

## To be continued on a strong note

Scanfil's Q2 results were a bit better than we estimated. Favorable positioning has already produced strong results and thus demand outlook beyond this year drives valuation.

### Results continued to improve rapidly in Q2

Scanfil's top line grew 14% y/y to EUR 243m vs the EUR 240m/237m Evli/cons. estimates. Spot market component purchases declined by EUR 24m y/y to EUR 5m and hence growth excluding them amounted to 30%. The high figure was driven by Energy & Cleantech, but demand remained good across all the segments; Advanced Consumer Applications' headline revenue decreased by 16% but grew 7% excluding spot purchases. EBIT amounted to EUR 17.5m, compared to the EUR 16.2m/16.6m Evli/cons. estimates, and net working capital and inventory management turned cash flow very strong.

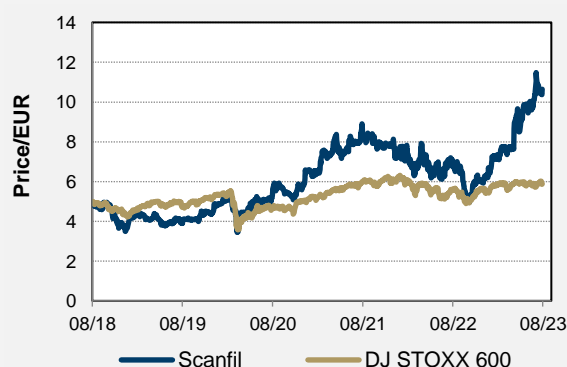
### Scanfil has already basically achieved its margin potential

The component situation has improved a lot this year, but there are still some availability issues. Scanfil's EBIT has already gained markedly thanks to better productivity due to component availability as well as recent production transfers within the network. Scanfil has made incremental capacity investments for a while now and announced the EUR 20m expansion of its facilities in Poland as the latest measure. The investment isn't that big on group level yet adds up together with other recent expansions. Scanfil begins to fill the space with lines from Q2'25 onwards. Long-term trends are favorable and we believe e.g. energy efficiency continues to be a key theme which drives many Scanfil accounts. Scanfil should have an attractive pipeline of Energy & Cleantech customers, which helps secure long-term potential. Scanfil continues to assess capacity growth plans from the perspective of both M&A and incremental plant expansions.

### Valuation reflects high profitability levels

We make marginal upward revisions to our estimates. Demand trends appear strong enough to sustain at least some further growth next year, but Scanfil has already achieved its long-term margin potential and valuation also reflects the fact. Scanfil trades 10.5x EV/EBIT on our FY '23 estimates. The 10x multiple on our FY '24 estimates likewise represents a double-digit premium relative to peers, which we see justified by the relatively high margins. Our new TP is EUR 11.5 (11.0); retain our HOLD rating.

Rating HOLD



Share price, EUR (Last trading day's closing price) 10.64

Target price, EUR 11.5

Latest change in recommendation 27-Apr-23

Latest report on company 12-Jul-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 680

Free float, % 46.6

Exchange rate -

Reuters code SCANFL.HE

Bloomberg code SCANFL.FH

Average daily volume, EURm 0.3

Next interim report 27-Oct-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	945.5	66.6	7.0%	76.4	0.80	13.3	0.7	10.5	11.2	0.23
2024E	983.3	67.8	6.9%	38.5	0.80	13.3	0.7	9.9	5.7	0.25
2025E	1,017.7	70.2	6.9%	41.6	0.83	12.9	0.6	9.2	6.1	0.27
Market cap, EURm	680			Gearing 2023E, %	6.8			CAGR EPS 2022-25, %	14.6	
Net debt 2023E, EURm	18			Price/book 2023E	2.6			CAGR sales 2022-25, %	6.4	
Enterprise value, EURm	698			Dividend yield 2023E, %	2.2			ROE 2023E, %	20.9	
Total assets 2023E, EURm	509			Tax rate 2023E, %	22.2			ROCE 2023E, %	20.2	
Goodwill 2023E, EURm	8			Equity ratio 2023E, %	52.0			PEG, P/E 23/CAGR	6.8	

**Estimates and valuation**

Scanfil	2020	2021	Q1'22	Q2'22	Q3'22	Q4'22	2022	Q1'23	Q2'23	Q3'23e	Q4'23e	2023e
<b>Revenue</b>	595	696	197	213	212	222	844	225	243	231	247	945
<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>14.3 %</i>	<i>8.9 %</i>	<i>11.0 %</i>	<i>12.0 %</i>
Advanced Consumer Applications	151	205	55	69	68	56	248	51	58	60	57	226
Automation & Safety	142	145	43	46	44	51	184	53	48	47	58	205
Connectivity	29	33	11	9	8	11	39	13	13	9	12	47
Energy & Cleantech	136	182	55	54	53	61	223	68	86	71	74	298
Medtech & Life Science	108	121	34	36	39	43	151	40	39	44	45	169
Discontinued	30	11	0	0	0	0	0	0	0	0	0	0
<b>EBIT</b>	39	40	10	10	12	13	45	15	18	17	17	67
<i>EBIT margin</i>	<i>6.6 %</i>	<i>5.8 %</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>7.2 %</i>	<i>7.3 %</i>	<i>7.0 %</i>	<i>7.0 %</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	858	8.2x	7.3x	6.5x	11.2x	10.3x	8.8x	3.6 %	4.1 %	4.5 %
Celestica	2519	3.9x	5.5x	5.2x	5.1x	7.1x	6.7x	4.9 %	5.4 %	5.5 %
TT Electronics	329	7.3x	6.1x	5.8x		8.3x	7.6x	-0.5 %	8.1 %	8.8 %
Hanza	280	7.7x			12.3x			5.6 %	7.8 %	8.0 %
Kitron	671	11.7x	9.3x	8.8x	15.8x	11.7x	11.1x	7.1 %	8.8 %	8.6 %
Lacroix Group	173	6.8x	6.7x	5.9x	13.6x	11.9x	9.8x	3.1 %	3.7 %	4.4 %
Flex Ltd	10900	6.8x	7.1x	6.4x	8.7x	9.1x	8.3x	4.7 %	5.1 %	5.3 %
Plexus	2468	12.8x	10.5x	9.4x	17.2x	14.1x	12.4x	4.8 %	5.0 %	5.3 %
Sanmina	2917	6.2x	5.4x		7.5x	6.1x		5.4 %	5.8 %	
SIIX	440	6.6x	5.7x	5.2x	12.3x	10.1x	9.2x	3.2 %	3.9 %	4.0 %
Valuetronics	156	1.4x	1.7x	1.6x	2.0x	2.4x	2.2x	6.5 %	6.9 %	7.0 %
Peer Group Average	1974	<b>7.2x</b>	<b>6.5x</b>	<b>6.1x</b>	<b>10.6x</b>	<b>9.1x</b>	<b>8.5x</b>	<b>4.4 %</b>	<b>5.9 %</b>	<b>6.1 %</b>
Peer Group Median	671	<b>6.8x</b>	<b>6.4x</b>	<b>5.9x</b>	<b>11.7x</b>	<b>9.6x</b>	<b>8.8x</b>	<b>4.8 %</b>	<b>5.4 %</b>	<b>5.4 %</b>
Scanfil (Evli est.)	<b>680</b>	<b>8.0x</b>	<b>8.2x</b>	<b>7.7x</b>	<b>11.0x</b>	<b>10.5x</b>	<b>9.9x</b>	<b>5.4 %</b>	<b>7.0 %</b>	<b>6.9 %</b>

*Scanfil prem./disc. to peer median*
*17 %    29 %    31 %    -6 %    9 %    13 %    12 %    31 %    28 %*

Source FactSet, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	10.64 PV of Free Cash Flow	385 Long-term growth, %	2.0 Risk-free interest rate, %
DCF share value	11.86 PV of Horizon value	468 WACC, %	8.0 Market risk premium, %
Share price potential, %	11.5 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	-115 Maximum WACC, %	8.5 Target debt ratio, %
Horizon value, %	54.9 Value of stock	758 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	946	983	1,018	1,048	1,080	1,107	1,129	1,151	1,174	1,198	1,222
<i>Sales growth, %</i>	<i>21.3</i>	<i>12.1</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	67	68	70	72	76	77	79	81	82	84	86
<i>Operating income margin, %</i>	<i>5.4</i>	<i>7.0</i>	<i>6.9</i>	<i>6.9</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	20	21	22	23	24	25	26	27	27	
EBITDA	63	85	88	91	94	99	102	104	106	109	111	
- Paid taxes	-7	-15	-16	-17	-17	-18	-19	-19	-19	-20	-20	
- Change in NWC	-39	45	-7	-6	-5	-6	-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>17.2</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	-24	-24	-25	-26	-26	-27	-28	-29	-29	-30	
<i>opCAPEX / Sales, %</i>	<i>2.5</i>	<i>4.0</i>	<i>2.6</i>	<i>2.6</i>	<i>2.6</i>	<i>2.6</i>	<i>2.5</i>	<i>2.5</i>	<i>2.6</i>	<i>2.6</i>	<i>2.6</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	91	41	44	46	49	51	53	54	56	57	964
= Discounted FCFF		88	36	36	36	35	34	33	31	29	28	468
= DFCF min WACC		88	37	37	36	35	35	34	32	30	29	533
= DFCF max WACC		88	36	36	35	34	33	32	30	28	26	413

## INTERIM FIGURES

EVLI ESTIMATES, EURm	2022Q1	2022Q2	2022Q3	2022Q4	2022	2023Q1	2023Q2	2023Q3E	2023Q4E	2023E	2024E	2025E
Net sales	196.6	212.9	211.9	222.4	843.8	224.6	243.4	230.7	246.8	945.5	983.3	1,017.7
EBITDA	14.3	14.4	16.1	18.1	62.9	19.8	22.2	21.2	21.6	84.8	87.6	91.3
<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>9.1</i>	<i>9.2</i>	<i>8.8</i>	<i>9.0</i>	<i>8.9</i>	<i>9.0</i>
EBIT	10.3	10.2	11.5	13.4	45.4	15.1	17.5	16.8	17.2	66.6	67.8	70.2
<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>7.2</i>	<i>7.3</i>	<i>7.0</i>	<i>7.0</i>	<i>6.9</i>	<i>6.9</i>
Net financial items	-1.0	-0.3	-1.7	-0.7	-3.7	-0.6	0.9	-0.7	-0.3	-0.7	-0.8	-0.8
Pre-tax profit	9.3	9.9	9.8	12.7	41.7	14.5	18.4	16.1	16.9	65.9	67.0	69.4
Tax	-1.3	-2.7	-0.4	-2.3	-6.7	-2.8	-3.9	-3.9	-4.1	-14.6	-16.1	-16.7
<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>21.2</i>	<i>24.0</i>	<i>24.0</i>	<i>22.2</i>	<i>24.0</i>	<i>24.0</i>
Net profit	8.0	7.2	9.4	10.4	35.0	11.7	14.5	12.2	12.8	51.3	51.0	52.7
EPS	0.13	0.11	0.15	0.16	0.55	0.18	0.23	0.19	0.20	0.80	0.80	0.83
EPS adjusted (diluted no. of shares)	0.13	0.11	0.15	0.16	0.55	0.18	0.23	0.19	0.20	0.80	0.80	0.83
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	243.4	230.7	246.8	945.5	983.3	1,017.7
Total	196.6	212.9	211.9	222.4	843.8	224.6	243.4	230.7	246.8	945.5	983.3	1,017.7
<b>SALES GROWTH, Y/Y %</b>												
Group	20.4	23.1	26.3	16.0	21.3	14.2	14.3	8.9	11.0	12.1	4.0	3.5
Total	20.4	23.1	26.3	16.0	21.3	14.2	14.3	8.9	11.0	12.1	4.0	3.5
<b>EBIT, EURm</b>												
Group	10.3	10.2	11.5	13.4	45.4	15.1	17.5	16.8	17.2	66.6	67.8	70.2
Total	10.3	10.2	11.5	13.4	45.4	15.1	17.5	16.8	17.2	66.6	67.8	70.2
<b>EBIT margin, %</b>												
Group	5.2	4.8	5.4	6.0	5.4	6.7	7.2	7.3	7.0	7.0	6.9	6.9
Total	5.2	4.8	5.4	6.0	5.4	6.7	7.2	7.3	7.0	7.0	6.9	6.9

INCOME STATEMENT, EURm	2018	2019	2020	2021	2022	2023E	2024E	2025E
Sales	563.0	579.4	595.3	695.7	843.8	945.5	983.3	1,017.7
<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>12.1</i>	<i>4.0</i>	<i>3.5</i>
EBITDA	47.2	53.6	55.2	55.7	62.9	84.8	87.6	91.3
<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>9.0</i>	<i>8.9</i>	<i>9.0</i>
Depreciation	-9.4	-14.2	-16.1	-15.4	-17.5	-18.2	-19.8	-21.1
EBITA	37.8	39.4	39.1	40.3	45.4	66.6	67.8	70.2
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	66.6	67.8	70.2
<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>7.0</i>	<i>6.9</i>	<i>6.9</i>
Reported EBIT	37.8	39.4	39.1	40.3	45.4	66.6	67.8	70.2
<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>7.0</i>	<i>6.9</i>	<i>6.9</i>
Net financials	-1.7	-1.3	-2.6	-1.9	-3.7	-0.7	-0.8	-0.8
Pre-tax profit	36.1	38.1	36.5	38.4	41.7	65.9	67.0	69.4
Taxes	-8.3	-5.9	-4.9	-7.9	-6.7	-14.6	-16.1	-16.7
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	51.3	51.0	52.7
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	73	77	81
Goodwill	10	8	8	8	8	8	8	8
Right of use assets	15	21	18	22	24	38	39	41
Inventory	96	102	103	193	229	161	167	173
Receivables	104	115	116	153	169	174	181	187
Liquid funds	28	20	26	25	21	47	49	72
Total assets	321	340	339	474	526	509	530	570
<b>Liabilities</b>								
Shareholder's equity	148	167	183	207	227	264	301	337
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	38	39	41
Deferred taxes	5	7	6	5	5	5	5	5
Interest bearing debt	52	44	24	62	82	28	4	0
Non-interest bearing current liabilities	99	96	103	172	184	165	172	178
Other interest-free debt	2	7	7	6	8	8	8	8
Total liabilities	321	340	339	474	526	509	530	570
<b>CASH FLOW, EURm</b>								
+ EBITDA	47	54	55	56	63	85	88	91
- Net financial items	-2	-1	-3	-2	-4	-1	-1	-1
- Taxes	-7	-5	-7	-10	-7	-15	-16	-17
- Increase in Net Working Capital	-9	-15	5	-59	-39	45	-7	-6
+/- Other	0	0	0	0	0	0	0	0
= Cash flow from operations	29	32	50	-15	14	114	64	68
- Capex	-10	-24	-6	-17	-21	-38	-26	-26
- 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	76	38	42
+/- 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	-37	-22	-3
Change in cash	8	-8	5	0	-4	26	2	23

KEY FIGURES	2019	2020	2021	2022	2023E	2024E	2025E
M-cap	336	417	477	420	680	680	680
Net debt (excl. convertibles)	43	15	57	81	18	-6	-31
Enterprise value	379	431	533	502	698	674	649
Sales	579	595	696	844	946	983	1,018
EBITDA	54	55	56	63	85	88	91
EBIT	39	39	40	45	67	68	70
Pre-tax	38	37	38	42	66	67	69
Earnings	32	32	31	35	51	51	53
Equity book value (excl. minorities)	167	183	207	227	264	301	337
<b>Valuation multiples</b>							
EV/sales	0.7	0.7	0.8	0.6	0.7	0.7	0.6
EV/EBITDA	7.1	7.8	9.6	8.0	8.2	7.7	7.1
EV/EBITA	9.6	11.0	13.2	11.0	10.5	9.9	9.2
EV/EBIT	9.6	11.0	13.2	11.0	10.5	9.9	9.2
EV/OCF	11.9	8.6	-36.3	36.6	6.1	10.5	9.6
EV/FCFF	25.7	10.0	-20.5	-239.5	7.7	16.6	14.9
P/FCFE	44.7	9.6	-15.0	-58.4	8.9	17.7	16.4
P/E	10.4	13.2	15.6	12.0	13.3	13.3	12.9
P/B	2.0	2.3	2.3	1.9	2.6	2.3	2.0
Target EV/EBITDA	0.0	0.0	0.0	0.0	8.9	8.3	7.7
Target EV/EBIT	0.0	0.0	0.0	0.0	11.3	10.7	10.0
Target EV/FCF	0.0	0.0	0.0	0.0	9.9	19.0	16.9
Target P/B	0.0	0.0	0.0	0.0	2.8	2.4	2.2
Target P/E	0.0	0.0	0.0	0.0	14.3	14.4	13.9
<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	0.80	0.80	0.83
Operating cash flow per share	0.50	0.78	-0.23	0.21	1.79	1.00	1.06
Free cash flow per share	0.12	0.68	-0.50	-0.11	1.20	0.60	0.65
Book value per share	2.61	2.86	3.25	3.55	4.14	4.71	5.28
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	28.7	31.3	32.7
Dividend yield, %	2.9	2.6	2.5	3.2	2.2	2.3	2.5
FCF yield, %	2.2	10.4	-6.7	-1.7	11.2	5.7	6.1
<b>Efficiency measures</b>							
ROE	20.4	18.1	15.6	16.1	20.9	18.0	16.5
ROCE	17.7	17.3	15.7	14.7	20.2	20.1	19.4
<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	4.0	2.6	2.6
CAPEX/sales (incl. acquisitions), %	4.2	1.1	2.4	2.5	4.0	2.6	2.6
FCFF/EBITDA	0.3	0.8	-0.5	0.0	1.1	0.5	0.5
Net debt/EBITDA, book-weighted	0.8	0.3	1.0	1.3	0.2	-0.1	-0.3
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	52.0	56.8	59.2
Gearing, %	25.6	7.9	27.3	35.8	6.8	-1.9	-9.3

**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	105.476	15.5%
Takanen Jarkko	8,596,169	91.463	13.5%
Varikot Oy	7,606,442	80.933	11.9%
Takanen Jorma	6,129,305	65.216	9.6%
Tolonen Jonna	3,351,950	35.665	5.2%
Pöllä Reijo	3,328,745	35.418	5.2%
Laakkonen Mikko	2,531,187	26.932	4.0%
Takanen Martti	1,947,018	20.716	3.0%
Sijoitusrahasto Aktia Capital	1,918,000	20.408	3.0%
Foundation of Riitta and Jorma J.Takanen	1,900,000	20.216	3.0%
Ten largest	47,221,962	502.442	74%
Residual	16,673,477	177.406	26%
Total	63,895,439	679.847	100%

**EARNINGS CALENDAR**

October 27, 2023

Q3 report

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

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



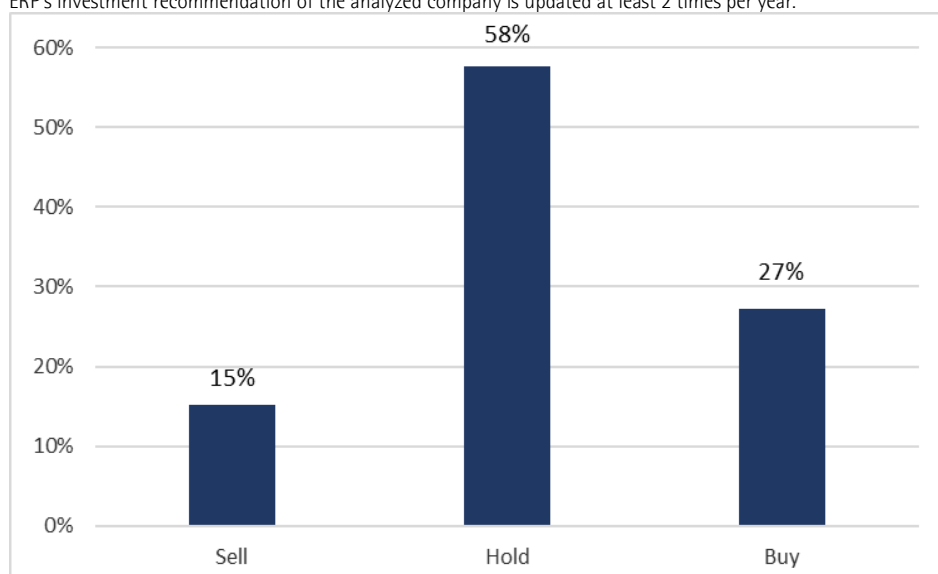
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Investment recommendations are defined as follows:

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

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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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