

## Q1 tailwinds

Exel Composites recorded Q1 sales and EBIT above our estimates as organic growth came in higher than we expected, while DSC also contributed more than we had projected. We make minor adjustments to our estimates. We retain our target price of EUR 5 per share. Our rating remains BUY. Exel is valued at ca. 7x EV/EBITDA '19e.

### Q1 topped our estimates due to high wind energy volumes

Exel recorded an 8% organic growth in Q1. DSC (a U.S. company acquired in Apr 2018) contributed another 18%, bringing the total top line increase to 26% y/y. Construction & Infrastructure revenues doubled due to the DSC contribution (the unit has a high wind energy exposure) and strong organic wind energy growth. European sales were stable; the growth was attributable to Rest of the World and APAC geographies. Industrial Applications revenues declined by 18% y/y as the telecommunications market continued challenging.

### Cost program helped to lift EBIT from the recent lows

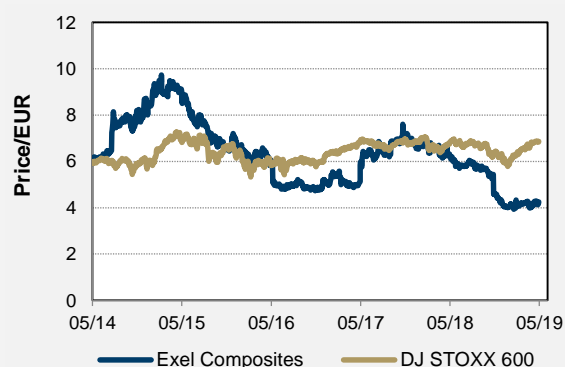
Exel recorded Q1 adj. operating margin at 7.2% (vs. 8.3% a year ago). The margin averaged 2.5% in H2'18 as the DSC acquisition diluted profitability. Exel says it managed cost savings according to its own plans, expecting DSC to reach break-even profitability during 2019. In addition to improving DSC's performance, Exel has implemented cost savings throughout the group e.g. by closing the German plant in April. Exel expects further synergy savings between the company's two Chinese production plants, both located in the city of Nanjing. The group-wide cost savings program targets EUR 3m in annual savings and the measures are expected to be fully effective in 2020.

### We make minor revisions, reiterate BUY rating and TP

Our growth and profitability estimates do not change materially. We continue to expect Exel to achieve an organic top line growth of around 7% in the coming years, and therefore gradual improvement in operating margins. Our rating remains BUY, our target price being EUR 5 per share.

## Rating

BUY



Share price, EUR (Last trading day's closing price) 4.25

Target price, EUR 5.0

Latest change in recommendation 20-Feb-19

Latest report on company 12-Apr-19

Research paid by issuer: YES

No. of shares outstanding, '000's 11,897

No. of shares fully diluted, '000's 11,897

Market cap, EURm 51

Free float, % 100

Exchange rate EUR/USD 1.15

Reuters code EXL1V.HE

Bloomberg code EXL1V FH

Average daily volume, EURm 0.1

Next interim report 23-Jul-19

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BUY HOLD SELL

## KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	Ptx profit EURm	EPS EUR	P/E (x)	EV/Sales (x)	P/CF (x)	EV/EBIT (x)	DPS EUR
2017	86	6	7.1%	5	0.35	18.6	1.0	12.9	14.2	0.30
2018	97	2	2.4%	2	0.04	95.2	0.7	-17.0	31.5	0.18
2019E	106	7	6.4%	6	0.40	10.5	0.7	6.4	11.0	0.20
2020E	113	7	6.5%	7	0.44	9.7	0.7	5.9	10.0	0.20
2021E	120	9	7.1%	8	0.52	8.1	0.6	5.3	8.3	0.25
Market cap, EURm				51	BV per share 2019E, EUR		2.4	CAGR EPS 2018-21, %		132.0
Net debt 2019E, EURm				24	Price/book 2019E		1.8	CAGR sales 2018-21, %		7.5
Enterprise value, EURm				75	Dividend yield 2019E, %		4.7	ROE 2019E, %		17.7
Total assets 2019E, EURm				79	Tax rate 2019E, %		20.0	ROCE 2019E, %		12.2
Goodwill 2019E, EURm				13	Equity ratio 2019E, %		36.1	PEG, P/E 19/CAGR		0.9

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

## Estimates summary

Exel Composites	2017	Q1/'18	Q2/'18	Q3/'18	Q4/'18	2018	Q1/'19	Q2/'19E	Q3/'19E	Q4/'19E	2019E	2020E	2021E
Industrial Applications	48.2	11.3	11.2	8.8	8.6	39.9	9.3	11.8	9.7	9.0	39.8	41.8	43.9
Construction & Infrastructure	21.3	5.6	8.6	9.8	12.9	36.9	11.3	9.5	10.3	12.7	43.8	48.1	52.9
Other Applications	16.7	4.7	5.4	4.6	5.2	19.9	6.5	5.5	4.7	5.4	22.1	22.7	23.4
<b>Revenue</b>	<b>86.3</b>	<b>21.5</b>	<b>25.2</b>	<b>23.2</b>	<b>26.7</b>	<b>96.6</b>	<b>27.1</b>	<b>26.7</b>	<b>24.7</b>	<b>27.1</b>	<b>105.6</b>	<b>112.6</b>	<b>120.2</b>
<i>change, %</i>	<i>18 %</i>	<i>6 %</i>	<i>9 %</i>	<i>13 %</i>	<i>19 %</i>	<i>12 %</i>	<i>26 %</i>	<i>6 %</i>	<i>7 %</i>	<i>1 %</i>	<i>9 %</i>	<i>7 %</i>	<i>7 %</i>
<b>Adjusted EBIT</b>	<b>6.3</b>	<b>1.8</b>	<b>2.0</b>	<b>0.5</b>	<b>0.8</b>	<b>5.0</b>	<b>2.0</b>	<b>1.7</b>	<b>1.5</b>	<b>1.7</b>	<b>6.8</b>	<b>7.4</b>	<b>8.6</b>
EBIT	6.1	1.6	1.3	0.5	-1.2	2.2	0.4						
<i>-margin, %</i>	<i>7.3 %</i>	<i>8.4 %</i>	<i>7.8 %</i>	<i>2.1 %</i>	<i>2.9 %</i>	<i>5.2 %</i>	<i>7.2 %</i>	<i>6.3 %</i>	<i>6.0 %</i>	<i>6.3 %</i>	<i>6.4 %</i>	<i>6.6 %</i>	<i>7.2 %</i>
<i>-margin (reported), %</i>	<i>7.0 %</i>	<i>7.4 %</i>	<i>5.2 %</i>	<i>2.0 %</i>	<i>-4.3 %</i>	<i>2.3 %</i>	<i>1.5 %</i>						

Source: Evli Research, Exel Composites

EXEL COMPOSITES PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			EBIT-%		
		19	20	21	19	20	21	19	20	21
Gurit Holding	446	9.2x	8.4x	8.2x	12.0x	10.8x	10.6x	9.0 %	9.9 %	9.9 %
Hexagon Composites	743	15.1x	12.3x	9.4x	23.2x	17.4x	12.3x	8.6 %	9.9 %	11.9 %
Hexcel	5412	12.5x	11.6x	11.1x	16.8x	15.4x	14.6x	17.9 %	18.4 %	18.8 %
PolyOne	1943	8.7x	8.0x	7.7x	11.3x	10.2x	9.0x	8.7 %	9.2 %	10.2 %
SGL Carbon	997	8.7x	7.4x	6.6x	18.2x	13.6x	11.3x	6.3 %	7.8 %	8.7 %
TPI Composites	793	7.9x	5.4x	4.4x	14.7x	8.2x	5.9x	4.4 %	6.4 %	7.4 %
Peer Group Average	1722	<b>10.3x</b>	<b>8.9x</b>	<b>7.9x</b>	<b>16.0x</b>	<b>12.6x</b>	<b>10.6x</b>	<b>9.1 %</b>	<b>10.3 %</b>	<b>11.1 %</b>
Peer Group Median	895	<b>8.9x</b>	<b>8.2x</b>	<b>8.0x</b>	<b>15.7x</b>	<b>12.2x</b>	<b>10.9x</b>	<b>8.6 %</b>	<b>9.5 %</b>	<b>10.0 %</b>
Exel Composites (Evli est.)	51	<b>6.9x</b>	<b>6.5x</b>	<b>5.7x</b>	<b>11.0x</b>	<b>10.0x</b>	<b>8.3x</b>	<b>6.4 %</b>	<b>6.5 %</b>	<b>7.1 %</b>
<i>Exel Composites prem./disc. to peer median</i>		<i>-23 %</i>	<i>-21 %</i>	<i>-29 %</i>	<i>-30 %</i>	<i>-18 %</i>	<i>-24 %</i>	<i>-25 %</i>	<i>-32 %</i>	<i>-29 %</i>

Source FactSet, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	4.25 PV of Free Cash Flow	39 Long-term growth, %	1.5 Risk-free interest rate, %	2.25
DCF share value	5.35 PV of Horizon value	52 WACC, %	8.5 Market risk premium, %	5.8
Share price potential, %	25.8 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %	3.3
Maximum value	6.0 Marketable securities	5 Minimum WACC, %	8.0 Equity beta coefficient	1.00
Minimum value	4.8 Debt - dividend	-32 Maximum WACC, %	9.0 Target debt ratio, %	10
Horizon value, %	57.5 Value of stock	64 Nr of shares, Mn	11.9 Effective tax rate, %	21

DCF valuation, EURm	2018	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	Horizon
Net sales	97	106	113	120	127	135	142	146	150	153	155	157
<i>Sales growth, %</i>	<i>11.9</i>	<i>9.3</i>	<i>6.6</i>	<i>6.7</i>	<i>6.0</i>	<i>6.0</i>	<i>5.0</i>	<i>3.0</i>	<i>2.5</i>	<i>2.0</i>	<i>1.5</i>	<i>1.5</i>
Operating income (EBIT)	2	7	7	9	9	9	10	10	10	11	11	11
<i>EBIT margin, %</i>	<i>2.4</i>	<i>6.4</i>	<i>6.5</i>	<i>7.1</i>	<i>7.0</i>	<i>7.0</i>	<i>7.0</i>	<i>7.0</i>	<i>7.0</i>	<i>7.0</i>	<i>7.0</i>	<i>7.0</i>
+ Depreciation+amort.	6	4	4	4	4	4	4	4	4	4	4	
- Income taxes	-2	-1	-1	-2	-2	-2	-2	-2	-2	-2	-2	
- Change in NWC	-9	-2	-1	-1	-1	-1	-1	-1	-1	-1	-1	0
<i>NWC / Sales, %</i>	<i>17.4</i>	<i>17.4</i>	<i>17.4</i>	<i>17.4</i>	<i>17.4</i>	<i>17.4</i>	<i>17.4</i>	<i>17.4</i>	<i>17.4</i>	<i>17.4</i>	<i>17.4</i>	
+ Change in other liabs	0	0	0	0	0	0	0	0	0	0	0	
- Capital Expenditure	-9	-4	-4	-4	-4	-4	-5	-5	-5	-5	-5	-5
<i>Investments / Sales, %</i>	<i>9.7</i>	<i>4.2</i>	<i>3.8</i>	<i>3.6</i>	<i>3.5</i>	<i>3.3</i>	<i>3.2</i>	<i>3.1</i>	<i>3.1</i>	<i>3.0</i>	<i>3.0</i>	<i>3.0</i>
- Other items	0	0	0	0	0	0	0	0	0	0	0	
= Unlevered Free CF (FCF)	-12	3	4	5	5	6	6	7	7	8	8	115
= Discounted FCF (DFCF)		3	4	4	4	4	4	4	4	4	4	52
= DFCF min WACC		3	4	4	4	4	4	4	4	4	4	59
= DFCF max WACC		3	4	4	4	4	4	4	4	4	3	46

## INTERIM FIGURES

EVLI ESTIMATES, EURm	2018Q1	2018Q2	2018Q3	2018Q4	2018	2019Q1	2019Q2E	2019Q3E	2019Q4E	2019E	2020E	2021E
Net sales	22	25	23	27	97	27	27	25	27	106	113	120
EBITDA	3	2	2	1	8	3	3	3	3	11	11	13
<i>EBITDA margin (%)</i>	<i>11.6</i>	<i>8.7</i>	<i>7.8</i>	<i>4.9</i>	<i>8.1</i>	<i>11.1</i>	<i>9.7</i>	<i>10.1</i>	<i>10.0</i>	<i>10.2</i>	<i>10.1</i>	<i>10.4</i>
EBIT	2	1	1	-1	2	2	2	2	2	7	7	9
<i>EBIT margin (%)</i>	<i>7.4</i>	<i>5.1</i>	<i>2.2</i>	<i>-4.1</i>	<i>2.4</i>	<i>7.4</i>	<i>6.0</i>	<i>6.1</i>	<i>6.3</i>	<i>6.4</i>	<i>6.5</i>	<i>7.1</i>
Net financial items	0	0	0	0	0	0	0	0	0	-1	-1	-1
Pre-tax profit	1	2	1	-1	2	2	1	1	2	6	7	8
Tax	0	0	0	0	-1	0	0	0	0	-1	-1	-2
<i>Tax rate (%)</i>	<i>25.0</i>	<i>33.3</i>	<i>80.0</i>	<i>-7.1</i>	<i>72.2</i>	<i>16.7</i>	<i>21.4</i>	<i>23.1</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>
Net profit	1	1	0	-1	1	2	1	1	1	5	5	6
EPS	0.08	0.08	0.01	-0.13	0.04	0.13	0.09	0.08	0.10	0.40	0.44	0.52
EPS adjusted (diluted no. of shares)	0.08	0.08	0.01	-0.13	0.04	0.13	0.09	0.08	0.10	0.40	0.44	0.52
Dividend per share	0.00	0.00	0.00	0.00	0.18	0.00	0.00	0.00	0.00	0.20	0.20	0.25
<b>SALES, EURm</b>												
Exel Composites	22	25	23	27	97	27	27	25	27	106	113	120
Total	22	25	23	27	97	27	27	25	27	106	113	120
<b>SALES GROWTH, Y/Y %</b>												
Exel Composites	5.9	9.5	13.2	18.7	11.9	26.0	5.5	6.9	1.5	9.3	6.6	6.7
Total	5.9	9.5	13.2	18.7	11.9	26.0	5.5	6.9	1.5	9.3	6.6	6.7
<b>EBIT, EURm</b>												
Exel Composites	2	1	1	-1	2	2	2	2	2	7	7	9
Total	2	1	1	-1	2	2	2	2	2	7	7	9
<b>EBIT margin, %</b>												
Exel Composites	7.4	5.1	2.2	-4.1	2.4	7.4	6.0	6.1	6.3	6.4	6.5	7.1
Total	7.4	5.1	2.2	-4.1	2.4	7.4	6.0	6.1	6.3	6.4	6.5	7.1

INCOME STATEMENT, EURm	2014	2015	2016	2017	2018	2019E	2020E	2021E
Sales	79	80	73	86	97	106	113	120
<i>Sales growth (%)</i>	<i>14.4</i>	<i>1.1</i>	<i>-8.9</i>	<i>18.1</i>	<i>11.9</i>	<i>9.3</i>	<i>6.6</i>	<i>6.7</i>
Costs	-67	-73	-69	-77	-89	-95	-101	-108
Reported EBITDA	13	7	4	9	8	11	11	13
Extraordinary items in EBITDA	0	0	0	0	0	0	0	0
<i>EBITDA margin (%)</i>	<i>15.8</i>	<i>9.1</i>	<i>5.2</i>	<i>10.8</i>	<i>8.1</i>	<i>10.2</i>	<i>10.1</i>	<i>10.4</i>
Depreciation	-3	-3	-3	-3	-5	-4	-4	-4
EBITA	9	4	1	6	2	7	7	9
Goodwill amortization / writedown	0	0	0	0	0	0	0	0
Reported EBIT	9	4	1	6	2	7	7	9
<i>EBIT margin (%)</i>	<i>11.9</i>	<i>5.5</i>	<i>0.8</i>	<i>7.1</i>	<i>2.4</i>	<i>6.4</i>	<i>6.5</i>	<i>7.1</i>
Net financials	0	0	0	-1	0	-1	-1	-1
Pre-tax profit	9	4	1	5	2	6	7	8
Extraordinary items	0	0	-2	0	0	0	0	0
Taxes	-3	-1	0	-1	-1	-1	-1	-2
Minority shares	0	0	0	0	0	0	0	0
Net profit	6	2	-1	4	1	5	5	6
<b>BALANCE SHEET, EURm</b>								
Assets								
Fixed assets	13	15	17	16	21	21	22	22
<i>% of sales</i>	<i>17</i>	<i>19</i>	<i>24</i>	<i>19</i>	<i>22</i>	<i>20</i>	<i>19</i>	<i>18</i>
Goodwill	10	10	10	13	13	13	13	13
<i>% of sales</i>	<i>12</i>	<i>12</i>	<i>13</i>	<i>16</i>	<i>13</i>	<i>12</i>	<i>11</i>	<i>11</i>
Inventory	10	10	9	12	15	17	18	19
<i>% of sales</i>	<i>13</i>	<i>12</i>	<i>12</i>	<i>14</i>	<i>16</i>	<i>16</i>	<i>16</i>	<i>16</i>
Receivables	11	12	10	15	20	22	23	25
<i>% of sales</i>	<i>14</i>	<i>14</i>	<i>14</i>	<i>17</i>	<i>21</i>	<i>21</i>	<i>21</i>	<i>21</i>
Liquid funds	8	8	7	8	5	5	6	6
<i>% of sales</i>	<i>10</i>	<i>10</i>	<i>10</i>	<i>9</i>	<i>5</i>	<i>5</i>	<i>5</i>	<i>5</i>
Total assets	52	54	54	64	75	79	82	85
Liabilities								
Equity	30	31	27	29	26	28	31	35
<i>% of sales</i>	<i>38</i>	<i>38</i>	<i>36</i>	<i>33</i>	<i>27</i>	<i>27</i>	<i>28</i>	<i>29</i>
Deferred taxes	1	1	1	0	0	0	0	0
<i>% of sales</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Interest bearing debt	6	8	14	16	30	29	28	27
<i>% of sales</i>	<i>7</i>	<i>11</i>	<i>18</i>	<i>19</i>	<i>31</i>	<i>28</i>	<i>25</i>	<i>22</i>
Non-interest bearing current liabilities	16	14	12	18	18	20	22	23
<i>% of sales</i>	<i>20</i>	<i>17</i>	<i>17</i>	<i>21</i>	<i>19</i>	<i>19</i>	<i>19</i>	<i>19</i>
Other interest free debt	0	1	1	0	0	0	0	0
<i>% of sales</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>0</i>	<i>0</i>	<i>0</i>
Total liabilities	52	54	54	64	75	79	82	85
<b>CASH FLOW, EURm</b>								
+ EBITDA	13	7	4	9	8	11	11	13
- Net financial items	0	0	0	-1	0	-1	-1	-1
- Taxes	-2	-1	0	-2	-2	-1	-1	-2
- Increase in Net Working Capital	0	-3	1	-1	-9	-2	-1	-1
+/- Other	0	0	-2	0	0	0	0	0
= Cash flow from operations	9	3	3	6	-3	7	8	9
- Capex	-5	-4	-6	-6	-9	-4	-4	-4
- Acquisitions	0	0	0	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Net cash flow	4	-2	-3	0	-12	3	4	5
+/- Change in interest-bearing debt	-7	3	5	3	13	0	-1	-2
+/- New issues/buybacks	1	1	0	-1	0	0	0	0
- Paid dividend	0	-2	-3	-1	-4	-2	-2	-2
+/- Change in loan receivables	0	0	0	0	0	0	0	0
Change in cash	-2	0	-1	1	-3	0	0	0

KEY FIGURES	2015	2016	2017	2018	2019E	2020E	2021E
M-cap	77	60	78	48	51	51	51
Net debt	1	6	9	25	24	23	21
Enterprise value	78	66	87	72	75	73	71
Sales	80	73	86	97	106	113	120
EBITDA	7	4	9	8	11	11	13
EBIT	4	1	6	2	7	7	9
Pre-tax	4	1	5	2	6	7	8
Earnings	3	0	4	1	5	5	6
Book value	31	27	29	26	28	31	35
<b>Valuation multiples</b>							
EV/sales	1.0	0.9	1.0	0.7	0.7	0.7	0.6
EV/EBITDA	10.7	17.3	9.3	9.3	6.9	6.5	5.7
EV/EBITA	17.7	109.9	14.2	31.5	11.0	10.0	8.3
EV/EBIT	17.7	109.9	14.2	31.5	11.0	10.0	8.3
EV/operating cash flow	24.1	14.6	14.3	-25.9	9.5	8.5	7.5
EV/cash earnings	13.5	18.5	12.6	12.8	8.5	7.9	6.9
P/E	27.3	164.3	18.6	95.2	10.5	9.7	8.1
P/E excl. goodwill	27.3	164.3	18.6	95.2	10.5	9.7	8.1
P/B	2.5	2.2	2.7	1.8	1.8	1.6	1.4
P/sales	1.0	0.8	0.9	0.5	0.5	0.4	0.4
P/CF	23.9	13.2	12.9	-17.0	6.4	5.9	5.3
Target EV/EBIT	0.0	0.0	0.0	0.0	12.3	11.2	9.4
Target P/E	28.9	31.4	19.7	14.1	12.4	11.4	9.5
Target P/B	0.0	0.0	0.0	0.0	2.1	1.9	1.7
<b>Per share measures</b>							
Number of shares	11,897	11,897	11,897	11,897	11,897	11,897	11,897
Number of shares (diluted)	11,897	11,897	11,897	11,897	11,897	11,897	11,897
EPS	0.24	0.03	0.35	0.04	0.40	0.44	0.52
EPS excl. goodwill	0.24	0.03	0.35	0.04	0.40	0.44	0.52
Cash EPS	0.48	0.30	0.58	0.47	0.74	0.78	0.86
Operating cash flow per share	0.27	0.38	0.51	-0.24	0.66	0.73	0.80
Capital employed per share	2.62	2.76	3.15	4.25	4.42	4.55	4.68
Book value per share	2.57	2.24	2.42	2.16	2.39	2.63	2.95
Book value excl. goodwill	1.77	1.43	1.29	1.09	1.31	1.55	1.88
Dividend per share	0.22	0.10	0.30	0.18	0.20	0.20	0.25
Dividend payout ratio, %	92.5	327.2	85.0	428.3	49.6	45.4	47.6
Dividend yield, %	3.4	2.0	4.6	4.5	4.7	4.7	5.9
<b>Efficiency measures</b>							
ROE	9.4	1.3	15.2	1.8	17.7	17.6	18.8
ROCE	12.1	1.8	14.6	4.8	12.2	12.7	14.3
<b>Financial ratios</b>							
Capex/sales, %	5.6	7.8	6.9	9.7	4.2	3.8	3.6
Capex/depreciation excl. goodwill,%	156.6	177.6	66.8	183.2	109.8	107.6	108.2
Net debt/EBITDA, book-weighted	0.1	1.6	0.9	3.2	2.2	2.0	1.6
Debt/equity, market-weighted	0.1	0.2	0.2	0.6	0.6	0.6	0.5
Equity ratio, book-weighted	56.7	49.5	44.7	34.5	36.1	38.2	41.1
Gearing	0.02	0.23	0.30	0.96	0.85	0.73	0.59
Number of employees, average	498	479	532	647	647	647	647
Sales per employee, EUR	161,044	152,610	162,218	149,304	163,215	173,987	185,644
EBIT per employee, EUR	8,835	1,253	11,466	3,555	10,510	11,309	13,181

COMPANY DESCRIPTION: Exel Composites designs, manufactures and markets composite profiles and tubes for industrial applications.

INVESTMENT CASE:

OWNERSHIP STRUCTURE	SHARES	EURm	%
Nordea Bank ABP (Nom. reg.)	2,082,507	8.851	17.5%
Skandinaviska Enskilda Banken AB (Nom. reg.)	1,389,274	5.904	11.7%
Sijoitusrahasto Taaleritehdas Mikro Markka	650,000	2.762	5.5%
OP-Finland Small Firms Fund	498,259	2.118	4.2%
OP-Finland Value Fund	417,449	1.774	3.5%
Phoebus Fund	290,000	1.233	2.4%
Danske Invest Finnish Institutional Equity Fund	265,000	1.126	2.2%
Ilmarinen Mutual Pension Insurance Company	242,733	1.032	2.0%
Matti Suutarinen	231,821	0.985	1.9%
Nelimarkka Heikki Antero	230,495	0.980	1.9%
Ten largest	6,297,538	26.765	53%
Residual	5,599,305	23.797	47%
Total	11,896,843	50.562	100%

#### EARNINGS CALENDAR

July 23, 2019

Q2 report

October 30, 2019

Q3 report

#### OTHER EVENTS

#### COMPANY MISCELLANEOUS

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CFO: Mikko Kettunen

Tel: +358 20 7541 200

IR: Noora Koikkalainen

## DEFINITIONS

P/E	$\frac{\text{Price per share}}{\text{Earnings per share}}$	EPS	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes} + \text{minority interest}}{\text{Number of shares}}$
P/Sales	$\frac{\text{Market cap}}{\text{Sales}}$	DPS	Dividend for the financial period per share
P/BV	$\frac{\text{Price per share}}{\text{Shareholders' equity} + \text{taxed provisions per share}}$	CEPS	$\frac{\text{Gross cash flow from operations}}{\text{Number of shares}}$
P/CF	$\frac{\text{Price per share}}{\text{Operating cash flow per share}}$	EV/Share	$\frac{\text{Enterprise value}}{\text{Number of shares}}$
EV (Enterprise value)	Market cap + net debt + minority interest at market value – share of associated companies at market value	Sales/Share	$\frac{\text{Sales}}{\text{Number of shares}}$
Net debt	Interest bearing debt – financial assets	EBITDA/Share	$\frac{\text{Earnings before interest, tax, depreciation and amortisation}}{\text{Number of shares}}$
EV/Sales	$\frac{\text{Enterprise value}}{\text{Sales}}$	EBIT/Share	$\frac{\text{Operating profit}}{\text{Number of shares}}$
EV/EBITDA	$\frac{\text{Enterprise value}}{\text{Earnings before interest, tax, depreciation and amortisation}}$	EAFI/Share	$\frac{\text{Pretax profit}}{\text{Number of shares}}$
EV/EBIT	$\frac{\text{Enterprise value}}{\text{Operating profit}}$	Capital employed/Share	$\frac{\text{Total assets} - \text{non interest bearing debt}}{\text{Number of shares}}$
Div yield, %	$\frac{\text{Dividend per share}}{\text{Price per share}}$	Total assets	Balance sheet total
Payout ratio, %	$\frac{\text{Total dividends}}{\text{Earnings before extraordinary items and taxes} - \text{income taxes} + \text{minority interest}}$	Interest coverage (x)	$\frac{\text{Operating profit}}{\text{Financial items}}$
Net cash/Share	$\frac{\text{Financial assets} - \text{interest bearing debt}}{\text{Number of shares}}$	Asset turnover (x)	$\frac{\text{Turnover}}{\text{Balance sheet total (average)}}$
ROA, %	$\frac{\text{Operating profit} + \text{financial income} + \text{extraordinary items}}{\text{Balance sheet total} - \text{interest free short term debt} - \text{long term advances received and accounts payable (average)}}$	Debt/Equity, %	$\frac{\text{Interest bearing debt}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}$
ROCE, %	$\frac{\text{Profit before extraordinary items} + \text{interest expenses} + \text{other financial costs}}{\text{Balance sheet total} - \text{non interest bearing debt (average)}}$	Equity ratio, %	$\frac{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}{\text{Total assets} - \text{interest free loans}}$
ROE, %	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions (average)}}$	CAGR, %	Cumulative annual growth rate = Average growth per year



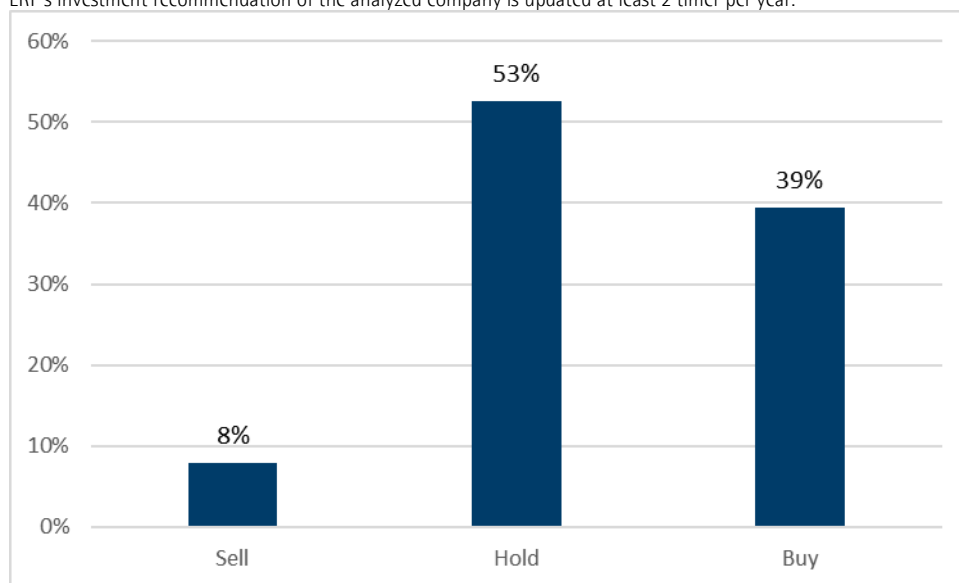
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Investment recommendations are defined as follows:

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

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

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