Bayer AG

Germany | Pharmaceuticals | MCap EUR 37,705m

28 April 2026

UPDATE

Supreme Court hearing neutral to slightly constructive – BUY

BUY (BUY)

Target price	**EUR 52.00** (52.00)
Current price	EUR 38.38
Up/downside	35.5%

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What's it all about?

Bayer's U.S. Supreme Court hearing in Monsanto v. Durnell is broadly neutral to slightly constructive in our view and represents another step in the group's broader Roundup litigation containment strategy. While oral arguments provided no decisive read-through and justices appeared divided, Supreme Court pre-emption remains a credible catalyst alongside the pending USD 7.25bn settlement, both of which improve visibility around Bayer's largest structural overhang. A favorable ruling would not eliminate all litigation immediately, but it would strengthen Bayer's legal position, reducing future cash uncertainty and supporting sentiment around the Crop Science business. With the market still over-discounting prolonged litigation drag, we reiterate our BUY rating and unchanged PT of EUR 52.00, as we continue to see scope for multiple re-rating.

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Bayer AG

Germany | Pharmaceuticals | MCap EUR 37,705m | EV EUR 69,312m

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Supreme Court hearing neutral to slightly constructive – BUY.

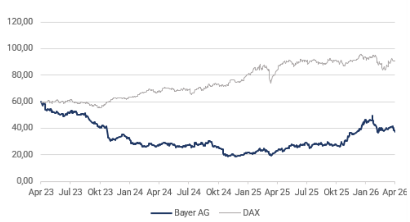
Durnell case. Yesterday's U.S. Supreme Court hearing in Monsanto v. Durnell marks another step in Bayer's multi-pronged Roundup litigation containment strategy. The Court heard arguments on whether federal pesticide law (FIFRA) pre-empts state-law failure-to-warn claims after Missouri plaintiff John Durnell secured a USD 1.25m verdict linking Roundup exposure to non-Hodgkin lymphoma. Bayer argues that because the U.S. EPA has repeatedly found glyphosate non-carcinogenic and approved labels without a cancer warning, state juries should not be able to impose additional warning requirements. Initial reporting from the hearing suggests the justices appeared divided, with a final ruling expected by end-June.

Implications. Bayer itself reinforced the strategic importance of the case in its April 27 litigation update, stating that "a favorable ruling… could largely end the Roundup litigation," while reiterating that EPA conclusions should prevent state-based claims from proceeding. Management continues to frame Supreme Court pre-emption as a key legal catalyst alongside the class settlement and reformulated U.S. residential Lawn & Garden products designed to limit future claims. While a favorable ruling would not fully resolve litigation immediately, as certain non-label-based claims and residual appeals could still continue, it would improve Bayer's litigation profile, strengthening Bayer's legal position, reducing future cash uncertainty and further supporting sentiment around the Crop Science overhang that has constrained valuation since the Monsanto acquisition.

Still a BUY. Our investment case remains unchanged, with the Supreme Court hearing representing continued progress against Bayer's largest structural overhang rather than a shift in the underlying thesis. While oral arguments did not provide a decisive read-through, we view the hearing as broadly neutral to slightly constructive, as Supreme Court pre-emption remains a credible catalyst and, together with the pending USD 7.25bn settlement, continues to improve visibility around Bayer's litigation framework. We believe the market still over-discounts prolonged litigation drag and structurally impaired FCF despite increasingly visible containment mechanisms. As legal milestones are executed, we continue to see scope for balance sheet normalization and multiple re-rating. We reiterate our BUY rating and PT of EUR 52.00.

Bayer AG	2023	2024	2025	2026E	2027E	2028E
Sales	47,637	46,606	45,575	46,213	47,831	49,505
Growth yoy	-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
Dividend yield	0.3%	0.3%	0.3%	1.2%	5.4%	5.6%
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	5.7x	6.6x	16.6x	11.0x	7.1x	6.7x
EV/EBIT	120.9x	-1,037.1x	-64.4x	30.0x	10.5x	10.1x
PER	-12.8x	-14.8x	-10.4x	36.5x	8.3x	8.0x
FCF yield	-10.3%	-1.4%	9.1%	-7.2%	11.4%	13.2%

Source: Company data, mwb research



Source: Company data, mwb research

High/low 52 weeks	49.78 / 22.02
Price/Book Ratio	1.5x

Ticker / Symbols

ISIN	DE000BAY0017
WKN	BAY001
Bloomberg	BAYN:GR

Changes in estimates

		Sales	EBIT	EPS
2026E	old	46,213	2,426	1.05
	Δ	0.0%	0.0%	0.0%
2027E	old	47,831	6,696	4.60
	Δ	0.0%	0.0%	0.0%
2028E	old	49,505	6,832	4.78
	Δ	0.0%	0.0%	0.0%

Key share data

Number of shares: (in m pcs)	982.42
Book value per share: (in EUR)	26.41
Ø trading vol.: (12 months)	3,365,023

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.

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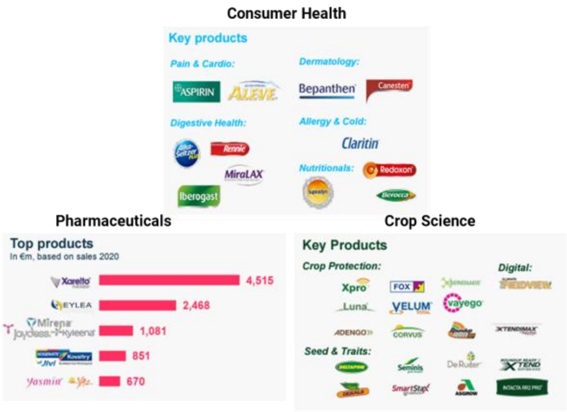
The following table displays the quarterly performance of **Bayer AG.**

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**

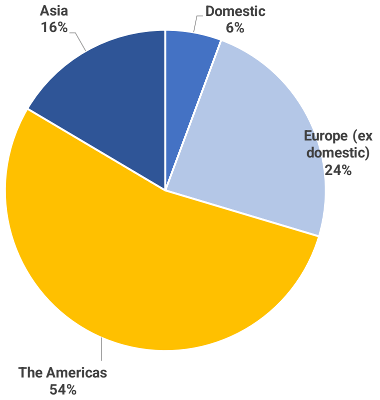
Source: Company data; mwb research

Investment case in six charts

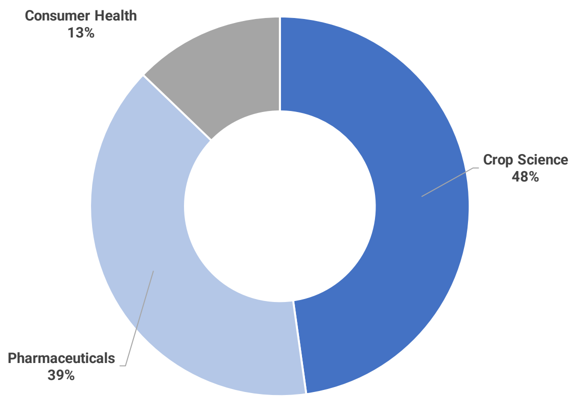
Products & Services



Regional sales split in %

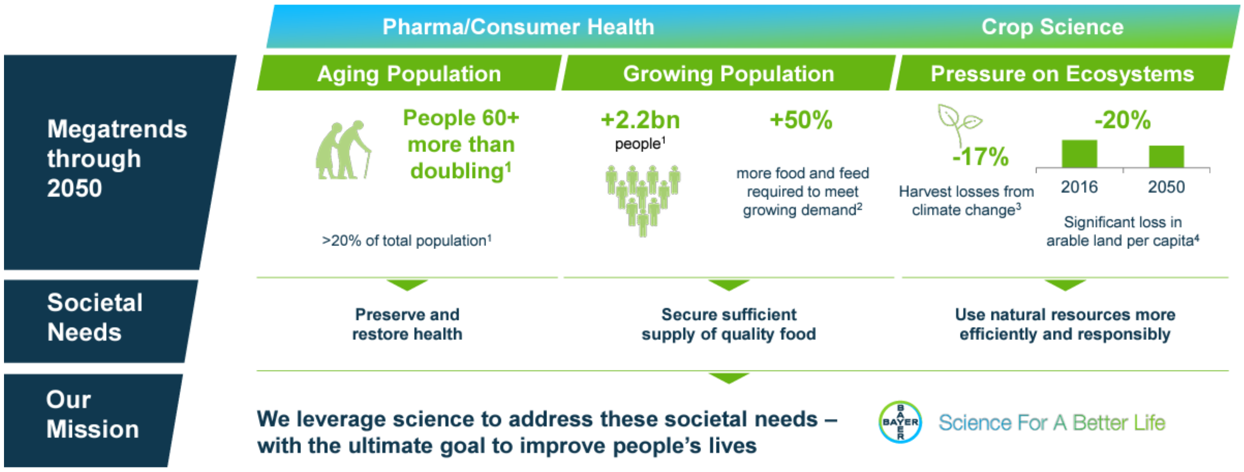


Segmental breakdown in %



Market size

Global megatrends



Source: Company data; mwb research

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

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Valuation

DCF Model

The DCF model results in a **fair value of EUR 52.37 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 2.08. Unlevering and correcting for mean reversion yields an asset beta of 1.11. Combined with a risk-free rate of 2.0% and an equity risk premium of 6.0% this yields cost of equity of 16.1%. 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 8.7%.

DCF (EURm) (except per share data and beta)	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	Terminal value
NOPAT	1,821	5,161	5,265	5,423	5,532	5,642	5,810	6,023	
Depreciation & amortization	4,180	3,224	3,402	3,408	3,619	3,650	3,681	3,747	
Change in working capital	-1,586	-1,337	-638	308	18	19	14	68	
Chg. in long-term provisions	-4,078	-655	-812	-866	-887	-661	92	93	
Capex	-2,773	-2,870	-2,970	-3,314	-3,381	-3,448	-3,769	-3,826	
Cash flow	-2,436	3,522	4,246	4,959	4,901	5,202	5,827	6,106	92,887
Present value	-2,303	3,057	3,388	3,636	3,304	3,223	3,318	3,196	48,942
WACC	8.7%	8.8%	8.8%	8.8%	8.8%	8.8%	8.8%	8.8%	8.7%

DCF per share derived from	
Total present value	69,761
Mid-year adj. total present value	72,759
Net debt / cash at start of year	29,517
Financial assets	10,298
Provisions and off b/s debt	2,090
Equity value	51,450
No. of shares outstanding	982.4
Discounted cash flow / share	**52.37**
upside/(downside)	**36.5%**
Share price	**38.38**

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	8.7%

Terminal WACC derived from	
Cost of borrowing (before taxes)	5.0%
Long-term tax rate	25%
Equity beta	2.08
Unlevered beta (industry or company)	1.11
Target debt / equity	1.5
Relevered beta	2.36
Risk-free rate	2.0%
Equity risk premium	6.0%
Cost of equity	16.1%

Sensitivity analysis DCF

Change in WACC (%-points)	Long term growth 1.0%	1.5%	2.0%	2.5%	3.0%
2.0%	29.8	31.7	33.8	36.1	38.7
1.0%	36.6	39.1	41.8	45.0	48.6
0.0%	45.2	48.5	52.4	56.8	62.1
-1.0%	56.4	61.1	66.6	73.3	81.3
-2.0%	71.5	78.5	87.0	97.5	110.9

Share of present value	
2026E-2029E	11.2%
2030E-2033E	18.7%
terminal value	70.2%

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	**37,705**	**37,705**	**37,705**	**37,705**	**37,705**
+ 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
EV Reconciliations	24,570	21,958	18,372	14,009	9,645
= Actual EV'	**62,276**	**59,663**	**56,077**	**51,714**	**47,351**
Adjusted FCF yield	**6.4%**	**11.9%**	**12.8%**	**13.9%**	**15.2%**
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**
- EV Reconciliations	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 (+)	**11.0%**	**156.7%**	**168.8%**	**181.0%**	**192.8%**

Sensitivity analysis fair value						
Adjusted hurdle rate	4.0%	76	159	164	169	173
	5.0%	56	123	128	132	137
	6.0%	**43**	**99**	**103**	**108**	**112**
	7.0%	33	81	86	90	95
	8.0%	26	68	73	77	82

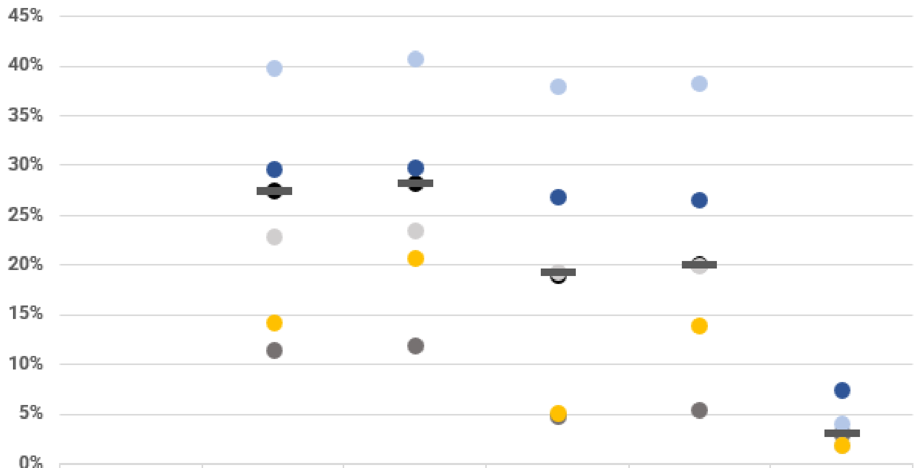
Source: Company data; mwb research

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 28 April 2026 the median market cap of the peer group was EUR 48,796m, compared to EUR 37,705m 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



28-Apr-26	Market Cap (EURm)	EBITDA margin 2026	EBITDA margin 2027	EBIT margin 2026	EBIT margin 2027	Sales CAGR 2025-2028
Merck KGaA	13.978	27,5%	28,3%	19,0%	20,1%	3,1%
BASF SE	48.796	11,4%	12,0%	4,8%	5,6%	3,0%
Corteva Inc	45.432	22,8%	23,6%	19,3%	19,9%	2,0%
Sanofi SA	95.799	29,7%	29,8%	26,9%	26,7%	7,5%
Novartis AG	244.633	39,8%	40,7%	38,0%	38,3%	4,1%
Bayer AG	37.705	14,3%	20,7%	5,3%	14,0%	1,9%
Peer Group Median	48.796	27,5%	28,3%	19,3%	20,1%	3,1%

Source: FactSet, mwb research

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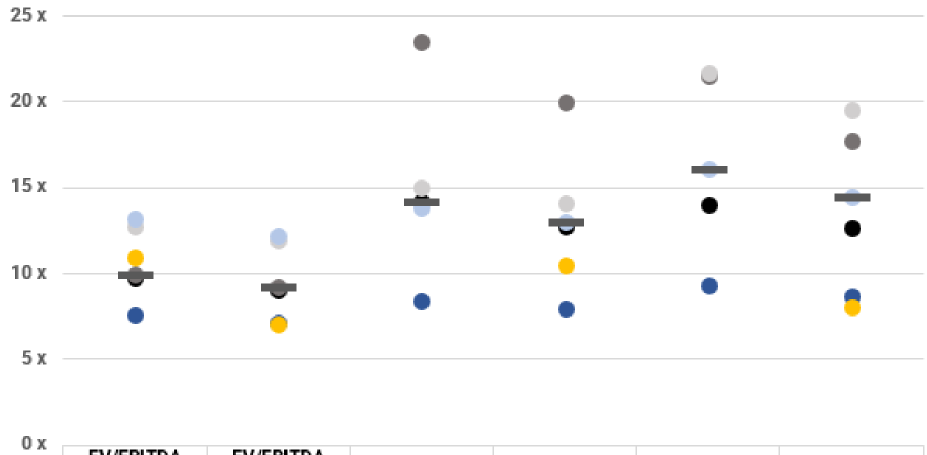
Comparable company analysis operates under the assumption that similar companies will have similar valuation multiples. We use the following multiples: EV/EBITDA 2026, EV/EBITDA 2027, EV/EBIT 2026, EV/EBIT 2027, P/E 2026 and P/E 2027.

Applying these to Bayer AG results in a range of fair values from EUR 0.94 to EUR 66.84.

Peer Group – Multiples and valuation



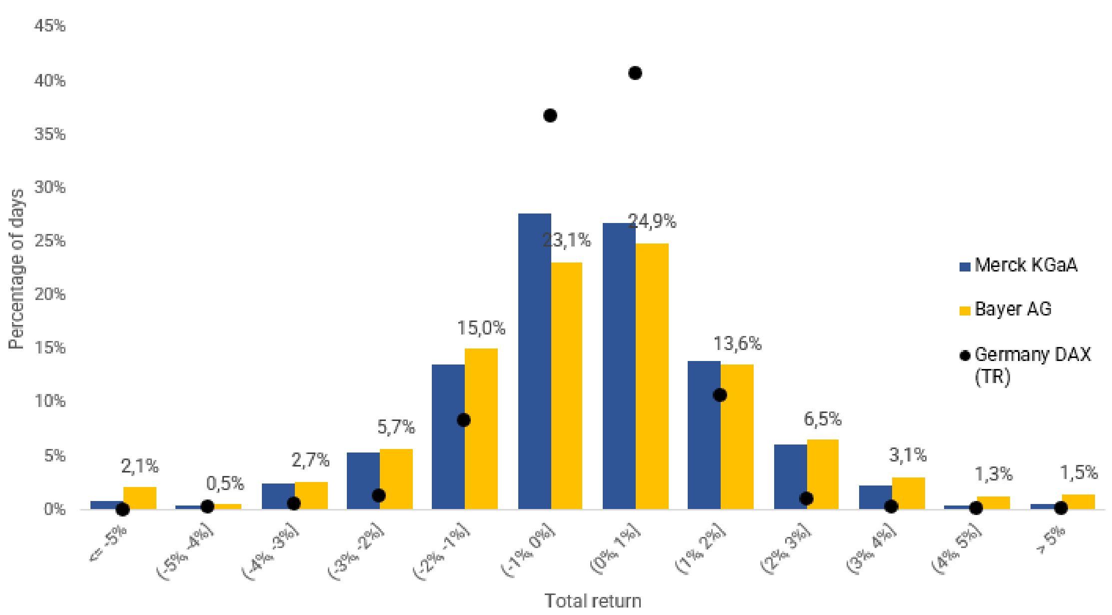
28-Apr-26	EV/EBITDA 2026	EV/EBITDA 2027	EV/EBIT 2026	EV/EBIT 2027	P/E 2026	P/E 2027
● Merck KGaA	9,8x	9,1x	14,2x	12,8x	14,0x	12,6x
● BASF SE	9,9x	9,3x	23,6x	20,0x	21,5x	17,8x
● Corteva Inc	12,7x	12,0x	15,1x	14,1x	21,7x	19,5x
● Sanofi SA	7,6x	7,1x	8,4x	8,0x	9,3x	8,7x
● Novartis AG	13,2x	12,2x	13,9x	13,0x	16,1x	14,5x
● Bayer AG	11,0x	7,1x	30,0x	10,5x	35,2x	8,0x
– Peer Group Median	9,9x	9,3x	14,2x	13,0x	16,1x	14,5x
Fair Value (EUR)	31,23	57,82	-0,56	53,02	16,91	66,84

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%.

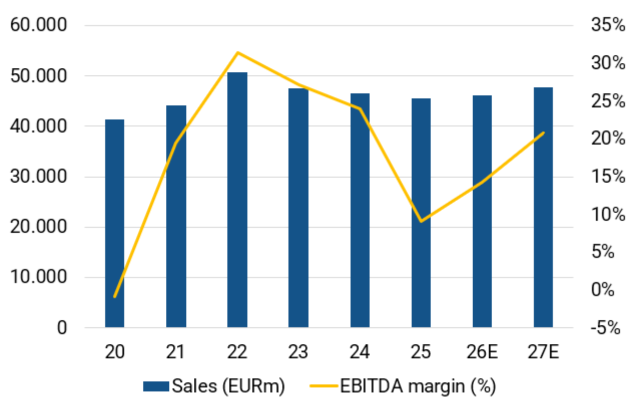
Risk – Daily Returns Distribution (trailing 3 years)



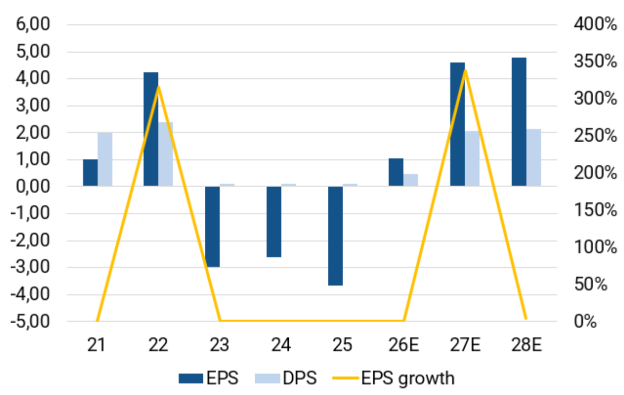
Source: FactSet, mwb research

Financials in six charts

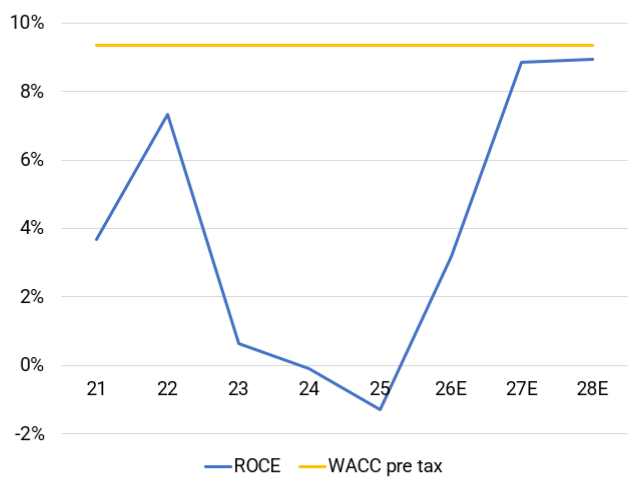
Sales vs. EBITDA margin development



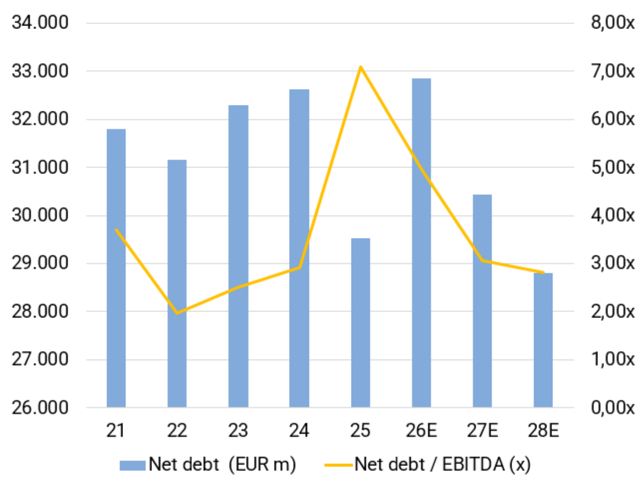
EPS, DPS in EUR & yoy EPS growth



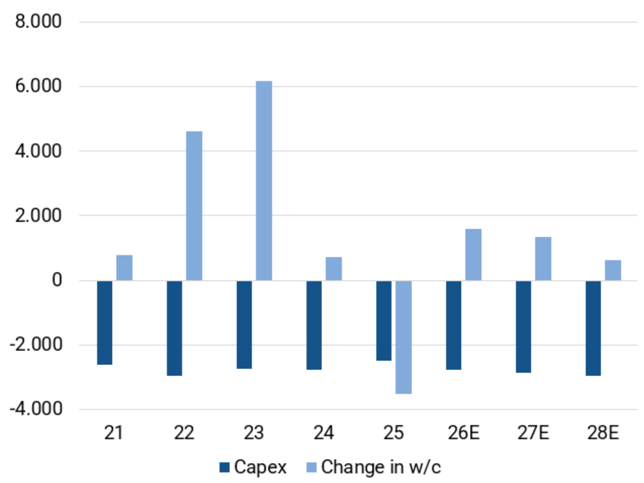
ROCE vs. WACC (pre tax)



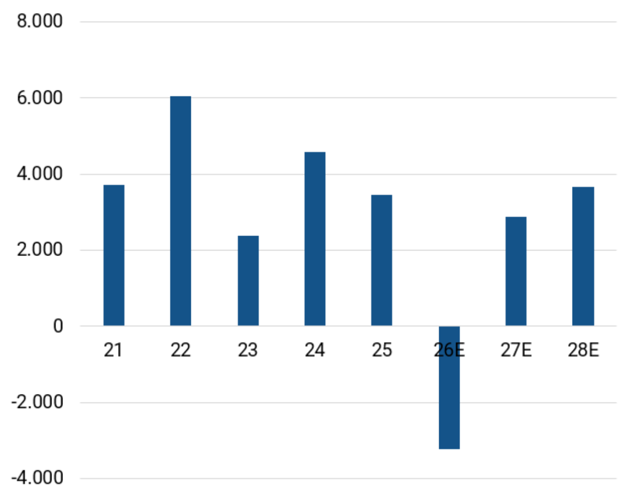
Net debt and net debt/EBITDA



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

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

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	-12.8x	-14.8x	-10.4x	36.5x	8.3x	8.0x
P/CF	-9.7x	-70.3x	11.0x	-13.8x	8.8x	7.6x
P/BV	1.1x	1.2x	1.5x	1.4x	1.2x	1.1x
Dividend yield (%)	0.3%	0.3%	0.3%	1.2%	5.4%	5.6%
FCF yield (%)	-10.3%	-1.4%	9.1%	-7.2%	11.4%	13.2%
EV/Sales	1.6x	1.6x	1.5x	1.6x	1.5x	1.4x
EV/EBITDA	5.7x	6.6x	16.6x	11.0x	7.1x	6.7x
EV/EBIT	120.9x	-1,037.1x	-64.4x	30.0x	10.5x	10.1x
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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