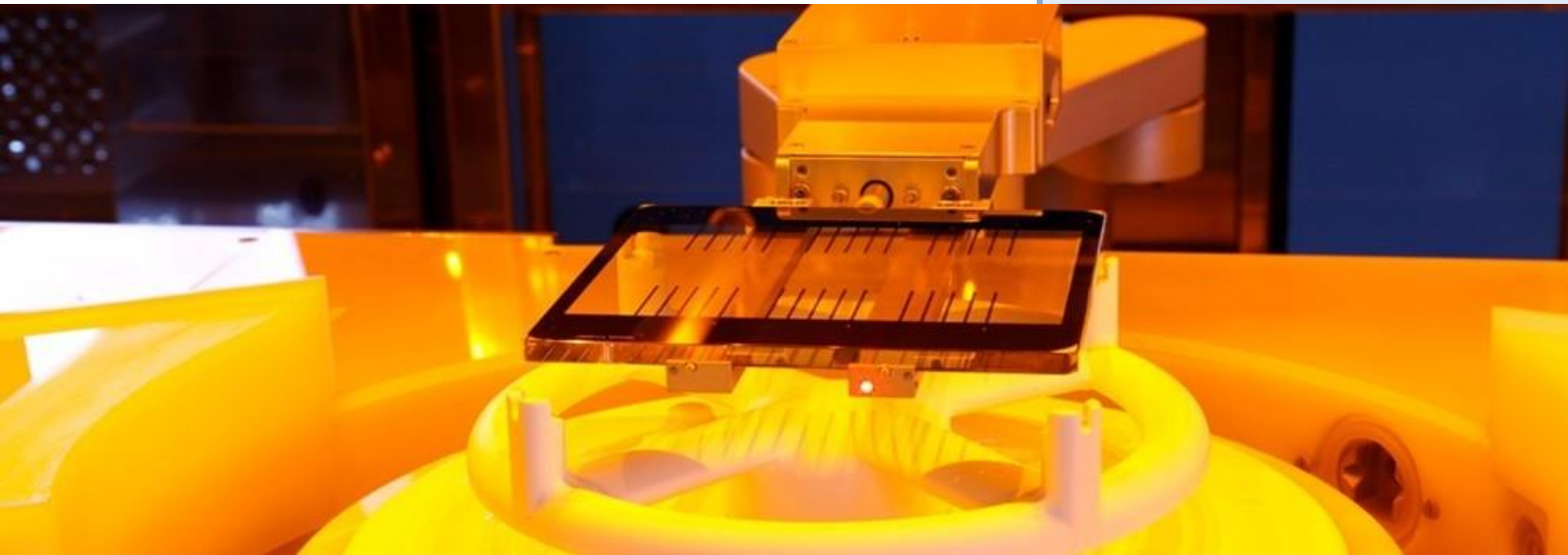


SUESS MicroTec SE

Germany | Technology | MCap EUR 1,156.5m

27 May 2024

UPDATE



Time to take a breather;
down to HOLD with
unchanged PT

HOLD (BUY)

Target price	EUR 55.00 (55.00)
Current price	EUR 60.50
Up/downside	-9.1%

 ResearchHub 



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What's it all about?

Suess MicroTec shares have surged nearly fourfold since October 2023, driven by the successful divestment of its MicroOptics division, which significantly improved financials, and the company's strategic position in the AI sector. In FY23, over 30% of Suess MicroTec's order intake was linked to AI applications, particularly in High Bandwidth Memory (HBM) production. With key industry players projecting substantial growth in AI processors and HBM supply, Suess MicroTec is poised to benefit significantly. Valuation now reflects this positive outlook after the recent strong share price development. It seems reasonable to take a breather until the actual growth trajectory becomes more visible. We now rate Suess MicroTec a HOLD with unchanged target price of EUR 55.00.

IMPORTANT. Please refer to the last page of this report for "Important disclosures" and analyst(s) certifications.

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SUESS MicroTec SE

Germany | Technology | MCap EUR 1,156.5m | EV EUR 1,134.0m

HOLD (BUY)

Target price EUR 55.00 (55.00)
Current price EUR 60.50
Up/downside -9.1%

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Time to take a breather; down to HOLD with unchanged PT

A justified share price rally. Suess MicroTec shares have performed exceptionally well, almost quadrupling from their recent lows in October 2023. This performance has been justified by two main factors: first, the successful divestment of the MicroOptics division, which was a drag on financials and a distraction to management attention. The transaction volume of EUR 75.5m was a major positive surprise. Second, more importantly, the potential for Suess MicroTec from the AI revolution.

Major AI beneficiary. In FY23, more than 30% of Suess MicroTec's order intake was directly related to AI applications, where the systems are mainly used for High Bandwidth Memory (HBM) production, but also for packaging in TSMC's CoWoS process for the production of Nvidia's latest AI chips. TSMC forecasts the revenue contribution from AI processors to grow at a CAGR of 50% over the next 5 years. Micron Technology and Samsung Electronics, which we consider to be two of Suess MicroTec's core customers, have also been very bullish on HBM recently. Micron Technology stated that the industry is in the "very early innings" of a multi-year growth phase driven by AI, and it sees a trend of steadily increasing HBM content per GPU. Micron's HBM is sold out for the 2024 calendar year, and the vast majority of its 2025 supply has already been allocated. Samsung struck a similarly positive note, expecting to continue to increase HBM supply and expand capacity to meet the growing demand for generative AI. In 2024, Samsung will triple HBM bit supply, and in 2025, Samsung expects to increase supply by at least two times or more year-on-year. These forecasts suggest that strong AI demand could drive Süss MicroTec's order intake not only over the next few quarters, but for several years. This should also benefit the company's pricing power.

Down to HOLD on valuation grounds. With the final Q1 figures, Suess MicroTec confirmed its FY24 guidance of sales in the range of EUR 340-370m, a gross margin of 35-38% and an EBIT margin of 10-12%. We think there is a good chance that the company will reach the upper end of the range or even exceed it. Overall, there are good reasons to be very positive for the future of Suess MicroTec. Following the recent share price development, this seems reflected in valuation, and it seems reasonable to take a breather until the actual growth trajectory becomes more visible. We now rate Suess MicroTec a HOLD with unchanged target price of EUR 55.00.

SUESS MicroTec SE	2021	2022	2023	2024E	2025E	2026E
Sales	263.4	260.0	304.3	369.7	417.7	463.7
Growth yoy	4.5%	-1.3%	17.0%	21.5%	13.0%	11.0%
EBITDA	29.5	37.4	34.7	51.8	68.2	82.4
EBIT	22.5	31.5	27.8	44.7	60.2	73.3
Net profit	16.0	24.5	4.7	90.9	45.2	55.2
Net debt (net cash)	-35.1	-30.0	-24.1	-124.9	-138.1	-171.6
Net debt/EBITDA	-1.2x	-0.8x	-0.7x	-2.4x	-2.0x	-2.1x
EPS reported	0.83	1.22	0.91	4.75	2.37	2.89
DPS	0.16	0.20	0.20	1.05	0.52	0.64
Dividend yield	0.3%	0.3%	0.3%	1.7%	0.9%	1.1%
Gross profit margin	35.8%	38.7%	34.1%	37.5%	38.8%	40.0%
EBITDA margin	11.2%	14.4%	11.4%	14.0%	16.3%	17.8%
EBIT margin	8.5%	12.1%	9.1%	12.1%	14.4%	15.8%
ROCE	11.8%	13.9%	12.9%	14.5%	18.0%	19.4%
EV/EBITDA	38.1x	30.3x	32.7x	20.0x	15.0x	12.0x
EV/EBIT	50.1x	36.0x	40.8x	23.1x	17.0x	13.5x
PER	72.5x	47.2x	246.2x	12.7x	25.6x	21.0x
FCF yield	1.6%	2.1%	0.3%	8.1%	3.5%	4.5%

Sources: Suess MicroTec, mwb research



Source: Company data, mwb research

High/low 52 weeks 60.50 / 15.02
Price/Book Ratio 6.5x

Ticker / Symbols

ISIN DE000A1K0235
WKN A1K023
Bloomberg SMHN:GR

Changes in estimates

		Sales	EBIT	EPS
2024E	old	369.7	44.7	4.75
	Δ	0.0%	0.0%	0.0%
2025E	old	417.7	60.2	2.37
	Δ	0.0%	0.0%	0.0%
2026E	old	463.7	73.3	2.89
	Δ	0.0%	0.0%	0.0%

Key share data

Number of shares: (in m pcs) 19.12
Book value per share: (in EUR) 9.24
Ø trading vol.: (12 months) 92,588

Major shareholders

Kempen 10.0%
Gerlin 7.5%
Janus Henderson 5.0%
Universal Invest 4.7%
Goldman Sachs 5.4%
Free Float 67.3%

Company description

SUESS MicroTec SE is a Germany-based company that supplies process equipment to the frontend and advanced backend of the semiconductor industry. The Group operates through two segments: Advanced Backend and Photomask Solutions.

The following table displays the quarterly performance of **SUESS MicroTec SE**.

P&L data	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024
Sales	61.5	70.5	103.9	64.0	74.1	70.0	103.1	93.5
yoy growth in %	-6.6%	0.7%	38.6%	1.1%	20.6%	-0.7%	-0.8%	46.0%
Gross profit	17.2	21.9	39.5	22.0	23.9	20.6	35.9	36.6
Gross margin in %	28.0%	31.1%	38.0%	34.3%	32.2%	29.4%	34.8%	39.1%
EBITDA	3.6	7.9	24.8	5.5	11.0	3.1	14.5	16.7
EBITDA margin in %	5.8%	11.2%	23.9%	8.6%	14.9%	4.4%	14.1%	17.9%
EBIT	1.3	5.5	22.6	3.8	8.6	1.3	11.5	14.9
EBIT margin in %	2.1%	7.7%	21.8%	6.0%	11.6%	1.9%	11.2%	15.9%
EBT	1.1	5.5	22.6	3.8	8.7	1.4	11.5	15.2
taxes paid	0.7	2.2	4.5	0.8	1.5	1.0	3.2	4.9
tax rate in %	59.0%	40.9%	19.7%	20.2%	16.6%	73.4%	28.0%	31.8%
net profit	2.2	3.6	17.3	3.0	4.1	0.4	-2.8	10.4
yoy growth in %	-48.6%	-48.9%	344.5%	114.0%	85.7%	-88.9%	na%	373.5%
EPS	0.14	0.21	0.48	0.16	0.21	0.02	-0.15	0.54

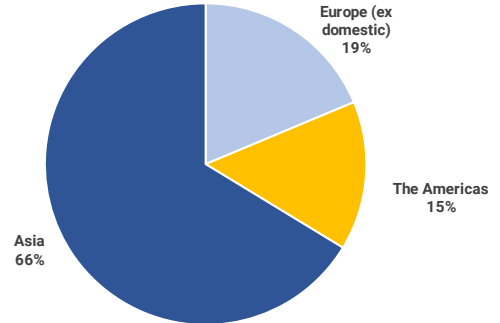
Source: Company data; mwb research

Investment case in six charts

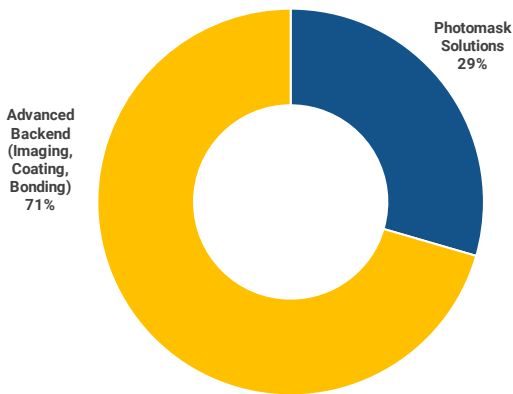
Products & Services



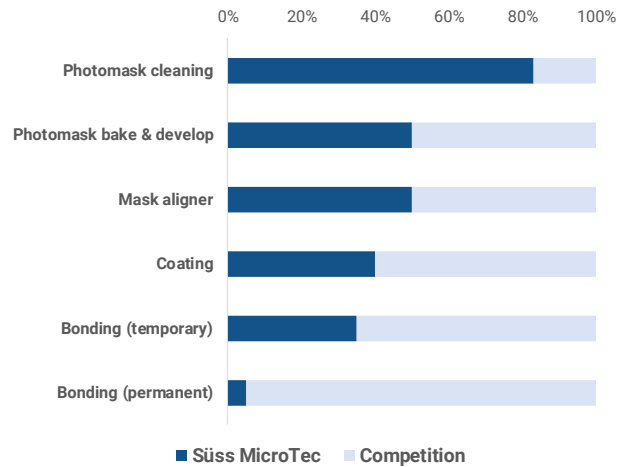
Regional sales split in % (FY23)



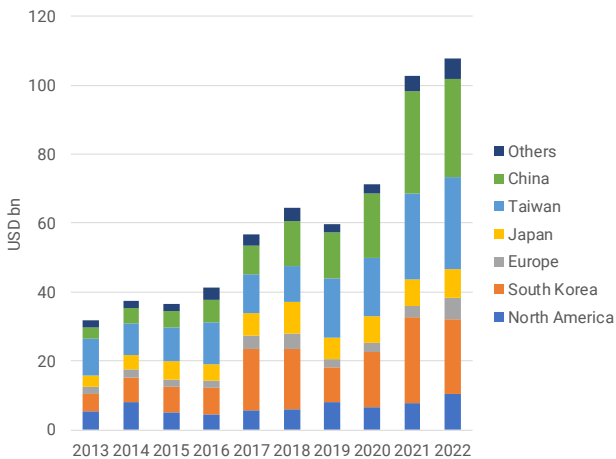
Segmental breakdown in % (FY23)



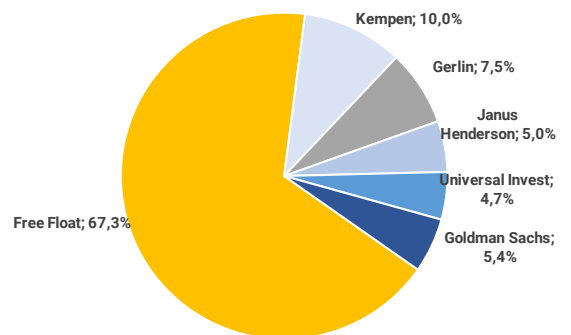
Market shares (est. mwb research based on CMD)



Semiconductor Equipment Market



Major Shareholders



Source: Company data; mwb research

SWOT analysis

Strengths

- Domination of niche markets with limited competition
- Innovative, almost 20% of personnel in R&D
- Growth possible with limited capex
- Transparent capital market communication
- Clear commitment to short-, medium- and long-term goals

Weaknesses

- Boardroom reshuffling
- Shrinking market for mask aligners

Opportunities

- Hybrid Bonding and Wafer Cleaning with disruptive potential
- New platform strategy improving margins
- Decoupling and nearshoring driving U.S. and European invest
- Addressing the high-growth subsegments of the backend

Threats

- Inherently cyclical semiconductor equipment market
- Failure of new products

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 33.02 per share based on 2024E and EUR 75.37 per share on 2028E 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	2024E	2025E	2026E	2027E	2028E
EBITDA	51.8	68.2	82.4	97.4	111.7
- Maintenance capex	5.6	6.6	7.7	8.8	10.0
- Minorities	0.0	0.0	0.0	0.0	0.0
- tax expenses	10.9	14.7	18.0	21.4	24.6
= Adjusted FCF	35.2	46.9	56.8	67.2	77.2
Actual Market Cap	1,156.5	1,156.5	1,156.5	1,156.5	1,156.5
+ Net debt (cash)	-124.9	-138.1	-171.6	-212.1	-279.7
+ Pension provisions	1.9	2.2	2.4	2.7	3.0
+ Off b/s financing	0.0	0.0	0.0	0.0	0.0
- Financial assets	1.2	1.2	1.2	1.2	1.2
- Acc. dividend payments	3.8	23.9	33.8	46.0	60.5
<i>EV Reconciliations</i>	-128.0	-160.9	-204.3	-256.6	-338.4
= Actual EV'	1,028.5	995.6	952.2	899.9	818.1
Adjusted FCF yield	3.4%	4.7%	6.0%	7.5%	9.4%
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	503.2	669.6	811.6	960.7	1,102.4
- <i>EV Reconciliations</i>	-128.0	-160.9	-204.3	-256.6	-338.4
Fair Market Cap	631.2	830.5	1,015.9	1,217.3	1,440.8
No. of shares (million)	19.1	19.1	19.1	19.1	19.1
Fair value per share in EUR	33.02	43.45	53.14	63.68	75.37
Premium (-) / discount (+)	-45.4%	-28.2%	-12.2%	5.3%	24.6%

Sensitivity analysis fair value						
		5.0%	6.0%	7.0%	8.0%	9.0%
Adjusted hurdle rate	5.0%	43.6	57.5	70.1	83.8	98.4
	6.0%	37.4	49.3	60.2	72.1	85.0
	7.0%	33.0	43.4	53.1	63.7	75.4
	8.0%	29.7	39.1	47.8	57.4	68.2
	9.0%	27.2	35.7	43.7	52.5	62.6

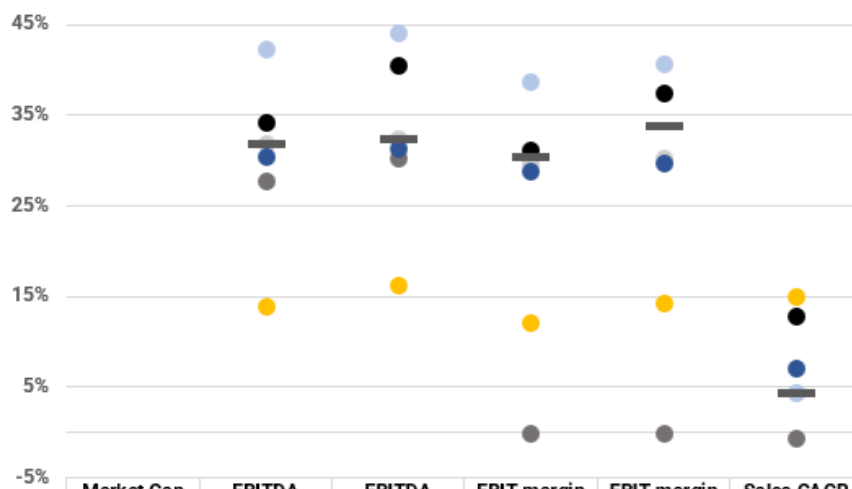
Source: Company data; mwb research

Simply put, the model assumes that investors require companies to generate a minimum return on the investor's purchase price. The required after-tax return equals the model's hurdle rate of 7.0%. Anything less suggests the stock is expensive; anything more suggests the stock is cheap. **ESG adjustments might be applicable. A high score indicates high awareness for environmental, social or governance issues and thus might lower the overall risk an investment in the company might carry. A low score on the contrary might increase the risk of an investment and might therefore trigger a higher required hurdle rate.**

Peer group analysis

A peer group or comparable company (“comps”) analysis is a methodology that calculates a company’s relative value – how much it should be worth based on how it compares to other similar companies. Given that **SUESS MicroTec 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 SUESS MicroTec SE consists of the stocks displayed in the graphs below. As of 27 May 2024 the median market cap of the peer group was EUR 117,352.2m, compared to EUR 1,156.5m for SUESS MicroTec SE. In the period under review, the peer group was more profitable than SUESS MicroTec SE. The expectations for sales growth are lower for the peer group than for SUESS MicroTec SE.

Peer Group – Key data



27-May-24

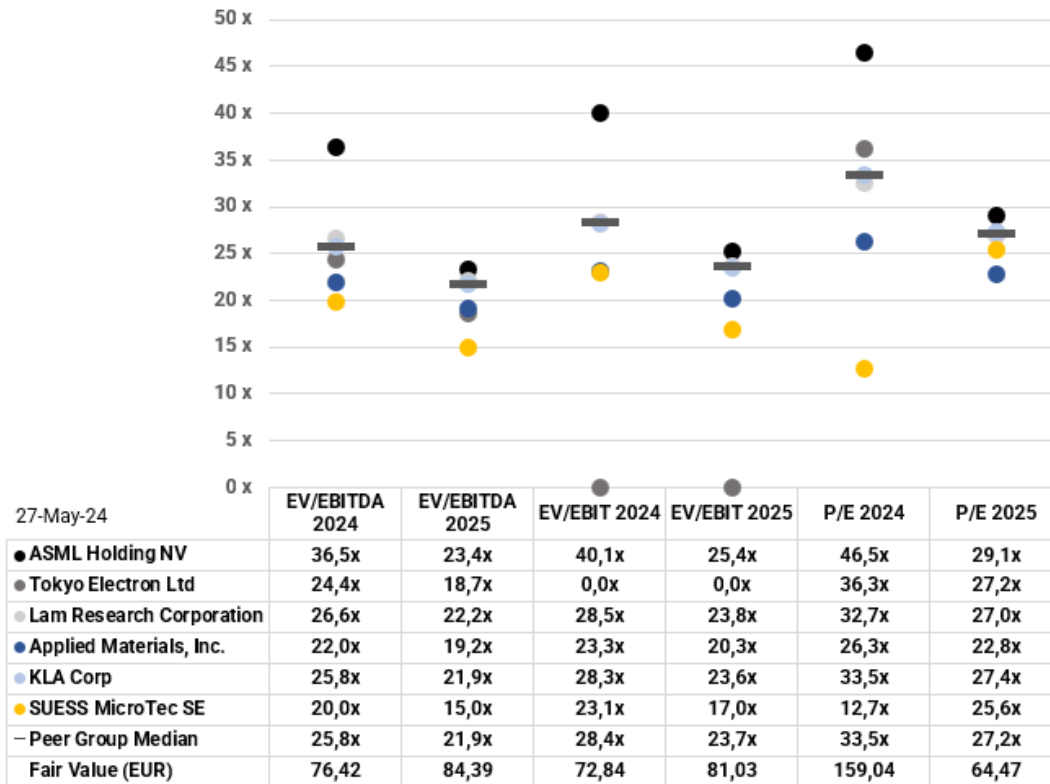
	Market Cap (EURm)	EBITDA margin 2024	EBITDA margin 2025	EBIT margin 2024	EBIT margin 2025	Sales CAGR 2023-2026
● ASML Holding NV	346.408	34,2%	40,6%	31,2%	37,5%	12,8%
● Tokyo Electron Ltd	97.647	27,8%	30,3%	0,0%	0,0%	-0,7%
● Lam Research Corporation	117.352	31,9%	32,5%	29,9%	30,3%	4,4%
● Applied Materials, Inc.	169.140	30,5%	31,4%	28,9%	29,8%	7,0%
● KLA Corp	97.006	42,4%	44,1%	38,7%	40,8%	4,3%
● SUESS MicroTec SE	1.156	14,0%	16,3%	12,1%	14,4%	15,0%
– Peer Group Median	117.352	31,9%	32,5%	30,5%	33,9%	4,4%

Source: AlphaSense, mwb research

Comparable company analysis operates under the assumption that similar companies will have similar valuation multiples. We use the following multiples: EV/EBITDA 2024, EV/EBITDA 2025, EV/EBIT 2024, EV/EBIT 2025, P/E 2024 and P/E 2025.

Applying these to SUESS MicroTec SE results in a range of fair values from EUR 64.47 to EUR 159.04.

Peer Group – Multiples and valuation

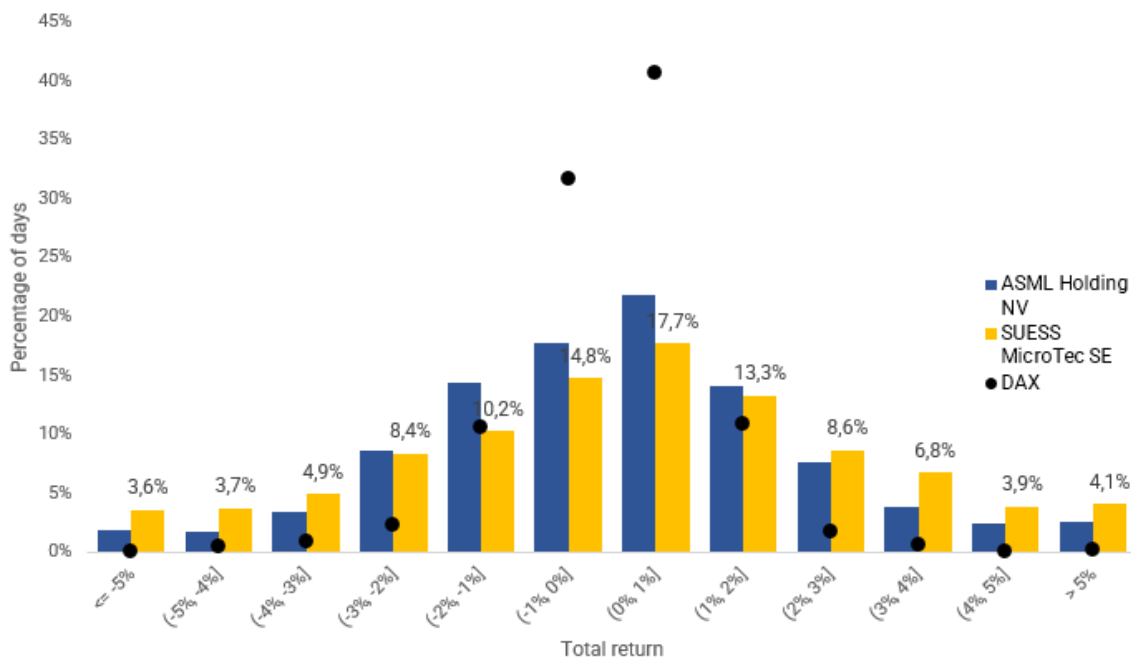


Source: AlphaSense, mwb research

Risk

The chart displays the **distribution of daily returns of SUESS MicroTec SE** over the last 3 years, compared to the same distribution for ASML Holding NV. We have also included the distribution for the index DAX. 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 SUESS MicroTec SE, the worst day during the past 3 years was 26/10/2023 with a share price decline of -17.7%. The best day was 08/11/2023 when the share price increased by 20.0%.

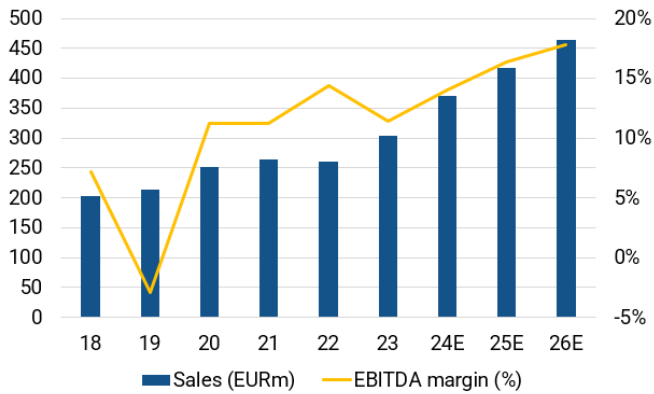
Risk – Daily Returns Distribution (trailing 3 years)



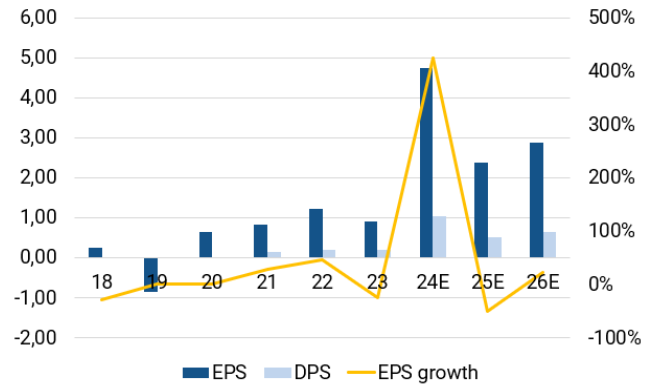
Source: AlphaSense, mwb research

Financials in six charts

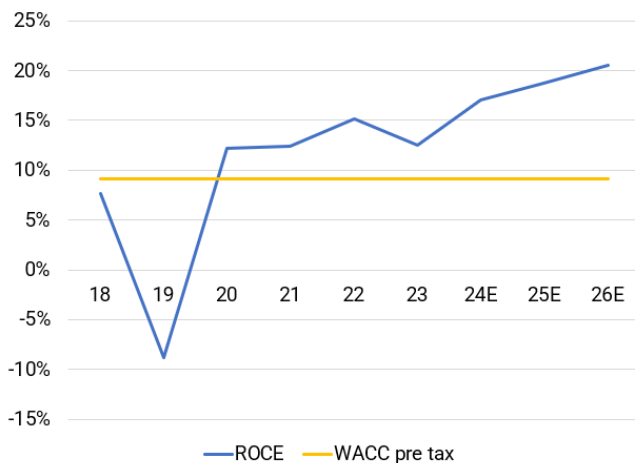
Sales vs. EBITDA margin development



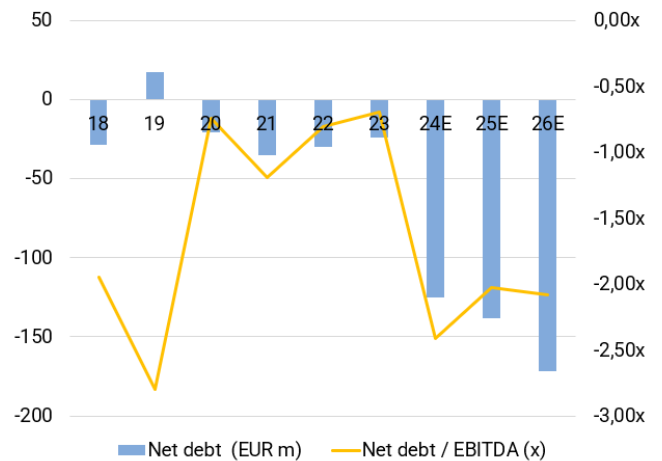
EPS, DPS in EUR & yoy EPS growth



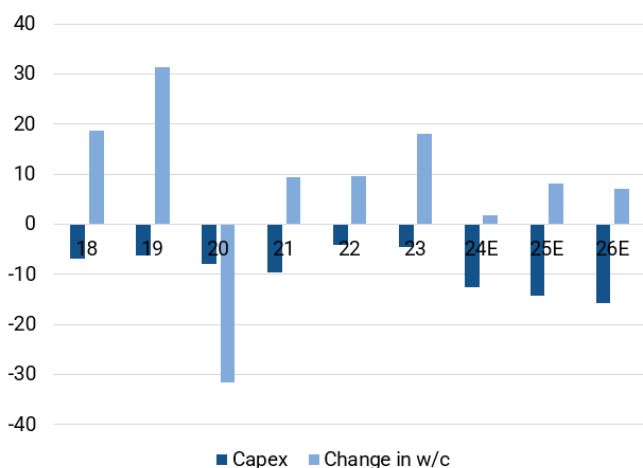
ROCE vs. WACC (pre tax)



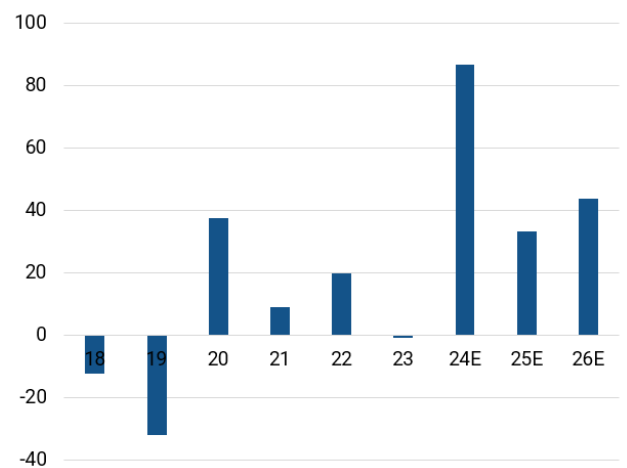
Net debt and net debt/EBITDA



Capex & chgn in w/c requirements in EURm



Free Cash Flow in EURm



Source: Company data; mwb research

Financials

Profit and loss (EURm)	2021	2022	2023	2024E	2025E	2026E
Sales	263.4	260.0	304.3	369.7	417.7	463.7
Sales growth	4.5%	-1.3%	17.0%	21.5%	13.0%	11.0%
Cost of sales	169.2	159.3	200.4	231.0	255.7	278.2
Gross profit	94.2	100.6	103.9	138.6	162.1	185.5
SG&A expenses	47.8	40.7	45.6	53.6	59.7	65.8
Research and development	22.1	28.7	31.3	38.4	40.1	44.1
Other operating expenses (income)	1.8	-0.2	-0.8	1.8	2.1	2.3
EBITDA	29.5	37.4	34.7	51.8	68.2	82.4
Depreciation	6.4	5.0	5.3	5.6	6.6	7.7
EBITA	23.2	32.4	29.3	46.2	61.6	74.8
Amortisation of goodwill and intangible assets	0.7	1.0	1.5	1.4	1.4	1.5
EBIT	22.5	31.5	27.8	44.7	60.2	73.3
Financial result	-0.5	-0.3	0.5	-0.2	-0.2	-0.1
Recurring pretax income from continuing operations	22.0	31.2	28.3	44.5	60.0	73.2
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	22.0	31.2	28.3	44.5	60.0	73.2
Taxes	6.1	7.9	11.0	10.9	14.7	18.0
Net income from continuing operations	16.0	23.3	17.3	33.6	45.2	55.2
Result from discontinued operations (net of tax)	0.0	1.3	-12.6	57.3	0.0	0.0
Net income	16.0	24.5	4.7	90.9	45.2	55.2
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0
Net profit (reported)	16.0	24.5	4.7	90.9	45.2	55.2
Average number of shares	19.12	19.12	19.12	19.12	19.12	19.12
EPS reported	0.83	1.22	0.91	4.75	2.37	2.89

Profit and loss (common size)	2021	2022	2023	2024E	2025E	2026E
Sales	100%	100%	100%	100%	100%	100%
Cost of sales	64%	61%	66%	63%	61%	60%
Gross profit	36%	39%	34%	38%	39%	40%
SG&A expenses	18%	16%	15%	14%	14%	14%
Research and development	8%	11%	10%	10%	10%	9%
Other operating expenses (income)	1%	-0%	-0%	0%	1%	1%
EBITDA	11%	14%	11%	14%	16%	18%
Depreciation	2%	2%	2%	2%	2%	2%
EBITA	9%	12%	10%	12%	15%	16%
Amortisation of goodwill and intangible assets	0%	0%	0%	0%	0%	0%
EBIT	9%	12%	9%	12%	14%	16%
Financial result	-0%	-0%	0%	-0%	-0%	-0%
Recurring pretax income from continuing operations	8%	12%	9%	12%	14%	16%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	8%	12%	9%	12%	14%	16%
Taxes	2%	3%	4%	3%	4%	4%
Net income from continuing operations	6%	9%	6%	9%	11%	12%
Result from discontinued operations (net of tax)	0%	0%	-4%	15%	0%	0%
Net income	6%	9%	2%	25%	11%	12%
Minority interest	0%	0%	0%	0%	0%	0%
Net profit (reported)	6%	9%	2%	25%	11%	12%

Source: Company data; mwb research

Balance sheet (EURm)	2021	2022	2023	2024E	2025E	2026E
Intangible assets (excl. Goodwill)	5.6	5.9	5.5	5.6	5.9	6.2
Goodwill	18.4	18.6	18.5	18.5	18.5	18.5
Property, plant and equipment	44.5	48.9	31.1	36.6	42.6	48.8
Financial assets	1.8	1.8	1.2	1.2	1.2	1.2
FIXED ASSETS	70.3	75.1	56.3	61.9	68.1	74.7
Inventories	99.5	150.5	166.7	183.6	203.1	221.0
Accounts receivable	47.4	57.0	52.9	64.3	72.7	80.7
Other current assets	0.0	0.0	33.9	33.9	33.9	33.9
Liquid assets	53.4	61.9	49.0	134.3	145.0	176.1
Deferred taxes	0.0	0.1	0.1	0.1	0.1	0.1
Deferred charges and prepaid expenses	8.4	8.5	10.8	13.1	14.8	16.4
CURRENT ASSETS	208.8	278.0	313.4	429.3	469.5	528.2
TOTAL ASSETS	279.2	353.2	369.7	491.2	537.6	602.9
SHAREHOLDERS EQUITY	156.9	177.7	176.6	281.6	306.9	352.1
MINORITY INTEREST	0.0	0.0	0.0	0.0	0.0	0.0
Long-term debt	14.9	16.2	11.9	9.4	6.9	4.4
Provisions for pensions and similar obligations	5.3	5.0	1.6	1.9	2.2	2.4
Other provisions	9.6	11.6	12.9	15.7	17.7	19.6
Non-current liabilities	29.9	32.8	26.4	27.0	26.8	26.5
short-term liabilities to banks	3.4	15.8	13.0	0.0	0.0	0.0
Accounts payable	24.9	27.1	27.1	31.3	34.6	37.6
Advance payments received on orders	36.7	77.9	87.0	105.8	119.5	132.6
Other liabilities (incl. from lease and rental contracts)	14.0	8.8	20.4	24.8	28.0	31.1
Deferred taxes	9.0	7.0	11.8	11.8	11.8	11.8
Deferred income	4.5	6.0	7.3	8.9	10.1	11.2
Current liabilities	92.4	142.6	166.7	182.5	204.0	224.4
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	279.2	353.2	369.7	491.2	537.6	602.9

Balance sheet (common size)	2021	2022	2023	2024E	2025E	2026E
Intangible assets (excl. Goodwill)	2%	2%	1%	1%	1%	1%
Goodwill	7%	5%	5%	4%	3%	3%
Property, plant and equipment	16%	14%	8%	7%	8%	8%
Financial assets	1%	1%	0%	0%	0%	0%
FIXED ASSETS	25%	21%	15%	13%	13%	12%
Inventories	36%	43%	45%	37%	38%	37%
Accounts receivable	17%	16%	14%	13%	14%	13%
Other current assets	0%	0%	9%	7%	6%	6%
Liquid assets	19%	18%	13%	27%	27%	29%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred charges and prepaid expenses	3%	2%	3%	3%	3%	3%
CURRENT ASSETS	75%	79%	85%	87%	87%	88%
TOTAL ASSETS	100%	100%	100%	100%	100%	100%
SHAREHOLDERS EQUITY	56%	50%	48%	57%	57%	58%
MINORITY INTEREST	0%	0%	0%	0%	0%	0%
Long-term debt	5%	5%	3%	2%	1%	1%
Provisions for pensions and similar obligations	2%	1%	0%	0%	0%	0%
Other provisions	3%	3%	3%	3%	3%	3%
Non-current liabilities	11%	9%	7%	5%	5%	4%
short-term liabilities to banks	1%	4%	4%	0%	0%	0%
Accounts payable	9%	8%	7%	6%	6%	6%
Advance payments received on orders	13%	22%	24%	22%	22%	22%
Other liabilities (incl. from lease and rental contracts)	5%	2%	6%	5%	5%	5%
Deferred taxes	3%	2%	3%	2%	2%	2%
Deferred income	2%	2%	2%	2%	2%	2%
Current liabilities	33%	40%	45%	37%	38%	37%
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100%	100%	100%	100%	100%	100%

Source: Company data; mwb research

Cash flow statement (EURm)	2021	2022	2023	2024E	2025E	2026E
Net profit/loss	16.0	24.5	4.7	90.9	45.2	55.2
Depreciation of fixed assets (incl. leases)	6.4	5.0	5.3	5.6	6.6	7.7
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.7	1.0	1.5	1.4	1.4	1.5
Others	4.8	3.1	10.2	3.1	2.3	2.2
Cash flow from operations before changes in w/c	27.9	33.6	21.7	101.0	55.6	66.5
Increase/decrease in inventory	-29.5	-48.2	-29.4	-16.9	-19.5	-17.9
Increase/decrease in accounts receivable	1.9	-4.4	-2.4	-11.4	-8.4	-8.0
Increase/decrease in accounts payable	14.5	4.6	1.7	4.2	3.3	3.1
Increase/decrease in other w/c positions	3.7	38.2	12.2	22.4	16.4	15.7
Increase/decrease in working capital	-9.5	-9.6	-18.0	-1.7	-8.2	-7.2
Cash flow from operating activities	18.4	23.9	3.7	99.3	47.4	59.4
CAPEX	-9.6	-4.1	-4.6	-12.6	-14.2	-15.8
Payments for acquisitions	0.0	0.0	0.0	0.0	0.0	0.0
Financial investments	0.0	-9.9	0.0	0.0	0.0	0.0
Income from asset disposals	0.0	-3.7	-3.6	18.0	0.0	0.0
Cash flow from investing activities	-9.6	-17.8	-8.2	5.4	-14.2	-15.8
Cash flow before financing	8.8	6.1	-4.4	104.7	33.2	43.6
Increase/decrease in debt position	-3.8	-2.9	-3.4	-15.5	-2.5	-2.5
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	0.0	0.0	0.0	0.0
Dividends paid	0.0	-3.1	-3.8	-3.8	-20.0	-10.0
Others	0.0	-0.8	-0.8	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.4	-0.0	-0.2	0.0	0.0	0.0
Cash flow from financing activities	-3.5	-6.8	-8.2	-19.3	-22.5	-12.5
Increase/decrease in liquid assets	5.3	-0.7	-12.7	85.3	10.6	31.1
Liquid assets at end of period	52.1	51.4	38.7	124.0	134.7	165.7

Source: Company data; mwb research

Regional sales split (EURm)	2021	2022	2023	2024E	2025E	2026E
Domestic	0.0	0.0	0.0	0.0	0.0	0.0
Europe (ex domestic)	57.7	52.3	56.9	18.5	20.9	23.2
The Americas	30.8	33.0	45.6	37.0	41.8	46.4
Asia	174.7	174.7	201.7	314.2	355.1	394.1
Rest of World	0.0	0.0	0.0	0.0	0.0	0.0
Total sales	263.4	260.0	304.3	369.7	417.7	463.7

Regional sales split (common size)	2021	2022	2023	2024E	2025E	2026E
Domestic	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Europe (ex domestic)	21.9%	20.1%	18.7%	5.0%	5.0%	5.0%
The Americas	11.7%	12.7%	15.0%	10.0%	10.0%	10.0%
Asia	66.3%	67.2%	66.3%	85.0%	85.0%	85.0%
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	2021	2022	2023	2024E	2025E	2026E
Per share data						
Earnings per share reported	0.83	1.28	0.25	4.75	2.37	2.89
Cash flow per share	0.96	1.25	0.20	4.90	2.14	2.71
Book value per share	8.21	9.30	9.24	14.73	16.05	18.42
Dividend per share	0.16	0.20	0.20	1.05	0.52	0.64
Valuation						
P/E	72.5x	47.2x	246.2x	12.7x	25.6x	21.0x
P/CF	62.8x	48.3x	309.4x	12.3x	28.3x	22.4x
P/BV	7.4x	6.5x	6.5x	4.1x	3.8x	3.3x
Dividend yield (%)	0.3%	0.3%	0.3%	1.7%	0.9%	1.1%
FCF yield (%)	1.6%	2.1%	0.3%	8.1%	3.5%	4.5%
EV/Sales	4.3x	4.4x	3.7x	2.8x	2.4x	2.1x
EV/EBITDA	38.1x	30.3x	32.7x	20.0x	15.0x	12.0x
EV/EBIT	50.1x	36.0x	40.8x	23.1x	17.0x	13.5x
Income statement (EURm)						
Sales	263.4	260.0	304.3	369.7	417.7	463.7
yoy chg in %	4.5%	-1.3%	17.0%	21.5%	13.0%	11.0%
Gross profit	94.2	100.6	103.9	138.6	162.1	185.5
Gross margin in %	35.8%	38.7%	34.1%	37.5%	38.8%	40.0%
EBITDA	29.5	37.4	34.7	51.8	68.2	82.4
EBITDA margin in %	11.2%	14.4%	11.4%	14.0%	16.3%	17.8%
EBIT	22.5	31.5	27.8	44.7	60.2	73.3
EBIT margin in %	8.5%	12.1%	9.1%	12.1%	14.4%	15.8%
Net profit	16.0	24.5	4.7	90.9	45.2	55.2
Cash flow statement (EURm)						
CF from operations	18.4	23.9	3.7	99.3	47.4	59.4
Capex	-9.6	-4.1	-4.6	-12.6	-14.2	-15.8
Maintenance Capex	0.0	0.0	0.0	5.6	6.6	7.7
Free cash flow	8.8	19.8	-0.9	86.7	33.2	43.6
Balance sheet (EURm)						
Intangible assets	24.0	24.4	24.0	24.1	24.4	24.7
Tangible assets	44.5	48.9	31.1	36.6	42.6	48.8
Shareholders' equity	156.9	177.7	176.6	281.6	306.9	352.1
Pension provisions	5.3	5.0	1.6	1.9	2.2	2.4
Liabilities and provisions	33.3	48.6	39.4	27.0	26.8	26.5
Net financial debt	-35.1	-30.0	-24.1	-124.9	-138.1	-171.6
w/c requirements	85.4	102.5	105.5	110.9	121.7	131.4
Ratios						
ROE	10.2%	13.8%	2.7%	32.3%	14.7%	15.7%
ROCE	11.8%	13.9%	12.9%	14.5%	18.0%	19.4%
Net gearing	-22.4%	-16.9%	-13.6%	-44.4%	-45.0%	-48.8%
Net debt / EBITDA	-1.2x	-0.8x	-0.7x	-2.4x	-2.0x	-2.1x

Source: Company data; mwb research

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