

Bayer AG

Germany | Pharmaceuticals | MCap EUR 36,743m

5 March 2026

UPDATE



2026 clouded by legal settlements but visibility improving – BUY.

BUY (BUY)

Target price	EUR 52.00 (54.00)
Current price	EUR 37.40
Up/downside	39.0%



What's it all about?

Bayer delivered a mixed but broadly stable set of results, with solid operational momentum in Crop Science and Pharmaceuticals offset by profitability pressure and continued litigation-related headwinds. Strong growth from key launch products such as Nubeqa and Kerendia helped counter patent expiry pressure in Pharma, while Crop Science remained resilient despite a softer crop protection environment. The company continues to execute on its operational turnaround through organizational simplification and cost savings, while simultaneously advancing a multi-pronged strategy to contain glyphosate litigation. Looking ahead, 2026 is expected to be a transition year as substantial litigation payouts weigh on cash flow and temporarily increase leverage, although underlying operating performance should remain stable. Importantly, progress on settlements and the pending Supreme Court review provide improving visibility on the legal overhang, supporting the investment case beyond 2026. We therefore maintain our BUY rating with a slightly revised price target of EUR 52.00.

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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 | Pharmaceuticals | MCap EUR 36,743m | EV EUR 68,350m

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2026 clouded by legal settlements but visibility improving – BUY.

Q4 highlights. Bayer reported mixed Q4 2025 results, with operational growth offset by profitability pressure. Group sales declined 2.5% yoy to EUR 11.4bn but increased 2.9% on a currency- and portfolio-adjusted basis. Crop Science sales rose 6% yoy c.p. to EUR 5.4bn, driven by strong demand for Corn Seeds & Traits (+29%) and Glyphosate (+10%), which more than compensated for softness in the core crop protection portfolio. Pharmaceuticals grew 2% yoy c.p. to EUR 4.5bn, supported by continued strong uptake of Nubeqa (+69% yoy) and Kerendia (+109%), offsetting declines in Xarelto and Eylea, while Consumer Health sales declined 5% yoy c.p. to EUR 1.5bn amid a weak U.S. cough & cold season and softer allergy demand. Profitability declined across divisions, with adjusted EBITDA down 16% yoy to EUR 1.97bn, reflecting higher incentive compensation, growth investments and an unfavourable product mix. Free cash flow reached EUR 2.9bn (-13% yoy), largely reflecting litigation-related payouts.

FY25 in line. At the full-year level, Bayer delivered results broadly in line with its upgraded guidance. Group sales reached EUR 45.6bn (+1% FX- and portfolio-adjusted yoy), while adj EBITDA declined to EUR 9.7bn (-4.5% yoy) and core EPS came in at EUR 4.91 (-2.8% yoy). Operational performance was supported by continued momentum in the Pharmaceuticals division, where growth from launch products more than offset declines from mature brands, while Crop Science remained resilient despite regulatory headwinds and Consumer Health navigated softer consumer demand in the U.S. and China. Reported earnings were significantly impacted by litigation-related charges, resulting in net income of EUR -3.6bn, although the company reduced net financial debt to EUR 29.8bn (EUR -2.8bn yoy) through operating cash generation and favorable FX effects.

On litigation and strategy. Strategically, Bayer continues to execute on its multi-year turnaround program. The group's Dynamic Shared Ownership operating model has now been implemented across all divisions, flattening the organization by removing roughly half of management layers and reducing management roles by about two-thirds, with targeted EUR 2bn structural cost savings.



Source: Company data, mwb research

High/low 52 weeks 49.78 / 18.38
Price/Book Ratio 1.4x

Ticker / Symbols

ISIN DE000BAY0017
WKN BAY001
Bloomberg BAYN:GR

Changes in estimates

		Sales	EBIT	EPS
2026E	old	47,022	2,469	0.95
	Δ	-1.7%	-1.7%	10.1%
2027E	old	48,433	6,926	4.51
	Δ	-1.2%	-3.3%	2.1%
2028E	old	49,886	6,884	4.54
	Δ	-0.8%	-0.8%	5.2%

Key share data

Number of shares: (in m pcs) 982.42
Book value per share: (in EUR) 26.41
Ø trading vol.: (12 months) 3,661,651

Major shareholders

Free Float 100.0%

Company description

Bayer AG is a life science company. The Company's segments are Pharmaceuticals, Consumer Health, Crop Science and Animal Health.

-Continued-

Bayer AG	2023	2024	2025	2026E	2027E	2028E
Sales	47,637	46,606	45,575	46,213	47,831	49,505
<i>Growth yoy</i>	-6.1%	-2.2%	-2.2%	1.4%	3.5%	3.5%
EBITDA	12,948	11,166	4,163	6,606	9,920	10,234
EBIT	612	-71	-1,077	2,426	6,696	6,832
Net profit	-2,941	-2,552	-3,620	1,032	4,521	4,693
Net debt (net cash)	32,287	32,617	29,517	32,850	30,437	28,802
Net debt/EBITDA	2.5x	2.9x	7.1x	5.0x	3.1x	2.8x
EPS reported	-2.99	-2.60	-3.68	1.05	4.60	4.78
DPS	0.11	0.11	0.11	0.47	2.07	2.15
<i>Dividend yield</i>	0.3%	0.3%	0.3%	1.3%	5.5%	5.7%
Gross profit margin	58.5%	54.4%	58.8%	57.1%	58.0%	58.5%
EBITDA margin	27.2%	24.0%	9.1%	14.3%	20.7%	20.7%
EBIT margin	1.3%	-0.2%	-2.4%	5.3%	14.0%	13.8%
ROCE	0.7%	-0.1%	-1.4%	3.3%	8.7%	9.0%
EV/EBITDA	5.6x	6.5x	16.4x	10.9x	7.0x	6.6x
EV/EBIT	119.4x	-1,023.5x	-63.5x	29.6x	10.4x	10.0x
PER	-12.5x	-14.4x	-10.1x	35.6x	8.1x	7.8x
FCF yield	-10.6%	-1.5%	9.3%	-7.4%	11.7%	13.6%

Source: Company data, mwb research

At the same time, Bayer is advancing a multi-pronged strategy to contain glyphosate litigation. A U.S. class settlement covering current and potential future Roundup claims recently received preliminary court approval, initiating an opt-out period running until June 4, 2026, followed by a fairness hearing scheduled for July 9. In parallel, the U.S. Supreme Court is reviewing a key case addressing whether federal pesticide labeling law preempts state-level failure-to-warn claims, a decision that could materially limit future litigation exposure and clarify the legal framework for existing verdicts. The case has received support from the U.S. government, multiple state attorneys general and agricultural groups, highlighting its broader policy relevance.

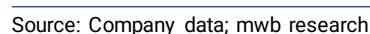
Better visibility into 2026 and beyond. Looking ahead to 2026, management guides to broadly stable operating performance, with group sales expected at EUR 45bn–47bn (0–3% yoy c.p.), adj. EBITDA of EUR 9.6bn–10.1bn (vs. 9.7bn last year), and core EPS of EUR 4.30–4.80 under the new methodology (comparable FY25: EUR 4.57). Growth from recently launched pharmaceutical products, including the first full-year contributions from Beyontra and Lynkuet, alongside continued expansion of Nubeqa and Kerendia, is expected to offset patent expiry headwinds, particularly the accelerated decline of Xarelto and biosimilar pressure on Eylea. Crop Science continues to execute its 5-year framework aimed at improving margins and strengthening the innovation pipeline. FCF is expected at –EUR 2.5bn to –EUR 1.5bn, reflecting approximately EUR 5bn of litigation-related payouts linked to the proposed nationwide Roundup class settlement. As a result, net financial debt is expected to increase temporarily to EUR 32bn–33bn (vs. EUR 29.8bn at FY25). While litigation payments will weigh on near-term cash generation, they represent a step toward resolving Bayer’s largest structural overhang. With operational execution improving, a strengthening pharmaceutical pipeline and clearer visibility on litigation containment, we continue to see attractive medium-term value creation potential. We slightly tweak our estimates and reiterate our BUY rating with slightly revised price target of EUR 52.00 (old: 54.00).

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

P&L data	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025
Sales	13,765.0	11,144.0	9,968.0	11,729.0	13,738.0	10,739.0	9,660.0	11,438.0
yoy growth in %	-4.3%	0.9%	-3.6%	-1.1%	-0.2%	-3.6%	-3.1%	-2.5%
Gross profit	8,302.0	6,150.0	4,878.0	6,006.0	8,113.0	6,375.0	5,353.0	6,937.0
Gross margin in %	60.3%	55.2%	48.9%	51.2%	59.1%	59.4%	55.4%	60.6%
EBITDA	4,205.0	2,111.0	1,251.0	1,901.0	4,085.0	2,105.0	1,511.0	1,968.0
EBITDA margin in %	30.5%	18.9%	12.6%	16.2%	29.7%	19.6%	15.6%	17.2%
EBIT	3,092.0	1,015.0	267.0	134.0	2,324.0	904.0	521.0	682.0
EBIT margin in %	22.5%	9.1%	2.7%	1.1%	16.9%	8.4%	5.4%	6.0%
EBT	2,591.0	-97.0	-4,347.0	-481.0	1,832.0	-401.0	-1,175.0	-3,385.0
taxes paid	589.0	-71.0	-153.0	-153.0	526.0	-236.0	-202.0	378.0
tax rate in %	22.7%	73.2%	3.5%	31.8%	28.7%	58.9%	17.2%	-11.2%
net profit	2,000.0	-26.0	-4,183.0	-335.0	1,299.0	-199.0	-963.0	-3,757.0
yoy growth in %	-8.2%	-98.6%	-8.4%	-125.1%	-35.0%	665.4%	-77.0%	1,021.5%
EPS	2.04	-0.03	-4.26	-0.34	1.32	-0.20	-0.98	-3.82

Source: Company data; mwb research

Products & Services



SWOT analysis

Strengths

- global leader in the crop and seed protection segment
- many new products and refreshes lined up in Crop Science
- robust R&D pipeline

Weaknesses

- patent expiry of blockbuster drugs (Xarelto, Eylea)
- high leverage and elevated debt levels
- Operational complexity

Opportunities

- shift of farming to digital solutions
- ageing and growing population
- emerging markets expansion

Threats

- legal risk overhang from Monsanto acquisition
- Intensifying regulatory scrutiny
- Reputational risks from lawsuits

Valuation

DCF Model

The DCF model results in a **fair value of EUR 52.71 per share:**

Top-line growth: We expect Bayer AG to grow revenues at a CAGR of 2.4% between 2026E and 2033E. The long-term growth rate is set at 2.0%.

ROCE. Returns on capital are developing from 3.3% in 2026E to 9.5% in 2033E.

WACC. Starting point is a historical equity beta of 2.05. Unlevering and correcting for mean reversion yields an asset beta of 1.09. Combined with a risk-free rate of 2.0% and an equity risk premium of 6.0% this yields cost of equity of 15.9%. With pre-tax cost of borrowing at 5.0%, a tax rate of 25% and target debt/equity of 1.5 this results in a long-term WACC of 8.6%.

[illegible]

DCF per share derived from	
Total present value	70,110
Mid-year adj. total present value	73,088
Net debt / cash at start of year	29,517
Financial assets	10,298
Provisions and off b/s debt	2,090
Equity value	51,779
No. of shares outstanding	982.4
Discounted cash flow / share	52.71
upside/(downside)	40.9%

Share price	37.40
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DCF avg. growth and earnings assumptions	
Planning horizon avg. revenue growth (2026E-2033E)	2.4%
Terminal value growth (2033E - infinity)	2.0%
Terminal year ROCE	9.5%
Terminal year WACC	8.6%

Terminal WACC derived from	
Cost of borrowing (before taxes)	5.0%
Long-term tax rate	25%
Equity beta	2.05
Unlevered beta (industry or company)	1.09
Target debt / equity	1.5
Relevered beta	2.31
Risk-free rate	2.0%
Equity risk premium	6.0%
Cost of equity	15.9%

Sensitivity analysis DCF

Change in WACC (%-points)	Long term growth					Share of present value	
	1.0%	1.5%	2.0%	2.5%	3.0%		
2.0%	29.7	31.6	33.7	36.0	38.7	2026E-2029E	11.0%
1.0%	36.6	39.1	41.9	45.1	48.8	2030E-2033E	18.5%
0.0%	45.3	48.8	52.7	57.3	62.7	terminal value	70.5%
-1.0%	56.8	61.7	67.4	74.2	82.6		
-2.0%	72.4	79.7	88.5	99.5	113.5		

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 42.61 per share based on 2026E and EUR 112.37 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	2026E	2027E	2028E	2029E	2030E
EBITDA	6,606	9,920	10,234	10,445	10,796
- Maintenance capex	2,277	1,450	1,656	1,788	2,093
- Minorities	-1	-5	-5	-5	-5
- tax expenses	344	1,349	1,400	1,464	1,507
= Adjusted FCF	3,986	7,126	7,182	7,198	7,202
Actual Market Cap	36,743	36,743	36,743	36,743	36,743
+ Net debt (cash)	32,850	30,437	28,802	26,476	24,270
+ Pension provisions	2,126	2,392	2,475	2,549	2,600
+ Off b/s financing	0	0	0	0	0
- Financial assets	10,298	10,298	10,298	10,298	10,298
- Acc. dividend payments	108	573	2,607	4,719	6,927
<i>EV Reconciliations</i>	24,570	21,958	18,372	14,009	9,645
= Actual EV'	61,313	58,700	55,115	50,751	46,388
Adjusted FCF yield	6.5%	12.1%	13.0%	14.2%	15.5%
base hurdle rate	6.0%	6.0%	6.0%	6.0%	6.0%
ESG adjustment	0.0%	0.0%	0.0%	0.0%	0.0%
adjusted hurdle rate	6.0%	6.0%	6.0%	6.0%	6.0%
Fair EV	66,436	118,758	119,705	119,961	120,035
- <i>EV Reconciliations</i>	24,570	21,958	18,372	14,009	9,645
Fair Market Cap	41,865	96,801	101,333	105,953	110,390
No. of shares (million)	982	982	982	982	982
Fair value per share in EUR	42.61	98.53	103.15	107.85	112.37
Premium (-) / discount (+)	13.9%	163.5%	175.8%	188.4%	200.4%

Sensitivity analysis fair value					
Adjusted hurdle rate	4.0%	76	159	164	169
	5.0%	56	123	128	132
	6.0%	43	99	103	108
	7.0%	33	81	86	90
	8.0%	26	68	73	77

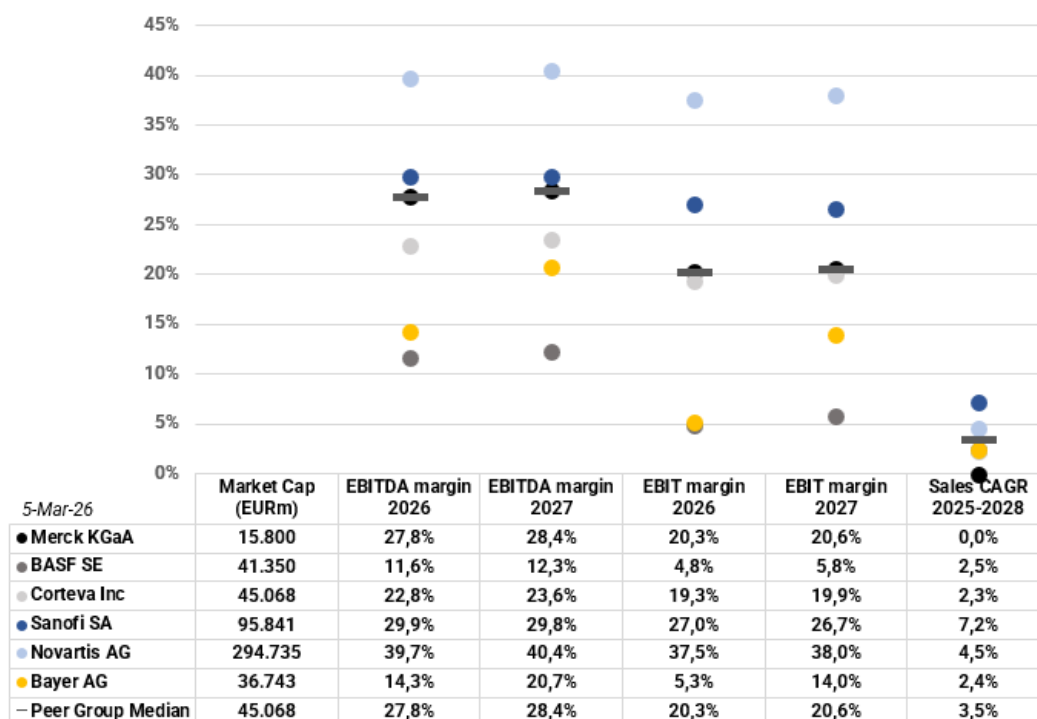
Source: Company data; mwb research

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 6.0%. 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 **Bayer 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 Bayer AG consists of the stocks displayed in the graphs below. As of 5 March 2026 the median market cap of the peer group was EUR 45,068m, compared to EUR 36,743m for Bayer AG. In the period under review, the peer group was more profitable than Bayer AG. The expectations for sales growth are higher for the peer group than for Bayer AG.

Peer Group – Key data

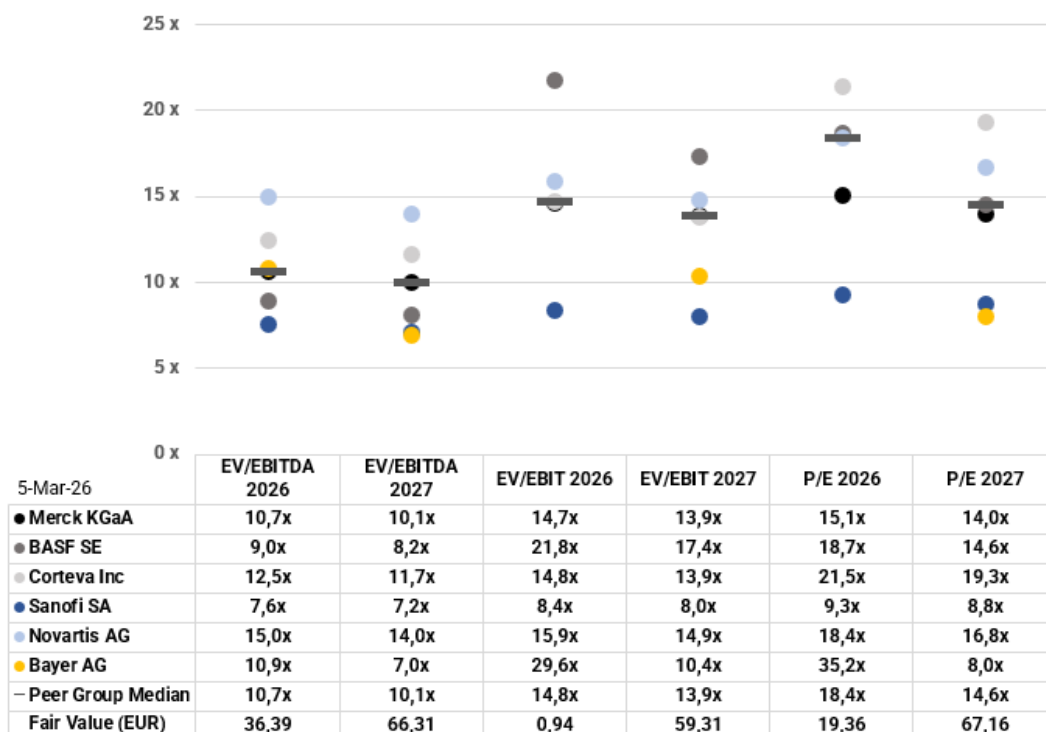


Source: FactSet, mwb research

Comparable company analysis operates under the assumption that similar companies will have similar valuation multiples. We use the following multiples: EV/EBITDA 2026, EV/EBITDA 2027, EV/EBIT 2026, EV/EBIT 2027, P/E 2026 and P/E 2027.

Applying these to Bayer AG results in a range of fair values from EUR 0.94 to EUR 67.16.

Peer Group – Multiples and valuation

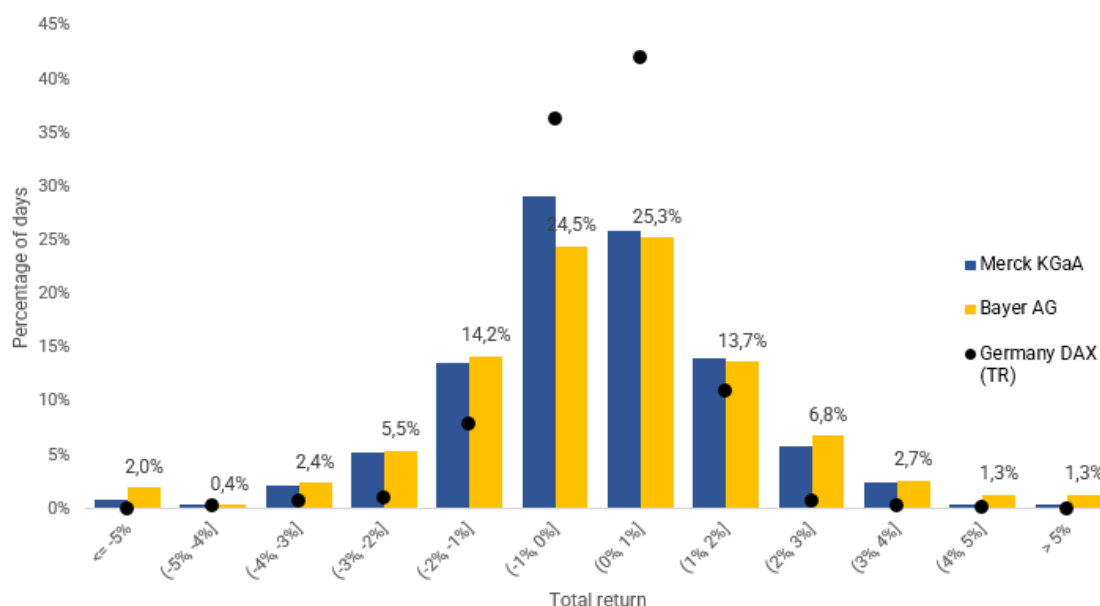


Source: FactSet, mwb research

Risk

The chart displays the **distribution of daily returns of Bayer AG** over the last 3 years, compared to the same distribution for Merck KGaA. 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 Bayer AG, the worst day during the past 3 years was 20/11/2023 with a share price decline of -18.0%. The best day was 02/12/2025 when the share price increased by 12.1%.

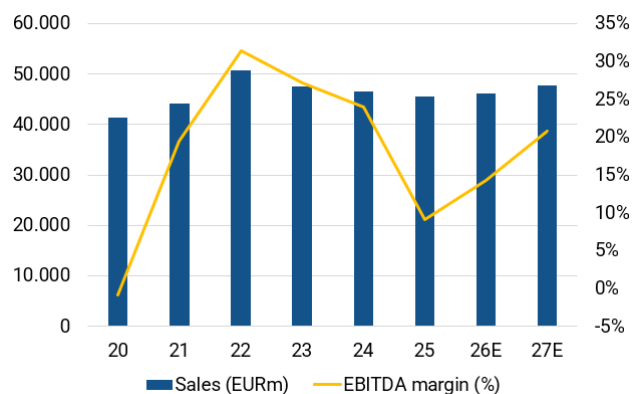
Risk – Daily Returns Distribution (trailing 3 years)



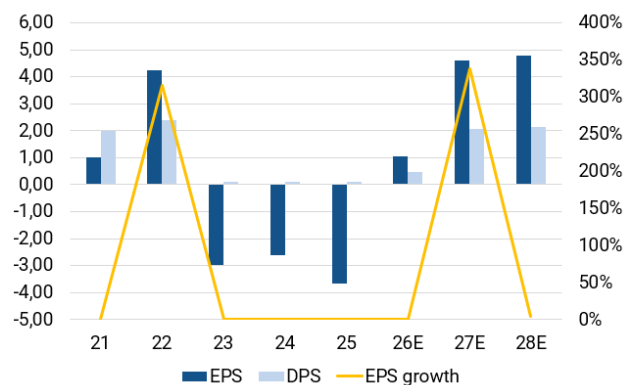
Source: FactSet, mwb research

Financials in six charts

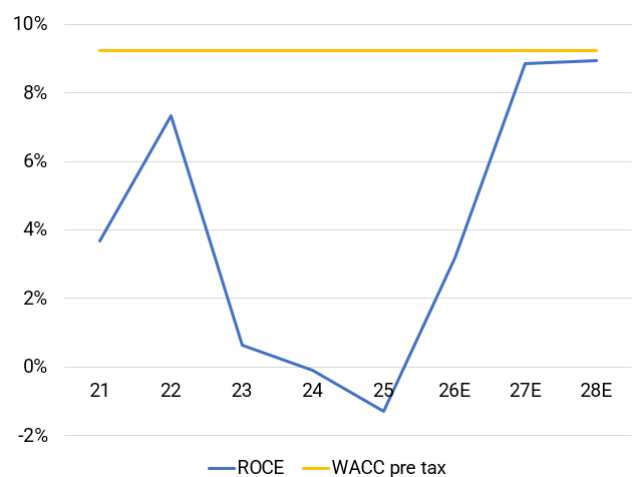
Sales vs. EBITDA margin development



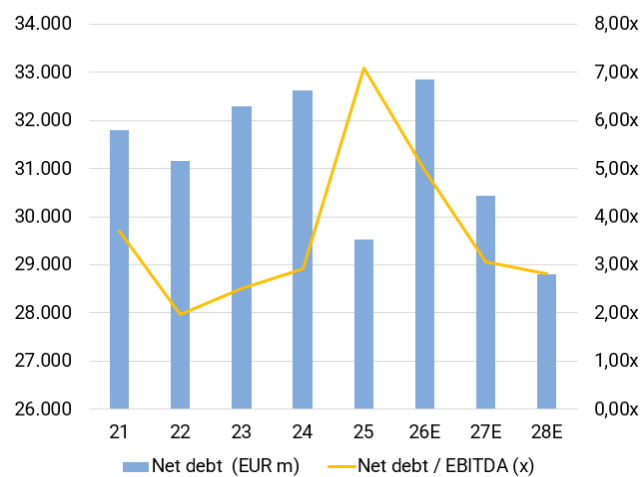
EPS, DPS in EUR & yoy EPS growth



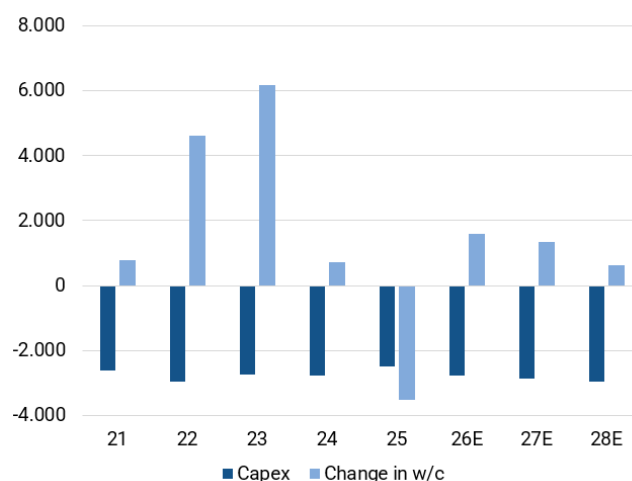
ROCE vs. WACC (pre tax)



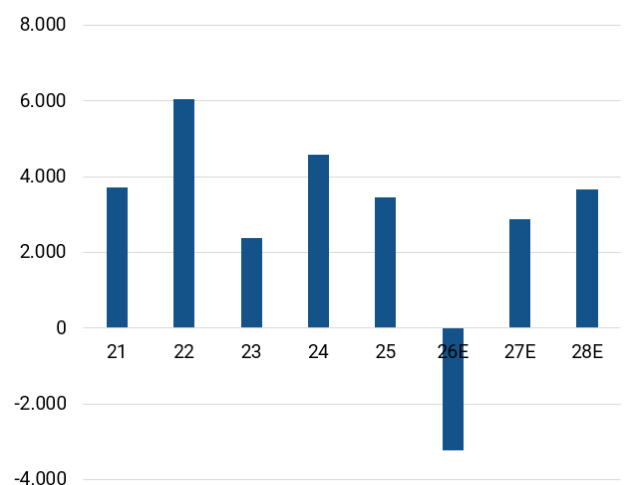
Net debt and net debt/EBITDA



Capex & chgn in w/c requirements in EURm



Free Cash Flow in EURm



Source: Company data; mwb research

Financials

Profit and loss (EURm)	2023	2024	2025	2026E	2027E	2028E
Sales	47,637	46,606	45,575	46,213	47,831	49,505
Sales growth	-6.1%	-2.2%	-2.2%	1.4%	3.5%	3.5%
Cost of sales	19,749	21,270	18,797	19,825	20,089	20,544
Gross profit	27,888	25,336	26,778	26,388	27,742	28,960
SG&A expenses	14,936	15,938	14,709	14,442	15,210	15,841
Research and development	5,371	6,209	5,769	5,546	5,740	6,188
Other operating expenses (income)	6,969	3,260	7,377	3,974	96	99
EBITDA	12,948	11,166	4,163	6,606	9,920	10,234
Depreciation	10,020	8,783	2,785	2,530	1,611	1,840
EBITA	2,928	2,383	1,378	4,076	8,309	8,394
Amortisation of goodwill and intangible assets	2,316	2,454	2,455	1,650	1,613	1,562
EBIT	612	-71	-1,077	2,426	6,696	6,832
Financial result	-2,233	-2,263	-2,052	-1,051	-831	-743
Recurring pretax income from continuing operations	-1,621	-2,334	-3,129	1,375	5,866	6,088
Extraordinary income/loss	0	0	0	0	0	0
Earnings before taxes	-1,621	-2,334	-3,129	1,375	5,866	6,088
Taxes	1,321	212	466	344	1,349	1,400
Net income from continuing operations	-2,942	-2,546	-3,595	1,031	4,516	4,688
Result from discontinued operations (net of tax)	0	0	0	0	0	0
Net income	-2,942	-2,546	-3,595	1,031	4,516	4,688
Minority interest	1	-6	-25	1	5	5
Net profit (reported)	-2,941	-2,552	-3,620	1,032	4,521	4,693
Average number of shares	982.42	982.42	982.42	982.42	982.42	982.42
EPS reported	-2.99	-2.60	-3.68	1.05	4.60	4.78

Profit and loss (common size)	2023	2024	2025	2026E	2027E	2028E
Sales	100%	100%	100%	100%	100%	100%
Cost of sales	41%	46%	41%	43%	42%	41%
Gross profit	59%	54%	59%	57%	58%	59%
SG&A expenses	31%	34%	32%	31%	32%	32%
Research and development	11%	13%	13%	12%	12%	13%
Other operating expenses (income)	15%	7%	16%	9%	0%	0%
EBITDA	27%	24%	9%	14%	21%	21%
Depreciation	21%	19%	6%	5%	3%	4%
EBITA	6%	5%	3%	9%	17%	17%
Amortisation of goodwill and intangible assets	5%	5%	5%	4%	3%	3%
EBIT	1%	-0%	-2%	5%	14%	14%
Financial result	-5%	-5%	-5%	-2%	-2%	-2%
Recurring pretax income from continuing operations	-3%	-5%	-7%	3%	12%	12%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	-3%	-5%	-7%	3%	12%	12%
Taxes	3%	0%	1%	1%	3%	3%
Net income from continuing operations	-6%	-5%	-8%	2%	9%	9%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
Net income	-6%	-5%	-8%	2%	9%	9%
Minority interest	0%	-0%	-0%	0%	0%	0%
Net profit (reported)	-6%	-5%	-8%	2%	9%	9%

Source: Company data; mwb research

Balance sheet (EURm)	2023	2024	2025	2026E	2027E	2028E
Intangible assets (exl. Goodwill)	23,363	22,112	20,622	18,972	17,360	15,797
Goodwill	32,299	30,016	28,061	28,061	28,061	28,061
Property, plant and equipment	13,321	13,456	12,649	12,892	14,150	15,281
Financial assets	9,720	10,822	10,298	10,298	10,298	10,298
FIXED ASSETS	78,703	76,406	71,630	70,223	69,869	69,437
Inventories	13,947	13,467	12,378	12,764	13,484	13,790
Accounts receivable	9,343	8,966	9,077	9,243	10,483	11,122
Other current assets	3,230	3,475	2,945	2,945	2,945	2,945
Liquid assets	10,587	8,087	8,062	4,650	6,063	4,698
Deferred taxes	0	0	0	0	0	0
Deferred charges and prepaid expenses	449	449	449	462	478	495
CURRENT ASSETS	37,556	34,444	32,911	30,064	33,454	33,050
TOTAL ASSETS	116,259	110,850	104,541	100,287	103,323	102,487
SHAREHOLDERS EQUITY	32,927	31,908	25,947	26,870	30,922	33,576
MINORITY INTEREST	151	137	116	116	116	116
Long-term debt	38,170	35,498	31,833	33,000	33,000	30,000
Provisions for pensions and similar obligations	4,014	3,312	2,090	2,126	2,392	2,475
Other provisions	11,540	11,043	11,970	7,856	6,935	6,040
Non-current liabilities	53,724	49,853	45,893	42,982	42,327	38,515
short-term liabilities to banks	4,704	5,206	5,746	4,500	3,500	3,500
Accounts payable	7,456	7,518	7,081	6,518	6,605	6,754
Advance payments received on orders	3,911	3,652	3,733	3,789	4,305	4,455
Other liabilities (incl. from lease and rental contracts)	12,242	11,357	14,902	14,326	14,349	14,356
Deferred taxes	790	865	769	769	769	769
Deferred income	354	354	354	416	430	446
Current liabilities	29,457	28,952	32,585	30,318	29,958	30,281
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	116,259	110,850	104,541	100,287	103,323	102,487

Balance sheet (common size)	2023	2024	2025	2026E	2027E	2028E
Intangible assets (excl. Goodwill)	20%	20%	20%	19%	17%	15%
Goodwill	28%	27%	27%	28%	27%	27%
Property, plant and equipment	11%	12%	12%	13%	14%	15%
Financial assets	8%	10%	10%	10%	10%	10%
FIXED ASSETS	68%	69%	69%	70%	68%	68%
Inventories	12%	12%	12%	13%	13%	13%
Accounts receivable	8%	8%	9%	9%	10%	11%
Other current assets	3%	3%	3%	3%	3%	3%
Liquid assets	9%	7%	8%	5%	6%	5%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred charges and prepaid expenses	0%	0%	0%	0%	0%	0%
CURRENT ASSETS	32%	31%	31%	30%	32%	32%
TOTAL ASSETS	100%	100%	100%	100%	100%	100%
SHAREHOLDERS EQUITY	28%	29%	25%	27%	30%	33%
MINORITY INTEREST	0%	0%	0%	0%	0%	0%
Long-term debt	33%	32%	30%	33%	32%	29%
Provisions for pensions and similar obligations	3%	3%	2%	2%	2%	2%
Other provisions	10%	10%	11%	8%	7%	6%
Non-current liabilities	46%	45%	44%	43%	41%	38%
short-term liabilities to banks	4%	5%	5%	4%	3%	3%
Accounts payable	6%	7%	7%	6%	6%	7%
Advance payments received on orders	3%	3%	4%	4%	4%	4%
Other liabilities (incl. from lease and rental contracts)	11%	10%	14%	14%	14%	14%
Deferred taxes	1%	1%	1%	1%	1%	1%
Deferred income	0%	0%	0%	0%	0%	0%
Current liabilities	25%	26%	31%	30%	29%	30%
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100%	100%	100%	100%	100%	100%

Source: Company data; mwb research

Cash flow statement (EURm)	2023	2024	2025	2026E	2027E	2028E
Net profit/loss	-2,942	-2,546	-3,595	1,031	4,516	4,688
Depreciation of fixed assets (incl. leases)	10,020	8,783	2,785	2,530	1,611	1,840
Amortisation of goodwill	0	0	0	0	0	0
Amortisation of intangible assets	2,316	2,454	2,455	1,650	1,613	1,562
Others	1,898	-607	778	-4,078	-655	-812
Cash flow from operations before changes in w/c	11,292	8,084	2,423	1,133	7,086	7,278
Increase/decrease in inventory	-430	521	475	-386	-720	-306
Increase/decrease in accounts receivable	689	197	-852	-166	-1,241	-638
Increase/decrease in accounts payable	82	-120	-176	-563	87	150
Increase/decrease in other w/c positions	-6,516	-1,314	4,060	-471	537	156
Increase/decrease in working capital	-6,175	-716	3,507	-1,586	-1,337	-638
Cash flow from operating activities	5,117	7,368	5,930	-453	5,748	6,640
CAPEX	-2,751	-2,778	-2,487	-2,773	-2,870	-2,970
Payments for acquisitions	-708	-184	-196	0	0	0
Financial investments	-273	2,831	998	0	0	0
Income from asset disposals	215	295	415	0	0	0
Cash flow from investing activities	-3,517	164	-1,270	-2,773	-2,870	-2,970
Cash flow before financing	271	7,532	4,660	-3,225	2,878	3,669
Increase/decrease in debt position	3,253	-5,018	-2,045	-79	-1,000	-3,000
Purchase of own shares	-24	-16	-14	0	0	0
Capital measures	23	0	0	0	0	0
Dividends paid	-2,379	-131	-127	-108	-465	-2,034
Others	-1,552	-2,013	-1,698	0	0	0
Effects of exchange rate changes on cash	-185	-70	-296	0	0	0
Cash flow from financing activities	-864	-7,248	-4,180	-187	-1,465	-5,034
Increase/decrease in liquid assets	736	284	480	-3,412	1,414	-1,365
Liquid assets at end of period	5,907	6,191	6,671	3,259	4,672	3,307

Source: Company data; mwb research

Regional sales split (EURm)	2023	2024	2025	2026E	2027E	2028E
Domestic	2,448	2,410	2,584	2,620	2,712	2,807
Europe (ex domestic)	11,638	11,570	10,917	11,070	11,457	11,858
The Americas	25,182	24,555	24,556	24,900	25,771	26,673
Asia	8,369	8,071	7,518	7,623	7,890	8,166
Rest of World	0	0	0	0	0	0
Total sales	47,637	46,606	45,575	46,213	47,831	49,505

Regional sales split (common size)	2023	2024	2025	2026E	2027E	2028E
Domestic	5.1%	5.2%	5.7%	5.7%	5.7%	5.7%
Europe (ex domestic)	24.4%	24.8%	24.0%	24.0%	24.0%	24.0%
The Americas	52.9%	52.7%	53.9%	53.9%	53.9%	53.9%
Asia	17.6%	17.3%	16.5%	16.5%	16.5%	16.5%
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

Ratios	2023	2024	2025	2026E	2027E	2028E
Per share data						
Earnings per share reported	-2.99	-2.60	-3.68	1.05	4.60	4.78
Cash flow per share	-3.97	-0.55	3.48	-2.78	4.37	5.07
Book value per share	33.52	32.48	26.41	27.35	31.48	34.18
Dividend per share	0.11	0.11	0.11	0.47	2.07	2.15
Valuation						
P/E	-12.5x	-14.4x	-10.1x	35.6x	8.1x	7.8x
P/CF	-9.4x	-68.5x	10.7x	-13.5x	8.5x	7.4x
P/BV	1.1x	1.2x	1.4x	1.4x	1.2x	1.1x
Dividend yield (%)	0.3%	0.3%	0.3%	1.3%	5.5%	5.7%
FCF yield (%)	-10.6%	-1.5%	9.3%	-7.4%	11.7%	13.6%
EV/Sales	1.5x	1.6x	1.5x	1.6x	1.5x	1.4x
EV/EBITDA	5.6x	6.5x	16.4x	10.9x	7.0x	6.6x
EV/EBIT	119.4x	-1,023.5x	-63.5x	29.6x	10.4x	10.0x
Income statement (EURm)						
Sales	47,637	46,606	45,575	46,213	47,831	49,505
yoy chg in %	-6.1%	-2.2%	-2.2%	1.4%	3.5%	3.5%
Gross profit	27,888	25,336	26,778	26,388	27,742	28,960
Gross margin in %	58.5%	54.4%	58.8%	57.1%	58.0%	58.5%
EBITDA	12,948	11,166	4,163	6,606	9,920	10,234
EBITDA margin in %	27.2%	24.0%	9.1%	14.3%	20.7%	20.7%
EBIT	612	-71	-1,077	2,426	6,696	6,832
EBIT margin in %	1.3%	-0.2%	-2.4%	5.3%	14.0%	13.8%
Net profit	-2,941	-2,552	-3,620	1,032	4,521	4,693
Cash flow statement (EURm)						
CF from operations	5,117	7,368	5,930	-453	5,748	6,640
Capex	-2,751	-2,778	-2,487	-2,773	-2,870	-2,970
Maintenance Capex	9,018	7,905	2,507	2,277	1,450	1,656
Free cash flow	2,366	4,590	3,443	-3,225	2,878	3,669
Balance sheet (EURm)						
Intangible assets	55,662	52,128	48,683	47,033	45,421	43,858
Tangible assets	13,321	13,456	12,649	12,892	14,150	15,281
Shareholders' equity	32,927	31,908	25,947	26,870	30,922	33,576
Pension provisions	4,014	3,312	2,090	2,126	2,392	2,475
Liabilities and provisions	58,428	55,059	51,639	47,482	45,827	42,015
Net financial debt	32,287	32,617	29,517	32,850	30,437	28,802
w/c requirements	11,923	11,263	10,641	11,699	13,058	13,702
Ratios						
ROE	-8.9%	-8.0%	-13.9%	3.8%	14.6%	14.0%
ROCE	0.7%	-0.1%	-1.4%	3.3%	8.7%	9.0%
Net gearing	98.1%	102.2%	113.8%	122.3%	98.4%	85.8%
Net debt / EBITDA	2.5x	2.9x	7.1x	5.0x	3.1x	2.8x

Source: Company data; mwb research

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