Rational AG

Germany | Industrial Manufacturing | MCap EUR 7,561m

5 February 2026

UPDATE

Strong Q4 confirms growth momentum into 2026 - BUY.

BUY (BUY)

Target price	**EUR 820.00** (800.00)
Current price	EUR 665.00
Up/downside	23.3%

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What's it all about?

Rational's strong year-end delivery reinforces the positive momentum heading into 2026. Q4 sales and margins came ahead of our estimates, highlighting operating leverage as volumes normalize and suggesting that the ongoing salesforce expansion is translating into higher-quality, sustainable growth. The group firmly back within its historical growth range despite FX, tariffs and uneven regional demand, with disciplined cost control and procurement benefits offsetting elevated R&D spend. From a qualitative perspective, momentum is driven by robust execution in Europe (ex-Germany) and North America, continued outperformance of iVario as the key structural growth engine, and resilient iCombi demand supporting the installed base and aftermarket opportunity, while Asia remains the sole weak spot. The strong finish therefore reduces near-term growth concerns and underpins our BUY rating and slightly upgraded PT of EUR 820.00 (prev. EUR 800), which implies a premium but, in our view, defensible 35x 2026E P/E given Rational's earnings quality and long-term growth profile.

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Strong Q4 confirms growth momentum into 2026 - BUY.

Strong finish into year-end. Rational's preliminary Q4/FY25 figures decisively validate the positive setup we outlined into year-end. Ongoing salesforce expansion continues to translate into sustainable growth, with Q4 sales of EUR 341m (+7% yoy; +8% cc), modestly ahead of our expectations at EUR 335m. Q4 EBIT margin of 28.9% (+1.5pp yoy) landed around 3pp above our estimate, underscoring the operating leverage embedded in the model as volumes normalize. For FY25, group sales reached EUR 1.26bn (+6% reported, +8% cc), firmly back at Rational's historical mid- to high-single-digit growth range despite FX headwinds, tariffs and uneven regional demand. EBIT margin 26.4% margin, slightly above last year, highlighting disciplined cost control and procurement tailwinds even alongside elevated R&D investment.

iVario momentumt; Asia remains weak. From a qualitative standpoint, the mix and regional read-across are particularly encouraging. Europe (ex-Germany) and North America delivered robust growth of 9% and 8% respectively, with North America once again outperforming a weak end-market backdrop. Product-wise, iVario (+10%) continues to outgrow the group and confirms its role as the key structural growth engine, while iCombi (+5%) remains resilient and supports the expanding installed base and aftermarket opportunity. The weak performance in Asia (-11%) stands out but does little to detract from the broader picture of strengthening sales execution, increasing customer touchpoints and improving conversion across core regions.

Entering 2026 with strength despite macro noise. Overall, the FY25 outcome reinforces our conviction that Rational is entering 2026 from a position of operational strength, supported by a growing and increasingly productive sales team. Margin resilience at elevated levels, despite tariffs and FX, supports management's credibility around efficiency-led mitigation rather than price-driven volume risk. More importantly, growth momentum, the key swing factor into 2026, appears intact, with iVario penetration still at an early stage and capacity structurally prepared for higher volumes. The strong Q4 finish therefore reduces near-term growth concerns and underpins our BUY rating and slightly upgraded PT of EUR 820.00 (prev. EUR 800), which implies a premium but, in our view, defensible 35x 2026E P/E given Rational's earnings quality and long-term growth profile.

Rational AG	2022	2023	2024	2025P	2026E	2027E
Sales	1,022	1,126	1,194	1,265	1,352	1,448
Growth yoy	31.1%	10.1%	6.0%	6.0%	6.9%	7.1%
EBITDA	271	310	352	375	386	422
EBIT	238	277	314	334	345	381
Net profit	186	214	251	255	263	291
Net debt (net cash)	-313	-118	-132	-214	-288	-375
Net debt/EBITDA	-1.2x	-0.4x	-0.4x	-0.6x	-0.7x	-0.9x
EPS reported	16.33	18.82	22.03	22.42	23.15	25.60
DPS	11.00	13.50	15.00	16.36	16.90	18.68
Dividend yield	1.7%	2.0%	2.3%	2.5%	2.5%	2.8%
Gross profit margin	55.3%	56.7%	59.2%	58.5%	58.1%	57.2%
EBITDA margin	26.5%	27.5%	29.5%	29.6%	28.5%	29.2%
EBIT margin	23.3%	24.6%	26.3%	26.4%	25.5%	26.3%
ROCE	33.3%	34.5%	34.9%	34.5%	32.9%	33.2%
EV/EBITDA	26.8x	24.1x	21.1x	19.6x	18.9x	17.0x
EV/EBIT	30.5x	26.9x	23.7x	22.0x	21.1x	18.9x
PER	40.7x	35.3x	30.2x	29.7x	28.7x	26.0x
FCF yield	1.4%	3.0%	3.3%	3.4%	3.6%	3.8%

Source: Company data, mwb research

Source: Company data, mwb research

High/low 52 weeks	897.00 / 607.50
Price/Book Ratio	8.8x

Ticker / Symbols

ISIN	DE0007010803
WKN	701080
Bloomberg	RAA:GR

Changes in estimates

		Sales	EBIT	EPS
2025P	old	1,253	322	21.61
	Δ	1.0%	3.7%	3.7%
2026E	old	1,341	341	22.86
	Δ	0.9%	1.3%	1.3%
2027E	old	1,448	381	25.59
	Δ	0.0%	0.0%	0.0%

Key share data

Number of shares: (in m pcs)	11.37
Book value per share: (in EUR)	75.37
Ø trading vol.: (12 months)	13,251

Major shareholders

Founding Family (Meister)	65.1%
Walter Kurtz	7.8%
Free Float	27.1%

Company description

Rational provides products for thermal food preparation for industrial and commercial kitchens. Their core product lines include intelligent combination ovens (iCombi) and multifunctional cooking systems (iVario).

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

P&L data	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025
Sales	286.4	294.8	294.2	318.0	295.3	310.9	312.0	341.0
yoy growth in %	1.4%	5.9%	8.1%	8.6%	3.1%	5.5%	6.0%	7.2%
Gross profit	167.5	174.8	173.7	190.6	174.7	183.1	181.3	na
Gross margin in %	58.5%	59.3%	59.0%	59.9%	59.2%	58.9%	58.1%	na%
EBITDA	80.0	87.1	87.2	97.7	81.7	90.9	90.4	na
EBITDA margin in %	27.9%	29.5%	29.6%	30.7%	27.7%	29.2%	29.0%	na%
EBIT	71.0	77.8	77.6	87.6	72.1	81.4	80.9	98.7
EBIT margin in %	24.8%	26.4%	26.4%	27.5%	24.4%	26.2%	25.9%	28.9%
EBT	73.8	80.3	81.0	90.8	74.8	83.3	82.7	na
taxes paid	17.7	19.3	19.4	19.0	18.0	20.0	19.8	na
tax rate in %	24.0%	24.0%	24.0%	20.9%	24.0%	24.0%	24.0%	na%
net profit	56.1	61.0	61.6	71.8	56.9	63.4	62.8	na
yoy growth in %	8.5%	12.0%	17.8%	29.3%	1.4%	3.9%	2.0%	na%
EPS	**4.94**	**5.36**	**5.42**	**6.31**	**5.00**	**5.57**	**5.53**	**na**

Source: Company data; mwb research

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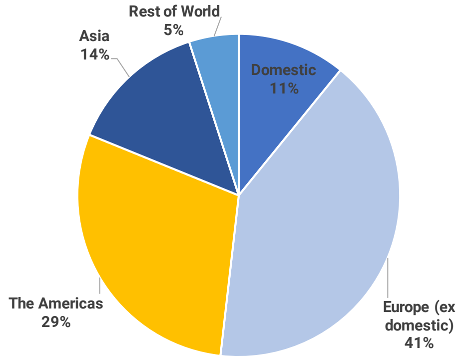
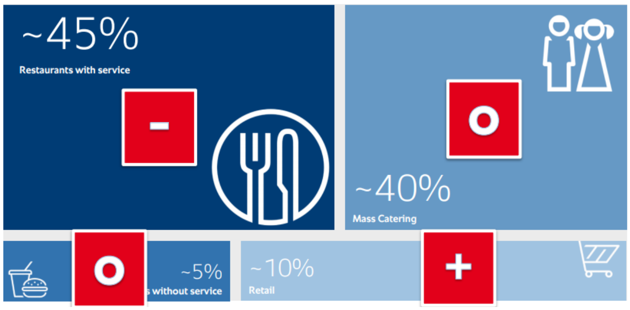
Investment case in six charts

Products & Services

Regional sales split in %

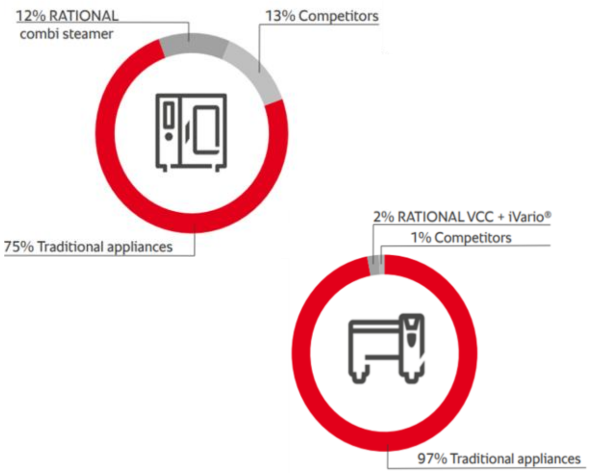


Customers

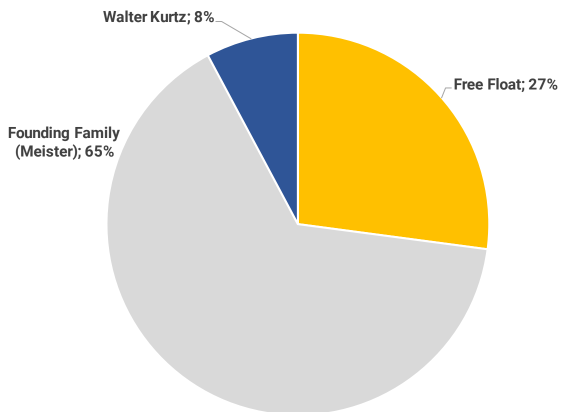


Production sites

Market potential / competition



Major Shareholders



Source: Company data; mwb research

SWOT analysis

Strengths

- Technology and market leader in thermal food preparation
- Worldwide customers and partnerships with renowned companies
- Pioneer in sustainability throughout the industry with almost 50 years of experience in the field of cooking systems
- High customer satisfaction (very good reputation) proved by a countless number of awards
- Provider of the largest online platform for professional chefs
- Well protected through high product quality and the diversified activities in eight different sectors

Weaknesses

- Products only cover a certain part of the gastronomy
- High cost exposure to tariffs, FX and input prices

Opportunities

- Large conversion potential from traditional cooking appliances
- Growth of digital, connected kitchens and data-driven services
- Expansion in emerging markets with low penetration
- Increasing demand for efficiency, energy savings & labor reduction

Threats

- Low cost provider from e.g. China
- Food preparation has a high degree of cyclical dependency -> investment backlog

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Valuation

DCF Model

The DCF model results in a **fair value of EUR 817.90 per share**:

Top-line growth: We expect Rational AG to grow revenues at a CAGR of 7.7% between 2025P and 2032E. The long-term growth rate is set at 2.0%.

ROCE. Returns on capital are developing from 34.5% in 2025P to 36.0% in 2032E.

WACC. Starting point is a historical equity beta of 0.83. Unlevering and correcting for mean reversion yields an asset beta of 0.89. Combined with a risk-free rate of 2.0% and an equity risk premium of 5.0% this yields cost of equity of 8.1%. 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 6.6%.

DCF (EURm) (except per share data and beta)	2025P	2026E	2027E	2028E	2029E	2030E	2031E	2032E	Terminal value
NOPAT	257	266	293	322	351	379	410	479	
Depreciation & amortization	41	41	42	42	43	43	43	43	
Change in working capital	-4	1	-8	-8	-8	-9	-10	-3	
Chg. in long-term provisions	4	2	2	2	3	3	3	3	
Capex	-44	-46	-48	-47	-44	-44	-43	-47	
Cash flow	254	263	281	312	345	373	403	476	10,444
Present value	256	249	250	260	271	274	279	309	6,699
WACC	6.4%	6.4%	6.4%	6.4%	6.4%	6.4%	6.4%	6.4%	6.6%

DCF per share derived from	
Total present value	8,847
Mid-year adj. total present value	9,128
Net debt / cash at start of year	-132
Financial assets	45
Provisions and off b/s debt	6
Equity value	9,300
No. of shares outstanding	11.4
Discounted cash flow / share	**817.90**
upside/(downside)	**23.0%**
Share price	**665.00**

DCF avg. growth and earnings assumptions	
Planning horizon avg. revenue growth (2025P-2032E)	7.7%
Terminal value growth (2032E - infinity)	2.0%
Terminal year ROCE	36.0%
Terminal year WACC	6.6%

Terminal WACC derived from	
Cost of borrowing (before taxes)	5.0%
Long-term tax rate	25%
Equity beta	0.83
Unlevered beta (industry or company)	0.89
Target debt / equity	0.5
Relevered beta	1.22
Risk-free rate	2.0%
Equity risk premium	5.0%
Cost of equity	8.1%

Sensitivity analysis DCF

Change in WACC (%-points)	Long term growth: 1.0%	1.5%	2.0%	2.5%	3.0%
2.0%	524.2	548.6	576.7	609.4	647.9
1.0%	600.9	635.3	675.8	724.1	782.8
0.0%	705.2	756.0	817.7	894.4	992.0
-1.0%	855.1	935.8	1,038.6	1,174.0	1,360.7
-2.0%	1,087.7	1,230.3	1,426.8	1,715.0	2,178.3

Share of present value	
2025P-2028E	11.5%
2029E-2032E	12.8%
terminal value	75.7%

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 366.35 per share based on 2025P and EUR 585.78 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	2025P	2026E	2027E	2028E	2029E
EBITDA	**375**	**386**	**422**	**460**	**499**
- Maintenance capex	36	38	39	40	41
- Minorities	0	0	0	0	0
- tax expenses	76	79	87	95	104
= Adjusted FCF	**262**	**269**	**297**	**324**	**353**
Actual Market Cap	**7,561**	**7,561**	**7,561**	**7,561**	**7,561**
+ Net debt (cash)	-214	-288	-375	-472	-582
+ Pension provisions	8	8	9	9	10
+ Off b/s financing	0	0	0	0	0
- Financial assets	45	45	45	45	45
- Acc. dividend payments	171	357	549	761	994
EV Reconciliations	-422	-682	-960	-1,269	-1,611
= Actual EV'	**7,139**	**6,879**	**6,601**	**6,292**	**5,950**
Adjusted FCF yield	**3.7%**	**3.9%**	**4.5%**	**5.2%**	**5.9%**
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	**3,744**	**3,850**	**4,236**	**4,632**	**5,049**
- EV Reconciliations	-422	-682	-960	-1,269	-1,611
Fair Market Cap	**4,165**	**4,532**	**5,196**	**5,901**	**6,660**
No. of shares (million)	11	11	11	11	11
Fair value per share in EUR	**366.35**	**398.56**	**457.00**	**518.99**	**585.78**
Premium (-) / discount (+)	**-44.9%**	**-40.1%**	**-31.3%**	**-22.0%**	**-11.9%**

Sensitivity analysis fair value						
	5.0%	498	534	606	682	763
	6.0%	421	455	519	587	660
Adjusted hurdle rate	**7.0%**	**366**	**399**	**457**	**519**	**586**
	8.0%	325	356	410	468	530
	9.0%	293	323	374	428	487

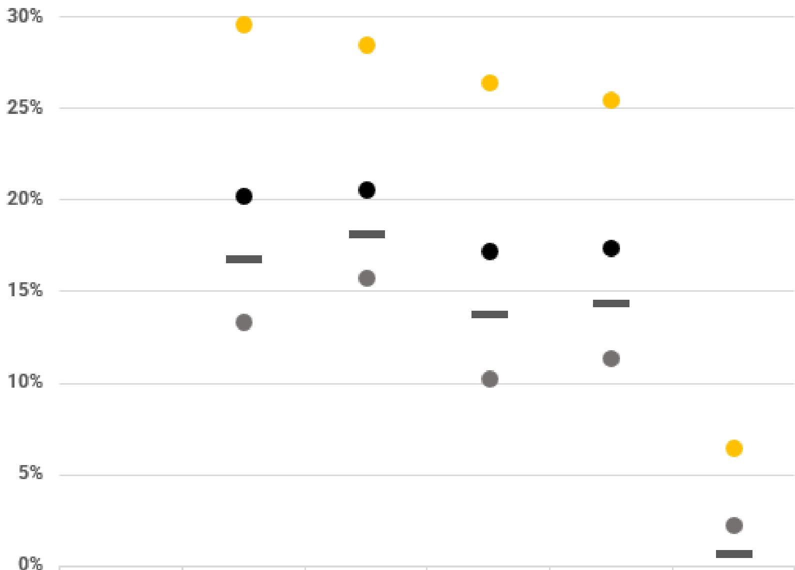
Source: Company data; mwb research

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 **Rational 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 Rational AG consists of the stocks displayed in the graphs below. As of 5 February 2026 the median market cap of the peer group was EUR 4,185m, compared to EUR 7,561m for Rational AG. In the period under review, the peer group was less profitable than Rational AG. The expectations for sales growth are lower for the peer group than for Rational AG.

Peer Group – Key data



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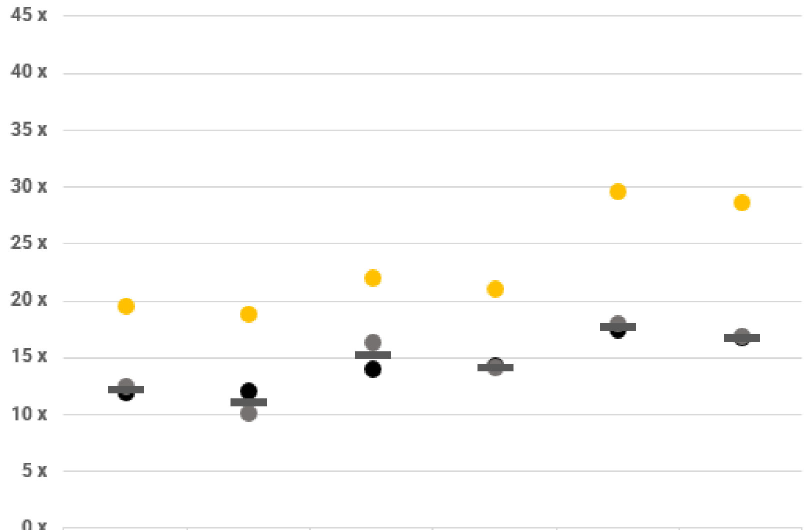
	Market Cap (EURm)	EBITDA margin 2025	EBITDA margin 2026	EBIT margin 2025	EBIT margin 2026	Sales CAGR 2024-2027
● Middleby Corporation	6.752	20,3%	20,6%	17,3%	17,4%	-0,8%
● Electrolux Professional AB Class B	1.617	13,4%	15,8%	10,3%	11,4%	2,3%
● Rational AG	7.561	29,6%	28,5%	26,4%	25,5%	6,5%
– Peer Group Median	4.185	16,8%	18,2%	13,8%	14,4%	0,7%

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 Rational AG results in a range of fair values from EUR 390.63 to EUR 466.24.

Peer Group – Multiples and valuation



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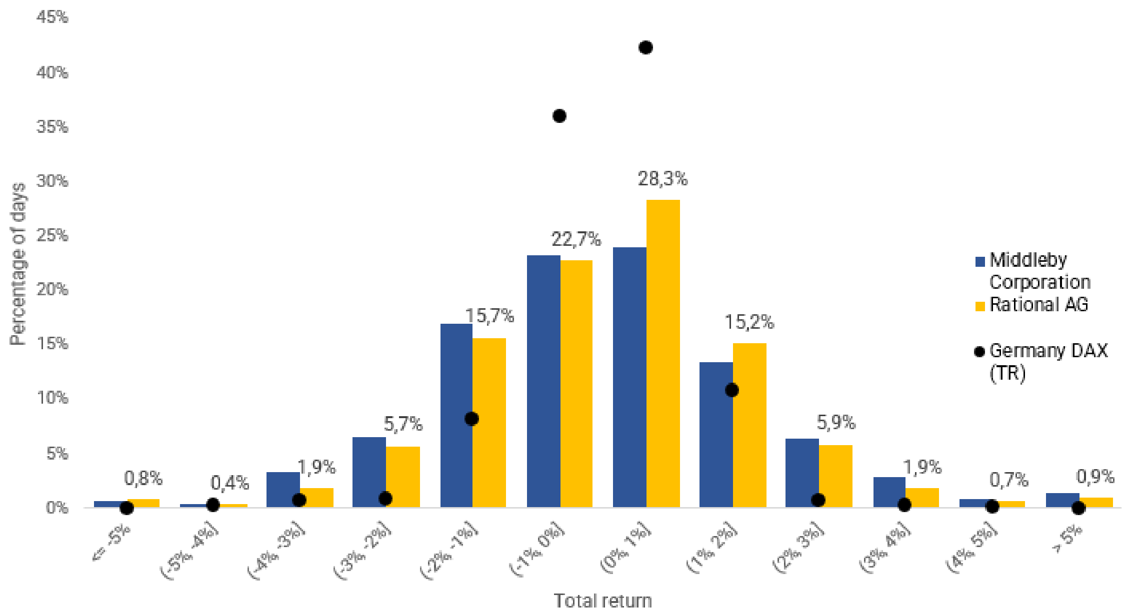
	EV/EBITDA 2025	EV/EBITDA 2026	EV/EBIT 2025	EV/EBIT 2026	P/E 2025	P/E 2026
● Middleby Corporation	12,0x	12,1x	14,1x	14,3x	17,5x	16,8x
● Electrolux Professional AB Class B	12,6x	10,2x	16,4x	14,2x	18,1x	16,9x
● Rational AG	19,6x	18,9x	22,0x	21,1x	29,7x	28,7x
– Peer Group Median	12,3x	11,1x	15,3x	14,2x	17,8x	16,9x
Fair Value (EUR)	423,40	395,99	466,24	449,50	398,23	390,63

Source: FactSet, mwb research

Risk

The chart displays the **distribution of daily returns of Rational AG** over the last 3 years, compared to the same distribution for Middleby Corporation. 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 Rational AG, the worst day during the past 3 years was 08/05/2023 with a share price decline of -8.5%. The best day was 06/08/2024 when the share price increased by 8.4%.

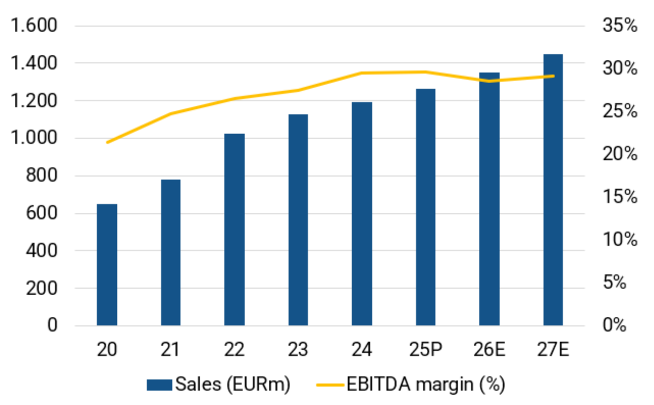
Risk – Daily Returns Distribution (trailing 3 years)



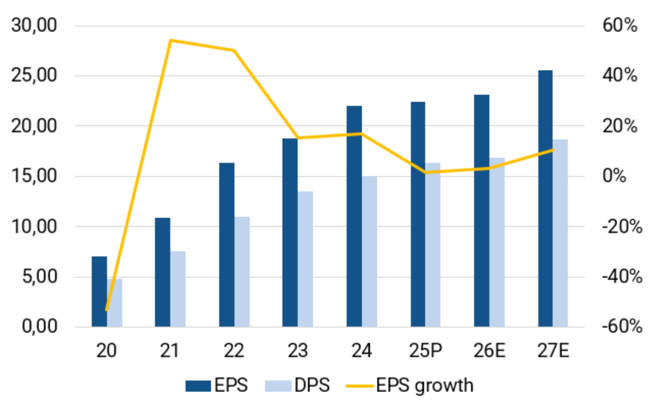
Source: FactSet, mwb research

Financials in six charts

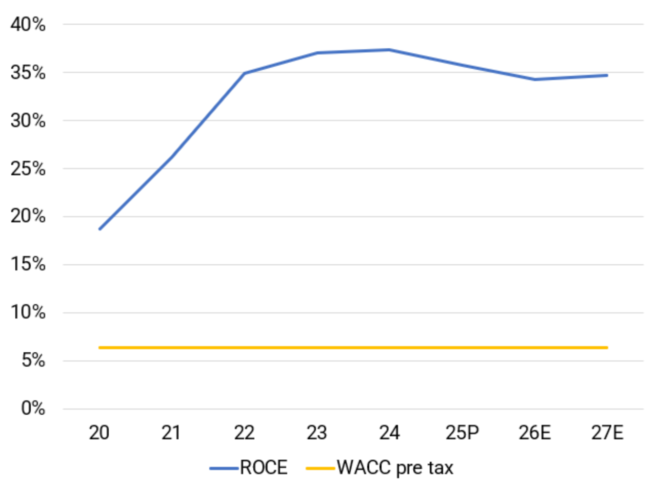
Sales vs. EBITDA margin development



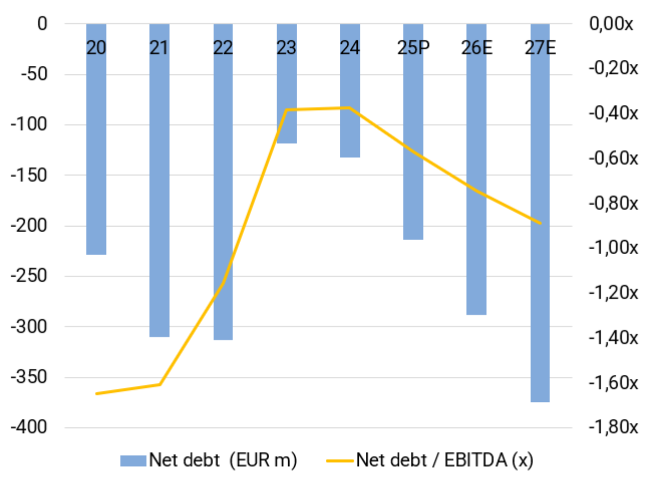
EPS, DPS in EUR & yoy EPS growth



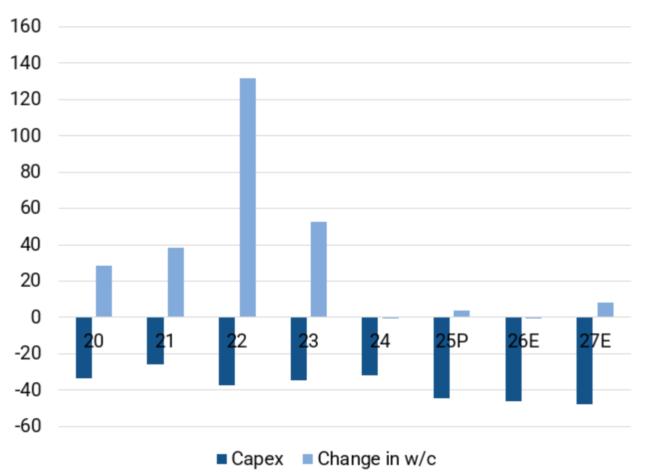
ROCE vs. WACC (pre tax)



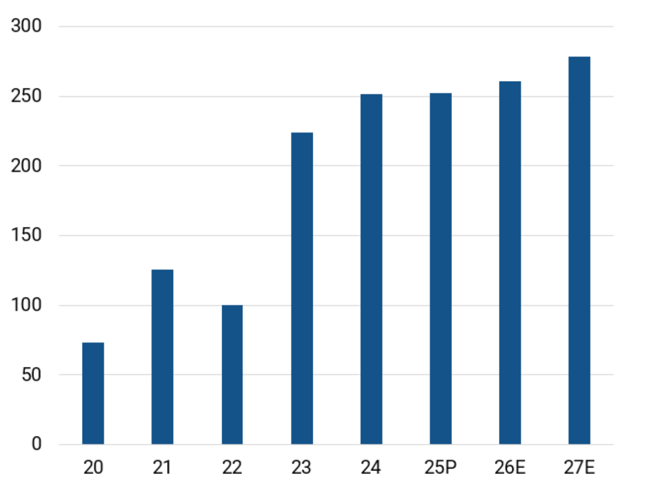
Net debt and net debt/EBITDA



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	2025P	2026E	2027E
Sales	**1,022**	**1,126**	**1,194**	**1,265**	**1,352**	**1,448**
Sales growth	31.1%	10.1%	6.0%	6.0%	6.9%	7.1%
Cost of sales	457	487	487	525	567	620
Gross profit	**565**	**639**	**707**	**740**	**786**	**829**
SG&A expenses	284	306	320	344	361	382
Research and development	45	53	66	72	77	67
Other operating expenses (income)	-1	3	7	-10	3	-1
EBITDA	**271**	**310**	**352**	**375**	**386**	**422**
Depreciation	31	28	33	36	38	39
EBITA	240	282	319	338	348	383
Amortisation of goodwill and intangible assets	2	5	5	4	3	3
EBIT	**238**	**277**	**314**	**334**	**345**	**381**
Financial result	-0	7	12	-3	-3	-3
Recurring pretax income from continuing operations	238	284	326	331	342	378
Extraordinary income/loss	0	0	0	0	0	0
Earnings before taxes	238	284	326	331	342	378
Taxes	52	70	75	76	79	87
Net income from continuing operations	186	214	251	255	263	291
Result from discontinued operations (net of tax)	0	0	0	0	0	0
Net income	**186**	**214**	**251**	**255**	**263**	**291**
Minority interest	0	0	0	0	0	0
Net profit (reported)	186	214	251	255	263	291
Average number of shares	11.37	11.37	11.37	11.37	11.37	11.37
EPS reported	**16.33**	**18.82**	**22.03**	**22.42**	**23.15**	**25.60**

Profit and loss (common size)	2022	2023	2024	2025P	2026E	2027E
Sales	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Cost of sales	45%	43%	41%	42%	42%	43%
Gross profit	**55%**	**57%**	**59%**	**59%**	**58%**	**57%**
SG&A expenses	28%	27%	27%	27%	27%	26%
Research and development	4%	5%	6%	6%	6%	5%
Other operating expenses (income)	-0%	0%	1%	-1%	0%	-0%
EBITDA	**26%**	**28%**	**29%**	**30%**	**29%**	**29%**
Depreciation	3%	2%	3%	3%	3%	3%
EBITA	23%	25%	27%	27%	26%	26%
Amortisation of goodwill and intangible assets	0%	0%	0%	0%	0%	0%
EBIT	**23%**	**25%**	**26%**	**26%**	**25%**	**26%**
Financial result	-0%	1%	1%	-0%	-0%	-0%
Recurring pretax income from continuing operations	23%	25%	27%	26%	25%	26%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	23%	25%	27%	26%	25%	26%
Taxes	5%	6%	6%	6%	6%	6%
Net income from continuing operations	18%	19%	21%	20%	19%	20%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
Net income	**18%**	**19%**	**21%**	**20%**	**19%**	**20%**
Minority interest	0%	0%	0%	0%	0%	0%
Net profit (reported)	**18%**	**19%**	**21%**	**20%**	**19%**	**20%**

Source: Company data; mwb research

Balance sheet (EURm)	2022	2023	2024	2025P	2026E	2027E
Intangible assets (exl. Goodwill)	**16**	**21**	**19**	**14**	**11**	**9**
Goodwill	0	0	0	0	0	0
Property, plant and equipment	204	219	228	236	244	253
Financial assets	17	46	45	45	45	45
FIXED ASSETS	**237**	**287**	**292**	**296**	**301**	**307**
Inventories	116	107	108	119	129	141
Accounts receivable	175	172	181	198	204	218
Other current assets	30	285	373	373	373	373
Liquid assets	332	138	153	214	288	375
Deferred taxes	0	0	0	0	0	0
Deferred charges and prepaid expenses	9	0	0	6	7	7
CURRENT ASSETS	**662**	**702**	**814**	**910**	**1,000**	**1,114**
TOTAL ASSETS	**899**	**989**	**1,106**	**1,205**	**1,301**	**1,421**
SHAREHOLDERS EQUITY	**676**	**761**	**857**	**941**	**1,018**	**1,117**
MINORITY INTEREST	0	0	0	0	0	0
Long-term debt	11	20	20	0	0	0
Provisions for pensions and similar obligations	4	5	6	8	8	9
Other provisions	16	18	16	19	20	22
Non-current liabilities	**31**	**42**	**42**	**27**	**28**	**30**
short-term liabilities to banks	8	0	0	0	0	0
Accounts payable	36	33	33	42	45	49
Advance payments received on orders	0	0	0	0	0	0
Other liabilities (incl. from lease and rental contracts)	120	170	171	164	176	188
Deferred taxes	4	5	3	3	3	3
Deferred income	24	0	0	29	31	33
Current liabilities	**192**	**208**	**207**	**238**	**255**	**274**
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	**899**	**1,011**	**1,106**	**1,206**	**1,301**	**1,421**

Balance sheet (common size)	2022	2023	2024	2025P	2026E	2027E
Intangible assets (excl. Goodwill)	**2%**	**2%**	**2%**	**1%**	**1%**	**1%**
Goodwill	0%	0%	0%	0%	0%	0%
Property, plant and equipment	23%	22%	21%	20%	19%	18%
Financial assets	2%	5%	4%	4%	3%	3%
FIXED ASSETS	**26%**	**29%**	**26%**	**25%**	**23%**	**22%**
Inventories	13%	11%	10%	10%	10%	10%
Accounts receivable	19%	17%	16%	16%	16%	15%
Other current assets	3%	29%	34%	31%	29%	26%
Liquid assets	37%	14%	14%	18%	22%	26%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred charges and prepaid expenses	1%	0%	0%	1%	1%	1%
CURRENT ASSETS	**74%**	**71%**	**74%**	**75%**	**77%**	**78%**
TOTAL ASSETS	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
SHAREHOLDERS EQUITY	**75%**	**77%**	**77%**	**78%**	**78%**	**79%**
MINORITY INTEREST	0%	0%	0%	0%	0%	0%
Long-term debt	1%	2%	2%	0%	0%	0%
Provisions for pensions and similar obligations	0%	1%	1%	1%	1%	1%
Other provisions	2%	2%	1%	2%	2%	2%
Non-current liabilities	**3%**	**4%**	**4%**	**2%**	**2%**	**2%**
short-term liabilities to banks	1%	0%	0%	0%	0%	0%
Accounts payable	4%	3%	3%	3%	3%	3%
Advance payments received on orders	0%	0%	0%	0%	0%	0%
Other liabilities (incl. from lease and rental contracts)	13%	17%	15%	14%	14%	13%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred income	3%	0%	0%	2%	2%	2%
Current liabilities	**21%**	**21%**	**19%**	**20%**	**20%**	**19%**
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	**100%**	**102%**	**100%**	**100%**	**100%**	**100%**

Source: Company data; mwb research

Cash flow statement (EURm)	2022	2023	2024	2025P	2026E	2027E
Net profit/loss	238	284	251	255	263	291
Depreciation of fixed assets (incl. leases)	31	33	33	36	38	39
Amortisation of goodwill	0	0	0	0	0	0
Amortisation of intangible assets	0	0	5	4	3	3
Others	0	-6	-6	4	2	2
Cash flow from operations before changes in w/c	269	311	282	300	306	335
Increase/decrease in inventory	-19	12	-0	-12	-9	-12
Increase/decrease in accounts receivable	-90	-5	-24	-16	-6	-14
Increase/decrease in accounts payable	0	10	18	8	3	4
Increase/decrease in other w/c positions	-22	-70	6	16	13	14
Increase/decrease in working capital	-132	-53	1	-4	1	-8
Cash flow from operating activities	**137**	**258**	**283**	**296**	**307**	**326**
CAPEX	-37	-35	-32	-44	-46	-48
Payments for acquisitions	0	0	0	0	0	0
Financial investments	-45	-128	-71	0	0	0
Income from asset disposals	0	1	0	0	0	0
Cash flow from investing activities	**-82**	**-162**	**-103**	**-44**	**-46**	**-48**
Cash flow before financing	55	97	180	252	261	279
Increase/decrease in debt position	-10	-12	-12	-20	0	0
Purchase of own shares	0	0	0	0	0	0
Capital measures	0	0	0	0	0	0
Dividends paid	-114	-153	-153	-171	-186	-192
Others	-1	0	1	0	0	0
Effects of exchange rate changes on cash	0	-1	0	0	0	0
Cash flow from financing activities	**-125**	**-167**	**-165**	**-191**	**-186**	**-192**
Increase/decrease in liquid assets	-69	-70	16	61	75	86
Liquid assets at end of period	**208**	**138**	**153**	**214**	**288**	**375**

Source: Company data; mwb research

Regional sales split (EURm)	2022	2023	2024	2025P	2026E	2027E
Domestic	126	122	124	137	147	157
Europe (ex domestic)	439	461	491	518	553	593
The Americas	279	330	360	370	396	424
Asia	126	156	153	176	188	201
Rest of World	53	56	66	63	67	72
Total sales	**1,022**	**1,126**	**1,194**	**1,265**	**1,352**	**1,448**

Regional sales split (common size)	2022	2023	2024	2025P	2026E	2027E
Domestic	12.3%	10.9%	10.4%	10.9%	10.9%	10.9%
Europe (ex domestic)	42.9%	40.9%	41.1%	40.9%	40.9%	40.9%
The Americas	27.3%	29.3%	30.2%	29.3%	29.3%	29.3%
Asia	12.3%	13.9%	12.8%	13.9%	13.9%	13.9%
Rest of World	5.2%	5.0%	5.5%	5.0%	5.0%	5.0%
Total sales	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Source: Company data; mwb research

Ratios	2022	2023	2024	2025P	2026E	2027E
Per share data						
Earnings per share reported	16.33	18.82	22.03	22.42	23.15	25.60
Cash flow per share	9.33	20.27	22.02	22.85	23.65	25.28
Book value per share	59.48	66.91	75.37	82.78	89.57	98.26
Dividend per share	11.00	13.50	15.00	16.36	16.90	18.68
Valuation						
P/E	40.7x	35.3x	30.2x	29.7x	28.7x	26.0x
P/CF	71.3x	32.8x	30.2x	29.1x	28.1x	26.3x
P/BV	11.2x	9.9x	8.8x	8.0x	7.4x	6.8x
Dividend yield (%)	1.7%	2.0%	2.3%	2.5%	2.5%	2.8%
FCF yield (%)	1.4%	3.0%	3.3%	3.4%	3.6%	3.8%
EV/Sales	7.1x	6.6x	6.2x	5.8x	5.4x	5.0x
EV/EBITDA	26.8x	24.1x	21.1x	19.6x	18.9x	17.0x
EV/EBIT	30.5x	26.9x	23.7x	22.0x	21.1x	18.9x
Income statement (EURm)						
Sales	1,022	1,126	1,194	1,265	1,352	1,448
yoy chg in %	31.1%	10.1%	6.0%	6.0%	6.9%	7.1%
Gross profit	565	639	707	740	786	829
Gross margin in %	55.3%	56.7%	59.2%	58.5%	58.1%	57.2%
EBITDA	271	310	352	375	386	422
EBITDA margin in %	26.5%	27.5%	29.5%	29.6%	28.5%	29.2%
EBIT	238	277	314	334	345	381
EBIT margin in %	23.3%	24.6%	26.3%	26.4%	25.5%	26.3%
Net profit	186	214	251	255	263	291
Cash flow statement (EURm)						
CF from operations	137	258	283	296	307	326
Capex	-37	-35	-32	-44	-46	-48
Maintenance Capex	31	28	33	36	38	39
Free cash flow	100	224	251	252	261	279
Balance sheet (EURm)						
Intangible assets	16	21	19	15	12	9
Tangible assets	204	219	228	236	244	253
Shareholders' equity	676	761	857	941	1,018	1,117
Pension provisions	4	5	6	8	8	9
Liabilities and provisions	39	42	42	27	28	30
Net financial debt	-313	-118	-132	-214	-288	-375
w/c requirements	255	246	255	275	288	310
Ratios						
ROE	27.5%	28.1%	29.2%	27.1%	25.8%	26.0%
ROCE	33.3%	34.5%	34.9%	34.5%	32.9%	33.2%
Net gearing	-46.2%	-15.6%	-15.4%	-22.7%	-28.3%	-33.5%
Net debt / EBITDA	-1.2x	-0.4x	-0.4x	-0.6x	-0.7x	-0.9x

Source: Company data; mwb research

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