Wacker Chemie AG

Germany | Chemicals | MCap EUR 3,346m

18 July 2025

UPDATE

Q2 prelims in line but momentum is fading; We see opportunity. BUY.

BUY (BUY)

Target price	**EUR 85.00** (88.00)
Current price	EUR 67.35
Up/downside	26.2%

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What's it all about?

Wacker's Q2 update confirms what's increasingly clear across the sector, demand remains weak, visibility is deteriorating, and recovery is taking longer to materialize. The company's in-line Q2 results were quickly overshadowed by a meaningful guidance cut, though not entirely unexpected given similar moves by peers. End markets remain soft, especially in Polymers and Polysilicon, while FX and trade uncertainty continue to bite. Still, this is not a structural reset. With cost actions underway, a solid balance sheet, and long-term exposure to resilient megatrends, we see the current dislocation as a chance to add exposure ahead of the next cycle. We revise our estimates and lower our price target from EUR 88.00 to EUR 85.00 but maintain our BUY rating.

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Wacker Chemie AG

Germany | Chemicals | MCap EUR 3,346m | EV EUR 4,831m

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Q2 prelims in line but momentum is fading; We see opportunity. BUY.

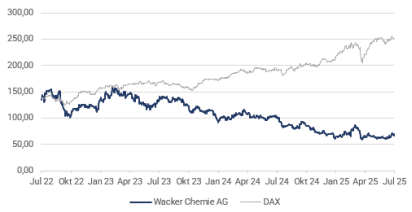
Q2 in line, but momentum fades. Wacker Chemie's preliminary Q2 2025 results were broadly in line with expectations, but the sharp downgrade to full-year guidance underscores the continued pressure from weak end-market demand and macroeconomic headwinds. Group sales came in at EUR 1.41bn (down 4 percent yoy) with EBITDA margin of EUR 8% (down 3pp yoy), close to consensus estimates. Silicones showed relative resilience with a slight EBITDA improvement, supported by an insurance payout, while Polymers and Polysilicon saw meaningful declines. Biosolutions delivered a modest EBITDA improvement despite double-digit sales contraction.

Guidance reset, visibility dims. The company has lowered its full-year sales guidance to EUR 5.5 to 5.9n from EUR 6.1 to 6.4bn, and EBITDA to EUR 500 to 700m from EUR 700 to 900m, citing sustained geopolitical uncertainty, muted customer demand, and ongoing FX headwinds. While the magnitude of the cut is material, it doesn't come as a major surprise, several peers have already revised down their own outlooks in recent weeks amid similar challenges. Notably, the expected resolution of US trade policy affecting solar-grade polysilicon has not materialized, weighing on visibility for that division. Management now expects net cash flow to be roughly balanced for the year, versus earlier guidance of a substantial year-on-year improvement.

Compelling opportunity. Cost and cash-saving measures are underway, but the scale of the revised guidance suggests internal levers may only partially offset the external drag. Demand recovery remains elusive across key segments, and pricing remains soft in multiple product lines. With near-term visibility still poor, and limited signs of momentum heading into H2, the tone has clearly shifted to one of preservation rather than growth. That backdrop remains intact, even if near-term recovery is elusive. With expectations reset and valuation already reflecting much of the cyclical pain, we view the current weakness as an opportunity to build exposure into the next demand cycle. We revise our estimates and lower our price target from EUR 88.00 to EUR 85.00 but maintain our BUY rating.

Wacker Chemie AG	2022	2023	2024	2025E	2026E	2027E
Sales	8,209	6,402	5,722	5,750	6,170	6,479
Growth yoy	32.2%	-22.0%	-10.6%	0.5%	7.3%	5.0%
EBITDA	2,100	824	763	617	875	950
EBIT	1,679	405	290	115	370	454
Net profit	1,296	332	241	65	245	299
Net debt (net cash)	-447	94	732	793	465	278
Net debt/EBITDA	-0.2x	0.1x	1.0x	1.3x	0.5x	0.3x
EPS reported	26.08	6.67	4.85	1.32	4.94	6.02
DPS	12.00	3.00	2.50	0.66	2.47	3.01
Dividend yield	17.8%	4.5%	3.7%	1.0%	3.7%	4.5%
Gross profit margin	26.3%	16.9%	17.2%	15.0%	18.0%	19.0%
EBITDA margin	25.6%	12.9%	13.3%	10.7%	14.2%	14.7%
EBIT margin	20.4%	6.3%	5.1%	2.0%	6.0%	7.0%
ROCE	21.7%	5.4%	3.6%	1.7%	5.3%	6.5%
EV/EBITDA	1.7x	5.2x	6.3x	7.8x	5.2x	4.6x
EV/EBIT	2.2x	10.6x	16.7x	42.0x	12.2x	9.6x
PER	2.6x	10.1x	13.9x	51.2x	13.6x	11.2x
FCF yield	9.6%	14.9%	-4.9%	2.8%	9.0%	8.9%

Source: Company data, mwb research



Source: Company data, mwb research

High/low 52 weeks	106.10 / 56.40
Price/Book Ratio	0.7x

Ticker / Symbols

ISIN	DE000WCH8881
WKN	WCH888
Bloomberg	WCH:GR

Changes in estimates

		Sales	EBIT	EPS
2025E	old	6,077	255	3.49
	Δ	-5.4%	-54.9%	-62.3%
2026E	old	6,508	390	5.24
	Δ	-5.2%	-5.1%	-5.7%
2027E	old	6,801	476	6.33
	Δ	-4.7%	-4.7%	-4.9%

Key share data

Number of shares: (in m pcs)	49.68
Book value per share: (in EUR)	93.99
Ø trading vol.: (12 months)	142,571

Major shareholders

Wacker Family	66.5%
Free Float	33.5%

Company description

Wacker Chemie AG is a Germany-based manufacturer of specialty chemical products. It operates through four segments: Silicones, Polymers, Biosolutions, and Polysilicon.

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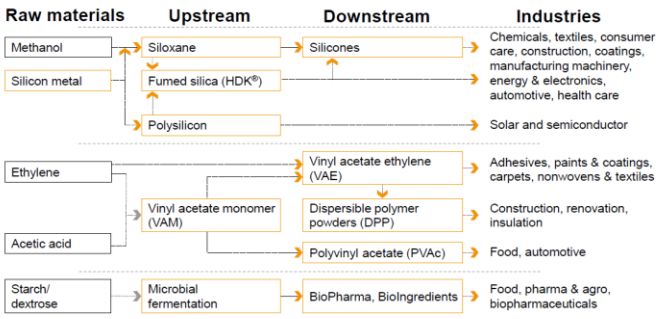
The following table displays the quarterly performance of **Wacker Chemie AG.**

P&L data	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025
Sales	1,752.8	1,522.8	1,382.6	1,490.0	1,468.0	1,430.0	1,335.0	1,478.3
yoy growth in %	-19.4%	-28.6%	-24.3%	-14.6%	-16.2%	-6.1%	-3.4%	-0.8%
Gross profit	326.0	197.6	230.5	211.0	224.3	213.0	338.4	191.8
Gross margin in %	18.6%	13.0%	16.7%	14.2%	15.3%	14.9%	25.3%	13.0%
EBITDA	256.0	151.9	135.2	172.0	160.0	152.0	279.0	127.1
EBITDA margin in %	14.6%	10.0%	9.8%	11.5%	10.9%	10.6%	20.9%	8.6%
EBIT	153.0	48.9	25.4	63.0	43.0	37.0	147.1	0.4
EBIT margin in %	8.7%	3.2%	1.8%	4.2%	2.9%	2.6%	11.0%	0.0%
EBT	144.3	41.7	28.9	61.9	33.1	29.0	134.4	-17.1
taxes paid	25.4	8.2	1.2	13.5	-1.7	-4.9	-4.6	-13.7
tax rate in %	17.6%	19.7%	4.2%	21.8%	-5.1%	-16.9%	-3.4%	80.1%
net profit	119.0	33.5	27.7	48.0	35.0	33.9	143.8	-3.4
yoy growth in %	-69.6%	-87.1%	-87.9%	-67.4%	-70.6%	1.2%	419.1%	-107.1%
EPS	**2.38**	**0.56**	**0.47**	**0.89**	**0.58**	**0.56**	**2.82**	**-0.16**

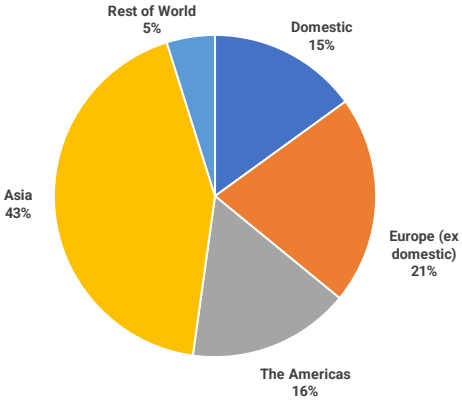
Source: Company data; mwb research

Investment case in six charts

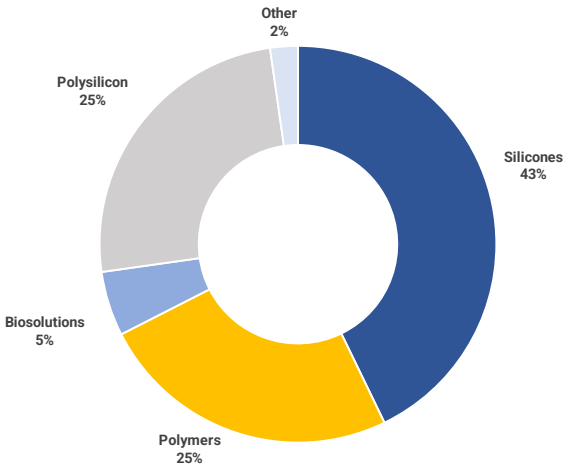
Products & Services



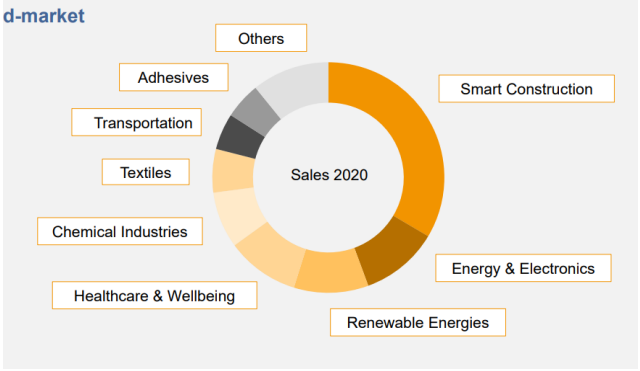
Regional sales split in %



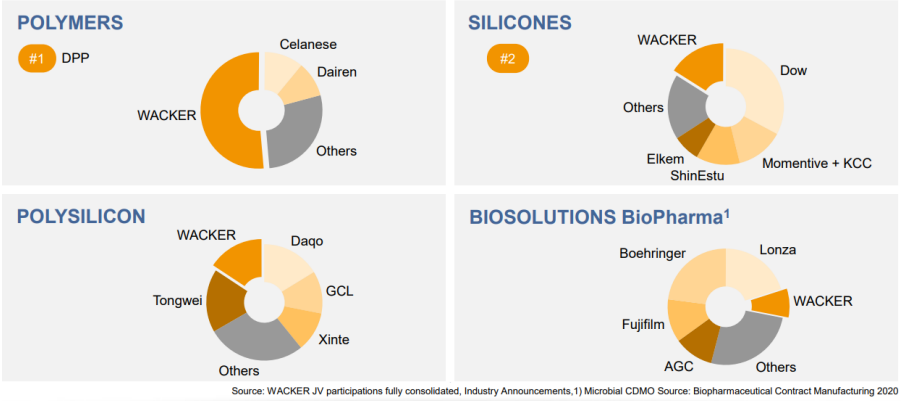
Segmental breakdown in %



Sales by End-market

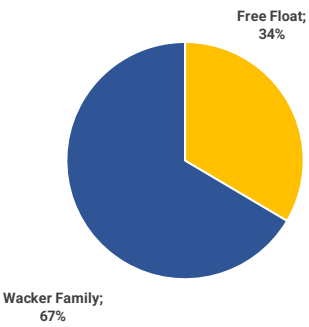


Market Leading Positions



Source: WACKER JV participations fully consolidated, Industry Announcements, 1) Microbial CDMO Source: Biopharmaceutical Contract Manufacturing 2020

Major Shareholders



Source: Company data; mwb research

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SWOT analysis

Strengths

- Exposure to renewable energies (solar) market
- Leading market position in most business segments

Weaknesses

- Exposure to commoditized markets and cyclical end markets (e.g. construction, semiconductor, photovoltaic)

Opportunities

- Rising output prices (e.g. polysilicon)

Threats

- Rising feedstock prices (e.g. ethylene, methanol)
- Increasing competition from China

Valuation

DCF Model

The DCF model results in a **fair value of EUR 85.43 per share**:

Top-line growth: We expect Wacker Chemie AG to grow revenues at a CAGR of 2.9% between 2025E and 2032E. The long-term growth rate is set at 2.0%.

ROCE. Returns on capital are developing from 1.7% in 2025E to 3.0% in 2032E.

WACC. Starting point is a historical equity beta of 1.30. Unleverering and correcting for mean reversion yields an asset beta of 0.99. Combined with a risk-free rate of 2.0% and an equity risk premium of 6.0% this yields cost of equity of 10.2%. 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 8.0%.

DCF (EURm) (except per share data and beta)	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	Terminal value
NOPAT	89	279	328	321	296	202	168	155	
Depreciation & amortization	502	505	496	493	492	493	495	498	
Change in working capital	108	12	-51	40	-22	-33	60	66	
Chg. in long-term provisions	-88	29	31	39	20	20	13	13	
Capex	-526	-441	-476	-490	-508	-516	-521	-520	
Cash flow	85	384	328	402	279	167	216	212	3,570
Present value	89	370	293	333	213	118	142	129	2,167
WACC	8.2%	8.1%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%

DCF per share derived from	
Total present value	3,854
Mid-year adj. total present value	4,006
Net debt / cash at start of year	732
Financial assets	1,723
Provisions and off b/s debt	752
Equity value	4,244
No. of shares outstanding	49.7
Discounted cash flow / share	**85.43**
upside/(downside)	**26.8%**
Share price	**67.35**

DCF avg. growth and earnings assumptions	
Planning horizon avg. revenue growth (2025E-2032E)	2.9%
Terminal value growth (2032E - infinity)	2.0%
Terminal year ROCE	3.0%
Terminal year WACC	8.0%

Terminal WACC derived from	
Cost of borrowing (before taxes)	5.0%
Long-term tax rate	25%
Equity beta	1.30
Unlevered beta (industry or company)	0.99
Target debt / equity	0.5
Relevered beta	1.37
Risk-free rate	2.0%
Equity risk premium	6.0%
Cost of equity	10.2%

Sensitivity analysis DCF

Change in WACC (%-points)	Long term growth 1.0%	1.5%	2.0%	2.5%	3.0%
2.0%	65.7	67.5	69.4	71.6	74.1
1.0%	71.4	73.7	76.3	79.3	82.8
0.0%	78.6	81.8	85.4	89.7	94.9
-1.0%	88.2	92.7	98.2	104.8	113.1
-2.0%	101.6	108.5	117.2	128.3	143.1

Share of present value	
2025E-2028E	28.1%
2029E-2032E	15.6%
terminal value	56.2%

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 35.77 per share based on 2025E and EUR 121.55 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	**617**	**875**	**950**	**937**	**902**
- Maintenance capex	496	499	490	487	486
- Minorities	3	10	12	12	11
- tax expenses	17	72	104	102	95
= Adjusted FCF	**101**	**294**	**344**	**336**	**311**
Actual Market Cap	**3,512**	**3,512**	**3,512**	**3,512**	**3,512**
+ Net debt (cash)	793	465	278	40	-79
+ Pension provisions	690	710	713	734	745
+ Off b/s financing	0	0	0	0	0
- Financial assets	1,690	1,690	1,690	1,690	1,690
- Acc. dividend payments	124	157	280	429	576
EV Reconciliations	-331	-671	-979	-1,345	-1,600
= Actual EV'	**3,182**	**2,841**	**2,534**	**2,168**	**1,913**
Adjusted FCF yield	**3.2%**	**10.4%**	**13.6%**	**15.5%**	**16.2%**
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	**1,446**	**4,204**	**4,913**	**4,801**	**4,439**
- EV Reconciliations	-331	-671	-979	-1,345	-1,600
Fair Market Cap	**1,777**	**4,875**	**5,892**	**6,146**	**6,039**
No. of shares (million)	50	50	50	50	50
Fair value per share in EUR	**35.77**	**98.14**	**118.61**	**123.72**	**121.55**
Premium (-) / discount (+)	**-46.9%**	**45.7%**	**76.1%**	**83.7%**	**80.5%**

Sensitivity analysis fair value						
Adjusted hurdle rate	5.0%	47	132	158	162	157
	6.0%	41	112	135	140	136
	7.0%	**36**	**98**	**119**	**124**	**122**
	8.0%	32	88	106	112	110
	9.0%	29	79	97	102	102

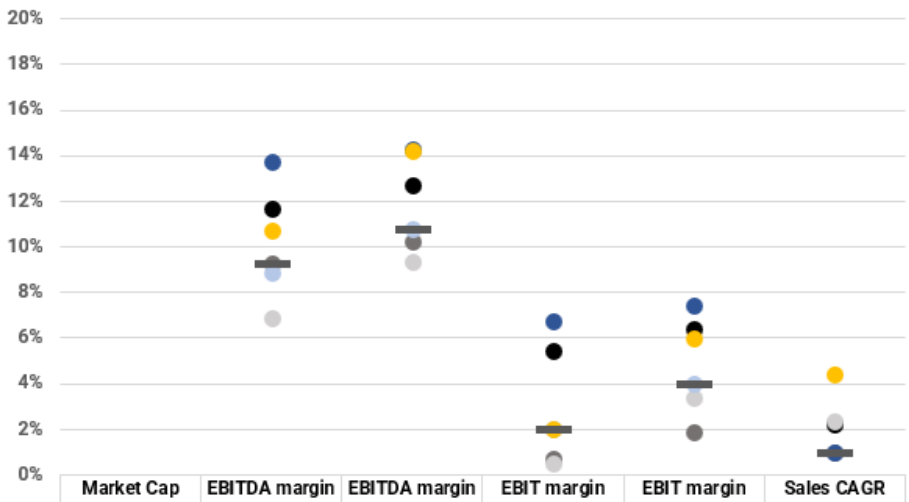
Source: Company data; mwb research

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 **Wacker Chemie 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 Wacker Chemie AG consists of the stocks displayed in the graphs below. As of 18 July 2025 the median market cap of the peer group was EUR 11,370m, compared to EUR 3,346m for Wacker Chemie AG. In the period under review, the peer group was less profitable than Wacker Chemie AG. The expectations for sales growth are lower for the peer group than for Wacker Chemie AG.

Peer Group – Key data



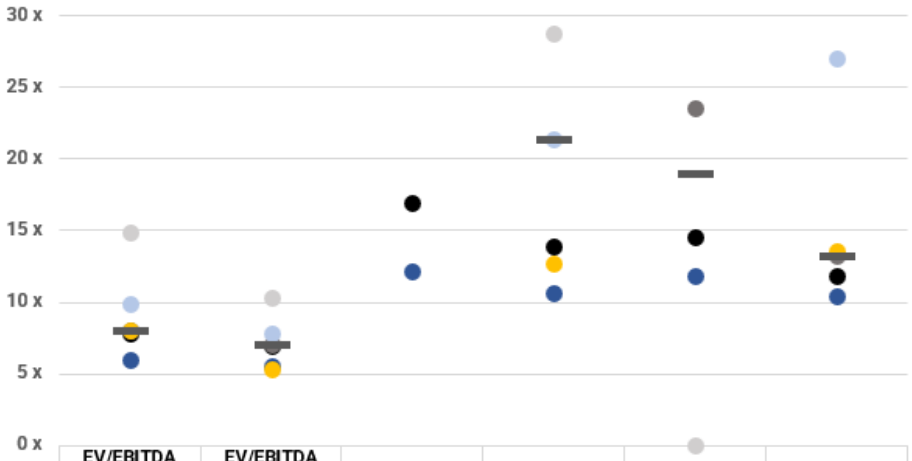
18-Jul-25	Market Cap (EURm)	EBITDA margin 2025	EBITDA margin 2026	EBIT margin 2025	EBIT margin 2026	Sales CAGR 2024-2027
BASF SE	38.025	11,7%	12,7%	5,4%	6,4%	2,2%
LANXESS AG	2.193	9,3%	10,2%	0,7%	1,9%	1,0%
Covestro AG	11.370	6,9%	9,4%	0,5%	3,4%	2,4%
Evonik Industries AG	8.188	13,7%	14,3%	6,7%	7,4%	1,0%
Dow, Inc.	17.293	8,9%	10,8%	2,0%	4,0%	-1,1%
Wacker Chemie AG	3.512	10,7%	14,2%	2,0%	6,0%	4,4%
Peer Group Median	11.370	9,3%	10,8%	2,0%	4,0%	1,0%

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 Wacker Chemie AG results in a range of fair values from EUR 25.05 to EUR 129.64.

Peer Group – Multiples and valuation



18-Jul-25	EV/EBITDA 2025	EV/EBITDA 2026	EV/EBIT 2025	EV/EBIT 2026	P/E 2025	P/E 2026
BASF SE	7,9x	7,0x	16,9x	13,9x	14,6x	11,9x
LANXESS AG	8,0x	7,1x	100,1x	38,2x	23,5x	13,3x
Covestro AG	14,9x	10,4x	199,7x	28,8x	0,0x	43,1x
Evonik Industries AG	6,0x	5,6x	12,2x	10,7x	11,8x	10,4x
Dow, Inc.	9,9x	7,9x	44,0x	21,4x	130,0x	27,1x
Wacker Chemie AG	8,1x	5,4x	43,4x	12,7x	51,2x	13,6x
Peer Group Median	8,0x	7,1x	44,0x	21,4x	19,0x	13,3x
Fair Value (EUR)	69,92	95,18	72,05	129,64	25,05	65,77

Source: FactSet, mwb research

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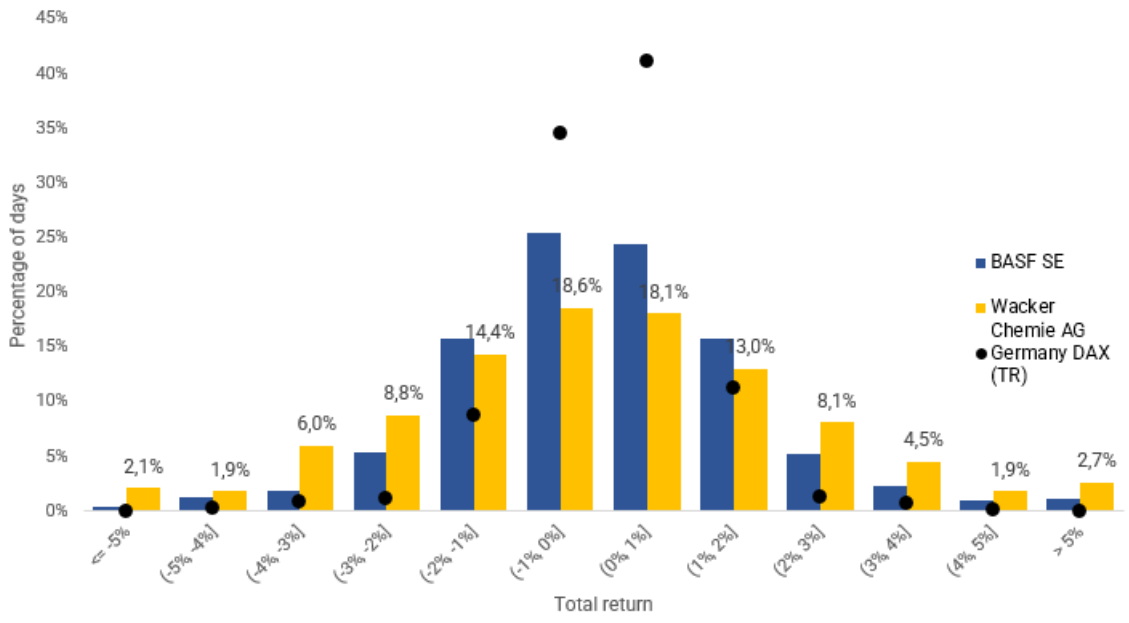
Risk

The chart displays the **distribution of daily returns of Wacker Chemie AG** over the last 3 years, compared to the same distribution for BASF 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 Wacker Chemie AG, the worst day during the past 3 years was 29/09/2022 with a share price decline of -9.6%. The best day was 05/03/2025 when the share price increased by 13.5%.

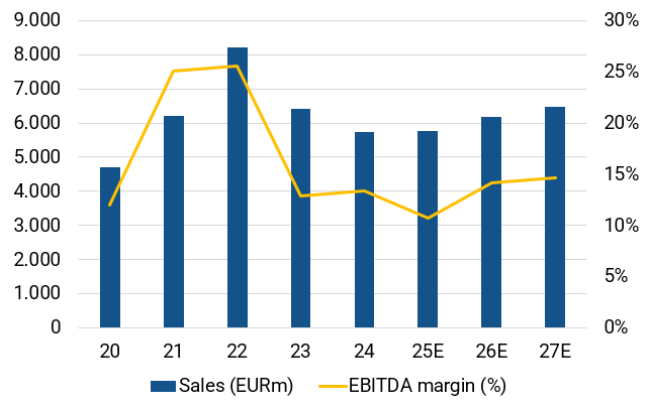
Risk – Daily Returns Distribution (trailing 3 years)



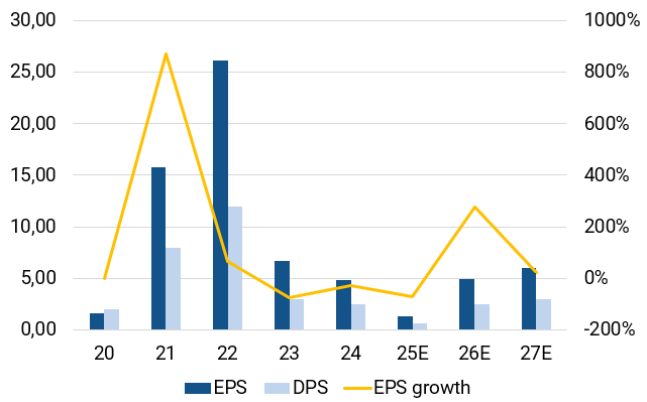
Source: FactSet, mwb research

Financials in six charts

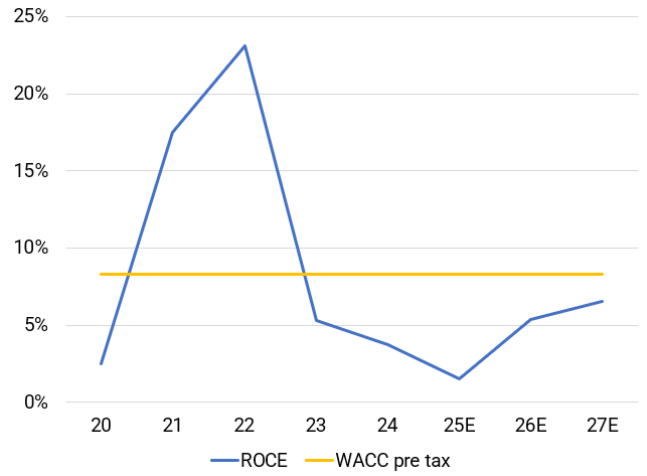
Sales vs. EBITDA margin development



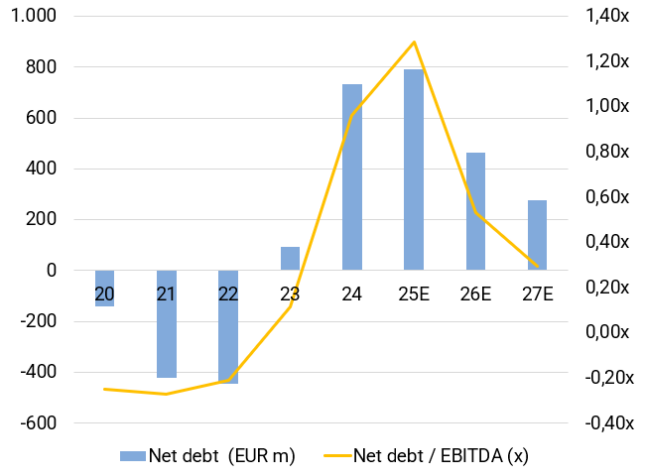
EPS, DPS in EUR & yoy EPS growth



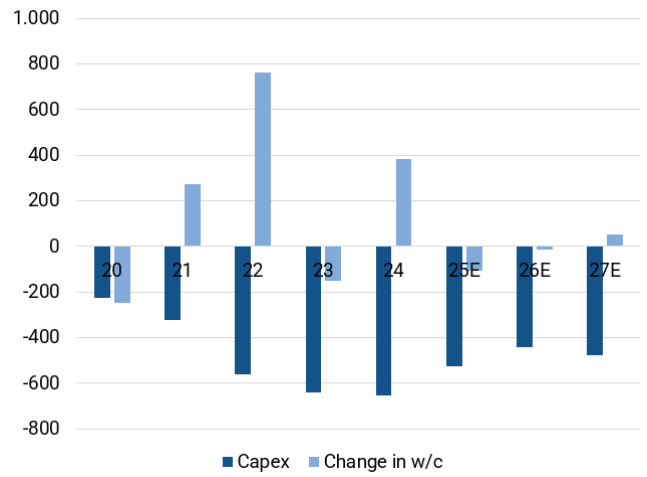
ROCE vs. WACC (pre tax)



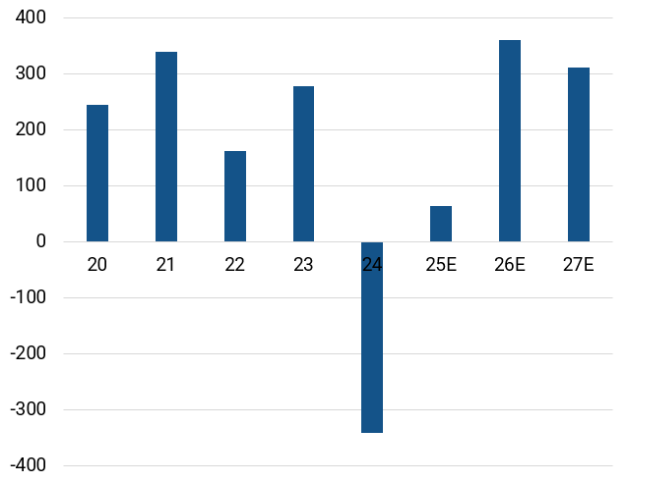
Net debt and net debt/EBITDA



Capex & chgn in w/c requirements in EURm



Free Cash Flow in EURm



Source: Company data; mwb research

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Financials

Profit and loss (EURm)	2022	2023	2024	2025E	2026E	2027E
Sales	**8,209**	**6,402**	**5,722**	**5,750**	**6,170**	**6,479**
Sales growth	32.2%	-22.0%	-10.6%	0.5%	7.3%	5.0%
Cost of sales	6,049	5,319	4,735	4,888	5,060	5,248
Gross profit	**2,161**	**1,083**	**987**	**863**	**1,111**	**1,231**
SG&A expenses	529	520	550	546	555	583
Research and development	178	184	204	173	154	162
Other operating expenses (income)	-225	-26	-57	29	31	32
EBITDA	**2,100**	**824**	**763**	**617**	**875**	**950**
Depreciation	402	419	473	496	499	490
EBITA	1,698	405	290	121	376	460
Amortisation of goodwill and intangible assets	19	0	0	6	6	6
EBIT	**1,679**	**405**	**290**	**115**	**370**	**454**
Financial result	-18	0	-4	-30	-43	-39
Recurring pretax income from continuing operations	1,661	405	258	85	327	415
Extraordinary income/loss	0	0	0	0	0	0
Earnings before taxes	1,661	405	258	85	327	415
Taxes	335	60	-2	17	72	104
Net income from continuing operations	1,326	345	261	68	255	311
Result from discontinued operations (net of tax)	0	0	0	0	0	0
Net income	**1,326**	**345**	**261**	**68**	**255**	**311**
Minority interest	-31	-14	-20	-3	-10	-12
Net profit (reported)	1,296	332	241	65	245	299
Average number of shares	49.68	49.68	49.68	49.68	49.68	49.68
EPS reported	**26.08**	**6.67**	**4.85**	**1.32**	**4.94**	**6.02**

Profit and loss (common size)	2022	2023	2024	2025E	2026E	2027E
Sales	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Cost of sales	74%	83%	83%	85%	82%	81%
Gross profit	**26%**	**17%**	**17%**	**15%**	**18%**	**19%**
SG&A expenses	6%	8%	10%	10%	9%	9%
Research and development	2%	3%	4%	3%	3%	3%
Other operating expenses (income)	-3%	-0%	-1%	1%	1%	1%
EBITDA	**26%**	**13%**	**13%**	**11%**	**14%**	**15%**
Depreciation	5%	7%	8%	9%	8%	8%
EBITA	21%	6%	5%	2%	6%	7%
Amortisation of goodwill and intangible assets	0%	0%	0%	0%	0%	0%
EBIT	**20%**	**6%**	**5%**	**2%**	**6%**	**7%**
Financial result	-0%	0%	-0%	-1%	-1%	-1%
Recurring pretax income from continuing operations	20%	6%	5%	1%	5%	6%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	20%	6%	5%	1%	5%	6%
Taxes	4%	1%	-0%	0%	1%	2%
Net income from continuing operations	16%	5%	5%	1%	4%	5%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
Net income	**16%**	**5%**	**5%**	**1%**	**4%**	**5%**
Minority interest	-0%	-0%	-0%	-0%	-0%	-0%
Net profit (reported)	**16%**	**5%**	**4%**	**1%**	**4%**	**5%**

Source: Company data; mwb research

Balance sheet (EURm)	2022	2023	2024	2025E	2026E	2027E
Intangible assets (exl. Goodwill)	**213**	**125**	**117**	**120**	**123**	**127**
Goodwill	0	168	171	171	171	171
Property, plant and equipment	2,961	3,261	3,597	3,618	3,550	3,527
Financial assets	1,567	1,398	1,470	1,470	1,470	1,470
FIXED ASSETS	**4,741**	**4,953**	**5,355**	**5,379**	**5,315**	**5,295**
Inventories	1,656	1,449	1,796	1,607	1,594	1,510
Accounts receivable	916	789	765	772	811	852
Other current assets	231	202	238	238	238	238
Liquid assets	1,787	1,412	1,214	-13	215	202
Deferred taxes	0	0	0	0	0	0
Deferred charges and prepaid expenses	70	50	43	10	11	12
CURRENT ASSETS	**4,660**	**3,902**	**4,055**	**2,614**	**2,869**	**2,813**
TOTAL ASSETS	**9,401**	**8,854**	**9,410**	**7,992**	**8,183**	**8,108**
SHAREHOLDERS EQUITY	**4,864**	**4,417**	**4,669**	**4,613**	**4,836**	**5,024**
MINORITY INTEREST	167	163	168	168	168	168
Long-term debt	1,076	1,088	1,726	700	600	400
Provisions for pensions and similar obligations	769	835	752	690	710	713
Other provisions	598	589	572	546	555	583
Non-current liabilities	**2,443**	**2,512**	**3,050**	**1,936**	**1,865**	**1,696**
short-term liabilities to banks	264	418	221	80	80	80
Accounts payable	886	879	852	817	832	719
Advance payments received on orders	94	94	83	81	86	91
Other liabilities (incl. from lease and rental contracts)	376	194	217	144	154	162
Deferred taxes	36	45	39	39	39	39
Deferred income	272	134	111	115	123	130
Current liabilities	**1,927**	**1,763**	**1,523**	**1,275**	**1,315**	**1,220**
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	**9,401**	**8,854**	**9,410**	**7,992**	**8,183**	**8,108**

Balance sheet (common size)	2022	2023	2024	2025E	2026E	2027E
Intangible assets (excl. Goodwill)	**2%**	**1%**	**1%**	**2%**	**2%**	**2%**
Goodwill	0%	2%	2%	2%	2%	2%
Property, plant and equipment	31%	37%	38%	45%	43%	43%
Financial assets	17%	16%	16%	18%	18%	18%
FIXED ASSETS	**50%**	**56%**	**57%**	**67%**	**65%**	**65%**
Inventories	18%	16%	19%	20%	19%	19%
Accounts receivable	10%	9%	8%	10%	10%	11%
Other current assets	2%	2%	3%	3%	3%	3%
Liquid assets	19%	16%	13%	-0%	3%	2%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred charges and prepaid expenses	1%	1%	0%	0%	0%	0%
CURRENT ASSETS	**50%**	**44%**	**43%**	**33%**	**35%**	**35%**
TOTAL ASSETS	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
SHAREHOLDERS EQUITY	**52%**	**50%**	**50%**	**58%**	**59%**	**62%**
MINORITY INTEREST	2%	2%	2%	2%	2%	2%
Long-term debt	11%	12%	18%	9%	7%	5%
Provisions for pensions and similar obligations	8%	9%	8%	9%	9%	9%
Other provisions	6%	7%	6%	7%	7%	7%
Non-current liabilities	**26%**	**28%**	**32%**	**24%**	**23%**	**21%**
short-term liabilities to banks	3%	5%	2%	1%	1%	1%
Accounts payable	9%	10%	9%	10%	10%	9%
Advance payments received on orders	1%	1%	1%	1%	1%	1%
Other liabilities (incl. from lease and rental contracts)	4%	2%	2%	2%	2%	2%
Deferred taxes	0%	1%	0%	0%	0%	0%
Deferred income	3%	2%	1%	1%	2%	2%
Current liabilities	**21%**	**20%**	**16%**	**16%**	**16%**	**15%**
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	1,282	327	261	68	255	311
Depreciation of fixed assets (incl. leases)	0	400	473	496	499	490
Amortisation of goodwill	0	0	0	0	0	0
Amortisation of intangible assets	0	0	0	6	6	6
Others	203	42	-40	-88	29	31
Cash flow from operations before changes in w/c	1,484	769	694	482	789	838
Increase/decrease in inventory	-493	159	-369	189	13	84
Increase/decrease in accounts receivable	-68	114	34	-7	-39	-41
Increase/decrease in accounts payable	89	-49	-52	-35	15	-113
Increase/decrease in other w/c positions	-289	-76	3	-39	24	18
Increase/decrease in working capital	-761	149	-383	108	12	-51
Cash flow from operating activities	**723**	**917**	**310**	**590**	**801**	**787**
CAPEX	-561	-640	-652	-526	-441	-476
Payments for acquisitions	-136	-110	-12	0	0	0
Financial investments	-15	641	24	0	0	0
Income from asset disposals	11	1	3	0	0	0
Cash flow from investing activities	**-701**	**-108**	**-636**	**-526**	**-441**	**-476**
Cash flow before financing	22	810	-326	64	360	310
Increase/decrease in debt position	-16	-47	351	-1,167	-100	-200
Purchase of own shares	0	0	0	0	0	0
Capital measures	0	0	0	0	0	0
Dividends paid	-397	-596	-149	-124	-33	-123
Others	-45	-45	-56	0	0	0
Effects of exchange rate changes on cash	3	-22	12	0	0	0
Cash flow from financing activities	**-456**	**-710**	**158**	**-1,291**	**-133**	**-323**
Increase/decrease in liquid assets	-434	100	-168	-1,227	228	-12
Liquid assets at end of period	**895**	**1,014**	**846**	**-382**	**-154**	**-166**

Source: Company data; mwb research

Regional sales split (EURm)	2022	2023	2024	2025E	2026E	2027E
Domestic	1,171	962	907	912	979	1,027
Europe (ex domestic)	1,660	1,339	1,306	1,312	1,408	1,478
The Americas	1,287	1,042	1,066	1,072	1,150	1,207
Asia	3,694	2,750	2,114	2,125	2,280	2,394
Rest of World	398	311	328	330	354	372
Total sales	**8,209**	**6,402**	**5,722**	**5,750**	**6,170**	**6,479**

Regional sales split (common size)	2022	2023	2024	2025E	2026E	2027E
Domestic	14.3%	15.0%	15.9%	15.9%	15.9%	15.9%
Europe (ex domestic)	20.2%	20.9%	22.8%	22.8%	22.8%	22.8%
The Americas	15.7%	16.3%	18.6%	18.6%	18.6%	18.6%
Asia	45.0%	42.9%	36.9%	36.9%	36.9%	36.9%
Rest of World	4.9%	4.8%	5.7%	5.7%	5.7%	5.7%
Total sales	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Source: Company data; mwb research

ResearchHub

Ratios	2022	2023	2024	2025E	2026E	2027E
Per share data						
Earnings per share reported	26.08	6.67	4.85	1.32	4.94	6.02
Cash flow per share	6.47	10.03	-3.27	1.88	6.08	5.97
Book value per share	97.91	88.91	93.99	92.86	97.34	101.13
Dividend per share	12.00	3.00	2.50	0.66	2.47	3.01
Valuation						
P/E	2.6x	10.1x	13.9x	51.2x	13.6x	11.2x
P/CF	10.4x	6.7x	-20.6x	35.8x	11.1x	11.3x
P/BV	0.7x	0.8x	0.7x	0.7x	0.7x	0.7x
Dividend yield (%)	17.8%	4.5%	3.7%	1.0%	3.7%	4.5%
FCF yield (%)	9.6%	14.9%	-4.9%	2.8%	9.0%	8.9%
EV/Sales	0.4x	0.7x	0.8x	0.8x	0.7x	0.7x
EV/EBITDA	1.7x	5.2x	6.3x	7.8x	5.2x	4.6x
EV/EBIT	2.2x	10.6x	16.7x	42.0x	12.2x	9.6x
Income statement (EURm)						
Sales	8,209	6,402	5,722	5,750	6,170	6,479
yoy chg in %	32.2%	-22.0%	-10.6%	0.5%	7.3%	5.0%
Gross profit	2,161	1,083	987	863	1,111	1,231
Gross margin in %	26.3%	16.9%	17.2%	15.0%	18.0%	19.0%
EBITDA	2,100	824	763	617	875	950
EBITDA margin in %	25.6%	12.9%	13.3%	10.7%	14.2%	14.7%
EBIT	1,679	405	290	115	370	454
EBIT margin in %	20.4%	6.3%	5.1%	2.0%	6.0%	7.0%
Net profit	1,296	332	241	65	245	299
Cash flow statement (EURm)						
CF from operations	723	917	310	590	801	787
Capex	-561	-640	-652	-526	-441	-476
Maintenance Capex	402	419	473	496	499	490
Free cash flow	162	278	-341	64	360	310
Balance sheet (EURm)						
Intangible assets	213	294	289	291	295	298
Tangible assets	2,961	3,261	3,597	3,618	3,550	3,527
Shareholders' equity	4,864	4,417	4,669	4,613	4,836	5,024
Pension provisions	769	835	752	690	710	713
Liabilities and provisions	2,708	2,929	3,271	2,016	1,945	1,776
Net financial debt	-447	94	732	793	465	278
w/c requirements	1,593	1,265	1,626	1,482	1,487	1,552
Ratios						
ROE	27.3%	7.8%	5.6%	1.5%	5.3%	6.2%
ROCE	21.7%	5.4%	3.6%	1.7%	5.3%	6.5%
Net gearing	-9.2%	2.1%	15.7%	17.2%	9.6%	5.5%
Net debt / EBITDA	-0.2x	0.1x	1.0x	1.3x	0.5x	0.3x

Source: Company data; mwb research

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