

Q4 result in line with expectations

Tokmanni's Q4 revenue increased by 6.1% and was EUR 284.8m vs. EUR 287.7m/287.0m Evli/consensus. LFL growth was 3.1% vs. 3.7% our expectation. Tokmanni's adj. EBIT was EUR 32.0m vs. EUR 32.7m/31.8m Evli/cons. Gross margin was 35.2% vs. 35.5%/35.2% Evli/cons.

- Q4 revenue grew by 6.1% and was EUR 284.8m vs. EUR 287.7m/287.0m Evli/consensus. Revenue was boosted by successful campaigns but at the same time the change in the timing of tax refunds, delayed winter season and the postal strike slowed down year-end sales.
- Q4 adj. gross profit was EUR 100.1m (35.2% margin) vs. EUR 102.1m (35.5 %) Evli expectation.
- Q4 adj. EBITDA was EUR 47.6m vs EUR 47.7m/46.3m Evli/consensus
- Q4 adj. EBIT was EUR 32.0 (11.2% margin) vs. EUR 32.7m (11.4%) our expectation and EUR 31.8m (11.1%) consensus.
- Q4 eps was EUR 0.39 vs EUR 0.41/0.39 Evli/consensus
- 2019 dividend: EUR 0.62 vs. EUR 0.62/0.60 Evli/cons.
- Tokmanni expects good revenue growth for 2020, based on the revenue from the new stores acquired and opened in 2019 and new stores to be opened in 2020, as well as on slight growth in like-for-like revenue. Group profitability (comparable EBIT margin) is expected to improve on the previous year.

Rating

BUY

Tokmanni Q4'19	Actual	Evli	Cons.*	Year ago	Act vs. Evli	Act vs. cons
Net sales	284.8	287.7	287.0	268.4	-1 %	-1 %
Gross profit (adj.)	100.1	102.1	na.	92.3	-2 %	na.
Gross margin (adj.)	35.2 %	35.5 %	35.2 %	34.4 %	-1 %	0 %
EBIT (adj.)	32.0	32.7	31.8	25.3	-2 %	1 %
EBIT margin (adj.)	11.2 %	11.4 %	11.1 %	9.4 %	-1 %	1 %
EPS	0.39	0.41	0.39	0.31	-5 %	1 %
DPS	0.62	0.62	0.60	0.50		

*Source: Bloomberg (5-6 est. avg.)

Share price, EUR (Last trading day's closing price) 13.62

Target price, EUR 16.0

Latest change in rating 31-Oct-19

Latest report on company 31-Jan-20

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 802

Free float, % 100.0

Exchange rate 1.000

Reuters code TOKMAN.HE

Bloomberg code TOKMAN FH

Average daily volume, EURm na.

Next interim report 07-Feb-20

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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
2017	796.5	40.6	5.1%	15.4	0.48	15.2	0.7	13.8	3.6	0.41
2018	870.4	52.3	6.0%	10.1	0.56	12.8	0.9	15.3	2.4	0.50
2019E	947.2	71.1	7.5%	36.6	0.82	16.5	1.2	16.5	4.6	0.62
2020E	988.5	80.8	8.2%	49.4	0.94	14.5	1.2	14.4	6.2	0.71
2021E	1,023.6	88.3	8.6%	56.3	1.05	13.0	1.1	13.0	7.0	0.73

Market cap, EURm	802	BV per share 2019E, EUR	199.9	CAGR EPS 2018-21, %	23.1
Net debt 2019E, EURm	372	Price/book 2019E	4.3	CAGR sales 2018-21, %	5.6
Enterprise value, EURm	1,173	Dividend yield 2019E, %	4.6	ROE 2019E, %	27.5
Total assets 2019E, EURm	753	Tax rate 2019E, %	20.0	ROCE 2019E, %	12.0
Goodwill 2019E, EURm	135	Equity ratio 2019E, %	24.7	PEG, P/E 19/CAGR	5.2

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

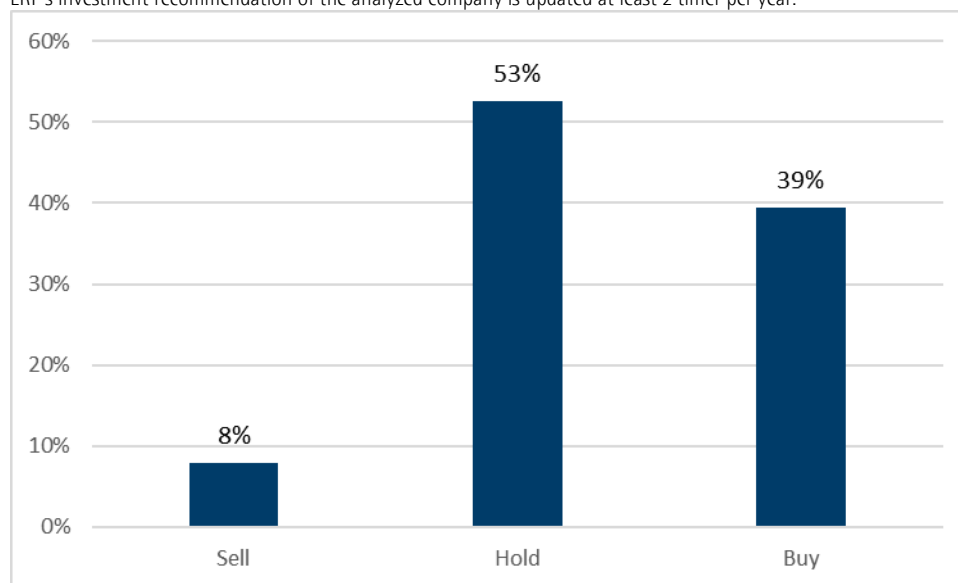
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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

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