

Symrise AG

Germany | Chemicals | MCap EUR 13,902m

31 January 2025

UPDATE



2024 results on point, stock fairly priced; HOLD.

What's it all about?

4Q 2024 organic (org.) revenue growth was dull at +0.9% yoy, 4.2ppt below consensus, and was severely impacted by hyperinflationary FX pricing-related accounting adjustments. However, excluding this, org. revenue growth was at 5.9% yoy. Full-year 2024 org. sales grew by 8.1% (ex-hyperinflation impact), in line with guidance of >7.0%. Strong sales momentum in fine fragrances, cosmetic ingredients, savory, sweet & beverages and pet food and recovery in aroma molecules contributed to the dynamic top-line increase. EBITDA grew 14% yoy to EUR 1.03bn (a 1% beat) on a normalised base (margin: 20.7%, +1.6ppt yoy), supported by growth in high-margin businesses and efficiency gains. Management reiterated its guidance for FY 2025, expecting org. revenue growth of 5%-7% yoy, an EBITDA margin of 20%-23%, and business FCF of c.14% of sales. Symrise's growth targets are solid, building on 2024's momentum, while its strong market position and high-margin portfolio back management's upbeat outlook. That said, with the stock already fairly priced, the upside looks capped. We stick to our **HOLD** rating and EUR 105.00 PT.

HOLD (HOLD)

Target price	EUR 105.00 (105.00)
Current price	EUR 99.46
Up/downside	5.6%



MAIN AUTHOR

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Symrise AG

Germany | Chemicals | MCap EUR 13,902m | EV EUR 16,553m

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2024 results on point, stock fairly priced; HOLD.

Q4 organically dull, but FY 24's guidance met. Q4 2024 organic (org.) revenue growth was a mere 0.9% yoy and missed consensus expectations of 5.1% yoy. This was largely a result of hyperinflation-related accounting adjustments (under IAS29), excluding which, the growth would have been 5.9% yoy. FY 2024 org. revenue growth came in at 8.1% yoy (ex-hyperinflation adj.), meeting its guidance of >7.0%. Full-year 2024 reported revenue came in at EUR 5.0bn, up 5.7% yoy and in line with consensus. Reported EBITDA in FY 2024 was 1% ahead, and registered mid-teens yoy growth, bolstered by a favorable mix and efficiency gains. With business development being largely on expected lines, management has reiterated its guidance for FY 2025.

Mixed org. revenue trends in Q4. Reported sales grew 5% yoy to EUR 1.18bn in Q4, a 2% beat. Org. growth of 5.9% yoy (ex-hyperinflation adj.) and positive FX impacts (+4.8ppt yoy) were partly offset by a 5.0ppt drag from hyperinflation accounting and a 0.9ppt impact from portfolio adjustments. The Scent & Care (SC) segment reported positive org. growth of 3.9% yoy (including hyperinflation impact) in Q4, while Taste, Nutrition & Health (TNH) reported a 0.7% yoy drop. During 2024, SC's top-line benefited from strong demand in both fine fragrances and consumer fragrances and a recovery in aroma molecules. Meanwhile, TNH has been witnessing positive offtake in savory, sweet & beverages, and pet food businesses.

FY EBITDA margin improves. EBITDA grew 14% yoy to EUR 1.03bn (on a normalized FY 2023 base) and the margin improved 1.6ppt yoy to 20.7%, primarily supported by sales growth in high-margin businesses and efficiency gains. EBITDA margins of segments SC and TNH were at 18.2% and 22.2%, up by 2.4ppt and 1.2ppt yoy, respectively, on the adj. FY 2023 base.

Stock is reasonably priced: HOLD. The 'ONE Symrise' strategy prioritizing innovation, efficiency, and portfolio optimization, coupled with its diverse and high-margin portfolio, enables the company to deliver value in a dynamic environment and fortify its market position. Its short- and medium-term (2025 & 2028) targets are fairly aligned, with incremental improvements (org. sales CAGR 5%-7%, an EBITDA margin of c. 21% in 2025, and c. 21%-23% until 2028 and FCF of ≥14% of sales). In our view, these positive developments are already priced in. We keep our PT of EUR 105.00 unchanged, and our rating remains HOLD.

Symrise AG	2021	2022	2023	2024P	2025E	2026E
Sales	3,826	4,618	4,730	5,000	5,300	5,618
Growth yoy	8.7%	20.7%	2.4%	5.7%	6.0%	6.0%
EBITDA	814	921	852	1,032	1,082	1,158
EBIT	559	504	559	720	784	871
Net profit	375	280	340	471	525	604
Net debt (net cash)	1,340	2,219	2,151	1,721	1,379	994
Net debt/EBITDA	1.6x	2.4x	2.5x	1.7x	1.3x	0.9x
EPS reported	2.74	2.00	2.44	3.37	3.75	4.32
DPS	1.02	1.05	1.10	1.35	1.50	1.73
Dividend yield	1.0%	1.1%	1.1%	1.4%	1.5%	1.7%
Gross profit margin	38.7%	36.9%	35.8%	37.6%	38.3%	39.0%
EBITDA margin	21.3%	20.0%	18.0%	20.6%	20.4%	20.6%
EBIT margin	14.6%	10.9%	11.8%	14.4%	14.8%	15.5%
ROCE	9.5%	7.4%	8.0%	10.9%	11.6%	13.0%
EV/EBITDA	19.5x	18.0x	19.4x	15.7x	14.6x	13.4x
EV/EBIT	28.4x	32.9x	29.6x	22.4x	20.2x	17.8x
PER	36.2x	49.6x	40.8x	29.5x	26.5x	23.0x
FCF yield	3.8%	2.9%	5.2%	3.8%	3.6%	4.2%

Source: Company data, mwb research



Source: Company data, mwb research

High/low 52 weeks 125.00 / 91.84
Price/Book Ratio 3.8x

Ticker / Symbols

ISIN DE000SYM9999
WKN SYM999
Bloomberg SY1:GR

Changes in estimates

		Sales	EBIT	EPS
2024P	old	5,061	714	3.32
	Δ	-1.2%	0.9%	1.5%
2025E	old	5,365	799	3.82
	Δ	-1.2%	-1.9%	-1.6%
2026E	old	5,687	887	4.39
	Δ	-1.2%	-1.8%	-1.5%

Key share data

Number of shares: (in m pcs) 139.77
Book value per share: (in EUR) 25.98
Ø trading vol.: (12 months) 295,858

Major shareholders

Horst-Otto Gerberding 5.0%
Norges Bank IM 5.1%
Canada Pension Plan 5.0%
Free Float 75.7%

Company description

Symrise AG is a Germany-based supplier of fragrances, flavorings, cosmetic active ingredients, raw materials and functional ingredients, as well as sensorial and nutritional solutions. The Company operates through three segments: Flavor, Nutrition, as well as Scent and Care.

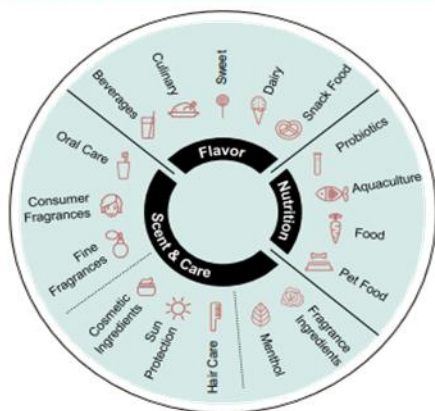
The following table displays the quarterly performance of **Symrise AG**.

P&L data	H1 2021	H2 2021	H1 2022	H2 2022	H1 2023	H2 2023	H1 2024	H2 2024
Sales	1,907.9	1,917.8	2,260.4	2,358.1	2,413.7	2,316.5	2,565.3	2,433.7
yoy growth in %	4.8%	12.9%	18.5%	23.0%	6.8%	-1.8%	6.3%	5.1%
Gross profit	756.1	722.7	870.9	831.1	878.9	813.6	997.5	na
Gross margin in %	39.6%	37.7%	38.5%	35.2%	36.4%	35.1%	38.9%	na%
EBITDA	419.8	393.9	485.5	309.9	446.0	406.0	529.8	503.2
EBITDA margin in %	22.0%	20.5%	21.5%	13.1%	18.5%	17.5%	20.7%	20.7%
EBIT	296.6	262.4	344.2	159.8	302.0	257.0	365.8	na
EBIT margin in %	15.5%	13.7%	15.2%	6.8%	12.5%	11.1%	14.3%	na%
EBT	271.1	240.4	313.1	105.1	251.1	204.6	323.6	na
taxes paid	71.6	59.5	83.1	57.3	67.2	52.8	81.9	na
tax rate in %	26.4%	24.8%	26.5%	54.5%	26.8%	25.8%	25.3%	na%
net profit	196.2	178.8	228.8	51.2	187.5	152.9	239.5	236.3
yoy growth in %	15.9%	29.8%	16.6%	-71.4%	-18.0%	198.7%	27.7%	54.5%
EPS	1.45	1.30	1.64	0.37	1.34	1.10	1.71	1.71

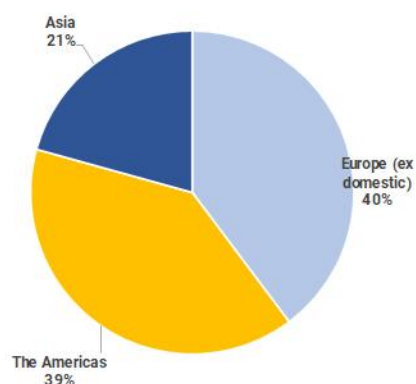
Source: Company data; mwb research

Investment case in six charts

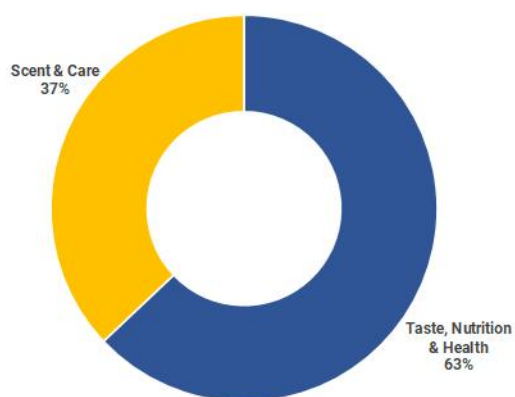
Business activities



Regional sales split in %

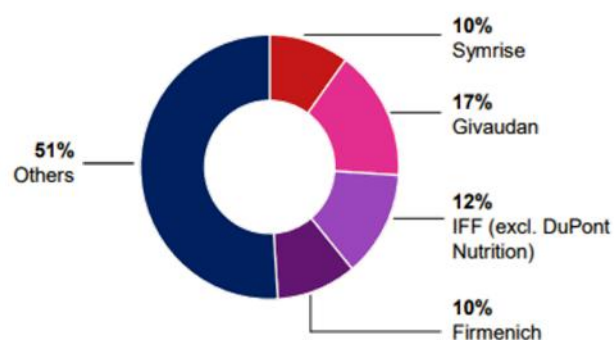


Sales split by segment in EURm



Competitive environment

AFF* market share 2020 in % (volume approx. € 36bn)



Source: corporate data and internal estimates

Mid-term objectives (2025-2028)

Financial targets	until 2025	until 2028
Sales (€ bn)	5.5 – 6.0	7.5 – 8.0
Organic sales growth (CAGR)	5 – 7%	5 – 7%
Sales growth incl. M&A (CAGR)	6 – 9%	8 – 10%
EBITDA margin	20 – 23%	20 – 23%
Business Free Cash Flow	14%	14%

Source: Company data; mwb research

SWOT analysis

Strengths

- Diverse sales markets
- Vertical and horizontal integration
- High market entry barriers
- International business activities
- Superior organic growth at high margins

Weaknesses

- High expenditure on R&D
- Waste through production
- Disproportionate innovation costs
- 15% of the employees work in R&D
- Underrepresentation in North America

Opportunities

- Trend towards sugar reduction
- Trend towards food substitutes
- Attractive growth prospects in cosmetic ingredients and pet food
- Increasing footprint in emerging markets

Threats

- Trend towards natural foods
- Cluster risk due to regional cultivation focus on Madagascar
- Declining consumer confidence
- Crop shortage for natural raw materials

Valuation

DCF Model

The DCF model results in a **fair value of EUR 106.05 per share**:

Top-line growth: We expect Symrise AG to grow revenues at a CAGR of 5.6% between 2024P and 2031E. The long-term growth rate is set at 2.0%.

ROCE. Returns on capital are developing from 10.9% in 2024P to 14.7% in 2031E.

WACC. Starting point is a historical equity beta of 0.64. Unlevering and correcting for mean reversion yields an asset beta of 0.71. Combined with a risk-free rate of 2.0% and an equity risk premium of 6.0% this yields cost of equity of 7.9%. 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 6.5%.

DCF (EURm) (except per share data and beta)	2024P	2025E	2026E	2027E	2028E	2029E	2030E	2031E	Terminal value
NOPAT	536	584	648	718	761	799	839	881	
Depreciation & amortization	312	298	288	280	274	270	266	263	
Change in working capital	15	-79	-84	-88	-104	-92	-97	-101	
Chg. in long-term provisions	41	46	49	52	55	49	51	53	
Capex	-261	-266	-271	-275	-279	-279	-280	-294	
Cash flow	644	583	631	687	707	745	779	802	18,171
Present value	647	551	560	574	556	552	543	525	11,754
WACC	6.4%	6.4%	6.4%	6.3%	6.3%	6.3%	6.3%	6.3%	6.5%

DCF per share derived from	
Total present value	16,263
Mid-year adj. total present value	16,771
Net debt / cash at start of year	2,151
Financial assets	702
Provisions and off b/s debt	500
Equity value	14,822
No. of shares outstanding	139.8
Discounted cash flow / share upside/(downside)	106.05 6.6%

Share price	99.46
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DCF avg. growth and earnings assumptions	
Planning horizon avg. revenue growth (2024P-2031E)	5.6%
Terminal value growth (2031E - infinity)	2.0%
Terminal year ROCE	14.7%
Terminal year WACC	6.5%

Terminal WACC derived from	
Cost of borrowing (before taxes)	5.0%
Long-term tax rate	25%
Equity beta	0.64
Unlevered beta (industry or company)	0.71
Target debt / equity	0.5
Relevered beta	0.98
Risk-free rate	2.0%
Equity risk premium	6.0%
Cost of equity	7.9%

Sensitivity analysis DCF

Change in WACC (%points)	Long term growth					Share of present value	
	1.0%	1.5%	2.0%	2.5%	3.0%		
	63.4	66.9	70.9	75.7	81.2	2024P-2027E	14.3%
	74.5	79.4	85.3	92.3	100.9	2028E-2031E	13.4%
	89.6	97.0	106.0	117.3	131.9	terminal value	72.3%
	111.5	123.4	138.7	159.1	187.7		
	145.9	167.3	197.4	242.5	317.7		

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 47.04 per share based on 2024P and EUR 85.39 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	2024P	2025E	2026E	2027E	2028E
EBITDA	1,032	1,082	1,158	1,244	1,297
- Maintenance capex	312	298	288	280	274
- Minorities	6	7	8	9	10
- tax expenses	156	174	200	226	243
= Adjusted FCF	558	604	663	730	769
Actual Market Cap	13,902	13,902	13,902	13,902	13,902
+ Net debt (cash)	1,721	1,379	994	576	158
+ Pension provisions	528	560	594	629	667
+ Off b/s financing	0	0	0	0	0
- Financial assets	702	702	702	702	702
- Acc. dividend payments	154	342	552	793	1,066
<i>EV Reconciliations</i>	1,393	895	334	-291	-943
= Actual EV'	15,295	14,796	14,236	13,611	12,959
Adjusted FCF yield	3.6%	4.1%	4.7%	5.4%	5.9%
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	7,968	8,623	9,468	10,422	10,993
- <i>EV Reconciliations</i>	1,393	895	334	-291	-943
Fair Market Cap	6,575	7,728	9,133	10,712	11,935
No. of shares (million)	140	140	140	140	140
Fair value per share in EUR	47.04	55.29	65.35	76.64	85.39
Premium (-) / discount (+)	-52.7%	-44.4%	-34.3%	-22.9%	-14.1%

Sensitivity analysis fair value					
Adjusted hurdle rate	5.0%	70	80	92	106
	6.0%	57	66	77	89
	7.0%	47	55	65	77
	8.0%	40	48	57	67
	9.0%	34	42	50	60

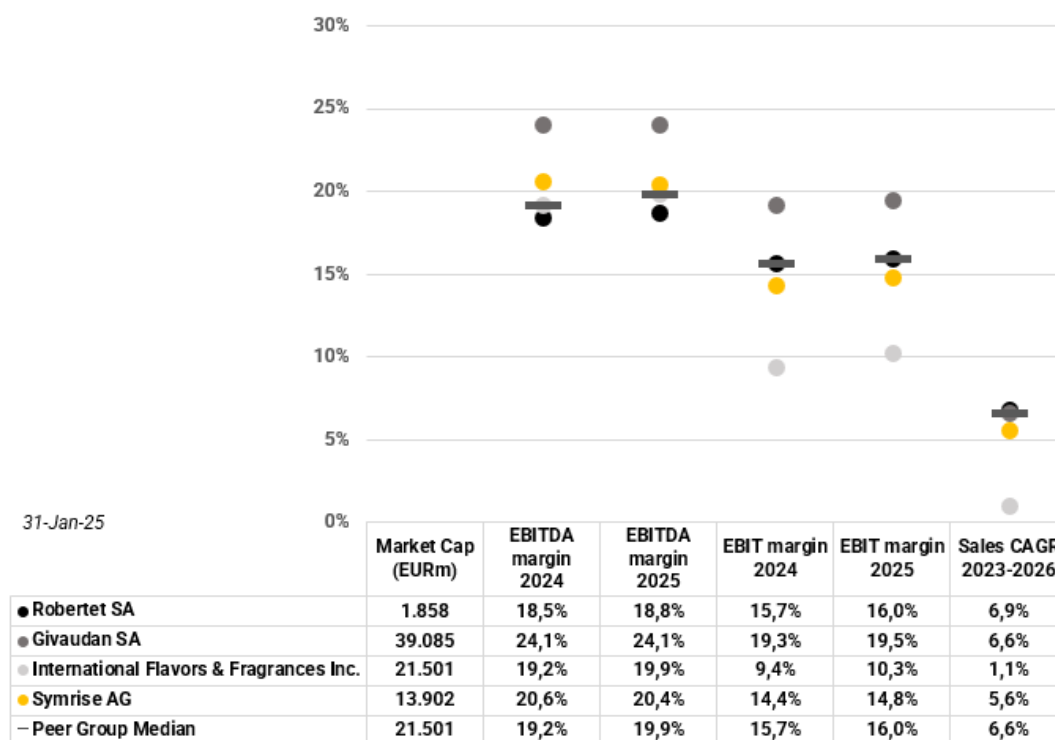
Source: Company data; mwb research

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 **Symrise 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 Symrise AG consists of the stocks displayed in the graphs below. As of 31 January 2025 the median market cap of the peer group was EUR 21,501m, compared to EUR 13,902m for Symrise AG. In the period under review, the peer group was more profitable than Symrise AG. The expectations for sales growth are higher for the peer group than for Symrise AG.

Peer Group – Key data

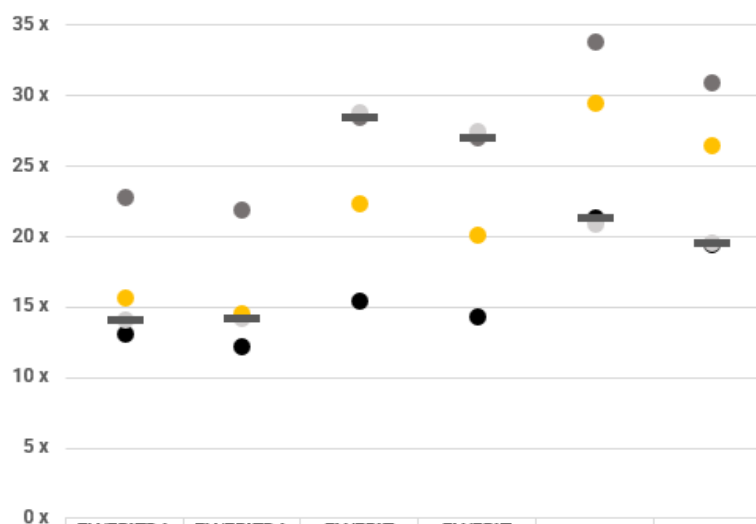


Source: FactSet, mwb research

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 Symrise AG results in a range of fair values from EUR 72.03 to EUR 135.92.

Peer Group – Multiples and valuation



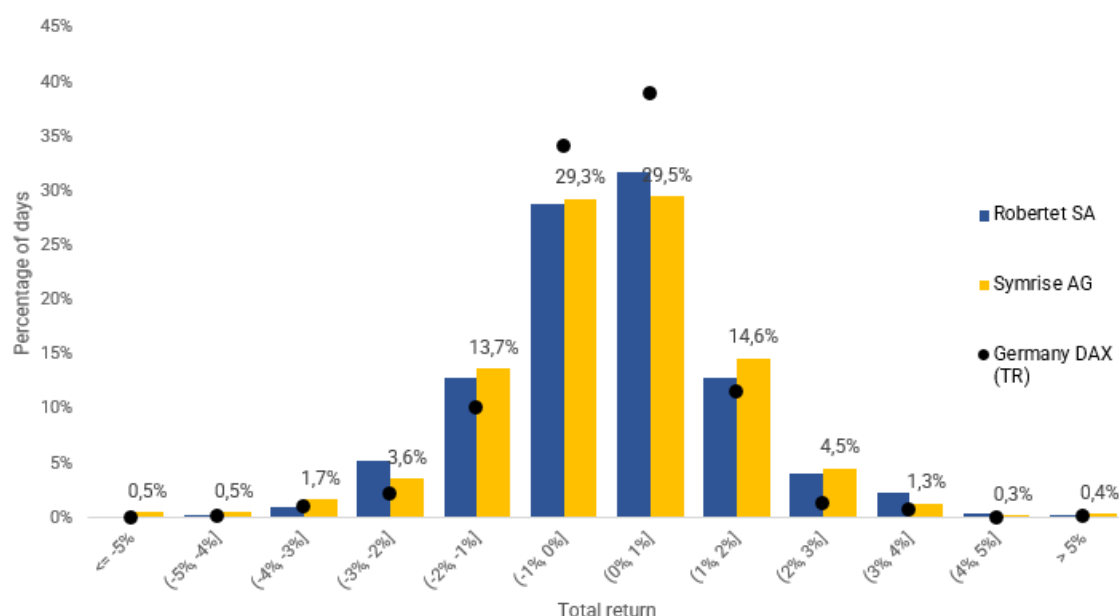
	EV/EBITDA 2024	EV/EBITDA 2025	EV/EBIT 2024	EV/EBIT 2025	P/E 2024	P/E 2025
● Robertet SA	13,1x	12,3x	15,5x	14,4x	21,4x	19,5x
● Givaudan SA	22,8x	21,9x	28,6x	27,1x	33,9x	30,9x
● International Flavors & Fragrances Inc.	14,1x	14,2x	28,9x	27,5x	21,0x	19,6x
● Symrise AG	15,7x	14,6x	22,4x	20,2x	29,5x	26,5x
— Peer Group Median	14,1x	14,2x	28,6x	27,1x	21,4x	19,6x
Fair Value (EUR)	88,33	93,96	130,98	135,92	72,03	73,47

Source: FactSet, mwb research

Risk

The chart displays the **distribution of daily returns of Symrise AG** over the last 3 years, compared to the same distribution for Robertet SA. 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 Symrise AG, the worst day during the past 3 years was 15/12/2023 with a share price decline of -7.6%. The best day was 06/03/2024 when the share price increased by 6.6%.

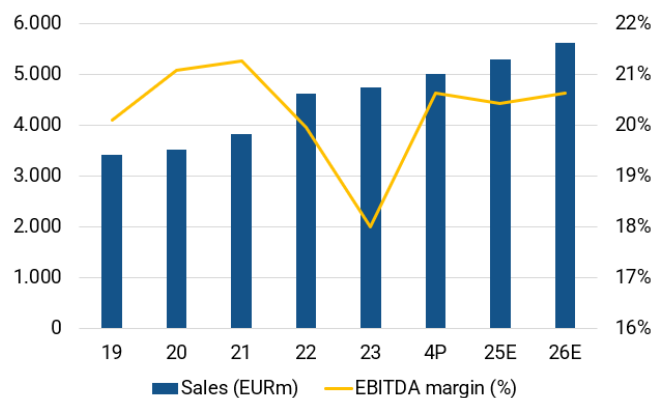
Risk – Daily Returns Distribution (trailing 3 years)



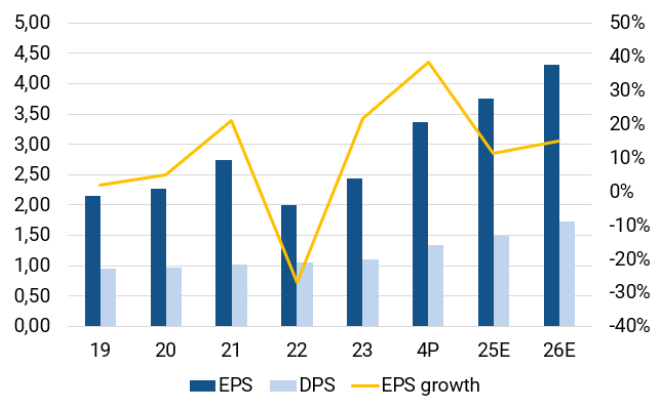
Source: FactSet, mwb research

Financials in six charts

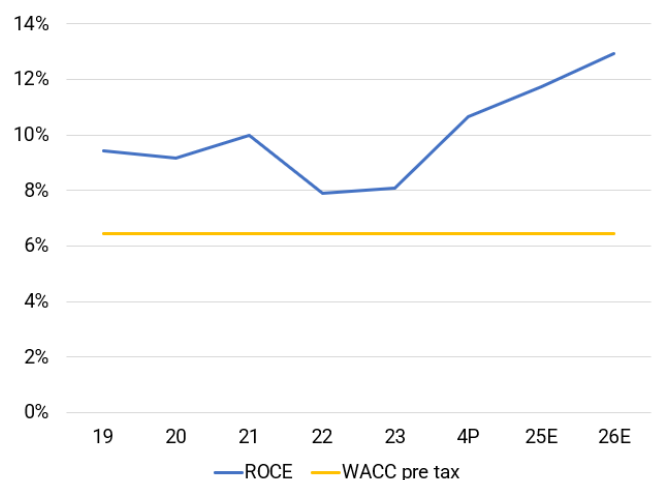
Sales vs. EBITDA margin development



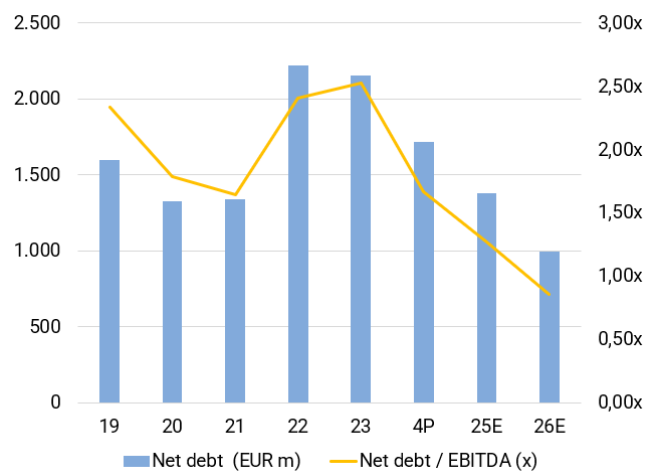
EPS, DPS in EUR & yoy EPS growth



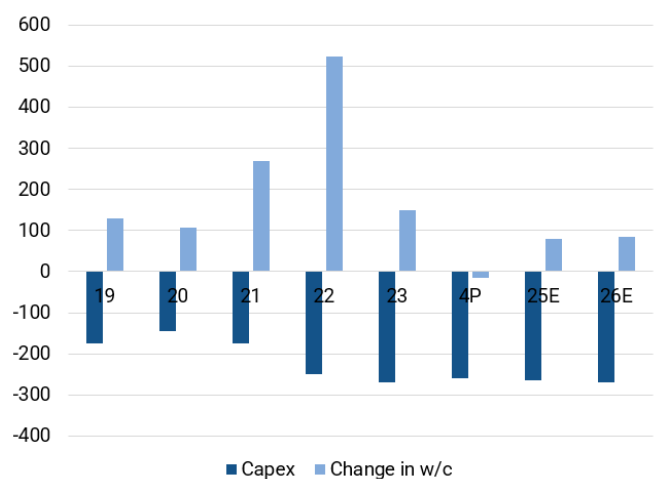
ROCE vs. WACC (pre tax)



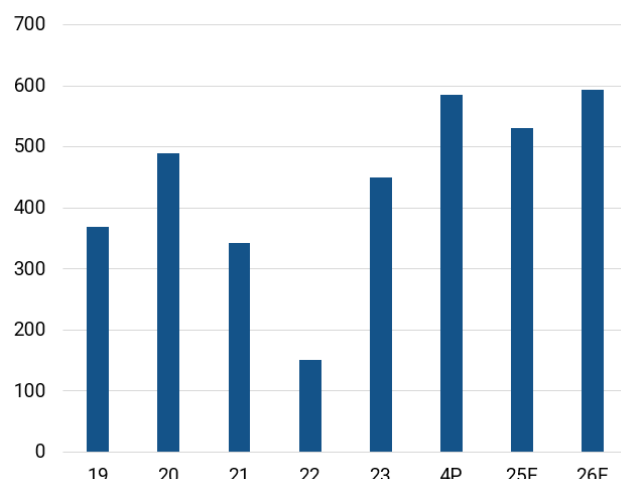
Net debt and net debt/EBITDA



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	2024P	2025E	2026E
Sales	3,826	4,618	4,730	5,000	5,300	5,618
Sales growth	8.7%	20.7%	2.4%	5.7%	6.0%	6.0%
Cost of sales	2,347	2,916	3,038	3,120	3,270	3,427
Gross profit	1,479	1,702	1,693	1,880	2,030	2,191
SG&A expenses	785	939	952	925	1,007	1,067
Research and development	221	254	266	275	291	309
Other operating expenses (income)	-86	5	-84	-40	-53	-56
EBITDA	814	921	852	1,032	1,082	1,158
Depreciation	255	291	292	312	298	288
EBITA	559	630	559	720	784	871
Amortisation of goodwill and intangible assets	0	126	0	0	0	0
EBIT	559	504	559	720	784	871
Financial result	-43	-73	-94	-87	-79	-59
Recurring pretax income from continuing operations	516	431	465	633	705	812
Extraordinary income/loss	0	0	0	0	0	0
Earnings before taxes	516	431	465	633	705	812
Taxes	131	140	120	156	174	200
Net income from continuing operations	385	291	345	477	531	612
Result from discontinued operations (net of tax)	0	0	0	0	0	0
Net income	385	291	345	477	531	612
Minority interest	-10	-11	-4	-6	-7	-8
Net profit (reported)	375	280	340	471	525	604
Average number of shares	136.63	139.77	139.77	139.77	139.77	139.77
EPS reported	2.74	2.00	2.44	3.37	3.75	4.32

Profit and loss (common size)	2021	2022	2023	2024P	2025E	2026E
Sales	100%	100%	100%	100%	100%	100%
Cost of sales	61%	63%	64%	62%	62%	61%
Gross profit	39%	37%	36%	38%	38%	39%
SG&A expenses	21%	20%	20%	19%	19%	19%
Research and development	6%	6%	6%	6%	6%	5%
Other operating expenses (income)	-2%	0%	-2%	-1%	-1%	-1%
EBITDA	21%	20%	18%	21%	20%	21%
Depreciation	7%	6%	6%	6%	6%	5%
EBITA	15%	14%	12%	14%	15%	16%
Amortisation of goodwill and intangible assets	0%	3%	0%	0%	0%	0%
EBIT	15%	11%	12%	14%	15%	16%
Financial result	-1%	-2%	-2%	-2%	-1%	-1%
Recurring pretax income from continuing operations	13%	9%	10%	13%	13%	14%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	13%	9%	10%	13%	13%	14%
Taxes	3%	3%	3%	3%	3%	4%
Net income from continuing operations	10%	6%	7%	10%	10%	11%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
Net income	10%	6%	7%	10%	10%	11%
Minority interest	-0%	-0%	-0%	-0%	-0%	-0%
Net profit (reported)	10%	6%	7%	9%	10%	11%

Source: Company data; mwb research

Balance sheet (EURm)	2021	2022	2023	2024P	2025E	2026E
Intangible assets (exl. Goodwill)	905	998	890	912	935	960
Goodwill	1,602	1,902	1,883	1,883	1,883	1,883
Property, plant and equipment	1,324	1,566	1,669	1,596	1,541	1,499
Financial assets	510	633	702	702	702	702
FIXED ASSETS	4,341	5,099	5,143	5,093	5,061	5,044
Inventories	990	1,328	1,256	1,327	1,391	1,457
Accounts receivable	749	885	899	950	1,007	1,068
Other current assets	105	104	112	112	112	112
Liquid assets	454	315	393	79	221	106
Deferred taxes	0	0	0	0	0	0
Deferred charges and prepaid expenses	35	53	42	44	47	50
CURRENT ASSETS	2,332	2,684	2,702	2,513	2,779	2,793
TOTAL ASSETS	6,673	7,783	7,846	7,606	7,839	7,836
SHAREHOLDERS EQUITY	3,188	3,551	3,631	3,954	4,298	4,699
MINORITY INTEREST	64	59	55	55	55	55
Long-term debt	1,425	2,493	2,496	1,700	1,500	1,000
Provisions for pensions and similar obligations	617	459	500	528	560	594
Other provisions	233	249	227	240	255	270
Non-current liabilities	2,275	3,201	3,223	2,469	2,315	1,864
short-term liabilities to banks	369	40	49	100	100	100
Accounts payable	413	530	489	503	527	552
Advance payments received on orders	0	0	0	0	0	0
Other liabilities (incl. from lease and rental contracts)	166	175	192	203	215	228
Deferred taxes	191	213	192	192	192	192
Deferred income	6	14	14	130	138	146
Current liabilities	1,145	971	937	1,128	1,172	1,218
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	6,673	7,783	7,846	7,606	7,839	7,836

Balance sheet (common size)	2021	2022	2023	2024P	2025E	2026E
Intangible assets (excl. Goodwill)	14%	13%	11%	12%	12%	12%
Goodwill	24%	24%	24%	25%	24%	24%
Property, plant and equipment	20%	20%	21%	21%	20%	19%
Financial assets	8%	8%	9%	9%	9%	9%
FIXED ASSETS	65%	66%	66%	67%	65%	64%
Inventories	15%	17%	16%	17%	18%	19%
Accounts receivable	11%	11%	11%	12%	13%	14%
Other current assets	2%	1%	1%	1%	1%	1%
Liquid assets	7%	4%	5%	1%	3%	1%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred charges and prepaid expenses	1%	1%	1%	1%	1%	1%
CURRENT ASSETS	35%	34%	34%	33%	35%	36%
TOTAL ASSETS	100%	100%	100%	100%	100%	100%
SHAREHOLDERS EQUITY	48%	46%	46%	52%	55%	60%
MINORITY INTEREST	1%	1%	1%	1%	1%	1%
Long-term debt	21%	32%	32%	22%	19%	13%
Provisions for pensions and similar obligations	9%	6%	6%	7%	7%	8%
Other provisions	3%	3%	3%	3%	3%	3%
Non-current liabilities	34%	41%	41%	32%	30%	24%
short-term liabilities to banks	6%	1%	1%	1%	1%	1%
Accounts payable	6%	7%	6%	7%	7%	7%
Advance payments received on orders	0%	0%	0%	0%	0%	0%
Other liabilities (incl. from lease and rental contracts)	2%	2%	2%	3%	3%	3%
Deferred taxes	3%	3%	2%	3%	2%	2%
Deferred income	0%	0%	0%	2%	2%	2%
Current liabilities	17%	12%	12%	15%	15%	16%
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100%	100%	100%	100%	100%	100%

Source: Company data; mwb research

Cash flow statement (EURm)	2021	2022	2023	2024P	2025E	2026E
Net profit/loss	385	291	345	477	531	612
Depreciation of fixed assets (incl. leases)	255	291	292	312	298	288
Amortisation of goodwill	0	0	0	0	0	0
Amortisation of intangible assets	0	0	0	0	0	0
Others	146	303	232	41	46	49
Cash flow from operations before changes in w/c	786	885	869	830	876	948
Increase/decrease in inventory	-87	-308	45	-71	-64	-67
Increase/decrease in accounts receivable	-99	-119	-34	-51	-57	-60
Increase/decrease in accounts payable	75	104	-35	13	24	25
Increase/decrease in other w/c positions	-160	-202	-125	124	17	18
Increase/decrease in working capital	-270	-525	-149	15	-79	-84
Cash flow from operating activities	516	400	720	845	796	865
CAPEX	-174	-250	-270	-261	-266	-271
Payments for acquisitions	-392	-599	-92	0	0	0
Financial investments	-218	-162	-2	0	0	0
Income from asset disposals	63	6	4	0	0	0
Cash flow from investing activities	-721	-1,004	-361	-261	-266	-271
Cash flow before financing	-205	-604	359	584	530	594
Increase/decrease in debt position	81	687	-49	-744	-200	-500
Purchase of own shares	0	0	0	0	0	0
Capital measures	0	0	0	0	0	0
Dividends paid	-131	-143	-147	-154	-188	-210
Others	-42	-63	-69	0	0	0
Effects of exchange rate changes on cash	18	16	-3	0	0	0
Cash flow from financing activities	-74	498	-267	-898	-388	-710
Increase/decrease in liquid assets	-279	-106	92	-314	142	-116
Liquid assets at end of period	454	315	393	79	221	106

Source: Company data; mwb research

Regional sales split (EURm)	2021	2022	2023	2024P	2025E	2026E
Domestic	0	0	0	0	0	0
Europe (ex domestic)	1,537	1,716	1,881	1,988	2,108	2,234
The Americas	1,470	1,921	1,870	1,977	2,095	2,221
Asia	818	981	979	1,035	1,097	1,163
Rest of World	0	0	0	0	0	0
Total sales	3,826	4,618	4,730	5,000	5,300	5,618

Regional sales split (common size)	2021	2022	2023	2024P	2025E	2026E
Domestic	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Europe (ex domestic)	40.2%	37.2%	39.8%	39.8%	39.8%	39.8%
The Americas	38.4%	41.6%	39.5%	39.5%	39.5%	39.5%
Asia	21.4%	21.2%	20.7%	20.7%	20.7%	20.7%
Rest of World	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total sales	100%	100%	100%	100%	100%	100%

Source: Company data; mwb research

Ratios	2021	2022	2023	2024P	2025E	2026E
Per share data						
Earnings per share reported	2.74	2.00	2.44	3.37	3.75	4.32
Cash flow per share	3.78	2.86	5.15	3.82	3.56	4.13
Book value per share	23.33	25.41	25.98	28.29	30.75	33.62
Dividend per share	1.02	1.05	1.10	1.35	1.50	1.73
Valuation						
P/E	36.2x	49.6x	40.8x	29.5x	26.5x	23.0x
P/CF	26.3x	34.7x	19.3x	26.0x	27.9x	24.1x
P/BV	4.3x	3.9x	3.8x	3.5x	3.2x	3.0x
Dividend yield (%)	1.0%	1.1%	1.1%	1.4%	1.5%	1.7%
FCF yield (%)	3.8%	2.9%	5.2%	3.8%	3.6%	4.2%
EV/Sales	4.1x	3.6x	3.5x	3.2x	3.0x	2.8x
EV/EBITDA	19.5x	18.0x	19.4x	15.7x	14.6x	13.4x
EV/EBIT	28.4x	32.9x	29.6x	22.4x	20.2x	17.8x
Income statement (EURm)						
Sales	3,826	4,618	4,730	5,000	5,300	5,618
yoy chg in %	8.7%	20.7%	2.4%	5.7%	6.0%	6.0%
Gross profit	1,479	1,702	1,693	1,880	2,030	2,191
Gross margin in %	38.7%	36.9%	35.8%	37.6%	38.3%	39.0%
EBITDA	814	921	852	1,032	1,082	1,158
EBITDA margin in %	21.3%	20.0%	18.0%	20.6%	20.4%	20.6%
EBIT	559	504	559	720	784	871
EBIT margin in %	14.6%	10.9%	11.8%	14.4%	14.8%	15.5%
Net profit	375	280	340	471	525	604
Cash flow statement (EURm)						
CF from operations	516	400	720	845	796	865
Capex	-174	-250	-270	-261	-266	-271
Maintenance Capex	0	0	0	312	298	288
Free cash flow	342	150	450	584	530	594
Balance sheet (EURm)						
Intangible assets	2,508	2,900	2,772	2,794	2,818	2,843
Tangible assets	1,324	1,566	1,669	1,596	1,541	1,499
Shareholders' equity	3,188	3,551	3,631	3,954	4,298	4,699
Pension provisions	617	459	500	528	560	594
Liabilities and provisions	2,644	3,241	3,271	2,569	2,415	1,964
Net financial debt	1,340	2,219	2,151	1,721	1,379	994
w/c requirements	1,326	1,683	1,666	1,774	1,871	1,973
Ratios						
ROE	12.1%	8.2%	9.5%	12.1%	12.4%	13.0%
ROCE	9.5%	7.4%	8.0%	10.9%	11.6%	13.0%
Net gearing	42.0%	62.5%	59.2%	43.5%	32.1%	21.2%
Net debt / EBITDA	1.6x	2.4x	2.5x	1.7x	1.3x	0.9x

Source: Company data; mwb research

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