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Infineon Technologies AG

Germany | Semiconductors | MCap EUR 53,439m

4 February 2026

UPDATE

Solid Q1 on AI momentum but fairly priced – HOLD.

HOLD (HOLD)

Target price	**EUR 40.00** (40.00)
Current price	EUR 41.08
Up/downside	-2.6%

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What's it all about?

Infineon delivered a solid but seasonally softer Q1 FY26, with AI-driven power demand continuing to accelerate, supporting margins and backlog growth, while Automotive proved resilient and industrial/IoT markets remained subdued. Management pulled forward EUR 500m of investments to accelerate AI power capacity, now targeting EUR ~2.5bn of AI revenue in FY27 versus EUR ~1.5bn expected in FY26. The ams OSRAM sensor acquisition represents a strong strategic fit at an attractive price, offering immediate earnings support upon closing, incremental upside from synergies over the medium term, and long-dated optionality through physical-AI applications such as robotics. While the AI trajectory and sensor expansion improve the medium-term quality of growth and earnings, the near-term setup remains constrained by FX, pricing and lingering underutilization amid an uneven recovery in core businesses. Accordingly, we see limited scope for a sharp re-rating in the coming quarters and maintain our HOLD rating and EUR 40.00 price target, reflecting a fair risk-reward.

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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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Germany | Semiconductors | MCap EUR 53,439m | EV EUR 58,521m

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Current price	EUR 41.08	
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Solid Q1 on AI momentum but fairly priced – HOLD.

Q1 AI-led divergence. Infineon reported a solid but seasonally softer start to FY26, with Q1 revenues of EUR 3.66bn (-7% qoq, +7% yoy) and a segment result margin of 17.9%, broadly in line with guidance and our expectations. The underlying split remains clear with AI-related power demand continued to accelerate, while Automotive proved relatively resilient and GIP and CSS lagged amid still-muted industrial and IoT demand. Reported gross margin expanded by 1.8pp qoq to 39.9%, supported by mix/operational improvements and the phase-out of low-quality utilization ("fab fillers") in PSS, even as FX headwinds and residual idle costs persist. Importantly, Q2 guidance implies a sequential recovery (+4% qoq), with revenues of EUR ~3.8bn and mid-to-high teens margins, in line with consensus and underpinned by a EUR ~1bn qoq increase in order backlog.

Strategic optionality reinforced by AI capex and sensors M&A. Management raised FY26 investments to EUR ~2.7bn (from 2.2bn) by pulling forward EUR 500m of investments, to accelerate AI power capacity. The company reiterated AI revenues at EUR ~1.5bn in FY26 and now targets EUR ~2.5bn in FY27, implying +6% incremental growth despite being framed as capacity/supply-limited rather than demand-capped. In parallel, the announced EUR 570m acquisition of ams OSRAM's sticky analog/mixed-signal sensor portfolio looks like a strategic great fit, with low integration risk thanks to its fabless and R&D centric business model. The acquisition is expected to add EUR ~230m of CY26 revenue, be EPS-accretive upon closing (with seller-disclosed profitability of EUR ~60m), and offers incremental upside from synergies targeted within ~3 years. it meaningfully strengthens Infineon's system-level positioning in automotive, industrial, medical and and adds long-dated optionality in emerging physical-AI use cases such as robotics.

HOLD on fair risk reward. While the AI trajectory and sensor expansion improve the medium-term quality of growth and earnings, the near-term setup remains constrained by FX, pricing, and lingering underutilization coupled with uneven recovery in core businesses. Therefore, at current levels we see limited scope for a sharp re-rating in the next few quarters. That said, we maintain our HOLD rating and price target EUR 40.00, reflecting a fair risk-reward.

Infineon	2023	2024	2025	2026E	2027E	2028E
Sales	16,309	14,955	14,662	15,835	17,814	19,542
Growth yoy	14.7%	-8.3%	-2.0%	8.0%	12.5%	9.7%
EBITDA	5,780	4,055	3,432	4,998	6,696	7,474
EBIT	4,026	2,190	1,515	2,914	4,169	4,866
Net profit	3,085	1,301	1,016	2,280	3,348	3,928
Net debt (net cash)	1,524	2,758	4,880	2,737	-683	-3,800
Net debt/EBITDA	0.3x	0.7x	1.4x	0.5x	-0.1x	-0.5x
EPS reported	2.37	0.97	0.77	1.75	2.57	3.02
DPS	0.35	0.17	0.17	0.35	0.37	0.42
Dividend yield	0.9%	0.4%	0.4%	0.9%	0.9%	1.0%
Gross profit margin	46.7%	40.6%	39.2%	42.1%	46.0%	47.0%
EBITDA margin	35.4%	27.1%	23.4%	31.6%	37.6%	38.2%
EBIT margin	24.7%	14.6%	10.3%	18.4%	23.4%	24.9%
ROCE	17.4%	9.1%	5.9%	10.4%	13.5%	14.1%
EV/EBITDA	9.6x	13.9x	17.1x	11.3x	7.9x	6.7x
EV/EBIT	13.7x	25.8x	38.6x	19.4x	12.7x	10.3x
PER	17.3x	41.1x	52.6x	23.4x	16.0x	13.6x
FCF yield	5.1%	2.6%	3.2%	6.6%	7.6%	8.4%

Source: Company data, mwb research

Source: Company data, mwb research

High/low 52 weeks	45.60 / 23.17
Price/Book Ratio	3.1x

Ticker / Symbols

ISIN	DE0006231004
WKN	623100
Bloomberg	IFX:GR

Changes in estimates

		Sales	EBIT	EPS
2026E	old	15,791	2,906	1.78
	Δ	0.3%	0.3%	-1.5%
2027E	old	17,765	4,157	2.60
	Δ	0.3%	0.3%	-0.9%
2028E	old	19,453	4,844	3.03
	Δ	0.5%	0.5%	-0.4%

Key share data

Number of shares: (in m pcs)	1,301.00
Book value per share: (in EUR)	13.11
Ø trading vol.: (12 months)	4,537,284

Major shareholders

Free Float	100.0%

Company description

Infineon Technologies AG is a Germany-based designer, developer and manufacturer of semiconductors and related system solutions. The Company operates through four divisions: Automotive, Green Industrial Power, Power & Sensor Systems and Connected Secure Systems.

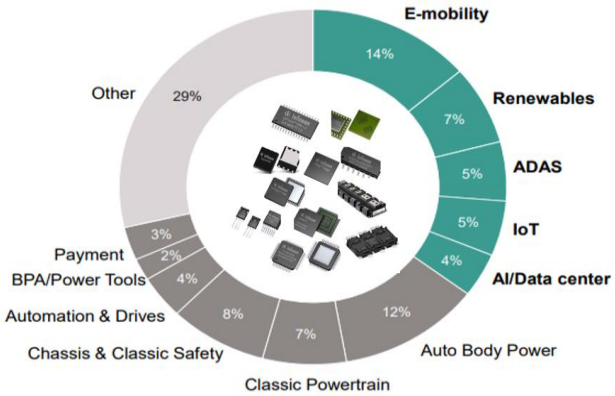
The following table displays the quarterly performance of **Infineon Technologies AG.**

P&L data	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026
Sales	3,632.0	3,702.0	3,919.0	3,424.0	3,591.0	3,704.0	3,943.0	3,662.0
yoy growth in %	-11.8%	-9.5%	-5.5%	-7.5%	-1.1%	0.1%	0.6%	7.0%
Gross profit	1,404.0	1,488.2	1,576.0	1,343.0	1,389.7	1,552.0	1,502.3	1,462.0
Gross margin in %	38.7%	40.2%	40.2%	39.2%	38.7%	41.9%	38.1%	39.9%
EBITDA	963.0	989.0	946.0	805.0	801.0	887.0	938.0	866.0
EBITDA margin in %	26.5%	26.7%	24.1%	23.5%	22.3%	23.9%	23.8%	23.6%
EBIT	496.0	519.0	473.0	318.0	318.0	424.0	454.0	388.0
EBIT margin in %	13.7%	14.0%	12.1%	9.3%	8.9%	11.4%	11.5%	10.6%
EBT	487.0	492.0	448.0	303.0	293.0	388.0	391.0	391.0
taxes paid	93.0	88.0	64.0	60.0	63.0	95.0	152.0	0.1
tax rate in %	19.1%	17.9%	14.3%	19.8%	21.5%	24.5%	38.9%	0.0%
net profit	394.0	403.0	-84.0	246.0	232.0	293.0	231.0	256.0
yoy growth in %	-52.3%	-51.7%	-111.2%	-58.9%	-41.1%	-27.3%	-375.0%	4.1%
EPS	**0.30**	**0.30**	**-0.07**	**0.18**	**0.17**	**0.22**	**0.18**	**0.19**

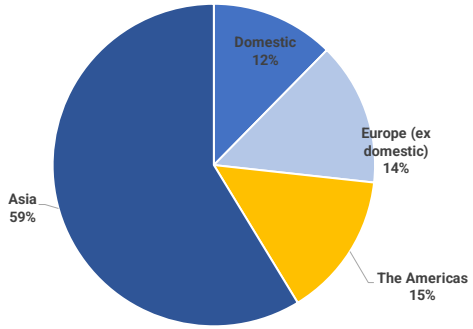
Source: Company data; mwb research

Investment case in six charts

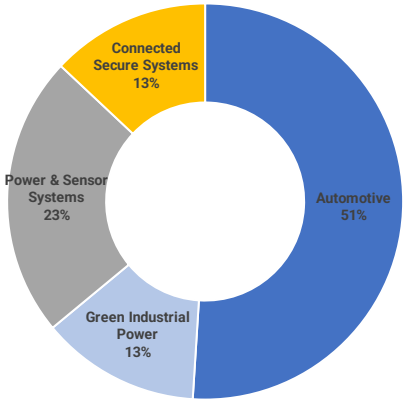
Products & FY23 revenue by key application



Regional sales split in %

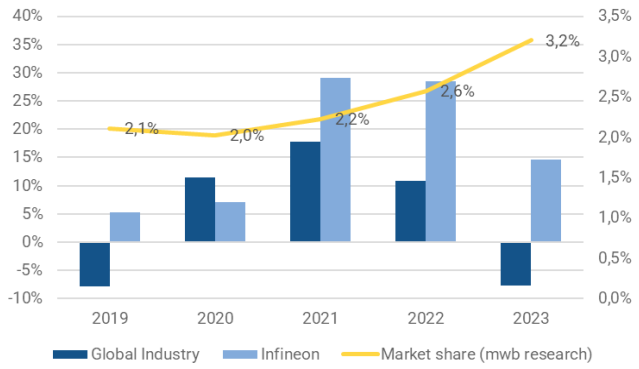


Segmental breakdown in %

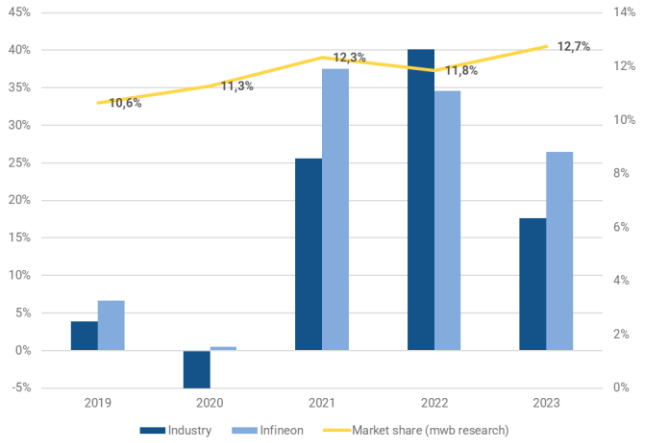


Revenue by sales channel

Sales: Semiconductor industry vs. Infineon (€)



Sales: Automotive semiconductor vs. Infineon (€)



Source: Company data; mwb research

SWOT analysis

Strengths

- Leading globally in automotive semiconductors, power management, IoT and security ICs, and ranked second in the overall MCUs market.
- Exceptional quality products in the target markets and reliability
- Comprehensive product portfolio and solutions spanning all divisions
- Deep expertise in semiconductor technology and agile trend adaptation thanks to P2S
- Strong emphasis on R&D initiatives

Weaknesses

- Dependence on South-East Asian and European manufacturing sites
- Capital Intensive with around 18% CAPEX/sales
- High fixed costs
- Low margins relative to peers

Opportunities

- Capitalizing on the increasing demand for efficient power management solutions in data centers driven by AI and ML
- Leveraging the expansion of vehicle semiconductor content driven by electromobility and increased safety demands
- Investments in new Technologies related to SiC and GaN
- Leveraging China's automotive and renewable energy growth

Threats

- Intense market competition and product commoditization
- High geopolitical tension related to Taiwan and the relationship between USA and China

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Valuation

DCF Model

The DCF model results in a **fair value of EUR 40.88 per share**:

Top-line growth: We expect Infineon Technologies AG to grow revenues at a CAGR of 6.2% between 2026E and 2033E. The long-term growth rate is set at 2.0%.

ROCE. Returns on capital are developing from 10.4% in 2026E to 11.7% in 2033E.

WACC. Starting point is a historical equity beta of 1.50. Unleverering and correcting for mean reversion yields an asset beta of 1.24. Combined with a risk-free rate of 2.0% and an equity risk premium of 6.0% this yields cost of equity of 10.0%. With pre-tax cost of borrowing at 5.0%, a tax rate of 21% and target debt/equity of 0.1 this results in a long-term WACC of 9.5%.

DCF (EURm) (except per share data and beta)	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	Terminal value
NOPAT	2,406	3,442	4,018	4,300	4,601	4,718	4,836	4,957	
Depreciation & amortization	2,084	2,528	2,608	3,008	3,083	3,298	3,364	3,433	
Change in working capital	489	-29	-127	-126	-135	14	-51	-53	
Chg. in long-term provisions	221	259	226	179	192	75	75	77	
Capex	-2,708	-2,227	-3,029	-3,241	-3,468	-3,511	-3,598	-3,688	
Cash flow	2,493	3,973	3,697	4,120	4,272	4,594	4,625	4,726	64,558
Present value	2,349	3,418	2,904	2,955	2,798	2,747	2,525	2,356	32,310
WACC	9.5%	9.5%	9.5%	9.5%	9.5%	9.5%	9.5%	9.5%	9.5%

DCF per share derived from	
Total present value	54,363
Mid-year adj. total present value	56,891
Net debt / cash at start of year	4,880
Financial assets	1,382
Provisions and off b/s debt	202
Equity value	53,191
No. of shares outstanding	1,301.0
Discounted cash flow / share	**40.88**
upside/(downside)	**-0.5%**
Share price	**41.08**

DCF avg. growth and earnings assumptions	
Planning horizon avg. revenue growth (2026E-2033E)	6.2%
Terminal value growth (2033E - infinity)	2.0%
Terminal year ROCE	11.7%
Terminal year WACC	9.5%

Terminal WACC derived from	
Cost of borrowing (before taxes)	5.0%
Long-term tax rate	21%
Equity beta	1.50
Unlevered beta (industry or company)	1.24
Target debt / equity	0.1
Relevered beta	1.34
Risk-free rate	2.0%
Equity risk premium	6.0%
Cost of equity	10.0%

Sensitivity analysis DCF

Change in WACC (%-points)	Long term growth 1.0%	1.5%	2.0%	2.5%	3.0%
2.0%	29.9	30.8	31.8	32.9	34.1
1.0%	33.4	34.5	35.8	37.3	38.9
0.0%	37.6	39.1	40.9	42.9	45.2
-1.0%	43.0	45.1	47.5	50.4	53.8
-2.0%	50.0	53.0	56.6	60.9	66.2

Share of present value	
2026E-2029E	21.4%
2030E-2033E	19.2%
terminal value	59.4%

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 31.49 per share based on 2026E and EUR 66.04 per share on 2030E 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	2027E	2028E	2029E	2030E
EBITDA	**6,696**	**7,474**	**8,215**	**8,654**
- Maintenance capex	2,040	2,156	2,582	2,676
- Minorities	-3	-4	-4	-4
- tax expenses	710	832	892	955
= Adjusted FCF	**3,950**	**4,489**	**4,745**	**5,027**
Actual Market Cap	**53,641**	**53,641**	**53,641**	**53,641**
+ Net debt (cash)	-683	-3,800	-7,275	-10,820
+ Pension provisions	356	391	418	447
+ Off b/s financing	0	0	0	0
- Financial assets	1,382	1,382	1,382	1,382
- Acc. dividend payments	677	1,163	1,713	2,344
EV Reconciliations	-2,386	-5,954	-9,951	-14,099
= Actual EV'	**51,255**	**47,687**	**43,690**	**39,542**
Adjusted FCF yield	**7.7%**	**9.4%**	**10.9%**	**12.7%**
base hurdle rate	7.0%	7.0%	7.0%	7.0%
ESG adjustment	0.0%	0.0%	0.0%	0.0%
adjusted hurdle rate	7.0%	7.0%	7.0%	7.0%
Fair EV	**56,430**	**64,132**	**67,780**	**71,819**
- EV Reconciliations	-2,386	-5,954	-9,951	-14,099
Fair Market Cap	**58,816**	**70,085**	**77,731**	**85,918**
No. of shares (million)	1,301	1,301	1,301	1,301
Fair value per share in EUR	**45.21**	**53.87**	**59.75**	**66.04**
Premium (-) / discount (+)	**10.1%**	**31.2%**	**45.5%**	**60.8%**

Sensitivity analysis fair value						
Adjusted hurdle rate	5.0%	45	63	74	81	88
	6.0%	37	52	62	68	75
	7.0%	**31**	**45**	**54**	**60**	**66**
	8.0%	27	40	48	53	59
	9.0%	24	36	43	48	54

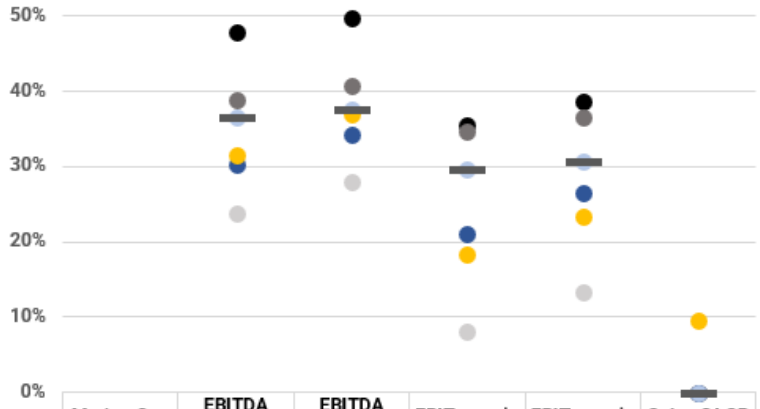
Source: Company data; mwb research

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 **Infineon Technologies 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 Infineon Technologies AG consists of the stocks displayed in the graphs below. As of 4 February 2026 the median market cap of the peer group was EUR 26,174m, compared to EUR 53,439m for Infineon Technologies AG. In the period under review, the peer group was more profitable than Infineon Technologies AG. The expectations for sales growth are lower for the peer group than for Infineon Technologies AG.

Peer Group – Key data



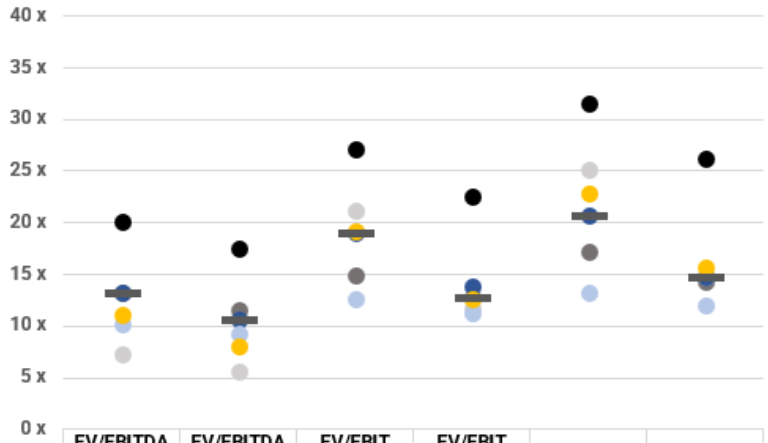
20-Jan-26	Market Cap (EURm)	EBITDA margin 2026	EBITDA margin 2027	EBIT margin 2026	EBIT margin 2027	Sales CAGR 2025-2028
● Texas Instruments Incorporated	149.548	47,9%	49,7%	35,4%	38,6%	0,0%
● NXP Semiconductors NV	51.267	38,8%	40,7%	34,7%	36,6%	0,0%
● STMicroelectronics NV Sponsored ADR RegS	21.101	23,8%	28,1%	8,2%	13,3%	0,0%
● ON Semiconductor Corporation	20.855	30,2%	34,3%	21,1%	26,5%	0,0%
● Renesas Electronics Corporation	23.956	36,6%	37,5%	29,7%	30,7%	0,0%
● Infineon Technologies AG	53.066	31,6%	37,0%	18,4%	23,4%	9,5%
– Peer Group Median	23.956	36,6%	37,5%	29,7%	30,7%	0,0%

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 2026, EV/EBITDA 2027, EV/EBIT 2026, EV/EBIT 2027, P/E 2026 and P/E 2027.

Applying these to Infineon Technologies AG results in a range of fair values from EUR 35.74 to EUR 51.61.

Peer Group – Multiples and valuation



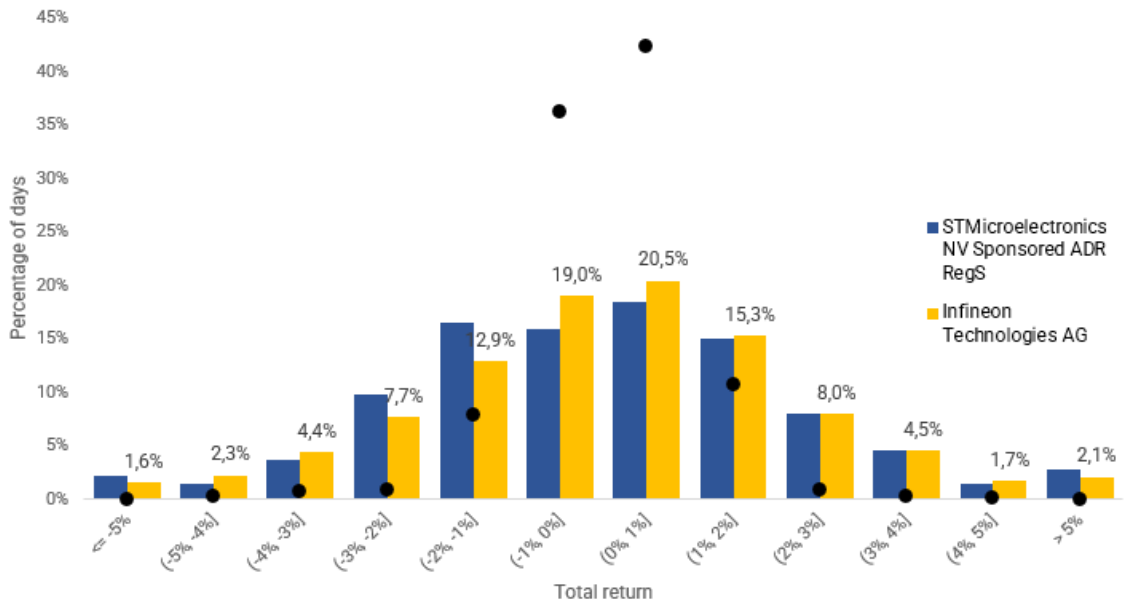
20-Jan-26	EV/EBITDA 2026	EV/EBITDA 2027	EV/EBIT 2026	EV/EBIT 2027	P/E 2026	P/E 2027
Texas Instruments Incorporated	20,1x	17,6x	27,1x	22,6x	31,5x	26,1x
NXP Semiconductors NV	13,3x	11,5x	14,9x	12,8x	17,2x	14,2x
STMicroelectronics NV Sponsored ADR RegS	7,2x	5,6x	21,2x	11,7x	25,1x	14,8x
ON Semiconductor Corporation	13,3x	10,7x	19,0x	13,8x	20,7x	14,7x
Renesas Electronics Corporation	10,3x	9,3x	12,6x	11,3x	13,2x	11,9x
Infineon Technologies AG	11,2x	8,0x	19,2x	12,7x	22,8x	15,6x
– Peer Group Median	13,3x	10,7x	19,0x	12,8x	20,7x	14,7x
Fair Value (EUR)	48,97	51,83	40,40	38,91	36,89	38,19

Source: FactSet, mwb research

Risk

The chart displays the **distribution of daily returns of Infineon Technologies AG** over the last 3 years, compared to the same distribution for STMicroelectronics NV Sponsored ADR RegS. 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 Infineon Technologies AG, the worst day during the past 3 years was 03/08/2023 with a share price decline of -9.3%. The best day was 07/05/2024 when the share price increased by 12.9%.

Risk – Daily Returns Distribution (trailing 3 years)



Source: FactSet, mwb research

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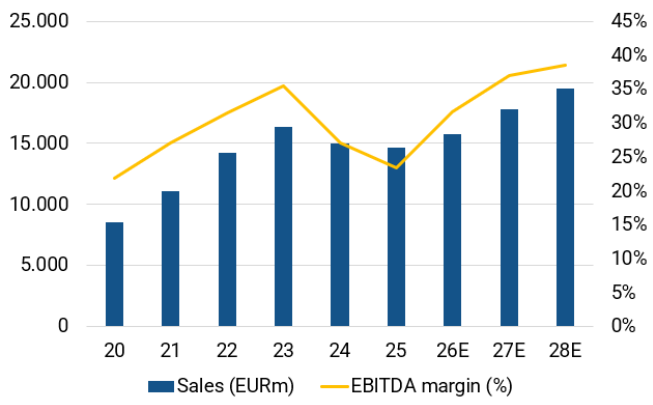
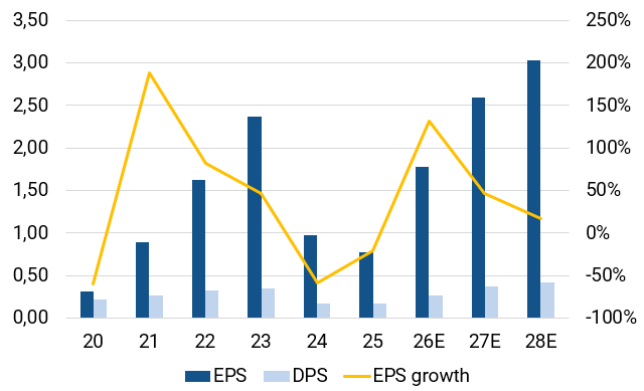
Financials in six charts

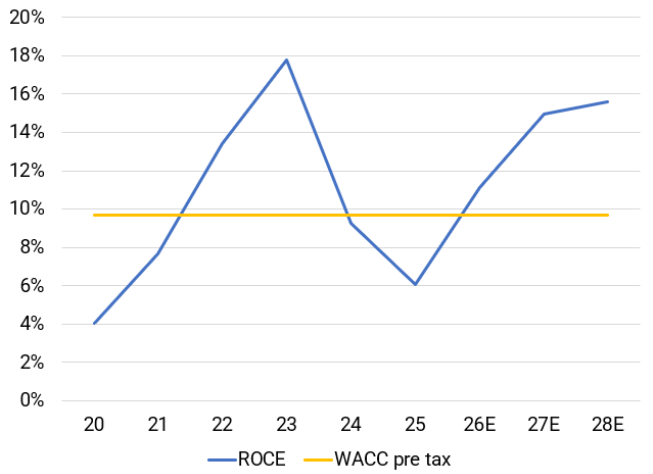
Sales vs. EBITDA margin development



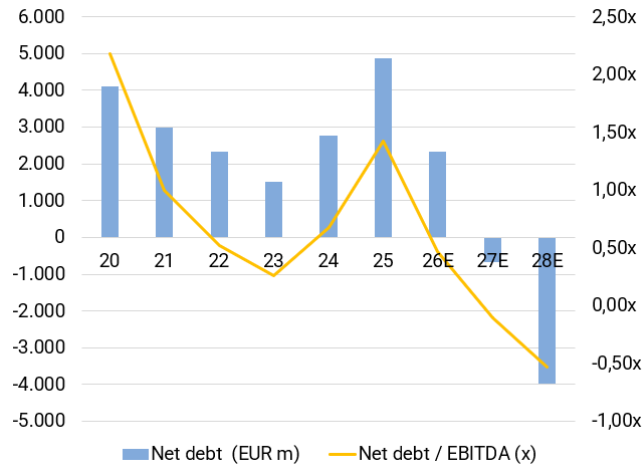
EPS, DPS in EUR & yoy EPS growth



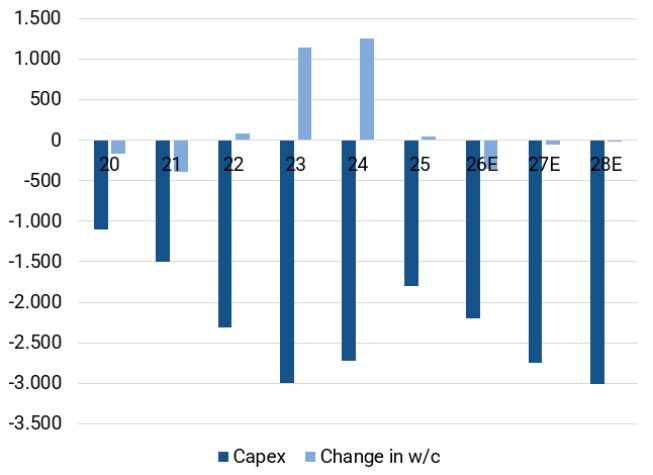
ROCE vs. WACC (pre tax)



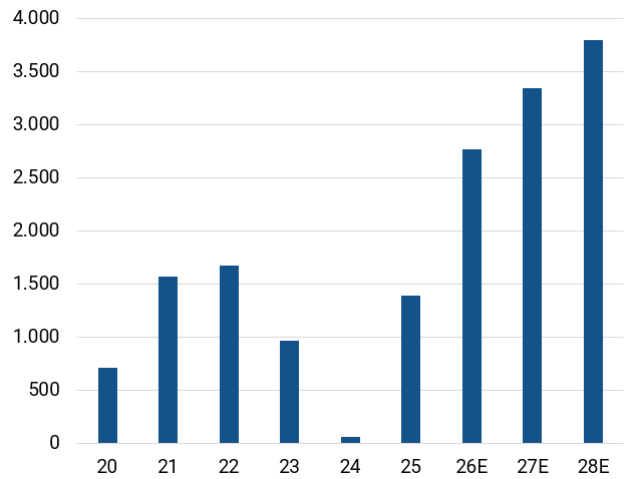
Net debt and net debt/EBITDA



Capex & chgn in w/c requirements in EURm



Free Cash Flow in EURm



Source: Company data; mwb research

mwb research

Financials

Profit and loss (EURm)	2023	2024	2025	2026E	2027E	2028E
Sales	**16,309**	**14,955**	**14,662**	**15,835**	**17,814**	**19,542**
Sales growth	14.7%	-8.3%	-2.0%	8.0%	12.5%	9.7%
Cost of sales	8,695	8,886	8,886	9,168	9,620	10,357
Gross profit	**7,614**	**6,069**	**5,753**	**6,667**	**8,195**	**9,185**
SG&A expenses	1,434	1,554	1,582	1,583	1,746	1,857
Research and development	2,115	1,985	2,227	2,217	2,351	2,541
Other operating expenses (income)	39	340	429	-48	-71	-78
EBITDA	**5,780**	**4,055**	**3,432**	**4,998**	**6,696**	**7,474**
Depreciation	1,223	1,378	1,467	1,547	2,040	2,156
EBITA	4,557	2,677	1,965	3,451	4,656	5,318
Amortisation of goodwill and intangible assets	531	487	450	537	488	452
EBIT	**4,026**	**2,190**	**1,515**	**2,914**	**4,169**	**4,866**
Financial result	-159	-32	-140	-153	-114	-110
Recurring pretax income from continuing operations	3,867	2,158	1,375	2,761	4,055	4,756
Extraordinary income/loss	0	0	0	0	0	0
Earnings before taxes	3,867	2,158	1,375	2,761	4,055	4,756
Taxes	782	378	370	483	710	832
Net income from continuing operations	3,085	1,780	1,005	2,278	3,345	3,924
Result from discontinued operations (net of tax)	0	-479	10	0	0	0
Net income	**3,085**	**1,301**	**1,015**	**2,278**	**3,345**	**3,924**
Minority interest	0	0	1	2	3	4
Net profit (reported)	3,085	1,301	1,016	2,280	3,348	3,928
Average number of shares	1,303.00	1,303.00	1,301.00	1,301.00	1,301.00	1,301.00
EPS reported	**2.37**	**0.97**	**0.77**	**1.75**	**2.57**	**3.02**

Profit and loss (common size)	2023	2024	2025	2026E	2027E	2028E
Sales	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Cost of sales	53%	59%	61%	58%	54%	53%
Gross profit	**47%**	**41%**	**39%**	**42%**	**46%**	**47%**
SG&A expenses	9%	10%	11%	10%	10%	10%
Research and development	13%	13%	15%	14%	13%	13%
Other operating expenses (income)	0%	2%	3%	-0%	-0%	-0%
EBITDA	**35%**	**27%**	**23%**	**32%**	**38%**	**38%**
Depreciation	7%	9%	10%	10%	11%	11%
EBITA	28%	18%	13%	22%	26%	27%
Amortisation of goodwill and intangible assets	3%	3%	3%	3%	3%	2%
EBIT	**25%**	**15%**	**10%**	**18%**	**23%**	**25%**
Financial result	-1%	-0%	-1%	-1%	-1%	-1%
Recurring pretax income from continuing operations	24%	14%	9%	17%	23%	24%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	24%	14%	9%	17%	23%	24%
Taxes	5%	3%	3%	3%	4%	4%
Net income from continuing operations	19%	12%	7%	14%	19%	20%
Result from discontinued operations (net of tax)	0%	-3%	0%	0%	0%	0%
Net income	**19%**	**9%**	**7%**	**14%**	**19%**	**20%**
Minority interest	0%	0%	0%	0%	0%	0%
Net profit (reported)	**19%**	**9%**	**7%**	**14%**	**19%**	**20%**

Source: Company data; mwb research

mwb research

Balance sheet (EURm)	2023	2024	2025	2026E	2027E	2028E
Intangible assets (exl. Goodwill)	**2,977**	**2,820**	**3,274**	**2,975**	**2,754**	**2,595**
Goodwill	6,547	6,797	7,849	7,849	7,849	7,849
Property, plant and equipment	7,450	8,002	8,142	9,065	8,985	9,565
Financial assets	773	1,227	1,382	1,382	1,382	1,382
FIXED ASSETS	**17,747**	**18,846**	**20,647**	**21,271**	**20,970**	**21,391**
Inventories	3,974	3,990	4,141	3,893	4,085	4,398
Accounts receivable	2,087	2,250	2,249	2,386	2,636	2,891
Other current assets	82	1,352	1,331	1,331	1,331	1,331
Liquid assets	3,590	2,201	2,102	4,045	7,283	10,200
Deferred taxes	0	0	0	0	0	0
Deferred charges and prepaid expenses	959	0	0	0	0	0
CURRENT ASSETS	**10,692**	**9,793**	**9,823**	**11,656**	**15,335**	**18,821**
TOTAL ASSETS	**28,439**	**28,639**	**30,470**	**32,927**	**36,305**	**40,212**
SHAREHOLDERS EQUITY	**17,044**	**17,219**	**17,051**	**19,107**	**21,997**	**25,435**
MINORITY INTEREST	0	0	0	0	0	0
Long-term debt	4,712	4,311	5,782	5,782	5,700	5,600
Provisions for pensions and similar obligations	268	303	202	317	356	391
Other provisions	746	1,660	1,651	1,758	1,977	2,169
Non-current liabilities	**5,726**	**6,274**	**7,635**	**7,856**	**8,034**	**8,160**
short-term liabilities to banks	402	648	1,200	1,000	900	800
Accounts payable	2,765	1,990	2,011	2,210	2,319	2,497
Advance payments received on orders	0	0	1	1	1	1
Other liabilities (incl. from lease and rental contracts)	2,248	2,207	2,242	2,421	2,724	2,988
Deferred taxes	254	301	331	331	331	331
Deferred income	0	0	0	0	0	0
Current liabilities	**5,669**	**5,146**	**5,785**	**5,964**	**6,276**	**6,618**
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	**28,439**	**28,639**	**30,471**	**32,928**	**36,306**	**40,213**

Balance sheet (common size)	2023	2024	2025	2026E	2027E	2028E
Intangible assets (excl. Goodwill)	**10%**	**10%**	**11%**	**9%**	**8%**	**6%**
Goodwill	23%	24%	26%	24%	22%	20%
Property, plant and equipment	26%	28%	27%	28%	25%	24%
Financial assets	3%	4%	5%	4%	4%	3%
FIXED ASSETS	**62%**	**66%**	**68%**	**65%**	**58%**	**53%**
Inventories	14%	14%	14%	12%	11%	11%
Accounts receivable	7%	8%	7%	7%	7%	7%
Other current assets	0%	5%	4%	4%	4%	3%
Liquid assets	13%	8%	7%	12%	20%	25%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred charges and prepaid expenses	3%	0%	0%	0%	0%	0%
CURRENT ASSETS	**38%**	**34%**	**32%**	**35%**	**42%**	**47%**
TOTAL ASSETS	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
SHAREHOLDERS EQUITY	**60%**	**60%**	**56%**	**58%**	**61%**	**63%**
MINORITY INTEREST	0%	0%	0%	0%	0%	0%
Long-term debt	17%	15%	19%	18%	16%	14%
Provisions for pensions and similar obligations	1%	1%	1%	1%	1%	1%
Other provisions	3%	6%	5%	5%	5%	5%
Non-current liabilities	**20%**	**22%**	**25%**	**24%**	**22%**	**20%**
short-term liabilities to banks	1%	2%	4%	3%	2%	2%
Accounts payable	10%	7%	7%	7%	6%	6%
Advance payments received on orders	0%	0%	0%	0%	0%	0%
Other liabilities (incl. from lease and rental contracts)	8%	8%	7%	7%	8%	7%
Deferred taxes	1%	1%	1%	1%	1%	1%
Deferred income	0%	0%	0%	0%	0%	0%
Current liabilities	**20%**	**18%**	**19%**	**18%**	**17%**	**16%**
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Source: Company data; mwb research

mwb research

Cash flow statement (EURm)	2023	2024	2025	2026E	2027E	2028E
Net profit/loss	3,137	1,301	1,015	2,278	3,345	3,924
Depreciation of fixed assets (incl. leases)	1,223	1,378	1,467	1,547	2,040	2,156
Amortisation of goodwill	0	0	0	0	0	0
Amortisation of intangible assets	531	487	450	537	488	452
Others	218	873	304	221	259	226
Cash flow from operations before changes in w/c	5,109	4,039	3,236	4,583	6,132	6,758
Increase/decrease in inventory	-1,014	-16	-151	248	-192	-313
Increase/decrease in accounts receivable	-185	-163	1	-137	-249	-256
Increase/decrease in accounts payable	547	-775	21	199	109	178
Increase/decrease in other w/c positions	-497	-305	87	179	303	264
Increase/decrease in working capital	-1,149	-1,259	-42	489	-29	-127
Cash flow from operating activities	**3,960**	**2,780**	**3,194**	**5,072**	**6,102**	**6,632**
CAPEX	-2,994	-2,719	-1,800	-2,708	-2,227	-3,029
Payments for acquisitions	-22	-803	-2,482	0	0	0
Financial investments	538	1,355	53	0	0	0
Income from asset disposals	214	0	-345	0	0	0
Cash flow from investing activities	**-2,264**	**-2,167**	**-4,574**	**-2,708**	**-2,227**	**-3,029**
Cash flow before financing	1,696	613	-1,380	2,364	3,876	3,603
Increase/decrease in debt position	-792	138	1,505	-200	-182	-200
Purchase of own shares	0	0	0	0	0	0
Capital measures	0	0	0	0	0	0
Dividends paid	-417	-456	-455	-221	-456	-486
Others	-92	-297	-130	0	0	0
Effects of exchange rate changes on cash	-13	-12	-7	0	0	0
Cash flow from financing activities	**-1,314**	**-627**	**913**	**-421**	**-638**	**-686**
Increase/decrease in liquid assets	382	-14	-467	1,943	3,238	2,917
Liquid assets at end of period	**1,820**	**1,806**	**1,339**	**3,282**	**6,520**	**9,437**

Source: Company data; mwb research

Regional sales split (EURm)	2023	2024	2025	2026E	2027E	2028E
Domestic	2,017	1,645	1,466	1,583	1,781	1,954
Europe (ex domestic)	2,343	2,243	2,053	2,217	2,494	2,736
The Americas	2,374	1,944	1,759	1,900	2,138	2,345
Asia	9,575	9,123	9,384	10,134	11,401	12,507
Rest of World	0	0	0	0	0	0
Total sales	**16,309**	**14,955**	**14,662**	**15,835**	**17,814**	**19,542**

Regional sales split (common size)	2023	2024	2025	2026E	2027E	2028E
Domestic	12.4%	11.0%	10.0%	10.0%	10.0%	10.0%
Europe (ex domestic)	14.4%	15.0%	14.0%	14.0%	14.0%	14.0%
The Americas	14.6%	13.0%	12.0%	12.0%	12.0%	12.0%
Asia	58.7%	61.0%	64.0%	64.0%	64.0%	64.0%
Rest of World	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total sales	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Source: Company data; mwb research

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Ratios	2023	2024	2025	2026E	2027E	2028E
Per share data						
Earnings per share reported	2.37	1.00	0.78	1.75	2.57	3.02
Cash flow per share	2.10	1.08	1.33	2.71	3.12	3.44
Book value per share	13.08	13.21	13.11	14.69	16.91	19.55
Dividend per share	0.35	0.17	0.17	0.35	0.37	0.42
Valuation						
P/E	17.3x	41.1x	52.6x	23.4x	16.0x	13.6x
P/CF	19.6x	38.2x	30.9x	15.2x	13.2x	11.9x
P/BV	3.1x	3.1x	3.1x	2.8x	2.4x	2.1x
Dividend yield (%)	0.9%	0.4%	0.4%	0.9%	0.9%	1.0%
FCF yield (%)	5.1%	2.6%	3.2%	6.6%	7.6%	8.4%
EV/Sales	3.4x	3.8x	4.0x	3.6x	3.0x	2.6x
EV/EBITDA	9.6x	13.9x	17.1x	11.3x	7.9x	6.7x
EV/EBIT	13.7x	25.8x	38.6x	19.4x	12.7x	10.3x
Income statement (EURm)						
Sales	16,309	14,955	14,662	15,835	17,814	19,542
yoy chg in %	14.7%	-8.3%	-2.0%	8.0%	12.5%	9.7%
Gross profit	7,614	6,069	5,753	6,667	8,195	9,185
Gross margin in %	46.7%	40.6%	39.2%	42.1%	46.0%	47.0%
EBITDA	5,780	4,055	3,432	4,998	6,696	7,474
EBITDA margin in %	35.4%	27.1%	23.4%	31.6%	37.6%	38.2%
EBIT	4,026	2,190	1,515	2,914	4,169	4,866
EBIT margin in %	24.7%	14.6%	10.3%	18.4%	23.4%	24.9%
Net profit	3,085	1,301	1,016	2,280	3,348	3,928
Cash flow statement (EURm)						
CF from operations	3,960	2,780	3,194	5,072	6,102	6,632
Capex	-2,994	-2,719	-1,800	-2,708	-2,227	-3,029
Maintenance Capex	1,223	1,378	1,467	1,547	2,040	2,156
Free cash flow	966	61	1,394	2,364	3,876	3,603
Balance sheet (EURm)						
Intangible assets	9,524	9,617	11,123	10,824	10,603	10,444
Tangible assets	7,450	8,002	8,142	9,065	8,985	9,565
Shareholders' equity	17,044	17,219	17,051	19,107	21,997	25,435
Pension provisions	268	303	202	317	356	391
Liabilities and provisions	6,128	6,922	8,835	8,856	8,934	8,960
Net financial debt	1,524	2,758	4,880	2,737	-683	-3,800
w/c requirements	3,296	4,250	4,378	4,068	4,400	4,791
Ratios						
ROE	18.1%	7.6%	6.0%	11.9%	15.2%	15.4%
ROCE	17.4%	9.1%	5.9%	10.4%	13.5%	14.1%
Net gearing	8.9%	16.0%	28.6%	14.3%	-3.1%	-14.9%
Net debt / EBITDA	0.3x	0.7x	1.4x	0.5x	-0.1x	-0.5x

Source: Company data; mwb research

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