

Looking for profitable growth

Dovre's project challenges have been extended, but Sweden and Finland should offer more opportunities for profitable growth as additional renewable energy capacity is needed.

More losses found, H2'25 results ruined

Dovre found more losses in its two Swedish wind projects to the tune of EUR 5m, on top of the EUR 18.7m already recorded for the projects last year. This was yet another hit as Q1 also suffered from losses due to a Finnish solar project. Dovre and Suvic have taken many measures to correct the problems, but the losses have been so extensive that Suvic has additional financing needs (yet Dovre's cash should still be sufficient to cover it). We thus lower our Q2 earnings estimates by EUR 5m (we previously expected a slightly positive EBIT). Q1 losses were in our view already big enough so that Dovre's FY'25 EBIT would have remained negative in any case, but now H1'25 seems so bad that we estimate the figure at EUR -7.3m. We would expect these to have been the last of the losses so that H2'25 earnings would already be modestly positive (driven especially by Q3 as it tends to be by far the most profitable quarter).

Long-term growth drivers haven't disappeared

Suvic has had big profitability challenges recently and hence hasn't been able to earn much from the increasing demand trend for renewable energy in Sweden and Finland. There should still however be opportunities, assuming Dovre manages to correct course. Sweden has long had a competitive renewable energy mix and prices, owing especially to hydro but also to wind and solar, yet the data center boom should continue to support incremental investments. Finland still lacks similarly large industrial energy demand drivers, yet solar power in particular continues to grow fast as Finnish industrial-scale solar capacity doubled over the first six months of this year.

EBIT should start to recover towards EUR 2m from H2'25

We estimate EUR 0.8m EBIT for H2 and just below EUR 2m for FY'26, assuming Dovre grows at a double-digit rate then. Dovre is valued some 7x EV/EBIT on our FY'26 estimates. This isn't arguably yet a very low multiple considering the serious recent profitability challenges, which however should be possible to correct. The valuation requires patience as even mildly positive H2 results might not yet be enough to drive upside. The multiples are nonetheless low so long as earnings recover from now on. Our new TP is EUR 0.19 (0.21) as we retain ACCUMULATE rating.

Rating

+ Accumulate



Share price, EUR (Last trading day's closing price) **0.18**
Target price, EUR 0.19

Latest change in recommendation 31-Jan-25

Latest report on company 30-Apr-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 19

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

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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%	0.03
2025E	96.7	-7.3	-7.6%	15.8	-0.06	-3.0	0.2	-2.0	82.9%	0.01
2026E	109.1	1.9	1.7%	3.1	0.01	28.9	0.1	6.6	16.2%	0.01
2027E	114.5	2.8	2.5%	3.6	0.01	13.2	0.1	3.5	19.1%	0.01

Market cap, EURm	19	Gearing 2025E, %	-65.1 %	CAGR EPS 2024-27, %	0.0 %
Net debt 2025E, EURm	-5	Price/book 2025E	2.7	CAGR Sales 2024-27, %	4.9 %
Enterprise value, EURm	15	Dividend yield 2025E, %	5.6 %	ROE 2025E, %	-54.4 %
Total assets 2025E, EURm	70	Tax rate 2025E, %	-1.9 %	ROCE 2025E, %	-43.9 %
Goodwill 2025E, EURm	4	Equity ratio 2025E, %	10.0 %	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	27.7	96.7
Renewable Energy	50.4	94.2	71.4	13.5	22.1	35.3	26.5	97.4	13.6	20.7	33.3	27.2	94.8
y/y growth		87 %	-24 %	-15 %	27 %	72 %	51 %	36 %	1 %	-6 %	-6 %	3 %	-3 %
EBIT	0.9	1.7	1.1	-5.8	0.9	1.1	-18.4	-21.8	-3.2	-4.9	0.6	0.2	-7.3
Renewable Energy	1.9	2.7	1.8	-5.7	1.1	1.4	-17.9	-21.1	-2.8	-4.9	0.6	0.2	-6.9
EBIT-%	4 %	3 %	3 %	-42 %	5 %	4 %	-68 %	-22 %	-21 %	-24 %	2 %	1 %	-7 %

Source: Evli Research

DOVRE PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			EBIT-%		
		24	25	26	24	25	26	24	25	26
AF Gruppen	1498	10.8x	8.3x	7.5x	15.1x	12.4x	10.5x	3.7 %	4.9 %	5.6 %
Kreate Group	82	6.2x	6.1x	5.4x	10.8x	10.7x	8.5x	3.2 %	3.1 %	3.6 %
Veidekke	1935	6.7x	7.4x	7.0x	11.1x	12.2x	11.2x	3.9 %	4.0 %	4.1 %
NYAB	452	9.8x	11.5x	10.0x	11.8x	13.5x	11.6x	7.3 %	6.4 %	6.9 %
NRC Group	105	10.7x	6.0x	4.9x		13.9x	9.2x	-11.6 %	2.1 %	3.0 %
Tecnicas Reunidas	1699	3.5x	5.7x	4.8x	4.1x	6.4x	5.4x	4.1 %	4.5 %	5.1 %
Primoris Services	5309	11.3x	14.0x	12.8x	15.4x	17.8x	16.1x	5.0 %	5.5 %	5.7 %
Quanta Services	49483	22.0x	22.7x	20.1x	38.0x	38.9x	31.8x	5.7 %	5.9 %	6.5 %
MasTec	12480	13.0x	14.9x	12.8x	28.8x	25.6x	20.3x	3.7 %	4.8 %	5.5 %
Soltec Power	145	7.2x			9.1x			6.0 %		
Emeren Group	82	58.3x						-0.3 %		
Peer Group Average	6661	14.5x	10.7x	9.5x	16.0x	16.8x	13.9x	2.8 %	4.6 %	5.1 %
Peer Group Median	1498	10.7x	8.3x	7.5x	11.8x	13.5x	11.2x	3.9 %	4.8 %	5.5 %
Dovre (Evli est.)	19	-1.5x	-2.3x	5.6x	-1.5x	-2.0x	6.7x	-22.0 %	-7.5 %	1.7 %

Dovre prem./disc. to peer median

Source FactSet, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	0.18 PV of Free Cash Flow	51 Long-term growth, %	2.5 % Risk-free interest rate, %	2.25 %
DCF share value	0.40 PV of Horizon value	3 WACC, %	9.2 % Market risk premium, %	5.8 %
Share price potential, %	121.8 % 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	–14 Maximum WACC, %	9.2 % Target debt ratio, %	15 %
Horizon value, %	5.0 % Value of stock	42 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	109	115	118	121	124	127	130	133	137	140
Sales growth (%)	35.1%	–2.6%	12.8%	5.0%	3.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Operating income (EBIT)	–22	–7	2	3	4	6	6	6	7	7	7	7
Operating income margin %	–22.0%	–7.6%	1.7%	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	–7	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	23	4	3	2	2	2	2	2	2	2	
NWC / Sales, %	16.8%	–6.8%	–9.7%	–11.9%	–13.2%	–14.2%	–15.2%	–16.2%	–17.2%	–18.1%	–19.1%	
+ Change in other liabs	0											
– Operative CAPEX	19	–1	–2	–2	–2	–2	–2	15	–1	–1	–6	
opCAPEX / Sales, %	–19.3%	1.5%	1.6%	1.8%	1.7%	1.7%	1.6%	–11.8%	0.8%	0.8%	4.6%	
– Acquisitions												
+ Divestments												
– Other items												
= FCFF	–8	15	4	4	5	6	6	23	4	5	0	6
= Discounted FCFF		14	3	4	3	4	4	13	2	2	0	3
= DFCF min WACC		14	3	4	3	4	4	13	2	2	0	3
= DFCF max WACC		14	3	4	3	4	4	13	2	2	0	3

Sensitivity analysis, EUR

		Terminal WACC				
		7.23 %	8.23 %	9.23 %	10.23 %	11.23 %
Terminal EBIT–%	3.00 %	0.16	0.20	0.23	0.24	0.25
	4.00 %	0.31	0.31	0.31	0.31	0.30
	5.00 %	0.45	0.42	0.40	0.38	0.36
	6.00 %	0.60	0.53	0.49	0.45	0.41
	7.00 %	0.74	0.64	0.57	0.52	0.47

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	27.7	96.7	109.1	114.5
EBITDA	-5.7	1.2	1.3	-17.9	-21.1	-2.9	-4.7	0.8	0.4	-6.5	2.1	4.0
EBITDA margin (%)	-40.4%	5.1%	3.6%	-66.3%	-21.3%	-20.7%	-22.2%	2.4%	1.4%	-6.7%	1.9%	3.5%
EBIT	-5.8	1.0	1.2	-18.2	-21.8	-3.2	-4.9	0.6	0.2	-7.3	1.9	2.8
EBIT margin (%)	-41.1%	4.2%	3.4%	-67.4%	-22.0%	-22.9%	-23.1%	1.8%	0.7%	-7.6%	1.7%	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	-5.0	0.6	0.2	-7.8	1.7	2.8
Tax							-0.1	-0.1	-0.1	-0.2	-0.3	-0.6
Tax rate (%)							-1.0%	9.1%	33.3%	-1.9%	20.0%	20.0%
Net profit	-3.0	0.1	0.4	-9.6	-12.1	-1.7	-5.1	0.4		-6.4	0.7	1.4
EPS	-0.03	0.00	0.00	-0.09	-0.11	-0.02	-0.05	0.00		-0.06	0.01	0.01
EPS adj. (diluted)	-0.03	0.00	0.00	-0.09	-0.11	-0.02	-0.05	0.00		-0.06	0.01	0.01
Dividend per share					0.03					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	27.2	94.8	107.0	112.4
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	27.7	96.7	109.1	114.5
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%	2.6%	-2.7%	12.9%	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%	2.6%	-2.6%	12.8%	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	-4.9	0.6	0.2	-6.9	1.9	2.8
Consulting	0.1	0.1	0.1	0.1	0.3	0.1	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	-4.9	0.6	0.2	-7.3	1.9	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%	-23.7%	1.8%	0.7%	-7.3%	1.8%	2.5%
Consulting	10.0%	12.5%	20.0%	20.0%	15.8%	20.0%	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%	-23.1%	1.8%	0.7%	-7.6%	1.7%	2.5%

INCOME STATEMENT, EURm	2020	2021	2022	2023	2024	2025E	2026E	2027E
Sales	77.4	50.4	94.2	73.5	99.3	96.7	109.1	114.5
<i>Sales growth (%)</i>	-6.9%	-34.9%	86.9%	-22.0%	35.1%	-2.6%	12.8%	5.0%
EBITDA	3.2	1.8	2.7	1.4	-21.1	-6.5	2.1	4.0
<i>EBITDA margin (%)</i>	4.2%	3.5%	2.9%	1.9%	-21.3%	-6.7%	1.9%	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	-7.3	1.9	2.8
Goodwill amortization / writedown								
EBIT	2.4	0.9	1.7	1.2	-21.8	-7.3	1.9	2.8
<i>EBIT margin (%)</i>	3.1%	1.8%	1.8%	1.6%	-22.0%	-7.6%	1.7%	2.5%
Reported EBIT	2.4	0.9	1.7	1.2	-21.8	-7.3	1.9	2.8
<i>EBIT margin (reported) (%)</i>	3.1%	1.8%	1.8%	1.6%	-22.0%	-7.6%	1.7%	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	-7.8	1.7	2.8
Taxes	-0.5	-1.3	-1.6	-0.3		-0.2	-0.3	-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	-6.4	0.7	1.4
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	54	58	58
Liquid funds	9	10	11	8	3	5	7	9
Total assets	44	70	82	88	92	70	78	81
Liabilities								
Shareholders' equity	24	28	34	37	17	7	7	7
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	73
Other interest-free debt	0	1	2	1	0	0	0	0
Total liabilities	44	70	82	88	92	70	78	81
CASH FLOW, EURm								
+ EBITDA	3	2	3	1	-21	-7	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	23	4	3
+/- Other		-1	-1	-1	11	2	-1	-1
= Cash flow from operations	5	-2	-6	-5	-17	17	5	6
- Capex	-5	-3	0	0	19	-1	-2	-2
- Acquisitions								
+ Divestments								
= Free cash flow	0	-5	-6	-5	2	16	3	4
+/- New issues/buybacks	0	7	8	4	-8			
- Paid dividend	1			1	3	1	1	1
+/- Other	3	0	0	-2	2	-11		
Change in cash	2	1	2	-3	-5	2	2	3

KEY FIGURES	2021	2022	2023	2024	2025E	2026E	2027E
M-cap	72	62	46	24	19	19	19
Net debt (excl. convertibles)	-1	-3	1	8	-5	-7	-9
Enterprise value	71	59	47	32	15	13	10
Sales	50	94	74	99	97	109	115
EBITDA	2	3	1	-21	-7	2	4
EBIT	1	2	1	-22	-7	2	3
Pre-tax	0	1	0	-23	-8	2	3
Earnings	-2	-2	-1	-12	-6	1	1
Equity book value (excl. minorities)	28	34	37	17	7	7	7

Valuation multiple	2021	2022	2023	2024	2025E	2026E	2027E
EV/Sales	1.4	0.6	0.6	0.3	0.2	0.1	0.1
EV/EBITDA	40.5	21.8	33.1	-1.5	-2.1	6.0	2.5
EV/EBITA	78.9	34.6	39.1	-1.5	-2.0	6.6	3.5
EV/EBIT	78.9	34.6	39.1	-1.5	-2.0	6.6	3.5
EV/OCF	-32.3	-10.4	-8.9	-1.8	0.8	2.6	1.8
EV/FCF	-23.4	-18.4	-9.9	-4.1	1.0	3.2	2.2
P/FCFR	-15.3	-10.5	-8.4	14.1	1.2	6.2	5.2
P/E	-47.9	-38.2	-86.4	-2.0	-3.0	28.9	13.2
P/BV	2.5	1.8	1.2	1.5	2.7	2.9	2.7
Target EV/EBITDA					-2.2	6.5	2.7
Target EV/EBIT					-2.1	7.1	3.9
Target EV/FCFF					1.0	4.4	3.0
Target P/BV					2.9	3.1	2.9
Target P/E, diluted		14.7	18.1	-1.2	-3.1	30.5	13.9

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	-0.06	0.01	0.01
Operating cash flow per share	-0.02	-0.05	-0.05	-0.16	0.16	0.05	0.05
Free cash flow per share	-0.04	-0.06	-0.05	0.02	0.15	0.03	0.03
Book value per share	0.27	0.32	0.35	0.16	0.07	0.06	0.07
Dividend per share			0.01	0.03	0.01	0.01	0.01
Dividend payout ratio, %			-199.9%	-26.3%	-16.6%	160.5%	73.2%
Dividend yield, %			2.3%	13.2%	5.6%	5.6%	5.6%
FCF yield, %	-6.5%	-9.5%	-11.9%	7.1%	82.9%	16.2%	19.1%

Efficiency measures	2021	2022	2023	2024	2025E	2026E	2027E
ROE	-5.8%	-5.2%	-1.5%	-44.8%	-54.4%	9.7%	21.3%
ROCE	2.7%	4.3%	2.7%	-59.2%	-43.9%	25.1%	41.4%

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%	56.0%	53.1%	50.9%
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%	-6.8%	-9.7%	-11.9%
Operative CAPEX/Sales, %	5.0%	0.2%	0.3%	-19.3%	1.5%	1.6%	1.8%
CAPEX/sales (incl. acquisitions), %	5.0%	0.2%	0.3%	-19.3%	1.5%	1.6%	1.8%
FCFF/EBITDA	-1.7	-1.2	-3.3	0.4	-2.1	1.9	1.1
Net Debt/EBITDA, book-weighted	-0.6	-1.1	0.8	-0.4	0.6	-3.1	-2.3
Debt/equity, market-weighted	0.1	0.1	0.2	0.4			
Equity ratio, book-weighted	0.4	0.4	0.4	0.2	0.1	0.1	0.1
Gearing, %	-3.7%	-8.8%	3.1%	48.8%	-65.1%	-99.7%	-131.3%

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	3.420	17.9 %
JOENSUUN KAUPPA JA KONE OY	11 529 891	2.075	10.9 %
KOSKELO ILARI	6 205 000	1.117	5.9 %
SKANDINAVISKA ENSKILDA BANKEN AB (PUBL) HELSINKI BRANCH	2 401 198	0.432	2.3 %
SIIK SEPPO SAKARI	2 104 015	0.379	2.0 %
K22 FINANCE OY	2 000 000	0.360	1.9 %
KAKKONEN KARI HEIKKI ILMARI	1 800 000	0.324	1.7 %
MÄKELÄ PEKKA MIKAEL	1 775 713	0.320	1.7 %
PAASI KARI	1 748 000	0.315	1.6 %
SIIK RAUNI MARJUT	1 611 185	0.290	1.5 %
Ten largest	50 175 002	9.032	47.4 %
Residual	55 784 998	10.041	52.6 %
Total	105 960 000	19.073	100%

EARNINGS CALENDAR

August 20, 2025
October 29, 2025

Q2 report
Q3 report

OTHER EVENTS
COMPANY MISCELLANEOUS

CEO: Sanna Outa-Ollila
CFO: Olli-Pekka Vanhanen
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

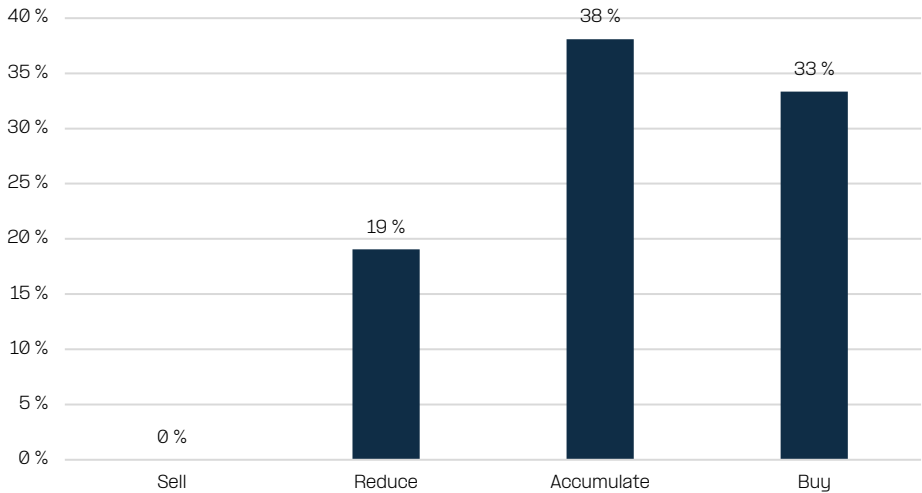
< -10 %
-10 - 0 %
0 - (+10) %
> 10 %

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 16th of May, 2025. If recommendation is not given, it is not mentioned here.

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

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