

## Q4 outpaced the expectations

Pihlajalinna's Q4 result outpaced the expectations. Q4 revenue amounted EUR 137.2m (+2.6%) vs. EUR 135.3m/135.5m Evli/cons, while adj. EBIT landed at EUR 7.3m vs. EUR 5.3m/4.8m Evli/cons estimates. Dividend proposal is EUR 0.20 vs. EUR 0.12/0.09 Evli/cons. 2021 revenue is expected to increase clearly and adj. EBIT is expected to improve clearly compared to 2020.

- Q4 revenue was EUR 137.2m vs. EUR 135.3m/135.5m Evli/cons estimates. Revenue increased by 2.6% y/y. COVID-19 testing volumes increased by 67% compared to the previous quarter. Customer volumes of private clinic locations were ~10% lower than in the comparison period.
- Q4 adj. EBITDA was EUR 15.7m (11.5% margin) vs. EUR 14.1m/14.0m Evli/cons estimates.
- Q4 adj. EBIT was EUR 7.3m (5.3% margin) vs. EUR 5.3m/4.8m Evli/cons estimates.
- Q4 EPS was EUR 0.15 vs. EUR 0.08/0.12 Evli/cons.
- Dividend proposal is EUR 0.20 vs. EUR 0.12/0.09 Evli/cons.
- Guidance for 2021E: the company expects revenue and adj. EBIT to improve clearly compared to 2020.
- Pihlajalinna will publish new strategy during the beginning of 2021.

**Rating** 🟡 HOLD

Pihlajalinna Q4'20	Actual	Evli	Cons.*	Year ago
Net Sales	137.2	135.3	135.5	133.8
Adj. EBITDA	15.7	14.1	14.0	14.4
Adj. EBIT	7.3	5.3	4.8	5.6
Adj. EBITDA-margin	11.4 %	10.4 %	10.3 %	10.8 %
Adj. EBIT-margin	5.3 %	3.9 %	3.5 %	4.2 %
PTP (reported)	5.7	4.1	4.3	2.7
EPS	0.15	0.08	0.12	0.16
2020 DPS	0.20	0.12	0.09	0.00

\*Factset (5 estimates mean)

 Share price, EUR (Last trading day's closing price) 10.00

 Target price, EUR 10.5

 Latest change in rating 11-May-20

 Latest report on company 17-Feb-21

 Research paid by issuer: YES

 No. of shares outstanding, '000's 22,573

 No. of shares fully diluted, '000's 22,573

 Market cap, EURm 226

 Free float, % 80.1

 Exchange rate 0.000

 Reuters code PIHLIS.HE

 Bloomberg code PIHLIS FH

 Average daily volume, EURm na.

 Next interim report 19-Feb-21

 Web site investors.pihlajalinna.fi

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+ BUY + HOLD - SELL

### PRE-REPORT KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	FCF EURm	EPS EUR	P/E (x)	EV/Sales (x)	EV/EBIT (x)	FCF yield %	DPS EUR
2018	487.8	14.4	3.0%	-74.5	0.20	42.4	0.8	27.1	-38.2	0.10
2019	518.7	20.9	4.0%	9.6	0.47	32.3	1.1	26.6	2.8	0.00
2020E	506.9	18.8	3.7%	-3.2	0.41	24.2	0.9	23.1	-1.4	0.12
2021E	547.7	26.5	4.8%	17.4	0.67	15.0	0.8	15.8	7.7	0.22
2022E	564.1	35.0	6.2%	19.6	0.97	10.4	0.7	11.5	8.7	0.29

Market cap, EURm	226	BV per share 2020E, EUR	171.2	CAGR EPS 2019-22, %	26.9
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Net debt 2020E, EURm	197	Price/book 2020E	2.0	CAGR sales 2019-22, %	2.8
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Enterprise value, EURm	433	Dividend yield 2020E, %	1.2	ROE 2020E, %	8.8
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Total assets 2020E, EURm	431	Tax rate 2020E, %	19.9	ROCE 2020E, %	5.6
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Goodwill 2020E, EURm	174	Equity ratio 2020E, %	26.8	PEG, P/E 20/CAGR	0.6
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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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