CONSTI

Construction & Engineering/Finland, April 30, 2020
Company update

Order backlog declines showing

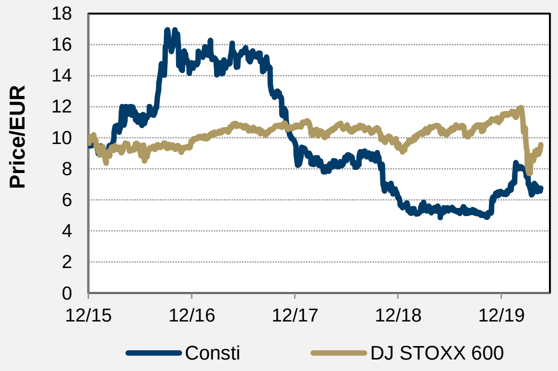
Consti's Q1 revenue declined more than expected (Act./Evli EUR 59.0m/64.7m), while EBIT was below our overly optimistic estimates (Act./Evli EUR 0.5m/1.9m). The impact of COVID-19 has been limited, some headwind is seen in new projects. We adjust our TP to EUR 7.0 (7.2), HOLD-rating remains intact.

Below our optimistic estimates, good cash conversion
Consti's Q1 results were below estimates but quite in line with company expectations. Revenue declined more than expected, 19.7% y/y, to EUR 59.0m (EUR 64.7m/67.9m Evli/cons.). EBIT was below our estimates as a result of the lower revenue and admittedly also our overly optimistic estimates, at EUR 0.5m (EUR 1.9m/0.4m Evli/cons.). Conti's cash conversion remained solid (LTM cash conversion ratio 105.7%) and free cash flow amounted to EUR 2.0m. The order intake development was positive and amounted to EUR 62.1m, with the order backlog at EUR 202.2m (-14.9% y/y).

Some headwind seen in new projects
We have lowered our estimates based on the perceived new revenue level after the high volumes in 2019 and Q1 figures. We now expect revenue of EUR 271.9m (prev. 282.3m) and EBIT of EUR 7.6m (prev. 10.1m) in 2020E. The coronavirus pandemic has so far had a limited impact on Consti, as worksites have been able to be kept open. Negotiations for new renovation projects have been successful, for instance a EUR 11.3m school renovation project. Some projects in the negotiation stage have however been cancelled and the start of some projects have been postponed. Our estimates currently only include a limited impact of the pandemic.

HOLD with a target price of EUR 7.0 (7.2)
On our revised estimates we adjust our target price to EUR 7.0 (7.2), valuing Consti at ~10x 2020E EV/EBIT, and retain our HOLD-rating. Uncertainty is elevated by the pandemic and the St. George arbitration proceedings, which saw the time limit for delivering the final arbitration award extended to June 2021.

Rating — HOLD



Share price, EUR (Last trading day's closing price)	6.76
Target price, EUR	7.0
Latest change in recommendation	29-Jan-20
Latest report on company	23-Apr-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	53
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	24-Jul-20
Web site	investor.consti.fi

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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	271.9	7.6	2.8%	1.5	0.60	11.2	0.3	9.9	2.8	0.24
2021E	280.4	9.0	3.2%	5.4	0.70	9.6	0.3	7.9	10.2	0.35
2022E	288.8	9.8	3.4%	6.2	0.80	8.4	0.2	6.9	11.6	0.40

Market cap, EURm	53	Gearing 2020E, %	56.8	CAGR EPS 2019-22, %	36.5
Net debt 2020E, EURm	22	Price/book 2020E	1.8	CAGR sales 2019-22, %	-2.8
Enterprise value, EURm	75	Dividend yield 2020E, %	3.6	ROE 2020E, %	16.9
Total assets 2020E, EURm	121	Tax rate 2020E, %	19.9	ROCE 2020E, %	12.3
Goodwill 2020E, EURm	49	Equity ratio 2020E, %	27.2	PEG, P/E 20/CAGR	0.5

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

Construction companies	MCAP MEUR	EV/EBITDA 20	21	22	EV/EBIT 20	21	22	P/E 20	21	22
YIT	1025	10.2x	9.7x	9.7x	14.6x	12.9x	12.9x	14.0x	10.7x	10.7x
SRV Yhtiöt	64	30.1x	19.1x	19.1x	65.2x	27.2x	27.2x			
Lehto Group	85	12.8x	7.9x	7.9x	20.9x	10.4x	10.4x	16.3x	6.1x	6.1x
Skanska	7280	8.3x	8.2x	8.2x	10.3x	10.3x	10.3x	12.4x	12.4x	12.4x
NCC	1531	6.1x	5.7x	5.7x	10.4x	9.4x	9.4x	12.2x	11.1x	11.1x
Peab	2079	8.1x	7.9x	7.9x	10.3x	11.4x	11.4x	11.2x	10.7x	10.7x
JM	1179	9.8x	9.5x	9.5x	9.7x	9.4x	9.4x	9.8x	9.5x	9.5x
Veidekke	1108	7.4x	6.8x	6.8x	12.8x	11.5x	11.5x	11.1x	10.1x	10.1x
Peer Group Average	1481	**11.6x**	**9.4x**	**9.4x**	**19.3x**	**12.8x**	**12.8x**	**12.4x**	**10.1x**	**10.1x**
Peer Group Median	1067	**9.0x**	**8.1x**	**8.1x**	**11.6x**	**10.9x**	**10.9x**	**12.2x**	**10.7x**	**10.7x**
Consti (Evli est.)	**53**	**6.9x**	**5.8x**	**5.2x**	**9.9x**	**7.9x**	**6.9x**	**11.2x**	**9.6x**	**8.4x**
Consti prem./disc. to peer median		*-24%*	*-28%*	*-36%*	*-14%*	*-27%*	*-36%*	*-8%*	*-10%*	*-21%*

Source FactSet, Evli Research

Building installations and services companies	MCAP MEUR	EV/EBITDA 20	21	22	EV/EBIT 20	21	22	P/E 20	21	22
Caverion	718	7.5x	6.5x	6.5x	16.8x	12.3x	12.3x	18.8x	13.0x	13.0x
Bravida Holding	1523	11.9x	11.2x	11.2x	16.0x	15.0x	15.0x	18.7x	17.3x	17.3x
MITIE Group	291	4.5x	4.3x	4.3x	6.7x	6.1x	6.1x	5.0x	4.4x	4.4x
ISS A/S	2598	8.7x	6.7x	6.7x	12.9x	9.7x	9.7x	16.4x	9.4x	9.4x
Bilfinger	702	3.2x	2.8x	2.8x	7.0x	4.8x	4.8x	13.5x	7.3x	7.3x
Instalco	557	10.8x	10.4x	10.4x	12.9x	12.5x	12.5x	15.6x	15.3x	15.3x
Peer Group Average	1481	**7.8x**	**7.0x**	**7.0x**	**12.1x**	**10.1x**	**10.1x**	**14.7x**	**11.1x**	**11.1x**
Peer Group Median	1067	**8.1x**	**6.6x**	**6.6x**	**12.9x**	**11.0x**	**11.0x**	**16.0x**	**11.2x**	**11.2x**
Consti (Evli est.)	**53**	**6.9x**	**5.8x**	**5.2x**	**9.9x**	**7.9x**	**6.9x**	**11.2x**	**9.6x**	**8.4x**
Consti prem./disc. to peer median		*-15%*	*-12%*	*-22%*	*-23%*	*-28%*	*-37%*	*-30%*	*-14%*	*-25%*

Source FactSet, Evli Research

VALUATION RESULTS		BASE CASE DETAILS		VALUATION ASSUMPTIONS		ASSUMPTIONS FOR WACC	
Current share price	6.76	PV of Free Cash Flow	66	Long-term growth, %	1.2	Risk-free interest rate, %	2.25
DCF share value	14.17	PV of Horizon value	69	WACC, %	8.6	Market risk premium, %	5.8
Share price potential, %	109.7	Unconsolidated equity	0	Spread, %	0.5	Debt risk premium, %	3.3
Maximum value	15.4	Marketable securities	10	Minimum WACC, %	8.1	Equity beta coefficient	1.15
Minimum value	13.1	Debt - dividend	-33	Maximum WACC, %	9.1	Target debt ratio, %	30
Horizon value, %	50.9	Value of stock	111	Nr of shares, Mn	7.9	Effective tax rate, %	20

DCF valuation, EURm	2019	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	Horizon
Net sales	315	272	280	289	293	298	302	307	311	316	320	323
Sales growth, %	*-0.3*	*-13.6*	*3.1*	*3.0*	*1.5*	*1.5*	*1.5*	*1.5*	*1.5*	*1.5*	*1.2*	*1.2*
Operating income (EBIT)	5	8	9	10	12	12	12	12	12	13	11	11
Operating income margin, %	*1.5*	*2.8*	*3.2*	*3.4*	*4.2*	*4.0*	*4.0*	*4.0*	*4.0*	*4.0*	*3.5*	*3.5*
+ Depreciation+amort.	4	3	3	3	3	4	4	4	4	4	4	
EBITDA	8	11	12	13	16	15	16	16	16	16	15	
- Paid taxes	0	-2	-2	-2	-2	-2	-2	-2	-2	-3	-2	
- Change in NWC	-3	-3	0	0	0	0	0	0	0	0	0	
NWC / Sales, %	*-1.7*	*-0.8*	*-0.8*	*-0.8*	*-0.8*	*-0.8*	*-0.8*	*-0.8*	*-0.8*	*-0.8*	*-0.8*	
+ Change in other liabs	0	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	-3	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	
opCAPEX / Sales, %	*1.3*	*1.2*	*1.2*	*1.2*	*1.2*	*1.2*	*1.2*	*1.2*	*1.2*	*1.2*	*1.2*	
- Acquisitions	0	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	2	4	9	9	12	11	12	12	12	12	11	152
= Discounted FCFF		4	7	7	9	8	7	7	6	6	5	69
= DFCF min WACC		4	7	7	9	8	7	7	7	6	5	77
= DFCF max WACC		4	7	7	8	8	7	7	6	6	5	61

INTERIM FIGURES

EVLI ESTIMATES, EURm	2019Q1	2019Q2	2019Q3	2019Q4	2019	2020Q1	2020Q2E	2020Q3E	2020Q4E	2020E	2021E	2022E
Net sales	73.5	81.2	81.8	78.3	314.8	59.0	68.5	69.9	74.4	271.9	280.4	288.8
EBITDA	0.5	1.0	3.0	3.6	8.1	1.3	2.7	3.1	4.0	10.9	12.2	13.2
EBITDA margin (%)	*0.7*	*1.3*	*3.6*	*4.7*	*2.6*	*2.2*	*3.9*	*4.4*	*5.3*	*4.0*	*4.4*	*4.6*
EBIT	-0.4	0.1	2.1	2.8	4.6	0.5	1.8	2.2	3.1	7.6	9.0	9.8
EBIT margin (%)	*-0.5*	*0.1*	*2.6*	*3.6*	*1.5*	*0.8*	*2.6*	*3.1*	*4.2*	*2.8*	*3.2*	*3.4*
Net financial items	-0.2	-0.4	-0.3	-0.3	-1.2	-0.3	-0.3	-0.3	-0.3	-1.2	-1.6	-1.5
Pre-tax profit	-0.6	-0.3	1.8	2.5	3.4	0.2	1.5	1.9	2.8	6.4	7.4	8.3
Tax	0.1	0.1	-0.4	-0.6	-0.7	0.0	-0.3	-0.4	-0.6	-1.3	-1.5	-1.7
Tax rate (%)	*20.1*	*19.6*	*20.0*	*22.2*	*21.6*	*16.9*	*20.0*	*20.0*	*20.0*	*19.9*	*20.0*	*20.0*
Net profit	-0.5	-0.3	1.4	1.9	2.5	0.0	1.1	1.4	2.2	4.7	5.5	6.3
EPS	-0.06	-0.04	0.18	0.24	0.32	0.00	0.14	0.18	0.27	0.60	0.70	0.80
EPS adjusted (diluted no. of shares)	-0.06	-0.04	0.18	0.24	0.32	0.00	0.14	0.18	0.27	0.60	0.70	0.80
Dividend per share	0.00	0.00	0.00	0.00	0.16	0.00	0.00	0.00	0.00	0.24	0.35	0.40
SALES, EURm												
Housing Companies	28.3	27.7	30.4	24.0	110.4	16.5	20.4	21.3	21.4	79.5	82.4	84.9
Corporations	27.6	31.7	27.9	31.8	119.1	20.8	23.9	24.2	26.3	95.1	96.8	99.7
Public Sector	5.3	8.3	10.5	9.8	33.9	9.4	10.8	10.9	11.9	43.1	46.4	47.7
Building Technology	16.4	18.8	18.0	16.6	69.7	15.5	16.9	17.1	18.6	68.1	69.5	71.6
Elimination	-4.1	-5.2	-5.0	-3.9	-18.2	-3.0	-3.5	-3.5	-3.8	-13.8	-14.6	-15.1
Total	73.5	81.2	81.8	78.3	314.8	59.0	68.5	69.9	74.4	271.9	280.4	288.8
SALES GROWTH, Y/Y %												
Housing Companies	*58.6*	*10.2*	*4.9*	*-25.9*	*5.8*	*-41.9*	*-26.4*	*-30.0*	*-10.8*	*-28.0*	*3.6*	*3.0*
Corporations	*6.4*	*-4.3*	*-15.9*	*-24.3*	*-11.3*	*-24.8*	*-24.7*	*-13.5*	*-17.3*	*-20.1*	*1.8*	*3.0*
Public Sector	*75.1*	*116.8*	*161.4*	*36.6*	*88.0*	*77.7*	*30.7*	*3.8*	*22.0*	*27.1*	*7.7*	*3.0*
Building Technology	*-8.4*	*-6.9*	*7.2*	*-18.5*	*-7.2*	*-5.5*	*-9.9*	*-5.0*	*12.1*	*-2.4*	*2.1*	*3.0*
Elimination	*67.8*	*16.8*	*24.5*	*-23.5*	*13.6*	*-26.8*	*-33.2*	*-29.3*	*-2.6*	*-24.1*	*5.7*	*3.0*
Total	*18.0*	*4.4*	*3.7*	*-19.1*	*-0.3*	*-19.7*	*-15.7*	*-14.5*	*-4.9*	*-13.6*	*3.1*	*3.0*
EBIT, EURm												
Group	-0.4	0.1	2.1	2.8	4.6	0.5	1.8	2.2	3.1	7.6	9.0	9.8
Total	-0.4	0.1	2.1	2.8	4.6	0.5	1.8	2.2	3.1	7.6	9.0	9.8
EBIT margin, %												
Total	*-0.5*	*0.1*	*2.6*	*3.6*	*1.5*	*0.8*	*2.6*	*3.1*	*4.2*	*2.8*	*3.2*	*3.4*

INCOME STATEMENT, EURm	2015	2016	2017	2018	2019	2020E	2021E	2022E
Sales	256.2	261.5	300.2	315.8	314.8	271.9	280.4	288.8
Sales growth (%)	*18.6*	*2.1*	*14.8*	*5.2*	*-0.3*	*-13.6*	*3.1*	*3.0*
EBITDA	12.6	13.1	1.7	-0.5	8.1	10.9	12.2	13.2
EBITDA margin (%)	*4.9*	*5.0*	*0.6*	*-0.1*	*2.6*	*4.0*	*4.4*	*4.6*
Depreciation	-2.1	-2.1	-2.1	-1.7	-3.5	-3.4	-3.2	-3.4
EBITA	10.5	10.9	-0.4	-2.1	4.6	7.6	9.0	9.8
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	7.6	9.0	9.8
EBIT margin (%)	*4.1*	*4.2*	*-0.1*	*-0.7*	*1.5*	*2.8*	*3.2*	*3.4*
Reported EBIT	8.4	10.9	-0.4	-2.1	4.6	7.6	9.0	9.8
EBIT margin (reported) (%)	*3.3*	*4.2*	*-0.1*	*-0.7*	*1.5*	*2.8*	*3.2*	*3.4*
Net financials	-4.4	-0.9	-0.8	-0.7	-1.2	-1.2	-1.6	-1.5
Pre-tax profit	6.2	10.1	-1.2	-2.8	3.4	6.4	7.4	8.3
Taxes	-0.8	-2.1	0.1	0.5	-0.7	-1.3	-1.5	-1.7
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	4.7	5.5	6.3
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	49	50	52
Liquid funds	4	9	10	3	10	15	15	16
Total assets	91	98	101	115	117	121	123	125
Liabilities								
Shareholder's equity	25	30	25	23	26	30	33	37
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	31	28	25
Non-interest bearing current liabilities	43	46	52	62	56	52	53	55
Other interest-free debt	0	0	0	0	0	0	0	0
Total liabilities	91	98	101	115	117	121	123	125
CASH FLOW, EURm								
+ EBITDA	13	13	2	0	8	11	12	13
- Net financial items	-4	-1	-1	-1	-1	-1	-2	-1
- Taxes	-1	-1	-1	0	0	-1	-1	-2
- Increase in Net Working Capital	2	0	9	-5	-3	-3	0	0
+/- Other	-2	0	0	0	0	0	0	0
= Cash flow from operations	7	11	9	-7	4	5	9	10
- Capex	-1	-2	-1	-1	-4	-3	-3	-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	2	5	6
+/- New issues/buybacks	21	0	1	0	0	0	0	0
- Paid dividend	0	-3	-4	0	0	-1	-2	-3
+/- Other	-33	0	-1	1	6	5	-3	-3
Change in cash	-6	5	0	-6	7	5	0	0

KEY FIGURES	2016	2017	2018	2019	2020E	2021E	2022E
M-cap	112	66	43	50	53	53	53
Net debt (excl. convertibles)	12	12	23	19	19	15	12
Enterprise value	125	78	67	72	75	71	68
Sales	262	300	316	315	272	280	289
EBITDA	13	2	0	8	11	12	13
EBIT	11	0	-2	5	8	9	10
Pre-tax	10	-1	-3	3	6	7	8
Earnings	8	-1	-2	2	5	6	6
Equity book value (excl. minorities)	30	25	23	26	30	33	37
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	6.9	5.8	5.2
EV/EBITA	11.4	-207.0	-31.3	15.6	9.9	7.9	6.9
EV/EBIT	11.4	-207.0	-31.3	15.6	9.9	7.9	6.9
EV/OCF	11.7	8.8	-9.9	19.7	15.6	8.1	7.0
EV/FCFF	13.8	14.9	-9.6	31.9	18.6	8.4	7.4
P/FCFE	13.5	14.6	-5.7	523.9	35.2	9.8	8.6
P/E	14.1	-61.0	-18.5	20.3	11.2	9.6	8.4
P/B	3.8	2.6	1.8	1.9	1.8	1.6	1.4
Target EV/EBITDA	*0.0*	*0.0*	*0.0*	*0.0*	*7.0*	*6.0*	*5.3*
Target EV/EBIT	*0.0*	*0.0*	*0.0*	*0.0*	*10.2*	*8.1*	*7.1*
Target EV/FCF	*0.0*	*0.0*	*0.0*	*0.0*	*50.9*	*13.6*	*11.3*
Target P/B	*0.0*	*0.0*	*0.0*	*0.0*	*1.9*	*1.7*	*1.5*
Target P/E	*0.0*	*0.0*	*0.0*	*0.0*	*11.6*	*9.9*	*8.7*
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	0.60	0.70	0.80
Operating cash flow per share	1.40	1.16	-0.85	0.47	0.61	1.13	1.24
Free cash flow per share	1.09	0.59	-0.96	0.01	0.19	0.69	0.78
Book value per share	3.89	3.32	2.98	3.33	3.77	4.23	4.68
Dividend per share	0.54	0.00	0.00	0.16	0.24	0.35	0.40
Dividend payout ratio, %	51.5	0.0	0.0	50.8	40.0	50.0	50.0
Dividend yield, %	3.7	0.0	0.0	2.5	3.6	5.2	5.9
FCF yield, %	7.4	6.8	-17.4	0.2	2.8	10.2	11.6
Efficiency measures							
ROE	29.5	-3.9	-9.6	10.0	16.9	17.6	18.0
ROCE	22.7	-0.6	-4.2	8.6	12.3	13.7	14.8
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	18.0	18.0	18.0
Non-interest bearing liabilities as % of sales	17.5	17.3	19.5	17.8	19.0	19.0	19.0
NWC/sales, %	-2.6	-5.0	-2.5	-1.7	-0.8	-0.8	-0.8
Operative CAPEX/sales, %	0.7	0.5	0.4	1.3	1.2	1.2	1.2
CAPEX/sales (incl. acquisitions), %	0.4	-0.8	0.4	1.3	1.2	1.2	1.2
FCFF/EBITDA	0.7	3.0	15.0	0.3	0.4	0.7	0.7
Net debt/EBITDA, book-weighted	0.9	7.0	-50.5	2.3	1.7	1.2	0.9
Debt/equity, market-weighted	0.2	0.3	0.5	0.5	0.6	0.5	0.5
Equity ratio, book-weighted	34.8	28.8	24.4	29.8	27.2	29.7	32.0
Gearing, %	40.8	47.7	100.0	64.4	56.8	41.5	29.3

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	%
Lujatalo Oy	790,000	5.340	10.1%
Evli Finnish Small Cap Fund	444,000	3.001	5.7%
Korkeela Esa Sakari	434,133	2.935	5.5%
Wipunen varainhallinta Oy	385,000	2.603	4.9%
Riikantorppa Oy	385,000	2.603	4.9%
Kivi Risto Juhani	379,758	2.567	4.8%
Danske Invest Finnish Equity Fund	338,708	2.290	4.3%
Kalervo Markku	299,128	2.022	3.8%
Korkeela Antti Petteri	276,894	1.872	3.5%
Mutual Fund eQ Nordic Small Cap	206,624	1.397	2.6%
Ten largest	3,939,245	26.629	50%
Residual	3,919,022	26.493	50%
Total	7,858,267	53.122	100%

EARNINGS CALENDAR	
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 Price per share / Earnings per share	EPS Profit before extraord. items and taxes– income taxes + minority interest / Number of shares
P/BV Price per share / Shareholders' equity + 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 Enterprise value / Sales	FCF yield, % Free cash flow / Market cap
EV/EBITDA Enterprise value / Earnings before interest, tax, depreciation and amortization	Operative CAPEX/sales Capital expenditure – divestments – acquisitions / Sales
EV/EBIT Enterprise value / Operating profit	Net working capital Current assets – current liabilities
Net debt Interest bearing debt – financial assets	Capital employed/Share Total assets – non-interest bearing debt / Number of shares
Total assets Balance sheet total	Gearing Net debt / Equity
Div yield, % Dividend per share / Price per share	Debt/Equity, % Interest bearing debt / Shareholders' equity + minority interest + taxed provisions
Payout ratio, % Total dividends / Earnings before extraordinary items and taxes – income taxes + minority interest	Equity ratio, % Shareholders' equity + minority interest + taxed provisions / Total assets – interest-free loans
ROCE, % Profit before extraordinary items + interest expenses+ other financial costs / Balance sheet total – non-interest bearing debt (average)	CAGR, % Cumulative annual growth rate = Average growth per year
ROE, % Profit before extraordinary items and taxes – income taxes / Shareholder's equity + minority interest + taxed provisions (average)	

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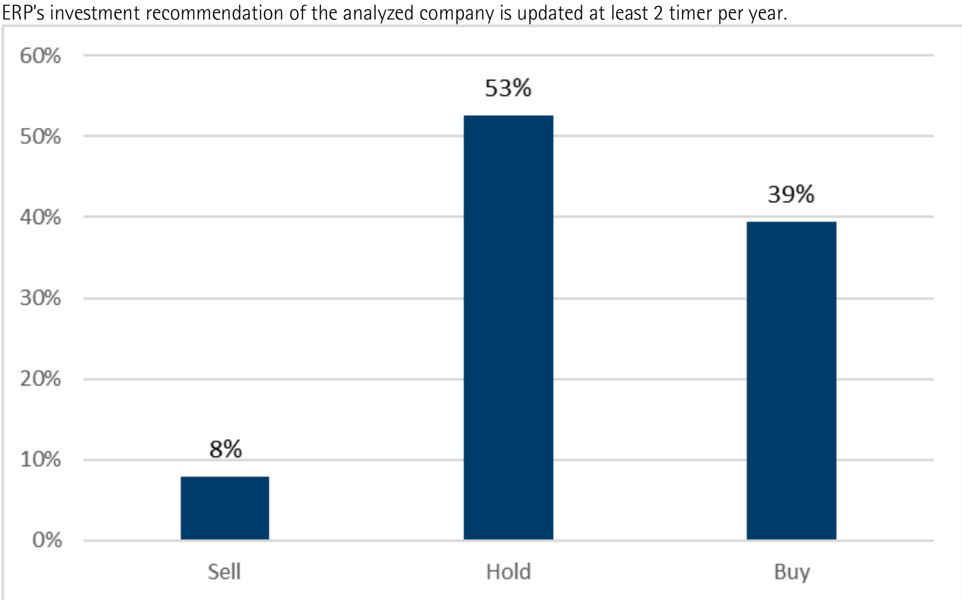
Investment recommendations are defined as follows:

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 timer per year.



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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