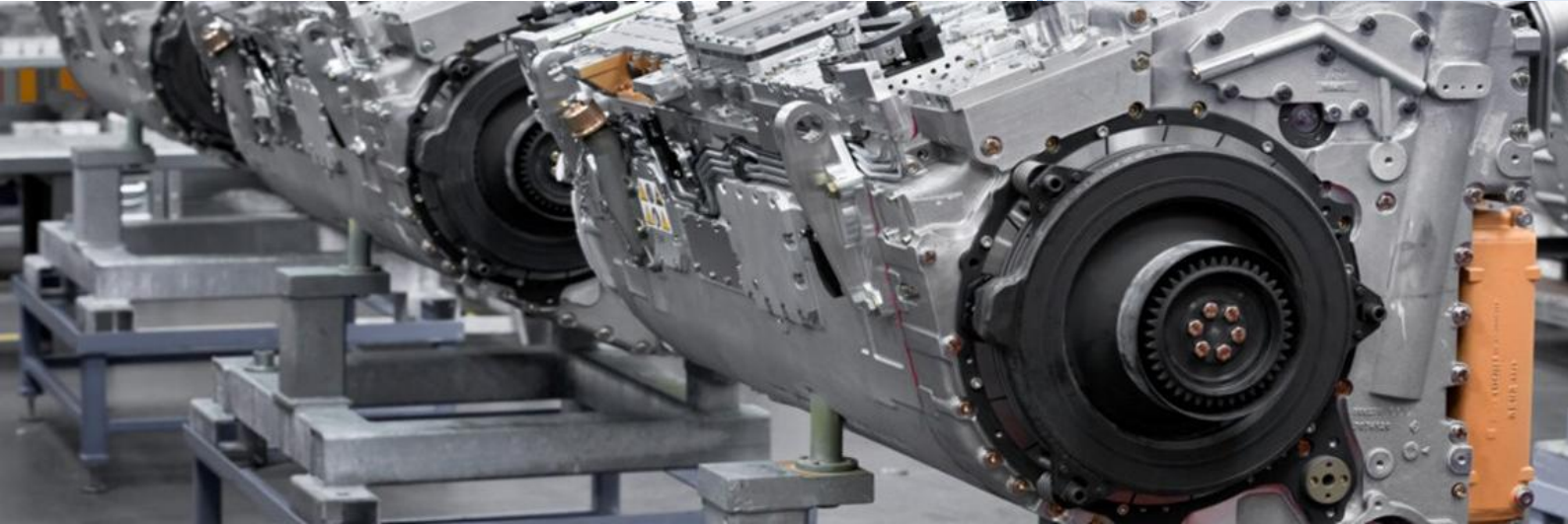


RENK Group AG

Germany | Aerospace & Defense | MCap EUR 5,758m

20 November 2025

UPDATE



CMD: Realistic 2030 path,
cycle dip now priced in; PT
cut; HOLD

HOLD (HOLD)

Target price	EUR 55.00 (58.00)
Current price	EUR 57.52
Up/downside	-4.4%

 **ResearchHub**



What's it all about?

RENK's CMD 2025 reaffirmed a solid long-term outlook but also highlighted why consensus could be too optimistic. The 2030 revenue guidance of 2.8–3.2bn (without M&A) looks achievable, yet the market already prices in the top end. Our 3bn estimate reflects the structural shift toward more Boxer tanks, where RENK captures only 1/15 of tracked-vehicle value, and keeps us more cautious than consensus. We now also expect the cycle to peak ~2030, followed by a natural dip until aftermarket acceleration from 2035 onward. MRO remains the long-term cash engine, generating 3–4x OE revenues and pushing aftermarket to >50% of sales. The >20% margin ambition is credible given scaling effects and operational improvements. The sector's pullback on Ukraine headlines does not change RENK's fundamentals and could even boost Ukrainian localisation later on. With today's share reaction, valuation has normalised into fair territory. We cut our target price to EUR 55.00 (from 58.00) to reflect a 2030–2035 revenue dip before aftermarket ramps. HOLD.

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

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RENK Group AG

Germany | Aerospace & Defense | MCap EUR 5,758m | EV EUR 6,130m

HOLD (HOLD)

Target price
Current price
Up/downside

EUR 55.00 (58.00)
EUR 57.52
-4.4%

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CMD: Realistic 2030 path, cycle dip now priced in; PT cut; HOLD

Revenue outlook: guidance vs. consensus. Our 3bn forecast for 2030 sits exactly in the middle of the 2.8–3.2bn CMD guidance range. Consensus already assumes 3.2bn, which looks optimistic in our view. The market may have expected more MBT content, but, as shown already at Rheinmetall's CMD, the future backbone is the Boxer, where RENK earns only about 1/15 of the drivetrain content compared to tracked vehicles. This is already reflected in our numbers and explains why we stay more cautious than consensus. RENK's 2035 aftermarket ambition is realistic given the installed base.

Cycle shape: Peak in 2030, dip thereafter. In our model, deliveries peak in 2030 and then fall due to the natural cycle of the business. Aftermarket revenues begin to meaningfully accelerate from 2035 onward which creates a visible drop between 2030 and 2035 which we now factor in leading to a lower price target. Over a ~25-year lifecycle, RENK generates 3–4x of original sales revenues in MRO, far above peers at ~0.5x. This drives aftermarket to >50% of group revenues in our estimates and gradually substitutes declining OE volumes.

Margins: >20% fully achievable. The CMD >20% adj. EBIT margin target for 2030 is realistic. Our estimate stands at 22 percent, driven by mix, scaling effects, and the visible efficiency improvements at VTA, RAM and across suppliers as illustrated by Renk COO Dr. Emmerich Schiller.

Sector weakness: No real impact on RENK. Yesterday's -7% sector selloff on peace headlines has no direct operational impact on RENK. A stabilisation scenario could actually accelerate capacity localisation in Ukraine leading to higher revenue.

Valuation: fair, not cheap. RENK stays the European leader in military propulsion. With the 7% drop today the valuation is back to the +1 standard deviation range, which we see as fair (see page 8) and supports our DCF PT. Any further weakness should be used to build a position ahead of what is likely to be an exceptionally strong 2026 order intake year.

Conclusion: Consensus 2030 revenues look too aggressive and are at risk of downward revision. We lower our target price to EUR 55.00 (from 58.00) to reflect a more realistic 13% revenue drop between 2030 and 2035 before aftermarket ramps. HOLD.

RENK Group AG	2022	2023	2024	2025E	2026E	2027E
Sales	849	926	1,141	1,346	1,589	1,875
Growth yoy	21.7%	9.0%	23.2%	18.0%	18.1%	18.0%
EBITDA	161	167	193	269	321	412
EBIT	65	89	116	208	260	352
Net profit	16	32	53	129	165	217
Net debt (net cash)	477	444	369	331	246	129
Net debt/EBITDA	3.0x	2.7x	1.9x	1.2x	0.8x	0.3x
EPS reported	0.16	0.32	0.53	1.29	1.64	2.17
DPS	0.00	0.00	0.42	0.58	0.74	0.98
Dividend yield	0.0%	0.0%	0.7%	1.0%	1.3%	1.7%
Gross profit margin	19.4%	22.5%	24.5%	27.4%	28.1%	30.3%
EBITDA margin	19.0%	18.1%	16.9%	20.0%	20.2%	22.0%
EBIT margin	7.7%	9.6%	10.2%	15.5%	16.4%	18.8%
ROCE	6.2%	8.8%	11.1%	17.4%	19.6%	23.5%
EV/EBITDA	38.7x	37.0x	31.8x	22.7x	18.7x	14.3x
EV/EBIT	95.7x	69.7x	52.8x	29.2x	23.1x	16.7x
PER	356.9x	177.8x	108.0x	44.7x	35.0x	26.5x
FCF yield	1.7%	1.3%	2.9%	1.8%	2.9%	3.7%

Source: Company data, mwb research



Source: Company data, mwb research

High/low 52 weeks 90.34 / 17.75
Price/Book Ratio 13.1x

Ticker / Symbols

ISIN DE000RENK730
WKN RENK73
Bloomberg R3NK:GR

Changes in estimates

		Sales	EBIT	EPS
2025E	old	1,346	208	1.29
	Δ	0.0%	0.0%	0.0%
2026E	old	1,589	260	1.64
	Δ	0.0%	0.0%	0.0%
2027E	old	1,875	352	2.17
	Δ	0.0%	0.0%	0.0%

Key share data

Number of shares: (in m pcs) 100.10
Book value per share: (in EUR) 4.40
Ø trading vol.: (12 months) 1,184,390

Major shareholders

KNDS NV 15.8%
Blackrock 3.1%
Rovida Investment Management 3.0%
Free Float 75.1%

Company description

RENK Group AG supplies mission-critical drive systems for civil and military use, including transmissions, power-packs, hybrid drives, and bearings. Founded in 1873, the company is based in Augsburg, Germany.

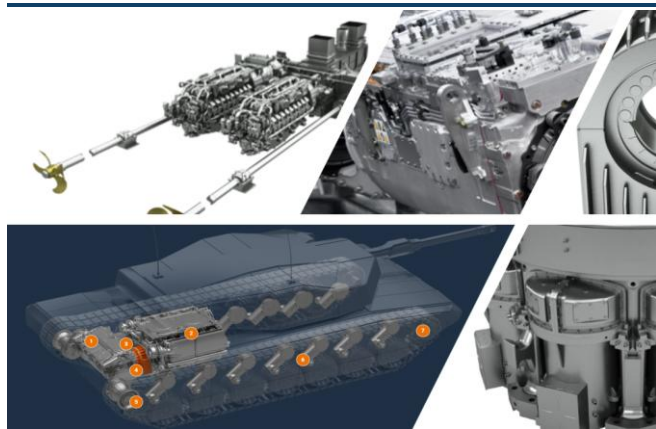
The following table displays the quarterly performance of **RENK Group AG**.

P&L data	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025
Sales	272.8	237.7	272.6	268.0	362.2	272.6	347.5	308.0
yoy growth in %	7.0%	22.5%	26.1%	10.5%	32.8%	14.7%	27.5%	14.9%
Gross profit	60.1	50.0	64.7	66.4	98.6	66.3	79.8	67.0
Gross margin in %	22.0%	21.0%	23.7%	24.8%	27.2%	24.3%	23.0%	21.8%
EBITDA	50.3	29.8	44.2	47.2	71.8	46.5	54.6	56.0
EBITDA margin in %	18.4%	12.6%	16.2%	17.6%	19.8%	17.1%	15.7%	18.2%
EBIT	30.1	11.2	25.0	28.1	51.7	27.6	35.1	36.2
EBIT margin in %	11.0%	4.7%	9.2%	10.5%	14.3%	10.1%	10.1%	11.8%
EBT	18.9	3.8	16.4	4.6	69.9	4.8	26.2	28.4
taxes paid	5.5	6.6	6.1	5.1	22.1	4.0	-4.2	4.2
tax rate in %	28.9%	173.0%	37.2%	110.7%	31.7%	83.8%	-16.0%	14.8%
net profit	13.4	-2.8	10.3	-0.5	47.8	0.7	30.4	24.3
yoy growth in %	-210.2%	41.2%	26.7%	-103.8%	255.9%	-124.5%	195.2%	n.a. %
EPS	0.13	-0.03	0.10	-0.01	0.46	0.01	0.30	0.24

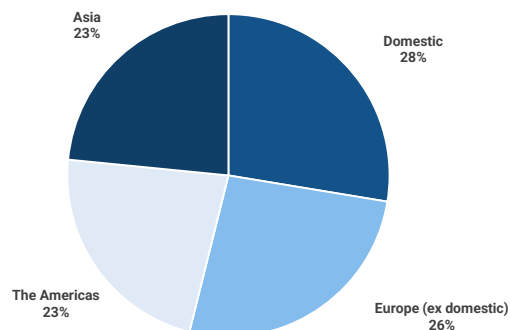
Source: Company data; mwb research

Investment case in six charts

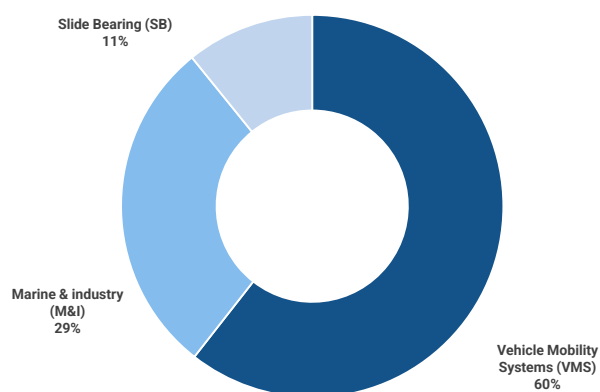
Products & Services



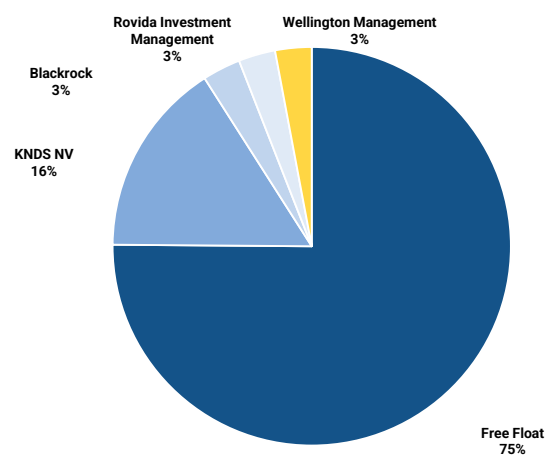
Regional sales split in %



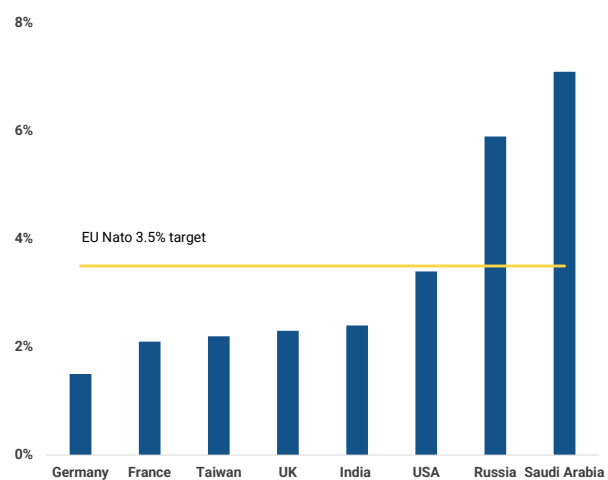
Segmental breakdown in %



Major Shareholders

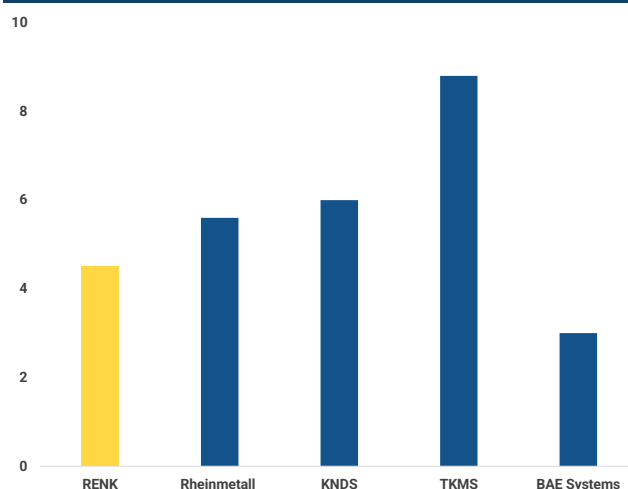


Defense spending % of GDP



Source: Company data; mwb research

Order backlog in years



SWOT analysis

Strengths

- Operating in over 70 armed forces worldwide
- With an installed base of >180.000 units RENK benefits from recurring revenues (~30% in FY24).
- Benefits from a diverse customer base
- Defense OEM's are highly dependent on RENK propulsions (no serious competitor)
- 75% Global market presence in tracked military vehicles

Weaknesses

- High exposure to political uncertainty, particularly fluctuations in defense budgets, as most customers rely on government spending.
- Export controls restrict market access for military products.
- Intense competition, especially in the M&I and SB segments, with moderate pressure in the VMS segment.
- High COGS ratio with 77% makes them vulnerable to bargaining power of suppliers

Opportunities

- Significantly increasing EU-NATO equipment defense spending (+170%)
- Growth potential in hybrid propulsion solutions.
- Increasing share of recurring revenue enhances financial stability.
- Implementation of series assembly and logistics concepts to improve efficiency and capacity.
- Long-term (+2040) demand secured as key customers continue rebuilding their military capabilities.
- High chance of being part of nearly all EU next-gen tank systems (e.g. Lynx, Panther, ...)
- Potential sale of the SB segment; estimated proceeds of ~EUR 350m (mwb est.).
- Opening of an assembly line in Poland / Ukraine

Threats

- The U.S. shift toward protectionist policies, particularly in defense, may lead to increased trade barriers and lost contracts.
- Growing competition from low-cost countries, especially in their SB segment
- Vulnerability to fluctuations in input prices
- High debt-to-GDP ratios in key markets could result in reduced government spending.
- We expect a peak in defense spending in the mid 30's after which revenues could fall.
- Risk that more military vehicles move away from tracked propulsion toward wheeled solutions (e.g. GTX Boxer), where propulsion costs are only ~1/15 of tracked systems and more competitors are present.
- for the export restriction on Israel, RENK could lose ~3% of revenues (mwb est.) if no solution is found

DCF Model

Top-line growth: We expect RENK Group AG to grow revenues at a CAGR of 10.0% between 2025E and 2032E. The long-term growth rate is set at 2.0%.

WACC. Starting point is a historical equity beta of 1.10. Unlevering and correcting for mean reversion yields an asset beta of 1.02. 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 32% and target debt/equity of 0.2 this results in a long-term WACC of 8.0%.

DCF per share derived from	
Total present value	5,640
Mid-year adj. total present value	5,864
Net debt / cash at start of year	369
Financial assets	14
Provisions and off b/s debt	3
Equity value	5,506
No. of shares outstanding	100.1
Discounted cash flow / share	55.00
upside/(downside)	-4.4%
Share price 57.52	

DCF avg. growth and earnings assumptions	
Planning horizon avg. revenue growth (2025E-2032E)	10.0%
Terminal value growth (2032E - infinity)	2.0%
Terminal year ROCE	26.6%
Terminal year WACC	8.0%
Terminal WACC derived from	
Cost of borrowing (before taxes)	5.0%
Long-term tax rate	32%
Equity beta	1.10
Unlevered beta (industry or company)	1.02
Target debt / equity	0.2
Relevered beta	1.16
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%	36.6	38.2	39.9	41.9	44.2	2025E-2028E	11.4%
1.0%	41.9	44.0	46.4	49.1	52.4	2029E-2032E	17.1%
0.0%	48.7	51.6	55.0	59.0	63.8	terminal value	71.5%
-1.0%	57.8	62.0	67.1	73.3	81.0		
-2.0%	70.6	77.1	85.2	95.6	109.5		



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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 25.25 per share based on 2025E and EUR 60.05 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).

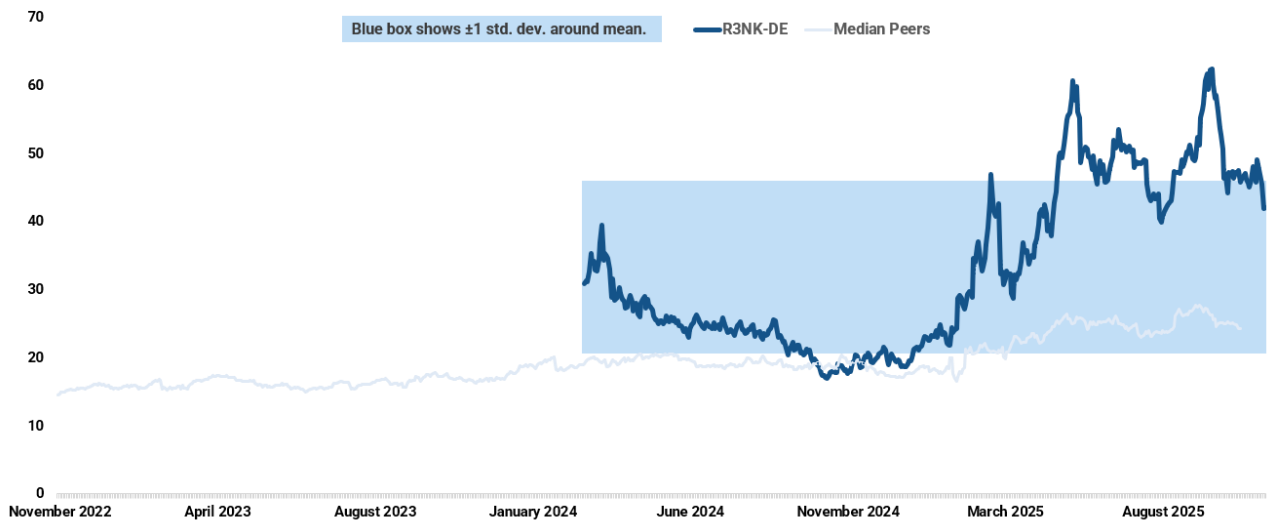
FCF yield in EURm	2025E	2026E	2027E	2028E	2029E
EBITDA	269	321	412	491	584
- Maintenance capex	32	32	34	44	48
- Minorities	-3	-4	-6	-7	-9
- tax expenses	44	62	100	122	164
= Adjusted FCF	196	231	284	332	382
Actual Market Cap	5,752	5,752	5,752	5,752	5,752
+ Net debt (cash)	331	246	129	2	-152
+ Pension provisions	3	3	4	5	6
+ Off b/s financing	0	0	0	0	0
- Financial assets	14	14	14	14	14
- Acc. dividend payments	42	100	174	272	391
<i>EV Reconciliations</i>	278	136	-54	-279	-551
= Actual EV'	6,030	5,888	5,698	5,473	5,201
Adjusted FCF yield	3.3%	3.9%	5.0%	6.1%	7.3%
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	2,806	3,299	4,058	4,739	5,460
- <i>EV Reconciliations</i>	278	136	-54	-279	-551
Fair Market Cap	2,528	3,163	4,112	5,017	6,011
No. of shares (million)	100	100	100	100	100
Fair value per share in EUR	25.25	31.60	41.08	50.12	60.05
Premium (-) / discount (+)	-56.1%	-45.1%	-28.6%	-12.9%	4.4%

Sensitivity analysis fair value					
Adjusted hurdle rate	5.0%	36	45	57	69
	6.0%	30	37	48	58
	7.0%	25	32	41	50
	8.0%	22	27	36	44
	9.0%	19	24	32	40

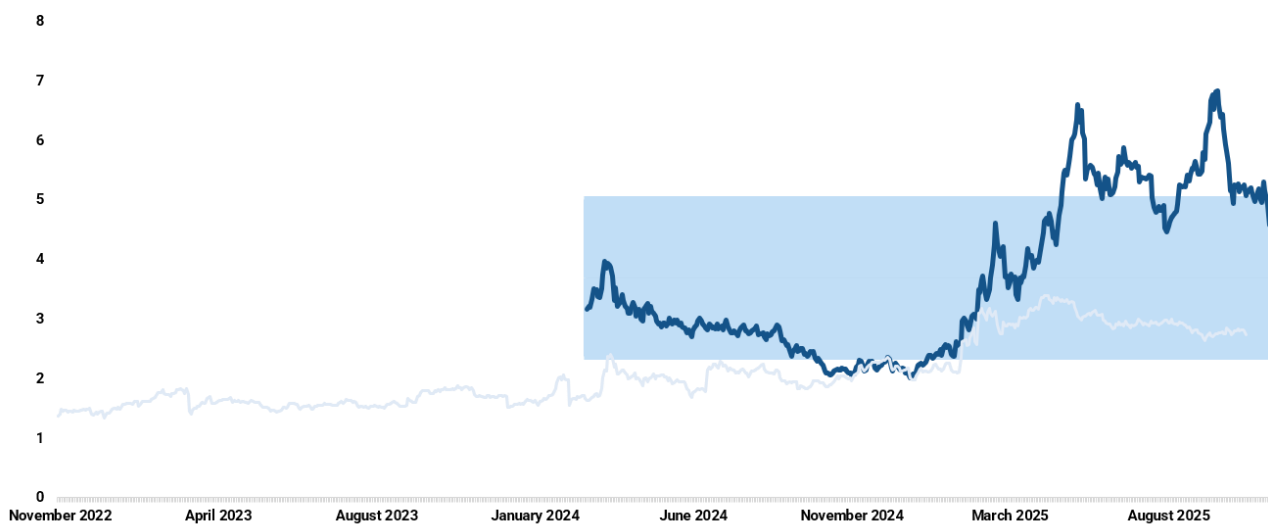
Source: Company data; mwb research

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.**

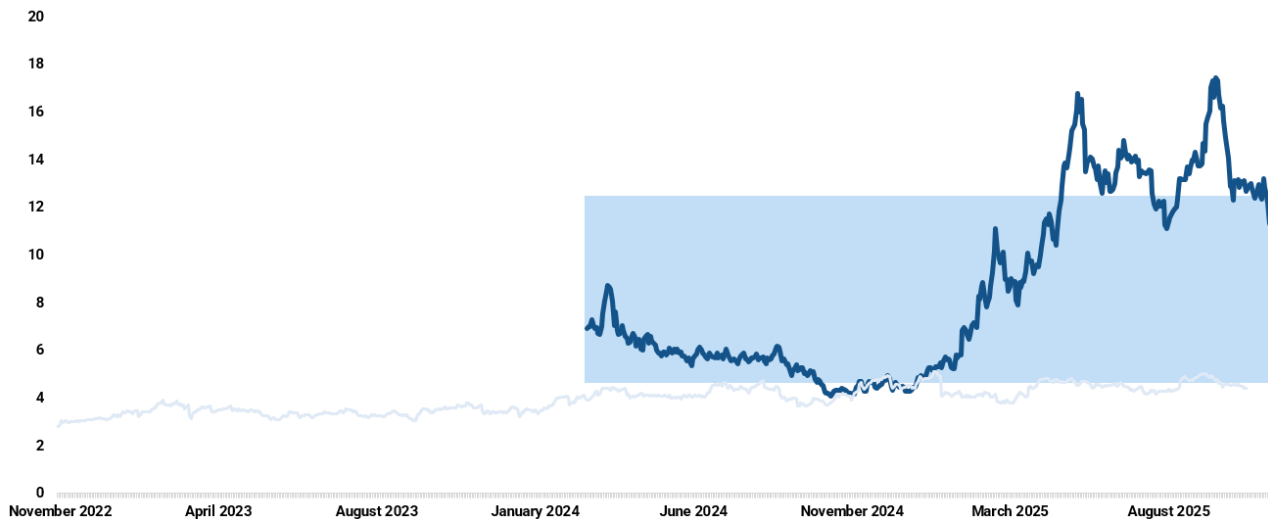
Historical Price to Earnings (FY1)



Historical EV to Sales (FY1)



Historical Price to Book (FY1)

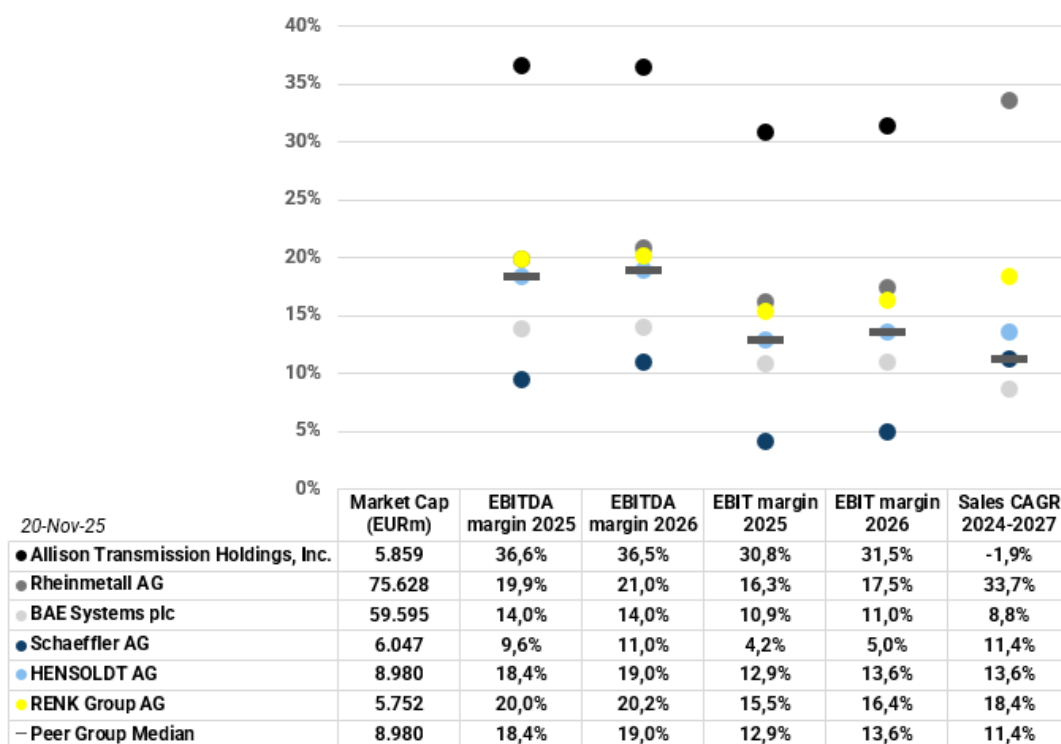


Source: FactSet, mwb research

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 **RENK Group 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 RENK Group AG consists of the stocks displayed in the graphs below. As of 20 November 2025 the median market cap of the peer group was EUR 8,980m, compared to EUR 5,758m for RENK Group AG. In the period under review, the peer group was less profitable than RENK Group AG. The expectations for sales growth are lower for the peer group than for RENK Group AG.

Peer Group – Key data

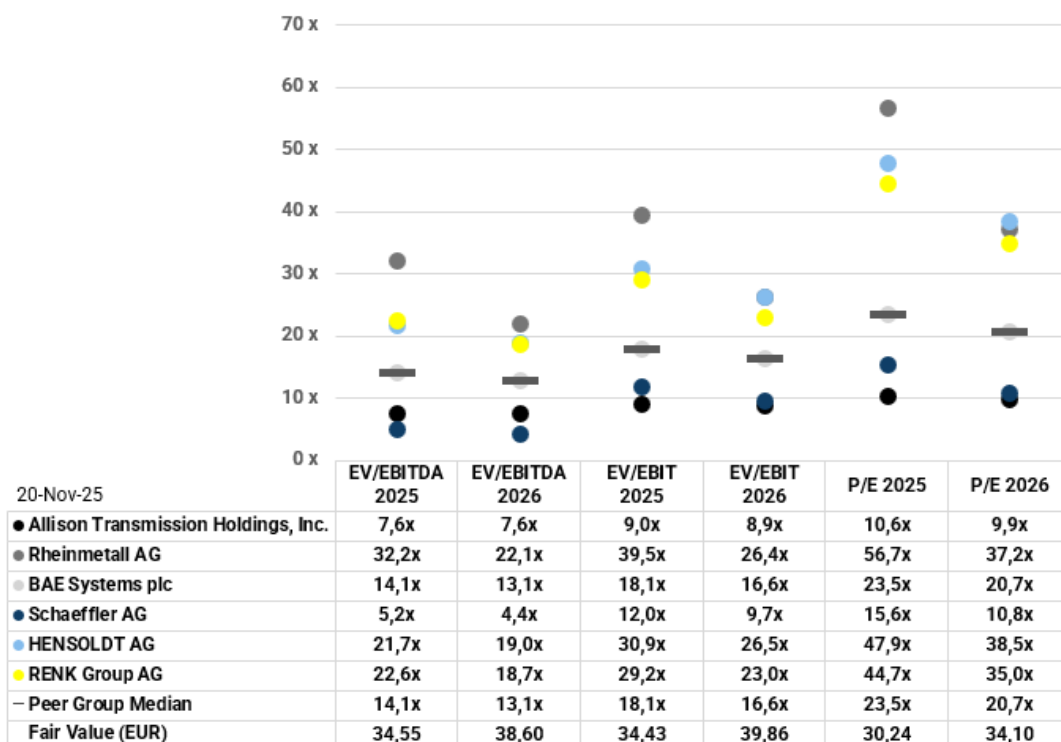


Source: FactSet, mwb research

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 RENK Group AG results in a range of fair values from EUR 30.24 to EUR 39.86.

Peer Group – Multiples and valuation

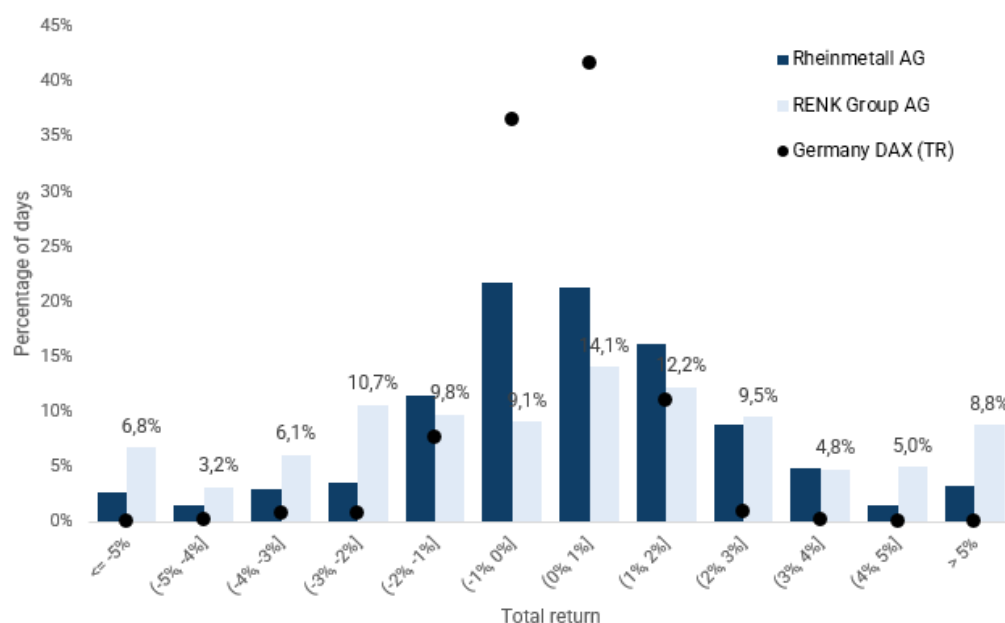


Source: FactSet, mwb research

Risk

The chart displays the **distribution of daily returns of RENK Group AG** over the last 3 years, compared to the same distribution for Rheinmetall AG. 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 RENK Group AG, the worst day during the past 3 years was undefined/undefined/#N/A with a share price decline of #N/A%. The best day was undefined/undefined/#N/A when the share price increased by #N/A%.

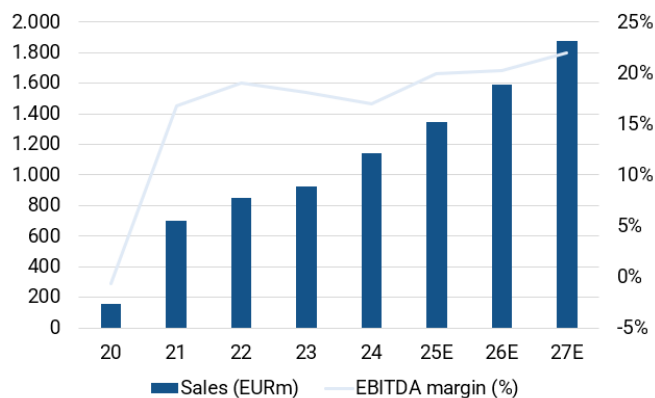
Risk – Daily Returns Distribution (trailing 3 years)



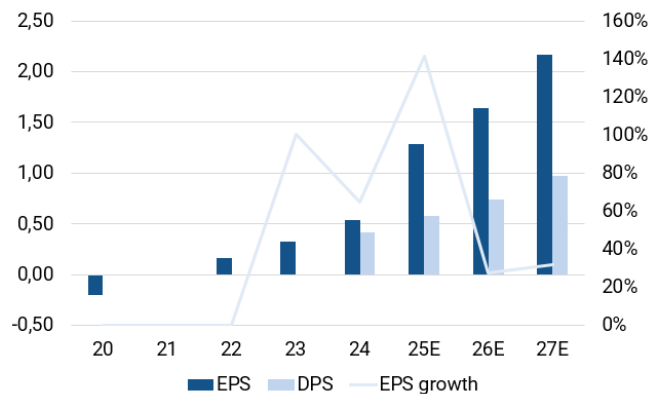
Source: FactSet, mwb research

Financials in six charts

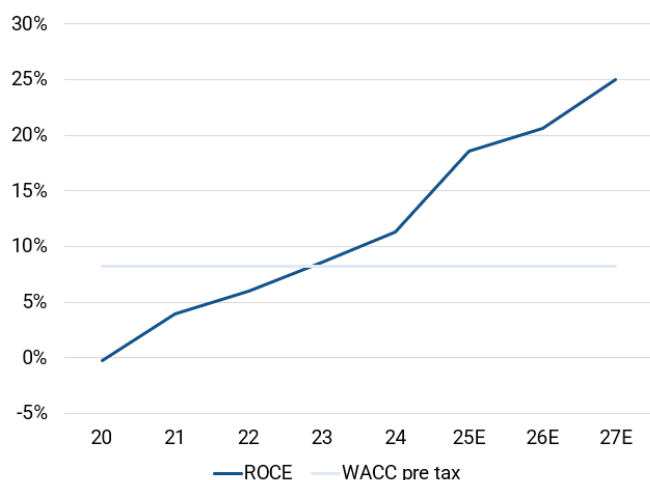
Sales vs. EBITDA margin development



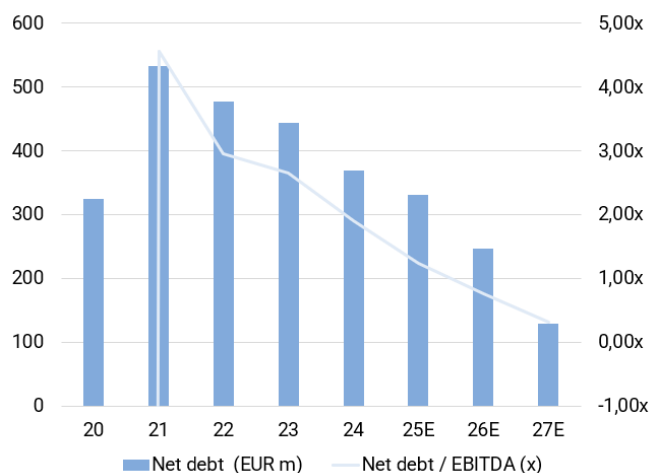
EPS, DPS in EUR & yoy EPS growth



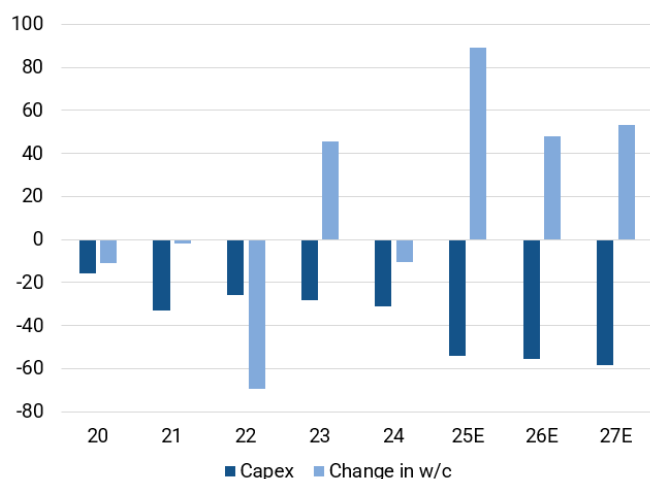
ROCE vs. WACC (pre tax)



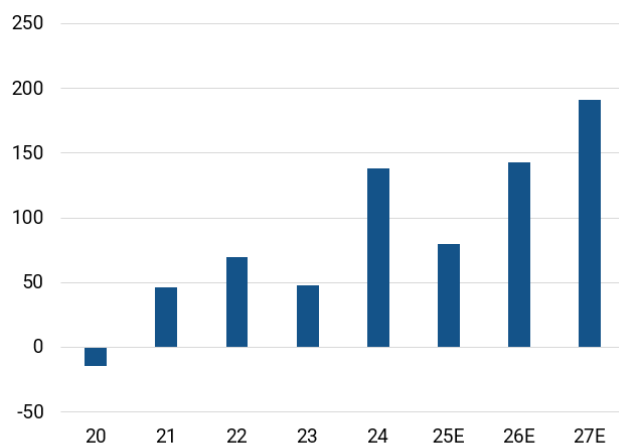
Net debt and net debt/EBITDA



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	849	926	1,141	1,346	1,589	1,875
Sales growth	21.7%	9.0%	23.2%	18.0%	18.1%	18.0%
Cost of sales	684	717	861	977	1,143	1,307
Gross profit	165	209	280	369	447	568
SG&A expenses	80	96	130	128	149	174
Research and development	18	22	29	30	33	38
Other operating expenses (income)	2	2	5	3	3	4
EBITDA	161	167	193	269	321	412
Depreciation	29	30	33	29	32	34
EBITA	132	137	160	240	289	378
Amortisation of goodwill and intangible assets	67	48	44	32	29	26
EBIT	65	89	116	208	260	352
Financial result	-50	-42	-21	-32	-29	-29
Recurring pretax income from continuing operations	15	47	95	176	231	323
Extraordinary income/loss	0	0	0	0	0	0
Earnings before taxes	15	47	95	176	231	323
Taxes	-1	14	40	44	62	100
Net income from continuing operations	16	32	55	132	169	223
Result from discontinued operations (net of tax)	0	0	0	0	0	0
Net income	16	32	55	132	169	223
Minority interest	0	0	1	3	4	6
Net profit (reported)	16	32	53	129	165	217
Average number of shares	100.00	100.00	100.10	100.10	100.10	100.10
EPS reported	0.16	0.32	0.53	1.29	1.64	2.17

Profit and loss (common size)	2022	2023	2024	2025E	2026E	2027E
Sales	100%	100%	100%	100%	100%	100%
Cost of sales	81%	77%	75%	73%	72%	70%
Gross profit	19%	23%	25%	27%	28%	30%
SG&A expenses	9%	10%	11%	10%	9%	9%
Research and development	2%	2%	3%	2%	2%	2%
Other operating expenses (income)	0%	0%	0%	0%	0%	0%
EBITDA	19%	18%	17%	20%	20%	22%
Depreciation	3%	3%	3%	2%	2%	2%
EBITA	16%	15%	14%	18%	18%	20%
Amortisation of goodwill and intangible assets	8%	5%	4%	2%	2%	1%
EBIT	8%	10%	10%	15%	16%	19%
Financial result	-6%	-5%	-2%	-2%	-2%	-2%
Recurring pretax income from continuing operations	2%	5%	8%	13%	15%	17%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	2%	5%	8%	13%	15%	17%
Taxes	-0%	2%	4%	3%	4%	5%
Net income from continuing operations	2%	3%	5%	10%	11%	12%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
Net income	2%	3%	5%	10%	11%	12%
Minority interest	0%	0%	0%	0%	0%	0%
Net profit (reported)	2%	3%	5%	10%	10%	12%

Source: Company data; mwb research

Balance sheet (EURm)	2022	2023	2024	2025E	2026E	2027E
Intangible assets (exl. Goodwill)	312	305	263	238	217	201
Goodwill	77	79	98	98	98	98
Property, plant and equipment	323	319	321	339	354	370
Financial assets	26	15	14	14	14	14
FIXED ASSETS	738	717	695	688	683	682
Inventories	276	326	391	442	507	577
Accounts receivable	228	260	279	321	379	447
Other current assets	23	40	26	26	26	26
Liquid assets	159	102	164	239	324	441
Deferred taxes	19	27	34	34	34	34
Deferred charges and prepaid expenses	0	0	0	0	0	0
CURRENT ASSETS	704	755	894	1,062	1,270	1,525
TOTAL ASSETS	1,443	1,473	1,589	1,750	1,953	2,206
SHAREHOLDERS EQUITY	325	404	441	531	642	791
MINORITY INTEREST	0	0	6	6	6	6
Long-term debt	618	528	527	550	550	550
Provisions for pensions and similar obligations	1	2	3	3	3	4
Other provisions	84	62	60	90	106	125
Non-current liabilities	704	591	590	643	660	679
short-term liabilities to banks	18	19	6	20	20	20
Accounts payable	67	124	117	128	147	165
Advance payments received on orders	141	172	231	202	238	281
Other liabilities (incl. from lease and rental contracts)	102	77	90	112	132	156
Deferred taxes	87	86	108	108	108	108
Deferred income	0	0	0	0	0	0
Current liabilities	415	477	553	570	645	730
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	1,443	1,473	1,589	1,750	1,953	2,206

Balance sheet (common size)	2022	2023	2024	2025E	2026E	2027E
Intangible assets (excl. Goodwill)	22%	21%	17%	14%	11%	9%
Goodwill	5%	5%	6%	6%	5%	4%
Property, plant and equipment	22%	22%	20%	19%	18%	17%
Financial assets	2%	1%	1%	1%	1%	1%
FIXED ASSETS	51%	49%	44%	39%	35%	31%
Inventories	19%	22%	25%	25%	26%	26%
Accounts receivable	16%	18%	18%	18%	19%	20%
Other current assets	2%	3%	2%	1%	1%	1%
Liquid assets	11%	7%	10%	14%	17%	20%
Deferred taxes	1%	2%	2%	2%	2%	2%
Deferred charges and prepaid expenses	0%	0%	0%	0%	0%	0%
CURRENT ASSETS	49%	51%	56%	61%	65%	69%
TOTAL ASSETS	100%	100%	100%	100%	100%	100%
SHAREHOLDERS EQUITY	22%	27%	28%	30%	33%	36%
MINORITY INTEREST	0%	0%	0%	0%	0%	0%
Long-term debt	43%	36%	33%	31%	28%	25%
Provisions for pensions and similar obligations	0%	0%	0%	0%	0%	0%
Other provisions	6%	4%	4%	5%	5%	6%
Non-current liabilities	49%	40%	37%	37%	34%	31%
short-term liabilities to banks	1%	1%	0%	1%	1%	1%
Accounts payable	5%	8%	7%	7%	8%	7%
Advance payments received on orders	10%	12%	15%	12%	12%	13%
Other liabilities (incl. from lease and rental contracts)	7%	5%	6%	6%	7%	7%
Deferred taxes	6%	6%	7%	6%	6%	5%
Deferred income	0%	0%	0%	0%	0%	0%
Current liabilities	29%	32%	35%	33%	33%	33%
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	16	32	55	132	169	223
Depreciation of fixed assets (incl. leases)	29	30	33	29	32	34
Amortisation of goodwill	0	0	1	0	0	0
Amortisation of intangible assets	67	48	44	32	29	26
Others	-86	11	26	30	17	20
Cash flow from operations before changes in w/c	26	122	158	223	247	303
Increase/decrease in inventory	-26	-51	-65	-50	-66	-69
Increase/decrease in accounts receivable	-51	-32	-19	-42	-58	-68
Increase/decrease in accounts payable	1	57	-7	12	19	18
Increase/decrease in other w/c positions	145	-20	101	-8	57	67
Increase/decrease in working capital	70	-45	11	-89	-48	-53
Cash flow from operating activities	96	76	169	134	198	249
CAPEX	-26	-28	-31	-54	-56	-58
Payments for acquisitions	-5	-34	0	0	0	0
Financial investments	1	5	7	0	0	0
Income from asset disposals	1	0	0	0	0	0
Cash flow from investing activities	-29	-57	-24	-54	-56	-58
Cash flow before financing	67	19	145	80	143	191
Increase/decrease in debt position	2	-50	-3	36	0	0
Purchase of own shares	0	0	0	0	0	0
Capital measures	0	2	3	0	0	0
Dividends paid	0	0	-30	-42	-58	-74
Others	-2	-32	-62	0	0	0
Effects of exchange rate changes on cash	2	-0	2	0	0	0
Cash flow from financing activities	2	-80	-89	-6	-58	-74
Increase/decrease in liquid assets	69	-61	56	75	85	117
Liquid assets at end of period	159	109	164	239	324	441

Source: Company data; mwb research

Regional sales split (EURm)	2022	2023	2024	2025E	2026E	2027E
Domestic	188	246	312	404	524	675
Europe (ex domestic)	284	271	298	377	461	563
The Americas	244	216	257	269	270	300
Asia	125	185	265	287	323	323
Rest of World	8	8	9	11	13	15
Total sales	849	926	1,141	1,346	1,589	1,875

Regional sales split (common size)	2022	2023	2024	2025E	2026E	2027E
Domestic	22.1%	26.6%	27.4%	30.0%	33.0%	36.0%
Europe (ex domestic)	33.5%	29.3%	26.1%	28.0%	29.0%	30.0%
The Americas	28.7%	23.3%	22.5%	20.0%	17.0%	16.0%
Asia	14.7%	20.0%	23.3%	21.3%	20.3%	17.2%
Rest of World	0.9%	0.9%	0.8%	0.8%	0.8%	0.8%
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	0.16	0.32	0.53	1.29	1.64	2.17
Cash flow per share	0.96	0.76	1.69	1.02	1.66	2.15
Book value per share	3.25	4.04	4.40	5.31	6.42	7.90
Dividend per share	0.00	0.00	0.42	0.58	0.74	0.98
Valuation						
P/E	356.9x	177.8x	108.0x	44.7x	35.0x	26.5x
P/CF	60.2x	75.5x	34.1x	56.3x	34.7x	26.7x
P/BV	17.7x	14.2x	13.1x	10.8x	9.0x	7.3x
Dividend yield (%)	0.0%	0.0%	0.7%	1.0%	1.3%	1.7%
FCF yield (%)	1.7%	1.3%	2.9%	1.8%	2.9%	3.7%
EV/Sales	7.3x	6.7x	5.4x	4.5x	3.8x	3.1x
EV/EBITDA	38.7x	37.0x	31.8x	22.7x	18.7x	14.3x
EV/EBIT	95.7x	69.7x	52.8x	29.2x	23.1x	16.7x
Income statement (EURm)						
Sales	849	926	1,141	1,346	1,589	1,875
yoy chg in %	21.7%	9.0%	23.2%	18.0%	18.1%	18.0%
Gross profit	165	209	280	369	447	568
Gross margin in %	19.4%	22.5%	24.5%	27.4%	28.1%	30.3%
EBITDA	161	167	193	269	321	412
EBITDA margin in %	19.0%	18.1%	16.9%	20.0%	20.2%	22.0%
EBIT	65	89	116	208	260	352
EBIT margin in %	7.7%	9.6%	10.2%	15.5%	16.4%	18.8%
Net profit	16	32	53	129	165	217
Cash flow statement (EURm)						
CF from operations	96	76	169	134	198	249
Capex	-26	-28	-31	-54	-56	-58
Maintenance Capex	0	0	0	32	32	34
Free cash flow	70	48	138	80	143	191
Balance sheet (EURm)						
Intangible assets	389	384	361	336	315	298
Tangible assets	323	319	321	339	354	370
Shareholders' equity	325	404	441	531	642	791
Pension provisions	1	2	3	3	3	4
Liabilities and provisions	721	610	596	663	680	699
Net financial debt	477	444	369	331	246	129
w/c requirements	296	291	321	432	500	578
Ratios						
ROE	5.0%	8.0%	12.4%	24.9%	26.3%	28.2%
ROCE	6.2%	8.8%	11.1%	17.4%	19.6%	23.5%
Net gearing	146.9%	109.9%	83.7%	62.3%	38.4%	16.3%
Net debt / EBITDA	3.0x	2.7x	1.9x	1.2x	0.8x	0.3x

Source: Company data; mwb research

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