

## Eyeing pick-up in growth

Consti will report its Q3 results on October 27th. We expect to see growth to start picking up supported by the good order intake during H1 and for profitability to remain at healthy levels. We retain our BUY-rating and TP of EUR 14.5.

### Slight growth and healthy profitability (excl. NRI's) in H1...

Consti's first half of 2021 got off to a decent start. Revenue grew y/y, albeit at a minor pace of 1.4%, with slight pick-up in the second quarter. The order intake improved well, up 30.5% to EUR 168m. As a result, the order backlog was also up y/y by 11.5% to 236.2m. Q2 saw an unfortunate hit to profitability due to the unfavourable outcome of the Hotel St. George arbitration proceedings resulting in a one-off loss of EUR 3.4m. Nonetheless the H1 adj. EBIT-margin remained on par with previous year levels of 2.6% and improved slightly in Q2. Consti lowered its guidance due to the arbitration proceedings ahead of Q2, expecting an EBIT of EUR 4-8m in 2021 (prev. EUR 7-11m).

### ... with expectations of pick-up in growth during H2

We expect growth to pick up in H2 supported by the good order intake during the first half of the year and a good activity level. Consti's order intake was aided by its first new construction projects and although demand in certain commercial areas still remain affected by the pandemic, the housing company market has been recovering well and should support demand going forward. We expect growth of 7.5% in Q3 and 4.3% for FY 2021. In regard to profitability Consti achieved rather decent margins already during the previous year and with minor uncertainty due to the recent fluctuations in construction material costs we expect little improvement in margins during H2. We expect Q3 EBIT of EUR 2.7m and FY 2021 EBIT of EUR 5.9m, at the mid-point of Consti's guidance range.

### BUY-rating with a target price of EUR 14.5

We have made no adjustments to our estimates ahead of the Q3 report. We retain our BUY-rating and target price of EUR 14.5. Our target price values Consti at approx. 17x 2021 P/E (excl. arbitration proceedings items).

## Rating BUY



Share price, EUR (Last trading day's closing price) 12.35

Target price, EUR 14.5

Latest change in recommendation	26-Jul-21
Latest report on company	26-Jul-21
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	97
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	27-Oct-21
Web site	investor.consti.fi

Analyst Jerker Salokivi  
 E-mail jerker.salokivi@evli.com  
 Telephone +358 9 4766 9149

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
2019	314.8	4.6	1.5%	0.1	0.32	20.3	0.2	15.6	0.2	0.16
2020	274.6	8.2	3.0%	15.1	0.71	14.2	0.3	10.6	19.2	0.40
2021E	286.4	5.9	2.0%	4.2	0.48	25.5	0.4	17.7	4.3	0.35
2022E	295.8	10.6	3.6%	8.0	0.99	12.5	0.3	9.3	8.3	0.49
2023E	305.5	11.2	3.7%	8.7	1.07	11.6	0.3	8.4	8.9	0.53
Market cap, EURm	97		Gearing 2021E, %	22.3		CAGR EPS 2020-23, %		14.5		
Net debt 2021E, EURm	7		Price/book 2021E	3.1		CAGR sales 2020-23, %		3.6		
Enterprise value, EURm	104		Dividend yield 2021E, %	2.8		ROE 2021E, %		12.4		
Total assets 2021E, EURm	128		Tax rate 2021E, %	20.0		ROCE 2021E, %		9.8		
Goodwill 2021E, EURm	49		Equity ratio 2021E, %	24.2		PEG, P/E 21/CAGR		0.7		

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

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	12.35 PV of Free Cash Flow	82 Long-term growth, %	1.2 Risk-free interest rate, %	2.25
DCF share value	20.02 PV of Horizon value	87 WACC, %	8.6 Market risk premium, %	5.8
Share price potential, %	62.1 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %	3.3
Maximum value	21.6 Marketable securities	24 Minimum WACC, %	8.1 Equity beta coefficient	1.15
Minimum value	18.7 Debt - dividend	-35 Maximum WACC, %	9.1 Target debt ratio, %	30
Horizon value, %	51.5 Value of stock	157 Nr of shares, Mn	7.9 Effective tax rate, %	20

DCF valuation, EURm	2020	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	Horizon
Net sales	275	286	296	305	310	315	319	324	329	334	338	342
<i>Sales growth, %</i>	-12.8	4.3	3.3	3.3	1.5	1.5	1.5	1.5	1.5	1.5	1.2	1.2
Operating income (EBIT)	8	6	11	11	12	13	13	13	13	13	14	14
<i>Operating income margin, %</i>	3.0	2.0	3.6	3.7	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
+ Depreciation+amort.	3	3	3	3	3	4	4	4	4	4	4	4
EBITDA	11	9	14	15	16	16	16	17	17	17	17	17
- Paid taxes	-1	-1	-2	-2	-2	-3	-3	-3	-3	-3	-3	-3
- Change in NWC	8	1	0	0	0	0	0	0	0	0	0	0
<i>NWC / Sales, %</i>	-4.9	-4.9	-4.9	-4.9	-4.9	-4.9	-4.9	-4.9	-4.9	-4.9	-4.9	-4.9
+ Change in other liabs	0	0	0	0	0	0	0	0	0	0	0	0
- Operative CAPEX	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1
<i>opCAPEX / Sales, %</i>	1.0	1.2	1.2	1.2	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
- 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	17	7	11	12	12	13	13	13	13	13	13	185
= Discounted FCFF		7	10	10	10	9	8	8	7	7	6	87
= DFCF min WACC		7	10	10	10	9	9	8	8	7	7	97
= DFCF max WACC		7	10	10	9	9	8	8	7	7	6	78

## INTERIM FIGURES

EVLI ESTIMATES, EURm	2020Q1	2020Q2	2020Q3	2020Q4	2020	2021Q1	2021Q2	2021Q3E	2021Q4E	2021E	2022E	2023E
Net sales	59.0	69.3	68.2	78.1	274.6	59.3	70.9	73.3	82.9	286.4	295.8	305.5
EBITDA	1.3	3.2	3.2	3.7	11.4	0.9	0.3	3.5	4.4	9.0	13.8	14.5
<i>EBITDA margin (%)</i>	<i>2.2</i>	<i>4.6</i>	<i>4.8</i>	<i>4.8</i>	<i>4.2</i>	<i>1.5</i>	<i>0.4</i>	<i>4.7</i>	<i>5.3</i>	<i>3.1</i>	<i>4.7</i>	<i>4.8</i>
EBIT	0.5	2.4	2.5	3.0	8.2	0.1	-0.5	2.7	3.6	5.9	10.6	11.2
<i>EBIT margin (%)</i>	<i>0.8</i>	<i>3.4</i>	<i>3.6</i>	<i>3.8</i>	<i>3.0</i>	<i>0.2</i>	<i>-0.7</i>	<i>3.7</i>	<i>4.3</i>	<i>2.0</i>	<i>3.6</i>	<i>3.7</i>
Net financial items	-0.3	-0.2	-0.2	-0.2	-1.0	-0.2	-0.4	-0.2	-0.2	-1.1	-0.9	-0.7
Pre-tax profit	0.2	2.1	2.2	2.7	7.2	-0.1	-0.9	2.5	3.4	4.8	9.7	10.5
Tax	0.0	-0.4	-0.5	-0.6	-1.6	0.0	0.2	-0.5	-0.7	-1.0	-1.9	-2.1
<i>Tax rate (%)</i>	<i>16.9</i>	<i>19.6</i>	<i>24.0</i>	<i>21.4</i>	<i>21.6</i>	<i>19.8</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	0.1	1.7	1.7	2.0	5.6	-0.1	-0.7	2.0	2.7	3.8	7.8	8.4
EPS	0.02	0.22	0.22	0.26	0.71	-0.02	-0.09	0.25	0.34	0.48	0.99	1.07
EPS adjusted (diluted no. of shares)	0.02	0.22	0.22	0.26	0.71	-0.02	-0.09	0.25	0.34	0.48	0.99	1.07
Dividend per share	0.00	0.00	0.00	0.00	0.40	0.00	0.00	0.00	0.00	0.35	0.49	0.53
<b>SALES, EURm</b>												
Housing Companies	16.5	24.8	23.8	21.1	86.1	13.4	21.7	21.0	23.0	79.1	82.3	85.6
Corporations	20.8	21.6	21.5	26.6	90.6	21.8	26.0	27.5	28.5	103.8	106.9	110.1
Public Sector	9.4	10.3	9.8	12.0	41.4	7.5	8.5	10.0	13.8	39.8	40.9	42.2
Building Technology	15.5	16.5	15.9	21.5	69.4	19.2	17.8	18.1	21.0	76.1	78.4	80.8
Elimination	-3.0	-3.9	-2.8	-3.2	-12.9	-2.6	-3.1	-3.3	-3.4	-12.4	-12.8	-13.2
<b>Total</b>	<b>59.0</b>	<b>69.3</b>	<b>68.2</b>	<b>78.1</b>	<b>274.6</b>	<b>59.3</b>	<b>70.9</b>	<b>73.3</b>	<b>82.9</b>	<b>286.4</b>	<b>295.8</b>	<b>305.5</b>
<b>SALES GROWTH, Y/Y %</b>												
<i>Housing Companies</i>	<i>-41.9</i>	<i>-10.4</i>	<i>-21.7</i>	<i>-12.1</i>	<i>-22.0</i>	<i>-18.6</i>	<i>-12.4</i>	<i>-11.7</i>	<i>8.9</i>	<i>-8.2</i>	<i>4.0</i>	<i>4.0</i>
<i>Corporations</i>	<i>-24.8</i>	<i>-31.8</i>	<i>-22.9</i>	<i>-16.2</i>	<i>-23.9</i>	<i>5.0</i>	<i>20.2</i>	<i>27.7</i>	<i>7.0</i>	<i>14.6</i>	<i>3.0</i>	<i>3.0</i>
<i>Public Sector</i>	<i>77.7</i>	<i>24.2</i>	<i>-7.2</i>	<i>22.7</i>	<i>22.3</i>	<i>-20.3</i>	<i>-17.4</i>	<i>2.1</i>	<i>15.1</i>	<i>-4.1</i>	<i>3.0</i>	<i>3.0</i>
<i>Building Technology</i>	<i>-5.5</i>	<i>-12.3</i>	<i>-11.5</i>	<i>29.5</i>	<i>-0.5</i>	<i>24.4</i>	<i>8.2</i>	<i>13.7</i>	<i>-2.3</i>	<i>9.8</i>	<i>3.0</i>	<i>3.0</i>
<i>Elimination</i>	<i>-26.8</i>	<i>-25.6</i>	<i>-43.5</i>	<i>-19.5</i>	<i>-29.4</i>	<i>-13.5</i>	<i>-19.6</i>	<i>17.4</i>	<i>7.4</i>	<i>-3.5</i>	<i>3.0</i>	<i>3.0</i>
<b>Total</b>	<b>-19.7</b>	<b>-14.7</b>	<b>-16.7</b>	<b>-0.2</b>	<b>-12.8</b>	<b>0.4</b>	<b>2.3</b>	<b>7.5</b>	<b>6.1</b>	<b>4.3</b>	<b>3.3</b>	<b>3.3</b>
<b>EBIT, EURm</b>												
Group	0.5	2.4	2.5	3.0	8.2	0.1	-0.5	2.7	3.6	5.9	10.6	11.2
Total	0.5	2.4	2.5	3.0	8.2	0.1	-0.5	2.7	3.6	5.9	10.6	11.2
<b>EBIT margin, %</b>												
<i>Total</i>	<i>0.8</i>	<i>3.4</i>	<i>3.6</i>	<i>3.8</i>	<i>3.0</i>	<i>0.2</i>	<i>-0.7</i>	<i>3.7</i>	<i>4.3</i>	<i>2.0</i>	<i>3.6</i>	<i>3.7</i>

INCOME STATEMENT, EURm	2016	2017	2018	2019	2020	2021E	2022E	2023E
Sales	261.5	300.2	315.8	314.8	274.6	286.4	295.8	305.5
<i>Sales growth (%)</i>	<i>2.1</i>	<i>14.8</i>	<i>5.2</i>	<i>-0.3</i>	<i>-12.8</i>	<i>4.3</i>	<i>3.3</i>	<i>3.3</i>
EBITDA	13.1	1.7	-0.5	8.1	11.4	9.0	13.8	14.5
<i>EBITDA margin (%)</i>	<i>5.0</i>	<i>0.6</i>	<i>-0.1</i>	<i>2.6</i>	<i>4.2</i>	<i>3.1</i>	<i>4.7</i>	<i>4.8</i>
Depreciation	-2.1	-2.1	-1.7	-3.5	-3.2	-3.1	-3.2	-3.3
EBITA	10.9	-0.4	-2.1	4.6	8.2	5.9	10.6	11.2
Goodwill amortization / writedown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	10.9	-0.4	-2.1	4.6	8.2	5.9	10.6	11.2
<i>EBIT margin (%)</i>	<i>4.2</i>	<i>-0.1</i>	<i>-0.7</i>	<i>1.5</i>	<i>3.0</i>	<i>2.0</i>	<i>3.6</i>	<i>3.7</i>
Reported EBIT	10.9	-0.4	-2.1	4.6	8.2	5.9	10.6	11.2
<i>EBIT margin (reported) (%)</i>	<i>4.2</i>	<i>-0.1</i>	<i>-0.7</i>	<i>1.5</i>	<i>3.0</i>	<i>2.0</i>	<i>3.6</i>	<i>3.7</i>
Net financials	-0.9	-0.8	-0.7	-1.2	-1.0	-1.1	-0.9	-0.7
Pre-tax profit	10.1	-1.2	-2.8	3.4	7.2	4.8	9.7	10.5
Taxes	-2.1	0.1	0.5	-0.7	-1.6	-1.0	-1.9	-2.1
Minority shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	8.0	-1.1	-2.3	2.5	5.6	3.8	7.8	8.4
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
<b>BALANCE SHEET, EURm</b>								
Assets								
Fixed assets	6	5	4	4	3	3	3	3
Goodwill	44	49	49	49	49	49	49	49
Right of use assets	0	0	4	3	2	2	3	3
Inventory	1	1	1	1	1	1	1	1
Receivables	39	36	53	50	49	51	53	55
Liquid funds	9	10	3	10	24	21	22	23
Total assets	98	101	115	117	129	128	131	133
Liabilities								
Shareholder's equity	30	25	23	26	30	31	36	41
Minority interest	0	0	0	0	0	0	0	0
Convertibles	0	0	0	3	3	0	0	0
Lease liabilities	0	0	4	4	2	2	3	3
Deferred taxes	0	0	0	0	0	0	0	0
Interest bearing debt	21	22	23	25	27	26	21	17
Non-interest bearing current liabilities	46	52	62	56	63	66	68	70
Other interest-free debt	0	0	0	0	0	0	0	0
Total liabilities	98	101	115	117	129	128	131	133
<b>CASH FLOW, EURm</b>								
+ EBITDA	13	2	0	8	11	9	14	15
- Net financial items	-1	-1	-1	-1	-1	-1	-1	-1
- Taxes	-1	-1	0	0	-1	-1	-2	-2
- Increase in Net Working Capital	0	9	-5	-3	8	1	0	0
+/- Other	0	0	0	0	0	0	0	0
= Cash flow from operations	11	9	-7	4	18	7	11	12
- Capex	-2	-1	-1	-4	-3	-3	-3	-4
- Acquisitions	-1	-4	0	0	0	0	0	0
+ Divestments	0	1	1	0	0	0	0	0
= Free cash flow	8	4	-8	0	15	4	8	9
+/- New issues/buybacks	0	1	0	0	0	0	0	0
- Paid dividend	-3	-4	0	0	-1	-3	-3	-4
+/- Other	0	-1	1	6	0	-4	-5	-4
Change in cash	5	0	-6	7	14	-3	1	1

KEY FIGURES	2017	2018	2019	2020	2021E	2022E	2023E
M-cap	66	43	50	79	97	97	97
Net debt (excl. convertibles)	12	23	19	5	7	2	-3
Enterprise value	78	67	72	87	104	99	94
Sales	300	316	315	275	286	296	305
EBITDA	2	0	8	11	9	14	15
EBIT	0	-2	5	8	6	11	11
Pre-tax	-1	-3	3	7	5	10	10
Earnings	-1	-2	2	6	4	8	8
Equity book value (excl. minorities)	25	23	26	30	31	36	41
<b>Valuation multiples</b>							
EV/sales	0.3	0.2	0.2	0.3	0.4	0.3	0.3
EV/EBITDA	45.3	-143.6	8.9	7.6	11.6	7.1	6.5
EV/EBITA	-207.0	-31.3	15.6	10.6	17.7	9.3	8.4
EV/EBIT	-207.0	-31.3	15.6	10.6	17.7	9.3	8.4
EV/OCF	8.8	-9.9	19.7	4.9	13.9	8.6	7.7
EV/FCFF	14.9	-9.6	31.9	5.2	14.5	9.0	8.1
P/FCFE	14.6	-5.7	523.9	5.2	23.4	12.1	11.2
P/E	-61.0	-18.5	20.3	14.2	25.5	12.5	11.6
P/B	2.6	1.8	1.9	2.6	3.1	2.7	2.4
Target EV/EBITDA	0.0	0.0	0.0	0.0	13.5	8.4	7.6
Target EV/EBIT	0.0	0.0	0.0	0.0	20.6	10.9	9.9
Target EV/FCF	0.0	0.0	0.0	0.0	29.1	14.4	12.8
Target P/B	0.0	0.0	0.0	0.0	3.7	3.2	2.8
Target P/E	0.0	0.0	0.0	0.0	30.0	14.7	13.6
<b>Per share measures</b>							
Number of shares	7,621	7,858	7,858	7,858	7,858	7,858	7,858
Number of shares (diluted)	7,621	7,858	7,858	7,858	7,858	7,858	7,858
EPS	-0.14	-0.30	0.32	0.71	0.48	0.99	1.07
Operating cash flow per share	1.16	-0.85	0.47	2.27	0.95	1.46	1.55
Free cash flow per share	0.59	-0.96	0.01	1.93	0.53	1.02	1.10
Book value per share	3.32	2.98	3.33	3.87	3.95	4.59	5.16
Dividend per share	0.00	0.00	0.16	0.40	0.35	0.49	0.53
Dividend payout ratio, %	0.0	0.0	50.8	56.3	72.4	50.0	50.0
Dividend yield, %	0.0	0.0	2.5	4.0	2.8	4.0	4.3
FCF yield, %	6.8	-17.4	0.2	19.2	4.3	8.3	8.9
<b>Efficiency measures</b>							
ROE	-3.9	-9.6	10.0	19.7	12.4	23.1	21.9
ROCE	-0.6	-4.2	8.6	13.7	9.8	17.9	18.8
<b>Financial ratios</b>							
Inventories as % of sales	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Receivables as % of sales	12.1	16.8	15.8	17.9	17.9	17.9	17.9
Non-interest bearing liabilities as % of sales	17.3	19.5	17.8	23.1	23.1	23.1	23.1
NWC/sales, %	-5.0	-2.5	-1.7	-4.9	-4.9	-4.9	-4.9
Operative CAPEX/sales, %	0.5	0.4	1.3	1.0	1.2	1.2	1.2
CAPEX/sales (incl. acquisitions), %	-0.8	0.4	1.3	1.0	1.2	1.2	1.2
FCFF/EBITDA	3.0	15.0	0.3	1.5	0.8	0.8	0.8
Net debt/EBITDA, book-weighted	7.0	-50.5	2.3	0.4	0.8	0.1	-0.2
Debt/equity, market-weighted	0.3	0.5	0.5	0.3	0.3	0.2	0.2
Equity ratio, book-weighted	28.8	24.4	29.8	26.1	24.2	27.6	30.4
Gearing, %	47.7	100.0	64.4	14.1	22.3	4.5	-7.8

**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	9.756	10.1%
Heikintorppa Oy	750,000	9.262	9.5%
Wipunen varainhallinta Oy	750,000	9.262	9.5%
Fennia Life Insurance Company Ltd	456,162	5.634	5.8%
Korkeela Esa Sakari	434,637	5.368	5.5%
Kivi Risto Juhani	380,267	4.696	4.8%
Kalervo Markku	299,128	3.694	3.8%
Korkeela Antti Petteri	176,705	2.182	2.2%
Varma Mutual Pension Insurance Company	172,000	2.124	2.2%
Evli Finnish Small Cap Fund	151,289	1.868	1.9%
Ten largest	4,360,188	53.848	55%
Residual	3,498,079	43.201	45%
Total	7,858,267	97.050	100%

**EARNINGS CALENDAR**

October 27, 2021

Q3 report

**OTHER EVENTS****COMPANY MISCELLANEOUS**

CEO: Esa Korkeela

Hopeatie 2, 6. krs, 00440 Helsinki, Finland

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, %	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholder's equity} + \text{minority interest} + \text{taxed provisions (average)}}$		

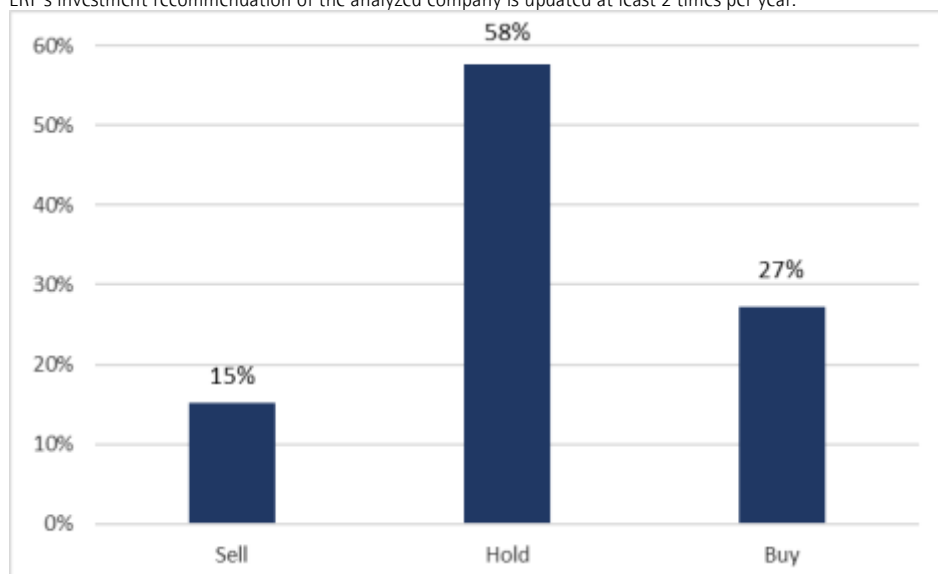
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Investment recommendations are defined as follows:

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

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

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**Contact information****SALES, TRADING AND RESEARCH****Equity, ETF and Derivatives Sales**

Joachim Dannberg	+358 9 4766 9123
Ari Laine	+358 9 4766 9115
Kimmo Lilja	+358 9 4766 9130

**Trading**

Lauri Vehkaluoto (Head)	+358 9 4766 9120
Pasi Väisänen	+358 9 4766 9120
Antti Kässi	+358 9 4766 9120
Miika Ronkanen	+358 9 4766 9120

**Structured Investments**

Heikki Savijoki	+358 9 4766 9726
Aki Lakkisto	+358 9 4766 9123

**Equity Research**

Jonas Forslund	+358 9 4766 9314
Joonas Ilvonen	+358 44 430 9071
Jerker Salokivi	+358 9 4766 9149
Teemu Reiman	+358 40 352 6175

**Evli Investment Solutions**

Johannes Asuja	+358 9 4766 9205
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**EVLI BANK PLC**  
Aleksanterinkatu 19 A  
P.O. Box 1081  
FIN-00101 Helsinki, FINLAND  
Phone +358 9 476 690  
Fax +358 9 634 382  
Internet [www.evli.com](http://www.evli.com)  
E-mail [firstname.lastname@evli.com](mailto:firstname.lastname@evli.com)

**EVLI BANK PLC,  
STOCKHOLMSFILIAL**  
Regeringsgatan 67 P.O. Box 16354  
SE-103 26 Stockholm  
Sverige  
[stockholm@evli.com](mailto:stockholm@evli.com)  
Tel +46 (0)8 407 8000  
Fax +46 (0)8 407 8001