

Full focus on core business

CapMan announced the divestment of CaPS for EUR 75m. In the short term, the transaction is slightly negative through the loss of a highly profitable business, but the proceeds provide an additional avenue to grow CapMan's core business.

Divestment of CaPS for EUR 75m

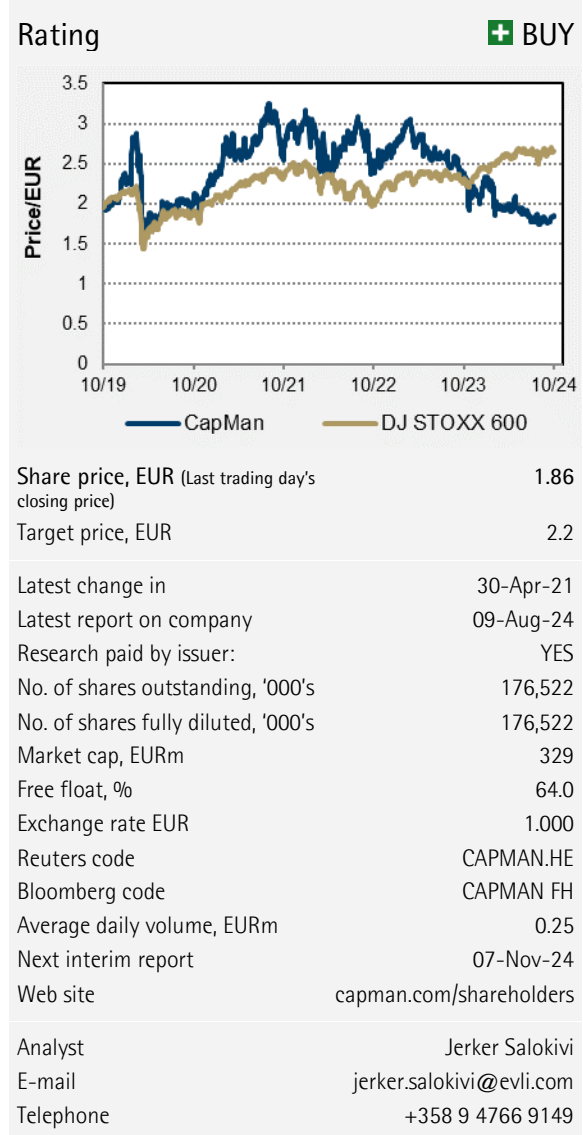
CapMan on October 4th announced the divestment of services business CapMan Procurement Services (CaPS) for a debt free purchase price of EUR 75m. CaPS' turnover in 2023 amounted to EUR 10.2m and operating profit to EUR 5.9m. CapMan currently holds 92.7% of the shares in CaPS. CapMan expects the transaction to close on October 31st. The transaction is expected to have an EUR 0.33 positive impact on 2024 EPS and an EUR 60m immediate cash flow impact. CapMan's BoD expects to propose a dividend of EUR 0.14 per share to the AGM in 2025.

Further focus on core business

The divestment of CaPS was in our view to be expected. The transaction price was slightly on the lower side compared with our expectations but still fully reasonable. The proceeds will partly be used to decrease IB debt, given the lowered earnings capacity, but also to boost the core business and enable strong dividend distributions. In the short term, the impact of the transaction is somewhat negative given the loss of a highly profitable and growing business compared with the cost of CapMan's IB debt. CapMan has solid potential in using funds from the divestment to scale the core business and significantly increase earnings. We see a quite high likelihood of growth through M&A in the short term, as the current organic growth pace is insufficient in terms of plans to reach AUM of EUR 10bn around 2027.

BUY with a target price of EUR 2.2 (2.3)

Following the change in earnings and net debt, considering near-term multiples for CapMan group, the impact on our estimates is fairly neutral. The earnings mix, however, becomes slightly more volatile and with a limited outlook into efficiency of the use of the proceeds we lower our TP to EUR 2.2 (2.3), BUY-rating intact.



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	67.5	53.1	78.6%	3.0	0.25	10.8	7.0	8.9	0.7	0.17
2023	59.4	4.7	7.9%	10.3	0.01	276.0	7.1	90.5	2.8	0.10
2024E	73.4	86.5	117.9%	41.9	0.38	4.9	4.4	3.7	12.8	0.14
2025E	72.1	38.3	53.1%	28.8	0.16	11.6	4.4	8.4	8.8	0.15
2026E	79.3	45.0	56.8%	34.1	0.19	9.7	3.9	6.9	10.4	0.13
Market cap, EURm	329		Gearing 2024E, %	-3.8		CAGR EPS 2023-26, %		184.7		
Net debt 2024E, EURm	-8		Price/book 2024E	1.7		CAGR sales 2023-26, %		10.1		
Enterprise value, EURm	324		Dividend yield 2024E, %	7.5		ROE 2024E, %		43.1		
Total assets 2024E, EURm	345		Tax rate 2024E, %	12.7		ROCE 2024E, %		34.3		
Goodwill 2024E, EURm	31		Equity ratio 2024E, %	58.2		PEG, P/E 24/CAGR		-0.3		

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

CapMan	2022	Q1/'23	Q2/'23	Q3/'23	Q4/'23	2023	Q1/'24	Q2/'24	Q3/'24E	Q4/'24E	2024E	2025E	2026E
Turnover	67.5	15.1	16.5	13.7	14.1	59.4	18.4	18.3	16.9	19.7	73.4	72.1	79.3
<i>change, %</i>	27.9%	6.4%	-6.8%	-13.8%	-28.7%	-12.1%	21.5%	11.3%	24%	40%	23.5%	-1.7%	9.9%
Other operating income	0.0	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.1	0.1
Materials and services	-1.0	-0.3	-0.5	-0.5	-0.5	-1.9	-0.6	-0.7	-0.7	-0.7	-2.7	-2.8	-3.0
Personnel expenses	-34.7	-8.9	-8.1	-7.0	-9.9	-34.0	-8.5	-9.4	-8.3	-9.4	-35.6	-33.3	-35.8
Other operating expenses	-11.2	-2.6	-3.0	-2.0	-3.7	-11.4	-3.9	-3.3	-2.5	-3.3	-13.1	-12.9	-13.6
Depreciation and amortisation	-4.1	-0.4	-0.4	-0.4	-0.4	-1.5	-0.5	-0.7	-0.7	-0.7	-2.5	-2.8	-2.9
Fair value changes	36.5	-2.4	-0.3	0.9	-4.3	-6.1	2.3	1.2	2.0	4.0	9.5	18.0	21.0
Operating profit	53.1	0.5	4.2	4.8	-4.8	4.7	7.3	5.4	6.7	67.1	86.5	38.3	45.0
<i>Operating profit margin, %</i>	78.6%	3.3%	25.3%	35.1%	-34.2%	7.9%	39.7%	29.7%	39.6%	>100%	>100%	53.1%	56.8%
Items affecting comparability	2.6	0.0	0.0	0.0	2.0	2.0	1.3	0.3	0.3	-57.1	-55.2	1.2	1.2
Adj. operating profit	55.7	0.5	4.2	4.8	-2.8	6.7	8.6	5.7	7.0	10.0	31.3	39.5	46.2
Net financials	-5.5	-0.5	-0.3	-0.1	0.3	-0.7	-0.9	-1.1	-0.8	-0.8	-3.6	-3.5	-3.4
Pre-tax profit	47.6	0.0	3.8	4.7	-4.5	4.0	6.4	4.3	5.9	66.3	82.9	34.8	41.6
Income taxes	-6.6	0.8	0.2	-1.1	-0.4	-0.6	-1.5	-0.4	-0.7	-8.0	-10.6	-4.4	-5.3
Minority interest	-1.4	-0.5	-0.7	-0.2	-0.7	-2.0	-2.4	-1.3	-0.6	-0.8	-5.2	-2.1	-2.5
Profit for the period	39.6	0.3	3.3	3.4	-5.7	1.4	2.5	2.6	4.6	57.5	67.2	28.3	33.8
EPS, EUR	0.25	0.00	0.02	0.02	-0.04	0.01	0.01	0.01	0.03	0.33	0.38	0.16	0.19
Assets under management	5039	5070	5010	5021	5005	5005	5672	5842			6000	6400	6800
Management Company business	2022	Q1/'23	Q2/'23	Q3/'23	Q4/'23	2023	Q1/'24	Q2/'24	Q3/'24E	Q4/'24E	2024E	2025E	2026E
Turnover	55.9	12.5	13.7	11.1	11.0	48.3	15.4	15.1	14.0	18.3	62.8	71.3	78.5
<i>-Fee income</i>	46.2	12.5	10.9	10.8	10.9	45.1	11.8	14.8	13.5	14.8	55.0	61.6	67.7
<i>-Carried interest</i>	9.6	0.0	2.8	0.3	0.1	3.2	3.5	0.3	0.5	3.5	7.8	9.8	10.8
Operating profit	22.3	3.2	5.0	3.6	0.5	12.2	6.3	4.3	4.5	7.1	22.2	27.9	32.0
Investment business	2022	Q1/'23	Q2/'23	Q3/'23	Q4/'23	2023	Q1/'24	Q2/'24	Q3/'24E	Q4/'24E	2024E	2025E	2026E
Turnover	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating profit	35.7	-2.6	-0.4	0.9	-4.5	-6.6	2.1	1.0	1.9	3.9	8.8	17.3	20.2
Services business	2022	Q1/'23	Q2/'23	Q3/'23	Q4/'23	2023	Q1/'24	Q2/'24	Q3/'24E	Q4/'24E	2024E	2025E	2026E
Turnover	11.1	2.6	2.7	2.5	2.8	10.6	2.9	3.1	2.8	1.1	9.8	0.0	0.0
Operating profit	3.0	1.5	1.5	1.4	1.6	6.0	1.7	1.7	1.6	58.0	63.0	0.0	0.0
Other	2022	Q1/'23	Q2/'23	Q3/'23	Q4/'23	2023	Q1/'24	Q2/'24	Q3/'24E	Q4/'24E	2024E	2025E	2026E
Turnover	0.6	0.0	0.1	0.1	0.3	0.5	0.2	0.2	0.1	0.3	0.7	0.8	0.8
Operating profit	-7.9	-1.6	-1.9	-1.1	-2.4	-7.0	-2.8	-1.6	-1.3	-1.9	-7.5	-6.8	-7.2

Source: CapMan, Evli Research estimates

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	1.86 PV of Free Cash Flow	332 Long-term growth, %	1.5 Risk-free interest rate, %	2.25
DCF share value	3.79 PV of Horizon value	408 WACC, %	7.9 Market risk premium, %	5.8
Share price potential, %	103.5 Unconsolidated equity	-3 Spread, %	0.5 Debt risk premium, %	2.8
Maximum value	4.1 Marketable securities	41 Minimum WACC, %	7.4 Equity beta coefficient	1.10
Minimum value	3.5 Debt - dividend	-110 Maximum WACC, %	8.4 Target debt ratio, %	30
Horizon value, %	55.1 Value of stock	669 Nr of shares, Mn	176.5 Effective tax rate, %	20

DCF valuation, EURm	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	Horizon
Net sales	59	73	72	79	81	83	85	88	90	92	93	95
<i>Sales growth, %</i>	-12.1	23.5	-1.7	9.9	2.5	2.5	2.5	2.5	2.5	2.5	1.5	1.5
Operating income (EBIT)	5	86	38	45	49	50	51	53	54	55	56	57
<i>Operating income margin, %</i>	7.9	117.9	53.1	56.8	60.0	60.0	60.0	60.0	60.0	60.0	60.0	60.0
+ Depreciation+amort.	1	3	3	3	3	3	3	3	3	4	4	
EBITDA	6	89	41	48	52	53	55	56	57	59	60	
- Paid taxes	-3	0	-5	-6	-6	-6	-7	-7	-7	-7	-7	
- Change in NWC	6	-1	0	0	0	0	0	0	0	0	0	
<i>NWC / Sales, %</i>	1.8	2.4	2.3	2.5	2.6	2.6	2.7	2.7	2.8	2.8	2.9	
+ Change in other liabs	3	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	0	-26	0	0	0	0	0	0	0	0	0	
<i>opCAPEX / Sales, %</i>	3.1	38.4	3.3	3.2	3.3	3.3	3.4	3.5	3.5	3.6	3.6	
- Acquisitions	0	0	0	0	0	0	0	0	0	0	0	
+ Divestments	0	-10	0	0	0	0	0	0	0	0	0	
- Other items	3	0	0	0	0	0	0	0	0	0	0	
= FCFF	16	52	36	42	45	46	48	49	50	51	52	824
= Discounted FCFF		51	33	35	35	34	32	30	29	27	26	408
= DFCF min WACC		51	33	36	36	34	33	31	30	28	27	462
= DFCF max WACC		51	33	35	35	33	31	29	28	26	25	363

INTERIM FIGURES

EVLI ESTIMATES, EURm	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3E	2024Q4E	2024E	2025E	2026E
Net sales	15.1	16.5	13.7	14.1	59.4	18.4	18.3	16.9	19.7	73.4	72.1	79.3
EBITDA	0.9	4.5	5.2	-4.4	6.2	7.8	6.1	7.4	67.8	89.0	41.1	48.2
EBITDA margin (%)	5.9	27.6	37.6	-31.5	10.4	42.2	33.4	43.7	343.9	121.4	57.1	60.8
EBIT	0.5	4.2	4.8	-4.8	4.7	7.3	5.4	6.7	67.1	86.5	38.3	45.0
EBIT margin (%)	3.3	25.3	35.1	-34.2	7.9	39.7	29.7	39.6	340.4	117.9	53.1	56.8
Net financial items	-0.5	-0.3	-0.1	0.3	-0.7	-0.9	-1.1	-0.8	-0.8	-3.6	-3.5	-3.4
Pre-tax profit	0.0	3.8	4.7	-4.5	4.0	6.4	4.3	5.9	66.3	82.9	34.8	41.6
Tax	0.7	0.2	-1.1	-0.4	-0.6	-1.5	-0.4	-0.7	-7.9	-10.6	-4.4	-5.3
Tax rate (%)	-18,450.0	-3.9	22.7	-9.7	15.5	23.2	9.4	12.0	12.0	12.7	12.7	12.7
Net profit	0.3	3.3	3.4	-5.7	1.3	2.5	2.6	4.6	57.5	67.2	28.3	33.8
EPS	0.00	0.02	0.02	-0.04	0.01	0.01	0.01	0.03	0.33	0.38	0.16	0.19
EPS adjusted (diluted no. of shares)	0.00	0.02	0.02	-0.04	0.01	0.01	0.01	0.03	0.33	0.38	0.16	0.19
Dividend per share	0.00	0.00	0.00	0.00	0.10	0.00	0.00	0.00	0.00	0.14	0.15	0.13
SALES, EURm												
Management Company business	12.5	13.7	11.1	11.0	48.3	15.4	15.1	14.0	18.3	62.8	71.3	78.5
Service business	2.6	2.7	2.5	2.8	10.6	2.9	3.1	2.8	1.1	9.8	0.0	0.0
Other & eliminations	0.0	0.1	0.1	0.3	0.5	0.2	0.2	0.1	0.3	0.7	0.8	0.8
Total	15.1	16.5	13.7	14.1	59.4	18.4	18.3	16.9	19.7	73.4	72.1	79.3
SALES GROWTH, Y/Y %												
Management Company business	6.8	-5.9	-11.9	-35.4	-13.6	23.1	10.6	26.3	66.0	30.1	13.6	10.0
Service business	4.0	-14.1	-19.3	18.4	-4.6	9.3	13.0	13.0	-60.4	-7.2	-100.0	0.0
Other & eliminations	242.9	1,030.0	-44.9	-16.1	-5.1	529.2	52.2	-6.8	11.1	39.6	5.0	5.0
Total	6.4	-6.8	-13.8	-28.7	-12.1	21.5	11.3	23.6	39.9	23.5	-1.7	9.9
EBIT, EURm												
Management Company business	3.2	5.0	3.6	0.5	12.2	6.3	4.3	4.5	7.1	22.2	27.9	32.0
Investment business	-2.6	-0.4	0.9	-4.5	-6.6	2.1	1.0	1.9	3.9	8.8	17.3	20.2
Service business	1.5	1.5	1.4	1.6	6.0	1.7	1.7	1.6	58.0	63.0	0.0	0.0
Other & eliminations	-1.6	-1.9	-1.1	-2.4	-6.9	-2.8	-1.6	-1.3	-1.9	-7.5	-6.8	-7.2
Total	0.5	4.2	4.8	-4.8	4.7	7.3	5.4	6.7	67.1	86.5	38.3	45.0
EBIT margin, %												
Management Company business	25.3	36.3	32.3	4.6	25.3	40.8	28.4	32.1	38.8	35.3	39.1	40.7
Service business	56.2	56.9	57.1	57.8	57.0	58.9	54.7	58.2	5,272.7	639.8	0.0	0.0
Other & eliminations	-6,533.3	-1,714.2	-895.8	-884.1	-1,323.6	-1,831.1	-904.7	-1,172.7	-633.3	-1,024.7	-885.4	-885.4
Total	3.3	25.3	35.1	-34.2	7.9	39.7	29.7	39.6	340.4	117.9	53.1	56.8

INCOME STATEMENT, EURm	2019	2020	2021	2022	2023	2024E	2025E	2026E
Sales	49.0	43.0	52.8	67.5	59.4	73.4	72.1	79.3
<i>Sales growth (%)</i>	36.1	-12.2	22.8	27.9	-12.1	23.5	-1.7	9.9
EBITDA	25.0	13.9	46.2	57.3	6.2	89.0	41.1	48.2
<i>EBITDA margin (%)</i>	51.0	32.2	87.4	84.8	10.4	121.4	57.1	60.8
Depreciation	-1.4	-1.5	-1.5	-1.6	-1.5	-2.5	-2.8	-3.1
EBITA	23.6	12.3	44.6	55.7	4.7	86.5	38.3	45.0
Goodwill amortization / writedown	-4.2	0.0	0.0	-2.6	0.0	0.0	0.0	0.0
EBIT	19.4	12.3	44.6	53.1	4.7	86.5	38.3	45.0
<i>EBIT margin (%)</i>	39.6	28.7	84.6	78.6	7.9	117.9	53.1	56.8
Reported EBIT	19.4	12.3	44.6	53.1	4.7	86.5	38.3	45.0
<i>EBIT margin (reported) (%)</i>	39.6	28.7	84.6	78.6	7.9	117.9	53.1	56.8
Net financials	-1.8	-3.1	-4.0	-5.5	-0.7	-3.6	-3.5	-3.4
Pre-tax profit	17.6	9.2	40.6	47.6	4.0	82.9	34.8	41.6
Taxes	-1.7	-2.9	-5.2	-6.6	-0.6	-10.6	-4.4	-5.3
Minority shares	-1.9	-1.1	-1.0	-1.4	-2.0	-5.2	-2.1	-2.5
Net profit	14.0	5.1	34.3	39.6	1.3	67.2	28.3	33.8
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
BALANCE SHEET, EURm								
Assets								
Fixed assets	120	117	131	170	160	172	171	170
Goodwill	15	15	15	8	8	31	31	31
Right of use assets	3	2	1	3	4	4	5	5
Inventory	0	0	0	0	0	0	0	0
Receivables	31	23	25	32	27	34	33	36
Liquid funds	44	58	65	56	41	103	101	111
Total assets	217	219	240	271	242	345	342	355
Liabilities								
Shareholder's equity	127	113	126	140	113	199	203	210
Minority interest	2	1	2	2	2	2	2	2
Convertibles	0	0	0	0	0	0	0	0
Lease liabilities	3	2	1	3	4	4	5	5
Deferred taxes	2	3	5	8	6	17	17	17
Interest bearing debt	57	81	82	90	90	91	84	86
Non-interest bearing current liabilities	20	18	24	26	24	30	29	32
Other interest-free debt	5	1	1	1	2	2	2	2
Total liabilities	217	219	240	271	242	345	342	355
CASH FLOW, EURm								
+ EBITDA	25	14	46	57	6	89	41	48
- Net financial items	-2	-3	-4	-5	-1	-4	-3	-3
- Taxes	-5	-4	-3	-3	-3	0	-4	-5
- Increase in Net Working Capital	-3	-16	5	-10	6	-1	0	0
+/- Other	-16	-3	-33	-32	3	-5	-2	-2
= Cash flow from operations	0	-12	11	6	12	80	31	37
- Capex	-6	-3	0	-3	-2	-28	-2	-3
- Acquisitions	-1	0	0	0	0	0	0	0
+ Divestments	6	0	0	0	0	-10	0	0
= Free cash flow	-1	-16	11	3	10	42	29	34
+/- New issues/buybacks	12	-1	2	-1	-1	34	0	0
- Paid dividend	-18	-20	-22	-23	-27	-16	-25	-26
+/- Other	-5	51	16	12	4	1	-6	2
Change in cash	-11	14	7	-10	-15	62	-2	10

KEY FIGURES	2020	2021	2022	2023	2024E	2025E	2026E
M-cap	363	476	428	364	329	329	329
Net debt (excl. convertibles)	26	18	37	53	-8	-12	-19
Enterprise value	391	500	472	423	324	320	312
Sales	43	53	68	59	73	72	79
EBITDA	14	46	57	6	89	41	48
EBIT	12	45	53	5	86	38	45
Pre-tax	9	41	48	4	83	35	42
Earnings	5	34	40	1	67	28	34
Equity book value (excl. minorities)	113	126	140	113	199	203	210
Valuation multiples							
EV/sales	9.1	9.5	7.0	7.1	4.4	4.4	3.9
EV/EBITDA	28.2	10.8	8.2	68.6	3.6	7.8	6.5
EV/EBITA	31.7	11.2	8.5	90.5	3.7	8.4	6.9
EV/EBIT	31.7	11.2	8.9	90.5	3.7	8.4	6.9
EV/OCF	-32.8	45.4	78.1	35.0	4.0	10.3	8.5
EV/FCFF	70.9	14.7	35.5	26.1	6.2	8.9	7.5
P/FCFE	-23.2	42.9	140.8	35.4	7.8	11.4	9.6
P/E	70.6	13.9	10.8	276.0	4.9	11.6	9.7
P/B	3.2	3.8	3.1	3.2	1.7	1.6	1.6
Target EV/EBITDA	0.0	0.0	0.0	0.0	4.3	9.2	7.7
Target EV/EBIT	0.0	0.0	0.0	0.0	4.4	9.9	8.2
Target EV/FCF	0.0	0.0	0.0	0.0	9.1	13.1	10.9
Target P/B	0.0	0.0	0.0	0.0	2.0	1.9	1.9
Target P/E	0.0	0.0	0.0	0.0	5.8	13.7	11.5
Per share measures							
Number of shares	156,459	156,617	158,055	158,823	176,522	176,522	176,522
Number of shares (diluted)	156,459	156,617	158,055	158,823	176,522	176,522	176,522
EPS	0.03	0.22	0.25	0.01	0.38	0.16	0.19
Operating cash flow per share	-0.08	0.07	0.04	0.08	0.45	0.18	0.21
Free cash flow per share	-0.10	0.07	0.02	0.06	0.24	0.16	0.19
Book value per share	0.72	0.80	0.89	0.71	1.13	1.15	1.19
Dividend per share	0.14	0.15	0.17	0.10	0.14	0.15	0.13
Dividend payout ratio, %	426.1	68.5	67.8	1,205.0	36.8	93.6	70.0
Dividend yield, %	6.0	4.9	6.3	4.4	7.5	8.1	7.2
FCF yield, %	-4.3	2.3	0.7	2.8	12.8	8.8	10.4
Efficiency measures							
ROE	4.3	28.8	29.8	1.0	43.1	14.1	16.4
ROCE	6.4	21.9	23.8	2.1	34.3	13.0	15.1
Financial ratios							
Inventories as % of sales	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Receivables as % of sales	54.5	47.9	47.5	45.8	45.7	45.7	45.7
Non-interest bearing liabilities as % of sales	41.9	46.0	38.2	40.7	40.7	40.7	40.7
NWC/sales, %	9.6	0.1	7.6	1.8	2.4	2.3	2.5
Operative CAPEX/sales, %	8.0	0.7	4.9	3.1	38.4	3.3	3.2
CAPEX/sales (incl. acquisitions), %	7.4	0.7	4.9	3.1	38.4	3.3	3.2
FCFF/EBITDA	0.4	0.7	0.2	2.6	0.6	0.9	0.9
Net debt/EBITDA, book-weighted	1.8	0.4	0.7	8.6	-0.1	-0.3	-0.4
Debt/equity, market-weighted	0.2	0.2	0.2	0.2	0.3	0.3	0.3
Equity ratio, book-weighted	51.8	53.0	52.5	47.7	58.2	59.7	59.6
Gearing, %	22.5	14.0	26.3	45.9	-3.8	-5.7	-9.1

COMPANY DESCRIPTION: CapMan is a leading Nordic asset management and investment company. CapMan manages close to EUR 6 billion in assets. The company mainly manages investors' assets but also makes direct investments from its balance sheet, mainly into own funds. Current investments strategies cover Buyout, Growth Equity, Real Estate, Natural Capital, Infra, Credit and Special situations. CapMan also has a growing service business consisting of procurement activities provider CaPs.

INVESTMENT CASE: CapMan is set to continue to grow its earnings and increase earnings stability, but current market conditions have posted challenges. An important driver is the increase in fee-based profitability through growth in capital under management, while still being able to maintain a sound cost structure. Additional earnings potential in the upcoming years is offered by the outlook of several of CapMans funds in an approaching carry. Good cash flows and a healthy balance sheet support continued high dividend payouts.

OWNERSHIP STRUCTURE	SHARES	EURm	%
Silvertärnan Ab	22,680,519	42.231	12.8%
Hozainum Partners Oy	9,012,467	16.781	5.1%
Ilmarinen Mutual Pension Insurance Company	8,672,000	16.147	4.9%
Laakkonen Mikko Kalervo	6,946,609	12.935	3.9%
Dolobratos Oy Ab	5,442,698	10.134	3.1%
Varma Mutual Pension Insurance Company	3,675,215	6.843	2.1%
Joensuun Kauppa ja Kone Oy	3,296,466	6.138	1.9%
Vesasco Oy	3,088,469	5.751	1.7%
The State Pension Fund	2,500,000	4.655	1.4%
Danske Invest Finnish Equity Fund	2,324,080	4.327	1.3%
Ten largest	67,638,523	125.943	38%
Residual	108,883,625	202.741	62%
Total	176,522,148	328.684	100%

EARNINGS CALENDAR

November 07, 2024

Q3 report

OTHER EVENTS

COMPANY MISCELLANEOUS

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Tel: +358 207 207 500

IR: Tuija Ottoila

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

<p>ROE, %</p> $\frac{\text{Profit before extraordinary items and taxes – income taxes}}{\text{Shareholder's equity + minority interest + taxed provisions (average)}}$	
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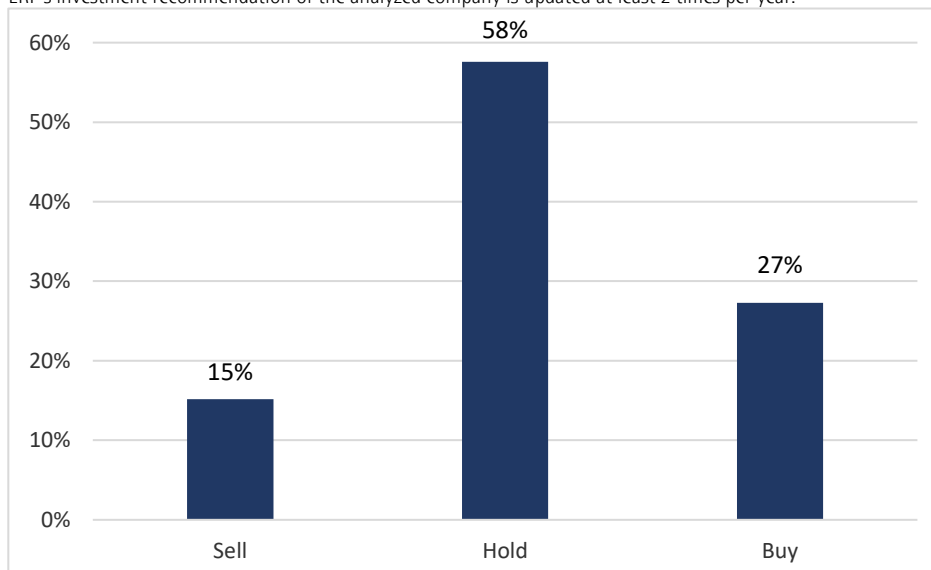
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Investment recommendations are defined as follows:

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

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 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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