

Bechtle AG

Germany | Software & Services | MCap EUR 4,990m

11 July 2025

UPDATE



Bechtle: Slight Q2 recovery expected amid ongoing headwinds. BUY.

BUY (BUY)

Target price	EUR 46.00 (46.00)
Current price	EUR 39.60
Up/downside	16.2%



What's it all about?

Bechtle is expected to see a modest Q2 recovery following a weak Q1 2025, where revenue declined 2.8% yoy and EBT fell due to cost pressures and muted IT spending. Consensus forecasts Q2 revenue at EUR 1,484m and EBT at EUR 63.0m, indicating slight sequential improvements but continued margin constraints. The full-year outlook is expected to remain unchanged, though achieving guidance will require a strong H2. While short-term visibility is limited, Bechtle's solid fundamentals and potential margin normalization could support mid-term upside. With a DCF-based fair value of EUR 46.00, we maintain our BUY rating.

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Bechtle AG

Germany | Software & Services | MCap EUR 4,990m | EV EUR 4,871m

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Bechtle: Slight Q2 recovery expected amid ongoing headwinds.

Q1 showed weakness, but Q2 recovery on the horizon. Bechtle reported a soft Q1 25, in line with market expectations. Revenue came in at EUR 1,461m, reflecting a decline of 2.8% yoy, while EBT dropped sharply by 32.5% yoy to EUR 55.3m. The results were impacted by muted IT spending and cost pressures across several business units. Despite the challenging start to the year, we anticipate a moderate sequential improvement for Q2, underpinned by seasonal tailwinds and gradual normalization of project pipelines.

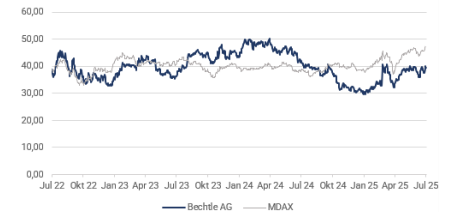
Sequential improvement expected in key metrics. For Q2 2025, consensus expects revenue to rise slightly to EUR 1,484m, suggesting a modest qoq recovery (+1.6%). The key driver is likely to be a mild rebound in hardware demand, complemented by stable service revenues. EBT is forecast at EUR 63.0m, representing a sequential increase of +14%, though still below the prior-year period (Q2 24: EUR 83.8m). The expected EBT margin of 4.2% (vs. 3.9% in Q1 25) indicates only limited operational leverage, with continued margin pressures stemming from high personnel and procurement costs.

Outlook hinges on stronger second half. For FY25, Bechtle guides for revenue growth between -3% and +3%, as well as an EBT development between -5% and +5%. The recovery in earnings could remain gradual, as macroeconomic headwinds and deferred enterprise IT budgets weigh on short-term visibility. Nevertheless, the potential stabilization of earnings quality and return to profitable growth supports a positive outlook into H2, assuming demand conditions normalize, and cost efficiencies take effect. Our FY25 revenue forecast of EUR 6.45bn is fully in line with the consensus, while our earnings estimates are slightly higher (mwb. est. EUR 341m vs consensus EUR 331.3m), assuming some recovery of operating leverage in H2.

Conclusion. Given the subdued Q1 and limited Q2 rebound, meeting FY25 guidance would require a marked recovery in H2. We expect that Q2 earnings dynamics show a recovery, while still below last year's levels. Nonetheless, Bechtle's strong fundamentals and prospects for margin normalization in H2 may improve the stock's risk/reward profile. Our DCF-based valuation continues to indicate a fair value of EUR 46.00 per share, which is why we confirm our view: Remains a BUY.

Bechtle AG	2022	2023	2024	2025E	2026E	2027E
Sales	6,028	6,423	6,306	6,451	6,825	7,241
Growth yoy	13.6%	6.5%	-1.8%	2.3%	5.8%	6.1%
EBITDA	467	509	492	516	539	552
EBIT	355	382	351	348	389	420
Net profit	251	266	245	242	271	293
Net debt (net cash)	234	75	-131	-73	-360	-646
Net debt/EBITDA	0.5x	0.1x	-0.3x	-0.1x	-0.7x	-1.2x
EPS reported	1.99	2.11	1.95	1.92	2.15	2.32
DPS	0.65	0.70	0.70	0.80	0.85	0.90
Dividend yield	1.6%	1.8%	1.8%	2.0%	2.1%	2.3%
Gross profit margin	17.5%	17.5%	18.1%	16.6%	16.7%	16.7%
EBITDA margin	7.8%	7.9%	7.8%	8.0%	7.9%	7.6%
EBIT margin	5.9%	6.0%	5.6%	5.4%	5.7%	5.8%
ROCE	16.4%	16.4%	13.8%	12.5%	13.2%	13.4%
EV/EBITDA	11.2x	10.0x	9.9x	9.6x	8.7x	8.0x
EV/EBIT	14.7x	13.3x	13.9x	14.2x	12.0x	10.4x
PER	19.9x	18.8x	20.3x	20.6x	18.4x	17.0x
FCF yield	0.7%	7.3%	9.2%	0.7%	7.5%	7.9%

Source: Company data, mwb research



Source: Company data, mwb research

High/low 52 weeks 42.02 / 28.74
Price/Book Ratio 2.6x

Ticker / Symbols

ISIN DE0005158703
WKN 515870
Bloomberg BC8:GR

Changes in estimates

		Sales	EBIT	EPS
2025E	old	6,451	348	1.92
	Δ	0.0%	0.0%	0.0%
2026E	old	6,825	389	2.15
	Δ	0.0%	0.0%	0.0%
2027E	old	7,241	420	2.32
	Δ	0.0%	0.0%	0.0%

Key share data

Number of shares: (in m pcs) 126.00
Book value per share: (in EUR) 15.20
Ø trading vol.: (12 months) 262,965

Major shareholders

Family Schick 35.0%
Flossbach von Storch 10.2%
Allianz Global Investors 5.0%
Free Float 42.2%

Company description

Bechtle AG is a Germany-based provider of information technology (IT) systems and technology. The Company operates through two segments: IT System House and Managed Services, and IT E-Commerce.

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

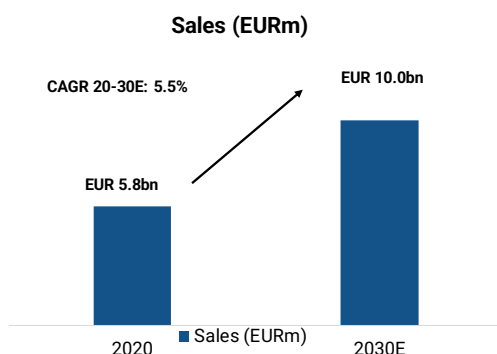
P&L data	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025
Sales	1,509.9	1,479.2	1,895.1	1,503.4	1,474.8	1,511.3	1,816.0	1,461.0
yoy growth in %	6.5%	1.0%	7.2%	-2.3%	-2.3%	2.2%	-4.2%	-2.8%
Gross profit	270.1	280.3	305.3	277.5	273.5	274.4	313.0	269.0
Gross margin in %	17.9%	19.0%	16.1%	18.5%	18.5%	18.2%	17.2%	18.4%
EBITDA	126.3	127.8	143.6	116.6	117.8	115.8	141.5	95.7
EBITDA margin in %	8.4%	8.6%	7.6%	7.8%	8.0%	7.7%	7.8%	6.6%
EBIT	96.1	96.4	108.8	84.1	84.7	80.7	101.7	57.2
EBIT margin in %	6.4%	6.5%	5.7%	5.6%	5.7%	5.3%	5.6%	3.9%
EBT	93.8	93.9	107.1	82.0	83.8	78.5	100.7	55.3
taxes paid	27.8	27.1	31.2	23.5	24.1	22.6	30.0	16.9
tax rate in %	29.7%	28.9%	29.2%	28.6%	28.8%	28.8%	29.8%	30.5%
net profit	66.0	66.8	75.9	58.5	59.7	55.9	71.2	38.4
yoy growth in %	3.7%	5.3%	6.7%	2.8%	-9.5%	-16.2%	-6.2%	-34.3%
EPS	0.52	0.53	0.60	0.46	0.48	0.44	0.57	0.31

Source: Company data; mwb research

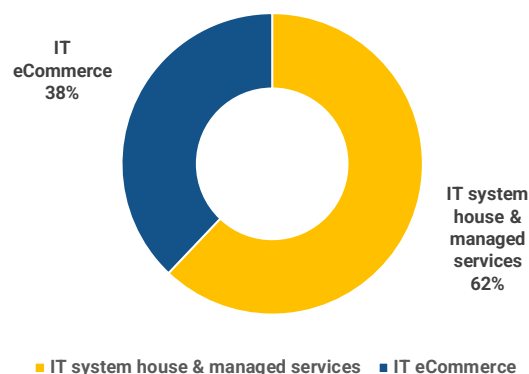
Investment case in six charts

Vision 2030 - Sales of EUR 10bn

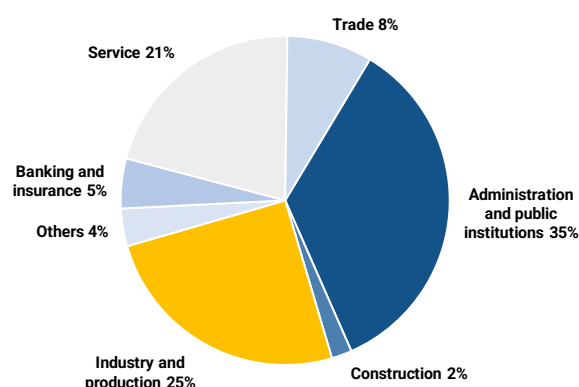
Vision 2030 is Bechtle's fourth vision since 1988 - published every ten years, valid for twelve.



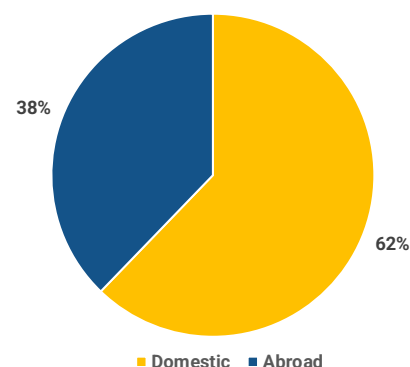
Revenues split by segment



Markets and industry segmentation by revenue



Sales by region



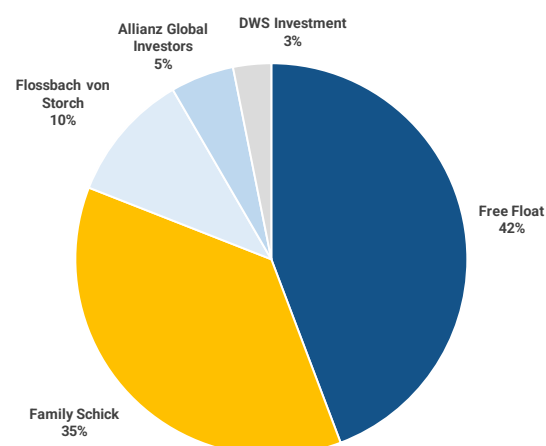
Guidance 2025

Objectives.

- **Uncertainty** is widespread and has been exacerbated as a result of the latest (geo)political developments, making a serious forecast nigh on impossible.
- Bechtle's economic development is closely tied to the overall health of the economy and especially our SME and B2G customers' **willingness to invest**.
- With that in mind, we are expanding our **forecast range** to cover a variety of possible scenarios, though it still reflects a somewhat optimistic view.

Business volume:	0% to +5%
Revenue:	-3% to +3%
EBT:	-5% to +5%

E-commerce locations of Bechtle



Source: Company data, mwb research

SWOT analysis

Strengths

- Strong balance sheet
- Exposure to growing IT segments
- Excellent track record of organic growth
- Strong, experienced management
- M&A track record - all over Europe

Weaknesses

- Competitive market environment
- Low-margin equipment business
- Fast product cycles due to technological development

Opportunities

- Focus on higher margin IT services
- Low digitalisation of German Mittelstand
- Ongoing M&A and market consolidation in fragmented market

Threats

- Increased competition, lower pricing
- Scarcity of IT professionals
- Decreasing corporate IT budgets

Valuation

DCF Model

The DCF model results in a **fair value of EUR 46.48 per share**:

Top-line growth: We expect Bechtle AG to grow revenues at a CAGR of 5.3% between 2025E and 2032E. The long-term growth rate is set at 2.0%.

ROCE. Returns on capital are developing from 12.5% in 2025E to 12.9% in 2032E.

WACC. Starting point is a historical equity beta of 1.10. Unlevering and correcting for mean reversion yields an asset beta of 1.09. Combined with a risk-free rate of 2.0% and an equity risk premium of 6.0% this yields cost of equity of 13.1%. With pre-tax cost of borrowing at 5.0%, a tax rate of 30% and target debt/equity of 1.0 this results in a long-term WACC of 8.3%.

DCF (EURm) (except per share data and beta)	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	Terminal value
NOPAT	247	276	298	319	335	352	369	388	
Depreciation & amortization	167	150	132	120	112	108	106	106	
Change in working capital	-420	40	45	54	85	61	-5	-6	
Chg. in long-term provisions	125	10	11	10	10	10	11	12	
Capex	-84	-82	-87	-91	-96	-101	-106	-111	
Cash flow	36	394	399	412	446	430	375	389	6,281
Present value	34	349	326	310	310	275	221	211	3,458
WACC	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.3%

DCF per share derived from	
Total present value	5,494
Mid-year adj. total present value	5,723
Net debt / cash at start of year	-131
Financial assets	15
Provisions and off b/s debt	12
Equity value	5,857
No. of shares outstanding	126.0
Discounted cash flow / share	46.48
upside/(downside)	17.4%

Share price	39.60
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DCF avg. growth and earnings assumptions	
Planning horizon avg. revenue growth (2025E-2032E)	5.3%
Terminal value growth (2032E - infinity)	2.0%
Terminal year ROCE	12.9%
Terminal year WACC	8.3%

Terminal WACC derived from	
Cost of borrowing (before taxes)	5.0%
Long-term tax rate	30%
Equity beta	1.10
Unlevered beta (industry or company)	1.09
Target debt / equity	1.0
Relevered beta	1.85
Risk-free rate	2.0%
Equity risk premium	6.0%
Cost of equity	13.1%

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%	33.7	34.8	35.9	37.3	38.8	2025E-2028E	18.5%
	1.0%	37.5	38.9	40.5	42.3	44.4	2029E-2032E	18.5%
	0.0%	42.3	44.2	46.5	49.1	52.2	terminal value	62.9%
	-1.0%	48.7	51.4	54.7	58.7	63.5		
	-2.0%	57.4	61.6	66.7	73.2	81.7		

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 39.11 per share based on 2025E and EUR 55.89 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	516	539	552	569	584
- Maintenance capex	81	93	84	86	79
- Minorities	0	0	0	0	0
- tax expenses	99	111	120	128	135
= Adjusted FCF	335	335	348	355	370
Actual Market Cap	4,990	4,990	4,990	4,990	4,990
+ Net debt (cash)	-73	-360	-646	-939	-1,260
+ Pension provisions	40	42	44	47	49
+ Off b/s financing	0	0	0	0	0
- Financial assets	15	15	15	15	15
- Acc. dividend payments	88	189	296	410	529
<i>EV Reconciliations</i>	-136	-522	-913	-1,317	-1,755
= Actual EV'	4,853	4,468	4,077	3,673	3,234
Adjusted FCF yield	6.9%	7.5%	8.5%	9.7%	11.4%
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	4,791	4,782	4,973	5,074	5,287
- <i>EV Reconciliations</i>	-136	-522	-913	-1,317	-1,755
Fair Market Cap	4,927	5,304	5,886	6,391	7,043
No. of shares (million)	126	126	126	126	126
Fair value per share in EUR	39.11	42.10	46.71	50.72	55.89
Premium (-) / discount (+)	-1.2%	6.3%	18.0%	28.1%	41.1%

Sensitivity analysis fair value					
Adjusted hurdle rate	5.0%	54	57	62	67
	6.0%	45	48	53	57
	7.0%	39	42	47	51
	8.0%	34	37	42	46
	9.0%	31	34	38	42

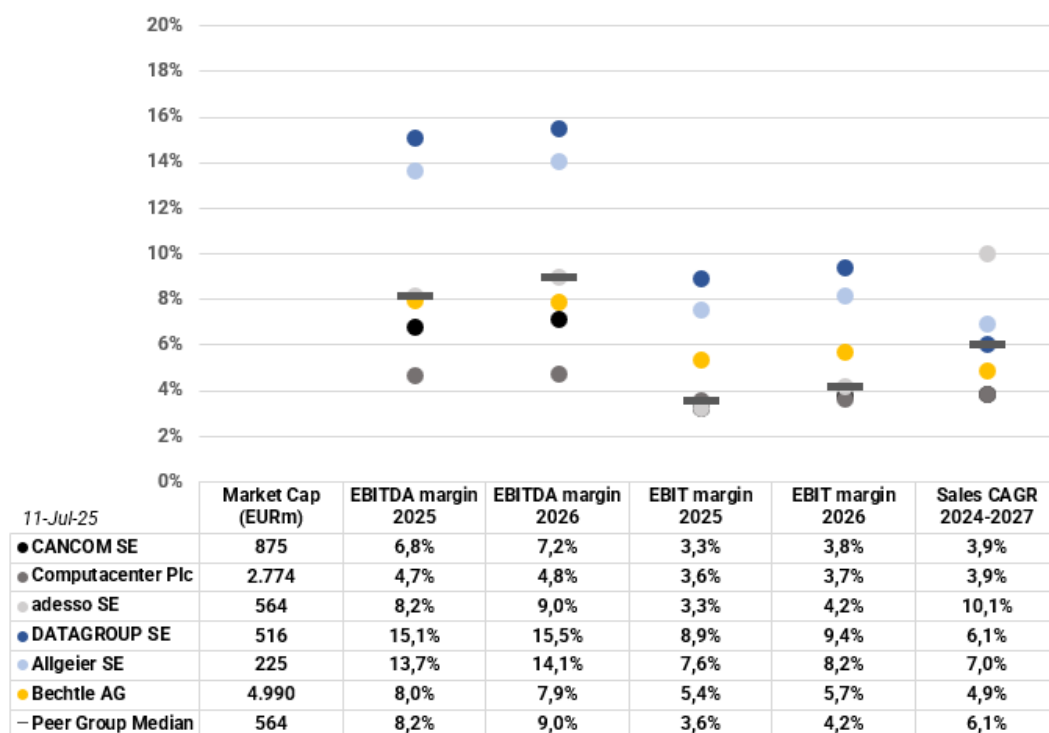
Source: Company data; mwb research

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 **Bechtle 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 Bechtle AG consists of the stocks displayed in the graphs below. As of 11 July 2025 the median market cap of the peer group was EUR 564m, compared to EUR 4,990m for Bechtle AG. In the period under review, the peer group was less profitable than Bechtle AG. The expectations for sales growth are higher for the peer group than for Bechtle AG.

Peer Group – Key data

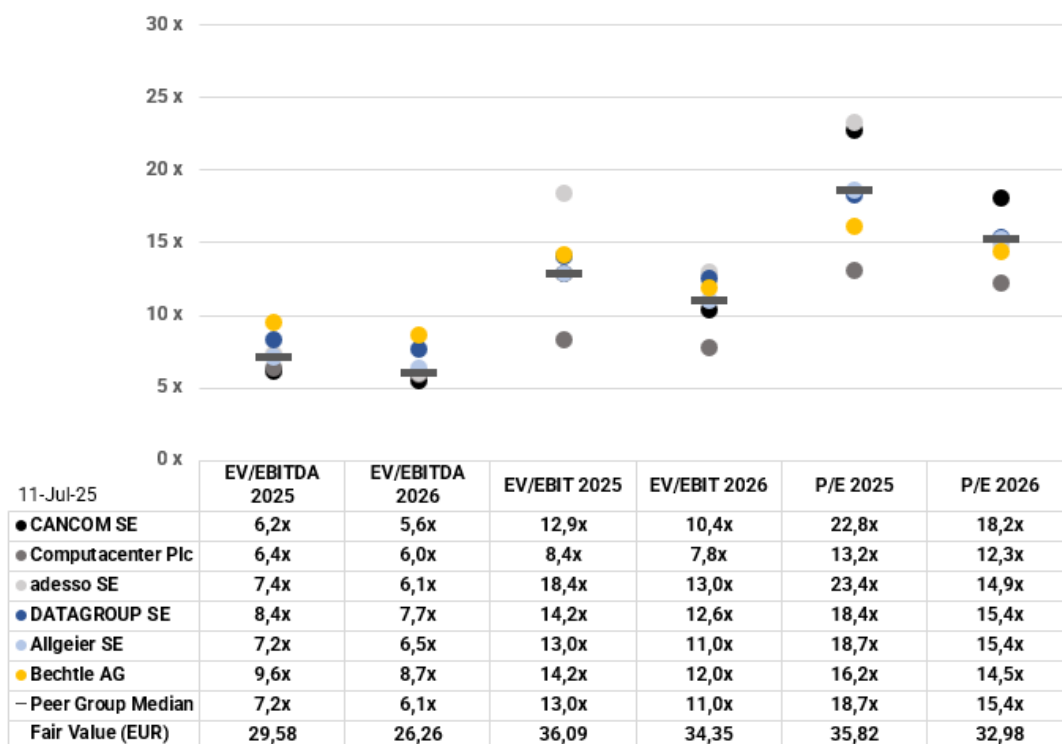


Source: FactSet, mwb research

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 Bechtle AG results in a range of fair values from EUR 26.26 to EUR 36.09.

Peer Group – Multiples and valuation

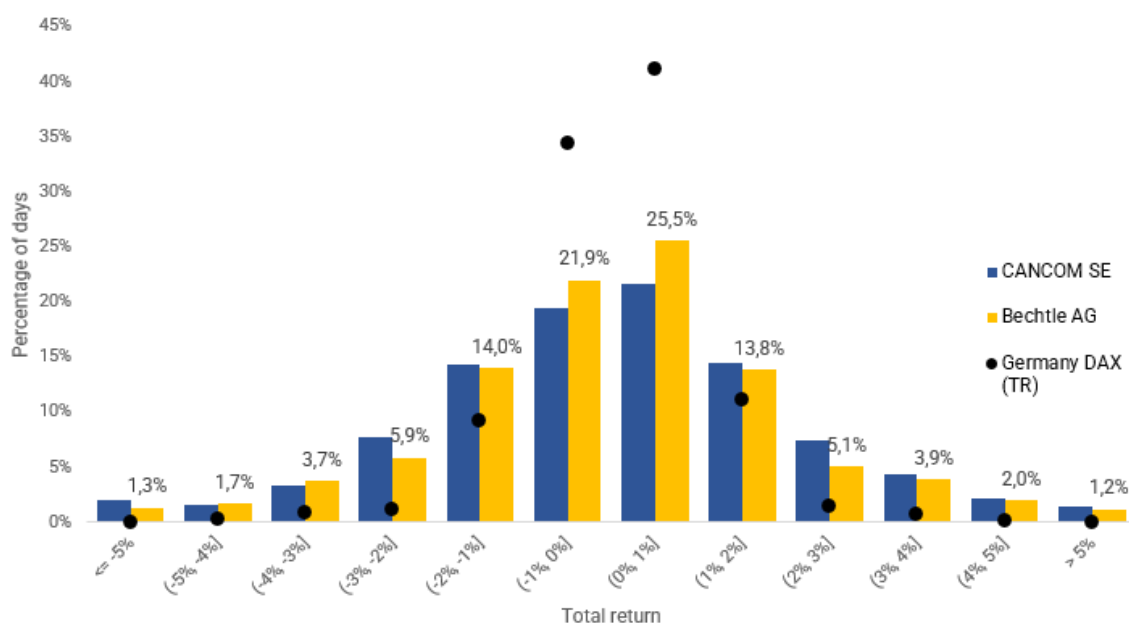


Source: FactSet, mwb research

Risk

The chart displays the **distribution of daily returns of Bechtle AG** over the last 3 years, compared to the same distribution for CANCOM 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 Bechtle AG, the worst day during the past 3 years was 11/05/2023 with a share price decline of -8.2%. The best day was 05/03/2025 when the share price increased by 19.3%.

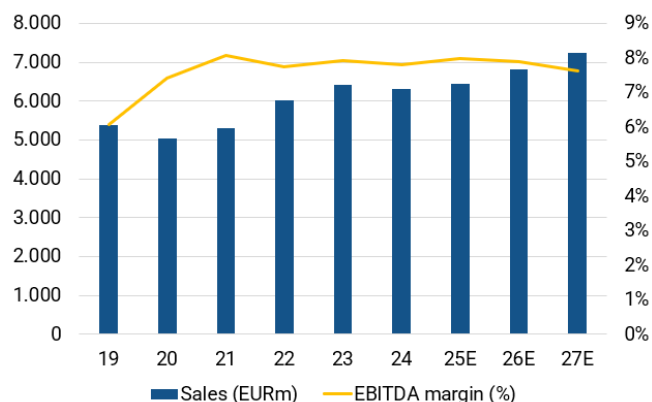
Risk – Daily Returns Distribution (trailing 3 years)



Source: FactSet, mwb research

Financials in six charts

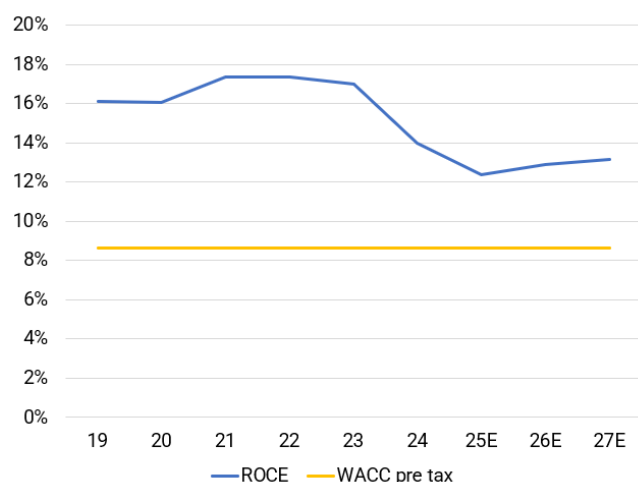
Sales vs. EBITDA margin development



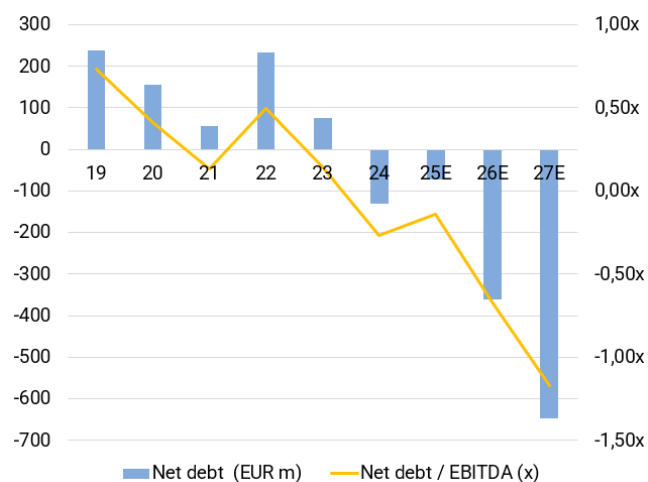
EPS, DPS in EUR & yoy EPS growth



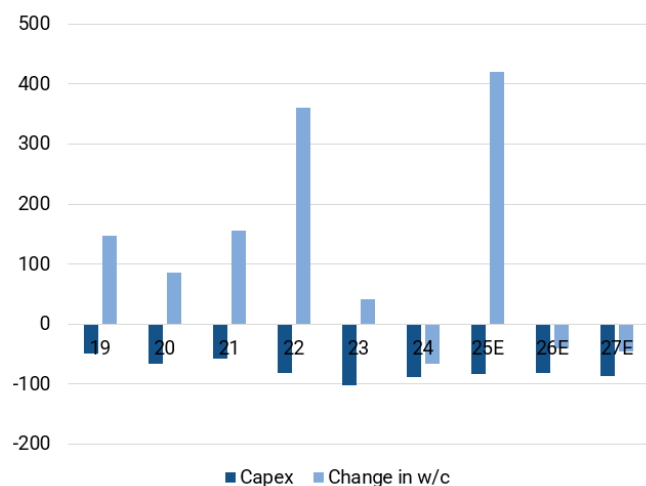
ROCE vs. WACC (pre tax)



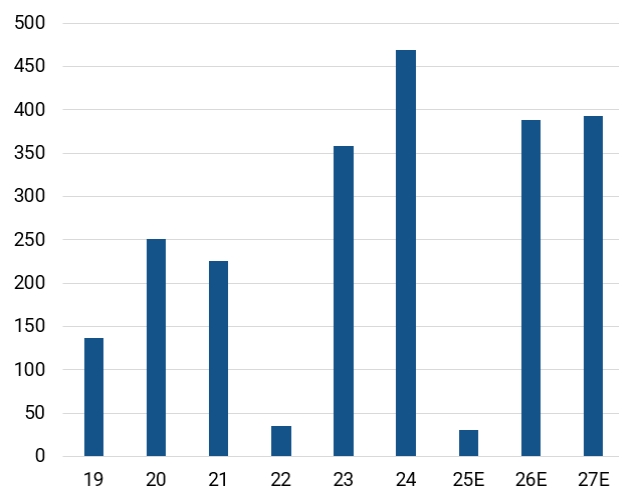
Net debt and net debt/EBITDA



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	6,028	6,423	6,306	6,451	6,825	7,241
Sales growth	13.6%	6.5%	-1.8%	2.3%	5.8%	6.1%
Cost of sales	4,975	5,301	5,167	5,380	5,685	6,032
Gross profit	1,053	1,122	1,138	1,071	1,140	1,209
SG&A expenses	636	690	839	748	792	840
Research and development	0	0	0	0	0	0
Other operating expenses (income)	-3	-20	52	-26	-41	-51
EBITDA	467	509	492	516	539	552
Depreciation	81	93	100	122	110	96
EBITA	387	416	391	394	429	456
Amortisation of goodwill and intangible assets	31	33	40	46	40	36
EBIT	355	382	351	348	389	420
Financial result	-5	-8	-6	-8	-8	-8
Recurring pretax income from continuing operations	350	374	345	341	381	412
Extraordinary income/loss	0	0	0	0	0	0
Earnings before taxes	350	375	345	341	381	412
Taxes	99	109	100	99	111	120
Net income from continuing operations	251	266	245	242	271	293
Result from discontinued operations (net of tax)	0	0	0	0	0	0
Net income	251	266	245	242	271	293
Minority interest	0	0	1	0	0	0
Net profit (reported)	251	266	245	242	271	293
Average number of shares	126.00	126.00	126.00	126.00	126.00	126.00
EPS reported	1.99	2.11	1.95	1.92	2.15	2.32

Profit and loss (common size)	2022	2023	2024	2025E	2026E	2027E
Sales	100%	100%	100%	100%	100%	100%
Cost of sales	83%	83%	82%	83%	83%	83%
Gross profit	17%	17%	18%	17%	17%	17%
SG&A expenses	11%	11%	13%	12%	12%	12%
Research and development	0%	0%	0%	0%	0%	0%
Other operating expenses (income)	-0%	-0%	1%	-0%	-1%	-1%
EBITDA	8%	8%	8%	8%	8%	8%
Depreciation	1%	1%	2%	2%	2%	1%
EBITA	6%	6%	6%	6%	6%	6%
Amortisation of goodwill and intangible assets	1%	1%	1%	1%	1%	0%
EBIT	6%	6%	6%	5%	6%	6%
Financial result	-0%	-0%	-0%	-0%	-0%	-0%
Recurring pretax income from continuing operations	6%	6%	5%	5%	6%	6%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	6%	6%	5%	5%	6%	6%
Taxes	2%	2%	2%	2%	2%	2%
Net income from continuing operations	4%	4%	4%	4%	4%	4%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
Net income	4%	4%	4%	4%	4%	4%
Minority interest	0%	0%	0%	0%	0%	0%
Net profit (reported)	4%	4%	4%	4%	4%	4%

Source: Company data; mwb research

Balance sheet (EURm)	2022	2023	2024	2025E	2026E	2027E
Intangible assets (exl. Goodwill)	100	117	152	132	120	113
Goodwill	554	732	857	857	857	857
Property, plant and equipment	366	442	486	423	368	330
Financial assets	96	58	15	15	15	15
FIXED ASSETS	1,115	1,349	1,510	1,427	1,359	1,315
Inventories	608	468	377	413	405	397
Accounts receivable	1,323	1,225	1,214	1,025	1,028	1,032
Other current assets	106	284	391	391	391	391
Liquid assets	290	466	716	623	895	1,166
Deferred taxes	0	0	150	150	150	150
Deferred charges and prepaid expenses	7	11	9	161	164	167
CURRENT ASSETS	2,333	2,454	2,857	2,763	3,033	3,302
TOTAL ASSETS	3,448	3,803	4,367	4,190	4,392	4,617
SHAREHOLDERS EQUITY	1,538	1,743	1,915	2,069	2,239	2,424
MINORITY INTEREST	0	0	4	4	4	4
Long-term debt	360	524	404	525	510	495
Provisions for pensions and similar obligations	8	17	12	40	42	44
Other provisions	97	30	32	129	136	145
Non-current liabilities	465	571	447	694	688	684
short-term liabilities to banks	163	16	181	25	25	25
Accounts payable	699	630	828	580	581	584
Advance payments received on orders	196	230	212	231	244	259
Other liabilities (incl. from lease and rental contracts)	123	293	338	168	177	188
Deferred taxes	33	39	47	47	47	47
Deferred income	230	280	247	227	240	255
Current liabilities	1,445	1,489	1,855	1,277	1,315	1,358
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	3,448	3,803	4,221	4,044	4,246	4,470

Balance sheet (common size)	2022	2023	2024	2025E	2026E	2027E
Intangible assets (excl. Goodwill)	3%	3%	3%	3%	3%	2%
Goodwill	16%	19%	20%	20%	20%	19%
Property, plant and equipment	11%	12%	11%	10%	8%	7%
Financial assets	3%	2%	0%	0%	0%	0%
FIXED ASSETS	32%	35%	35%	34%	31%	28%
Inventories	18%	12%	9%	10%	9%	9%
Accounts receivable	38%	32%	28%	24%	23%	22%
Other current assets	3%	7%	9%	9%	9%	8%
Liquid assets	8%	12%	16%	15%	20%	25%
Deferred taxes	0%	0%	3%	4%	3%	3%
Deferred charges and prepaid expenses	0%	0%	0%	4%	4%	4%
CURRENT ASSETS	68%	65%	65%	66%	69%	72%
TOTAL ASSETS	100%	100%	100%	100%	100%	100%
SHAREHOLDERS EQUITY	45%	46%	44%	49%	51%	53%
MINORITY INTEREST	0%	0%	0%	0%	0%	0%
Long-term debt	10%	14%	9%	13%	12%	11%
Provisions for pensions and similar obligations	0%	0%	0%	1%	1%	1%
Other provisions	3%	1%	1%	3%	3%	3%
Non-current liabilities	13%	15%	10%	17%	16%	15%
short-term liabilities to banks	5%	0%	4%	1%	1%	1%
Accounts payable	20%	17%	19%	14%	13%	13%
Advance payments received on orders	6%	6%	5%	6%	6%	6%
Other liabilities (incl. from lease and rental contracts)	4%	8%	8%	4%	4%	4%
Deferred taxes	1%	1%	1%	1%	1%	1%
Deferred income	7%	7%	6%	5%	5%	6%
Current liabilities	42%	39%	42%	30%	30%	29%
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100%	100%	97%	97%	97%	97%

Source: Company data; mwb research

Cash flow statement (EURm)	2022	2023	2024	2025E	2026E	2027E
Net profit/loss	350	374	345	242	271	293
Depreciation of fixed assets (incl. leases)	112	127	140	122	110	96
Amortisation of goodwill	0	0	0	0	0	0
Amortisation of intangible assets	0	0	0	46	40	36
Others	14	-1	6	125	10	11
Cash flow from operations before changes in w/c	477	501	491	535	430	435
Increase/decrease in inventory	-94	176	103	-35	8	8
Increase/decrease in accounts receivable	-248	103	44	189	-3	-3
Increase/decrease in accounts payable	57	-98	187	-249	2	2
Increase/decrease in other w/c positions	-74	-222	-267	-325	34	38
Increase/decrease in working capital	-360	-42	67	-420	40	45
Cash flow from operating activities	117	459	558	114	470	480
CAPEX	-82	-101	-89	-84	-82	-87
Payments for acquisitions	-92	-223	-108	0	0	0
Financial investments	-78	25	0	0	0	0
Income from asset disposals	27	17	-10	0	0	0
Cash flow from investing activities	-224	-283	-207	-84	-82	-87
Cash flow before financing	-108	176	351	30	388	393
Increase/decrease in debt position	-25	125	35	-35	-15	-15
Purchase of own shares	0	0	0	0	0	0
Capital measures	0	0	0	0	0	0
Dividends paid	-69	-82	-88	-88	-101	-107
Others	-6	-15	-93	0	0	0
Effects of exchange rate changes on cash	6	1	2	0	0	0
Cash flow from financing activities	-94	30	-144	-124	-116	-122
Increase/decrease in liquid assets	-202	206	207	-93	272	271
Liquid assets at end of period	230	436	643	550	822	1,093

Source: Company data; mwb research

Regional sales split (EURm)	2022	2023	2024	2025E	2026E	2027E
Domestic	3,732	3,996	3,722	3,808	4,028	4,274
Europe (ex domestic)	2,296	2,427	2,584	2,644	2,797	2,968
The Americas	0	0	0	0	0	0
Asia	0	0	0	0	0	0
Rest of World	0	0	0	0	0	0
Total sales	6,028	6,423	6,306	6,451	6,825	7,241

Regional sales split (common size)	2022	2023	2024	2025E	2026E	2027E
Domestic	61.9%	62.2%	59.0%	59.0%	59.0%	59.0%
Europe (ex domestic)	38.1%	37.8%	41.0%	41.0%	41.0%	41.0%
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	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	1.99	2.11	1.95	1.92	2.15	2.32
Cash flow per share	0.29	2.90	3.63	0.26	2.99	3.15
Book value per share	12.21	13.83	15.20	16.42	17.77	19.24
Dividend per share	0.65	0.70	0.70	0.80	0.85	0.90
Valuation						
P/E	19.9x	18.8x	20.3x	20.6x	18.4x	17.0x
P/CF	138.6x	13.6x	10.9x	152.3x	13.3x	12.6x
P/BV	3.2x	2.9x	2.6x	2.4x	2.2x	2.1x
Dividend yield (%)	1.6%	1.8%	1.8%	2.0%	2.1%	2.3%
FCF yield (%)	0.7%	7.3%	9.2%	0.7%	7.5%	7.9%
EV/Sales	0.9x	0.8x	0.8x	0.8x	0.7x	0.6x
EV/EBITDA	11.2x	10.0x	9.9x	9.6x	8.7x	8.0x
EV/EBIT	14.7x	13.3x	13.9x	14.2x	12.0x	10.4x
Income statement (EURm)						
Sales	6,028	6,423	6,306	6,451	6,825	7,241
yoy chg in %	13.6%	6.5%	-1.8%	2.3%	5.8%	6.1%
Gross profit	1,053	1,122	1,138	1,071	1,140	1,209
Gross margin in %	17.5%	17.5%	18.1%	16.6%	16.7%	16.7%
EBITDA	467	509	492	516	539	552
EBITDA margin in %	7.8%	7.9%	7.8%	8.0%	7.9%	7.6%
EBIT	355	382	351	348	389	420
EBIT margin in %	5.9%	6.0%	5.6%	5.4%	5.7%	5.8%
Net profit	251	266	245	242	271	293
Cash flow statement (EURm)						
CF from operations	117	459	558	114	470	480
Capex	-82	-101	-89	-84	-82	-87
Maintenance Capex	81	93	100	81	93	84
Free cash flow	35	358	469	30	388	393
Balance sheet (EURm)						
Intangible assets	654	850	1,009	989	977	970
Tangible assets	366	442	486	423	368	330
Shareholders' equity	1,538	1,743	1,915	2,069	2,239	2,424
Pension provisions	8	17	12	40	42	44
Liabilities and provisions	628	588	629	719	713	709
Net financial debt	234	75	-131	-73	-360	-646
w/c requirements	1,036	834	550	627	608	585
Ratios						
ROE	16.3%	15.2%	12.8%	11.7%	12.1%	12.1%
ROCE	16.4%	16.4%	13.8%	12.5%	13.2%	13.4%
Net gearing	15.2%	4.3%	-6.8%	-3.5%	-16.1%	-26.7%
Net debt / EBITDA	0.5x	0.1x	-0.3x	-0.1x	-0.7x	-1.2x

Source: Company data; mwb research

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