

Recovering lost earnings

Project struggles continued further in Q1, but Dovre is taking measures so that Renewable Energy EBIT recovers and group costs come down.

Still some project profitability challenges

Dovre's Renewable Energy segment grew in Q1 by 1% y/y to EUR 13.6m, close to our EUR 13.9m estimate. The segment's EBIT however was EUR –2.8m vs our EUR 0.1m estimate as there were losses due to a Finnish solar park project, but which should eventually be profitable. Other group functions also had temporarily elevated cost levels, and Dovre's EUR –3.2m was thus far below our EUR 0.1m estimate. The group functions will now be downsized, and we estimate their run-rate annual cost will be EUR 0.4m (in other words roughly similar to the EBIT of Consulting). We expect Dovre FY'25 revenue to decline 2% y/y as Renewable Energy focuses on securing profitability after the recent challenges.

EUR 2m EBIT shouldn't be too big of a challenge

The additional losses seen in Q1 were disappointing, but Renewable Energy should be able to post positive EBIT in the coming quarters as it did some EUR 2.5m EBIT in Q2–Q3'24. We have cut our estimates more, but we expect Renewable Energy to post about EUR 1m in EBIT during the remainder of the year. Suvic has signed many new projects lately; it shouldn't be too hard for the company to reach above 2% EBIT margins, but we estimate profitability will fall short of that level also next year. Renewable Energy and Suvic have plenty of addressable market in Finland and Sweden within both solar and wind power construction, so at this point it mostly comes down to the successful execution of internal measures.

Multiples not high assuming at least some EBIT recovery

We expect the next quarters will again be profitable, although FY'25 EBIT seems to remain in the red due to the weak Q1. We estimate FY'25 EBIT at EUR –2.3m, meaning we see a cumulative EBIT of EUR 0.9m beyond Q1. Renewable Energy may not grow this year, but it should be able to achieve an annual EBIT of EUR 2m with no more than roughly EUR 100m of revenue. Dovre is valued about 5x EV/EBIT on our FY'26 estimates, assuming Renewable Energy continues to recover its profitability while the EBIT of Consulting and other group functions costs balance each other out going forward. Our new TP is EUR 0.21 (0.23) as we retain ACCUMULATE rating.

Rating

+ Accumulate


Share price, EUR (Last trading day's closing price)	0.21
Target price, EUR	0.21
Latest change in recommendation	31–Jan–25
Latest report on company	18–Mar–25
Research paid by issuer:	YES
No. of shares outstanding, '000's	105 960
No. of shares fully diluted, '000's	105 960
Market cap, EURm	22
Free float, %	94.3 %
Exchange rate	–
Reuters code	DOV1V.HE
Bloomberg code	DOV1V FH
Average daily volume, EURm	0.1
Next interim report	20–Aug–25
Web site	https://www.dovregroup.com/
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++ BUY + ACCUMULATE - REDUCE -- 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
2023	73.5	1.2	1.6%	–5.4	–0.01	–86.4	0.6	39.1	–11.9%	0.01
2024	99.3	–21.8	–22.0%	1.7	–0.11	–2.0	0.3	–1.5	7.1%	
2025E	97.3	–2.3	–2.4%	18.2	–0.01	–15.6	0.1	–5.1	83.6%	0.01
2026E	110.1	2.0	1.8%	3.0	0.01	29.5	0.1	4.9	13.7%	0.01
2027E	115.6	2.8	2.5%	3.5	0.01	14.9	0.1	2.6	16.2%	0.01
Market cap, EURm	22	Gearing 2025E, %		–67.0 %		CAGR EPS 2024–27, %		0.0 %		
Net debt 2025E, EURm	–10	Price/book 2025E		1.4		CAGR Sales 2024–27, %		5.2 %		
Enterprise value, EURm	12	Dividend yield 2025E, %		4.9 %		ROE 2025E, %		–8.8 %		
Total assets 2025E, EURm	79	Tax rate 2025E, %		–5.5 %		ROCE 2025E, %		–11.8 %		
Goodwill 2025E, EURm	4	Equity ratio 2025E, %		19.3 %		PEG, P/E 25/CAGR		0.0		

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

Estimates and peer valuation

Dovre	FY'21	FY'22	FY'23	Q1'24	Q2'24	Q3'24	Q4'24	FY'24	Q1'25	Q2'25e	Q3'25e	Q4'25e	FY'25e
Revenue	50.4	94.2	73.5	14.0	22.6	35.8	27.0	99.3	14.0	21.2	33.8	28.3	97.3
Renewable Energy	50.4	94.2	71.4	13.5	22.1	35.3	26.5	97.4	13.6	20.7	33.3	27.8	95.4
y/y growth		87 %	-24 %	-15 %	27 %	72 %	51 %	36 %	1 %	-6 %	-6 %	5 %	-2 %
EBIT	0.9	1.7	1.1	-5.8	0.9	1.1	-18.4	-21.8	-3.2	0.1	0.6	0.2	-2.3
Renewable Energy	1.9	2.7	1.8	-5.7	1.1	1.4	-17.9	-21.1	-2.8	0.1	0.6	0.2	-1.9
EBIT-%	4 %	3 %	3 %	-42 %	5 %	4 %	-68 %	-22 %	-21 %	0 %	2 %	1 %	-2 %

Source: Evli Research

DOVRE PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			EBIT-%		
		24	25	26	24	25	26	24	25	26
AF-Gruppen	1330	9.5x	7.5x	6.8x	15.4x	10.9x	9.6x	3.7 %	5.0 %	5.4 %
Kreate Group	73	6.2x	6.1x	5.4x	10.8x	9.8x	8.1x	3.2 %	3.4 %	3.7 %
Veidekke	1758	6.3x	6.6x	6.3x	10.5x	10.9x	10.2x	3.9 %	4.0 %	4.1 %
NYAB	354	10.0x	8.7x	7.7x	11.8x	9.9x	8.6x	7.4 %	6.8 %	7.2 %
NRC Group	73	16.5x	4.0x	3.3x		9.9x	6.6x	-8.1 %	1.9 %	2.8 %
Tecnicas Reunidas	1135	3.4x	3.9x	3.4x	4.1x	4.4x	3.9x	4.1 %	4.4 %	4.8 %
Primoris Services	2883	11.3x	9.0x	8.1x	15.0x	11.7x	10.3x	5.1 %	5.2 %	5.6 %
Quanta Services	37462	22.0x	17.3x	15.8x	38.0x	28.3x	23.9x	5.7 %	6.2 %	6.7 %
MasTec	8731	13.0x	10.9x	9.6x	28.8x	19.0x	16.0x	3.7 %	4.8 %	5.2 %
Soltec Power	145	7.7x			9.7x			6.0 %		
Emeren Group	61	58.3x	7.5x	4.0x		46.6x	8.5x	-0.3 %	3.1 %	11.6 %
Peer Group Average	4910	14.9x	8.1x	7.0x	16.0x	16.1x	10.6x	3.1 %	4.5 %	5.7 %
Peer Group Median	1135	10.0x	7.5x	6.5x	11.8x	10.9x	9.1x	3.9 %	4.6 %	5.3 %
Dovre (Evli est.)	22	-1.5x	-8.3x	4.1x	-1.5x	-5.1x	4.9x	-22.0 %	-2.4 %	1.8 %

Dovre prem./disc. to peer median

Source FactSet, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	0.21 PV of Free Cash Flow	52 Long-term growth, %	2.5 % Risk-free interest rate, %	2.25 %
DCF share value	0.43 PV of Horizon value	2 WACC, %	9.2 % Market risk premium, %	5.8 %
Share price potential, %	109.3 % Unconsolidated equity	0 Spread, %	0.0 % Debt risk premium %	2.8 %
Maximum value	0.4 Marketable securities	3 Minimum WACC, %	9.2 % Equity beta coefficient	1.20
Minimum value	0.4 Debt – dividend	–11 Maximum WACC, %	9.2 % Target debt ratio, %	15 %
Horizon value, %	4.1 % Value of stock	46 No. of shares, Mn	106.0 Effective tax rate, %	20 %

DCF valuation, EURm	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	TERMINAL
Net sales	99	97	110	116	119	122	125	128	131	135	138	141
Sales growth (%)	35.1%	–2.0%	13.2%	5.0%	3.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Operating income (EBIT)	–22	–2	2	3	4	6	6	6	7	7	7	7
Operating income margin %	–22.0%	–2.4%	1.8%	2.5%	3.5%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
+ Depreciation+amort.	1	0	0	1	1	1	2	2	–2	–1	–1	
EBITDA	–21	–1	2	4	6	8	8	8	5	6	6	
– Paid taxes	–1	0	0	–1	–1	–1	–1	–1	–1	–1	–1	
– Change in NWC	–5	21	4	3	2	2	2	2	2	2	2	
NWC / Sales, %	16.8%	–4.1%	–7.1%	–9.3%	10.6%	–11.6%	–12.6%	–13.6%	–14.5%	–15.5%	–16.4%	
+ Change in other liabs	0											
– Operative CAPEX	19	–1	–2	–2	–2	–2	–2	15	–1	–1	–6	
opCAPEX / Sales, %	–19.3%	1.4%	1.6%	1.7%	1.7%	1.6%	1.6%	–11.7%	0.8%	0.7%	4.5%	
– Acquisitions												
+ Divestments												
– Other items												
= FCFF	–8	17	4	4	5	6	6	23	4	5	0	5
= Discounted FCFF		16	3	3	3	4	4	13	2	2	0	2
= DFCF min WACC		16	3	3	3	4	4	13	2	2	0	2
= DFCF max WACC		16	3	3	3	4	4	13	2	2	0	2

Sensitivity analysis, EUR

		Terminal WACC				
		7.23 %	8.23 %	9.23 %	10.23 %	11.23 %
Terminal EBIT–%	3.00 %	0.20	0.24	0.26	0.28	0.28
	4.00 %	0.34	0.35	0.35	0.34	0.34
	5.00 %	0.48	0.46	0.43	0.41	0.39
	6.00 %	0.63	0.56	0.52	0.48	0.45
	7.00 %	0.77	0.67	0.60	0.54	0.50

INTERIM FIGURES

EVLI ESTIMATES, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Net sales	14.0	22.5	35.8	27.0	99.3	14.0	21.2	33.8	28.3	97.3	110.1	115.6
EBITDA	-5.7	1.2	1.3	-17.9	-21.1	-2.9	0.3	0.8	0.4	-1.4	2.2	4.0
EBITDA margin (%)	-40.4%	5.1%	3.6%	-66.3%	-21.3%	-20.7%	1.4%	2.4%	1.4%	-1.5%	2.0%	3.5%
EBIT	-5.8	1.0	1.2	-18.2	-21.8	-3.2	0.1	0.6	0.2	-2.3	2.0	2.8
EBIT margin (%)	-41.1%	4.2%	3.4%	-67.4%	-22.0%	-22.9%	0.5%	1.8%	0.7%	-2.4%	1.8%	2.5%
Net financial items	-0.2	-0.1	-0.3	-0.4	-1.0	-0.3	-0.1	-0.1	-0.1	-0.5	-0.2	
Pre-tax profit	-6.0	0.9	0.9	-18.6	-22.8	-3.5	0.1	0.6	0.2	-2.8	1.8	2.8
Tax							-0.1	-0.1	-0.1	-0.2	-0.4	-0.6
Tax rate (%)							100.0%	9.1%	33.3%	-5.5%	20.0%	20.0%
Net profit	-3.0	0.1	0.4	-9.6	-12.1	-1.7	-0.1	0.4		-1.4	0.7	1.5
EPS	-0.03	0.00	0.00	-0.09	-0.11	-0.02	0.00	0.00		-0.01	0.01	0.01
EPS adj. (diluted)	-0.03	0.00	0.00	-0.09	-0.11	-0.02	0.00	0.00		-0.01	0.01	0.01
Dividend per share										0.01	0.01	0.01
SALES, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Renewable Energy	13.5	22.1	35.3	26.5	97.4	13.6	20.7	33.3	27.8	95.4	108.0	113.4
Consulting	0.5	0.4	0.5	0.5	1.9	0.4	0.5	0.5	0.5	1.9	2.1	2.2
Total	14.0	22.5	35.8	27.0	99.3	14.0	21.2	33.8	28.3	97.3	110.1	115.6
SALES GROWTH, Y/Y %	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Renewable Energy	-15.1%	27.0%	72.2%	50.6%	36.4%	0.7%	-6.3%	-5.7%	4.9%	-2.1%	13.2%	5.0%
Consulting		-20.0%	-16.7%		-9.5%	-20.0%	25.0%				10.5%	2.5%
Total	-14.6%	25.7%	69.7%	49.2%	35.1%		-5.8%	-5.6%	4.8%	-2.0%	13.2%	5.0%
EBIT, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Renewable Energy	-5.7	1.1	1.4	-17.9	-21.1	-2.8	0.1	0.6	0.2	-1.9	2.0	2.8
Consulting	0.1	0.1	0.1	0.1	0.3		0.1	0.1	0.1	0.3	0.4	0.4
Other functions	-0.2	-0.2	-0.3	-0.4	-1.0	-0.4	-0.1	-0.1	-0.1	-0.7	-0.4	-0.4
Total	-5.8	1.0	1.2	-18.2	-21.8	-3.2	0.1	0.6	0.2	-2.3	2.0	2.8
EBIT margin %	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Renewable Energy	-41.9%	4.8%	4.0%	-67.6%	-21.7%	-20.6%	0.5%	1.8%	0.7%	-2.0%	1.9%	2.5%
Consulting	10.0%	12.5%	20.0%	20.0%	15.8%		20.0%	20.0%	20.0%	15.8%	19.1%	18.6%
Other functions	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%
Total	-41.1%	4.2%	3.4%	-67.4%	-22.0%	-22.9%	0.5%	1.8%	0.7%	-2.4%	1.8%	2.5%

INCOME STATEMENT, EURm	2020	2021	2022	2023	2024	2025E	2026E	2027E
Sales	77.4	50.4	94.2	73.5	99.3	97.3	110.1	115.6
<i>Sales growth (%)</i>	-6.9%	-34.9%	86.9%	-22.0%	35.1%	-2.0%	13.2%	5.0%
EBITDA	3.2	1.8	2.7	1.4	-21.1	-1.4	2.2	4.0
<i>EBITDA margin (%)</i>	4.2%	3.5%	2.9%	1.9%	-21.3%	-1.5%	2.0%	3.5%
Depreciation	-0.8	-0.9	-1.0	-0.2	-0.7	-0.3	-0.2	-1.2
EBITA	2.4	0.9	1.7	1.2	-21.8	-2.3	2.0	2.8
Goodwill amortization / writedown								
EBIT	2.4	0.9	1.7	1.2	-21.8	-2.3	2.0	2.8
<i>EBIT margin (%)</i>	3.1%	1.8%	1.8%	1.6%	-22.0%	-2.4%	1.8%	2.5%
Reported EBIT	2.4	0.9	1.7	1.2	-21.8	-2.3	2.0	2.8
<i>EBIT margin (reported) (%)</i>	3.1%	1.8%	1.8%	1.6%	-22.0%	-2.4%	1.8%	2.5%
Net financials	-0.2	-0.5	-1.0	-0.9	-1.0	-0.5	-0.2	
Pre-tax profit	2.2	0.4	0.7	0.3	-22.8	-2.8	1.8	2.8
Taxes	-0.5	-1.3	-1.6	-0.3		-0.2	-0.4	-0.6
Minority shares		-0.6	-0.7	-0.5	10.7	1.5	-0.7	-0.8
Net profit	1.7	-1.5	-1.6	-0.5	-12.1	-1.4	0.7	1.5
Cash NRIs								
Non-cash NRIs								
BALANCE SHEET, EURm								
Assets								
Fixed assets	3	3	4	7	5	6	8	9
Goodwill	16	21	21	20	4	4	4	4
Right of use assets								
Inventory		1	2	7	6	1	1	1
Receivables	14	32	42	44	74	57	61	62
Liquid funds	9	10	11	8	3	10	12	15
Total assets	44	70	82	88	92	79	87	90
Liabilities								
Shareholders' equity	24	28	34	37	17	15	15	15
Minority interest								
Convertibles								
Lease liabilities								
Deferred taxes	1	1	1	1				
Interest bearing debt	6	8	8	9	11			
Non-interest bearing current liabilities	13	30	36	38	63	62	70	74
Other interest-free debt	0	1	2	1	0	0	0	0
Total liabilities	44	70	82	88	92	79	87	90
CASH FLOW, EURm								
+ EBITDA	3	2	3	1	-21	-1	2	4
- Net financial items	0	0	-1	-1	-1	0	0	
- Taxes	0	-1	-2	0	-1	0	0	-1
- Increase in Net Working Capital	2	-2	-5	-5	-5	21	4	3
+/- Other		-1	-1	-1	11	2	-1	-1
= Cash flow from operations	5	-2	-6	-5	-17	20	5	6
- Capex	-5	-3	0	0	19	-1	-2	-2
- Acquisitions								
+ Divestments								
= Free cash flow	0	-5	-6	-5	2	18	3	4
+/- New issues/buybacks	0	7	8	4	-8			
- Paid dividend	1			1		1	1	1
+/- Other	3	0	0	-2	2	-11		
Change in cash	2	1	2	-3	-5	8	2	2

KEY FIGURES	2021	2022	2023	2024	2025E	2026E	2027E
M-cap	72	62	46	24	22	22	22
Net debt (excl. convertibles)	-1	-3	1	8	-10	-12	-15
Enterprise value	71	59	47	32	12	10	7
Sales	50	94	74	99	97	110	116
EBITDA	2	3	1	-21	-1	2	4
EBIT	1	2	1	-22	-2	2	3
Pre-tax	0	1	0	-23	-3	2	3
Earnings	-2	-2	-1	-12	-1	1	1
Equity book value (excl. minorities)	28	34	37	17	15	15	15

Valuation multiple	2021	2022	2023	2024	2025E	2026E	2027E
EV/Sales	1.4	0.6	0.6	0.3	0.1	0.1	0.1
EV/EBITDA	40.5	21.8	33.1	-1.5	-5.8	4.4	1.8
EV/EBITA	78.9	34.6	39.1	-1.5	-5.1	4.9	2.6
EV/EBIT	78.9	34.6	39.1	-1.5	-5.1	4.9	2.6
EV/OCF	-32.3	-10.4	-8.9	-1.8	0.6	2.0	1.3
EV/FCF	-23.4	-18.4	-9.9	-4.1	0.7	2.5	1.7
P/FCFR	-15.3	-10.5	-8.4	14.1	1.2	7.3	6.2
P/E	-47.9	-38.2	-86.4	-2.0	-15.6	29.5	14.9
P/BV	2.5	1.8	1.2	1.5	1.4	1.5	1.4
Target EV/EBITDA					-6.0	4.6	1.9
Target EV/EBIT					-5.3	5.1	2.7
Target EV/FCFF					0.7	3.4	2.2
Target P/BV					1.5	1.5	1.5
Target P/E, diluted		14.7	18.1	-1.2	-15.9	30.1	15.2

Per share measures	2021	2022	2023	2024	2025E	2026E	2027E
Number of shares (million)	105.96	105.96	105.96	105.96	105.96	105.96	105.96
Number of shares (diluted, million)	105.96	105.96	105.96	105.96	105.96	105.96	105.96
EPS	-0.01	-0.02	-0.01	-0.11	-0.01	0.01	0.01
Operating cash flow per share	-0.02	-0.05	-0.05	-0.16	0.19	0.05	0.05
Free cash flow per share	-0.04	-0.06	-0.05	0.02	0.17	0.03	0.03
Book value per share	0.27	0.32	0.35	0.16	0.14	0.14	0.14
Dividend per share			0.01		0.01	0.01	0.01
Dividend payout ratio, %			-199.9%		-75.7%	143.2%	72.2%
Dividend yield, %			2.3%		4.9%	4.9%	4.9%
FCF yield, %	-6.5%	-9.5%	-11.9%	7.1%	83.6%	13.7%	16.2%

Efficiency measures	2021	2022	2023	2024	2025E	2026E	2027E
ROE	-5.8%	-5.2%	-1.5%	-44.8%	-8.8%	4.9%	9.8%
ROCE	2.7%	4.3%	2.7%	-59.2%	-11.8%	12.0%	18.8%

Financial ratios	2021	2022	2023	2024	2025E	2026E	2027E
Inventories as % of sales	1.3%	1.6%	9.2%	6.3%	1.0%	1.0%	1.0%
Receivables as % of sales	63.8%	44.7%	60.0%	74.4%	58.7%	55.7%	53.6%
Non-int. bearing liabilities as % of sales	59.6%	37.8%	52.1%	63.9%	63.9%	63.9%	63.9%
NWC/sales, %	3.3%	6.9%	15.7%	16.8%	-4.1%	-7.1%	-9.3%
Operative CAPEX/Sales, %	5.0%	0.2%	0.3%	-19.3%	1.4%	1.6%	1.7%
CAPEX/sales (incl. acquisitions), %	5.0%	0.2%	0.3%	-19.3%	1.4%	1.6%	1.7%
FCFF/EBITDA	-1.7	-1.2	-3.3	0.4	-8.6	1.8	1.1
Net Debt/EBITDA, book-weighted	-0.6	-1.1	0.8	-0.4	5.1	-5.5	-3.6
Debt/equity, market-weighted	0.1	0.1	0.2	0.4			
Equity ratio, book-weighted	0.4	0.4	0.4	0.2	0.2	0.2	0.2
Gearing, %	-3.7%	-8.8%	3.1%	48.8%	-67.0%	-81.4%	-95.4%

COMPANY DESCRIPTION: Dovre Group is a provider of construction and development services to the renewable energy industry mainly in Finland and Sweden. The Group's parent Dovre Group Plc is domiciled in Finland and is listed on Nasdaq Helsinki (symbol DOV1V).

INVESTMENT CASE: Dovre's presence in Sweden is mainly focused on the wind power construction market, whereas its presence in Finland is more diverse as it includes also significant exposure to the local solar power construction market in addition to the ownership of Renetec, a solar-focused development company.

OWNERSHIP STRUCTURE	SHARES	EURm	%
ETRA CAPITAL OY	19 000 000	3.914	17.9 %
JOENSUUN KAUPPA JA KONE OY	11 529 891	2.375	10.9 %
KOSKELO ILARI	6 205 000	1.278	5.9 %
SKANDINAVISKA ENSKILDA BANKEN AB (PUBL) HELSINKI BRANCH	2 401 198	0.495	2.3 %
SIIK SEPPO SAKARI	2 104 015	0.433	2.0 %
K22 FINANCE OY	2 000 000	0.412	1.9 %
KAKKONEN KARI HEIKKI ILMARI	1 800 000	0.371	1.7 %
MÄKELÄ PEKKA MIKAEL	1 775 713	0.366	1.7 %
PAASI KARI	1 748 000	0.360	1.6 %
SIIK RAUNI MARJUT	1 611 185	0.332	1.5 %
Ten largest	50 175 002	10.336	47.4 %
Residual	55 784 998	11.492	52.6 %
Total	105 960 000	21.828	100%

EARNINGS CALENDAR

August 20, 2025
October 29, 2025

Q2 report
Q3 report

OTHER EVENTS

COMPANY MISCELLANEOUS

CEO: Sanna Outa-Ollila
CFO: Hans Sten
IR:

Ahventie 4 B
Tel: +358 20 436 2000

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

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Investment recommendations are defined as follows:

Target price compared to share price

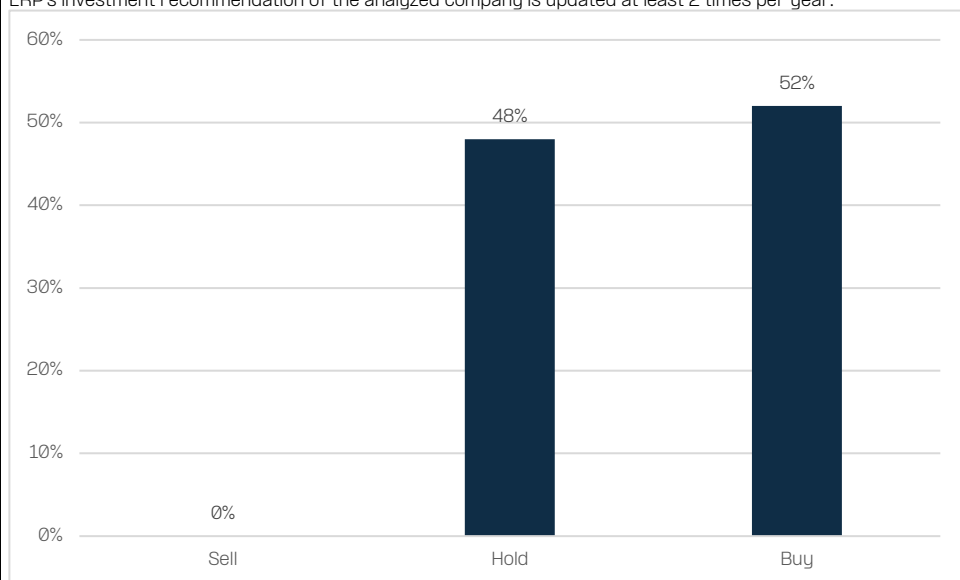
< -10 %
-10 - 0 %
0 - (+10) %
> 10 %

Recommendation

SELL
RECUDE
ACCUMULATE
BUY

ERP may temporarily suspend the rating and, if applicable, the target price to comply with regulations and/or firm policies, in which case a NOT RATED classification is used.

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 on the 23rd of October, 2024. If recommendation is not given, it is not mentioned here. As ERP is currently updating its ratings methodology, the graph will be updated in due time to reflect the changes.

Name(s) of the analyst(s): Joonas Ilvonen

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