

## Catching up with the larger rivals

Pihlajalinna's Q2 served a small positive surprise relative to estimates. We are confident operating margin and multiple expansion potential enable solid long-term upside.

### Small earnings beat as profitability continued to improve

Pihlajalinna's Q2 revenue grew 24% to EUR 142.5m, compared to the EUR 140.7m/139.4m Evli/cons. estimates. There were no major surprises in terms of customer group revenues; we find the small revenue beat was due to the public sector. Private customer revenue recovered 44% from last year's dip, but appointments remained 24% below 2019 levels, while within corporate customers visits were already close to pre-pandemic levels. Higher costs continued to limit outsourcing's profitability y/y, but there was improvement q/q. Q2 operating margin excluding outsourcing improved by almost 700bps y/y. The combination of higher volumes and COVID-19 services drove profitability, but there's still potential for further gains, depending on the type of service, even on current volume levels. Pihlajalinna reached EUR 6.5m adj. EBIT vs the EUR 5.6m/6.2m Evli/cons. estimates. The company retained its guidance.

### We make only minor revisions to our estimates

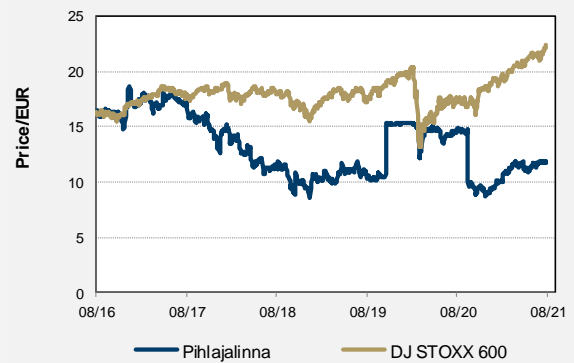
Oral care is one practice area where profitability can be improved even without any increase in capacity utilization rates. COVID-19 services will remain high in Q3, while there's some associated cost uncertainty. Overall clinical seasonality patterns should remain intact, but the current virus situation probably limits standard services' volume potential for now. We now estimate FY '21 growth at about 13% and adj. EBIT at EUR 31.9m.

### Significant long-term upside potential is on the horizon

The Pohjola acquisition adds capacity and improves Pihlajalinna's ability to compete with the two larger Finnish rivals. The focus will initially be on private customers, but public sector growth is also likely long-term. The target had by itself too limited scale to be profitable. Pihlajalinna will return with more details on the deal, but in our view the target seems a good fit and synergies should materialize already next year. Pihlajalinna remains valued 8x EV/EBITDA and 16x EV/EBIT on our FY '21 estimates. These are below peers', and Pihlajalinna also has more margin expansion potential considering its relatively modest profitability. Our new TP is EUR 13.5 (13.2); we retain our BUY rating.

## Rating

BUY



Share price, EUR (Last trading day's closing price) 11.82

Target price, EUR 13.5

Latest change in 22-Feb-21

Latest report on company 10-Aug-21

Research paid by issuer: YES

No. of shares outstanding, 22,584

No. of shares fully diluted, 22,584

Market cap, EURm 267

Free float, % 80.1

Exchange rate -

Reuters code PIHLIS.HE

Bloomberg code PIHLIS FH

Average daily volume, EURm 0.2

Next interim report 04-Nov-21

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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
2019	518.7	20.9	4.0%	12.8	0.61	24.9	1.1	26.6	3.7	0.00
2020	508.8	20.8	4.1%	0.5	0.50	18.6	0.8	20.0	0.2	0.20
2021E	572.8	31.9	5.6%	-38.8	0.98	12.1	0.9	16.2	-14.5	0.34
2022E	660.2	37.6	5.7%	69.6	1.15	10.3	0.7	12.0	26.1	0.40
2023E	680.0	39.4	5.8%	22.3	1.19	10.0	0.6	11.1	8.3	0.42
Market cap, EURm	267		Gearing 2021E, %	180.1		CAGR EPS 2020-23, %		33.0		
Net debt 2021E, EURm	238		Price/book 2021E	2.1		CAGR sales 2020-23, %		10.2		
Enterprise value, EURm	516		Dividend yield 2021E, %	2.9		ROE 2021E, %		18.6		
Total assets 2021E, EURm	443		Tax rate 2021E, %	19.8		ROCE 2021E, %		8.8		
Goodwill 2021E, EURm	174		Equity ratio 2021E, %	29.8		PEG, P/E 21/CAGR		1.4		

**Estimates and peer group valuation**

<b>Net sales</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>Q1'20</b>	<b>Q2'20</b>	<b>Q3'20</b>	<b>Q4'20</b>	<b>2020</b>	<b>Q1'21</b>	<b>Q2'21</b>	<b>Q3'21E</b>	<b>Q4'21E</b>	<b>2021E</b>
Corporate Customers	82.6	103.7	122.1	31.6	26.5	30.7	36.1	124.9	35.4	34.7	34.5	40.3	144.8
of which insurance companies	26.6	25.2	27.6	8.3	6.6	6.4	8.6	29.9	8.5	7.9	7.0	9.5	32.9
of which other corporates	56.0	78.5	94.5	23.5	19.9	24.3	27.5	95.2	26.9	26.8	27.5	30.8	111.9
Private Customers	67.9	92.1	97.8	23.5	15.1	19.5	22.0	80.1	21.1	21.7	20.9	26.4	90.1
Public sector customers	330.5	349.7	360.6	93.9	89.0	88.9	97.5	369.3	101.7	104.6	99.0	105.2	410.6
<b>Total</b>	<b>424.0</b>	<b>487.8</b>	<b>518.6</b>	133.0	114.7	123.9	137.2	<b>508.8</b>	139.9	142.5	136.4	153.9	<b>572.7</b>
<b>Net sales growth</b>													
Corporate Customers	-	25.5%	17.3%	1.3%	-12.4%	13.7%	13.2%	2.3%	12.0%	30.8%	12.4%	11.5%	15.9%
Private Customers	-	35.6%	6.5%	-11.0%	-40.9%	-7.6%	-11.6%	-18.1%	-10.2%	43.7%	7.0%	20.0%	12.4%
Public sector customers	-	5.8%	3.2%	4.6%	-0.7%	-1.2%	5.2%	2.4%	8.3%	17.5%	11.4%	7.9%	11.2%
<b>Total</b>		<b>6.2%</b>	<b>15.0%</b>	<b>6.3%</b>	0.4%	-11.6%	0.9%	<b>-1.9%</b>	5.2%	24.2%	10.1%	12.2%	<b>12.6%</b>
<b>Adj. EBITDA (group)</b>	34.0	45.9	55.2	12.7	9.0	17.2	15.7	54.6	15.2	15.2	19.4	16.9	66.7
<b>Adj. EBITDA-margin (group)</b>	8.0%	9.4%	10.6%	9.5%	7.8%	13.9%	11.4%	10.7%	10.9%	10.2%	14.2%	11.0%	11.6%

Source: Pihlajalinna, Evli Research

PIHLAJALINNA PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			EBIT-%		
		21	22	23	21	22	23	21	22	23
Ambea AB	570	9.1x	8.2x	7.6x	20.2x	16.6x	14.4x	6.7 %	7.6 %	8.3 %
Attendo AB	663	8.8x	7.6x	6.9x	24.5x	18.4x	15.8x	6.4 %	7.9 %	8.8 %
CareTech	863	11.1x	10.3x	9.2x	13.4x	12.8x	11.4x	17.4 %	17.2 %	17.9 %
GHP Specialty Care	202	11.1x	9.7x	8.7x	22.6x	18.9x	16.4x	6.6 %	7.1 %	7.4 %
Humana	327	7.9x	7.4x	7.1x	13.9x	12.4x	12.2x	6.1 %	6.5 %	6.4 %
Korian	3293							9.0 %	10.2 %	10.6 %
LNA Sante	495							9.9 %	10.5 %	10.7 %
Mediclinic International	2461	9.1x	8.2x	7.7x	16.7x	14.3x	13.1x	8.5 %	9.6 %	10.2 %
Orpea	6666							12.5 %	13.3 %	13.5 %
Spire Healthcare Group	1104	10.0x	9.4x	8.8x	19.0x	17.3x	15.6x	9.8 %	10.5 %	11.2 %
Terveystalo	1523	10.2x	9.8x	9.4x	18.4x	17.5x	16.4x	9.7 %	9.7 %	10.0 %
Peer Group Average	1652	<b>9.7x</b>	<b>8.8x</b>	<b>8.2x</b>	<b>18.6x</b>	<b>16.0x</b>	<b>14.4x</b>	<b>9.3 %</b>	<b>10.0 %</b>	<b>10.5 %</b>
Peer Group Median	863	<b>9.6x</b>	<b>8.8x</b>	<b>8.2x</b>	<b>18.7x</b>	<b>16.9x</b>	<b>15.0x</b>	<b>9.0 %</b>	<b>9.7 %</b>	<b>10.2 %</b>
Pihlajalinna (Evli est.)	<b>267</b>	<b>7.7x</b>	<b>6.1x</b>	<b>5.5x</b>	<b>16.2x</b>	<b>12.0x</b>	<b>11.1x</b>	<b>5.6 %</b>	<b>5.7 %</b>	<b>5.8 %</b>

Pihlajalinna prem./disc. to peer median

-20 %    -31 %    -33 %    -13 %    -29 %    -26 %    -38 %    -41 %    -43 %

Source FactSet, Evli Research

## INTERIM FIGURES

EVLI ESTIMATES, EURm	2020Q1	2020Q2	2020Q3	2020Q4	2020	2021Q1	2021Q2	2021Q3E	2021Q4E	2021E	2022E	2023E
Net sales	133.0	114.7	123.9	137.2	508.8	139.9	142.6	136.4	153.9	572.8	660.2	680.0
EBITDA	12.7	9.0	17.2	15.7	54.6	15.2	15.2	19.4	16.9	66.7	74.0	79.1
<i>EBITDA margin (%)</i>	<i>9.5</i>	<i>7.8</i>	<i>13.9</i>	<i>11.4</i>	<i>10.7</i>	<i>10.9</i>	<i>10.7</i>	<i>14.2</i>	<i>11.0</i>	<i>11.6</i>	<i>11.2</i>	<i>11.6</i>
EBIT	4.2	0.6	8.7	7.3	20.8	6.7	6.5	10.6	8.1	31.9	37.6	39.4
<i>EBIT margin (%)</i>	<i>3.2</i>	<i>0.5</i>	<i>7.0</i>	<i>5.3</i>	<i>4.1</i>	<i>4.8</i>	<i>4.6</i>	<i>7.7</i>	<i>5.3</i>	<i>5.6</i>	<i>5.7</i>	<i>5.8</i>
Net financial items	-1.4	-1.0	-1.0	-1.0	-4.4	-0.9	-1.0	-1.1	-1.1	-4.2	-5.0	-5.7
Pre-tax profit	2.8	-0.4	7.7	6.3	16.4	5.8	5.5	9.5	7.0	27.7	32.6	33.8
Tax	-0.6	0.1	-1.5	-2.8	-4.8	-1.1	-1.2	-1.9	-1.4	-5.5	-6.5	-6.8
<i>Tax rate (%)</i>	<i>21.4</i>	<i>25.0</i>	<i>19.5</i>	<i>44.4</i>	<i>29.3</i>	<i>19.0</i>	<i>21.8</i>	<i>20.0</i>	<i>20.0</i>	<i>19.8</i>	<i>20.0</i>	<i>20.0</i>
Net profit	2.1	0.0	5.4	3.9	11.4	4.6	4.5	7.4	5.5	22.0	25.9	26.8
EPS	0.09	0.00	0.24	0.17	0.50	0.20	0.20	0.33	0.24	0.98	1.15	1.19
EPS adjusted (diluted no. of shares)	0.09	0.00	0.24	0.17	0.50	0.20	0.20	0.33	0.24	0.98	1.15	1.19
Dividend per share	0.00	0.00	0.00	0.00	0.20	0.00	0.00	0.00	0.00	0.34	0.40	0.42
<b>SALES, EURm</b>												
Corporate Customers	32.9	27.8	30.7	36.1	127.5	35.4	34.8	34.5	40.3	145.0	211.3	217.7
Private Customers	23.5	14.7	19.5	22.0	79.7	21.1	22.1	20.9	26.4	90.5	105.8	109.0
Public sector customers	92.6	88.1	88.9	97.5	367.1	101.7	104.2	99.0	105.2	410.2	418.0	430.5
Eliminations	-16.0	-15.9	-15.2	-18.4	-65.5	-18.3	-18.5	-18.0	-18.0	-72.8	-74.9	-77.2
<b>Total</b>	<b>133.0</b>	<b>114.7</b>	<b>123.9</b>	<b>137.2</b>	<b>508.8</b>	<b>139.9</b>	<b>142.6</b>	<b>136.4</b>	<b>153.9</b>	<b>572.8</b>	<b>660.2</b>	<b>680.0</b>
<b>SALES GROWTH, Y/Y %</b>												
<i>Corporate Customers</i>	<i>4.1</i>	<i>-8.1</i>	<i>13.7</i>	<i>10.1</i>	<i>4.8</i>	<i>7.6</i>	<i>25.2</i>	<i>12.4</i>	<i>11.5</i>	<i>13.7</i>	<i>45.8</i>	<i>3.0</i>
<i>Private Customers</i>	<i>-11.3</i>	<i>-42.5</i>	<i>-7.6</i>	<i>-11.6</i>	<i>-18.7</i>	<i>-10.2</i>	<i>50.3</i>	<i>7.0</i>	<i>20.0</i>	<i>13.5</i>	<i>17.0</i>	<i>3.0</i>
<i>Public sector customers</i>	<i>3.7</i>	<i>-1.7</i>	<i>-1.2</i>	<i>6.1</i>	<i>1.7</i>	<i>9.8</i>	<i>18.3</i>	<i>11.4</i>	<i>7.9</i>	<i>11.7</i>	<i>1.9</i>	<i>3.0</i>
<i>Eliminations</i>	<i>7.4</i>	<i>1.3</i>	<i>-1.0</i>	<i>16.5</i>	<i>6.1</i>	<i>14.4</i>	<i>16.4</i>	<i>18.0</i>	<i>-2.2</i>	<i>11.1</i>	<i>2.9</i>	<i>3.0</i>
<b>Total</b>	<b>0.4</b>	<b>-11.6</b>	<b>0.9</b>	<b>2.5</b>	<b>-1.9</b>	<b>5.2</b>	<b>24.3</b>	<b>10.1</b>	<b>12.2</b>	<b>12.6</b>	<b>15.3</b>	<b>3.0</b>
<b>EBIT, EURm</b>												
Group	4.2	0.6	8.7	7.3	20.8	6.7	6.5	10.6	8.1	31.9	37.6	39.4
<b>Total</b>	<b>4.2</b>	<b>0.6</b>	<b>8.7</b>	<b>7.3</b>	<b>20.8</b>	<b>6.7</b>	<b>6.5</b>	<b>10.6</b>	<b>8.1</b>	<b>31.9</b>	<b>37.6</b>	<b>39.4</b>
<b>EBIT margin, %</b>												
<i>Total</i>	<i>3.2</i>	<i>0.5</i>	<i>7.0</i>	<i>5.3</i>	<i>4.1</i>	<i>4.8</i>	<i>4.6</i>	<i>7.7</i>	<i>5.3</i>	<i>5.6</i>	<i>5.7</i>	<i>5.8</i>

INCOME STATEMENT, EURm	2016	2017	2018	2019	2020	2021E	2022E	2023E
Sales	399.1	424.0	487.8	518.7	508.8	572.8	660.2	680.0
<i>Sales growth (%)</i>	<i>87.0</i>	<i>6.2</i>	<i>15.0</i>	<i>6.3</i>	<i>-1.9</i>	<i>12.6</i>	<i>15.3</i>	<i>3.0</i>
EBITDA	29.4	34.3	45.9	55.1	54.6	66.7	74.0	79.1
<i>EBITDA margin (%)</i>	<i>7.4</i>	<i>8.1</i>	<i>9.4</i>	<i>10.6</i>	<i>10.7</i>	<i>11.6</i>	<i>11.2</i>	<i>11.6</i>
Depreciation	-12.8	-14.2	-31.5	-34.2	-33.8	-34.8	-36.4	-39.6
EBITA	16.6	20.1	14.4	20.9	20.8	31.9	37.6	39.4
Goodwill amortization / writedown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	16.6	20.1	14.4	20.9	20.8	31.9	37.6	39.4
<i>EBIT margin (%)</i>	<i>4.2</i>	<i>4.7</i>	<i>3.0</i>	<i>4.0</i>	<i>4.1</i>	<i>5.6</i>	<i>5.7</i>	<i>5.8</i>
Reported EBIT	15.1	19.2	13.8	10.2	18.2	31.7	37.6	39.4
<i>EBIT margin (reported) (%)</i>	<i>3.8</i>	<i>4.5</i>	<i>2.8</i>	<i>2.0</i>	<i>3.6</i>	<i>5.5</i>	<i>5.7</i>	<i>5.8</i>
Net financials	-1.2	-1.4	-3.8	-4.0	-4.4	-4.2	-5.0	-5.7
Pre-tax profit	15.4	18.7	10.6	16.9	16.4	27.7	32.6	33.8
Taxes	-3.0	-3.4	-2.7	-1.9	-4.8	-5.5	-6.5	-6.8
Minority shares	-2.7	-4.6	-3.3	-1.1	-0.2	-0.2	-0.2	-0.2
Net profit	8.2	9.8	4.0	3.2	8.8	21.8	25.9	26.8
Cash NRIs	-1.5	-0.9	-0.6	-10.7	-2.6	-0.2	0.0	0.0
Non-cash NRIs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>BALANCE SHEET, EURm</b>								
<b>Assets</b>								
Fixed assets	67	83	68	74	66	67	68	67
Goodwill	92	104	170	174	174	174	174	174
Right of use assets	0	0	116	108	103	112	130	137
Inventory	2	2	3	2	3	3	3	3
Receivables	27	25	40	47	78	53	55	56
Liquid funds	28	37	36	27	13	29	33	34
Total assets	218	254	437	438	442	443	468	477
<b>Liabilities</b>								
Shareholder's equity	98	100	121	101	110	127	145	163
Minority interest	3	6	9	5	5	5	5	5
Convertibles	0	0	0	0	0	0	0	0
Lease liabilities	0	0	119	114	114	112	130	137
Deferred taxes	6	6	6	6	6	6	6	6
Interest bearing debt	52	77	99	107	94	155	79	60
Non-interest bearing current liabilities	55	62	80	102	109	34	99	102
Other interest-free debt	3	3	3	2	3	3	3	3
Total liabilities	217	254	437	438	442	443	468	477
<b>CASH FLOW, EURm</b>								
+ EBITDA	29	34	46	55	55	67	74	79
- Net financial items	-1	-1	-4	-4	-4	-4	-5	-6
- Taxes	-2	-5	-5	-4	-4	-5	-7	-7
- Increase in Net Working Capital	8	7	2	14	-23	-50	63	1
+/- Other	-1	0	-11	-12	-3	0	0	0
= Cash flow from operations	32	35	27	49	21	6	125	68
- Capex	-5	-10	-23	-36	-20	-45	-56	-45
- Acquisitions	-22	-17	-79	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Free cash flow	6	8	-74	13	1	-39	70	22
+/- New issues/buybacks	-1	-2	24	-25	0	0	0	0
- Paid dividend	0	-3	-3	-2	0	-5	-8	-9
+/- Other	7	7	53	5	-14	59	-58	-12
Change in cash	12	10	-1	-9	-14	15	4	1

KEY FIGURES	2017	2018	2019	2020	2021E	2022E	2023E
M-cap	275	195	346	212	267	267	267
Net debt (excl. convertibles)	40	181	194	195	238	176	163
Enterprise value	325	391	557	417	516	453	439
Sales	424	488	519	509	573	660	680
EBITDA	34	46	55	55	67	74	79
EBIT	20	14	21	21	32	38	39
Pre-tax	19	11	17	16	28	33	34
Earnings	11	5	14	11	22	26	27
Equity book value (excl. minorities)	100	121	101	110	127	145	163
<b>Valuation multiples</b>							
EV/sales	0.8	0.8	1.1	0.8	0.9	0.7	0.6
EV/EBITDA	9.5	8.5	10.1	7.6	7.7	6.1	5.5
EV/EBITA	16.2	27.1	26.6	20.0	16.2	12.0	11.1
EV/EBIT	16.2	27.1	26.6	20.0	16.2	12.0	11.1
EV/OCF	9.3	14.3	11.3	20.3	81.0	3.6	6.5
EV/FCFF	19.3	-11.7	20.3	33.3	-51.3	4.1	8.0
P/FCFE	35.7	-2.6	27.0	424.3	-6.9	3.8	12.0
P/E	25.7	42.4	24.9	18.6	12.1	10.3	10.0
P/B	2.7	1.6	3.4	1.9	2.1	1.8	1.6
Target EV/EBITDA	0.0	0.0	0.0	0.0	8.2	6.6	6.0
Target EV/EBIT	0.0	0.0	0.0	0.0	17.2	12.9	12.0
Target EV/FCF	0.0	0.0	0.0	0.0	-14.1	7.0	21.3
Target P/B	0.0	0.0	0.0	0.0	2.4	2.1	1.9
Target P/E	0.0	0.0	0.0	0.0	13.8	11.8	11.4
<b>Per share measures</b>							
Number of shares	20,613	22,620	22,620	22,618	22,584	22,584	22,584
Number of shares (diluted)	20,613	22,620	22,620	22,618	22,584	22,584	22,584
EPS	0.52	0.20	0.61	0.50	0.98	1.15	1.19
Operating cash flow per share	1.69	1.21	2.17	0.91	0.28	5.55	3.00
Free cash flow per share	0.37	-3.29	0.57	0.02	-1.72	3.08	0.99
Book value per share	4.87	5.36	4.47	4.85	5.62	6.43	7.21
Dividend per share	0.16	0.10	0.00	0.20	0.34	0.40	0.42
Dividend payout ratio, %	30.8	49.2	0.0	39.7	35.0	35.0	35.0
Dividend yield, %	1.2	1.2	0.0	2.1	2.9	3.4	3.5
FCF yield, %	2.8	-38.2	3.7	0.2	-14.5	26.1	8.3
<b>Efficiency measures</b>							
ROE	10.8	4.2	12.5	10.8	18.6	19.0	17.4
ROCE	12.2	5.4	6.2	6.4	8.8	9.9	10.9
<b>Financial ratios</b>							
Inventories as % of sales	0.5	0.5	0.4	0.7	0.5	0.5	0.5
Receivables as % of sales	5.9	8.2	9.1	15.3	9.3	8.3	8.3
Non-interest bearing liabilities as % of sales	14.6	16.3	19.7	21.5	6.0	15.0	15.0
NWC/sales, %	-8.4	-8.0	-10.2	-6.0	3.5	-6.5	-6.5
Operative CAPEX/sales, %	2.4	4.6	7.0	3.9	7.9	8.4	6.7
CAPEX/sales (incl. acquisitions), %	-1.6	-11.6	7.0	3.9	7.9	8.4	6.7
FCFF/EBITDA	0.5	-0.7	0.5	0.2	-0.2	1.5	0.7
Net debt/EBITDA, book-weighted	1.2	3.9	3.5	3.6	3.6	2.4	2.1
Debt/equity, market-weighted	0.3	0.5	0.3	0.4	0.6	0.3	0.2
Equity ratio, book-weighted	41.8	29.8	24.2	26.0	29.8	32.1	35.3
Gearing, %	37.3	138.7	182.9	169.5	180.1	117.2	97.0

**COMPANY DESCRIPTION:** Pihlajalinna is the 3rd largest private social welfare and healthcare service provider in Finland offering a wide selection of services to private individuals, businesses, insurance companies and public sector entities, such as municipalities and joint municipal authorities. In its private clinics and hospitals Pihlajalinna provides general practitioner services, specialized care, emergency and on-call services, a wide range of surgical services, occupational healthcare and dental care. Pihlajalinna is the market leader in complete social and healthcare outsourcings in Finland.

**INVESTMENT CASE:** The demand for private social and healthcare services is growing due to ageing population and increasing pressure on public healthcare spending, offering Pihlajalinna growth opportunities in primary care as well as in specialized care. Profitability improvement stems from increased volumes and better utilization rate of the clinics.

OWNERSHIP STRUCTURE	SHARES	EURm	%
LähiTapiola Keskinäinen Vakuutusyhtiö	3,481,641	41.153	15.4%
Mww Yhtiö Oy	2,309,010	27.292	10.2%
Fennia Mutual Insurance Company	1,998,965	23.628	8.9%
Tapiola Keskinäinen Henkivakuutusyhtiö	1,893,985	22.387	8.4%
Elo Pension Company	1,267,161	14.978	5.6%
Niemistö Leena Katriina	704,687	8.329	3.1%
Ilmarinen Mutual Pension Insurance Company	628,431	7.428	2.8%
Fondita Nordic Micro Cap	470,000	5.555	2.1%
Fennia Life Insurance Company Ltd	321,643	3.802	1.4%
Sijoitusrahasto Taaleritehdas Mikro Markka	260,000	3.073	1.2%
Ten largest	13,335,523	157.626	59%
Residual	9,248,864	109.322	41%
Total	22,584,387	266.947	100%

**EARNINGS CALENDAR**

November 04, 2021

Q3 report

**OTHER EVENTS****COMPANY MISCELLANEOUS**

CEO: Joni Aaltonen

Kehräsaari B, 33200 Tampere

CFO: Tarja Rantala

Tel:

IR: Marko Savolainen

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

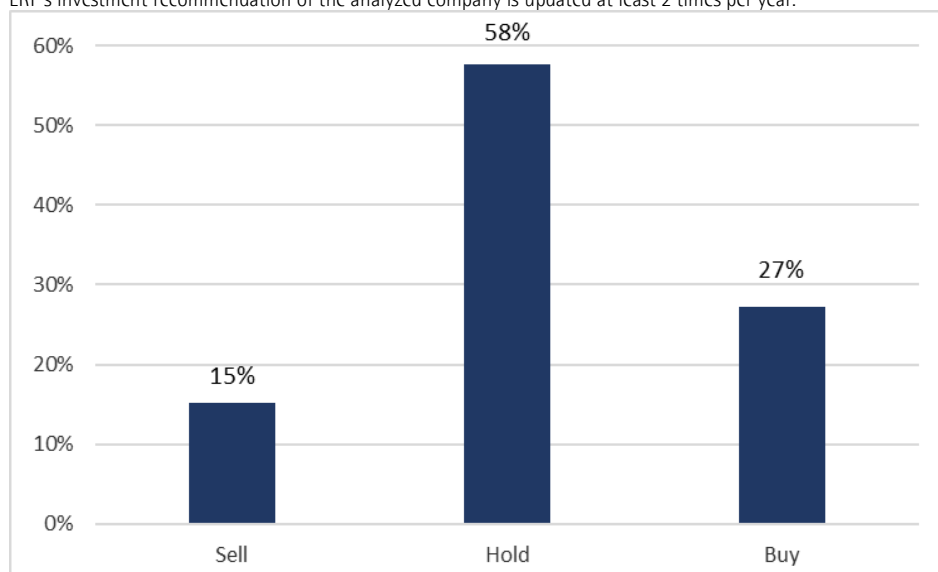
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Investment recommendations are defined as follows:

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

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## Name(s) of the analyst(s): Ilvonen

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