

Carl Zeiss Meditec AG

Germany | Health Care | MCap EUR 2,237m

12 May 2026

UPDATE



Restructuring over-
shadows Q2 miss. PT
down; Remains a HOLD.

HOLD (HOLD)

Target price	EUR 24.00 (26.00)
Current price	EUR 25.56
Up/downside	-6.1%



What's it all about?

Carl Zeiss Meditec (CZM) reported a weak Q2 25/26 despite a slight revenue beat. Sales of EUR 524m exceeded consensus of EUR 516m but declined 6.4% yoy, while EBIT of EUR 23.9m missed expectations by around 49%, reducing the EBIT margin to 4.6% from 12.7% last year. The key issue remains margin pressure, driven by FX, mix, IOL-related effects, weaker diagnostic equipment shipments, and special charges. However, the announced restructuring now dominates the investment case. While planned annual savings of EUR 200m could support margins, execution risk is high. We reduce our estimates and the price target to EUR 24.00 (before EUR 26.00). We view the stock as a show-me case and retain HOLD.

MAIN AUTHOR

Harald Hof

h.hof@mwb-research.com

+49 40 309 293-58

Carl Zeiss Meditec AG

Germany | Health Care | MCap EUR 2,237m | EV EUR 2,826m

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Up/downside

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Restructuring overshadows Q2 miss. PT down; Remains a HOLD.

Slight revenue beat, but sharp earnings decline. Carl Zeiss Meditec (CZM) reported a mixed but weak Q2 25/26. Revenue came in at EUR 524m, slightly above consensus of EUR 516m, but declined by 6.4% yoy. EBIT was the clear disappointment: at EUR 23.9m, it missed consensus of EUR 47m by around 49% and fell by 66% yoy. The EBIT margin dropped to only 4.6%, down from 12.7% yoy. Net income also came in below expectations at EUR 19.0m versus consensus of EUR 28m.

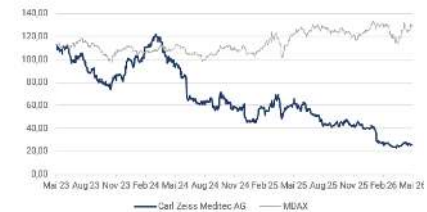
Margin pressure remains the key weakness. The main issue in Q2 was not the top line relative to expectations, but profitability. Gross margin fell sharply to 50.3%, compared with 53.9% in the prior-year quarter. According to the company, earnings were burdened by negative FX effects, an unfavorable product mix, the withdrawal of bifocal intraocular lenses from the distribution channel, weaker shipments of diagnostic equipment, and special charges. A weak Q2 therefore confirmed that a recovery is not yet in sight. Furthermore, the FY25/26 guidance of revenue of c. EUR 2.15-2.20bn and an adjusted EBITA margin of 8-10% moves into the background in light of the strategic reset. All eyes are now on restructuring and mid-term targets.

Restructuring now dominates the investment case. The key message is the announced restructuring program. Carl Zeiss Meditec aims to achieve annual earnings improvements of more than EUR 200m by FY28/29, of which more than EUR 160m p.a. should contribute to margin recovery after higher infrastructure costs of EUR 40m (new ERP/CRM system and high-tech hub). At the same time, up to 1,000 jobs could be affected, and one-time expenses and investments of up to EUR 150m could be incurred. Hence, the focus shifts away from short-term earnings toward execution credibility, timing, and the sustainability of the aimed margin improvement.

Conclusion: Show-me case with lower PT. The medium-term picture remains challenging and CZM's target of at least mid-single-digit FX-adjusted revenue growth would remain below its historical growth rates and below expected market growth of around 8%. At the same time, the targeted recovery to an adjusted EBITA margin of at least around 15% would depend heavily on successful restructuring execution. We incorporate the new guidance, reduce our estimates and the price target to EUR 24.00 (before EUR 26.00). We view the stock as a show-me case and retain HOLD.

Carl Zeiss Meditec AG	2023	2024	2025	2026E	2027E	2028E
Sales	2,089	2,066	2,228	2,172	2,233	2,311
Growth yoy	9.8%	-1.1%	7.8%	-2.5%	2.8%	3.5%
EBITDA	452	408	424	374	367	382
EBIT	348	194	223	169	194	240
Net profit	290	179	141	102	122	156
Net debt (net cash)	242	609	580	573	516	347
Net debt/EBITDA	0.5x	1.5x	1.4x	1.5x	1.4x	0.9x
EPS reported	3.25	2.01	1.61	1.16	1.40	1.78
DPS	1.10	0.60	0.55	0.41	0.49	0.62
Dividend yield	4.3%	2.3%	2.2%	1.6%	1.9%	2.4%
Gross profit margin	57.7%	52.7%	52.8%	52.7%	52.8%	53.5%
EBITDA margin	21.7%	19.8%	19.0%	17.2%	16.4%	16.5%
EBIT margin	16.7%	9.4%	10.0%	7.8%	8.7%	10.4%
ROCE	14.0%	6.8%	7.7%	5.9%	6.7%	8.1%
EV/EBITDA	5.5x	7.0x	6.7x	7.6x	7.6x	6.9x
EV/EBIT	7.1x	14.7x	12.7x	16.8x	14.4x	10.9x
PER	7.9x	12.7x	15.8x	22.0x	18.3x	14.4x
FCF yield	7.7%	5.0%	3.7%	-1.8%	1.2%	7.9%

Source: Company data, mwb research



Source: Company data, mwb research

High/low 52 weeks 66.60 / 22.62
Price/Book Ratio 1.1x

Ticker / Symbols

ISIN DE0005313704
WKN 531370
Bloomberg AFX:GR

Changes in estimates

		Sales	EBIT	EPS
2026E	old	2,230	198	1.39
	Δ	-2.6%	-14.6%	-16.5%
2027E	old	2,306	224	1.63
	Δ	-3.2%	-13.1%	-14.3%
2028E	old	2,409	265	1.97
	Δ	-4.1%	-9.3%	-9.9%

Key share data

Number of shares: (in m pcs) 87.54
Book value per share: (in EUR) 24.18
Ø trading vol.: (12 months) 228,600

Major shareholders

Carl Zeiss Group 59.1%
Free Float 40.9%

Company description

Carl Zeiss Meditec AG is a Germany-based medical technology and device company. It offers complete solutions to diagnose and treat ophthalmic diseases, visualization solutions for microsurgery, and other technologies, such as intraoperative radiotherapy.

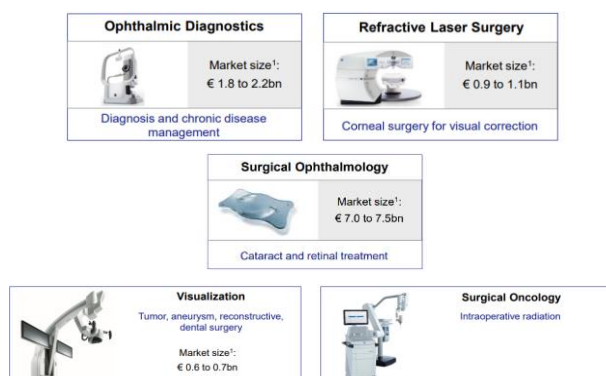
The following table displays the quarterly performance of **Carl Zeiss Meditec AG**.

P&L data	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026
Sales	539.4	579.6	490.5	560.0	549.6	627.5	467.0	524.0
yoy growth in %	0.8%	-0.0%	3.3%	18.6%	1.9%	8.3%	-4.8%	-6.4%
Gross profit	293.5	290.1	252.1	301.7	289.7	331.7	227.1	263.4
Gross margin in %	54.4%	50.1%	51.4%	53.9%	52.7%	52.9%	48.6%	50.3%
EBITDA	na	na	na	na	na	na	na	na
EBITDA margin in %	na%	na%	na%	na%	na%	na%	na%	na%
EBIT	54.5	31.8	28.0	71.2	53.9	70.2	1.1	23.9
EBIT margin in %	10.1%	5.5%	5.7%	12.7%	9.8%	11.2%	0.2%	4.6%
EBT	49.4	69.5	20.1	65.4	41.2	67.2	-5.4	25.8
taxes paid	15.9	6.6	5.2	19.8	13.5	13.0	0.2	6.8
tax rate in %	32.2%	9.5%	25.9%	30.2%	32.9%	19.4%	-3.7%	26.3%
net profit	34.0	62.9	14.9	45.3	27.9	53.1	-4.9	19.6
yoy growth in %	-63.1%	-26.2%	-59.5%	-2.5%	-18.1%	-15.6%	-132.9%	-56.8%
EPS	0.38	0.69	0.18	0.52	0.32	0.59	-0.06	0.22

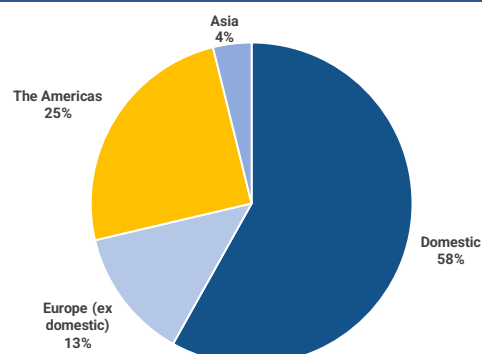
Source: Company data; mwb research

Investment case in six charts

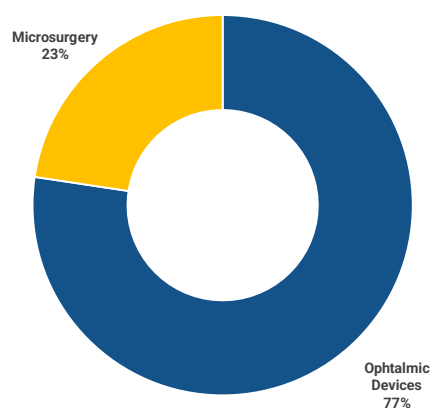
Products



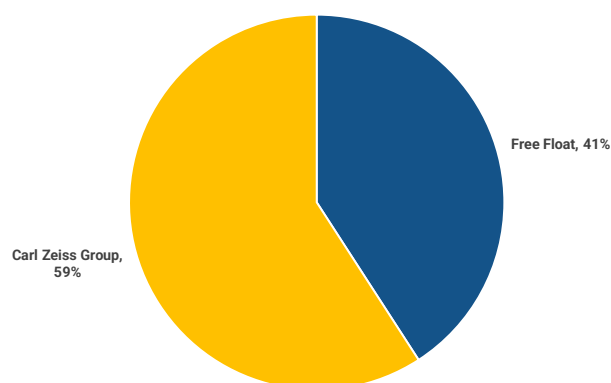
Regional sales split in %



Segmental breakdown in %



Major Shareholders



Comprehensive Portfolio

							
Diagnostics	Routine Diagnostics	+					+
	Retinal Imaging	+				+	+
	Perimetry	+					+
	Biometry	+	+			+	+
Surgical	Therap. Laser Surgery	+			+	+	
	Refr. Laser Surgery	+	+	+	+		
	Surgical Microscopy	+	+				+
	Phaco & IOLs	+	+	+	+		

Source: Company data; mwb research

SWOT analysis

Strengths

- World market leader in Ophthalmic Diagnostics, Refractive Laser and Microsurgery
- Technology leadership and strong brand
- Strong balance sheet

Weaknesses

- Goals of majority owner Carl Zeiss need not be aligned with minority shareholders
- Customer capex cycles
- Local sourcing policies in key regions (e.g., China, USA – ‘America First’)

Opportunities

- Secular structural tailwinds (growing, ageing and more affluent population; higher incidence of myopia)
- External growth

Threats

- Well-funded, large competitors (Johnson & Johnson, Alcon)

Valuation

DCF Model

The DCF model results in a **fair value of EUR 23.70 per share:**

Top-line growth: We expect Carl Zeiss Meditec AG 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 5.9% in 2026E to 9.3% in 2033E.

WACC. Starting point is a historical equity beta of 1.43. Unlevering and correcting for mean reversion yields an asset beta of 1.24. Combined with a risk-free rate of 2.0% and an equity risk premium of 6.0% this yields cost of equity of 10.5%. With pre-tax cost of borrowing at 5.0%, a tax rate of 30% and target debt/equity of 0.2 this results in a long-term WACC of 9.3%.

DCF (EURm) (except per share data and beta)	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	Terminal value
NOPAT	118	135	167	188	201	210	211	213	
Depreciation & amortization	205	173	142	82	81	90	121	127	
Change in working capital	-160	-132	-14	-21	-20	-17	-13	-13	
Chg. in long-term provisions	-16	4	5	7	-69	2	2	2	
Capex	-76	-76	-79	-82	-85	-100	-110	-117	
Cash flow	70	105	222	174	108	186	212	211	2,939
Present value	68	93	179	129	73	115	119	109	1,521
WACC	9.3%	9.3%	9.3%	9.3%	9.3%	9.4%	9.4%	9.4%	9.3%

DCF per share derived from	
Total present value	2,406
Mid-year adj. total present value	2,516
Net debt / cash at start of year	580
Financial assets	148
Provisions and off b/s debt	9
Equity value	2,074
No. of shares outstanding	87.5
Discounted cash flow / share upside/(downside)	23.70 -7.3%

Share price	25.56
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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	9.3%
Terminal year WACC	9.3%

Terminal WACC derived from	
Cost of borrowing (before taxes)	5.0%
Long-term tax rate	30%
Equity beta	1.43
Unlevered beta (industry or company)	1.24
Target debt / equity	0.2
Relevered beta	1.42
Risk-free rate	2.0%
Equity risk premium	6.0%
Cost of equity	10.5%

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%	16.2	16.8	17.5	18.3	19.1	2026E-2029E	19.5%
1.0%	18.5	19.3	20.2	21.3	22.4	2030E-2033E	17.3%
0.0%	21.4	22.5	23.7	25.1	26.8	terminal value	63.2%
-1.0%	25.0	26.5	28.3	30.3	32.8		
-2.0%	29.9	32.1	34.6	37.7	41.5		

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 20.94 per share based on 2026E and EUR 39.14 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	374	367	382	353	371
- Maintenance capex	171	142	113	55	57
- Minorities	1	1	1	1	2
- tax expenses	44	53	67	77	83
= Adjusted FCF	158	171	201	219	230
Actual Market Cap	2,286	2,286	2,286	2,286	2,286
+ Net debt (cash)	573	516	347	236	196
+ Pension provisions	43	45	46	48	50
+ Off b/s financing	0	0	0	0	0
- Financial assets	148	148	148	148	148
- Acc. dividend payments	48	84	127	181	243
<i>EV Reconciliations</i>	421	329	119	-44	-144
= Actual EV'	2,707	2,615	2,405	2,242	2,142
Adjusted FCF yield	5.8%	6.6%	8.3%	9.8%	10.7%
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	2,254	2,448	2,866	3,126	3,282
- <i>EV Reconciliations</i>	421	329	119	-44	-144
Fair Market Cap	1,833	2,119	2,747	3,170	3,426
No. of shares (million)	88	88	88	88	88
Fair value per share in EUR	20.94	24.21	31.38	36.22	39.14
Premium (-) / discount (+)	-18.1%	-5.3%	22.8%	41.7%	53.1%

Sensitivity analysis fair value					
Adjusted hurdle rate	5.0%	31	35	44	51
	6.0%	25	29	37	45
	7.0%	21	24	31	39
	8.0%	18	21	27	34
	9.0%	15	18	24	31

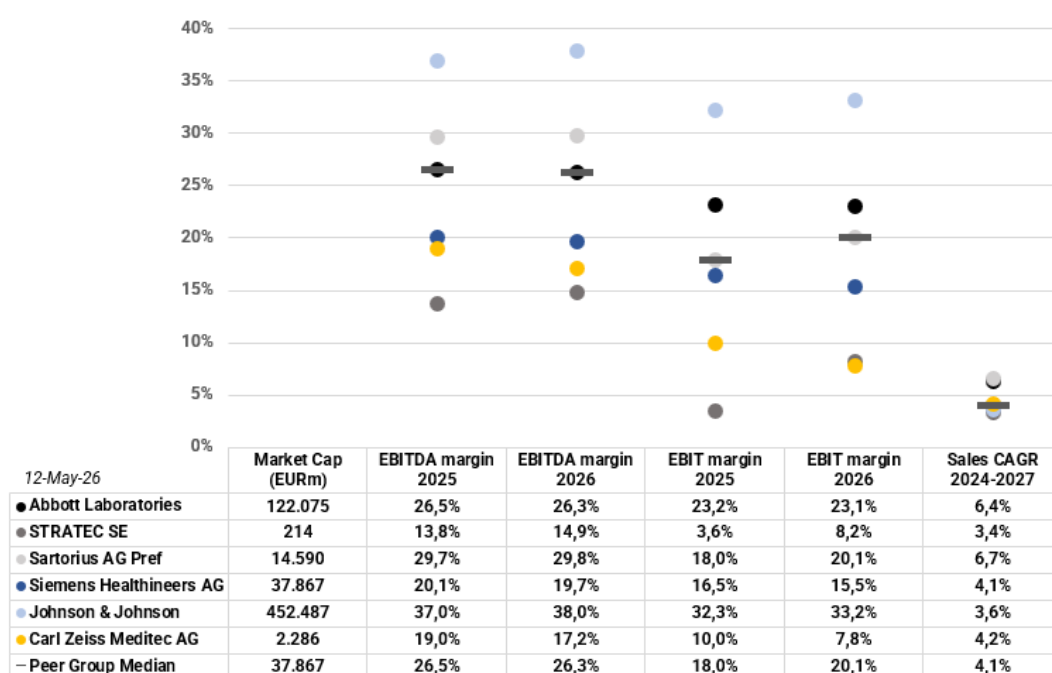
Source: Company data; mwb research

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 **Carl Zeiss Meditec 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 Carl Zeiss Meditec AG consists of the stocks displayed in the graphs below. As of 12 May 2026 the median market cap of the peer group was EUR 37,867m, compared to EUR 2,237m for Carl Zeiss Meditec AG. In the period under review, the peer group was more profitable than Carl Zeiss Meditec AG. The expectations for sales growth are lower for the peer group than for Carl Zeiss Meditec AG.

Peer Group – Key data

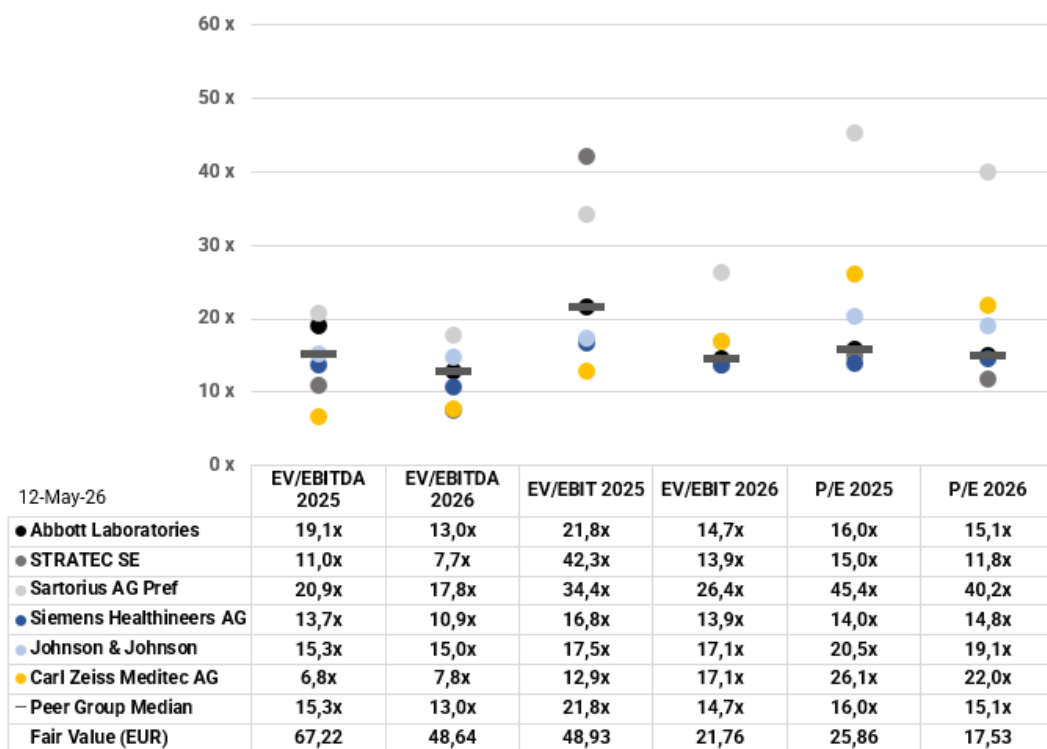


Source: FactSet, mwb research

Comparable company analysis operates under the assumption that similar companies will have similar valuation multiples. We use the following multiples: EV/EBITDA 2025, EV/EBITDA 2026, EV/EBIT 2025, EV/EBIT 2026, P/E 2025 and P/E 2026.

Applying these to Carl Zeiss Meditec AG results in a range of fair values from EUR 17.53 to EUR 67.22.

Peer Group – Multiples and valuation

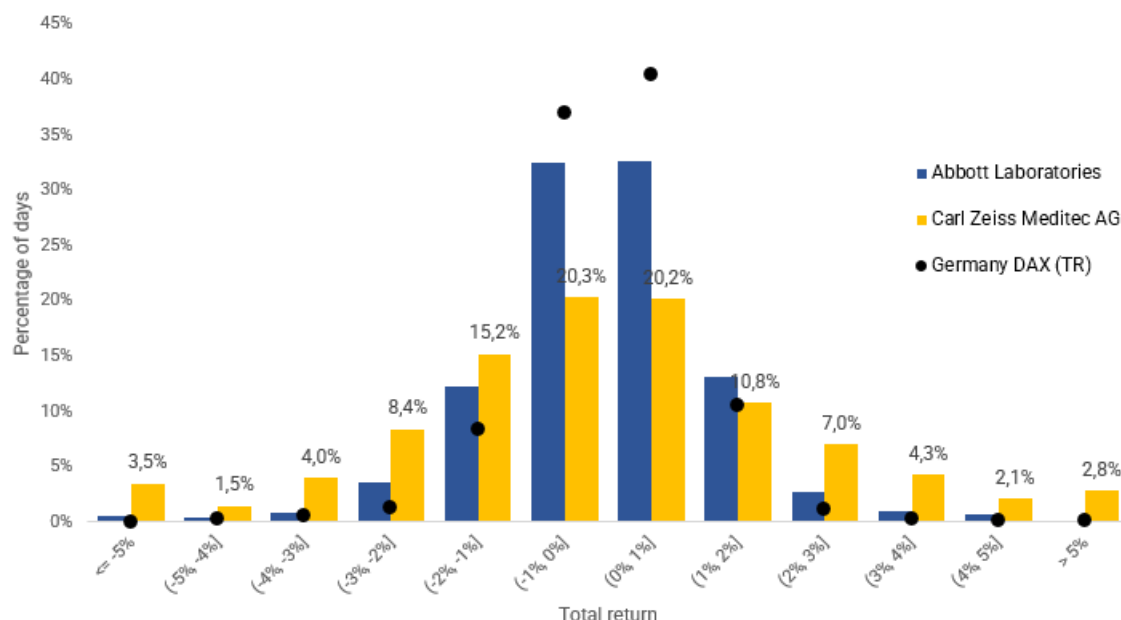


Source: FactSet, mwb research

Risk

The chart displays the **distribution of daily returns of Carl Zeiss Meditec AG** over the last 3 years, compared to the same distribution for Abbott Laboratories. 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 Carl Zeiss Meditec AG, the worst day during the past 3 years was 17/06/2024 with a share price decline of -20.5%. The best day was 05/03/2025 when the share price increased by 10.2%.

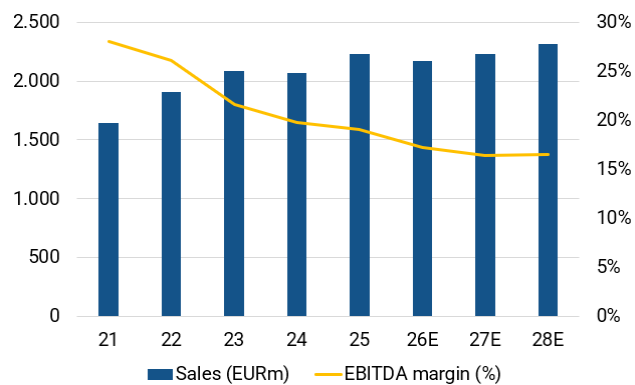
Risk – Daily Returns Distribution (trailing 3 years)



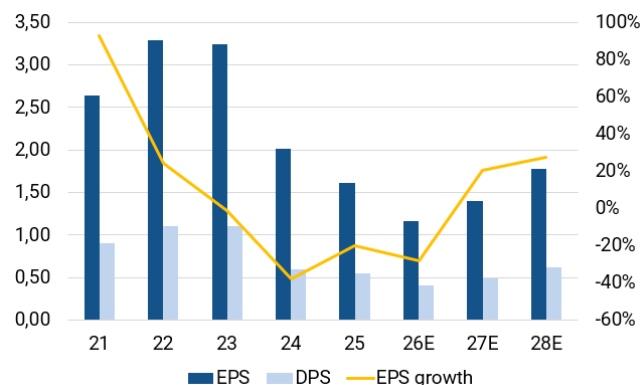
Source: FactSet, mwb research

Financials in six charts

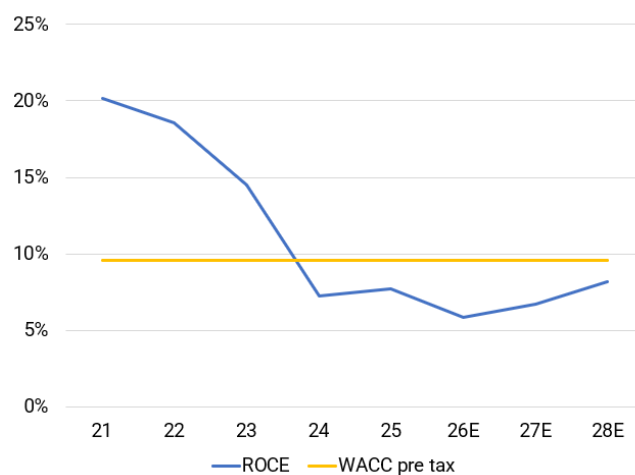
Sales vs. EBITDA margin development



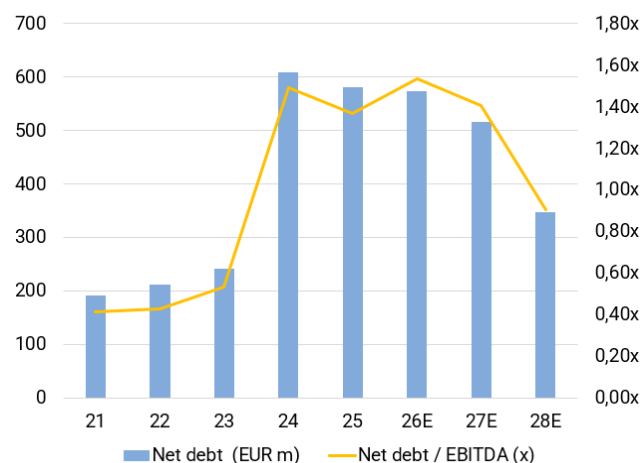
EPS, DPS in EUR & yoy EPS growth



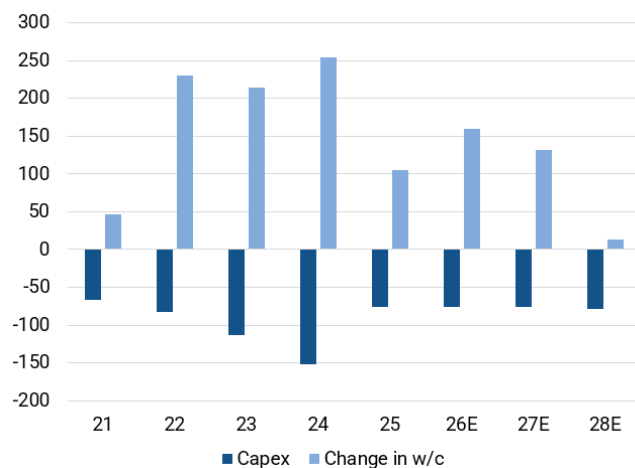
ROCE vs. WACC (pre tax)



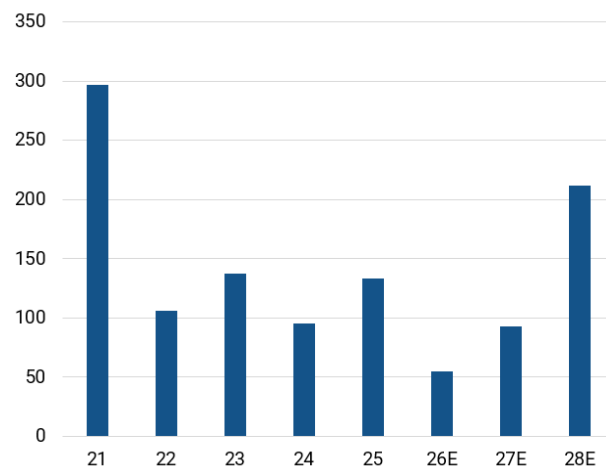
Net debt and net debt/EBITDA



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	2,089	2,066	2,228	2,172	2,233	2,311
Sales growth	9.8%	-1.1%	7.8%	-2.5%	2.8%	3.5%
Cost of sales	884	977	1,052	1,027	1,054	1,075
Gross profit	1,206	1,089	1,175	1,145	1,179	1,236
SG&A expenses	504	569	627	610	621	629
Research and development	349	343	326	343	346	354
Other operating expenses (income)	4	-18	-1	22	18	14
EBITDA	452	408	424	374	367	382
Depreciation	74	133	126	171	142	113
EBITA	378	275	297	203	225	269
Amortisation of goodwill and intangible assets	30	81	74	33	31	29
EBIT	348	194	223	169	194	240
Financial result	64	46	-29	-23	-18	-16
Recurring pretax income from continuing operations	413	241	194	146	176	224
Extraordinary income/loss	0	0	0	0	0	0
Earnings before taxes	413	241	194	146	176	224
Taxes	121	61	52	44	53	67
Net income from continuing operations	292	180	142	103	123	157
Result from discontinued operations (net of tax)	0	0	0	0	0	0
Net income	292	180	142	103	123	157
Minority interest	-2	-1	-1	-1	-1	-1
Net profit (reported)	290	179	141	102	122	156
Average number of shares	89.44	88.85	87.54	87.54	87.54	87.54
EPS reported	3.25	2.01	1.61	1.16	1.40	1.78

Profit and loss (common size)	2023	2024	2025	2026E	2027E	2028E
Sales	100%	100%	100%	100%	100%	100%
Cost of sales	42%	47%	47%	47%	47%	46%
Gross profit	58%	53%	53%	53%	53%	54%
SG&A expenses	24%	28%	28%	28%	28%	27%
Research and development	17%	17%	15%	16%	16%	15%
Other operating expenses (income)	0%	-1%	-0%	1%	1%	1%
EBITDA	22%	20%	19%	17%	16%	17%
Depreciation	4%	6%	6%	8%	6%	5%
EBITA	18%	13%	13%	9%	10%	12%
Amortisation of goodwill and intangible assets	1%	4%	3%	2%	1%	1%
EBIT	17%	9%	10%	8%	9%	10%
Financial result	3%	2%	-1%	-1%	-1%	-1%
Recurring pretax income from continuing operations	20%	12%	9%	7%	8%	10%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	20%	12%	9%	7%	8%	10%
Taxes	6%	3%	2%	2%	2%	3%
Net income from continuing operations	14%	9%	6%	5%	6%	7%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
Net income	14%	9%	6%	5%	6%	7%
Minority interest	-0%	-0%	-0%	-0%	-0%	-0%
Net profit (reported)	14%	9%	6%	5%	5%	7%

Source: Company data; mwb research

Balance sheet (EURm)	2023	2024	2025	2026E	2027E	2028E
Intangible assets (exl. Goodwill)	259	707	663	619	575	532
Goodwill	416	983	970	970	970	970
Property, plant and equipment	316	354	343	258	206	185
Financial assets	130	138	148	148	148	148
FIXED ASSETS	1,121	2,181	2,123	1,994	1,897	1,834
Inventories	520	537	497	507	549	559
Accounts receivable	421	438	209	357	459	475
Other current assets	920	164	507	507	507	507
Liquid assets	10	20	27	-43	-41	73
Deferred taxes	0	0	0	0	0	0
Deferred charges and prepaid expenses	40	53	40	43	45	46
CURRENT ASSETS	1,912	1,212	1,280	1,371	1,518	1,661
TOTAL ASSETS	3,033	3,393	3,403	3,365	3,416	3,495
SHAREHOLDERS EQUITY	2,159	2,042	2,117	2,171	2,259	2,373
MINORITY INTEREST	13	15	11	11	11	11
Long-term debt	230	586	564	500	450	400
Provisions for pensions and similar obligations	8	15	9	43	45	46
Other provisions	61	167	159	109	112	116
Non-current liabilities	298	768	732	652	606	562
short-term liabilities to banks	22	44	44	30	25	20
Accounts payable	240	184	194	191	196	200
Advance payments received on orders	0	0	0	0	0	0
Other liabilities (incl. from lease and rental contracts)	108	171	130	130	134	139
Deferred taxes	35	10	10	10	10	10
Deferred income	157	161	166	169	174	180
Current liabilities	562	569	544	531	540	549
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	3,033	3,393	3,403	3,365	3,416	3,495

Balance sheet (common size)	2023	2024	2025	2026E	2027E	2028E
Intangible assets (excl. Goodwill)	9%	21%	19%	18%	17%	15%
Goodwill	14%	29%	28%	29%	28%	28%
Property, plant and equipment	10%	10%	10%	8%	6%	5%
Financial assets	4%	4%	4%	4%	4%	4%
FIXED ASSETS	37%	64%	62%	59%	56%	52%
Inventories	17%	16%	15%	15%	16%	16%
Accounts receivable	14%	13%	6%	11%	13%	14%
Other current assets	30%	5%	15%	15%	15%	15%
Liquid assets	0%	1%	1%	-1%	-1%	2%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred charges and prepaid expenses	1%	2%	1%	1%	1%	1%
CURRENT ASSETS	63%	36%	38%	41%	44%	48%
TOTAL ASSETS	100%	100%	100%	100%	100%	100%
SHAREHOLDERS EQUITY	71%	60%	62%	65%	66%	68%
MINORITY INTEREST	0%	0%	0%	0%	0%	0%
Long-term debt	8%	17%	17%	15%	13%	11%
Provisions for pensions and similar obligations	0%	0%	0%	1%	1%	1%
Other provisions	2%	5%	5%	3%	3%	3%
Non-current liabilities	10%	23%	22%	19%	18%	16%
short-term liabilities to banks	1%	1%	1%	1%	1%	1%
Accounts payable	8%	5%	6%	6%	6%	6%
Advance payments received on orders	0%	0%	0%	0%	0%	0%
Other liabilities (incl. from lease and rental contracts)	4%	5%	4%	4%	4%	4%
Deferred taxes	1%	0%	0%	0%	0%	0%
Deferred income	5%	5%	5%	5%	5%	5%
Current liabilities	19%	17%	16%	16%	16%	16%
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	292	180	142	103	123	157
Depreciation of fixed assets (incl. leases)	74	133	126	171	142	113
Amortisation of goodwill	0	0	0	0	0	0
Amortisation of intangible assets	0	81	74	33	31	29
Others	98	108	-28	-16	4	5
Cash flow from operations before changes in w/c	465	501	315	291	301	304
Increase/decrease in inventory	-153	-16	39	-9	-42	-11
Increase/decrease in accounts receivable	-21	-17	229	-148	-102	-16
Increase/decrease in accounts payable	47	-56	11	-3	5	4
Increase/decrease in other w/c positions	-87	-165	-384	0	7	9
Increase/decrease in working capital	-214	-254	-105	-160	-132	-14
Cash flow from operating activities	251	247	210	131	169	290
CAPEX	-114	-152	-77	-76	-76	-79
Payments for acquisitions	-11	-1,006	-2	0	0	0
Financial investments	13	746	-26	0	0	0
Income from asset disposals	0	0	14	0	0	0
Cash flow from investing activities	-111	-412	-91	-76	-76	-79
Cash flow before financing	140	-165	119	55	93	212
Increase/decrease in debt position	-23	378	-22	-77	-55	-55
Purchase of own shares	0	-150	0	0	0	0
Capital measures	0	0	0	0	0	0
Dividends paid	-98	-98	-53	-48	-36	-43
Others	-14	47	-34	0	0	0
Effects of exchange rate changes on cash	-2	-2	-3	0	0	0
Cash flow from financing activities	-137	175	-112	-126	-91	-98
Increase/decrease in liquid assets	3	10	7	-70	2	114
Liquid assets at end of period	11	20	27	-43	-41	73

Source: Company data; mwb research

Regional sales split (EURm)	2023	2024	2025	2026E	2027E	2028E
Domestic	1,265	1,234	1,295	1,262	1,298	1,343
Europe (ex domestic)	156	226	294	287	295	305
The Americas	568	522	553	539	554	573
Asia	100	83	86	84	86	89
Rest of World	0	0	0	0	0	0
Total sales	2,089	2,066	2,228	2,172	2,233	2,311

Regional sales split (common size)	2023	2024	2025	2026E	2027E	2028E
Domestic	60.6%	59.7%	58.1%	58.1%	58.1%	58.1%
Europe (ex domestic)	7.5%	11.0%	13.2%	13.2%	13.2%	13.2%
The Americas	27.2%	25.3%	24.8%	24.8%	24.8%	24.8%
Asia	4.8%	4.0%	3.9%	3.9%	3.9%	3.9%
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	3.25	2.01	1.61	1.16	1.40	1.78
Cash flow per share	1.98	1.29	0.95	-0.46	0.31	2.02
Book value per share	24.14	22.98	24.18	24.80	25.80	27.10
Dividend per share	1.10	0.60	0.55	0.41	0.49	0.62
Valuation						
P/E	7.9x	12.7x	15.8x	22.0x	18.3x	14.4x
P/CF	12.9x	19.8x	26.8x	-55.5x	83.3x	12.6x
P/BV	1.1x	1.1x	1.1x	1.0x	1.0x	0.9x
Dividend yield (%)	4.3%	2.3%	2.2%	1.6%	1.9%	2.4%
FCF yield (%)	7.7%	5.0%	3.7%	-1.8%	1.2%	7.9%
EV/Sales	1.2x	1.4x	1.3x	1.3x	1.3x	1.1x
EV/EBITDA	5.5x	7.0x	6.7x	7.6x	7.6x	6.9x
EV/EBIT	7.1x	14.7x	12.7x	16.8x	14.4x	10.9x
Income statement (EURm)						
Sales	2,089	2,066	2,228	2,172	2,233	2,311
yoy chg in %	9.8%	-1.1%	7.8%	-2.5%	2.8%	3.5%
Gross profit	1,206	1,089	1,175	1,145	1,179	1,236
Gross margin in %	57.7%	52.7%	52.8%	52.7%	52.8%	53.5%
EBITDA	452	408	424	374	367	382
EBITDA margin in %	21.7%	19.8%	19.0%	17.2%	16.4%	16.5%
EBIT	348	194	223	169	194	240
EBIT margin in %	16.7%	9.4%	10.0%	7.8%	8.7%	10.4%
Net profit	290	179	141	102	122	156
Cash flow statement (EURm)						
CF from operations	251	247	210	131	169	290
Capex	-114	-152	-77	-76	-76	-79
Maintenance Capex	74	133	126	171	142	113
Free cash flow	137	95	133	55	93	212
Balance sheet (EURm)						
Intangible assets	675	1,689	1,633	1,589	1,544	1,502
Tangible assets	316	354	343	258	206	185
Shareholders' equity	2,159	2,042	2,117	2,171	2,259	2,373
Pension provisions	8	15	9	43	45	46
Liabilities and provisions	320	812	776	682	631	582
Net financial debt	242	609	580	573	516	347
w/c requirements	702	791	512	672	811	834
Ratios						
ROE	13.5%	8.8%	6.7%	4.7%	5.5%	6.6%
ROCE	14.0%	6.8%	7.7%	5.9%	6.7%	8.1%
Net gearing	11.2%	29.8%	27.4%	26.4%	22.8%	14.6%
Net debt / EBITDA	0.5x	1.5x	1.4x	1.5x	1.4x	0.9x

Source: Company data; mwb research

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Contacts

mwb research AG
Mittelweg 142
20148 Hamburg
Germany

Tel.: +49 40 309 293-52
Email: contact@mwb-research.com
Website: www.mwb-research.com
Research: www.research-hub.de

Research

HARALD HOF
Senior Analyst
Tel: +49 40 309 293-53
E-Mail: h.hof@mwb-research.com

LEON MÜHLENBRUCH
Analyst
Tel: +49 40 309 293-57
E-Mail: l.muehlenbruch@mwb-research.com

ABED JARAD
Analyst
Tel: +49 40 309 293-54
E-Mail: a.jarad@mwb-research.com

JENS-PETER RIECK
Analyst
Tel: +49 40 309 293-54
E-Mail: jp.riek@mwb-research.com

THOMAS WISSLER
Senior Analyst
Tel: +49 40 309 293-58
E-Mail: t.wissler@mwb-research.com

DR. OLIVER WOJAHN, CFA
Senior Analyst
Tel: +49 40 309 293-55
E-Mail: o.wojahn@mwb-research.com

ALEXANDER ZIENKOWICZ
Senior Analyst
Tel: +49 40 309 293-56
E-Mail: a.zienkowicz@mwb-research.com

Sales

HOLGER NASS
Head of Sales
Tel: +49 40 309 293-52
E-Mail: h.nass@mwb-research.com

Team Assistant

DAVID DANKE
Team Assistant
Tel: +49 40 309 293-52
E-Mail: d.danke@mwb-research.com

mwb fairtrade
Wertpapierhandelsbank AG
Rottenbucher Straße 28
82166 Gräfelfing

Tel: +49 89 85852-0
Fax: +49 89 85852-505
Website: www.mwbfairtrade.com
E-Mail: info@mwbfairtrade.com

Sales / Designated Sponsoring / Corporate Finance

KAI JORDAN
Corporates & Markets
Tel: +49 40 36 0995-22
E-Mail: kjordan@mwbfairtrade.com

SASCHA GUENON
Head of Designated Sponsoring
Tel: +49 40 360 995-23
E-Mail: sguenon@mwbfairtrade.com

JAN NEYNABER
Institutional Sales
Tel: +49 69 1387-1255
E-Mail: jneynaber@mwbfairtrade.com

DIRK WEYERHÄUSER
Corporate Finance
Tel: +49 69 1387-1250
E-Mail: dweyerhaeuser@mwbfairtrade.com

Locations

HAMBURG (Research)
Mittelweg 142
20148 Hamburg
+49 40 309 293-52

HAMBURG (Corporates & Markets)
Kleine Johannisstraße 4
20457 Hamburg
+49 40 360 995-0

FRANKFURT A.M.
Unterlindau 29
60323 Frankfurt am Main
+49 40 360 995-22

MUNICH
Rottenbucher Str. 28
82166 Gräfelfing
+49 89-85852-0

BERLIN
Kurfürstendamm 151
10709 Berlin

HANNOVER
An der Börse 2
30159 Hannover

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