

Profitability gains towards next year

Pihlajalinna reports Q3 results on Nov 4. We still expect Q3 EBITA to have remained a bit muted, but Q4 should see earnings growth while multiples and margins imply upside.

High growth to have continued in Q3, EBITA flat y/y

Pihlajalinna grew strong in Q2, due to organic and inorganic growth within corporate and private customers, and we wouldn't expect Q3 to have been much different in this respect. Capacity has increased a lot over the past few quarters, while Q3 still saw an increase albeit a more marginal one. Demand has kept up with the supply increases, and this should continue to be the case going forward even with self-paying private customers as Pihlajalinna is the lowest cost provider; the company has done some price hikes earlier this year, while prices are to rise further in H2 and especially within private customers next year. We don't thus expect the inflationary environment to pose major hurdles as Pihlajalinna should be positioned to find compensation for e.g. higher energy costs (which are often not that significant except for certain specialty practices). We estimate Q3 revenue to have grown 19% y/y to EUR 166.8m and see EBITA at EUR 12.0m.

Q4 EBITA should see a significant y/y increase

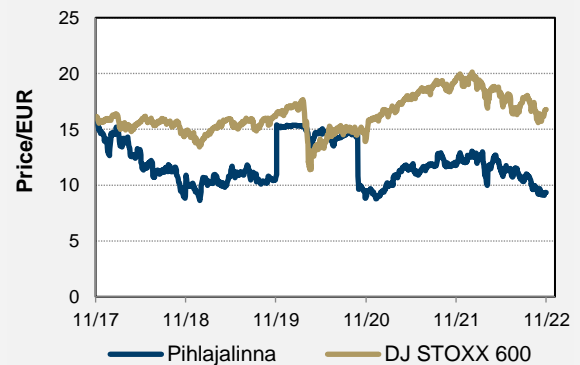
We don't expect EBITA to have yet increased y/y, despite high growth and positive results from Pohjola Hospital, as we understand employee sick leave rates to have remained relatively high in Q3 although a bit more moderate than in H1. We continue to expect further improvements in capacity utilization rates to drive Q4 EBITA to a gain of some EUR 3m y/y. Our H2 EBITA estimate is in line with guidance; we don't expect Pihlajalinna to make changes to its guidance at this point, but in our view Q4 results could still end up driving FY '22 EBITA higher than the current guidance implies. In any case, longer term earnings drivers are in place; Pihlajalinna has plenty of margin potential left as demand picks up while Pohjola Hospital continues toward above 20% EBITDA margins.

Valuation very much on the undemanding side

Pihlajalinna is unlikely to make further M&A moves in the short and medium term as organic growth potential remains plentiful. The 12x EV/EBIT valuation, on our FY '23 estimates, isn't challenging as we estimate the margin at 6%, still well below many peers. We retain our EUR 12.5 TP and BUY rating.

Rating

BUY



Share price, EUR (Last trading day's closing price) 9.34

Target price, EUR 12.5

Latest change in 22-Feb-21

Latest report on company 15-Aug-22

Research paid by issuer: YES

No. of shares outstanding, 22,584

No. of shares fully diluted, 22,584

Market cap, EURm 211

Free float, % 80.1

Exchange rate -

Reuters code PIHLIS.HE

Bloomberg code PIHLIS FH

Average daily volume, EURm 0.1

Next interim report 04-Nov-22

Web site <http://investors.pihlajalinna.fi/>

Analyst Joonas Ilvonen

E-mail joonas.ilvonen@evli.com

Telephone +358 44 430 9071

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%	33.8	0.90	14.0	0.9	16.3	11.8	0.30
2022E	681.1	30.1	4.4%	-134.7	1.05	8.9	0.8	18.4	-63.9	0.37
2023E	708.5	42.1	5.9%	40.3	1.19	7.8	0.7	12.4	19.1	0.42
2024E	729.9	45.0	6.2%	48.8	1.28	7.3	0.7	10.7	23.1	0.45
Market cap, EURm	211			Gearing 2022E, %	241.0			CAGR EPS 2021-24, %	12.5	
Net debt 2022E, EURm	336			Price/book 2022E	1.6			CAGR sales 2021-24, %	8.1	
Enterprise value, EURm	555			Dividend yield 2022E, %	3.9			ROE 2022E, %	18.8	
Total assets 2022E, EURm	622			Tax rate 2022E, %	-7.4			ROCE 2022E, %	7.2	
Goodwill 2022E, EURm	189			Equity ratio 2022E, %	22.4			PEG, P/E 22/CAGR	1.0	

Estimates and peer group valuation

Net sales	2020	2021	Q1'22	Q2'22	Q3'22E	Q4'22E	2022E
Corporate Customers	120.7	137.6	49.3	56.0	51.2	59.0	215.4
of which insurance companies	31.4	34.8	20.4	25.6	25.9	26.8	98.7
of which other corporates	89.3	102.8	28.9	30.4	25.3	32.2	116.7
Private Customers	81.1	85.5	22.8	27.4	21.4	24.9	96.5
Public sector customers	372.4	427.7	109.2	108.8	111.9	113.5	443.4
Total	508.7	577.8	163.1	173.7	166.8	177.5	681.1
Net sales growth							
Corporate Customers	-1.1%	14.6%	42.1%	71.3%	64.0%	52.0%	56.6%
Private Customers	-17.1%	5.6%	6.5%	26.9%	13.0%	7.0%	12.9%
Public sector customers	3.3%	14.5%	7.0%	2.0%	3.5%	2.0%	3.7%
Total	-1.9%	13.5%	16.6%	21.9%	18.6%	14.7%	17.9%
Adj. EBITA (group)	27.5	37.3	7.8	7.3	12.0	10.9	38.0
Adj. EBITA-margin (group)	5.4%	6.5%	4.8%	4.2%	7.2%	6.1%	5.6%

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	338	6.8x	6.5x	6.2x	16.8x	15.0x	13.6x	6.8 %	7.4 %	7.9 %
Attendo AB	336	8.2x	6.7x	6.0x	31.0x	16.8x	13.8x	4.0 %	6.6 %	7.6 %
CareTech Holdings	990									
Fresenius SE	12991	7.6x	7.0x	6.4x	13.0x	11.7x	10.5x	9.7 %	10.1 %	10.8 %
Humana	184	7.2x	6.2x	5.8x	14.8x	11.4x	10.3x	4.7 %	5.7 %	6.1 %
Korian	1018	8.2x	7.6x	7.0x	22.3x	20.4x	18.6x	8.5 %	8.7 %	8.9 %
LNA Sante	310	8.6x	7.9x	7.1x	17.0x	16.2x	14.1x	9.0 %	8.7 %	9.4 %
Mediclinic International	4259	10.3x	9.6x	9.1x	17.7x	16.1x	15.0x	9.8 %	10.3 %	10.6 %
Orpea	531	13.8x	12.8x	11.6x	57.0x	46.9x	35.9x	4.7 %	5.4 %	6.7 %
Spire Healthcare Group	1021	9.1x	8.0x	7.3x	17.4x	14.0x	11.9x	9.4 %	11.0 %	12.2 %
Terveystalo	784	7.8x	7.2x	6.3x	19.4x	14.8x	11.6x	5.6 %	7.1 %	8.6 %
Peer Group Average	2069	8.8x	8.0x	7.3x	22.7x	18.3x	15.5x	7.2 %	8.1 %	8.9 %
Peer Group Median	784	8.2x	7.4x	6.7x	17.6x	15.5x	13.7x	7.7 %	8.0 %	8.8 %
Pihlajalinna (Evli est.)	211	8.3x	6.8x	5.6x	18.4x	12.4x	10.7x	4.4 %	5.9 %	6.2 %
<i>Pihlajalinna prem./disc. to peer median</i>		1 %	-8 %	-17 %	5 %	-20 %	-22 %	-42 %	-26 %	-30 %

Source FactSet, Evli Research

INTERIM FIGURES

EVLI ESTIMATES, EURm	2021Q1	2021Q2	2021Q3	2021Q4	2021	2022Q1	2022Q2	2022Q3E	2022Q4E	2022E	2023E	2024E
Net sales	139.9	142.6	140.6	154.7	577.8	163.0	173.8	166.8	177.5	681.1	708.5	729.9
EBITDA	15.2	15.9	19.3	14.9	65.3	16.4	16.8	20.5	19.4	66.6	76.8	86.5
<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>10.1</i>	<i>9.7</i>	<i>12.3</i>	<i>10.9</i>	<i>9.8</i>	<i>10.8</i>	<i>11.9</i>
EBIT	6.7	7.1	10.6	5.9	30.3	5.9	5.3	10.0	8.9	30.1	42.1	45.0
<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>3.6</i>	<i>3.0</i>	<i>6.0</i>	<i>5.0</i>	<i>4.4</i>	<i>5.9</i>	<i>6.2</i>
Net financial items	-0.9	-1.0	-0.8	-1.1	-3.8	-1.5	-1.6	-1.6	-1.6	-6.4	-6.2	-6.4
Pre-tax profit	5.8	6.1	9.8	4.8	26.5	4.4	3.7	8.4	7.3	23.7	35.9	38.6
Tax	-1.1	-1.1	-1.7	-1.2	-5.1	5.2	-0.3	-1.7	-1.5	1.8	-7.2	-7.7
<i>Tax rate (%)</i>	<i>19.0</i>	<i>18.0</i>	<i>17.3</i>	<i>25.0</i>	<i>19.2</i>	<i>-118.2</i>	<i>8.1</i>	<i>20.0</i>	<i>20.0</i>	<i>-7.4</i>	<i>20.0</i>	<i>20.0</i>
Net profit	4.6	5.2	8.1	2.5	20.4	6.9	3.8	7.0	6.1	23.7	26.9	29.0
EPS	0.20	0.23	0.36	0.11	0.90	0.31	0.17	0.31	0.27	1.05	1.19	1.28
EPS adjusted (diluted no. of shares)	0.20	0.23	0.36	0.11	0.90	0.31	0.17	0.31	0.27	1.05	1.19	1.28
Dividend per share	0.00	0.00	0.00	0.00	0.30	0.00	0.00	0.00	0.00	0.37	0.42	0.45
SALES, EURm												
Corporate Customers	34.7	32.7	31.6	38.6	137.6	49.3	58.1	51.2	59.0	217.5	232.8	244.4
Private Customers	21.4	21.7	19.0	23.4	85.5	22.8	28.2	21.4	24.9	97.3	100.7	103.7
Public sector customers	102.1	106.7	107.5	111.4	427.7	109.2	106.1	111.9	113.5	440.7	451.7	460.8
Eliminations	-18.3	-18.5	-17.5	-18.7	-73.0	-18.3	-18.6	-17.6	-19.9	-74.4	-76.7	-79.0
Total	139.9	142.6	140.6	154.7	577.8	163.0	173.8	166.8	177.5	681.1	708.5	729.9
SALES GROWTH, Y/Y %												
Corporate Customers	5.5	17.6	2.9	31.7	14.0	42.1	77.7	61.9	52.8	58.1	7.0	5.0
Private Customers	-8.9	47.6	-2.6	0.0	5.4	6.5	30.0	12.4	6.5	13.8	3.5	3.0
Public sector customers	10.3	21.1	20.9	8.4	14.8	7.0	-0.6	4.1	1.9	3.0	2.5	2.0
Eliminations	14.4	16.4	14.8	1.6	11.4	0.0	0.5	0.6	6.6	2.0	3.0	3.0
Total	5.2	24.3	13.5	12.8	13.6	16.5	21.9	18.6	14.7	17.9	4.0	3.0
EBIT, EURm												
Group	6.7	7.1	10.6	5.9	30.3	5.9	5.3	10.0	8.9	30.1	42.1	45.0
Total	6.7	7.1	10.6	5.9	30.3	5.9	5.3	10.0	8.9	30.1	42.1	45.0
EBIT margin, %												
Total	4.8	5.0	7.5	3.8	5.2	3.6	3.0	6.0	5.0	4.4	5.9	6.2

INCOME STATEMENT, EURm	2017	2018	2019	2020	2021	2022E	2023E	2024E
Sales	424.0	487.8	518.7	508.7	577.8	681.1	708.5	729.9
<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>17.9</i>	<i>4.0</i>	<i>3.0</i>
EBITDA	34.3	45.9	55.1	54.7	65.3	66.6	76.8	86.5
<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>9.8</i>	<i>10.8</i>	<i>11.9</i>
Depreciation	-14.2	-31.5	-34.2	-33.8	-35.0	-36.5	-34.7	-41.5
EBITA	20.1	14.4	20.9	20.9	30.3	30.1	42.1	45.0
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	30.1	42.1	45.0
<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>4.4</i>	<i>5.9</i>	<i>6.2</i>
Reported EBIT	19.2	13.8	10.2	18.3	30.3	30.1	42.1	45.0
<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>4.4</i>	<i>5.9</i>	<i>6.2</i>
Net financials	-1.4	-3.8	-4.0	-4.4	-3.8	-6.4	-6.2	-6.4
Pre-tax profit	18.7	10.6	16.9	16.5	26.5	23.7	35.9	38.6
Taxes	-3.4	-2.7	-1.9	-4.8	-5.1	1.8	-7.2	-7.7
Minority shares	-4.6	-3.3	-1.1	-0.2	-1.0	-1.8	-1.8	-1.9
Net profit	9.8	4.0	3.2	8.9	20.4	23.7	26.9	29.0
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
BALANCE SHEET, EURm								
Assets								
Fixed assets	83	68	74	66	67	97	97	86
Goodwill	104	170	174	174	189	189	189	189
Right of use assets	0	116	108	103	96	238	227	219
Inventory	2	3	2	3	4	3	4	4
Receivables	25	40	47	78	93	55	57	59
Liquid funds	37	36	27	13	4	34	35	36
Total assets	254	437	438	442	457	622	614	599
Liabilities								
Shareholder's equity	100	121	101	110	117	134	153	173
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	238	227	219
Deferred taxes	6	6	6	6	6	6	6	6
Interest bearing debt	77	99	107	94	93	132	113	82
Non-interest bearing current liabilities	62	80	102	109	125	102	106	109
Other interest-free debt	3	3	2	3	4	4	4	4
Total liabilities	254	437	438	442	457	622	614	599
CASH FLOW, EURm								
+ EBITDA	34	46	55	55	65	67	77	87
- Net financial items	-1	-4	-4	-4	-4	-6	-6	-6
- Taxes	-5	-5	-4	-4	-5	2	-7	-8
- Increase in Net Working Capital	7	2	14	-23	2	15	2	1
+/- Other	0	-11	-12	-3	-1	-2	-2	-2
= Cash flow from operations	35	27	49	21	57	75	63	72
- Capex	-10	-23	-36	-20	-24	-170	-23	-23
- Acquisitions	-17	-79	0	0	0	-40	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Free cash flow	8	-74	13	1	34	-135	40	49
+/- New issues/buybacks	-2	24	-25	0	-8	0	0	0
- Paid dividend	-3	-3	-2	0	-5	-7	-8	-9
+/- Other	7	53	5	-14	-30	171	-31	-38
Change in cash	10	-1	-9	-14	-9	30	1	1

KEY FIGURES	2018	2019	2020	2021	2022E	2023E	2024E
M-cap	195	346	212	285	211	211	211
Net debt (excl. convertibles)	181	194	195	195	336	304	265
Enterprise value	391	557	417	493	555	522	482
Sales	488	519	509	578	681	709	730
EBITDA	46	55	55	65	67	77	87
EBIT	14	21	21	30	30	42	45
Pre-tax	11	17	17	27	24	36	39
Earnings	5	14	12	20	24	27	29
Equity book value (excl. minorities)	121	101	110	117	134	153	173
Valuation multiples							
EV/sales	0.8	1.1	0.8	0.9	0.8	0.7	0.7
EV/EBITDA	8.5	10.1	7.6	7.5	8.3	6.8	5.6
EV/EBITA	27.1	26.6	20.0	16.3	18.4	12.4	10.7
EV/EBIT	27.1	26.6	20.0	16.3	18.4	12.4	10.7
EV/OCF	14.3	11.3	20.2	8.6	7.4	8.2	6.7
EV/FCFF	-11.7	20.3	33.0	10.7	16.5	10.0	7.5
P/FCFE	-2.6	27.0	353.6	8.4	-1.6	5.2	4.3
P/E	42.4	24.9	18.4	14.0	8.9	7.8	7.3
P/B	1.6	3.4	1.9	2.4	1.6	1.4	1.2
Target EV/EBITDA	0.0	0.0	0.0	0.0	9.4	7.7	6.4
Target EV/EBIT	0.0	0.0	0.0	0.0	20.7	14.1	12.3
Target EV/FCF	0.0	0.0	0.0	0.0	-4.6	14.7	11.3
Target P/B	0.0	0.0	0.0	0.0	2.1	1.8	1.6
Target P/E	0.0	0.0	0.0	0.0	11.9	10.5	9.7
Per share measures							
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	0.90	1.05	1.19	1.28
Operating cash flow per share	1.21	2.17	0.91	2.54	3.32	2.81	3.19
Free cash flow per share	-3.29	0.57	0.03	1.50	-5.97	1.79	2.16
Book value per share	5.36	4.47	4.85	5.20	5.95	6.77	7.64
Dividend per share	0.10	0.00	0.20	0.30	0.37	0.42	0.45
Dividend payout ratio, %	49.2	0.0	39.3	33.2	35.0	35.0	35.0
Dividend yield, %	1.2	0.0	2.1	2.4	3.9	4.5	4.8
FCF yield, %	-38.2	3.7	0.3	11.8	-63.9	19.1	23.1
Efficiency measures							
ROE	4.2	12.5	10.9	18.0	18.8	18.7	17.8
ROCE	5.4	6.2	6.4	9.4	7.2	8.4	9.2
Financial ratios							
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	24.9	3.3	3.2
CAPEX/sales (incl. acquisitions), %	-11.6	7.0	3.9	4.1	19.1	3.3	3.2
FCFF/EBITDA	-0.7	0.5	0.2	0.7	0.5	0.7	0.7
Net debt/EBITDA, book-weighted	3.9	3.5	3.6	3.0	5.0	4.0	3.1
Debt/equity, market-weighted	0.5	0.3	0.4	0.3	0.6	0.5	0.4
Equity ratio, book-weighted	29.8	24.2	26.0	26.8	22.4	25.7	29.7
Gearing, %	138.7	182.9	169.5	158.8	241.0	192.3	149.0

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	%
Lähiapiola Keskinäinen Vakuutusyhtiö	3,481,641	32.519	15.4%
Mww Yhtiö Oy	2,309,010	21.566	10.2%
Fennia Mutual Insurance Company	1,998,965	18.670	8.9%
Tapiola Keskinäinen Henkivakuutusyhtiö	1,893,985	17.690	8.4%
Elo Pension Company	1,267,161	11.835	5.6%
Niemistö Leena Katriina	704,687	6.582	3.1%
Ilmarinen Mutual Pension Insurance Company	628,431	5.870	2.8%
Fondita Nordic Micro Cap	470,000	4.390	2.1%
Fennia Life Insurance Company Ltd	322,443	3.012	1.4%
OP-Finland Small Firms Fund	305,644	2.855	1.4%
Ten largest	13,381,967	124.988	59%
Residual	9,202,420	85.951	41%
Total	22,584,387	210.938	100%

EARNINGS CALENDAR

November 04, 2022

Q3 report

OTHER EVENTS**COMPANY MISCELLANEOUS**

CEO: Joni Aaltonen

Kehräsaari B, 33200 Tampere

CFO: Tarja Rantala

Tel:

IR: Tuula Lehto

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

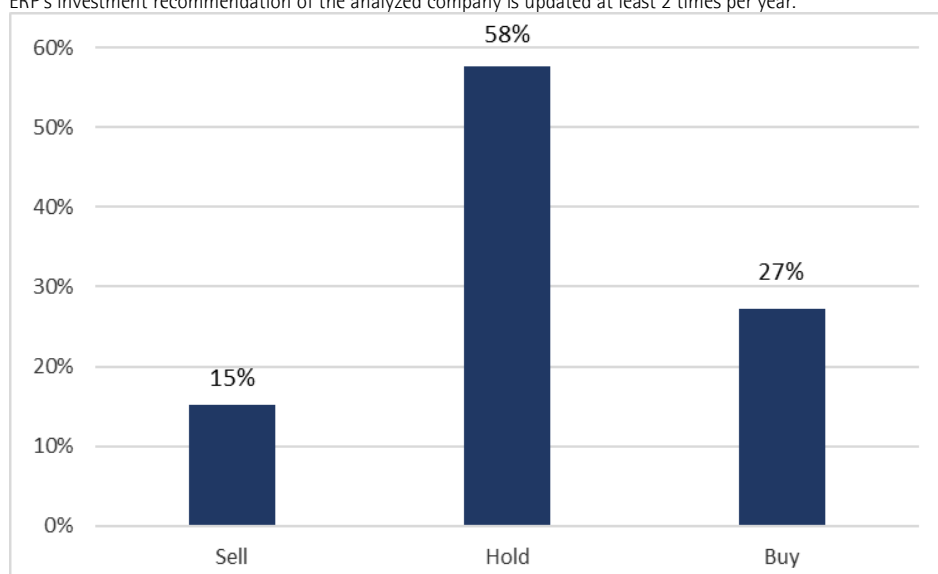
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Investment recommendations are defined as follows:

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

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 in 11th of May 2020. If recommendation is not given, it is not mentioned here.

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

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Contact information**SALES, TRADING AND RESEARCH****Equity, ETF and Derivatives Sales**

Joachim Dannberg	+358 9 4766 9123
Ari Laine	+358 9 4766 9115
Kimmo Lilja	+358 9 4766 9130

Trading

Lauri Vehkaluoto (Head)	+358 9 4766 9120
Pasi Väisänen	+358 9 4766 9120
Antti Kässi	+358 9 4766 9120
Miika Ronkanen	+358 9 4766 9120

Structured Investments

Heikki Savijoki	+358 9 4766 9726
Aki Lakkisto	+358 9 4766 9123

Equity Research

Jonas Forslund	+358 9 4766 9314
Joonas Ilvonen	+358 44 430 9071
Jerker Salokivi	+358 9 4766 9149
Teemu Reiman	+358 40 352 6175

Evli Investment Solutions

Johannes Asuja	+358 9 4766 9205
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EVLI BANK PLC
Aleksanterinkatu 19 A
P.O. Box 1081
FIN-00101 Helsinki, FINLAND
Phone +358 9 476 690
Fax +358 9 634 382
Internet www.evli.com
E-mail firstname.lastname@evli.com

**EVLI BANK PLC,
STOCKHOLMSFILIAL**
Regeringsgatan 67 P.O. Box 16354
SE-103 26 Stockholm
Sverige
stockholm@evli.com
Tel +46 (0)8 407 8000
Fax +46 (0)8 407 8001