

Outlook all in all still favourable

Consti reported Q3 results well in line with our estimates, with highlights being the continued good profitability and free cash flow. Despite a slightly weaker sentiment the outlook in our view still looks favourable but healthy near-term order intake will be of essence for the next year.

Reported rather good figures, in line with our estimates

Consti reported Q3 results well in line with our estimates. Revenue amounted to EUR 68.2m (Evli EUR 69.6m) and EBIT to EUR 2.5m (Evli 2.5m), at a pretty healthy margin of 3.6%. Order intake amounted to EUR 31.0m and the order backlog as such declined y/y and q/q to EUR 189.4m but still slightly above 2019 year-end levels. The highlight of the report along with the good profitability was the free cash flow, which amounted to EUR 4.6m (Q3/19: EUR -0.4m). With a rolling 12m cash conversion of 174% the net debt (excl. IFRS 16) continued to decline, now at EUR 4.8m (Q3/19: EUR 19.6m).

Coming quarters order intake will steer next year

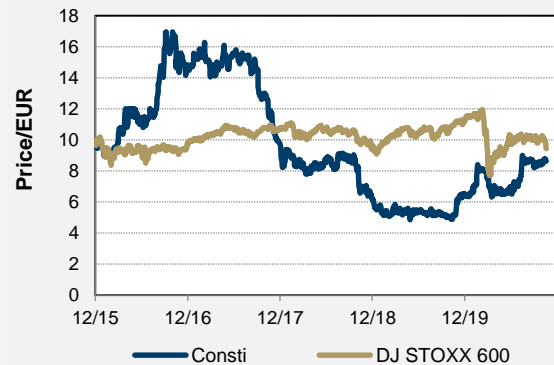
Management comments for Q4/20 were of a more careful tone given the escalated Coronavirus situation post Q3 but solid performance is nonetheless still expected. The near-term development really depends on demand recovery and order intake development during the coming quarters. Based on the current order backlog activity is seen to be higher next year compared to the same situation in 2019. We have slightly lowered our Q4 estimates for a more conservative approach given order intake uncertainty, now expecting 2020 revenue and EBIT of EUR 268.1m and 8.0m respectively. In 2021 we for now expect only a meager growth of 1.4% and EBIT of EUR 9.1m, with housing company demand recovery a potential key near-term uncertainty up until the housing company General Meeting season next spring.

BUY with a target price of EUR 10.0

Although sentiment appears slightly less positive the order backlog, Consti's ability to adapt to lower volumes, and the long-term sector outlook along with an attractive valuation remain as beneficial factors. We retain our BUY-rating and TP of EUR 10.0.

Rating

BUY



Share price, EUR (Last trading day's closing price) 8.62
Target price, EUR 10.0

Latest change in recommendation 27-Jul-20
Latest report on company 26-Oct-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 68
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 05-Feb-21
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	268.1	8.0	3.0%	13.5	0.65	13.3	0.3	9.8	19.9	0.34
2021E	272.0	9.1	3.3%	6.4	0.80	10.7	0.3	8.2	9.5	0.41
2022E	280.1	10.0	3.6%	7.6	0.93	9.2	0.2	7.0	11.2	0.47
Market cap, EURm			68	Gearing 2020E, %		21.5	CAGR EPS 2019-22, %			43.7
Net debt 2020E, EURm			10	Price/book 2020E		2.3	CAGR sales 2019-22, %			-3.8
Enterprise value, EURm			78	Dividend yield 2020E, %		4.0	ROE 2020E, %			18.1
Total assets 2020E, EURm			124	Tax rate 2020E, %		21.1	ROCE 2020E, %			13.6
Goodwill 2020E, EURm			49	Equity ratio 2020E, %		26.7	PEG, P/E 20/CAGR			0.8

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

Construction companies	MCAP MEUR	EV/EBITDA			EV/EBIT			P/E		
		20	21	22	20	21	22	20	21	22
YIT	948	10.5x	7.6x	6.7x	14.3x	10.2x	8.7x	15.0x	9.8x	8.0x
SRV Yhtiot	147	17.3x	12.2x	11.4x	26.7x	19.0x	14.9x		17.0x	11.2x
Lehto Group	77	16.1x	8.8x	6.5x	33.6x	12.8x	8.4x	53.0x	7.7x	4.6x
Skanska	6721	8.1x	8.1x	7.3x	10.4x	10.5x	9.8x	12.5x	12.6x	11.2x
NCC	1501	6.3x	5.6x	5.5x	11.4x	9.5x	9.1x	12.3x	10.5x	10.2x
Peab	2374	8.2x	9.1x	8.7x	11.0x	12.9x	12.1x	9.5x	10.9x	10.2x
JM	1709	13.3x	12.6x	11.4x	13.2x	12.5x	11.4x	13.8x	13.2x	12.0x
Veidekke	1306	8.1x	7.7x	6.7x	14.5x	13.6x	10.9x	14.2x	14.8x	11.6x
Peer Group Average	1544	11.0x	9.0x	8.0x	16.9x	12.6x	10.6x	18.6x	12.0x	9.9x
Peer Group Median	1131	9.3x	8.4x	7.0x	13.7x	12.7x	10.3x	13.8x	11.7x	10.7x
Consti (Evli est.)	68	6.9x	6.1x	5.4x	9.6x	8.2x	7.2x	12.5x	10.7x	9.6x

Consti prem./disc. to peer median -26% -27% -22% -30% -35% -30% -10% -9% -11%
 Source Bloomberg, Evli Research

Building installations and services companies	MCAP MEUR	EV/EBITDA			EV/EBIT			P/E		
		20	21	22	20	21	22	20	21	22
Caverion	767	7.6x	6.6x	5.7x	17.6x	13.1x	9.9x	22.2x	15.2x	11.5x
Bravida Holding	1978	11.5x	11.6x	11.0x	15.2x	14.6x	13.6x	20.7x	19.6x	18.3x
MITIE Group	375	4.7x	4.0x	3.1x	7.6x	5.6x	4.7x	4.9x	6.0x	5.0x
ISS A/S	2055	57.5x	8.1x	6.6x		15.7x	11.1x		13.3x	8.4x
Bilfinger	703	11.6x	4.9x	3.4x		12.8x	6.5x		15.6x	7.8x
Instalco	956	15.9x	15.0x	13.5x	18.1x	16.9x	15.1x	21.5x	20.3x	18.0x
Peer Group Average	1544	18.1x	8.4x	7.2x	14.6x	13.1x	10.2x	17.3x	15.0x	11.5x
Peer Group Median	1131	11.6x	7.4x	6.2x	16.4x	13.9x	10.5x	21.1x	15.4x	9.9x
Consti (Evli est.)	68	6.9x	6.1x	5.4x	9.6x	8.2x	7.2x	12.5x	10.7x	9.6x

Consti prem./disc. to peer median -40% -16% -12% -41% -41% -31% -41% -30% -3%
 Source Bloomberg, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	8.62 PV of Free Cash Flow	80 Long-term growth, %	1.2 Risk-free interest rate, %	2.25
DCF share value	17.11 PV of Horizon value	77 WACC, %	8.6 Market risk premium, %	5.8
Share price potential, %	98.5 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %	3.3
Maximum value	18.5 Marketable securities	10 Minimum WACC, %	8.1 Equity beta coefficient	1.15
Minimum value	15.9 Debt - dividend	-33 Maximum WACC, %	9.1 Target debt ratio, %	30
Horizon value, %	49.1 Value of stock	134 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	268	272	280	284	289	293	297	302	306	310	314
<i>Sales growth, %</i>	-0.3	-14.8	1.4	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	11	12	12	12	12	12	12	13
<i>Operating income margin, %</i>	1.5	3.0	3.3	3.6	3.8	4.0	4.0	4.0	4.0	4.0	4.0	4.0
+ Depreciation+amort.	4	3	3	3	3	3	3	3	3	3	3	3
EBITDA	8	11	12	13	14	14	15	15	15	15	15	16
- Paid taxes	0	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2
- Change in NWC	-3	7	0	0	0	0	0	0	0	0	0	0
<i>NWC / Sales, %</i>	-1.7	-4.8	-4.8	-4.8	-4.8	-4.8	-4.8	-4.8	-4.8	-4.8	-4.8	-4.8
+ Change in other liabs	0	0	0	0	0	0	0	0	0	0	0	0
- Operative CAPEX	-3	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1
<i>opCAPEX / Sales, %</i>	1.3	0.9	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.0
- Acquisitions	0	0	0	0	0	0	0	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0	0	0	0	0
- Other items	0	0	0	0	0	0	0	0	0	0	0	0
= FCFF	2	15	9	10	11	11	11	12	12	12	12	165
= Discounted FCFF		15	8	8	8	8	7	7	6	6	6	77
= DFCF min WACC		15	8	8	8	8	8	7	7	6	6	87
= DFCF max WACC		15	8	8	8	8	7	7	6	6	5	70

INTERIM FIGURES

EVLI ESTIMATES, EURm	2019Q1	2019Q2	2019Q3	2019Q4	2019	2020Q1	2020Q2	2020Q3	2020Q4E	2020E	2021E	2022E
Net sales	73.5	81.2	81.8	78.3	314.8	59.0	69.3	68.2	71.6	268.1	272.0	280.1
EBITDA	0.5	1.0	3.0	3.6	8.1	1.3	3.2	3.2	3.6	11.3	11.9	12.8
<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>2.2</i>	<i>4.6</i>	<i>4.8</i>	<i>5.0</i>	<i>4.2</i>	<i>4.4</i>	<i>4.6</i>
EBIT	-0.4	0.1	2.1	2.8	4.6	0.5	2.4	2.5	2.7	8.0	9.1	10.0
<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>0.8</i>	<i>3.4</i>	<i>3.6</i>	<i>3.8</i>	<i>3.0</i>	<i>3.3</i>	<i>3.6</i>
Net financial items	-0.2	-0.4	-0.3	-0.3	-1.2	-0.3	-0.2	-0.2	-0.3	-1.1	-1.0	-0.8
Pre-tax profit	-0.6	-0.3	1.8	2.5	3.4	0.2	2.1	2.2	2.4	6.9	8.1	9.2
Tax	0.1	0.1	-0.4	-0.6	-0.7	0.0	-0.4	-0.5	-0.5	-1.5	-1.6	-1.8
<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>16.9</i>	<i>19.6</i>	<i>24.0</i>	<i>20.0</i>	<i>21.1</i>	<i>20.0</i>	<i>20.0</i>
Net profit	-0.5	-0.3	1.4	1.9	2.5	0.0	1.6	1.6	1.8	5.1	6.3	7.3
EPS	-0.06	-0.04	0.18	0.24	0.32	0.00	0.21	0.20	0.23	0.65	0.80	0.93
EPS adjusted (diluted no. of shares)	-0.06	-0.04	0.18	0.24	0.32	0.00	0.21	0.20	0.23	0.65	0.80	0.93
Dividend per share	0.00	0.00	0.00	0.00	0.16	0.00	0.00	0.00	0.00	0.34	0.41	0.47
SALES, EURm												
Housing Companies	28.3	27.7	30.4	24.0	110.4	16.5	24.8	23.8	25.0	90.0	92.2	95.0
Corporations	27.6	31.7	27.9	31.8	119.1	20.8	21.6	21.5	22.0	85.9	82.0	84.5
Public Sector	5.3	8.3	10.5	9.8	33.9	9.4	10.3	9.8	10.5	39.9	42.8	44.1
Building Technology	16.4	18.8	18.0	16.6	69.7	15.5	16.5	15.9	17.6	65.5	68.4	70.5
Elimination	-4.1	-5.2	-5.0	-3.9	-18.2	-3.0	-3.9	-2.8	-3.5	-13.2	-13.4	-13.8
Total	73.5	81.2	81.8	78.3	314.8	59.0	69.3	68.2	71.6	268.1	272.0	280.1
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>-41.9</i>	<i>-10.4</i>	<i>-21.7</i>	<i>4.0</i>	<i>-18.4</i>	<i>2.4</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>-24.8</i>	<i>-31.8</i>	<i>-22.9</i>	<i>-30.8</i>	<i>-27.8</i>	<i>-4.6</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>77.7</i>	<i>24.2</i>	<i>-7.2</i>	<i>7.5</i>	<i>17.9</i>	<i>7.2</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>-5.5</i>	<i>-12.3</i>	<i>-11.5</i>	<i>6.0</i>	<i>-6.1</i>	<i>4.5</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>-26.8</i>	<i>-25.6</i>	<i>-43.5</i>	<i>-11.0</i>	<i>-27.6</i>	<i>1.8</i>	<i>3.0</i>
Total	18.0	4.4	3.7	-19.1	-0.3	-19.7	-14.7	-16.7	-8.5	-14.8	1.4	3.0
EBIT, EURm												
Group	-0.4	0.1	2.1	2.8	4.6	0.5	2.4	2.5	2.7	8.0	9.1	10.0
Total	-0.4	0.1	2.1	2.8	4.6	0.5	2.4	2.5	2.7	8.0	9.1	10.0
EBIT margin, %												
Total	-0.5	0.1	2.6	3.6	1.5	0.8	3.4	3.6	3.8	3.0	3.3	3.6

INCOME STATEMENT, EURm	2015	2016	2017	2018	2019	2020E	2021E	2022E
Sales	256.2	261.5	300.2	315.8	314.8	268.1	272.0	280.1
<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>-14.8</i>	<i>1.4</i>	<i>3.0</i>
EBITDA	12.6	13.1	1.7	-0.5	8.1	11.3	11.9	12.8
<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>4.2</i>	<i>4.4</i>	<i>4.6</i>
Depreciation	-2.1	-2.1	-2.1	-1.7	-3.5	-3.3	-2.8	-2.8
EBITA	10.5	10.9	-0.4	-2.1	4.6	8.0	9.1	10.0
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	8.0	9.1	10.0
<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>3.0</i>	<i>3.3</i>	<i>3.6</i>
Reported EBIT	8.4	10.9	-0.4	-2.1	4.6	8.0	9.1	10.0
<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>3.0</i>	<i>3.3</i>	<i>3.6</i>
Net financials	-4.4	-0.9	-0.8	-0.7	-1.2	-1.1	-1.0	-0.8
Pre-tax profit	6.2	10.1	-1.2	-2.8	3.4	6.9	8.1	9.2
Taxes	-0.8	-2.1	0.1	0.5	-0.7	-1.5	-1.6	-1.8
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	5.1	6.3	7.3
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	3	3	3
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	48	49	50
Liquid funds	4	9	10	3	10	20	20	21
Total assets	91	98	101	115	117	124	125	127
Liabilities								
Shareholder's equity	25	30	25	23	26	30	34	38
Minority interest	0	0	0	0	0	0	0	0
Convertibles	0	0	0	0	3	3	0	0
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	25	24	20
Non-interest bearing current liabilities	43	46	52	62	56	62	63	64
Other interest-free debt	0	0	0	0	0	0	0	0
Total liabilities	91	98	101	115	117	124	125	127
CASH FLOW, EURm								
+ EBITDA	13	13	2	0	8	11	12	13
- Net financial items	-4	-1	-1	-1	-1	-1	-1	-1
- Taxes	-1	-1	-1	0	0	-1	-2	-2
- Increase in Net Working Capital	2	0	9	-5	-3	7	0	0
+/- Other	-2	0	0	0	0	0	0	0
= Cash flow from operations	7	11	9	-7	4	16	9	11
- Capex	-1	-2	-1	-1	-4	-2	-3	-3
- 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	13	6	8
+/- New issues/buybacks	21	0	1	0	0	0	0	0
- Paid dividend	0	-3	-4	0	0	-1	-3	-3
+/- Other	-33	0	-1	1	6	-2	-3	-4
Change in cash	-6	5	0	-6	7	10	0	1

KEY FIGURES	2016	2017	2018	2019	2020E	2021E	2022E
M-cap	112	66	43	50	68	68	68
Net debt (excl. convertibles)	12	12	23	19	7	7	2
Enterprise value	125	78	67	72	78	74	70
Sales	262	300	316	315	268	272	280
EBITDA	13	2	0	8	11	12	13
EBIT	11	0	-2	5	8	9	10
Pre-tax	10	-1	-3	3	7	8	9
Earnings	8	-1	-2	2	5	6	7
Equity book value (excl. minorities)	30	25	23	26	30	34	38
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	6.3	5.5
EV/EBITA	11.4	-207.0	-31.3	15.6	9.8	8.2	7.0
EV/EBIT	11.4	-207.0	-31.3	15.6	9.8	8.2	7.0
EV/OCF	11.7	8.8	-9.9	19.7	5.0	8.0	6.6
EV/FCFF	13.8	14.9	-9.6	31.9	5.1	8.3	7.0
P/FCFE	13.5	14.6	-5.7	523.9	5.0	10.5	8.9
P/E	14.1	-61.0	-18.5	20.3	13.3	10.7	9.2
P/B	3.8	2.6	1.8	1.9	2.3	2.0	1.8
Target EV/EBITDA	0.0	0.0	0.0	0.0	7.9	7.2	6.3
Target EV/EBIT	0.0	0.0	0.0	0.0	11.1	9.4	8.1
Target EV/FCF	0.0	0.0	0.0	0.0	6.6	13.3	10.7
Target P/B	0.0	0.0	0.0	0.0	2.6	2.3	2.1
Target P/E	0.0	0.0	0.0	0.0	15.5	12.4	10.7
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	0.65	0.80	0.93
Operating cash flow per share	1.40	1.16	-0.85	0.47	2.01	1.18	1.34
Free cash flow per share	1.09	0.59	-0.96	0.01	1.71	0.82	0.96
Book value per share	3.89	3.32	2.98	3.33	3.81	4.27	4.80
Dividend per share	0.54	0.00	0.00	0.16	0.34	0.41	0.47
Dividend payout ratio, %	51.5	0.0	0.0	50.8	53.0	51.3	50.0
Dividend yield, %	3.7	0.0	0.0	2.5	4.0	4.8	5.4
FCF yield, %	7.4	6.8	-17.4	0.2	19.9	9.5	11.2
Efficiency measures							
ROE	29.5	-3.9	-9.6	10.0	18.1	19.9	20.6
ROCE	22.7	-0.6	-4.2	8.6	13.6	15.2	16.6
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	23.0	23.0	23.0
NWC/sales, %	-2.6	-5.0	-2.5	-1.7	-4.8	-4.8	-4.8
Operative CAPEX/sales, %	0.7	0.5	0.4	1.3	0.9	1.1	1.1
CAPEX/sales (incl. acquisitions), %	0.4	-0.8	0.4	1.3	0.9	1.1	1.1
FCFF/EBITDA	0.7	3.0	15.0	0.3	1.4	0.8	0.8
Net debt/EBITDA, book-weighted	0.9	7.0	-50.5	2.3	0.6	0.6	0.2
Debt/equity, market-weighted	0.2	0.3	0.5	0.5	0.4	0.4	0.3
Equity ratio, book-weighted	34.8	28.8	24.4	29.8	26.7	26.8	29.6
Gearing, %	40.8	47.7	100.0	64.4	21.5	19.7	6.0

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	6.810	10.1%
Korkeela Esa Sakari	434,133	3.742	5.5%
Evli Finnish Small Cap Fund	429,370	3.701	5.5%
Heikintorppa Oy	385,000	3.319	4.9%
Wipunen varainhallinta Oy	385,000	3.319	4.9%
Kivi Risto Juhani	379,758	3.274	4.8%
Danske Invest Finnish Equity Fund	338,708	2.920	4.3%
Kalervo Markku	299,128	2.578	3.8%
Mutual Fund eQ Nordic Small Cap	237,000	2.043	3.0%
Korkeela Antti Petteri	236,894	2.042	3.0%
Ten largest	3,914,991	33.747	50%
Residual	3,943,276	33.991	50%
Total	7,858,267	67.738	100%

EARNINGS CALENDAR	
February 05, 2021	FY 2020 Results
April 30, 2021	Q1 report
July 23, 2021	Q2 report
October 27, 2021	Q3 report
OTHER EVENTS	
April 07, 2021	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, %	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholder's equity} + \text{minority interest} + \text{taxed provisions (average)}}$		

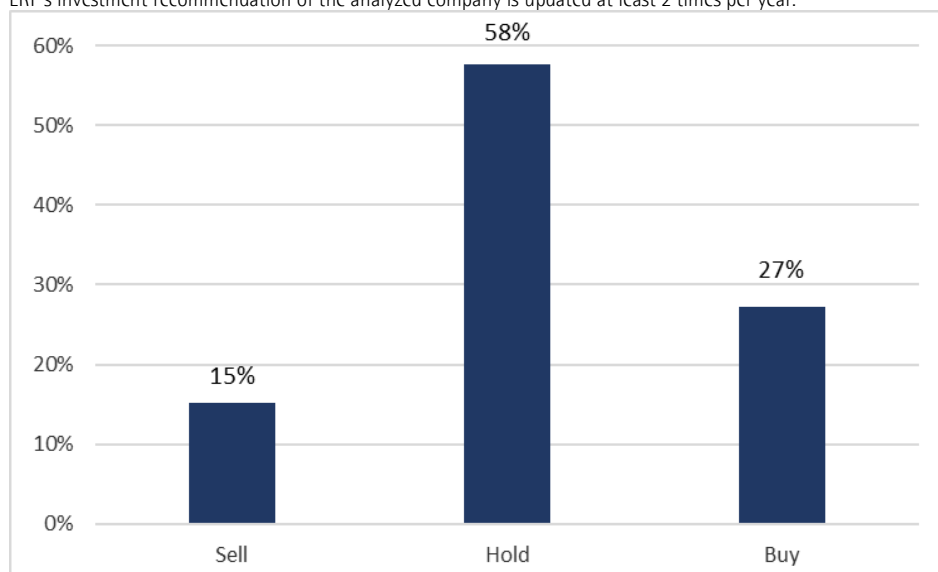
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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

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