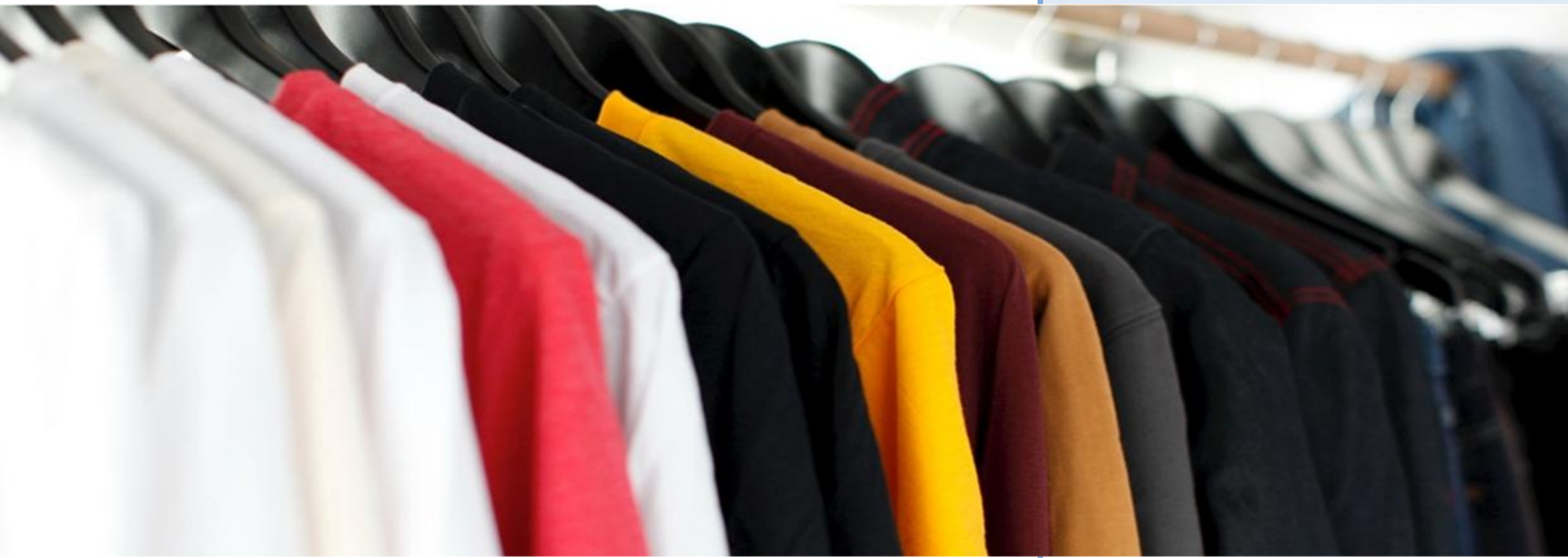
Zalando SE

Germany | Retail | MCap EUR 7,327m

4 July 2025

UPDATE



EU approves merger with About You. Closing next week. Maintain BUY.

BUY (BUY)

Target price	**EUR 39.00** (39.00)
Current price	EUR 28.28
Up/downside	37.9%

ResearchHub

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What's it all about?

Zalando has received EU antitrust approval for its acquisition of ABOUT YOU, enabling transaction close on July 11, 2025. With over 90% of AY's shares secured, a merger-based squeeze-out is planned. The deal supports Zalando's ambition to build Europe's leading fashion and lifestyle ecosystem. Both brands will remain distinct, targeting complementary audiences. Management expects EUR 100m in annual EBIT synergies and targets a 5–10% CAGR in GMV and revenue through 2028. Integration of SCAYLE and ZEOS is a key operational lever. While the strategic case is solid, estimates remain unchanged pending consolidated guidance. We reiterate our BUY rating and EUR 39.00 price target.

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Germany | Retail | MCap EUR 7,327m | EV EUR 6,465m

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EU approves merger with About You. Closing next week; BUY.

Regulatory approval from EU. This week, Zalando received antitrust clearance from the European Commission for its acquisition of ABOUT YOU (AY). With all regulatory conditions fulfilled, Zalando is now set to complete the transaction on July 11, 2025. Zalando has secured over 90% of AY's outstanding share capital (excluding treasury shares). A merger-based squeeze-out of remaining minorities is planned to complete the full takeover.

Strategic rationale and positioning. The acquisition supports Zalando's ambition to build a leading ecosystem for fashion and lifestyle e-commerce in Europe. In the B2C segment, the group intends to pursue a dual-brand strategy, maintaining AY and Zalando as distinct platforms with complementary target audiences. AY will continue to focus on younger, style-conscious consumers through influencer-led discovery and localized experiences, while Zalando will emphasize scale, convenience, and data-driven personalization for a broader customer base.

Synergies and medium-term targets. Zalando expects to generate annual EBIT synergies of around EUR 100m from the integration of AY, driven primarily by efficiencies in logistics, payments, and shared B2B infrastructure. A key focus will be combining AY's SCAYLE platform with Zalando's ZEOS solution to build a pan-European operating system for multi-channel commerce. The transaction is fully funded from Zalando's existing cash reserves; as of Q1 2025, Zalando held a net cash position of approximately EUR 1.9bn, compared to a purchase price of around EUR 1.1bn. Looking ahead, the combined group targets a CAGR 2023-2028 of 5-10% in GMV and revenue, along with an adjusted EBIT margin of 6-8% by 2028. Management also expects strong free cash flow generation over the period, reflecting a continued focus on scalability, profitability, and disciplined capital deployment.

Conclusion: With regulatory clearance secured, the AY integration could serve as a catalyst to further reaccelerate growth, with potential to push growth back to double digits. While the strategic rationale is strong, we await more detailed guidance before revisiting our estimates, particularly with respect to synergy realization and integration dynamics. We maintain our BUY rating and EUR 39.00 PT.

Zalando SE	2022	2023	2024	2025E	2026E	2027E
Sales	10,345	10,143	10,573	11,313	12,104	12,952
Growth yoy	-0.1%	-1.9%	4.2%	7.0%	7.0%	7.0%
EBITDA	376	511	742	844	890	1,061
EBIT	81	191	392	492	551	719
Net profit	17	83	251	318	368	485
Net debt (net cash)	-387	-792	-862	-1,420	-1,887	-2,436
Net debt/EBITDA	-1.0x	-1.5x	-1.2x	-1.7x	-2.1x	-2.3x
EPS reported	0.07	0.32	0.97	1.23	1.42	1.87
DPS	0.00	0.00	0.00	0.00	0.00	0.00
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Gross profit margin	39.2%	38.7%	40.7%	40.8%	41.0%	42.0%
EBITDA margin	3.6%	5.0%	7.0%	7.5%	7.4%	8.2%
EBIT margin	0.8%	1.9%	3.7%	4.3%	4.5%	5.5%
ROCE	2.0%	4.3%	8.6%	11.0%	11.4%	14.0%
EV/EBITDA	18.4x	12.8x	8.7x	7.0x	6.1x	4.6x
EV/EBIT	85.7x	34.2x	16.5x	12.0x	9.9x	6.8x
PER	434.1x	88.5x	29.2x	23.0x	19.9x	15.1x
FCF yield	6.3%	12.9%	8.6%	7.7%	6.7%	8.1%

Source: Company data, mwb research

Source: Company data, mwb research

High/low 52 weeks	40.08 / 20.90
Price/Book Ratio	2.7x

Ticker / Symbols

ISIN	DE000ZAL1111
WKN	ZAL111
Bloomberg	ZAL:GR

Changes in estimates

		Sales	EBIT	EPS
2025E	old	11,313	492	1.23
	Δ	0.0%	0.0%	0.0%
2026E	old	12,104	551	1.42
	Δ	0.0%	0.0%	0.0%
2027E	old	12,952	719	1.87
	Δ	0.0%	0.0%	0.0%

Key share data

Number of shares: (in m pcs)	259.10
Book value per share: (in EUR)	10.29
Ø trading vol.: (12 months)	1,039,731

Major shareholders

Anders Holch Povlsen	10.1%
BlackRock	5.9%
Founders	5.1%
Free Float	77.1%

Company description

Zalando is an online platform for fashion and lifestyle that was founded in 2008. With its fashion store, Zalando offers clothing, footwear, accessories and beauty products. The company is active in a multitude of business areas such as online retailing, private labels, shopping clubs and style consulting. The company is also offering e-commerce-related services to third party brands.

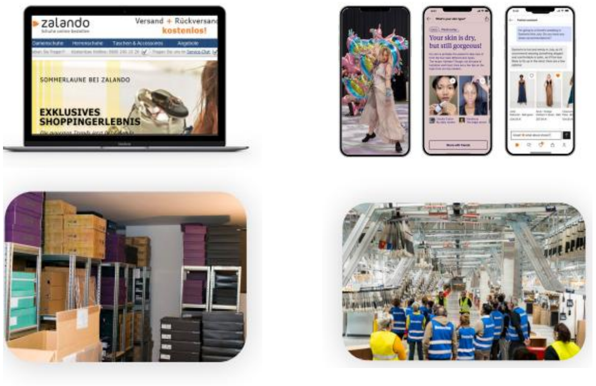
The following table displays the quarterly performance of **Zalando SE.**

P&L data	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025
Sales	2,556.3	2,274.9	3,056.2	2,241.4	2,643.2	2,388.5	3,299.5	2,419.5
yoy growth in %	-2.5%	-3.2%	-3.5%	-0.6%	3.4%	5.0%	8.0%	7.9%
Gross profit	1,037.5	834.7	1,203.6	856.8	1,099.1	971.7	1,374.3	946.2
Gross margin in %	40.6%	36.7%	39.4%	38.2%	41.6%	40.7%	41.7%	39.1%
EBITDA	190.8	74.1	243.2	83.1	232.5	153.7	272.1	106.3
EBITDA margin in %	7.5%	3.3%	8.0%	3.7%	8.8%	6.4%	8.2%	4.4%
EBIT	114.9	-20.1	156.6	0.4	154.7	69.5	166.9	19.2
EBIT margin in %	4.5%	-0.9%	5.1%	0.0%	5.9%	2.9%	5.1%	0.8%
EBT	83.3	-21.7	143.0	-12.3	148.0	56.8	175.5	17.9
taxes paid	26.7	-13.5	70.0	-3.4	52.3	12.5	55.5	8.0
tax rate in %	32.1%	62.2%	49.0%	27.6%	35.3%	22.0%	31.6%	44.7%
net profit	56.6	-8.2	73.0	-8.9	95.7	44.3	119.9	9.9
yoy growth in %	304.3%	-76.8%	-26.6%	-76.9%	69.1%	-640.2%	64.2%	-211.2%
EPS	**0.22**	**-0.03**	**0.28**	**-0.03**	**0.37**	**0.17**	**0.46**	**0.04**

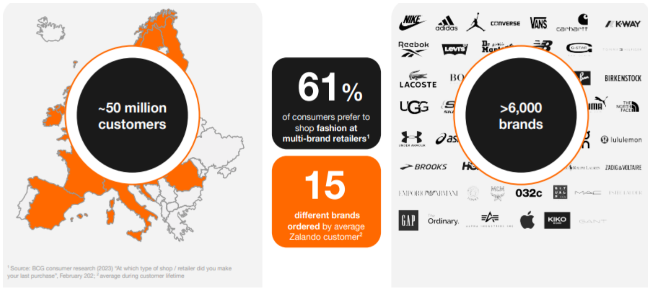
Source: Company data; mwb research

Investment case in six charts

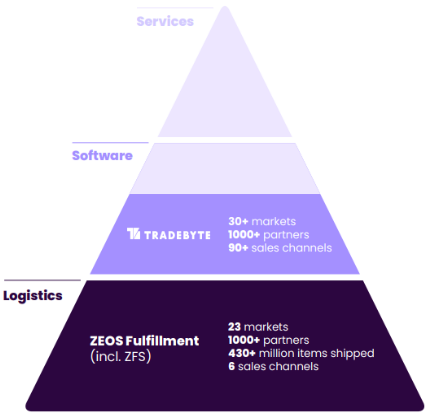
Products & Services



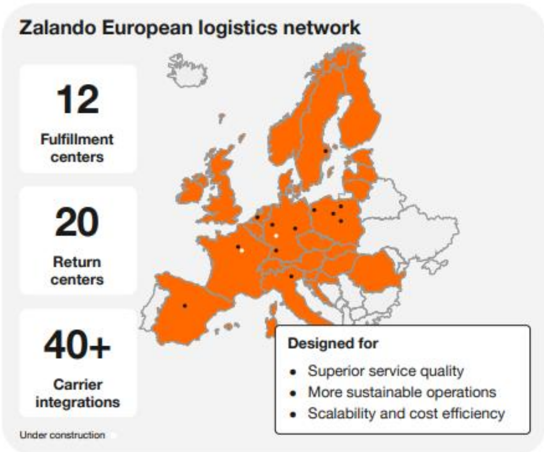
Leading European Fashion platform



ZEOS (B2B) to deliver growth over the long-term



Logistics network



2025 outlook (Zalando stand-alone)

Growth	GMV	4% – 9%
	Revenue	4% – 9%
Profitability	Adjusted[1] EBIT (in m EUR)	530 – 590
Cash	Capex (in m EUR)	180 – 280
	Net working capital (in m EUR)	negative

Mid-term outlook incl. About You

5-year CAGR[1] (2023 – 2028) Adjusted EBIT margin in % of revenue		Zalando combined group (incl. ABOUT YOU)
Growth	GMV	5% – 10% CAGR
	Revenue	5% – 10% CAGR
Profitability	Adjusted[2] EBIT margin	6% – 8% in 2028
Cash generation	Free cash flow	Strong free cash flow

Source: Company data; mwb research

Valuation

DCF Model

The DCF model results in a **fair value of EUR 39.81 per share**:

Top-line growth: We expect Zalando SE to grow revenues at a CAGR of 3.8% between 2025E and 2032E. The long-term growth rate is set at 2.0%.

ROCE. Returns on capital are developing from 11.0% in 2025E to 13.0% in 2032E.

WACC. Starting point is a historical equity beta of 1.55. Unlevering and correcting for mean reversion yields an asset beta of 1.24. Combined with a risk-free rate of 2.0% and an equity risk premium of 6.0% this yields cost of equity of 12.3%. With pre-tax cost of borrowing at 5.0%, a tax rate of 25% and target debt/equity of 0.5 this results in a long-term WACC of 9.4%.

DCF (EURm) (except per share data and beta)	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	Terminal value
NOPAT	336	386	503	624	704	718	732	747	
Depreciation & amortization	352	339	342	346	350	353	356	359	
Change in working capital	149	39	21	4	-9	3	-5	-5	
Chg. in long-term provisions	10	11	12	9	4	4	4	4	
Capex	-272	-291	-311	-326	-333	-340	-346	-353	
Cash flow	575	485	568	656	715	738	741	752	10,316
Present value	551	424	454	480	478	451	414	384	5,251
WACC	9.3%	9.4%	9.4%	9.4%	9.4%	9.4%	9.4%	9.4%	9.4%

DCF per share derived from	
Total present value	8,886
Mid-year adj. total present value	9,293
Net debt / cash at start of year	-862
Financial assets	158
Provisions and off b/s debt	na
Equity value	10,314
No. of shares outstanding	259.1
Discounted cash flow / share	**39.81**
upside/(downside)	**40.8%**
Share price	**28.28**

DCF avg. growth and earnings assumptions	
Planning horizon avg. revenue growth (2025E-2032E)	3.8%
Terminal value growth (2032E - infinity)	2.0%
Terminal year ROCE	13.0%
Terminal year WACC	9.4%

Terminal WACC derived from	
Cost of borrowing (before taxes)	5.0%
Long-term tax rate	25%
Equity beta	1.55
Unlevered beta (industry or company)	1.24
Target debt / equity	0.5
Relevered beta	1.71
Risk-free rate	2.0%
Equity risk premium	6.0%
Cost of equity	12.3%

Sensitivity analysis DCF

Change in WACC (%-points)	Long term growth 1.0%	1.5%	2.0%	2.5%	3.0%
2.0%	30.9	31.7	32.5	33.4	34.4
1.0%	33.7	34.6	35.7	36.9	38.3
0.0%	37.1	38.4	39.8	41.4	43.3
-1.0%	41.4	43.2	45.2	47.5	50.3
-2.0%	47.1	49.6	52.5	56.1	60.4

Share of present value	
2025E-2028E	21.5%
2029E-2032E	19.4%
terminal value	59.1%

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 29.77 per share based on 2025E and EUR 58.48 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	**844**	**890**	**1,061**	**1,237**	**1,355**
- Maintenance capex	266	266	267	271	276
- Minorities	0	0	0	0	0
- tax expenses	148	158	208	260	294
= Adjusted FCF	**430**	**467**	**586**	**706**	**785**
Actual Market Cap	**7,471**	**7,471**	**7,471**	**7,471**	**7,471**
+ Net debt (cash)	-1,420	-1,887	-2,436	-3,074	-3,771
+ Pension provisions	0	0	0	0	0
+ Off b/s financing	0	0	0	0	0
- Financial assets	158	158	158	158	158
- Acc. dividend payments	0	0	0	0	0
EV Reconciliations	-1,578	-2,045	-2,595	-3,233	-3,930
= Actual EV'	**5,892**	**5,426**	**4,876**	**4,238**	**3,541**
Adjusted FCF yield	**7.3%**	**8.6%**	**12.0%**	**16.7%**	**22.2%**
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	**6,136**	**6,669**	**8,372**	**10,089**	**11,221**
- *EV Reconciliations*	-1,578	-2,045	-2,595	-3,233	-3,930
Fair Market Cap	**7,715**	**8,714**	**10,967**	**13,322**	**15,151**
No. of shares (million)	259	259	259	259	259
Fair value per share in EUR	**29.77**	**33.63**	**42.33**	**51.42**	**58.48**
Premium (-) / discount (+)	**5.3%**	**18.9%**	**49.7%**	**81.8%**	**106.8%**

Sensitivity analysis fair value

	5.0%	39	44	55	67	76
Adjusted hurdle rate	6.0%	34	38	48	58	66
	7.0%	**30**	**34**	**42**	**51**	**58**
	8.0%	27	30	38	47	53
	9.0%	25	28	35	43	49

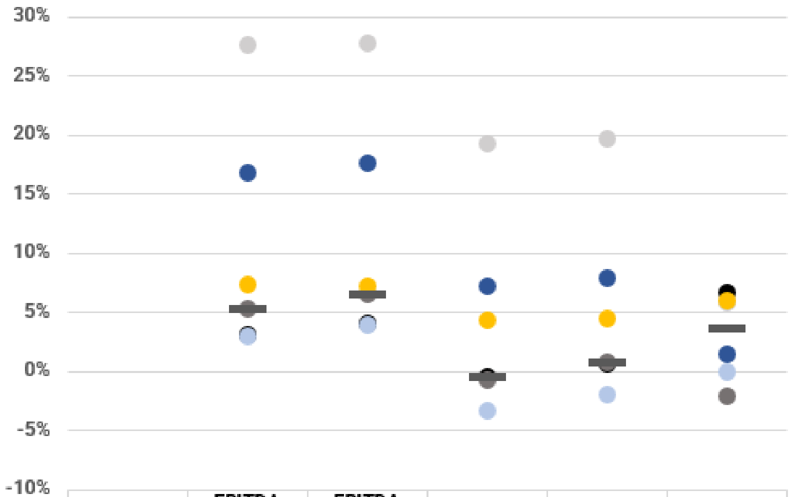
Source: Company data; mwb research

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 **Zalando 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 Zalando SE consists of the stocks displayed in the graphs below. As of 4 July 2025 the median market cap of the peer group was EUR 1,253m, compared to EUR 7,327m for Zalando SE. In the period under review, the peer group was less profitable than Zalando SE. The expectations for sales growth are lower for the peer group than for Zalando SE.

Peer Group – Key data



4-Jul-25	Market Cap (EURm)	EBITDA margin 2025	EBITDA margin 2026	EBIT margin 2025	EBIT margin 2026	Sales CAGR 2024-2027
● ABOUT YOU Holding SE	1,253	3.2%	4.2%	-0.4%	0.8%	6.7%
● ASOS Plc	427	5.3%	6.6%	-0.7%	0.8%	-2.0%
● Industria de Diseno Textil, S.A.	136,821	27.6%	27.9%	19.4%	19.7%	5.9%
● H&M Hennes & Mauritz AB Class B	17,133	16.8%	17.6%	7.2%	8.0%	1.5%
● boohoo group Plc	335	3.0%	4.0%	-3.2%	-1.8%	0.0%
● Zalando SE	7,471	7.5%	7.4%	4.4%	4.6%	6.1%
– Peer Group Median	1,253	5.3%	6.6%	-0.4%	0.8%	3.7%

Source: FactSet, mwb research

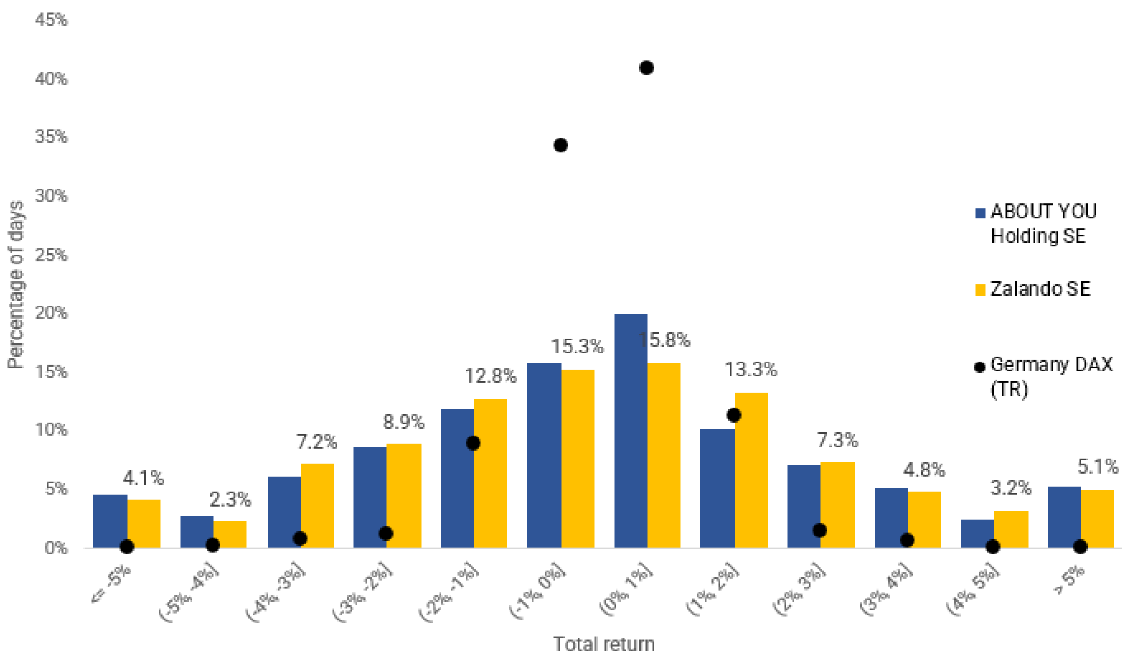
Comparable company analysis operates under the assumption that similar companies will have similar valuation multiples. We use the following multiples: EV/EBITDA 2025, EV/EBITDA 2026, EV/EBIT 2025, EV/EBIT 2026, P/E 2025 and P/E 2026.

Applying these to Zalando SE results in a range of fair values from EUR 25.94 to EUR 65.54.

Risk

The chart displays the **distribution of daily returns of Zalando SE** over the last 3 years, compared to the same distribution for ABOUT YOU Holding 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 Zalando SE, the worst day during the past 3 years was 26/07/2022 with a share price decline of -9.8%. The best day was 13/03/2024 when the share price increased by 18.9%.

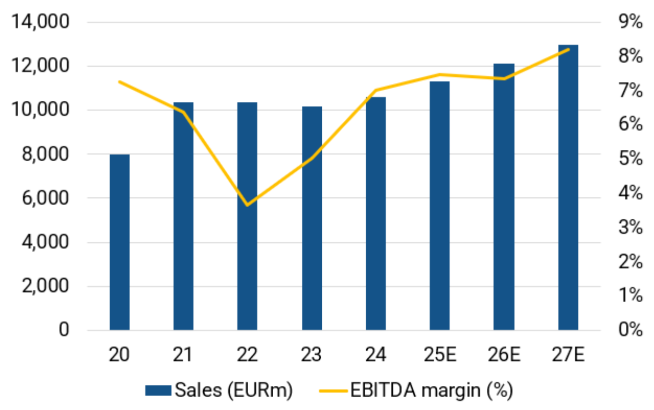
Risk – Daily Returns Distribution (trailing 3 years)



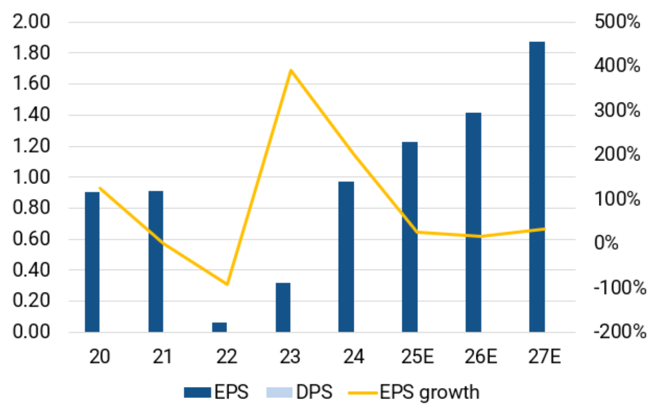
Source: FactSet, mwb research

Financials in six charts

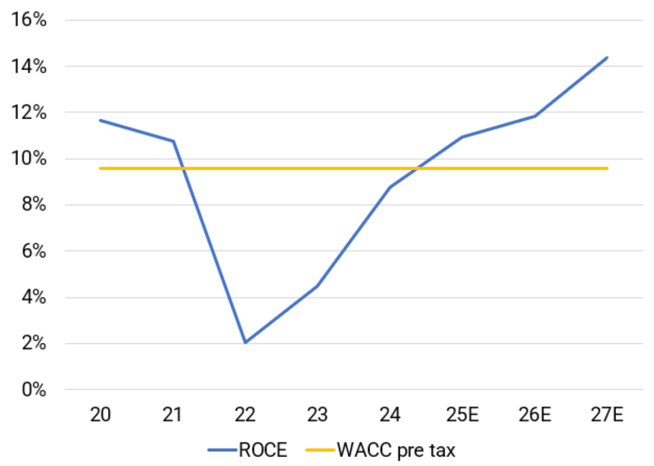
Sales vs. EBITDA margin development



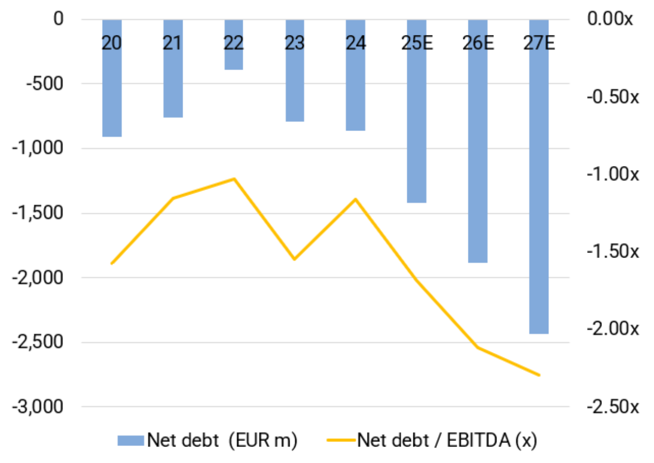
EPS, DPS in EUR & yoy EPS growth



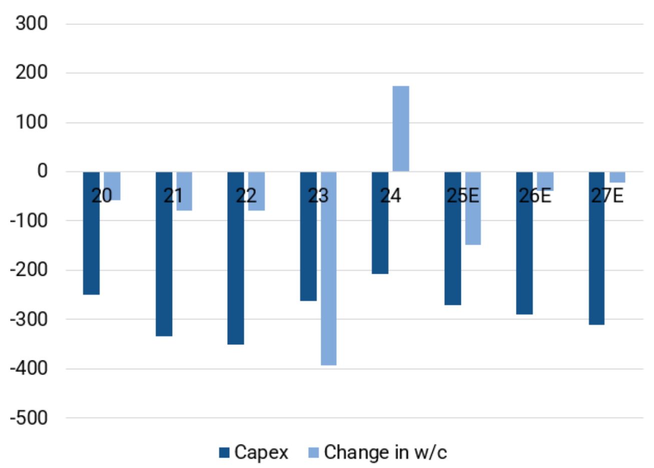
ROCE vs. WACC (pre tax)



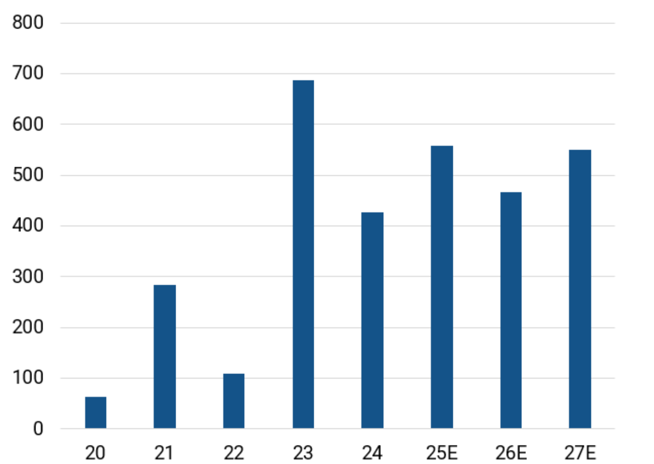
Net debt and net debt/EBITDA



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	**10,345**	**10,143**	**10,573**	**11,313**	**12,104**	**12,952**
Sales growth	-0.1%	-1.9%	4.2%	7.0%	7.0%	7.0%
Cost of sales	6,289	6,213	6,271	6,697	7,142	7,512
Gross profit	**4,056**	**3,930**	**4,302**	**4,616**	**4,963**	**5,440**
SG&A expenses	3,988	3,702	3,911	4,095	4,382	4,689
Research and development	0	0	0	0	0	0
Other operating expenses (income)	-13	38	1	28	30	32
EBITDA	**376**	**511**	**742**	**844**	**890**	**1,061**
Depreciation	221	240	268	266	266	267
EBITA	156	271	474	578	624	794
Amortisation of goodwill and intangible assets	75	80	82	86	74	75
EBIT	**81**	**191**	**392**	**492**	**551**	**719**
Financial result	-42	-38	-24	-26	-26	-26
Recurring pretax income from continuing operations	39	153	368	467	525	693
Extraordinary income/loss	0	0	0	0	0	0
Earnings before taxes	39	153	368	467	525	693
Taxes	22	70	117	148	158	208
Net income from continuing operations	17	83	251	318	368	485
Result from discontinued operations (net of tax)	0	0	0	0	0	0
Net income	**17**	**83**	**251**	**318**	**368**	**485**
Minority interest	0	0	0	0	0	0
Net profit (reported)	17	83	251	318	368	485
Average number of shares	257.90	259.70	259.10	259.10	259.10	259.10
EPS reported	**0.07**	**0.32**	**0.97**	**1.23**	**1.42**	**1.87**

Profit and loss (common size)	2022	2023	2024	2025E	2026E	2027E
Sales	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Cost of sales	61%	61%	59%	59%	59%	58%
Gross profit	**39%**	**39%**	**41%**	**41%**	**41%**	**42%**
SG&A expenses	39%	36%	37%	36%	36%	36%
Research and development	0%	0%	0%	0%	0%	0%
Other operating expenses (income)	-0%	0%	0%	0%	0%	0%
EBITDA	**4%**	**5%**	**7%**	**7%**	**7%**	**8%**
Depreciation	2%	2%	3%	2%	2%	2%
EBITA	2%	3%	4%	5%	5%	6%
Amortisation of goodwill and intangible assets	1%	1%	1%	1%	1%	1%
EBIT	**1%**	**2%**	**4%**	**4%**	**5%**	**6%**
Financial result	-0%	-0%	-0%	-0%	-0%	-0%
Recurring pretax income from continuing operations	0%	2%	3%	4%	4%	5%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	0%	2%	3%	4%	4%	5%
Taxes	0%	1%	1%	1%	1%	2%
Net income from continuing operations	0%	1%	2%	3%	3%	4%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
Net income	**0%**	**1%**	**2%**	**3%**	**3%**	**4%**
Minority interest	0%	0%	0%	0%	0%	0%
Net profit (reported)	**0%**	**1%**	**2%**	**3%**	**3%**	**4%**

Source: Company data; mwb research

Balance sheet (EURm)	2022	2023	2024	2025E	2026E	2027E
Intangible assets (exl. Goodwill)	**277**	**262**	**264**	**223**	**198**	**175**
Goodwill	137	137	139	139	139	139
Property, plant and equipment	1,825	2,040	1,972	1,932	1,908	1,900
Financial assets	103	102	158	158	158	158
FIXED ASSETS	**2,342**	**2,541**	**2,532**	**2,452**	**2,403**	**2,372**
Inventories	1,810	1,441	1,550	1,597	1,703	1,791
Accounts receivable	913	899	926	930	988	1,050
Other current assets	227	97	124	124	124	124
Liquid assets	2,103	2,644	2,588	2,750	3,217	3,566
Deferred taxes	0	0	0	0	0	0
Deferred charges and prepaid expenses	231	168	264	282	302	323
CURRENT ASSETS	**5,284**	**5,249**	**5,452**	**5,683**	**6,334**	**6,855**
TOTAL ASSETS	**7,626**	**7,790**	**7,984**	**8,135**	**8,737**	**9,227**
SHAREHOLDERS EQUITY	**2,199**	**2,373**	**2,665**	**2,984**	**3,351**	**3,837**
MINORITY INTEREST	0	0	0	0	0	0
Long-term debt	1,587	1,719	1,183	1,200	1,200	1,000
Provisions for pensions and similar obligations	0	0	0	0	0	0
Other provisions	173	171	146	156	167	179
Non-current liabilities	**1,760**	**1,890**	**1,328**	**1,356**	**1,367**	**1,179**
short-term liabilities to banks	130	132	543	130	130	130
Accounts payable	2,934	2,782	2,745	2,917	3,091	3,231
Advance payments received on orders	49	48	39	42	45	48
Other liabilities (incl. from lease and rental contracts)	483	509	622	665	712	762
Deferred taxes	71	55	41	41	41	41
Deferred income	0	0	0	0	0	0
Current liabilities	**3,667**	**3,526**	**3,990**	**3,795**	**4,019**	**4,212**
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	**7,626**	**7,790**	**7,984**	**8,135**	**8,737**	**9,227**

Balance sheet (common size)	2022	2023	2024	2025E	2026E	2027E
Intangible assets (excl. Goodwill)	**4%**	**3%**	**3%**	**3%**	**2%**	**2%**
Goodwill	2%	2%	2%	2%	2%	2%
Property, plant and equipment	24%	26%	25%	24%	22%	21%
Financial assets	1%	1%	2%	2%	2%	2%
FIXED ASSETS	**31%**	**33%**	**32%**	**30%**	**28%**	**26%**
Inventories	24%	18%	19%	20%	19%	19%
Accounts receivable	12%	12%	12%	11%	11%	11%
Other current assets	3%	1%	2%	2%	1%	1%
Liquid assets	28%	34%	32%	34%	37%	39%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred charges and prepaid expenses	3%	2%	3%	3%	3%	4%
CURRENT ASSETS	**69%**	**67%**	**68%**	**70%**	**72%**	**74%**
TOTAL ASSETS	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
SHAREHOLDERS EQUITY	**29%**	**30%**	**33%**	**37%**	**38%**	**42%**
MINORITY INTEREST	0%	0%	0%	0%	0%	0%
Long-term debt	21%	22%	15%	15%	14%	11%
Provisions for pensions and similar obligations	0%	0%	0%	0%	0%	0%
Other provisions	2%	2%	2%	2%	2%	2%
Non-current liabilities	**23%**	**24%**	**17%**	**17%**	**16%**	**13%**
short-term liabilities to banks	2%	2%	7%	2%	1%	1%
Accounts payable	38%	36%	34%	36%	35%	35%
Advance payments received on orders	1%	1%	0%	1%	1%	1%
Other liabilities (incl. from lease and rental contracts)	6%	7%	8%	8%	8%	8%
Deferred taxes	1%	1%	1%	1%	0%	0%
Deferred income	0%	0%	0%	0%	0%	0%
Current liabilities	**48%**	**45%**	**50%**	**47%**	**46%**	**46%**
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	17	83	251	318	368	485
Depreciation of fixed assets (incl. leases)	221	239	268	266	266	267
Amortisation of goodwill	0	0	0	0	0	0
Amortisation of intangible assets	75	80	82	86	74	75
Others	68	154	207	10	11	12
Cash flow from operations before changes in w/c	381	556	808	680	718	839
Increase/decrease in inventory	-260	369	-109	-47	-106	-88
Increase/decrease in accounts receivable	-170	14	-27	-4	-58	-62
Increase/decrease in accounts payable	490	-169	-37	172	174	140
Increase/decrease in other w/c positions	19	180	-2	28	30	32
Increase/decrease in working capital	79	393	-175	149	39	21
Cash flow from operating activities	**460**	**950**	**633**	**829**	**757**	**860**
CAPEX	-352	-263	-207	-272	-291	-311
Payments for acquisitions	-127	-6	-68	0	0	0
Financial investments	3	-55	0	0	0	0
Income from asset disposals	0	4	5	0	0	0
Cash flow from investing activities	**-476**	**-321**	**-270**	**-272**	**-291**	**-311**
Cash flow before financing	-16	629	364	558	467	550
Increase/decrease in debt position	-3	0	-96	-396	0	-200
Purchase of own shares	-136	0	-100	0	0	0
Capital measures	4	5	4	0	0	0
Dividends paid	0	0	0	0	0	0
Others	-111	-128	-135	0	0	0
Effects of exchange rate changes on cash	-1	3	-4	0	0	0
Cash flow from financing activities	**-247**	**-120**	**-330**	**-396**	**0**	**-200**
Increase/decrease in liquid assets	-263	508	34	162	467	350
Liquid assets at end of period	**2,025**	**2,533**	**2,567**	**2,729**	**3,196**	**3,545**

Source: Company data; mwb research

Regional sales split (EURm)	2022	2023	2024	2025E	2026E	2027E
Domestic	3,217	3,002	3,129	3,349	3,583	3,834
Europe (ex domestic)	6,921	6,938	7,232	7,738	8,279	8,859
The Americas	0	0	0	0	0	0
Asia	0	0	0	0	0	0
Rest of World	207	203	211	226	242	259
Total sales	**10,345**	**10,143**	**10,573**	**11,313**	**12,104**	**12,952**

Regional sales split (common size)	2022	2023	2024	2025E	2026E	2027E
Domestic	31.1%	29.6%	29.6%	29.6%	29.6%	29.6%
Europe (ex domestic)	66.9%	68.4%	68.4%	68.4%	68.4%	68.4%
The Americas	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Asia	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Rest of World	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
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	0.07	0.32	0.97	1.23	1.42	1.87
Cash flow per share	1.78	3.66	2.44	2.17	1.90	2.29
Book value per share	8.53	9.14	10.29	11.52	12.93	14.81
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00
Valuation						
P/E	434.1x	88.5x	29.2x	23.0x	19.9x	15.1x
P/CF	15.9x	7.7x	11.6x	13.0x	14.9x	12.3x
P/BV	3.3x	3.1x	2.7x	2.5x	2.2x	1.9x
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield (%)	6.3%	12.9%	8.6%	7.7%	6.7%	8.1%
EV/Sales	0.7x	0.6x	0.6x	0.5x	0.4x	0.4x
EV/EBITDA	18.4x	12.8x	8.7x	7.0x	6.1x	4.6x
EV/EBIT	85.7x	34.2x	16.5x	12.0x	9.9x	6.8x
Income statement (EURm)						
Sales	10,345	10,143	10,573	11,313	12,104	12,952
yoy chg in %	-0.1%	-1.9%	4.2%	7.0%	7.0%	7.0%
Gross profit	4,056	3,930	4,302	4,616	4,963	5,440
Gross margin in %	39.2%	38.7%	40.7%	40.8%	41.0%	42.0%
EBITDA	376	511	742	844	890	1,061
EBITDA margin in %	3.6%	5.0%	7.0%	7.5%	7.4%	8.2%
EBIT	81	191	392	492	551	719
EBIT margin in %	0.8%	1.9%	3.7%	4.3%	4.5%	5.5%
Net profit	17	83	251	318	368	485
Cash flow statement (EURm)						
CF from operations	460	950	633	829	757	860
Capex	-352	-263	-207	-272	-291	-311
Maintenance Capex	0	0	0	266	266	267
Free cash flow	108	686	427	558	467	550
Balance sheet (EURm)						
Intangible assets	414	399	402	362	337	313
Tangible assets	1,825	2,040	1,972	1,932	1,908	1,900
Shareholders' equity	2,199	2,373	2,665	2,984	3,351	3,837
Pension provisions	0	0	0	0	0	0
Liabilities and provisions	1,890	2,023	1,871	1,486	1,497	1,308
Net financial debt	-387	-792	-862	-1,420	-1,887	-2,436
w/c requirements	-261	-490	-308	-432	-445	-437
Ratios						
ROE	0.8%	3.5%	9.4%	10.7%	11.0%	12.6%
ROCE	2.0%	4.3%	8.6%	11.0%	11.4%	14.0%
Net gearing	-17.6%	-33.4%	-32.4%	-47.6%	-56.3%	-63.5%
Net debt / EBITDA	-1.0x	-1.5x	-1.2x	-1.7x	-2.1x	-2.3x

Source: Company data; mwb research

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