

## Towards improving profitability in 2019E

Tokmanni's focus is shifting towards improving profitability in 2019E. We continue to consider valuation is being moderate against the margin improvement potential and hence we retain "Buy" rating with an ex-div TP of EUR 9.

### Q4 was just fine

Tokmanni's Q4 revenue grew broadly as expected, with LFL still strong at 4.7% vs. our 4.0% expectation. However, adj. EBITDA missed estimates by EUR 3m, driven by one-off costs due to a product recall in the quarter (adj. EBITDA impact EUR -1.4m) and other one-off costs related to integration of the acquisitions carried out in late 2018. Integration costs should not have a meaningful impact on Q1'19, we understand. The negative impact of the product recall on gross profit was estimated at EUR 1.1-1.2m – excluding this the gross margin would have been in line with our estimate of 34.8%. Overall, Q4 looked just fine.

### Focus shifting towards improving profitability in 2019E

Tokmanni's 2018 was about improving customer trust by investing in prices, marketing and selections. In 2019E focus is shifting towards improving profitability by increasing the revenue share of direct imports (ie. increasing the gross margin) and pushing OPEX as % of sales down. Certain real estate - related costs have already been negotiated down.

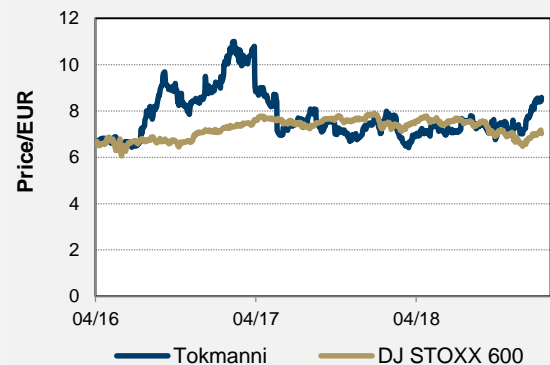
### Now targeting above 200 stores

Tokmanni updated its financial targets to reflect IFRS 16. These included no drama, but at the same time the target for the store network was revised to "above" 200 stores vs. "about" 200 stores previously. This is based on a view that demand will be sufficient.

### Retaining Buy" with ex-div TP of EUR 9

We continue to consider valuation is being moderate against the margin improvement potential and hence we retain "Buy" rating with an ex-div TP of EUR 9.

Rating + BUY



Share price, EUR (Last trading day's closing price) 8.59  
Target price, EUR 9.0

Latest change in recommendation 18-Apr-17  
Latest report on company 8-Feb-19  
Research paid by issuer: Yes  
No. of shares outstanding, '000's 58,869  
No. of shares fully diluted, '000's 58,869  
Market cap, EURm 506  
Free float, % 100.0  
Exchange rate 1.000  
Reuters code TOKMAN.HE  
Bloomberg code TOKMAN FH  
Average daily volume, EURm na.  
Next interim report -  
Web site <https://yritys.tokmanni.fi/>

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+ BUY   + HOLD   - SELL

## KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	Ptx profit EURm	EPS EUR	P/E (x)	EV/Sales (x)	P/CF (x)	EV/EBIT (x)	DPS EUR
2017	797	41	5.1%	35	0.48	15.2	0.7	13.0	13.8	0.41
2018	870	49	5.6%	43	0.58	12.4	0.6	8.7	11.5	0.50
2019E	924	59	6.4%	55	0.74	11.6	0.7	9.0	10.7	0.56
2020E	955	69	7.2%	65	0.88	9.8	0.6	7.5	9.0	0.66
2021E	984	74	7.6%	71	0.97	8.9	0.6	7.0	8.1	0.68
Market cap, EURm	506			BV per share 2019E, EUR	3.2			CAGR EPS 2018-21, %	18.7	
Net debt 2019E, EURm	127			Price/book 2019E	2.7			CAGR sales 2018-21, %	4.2	
Enterprise value, EURm	633			Dividend yield 2019E, %	6.5			ROE 2019E, %	24.0	
Total assets 2019E, EURm	507			Tax rate 2019E, %	20.0			ROCE 2019E, %	16.7	
Goodwill 2019E, EURm	135			Equity ratio 2019E, %	37.3			PEG, P/E 19/CAGR	1.3	

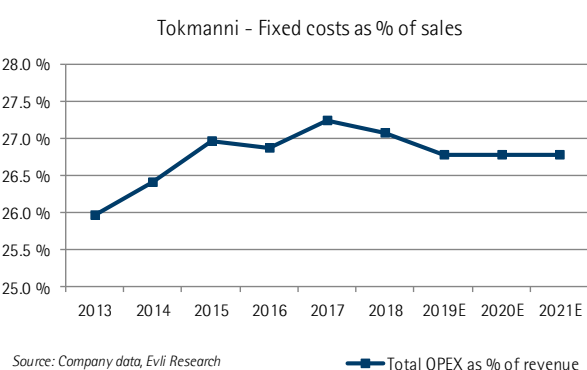
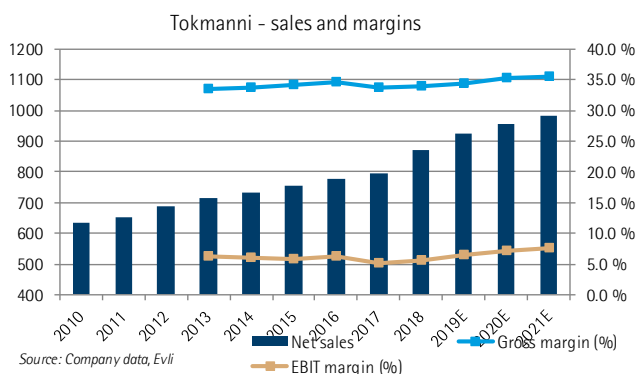
All the important disclosures can be found on the last pages of this report.

## Estimates

Our estimates do not yet reflect IFRS 16.

Tokmanni	2013	2014	2015	2016	2017	2018	2019E	2020E	2021E
<b>Key sales assumptions</b>									
Sales space increase, 1000m2 (organic)	11	18	7	8	24	28	12	12	12
# of stores at year-end	145	149	156	162	175	186	191	196	201
LFL growth (%)	0.0%	-0.3%	-0.6%	-0.1%	-1.3%	5.6%	1.0%	1.0%	1.0%
<b>Net sales</b>	<b>712.8</b>	<b>734.3</b>	<b>755.3</b>	<b>775.8</b>	<b>796.5</b>	<b>870.7</b>	<b>923.7</b>	<b>954.9</b>	<b>984.1</b>
Growth-%	3.3%	3.0%	2.9%	2.7%	2.7%	9.3%	6.1%	3.4%	3.1%
Materials and services (adj.)	-474.6	-486.8	-497.2	-507.9	-528.4	-575.5	-605.3	-618.7	-634.7
Growth-%	-	2.6%	2.1%	2.2%	4.0%	8.9%	5.2%	2.2%	2.6%
% of sales	66.6%	66.3%	65.8%	65.5%	66.3%	66.1%	65.5%	64.8%	64.5%
<b>Gross profit (adj.)</b>	<b>238.2</b>	<b>247.5</b>	<b>258.1</b>	<b>267.9</b>	<b>268.1</b>	<b>295.2</b>	<b>318.4</b>	<b>336.1</b>	<b>349.4</b>
Gross margin (%)	33.4%	33.7%	34.2%	34.5%	33.7%	33.9%	34.5%	35.2%	35.5%
Fixed costs (adj.)	-185.1	-193.9	-203.7	-208.5	-217.0	-235.8	-247.5	-255.8	-263.7
Growth-%	-	4.8%	5.0%	2.4%	4.1%	8.7%	5.0%	3.4%	3.1%
% of sales	26.0%	26.4%	27.0%	26.9%	27.2%	27.1%	26.8%	26.8%	26.8%
Other income	3.5	3.6	4.0	3.4	3.8	4.0	4.0	4.0	4.0
Share of profits in associated comp.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Depreciation and amortization	-12.6	-13.5	-14.8	-15.2	-14.3	-14.7	-15.6	-15.5	-15.4
<b>EBITDA (adj.)</b>	<b>56.7</b>	<b>57.1</b>	<b>58.4</b>	<b>62.8</b>	<b>54.9</b>	<b>63.4</b>	<b>75.0</b>	<b>84.3</b>	<b>89.7</b>
EBITDA margin (%)	8.0%	7.8%	7.7%	8.1%	6.9%	7.3%	8.1%	8.8%	9.1%
<b>EBIT (adj.)</b>	<b>44.1</b>	<b>43.6</b>	<b>43.6</b>	<b>47.7</b>	<b>40.6</b>	<b>48.7</b>	<b>59.4</b>	<b>68.8</b>	<b>74.3</b>
EBIT margin (%)	6.2%	5.9%	5.8%	6.1%	5.1%	5.6%	6.4%	7.2%	7.6%
NRIs in reported gross profit	0.0	1.1	-0.6	0.5	-0.9	0.3	0.0	0.0	0.0
NRIs in reported fixed costs	-1.1	-1.8	-4.0	1.0	-0.8	1.4	0.0	0.0	0.0
<b>EBIT (reported)</b>	<b>43.0</b>	<b>43.0</b>	<b>39.0</b>	<b>49.2</b>	<b>38.9</b>	<b>50.4</b>	<b>59.4</b>	<b>68.8</b>	<b>74.3</b>
EBIT margin (%)	6.0%	5.9%	5.2%	6.3%	4.9%	5.8%	6.4%	7.2%	7.6%
Net financials	-23.0	-22.2	-20.9	-15.3	-5.9	-5.6	-4.8	-4.0	-3.0
<b>Profit before taxes (reported)</b>	<b>20.1</b>	<b>20.8</b>	<b>18.1</b>	<b>33.9</b>	<b>33.0</b>	<b>44.8</b>	<b>54.6</b>	<b>64.8</b>	<b>71.3</b>
Taxes	-4.8	-4.2	-3.4	-6.8	-6.6	-9.0	-10.9	-13.0	-14.3
Tax rate (%)	23.9%	20.1%	18.8%	20.1%	20.0%	20.1%	20.0%	20.0%	20.0%
Minorities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income (reported)</b>	<b>15.3</b>	<b>16.6</b>	<b>14.7</b>	<b>27.1</b>	<b>26.4</b>	<b>35.8</b>	<b>43.6</b>	<b>51.8</b>	<b>57.0</b>
Average number of shares (million)	58.9	58.9	58.9	58.9	58.9	58.9	58.9	58.9	58.9
<b>EPS (reported)</b>	<b>0.26</b>	<b>0.28</b>	<b>0.25</b>	<b>0.46</b>	<b>0.45</b>	<b>0.61</b>	<b>0.74</b>	<b>0.88</b>	<b>0.97</b>
<b>Dividend and capital return</b>	-	-	-	0.51	0.41	0.50	0.56	0.66	0.73
Payout ratio (%)	-	-	-	111%	92%	82%	75%	75%	75%

Source: Tokmanni, Evli Research





VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	8.59 PV of Free Cash Flow	372 Long-term growth, %	2.0 Risk-free interest rate, %	2.25
DCF share value	11.95 PV of Horizon value	466 WACC, %	7.6 Market risk premium, %	5.8
Share price potential, %	39.1 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %	3.3
Maximum value	13.3 Marketable securities	38 Minimum WACC, %	7.1 Equity beta coefficient	0.90
Minimum value	10.8 Debt - dividend	-173 Maximum WACC, %	8.1 Target debt ratio, %	20
Horizon value, %	55.6 Value of stock	703 Nr of shares, Mn	58.9 Effective tax rate, %	25

DCF valuation, EURm	2018	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	Horizon
Net sales	870	924	955	984	1,004	1,024	1,044	1,065	1,087	1,108	1,130	1,153
<i>Sales growth, %</i>	9.3	6.7	3.4	3.1	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Operating income (EBIT)	49	59	69	74	75	77	78	80	81	72	73	75
<i>EBIT margin, %</i>	5.6	6.4	7.2	7.6	7.5	7.5	7.5	7.5	7.5	6.5	6.5	6.5
+ Depreciation+amort.	15	16	15	15	16	16	16	17	17	18	18	
- Income taxes	-10	-12	-14	-15	-15	-15	-16	-16	-16	-14	-15	
- Change in NWC	-5	-7	-3	-3	-2	-2	-2	-2	-2	-2	-2	
<i>NWC/Sales, %</i>	10.0	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2	
+ Change in other liabs	-1	0	0	0	0	0	0	0	0	0	0	
- Capital Expenditure	-22	-15	-15	-16	-17	-18	-19	-19	-20	-21	-23	-23
<i>Investments/Sales, %</i>	2.5	1.6	1.6	1.6	1.7	1.7	1.8	1.8	1.9	1.9	2.0	2.0
- Other items	1	0	0	0	0	0	0	0	0	0	0	
= Unlevered Free CF (FCF)	27	41	52	56	57	57	58	59	60	52	52	959
= Discounted FCF (DFCF)		39	46	45	43	40	38	36	34	27	25	466
= DFCF min WACC		39	46	46	44	41	39	37	35	28	27	536
= DFCF max WACC		39	45	45	42	39	37	34	32	26	24	409

## INTERIM FIGURES

EVLI ESTIMATES, EURm	2018Q1	2018Q2	2018Q3	2018Q4	2018	2019Q1E	2019Q2E	2019Q3E	2019Q4E	2019E	2020E	2021E
Net sales	174	218	211	268	870	187	233	226	277	924	955	984
EBITDA	1	16	18	28	63	5	18	21	30	75	84	90
<i>EBITDA margin (%)</i>	0.5	7.3	8.6	10.5	7.3	2.8	7.7	9.4	11.0	8.1	8.8	9.1
EBIT	-3	12	15	24	49	1	14	17	27	59	69	74
<i>EBIT margin (%)</i>	-1.6	5.7	6.9	9.1	5.6	0.7	6.0	7.7	9.6	6.4	7.2	7.6
Net financial items	-1	-1	-1	-1	-6	-1	-1	-1	-1	-5	-4	-3
Pre-tax profit	-4	11	13	23	43	0	13	16	25	55	65	71
Tax	1	-3	-2	-5	-9	0	-3	-3	-5	-11	-13	-14
<i>Tax rate (%)</i>	19.3	23.5	19.1	20.0	20.7	20.0	20.0	20.0	20.0	20.0	20.0	20.0
Net profit	-3	8	11	18	34	0	10	13	20	44	52	57
EPS	-0.06	0.14	0.18	0.31	0.58	0.00	0.17	0.22	0.35	0.74	0.88	0.97
EPS adjusted (diluted no. of shares)	-0.06	0.14	0.18	0.31	0.58	0.00	0.17	0.22	0.35	0.74	0.88	0.97
Dividend per share	0.00	0.00	0.00	0.00	0.50	0.00	0.00	0.00	0.00	0.56	0.66	0.68
<b>SALES, EURm</b>												
Group	174	218	211	268	870	187	233	226	277	924	955	984
Total	174	218	211	268	870	187	233	226	277	924	955	984
<b>SALES GROWTH, Y/Y %</b>												
Group	10.9	11.0	7.8	8.0	9.3	7.7	7.2	7.4	3.3	6.1	3.4	3.1
Total	10.9	11.0	7.8	8.0	9.3	7.7	7.2	7.4	3.3	6.1	3.4	3.1
<b>EBIT, EURm</b>												
Group	-3	12	15	24	49	1	14	17	27	59	69	74
Total	-3	12	15	24	49	1	14	17	27	59	69	74
<b>EBIT margin, %</b>												
Group	-1.6	5.7	6.9	9.1	5.6	0.7	6.0	7.7	9.6	6.4	7.2	7.6
Total	-1.6	5.7	6.9	9.1	5.6	0.7	6.0	7.7	9.6	6.4	7.2	7.6

INCOME STATEMENT, EURm	2014	2015	2016	2017	2018	2019E	2020E	2021E
Sales	734	755	776	797	870	924	955	984
<i>Sales growth (%)</i>	3.0	2.9	2.7	2.7	9.3	6.1	3.4	3.1
Costs	-677	-697	-713	-742	-807	-849	-871	-894
Reported EBITDA	57	58	63	55	63	75	84	90
Extraordinary items in EBITDA	0	0	0	0	0	0	0	0
<i>EBITDA margin (%)</i>	7.8	7.7	8.1	6.9	7.3	8.1	8.8	9.1
Depreciation	-13	-15	-15	-14	-15	-16	-15	-15
EBITA	44	44	48	41	49	59	69	74
Goodwill amortization / writedown	0	0	0	0	0	0	0	0
Reported EBIT	44	44	48	41	49	59	69	74
<i>EBIT margin (%)</i>	5.9	5.8	6.1	5.1	5.6	6.4	7.2	7.6
Net financials	-22	-21	-15	-6	-6	-5	-4	-3
Pre-tax profit	21	23	33	35	43	55	65	71
Extraordinary items	-2	-5	2	-1	1	0	0	0
Taxes	-4	-3	-7	-7	-9	-11	-13	-14
Minority shares	0	0	0	0	0	0	0	0
Net profit	15	15	27	27	35	44	52	57
<b>BALANCE SHEET, EURm</b>								
Assets								
Fixed assets	93	97	95	94	95	95	94	95
<i>% of sales</i>	13	13	12	12	11	10	10	10
Goodwill	129	129	129	129	135	135	135	135
<i>% of sales</i>	18	17	17	16	15	15	14	14
Inventory	151	160	155	170	191	203	210	217
<i>% of sales</i>	21	21	20	21	22	22	22	22
Receivables	16	16	18	22	22	23	23	24
<i>% of sales</i>	2	2	2	3	3	2	2	2
Liquid funds	52	49	58	43	38	46	48	49
<i>% of sales</i>	7	6	7	5	4	5	5	5
Total assets	446	455	459	462	486	507	515	524
Liabilities								
Equity	33	48	167	163	175	189	208	226
<i>% of sales</i>	5	6	21	20	20	20	22	23
Deferred taxes	6	6	5	5	6	6	6	6
<i>% of sales</i>	1	1	1	1	1	1	1	1
Interest bearing debt	306	294	174	177	173	173	158	145
<i>% of sales</i>	42	39	22	22	20	19	17	15
Non-interest bearing current liabilities	84	91	104	107	123	129	134	138
<i>% of sales</i>	11	12	13	13	14	14	14	14
Other interest free debt	18	16	10	11	10	10	10	10
<i>% of sales</i>	2	2	1	1	1	1	1	1
Total liabilities	446	455	459	463	485	507	515	524
<b>CASH FLOW, EURm</b>								
+ EBITDA	57	58	63	55	63	75	84	90
- Net financial items	-22	-21	-15	-6	-6	-5	-4	-3
- Taxes	-4	-3	-7	-7	-8	-11	-13	-14
- Increase in Net Working Capital	-3	-3	17	-14	-5	-7	-3	-3
+/- Other	-2	-5	2	-1	1	0	0	0
= Cash flow from operations	26	27	59	27	45	53	64	69
- Capex	-13	-18	-13	-13	-7	-15	-15	-16
- Acquisitions	0	0	0	0	-15	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Net cash flow	13	8	46	14	22	38	49	53
+/- Change in interest-bearing debt	-9	-12	-120	3	-4	0	-15	-13
+/- New issues/buybacks	1	0	91	-1	1	0	0	0
- Paid dividend	0	0	0	-30	-24	-29	-33	-39
+/- Change in loan receivables	0	0	-8	-1	-1	0	0	0
Change in cash	5	-3	9	-15	-5	8	2	1

KEY FIGURES	2015	2016	2017	2018	2019E	2020E	2021E
M-cap	0	500	427	423	506	506	506
Net debt	245	116	134	135	127	111	96
Enterprise value	245	616	561	558	633	616	602
Sales	755	776	797	870	924	955	984
EBITDA	58	63	55	63	75	84	90
EBIT	44	48	41	49	59	69	74
Pre-tax	23	33	35	43	55	65	71
Earnings	19	26	28	34	44	52	57
Book value	48	167	163	175	189	208	226
<b>Valuation multiples</b>							
EV/sales	0.3	0.8	0.7	0.6	0.7	0.6	0.6
EV/EBITDA	4.2	9.8	10.2	8.8	8.4	7.3	6.7
EV/EBITA	5.6	12.9	13.8	11.5	10.7	9.0	8.1
EV/EBIT	5.6	12.9	13.8	11.5	10.7	9.0	8.1
EV/operating cash flow	5.0	8.9	17.1	11.5	11.2	9.2	8.4
EV/cash earnings	7.2	15.3	13.3	11.3	10.7	9.2	8.3
P/E	0.0	19.5	15.2	12.4	11.6	9.8	8.9
P/E excl. goodwill	0.0	19.5	15.2	12.4	11.6	9.8	8.9
P/B	0.0	3.0	2.6	2.4	2.7	2.4	2.2
P/sales	0.0	0.6	0.5	0.5	0.5	0.5	0.5
P/CF	0.0	7.2	13.0	8.7	9.0	7.5	7.0
Target EV/EBIT	0.0	0.0	0.0	0.0	11.1	9.3	8.4
Target P/E	0.0	0.0	0.0	0.0	12.1	10.2	9.3
Target P/B	0.0	0.0	0.0	0.0	2.8	2.5	2.3
<b>Per share measures</b>							
Number of shares	22,274	58,869	58,869	58,869	58,869	58,869	58,869
Number of shares (diluted)	22,274	58,869	58,869	58,869	58,869	58,869	58,869
EPS	0.87	0.44	0.48	0.58	0.74	0.88	0.97
EPS excl. goodwill	0.87	0.44	0.48	0.58	0.74	0.88	0.97
Cash EPS	1.53	0.69	0.71	0.84	1.01	1.14	1.23
Operating cash flow per share	2.21	1.18	0.56	0.82	0.96	1.14	1.22
Capital employed per share	13.14	4.80	5.04	5.26	5.36	5.41	5.47
Book value per share	2.16	2.83	2.77	2.96	3.21	3.53	3.84
Book value excl. goodwill	-3.61	0.65	0.58	0.68	0.92	1.24	1.55
Dividend per share	0.00	0.51	0.41	0.50	0.56	0.66	0.68
Dividend payout ratio, %	0.0	116.8	86.0	86.3	75.0	75.0	70.0
Dividend yield, %	0.0	6.0	5.7	5.8	6.5	7.7	7.9
<b>Efficiency measures</b>							
ROE	47.5	23.9	17.0	20.2	24.0	26.1	26.3
ROCE	12.9	14.1	12.1	14.1	16.7	18.9	20.1
<b>Financial ratios</b>							
Capex/sales, %	2.4	1.7	1.7	2.5	1.6	1.6	1.6
Capex/depreciation excl. goodwill, %	124.1	86.0	94.4	109.5	96.2	96.9	103.9
Net debt/EBITDA, book-weighted	4.2	1.8	2.4	2.1	1.7	1.3	1.1
Debt/equity, market-weighted	0.0	0.3	0.4	0.4	0.3	0.3	0.3
Equity ratio, book-weighted	10.9	36.3	35.2	35.9	37.3	40.3	43.1
Gearing	5.10	0.70	0.82	0.77	0.67	0.53	0.43
Number of employees, average	0	0	0	0	0	0	0
Sales per employee, EUR	0	0	0	0	0	0	0
EBIT per employee, EUR	0	0	0	0	0	0	0

## COMPANY DESCRIPTION:

## INVESTMENT CASE:

OWNERSHIP STRUCTURE	SHARES	EURm	%
Takoa Invest	10,267,688	88.199	17.4%
Keskinäinen Työeläkevakuutusyhtiö Elo	4,750,000	40.802	8.1%
Keskinäinen työeläkevakuutusyhtiö Varma	4,343,252	37.309	7.4%
Sijoitusrahasto Nordea Pro Suomi	2,670,267	22.938	4.5%
OP-Suomi Arvo -sijoitusrahasto	1,870,606	16.069	3.2%
Keskinäinen Eläkevakuutusyhtiö Ilmarinen	1,388,574	11.928	2.4%
Fondita Nordic Small Cap -sijoitusrahasto	863,000	7.413	1.5%
Eläkevakuutusosakeyhtiö Veritas	810,000	6.958	1.4%
OP-Suomi Pienyhtiöt -sijoitusrahasto	802,936	6.897	1.4%
Sijoitusrahasto Nordea Nordic Small Cap	769,128	6.607	1.3%
Ten largest	28,535,451	245.120	48%
Residual	30,333,301	260.563	52%
Total	58,868,752	505.683	100%

## EARNINGS CALENDAR

## OTHER EVENTS

## COMPANY MISCELLANEOUS

CEO: Mika Rautiainen

CFO: Markku Pirskanen

IR: Maarit Mikkonen

Tel: +358 300 472 220



## DEFINITIONS

P/E	$\frac{\text{Price per share}}{\text{Earnings per share}}$	EPS	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes} + \text{minority interest}}{\text{Number of shares}}$
P/Sales	$\frac{\text{Market cap}}{\text{Sales}}$	DPS	Dividend for the financial period per share
P/BV	$\frac{\text{Price per share}}{\text{Shareholders' equity} + \text{taxed provisions per share}}$	CEPS	$\frac{\text{Gross cash flow from operations}}{\text{Number of shares}}$
P/CF	$\frac{\text{Price per share}}{\text{Operating cash flow per share}}$	EV/Share	$\frac{\text{Enterprise value}}{\text{Number of shares}}$
EV (Enterprise value)	Market cap + net debt + minority interest at market value – share of associated companies at market value	Sales/Share	$\frac{\text{Sales}}{\text{Number of shares}}$
Net debt	Interest bearing debt – financial assets	EBITDA/Share	$\frac{\text{Earnings before interest, tax, depreciation and amortisation}}{\text{Number of shares}}$
EV/Sales	$\frac{\text{Enterprise value}}{\text{Sales}}$	EBIT/Share	$\frac{\text{Operating profit}}{\text{Number of shares}}$
EV/EBITDA	$\frac{\text{Enterprise value}}{\text{Earnings before interest, tax, depreciation and amortisation}}$	EAFI/Share	$\frac{\text{Pretax profit}}{\text{Number of shares}}$
EV/EBIT	$\frac{\text{Enterprise value}}{\text{Operating profit}}$	Capital employed/Share	$\frac{\text{Total assets} - \text{non interest bearing debt}}{\text{Number of shares}}$
Div yield, %	$\frac{\text{Dividend per share}}{\text{Price per share}}$	Total assets	Balance sheet total
Payout ratio, %	$\frac{\text{Total dividends}}{\text{Earnings before extraordinary items and taxes} - \text{income taxes} + \text{minority interest}}$	Interest coverage (x)	$\frac{\text{Operating profit}}{\text{Financial items}}$
Net cash/Share	$\frac{\text{Financial assets} - \text{interest bearing debt}}{\text{Number of shares}}$	Asset turnover (x)	$\frac{\text{Turnover}}{\text{Balance sheet total (average)}}$
ROA, %	$\frac{\text{Operating profit} + \text{financial income} + \text{extraordinary items}}{\text{Balance sheet total} - \text{interest free short term debt} - \text{long term advances received and accounts payable (average)}}$	Debt/Equity, %	$\frac{\text{Interest bearing debt}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}$
ROCE, %	$\frac{\text{Profit before extraordinary items} + \text{interest expenses} + \text{other financial costs}}{\text{Balance sheet total} - \text{non interest bearing debt (average)}}$	Equity ratio, %	$\frac{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}{\text{Total assets} - \text{interest free loans}}$
ROE, %	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions (average)}}$	CAGR, %	Cumulative annual growth rate = Average growth per year

## Important Disclosures

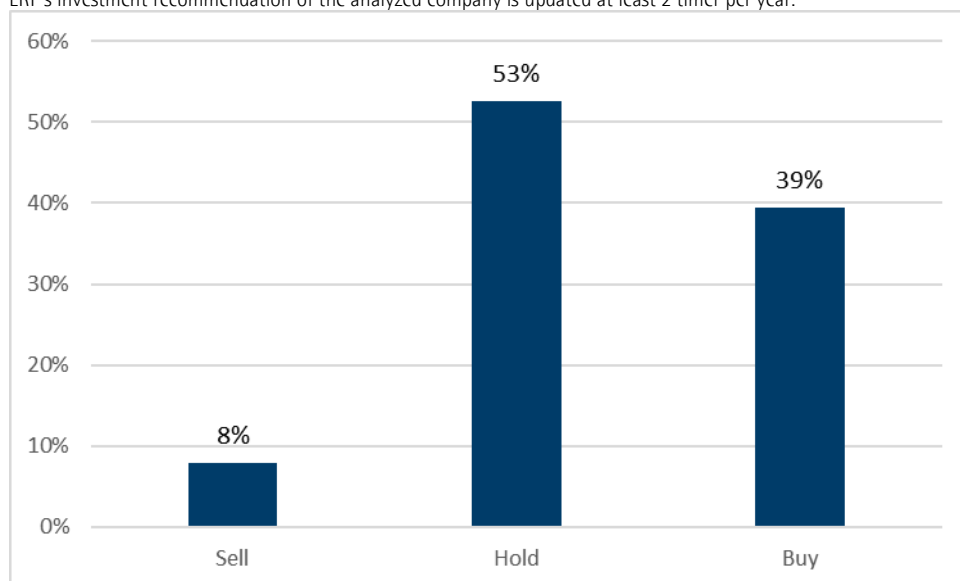
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Investment recommendations are defined as follows:

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

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## Name(s) of the analyst(s): Häyhä

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