

Recovery should start gradually this year

SRV releases its Q1/25 report on 30th of April. We expect relatively flat sales and profitability compared to Q1/24 while our interest lies in order development and outlook going forward. Maintaining a healthy non-residential backlog remains essential for bridging the gap to residential recovery.

Residential volumes should return to growth in 2025

According to the latest market outlook from The Confederation of Finnish Construction Industries RT (CFCI), Finnish overall construction volumes declined by 8% in 2024, driven by residential construction where volumes fell 26% y/y. For 2025, CFCI expects that volumes turn to growth with 4% overall growth where residential volumes are expected to lead the turnaround with growth of 10% y/y. Although the market is clearly beginning to recover, the volumes are rebounding from a low base, as Finnish residential construction volumes, according to CFCI, decreased by 36% in 2023 and by 26% in 2024, respectively. Non-residential building construction should turn to growth starting from 2025 like residential, driven by industrial investments into for example defense sector and datacenters.

Some estimate revisions yet big picture remains unchanged

SRV expects FY 2025E net sales to amount to EUR 630–710m and operative EBIT to be positive. We have made slight adjustments to our estimates on quarterly level, yet our estimates remain relatively unchanged on annual basis. We now forecast net sales of EUR 704m (prev. EUR 707m) and operative EBIT of EUR 8.6m (prev. EUR 7.8m). For Q1, we now forecast flat sales as we model only slight net sales decline in non-residential where the order backlog declined y/y in Q4. We estimate a touch weaker profitability as the backlog is even more heavily skewed towards lower risk co-development projects compared to last year. In addition to the figures, our interest lies on the order development and possible comments on the outlook going forward. Given the slow recovery of the residential construction market, it is vital that the company continues to maintain a healthy non-residential order backlog.

REDUCE with a TP of EUR 4.8

With our estimates for 2025–2026E, SRV is priced at 24–11x EV/EBIT. Compared to peer group, the pricing presents a premium on our estimates for 2025E yet looks more neutral on our estimates for next year. After no significant revisions to our estimates, we retain our TP at EUR 4.8 and recommendation at REDUCE.

KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	FCF EURm	EPS EUR	P/E (x)	EV/Sales (x)	EV/EBIT (x)	FCF yield %	DPS EUR
2023	610.1	-6.8	-1.1%	-21.1	-0.90	-4.4	0.3	-29.6	-31.4%	
2024	745.8	12.0	1.6%	13.7	0.31	15.8	0.3	17.8	16.2%	
2025E	703.6	8.6	1.2%	14.3	0.20	25.7	0.3	23.6	16.4%	
2026E	786.8	17.6	2.2%	3.0	0.62	8.3	0.3	11.4	3.4%	
2027E	840.3	24.6	2.9%	5.2	0.96	5.4	0.2	7.9	6.0%	0.29
Market cap, EURm	87		Gearing 2025E, %		54.6 %		CAGR EPS 2024–27, %		44.8 %	
Net debt 2025E, EURm	116		Price/book 2025E		0.7		CAGR Sales 2024–27, %		4.1 %	
Enterprise value, EURm	203		Dividend yield 2025E, %		0.0 %		ROE 2025E, %		2.9 %	
Total assets 2025E, EURm	459		Tax rate 2025E, %		14.3 %		ROCE 2025E, %		3.1 %	
Goodwill 2025E, EURm	2		Equity ratio 2025E, %		27.6 %		PEG, P/E 25/CAGR		0.3	

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

Rating

Reduce



Share price, EUR (Last trading day's closing price) **5.14**
Target price, EUR **4.8**

Latest change in recommendation 07-Feb-25

Latest report on company 24-Apr-25

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, % 61.1 %

Exchange rate 1.0

Reuters code SRV1V.HE

Bloomberg code SRV1V FH

Average daily volume, EURm 0.06

Next interim report 30-Apr-25

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BUY ACCUMULATE REDUCE SELL

Table 1: Peer group

Company name	MCAP MEUR	EV/EBITDA			EV/EBIT			P/E*		
		25	26	27	25	26	27	25	26	27
YIT	552	20.2x	13.3x	10.4x	32.5x	17.6x	12.9x		44.8x	13.4x
Skanska	8002	7.6x	7.1x	6.8x	9.5x	8.6x	8.0x	12.1x	11.1x	10.3x
NCC	1659	6.3x	6.3x	6.0x	10.6x	10.2x	9.3x	12.6x	11.9x	10.7x
Peab	2016	8.8x	8.0x	7.7x	14.2x	12.3x	11.2x	12.7x	10.7x	9.8x
JM	906	31.3x	18.6x	13.3x	31.9x	18.7x	13.3x	23.5x	12.3x	8.5x
Bonava	337	19.2x	13.0x	6.8x	19.5x	13.2x	6.8x		31.0x	7.3x
AF Gruppen	1240	7.0x	6.5x	6.3x	10.1x	9.2x	8.9x	14.3x	13.0x	15.2x
Consti	80	6.0x	5.4x	4.9x	8.0x	7.0x	6.3x	10.3x	8.8x	7.8x
Veidekke	1699	6.5x	6.1x	6.0x	10.6x	9.8x	9.9x	15.2x	14.2x	14.4x
Peer Group Average	1832	12.5x	9.4x	7.6x	16.3x	11.8x	9.6x	14.4x	17.5x	10.8x
Peer Group Median	1240	7.6x	7.1x	6.8x	10.6x	10.2x	9.3x	12.7x	12.3x	10.3x
SRV (Evli est.)		14.3x	8.7x	6.4x	23.6x	11.4x	7.9x		9.2x	5.4x
SRV prem./disc. to peer median		88 %	24 %	-5 %	124 %	12 %	-15 %		-25 %	-48 %
*SRV P/E adj. for hybrid bond coupon rate										
Source FactSet, Evli Research										

Table 2: Estimate summary

SRV	2023	Q1/'24	Q2/'24	Q3/'24	Q4/'24	2024	Q1/'25E	Q2/'25E	Q3/'25E	Q4/'25E	2025E	2026E	2027E
Revenue	610.0	167.0	186.3	183.5	209.1	745.8	167.5	177.8	182.2	176.2	703.6	786.8	840.3
change, %	-20.8%	20.8%	30.2%	24.9%	15.1%	22.3%	0.3%	-4.6%	-0.7%	-15.7%	-5.7%	11.8%	6.8%
Revenue – Business construction	508.5	156.1	173.3	167.2	191.5	688.1	151.0	161.0	161.0	155.0	628.0	646.8	659.8
change, %	19.0%	37.1%	56.1%	28.1%	25.1%	35.3%	-3.3%	-7.1%	-3.7%	-19.1%	-8.7%	3.0%	2.0%
Revenue – Housing construction	100.4	10.9	13.0	16.2	17.5	57.7	16.4	16.7	21.0	21.0	75.1	139.5	180.0
change, %	-68.5%	-54.6%	-58.6%	-0.6%	-39.0%	-42.6%	50.1%	28.2%	29.9%	20.3%	30.3%	85.7%	29.0%
Operative operating profit	1.1	1.3	1.5	4.5	3.0	10.3	1.1	1.2	3.8	2.5	8.6	17.6	24.6
–margin	0.2%	0.8%	0.8%	2.5%	1.4%	1.4%	0.6%	0.7%	2.1%	1.4%	1.2%	2.2%	2.9%
Operating profit	-6.8	1.3	1.5	4.5	4.7	12.0	1.1	1.2	3.8	2.5	8.6	17.6	24.6
–margin	-1.1%	0.8%	0.8%	2.5%	2.2%	1.6%	0.6%	0.7%	2.1%	1.4%	1.2%	2.2%	2.9%
Net financials	-9.0	-0.7	-1.4	-2.8	-1.4	-6.3	-1.2	-1.2	-1.2	-1.2	-4.4	-4.4	-4.4
Pre-tax profit	-15.8	0.5	0.1	1.7	3.3	5.7	-0.1	0.1	2.6	1.3	4.2	13.2	20.2
Income taxes	0.7	0.0	0.1	-0.8	0.3	-0.4	0.0	0.0	-0.3	-0.3	-0.6	-2.6	-4.0
Net earnings	-15.1	0.5	0.2	1.0	3.6	5.3	-0.1	0.1	2.3	1.1	3.4	10.5	16.2

Source: SRV, Evli Research estimates

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	5.14 PV of Free Cash Flow	133 Long-term growth, %	2.0 % Risk-free interest rate, %	2.25 %
DCF share value	7.50 PV of Horizon value	124 WACC, %	10.0 % Market risk premium, %	5.8 %
Share price potential, %	46.0 % Unconsolidated equity	0 Spread, %	0.5 % Debt risk premium %	3.8 %
Maximum value	8.5 Marketable securities	41 Minimum WACC, %	9.5 % Equity beta coefficient	1.40
Minimum value	6.6 Debt – dividend	–170 Maximum WACC, %	10.5 % Target debt ratio, %	20 %
Horizon value, %	48.3 % Value of stock	127 No. of shares, Mn	16.9 Effective tax rate, %	20 %

DCF valuation, EURm	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	TERMINAL
Net sales	746	704	787	840	865	883	900	918	937	956	975	994
Sales growth (%)	22.3%	–5.7%	11.8%	6.8%	3.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Operating income (EBIT)	12	9	18	25	30	31	27	28	28	29	29	30
Operating income margin %	1.6%	1.2%	2.2%	2.9%	3.5%	3.5%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
+ Depreciation+amort.	10	6	5	6	6	6	6	6	6	6	6	
EBITDA	22	14	23	30	36	37	33	33	34	35	35	
– Paid taxes	0	–1	–4	–5	–6	–6	–5	–6	–6	–6	–6	
– Change in NWC	–2	7	–4	–7	–3	–2	–2	–2	–2	–3	–3	
NWC / Sales, %	14.6%	14.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	
+ Change in other liabs	–9											
– Operative CAPEX	–2	–1	–2	–2	–2	–2	–2	–2	–2	–2	–2	
opCAPEX / Sales, %	0.7%	0.3%	1.1%	1.1%	0.7%	0.6%	0.6%	0.6%	0.5%	0.5%	0.2%	
– Acquisitions												
+ Divestments												
– Other items	5											
= FCFF	14	19	13	16	25	26	23	23	24	24	25	313
= Discounted FCFF		18	11	12	17	17	13	12	11	11	10	124
= DFCF min WACC		18	11	12	18	17	14	13	12	11	10	138
= DFCF max WACC		18	11	12	17	16	13	12	11	10	9	112

Sensitivity analysis, EUR

		Terminal WACC				
		8.00 %	9.00 %	10.00 %	11.00 %	12.00 %
Terminal EBIT–%	1.00 %	3.30	2.41	1.68	1.07	0.54
	2.00 %	7.95	6.04	4.59	3.44	2.50
	3.00 %	12.59	9.68	7.50	5.81	4.46
	4.00 %	17.23	13.32	10.42	8.18	6.41
	5.00 %	21.87	16.96	13.33	10.56	8.37

INTERIM FIGURES

EVLI ESTIMATES, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1E	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Net sales	167.0	186.3	183.5	209.1	745.9	167.5	177.8	182.2	176.2	703.6	786.8	840.3
EBITDA	2.7	3.7	5.8	9.4	21.6	2.5	2.6	5.2	3.9	14.2	22.9	30.3
<i>EBITDA margin (%)</i>	<i>1.6%</i>	<i>2.0%</i>	<i>3.2%</i>	<i>4.5%</i>	<i>2.9%</i>	<i>1.5%</i>	<i>1.5%</i>	<i>2.9%</i>	<i>2.2%</i>	<i>2.0%</i>	<i>2.9%</i>	<i>3.6%</i>
EBIT	1.3	1.5	4.5	4.7	12.0	1.1	1.2	3.8	2.5	8.6	17.6	24.6
<i>EBIT margin (%)</i>	<i>0.8%</i>	<i>0.8%</i>	<i>2.5%</i>	<i>2.3%</i>	<i>1.6%</i>	<i>0.6%</i>	<i>0.7%</i>	<i>2.1%</i>	<i>1.4%</i>	<i>1.2%</i>	<i>2.2%</i>	<i>2.9%</i>
Net financial items	-0.7	-1.4	-2.8	-1.4	-6.3	-1.2	-1.2	-1.2	-1.2	-4.6	-4.4	-4.4
Pre-tax profit	0.5	0.1	1.7	3.3	5.7	-0.1	0.1	2.6	1.3	3.9	13.2	20.2
Tax		0.1	-0.8	0.3	-0.4			-0.3	-0.3	-0.6	-2.6	-4.0
<i>Tax rate (%)</i>		<i>-100.0%</i>	<i>44.1%</i>	<i>-9.0%</i>	<i>6.2%</i>			<i>11.4%</i>	<i>20.0%</i>	<i>14.3%</i>	<i>20.0%</i>	<i>20.0%</i>
Net profit	0.5	0.2	1.0	3.6	5.3	-0.1	0.1	2.3	1.1	3.4	10.5	16.2
EPS	0.03	0.01	0.06	0.21	0.31	0.00	0.00	0.14	0.06	0.20	0.62	0.96
EPS adj. (diluted)	0.03	0.01	0.06	0.21	0.31	0.00	0.00	0.14	0.06	0.20	0.62	0.96
Dividend per share												0.29
SALES, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1E	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Group	167.0	186.3	183.5	209.1	745.9	167.5	177.8	182.2	176.2	703.6	786.8	840.3
Total	167.0	186.3	183.5	209.1	745.9	167.5	177.8	182.2	176.2	703.6	786.8	840.3
SALES GROWTH, Y/Y%	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1E	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Group	20.8%	30.2%	24.9%	15.0%	22.3%	0.3%	-4.6%	-0.7%	-15.8%	-5.7%	11.8%	6.8%
Total	20.8%	30.2%	24.9%	15.0%	22.3%	0.3%	-4.6%	-0.7%	-15.8%	-5.7%	11.8%	6.8%
EBIT, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1E	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Group	1.3	1.5	4.5	4.7	12.0	1.1	1.2	3.8	2.5	8.6	17.6	24.6
Total	1.3	1.5	4.5	4.7	12.0	1.1	1.2	3.8	2.5	8.6	17.6	24.6
EBIT margin %	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1E	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Group	0.8%	0.8%	2.5%	2.3%	1.6%	0.6%	0.7%	2.1%	1.4%	1.2%	2.2%	2.9%
Total	0.8%	0.8%	2.5%	2.3%	1.6%	0.6%	0.7%	2.1%	1.4%	1.2%	2.2%	2.9%

INCOME STATEMENT, EURm	2020	2021	2022	2023	2024	2025E	2026E	2027E
Sales	975.5	932.5	770.1	610.1	745.9	703.6	786.8	840.3
<i>Sales growth (%)</i>	-8.1%	-4.4%	-17.4%	-20.8%	22.3%	-5.7%	11.8%	6.8%
EBITDA	20.4	4.5	-67.0	-1.2	21.6	14.2	22.9	30.3
<i>EBITDA margin (%)</i>	2.1%	0.5%	-8.7%	-0.2%	2.9%	2.0%	2.9%	3.6%
Depreciation	-18.9	-6.3	-9.3	-5.6	-9.6	-5.6	-5.3	-5.6
EBITA	1.5	-1.8	-76.3	-6.8	12.0	8.6	17.6	24.6
Goodwill amortization / writedown								
EBIT	1.5	-1.8	-76.3	-6.8	12.0	8.6	17.6	24.6
<i>EBIT margin (%)</i>	0.2%	-0.2%	-9.9%	-1.1%	1.6%	1.2%	2.2%	2.9%
Reported EBIT	1.5	-1.8	-76.3	-6.8	12.0	8.6	17.6	24.6
<i>EBIT margin (reported) (%)</i>	0.2%	-0.2%	-9.9%	-1.1%	1.6%	1.2%	2.2%	2.9%
Net financials	-29.4	-18.6	-2.7	-9.0	-6.3	-4.6	-4.4	-4.4
Pre-tax profit	-27.9	-20.4	-79.0	-15.8	5.7	3.9	13.2	20.2
Taxes	2.9	0.5	-6.6	0.7	-0.4	-0.6	-2.6	-4.0
Minority shares	2.3							
Net profit	-27.1	-21.4	-85.7	-15.4	5.3	3.4	10.5	16.2
Cash NRIs								
Non-cash NRIs								
BALANCE SHEET, EURm								
Assets								
Fixed assets	120	122	15	18	18	17	18	18
Goodwill	2	2	2	2	2	2	2	2
Right of use assets	130	82	84	96	91	88	90	94
Inventory	355	227	163	157	167	176	189	202
Receivables	155	143	103	89	96	102	114	122
Liquid funds	97	68	45	40	41	38	42	45
Total assets	899	686	448	439	451	459	492	520
Liabilities								
Shareholders' equity	170	150	113	105	113	117	127	144
Minority interest	-4							
Convertibles	15	15	34	34	34	34		
Lease liabilities	136	89	92	106	106	88	90	94
Deferred taxes	3	1	1	0	0	0	0	0
Interest bearing debt	250	149	34	33	31	32	65	59
Non-interest bearing current liabilities	285	243	148	138	154	176	197	210
Other interest-free debt	21	15	7	3	3	3	3	3
Total liabilities	899	686	449	439	451	459	492	520
CASH FLOW, EURm								
+ EBITDA	20	5	-67	-1	22	14	23	30
- Net financial items	-29	-19	-3	-9	-6	-5	-4	-4
- Taxes	-2	-2	-2	0	0	-1	-3	-4
- Increase in Net Working Capital	107	98	11	9	-2	7	-4	-7
+/- Other	-49	-13	50	0	5			
= Cash flow from operations	46	69	-10	-2	19	16	12	15
- Capex	2	45	-58	-19	-5	-2	-9	-9
- Acquisitions	-5							
+ Divestments	29							
= Free cash flow	72	114	-68	-21	14	14	3	5
+/- New issues/buybacks	100	5	49	8	3			
- Paid dividend								5
+/- Other	-103	-148	-4	8	-16	-17	1	-2
Change in cash	69	-29	-23	-6	1	-3	4	3

KEY FIGURES	2021	2022	2023	2024	2025E	2026E	2027E
M-cap	139	65	67	84	87	87	87
Net debt (excl. convertibles)	170	80	99	96	82	113	107
Enterprise value	325	178	200	214	203	200	194
Sales	933	770	610	746	704	787	840
EBITDA	5	-67	-1	22	14	23	30
EBIT	-2	-76	-7	12	9	18	25
Pre-tax	-20	-79	-16	6	4	13	20
Earnings	-21	-86	-15	5	3	11	16
Equity book value (excl. minorities)	150	113	105	113	117	127	144
Valuation multiple	2021	2022	2023	2024	2025E	2026E	2027E
EV/Sales	0.3	0.2	0.3	0.3	0.3	0.3	0.2
EV/EBITDA	72.2	-2.7	-173.7	9.9	14.3	8.7	6.4
EV/EBITA	-180.4	-2.3	-29.6	17.8	23.6	11.4	7.9
EV/EBIT	-180.4	-2.3	-29.6	17.8	23.6	11.4	7.9
EV/OCF	4.7	-17.7	-105.2	11.3	12.6	17.1	13.3
EV/FCF	3.4	-3.2	-558.8	15.7	10.7	15.5	12.2
P/FCFR	0.0	-1.0	-3.2	6.2	6.1	29.1	16.7
P/E	-6.5	-0.8	-4.4	15.8	25.7	8.3	5.4
P/BV	0.9	0.6	0.6	0.7	0.7	0.7	0.6
Target EV/EBITDA					13.9	8.5	6.2
Target EV/EBIT					23.0	11.0	7.7
Target EV/FCFF					13.8	64.7	36.2
Target P/BV					0.7	0.6	0.6
Target P/E, diluted	-18.0	-1.0	-5.7	-24.2	24.0	7.7	5.0
Per share measures	2021	2022	2023	2024	2025E	2026E	2027E
Number of shares (million)	9.43	16.98	16.98	16.94	16.94	16.94	16.94
Number of shares (diluted, million)	9.43	16.98	16.98	16.94	16.94	16.94	16.94
EPS	-2.27	-5.05	-0.90	0.31	0.20	0.62	0.96
Operating cash flow per share	7.31	-0.59	-0.11	1.11	0.95	0.69	0.86
Free cash flow per share	12.08	-3.99	-1.24	0.81	0.84	0.18	0.31
Book value per share	15.88	6.64	6.20	6.70	6.89	7.52	8.47
Dividend per share							0.29
Dividend payout ratio, %							30.0%
Dividend yield, %							5.6%
FCF yield, %	81.7%	-105.1%	-31.4%	16.2%	16.4%	3.4%	6.0%
Efficiency measures	2021	2022	2023	2024	2025E	2026E	2027E
ROE	-13.4%	-65.3%	-14.1%	4.9%	2.9%	8.6%	12.0%
ROCE	0.7%	-21.4%	-2.5%	4.3%	3.1%	6.4%	8.5%
Financial ratios	2021	2022	2023	2024	2025E	2026E	2027E
Inventories as % of sales	24.4%	21.1%	25.8%	22.4%	25.0%	24.0%	24.0%
Receivables as % of sales	15.4%	13.3%	14.5%	12.8%	14.5%	14.5%	14.5%
Non-int. bearing liabilities as % of sales	26.1%	19.2%	22.7%	20.6%	25.0%	25.0%	25.0%
NWC/sales, %	13.7%	15.1%	17.6%	14.6%	14.5%	13.5%	13.5%
Operative CAPEX/Sales, %	-4.8%	7.5%	3.1%	0.7%	0.3%	1.1%	1.1%
CAPEX/sales (incl. acquisitions), %	-4.8%	7.5%	3.1%	0.7%	0.3%	1.1%	1.1%
FCFF/EBITDA	21.5	0.8	0.3	0.6	1.3	0.6	0.5
Net Debt/EBITDA, book-weighted	37.8	-1.2	-86.3	4.5	5.8	4.9	3.5
Debt/equity, market-weighted	1.1	0.5	0.5	0.4	0.4	0.7	0.7
Equity ratio, book-weighted	0.3	0.4	0.4	0.4	0.4	0.3	0.3
Gearing, %	103.0%	55.0%	71.6%	65.6%	54.6%	88.4%	74.8%

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	14.791	17.0 %
Ilmarinen Mutual Pension Insurance Company	1 942 246	9.983	11.5 %
Kolpi Investments Oy	1 446 353	7.434	8.5 %
Havu Capital Oy	957 562	4.922	5.7 %
OP Life Assurance Company Ltd	771 547	3.966	4.6 %
Lareale Investments Oy	654 055	3.362	3.9 %
Tungelin Investments Oy	654 055	3.362	3.9 %
Varma Mutual Pension Insurance Company	483 611	2.486	2.9 %
Pohjola Insurance Ltd	394 650	2.029	2.3 %
Nordea Life Assurance Finland Ltd.	373 260	1.919	2.2 %
Ten largest	10 555 048	54.253	62.3 %
Residual	6 382 762	32.807	37.7 %
Total	16 937 810	87.060	100%

EARNINGS CALENDAR

April 30, 2025	Q1 report
August 08, 2025	Q2 report
October 23, 2025	Q3 report

OTHER EVENTS

COMPANY MISCELLANEOUS

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OFO: 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 $\frac{\text{Price per share}}{\text{Shareholder's equity} + \text{taxed provisions per share}}$	DPS Dividend for the financial period per share
Market cap Price per share * Number of shares	OCF (Operating cash flow) $\text{EBITDA} - \text{Net financial items} - \text{Taxes} - \text{Increase in working capital} - \text{Cash NRIs} \pm \text{Other adjustments}$
EV (Enterprise value) $\text{Market cap} + \text{net debt} + \text{minority interest at market value} - \text{share of associated companies at market value}$	FCF (Free cash flow) $\text{Operating cash flow} - \text{Operative CAPEX} - \text{acquisitions} + \text{divestments}$
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 rate per year
ROE, % $\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions (average)}}$	

Important Disclosures

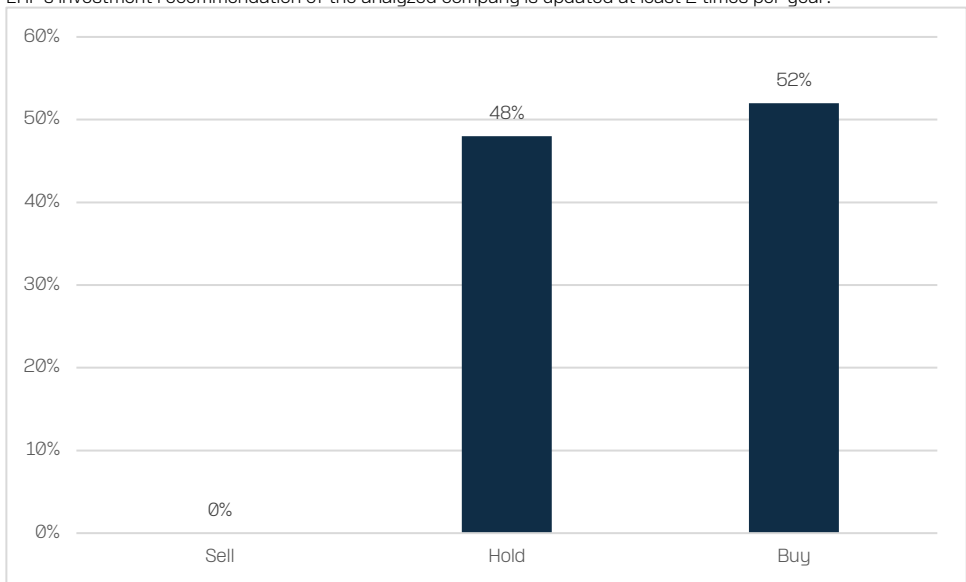
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Investment recommendations are defined as follows:

Target price compared to share price	Recommendation
< -10 %	SELL
-10 - 0 %	RECUDE
0 - (+10) %	ACCUMULATE
> 10 %	BUY

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

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