

## Steady progress amid uncertainty

Loihde's Q3 beat our estimates, offset by expectations of a slower Q4. Growth in the main business areas continues to be favourable, while recovery in IT consulting is still awaited, and we see continued margin improvement potential.

### Q3 results better than expected

Loihde's Q3 results beat our estimates both in terms of growth and profitability. Net sales grew by 5% y/y to EUR 31.5m (Evli: 30.6m), with growth again driven by the Security Solutions and Cyber, Cloud & Connect business areas, while net sales declined in the Data & AI and Digital Services business areas. The adj. EBITDA amounted to EUR 2.9m (Evli: 2.3m), at a margin of 9.3% (Q3/23: 9.7%).

### 2025: expecting slightly faster growth, margin improvement

The third quarter was aided by revenue from security solutions projects being more front-loaded than in previous years, which together with the market situation results in a more cautious growth expectation for Q4. Our estimate revisions as such reflect the above estimated Q3 being largely offset by lowered Q4 estimates. Some additional uncertainty is seen in the sales of network equipment, which slowed down noticeably, and is seen to affect revenue generation in the short-term. For 2025 we continue to expect slightly accelerated growth (4.4%) and an improvement in the adj. EBITDA-margin to 8.7% (2024e: 7.6%). Loihde's business relating to security solutions has grown well and the outlook remains favourable and growth has importantly been seen also in continuous services, that generate better predictability and margin potential. We remain cautious of the recovery in IT consulting, with yet no signs of significant improvement, but a recovery would provide a smaller boost to growth and subsequent improvements in billing rates a comparatively larger increase in profitability.

### BUY-rating with a target price of EUR 12.2

With no larger changes to our estimates, we retain our target price of EUR 12.2, BUY-rating intact. Valuation compared with peers when looking at 2025e P/E (Loihde adj. P/E ~15x) is stretched, while clearly below peers on EV/EBITDA and EV/Sales. Our assumptions are on the cautionary side for next year, but potential for notable improvements under more normal market conditions remain in place.

Rating 🇫🇮 Buy



Share price, EUR (Last trading day's closing price) **10.80**  
Target price, EUR 12.2

Latest change in recommendation	25-Oct-24
Latest report on company	25-Oct-24
Research paid by issuer:	YES
No. of shares outstanding, '000's	5 732
No. of shares fully diluted, '000's	5 732
Market cap, EURm	62
Free float, %	0.0 %
Exchange rate	0.0
Reuters code	LOIHDE.HE
Bloomberg code	LOIHDE FH
Average daily volume, EUR	0.0
Next interim report	13-Feb-25
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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
2022	123.0	6.4	5.2%	-6.3	0.54	3700.4	0.5	9.7	-8.5%	1.80
2023	132.7	-0.9	-0.7%	5.2	-0.11	247.5	0.5	-74.5	7.5%	1.00
2024E	137.7	1.9	1.4%	1.4	0.23	47.2	0.5	33.0	2.3%	0.20
2025E	143.8	4.1	2.8%	3.0	0.62	17.3	0.4	15.3	4.9%	0.31
2026E	149.5	5.2	3.5%	3.9	0.77	14.0	0.4	11.5	6.4%	0.39
Market cap, EURm	62		Gearing 2024E, %		2.3 %		CAGR EPS 2023-26, %		151.0 %	
Net debt 2024E, EURm	2		Price/book 2024		0.6		CAGR Sales 2023-26, %		4.1 %	
Enterprise value, EURm	64		Dividend yield 2024E, %		1.9 %		ROE 2024E, %		1.3 %	
Total assets 2024E, EURm	142		Tax rate 2024E, %		43.9 %		ROCE 2024E, %		1.8 %	
Goodwill 2024E, EURm	64		Equity ratio 2024E, %		67.6 %		PEG, P/E 24/CAGR		0.7	

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

LOIHDE PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			P/E			EV/Sales		
		24	25	26	24	25	26	24	25	26	24	25	26
Digia	164	7.4x	7.2x	6.9x	10.5x	10.1x	9.4x	11.9x	11.5x	10.5x	0.9x	0.8x	0.8x
Etteplan	266	9.0x	7.5x	6.5x	15.7x	12.3x	11.0x	17.2x	13.0x	10.6x	0.9x	0.9x	0.8x
Gofore	361	11.2x	10.5x	9.3x	14.5x	13.1x	11.9x	18.4x	16.5x	14.9x	1.8x	1.6x	1.3x
Netum Group	35	9.7x	9.3x	8.9x	10.2x	9.7x	9.3x	13.3x	10.8x	9.9x	0.9x	0.9x	
Siiili Solutions	50	6.9x	5.7x	5.3x	13.5x	10.4x	8.7x	14.6x	12.2x	10.7x	0.5x	0.5x	
Solteq	13	9.6x	6.3x	5.3x	23.1x	10.1x	7.3x		19.1x	8.9x	0.7x	0.7x	0.6x
Solwers	35	2.6x	2.3x	2.1x	4.9x	4.1x	3.6x	16.0x	11.5x	10.0x	0.7x	0.7x	0.6x
TietoEVRY	2080	6.8x	6.5x	6.2x	9.9x	9.4x	8.7x	9.0x	8.5x	8.0x	1.0x	1.0x	1.0x
Vincit	33							98.8x	14.1x	10.4x	0.3x	0.3x	
Securitas	6161	7.9x	7.4x	7.0x	10.9x	10.0x	9.4x	13.9x	11.0x	9.8x	0.7x	0.6x	0.6x
Peer Group Average	673	<b>8.0x</b>	<b>7.0x</b>	<b>6.4x</b>	<b>13.6x</b>	<b>10.4x</b>	<b>9.1x</b>	<b>24.2x</b>	<b>12.9x</b>	<b>10.3x</b>	<b>0.8x</b>	<b>0.8x</b>	<b>0.8x</b>
Peer Group Median	55	<b>8.5x</b>	<b>7.3x</b>	<b>6.5x</b>	<b>12.2x</b>	<b>10.1x</b>	<b>9.4x</b>	<b>15.3x</b>	<b>12.2x</b>	<b>10.0x</b>	<b>0.9x</b>	<b>0.8x</b>	<b>0.7x</b>
Loihde (Evli est.)	<b>62</b>	<b>6.6x</b>	<b>5.3x</b>	<b>4.6x</b>	<b>33.3x</b>	<b>15.4x</b>	<b>11.6x</b>	<b>47.6x</b>	<b>17.5x</b>	<b>14.2x</b>	<b>0.5x</b>	<b>0.4x</b>	<b>0.4x</b>

Loihde prem./disc. to peer median

-22%   -28%   -29%   173%   52%   24%   211%   43%   42%   -47%   -46%   -41%

Source FactSet, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	10.80 PV of Free Cash Flow	76 Long-term growth, %	1.5 % Risk-free interest rate, % 2.50 %
DCF share value	28.81 PV of Horizon value	92 WACC, %	8.7 % Market risk premium, % 6.3 %
Share price potential, %	166.7 % Unconsolidated equity	0 Spread, %	0.5 % Debt risk premium % 3.5 %
Maximum value	31.0 Marketable securities	12 Minimum WACC, %	8.2 % Equity beta coefficient 1.10
Minimum value	26.9 Debt – dividend	-16 Maximum WACC, %	9.2 % Target debt ratio, % 15 %
Horizon value, %	54.8 % Value of stock	165 No. of shares, Mn	5.7 Effective tax rate, % 20 %

DCF valuation, EURm	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	TERMINAL
Net sales	133	138	144	150	156	160	165	170	173	177	179	182
Sales growth (%)	7.9%	3.8%	4.4%	4.0%	4.0%	3.0%	3.0%	3.0%	2.0%	2.0%	1.5%	1.5%
Operating income (EBIT)	-1	2	4	5	7	7	7	8	9	9	9	9
Operating income margin %	-0.7%	1.4%	2.8%	3.5%	4.5%	4.5%	4.5%	4.5%	5.0%	5.0%	5.0%	5.0%
+ Depreciation+amort.	8	8	8	8	8	8	8	9	9	9	9	9
EBITDA	7	10	12	13	15	15	16	16	17	18	18	18
- Paid taxes	-1	0	-1	-1	-1	-1	-1	-2	-2	-2	-2	-2
- Change in NWC	-4	-1	0	0	0	0	0	0	0	0	0	0
NWC / Sales, %	10.5%	10.6%	10.5%	10.4%	10.3%	10.3%	10.2%	10.1%	10.1%	10.0%	10.0%	10.0%
+ Change in other liabs	-6											
- Operative CAPEX	4	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2
opCAPEX / Sales, %	2.0%	5.6%	5.5%	5.3%	5.4%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%
- Acquisitions	-2											
+ Divestments	8											
- Other items	0											
= FCFF	6	7	9	10	11	12	12	12	13	14	14	198
= Discounted FCF		7	8	8	9	8	8	7	7	7	7	92
= DFCF min WACC		7	8	8	9	8	8	8	8	7	7	104
= DFCF max WACC		7	8	8	9	8	8	7	7	7	6	83

**Sensitivity analysis, EUR**

		Terminal WACC				
		6.69 %	7.69 %	8.69 %	9.69 %	10.69 %
Terminal EBIT-%	3.00 %	33.59	28.43	24.69	21.84	19.59
	4.00 %	36.97	31.04	26.75	23.50	20.95
	5.00 %	40.35	33.64	28.81	25.16	22.32
	6.00 %	43.74	36.24	30.87	26.82	23.68
	7.00 %	47.12	38.85	32.92	28.48	25.04

**INTERIM FIGURES**

<b>EVLI ESTIMATES, EURm</b>	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3	2024Q4E	2024E	2025E	2026E
Net sales	313	342	299	373	1327	330	354	315	378	137.7	143.8	149.5
EBITDA	-0.4	0.8	2.8	3.5	6.7	1.4	2.2	2.8	3.3	9.8	11.9	13.2
<i>EBITDA margin (%)</i>	-1.3%	2.4%	9.2%	9.4%	5.0%	4.3%	6.3%	8.9%	8.8%	7.1%	8.3%	8.8%
EBIT	-2.2	-1.1	0.9	1.5	-0.9	-0.5	0.3	0.9	1.4	1.9	4.1	5.2
<i>EBIT margin (%)</i>	-7.0%	-3.2%	2.9%	4.1%	-0.7%	-1.7%	0.8%	2.7%	3.6%	1.4%	2.8%	3.5%
Net financial items	-0.2	0.6	-0.2	0.3	0.4	0.1	0.1	0.1	0.1	0.4	0.4	0.3
Pre-tax profit	-2.4	-0.5	0.6	1.8	-0.5	-0.4	0.4	1.0	1.5	2.3	4.5	5.5
Tax	0.4	-0.5	-0.2	0.3	-0.1	-0.2	-0.4	-0.2	-0.3	-1.0	-0.9	-1.1
<i>Tax rate (%)</i>	15.4%	-99.3%	37.0%	-16.0%	-22.1%	-44.8%	99.5%	17.8%	20.0%	43.9%	20.0%	20.0%
Net profit	-2.0	-1.1	0.4	2.1	-0.6	-0.6	0.0	0.8	1.2	1.3	3.6	4.4
EPS	-0.35	-0.19	0.07	0.36	-0.11	-0.11	0.00	0.14	0.20	0.23	0.62	0.77
EPS adj. (diluted)	-0.30	-0.15	0.10	0.41	0.05	-0.11	0.00	0.14	0.20	0.23	0.62	0.77
Dividend per share					1.00					0.20	0.31	0.39
<b>SALES, EURm</b>	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3	2024Q4E	2024E	2025E	2026E
Group	313	342	299	373	1327	330	354	315	378	137.7	143.8	149.5
Total	313	342	299	373	1327	330	354	315	378	137.7	143.8	149.5
<b>SALES GROWTH, Y/Y%</b>	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3	2024Q4E	2024E	2025E	2026E
Group	13.0%	14.9%	1.3%	3.6%	7.9%	5.6%	3.5%	5.2%	1.3%	3.8%	4.4%	4.0%
Total	13.0%	14.9%	1.3%	3.6%	7.9%	5.6%	3.5%	5.2%	1.3%	3.8%	4.4%	4.0%
<b>EBIT, EURm</b>	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3	2024Q4E	2024E	2025E	2026E
Group	-2.2	-1.1	0.9	1.5	-0.9	-0.5	0.3	0.9	1.4	1.9	4.1	5.2
Total	-2.2	-1.1	0.9	1.5	-0.9	-0.5	0.3	0.9	1.4	1.9	4.1	5.2
<b>EBIT margin %</b>	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3	2024Q4E	2024E	2025E	2026E
Group	-7.0%	-3.2%	2.9%	4.1%	-0.7%	-1.7%	0.8%	2.7%	3.6%	1.4%	2.8%	3.5%
Total	-7.0%	-3.2%	2.9%	4.1%	-0.7%	-1.7%	0.8%	2.7%	3.6%	1.4%	2.8%	3.5%

<b>INCOME STATEMENT, EURm</b>	2019	2020	2021	2022	2023	2024E	2025E	2026E
Sales	103.1	106.8	104.4	123.0	132.7	137.7	143.8	149.5
<i>Sales growth (%)</i>	-1.7%	3.6%	-2.3%	17.8%	7.9%	3.8%	4.4%	4.0%
EBITDA	5.6	5.6	5.6	13.3	6.7	9.8	11.9	13.2
<i>EBITDA margin (%)</i>	5.4%	5.3%	5.4%	10.8%	5.0%	7.1%	8.3%	8.8%
Depreciation	-10.8	-9.4	-6.5	-6.9	-7.6	-7.8	-7.8	-7.9
EBITA	-5.2	-3.8	-0.9	6.4	-0.9	1.9	4.1	5.2
Goodwill amortization / writedown								
EBIT	-5.2	-3.8	-0.9	6.4	-0.9	1.9	4.1	5.2
<i>EBIT margin (%)</i>	-5.0%	-3.6%	-0.8%	5.2%	-0.7%	1.4%	2.8%	3.5%
Reported EBIT	-5.2	-3.8	5.6	6.7	-0.9	1.9	4.1	5.2
<i>EBIT margin (reported) (%)</i>	-5.0%	-3.6%	5.3%	5.4%	-0.7%	1.4%	2.8%	3.5%
Net financials	20.8	0.8	1.1	-2.3	0.4	0.4	0.4	0.3
Pre-tax profit	15.6	-3.1	0.2	4.1	-0.5	2.3	4.5	5.5
Taxes	-4.5	-0.9	0.2	-1.0	-0.1	-1.0	-0.9	-1.1
Minority shares	-0.2	-0.2						
Net profit	10.9	-4.2	6.9	3.4	-0.6	1.3	3.6	4.4
Cash NRIs			6.4	0.3				
Non-cash NRIs								
<b>BALANCE SHEET, EURm</b>								
Assets								
Fixed assets	11	11	11	10	10	10	9	9
Goodwill	48	45	53	63	64	64	64	64
Right of use assets		7	8	8	10	10	11	11
Inventory	6	7	7	10	12	13	13	14
Receivables	37	28	41	36	35	37	38	39
Liquid funds	52	48	24	21	12	9	11	13
Total assets	153	146	146	151	145	142	147	151
Liabilities								
Shareholders' equity	118	111	110	111	101	96	99	101
Minority interest	1							
Convertibles								
Lease liabilities		7	8	9	10	11	11	12
Deferred taxes		0	1	0	0	0	0	0
Interest bearing debt	6	0	0	0	0			
Non-interest bearing current liabilities	27	26	26	29	34	34	36	37
Other interest-free debt		2	1	1	0	0	0	0
Total liabilities	153	146	146	151	145	142	147	151
<b>CASH FLOW, EURm</b>								
+ EBITDA	6	6	6	13	7	10	12	13
- Net financial items	-9	-16	-7	-3	-9	0	0	0
- Taxes	-4	-4	0	-1	-1	0	-1	-1
- Increase in Net Working Capital	3	0	1	-4	-4	-1	0	0
+/- Other	29	16	7	0	9			
= Cash flow from operations	25	2	7	5	2	9	11	12
- Capex	-2	-2	-6	-2	-3	-8	-8	-8
- Acquisitions			-10	-11	-2			
+ Divestments			6	1	8			
= Free cash flow	23	0	-4	-6	5	1	3	4
+/- New issues/buybacks	2	6	7	2	0			
- Paid dividend	10	15	3	10	6	1	2	2
+/- Other	-14	0	-11	5	-4	1	1	0
Change in cash	2	-4	-23	-3	-9	-4	2	2

KEY FIGURES	2020	2021	2022	2023	2024E	2025E	2026E
M-cap		96	74	69	62	62	62
Net debt (excl. convertibles)	-41	-16	-12	-2	2	0	-2
Enterprise value	-41	80	62	67	64	62	60
Sales	107	104	123	133	138	144	150
EBITDA	6	6	13	7	10	12	13
EBIT	-4	-1	6	-1	2	4	5
Pre-tax	-3	0	4	-1	2	4	6
Earnings	-4	0	3	-1	1	4	4
Equity book value (excl. minorities)	111	110	111	101	96	99	101

Valuation multiple	2020	2021	2022	2023	2024E	2025E	2026E
EV/Sales	-0.4	0.8	0.5	0.5	0.5	0.4	0.4
EV/EBITDA	-7.3	14.3	4.6	10.1	6.6	5.2	4.6
EV/EBITA	10.7	-90.8	9.7	-74.5	33.0	15.3	11.5
EV/EBIT	10.7	-90.8	9.7	-74.5	33.0	15.3	11.5
EV/OCF	-25.1	12.0	12.2	35.3	7.0	5.7	5.0
EV/FCF	25.1	11.2	10.7	11.8	9.0	7.0	6.1
P/FCFR		-23.1	-11.7	13.3	44.1	20.6	15.7
P/E		45.1	3700.4	247.5	47.2	17.3	14.0
P/BV		0.9	0.7	0.7	0.6	0.6	0.6
Target EV/EBITDA					7.4	5.9	5.2
Target EV/EBIT					37.2	17.2	13.0
Target EV/FCFF					51.4	23.3	17.3
Target P/BV					0.7	0.7	0.7
Target P/E, diluted					53.3	19.5	15.8

Per share measures	2020	2021	2022	2023	2024E	2025E	2026E
Number of shares (million)	5.68	5.93	5.63	5.75	5.73	5.73	5.73
Number of shares (diluted, million)	5.68	5.93	5.63	5.75	5.73	5.73	5.73
EPS	-0.73	0.08	0.54	-0.11	0.23	0.62	0.77
Operating cash flow per share	0.29	1.12	0.90	0.33	1.59	1.90	2.08
Free cash flow per share	-0.05	-0.70	-1.12	0.91	0.25	0.53	0.69
Book value per share	19.46	18.48	19.78	17.52	16.81	17.23	17.69
Dividend per share	2.70	0.55	1.80	1.00	0.20	0.31	0.39
Dividend payout ratio, %	-369.0%	675.2%	332.3%	-927.8%	87.3%	50.0%	50.0%
Dividend yield, %		3.4%	13.7%	8.3%	1.9%	2.9%	3.6%
FCF yield, %		-4.3%	-8.5%	7.5%	2.3%	4.9%	6.4%

Efficiency measures	2020	2021	2022	2023	2024E	2025E	2026E
ROE	-3.6%	0.4%	2.8%	-0.6%	1.3%	3.7%	4.4%
ROCE	-3.2%	-0.8%	5.4%	-0.8%	1.8%	3.8%	5.1%

Financial ratios	2020	2021	2022	2023	2024E	2025E	2026E
Inventories as % of sales	6.2%	7.0%	8.4%	9.1%	9.1%	9.1%	9.1%
Receivables as % of sales	25.9%	39.5%	29.3%	26.7%	26.6%	26.4%	26.3%
Non-int. bearing liabilities as % of sales	24.4%	25.2%	23.9%	25.3%	25.0%	25.0%	25.0%
NWC/sales, %	6.8%	21.2%	13.8%	10.5%	10.6%	10.5%	10.4%
Operative CAPEX/Sales, %	1.8%	6.1%	1.3%	2.0%	5.6%	5.5%	5.3%
CAPEX/sales (incl. acquisitions), %	1.8%	-3.6%	-7.5%	0.5%	5.6%	5.5%	5.3%
FCFF/EBITDA	-0.3	1.3	0.4	0.9	0.7	0.7	0.8
Net Debt/EBITDA, book-weighted	-7.3	-2.9	-0.9	-0.3	0.2	0.0	-0.1
Debt/equity, market-weighted		0.0	0.0	0.0			
Equity ratio, book-weighted	0.8	0.7	0.7	0.7	0.7	0.7	0.7
Gearing, %	-37.1%	-14.6%	-11.1%	-2.1%	2.3%	0.3%	-1.8%

**COMPANY DESCRIPTION:** Loihde is a service provider, specializing in comprehensive security and IT services. The company engages in agile digital IT-services, such as digi-strategy consultancy, data solutions and analytics, AI, software development and service design. Loihde focuses on high-tier security technologies both in its physical and digital security services. The company employs over 800 persons.

**INVESTMENT CASE:** Loihde has gone through notable organizational changes and has now placed its focus on growing its topline and improving its profitability. With further integrating its back-office and administrative function, additional cost savings are likely to materialize. Margins should also see further expansion with the increased share of digital security and IT-services. Loihde's healthy balance sheet enables the company to further speed up its growth with M&A activities. The company operates in prolific markets with the underlying markets grow at high-single-digit figures by several megatrends supporting the underlying market development.

OWNERSHIP STRUCTURE	SHARES	EURm	%
Suomen Teollisuussijoitus Oy	275 000	2.970	4.8 %
Bellurum Oy	210 576	2.274	3.7 %
Lakiasiaintoimisto Asiakasturva Oy	124 669	1.346	2.2 %
VISIO Allocator Fund	100 000	1.080	1.7 %
Tenendum Oy	79 000	0.853	1.4 %
LähiTapiola Mutual Life Insurance Company	75 000	0.810	1.3 %
LähiTapiola Mutual Insurance Company	75 000	0.810	1.3 %
City of Vaasa	70 400	0.760	1.2 %
Pelkonen Antti	68 480	0.740	1.2 %
Hotcom Oy	67 780	0.732	1.2 %
Ten largest	1 145 905	12.376	20.0 %
Residual	4 586 547	49.535	80.0 %
Total	5 732 452	61.910	100%

#### EARNINGS CALENDAR

February 13, 2025

FY 2024 Results

#### OTHER EVENTS

#### COMPANY MISCELLANEOUS

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CFO: Pirjo Suhonen  
IR: Tiina Nieminen

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Tel: +358 10 273 2300

## DEFINITIONS

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

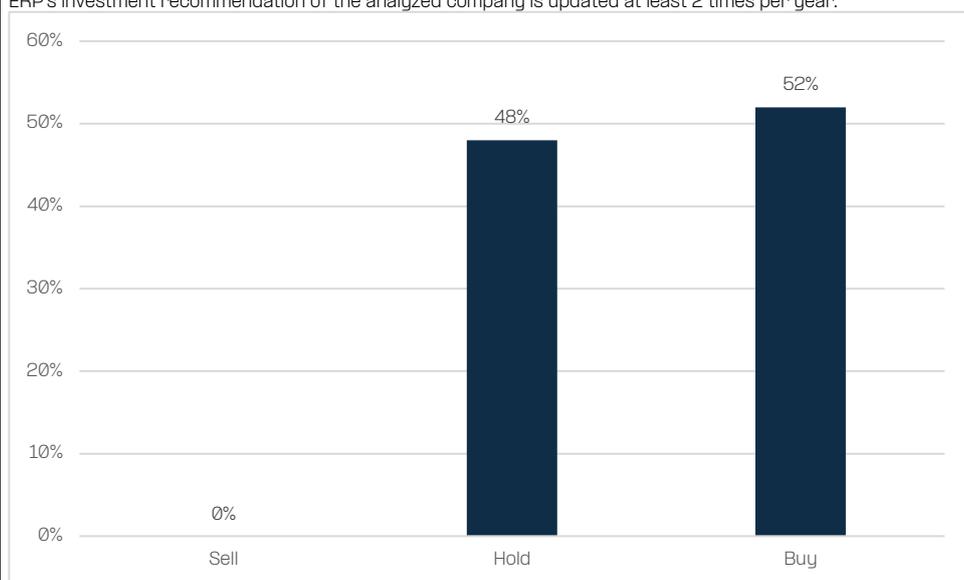
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Investment recommendations are defined as follows:

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 on the 23rd of October, 2024. If recommendation is not given, it is not mentioned here.

Name(s) of the analyst(s): Jerker Salokivi

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