

Sharp appreciation is justified

Exel beat estimates; we see the share is still not expensive all considered. Our TP is now EUR 10.0 (7.25), rating BUY.

Broad positive development continued

Exel recorded EUR 27.5m in Q4 revenue, up 4% y/y. The figure was a bit above the EUR 27.2m/26.5m Evli/cons. estimates. Wind power's order timings meant the segment's EUR 6.6m top line, down 6% y/y, didn't meet our EUR 8.9m estimate. Relative strength in other segments nevertheless helped to make up. Buildings and infrastructure developed especially strong and Exel continues to see potential in the segment due to e.g. cable core rods. The segment's EUR 7.0m Q4 revenue (up 22% y/y) was way above our EUR 5.1m estimate. Favorable mix and further efficiency gains helped Exel to EUR 2.7m EBIT in Q4 vs the EUR 2.2m/1.8m Evli/cons. estimates. Operating margin was thus again in line with the above 10% long-term target. Order intake also grew by 6% y/y, which indicates brisk start for the year and is notable considering the high comparison figure.

We estimate EBIT at EUR 10.7m this year

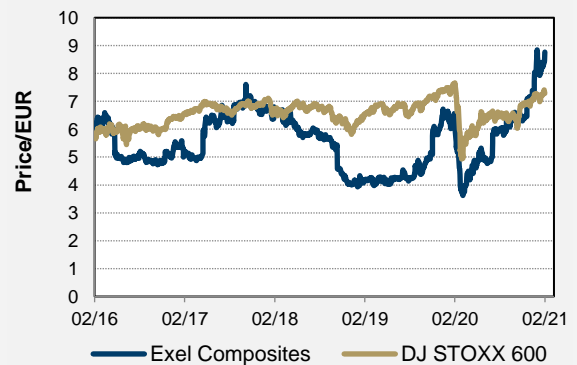
Exel is positioned for 5-6% top line growth in the coming years. There are now other segments rising with Wind power. Wind however remains important and we see no reason why it wouldn't contribute growth also this year. Global wind capacity grows by big numbers and we expect the Exel segment to post double-digit growth also in FY '21 (up 19% in FY '20). The Austrian plant is up and ready to serve European accounts across many segments, perhaps with a tilt towards Machinery and electrical, a segment we understand has relatively high gross margins. Exel already achieved high operating margin last year, and we estimate good potential for further gains. Since the EUR 8.5m Austrian investment has now been completed we see a solid organic growth outlook with relatively low EUR 5m annual capex levels. We make only small adjustments to our estimates.

Valuation is still not demanding all things considered

Exel is valued at ca. 8x EV/EBITDA and 12x EV/EBIT on our FY '21 estimates. In our opinion Exel is making solid progress towards long-term targets; we see the company reaching an annual 10% EBIT margin already in FY '22. This achievement would help the respective earnings multiples to decrease to around 7x and 10x levels next year. Our TP is now EUR 10.0 (7.25), retain BUY rating.

Rating

BUY


 Share price, EUR (Last trading day's closing price) **8.76**

 Target price, EUR **10.0**

Latest change in recommendation	19-Feb-20
Latest report on company	02-Nov-20
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	104
Free float, %	100.0
Exchange rate EUR/USD	1.21
Reuters code	EXL1V.HE
Bloomberg code	EXL1V FH
Average daily volume, EURm	0.1
Next interim report	30-Apr-21
Web site	www.exelcomposites.com

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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
2019	103.8	5.1	4.9%	0.7	0.20	32.5	1.0	21.0	0.9	0.18
2020	108.6	9.4	8.7%	0.5	0.45	16.4	1.1	12.5	0.5	0.20
2021E	116.0	10.7	9.2%	6.4	0.63	13.9	1.1	12.2	6.2	0.25
2022E	123.0	12.3	10.0%	7.7	0.75	11.7	1.0	10.2	7.4	0.30
2023E	129.1	12.9	10.0%	8.4	0.80	11.0	0.9	9.4	8.0	0.30
Market cap, EURm	104			Gearing 2021E, %	77.0			CAGR EPS 2020-23, %	21.0	
Net debt 2021E, EURm	26			Price/book 2021E	3.1			CAGR sales 2020-23, %	5.9	
Enterprise value, EURm	130			Dividend yield 2021E, %	2.9			ROE 2021E, %	24.0	
Total assets 2021E, EURm	100			Tax rate 2021E, %	21.0			ROCE 2021E, %	15.2	
Goodwill 2021E, EURm	13			Equity ratio 2021E, %	33.7			PEG, P/E 21/CAGR	1.3	

Estimates and peer group multiples

Exel Composites	2019	Q1/'20	Q2/'20	Q3/'20	Q4/'20	2020	Q1/'20E	Q2/'20E	Q3/'20E	Q4/'20E	2021E
Buildings and infrastructure	23.5	6.2	5.3	4.9	7.0	23.5	6.9	5.7	5.2	7.3	25.1
Equipment and other industries	18.6	6.1	4.0	4.3	5.1	19.5	6.0	4.1	4.4	5.2	19.7
Wind power	23.6	5.8	7.9	7.8	6.6	28.1	7.5	8.3	8.0	7.6	31.4
Machinery and electrical	14.4	3.8	4.8	3.3	3.7	15.5	4.0	4.7	4.0	3.9	16.6
Transportation	13.1	3.4	2.8	2.2	1.9	10.2	2.6	2.9	2.4	2.1	10.0
Defense	2.3	1.3	0.8	1.9	1.4	5.3	1.5	1.3	2.1	1.5	6.4
Telecommunications	8.2	1.2	1.7	1.7	1.8	6.5	1.5	1.8	1.8	1.7	6.8
Revenue	103.8	27.8	27.2	26.0	27.5	108.6	30.0	28.8	27.9	29.3	116.0
<i>y/y change, %</i>	<i>7 %</i>	<i>3 %</i>	<i>3 %</i>	<i>10 %</i>	<i>3 %</i>	<i>5 %</i>	<i>8 %</i>	<i>6 %</i>	<i>7 %</i>	<i>7 %</i>	<i>7 %</i>
Adjusted EBIT	7.2	2.1	2.9	2.0	2.7	9.7	2.4	3.0	2.4	2.9	10.7
EBIT	5.1	1.9	2.8	2.0	2.7	9.4					
<i>-margin, %</i>	<i>6.9 %</i>	<i>7.5 %</i>	<i>10.6 %</i>	<i>7.8 %</i>	<i>9.9 %</i>	<i>8.9 %</i>	<i>8.0 %</i>	<i>10.4 %</i>	<i>8.6 %</i>	<i>9.9 %</i>	<i>9.2 %</i>
<i>-margin (reported), %</i>	<i>4.9 %</i>	<i>6.7 %</i>	<i>10.2 %</i>	<i>7.8 %</i>	<i>9.9 %</i>	<i>8.7 %</i>					

Source: Evli Research

EXEL COMPOSITES PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			EBIT-%		
		20	21	22	20	21	22	20	21	22
Gurit Holding	1112	15.9x	15.5x	15.6x	20.0x	19.3x	19.6x	10.4 %	10.5 %	10.5 %
Hexagon Composites	1113	32.6x	68.7x	39.7x			126.0x		-0.8 %	2.0 %
Hexcel	3483	27.2x	25.6x	15.6x	352.0x	93.3x	27.4x	0.9 %	4.0 %	11.3 %
Avient	3265	13.0x	10.4x	9.6x	18.9x	14.4x	13.3x	8.1 %	8.8 %	9.2 %
SGL Carbon	839	9.1x	11.1x	9.1x	155.9x	44.2x	22.9x	0.5 %	2.5 %	4.7 %
TPI Composites	1988	23.1x	17.6x	14.6x	77.4x	29.9x	22.9x	1.7 %	5.0 %	5.9 %
Peer Group Average	1967	20.2x	24.8x	17.4x	124.8x	40.2x	38.7x	4.3 %	5.0 %	7.3 %
Peer Group Median	1551	19.5x	16.5x	15.1x	77.4x	29.9x	22.9x	1.7 %	4.5 %	7.5 %
Exel Composites (Evli est.)	104	7.7x	7.8x	7.0x	12.5x	12.2x	10.2x	8.7 %	9.2 %	10.0 %
<i>Exel Composites prem./disc. to peer median</i>		<i>-60 %</i>	<i>-53 %</i>	<i>-54 %</i>	<i>-84 %</i>	<i>-59 %</i>	<i>-55 %</i>	<i>411 %</i>	<i>105 %</i>	<i>33 %</i>

Source FactSet, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	8.76 PV of Free Cash Flow	71 Long-term growth, %	1.5 Risk-free interest rate, %	2.25
DCF share value	10.22 PV of Horizon value	81 WACC, %	8.5 Market risk premium, %	5.8
Share price potential, %	16.7 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %	3.3
Maximum value	11.2 Marketable securities	12 Minimum WACC, %	8.0 Equity beta coefficient	1.00
Minimum value	9.4 Debt - dividend	-42 Maximum WACC, %	9.0 Target debt ratio, %	10
Horizon value, %	53.3 Value of stock	122 Nr of shares, Mn	11.9 Effective tax rate, %	21

DCF valuation, EURm	2020	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	Horizon
Net sales	109	116	123	129	136	140	143	146	149	152	154	156
<i>Sales growth, %</i>	<i>4.6</i>	<i>6.8</i>	<i>6.0</i>	<i>5.0</i>	<i>5.0</i>	<i>3.0</i>	<i>2.5</i>	<i>2.0</i>	<i>2.0</i>	<i>2.0</i>	<i>1.5</i>	<i>1.5</i>
Operating income (EBIT)	9	11	12	13	14	14	14	15	15	16	16	16
<i>Operating income margin, %</i>	<i>8.7</i>	<i>9.2</i>	<i>10.0</i>	<i>10.0</i>	<i>10.0</i>	<i>10.0</i>	<i>10.0</i>	<i>10.0</i>	<i>10.0</i>	<i>10.5</i>	<i>10.5</i>	<i>10.5</i>
+ Depreciation+amort.	6	6	6	6	6	6	6	5	5	5	5	
EBITDA	15	17	18	19	19	20	20	20	20	21	22	
- Paid taxes	-3	-2	-3	-3	-3	-3	-3	-3	-3	-3	-3	
- Change in NWC	3	-1	-1	-1	-1	0	0	0	0	0	0	
<i>NWC / Sales, %</i>	<i>11.2</i>	<i>11.2</i>	<i>11.3</i>	<i>11.3</i>	<i>11.4</i>	<i>11.4</i>	<i>11.4</i>	<i>11.4</i>	<i>11.4</i>	<i>11.5</i>	<i>11.5</i>	
+ Change in other liabs	0	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	-13	-5	-5	-5	-5	-5	-5	-5	-5	-5	-5	
<i>opCAPEX / Sales, %</i>	<i>11.9</i>	<i>5.3</i>	<i>4.8</i>	<i>4.7</i>	<i>4.5</i>	<i>4.4</i>	<i>4.4</i>	<i>3.9</i>	<i>3.9</i>	<i>3.9</i>	<i>3.8</i>	
- Acquisitions	0	0	0	0	0	0	0	0	0	0	0	
+ Divestments	0	0	0	0	0	0	0	0	0	0	0	
- Other items	0	0	0	0	0	0	0	0	0	0	0	
= FCFF	2	9	10	10	11	11	12	11	11	12	13	181
= Discounted FCFF		8	8	8	8	8	7	6	6	6	6	81
= DFCF min WACC		8	8	8	8	8	7	7	6	6	6	91
= DFCF max WACC		8	8	8	8	7	7	6	6	6	5	72

INTERIM FIGURES

EVLI ESTIMATES, EURm	2020Q1	2020Q2	2020Q3	2020Q4	2020	2021Q1E	2021Q2E	2021Q3E	2021Q4E	2021E	2022E	2023E
Net sales	27.8	27.2	26.1	27.5	108.6	30.0	28.8	27.9	29.3	116.0	123.0	129.1
EBITDA	3.4	4.3	3.5	4.1	15.3	3.9	4.5	3.9	4.4	16.7	17.9	18.5
<i>EBITDA margin (%)</i>	<i>12.1</i>	<i>15.8</i>	<i>13.5</i>	<i>14.8</i>	<i>14.0</i>	<i>13.0</i>	<i>15.6</i>	<i>14.0</i>	<i>15.0</i>	<i>14.4</i>	<i>14.6</i>	<i>14.4</i>
EBIT	1.9	2.8	2.0	2.7	9.4	2.4	3.0	2.4	2.9	10.7	12.3	12.9
<i>EBIT margin (%)</i>	<i>6.7</i>	<i>10.3</i>	<i>7.8</i>	<i>9.9</i>	<i>8.7</i>	<i>8.0</i>	<i>10.4</i>	<i>8.6</i>	<i>9.9</i>	<i>9.2</i>	<i>10.0</i>	<i>10.0</i>
Net financial items	-0.6	0.2	-0.7	-1.2	-2.3	-0.3	-0.3	-0.3	-0.3	-1.2	-1.1	-0.9
Pre-tax profit	1.3	2.9	1.3	1.5	7.1	2.1	2.7	2.1	2.6	9.5	11.2	12.0
Tax	-0.6	-0.4	-0.2	-0.4	-1.7	-0.4	-0.6	-0.4	-0.5	-2.0	-2.4	-2.5
<i>Tax rate (%)</i>	<i>49.4</i>	<i>15.3</i>	<i>15.1</i>	<i>29.7</i>	<i>24.6</i>	<i>21.0</i>	<i>21.0</i>	<i>21.0</i>	<i>21.0</i>	<i>21.0</i>	<i>21.0</i>	<i>21.0</i>
Net profit	0.7	2.5	1.1	1.1	5.4	1.7	2.1	1.7	2.1	7.5	8.9	9.5
EPS	0.06	0.21	0.09	0.09	0.45	0.14	0.18	0.14	0.17	0.63	0.75	0.80
EPS adjusted (diluted no. of shares)	0.06	0.21	0.09	0.09	0.45	0.14	0.18	0.14	0.17	0.63	0.75	0.80
Dividend per share	0.00	0.00	0.00	0.00	0.20	0.00	0.00	0.00	0.00	0.25	0.30	0.30
SALES, EURm												
Exel Composites	27.8	27.2	26.1	27.5	108.6	30.0	28.8	27.9	29.3	116.0	123.0	129.1
Total	27.8	27.2	26.1	27.5	108.6	30.0	28.8	27.9	29.3	116.0	123.0	129.1
SALES GROWTH, Y/Y %												
Exel Composites	2.6	2.6	10.5	3.4	4.6	7.9	5.9	6.9	6.5	6.8	6.0	5.0
Total	2.6	2.6	10.5	3.4	4.6	7.9	5.9	6.9	6.5	6.8	6.0	5.0
EBIT, EURm												
Exel Composites	1.9	2.8	2.0	2.7	9.4	2.4	3.0	2.4	2.9	10.7	12.3	12.9
Total	1.9	2.8	2.0	2.7	9.4	2.4	3.0	2.4	2.9	10.7	12.3	12.9
EBIT margin, %												
Exel Composites	6.7	10.3	7.8	9.9	8.7	8.0	10.4	8.6	9.9	9.2	10.0	10.0
Total	6.7	10.3	7.8	9.9	8.7	8.0	10.4	8.6	9.9	9.2	10.0	10.0

INCOME STATEMENT, EURm	2016	2017	2018	2019	2020	2021E	2022E	2023E
Sales	73.1	86.3	96.6	103.8	108.6	116.0	123.0	129.1
<i>Sales growth (%)</i>	<i>-8.9</i>	<i>18.1</i>	<i>11.9</i>	<i>7.5</i>	<i>4.6</i>	<i>6.8</i>	<i>6.0</i>	<i>5.0</i>
EBITDA	3.8	9.3	7.7	10.7	15.3	16.7	17.9	18.5
<i>EBITDA margin (%)</i>	<i>5.2</i>	<i>10.8</i>	<i>8.0</i>	<i>10.3</i>	<i>14.0</i>	<i>14.4</i>	<i>14.6</i>	<i>14.4</i>
Depreciation	-3.2	-3.2	-5.5	-5.6	-5.8	-6.0	-5.6	-5.6
EBITA	0.6	6.1	2.2	5.1	9.4	10.7	12.3	12.9
Goodwill amortization / writedown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	0.6	6.1	2.2	5.1	9.4	10.7	12.3	12.9
<i>EBIT margin (%)</i>	<i>0.8</i>	<i>7.1</i>	<i>2.3</i>	<i>4.9</i>	<i>8.7</i>	<i>9.2</i>	<i>10.0</i>	<i>10.0</i>
Reported EBIT	-1.2	6.1	2.2	5.1	9.4	10.7	12.3	12.9
<i>EBIT margin (reported) (%)</i>	<i>-1.6</i>	<i>7.1</i>	<i>2.3</i>	<i>4.9</i>	<i>8.7</i>	<i>9.2</i>	<i>10.0</i>	<i>10.0</i>
Net financials	-0.1	-0.7	-0.5	-1.2	-2.3	-1.2	-1.1	-0.9
Pre-tax profit	0.5	5.4	1.7	3.9	7.1	9.5	11.2	12.0
Taxes	-0.2	-1.2	-1.3	-1.5	-1.7	-2.0	-2.4	-2.5
Minority shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	-1.4	4.2	0.4	2.4	5.4	7.5	8.9	9.5
Cash NRIs	-1.8	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	17	16	21	23	30	30	30	30
Goodwill	10	13	13	13	13	13	13	13
Right of use assets	0	0	5	5	3	3	4	4
Inventory	9	12	15	17	16	17	18	19
Receivables	10	15	20	20	21	22	24	25
Liquid funds	7	8	5	7	12	13	14	14
Total assets	54	64	79	85	97	100	104	107
Liabilities								
Shareholder's equity	27	29	26	26	29	34	40	46
Minority interest	0	0	0	0	0	0	0	0
Convertibles	0	0	0	0	0	0	0	0
Lease liabilities	0	0	3	4	2	3	4	4
Deferred taxes	1	0	0	0	0	0	0	0
Interest bearing debt	14	16	30	32	40	35	31	27
Non-interest bearing current liabilities	12	18	18	21	24	25	27	28
Other interest-free debt	1	0	2	2	2	2	2	2
Total liabilities	54	64	79	85	97	100	104	107
CASH FLOW, EURm								
+ EBITDA	4	9	8	11	15	17	18	19
- Net financial items	0	-1	0	-1	-2	-1	-1	-1
- Taxes	0	-1	-2	-2	-2	-2	-2	-3
- Increase in Net Working Capital	1	-3	-4	1	3	-1	-1	-1
+/- Other	-1	1	0	0	0	0	0	0
= Cash flow from operations	3	5	1	8	13	13	14	14
- Capex	-3	-3	-10	-8	-13	-6	-6	-6
- Acquisitions	0	0	0	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Free cash flow	0	1	-9	1	0	6	8	8
+/- New issues/buybacks	0	-1	0	0	-1	0	0	0
- Paid dividend	-3	-1	-4	-2	-2	-2	-3	-4
+/- Other	2	1	9	3	7	-3	-4	-4
Change in cash	-1	0	-3	2	5	1	1	1

KEY FIGURES	2017	2018	2019	2020	2021E	2022E	2023E
M-cap	78	48	78	88	104	104	104
Net debt (excl. convertibles)	9	28	29	30	26	21	17
Enterprise value	87	76	107	118	130	126	121
Sales	86	97	104	109	116	123	129
EBITDA	9	8	11	15	17	18	19
EBIT	6	2	5	9	11	12	13
Pre-tax	5	2	4	7	10	11	12
Earnings	4	0	2	5	8	9	9
Equity book value (excl. minorities)	29	26	26	29	34	40	46
Valuation multiples							
EV/sales	1.0	0.8	1.0	1.1	1.1	1.0	0.9
EV/EBITDA	9.3	9.9	10.0	7.7	7.8	7.0	6.5
EV/EBITA	14.2	34.5	21.0	12.5	12.2	10.2	9.4
EV/EBIT	14.2	34.5	21.0	12.5	12.2	10.2	9.4
EV/OCF	17.7	84.3	12.9	8.8	10.3	9.2	8.4
EV/FCFF	-28.4	-6.6	32.5	53.3	14.8	13.0	11.9
P/FCFE	55.8	-5.5	110.9	185.6	16.2	13.5	12.5
P/E	18.6	119.0	32.5	16.4	13.9	11.7	11.0
P/B	2.7	1.8	3.0	3.1	3.1	2.6	2.3
Target EV/EBITDA	0.0	0.0	0.0	0.0	8.7	7.8	7.3
Target EV/EBIT	0.0	0.0	0.0	0.0	13.6	11.4	10.5
Target EV/FCF	0.0	0.0	0.0	0.0	22.6	18.2	16.2
Target P/B	0.0	0.0	0.0	0.0	3.5	3.0	2.6
Target P/E	0.0	0.0	0.0	0.0	15.9	13.4	12.6
Per share measures							
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	0.35	0.03	0.20	0.45	0.63	0.75	0.80
Operating cash flow per share	0.41	0.08	0.70	1.12	1.06	1.15	1.21
Free cash flow per share	0.12	-0.73	0.06	0.04	0.54	0.65	0.70
Book value per share	2.42	2.16	2.21	2.41	2.85	3.34	3.84
Dividend per share	0.30	0.18	0.18	0.20	0.25	0.30	0.30
Dividend payout ratio, %	85.0	535.4	89.2	44.5	39.6	40.2	37.7
Dividend yield, %	4.6	4.5	2.7	2.3	2.9	3.4	3.4
FCF yield, %	1.8	-18.3	0.9	0.5	6.2	7.4	8.0
Efficiency measures							
ROE	15.2	1.5	9.2	19.4	24.0	24.1	22.2
ROCE	14.6	4.5	8.6	14.3	15.2	16.9	17.3
Financial ratios							
Inventories as % of sales	13.5	15.7	16.3	14.9	14.9	14.9	14.9
Receivables as % of sales	17.1	20.8	19.2	19.2	19.2	19.2	19.2
Non-interest bearing liabilities as % of sales	21.4	19.2	20.2	22.0	22.0	22.0	22.0
NWC/sales, %	9.3	16.1	14.1	11.2	11.2	11.3	11.3
Operative CAPEX/sales, %	4.1	9.9	7.3	11.9	5.3	4.8	4.7
CAPEX/sales (incl. acquisitions), %	4.1	9.9	7.3	11.9	5.3	4.8	4.7
FCFF/EBITDA	-0.3	-1.5	0.3	0.1	0.5	0.5	0.5
Net debt/EBITDA, book-weighted	0.9	3.7	2.7	2.0	1.6	1.2	0.9
Debt/equity, market-weighted	0.2	0.6	0.4	0.5	0.3	0.3	0.3
Equity ratio, book-weighted	44.7	32.5	30.8	29.7	33.7	38.3	42.7
Gearing, %	30.3	109.9	110.2	104.7	77.0	53.7	36.3

COMPANY DESCRIPTION: Exel Composites manufactures composites profiles for various demanding, mainly industrial end-use, applications. Exel's customer base includes companies operating in industries such as wind energy, transportation and telecommunications. Exel Composites is one of the largest manufacturers of pultruded composites profiles globally and currently operates eight manufacturing plants on three continents.

INVESTMENT CASE: Our positive view is based on good long-term composites demand outlook, coupled with the fact that Exel Composites' current manufacturing footprint could support annual revenue in the EUR 150m ballpark i.e. there's still plenty of room to improve delivery volumes. Exel's rather high fixed cost base translates to meaningful operating leverage, and thus higher revenues should lead to improving operating margins. The company is also progressing well with its cost savings program. Operating profit could further significantly improve if good execution continues. Recently the wind energy sector has provided great lift for volumes; other attractive applications include e.g. transportation industry profiles.

OWNERSHIP STRUCTURE	SHARES	EURm	%
Skandinaviska Enskilda Banken AB	1,409,534	12.348	11.8%
Nordea Bank ABP	1,077,310	9.437	9.1%
Sijoitusrahasto Taaleritehdas Mikro Markka	800,000	7.008	6.7%
OP-Finland Small Firms Fund	598,259	5.241	5.0%
Danske Invest Finnish Equity Fund	546,650	4.789	4.6%
Op-Suomi Mikroyhtiöt -Erikoissijoitusrahasto	438,119	3.838	3.7%
Phoebus Fund	311,348	2.727	2.6%
Säästöpankki Pienyhtiöt	288,710	2.529	2.4%
Nelimarkka Heikki Antero	242,836	2.127	2.0%
Ilmarinen Mutual Pension Insurance	242,733	2.126	2.0%
Ten largest	5,955,499	52.170	50%
Residual	5,941,344	52.046	50%
Total	11,896,843	104.216	100%

EARNINGS CALENDAR

April 30, 2021	Q1 report
July 20, 2021	Q2 report
November 04, 2021	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	$\frac{\text{Profit before extraord. items and taxes} - \text{income taxes} + \text{minority interest}}{\text{Number of shares}}$
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, %	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholder's equity} + \text{minority interest} + \text{taxed provisions (average)}}$		

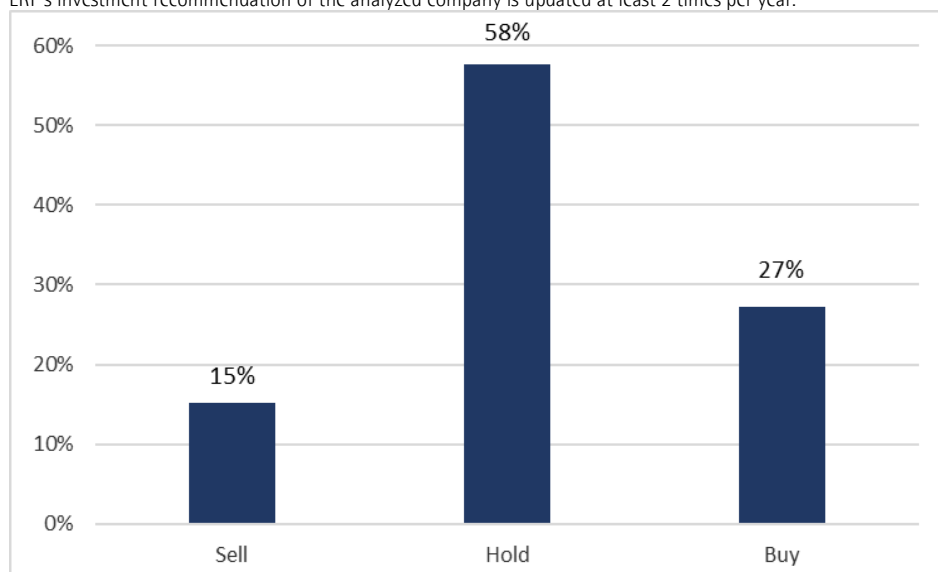
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Investment recommendations are defined as follows:

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

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 in 11th of May 2020. If recommendation is not given, it is not mentioned here.

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

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