

A transformative year ahead

LapWall releases its Q4 result on 6th of February. As the 2024 result is already largely known, our focus lies on orders, market commentary and outlook for 2025. 2025 will be pivotal for LapWall, with new capacity investment completing in the second half, setting up future growth. We retain our TP of EUR 4.2 and update our recommendation to ACCUMULATE (prev. BUY) to match the updated rating methodology (see p. 3).

Residential activity remains low

According to The Finnish Association for Manufacturers of Prefabricated Houses, the prefabricated house sales during the first nine months of 2024 fell slightly from the levels seen in 2023 (Q3: 0% & Q1–Q3: –6% y/y). While the sales volumes are still at low levels, the sentiment is improving as all of the respondent's expected improvement in the market activity within the next six months. According to forecasts by The Confederation of Finnish Construction Industries RT (OFCI), detached and semidetached house construction volumes should increase more in 2025 than the apartment building construction volumes. In the non-residential side, OFCI estimates volume growth of 2% in 2025. We expect continued good end-market demand for LapWall's roof elements products where the demand is primarily driven by non-residential construction.

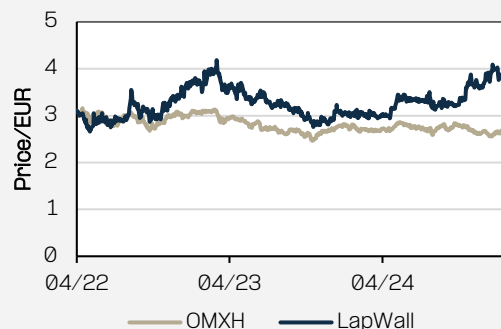
Capacity investment projected to complete in H2

We see this year as a transformative year for the company that sets it up for growth in 2026. LapWall's largest investment in history, amounting to EUR 19 million, is expected to increase capacity in Pyhäntä and should be completed in the second half of 2025. The completion of the investment introduces a degree of unpredictability to our forecasts. We expect that the net sales effect is still minor in 2025 while the ramp-up could introduce some one-off costs. We model net sales growth of 8% in 2025, with a slight recovery in the residential market and continued growth in non-residential construction driven roof element sales. In terms of profitability, we expect EBITA of EUR 5.8m with a margin of 12.1% as increased volumes should materialize in improved profitability.

ACCUMULATE (prev. BUY) with a TP of EUR 4.2

With our estimates largely intact, we retain our TP of EUR 4.2 while we update our recommendation to ACCUMULATE (prev. BUY). Our target values LapWall at 10x EV/EBITA for 2025–2026E which we see as a more neutral level. There is higher long-term potential should growth materialize from the capacity investments in the coming years according to plans.

Rating + Accumulate



Share price, EUR (Last trading day's closing price)	3.87
Target price, EUR	4.2
Latest change in recommendation	31-Jan-25
Latest report on company	30-Oct-24
Research paid by issuer:	YES
No. of shares outstanding, '000's	14 526
No. of shares fully diluted, '000's	14 526
Market cap, EURm	56
Free float, %	
Exchange rate	
Reuters code	LAPWALL.HE
Bloomberg code	LAPWALL FH
Average daily volume, EURm	
Next interim report	06-Feb-25
Web site	https://lapwall.fi/sijoittajille/
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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
2022	52.5	7.8	14.9%	3.5	0.38	9.3	0.9	5.8	7.0%	0.19
2023	41.9	3.2	7.7%	-0.9	0.18	17.6	1.0	13.1	-2.0%	0.13
2024E	43.9	4.1	9.4%	-2.1	0.22	17.6	1.3	13.9	-3.7%	0.11
2025E	47.6	5.0	10.4%	-3.1	0.25	15.7	1.3	12.5	-5.5%	0.12
2026E	59.2	6.8	11.5%	6.8	0.35	11.1	1.0	8.4	12.1%	0.18
Market cap, EURm		56	Gearing 2024E, %			5.4 %	CAGR EPS 2023–26, %			25.7 %
Net debt 2024E, EURm		1	Price/book 2024E			3.1	CAGR Sales 2023–26, %			12.2 %
Enterprise value, EURm		57	Dividend yield 2024E, %			2.9 %	ROE 2024E, %			18.4 %
Total assets 2024E, EURm		37	Tax rate 2024E, %			18.8 %	ROCE 2024E, %			19.2 %
Goodwill 2024E, EURm		5	Equity ratio 2024E, %			49.2 %	PEG, P/E 24/CAGR			0.6

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

Table 1: Estimate summary

LapWall	2022	H1/'23	H2/'23	2023	H1/'24	H2/'24E	2024E	2025E	2026E
Revenue	52.5	18.9	23.0	41.9	21.1	22.7	43.9	47.6	59.2
<i>change, %</i>	<i>-17.4%</i>	<i>-25.9%</i>	<i>-14.9%</i>	<i>-20.2%</i>	<i>12.0%</i>	<i>-1.2%</i>	<i>4.8%</i>	<i>8.4%</i>	<i>24.5%</i>
EBITDA	9.5	2.6	2.7	5.3	2.8	3.5	6.2	7.3	9.9
<i>-margin</i>	<i>18.1%</i>	<i>13.7%</i>	<i>11.6%</i>	<i>12.6%</i>	<i>13.2%</i>	<i>15.2%</i>	<i>14.2%</i>	<i>15.4%</i>	<i>16.8%</i>
EBITA	8.3	1.9	2.0	4.0	2.2	2.8	5.0	5.8	7.6
<i>-margin</i>	<i>15.7%</i>	<i>10.2%</i>	<i>8.8%</i>	<i>9.4%</i>	<i>10.2%</i>	<i>12.5%</i>	<i>11.4%</i>	<i>12.1%</i>	<i>12.8%</i>
Operating profit	7.8	1.7	1.6	3.2	1.7	2.4	4.1	5.0	6.8
<i>-margin</i>	<i>14.9%</i>	<i>8.8%</i>	<i>6.9%</i>	<i>7.7%</i>	<i>8.2%</i>	<i>10.6%</i>	<i>9.5%</i>	<i>10.4%</i>	<i>11.5%</i>
Net financials	-0.7	0.0	0.0	0.0	0.0	-0.1	-0.1	-0.3	-0.2
Pre-tax profit	7.1	1.7	1.5	3.2	1.7	2.3	4.0	4.6	6.6
Income taxes	-1.4	-0.3	-0.3	-0.6	-0.4	-0.5	-0.9	-1.0	-1.5
Other	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net earnings	5.5	1.3	1.2	2.6	1.3	1.8	3.1	3.6	5.1

Table 2: Peer group

Peer group	MCAP MEUR	EV/Sales			EV/EBITDA			EV/EBIT			P/E		
		24	25	26	24	25	26	24	25	26	24	25	26
Steico	281	1.1x	1.0x	0.9x	4.8x	5.8x	5.3x	9.3x	12.3x	10.5x	11.4x	14.9x	11.7x
Inwido	966	1.4x	1.3x	1.1x	10.3x	9.2x	8.3x	14.4x	12.5x	11.0x	19.1x	15.3x	13.2x
Nordic Waterproofing Hld	365	1.2x	1.1x	1.1x	10.4x	8.8x	8.3x	15.5x	12.1x	11.3x	19.5x	13.7x	12.7x
H+H International	163	0.7x	0.7x	0.6x	10.3x	5.7x	4.9x	39.9x	11.5x	9.0x	89.2x	11.8x	8.4x
Nobia	222	0.7x	0.7x	0.6x	10.2x	6.7x	5.6x		20.9x	13.5x			10.0x
Balco Group	77	0.8x	0.6x	0.5x	11.7x	6.5x	5.9x	23.8x	9.0x	8.0x	19.7x	8.2x	6.9x
Peer Group Average	346	1.0x	0.9x	0.8x	9.6x	7.1x	6.4x	20.6x	13.0x	10.5x	31.8x	12.8x	10.5x
Peer Group Median	252	0.9x	0.8x	0.7x	10.3x	6.6x	5.8x	15.5x	12.2x	10.7x	19.5x	13.7x	10.8x
LapWall (Evli est.)	56	1.1x	0.9x	0.7x	9.1x	8.4x	5.7x	11.4x	10.7x	7.4x	14.1x	12.8x	9.5x
<i>LapWall prem./disc. to peer median</i>		<i>13 %</i>	<i>12 %</i>	<i>-4 %</i>	<i>-11 %</i>	<i>28 %</i>	<i>-1 %</i>	<i>-26 %</i>	<i>-12 %</i>	<i>-30 %</i>	<i>-28 %</i>	<i>-7 %</i>	<i>-12 %</i>

Source FactSet, Evli Research

We have amended our rating methodology since the previous update of the stock. Please see the updated and previous methodologies below.

NEW

Target price compared to share price

< -10%

-10 – 0%

0 – (+10)%

> 10%

Recommendation

SELL

REDUCE

ACCUMULATE

BUY

OLD

Target price compared to share price

< -10%

-10 – (+10)%

> 10%

Recommendation

SELL

HOLD

BUY

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	3.87 PV of Free Cash Flow	34 Long-term growth, %	2.0 % Risk-free interest rate, % 2.50 %
DCF share value	5.45 PV of Horizon value	44 WACC, %	9.6 % Market risk premium, % 5.8 %
Share price potential, %	40.8 % Unconsolidated equity	0 Spread, %	0.5 % Debt risk premium % 2.5 %
Maximum value	5.9 Marketable securities	4 Minimum WACC, %	9.1 % Equity beta coefficient 1.30
Minimum value	5.1 Debt – dividend	–3 Maximum WACC, %	10.1 % Target debt ratio, % 20 %
Horizon value, %	56.8 % Value of stock	79 No. of shares, Mn	14.5 Effective tax rate, % 20 %

DCF valuation, EURm	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	TERMINAL
Net sales	42	44	48	59	70	77	82	85	86	88	90	92
Sales growth (%)	–	4.8%	8.4%	24.5%	17.5%	10.0%	7.5%	3.0%	2.0%	2.0%	2.0%	2.0%
Operating income (EBIT)	3	4	5	7	9	10	10	10	10	10	10	10
Operating income margin %	7.7%	9.4%	10.4%	11.5%	12.5%	12.5%	12.0%	11.5%	11.5%	11.0%	11.0%	11.0%
+ Depreciation+amort.	2	2	2	3	3	3	3	3	2	2	2	
EBITDA	5	6	7	10	12	13	13	13	12	12	12	
– Paid taxes	–1	–1	–1	–2	–2	–2	–2	–2	–2	–2	–2	
– Change in NWC	0	0	0	0	0	0	0	0	0	0	0	
NWC / Sales, %	–3.0%	–3.3%	–4.0%	–3.0%	–2.5%	–2.5%	–2.5%	–2.5%	–2.5%	–2.5%	–2.5%	
+ Change in other liabs												
– Operative CAPEX	–5	–8	–10	–1	–2	–2	–2	–4	–3	–3	–3	
opCAPEX / Sales, %	12.0%	17.3%	20.0%	2.2%	2.9%	2.8%	2.7%	4.4%	3.3%	3.3%	3.3%	
– Acquisitions												
+ Divestments												
– Other items		0										
= FCFF	–1	–2	–3	7	8	9	9	7	8	7	7	100
= Discounted FCFF		–2	–3	6	6	6	6	4	4	4	3	44
= DFCF min WACC		–2	–3	6	6	6	6	4	4	4	3	49
= DFCF max WACC		–2	–3	6	6	6	5	4	4	3	3	40

Sensitivity analysis, EUR

		Terminal WACC				
		7.59 %	8.59 %	9.59 %	10.59 %	11.59 %
Terminal EBIT-%	9.00 %	6.35	5.41	4.71	4.17	3.74
	10.00 %	6.94	5.87	5.08	4.47	3.98
	11.00 %	7.53	6.33	5.45	4.77	4.23
	12.00 %	8.12	6.79	5.81	5.07	4.48
	13.00 %	8.70	7.25	6.18	5.37	4.73

INTERIM FIGURES

EVLI ESTIMATES, EURm	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3	2024Q4E	2024E	2025E	2026E
Net sales	9.3	9.6	10.9	12.1	41.9	10.1	11.0	11.7	11.1	43.9	47.6	59.2
EBITDA	1.5	1.1	1.3	1.3	5.3	1.3	1.4	2.0	1.5	6.2	7.3	9.9
<i>EBITDA margin (%)</i>	<i>16.9%</i>	<i>11.6%</i>	<i>12.2%</i>	<i>11.1%</i>	<i>12.6%</i>	<i>13.3%</i>	<i>13.1%</i>	<i>17.0%</i>	<i>13.4%</i>	<i>14.2%</i>	<i>15.4%</i>	<i>16.8%</i>
EBIT	1.0	0.6	0.8	0.8	3.2	0.8	0.9	1.4	1.0	4.1	5.0	6.8
<i>EBIT margin (%)</i>	<i>11.1%</i>	<i>6.5%</i>	<i>7.2%</i>	<i>6.6%</i>	<i>7.7%</i>	<i>7.9%</i>	<i>8.1%</i>	<i>12.4%</i>	<i>8.8%</i>	<i>9.4%</i>	<i>10.4%</i>	<i>11.5%</i>
Net financial items	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	-0.1	-0.1	-0.3	-0.2
Pre-tax profit	1.0	0.6	0.8	0.8	3.2	0.8	0.9	1.4	0.9	4.0	4.6	6.6
Tax	-0.2	-0.2	-0.2	-0.2	-0.6	-0.2	-0.2	-0.3	-0.2	-0.9	-1.0	-1.5
<i>Tax rate (%)</i>	<i>14.6%</i>	<i>21.4%</i>	<i>15.4%</i>	<i>15.3%</i>	<i>16.4%</i>	<i>15.6%</i>	<i>18.8%</i>	<i>20.0%</i>	<i>20.0%</i>	<i>18.8%</i>	<i>19.0%</i>	<i>20.0%</i>
Net profit	0.9	0.5	0.6	0.6	2.6	0.7	0.7	1.1	0.7	3.2	3.6	5.1
EPS	0.06	0.03	0.04	0.04	0.18	0.05	0.05	0.07	0.05	0.22	0.25	0.35
EPS adj. (diluted)	0.06	0.03	0.04	0.04	0.18	0.05	0.05	0.07	0.05	0.22	0.25	0.35
Dividend per share					0.13					0.11	0.12	0.18
SALES, EURm	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3	2024Q4E	2024E	2025E	2026E
LapWall	9.3	9.6	10.9	12.1	41.9	10.1	11.0	11.7	11.1	43.9	47.6	59.2
Total	9.3	9.6	10.9	12.1	41.9	10.1	11.0	11.7	11.1	43.9	47.6	59.2
SALES GROWTH, Y/Y%	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3	2024Q4E	2024E	2025E	2026E
LapWall	-23.6%	-28.0%	-18.5%	-11.3%	-20.3%	9.4%	14.6%	6.9%	-8.5%	4.8%	8.4%	24.5%
Total	-23.6%	-28.0%	-18.5%	-11.3%	-20.3%	9.4%	14.6%	6.9%	-8.5%	4.8%	8.4%	24.5%
EBIT, EURm	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3	2024Q4E	2024E	2025E	2026E
LapWall	1.0	0.6	0.8	0.8	3.2	0.8	0.9	1.4	1.0	4.1	5.0	6.8
Total	1.0	0.6	0.8	0.8	3.2	0.8	0.9	1.4	1.0	4.1	5.0	6.8
EBIT margin %	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3	2024Q4E	2024E	2025E	2026E
LapWall	11.1%	6.5%	7.2%	6.6%	7.7%	7.9%	8.1%	12.4%	8.8%	9.4%	10.4%	11.5%
Total	11.1%	6.5%	7.2%	6.6%	7.7%	7.9%	8.1%	12.4%	8.8%	9.4%	10.4%	11.5%

INCOME STATEMENT, EURm	2019	2020	2021	2022	2023	2024E	2025E	2026E
Sales			35.5	52.5	41.9	43.9	47.6	59.2
<i>Sales growth (%)</i>				48.0%	-20.3%	4.8%	8.4%	24.5%
EBITDA			6.1	9.5	5.3	6.2	7.3	9.9
<i>EBITDA margin (%)</i>			17.2%	18.1%	12.6%	14.2%	15.4%	16.8%
Depreciation			-1.4	-1.2	-1.3	-1.3	-1.6	-2.4
EBITA			4.8	8.3	4.0	5.0	5.8	7.6
Goodwill amortization / writedown			-0.4	-0.5	-0.7	-0.8	-0.8	-0.8
EBIT			4.4	7.8	3.2	4.1	5.0	6.8
<i>EBIT margin (%)</i>			12.3%	14.9%	7.7%	9.4%	10.4%	11.5%
Reported EBIT			4.4	7.8	3.2	4.1	5.0	6.8
<i>EBIT margin (reported) (%)</i>			12.3%	14.9%	7.7%	9.4%	10.4%	11.5%
Net financials			-0.1	-0.7	0.0	-0.1	-0.3	-0.2
Pre-tax profit			4.2	7.1	3.2	4.0	4.6	6.6
Taxes			-0.9	-1.4	-0.6	-0.9	-1.0	-1.5
Minority shares								
Net profit			3.3	5.5	2.6	3.2	3.6	5.1
Cash NRIs								
Non-cash NRIs								
BALANCE SHEET, EURm								
Assets								
Fixed assets		8	7	10	9	16	24	23
Goodwill		2	2	2	6	5	4	3
Right of use assets								
Inventory		1	3	3	3	5	8	8
Receivables		3	3	5	5	5	7	6
Liquid funds		2	2	8	4	5	1	2
Total assets		17	17	28	27	37	43	41
Liabilities								
Shareholders' equity		5	7	16	17	18	20	23
Minority interest								
Convertibles								
Lease liabilities								
Deferred taxes								
Interest bearing debt		5	3	2	1	6	7	2
Non-interest bearing current liabilities		6	7	10	9	9	10	15
Other interest-free debt						3	6	
Total liabilities		17	17	28	27	37	43	41
CASH FLOW, EURm								
+ EBITDA			6	10	5	6	7	10
- Net financial items			0	-1	0	0	0	0
- Taxes			-1	-1	-1	-1	-1	-1
- Increase in Net Working Capital		2	-1	1	0	0	0	0
+/- Other				0		0		
= Cash flow from operations		2	4	8	4	6	6	8
- Capex		-11	0	-4	-5	-8	-10	-1
- Acquisitions								
+ Divestments								
= Free cash flow		-9	4	4	-1	-2	-3	7
+/- New issues/buybacks		5	-2	5	1			
- Paid dividend			2	3	2	2	2	3
+/- Other		5	-2	-1	-1	5	1	-5
Change in cash		2	0	6	-3	1	-4	0

KEY FIGURES	2020	2021	2022	2023	2024E	2025E	2026E
M-cap			51	45	56	56	56
Net debt (excl. convertibles)	4	1	-6	-3	1	6	1
Enterprise value	4	1	45	42	57	62	57
Sales		35	53	42	44	48	59
EBITDA		6	10	5	6	7	10
EBIT		4	8	3	4	5	7
Pre-tax		4	7	3	4	5	7
Earnings		3	5	3	3	4	5
Equity book value (excl. minorities)	5	7	16	17	18	20	23

Valuation multiple	2020	2021	2022	2023	2024E	2025E	2026E
EV/Sales		0.0	0.9	1.0	1.3	1.3	1.0
EV/EBITDA		0.2	4.8	8.0	9.2	8.5	5.7
EV/EBITA		0.3	5.5	10.7	11.6	10.8	7.5
EV/EBIT		0.3	5.8	13.1	13.9	12.5	8.4
EV/OCF	2.2	0.3	5.8	10.3	10.4	9.7	7.0
EV/FCF	-0.4	0.3	10.9	-48.0	-29.3	-21.9	8.1
P/FCFR			14.4	-50.4	-27.4	-18.2	8.3
P/E			9.3	17.6	17.6	15.7	11.1
P/BV			3.2	2.7	3.1	2.8	2.4
Target EV/EBITDA					9.9	9.1	6.2
Target EV/EBIT					15.1	13.5	9.1
Target EV/FCFF					-30.2	-21.5	9.1
Target P/BV					3.4	3.0	2.6
Target P/E, diluted					19.1	17.0	12.0

Per share measures	2020	2021	2022	2023	2024E	2025E	2026E
Number of shares (million)		12.38	14.23	14.53	14.53	14.53	14.53
Number of shares (diluted, million)		12.38	14.23	14.53	14.53	14.53	14.53
EPS		0.27	0.38	0.18	0.22	0.25	0.35
Operating cash flow per share		0.36	0.55	0.28	0.38	0.44	0.56
Free cash flow per share		0.33	0.25	-0.06	-0.14	-0.21	0.47
Book value per share		0.58	1.11	1.15	1.24	1.38	1.61
Dividend per share		0.14	0.19	0.13	0.11	0.12	0.18
Dividend payout ratio, %		51.9%	49.4%	73.7%	50.0%	50.0%	50.0%
Dividend yield, %			5.3%	4.2%	2.9%	3.2%	4.5%
FCF yield, %			7.0%	-2.0%	-3.7%	-5.5%	12.1%

Efficiency measures	2020	2021	2022	2023	2024E	2025E	2026E
ROE		53.4%	47.6%	15.7%	18.4%	18.8%	23.4%
ROCE		41.0%	54.4%	17.8%	19.2%	19.2%	25.7%

Financial ratios	2020	2021	2022	2023	2024E	2025E	2026E
Inventories as % of sales		7.1%	6.1%	7.4%	12.0%	16.0%	13.0%
Receivables as % of sales		8.8%	9.5%	10.9%	12.5%	14.0%	10.0%
Non-int. bearing liabilities as % of sales		18.8%	19.0%	21.3%	21.3%	22.0%	26.0%
NWC/sales, %		-2.9%	-3.3%	-3.0%	-3.3%	-4.0%	-3.0%
Operative CAPEX/Sales, %		1.2%	8.3%	12.0%	17.3%	20.0%	2.2%
CAPEX/sales (incl. acquisitions), %		1.2%	8.3%	12.0%	17.3%	20.0%	2.2%
FCFF/EBITDA		0.7	0.4	-0.2	-0.3	-0.4	0.7
Net Debt/EBITDA, book-weighted		0.2	-0.6	-0.6	0.2	0.8	0.1
Debt/equity, market-weighted			0.0	0.0	0.1	0.1	0.0
Equity ratio, book-weighted		0.3	0.4	0.6	0.5	0.5	0.6
Gearing, %	69.6%	17.7%	-34.7%	-18.0%	5.4%	28.3%	2.8%

COMPANY DESCRIPTION: LapWall is a Finnish construction material company that produces prefabricated wooden construction elements for both residential and non-residential buildings. The company operates through its three production facilities located in Finland. LapWall's business model is centered around its LEKO® element system that covers everything from element design to installation. LapWall was founded in 2011 and currently employs roughly 115 personnel. The company was listed to the First North Growth Market in 2022.

INVESTMENT CASE: The sluggish residential construction market has decreased demand for LapWall's wooden wall element products during 2023–2024. While the wall elements market remains difficult, the firm's expansion into roof element capabilities has proven fruitful, with roof element demand holding up better. The company is currently investing in its Pyhäntä factory to triple the capacity. We forecast 2023–2024 to be the cycle-low in terms of earnings and expect that the company will continue its profitable growth as market stabilizes throughout 2025–2028 and LapWall gains market share.

OWNERSHIP STRUCTURE	SHARES	EURm	%
Jarmo Pekkarinen	2 700 000	10.449	18.6 %
Timo Pekkarinen	2 245 000	8.688	15.5 %
Pohjanmaan Arvo Sijoitusosuuskunta	1 510 306	5.845	10.4 %
Ahola Tuomas Veli	1 289 739	4.991	8.9 %
Pekkarinen Janne Petteri	964 751	3.734	6.6 %
Alquila Oy	424 111	1.641	2.9 %
Pekkarinen Antti Olavi	390 632	1.512	2.7 %
Kari Viljamaa	385 644	1.492	2.7 %
Suomen Teollisuussijoitus Oy	294 108	1.138	2.0 %
Ahti Väisänen	271 254	1.050	1.9 %
Ten largest	10 475 545	40.540	72.1 %
Residual	4 049 973	15.673	27.9 %
Total	14 525 518	56.214	100%

EARNINGS CALENDAR

February 06, 2025

FY 2024 Results

OTHER EVENTS

COMPANY MISCELLANEOUS

OEO: Jarmo Pekkarinen
CFO: Tuomo Riihonen
IR:

Yrittäjätie 7, 36600 Pälkäne
Tel:

DEFINITIONS

<p>P/E</p> $\frac{\text{Price per share}}{\text{Earnings per share}}$	<p>EPS</p> $\frac{\text{Profit before extraord. items and taxes} - \text{income taxes} + \text{minority interest}}{\text{Number of shares}}$
<p>P/BV</p> $\frac{\text{Price per share}}{\text{Shareholder's equity} + \text{taxed provisions per share}}$	<p>DPS</p> <p>Dividend for the financial period per share</p>
<p>Market cap</p> <p>Price per share * Number of shares</p>	<p>OCF (Operating cash flow)</p> <p>EBITDA – Net financial items – Taxes – Increase in working capital – Cash NRIs ± Other adjustments</p>
<p>EV (Enterprise value)</p> <p>Market cap + net debt + minority interest at market value – share of associated companies at market value</p>	<p>FCF (Free cash flow)</p> <p>Operating cash flow – Operative CAPEX – acquisitions + divestments</p>
<p>EV/Sales</p> $\frac{\text{Enterprise value}}{\text{Sales}}$	<p>FCF yield, %</p> $\frac{\text{Free cash flow}}{\text{Market cap}}$
<p>EV/EBITDA</p> $\frac{\text{Enterprise value}}{\text{Earnings before interest, tax, depreciation and amortization}}$	<p>Operative CAPEX / Sales</p> $\frac{\text{Capital expenditure} - \text{divestments} - \text{acquisitions}}{\text{Sales}}$
<p>EV/EBIT</p> $\frac{\text{Enterprise value}}{\text{Operating profit}}$	<p>Net working capital</p> <p>Current assets – current liabilities</p>
<p>Net debt</p> <p>Interest bearing debt – financial assets</p>	<p>Capital employed / Share</p> $\frac{\text{Total assets} - \text{non-interest bearing debt}}{\text{Number of shares}}$
<p>Total assets</p> <p>Balance sheet total</p>	<p>Gearing</p> $\frac{\text{Net debt}}{\text{Equity}}$
<p>Div yield, %</p> $\frac{\text{Dividend per share}}{\text{Price per share}}$	<p>Debt/Equity, %</p> $\frac{\text{Interest bearing debt}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}$
<p>Payout ratio, %</p> $\frac{\text{Total dividends}}{\text{Earnings before extraordinary items and taxes} - \text{income taxes} + \text{minority interest}}$	<p>Equity ratio, %</p> $\frac{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}{\text{Total assets} - \text{interest-free loans}}$
<p>ROCE, %</p> $\frac{\text{Profit before extraordinary items} + \text{interest expenses} + \text{other financial costs}}{\text{Balance sheet total} - \text{non-interest bearing debt (average)}}$	<p>CAGR, %</p> <p>Cumulative annual growth rate = Average growth rate per year</p>
<p>ROE, %</p> $\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions (average)}}$	

Important Disclosures

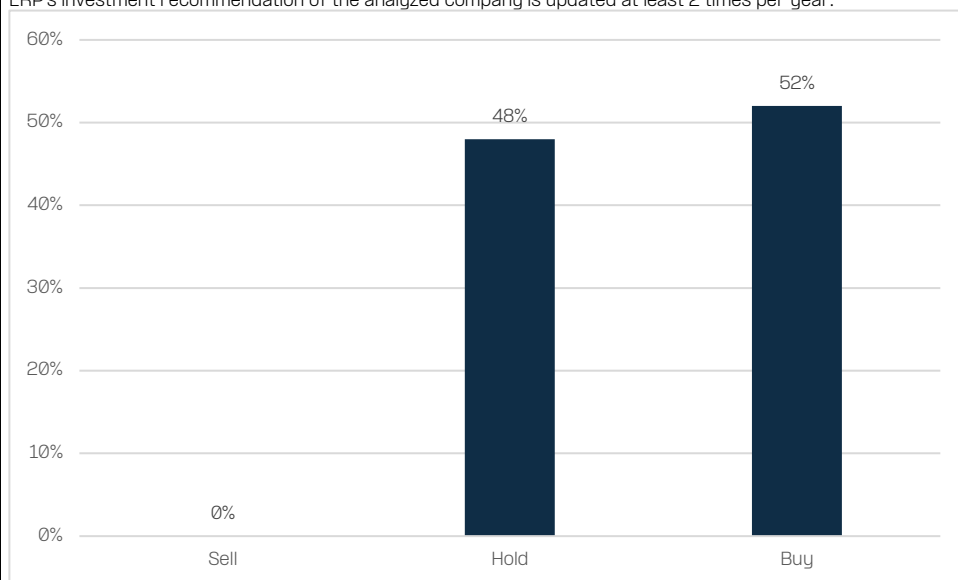
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Investment recommendations are defined as follows:

Target price compared to share price	Recommendation
< -10 %	SELL
-10 - 0 %	RECUDE
0 - (+10) %	ACCUMULATE
> 10 %	BUY

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Name(s) of the analyst(s): Atte Jortikka

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