

# HelloFresh SE

Germany | Retail | MCap EUR 2,096m

3 January 2025

UPDATE



RTE growth and focus on meal-kit margins; PT/est. up, HOLD.

**HOLD** (HOLD)

<b>Target price</b>	<b>EUR 12.50</b> (10.00)
Current price	EUR 12.71
Up/downside	-1.6%



**MAIN AUTHOR**

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## What's it all about?

HelloFresh's share price has rebounded significantly after its sharp decline in March 2024, reflecting renewed investor confidence. The company's dual focus on stabilizing the core meal-kit business and scaling its Ready-to-Eat (RTE) segment is central to its long-term strategy. While premiumization and efficiency measures in the meal kit business should provide improving margins, RTE offers significant growth potential, despite margin pressure through growth initiatives. With expectations of better fixed-cost leverage and enhanced profitability, we have updated our estimates beyond 2026. Although HelloFresh's strategy shows promise, we maintain a conservative stance given the uncertain consumer environment and execution risks, reiterating our HOLD rating with a revised PT of EUR 12.50 (old: EUR 10.00).

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

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## RTE growth and focus on meal-kit margins; PT/est. up, HOLD.

**Share price recovery.** HelloFresh's (HF) share price has demonstrated a significant recovery since its all-time-low following a guidance cut and the withdrawal of its medium-term targets in early 2024. The renewed investor confidence, supported by a new EUR 75m buyback program, prompts us to revisit the strategic initiatives.

**Meal-kit business.** HelloFresh's meal-kit business continues to be a cornerstone of its operations, contributing significantly to overall revenue. Despite a 9% yoy decline in constant currency revenue in Q3 2024, the segment demonstrated robust profitability with an improved AEBITDA margin. HF is optimizing its fulfillment center operations, focusing on North America, Germany, and the UK. By targeting high-value customers, the company aims to enhance its AOV (average order value) through premiumization and add-ons, while shifting away from less profitable customers.

**Growth driver RTE:** The Ready-to-Eat (RTE) segment continues to be a critical growth engine for HF, with a 40% yoy revenue increase in constant currency for Q3 2024. Although RTE AEBITDA declined yoy, the segment successfully reached breakeven during the quarter, marking an important operational achievement. Profitability is expected to improve in the coming quarters as the company scales production, enhances fulfillment efficiencies, and increases marketing returns. Further, investments in international market expansion and additional capacity are expected to fuel growth. Given a strong consumer demand for convenience, HF sees the RTE segment as a key pillar of its long-term strategy.

**Conclusion.** Looking at the company's expectations for the mid-term, including the growth strategy for the RTE business and the profitability initiatives for the core meal-kit business, we expect HF to yield better fixed-cost leverage and margins in the long run, driven by optimization of fulfillment centers and the focus on high-value customers. Following HelloFresh's indicative mid-term outlook we have fine-tuned our

-continued next page

HelloFresh SE	2021	2022	2023	2024E	2025E	2026E
Sales	5,993	7,607	7,597	7,695	7,849	8,006
<i>Growth yoy</i>	59.8%	26.9%	-0.1%	1.3%	2.0%	2.0%
EBITDA	517	396	329	365	455	522
EBIT	421	230	109	65	145	208
Net profit	266	127	19	17	86	131
Net debt (net cash)	-365	162	272	279	232	80
Net debt/EBITDA	-0.7x	0.4x	0.8x	0.8x	0.5x	0.2x
EPS reported	1.53	0.74	0.11	0.10	0.52	0.79
DPS	0.00	0.00	0.00	0.00	0.00	0.00
<i>Dividend yield</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Gross profit margin	64.2%	63.4%	61.9%	62.1%	62.3%	62.9%
EBITDA margin	8.6%	5.2%	4.3%	4.7%	5.8%	6.5%
EBIT margin	7.0%	3.0%	1.4%	0.9%	1.8%	2.6%
ROCE	28.1%	12.6%	5.6%	3.4%	7.1%	9.6%
EV/EBITDA	3.3x	5.7x	7.2x	6.5x	5.1x	4.2x
EV/EBIT	4.1x	9.8x	21.8x	36.3x	16.0x	10.5x
PER	8.3x	17.2x	112.6x	122.9x	24.3x	16.0x
FCF yield	21.1%	15.0%	18.8%	3.2%	6.2%	7.6%

Source: Company data, mwb research



Source: Company data, mwb research

**High/low 52 weeks** 14.16 / 4.42  
**Price/Book Ratio** 2.1x

### Ticker / Symbols

ISIN DE000A161408  
WKN A16140  
Bloomberg HFG:GR

### Changes in estimates

		Sales	EBIT	EPS
2024E	old	7,695	65	0.10
	Δ	0.0%	0.0%	4.2%
2025E	old	7,849	145	0.50
	Δ	0.0%	0.0%	4.2%
2026E	old	8,006	208	0.76
	Δ	0.0%	0.0%	4.2%

### Key share data

Number of shares: (in m pcs) 165.00  
Book value per share: (in EUR) 5.94  
Ø trading vol.: (12 months) 2,133,149

### Major shareholders

BIT Capital GmbH 5.4%  
Morgan Stanley 5.0%  
Active Ownership 4.7%  
Free Float 84.3%

### Company description

HelloFresh SE provides personalized, home-delivered meal kits and ready-to-eat meals (RTE). The company operates numerous brands, such as HelloFresh, Factor, EveryPlate Green Chef, Youfoodz, Chop Shop, as well as the pet food brand Pets Table. Business activities are spread over 18 markets, such as the USA and Canada, Western, Central and Southern Europe, Scandinavia, as well as Australia.

mid-term estimates beyond 2026, focusing on key cost drivers including COGS, SG&A, as well as CapEx. While the company's strategy to scale RTE, stabilize meal kits, and improve operational efficiency presents upside potential, we remain conservative in our projections, keeping an eye on the consumer environment and strategy execution. We come to a revised PT of EUR 12.50 (old: EUR 10.00), also supported by the company's share buybacks. Our rating remains HOLD.

The following table displays the quarterly performance of **HelloFresh SE**.

P&L data	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024
Sales	1,874.5	2,016.1	1,917.5	1,804.0	1,859.0	2,073.5	1,950.8	1,828.4
yoy growth in %	18.6%	5.3%	-2.0%	-3.0%	-0.8%	2.8%	1.7%	1.4%
Gross profit	1,179.7	1,243.0	1,217.6	1,114.5	1,125.0	1,207.8	1,231.7	1,062.5
Gross margin in %	62.9%	61.7%	63.5%	61.8%	60.5%	58.2%	63.1%	58.1%
EBITDA	131.3	55.7	154.1	51.1	85.3	-2.5	105.4	54.9
EBITDA margin in %	7.0%	2.8%	8.0%	2.8%	4.6%	-0.1%	5.4%	3.0%
EBIT	78.7	5.4	102.6	-4.0	21.4	-81.6	10.7	-13.7
EBIT margin in %	4.2%	0.3%	5.4%	-0.2%	1.2%	-3.9%	0.5%	-0.7%
EBT	38.5	-25.4	97.3	-12.2	13.6	-86.5	14.3	-49.8
taxes paid	5.0	0.0	31.0	-0.7	25.0	-2.7	5.5	-16.2
tax rate in %	13.0%	0.0%	31.9%	5.7%	183.8%	3.1%	38.5%	32.5%
net profit	34.2	-25.1	66.5	-11.2	-10.9	-83.9	8.9	-33.3
yoy growth in %	-0.3%	-165.7%	1.5%	-315.4%	-131.9%	234.3%	-86.6%	197.3%
<b>EPS</b>	<b>0.20</b>	<b>-0.15</b>	<b>0.39</b>	<b>-0.06</b>	<b>-0.06</b>	<b>-0.49</b>	<b>0.05</b>	<b>-0.20</b>

Source: Company data; mwb research

# Investment case in six charts

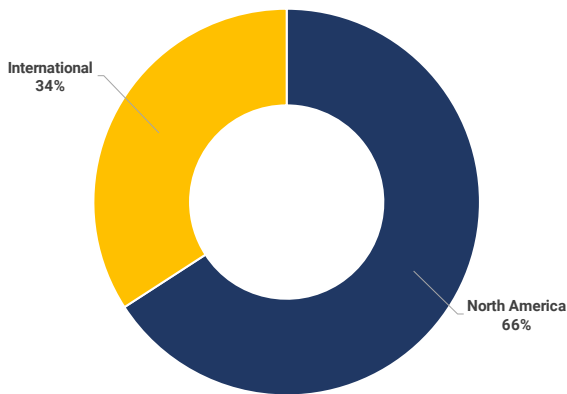
## Brand family



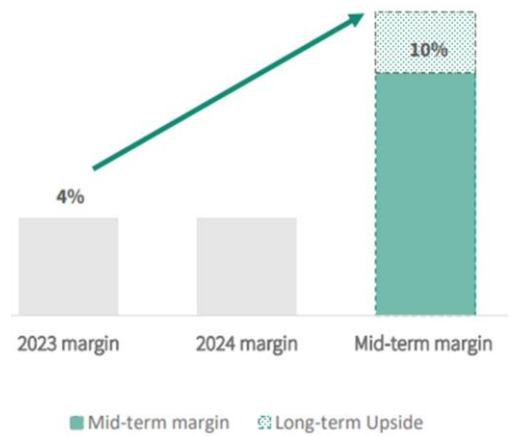
## Product samples



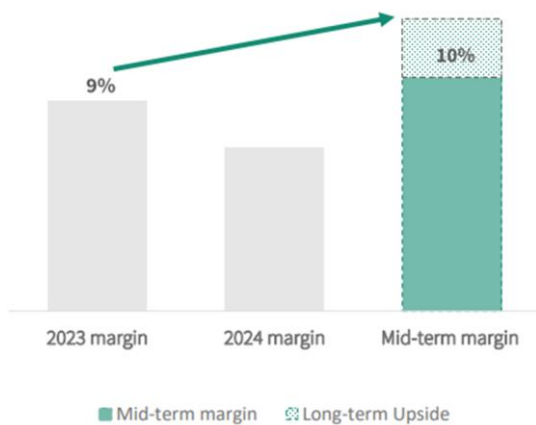
## Segmental breakdown in %



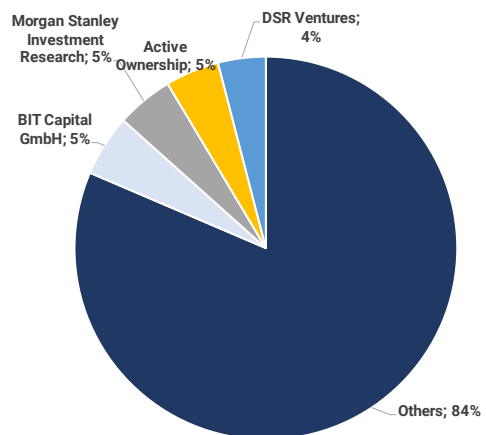
## Long-term AEBITDA profile RTE



## Long-term AEBITDA meal kits



## Major Shareholders



Source: Company data; mwb research

# Valuation

## DCF Model

The DCF model results in a **fair value of EUR 12.48 per share**:

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

**ROCE.** Returns on capital are developing from 3.4% in 2024E to 9.3% in 2031E.

**WACC.** Starting point is a historical equity beta of 1.84. Unlevering and correcting for mean reversion yields an asset beta of 1.35. Combined with a risk-free rate of 2.0% and an equity risk premium of 6.0% this yields cost of equity of 12.9%. With pre-tax cost of borrowing at 5.0%, a tax rate of 30% and target debt/equity of 0.5 this results in a long-term WACC of 9.8%.

DCF (EURm) (except per share data and beta)	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	Terminal value
NOPAT	46	103	148	168	171	175	178	182	
Depreciation & amortization	300	310	314	306	296	290	282	278	
Change in working capital	8	-1	-15	-11	-11	-12	-12	-13	
Chg. in long-term provisions	3	4	4	0	0	-0	-0	-0	
Capex	-269	-275	-280	-261	-267	-255	-260	-265	
Cash flow	87	141	170	202	190	198	188	181	2,375
Present value	87	128	141	152	131	124	107	94	1,237
WACC	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.8%

DCF per share derived from		DCF avg. growth and earnings assumptions	
Total present value	2,202	Planning horizon avg. revenue growth (2024E-2031E)	2.0%
Mid-year adj. total present value	2,308	Terminal value growth (2031E - infinity)	2.0%
Net debt / cash at start of year	272	Terminal year ROCE	9.3%
Financial assets	23	Terminal year WACC	9.8%
Provisions and off b/s debt	na		
Equity value	2,059	Terminal WACC derived from	
No. of shares outstanding	165.0	Cost of borrowing (before taxes)	5.0%
		Long-term tax rate	30%
		Equity beta	1.84
		Unlevered beta (industry or company)	1.35
		Target debt / equity	0.5
		Relevered beta	1.82
		Risk-free rate	2.0%
		Equity risk premium	6.0%
		Cost of equity	12.9%

Discounted cash flow / share	
Discounted cash flow / share	12.48
upside/(downside)	-1.8%

Share price	
Share price	12.71

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%	9.3	9.6	9.9	10.2	10.6	2024E-2027E	23.1%
1.0%	10.3	10.6	11.0	11.5	11.9	2028E-2031E	20.7%
0.0%	11.5	12.0	12.5	13.1	13.7	terminal value	56.2%
-1.0%	13.0	13.7	14.4	15.2	16.1		
-2.0%	15.0	15.9	16.9	18.1	19.5		

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 6.98 per share based on 2024E and EUR 20.80 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>365</b>	<b>455</b>	<b>522</b>	<b>543</b>	<b>538</b>
- Maintenance capex	260	267	273	265	256
- Minorities	-0	-1	-2	-2	-2
- tax expenses	7	36	55	64	65
<b>= Adjusted FCF</b>	<b>99</b>	<b>153</b>	<b>196</b>	<b>216</b>	<b>220</b>
<b>Actual Market Cap</b>	<b>2,200</b>	<b>2,200</b>	<b>2,200</b>	<b>2,200</b>	<b>2,200</b>
+ Net debt (cash)	279	232	80	-102	-273
+ Pension provisions	0	0	0	0	0
+ Off b/s financing	0	0	0	0	0
- Financial assets	23	23	23	23	23
- Acc. dividend payments	0	0	0	0	0
<i>EV Reconciliations</i>	257	209	57	-125	-296
<b>= Actual EV'</b>	<b>2,457</b>	<b>2,409</b>	<b>2,258</b>	<b>2,075</b>	<b>1,904</b>
<b>Adjusted FCF yield</b>	<b>4.0%</b>	<b>6.3%</b>	<b>8.7%</b>	<b>10.4%</b>	<b>11.5%</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>1,408</b>	<b>2,183</b>	<b>2,804</b>	<b>3,088</b>	<b>3,136</b>
- <i>EV Reconciliations</i>	257	209	57	-125	-296
<b>Fair Market Cap</b>	<b>1,151</b>	<b>1,974</b>	<b>2,746</b>	<b>3,213</b>	<b>3,432</b>
No. of shares (million)	165	165	165	165	165
<b>Fair value per share in EUR</b>	<b>6.98</b>	<b>11.96</b>	<b>16.64</b>	<b>19.47</b>	<b>20.80</b>
<b>Premium (-) / discount (+)</b>	<b>-45.1%</b>	<b>-5.8%</b>	<b>31.0%</b>	<b>53.3%</b>	<b>63.7%</b>

Sensitivity analysis fair value						
<b>Adjusted hurdle rate</b>	5.0%	10	17	23	27	28
	6.0%	8	14	19	23	24
	<b>7.0%</b>	<b>7</b>	<b>12</b>	<b>17</b>	<b>19</b>	<b>21</b>
	8.0%	6	10	15	17	18
	9.0%	5	9	13	15	17

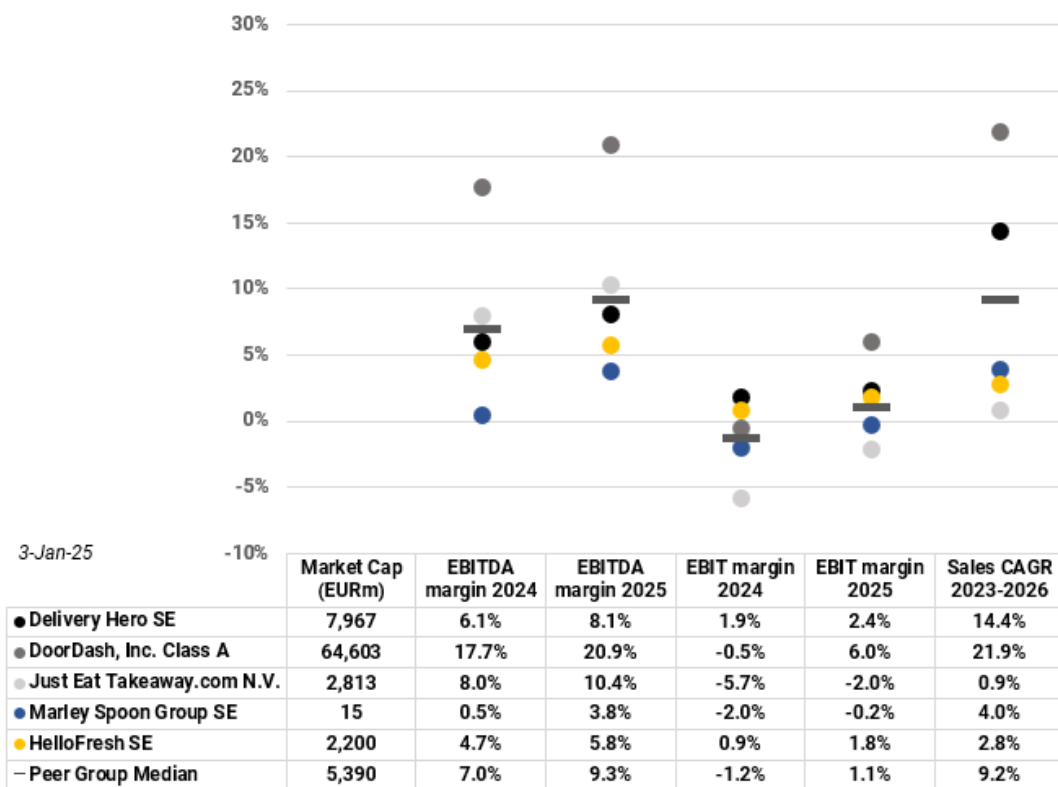
Source: Company data; mwb research

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 **HelloFresh SE** 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 HelloFresh SE consists of the stocks displayed in the graphs below. As of 3 January 2025 the median market cap of the peer group was EUR 5,390m, compared to EUR 2,096m for HelloFresh SE. In the period under review, the peer group was more profitable than HelloFresh SE. The expectations for sales growth are higher for the peer group than for HelloFresh SE.

### Peer Group – Key data

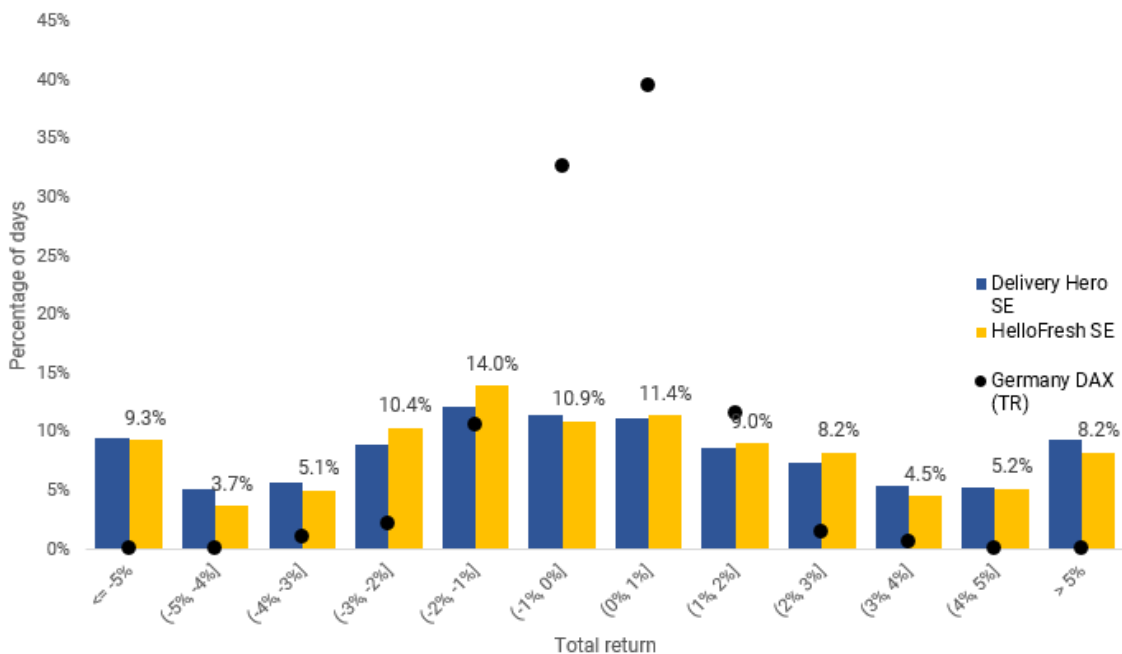


Source: FactSet, mwb research

# Risk

The chart displays the **distribution of daily returns of HelloFresh SE** over the last 3 years, compared to the same distribution for Delivery Hero SE. We have also included the distribution for the index Germany DAX (TR). The distribution gives a better understanding of risk than measures like volatility, which assume that log returns are normally distributed. In reality, they are skewed (down moves are larger) and have fat tails (large moves occur more often than predicted). Also, volatility treats up and down moves the same, while investors are more worried about down moves. For HelloFresh SE, the worst day during the past 3 years was 08/03/2024 with a share price decline of -42.1%. The best day was 25/10/2024 when the share price increased by 20.1%.

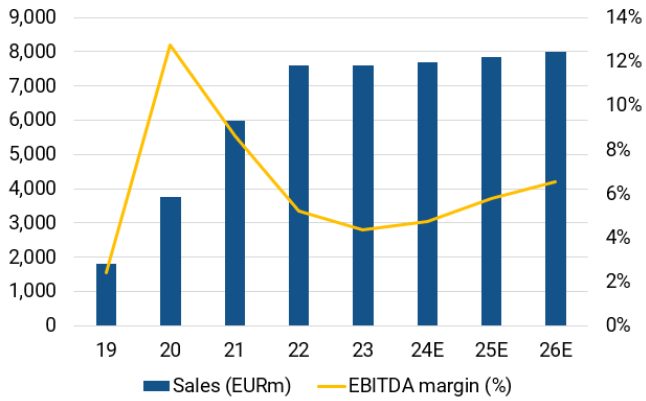
**Risk – Daily Returns Distribution (trailing 3 years)**



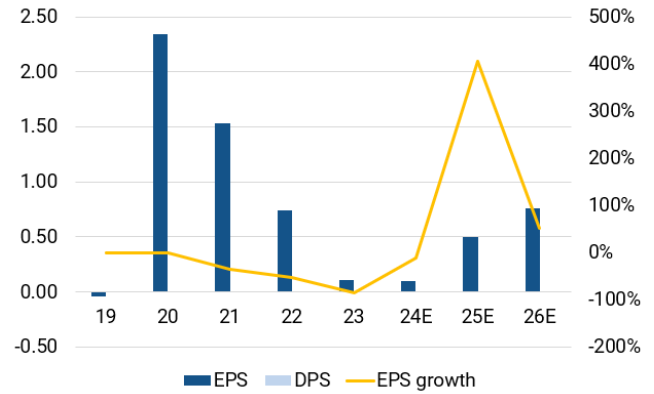
Source: FactSet, mwb research

# Financials in six charts

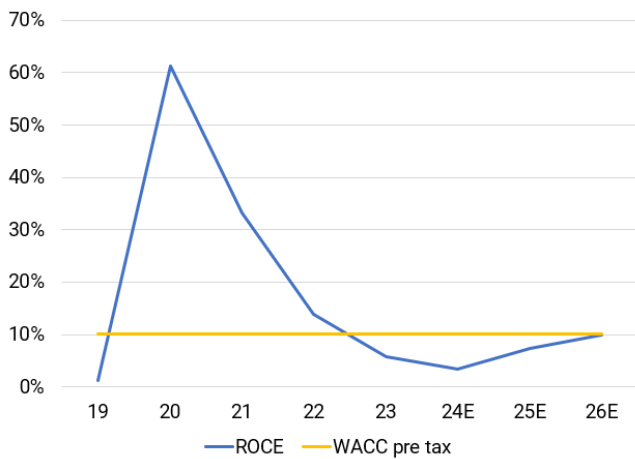
**Sales vs. EBITDA margin development**



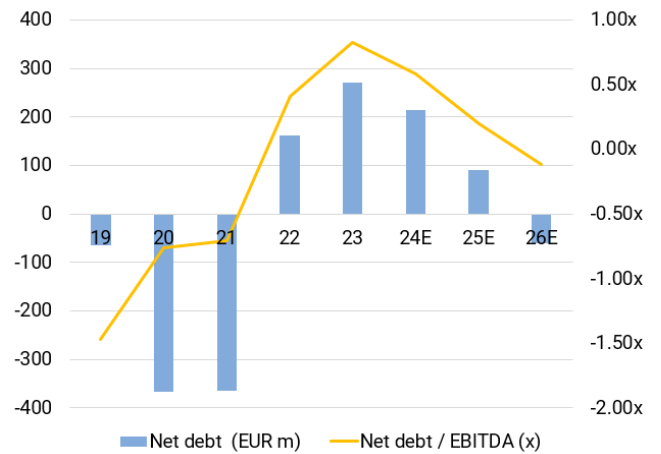
**EPS, DPS in EUR & yoy EPS growth**



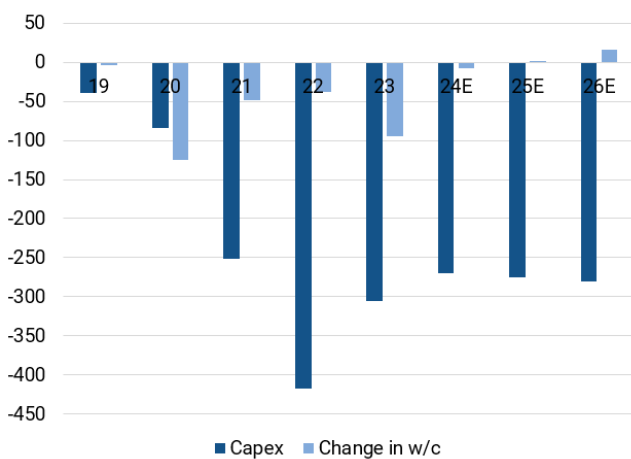
**ROCE vs. WACC (pre tax)**



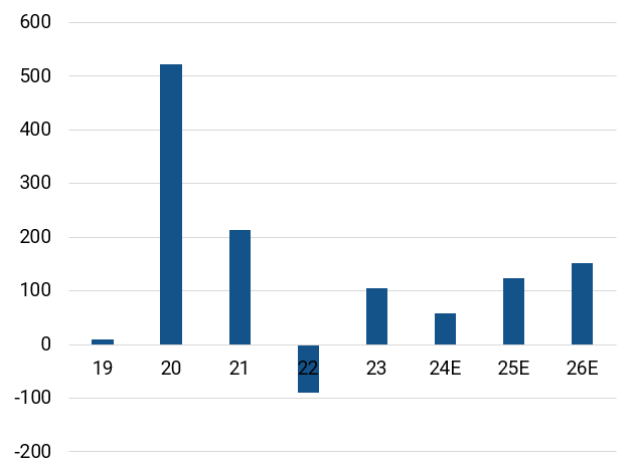
**Net debt and net debt/EBITDA**



**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>Sales</b>	<b>5,993</b>	<b>7,607</b>	<b>7,597</b>	<b>7,695</b>	<b>7,849</b>	<b>8,006</b>
Sales growth	59.8%	26.9%	-0.1%	1.3%	2.0%	2.0%
Cost of sales	2,143	2,786	2,896	2,920	2,959	2,970
<b>Gross profit</b>	<b>3,850</b>	<b>4,821</b>	<b>4,700</b>	<b>4,775</b>	<b>4,890</b>	<b>5,036</b>
SG&A expenses	3,491	4,624	4,563	4,671	4,729	4,812
Research and development	0	0	0	0	0	0
Other operating expenses (income)	-61	-32	28	38	16	16
<b>EBITDA</b>	<b>517</b>	<b>396</b>	<b>329</b>	<b>365</b>	<b>455</b>	<b>522</b>
Depreciation	76	136	183	260	267	273
EBITA	441	259	147	105	188	250
Amortisation of goodwill and intangible assets	20	30	38	40	43	41
<b>EBIT</b>	<b>421</b>	<b>230</b>	<b>109</b>	<b>65</b>	<b>145</b>	<b>208</b>
Financial result	-27	-30	-35	-41	-24	-24
Recurring pretax income from continuing operations	394	200	73	24	122	184
Extraordinary income/loss	0	0	0	0	0	0
Earnings before taxes	394	200	73	24	122	184
Taxes	128	75	55	7	36	55
Net income from continuing operations	266	125	18	17	85	129
Result from discontinued operations (net of tax)	0	0	0	0	0	0
<b>Net income</b>	<b>266</b>	<b>125</b>	<b>18</b>	<b>17</b>	<b>85</b>	<b>129</b>
Minority interest	-0	2	1	0	1	2
Net profit (reported)	266	127	19	17	86	131
Average number of shares	173.60	171.70	172.00	165.00	165.00	165.00
<b>EPS reported</b>	<b>1.53</b>	<b>0.74</b>	<b>0.11</b>	<b>0.10</b>	<b>0.52</b>	<b>0.79</b>

Profit and loss (common size)	2021	2022	2023	2024E	2025E	2026E
<b>Sales</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Cost of sales	36%	37%	38%	38%	38%	37%
<b>Gross profit</b>	<b>64%</b>	<b>63%</b>	<b>62%</b>	<b>62%</b>	<b>62%</b>	<b>63%</b>
SG&A expenses	58%	61%	60%	61%	60%	60%
Research and development	0%	0%	0%	0%	0%	0%
Other operating expenses (income)	-1%	-0%	0%	1%	0%	0%
<b>EBITDA</b>	<b>9%</b>	<b>5%</b>	<b>4%</b>	<b>5%</b>	<b>6%</b>	<b>7%</b>
Depreciation	1%	2%	2%	3%	3%	3%
EBITA	7%	3%	2%	1%	2%	3%
Amortisation of goodwill and intangible assets	0%	0%	1%	1%	1%	1%
<b>EBIT</b>	<b>7%</b>	<b>3%</b>	<b>1%</b>	<b>1%</b>	<b>2%</b>	<b>3%</b>
Financial result	-0%	-0%	-0%	-1%	-0%	-0%
Recurring pretax income from continuing operations	7%	3%	1%	0%	2%	2%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	7%	3%	1%	0%	2%	2%
Taxes	2%	1%	1%	0%	0%	1%
Net income from continuing operations	4%	2%	0%	0%	1%	2%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
<b>Net income</b>	<b>4%</b>	<b>2%</b>	<b>0%</b>	<b>0%</b>	<b>1%</b>	<b>2%</b>
Minority interest	-0%	0%	0%	0%	0%	0%
<b>Net profit (reported)</b>	<b>4%</b>	<b>2%</b>	<b>0%</b>	<b>0%</b>	<b>1%</b>	<b>2%</b>

Source: Company data; mwb research

Balance sheet (EURm)	2021	2022	2023	2024E	2025E	2026E
<b>Intangible assets (exl. Goodwill)</b>	<b>83</b>	<b>100</b>	<b>115</b>	<b>113</b>	<b>109</b>	<b>108</b>
Goodwill	274	285	276	276	276	276
Property, plant and equipment	619	1,166	1,299	1,270	1,239	1,206
Financial assets	26	21	23	23	23	23
<b>FIXED ASSETS</b>	<b>1,002</b>	<b>1,572</b>	<b>1,712</b>	<b>1,682</b>	<b>1,647</b>	<b>1,613</b>
Inventories	220	267	222	232	240	245
Accounts receivable	21	21	18	18	18	30
Other current assets	43	61	77	77	77	77
Liquid assets	827	504	443	381	483	640
Deferred taxes	120	220	198	198	198	198
Deferred charges and prepaid expenses	41	60	65	66	67	68
<b>CURRENT ASSETS</b>	<b>1,273</b>	<b>1,132</b>	<b>1,023</b>	<b>971</b>	<b>1,083</b>	<b>1,258</b>
<b>TOTAL ASSETS</b>	<b>2,275</b>	<b>2,704</b>	<b>2,735</b>	<b>2,653</b>	<b>2,730</b>	<b>2,871</b>
<b>SHAREHOLDERS EQUITY</b>	<b>900</b>	<b>962</b>	<b>1,022</b>	<b>1,038</b>	<b>1,124</b>	<b>1,253</b>
MINORITY INTEREST	-0	-2	-3	-3	-3	-3
Long-term debt	412	577	605	610	610	610
Provisions for pensions and similar obligations	0	0	0	0	0	0
Other provisions	138	197	198	201	205	209
<b>Non-current liabilities</b>	<b>550</b>	<b>774</b>	<b>803</b>	<b>811</b>	<b>815</b>	<b>819</b>
short-term liabilities to banks	50	90	110	50	105	110
Accounts payable	441	558	560	576	579	577
Advance payments received on orders	0	0	0	0	0	0
Other liabilities (incl. from lease and rental contracts)	252	274	239	242	247	252
Deferred taxes	83	49	4	4	4	4
Deferred income	0	0	0	0	0	0
<b>Current liabilities</b>	<b>825</b>	<b>971</b>	<b>913</b>	<b>872</b>	<b>935</b>	<b>943</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>2,275</b>	<b>2,704</b>	<b>2,735</b>	<b>2,719</b>	<b>2,871</b>	<b>3,012</b>

Balance sheet (common size)	2021	2022	2023	2024E	2025E	2026E
<b>Intangible assets (excl. Goodwill)</b>	<b>4%</b>	<b>4%</b>	<b>4%</b>	<b>4%</b>	<b>4%</b>	<b>4%</b>
Goodwill	12%	11%	10%	10%	10%	10%
Property, plant and equipment	27%	43%	47%	48%	45%	42%
Financial assets	1%	1%	1%	1%	1%	1%
<b>FIXED ASSETS</b>	<b>44%</b>	<b>58%</b>	<b>63%</b>	<b>63%</b>	<b>60%</b>	<b>56%</b>
Inventories	10%	10%	8%	9%	9%	9%
Accounts receivable	1%	1%	1%	1%	1%	1%
Other current assets	2%	2%	3%	3%	3%	3%
Liquid assets	36%	19%	16%	14%	18%	22%
Deferred taxes	5%	8%	7%	7%	7%	7%
Deferred charges and prepaid expenses	2%	2%	2%	2%	2%	2%
<b>CURRENT ASSETS</b>	<b>56%</b>	<b>42%</b>	<b>37%</b>	<b>37%</b>	<b>40%</b>	<b>44%</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>40%</b>	<b>36%</b>	<b>37%</b>	<b>39%</b>	<b>41%</b>	<b>44%</b>
MINORITY INTEREST	-0%	-0%	-0%	-0%	-0%	-0%
Long-term debt	18%	21%	22%	23%	22%	21%
Provisions for pensions and similar obligations	0%	0%	0%	0%	0%	0%
Other provisions	6%	7%	7%	8%	7%	7%
<b>Non-current liabilities</b>	<b>24%</b>	<b>29%</b>	<b>29%</b>	<b>31%</b>	<b>30%</b>	<b>29%</b>
short-term liabilities to banks	2%	3%	4%	2%	4%	4%
Accounts payable	19%	21%	20%	22%	21%	20%
Advance payments received on orders	0%	0%	0%	0%	0%	0%
Other liabilities (incl. from lease and rental contracts)	11%	10%	9%	9%	9%	9%
Deferred taxes	4%	2%	0%	0%	0%	0%
Deferred income	0%	0%	0%	0%	0%	0%
<b>Current liabilities</b>	<b>36%</b>	<b>36%</b>	<b>33%</b>	<b>33%</b>	<b>34%</b>	<b>33%</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>102%</b>	<b>105%</b>	<b>105%</b>

Source: Company data; mwb research

Cash flow statement (EURm)	2021	2022	2023	2024E	2025E	2026E
Net profit/loss	243	125	18	17	85	129
Depreciation of fixed assets (incl. leases)	76	136	183	260	267	273
Amortisation of goodwill	0	0	0	0	0	0
Amortisation of intangible assets	20	30	38	40	43	41
Others	77	-1	78	3	4	4
Cash flow from operations before changes in w/c	416	290	317	319	399	447
Increase/decrease in inventory	-91	-36	38	-10	-8	-5
Increase/decrease in accounts receivable	13	1	3	-0	-0	-11
Increase/decrease in accounts payable	115	102	47	16	3	-2
Increase/decrease in other w/c positions	12	-29	6	2	4	4
Increase/decrease in working capital	49	38	94	8	-1	-15
<b>Cash flow from operating activities</b>	<b>465</b>	<b>328</b>	<b>411</b>	<b>328</b>	<b>397</b>	<b>432</b>
CAPEX	-252	-418	-306	-269	-275	-280
Payments for acquisitions	-74	0	-35	0	0	0
Financial investments	4	-26	1	0	0	0
Income from asset disposals	1	0	0	0	0	0
<b>Cash flow from investing activities</b>	<b>-321</b>	<b>-444</b>	<b>-340</b>	<b>-269</b>	<b>-275</b>	<b>-280</b>
Cash flow before financing	144	-116	71	58	123	152
Increase/decrease in debt position	-2	0	0	-54	55	5
Purchase of own shares	-2	-128	-35	-66	-75	0
Capital measures	5	0	1	0	0	0
Dividends paid	0	0	0	0	0	0
Others	-65	-77	-77	0	0	0
Effects of exchange rate changes on cash	24	12	-4	0	0	0
<b>Cash flow from financing activities</b>	<b>-40</b>	<b>-193</b>	<b>-115</b>	<b>-120</b>	<b>-20</b>	<b>5</b>
Increase/decrease in liquid assets	105	-309	-44	-62	103	157
<b>Liquid assets at end of period</b>	<b>827</b>	<b>504</b>	<b>443</b>	<b>381</b>	<b>483</b>	<b>640</b>

Source: Company data; mwb research

Regional sales split (EURm)	2021	2022	2023	2024E	2025E	2026E
Domestic	0	0	0	0	0	0
Europe (ex domestic)	0	0	0	0	0	0
The Americas	3,294	4,963	5,003	5,068	5,169	5,273
Asia	0	0	0	0	0	0
Rest of World	2,699	2,643	2,594	2,628	2,680	2,734
<b>Total sales</b>	<b>5,993</b>	<b>7,607</b>	<b>7,597</b>	<b>7,695</b>	<b>7,849</b>	<b>8,006</b>

Regional sales split (common size)	2021	2022	2023	2024E	2025E	2026E
Domestic	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Europe (ex domestic)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
The Americas	55.0%	65.2%	65.9%	65.9%	65.9%	65.9%
Asia	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Rest of World	45.0%	34.7%	34.1%	34.1%	34.1%	34.1%
<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	1.53	0.74	0.11	0.10	0.52	0.79
Cash flow per share	2.68	1.91	2.39	0.41	0.79	0.96
Book value per share	5.18	5.60	5.94	6.29	6.81	7.59
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00
<b>Valuation</b>						
P/E	8.3x	17.2x	112.6x	122.9x	24.3x	16.0x
P/CF	4.7x	6.7x	5.3x	30.9x	16.0x	13.2x
P/BV	2.5x	2.3x	2.1x	2.0x	1.9x	1.7x
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield (%)	21.1%	15.0%	18.8%	3.2%	6.2%	7.6%
EV/Sales	0.3x	0.3x	0.3x	0.3x	0.3x	0.3x
EV/EBITDA	3.3x	5.7x	7.2x	6.5x	5.1x	4.2x
EV/EBIT	4.1x	9.8x	21.8x	36.3x	16.0x	10.5x
<b>Income statement (EURm)</b>						
Sales	5,993	7,607	7,597	7,695	7,849	8,006
yoy chg in %	59.8%	26.9%	-0.1%	1.3%	2.0%	2.0%
Gross profit	3,850	4,821	4,700	4,775	4,890	5,036
Gross margin in %	64.2%	63.4%	61.9%	62.1%	62.3%	62.9%
EBITDA	517	396	329	365	455	522
EBITDA margin in %	8.6%	5.2%	4.3%	4.7%	5.8%	6.5%
EBIT	421	230	109	65	145	208
EBIT margin in %	7.0%	3.0%	1.4%	0.9%	1.8%	2.6%
Net profit	266	127	19	17	86	131
<b>Cash flow statement (EURm)</b>						
CF from operations	465	328	411	328	397	432
Capex	-252	-418	-306	-269	-275	-280
Maintenance Capex	0	0	0	260	267	273
Free cash flow	213	-90	105	58	123	152
<b>Balance sheet (EURm)</b>						
Intangible assets	357	385	391	389	385	384
Tangible assets	619	1,166	1,299	1,270	1,239	1,206
Shareholders' equity	900	962	1,022	1,038	1,124	1,253
Pension provisions	0	0	0	0	0	0
Liabilities and provisions	599	864	912	861	920	929
Net financial debt	-365	162	272	279	232	80
w/c requirements	-199	-270	-320	-326	-321	-302
<b>Ratios</b>						
ROE	29.5%	13.0%	1.8%	1.6%	7.6%	10.3%
ROCE	28.1%	12.6%	5.6%	3.4%	7.1%	9.6%
Net gearing	-40.6%	16.9%	26.6%	26.9%	20.6%	6.4%
Net debt / EBITDA	-0.7x	0.4x	0.8x	0.8x	0.5x	0.2x

Source: Company data; mwb research

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