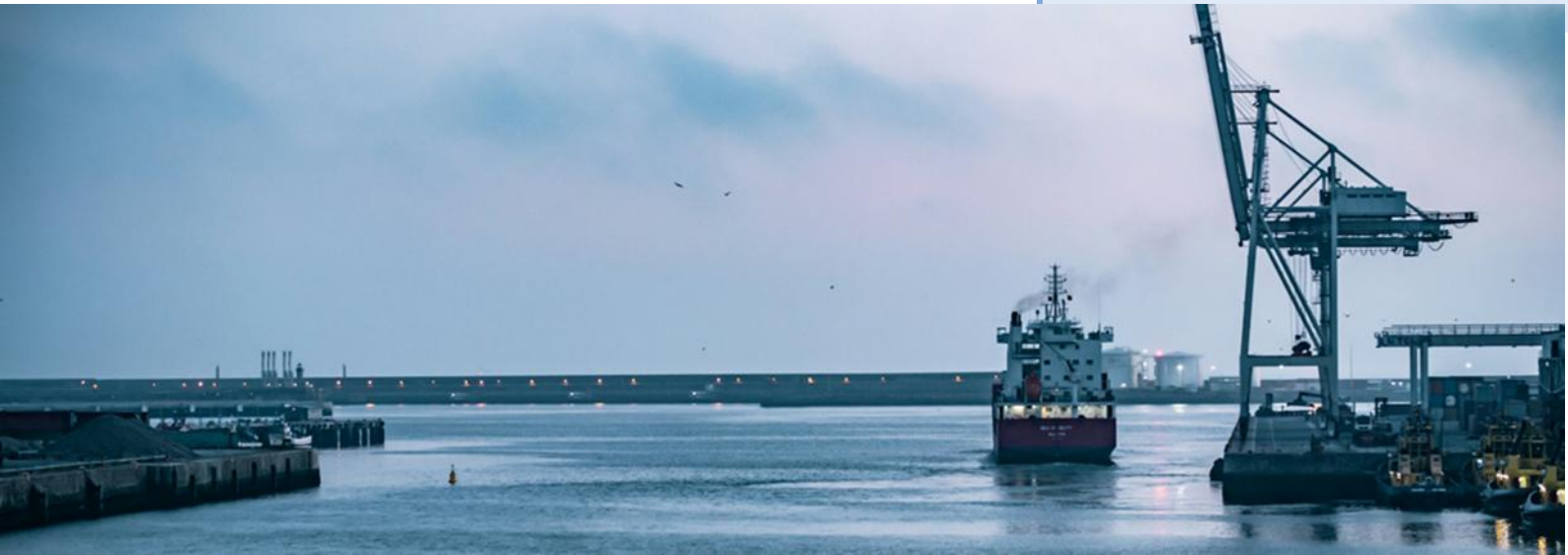


HMS Bergbau AG

Germany | Basic Resources | MCap EUR 173m

1 October 2026

UPDATE



H1 delivers; mining earnings now kicking in; BUY maintained.

What's it all about?

HMS Bergbau confirmed its prelims delivering a strong H1 2026, with revenues up 74% yoy on higher coal volumes and the rapid expansion of marine fuels. Underlying EBITDA reached c. EUR 14m despite virtually no contribution from the mining operations. This is set to change in H2, with management expecting c. EUR 6-7m of EBITDA from Maatla and HRV, supporting the FY26 underlying EBITDA target of EUR 35m. Beyond 2026, full-year mining contributions and further growth in marine fuels offer additional earnings potential, while the recent EUR 25m bond increase provides further capacity to scale the high-turnover trading business. We maintain our EUR 85.00 price target and BUY rating.

BUY (BUY)

Target price	EUR 85.00 (85.00)
Current price	EUR 38.00
Up/downside	123.7%



MAIN AUTHOR

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HMS Bergbau AG

Germany | Basic Resources | MCap EUR 173m | EV EUR 235m

BUY (BUY)

Target price EUR 85.00 (85.00)
Current price EUR 38.00
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H1 delivers; mining earnings now kicking in; BUY maintained.

Revenues surged in H1 2026. HMS Bergbau has published its final H1 2026 report, broadly confirming the preliminary figures released in August. Although the H1 2025 comparison is partly affected by the transition from HGB to IFRS, HMS managed to deliver impressive growth. Revenue reached EUR 1.12bn, up 74% yoy, primarily driven by higher trading volumes in coal as well as the rapidly expanding marine fuels business. Marine fuels were only integrated into the group's activities in H2 2025, but already made a significant contribution to revenues and earnings in H1 2026. Reported EBITDA increased to EUR 22.5m, up from EUR 8.4m a year ago. This year's figure included a positive EUR 8.4m non-cash effect from the first-time consolidation of Hoshozu Resources Vryheid (HRV), leaving underlying EBITDA at roughly EUR 14.0m. Net income rose to EUR 16.1m from EUR 5.7m a year ago. Operating cash flow reached EUR 35.4m in H1 2026, while HMS invested around EUR 24m in capex, mainly in the development of its mining operations, still resulting in a EUR ~12m FCF.

Mining operations to drive H2 earnings. HMS confirmed its FY26 outlook, targeting revenues of around EUR 2.0bn and reported EBITDA of EUR 55m in 2026, including expected positive valuation effects of around EUR 20m from the first-time consolidation of HRV, implying underlying EBITDA of EUR 35m. Management expects c. EUR 6-7m of EBITDA from mining in H2. Both Maatla in Botswana and HRV in South Africa commenced operations during H1 and are expected to reach full production during 2026.

Conclusion. HMS delivered a strong H1 2026. The focus now shifts to the Maatla and HRV mining operations, which are expected to provide the incremental earnings needed to reach the FY26 EBITDA target. Looking into 2027, a full-year contribution from both mining assets, alongside continued growth in marine fuels, offers further earnings potential. In addition, the recent EUR 25m bond increase to a total volume of EUR 95m adds capacity to the trading business, where high capital turnover underpins attractive returns on working capital. We maintain our PT of EUR 85.00. BUY.

HMS Bergbau AG	2023	2024	2025	2026E	2027E	2028E
Sales	1,296	1,364	1,224	2,069	2,400	2,496
<i>Growth yoy</i>	33.4%	5.2%	-10.2%	69.0%	16.0%	4.0%
EBITDA	16	22	60	57	51	56
EBIT	15	21	60	54	48	53
Net profit	13	14	55	35	27	30
Net debt (net cash)	-19	-13	54	47	23	-2
Net debt/EBITDA	-1.2x	-0.6x	0.9x	0.8x	0.5x	-0.0x
EPS reported	2.72	3.08	12.06	7.67	5.86	6.57
DPS	0.92	1.05	1.10	1.15	1.38	1.54
<i>Dividend yield</i>	2.4%	2.8%	2.9%	3.0%	3.6%	4.1%
Gross profit margin	2.8%	2.9%	3.0%	3.4%	3.7%	3.8%
EBITDA margin	1.2%	1.6%	4.9%	2.7%	2.1%	2.2%
EBIT margin	1.2%	1.5%	4.9%	2.6%	2.0%	2.1%
ROCE	21.3%	25.8%	24.2%	19.7%	16.5%	16.4%
EV/Sales	0.1x	0.1x	0.2x	0.1x	0.1x	0.1x
EV/EBITDA	10.4x	7.8x	3.9x	4.1x	4.1x	3.3x
EV/EBIT	10.7x	8.0x	4.0x	4.3x	4.3x	3.5x
PER	14.0x	12.4x	3.2x	5.0x	6.5x	5.8x

Source: Company data, mwb research



Source: Company data, mwb research

High/low 52 weeks 53.00 / 35.90
Price/Book Ratio 2.0x

Ticker / Symbols

ISIN DE0006061104
WKN 606110
Bloomberg HMU:GR

Changes in estimates

		Sales	EBIT	EPS
2026E	old	2,069	54	7.67
	Δ	0.0%	0.0%	0.0%
2027E	old	2,400	48	5.86
	Δ	0.0%	0.0%	0.0%
2028E	old	2,496	53	6.57
	Δ	0.0%	0.0%	0.0%

Key share data

Number of shares: (in m pcs) 4.54
Book value per share: (in EUR) 18.72
Ø trading vol.: (12 months) 514

Major shareholders

ERAG Energie und Rohstoff AG 37.0%
LaVo Verwaltung 34.3%
Family Schernikau 4.4%
Free Float 23.4%

Company description

HMS Bergbau AG (HMS) is a Berlin-based, but globally active trading and distribution company of raw materials, mainly for clients from energy-intensive industries. The company focuses on the trade with coal, supported by own production, as well as coke products, marine fuels, as well as petcoke, ores, cement, and fertilizers. In the long-term, the company plans to diversify its portfolio further to include critical metals.

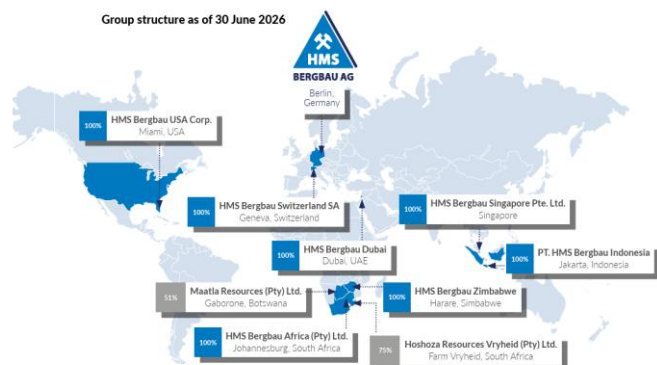
The following table displays the half-yearly performance of HMS Bergbau AG:

P&L data	H2 2022	H1 2023	H2 2023	H1 2024	H2 2024	H1 2025	H2 2025	H1 2026
Sales	567.2	656.7	639.5	731.4	632.3	643.0	577.0	1,119.0
yoy growth in %	115.8%	62.3%	12.7%	11.4%	-1.1%	-12.1%	-8.7%	74.0%
Gross profit	12.0	10.5	14.7	14.2	20.3	16.3	20.0	26.3
Gross margin in %	2.1%	1.6%	2.3%	1.9%	3.2%	2.5%	3.5%	2.3%
EBITDA	9.9	6.3	9.3	7.9	14.5	8.3	51.8	22.5
EBITDA margin in %	1.8%	1.0%	1.5%	1.1%	2.3%	1.3%	9.0%	2.0%
EBIT	9.4	6.1	9.0	7.6	14.1	8.0	51.5	22.1
EBIT margin in %	1.7%	0.9%	1.4%	1.0%	2.2%	1.3%	8.9%	2.0%
EBT	9.2	5.7	8.8	7.1	11.8	7.6	50.7	17.8
taxes paid	1.9	0.6	1.5	1.6	4.0	1.8	1.7	1.7
tax rate in %	20.3%	11.1%	16.8%	22.4%	34.4%	23.8%	3.3%	9.6%
net profit	7.4	5.1	7.4	5.5	7.6	5.8	49.0	16.2
yoy growth in %	160.9%	67.7%	0.0%	8.7%	3.8%	4.2%	541.7%	180.5%
EPS	1.62	1.12	1.62	1.22	1.68	1.26	10.69	3.51

Source: Company data

Investment case in six charts

Footprint

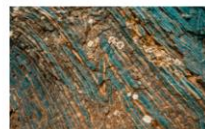


Products & Services

ENERGY PRODUCTS



METALS & MINERALS



RENEWABLES & OTHER PRODUCTS



MARINE FUELS



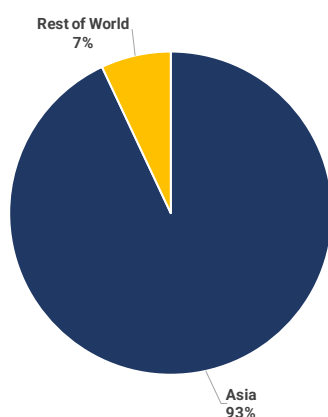
PRODUCT PROCESSING



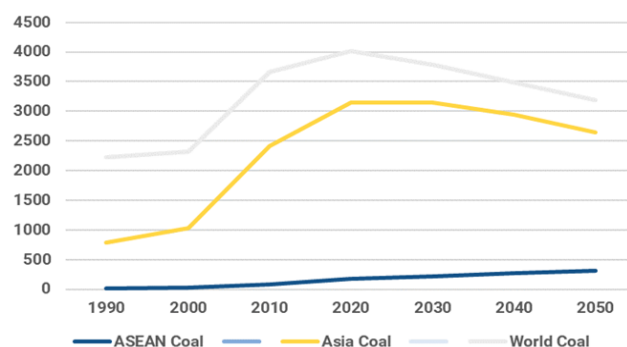
INLAND TRANSPORT



Regional sales split in %



Primary energy consumption by 2050 (Mtoe)



Marine fuels and Maatla to drive earnings



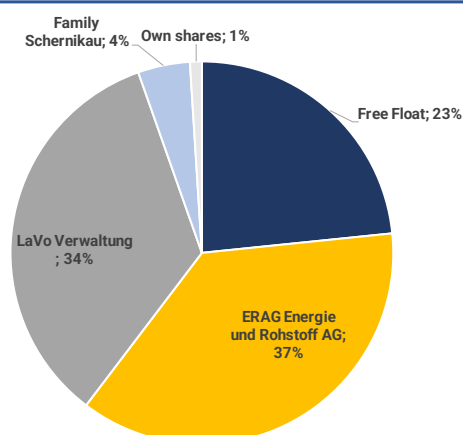
Botswana coal mine
- HMS share 51%
- SOP 2026
- 1.2 Mtpa Phase 1
- 30% gross margin

Marine fuels

- Established team of 30 FTE
- EUR 1bn in the mid-term
- asset-light business model
- highly transactional



Major Shareholders



Source: Company data, mwb research

SWOT analysis

Strengths

- Excellent track record in the field of commodity/coal trading
- International presence in significant, still growing markets
- Long-lasting customer relationships and far-reaching network
- Strategic partnerships for supply in key markets
- Asset-light business model supports de-risking

Weaknesses

- Negative image of fossil fuels in the context of climate change
- High country-specific risks
- High dependence on single commodity
- Limited liquidity in the stock

Opportunities

- Diversification into alternative commodities and rare metals
- Market share gains from bigger players phasing out their respective coal trading business (ESG pressure)
- Vertical integration to cover more aspects of the value chain
- Expansion of financial scope
- Profit margin improvements through further supply and processing agreements
- Future dividend income equity investments in mining projects

Threats

- Regulatory shifts
- Geopolitical impacts
- Energy transition
- Price volatility
- Economic downturn can impact demand
- Mining investments might not pay off

Valuation

DCF Model

The DCF model results in a **fair value of EUR 85.18 per share:**

Top-line growth: We expect HMS Bergbau AG to grow revenues at a CAGR of 4.5% between 2026E and 2033E. The long-term growth rate is set at 0.0%.

ROCE. Returns on capital are developing from 19.7% in 2026E to 13.0% in 2033E.

WACC. Starting point is an industry equity beta of 1.50. Unlevering and correcting for mean reversion yields an asset beta of 1.06. Combined with a risk-free rate of 2.0% and an equity risk premium of 6.0% this yields cost of equity of 10.7%. With pre-tax cost of borrowing at 10.0%, a tax rate of 25% and target debt/equity of 0.5 this results in a long-term WACC of 9.6%.

DCF (EURm) (except per share data and beta)	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	Terminal value
NOPAT	44	35	38	40	41	41	42	43	
Depreciation & amortization	3	3	3	3	3	3	3	3	
Change in working capital	-5	-3	-3	-3	-2	-2	-2	-2	
Chg. in long-term provisions	-16	2	1	1	0	0	0	0	
Capex	-2	-3	-3	-3	-3	-3	-3	-3	
Cash flow	23	34	35	38	39	40	40	41	426
Present value	22	30	28	27	26	24	22	20	219
WACC	10.6%	10.1%	10.1%	10.1%	10.1%	10.1%	10.2%	10.2%	9.6%

DCF per share derived from	
Total present value	419
Mid-year adj. total present value	440
Net debt / cash at start of year	54
Financial assets	10
Provisions and off b/s debt	8
Equity value	387
No. of shares outstanding	4.5
Discounted cash flow / share upside/(downside)	85.18 124.2%

Share price	38.00
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DCF avg. growth and earnings assumptions	
Planning horizon avg. revenue growth (2026E-2033E)	4.5%
Terminal value growth (2033E - infinity)	0.0%
Terminal year ROCE	13.0%
Terminal year WACC	9.6%

Terminal WACC derived from	
Cost of borrowing (before taxes)	10.0%
Long-term tax rate	25%
Equity beta	1.50
Unlevered beta (industry or company)	1.06
Target debt / equity	0.5
Relevered beta	1.45
Risk-free rate	2.0%
Equity risk premium	6.0%
Cost of equity	10.7%

Sensitivity analysis DCF

Change in WACC (%points)	Long term growth					Share of present value	
	-2.0%	-1.0%	0.0%	1.0%	2.0%		
2.0%	63.2	65.9	69.2	73.1	77.8	2026E-2029E	25.8%
1.0%	68.9	72.3	76.4	81.4	87.5	2030E-2033E	22.0%
0.0%	75.6	80.0	85.2	91.6	99.7	terminal value	52.2%
-1.0%	83.7	89.2	96.0	104.5	115.6		
-2.0%	93.5	100.6	109.6	121.3	137.2		

Source: mwb research

FCF Yield Model

Due to the fact that companies rarely bear sufficient resemblance to peers in terms of geographical exposure, size or competitive strength and in order to adjust for the pitfalls of weak long-term visibility, an Adjusted Free Cash Flow analysis (Adjusted FCF) has been conducted.

The adjusted Free Cash Flow Yield results in a fair value between EUR 129.37 per share based on 2026E and EUR 148.76 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	57	51	56	58	59
- Maintenance capex	3	3	3	3	3
- Minorities	3	4	4	4	4
- tax expenses	6	8	8	9	9
= Adjusted FCF	45	37	40	42	43
Actual Market Cap	174	174	174	174	174
+ Net debt (cash)	47	23	-2	-28	-57
+ Pension provisions	10	12	12	13	13
+ Off B/S financing	0	0	0	0	0
- Financial assets	10	10	10	10	10
- Acc. dividend payments	5	10	16	23	31
<i>EV Reconciliations</i>	43	15	-15	-48	-84
= Actual EV'	217	190	159	126	91
Adjusted FCF yield	20.9%	19.6%	25.3%	33.2%	47.1%
base hurdle rate	7.0%	7.0%	7.0%	7.0%	7.0%
ESG adjustment	-0.2%	-0.2%	-0.2%	-0.2%	-0.2%
adjusted hurdle rate	7.2%	7.2%	7.2%	7.2%	7.2%
Fair EV	630	516	560	582	592
- <i>EV Reconciliations</i>	43	15	-15	-48	-84
Fair Market Cap	588	501	575	630	676
No. of shares (million)	5	5	5	5	5
Fair value per share in EUR	129.37	110.20	126.67	138.68	148.76
Premium (-) / discount (+)	240.5%	190.0%	233.3%	265.0%	291.5%

Sensitivity analysis FV					
Adjusted hurdle rate	5.2%	183	154	174	199
	6.2%	152	129	147	170
	7.2%	129	110	127	149
	8.2%	112	96	112	133
	9.2%	99	86	100	120

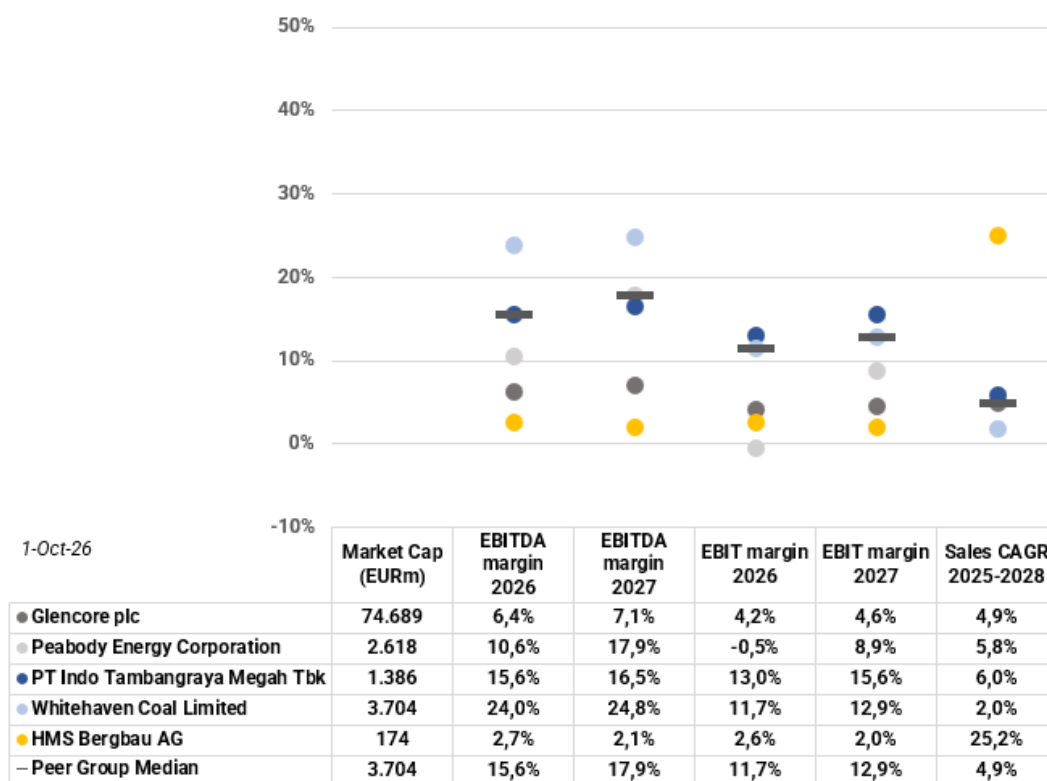
Source: Company data; mwb research

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 HMS Bergbau 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. In absence of another stock-listed pure play commodity trader, the selected peers include only integrated mining companies with relevant exposure to coal. The peer group of HMS Bergbau AG consists of the stocks displayed in the chart below. As of 1 October 2026 the median market cap of the peer group was EUR 3,704m, compared to EUR 173m for HMS Bergbau AG. In the period under review, the peer group was more profitable than HMS Bergbau AG. The expectations for sales growth are lower for the peer group than for HMS Bergbau AG.

Peer Group – Key data

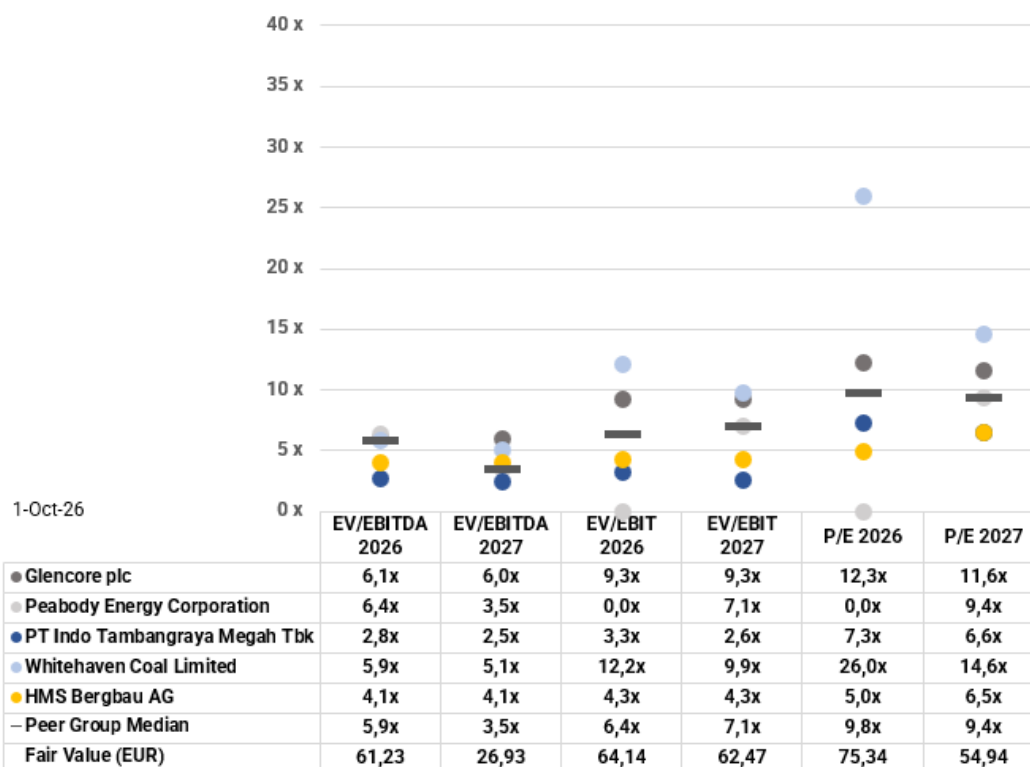


Source: FactSet, mwb research

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

Applying these to HMS Bergbau AG results in a range of fair values from EUR 26.93 to EUR 75.34.

Peer Group – Multiples and valuation

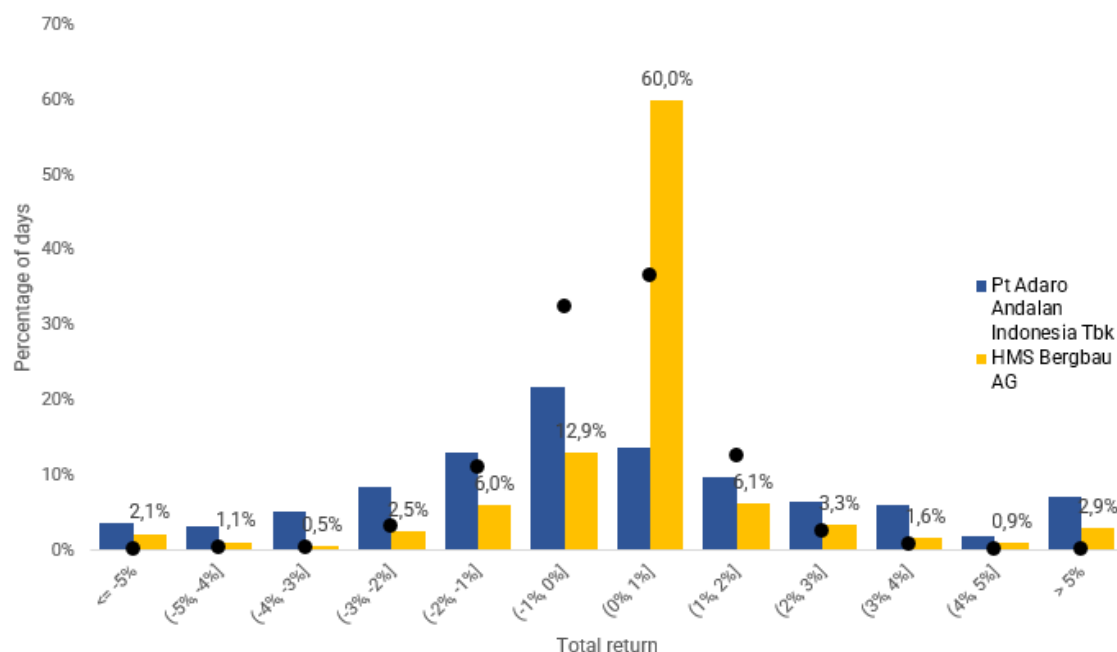


Source: FactSet, mwb research

Risk

The chart displays the **distribution of daily returns of HMS Bergbau AG** over the last 3 years, compared to the same distribution for Pt Adaro Andalan Indonesia Tbk. We have also included the distribution for the index Germany SDAX. 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 HMS Bergbau AG, the worst day during the past 3 years was 04/03/2025 with a share price decline of -17.6%. The best day was 18/07/2025 when the share price increased by 34.0%.

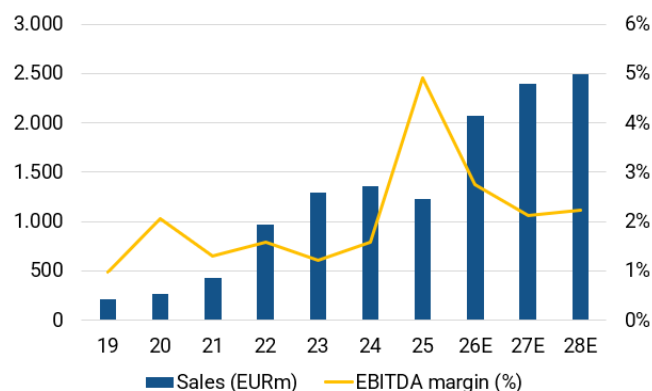
Risk – Daily Returns Distribution (trailing 3 years)



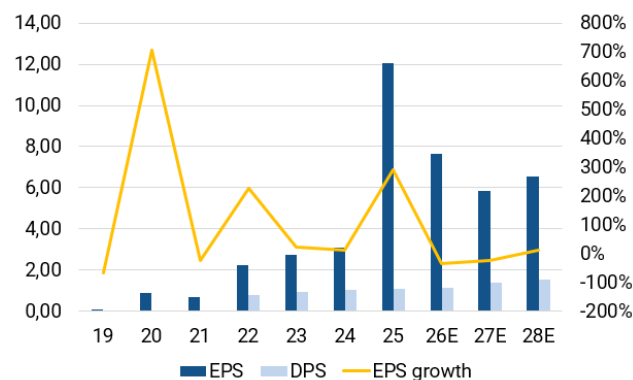
Source: FactSet, mwb research

Financials in six charts

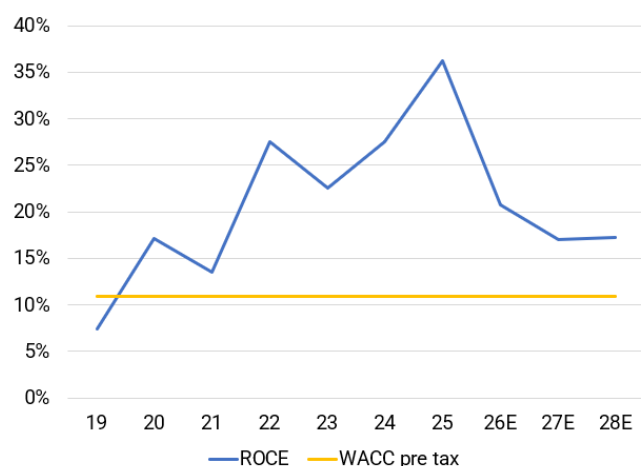
Sales vs. EBITDA margin development



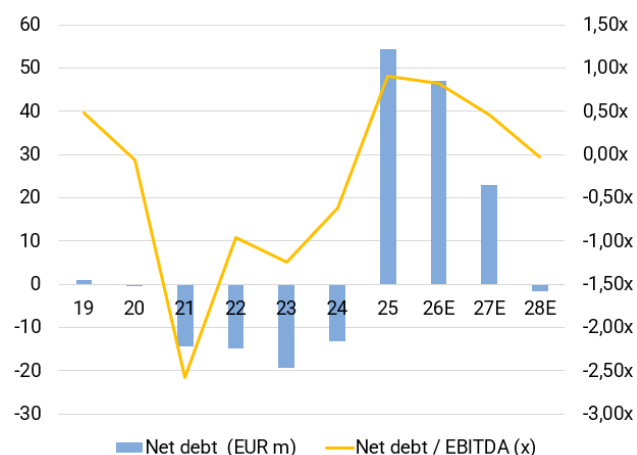
EPS, DPS in EUR & yoy EPS growth



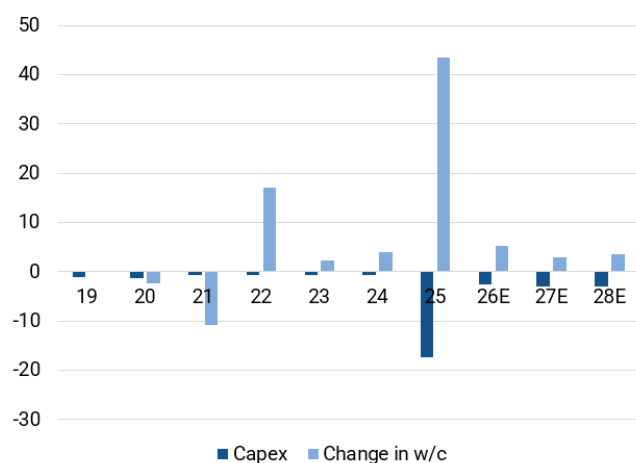
ROCE vs. WACC (pre tax)



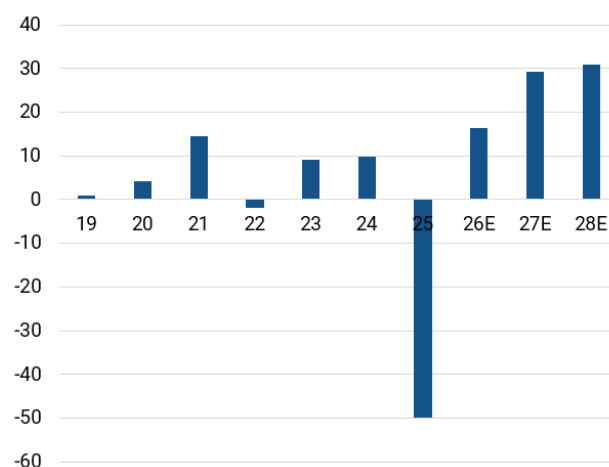
Net debt and net debt/EBITDA



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
Net sales	1,296	1,364	1,224	2,069	2,400	2,496
Sales growth	33.4%	5.2%	-10.2%	69.0%	16.0%	4.0%
Change in finished goods and work-in-process	0	0	0	0	0	0
Total sales	1,296	1,364	1,224	2,069	2,400	2,496
Material expenses	1,260	1,324	1,188	1,999	2,311	2,401
Gross profit	36	39	37	71	90	96
Other operating income	2	2	45	21	2	2
Personnel expenses	10	6	7	14	17	17
Other operating expenses	12	14	15	21	24	25
EBITDA	16	22	60	57	51	56
Depreciation	1	0	0	3	3	3
EBITA	15	21	60	54	48	53
Amortisation of goodwill and intangible assets	0	0	0	0	0	0
EBIT	15	21	60	54	48	53
Financial result	-1	-1	-1	-11	-11	-11
Recurring pretax income from continuing operations	15	20	58	44	38	42
Extraordinary income/loss	0	0	0	0	0	0
Earnings before taxes	15	20	58	44	38	42
Taxes	2	6	3	6	8	8
Net income from continuing operations	12	14	55	37	30	34
Result from discontinued operations (net of tax)	0	0	0	0	0	0
Net income	12	14	55	37	30	34
Minority interest	0	0	0	-3	-4	-4
Net profit (reported)	13	14	55	35	27	30
Average number of shares	4.59	4.54	4.54	4.54	4.54	4.54
EPS reported	2.72	3.08	12.06	7.67	5.86	6.57

Profit and loss (common size)	2023	2024	2025	2026E	2027E	2028E
Net sales	100%	100%	100%	100%	100%	100%
Change in finished goods and work-in-process	0%	0%	0%	0%	0%	0%
Total sales	100%	100%	100%	100%	100%	100%
Material expenses	97%	97%	97%	97%	96%	96%
Gross profit	3%	3%	3%	3%	4%	4%
Other operating income	0%	0%	4%	1%	0%	0%
Personnel expenses	1%	0%	1%	1%	1%	1%
Other operating expenses	1%	1%	1%	1%	1%	1%
EBITDA	1%	2%	5%	3%	2%	2%
Depreciation	0%	0%	0%	0%	0%	0%
EBITA	1%	2%	5%	3%	2%	2%
Amortisation of goodwill and intangible assets	0%	0%	0%	0%	0%	0%
EBIT	1%	2%	5%	3%	2%	2%
Financial result	-0%	-0%	-0%	-1%	-0%	-0%
Recurring pretax income from continuing operations	1%	1%	5%	2%	2%	2%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	1%	1%	5%	2%	2%	2%
Taxes	0%	0%	0%	0%	0%	0%
Net income from continuing operations	1%	1%	4%	2%	1%	1%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
Net income	1%	1%	4%	2%	1%	1%
Minority interest	0%	0%	0%	-0%	-0%	-0%
Net profit (reported)	1%	1%	4%	2%	1%	1%

Source: Company data; mwb research

Balance sheet (EURm)	2023	2024	2025	2026E	2027E	2028E
Intangible assets (exl. Goodwill)	0	0	0	0	0	0
Goodwill	4	5	0	0	0	0
Property, plant and equipment	9	2	129	133	133	133
Financial assets	8	8	10	10	10	10
FIXED ASSETS	21	15	139	143	143	143
Inventories	10	9	11	14	16	17
Accounts receivable	198	135	138	164	197	207
Other current assets	14	13	31	31	31	31
Liquid assets	36	40	37	57	72	97
Deferred taxes	2	3	3	3	3	3
Deferred charges and prepaid expenses	1	0	0	0	0	0
CURRENT ASSETS	260	200	219	269	319	354
TOTAL ASSETS	282	214	358	411	461	497
SHAREHOLDERS EQUITY	38	43	85	97	123	150
MINORITY INTEREST	3	3	48	48	48	48
Long-term debt	17	9	78	95	95	95
Provisions for pensions and similar obligations	9	9	8	10	12	12
Other provisions	5	1	14	16	16	16
Non-current liabilities	31	19	100	121	123	124
short-term liabilities to banks	0	17	13	9	0	0
Accounts payable	207	125	102	126	158	165
Advance payments received on orders	3	0	0	0	0	0
Other liabilities (incl. from lease and rental contracts)	0	2	6	6	6	6
Deferred taxes	0	5	4	4	4	4
Deferred income	0	0	0	0	0	0
Current liabilities	210	150	125	145	168	175
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	282	214	358	411	461	497

Balance sheet (common size)	2023	2024	2025	2026E	2027E	2028E
Intangible assets (excl. Goodwill)	0%	0%	0%	0%	0%	0%
Goodwill	1%	2%	0%	0%	0%	0%
Property, plant and equipment	3%	1%	36%	32%	29%	27%
Financial assets	3%	4%	3%	2%	2%	2%
FIXED ASSETS	7%	7%	39%	35%	31%	29%
Inventories	3%	4%	3%	3%	3%	3%
Accounts receivable	70%	63%	38%	40%	43%	42%
Other current assets	5%	6%	9%	7%	7%	6%
Liquid assets	13%	19%	10%	14%	16%	19%
Deferred taxes	1%	2%	1%	1%	1%	1%
Deferred charges and prepaid expenses	0%	0%	0%	0%	0%	0%
CURRENT ASSETS	93%	93%	61%	65%	69%	71%
TOTAL ASSETS	100%	100%	100%	100%	100%	100%
SHAREHOLDERS EQUITY	14%	20%	24%	24%	27%	30%
MINORITY INTEREST	1%	1%	13%	12%	10%	10%
Long-term debt	6%	4%	22%	23%	21%	19%
Provisions for pensions and similar obligations	3%	4%	2%	3%	3%	3%
Other provisions	2%	0%	4%	4%	3%	3%
Non-current liabilities	11%	9%	28%	29%	27%	25%
short-term liabilities to banks	0%	8%	4%	2%	0%	0%
Accounts payable	74%	58%	29%	31%	34%	33%
Advance payments received on orders	1%	0%	0%	0%	0%	0%
Other liabilities (incl. from lease and rental contracts)	0%	1%	2%	2%	1%	1%
Deferred taxes	0%	2%	1%	1%	1%	1%
Deferred income	0%	0%	0%	0%	0%	0%
Current liabilities	75%	70%	35%	35%	37%	35%
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	12	20	58	37	30	34
Depreciation of fixed assets (incl. leases)	0	0	1	3	3	3
Amortisation of goodwill	0	0	0	0	0	0
Amortisation of intangible assets	0	0	0	0	0	0
Others	-1	-6	-48	-16	2	1
Cash flow from operations before changes in w/c	12	14	11	24	35	37
Increase/decrease in inventory	0	1	0	-3	-2	-1
Increase/decrease in accounts receivable	0	79	0	-27	-33	-10
Increase/decrease in accounts payable	0	-84	0	24	32	7
Increase/decrease in other w/c positions	-2	0	0	1	-0	0
Increase/decrease in working capital	-2	-4	-44	-5	-3	-3
Cash flow from operating activities	10	10	-32	19	32	34
CAPEX	-1	-1	-17	-2	-3	-3
Payments for acquisitions	-2	0	2	-4	0	0
Financial investments	1	0	1	0	0	0
Income from asset disposals	0	0	0	0	0	0
Cash flow from investing activities	-1	-0	-14	-6	-3	-3
Cash flow before financing	8	10	-47	12	29	31
Increase/decrease in debt position	-0	-2	59	13	-9	0
Purchase of own shares	0	-0	0	0	0	0
Capital measures	0	0	0	0	0	0
Dividends paid	-3	-4	-5	-5	-5	-6
Others	0	-1	-5	0	0	0
Effects of exchange rate changes on cash	0	0	-5	0	0	0
Cash flow from financing activities	-4	-7	44	8	-14	-6
Increase/decrease in liquid assets	5	4	-3	20	15	25
Liquid assets at end of period	36	40	37	57	72	97

Source: Company data; mwb research

Regional sales split (EURm)	2023	2024	2025	2026E	2027E	2028E
Domestic	0	0	0	0	0	0
Europe (ex domestic)	0	0	0	0	0	0
The Americas	26	0	0	46	55	57
Asia	1,011	1,268	1,139	1,620	1,880	1,955
Rest of World	259	95	86	401	466	484
Total sales	1,296	1,364	1,224	2,069	2,400	2,496

Regional sales split (common size)	2023	2024	2025	2026E	2027E	2028E
Domestic	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Europe (ex domestic)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
The Americas	2.0%	0.0%	0.0%	2.2%	2.3%	2.3%
Asia	78.0%	93.0%	93.0%	78.3%	78.3%	78.3%
Rest of World	20.0%	7.0%	7.0%	19.4%	19.4%	19.4%
Total sales	100%	100%	100%	100%	100%	100%

Source: Company data; mwb research

Ratios	2023	2024	2025	2026E	2027E	2028E
Per share data						
Earnings per share reported	2.72	3.08	12.06	7.67	5.86	6.57
Cash flow per share	2.01	2.21	-7.24	3.56	6.46	6.88
Book value per share	8.30	9.57	18.72	21.46	26.97	33.06
Dividend per share	0.92	1.05	1.10	1.15	1.38	1.54
Valuation						
P/E	14.0x	12.4x	3.2x	5.0x	6.5x	5.8x
P/CF	18.9x	17.2x	-5.2x	10.7x	5.9x	5.5x
P/BV	4.6x	4.0x	2.0x	1.8x	1.4x	1.1x
Dividend yield (%)	2.4%	2.8%	2.9%	3.0%	3.6%	4.1%
FCF yield (%)	5.3%	5.8%	-19.1%	9.4%	17.0%	18.1%
EV/Sales	0.1x	0.1x	0.2x	0.1x	0.1x	0.1x
EV/EBITDA	10.4x	7.8x	3.9x	4.1x	4.1x	3.3x
EV/EBIT	10.7x	8.0x	4.0x	4.3x	4.3x	3.5x
Income statement (EURm)						
Sales	1,296	1,364	1,224	2,069	2,400	2,496
yoy chg in %	33.4%	5.2%	-10.2%	69.0%	16.0%	4.0%
Gross profit	36	39	37	71	90	96
Gross margin in %	2.8%	2.9%	3.0%	3.4%	3.7%	3.8%
EBITDA	16	22	60	57	51	56
EBITDA margin in %	1.2%	1.6%	4.9%	2.7%	2.1%	2.2%
EBIT	15	21	60	54	48	53
EBIT margin in %	1.2%	1.5%	4.9%	2.6%	2.0%	2.1%
Net profit	13	14	55	35	27	30
Cash flow statement (EURm)						
CF from operations	10	10	-32	19	32	34
Capex	-1	-1	-17	-2	-3	-3
Maintenance Capex	1	0	0	3	3	3
Free cash flow	9	10	-50	16	29	31
Balance sheet (EURm)						
Intangible assets	4	5	0	0	0	0
Tangible assets	9	2	129	133	133	133
Shareholders' equity	38	43	85	97	123	150
Pension provisions	9	9	8	10	12	12
Liabilities and provisions	31	36	113	130	123	124
Net financial debt	-19	-13	54	47	23	-2
w/c requirements	-2	18	46	52	55	59
Ratios						
ROE	32.6%	32.0%	64.4%	38.4%	24.7%	22.6%
ROCE	21.3%	25.8%	24.2%	19.7%	16.5%	16.4%
Net gearing	-51.0%	-30.4%	63.9%	48.2%	18.8%	-1.1%
Net debt / EBITDA	-1.2x	-0.6x	0.9x	0.8x	0.5x	-0.0x

Source: Company data; mwb research

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