

Earnings recovery should gather pace

Suominen's Q2 results are due Aug 9. H1 has low comparison figures, while H2 should also have scope for more recovery.

Earnings should continue to recover over the year

Suominen's Q1 earnings improved y/y, yet the pace wasn't fast and EBITDA in fact declined a bit q/q as there were additional costs due to the Finnish strikes; excluding such costs EBITDA would have remained roughly flat q/q, however it would have been below estimates even then. Suominen has lately announced an additional EUR 1.5m in cost cuts, which will be useful but not by themselves enough since we believe the company should see its earnings gain by some EUR 30m over the medium term. Suominen has found cost savings even before the latest announcement but improving capacity utilization and higher margins (driven by sustainable products) are in our view more important drivers. We expect Q2 revenue to have grown by 4% y/y to EUR 117m, while we estimate EBITDA at EUR 6.1m. H1'24 has very low comparison figures, so y/y improvement isn't challenging but H2 should also see further gains especially if raw materials prices stabilize.

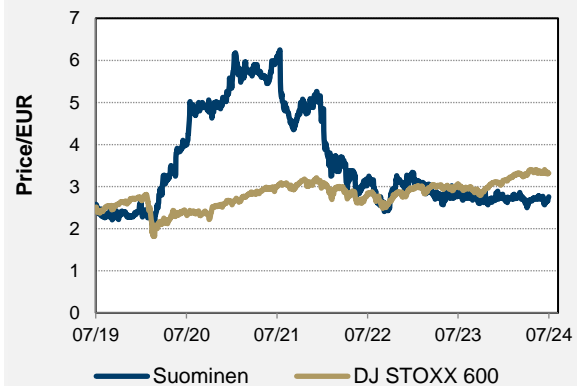
Stabilizing market could help earnings especially in H2

Pulp prices have gained at a double-digit rate since late last year while oil-based raw materials prices have developed relatively flat, although they are slightly up so far this year, so that we estimate Suominen's total raw materials prices are increasing once again after the decline seen last year. Higher raw materials prices remain a short-term challenge for sales margins but they also reflect improved end-market demand. We thus expect earnings to recover at a rather steady rate over the course of this year. We believe there's a reasonable chance Suominen will specify its guidance later this year assuming there are no further significant setbacks. We estimate around EUR 12m earnings gain for the year, which still leaves plenty of upside potential for the coming years.

Earnings multiples appear quite neutral

Suominen is valued 21x EV/EBIT on our FY '24 estimates as earnings are only now recovering after a couple of challenging years. The multiple is some 8.5x on our FY '25 estimates, which we consider a fair level as the respective 9% EBITDA margin would be a significant improvement yet still somewhat modest relative to long-term potential. We retain our EUR 2.5 TP and HOLD rating.

Rating 🟡 HOLD



Share price, EUR (Last trading day's closing price) **2.76**
Target price, EUR **2.5**

Latest change in **27-Jan-23**
Latest report on company **08-May-24**
Research paid by issuer: **YES**
No. of shares outstanding, **58,259**
No. of shares fully diluted, **58,259**
Market cap, EURm **161**
Free float, % **62.7**
Exchange rate EUR/USD **1.08**
Reuters code **SUY1V.HE**
Bloomberg code **SUY1V.FH**
Average daily volume, **0.1**
Next interim report **09-Aug-24**
Web site **www.suominen.fi/en/investors/**

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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
2022	493.3	-4.2	-0.9%	9.4	-0.16	-19.8	0.5	-55.1	5.2	0.10
2023	450.9	-2.8	-0.6%	25.5	-0.14	-20.4	0.5	-73.1	15.5	0.10
2024E	470.6	9.9	2.1%	-3.4	0.07	38.6	0.4	21.3	-2.1	0.10
2025E	484.7	23.8	4.9%	15.0	0.27	10.1	0.4	8.5	9.3	0.12
2026E	496.8	29.8	6.0%	13.9	0.36	7.6	0.4	6.5	8.6	0.13

Market cap, EURm	161	Gearing 2024E, %	40.4	CAGR EPS 2023-26, %	0.0
Net debt 2024E, EURm	50	Price/book 2024E	1.3	CAGR sales 2023-26, %	3.3
Enterprise value, EURm	211	Dividend yield 2024E, %	3.6	ROE 2024E, %	3.4
Total assets 2024E, EURm	303	Tax rate 2024E, %	29.5	ROCE 2024E, %	4.6
Goodwill 2024E, EURm	15	Equity ratio 2024E, %	40.6	PEG, P/E 24/CAGR	0.5

Estimates and valuation

Suominen EURm	2015 FY	2016 FY	2017 FY	2018 FY	2019 FY	2020 FY	2021 FY	2022 FY	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2023 FY	2024 Q1	2024E Q2E	2024E Q3E	2024E Q4E	2024E FY
Revenue	444	417	426	431	411	459	443	493	117	113	106	115	451	114	117	117	123	471
growth, %	11 %	-6 %	2 %	1 %	-5 %	12 %	-3 %	11 %	6 %	-4 %	-19 %	-14 %	-9 %	-3 %	4 %	10 %	7 %	4 %
Geography																		
Europe	172	171	174	171	150	170	178	205	42	43	36	43	163	44	45	42	44	175
Americas	272	246	252	260	262	289	265	288	75	70	71	72	288	70	72	75	79	296
COGS	-386	-365	-384	-400	-377	-389	-392	-475	-112	-110	-100	-106	-428	-105	-108	-106	-111	-430
Gross Profit	58	52	42	31	37	70	51	19	4.9	3.1	6.4	8.4	23	8.1	9.1	10.6	12.3	40
Gross-%	13.1 %	12.5 %	9.9 %	7.3 %	9.0 %	15.2 %	11.5 %	3.8 %	4.2 %	2.7 %	6.0 %	7.3 %	5.1 %	7.2 %	7.8 %	9.0 %	10.0 %	8.5 %
SGA & R&D	-28.0	-27.9	-28.9	-29.2	-30.6	-30.7	-28.9	-32.4	-8.2	-8.0	-7.9	-8.2	-32.3	-8.7	-7.5	-7.3	-7.3	-30.7
Other	1.8	1.3	1.7	2.5	1.8	0.4	5.0	4.9	1.3	-1.8	2.2	0.4	2.1	0.7	0.0	0.0	0.0	0.7
EBIT ex IAC	31.2	25.6	15.0	4.6	8.1	39.5	26.9	-4.2	-2.0	-2.1	0.7	0.7	-2.8	-0.1	1.6	3.3	5.1	9.9
EBIT-% ex IAC	7.0 %	6.1 %	3.5 %	1.1 %	2.0 %	8.6 %	6.1 %	-0.8 %	-1.7 %	-1.9 %	0.6 %	0.6 %	-0.6 %	-0.1 %	1.4 %	2.8 %	4.1 %	2.1 %
Depreciation	-17.7	-18.5	-19.4	-21.0	-25.5	-21.4	-20.1	-19.5	-4.7	-4.8	-4.5	-4.6	-18.7	-4.6	-4.5	-4.5	-4.5	-18.1
EBITDA ex IAC	48.9	44.2	34.3	25.6	33.6	60.9	47.0	15.3	2.6	2.7	5.2	5.3	15.8	4.5	6.1	7.8	9.6	28.0
EBITDA-% ex IAC	11.0 %	10.6 %	8.1 %	5.9 %	8.2 %	13.3 %	10.6 %	3.1 %	2.3 %	2.4 %	4.9 %	4.6 %	3.5 %	3.9 %	5.2 %	6.7 %	7.8 %	5.9 %

Source: Suominen, Evli Research

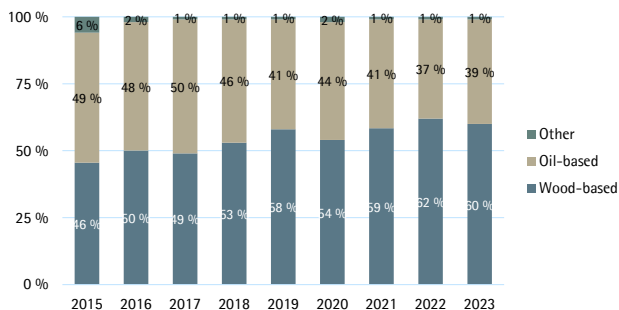
SUOMINEN PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			EBIT-%		
		23	24	25	23	24	25	23	24	25
Berry Global Group	6855	8.3x	7.9x	7.6x	13.9x	13.4x	12.6x	9.7 %	10.0 %	10.4 %
Kimberly-Clark	43996	13.3x	13.7x	13.3x	16.5x	17.1x	16.5x	14.5 %	15.8 %	16.3 %
N.R. Spuntech Industries	80									
Mativ Holdings	937	8.0x	8.8x	7.3x	15.3x	15.4x	10.8x	6.1 %	6.5 %	8.6 %
Glatfelter	62	9.7x								
Peer Group Average	10386	9.8x	10.1x	9.4x	15.2x	15.3x	13.3x	10.1 %	10.8 %	11.8 %
Peer Group Median	937	9.0x	8.8x	7.6x	15.3x	15.4x	12.6x	9.7 %	10.0 %	10.4 %
Suominen (Evli est.)	161	12.9x	7.5x	4.8x	-73.1x	21.3x	8.5x	-0.6 %	2.1 %	4.9 %

Suominen prem./disc. to peer median

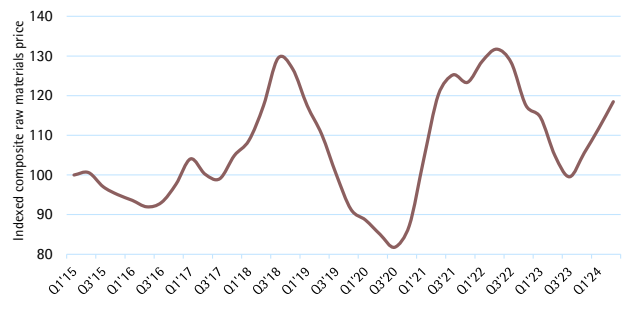
43 % -15 % -37 % -578 % 38 % -33 % -106 % -79 % -53 %

Source FactSet, Evli Research

Suominen raw materials mix and composite price development



Source: Suominen



Source: Bloomberg, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	2.76 PV of Free Cash Flow	170 Long-term growth, %	2.0 Risk-free interest rate, %	2.25
DCF share value	5.33 PV of Horizon value	181 WACC, %	7.9 Market risk premium, %	5.8
Share price potential, %	93.3 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %	2.8
Maximum value	5.8 Marketable securities	59 Minimum WACC, %	7.4 Equity beta coefficient	1.00
Minimum value	4.9 Debt - dividend	-99 Maximum WACC, %	8.4 Target debt ratio, %	20
Horizon value, %	51.5 Value of stock	311 Nr of shares, Mn	58.3 Effective tax rate, %	28

DCF valuation, EURm	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	Horizon
Net sales	451	471	485	497	507	517	527	538	549	560	571	582
<i>Sales growth, %</i>	-8.6	4.4	3.0	2.5	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Operating income (EBIT)	-3	10	24	30	35	39	40	40	41	42	43	44
<i>Operating income margin, %</i>	-0.6	2.1	4.9	6.0	7.0	7.5	7.5	7.5	7.5	7.5	7.5	7.5
+ Depreciation+amort.	19	18	18	19	22	22	22	21	21	21	21	
EBITDA	16	28	42	49	57	61	61	62	62	63	64	
- Paid taxes	-3	-3	-5	-6	-7	-8	-8	-8	-9	-9	-9	
- Change in NWC	29	-5	-4	-11	9	-1	-1	-1	-1	-1	-1	
<i>NWC / Sales, %</i>	6.1	6.9	7.5	9.5	7.5	7.5	7.6	7.6	7.6	7.6	7.6	
+ Change in other liabs	-2	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	-11	-20	-15	-15	-20	-20	-20	-20	-20	-20	-32	
<i>opCAPEX / Sales, %</i>	2.3	4.4	3.2	3.1	4.0	3.9	3.8	3.8	3.7	3.6	5.7	
- 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	29	0	18	17	39	32	32	32	33	33	22	371
= Discounted FCFF		0	16	14	30	23	21	20	19	17	10	181
= DFCF min WACC		0	16	14	30	23	22	20	19	18	11	206
= DFCF max WACC		0	16	14	29	22	21	19	18	17	10	160

INTERIM FIGURES

EVLI ESTIMATES, EURm	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2E	2024Q3E	2024Q4E	2024E	2025E	2026E
Net sales	116.8	112.7	106.4	115.0	450.9	113.6	117.0	117.0	123.0	470.6	484.7	496.8
EBITDA	2.7	2.7	5.3	5.2	15.9	4.5	6.1	7.8	9.6	28.0	41.8	48.8
<i>EBITDA margin (%)</i>	<i>2.3</i>	<i>2.4</i>	<i>5.0</i>	<i>4.5</i>	<i>3.5</i>	<i>3.9</i>	<i>5.2</i>	<i>6.7</i>	<i>7.8</i>	<i>5.9</i>	<i>8.6</i>	<i>9.8</i>
EBIT	-2.0	-2.1	0.7	0.6	-2.8	-0.1	1.6	3.3	5.1	9.9	23.8	29.8
<i>EBIT margin (%)</i>	<i>-1.7</i>	<i>-1.9</i>	<i>0.7</i>	<i>0.5</i>	<i>-0.6</i>	<i>-0.1</i>	<i>1.4</i>	<i>2.8</i>	<i>4.1</i>	<i>2.1</i>	<i>4.9</i>	<i>6.0</i>
Net financial items	-1.5	-1.3	-1.2	-2.0	-6.0	-0.8	-1.2	-1.0	-1.0	-4.0	-3.6	-3.1
Pre-tax profit	-3.5	-3.4	-0.5	-1.4	-8.8	-0.9	0.4	2.3	4.1	5.9	20.2	26.8
Tax	-0.3	-0.2	1.3	-0.1	0.7	-0.3	-0.1	-0.5	-0.9	-1.7	-4.2	-5.6
<i>Tax rate (%)</i>	<i>-9.0</i>	<i>-5.0</i>	<i>284.7</i>	<i>-5.6</i>	<i>8.2</i>	<i>-35.2</i>	<i>21.0</i>	<i>21.0</i>	<i>21.0</i>	<i>29.5</i>	<i>21.0</i>	<i>21.0</i>
Net profit	-3.9	-3.6	0.8	-1.5	-8.1	-1.2	0.3	1.8	3.2	4.2	15.9	21.1
EPS	-0.07	-0.06	0.01	-0.03	-0.14	-0.02	0.01	0.03	0.06	0.07	0.27	0.36
EPS adjusted (diluted no. of shares)	-0.07	-0.06	0.01	-0.03	-0.14	-0.02	0.01	0.03	0.06	0.07	0.27	0.36
Dividend per share	0.00	0.00	0.00	0.00	0.10	0.00	0.00	0.00	0.00	0.10	0.12	0.13
SALES, EURm												
Group	116.8	112.7	106.4	115.0	450.9	113.6	117.0	117.0	123.0	470.6	484.7	496.8
Total	116.8	112.7	106.4	115.0	450.9	113.6	117.0	117.0	123.0	470.6	484.7	496.8
SALES GROWTH, Y/Y %												
Group	5.9	-4.5	-19.3	-13.6	-8.6	-2.7	3.8	10.0	7.0	4.4	3.0	2.5
Total	5.9	-4.5	-19.3	-13.6	-8.6	-2.7	3.8	10.0	7.0	4.4	3.0	2.5
EBIT, EURm												
Group	-2.0	-2.1	0.7	0.6	-2.8	-0.1	1.6	3.3	5.1	9.9	23.8	29.8
Total	-2.0	-2.1	0.7	0.6	-2.8	-0.1	1.6	3.3	5.1	9.9	23.8	29.8
EBIT margin, %												
Group	-1.7	-1.9	0.7	0.5	-0.6	-0.1	1.4	2.8	4.1	2.1	4.9	6.0
Total	-1.7	-1.9	0.7	0.5	-0.6	-0.1	1.4	2.8	4.1	2.1	4.9	6.0

INCOME STATEMENT, EURm	2019	2020	2021	2022	2023	2024E	2025E	2026E
Sales	411.4	458.9	443.2	493.3	450.9	470.6	484.7	496.8
<i>Sales growth (%)</i>	<i>-4.6</i>	<i>11.5</i>	<i>-3.4</i>	<i>11.3</i>	<i>-8.6</i>	<i>4.4</i>	<i>3.0</i>	<i>2.5</i>
EBITDA	33.6	60.9	47.0	15.2	15.9	28.0	41.8	48.8
<i>EBITDA margin (%)</i>	<i>8.2</i>	<i>13.3</i>	<i>10.6</i>	<i>3.1</i>	<i>3.5</i>	<i>5.9</i>	<i>8.6</i>	<i>9.8</i>
Depreciation	-25.5	-21.4	-20.1	-23.2	-18.7	-18.1	-18.0	-19.0
EBITA	8.1	39.5	26.9	-8.0	-2.8	9.9	23.8	29.8
Goodwill amortization / writedown	0.0	0.0	0.0	3.8	0.0	0.0	0.0	0.0
EBIT	8.1	39.5	26.9	-4.2	-2.8	9.9	23.8	29.8
<i>EBIT margin (%)</i>	<i>2.0</i>	<i>8.6</i>	<i>6.1</i>	<i>-0.9</i>	<i>-0.6</i>	<i>2.1</i>	<i>4.9</i>	<i>6.0</i>
Reported EBIT	8.1	39.5	26.9	-4.2	-2.8	9.9	23.8	29.8
<i>EBIT margin (reported) (%)</i>	<i>2.0</i>	<i>8.6</i>	<i>6.1</i>	<i>-0.9</i>	<i>-0.6</i>	<i>2.1</i>	<i>4.9</i>	<i>6.0</i>
Net financials	-6.0	-5.6	-0.4	-2.9	-6.0	-4.0	-3.6	-3.1
Pre-tax profit	2.1	33.9	26.5	-7.1	-8.8	5.9	20.2	26.8
Taxes	-1.9	-3.8	-5.8	-2.0	0.7	-1.7	-4.2	-5.6
Minority shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	0.2	30.1	20.7	-9.1	-8.1	4.2	15.9	21.1
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
BALANCE SHEET, EURm								
Assets								
Fixed assets	143	126	129	126	119	121	118	114
Goodwill	15	15	15	15	15	15	15	15
Right of use assets	16	18	16	12	11	12	12	12
Inventory	45	35	50	63	38	49	53	65
Receivables	61	61	73	76	72	66	68	69
Liquid funds	33	58	101	50	59	38	39	40
Total assets	316	317	387	343	316	303	307	318
Liabilities								
Shareholder's equity	131	146	163	146	125	123	133	147
Minority interest	0	0	0	0	0	0	0	0
Convertibles	0	0	0	0	0	0	0	0
Lease liabilities	16	15	13	11	10	12	12	12
Deferred taxes	12	13	14	12	9	9	9	9
Interest bearing debt	86	83	133	89	89	76	67	61
Non-interest bearing current liabilities	66	55	57	80	75	75	78	79
Other interest-free debt	3	3	3	3	7	7	7	7
Total liabilities	316	317	387	343	316	303	307	318
CASH FLOW, EURm								
+ EBITDA	34	61	47	15	16	28	42	49
- Net financial items	-6	-6	0	-3	-6	-4	-4	-3
- Taxes	-2	-4	-3	-3	-3	-2	-4	-6
- Increase in Net Working Capital	-1	-1	-25	6	29	-5	-4	-11
+/- Other	0	0	0	0	0	0	0	0
= Cash flow from operations	25	50	19	15	36	17	30	29
- Capex	-11	-12	-16	-6	-10	-20	-15	-15
- Acquisitions	0	0	0	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Free cash flow	14	38	4	9	26	-3	15	14
+/- New issues/buybacks	0	-12	8	3	-7	0	0	0
- Paid dividend	0	-3	-12	-12	-6	-6	-6	-7
+/- Other	-13	2	43	-53	-3	-12	-8	-6
Change in cash	1	25	43	-52	9	-21	1	1

KEY FIGURES	2020	2021	2022	2023	2024E	2025E	2026E
M-cap	296	302	181	164	161	161	161
Net debt (excl. convertibles)	40	45	51	40	50	41	34
Enterprise value	336	347	232	205	211	201	194
Sales	459	443	493	451	471	485	497
EBITDA	61	47	15	16	28	42	49
EBIT	40	27	-4	-3	10	24	30
Pre-tax	34	27	-7	-9	6	20	27
Earnings	30	21	-9	-8	4	16	21
Equity book value (excl. minorities)	146	163	146	125	123	133	147
Valuation multiples							
EV/sales	0.7	0.8	0.5	0.5	0.4	0.4	0.4
EV/EBITDA	5.5	7.4	15.2	12.9	7.5	4.8	4.0
EV/EBITA	8.5	12.9	-29.0	-73.1	21.3	8.5	6.5
EV/EBIT	8.5	12.9	-55.1	-73.1	21.3	8.5	6.5
EV/OCF	6.7	18.0	15.2	5.7	12.3	6.6	6.7
EV/FCFF	7.4	195.7	26.3	7.2	-1,652.4	11.1	11.7
P/FCFE	7.7	86.1	19.2	6.4	-46.9	10.7	11.6
P/E	9.8	14.6	-19.8	-20.4	38.6	10.1	7.6
P/B	2.0	1.8	1.2	1.3	1.3	1.2	1.1
Target EV/EBITDA	0.0	0.0	0.0	0.0	7.0	4.5	3.7
Target EV/EBIT	0.0	0.0	0.0	0.0	19.7	7.8	6.0
Target EV/FCF	0.0	0.0	0.0	0.0	-57.0	12.4	12.9
Target P/B	0.0	0.0	0.0	0.0	1.2	1.1	1.0
Target P/E	0.0	0.0	0.0	0.0	34.9	9.1	6.9
Per share measures							
Number of shares	58,259	58,259	58,259	58,259	58,259	58,259	58,259
Number of shares (diluted)	58,259	58,259	58,259	58,259	58,259	58,259	58,259
EPS	0.52	0.36	-0.16	-0.14	0.07	0.27	0.36
Operating cash flow per share	0.86	0.33	0.26	0.62	0.29	0.52	0.50
Free cash flow per share	0.66	0.06	0.16	0.44	-0.06	0.26	0.24
Book value per share	2.50	2.80	2.50	2.14	2.11	2.29	2.53
Dividend per share	0.20	0.20	0.10	0.10	0.10	0.12	0.13
Dividend payout ratio, %	38.7	56.3	-64.0	-72.2	139.7	43.9	35.8
Dividend yield, %	3.9	3.9	3.2	3.6	3.6	4.3	4.7
FCF yield, %	12.9	1.2	5.2	15.5	-2.1	9.3	8.6
Efficiency measures							
ROE	21.8	13.4	-5.9	-6.0	3.4	12.4	15.1
ROCE	16.6	9.7	-1.5	-1.2	4.6	11.2	13.8
Financial ratios							
Inventories as % of sales	7.7	11.2	12.8	8.4	10.5	11.0	13.0
Receivables as % of sales	13.2	16.6	15.4	15.9	14.0	13.9	13.9
Non-interest bearing liabilities as % of sales	11.9	12.9	16.2	16.7	16.0	16.0	16.0
NWC/sales, %	8.3	14.1	11.5	6.1	6.9	7.5	9.5
Operative CAPEX/sales, %	2.6	3.6	1.2	2.3	4.4	3.2	3.1
CAPEX/sales (incl. acquisitions), %	2.6	3.6	1.2	2.3	4.4	3.2	3.1
FCFF/EBITDA	0.7	0.0	0.6	1.8	0.0	0.4	0.3
Net debt/EBITDA, book-weighted	0.7	1.0	3.3	2.5	1.8	1.0	0.7
Debt/equity, market-weighted	0.3	0.4	0.5	0.5	0.5	0.4	0.4
Equity ratio, book-weighted	46.0	42.2	42.5	39.5	40.6	43.4	46.4
Gearing, %	27.3	27.6	35.0	32.4	40.4	30.4	22.8

COMPANY DESCRIPTION: Suominen manufactures nonwovens for global consumer brands on eight production plants located on three continents. The company sources the raw materials from fiber producers and sells the output as roll goods to global consumer brand manufacturers. Suominen's nonwovens are mainly used in wiping products such as wet wipes for baby care, personal hygiene, and household and workplace wiping. Other end-uses include hygiene and medical applications such as sanitary pads, diapers, and surgical drapes and swabs.

INVESTMENT CASE: Suominen's recent challenges with nonwovens' gross margins and delivery volumes are no longer present. In our view the demand outlook for household wiping products is especially strong. Suominen also seems to be making good progress with sustainable wiping products, meaning the company is increasingly able to replace synthetic raw materials with wood-based fibers. Although supply will no doubt grow in the long-term, the surge in wiping demand has nevertheless turned the current supply-demand balance much more favorable also from a nonwovens manufacturer's point of view. We view Suominen's long-term financial targets realistic.

OWNERSHIP STRUCTURE	SHARES	EURm	%
Ahlstrom Capital Bv	14,113,633	38.954	24.2%
Etola Group Oy	7,414,000	20.463	12.7%
Oy Etra Invest Ab	7,000,000	19.320	12.0%
OP Life Assurance Company Ltd	4,217,221	11.640	7.2%
Nordea Nordic Small Cap Fund	3,435,147	9.481	5.9%
Mandatum Life Insurance Company Limited	2,882,540	7.956	4.9%
Ilmarinen Mutual Pension Insurance Company	1,912,000	5.277	3.3%
Varma Mutual Pension Insurance Company	1,689,751	4.664	2.9%
Nordea Life Assurance Finland Ltd.	1,462,000	4.035	2.5%
Oy H. Kuningas & Co Ab	1,400,000	3.864	2.4%
Ten largest	45,526,292	125.653	78%
Residual	12,732,927	35.143	22%
Total	58,259,219	160.795	100%

EARNINGS CALENDAR

August 09, 2024

Q2 report

November 06, 2024

Q3 report

OTHER EVENTS**COMPANY MISCELLANEOUS**

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Karvaamokuja 2 B, FI-00380 Helsinki

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Tel: +358 (0)10 214 300

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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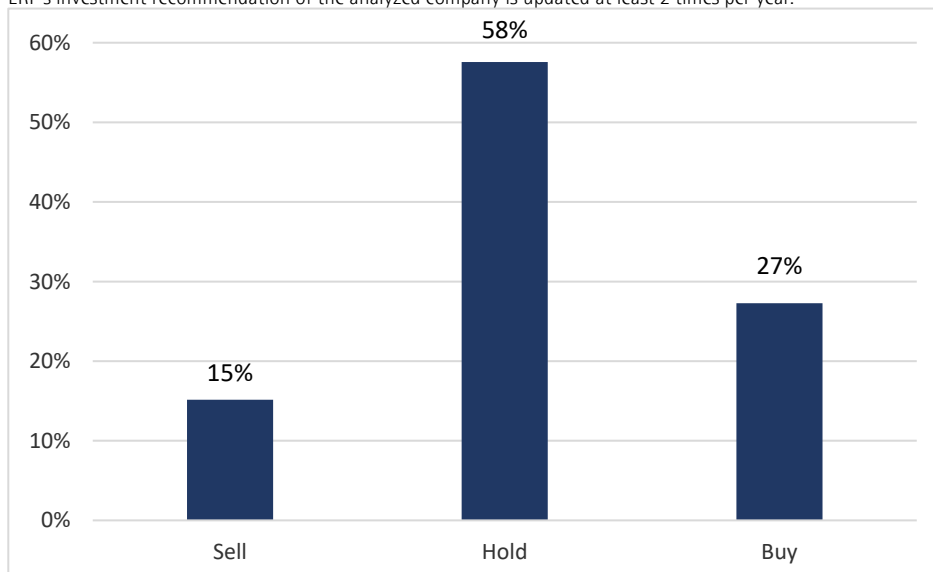
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Investment recommendations are defined as follows:

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

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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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