

Long-term EBIT trajectory intact

Exel's Q4 EBIT was soft relative to estimates, yet demand doesn't seem to abate and in our view the US unit should, sooner or later, again reach the required performance level. Long-term earnings potential therefore remains significant.

The EUR 1.0m Q4 adj. EBIT was soft relative to estimates

Q4 revenue grew 33% y/y to EUR 36.5m vs the EUR 32.0m/31.8m Evli/cons. estimates. Buildings and infrastructure grew to be the largest industry and the fact highlights how there are many industries besides Wind power driving growth. Order intake was moderated due to the difficulties in the US and inflation had some negative impact on Q4 EBIT, but Exel continues to lift its own pricing and hence raw material price increases are not a major issue, at least not in the long-term perspective. We gather Exel's raw material inflation pace slowed down somewhat late last year, which is not surprising considering the rate seen earlier during the year. That said, raw material prices don't seem to be declining either and so the environment can still cause some short-term drag on EBIT. We estimate most of the EUR 0.9m q/q profitability improvement was attributable to the US unit.

We still estimate meaningful growth for this year

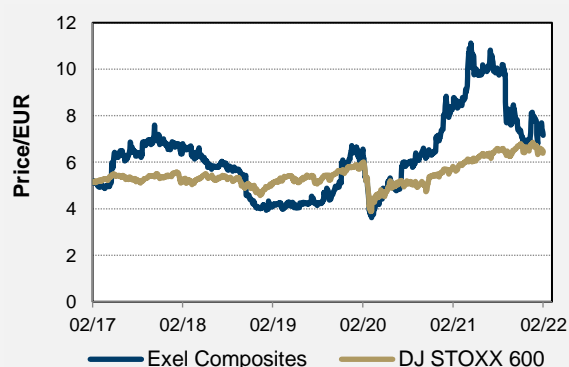
The US labor situation remains extraordinarily challenging and thus it will take at least some additional quarters before Exel again reaches the high single-digit EBIT margins it used to enjoy before the problems in the US materialized. Exel is doing the best they can to hire and retain local employees. Meanwhile demand appears to remain very strong across basically all geographies and customer industries. We revise our FY '22 revenue estimate to EUR 150.7m (prev. EUR 146.8m), while our new EBIT estimate for this year is EUR 10.6m (prev. EUR 12.0m).

Long-term earnings potential continues to stand out

We believe Exel should have no trouble hitting EUR 150m top line especially when the US unit continues to progress. Exel has previously been able to reach 10% EBIT on a quarterly level (long-term target is above 10%). We expect FY '22 results to still fall a lot short of the implied EUR 15m mark, and hence long-term upside remains significant. Exel is valued around 5.5-7.0x EV/EBITDA and 8.0-11.0x EV/EBIT on our FY '22-23 estimates. Uncertainty around the US limits upside in the short-term and we thus revise our TP to EUR 9 (10). We retain our BUY rating.

Rating

BUY



Share price, EUR (Last trading day's closing price) 7.15

Target price, EUR 9.0

Latest change in recommendation 20-Jul-21

Latest report on company 05-Nov-21

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 85

Free float, % 100.0

Exchange rate EUR/USD 1.14

Reuters code EXL1V.HE

Bloomberg code EXL1V FH

Average daily volume, EURm 0.2

Next interim report 29-Apr-22

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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
2020	108.6	9.4	8.7%	0.5	0.45	16.4	1.1	12.5	0.6	0.20
2021	134.4	3.7	2.8%	-6.2	0.14	57.0	1.0	34.9	-6.5	0.20
2022E	150.7	10.6	7.0%	5.2	0.65	10.9	0.8	11.2	6.1	0.25
2023E	161.2	13.7	8.5%	8.4	0.85	8.4	0.7	8.2	9.9	0.30
2024E	169.3	16.9	10.0%	11.5	1.09	6.6	0.6	6.2	13.5	0.32
Market cap, EURm	85			Gearing 2022E, %	91.1			CAGR EPS 2021-24, %	98.4	
Net debt 2022E, EURm	33			Price/book 2022E	2.3			CAGR sales 2021-24, %	8.0	
Enterprise value, EURm	118			Dividend yield 2022E, %	3.5			ROE 2022E, %	23.0	
Total assets 2022E, EURm	126			Tax rate 2022E, %	21.0			ROCE 2022E, %	12.7	
Goodwill 2022E, EURm	13			Equity ratio 2022E, %	29.1			PEG, P/E 22/CAGR	0.5	

Estimates and peer group multiples

Exel Composites	2019	2020	Q1'21	Q2'21	Q3'21	Q4'21	2021	Q1'22e	Q2'22e	Q3'22e	Q4'22e	2022e
Buildings and infrastructure	23.5	23.5	7.0	8.7	8.1	8.4	32.1	8.5	9.7	9.1	9.0	36.3
Equipment and other industries	18.6	19.5	5.6	5.2	5.4	7.1	23.4	7.1	5.9	6.0	7.6	26.6
Wind power	23.6	28.1	7.4	7.8	8.6	8.3	32.1	8.3	8.7	9.2	8.7	35.0
Machinery and electrical	14.4	15.5	3.7	5.1	4.8	4.9	18.4	4.4	5.4	5.1	5.1	20.0
Transportation	13.1	10.2	2.5	2.7	2.1	2.9	10.2	3.1	3.1	2.4	3.1	11.7
Defense	2.3	5.3	2.2	1.8	2.2	2.5	8.7	2.8	2.2	2.7	2.8	10.5
Telecommunications	8.2	6.5	2.5	2.3	2.3	2.3	9.5	2.9	2.6	2.6	2.6	10.7
Revenue	103.8	108.6	31.0	33.5	33.4	36.5	134.4	37.1	37.5	37.1	38.9	150.7
<i>y/y change, %</i>	<i>7 %</i>	<i>5 %</i>	<i>11 %</i>	<i>23 %</i>	<i>28 %</i>	<i>33 %</i>	<i>24 %</i>	<i>20 %</i>	<i>12 %</i>	<i>11 %</i>	<i>7 %</i>	<i>12 %</i>
Adjusted EBIT	7.2	9.7	2.5	2.5	0.1	1.0	6.0	1.7	2.3	2.9	3.7	10.6
EBIT	5.1	9.4	2.4	2.4	-1.7	0.6	3.7					
<i>-margin, %</i>	<i>6.9 %</i>	<i>8.9 %</i>	<i>7.9 %</i>	<i>7.3 %</i>	<i>0.3 %</i>	<i>2.8 %</i>	<i>4.5 %</i>	<i>4.6 %</i>	<i>6.1 %</i>	<i>7.8 %</i>	<i>9.5 %</i>	<i>7.0 %</i>
<i>-margin (reported), %</i>	<i>4.9 %</i>	<i>8.7 %</i>	<i>7.8 %</i>	<i>7.0 %</i>	<i>-5.1 %</i>	<i>1.8 %</i>	<i>2.8 %</i>					

Source: Evli Research

EXEL COMPOSITES PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			EBIT-%		
		21	22	23	21	22	23	21	22	23
Gurit Holding	642	17.9x	13.7x	11.7x	26.2x	18.7x	15.9x	6.2 %	7.6 %	8.5 %
Hexagon Composites	587	71.5x	93.9x	26.3x				-4.7 %	-5.9 %	-2.2 %
Hexcel	4155	24.7x	17.9x	13.9x	98.7x	34.7x	22.3x	3.9 %	10.1 %	13.6 %
Avient	4452	11.2x	10.1x	9.3x	15.9x	13.3x	12.1x	8.5 %	9.5 %	10.0 %
SGL Carbon	745	8.4x	6.7x	5.7x	16.3x	11.1x	9.1x	7.0 %	8.1 %	9.4 %
TPI Composites	358	26.8x	14.5x	6.3x			13.0x	-3.9 %	-0.9 %	2.9 %
Peer Group Average	1823	26.7x	26.1x	12.2x	39.3x	19.5x	14.5x	2.8 %	4.7 %	7.0 %
Peer Group Median	693	21.3x	14.1x	10.5x	21.3x	16.0x	13.0x	5.1 %	7.9 %	9.0 %
Exel Composites (Evli est.)	85	10.9x	7.0x	5.4x	34.9x	11.2x	8.2x	2.8 %	7.0 %	8.5 %

Exel Composites prem./disc. to peer median

-49 % -50 % -48 % 64 % -30 % -37 % -45 % -11 % -5 %

Source FactSet, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	7.15 PV of Free Cash Flow	88 Long-term growth, %	1.5 Risk-free interest rate, %	2.25
DCF share value	13.80 PV of Horizon value	112 WACC, %	8.5 Market risk premium, %	5.8
Share price potential, %	93.0 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %	3.3
Maximum value	15.2 Marketable securities	16 Minimum WACC, %	8.0 Equity beta coefficient	1.00
Minimum value	12.6 Debt - dividend	-52 Maximum WACC, %	9.0 Target debt ratio, %	10
Horizon value, %	56.0 Value of stock	164 Nr of shares, Mn	11.9 Effective tax rate, %	21

DCF valuation, EURm	2021	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	Horizon
Net sales	134	151	161	169	174	179	182	186	190	193	196	199
<i>Sales growth, %</i>	<i>23.7</i>	<i>12.1</i>	<i>7.0</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>2.0</i>	<i>1.5</i>	<i>1.5</i>
Operating income (EBIT)	4	11	14	17	18	19	19	20	22	22	23	23
<i>Operating income margin, %</i>	<i>2.8</i>	<i>7.0</i>	<i>8.5</i>	<i>10.0</i>	<i>10.5</i>	<i>10.5</i>	<i>10.5</i>	<i>11.0</i>	<i>11.5</i>	<i>11.5</i>	<i>11.5</i>	<i>11.5</i>
+ Depreciation+amort.	8	6	7	7	7	7	7	7	7	7	7	7
EBITDA	12	17	21	24	26	26	26	27	29	29	30	
- Paid taxes	-3	-2	-3	-4	-4	-4	-4	-4	-5	-5	-5	
- Change in NWC	-5	-2	-1	-1	-1	-1	0	0	-1	-1	0	
<i>NWC / Sales, %</i>	<i>12.7</i>	<i>12.8</i>	<i>12.8</i>	<i>12.9</i>	<i>12.9</i>	<i>12.9</i>	<i>12.9</i>	<i>12.9</i>	<i>12.9</i>	<i>13.0</i>	<i>13.0</i>	
+ Change in other liabs	0	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	-10	-6	-6	-6	-6	-7	-7	-7	-7	-7	-7	
<i>opCAPEX / Sales, %</i>	<i>8.2</i>	<i>4.5</i>	<i>4.6</i>	<i>4.5</i>	<i>4.4</i>	<i>4.3</i>	<i>4.0</i>	<i>4.0</i>	<i>4.0</i>	<i>4.0</i>	<i>3.9</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	-5	6	10	13	15	15	15	16	17	17	17	252
= Discounted FCFF		6	9	10	11	10	9	9	9	8	8	112
= DFCF min WACC		6	9	10	11	10	9	9	9	9	8	126
= DFCF max WACC		6	9	10	10	10	9	9	8	8	7	100

INTERIM FIGURES

EVLI ESTIMATES, EURm	2021Q1	2021Q2	2021Q3	2021Q4	2021	2022Q1E	2022Q2E	2022Q3E	2022Q4E	2022E	2023E	2024E
Net sales	31.0	33.5	33.4	36.5	134.4	37.1	37.5	37.1	38.9	150.7	161.2	169.3
EBITDA	4.0	3.9	0.0	4.1	11.9	3.3	3.9	4.5	5.3	17.0	20.9	24.1
<i>EBITDA margin (%)</i>	<i>13.0</i>	<i>11.7</i>	<i>-0.1</i>	<i>11.1</i>	<i>8.9</i>	<i>8.9</i>	<i>10.4</i>	<i>12.1</i>	<i>13.6</i>	<i>11.3</i>	<i>13.0</i>	<i>14.3</i>
EBIT	2.4	2.4	-1.7	0.6	3.7	1.7	2.3	2.9	3.7	10.6	13.7	16.9
<i>EBIT margin (%)</i>	<i>7.8</i>	<i>7.0</i>	<i>-5.1</i>	<i>1.8</i>	<i>2.8</i>	<i>4.6</i>	<i>6.1</i>	<i>7.8</i>	<i>9.5</i>	<i>7.0</i>	<i>8.5</i>	<i>10.0</i>
Net financial items	0.5	-0.5	0.4	0.0	0.4	-0.2	-0.2	-0.2	-0.2	-0.7	-0.9	-0.6
Pre-tax profit	2.9	1.9	-1.3	0.7	4.2	1.5	2.1	2.7	3.5	9.9	12.8	16.4
Tax	-0.9	-0.5	-0.9	-0.2	-2.5	-0.3	-0.4	-0.6	-0.7	-2.1	-2.7	-3.4
<i>Tax rate (%)</i>	<i>30.8</i>	<i>25.4</i>	<i>-68.9</i>	<i>31.2</i>	<i>60.2</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	2.0	1.4	-2.2	0.5	1.7	1.2	1.7	2.1	2.8	7.8	10.1	12.9
EPS	0.17	0.12	-0.19	0.04	0.14	0.10	0.14	0.18	0.23	0.65	0.85	1.09
EPS adjusted (diluted no. of shares)	0.17	0.12	-0.19	0.04	0.14	0.10	0.14	0.18	0.23	0.65	0.85	1.09
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	0.32
SALES, EURm												
Exel Composites	31.0	33.5	33.4	36.5	134.4	37.1	37.5	37.1	38.9	150.7	161.2	169.3
Total	31.0	33.5	33.4	36.5	134.4	37.1	37.5	37.1	38.9	150.7	161.2	169.3
SALES GROWTH, Y/Y %												
Exel Composites	11.3	23.3	28.0	32.6	23.7	19.9	11.9	11.2	6.7	12.1	7.0	5.0
Total	11.3	23.3	28.0	32.6	23.7	19.9	11.9	11.2	6.7	12.1	7.0	5.0
EBIT, EURm												
Exel Composites	2.4	2.4	-1.7	0.6	3.7	1.7	2.3	2.9	3.7	10.6	13.7	16.9
Total	2.4	2.4	-1.7	0.6	3.7	1.7	2.3	2.9	3.7	10.6	13.7	16.9
EBIT margin, %												
Exel Composites	7.8	7.0	-5.1	1.8	2.8	4.6	6.1	7.8	9.5	7.0	8.5	10.0
Total	7.8	7.0	-5.1	1.8	2.8	4.6	6.1	7.8	9.5	7.0	8.5	10.0

INCOME STATEMENT, EURm	2017	2018	2019	2020	2021	2022E	2023E	2024E
Sales	86.3	96.6	103.8	108.6	134.4	150.7	161.2	169.3
<i>Sales growth (%)</i>	<i>18.1</i>	<i>11.9</i>	<i>7.5</i>	<i>4.6</i>	<i>23.7</i>	<i>12.1</i>	<i>7.0</i>	<i>5.0</i>
EBITDA	9.3	7.7	10.7	15.3	11.9	17.0	20.9	24.1
<i>EBITDA margin (%)</i>	<i>10.8</i>	<i>8.0</i>	<i>10.3</i>	<i>14.1</i>	<i>8.9</i>	<i>11.3</i>	<i>13.0</i>	<i>14.3</i>
Depreciation	-3.2	-5.5	-5.6	-5.8	-8.2	-6.4	-7.2	-7.2
EBITA	6.1	2.2	5.1	9.4	3.7	10.6	13.7	16.9
Goodwill amortization / writedown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	6.1	2.2	5.1	9.4	3.7	10.6	13.7	16.9
<i>EBIT margin (%)</i>	<i>7.1</i>	<i>2.3</i>	<i>4.9</i>	<i>8.7</i>	<i>2.8</i>	<i>7.0</i>	<i>8.5</i>	<i>10.0</i>
Reported EBIT	6.1	2.2	5.1	9.4	3.7	10.6	13.7	16.9
<i>EBIT margin (reported) (%)</i>	<i>7.1</i>	<i>2.3</i>	<i>4.9</i>	<i>8.7</i>	<i>2.8</i>	<i>7.0</i>	<i>8.5</i>	<i>10.0</i>
Net financials	-0.7	-0.5	-1.2	-2.3	0.4	-0.7	-0.9	-0.6
Pre-tax profit	5.4	1.7	3.9	7.1	4.2	9.9	12.8	16.4
Taxes	-1.2	-1.3	-1.5	-1.7	-2.5	-2.1	-2.7	-3.4
Minority shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	4.2	0.4	2.4	5.4	1.7	7.8	10.1	12.9
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
BALANCE SHEET, EURm								
Assets								
Fixed assets	16	21	23	30	34	34	34	34
Goodwill	13	13	13	13	13	13	13	13
Right of use assets	0	5	5	3	3	4	4	4
Inventory	12	15	17	16	24	27	29	30
Receivables	15	20	20	21	26	29	32	33
Liquid funds	8	5	7	12	16	17	19	20
Total assets	64	79	85	97	118	126	132	136
Liabilities								
Shareholder's equity	29	26	26	29	31	37	44	53
Minority interest	0	0	0	0	0	0	0	0
Convertibles	0	0	0	0	0	0	0	0
Lease liabilities	0	3	4	2	2	4	4	4
Deferred taxes	0	0	0	0	0	0	0	0
Interest bearing debt	16	30	32	40	50	47	43	36
Non-interest bearing current liabilities	18	18	21	24	32	36	38	40
Other interest-free debt	0	2	2	2	3	3	3	3
Total liabilities	64	79	85	97	118	126	132	136
CASH FLOW, EURm								
+ EBITDA	9	8	11	15	12	17	21	24
- Net financial items	-1	0	-1	-2	0	-1	-1	-1
- Taxes	-1	-2	-2	-2	-3	-2	-3	-3
- Increase in Net Working Capital	-3	-4	1	3	-5	-2	-1	-1
+/- Other	1	0	0	0	0	0	0	0
= Cash flow from operations	5	1	8	13	5	12	16	19
- Capex	-3	-10	-8	-13	-11	-7	-7	-8
- Acquisitions	0	0	0	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Free cash flow	1	-9	1	0	-6	5	8	11
+/- New issues/buybacks	-1	0	0	-1	3	0	0	0
- Paid dividend	-1	-4	-2	-2	-2	-2	-3	-4
+/- Other	1	9	3	7	9	-1	-4	-7
Change in cash	0	-3	2	5	4	2	1	1

KEY FIGURES	2018	2019	2020	2021	2022E	2023E	2024E
M-cap	48	78	88	94	85	85	85
Net debt (excl. convertibles)	28	29	30	36	33	28	20
Enterprise value	76	107	118	131	118	113	105
Sales	97	104	109	134	151	161	169
EBITDA	8	11	15	12	17	21	24
EBIT	2	5	9	4	11	14	17
Pre-tax	2	4	7	4	10	13	16
Earnings	0	2	5	2	8	10	13
Equity book value (excl. minorities)	26	26	29	31	37	44	53
Valuation multiples							
EV/sales	0.8	1.0	1.1	1.0	0.8	0.7	0.6
EV/EBITDA	9.9	10.0	7.7	10.9	7.0	5.4	4.4
EV/EBITA	34.5	21.0	12.5	34.9	11.2	8.2	6.2
EV/EBIT	34.5	21.0	12.5	34.9	11.2	8.2	6.2
EV/OCF	84.3	12.9	8.8	27.2	9.9	7.1	5.5
EV/FCFF	-6.6	32.5	52.9	-26.0	19.1	11.0	8.0
P/FCFE	-5.5	110.9	179.1	-15.3	16.3	10.1	7.4
P/E	119.0	32.5	16.4	57.0	10.9	8.4	6.6
P/B	1.8	3.0	3.1	3.0	2.3	1.9	1.6
Target EV/EBITDA	0.0	0.0	0.0	0.0	8.3	6.5	5.3
Target EV/EBIT	0.0	0.0	0.0	0.0	13.3	9.9	7.5
Target EV/FCF	0.0	0.0	0.0	0.0	26.9	16.0	11.1
Target P/B	0.0	0.0	0.0	0.0	2.9	2.4	2.0
Target P/E	0.0	0.0	0.0	0.0	13.7	10.6	8.3
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	0.03	0.20	0.45	0.14	0.65	0.85	1.09
Operating cash flow per share	0.08	0.70	1.12	0.40	1.00	1.34	1.60
Free cash flow per share	-0.73	0.06	0.04	-0.52	0.44	0.71	0.97
Book value per share	2.16	2.21	2.41	2.62	3.08	3.68	4.47
Dividend per share	0.18	0.18	0.20	0.20	0.25	0.30	0.32
Dividend payout ratio, %	535.4	89.2	44.3	143.7	38.2	35.2	29.4
Dividend yield, %	4.5	2.7	2.7	2.8	3.5	4.2	4.5
FCF yield, %	-18.3	0.9	0.6	-6.5	6.1	9.9	13.5
Efficiency measures							
ROE	1.5	9.2	19.5	5.5	23.0	25.2	26.7
ROCE	4.5	8.6	14.4	5.1	12.7	14.1	18.7
Financial ratios							
Inventories as % of sales	15.7	16.3	14.9	17.8	17.8	17.8	17.8
Receivables as % of sales	20.8	19.2	19.2	19.6	19.6	19.6	19.6
Non-interest bearing liabilities as % of sales	19.2	20.2	22.0	23.8	23.8	23.8	23.8
NWC/sales, %	16.1	14.1	11.2	12.7	12.8	12.8	12.9
Operative CAPEX/sales, %	9.9	7.3	11.9	8.2	4.5	4.6	4.5
CAPEX/sales (incl. acquisitions), %	9.9	7.3	11.9	8.2	4.5	4.6	4.5
FCFF/EBITDA	-1.5	0.3	0.1	-0.4	0.4	0.5	0.5
Net debt/EBITDA, book-weighted	3.7	2.7	2.0	3.0	2.0	1.3	0.8
Debt/equity, market-weighted	0.6	0.4	0.5	0.5	0.6	0.5	0.4
Equity ratio, book-weighted	32.5	30.8	29.7	26.5	29.1	33.3	39.2
Gearing, %	109.9	110.2	104.7	115.9	91.1	63.8	37.6

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	%
Sijoitusrahasto Taaleritehdas Mikro Markka	800,000	5.720	6.7%
OP-Finland Small Firms Fund	590,119	4.219	5.0%
Op-Suomi Mikroyhtiöt -Erikoissijoitusrahasto	420,000	3.003	3.5%
Ilmarinen Mutual Pension Insurance	392,733	2.808	3.3%
Phoebus Fund	350,000	2.503	2.9%
Säästöpankki Pienyhtiöt	288,710	2.064	2.4%
Veritas Pension Insurance Company Ltd.	224,261	1.603	1.9%
Nelimarkka Heikki Antero	213,545	1.527	1.8%
Matti Suutarinen	198,000	1.416	1.7%
Säästöpankki Kotimaa	132,680	0.949	1.1%
Ten largest	3,610,048	25.812	30%
Residual	8,286,795	59.251	70%
Total	11,896,843	85.062	100%

EARNINGS CALENDAR

April 29, 2022	Q1 report
July 20, 2022	Q2 report
November 03, 2022	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, %	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholder's equity} + \text{minority interest} + \text{taxed provisions (average)}}$		

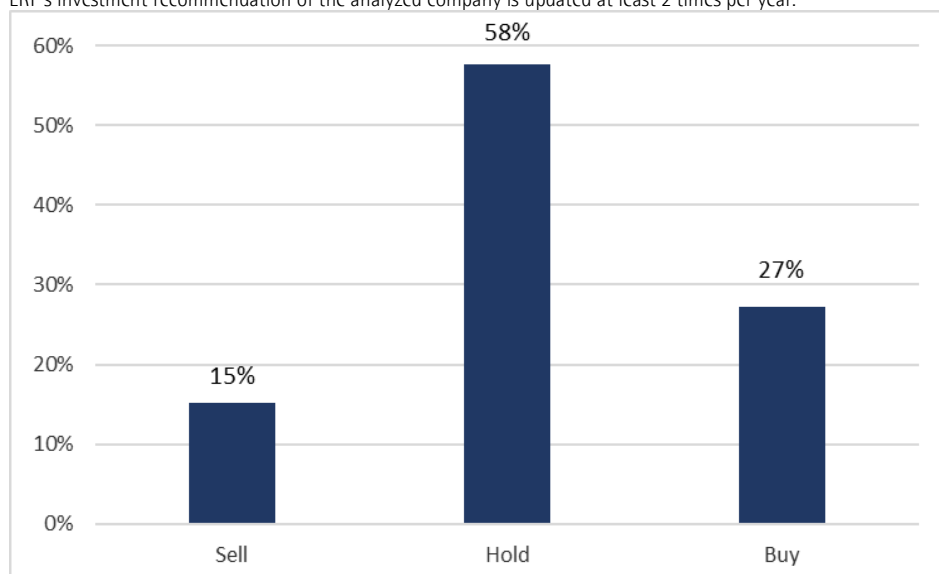
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Investment recommendations are defined as follows:

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

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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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