

## Focus on profitability

Administer is seeking an annual profitability improvement of EUR 7m, with profitability in H1 being rather weak. The margin improvement potential supports valuation upside.

### Weak profitability in H1

Administer reported H1 results quite on par with our estimates, profitability as expected was weak due to the impact of cost inflation. Net sales grew some 64% to EUR 39.2m (Evli EUR 39.0m), of which some 10% was organic. EBITDA amounted to EUR 1.6m (Evli EUR 1.9m). The H1 report per se contained little new information given the guidance downgrade and announced profitability improvement programme earlier in August. Administer will seek an annual profitability improvement of EUR 7m, estimated to actualize during 2024, and decided to begin change negotiations, which could lead to a reduction of 31 employees at maximum. Strategy work was also initiated.

### Notable profitability improvements expected in 2024

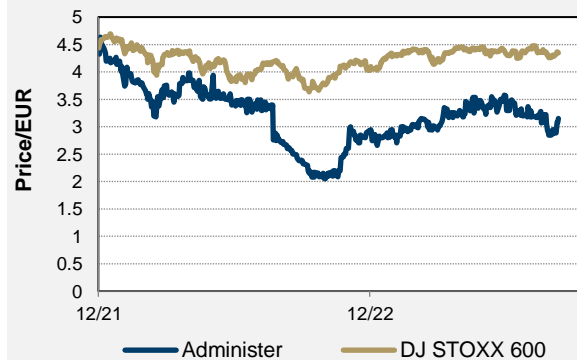
The planned profitability improvement is substantial, corresponding to close to 10% of our estimated cost base for 2023e, but details on how it is to be achieved were still limited. We assume potential one-offs relating to the change negotiations to impact H2, and have lower our EBITDA-margin estimate, now 4.8% (prev. 6.3%), closer to the lower end of the guidance. We for now expect a very minor decrease in the overall cost base in 2024, together with an estimated growth of 6.7% bringing our 2024e EBITDA-margin estimate to 11.4%. Focus will be on profitability, but we anticipate continued targeted smaller acquisitions, which would further boost growth potential. Administer in its growth ambitions apart from Finland now also noted the Baltic Sea region, having formerly noted potential of expanding in Sweden.

### BUY with a target price of EUR 3.5

Valuation continues to appear attractive, should Administer reach double-digit EBITDA-margins next year, which should the planned savings be reached is well achievable. Uncertainty still remains high given the more recent profitability track. We retain our BUY-rating and target price of EUR 3.5.

## Rating

BUY



Share price, EUR (Last trading day's closing price) 3.15  
 Target price, EUR 3.5

Latest change in recommendation 03-Dec-21  
 Latest report on company 17-Aug-23  
 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 45  
 Free float, % -  
 Exchange rate 0.000  
 Reuters code ADMIN.HE  
 Bloomberg code ADMIN FH  
 Average daily volume, EURm -  
 Next interim report -  
 Web site administergroup.com

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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
2021	41.9	0.1	0.1%	0.4	-0.13	-33.2	1.2	959.9	0.7	0.00
2022	52.8	0.1	0.2%	-20.1	-0.05	-52.9	1.0	473.3	-52.7	0.05
2023E	80.4	-1.9	-2.4%	2.7	-0.22	-14.4	0.7	-29.5	5.9	0.02
2024E	85.8	3.7	4.3%	5.7	0.11	27.9	0.6	13.9	12.7	0.12
2025E	90.1	6.3	7.0%	8.0	0.27	11.6	0.5	7.2	17.7	0.17
Market cap, EURm				45	Gearing 2023E, %		42.5	CAGR EPS 2022-25, %		0.0
Net debt 2023E, EURm				12	Price/book 2023E		1.6	CAGR sales 2022-25, %		19.5
Enterprise value, EURm				57	Dividend yield 2023E, %		0.7	ROE 2023E, %		-10.4
Total assets 2023E, EURm				69	Tax rate 2023E, %		28.3	ROCE 2023E, %		-4.0
Goodwill 2023E, EURm				38	Equity ratio 2023E, %		41.1	PEG, P/E 23/CAGR		0.0

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

Administer	2020	2021	H1/22	H2/22	2022	H1/'23	H2/'23E	2023E	2024E	2025E
Net sales	43.7	41.9	23.9	28.9	52.8	39.2	41.2	80.4	85.8	90.1
<i>sales growth %</i>	-3.5%	-4.0%	20.4%	30.8%	25.9%	64.2%	42.6%	52.4%	6.7%	5.0%
Other operating income	0.1	0.2	0.0	0.1	0.1	0.2	0.1	0.2	0.1	0.1
Materials and services	-5.4	-5.6	-3.5	-3.7	-7.1	-4.3	-4.4	-8.7	-8.9	-9.2
Personnel expenses	-27.9	-28.2	-15.9	-19.0	-34.9	-28.3	-29.3	-57.6	-57.1	-58.6
Other expenses	-6.1	-6.0	-3.6	-3.6	-7.1	-5.3	-5.1	-10.4	-10.1	-9.9
Results of affiliates	0.1	0.1	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	0.0
<b>EBITDA</b>	<b>4.4</b>	<b>2.3</b>	<b>1.0</b>	<b>2.7</b>	<b>3.8</b>	<b>1.6</b>	<b>2.3</b>	<b>3.9</b>	<b>9.8</b>	<b>12.5</b>
<i>EBITDA-margin</i>	<i>10.2%</i>	<i>5.4%</i>	<i>4.2%</i>	<i>9.5%</i>	<i>7.1%</i>	<i>4.0%</i>	<i>5.7%</i>	<i>4.8%</i>	<i>11.4%</i>	<i>13.9%</i>
Depreciation	-0.6	-0.7	-0.5	-0.6	-1.1	-0.9	-0.9	-1.8	-1.9	-2.0
<b>EBITA</b>	<b>3.9</b>	<b>1.5</b>	<b>0.5</b>	<b>2.1</b>	<b>2.7</b>	<b>0.7</b>	<b>1.4</b>	<b>2.1</b>	<b>7.9</b>	<b>10.5</b>
<i>EBITA-margin</i>	<i>8.8%</i>	<i>3.6%</i>	<i>2.2%</i>	<i>7.3%</i>	<i>5.1%</i>	<i>1.8%</i>	<i>3.5%</i>	<i>2.7%</i>	<i>9.2%</i>	<i>11.7%</i>
Goodwill amortization	-1.0	-1.5	-1.0	-1.5	-2.5	-2.0	-2.1	-4.1	-4.2	-4.2
<b>EBIT</b>	<b>2.9</b>	<b>0.1</b>	<b>-0.5</b>	<b>0.6</b>	<b>0.1</b>	<b>-1.3</b>	<b>-0.7</b>	<b>-1.9</b>	<b>3.7</b>	<b>6.3</b>
<i>EBIT-margin</i>	<i>6.6%</i>	<i>0.1%</i>	<i>-2.1%</i>	<i>2.2%</i>	<i>0.2%</i>	<i>-3.3%</i>	<i>-1.6%</i>	<i>-2.4%</i>	<i>4.3%</i>	<i>7.0%</i>

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	3.15 PV of Free Cash Flow	101 Long-term growth, %	1.5 Risk-free interest rate, %
DCF share value	25.55 PV of Horizon value	279 WACC, %	5.8 Market risk premium, %
Share price potential, %	711.1 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %
Maximum value	29.3 Marketable securities	5 Minimum WACC, %	5.3 Equity beta coefficient
Minimum value	22.6 Debt - dividend	-19 Maximum WACC, %	6.3 Target debt ratio, %
Horizon value, %	73.4 Value of stock	366 Nr of shares, Mn	14.3 Effective tax rate, %

DCF valuation, EURm	2022	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	Horizon
Net sales	53	80	86	90	95	99	104	110	115	121	123	124
<i>Sales growth, %</i>	<i>25.9</i>	<i>52.4</i>	<i>6.7</i>	<i>5.0</i>	<i>5.0</i>	<i>5.0</i>	<i>5.0</i>	<i>5.0</i>	<i>5.0</i>	<i>5.0</i>	<i>1.5</i>	<i>1.5</i>
Operating income (EBIT)	0	-2	4	6	11	16	17	18	18	19	20	20
<i>Operating income margin, %</i>	<i>0.2</i>	<i>-2.4</i>	<i>4.3</i>	<i>7.0</i>	<i>12.0</i>	<i>16.0</i>	<i>16.0</i>	<i>16.0</i>	<i>16.0</i>	<i>16.0</i>	<i>16.0</i>	<i>16.0</i>
+ Depreciation+amort.	4	6	6	6	7	7	7	8	8	8	9	
EBITDA	4	4	10	13	18	23	24	25	26	28	28	
- Paid taxes	0	-1	-2	-2	-3	-4	-4	-5	-5	-5	-5	
- Change in NWC	-1	4	0	0	0	0	0	0	0	0	0	
<i>NWC / Sales, %</i>	<i>-4.2</i>	<i>-8.0</i>	<i>-8.0</i>	<i>-8.0</i>	<i>-8.0</i>	<i>-8.0</i>	<i>-8.0</i>	<i>-8.0</i>	<i>-8.0</i>	<i>-8.0</i>	<i>-8.0</i>	
+ Change in other liabs	0	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	-3	-4	-2	-2	-3	-3	-3	-3	-3	-3	-3	
<i>opCAPEX / Sales, %</i>	<i>4.8</i>	<i>5.3</i>	<i>2.8</i>	<i>2.7</i>	<i>2.7</i>	<i>2.7</i>	<i>2.7</i>	<i>2.7</i>	<i>2.7</i>	<i>2.7</i>	<i>2.5</i>	
- Acquisitions	-20	0	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	-20	3	6	8	12	16	17	18	19	20	20	474
= Discounted FCFF		3	6	7	10	13	13	13	12	12	12	279
= DFCF min WACC		3	6	7	11	13	13	13	13	13	12	330
= DFCF max WACC		3	6	7	10	13	12	12	12	12	11	240

## INTERIM FIGURES

EVLI ESTIMATES, EURm	2022Q1	2022Q2	2022Q3	2022Q4	2022	2023Q1	2023Q2	2023Q3E	2023Q4E	2023E	2024E	2025E
Net sales	0.0	23.9	0.0	28.9	52.8	0.0	39.2	0.0	41.2	80.4	85.8	90.1
EBITDA	0.0	1.0	0.0	2.7	3.7	0.0	1.6	0.0	2.3	3.9	9.8	12.5
<i>EBITDA margin (%)</i>	<i>0.0</i>	<i>4.2</i>	<i>0.0</i>	<i>9.5</i>	<i>7.1</i>	<i>0.0</i>	<i>4.0</i>	<i>0.0</i>	<i>5.7</i>	<i>4.8</i>	<i>11.4</i>	<i>13.9</i>
EBIT	0.0	-0.5	0.0	0.6	0.1	0.0	-1.3	0.0	-0.7	-1.9	3.7	6.3
<i>EBIT margin (%)</i>	<i>0.0</i>	<i>-2.1</i>	<i>0.0</i>	<i>2.2</i>	<i>0.2</i>	<i>0.0</i>	<i>-3.3</i>	<i>0.0</i>	<i>-1.6</i>	<i>-2.4</i>	<i>4.3</i>	<i>7.0</i>
Net financial items	0.0	0.0	0.0	-0.4	-0.4	0.0	-0.3	0.0	-0.4	-0.8	-0.6	-0.4
Pre-tax profit	0.0	-0.6	0.0	0.3	-0.3	0.0	-1.6	0.0	-1.1	-2.7	3.1	5.9
Tax	0.0	0.0	0.0	-0.4	-0.4	0.0	-0.2	0.0	-0.2	-0.4	-1.5	-2.0
<i>Tax rate (%)</i>	<i>0.0</i>	<i>3.9</i>	<i>0.0</i>	<i>22.0</i>	<i>18.1</i>	<i>0.0</i>	<i>49.5</i>	<i>0.0</i>	<i>20.0</i>	<i>28.3</i>	<i>20.0</i>	<i>20.0</i>
Net profit	0.0	-0.6	0.0	-0.1	-0.7	0.0	-1.8	0.0	-1.3	-3.1	1.6	3.9
EPS	0.00	-0.04	0.00	-0.01	-0.05	0.00	-0.13	0.00	-0.09	-0.22	0.11	0.27
EPS adjusted (diluted no. of shares)	0.00	-0.04	0.00	-0.01	-0.05	0.00	-0.13	0.00	-0.09	-0.22	0.11	0.27
Dividend per share	0.00	0.00	0.00	0.00	0.05	0.00	0.00	0.00	0.00	0.02	0.12	0.17
<b>SALES, EURm</b>												
Administer	0.0	23.9	0.0	28.9	52.8	0.0	39.2	0.0	41.2	80.4	85.8	90.1
Total	0.0	23.9	0.0	28.9	52.8	0.0	39.2	0.0	41.2	80.4	85.8	90.1
<b>SALES GROWTH, Y/Y %</b>												
Administer	<i>0.0</i>	<i>20.7</i>	<i>0.0</i>	<i>30.5</i>	<i>25.9</i>	<i>0.0</i>	<i>64.2</i>	<i>0.0</i>	<i>42.6</i>	<i>52.4</i>	<i>6.7</i>	<i>5.0</i>
Total	<i>0.0</i>	<i>20.7</i>	<i>0.0</i>	<i>30.5</i>	<i>25.9</i>	<i>0.0</i>	<i>64.2</i>	<i>0.0</i>	<i>42.6</i>	<i>52.4</i>	<i>6.7</i>	<i>5.0</i>
<b>EBIT, EURm</b>												
Administer	0.0	-0.5	0.0	0.6	0.1	0.0	-1.3	0.0	-0.7	-1.9	3.7	6.3
Total	0.0	-0.5	0.0	0.6	0.1	0.0	-1.3	0.0	-0.7	-1.9	3.7	6.3
<b>EBIT margin, %</b>												
Administer	<i>0.0</i>	<i>-2.1</i>	<i>0.0</i>	<i>2.2</i>	<i>0.2</i>	<i>0.0</i>	<i>-3.3</i>	<i>0.0</i>	<i>-1.6</i>	<i>-2.4</i>	<i>4.3</i>	<i>7.0</i>
Total	<i>0.0</i>	<i>-2.1</i>	<i>0.0</i>	<i>2.2</i>	<i>0.2</i>	<i>0.0</i>	<i>-3.3</i>	<i>0.0</i>	<i>-1.6</i>	<i>-2.4</i>	<i>4.3</i>	<i>7.0</i>

Commercial Services & Supplies/Finland, September 1, 2023  
Company update

INCOME STATEMENT, EURm	2018	2019	2020	2021	2022	2023E	2024E	2025E
Sales	37.0	45.3	43.7	41.9	52.8	80.4	85.8	90.1
<i>Sales growth (%)</i>	<i>82.7</i>	<i>22.5</i>	<i>-3.5</i>	<i>-4.0</i>	<i>25.9</i>	<i>52.4</i>	<i>6.7</i>	<i>5.0</i>
EBITDA	1.9	3.0	4.4	2.3	3.7	3.9	9.8	12.5
<i>EBITDA margin (%)</i>	<i>5.1</i>	<i>6.5</i>	<i>10.2</i>	<i>5.4</i>	<i>7.1</i>	<i>4.8</i>	<i>11.4</i>	<i>13.9</i>
Depreciation	-1.1	-1.1	-0.6	-0.7	-1.1	-1.8	-1.9	-2.0
EBITA	0.8	1.9	3.8	1.5	2.7	2.1	7.9	10.5
Goodwill amortization / writedown	-0.3	-1.0	-1.0	-1.5	-2.5	-4.1	-4.2	-4.2
EBIT	0.5	0.9	2.9	0.1	0.1	-1.9	3.7	6.3
<i>EBIT margin (%)</i>	<i>1.3</i>	<i>1.9</i>	<i>6.6</i>	<i>0.1</i>	<i>0.2</i>	<i>-2.4</i>	<i>4.3</i>	<i>7.0</i>
Reported EBIT	0.5	0.9	2.9	0.1	0.1	-1.9	3.7	6.3
<i>EBIT margin (reported) (%)</i>	<i>1.3</i>	<i>1.9</i>	<i>6.6</i>	<i>0.1</i>	<i>0.2</i>	<i>-2.4</i>	<i>4.3</i>	<i>7.0</i>
Net financials	-0.2	-0.3	-0.3	-1.8	-0.4	-0.8	-0.6	-0.4
Pre-tax profit	0.2	0.6	2.6	-1.7	-0.3	-2.7	3.1	5.9
Taxes	-0.2	-0.1	-0.6	0.0	-0.4	-0.4	-1.5	-2.0
Minority shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	0.0	0.4	2.0	-1.8	-0.7	-3.1	1.6	3.9
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	3	3	3	4	6	9	9	10
Goodwill	13	15	14	23	42	38	34	30
Right of use assets	0	0	0	0	0	0	0	0
Inventory	0	0	0	0	0	0	0	0
Receivables	8	8	7	7	13	16	17	18
Liquid funds	1	1	1	13	5	6	6	7
Total assets	25	26	25	47	66	69	67	64
Liabilities								
Shareholder's equity	7	7	9	32	32	28	30	32
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	10	8	6	4	18	18	13	7
Non-interest bearing current liabilities	9	10	9	11	15	23	24	25
Other interest-free debt	0	0	0	0	0	0	0	0
Total liabilities	25	26	25	47	66	69	67	64
<b>CASH FLOW, EURm</b>								
+ EBITDA	2	3	4	2	4	4	10	13
- Net financial items	0	0	0	-2	0	-1	-1	0
- Taxes	0	0	-1	0	0	0	-1	-2
- Increase in Net Working Capital	-2	1	0	2	-1	4	0	0
+/- Other	0	0	0	0	0	0	0	0
= Cash flow from operations	0	4	4	2	2	7	8	10
- Capex	-13	-4	-1	-2	-3	-4	-2	-2
- Acquisitions	0	0	0	0	-20	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Free cash flow	-13	0	2	0	-20	3	6	8
+/- New issues/buybacks	5	0	0	25	1	0	0	0
- Paid dividend	0	0	0	0	0	-1	0	-2
+/- Other	7	-1	-2	-13	11	0	-5	-6
Change in cash	-1	-1	0	12	-9	2	0	0

Commercial Services & Supplies/Finland, September 1, 2023  
Company update

KEY FIGURES	2019	2020	2021	2022	2023E	2024E	2025E
M-cap	0	0	60	38	45	45	45
Net debt (excl. convertibles)	8	6	-9	14	12	7	0
Enterprise value	8	6	51	52	57	52	46
Sales	45	44	42	53	80	86	90
EBITDA	3	4	2	4	4	10	13
EBIT	1	3	0	0	-2	4	6
Pre-tax	1	3	-2	0	-3	3	6
Earnings	0	2	-2	-1	-3	2	4
Equity book value (excl. minorities)	7	9	32	32	28	30	32
<b>Valuation multiples</b>							
EV/sales	0.2	0.1	1.2	1.0	0.7	0.6	0.5
EV/EBITDA	2.6	1.2	22.6	13.9	14.7	5.3	3.6
EV/EBITA	4.1	1.4	33.8	19.6	26.8	6.5	4.3
EV/EBIT	8.7	1.9	959.9	473.3	-29.5	13.9	7.2
EV/OCF	1.9	1.6	25.9	22.1	8.3	6.4	4.4
EV/FCFF	11.2	2.2	24.2	-2.6	17.8	8.3	5.5
P/FCFE	0.0	0.0	150.7	-1.9	17.0	7.9	5.7
P/E	0.0	0.0	-33.2	-52.9	-14.4	27.9	11.6
P/B	0.0	0.0	1.8	1.2	1.6	1.5	1.4
Target EV/EBITDA	0.0	0.0	0.0	0.0	16.0	5.8	4.0
Target EV/EBIT	0.0	0.0	0.0	0.0	-32.1	15.3	8.0
Target EV/FCF	0.0	0.0	0.0	0.0	23.4	9.9	6.3
Target P/B	0.0	0.0	0.0	0.0	1.8	1.7	1.6
Target P/E	0.0	0.0	0.0	0.0	-16.0	31.1	12.9
<b>Per share measures</b>							
Number of shares	9,620	9,620	14,194	14,329	14,329	14,329	14,329
Number of shares (diluted)	9,620	9,620	14,194	14,329	14,329	14,329	14,329
EPS	0.04	0.20	-0.13	-0.05	-0.22	0.11	0.27
Operating cash flow per share	0.42	0.37	0.14	0.16	0.48	0.57	0.73
Free cash flow per share	0.05	0.23	0.03	-1.40	0.19	0.40	0.56
Book value per share	0.78	0.99	2.28	2.24	1.97	2.06	2.21
Dividend per share	0.00	0.00	0.00	0.05	0.02	0.12	0.17
Dividend payout ratio, %	0.0	0.0	0.0	-99.4	-10.6	108.0	62.5
Dividend yield, %	0.0	0.0	0.0	1.9	0.7	3.9	5.4
FCF yield, %	0.0	0.0	0.7	-52.7	5.9	12.7	17.7
<b>Efficiency measures</b>							
ROE	6.1	23.1	-8.6	-2.2	-10.4	5.6	12.7
ROCE	5.4	18.2	0.2	0.3	-4.0	8.4	15.5
<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	17.0	15.3	15.9	24.9	20.0	20.0	20.0
Non-interest bearing liabilities as % of sales	21.5	20.0	25.1	29.2	28.0	28.0	28.0
NWC/sales, %	-4.5	-4.8	-9.2	-4.2	-8.0	-8.0	-8.0
Operative CAPEX/sales, %	7.8	3.1	3.7	4.8	5.3	2.8	2.7
CAPEX/sales (incl. acquisitions), %	7.8	3.1	3.7	-33.0	5.3	2.8	2.7
FCFF/EBITDA	0.2	0.6	0.9	-5.3	0.8	0.6	0.7
Net debt/EBITDA, book-weighted	2.6	1.2	-3.9	3.7	3.1	0.7	0.0
Debt/equity, market-weighted	0.0	0.0	0.1	0.5	0.4	0.3	0.2
Equity ratio, book-weighted	29.2	38.4	68.5	48.7	41.1	44.4	49.5
Gearing, %	101.8	58.3	-27.2	43.3	42.5	22.4	1.2

Commercial Services & Supplies/Finland, September 1, 2023  
Company update

**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 over 1,000 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 profitability figures to achieve the target, but with the acquisition of Eiconia and further potential consolidation in the fragmented and non-cyclical industry the revenue target is well within grasp. 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	21.675	48.0%
Ilmarinen Mutual Pension Insurance Company	1,250,000	3.938	8.7%
Sijoitus Oy MC Invest Ab	1,205,508	3.797	8.4%
Oy Fincorp Ab	401,401	1.264	2.8%
Varma Mutual Pension Insurance Company	337,093	1.062	2.4%
Elo Mutual Pension Insurance Company	308,642	0.972	2.2%
Salmivala Maria-Elina	283,221	0.892	2.0%
Herranen Kimmo	231,700	0.730	1.6%
Oy Talcom Ab	136,200	0.429	1.0%
Rantalainen-Yhtiöt Oy	131,000	0.413	0.9%
Ten largest	11,165,745	35.172	78%
Residual	3,163,669	9.966	22%
Total	14,329,414	45.138	100%

## EARNINGS CALENDAR

## OTHER EVENTS

## COMPANY MISCELLANEOUS

CEO: Kimmo Herranen

Itämerenkatu 5, FIN-00180 Helsinki

CFO: Kalle Lehtonen

Tel:

IR:

## 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, %	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholder's equity} + \text{minority interest} + \text{taxed provisions (average)}}$		



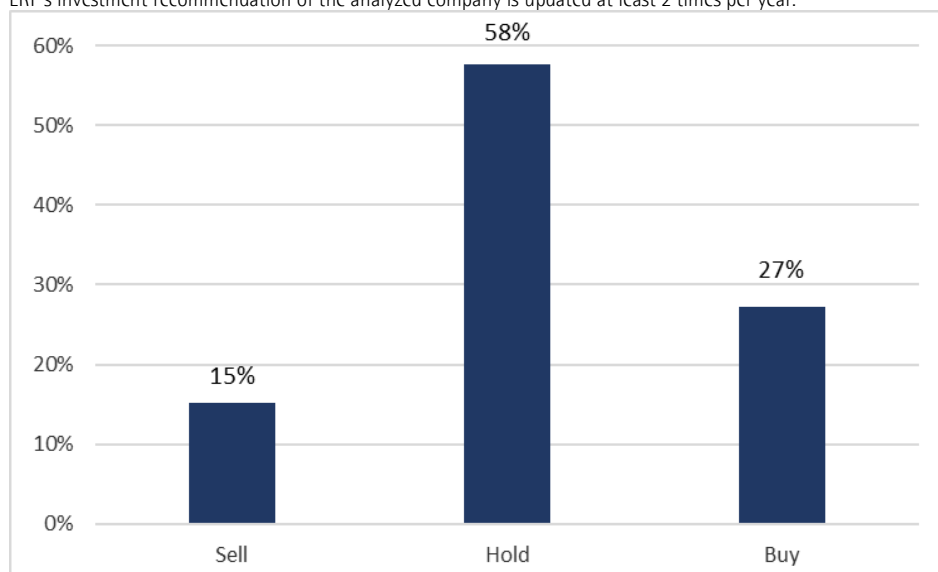
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Investment recommendations are defined as follows:

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

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The graph above shows the distribution of ERP's recommendations of companies under coverage in 11th of May 2020. If recommendation is not given, it is not mentioned here.

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

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