

## Earnings are to improve in H2

Pihlajalinna reports Q1 results on May 5. The company's Q4 results were negatively affected by higher outsourcing costs, and the situation will not much improve for Q1. Pohjola Hospital will also have remained in the red during the quarter. We do not expect changes to guidance.

### We expect Q1 EBIT to have declined by EUR 3.4m y/y

Pihlajalinna's organic growth was healthy throughout last year, including in Q4, as corporate and private customer demand bounced back from the pandemic lows. We estimate FY '22 organic growth to slow down to roughly half of the 13.5% rate seen last year. Q4 profitability saw a temporary setback as specialized care costs increased. We expect Pihlajalinna to receive compensation for these complete outsourcing costs later this year, but the negative effect was some EUR 2m in Q4 and we expect it to have been similarly significant in Q1 as well. Pohjola Hospital's FY '21 EBIT was ca. EUR -7m and hence Q1 EBIT will have to bear another meaningful burden. The Q1 figures will not fully reflect the acquisition as it was completed only by the beginning of February. We continue to expect EUR 156.6m revenue and EUR 3.3m EBIT for Q1.

### Pohjola Hospital should involve no big surprises

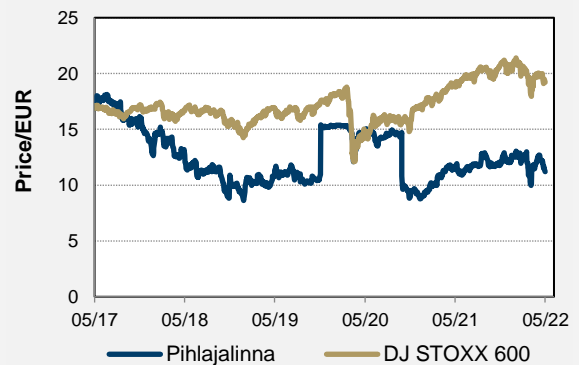
Pihlajalinna previously indicated Covid-19 services revenue to decline this year. There was already some fading in Q4, and we expect this to have been the case also in Q1 even when the Finnish virus situation was by some measures the worst during the pandemic. We expect the Pohjola Hospital integration to have proceeded very much according to plan so far. Losses will still be there in Q2 but H2 could already show positive results. The EUR 5m in projected cost synergies are significant and the acquisition helps gain insurance customer volumes, which is an attractive segment.

### Earnings and multiple expansion potential remain as before

Pihlajalinna's peer multiples have remained largely unchanged in the past few months. The big picture on Pihlajalinna's valuation is therefore intact: Pihlajalinna's profitability now lags the (mostly) larger peers' but should begin to catch up soon. Meanwhile the multiples for FY '23-24 are some 30% below those of peers. We retain our EUR 14 TP and BUY rating.

## Rating

BUY



Share price, EUR (Last trading day's closing price) 11.20

Target price, EUR 14.0

Latest change in	19-Feb-21
Latest report on company	21-Feb-22
Research paid by issuer:	YES
No. of shares outstanding,	22,584
No. of shares fully diluted,	22,584
Market cap, EURm	253
Free float, %	80.1
Exchange rate	-
Reuters code	PIHLIS.HE
Bloomberg code	PIHLIS FH
Average daily volume, EURm	0.2
Next interim report	05-May-22
Web site	<a href="http://investors.pihlajalinna.fi/">http://investors.pihlajalinna.fi/</a>

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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
2020	508.7	20.9	4.1%	0.6	0.51	18.4	0.8	20.0	0.3	0.20
2021	577.8	30.3	5.2%	35.8	0.99	12.7	0.9	16.3	12.5	0.30
2022E	665.3	28.1	4.2%	-13.1	0.86	13.0	0.7	17.0	-5.2	0.30
2023E	690.2	40.2	5.8%	26.6	1.23	9.1	0.7	11.4	10.5	0.43
2024E	713.1	42.0	5.9%	33.3	1.32	8.5	0.6	10.3	13.1	0.46
Market cap, EURm	253			Gearing 2022E, %	158.6			CAGR EPS 2021-24, %	10.0	
Net debt 2022E, EURm	215			Price/book 2022E	1.9			CAGR sales 2021-24, %	7.3	
Enterprise value, EURm	478			Dividend yield 2022E, %	2.7			ROE 2022E, %	15.7	
Total assets 2022E, EURm	493			Tax rate 2022E, %	20.0			ROCE 2022E, %	8.0	
Goodwill 2022E, EURm	189			Equity ratio 2022E, %	27.4			PEG, P/E 22/CAGR	0.7	

### Estimates and peer group valuation

Net sales	2020	Q1'21	Q2'21	Q3'21	Q4'21	2021	Q1'22E	Q2'22E	Q3'22E	Q4'22E	2022E
Corporate Customers	120.7	35.4	34.7	31.2	38.8	137.8	44.6	53.0	48.7	57.0	203.3
of which insurance companies	31.4	8.5	7.9	7.7	9.8	34.8	15.9	24.1	23.8	25.7	89.5
of which other corporates	89.3	26.9	26.8	23.5	29.0	103.0	28.7	28.9	24.9	31.3	113.8
Private Customers	81.1	21.1	21.7	18.9	23.3	85.3	22.6	22.4	21.4	24.5	90.8
Public sector customers	372.4	101.7	104.6	108.1	111.3	427.7	107.8	111.9	112.4	113.5	445.7
<b>Total</b>	<b>508.7</b>	139.9	142.5	140.7	154.7	<b>577.8</b>	156.6	168.8	164.9	175.1	<b>665.3</b>
<b>Net sales growth</b>											
Corporate Customers	-1.1%	12.0%	30.8%	11.4%	7.5%	14.6%	26.0%	53.0%	56.0%	47.0%	47.6%
Private Customers	-17.1%	-10.2%	43.7%	-5.0%	5.9%	5.6%	7.0%	3.0%	13.0%	5.0%	6.4%
Public sector customers	3.3%	8.3%	17.5%	18.4%	14.2%	14.5%	6.0%	7.0%	4.0%	2.0%	4.2%
<b>Total</b>	<b>-1.9%</b>	5.2%	24.2%	13.5%	12.8%	<b>13.5%</b>	11.9%	18.4%	17.2%	13.2%	<b>15.1%</b>
<b>Adj. EBITA (group)</b>	27.5	8.3	8.9	12.3	7.8	37.3	5.8	6.8	13.3	12.0	37.9
<b>Adj. EBITA-margin (group)</b>	5.4%	5.9%	6.2%	8.7%	5.0%	6.5%	3.7%	4.0%	8.1%	6.9%	5.7%

Source: Pihlajalinna, Evli Research

PIHLAJALINNA PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			EBIT-%		
		22	23	24	22	23	24	22	23	24
Ambea AB	444	7.2x	6.8x	6.5x	16.7x	14.7x	13.9x	7.1 %	7.8 %	7.9 %
Attendo AB	406	7.5x	6.5x	5.9x	19.4x	15.1x	13.0x	6.5 %	8.0 %	8.8 %
CareTech	994	11.7x	10.6x	9.8x	15.3x	13.6x	12.6x	14.8 %	15.5 %	15.7 %
GHP Specialty Care	235	13.3x	11.3x	10.4x	30.1x	23.0x	19.4x	5.5 %	6.5 %	6.8 %
Humana	237	6.9x	6.3x	6.0x	12.5x	10.9x	10.2x	6.0 %	6.6 %	6.8 %
Korian	2087	8.7x	8.1x	7.6x	22.0x	20.1x	18.6x	9.5 %	9.8 %	10.0 %
LNA Sante	367	8.3x	7.6x	7.7x	16.9x	15.4x	15.0x	9.6 %	9.9 %	9.2 %
Mediclinic International	3258	9.1x	8.5x		15.5x	13.8x		9.8 %	10.6 %	
Orpea	2099	10.9x	10.2x	9.1x	21.5x	20.1x	18.9x	12.7 %	12.7 %	12.5 %
Spire Healthcare Group	1031	9.0x	8.2x	7.6x	17.1x	14.6x	13.2x	9.8 %	10.9 %	11.4 %
Terveystalo	1344	8.8x	8.3x	8.0x	16.4x	14.9x	13.5x	9.1 %	9.7 %	10.2 %
Peer Group Average	1137	9.2x	8.4x	7.9x	18.5x	16.0x	14.8x	9.1 %	9.8 %	9.9 %
Peer Group Median	994	8.8x	8.2x	7.7x	16.9x	14.9x	13.7x	9.5 %	9.8 %	9.6 %
Pihlajalinna (Evli est.)	253	7.1x	5.4x	5.2x	16.9x	11.3x	10.2x	4.2 %	5.8 %	5.9 %

Pihlajalinna prem./disc. to peer median

-20 %    -34 %    -33 %    0 %    -24 %    -26 %    -55 %    -40 %    -39 %

Source FactSet, Evli Research

## INTERIM FIGURES

EVLI ESTIMATES, EURm	2021Q1	2021Q2	2021Q3	2021Q4	2021	2022Q1E	2022Q2E	2022Q3E	2022Q4E	2022E	2023E	2024E
Net sales	139.9	142.6	140.6	154.7	577.8	156.6	168.8	164.9	175.1	665.3	690.2	713.1
EBITDA	15.2	15.9	19.3	14.9	65.3	13.1	14.2	20.7	19.3	63.1	84.0	83.1
<i>EBITDA margin (%)</i>	<i>10.9</i>	<i>11.2</i>	<i>13.7</i>	<i>9.6</i>	<i>11.3</i>	<i>8.3</i>	<i>8.4</i>	<i>12.5</i>	<i>11.0</i>	<i>9.5</i>	<i>12.2</i>	<i>11.7</i>
EBIT	6.7	7.2	10.5	5.9	30.3	3.3	4.4	10.9	9.5	28.1	40.2	42.0
<i>EBIT margin (%)</i>	<i>4.8</i>	<i>5.0</i>	<i>7.5</i>	<i>3.8</i>	<i>5.2</i>	<i>2.1</i>	<i>2.6</i>	<i>6.6</i>	<i>5.4</i>	<i>4.2</i>	<i>5.8</i>	<i>5.9</i>
Net financial items	-0.9	-1.0	-0.8	-1.1	-3.8	-1.2	-1.2	-1.2	-1.2	-5.0	-6.7	-6.1
Pre-tax profit	5.8	6.2	9.7	4.8	26.5	2.1	3.2	9.7	8.3	23.1	33.5	35.9
Tax	-1.1	-1.2	-1.6	-1.2	-5.1	-0.4	-0.6	-1.9	-1.6	-4.6	-6.7	-7.2
<i>Tax rate (%)</i>	<i>19.0</i>	<i>19.4</i>	<i>16.5</i>	<i>25.0</i>	<i>19.2</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>
Net profit	4.6	5.2	8.2	4.4	22.4	1.9	2.8	8.0	6.9	19.5	27.9	29.8
EPS	0.20	0.23	0.36	0.19	0.99	0.08	0.12	0.35	0.30	0.86	1.23	1.32
EPS adjusted (diluted no. of shares)	0.20	0.23	0.36	0.19	0.99	0.08	0.12	0.35	0.30	0.86	1.23	1.32
Dividend per share	0.00	0.00	0.00	0.00	0.30	0.00	0.00	0.00	0.00	0.30	0.43	0.46
<b>SALES, EURm</b>												
Corporate Customers	35.4	34.8	28.8	38.8	137.8	44.6	53.0	48.7	57.0	203.3	213.5	222.0
Private Customers	21.1	22.1	18.9	23.2	85.3	22.6	22.4	21.4	24.5	90.8	94.4	97.2
Public sector customers	101.7	104.2	110.4	111.4	427.7	107.8	111.9	112.4	113.5	445.7	459.0	472.8
Eliminations	-18.3	-18.5	-17.5	-18.7	-73.0	-18.4	-18.5	-17.6	-19.9	-74.4	-76.7	-79.0
Total	139.9	142.6	140.6	154.7	577.8	156.6	168.8	164.9	175.1	665.3	690.2	713.1
<b>SALES GROWTH, Y/Y %</b>												
Corporate Customers	7.6	25.2	-6.2	32.4	14.2	26.0	52.3	69.0	47.0	47.6	5.0	4.0
Private Customers	-10.2	50.3	-3.1	-0.9	5.2	7.0	1.1	13.0	5.5	6.4	4.0	3.0
Public sector customers	9.8	18.3	24.2	8.4	14.8	6.0	7.4	1.8	1.9	4.2	3.0	3.0
Eliminations	14.4	16.4	14.8	1.6	11.4	0.7	-0.1	0.6	6.6	2.0	3.0	3.0
Total	5.2	24.3	13.5	12.8	13.6	11.9	18.4	17.3	13.2	15.1	3.7	3.3
<b>EBIT, EURm</b>												
Group	6.7	7.2	10.5	5.9	30.3	3.3	4.4	10.9	9.5	28.1	40.2	42.0
Total	6.7	7.2	10.5	5.9	30.3	3.3	4.4	10.9	9.5	28.1	40.2	42.0
<b>EBIT margin, %</b>												
Total	4.8	5.0	7.5	3.8	5.2	2.1	2.6	6.6	5.4	4.2	5.8	5.9

INCOME STATEMENT, EURm	2017	2018	2019	2020	2021	2022E	2023E	2024E
Sales	424.0	487.8	518.7	508.7	577.8	665.3	690.2	713.1
<i>Sales growth (%)</i>	<i>6.2</i>	<i>15.0</i>	<i>6.3</i>	<i>-1.9</i>	<i>13.6</i>	<i>15.1</i>	<i>3.7</i>	<i>3.3</i>
EBITDA	34.3	45.9	55.1	54.7	65.3	63.1	84.0	83.1
<i>EBITDA margin (%)</i>	<i>8.1</i>	<i>9.4</i>	<i>10.6</i>	<i>10.8</i>	<i>11.3</i>	<i>9.5</i>	<i>12.2</i>	<i>11.7</i>
Depreciation	-14.2	-31.5	-34.2	-33.8	-35.0	-35.0	-43.8	-41.1
EBITA	20.1	14.4	20.9	20.9	30.3	28.1	40.2	42.0
Goodwill amortization / writedown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	20.1	14.4	20.9	20.9	30.3	28.1	40.2	42.0
<i>EBIT margin (%)</i>	<i>4.7</i>	<i>3.0</i>	<i>4.0</i>	<i>4.1</i>	<i>5.2</i>	<i>4.2</i>	<i>5.8</i>	<i>5.9</i>
Reported EBIT	19.2	13.8	10.2	18.3	30.3	28.1	40.2	42.0
<i>EBIT margin (reported) (%)</i>	<i>4.5</i>	<i>2.8</i>	<i>2.0</i>	<i>3.6</i>	<i>5.2</i>	<i>4.2</i>	<i>5.8</i>	<i>5.9</i>
Net financials	-1.4	-3.8	-4.0	-4.4	-3.8	-5.0	-6.7	-6.1
Pre-tax profit	18.7	10.6	16.9	16.5	26.5	23.1	33.5	35.9
Taxes	-3.4	-2.7	-1.9	-4.8	-5.1	-4.6	-6.7	-7.2
Minority shares	-4.6	-3.3	-1.1	-0.2	1.0	1.0	1.0	1.1
Net profit	9.8	4.0	3.2	8.9	22.4	19.5	27.9	29.8
Cash NRIs	-0.9	-0.6	-10.7	-2.6	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
<b>BALANCE SHEET, EURm</b>								
<b>Assets</b>								
Fixed assets	83	68	74	66	67	78	72	67
Goodwill	104	170	174	174	189	189	189	189
Right of use assets	0	116	108	103	96	131	139	143
Inventory	2	3	2	3	4	3	3	4
Receivables	25	40	47	78	93	54	56	57
Liquid funds	37	36	27	13	4	33	35	36
Total assets	254	437	438	442	457	493	499	501
<b>Liabilities</b>								
Shareholder's equity	100	121	101	110	117	130	151	171
Minority interest	6	9	5	5	5	5	5	5
Convertibles	0	0	0	0	0	0	0	0
Lease liabilities	0	119	114	114	106	131	139	143
Deferred taxes	6	6	6	6	6	6	6	6
Interest bearing debt	77	99	107	94	93	117	90	64
Non-interest bearing current liabilities	62	80	102	109	125	100	104	107
Other interest-free debt	3	3	2	3	4	4	4	4
Total liabilities	254	437	438	442	457	493	499	501
<b>CASH FLOW, EURm</b>								
+ EBITDA	34	46	55	55	65	63	84	83
- Net financial items	-1	-4	-4	-4	-4	-5	-7	-6
- Taxes	-5	-5	-4	-4	-5	-5	-7	-7
- Increase in Net Working Capital	7	2	14	-23	2	14	2	1
+/- Other	0	-11	-12	-3	1	1	1	1
= Cash flow from operations	35	27	49	21	59	68	73	72
- Capex	-10	-23	-36	-20	-24	-49	-47	-39
- Acquisitions	-17	-79	0	0	0	-32	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Free cash flow	8	-74	13	1	36	-13	27	33
+/- New issues/buybacks	-2	24	-25	0	-10	0	0	0
- Paid dividend	-3	-3	-2	0	-5	-7	-7	-10
+/- Other	7	53	5	-14	-30	49	-19	-22
Change in cash	10	-1	-9	-14	-9	29	1	1

KEY FIGURES	2018	2019	2020	2021	2022E	2023E	2024E
M-cap	195	346	212	285	253	253	253
Net debt (excl. convertibles)	181	194	195	195	215	195	171
Enterprise value	391	557	417	493	478	456	432
Sales	488	519	509	578	665	690	713
EBITDA	46	55	55	65	63	84	83
EBIT	14	21	21	30	28	40	42
Pre-tax	11	17	17	27	23	34	36
Earnings	5	14	12	22	19	28	30
Equity book value (excl. minorities)	121	101	110	117	130	151	171
<b>Valuation multiples</b>							
EV/sales	0.8	1.1	0.8	0.9	0.7	0.7	0.6
EV/EBITDA	8.5	10.1	7.6	7.5	7.6	5.4	5.2
EV/EBITA	27.1	26.6	20.0	16.3	17.0	11.4	10.3
EV/EBIT	27.1	26.6	20.0	16.3	17.0	11.4	10.3
EV/OCF	14.3	11.3	20.2	8.3	7.0	6.2	6.0
EV/FCFF	-11.7	20.3	33.0	10.7	11.6	7.7	7.1
P/FCFE	-2.6	27.0	353.6	8.0	-19.3	9.5	7.6
P/E	42.4	24.9	18.4	12.7	13.0	9.1	8.5
P/B	1.6	3.4	1.9	2.4	1.9	1.7	1.5
Target EV/EBITDA	0.0	0.0	0.0	0.0	8.5	6.1	5.9
Target EV/EBIT	0.0	0.0	0.0	0.0	19.1	12.8	11.7
Target EV/FCF	0.0	0.0	0.0	0.0	-40.8	19.4	14.8
Target P/B	0.0	0.0	0.0	0.0	2.4	2.1	1.8
Target P/E	0.0	0.0	0.0	0.0	16.2	11.4	10.6
<b>Per share measures</b>							
Number of shares	22,620	22,620	22,618	22,584	22,584	22,584	22,584
Number of shares (diluted)	22,620	22,620	22,618	22,584	22,584	22,584	22,584
EPS	0.20	0.61	0.51	0.99	0.86	1.23	1.32
Operating cash flow per share	1.21	2.17	0.91	2.63	3.03	3.25	3.20
Free cash flow per share	-3.29	0.57	0.03	1.59	-0.58	1.18	1.47
Book value per share	5.36	4.47	4.85	5.20	5.76	6.69	7.58
Dividend per share	0.10	0.00	0.20	0.30	0.30	0.43	0.46
Dividend payout ratio, %	49.2	0.0	39.3	30.2	35.0	35.0	35.0
Dividend yield, %	1.2	0.0	2.1	2.7	2.7	3.9	4.1
FCF yield, %	-38.2	3.7	0.3	12.5	-5.2	10.5	13.1
<b>Efficiency measures</b>							
ROE	4.2	12.5	10.9	19.7	15.7	19.8	18.5
ROCE	5.4	6.2	6.4	9.4	8.0	10.5	10.9
<b>Financial ratios</b>							
Inventories as % of sales	0.5	0.4	0.7	0.6	0.5	0.5	0.5
Receivables as % of sales	8.2	9.1	15.3	16.0	8.1	8.1	8.1
Non-interest bearing liabilities as % of sales	16.3	19.7	21.5	21.7	15.0	15.0	15.0
NWC/sales, %	-8.0	-10.2	-6.0	-5.6	-6.9	-6.9	-6.9
Operative CAPEX/sales, %	4.6	7.0	3.9	4.1	7.4	6.8	5.5
CAPEX/sales (incl. acquisitions), %	-11.6	7.0	3.9	4.1	2.6	6.8	5.5
FCFF/EBITDA	-0.7	0.5	0.2	0.7	0.7	0.7	0.7
Net debt/EBITDA, book-weighted	3.9	3.5	3.6	3.0	3.4	2.3	2.1
Debt/equity, market-weighted	0.5	0.3	0.4	0.3	0.5	0.4	0.3
Equity ratio, book-weighted	29.8	24.2	26.0	26.8	27.4	31.3	35.2
Gearing, %	138.7	182.9	169.5	158.8	158.6	124.6	97.1

**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	%
Lähiapiola Keskinäinen Vakuutusyhtiö	3,481,641	38.994	15.4%
Mww Yhtiö Oy	2,309,010	25.861	10.2%
Fennia Mutual Insurance Company	1,998,965	22.388	8.9%
Tapiola Keskinäinen Henkivakuutusyhtiö	1,893,985	21.213	8.4%
Elo Pension Company	1,267,161	14.192	5.6%
Niemistö Leena Katriina	704,687	7.892	3.1%
Ilmarinen Mutual Pension Insurance Company	628,431	7.038	2.8%
Fondita Nordic Micro Cap	470,000	5.264	2.1%
Fennia Life Insurance Company Ltd	322,443	3.611	1.4%
OP-Finland Small Firms Fund	305,644	3.423	1.4%
Ten largest	13,381,967	149.878	59%
Residual	9,202,420	103.067	41%
Total	22,584,387	252.945	100%

#### EARNINGS CALENDAR

May 05, 2022	Q1 report
August 12, 2022	Q2 report
November 04, 2022	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, %	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholder's equity} + \text{minority interest} + \text{taxed provisions (average)}}$		

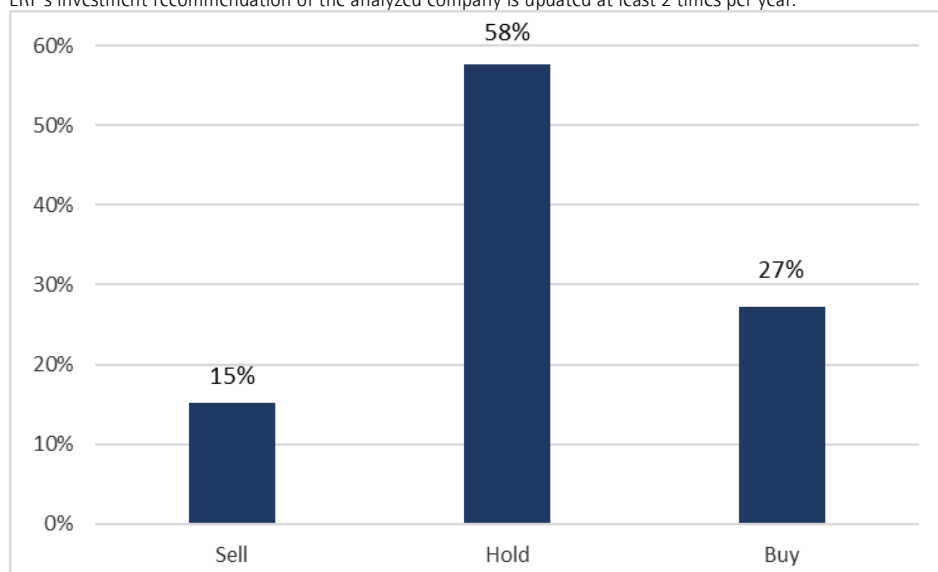
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Investment recommendations are defined as follows:

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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