

LANXESS AG

Germany | Chemicals | MCap EUR 2,069m

15 August 2025

UPDATE



Weak Q2 creates
accumulation opportunity.
Still a BUY.

BUY (BUY)

Target price	EUR 30.00 (32.00)
Current price	EUR 23.96
Up/downside	25.2%

 **ResearchHub**



What's it all about?

LANXESS's Q2 was weak, hit by softer volumes, price pressure, FX headwinds, and energy costs, prompting a guidance reset, but the long-term investment case remains intact. Consumer Protection margins held firm on mix gains, one-offs, and cost control despite sales declines due to agro, while Advanced Intermediates and Specialty Additives suffered from Chinese competition, raw-material pass-throughs, and subdued construction and auto demand. Management sees near-term softness continuing in Q3, yet a stronger balance sheet post-divestment, partial US tariff exemptions, lean inventories, and EUR 50m in cost savings from 2027 set the stage for margin recovery when demand rebounds, likely in 2026 as German government stimulus trickles in and trade tensions ease. With a streamlined asset base and higher-margin specialty niches, we remain cautious short term but view current weakness as an opportunity to accumulate and maintain our BUY rating with a lower PT of EUR 30.00 (previously: 32.00).

MAIN AUTHOR

Abed Jarad

a.jarad@mwb-research.com
+49 40 309 293-54

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

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LANXESS AG

Germany | Chemicals | MCap EUR 2,069m | EV EUR 4,680m

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Weak Q2 creates accumulation opportunity. Still a BUY.

Weak Q2. Guidance reset. LANXESS delivered a weak Q2, underscoring the strain from soft demand and an unforgiving competitive backdrop. Sales came in at EUR 1.47bn in Q2 (-13% yoy), with softer volumes across most businesses. On a group level, price, volume, and FX effects weighed by -2.3%, -3.7%, and -2.6% yoy, respectively, while the portfolio impact of -4.0%, mainly from the Urethane Systems divestment, was also a drag. Adj. EBITDA of EUR 150m was in line but slid 17% yoy with 10.2% margin (-0.6pp yoy), as the topline shortfall was amplified by higher energy costs. Macro headwinds intensified over the quarter, tariff disputes remain unresolved, order patterns have shortened to weekly horizons, and Chinese overcapacity continues to squeeze prices. In response, management reset FY25 adj. EBITDA guidance to EUR 520–580m (mid-point -10% yoy), factoring in a EUR 10m hit from a chlorine supplier force majeure.

Segments under immense pressure. Consumer Protection (CP) showed relative resilience: while revenue dropped 13% on agro market weakness, margins rose 3.5ppt to 17.8% thanks to a richer mix in consumer goods and water purification, tight cost control, and a high single-digit million insurance gain from a supplier outage. CP is also structurally less exposed to Chinese dumping due to its high-spec, registered product grades. Advanced Intermediates (AI) saw a 7% sales drop and a 2.2pp margin erosion to 9.9%, reflecting low pricing power, negative FX translation, heightened Chinese competition, and elevated German energy costs. Specialty Additives (SA) fell 7% in sales as construction and automotive demand sagged; margins contracted 1.3pp to 11% on under-absorption, energy inflation, and FX headwinds, with pricing broadly stable. Across the board, lower utilization rates (~65–70% vs. ~80% historically) amplified operating leverage, partly offset by cost savings program.

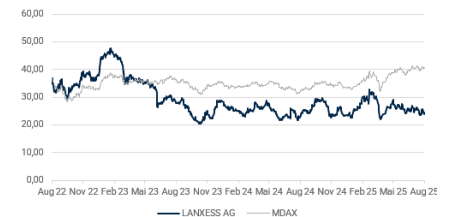
Est. and PT down, BUY. Management expects Q3 to be sequentially softer, citing seasonal plant shutdowns, continued tariff-driven caution, and the absence of Urethane Systems' earnings. Currently, the order book suggests customers are keeping inventories lean until there's more macro clarity. Nevertheless, the balance sheet has strengthened post-divestment, with leverage reduced to 3.4x from 3.9x at end-2024 and further deleveraging potential via a possible Envalior stake sale.

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LANXESS AG	2022	2023	2024	2025E	2026E	2027E
Sales	8,088	6,714	6,366	6,188	6,373	6,577
<i>Growth yoy</i>	32.6%	-17.0%	-5.2%	-2.8%	3.0%	3.2%
EBITDA	826	328	538	564	657	774
EBIT	280	-668	-28	43	127	263
Net profit	250	443	-177	-1	59	164
Net debt (net cash)	3,672	2,299	2,182	1,615	1,269	996
Net debt/EBITDA	4.4x	7.0x	4.1x	2.9x	1.9x	1.3x
EPS reported	2.90	5.13	-2.05	-0.01	0.69	1.90
DPS	1.05	0.10	0.10	0.10	0.24	0.57
<i>Dividend yield</i>	4.4%	0.4%	0.4%	0.4%	1.0%	2.4%
Gross profit margin	23.9%	18.9%	20.4%	21.0%	22.0%	23.0%
EBITDA margin	10.2%	4.9%	8.5%	9.1%	10.3%	11.8%
EBIT margin	3.5%	-9.9%	-0.4%	0.7%	2.0%	4.0%
ROCE	2.9%	-7.8%	-0.3%	0.6%	1.7%	3.5%
EV/EBITDA	7.4x	14.8x	8.7x	7.3x	5.8x	4.6x
EV/EBIT	22.0x	-7.3x	-167.1x	95.0x	29.7x	13.4x
PER	8.3x	4.7x	-11.7x	-1,707.1x	34.9x	12.6x
FCF yield	-11.2%	20.1%	5.0%	26.0%	15.6%	15.5%

Source: Company data, mwb research

Historical figures as reported, Estimates are adjusted



Source: Company data, mwb research

High/low 52 weeks 33.93 / 20.42
Price/Book Ratio 0.5x

Ticker / Symbols

ISIN DE0005470405
WKN 547040
Bloomberg LXS:GR

Changes in estimates

		Sales	EBIT	EPS
2025E	old	6,461	90	0.02
	Δ	-4.2%	-52.1%	na%
2026E	old	6,688	167	0.84
	Δ	-4.7%	-23.8%	-18.5%
2027E	old	6,902	311	2.11
	Δ	-4.7%	-15.3%	-10.1%

Key share data

Number of shares: (in m pcs) 86.35
Book value per share: (in EUR) 53.11
Ø trading vol.: (12 months) 379,489

Major shareholders

Norges Bank 2.8%
Causeway Capital 10.8%
Greenlight Capital 7.4%
Free Float 79.0%

Company description

LANXESS AG specializes in the development, manufacturing and marketing of chemical intermediates, additives, specialty chemicals. Its business activities are divided into three segments: Specialty Additives, Consumer Protection, and Advanced Intermediates. The company operates around 60 production sites worldwide.

Around 30–40% of products are exempt from new US tariffs, offering some insulation from Chinese imports, while network optimization, including accelerated site closures, targets EUR 50m in annual savings from 2027. With inventories at unusually low levels, a streamlined asset base, and higher-margin specialty niches, some of which are less exposed to commodity swings, we believe LANXESS is well placed to benefit disproportionately when demand turns, likely in 2026 as German government stimulus trickles in and trade tensions ease. We remain short-term cautious but long-term constructive, viewing current weakness as an opportunity to accumulate. We adjust our estimates downward, and maintain our BUY rating, albeit with a lower price of EUR 30.00 (old: EUR 32.00).

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

P&L data	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025
Sales	1,601.0	1,436.0	1,607.0	1,678.0	1,598.0	1,483.0	1,601.0	1,466.0
yoy growth in %	-26.7%	-27.2%	-15.4%	-5.6%	-0.2%	3.3%	-0.4%	-12.6%
Gross profit	289.0	232.0	280.0	364.0	349.0	305.0	322.0	327.0
Gross margin in %	18.1%	16.2%	17.4%	21.7%	21.8%	20.6%	20.1%	22.3%
EBITDA	83.0	-7.0	83.0	169.0	163.0	123.0	112.0	188.0
EBITDA margin in %	7.4%	6.8%	4.0%	10.1%	10.2%	8.3%	7.0%	12.8%
EBIT	-65.0	-581.0	-57.0	28.0	24.0	-23.0	-23.0	-29.0
EBIT margin in %	-1.4%	-40.5%	-4.7%	1.7%	1.5%	-1.6%	-1.4%	-2.0%
EBT	-142.0	-661.0	-119.0	-12.0	2.0	-68.0	-61.0	-55.0
taxes paid	-11.0	-85.0	-21.0	4.0	0.0	-4.0	-4.0	-10.0
tax rate in %	7.7%	12.9%	17.6%	-33.3%	0.0%	5.9%	6.6%	18.2%
net profit	-131.0	-753.0	-98.0	-16.0	1.0	-64.0	-57.0	-45.0
yoy growth in %	na%	na%	na%	-101.3%	-100.8%	-91.5%	-41.8%	181.3%
EPS	-1.52	-8.72	-1.13	-0.19	0.01	-0.74	-0.66	-0.52

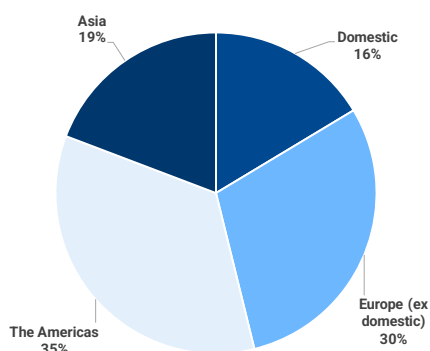
Source: Company data; mwb research
Figures as reported.

Investment case in six charts

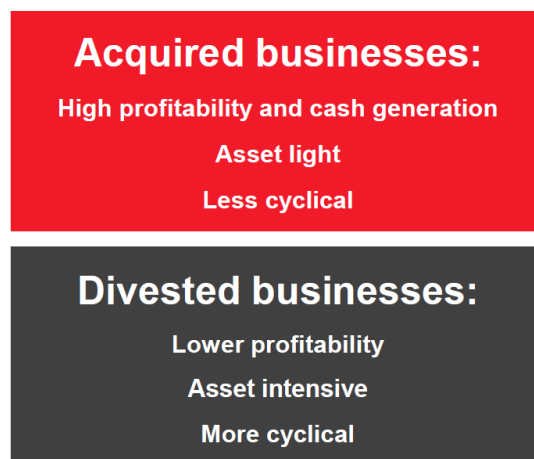
Products & Services



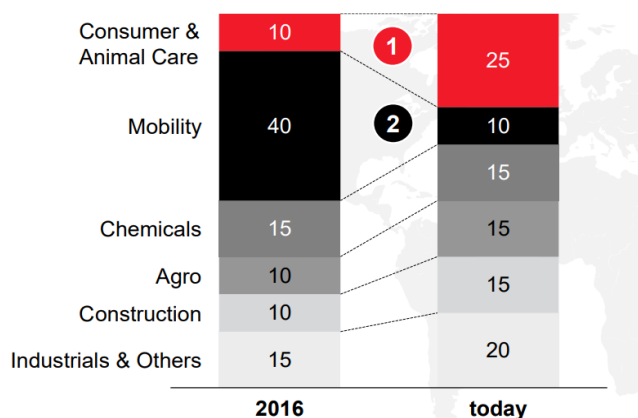
Geographical breakdown in %



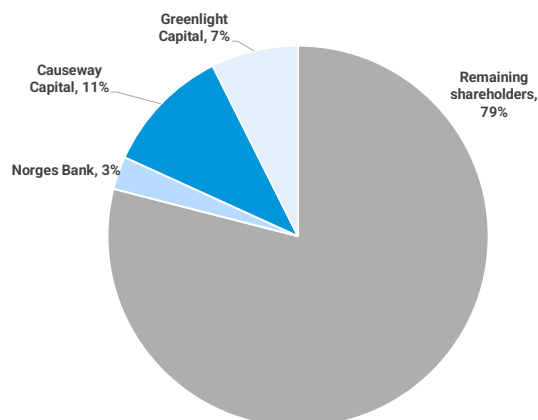
M&A transactions



End-market exposure



Major Shareholders



Source: Company data; mwb research

SWOT analysis

Strengths

- Highly diversified portfolio of products, customers, and end markets
- Increasing exposure to niche high-margin products and reduced cyclicality through portfolio transactions
- Highly improved ESG rating
- Strong US presence

Weaknesses

- Equity story can be overwhelming: four segments, eleven business units, thousands of products, thousands of suppliers and thousands of customers in diverse geographies, applications and end markets
- Perception as a supplier of cyclical commodity products
- Weak margin relative to peers

Opportunities

- Continued realignment of portfolio towards higher margin specialties and ensuing rerating
- Deleveraging & cost optimization
- M&A to strengthen its specialty segments
- Surprise potential from B2B platform CheMondis

Threats

- Acquisitions could prove dilutive if synergies do not materialize
- Prolonged cyclical downturn

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 23.52 per share based on 2025E and EUR 73.66 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	564	657	774	778	838
- Maintenance capex	368	363	334	326	329
- Minorities	-0	2	5	5	6
- tax expenses	-0	21	59	61	79
= Adjusted FCF	196	271	376	386	423
Actual Market Cap	2,069	2,069	2,069	2,069	2,069
+ Net debt (cash)	1,615	1,269	996	837	616
+ Pension provisions	433	446	460	470	479
+ Off b/s financing	0	0	0	0	0
- Financial assets	1,275	1,275	1,275	1,275	1,275
- Acc. dividend payments	9	17	38	87	138
<i>EV Reconciliations</i>	764	423	144	-55	-317
= Actual EV'	2,833	2,492	2,212	2,013	1,752
Adjusted FCF yield	6.9%	10.9%	17.0%	19.2%	24.1%
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	2,795	3,869	5,371	5,514	6,043
- <i>EV Reconciliations</i>	764	423	144	-55	-317
Fair Market Cap	2,031	3,446	5,228	5,569	6,360
No. of shares (million)	86	86	86	86	86
Fair value per share in EUR	23.52	39.91	60.54	64.50	73.66
Premium (-) / discount (+)	-1.8%	66.6%	152.7%	169.2%	207.4%

Sensitivity analysis fair value					
	5.0%	6.0%	7.0%	8.0%	9.0%
Adjusted hurdle rate	36	29	24	19	16
	58	47	40	34	30
	85	71	61	53	47
	90	75	64	57	50
	102	85	74	65	58

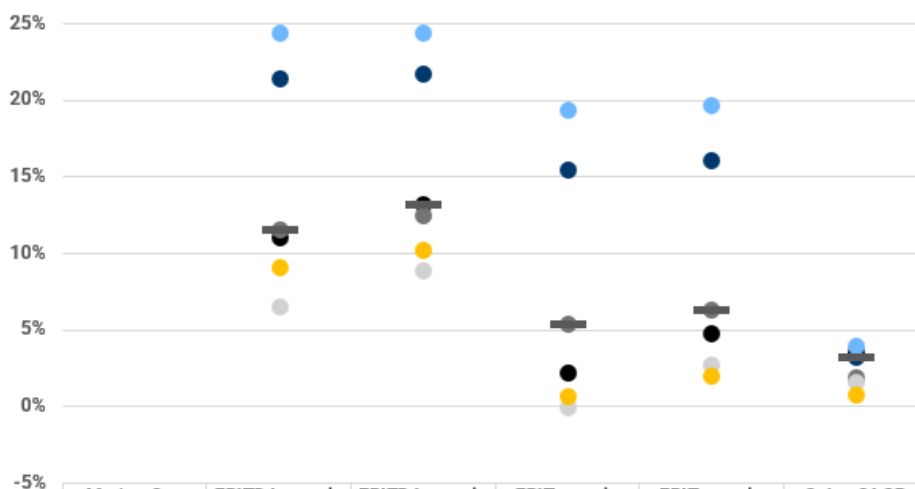
Source: Company data; mwb research

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 **LANXESS 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 LANXESS AG consists of the stocks displayed in the graphs below. As of 15 August 2025 the median market cap of the peer group was EUR 11,465m, compared to EUR 2,069m for LANXESS AG. In the period under review, the peer group was more profitable than LANXESS AG. The expectations for sales growth are higher for the peer group than for LANXESS AG.

Peer Group – Key data



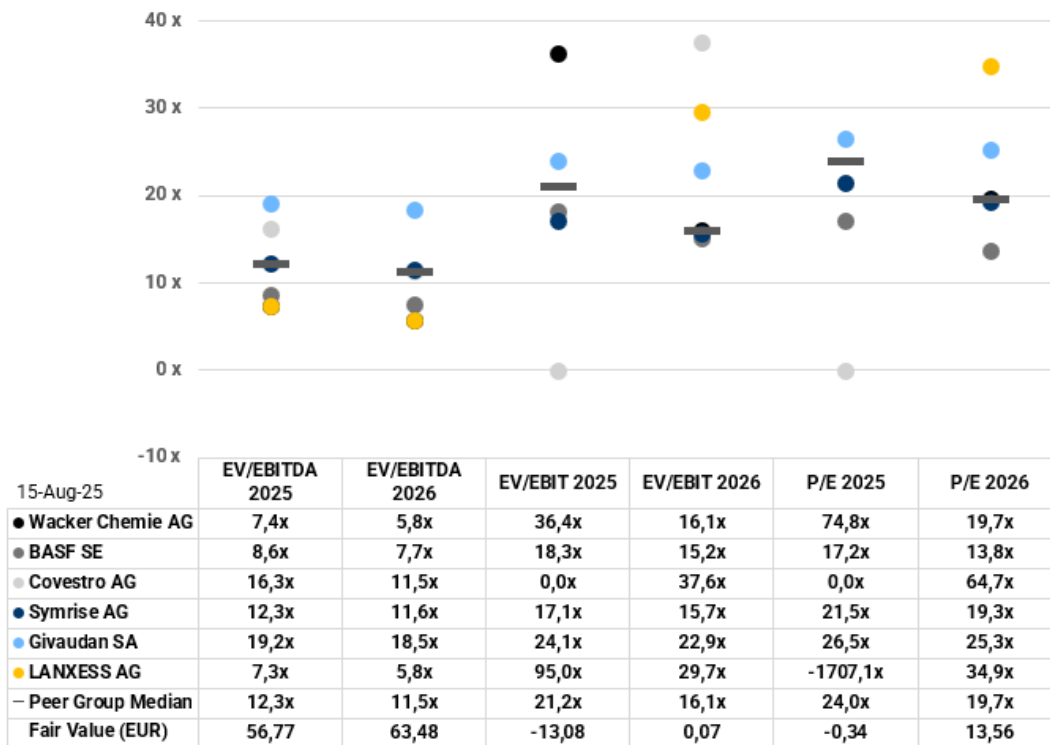
15-Aug-25	Market Cap (EURm)	EBITDA margin 2025	EBITDA margin 2026	EBIT margin 2025	EBIT margin 2026	Sales CAGR 2024-2027
● Wacker Chemie AG	3.505	11,0%	13,3%	2,2%	4,8%	3,6%
● BASF SE	41.654	11,6%	12,6%	5,4%	6,3%	2,0%
● Covestro AG	11.465	6,6%	9,0%	0,0%	2,7%	1,6%
● Symrise AG	11.154	21,5%	21,8%	15,5%	16,1%	3,3%
● Givaudan SA	32.678	24,4%	24,4%	19,5%	19,7%	4,0%
● LANXESS AG	2.069	9,1%	10,3%	0,7%	2,0%	0,8%
– Peer Group Median	11.465	11,6%	13,3%	5,4%	6,3%	3,3%

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 LANXESS AG results in a range of fair values from EUR -20.12 to EUR 63.48.

Peer Group – Multiples and valuation

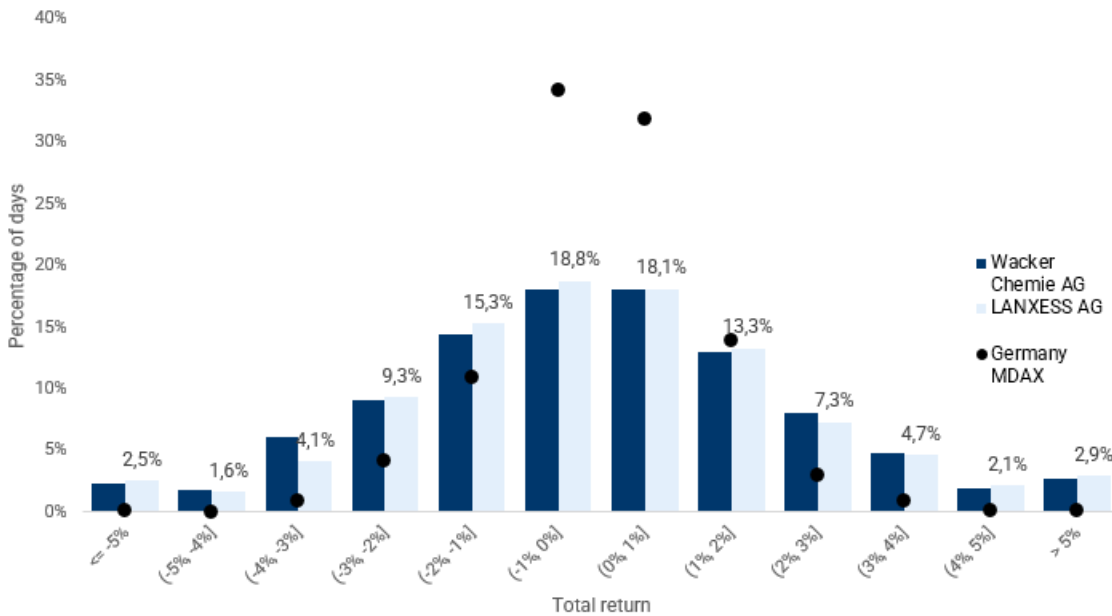


Source: FactSet, mwb research

Risk

The chart displays the **distribution of daily returns of LANXESS AG** over the last 3 years, compared to the same distribution for Wacker Chemie AG. We have also included the distribution for the index Germany MDAX. 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 LANXESS AG, the worst day during the past 3 years was 20/06/2023 with a share price decline of -15.4%. The best day was 17/07/2024 when the share price increased by 16.3%.

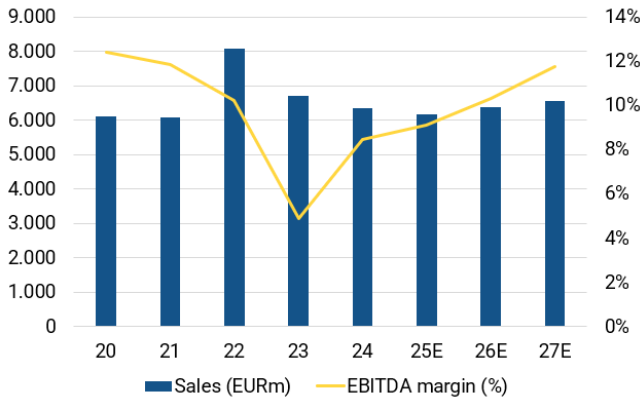
Risk – Daily Returns Distribution (trailing 3 years)



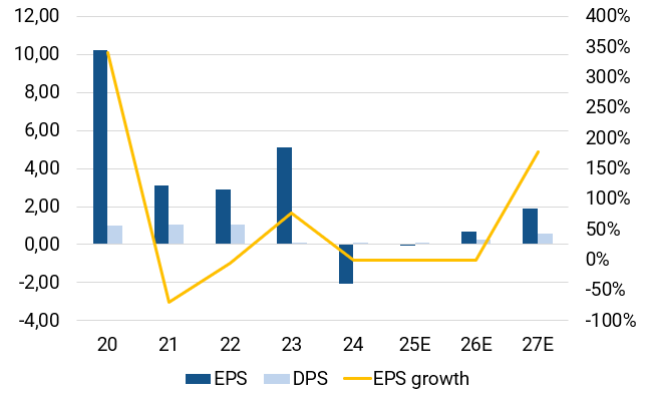
Source: FactSet, mwb research

Financials in six charts

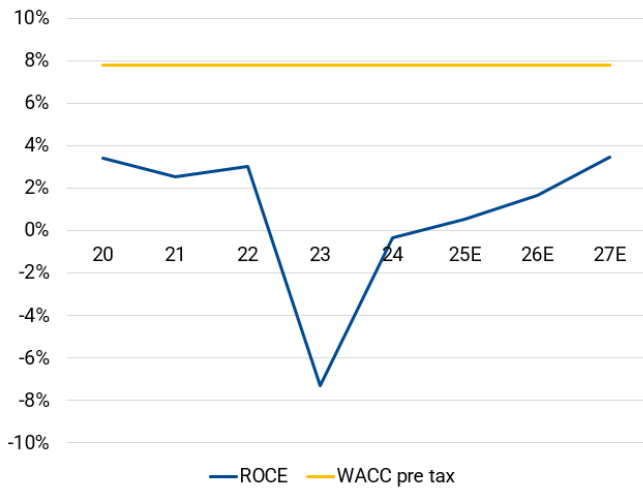
Sales vs. EBITDA margin development



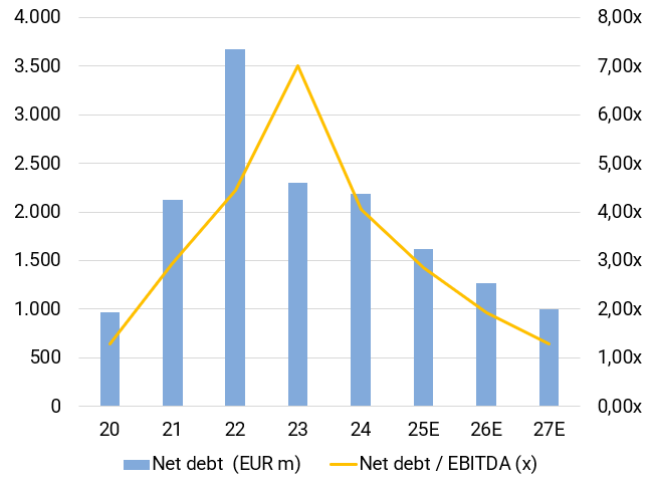
EPS, DPS in EUR & yoy EPS growth



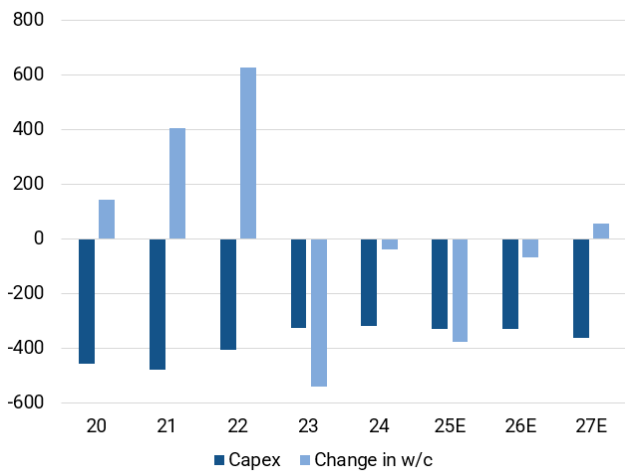
ROCE vs. WACC (pre tax)



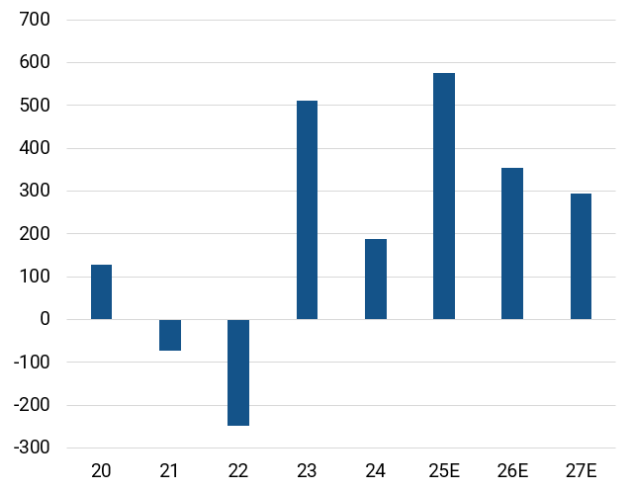
Net debt and net debt/EBITDA



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	8,088	6,714	6,366	6,188	6,373	6,577
Sales growth	32.6%	-17.0%	-5.2%	-2.8%	3.0%	3.2%
Cost of sales	6,151	5,446	5,068	4,888	4,971	5,065
Gross profit	1,937	1,268	1,298	1,299	1,402	1,513
SG&A expenses	1,386	1,212	1,148	1,052	1,083	1,052
Research and development	102	99	104	99	96	99
Other operating expenses (income)	169	625	74	105	96	99
EBITDA	826	328	538	564	657	774
Depreciation	390	422	404	368	363	334
EBITA	436	-94	134	195	294	440
Amortisation of goodwill and intangible assets	156	574	162	152	167	177
EBIT	280	-668	-28	43	127	263
Financial result	-23	-279	-169	-45	-45	-35
Recurring pretax income from continuing operations	257	-947	-197	-2	82	228
Extraordinary income/loss	0	0	0	0	0	0
Earnings before taxes	257	-947	-197	-2	82	228
Taxes	72	-105	-21	-0	21	59
Net income from continuing operations	185	-842	-176	-1	61	169
Result from discontinued operations (net of tax)	66	1,286	0	0	0	0
Net income	251	444	-176	-1	61	169
Minority interest	-1	-1	-1	0	-2	-5
Net profit (reported)	250	443	-177	-1	59	164
Average number of shares	86.34	86.35	86.35	86.35	86.35	86.35
EPS reported	2.90	5.13	-2.05	-0.01	0.69	1.90

Profit and loss (common size)	2022	2023	2024	2025E	2026E	2027E
Sales	100%	100%	100%	100%	100%	100%
Cost of sales	76%	81%	80%	79%	78%	77%
Gross profit	24%	19%	20%	21%	22%	23%
SG&A expenses	17%	18%	18%	17%	17%	16%
Research and development	1%	1%	2%	2%	2%	2%
Other operating expenses (income)	2%	9%	1%	2%	2%	2%
EBITDA	10%	5%	8%	9%	10%	12%
Depreciation	5%	6%	6%	6%	6%	5%
EBITA	5%	-1%	2%	3%	5%	7%
Amortisation of goodwill and intangible assets	2%	9%	3%	2%	3%	3%
EBIT	3%	-10%	-0%	1%	2%	4%
Financial result	-0%	-4%	-3%	-1%	-1%	-1%
Recurring pretax income from continuing operations	3%	-14%	-3%	-0%	1%	3%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	3%	-14%	-3%	-0%	1%	3%
Taxes	1%	-2%	-0%	-0%	0%	1%
Net income from continuing operations	2%	-13%	-3%	-0%	1%	3%
Result from discontinued operations (net of tax)	1%	19%	0%	0%	0%	0%
Net income	3%	7%	-3%	-0%	1%	3%
Minority interest	-0%	-0%	-0%	0%	-0%	-0%
Net profit (reported)	3%	7%	-3%	-0%	1%	2%

Source: Company data; mwb research

Balance sheet (EURm)	2022	2023	2024	2025E	2026E	2027E
Intangible assets (excl. Goodwill)	1,482	2,721	2,531	2,379	2,213	2,036
Goodwill	1,849	0	0	0	0	0
Property, plant and equipment	2,750	2,620	2,456	2,419	2,387	2,415
Financial assets	356	1,415	1,275	1,275	1,275	1,275
FIXED ASSETS	6,437	6,756	6,262	6,073	5,875	5,725
Inventories	1,861	1,360	1,348	1,312	1,335	1,388
Accounts receivable	858	613	650	593	611	631
Other current assets	1,293	13	15	15	15	15
Liquid assets	575	711	830	685	831	804
Deferred taxes	0	0	0	0	0	0
Deferred charges and prepaid expenses	263	212	606	402	351	329
CURRENT ASSETS	4,850	2,909	3,449	3,008	3,143	3,166
TOTAL ASSETS	11,287	9,665	9,711	9,081	9,018	8,891
SHAREHOLDERS EQUITY	4,421	4,501	4,586	4,576	4,629	4,777
MINORITY INTEREST	6	6	6	6	6	6
Long-term debt	3,417	2,938	2,428	2,000	1,800	1,600
Provisions for pensions and similar obligations	409	498	429	433	446	460
Other provisions	608	548	489	495	510	526
Non-current liabilities	4,434	3,984	3,346	2,928	2,756	2,587
short-term liabilities to banks	830	72	584	300	300	200
Accounts payable	709	584	648	670	681	694
Advance payments received on orders	0	0	0	0	0	0
Other liabilities (incl. from lease and rental contracts)	445	324	373	433	478	460
Deferred taxes	284	194	168	168	168	168
Deferred income	158	0	0	0	0	0
Current liabilities	2,426	1,174	1,773	1,571	1,627	1,522
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	11,287	9,665	9,711	9,081	9,018	8,891

Balance sheet (common size)	2022	2023	2024	2025E	2026E	2027E
Intangible assets (excl. Goodwill)	13%	28%	26%	26%	25%	23%
Goodwill	16%	0%	0%	0%	0%	0%
Property, plant and equipment	24%	27%	25%	27%	26%	27%
Financial assets	3%	15%	13%	14%	14%	14%
FIXED ASSETS	57%	70%	64%	67%	65%	64%
Inventories	16%	14%	14%	14%	15%	16%
Accounts receivable	8%	6%	7%	7%	7%	7%
Other current assets	11%	0%	0%	0%	0%	0%
Liquid assets	5%	7%	9%	8%	9%	9%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred charges and prepaid expenses	2%	2%	6%	4%	4%	4%
CURRENT ASSETS	43%	30%	36%	33%	35%	36%
TOTAL ASSETS	100%	100%	100%	100%	100%	100%
SHAREHOLDERS EQUITY	39%	47%	47%	50%	51%	54%
MINORITY INTEREST	0%	0%	0%	0%	0%	0%
Long-term debt	30%	30%	25%	22%	20%	18%
Provisions for pensions and similar obligations	4%	5%	4%	5%	5%	5%
Other provisions	5%	6%	5%	5%	6%	6%
Non-current liabilities	39%	41%	34%	32%	31%	29%
short-term liabilities to banks	7%	1%	6%	3%	3%	2%
Accounts payable	6%	6%	7%	7%	8%	8%
Advance payments received on orders	0%	0%	0%	0%	0%	0%
Other liabilities (incl. from lease and rental contracts)	4%	3%	4%	5%	5%	5%
Deferred taxes	3%	2%	2%	2%	2%	2%
Deferred income	1%	0%	0%	0%	0%	0%
Current liabilities	21%	12%	18%	17%	18%	17%
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	257	-947	-197	-1	61	169
Depreciation of fixed assets (incl. leases)	546	996	566	368	363	334
Amortisation of goodwill	0	0	0	0	0	0
Amortisation of intangible assets	0	0	0	152	167	177
Others	-17	248	101	10	28	31
Cash flow from operations before changes in w/c	786	297	470	529	618	711
Increase/decrease in inventory	-403	465	-19	36	-22	-53
Increase/decrease in accounts receivable	62	230	-54	57	-18	-20
Increase/decrease in accounts payable	-130	-118	73	22	11	13
Increase/decrease in other w/c positions	-156	-36	38	264	97	4
Increase/decrease in working capital	-627	541	38	378	68	-55
Cash flow from operating activities	159	838	508	907	686	655
CAPEX	-407	-326	-320	-331	-331	-362
Payments for acquisitions	-1,124	1,194	0	0	0	0
Financial investments	467	-448	55	0	0	0
Income from asset disposals	5	3	2	500	0	0
Cash flow from investing activities	-1,059	423	-263	169	-331	-362
Cash flow before financing	-900	1,261	245	1,076	355	293
Increase/decrease in debt position	690	-1,303	-46	-1,212	-200	-300
Purchase of own shares	0	0	0	0	0	0
Capital measures	0	0	0	0	0	0
Dividends paid	-91	-91	-9	-9	-9	-21
Others	14	-72	-42	0	0	0
Effects of exchange rate changes on cash	-4	-9	5	0	0	0
Cash flow from financing activities	609	-1,475	-92	-1,221	-209	-321
Increase/decrease in liquid assets	-291	-214	153	-145	146	-27
Liquid assets at end of period	360	146	299	154	300	273

Source: Company data; mwb research

Regional sales split (EURm)	2022	2023	2024	2025E	2026E	2027E
Domestic	1,366	1,098	1,043	-310	-319	-329
Europe (ex domestic)	2,364	1,972	1,895	-242	-249	-257
The Americas	2,694	2,362	2,204	-414	-426	-440
Asia	1,664	1,282	1,224	-280	-288	-298
Rest of World	0	0	0	0	0	0
Total sales	8,088	6,714	6,366	6,188	6,373	6,577

Regional sales split (common size)	2022	2023	2024	2025E	2026E	2027E
Domestic	16.9%	16.4%	16.4%	-5.0%	-5.0%	-5.0%
Europe (ex domestic)	29.2%	29.4%	29.8%	-3.9%	-3.9%	-3.9%
The Americas	33.3%	35.2%	34.6%	-6.7%	-6.7%	-6.7%
Asia	20.6%	19.1%	19.2%	-4.5%	-4.5%	-4.5%
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	2.90	5.13	-2.05	-0.01	0.69	1.90
Cash flow per share	-2.68	4.82	1.20	6.24	3.74	3.72
Book value per share	51.20	52.13	53.11	53.00	53.60	55.32
Dividend per share	1.05	0.10	0.10	0.10	0.24	0.57
Valuation						
P/E	8.3x	4.7x	-11.7x	-1,707.1x	34.9x	12.6x
P/CF	-9.0x	5.0x	19.9x	3.8x	6.4x	6.4x
P/BV	0.5x	0.5x	0.5x	0.5x	0.4x	0.4x
Dividend yield (%)	4.4%	0.4%	0.4%	0.4%	1.0%	2.4%
FCF yield (%)	-11.2%	20.1%	5.0%	26.0%	15.6%	15.5%
EV/Sales	0.8x	0.7x	0.7x	0.7x	0.6x	0.5x
EV/EBITDA	7.4x	14.8x	8.7x	7.3x	5.8x	4.6x
EV/EBIT	22.0x	-7.3x	-167.1x	95.0x	29.7x	13.4x
Income statement (EURm)						
Sales	8,088	6,714	6,366	6,188	6,373	6,577
yoy chg in %	32.6%	-17.0%	-5.2%	-2.8%	3.0%	3.2%
Gross profit	1,937	1,268	1,298	1,299	1,402	1,513
Gross margin in %	23.9%	18.9%	20.4%	21.0%	22.0%	23.0%
EBITDA	826	328	538	564	657	774
EBITDA margin in %	10.2%	4.9%	8.5%	9.1%	10.3%	11.8%
EBIT	280	-668	-28	43	127	263
EBIT margin in %	3.5%	-9.9%	-0.4%	0.7%	2.0%	4.0%
Net profit	250	443	-177	-1	59	164
Cash flow statement (EURm)						
CF from operations	159	838	508	907	686	655
Capex	-407	-326	-320	-331	-331	-362
Maintenance Capex	390	422	404	368	363	334
Free cash flow	-248	512	188	576	355	293
Balance sheet (EURm)						
Intangible assets	3,331	2,721	2,531	2,379	2,213	2,036
Tangible assets	2,750	2,620	2,456	2,419	2,387	2,415
Shareholders' equity	4,421	4,501	4,586	4,576	4,629	4,777
Pension provisions	409	498	429	433	446	460
Liabilities and provisions	5,264	4,056	3,930	3,228	3,056	2,787
Net financial debt	3,672	2,299	2,182	1,615	1,269	996
w/c requirements	2,010	1,389	1,350	1,236	1,265	1,324
Ratios						
ROE	5.7%	9.9%	-3.8%	-0.0%	1.3%	3.5%
ROCE	2.9%	-7.8%	-0.3%	0.6%	1.7%	3.5%
Net gearing	83.1%	51.1%	47.6%	35.3%	27.4%	20.9%
Net debt / EBITDA	4.4x	7.0x	4.1x	2.9x	1.9x	1.3x

Source: Company data; mwb research

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Contacts

mwb research AG
Mittelweg 142
20148 Hamburg
Germany

Tel.: +49 40 309 293-52
Email.: contact@mwb-research.com
Website: www.mwb-research.com
Research: www.research-hub.de

Research

HARALD HOF
Senior Analyst
Tel: +49 40 309 293-53
E-Mail: h.hof@mwb-research.com

LEON MÜHLENBRUCH
Analyst
Tel: +49 40 309 293-57
E-Mail: l.muehlenbruch@mwb-research.com

ABED JARAD
Junior Analyst
Tel: +49 40 309 293-54
E-Mail: a.jarad@mwb-research.com

JENS-PETER RIECK
Junior Analyst
Tel: +49 40 309 293-54
E-Mail: jp.riek@mwb-research.com

THOMAS WISSLER
Senior Analyst
Tel: +49 40 309 293-58
E-Mail: t.wissler@mwb-research.com

DR. OLIVER WOJAHN, CFA
Senior Analyst
Tel: +49 40 309 293-55
E-Mail: o.wojahn@mwb-research.com

ALEXANDER ZIENKOWICZ
Senior Analyst
Tel: +49 40 309 293-56
E-Mail: a.zienkowicz@mwb-research.com

Sales

HOLGER NASS
Head of Sales
Tel: +49 40 309 293-52
E-Mail: h.nass@mwb-research.com

Team Assistant

HANNAH GABERT
Team Assistant
Tel: +49 40 309 293-52
E-Mail: h.gabert@mwb-research.com

mwb fairtrade
Wertpapierhandelsbank AG
Rottenbucher Straße 28
82166 Gräfelfing

Tel: +49 89 85852-0
Fax: +49 89 85852-505
Website: www.mwbfairtrade.com
E-Mail: info@mwbfairtrade.com

Sales / Designated Sponsoring /Corporate Finance

ALEXANDER DEUSS
Institutional Sales
Tel: +49 40 36 0995-22
E-Mail: adeuss@mwbfairtrade.com

SASCHA GUENON
Head of Designated Sponsoring
Tel: +49 40 360 995-23
E-Mail: sguenon@mwbfairtrade.com

JAN NEYNABER
Institutional Sales
Tel: +49 69 1387-1255
E-Mail: jneynaber@mwbfairtrade.com

DIRK WEYERHÄUSER
Corporate Finance
Tel: +49 69 1387-1250
E-Mail: dweyerhaeuser@mwbfairtrade.com

Locations

HAMBURG (Research)
Mittelweg 142
20148 Hamburg
+49 40 309 293-52

HAMBURG (Corporates & Markets)
Kleine Johannisstraße 4
20457 Hamburg
+49 40 360 995-0

FRANKFURT A.M.
Unterlindau 29
60323 Frankfurt am Main
+49 40 360 995-22

MUNICH
Rottenbucher Str. 28
82166 Gräfelfing
+49 89-85852-0

BERLIN
Kurfürstendamm 151
10709 Berlin

HANNOVER
An der Börse 2
30159 Hannover

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