

Recovering with higher US volumes

Suominen's margins remained very low in Q3, but the worst of cost pressures are easing and continued high demand, especially in the US, should begin to drive significant gains.

High growth but still low profitability margins in Q3

Suominen's EUR 131.9m Q3 revenue grew by 34% y/y and topped the EUR 123.0m/121.5m Evli/cons. estimates. Growth was attributable to higher volumes, sales prices, and currencies in roughly equal portions. Early part of the quarter was still difficult especially due to low volumes in the US, but August and September were better as demand improved toward the end of Q3. There are still account-specific differences in the US with regards to the inventory build-up situation, but overall demand is clearly improving over the course of Q4. Meanwhile cost pressures remained larger than we estimated as profitability missed our estimates despite the high revenue. Gross profit was only EUR 5.2m vs our EUR 9.2m estimate, while the EUR 5.1m Q3 EBITDA (vs our EUR 7.0m estimate) benefited from tax credits.

US likely to continue to drive growth for some time

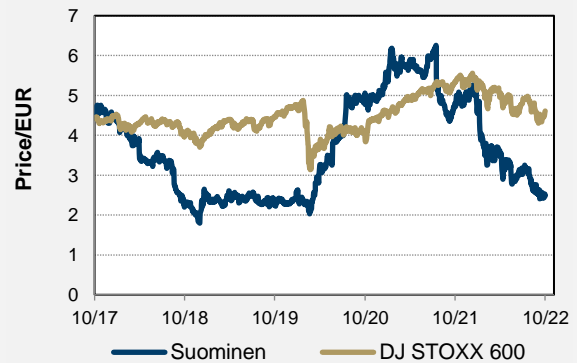
Americas already grew by 41% y/y to EUR 80m, while there should still be plenty of additional capacity to utilize in the US. It remains to be seen at how high a level Americas' growth continues, but we would expect it to remain well above 20% for at least a couple of quarters. Meanwhile Europe's growth should moderate over the course of next year as sales prices are no more to increase with raw materials prices (there's also not that much additional capacity to utilize in Europe). We update our Q4 revenue estimate to EUR 145m (prev. EUR 129m).

US recovery and cost compensation to drive earnings up

Q3's relative softness and the comments regarding the pattern of demand in the US over the quarter suggest Q4 will see steeper q/q improvement than we previously estimated. Earnings are set to increase from here, however considerable uncertainty persists around where the level will land next year. Further top line growth should be expected, due to demand volume trends, while energy costs will remain another profitability hurdle for at least a few quarters. We estimate 7.5% growth for next year, which in our view appears to be on the conservative side. Suominen remains valued a bit above 3x EV/EBITDA and 5.5x EV/EBIT on our FY '23 estimates. We retain our EUR 3.0 TP and BUY rating.

Rating

BUY



Share price, EUR (Last trading day's closing price) 2.48

Target price, EUR 3.0

Latest change in 25-Jun-20

Latest report on company 20-Oct-22

Research paid by issuer: YES

No. of shares outstanding, 58,259

No. of shares fully diluted, 58,259

Market cap, EURm 144

Free float, % 62.7

Exchange rate EUR/USD 0.99

Reuters code SUY1V.HE

Bloomberg code SUY1V FH

Average daily volume, EURm 0.1

Next interim report

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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
2020	458.9	39.5	8.6%	38.3	0.52	9.8	0.7	8.5	12.9	0.20
2021	443.2	26.9	6.1%	3.5	0.36	14.6	0.8	12.9	1.2	0.20
2022E	505.2	3.3	0.7%	25.0	0.01	368.2	0.3	53.4	17.3	0.20
2023E	543.1	29.9	5.5%	24.2	0.39	6.3	0.3	5.5	16.8	0.20
2024E	556.7	39.0	7.0%	33.6	0.51	4.9	0.3	3.6	23.2	0.20
Market cap, EURm	144			Gearing 2022E, %	20.9			CAGR EPS 2021-24, %	12.6	
Net debt 2022E, EURm	32			Price/book 2022E	1.0			CAGR sales 2021-24, %	7.9	
Enterprise value, EURm	176			Dividend yield 2022E, %	8.1			ROE 2022E, %	0.2	
Total assets 2022E, EURm	325			Tax rate 2022E, %	85.2			ROCE 2022E, %	1.2	
Goodwill 2022E, EURm	15			Equity ratio 2022E, %	46.8			PEG, P/E 22/CAGR	1.1	

Estimates and valuation

Suominen EURm	2013 FY	2014 FY	2015 FY	2016 FY	2017 FY	2018 FY	2019 FY	2020 FY	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2021 FY	2022 Q1	2022 Q2	2022 Q3	2022E Q4E	2022E FY
Revenue	374	402	444	417	426	431	411	459	115	114	99	116	443	110	118	132	145	505
growth, %		8 %	11 %	-6 %	2 %	1 %	-5 %	12 %	5 %	-7 %	-14 %	4 %	-3 %	-4 %	4 %	34 %	25 %	14 %
Geography																		
Europe	150	153	172	171	174	171	150	170	43	46	42	47	178	49	54	52	56	210
Americas	224	249	272	246	252	260	262	289	72	67	57	69	265	62	64	80	89	295
COGS	-334	-352	-386	-365	-384	-400	-377	-389	-95	-97	-93	-107	-392	-104	-113	-127	-131	-474
Gross Profit	40	50	58	52	42	31	37	70	20.2	16.7	5.5	8.4	51	6.6	5.0	5.2	14.5	31
Gross-%	10.7 %	12.4 %	13.1 %	12.5 %	9.9 %	7.3 %	9.0 %	15.2 %	17.5 %	14.7 %	5.5 %	7.3 %	11.5 %	6.0 %	4.2 %	3.9 %	10.0 %	6.2 %
SGA & R&D	-22.4	-24.6	-28.0	-27.9	-28.9	-29.2	-30.6	-30.7	-7.2	-7.5	-6.7	-7.5	-28.9	-8.0	-8.4	-7.7	-7.3	-31.3
Other	1.7	0.8	1.8	1.3	1.7	2.5	1.8	0.4	0.6	1.1	0.4	2.9	5.0	0.2	0.5	2.7	0.0	3.4
EBIT	18.9	25.9	31.8	25.6	15.0	4.6	8.1	39.5	13.6	10.3	-0.8	3.9	26.9	-1.3	-2.9	0.2	7.3	3.3
IAC	-0.5	-1.0	0.5	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	0.0	0.0
EBIT ex IAC	19.4	26.9	31.2	25.6	15.0	4.6	8.1	39.5	13.6	10.3	-0.8	3.9	26.9	-1.3	-2.9	0.2	7.3	3.3
EBIT-% ex IAC	5.2 %	6.7 %	7.0 %	6.1 %	3.5 %	1.1 %	2.0 %	8.6 %	11.8 %	9.1 %	-0.9 %	3.4 %	6.1 %	-1.1 %	-2.5 %	0.1 %	5.0 %	0.6 %
Depreciation	-13.9	-15.6	-17.7	-18.5	-19.4	-21.0	-25.5	-21.4	-4.9	-5.0	-5.1	-5.1	-20.1	-4.6	-4.8	-4.9	-5.0	-19.3
EBITDA ex IAC	33.3	42.5	48.9	44.2	34.3	25.6	33.6	60.9	18.5	15.3	4.2	9.0	47.0	3.3	1.9	5.1	12.3	22.5
EBITDA-% ex IAC	8.9 %	10.6 %	11.0 %	10.6 %	8.1 %	5.9 %	8.2 %	13.3 %	16.1 %	13.5 %	4.3 %	7.8 %	10.6 %	3.0 %	1.6 %	3.9 %	8.4 %	4.5 %

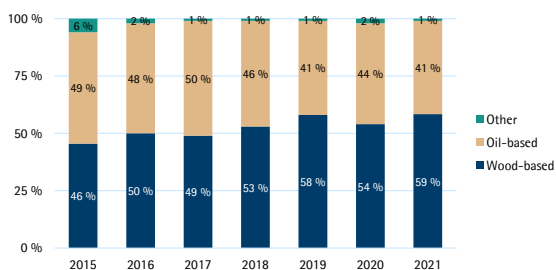
Source: Suominen, Evli Research

SUOMINEN PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			EBIT-%		
		22	23	24	22	23	24	22	23	24
Berry Global Group	5936	7.5x	7.3x	7.0x	11.8x	10.8x	10.4x	9.2 %	10.3 %	10.5 %
Kimberly-Clark	40349	14.5x	13.0x	12.3x	18.8x	16.7x	15.4x	13.0 %	14.7 %	15.5 %
N.R. Spuntech Industries	77									
Neehan										
Glatfelter	123	7.4x	5.9x		18.7x	11.5x		3.0 %	4.7 %	
Peer Group Average	11621	9.8x	8.7x	9.6x	16.5x	13.0x	12.9x	8.4 %	9.9 %	13.0 %
Peer Group Median	3029	7.5x	7.3x	9.6x	18.7x	11.5x	12.9x	9.2 %	10.3 %	13.0 %
Suominen (Evli est.)	144	7.8x	3.3x	2.3x	53.4x	5.5x	3.6x	0.7 %	5.5 %	7.0 %

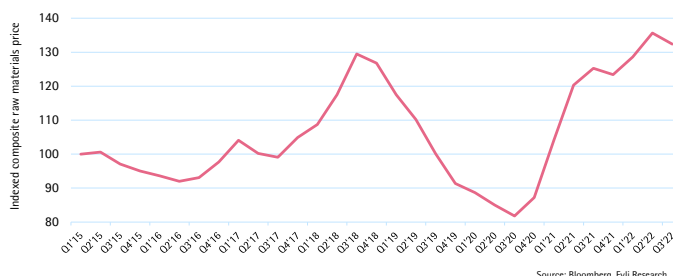
Suominen prem./disc. to peer median

5 % -55 % -76 % 185 % -52 % -72 % -93 % -46 % -46 %

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	2.48 PV of Free Cash Flow	232 Long-term growth, %	2.0 Risk-free interest rate, %
DCF share value	7.59 PV of Horizon value	255 WACC, %	7.9 Market risk premium, %
Share price potential, %	206.1 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %
Maximum value	8.3 Marketable securities	101 Minimum WACC, %	7.4 Equity beta coefficient
Minimum value	7.0 Debt - dividend	-146 Maximum WACC, %	8.4 Target debt ratio, %
Horizon value, %	52.3 Value of stock	442 Nr of shares, Mn	58.3 Effective tax rate, %

DCF valuation, EURm	2021	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	Horizon
Net sales	443	505	543	557	568	579	591	603	615	627	639	652
<i>Sales growth, %</i>	-3.4	14.0	7.5	2.5	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Operating income (EBIT)	27	3	30	39	43	43	44	45	46	47	48	49
<i>Operating income margin, %</i>	6.1	0.7	5.5	7.0	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5
+ Depreciation+amort.	20	19	20	22	20	20	20	20	20	20	20	20
EBITDA	47	23	50	61	63	63	64	65	66	67	68	
- Paid taxes	-3	-2	-6	-8	-9	-9	-9	-9	-10	-10	-10	
- Change in NWC	-25	21	-3	-1	-1	-1	-1	-1	-1	-1	-1	
<i>NWC / Sales, %</i>	14.1	8.3	8.3	8.3	8.3	8.4	8.4	8.4	8.4	8.4	8.4	
+ Change in other liabs	0	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	-18	-13	-14	-16	-18	-20	-20	-20	-20	-20	-27	
<i>opCAPEX / Sales, %</i>	3.6	3.0	2.8	3.0	3.2	3.5	3.5	3.4	3.3	3.3	4.3	
- 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	28	26	35	35	33	34	35	35	36	30	513
= Discounted FCFF		27	24	30	28	24	23	22	20	19	15	255
= DFCF min WACC		27	24	30	28	25	23	22	21	20	15	291
= DFCF max WACC		27	24	30	27	24	22	21	20	19	14	225

INTERIM FIGURES

EVLI ESTIMATES, EURm	2021Q1	2021Q2	2021Q3	2021Q4	2021	2022Q1	2022Q2	2022Q3	2022Q4E	2022E	2023E	2024E
Net sales	115.3	113.7	98.6	115.6	443.2	110.3	118.0	131.9	145.0	505.2	543.1	556.7
EBITDA	18.5	15.3	4.3	8.9	47.0	3.3	1.9	5.1	12.3	22.6	49.9	60.6
<i>EBITDA margin (%)</i>	<i>16.1</i>	<i>13.4</i>	<i>4.4</i>	<i>7.7</i>	<i>10.6</i>	<i>3.0</i>	<i>1.6</i>	<i>3.9</i>	<i>8.5</i>	<i>4.5</i>	<i>9.2</i>	<i>10.9</i>
EBIT	13.6	10.3	-0.8	3.8	26.9	-1.3	-2.9	0.2	7.3	3.3	29.9	39.0
<i>EBIT margin (%)</i>	<i>11.8</i>	<i>9.1</i>	<i>-0.8</i>	<i>3.3</i>	<i>6.1</i>	<i>-1.2</i>	<i>-2.5</i>	<i>0.2</i>	<i>5.0</i>	<i>0.7</i>	<i>5.5</i>	<i>7.0</i>
Net financial items	3.3	-1.6	-1.0	-1.1	-0.4	-0.9	0.7	-0.1	-0.4	-0.7	-1.0	-1.6
Pre-tax profit	16.9	8.7	-1.8	2.7	26.5	-2.2	-2.2	0.1	6.9	2.6	28.9	37.4
Tax	-3.1	-2.6	0.1	-0.2	-5.8	-0.1	-0.1	-0.5	-1.5	-2.3	-6.1	-7.9
<i>Tax rate (%)</i>	<i>18.3</i>	<i>29.7</i>	<i>6.6</i>	<i>9.2</i>	<i>21.9</i>	<i>-6.2</i>	<i>-6.4</i>	<i>427.9</i>	<i>21.0</i>	<i>85.2</i>	<i>21.0</i>	<i>21.0</i>
Net profit	13.8	6.1	-1.6	2.5	20.7	-2.4	-2.3	-0.4	5.5	0.4	22.8	29.5
EPS	0.24	0.10	-0.03	0.04	0.36	-0.04	-0.04	-0.01	0.09	0.01	0.39	0.51
EPS adjusted (diluted no. of shares)	0.24	0.10	-0.03	0.04	0.36	-0.04	-0.04	-0.01	0.09	0.01	0.39	0.51
Dividend per share	0.00	0.00	0.00	0.00	0.20	0.00	0.00	0.00	0.00	0.20	0.20	0.20
SALES, EURm												
Group	115.3	113.7	98.6	115.6	443.2	110.3	118.0	131.9	145.0	505.2	543.1	556.7
Total	115.3	113.7	98.6	115.6	443.2	110.3	118.0	131.9	145.0	505.2	543.1	556.7
SALES GROWTH, Y/Y %												
Group	4.6	-7.0	-14.6	4.1	-3.4	-4.3	3.8	33.8	25.4	14.0	7.5	2.5
Total	4.6	-7.0	-14.6	4.1	-3.4	-4.3	3.8	33.8	25.4	14.0	7.5	2.5
EBIT, EURm												
Group	13.6	10.3	-0.8	3.8	26.9	-1.3	-2.9	0.2	7.3	3.3	29.9	39.0
Total	13.6	10.3	-0.8	3.8	26.9	-1.3	-2.9	0.2	7.3	3.3	29.9	39.0
EBIT margin, %												
Group	11.8	9.1	-0.8	3.3	6.1	-1.2	-2.5	0.2	5.0	0.7	5.5	7.0
Total	11.8	9.1	-0.8	3.3	6.1	-1.2	-2.5	0.2	5.0	0.7	5.5	7.0

INCOME STATEMENT, EURm	2017	2018	2019	2020	2021	2022E	2023E	2024E
Sales	426.0	431.1	411.4	458.9	443.2	505.2	543.1	556.7
<i>Sales growth (%)</i>	<i>2.2</i>	<i>1.2</i>	<i>-4.6</i>	<i>11.5</i>	<i>-3.4</i>	<i>14.0</i>	<i>7.5</i>	<i>2.5</i>
EBITDA	34.3	25.6	33.6	60.9	47.0	22.6	49.9	60.6
<i>EBITDA margin (%)</i>	<i>8.1</i>	<i>5.9</i>	<i>8.2</i>	<i>13.3</i>	<i>10.6</i>	<i>4.5</i>	<i>9.2</i>	<i>10.9</i>
Depreciation	-19.3	-21.0	-25.5	-21.4	-20.1	-19.2	-20.0	-21.7
EBITA	15.0	4.6	8.1	39.5	26.9	3.3	29.9	39.0
Goodwill amortization / writedown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	15.0	4.6	8.1	39.5	26.9	3.3	29.9	39.0
<i>EBIT margin (%)</i>	<i>3.5</i>	<i>1.1</i>	<i>2.0</i>	<i>8.6</i>	<i>6.1</i>	<i>0.7</i>	<i>5.5</i>	<i>7.0</i>
Reported EBIT	15.0	4.6	8.1	39.5	26.9	3.3	29.9	39.0
<i>EBIT margin (reported) (%)</i>	<i>3.5</i>	<i>1.1</i>	<i>2.0</i>	<i>8.6</i>	<i>6.1</i>	<i>0.7</i>	<i>5.5</i>	<i>7.0</i>
Net financials	-2.6	-5.6	-6.0	-5.6	-0.4	-0.7	-1.0	-1.6
Pre-tax profit	12.4	-1.0	2.1	33.9	26.5	2.6	28.9	37.4
Taxes	2.0	-0.8	-1.9	-3.8	-5.8	-2.3	-6.1	-7.9
Minority shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	14.5	-1.7	0.2	30.1	20.7	0.4	22.8	29.5
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	160	156	143	126	129	123	117	111
Goodwill	15	15	15	15	15	15	15	15
Right of use assets	0	17	16	18	16	18	19	20
Inventory	44	52	45	35	50	56	60	61
Receivables	66	63	61	61	73	71	76	78
Liquid funds	35	32	33	58	101	40	43	45
Total assets	326	338	316	317	387	325	332	332
Liabilities								
Shareholder's equity	136	131	131	146	163	152	163	181
Minority interest	0	0	0	0	0	0	0	0
Convertibles	0	0	0	0	0	0	0	0
Lease liabilities	0	13	16	15	13	18	19	20
Deferred taxes	15	12	12	13	14	14	14	14
Interest bearing debt	110	102	86	83	133	54	43	22
Non-interest bearing current liabilities	63	75	66	55	57	81	87	89
Other interest-free debt	1	3	3	3	3	3	3	3
Total liabilities	326	338	316	317	387	325	332	332
CASH FLOW, EURm								
+ EBITDA	34	26	34	61	47	23	50	61
- Net financial items	-3	-6	-6	-6	0	-1	-1	-2
- Taxes	0	6	-2	-4	-3	-2	-6	-8
- Increase in Net Working Capital	-8	6	-1	-1	-25	21	-3	-1
+/- Other	-5	-3	0	0	0	0	0	0
= Cash flow from operations	19	28	25	50	19	40	40	50
- Capex	-34	-15	-11	-12	-16	-15	-15	-16
- Acquisitions	0	0	0	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Free cash flow	-14	13	14	38	4	25	24	34
+/- New issues/buybacks	1	3	0	-12	8	0	0	0
- Paid dividend	-6	-6	0	-3	-12	-12	-12	-12
+/- Other	16	-12	-13	2	43	-74	-10	-21
Change in cash	-3	-3	1	25	43	-61	3	1

KEY FIGURES	2018	2019	2020	2021	2022E	2023E	2024E
M-cap	119	153	296	302	144	144	144
Net debt (excl. convertibles)	83	70	40	45	32	19	-3
Enterprise value	203	223	336	347	176	164	142
Sales	431	411	459	443	505	543	557
EBITDA	26	34	61	47	23	50	61
EBIT	5	8	40	27	3	30	39
Pre-tax	-1	2	34	27	3	29	37
Earnings	-2	0	30	21	0	23	30
Equity book value (excl. minorities)	131	131	146	163	152	163	181
Valuation multiples							
EV/sales	0.5	0.5	0.7	0.8	0.3	0.3	0.3
EV/EBITDA	7.9	6.6	5.5	7.4	7.8	3.3	2.3
EV/EBITA	44.1	27.5	8.5	12.9	53.4	5.5	3.6
EV/EBIT	44.1	27.5	8.5	12.9	53.4	5.5	3.6
EV/OCF	7.2	8.9	6.7	18.0	4.4	4.1	2.8
EV/FCFF	11.7	12.3	7.4	195.7	6.4	6.2	4.0
P/FCFE	9.0	10.8	7.7	86.1	5.8	6.0	4.3
P/E	-69.4	766.1	9.8	14.6	368.2	6.3	4.9
P/B	0.9	1.2	2.0	1.8	1.0	0.9	0.8
Target EV/EBITDA	0.0	0.0	0.0	0.0	9.2	3.9	2.8
Target EV/EBIT	0.0	0.0	0.0	0.0	62.6	6.5	4.4
Target EV/FCF	0.0	0.0	0.0	0.0	8.3	8.0	5.1
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	445.4	7.7	5.9
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	-0.03	0.00	0.52	0.36	0.01	0.39	0.51
Operating cash flow per share	0.48	0.43	0.86	0.33	0.69	0.68	0.86
Free cash flow per share	0.23	0.24	0.66	0.06	0.43	0.42	0.58
Book value per share	2.24	2.24	2.50	2.80	2.61	2.80	3.11
Dividend per share	0.00	0.05	0.20	0.20	0.20	0.20	0.20
Dividend payout ratio, %	0.0	1,456.5	38.7	56.3	2,969.5	51.1	39.4
Dividend yield, %	0.0	1.9	3.9	8.1	8.1	8.1	8.1
FCF yield, %	11.1	9.2	12.9	1.2	17.3	16.8	23.2
Efficiency measures							
ROE	-1.3	0.2	21.8	13.4	0.2	14.5	17.2
ROCE	1.9	3.4	16.6	9.7	1.2	13.3	17.4
Financial ratios							
Inventories as % of sales	12.0	11.0	7.7	11.2	11.0	11.0	11.0
Receivables as % of sales	14.7	14.7	13.2	16.6	14.0	14.0	14.0
Non-interest bearing liabilities as % of sales	17.5	16.0	11.9	12.9	16.0	16.0	16.0
NWC/sales, %	8.5	9.0	8.3	14.1	8.3	8.3	8.3
Operative CAPEX/sales, %	3.5	2.6	2.6	3.6	3.0	2.8	3.0
CAPEX/sales (incl. acquisitions), %	3.5	2.6	2.6	3.6	3.0	2.8	3.0
FCFF/EBITDA	0.7	0.5	0.7	0.0	1.2	0.5	0.6
Net debt/EBITDA, book-weighted	3.2	2.1	0.7	1.0	1.4	0.4	0.0
Debt/equity, market-weighted	0.9	0.6	0.3	0.4	0.4	0.3	0.2
Equity ratio, book-weighted	38.7	41.4	46.0	42.2	46.8	49.1	54.6
Gearing, %	63.7	53.3	27.3	27.6	20.9	11.7	-1.6

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	13,953,357	34.604	24.0%
Oy Etra Invest Ab	8,700,000	21.576	14.9%
Nordea Nordic Small Cap Fund	3,435,147	8.519	5.9%
Ilmarinen Mutual Pension Insurance Company	3,046,892	7.556	5.2%
Etola Group Oy	2,900,000	7.192	5.0%
Nordea Life Assurance Finland Ltd.	2,882,300	7.148	4.9%
Mandatum Life Insurance Company Limited	2,881,547	7.146	4.9%
Elo Mutual Pension Insurance Company	1,944,651	4.823	3.3%
Varma Mutual Pension Insurance Company	1,689,751	4.191	2.9%
OP Life Assurance Company Ltd	1,688,830	4.188	2.9%
Ten largest	43,122,475	106.944	74%
Residual	15,136,744	37.539	26%
Total	58,259,219	144.483	100%

EARNINGS CALENDAR

OTHER EVENTS

COMPANY MISCELLANEOUS

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Karvaamokuja 2 B, FI-00380 Helsinki

CFO: Toni Tamminen

Tel: +358 (0)10 214 300

IR: Emilia Peltola

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

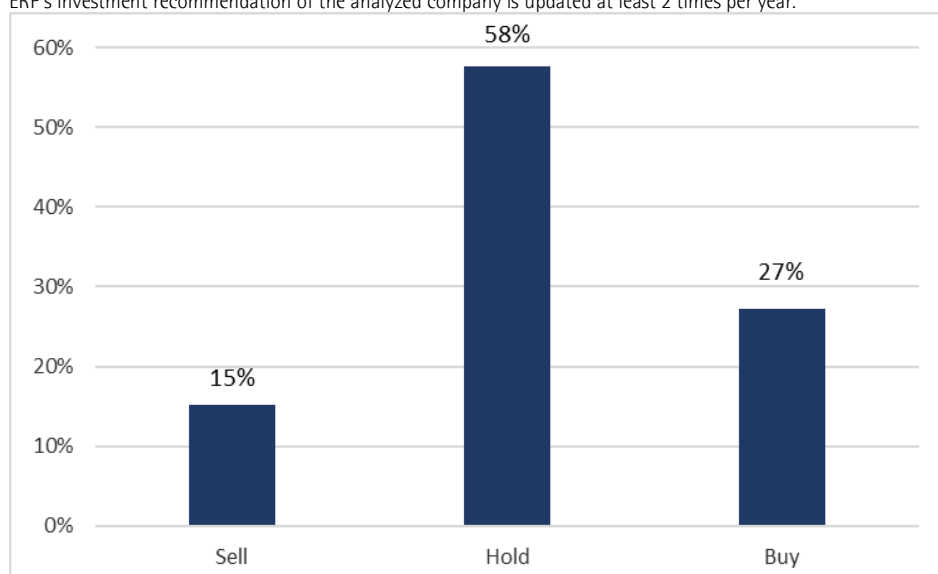
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Investment recommendations are defined as follows:

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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