

Earnings wait for higher orders

Exel has taken actions to recover earnings. In our view wind power orders should drive at least some growth next year, but order outlook uncertainty continues to limit upside.

Actions support bottom line, but order outlook is still soft

Exel Q3 revenue declined 39% y/y, which led to an adj. EBIT of EUR -1.2m. Exel has cut costs and was also able to generate a positive cash flow of EUR 1.2m, however on the negative side Q4 orders may stay rather soft as larger orders have been further postponed due to cool demand in many industries. Destocking has been a big theme for a while, but in our view Exel's industries' long-term drivers are intact and hence we would expect at least modest growth across customer accounts next year if markets stabilize. We cut our Q4 revenue estimate by EUR 5m and make more downward revisions to our FY '24 estimates.

Wind power orders to drive growth next year

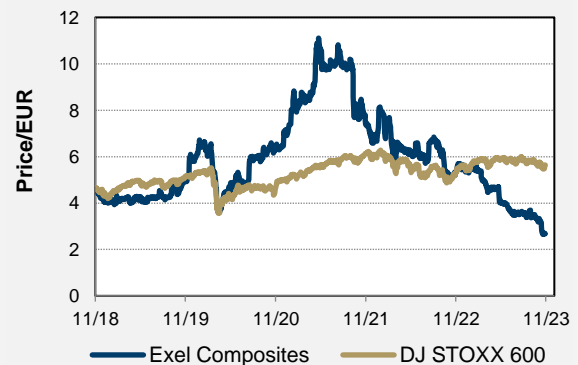
Wind power generated EUR 25-30m revenue in previous years, whereas we estimate it to make only some EUR 10m this year. In our view wind power could add another EUR 10m in revenue next year, assuming the industry order outlook somewhat normalizes. Comparison top line figures will be soft for almost all customer industries next year, and the US unit reorientation alone will help achieve EUR 3m in annual cost savings. The asset-light business model shouldn't require much capex especially in the short run when there's still a lot of existing capacity to be utilized. Exel will however soon provide more detail on the kind of modifications its current plant network needs. We believe there to be not much need for growth capex at this point, and single production line updates shouldn't be too expensive as we understand such lines often cost well below EUR 1m each.

EBIT will recover once orders start to pick up

We estimate wind power to drive double-digit growth next year. In our view EUR 115m top line going forward should support 6% EBIT margins, considering the cost measures Exel has implemented and still finds. Exel is valued some 9x EV/EBIT, which we don't view too expensive as an EBIT of below EUR 7m would still be quite modest relative to potential. We don't see margin potential as such as the key issue going forward, but rather order recovery is required before upside can materialize. Our new TP is EUR 2.7 (3.0) as we retain our HOLD rating.

Rating

■ HOLD



Share price, EUR (Last trading day's closing price) 2.67

Target price, EUR 2.7

Latest change in recommendation	03-May-23
Latest report on company	20-Oct-23
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	32
Free float, %	100.0
Exchange rate EUR/USD	1.07
Reuters code	EXL1V.HE
Bloomberg code	EXL1V.FH
Average daily volume, EURm	0.1
Next interim report	16-Feb-24
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
2021	134.4	3.7	2.8%	-6.2	0.14	57.0	1.0	34.9	-6.5	0.20
2022	137.0	3.0	2.2%	9.4	0.18	30.1	0.7	31.4	14.6	0.20
2023E	101.6	-4.8	-4.7%	0.9	-0.68	-3.9	0.6	-13.2	2.8	0.00
2024E	113.8	6.8	6.0%	3.0	0.27	9.8	0.5	8.8	9.3	0.15
2025E	121.7	8.5	7.0%	5.3	0.45	6.0	0.5	6.6	16.8	0.20
Market cap, EURm	32			Gearing 2023E, %	156.7			CAGR EPS 2022-25, %	35.2	
Net debt 2023E, EURm	31			Price/book 2023E	1.6			CAGR sales 2022-25, %	-3.9	
Enterprise value, EURm	63			Dividend yield 2023E, %	0.0			ROE 2023E, %	-32.1	
Total assets 2023E, EURm	93			Tax rate 2023E, %	-24.7			ROCE 2023E, %	-8.4	
Goodwill 2023E, EURm	13			Equity ratio 2023E, %	21.5			PEG, P/E 23/CAGR	0.0	

Estimates and valuation

Exel Composites	2019	2020	2021	Q1'22	Q2'22	Q3'22	Q4'22	2022	Q1'23	Q2'23	Q3'23	Q4'23e	2023e
Buildings and infrastructure	23.5	23.5	32.9	7.7	8.9	7.8	8.1	32.5	7.8	6.5	5.7	7.0	26.9
Equipment and other industries	18.6	19.5	23.4	7.4	5.9	5.6	4.3	23.1	5.6	5.0	4.0	3.8	18.4
Wind power	23.6	28.1	32.1	6.8	6.5	8.0	5.5	26.8	1.5	2.3	2.1	4.8	10.7
Machinery and electrical	14.4	15.5	17.6	4.3	5.3	5.0	5.2	19.7	4.6	4.1	3.4	4.6	16.7
Transportation	13.1	10.2	10.2	3.1	7.2	3.7	3.3	17.4	4.2	3.7	3.1	2.9	13.9
Defense	2.3	5.3	8.7	2.1	1.6	2.0	1.9	7.5	2.9	2.6	1.4	1.7	8.5
Telecommunications	8.2	6.5	9.5	2.8	2.8	1.7	2.6	10.0	2.2	1.3	0.8	2.1	6.4
Revenue	103.8	108.6	134.4	34.2	38.1	33.8	31.0	137.0	28.8	25.4	20.5	26.8	101.6
<i>y/y change, %</i>	<i>7 %</i>	<i>5 %</i>	<i>24 %</i>	<i>10 %</i>	<i>14 %</i>	<i>1 %</i>	<i>-15 %</i>	<i>2 %</i>	<i>-16 %</i>	<i>-33 %</i>	<i>-39 %</i>	<i>-13 %</i>	<i>-26 %</i>
Adjusted EBIT	7.2	9.7	6.0	2.2	3.1	1.8	0.9	8.0	0.0	0.1	-1.2	0.7	-0.4
EBIT	5.1	9.4	3.7	0.0	3.0	1.7	-1.7	3.0	-0.3	-0.2	-0.7	-3.6	-4.8
<i>-margin, %</i>	<i>6.9 %</i>	<i>8.9 %</i>	<i>4.5 %</i>	<i>6.4 %</i>	<i>8.2 %</i>	<i>5.4 %</i>	<i>3.0 %</i>	<i>5.9 %</i>	<i>0.0 %</i>	<i>0.3 %</i>	<i>-5.9 %</i>	<i>2.6 %</i>	<i>-0.4 %</i>
<i>-margin (reported), %</i>	<i>4.9 %</i>	<i>8.7 %</i>	<i>2.8 %</i>	<i>0.1 %</i>	<i>7.9 %</i>	<i>5.0 %</i>	<i>-5.5 %</i>	<i>2.2 %</i>	<i>-1.0 %</i>	<i>-1.0 %</i>	<i>-3.2 %</i>	<i>-13.4 %</i>	<i>-4.7 %</i>

Source: Evli Research

EXEL COMPOSITES PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			EBIT-%		
		22	23	24	22	23	24	22	23	24
Hexagon Composites	462		15.6x	10.5x		29.0x	17.7x	-8.0 %	4.6 %	7.1 %
Hexcel	5133	19.0x	17.2x	14.4x	31.6x	26.8x	20.9x	11.4 %	12.8 %	14.9 %
Avient	2845	8.0x	9.2x	8.3x	11.7x	14.3x	12.4x	11.9 %	10.4 %	11.6 %
SGL Carbon	734	6.0x	7.4x	5.0x	9.9x	11.7x	7.8x	9.9 %	7.1 %	10.2 %
TPI Composites	96	13.1x		10.0x			178.6x	-1.6 %	-7.1 %	0.2 %
Gurit Holding	368	13.5x	11.3x	8.2x	22.6x	18.8x	12.1x	4.5 %	4.8 %	6.8 %
Peer Group Average	1606	11.9x	12.1x	9.4x	18.9x	20.1x	41.6x	4.7 %	5.4 %	8.4 %
Peer Group Median	598	13.1x	11.3x	9.2x	17.2x	18.8x	15.0x	7.2 %	6.0 %	8.6 %
Exel Composites (Evli est.)	32	9.3x	31.7x	4.7x	31.4x	-13.2x	8.8x	2.2 %	-4.7 %	6.0 %

Exel Composites prem./disc. to peer median

Source FactSet, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	2.67 PV of Free Cash Flow	61 Long-term growth, %	1.5 Risk-free interest rate, %
DCF share value	9.45 PV of Horizon value	84 WACC, %	8.5 Market risk premium, %
Share price potential, %	253.8 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %
Maximum value	10.4 Marketable securities	17 Minimum WACC, %	8.0 Equity beta coefficient
Minimum value	8.6 Debt - dividend	-50 Maximum WACC, %	9.0 Target debt ratio, %
Horizon value, %	58.0 Value of stock	112 Nr of shares, Mn	11.9 Effective tax rate, %

DCF valuation, EURm	2022	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	Horizon
Net sales	137	102	114	122	128	130	133	136	138	141	143	145
<i>Sales growth, %</i>	<i>2.0</i>	<i>-25.9</i>	<i>12.0</i>	<i>7.0</i>	<i>5.0</i>	<i>2.0</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)	3	-5	7	9	10	14	15	16	16	16	16	17
<i>Operating income margin, %</i>	<i>2.2</i>	<i>-4.7</i>	<i>6.0</i>	<i>7.0</i>	<i>8.0</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>	<i>11.5</i>
+ Depreciation+amort.	7	7	6	5	5	5	5	4	4	4	4	4
EBITDA	10	2	13	14	15	18	19	20	20	21	21	
- Paid taxes	-1	-1	-2	-2	-3	-3	-4	-4	-4	-4	-4	-4
- Change in NWC	3	5	-2	-1	-1	0	0	0	0	0	0	0
<i>NWC / Sales, %</i>	<i>10.3</i>	<i>8.7</i>	<i>9.4</i>	<i>9.7</i>	<i>10.0</i>	<i>10.1</i>	<i>10.2</i>	<i>10.3</i>	<i>10.4</i>	<i>10.5</i>	<i>10.5</i>	
+ Change in other liabs	0	0	0	0	0	0	0	0	0	0	0	0
- Operative CAPEX	-3	-3	-4	-4	-4	-4	-4	-4	-4	-4	-4	-4
<i>opCAPEX / Sales, %</i>	<i>2.4</i>	<i>3.0</i>	<i>3.8</i>	<i>3.5</i>	<i>3.4</i>	<i>3.1</i>	<i>3.1</i>	<i>3.1</i>	<i>3.1</i>	<i>3.1</i>	<i>3.0</i>	
- Acquisitions	0	0	0	0	0	0	0	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0	0	0	0	0
- Other items	0	0	0	0	0	0	0	0	0	0	0	0
= FCFF	9	3	5	7	8	11	11	12	12	12	12	177
= Discounted FCFF		3	4	6	6	8	7	7	7	6	6	84
= DFCF min WACC		3	4	6	6	8	8	7	7	6	6	94
= DFCF max WACC		3	4	6	6	8	7	7	6	6	6	75

INTERIM FIGURES

EVLI ESTIMATES, EURm	2022Q1	2022Q2	2022Q3	2022Q4	2022	2023Q1	2023Q2	2023Q3	2023Q4E	2023E	2024E	2025E
Net sales	34.2	38.1	33.8	31.0	137.0	28.8	25.4	20.5	26.8	101.6	113.8	121.7
EBITDA	1.8	4.8	3.6	0.0	10.1	1.5	1.5	1.1	-2.1	2.0	12.7	14.0
<i>EBITDA margin (%)</i>	<i>5.2</i>	<i>12.5</i>	<i>10.5</i>	<i>0.0</i>	<i>7.4</i>	<i>5.3</i>	<i>5.7</i>	<i>5.6</i>	<i>-7.9</i>	<i>2.0</i>	<i>11.1</i>	<i>11.5</i>
EBIT	0.0	3.0	1.7	-1.7	3.0	-0.3	-0.2	-0.7	-3.6	-4.8	6.8	8.5
<i>EBIT margin (%)</i>	<i>0.1</i>	<i>7.9</i>	<i>5.0</i>	<i>-5.5</i>	<i>2.2</i>	<i>-1.0</i>	<i>-1.0</i>	<i>-3.2</i>	<i>-13.4</i>	<i>-4.7</i>	<i>6.0</i>	<i>7.0</i>
Net financial items	0.5	1.9	1.6	-3.4	0.6	-1.2	-0.4	0.2	-0.3	-1.7	-1.6	-1.5
Pre-tax profit	0.5	4.9	3.3	-5.1	3.6	-1.5	-0.7	-0.4	-3.9	-6.5	5.2	7.1
Tax	-0.6	-0.9	-1.2	1.2	-1.5	-0.6	-0.2	-0.2	-0.5	-1.6	-2.0	-1.8
<i>Tax rate (%)</i>	<i>111.4</i>	<i>19.3</i>	<i>35.6</i>	<i>24.3</i>	<i>40.4</i>	<i>-43.8</i>	<i>-36.3</i>	<i>-48.2</i>	<i>-12.8</i>	<i>-24.7</i>	<i>38.3</i>	<i>25.0</i>
Net profit	-0.1	4.0	2.1	-3.9	2.1	-2.1	-0.9	-0.6	-4.4	-8.1	3.2	5.3
EPS	-0.01	0.33	0.18	-0.33	0.18	-0.18	-0.08	-0.05	-0.37	-0.68	0.27	0.45
EPS adjusted (diluted no. of shares)	-0.01	0.33	0.18	-0.33	0.18	-0.18	-0.08	-0.05	-0.37	-0.68	0.27	0.45
Dividend per share	0.00	0.00	0.00	0.00	0.20	0.00	0.00	0.00	0.00	0.00	0.15	0.20
SALES, EURm												
Exel Composites	34.2	38.1	33.8	31.0	137.0	28.8	25.4	20.5	26.8	101.6	113.8	121.7
Total	34.2	38.1	33.8	31.0	137.0	28.8	25.4	20.5	26.8	101.6	113.8	121.7
SALES GROWTH, Y/Y %												
Exel Composites	10.3	13.5	1.2	-15.1	2.0	-15.7	-33.3	-39.2	-13.5	-25.9	12.0	7.0
Total	10.3	13.5	1.2	-15.1	2.0	-15.7	-33.3	-39.2	-13.5	-25.9	12.0	7.0
EBIT, EURm												
Exel Composites	0.0	3.0	1.7	-1.7	3.0	-0.3	-0.2	-0.7	-3.6	-4.8	6.8	8.5
Total	0.0	3.0	1.7	-1.7	3.0	-0.3	-0.2	-0.7	-3.6	-4.8	6.8	8.5
EBIT margin, %												
Exel Composites	0.1	7.9	5.0	-5.5	2.2	-1.0	-1.0	-3.2	-13.4	-4.7	6.0	7.0
Total	0.1	7.9	5.0	-5.5	2.2	-1.0	-1.0	-3.2	-13.4	-4.7	6.0	7.0

INCOME STATEMENT, EURm	2018	2019	2020	2021	2022	2023E	2024E	2025E
Sales	96.6	103.8	108.6	134.4	137.0	101.6	113.8	121.7
<i>Sales growth (%)</i>	<i>11.9</i>	<i>7.5</i>	<i>4.6</i>	<i>23.7</i>	<i>2.0</i>	<i>-25.9</i>	<i>12.0</i>	<i>7.0</i>
EBITDA	7.7	10.7	15.3	11.9	10.1	2.0	12.7	14.0
<i>EBITDA margin (%)</i>	<i>8.0</i>	<i>10.3</i>	<i>14.1</i>	<i>8.9</i>	<i>7.4</i>	<i>2.0</i>	<i>11.1</i>	<i>11.5</i>
Depreciation	-5.5	-5.6	-5.8	-8.2	-7.1	-6.8	-5.9	-5.5
EBITA	2.2	5.1	9.4	3.7	3.0	-4.8	6.8	8.5
Goodwill amortization / writedown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	2.2	5.1	9.4	3.7	3.0	-4.8	6.8	8.5
<i>EBIT margin (%)</i>	<i>2.3</i>	<i>4.9</i>	<i>8.7</i>	<i>2.8</i>	<i>2.2</i>	<i>-4.7</i>	<i>6.0</i>	<i>7.0</i>
Reported EBIT	2.2	5.1	9.4	3.7	3.0	-4.8	6.8	8.5
<i>EBIT margin (reported) (%)</i>	<i>2.3</i>	<i>4.9</i>	<i>8.7</i>	<i>2.8</i>	<i>2.2</i>	<i>-4.7</i>	<i>6.0</i>	<i>7.0</i>
Net financials	-0.5	-1.2	-2.3	0.4	0.6	-1.7	-1.6	-1.5
Pre-tax profit	1.7	3.9	7.1	4.2	3.6	-6.5	5.2	7.1
Taxes	-1.3	-1.5	-1.7	-2.5	-1.5	-1.6	-2.0	-1.8
Minority shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	0.4	2.4	5.4	1.7	2.1	-8.1	3.2	5.3
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	21	23	30	34	31	28	26	25
Goodwill	13	13	13	13	13	13	13	13
Right of use assets	5	5	3	3	2	2	2	2
Inventory	15	17	16	24	23	17	19	21
Receivables	20	20	21	26	24	18	20	22
Liquid funds	5	7	12	16	17	13	14	15
Total assets	79	85	97	118	113	93	97	99
Liabilities								
Shareholder's equity	26	26	29	31	30	20	23	27
Minority interest	0	0	0	0	0	0	0	0
Convertibles	0	0	0	0	0	0	0	0
Lease liabilities	3	4	2	2	1	2	2	2
Deferred taxes	0	0	0	0	1	1	1	1
Interest bearing debt	30	32	40	50	46	43	41	38
Non-interest bearing current liabilities	18	21	24	32	26	19	22	23
Other interest-free debt	2	2	2	3	9	9	9	9
Total liabilities	79	85	97	118	113	93	97	99
CASH FLOW, EURm								
+ EBITDA	8	11	15	12	10	2	13	14
- Net financial items	0	-1	-2	0	1	-2	-2	-1
- Taxes	-2	-2	-2	-3	-1	-2	-2	-2
- Increase in Net Working Capital	-4	1	3	-5	3	5	-2	-1
+/- Other	0	0	0	0	0	0	0	0
= Cash flow from operations	1	8	13	5	13	4	7	10
- Capex	-10	-8	-13	-11	-3	-3	-4	-4
- Acquisitions	0	0	0	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Free cash flow	-9	1	0	-6	9	1	3	5
+/- New issues/buybacks	0	0	-1	3	-1	0	0	0
- Paid dividend	-4	-2	-2	-2	-2	-2	0	-2
+/- Other	9	3	7	9	-5	-3	-1	-3
Change in cash	-3	2	5	4	2	-4	2	1

KEY FIGURES	2019	2020	2021	2022	2023E	2024E	2025E
M-cap	78	88	94	64	32	32	32
Net debt (excl. convertibles)	29	30	36	30	31	28	25
Enterprise value	107	118	131	94	63	60	57
Sales	104	109	134	137	102	114	122
EBITDA	11	15	12	10	2	13	14
EBIT	5	9	4	3	-5	7	9
Pre-tax	4	7	4	4	-6	5	7
Earnings	2	5	2	2	-8	3	5
Equity book value (excl. minorities)	26	29	31	30	20	23	27
Valuation multiples							
EV/sales	1.0	1.1	1.0	0.7	0.6	0.5	0.5
EV/EBITDA	10.0	7.7	10.9	9.3	31.7	4.7	4.0
EV/EBITA	21.0	12.5	34.9	31.4	-13.2	8.8	6.6
EV/EBIT	21.0	12.5	34.9	31.4	-13.2	8.8	6.6
EV/OCF	12.9	8.8	27.2	7.4	15.8	8.3	5.9
EV/FCFF	32.5	52.9	-26.0	10.2	19.5	12.4	8.1
P/FCFE	110.9	179.1	-15.3	6.8	35.9	10.7	6.0
P/E	32.5	16.4	57.0	30.1	-3.9	9.8	6.0
P/B	3.0	3.1	3.0	2.1	1.6	1.4	1.2
Target EV/EBITDA	0.0	0.0	0.0	0.0	31.9	4.8	4.1
Target EV/EBIT	0.0	0.0	0.0	0.0	-13.2	8.9	6.7
Target EV/FCF	0.0	0.0	0.0	0.0	71.7	20.4	10.7
Target P/B	0.0	0.0	0.0	0.0	1.6	1.4	1.2
Target P/E	0.0	0.0	0.0	0.0	-4.0	10.0	6.1
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	0.20	0.45	0.14	0.18	-0.68	0.27	0.45
Operating cash flow per share	0.70	1.12	0.40	1.06	0.33	0.61	0.81
Free cash flow per share	0.06	0.04	-0.52	0.79	0.07	0.25	0.45
Book value per share	2.21	2.41	2.62	2.56	1.68	1.95	2.24
Dividend per share	0.18	0.20	0.20	0.20	0.00	0.15	0.20
Dividend payout ratio, %	89.2	44.3	143.7	110.9	0.0	55.3	44.9
Dividend yield, %	2.7	2.7	2.5	3.7	0.0	5.6	7.5
FCF yield, %	0.9	0.6	-6.5	14.6	2.8	9.3	16.8
Efficiency measures							
ROE	9.2	19.5	5.5	7.0	-32.1	15.0	21.3
ROCE	8.6	14.4	5.1	4.0	-8.4	9.0	11.3
Financial ratios							
Inventories as % of sales	16.3	14.9	17.8	17.1	17.1	17.1	17.1
Receivables as % of sales	19.2	19.2	19.6	17.8	18.0	17.9	17.9
Non-interest bearing liabilities as % of sales	20.2	22.0	23.8	19.1	19.1	19.1	19.1
NWC/sales, %	14.1	11.2	12.7	10.3	8.7	9.4	9.7
Operative CAPEX/sales, %	7.3	11.9	8.2	2.4	3.0	3.8	3.5
CAPEX/sales (incl. acquisitions), %	7.3	11.9	8.2	2.4	3.0	3.8	3.5
FCFF/EBITDA	0.3	0.1	-0.4	0.9	1.6	0.4	0.5
Net debt/EBITDA, book-weighted	2.7	2.0	3.0	2.9	15.8	2.2	1.8
Debt/equity, market-weighted	0.4	0.5	0.5	0.7	1.3	1.3	1.2
Equity ratio, book-weighted	30.8	29.7	26.5	26.9	21.5	23.9	26.8
Gearing, %	110.2	104.7	115.9	98.1	156.7	122.1	92.8

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	%
Erikoissijoitusrahasto Aktia Mikro Markka	762,984	2.037	6.4%
OP-Finland Small Firms Fund	752,993	2.010	6.3%
Ilmarinen Mutual Pension Insurance	496,547	1.326	4.2%
Phoebus Fund	420,000	1.121	3.5%
Säästöpankki Pienyhtiöt	288,710	0.771	2.4%
Sumato Oy	231,821	0.619	1.9%
Nelimarkka Heikki Antero	213,545	0.570	1.8%
Veritas Pension Insurance Company Ltd.	199,946	0.534	1.7%
Suutarinen Timo	160,000	0.427	1.3%
Säästöpankki Kotimaa	132,680	0.354	1.1%
Ten largest	3,659,226	9.770	31%
Residual	8,237,617	21.994	69%
Total	11,896,843	31.765	100%

EARNINGS CALENDAR	
February 16, 2024	FY 2023 Results
April 25, 2024	Q1 report
August 15, 2024	Q2 report
October 31, 2024	Q3 report
OTHER EVENTS	
November 13, 2023	CMD

COMPANY MISCELLANEOUS	
CEO: Paul Sohlberg	Mäkituvantie 5 01510 Vantaa
CFO: Mikko Rummukainen	Tel: +358 20 7541 200
IR: Sanna Ahvenniemi	

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

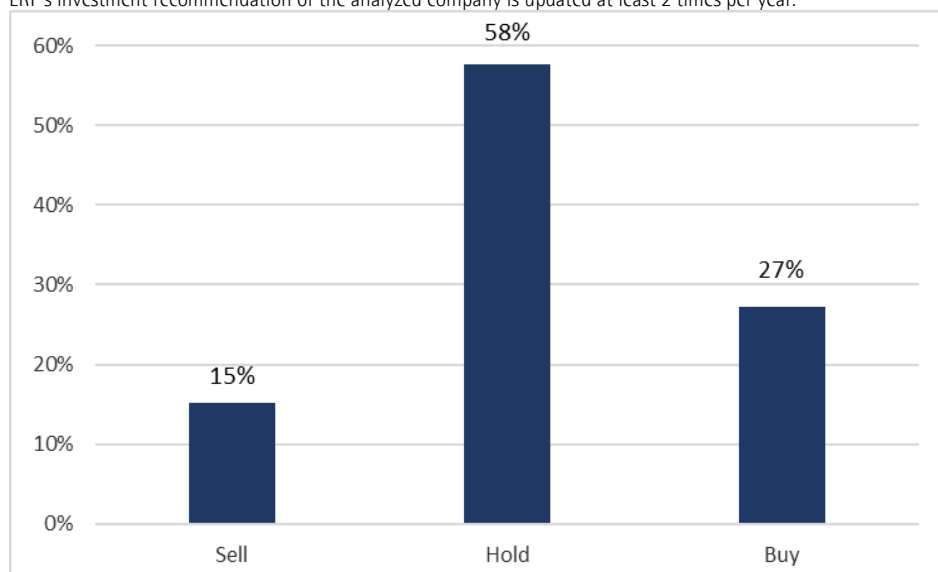
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Investment recommendations are defined as follows:

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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