

## Some more profitable growth ahead

Scanfil's Q1 figures beat estimates even if expectations were already high. EBIT will remain high, but focus is already shifting to long-term development opportunities.

### High volumes in particular drove an earnings beat

Scanfil's revenue was EUR 225m, up 14% y/y (21% excluding spot purchases), vs the EUR 206m/216m Evli/cons. estimates. All segments grew nominally some 20% y/y, except for Advanced Consumer Applications but even there growth wasn't too bad adjusting for spot purchases. Energy & Cleantech contributed most to growth, driven by demand in Europe where green transformation is taking place. Improved component availability lifted productivity as expected; the 6.7% EBIT margin wasn't such a large surprise after the guidance revision, but high demand and the company's ability to meet it helped EBIT to EUR 15.1m vs the EUR 13.7m/13.8m Evli/cons. estimates. Successful cost inflation management was another factor in producing a high absolute profitability level for a quarter which is often relatively muted.

### Capacity additions beyond Europe likely in the long-term

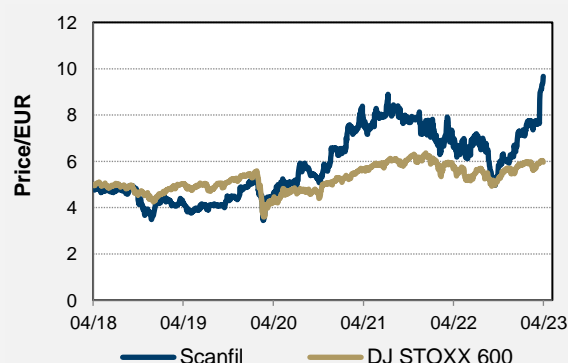
High demand and component supply issues in the past years have built up inventories as Scanfil has tried to make sure it can meet demand. We believe inventories have peaked, but their rotation continues to be in focus going forward. Capacity utilization rate already runs high and hence the incremental investments will come handy. Scanfil remains ready for M&A, and expansion outside Europe is more likely than not in the long-term; the scope for deals may focus on Asia, but the US is also an option. European expansion has not been ruled out but isn't as likely due to the already significant presence there.

### We make only small estimate revisions after the report

Scanfil's customer base is well diversified already, in its own EMS context, the accounts compete with each other only to a limited extent and a CAGR of 5%+ should be sustainable in the long run. Recent high growth however creates some uncertainty around the rate going forward and we would expect it to drop below 5% in the coming years. The 10x EV/EBIT valuation, on our FY '23 estimates, isn't yet that high as further growth and margin expansion might take it down to around 8.5-9.5x in the years to come, however we see valuation to have reached a neutral level. We retain our EUR 10.0 TP. Our new rating is HOLD (BUY).

Rating

■ HOLD



Share price, EUR (Last trading day's closing price) 9.67

Target price, EUR 10.0

Latest change in recommendation 27-Apr-23

Latest report on company 14-Apr-23

Research paid by issuer: YES

No. of shares outstanding, '000's 63,895

No. of shares fully diluted, '000's 63,895

Market cap, EURm 618

Free float, % 46.6

Exchange rate -

Reuters code SCANFL.HE

Bloomberg code SCANFL.FH

Average daily volume, EURm 0.1

Next interim report 04-Aug-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	695.7	40.3	5.8%	-31.7	0.48	15.6	0.8	13.2	-6.7	0.19
2022	843.8	45.4	5.4%	-7.2	0.55	12.0	0.6	11.0	-1.7	0.21
2023E	922.8	62.2	6.7%	82.2	0.72	13.4	0.7	10.1	13.3	0.23
2024E	959.7	64.3	6.7%	39.9	0.75	12.8	0.6	9.4	6.5	0.25
2025E	993.3	67.5	6.8%	42.7	0.79	12.2	0.6	8.6	6.9	0.27
Market cap, EURm	618			Gearing 2023E, %	4.7			CAGR EPS 2022-25, %	13.2	
Net debt 2023E, EURm	12			Price/book 2023E	2.4			CAGR sales 2022-25, %	5.6	
Enterprise value, EURm	630			Dividend yield 2023E, %	2.4			ROE 2023E, %	19.0	
Total assets 2023E, EURm	493			Tax rate 2023E, %	22.9			ROCE 2023E, %	19.2	
Goodwill 2023E, EURm	8			Equity ratio 2023E, %	52.7			PEG, P/E 23/CAGR	2.8	

**Estimates and valuation**

Scanfil	2020	2021	Q1'22	Q2'22	Q3'22	Q4'22	2022	Q1'23	Q2'23e	Q3'23e	Q4'23e	2023e
<b>Revenue</b>	595	696	197	213	212	222	844	225	235	224	239	923
<i>growth-%</i>	<i>2.8 %</i>	<i>16.9 %</i>	<i>20.4 %</i>	<i>23.2 %</i>	<i>26.3 %</i>	<i>16.0 %</i>	<i>21.3 %</i>	<i>14.1 %</i>	<i>10.3 %</i>	<i>5.9 %</i>	<i>7.5 %</i>	<i>9.3 %</i>
Advanced Consumer Applications	151	205	55	69	68	56	248	51	64	64	58	238
Automation & Safety	142	145	43	46	44	51	184	53	55	50	55	213
Connectivity	29	33	11	9	8	11	39	13	10	9	12	44
Energy & Cleantech	136	182	55	54	53	61	223	68	65	59	69	261
Medtech & Life Science	108	121	34	36	39	43	151	40	41	42	45	167
Discontinued	30	11	0	0	0	0	0	0	0	0	0	0
<b>EBIT</b>	39	40	10	10	12	13	45	15	15	16	16	62
<i>EBIT margin</i>	<i>6.6 %</i>	<i>5.7 %</i>	<i>5.2 %</i>	<i>4.7 %</i>	<i>5.4 %</i>	<i>6.0 %</i>	<i>5.4 %</i>	<i>6.7 %</i>	<i>6.5 %</i>	<i>6.9 %</i>	<i>6.8 %</i>	<i>6.7 %</i>

Source: Evli Research

SCANFIL PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			EBIT-%		
		22	23	24	22	23	24	22	23	24
Benchmark Electronics	672	8.2x	6.0x	5.4x	11.2x	8.2x	7.3x	3.6 %	4.2 %	4.3 %
Celestica	1295	3.9x	3.8x	3.6x	5.1x	4.9x	4.8x	4.9 %	5.1 %	5.0 %
TT Electronics	343	7.3x	6.6x	6.0x		8.6x	7.9x	-0.5 %	8.2 %	8.9 %
Hanza	261	7.7x	8.9x	7.6x	12.3x	13.7x	11.7x	5.6 %	6.2 %	6.7 %
Kitron	579	11.7x	11.3x	10.3x	15.8x	14.5x	13.0x	7.1 %	7.7 %	7.9 %
Lacroix Group	146	6.8x	6.2x	5.5x	13.6x	11.1x	9.2x	3.1 %	3.7 %	4.4 %
Flex Ltd	8104	6.7x	5.8x	5.5x	8.9x	7.7x	7.3x	4.6 %	4.8 %	4.9 %
Plexus	2220	12.6x	9.3x	8.4x	16.9x	12.2x	10.9x	4.8 %	5.2 %	5.4 %
Sanmina	2734	6.2x	5.1x		7.5x			5.4 %		
SIIX	424	6.6x	5.4x	4.5x	12.3x	10.0x	8.6x	3.2 %	3.7 %	4.0 %
Valuetronics	146									
Peer Group Average	1538	<b>7.8x</b>	<b>6.8x</b>	<b>6.3x</b>	<b>11.5x</b>	<b>10.1x</b>	<b>9.0x</b>	<b>4.2 %</b>	<b>5.4 %</b>	<b>5.7 %</b>
Peer Group Median	579	<b>7.0x</b>	<b>6.1x</b>	<b>5.5x</b>	<b>12.3x</b>	<b>10.0x</b>	<b>8.6x</b>	<b>4.7 %</b>	<b>5.1 %</b>	<b>5.0 %</b>
Scanfil (Evli est.)	<b>618</b>	<b>8.0x</b>	<b>7.9x</b>	<b>7.4x</b>	<b>11.0x</b>	<b>10.1x</b>	<b>9.4x</b>	<b>5.4 %</b>	<b>6.7 %</b>	<b>6.7 %</b>

Scanfil prem./disc. to peer median

13 %    30 %    34 %    -10 %    2 %    10 %    14 %    32 %    35 %

Source FactSet, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	9.67 PV of Free Cash Flow	385 Long-term growth, %	2.0 Risk-free interest rate, %
DCF share value	11.83 PV of Horizon value	453 WACC, %	8.0 Market risk premium, %
Share price potential, %	22.3 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %
Maximum value	13.0 Marketable securities	21 Minimum WACC, %	7.5 Equity beta coefficient
Minimum value	10.9 Debt - dividend	-102 Maximum WACC, %	8.5 Target debt ratio, %
Horizon value, %	54.1 Value of stock	756 Nr of shares, Mn	63.9 Effective tax rate, %

DCF valuation, EURm	2022	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	Horizon
Net sales	844	923	960	993	1,023	1,054	1,080	1,102	1,124	1,146	1,169	1,193
<i>Sales growth, %</i>	<i>21.3</i>	<i>9.4</i>	<i>4.0</i>	<i>3.5</i>	<i>3.0</i>	<i>3.0</i>	<i>2.5</i>	<i>2.0</i>	<i>2.0</i>	<i>2.0</i>	<i>2.0</i>	<i>2.0</i>
Operating income (EBIT)	45	62	64	68	71	74	76	77	79	80	82	83
<i>Operating income margin, %</i>	<i>5.4</i>	<i>6.7</i>	<i>6.7</i>	<i>6.8</i>	<i>6.9</i>	<i>7.0</i>	<i>7.0</i>	<i>7.0</i>	<i>7.0</i>	<i>7.0</i>	<i>7.0</i>	<i>7.0</i>
+ Depreciation+amort.	18	18	18	18	18	18	18	19	19	20	20	
EBITDA	63	80	82	85	88	92	94	96	98	100	102	
- Paid taxes	-7	-14	-15	-16	-17	-18	-18	-19	-19	-19	-20	
- Change in NWC	-39	49	-6	-6	-5	-5	-5	-4	-4	-4	-4	
<i>NWC / Sales, %</i>	<i>24.5</i>	<i>17.1</i>	<i>17.1</i>	<i>17.1</i>	<i>17.1</i>	<i>17.1</i>	<i>17.1</i>	<i>17.2</i>	<i>17.2</i>	<i>17.2</i>	<i>17.2</i>	
+ Change in other liabs	0	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	-19	-18	-18	-18	-19	-20	-20	-21	-21	-22	-22	
<i>opCAPEX / Sales, %</i>	<i>2.5</i>	<i>3.3</i>	<i>2.0</i>	<i>2.0</i>	<i>2.0</i>	<i>2.0</i>	<i>2.0</i>	<i>1.9</i>	<i>2.0</i>	<i>2.0</i>	<i>2.0</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	-2	97	42	45	47	49	51	53	54	55	56	953
= Discounted FCFF		92	37	36	36	34	33	32	30	28	27	453
= DFCF min WACC		92	37	37	36	35	34	33	31	29	28	516
= DFCF max WACC		92	37	36	35	34	32	31	29	27	25	399

## INTERIM FIGURES

EVLI ESTIMATES, EURm	2022Q1	2022Q2	2022Q3	2022Q4	2022	2023Q1	2023Q2E	2023Q3E	2023Q4E	2023E	2024E	2025E
Net sales	196.6	212.9	211.9	222.4	843.8	224.6	234.8	224.4	239.0	922.8	959.7	993.3
EBITDA	14.3	14.4	16.1	18.1	62.9	19.8	19.7	19.9	20.7	80.2	81.9	85.1
<i>EBITDA margin (%)</i>	<i>7.3</i>	<i>6.8</i>	<i>7.6</i>	<i>8.1</i>	<i>7.5</i>	<i>8.8</i>	<i>8.4</i>	<i>8.9</i>	<i>8.7</i>	<i>8.7</i>	<i>8.5</i>	<i>8.6</i>
EBIT	10.3	10.2	11.5	13.4	45.4	15.1	15.3	15.5	16.3	62.2	64.3	67.5
<i>EBIT margin (%)</i>	<i>5.2</i>	<i>4.8</i>	<i>5.4</i>	<i>6.0</i>	<i>5.4</i>	<i>6.7</i>	<i>6.5</i>	<i>6.9</i>	<i>6.8</i>	<i>6.7</i>	<i>6.7</i>	<i>6.8</i>
Net financial items	-1.0	-0.3	-1.7	-0.7	-3.7	-0.6	-0.7	-0.7	-0.3	-2.3	-1.0	-0.8
Pre-tax profit	9.3	9.9	9.8	12.7	41.7	14.5	14.6	14.8	16.0	59.9	63.3	66.8
Tax	-1.3	-2.7	-0.4	-2.3	-6.7	-2.8	-3.5	-3.6	-3.8	-13.7	-15.2	-16.0
<i>Tax rate (%)</i>	<i>14.0</i>	<i>27.3</i>	<i>4.1</i>	<i>18.1</i>	<i>16.1</i>	<i>19.3</i>	<i>24.0</i>	<i>24.0</i>	<i>24.0</i>	<i>22.9</i>	<i>24.0</i>	<i>24.0</i>
Net profit	8.0	7.2	9.4	10.4	35.0	11.7	11.1	11.2	12.2	46.2	48.1	50.7
EPS	0.13	0.11	0.15	0.16	0.55	0.18	0.17	0.18	0.19	0.72	0.75	0.79
EPS adjusted (diluted no. of shares)	0.13	0.11	0.15	0.16	0.55	0.18	0.17	0.18	0.19	0.72	0.75	0.79
Dividend per share	0.00	0.00	0.00	0.00	0.21	0.00	0.00	0.00	0.00	0.23	0.25	0.27
<b>SALES, EURm</b>												
Group	196.6	212.9	211.9	222.4	843.8	224.6	234.8	224.4	239.0	922.8	959.7	993.3
Total	196.6	212.9	211.9	222.4	843.8	224.6	234.8	224.4	239.0	922.8	959.7	993.3
<b>SALES GROWTH, Y/Y %</b>												
Group	20.4	23.1	26.3	16.0	21.3	14.2	10.3	5.9	7.5	9.4	4.0	3.5
Total	20.4	23.1	26.3	16.0	21.3	14.2	10.3	5.9	7.5	9.4	4.0	3.5
<b>EBIT, EURm</b>												
Group	10.3	10.2	11.5	13.4	45.4	15.1	15.3	15.5	16.3	62.2	64.3	67.5
Total	10.3	10.2	11.5	13.4	45.4	15.1	15.3	15.5	16.3	62.2	64.3	67.5
<b>EBIT margin, %</b>												
Group	5.2	4.8	5.4	6.0	5.4	6.7	6.5	6.9	6.8	6.7	6.7	6.8
Total	5.2	4.8	5.4	6.0	5.4	6.7	6.5	6.9	6.8	6.7	6.7	6.8

INCOME STATEMENT, EURm	2018	2019	2020	2021	2022	2023E	2024E	2025E
Sales	563.0	579.4	595.3	695.7	843.8	922.8	959.7	993.3
<i>Sales growth (%)</i>	<i>6.2</i>	<i>2.9</i>	<i>2.7</i>	<i>16.9</i>	<i>21.3</i>	<i>9.4</i>	<i>4.0</i>	<i>3.5</i>
EBITDA	47.2	53.6	55.2	55.7	62.9	80.2	81.9	85.1
<i>EBITDA margin (%)</i>	<i>8.4</i>	<i>9.3</i>	<i>9.3</i>	<i>8.0</i>	<i>7.5</i>	<i>8.7</i>	<i>8.5</i>	<i>8.6</i>
Depreciation	-9.4	-14.2	-16.1	-15.4	-17.5	-18.0	-17.6	-17.6
EBITA	37.8	39.4	39.1	40.3	45.4	62.2	64.3	67.5
Goodwill amortization / writedown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	37.8	39.4	39.1	40.3	45.4	62.2	64.3	67.5
<i>EBIT margin (%)</i>	<i>6.7</i>	<i>6.8</i>	<i>6.6</i>	<i>5.8</i>	<i>5.4</i>	<i>6.7</i>	<i>6.7</i>	<i>6.8</i>
Reported EBIT	37.8	39.4	39.1	40.3	45.4	62.2	64.3	67.5
<i>EBIT margin (reported) (%)</i>	<i>6.7</i>	<i>6.8</i>	<i>6.6</i>	<i>5.8</i>	<i>5.4</i>	<i>6.7</i>	<i>6.7</i>	<i>6.8</i>
Net financials	-1.7	-1.3	-2.6	-1.9	-3.7	-2.3	-1.0	-0.8
Pre-tax profit	36.1	38.1	36.5	38.4	41.7	59.9	63.3	66.8
Taxes	-8.3	-5.9	-4.9	-7.9	-6.7	-13.7	-15.2	-16.0
Minority shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	27.8	32.2	31.6	30.5	35.0	46.2	48.1	50.7
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
<b>BALANCE SHEET, EURm</b>								
<b>Assets</b>								
Fixed assets	64	68	61	63	67	67	67	68
Goodwill	10	8	8	8	8	8	8	8
Right of use assets	15	21	18	22	24	37	38	40
Inventory	96	102	103	193	229	157	163	169
Receivables	104	115	116	153	169	170	177	183
Liquid funds	28	20	26	25	21	46	51	79
Total assets	321	340	339	474	526	493	512	554
<b>Liabilities</b>								
Shareholder's equity	148	167	183	207	227	259	293	328
Minority interest	0	0	0	0	0	0	0	0
Convertibles	0	0	0	0	0	0	0	0
Lease liabilities	15	19	16	20	20	37	38	40
Deferred taxes	5	7	6	5	5	5	5	5
Interest bearing debt	52	44	24	62	82	21	0	0
Non-interest bearing current liabilities	99	96	103	172	184	161	168	174
Other interest-free debt	2	7	7	6	8	8	8	8
Total liabilities	321	340	339	474	526	493	512	554
<b>CASH FLOW, EURm</b>								
+ EBITDA	47	54	55	56	63	80	82	85
- Net financial items	-2	-1	-3	-2	-4	-2	-1	-1
- Taxes	-7	-5	-7	-10	-7	-14	-15	-16
- Increase in Net Working Capital	-9	-15	5	-59	-39	49	-6	-6
+/- Other	0	0	0	0	0	0	0	0
= Cash flow from operations	29	32	50	-15	14	113	59	62
- Capex	-10	-24	-6	-17	-21	-31	-19	-20
- Acquisitions	0	0	0	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Free cash flow	19	8	44	-32	-7	82	40	43
+/- New issues/buybacks	3	-6	-6	5	-4	0	0	0
- Paid dividend	-7	-8	-10	-11	-12	-13	-15	-16
+/- Other	-7	-1	-23	37	19	-43	-20	1
Change in cash	8	-8	5	0	-4	25	5	28

KEY FIGURES	2019	2020	2021	2022	2023E	2024E	2025E
M-cap	336	417	477	420	618	618	618
Net debt (excl. convertibles)	43	15	57	81	12	-13	-40
Enterprise value	379	431	533	502	630	605	578
Sales	579	595	696	844	923	960	993
EBITDA	54	55	56	63	80	82	85
EBIT	39	39	40	45	62	64	68
Pre-tax	38	37	38	42	60	63	67
Earnings	32	32	31	35	46	48	51
Equity book value (excl. minorities)	167	183	207	227	259	293	328
<b>Valuation multiples</b>							
EV/sales	0.7	0.7	0.8	0.6	0.7	0.6	0.6
EV/EBITDA	7.1	7.8	9.6	8.0	7.9	7.4	6.8
EV/EBITA	9.6	11.0	13.2	11.0	10.1	9.4	8.6
EV/EBIT	9.6	11.0	13.2	11.0	10.1	9.4	8.6
EV/OCF	11.9	8.6	-36.3	36.6	5.6	10.2	9.3
EV/FCFF	25.7	10.0	-20.5	-239.5	6.5	14.4	13.0
P/FCFE	44.7	9.6	-15.0	-58.4	7.5	15.5	14.5
P/E	10.4	13.2	15.6	12.0	13.4	12.8	12.2
P/B	2.0	2.3	2.3	1.9	2.4	2.1	1.9
Target EV/EBITDA	0.0	0.0	0.0	0.0	8.1	7.6	7.0
Target EV/EBIT	0.0	0.0	0.0	0.0	10.5	9.7	8.9
Target EV/FCF	0.0	0.0	0.0	0.0	7.9	15.7	14.1
Target P/B	0.0	0.0	0.0	0.0	2.5	2.2	2.0
Target P/E	0.0	0.0	0.0	0.0	13.8	13.3	12.6
<b>Per share measures</b>							
Number of shares	63,895	63,895	63,895	63,895	63,895	63,895	63,895
Number of shares (diluted)	63,895	63,895	63,895	63,895	63,895	63,895	63,895
EPS	0.50	0.49	0.48	0.55	0.72	0.75	0.79
Operating cash flow per share	0.50	0.78	-0.23	0.21	1.77	0.93	0.98
Free cash flow per share	0.12	0.68	-0.50	-0.11	1.29	0.62	0.67
Book value per share	2.61	2.86	3.25	3.55	4.06	4.58	5.13
Dividend per share	0.15	0.17	0.19	0.21	0.23	0.25	0.27
Dividend payout ratio, %	29.8	34.4	39.8	38.3	31.8	33.2	34.0
Dividend yield, %	2.9	2.6	2.5	2.2	2.4	2.6	2.8
FCF yield, %	2.2	10.4	-6.7	-1.7	13.3	6.5	6.9
<b>Efficiency measures</b>							
ROE	20.4	18.1	15.6	16.1	19.0	17.4	16.4
ROCE	17.7	17.3	15.7	14.7	19.2	19.8	19.3
<b>Financial ratios</b>							
Inventories as % of sales	17.6	17.4	27.8	27.2	17.0	17.0	17.0
Receivables as % of sales	19.8	19.4	22.0	20.0	18.4	18.4	18.4
Non-interest bearing liabilities as % of sales	16.6	17.3	24.8	21.8	17.5	17.5	17.5
NWC/sales, %	19.7	18.3	24.1	24.5	17.1	17.1	17.1
Operative CAPEX/sales, %	4.2	1.1	2.4	2.5	3.3	2.0	2.0
CAPEX/sales (incl. acquisitions), %	4.2	1.1	2.4	2.5	3.3	2.0	2.0
FCFF/EBITDA	0.3	0.8	-0.5	0.0	1.2	0.5	0.5
Net debt/EBITDA, book-weighted	0.8	0.3	1.0	1.3	0.2	-0.2	-0.5
Debt/equity, market-weighted	0.1	0.1	0.1	0.2	0.0	0.0	0.0
Equity ratio, book-weighted	49.0	53.9	43.8	43.1	52.7	57.1	59.1
Gearing, %	25.6	7.9	27.3	35.8	4.7	-4.4	-12.1

**COMPANY DESCRIPTION:** Scanfil is a contract electronics manufacturer based in Sievi, Finland, operating a global plant network with nine sites located across three continents. The company focuses on producing industrial electronics for its customers, many of which are large global industrial original equipment manufacturers. In practice Northern Europe is by far Scanfil's most important market. Scanfil's strategy is based on a vertically integrated model with which the company aims to provide solutions to cover the entire supply chain during the whole life-cycle of a given customer product.

**INVESTMENT CASE:** In our view Scanfil is well-positioned to achieve its target 7% operating margin. We see upside to the current share price when customer product volumes continue to develop positively, helping to lift absolute operating profit. We expect Scanfil to achieve even more diversified customer portfolio; this would justify an increase in valuation multiples.

OWNERSHIP STRUCTURE	SHARES	EURm	%
Takanen Harri	9,913,146	95.860	15.5%
Takanen Jarkko	8,596,169	83.125	13.5%
Varikot Oy	7,606,442	73.554	11.9%
Takanen Jorma	6,129,305	59.270	9.6%
Tolonen Jonna	3,351,950	32.413	5.2%
Pöllä Reijo	3,328,745	32.189	5.2%
Laakkonen Mikko	2,531,187	24.477	4.0%
Takanen Martti	1,947,018	18.828	3.0%
Sijoitusrahasto Aktia Capital	1,918,000	18.547	3.0%
Foundation of Riitta and Jorma J.Takanen	1,900,000	18.373	3.0%
Ten largest	47,221,962	456.636	74%
Residual	16,673,477	161.233	26%
Total	63,895,439	617.869	100%

**EARNINGS CALENDAR**

August 04, 2023	Q2 report
October 27, 2023	Q3 report

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

CEO: Petteri Jokitalo	Yritystie 6, FI-85410 Sievi
CFO: Kai Valo	Tel: +358 8 48 82 111
IR: Pasi Hiedanpää	

## 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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## Name(s) of the analyst(s): Ilvonen

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