

Margin recovery progressing well

Consti's Q4 results were quite in line with our estimates, with net sales at EUR 78.3m (Evli EUR 80.9m) and operating profit at EUR 2.8m (Evli EUR 3.0m). We expect sales to decline around 10% in 2020 due to continued weak order backlog development. The new organization along with the related cost savings should absorb the expected lower volumes and we continue to expect clear earnings improvement. We retain our HOLD-rating with a target price of EUR 8.0 (7.0).

Q4 results largely in line, order backlog continued decline

Consti's Q4 results were quite in line with our estimates. Net sales amounted to EUR 78.3m (Evli EUR 80.9m) and operating profit to EUR 2.8m (Evli EUR 3.0m). Profitability was still slightly affected by the project that had a significant negative impact on H1/19 profitability. Consti's BoD proposes a dividend of EUR 0.16 per share (Evli 0.17). The order backlog continued to decline and was down 17.4% y/y at EUR 186m.

Expecting sales declines but clear profitability improvement

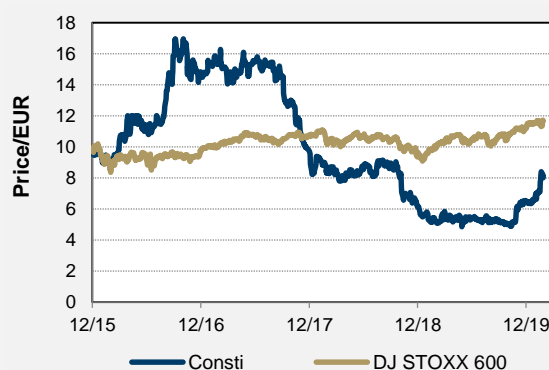
Following the continued weak order backlog we have lowered our coming year sales estimates by some 10% and now expect a 9.8% net sales decline in 2020. We expect Consti to be able to absorb the volume declines without major margin pressure due to the new organization and related cost savings. We have slightly raised our 2020 EBIT estimate, now expecting an EBIT of EUR 10.7m. The Q4 results in our view provided continued support for the sustainability of Consti's successful profitability turnaround.

HOLD with a target price of EUR 8.0 (7.0)

On our slightly raised earnings estimates and increased confidence in the profitability turnaround, we adjust our TP to EUR 8.0 (7.0), valuing Consti at ~7.5x 2020E EV/EBIT, with the Hotel St. George arbitration proceeding still warranting the clear discount to peers. We retain our HOLD-rating.

Rating

HOLD



Share price, EUR (Last trading day's closing price) 8.00

Target price, EUR 8.0

Latest change in recommendation 29-Jan-20

Latest report on company 29-Jan-20

Research paid by issuer: YES

No. of shares outstanding, '000's 7,858

No. of shares fully diluted, '000's 7,858

Market cap, EURm 63

Free float, % 62.0

Exchange rate EUR 1.000

Reuters code CONSTI.HE

Bloomberg code CONSTI FH

Average daily volume, EURm 0.1

Next interim report 29-Apr-20

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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
2018	315.8	-2.1	-0.7%	-7.5	-0.30	-18.5	0.2	-31.3	-17.4	0.00
2019	314.8	4.6	1.5%	0.1	0.32	20.3	0.2	15.6	0.2	0.16
2020E	283.9	10.7	3.8%	6.5	0.92	8.7	0.3	7.4	10.3	0.46
2021E	287.8	11.6	4.0%	8.1	1.03	7.8	0.3	6.5	12.8	0.51
2022E	296.4	12.5	4.2%	8.9	1.14	7.0	0.2	5.6	14.2	0.57
Market cap, EURm			63	Gearing 2020E, %			38.6	CAGR EPS 2019-22, %		53.7
Net debt 2020E, EURm			17	Price/book 2020E			2.0	CAGR sales 2019-22, %		-2.0
Enterprise value, EURm			80	Dividend yield 2020E, %			5.8	ROE 2020E, %		24.9
Total assets 2020E, EURm			109	Tax rate 2020E, %			20.0	ROCE 2020E, %		18.9
Goodwill 2020E, EURm			49	Equity ratio 2020E, %			32.4	PEG, P/E 20/CAGR		0.9

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

Construction companies	MCAP MEUR	EV/EBITDA		EV/EBIT		P/E		Div. yield	
		19E	20E	19E	20E	19E	20E	19E	20E
YIT	1366	9.4x	8.9x	12.6x	11.2x	21.6x	11.1x	4.6 %	4.8 %
SRV Yhtiöt	77		22.2x		41.7x			0.0 %	0.0 %
Lehto Group	125		18.4x		27.4x		13.6x	0.0 %	2.1 %
Skanska	9207	9.0x	10.5x	12.5x	14.0x	15.8x	15.8x	2.9 %	3.1 %
NCC	1906	8.1x	7.0x	16.9x	11.9x	23.2x	13.5x	3.2 %	3.9 %
Peab	2910	10.3x	9.0x	15.4x	12.8x	15.1x	13.8x	4.2 %	4.2 %
JM	1948	12.4x	12.6x	12.4x	12.5x	13.9x	13.9x	4.1 %	4.4 %
Veidekke	1591	12.3x	8.7x	25.2x	14.0x	20.2x	13.0x	4.1 %	4.4 %
Peer Group Average	2391	10.2x	12.2x	15.8x	18.2x	18.3x	13.5x	2.9 %	3.4 %
Peer Group Median	1748	9.8x	9.7x	14.0x	13.4x	18.0x	13.6x	3.6 %	4.0 %
Consti (Evli est.)	63	8.9x	5.7x	15.6x	7.4x	20.3x	8.7x	2.5 %	5.8 %

Consti prem./disc. to peer median

-10% -42% 12% -44% 13% -36%

Source Bloomberg, Evli Research

Building installations and services companies	MCAP EUR	EV/EBITDA		EV/EBIT		P/E		Div. yield	
		19E	20E	19E	20E	19E	20E	19E	20E
Caverion	1046	10.7x	8.3x	24.3x	15.8x	33.2x	18.4x	1.9 %	3.2 %
Bravida Holding	1677	11.7x	10.6x	15.2x	13.4x	19.6x	17.8x	2.4 %	2.8 %
MITIE Group	592	6.3x	5.9x	9.1x	8.6x	8.9x	8.4x	2.9 %	2.9 %
ISS A/S	4207	10.2x	8.8x	14.7x	12.6x	16.2x	12.8x	4.5 %	4.6 %
Bilfinger	1424	9.0x	7.0x	20.0x	10.9x	21.4x	13.9x	3.1 %	3.3 %
Instalco	658	14.4x	13.2x	16.2x	15.6x	19.0x	17.4x	1.3 %	1.4 %
Peer Group Average	1601	10.4x	9.0x	16.6x	12.8x	19.7x	14.8x	2.7 %	3.0 %
Peer Group Median	1424	10.2x	8.3x	15.2x	12.6x	19.6x	13.9x	2.9 %	3.2 %
Consti (Evli est.)	63	8.9x	5.7x	15.6x	7.4x	20.3x	8.7x	2.5 %	5.8 %

Consti prem./disc. to peer median

-13% -32% 3% -41% 4% -38%

Source Bloomberg, Evli Research

INTERIM FIGURES

EVLI ESTIMATES, EURm	2019Q1	2019Q2	2019Q3	2019Q4	2019	2020Q1E	2020Q2E	2020Q3E	2020Q4E	2020E	2021E	2022E
Net sales	73.5	81.2	81.8	78.3	314.8	61.1	71.6	72.4	78.8	283.9	287.8	296.4
EBITDA	0.5	1.0	3.0	3.6	8.1	2.8	3.6	3.7	4.2	14.1	15.0	16.0
<i>EBITDA margin (%)</i>	<i>0.7</i>	<i>1.3</i>	<i>3.6</i>	<i>4.7</i>	<i>2.6</i>	<i>4.5</i>	<i>5.0</i>	<i>5.0</i>	<i>5.3</i>	<i>5.0</i>	<i>5.2</i>	<i>5.4</i>
EBIT	-0.4	0.1	2.1	2.8	4.6	1.9	2.7	2.8	3.3	10.7	11.6	12.5
<i>EBIT margin (%)</i>	<i>-0.5</i>	<i>0.1</i>	<i>2.6</i>	<i>3.6</i>	<i>1.5</i>	<i>3.1</i>	<i>3.8</i>	<i>3.9</i>	<i>4.2</i>	<i>3.8</i>	<i>4.0</i>	<i>4.2</i>
Net financial items	-0.2	-0.4	-0.3	-0.3	-1.2	-0.3	-0.3	-0.3	-0.3	-1.2	-1.0	-0.8
Pre-tax profit	-0.6	-0.3	1.8	2.5	3.4	1.6	2.4	2.5	3.0	9.5	10.6	11.7
Tax	0.1	0.1	-0.4	-0.6	-0.7	-0.3	-0.5	-0.5	-0.6	-1.9	-2.1	-2.3
<i>Tax rate (%)</i>	<i>20.1</i>	<i>19.6</i>	<i>20.0</i>	<i>22.2</i>	<i>21.6</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>
Net profit	-0.5	-0.3	1.4	1.9	2.5	1.2	1.8	1.9	2.3	7.2	8.1	9.0
EPS	-0.06	-0.04	0.18	0.24	0.32	0.15	0.23	0.24	0.29	0.92	1.03	1.14
EPS adjusted (diluted no. of shares)	-0.06	-0.04	0.18	0.24	0.32	0.15	0.23	0.24	0.29	0.92	1.03	1.14
Dividend per share	0.00	0.00	0.00	0.00	0.16	0.00	0.00	0.00	0.00	0.46	0.51	0.57
SALES, EURm												
Housing Companies	28.3	27.7	30.4	24.0	110.4	22.0	25.8	26.0	28.3	102.1	103.0	106.1
Corporations	27.6	31.7	27.9	31.8	119.1	21.6	25.3	25.6	27.8	100.2	99.8	102.7
Public Sector	5.3	8.3	10.5	9.8	33.9	7.3	8.6	8.7	9.5	34.1	34.2	35.2
Building Technology	16.4	18.8	18.0	16.6	69.7	13.7	16.1	16.3	17.7	63.8	67.5	69.5
Elimination	-4.1	-5.2	-5.0	-3.9	-18.2	-3.5	-4.1	-4.2	-4.6	-16.4	-16.6	-17.1
Total	73.5	81.2	81.8	78.3	314.8	61.1	71.6	72.4	78.8	283.9	287.8	296.4
SALES GROWTH, Y/Y %												
<i>Housing Companies</i>	<i>58.6</i>	<i>10.2</i>	<i>4.9</i>	<i>-25.9</i>	<i>5.8</i>	<i>-22.3</i>	<i>-6.9</i>	<i>-14.2</i>	<i>17.9</i>	<i>-7.5</i>	<i>0.8</i>	<i>3.0</i>
<i>Corporations</i>	<i>6.4</i>	<i>-4.3</i>	<i>-15.9</i>	<i>-24.3</i>	<i>-11.3</i>	<i>-22.0</i>	<i>-20.3</i>	<i>-8.4</i>	<i>-12.5</i>	<i>-15.8</i>	<i>-0.5</i>	<i>3.0</i>
<i>Public Sector</i>	<i>75.1</i>	<i>116.8</i>	<i>161.4</i>	<i>36.6</i>	<i>88.0</i>	<i>39.3</i>	<i>3.7</i>	<i>-17.6</i>	<i>-3.2</i>	<i>0.6</i>	<i>0.4</i>	<i>3.0</i>
<i>Building Technology</i>	<i>-8.4</i>	<i>-6.9</i>	<i>7.2</i>	<i>-18.5</i>	<i>-7.2</i>	<i>-16.1</i>	<i>-14.2</i>	<i>-9.6</i>	<i>6.8</i>	<i>-8.4</i>	<i>5.7</i>	<i>3.0</i>
<i>Elimination</i>	<i>67.8</i>	<i>16.8</i>	<i>24.5</i>	<i>-23.5</i>	<i>13.6</i>	<i>-14.3</i>	<i>-20.4</i>	<i>-15.9</i>	<i>15.9</i>	<i>-10.0</i>	<i>1.3</i>	<i>3.0</i>
Total	18.0	4.4	3.7	-19.1	-0.3	-16.8	-11.9	-11.6	0.7	-9.8	1.4	3.0
EBIT, EURm												
Group	-0.4	0.1	2.1	2.8	4.6	1.9	2.7	2.8	3.3	10.7	11.6	12.5
Total	-0.4	0.1	2.1	2.8	4.6	1.9	2.7	2.8	3.3	10.7	11.6	12.5
EBIT margin, %												
Total	-0.5	0.1	2.6	3.6	1.5	3.1	3.8	3.9	4.2	3.8	4.0	4.2

INCOME STATEMENT, EURm	2015	2016	2017	2018	2019	2020E	2021E	2022E
Sales	256.2	261.5	300.2	315.8	314.8	283.9	287.8	296.4
<i>Sales growth (%)</i>	<i>18.6</i>	<i>2.1</i>	<i>14.8</i>	<i>5.2</i>	<i>-0.3</i>	<i>-9.8</i>	<i>1.4</i>	<i>3.0</i>
EBITDA	12.6	13.1	1.7	-0.5	8.1	14.1	15.0	16.0
<i>EBITDA margin (%)</i>	<i>4.9</i>	<i>5.0</i>	<i>0.6</i>	<i>-0.1</i>	<i>2.6</i>	<i>5.0</i>	<i>5.2</i>	<i>5.4</i>
Depreciation	-2.1	-2.1	-2.1	-1.7	-3.5	-3.4	-3.4	-3.5
EBITA	10.5	10.9	-0.4	-2.1	4.6	10.7	11.6	12.5
Goodwill amortization / writedown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	10.5	10.9	-0.4	-2.1	4.6	10.7	11.6	12.5
<i>EBIT margin (%)</i>	<i>4.1</i>	<i>4.2</i>	<i>-0.1</i>	<i>-0.7</i>	<i>1.5</i>	<i>3.8</i>	<i>4.0</i>	<i>4.2</i>
Reported EBIT	8.4	10.9	-0.4	-2.1	4.6	10.7	11.6	12.5
<i>EBIT margin (reported) (%)</i>	<i>3.3</i>	<i>4.2</i>	<i>-0.1</i>	<i>-0.7</i>	<i>1.5</i>	<i>3.8</i>	<i>4.0</i>	<i>4.2</i>
Net financials	-4.4	-0.9	-0.8	-0.7	-1.2	-1.2	-1.0	-0.8
Pre-tax profit	6.2	10.1	-1.2	-2.8	3.4	9.5	10.6	11.7
Taxes	-0.8	-2.1	0.1	0.5	-0.7	-1.9	-2.1	-2.3
Minority shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	3.3	8.0	-1.1	-2.3	2.5	7.2	8.1	9.0
Cash NRIs	-2.1	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	6	6	5	4	4	4	4	4
Goodwill	43	44	49	49	49	49	49	49
Right of use assets	0	0	0	4	3	3	3	3
Inventory	1	1	1	1	1	1	1	1
Receivables	36	39	36	53	50	45	46	47
Liquid funds	4	9	10	3	10	7	7	7
Total assets	91	98	101	115	117	109	110	112
Liabilities								
Shareholder's equity	25	30	25	23	26	32	37	42
Minority interest	0	0	0	0	0	0	0	0
Convertibles	0	0	0	0	3	3	3	3
Lease liabilities	0	0	0	4	4	3	3	3
Deferred taxes	0	0	0	0	0	0	0	0
Interest bearing debt	21	21	22	23	25	18	13	9
Non-interest bearing current liabilities	43	46	52	62	56	50	51	53
Other interest-free debt	0	0	0	0	0	0	0	0
Total liabilities	91	98	101	115	117	109	110	112
CASH FLOW, EURm								
+ EBITDA	13	13	2	0	8	14	15	16
- Net financial items	-4	-1	-1	-1	-1	-1	-1	-1
- Taxes	-1	-1	-1	0	0	-2	-2	-2
- Increase in Net Working Capital	2	0	9	-5	-3	-1	0	0
+/- Other	-2	0	0	0	0	0	0	0
= Cash flow from operations	7	11	9	-7	4	10	12	13
- Capex	-1	-2	-1	-1	-4	-4	-4	-4
- Acquisitions	0	-1	-4	0	0	0	0	0
+ Divestments	0	0	1	1	0	0	0	0
= Free cash flow	6	8	4	-8	0	7	8	9
+/- New issues/buybacks	21	0	1	0	0	0	0	0
- Paid dividend	0	-3	-4	0	0	-1	-4	-4
+/- Other	-33	0	-1	1	6	-8	-4	-5
Change in cash	-6	5	0	-6	7	-3	0	0

KEY FIGURES	2016	2017	2018	2019	2020E	2021E	2022E
M-cap	112	66	43	50	63	63	63
Net debt (excl. convertibles)	12	12	23	19	14	9	4
Enterprise value	125	78	67	72	80	75	70
Sales	262	300	316	315	284	288	296
EBITDA	13	2	0	8	14	15	16
EBIT	11	0	-2	5	11	12	13
Pre-tax	10	-1	-3	3	10	11	12
Earnings	8	-1	-2	2	7	8	9
Equity book value (excl. minorities)	30	25	23	26	32	37	42
Valuation multiples							
EV/sales	0.5	0.3	0.2	0.2	0.3	0.3	0.2
EV/EBITDA	9.5	45.3	-143.6	8.9	5.7	5.0	4.4
EV/EBITA	11.4	-207.0	-31.3	15.6	7.4	6.5	5.6
EV/EBIT	11.4	-207.0	-31.3	15.6	7.4	6.5	5.6
EV/OCF	11.7	8.8	-9.9	19.7	7.9	6.5	5.6
EV/FCFF	13.8	14.9	-9.6	31.9	8.7	7.0	6.1
P/FCFE	13.5	14.6	-5.7	523.9	9.7	7.8	7.0
P/E	14.1	-61.0	-18.5	20.3	8.7	7.8	7.0
P/B	3.8	2.6	1.8	1.9	2.0	1.7	1.5
Target EV/EBITDA	0.0	0.0	0.0	0.0	5.7	5.0	4.4
Target EV/EBIT	0.0	0.0	0.0	0.0	7.4	6.5	5.6
Target EV/FCF	0.0	0.0	0.0	0.0	12.3	9.3	7.9
Target P/B	0.0	0.0	0.0	0.0	2.0	1.7	1.5
Target P/E	0.0	0.0	0.0	0.0	8.7	7.8	7.0
Per share measures							
Number of shares	7,621	7,621	7,858	7,858	7,858	7,858	7,858
Number of shares (diluted)	7,621	7,621	7,858	7,858	7,858	7,858	7,858
EPS	1.05	-0.14	-0.30	0.32	0.92	1.03	1.14
Operating cash flow per share	1.40	1.16	-0.85	0.47	1.29	1.47	1.61
Free cash flow per share	1.09	0.59	-0.96	0.01	0.83	1.03	1.14
Book value per share	3.89	3.32	2.98	3.33	4.09	4.66	5.29
Dividend per share	0.54	0.00	0.00	0.16	0.46	0.51	0.57
Dividend payout ratio, %	51.5	0.0	0.0	50.8	50.0	50.0	50.0
Dividend yield, %	3.7	0.0	0.0	2.0	5.8	6.4	7.1
FCF yield, %	7.4	6.8	-17.4	0.2	10.3	12.8	14.2
Efficiency measures							
ROE	29.5	-3.9	-9.6	10.0	24.9	23.5	23.0
ROCE	22.7	-0.6	-4.2	8.6	18.9	20.8	22.3
Financial ratios							
Inventories as % of sales	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Receivables as % of sales	14.7	12.1	16.8	15.8	15.8	15.8	15.8
Non-interest bearing liabilities as % of sales	17.5	17.3	19.5	17.8	17.8	17.8	17.8
NWC/sales, %	-2.6	-5.0	-2.5	-1.7	-1.7	-1.7	-1.7
Operative CAPEX/sales, %	0.7	0.5	0.4	1.3	1.3	1.2	1.2
CAPEX/sales (incl. acquisitions), %	0.4	-0.8	0.4	1.3	1.3	1.2	1.2
FCFF/EBITDA	0.7	3.0	15.0	0.3	0.6	0.7	0.7
Net debt/EBITDA, book-weighted	0.9	7.0	-50.5	2.3	1.0	0.6	0.3
Debt/equity, market-weighted	0.2	0.3	0.5	0.5	0.3	0.2	0.1
Equity ratio, book-weighted	34.8	28.8	24.4	29.8	32.4	36.3	40.1
Gearing, %	40.8	47.7	100.0	64.4	38.6	23.1	9.6

COMPANY DESCRIPTION: Consti is one of the leading renovation and technical service companies in Finland. Consti has a comprehensive service offering covering technical building services, residential pipeline renovation, renovation contracting, building facade repair and maintenance, and other renovation and technical services for residential and non-residential properties. Consti was established in 2008 to meet the growing need for repair and construction work.

INVESTMENT CASE: Consti should seek to regain healthier levels of profitability after a period of weaker profitability during the past few years driven by a number of weak margin projects. Reorganisations and more disciplined bidding procedures support the profitability outlook, although the latter has had an unfavourable impact on the order backlog. In the near-term the decline in order backlog along with an anticipated increase in competition following a slow-down in new construction volumes pose growth challenges. The long-term market outlook, however, remains favourable due to among other things a large aging building stock, and the renovation market is expected to see steady growth.

OWNERSHIP STRUCTURE	SHARES	EURm	%
Danske Invest Finnish Equity Fund	558,708	4.470	7.1%
Evli Finnish Small Cap Fund	454,200	3.634	5.8%
Korkeela Esa Sakari	434,133	3.473	5.5%
Ilmarinen Mutual Pension Insurance Company	400,000	3.200	5.1%
Wipunen varainhallinta Oy	379,077	3.033	4.8%
Riikantorppa Oy	379,077	3.033	4.8%
Kivi Risto Juhani	377,937	3.023	4.8%
Kalervo Markku	298,692	2.390	3.8%
Korkeela Antti Petteri	276,894	2.215	3.5%
OP-Finland Small Firms Fund	231,792	1.854	2.9%
Ten largest	3,790,510	30.324	48%
Residual	4,067,757	32.542	52%
Total	7,858,267	62.866	100%

EARNINGS CALENDAR	
April 29, 2020	Q1 report
July 24, 2020	Q2 report
October 28, 2020	Q3 report
OTHER EVENTS	
April 06, 2020	AGM

COMPANY MISCELLANEOUS	
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CFO: Joni Sorsanen	Tel: +358 10 288 6000
IR: Ismo Heikkilä	

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

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

Recommendation	Percentage
Sell	8%
Hold	53%
Buy	39%

The graph above shows the distribution of ERP's recommendations of companies under coverage in 1st of February 2019. If recommendation is not given, it is not mentioned here.

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

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