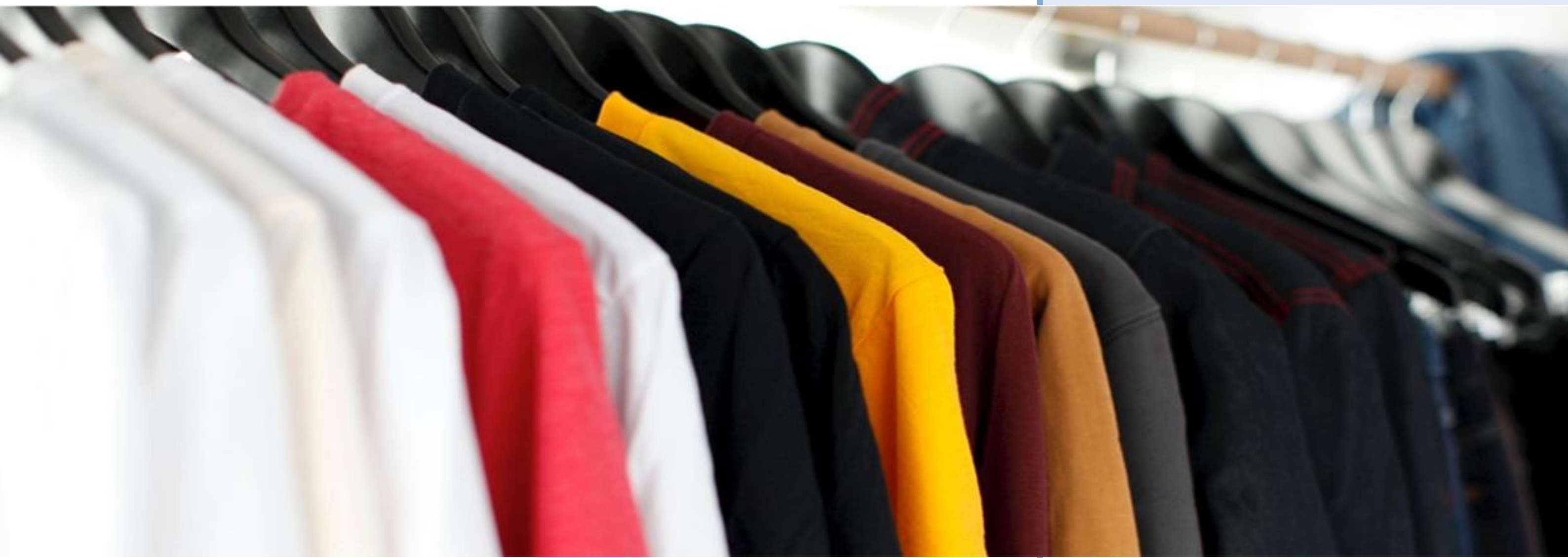
Zalando SE

Germany | Retail | MCap EUR 6,472m

9 January 2026

UPDATE



Logistics restructuring with costs to weigh on FY26 ; PT/BUY conf.

BUY (BUY)

Target price	**EUR 39.00** (39.00)
Current price	EUR 24.98
Up/downside	56.1%

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What's it all about?

Zalando has announced a restructuring of its pan-European logistics network, including the closure of the Erfurt fulfilment center by September 2026 and the exit from three externally operated warehouses. The measures follow a review of the combined Zalando/ABOUT YOU footprint and aim to simplify the network, reduce complexity and improve flexibility across B2C, B2B and ZEOS Fulfilment. While the reorganization supports Zalando's mid-term efficiency agenda and previously communicated synergies of over EUR 100m by 2028-29, it implies restructuring costs in 2026, with savings materializing only thereafter. We adjusted FY26 earnings accordingly, while leaving our EUR 39.00 price target and BUY rating unchanged.

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mwb research

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Logistics restructuring with costs to weigh on FY26 ; PT/BUY conf.

Reorganization of logistics network. Zalando has announced a restructuring of its pan-European logistics network, marking a structural reconfiguration of capacity. The key element of the announcement is the planned closure of the fulfilment center in Erfurt by the end of September 2026, alongside the discontinuation of operations at three externally operated warehouses. The measures follow a review of the combined Zalando and ABOUT YOU logistics footprint. According to the company, the objective is to simplify and integrate the logistics setup across the group, reduce complexity and improve flexibility in inventory allocation and order fulfilment. The future target structure comprises 14 fulfilment centers across seven countries and is intended to support both B2C and B2B activities, including ZEOS Fulfilment. Zalando emphasizes continued investment in automation and logistics technology, underlining that the reorganization is part of a longer-term network redesign. The company has not provided quantitative guidance on cost effects and confirmed that negotiations with employee representatives in Erfurt are still to begin.

Costs to weigh on 2026 profits. From a financial perspective, the announcement has clear implications for earnings phasing. As the Erfurt closure is scheduled for late 2026, we expect restructuring and transition costs to be recognized in the 2026 financial year, while cost savings should only materialize from 2027 onwards. Based on the scale of the site and the outlined process, we estimate restructuring related costs in the mid double-digit million euro range (mwb est. EUR 43m).

Conclusion. We consider the announced logistics reorganization as a structural enabler of Zalando's mid-term efficiency agenda, in line with the previously communicated synergy target of more than EUR 100m by 2028-29. Zalando has left its mid-term ambitions unchanged, continuing to target GMV and revenue growth of 5-10% CAGR alongside an improvement in profitability. We adjusted our earnings estimates, reflecting restructuring-related phasing in FY26, with more meaningful benefits materializing thereafter. Our PT remains unchanged at EUR 39.00. Therefore, we confirm our BUY rating.

Zalando SE	2022	2023	2024	2025E	2026E	2027E
Sales	10,345	10,143	10,573	12,222	13,077	13,862
Growth yoy	-0.1%	-1.9%	4.2%	15.6%	7.0%	6.0%
EBITDA	376	511	742	849	923	1,152
EBIT	81	191	392	458	511	728
Net profit	17	83	251	295	340	492
Net debt (net cash)	-387	-792	-862	143	-207	-743
Net debt/EBITDA	-1.0x	-1.5x	-1.2x	0.2x	-0.2x	-0.6x
EPS reported	0.07	0.32	0.97	1.14	1.31	1.90
DPS	0.00	0.00	0.00	0.00	0.00	0.00
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Gross profit margin	39.2%	38.7%	40.7%	40.3%	40.6%	41.6%
EBITDA margin	3.6%	5.0%	7.0%	6.9%	7.1%	8.3%
EBIT margin	0.8%	1.9%	3.7%	3.8%	3.9%	5.3%
ROCE	2.0%	4.3%	8.6%	10.3%	10.7%	13.8%
EV/EBITDA	16.2x	11.1x	7.6x	7.8x	6.8x	5.0x
EV/EBIT	75.1x	29.8x	14.3x	14.4x	12.3x	7.9x
PER	383.5x	78.2x	25.8x	21.9x	19.0x	13.2x
FCF yield	7.1%	14.6%	9.8%	0.3%	6.0%	9.1%

Source: Company data, mwb research

Source: Company data, mwb research

High/low 52 weeks	40.08 / 21.09
Price/Book Ratio	2.4x

Ticker / Symbols

ISIN	DE000ZAL1111
WKN	ZAL111
Bloomberg	ZAL:GR

Changes in estimates

		Sales	EBIT	EPS
2025E	old	12,222	458	1.14
	Δ	0.0%	0.0%	0.0%
2026E	old	13,077	553	1.43
	Δ	0.0%	-7.6%	-7.9%
2027E	old	13,862	718	1.87
	Δ	0.0%	1.4%	1.4%

Key share data

Number of shares: (in m pcs)	259.10
Book value per share: (in EUR)	10.29
Ø trading vol.: (12 months)	1,202,744

Major shareholders

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

Company description

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

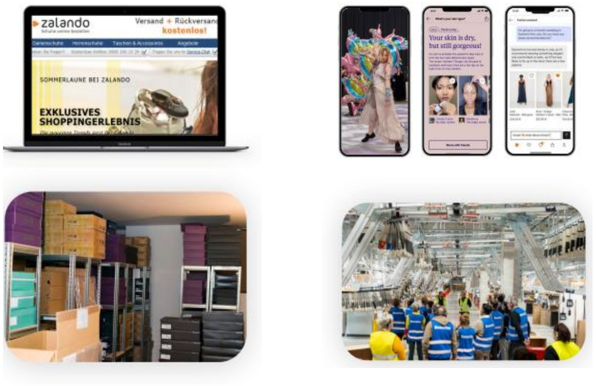
The following table displays the quarterly performance of **Zalando SE.**

P&L data	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025
Sales	3,056.2	2,241.4	2,643.2	2,388.5	3,299.5	2,419.5	2,835.1	3,020.6
yoy growth in %	-3.5%	-0.6%	3.4%	5.0%	8.0%	7.9%	7.3%	26.5%
Gross profit	1,203.6	856.8	1,099.1	971.7	1,374.3	946.2	1,157.4	1,195.1
Gross margin in %	39.4%	38.2%	41.6%	40.7%	41.7%	39.1%	40.8%	39.6%
EBITDA	243.2	83.1	232.5	153.7	272.1	106.3	229.6	156.9
EBITDA margin in %	8.0%	3.7%	8.8%	6.4%	8.2%	4.4%	8.1%	5.2%
EBIT	156.6	0.4	154.7	69.5	166.9	19.2	145.2	49.1
EBIT margin in %	5.1%	0.0%	5.9%	2.9%	5.1%	0.8%	5.1%	1.6%
EBT	143.0	-12.3	148.0	56.8	175.5	17.9	145.5	37.5
taxes paid	70.0	-3.4	52.3	12.5	55.5	8.0	48.9	25.0
tax rate in %	49.0%	27.6%	35.3%	22.0%	31.6%	44.7%	33.6%	66.7%
net profit	73.0	-8.9	95.7	44.3	119.9	9.9	96.6	14.8
yoy growth in %	-26.6%	-76.9%	69.1%	-640.2%	64.2%	-211.2%	0.9%	-66.6%
EPS	**0.28**	**-0.03**	**0.37**	**0.17**	**0.46**	**0.04**	**0.37**	**0.06**

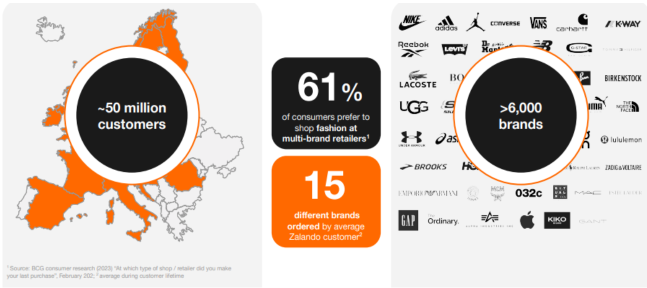
Source: Company data; mwb research

Investment case in six charts

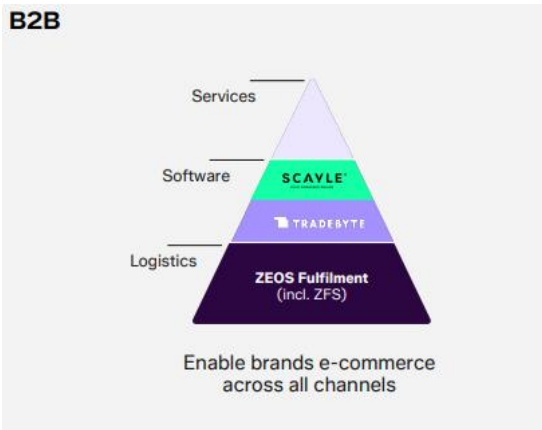
Products & Services



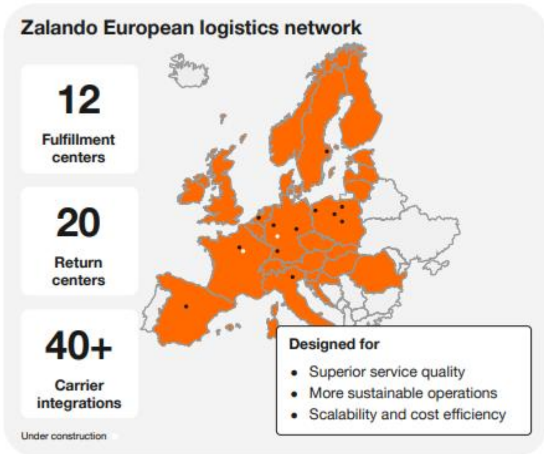
Leading European Fashion platform



B2B to deliver growth over the long-term



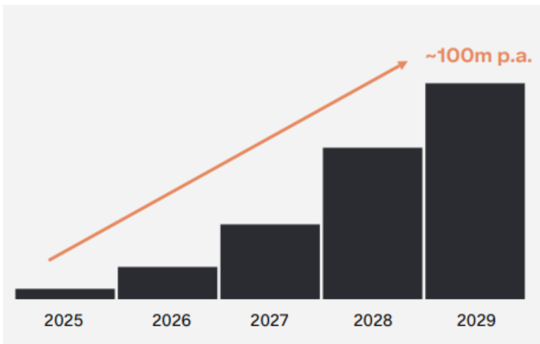
Logistics network



2025 outlook (Zalando stand-alone)

Growth	GMV (in bn EUR)	17.2 – 17.6 12 – 15%
	Revenue (in bn EUR)	12.1 – 12.4 14 – 17%
Profitability	Adjusted[2] EBIT (in m EUR)	550 – 600
Cash	Capex (in m EUR)	200 – 280
	Net working capital (in m EUR)	negative

Planned ramp-up of (gross) synergies



Source: Company data; mwb research

Valuation

DCF Model

The DCF model results in a **fair value of EUR 39.46 per share**:

Top-line growth: We expect Zalando SE to grow revenues at a CAGR of 3.7% between 2025E and 2032E. The long-term growth rate is set at 2.0%.

ROCE. Returns on capital are developing from 10.3% in 2025E to 13.5% in 2032E.

WACC. Starting point is a historical equity beta of 1.59. Unlevering and correcting for mean reversion yields an asset beta of 1.26. Combined with a risk-free rate of 2.0% and an equity risk premium of 6.0% this yields cost of equity of 12.4%. With pre-tax cost of borrowing at 5.0%, a tax rate of 25% and target debt/equity of 0.5 this results in a long-term WACC of 9.5%.

DCF (EURm) (except per share data and beta)	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	Terminal value
NOPAT	313	358	509	693	753	769	784	800	
Depreciation & amortization	391	412	424	432	437	430	424	420	
Change in working capital	-382	-66	-22	-33	-43	-36	-38	-39	
Chg. in long-term provisions	13	5	3	1	-4	-4	-5	-5	
Capex	-293	-340	-360	-378	-386	-394	-402	-410	
Cash flow	41	368	554	714	758	765	764	766	10,421
Present value	42	337	463	546	530	489	446	409	5,536
WACC	9.4%	9.4%	9.4%	9.4%	9.4%	9.4%	9.4%	9.4%	9.5%

DCF per share derived from	
Total present value	8,798
Mid-year adj. total present value	9,203
Net debt / cash at start of year	-862
Financial assets	158
Provisions and off b/s debt	na
Equity value	10,224
No. of shares outstanding	259.1
Discounted cash flow / share	**39.46**
upside/(downside)	**58.0%**
Share price	**24.98**

DCF avg. growth and earnings assumptions	
Planning horizon avg. revenue growth (2025E-2032E)	3.7%
Terminal value growth (2032E - infinity)	2.0%
Terminal year ROCE	13.5%
Terminal year WACC	9.5%

Terminal WACC derived from	
Cost of borrowing (before taxes)	5.0%
Long-term tax rate	25%
Equity beta	1.59
Unlevered beta (industry or company)	1.26
Target debt / equity	0.5
Relevered beta	1.73
Risk-free rate	2.0%
Equity risk premium	6.0%
Cost of equity	12.4%

Sensitivity analysis DCF

Change in WACC (%-points)	Long term growth 1.0%	1.5%	2.0%	2.5%	3.0%
2.0%	30.4	31.1	32.0	33.0	34.0
1.0%	33.2	34.2	35.3	36.6	38.0
0.0%	36.6	38.0	39.5	41.2	43.1
-1.0%	41.0	42.8	44.9	47.3	50.2
-2.0%	46.8	49.3	52.3	56.0	60.4

Share of present value	
2025E-2028E	15.8%
2029E-2032E	21.3%
terminal value	62.9%

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 22.98 per share based on 2025E and EUR 57.28 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	**849**	**923**	**1,152**	**1,422**	**1,514**
- Maintenance capex	296	302	308	315	323
- Minorities	0	0	0	0	0
- tax expenses	137	146	211	289	315
= Adjusted FCF	**416**	**476**	**633**	**817**	**875**
Actual Market Cap	**6,599**	**6,599**	**6,599**	**6,599**	**6,599**
+ Net debt (cash)	143	-207	-743	-1,439	-2,179
+ Pension provisions	0	0	0	0	0
+ Off b/s financing	0	0	0	0	0
- Financial assets	158	158	158	158	158
- Acc. dividend payments	0	0	0	0	0
EV Reconciliations	-16	-366	-901	-1,597	-2,338
= Actual EV'	**6,584**	**6,234**	**5,698**	**5,002**	**4,262**
Adjusted FCF yield	**6.3%**	**7.6%**	**11.1%**	**16.3%**	**20.5%**
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	**5,939**	**6,795**	**9,046**	**11,678**	**12,504**
- *EV Reconciliations*	-16	-366	-901	-1,597	-2,338
Fair Market Cap	**5,954**	**7,160**	**9,947**	**13,275**	**14,842**
No. of shares (million)	259	259	259	259	259
Fair value per share in EUR	**22.98**	**27.64**	**38.39**	**51.24**	**57.28**
Premium (-) / discount (+)	**-8.0%**	**10.6%**	**53.7%**	**105.1%**	**129.3%**

Sensitivity analysis fair value

Adjusted hurdle rate	5.0%	32	38	52	69	77
	6.0%	27	32	44	59	65
	7.0%	**23**	**28**	**38**	**51**	**57**
	8.0%	20	24	34	46	51
	9.0%	18	22	31	41	47

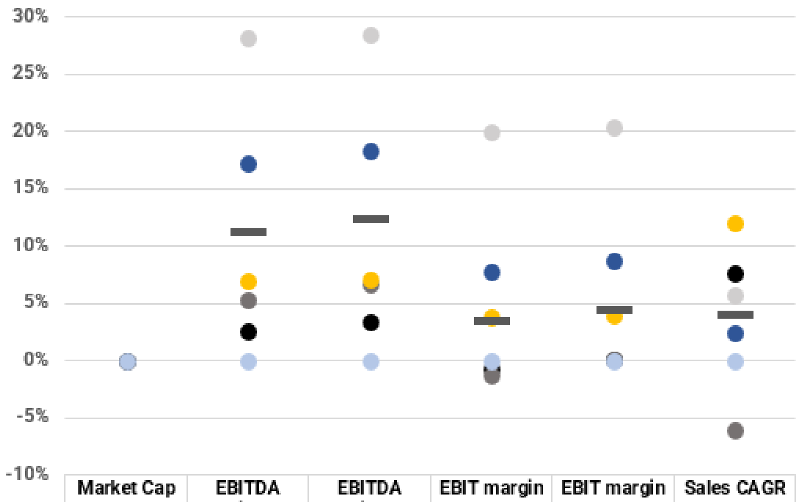
Source: Company data; mwb research

Simply put, the model assumes that investors require companies to generate a minimum return on the investor's purchase price. The required after-tax return equals the model's hurdle rate of 7.0%. Anything less suggests the stock is expensive; anything more suggests the stock is cheap. **ESG adjustments might be applicable. A high score indicates high awareness for environmental, social or governance issues and thus might lower the overall risk an investment in the company might carry. A low score on the contrary might increase the risk of an investment and might therefore trigger a higher required hurdle rate.**

Peer group analysis

A peer group or comparable company ("comps") analysis is a methodology that calculates a company's relative value — how much it should be worth based on how it compares to other similar companies. Given that **Zalando SE** differs quite significantly in terms of size, focus, financial health and growth trajectory, we regard our peer group analysis merely as a support for other valuation methods. The peer group of Zalando SE consists of the stocks displayed in the graphs below. As of 9 January 2026 the median market cap of the peer group was EUR 23,483m, compared to EUR 6,472m for Zalando SE. In the period under review, the peer group was more profitable than Zalando SE. The expectations for sales growth are lower for the peer group than for Zalando SE.

Peer Group – Key data



9-Jan-26	Market Cap (EURm)	EBITDA margin 2025	EBITDA margin 2026	EBIT margin 2025	EBIT margin 2026	Sales CAGR 2024-2027
ABOUT YOU Holding SE	0	2.5%	3.3%	-0.7%	0.1%	7.6%
ASOS Plc	418	5.3%	6.6%	-1.3%	0.1%	-6.1%
Industria de Diseno Textil, S.A.	177,275	28.1%	28.4%	19.9%	20.4%	5.8%
H&M Hennes & Mauritz AB Class B	23,483	17.2%	18.3%	7.7%	8.7%	2.5%
#NV	0	0.0%	0.0%	0.0%	0.0%	0.0%
Zalando SE	6,599	6.9%	7.1%	3.8%	3.9%	12.0%
Peer Group Median	23,483	11.3%	12.5%	3.5%	4.4%	4.1%

Source: FactSet, mwb research

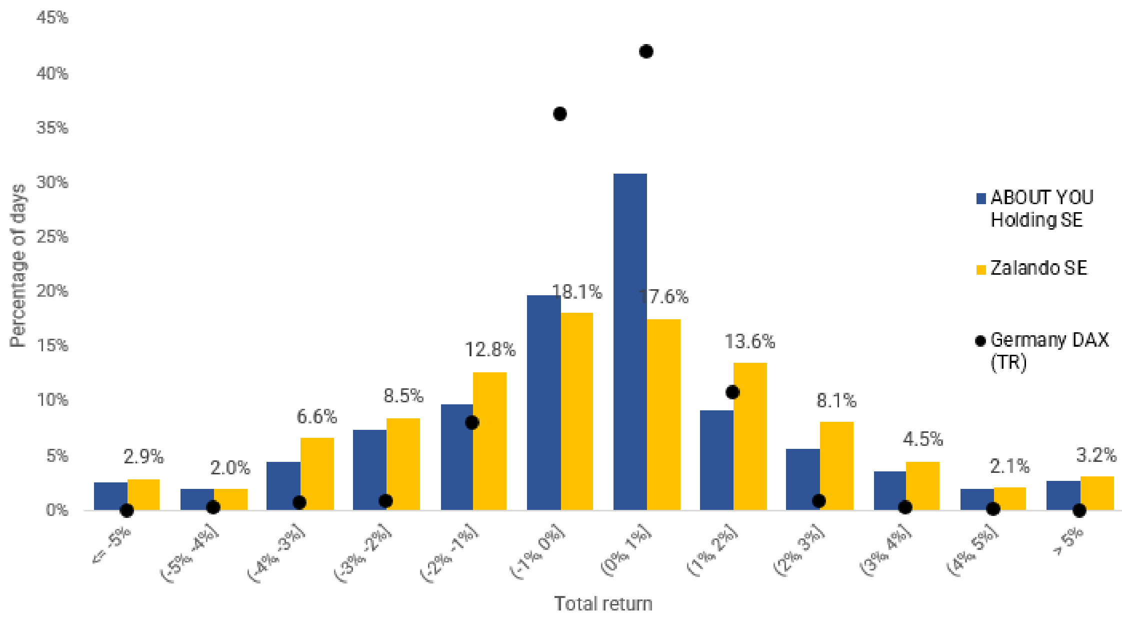
Comparable company analysis operates under the assumption that similar companies will have similar valuation multiples. We use the following multiples: EV/EBITDA 2025, EV/EBITDA 2026, EV/EBIT 2025, EV/EBIT 2026, P/E 2025 and P/E 2026.

Applying these to Zalando SE results in a range of fair values from EUR 30.54 to EUR 297.68.

Risk

The chart displays the **distribution of daily returns of Zalando SE** over the last 3 years, compared to the same distribution for ABOUT YOU Holding SE. We have also included the distribution for the index Germany DAX (TR). The distribution gives a better understanding of risk than measures like volatility, which assume that log returns are normally distributed. In reality, they are skewed (down moves are larger) and have fat tails (large moves occur more often than predicted). Also, volatility treats up and down moves the same, while investors are more worried about down moves. For Zalando SE, the worst day during the past 3 years was 06/08/2025 with a share price decline of -9.0%. The best day was 13/03/2024 when the share price increased by 18.9%.

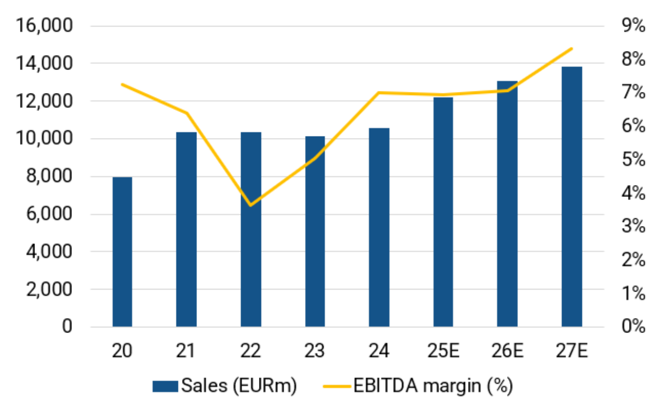
Risk – Daily Returns Distribution (trailing 3 years)



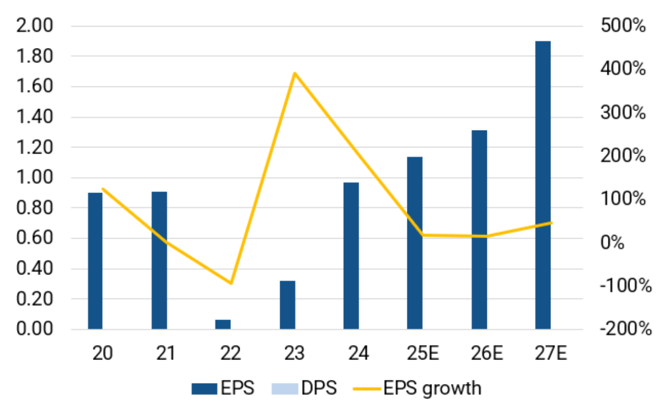
Source: FactSet, mwb research

Financials in six charts

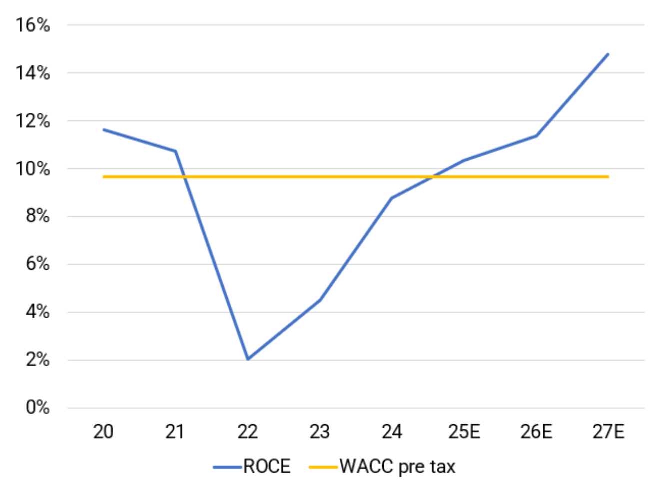
Sales vs. EBITDA margin development



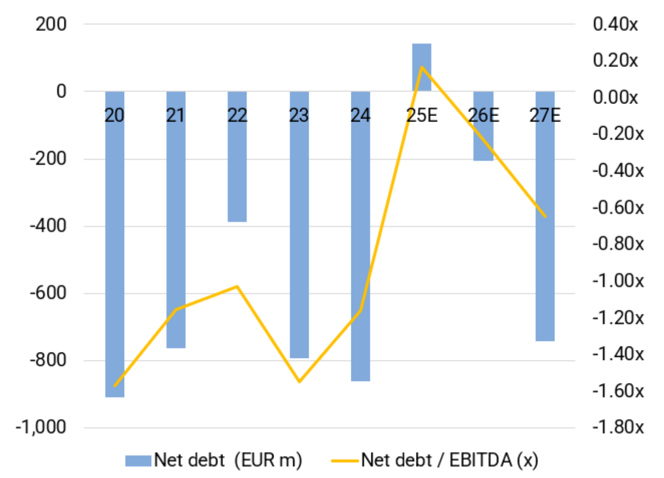
EPS, DPS in EUR & yoy EPS growth



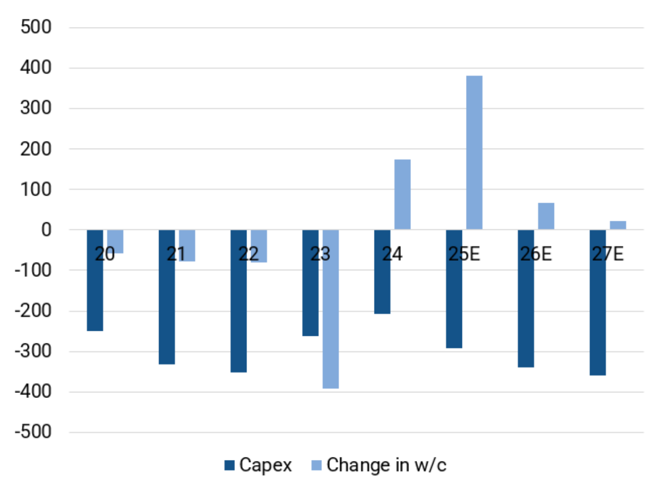
ROCE vs. WACC (pre tax)



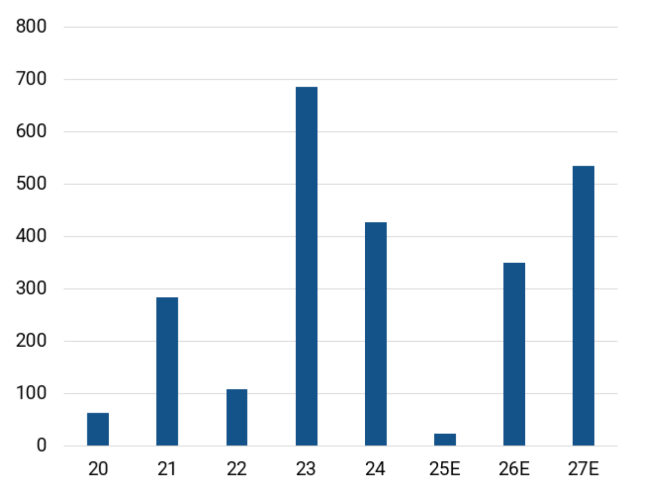
Net debt and net debt/EBITDA



Capex & chgn in w/c requirements in EURm



Free Cash Flow in EURm



Source: Company data; mwb research

Financials

Profit and loss (EURm)	2022	2023	2024	2025E	2026E	2027E
Sales	**10,345**	**10,143**	**10,573**	**12,222**	**13,077**	**13,862**
Sales growth	-0.1%	-1.9%	4.2%	15.6%	7.0%	6.0%
Cost of sales	6,289	6,213	6,271	7,303	7,771	8,095
Gross profit	**4,056**	**3,930**	**4,302**	**4,919**	**5,307**	**5,767**
SG&A expenses	3,988	3,702	3,911	4,418	4,730	5,011
Research and development	0	0	0	0	0	0
Other operating expenses (income)	-13	38	1	43	65	28
EBITDA	**376**	**511**	**742**	**849**	**923**	**1,152**
Depreciation	221	240	268	296	302	308
EBITA	156	271	474	553	621	844
Amortisation of goodwill and intangible assets	75	80	82	95	110	116
EBIT	**81**	**191**	**392**	**458**	**511**	**728**
Financial result	-42	-38	-24	-26	-26	-26
Recurring pretax income from continuing operations	39	153	368	433	486	702
Extraordinary income/loss	0	0	0	0	0	0
Earnings before taxes	39	153	368	433	486	702
Taxes	22	70	117	137	146	211
Net income from continuing operations	17	83	251	295	340	492
Result from discontinued operations (net of tax)	0	0	0	0	0	0
Net income	**17**	**83**	**251**	**295**	**340**	**492**
Minority interest	0	0	0	0	0	0
Net profit (reported)	17	83	251	295	340	492
Average number of shares	257.90	259.70	259.10	259.10	259.10	259.10
EPS reported	**0.07**	**0.32**	**0.97**	**1.14**	**1.31**	**1.90**

Profit and loss (common size)	2022	2023	2024	2025E	2026E	2027E
Sales	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Cost of sales	61%	61%	59%	60%	59%	58%
Gross profit	**39%**	**39%**	**41%**	**40%**	**41%**	**42%**
SG&A expenses	39%	36%	37%	36%	36%	36%
Research and development	0%	0%	0%	0%	0%	0%
Other operating expenses (income)	-0%	0%	0%	0%	1%	0%
EBITDA	**4%**	**5%**	**7%**	**7%**	**7%**	**8%**
Depreciation	2%	2%	3%	2%	2%	2%
EBITA	2%	3%	4%	5%	5%	6%
Amortisation of goodwill and intangible assets	1%	1%	1%	1%	1%	1%
EBIT	**1%**	**2%**	**4%**	**4%**	**4%**	**5%**
Financial result	-0%	-0%	-0%	-0%	-0%	-0%
Recurring pretax income from continuing operations	0%	2%	3%	4%	4%	5%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	0%	2%	3%	4%	4%	5%
Taxes	0%	1%	1%	1%	1%	2%
Net income from continuing operations	0%	1%	2%	2%	3%	4%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
Net income	**0%**	**1%**	**2%**	**2%**	**3%**	**4%**
Minority interest	0%	0%	0%	0%	0%	0%
Net profit (reported)	**0%**	**1%**	**2%**	**2%**	**3%**	**4%**

Source: Company data; mwb research

Balance sheet (EURm)	2022	2023	2024	2025E	2026E	2027E
Intangible assets (exl. Goodwill)	**277**	**262**	**264**	**408**	**363**	**316**
Goodwill	137	137	139	769	769	769
Property, plant and equipment	1,825	2,040	1,972	2,012	1,985	1,969
Financial assets	103	102	158	158	158	158
FIXED ASSETS	**2,342**	**2,541**	**2,532**	**3,347**	**3,275**	**3,212**
Inventories	1,810	1,441	1,550	2,161	2,299	2,395
Accounts receivable	913	899	926	1,172	1,236	1,291
Other current assets	227	97	124	124	124	124
Liquid assets	2,103	2,644	2,588	1,187	1,537	2,073
Deferred taxes	0	0	0	0	0	0
Deferred charges and prepaid expenses	231	168	264	318	340	360
CURRENT ASSETS	**5,284**	**5,249**	**5,452**	**4,962**	**5,536**	**6,244**
TOTAL ASSETS	**7,626**	**7,790**	**7,984**	**8,308**	**8,811**	**9,455**
SHAREHOLDERS EQUITY	**2,199**	**2,373**	**2,665**	**2,961**	**3,301**	**3,792**
MINORITY INTEREST	0	0	0	0	0	0
Long-term debt	1,587	1,719	1,183	1,200	1,200	1,200
Provisions for pensions and similar obligations	0	0	0	0	0	0
Other provisions	173	171	146	159	163	166
Non-current liabilities	**1,760**	**1,890**	**1,328**	**1,359**	**1,363**	**1,366**
short-term liabilities to banks	130	132	543	130	130	130
Accounts payable	2,934	2,782	2,745	3,181	3,300	3,416
Advance payments received on orders	49	48	39	45	48	51
Other liabilities (incl. from lease and rental contracts)	483	509	622	709	745	776
Deferred taxes	71	55	41	41	41	41
Deferred income	0	0	0	0	0	0
Current liabilities	**3,667**	**3,526**	**3,990**	**4,106**	**4,264**	**4,414**
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	**7,626**	**7,790**	**7,984**	**8,425**	**8,928**	**9,572**

Balance sheet (common size)	2022	2023	2024	2025E	2026E	2027E
Intangible assets (excl. Goodwill)	**4%**	**3%**	**3%**	**5%**	**4%**	**3%**
Goodwill	2%	2%	2%	9%	9%	8%
Property, plant and equipment	24%	26%	25%	24%	23%	21%
Financial assets	1%	1%	2%	2%	2%	2%
FIXED ASSETS	**31%**	**33%**	**32%**	**40%**	**37%**	**34%**
Inventories	24%	18%	19%	26%	26%	25%
Accounts receivable	12%	12%	12%	14%	14%	14%
Other current assets	3%	1%	2%	1%	1%	1%
Liquid assets	28%	34%	32%	14%	17%	22%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred charges and prepaid expenses	3%	2%	3%	4%	4%	4%
CURRENT ASSETS	**69%**	**67%**	**68%**	**60%**	**63%**	**66%**
TOTAL ASSETS	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
SHAREHOLDERS EQUITY	**29%**	**30%**	**33%**	**36%**	**37%**	**40%**
MINORITY INTEREST	0%	0%	0%	0%	0%	0%
Long-term debt	21%	22%	15%	14%	14%	13%
Provisions for pensions and similar obligations	0%	0%	0%	0%	0%	0%
Other provisions	2%	2%	2%	2%	2%	2%
Non-current liabilities	**23%**	**24%**	**17%**	**16%**	**15%**	**14%**
short-term liabilities to banks	2%	2%	7%	2%	1%	1%
Accounts payable	38%	36%	34%	38%	37%	36%
Advance payments received on orders	1%	1%	0%	1%	1%	1%
Other liabilities (incl. from lease and rental contracts)	6%	7%	8%	9%	8%	8%
Deferred taxes	1%	1%	1%	0%	0%	0%
Deferred income	0%	0%	0%	0%	0%	0%
Current liabilities	**48%**	**45%**	**50%**	**49%**	**48%**	**47%**
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	**100%**	**100%**	**100%**	**101%**	**101%**	**101%**

Source: Company data; mwb research

Cash flow statement (EURm)	2022	2023	2024	2025E	2026E	2027E
Net profit/loss	17	83	251	295	340	492
Depreciation of fixed assets (incl. leases)	221	239	268	296	302	308
Amortisation of goodwill	0	0	0	0	0	0
Amortisation of intangible assets	75	80	82	95	110	116
Others	68	154	207	13	5	3
Cash flow from operations before changes in w/c	381	556	808	699	757	918
Increase/decrease in inventory	-260	369	-109	-611	-138	-96
Increase/decrease in accounts receivable	-170	14	-27	-246	-64	-55
Increase/decrease in accounts payable	490	-169	-37	436	119	116
Increase/decrease in other w/c positions	19	180	-2	39	17	13
Increase/decrease in working capital	79	393	-175	-382	-66	-22
Cash flow from operating activities	**460**	**950**	**633**	**317**	**690**	**896**
CAPEX	-352	-263	-207	-293	-340	-360
Payments for acquisitions	-127	-6	-68	-1,029	0	0
Financial investments	3	-55	0	0	0	0
Income from asset disposals	0	4	5	0	0	0
Cash flow from investing activities	**-476**	**-321**	**-270**	**-1,322**	**-340**	**-360**
Cash flow before financing	-16	629	364	-1,005	350	536
Increase/decrease in debt position	-3	0	-96	-396	0	0
Purchase of own shares	-136	0	-100	0	0	0
Capital measures	4	5	4	0	0	0
Dividends paid	0	0	0	0	0	0
Others	-111	-128	-135	0	0	0
Effects of exchange rate changes on cash	-1	3	-4	0	0	0
Cash flow from financing activities	**-247**	**-120**	**-330**	**-396**	**0**	**0**
Increase/decrease in liquid assets	-263	508	34	-1,401	350	536
Liquid assets at end of period	**2,025**	**2,533**	**2,567**	**1,166**	**1,516**	**2,052**

Source: Company data; mwb research

Regional sales split (EURm)	2022	2023	2024	2025E	2026E	2027E
Domestic	3,217	3,002	3,129	3,618	3,871	4,103
Europe (ex domestic)	6,921	6,938	7,232	8,360	8,945	9,482
The Americas	0	0	0	0	0	0
Asia	0	0	0	0	0	0
Rest of World	207	203	211	244	262	277
Total sales	**10,345**	**10,143**	**10,573**	**12,222**	**13,077**	**13,862**

Regional sales split (common size)	2022	2023	2024	2025E	2026E	2027E
Domestic	31.1%	29.6%	29.6%	29.6%	29.6%	29.6%
Europe (ex domestic)	66.9%	68.4%	68.4%	68.4%	68.4%	68.4%
The Americas	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Asia	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Rest of World	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Total sales	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Source: Company data; mwb research

Ratios	2022	2023	2024	2025E	2026E	2027E
Per share data						
Earnings per share reported	0.07	0.32	0.97	1.14	1.31	1.90
Cash flow per share	1.78	3.66	2.44	0.08	1.50	2.27
Book value per share	8.53	9.14	10.29	11.43	12.74	14.64
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00
Valuation						
P/E	383.5x	78.2x	25.8x	21.9x	19.0x	13.2x
P/CF	14.0x	6.8x	10.2x	299.8x	16.7x	11.0x
P/BV	2.9x	2.7x	2.4x	2.2x	2.0x	1.7x
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield (%)	7.1%	14.6%	9.8%	0.3%	6.0%	9.1%
EV/Sales	0.6x	0.6x	0.5x	0.5x	0.5x	0.4x
EV/EBITDA	16.2x	11.1x	7.6x	7.8x	6.8x	5.0x
EV/EBIT	75.1x	29.8x	14.3x	14.4x	12.3x	7.9x
Income statement (EURm)						
Sales	10,345	10,143	10,573	12,222	13,077	13,862
yoy chg in %	-0.1%	-1.9%	4.2%	15.6%	7.0%	6.0%
Gross profit	4,056	3,930	4,302	4,919	5,307	5,767
Gross margin in %	39.2%	38.7%	40.7%	40.3%	40.6%	41.6%
EBITDA	376	511	742	849	923	1,152
EBITDA margin in %	3.6%	5.0%	7.0%	6.9%	7.1%	8.3%
EBIT	81	191	392	458	511	728
EBIT margin in %	0.8%	1.9%	3.7%	3.8%	3.9%	5.3%
Net profit	17	83	251	295	340	492
Cash flow statement (EURm)						
CF from operations	460	950	633	317	690	896
Capex	-352	-263	-207	-293	-340	-360
Maintenance Capex	0	0	0	296	302	308
Free cash flow	108	686	427	24	350	536
Balance sheet (EURm)						
Intangible assets	414	399	402	1,176	1,132	1,085
Tangible assets	1,825	2,040	1,972	2,012	1,985	1,969
Shareholders' equity	2,199	2,373	2,665	2,961	3,301	3,792
Pension provisions	0	0	0	0	0	0
Liabilities and provisions	1,890	2,023	1,871	1,489	1,493	1,496
Net financial debt	-387	-792	-862	143	-207	-743
w/c requirements	-261	-490	-308	107	187	220
Ratios						
ROE	0.8%	3.5%	9.4%	10.0%	10.3%	13.0%
ROCE	2.0%	4.3%	8.6%	10.3%	10.7%	13.8%
Net gearing	-17.6%	-33.4%	-32.4%	4.8%	-6.3%	-19.6%
Net debt / EBITDA	-1.0x	-1.5x	-1.2x	0.2x	-0.2x	-0.6x

Source: Company data; mwb research

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