HUGO BOSS AG

Germany | Consumer Discretionary | MCap EUR 2,687m

3 November 2026

UPDATE



Q3 solid, but outlook deteriorates; PT down, HOLD maintained.

HOLD (HOLD)

Target price	**EUR 36.00** (38.00)
Current price	EUR 38.94
Up/downside	-7.6%

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What's it all about?

HUGO BOSS delivered a mixed Q3, with sales and gross margin ahead of expectations, while EBIT was broadly in line. Gross margin benefited from sourcing efficiencies, pricing and continued full-price discipline, but demand remained subdued across several markets and channels. Management consequently lowered its FY26 sales and EBIT outlook, also reflecting higher non-cash D&A on selected IT and software assets. We have reduced our earnings estimates and incorporated higher D&A assumptions beyond 2026, lowering our DCF-based target price to EUR 36.00 from EUR 38.00. Frasers' move around the 50% threshold adds further uncertainty through potential change-of-control clauses. HOLD.

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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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HUGO BOSS AG

Germany | Consumer Discretionary | MCap EUR 2,687m | EV EUR 3,553m

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Q3 solid, but outlook deteriorates; PT down, HOLD maintained.

Q3 ahead on sales. HUGO BOSS reported Q3 sales of EUR 946m, down 5% currency-adjusted (c.a.) but around 3% above consensus. The decline reflected both the ongoing strategic realignment of the business and continued weak consumer demand. BOSS sales declined 3%, while HUGO remained significantly weaker at -17%. Regionally, EMEA fell 7%, with softer trends in the UK, France and the Middle East, while Americas and Asia/Pacific declined 3% and 2%, respectively. Retail sales were down 8%, including a 6% decline in comparable brick-and-mortar sales, while wholesale decreased 2%.

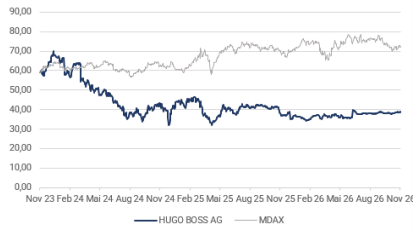
Gross margin strong, EBIT only in line. Gross margin increased by 220bp to 63.3%, around 100bp above consensus, supported by further sourcing efficiencies, optimized pricing and continued full-price discipline. However, the strong gross-margin performance did not translate into an EBIT beat: EBIT came in at EUR 81m, broadly in line with consensus, as operating deleverage and higher administration expenses offset the gross-profit upside. Inventories declined 14% (c.a.), supporting a free cash flow increase to EUR 155m from EUR 66m in the prior-year quarter.

Outlook lowered. Already announced via ad-hoc, the FY outlook has been lowered. Management now expects FY26 sales (c.a.) to decline in the high-single-digit range and cut EBIT guidance to EUR 250-300m from EUR 300-350m. The revision reflects softer demand assumptions for Q4 amid continued uncertainty in the consumer environment. In addition, EBIT will be burdened by higher non-cash D&A following shorter useful lives for selected IT and software assets.

Conclusion. Q3 confirms continued progress on gross margin, inventories and cash generation, but demand remains weak and the revised outlook limits earnings visibility. In addition to that, Frasers briefly crossed the 50% voting-rights threshold and has announced plans to consolidate HUGO BOSS. The company is currently reviewing whether the resulting change in control may trigger contractual provisions in certain third-party agreements, with the potential financial impact still unquantified. We have lowered our estimates to reflect the softer operating outlook and incorporated higher D&A expenses not only for 2026 but also in the following years. As a result, our DCF-based target price declines to EUR 36.00 from EUR 38.00. Our rating remains HOLD.

HUGO BOSS AG	2023	2024	2025	2026E	2027E	2028E
Sales	4,197	4,307	4,270	3,896	3,978	4,056
Growth yoy	15.0%	2.6%	-0.9%	-8.8%	2.1%	1.9%
EBITDA	753	775	782	654	694	706
EBIT	411	361	391	279	308	314
Net profit	259	213	249	164	186	191
Net debt (net cash)	1,006	1,045	840	584	343	78
Net debt/EBITDA	1.3x	1.3x	1.1x	0.9x	0.5x	0.1x
EPS reported	3.75	3.09	3.61	2.37	2.70	2.76
DPS	1.35	1.40	0.04	0.04	0.14	1.11
Dividend yield	3.5%	3.6%	0.1%	0.1%	0.3%	2.8%
Gross profit margin	61.5%	61.8%	61.5%	63.0%	63.0%	63.0%
EBITDA margin	17.9%	18.0%	18.3%	16.8%	17.4%	17.4%
EBIT margin	9.8%	8.4%	9.2%	7.1%	7.8%	7.8%
ROCE	16.0%	12.7%	13.8%	9.9%	10.3%	9.8%
EV/EBITDA	5.0x	4.9x	4.5x	5.0x	4.4x	4.0x
EV/EBIT	9.1x	10.4x	9.1x	11.8x	9.9x	8.9x
PER	10.4x	12.6x	10.8x	16.4x	14.4x	14.1x
FCF yield	2.9%	15.6%	10.5%	6.7%	6.4%	7.4%

Source: Company data, mwb research



Source: Company data, mwb research

High/low 52 weeks	40.52 / 33.85
Price/Book Ratio	1.7x

Ticker / Symbols

ISIN	DE000A1PHFF7
WKN	A1PHFF
Bloomberg	BOSS:GR

Changes in estimates

		Sales	EBIT	EPS
2026E	old	3,900	304	2.64
	Δ	-0.1%	-8.4%	-10.2%
2027E	old	3,979	348	3.12
	Δ	0.0%	-11.4%	-13.4%
2028E	old	4,056	365	3.29
	Δ	0.0%	-13.9%	-16.1%

Key share data

Number of shares: (in m pcs)	69.02
Book value per share: (in EUR)	22.28
Ø trading vol.: (12 months)	433,486

Major shareholders

Frasers Group	49.4%
PFC / Zignago Holding	14.0%
Free Float	36.6%

Company description

Hugo Boss AG is a global lifestyle company for the international fashion market. Its product portfolio comprises apparel, eveningwear, casualwear, and sportswear, as well as shoes and leather accessories for men and women, licensed fragrances, eyewear, watches, and writing instruments. The company operates two core brands: BOSS and HUGO. sportswear, as well as shoes and leather accessories, licensed fragrances, eyewear, watches, children's fashion, home textiles and writing instruments.

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The following table displays the quarterly performance of **HUGO BOSS AG.**

P&L data	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026	Q3 2026
Sales	1,249.3	999.0	1,001.0	989.0	1,280.8	905.0	905.0	946.0
yoy growth in %	6.2%	-1.5%	-1.4%	-3.9%	2.5%	-9.4%	-9.6%	-4.3%
Gross profit	779.8	613.0	629.0	605.0	779.4	565.0	587.0	599.0
Gross margin in %	62.4%	61.4%	62.8%	61.2%	60.8%	62.4%	64.9%	63.3%
EBITDA	273.0	152.0	171.0	182.0	246.6	125.0	148.0	174.0
EBITDA margin in %	21.9%	15.2%	17.1%	18.4%	19.3%	13.8%	16.4%	18.4%
EBIT	126.8	61.0	80.0	95.0	153.8	36.0	59.0	81.0
EBIT margin in %	10.2%	6.1%	8.0%	9.6%	12.0%	4.0%	6.5%	8.6%
EBT	112.5	52.0	70.0	83.0	139.9	25.0	47.0	67.0
taxes paid	24.9	15.0	20.0	23.0	27.6	7.0	13.0	19.0
tax rate in %	22.1%	28.8%	28.6%	27.7%	19.7%	28.0%	27.7%	28.4%
net profit	90.6	35.0	47.0	59.0	108.5	17.0	34.0	48.0
yoy growth in %	6.1%	-14.6%	27.0%	7.3%	19.7%	-51.4%	-27.7%	-18.6%
EPS	**1.21**	**0.51**	**0.68**	**0.85**	**1.57**	**0.25**	**0.49**	**0.70**

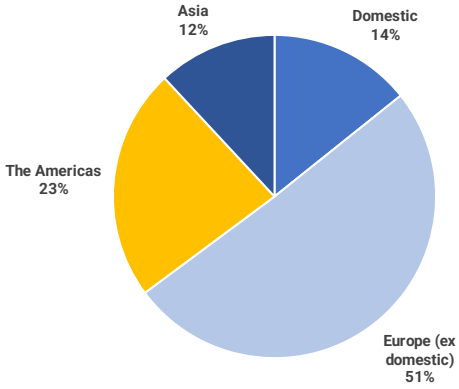
Source: Company data; mwb research

Investment case in six charts

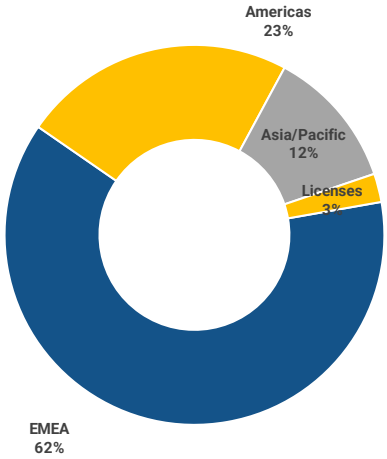
Sales by brand



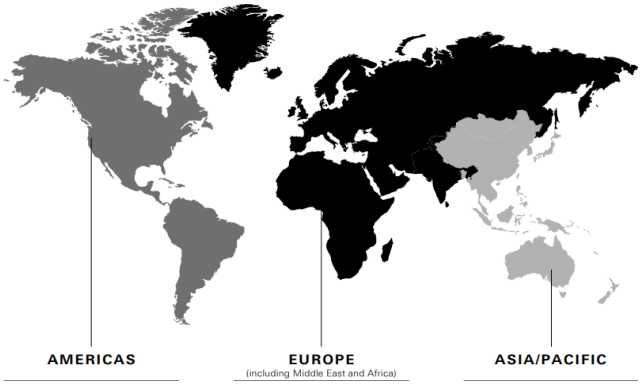
Regional sales split in %



Segmental breakdown in %



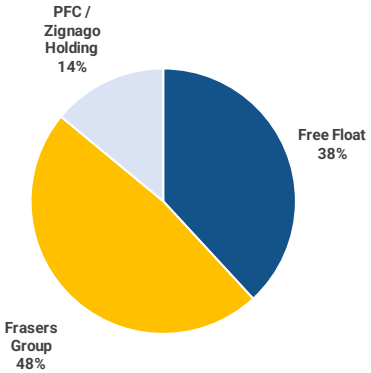
Hugo Boss regions



Distribution Channels - Brick & mortar and Online

Brick-and-mortar retail	Brick-and-mortar wholesale	Digital
Freestanding stores Self-operated full-price stores in prime locations	**Multi-brand points of sale** General selling space in multi-brand stores	**Online store hugoboss.com** Digital flagship store with separate brand environments for BOSS and HUGO
Shop-in-shops Self-operated full-price shops on retail space of partners	**Shop-in-shops** BOSS and HUGO shops operated by partners	**Partnerships with online retailers** Own distribution on multi-brand platforms via the concession model
Factory outlets Sale of prior season's merchandise in specialist stores in high-traffic peripheral zones	**Franchise business** Full-price BOSS and HUGO stores operated by partners	**Online distribution via partners** Online distribution of BOSS and HUGO by partners

Major Shareholders



Source: Company data; mwb research

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Valuation

DCF Model

The DCF model results in a **fair value of EUR 36.21 per share**:

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

ROCE. Returns on capital are developing from 9.9% in 2026E to 9.1% in 2033E.

WACC. Starting point is a historical equity beta of 1.90. Unleverering and correcting for mean reversion yields an asset beta of 1.50. Combined with a risk-free rate of 2.0% and an equity risk premium of 6.0% this yields cost of equity of 14.3%. 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 10.8%.

DCF (EURm) (except per share data and beta)	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	Terminal value
NOPAT	203	224	228	231	236	241	245	250	
Depreciation & amortization	375	386	392	378	355	343	336	333	
Change in working capital	-24	-79	-54	-22	-16	-15	-22	-18	
Chg. in long-term provisions	-9	2	2	2	2	2	2	2	
Capex	-253	-259	-264	-269	-287	-297	-303	-309	
Cash flow	291	273	304	320	290	273	259	258	2,987
Present value	287	243	243	231	189	160	137	124	1,432
WACC	10.8%	10.8%	10.8%	10.8%	10.8%	10.8%	10.8%	10.8%	10.8%

DCF per share derived from	
Total present value	3,046
Mid-year adj. total present value	3,207
Net debt / cash at start of year	840
Financial assets	158
Provisions and off b/s debt	26
Equity value	2,499
No. of shares outstanding	69.0
Discounted cash flow / share	**36.21**
upside/(downside)	**-7.0%**
Share price	**38.94**

DCF avg. growth and earnings assumptions	
Planning horizon avg. revenue growth (2026E-2033E)	2.0%
Terminal value growth (2033E - infinity)	2.0%
Terminal year ROCE	9.1%
Terminal year WACC	10.8%

Terminal WACC derived from	
Cost of borrowing (before taxes)	5.0%
Long-term tax rate	25%
Equity beta	1.90
Unlevered beta (industry or company)	1.50
Target debt / equity	0.5
Relevered beta	2.06
Risk-free rate	2.0%
Equity risk premium	6.0%
Cost of equity	14.3%

Sensitivity analysis DCF

Change in WACC (%-points)	Long term growth 1.0%	1.5%	2.0%	2.5%	3.0%
2.0%	27.6	28.3	29.1	29.9	30.9
1.0%	30.4	31.3	32.3	33.4	34.6
0.0%	33.8	34.9	36.2	37.6	39.2
-1.0%	37.9	39.4	41.1	43.0	45.3
-2.0%	43.1	45.1	47.5	50.2	53.3

Share of present value	
2026E-2029E	32.9%
2030E-2033E	20.0%
terminal value	47.0%

Source: mwb research

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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 46.89 per share based on 2026E and EUR 70.60 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	**654**	**694**	**706**	**696**	**680**
- Maintenance capex	332	331	338	326	305
- Minorities	6	7	7	8	8
- tax expenses	57	65	66	67	69
= Adjusted FCF	**258**	**291**	**294**	**295**	**298**
Actual Market Cap	**2,680**	**2,680**	**2,680**	**2,680**	**2,680**
+ Net debt (cash)	584	343	78	-135	-319
+ Pension provisions	27	28	28	29	30
+ Off b/s financing	0	0	0	0	0
- Financial assets	158	158	158	158	158
- Acc. dividend payments	3	5	15	91	168
EV Reconciliations	450	207	-66	-355	-616
= Actual EV'	**3,130**	**2,887**	**2,614**	**2,325**	**2,064**
Adjusted FCF yield	**8.2%**	**10.1%**	**11.3%**	**12.7%**	**14.4%**
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	**3,686**	**4,160**	**4,207**	**4,214**	**4,257**
- EV Reconciliations	450	207	-66	-355	-616
Fair Market Cap	**3,236**	**3,952**	**4,273**	**4,569**	**4,873**
No. of shares (million)	69	69	69	69	69
Fair value per share in EUR	**46.89**	**57.27**	**61.91**	**66.20**	**70.60**
Premium (-) / discount (+)	**20.4%**	**47.1%**	**59.0%**	**70.0%**	**81.3%**

Sensitivity analysis fair value						
Adjusted hurdle rate	5.0%	68	81	86	91	95
	6.0%	56	67	72	76	81
	7.0%	**47**	**57**	**62**	**66**	**71**
	8.0%	40	50	54	59	63
	9.0%	35	44	48	53	57

Source: Company data; mwb research

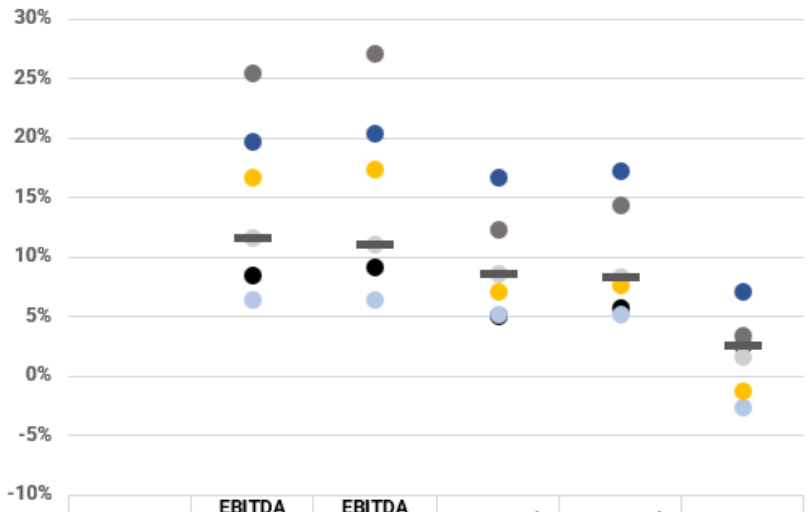
Simply put, the model assumes that investors require companies to generate a minimum return on the investor's purchase price. The required after-tax return equals the model's hurdle rate of 7.0%. Anything less suggests the stock is expensive; anything more suggests the stock is cheap. **ESG adjustments 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.**

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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 **HUGO BOSS 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 HUGO BOSS AG consists of the stocks displayed in the graphs below. As of 3 November 2026 the median market cap of the peer group was EUR 3,829m, compared to EUR 2,687m for HUGO BOSS AG. In the period under review, the peer group was less profitable than HUGO BOSS AG. The expectations for sales growth are higher for the peer group than for HUGO BOSS AG.

Peer Group – Key data



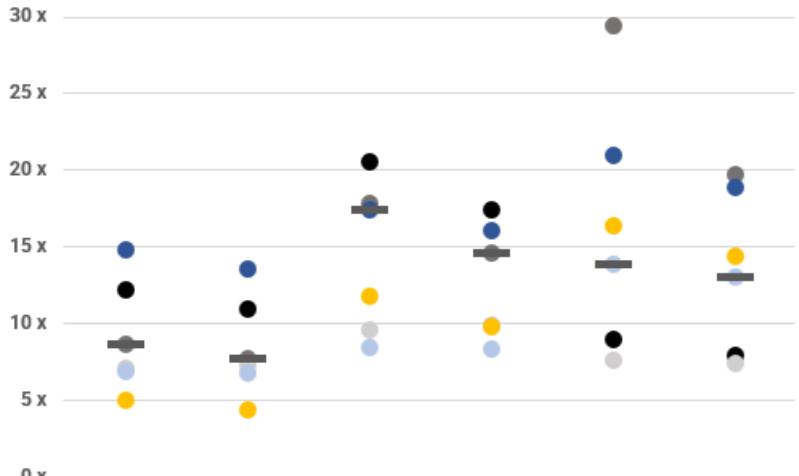
3-Nov-26	Market Cap (EURm)	EBITDA margin 2026	EBITDA margin 2027	EBIT margin 2026	EBIT margin 2027	Sales CAGR 2025-2028
● Capri Holdings Limited	1.851	8,5%	9,3%	5,1%	5,8%	2,6%
● Kering SA	22.112	25,5%	27,2%	12,4%	14,4%	3,4%
● PVH Corp.	3.829	11,7%	11,2%	8,7%	8,3%	1,7%
● Ralph Lauren Corporation Class A	13.362	19,7%	20,4%	16,7%	17,3%	7,1%
● G-III Apparel Group, Ltd.	1.204	6,4%	6,5%	5,2%	5,3%	-2,6%
● HUGO BOSS AG	2.680	16,8%	17,4%	7,2%	7,7%	-1,2%
– Peer Group Median	3.829	11,7%	11,2%	8,7%	8,3%	2,6%

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

Applying these to HUGO BOSS AG results in a range of fair values from EUR 33.11 to EUR 73.42.

Peer Group – Multiples and valuation



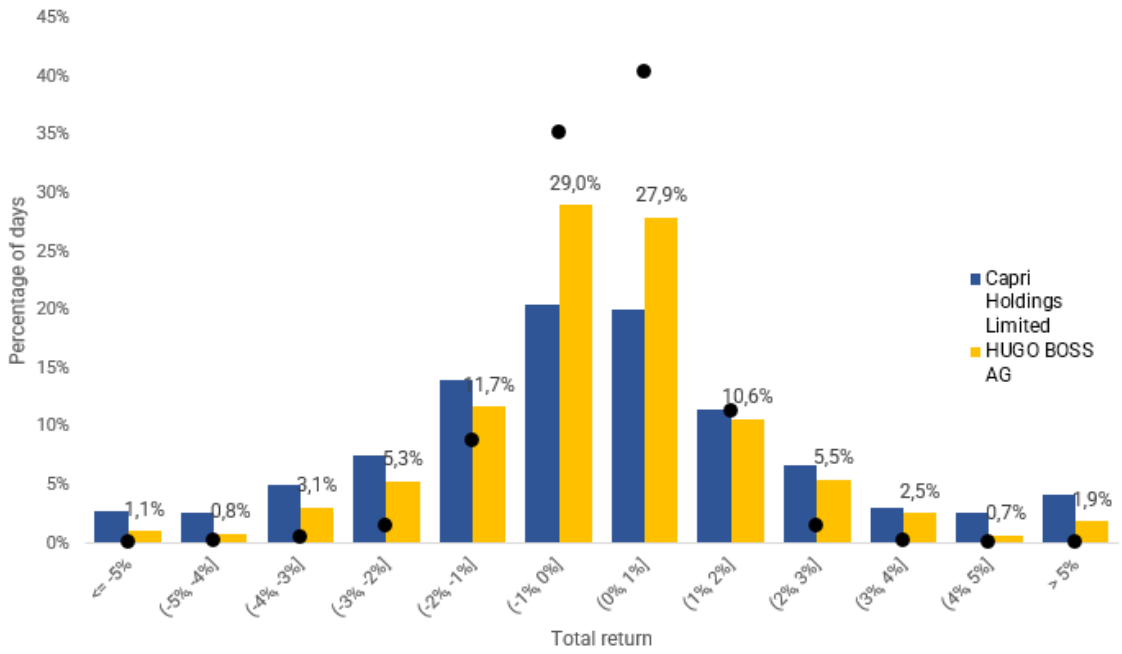
3-Nov-26	EV/EBITDA 2026	EV/EBITDA 2027	EV/EBIT 2026	EV/EBIT 2027	P/E 2026	P/E 2027
Capri Holdings Limited	12,3x	11,0x	20,6x	17,5x	9,1x	8,0x
Kering SA	8,7x	7,7x	17,9x	14,7x	29,5x	19,7x
PVH Corp.	7,2x	7,4x	9,6x	9,9x	7,7x	7,4x
Ralph Lauren Corporation Class A	14,9x	13,6x	17,5x	16,1x	21,0x	19,0x
G-III Apparel Group, Ltd.	7,0x	6,8x	8,5x	8,4x	14,0x	13,1x
HUGO BOSS AG	5,0x	4,4x	11,8x	9,9x	16,4x	14,4x
Peer Group Median	8,7x	7,7x	17,5x	14,7x	14,0x	13,1x
Fair Value (EUR)	73,42	69,01	61,66	56,60	33,11	35,45

Source: FactSet, mwb research

Risk

The chart displays the **distribution of daily returns of HUGO BOSS AG** over the last 3 years, compared to the same distribution for Capri Holdings Limited. 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 HUGO BOSS AG, the worst day during the past 3 years was 07/03/2024 with a share price decline of -13.8%. The best day was 04/12/2024 when the share price increased by 9.7%.

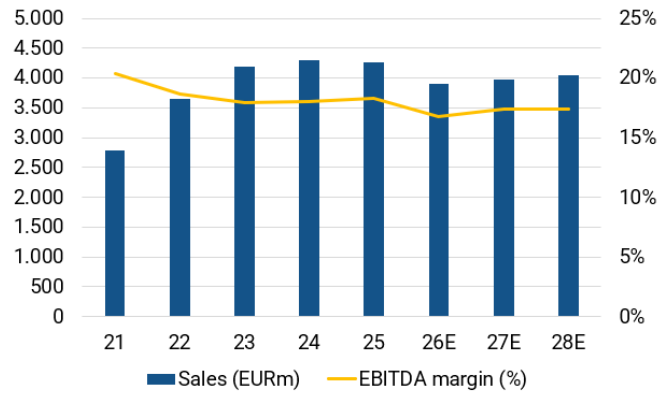
Risk – Daily Returns Distribution (trailing 3 years)



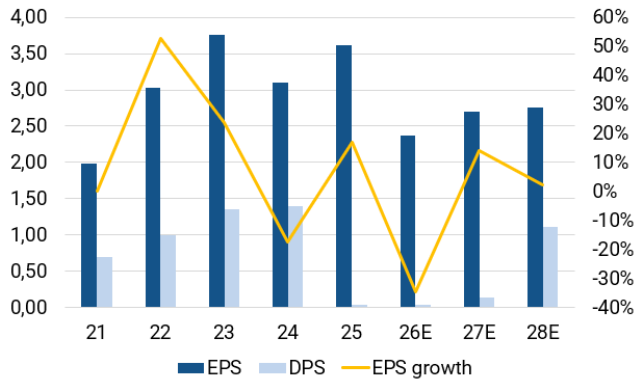
Source: FactSet, mwb research

Financials in six charts

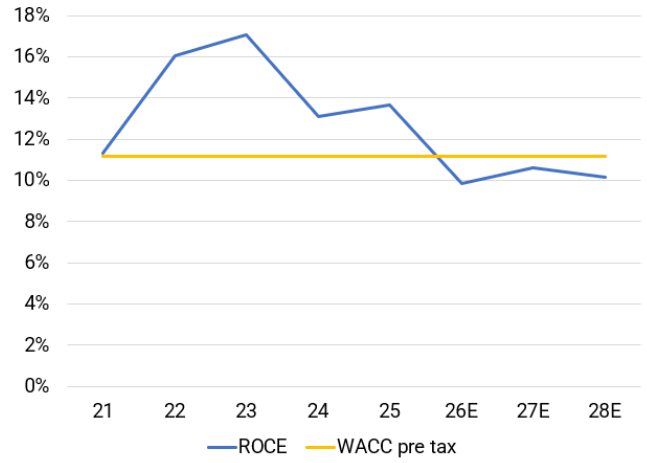
Sales vs. EBITDA margin development



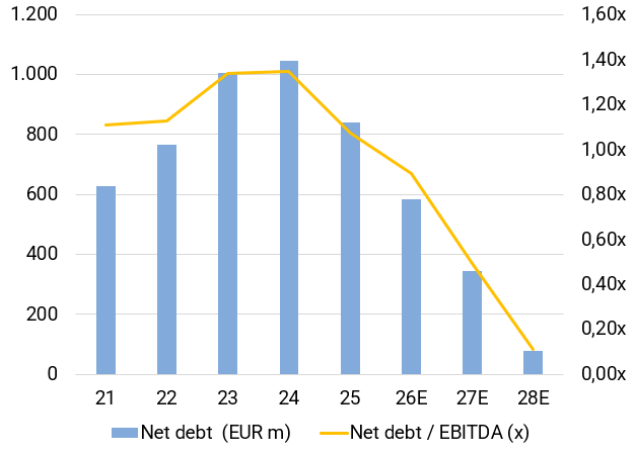
EPS, DPS in EUR & yoy EPS growth



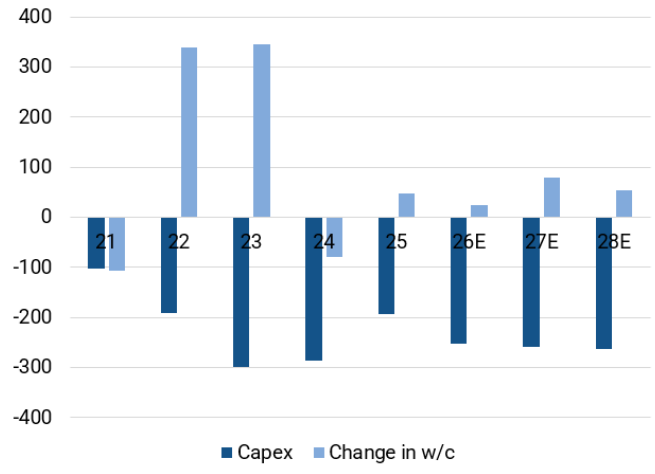
ROCE vs. WACC (pre tax)



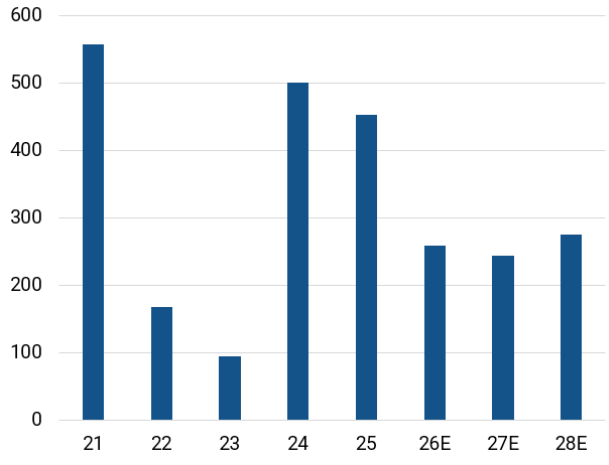
Net debt and net debt/EBITDA



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	**4,197**	**4,307**	**4,270**	**3,896**	**3,978**	**4,056**
Sales growth	15.0%	2.6%	-0.9%	-8.8%	2.1%	1.9%
Cost of sales	1,617	1,648	1,643	1,442	1,472	1,501
Gross profit	**2,581**	**2,660**	**2,626**	**2,455**	**2,506**	**2,555**
SG&A expenses	2,081	2,209	2,149	2,055	2,079	2,119
Research and development	86	90	87	82	80	81
Other operating expenses (income)	-0	1	0	39	40	41
EBITDA	**753**	**775**	**782**	**654**	**694**	**706**
Depreciation	316	367	362	332	331	338
EBITA	395	408	420	321	363	368
Amortisation of goodwill and intangible assets	29	47	29	43	55	54
EBIT	**411**	**361**	**391**	**279**	**308**	**314**
Financial result	-53	-59	-46	-52	-50	-50
Recurring pretax income from continuing operations	357	302	345	227	258	264
Extraordinary income/loss	0	0	0	0	0	0
Earnings before taxes	357	302	345	227	258	264
Taxes	87	78	86	57	65	66
Net income from continuing operations	270	224	259	170	194	198
Result from discontinued operations (net of tax)	0	0	0	0	0	0
Net income	**270**	**224**	**259**	**170**	**194**	**198**
Minority interest	-11	-10	-10	-6	-7	-7
Net profit (reported)	259	213	249	164	186	191
Average number of shares	69.02	69.00	69.02	69.02	69.02	69.02
EPS reported	**3.75**	**3.09**	**3.61**	**2.37**	**2.70**	**2.76**

Profit and loss (common size)	2023	2024	2025	2026E	2027E	2028E
Sales	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Cost of sales	39%	38%	38%	37%	37%	37%
Gross profit	**61%**	**62%**	**62%**	**63%**	**63%**	**63%**
SG&A expenses	50%	51%	50%	53%	52%	52%
Research and development	2%	2%	2%	2%	2%	2%
Other operating expenses (income)	-0%	0%	0%	1%	1%	1%
EBITDA	**18%**	**18%**	**18%**	**17%**	**17%**	**17%**
Depreciation	8%	9%	8%	9%	8%	8%
EBITA	9%	9%	10%	8%	9%	9%
Amortisation of goodwill and intangible assets	1%	1%	1%	1%	1%	1%
EBIT	**10%**	**8%**	**9%**	**7%**	**8%**	**8%**
Financial result	-1%	-1%	-1%	-1%	-1%	-1%
Recurring pretax income from continuing operations	9%	7%	8%	6%	6%	7%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	9%	7%	8%	6%	6%	7%
Taxes	2%	2%	2%	1%	2%	2%
Net income from continuing operations	6%	5%	6%	4%	5%	5%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
Net income	**6%**	**5%**	**6%**	**4%**	**5%**	**5%**
Minority interest	-0%	-0%	-0%	-0%	-0%	-0%
Net profit (reported)	**6%**	**5%**	**6%**	**4%**	**5%**	**5%**

Source: Company data; mwb research

Balance sheet (EURm)	2023	2024	2025	2026E	2027E	2028E
Intangible assets (exl. Goodwill)	**141**	**175**	**203**	**203**	**192**	**183**
Goodwill	55	56	52	52	52	52
Property, plant and equipment	1,326	1,544	1,445	1,323	1,207	1,088
Financial assets	159	155	158	158	158	158
FIXED ASSETS	**1,681**	**1,930**	**1,858**	**1,736**	**1,609**	**1,481**
Inventories	1,066	1,072	918	849	927	946
Accounts receivable	376	362	386	352	371	411
Other current assets	127	136	130	130	130	130
Liquid assets	118	211	343	416	657	922
Deferred taxes	0	0	0	0	0	0
Deferred charges and prepaid expenses	94	73	85	78	80	81
CURRENT ASSETS	**1,791**	**1,853**	**1,863**	**1,826**	**2,165**	**2,490**
TOTAL ASSETS	**3,472**	**3,782**	**3,721**	**3,563**	**3,775**	**3,971**
SHAREHOLDERS EQUITY	**1,293**	**1,427**	**1,537**	**1,705**	**1,896**	**2,085**
MINORITY INTEREST	18	23	20	20	20	20
Long-term debt	941	1,007	891	900	900	900
Provisions for pensions and similar obligations	33	34	26	27	28	28
Other provisions	97	98	68	58	60	61
Non-current liabilities	**1,071**	**1,128**	**985**	**986**	**988**	**989**
short-term liabilities to banks	183	249	292	100	100	100
Accounts payable	572	643	529	438	445	451
Advance payments received on orders	0	0	0	0	0	0
Other liabilities (incl. from lease and rental contracts)	260	237	322	278	290	290
Deferred taxes	19	18	36	36	36	36
Deferred income	0	0	0	0	0	0
Current liabilities	**1,090**	**1,204**	**1,178**	**852**	**871**	**877**
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	**3,472**	**3,782**	**3,721**	**3,563**	**3,775**	**3,971**

Balance sheet (common size)	2023	2024	2025	2026E	2027E	2028E
Intangible assets (excl. Goodwill)	**4%**	**5%**	**5%**	**6%**	**5%**	**5%**
Goodwill	2%	1%	1%	1%	1%	1%
Property, plant and equipment	38%	41%	39%	37%	32%	27%
Financial assets	5%	4%	4%	4%	4%	4%
FIXED ASSETS	**48%**	**51%**	**50%**	**49%**	**43%**	**37%**
Inventories	31%	28%	25%	24%	25%	24%
Accounts receivable	11%	10%	10%	10%	10%	10%
Other current assets	4%	4%	4%	4%	3%	3%
Liquid assets	3%	6%	9%	12%	17%	23%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred charges and prepaid expenses	3%	2%	2%	2%	2%	2%
CURRENT ASSETS	**52%**	**49%**	**50%**	**51%**	**57%**	**63%**
TOTAL ASSETS	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
SHAREHOLDERS EQUITY	**37%**	**38%**	**41%**	**48%**	**50%**	**52%**
MINORITY INTEREST	1%	1%	1%	1%	1%	1%
Long-term debt	27%	27%	24%	25%	24%	23%
Provisions for pensions and similar obligations	1%	1%	1%	1%	1%	1%
Other provisions	3%	3%	2%	2%	2%	2%
Non-current liabilities	**31%**	**30%**	**26%**	**28%**	**26%**	**25%**
short-term liabilities to banks	5%	7%	8%	3%	3%	3%
Accounts payable	16%	17%	14%	12%	12%	11%
Advance payments received on orders	0%	0%	0%	0%	0%	0%
Other liabilities (incl. from lease and rental contracts)	7%	6%	9%	8%	8%	7%
Deferred taxes	1%	0%	1%	1%	1%	1%
Deferred income	0%	0%	0%	0%	0%	0%
Current liabilities	**31%**	**32%**	**32%**	**24%**	**23%**	**22%**
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Source: Company data; mwb research

ResearchHub

Cash flow statement (EURm)	2023	2024	2025	2026E	2027E	2028E
Net profit/loss	270	224	259	170	194	198
Depreciation of fixed assets (incl. leases)	342	414	338	332	331	338
Amortisation of goodwill	0	0	0	0	0	0
Amortisation of intangible assets	0	0	24	43	55	54
Others	127	69	72	-9	2	2
Cash flow from operations before changes in w/c	738	638	693	536	581	592
Increase/decrease in inventory	-100	-4	109	69	-78	-18
Increase/decrease in accounts receivable	-123	11	0	34	-18	-41
Increase/decrease in accounts payable	0	113	-125	-91	7	6
Increase/decrease in other w/c positions	-122	-40	-33	-37	11	-2
Increase/decrease in working capital	-345	79	-48	-24	-79	-54
Cash flow from operating activities	**394**	**786**	**644**	**512**	**502**	**538**
CAPEX	-299	-286	-193	-253	-259	-264
Payments for acquisitions	0	1	0	0	0	0
Financial investments	1	-3	-3	0	0	0
Income from asset disposals	0	-0	0	0	0	0
Cash flow from investing activities	**-298**	**-289**	**-195**	**-253**	**-259**	**-264**
Cash flow before financing	96	97	450	259	243	274
Increase/decrease in debt position	-1	-306	-205	-183	0	0
Purchase of own shares	0	0	0	0	0	0
Capital measures	0	0	0	0	0	0
Dividends paid	-69	-93	-97	-3	-2	-9
Others	-53	-5	0	0	0	0
Effects of exchange rate changes on cash	-3	0	-6	0	0	0
Cash flow from financing activities	**-125**	**-405**	**-307**	**-185**	**-2**	**-9**
Increase/decrease in liquid assets	-29	92	142	73	241	265
Liquid assets at end of period	**118**	**211**	**343**	**416**	**657**	**922**

Source: Company data; mwb research

Regional sales split (EURm)	2023	2024	2025	2026E	2027E	2028E
Domestic	555	577	609	556	568	579
Europe (ex domestic)	2,111	2,157	2,159	1,970	2,011	2,051
The Americas	955	1,020	993	906	925	943
Asia	576	553	509	464	474	483
Rest of World	0	0	0	0	0	0
Total sales	**4,197**	**4,307**	**4,270**	**3,896**	**3,978**	**4,056**

Regional sales split (common size)	2023	2024	2025	2026E	2027E	2028E
Domestic	13.2%	13.4%	14.3%	14.3%	14.3%	14.3%
Europe (ex domestic)	50.3%	50.1%	50.6%	50.6%	50.6%	50.6%
The Americas	22.8%	23.7%	23.2%	23.2%	23.2%	23.2%
Asia	13.7%	12.8%	11.9%	11.9%	11.9%	11.9%
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	3.75	3.09	3.61	2.37	2.70	2.76
Cash flow per share	1.12	6.06	4.10	2.60	2.48	2.89
Book value per share	18.73	20.68	22.28	24.70	27.47	30.21
Dividend per share	1.35	1.40	0.04	0.04	0.14	1.11
Valuation						
P/E	10.4x	12.6x	10.8x	16.4x	14.4x	14.1x
P/CF	34.8x	6.4x	9.5x	15.0x	15.7x	13.5x
P/BV	2.1x	1.9x	1.7x	1.6x	1.4x	1.3x
Dividend yield (%)	3.5%	3.6%	0.1%	0.1%	0.3%	2.8%
FCF yield (%)	2.9%	15.6%	10.5%	6.7%	6.4%	7.4%
EV/Sales	0.9x	0.9x	0.8x	0.8x	0.8x	0.7x
EV/EBITDA	5.0x	4.9x	4.5x	5.0x	4.4x	4.0x
EV/EBIT	9.1x	10.4x	9.1x	11.8x	9.9x	8.9x
Income statement (EURm)						
Sales	4,197	4,307	4,270	3,896	3,978	4,056
yoy chg in %	15.0%	2.6%	-0.9%	-8.8%	2.1%	1.9%
Gross profit	2,581	2,660	2,626	2,455	2,506	2,555
Gross margin in %	61.5%	61.8%	61.5%	63.0%	63.0%	63.0%
EBITDA	753	775	782	654	694	706
EBITDA margin in %	17.9%	18.0%	18.3%	16.8%	17.4%	17.4%
EBIT	411	361	391	279	308	314
EBIT margin in %	9.8%	8.4%	9.2%	7.1%	7.8%	7.8%
Net profit	259	213	249	164	186	191
Cash flow statement (EURm)						
CF from operations	394	786	644	512	502	538
Capex	-299	-286	-193	-253	-259	-264
Maintenance Capex	316	367	362	332	331	338
Free cash flow	95	500	452	259	243	274
Balance sheet (EURm)						
Intangible assets	196	230	255	255	244	235
Tangible assets	1,326	1,544	1,445	1,323	1,207	1,088
Shareholders' equity	1,293	1,427	1,537	1,705	1,896	2,085
Pension provisions	33	34	26	27	28	28
Liabilities and provisions	1,254	1,388	1,277	1,086	1,088	1,089
Net financial debt	1,006	1,045	840	584	343	78
w/c requirements	870	791	775	763	853	905
Ratios						
ROE	20.9%	15.7%	16.9%	10.0%	10.2%	9.5%
ROCE	16.0%	12.7%	13.8%	9.9%	10.3%	9.8%
Net gearing	77.8%	73.3%	54.6%	34.2%	18.1%	3.7%
Net debt / EBITDA	1.3x	1.3x	1.1x	0.9x	0.5x	0.1x

Source: Company data; mwb research

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