

## Bumping up growth

Administer acquired financial and HR administration services specialist Econia, taking a clear leap towards its 2024 net sales target of EUR 84m.

### Acquired Econia and adjusted 2022 guidance

Administer announced the acquisition of Econia Ltd. Econia is a company specialised in financial and HR administration and international services operating in 13 locations in Finland and in Fuengirola, Spain. Econia's pro forma net sales and EBITDA in 2021 were EUR 19.1m and EUR 1.7m, with corresponding predicted 2022 figures at around EUR 25m and EUR 3m. Growth has been aided by acquisitions, but organic growth has to our understanding been solid. The debt-free purchase price of the acquisition is EUR 20m, of which EUR 18m is paid in cash at the time of closing, with an additional purchase price of max. EUR 4m to be paid by June 30<sup>th</sup>, 2025. The acquisition is funded by IPO proceeds and long-term debt of EUR 13m.

### Back on track to achieve growth targets

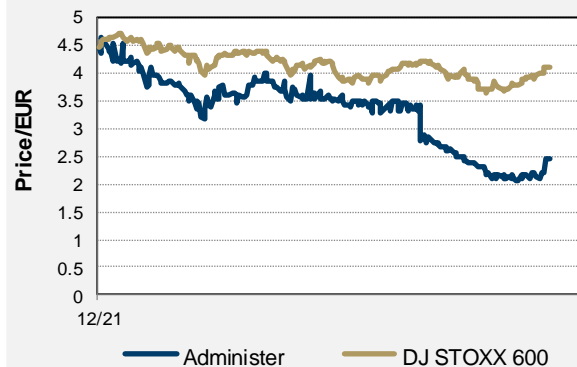
In conjunction with the acquisition Administer adjusted its 2022 guidance for net sales to EUR 50-52m (prev. 47-49m) and the EBITDA-margin to 5.5-7.5% (5.0-7.0%). The adjustment is purely related to the completed acquisition and according to management no notable deviations in the underlying business have been seen from what was communicated in the H1 earnings release. The acquisition puts Administer well back on track to achieve its 2024 net sales target of EUR 84m, also providing an additional avenue for growth internationally. Econia will also aid near-term profitability and we expect Administer to move to double-digit EBITDA-margins in 2023. Reaching the 2024 target of 24%, however, still requires significant internal actions to improve efficiency.

### BUY with a target price of EUR 3.6

Current valuation levels (0.6x 2023e EV/sales) continue to suggest essentially no expectations of improvement potential. We see continued support for margins picking up through acquisition synergies and improved efficiency, although we still find the 24% EBITDA-margin target challenging.

### Rating

**BUY**



Share price, EUR (Last trading day's closing price)	2.45
Target price, EUR	3.6

Latest change in recommendation	04-Mar-22
Latest report on company	01-Sep-22
Research paid by issuer:	YES
No. of shares outstanding, '000's	14,329
No. of shares fully diluted, '000's	14,329
Market cap, EURm	35
Free float, %	-
Exchange rate	0.000
Reuters code	ADMIN.HE
Bloomberg code	ADMIN FH
Average daily volume, EURm	-
Next interim report	-
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**BUY** **HOLD** **SELL**

### KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	FCF EURm	EPS EUR	P/E (x)	EV/Sales (x)	EV/EBIT (x)	FCF yield %	DPS EUR
2020	43.7	2.9	6.6%	2.2	0.20	0.0	0.1	1.9	0.0	0.00
2021	41.9	0.1	0.1%	-10.1	-0.13	-33.2	1.2	959.9	-16.9	0.00
2022E	51.3	0.3	0.5%	-21.4	-0.01	-386.6	0.9	185.4	-61.1	0.00
2023E	75.3	3.9	5.2%	5.2	0.16	15.7	0.6	11.0	14.8	0.11
2024E	80.6	6.5	8.0%	7.5	0.30	8.1	0.5	5.7	21.2	0.16
Market cap, EURm			35	Gearing 2022E, %			39.4	CAGR EPS 2021-24, %		0.0
Net debt 2022E, EURm			13	Price/book 2022E			1.1	CAGR sales 2021-24, %		24.4
Enterprise value, EURm			48	Dividend yield 2022E, %			0.0	ROE 2022E, %		-0.3
Total assets 2022E, EURm			68	Tax rate 2022E, %			6.2	ROCE 2022E, %		0.6
Goodwill 2022E, EURm			44	Equity ratio 2022E, %			47.4	PEG, P/E 22/CAGR		0.0

All the important disclosures can be found on the last pages of this report.

Administer	2020	H1/21	H2/21	2021	H1/22	H2/22E	2022E	2023E	2024E
Net sales	43.7	19.8	22.1	41.9	23.9	27.4	51.3	75.3	80.6
<i>sales growth %</i>	<i>-3.5%</i>	<i>-11.2%</i>	<i>3.5%</i>	<i>-4.0%</i>	<i>20.4%</i>	<i>24.2%</i>	<i>22.4%</i>	<i>46.8%</i>	<i>7.0%</i>
Other operating income	0.1	0.0	0.1	0.2	0.0	0.1	0.1	0.1	0.1
Materials and services	-5.4	-2.3	-3.3	-5.6	-3.5	-3.8	-7.3	-10.4	-10.5
Personnel expenses	-27.9	-14.1	-14.1	-28.2	-15.9	-18.2	-34.1	-48.6	-50.8
Other expenses	-6.1	-2.8	-3.2	-6.0	-3.6	-3.0	-6.6	-8.7	-8.9
Results of affiliates	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.1
<b>EBITDA</b>	<b>4.4</b>	<b>0.6</b>	<b>1.7</b>	<b>2.3</b>	<b>1.0</b>	<b>2.4</b>	<b>3.4</b>	<b>7.9</b>	<b>10.7</b>
<i>EBITDA-margin</i>	<i>10.2%</i>	<i>3.0%</i>	<i>7.5%</i>	<i>5.4%</i>	<i>4.2%</i>	<i>8.9%</i>	<i>6.7%</i>	<i>10.5%</i>	<i>13.2%</i>
Depreciation	-0.6	-0.4	-0.4	-0.7	-0.5	-0.5	-0.9	-1.0	-1.1
<b>EBITA</b>	<b>3.9</b>	<b>0.2</b>	<b>1.3</b>	<b>1.5</b>	<b>0.5</b>	<b>2.0</b>	<b>2.5</b>	<b>6.9</b>	<b>9.6</b>
<i>EBITA-margin</i>	<i>8.8%</i>	<i>1.2%</i>	<i>5.7%</i>	<i>3.6%</i>	<i>2.2%</i>	<i>7.2%</i>	<i>4.9%</i>	<i>9.1%</i>	<i>11.9%</i>
Goodwill amortization	-1.0	-0.5	-1.0	-1.5	-1.0	-1.2	-2.2	-3.0	-3.1
<b>EBIT</b>	<b>2.9</b>	<b>-0.3</b>	<b>0.3</b>	<b>0.1</b>	<b>-0.5</b>	<b>0.8</b>	<b>0.3</b>	<b>3.9</b>	<b>6.5</b>
<i>EBIT-margin</i>	<i>6.6%</i>	<i>-1.3%</i>	<i>1.4%</i>	<i>0.1%</i>	<i>-2.1%</i>	<i>2.8%</i>	<i>0.5%</i>	<i>5.2%</i>	<i>8.0%</i>

Source: Administer, Evli Research estimates.

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	2.45 PV of Free Cash Flow	73 Long-term growth, %	1.5 Risk-free interest rate, %	2.50
DCF share value	24.32 PV of Horizon value	267 WACC, %	5.8 Market risk premium, %	4.8
Share price potential, %	892.5 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %	2.5
Maximum value	27.9 Marketable securities	13 Minimum WACC, %	5.3 Equity beta coefficient	1.00
Minimum value	21.5 Debt - dividend	-4 Maximum WACC, %	6.3 Target debt ratio, %	40
Horizon value, %	78.7 Value of stock	348 Nr of shares, Mn	14.3 Effective tax rate, %	26

DCF valuation, EURm	2021	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	Horizon
Net sales	42	51	75	81	89	98	102	108	113	119	120	122
<i>Sales growth, %</i>	-4.0	22.4	46.8	7.0	10.0	10.0	5.0	5.0	5.0	5.0	1.5	1.5
Operating income (EBIT)	0	0	4	6	11	16	16	17	18	19	19	20
<i>Operating income margin, %</i>	0.1	0.5	5.2	8.0	12.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0
+ Depreciation+amort.	2	3	4	4	5	5	6	6	6	7	7	
EBITDA	2	3	8	11	16	21	22	23	24	26	26	
- Paid taxes	0	0	-1	-2	-3	-4	-4	-4	-4	-5	-5	
- Change in NWC	2	1	2	0	1	1	0	0	0	1	0	
<i>NWC / Sales, %</i>	-9.2	-9.2	-9.2	-9.2	-9.2	-9.2	-9.2	-9.2	-9.2	-9.2	-9.2	
+ Change in other liabs	0	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	-12	-2	-3	-2	-2	-2	-2	-2	-2	-3	-2	
<i>opCAPEX / Sales, %</i>	29.3	4.7	4.3	1.9	2.4	2.4	2.1	2.1	2.1	2.1	1.9	
- Acquisitions	0	-23	0	0	0	0	0	0	0	0	0	
+ Divestments	0	0	0	0	0	0	0	0	0	0	0	
- Other items	0	0	0	0	0	0	0	0	0	0	0	
= FCFF	-8	-21	5	8	11	16	16	17	18	19	19	448
= Discounted FCFF		-21	5	7	10	12	12	12	12	12	11	267
= DFCF min WACC		-21	5	7	10	13	13	12	12	12	12	315
= DFCF max WACC		-21	5	7	9	12	12	12	12	11	11	229

## INTERIM FIGURES

EVLI ESTIMATES, EURm	2021Q1	2021Q2	2021Q3	2021Q4	2021	2022Q1	2022Q2	2022Q3E	2022Q4E	2022E	2023E	2024E
Net sales	0.0	19.8	0.0	22.1	41.9	0.0	23.9	0.0	27.4	51.3	75.3	80.6
EBITDA	0.0	0.6	0.0	1.6	2.3	0.0	1.0	0.0	2.4	3.4	7.9	10.7
<i>EBITDA margin (%)</i>	<i>0.0</i>	<i>3.0</i>	<i>3,900.0</i>	<i>7.3</i>	<i>5.4</i>	<i>0.0</i>	<i>4.2</i>	<i>0.0</i>	<i>8.9</i>	<i>6.7</i>	<i>10.5</i>	<i>13.2</i>
EBIT	0.0	-0.3	0.0	0.3	0.1	0.0	-0.5	0.0	0.8	0.3	3.9	6.5
<i>EBIT margin (%)</i>	<i>0.0</i>	<i>-1.3</i>	<i>0.0</i>	<i>1.4</i>	<i>0.1</i>	<i>0.0</i>	<i>-2.1</i>	<i>0.0</i>	<i>2.8</i>	<i>0.5</i>	<i>5.2</i>	<i>8.0</i>
Net financial items	0.0	-0.1	0.0	-1.7	-1.8	0.0	0.0	0.0	-0.1	-0.2	-0.3	-0.3
Pre-tax profit	0.0	-0.4	0.0	-1.4	-1.7	0.0	-0.6	0.0	0.6	0.1	3.5	6.2
Tax	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	-0.1	-1.3	-1.9
<i>Tax rate (%)</i>	<i>0.0</i>	<i>32.5</i>	<i>0.0</i>	<i>2.9</i>	<i>-9.6</i>	<i>0.0</i>	<i>3.9</i>	<i>0.0</i>	<i>6.8</i>	<i>6.2</i>	<i>20.0</i>	<i>20.0</i>
Net profit	0.0	-0.5	0.0	-1.3	-1.8	0.0	-0.6	0.0	0.5	-0.1	2.2	4.3
EPS	0.00	-0.04	0.00	-0.09	-0.13	0.00	-0.04	0.00	0.03	-0.01	0.16	0.30
EPS adjusted (diluted no. of shares)	0.00	-0.04	0.00	-0.09	-0.13	0.00	-0.04	0.00	0.03	-0.01	0.16	0.30
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.11	0.16
<b>SALES, EURm</b>												
Administer	0.0	19.8	0.0	22.1	41.9	0.0	23.9	0.0	27.4	51.3	75.3	80.6
Total	0.0	19.8	0.0	22.1	41.9	0.0	23.9	0.0	27.4	51.3	75.3	80.6
<b>SALES GROWTH, Y/Y %</b>												
Administer	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>-49.4</i>	<i>-4.0</i>	<i>0.0</i>	<i>20.7</i>	<i>0.0</i>	<i>23.9</i>	<i>22.4</i>	<i>46.8</i>	<i>7.0</i>
Total	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>-49.4</i>	<i>-4.0</i>	<i>0.0</i>	<i>20.7</i>	<i>0.0</i>	<i>23.9</i>	<i>22.4</i>	<i>46.8</i>	<i>7.0</i>
<b>EBIT, EURm</b>												
Administer	0.0	-0.3	0.0	0.3	0.1	0.0	-0.5	0.0	0.8	0.3	3.9	6.5
Total	0.0	-0.3	0.0	0.3	0.1	0.0	-0.5	0.0	0.8	0.3	3.9	6.5
<b>EBIT margin, %</b>												
Administer	<i>0.0</i>	<i>-1.3</i>	<i>0.0</i>	<i>1.4</i>	<i>0.1</i>	<i>0.0</i>	<i>-2.1</i>	<i>0.0</i>	<i>2.8</i>	<i>0.5</i>	<i>5.2</i>	<i>8.0</i>
Total	<i>0.0</i>	<i>-1.3</i>	<i>0.0</i>	<i>1.4</i>	<i>0.1</i>	<i>0.0</i>	<i>-2.1</i>	<i>0.0</i>	<i>2.8</i>	<i>0.5</i>	<i>5.2</i>	<i>8.0</i>

INCOME STATEMENT, EURm	2017	2018	2019	2020	2021	2022E	2023E	2024E
Sales	20.2	37.0	45.3	43.7	41.9	51.3	75.3	80.6
<i>Sales growth (%)</i>	<i>0.0</i>	<i>82.7</i>	<i>22.5</i>	<i>-3.5</i>	<i>-4.0</i>	<i>22.4</i>	<i>46.8</i>	<i>7.0</i>
EBITDA	1.4	1.9	3.0	4.4	2.3	3.4	7.9	10.7
<i>EBITDA margin (%)</i>	<i>6.8</i>	<i>5.1</i>	<i>6.5</i>	<i>10.2</i>	<i>5.4</i>	<i>6.7</i>	<i>10.5</i>	<i>13.2</i>
Depreciation	-0.3	-1.1	-1.1	-0.6	-0.7	-0.9	-1.0	-1.1
EBITA	1.0	0.8	1.9	3.8	1.5	2.5	6.9	9.6
Goodwill amortization / writedown	-0.2	-0.3	-1.0	-1.0	-1.5	-2.2	-3.0	-3.1
EBIT	0.8	0.5	0.9	2.9	0.1	0.3	3.9	6.5
<i>EBIT margin (%)</i>	<i>3.9</i>	<i>1.3</i>	<i>1.9</i>	<i>6.6</i>	<i>0.1</i>	<i>0.5</i>	<i>5.2</i>	<i>8.0</i>
Reported EBIT	0.8	0.5	0.9	2.9	0.1	0.3	3.9	6.5
<i>EBIT margin (reported) (%)</i>	<i>3.9</i>	<i>1.3</i>	<i>1.9</i>	<i>6.6</i>	<i>0.1</i>	<i>0.5</i>	<i>5.2</i>	<i>8.0</i>
Net financials	0.0	-0.2	-0.3	-0.3	-1.8	-0.2	-0.3	-0.3
Pre-tax profit	0.8	0.2	0.6	2.6	-1.7	0.1	3.5	6.2
Taxes	-0.2	-0.2	-0.1	-0.6	0.0	-0.1	-1.3	-1.9
Minority shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	0.5	0.0	0.4	2.0	-1.8	-0.1	2.2	4.3
Cash NRIs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-cash NRIs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>BALANCE SHEET, EURm</b>								
Assets								
Fixed assets	2	3	3	3	4	6	8	8
Goodwill	2	13	15	14	23	44	41	38
Right of use assets	0	0	0	0	0	0	0	0
Inventory	0	0	0	0	0	0	0	0
Receivables	3	8	8	7	7	8	12	13
Liquid funds	3	1	1	1	13	10	15	16
Total assets	10	25	26	25	47	68	76	75
Liabilities								
Shareholder's equity	2	7	7	9	32	32	34	37
Minority interest	0	0	0	0	0	0	0	0
Convertibles	0	0	0	0	0	0	0	0
Lease liabilities	0	0	0	0	0	0	0	0
Deferred taxes	0	0	0	0	0	0	0	0
Interest bearing debt	2	10	8	6	4	23	23	18
Non-interest bearing current liabilities	5	9	10	9	11	13	19	20
Other interest-free debt	0	0	0	0	0	0	0	0
Total liabilities	10	25	26	25	47	68	76	75
<b>CASH FLOW, EURm</b>								
+ EBITDA	1	2	3	4	2	3	8	11
- Net financial items	0	0	0	0	-2	0	0	0
- Taxes	0	0	0	-1	0	0	-1	-2
- Increase in Net Working Capital	2	-2	1	0	2	1	2	0
+/- Other	0	0	0	0	0	0	0	0
= Cash flow from operations	3	0	4	4	2	4	8	9
- Capex	-5	-13	-4	-1	-12	-2	-3	-2
- Acquisitions	0	0	0	0	0	-23	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Free cash flow	-1	-13	0	2	-10	-21	5	7
+/- New issues/buybacks	1	5	0	0	25	0	0	0
- Paid dividend	0	0	0	0	0	0	0	-2
+/- Other	3	7	-1	-2	-2	19	0	-5
Change in cash	3	-1	-1	0	12	-3	5	1

Commercial Services & Supplies/Finland, November 15, 2022  
Company update

KEY FIGURES	2018	2019	2020	2021	2022E	2023E	2024E
M-cap	0	0	0	60	35	35	35
Net debt (excl. convertibles)	8	8	6	-9	13	7	2
Enterprise value	8	8	6	51	48	43	37
Sales	37	45	44	42	51	75	81
EBITDA	2	3	4	2	3	8	11
EBIT	0	1	3	0	0	4	6
Pre-tax	0	1	3	-2	0	4	6
Earnings	0	0	2	-2	0	2	4
Equity book value (excl. minorities)	7	7	9	32	32	34	37
<b>Valuation multiples</b>							
EV/sales	0.2	0.2	0.1	1.2	0.9	0.6	0.5
EV/EBITDA	4.4	2.6	1.2	22.6	13.9	5.4	3.4
EV/EBITA	10.5	4.1	1.4	33.8	19.1	6.2	3.8
EV/EBIT	17.5	8.7	1.9	959.9	185.4	11.0	5.7
EV/OCF	-84.9	1.9	1.6	23.3	12.1	5.0	4.1
EV/FCFF	-0.6	11.2	2.2	-6.1	-2.3	7.8	4.8
P/FCFE	0.0	0.0	0.0	-5.9	-1.6	6.7	4.7
P/E	0.0	0.0	0.0	-33.2	-386.6	15.7	8.1
P/B	0.0	0.0	0.0	1.8	1.1	1.0	0.9
Target EV/EBITDA	0.0	0.0	0.0	0.0	18.7	7.5	5.0
Target EV/EBIT	0.0	0.0	0.0	0.0	249.3	15.2	8.2
Target EV/FCF	0.0	0.0	0.0	0.0	-3.0	11.3	7.1
Target P/B	0.0	0.0	0.0	0.0	1.6	1.5	1.4
Target P/E	0.0	0.0	0.0	0.0	-568.1	23.0	11.9
<b>Per share measures</b>							
Number of shares	9,480	9,620	9,620	14,194	14,329	14,329	14,329
Number of shares (diluted)	9,480	9,620	9,620	14,194	14,329	14,329	14,329
EPS	0.00	0.04	0.20	-0.13	-0.01	0.16	0.30
Operating cash flow per share	-0.01	0.42	0.37	0.15	0.28	0.59	0.63
Free cash flow per share	-1.40	0.05	0.23	-0.71	-1.50	0.36	0.52
Book value per share	0.71	0.78	0.99	2.28	2.25	2.41	2.60
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.11	0.16
Dividend payout ratio, %	0.0	0.0	0.0	0.0	0.0	70.2	51.5
Dividend yield, %	0.0	0.0	0.0	0.0	0.0	4.5	6.3
FCF yield, %	0.0	0.0	0.0	-16.9	-61.1	14.8	21.2
<b>Efficiency measures</b>							
ROE	-0.1	6.1	23.1	-8.6	-0.3	6.7	12.1
ROCE	4.6	5.4	18.2	0.2	0.6	6.9	11.6
<b>Financial ratios</b>							
Inventories as % of sales	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Receivables as % of sales	21.6	17.0	15.3	15.9	15.9	15.9	15.9
Non-interest bearing liabilities as % of sales	23.0	21.5	20.0	25.1	25.1	25.1	25.1
NWC/sales, %	-1.5	-4.5	-4.8	-9.2	-9.2	-9.2	-9.2
Operative CAPEX/sales, %	35.7	7.8	3.1	29.3	4.7	4.3	1.9
CAPEX/sales (incl. acquisitions), %	35.7	7.8	3.1	29.3	-40.2	4.3	1.9
FCFF/EBITDA	-7.1	0.2	0.6	-3.7	-6.2	0.7	0.7
Net debt/EBITDA, book-weighted	4.4	2.6	1.2	-3.9	3.7	1.0	0.2
Debt/equity, market-weighted	0.0	0.0	0.0	0.1	0.7	0.6	0.5
Equity ratio, book-weighted	26.9	29.2	38.4	68.5	47.4	45.4	49.5
Gearing, %	121.9	101.8	58.3	-27.2	39.4	21.7	4.3

**COMPANY DESCRIPTION:** Administer is one of the leading providers of financial management and HR & payroll services in Finland. Founded in 1985, the company has grown rapidly in recent years through acquisitions and today employs around 600 employees. In-house developed technology has played an important role and the company is looking to further leverage its know-how to develop the industry. The company completed its IPO in December 2021.

**INVESTMENT CASE:** Administer has set out rather ambitious targets, seeking to achieve revenue of EUR 84m and an EBITDA-margin of 24% in 2024. The company has yet to show the required growth and profitability figures to achieve the targets, but consolidation in the fragmented and non-cyclical industry provides ample opportunities for growth. Profitability improvement relies upon synergies from acquisitions as well as internal operational efficiency, further to be improved by pick-up in growth.

OWNERSHIP STRUCTURE	SHARES	EURm	%
Aho Peter	6,880,980	16.858	48.0%
Ilmarinen Mutual Pension Insurance Company	1,250,000	3.063	8.7%
Sijoitus Oy MC Invest Ab	1,205,508	2.953	8.4%
Oy Fincorp Ab	357,071	0.875	2.5%
Varma Mutual Pension Insurance Company	337,093	0.826	2.4%
Elo Mutual Pension Insurance Company	308,642	0.756	2.2%
Herranen Kimmo	231,700	0.568	1.6%
Oy Talcom Ab	154,465	0.378	1.1%
Emceläiset Oy	146,533	0.359	1.0%
Rausanne Oy	125,885	0.308	0.9%
Ten largest	10,997,877	26.945	77%
Residual	3,331,537	8.162	23%
Total	14,329,414	35.107	100%

## EARNINGS CALENDAR

## OTHER EVENTS

## COMPANY MISCELLANEOUS

CEO: Peter Aho  
CFO: Johan Idman  
IR:

Itämerenkatu 5, FIN-00180 Helsinki  
Tel:

## DEFINITIONS

P/E	$\frac{\text{Price per share}}{\text{Earnings per share}}$	EPS	$\frac{\text{Profit before extraord. items and taxes} - \text{income taxes} + \text{minority interest}}{\text{Number of shares}}$
P/BV	$\frac{\text{Price per share}}{\text{Shareholders' equity} + \text{taxed provisions per share}}$	DPS	Dividend for the financial period per share
Market cap	Price per share * Number of shares	OCF (Operating cash flow)	EBITDA – Net financial items – Taxes – Increase in working capital – Cash NRIs ± Other adjustments
EV (Enterprise value)	Market cap + net debt + minority interest at market value – share of associated companies at market value	FCF (Free cash flow)	Operating cash flow – operative CAPEX – acquisitions + divestments
EV/Sales	$\frac{\text{Enterprise value}}{\text{Sales}}$	FCF yield, %	$\frac{\text{Free cash flow}}{\text{Market cap}}$
EV/EBITDA	$\frac{\text{Enterprise value}}{\text{Earnings before interest, tax, depreciation and amortization}}$	Operative CAPEX/sales	$\frac{\text{Capital expenditure} - \text{divestments} - \text{acquisitions}}{\text{Sales}}$
EV/EBIT	$\frac{\text{Enterprise value}}{\text{Operating profit}}$	Net working capital	Current assets – current liabilities
Net debt	Interest bearing debt – financial assets	Capital employed/Share	$\frac{\text{Total assets} - \text{non-interest bearing debt}}{\text{Number of shares}}$
Total assets	Balance sheet total	Gearing	$\frac{\text{Net debt}}{\text{Equity}}$
Div yield, %	$\frac{\text{Dividend per share}}{\text{Price per share}}$	Debt/Equity, %	$\frac{\text{Interest bearing debt}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}$
Payout ratio, %	$\frac{\text{Total dividends}}{\text{Earnings before extraordinary items and taxes} - \text{income taxes} + \text{minority interest}}$	Equity ratio, %	$\frac{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}{\text{Total assets} - \text{interest-free loans}}$
ROCE, %	$\frac{\text{Profit before extraordinary items} + \text{interest expenses} + \text{other financial costs}}{\text{Balance sheet total} - \text{non-interest bearing debt (average)}}$	CAGR, %	Cumulative annual growth rate = Average growth per year
ROE, %	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholder's equity} + \text{minority interest} + \text{taxed provisions (average)}}$		



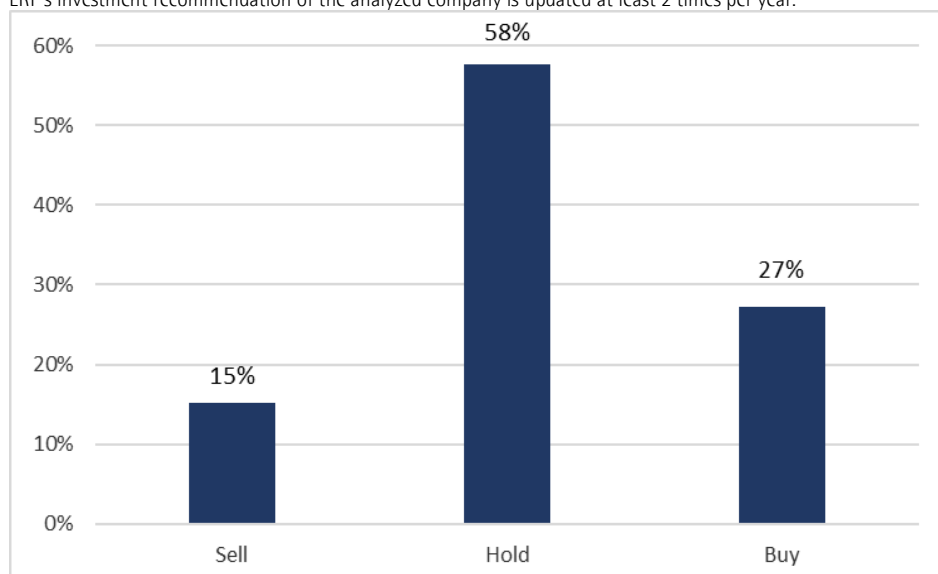
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Investment recommendations are defined as follows:

Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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Name(s) of the analyst(s): Salokivi

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