

Kontron AG

Austria | Technology | MCap EUR 1,261m

19 October 2026

UPDATE



Conference takeaways:
growth visibility
strengthens; BUY.

What's it all about?

Kontron CFO Clemens Billek presented at our virtual Defense & Security Conference, reinforcing Kontron's growing position in mission-critical defense computing, including opportunities with established primes and emerging neo-primes. Importantly, long military platform lifecycles create recurring modernization, maintenance and service opportunities beyond the current rearmament cycle. Management also highlighted improving backlog conversion from 2027, continued rail growth through the FRMCS transition and CRA-driven software monetization. We see these developments supporting sustainable profitable growth and reiterate BUY with an unchanged EUR 35.00 price target. A recording of the event can be accessed under: <https://research-hub.de/videos>

IMPORTANT. Please refer to the last page of this report for "Important disclosures" and analyst(s) certifications.

BUY (BUY)

Target price	EUR 35.00 (35.00)
Current price	EUR 20.34
Up/downside	72.1%



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Kontron AG

Austria | Technology | MCap EUR 1,261m | EV EUR 1,563m

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Conference takeaways: growth visibility strengthens; BUY.

Defense in focus. Kontron CFO Clemens Billek presented at our virtual Defense & Security Conference on 8 October, highlighting the group's growing exposure to mission-critical defense electronics. Defense revenues are expected to exceed EUR 200m in FY26 (~12%) at an EBITDA margin of ~20%, with the former KATEK activities contributing roughly half of the business. Kontron's offering spans ruggedized VPX computing modules, secure communications and system integration for armored vehicles, fighter jets and drones. Notably, Kontron's customer base extends beyond established defense primes to emerging, technology-driven "neo-primes" such as Helsing. This broadens Kontron's exposure to next-generation defense applications, particularly autonomous systems and drones, where ruggedized computing and secure connectivity play an increasingly important role. Here are our key takeaways from the Q&A:

Defense growth beyond rearmament. A central question raised by investors concerned the sustainability of the current defense upcycle beyond Europe's immediate rearmament and readiness targets. Management emphasized that military platforms typically remain operational for decades, requiring continuous modernization of computing, communication and security technologies. The growing installed base should therefore generate demand for upgrades, maintenance and lifecycle services well beyond the initial procurement phase. This adds a structural dimension to Kontron's Defense opportunity, with growth driven not only by higher equipment spending but also by increasing electronic content per platform.

Backlog conversion to accelerate in 2027. Beyond Defense, investors questioned why Kontron's substantial backlog expansion has yet to translate into comparable revenue growth. Management attributed the divergence to long-dated Transportation contracts, delayed deliveries, the transition to 5G NADs and portfolio disposals. Backlog conversion should improve in 2027 as the NAD ramp gains traction, component bottlenecks ease and deconsolidation effects fade. The existing order book provides substantial visibility, although shipment timing remains an important execution factor.

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Kontron AG	2023	2024	2025	2026E	2027E	2028E
Sales	1,226	1,685	1,607	1,627	1,766	1,916
Growth yoy	15.3%	37.4%	-4.6%	1.3%	8.5%	8.5%
EBITDA	126	192	237	200	237	274
EBIT	86	114	163	122	159	195
Net profit	78	91	141	103	124	145
Net debt (net cash)	-68	309	302	185	139	70
Net debt/EBITDA	-0.5x	1.6x	1.3x	0.9x	0.6x	0.3x
EPS reported	1.19	1.42	2.22	1.67	2.00	2.34
DPS	0.50	0.60	0.00	0.67	0.80	0.94
Dividend yield	2.5%	2.9%	0.0%	3.3%	3.9%	4.6%
Gross profit margin	40.0%	43.5%	44.9%	45.1%	46.1%	47.0%
EBITDA margin	10.3%	11.4%	14.8%	12.3%	13.4%	14.3%
EBIT margin	7.1%	6.8%	10.1%	7.5%	9.0%	10.2%
ROCE	9.3%	8.7%	12.0%	8.2%	10.1%	11.7%
EV/Sales	1.0x	0.9x	1.0x	0.9x	0.8x	0.7x
EV/EBITDA	9.5x	8.2x	6.6x	7.2x	5.9x	4.9x
EV/EBIT	13.8x	13.8x	9.6x	11.8x	8.8x	6.8x
PER	17.1x	14.3x	9.2x	12.2x	10.2x	8.7x

Source: Company data, mwb research



Source: Company data, mwb research

High/low 52 weeks 26.28 / 16.34
Price/Book Ratio 1.7x

Ticker / Symbols

ISIN AT0000A0E9W5
WKN A0X9EJ
Bloomberg KTN:GR

Changes in estimates

		Sales	EBIT	EPS
2026E	old	1,627	122	1.67
	Δ	0.0%	0.0%	0.0%
2027E	old	1,766	159	2.00
	Δ	0.0%	0.0%	0.0%
2028E	old	1,916	195	2.34
	Δ	0.0%	0.0%	0.0%

Key share data

Number of shares: (in m pcs) 62.01
Book value per share: (in EUR) 11.65
Ø trading vol.: (12 months) 209,920

Major shareholders

Ennocon 48.0%
Management 2.2%

Free Float 52.0%

Company description

Kontron AG is a leading European provider of IoT solutions, embedded computing systems, and industrial software, with a strategic focus on Industry 4.0, transportation, and defense. The company delivers high-reliability, customized systems for mission-critical applications and is expanding in growth areas such as 5G connectivity, connected mobility, and railway communication (GSM-R/FRMCS). Kontron pursues a focused strategy centered on high-margin, technology-driven solutions.

FRMCS rollout underpins long-term rail ambitions. Another question addressed how Kontron intends to double Transportation revenues by 2030 despite the gradual migration from GSM-R to FRMCS. Management pointed to the expected doubling of the connected rail market and reiterated its expectation of improving margins over the coming years. The modernization and continued operation of existing infrastructure should support demand ahead of broader FRMCS deployment, limiting the risk of a pronounced revenue gap during the transition.

CRA opens recurring revenue opportunities. The Cyber Resilience Act was another main point during the live Q&A. Management expects growing demand for standardized security software, regular patches and ongoing device updates from 2027 onwards. Kontron aims to monetize these requirements through a subscription model priced at EUR 1 per device per month, potentially strengthening recurring software revenues and supporting the group's longer-term margin ambitions. The opportunity is substantial: management previously outlined an ambition of 30m KontronOS installations by 2028 and 80m by 2030.

Conclusion: The presentation reinforced the longer-term growth potential in Defense, Transportation and cybersecurity. Particularly in Defense, Kontron's positioning in mission-critical computing and secure connectivity, alongside the prospect of recurring modernization and service demand, adds substance to the growth story beyond the current investment cycle. While investors still need tangible evidence of sustained revenue growth, improving margins and cash generation, 2027 should mark an important turning point. With GreenTec restructuring largely completed, related cost savings taking effect and portfolio-related distortions fading, the operating setup is becoming more favorable. Combined with improving backlog conversion and the 5G NAD ramp, this should help translate strong order visibility into financial performance. We reiterate BUY and our EUR 35.00 price target.

A recording of Kontron's presentation at our Defense and Security Conference is available [here](#). For more presentations of this event, click [here](#).

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

P&L data	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026
Sales	427.7	477.2	385.4	395.7	400.9	425.4	363.7	373.4
yoy growth in %	44.9%	30.7%	8.2%	-6.6%	-6.3%	-10.9%	-5.6%	-5.6%
Gross profit	191.3	214.9	169.5	149.0	59.5	64.9	152.5	39.2
Gross margin in %	44.7%	45.0%	44.0%	37.7%	14.8%	15.3%	41.9%	10.5%
EBITDA	59.4	50.4	48.0	98.1	47.6	43.8	37.6	46.9
EBITDA margin in %	13.9%	10.6%	12.5%	24.8%	11.9%	10.3%	10.3%	12.5%
EBIT	36.6	29.2	28.6	79.3	28.9	26.2	18.9	27.8
EBIT margin in %	8.5%	6.1%	7.4%	20.0%	7.2%	6.2%	5.2%	7.4%
EBT	29.4	21.0	22.6	73.1	26.2	20.5	16.0	24.5
taxes paid	3.7	-10.3	2.4	5.5	4.0	-7.7	2.2	3.8
tax rate in %	12.7%	-48.8%	10.8%	7.6%	15.3%	-37.6%	14.0%	15.5%
net profit	24.4	29.5	20.1	68.8	21.9	28.4	14.0	20.8
yoy growth in %	29.8%	31.1%	24.1%	218.6%	-10.3%	-3.6%	-30.2%	-69.7%
EPS	0.38	0.43	0.32	1.12	0.36	0.48	0.22	0.34

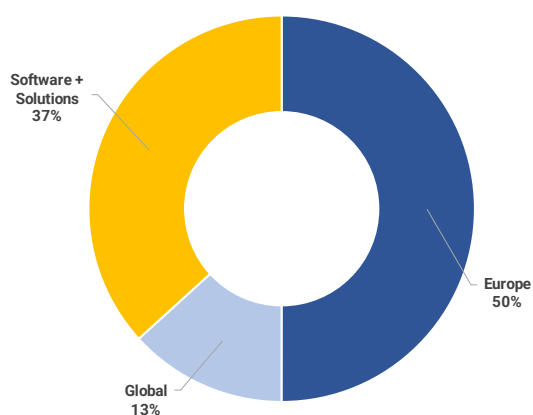
Source: Company data; mwb research

Investment case in six charts

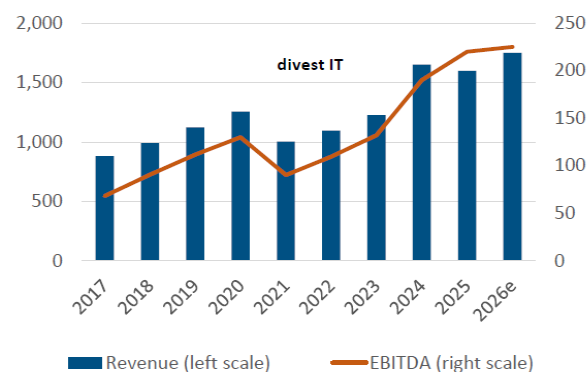
Business units and end markets



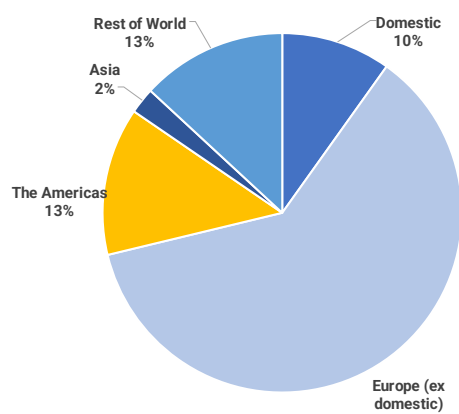
Segmental breakdown in %



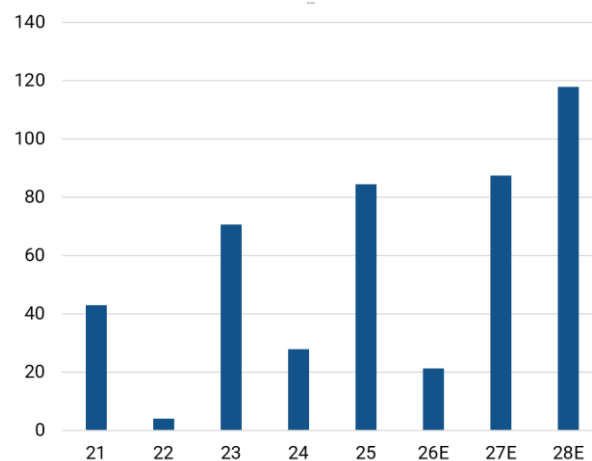
Guidance (in EURm)



Regional sales



FCF to strengthen going forward



Source: Company data, mwb research

SWOT analysis

Strengths

- Strong and strategic partnership with Foxconn and Qualcomm
- 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 transition due to divestment of non-core assets from Katek acquisition, which may cause short-term uncertainty but aims to sharpen focus
- Exposure to currency fluctuations and economic volatility in key markets, given global operations

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

- Competition from larger IoT players with deeper pockets and broader portfolios
- Geopolitical tensions and supply chain disruptions, especially given reliance on Asia for manufacturing and raw materials
- Execution risk related to ongoing restructuring and integration of acquisitions; aggressive M&A could dilute focus if not well managed

Valuation

DCF Model

The DCF model results in a **fair value of EUR 35.69 per share:**

Top-line growth: We expect Kontron AG to grow revenues at a CAGR of 5.0% between 2026E and 2033E. The long-term growth rate is set at 2.0%.

ROCE. Returns on capital are developing from 8.2% in 2026E to 12.4% in 2033E.

WACC. Starting point is a historical equity beta of 1.30. Unlevering and correcting for mean reversion yields an asset beta of 1.04. Combined with a risk-free rate of 2.0% and an equity risk premium of 6.0% this yields cost of equity of 10.6%. 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 8.3%.

DCF (EURm) (except per share data and beta)	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	Terminal value
NOPAT	115	134	155	176	188	192	196	201	
Depreciation & amortization	78	78	79	81	84	87	89	92	
Change in working capital	-85	-36	-23	-28	-16	-18	-19	-19	
Chg. in long-term provisions	-3	1	2	2	0	0	-0	-0	
Capex	-73	-79	-86	-94	-96	-98	-101	-103	
Cash flow	32	97	127	137	160	162	166	170	2,756
Present value	32	88	106	106	114	107	101	96	1,553
WACC	8.9%	8.6%	8.4%	8.3%	8.3%	8.3%	8.3%	8.3%	8.3%

DCF per share derived from	
Total present value	2,304
Mid-year adj. total present value	2,398
Net debt / cash at start of year	302
Financial assets	116
Provisions and off b/s debt	24
Equity value	2,213
No. of shares outstanding	62.0
Discounted cash flow / share upside/(downside)	35.69 75.5%

Share price	20.34
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DCF avg. growth and earnings assumptions	
Planning horizon avg. revenue growth (2026E-2033E)	5.0%
Terminal value growth (2033E - infinity)	2.0%
Terminal year ROCE	12.4%
Terminal year WACC	8.3%

Terminal WACC derived from	
Cost of borrowing (before taxes)	5.0%
Long-term tax rate	25%
Equity beta	1.30
Unlevered beta (industry or company)	1.04
Target debt / equity	0.5
Relevered beta	1.43
Risk-free rate	2.0%
Equity risk premium	6.0%
Cost of equity	10.6%

Sensitivity analysis DCF

Change in WACC (%-points)	Long term growth					Share of present value	
	1.0%	1.5%	2.0%	2.5%	3.0%		
	24.3	25.3	26.3	27.5	28.9	2026E-2029E	14.4%
	27.6	28.9	30.4	32.0	34.0	2030E-2033E	18.2%
	31.9	33.6	35.7	38.1	40.9	terminal value	67.4%
	37.5	40.0	43.0	46.6	51.1		
	45.3	49.1	53.8	59.7	67.5		

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 25.59 per share based on 2026E and EUR 50.70 per share on 2030E 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	2026E	2027E	2028E	2029E	2030E
EBITDA	200	237	274	317	336
- Maintenance capex	78	78	79	81	84
- Minorities	1	1	1	1	1
- tax expenses	5	22	37	56	60
= Adjusted FCF	116	136	158	179	191
Actual Market Cap	1,299	1,299	1,299	1,299	1,299
+ Net debt (cash)	185	139	70	-0	-86
+ Pension provisions	0	0	0	0	0
+ Off B/S financing	0	0	0	0	0
- Financial assets	116	116	116	116	116
- Acc. dividend payments	0	41	91	149	216
<i>EV Reconciliations</i>	69	-19	-137	-265	-418
= Actual EV'	1,367	1,280	1,162	1,033	881
Adjusted FCF yield	8.5%	10.6%	13.6%	17.3%	21.7%
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%
Fair EV	1,655	1,945	2,254	2,560	2,725
- <i>EV Reconciliations</i>	69	-19	-137	-265	-418
Fair Market Cap	1,587	1,964	2,391	2,826	3,144
No. of shares (million)	62	62	62	62	62
Fair value per share in EUR	25.59	31.68	38.56	45.57	50.70
Premium (-) / discount (+)	25.8%	55.8%	89.6%	124.1%	149.3%

Sensitivity analysis FV						
Adjusted hurdle rate	5.0%	36	44	53	62	68
	6.0%	30	37	45	52	58
	7.0%	26	32	39	46	51
	8.0%	22	28	34	40	45
	9.0%	20	25	30	36	41

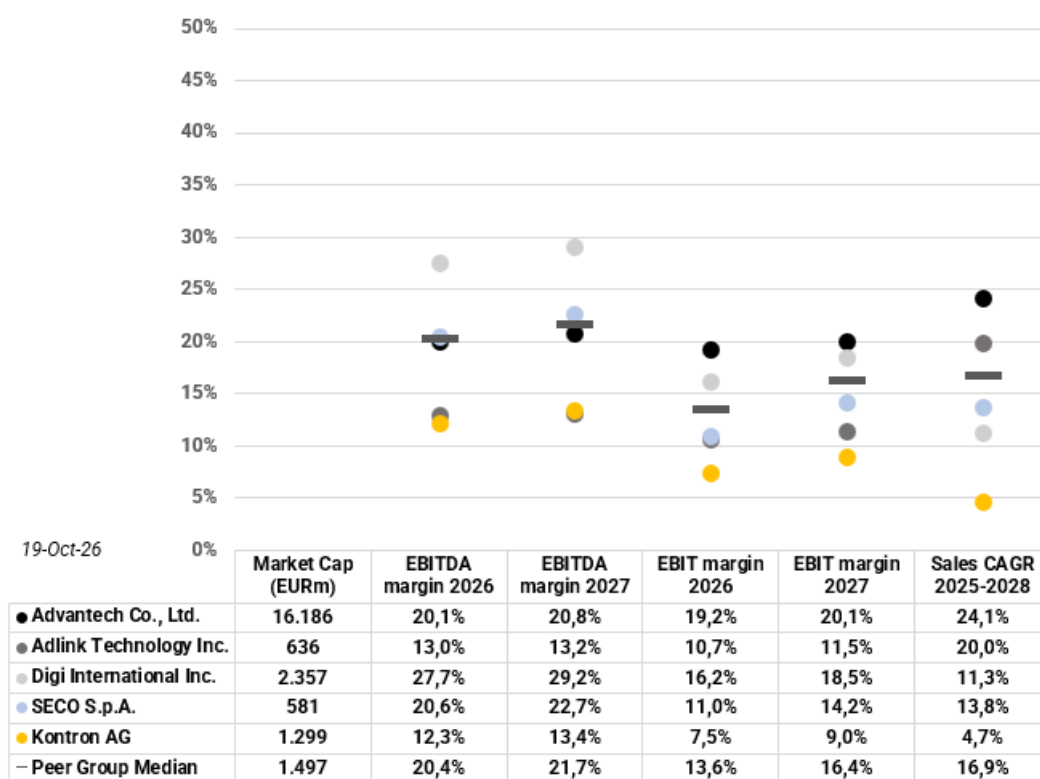
Source: Company data; mwb research

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 19 October 2026 the median market cap of the peer group was EUR 1,497m, compared to EUR 1,261m for Kontron AG. In the period under review, the peer group was more profitable than Kontron AG. The expectations for sales growth are higher for the peer group than for Kontron AG.

Peer Group – Key data

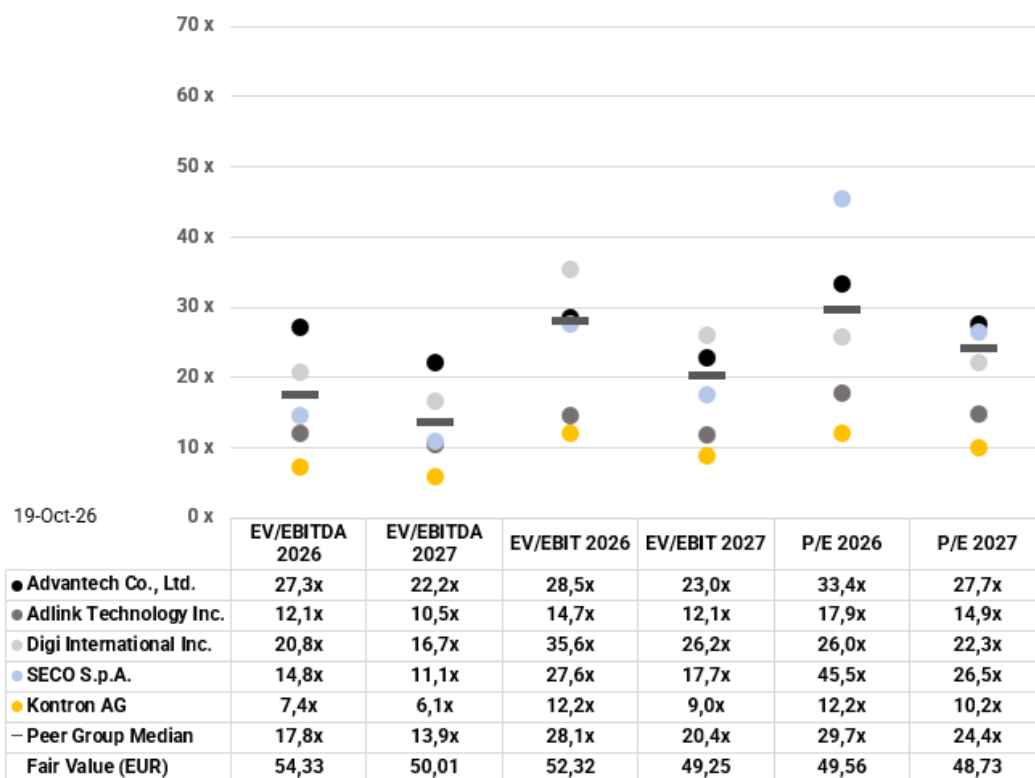


Source: FactSet, mwb research

Comparable company analysis operates under the assumption that similar companies will have similar valuation multiples. We use the following multiples: EV/EBITDA 2026, EV/EBITDA 2027, EV/EBIT 2026, EV/EBIT 2027, P/E 2026 and P/E 2027.

Applying these to Kontron AG results in a range of fair values from EUR 48.73 to EUR 54.33.

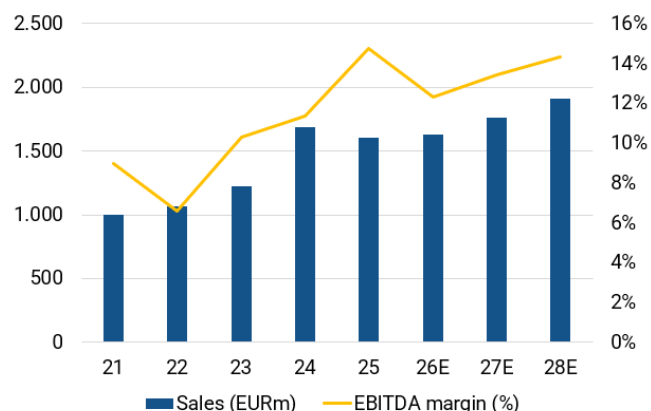
Peer Group – Multiples and valuation



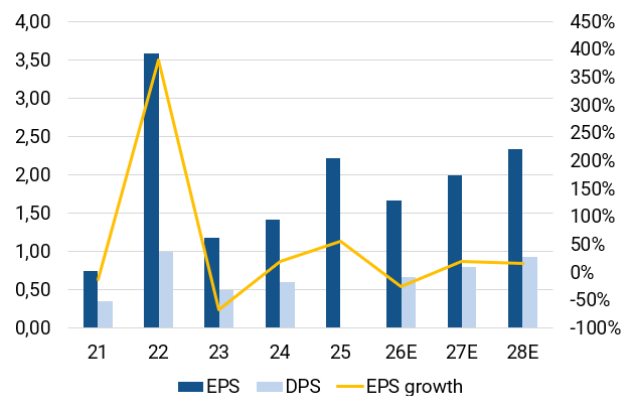
Source: FactSet, mwb research

Financials in six charts

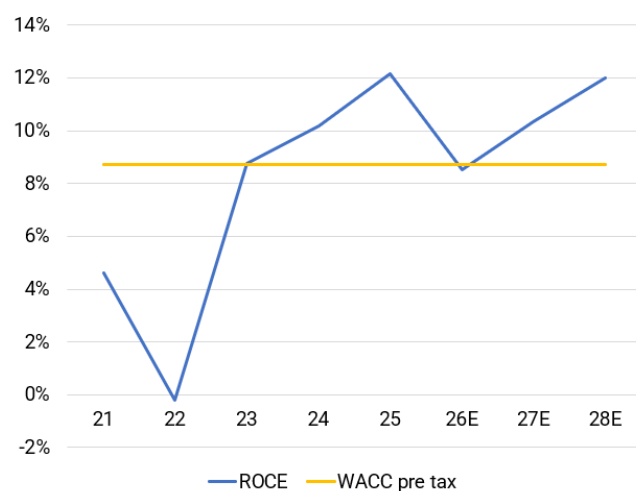
Sales vs. EBITDA margin development



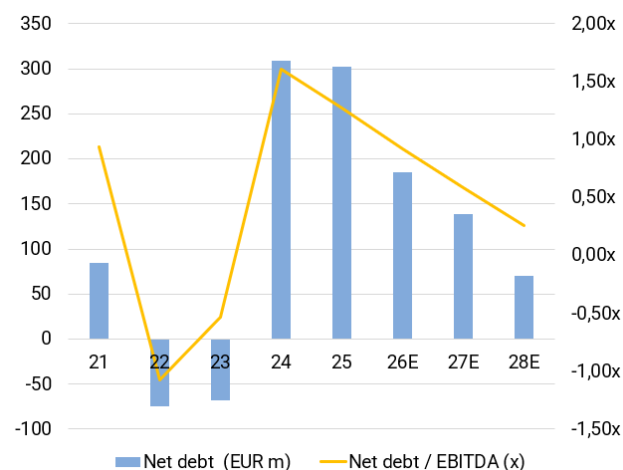
EPS, DPS in EUR & yoy EPS growth



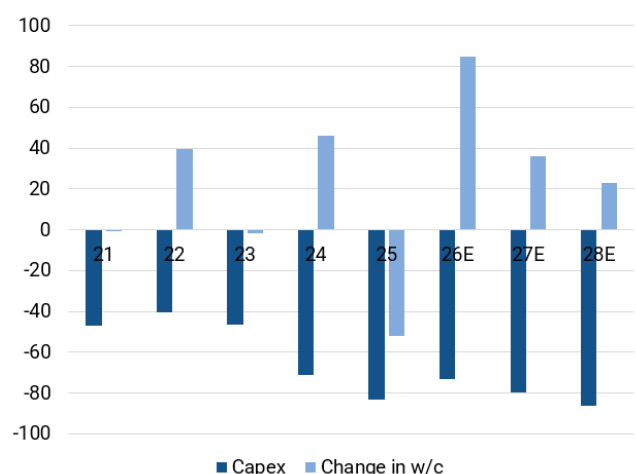
ROCE vs. WACC (pre tax)



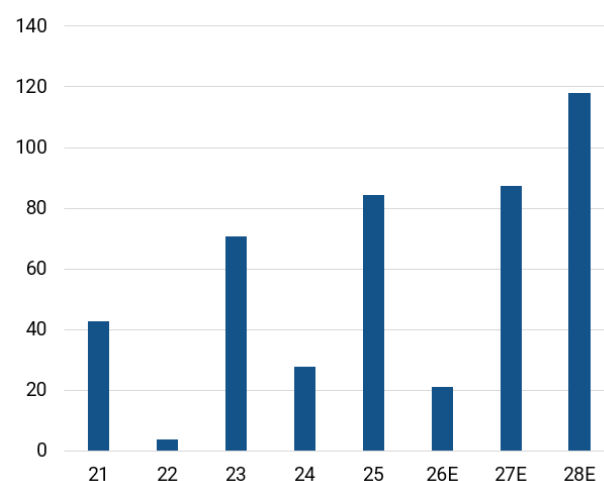
Net debt and net debt/EBITDA



Capex & chgn in w/c requirements in EURm



Free Cash Flow in EURm



Source: Company data; mwb research

Financials

Profit and loss (EURm)	2023	2024	2025	2026E	2027E	2028E
Net sales	1,226	1,685	1,607	1,627	1,766	1,916
Sales growth	15.3%	37.4%	-4.6%	1.3%	8.5%	8.5%
Change in finished goods and work-in-process	25	40	45	41	44	48
Total sales	1,251	1,725	1,652	1,668	1,810	1,964
Material expenses	760	991	931	933	997	1,063
Gross profit	491	734	721	735	813	900
Other operating income	15	20	99	20	20	22
Personnel expenses	292	441	454	429	461	501
Other operating expenses	89	121	129	125	136	148
EBITDA	126	192	237	200	237	274
Depreciation	24	48	47	50	53	57
EBITA	102	144	190	150	184	218
Amortisation of goodwill and intangible assets	15	30	27	28	25	22
EBIT	86	114	163	122	159	195
Financial result	-7	-23	-21	-12	-12	-12
Recurring pretax income from continuing operations	79	91	142	110	147	183
Extraordinary income/loss	0	0	0	0	0	0
Earnings before taxes	79	91	142	110	147	183
Taxes	4	3	4	5	22	37
Net income from continuing operations	76	88	138	104	125	146
Result from discontinued operations (net of tax)	3	3	2	0	0	0
Net income	78	92	140	104	125	146
Minority interest	-0	-1	1	-1	-1	-1
Net profit (reported)	78	91	141	103	124	145
Average number of shares	65.51	63.66	63.66	62.01	62.01	62.01
EPS reported	1.19	1.42	2.22	1.67	2.00	2.34

Profit and loss (common size)	2023	2024	2025	2026E	2027E	2028E
Net sales	100%	100%	100%	100%	100%	100%
Change in finished goods and work-in-process	2%	2%	3%	3%	3%	2%
Total sales	102%	102%	103%	102%	103%	102%
Material expenses	62%	59%	58%	57%	56%	55%
Gross profit	40%	44%	45%	45%	46%	47%
Other operating income	1%	1%	6%	1%	1%	1%
Personnel expenses	24%	26%	28%	26%	26%	26%
Other operating expenses	7%	7%	8%	8%	8%	8%
EBITDA	10%	11%	15%	12%	13%	14%
Depreciation	2%	3%	3%	3%	3%	3%
EBITA	8%	9%	12%	9%	10%	11%
Amortisation of goodwill and intangible assets	1%	2%	2%	2%	1%	1%
EBIT	7%	7%	10%	8%	9%	10%
Financial result	-1%	-1%	-1%	-1%	-1%	-1%
Recurring pretax income from continuing operations	6%	5%	9%	7%	8%	10%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	6%	5%	9%	7%	8%	10%
Taxes	0%	0%	0%	0%	1%	2%
Net income from continuing operations	6%	5%	9%	6%	7%	8%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
Net income	6%	5%	9%	6%	7%	8%
Minority interest	-0%	-0%	0%	-0%	-0%	-0%
Net profit (reported)	6%	5%	9%	6%	7%	8%

Source: Company data; mwb research

Balance sheet (EURm)	2023	2024	2025	2026E	2027E	2028E
Intangible assets (exl. Goodwill)	102	157	166	146	130	118
Goodwill	217	263	255	255	255	255
Property, plant and equipment	110	238	236	252	270	290
Financial assets	20	22	116	116	116	116
FIXED ASSETS	449	680	774	769	771	779
Inventories	230	373	319	327	363	385
Accounts receivable	252	250	197	272	295	320
Other current assets	42	136	174	174	174	174
Liquid assets	332	316	263	315	361	430
Deferred taxes	60	64	60	60	60	60
Deferred charges and prepaid expenses	0	0	0	0	0	0
CURRENT ASSETS	921	1,143	1,013	1,148	1,253	1,368
TOTAL ASSETS	1,371	1,824	1,787	1,918	2,025	2,147
SHAREHOLDERS EQUITY	602	632	742	942	1,025	1,122
MINORITY INTEREST	2	20	5	5	5	5
Long-term debt	93	403	301	400	400	400
Provisions for pensions and similar obligations	0	0	0	0	0	0
Other provisions	60	39	51	48	49	51
Non-current liabilities	153	442	352	448	449	451
short-term liabilities to banks	171	221	264	100	100	100
Accounts payable	273	272	228	228	243	259
Advance payments received on orders	0	0	0	0	0	0
Other liabilities (incl. from lease and rental contracts)	152	225	193	193	200	207
Deferred taxes	17	11	3	3	3	3
Deferred income	0	0	0	0	0	0
Current liabilities	614	730	689	523	546	570
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	1,371	1,824	1,787	1,918	2,025	2,147

Balance sheet (common size)	2023	2024	2025	2026E	2027E	2028E
Intangible assets (excl. Goodwill)	7%	9%	9%	8%	6%	5%
Goodwill	16%	14%	14%	13%	13%	12%
Property, plant and equipment	8%	13%	13%	13%	13%	13%
Financial assets	1%	1%	7%	6%	6%	5%
FIXED ASSETS	33%	37%	43%	40%	38%	36%
Inventories	17%	20%	18%	17%	18%	18%
Accounts receivable	18%	14%	11%	14%	15%	15%
Other current assets	3%	7%	10%	9%	9%	8%
Liquid assets	24%	17%	15%	16%	18%	20%
Deferred taxes	4%	4%	3%	3%	3%	3%
Deferred charges and prepaid expenses	0%	0%	0%	0%	0%	0%
CURRENT ASSETS	67%	63%	57%	60%	62%	64%
TOTAL ASSETS	100%	100%	100%	100%	100%	100%
SHAREHOLDERS EQUITY	44%	35%	41%	49%	51%	52%
MINORITY INTEREST	0%	1%	0%	0%	0%	0%
Long-term debt	7%	22%	17%	21%	20%	19%
Provisions for pensions and similar obligations	0%	0%	0%	0%	0%	0%
Other provisions	4%	2%	3%	3%	2%	2%
Non-current liabilities	11%	24%	20%	23%	22%	21%
short-term liabilities to banks	13%	12%	15%	5%	5%	5%
Accounts payable	20%	15%	13%	12%	12%	12%
Advance payments received on orders	0%	0%	0%	0%	0%	0%
Other liabilities (incl. from lease and rental contracts)	11%	12%	11%	10%	10%	10%
Deferred taxes	1%	1%	0%	0%	0%	0%
Deferred income	0%	0%	0%	0%	0%	0%
Current liabilities	45%	40%	39%	27%	27%	27%
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100%	100%	100%	100%	100%	100%

Source: Company data; mwb research

Cash flow statement (EURm)	2023	2024	2025	2026E	2027E	2028E
Net profit/loss	79	92	140	104	125	146
Depreciation of fixed assets (incl. leases)	24	48	47	50	53	57
Amortisation of goodwill	0	0	0	0	0	0
Amortisation of intangible assets	15	30	27	28	25	22
Others	-3	-21	-99	-3	1	2
Cash flow from operations before changes in w/c	115	149	116	179	203	227
Increase/decrease in inventory	-15	70	50	-9	-36	-21
Increase/decrease in accounts receivable	-6	-8	29	-75	-23	-25
Increase/decrease in accounts payable	19	-120	-50	-0	15	16
Increase/decrease in other w/c positions	4	12	23	-1	8	7
Increase/decrease in working capital	2	-46	52	-85	-36	-23
Cash flow from operating activities	117	99	168	94	167	204
CAPEX	-46	-71	-83	-73	-79	-86
Payments for acquisitions	-53	-106	-1	0	0	0
Financial investments	121	5	8	0	0	0
Income from asset disposals	4	45	18	126	0	0
Cash flow from investing activities	26	-127	-58	53	-79	-86
Cash flow before financing	143	-28	109	147	87	118
Increase/decrease in debt position	-73	133	-98	-66	0	0
Purchase of own shares	-46	-10	0	-30	0	0
Capital measures	6	0	0	0	0	0
Dividends paid	-63	-31	-37	0	-41	-50
Others	0	-82	-23	0	0	0
Effects of exchange rate changes on cash	-3	1	-4	0	0	0
Cash flow from financing activities	-180	12	-162	-96	-41	-50
Increase/decrease in liquid assets	-37	-17	-52	52	46	68
Liquid assets at end of period	332	316	263	315	361	430

Source: Company data; mwb research

Regional sales split (EURm)	2023	2024	2025	2026E	2027E	2028E
Domestic	131	143	159	160	174	189
Europe (ex domestic)	763	961	986	999	1,084	1,176
The Americas	131	244	214	217	235	255
Asia	50	76	38	38	41	45
Rest of World	151	261	211	213	231	251
Total sales	1,226	1,685	1,607	1,627	1,766	1,916

Regional sales split (common size)	2023	2024	2025	2026E	2027E	2028E
Domestic	10.7%	8.5%	9.9%	9.9%	9.9%	9.9%
Europe (ex domestic)	62.3%	57.0%	61.4%	61.4%	61.4%	61.4%
The Americas	10.7%	14.5%	13.3%	13.3%	13.3%	13.3%
Asia	4.1%	4.5%	2.3%	2.3%	2.3%	2.3%
Rest of World	12.3%	15.5%	13.1%	13.1%	13.1%	13.1%
Total sales	100%	100%	100%	100%	100%	100%

Source: Company data; mwb research

Ratios	2023	2024	2025	2026E	2027E	2028E
Per share data						
Earnings per share reported	1.19	1.42	2.22	1.67	2.00	2.34
Cash flow per share	1.18	0.34	1.47	0.27	1.44	2.02
Book value per share	9.19	9.93	11.65	15.19	16.53	18.09
Dividend per share	0.50	0.60	0.00	0.67	0.80	0.94
Valuation						
P/E	17.1x	14.3x	9.2x	12.2x	10.2x	8.7x
P/CF	17.2x	60.7x	13.9x	76.6x	14.1x	10.1x
P/BV	2.2x	2.0x	1.7x	1.3x	1.2x	1.1x
Dividend yield (%)	2.5%	2.9%	0.0%	3.3%	3.9%	4.6%
FCF yield (%)	5.8%	1.6%	7.2%	1.3%	7.1%	9.9%
EV/Sales	1.0x	0.9x	1.0x	0.9x	0.8x	0.7x
EV/EBITDA	9.5x	8.2x	6.6x	7.2x	5.9x	4.9x
EV/EBIT	13.8x	13.8x	9.6x	11.8x	8.8x	6.8x
Income statement (EURm)						
Sales	1,226	1,685	1,607	1,627	1,766	1,916
yoy chg in %	15.3%	37.4%	-4.6%	1.3%	8.5%	8.5%
Gross profit	491	734	721	735	813	900
Gross margin in %	40.0%	43.5%	44.9%	45.1%	46.1%	47.0%
EBITDA	126	192	237	200	237	274
EBITDA margin in %	10.3%	11.4%	14.8%	12.3%	13.4%	14.3%
EBIT	86	114	163	122	159	195
EBIT margin in %	7.1%	6.8%	10.1%	7.5%	9.0%	10.2%
Net profit	78	91	141	103	124	145
Cash flow statement (EURm)						
CF from operations	117	99	168	94	167	204
Capex	-46	-71	-83	-73	-79	-86
Maintenance Capex	40	78	74	78	78	79
Free cash flow	71	28	84	21	87	118
Balance sheet (EURm)						
Intangible assets	319	420	422	401	385	373
Tangible assets	110	238	236	252	270	290
Shareholders' equity	602	632	742	942	1,025	1,122
Pension provisions	0	0	0	0	0	0
Liabilities and provisions	324	663	617	548	549	551
Net financial debt	-68	309	302	185	139	70
w/c requirements	208	351	287	372	415	445
Ratios						
ROE	13.0%	14.5%	18.9%	11.1%	12.2%	13.0%
ROCE	9.3%	8.7%	12.0%	8.2%	10.1%	11.7%
Net gearing	-11.2%	48.8%	40.7%	19.6%	13.5%	6.3%
Net debt / EBITDA	-0.5x	1.6x	1.3x	0.9x	0.6x	0.3x

Source: Company data; mwb research

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