

Profitability to hold, growth ahead

Administer is set to release its Q4 results on Wednesday, March 5th. We expect modest net sales growth, supported by the Kuntalaskenta acquisition, and stable profitability despite a challenging operating environment.

A year of operational improvements

Administer's positive profitability shift in 2024 appears sustainable, with three solid quarters and a YTD EBITDA-margin of 8.2%, up 128.8% y/y. This reflects successful operational improvements, and we see a sustainable turnaround taking shape and expect this positive profitability trend to continue in Q4. However, growth has remained constrained in a difficult market environment. While Administer has kept revenue stable across its other brands, personnel services specialist Econia has been a weak spot, with revenue down 10% YTD. According to Employment Industry Finland, the personnel leasing market declined 6% in Q4, suggesting that a significant turnaround in this sector is still some way off. Thus, we expect Econia's net sales to continue declining, but the Kuntalaskenta acquisition should help lift Q4 sales slightly into positive territory.

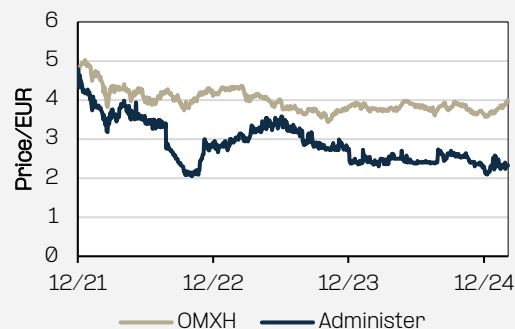
Inorganic growth to accelerate in 2025

Looking ahead to 2025, Administer kicked off the year with three smaller, strategic acquisitions in its accounting business, which are now reflected in our updated estimates. With cost-saving efforts largely behind and profitability stabilizing, the focus is now shifting toward accelerating top-line growth, particularly through acquisitions. However, profitability remains the core focus, and future growth initiatives are expected to align with disciplined margin management. We remain conservative on organic growth estimates despite some early signals pointing to a recovery in the Finnish economy, given lingering uncertainties around the timing and strength of a potential market rebound. As for profitability, Administer has successfully defended margins in a declining environment, and if tested in better market conditions, we see potential to narrow the gap toward its 15% EBITDA-margin target set for 2026. Currently, we estimate EBITDA-margin of 9.2% for 2025.

BUY with a target price of EUR 3.0

Administer's sustained profitability improvement and disciplined margin defense in 2024 demonstrate its operational turnaround is taking hold. With a conservative valuation of P/E 10-8x (excl. goodwill amortization) for 2025E-2026E and further upside in profitability, we reiterate our BUY rating and EUR 3.0 TP.

Rating 🇫🇮 Buy



Share price, EUR (Last trading day's closing price)	2.28
Target price, EUR	3.0
Latest change in recommendation	03-Dec-21
Latest report on company	07-Nov-24
Research paid by issuer:	YES
No. of shares outstanding, '000's	14 375
No. of shares fully diluted, '000's	14 375
Market cap, EURm	33
Free float, %	0.0 %
Exchange rate	0.0
Reuters code	ADMIN.HE
Bloomberg code	ADMIN FH
Average daily volume, EURm	0.0
Next interim report	05-Mar-25
Web site	administergroup.com
Analyst	Jerker Salokivi
E-mail	jerker.salokivi@evli.com
Telephone	+358 9 4766 9149

🇫🇮 BUY 🇫🇮 ACCUMULATE 🇫🇮 REDUCE 🇫🇮 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
2022	52.8	0.1	0.2%	-20.1	-0.05	-52.9	1.0	473.3	-52.7%	0.05
2023	75.9	-3.0	-3.9%	0.9	-0.27	-8.9	0.6	-15.6	2.5%	0.00
2024E	75.0	0.1	0.1%	3.0	-0.07	-35.0	0.6	829.4	9.2%	0.06
2025E	78.2	1.3	1.7%	3.9	0.00	-553.1	0.5	29.4	12.0%	0.08
2026E	83.9	2.6	3.2%	5.2	0.08	29.4	0.4	13.0	15.7%	0.11

Market cap, EURm	33	Gearing 2024E, %	31.8 %	CAGR EPS 2023-26, %	0.0 %
Net debt 2024E, EURm	8	Price/book 2024E	1.2	CAGR Sales 2023-26, %	3.4 %
Enterprise value, EURm	41	Dividend yield 2024E, %	2.5 %	ROE 2024E, %	-3.5 %
Total assets 2024E, EURm	58	Tax rate 2024E, %	8.2 %	ROCE 2024E, %	-0.3 %
Goodwill 2024E, EURm	35	Equity ratio 2024E, %	45.6 %	PEG, P/E 24/CAGR	0.0

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

Administer	2022	Q1/'23	Q2/'23	Q3/'23	Q4/'23	2023	Q1/'24	Q2/'24	Q3/'24	Q4/'24E	2024E	2025E	2026E
Net sales	52.8	19.6	19.6	18.3	18.5	75.9	19.0	19.3	17.6	19.0	75.0	78.2	83.9
<i>sales growth %</i>	<i>25.9%</i>					<i>43.9%</i>	<i>-3.1%</i>	<i>-1.3%</i>	<i>-3.9%</i>	<i>2.9%</i>	<i>-1.3%</i>	<i>4.3%</i>	<i>7.3%</i>
EBITDA	3.8	1.1	0.4	0.5	0.8	2.8	1.7	1.9	1.0	1.4	6.0	7.2	8.5
<i>EBITDA-margin</i>	<i>7.1%</i>	<i>5.7%</i>	<i>2.3%</i>	<i>2.5%</i>	<i>4.6%</i>	<i>3.8%</i>	<i>9.1%</i>	<i>9.6%</i>	<i>5.7%</i>	<i>7.5%</i>	<i>8.0%</i>	<i>9.2%</i>	<i>10.2%</i>
Depreciation	-1.1	-0.5	-0.5	-0.5	-0.5	-1.9	-0.4	-0.5	-0.5	-0.5	-1.9	-1.9	-1.9
EBITA	2.7	0.7	0.0	0.0	0.3	1.0	1.3	1.4	0.5	1.0	4.2	5.3	6.6
<i>EBITA-margin</i>	<i>5.1%</i>	<i>3.6%</i>	<i>-0.1%</i>	<i>0.0%</i>	<i>1.6%</i>	<i>1.3%</i>	<i>6.6%</i>	<i>7.1%</i>	<i>3.0%</i>	<i>5.1%</i>	<i>5.6%</i>	<i>6.8%</i>	<i>7.9%</i>
Goodwill amortization	-2.5	-1.0	-1.0	-1.0	-1.0	-4.0	-1.1	-1.0	-1.0	-1.0	-4.1	-4.0	-4.0
EBIT	0.1	-0.3	-1.0	-1.0	-0.7	-3.0	0.2	0.4	-0.5	0.0	0.1	1.3	2.6
<i>EBIT-margin</i>	<i>0.2%</i>	<i>-1.5%</i>	<i>-5.1%</i>	<i>-5.5%</i>	<i>-3.7%</i>	<i>-3.9%</i>	<i>1.3%</i>	<i>1.9%</i>	<i>-2.7%</i>	<i>-0.2%</i>	<i>0.1%</i>	<i>1.7%</i>	<i>3.2%</i>

Source: Administer, Evli Research estimates

We have amended our rating methodology since the previous update of the stock. Please see the updated and previous methodologies below.

NEW

Target price compared to share price	Recommendation
< -10%	SELL
-10 – 0%	REDUCE
0 – (+10)%	ACCUMULATE
> 10%	BUY

OLD

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

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	2.28 PV of Free Cash Flow	42 Long-term growth, %	1.5 % Risk-free interest rate, % 2.50 %
DCF share value	6.08 PV of Horizon value	57 WACC, %	8.0 % Market risk premium, % 5.8 %
Share price potential, %	166.6 % Unconsolidated equity	0 Spread, %	0.5 % Debt risk premium % 2.5 %
Maximum value	6.6 Marketable securities	3 Minimum WACC, %	7.5 % Equity beta coefficient 1.00
Minimum value	5.6 Debt – dividend	-15 Maximum WACC, %	8.5 % Target debt ratio, % 30 %
Horizon value, %	57.6 % Value of stock	87 No. of shares, Mn	14.4 Effective tax rate, % 20 %

DCF valuation, EURm	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	TERMINAL
Net sales	76	75	78	84	88	92	97	102	107	112	114	116
Sales growth (%)	43.8%	-1.2%	4.3%	7.3%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	1.5%	1.5%
Operating income (EBIT)	-3	0	1	3	6	7	8	8	9	9	9	9
Operating income margin %	-3.9%	0.1%	1.7%	3.2%	7.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
+ Depreciation+amort.	6	6	6	6	4	2	2	2	2	3	3	
EBITDA	3	6	7	9	10	10	10	10	11	12	12	
- Paid taxes	0	0	-1	-1	-2	-1	-2	-2	-2	-2	-2	
- Change in NWC	3	0	0	1	0	0	0	0	0	1	0	
NWC / Sales, %	-9.5%	-9.5%	-9.5%	-9.5%	-9.5%	-9.5%	-9.5%	-9.5%	-9.5%	-9.5%	-9.5%	
+ Change in other liabs	0											
- Operative CAPEX	-4	-2	-2	-2	-2	-3	-3	-3	-3	-3	-3	
opCAPEX / Sales, %	4.9%	2.5%	2.8%	2.8%	2.7%	2.7%	2.8%	2.7%	2.7%	2.7%	2.5%	
- Acquisitions	-1											
+ Divestments												
- Other items	0											
= FCFF	2	4	4	5	7	6	6	7	7	7	7	113
= Discounted FCF		4	4	5	5	4	4	4	4	4	4	57
= DFCF min WACC		4	4	5	5	4	4	4	4	4	4	64
= DFCF max WACC		4	4	5	5	4	4	4	4	4	4	51

Sensitivity analysis, EUR

		Terminal WACC				
		6.02 %	7.03 %	8.03 %	9.02 %	10.03 %
Terminal EBIT-%	6.00 %	6.99	5.72	4.83	4.17	3.66
	7.00 %	8.05	6.52	5.46	4.67	4.07
	8.00 %	9.11	7.32	6.08	5.17	4.47
	9.00 %	10.17	8.12	6.70	5.67	4.88
	10.00 %	11.23	8.92	7.33	6.17	5.29

INTERIM FIGURES

EVLI ESTIMATES, EURm	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3	2024Q4E	2024E	2025E	2026E
Net sales	19.6	19.6	18.3	18.4	75.9	19.0	19.3	17.6	19.0	75.0	78.2	83.9
EBITDA	1.1	0.5	0.4	0.9	2.8	1.7	1.8	1.0	1.4	6.0	7.2	8.5
<i>EBITDA margin (%)</i>	<i>5.6%</i>	<i>2.4%</i>	<i>2.1%</i>	<i>4.7%</i>	<i>3.7%</i>	<i>9.0%</i>	<i>9.4%</i>	<i>5.8%</i>	<i>7.5%</i>	<i>8.0%</i>	<i>9.2%</i>	<i>10.2%</i>
EBIT	-0.3	-1.0	-1.0	-0.7	-3.0	0.2	0.4	-0.5	0.0	0.1	1.3	2.6
<i>EBIT margin (%)</i>	<i>-1.5%</i>	<i>-5.0%</i>	<i>-5.6%</i>	<i>-3.6%</i>	<i>-3.9%</i>	<i>1.1%</i>	<i>1.8%</i>	<i>-2.7%</i>	<i>-0.2%</i>	<i>0.1%</i>	<i>1.7%</i>	<i>3.2%</i>
Net financial items	-0.1	-0.2	-0.2	-0.4	-1.0	-0.3	0.1	-0.3	-0.3	-0.7	-0.4	-0.3
Pre-tax profit	-0.4	-1.2	-1.3	-1.1	-3.9	-0.1	0.5	-0.7	-0.3	-0.6	0.9	2.4
Tax	-0.1	-0.1		0.3	0.1	-0.1	0.0	-0.1	-0.1	-0.3	-1.0	-1.3
<i>Tax rate (%)</i>	<i>16.4%</i>	<i>-45.5%</i>		<i>342.5%</i>	<i>-138.3%</i>	<i>9.1%</i>	<i>-0.3%</i>	<i>20.0%</i>	<i>20.0%</i>	<i>8.2%</i>	<i>20.0%</i>	<i>20.0%</i>
Net profit	-0.5	-1.3	-1.3	-0.8	-3.9	-0.2	0.5	-0.8	-0.4	-0.9	-0.1	1.1
EPS	-0.03	-0.09	-0.09	-0.06	-0.27	-0.01	0.03	-0.05	-0.03	-0.07	0.00	0.08
EPS adj. (diluted)	-0.03	-0.09	-0.09	-0.06	-0.27	-0.01	0.03	-0.05	-0.03	-0.07	0.00	0.08
Dividend per share					0.00					0.06	0.08	0.11
SALES, EURm	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3	2024Q4E	2024E	2025E	2026E
Administer	19.6	19.6	18.3	18.4	75.9	19.0	19.3	17.6	19.0	75.0	78.2	83.9
Total	19.6	19.6	18.3	18.4	75.9	19.0	19.3	17.6	19.0	75.0	78.2	83.9
SALES GROWTH, Y/Y%	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3	2024Q4E	2024E	2025E	2026E
Administer		-17.8%		-36.3%	43.8%	-3.1%	-1.5%	-3.5%	3.3%	-1.2%	4.3%	7.3%
Total		-17.8%		-36.3%	43.8%	-3.1%	-1.5%	-3.5%	3.3%	-1.2%	4.3%	7.3%
EBIT, EURm	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3	2024Q4E	2024E	2025E	2026E
Administer	-0.3	-1.0	-1.0	-0.7	-3.0	0.2	0.4	-0.5	0.0	0.1	1.3	2.6
Total	-0.3	-1.0	-1.0	-0.7	-3.0	0.2	0.4	-0.5	0.0	0.1	1.3	2.6
EBIT margin %	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3	2024Q4E	2024E	2025E	2026E
Administer	-1.5%	-5.0%	-5.6%	-3.6%	-3.9%	1.1%	1.8%	-2.7%	-0.2%	0.1%	1.7%	3.2%
Total	-1.5%	-5.0%	-5.6%	-3.6%	-3.9%	1.1%	1.8%	-2.7%	-0.2%	0.1%	1.7%	3.2%

INCOME STATEMENT, EURm	2019	2020	2021	2022	2023	2024E	2025E	2026E
Sales	45.3	43.7	41.9	52.8	75.9	75.0	78.2	83.9
<i>Sales growth (%)</i>	22.5%	-3.6%	-4.0%	25.9%	43.8%	-1.2%	4.3%	7.3%
EBITDA	3.0	4.4	2.3	3.7	2.8	6.0	7.2	8.5
<i>EBITDA margin (%)</i>	6.5%	10.2%	5.4%	7.1%	3.7%	8.0%	9.2%	10.2%
Depreciation	-1.1	-0.6	-0.7	-1.1	-1.8	-1.9	-1.9	-1.9
EBITA	1.9	3.8	1.5	2.7	1.0	4.1	5.3	6.6
Goodwill amortization / writedown	-1.0	-1.0	-1.5	-2.5	-4.0	-4.0	-4.0	-4.0
EBIT	0.9	2.9	0.1	0.1	-3.0	0.1	1.3	2.6
<i>EBIT margin (%)</i>	2.0%	6.6%	0.1%	0.2%	-3.9%	0.1%	1.7%	3.2%
Reported EBIT	0.9	2.9	0.1	0.1	-3.0	0.1	1.3	2.6
<i>EBIT margin (reported) (%)</i>	2.0%	6.6%	0.1%	0.2%	-3.9%	0.1%	1.7%	3.2%
Net financials	-0.3	-0.3	-1.8	-0.4	-1.0	-0.7	-0.4	-0.3
Pre-tax profit	0.6	2.6	-1.7	-0.3	-3.9	-0.6	0.9	2.4
Taxes	-0.1	-0.6	0.0	-0.4	0.1	-0.3	-1.0	-1.3
Minority shares	0.0	0.0	0.0	0.0	0.0	0.0		
Net profit	0.4	2.0	-1.8	-0.7	-3.9	-0.9	-0.1	1.1
Cash NRIs								
Non-cash NRIs								
BALANCE SHEET, EURm								
Assets								
Fixed assets	3	3	4	6	7	7	7	8
Goodwill	15	14	23	42	39	35	31	27
Right of use assets								
Inventory								
Receivables	8	7	7	13	13	13	13	14
Liquid funds	1	1	13	5	3	3	3	4
Total assets	26	25	47	66	63	58	55	53
Liabilities								
Shareholders' equity	7	9	32	32	28	27	26	26
Minority interest	0	0	0	0	0	0	0	0
Convertible								
Lease liabilities								
Deferred taxes								
Interest bearing debt	8	6	4	18	15	12	9	5
Non-interest bearing current liabilities	10	9	11	15	20	20	21	22
Other interest-free debt								
Total liabilities	26	25	47	66	63	58	55	53
CASH FLOW, EURm								
+ EBITDA	3	4	2	4	3	6	7	9
- Net financial items	0	0	-2	0	-1	-1	0	0
- Taxes	0	-1	0	0	0	0	-1	-1
- Increase in Net Working Capital	1	0	2	-1	3	0	0	1
+/- Other	0	0	0	0	0	0		
= Cash flow from operations	4	4	2	2	5	5	6	8
- Capex	-4	-1	-2	-3	-4	-2	-2	-2
- Acquisitions				-20	-1			
+ Divestments								
= Free cash flow	0	2	0	-20	1	3	4	5
+/- New issues/buybacks	0	0	25	1	0			
- Paid dividend				1	0	1	1	2
+/- Other	-1	-2	-13	11	-1	-3	-3	-4
Change in cash	-1	0	12	-9	-1	0	0	0

KEY FIGURES	2020	2021	2022	2023	2024E	2025E	2026E
M-cap		60	38	35	33	33	33
Net debt (excl. convertibles)	6	-9	14	11	8	5	1
Enterprise value	6	51	52	46	41	38	34
Sales	44	42	53	76	75	78	84
EBITDA	4	2	4	3	6	7	9
EBIT	3	0	0	-3	0	1	3
Pre-tax	3	-2	0	-4	-1	1	2
Earnings	2	-2	-1	-4	-1	0	1
Equity book value (excl. minorities)	9	32	32	28	27	26	26
Valuation multiple	2020	2021	2022	2023	2024E	2025E	2026E
EV/Sales	0.1	1.2	1.0	0.6	0.6	0.5	0.4
EV/EBITDA	1.2	22.6	13.9	16.4	6.9	5.3	4.0
EV/EBITA	1.4	33.8	19.6	44.1	10.2	7.2	5.2
EV/EBIT	1.9	959.9	473.3	-15.6	829.4	29.4	13.0
EV/OCF	1.6	25.9	22.1	8.5	8.4	6.3	4.6
EV/FCF	2.2	24.2	-2.6	26.5	11.3	9.0	6.4
P/FCFR		150.7	-1.9	39.6	10.8	8.3	6.4
P/E		-33.2	-52.9	-8.9	-35.0	-553.1	29.4
P/BV		1.8	1.2	1.3	1.2	1.3	1.3
Target EV/EBITDA					8.6	6.8	5.2
Target EV/EBIT					1032.5	37.1	16.8
Target EV/FCFF					17.0	12.3	8.6
Target P/BV					1.6	1.7	1.7
Target P/E, diluted					-46.0	-727.7	38.7
Per share measures	2020	2021	2022	2023	2024E	2025E	2026E
Number of shares (million)	9.62	14.19	14.33	14.33	14.37	14.37	14.37
Number of shares (diluted, million)	9.62	14.19	14.33	14.33	14.37	14.37	14.37
EPS	0.20	-0.13	-0.05	-0.27	-0.07	0.00	0.08
Operating cash flow per share	0.37	0.14	0.16	0.38	0.34	0.43	0.52
Free cash flow per share	0.23	0.03	-1.40	0.06	0.21	0.27	0.36
Book value per share	0.99	2.28	2.24	1.92	1.85	1.79	1.78
Dividend per share			0.05	0.00	0.06	0.08	0.11
Dividend payout ratio, %			-99.4%	-0.1%	-87.1%	-1 994.9%	137.6%
Dividend yield, %			1.9%	0.0%	2.5%	3.6%	4.7%
FCF yield, %		0.7%	-52.7%	2.5%	9.2%	12.0%	15.7%
Efficiency measures	2020	2021	2022	2023	2024E	2025E	2026E
ROE	23.1%	-8.6%	-2.2%	-13.1%	-3.5%	-0.2%	4.4%
ROCE	18.3%	0.2%	0.3%	-6.4%	-0.3%	3.6%	8.2%
Financial ratios	2020	2021	2022	2023	2024E	2025E	2026E
Inventories as % of sales							
Receivables as % of sales	15.3%	15.9%	24.9%	17.2%	17.2%	17.2%	17.2%
Non-int. bearing liabilities as % of sales	20.0%	25.1%	29.2%	26.7%	26.7%	26.7%	26.7%
NWC/sales, %	-4.8%	-9.2%	-4.3%	-9.5%	-9.5%	-9.5%	-9.5%
Operative CAPEX/Sales, %	3.1%	3.7%	4.8%	4.9%	2.5%	2.8%	2.8%
CAPEX/sales (incl. acquisitions), %	3.1%	3.7%	-33.0%	3.7%	2.5%	2.8%	2.8%
FCFF/EBITDA	0.6	0.9	-5.3	0.6	0.6	0.6	0.6
Net Debt/EBITDA, book-weighted	1.2	-3.9	3.7	4.1	1.4	0.7	0.2
Debt/equity, market-weighted		0.1	0.5	0.4	0.4	0.3	0.2
Equity ratio, book-weighted	0.4	0.7	0.5	0.4	0.5	0.5	0.5
Gearing, %	58.3%	-27.2%	43.3%	41.7%	31.8%	20.7%	5.3%

COMPANY DESCRIPTION: Administer Group is a multi-talent in payroll and financial management services, software services, consulting, personnel and international services. The company is the largest salary outsourcing partner in Finland and the leading expert in the fight against the grey economy. Administer's services are used by more than 5,000 customers, from SMEs to large companies, as well as municipalities and other public sector actors. Founded in 1985, the company is listed on the First North list of Nasdaq Helsinki. Administer Group consists of payroll management service company Silta Oy, accounting firm Administer, business service and employment expert Econia Oy and software company EmCe Solution Partner Oy, as well as other subsidiaries and associated companies.

INVESTMENT CASE: Administer seeks to achieve revenue of EUR 100m and an EBITDA-margin of 15% by 2026. The company has grown impressively in recent years driven by acquisitions, while organic growth has been modest. Near-term macroeconomic conditions have, however, proven to be a challenge, affecting both the company's growth and profitability. Cost savings measures taken in 2023 will slightly aid profitability, but larger 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	6 780 980	15.461	47.2 %
Ilmarinen Mutual Pension Insurance Company	1 250 000	2.850	8.7 %
Sijoitus Oy MC Invest Ab	1 205 508	2.749	8.4 %
Oy Fincorp Ab	471 646	1.075	3.3 %
Rantalainen-Yhtiöt Oy	337 475	0.769	2.3 %
Varma Mutual Pension Insurance Company	337 093	0.769	2.3 %
Salmivala Maria-Elina	283 221	0.646	2.0 %
Elo Mutual Pension Insurance Company	265 317	0.605	1.8 %
Herranen Kimmo	234 292	0.534	1.6 %
Oy Talcom Ab	216 000	0.492	1.5 %
Ten largest	11 381 532	25.950	79.2 %
Residual	2 993 273	6.825	20.8 %
Total	14 374 805	32.775	100%

EARNINGS CALENDAR

March 05, 2025	FY 2024 Results
May 07, 2025	Q1 report
August 14, 2025	Q2 report
November 05, 2025	Q3 report

OTHER EVENTS

COMPANY MISCELLANEOUS

CEO: Kimmo Herranen	Konepajankuja 3, FIN-00510 Helsinki
CFO: Kalle Lehtonen	Tel:
IR:	

DEFINITIONS

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

Important Disclosures

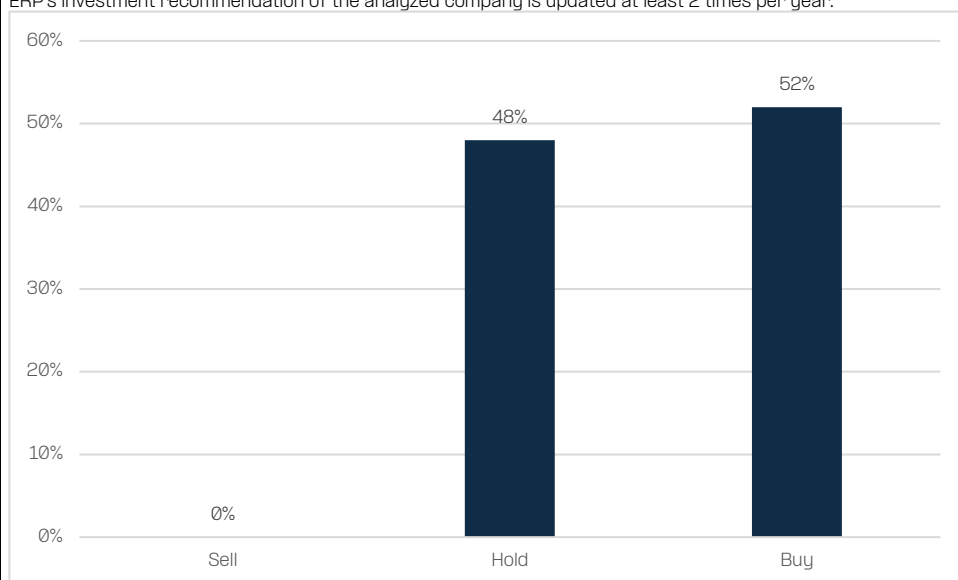
Evli Research Partners Plc ("ERP") uses 12-month target prices. Target prices are defined by utilizing analytical techniques based on financial theory including (but not limited to) discounted cash flow analysis and comparative valuation. The selection of valuation methods depends on different circumstances. Target prices may be altered on the basis of new information coming to light in the underlying company or changes in interest rates, changes in foreign exchange rates, other securities prices or market indices or outlook for the aforementioned factors or other factors that may change the conditions of financial markets. The valuation assumptions used are sensitive to changes and can significantly affect fair values. A change of a single percentage point in any used assumption could affect fair values by more than +/-20%. Recommendations and changes by analysts are available at [Analysts' recommendations and ratings revisions](#).

Investment recommendations are defined as follows:

Target price compared to share price	Recommendation
< -10 %	SELL
-10 - 0 %	RECUDE
0 - (+10) %	ACCUMULATE
> 10 %	BUY

ERP may temporarily suspend the rating and, if applicable, the target price to comply with regulations and/or firm policies, in which case a NOT RATED classification is used.

ERP's investment recommendation of the analyzed company is updated at least 2 times per year.



The graph above shows the distribution of ERP's recommendations of companies under coverage on the 23rd of October, 2024. If recommendation is not given, it is not mentioned here. As ERP is currently updating its ratings methodology, the graph will be updated in due time to reflect the changes.

Name(s) of the analyst(s): Jerker Salokivi, Atte Pitkäljärvi

This research report has been prepared by Evli Research Partners Plc ("ERP" or "Evli Research"). ERP is a subsidiary of Evli Plc. Production of the investment recommendation has been concluded on 21.2.2025, 9:00. This report has been published on 21.2.2025, 9:30.

None of the analysts contributing to this report, persons under their guardianship or corporations under their control have a position in the shares of the company or related securities.

The date and time for any price of financial instruments mentioned in the recommendation refer to the previous trading day's closing price(s) unless otherwise stated in the report.

Each analyst responsible for the content of this report assures that the expressed views accurately reflect the personal views of each analyst on the covered companies and securities. Each analyst assures that (s)he has not been, nor are or will be, receiving direct or indirect compensation related to the specific recommendations or views contained in this report.

Companies in the Evli Group, affiliates or staff of companies in the Evli Group, may perform services for, solicit business from, hold long or short positions in, or otherwise be interested in the investments (including derivatives) of any company mentioned in the publication or report.

According to ERP's best knowledge, the issuer(s) of the securities does/(do) not hold in excess of 5% of the total issued share capital of the issuer(s).

Neither ERP nor any company within the Evli Group have managed or co-managed a public offering of the company's securities during the last 12 months prior to, received compensation for investment banking services from the company during the last 12 months prior to the publication of the research report.

ERP has signed an agreement with the issuer of the financial instruments mentioned in the recommendation, which includes production of research reports. This assignment has a limited economic and financial impact on ERP and/or Evli. Under the assignment ERP performs services including, but not limited to, arranging investor meetings or –events, investor relations communication advisory and production of research material.

ERP or another company within the Evli Group does not have an agreement with the company to perform market making or liquidity providing services.

For the prevention and avoidance of conflicts of interests with respect to this report, there is an information barrier (Chinese wall) between Investment Research and Corporate Finance units concerning unpublished investment banking services to the company. The remuneration of the analyst(s) is not tied directly or indirectly to investment banking transactions or other services performed by Evli Plc or any company within Evli Group.

This report has not been disclosed to the company prior to its dissemination.

This report is provided and intended for informational purposes only and may not be used or considered under any circumstances as an offer to sell or buy any securities or as advice to trade any securities.

This report is based on sources ERP considers to be correct and reliable. The sources include information providers FactSet and Bloomberg, stock–exchange releases from the companies and other company news, and publicly available online sources. However, ERP does not guarantee the materialization, correctness, accuracy or completeness of the information, opinions, estimates or forecasts expressed or implied in the report. In addition, circumstantial changes may have an influence on opinions and estimates presented in this report. The opinions and estimates presented are valid at the moment of their publication and they can be changed without a separate announcement. Neither ERP nor any company within the Evli Group are responsible for amending, correcting or updating any information, opinions or estimates contained in this report. Neither ERP nor any company within the Evli Group will compensate any direct or consequential loss caused by or derived from the use of the information represented in this publication.

All information published in this report is for the original recipient's private and internal use only. ERP reserves all rights to the report. No part of this publication may be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, or stored in any retrieval system of any nature, without the written permission of ERP.

This report or its copy may not be published or distributed in Australia, Canada, Hong Kong, Japan, New Zealand, Singapore or South Africa. The publication or distribution of this report in certain other jurisdictions may also be restricted by law. Persons into whose possession this report comes are required to inform themselves about and to observe any such restrictions.

Evli Plc is not registered as a broker–dealer with the U. S. Securities and Exchange Commission ("SEC"), and it and its analysts are not subject to SEC rules on securities analysts' certification as to the currency of their views reflected in the research report. Evli Bank is not a member of the Financial Industry Regulatory Authority ("FINRA"). It and its securities analysts are not subject to FINRA's rules on Communications with the Public and Research Analysts and Research Reports and the attendant requirements for fairness, balance and disclosure of potential conflicts of interest. This research report is only being offered in U.S. by Auerbach Grayson & Company, LLC (Auerbach Grayson) to Major U.S. Institutional Investors and is not available to, and should not be used by, any U.S. person or entity that is not a Major U.S. Institutional Investor. Auerbach Grayson is a broker–dealer registered with the U.S. Securities and Exchange Commission and is a member of the FINRA. U.S. entities seeking more information about any of the issuers or securities discussed in this report should contact Auerbach Grayson. The securities of non–U.S. issuers may not be registered with or subject to SEC reporting and other requirements.

ERP is not a supervised entity but its parent company Evli Plc is supervised by the Finnish Financial Supervision Authority.

Contact information**SALES, TRADING AND RESEARCH****Equity Sales & Trading**

Joachim Dannberg (head)	+358 9 4766 9123
Aleksi Jalava	+358 9 4766 9123
Pasi Väisänen	+358 9 4766 9123

Evli Investment Solutions

Johannes Asuja	+358 9 4766 9205
----------------	------------------

Equity Research

Jerker Salokivi (head)	+358 9 4766 9149
Joonas Ilvonen	+358 44 430 9071
Atte Jortikka	+358 40 054 3725
Atte Pitkäljärvi	+358 44 047 6597

EVLI

EVLI PLC
Aleksanterinkatu 19 A
P.O. Box 1081
FIN-00101 Helsinki, FINLAND
Phone +358 9 476 690
Internet www.evli.com
E-mail firstname.lastname@evli.com

**EVLI PLC,
STOCKHOLMSFILIAL**
Regeringsgatan 67 P.O. Box 16354
SE-103 26 Stockholm
Sverige
stockholm@evli.com
Tel +46 (0)8 407 8000