

Americas to drive future growth

Raute reports Q1 results on Apr 28. Large projects solidify outlook, while the new strategy hints at growth ambitions particularly in Americas and within Services & Analyzers.

We leave our FY '23 estimates basically intact

We expect Raute's Q1 margins to have recovered a bit from the weak comparison period, despite lower top line, as inflation should no more be such a problem for Wood Processing while Services & Analyzers should have still seen growth. We estimate group revenue at EUR 32m and hence EBITDA at a modest EUR 1.5m. Continued earnings recovery over the year is a priority, but attention also focuses on growth outlook for the coming years.

We see Americas and Services & Analyzers as focus areas

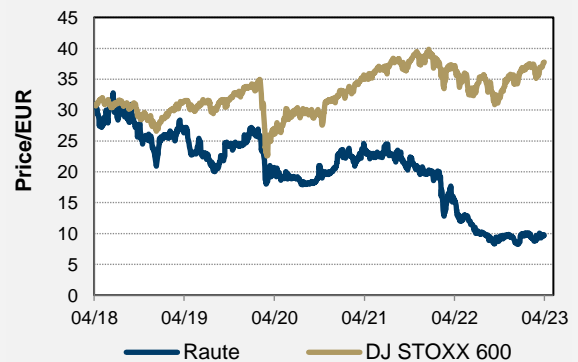
Raute will deliver EUR 50m in equipment to Uruguay starting next year. We view the destination a positive surprise, as Raute hasn't delivered big LatAm projects since '12. We update our FY '24 revenue estimate to EUR 155m (prev. EUR 140m) and raise our margin estimates by some 50bps, which we view a conservative assumption. Raute's pipeline also includes another slightly smaller project, yet to be signed, which we expect to be destined to Europe. Raute's new long-term targets set the ambition high, especially in terms of growth as the EUR 250m top line target for FY '28 implies double-digit CAGR from this year on (compared to ca. 3-4% CAGR seen for customer end-demand). Europe will remain a key market, however we would expect Raute to pursue a lot more growth within Americas as its Wood Processing market shares there are lower. We also view Services and Analyzers as particular spearheads in this sense.

Downside appears limited relative to long-term potential

Raute may add technology edge via M&A, but such deals have historically been small and hence we would expect organic execution to remain of great importance. The directed issue added ca. 20% to share count, and thus the EV/EBIT multiple has respectively increased to 20.5x on our FY '23 estimates. The multiple remains a modest 6.5x on our FY '24 estimates; our margin estimates appear conservative while there's still a rights issue to come, plus maybe a junior loan. In our opinion it's early to give much weight for the new strategy's targets, however we still view downside limited whereas long-term potential is considerable. We retain our EUR 11.0 TP and BUY rating.

Rating

BUY



Share price, EUR (Last trading day's closing price) 9.70

Target price, EUR 11.0

Latest change in recommendation 24-Oct-22

Latest report on company 15-Feb-23

Research paid by issuer: YES

No. of shares outstanding, '000's 5,102

No. of shares fully diluted, '000's 5,102

Market cap, EURm 49

Free float, % -

Exchange rate -

Reuters code RAUTE.HE

Bloomberg code RAUTE:FH

Average daily volume, EURm 0.1

Next interim report 28-Apr-23

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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
2021	142.2	-2.2	-1.5%	12.9	-0.41	-48.7	0.5	-32.0	15.4	0.00
2022	158.3	-14.6	-9.2%	-18.0	-2.70	-3.1	0.3	-2.8	-51.4	0.00
2023E	133.1	2.5	1.9%	4.0	0.39	24.7	0.4	20.3	8.2	0.20
2024E	154.6	7.3	4.7%	5.0	1.14	8.5	0.3	6.4	10.0	0.50
2025E	164.1	9.7	5.9%	5.2	1.52	6.4	0.3	4.6	10.5	0.75
Market cap, EURm	49			Gearing 2023E, %	5.1			CAGR EPS 2022-25, %	0.0	
Net debt 2023E, EURm	1			Price/book 2023E	2.0			CAGR sales 2022-25, %	1.2	
Enterprise value, EURm	51			Dividend yield 2023E, %	2.1			ROE 2023E, %	8.4	
Total assets 2023E, EURm	83			Tax rate 2023E, %	20.0			ROCE 2023E, %	7.3	
Goodwill 2023E, EURm	2			Equity ratio 2023E, %	29.9			PEG, P/E 23/CAGR	0.3	

Estimates and valuation

Raute	2021	Q1'22	Q2'22	Q3'22	Q4'22	2022	Q1'23e	Q2'23e	Q3'23e	Q4'23e	2023e
Order intake	203	36	40	35	28	139	81	35	34	31	181
Order book	158	152	104	94	84	84	133	139	140	132	132
Revenue	142	41	30	42	46	158	32	29	33	39	133
Wood Processing	97	31	17	27	33	108	21	18	20	27	86
Services	30	8	9	10	9	36	8	8	9	8	33
Analyzers	15	3	3	5	4	15	3	3	4	4	14
Europe	35	15	14	21	18	69	15	14	16	20	65
Russia	70	14	2	6	11	33	2	1	1	0	4
North America	20	9	9	9	12	39	9	8	9	12	38
Latin America	8	2	2	3	3	10	3	3	4	4	14
Asia-Pacific	10	2	2	3	3	9	3	3	3	3	12
Comparable EBITDA	3	0	-11	6	3	-2	2	2	2	2	8
Wood Processing	-5	-1	-12	2	1	-10	1	0	1	1	2
Services	5	1	1	3	1	6	1	1	1	1	4
Analyzers	4	0	0	2	1	2	1	1	1	1	2
EBIT	-2	-1	-15	1	1	-15	0	1	1	1	3
EBIT margin	-1.6 %	-4 %	-51 %	3 %	1 %	-9.3 %	1 %	2 %	2 %	2 %	1.9 %

Source: Evli Research

RAUTE PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			EBIT-%		
		22	23	24	22	23	24	22	23	24
Alfa Laval AB	13822	14.8x	15.2x	14.3x	19.8x	18.8x	17.2x	13.4 %	15.0 %	15.8 %
Cargotec	3002	6.3x	6.2x	6.3x	9.4x	8.0x	8.1x	7.9 %	9.5 %	9.5 %
Glaston	84	5.4x	4.7x	4.2x	9.0x	7.7x	6.8x	4.6 %	5.4 %	5.7 %
Kone	25710	18.1x	17.0x	14.8x	21.9x	20.7x	17.6x	9.9 %	10.8 %	12.2 %
Konecranes Oyj	2626	7.9x	7.4x	7.0x	10.2x	9.7x	9.0x	8.7 %	9.2 %	9.6 %
Ponsse	774	9.9x	9.4x	8.4x	15.6x	14.0x	12.0x	6.2 %	7.3 %	8.2 %
Sandvik	24974	10.4x	11.0x	10.5x	14.9x	14.4x	13.4x	16.6 %	18.7 %	19.5 %
Valmet	5321	7.8x	7.7x	7.4x	11.0x	10.1x	9.4x	8.9 %	10.3 %	10.9 %
Wartsila	5223	9.0x	9.2x	8.0x	15.1x	12.5x	10.5x	5.8 %	7.5 %	8.6 %
Duerr	2180	6.8x	5.5x	4.9x	9.9x	7.7x	6.8x	5.4 %	6.4 %	7.1 %
Peer Group Average	8372	9.6x	9.3x	8.6x	13.7x	12.4x	11.1x	8.7 %	10.0 %	10.7 %
Peer Group Median	4113	8.4x	8.5x	7.7x	12.9x	11.3x	9.9x	8.3 %	9.4 %	9.6 %
Raute (Evli est.)	49	-4.2x	6.8x	3.9x	-2.8x	20.3x	6.4x	-9.2 %	1.9 %	4.7 %

Raute prem./disc. to peer median

-150 % -20 % -49 % -121 % 80 % -36 % -211 % -80 % -51 %

Source FactSet, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	9.70 PV of Free Cash Flow	57 Long-term growth, %	2.0 Risk-free interest rate, %
DCF share value	20.26 PV of Horizon value	51 WACC, %	9.2 Market risk premium, %
Share price potential, %	108.9 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %
Maximum value	21.8 Marketable securities	8 Minimum WACC, %	8.7 Equity beta coefficient
Minimum value	18.9 Debt - dividend	-13 Maximum WACC, %	9.7 Target debt ratio, %
Horizon value, %	47.2 Value of stock	103 Nr of shares, Mn	5.1 Effective tax rate, %

DCF valuation, EURm	2022	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	Horizon
Net sales	158	133	155	164	171	175	179	183	187	191	195	199
<i>Sales growth, %</i>	<i>11.3</i>	<i>-15.9</i>	<i>16.2</i>	<i>6.1</i>	<i>4.3</i>	<i>2.3</i>	<i>2.3</i>	<i>2.3</i>	<i>2.3</i>	<i>2.3</i>	<i>2.0</i>	<i>2.0</i>
Operating income (EBIT)	-15	3	7	10	13	14	15	16	17	17	18	18
<i>Operating income margin, %</i>	<i>-9.2</i>	<i>1.9</i>	<i>4.7</i>	<i>5.9</i>	<i>7.5</i>	<i>8.0</i>	<i>8.5</i>	<i>9.0</i>	<i>9.0</i>	<i>9.0</i>	<i>9.0</i>	<i>9.0</i>
+ Depreciation+amort.	5	5	5	5	5	5	5	6	6	4	4	
EBITDA	-10	8	12	15	18	19	21	22	23	22	21	
- Paid taxes	0	0	-1	-2	-3	-3	-3	-3	-3	-3	-4	
- Change in NWC	-5	2	-2	-1	-1	0	0	0	0	0	0	
<i>NWC / Sales, %</i>	<i>-4.6</i>	<i>-7.2</i>	<i>-4.9</i>	<i>-4.1</i>	<i>-3.6</i>	<i>-3.3</i>	<i>-3.0</i>	<i>-2.7</i>	<i>-2.5</i>	<i>-2.2</i>	<i>-2.0</i>	
+ Change in other liabs	0	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	-7	-7	-3	-6	-6	-6	-6	-6	-3	-3	-9	
<i>opCAPEX / Sales, %</i>	<i>2.5</i>	<i>4.0</i>	<i>2.4</i>	<i>3.9</i>	<i>3.7</i>	<i>3.4</i>	<i>3.4</i>	<i>3.4</i>	<i>1.8</i>	<i>1.8</i>	<i>4.8</i>	
- Acquisitions	0	0	0	0	0	0	0	0	0	0	0	
+ Divestments	0	0	0	0	0	0	0	0	0	0	0	
- Other items	0	0	0	0	0	0	0	0	0	0	0	
= FCFF	-22	3	6	6	9	10	11	12	16	15	8	120
= Discounted FCFF		3	5	4	6	7	7	7	8	7	4	51
= DFCF min WACC		3	5	5	6	7	7	7	8	7	4	58
= DFCF max WACC		3	5	4	6	7	7	7	8	7	3	46

INTERIM FIGURES

EVLI ESTIMATES, EURm	2022Q1	2022Q2	2022Q3	2022Q4	2022	2023Q1E	2023Q2E	2023Q3E	2023Q4E	2023E	2024E	2025E
Net sales	41.3	29.6	41.8	45.7	158.3	32.0	29.1	33.0	39.0	133.1	154.6	164.1
EBITDA	-0.3	-13.8	2.6	1.8	-9.6	1.5	1.8	2.0	2.2	7.5	12.1	14.5
<i>EBITDA margin (%)</i>	<i>-0.6</i>	<i>-46.7</i>	<i>6.3</i>	<i>4.0</i>	<i>-6.1</i>	<i>4.7</i>	<i>6.2</i>	<i>6.1</i>	<i>5.6</i>	<i>5.6</i>	<i>7.8</i>	<i>8.8</i>
EBIT	-1.5	-15.1	1.4	0.6	-14.6	0.3	0.5	0.8	0.9	2.5	7.3	9.7
<i>EBIT margin (%)</i>	<i>-3.6</i>	<i>-51.0</i>	<i>3.4</i>	<i>1.3</i>	<i>-9.2</i>	<i>0.9</i>	<i>1.7</i>	<i>2.4</i>	<i>2.3</i>	<i>1.9</i>	<i>4.7</i>	<i>5.9</i>
Net financial items	0.3	-0.3	0.0	0.8	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pre-tax profit	-1.2	-15.4	1.4	1.4	-13.8	0.3	0.5	0.8	0.9	2.5	7.3	9.7
Tax	-0.1	2.5	-0.1	0.0	2.3	-0.1	-0.1	-0.2	-0.2	-0.5	-1.5	-1.9
<i>Tax rate (%)</i>	<i>-5.1</i>	<i>16.0</i>	<i>9.6</i>	<i>-2.4</i>	<i>16.7</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	-1.2	-12.9	1.2	1.5	-11.5	0.2	0.4	0.6	0.7	2.0	5.8	7.8
EPS	-0.29	-3.04	0.29	0.34	-2.70	0.05	0.08	0.13	0.14	0.39	1.14	1.52
EPS adjusted (diluted no. of shares)	-0.29	-3.04	0.29	0.34	-2.70	0.05	0.08	0.13	0.14	0.39	1.14	1.52
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.20	0.50	0.75
SALES, EURm												
Wood Processing	30.5	17.1	27.1	33.3	108.0	21.0	17.5	20.0	27.0	85.5	105.2	113.1
Services	7.9	9.2	9.9	8.7	35.8	8.0	8.3	9.0	8.0	33.3	34.5	35.5
Analyzers	2.8	3.2	4.8	3.7	14.5	3.0	3.2	4.0	4.0	14.2	14.9	15.5
Total	41.3	29.6	41.8	45.7	158.3	32.0	29.1	33.0	39.0	133.1	154.6	164.1
SALES GROWTH, Y/Y %												
Wood Processing	84.4	-26.3	2.2	7.2	11.0	-31.2	2.3	-26.1	-18.9	-20.8	23.0	7.5
Services	27.0	9.7	33.7	8.2	18.8	1.2	-9.7	-9.5	-7.8	-6.8	3.5	3.0
Analyzers	43.9	-14.6	19.6	-26.7	-1.5	5.5	-0.4	-15.7	8.0	-2.1	5.0	3.5
Total	66.7	-16.5	10.2	3.6	11.3	-22.5	-1.7	-21.0	-14.6	-15.9	16.2	6.1
EBIT, EURm												
Total	-1.5	-15.1	1.4	0.6	-14.6	0.3	0.5	0.8	0.9	2.5	7.3	9.7
Total	-1.5	-15.1	1.4	0.6	-14.6	0.3	0.5	0.8	0.9	2.5	7.3	9.7
EBIT margin, %												
Total	-3.6	-51.0	3.4	1.3	-9.2	0.9	1.7	2.4	2.3	1.9	4.7	5.9

INCOME STATEMENT, EURm	2018	2019	2020	2021	2022	2023E	2024E	2025E
Sales	181.1	151.3	115.0	142.2	158.3	133.1	154.6	164.1
<i>Sales growth (%)</i>	<i>21.9</i>	<i>-16.5</i>	<i>-24.0</i>	<i>23.7</i>	<i>11.3</i>	<i>-15.9</i>	<i>16.2</i>	<i>6.1</i>
EBITDA	17.4	12.3	1.2	2.1	-9.6	7.5	12.1	14.5
<i>EBITDA margin (%)</i>	<i>9.6</i>	<i>8.1</i>	<i>1.1</i>	<i>1.5</i>	<i>-6.1</i>	<i>5.6</i>	<i>7.8</i>	<i>8.8</i>
Depreciation	-2.5	-3.9	-4.0	-4.3	-5.0	-5.0	-4.8	-4.8
EBITA	14.9	8.4	-2.8	-2.2	-14.6	2.5	7.3	9.7
Goodwill amortization / writedown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	14.9	8.4	-2.8	-2.2	-14.6	2.5	7.3	9.7
<i>EBIT margin (%)</i>	<i>8.2</i>	<i>5.6</i>	<i>-2.4</i>	<i>-1.5</i>	<i>-9.2</i>	<i>1.9</i>	<i>4.7</i>	<i>5.9</i>
Reported EBIT	14.9	8.4	-2.8	-2.2	-14.6	2.5	7.3	9.7
<i>EBIT margin (reported) (%)</i>	<i>8.2</i>	<i>5.6</i>	<i>-2.4</i>	<i>-1.5</i>	<i>-9.2</i>	<i>1.9</i>	<i>4.7</i>	<i>5.9</i>
Net financials	0.0	0.8	0.3	0.5	0.8	0.0	0.0	0.0
Pre-tax profit	14.9	9.2	-2.5	-1.7	-13.8	2.5	7.3	9.7
Taxes	-3.2	-1.6	0.6	0.0	2.3	-0.5	-1.5	-1.9
Minority shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	11.7	7.6	-1.8	-1.7	-11.5	2.0	5.8	7.8
Cash NRIs	0.0	0.0	0.0	0.0	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	15	16	17	19	22	23	21	22
Goodwill	1	1	2	2	2	2	2	2
Right of use assets	7	7	6	10	7	6	7	8
Inventory	14	12	15	22	17	14	16	17
Receivables	52	32	34	32	32	27	31	33
Liquid funds	13	22	12	24	8	6	10	13
Total assets	103	91	86	111	92	83	92	100
Liabilities								
Shareholder's equity	47	50	40	34	23	25	30	35
Minority interest	0	0	0	0	0	0	0	0
Convertibles	0	0	0	0	0	0	0	0
Lease liabilities	7	5	4	8	6	6	7	8
Deferred taxes	0	0	0	0	0	0	0	0
Interest bearing debt	1	2	2	2	7	1	0	0
Non-interest bearing current liabilities	46	31	23	39	34	28	33	35
Other interest-free debt	1	3	16	27	22	22	22	22
Total liabilities	103	91	86	111	92	83	92	100
CASH FLOW, EURm								
+ EBITDA	17	12	1	2	-10	8	12	15
- Net financial items	0	1	0	0	1	0	0	0
- Taxes	-3	-1	-1	-1	-1	0	-1	-2
- Increase in Net Working Capital	-23	10	1	21	-5	2	-2	-1
+/- Other	0	0	0	0	0	0	0	0
= Cash flow from operations	-8	21	2	23	-14	9	9	12
- Capex	-4	-3	-3	-10	-4	-5	-4	-6
- Acquisitions	0	0	0	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Free cash flow	-11	18	-2	13	-18	4	5	5
+/- New issues/buybacks	1	1	-1	-1	0	0	0	0
- Paid dividend	-5	-6	-6	-3	0	0	-1	-3
+/- Other	-2	-4	-2	5	1	-5	0	0
Change in cash	-17	9	-11	13	-17	-1	4	3

KEY FIGURES	2019	2020	2021	2022	2023E	2024E	2025E
M-cap	114	96	84	35	49	49	49
Net debt (excl. convertibles)	-15	-5	-14	5	1	-3	-5
Enterprise value	99	91	70	40	51	47	44
Sales	151	115	142	158	133	155	164
EBITDA	12	1	2	-10	8	12	15
EBIT	8	-3	-2	-15	3	7	10
Pre-tax	9	-2	-2	-14	3	7	10
Earnings	8	-2	-2	-11	2	6	8
Equity book value (excl. minorities)	50	40	34	23	25	30	35
Valuation multiples							
EV/sales	0.7	0.8	0.5	0.3	0.4	0.3	0.3
EV/EBITDA	8.1	73.6	33.3	-4.2	6.8	3.9	3.0
EV/EBITA	11.8	-32.6	-32.0	-2.8	20.3	6.4	4.6
EV/EBIT	11.8	-32.6	-32.0	-2.8	20.3	6.4	4.6
EV/OCF	4.7	48.2	3.0	-2.9	5.4	5.4	3.8
EV/FCFF	6.3	-30.2	4.2	-1.9	17.8	7.8	7.8
P/FCFE	6.4	-60.7	6.5	-1.9	12.2	10.0	9.5
P/E	15.0	-52.2	-48.7	-3.1	24.7	8.5	6.4
P/B	2.3	2.4	2.5	1.5	2.0	1.7	1.4
Target EV/EBITDA	0.0	0.0	0.0	0.0	7.7	4.4	3.5
Target EV/EBIT	0.0	0.0	0.0	0.0	23.0	7.3	5.2
Target EV/FCF	0.0	0.0	0.0	0.0	14.2	10.8	9.7
Target P/B	0.0	0.0	0.0	0.0	2.3	1.9	1.6
Target P/E	0.0	0.0	0.0	0.0	28.1	9.6	7.2
Per share measures							
Number of shares	4,249	4,249	4,249	4,249	5,102	5,102	5,102
Number of shares (diluted)	4,249	4,249	4,249	4,249	5,102	5,102	5,102
EPS	1.80	-0.44	-0.41	-2.70	0.39	1.14	1.52
Operating cash flow per share	4.96	0.45	5.50	-3.30	1.83	1.69	2.29
Free cash flow per share	4.23	-0.37	3.04	-4.24	0.79	0.97	1.02
Book value per share	11.65	9.52	8.02	5.39	4.88	5.83	6.85
Dividend per share	1.45	0.80	0.00	0.00	0.20	0.50	0.75
Dividend payout ratio, %	80.7	-183.9	0.0	0.0	51.0	43.7	49.3
Dividend yield, %	5.4	3.5	0.0	0.0	2.1	5.2	7.7
FCF yield, %	15.7	-1.6	15.4	-51.4	8.2	10.0	10.5
Efficiency measures							
ROE	15.9	-4.1	-4.6	-40.3	8.4	21.4	24.0
ROCE	15.1	-5.4	-4.8	-36.3	7.3	21.0	24.4
Financial ratios							
Inventories as % of sales	8.2	13.1	15.5	10.6	10.6	10.6	10.6
Receivables as % of sales	20.9	29.2	22.3	20.2	20.2	20.2	20.2
Non-interest bearing liabilities as % of sales	20.5	20.2	27.1	21.4	21.4	21.4	21.4
NWC/sales, %	7.0	8.3	-8.3	-4.6	-7.2	-4.9	-4.1
Operative CAPEX/sales, %	2.1	3.0	7.3	2.5	4.0	2.4	3.9
CAPEX/sales (incl. acquisitions), %	2.1	3.0	7.3	2.5	4.0	2.4	3.9
FCFF/EBITDA	1.3	-2.4	7.9	2.2	0.4	0.5	0.4
Net debt/EBITDA, book-weighted	-1.3	-4.2	-6.5	-0.6	0.2	-0.2	-0.4
Debt/equity, market-weighted	0.0	0.0	0.0	0.2	0.0	0.0	0.0
Equity ratio, book-weighted	54.6	46.9	30.8	24.9	29.9	32.2	34.9
Gearing, %	-31.0	-13.0	-40.5	23.6	5.1	-9.0	-15.3

COMPANY DESCRIPTION: Raute offers production lines, machinery and services for the entire production process of veneer and veneer-based products, which include plywood and laminated veneer lumber (LVL). The company's strategy is premised on a complementary offering of veneer production technology and services. Raute has differentiated itself through technological leadership and the ability to supply complete plywood and LVL production processes. Raute delivers most of its equipment in a tailored project-driven fashion to a global customer base consisting of hundreds of plywood and LVL mills. Raute has its main production plant in Lahti, Finland, however the company also operates a global sales and services network. Raute is a global leader in its niche market.

INVESTMENT CASE: Raute is the most technologically sophisticated vendor and a market leader within its niche. In our view this set-up will not change as current competition lags quite far behind and larger capital goods companies are unlikely to enter the relatively small market. Predicting Raute's project delivery flow is not easy and a single large project can make up a significant portion of a given calendar year's activity. Services growth might help to smooth financial performance, however project deliveries will always remain crucially important for Raute's success.

OWNERSHIP STRUCTURE	SHARES	EURm	%
Sundholm Göran Wilhelm	630,209	6.113	12.4%
Laakkonen Mikko Kalervo	143,521	1.392	2.8%
eQ Pohjoismaat Pienyhtiö	115,000	1.115	2.3%
Suominen Pekka Matias	110,429	1.071	2.2%
Mandatum Life Unit-Linked	108,120	1.049	2.1%
Stephen Industries Inc Oy	108,073	1.048	2.1%
Siivonen Osku Pekka	104,179	1.011	2.0%
Kirmo Kaisa Marketta	104,021	1.009	2.0%
Relander Pär-Gustaf	103,084	1.000	2.0%
Suominen Tiina Sini-Maria	98,491	0.955	1.9%
Ten largest	1,625,127	15.764	32%
Residual	3,476,873	33.726	68%
Total	5,102,000	49.489	100%

EARNINGS CALENDAR	
April 28, 2023	Q1 report
July 27, 2023	Q2 report
October 26, 2023	Q3 report
OTHER EVENTS	

COMPANY MISCELLANEOUS	
CEO: Mika Saariaho	Rautetie 2, FI-15550 Nastola
CFO: Minna Yrjönmäki	Tel: +358 3, 82,911
IR:	

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

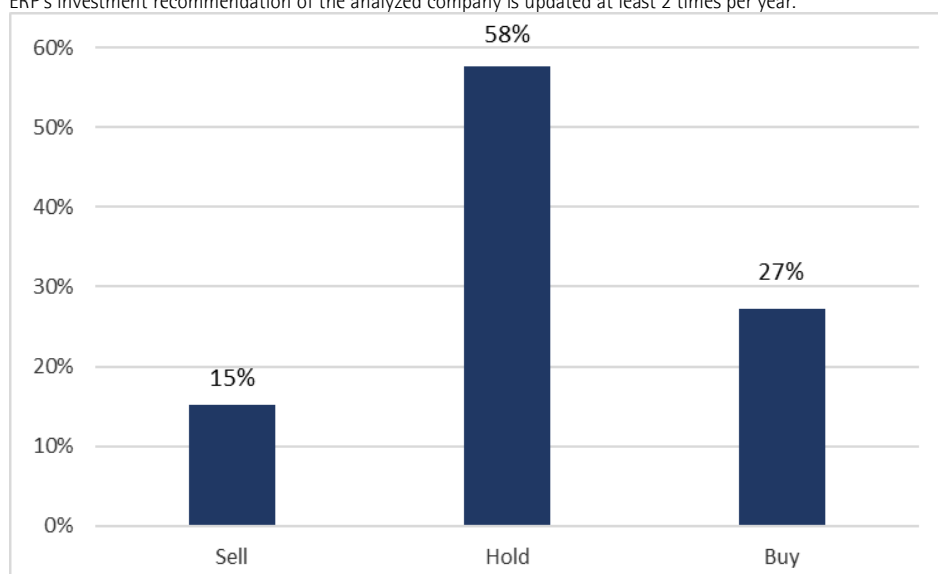
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Investment recommendations are defined as follows:

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

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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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