

EDAG Engineering Group AG

Switzerland | Industrial Manufacturing | MCap EUR 99.8m

26 March 2026

UPDATE



EDAG

Q4 better than expected;
Defence progressing well;
Maintain BUY

BUY (BUY)

Target price	EUR 6.50 (6.50)
Current price	EUR 3.99
Up/downside	62.9%

 **ResearchHub**



What's it all about?

EDAG delivered better than expected FY25 results, supported by a strong Q4 and improving cost efficiency. While revenue declined in a difficult automotive environment, profitability developed better than feared, reflecting early restructuring benefits and tighter cost control. FY25 was clearly a transition year towards a leaner and more resilient cost base, even as automotive OEMs continued to reduce and internalise R&D spending. At the same time, diversification continued to gain traction, with defence emerging as the key growth driver and industrial end markets providing additional support. This is gradually reducing reliance on automotive, even though the segment still dominates the earnings base. Looking ahead, EDAG expects a stabilising environment with improving profitability driven by restructuring savings, disciplined execution, and a higher share of non-automotive business. While automotive headwinds persist in the near term, the medium-term outlook is supported by diversification and a potential cyclical recovery in R&D spending. Therefore, we reiterate our BUY rating with an unchanged PT of EUR 6.50, implying an upside of 64%.

MAIN AUTHOR

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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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EDAG Engineering Group AG

Switzerland | Industrial Manufacturing | MCap EUR 99.8m | EV EUR 286.7m

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Q4 better than expected; Defence progressing well; BUY

Results better than expected. EDAG announced its Q4 FY25 results delivering a mixed but overall better than expected performance. Q4 revenue came in at EUR 167m, down 11.3% yoy but 8.6% above our expectations, indicating slightly stronger than anticipated activity levels despite continued OEM caution. Reported EBIT improved significantly to EUR -8.1m versus EUR -36.5m in Q4 24 and also came in ahead of our forecasts, reflecting early benefits from cost actions and improved operational efficiency. For FY25, revenue declined 13.2% yoy to EUR 713.5m while adjusted EBIT fell to EUR -12.9m versus EUR 31.1m last year and reported EBIT to EUR -42.1m versus EUR -3.4m in FY24. The weak profitability is primarily driven by the persistently challenging automotive market, which remains EDAG's core customer base, with OEMs continuing to reduce R&D spending or shifting it further in-house. At the same time, FY25 reflects the impact of a broad restructuring program including significant workforce reductions particularly in Germany, which is now largely completed and should support a clearer cost base going forward. Read more in our Initiation [here](#).

Automotive continues to drag, defence shines. Across segments, EDAG continued to face broad based pressure from the automotive downturn, with lower project volumes and reduced utilisation affecting Vehicle Engineering, with revenue down 12.5% yoy, Electrics/Electronics down 13.3% yoy and Production Solutions down 15.3% yoy. Automotive related demand weakness remained the dominant driver, with only partial offset from non-automotive activities. However, diversification trends are becoming increasingly visible, with revenues outside the mobility sector rising around 21% yoy to c. EUR 100m. Defence remained the key growth driver, alongside solid demand from industrial markets. This confirms that while automotive still dominates, EDAG is gradually building a more balanced portfolio across other end markets.

Stabilisation phase begins. For FY26 EDAG expects a continued challenging but stabilising environment guiding for revenue development in a corridor of +/- 5% yoy. This suggests that the sharp contraction phase in automotive engineering is likely behind the company with demand stabilising at lower but more predictable levels. On profitability, adj. EBIT is expected to return to around 3%, supported by full year restructuring savings, tighter cost control, and a higher contribution from non-automotive segments.

	2023	2024	2025	2026E	2027E	2028E
EDAG Engineering						
Sales	844.8	821.9	713.6	713.6	735.0	771.8
<i>Growth yoy</i>	6.3%	-2.7%	-13.2%	0.0%	3.0%	5.0%
EBITDA	95.5	45.3	0.9	40.7	56.6	60.2
EBIT	53.9	-3.4	-42.1	10.7	28.7	33.4
Net profit	28.9	-14.4	-43.6	0.3	14.3	17.5
Net debt (net cash)	235.4	219.7	154.8	151.1	139.6	132.3
Net debt/EBITDA	2.5x	4.8x	170.3x	3.7x	2.5x	2.2x
EPS reported	1.16	-0.57	-1.74	0.01	0.57	0.70
DPS	0.55	0.00	0.00	0.00	0.29	0.35
<i>Dividend yield</i>	13.8%	0.0%	0.0%	0.0%	7.2%	8.8%
Gross profit margin	88.3%	88.6%	87.6%	87.5%	88.0%	88.1%
EBITDA margin	11.3%	5.5%	0.1%	5.7%	7.7%	7.8%
EBIT margin	6.4%	-0.4%	-5.9%	1.5%	3.9%	4.3%
ROCE	10.0%	-0.7%	-11.0%	3.0%	7.9%	8.9%
EV/Sales	0.4x	0.4x	0.4x	0.4x	0.4x	0.3x
EV/EBITDA	3.8x	7.8x	315.4x	6.9x	4.7x	4.3x
EV/EBIT	6.8x	-102.6x	-6.8x	26.0x	9.2x	7.8x
PER	3.5x	-6.9x	-2.3x	301.0x	7.0x	5.7x

Source: Company data (reported), mwb research



Source: Company data, mwb research

High/low 52 weeks 7.50 / 3.52
Price/Book Ratio 1.1x

Ticker / Symbols

ISIN CH0303692047
WKN A143NB
Bloomberg ED4:GR

Changes in estimates

		Sales	EBIT	EPS
2026E	old	702.4	10.4	0.00
	Δ	1.6%	3.6%	381.7%
2027E	old	723.4	28.4	0.56
	Δ	1.6%	1.3%	1.9%
2028E	old	759.6	32.8	0.68
	Δ	1.6%	1.7%	2.3%

Key share data

Number of shares: (in m pcs) 25.00
Book value per share: (in EUR) 3.54
Ø daily trading vol.: (12 m) 6,508

Major shareholders

ATON GmbH 74.7%
Hauck & Aufhauser Fund S 5.4%
LOYS AG 4.2%
Free Float 12.2%

Company description

EDAG provides engineering services globally across multiple industries, with strong exposure to the European automotive sector. It is organized into three segments: Vehicle Engineering (body engineering, vehicle integration, models), Production Solutions (development of production processes), and Electrics & Electronics (integration of electric and electronic components).

Growth should increasingly be supported by defence and industrial applications and international markets such as China, India and the US while automotive remains subdued but no longer expected to materially deteriorate further.

From restructuring to recovery; Maintain BUY. Overall EDAG's results were better than we expected particularly at the EBIT level and we therefore slightly raise our estimates to reflect improved cost visibility and the stronger than expected Q4 performance. While the automotive R&D cycle remains a structural headwind in the near term, we continue to view EDAG's restructuring and diversification strategy into defence and other industrial verticals positively, as it should generate incremental growth and margin support in the short term. Over the medium term we still expect a cyclical recovery in automotive R&D spending which historically has rebounded strongly after downturns providing additional upside potential. Therefore, we reiterate our BUY rating with an unchanged PT of EUR 6.50, with an upside of 64%.

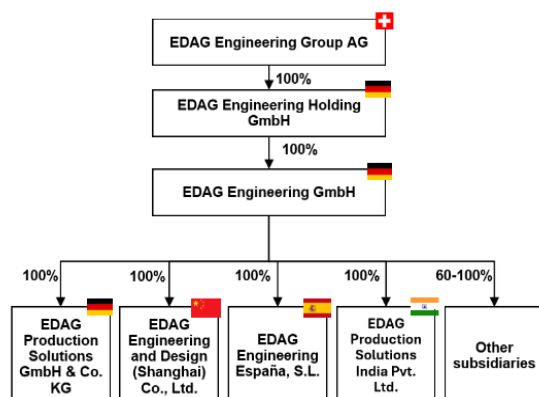
The following table displays the quarterly performance of **EDAG Engineering Group AG**:

P&L data	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025
Sales	216.8	211.9	204.4	188.8	191.8	174.4	180.0	167.4
yoy growth in %	3.1%	0.6%	-1.2%	-13.0%	-11.5%	-17.7%	-11.9%	-11.3%
Gross profit	197.5	187.6	184.0	159.6	174.1	155.4	157.3	138.1
Gross margin in %	91.1%	88.5%	90.0%	84.5%	90.7%	89.1%	87.4%	82.5%
EBITDA	23.5	18.7	23.9	-20.8	11.9	1.1	-15.3	3.2
EBITDA margin in %	10.8%	8.8%	11.7%	-11.0%	6.2%	0.7%	-8.5%	1.9%
EBIT	13.3	8.4	11.2	-36.5	1.6	-9.2	-26.5	-8.1
EBIT margin in %	6.2%	4.0%	5.5%	-19.3%	0.9%	-5.3%	-14.7%	-4.8%
EBT	10.6	5.2	7.8	-41.1	-1.5	-12.8	-30.1	-11.1
taxes paid	3.5	1.7	2.6	-11.0	-0.5	-3.5	-8.4	0.7
tax rate in %	33.3%	33.3%	33.3%	26.7%	33.3%	27.4%	28.0%	-6.2%
net profit	7.0	3.5	5.2	-30.1	-1.0	-9.3	-21.7	-11.7
yoy growth in %	-15.6%	-38.5%	-45.8%	-664.8%	-113.9%	-367.7%	-516.5%	-61.2%
EPS	0.28	0.14	0.21	-1.20	-0.04	-0.37	-0.87	-0.47

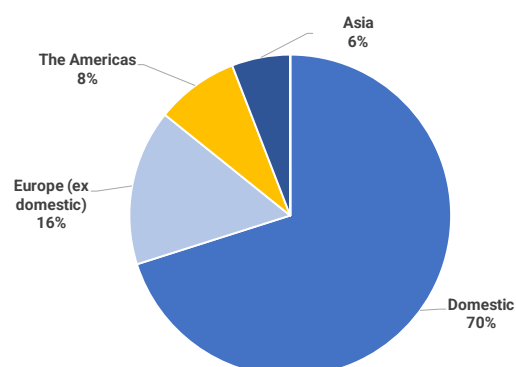
Source: Company data; mwb research

Investment case in six charts

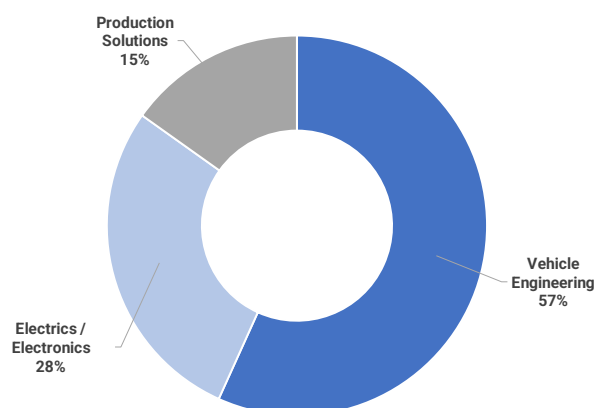
Group structure



Regional sales split 2025 in %



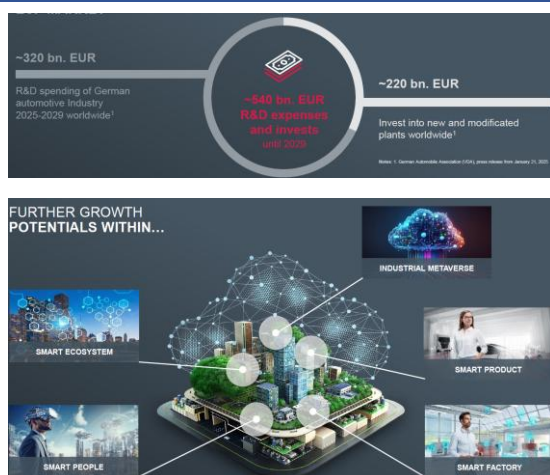
Segmental breakdown 2025 in %



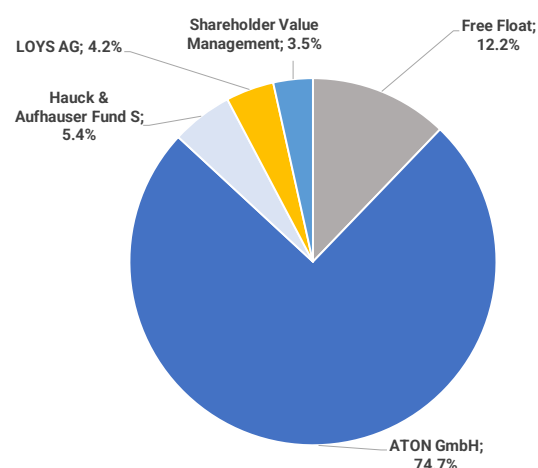
Customer overview



Drivers of growth: automotive transformation and beyond



Major Shareholders



Source: Company data, mwb research

SWOT analysis

Strengths

- Full engineering value chain across vehicles (complete vehicle development)
- Strong OEM and Tier 1 relationships
- Expertise in electrification and digitalization
- Concurrent product and production engineering
- Internal employee training capability
- Global presence enables addressing local value creation requirements
- Asset-light business approach

Weaknesses

- High dependence on the cyclical automotive market
- Highly reliant on OEM R&D budgets
- Labor-intensive structure magnifies losses in downturns
- Low free float

Opportunities

- Electrification and software-defined vehicles
- Digital factory and automation trends
- Platform-based vehicle development drives repeat business
- Leveraging engineering expertise to further expand in non-automotive sectors
- Defense as a new, high-growth business area
- Expanding staff in cost-efficient countries
- AI as a lever for cost and efficiency in the long term

Threats

- Risk from OEM capex cuts and cyclical industry swings
- Intense competition from global providers and OEM in-house teams
- Rapid technological shifts in electric vehicles, software, and connectivity systems
- Higher OEM in-house engineering share
- Growing Chinese EV market share, with mostly in-house engineering

Valuation

DCF Model

The DCF model results in a **fair value of EUR 6.55 per share**:

Top-line growth: We expect EDAG Engineering Group AG to grow revenues at a CAGR of 3.1% between 2026E and 2033E. The long-term growth rate is set at 2.0%.

ROCE. Returns on capital are developing from 3.0% in 2026E to 11.8% in 2033E.

WACC. Starting point is a historical equity beta of 1.10. Unlevering and correcting for mean reversion yields an asset beta of 1.10. Combined with a risk-free rate of 2.0% and an equity risk premium of 6.0% this yields cost of equity of 18.5%. With pre-tax cost of borrowing at 5.0%, a tax rate of 25.0% and target debt/equity of 2.0 this results in a long-term WACC of 8.7%.

[illegible]

DCF per share derived from	
Total present value	316.5
Mid-year adj. total present value	329.4
Net debt / cash at start of year	154.8
Financial assets	21.4
Provisions and off b/s debt	32.1
Equity value	163.8
No. of shares outstanding	25.0
Discounted cash flow / share	6.55
upside/(downside)	64.2%
Share price	3.99

DCF avg. growth and earnings assumptions	
Planning horizon avg. revenue growth (2026E-2033E)	3.1%
Terminal value growth (2033E - infinity)	2.0%
Terminal year ROCE	11.8%
Terminal year WACC	8.7%
Terminal WACC derived from	
Cost of borrowing (before taxes)	5.0%
Long-term tax rate	25.0%
Equity beta	1.10
Unlevered beta (industry or company)	1.10
Target debt / equity	2.0
Relevered beta	2.75
Risk-free rate	2.0%
Equity risk premium	6.0%
Cost of equity	18.5%

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%	2.7	3.0	3.4	3.8	4.2	2026E-2029E	16.7%
1.0%	3.9	4.3	4.8	5.3	5.9	2030E-2033E	17.0%
0.0%	5.3	5.9	6.6	7.3	8.2	terminal value	66.3%
-1.0%	7.2	8.0	9.0	10.1	11.5		
-2.0%	9.8	11.0	12.4	14.2	16.5		

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 0.54 per share based on 2026E and EUR 13.42 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	40.7	56.6	60.2	67.6	66.4
- Maintenance capex	28.5	27.0	26.3	25.9	25.1
- Minorities	0.0	0.1	0.1	0.1	0.1
- tax expenses	0.1	6.1	7.5	9.9	10.9
= Adjusted FCF	12.0	23.4	26.3	31.7	30.3
Actual Market Cap	99.8	99.8	99.8	99.8	99.8
+ Net debt (cash)	151.1	139.6	132.3	122.2	117.7
+ Pension provisions	28.5	25.7	27.0	28.5	29.1
+ Off B/S financing	0.0	0.0	0.0	0.0	0.0
- Financial assets	21.4	21.4	21.4	21.4	21.4
- Acc. dividend payments	0.0	0.0	7.1	15.9	27.4
<i>EV Reconciliations</i>	158.2	143.9	130.7	113.4	97.9
= Actual EV'	258.0	243.7	230.5	213.1	197.7
Adjusted FCF yield	4.7%	9.6%	11.4%	14.9%	15.3%
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	171.6	334.1	375.4	452.5	433.4
- EV Reconciliations	158.2	143.9	130.7	113.4	97.9
Fair Market Cap	13.4	190.2	244.7	339.1	335.5
No. of shares (million)	25.0	25.0	25.0	25.0	25.0
Fair value per share in EUR	0.54	7.61	9.79	13.57	13.42
Premium (-) / discount (+)	-86.6%	90.6%	145.3%	240.0%	236.3%
Sensitivity analysis FV					
Adjusted hurdle rate	5.0%	3.3	13.0	15.8	20.8
	6.0%	1.7	9.8	12.3	16.6
	7.0%	0.5	7.6	9.8	13.4
	8.0%	-0.3	5.9	7.9	11.3
	9.0%	-1.0	4.6	6.5	9.6

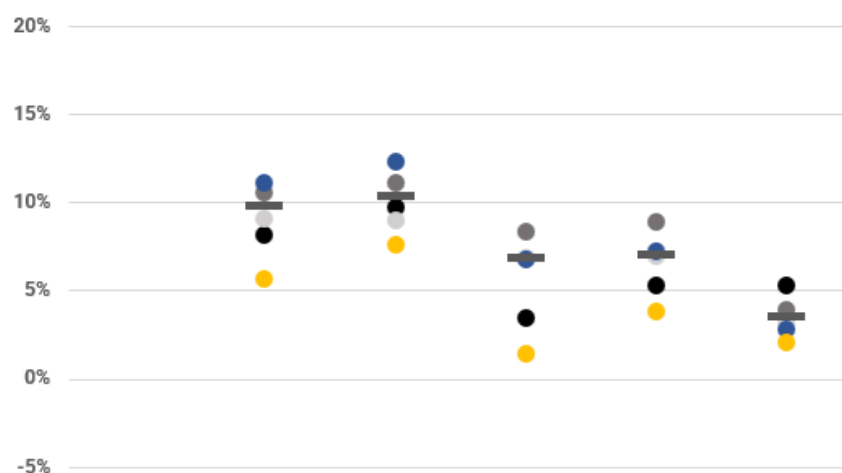
Source: Company data; mwb research

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 **EDAG Engineering Group 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 EDAG Engineering Group AG consists of the stocks displayed in the chart below. As of 26 March 2026 the median market cap of the peer group was EUR 422.1m, compared to EUR 99.8m for EDAG Engineering Group AG. In the period under review, the peer group was more profitable than EDAG Engineering Group AG. The expectations for sales growth are higher for the peer group than for EDAG Engineering Group AG.

Peer Group – Key data



26-Mar-26

-10%

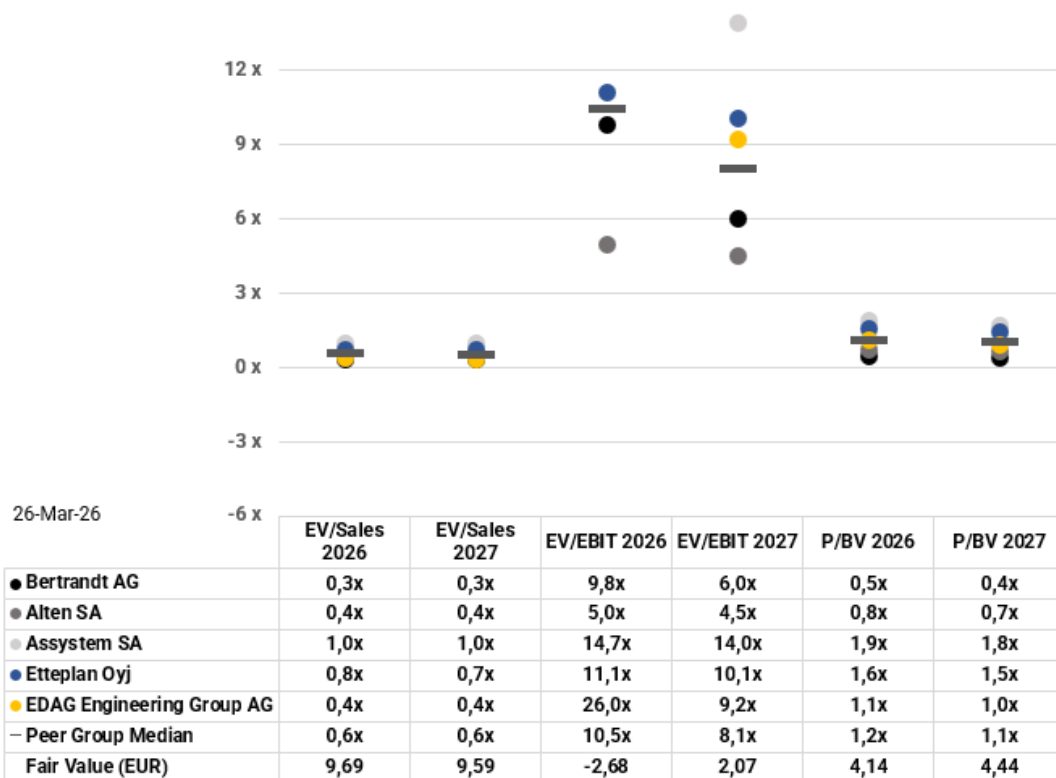
	Market Cap (EURm)	EBITDA margin 2026	EBITDA margin 2027	EBIT margin 2026	EBIT margin 2027	Sales CAGR 2025-2028
● Bertrandt AG	149	8,2%	9,8%	3,5%	5,4%	5,3%
● Alten SA	1.847	10,6%	11,2%	8,4%	9,0%	3,9%
● Assystem SA	637	9,2%	9,1%	7,0%	7,0%	3,3%
● Etteplan Oyj	207	11,2%	12,4%	6,8%	7,3%	2,9%
● EDAG Engineering Group AG	100	5,7%	7,7%	1,5%	3,9%	2,1%
– Peer Group Median	422	9,9%	10,5%	6,9%	7,2%	3,6%

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/Sales 2026, EV/Sales 2027, EV/EBIT 2026, EV/EBIT 2027, P/BV 2026 and P/BV 2027.

Applying these to EDAG Engineering Group AG results in a range of fair values from EUR na to EUR 9.69.

Peer Group – Multiples and valuation



Source: FactSet, mwb research

The following is a detailed description of the peer group (source: FactSet):

Bertrandt AG engages in the provision of development solutions for the international automotive and aviation industries. It operates through the following segments: Digital Engineering, Physical Engineering, and Electrical Systems or Electronics. The Digital Engineering segment is involved in the design of vehicle components for the interior, exterior, powertrains, chassis, body shells, as well as the development of complete vehicles including numerical analysis. The Physical Engineering segment focuses on all activities related to the validation of physical parts, components, systems, powertrains, and vehicles as a whole. The Electrical Systems or Electronics segment provides conventional automotive electrical systems together with automotive electronics, including the development of electronic modules. The company was founded by Harry Bertrandt in 1974 and is headquartered in Ehningen, Germany.

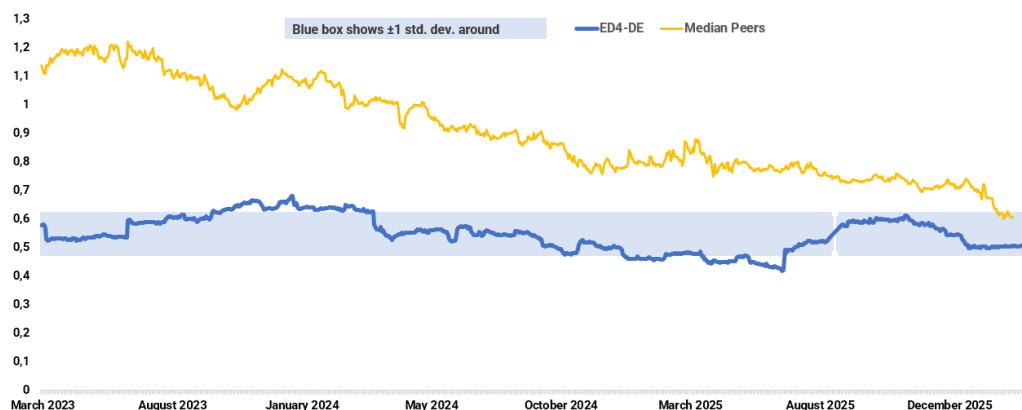
Alten SA engages in the provision of engineering and technology consulting services. It operates through the France and International geographical segments. The company was founded by Simon Azoulay on October 28, 1988, and is headquartered in Boulogne-Billancourt, France.

Assystem SA engages in providing engineering and technical consultancy services. The firm specializes in project management, digitalization, data science, compliance, safety, and security. It caters to the aeronautics and space; automotive; industrial; naval and defense; energy and nuclear; life sciences;

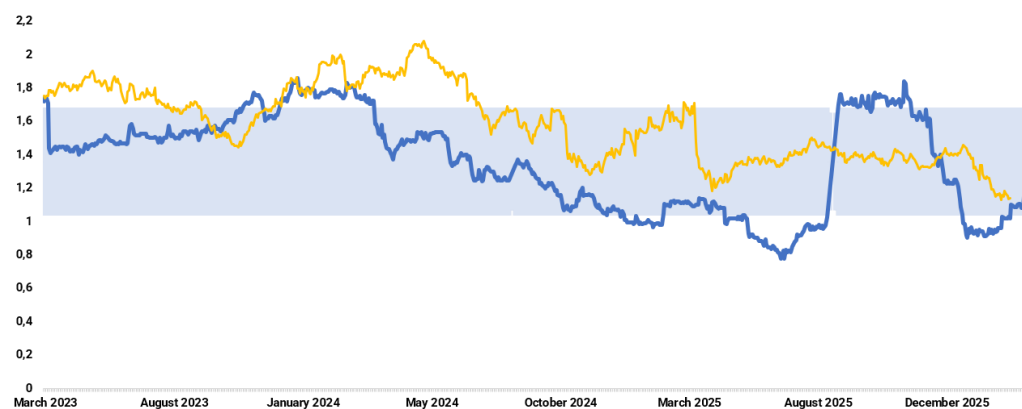
telecommunications; electronics; and information technology sectors. The company was founded in 1994 and is headquartered in Courbevoie, France.

Etteplan Oyj engages in the provision of industrial equipment engineering and technical documentation solutions. It also offers engineering, embedded systems, testing and test laboratory, software and digitalization, and products and asset information services. It operates through the Finland, Scandinavia, Central Europe, and China geographical segments. The company was founded by Tero Elomaa, Tapani Mönkkönen, and Esko Poltto in 1983 and is headquartered in Espoo, Finland.

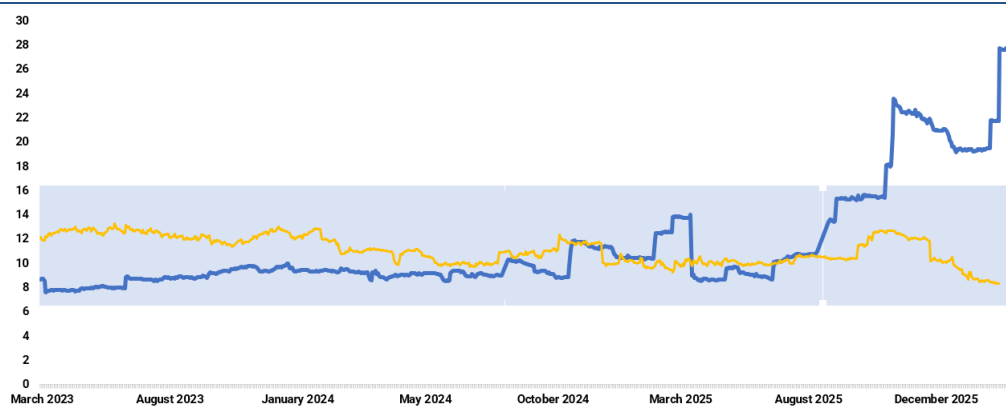
Historical EV to Sales (FY2)



Historical Price to Book (FY2)



Historical EV to EBIT (FY2)

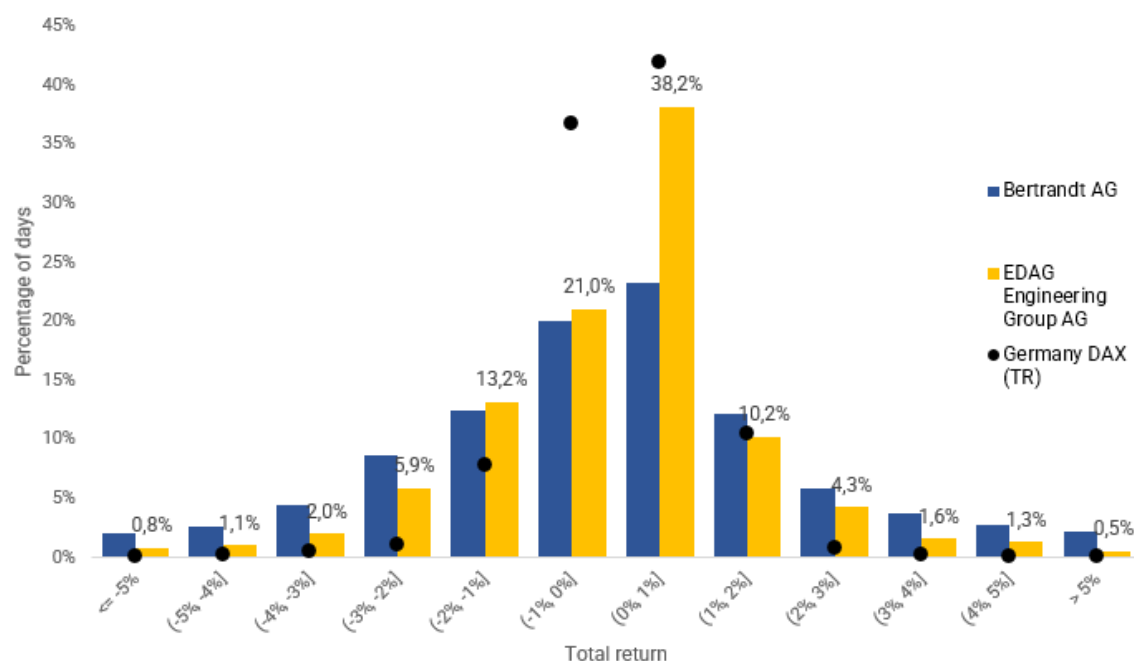


Source: FactSet, mwb research

Risk

The chart displays the **distribution of daily returns of EDAG Engineering Group AG** over the last 3 years, compared to the same distribution for Bertrandt AG. 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 EDAG Engineering Group AG, the worst day during the past 3 years was 22/05/2025 with a share price decline of -8.8%. The best day was 02/07/2025 when the share price increased by 7.1%.

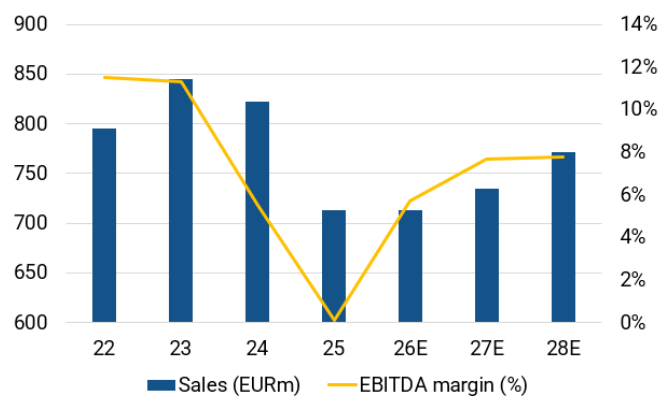
Risk – Daily Returns Distribution (trailing 3 years)



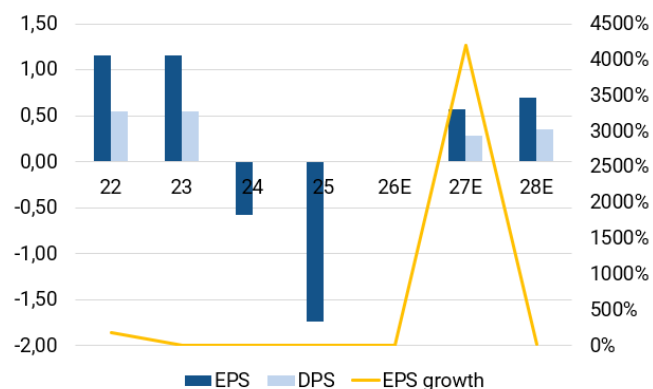
Source: FactSet, mwb research

Financials in six charts

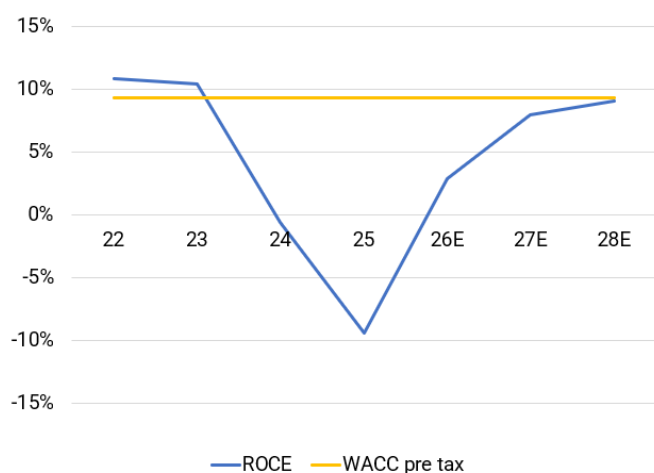
Sales vs. EBITDA margin development



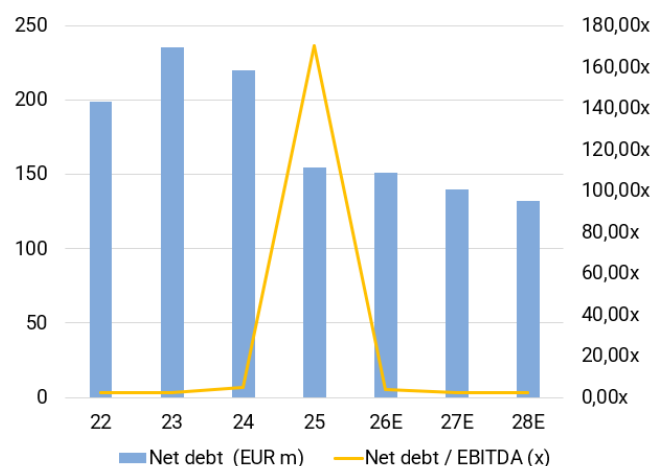
EPS, DPS in EUR & yoy EPS growth



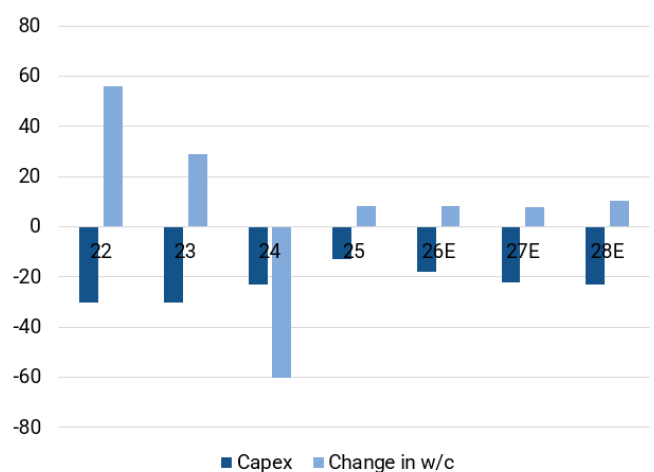
ROCE vs. WACC (pre tax)



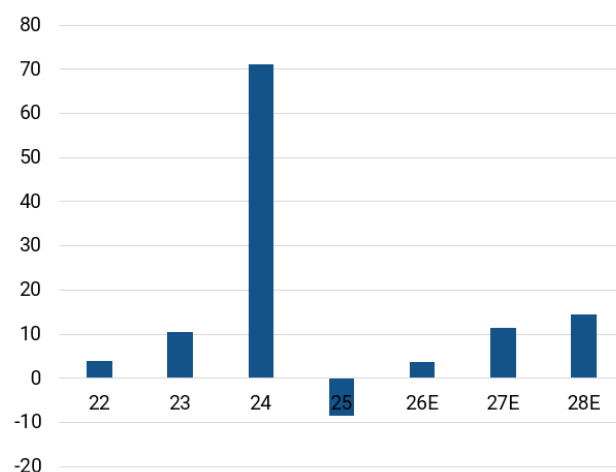
Net debt and net debt/EBITDA



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
Net sales	844.8	821.9	713.6	713.6	735.0	771.8
Sales growth	6.3%	-2.7%	-13.2%	0.0%	3.0%	5.0%
Change in finished goods and work-in-process	-0.5	0.1	0.4	0.0	0.0	0.0
Total sales	844.3	822.0	714.0	713.6	735.0	771.8
Material expenses	98.0	93.4	89.1	89.2	88.2	91.8
Gross profit	746.3	728.6	624.9	624.4	646.8	679.9
Other operating income	29.3	21.1	26.0	25.7	22.1	23.2
Personnel expenses	569.4	563.5	512.7	478.1	487.3	511.7
Other operating expenses	110.6	140.8	137.3	131.3	125.0	131.2
EBITDA	95.5	45.3	0.9	40.7	56.6	60.2
Depreciation	36.8	43.0	40.5	28.5	27.0	26.3
EBITA	58.7	2.3	-39.6	12.2	29.6	33.9
Amortisation of goodwill and intangible assets	4.8	5.8	2.5	1.4	0.8	0.5
EBIT	53.9	-3.4	-42.1	10.7	28.7	33.4
Financial result	-10.8	-14.1	-13.3	-10.3	-8.3	-8.3
Recurring pretax income from continuing operations	43.1	-17.5	-55.4	0.5	20.5	25.1
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	43.1	-17.5	-55.4	0.5	20.5	25.1
Taxes	14.2	-3.1	-11.7	0.1	6.1	7.5
Net income from continuing operations	28.9	-14.4	-43.7	0.3	14.3	17.6
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
Net income	28.9	-14.4	-43.7	0.3	14.3	17.6
Minority interest	0.0	0.1	0.1	-0.0	-0.1	-0.1
Net profit (reported)	28.9	-14.4	-43.6	0.3	14.3	17.5
Average number of shares	25.00	25.00	25.00	25.00	25.00	25.00
EPS reported	1.16	-0.57	-1.74	0.01	0.57	0.70

Profit and loss (common size)	2023	2024	2025	2026E	2027E	2028E
Net sales	100%	100%	100%	100%	100%	100%
Change in finished goods and work-in-process	-0%	0%	0%	0%	0%	0%
Total sales	100%	100%	100%	100%	100%	100%
Material expenses	12%	11%	12%	13%	12%	12%
Gross profit	88%	89%	88%	88%	88%	88%
Other operating income	3%	3%	4%	4%	3%	3%
Personnel expenses	67%	69%	72%	67%	66%	66%
Other operating expenses	13%	17%	19%	18%	17%	17%
EBITDA	11%	6%	0%	6%	8%	8%
Depreciation	4%	5%	6%	4%	4%	3%
EBITA	7%	0%	-6%	2%	4%	4%
Amortisation of goodwill and intangible assets	1%	1%	0%	0%	0%	0%
EBIT	6%	-0%	-6%	2%	4%	4%
Financial result	-1%	-2%	-2%	-1%	-1%	-1%
Recurring pretax income from continuing operations	5%	-2%	-8%	0%	3%	3%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	5%	-2%	-8%	0%	3%	3%
Taxes	2%	-0%	-2%	0%	1%	1%
Net income from continuing operations	3%	-2%	-6%	0%	2%	2%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
Net income	3%	-2%	-6%	0%	2%	2%
Minority interest	0%	0%	0%	-0%	-0%	-0%
Net profit (reported)	3%	-2%	-6%	0%	2%	2%

Source: Company data; mwb research

Balance sheet (EURm)	2023	2024	2025	2026E	2027E
Intangible assets (exl. Goodwill)	8.4	5.2	3.5	2.1	1.3
Goodwill	74.4	76.4	75.9	73.9	71.9
Property, plant and equipment	257.7	257.9	203.7	193.0	188.0
Financial assets	22.5	20.8	21.4	21.4	21.4
FIXED ASSETS	363.0	360.2	304.6	290.5	282.6
Inventories	4.7	4.7	5.2	4.9	4.6
Accounts receivable	216.0	182.5	106.9	107.5	130.9
Other current assets	23.8	38.8	29.9	29.9	29.9
Liquid assets	107.3	125.5	104.4	88.9	90.4
Deferred taxes	15.8	22.5	36.2	36.2	36.2
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.7	0.7
CURRENT ASSETS	367.6	373.9	282.7	268.1	292.7
TOTAL ASSETS	730.6	734.2	587.2	558.6	575.4
SHAREHOLDERS EQUITY	162.5	132.9	88.5	88.8	103.1
MINORITY INTEREST	0.0	0.2	0.1	0.1	0.1
Long-term debt	305.0	269.8	180.9	190.0	190.0
Provisions for pensions and similar obligations	29.9	32.2	32.1	28.5	25.7
Other provisions	3.7	4.1	2.4	3.6	3.7
Non-current liabilities	338.6	306.1	215.4	222.1	219.4
short-term liabilities to banks	37.7	75.4	78.4	50.0	40.0
Accounts payable	34.0	24.4	26.7	23.2	23.0
Advance payments received on orders	47.5	69.3	63.8	59.9	69.8
Other liabilities (incl. from lease and rental contracts)	109.0	123.3	112.0	112.0	117.6
Deferred taxes	1.2	2.7	2.3	2.3	2.3
Deferred income	0.0	0.0	0.0	0.0	0.0
Current liabilities	229.4	295.0	283.3	247.5	252.7
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	730.6	734.2	587.2	558.6	575.4

Balance sheet (common size)	2023	2024	2025	2026E	2027E	2028E
Intangible assets (excl. Goodwill)	1%	1%	1%	0%	0%	0%
Goodwill	10%	10%	13%	13%	13%	12%
Property, plant and equipment	35%	35%	35%	35%	33%	31%
Financial assets	3%	3%	4%	4%	4%	4%
FIXED ASSETS	50%	49%	52%	52%	49%	47%
Inventories	1%	1%	1%	1%	1%	1%
Accounts receivable	30%	25%	18%	19%	23%	24%
Other current assets	3%	5%	5%	5%	5%	5%
Liquid assets	15%	17%	18%	16%	16%	17%
Deferred taxes	2%	3%	6%	6%	6%	6%
Deferred charges and prepaid expenses	0%	0%	0%	0%	0%	0%
CURRENT ASSETS	50%	51%	48%	48%	51%	53%
TOTAL ASSETS	100%	100%	100%	100%	100%	100%
SHAREHOLDERS EQUITY	22%	18%	15%	16%	18%	19%
MINORITY INTEREST	0%	0%	0%	0%	0%	0%
Long-term debt	42%	37%	31%	34%	33%	32%
Provisions for pensions and similar obligations	4%	4%	5%	5%	4%	5%
Other provisions	1%	1%	0%	1%	1%	1%
Non-current liabilities	46%	42%	37%	40%	38%	37%
short-term liabilities to banks	5%	10%	13%	9%	7%	7%
Accounts payable	5%	3%	5%	4%	4%	4%
Advance payments received on orders	7%	9%	11%	11%	12%	12%
Other liabilities (incl. from lease and rental contracts)	15%	17%	19%	20%	20%	20%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred income	0%	0%	0%	0%	0%	0%
Current liabilities	31%	40%	48%	44%	44%	43%
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	28.9	-14.4	-43.7	0.3	14.3	17.6
Depreciation of fixed assets (incl. leases)	41.4	47.3	40.5	28.5	27.0	26.3
Amortisation of goodwill	0.0	0.0	0.0	2.0	2.0	2.0
Amortisation of intangible assets	0.0	0.0	0.0	1.4	0.8	0.5
Others	-0.5	1.0	15.8	-2.4	-2.7	1.5
Cash flow from operations before changes in w/c	69.8	33.9	12.6	29.9	41.5	47.9
Increase/decrease in inventory	0.2	-1.3	-1.1	0.3	0.3	0.1
Increase/decrease in accounts receivable	-13.2	32.6	6.6	-0.6	-23.4	-12.9
Increase/decrease in accounts payable	-11.7	-1.1	-11.0	-3.5	-0.3	0.9
Increase/decrease in other w/c positions	-4.3	30.0	-2.6	-4.5	15.4	1.6
Increase/decrease in working capital	-29.0	60.2	-8.2	-8.3	-7.9	-10.3
Cash flow from operating activities	40.7	94.1	4.5	21.6	33.6	37.6
CAPEX	-30.2	-22.9	-13.0	-17.8	-22.1	-23.2
Payments for acquisitions	0.0	-1.4	-0.3	0.0	0.0	0.0
Financial investments	0.0	-0.0	-0.1	0.0	0.0	0.0
Income from asset disposals	0.4	0.4	0.2	0.0	0.0	0.0
Cash flow from investing activities	-29.8	-24.0	-13.2	-17.8	-22.1	-23.2
Cash flow before financing	11.0	70.1	-8.7	3.7	11.5	14.5
Increase/decrease in debt position	-12.5	-37.8	-72.9	-19.3	-10.0	0.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	0.0	0.0	0.0	0.0
Dividends paid	-13.8	-13.8	0.0	0.0	0.0	-7.1
Others	0.0	0.0	-0.0	0.0	0.0	0.0
Effects of exchange rate changes on cash	-0.1	-0.3	-0.9	0.0	0.0	0.0
Cash flow from financing activities	-26.4	-51.9	-73.8	-19.3	-10.0	-7.1
Increase/decrease in liquid assets	-15.4	18.2	-82.5	-15.5	1.5	7.3
Liquid assets at end of period	107.3	125.5	42.9	27.4	28.9	36.2

Source: Company data; mwb research

Regional sales split (EURm)	2023	2024	2025	2026E	2027E	2028E
Domestic	593.8	589.8	500.0	499.5	477.8	478.5
Europe (ex domestic)	142.3	141.1	111.8	128.4	150.7	165.9
The Americas	47.9	48.6	59.5	42.8	47.8	50.2
Asia	59.7	42.4	41.9	42.8	58.8	77.2
Rest of World	1.1	0.0	0.0	0.0	0.0	0.0
Total sales	844.8	821.9	713.6	713.6	735.0	771.8

Regional sales split (common size)	2023	2024	2025	2026E	2027E	2028E
Domestic	70.3%	71.8%	70.1%	70.0%	65.0%	62.0%
Europe (ex domestic)	16.8%	17.2%	15.7%	18.0%	20.5%	21.5%
The Americas	5.7%	5.9%	8.3%	6.0%	6.5%	6.5%
Asia	7.1%	5.2%	5.9%	6.0%	8.0%	10.0%
Rest of World	0.1%	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	1.16	-0.57	-1.74	0.01	0.57	0.70
Cash flow per share	0.16	2.04	-1.44	-0.28	0.26	0.45
Book value per share	6.50	5.32	3.54	3.55	4.12	4.54
Dividend per share	0.55	0.00	0.00	0.00	0.29	0.35
Valuation						
P/E	3.5x	-6.9x	-2.3x	301.0x	7.0x	5.7x
P/CF	25.3x	2.0x	-2.8x	-14.4x	15.2x	8.8x
P/BV	0.6x	0.8x	1.1x	1.1x	1.0x	0.9x
Dividend yield (%)	13.8%	0.0%	0.0%	0.0%	7.2%	8.8%
FCF yield (%)	3.9%	51.2%	-36.1%	-7.0%	6.6%	11.3%
EV/Sales	0.4x	0.4x	0.4x	0.4x	0.4x	0.3x
EV/EBITDA	3.8x	7.8x	315.4x	6.9x	4.7x	4.3x
EV/EBIT	6.8x	-102.6x	-6.8x	26.0x	9.2x	7.8x
Income statement (EURm)						
Sales	844.8	821.9	713.6	713.6	735.0	771.8
yoy chg in %	6.3%	-2.7%	-13.2%	0.0%	3.0%	5.0%
Gross profit	746.3	728.6	624.9	624.4	646.8	679.9
Gross margin in %	88.3%	88.6%	87.6%	87.5%	88.0%	88.1%
EBITDA	95.5	45.3	0.9	40.7	56.6	60.2
EBITDA margin in %	11.3%	5.5%	0.1%	5.7%	7.7%	7.8%
EBIT	53.9	-3.4	-42.1	10.7	28.7	33.4
EBIT margin in %	6.4%	-0.4%	-5.9%	1.5%	3.9%	4.3%
Net profit	28.9	-14.4	-43.6	0.3	14.3	17.5
Cash flow statement (EURm)						
CF from operations	40.7	94.1	4.5	21.6	33.6	37.6
Capex	-30.2	-22.9	-13.0	-17.8	-22.1	-23.2
Maintenance Capex	36.8	43.0	40.5	28.5	27.0	26.3
Free cash flow	10.5	71.2	-8.6	3.7	11.5	14.5
Balance sheet (EURm)						
Intangible assets	82.8	81.6	79.5	76.1	73.2	70.7
Tangible assets	257.7	257.9	203.7	193.0	188.0	184.9
Shareholders' equity	162.5	132.9	88.5	88.8	103.1	113.5
Pension provisions	29.9	32.2	32.1	28.5	25.7	27.0
Liabilities and provisions	376.3	381.4	293.8	272.1	259.4	260.9
Net financial debt	235.4	219.7	154.8	151.1	139.6	132.3
w/c requirements	139.2	93.5	21.7	29.3	42.7	51.1
Ratios						
ROE	17.8%	-10.8%	-49.4%	0.4%	13.9%	15.5%
ROCE	10.0%	-0.7%	-11.0%	3.0%	7.9%	8.9%
Net gearing	144.8%	165.3%	175.0%	170.2%	135.4%	116.5%
Net debt / EBITDA	2.5x	4.8x	170.3x	3.7x	2.5x	2.2x

Source: Company data; mwb research

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