

WashTec AG

Germany | Industrial Goods & Services | MCap EUR 535.3m

27 March 2025

UPDATE



Detailed Q4/FY in line with prelims. A fair 2025 guidance. BUY

BUY (BUY)

Target price	EUR 55.00 (55.00)
Current price	EUR 40.00
Up/downside	37.5%

 **ResearchHub**



What's it all about?

WashTec confirmed its solid Q4 prelim numbers. Revenue grew 7.4% yoy to EUR 143m, driven by the strong equipment sales in Europe offsetting a sluggish demand situation in North America. The return to top-line growth in Q4 marks an end to the declines seen over the first three quarters of 2024. Its Q4 EBIT grew disproportionately by 19.3% yoy to EUR 18m, driven by better product pricing and cost efficiencies, causing the EBIT margin to broaden by 1.3ppt yoy to 12.6%. However, its FY free cash flow (FCF) declined 14.3% yoy to EUR 40m from an uptick in receivables by year-end. Despite the low FCF, controlled capex, coupled with a healthy equity ratio, enabled the company to return an attractive EUR 2.4 per share in dividends (yield: 6%). Its 2025 outlook is stable, with mid-single-digit revenue growth, high-single-to-low-double digit EBIT growth, and FCF of EUR 35m-45m. This, together with its upcoming digital product offering, strengthens its product portfolio and secures its long-term growth. We confirm our BUY rating with a PT of EUR 55.00.

MAIN AUTHOR

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WashTec AG

Germany | Industrial Goods & Services | MCap EUR 535.3m | EV EUR 590.1m

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Detailed Q4/FY in line with prelims. A fair 2025 guidance. BUY.

Solid Q4 stabilises an otherwise dull FY 2024. WashTec's final Q4 results confirmed the strong prelims. Q4 revenue was up 7.4% yoy to EUR143m (1.4% below consensus), driven by strong equipment sales in Europe. EBIT came in at a record high, growing 19.3% yoy to EUR 18m (margin: +1.3ppt yoy to 12.6%), mostly driven by an improved gross margin. However, its FY 2024 top-line development was dull, which declined 2.6% yoy to EUR 477m to come in at the lower end of the guidance. On the other hand, EBIT beat its guidance, growing 8.6% yoy to EUR 46m, with a margin expansion of 90bps to 9.5%. WashTec guides for a decent 2025, with mid-single digit-revenue growth, high-single-to-low-double-digit EBIT growth, and FCF of EUR 35m-45m.

Q4 registered strong top-line growth across segments. Q4 recorded the second-highest quarterly revenue in WashTec's history, reversing the downward trend to grow at 7.4% yoy to EUR 143m (vs Q3: -5.2% yoy, Q2: -6.1% and Q1: -7.7%). Its largest segment, Equipment and Service, was up 6.6% yoy to EUR 125m, largely from strong sales to key accounts in Europe. Both the Chemicals and Other segments reported 11.8% yoy and 27.8% yoy growths to EUR 16m and EUR 2m, respectively. By region, sales in Europe grew 12.1% yoy to EUR 115m in Q4, whereas North America declined 8.3% yoy to EUR 28m, likely from lower key accounts and direct sales volumes.

Profitability up on broader gross margin. Q4 EBIT grew at a healthy 19.3% yoy to EUR 18m (vs -5.2% yoy in Q3), driven by better product pricing and cost savings from production optimisation, helping the EBIT margin to broaden 1.3ppt yoy to 12.6%. In Europe, the EBIT margin expanded 170bps yoy to 13.5%, while in North America, it narrowed 40bps yoy to 8.6%. Despite better profitability, FY FCF was down 14.3% yoy to EUR 40m from a higher receivables build-up by year-end.

Conclusion. Although FCF declined, controlled capex, coupled with a healthy equity ratio of 31.7%, led WashTec to return an attractive EUR 2.40 per share in dividends (yield: 6%) for FY 2024. With the improving order situation, we believe healthy growth momentum is expected to continue this year. Moreover, its strategic decision to step into a digital product offering further strengthens its product portfolio. Therefore, we reiterate our BUY rating at an unchanged PT of EUR 55.00.

WashTec AG	2022	2023	2024	2025E	2026E	2027E
Sales	482.2	489.5	476.9	496.0	520.8	536.4
Growth yoy	12.0%	1.5%	-2.6%	4.0%	5.0%	3.0%
EBITDA	53.2	56.8	60.1	64.5	66.2	67.1
EBIT	38.5	42.1	45.5	48.6	52.1	54.2
Net profit	26.4	28.0	31.0	34.0	36.8	38.5
Net debt (net cash)	45.2	41.9	46.3	41.9	33.0	24.7
Net debt/EBITDA	0.9x	0.7x	0.8x	0.7x	0.5x	0.4x
EPS reported	1.97	2.09	2.32	2.54	2.75	2.87
DPS	2.20	2.20	2.40	2.40	2.47	2.59
Dividend yield	5.5%	5.5%	6.0%	6.0%	6.2%	6.5%
Gross profit margin	26.8%	27.9%	31.0%	28.5%	28.7%	28.8%
EBITDA margin	11.0%	11.6%	12.6%	13.0%	12.7%	12.5%
EBIT margin	8.0%	8.6%	9.5%	9.8%	10.0%	10.1%
ROCE	23.4%	26.6%	27.3%	30.3%	33.5%	34.6%
EV/EBITDA	10.9x	10.2x	9.8x	8.9x	8.6x	8.3x
EV/EBIT	15.1x	13.7x	13.0x	11.9x	10.9x	10.3x
PER	20.3x	19.1x	17.3x	15.8x	14.5x	13.9x
FCF yield	2.0%	9.4%	7.2%	6.2%	7.3%	7.6%

Source: Company data, mwb research



Source: Company data, mwb research

High/low 52 weeks 43.00 / 33.30
Price/Book Ratio 6.0x

Ticker / Symbols

ISIN DE0007507501
WKN 750750
Bloomberg WSU:GR

Changes in estimates

		Sales	EBIT	EPS
2025E	old	496.1	48.6	2.54
	Δ	0.0%	0.0%	0.0%
2026E	old	520.9	52.1	2.75
	Δ	0.0%	0.0%	0.0%
2027E	old	536.4	53.6	2.85
	Δ	0.0%	1.0%	1.0%

Key share data

Number of shares: (in m pcs) 13.38
Book value per share: (in EUR) 6.61
Ø trading vol.: (12 months) 3,386

Major shareholders

EQMC ICAV 15.1%
Morgan Stanley 10.6%
Kempen Oranje 9.6%
Free Float 45.6%

Company description

WashTec AG focuses on developing, manufacturing, selling, and servicing car wash products. The Company operates through three geographical segments: Core Europe, North America, and Asia/Pacific. Its product portfolio comprises, among others, roll-over wash equipment, self-service wash equipment, commercial car wash equipment, wash tunnels, water reclaim systems and the spare parts.

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

P&L data	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024
Sales	109.2	127.1	120.4	132.8	100.8	119.4	114.1	142.7
yoy growth in %	8.1%	6.9%	1.5%	-7.6%	-7.7%	-6.0%	-5.3%	7.4%
Gross profit	27.8	35.3	34.5	38.9	29.0	37.2	35.3	46.2
Gross margin in %	25.5%	27.8%	28.7%	29.3%	28.7%	31.2%	31.0%	32.4%
EBITDA	8.6	13.9	15.3	18.3	8.4	15.1	14.6	22.0
EBITDA margin in %	7.8%	11.0%	12.7%	13.8%	8.3%	12.6%	12.8%	15.4%
EBIT	4.9	10.3	11.7	14.5	5.0	11.5	10.9	18.1
EBIT margin in %	4.5%	8.1%	9.7%	10.9%	4.9%	9.6%	9.6%	12.7%
EBT	5.1	8.8	10.2	14.2	4.6	10.8	9.8	17.2
taxes paid	1.7	2.7	3.0	3.1	1.5	3.3	3.1	3.5
tax rate in %	32.6%	30.2%	29.4%	21.7%	32.1%	30.6%	31.5%	20.2%
net profit	3.5	6.2	7.2	11.1	3.1	7.6	6.7	13.6
yoy growth in %	50.8%	6.9%	7.6%	-4.0%	-10.3%	23.2%	-7.4%	22.6%
EPS	0.26	0.46	0.54	0.83	0.23	0.56	0.50	1.03

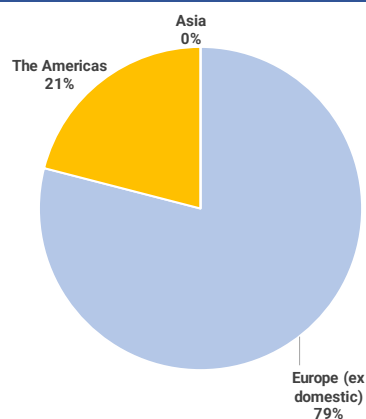
Source: Company data; mwb research

Investment case in six charts

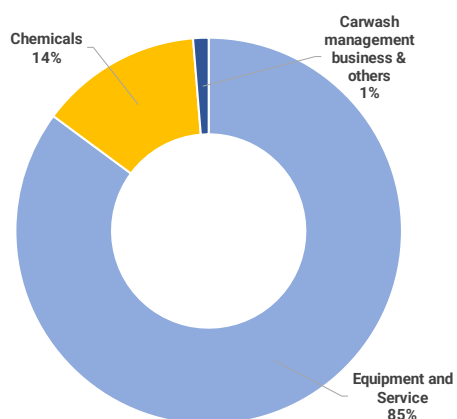
Products & Services



Regional sales split in %



Segmental breakdown in %



Digital transformation



SmartSite

- Maximum comfort
- Automatic incident report
- Saving resources
- Higher operational reliability
- Cost control



EasyCarWash

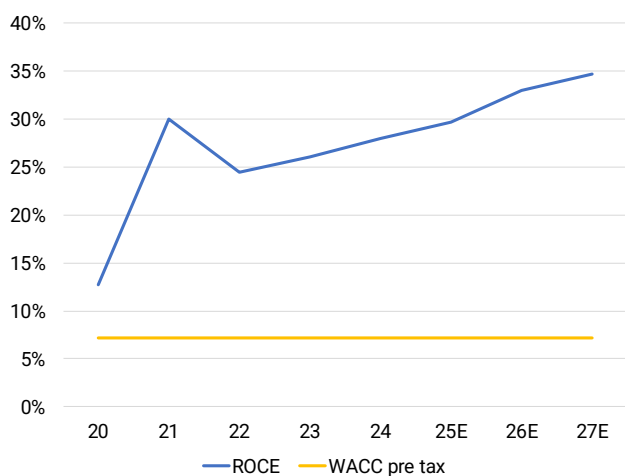
- Higher washing frequency
- More comfort
- Marketing support
- Increase wash business and profit
- Less dependence on the weather



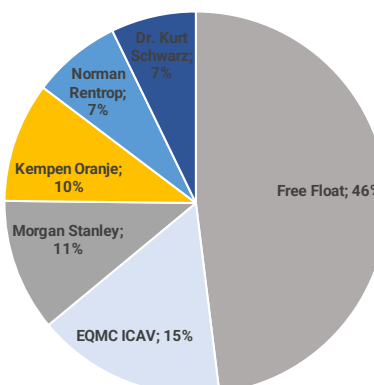
SmartCare

- RemoteAccess
- RemoteMonitoring
- RemoteDiagnosis
- RemoteAssist
- RemoteControl

ROCE vs. WACC



Major Shareholders



Source: Company data; mwb research

SWOT analysis

Strengths

- Large number of patents and licenses
- Good cash flow allows capital expenditures
- High barriers to entry: validation and capex requirements
- Distribution of concentrated chemicals allows lower transport costs

Weaknesses

- High costs in opening new markets
- Digital developments may shorten product lifecycle

Opportunities

- Economic advantage of automated car washing
- Build-up of global market position
- Digitalization of car washing, user experience

Threats

- Competition from other global players
- Changes in global economy, financial markets, or political landscape
- Trade conflicts

DCF Model


Top-line growth: We expect WashTec AG to grow revenues at a CAGR of 3.3% between 2025E and 2032E. The long-term growth rate is set at 2.0%.

WACC. Starting point is a historical equity beta of 0.83. Unlevering and correcting for mean reversion yields an asset beta of 0.85. Combined with a risk-free rate of 2.0% and an equity risk premium of 6.0% this yields cost of equity of 9.0%. With pre-tax cost of borrowing at 5.0%, a tax rate of 25.0% and target debt/equity of 0.5 this results in a long-term WACC of 7.3%.

DCF per share derived from	
Total present value	751.4
Mid-year adj. total present value	777.7
Net debt / cash at start of year	46.3
Financial assets	7.9
Provisions and off b/s debt	8.6
Equity value	730.8
No. of shares outstanding	13.4
Discounted cash flow / share	54.61
upside/(downside)	36.5%
Share price	40.00

DCF avg. growth and earnings assumptions	
Planning horizon avg. revenue growth (2025E-2032E)	3.3%
Terminal value growth (2032E - infinity)	2.0%
Terminal year ROCE	37.5%
Terminal year WACC	7.3%
Terminal WACC derived from	
Cost of borrowing (before taxes)	5.0%
Long-term tax rate	25.0%
Equity beta	0.83
Unlevered beta (industry or company)	0.85
Target debt / equity	0.5
Relevered beta	1.17
Risk-free rate	2.0%
Equity risk premium	6.0%
Cost of equity	9.0%

Change in WACC (%points)	Long term growth					Share of present value	
	1.0%	1.5%	2.0%	2.5%	3.0%		
2.0%	36.0	37.5	39.2	41.1	43.4	2025E-2028E	18.4%
1.0%	41.2	43.3	45.7	48.5	51.8	2029E-2032E	14.7%
0.0%	48.1	51.1	54.6	58.9	64.2	terminal value	66.8%
-1.0%	57.6	62.1	67.7	74.9	84.2		
-2.0%	71.5	79.1	89.0	102.4	121.8		



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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 41.10 per share based on 2025E and EUR 59.82 per share on 2029E 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	2025E	2026E	2027E	2028E	2029E
EBITDA	64.5	66.2	67.1	69.0	71.8
- Maintenance capex	12.0	11.0	10.3	9.9	9.6
- Minorities	0.0	0.0	0.0	0.0	0.0
- tax expenses	13.9	15.0	15.7	16.6	17.6
= Adjusted FCF	38.6	40.2	41.1	42.4	44.6
Actual Market Cap	559.1	559.1	559.1	559.1	559.1
+ Net debt (cash)	41.9	33.0	24.7	16.6	12.7
+ Pension provisions	0.0	0.0	0.0	0.0	0.0
+ Off b/s financing	0.0	0.0	0.0	0.0	0.0
- Financial assets	7.9	7.9	7.9	7.9	7.9
- Acc. dividend payments	32.1	64.2	97.4	132.0	168.7
<i>EV Reconciliations</i>	1.9	-39.1	-80.6	-123.2	-163.9
= Actual EV'	561.0	520.0	478.5	435.8	395.2
Adjusted FCF yield	6.9%	7.7%	8.6%	9.7%	11.3%
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	552.0	574.4	586.7	606.4	636.7
- <i>EV Reconciliations</i>	1.9	-39.1	-80.6	-123.2	-163.9
Fair Market Cap	550.1	613.5	667.2	729.6	800.6
No. of shares (million)	13.4	13.4	13.4	13.4	13.4
Fair value per share in EUR	41.10	45.84	49.86	54.52	59.82
Premium (-) / discount (+)	2.8%	14.6%	24.6%	36.3%	49.6%

Sensitivity analysis fair value					
Adjusted hurdle rate	5.0%	57.6	63.0	67.4	72.6
	6.0%	48.0	53.0	57.2	62.1
	7.0%	41.1	45.8	49.9	54.5
	8.0%	35.9	40.5	44.4	48.9
	9.0%	31.9	36.3	40.1	44.5

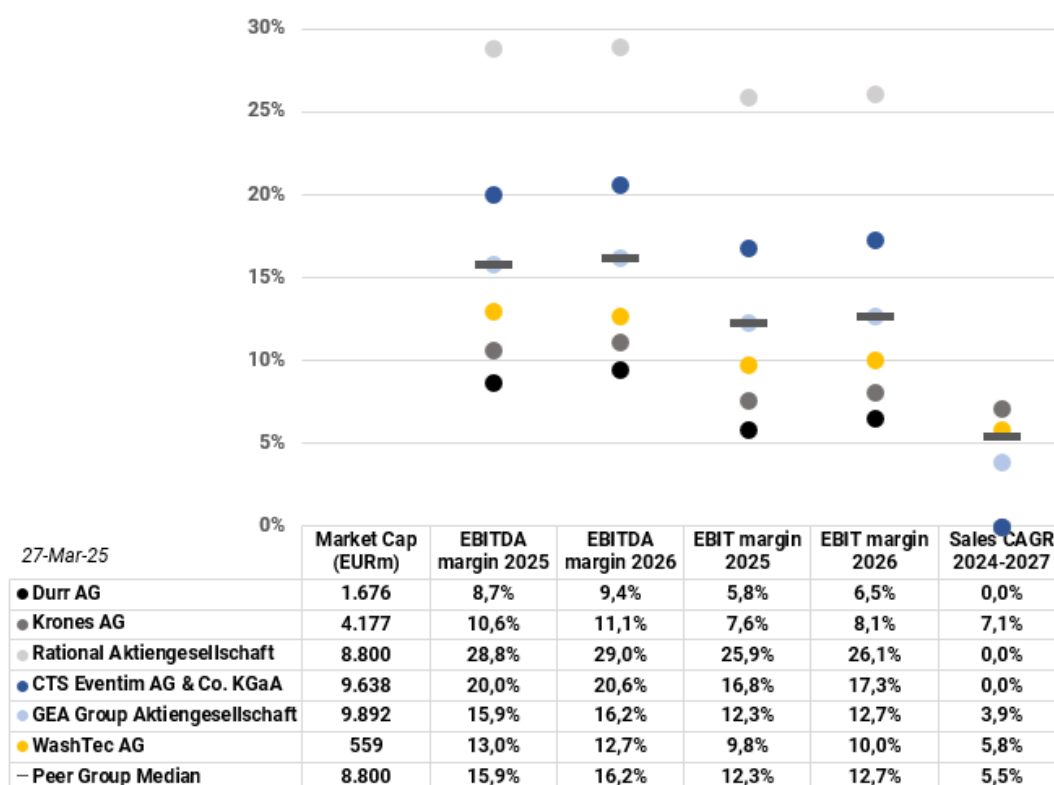
Source: Company data; mwb research

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 **WashTec 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 WashTec AG consists of the stocks displayed in the graphs below. As of 27 March 2025 the median market cap of the peer group was EUR 8,800.4m, compared to EUR 535.3m for WashTec AG. In the period under review, the peer group was more profitable than WashTec AG. The expectations for sales growth are lower for the peer group than for WashTec AG.

Peer Group – Key data

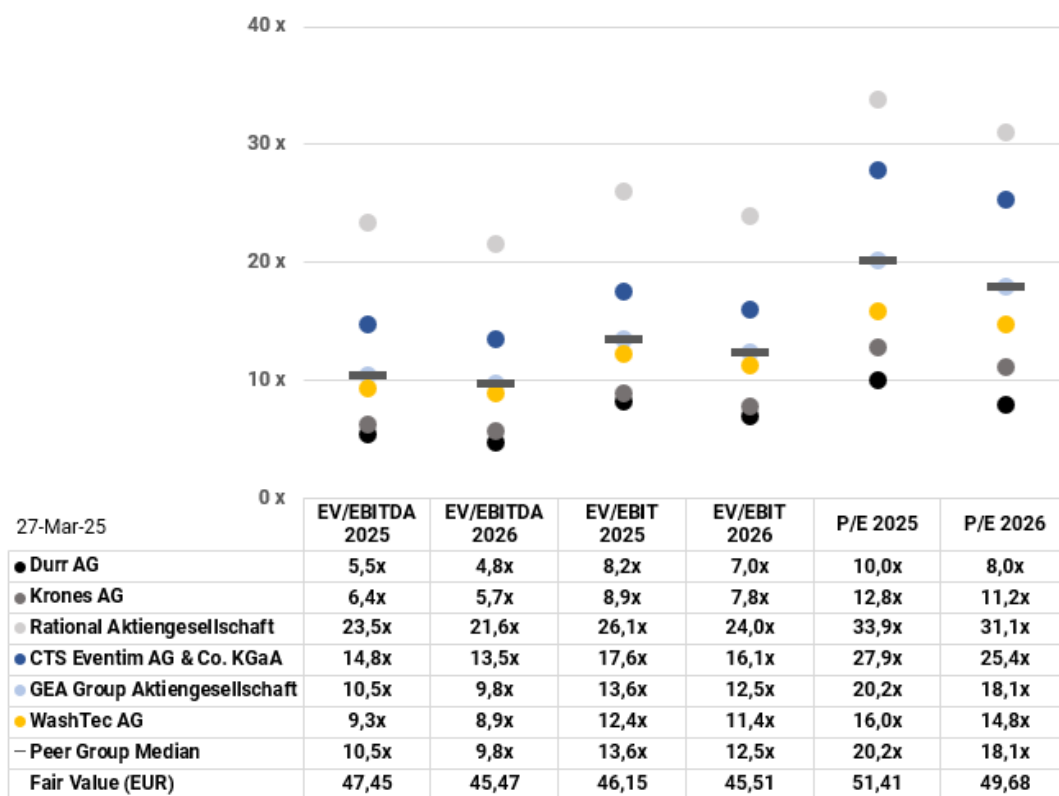


Source: FactSet, mwb research

Comparable company analysis operates under the assumption that similar companies will have similar valuation multiples. We use the following multiples: EV/EBITDA 2025, EV/EBITDA 2026, EV/EBIT 2025, EV/EBIT 2026, P/E 2025 and P/E 2026.

Applying these to WashTec AG results in a range of fair values from EUR 45.47 to EUR 51.41.

Peer Group – Multiples and valuation

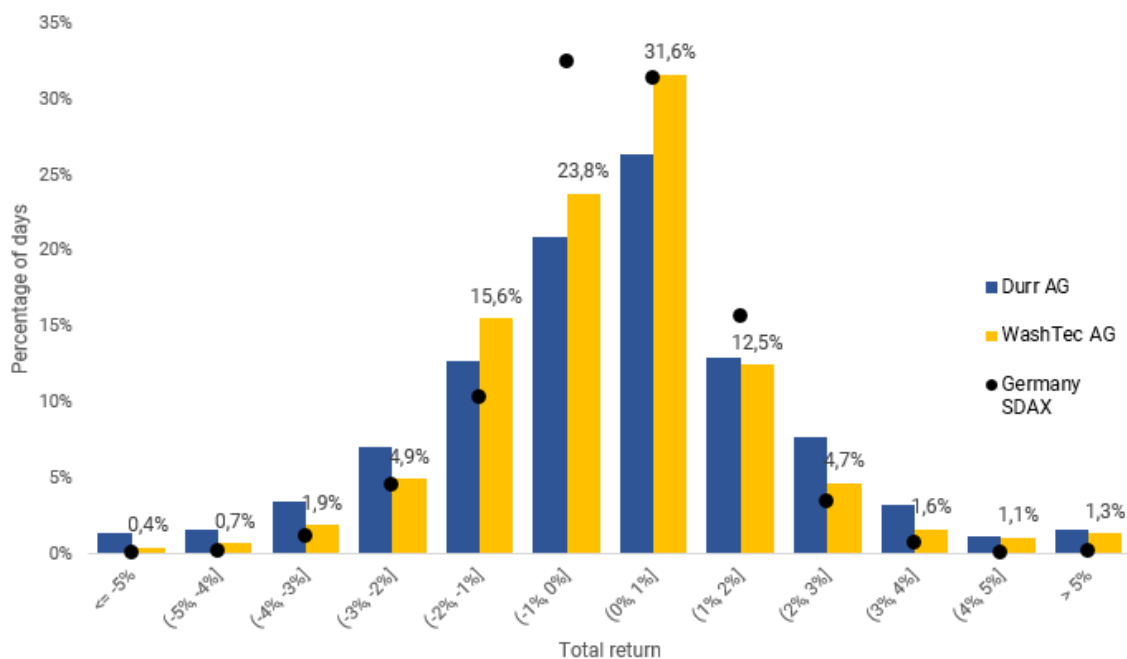


Source: FactSet, mwb research

Risk

The chart displays the **distribution of daily returns of WashTec AG** over the last 3 years, compared to the same distribution for Durr AG. We have also included the distribution for the index Germany SDAX. 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 WashTec AG, the worst day during the past 3 years was 13/05/2024 with a share price decline of -5.8%. The best day was 21/03/2024 when the share price increased by 7.4%.

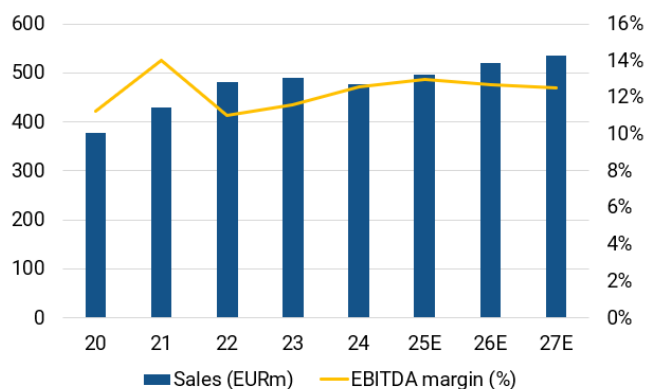
Risk – Daily Returns Distribution (trailing 3 years)



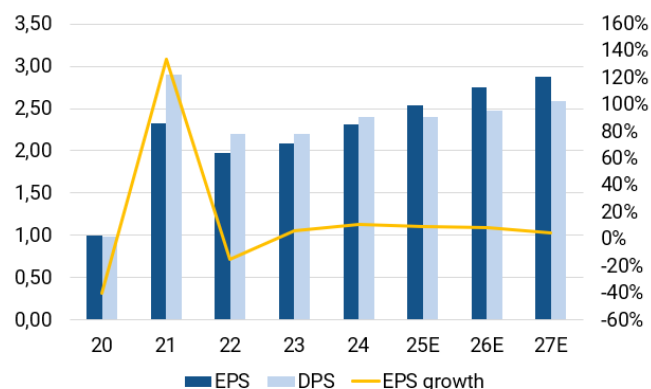
Source: FactSet, mwb research

Financials in six charts

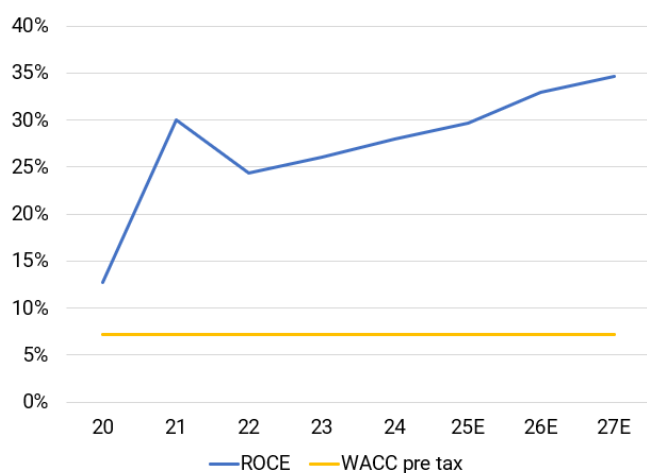
Sales vs. EBITDA margin development



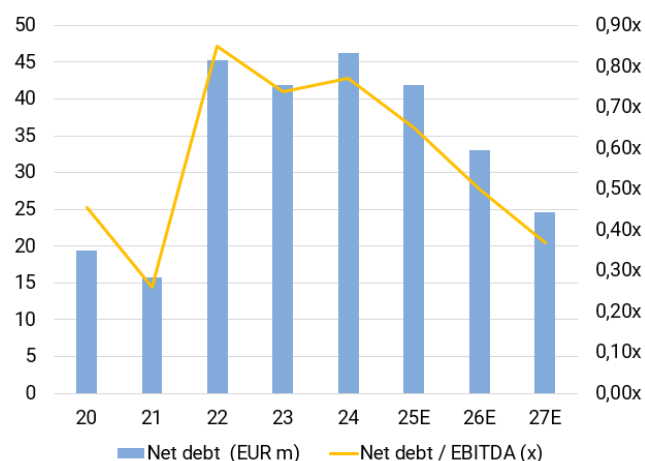
EPS, DPS in EUR & yoy EPS growth



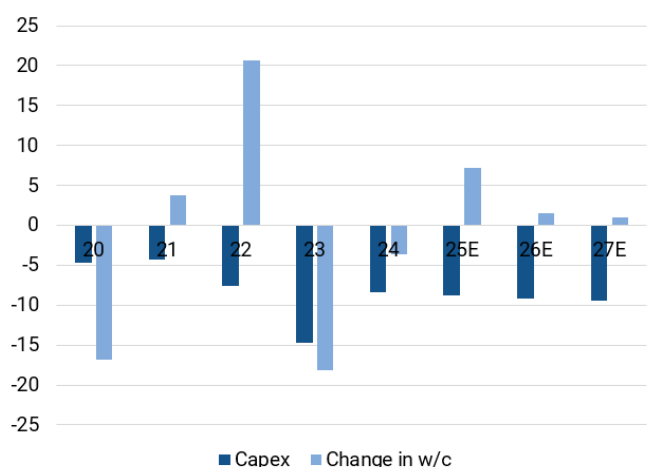
ROCE vs. WACC (pre tax)



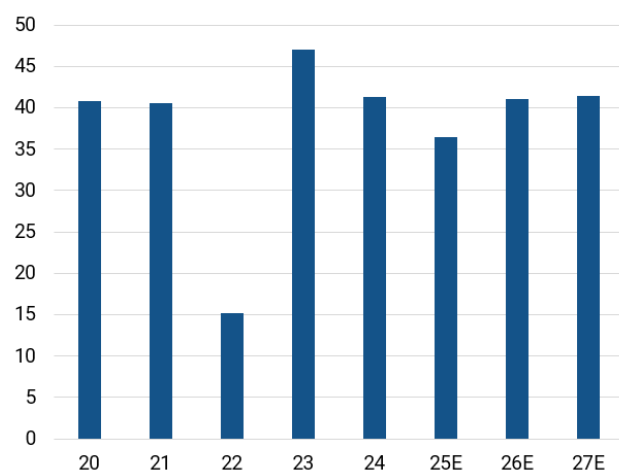
Net debt and net debt/EBITDA



Capex & chgn in w/c requirements in EURm



Free Cash Flow in EURm



Source: Company data; mwb research

Financials

Profit and loss (EURm)	2022	2023	2024	2025E	2026E	2027E
Sales	482.2	489.5	476.9	496.0	520.8	536.4
Sales growth	12.0%	1.5%	-2.6%	4.0%	5.0%	3.0%
Cost of sales	352.8	352.9	329.2	354.6	371.3	381.9
Gross profit	129.4	136.5	147.7	141.3	149.5	154.5
SG&A expenses	79.2	81.1	84.5	79.4	83.3	85.8
Research and development	14.2	14.2	16.5	14.4	15.1	15.6
Other operating expenses (income)	-2.5	-0.8	1.2	-1.0	-1.0	-1.1
EBITDA	53.2	56.8	60.1	64.5	66.2	67.1
Depreciation	13.2	12.9	12.7	13.3	12.2	11.5
EBITA	40.1	43.8	47.4	51.2	54.0	55.6
Amortisation of goodwill and intangible assets	1.5	1.7	1.9	2.6	1.9	1.5
EBIT	38.5	42.1	45.5	48.6	52.1	54.2
Financial result	-1.3	-3.7	-3.2	-0.8	-0.3	0.0
Recurring pretax income from continuing operations	37.3	38.4	42.3	47.9	51.8	54.2
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	37.3	38.4	42.3	47.9	51.8	54.2
Taxes	10.9	10.4	11.3	13.9	15.0	15.7
Net income from continuing operations	26.4	28.0	31.0	34.0	36.8	38.5
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
Net income	26.4	28.0	31.0	34.0	36.8	38.5
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0
Net profit (reported)	26.4	28.0	31.0	34.0	36.8	38.5
Average number of shares	13.38	13.38	13.38	13.38	13.38	13.38
EPS reported	1.97	2.09	2.32	2.54	2.75	2.87

Profit and loss (common size)	2022	2023	2024	2025E	2026E	2027E
Sales	100%	100%	100%	100%	100%	100%
Cost of sales	73%	72%	69%	72%	71%	71%
Gross profit	27%	28%	31%	28%	29%	29%
SG&A expenses	16%	17%	18%	16%	16%	16%
Research and development	3%	3%	3%	3%	3%	3%
Other operating expenses (income)	-1%	-0%	0%	-0%	-0%	-0%
EBITDA	11%	12%	13%	13%	13%	13%
Depreciation	3%	3%	3%	3%	2%	2%
EBITA	8%	9%	10%	10%	10%	10%
Amortisation of goodwill and intangible assets	0%	0%	0%	1%	0%	0%
EBIT	8%	9%	10%	10%	10%	10%
Financial result	-0%	-1%	-1%	-0%	-0%	0%
Recurring pretax income from continuing operations	8%	8%	9%	10%	10%	10%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	8%	8%	9%	10%	10%	10%
Taxes	2%	2%	2%	3%	3%	3%
Net income from continuing operations	5%	6%	7%	7%	7%	7%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
Net income	5%	6%	7%	7%	7%	7%
Minority interest	0%	0%	0%	0%	0%	0%
Net profit (reported)	5%	6%	7%	7%	7%	7%

Source: Company data; mwb research

Balance sheet (EURm)	2022	2023	2024	2025E	2026E	2027E
Intangible assets (exl. Goodwill)	7.0	7.4	10.4	7.8	5.8	4.4
Goodwill	42.3	43.3	43.9	43.9	43.9	43.9
Property, plant and equipment	42.6	52.1	54.8	50.2	47.1	45.1
Financial assets	4.2	4.9	7.9	7.9	7.9	7.9
FIXED ASSETS	96.2	107.7	116.9	109.7	104.8	101.3
Inventories	71.6	54.8	55.1	65.1	68.2	70.1
Accounts receivable	78.8	68.2	76.3	74.7	78.5	80.8
Other current assets	19.8	20.5	6.0	6.0	6.0	6.0
Liquid assets	14.2	16.7	19.5	13.1	12.0	15.3
Deferred taxes	3.9	3.5	5.8	5.8	5.8	5.8
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0
CURRENT ASSETS	188.3	163.6	162.7	164.7	170.5	178.1
TOTAL ASSETS	284.5	271.3	279.7	274.5	275.2	279.4
SHAREHOLDERS EQUITY	88.1	85.8	88.5	90.4	95.0	100.4
MINORITY INTEREST	0.0	0.0	0.0	0.0	0.0	0.0
Long-term debt	10.2	16.8	16.3	35.0	35.0	30.0
Provisions for pensions and similar obligations	0.0	0.0	8.6	0.0	0.0	0.0
Other provisions	16.8	14.0	3.9	14.9	15.6	16.1
Non-current liabilities	26.9	30.7	28.7	49.9	50.6	46.1
short-term liabilities to banks	49.3	41.8	49.5	20.0	10.0	10.0
Accounts payable	22.7	24.0	19.6	20.4	21.4	22.0
Advance payments received on orders	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities (incl. from lease and rental contracts)	89.9	84.4	86.3	86.8	91.1	93.9
Deferred taxes	7.5	4.7	7.0	7.0	7.0	7.0
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0
Current liabilities	169.4	154.8	162.5	134.2	129.5	132.9
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	284.5	271.3	279.7	274.5	275.2	279.4

Balance sheet (common size)	2022	2023	2024	2025E	2026E	2027E
Intangible assets (excl. Goodwill)	2%	3%	4%	3%	2%	2%
Goodwill	15%	16%	16%	16%	16%	16%
Property, plant and equipment	15%	19%	20%	18%	17%	16%
Financial assets	1%	2%	3%	3%	3%	3%
FIXED ASSETS	34%	40%	42%	40%	38%	36%
Inventories	25%	20%	20%	24%	25%	25%
Accounts receivable	28%	25%	27%	27%	29%	29%
Other current assets	7%	8%	2%	2%	2%	2%
Liquid assets	5%	6%	7%	5%	4%	5%
Deferred taxes	1%	1%	2%	2%	2%	2%
Deferred charges and prepaid expenses	0%	0%	0%	0%	0%	0%
CURRENT ASSETS	66%	60%	58%	60%	62%	64%
TOTAL ASSETS	100%	100%	100%	100%	100%	100%
SHAREHOLDERS EQUITY	31%	32%	32%	33%	35%	36%
MINORITY INTEREST	0%	0%	0%	0%	0%	0%
Long-term debt	4%	6%	6%	13%	13%	11%
Provisions for pensions and similar obligations	0%	0%	3%	0%	0%	0%
Other provisions	6%	5%	1%	5%	6%	6%
Non-current liabilities	9%	11%	10%	18%	18%	16%
short-term liabilities to banks	17%	15%	18%	7%	4%	4%
Accounts payable	8%	9%	7%	7%	8%	8%
Advance payments received on orders	0%	0%	0%	0%	0%	0%
Other liabilities (incl. from lease and rental contracts)	32%	31%	31%	32%	33%	34%
Deferred taxes	3%	2%	3%	3%	3%	3%
Deferred income	0%	0%	0%	0%	0%	0%
Current liabilities	60%	57%	58%	49%	47%	48%
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100%	100%	100%	100%	100%	100%

Source: Company data; mwb research

Cash flow statement (EURm)	2022	2023	2024	2025E	2026E	2027E
Net profit/loss	37.3	38.4	31.0	34.0	36.8	38.5
Depreciation of fixed assets (incl. leases)	13.2	12.9	12.7	13.3	12.2	11.5
Amortisation of goodwill	0.0	0.0	1.9	0.0	0.0	0.0
Amortisation of intangible assets	1.5	1.7	0.0	2.6	1.9	1.5
Others	-8.5	-9.4	0.5	2.4	0.7	0.5
Cash flow from operations before changes in w/c	43.5	43.7	46.1	52.3	51.7	51.9
Increase/decrease in inventory	-14.0	15.4	-0.3	-10.0	-3.1	-1.9
Increase/decrease in accounts receivable	-10.7	10.0	-8.1	1.6	-3.7	-2.4
Increase/decrease in accounts payable	6.6	1.3	-4.4	0.8	1.0	0.6
Increase/decrease in other w/c positions	-2.6	-8.5	16.4	0.5	4.3	2.7
Increase/decrease in working capital	-20.7	18.1	3.6	-7.2	-1.5	-1.0
Cash flow from operating activities	22.7	61.8	49.7	45.2	50.2	50.9
CAPEX	-7.5	-14.7	-8.4	-8.7	-9.2	-9.4
Payments for acquisitions	0.0	-1.2	-2.1	0.0	0.0	0.0
Financial investments	0.0	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	1.0	0.2	0.2	0.0	0.0	0.0
Cash flow from investing activities	-6.5	-15.7	-10.2	-8.7	-9.2	-9.4
Cash flow before financing	16.2	46.1	39.5	36.4	41.0	41.5
Increase/decrease in debt position	0.0	6.8	7.2	-10.8	-10.0	-5.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	0.0	0.0	0.0	0.0
Dividends paid	-38.8	-29.4	-29.4	-32.1	-32.1	-33.1
Others	-8.9	-8.4	-21.8	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.6	-0.2	0.6	0.0	0.0	0.0
Cash flow from financing activities	-47.1	-31.2	-43.4	-42.9	-42.1	-38.1
Increase/decrease in liquid assets	-30.9	14.9	-3.9	-6.4	-1.1	3.3
Liquid assets at end of period	27.1	16.7	12.8	6.3	5.2	8.6

Source: Company data; mwb research

Regional sales split (EURm)	2022	2023	2024	2025E	2026E	2027E
Domestic	0.0	0.0	0.0	0.0	0.0	0.0
Europe (ex domestic)	357.4	367.6	386.8	402.3	422.4	435.0
The Americas	107.2	102.9	102.7	106.8	112.1	115.5
Asia	17.6	19.2	0.0	0.0	0.0	0.0
Rest of World	0.0	0.0	0.0	0.0	0.0	0.0
Total sales	482.2	489.5	476.9	496.0	520.8	536.4

Regional sales split (common size)	2022	2023	2024	2025E	2026E	2027E
Domestic	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Europe (ex domestic)	74.1%	75.1%	81.1%	81.1%	81.1%	81.1%
The Americas	22.2%	21.0%	21.5%	21.5%	21.5%	21.5%
Asia	3.7%	3.9%	0.0%	0.0%	0.0%	0.0%
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	2022	2023	2024	2025E	2026E	2027E
Per share data						
Earnings per share reported	1.97	2.09	2.32	2.54	2.75	2.87
Cash flow per share	0.81	3.75	2.86	2.48	2.93	3.03
Book value per share	6.59	6.41	6.61	6.75	7.10	7.50
Dividend per share	2.20	2.20	2.40	2.40	2.47	2.59
Valuation						
P/E	20.3x	19.1x	17.3x	15.8x	14.5x	13.9x
P/CF	49.1x	10.7x	14.0x	16.1x	13.7x	13.2x
P/BV	6.1x	6.2x	6.0x	5.9x	5.6x	5.3x
Dividend yield (%)	5.5%	5.5%	6.0%	6.0%	6.2%	6.5%
FCF yield (%)	2.0%	9.4%	7.2%	6.2%	7.3%	7.6%
EV/Sales	1.2x	1.2x	1.2x	1.2x	1.1x	1.0x
EV/EBITDA	10.9x	10.2x	9.8x	8.9x	8.6x	8.3x
EV/EBIT	15.1x	13.7x	13.0x	11.9x	10.9x	10.3x
Income statement (EURm)						
Sales	482.2	489.5	476.9	496.0	520.8	536.4
yoy chg in %	12.0%	1.5%	-2.6%	4.0%	5.0%	3.0%
Gross profit	129.4	136.5	147.7	141.3	149.5	154.5
Gross margin in %	26.8%	27.9%	31.0%	28.5%	28.7%	28.8%
EBITDA	53.2	56.8	60.1	64.5	66.2	67.1
EBITDA margin in %	11.0%	11.6%	12.6%	13.0%	12.7%	12.5%
EBIT	38.5	42.1	45.5	48.6	52.1	54.2
EBIT margin in %	8.0%	8.6%	9.5%	9.8%	10.0%	10.1%
Net profit	26.4	28.0	31.0	34.0	36.8	38.5
Cash flow statement (EURm)						
CF from operations	22.7	61.8	49.7	45.2	50.2	50.9
Capex	-7.5	-14.7	-8.4	-8.7	-9.2	-9.4
Maintenance Capex	11.8	11.6	11.4	12.0	11.0	10.3
Free cash flow	15.2	47.1	41.3	36.4	41.0	41.5
Balance sheet (EURm)						
Intangible assets	49.3	50.7	54.3	51.7	49.7	48.3
Tangible assets	42.6	52.1	54.8	50.2	47.1	45.1
Shareholders' equity	88.1	85.8	88.5	90.4	95.0	100.4
Pension provisions	0.0	0.0	8.6	0.0	0.0	0.0
Liabilities and provisions	76.2	72.5	78.2	69.9	60.6	56.1
Net financial debt	45.2	41.9	46.3	41.9	33.0	24.7
w/c requirements	127.7	99.0	111.8	119.4	125.3	129.0
Ratios						
ROE	29.9%	32.6%	35.1%	37.6%	38.7%	38.3%
ROCE	23.4%	26.6%	27.3%	30.3%	33.5%	34.6%
Net gearing	51.3%	48.8%	52.3%	46.4%	34.7%	24.6%
Net debt / EBITDA	0.9x	0.7x	0.8x	0.7x	0.5x	0.4x

Source: Company data; mwb research

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