

## Operational controllability remains the key

SRV publishes its Q3/24 figures on Thursday 24th of October. We anticipate a solid quarter, primarily fueled by non-residential growth. Profitability still relies on effective operational control due to the backlog composition.

### Residential market should start slow recovery in 2025

The Confederation of Finnish Construction Industries RT estimates that residential construction volumes will grow by 15% y/y in 2025 from cycle low levels this year. Total construction volumes are projected to increase by 4% y/y, as non-residential, renovation, and infrastructure sectors are set to grow by 1-2% in 2025. SRV has not announced major residential projects during the quarter. In September, the company announced that it began pre-marketing of an apartment building that contains 53 residential units. With the current residential backlog and lack of project announcements, the company's residential volumes depend primarily on contracting and possible investor projects in 2025.

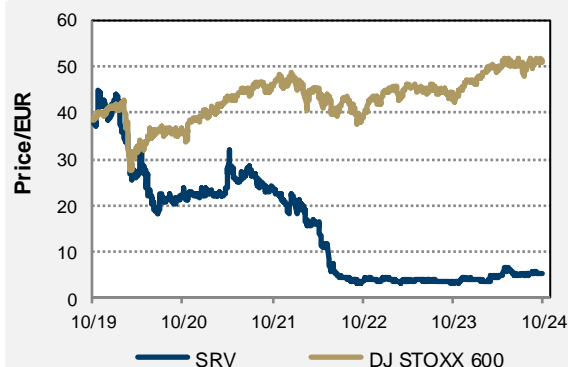
### Profitability relies on operational controllability

We have made some adjustments to our forecasts ahead of the Q3/24 report. We now expect net sales of EUR 179.5m and operative EBIT of EUR 4.9m for the quarter. Non-residential growth should continue, driven by the strong backlog. The company's non-residential net sales tend to lag behind backlog growth. The non-residential backlog began increasing in the second half of 2022 and the backlog is now close to EUR 1 billion. For residential construction, we expect quarter-on-quarter growth as SRV completed two larger development projects during the quarter. The group level profitability is reliant on operational controllability since a significant portion of net sales continues to come from lower-margin cooperative contracts.

### HOLD with a TP of EUR 5.2

Based on our estimates for 2025E, SRV is valued at 12x EV/EBIT and 10x adj. P/E. We find the levels neutral given the current interest rate environment and uncertainty regarding the market environment. The valuation is fairly well in line with the Nordic construction peer group excl. outliers.

Rating 🟡 HOLD



Share price, EUR (Last trading day's closing price) 5.16  
Target price, EUR 5.2

Latest change in recommendation	30-Jan-24
Latest report on company	19-Jul-24
Research paid by issuer:	YES
No. of shares outstanding, '000's	16,938
No. of shares fully diluted, '000's	16,938
Market cap, EURm	87
Free float, %	78.9
Exchange rate	1.000
Reuters code	SRV1V.HE
Bloomberg code	SRV1V.FH
Average daily volume, EURm	0.06
Next interim report	24-Oct-24
Web site	srv.fi/en/investors

Analyst Atte Jortikka  
E-mail atte.jortikka@evli.com  
Telephone +358 400 543 725

🟢 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
2022	770.1	-76.3	-9.9%	-67.8	-5.05	-0.8	0.2	-2.3	-105.1	0.00
2023	610.1	-6.8	-1.1%	-21.1	-0.90	-4.4	0.3	-29.6	-31.4	0.00
2024E	726.3	11.9	1.6%	-2.6	0.29	18.0	0.3	18.7	-3.0	0.00
2025E	776.7	18.9	2.4%	-1.5	0.67	7.8	0.3	11.9	-1.7	0.10
2026E	855.5	30.0	3.5%	3.9	1.20	4.3	0.3	7.4	4.4	0.36
Market cap, EURm	87		Gearing 2024E, %	71.0		CAGR EPS 2023-26, %	0.0			
Net debt 2024E, EURm	135		Price/book 2024E	0.8		CAGR sales 2023-26, %	11.9			
Enterprise value, EURm	223		Dividend yield 2024E, %	0.0		ROE 2024E, %	4.5			
Total assets 2024E, EURm	490		Tax rate 2024E, %	16.1		ROCE 2024E, %	4.2			
Goodwill 2024E, EURm	2		Equity ratio 2024E, %	35.6		PEG, P/E 24/CAGR	0.3			

All the important disclosures can be found on the last pages of this report.

Table 1: Peer group

Company name	MCAP MEUR	EV/EBITDA			EV/EBIT			P/E		
		24	25	26	24	25	26	24	25	26
YIT	558	21.2x	16.7x	11.8x	61.3x	24.8x	15.6x	282.3x	16.3x	
Skanska	7903	10.7x	9.6x	9.1x	13.9x	12.0x	11.0x	14.6x	12.7x	11.8x
NCC	1428	7.1x	7.1x	7.1x	12.2x	11.7x	11.5x	11.9x	11.3x	11.0x
Peab	1882	9.9x	9.4x	8.7x	16.6x	15.4x	13.6x	14.2x	12.8x	11.1x
JM AB	1100	40.6x	29.5x	19.8x	38.2x	30.1x	19.8x	30.6x	20.9x	12.7x
Bonava	257	32.9x	43.5x	28.5x	36.7x	50.2x	28.5x			
AF Gruppen	1108	8.9x	7.0x	6.4x	14.5x	10.1x	9.1x	19.9x	13.8x	12.6x
Veidekke	1415							13.6x	13.0x	12.1x
Peer Group Average	1956	<b>18.8x</b>	<b>17.5x</b>	<b>13.1x</b>	<b>27.6x</b>	<b>22.0x</b>	<b>15.6x</b>	<b>17.5x</b>	<b>52.4x</b>	<b>12.5x</b>
Peer Group Median	1262	<b>10.7x</b>	<b>9.6x</b>	<b>9.1x</b>	<b>16.6x</b>	<b>15.4x</b>	<b>13.6x</b>	<b>14.4x</b>	<b>13.0x</b>	<b>12.1x</b>
SRV (Evli est.)	<b>87</b>	<b>12.2x</b>	<b>8.7x</b>	<b>5.8x</b>	<b>18.7x</b>	<b>11.9x</b>	<b>7.4x</b>	<b>36.0x</b>	<b>10.2x</b>	<b>4.9x</b>

SRV prem./disc. to peer median

14 % -10 % -36 % 13 % -23 % -46 % 150 % -21 % -60 %

Source FactSet, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	5.16 PV of Free Cash Flow	130 Long-term growth, %	1.0 Risk-free interest rate, %	2.25
DCF share value	7.59 PV of Horizon value	132 WACC, %	9.5 Market risk premium, %	5.8
Share price potential, %	47.1 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %	3.8
Maximum value	8.6 Marketable securities	40 Minimum WACC, %	9.0 Equity beta coefficient	1.30
Minimum value	6.7 Debt - dividend	-172 Maximum WACC, %	10.0 Target debt ratio, %	20
Horizon value, %	50.4 Value of stock	129 Nr of shares, Mn	16.9 Effective tax rate, %	20

DCF valuation, EURm	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	Horizon
Net sales	610	726	777	856	873	890	908	922	935	949	959	968
<i>Sales growth, %</i>	-20.8	19.1	6.9	10.1	2.0	2.0	2.0	1.5	1.5	1.5	1.0	1.0
Operating income (EBIT)	-7	12	19	30	31	31	32	32	33	28	29	29
<i>Operating income margin, %</i>	-1.1	1.6	2.4	3.5	3.5	3.5	3.5	3.5	3.5	3.0	3.0	3.0
+ Depreciation+amort.	6	6	7	8	9	9	9	9	9	9	9	
EBITDA	-1	18	26	38	39	40	40	41	41	37	37	
- Paid taxes	-1	-2	-3	-5	-5	-6	-6	-6	-7	-6	-6	
- Change in NWC	9	-4	-9	-14	-4	-5	-5	-4	-4	-4	-2	
<i>NWC / Sales, %</i>	17.6	15.3	15.5	15.7	15.9	16.1	16.3	16.5	16.7	16.9	16.9	
+ Change in other liabs	-4	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	-3	-3	-7	-5	-4	-4	-4	-4	-4	-4	-4	
<i>opCAPEX / Sales, %</i>	3.1	1.4	1.4	1.3	0.9	0.9	0.9	0.8	0.8	0.8	0.4	
- 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	0	9	7	15	25	25	25	26	27	23	26	305
= Discounted FCFF		9	6	12	19	17	16	15	14	11	11	132
= DFCF min WACC		9	6	12	19	17	16	15	14	11	12	146
= DFCF max WACC		9	6	12	19	17	15	15	13	10	11	119

## INTERIM FIGURES

EVLI ESTIMATES, EURm	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3E	2024Q4E	2024E	2025E	2026E
Net sales	138.3	143.1	146.9	181.8	610.1	167.0	186.3	179.5	193.5	726.3	776.7	855.5
EBITDA	-0.6	-1.6	-3.5	4.5	-1.2	2.7	3.7	6.3	5.6	18.3	25.9	38.2
<i>EBITDA margin (%)</i>	<i>-0.4</i>	<i>-1.1</i>	<i>-2.4</i>	<i>2.5</i>	<i>-0.2</i>	<i>1.6</i>	<i>2.0</i>	<i>3.5</i>	<i>2.9</i>	<i>2.5</i>	<i>3.3</i>	<i>4.5</i>
EBIT	-2.0	-3.0	-4.9	3.1	-6.8	1.3	1.5	4.9	4.2	11.9	18.9	30.0
<i>EBIT margin (%)</i>	<i>-1.4</i>	<i>-2.1</i>	<i>-3.3</i>	<i>1.7</i>	<i>-1.1</i>	<i>0.8</i>	<i>0.8</i>	<i>2.8</i>	<i>2.2</i>	<i>1.6</i>	<i>2.4</i>	<i>3.5</i>
Net financial items	-2.5	-2.5	-1.5	-2.4	-9.0	-0.7	-1.4	-2.0	-2.0	-6.1	-5.4	-5.4
Pre-tax profit	-4.5	-5.5	-6.4	0.7	-15.8	0.5	0.1	2.9	2.2	5.8	13.4	24.5
Tax	1.3	0.8	0.0	-1.4	0.7	0.0	0.1	-0.6	-0.4	-0.9	-2.2	-4.2
<i>Tax rate (%)</i>	<i>28.9</i>	<i>14.5</i>	<i>0.0</i>	<i>200.3</i>	<i>4.4</i>	<i>0.0</i>	<i>-100.0</i>	<i>20.0</i>	<i>20.0</i>	<i>16.1</i>	<i>16.1</i>	<i>17.0</i>
Net profit	-3.5	-4.7	-6.4	-0.7	-15.4	0.5	0.2	2.4	1.8	4.8	11.3	20.4
EPS	-0.21	-0.28	-0.38	-0.04	-0.90	0.03	0.01	0.14	0.10	0.29	0.67	1.20
EPS adjusted (diluted no. of shares)	-0.21	-0.28	-0.38	-0.04	-0.90	0.03	0.01	0.14	0.10	0.29	0.67	1.20
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.10	0.36
<b>SALES, EURm</b>												
Group	138.3	143.1	146.9	181.8	610.1	167.0	186.3	179.5	193.5	726.3	776.7	855.5
Total	138.3	143.1	146.9	181.8	610.1	167.0	186.3	179.5	193.5	726.3	776.7	855.5
<b>SALES GROWTH, Y/Y %</b>												
Group	-27.5	-32.3	-21.4	0.4	-20.8	20.8	30.2	22.2	6.5	19.1	6.9	10.1
Total	-27.5	-32.3	-21.4	0.4	-20.8	20.8	30.2	22.2	6.5	19.1	6.9	10.1
<b>EBIT, EURm</b>												
Group	-2.0	-3.0	-4.9	3.1	-6.8	1.3	1.5	4.9	4.2	11.9	18.9	30.0
Total	-2.0	-3.0	-4.9	3.1	-6.8	1.3	1.5	4.9	4.2	11.9	18.9	30.0
<b>EBIT margin, %</b>												
Group	-1.4	-2.1	-3.3	1.7	-1.1	0.8	0.8	2.8	2.2	1.6	2.4	3.5
Total	-1.4	-2.1	-3.3	1.7	-1.1	0.8	0.8	2.8	2.2	1.6	2.4	3.5

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INCOME STATEMENT, EURm	2019	2020	2021	2022	2023	2024E	2025E	2026E
Sales	1,061.0	975.5	932.5	770.1	610.1	726.3	776.7	855.5
<i>Sales growth (%)</i>	<i>10.5</i>	<i>-8.1</i>	<i>-4.4</i>	<i>-17.4</i>	<i>-20.8</i>	<i>19.1</i>	<i>6.9</i>	<i>10.1</i>
EBITDA	-3.1	20.4	4.5	-67.0	-1.2	18.3	25.9	38.2
<i>EBITDA margin (%)</i>	<i>-0.3</i>	<i>2.1</i>	<i>0.5</i>	<i>-8.7</i>	<i>-0.2</i>	<i>2.5</i>	<i>3.3</i>	<i>4.5</i>
Depreciation	-90.0	-18.9	-6.3	-9.3	-5.6	-6.4	-7.0	-8.2
EBITA	-93.1	1.5	-1.8	-76.3	-6.8	11.9	18.9	30.0
Goodwill amortization / writedown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	-93.1	1.5	-1.8	-76.3	-6.8	11.9	18.9	30.0
<i>EBIT margin (%)</i>	<i>-8.8</i>	<i>0.2</i>	<i>-0.2</i>	<i>-9.9</i>	<i>-1.1</i>	<i>1.6</i>	<i>2.4</i>	<i>3.5</i>
Reported EBIT	-14.7	1.5	-1.8	-76.3	-6.8	11.9	18.9	30.0
<i>EBIT margin (reported) (%)</i>	<i>-1.4</i>	<i>0.2</i>	<i>-0.2</i>	<i>-9.9</i>	<i>-1.1</i>	<i>1.6</i>	<i>2.4</i>	<i>3.5</i>
Net financials	-29.3	-29.4	-18.6	-2.7	-9.0	-6.1	-5.4	-5.4
Pre-tax profit	-122.4	-27.9	-20.4	-79.0	-15.8	5.8	13.4	24.5
Taxes	18.7	2.9	0.5	-6.6	0.7	-0.9	-2.2	-4.2
Minority shares	0.7	2.3	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	-28.8	-27.1	-21.4	-85.7	-15.4	4.8	11.3	20.4
Cash NRIs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-cash NRIs	78.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>BALANCE SHEET, EURm</b>								
Assets								
Fixed assets	122	120	122	15	18	20	24	25
Goodwill	2	2	2	2	2	2	2	2
Right of use assets	149	130	82	84	96	98	97	98
Inventory	372	355	227	163	157	180	202	224
Receivables	204	155	143	103	89	105	113	124
Liquid funds	28	97	68	45	40	47	50	56
Total assets	913	899	686	448	439	490	525	567
Liabilities								
Shareholder's equity	95	170	150	113	105	110	121	140
Minority interest	-2	-4	0	0	0	0	0	0
Convertibles	83	15	15	34	34	34	34	0
Lease liabilities	150	136	89	92	106	98	97	98
Deferred taxes	3	3	1	1	0	0	0	0
Interest bearing debt	300	250	149	34	33	51	57	92
Non-interest bearing current liabilities	244	285	243	148	138	174	194	214
Other interest-free debt	21	21	15	7	3	3	3	3
Total liabilities	914	899	686	449	439	490	525	567
<b>CASH FLOW, EURm</b>								
+ EBITDA	-3	20	5	-67	-1	18	26	38
- Net financial items	-29	-29	-19	-3	-9	-6	-5	-5
- Taxes	-1	-2	-2	-2	0	-1	-2	-4
- Increase in Net Working Capital	-75	107	98	11	9	-4	-9	-14
+/- Other	98	-49	-13	50	0	0	0	0
= Cash flow from operations	-11	46	69	-10	-2	8	9	15
- Capex	-26	1	45	-58	-19	-10	-10	-11
- Acquisitions	0	-5	0	0	0	0	0	0
+ Divestments	0	29	0	0	0	0	0	0
= Free cash flow	-37	72	114	-68	-21	-3	-1	4
+/- New issues/buybacks	-67	100	5	49	8	0	0	0
- Paid dividend	0	0	0	0	0	0	0	-2
+/- Other	39	-103	-148	-4	8	10	5	3
Change in cash	-65	69	-29	-23	-6	8	3	5

Construction & Engineering/Finland, October 17, 2024  
Preview

KEY FIGURES	2020	2021	2022	2023	2024E	2025E	2026E
M-cap	155	139	65	67	87	87	87
Net debt (excl. convertibles)	289	170	80	99	102	103	135
Enterprise value	456	325	178	200	223	224	222
Sales	976	933	770	610	726	777	856
EBITDA	20	5	-67	-1	18	26	38
EBIT	2	-2	-76	-7	12	19	30
Pre-tax	-28	-20	-79	-16	6	13	25
Earnings	-27	-21	-86	-15	5	11	20
Equity book value (excl. minorities)	170	150	113	105	110	121	140
<b>Valuation multiples</b>							
EV/sales	0.5	0.3	0.2	0.3	0.3	0.3	0.3
EV/EBITDA	22.4	72.2	-2.7	-173.7	12.2	8.7	5.8
EV/EBITA	304.1	-180.4	-2.3	-29.6	18.7	11.9	7.4
EV/EBIT	304.1	-180.4	-2.3	-29.6	18.7	11.9	7.4
EV/OCF	9.9	4.7	-17.7	-105.2	29.3	24.9	15.1
EV/FCFF	5.5	3.4	-3.2	-558.8	24.1	31.9	15.3
P/FCFE	0.1	0.0	-1.0	-3.2	-33.2	-59.7	22.7
P/E	-5.7	-6.5	-0.8	-4.4	18.0	7.8	4.3
P/B	0.9	0.9	0.6	0.6	0.8	0.7	0.6
Target EV/EBITDA	0.0	0.0	0.0	0.0	12.2	8.7	5.8
Target EV/EBIT	0.0	0.0	0.0	0.0	18.8	11.9	7.4
Target EV/FCF	0.0	0.0	0.0	0.0	-84.9	-153.8	57.8
Target P/B	0.0	0.0	0.0	0.0	0.8	0.7	0.6
Target P/E	0.0	0.0	0.0	0.0	18.2	7.8	4.3
<b>Per share measures</b>							
Number of shares	9,429	9,429	16,982	16,982	16,938	16,938	16,938
Number of shares (diluted)	9,429	9,429	16,982	16,982	16,938	16,938	16,938
EPS	-2.88	-2.27	-5.05	-0.90	0.29	0.67	1.20
Operating cash flow per share	4.91	7.31	-0.59	-0.11	0.45	0.53	0.87
Free cash flow per share	7.64	12.08	-3.99	-1.24	-0.16	-0.09	0.23
Book value per share	17.99	15.88	6.64	6.20	6.50	7.17	8.27
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.10	0.36
Dividend payout ratio, %	0.0	0.0	0.0	0.0	0.0	15.0	30.0
Dividend yield, %	0.0	0.0	0.0	0.0	0.0	1.9	7.0
FCF yield, %	46.4	81.7	-105.1	-31.4	-3.0	-1.7	4.4
<b>Efficiency measures</b>							
ROE	-20.5	-13.4	-65.3	-14.1	4.5	9.7	15.6
ROCE	0.9	0.7	-21.4	-2.5	4.2	6.3	9.4
<b>Financial ratios</b>							
Inventories as % of sales	36.4	24.4	21.1	25.8	24.8	26.0	26.2
Receivables as % of sales	15.8	15.4	13.3	14.5	14.5	14.5	14.5
Non-interest bearing liabilities as % of sales	29.2	26.1	19.2	22.7	24.0	25.0	25.0
NWC/sales, %	23.1	13.7	15.1	17.6	15.3	15.5	15.7
Operative CAPEX/sales, %	-0.2	-4.8	7.5	3.1	1.4	1.4	1.3
CAPEX/sales (incl. acquisitions), %	-0.6	-4.8	7.5	3.1	1.4	1.4	1.3
FCFF/EBITDA	4.1	21.5	0.8	0.3	0.5	0.3	0.4
Net debt/EBITDA, book-weighted	14.2	37.8	-1.2	-86.3	5.6	4.0	3.5
Debt/equity, market-weighted	1.6	1.1	0.5	0.5	0.6	0.6	1.1
Equity ratio, book-weighted	22.3	27.5	40.3	39.4	35.6	35.2	29.1
Gearing, %	159.8	103.0	55.0	71.6	71.0	66.8	96.2

**COMPANY DESCRIPTION:** SRV is a Finnish project management contractor that develops and builds commercial and business premises, residential units as well as infrastructure and logistics projects.

**INVESTMENT CASE:** SRV's road has been bumpy in the past few years and earnings have been weak despite good demand. The current slower residential construction market presents challenges yet several factors support the company including a healthy balance sheet, low amount of unsold developer contracted units and a solid backlog of lower-risk business construction projects. With the revised strategy, SRV aims towards sustainable profitability driven by increasing the share accounted for by housing construction and especially by housing and business premises construction based on in-house project development in a controlled manner.

OWNERSHIP STRUCTURE	SHARES	EURm	%
As Pontos Baltic	2,877,709	14.849	17.0%
Ilmarinen Mutual Pension Insurance Company	1,942,246	10.022	11.5%
Kolpi Investments Oy	1,446,353	7.463	8.5%
Havu Capital Oy	957,562	4.941	5.7%
OP Life Assurance Company Ltd	775,677	4.002	4.6%
Tungelin Investments Oy	654,055	3.375	3.9%
Lareale Investments Oy	654,055	3.375	3.9%
Varma Mutual Pension Insurance Company	483,611	2.495	2.9%
Pohjola Insurance Ltd	394,650	2.036	2.3%
Nordea Life Assurance Finland Ltd.	371,510	1.917	2.2%
Ten largest	10,557,428	54.476	62%
Residual	6,380,382	32.923	38%
Total	16,937,810	87.399	100%

**EARNINGS CALENDAR**

October 24, 2024

Q3 report

February 06, 2025

FY 2024 Results

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

CEO: Saku Sipola

Tarvonsalmenkatu 15, Espoo

CFO: Jarkko Rantala

Tel: +358 20 145 5200

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



<p>ROE, %</p> $\frac{\text{Profit before extraordinary items and taxes - income taxes}}{\text{Shareholder's equity + minority interest + taxed provisions (average)}}$	
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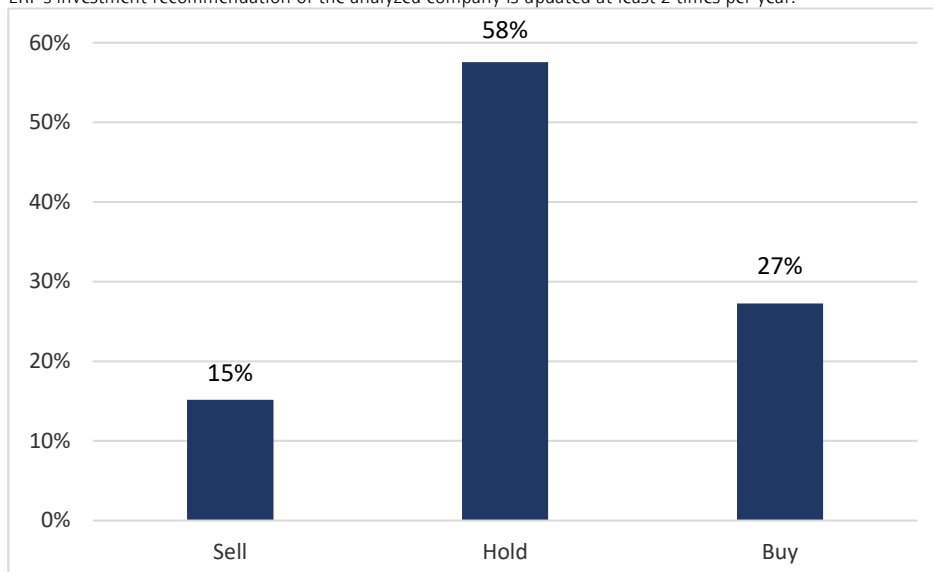
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Investment recommendations are defined as follows:

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

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

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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**

Atte Jortikka +358 40 054 3725  
Joonas Ilvonen +358 44 430 9071  
Jerker Salokivi +358 9 4766 9149

**Evli Investment Solutions**

Johannes Asuja +358 9 4766 9205

# EVLI

**EVLI PLC**

Aleksanterinkatu 19 A  
P.O. Box 1081  
FIN-00101 Helsinki, FINLAND  
Phone +358 9 476 690  
Internet www.evli.com  
E-mail firstname.lastname@evli.com

**EVLI PLC,**

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