

Limited surprises

Pihlajalinna's Q4 financials were close to estimates and guidance did not surprise. While new outsourcing contracts from previous or ongoing negotiations remains uncertain, the expanded geographical reach should improve prerequisites for growth in other areas as well. We think valuation continues to look attractive. We retain "Buy" rating with TP of EUR 12.

Profitability at reasonable level in Q4

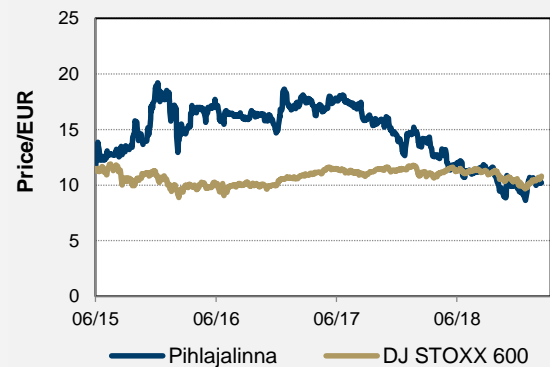
Pihlajalinna's adj. EBITDA margin improved y/y in Q4, after improving to flat y/y level in Q3 from weaker H1. However, of the EUR 2.6m y/y adj. EBITDA improvement EUR 2.4m was explained by improved profitability in public specialized care, which seemed to be largely due to service provider refunds from hospital districts related to cost accruals. Amount of these refunds has fluctuated a lot historically. Profitability thus looked better than it was in underlying terms, but it was still at a reasonable level in our view.

Not much new to tell of the new contract pipeline

Pihlajalinna has been in negotiations over new potential contracts with Laitila, Ruovesi and Kristiinankaupunki. While decisions from some of these were expected by the end of 2018, each remains undecided. Overall, municipalities' eagerness to strike new contracts remains impacted by the uncertainty related to the SOTE reform. Activity could increase if SOTE fails in the coming weeks, but overall visibility for how municipal activity develops is not great, in our view. Yet with the expanded clinic network the company should be better positioned to win new business for example in occupational healthcare, in our view.

Retaining "Buy" with TP of EUR 12

On our estimates Pihlajalinna trades 7.7x and 6.8x EV/EBITDA in FY19-20E, respectively. We think valuation continues to look attractive. We retain "Buy" rating with TP of EUR 12.

Rating + BUY


Share price, EUR (Last trading day's closing price)	10.20
Target price, EUR	12.0

Latest change in recommendation	01-Nov-18
Latest report on company	15-Feb-19
Research paid by issuer:	Yes
No. of shares outstanding, '000's	22,620
No. of shares fully diluted, '000's	22,620
Market cap, EURm	231
Free float, %	66.0
Exchange rate	0.000
Reuters code	PIHLIS.HE
Bloomberg code	PIHLIS FH
Average daily volume, EURm	na.
Next interim report	-
Web site	http://investors.pihlajalinna.fi/

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+ BUY □ HOLD - SELL

KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	Ptx profit EURm	EPS EUR	P/E (x)	EV/Sales (x)	P/CF (x)	EV/EBIT (x)	DPS EUR
2017	424	20	4.7%	19	0.52	25.7	0.8	7.2	16.2	0.16
2018	488	14	2.9%	11	0.22	39.0	0.6	6.2	21.6	0.10
2019E	515	22	4.4%	19	0.60	16.9	0.6	5.8	14.5	0.20
2020E	525	25	4.9%	23	0.72	14.1	0.6	5.6	12.0	0.24
2021E	541	30	5.5%	28	0.89	11.5	0.5	5.2	9.5	0.29
Market cap, EURm		231		BV per share 2019E, EUR		5.9		CAGR EPS 2018-21, %		58.9
Net debt 2019E, EURm		79		Price/book 2019E		1.7		CAGR sales 2018-21, %		3.5
Enterprise value, EURm		326		Dividend yield 2019E, %		1.9		ROE 2019E, %		10.7
Total assets 2019E, EURm		342		Tax rate 2019E, %		20.0		ROCE 2019E, %		8.7
Goodwill 2019E, EURm		170		Equity ratio 2019E, %		41.6		PEG, P/E 19/CAGR		1.1

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

Estimates

Our estimates do not yet reflect IFRS 16.

Net sales	2017	Q1'18	Q2'18	Q3'18	Q4'18	2018E	Q1'19E	Q2'19E	Q3'19E	Q4'19E	2019E	2020E
Corporate Customers	82.6	26.2	25.3	22.8	29.4	103.7	28.1	27.2	24.7	31.4	111.3	113.5
of which insurance companies	26.6	6.6	6.6	5.3	6.7	25.2	6.6	6.6	5.3	6.7	25.2	25.7
of which other corporates	56.0	19.6	18.7	17.5	22.7	78.5	21.5	20.6	19.4	24.7	86.1	87.8
Private Customers	67.9	22.2	24.3	21.0	24.6	92.1	23.1	25.3	21.9	25.6	95.9	97.9
Public sector customers	330.5	85.1	90.3	85.7	88.6	349.7	89.3	94.6	89.9	92.9	366.7	374.0
Total	424.0	119.3	125.3	116.3	126.9	487.8	126.1	132.2	123.0	133.8	515.1	525.4
Net sales growth												
Corporate Customers	-	17.0%	21.1%	25.3%	39.3%	25.5%	7.2%	7.4%	8.1%	6.6%	7.3%	2.0%
Private Customers	-	16.8%	35.0%	54.4%	42.2%	35.6%	4.3%	4.1%	4.4%	4.0%	4.2%	2.0%
Public sector customers	-	2.5%	9.9%	6.1%	4.9%	5.8%	4.9%	4.8%	4.9%	4.8%	4.9%	2.0%
Total	6.2%	8.5%	17.5%	17.0%	17.5%	15.0%	5.7%	5.5%	5.8%	5.4%	5.6%	2.0%
Adj. EBITDA (group)	34.0	3.9	6.6	10.7	11.1	32.3	10.1	10.4	10.8	11.0	42.3	44.7
Adj. EBITDA-margin (group)	8.0%	3.3%	5.3%	9.2%	8.7%	6.6%	8.0%	7.9%	8.8%	8.2%	8.2%	8.5%

Source: Pihlajalinn, Evli Research

Valuation

On our estimates Pihlajalinn now trades ~20% discount on EV/EBITDA in FY19-21E. We note that EBIT is burdened by PPA amortizations at least in 2019E still. It is also noteworthy that EV-based comparisons may be distorted by different approaches and timing with which IFRS 16 is reflected in estimates. Our estimates for Pihlajalinn do not yet reflect IFRS 16.

PIHLAJALINNA PEER GROUP	Security identifier	MCAP Local FX	EV/EBITDA			EV/EBIT			P/E		
			19	20	21	19	20	21	19	20	21
Ambea AB	AMBEA-SE	5607	9.9x	7.8x	6.7x	16.4x	11.0x	8.4x	12.2x	10.5x	9.3x
Attendo AB	ATT-SE	9531	9.6x	8.3x	7.3x	14.7x	12.4x	10.6x	16.2x	13.8x	12.0x
Cambian Group Plc	CMBN-GB										
Capio AB	CAPIO-SE	8173									
CareTech Holdings PLC	CTH-GB	370	9.6x	8.2x	7.5x	11.5x	9.6x	8.5x	9.4x	7.9x	6.9x
Fresenius SE & Co. KGaA	FRE-DE	26236	6.6x	6.1x	5.6x	8.7x	8.2x	7.4x	13.8x	13.0x	11.7x
Georgia Healthcare Group Plc	GHG-GB	299	8.1x	6.6x	5.7x	10.2x	8.0x	7.0x	18.2x	13.5x	11.2x
GHP Specialty Care AB	GHP-SE	930	10.2x	8.8x		14.4x	12.6x		18.4x	18.9x	
Humana AB	HUM-SE	3598	9.6x	8.6x	8.3x	12.2x	10.8x	9.9x	12.4x	11.2x	10.4x
Korian SA	KORI-FR	2761	10.5x	9.8x	8.5x	16.1x	14.6x	12.8x	21.5x	18.5x	17.5x
LNA Sante SA	LNA-FR	439	11.0x	9.9x		13.2x	11.6x		15.9x	13.7x	
Mediclinic International Plc	MDC-GB	2312	7.5x	6.8x	6.6x	11.2x	10.0x	9.5x	10.6x	9.2x	8.4x
Orpea SA	ORP-FR	6207	16.7x	15.7x	12.4x	23.4x	22.0x	17.3x	24.3x	21.6x	19.2x
RHON-KLINIKUM AG	RHK-DE	1546	11.8x	11.1x	11.2x	22.8x	23.9x	23.7x	35.1x	34.4x	31.6x
Spire Healthcare Group PLC	SPI-GB	495	7.4x	6.7x	6.1x	17.1x	14.8x	13.0x	16.5x	13.8x	13.0x
Terveystalo Oy Class A	TTALO-FI	1100	10.7x	9.7x	8.7x	18.1x	16.4x	14.7x	16.1x	16.1x	14.1x
Peer Group Median		4838	9.8x	8.5x	7.4x	14.6x	12.0x	10.2x	16.2x	13.8x	11.9x
Peer Group Average		2312	10.0x	8.9x	7.9x	15.0x	13.3x	11.9x	17.2x	15.4x	13.8x
Pihlajalinn (Evli est.)		232	7.7x	6.8x	5.8x	14.6x	12.0x	9.6x	17.0x	14.2x	11.6x
Pihlajalinn premium/discount to peer median			-21%	-20%	-21%	0%	0%	-7%	5%	3%	-3%

Source: Factset, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	10.20 PV of Free Cash Flow	186 Long-term growth, %	2.0 Risk-free interest rate, %	2.25
DCF share value	14.71 PV of Horizon value	256 WACC, %	7.0 Market risk premium, %	5.8
Share price potential, %	44.2 Unconsolidated equity	-16 Spread, %	0.5 Debt risk premium, %	2.8
Maximum value	16.7 Marketable securities	36 Minimum WACC, %	6.5 Equity beta coefficient	0.80
Minimum value	13.0 Debt - dividend	-129 Maximum WACC, %	7.5 Target debt ratio, %	20
Horizon value, %	57.9 Value of stock	333 Nr of shares, Mn	22.6 Effective tax rate, %	25

DCF valuation, EURm	2018	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	Horizon
Net sales	488	515	525	541	557	574	591	609	627	646	659	672
<i>Sales growth, %</i>	15.0	5.6	2.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.0	2.0
Operating income (EBIT)	14	22	25	30	31	32	33	33	35	32	33	34
<i>EBIT margin, %</i>	2.9	4.4	4.9	5.5	5.5	5.5	5.5	5.5	5.5	5.0	5.0	5.0
+ Depreciation+amort.	18	20	20	19	18	17	16	16	16	16	16	
- Income taxes	-5	-4	-5	-6	-6	-6	-7	-7	-7	-6	-7	
- Change in NWC	4	2	1	1	1	1	1	1	1	2	1	
<i>NWC/Sales, %</i>	-8.1	-8.0	-8.0	-8.0	-8.0	-8.0	-8.0	-8.0	-8.0	-8.0	-8.0	
+ Change in other liabs	-1	0	0	0	0	0	0	0	0	0	0	
- Capital Expenditure	-102	-20	-13	-14	-15	-16	-17	-18	-18	-18	-19	-19
<i>Investments/Sales, %</i>	20.8	3.9	2.5	2.6	2.7	2.8	2.9	3.0	2.9	2.8	2.9	2.9
- Other items	-1	0	0	0	0	0	0	0	0	0	0	
= Unlevered Free CF (FCF)	-72	20	28	30	29	27	26	26	27	25	25	500
= Discounted FCF (DFCF)		19	25	25	22	20	18	16	16	14	13	256
= DFCF min WACC		19	25	25	23	20	18	17	16	14	13	297
= DFCF max WACC		19	24	25	22	19	17	16	15	13	12	222

INTERIM FIGURES

EVLI ESTIMATES, EURm	2018Q1	2018Q2	2018Q3	2018Q4	2018	2019Q1E	2019Q2E	2019Q3E	2019Q4E	2019E	2020E	2021E
Net sales	119	125	116	127	488	126	132	123	134	515	525	541
EBITDA	4	7	11	11	32	10	10	11	11	42	45	49
EBITDA margin (%)	3.3	5.3	9.1	8.7	6.6	8.0	7.9	8.8	8.2	8.2	8.6	9.0
EBIT	0	2	6	7	14	5	5	6	6	22	25	30
EBIT margin (%)	-0.3	1.5	5.1	5.1	2.9	4.1	4.1	4.7	4.5	4.4	4.9	5.5
Net financial items	-1	-1	-1	-1	-3	-1	-1	-1	-1	-3	-3	-2
Pre-tax profit	-1	1	5	6	11	4	5	5	5	19	23	28
Tax	0	0	-1	-1	-3	-1	-1	-1	-1	-4	-5	-6
Tax rate (%)	0.0	23.1	23.5	22.8	25.2	20.0	20.0	20.0	20.0	20.0	20.0	20.0
Net profit	-2	1	2	3	5	3	3	4	4	14	16	20
EPS	-0.07	0.05	0.10	0.15	0.22	0.11	0.15	0.17	0.17	0.60	0.72	0.89
EPS adjusted (diluted no. of shares)	-0.07	0.05	0.10	0.15	0.22	0.11	0.15	0.17	0.17	0.60	0.72	0.89
Dividend per share	0.00	0.00	0.00	0.00	0.10	0.00	0.00	0.00	0.00	0.20	0.24	0.29
SALES, EURm												
Corporate Customers	26	25	25	29	106	28	27	25	31	111	113	117
Private Customers	22	24	21	25	92	23	25	22	26	96	98	101
Public sector customers	85	90	84	89	348	89	95	90	93	367	374	385
Eliminations	-14	-15	-13	-16	-58	-14	-15	-13	-16	-59	-60	-62
Total	119	125	116	127	488	126	132	123	134	515	525	541
SALES GROWTH, Y/Y %												
Corporate Customers	17.0	21.1	35.7	39.3	27.8	7.2	7.4	-0.2	6.6	5.4	2.0	3.0
Private Customers	16.8	35.0	53.7	42.2	35.5	4.3	4.1	4.9	4.0	4.3	2.0	3.0
Public sector customers	2.5	9.9	3.6	4.9	5.2	4.9	4.8	7.4	4.8	5.5	2.0	3.0
Eliminations	-1.4	0.7	0.0	4.7	1.1	2.0	2.0	2.0	2.7	2.2	2.0	3.0
Total	8.5	17.5	16.8	17.6	15.0	5.7	5.5	6.0	5.4	5.6	2.0	3.0
EBIT, EURm												
Group	0	2	6	7	14	5	5	6	6	22	25	30
Total	0	2	6	7	14	5	5	6	6	22	25	30
EBIT margin, %												
Total	-0.3	1.5	5.1	5.1	2.9	4.1	4.1	4.7	4.5	4.4	4.9	5.5

INCOME STATEMENT, EURm	2014	2015	2016	2017	2018	2019E	2020E	2021E
Sales	149	213	399	424	488	515	525	541
<i>Sales growth (%)</i>	42.6	43.3	87.0	6.2	15.0	5.6	2.0	3.0
Costs	-135	-201	-370	-390	-455	-473	-480	-492
Reported EBITDA	14	13	29	34	32	42	45	49
Extraordinary items in EBITDA	0	0	0	0	0	0	0	0
<i>EBITDA margin (%)</i>	9.3	6.0	7.4	8.1	6.6	8.2	8.6	9.0
Depreciation	-6	-8	-13	-14	-18	-20	-20	-19
EBITA	8	5	17	20	14	22	25	30
Goodwill amortization / writedown	0	0	0	0	0	0	0	0
Reported EBIT	8	5	17	20	14	22	25	30
<i>EBIT margin (%)</i>	5.4	2.2	4.2	4.7	2.9	4.4	4.9	5.5
Net financials	-3	-2	-1	-1	-3	-3	-3	-2
Pre-tax profit	5	2	15	19	11	19	23	28
Extraordinary items	-2	-1	-1	-1	-1	0	0	0
Taxes	-1	0	-3	-3	-3	-4	-5	-6
Minority shares	0	-1	-3	-5	-3	-2	-2	-2
Net profit	1	1	8	10	4	14	16	20
BALANCE SHEET, EURm								
Assets								
Fixed assets	47	69	67	83	97	98	91	86
<i>% of sales</i>	31	32	17	20	20	19	17	16
Goodwill	56	76	92	104	170	170	170	170
<i>% of sales</i>	38	36	23	25	35	33	32	31
Inventory	1	2	2	2	3	3	3	3
<i>% of sales</i>	1	1	1	1	1	1	1	1
Receivables	14	20	27	25	40	33	33	34
<i>% of sales</i>	10	9	7	6	8	6	6	6
Liquid funds	11	15	28	37	36	36	37	38
<i>% of sales</i>	7	7	7	9	7	7	7	7
Total assets	131	185	218	254	349	342	337	334
Liabilities								
Equity	10	93	101	106	131	143	154	169
<i>% of sales</i>	7	44	25	25	27	28	29	31
Deferred taxes	4	5	6	6	6	6	6	6
<i>% of sales</i>	3	2	1	1	1	1	1	1
Interest bearing debt	88	42	52	77	129	115	97	77
<i>% of sales</i>	59	20	13	18	26	22	18	14
Non-interest bearing current liabilities	27	42	55	62	80	75	76	78
<i>% of sales</i>	18	20	14	15	16	15	15	15
Other interest free debt	1	3	3	3	3	3	3	3
<i>% of sales</i>	1	1	1	1	1	1	1	1
Total liabilities	131	185	217	254	350	342	337	334
CASH FLOW, EURm								
+ EBITDA	14	13	29	34	32	42	45	49
- Net financial items	-3	-2	-1	-1	-3	-3	-3	-2
- Taxes	-1	0	-2	-4	-4	-4	-5	-6
- Increase in Net Working Capital	4	9	7	8	4	2	1	1
+/- Other	-2	-2	-4	-5	-4	-2	-2	-2
= Cash flow from operations	11	19	30	37	30	38	39	42
- Capex	-28	-48	-27	-41	-22	-20	-13	-14
- Acquisitions	0	0	0	0	-79	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Net cash flow	-17	-29	3	-4	-72	18	26	28
+/- Change in interest-bearing debt	46	-46	10	25	53	-14	-19	-20
+/- New issues/buybacks	-29	82	-1	-2	24	0	0	0
- Paid dividend	0	0	0	-3	-3	-2	-4	-5
+/- Change in loan receivables	0	1	1	0	-1	0	0	0
Change in cash	0	8	13	15	1	1	3	3

KEY FIGURES	2015	2016	2017	2018	2019E	2020E	2021E
M-cap	256	380	275	195	231	231	231
Net debt	27	25	40	93	79	60	39
Enterprise value	286	416	325	303	326	306	283
Sales	213	399	424	488	515	525	541
EBITDA	13	29	34	32	42	45	49
EBIT	5	17	20	14	22	25	30
Pre-tax	2	15	19	11	19	23	28
Earnings	2	10	11	5	14	16	20
Book value	92	98	100	122	133	145	160
Valuation multiples							
EV/sales	1.3	1.0	0.8	0.6	0.6	0.6	0.5
EV/EBITDA	22.5	14.2	9.5	9.4	7.7	6.8	5.8
EV/EBITA	60.8	25.1	16.2	21.6	14.5	12.0	9.5
EV/EBIT	60.8	25.1	16.2	21.6	14.5	12.0	9.5
EV/operating cash flow	13.4	12.3	8.5	9.7	8.2	7.5	6.4
EV/cash earnings	28.6	15.8	11.2	11.8	9.2	8.1	6.9
P/E	170.5	39.1	25.7	39.0	16.9	14.1	11.5
P/E excl. goodwill	170.5	39.1	25.7	39.0	16.9	14.1	11.5
P/B	2.8	3.9	2.7	1.6	1.7	1.6	1.4
P/sales	1.2	1.0	0.6	0.4	0.4	0.4	0.4
P/CF	12.0	11.2	7.2	6.2	5.8	5.6	5.2
Target EV/EBIT	0.0	0.0	0.0	0.0	16.1	13.4	10.7
Target P/E	0.0	0.0	0.0	0.0	19.9	16.6	13.5
Target P/B	0.0	0.0	0.0	0.0	2.0	1.9	1.7
Per share measures							
Number of shares	20,613	20,613	20,613	22,620	22,620	22,620	22,620
Number of shares (diluted)	20,613	20,613	20,613	22,620	22,620	22,620	22,620
EPS	0.07	0.47	0.52	0.22	0.60	0.72	0.89
EPS excl. goodwill	0.07	0.47	0.52	0.22	0.60	0.72	0.89
Cash EPS	0.49	1.28	1.40	1.13	1.57	1.68	1.82
Operating cash flow per share	1.03	1.64	1.86	1.38	1.77	1.81	1.96
Capital employed per share	5.68	5.95	6.91	9.91	9.81	9.48	9.20
Book value per share	4.47	4.74	4.87	5.39	5.89	6.41	7.06
Book value excl. goodwill	0.78	0.26	-0.17	-2.12	-1.62	-1.10	-0.45
Dividend per share	0.00	0.15	0.16	0.10	0.20	0.24	0.29
Dividend payout ratio, %	0.0	31.9	30.8	45.2	33.0	33.0	33.0
Dividend yield, %	0.0	0.8	1.2	1.0	1.9	2.3	2.9
Efficiency measures							
ROE	3.0	10.2	10.8	4.5	10.7	11.7	13.2
ROCE	4.0	11.7	12.2	6.3	8.7	10.0	12.0
Financial ratios							
Capex/sales, %	22.3	6.8	9.7	20.8	3.9	2.5	2.6
Capex/depreciation excl. goodwill, %	346.6	85.2	209.2	194.5	100.5	66.2	73.1
Net debt/EBITDA, book-weighted	2.1	0.8	1.2	2.9	1.9	1.3	0.8
Debt/equity, market-weighted	0.2	0.1	0.3	0.7	0.5	0.4	0.3
Equity ratio, book-weighted	50.5	46.4	41.8	37.5	41.6	45.8	50.6
Gearing	0.28	0.24	0.37	0.71	0.56	0.39	0.23
Number of employees, average	2,503	3,526	3,879	3,879	3,879	3,879	3,879
Sales per employee, EUR	85,258	113,188	109,307	125,728	132,780	135,435	139,498
EBIT per employee, EUR	1,878	4,708	5,182	3,609	5,781	6,572	7,672

COMPANY DESCRIPTION:

INVESTMENT CASE:

OWNERSHIP STRUCTURE	SHARES	EURm	%
Lähitapiola Keskinäinen Vakuutusyhtiö	3,481,641	35.513	15.4%
Mww Yhtiö Oy	2,309,010	23.552	10.2%
Tapiola Keskinäinen Henkivakuutusyhtiö	1,892,203	19.300	8.4%
Elo Pension Company	1,267,161	12.925	5.6%
Niemistö Leena Katriina	703,475	7.175	3.1%
Fondita Nordic Micro Cap	605,000	6.171	2.7%
Fennia Mutual Insurance Company	530,000	5.406	2.3%
Ilmarinen Mutual Pension Insurance Company	490,000	4.998	2.2%
Nordea Pro Finland Fund	473,418	4.829	2.1%
Evli Finnish Small Cap Fund	390,531	3.983	1.7%
Ten largest	12,142,439	123.853	54%
Residual	10,477,696	106.872	46%
Total	22,620,135	230.725	100%

EARNINGS CALENDAR

OTHER EVENTS

COMPANY MISCELLANEOUS

CEO: Joni Aaltonen
CFO: Ville Lehtonen
IR: Taina Erkkilä

Kehräsaari B, 33200 Tampere
Tel:

DEFINITIONS

P/E	$\frac{\text{Price per share}}{\text{Earnings per share}}$	EPS	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes} + \text{minority interest}}{\text{Number of shares}}$
P/Sales	$\frac{\text{Market cap}}{\text{Sales}}$	DPS	Dividend for the financial period per share
P/BV	$\frac{\text{Price per share}}{\text{Shareholders' equity} + \text{taxed provisions per share}}$	CEPS	$\frac{\text{Gross cash flow from operations}}{\text{Number of shares}}$
P/CF	$\frac{\text{Price per share}}{\text{Operating cash flow per share}}$	EV/Share	$\frac{\text{Enterprise value}}{\text{Number of shares}}$
EV (Enterprise value)	Market cap + net debt + minority interest at market value – share of associated companies at market value	Sales/Share	$\frac{\text{Sales}}{\text{Number of shares}}$
Net debt	Interest bearing debt – financial assets	EBITDA/Share	$\frac{\text{Earnings before interest, tax, depreciation and amortisation}}{\text{Number of shares}}$
EV/Sales	$\frac{\text{Enterprise value}}{\text{Sales}}$	EBIT/Share	$\frac{\text{Operating profit}}{\text{Number of shares}}$
EV/EBITDA	$\frac{\text{Enterprise value}}{\text{Earnings before interest, tax, depreciation and amortisation}}$	EAFI/Share	$\frac{\text{Pretax profit}}{\text{Number of shares}}$
EV/EBIT	$\frac{\text{Enterprise value}}{\text{Operating profit}}$	Capital employed/Share	$\frac{\text{Total assets} - \text{non interest bearing debt}}{\text{Number of shares}}$
Div yield, %	$\frac{\text{Dividend per share}}{\text{Price per share}}$	Total assets	Balance sheet total
Payout ratio, %	$\frac{\text{Total dividends}}{\text{Earnings before extraordinary items and taxes} - \text{income taxes} + \text{minority interest}}$	Interest coverage (x)	$\frac{\text{Operating profit}}{\text{Financial items}}$
Net cash/Share	$\frac{\text{Financial assets} - \text{interest bearing debt}}{\text{Number of shares}}$	Asset turnover (x)	$\frac{\text{Turnover}}{\text{Balance sheet total (average)}}$
ROA, %	$\frac{\text{Operating profit} + \text{financial income} + \text{extraordinary items}}{\text{Balance sheet total} - \text{interest free short term debt} - \text{long term advances received and accounts payable (average)}}$	Debt/Equity, %	$\frac{\text{Interest bearing debt}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}$
ROCE, %	$\frac{\text{Profit before extraordinary items} + \text{interest expenses} + \text{other financial costs}}{\text{Balance sheet total} - \text{non interest bearing debt (average)}}$	Equity ratio, %	$\frac{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}{\text{Total assets} - \text{interest free loans}}$
ROE, %	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions (average)}}$	CAGR, %	Cumulative annual growth rate = Average growth per year

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<https://research.evli.com/JasperAllModels.action?authParam=key:461&authParam=x:G3rNagWrtf7K&authType=3>

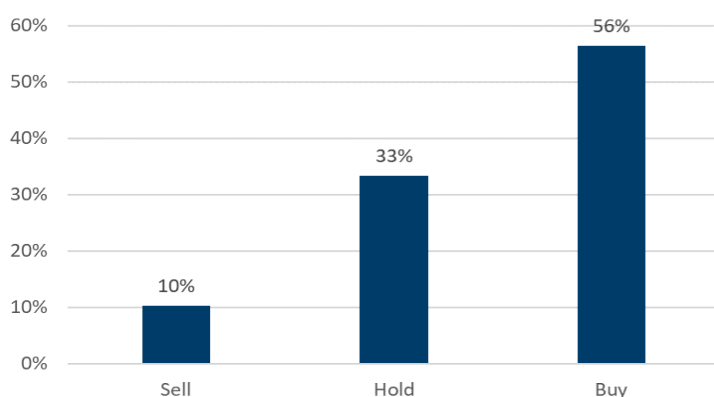
Detailed information about the valuation or methodology and the underlying assumptions is accessible via ERP:

<http://research.evli.com>

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 in general updated 2 – 4 per year.



The graph above shows the distribution of ERP's recommendations of companies under coverage in 16th of April 2018. If recommendation is not given, it is not mentioned here.

Name(s) of the analyst(s): Häyhä

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