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FINANCE AND TECHNOLOGY UNPACKED

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DOSSIER

Germany: the spectre of decline

Europe's industrial engine is sputtering, yet showing glimmers of a turnaround.

TARIFFS
Switzerland under Trump's thumb

FINFLUENCERS
The new finance gurus

INTERVIEW
Thomas Hasler, CEO of Sika

→ VOLKSWAGEN → SAP → RHEINMETALL → INFINEON → CONTINENTAL → SIEMENS ENERGY → ADIDAS →

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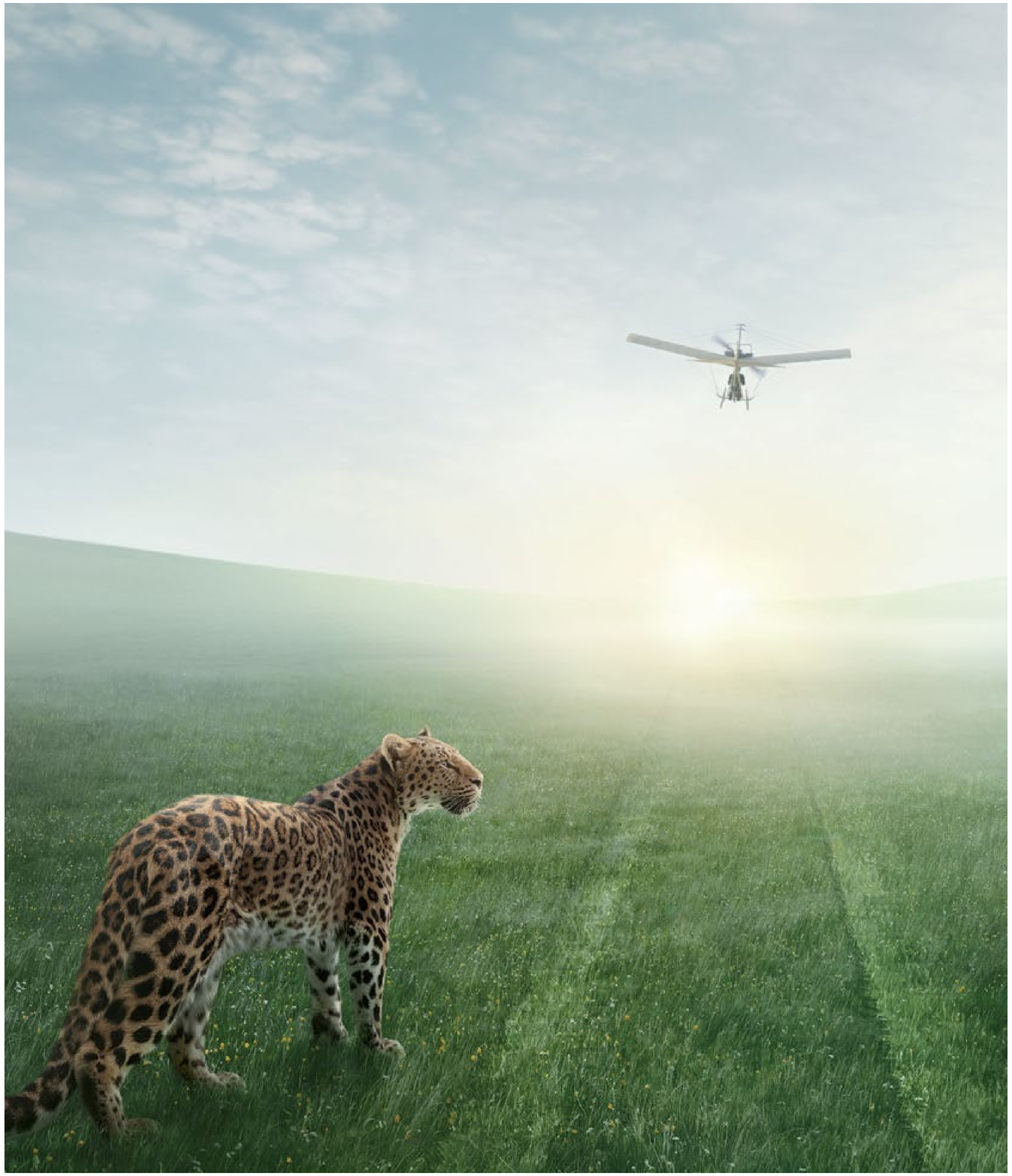
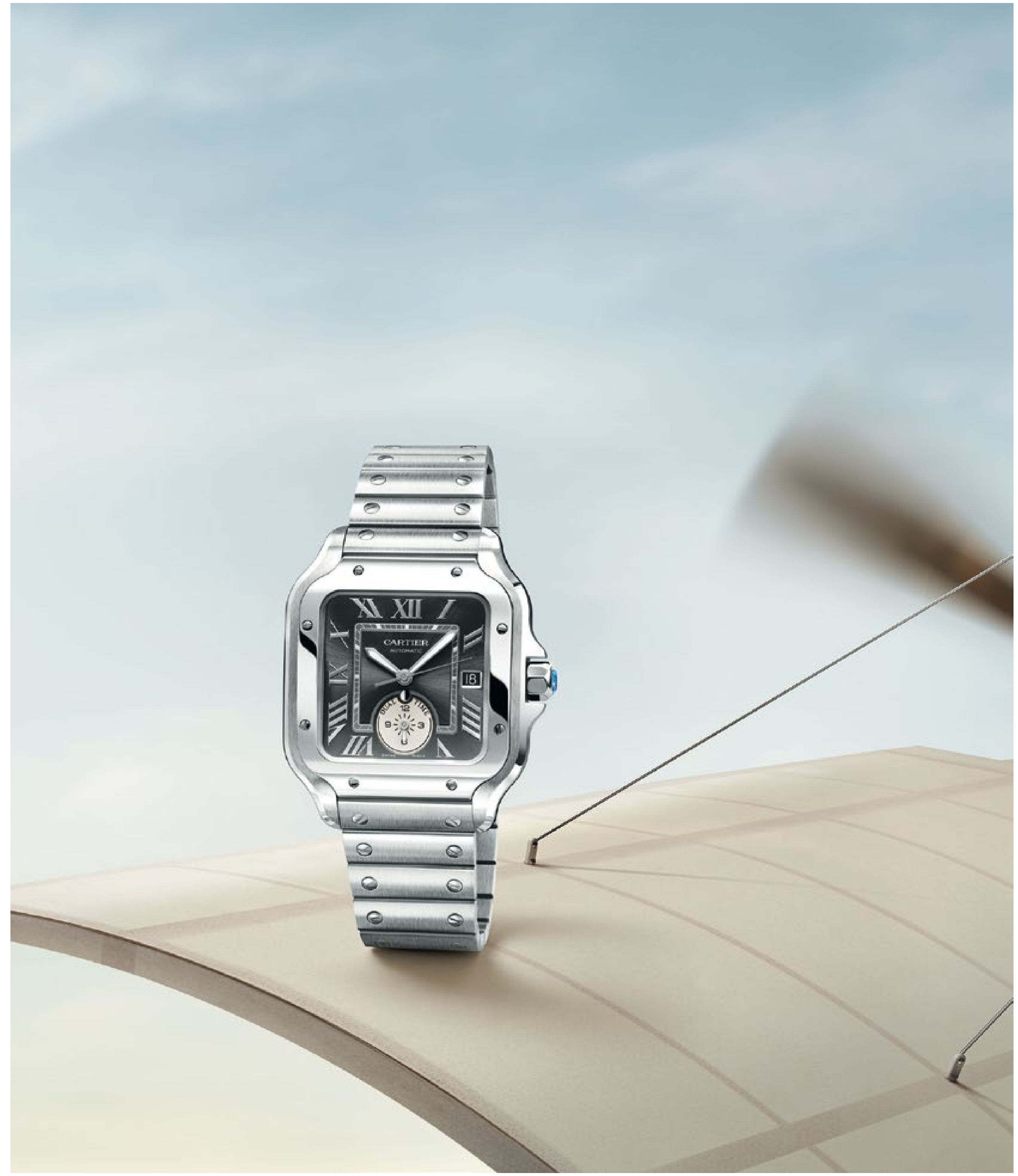



CARTIER
AUTOMATIC

EDITORIAL

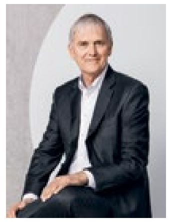
Don't underestimate Germany

Europe faces numerous challenges, and time is running out. In the West, across the Atlantic, Donald Trump has been testing our resolve since taking office, introducing and then suspending staggering tariffs. In Eastern Europe, Ukraine and Russia continue their war of attrition, even as the American military umbrella shows signs of strain. In our own backyard, deindustrialisation looms as a threat – a stark reality underscored in the report on European competitiveness authored by former European Central Bank president Mario Draghi and published last September. Finally, the escalating trade war between the United States and China, with its barrage of tariff increases, will inevitably affect our region. This, in brief, is the sobering landscape before us.

But should it be cause for despair? Like a deer caught in headlights, we all respond differently to adversity. Some flee, others freeze, while some raise their heads and confront trials directly. Europe belongs to this last category. Indeed, it is perhaps never stronger than when facing turmoil.

And what better exemplar than Germany – Europe's leading economy and the industrial powerhouse of the continent – to demonstrate this capacity for resilience? Confronted with a cascade of difficulties since the outbreak of the Ukraine war and the severing of pipelines between Moscow and Berlin, our neighbour has responded with remarkable determination, more forcefully than other European countries. Less than a month after elections, and before he was even officially chancellor, Friedrich Merz pushed through a major reform of the 'debt brake' in March, departing from decades of budgetary orthodoxy. He simultaneously secured an ambitious recovery plan aimed at modernising infrastructure and the Bundeswehr. This represents a historic shift. The European Union, too, has risen to the challenge, unveiling its own investment initiatives to enhance European competitiveness and strengthen defence capabilities.

At this historical juncture, marked by geopolitical upheavals and economic uncertainties, no one can confidently predict whether these economic support programmes will suffice to revitalise the European economy generally and the German engine specifically. But the markets appear optimistic. Since the beginning of the year, both the DAX and the STOXX 600, despite being caught in the turbulence created by Donald Trump, have outperformed the S&P 500. Let us not write off Europe and Germany prematurely. Both have repeatedly demonstrated their ability to bounce back from numerous crises.



Happy reading!

BY MARC BÜRKI,
CEO OF SWISSQUOTE

c o n t e n t s

i m p r e s s u m

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An icebreaker belonging to Russian atomic energy giant Rosatom, opening up the Northern Sea Route.

SHIPPING

Sailing through the North Pole pays off

Last year, a record 97 ships took the new polar shipping route north of Europe and Russia – up from 19 in 2016, according to figures from the Centre for High North Logistics (CHNL). Since 2005, this route has been open in summer, but some sections are now navigable even in winter, due to the melting sea ice caused by global warming. The journey between Rotterdam and Shanghai is shortened by approximately 5,000 kilometers compared to the Suez Canal route, with the duration cut by around 30 days. It also avoids the bottlenecks of the Panama and Suez canals. This new sea route should increase trade between Europe and Asia by 6%, according to *The Economist*. Russia also hopes to use it to export more gas, coal and metals to China and India.

RANKING

The five countries with the highest gender pay gap
(based on the percentage difference between the average pay of men and women)

1. SOUTH KOREA
29.3%

2. JAPAN
22%

3. ISRAEL
20.8%

4. FINLAND
17.5%

5. UNITED STATES
16.4%

Source: The Economist

The five countries producing the most nickel
(in metric tonnes for the year 2023)

1. INDONESIA
1,800,000

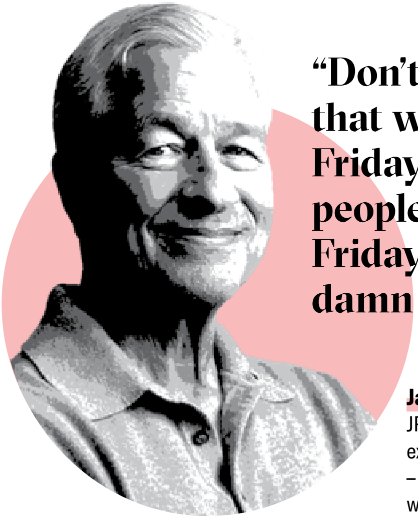
2. THE PHILIPPINES
400,000

3. NEW CALEDONIA
230,000

4. RUSSIA
220,000

5. CANADA
180,000

Source: US Geological Survey



"Don't give me this st that work-from-home-Friday works. I call people all the time on Fridays and not a single damn person picks up"**

Jamie Dimon, CEO of JPMorgan Chase, during an exchange – which went viral – with an employee about working from home.

+0.5%

The increase in European GDP that could be generated by the end of the war in Ukraine, according to an estimate by Goldman Sachs. In particular, the continent would benefit from the resumption of gas imports from Russia, which would cause energy prices to fall. In 2021, 45% of Europe's gas was of Russian origin, compared with barely 16% today according to Eurostat.

A jar of cocoa produced by Zurich-based startup Food Brewer.

COCOA

Chocolate grown in a laboratory

The price of cocoa has skyrocketed due to the impact of climate change on harvests in West Africa. This situation is forcing chocolatiers to explore new options. Lindt & Sprüngli has invested 5 million Swiss francs in the Zurich startup Food Brewer, alongside Sparkalis, the investment arm of the Puratos bakery group. This company produces cocoa powder in a laboratory by removing cells from a bean which are then cultivated in fermentation tanks together with a nutrient solution containing sugar, vitamins and minerals. When the cells reach a sufficient mass, they are harvested, dried and roasted. Food Brewer is now seeking authorisation from the US health authorities to market its product in the United States. → LISP

"It is time to stop reinforcing failure. There is more chance of Elvis speaking next than the current energy transition plan working"

Amin Nasser, CEO of Saudi Aramco

THE IMAGE

The ultra-fast charge

A charging station for electric vehicles that allows for a range of 400 km in just 5 minutes. This is the ground-breaking innovation that Wang Chuanfu, CEO of the Chinese car manufacturer BYD, unveiled on 17 March in Shenzhen. This charging station provides a maximum power of 1,360 kW – with a compatible vehicle – compared with 500 kW for most of the other available equipment. BYD has announced its intention to build 4,000 of these new types of charging stations across China. → BYDDF

766

Number of aircraft delivered by Airbus in 2024, compared with 348 for Boeing, signalling the widening gap between the two giants in the civil aviation field. Boeing owes its bad run in particular to the serial technical failures that have affected its 737 MAX aircraft.

AI

Chinese tech is back

In 2020, Alibaba founder Jack Ma disappeared from public life, shortly after the cancellation of the stock market listing of his company Ant Group. The Chinese tech sector then entered a period of uncertainty, marked by anti-monopoly investigations and intrusive regulation of data use. On 17 February, however, Jack Ma reappeared at a symposium in Beijing with President Xi Jinping and a handful of entrepreneurs, signalling his return to business. Shortly afterwards, the Chinese startup DeepSeek announced that it was accelerating the release of its second artificial intelligence model after the resounding success of the first, capable of competing with the American ChatGPT. The Hang Seng Tech Index, which includes the 30 largest tech groups listed in Hong Kong, immediately surged.

A Sulzer employee working on a generator produced by the company.

INDUSTRY

Sulzer expands in the Gulf

Wishing to take advantage of an investment wave in the Gulf countries, the Swiss group Sulzer has bought the Bahrain-based company Davies and Mills, taking on its 53 employees. This provides it with a new base in the region, primarily to serve the Saudi Arabian market. It is its sixth hub in the Middle East to be inaugurated in the space of six years. The acquisition of Davies and Mills will enable the Winterthur-based company to provide its customers with a maintenance and repair service for their rotating equipment, including generators, alternators, motors and pumps. → SUN

"The economy is weakening visibly"

Larry Fink, CEO of BlackRock, in reaction to Donald Trump's tariff war.

FITNESS

Protein appeals to the masses

High-protein foods are in vogue. According to *The Economist*, sales by Danone's unit dedicated to these products reached 1 billion euros in 2024, up from 400 million in 2021, boosting the figures for the entire group. Nestlé, for its part, has introduced a range of products called "Vital Pursuit", including pizzas, sandwiches and pastas enriched with proteins and vitamins. The Swiss giant also sells dairy products (Lindahls) and drinks (Resource Ultra+, Clinutren Ultra) containing a significant proportion of these compounds that promote muscle growth. The American group Conagra Brands has also recently launched a line of protein products, including meat and sunflower seed-based snacks, and Mars has introduced protein versions of its chocolate bars. → BN → NESN → CAG

$46 BN

Value of the licence agreements signed by Chinese pharmaceutical groups in 2024, compared with $28 billion in 2022. Between 2021 and 2024, the number of treatments under development by China doubled to 4,391, just behind the United States. The country owes this boom to reforms that have accelerated clinical trials and the approval of new drugs, as well as investments in the sector.

HOLIDAYS

EasyJet vacations are popular

Launched in 2019, EasyJet's package holiday division has been a great success. It saw profits grow by 56% during the 2023–24 financial year, reaching 190 million pounds (227 million Swiss francs), or almost a third of the profit made by the low-cost carrier. In the United Kingdom, EasyJet Holidays now has a 7% market share. Its presence is also growing in Switzerland, where the division has been established since 2023, as well as in France and Germany. The British group benefits from the synergies achieved with its flight segment. It has also been able to develop a network of some 5,000 hotels, with which it has entered into direct contracts. → EZJ

THE QUESTION

Saudi Arabia is investing in all directions. In which sectors does the country really have a card to play?

"Saudi Arabia set out to diversify its economy a decade ago. More than half of its GDP is now made up of income not linked to fossil fuels, compared with more than 40% in 2018. Among the growth sectors, tourism has done very well. The mining sector is also promising, especially for copper and rare earths. Green energy is another growth area. Saudi Aramco will start exporting blue hydrogen from 2026 at an extremely competitive price. Chinese groups have invested in large solar and wind farms, particularly in the north of the country, which benefits from an abundance of sun and wind.

On the other hand, the manufacturing sector is struggling. The country lacks the labour force for industrial jobs. Similarly, several major contracts have been signed in the field of data centres and semiconductors, for example with the American company Oracle, but this is still a long way off."

Yaseen Ghulam, economist and director of research at Al Yamamah University, Riyadh

LIBERALISATION

Ethiopia gets a stock exchange

At the beginning of the year, Ethiopia launched a stock exchange. Presently, the index only includes one company, Wegagen Bank, but it hopes to attract 90 within 10 years. Among the candidates are banks, buoyed by the recent opening up of the sector to foreign investors, as well as state-owned companies. Five firms operating in the fields of telecoms, shipping, insurance, printing and duty-free shops have already signalled their interest. However, the economy of this country of 130 million inhabitants is not doing well: its currency, the birr, lost more than half of its value against the dollar during the second half of 2024 and the current tensions in the Tigray region raise fears of a resurgence of the conflict with Eritrea.

Ethiopian Prime Minister Abiy Ahmed rings the bell during the launch of the Ethiopian Stock Exchange in Addis Ababa, Ethiopia, on 10 January 2025.

THE FLOP

Microsoft's Copilot+ disappoints

Launched in May 2024, Microsoft's Copilot+ PC was set to revolutionise the world of laptops, equipping them with features powered by artificial intelligence. However, at the last minute, the American group had to forgo including Recall, an AI assistant that was supposed to enable advanced searches on Windows 11. The latter took regular screenshots in order to search the activity history, among other things, raising data protection and privacy issues. Following this setback, Copilot+ PC users had to make do with a handful of reduced features (an image generation tool, smart filters and an audio translation service) that were hardly convincing. This failure led to disappointing sales. Only 10% of the laptops sold in the third quarter of 2024 were equipped with Copilot+. → MSFT

+33%

Year-on-year increase in the price of silver since March 2024 according to Macrotrends. Usually unpopular with investors due to its volatility, the grey metal has become a safe haven in a climate marked by economic and geopolitical uncertainty. Industrial demand has also skyrocketed, increasing by 50% over the past decade, driven by the solar panel industry.

"Everybody who was subject to Europe's bonus cap got a grotesque increase in fixed pay"

Bill Winters, CEO of Standard Chartered, on senior bankers.

© AMANUEL SILESHI, AFP

“Swinging from one extreme to another cannot be the right approach”

Mike Wirth, CEO of Chevron, on the US government’s erratic policy on oil licensing.

THE IPO

Stock market disappointment for liquefied natural gas troublemaker

Venture Global, a US liquefied natural gas (LNG) terminal operator, was listed on the New York Stock Exchange in January. The company turned the sector on its head by investing in terminals made with modular equipment, which permitted it to halve the time needed for their construction and to lower the cost. It quickly won over large clients, including Shell and BP, and saw its revenue grow to reach 4,97 billion dollars in 2024. But when it listed on the stock exchange, the Virginia-based group was valued at $58.2 billion, well below the $110 billion initially targeted. Its shares lost more than 65% of their value in four months. Analysts nevertheless see it as a relevant investment because the group is now undervalued, particularly compared to its competitor Cheniere Energy. The outlook is also promising in the LNG market, which President Donald Trump wants to promote and which is benefitting from strong demand in Europe. → VG

The Syngenta stand at the China International Import Expo trade fair in Shanghai in November 2024.

AGRICULTURE

Syngenta in search of natural solutions

Syngenta, owned by ChemChina, is to acquire a series of natural compounds and genetic strains developed by Novartis. The Basel-based company will also lease a pilot fermentation unit from the pharmaceutical group. This approach will allow it to develop biological solutions for farmers. Using certain microorganisms found in nature – such as bacteria, fungi and algae – these products help to control pests, weeds and diseases, as well as increase the resistance of crops to drought and high temperatures, without the use of environmentally harmful chemicals. Syngenta invested in this sector following the acquisition of the Italian company Valagro in 2020, after having entered into a collaboration agreement with Novartis in 2019.

INDUSTRY

ABB strengthens its position in the United States

ABB is to invest 120 million dollars to increase its production capacity in the United States. The Zurich-based group is to open a new factory in Tennessee and expand a site in Mississippi, creating 250 jobs. This expansion will allow it to meet the growing demand in the field of data centre electrification and the modernisation of electrical networks. It will also enable it to avoid the import taxes imposed by President Donald Trump. ABB, which generated 27% of its revenues in the United States in 2024, already produces 75% to 80% of the goods sold there on American soil. → ABBN

US TARIFFS

And Donald Trump made the SMI falter

For a week, between 2 and 9 April, Swiss company shares plummeted, haunted by the punitive tariffs decreed by the White House. While skies have since relatively cleared, no one is truly out of danger yet. BY LUDOVIC CHAPPEX

© TANG YAU HOONG

Wednesday morning, 9 April. The Swiss financial centre awakens stunned by the implementation of 31% tariffs on Swiss-made products destined for the United States. It was no fictional nightmare; the measure announced a week earlier by US President Donald Trump in a surreal White House scene, placard in hand, had become reality. The SMI quickly plunged 5%, compounding the already substantial losses recorded in previous days. Switzerland's French and German neighbours, penalised with 20% customs duties – a lesser blow compared to Switzerland – fared barely better. Rarely had such dismay, tinged with desperation, engulfed the Swiss financial centre in such a compressed timeframe. On the phone, Jérôme Schupp, an analyst at Prime Partners, admits: "It's very difficult, very brutal. I've experienced many crises, but this one is unprecedented." Throughout the morning, grim assessments accumulated, flooding news feeds and social networks.

To fully comprehend the shock, one must recognise that the United States represents Switzerland's largest export market, accounting for 53 billion francs (excluding gold, see infographic on p. 16) and generating significant profits for the companies involved. This relationship has only intensified in recent years: in 2024, 18.6% of Swiss exports were bound for the United States, compared with 10% in 2004.

Wednesday, 9 April, around 7.15 pm: another bombshell. Donald Trump presses the pause button. Tariffs are suspended for 90 days. A global rate of 10% will apply to all countries, with the exception of China, which faces a punitive 145% rate. The American president ultimately yielded to surging rates in the US debt market, crucial for United States financing. A few hours earlier that afternoon, a 25-minute telephone conversation between Swiss Confederation President Karin Keller-Sutter and Donald Trump had allowed Switzerland to make its case. This unusual diplomatic exchange caught the attention of several American media outlets: Kevin Hassett, chairman of the White House-affiliated National Economic Council, even remarked on CNBC the following day that the conversation had transpired "in an incredibly friendly manner".

And now? The problem remains that while Donald Trump has suspended the tariffs, he has hardly dispelled the uncertainty that markets abhor. Most countries, Switzerland included, will now enter into negotiations with the US government that promise to be extraordinary.

> **"I've experienced many crises, but this one is unprecedented"**
>
> **Jérôme Schupp,** analyst at Prime Partners

In practice, depending on the extent of tariffs the Trump administration ultimately decides to apply (or not) to Switzerland, Swiss firms will be affected to varying degrees. Large multinationals with production facilities in the United States would not be directly impacted if their products are manufactured domestically in America. This applies particularly to Nestlé – with the exception of Nespresso capsules and certain chocolates produced in Switzerland – and various Swiss industrial companies, such as Sika, whose CEO granted us an interview in this issue (read on p. 18).

Even more insulated are listed companies operating primarily in the Swiss domestic market, such as Swisscom, Flughafen Zürich, and BKW Energie, which could emerge as defensive stocks over the coming weeks and months.

Watchmaking in danger

The situation differs dramatically for companies producing entirely in Switzerland. The watch industry, highly dependent on the US market, would be severely affected by substantial customs duties. "For the Swatch Group, a 31% tariff would be catastrophic," says Jérôme Schupp of Prime Partners. "Who would want to buy a Longines with such a price increase?" High-end brands, which align more with Richemont's positioning (Cartier, Jaeger-LeCoultre, etc.), would be better equipped to absorb price increases.

The machine tool industry also faces significant threat, particularly if the customs duty eventually applied to Switzerland differs from that affecting the Eurozone. In these sectors, Swiss firms contend with strong competition, especially from German companies. Notable examples include VAT Group (valves for semiconductors), Sensirion (environmental sensors), and OC Oerlikon (surface coating and synthetic fibres), whose shares dropped by approximately 20% in the week following 2 April.

Anxiety over pharmaceuticals

And then there's pharmaceuticals... The elephant in the room. This sector alone represents more than half of Swiss exports to the United States, exceeding 31.2 billion francs last year. Thus far, Swiss pharmaceutical companies have been spared from Donald Trump's tariffs, but the threat looms large: the US president has threatened to impose tariffs on pharmaceutical products "like we've never seen before", in his words. The US administration →

maintains deliberate ambiguity in this area, providing no points of reference. “We don’t have any concrete facts in hand,” summarises Stefan Schneider, pharmaceuticals analyst at Vontobel. Faced with such uncertainty, shares of Novartis and Roche also plunged after 2 April.

Swiss pharmaceutical companies have limited room to manoeuvre regarding prices in the United States

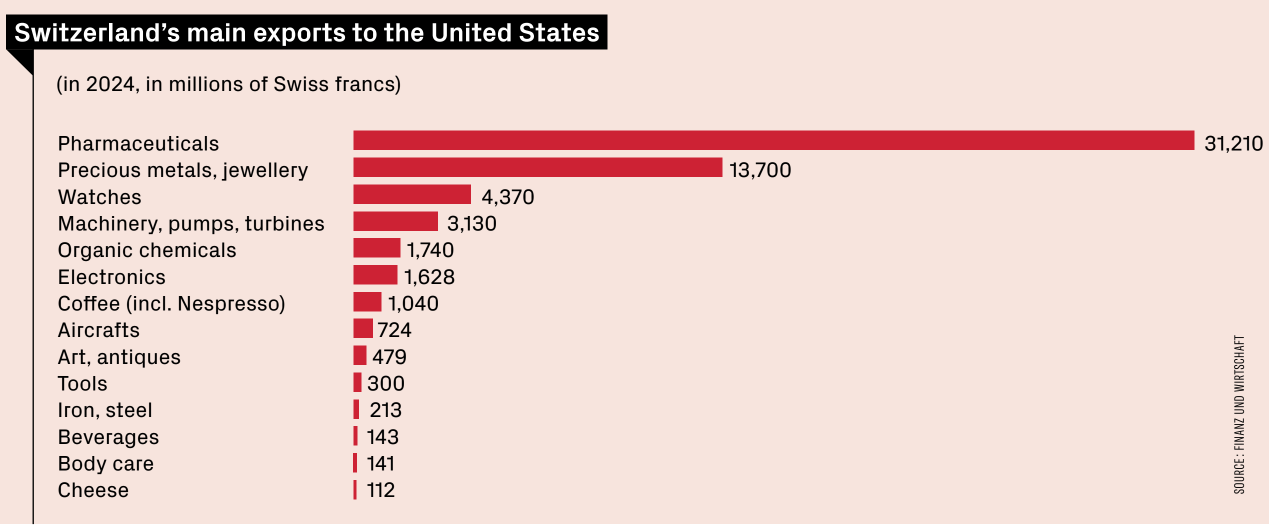
At the heart of this storm, Ireland crystallises the key issues. For decades, this country has functioned as a production hub for pharmaceutical companies, offering an attractive tax rate (12.5%), significantly below the 21% currently in force in the United States.

“This system operates on what is known as transfer pricing,” explains Stefan Schneider. “Pharmaceutical companies, including American giants, manufacture their drugs in Ireland and then sell them to their American subsidiaries. This allows them to divide profits between Ireland, where the tax rate has always been low, and the United States, where it has traditionally been high. During his first term, President Trump lowered the US tax rate, but companies have not relocated their production. We believe Trump will challenge this system. He wants profits generated by sales in the US market to be fully taxed there.”

The situation becomes particularly complicated for Swiss pharmaceutical companies because they have limited room to manoeuvre regarding prices in the United States. Legislation restricts drug price increases to the rate of inflation. “If a company raises prices beyond that threshold, it faces penalties,” says Schneider. Novartis and Roche would therefore be unable to pass on any customs duties to consumers.

Confronting these pressures, Novartis responded swiftly, announcing on 10 April plans to invest $23 billion, particularly to construct six new factories and expand three others in the United States. With these enhanced production capacities, the Basel-based firm would position itself to produce all its key medicines within the United States. A new research site is also planned for San Diego, California. The day before, reports emerged that Novartis had urgently shipped tonnes of medications to the United States...

While the SMI attempts to regain its footing, one certainty remains: faced with an unpredictable US president, the Swiss financial centre will need to demonstrate exceptional resilience to preserve its standing on the global stage. ◢



"WE BENEFITTED FROM RESHORING TO THE UNITED STATES"

THOMAS HASLER
CEO of Sika

Sika just completed a record-breaking year. The Zug-based company is benefitting from opportunities in the US market, electric vehicles and new sustainability requirements in the construction sector. We spoke with Sika's CEO Thomas Hasler.

BY JULIE ZAUGG

Sika sells products that we can't see: membranes that protect building roofs from the elements, additives that are used to make concrete, and adhesives that hold car parts together. But even though we can't see its products, the Swiss company, based in Baar in the canton of Zug, has become essential in the construction and automotive industries. It is now present in 102 countries with more than 34,000 employees. In 2024, Sika saw its sales increase 4.7% to reach 11.76 billion Swiss francs. Its net income was up 17.4%.

IN NUMBERS

CHF 11.76 BN
Sika's turnover in 2024.

34,000
The number of employees worldwide.

+17.4%
Net income growth in 2024.

You announced in late February that your annual results were noticeably up (read on p. 22). Sales have increased considerably in the Americas, particularly in the United States. What led to this growth?

We benefitted from reshoring, which has accelerated in recent years, particularly with companies that work in digital. In the United States, semi-conductor factories and data centres are multiplying. These facilities must be able to operate 365 days a year with no interruptions, and this level of service requires advanced technologies that keep the roof secure and the building waterproof. We're the leader in this segment: we have participated in more than 50% of these kinds of projects in the US. We also took advantage of investments in infrastructure – bridges, building renovations – that were handled under the Inflation Reduction Act (ed. note: adopted by Congress in 2022).

And what about the tariffs that the new US administration wants to place on foreign goods imported into the US? Will this decision affect your business on the other side of the pond?

Not really. We work in an extremely decentralised way, with local subsidiaries that have significant autonomy. Our subsidiary in the US is the largest, but it is powered by supply chains that are almost 100% American. It produces in the United States, for the United States, with raw materials that are sourced in the United States. So the new US tariffs do not apply to these business activities.→

“The electrification of the auto sector has opened us up to new opportunities”

Thomas Hasler, photographed on the sidelines of Sika’s annual conference at Metropol Zurich on 21 February.

© NICOLAS RIGHETTI, LUNDI 13

You recently opened new factories in China and Singapore. Is Asia still a promising region for Sika?

Absolutely. Nearly half of global potential in terms of construction is based in Asia. The region continues to become more urbanised as supercities grow, and the population continues to increase. In the short term, there will be a few hurdles, particularly in China, where there will be a serious real estate crisis, but in the long term, Asia is still an attractive place of growth for us. India is booming: the country has finally started building roads and expanding its rail network. With his new five-year term, Prime Minister Modi will be able to successfully complete his projects. Indonesia, the Philippines and Vietnam also have attractive growth rates. That all helps us compensate for the current regime in China. Similarly, the growth in the Middle East, particularly in Saudi Arabia, counterbalances the slowdown in central and eastern Europe.

BIOGRAPHY

A CAREER FOCUSED ON SIKA

Thomas Hasler has spent his entire career at Sika. Now 60 years old, Hasler joined the company in 1989 as a chemist in the adhesive department. In 1995, he moved to automotive, where he held various management positions in Europe and North America, before being named Chief Technology Officer in 2014. Four years later, the Zug resident, who has an MBA from the University of St Gallen, became head of global business and industry for Sika. He was named CEO in 2021. He loves skiing and hiking in the mountains, and he is married with three children.

Sika’s recent acquisitions include the company Vinaldom in the Dominican Republic and Chema in Peru. What was the decision process behind these types of investments?

This strategy reflects the company’s decentralised approach. We make acquisitions that are targeted to small and medium-sized companies that meet a specific need in a specific region. In the Dominican Republic, our acquisition of Vinaldom makes it possible for us to control a production facility that manufactures additives used to make concrete. This helps us serve the entire Caribbean market alongside our three other regional facilities in Panama, Guatemala and Puerto Rico. In Peru, we already had a well-established direct sales model, but we needed an indirect distribution channel. Our acquisition of Chema provided us with a sales network in the tile setting sector. Our goal is to expand this distribution channel to our other solutions, which will allow us to further penetrate the Peruvian market.

Sika is particularly exposed to the automotive market, and provides products for adhesives, absorption, weatherproofing, and strengthening. But strengthening slowed down considerably in 2024. How did that affect the company?

We are an important supplier to the automotive industry. When production numbers drop, as was the case for some big companies in the industry including Stellantis and Volkswagen, that impacts our cash flow. But we were able to partially counteract these unfortunate circumstances by increasing the number of parts that we produce on each vehicle. The electrification of the auto sector has opened us up to new opportunities. For example, our solutions are used in batteries for electric cars, to keep them from overheating and to maintain maximum efficiency.

The construction industry, a key sector for Sika, now has new sustainability requirements. What is your positioning in this industry?

From our very start, we made a name for ourselves as a supplier of high-quality and high-performance solutions. Our long expertise makes us a valuable partner in sustainable, energy-efficient construction.

Can you give us an example of some of the sustainable materials you make?

We were one of the first companies to develop a type of mortar in which the cement was replaced by other active ingredients. We now have an entire range of similar products. The carbon footprint of these materials is reduced by up to 50%. Our new thermoplastic fibres also made it possible to eliminate the steel bars found in concrete, and producing steel uses a lot of energy. Unlike steel, the thermoplastic fibres do not rust. There is also less human labour needed when laying the concrete. →

“Our new thermoplastic fibres made it possible to eliminate the steel bars found in concrete”

This innovation lowers cost and increases the sustainability of the structures built with this material. One of the 125 patents that we filed last year was a roofing membrane that can repair itself in the event of hail or other damage. That saves building owners from replacing the roof all the time. And when the membrane has reached the end of its lifespan, after 30 or 40 years, the membrane can be recycled and reused into a new product.

You joined Sika 36 years ago. How has the company changed since then?

When I joined Sika as a chemist, the various business units were pretty isolated from each other. Over the years, the company has become more professional. Now, we are much more aware of the various entities of the group and have procedures in place to share our respective experiences and learn from each other. We say for example: "if this worked in Malaysia, we might be able to do the same in Peru or Brazil." But at the same time, Sika has always been able to maintain a company culture where the power comes from the bottom rather than the top. In that sense, we are a very Swiss company! ◢

ANALYST OPINION

AS THE INDUSTRY LEADER, SIKA COULD IMPROVE ITS PROFITABILITY EVEN MORE

Sika's good results in 2024 were driven by its sales in the construction sector in the United States, India and the Middle East, particularly in Dubai and Saudi Arabia, according to Alexander Koller, who covers the company at Vontobel. But the Swiss company did see weak growth in central Europe and China. Similarly, the automotive sector, which makes up 15% of revenue, was barely notable for Sika. Nevertheless, it increased its profitability significantly, growing its EBITDA by a record 11%, which provided a 19.3% margin. "The acquisition of MBCC Group, finalised in 2024, allowed Sika to make important synergies," said the analyst. The synergies resulted in savings of 125 million Swiss francs.

Benefitting from a dominant position in the sector, with an 11% market share, the Swiss company has little to worry about in terms of direct competition. "It operates in a very fragmented market," said Alexander Koller "The potential for consolidation is high and Sika is likely headed towards targeted acquisitions in the new financial year." He has issued a buy recommendation, as the growth perspectives are good, particularly in the United States and India, and there is potential to improve margins even further. → SIKA

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D O S S I E R

Germany: The spectre of decline

Europe's industrial powerhouse is weathering severe economic turbulence. Faced with this dire reality, Berlin has unveiled a massive recovery strategy on a scale unseen since the Marshall Plan. But is it enough to revitalise the economy as Trump continually changes the rules of the game? BY BERTRAND BEAUTÉ

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"The biggest risk to the German economy is Trump!" Felix Schmidt, senior economist at German private bank Berenberg in Frankfurt am Main, makes no secret of his weariness. Since Donald Trump's return to the US presidency, American trade policy has become increasingly chaotic, erratic and precarious. Markets alternate between crashes and periods of euphoria as the US president recalibrates his approach to tariffs. Germany – the quintessential 'Das Autoland' and major exporter to the United States – is particularly vulnerable. In 2024, German exports to the US reached €163.4 billion (+4% compared to 2023), representing 10.5% of the country's total exports.

Since 12 March, the United States has imposed tariffs of 25% on steel and aluminium, followed by 25% on cars from 2 April. However, the US president has suspended the so-called 'reciprocal' customs duties of 20% for the European Union for 90 days.

"It is difficult to make predictions with this administration," emphasises Johannes Feist, CEO of Mikro Kapital Management. "But we can hope that Trump has understood that he was damaging his own economy with his tariff barriers, which is why he suspended them. But it is not certain and he could very well decide to reinstate them after 90 days." In the meantime, this represents a relief for Berlin, which was →

already experiencing a difficult period before Trump's return to the White House. For the past couple of years, Europe's leading economy has been struggling, recording a second consecutive year of recession in 2024 – a phenomenon unprecedented since 2002–2003.

> **"This is the biggest investment plan in Europe since the Marshall Plan in 1948"**
> **Fares Benouari,** senior portfolio manager at Union Bancaire Privée (UBP)

"The German economy has been struggling for several years," confirms Alessandro Valentino, product manager at VanEck. "The manufacturing, automotive, chemical, and construction sectors are particularly affected, suffering from high energy costs, weak global demand, and growing competition from China. Since 2019, German industrial production has fallen by 10%."

The consequences are evident: emblematic industrial pillars of 'made in Germany' are suffering – Volkswagen, Porsche, Mercedes, Bosch, Continental, Audi, Bayer, ThyssenKrupp, BASF (among others) – all announcing massive layoffs or factory closures in recent months. On the political front, growing public concern has rekindled deep anxieties about national identity, fuelling support for the far-right party AfD (Alternative für Deutschland), which became the country's second-largest political force in the February 2025 legislative elections, securing 20.8% of the vote.

How can we explain the decline of a country that has long been a European exception with its robust growth, record exports, and fiscal discipline? "Germany has faced an exceptional series of difficulties in recent years," replies Fares Benouari, senior portfolio manager at Union Bancaire Privée (UBP). "Other European countries such as France also have problems, but only Germany has to face them all simultaneously."

Germany's difficulties stem from both structural and cyclical factors. Structurally, the country confronts an ageing population, high labour costs, bureaucratic complexity, and a particularly challenging ecological transition. These factors compound economic problems: declining exports due to slowing Chinese demand, surging energy prices since the war in Ukraine began, and eroding competitiveness in the face of increasingly fierce international competition, particularly from China. "Together, these factors make a prolonged economic slowdown increasingly likely," says Alessandro Valentino.

Germany thus faces, at best, a third year of sluggish growth in 2025. The German Federal Bank predicted a modest rise of only 0.2% in gross domestic product (GDP) at the end of 2024. "In the short term, the outlook for 2025 is cautiously optimistic," confirms Christian Schwab, head of Portfolio Management at Rothschild & Co Wealth Management Germany. "After two years of negative growth, a slight recovery is expected."

↑ During the Rose Monday (*Rosenmontag*) parade in Düsseldorf on 3 March, a float depicted all the problems facing Germany and its new Chancellor Friedrich Merz.

This represents the first fruits of the German government's efforts to revitalise the economy. Less than a month after the legislative elections, and even before his appointment as chancellor, Friedrich Merz secured approval from both the Bundestag and Bundesrat in March for an ambitious recovery plan. This initiative provides for several hundred billion euros of investment in defence and infrastructure while reforming the 'debt brake', allowing for significantly increased borrowing to stimulate growth.

"This is the biggest investment plan in Europe since the Marshall Plan in 1948," says Fares Benouari. "The massive capital injection should boost the country's economy." Christian Schwab shares this view: "The German fiscal programme is a historic initiative," emphasises the head of Portfolio Management at Rothschild & Co Wealth Management Germany. "These measures should have a positive impact on long-term economic growth, even if the exact scale of this impact is difficult to predict. In the best-case scenario, potential growth could increase considerably."

Several sectors should particularly benefit from state funding, notably the defence industry (companies such as Rheinmetall, Renk, and Hensoldt), construction (Heidelberg Materials), transport excluding automobiles (Siemens), digitalisation (SAP), and renewable energy (Siemens Energy). "Construction and defence will be the first sectors to benefit from the stimulus package," emphasises Felix Schmidt. "In the medium term, military Research & Development often has positive spill-over effects in other areas."

Other positive indicators include falling energy prices, which should restore some competitiveness to German companies. "Despite the circumstance, we remain optimistic for Europe in general and for Germany in particular," continues Felix Schmidt. "While the United States is Germany's leading overall trading partner, Europe is more important. It imports more German products than the United States. Beyond that, China is also an important trading partner, buying 6% of German exports."

Indeed, a significant part of Berlin's future will be determined in Beijing. Between 2016 and 2023, China was Germany's leading trading partner. Throughout these years, Berlin's prosperity was fuelled by Beijing's growth. However, trade between the two countries has steadily declined recently due to several aspects: falling Chinese demand, strengthened self-sufficiency policies by the Communist Party, and stronger competition from local Chinese products. In 2024, German exports to the Asian giant fell by approximately 7% compared to 2023, to around €90 billion.

What does the future hold? In an open conflict with Washington, can Beijing regain sustained growth and boost its imports of German products? This scenario appears uncertain because China, a long-standing customer of German industry, increasingly proves to be a competitor, as evidenced in the automotive sector. "Historically, Chinese car manufacturers have copied German brands," recalls Felix Schmidt. "But today, the situation has reversed: German manufacturers must learn from their Chinese counterparts (also read the interview on p. 40). A competitive car today is primarily defined by its battery technology and software capabilities – two technologies that Chinese manufacturers have mastered better than Germans due to their extensive experience with smartphones."

Furthermore, the automotive industry still faces US tariffs of 25%. Consequently, in early April, Audi decided to suspend its exports to the United States until conditions improve. On Monday 14 April, however, the US president hinted that he might ease or temporarily suspend the customs surcharges introduced on 3 April on imported cars, in order to give companies some time to relocate their production to the United States. This new about-turn was greeted with relief by the markets. ◢

The Ruhr: In search of bygone times

With two years of a recession, industry in poor shape and a sluggish automotive sector, new chancellor Friedrich Merz has his hands full. We report from Germany.

BY SERGE ENDERLIN, SPECIAL ENVOY IN BOCHUM AND GELSENKIRCHEN

Founded in 1847, the Zollverein coal mine and coking plant in Essen is one of the emblems of the Ruhr region. Formerly the largest mine in the world, the site ceased operations in 1993. It now houses two museums: the Red Dot Design Museum (contemporary art) and the Ruhr Museum (history of the region). It has been a UNESCO World Heritage site since 2001.

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Through the train windows to our left, the calm Rhine river slowly makes its way north. Near Mannheim, after the train was already almost 30 minutes late, a fellow passenger was surprised to see our frustration. "It's not worth getting upset over," he said. "Thirty minutes is standard now, especially on the main lines." Truly shocking. The legendary Deutsche Bahn (DB) and its white inter-city trains have become a national joke. Express trains running slowly, constant cancellations, a never-ending run of issues, thanks to years of chronic underinvestment in infrastructure and rolling stock and promises to improve gone unfulfilled. →

What a surprise to learn that taking a train in Germany, a power country once known for its organisation and precision, now means that you likely will not arrive on time. Last year, 37.5% of DB high-speed trains were late by at least six minutes, according to the rail group, which is the highest late percentage in 20 years. Comparatively, less than 20% of trains were more than five minutes late in France in 2024. In the December 2024 ranking for European performance (punctuality, price-quality balance) from French NGO Transports & Environnement, DB is ranked #17, between Hungary and Portugal, and very far from Trenitalia (ranked #1) and even Spain's Renfe (#7), which are both quite proud of their impeccable high-speed networks. It is clear that Germany has now fallen below the 'Club Med' southern European countries that it has long mocked.

The country has plunged into a collective depression more commonly associated with its French neighbour

That said, Germany remains the third largest economy worldwide, with a GDP of $4,305 billion in 2024, even with a 0.2% decrease – the second consecutive year of a slight recession. But The country has plunged into a collective depression more commonly associated with its French neighbour. What is plaguing Germany at the moment?

To occupy our time as we travelled towards the Ruhr, we read two contrasting books. Published in 2020, *Why the Germans Do it Better* (from John Kampfner, Atlantic Books) provides examples as to how and why the post-WWII Wirtschaftswunder endured so long that until recently, Germany was still the unrivalled model for the European continent, and the only G7 European economy that maintained a high-performing industrial sector as the uncontested champion of exports. The book is only five years old but has aged quite poorly. We also read *Kaput*, from journalist Wolfgang Münchau (read his interview on p. 40) that came out a few months ago via Swift Press, and is required reading about "the end of the German miracle".

Continuous clashes

As we have only just passed the towers of the Cologne cathedral, adding an additional nine minutes to our voyage, we now have the time to understand a few key aspects of the current breakdown, which is the result of a series of shocks that were handled in various ways. Over the last 15 years, Germany has accomplished quite a feat and escaped from three addictions. First: carbon, which is doomed by the climate crisis but was key in helping Germany recover from Nazi annihilation and propel itself to become one of the largest industrialised nations by the end of the 19th century. Second: nuclear, after the Fukushima power plant explosion in Japan in 2011. Third: Russian gas after the invasion of Ukraine. Germany had no qualms about turning to the cheap Gazprom substance to counteract the first two vices. As a replacement, Germany is now fighting to import expensive liquefied natural gas (LNG), often from the United States. Germany consumes the most gas in all of Europe, with industry (primarily steel and chemistry) making up 60% of Germany's total consumption.

German President Frank-Walter Steinmeier, pictured here on 21 December 2018, at the closure of the Prosper-Haniel mine in Bottrop – Germany's last operating coal mine. With this closure, Germany brought to an end more than 250 years of industrial history in the Ruhr. ↓

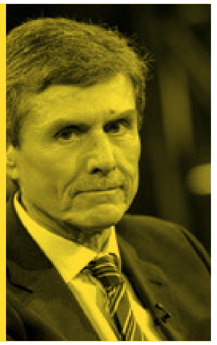
At the same time, the landscape is dotted with tens of thousands of wind turbines and solar panels. Moreover, Germany still has the largest capacity for renewable energies of all the large industrial economies in Europe. But the result of these many upheavals is significant. While true that Germany has considerably de-carbonised its energy mix, it does suffer from intermittent renewable energy supply and pays the highest prices in Europe. For companies consuming more than 150 GWh of electricity per year, the price per kilowatt-hour was up to 15.89 cents, tax included, in Germany in the first half of 2023, according to Eurostat, compared to 8.88 cents in France and 10.22 cents in Spain. And industry, the top consumer, is not happy about this new framework from Berlin imposed by successive governments where the Greens have made their mark.

Add to that the fact that Germany is impacted by geopolitical unrest more than others in Europe. While the Middle East was in turmoil, Germany was the one opening its doors to Syrian refugees: 1.1 million new refugees as of autumn 2015, and the now-famous "Wir schaffen das" or "we can do it" policy from Angela Merkel. And when Vladimir Putin invaded Ukraine in February 2022, an additional one million refugees were welcomed in Germany once again. This boost for the declining German population is handled by the government in Berlin, which is also seeking economic growth. But everything comes at a price. The generous welcome puts a burden on public funds, and in return provokes xenophobia that feeds the far-right AfD party. →

↑ Construction of a wind turbine at the Grosse Heide wind farm. In 2023, renewable energies accounted for 55% of electricity consumption in Germany.

Ruhrgebiet

We finally arrive in Bochum, in the heart of the Ruhr, in the state of North Rhine-Westphalia. The city is one of the four sisters (with Duisburg, Essen and Dortmund), that make up an economic area that is approximately 100 kilometres from west to east, 50 kilometres from north to south, and home to more than five million residents. The Ruhr is the highest concentration of heavy industry in all of Europe.



> **"No one in Germany is capable of imagining the future beyond the next two or three years, whereas China is already planning the next 40. We can't keep up with them"**

Ferdinand Dudenhöffer, automotive industry expert

The heart of German manufacturing is currently on the brink of cardiac arrest. This is a region of labour and of football. The spectacular dome of the Veltins-Arena, the Schalke 04 stadium in Gelsenkirchen can be seen not far from the former slag heaps, which have been transformed into 'Landschaftspark' since coal was mined. The club, which for a long time wore the Gazprom logo on its jerseys, has spent the last several seasons in the secondary Bundesliga. Its prestige did not survive the split from Russian gas pipelines. We met Ugo Grotz, a long-time supporter and mechanic by trade near the stadium. "Glory comes and goes in this place. But to be honest, it's been quite a while since it's come." He may be talking about more than just his favourite club. Ever since the turning point of the 1970s and the end of the carbon-steel supremacy due to the slow death of carbon, the Ruhr region has maintained one of the highest unemployment rates in the country (10.3% compared to the 6.4% national average in January 2025).

Bochum is one of the major cities for steel manufacturer ThyssenKrupp, even as the headquarters of the multinational are in Essen, close by. (We'll come back to that later.)

We also chatted with economist Ferdinand Dudenhöffer, expert in the automotive industry, who gave us more detail on Germany's current ailments. His expertise is invaluable, his clear-sightedness sharp as a knife, and his conclusions are dreaded. Dudenhöffer, who is known as 'Der Auto-Papst' by the German press, offered his unfiltered diagnosis on a bitterly cold late February day: "The German automotive industry, which is so essential that it employs 10% of the country, is in a serious crisis. But this crisis is much larger than just Germany – it affects the entire industry and all of Europe. We often talk about Germany because it's the most significant country in the industry. Why is it in crisis? Because we're not innovative enough, we have missed the opportunities to go digital and use AI, either because of myopia, or stupidity, or perhaps both. And we're not great in the battery industry, which is essential in today's world. Why is that? Because no one in Germany is capable of imagining the future beyond the next two or three years, whereas China is already planning the next 40. We can't keep up with them. Manufacturing a battery in Berlin would cost a fortune, because it requires a lot of energy, and we have the highest energy prices in the world."

He continues, explaining how Chinese automotive manufacturers such as BYD are making significant progress. He expects BYD to succeed and even dominate the global market, Europe included, in the next five years. He says that in Shanghai, companies are putting wheels on ultra-perfect computers,

↑ Volkswagen, the flagship of the German automotive industry, is in dire straits. The group is going to cut more than 35,000 jobs in Germany between now and 2030 in order to reduce its costs. In November 2024, Volkswagen employees demonstrated in Wolfsburg at the call of the metalworkers' union IG-Metall to oppose the thousands of job cuts planned.

© RONNY HARTMANN/AFP

whereas Germany has been adding screens to large diesel Audis until recently. The technology is in China, so for now in order to survive, European manufacturers, led by Germany, are growing their research labs in China rather than in Europe. "The bureaucracy and over-regulation in the EU are hindering us enormously," said Dudenhöffer. "It is blocking innovation and paralysing the ecosystem. The auto manufacturers are struggling, which trickles down to the sub-contractors, and then the entire value chain is down for the count. And then the dominoes continue to fall, as the manufacturers who make the machines for the sub-contractors are affected, and then the investment, real estate and building industry as a whole. So as you can see, this is a massive shift in Europe towards deindustrialisation and there is no plan, no way we can think of to stop it."

Dudenhöffer is probably too quick to forget the Dieselgate scandal at Volkswagen. The scandal, which broke out in September 2015, severely tarnished the integrity and serious image of German brands. On a symbolic level, it was the beginning of the slow decline of German industry.

Haemorrhage

"I can't remember the last time the atmosphere in our factories was this bad. Order books are empty, the machines have →

stopped and companies are looking to invest elsewhere and not in Germany." President of Bundesverband der Deutschen Industrie, the lobby of industrial employers, Peter Leibinger explains an endless downward spiral that is punctuated even further by unfortunate numbers.

"I can't remember the last time the atmosphere in our factories was this bad. Order books are empty and the machines have stopped"

Peter Leibinger, president of Bundesverband der Deutschen Industrie

German industry lost nearly a quarter of a million jobs since the start of the COVID pandemic. According to the VDA professional association, 11,000 jobs were eliminated last year among automotive sub-contractors alone. Gesamtmetall, one of the most influential German industry lobbies, expects that up to 300,000 additional jobs will be eliminated amongst its member companies over the next five years.

The brutal contraction is reflected in the market price of the traditional industrial giants and brands that are known around the world. Volkswagen (VW), ThyssenKrupp and BASF collectively have lost €50 billion (34%) in capitalisation over the last three years. In 2024, VW sales remained down. just a fifth of what they were during its record year in 2019. Global chemical leader BASF is trying to reduce €2 billion in costs at its Ludwigshafen (Rhineland-Palatinate state) headquarters, the largest chemical site in the world, along the Rhine. Steel manufacturer ThyssenKrupp announced it would reduce its production capacity by 25% and eliminate 40% of jobs, and it will be impacted even further by the Trump administration's tariff war on European steel.

Serdar Yüksel knows this series of bad news well. His entire life and family is ThyssenKrupp. His parents arrived from Anatolia in the 1970s to contribute to the German miracle. They experienced prosperous years, very good salaries, childcare, sport clubs, leisure activities, all paid for by the factory. "Not much remains from this very

← Panorama of the ThyssenKrupp steelworks in Duisburg-Bruckhausen. On Monday 25 November, the German steel giant announced a reduction of 11,000 jobs by 2030, illustrating the difficulties facing European steelmakers.

particular industrial and social environment," said Yüksel, who on 23 February 2024 was elected as an SPD member of the Bundestag for the first constituency of Bochum. "Even here, industry only makes up one out of every five jobs; everyone else works service jobs, particularly in logistics, which has really taken over." Of the 20,000 jobs that ThyssenKrupp had in the early 1990s, only 3,600 remain in the city in two distinct locations. And management is seeking to cut another 1,400 jobs in the coming months. Negotiations with the union IG Metall are underway. "We need to be realistic," said Yüksel, "with automation, 3,000 workers can now produce more steel than 20,000 workers were able to back in the day, everyone knows that. The problem is that the inevitable transformations in industrial tools isn't always well explained to the general public, which plays in the favour of AfD."

Europe or nothing

In the second constituency of Bochum, the far-right party won 20.9% of the vote, the same percentage as its national score. It was a local upset, in the sense that until now, this faded industrial bastion always voted for the left, due to strong ties between the factory, the union and the SPD. "This vote can be explained by the current concerns and anxiety. We want to return to the good old days, which of course weren't just the good old days, when Germany alone was triumphant and leading the other European countries," said Yüksel. "But times have changed. Without Europe, we have no chance against the hegemonies of China or the United States. The EU is vital for Germany! We must not forget that 60% of everything that we make in this country leaves as an export."

Except for currywurst, which thankfully remains local to Germany. This strange local food was accidentally invented in West Berlin at the end of the 1940s, though its origins are hotly debated. For those who have no idea what we're talking about, currywurst is a sausage that is either grilled or boiled, eaten whole or in slices, and topped with tomato sauce and curry powder. The dish may look simple, but 800 million currywurst meals are eaten every year in Germany. And since every depressing story has a positive spin, it may be interesting to note that in 2024, VW's best-selling product was not one of its painstakingly converted electric cars: "With more than 8 million Volkswagen Original Currywursts sold, we're celebrating a new sales record," said Gunnar Kilian, HR director at Volkswagen. He fails to mention that most of these were eaten in company cafeterias. The VW logo has branded more sausages than cars for the past several years. Interestingly, China has not yet threatened this market... ◢

→ Unthinkable in Germany just a few years ago, the far-right AfD (Alternative for Germany) party won 20.8% of the vote in the general election on 23 February 2025. Here, a worker replaces a vandalised election poster of AfD candidate Alice Weidel.

DAX: A paradox

Since early 2024, Germany's largest stock index has been setting record upon record, and its performance seems to entirely ignore the economic difficulties in the country. But recently, like other financial markets, it has been rattled by the storm provoked by Donald Trump. BY BERTRAND BEAUTÉ

20,000 points. In early December 2024, for the first time in its history, the DAX surpassed this symbolic threshold, closing a banner 2024 year up around 20%. This performance was even more impressive given that indices in neighbouring countries – like the SMI in Switzerland and the CAC 40 in France – performed much worse comparatively over the same period (see infographic opposite). And nothing seemed to be able to stop the DAX. Over the first three months of 2025, it was still up (+11%), reaching more than 22,500 points on 1 April.

Then came 'Liberation day'. Like all global markets, in less than a week – between 2 and 7 April – the DAX tumbled, losing all its 2025 gains and falling below 22,000 points once again. But Donald Trump is unpredictable, and his decision on 9 April to suspend 'reciprocal' taxes for 90 days brought the DAX back up over 20,000 points to 21'100 on 15 April.

If we leave out the Trump episode, the German index has been over-performing since early 2024, almost as if investors have been ignoring the automotive industry crisis and the grim environment that is plaguing Germany (see also p. 40). Several factors explain this seemingly paradoxical situation. First, the 40 giants of the DAX are indeed German companies, but they generate most of their revenue internationally. For example, the leader in enterprise software SAP, which is the largest capitalisation on the Frankfurt exchange at a maximum of more than €310 billion in late March, generates less than one-fifth of its revenue in Germany.

The growth of a handful of companies such as SAP, Rheinmetall, Hensoldt, Munich Re and Allianz for the most part hide the downfalls of the automotive and chemical sectors

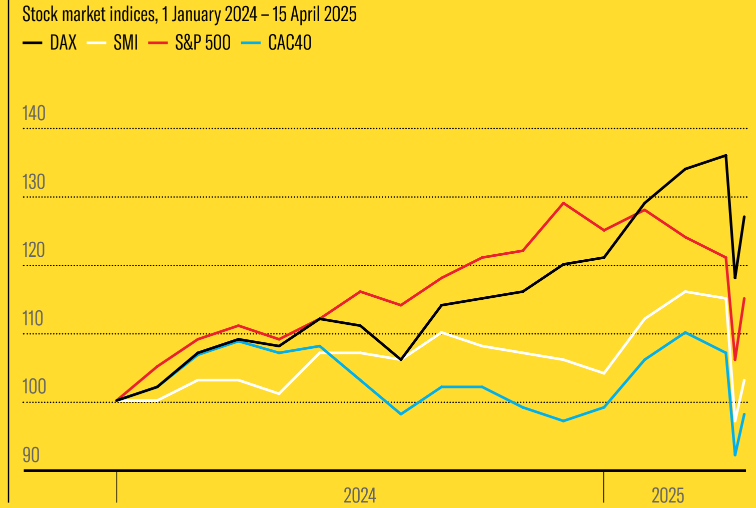
So the local economy has very little effect on its performance. That explains why, while over the last year the DAX was up 16%, the M-DAX – the index that includes German mid-caps that are much more affected by the local environment – was stagnant over the same period (+0,7%). Secondly, the growth of the benchmark index of the Frankfurt exchange hides very strong disparities. "The DAX has been driven upwards the past two years by very specific sectors, such as defence, banks and insurers, whereas the German economy as a whole is rather dominated by companies operating in the construction and chemical industries," said Fares Benouari, senior portfolio manager at Union Bancaire Privée (UBP). In other words: the growth of a handful of companies such as SAP, Rheinmetall, Hensoldt, Munich Re and Allianz for the most part hide the downfalls of the automotive and chemical sectors (see infographic on p. 39).

"German automotive manufacturers only make up approximately 6% of the DAX, whereas the tech company SAP alone is 15% of the entire index," said Christian Schwab, head of Portfolio Management at Rothschild & Co Wealth Management Germany. "Financial services providers such as Allianz and Munich Re, which together make up 12% of the DAX, have also posted solid performances."

More recently, the DAX's upward trend has also been stimulated by the massive recovery plan launched by the German government. "Investors seem to bet on future growth →

The DAX reaches new heights

Since the beginning of 2024, the stock market index of Germany's 40 biggest companies has been soaring, outperforming its peers.



driven by the €500 billion infrastructure fund and the easing of the debt brake announced in early 2025 by the Bundestag," said Alessandro Valentino, product manager at VanEck. "These measures, which are meant to stimulate the economy, bring optimism to the markets. As a result, stock prices could continue to rise as the market expects an improved economic situation, even if the current economic environment remains fragile."

In such an environment, is now still the right time for investors to bet on the DAX or its players? Opinions are mixed. "Markets reacted to the good news and the positive growth outlooks associated with the recovery plan, but that's essentially speculation," warned Otmane Jai, investor and client advisor at family firm MJ&Cie. "In the short term, Germany continues to face economic challenges and many uncertainties. While the outlooks are more positive than they were a few months ago, Germany still hasn't reached the light at the end of the tunnel and it remains to be seen how long it will take for the money from the recovery plan to boost the economy.

Christian Schwab, head of Portfolio Management at Rothschild & Co Wealth Management Germany, is much more optimistic: "Even though German stocks are no longer under-valued compared to their historic levels – with a current price-earnings ratio (PER) of approximately 15.5 – they remain significantly more attractive than US stocks, whose PER is around 22. As a result, a re-acceleration of the German economy, driven by budget recovery measures, could make German stocks particularly attractive."

And this time around, the smaller companies could be at an advantage, according to Romain Aumond, quantitative strategist at Natixis IM Solutions: "The DAX seems to have reached valuation levels that we can say are reasonable. However, the mid-caps segment is still 'cheap' compared to the expansionist budgetary policy implemented by this new coalition. The more accommodating stance of the ECB in our main scenario will also support risky German assets. We're focused on defence, technology, banking and industrials – with the exception of automotive." ◢

On 3 April 2025, on the Frankfurt Stock Exchange, the DAX curve plummets in the wake of Donald Trump's announcements.
↓

Wide disparities

Although the DAX has risen by more than 30% since the start of 2024, this growth masks huge differences in performance between the companies that make it up.

Company	Revenue 2024 In billions of euros	Change in share price 2 January 2024 – 28 March 2025	Sector
Rheinmetall →RHM	9.7	363%	Defence
Siemens Energy →ENR	34.5	362%	Energy
Heidelberg Materials →HEI	21.2	104%	Construction
Commerzbank →CBK	11.1	87%	Banking
Deutsche Bank →DBK	30.1	82%	Banking
SAP →SAP	34.2	78%	Software
MTU Aero Engines →MTX	7.5	70%	Aeronautics and defence
Munich RE →MUV2	60.8	56%	Insurance
Deutsche Telekom →DTE	115.8	54%	Telephony
Zalando →ZAL	10.6	52%	E-commerce
Allianz →ALV	179.8	47%	Insurance
Deutsche Börse →DB1	5.8	47%	Stock exchange
Fresenius →FRE	21.5	40%	Healthcare
Siemens AG →SIE	75.9	29%	Multinational
Hannover Re →HNR1	26.4	24%	Insurance
Fresenius Medical Care →FME	19.3	21%	Healthcare
Adidas →ADS	23.7	20%	Sport equipment
Airbus →AIR	69.2	19%	Aeronautics and defence
Daimler Truck →DTG	54.1	14%	Trucks and buses
E.ON →EOAN	80.1	11%	Energy
Henkel →HEN3	21.6	0%	Consumer goods
Siemens Healthineers →SHL	22.4	-3%	Healthcare
Symrise →SY1	5.0	-3%	Flavours and fragrances
BASF →BAS	65.3	-4%	Chemicals
Merck MRKX	21.2	-10%	Pharmaceutical
Beiersdorf →BEI	9.8	-11%	Beauty
DHL Group →DHL	84.2	-11%	Transport and logistics
Mercedes-Benz Group →MBG	145.6	-12%	Automotive
Vonovia →VNA	7.5	-12%	Real estate
Qiagen →QIA	2.0	-13%	Biotechnology
Continental →CON	39.7	-14%	Automotive equipment
Volkswagen →VOW3	324.7	-17%	Automotive
Infineon Technologies →IFX	14.9	-17%	Semi-conductors
RWE →RWE	24.2	-19%	Energy
Brenntag →BNR	16.2	-24%	Chemicals
BMW →BMW	142.4	-25%	Automotive
Porsche Automobil Holding →PAH3	3.1	-25%	Automotive
Sartorius →SRT3	3.4	-34%	Biopharmaceutical
Bayer →BAYN	46.6	-34%	Chemicals
Porsche AG →P911	40.1	-40%	Automotive

SOURCE: BANQUE MONDIALE, SWISSQUOTE MAGAZINE

“THE GERMAN ENGINE IS TRULY BROKEN”

Journalist Wolfgang Münchau makes an alarming assessment of Germany’s economy, which, in his view, is the victim of having missed out on the digital revolution.

INTERVIEW BY SERGE ENDERLIN

Long seen as synonymous with top quality, German products are now on the decline. Exports are down. And the German economy, which has been in a recession for the past two years, is struggling, to the point where UK weekly *The Economist* started asking as early as summer 2023: “Is Germany once again the sick man of Europe?” In his book titled *Kaput, The End of The German Miracle*, published in November 2024 under Swift Press, journalist Wolfgang Münchau has a stinging response. Yes, the German economy rested too long on its laurels and is now getting off track. And it doesn’t have much time to recover if it wants to avoid catastrophe. We spoke to him to hear more…

An unflinching observer

Wolfgang Münchau, 64 years old, is the co-founder and director of economics intelligence service Eurointelligence at Oxford. An outspoken liberal keenly attuned to the digital revolution, Münchau was a columnist for the *Financial Times* in Frankfurt, editor-in-chief of the *Financial Times Deutschland*, and provided analysis on economic and financial news in Europe for the London financial paper of record.

Is Germany really ‘kaput’? Isn’t that a little exaggerated?

German words tend to be long and complex. I was looking for a word that was short and really packed a punch. And I think it really gets my idea across nicely. Economies are like relationships; there are highs and lows, sometimes recessions and then rebounds. It happens to everyone, even Switzerland. Germany went through a crisis period after reunification (1990) and then another in the early 2000s, when the economy was sluggish and unemployment was high. After the Harz IV reforms for labour rights and social assistance under Chancellor Schröder, the German manufacturing machine started up again. But now, the crisis is much more serious and the issues are structural. The German engine is truly broken.

When did the breakdown start?

Around 2017-2018, when industrial production began to slow down. The German system depends heavily on industrial exports, like Switzerland on a smaller scale, or like other smaller European countries with open economies (Estonia, Luxembourg). When your entire economic infrastructure is based solely on a system that can only produce a trade surplus, the machine starts to break when buyers purchase less. That’s what’s happening with China at the moment. Germany became the third largest global economy in exports, and this model lasted a very long time, from the 1950s to the end of the 1990s. It was based on an excellent technology: Germany mastered mechanical and chemical engineering better than any other country, and the resulting products were of the highest quality.

Why does this model no longer work?

First, Germans are not particularly tech savvy. Take the electric car, for example. Every German auto manufacturer resisted, pumping the brakes hard to avoid changing anything. Without exaggerating, until very recently, the diesel engine was always considered the pinnacle of sophistication. They believed that new technologies, such as on-board electronics and artificial intelligence, were nuisances that would force them to change a tried and true system. They were fully convinced that the quality and reputation of German brands would be enough and they wouldn’t have to put forth any additional effort. That attitude was completely wrong. Today’s German cars are already man- →

ufactured in large part elsewhere, with factories all around the world! That includes some of the most precise electronic parts that come from China that we still don't know how to make in Germany. So it's a cost issue, but also a technological expertise issue.

> **"What's most important these days is the ability to quickly manufacture an autonomous electric car powered by AI"**

Your claims are severe, but from the outside, the image of German industrial products hasn't changed very much. They are still known to be reliable and sturdy...

But an image is not enough. The reality is that a BMW is still a good car, even if half of the components are made in eastern Europe or China. But what will the value be in 10 years? Now everyone can manufacture a car door that closes well and sounds 'German'. Our advantage is no longer worth anything. What's most important these days is the ability to quickly manufacture an autonomous electric car powered by AI. For that you need two things: the battery and data. Everything else is just accessories. What good is it to manufacture the best brakes in the world if, in 10 years, your smart car slows down a kilometre before a problem on the road, because it detected the issue without any human intervention?

So in your opinion, Germany is hurting because it is stuck in the mechanical era. How did it miss the digital revolution?

Our perspective didn't evolve. Germany is a country of engineers that provides engineered products, and it is proud of its expertise in complex machines that are made in Germany and sold. The problem is that today, in a world dominated by Silicon Valley, we're surrounded by intuitive products that are simple and easy to use, like the iPhone. Here's an example: if I rent a German car at the airport, I'll essentially need to read the owner's manual to change the clock, because it is so complicated, and often different for each brand!

The global digital trend is to simplify everything – which is actually quite complicated for manufacturers. But Germans tend to make things complicated, because it appeals to their industrial genius. Yet times have changed. The goal of the digital era is focused on consumers and end users. And the fact that Germany missed this transformation in the automotive industry is even more significant, considering that 10% of the country works in the sector.

Germany also has a lot of infrastructure that aged very poorly. What happened

In Germany, passengers tweet when trains are on time! Am I exaggerating? Not really. On some of the major lines, the cancellation rates for connections is 50%. Over the past 20 years, the Deutsche Bahn has gone from one of the best networks in Europe to one of the worst. I live in the UK, and for me to admit that British trains, which for a long time were an unbearable joke, are now better than German trains is quite strange... And the motorways! The legendary German 'autobahn' is a shadow of its former self. The A49 is one of the main north-south routes. For the past two years, it has been cut off at Kassel (Hesse region) because of a dangerous bridge. The situation is due to years of underinvestment caused by extremely conservative fiscal policies. Germany's obsession with debt has paralysed consumption and investment. So now we have an extremely unbalanced economy that generates a trade surplus but has forgotten to invest in its own country.

Do you have other examples of this rather surprising situation?

The mobile telephone networks are systematically very poorly ranked in international comparisons. Same for fibre optics. Germany made a deliberate choice to not invest in this segment, because it didn't believe it was important right away. It often viewed the new digital world with some suspicion. When the Internet arrived in the late 1990s, it was considered in Germany to be a 'passing fad', as it was so wildly different from the industries we were used to and dominated for such a long time... even as late as 2013 (!), Angela Merkel said the Internet was a 'new territory' even after the rest of the world had been using it for nearly 15 years.

What were the main drivers that caused this missed opportunity?

It took years and years for German companies to get their own websites. And even today, online shopping is often a nightmare, unless it's a big international brand. It's much more serious than a late start; I'd say it was an active resistance that lasted for quite a long time.

> **"Germans wanted to protect themselves from the digital world rather than use it to their advantage"**

Did you know that Bundesbank still uses fax machines? Same for doctors. They often do it for prescriptions, because pharmacies refuse to prepare prescriptions without a printed document. Distrust is another reason for this gap; at first, Germans wanted to protect themselves from the digital world rather than use it to their advantage. They are hyper sensitive to data protection, which is confused with data security. Germans think that Russian hackers breaking into IT mainframes and accepting cookies on a basic website are the same thing.

Do other large industrial economies in Europe (France, United Kingdom, Italy) have the same delay in terms of digital under-development?

I don't think so, no. France has made a lot of progress, and its digital administration is impressive. Italy is back, in many ways. The United Kingdom, particularly in financial engineering, has never been behind. Eastern European countries quickly adopted 21st century technologies, making up for 20 years of delay. Now, China is currently developing 6G, which will be essential for industry 4.0, whereas Germany's 4G networks are still unstable.

Your perspectives on Germany's delays are a bit grim. Are there reasons to be hopeful?

The *Mittelstand* (SMEs) is doing well, in theory. There are many 'hidden gems', often family-owned companies that are thriving, particularly with exports. But at their size, these companies are suffering from the same ills as the automotive manufacturers we discussed earlier: they are from the old world and haven't made the switch to digital. And if they are hit by tariffs, they can't move their facilities to the United States.

Of course, there are exceptions to this. First, I'm thinking of Rheinmetall. After years of difficulty, they turned things around. Since the beginning of the war in Ukraine, they have been the centre of attention. The chaotic start of the Trump administration and rearmament in Europe are two contexts that are very favourable for this company. In a different field, DeepL (Cologne) is very promising. This startup uses AI to provide automatic translation. The translations are better than the results from Google Translate, particularly for European languages. DeepL is thriving and certainly a company to watch, a rare exception that is completely the opposite from everything I just told you about the failures of German industry.

↑ Published in November 2024 by Swift Press, Wolfgang Münchau's book sent shockwaves across the Rhine.

20 companies weathering the storm

↑ The LNG Toscana offshore regasification terminal, pictured here in 2023, was developed by Siemens Energy. Anchored 20 kilometers off Livorno, it supplies Italy with gas.

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Germany has several world-renowned companies known for their industrial expertise and high-quality products. Here is our hand-picked selection.

BY BERTRAND BEAUTÉ

Siemens Energy
Favourable winds

The uncontested star of the European markets in 2024 is Siemens Energy. Last year, the share price of the gas and wind turbine manufacturer – created in 2020 after a spin-off from Siemens – was up 320%, which is the largest increase on the DAX, as well as the STOXX Europe 600 that includes the 600 largest European capitalisations. And it may rise even further: 11 brokers believe that the share price could still go up and recommend purchasing, five advise to hold shares, and four recommend selling.

The incredible boom for Siemens Energy can be explained by several factors. Siemens Energy was the top producer of wind turbines in Germany and one of the leaders globally. But first, the share price plummeted in 2023 due to the wind turbine division; the Spanish subsidiary Siemens Gamesa had serious quality issues from defective parts. As a result, Siemens Energy recorded a record annual loss of €4.59 billion for its 2022/2023 financial year that ended in September. The situation was so dire that the German government announced a bailout programme in November 2023, offering €15 billion in bank guarantees to the top contender in the energy transition.

But since then, everything has come back to normal. In financial year 2023/2024 that closed at the end of September, the group was able to set things right with a net benefit of €1.3 billion and a revenue of €34.5 billion, up 12.8%.

The company revised its medium-term objectives upwards

In its annual report published in March, the company revised its medium-term objectives upwards and is now predicting a profit margin (before special items) of 10% to 12% by 2028, compared to 1% currently. To reach that goal, the German group has solid demand in gas turbines and electric networks, two sectors that are boosted by artificial intelligence that require large amounts of electricity. But Siemens Energy continues to suffer in wind turbines, as the sector is subject to a price war and a rise in the cost of materials. Given these circumstances, the company sold 90% of its wind turbine activities in India and Sri Lanka in March 2025.

FOUNDED: 2020 **HEADQUARTERS:** MUNICH (DE)
EMPLOYEES: 100,000 **2024 REVENUE:** €34.465 BN
→ENR

SAP
Europe's tech giant

Number 1: in March 2024 – right before Donald Trump announced 'reciprocal' tariffs that significantly impacted global markets – SAP, the SaaS integrated software company, rose above Danish pharmaceutical lab Novo Nordisk to become the top European market capitalisation. This was a reward for SAP's stunning performance.

Christian Klein, CEO of SAP, pictured in 2024 at the Sapphire conference. ↓

Between January 2024 and the end of March 2025, SAP's share price increased nearly 80% to reach more than €310 billion in valuation at its peak (see infographic on p. 39).

Founded in 1972, the German company was early to the market and designed the first Enterprise Resource Planning (ERP) software, quickly establishing SAP's advances in both technology and sales. With a reputation as both reliable and innovative, SAP now holds an approximately 25% share of the global ERP market, far ahead of Oracle, Microsoft and other competitors, making it a European success story in the industry. Most large global multinationals use SAP for their critical processes (finances, supply chain, human resources, production). SAP systems are usually integrated into these companies' critical processes, which makes them costly and difficult to replace. This dependency guarantees a stable long-term client base for SAP, as well as high recurring revenue.

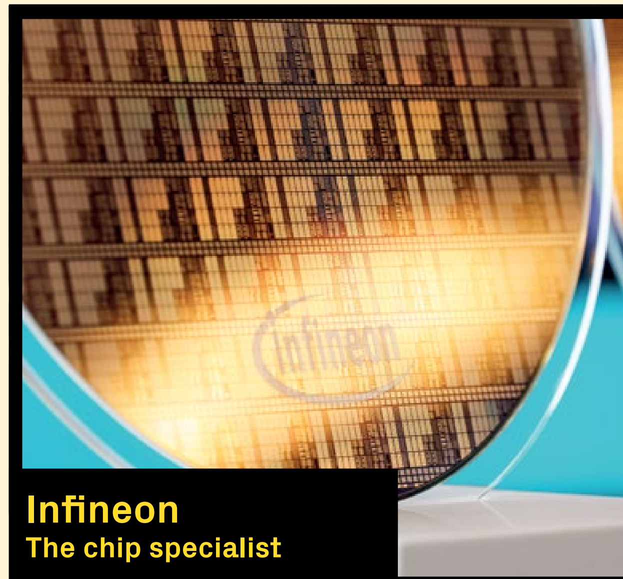
According to Deutsche Bank, SAP is expected to be spared the tariffs imposed by the United States

While in recent weeks SAP's share price has gone down (-4% since the start of the year, to 15 April) much like all global markets following the seismic blow from the Trump administration, the company isn't significantly affected by tariffs. According to Deutsche Bank, SAP is even expected to be spared the 10% tariffs imposed by the United States on European companies, as the tariffs only affect goods and not services. As a result, most analysts recommend buying shares.

These recommendations also follow the company's promising outlooks, as orders have been boosted by the addition of AI in its SaaS (Software as a Service) software. The addition of AI allows companies that use SAP software to optimise the efficiency of their industrial processes, automate management tasks and stimulate innovation. In 2024, the Walldorf-based company generated €34.18 million in revenue, up 10% compared to financial year 2023. The operating profit rose to approximately €4.7 billion.

Nevertheless, SAP's large valuation may cause the company to leave the DAX at some point. Indeed, the Frankfurt exchange limits companies to make up no more than 15% of its flagship index. When its valuation is around 300 billion, SAP exceeds this threshold. In 2023, this limit pushed the industrial gas manufacturer Linde to leave the Frankfurt exchange and is now solely listed on the New York exchange. Germany does not want a repeat of this situation and negotiations are currently underway between SAP and the German financial authorities.

FOUNDED: 1972 **HEADQUARTERS:** WALLDORF (DE)
EMPLOYEES: 109,000 **2024 REVENUE:** €34.176 BN
→SAP



← The logo of German semiconductor manufacturer Infineon, engraved on a 300 mm silicon wafer, photographed at Infineon's annual press conference in Munich on 12 November 2024.

Infineon
The chip specialist

When the automotive industry struggles, so does all of Germany. This could be the motto for Infineon Technologies. The German electronic chip manufacturer is very dependent on the automotive sector, which made up 56% of its sales in the last financial year. And the predictions aren't rosy. "Except for artificial intelligence, our final markets currently offer little growth and the cyclical rebound is delayed," said CEO Jochen Hanebeck in a presentation of company results.

The slide could be more severe than anticipated

After seeing revenue drop 8% in 2024 (financial year ending on 30 September), Infineon Technologies did have a slightly better year in Q1 2025 (as of 31 January) than expected, and is expecting "stable or slightly increased" sales in 2025. However, these predictions came before the trade war, so the slide could be more severe than anticipated. In addition to the automotive sector, Infineon is present in green energies (green industrial power makes up 13% of its revenue), power and sensor systems (21%) and secure connected systems (10%).

Despite the current uncertainty, analysts are confident about Infineon's long-term outlooks. A majority of analysts recommend purchasing shares, which lost 15% of their value since the start of the year as of 15 April.

FOUNDED: 1999 **HEADQUARTERS:** NEUBIBERG (DE)
EMPLOYEES: 58,000 **2024 REVENUE:** €14.955 BN
→IFX

BIRKENSTOCK
The art of sandals

Long seen as the footwear of German tourists on a beach holiday, the famous sandal brand Birkenstock is now in vogue after Margot Robbie wore a pair in the *Barbie* film. Now cool, Birks went public on Wall Street in October 2023. Since the IPO, the share price has gone up 30%. A considerable advantage in the current environment: Birkenstock sandals are produced primarily in Germany.

FOUNDED: 1774
HEADQUARTERS: NEUSTADT (DE)
EMPLOYEES: 5,500
2024 REVENUE: €1.8 BN
→ BIRK

HUGO BOSS
German style

Despite solid results in 2024, Hugo Boss is doing poorly on the stock market. Since the beginning of 2025, the stock has lost 20% of its value. Uncertainty is weighing heavily on the entire textile industry after Donald Trump's tariffs around the world. Hugo Boss produces most of its clothing in Turkey, Poland and Italy.

FOUNDED: 1924
HEADQUARTERS: METZINGEN (DE)
EMPLOYEES: 19,000
2024 REVENUE: €4.3 BN
→ BOSS

Volkswagen
The car industry's fallen star

↑ Photographed in February 2025, the Volkswagen factory in Emden where the ID.7 is produced – electric vehicles that embody the brand's revival.

© GREGOR FISCHER, KEYSTONE

Hard to imagine, but it was only about a decade ago. In Q1 2014, car manufacturer Volkswagen – the parent company of a dozen brands including Audi, Skoda, Lamborghini and Bentley – was the global leader in the auto industry for the first time in its history, coming before Japanese group Toyota. It was the golden age for VW, the flagship example of incredible German success and high quality. And then, without warning, the group started falling down a slippery slope. In September 2015, US NGO International Council on Clean Transportation (ICCT) revealed to the world that the Volkswagen TDI Euro 5 type EA 189 diesel engine emitted up to 22 times more nitrous oxide (NOx) than the current standard. Caught, Volkswagen admitted to equipping its vehicles with a software starting in 2009 that would reduce engine emissions only during an emissions test and not during real-world driving. That was the start of 'diesel-gate', which would sideline the German group on several fronts.

In 2024, the group became the most indebted public company in the world, with more than €200 billion in debt

Firstly on the markets, as VW's share price fell nearly 40% on the Frankfurt exchange between 19 and 22 September 2015. Then in the courts, where lawsuits against the manufacturer multiplied, with disastrous financial consequences. As of 2024, with legal cases still outstanding, diesel-gate was estimated to cost Volkswagen more than €32 billion. Politically, VW's scandal would have terrible repercussions for the company. Angela Merkel, long dubbed the 'Chancellor of cars', always succeeded in protecting the industry from environmental desires set by the European Commission, but in 2018 she accepted a draconian reduction (37.5%) in greenhouse gas emissions for new vehicles in 2030, while auto makers had fought for a reduction of only 15%. This marked a turning point.

Urgently and seeking to rebrand its identity, Volkswagen launched a massive plan in 2023 to convert to electric vehicles, announcing a €122 billion investment. Too little or perhaps too late. When the first models came out (the ID.3 in 2019, then the ID.4 in 2020 and the ID.5 in 2022), they weren't competitive enough against Tesla and Chinese manufacturers such as BYD. Especially since a new crisis had just struck the German manufacturer in a massive way: in February 2022, Russia invaded Ukraine, which closed the pipelines between Moscow and Berlin. This was a shock to the system. Thus far, the German industrial strategy was based on a simple concept: sell German quality, produced with cheap Russian gas, all over the world. The explosion in energy prices in Germany that followed the start of the war in Ukraine was a major competitive loss for the group.

The situation had become intense, and industrial disaster was inevitable. After major investments, VW saw its sales drop (-3.5% in 2024 compared to 2023, at 9.36 million vehicles). In 2024, the group became the most indebted public company in the world, with more than €200 billion in debt. Volkswagen's golden age was indeed over. In December 2024, the manufacturer announced lay-offs of more than 35,000 employees at German locations of the Volkswagen brand by 2030. With this strategy, Volkswagen hopes to save €4 billion in the medium term.

So where does it stand now? At the beginning of the year, the Wolfsburg group was targeting a 5% growth in 2025. While a majority of analysts believe in this rebirth and recommend purchasing shares, which were down by almost 30% in the last 12 months (April 2025), the road ahead seems quite challenging. In Europe, sales of new cars are stagnant (0.9% in 2024 compared to 2023, across all brands). In the United States, as president, real estate tycoon Donald Trump set his sights on cars and placed a 20% tariff on all products from the European Union – which was not taken into account while setting VW's outlook for 2025. In China, the Communist Party now encourages its citizens to buy Chinese cars. This is quite easy, given that local manufacturers such as BYD – largely supported by the government – have built electric vehicles that are much cheaper than their more expensive Volkswagen counterparts.

FOUNDED: 1937 **HEADQUARTERS:** WOLFSBURG (DE)
EMPLOYEES: 679,000 **2024 REVENUE:** €324.7 BN
→VOW3

BEIERSDORF
The owner of Nivea

All the numbers are in the green. In 2024, Beiersdorf had a record year with revenue of €9.85 billion (+4.3% compared to 2023) and EBIT of €1.32 billion (+20%). These results are driven by the company's flagship brands, such as Nivea creams and Hansaplat plasters. However, the share price has struggled since the start of 2025 – and particularly since 2 April – due to uncertainties surrounding exports to the United States.

FOUNDED: 1882
HEADQUARTERS: HAMBURG (DE)
EMPLOYEES: 20,000
2024 REVENUE: €9.85 BN
→ BEI

PUMA
Adidas' little brother

A war between brothers has been raging since 1948. That's quite an accurate statement to describe the relationship between Adidas and Puma. The two sporting apparel brands were founded by two brothers – Adolf Dassler for Adidas and Rudolf Dassler for Puma – after a fight. More than 70 years later, the battles continue. In April 2025, Puma poached its new CEO, Arthur Hoeld, from its rival. Hoeld is tasked with the difficult challenge of redirecting a company in crisis that is being attacked by American tariffs. Since the beginning of 2025, the stock has lost 55% of its value to 15 April.

FOUNDED: 1948
HEADQUARTERS: HERZOGENAURACH (DE)
EMPLOYEES: 22,000
2024 REVENUE: €8.8 BN
→ PUM

Adidas
The striped champion

↑ Adidas' headquarters in Herzogenaurach, Germany, is home to the MakerLab – a creative space where employees have the opportunity to experiment and unleash their creativity in a 385 m^2 space.

Needless to say, 'Liberation Day', or the day Donald Trump announced his tariffs, was very bad for Adidas. Between Wednesday 2 April (Liberation Day) and the close of markets on Friday 4 April, the share price lost nearly 11% on the Frankfurt exchange. It is worth noting that, like most sporting goods manufacturers, Adidas makes a large portion of its products in Vietnam and Cambodia, which would have been subject to a 46% and 49% tariff respectively had the US President not suspended his 'reciprocal' customs duties on 9 April.

Before Trump's blow to the markets, Adidas was doing very well, while its competitor Nike was sluggish. Driven by vintage trends that have boosted sales of its flagship models (Samba, Gazelle, Stan Smith and others), Adidas generated €23.7 billion in revenue in 2024, up 11% compared to 2023. The company is now in the green, with an operating profit of €1.3 billion, after a loss of €268 million a year earlier. 2023 was significantly affected by a split in late 2022 between the brand and controversial rapper Kanye West, who was accused of making anti-Semitic remarks. This put an end to the lucrative Yeezy brand collaboration.

Adidas produces 39% of its shoes in Vietnam, a country which will be taxed at 46%

During the presentation of the 2024 numbers in March of this year, Adidas was optimistic about 2025, predicting two-figure growth in 2025 and a total profit between €1.7 billion and €1.8 billion. But Trump's tariffs were unexpected. Adidas produces 39% of its shoes in Vietnam. And the German brand isn't the only one that depends on Vietnam: Nike produces half of its trainers in Vietnam, Puma produces 35% and Converse 40%. Costs will be steep for all of these shoemakers. Most analysts recommend keeping shares while waiting for more clarification.

FOUNDED: 1949 **HEADQUARTERS:** HERZOGENAURACH (DE)
EMPLOYEES: 62,000 **2024 REVENUE:** €23.683 BN
→ADS

BASF
Global leader in chemistry

Quite the giant. With €65.3 billion in revenue in 2024, German giant BASF remains the global leader in the chemical industry. But in recent years, the group has suffered from increased energy prices in Germany, which eats away at its competitiveness. To counteract that, the company plans to close or sell off some of its factories.

FOUNDED: 1865
HEADQUARTERS: LUDWIGSHAFEN AM RHEIN (DE)
EMPLOYEES: 112,000
2024 REVENUE: €65.26 BN
→ BASF

Hensoldt
Specialist in military electronics

Photograph of an anechoic chamber, i.e., one whose walls absorb sound and electromagnetic waves, used by Hensoldt to test its radars in its Ulm factory. ↓

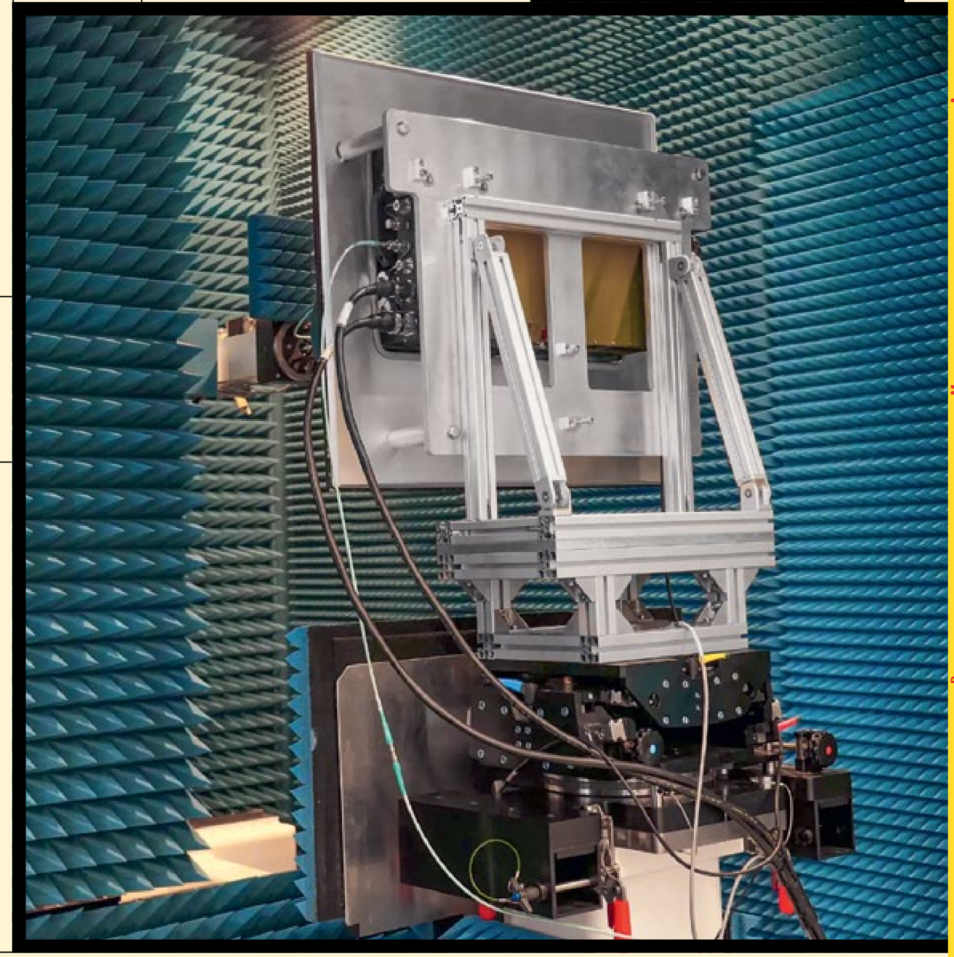
In his February letter to shareholders, CEO of Hensoldt Oliver Dörre lamented that "unfortunately, the war in Ukraine is not yet over", though it is true that the specialist in military electronics does benefit from the situation. Indeed, much like the tank and artillery manufacturer Rheinmetall (see p. 52), Hensoldt is riding the wave of increased military spending in Europe. In 2024, the group generated $2.24 billion in revenue, up by 21.3% in a year. Notably, new orders increased 39.1%, going from 2,087 billion in 2023 to 2,904 billion in 2024.

New orders increased 39.1%

And it's not over yet: "The world continues to be characterised by a large number of conflict hotspots, and Europe in particular must sustainably expand its defence capabilities," said Dörre during the presentation of annual results. As a result, for 2025, Hensoldt is aiming for total revenue between €2.5 and €2.6 billion, an increase of 11.6% to 16%. These outlooks are particularly attractive to the markets. Since the beginning of 2025, the stock has jumped 90% in value to 15 April. Since what comes up must eventually come down, brokers are now rather divided on the future of the stock: five still recommend purchasing shares, two advise to hold and four recommend selling.

The former military division of Airbus, Hensoldt went public on the Frankfurt exchange in 2020. The company develops military sensors and radars, particularly the Mk1 radar that is used in the European combat plane Eurofighter Typhoon. A competitor of French group Thales, the company made several acquisitions in recent years, particularly the April 2024 acquisition of ESG Elektroniksystem und Logistik, a German company specialising in defence electronics and logistics.

FOUNDED: 2017 **HEADQUARTERS:** TAUFKIRCHEN (DE)
EMPLOYEES: 9,000 **2024 REVENUE:** €2.24 BN
→HAG



RENK
Shining star of defence

Much lesser known and much smaller than its German counterparts Rheinmetall and Hensoldt, Renk is the new star of the German defence industry. Since the start of 2025, the manufacturer of training systems for tanks, ships and the energy sector saw its share price shoot up 155% to 15 April. A majority of analysts that follow the stock recommend purchasing shares.

FOUNDED: 1873
HEADQUARTERS: AUGSBURG (DE)
EMPLOYEES: 4,000
2024 REVENUE: €1.1 BN
→ RENK

Rheinmetall
Defence industry darling

Just a few short years ago, who would have guessed that Rheinmetall, the long-standing cannon manufacturer from Düsseldorf, would be Europe's hottest company today? That's indeed what happened. In 2024, the shell and armoured vehicle manufacturer generated €9.75 billion in revenue, up 36%, whereas its operating profit jumped 61%, reaching €1.4 billion. Its order book is full, with 55 billion in late 2024, up 44% over one year. All thanks to the the war in Ukraine. Known for its shells, ammunition and artillery, as well as military vehicles and repairs to the famous Leopard tanks, Rheinmetall has been one of the primary arms suppliers to Kyiv since 2022. This certainly helps sales.

And that's not all. Up against threats from Russia and an American ally that is less reliable than it was before, the European Union has invested €800 billion to shore up its defence. Germany has also decided to significantly invest in its military (see also p. 56). As the primary supplier to the Bundeswehr, Rheinmetall is expected to be one of the main beneficiaries of these two investment programmes. "An era of rearmament has begun in Europe [...]. It has brought us opportunities for growth like we've never seen before," said CEO Armin Papperger, during a presentation of the company's results in March 2025. For the financial year 2025, Rheinmetall is expecting an increase in sales by 25% to 30% driven by high demand for tanks, infantry combat vehicles, military trucks, and 155 mm artillery.

Rheinmetall is currently building a dozen factories around the world

But far from focusing solely on supplying equipment that could be seen as outdated, Rheinmetall plans to increasingly position itself as a manufacturer of electronic systems and communications platforms, in order to have a place in today's digital battlefield. The company is expecting revenue of €4 to €5 billion in this segment in 2027, compared to €1.7 billion last year. In the meantime, Rheinmetall has all hands on deck to process their current orders. The German arms manufacturer is currently building a dozen factories around the world, particularly in Romania, Hungary, Lithuania and Ukraine. According to Morgan Stanley, Rheinmetall's production capacity is expected to double in the next five years if European defence spending reaches 3% of GDP, the objective set by the EU in order to make Europe truly autonomous for defence purposes.

© AXEL HEIMKEN, AFP

← A Rheinmetall employee labels a 155 mm shell intended for the Panzerhaubitze 2000 howitzer, in June 2023.

As a result, in the last 12 months, Rheinmetall's share price has shot up more than 160%, reaching €1,440 am 15 april. Despite this increase, a majority of analysts such as Morgan Stanley still recommend purchasing shares. "Rheinmetall's share price could double up to €3,000 in our scenario analysis," wrote analysts Marie-Ange Riggio and Ross Law in a note published in mid-March by Morgan Stanley. Riggio and Law say that their previous hypotheses on European defence spending and outlooks for Rheinmetall were too conservative. Globally, however, the German company is still far behind the weaponry giants. According to the latest ranking from the Stockholm International Peace Research Institute (SIPRI), Rheinmetall is ranked the 26th arms manufacturer in the world and the fourth largest in Europe (excluding GB), behind European group Airbus, Italy's Leonardo and French group Thales.

FOUNDED: 1889 **HEADQUARTERS:** DÜSSELDORF (DE)
EMPLOYEES: 31,000 **2024 REVENUE:** €9.751 BN →RHM

Continental
Puncture-proof equipment manufacturer

"Weak economic development, particularly in Europe, coupled with a decline in automotive production, caused major headwinds last year," said Nikolai Setzer, CEO of Continental, in early March at a press conference. Known worldwide for its tyres, the equipment manufacturer produces many parts for the automotive industry, particularly brakes, sensors, software and dashboards. But in the last several years, the German giant has suffered from the trend towards electric that is difficult to negotiate, increased pressure on prices and decreased sales volumes for new cars. In 2024, the company's revenue dropped 4.1% compared to 2023, reaching €39.7 billion.

To stem the bleeding, the company has decided on a reduction in force

To stem the bleeding, the company has decided on a reduction in force. In February 2024, the group decided to eliminate 7,150 positions around the world by 2025, which is 3% of the entire workforce, in order to "grow its competitiveness". Then came a similar announcement in January 2025: five locations in Germany would close, eliminating 580 additional positions. The latest round was announced on 18 February 2025, with layoffs of 3,000 additional positions by the end of 2026 in R&D, with less than half in German locations. Analysts believe that these significant measures will allow the company to recover. Most analysts recommend buying shares, which have stagnated (-2% at 15 April) since the start of the year.

FOUNDED: 1871 **HEADQUARTERS:** HANOVER (DE)
EMPLOYEES: 190,000 **2024 REVENUE:** €39.7 BN →CON

BMW
A breakdown

A cloud of smoke billows from under the bonnet of BMWs. In 2024, the Munich-based manufacturer recorded negative results (revenue down 8.4% and profit before tax down 35.8%). This poor performance is the result of a recall of 1.5 million vehicles due to defective brakes, as well as sales setbacks for the brand in China. Sales in China, which make up one-third of BMW's revenue, fell 13.4% in 2024. And the worst may be yet to come: BMW is on the front line of the trade war started by Donald Trump: 50% of cars sold in the United States are imported.

FOUNDED: 1916
HEADQUARTERS: MUNICH (DE)
EMPLOYEES: 159,000
2024 REVENUE: €142.38 BN
→ BMW

ZALANDO
The Berlin e-tailer

The European leader in online clothing and footwear, Zalando remains determined to defend its market dominance. Last December, the Berlin-based company acquired Hamburg competitor About You for over one billion euros. While Zalando continues to grow – with 2024 sales increasing 4.2% compared to 2023 – the company faces mounting challenges from Chinese ultra-fast fashion players (Shein and Temu) at one end of the spectrum, and second-hand fashion platforms (Vinted) at the other.

FOUNDED: 2008
HEADQUARTERS: BERLIN (DE)
EMPLOYEES: 15,000
2024 REVENUE: € 10.572 BN
→ ZAL

Linde
Global leader in industrial gas

Is Linde too big for Germany? Linde became the global leader in industrial gases following a 2019 merger with US-based Praxair, and moved its headquarters from Munich to Dublin. Four years later in 2023, the group left the Frankfurt exchange to be listed solely on the New York exchange. Why? According to CEO Sanjiv Lamba, who has led the company since 2022, Linde's position on the DAX had a negative impact on its share price. Indeed, a rule specific to the DAX states that the weight of one company must not exceed 10% of the index, a threshold that has since been increased to 15% in order to try and retain German enterprise solutions giant SAP. Linde regularly exceeded the 10% threshold, and every time, it caused trackers – listed index funds that replicate the DAX – to sell Linde shares and therefore reduce the share price.

Now more international than ever, Linde continues to seduce analysts, and a majority recommend purchasing shares. Like its two main competitors Air Liquide (France) and Air Products (US), Linde produces industrial gases such as oxygen, nitrogen, hydrogen, carbon dioxide and argon.

A Linde tanker delivers its cargo of hydrogen.
↓

Linde's profit margins were close to 30%

These gases are used in many sectors such as the chemical industry (22% of Linde's revenue), factories, particularly car manufacturers (22%), healthcare (17%), mines (13%) and the food industry (9%). This wide variety of end clients (half of which are cyclical sectors) ensures good visibility for Linde, and its margins were close to 30% in 2024.

FOUNDED: 1878 **HEADQUARTERS:** DUBLIN (IE)
EMPLOYEES: 66,000 **2024 REVENUE:** $33 BN
→LIN

Heidelberg Materials
King of cement

Since the start of 2025, the share price of Heidelberg Materials has jumped 30% in value at 15 April. The stock of the cement manufacturer from the Baden-Wurtenberg state is driven by the massive investment plan from future Chancellor Friedrich Merz, who seeks to modernise the infrastructure of Europe's leading economy. Heidelberg Materials is the world's second largest producer of cement, asphalt and construction materials, behind Switzerland's Holcim. In 2024, the company generated €21.156 billion in revenue, just barely down (-0.1%) compared to financial year 2023. A rebound is now expected in Q4 2025 or at the latest in 2026, when the billions from the Merz plan come in.

The potential end of the Russia-Ukraine war could also be advantageous for Heidelberg

Of course, tariffs from the Trump administration could hinder these results, as Heidelberg generates a quarter of its revenue in the United States. But just in time, the company bought several US players in recent months, including Giant Cement Holding, acquired in November 2024 for $600 million. Heidelberg is also betting on the potential of "decarbonised" cement, and the first dedicated facility for this material is expected to open in 2025. This initiative will provide more comfortable margins for Heidelberg, which hopes to sell this type of cement for double or triple the price of regular cement. In the longer term, the potential end of the Russia-Ukraine war could also be advantageous for Heidelberg. In the meantime, analysts are divided. After the impressive rise in the share price in recent months, eight analysts still recommend purchasing shares, while another eight recommend holding and two advise to sell.

↑
A Heidelberg Materials' aggregates mine.

FOUNDED: 1874 **HEADQUARTERS:** HEIDELBERG (DE)
EMPLOYEES: 51,000 **2024 REVENUE:** €21.156 BN
→HEI

PORSCHE
In reverse

Luxury has not escaped the economic downturn. In February 2025, Porsche confirmed plans to eliminate 1,900 jobs, citing multiple challenges facing the brand: geopolitical risks, difficult economic conditions, and a delayed transition to electromobility. Mercedes faces similar headwinds, announcing in February its own initiative to reduce production costs by 10% by 2027.

FOUNDED: 1931
HEADQUARTERS: STUTTGART (DE)
EMPLOYEES: 40,000
2024 REVENUE: € 40.1 BN
→ P911

ALLIANZ
The all-risk insurer

"In 2024, Allianz delivered another set of record financial results," announced Oliver Bäte, CEO of the insurance giant, during the company's annual presentation. This robust performance has not gone unnoticed by financial markets. Over the past year, Allianz's share price has risen by almost 30%, with half of analysts maintaining a 'long' position on the stock.

FOUNDED: 1889
HEADQUARTERS: MUNICH (DE)
EMPLOYEES: 158,000
2024 REVENUE: € 179.8 BN
→ ALV

European defence entices investors

After years of underinvestment, Europe in general, and especially Germany, plan to spend hundreds of billions on rearmament. The news sent European arms stocks soaring on the stock market.

BY SERGE ENDERLIN AND BERTRAND BEAUTÉ

As British historian Timothy Garton Ash of the University of Oxford put it, who knew we would one day be happy to see Germany producing tanks instead of cars? The comment by the author of countless books on the Cold War and swings in the balance of power in Europe sums up what many on the Old Continent have been feeling these first few months of 2025, with one keyword: astonishment.

In just a few weeks, Donald Trump's America has changed sides, abandoned Ukraine to move closer to Russia, and sent a clear message to its European allies that they can no longer count on the United States, or at least not in the same way.

"EU manufacturers have joined the global surge in arms production and are now poised to expand at a faster rate than their US counterparts"
Goldman Sachs wrote in an article published on 6 March

The fallout of this dramatic turn of events was immediate. Europeans realised that their destiny, as well as their collective security, is now in their hands. In other words, with Washington changing tactics, Europe must urgently rearm for its protection.

In Brussels in early March, the European Commission unveiled an €800 billion investment plan, including €150 billion in the form of loans available to EU governments, to beef up the defence capabilities of the 27 member states. In Berlin, German MPs approved a massive rearmament programme, authorising the new government to contract hundreds of billions in debt to finance the country's military efforts. This marks a historic turning point for Germany, as it departs from its long-held economic mantra of fiscal orthodoxy.

© DANIEL KARMANN, KEYSTONE

↑ A mannequin equipped with the 'Gladius 2.0 soldier' modular system developed by German company Rheinmetall, at the Enforce Tac security technology trade fair in Nuremberg (February 2025).

Armin Papperger, CEO of the German tank and ammunition manufacturer Rheinmetall, is delighted with this "rearmament era in Europe" (read the company profile on p. 52).

Investors are also thrilled and eager to get in on European defence stocks in recent weeks (see the infographic on p. 59). Rheinmetall's share price has climbed almost 120% since the beginning of 2025. Fellow German companies Renk, which manufactures trans- →

missions for military vehicles, Hensoldt (defence electronics) and ThyssenKrupp, one of the world's largest submarine suppliers, have attracted similar enthusiasm. Their respective share prices also rose sharply in 2025 (see company profiles on p. 44 to 55). Meanwhile, US competitors reported mixed results, with Lockheed Martin down 8% and Northrop Grumman up slightly, by 9%, in the first quarter of 2025. "EU manufacturers have joined the global surge in arms production and are now poised to expand at a faster rate than their US counterparts, according to market pricing," Goldman Sachs wrote in an article published on 6 March.

"If Europeans bought European, it would give a tremendous boost to European industry"
Éric Trappier, CEO of Dassault Aviation

Is it too late for investors who want to jump on the European defence bandwagon and its impressive stock market rally? There is some disagreement on this point. "The European defence industry will benefit from the investment plans. The sector will grow strongly in Germany and Europe in the coming years," says Felix Schmidt, senior economist for the German bank Berenberg in Frankfurt. In the article "Wind of Change" published on 11 March, Oddo BHF Bank also believes that defence stocks will continue to rise. "After years of inertia, the European states (including the United Kingdom, which is turning its attention back to Europe) have shown themselves to be equal to the new situation and have reacted quickly (ed. note: by launching investment plans) [...]. This has been rewarded with early praise in the form of strong gains in defence and construction stocks [...]. Several other factors suggest that Europe will make a comeback in portfolios beyond this short-term sentiment boost."

Johannes Feist, CEO of Mikro Kapital Management agrees: "German defence stocks (Rheinmetall, Renk or Hensoldt) have probably peaked, because the market is already pricing in very high expectations in terms of orders and future revenues."

← Rheinmetall CEO Armin Papperger at the group's annual conference in Düsseldorf on 12 March. The German conglomerate, which specialises in armaments, is one of the big stock market winners of 2025.

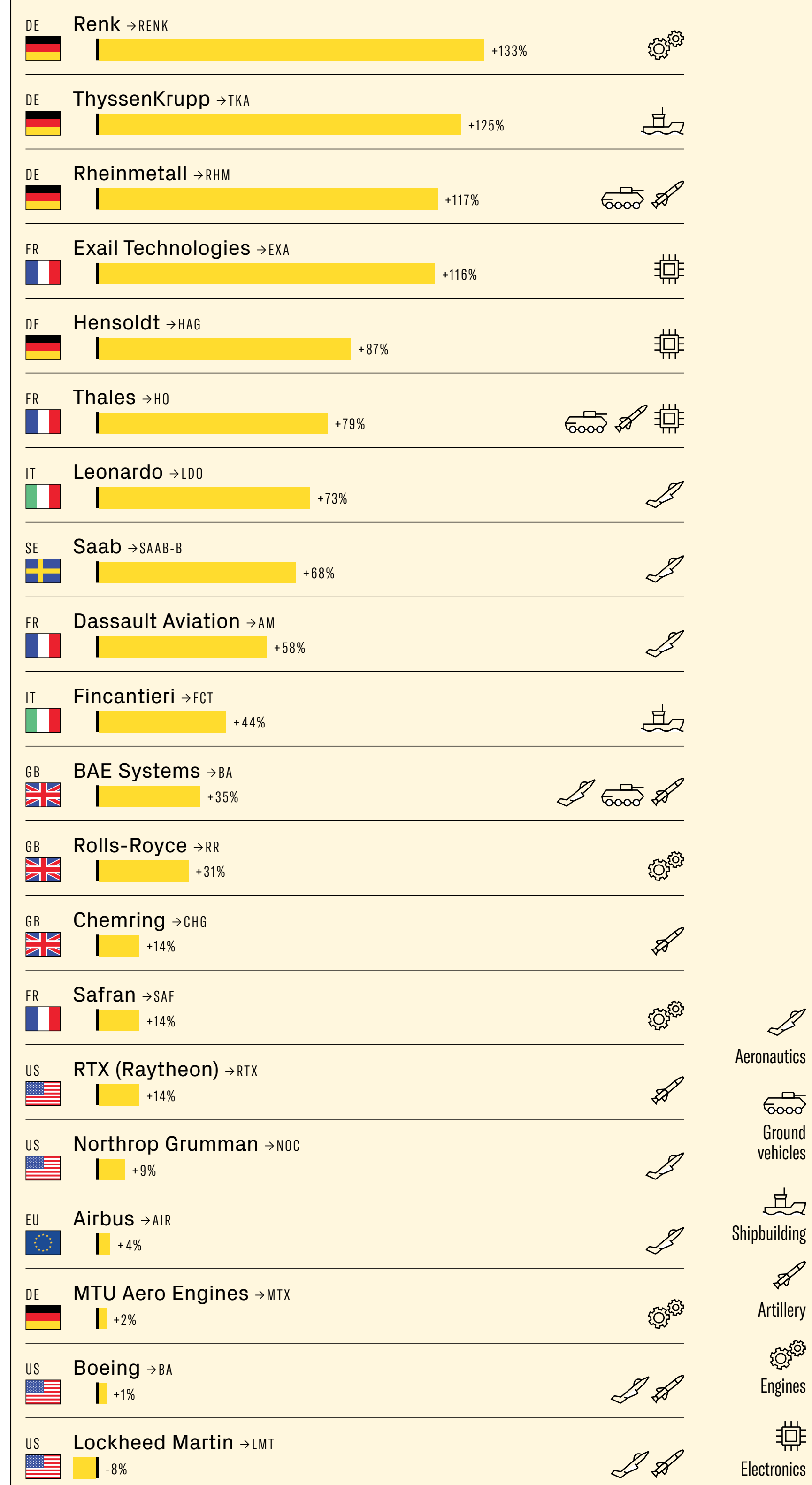
© ROLF VENNENBERND, KEYSTONE

And there is a risk of disillusionment. "Investors are currently buying based on the prospect that European companies' order books will be boosted by rearmament plans," adds Fares Benouari, senior portfolio manager covering the European industrial sector at Union Bancaire Privée (UBP). "But it remains to be seen how the money will actually be spent. If European countries want to rearm quickly, they will have to buy US-made weapons that are immediately available. Developing local industry's capacity will take much longer, especially since European defence companies have fallen behind in certain crucial areas, such as drones and artificial intelligence. Of course, the European defence industry will benefit, but how much it will benefit remains to be seen."

Since 2022 and the outbreak of the war between Russia and Ukraine, three-quarters of European military equipment purchases have been made from non-European suppliers, mainly the US giants Lockheed Martin, Northrop Grumman, Boeing, General Dynamics and RTX Corporation (formerly Raytheon). And nothing has changed. The latest report from the Stockholm International Peace Research Institute (SIPRI), published in December 2024, shows that 41 of the world's top 100 arms dealers are US companies, compared with 27 for Europe. In 2023, just after the war broke out in Ukraine, these 41 American companies saw their collective revenue increase by 2.5% →

Frenzy for European defence stocks

The shares of European defence companies soared in the first quarter of 2025, far outshining their US counterparts.



compared to 2022, while that of the 27 European companies stagnated (up 0.2%).

In just three years, Rheinmetall has become the world's leading producer of ammunition

"If Europeans bought European, it would give a tremendous boost to European industry," said Éric Trappier, CEO of Dassault Aviation, in early March. The head of the company that makes the French fighter jet Rafale is calling for a 'European preference' in arms procurement. Although the idea – long perceived as unspeakable in most European capitals, except Paris – is now gaining ground, few countries are willing to go without American equipment. "The United States remains a crucial ally for Germany, especially when it comes to equipping the Bundeswehr. This not only goes for the F-35, but also for our other projects," said Boris Pistorius, the German Defence Minister, in an interview with the dpa news agency on 21 March.

That is because doing without the Americans entirely would mean overcoming many challenges. First, the European industrial fabric has been weakened by decades of underinvestment. In the short term, it cannot sustain a high-intensity military effort, as it lacks the necessary production capacity. Second, the shift to European equipment purchases could prove difficult for some European countries – namely Poland, Slovakia and the Czech Republic. Historically, their defence capabilities have largely drawn on US-made equipment (F-35 fighter planes, Patriot missile defence systems). A transition to an all-European defence could therefore compromise the coherence of fleets, bringing problems of interoperability, logistics and maintenance.

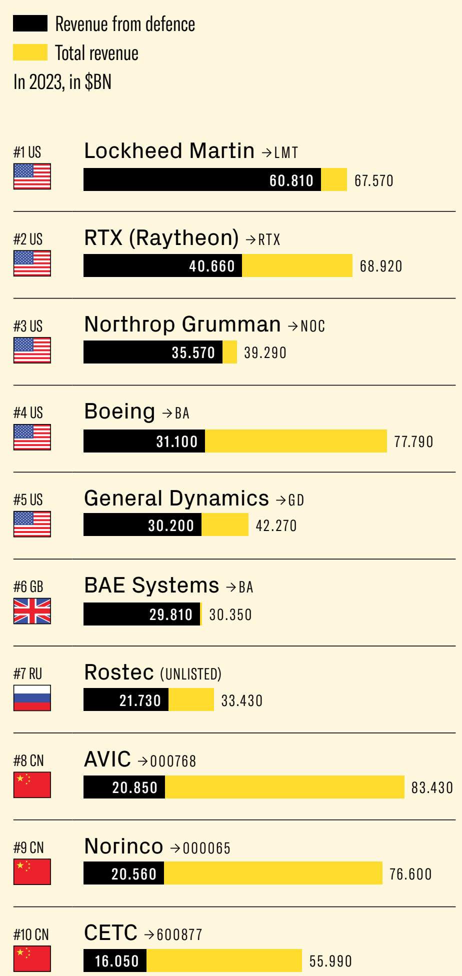
The result is that many European arms dealers, despite the announced deluge of European funds, remain cautious. "When the contracts come, we will be ready, but there is no point in being ready too far in advance," said Patrice Caine, CEO of the French company Thales, adding, in English: "The proof is in the pudding." In other words, for the time being, we only have promises. We are waiting for cold, hard cash before we can really celebrate.

The CEO of Rheinmetall is much more bullish, asserting that "Rheinmetall could be worth between €300 billion and €400 billion in five years' time," compared with around €55 billion currently. Was Armin Papperger too optimistic? It would be difficult to criticize him for that, as he escaped being assassinated last year when the CIA foiled a Russian plot to eliminate him. More to the point, Rheinmetall, as the leading ammunition supplier to the Ukrainian army, did not wait for the latest geopolitical developments in Europe to shift into 'wartime economy' mode. In just three years, the company has become the world's leading producer of ammunition and has no intention of stopping there.

Even if it does not benefit from a 'European preference' in military procurement, Rheinmetall, like its compatriots Renk and Hensoldt, will at least benefit from a 'domestic preference'. As Goldman Sachs points out, larger EU member states still active in defence tend to favour their national champions, such as France, where domestic military sourcing is 90%, and Germany, 80%. And this is perhaps the main danger for Europe. Each country prioritises firms at home, in effect preventing the emergence of companies massive enough to compete with US giants. As a reminder, the five biggest arms dealers worldwide are from the United States. The leading European company, BAE Systems in the UK, ranks sixth. ◢

Top 10 arms producers

The world's largest defence companies are based in the United States.



SOURCE: STOCKHOLM INTERNATIONAL PEACE RESEARCH INSTITUTE (SIPRI)

SOCIAL MEDIA

Finfluencers: The new gurus of finance

Millions of views on social media, advice followed religiously by segments of the younger generation, high-value sponsorship contracts: financial content creators, often with unconventional backgrounds, are disrupting established norms. We take a closer look.

BY BLANDINE GUIGNIER

According to the World Economic Forum (WEF), the 10 most popular financial influencers today command an audience of 65 million followers. Prominent among them is American Brian Jung (see also p. 64). At just 21 years old, the son of South Korean immigrants who struggled financially, Jung launched his YouTube channel in 2018. His initial focus: sharing advice on credit card optimisation. Three years later, he had amassed over a million subscribers and reported annual earnings of $3.7 million from content creation and cryptocurrency investments. Today, his daily audience exceeds two million followers. Notably, his failure to disclose payments received from cryptocurrency company FTX – of which the top executives were convicted of financial fraud in 2023 – appears not to have hindered his expansion.

Investors aged 18 to 34 use social networks as their primary information source

Brian Jung's global following reflects the typical 'finfluencer' (ed. note: portmanteau of 'finance' and 'influencer') audience. They are predominantly young investors, as emphasised in a WEF report published last July. "Generation Z and millennials are entering financial markets earlier than previous generations and have access to new sources of financial education and advice through social media." According to a 2022 study by the Financial Industry Regulatory Authority in the United States, three in five investors aged 18 to 34 use social networks as their primary information source, compared with approximately one-third of those aged 35-54, and merely 8% of those 55 and over.

Finfluencers also mirror the demographic characteristics of young investors, appealing to more diverse and female audiences, according to the WEF. This creates a foundation of trust and connection. "Thanks to social media, women and people of colour, who have traditionally been marginalised or excluded from financial markets, have the opportunity to get started," explains Meagan Andrews, one of the organisation's specialists, in a video. "They find content creators who resemble them, share similar goals, and ask the same questions." In the United States, for instance, half of Black and Hispanic investors utilise investment ideas published online. This proportion

← Diana zur Löwen in her element, posing at Berlin Fashion Week in the Zeiss Planetarium (10 July 2024).

DIANA ZUR LÖWEN
STYLISH INVESTMENT

HANDLE: @DIANAZURLOEWEN
FOLLOWERS: 1.2M ON INSTAGRAM, 208.3K ON TIKTOK

Between videos on hair extensions and everyday relationship advice, Diana Zur Löwen explains to her Instagram followers "what NOT to do when your share portfolio is in negative territory." This 29-year-old German influencer's atypical profile stems from her initial fame at 16 through YouTube videos primarily about fashion and cosmetics. Since then, she founded Rawr Ventures in 2020 to invest her earnings in several startups and increasingly publishes financial content, particularly on ETFs. "It has to be advice suitable for beginners," the young millionaire told *Forbes* in January.

drops to 25% for white respondents. In Europe, many female financial influencers focus on educational content and women's empowerment, such as Instagram accounts with tens of thousands of followers including Ellexxcom (Switzerland), Madame Moneypenny (Germany), and PlanCash (France).

The subject matter covered in videos, tweets, blog articles, and podcasts is remarkably broad. Naturally, the profiles of those involved vary considerably. In the German-speaking world, for example, the approximately 350 influencers identified on Instagram by the HHL Leipzig Graduate School of Management specialise in individual stocks (25%), wealth building and retirement planning (10%), financial education (10%), dividend securities (8%), real estate (5%), and cryptocurrencies (2%). Collectively, they have over 10 million subscribers. "Many major finfluencers have more →

than doubled their follower count in recent years," said Eloy Barrantes, CEO of Paradots, the agency that co-authored the study, in a press release. "Their success formula is communicating financial content in an authentic, personal, and entertaining manner. This clearly distinguishes them from other players and traditional media. Finfluencing is infotainment."

A third deemed 'competent'

Finfluencers undoubtedly have growing followings, but what is the value of their content? Norman Schürhoff, a researcher at the University of Lausanne, analysed publications from more than 29,000 influencers specialising in stock market investments on Stocktwits, America's leading platform for sharing investment ideas. He then compared their recommendations with the actual performance of the securities in question. "We found that just under a third of the influencers (28%) provided quality investment advice that generated average monthly returns of 2.6%. However, the vast majority (72%) were not competent. For 56% of the influencers studied (which we categorised as 'incompetent'), following their investment advice actually produced negative returns of approximately -2.3%." What surprised the finance professor most was that these 'incompetent' influencers attracted the largest followings.

> **"Many major finfluencers have more than doubled their follower count in recent years"**
> **Eloy Barrantes**, CEO of Paradots

"One might assume that if influencers lack competence and dispense flawed advice, their success would be short-lived," explains the University of Lausanne professor. "The problem is that these individuals can potentially earn income not because of their financial knowledge, but due to the follower base they've already established. They sometimes also receive marketing support from their corporate sponsors. Through studies like ours, we alert regulators that market forces, as we understand them in other sectors, may not operate in the same way here."

For investors, distinguishing quality from questionable advice in this environment is challenging. What approach should be taken? According to Norman Schürhoff, social media content can serve as a good starting point, but verification through other sources is essential: "It functions more as complementary to traditional financial advice rather than a substitute. Cross-checking information is crucial." Common sense is equally important, he adds: "There are warning signs, such as when someone promises excessive returns... or when claims seem plainly unrealistic."

ANDREI JIKH
MAGIC AND FINANCE

HANDLE: @ANDREIJIKH
FOLLOWERS: 2.55M ON YOUTUBE, 127K ON INSTAGRAM

Raised in Las Vegas by Russian circus performers, Andrei Jikh began his career as a magician. Alongside his cardistry (the art of card manipulation), he taught himself finance and started investing his savings in 2014. Five years later, at age 30, his investments provided him with regular income, prompting him to document his portfolio evolution (cryptocurrencies, NFTs, stocks, real estate) on YouTube. He also demystifies financial news while incorporating references to magic in his videos. In 2021 alone, he reported earning more than a million dollars from advertising and another million from his investments.

BRIAN JUNG
CRYPTO MADE EASY

HANDLE: @JUNGERNAUT
FOLLOWERS: 2.07M ON YOUTUBE, 107.5K ON X, 101K ON INSTAGRAM

In just a few years, Brian Jung transformed himself from an indebted student to a key influencer in cryptocurrencies. Initially known for his tips on optimising credit cards, he quickly specialised in making crypto investments accessible. Today, this American appeals to a diverse audience through his ability to simplify complex subjects such as blockchain and NFTs. With income derived from partnerships, advertising, and paid subscriptions, Brian Jung exemplifies the commercial success of financial education in the digital age.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Kleenex

A BRAND A STORY

An enduring success

Celebrated for their strength, the American tissues have stood the test of time. They have proven themselves against inflationary price pressures, as well as the ecological challenge of disposability. BY BLANDINE GUIGNIER

© KLEENEX

↑ As early as 1929, the famous cardboard boxes with a perforated opening for easy removal of the tissues, without tearing, first appeared.

Like the pioneers Tupperware, Sagex and Scotch, the name Kleenex has become part of everyday language. It is used to describe any disposable tissue in many countries, including Switzerland. And a hundred years after its launch, it continues to generate colossal revenues, including $4.7 billion for the 2023 financial year, with a 38.5% market share in North America, according to DCFModeling.com.

However, when the Wisconsin paper company Kimberly-Clark developed its first cellulose sheets called 'Cellucotton', they were intended for a completely different purpose. It was the middle of the First World War and they were used as gas mask filters or as bandages for the wounded. The War ended and there were still large stocks to be sold so the factory decided to turn them into sanitary protection, which they called Kotex. To expand their range of feminine products, they adapted the formula and in 1924 launched the first Kleenex, designed to remove make-up residue from the face, hence the reference to the word "clean". However, the company then realised that many consumers were using Kleenex in place of their handkerchiefs. As a result, it changed tack and marketed the brand with slogans such as "The handkerchiefs you can throw away" and "Don't carry a cold in your pocket".

Design offensive

The American brand quickly saw the importance of the packaging and the visual aspect of its product. In 1928, it designed a cardboard box with a perforated opening at the top so that the sheets could be easily removed without tearing them, and pocket-sized tissues were introduced in 1932. At the same time, it also designed colourful, and later, printed, tissues. From the 1940s, Kimberly-Clark began collaborating with the designer of *Little Lulu* to add this famous little girl character to the Kleenex advertising campaigns and thus reach even more families. This was followed at the end of the 20th century by commemorative packaging and limited editions with pop designs aimed at encouraging impulse buying by consumers all over the world.

> "Cost control is crucial in this industry"
>
> **Carla Hirschburger-Schuler,** secretary general of the Swiss Paper, Board and Film Manufacturers Association (SPKF)

From 1928, the parent company was listed on the New York Stock Exchange and its first factories opened abroad in the 1950s: United Kingdom, Mexico, West Germany. The aim was to reduce the export costs of its products, which, although bulky, were relatively inexpensive. Today, Kimberly-Clark has factories in more than 30 countries. However, it no longer only makes tissues and sanitary products, but also disposable nappies, namely the famous Huggies, launched in 1977. The company also expanded its range of household products, from cleaning wipes to household paper, thanks in particular to the acquisition of Scott, the other major American paper producer, in 1995. Even its Kleenex products diversified to stand out from the competition, such as Tempo (now owned by European leader Essity) in German-speaking countries and Puffs, created by Procter & Gamble (P&G) in the United States. The brand added extra layers and lotions with antiviral, decongestant or moisturising properties.

In addition, over the last decade, the company, which has been headquartered in Texas since 1985, has not escaped the restructuring of the paper industry. Several Kimberly-Clark manufacturing centres have closed in Europe and North America, including the one in the canton of Solothurn four years ago. And in 2024, the company announced further job cuts. "Cost control is crucial in this industry," explains Carla Hirschburger-Schuler, secretary general of the Swiss Paper, Board and Film Manufacturers Association (SPKF). "Rather than revolutionising the product itself, it is a question of innovating in the way processes are optimised and energy efficiency increased." After suffering from the price increases due to inflation in recent years, just like Unilever or P&G, Kimberly-Clark has performed better in recent months. According to data compiled by the London Stock Exchange Group, net sales in the fourth quarter of 2024 amounted to $4.93 billion, while analysts had previously forecast an average result of $4.86 billion. ◢ →KMB

KEY DATES

1872
Kimberly-Clark, an American company operating paper mills, is founded.

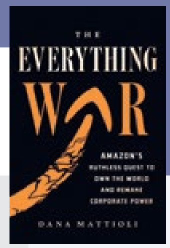
1914
Kimberly-Clark develops 'Cellucotton' used by the American military as surgical cotton during the First World War.

1920
Kimberly-Clark launches Kotex, the first disposable sanitary towel.

1924
The first Kleenex appeared, sold as make-up remover pads.

Criticism and soaring prices

In the 2000s, the brand faced a wave of criticism. Its disposable nature, which had made it successful until then, to the point of becoming an adjective in French designating a dispensable item, backfired. The NGO Greenpeace called for a boycott of these products, which were sometimes made from wood sourced from primary forests. Kimberly-Clark's first sustainability report was published in 2004 and Kleenex now promises its customers that it will only draw its resources from responsibly managed forests (eucalyptus in particular due to the resistance of the species). The use of recycled paper and alternative sources to wood, more limited than among other players in the sector, could even increase in the coming years, according to the latest statements by the multinational's sustainability manager, Lisa Morden.



R E A D

The Everything War

Amazon's Ruthless Quest to Own the World and Remake Corporate Power

BY DANA MATTIOLI
LITTLE, BROWN AND COMPANY

This book delivers an in-depth analysis of the often ruthless tactics employed by Amazon to eliminate competition and establish itself as the undisputed market leader. *Wall Street Journal* journalist Dana Mattioli explores the e-commerce giant's domination strategies across various sectors, including the practice of selling at a loss to attract customers, thereby forcing competitors into bankruptcy or acquisition. For instance, the author details how Amazon incurred a $200 million loss in a single month by selling diapers at reduced prices to force Quidsi, the parent company of Diapers.com, to accept a purchase offer. Once rivals were eliminated, Amazon promptly raised its prices again. The book also highlights Amazon's practice of using its vendors' data to launch competing products under its own brand, exploiting its dominant position to push out small businesses.

CHF 21.90 PAPER EDITION
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L I S T E N

CNBC Fast Money

Sharp analysis

Tune in to this podcast daily Monday through Friday (11 pm Zurich time, 5 pm Eastern Time) for incisive analysis of financial news and daily market trends. It serves as the audio version of the renowned post-market programme broadcast since 2006 on the financial channel CNBC. Host Melissa Lee, alongside a panel of four analysts, deciphers the day's financial market events. While they frequently focus on news from major corporations, the audience is likely to also discover notable companies less familiar to the general public.

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THE FINTECH TIMES

F O L L O W

The Fintech Times

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Everything #fintech *The Fintech Times* is the world's only dedicated Fintech newspaper. Independent, informative & investigative. Printed Bimonthly

X (TWITTER) **4973** FOLLOWING **19,4K** FOLLOWERS

This Twitter feed, dedicated exclusively to financial technology (fintech) news, serves as one of the distribution channels for *The Fintech Times* magazine, founded in 2016 and published bimonthly in the UK with a circulation of 150,000 copies. Its mission is to make the sector accessible to the widest possible audience. The feed regularly shares comprehensive analyses and articles covering current developments in the field. Recent topics include the impact of artificial intelligence and machine learning on financial services, particularly in the democratisation of wealth management tools (wealthtech) such as robo-advisors and blockchain applications.

D O W N L O A D

Partiful

Fun party invites

The ultimate event-planning app

Partiful enables users to organise events from start to finish. The platform allows you to create personalised invitations, manage responses, and communicate effortlessly with guests, all free of charge. Initially launched as a website, Partiful rapidly gained popularity before being rolled out in 2024 on iOS and Android, earning the 'Best App of the Year 2024' award on Android from Google Play.

The app boasts numerous features, including the ability to collect funds for group activities, manage waiting lists, and handle details such as dietary preferences. It synchronizes with most calendar applications and guests don't need to download the app beforehand – they simply receive a link.

APP STORE, GOOGLE PLAY, FREE

AUTO

PORSCHE TAYCAN

The brand of great classics

Revamped last year, the Porsche Taycan has been enhanced with subtle refinements that focus on the fundamentals. The electric marvel now comes with an extra layer of character. BY RAPHAËL LEUBA

PORSCHE TAYCAN 4S SPORT TURISMO PERFORMANCE PLUS

Electric cars are capable of delivering astonishing power with incomparable comfort, yet many still lack character. Then there's the Porsche Taycan. For reasons difficult to pinpoint, this already venerable model, released in 2019, possesses that certain something that makes every journey stimulating. This quality extends beyond the usual abundance of pixels and exhilarating acceleration. Porsche has somehow managed to elevate craft to art.

The perceived quality has improved, as has the technical foundation, while the silhouette of this Sport Turismo estate version continues to captivate. It's no show-off, just a car with extraordinary proportions (4.96 m long, 1.96 m wide and barely 1.39 m high), harmonious curves and deep colours such as metallic 'oak' green. Even the interior, entirely upholstered in 'truffle brown' leather including the steering wheel, is convincing: warm yet light enough to showcase a layout that maintains the brand's sporty nature, designed for four or even five occupants. Without being excessive, the 446-litre boot is deep and adaptable, complemented by an 84-litre compartment under the bonnet.

Inside, all controls are intuitive except for the start button and ignition switch positioned behind the steering wheel. The menus on the three screens (a fourth is available for the passenger) are quickly mastered, apart from the complex configuration of the head-up display. The absence of paddles to adjust regenerative braking is surprising, but the different driving modes handle recuperation admirably, which can now reach an impressive 400 kW! This 4S version comes with air suspension as standard, raising the car a few centimetres to facilitate entry. Most importantly, it smooths out road imperfections with remarkable poise. With four-wheel drive and four-wheel steering (the latter optional), the road performance is exceptional – especially considering the 2.35-tonne weight with the Performance Plus battery (a total capacity of 105 kWh, of which 97 kWh is usable), which adds 6,740 francs to the price. But that's merely where the enjoyment begins. The steering is exemplary and the braking flawless. As for lane-keeping assistance, there's no need to deactivate it during relaxed driving: it's as forward-thinking as the other assistance systems.

What about the engine in all this? Or rather engines, since this 4S has one per axle? Unsurprisingly, and reinvigorated by the discreet restyling, they deliver forceful acceleration at the slightest input. The maximum power of 517 horsepower increases to 598 hp for standing starts. Perfect for this type of long-distance GT, the generous torque of 710 Nm also enables lightning-quick overtaking. These capabilities are enough to humble a Panamera GTS V8 with equivalent performance at an even higher price point. This advantage is particularly evident given that the Taycan 4S can easily travel more than 400 km in winter (and likely over 500 km in summer) based on observed consumption ranging between 21.5 and 26 kWh per 100 km depending on journey and speed. We couldn't verify the claimed record time of 18 minutes to recharge from 10% to 80%, which requires a fast DC station capable of delivering 320 kW. For the same recharge interval, our visits to 50 kW terminals revealed a stable peak and consequently took an hour and a half.

While it may not deliver the same communicative joie de vivre as its combustion-engine counterparts, the Taycan is certainly no wallflower. In Sport mode, its fully-developed synthetic sound system – blending eight-cylinder notes with science fiction machinery – proves quite exhilarating. This achievement undoubtedly owes much to the spatial distribution of the standard Bose 710W audio system with 14 speakers, or the optional Burmester 1455W system (21 speakers). Adding an extra touch of character during sporty driving, the linear acceleration is punctuated by a slight jolt, made possible by the two-speed gearbox on the rear engine. This feature brings a smile to the faces of Porsche enthusiasts initially sceptical about electrification. The most stubborn might even succumb to the 1034 hp Taycan Turbo GT!

Although more powerful electric vehicles exist elsewhere – from Lucid Motors (1251 hp Air Sapphire) or Xiaomi (1548 hp SU7 Ultra, not marketed in Switzerland) – the Taycan is currently the most track-capable performer. This demonstrates that despite the accelerating trend towards electrification, the German brand's sporting heritage remains intact, as does its expertise in suspension tuning, manufacturing quality, and timeless design. These attributes likely make the Taycan more sustainable than its competitors and justify an ambitious pricing strategy. ◢

PORSCHE TAYCAN 4S SPORT TURISMO PERFORMANCE PLUS

POWER AND TORQUE
517 HP (380 KW), 710 NM

LI-ION NMC 800V BATTERY
NOMINAL CAPACITY 105 KWH

MAX. CHARGING POWER
AC 11 KW, DC 320 KW

PERFORMANCE
3.7 S FROM 0-100 KM/H, VMAX 250 KM/H

PRICE
CHF 137,800
(TEST CAR WITH OPTIONS CHF 191,970)

T R A V E L

THE SLOW LIFE: HEADING FOR THAILAND

To reconnect with yourself amidst rejuvenating landscapes, journey to Southeast Asia: its temples, beaches, diving spots and timeless bicycle rides offer the perfect escape.

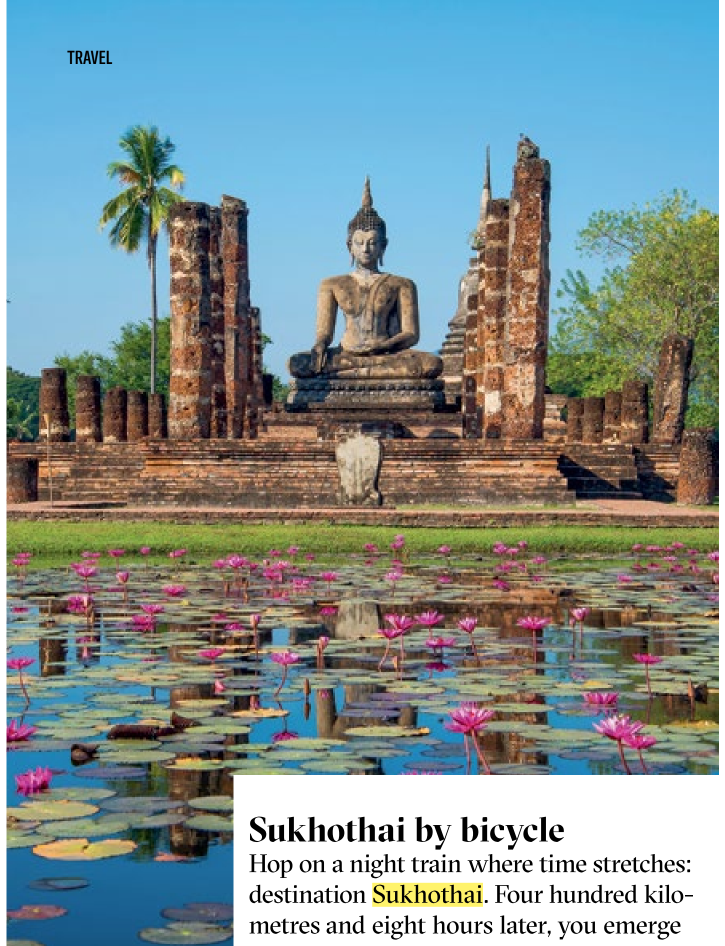
BY AGNÈS VANNOUVONG

Wat Arun Temple on the Chao Phraya River, with a long-tail taxi boat in Bangkok, Thailand

© JOSHUA KETTLE / WORACHAT-SODSRI

Bangkok. This name alone evokes a world apart. With its skyscrapers alongside traditional dwellings, motorways leading to narrow alleyways, and red light districts that never sleep yet somehow coexist with nearby tranquil temples, the vibrant capital of the former kingdom of Siam exudes a gentle madness. There are many cities in the world and then... there's Bangkok. As a proper *farang* ('foreigner'), one could easily be swept away by the hustle and bustle of this energetic capital, where every street vendor tempts you to savour a pad thai or pork noodles steeped in soy sauce; where every bar beckons with promises of indulgence. But now is the time for some healing – a therapeutic journey to erase the stresses of everyday life.

On the path to inner peace, the city's water taxis will transport you along the piers for just a few baht. Wat Pho stands majestically on the banks of the Chao Phraya River – your first invitation to relax. This sanctuary houses the famous gold-leaf-covered statue of the reclining Buddha (46 metres long and 15 metres high). Pray, light a candle or leave an offering with the Buddhist monks who, in return, will gift you some jasmine flowers and a smile. →



During your stay in the Thai capital, if your desire to unwind matches your curiosity for discovery, visit the spa at the iconic Sukhothai Hotel, designed by architects Edward Tuttle and Kerry Hill. The journey is worthwhile: a haven of peace within a sublime architectural setting. An experienced therapist will offer you a refreshing lemongrass and ginger scrub. The exceptional hammam and facial treatments provide a gentle respite – everything is arranged for you to disconnect and realign your energies in a setting where the refined, sophisticated horizontal and vertical lines pay homage to ancient temples. Between tradition and modernity, chedis and pagodas – reminiscent of Sukhothai, one of the ancient capitals of the Kingdom of Siam – mingle with lotus flowers scattered throughout the delicate gardens. Elegance pervades every corner, with rare wooden furniture, statuary, bronze bells, fine fabrics, and subtle colours creating an oasis of serenity, perfect for lunch beside the pool.

Sukhothai by bicycle

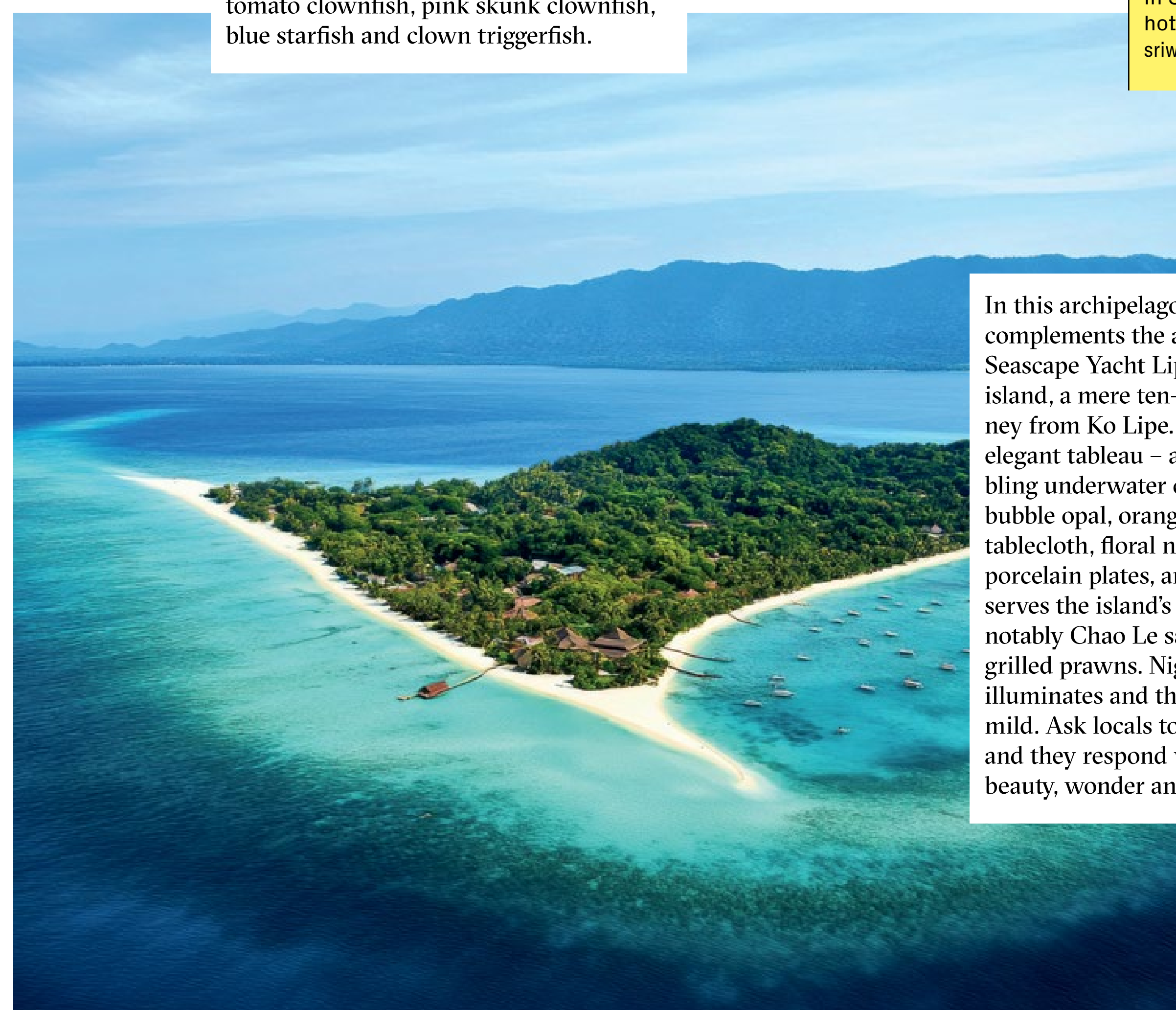
Hop on a night train where time stretches: destination Sukhothai. Four hundred kilometres and eight hours later, you emerge in a city full of charm and light. The main activity is exploring temples by bicycle. Numerous hotels and guest houses near the river provide bicycles for excursions through the historic city. The capital of the first Thai kingdom, which liberated itself from the Khmer Empire of Angkor Wat, preserves the memory of its ancient ruins. In Sukhothai, everything invites slowing down: the heat, the lotus ponds, the historic park surrounding revered temples (Wat Mahathat, Wat Si Chum, Wat Sri Sawai).

Diving in Ko Lipe

We continue to an island in the middle of the Andaman Sea. The colourful archipelago with crystal-clear waters is located in the Tarutao National Marine Park in Thailand's far south, just a stone's throw from Malaysia. Ko Lipe is a paradise for divers and home to the Chao Le, also known as 'Sea Gypsies' – the island's original inhabitants who sustain themselves through fishing and tourism.

At Sunrise Beach, you can stay in modest traditional bamboo bungalows similar to structures found on the outskirts of rice fields in northern Thailand. At Pattaya Beach, wake up in magnificent teak bungalows positioned right by the water. From your bed beneath a mosquito net that elicits scenes from a Marguerite Duras novel, contemplate the sky and trees where birds find sanctuary.

With a few baht, board a long-tail boat (a traditional wooden canoe built by the Chao Le, with bows decorated with colourful fabrics – the votive offerings and flowers intended to bring good fortune to sailors) to explore diving sites. Swim in the blue lagoon bordered by white sand, admire the jungle extending into the Andaman Sea, touch black stones polished by tides, and rest under the thermal breeze that disperses clouds. Underwater, beauty thrives: Picasso triggerfish, purple coral, fuchsia anemones, barracudas, lionfish, groupers and, if fortune smiles, devil rays, whale sharks, bright blue tunicates, tomato clownfish, pink skunk clownfish, blue starfish and clown triggerfish.



In this archipelago, the art of living well complements the art of fine dining. The Seascape Yacht Lipe anchors at Ko Adang island, a mere ten-minute long-tail journey from Ko Lipe. The crew presents an elegant tableau – a table runner resembling underwater corals (wonder coral, bubble opal, orange tube coral), a white tablecloth, floral napkins, blue-rimmed porcelain plates, and rattan seats. The chef serves the island's most refined dishes, notably Chao Le salad, panang curry, and grilled prawns. Night descends, the moon illuminates and the weather remains mild. Ask locals to describe their island, and they respond with gleaming eyes: beauty, wonder and magic. ◢

GETTING THERE

Direct flights to Bangkok from Zurich or connecting flights from Geneva with SWISS airlines.

WHERE TO SLEEP

The Sukhothai Bangkok
In Bangkok, a tranquil retreat featuring simple and elegant teak furniture, a swimming pool, spa, and sumptuous breakfast.
sukhothai.com/bangkok/en

Forra dive resort
In Ko Lipe, choose between bamboo (budget-friendly) or teak (more luxurious) bungalows, and a relaxed atmosphere, with diving expertise provided by Antoine and Valérie.
forradiving.com

Sriwilai Sukhothai
In Sukhothai, a comfortable hotel with a refreshing pool.
sriwilaisukhothai.com

boutique

A bed for pampered dogs

Inspired by the name of her first dog, Leonie Happle created La Quinta, a Zurich-based brand of luxury dog beds. Entirely manufactured in Switzerland, these premium beds with walnut frames have been designed in collaboration with animal welfare specialists to provide optimal ergonomics. Waterproof and antibacterial covers, a specialised sewing technique for easy cleaning, durable materials, and a simple yet elegant design all combine to win over both canines and their owners.

la-quinta.ch
CHF 1.477.-

Suitcase under surveillance

With its personalised QR code, the Scout Travel tag combines digital identification with robust security. Its attachment system, consisting of a tamper-proof screw and steel cable, ensures reliable fastening to luggage. Compatible with Apple's Find My service, the tag enables real-time location tracking and sends alerts if suspicious tampering is detected. Compact (35 g) and waterproof, it allows easy access to the owner's contact details and message sending when necessary.

knog.com
CHF 54.95.-

Birds in sight

The Bird Buddy smart feeder attracts birds with its food reservoir and automatically captures photos or videos using an HD camera equipped with motion detection. A dedicated app analyses the images using artificial intelligence to precisely identify species and even detect signs of illness. For amateur ornithologists who prefer to observe birds in person, real-time alerts signal when feathered visitors arrive.

mybirdbuddy.com
CHF 249.-

Eco-friendly windbreaker

Lausanne-based brand Mover, a specialist in environmentally friendly sportswear, introduces a waterproof jacket made without synthetic fibers or plastic membranes. Water-repellent and breathable, the Ventile Shell+ is crafted in Portugal from natural, sustainable and 100% recyclable materials, featuring high-density woven organic cotton for the exterior and a merino jersey lining. The versatile jacket includes multiple pockets and an adjustable hood.

mover.eu
CHF 595.-

The connected Rubik's Cube

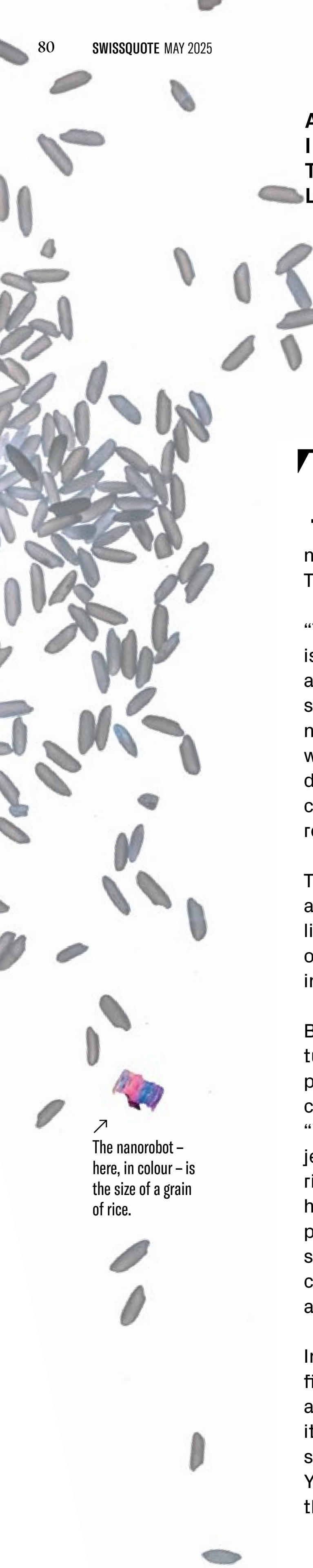
Strategy, memory and dexterity are essential skills for mastering the iconic Rubik's Cube, the celebrated multi-coloured 3D puzzle invented in 1974 by Hungarian architect Ernő Rubik. Its contemporary reinterpretation, called GoCube, brings this classic into the digital age. Featuring seven built-in games suitable for all ages, this intelligent puzzle is equipped with sensors that track and measure activity, helping users improve skills, assess progress and compete online with fellow enthusiasts around the world.

particula-tech.com
CHF 93.90.-

Pure sound

Sennheiser's latest offering, the HD 505 Copper Edition wired headphones, delivers hi-fi quality at an accessible price point. The German brand is renowned for its versatile, high-end products with balanced sound reproduction – and this newcomer doesn't disappoint. Comfort (thanks to synthetic velvet ear cushions) and lightness (237 g), the other hallmarks of Sennheiser, are also present. A must-have for music, film and video game lovers.

sennheiser.com
CHF 279.90.-



The nanorobot – here, in colour – is the size of a grain of rice.

A LOOK INSIDE THE LAB

Nanorobots to navigate the human body

A Singaporean team has developed miniature robots controlled by a magnetic field. They could be used for brain surgery, among other applications. BY JULIE ZAUGG

They are robots, but they are the size of a grain of rice and they are soft. Made of biocompatible polymers that are non-toxic to humans, these nanostructures were developed at Nanyang Technological University in Singapore.

"To control the robots, we inserted magnetised microparticles," explains Lum Guo Zhan, assistant professor at the institution's school of mechanical and aerospace engineering, who supervised the project. "When we apply a magnetic field to them, they deform. Depending on the gradient used, we can get them to develop a tentacle, rotate, roll or walk."

This system allows nanorobots to move along the three spatial axes, in a straight line or by rotation, covering the six degrees of movement that a rigid body can achieve in three-dimensional space.

By deforming tentacle-shaped microstructures using the magnetic field, the Singaporean researchers have also succeeded in creating structures capable of swimming. "We took our inspiration from sperm and jellyfish, which move by means of asymmetric contractions," explains Zhan, mimicking a hand that closes quickly before slowly reopening, creating a propulsive motion. These swimming robots have now managed to cross a barrier in water by passing through a tiny gap.

In another test, scientists used a magnetic field to give one of their nanorobots the ability to grasp objects. They then instructed it to assemble a three-dimensional microstructure consisting of a bar placed on Y-shaped stilts. It accomplished it in less than five minutes.

The possible applications mainly cover the field of medicine. The nanorobots' ability to negotiate submerged obstacles makes them an ideal tool for accessing vital organs that are difficult to reach.

"During brain surgery, we currently have to remove part of the skull," says Lum Guo Zhan. "In the future, our nanorobots could be injected into the spinal cord, from where they will travel to the brain. They will be able to assess any damage and repair it. By varying the intensity of the magnetic field, it will also be possible to dispense medication by controlling the opening of a valve containing the therapeutic substance."

"Additionally, we could place the nanorobots in an ice cube that would be ingested by the patient, in order to access his or her digestive system," the researcher continues. Foetal surgery is another possible area of application, he says.

Lum Guo Zhan also envisages uses in the field of diagnostics. "Some analyses, such as COVID tests, are carried out using a 'lab-on-a-chip', which is an integrated device that can break down and study a biological sample," explains the assistant professor. "Our nanorobots could make it easier to assemble these miniaturised structures."

However, there is still a long way to go. "We hope to be able to start tests on animal models soon, before moving on to clinical trials on humans in five to 10 years," notes the researcher. In order to increase the efficiency of its nanorobots, the Nanyang Technological University team is also looking to develop even smaller structures, measuring just a few hundred micrometres – that is, thousandths of a millimetre.