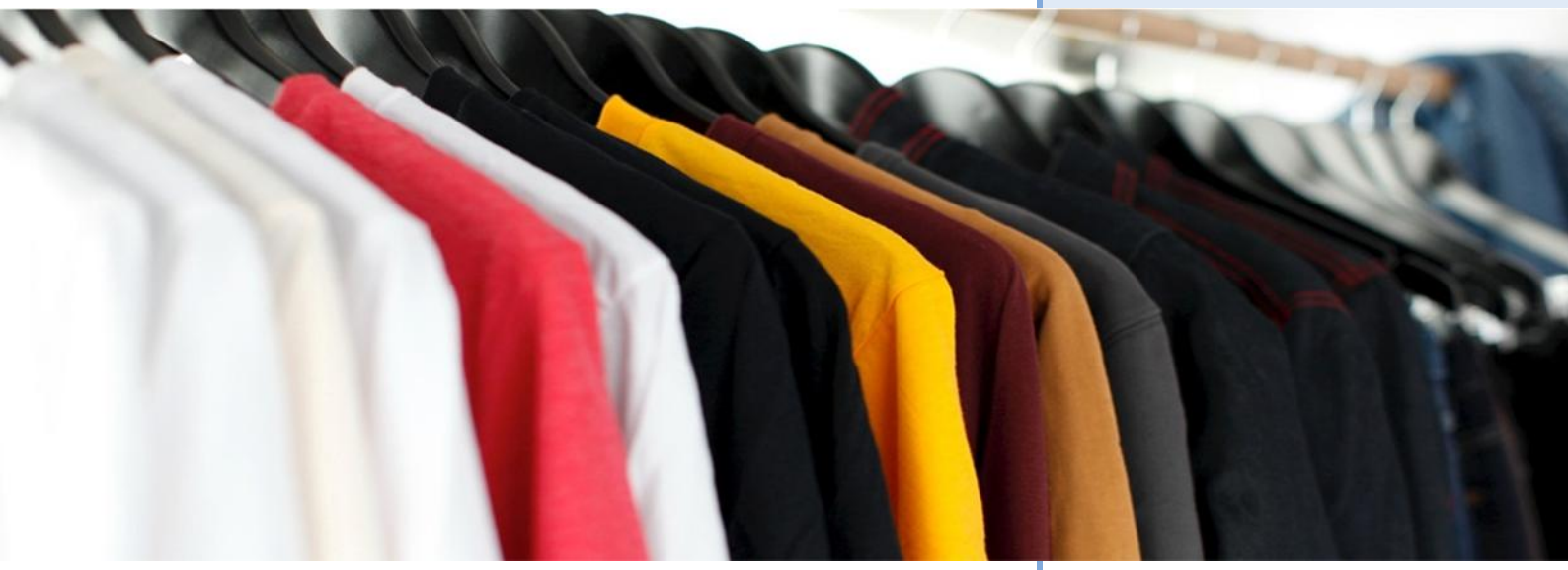
Zalando SE

Germany | Retail | MCap EUR 6,993m

3 November 2026

UPDATE



Q3 recovery supports confidence in FY26, maintain BUY.

BUY (BUY)

Target price	**EUR 38.00** (38.00)
Current price	EUR 26.99
Up/downside	40.8%

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What's it all about?

Zalando delivered a solid Q3, with underlying growth improving versus H1 and adjusted EBIT rising despite softer B2C profitability. Pro-forma GMV and revenue growth accelerated to 6.1% and 3.3%, respectively, while adjusted EBIT increased 10.6% to EUR 106.5m. B2B remained the key earnings driver, while targeted customer investments and higher marketing weighed on B2C margins. Management confirmed FY26 guidance and now explicitly targets the midpoint of the EUR 680-720m adjusted EBIT range. We raise our FY26 adjusted EBIT estimate to EUR 702m from EUR 688m. Higher one-offs reduce reported EBIT but leave valuation largely unchanged. BUY and PT unchanged.

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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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Zalando SE

Germany | Retail | MCap EUR 6,993m | EV EUR 6,557m

BUY (BUY)

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Q3 recovery supports confidence in FY26, maintain BUY.

Q3 improves momentum. Zalando reported a solid Q3, with underlying growth improving versus H1 and adjusted earnings progressing despite pressure in B2C. GMV increased 7.5% yoy to EUR 4.5bn and revenue rose 5.1% to EUR 3.2bn. On a pro-forma basis, GMV growth accelerated to 6.1% from 4.4% in Q2, while revenue growth improved to 3.3% from 1.1%. This marks a clear sequential improvement after the softer development seen in H1. Adjusted EBIT increased 10.6% to EUR 106.5m, lifting the margin by 0.2pp to 3.4%.

Mix drove earnings. B2B was again the standout, with revenue up 27.9% and adjusted EBIT more than doubling to EUR 42m, supported by scale benefits in fulfilment and higher-margin software revenues. Management nevertheless indicated that the current B2B margin includes some temporary support. In B2C, momentum improved, particularly in the partner business, but profitability remained softer. Adjusted EBIT declined to EUR 64m and the margin fell 0.5pp to 2.3%, reflecting targeted customer investments, especially in sneakers, and higher marketing spend. These measures were aimed at supporting demand and clearing seasonal inventory. Management considers the gross-margin pressure transitory and expects an improvement in Q4.

Outlook confidence strengthened. Zalando confirmed its FY26 guidance, including adjusted EBIT of EUR 680-720m, and now explicitly targets the midpoint of the range. Management also highlighted a good start into the autumn/winter season, healthy inventories and current trading on track. Q4 remains important given the seasonal concentration around Cyber Week and Christmas, but the improvement in Q3 reduces the delivery risk we highlighted after Q2.

Conclusion. Overall, Q3 was a reassuring quarter, showing that the growth slowdown seen in H1 is beginning to reverse while adjusted earnings remain resilient. Q4 execution remains important, yet the risk around the back-end-loaded guidance has clearly eased. We raise our FY26 adjusted EBIT estimate to EUR 702m from EUR 688m. Reported EBIT falls materially due to higher exceptional items of ~ EUR 380m, including restructuring, acquisition-related expenses and SBC. As a meaningful share is non-cash and we expect these effects to normalize, the impact on our DCF is limited. We therefore leave our target price (EUR 38.00) and BUY rating unchanged.

Zalando SE	2023	2024	2025	2026E	2027E	2028E
Sales	10,143	10,573	12,346	13,889	14,653	15,386
Growth yoy	-1.9%	4.2%	16.8%	12.5%	5.5%	5.0%
EBITDA	511	742	782	788	1,107	1,233
EBIT	191	392	387	319	659	785
Net profit	83	251	215	202	440	528
Net debt (net cash)	-792	-862	-436	-780	-1,352	-2,024
Net debt/EBITDA	-1.5x	-1.2x	-0.6x	-1.0x	-1.2x	-1.6x
EPS reported	0.32	0.97	0.83	0.78	1.70	2.04
DPS	0.00	0.00	0.00	0.00	0.00	0.00
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Gross profit margin	38.7%	40.7%	39.9%	39.9%	39.9%	40.1%
EBITDA margin	5.0%	7.0%	6.3%	5.7%	7.6%	8.0%
EBIT margin	1.9%	3.7%	3.1%	2.3%	4.5%	5.1%
ROCE	4.3%	8.6%	8.9%	6.9%	13.0%	14.1%
EV/EBITDA	12.1x	8.3x	8.4x	7.9x	5.1x	4.0x
EV/EBIT	32.5x	15.6x	16.9x	19.4x	8.6x	6.3x
PER	84.4x	27.8x	32.5x	34.6x	15.9x	13.3x
FCF yield	10.1%	5.2%	11.8%	3.7%	7.4%	9.0%

Source: Company data, mwb research



Source: Company data, mwb research

High/low 52 weeks	30.43 / 18.61
Price/Book Ratio	2.5x

Ticker / Symbols

ISIN	DE000ZAL1111
WKN	ZAL111
Bloomberg	ZAL:GR

Changes in estimates

		Sales	EBIT	EPS
2026E	old	13,858	486	1.23
	Δ	0.2%	-34.3%	-36.7%
2027E	old	14,621	702	1.81
	Δ	0.2%	-6.0%	-6.3%
2028E	old	15,352	837	2.18
	Δ	0.2%	-6.2%	-6.5%

Key share data

Number of shares: (in m pcs)	259.10
Book value per share: (in EUR)	10.91
Ø trading vol.: (12 months)	1,552,253

Major shareholders

Anders Holch Povlsen	11.5%
MSFC	7.2%
Blackrock	5.3%
Free Float	74.3%

Company description

Zalando is an online platform for fashion and lifestyle that was founded in 2008. With its fashion store, Zalando offers clothing, footwear, accessories and beauty products. The company is active in a multitude of business areas such as online retailing, private labels, shopping clubs and style consulting. The company is also offering e-commerce-related services to third party brands.

ResearchHub

The following table displays the quarterly performance of **Zalando SE.**

P&L data	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026	Q3 2026
Sales	3,299.5	2,419.5	2,835.1	3,020.6	4,070.9	2,996.1	3,424.4	3,174.0
yoy growth in %	8.0%	7.9%	7.3%	26.5%	23.4%	23.8%	20.8%	5.1%
Gross profit	1,374.3	946.2	1,157.4	1,195.1	1,625.0	1,171.6	1,398.9	1,227.7
Gross margin in %	41.7%	39.1%	40.8%	39.6%	39.9%	39.1%	40.9%	38.7%
EBITDA	272.1	106.3	229.6	156.9	289.3	40.7	229.2	160.8
EBITDA margin in %	8.2%	4.4%	8.1%	5.2%	7.1%	1.4%	6.7%	5.1%
EBIT	166.9	19.2	145.2	49.1	173.7	-79.7	111.1	13.1
EBIT margin in %	5.1%	0.8%	5.1%	1.6%	4.3%	-2.7%	3.2%	0.4%
EBT	175.5	17.9	145.5	37.5	157.5	-102.2	98.5	-6.5
taxes paid	55.5	8.0	48.9	25.0	63.8	-14.6	24.8	11.5
tax rate in %	31.6%	44.7%	33.6%	66.7%	40.5%	14.3%	25.2%	-176.9%
net profit	119.9	9.9	96.6	14.8	93.8	87.6	73.8	-18.0
yoy growth in %	64.2%	-211.2%	0.9%	-66.6%	-21.8%	784.8%	-23.6%	-221.6%
EPS	**0.46**	**0.04**	**0.37**	**0.06**	**0.36**	**-0.34**	**0.29**	**-0.07**

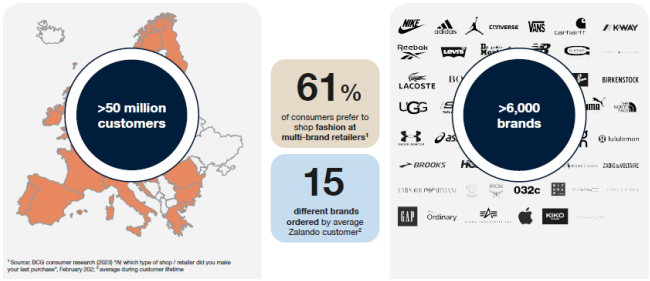
Source: Company data; mwb research

Investment case in six charts

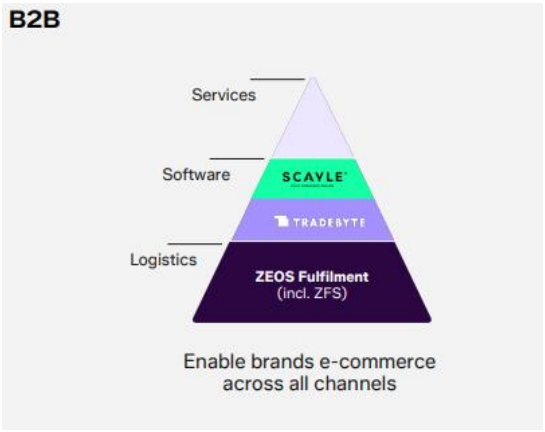
Products & Services



Leading European Fashion platform



B2B to deliver growth over the long-term



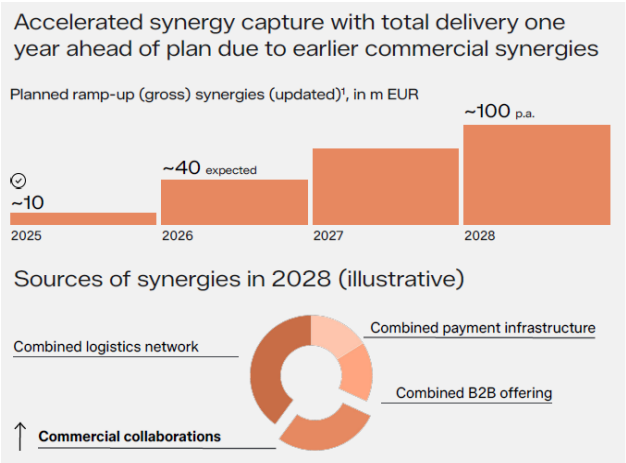
Expanded ecosystem opportunity



2026 outlook

		Guidance 2026[1]
Growth	GMV[2] (in bn EUR)	Lower half of 19.7 – 20.6 Lower half of +12 – 17% YoY
	Revenue (in bn EUR)	Lower half of 13.8 – 14.4 Lower half of +12 – 17% YoY
Profitability	Adjusted[3] EBIT (in m EUR)	680 – 720
Cash	Capex (in m EUR)	240 – 300
	Net working capital position	negative

Planned ramp-up of (gross) synergies



Source: Company data; mwb research

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Valuation

DCF Model

The DCF model results in a **fair value of EUR 37.75 per share**:

Top-line growth: We expect Zalando SE to grow revenues at a CAGR of 3.0% between 2026E and 2033E. The long-term growth rate is set at 2.0%.

ROCE. Returns on capital are developing from 6.9% in 2026E to 11.0% in 2033E.

WACC. Starting point is a historical equity beta of 1.50. Unleverering and correcting for mean reversion yields an asset beta of 1.22. Combined with a risk-free rate of 2.0% and an equity risk premium of 6.0% this yields cost of equity of 11.8%. With pre-tax cost of borrowing at 5.0%, a tax rate of 30% and target debt/equity of 0.5 this results in a long-term WACC of 9.1%.

DCF (EURm) (except per share data and beta)	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	Terminal value
NOPAT	224	462	549	580	591	603	615	627	
Depreciation & amortization	469	448	448	433	413	413	413	413	
Change in working capital	-205	-21	6	-13	-15	-16	-17	-18	
Chg. in long-term provisions	156	-1	-2	-5	-6	-6	-7	-7	
Capex	-278	-293	-308	-315	-322	-328	-335	-341	
Cash flow	366	594	693	679	661	665	669	674	9,731
Present value	361	537	574	514	459	423	390	359	5,229
WACC	9.2%	9.2%	9.2%	9.2%	9.2%	9.2%	9.2%	9.2%	9.1%

DCF per share derived from	
Total present value	8,845
Mid-year adj. total present value	9,242
Net debt / cash at start of year	-436
Financial assets	104
Provisions and off b/s debt	na
Equity value	9,782
No. of shares outstanding	259.1
Discounted cash flow / share	**37.75**
upside/(downside)	**39.9%**
Share price	**26.99**

DCF avg. growth and earnings assumptions	
Planning horizon avg. revenue growth (2026E-2033E)	3.0%
Terminal value growth (2033E - infinity)	2.0%
Terminal year ROCE	11.0%
Terminal year WACC	9.1%

Terminal WACC derived from	
Cost of borrowing (before taxes)	5.0%
Long-term tax rate	30%
Equity beta	1.50
Unlevered beta (industry or company)	1.22
Target debt / equity	0.5
Relevered beta	1.64
Risk-free rate	2.0%
Equity risk premium	6.0%
Cost of equity	11.8%

Sensitivity analysis DCF

Change in WACC (%-points)	Long term growth 1.0%	1.5%	2.0%	2.5%	3.0%
2.0%	28.9	29.6	30.5	31.4	32.4
1.0%	31.6	32.6	33.7	34.9	36.3
0.0%	35.0	36.3	37.7	39.5	41.5
-1.0%	39.3	41.1	43.2	45.7	48.7
-2.0%	45.0	47.6	50.8	54.6	59.4

Share of present value	
2026E-2029E	22.4%
2030E-2033E	18.4%
terminal value	59.1%

Source: mwb research

ResearchHub

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 22.16 per share based on 2026E and EUR 51.14 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	**788**	**1,107**	**1,233**	**1,261**	**1,257**
- Maintenance capex	362	348	348	340	325
- Minorities	0	0	0	0	0
- tax expenses	87	189	226	239	244
= Adjusted FCF	**340**	**570**	**659**	**682**	**688**
Actual Market Cap	**6,754**	**6,754**	**6,754**	**6,754**	**6,754**
+ Net debt (cash)	-780	-1,352	-2,024	-2,681	-3,321
+ Pension provisions	0	0	0	0	0
+ Off b/s financing	0	0	0	0	0
- Financial assets	104	104	104	104	104
- Acc. dividend payments	0	0	0	0	0
EV Reconciliations	-884	-1,456	-2,128	-2,785	-3,425
= Actual EV'	**5,871**	**5,298**	**4,626**	**3,969**	**3,329**
Adjusted FCF yield	**5.8%**	**10.8%**	**14.2%**	**17.2%**	**20.7%**
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	**4,857**	**8,145**	**9,413**	**9,745**	**9,825**
- EV Reconciliations	-884	-1,456	-2,128	-2,785	-3,425
Fair Market Cap	**5,741**	**9,601**	**11,541**	**12,530**	**13,250**
No. of shares (million)	259	259	259	259	259
Fair value per share in EUR	**22.16**	**37.05**	**44.54**	**48.36**	**51.14**
Premium (-) / discount (+)	**-17.9%**	**37.3%**	**65.0%**	**79.2%**	**89.5%**

Sensitivity analysis fair value						
Adjusted hurdle rate	5.0%	30	50	59	63	66
	6.0%	25	42	51	55	57
	7.0%	**22**	**37**	**45**	**48**	**51**
	8.0%	20	33	40	44	46
	9.0%	18	30	36	40	43

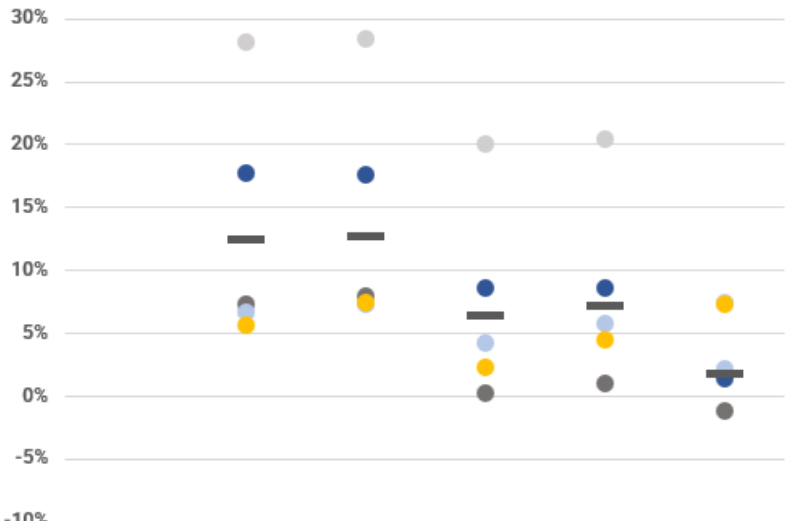
Source: Company data; mwb research

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 **Zalando SE** 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 Zalando SE consists of the stocks displayed in the graphs below. As of 3 November 2026 the median market cap of the peer group was EUR 11,645m, compared to EUR 6,993m for Zalando SE. In the period under review, the peer group was more profitable than Zalando SE. The expectations for sales growth are lower for the peer group than for Zalando SE.

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
ASOS Plc	601	7,4%	8,0%	0,3%	1,1%	-1,2%
Industria de Diseno Textil, S.A.	176.714	28,3%	28,5%	20,2%	20,4%	7,5%
H&M Hennes & Mauritz AB Class B	22.690	17,7%	17,7%	8,7%	8,7%	1,5%
boohoo group Plc	510	6,8%	7,4%	4,2%	5,8%	2,2%
Zalando SE	6.754	5,7%	7,6%	2,3%	4,5%	7,4%
Peer Group Median	11.645	12,6%	12,8%	6,5%	7,3%	1,8%

Source: FactSet, mwb research

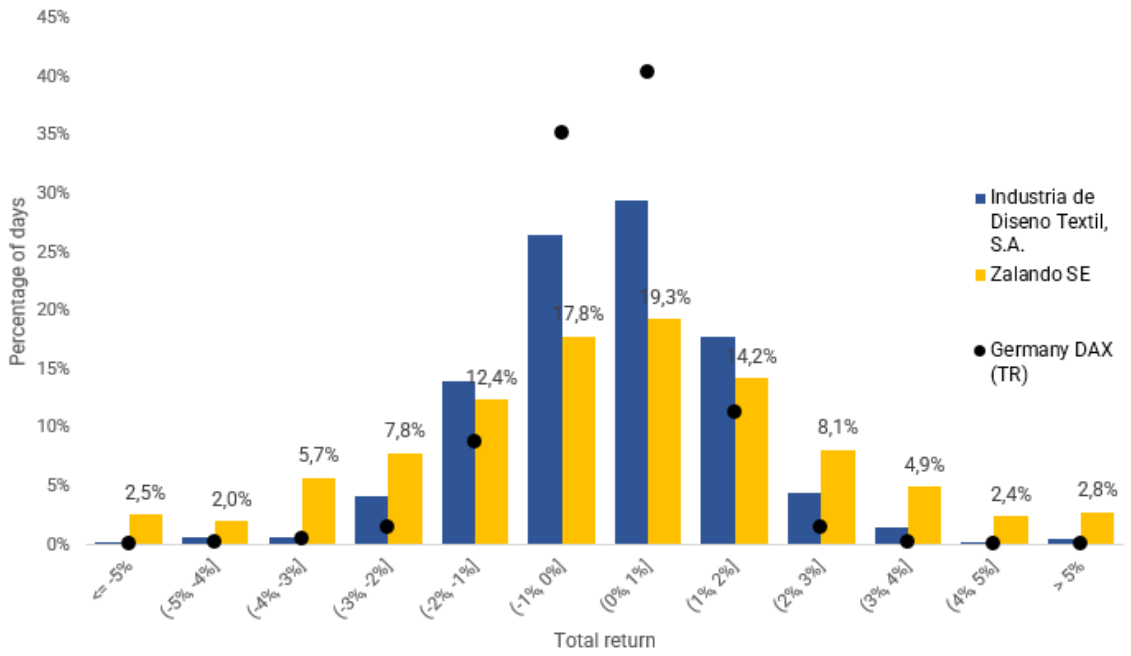
Comparable company analysis operates under the assumption that similar companies will have similar valuation multiples. We use the following multiples: EV/EBITDA 2026, EV/EBITDA 2027, EV/EBIT 2026, EV/EBIT 2027, P/E 2026 and P/E 2027.

Applying these to Zalando SE results in a range of fair values from EUR 20.40 to EUR 47.50.

Risk

The chart displays the **distribution of daily returns of Zalando SE** over the last 3 years, compared to the same distribution for Industria de Diseno Textil, S.A.. 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 Zalando SE, the worst day during the past 3 years was 04/08/2026 with a share price decline of -13.4%. The best day was 13/03/2024 when the share price increased by 18.9%.

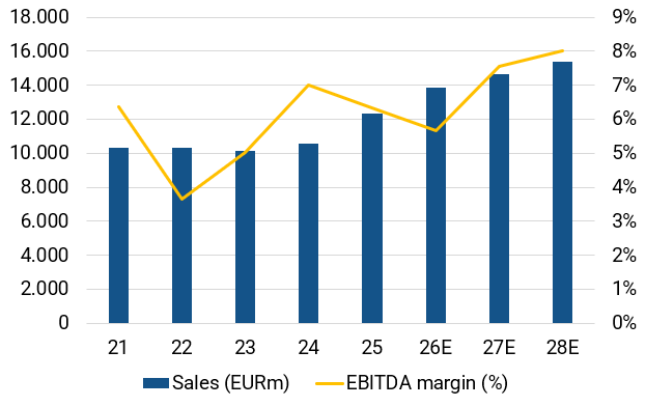
Risk – Daily Returns Distribution (trailing 3 years)



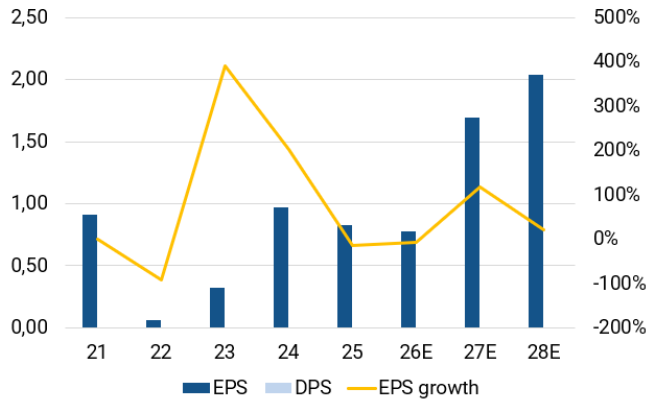
Source: FactSet, mwb research

Financials in six charts

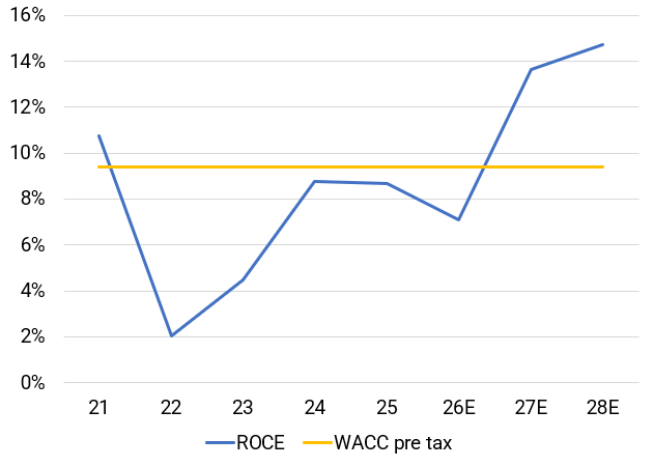
Sales vs. EBITDA margin development



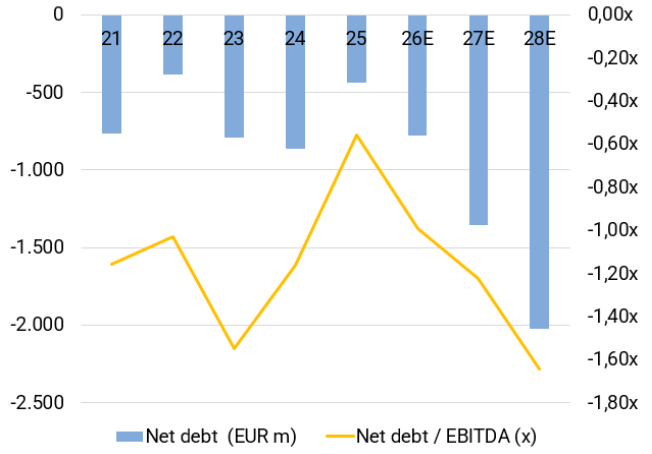
EPS, DPS in EUR & yoy EPS growth



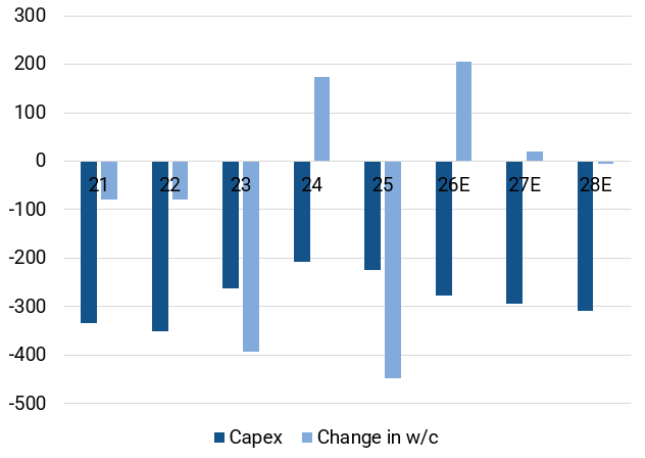
ROCE vs. WACC (pre tax)



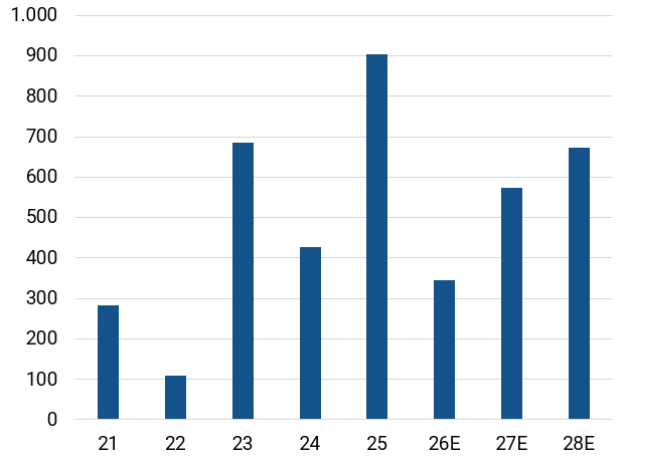
Net debt and net debt/EBITDA



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	**10,143**	**10,573**	**12,346**	**13,889**	**14,653**	**15,386**
Sales growth	-1.9%	4.2%	16.8%	12.5%	5.5%	5.0%
Cost of sales	6,213	6,271	7,422	8,348	8,807	9,216
Gross profit	**3,930**	**4,302**	**4,924**	**5,542**	**5,847**	**6,170**
SG&A expenses	3,702	3,911	4,509	4,861	5,129	5,354
Research and development	0	0	0	0	0	0
Other operating expenses (income)	38	1	28	361	59	31
EBITDA	**511**	**742**	**782**	**788**	**1,107**	**1,233**
Depreciation	240	268	300	362	348	348
EBITA	271	474	482	427	759	885
Amortisation of goodwill and intangible assets	80	82	95	107	99	100
EBIT	**191**	**392**	**387**	**319**	**659**	**785**
Financial result	-38	-24	-29	-31	-31	-31
Recurring pretax income from continuing operations	153	368	358	288	628	754
Extraordinary income/loss	0	0	0	0	0	0
Earnings before taxes	153	368	358	288	628	754
Taxes	70	117	146	87	189	226
Net income from continuing operations	83	251	213	202	440	528
Result from discontinued operations (net of tax)	0	0	0	0	0	0
Net income	**83**	**251**	**213**	**202**	**440**	**528**
Minority interest	0	0	2	0	0	0
Net profit (reported)	83	251	215	202	440	528
Average number of shares	259.70	259.10	259.10	259.10	259.10	259.10
EPS reported	**0.32**	**0.97**	**0.83**	**0.78**	**1.70**	**2.04**

Profit and loss (common size)	2023	2024	2025	2026E	2027E	2028E
Sales	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Cost of sales	61%	59%	60%	60%	60%	60%
Gross profit	**39%**	**41%**	**40%**	**40%**	**40%**	**40%**
SG&A expenses	36%	37%	37%	35%	35%	35%
Research and development	0%	0%	0%	0%	0%	0%
Other operating expenses (income)	0%	0%	0%	3%	0%	0%
EBITDA	**5%**	**7%**	**6%**	**6%**	**8%**	**8%**
Depreciation	2%	3%	2%	3%	2%	2%
EBITA	3%	4%	4%	3%	5%	6%
Amortisation of goodwill and intangible assets	1%	1%	1%	1%	1%	1%
EBIT	**2%**	**4%**	**3%**	**2%**	**5%**	**5%**
Financial result	-0%	-0%	-0%	-0%	-0%	-0%
Recurring pretax income from continuing operations	2%	3%	3%	2%	4%	5%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	2%	3%	3%	2%	4%	5%
Taxes	1%	1%	1%	1%	1%	1%
Net income from continuing operations	1%	2%	2%	1%	3%	3%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
Net income	**1%**	**2%**	**2%**	**1%**	**3%**	**3%**
Minority interest	0%	0%	0%	0%	0%	0%
Net profit (reported)	**1%**	**2%**	**2%**	**1%**	**3%**	**3%**

Source: Company data; mwb research

Balance sheet (EURm)	2023	2024	2025	2026E	2027E	2028E
Intangible assets (exl. Goodwill)	**262**	**264**	**892**	**827**	**772**	**718**
Goodwill	137	139	765	765	765	765
Property, plant and equipment	2,040	1,972	2,009	1,883	1,784	1,698
Financial assets	102	158	104	104	104	104
FIXED ASSETS	**2,541**	**2,532**	**3,770**	**3,579**	**3,425**	**3,284**
Inventories	1,441	1,550	2,105	2,241	2,365	2,474
Accounts receivable	899	926	1,138	1,142	1,245	1,307
Other current assets	97	124	90	90	90	90
Liquid assets	2,644	2,588	1,877	2,109	2,682	3,354
Deferred taxes	0	0	0	0	0	0
Deferred charges and prepaid expenses	168	264	277	292	308	323
CURRENT ASSETS	**5,249**	**5,452**	**5,488**	**5,874**	**6,689**	**7,548**
TOTAL ASSETS	**7,790**	**7,984**	**9,258**	**9,453**	**10,114**	**10,832**
SHAREHOLDERS EQUITY	**2,373**	**2,665**	**2,826**	**3,178**	**3,618**	**4,145**
MINORITY INTEREST	0	0	0	0	0	0
Long-term debt	1,719	1,183	1,268	1,200	1,200	1,200
Provisions for pensions and similar obligations	0	0	0	0	0	0
Other provisions	171	146	105	112	110	108
Non-current liabilities	**1,890**	**1,328**	**1,374**	**1,312**	**1,310**	**1,308**
short-term liabilities to banks	132	543	173	130	130	130
Accounts payable	2,782	2,745	3,919	3,774	3,957	4,116
Advance payments received on orders	48	39	42	47	49	52
Other liabilities (incl. from lease and rental contracts)	509	622	826	915	950	983
Deferred taxes	55	41	99	99	99	99
Deferred income	0	0	0	0	0	0
Current liabilities	**3,526**	**3,990**	**5,058**	**4,964**	**5,186**	**5,379**
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	**7,790**	**7,984**	**9,258**	**9,453**	**10,114**	**10,832**

Balance sheet (common size)	2023	2024	2025	2026E	2027E	2028E
Intangible assets (excl. Goodwill)	**3%**	**3%**	**10%**	**9%**	**8%**	**7%**
Goodwill	2%	2%	8%	8%	8%	7%
Property, plant and equipment	26%	25%	22%	20%	18%	16%
Financial assets	1%	2%	1%	1%	1%	1%
FIXED ASSETS	**33%**	**32%**	**41%**	**38%**	**34%**	**30%**
Inventories	18%	19%	23%	24%	23%	23%
Accounts receivable	12%	12%	12%	12%	12%	12%
Other current assets	1%	2%	1%	1%	1%	1%
Liquid assets	34%	32%	20%	22%	27%	31%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred charges and prepaid expenses	2%	3%	3%	3%	3%	3%
CURRENT ASSETS	**67%**	**68%**	**59%**	**62%**	**66%**	**70%**
TOTAL ASSETS	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
SHAREHOLDERS EQUITY	**30%**	**33%**	**31%**	**34%**	**36%**	**38%**
MINORITY INTEREST	0%	0%	0%	0%	0%	0%
Long-term debt	22%	15%	14%	13%	12%	11%
Provisions for pensions and similar obligations	0%	0%	0%	0%	0%	0%
Other provisions	2%	2%	1%	1%	1%	1%
Non-current liabilities	**24%**	**17%**	**15%**	**14%**	**13%**	**12%**
short-term liabilities to banks	2%	7%	2%	1%	1%	1%
Accounts payable	36%	34%	42%	40%	39%	38%
Advance payments received on orders	1%	0%	0%	0%	0%	0%
Other liabilities (incl. from lease and rental contracts)	7%	8%	9%	10%	9%	9%
Deferred taxes	1%	1%	1%	1%	1%	1%
Deferred income	0%	0%	0%	0%	0%	0%
Current liabilities	**45%**	**50%**	**55%**	**53%**	**51%**	**50%**
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	83	251	213	202	440	528
Depreciation of fixed assets (incl. leases)	239	268	300	362	348	348
Amortisation of goodwill	0	0	0	0	0	0
Amortisation of intangible assets	80	82	95	107	99	100
Others	154	207	70	156	-1	-2
Cash flow from operations before changes in w/c	556	808	678	827	886	974
Increase/decrease in inventory	369	-109	-197	-136	-123	-110
Increase/decrease in accounts receivable	14	-27	-114	-4	-103	-62
Increase/decrease in accounts payable	-169	-37	607	-145	183	159
Increase/decrease in other w/c positions	180	-2	154	80	22	19
Increase/decrease in working capital	393	-175	449	-205	-21	6
Cash flow from operating activities	**950**	**633**	**1,126**	**622**	**866**	**979**
CAPEX	-263	-207	-224	-278	-293	-308
Payments for acquisitions	-6	-68	-907	0	0	0
Financial investments	-55	0	49	0	0	0
Income from asset disposals	4	5	0	0	0	0
Cash flow from investing activities	**-321**	**-270**	**-1,081**	**-278**	**-293**	**-308**
Cash flow before financing	629	364	45	344	573	672
Increase/decrease in debt position	0	-96	-562	-112	0	0
Purchase of own shares	0	-100	-98	0	0	0
Capital measures	5	4	0	0	0	0
Dividends paid	0	0	0	0	0	0
Others	-128	-135	-97	0	0	0
Effects of exchange rate changes on cash	3	-4	-0	0	0	0
Cash flow from financing activities	**-120**	**-330**	**-757**	**-112**	**0**	**0**
Increase/decrease in liquid assets	508	34	-710	232	573	672
Liquid assets at end of period	**2,533**	**2,588**	**1,877**	**2,109**	**2,682**	**3,354**

Source: Company data; mwb research

Regional sales split (EURm)	2023	2024	2025	2026E	2027E	2028E
Domestic	3,002	2,060	3,679	4,139	4,367	4,585
Europe (ex domestic)	6,938	7,612	8,790	9,889	10,433	10,955
The Americas	0	0	0	0	0	0
Asia	0	0	0	0	0	0
Rest of World	203	0	0	0	0	0
Total sales	**10,143**	**10,573**	**12,346**	**13,889**	**14,653**	**15,386**

Regional sales split (common size)	2023	2024	2025	2026E	2027E	2028E
Domestic	29.6%	19.5%	29.8%	29.8%	29.8%	29.8%
Europe (ex domestic)	68.4%	72.0%	71.2%	71.2%	71.2%	71.2%
The Americas	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Asia	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Rest of World	2.0%	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	0.32	0.97	0.83	0.78	1.70	2.04
Cash flow per share	2.73	1.41	3.19	1.00	2.00	2.44
Book value per share	9.14	10.29	10.91	12.26	13.96	16.00
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00
Valuation						
P/E	84.4x	27.8x	32.5x	34.6x	15.9x	13.3x
P/CF	9.9x	19.1x	8.5x	26.9x	13.5x	11.1x
P/BV	3.0x	2.6x	2.5x	2.2x	1.9x	1.7x
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield (%)	10.1%	5.2%	11.8%	3.7%	7.4%	9.0%
EV/Sales	0.6x	0.6x	0.5x	0.4x	0.4x	0.3x
EV/EBITDA	12.1x	8.3x	8.4x	7.9x	5.1x	4.0x
EV/EBIT	32.5x	15.6x	16.9x	19.4x	8.6x	6.3x
Income statement (EURm)						
Sales	10,143	10,573	12,346	13,889	14,653	15,386
yoy chg in %	-1.9%	4.2%	16.8%	12.5%	5.5%	5.0%
Gross profit	3,930	4,302	4,924	5,542	5,847	6,170
Gross margin in %	38.7%	40.7%	39.9%	39.9%	39.9%	40.1%
EBITDA	511	742	782	788	1,107	1,233
EBITDA margin in %	5.0%	7.0%	6.3%	5.7%	7.6%	8.0%
EBIT	191	392	387	319	659	785
EBIT margin in %	1.9%	3.7%	3.1%	2.3%	4.5%	5.1%
Net profit	83	251	215	202	440	528
Cash flow statement (EURm)						
CF from operations	950	633	1,126	622	866	979
Capex	-263	-207	-224	-278	-293	-308
Maintenance Capex	240	268	300	362	348	348
Free cash flow	686	427	903	344	573	672
Balance sheet (EURm)						
Intangible assets	399	402	1,658	1,592	1,537	1,483
Tangible assets	2,040	1,972	2,009	1,883	1,784	1,698
Shareholders' equity	2,373	2,665	2,826	3,178	3,618	4,145
Pension provisions	0	0	0	0	0	0
Liabilities and provisions	2,023	1,871	1,547	1,441	1,440	1,438
Net financial debt	-792	-862	-436	-780	-1,352	-2,024
w/c requirements	-490	-308	-718	-438	-397	-386
Ratios						
ROE	3.5%	9.4%	7.5%	6.4%	12.2%	12.7%
ROCE	4.3%	8.6%	8.9%	6.9%	13.0%	14.1%
Net gearing	-33.4%	-32.4%	-15.4%	-24.5%	-37.4%	-48.8%
Net debt / EBITDA	-1.5x	-1.2x	-0.6x	-1.0x	-1.2x	-1.6x

Source: Company data; mwb research

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