	25	31	38	46
	<b>7.0%</b>	<b>21</b>	<b>27</b>	<b>33</b>	<b>40</b>
	8.0%	18	23	29	36
	9.0%	16	21	26	33

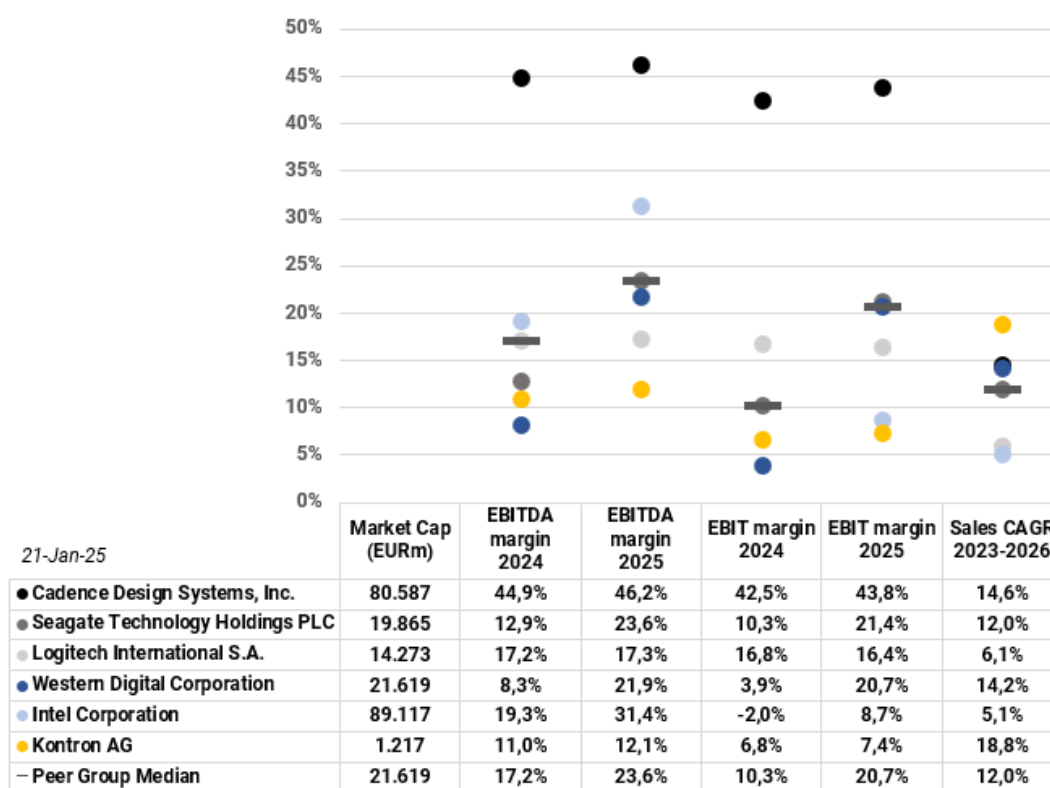
Source: Company data; mwb research

Simply put, the model assumes that investors require companies to generate a minimum return on the investor's purchase price. The required after-tax return equals the model's hurdle rate of 7.0%. Anything less suggests the stock is expensive; anything more suggests the stock is cheap. **ESG adjustments might be applicable. A high score indicates high awareness for environmental, social or governance issues and thus might lower the overall risk an investment in the company might carry. A low score on the contrary might increase the risk of an investment and might therefore trigger a higher required hurdle rate.**

## Peer group analysis

A peer group or comparable company (“comps”) analysis is a methodology that calculates a company's relative value – how much it should be worth based on how it compares to other similar companies. Given that **Kontron AG** differs quite significantly in terms of size, focus, financial health and growth trajectory, we regard our peer group analysis merely as a support for other valuation methods. The peer group of Kontron AG consists of the stocks displayed in the chart below. As of 21 January 2025 the median market cap of the peer group was EUR 21,619m, compared to EUR 1,206m for Kontron AG. In the period under review, the peer group was more profitable than Kontron AG. The expectations for sales growth are lower for the peer group than for Kontron AG.

### Peer Group – Key data



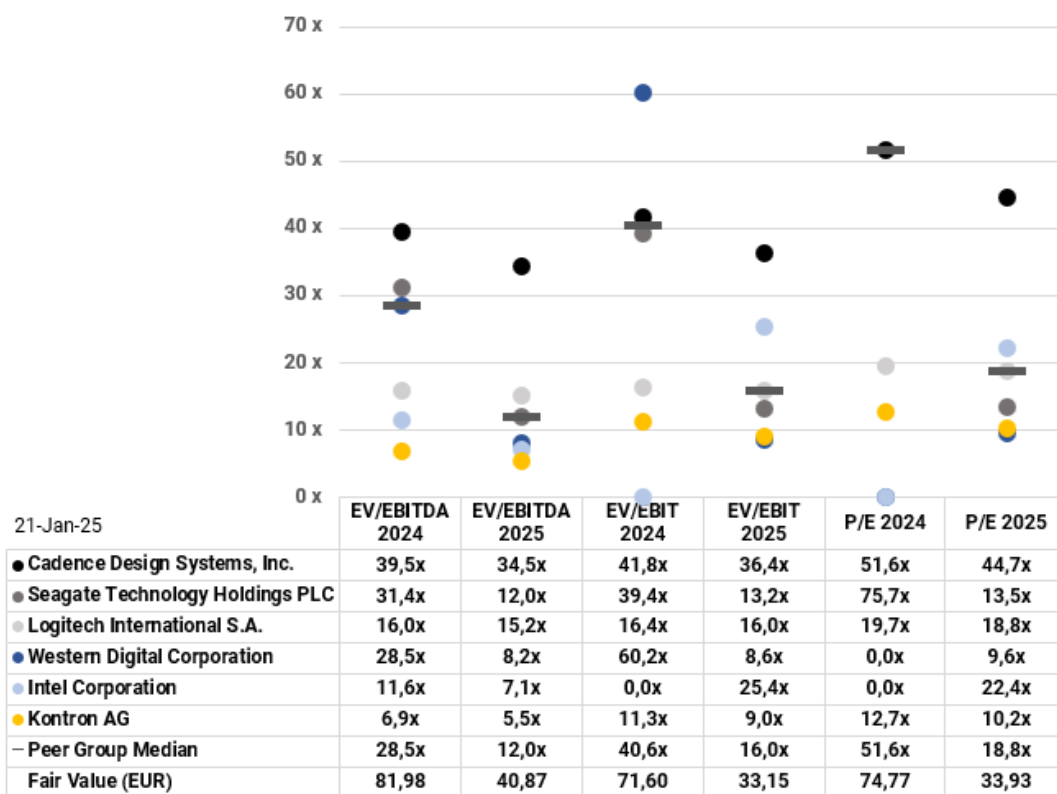
Source: FactSet, mwb research



Comparable company analysis operates under the assumption that similar companies will have similar valuation multiples. We use the following multiples: EV/EBITDA 2024, EV/EBITDA 2025, EV/EBIT 2024, EV/EBIT 2025, P/E 2024 and P/E 2025.

Applying these to Kontron AG results in a range of fair values from EUR 33.15 to EUR 81.98.

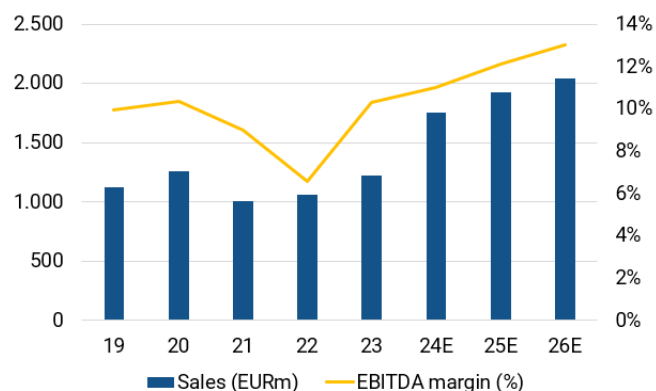
#### Peer Group – Multiples and valuation



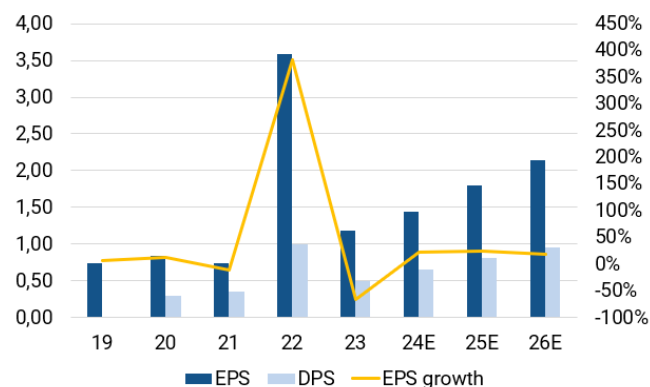
Source: FactSet, mwb research

## Financials in six charts

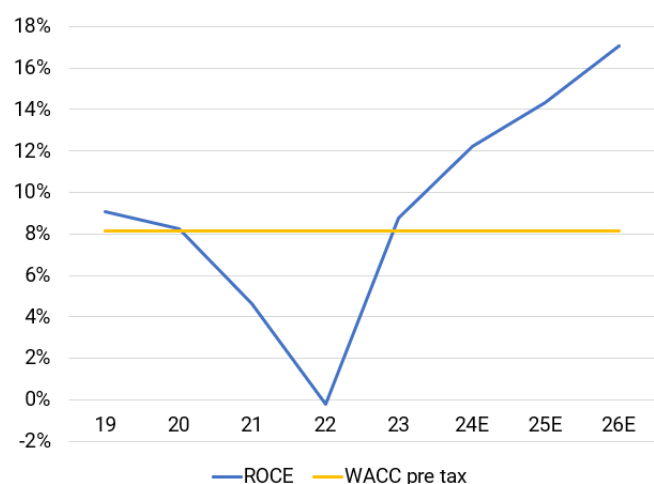
**Sales vs. EBITDA margin development**



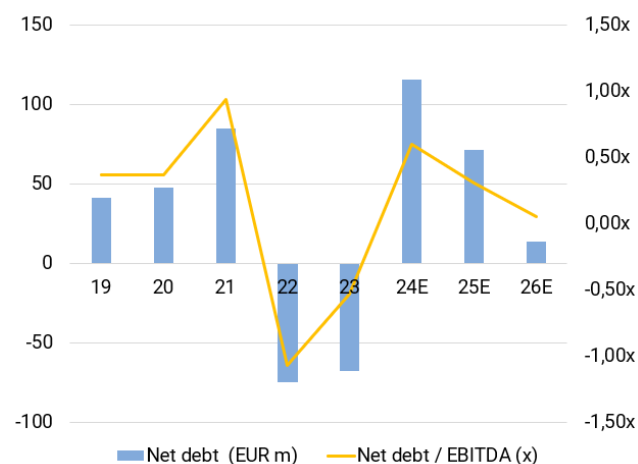
**EPS, DPS in EUR & yoy EPS growth**



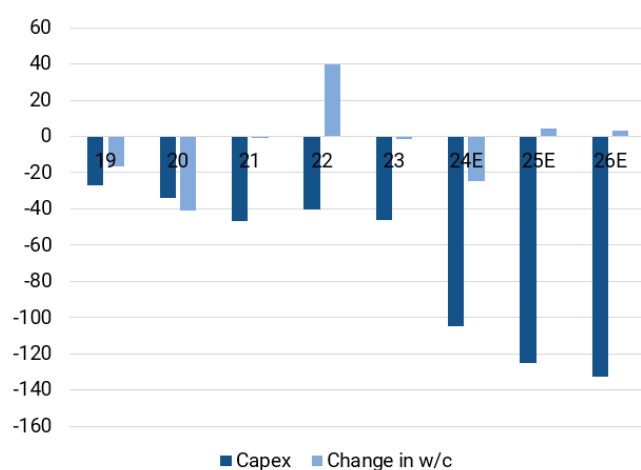
**ROCE vs. WACC (pre tax)**



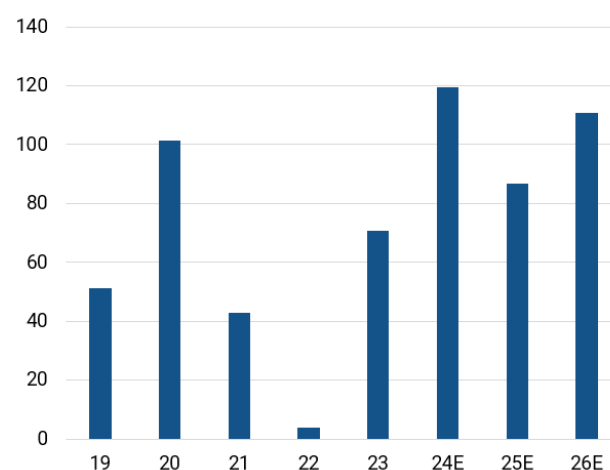
**Net debt and net debt/EBITDA**



**Capex & chgn in w/c requirements in EURm**



**Free Cash Flow in EURm**



Source: Company data; mwb research

# Financials

Profit and loss (EURm)	2021	2022	2023	2024E	2025E	2026E
<b>Net sales</b>	<b>1,003</b>	<b>1,064</b>	<b>1,226</b>	<b>1,750</b>	<b>1,925</b>	<b>2,041</b>
Sales growth	-20.1%	6.1%	15.3%	42.7%	10.0%	6.0%
Change in finished goods and work-in-process	21	23	25	26	29	31
<b>Total sales</b>	<b>1,024</b>	<b>1,087</b>	<b>1,251</b>	<b>1,776</b>	<b>1,954</b>	<b>2,071</b>
Material expenses	645	694	760	1,101	1,199	1,265
<b>Gross profit</b>	<b>379</b>	<b>393</b>	<b>491</b>	<b>676</b>	<b>755</b>	<b>806</b>
Other operating income	15	20	15	32	35	35
Personnel expenses	238	259	292	396	431	447
Other operating expenses	66	84	89	119	125	129
<b>EBITDA</b>	<b>90</b>	<b>70</b>	<b>126</b>	<b>193</b>	<b>233</b>	<b>265</b>
Depreciation	25	24	24	33	49	52
EBITA	65	46	102	159	183	213
Amortisation of goodwill and intangible assets	25	48	15	41	40	44
<b>EBIT</b>	<b>40</b>	<b>-2</b>	<b>86</b>	<b>118</b>	<b>143</b>	<b>169</b>
Financial result	-8	-9	-7	-6	-3	-3
Recurring pretax income from continuing operations	32	-11	79	112	140	166
Extraordinary income/loss	0	0	0	0	0	0
Earnings before taxes	32	-11	79	112	140	166
Taxes	2	2	4	15	18	22
Net income from continuing operations	30	-13	76	98	122	144
Result from discontinued operations (net of tax)	19	245	3	0	0	0
<b>Net income</b>	<b>49</b>	<b>232</b>	<b>78</b>	<b>98</b>	<b>122</b>	<b>144</b>
Minority interest	-1	1	-0	-3	-4	-4
Net profit (reported)	48	232	78	95	118	140
Average number of shares	64.96	64.83	65.51	65.51	65.51	65.51
<b>EPS reported</b>	<b>0.74</b>	<b>3.59</b>	<b>1.19</b>	<b>1.45</b>	<b>1.80</b>	<b>2.14</b>

Profit and loss (common size)	2021	2022	2023	2024E	2025E	2026E
<b>Net sales</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Change in finished goods and work-in-process	2%	2%	2%	2%	2%	2%
<b>Total sales</b>	<b>102%</b>	<b>102%</b>	<b>102%</b>	<b>101%</b>	<b>101%</b>	<b>102%</b>
Material expenses	64%	65%	62%	63%	62%	62%
<b>Gross profit</b>	<b>38%</b>	<b>37%</b>	<b>40%</b>	<b>39%</b>	<b>39%</b>	<b>39%</b>
Other operating income	1%	2%	1%	2%	2%	2%
Personnel expenses	24%	24%	24%	23%	22%	22%
Other operating expenses	7%	8%	7%	7%	7%	6%
<b>EBITDA</b>	<b>9%</b>	<b>7%</b>	<b>10%</b>	<b>11%</b>	<b>12%</b>	<b>13%</b>
Depreciation	2%	2%	2%	2%	3%	3%
EBITA	7%	4%	8%	9%	10%	10%
Amortisation of goodwill and intangible assets	3%	5%	1%	2%	2%	2%
<b>EBIT</b>	<b>4%</b>	<b>-0%</b>	<b>7%</b>	<b>7%</b>	<b>7%</b>	<b>8%</b>
Financial result	-1%	-1%	-1%	-0%	-0%	-0%
Recurring pretax income from continuing operations	3%	-1%	6%	6%	7%	8%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	3%	-1%	6%	6%	7%	8%
Taxes	0%	0%	0%	1%	1%	1%
Net income from continuing operations	3%	-1%	6%	6%	6%	7%
Result from discontinued operations (net of tax)	2%	23%	0%	0%	0%	0%
<b>Net income</b>	<b>5%</b>	<b>22%</b>	<b>6%</b>	<b>6%</b>	<b>6%</b>	<b>7%</b>
Minority interest	-0%	0%	-0%	-0%	-0%	-0%
<b>Net profit (reported)</b>	<b>5%</b>	<b>22%</b>	<b>6%</b>	<b>5%</b>	<b>6%</b>	<b>7%</b>

Source: Company data; mwb research

Balance sheet (EURm)	2021	2022	2023	2024E	2025E	2026E
<b>Intangible assets (exl. Goodwill)</b>	<b>104</b>	<b>72</b>	<b>102</b>	<b>184</b>	<b>201</b>	<b>218</b>
Goodwill	208	189	217	217	217	217
Property, plant and equipment	133	95	110	330	348	367
Financial assets	34	22	20	20	20	20
<b>FIXED ASSETS</b>	<b>479</b>	<b>379</b>	<b>449</b>	<b>750</b>	<b>785</b>	<b>822</b>
Inventories	188	193	230	306	334	352
Accounts receivable	265	202	252	336	369	391
Other current assets	43	160	42	42	42	42
Liquid assets	297	438	332	134	79	36
Deferred taxes	54	46	60	60	60	60
Deferred charges and prepaid expenses	27	22	5	7	8	8
<b>CURRENT ASSETS</b>	<b>873</b>	<b>1,062</b>	<b>921</b>	<b>885</b>	<b>891</b>	<b>890</b>
<b>TOTAL ASSETS</b>	<b>1,352</b>	<b>1,441</b>	<b>1,371</b>	<b>1,636</b>	<b>1,677</b>	<b>1,711</b>
<b>SHAREHOLDERS EQUITY</b>	<b>419</b>	<b>634</b>	<b>602</b>	<b>667</b>	<b>746</b>	<b>837</b>
MINORITY INTEREST	5	2	2	2	2	2
Long-term debt	277	220	93	250	150	50
Provisions for pensions and similar obligations	0	0	0	0	0	0
Other provisions	84	46	60	88	92	98
<b>Non-current liabilities</b>	<b>362</b>	<b>266</b>	<b>153</b>	<b>338</b>	<b>242</b>	<b>148</b>
short-term liabilities to banks	104	143	171	0	0	0
Accounts payable	270	226	273	395	430	454
Advance payments received on orders	0	0	0	0	0	0
Other liabilities (incl. from lease and rental contracts)	189	159	152	217	239	253
Deferred taxes	4	11	17	17	17	17
Deferred income	0	0	0	0	0	0
<b>Current liabilities</b>	<b>567</b>	<b>539</b>	<b>614</b>	<b>629</b>	<b>686</b>	<b>724</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>1,352</b>	<b>1,441</b>	<b>1,371</b>	<b>1,636</b>	<b>1,677</b>	<b>1,711</b>

Balance sheet (common size)	2021	2022	2023	2024E	2025E	2026E
<b>Intangible assets (excl. Goodwill)</b>	<b>8%</b>	<b>5%</b>	<b>7%</b>	<b>11%</b>	<b>12%</b>	<b>13%</b>
Goodwill	15%	13%	16%	13%	13%	13%
Property, plant and equipment	10%	7%	8%	20%	21%	21%
Financial assets	3%	2%	1%	1%	1%	1%
<b>FIXED ASSETS</b>	<b>35%</b>	<b>26%</b>	<b>33%</b>	<b>46%</b>	<b>47%</b>	<b>48%</b>
Inventories	14%	13%	17%	19%	20%	21%
Accounts receivable	20%	14%	18%	21%	22%	23%
Other current assets	3%	11%	3%	3%	3%	2%
Liquid assets	22%	30%	24%	8%	5%	2%
Deferred taxes	4%	3%	4%	4%	4%	3%
Deferred charges and prepaid expenses	2%	2%	0%	0%	0%	0%
<b>CURRENT ASSETS</b>	<b>65%</b>	<b>74%</b>	<b>67%</b>	<b>54%</b>	<b>53%</b>	<b>52%</b>
<b>TOTAL ASSETS</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>SHAREHOLDERS EQUITY</b>	<b>31%</b>	<b>44%</b>	<b>44%</b>	<b>41%</b>	<b>44%</b>	<b>49%</b>
MINORITY INTEREST	0%	0%	0%	0%	0%	0%
Long-term debt	21%	15%	7%	15%	9%	3%
Provisions for pensions and similar obligations	0%	0%	0%	0%	0%	0%
Other provisions	6%	3%	4%	5%	6%	6%
<b>Non-current liabilities</b>	<b>27%</b>	<b>18%</b>	<b>11%</b>	<b>21%</b>	<b>14%</b>	<b>9%</b>
short-term liabilities to banks	8%	10%	13%	0%	0%	0%
Accounts payable	20%	16%	20%	24%	26%	27%
Advance payments received on orders	0%	0%	0%	0%	0%	0%
Other liabilities (incl. from lease and rental contracts)	14%	11%	11%	13%	14%	15%
Deferred taxes	0%	1%	1%	1%	1%	1%
Deferred income	0%	0%	0%	0%	0%	0%
<b>Current liabilities</b>	<b>42%</b>	<b>37%</b>	<b>45%</b>	<b>38%</b>	<b>41%</b>	<b>42%</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: Company data; mwb research

Cash flow statement (EURm)	2021	2022	2023	2024E	2025E	2026E
Net profit/loss	32	-11	79	98	122	144
Depreciation of fixed assets (incl. leases)	35	30	24	33	49	52
Amortisation of goodwill	0	0	0	0	0	0
Amortisation of intangible assets	29	55	15	41	40	44
Others	-7	10	-3	28	5	6
Cash flow from operations before changes in w/c	89	84	115	200	217	246
Increase/decrease in inventory	-26	-18	-15	-77	-27	-18
Increase/decrease in accounts receivable	-41	-37	-6	-84	-34	-22
Increase/decrease in accounts payable	69	24	19	122	35	24
Increase/decrease in other w/c positions	-2	-9	4	63	21	14
Increase/decrease in working capital	1	-40	2	25	-5	-3
<b>Cash flow from operating activities</b>	<b>90</b>	<b>44</b>	<b>117</b>	<b>225</b>	<b>212</b>	<b>243</b>
CAPEX	-47	-40	-46	-105	-125	-133
Payments for acquisitions	-19	-25	-53	-270	0	0
Financial investments	-8	206	121	0	0	0
Income from asset disposals	4	3	4	0	0	0
<b>Cash flow from investing activities</b>	<b>-70</b>	<b>144</b>	<b>26</b>	<b>-375</b>	<b>-125</b>	<b>-133</b>
Cash flow before financing	20	188	143	-150	87	111
Increase/decrease in debt position	29	-57	-73	-15	-100	-100
Purchase of own shares	-21	0	-46	0	0	0
Capital measures	0	0	6	0	0	0
Dividends paid	-19	-22	-63	-33	-43	-53
Others	-0	0	0	0	0	0
Effects of exchange rate changes on cash	4	0	-3	0	0	0
<b>Cash flow from financing activities</b>	<b>-7</b>	<b>-79</b>	<b>-180</b>	<b>-47</b>	<b>-143</b>	<b>-153</b>
Increase/decrease in liquid assets	13	110	-37	-198	-56	-43
<b>Liquid assets at end of period</b>	<b>297</b>	<b>438</b>	<b>332</b>	<b>134</b>	<b>79</b>	<b>36</b>

Source: Company data; mwb research

Regional sales split (EURm)	2021	2022	2023	2024E	2025E	2026E
Domestic	106	103	131	187	206	218
Europe (ex domestic)	604	618	763	1,089	1,198	1,270
The Americas	96	110	131	187	205	218
Asia	62	67	50	72	79	84
Rest of World	134	167	151	215	236	251
<b>Total sales</b>	<b>1,003</b>	<b>1,064</b>	<b>1,226</b>	<b>1,750</b>	<b>1,925</b>	<b>2,041</b>

Regional sales split (common size)	2021	2022	2023	2024E	2025E	2026E
Domestic	10.5%	9.6%	10.7%	10.7%	10.7%	10.7%
Europe (ex domestic)	60.3%	58.1%	62.3%	62.3%	62.3%	62.3%
The Americas	9.6%	10.3%	10.7%	10.7%	10.7%	10.7%
Asia	6.2%	6.3%	4.1%	4.1%	4.1%	4.1%
Rest of World	13.4%	15.7%	12.3%	12.3%	12.3%	12.3%
<b>Total sales</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: Company data; mwb research

Ratios	2021	2022	2023	2024E	2025E	2026E
<b>Per share data</b>						
Earnings per share reported	0.74	3.59	1.19	1.45	1.80	2.14
Cash flow per share	1.38	0.69	1.78	2.30	1.86	2.24
Book value per share	6.44	9.78	9.19	10.18	11.39	12.78
Dividend per share	0.35	1.00	0.50	0.65	0.81	0.96
<b>Valuation</b>						
P/E	24.8x	5.1x	15.5x	12.7x	10.2x	8.6x
P/CF	13.3x	26.9x	10.3x	8.0x	9.9x	8.2x
P/BV	2.9x	1.9x	2.0x	1.8x	1.6x	1.4x
Dividend yield (%)	1.9%	5.4%	2.7%	3.5%	4.4%	5.2%
FCF yield (%)	7.5%	3.7%	9.7%	12.5%	10.1%	12.2%
EV/Sales	1.3x	1.1x	0.9x	0.8x	0.7x	0.6x
EV/EBITDA	14.3x	16.2x	9.0x	6.9x	5.5x	4.6x
EV/EBIT	32.2x	-561.0x	13.2x	11.2x	8.9x	7.2x
<b>Income statement (EURm)</b>						
Sales	1,003	1,064	1,226	1,750	1,925	2,041
yoy chg in %	-20.1%	6.1%	15.3%	42.7%	10.0%	6.0%
Gross profit	379	393	491	676	755	806
Gross margin in %	37.8%	36.9%	40.0%	38.6%	39.2%	39.5%
EBITDA	90	70	126	193	233	265
EBITDA margin in %	9.0%	6.6%	10.3%	11.0%	12.1%	13.0%
EBIT	40	-2	86	118	143	169
EBIT margin in %	4.0%	-0.2%	7.1%	6.8%	7.4%	8.3%
Net profit	48	232	78	95	118	140
<b>Cash flow statement (EURm)</b>						
CF from operations	90	44	117	225	212	243
Capex	-47	-40	-46	-105	-125	-133
Maintenance Capex	0	0	0	74	90	96
Free cash flow	43	4	71	120	87	111
<b>Balance sheet (EURm)</b>						
Intangible assets	312	262	319	401	418	435
Tangible assets	133	95	110	330	348	367
Shareholders' equity	419	634	602	667	746	837
Pension provisions	0	0	0	0	0	0
Liabilities and provisions	466	409	324	338	242	148
Net financial debt	85	-75	-68	116	71	14
w/c requirements	184	169	208	247	272	289
<b>Ratios</b>						
ROE	11.7%	36.6%	13.0%	14.7%	16.3%	17.2%
ROCE	4.5%	-0.2%	9.3%	11.8%	14.4%	17.1%
Net gearing	20.2%	-11.8%	-11.2%	17.3%	9.6%	1.7%
Net debt / EBITDA	0.9x	-1.1x	-0.5x	0.6x	0.3x	0.1x

Source: Company data; mwb research



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