

Focus is on the outlook

SRV will release its Q4 results on Feb 1; we expect revenue to turn to growth with ongoing business construction projects supporting the volumes. Our focus lies on the order backlog development and FY 2024 outlook.

Q3 was encouraging, CMD provided color on revised strategy SRV delivered encouraging Q3 results considering the current market conditions. With the operative EBIT of EUR 4.6m for Q3, SRV's YTD operative EBIT is at EUR -1.3m ahead of the Q4 release. The company's guidance remained unchanged as the company expects the operative EBIT to be positive for FY 2023. SRV updated its strategy in November's CMD, aiming for an operative EBIT of minimum EUR 50m by 2027. Achieving this is feasible, but our long-term forecasts fall short of this goal, which is highly reliant on market conditions.

Slight estimate adjustments for Q4/23 and FY 2024

We have revised our growth estimates for Q4/23 and FY 2024 slightly. Our updated net sales estimate for Q4 2023 stands at EUR 195.6m (prev. EUR 203.3m), with the lower net sales and expected continued cost inflation, our estimate for Q4/23 operative EBIT is at EUR 5.6m (prev. EUR 6.5m). We still expect that the large business construction projects started during Q3 will contribute to revenue growth during Q4 (estimating 7.8% y/y growth for Q4/23). For housing construction, our estimates remain at a conservative level. We also revise our 2024E net sales estimate to EUR 714.8m (prev. EUR 749.8m) as we expect that the business construction revenue growth will continue in 2024 supported by the current backlog, yet at a slightly slower pace than previously expected. We now expect EBIT of EUR 18.1m for 2024E (prev. EUR 18.7m), with the negative effect of lower net sales somewhat offset by the ongoing change negotiations.

HOLD (BUY) at a TP of EUR 4.1

We currently estimate revenue growth for 2024E, yet profitability is expected to remain at a relatively low level driven by the project mix. After a nearly 20% share price rally since our rating upgrade, we see that the largest medium-term upside has been reduced. We consider the company's current pricing fair at roughly 11x P/E and EV/EBIT on our 2024E forecasts. We retain our TP at EUR 4.1 yet adjust our rating to HOLD (BUY).



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	932.5	-1.8	-0.2%	113.9	-2.27	-6.5	0.3	-180.4	81.7	0.00
2022	770.1	-76.3	-9.9%	-67.8	-5.05	-0.8	0.2	-2.3	-105.1	0.00
2023E	623.9	-4.3	-0.7%	-10.3	-0.71	-5.5	0.3	-44.0	-15.4	0.00
2024E	714.8	18.1	2.5%	-2.6	0.36	11.1	0.3	10.7	-3.9	0.11
2025E	795.1	24.0	3.0%	1.1	0.71	5.6	0.2	8.1	1.6	0.21

Market cap, EURm	67	Gearing 2023E, %	67.6	CAGR EPS 2022-25, %	0.0
Net debt 2023E, EURm	124	Price/book 2023E	0.7	CAGR sales 2022-25, %	1.1
Enterprise value, EURm	191	Dividend yield 2023E, %	0.0	ROE 2023E, %	-11.4
Total assets 2023E, EURm	410	Tax rate 2023E, %	10.8	ROCE 2023E, %	-1.6
Goodwill 2023E, EURm	2	Equity ratio 2023E, %	41.4	PEG, P/E 23/CAGR	0.0

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

Table 1: Estimate overview

SRV	2020	2021	Q1/'22	Q2/'22	Q3/'22	Q4/'22	2022	Q1/'23	Q2/'23	Q3/'23	Q4/'23E	2023E	2024E	2025E
Revenue	975.6	932.6	190.7	211.4	186.8	181.4	770.4	138.3	143.1	146.9	195.6	623.9	714.8	795.1
change, %	-8.0%	-4.4%	1.9%	-3.0%	-2.3%	-46.1%	-17.4%	-27.5%	-32.3%	-21.4%	7.8%	-19.0%	14.6%	11.2%
Revenue - Business construction	680.7	581.4	98.7	120.9	95.3	112.3	427.2	113.9	111.0	130.5	180.2	535.6	642.0	690.2
change, %	0.1%	-14.6%	-29.8%	-14.2%	-17.3%	-39.2%	-26.5%	15.4%	-8.2%	36.9%	60.4%	25.4%	19.9%	7.5%
Revenue - Housing construction	289.3	348.8	76.5	85.9	88.6	68.1	319.1	24.0	32.1	16.3	15.0	87.4	71.9	104.1
change, %	-23.4%	20.6%	61.7%	10.7%	21.7%	-54.9%	-8.5%	-68.6%	-62.6%	-81.6%	-78.0%	-72.6%	-17.8%	44.8%
Operative operating profit	15.8	5.3	4.9	9.8	3.9	1.1	19.7	-2.0	-3.9	4.6	5.6	4.3	18.1	24.0
-margin	1.6%	0.6%	2.6%	4.6%	2.1%	0.6%	2.6%	-1.4%	-2.7%	3.1%	2.8%	0.7%	2.5%	3.0%
Operating profit	1.5	-1.7	-85.7	10.1	5.5	-6.2	-76.3	-2.0	-3.0	-4.9	5.6	-4.3	18.1	24.0
-margin	0.2%	-0.2%	-44.9%	4.8%	2.9%	-3.4%	-9.9%	-1.4%	-2.1%	-3.3%	2.8%	-0.7%	2.5%	3.0%
Net financials	-29.4	-18.6	-42.8	43.6	0.3	-3.8	-2.7	-2.5	-2.5	-1.6	-2.0	-8.6	-8.9	-8.9
Pre-tax profit	-28.0	-20.3	-128.5	53.7	5.8	-10.0	-79.0	-4.4	-5.5	-6.5	3.6	-12.9	9.2	15.0
Income taxes	2.9	0.5	-4.8	-2.4	-0.4	1.1	-6.5	1.3	0.8	0.0	-0.7	1.4	-1.8	-3.0
Non-controlling interest	2.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net earnings	-22.8	-19.9	-133.3	51.3	5.3	-8.9	-85.6	-3.1	-4.7	-6.5	2.8	-11.5	7.4	12.0

Source: SRV, Evli Research

Table 2: Peer group overview

Company name	Market capitalization mEUR	EV/EBITDA			EV/EBIT			P/E			EV/Sales		
		23	24	25	23	24	25	23	24	25	23	24	25
YIT	415	19.7x	12.2x	9.0x	38.8x	17.4x	12.2x	23.1x	12.2x	0.6x	0.7x	0.7x	
Skanska	6119	13.5x	8.0x	7.5x	23.0x	10.8x	9.8x	22.1x	12.0x	10.8x	0.5x	0.5x	0.4x
NCC	1130	5.1x	5.0x	4.8x	8.4x	8.5x	8.3x	8.5x	8.8x	9.0x	0.3x	0.3x	0.3x
Peab	1154	8.2x	7.8x	7.5x	14.3x	14.1x	12.8x	9.0x	10.3x	9.2x	0.6x	0.6x	0.6x
JM AB	937	17.6x	23.0x	15.1x	14.8x	23.4x	16.5x	12.5x	23.3x	18.0x	1.8x	2.3x	2.2x
Bonava	114	6.5x	20.2x	13.8x	6.7x	23.6x	15.2x	4.1x	11.7x	0.6x	1.3x	1.4x	
AF Gruppen	1127	10.0x	6.9x	6.4x	16.0x	9.4x	8.5x	23.8x	13.1x	12.4x	0.5x	0.5x	0.5x
Veidekke	1153	4.4x	4.1x	3.9x	8.0x	7.1x	6.6x	13.4x	12.2x	11.5x			
Peer group average	1519	9.3x	10.7x	8.4x	13.0x	13.8x	11.1x	13.4x	13.3x	11.8x	0.7x	0.9x	0.9x
Peer group median	1128	9.1x	7.9x	7.5x	14.5x	12.4x	11.0x	12.5x	12.2x	11.6x	0.5x	0.5x	0.5x
SRV (Evli est.)	67	19.4x	8.4x	6.4x	44.9x	10.7x	8.1x	neg.	11.1x	5.6x	0.3x	0.3x	0.2x
<i>SRV prem./disc. to peer median</i>		>100%	6%	-15%	>100%	-14%	-26%	-	-9%	-52%	-42%	-50%	-54%

Source Bloomberg, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	3.95 PV of Free Cash Flow	125 Long-term growth, %	2.0 Risk-free interest rate, %	2.25
DCF share value	10.34 PV of Horizon value	172 WACC, %	9.5 Market risk premium, %	5.8
Share price potential, %	161.9 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %	3.8
Maximum value	11.7 Marketable securities	37 Minimum WACC, %	9.0 Equity beta coefficient	1.30
Minimum value	9.2 Debt - dividend	-161 Maximum WACC, %	10.0 Target debt ratio, %	20
Horizon value, %	57.9 Value of stock	183 Nr of shares, Mn	17.0 Effective tax rate, %	20

DCF valuation, EURm	2022	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	Horizon
Net sales	770	624	715	795	819	835	852	869	887	904	923	942
<i>Sales growth, %</i>	-17.4	-19.0	14.6	11.2	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Operating income (EBIT)	-76	-4	18	24	29	32	32	33	34	34	35	36
<i>Operating income margin, %</i>	-9.9	-0.7	2.5	3.0	3.6	3.8	3.8	3.8	3.8	3.8	3.8	3.8
+ Depreciation+amort.	9	6	5	7	8	9	9	9	9	9	9	
EBITDA	-67	1	23	31	38	40	41	42	43	43	44	
- Paid taxes	-2	0	-4	-5	-6	-6	-6	-7	-7	-7	-7	
- Change in NWC	11	-3	-5	-6	-4	-3	-3	-3	-3	-3	-3	
<i>NWC / Sales, %</i>	15.1	19.1	17.4	16.4	16.4	16.4	16.4	16.4	16.4	16.4	16.4	
+ Change in other liabs	5	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	-52	-1	-5	-8	-5	-5	-5	-5	-5	-5	-5	-6
<i>opCAPEX / Sales, %</i>	7.5	0.1	1.3	1.4	1.1	1.1	1.1	1.0	1.0	1.0	1.0	
- 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	50	-1	-1	0	0	0	0	0	0	0	0	
= FCFF	-55	-3	8	12	23	26	27	27	28	28	29	388
= Discounted FCFF		-3	8	10	18	18	17	16	15	14	13	172
= DFCF min WACC		-3	8	10	18	19	17	16	15	14	13	192
= DFCF max WACC		-3	8	10	17	18	17	15	14	13	12	155

INTERIM FIGURES

EVLI ESTIMATES, EURm	2022Q1	2022Q2	2022Q3	2022Q4	2022	2023Q1	2023Q2	2023Q3	2023Q4E	2023E	2024E	2025E
Net sales	190.7	211.4	186.9	181.1	770.1	138.3	143.1	146.9	195.6	623.9	714.8	795.1
EBITDA	-84.4	11.4	6.8	-0.8	-67.0	-0.6	-1.6	-3.5	7.0	1.3	23.2	30.6
<i>EBITDA margin (%)</i>	<i>-44.3</i>	<i>5.4</i>	<i>3.6</i>	<i>-0.4</i>	<i>-8.7</i>	<i>-0.4</i>	<i>-1.1</i>	<i>-2.4</i>	<i>3.6</i>	<i>0.2</i>	<i>3.2</i>	<i>3.8</i>
EBIT	-85.7	10.1	5.5	-6.2	-76.3	-2.0	-3.0	-4.9	5.6	-4.3	18.1	24.0
<i>EBIT margin (%)</i>	<i>-44.9</i>	<i>4.8</i>	<i>2.9</i>	<i>-3.4</i>	<i>-9.9</i>	<i>-1.4</i>	<i>-2.1</i>	<i>-3.3</i>	<i>2.8</i>	<i>-0.7</i>	<i>2.5</i>	<i>3.0</i>
Net financial items	-42.8	43.6	0.3	-3.8	-2.7	-2.5	-2.5	-1.5	-2.0	-8.5	-8.9	-8.9
Pre-tax profit	-128.5	53.7	5.8	-10.0	-79.0	-4.5	-5.5	-6.4	3.6	-12.9	9.2	15.0
Tax	-4.8	-2.4	-0.5	1.1	-6.6	1.3	0.8	0.0	-0.7	1.4	-1.8	-3.0
<i>Tax rate (%)</i>	<i>-3.7</i>	<i>4.5</i>	<i>8.6</i>	<i>11.0</i>	<i>-8.4</i>	<i>28.9</i>	<i>14.5</i>	<i>0.0</i>	<i>20.0</i>	<i>10.8</i>	<i>20.0</i>	<i>20.0</i>
Net profit	-133.6	50.8	5.0	-7.9	-85.7	-3.5	-4.7	-6.4	2.5	-12.1	6.1	12.0
EPS	-7.87	2.99	0.29	-0.47	-5.05	-0.21	-0.28	-0.38	0.15	-0.71	0.36	0.71
EPS adjusted (diluted no. of shares)	-7.87	2.99	0.29	-0.47	-5.05	-0.21	-0.28	-0.38	0.15	-0.71	0.36	0.71
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.11	0.21
SALES, EURm												
Group	190.7	211.4	186.9	181.1	770.1	138.3	143.1	146.9	195.6	623.9	714.8	795.1
Total	190.7	211.4	186.9	181.1	770.1	138.3	143.1	146.9	195.6	623.9	714.8	795.1
SALES GROWTH, Y/Y %												
Group	1.9	-3.0	-2.2	-46.1	-17.4	-27.5	-32.3	-21.4	8.0	-19.0	14.6	11.2
Total	1.9	-3.0	-2.2	-46.1	-17.4	-27.5	-32.3	-21.4	8.0	-19.0	14.6	11.2
EBIT, EURm												
Group	-85.7	10.1	5.5	-6.2	-76.3	-2.0	-3.0	-4.9	5.6	-4.3	18.1	24.0
Total	-85.7	10.1	5.5	-6.2	-76.3	-2.0	-3.0	-4.9	5.6	-4.3	18.1	24.0
EBIT margin, %												
Group	-44.9	4.8	2.9	-3.4	-9.9	-1.4	-2.1	-3.3	2.8	-0.7	2.5	3.0
Total	-44.9	4.8	2.9	-3.4	-9.9	-1.4	-2.1	-3.3	2.8	-0.7	2.5	3.0

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INCOME STATEMENT, EURm	2018	2019	2020	2021	2022	2023E	2024E	2025E
Sales	959.9	1,061.0	975.5	932.5	770.1	623.9	714.8	795.1
<i>Sales growth (%)</i>	<i>-13.8</i>	<i>10.5</i>	<i>-8.1</i>	<i>-4.4</i>	<i>-17.4</i>	<i>-19.0</i>	<i>14.6</i>	<i>11.2</i>
EBITDA	-14.6	-3.1	20.4	4.5	-67.0	1.3	23.2	30.6
<i>EBITDA margin (%)</i>	<i>-1.5</i>	<i>-0.3</i>	<i>2.1</i>	<i>0.5</i>	<i>-8.7</i>	<i>0.2</i>	<i>3.2</i>	<i>3.8</i>
Depreciation	-5.3	-90.0	-18.9	-6.3	-9.3	-5.6	-5.1	-6.6
EBITA	-19.9	-93.1	1.5	-1.8	-76.3	-4.3	18.1	24.0
Goodwill amortization / writedown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	-19.9	-93.1	1.5	-1.8	-76.3	-4.3	18.1	24.0
<i>EBIT margin (%)</i>	<i>-2.1</i>	<i>-8.8</i>	<i>0.2</i>	<i>-0.2</i>	<i>-9.9</i>	<i>-0.7</i>	<i>2.5</i>	<i>3.0</i>
Reported EBIT	-19.9	-14.7	1.5	-1.8	-76.3	-4.3	18.1	24.0
<i>EBIT margin (reported) (%)</i>	<i>-2.1</i>	<i>-1.4</i>	<i>0.2</i>	<i>-0.2</i>	<i>-9.9</i>	<i>-0.7</i>	<i>2.5</i>	<i>3.0</i>
Net financials	-17.5	-29.3	-29.4	-18.6	-2.7	-8.5	-8.9	-8.9
Pre-tax profit	-37.4	-122.4	-27.9	-20.4	-79.0	-12.9	9.2	15.0
Taxes	6.1	18.7	2.9	0.5	-6.6	1.4	-1.8	-3.0
Minority shares	1.1	0.7	2.3	0.0	0.0	0.0	0.0	0.0
Net profit	-34.1	-28.8	-27.1	-21.4	-85.7	-12.1	6.1	12.0
Cash NRIs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-cash NRIs	0.0	78.4	0.0	0.0	0.0	0.0	0.0	0.0
BALANCE SHEET, EURm								
Assets								
Fixed assets	273	122	120	122	15	14	18	23
Goodwill	2	2	2	2	2	2	2	2
Right of use assets	173	149	130	82	84	80	80	80
Inventory	438	372	355	227	163	153	172	191
Receivables	122	204	155	143	103	87	93	103
Liquid funds	93	28	97	68	45	37	42	47
Total assets	1,120	913	899	686	448	410	443	483
Liabilities								
Shareholder's equity	191	95	170	150	113	101	107	117
Minority interest	-3	-2	-4	0	0	0	0	0
Convertibles	45	83	15	15	34	34	34	34
Lease liabilities	174	150	136	89	92	80	80	80
Deferred taxes	5	3	3	1	1	1	1	1
Interest bearing debt	375	300	250	149	34	47	55	61
Non-interest bearing current liabilities	304	244	285	243	148	120	139	163
Other interest-free debt	9	21	21	15	7	7	7	7
Total liabilities	1,120	914	899	686	449	410	443	483
CASH FLOW, EURm								
+ EBITDA	-15	-3	20	5	-67	1	23	31
- Net financial items	-17	-29	-29	-19	-3	-9	-9	-9
- Taxes	-1	-1	-2	-2	-2	1	-2	-3
- Increase in Net Working Capital	56	-75	107	98	11	-3	-5	-6
+/- Other	2	98	-49	-13	50	-1	-1	0
= Cash flow from operations	26	-11	46	69	-10	-10	6	13
- Capex	-15	-26	1	45	-58	-1	-9	-11
- Acquisitions	0	0	-5	0	0	0	0	0
+ Divestments	0	0	29	0	0	0	0	0
= Free cash flow	11	-37	72	114	-68	-10	-3	1
+/- New issues/buybacks	-12	-67	100	5	49	0	0	0
- Paid dividend	-4	0	0	0	0	0	0	-2
+/- Other	75	39	-103	-148	-4	2	8	5
Change in cash	70	-65	69	-29	-23	-9	5	5

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KEY FIGURES	2019	2020	2021	2022	2023E	2024E	2025E
M-cap	81	155	139	65	67	67	67
Net debt (excl. convertibles)	422	289	170	80	91	93	94
Enterprise value	584	456	325	178	191	194	195
Sales	1,061	976	933	770	624	715	795
EBITDA	-3	20	5	-67	1	23	31
EBIT	-93	2	-2	-76	-4	18	24
Pre-tax	-122	-28	-20	-79	-13	9	15
Earnings	-107	-27	-21	-86	-12	6	12
Equity book value (excl. minorities)	95	170	150	113	101	107	117
Valuation multiples							
EV/sales	0.6	0.5	0.3	0.2	0.3	0.3	0.2
EV/EBITDA	-188.5	22.4	72.2	-2.7	152.3	8.4	6.4
EV/EBITA	-6.3	304.1	-180.4	-2.3	-44.0	10.7	8.1
EV/EBIT	-6.3	304.1	-180.4	-2.3	-44.0	10.7	8.1
EV/OCF	-54.5	9.9	4.7	-17.7	-20.1	30.4	15.6
EV/FCFF	-15.2	5.5	3.4	-3.2	-74.3	23.4	16.2
P/FCFE	-0.1	0.1	0.0	-1.0	-6.5	-25.6	62.8
P/E	-0.8	-5.7	-6.5	-0.8	-5.5	11.1	5.6
P/B	0.9	0.9	0.9	0.6	0.7	0.6	0.6
Target EV/EBITDA	0.0	0.0	0.0	0.0	154.3	8.5	6.5
Target EV/EBIT	0.0	0.0	0.0	0.0	-44.6	10.9	8.2
Target EV/FCF	0.0	0.0	0.0	0.0	-18.8	-74.9	184.6
Target P/B	0.0	0.0	0.0	0.0	0.7	0.7	0.6
Target P/E	0.0	0.0	0.0	0.0	-5.7	11.5	5.8
Per share measures							
Number of shares	2,136	9,429	9,429	16,982	16,982	16,982	16,982
Number of shares (diluted)	2,136	9,429	9,429	16,982	16,982	16,982	16,982
EPS	-50.19	-2.88	-2.27	-5.05	-0.71	0.36	0.71
Operating cash flow per share	-5.02	4.91	7.31	-0.59	-0.56	0.38	0.74
Free cash flow per share	-17.29	7.64	12.08	-3.99	-0.61	-0.15	0.06
Book value per share	44.34	17.99	15.88	6.64	5.93	6.29	6.89
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.11	0.21
Dividend payout ratio, %	0.0	0.0	0.0	0.0	0.0	30.0	30.0
Dividend yield, %	0.0	0.0	0.0	0.0	0.0	2.7	5.4
FCF yield, %	-45.6	46.4	81.7	-105.1	-15.4	-3.9	1.6
Efficiency measures							
ROE	-74.9	-20.5	-13.4	-65.3	-11.4	5.8	10.8
ROCE	-12.1	0.9	0.7	-21.4	-1.6	6.7	8.5
Financial ratios							
Inventories as % of sales	35.1	36.4	24.4	21.1	24.5	24.0	24.0
Receivables as % of sales	19.2	15.8	15.4	13.3	14.0	13.0	13.0
Non-interest bearing liabilities as % of sales	23.0	29.2	26.1	19.2	19.2	19.5	20.5
NWC/sales, %	31.3	23.1	13.7	15.1	19.1	17.4	16.4
Operative CAPEX/sales, %	2.5	-0.2	-4.8	7.5	0.1	1.3	1.4
CAPEX/sales (incl. acquisitions), %	2.5	-0.6	-4.8	7.5	0.1	1.3	1.4
FCFF/EBITDA	12.4	4.1	21.5	0.8	-2.0	0.4	0.4
Net debt/EBITDA, book-weighted	-136.2	14.2	37.8	-1.2	72.2	4.0	3.1
Debt/equity, market-weighted	3.7	1.6	1.1	0.5	0.7	0.8	0.9
Equity ratio, book-weighted	21.2	22.3	27.5	40.3	41.4	39.2	37.9
Gearing, %	240.4	159.8	103.0	55.0	67.6	66.5	62.5

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 market environment 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	11.367	16.9%
Ilmarinen Mutual Pension Insurance Company	1,942,246	7.672	11.4%
Kolpi Investments Oy	1,446,353	5.713	8.5%
Havu Capital Oy	957,562	3.782	5.6%
OP Life Assurance Company Ltd	770,027	3.042	4.5%
Lareale Investments Oy	654,055	2.584	3.9%
Tungelin Investments Oy	654,055	2.584	3.9%
Varma Mutual Pension Insurance Company	483,611	1.910	2.8%
Pohjola Insurance Ltd	394,650	1.559	2.3%
Nordea Life Assurance Finland Ltd.	382,510	1.511	2.3%
Ten largest	10,562,778	41.723	62%
Residual	6,419,565	25.357	38%
Total	16,982,343	67.080	100%

EARNINGS CALENDAR

February 01, 2024	FY 2023 Results
April 25, 2024	Q1 report
July 18, 2024	Q2 report

OTHER EVENTS

March 27, 2023	AGM
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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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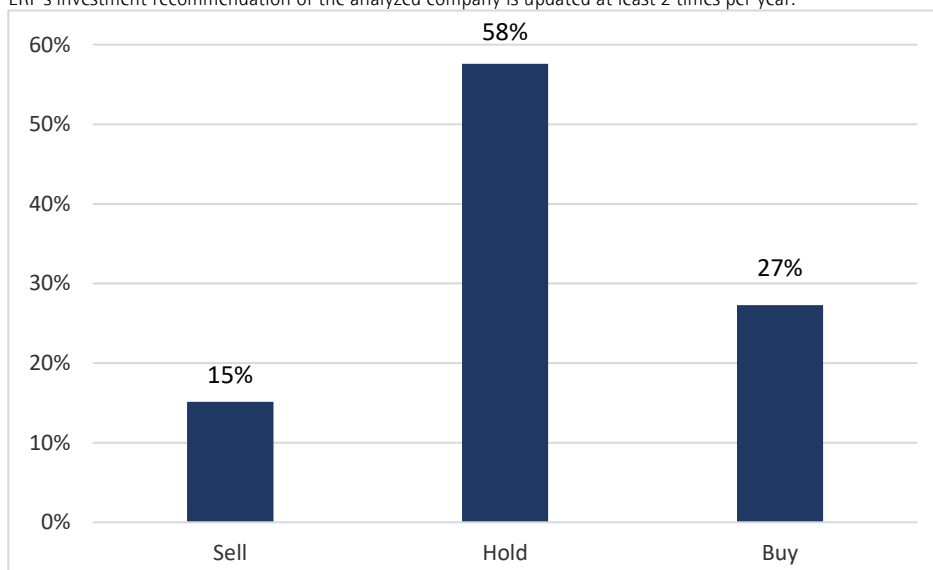
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Investment recommendations are defined as follows:

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 Lijja +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