

Q4 result outpaced the expectations

Tokmanni's Q4 revenue increased by 14.6 % y/y (LFL growth of 13.4%) and was EUR 327m vs. EUR 315m/315m Evli/cons. Tokmanni's adj. EBIT was EUR 45m vs. EUR 38m/37m Evli/cons. Dividend proposal was EUR 0.85 vs. EUR 0.78/0.74 Evli/cons. The company expects slight growth in revenue in 2021. Adj. EBIT is expected to be on the same level as last year.

- Q4 revenue growth outpaced the expectations as revenue increased by 14.6% y/y and was EUR 327m vs. our EUR 315m and consensus of EUR 315m. LFL growth was 13.4%.
- Q4 adj. gross profit was EUR 120m (36.8% margin) vs. EUR 110m (34.9%) Evli and consensus.
- Q4 adj. EBITDA was EUR 62m vs. EUR 54m our view.
- Q4 adj. EBIT was EUR 45m (13.9% margin) vs. EUR 38m (12.1%) our expectation and EUR 37m (11.8%) consensus.
- Q4 eps was EUR 0.57 vs. EUR 0.48/0.47 Evli/consensus.
- Dividend proposal for 2020 is EUR 0.85 vs. EUR 0.78/0.74 Evli/consensus.
- Tokmanni expects slight revenue growth in 2021. Adj. EBIT is expected to be on the same level as last year.

Rating BUY

Tokmanni					Act vs.	Act vs.
Q4'20	Actual	Evli	Cons.*	Year ago	Evli	cons
Net sales	327	315	315	285	4 %	4 %
Gross profit (adj.)	120	110	110	100	9 %	9 %
Gross margin (adj.)	36.8 %	34.9 %	34.9 %	35.1 %	6 %	6 %
EBIT (adj.)	45.3	38.0	37.1	32.0	19 %	22 %
EBIT margin (adj.)	13.9 %	12.1 %	11.8 %	11.2 %	15 %	18 %
EPS	0.57	0.48	0.47	0.39	19 %	21 %
DPS	0.85	0.78	0.74	0.62		

*Source: Infront (7 est. mean.)

Share price, EUR (Last trading day's closing price) 17.04

Target price, EUR 18.4

Latest change in rating 31-Oct-19

Latest report on company 5-Feb-20

Research paid by issuer: YES

No. of shares outstanding, '000's 58,862

No. of shares fully diluted, '000's 58,862

Market cap, EURm 1,003

Free float, % 100.0

Exchange rate 1.000

Reuters code TOKMAN.HE

Bloomberg code TOKMAN FH

Average daily volume, EURm na.

Next interim report 12-Feb-21

Web site tokmanni.fi/investors

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BUY HOLD SELL

PRE-REPORT KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	FCF EURm	EPS EUR	P/E (x)	EV/Sales (x)	EV/EBIT (x)	FCF yield %	DPS EUR
2018	870.4	52.0	6.0%	10.1	0.56	12.9	0.9	15.4	2.4	0.50
2019	944.3	70.4	7.5%	28.3	0.82	15.4	1.2	16.0	3.8	0.62
2020E	1,061.2	92.9	8.7%	54.9	1.13	15.1	1.3	14.7	5.5	0.78
2021E	1,050.5	91.2	8.7%	74.3	1.09	15.6	1.3	14.7	7.4	0.78
2022E	1,079.6	94.5	8.8%	64.0	1.13	15.1	1.2	13.9	6.4	0.80
Market cap, EURm		1,003		BV per share 2020E, EUR		169.1		CAGR EPS 2019-22, %		11.4
Net debt 2020E, EURm		362		Price/book 2020E		4.7		CAGR sales 2019-22, %		4.6
Enterprise value, EURm		1,365		Dividend yield 2020E, %		4.6		ROE 2020E, %		33.3
Total assets 2020E, EURm		777		Tax rate 2020E, %		19.8		ROCE 2020E, %		15.3
Goodwill 2020E, EURm		135		Equity ratio 2020E, %		27.5		PEG, P/E 20/CAGR		9.1

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

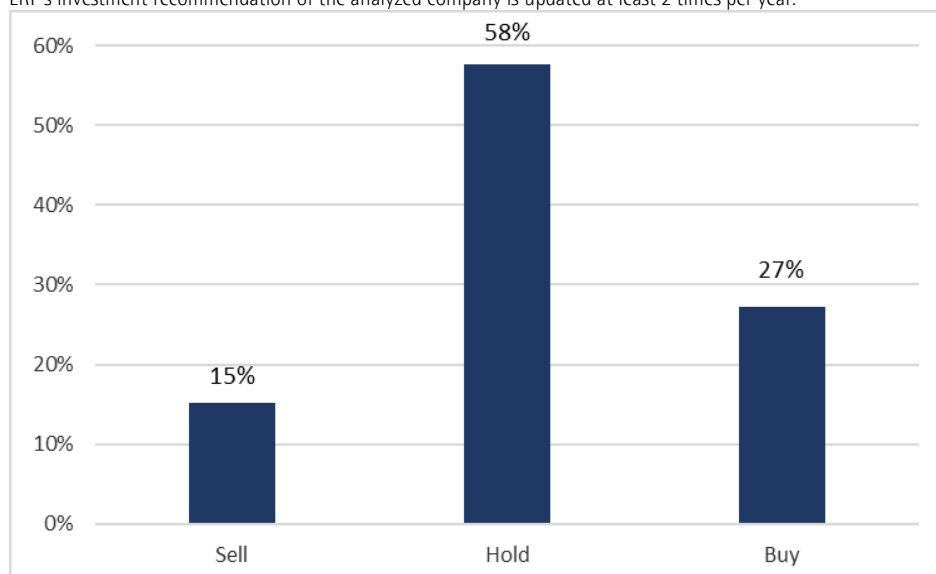
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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Name(s) of the analyst(s): Rissanen

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