

## Solid Q2 results incoming

Vaisala reports its Q2 results on July 23<sup>rd</sup>. Preliminary figures show a solid second quarter and our attention will be drawn toward the rest of the year and comments regarding the impact of component availability/costs.

### Guidance upgraded pre-Q2 after solid quarter

Vaisala reports its Q2 results on July 23<sup>rd</sup>. Vaisala issued a guidance upgrade last week and posted preliminary figures for sales, operating results and orders received. The previous guidance range for 2021 net sales (EUR 380-400m) and operating result (EUR 35-45m) was raised to EUR 400-420m and EUR 40-50m respectively. The guidance upgrade appears to be driven largely by a solid second quarter. Preliminary figures show Group sales growth of 20% to EUR 109.5m in Q2 and operating result of EUR 10.9m (Q2/20: 7.9m). Vaisala's preliminary orders received in Q2 grew by 25% to EUR 120.1m. Vaisala did not specify figures per segment but noted that pick-up in demand was reflected especially in the Industrial Measurements business area.

### Minor estimate changes based on preliminary Q2 figures

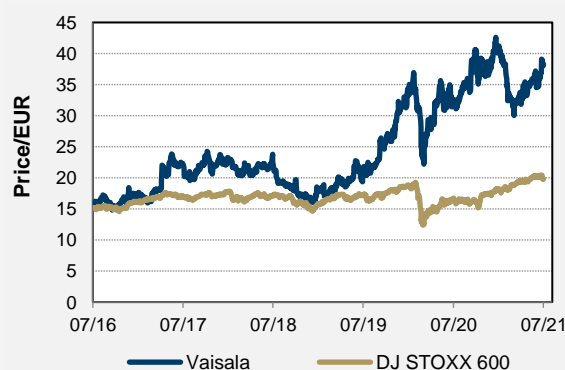
We have only revised our estimates for 2021 based on the preliminary figures for Q2. Our estimates were already clearly in the upper end of the previous guidance and the impact as such is relatively small on full year figures. Our sales estimate is now at EUR 409.9m (prev. 396.9m) and operating result estimate at EUR 45.0m (44.6m), in the middle of the guidance ranges. Vaisala noted that the shortage of components has increased material and transportation costs, which will have a negative impact on operating result in H2/2021, and we will be following any comments on the potential magnitude of the impact in the upcoming earnings report.

### HOLD with a target price of EUR 35.0 (33.0)

Based on the more favourable outlook we have adjusted our target price to EUR 35.0 (33.0). The current rather stretched valuation and potential headwind from component availability/cost limits upside potential. We retain our HOLD-rating.

## Rating

■ HOLD



Share price, EUR (Last trading day's closing price) 38.25

Target price, EUR 35.0

Latest change in recommendation	30-Apr-21
Latest report on company	30-Apr-21
Research paid by issuer:	YES
No. of shares outstanding, '000's	36,437
No. of shares fully diluted, '000's	36,437
Market cap, EURm	1,394
Free float, %	-
Exchange rate EUR/USD	0.000
Reuters code	VAIAS.HE
Bloomberg code	VAIAS FH
Average daily volume, EURm	0.0
Next interim report	23-Jul-21
Web site	vaisala.com/en/investors

Analyst Jerker Salokivi  
E-mail jerker.salokivi@evli.com  
Telephone +358 9 4766 9149

■ 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
2019	403.6	41.1	10.2%	4.6	0.93	34.6	2.9	28.1	0.4	0.61
2020	379.5	44.8	11.8%	16.9	0.91	44.2	3.9	32.7	1.2	0.61
2021E	409.9	45.0	11.0%	27.9	0.95	40.3	3.4	31.1	2.0	0.63
2022E	416.2	52.5	12.6%	38.1	1.08	35.4	3.3	26.4	2.7	0.65
2023E	433.2	56.0	12.9%	38.4	1.15	33.2	3.2	24.4	2.8	0.67
Market cap, EURm		1,394	Gearing 2021E, %			1.4	CAGR EPS 2020-23, %			8.1
Net debt 2021E, EURm		3	Price/book 2021E			6.4	CAGR sales 2020-23, %			4.5
Enterprise value, EURm		1,399	Dividend yield 2021E, %			1.6	ROE 2021E, %			16.4
Total assets 2021E, EURm		368	Tax rate 2021E, %			20.0	ROCE 2021E, %			17.0
Goodwill 2021E, EURm		55	Equity ratio 2021E, %			59.2	PEG, P/E 21/CAGR			4.8

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

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	38.25 PV of Free Cash Flow	332 Long-term growth, %	2.5 Risk-free interest rate, %	2.25
DCF share value	24.34 PV of Horizon value	588 WACC, %	7.4 Market risk premium, %	5.8
Share price potential, %	-36.4 Unconsolidated equity	-2 Spread, %	0.0 Debt risk premium, %	2.8
Maximum value	24.3 Marketable securities	45 Minimum WACC, %	7.4 Equity beta coefficient	0.80
Minimum value	24.3 Debt - dividend	-76 Maximum WACC, %	7.4 Target debt ratio, %	10
Horizon value, %	63.9 Value of stock	887 Nr of shares, Mn	36.4 Effective tax rate, %	25

DCF valuation, EURm	2020	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	Horizon
Net sales	380	410	416	433	452	468	482	497	512	527	540	554
<i>Sales growth, %</i>	-6.0	8.0	1.5	4.1	4.4	3.5	3.0	3.0	3.0	3.0	2.5	2.5
Operating income (EBIT)	45	45	53	56	59	61	63	65	67	69	70	72
<i>Operating income margin, %</i>	11.8	11.0	12.6	12.9	12.9	13.0	13.0	13.0	13.0	13.0	13.0	13.0
+ Depreciation+amort.	21	22	23	23	23	24	24	25	25	26	26	
EBITDA	66	67	75	79	82	85	87	89	92	94	96	
- Paid taxes	-7	-9	-13	-14	-15	-15	-16	-16	-17	-17	-18	
- Change in NWC	-6	-5	-1	-3	-3	-3	-2	-2	-2	-2	-2	
<i>NWC / Sales, %</i>	15.2	15.3	15.3	15.3	15.3	15.3	15.4	15.4	15.4	15.4	15.4	
+ Change in other liabs	-5	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	-29	-19	-18	-19	-19	-19	-20	-20	-20	-21	-21	
<i>opCAPEX / Sales, %</i>	8.6	5.8	5.5	5.5	5.4	5.3	5.2	5.1	5.1	5.0	5.0	
- 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	19	34	43	43	45	48	49	51	52	54	56	1,159
= Discounted FCFF		33	38	36	35	35	33	32	31	29	28	588
= DFCF min WACC		33	38	36	35	35	33	32	31	29	28	588
= DFCF max WACC		33	38	36	35	35	33	32	31	29	28	588

## INTERIM FIGURES

EVLI ESTIMATES, EURm	2020Q1	2020Q2	2020Q3	2020Q4	2020	2021Q1	2021Q2E	2021Q3E	2021Q4E	2021E	2022E	2023E
Net sales	87.2	91.4	94.0	106.9	379.5	92.0	109.5	98.1	110.3	409.9	416.2	433.2
EBITDA	10.1	13.5	24.7	17.6	65.9	13.4	16.4	16.7	20.3	66.8	75.1	78.7
<i>EBITDA margin (%)</i>	<i>11.6</i>	<i>14.8</i>	<i>26.3</i>	<i>16.5</i>	<i>17.4</i>	<i>14.6</i>	<i>15.0</i>	<i>17.0</i>	<i>18.4</i>	<i>16.3</i>	<i>18.0</i>	<i>18.2</i>
EBIT	5.2	7.9	19.5	12.2	44.8	8.1	10.9	11.2	14.8	45.0	52.5	56.0
<i>EBIT margin (%)</i>	<i>6.0</i>	<i>8.6</i>	<i>20.7</i>	<i>11.4</i>	<i>11.8</i>	<i>8.8</i>	<i>10.0</i>	<i>11.4</i>	<i>13.4</i>	<i>11.0</i>	<i>12.6</i>	<i>12.9</i>
Net financial items	-0.2	-0.9	-1.3	-1.0	-3.4	-0.2	-0.5	-0.5	-0.5	-1.7	0.0	0.0
Pre-tax profit	5.0	7.0	18.2	11.2	41.4	7.9	10.4	10.7	14.3	43.3	52.5	56.0
Tax	-0.9	-1.2	-3.7	-2.7	-8.5	-1.6	-2.1	-2.1	-2.9	-8.7	-13.1	-14.0
<i>Tax rate (%)</i>	<i>18.0</i>	<i>17.1</i>	<i>20.3</i>	<i>24.5</i>	<i>20.6</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>	<i>25.0</i>	<i>25.0</i>
Net profit	4.1	5.8	14.5	8.5	32.9	6.2	8.3	8.5	11.4	34.6	39.4	42.0
EPS	0.11	0.16	0.40	0.24	0.91	0.17	0.23	0.23	0.31	0.95	1.08	1.15
EPS adjusted (diluted no. of shares)	0.11	0.16	0.40	0.24	0.91	0.17	0.23	0.23	0.31	0.95	1.08	1.15
Dividend per share	0.00	0.00	0.00	0.00	0.61	0.00	0.00	0.00	0.00	0.63	0.65	0.67
<b>SALES, EURm</b>												
Weather and Environment	51.8	57.6	59.2	67.0	235.6	52.2	65.9	60.9	70.5	249.5	249.4	254.4
Industrial Measurements	35.4	33.8	34.8	39.9	143.9	39.7	43.6	37.2	39.8	160.3	166.8	178.8
<b>Total</b>	<b>87.2</b>	<b>91.4</b>	<b>94.0</b>	<b>106.9</b>	<b>379.5</b>	<b>92.0</b>	<b>109.5</b>	<b>98.1</b>	<b>110.3</b>	<b>409.9</b>	<b>416.2</b>	<b>433.2</b>
<b>SALES GROWTH, Y/Y %</b>												
<i>Weather and Environment</i>	<i>4.4</i>	<i>-5.1</i>	<i>-14.3</i>	<i>-18.1</i>	<i>-9.8</i>	<i>0.8</i>	<i>14.4</i>	<i>2.9</i>	<i>5.2</i>	<i>5.9</i>	<i>-0.1</i>	<i>2.0</i>
<i>Industrial Measurements</i>	<i>2.3</i>	<i>-4.5</i>	<i>-3.6</i>	<i>10.1</i>	<i>1.1</i>	<i>12.3</i>	<i>29.0</i>	<i>6.9</i>	<i>-0.3</i>	<i>11.4</i>	<i>4.0</i>	<i>7.2</i>
<b>Total</b>	<b>3.6</b>	<b>-4.9</b>	<b>-10.6</b>	<b>-9.5</b>	<b>-6.0</b>	<b>5.5</b>	<b>19.8</b>	<b>4.4</b>	<b>3.2</b>	<b>8.0</b>	<b>1.5</b>	<b>4.1</b>
<b>EBIT, EURm</b>												
Weather and Environment	-2.4	0.7	11.1	5.2	14.6	-0.9	1.7	3.0	6.0	9.8	15.5	16.5
Industrial Measurements	7.6	7.1	8.6	8.3	31.6	9.4	9.6	8.6	9.2	36.7	39.0	41.5
Other	0.0	0.1	-0.2	-1.3	-1.4	-0.4	-0.4	-0.4	-0.4	-1.5	-2.0	-2.0
<b>Total</b>	<b>5.2</b>	<b>7.9</b>	<b>19.5</b>	<b>12.2</b>	<b>44.8</b>	<b>8.1</b>	<b>10.9</b>	<b>11.2</b>	<b>14.8</b>	<b>45.0</b>	<b>52.5</b>	<b>56.0</b>
<b>EBIT margin, %</b>												
<i>Weather and Environment</i>	<i>-4.6</i>	<i>1.2</i>	<i>18.8</i>	<i>7.8</i>	<i>6.2</i>	<i>-1.7</i>	<i>2.6</i>	<i>4.9</i>	<i>8.5</i>	<i>3.9</i>	<i>6.2</i>	<i>6.5</i>
<i>Industrial Measurements</i>	<i>21.4</i>	<i>21.0</i>	<i>24.7</i>	<i>20.8</i>	<i>22.0</i>	<i>23.7</i>	<i>22.0</i>	<i>23.0</i>	<i>23.0</i>	<i>22.9</i>	<i>23.4</i>	<i>23.2</i>
<b>Total</b>	<b>6.0</b>	<b>8.6</b>	<b>20.7</b>	<b>11.4</b>	<b>11.8</b>	<b>8.8</b>	<b>10.0</b>	<b>11.4</b>	<b>13.4</b>	<b>11.0</b>	<b>12.6</b>	<b>12.9</b>

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Preview

INCOME STATEMENT, EURm	2016	2017	2018	2019	2020	2021E	2022E	2023E
Sales	319.2	332.6	348.8	403.6	379.5	409.9	416.2	433.2
<i>Sales growth (%)</i>	<i>0.2</i>	<i>4.2</i>	<i>4.9</i>	<i>15.7</i>	<i>-6.0</i>	<i>8.0</i>	<i>1.5</i>	<i>4.1</i>
EBITDA	46.3	50.3	51.1	64.7	65.9	66.8	75.1	78.7
<i>EBITDA margin (%)</i>	<i>14.5</i>	<i>15.1</i>	<i>14.7</i>	<i>16.0</i>	<i>17.4</i>	<i>16.3</i>	<i>18.0</i>	<i>18.2</i>
Depreciation	-13.5	-9.5	-12.1	-23.6	-21.1	-21.8	-22.6	-22.7
EBITA	32.8	40.8	39.0	41.1	44.8	45.0	52.5	56.0
Goodwill amortization / writedown	-10.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	22.2	40.8	39.0	41.1	44.8	45.0	52.5	56.0
<i>EBIT margin (%)</i>	<i>7.0</i>	<i>12.3</i>	<i>11.2</i>	<i>10.2</i>	<i>11.8</i>	<i>11.0</i>	<i>12.6</i>	<i>12.9</i>
Reported EBIT	22.2	40.8	39.0	41.1	44.8	45.0	52.5	56.0
<i>EBIT margin (reported) (%)</i>	<i>7.0</i>	<i>12.3</i>	<i>11.2</i>	<i>10.2</i>	<i>11.8</i>	<i>11.0</i>	<i>12.6</i>	<i>12.9</i>
Net financials	-0.2	-2.8	-1.4	-1.0	-3.4	-1.7	0.0	0.0
Pre-tax profit	22.0	38.0	37.6	40.1	41.4	43.3	52.5	56.0
Taxes	-3.3	-10.9	-8.0	-6.5	-8.5	-8.7	-13.1	-14.0
Minority shares	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	0.0
Net profit	18.7	27.1	29.6	33.5	32.9	34.6	39.4	42.0
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
<b>BALANCE SHEET, EURm</b>								
<b>Assets</b>								
Fixed assets	46	46	72	83	94	95	95	96
Goodwill	17	16	55	55	55	55	55	55
Right of use assets	0	0	12	12	13	14	14	14
Inventory	32	29	32	40	45	48	49	51
Receivables	78	84	93	105	93	100	101	106
Liquid funds	72	91	73	56	45	49	50	52
Total assets	255	274	347	361	352	368	371	381
<b>Liabilities</b>								
Shareholder's equity	179	186	183	198	205	218	234	252
Minority interest	0	0	0	0	0	0	0	0
Convertibles	0	0	0	0	0	0	0	0
Lease liabilities	0	0	12	11	9	14	14	14
Deferred taxes	0	1	9	8	8	8	8	8
Interest bearing debt	0	0	41	40	45	39	24	11
Non-interest bearing current liabilities	71	81	89	94	76	83	84	87
Other interest-free debt	4	5	9	7	8	8	8	8
Total liabilities	255	274	347	361	352	368	371	381
<b>CASH FLOW, EURm</b>								
+ EBITDA	46	50	51	65	66	67	75	79
- Net financial items	0	-3	-1	-1	-3	-2	0	0
- Taxes	-9	-7	-9	-8	-6	-9	-13	-14
- Increase in Net Working Capital	2	7	-4	-16	-6	-5	-1	-3
+/- Other	3	2	11	0	0	0	0	0
= Cash flow from operations	42	49	48	40	50	52	61	62
- Capex	-8	-8	-14	-35	-33	-24	-23	-24
- Acquisitions	0	-2	-52	0	0	0	0	0
+ Divestments	1	0	0	0	0	0	0	0
= Free cash flow	35	39	-18	5	17	28	38	38
+/- New issues/buybacks	-4	-2	5	3	-4	0	0	0
- Paid dividend	-17	-18	-37	-21	-22	-22	-23	-24
+/- Other	-1	0	31	-3	-2	-2	-14	-13
Change in cash	13	19	-19	-16	-11	4	1	2

Electronic Equipment & Instruments/Finland, July 21, 2021  
Preview

KEY FIGURES	2017	2018	2019	2020	2021E	2022E	2023E
M-cap	794	659	1,159	1,453	1,394	1,394	1,394
Net debt (excl. convertibles)	-91	-20	-5	9	3	-12	-27
Enterprise value	703	638	1,154	1,464	1,399	1,384	1,369
Sales	333	349	404	380	410	416	433
EBITDA	50	51	65	66	67	75	79
EBIT	41	39	41	45	45	53	56
Pre-tax	38	38	40	41	43	53	56
Earnings	27	30	34	33	35	39	42
Equity book value (excl. minorities)	186	183	198	205	218	234	252
<b>Valuation multiples</b>							
EV/sales	2.1	1.8	2.9	3.9	3.4	3.3	3.2
EV/EBITDA	14.0	12.5	17.8	22.2	20.9	18.4	17.4
EV/EBITA	17.2	16.4	28.1	32.7	31.1	26.4	24.4
EV/EBIT	17.2	16.4	28.1	32.7	31.1	26.4	24.4
EV/OCF	14.3	13.2	28.9	29.5	27.2	22.7	22.1
EV/FCFF	17.1	-38.5	141.1	78.1	40.7	32.5	31.6
P/FCFE	40.6	-37.2	250.6	86.0	49.9	36.6	36.3
P/E	29.3	22.2	34.6	44.2	40.3	35.4	33.2
P/B	4.3	3.6	5.8	7.1	6.4	6.0	5.5
Target EV/EBITDA	0.0	0.0	0.0	0.0	19.1	16.8	15.9
Target EV/EBIT	0.0	0.0	0.0	0.0	28.4	24.1	22.3
Target EV/FCF	0.0	0.0	0.0	0.0	45.8	33.2	32.5
Target P/B	0.0	0.0	0.0	0.0	5.9	5.4	5.1
Target P/E	0.0	0.0	0.0	0.0	36.9	32.4	30.4
<b>Per share measures</b>							
Number of shares	35,692	35,790	35,881	36,000	36,437	36,437	36,437
Number of shares (diluted)	35,692	35,790	35,881	36,000	36,437	36,437	36,437
EPS	0.76	0.83	0.93	0.91	0.95	1.08	1.15
Operating cash flow per share	1.38	1.35	1.11	1.38	1.41	1.67	1.70
Free cash flow per share	1.10	-0.49	0.13	0.47	0.77	1.05	1.05
Book value per share	5.20	5.11	5.52	5.69	5.97	6.42	6.93
Dividend per share	1.05	0.58	0.61	0.61	0.63	0.65	0.67
Dividend payout ratio, %	138.3	70.1	65.3	66.8	66.4	60.1	58.1
Dividend yield, %	4.7	3.2	1.9	1.5	1.6	1.7	1.8
FCF yield, %	4.9	-2.7	0.4	1.2	2.0	2.7	2.8
<b>Efficiency measures</b>							
ROE	14.9	16.1	17.6	16.3	16.4	17.4	17.3
ROCE	22.4	18.5	17.0	17.7	17.0	19.4	20.4
<b>Financial ratios</b>							
Inventories as % of sales	8.6	9.2	9.8	11.7	11.7	11.7	11.7
Receivables as % of sales	25.3	26.7	26.0	24.4	24.4	24.4	24.4
Non-interest bearing liabilities as % of sales	24.4	25.5	23.2	20.1	20.1	20.1	20.1
NWC/sales, %	9.5	10.1	12.7	15.2	15.3	15.3	15.3
Operative CAPEX/sales, %	2.5	4.1	8.7	8.6	5.8	5.5	5.5
CAPEX/sales (incl. acquisitions), %	1.9	-10.7	8.7	8.6	5.8	5.5	5.5
FCFF/EBITDA	0.8	-0.3	0.1	0.3	0.5	0.6	0.6
Net debt/EBITDA, book-weighted	-1.8	-0.4	-0.1	0.1	0.0	-0.2	-0.3
Debt/equity, market-weighted	0.0	0.1	0.0	0.0	0.0	0.0	0.0
Equity ratio, book-weighted	67.7	52.8	54.9	58.4	59.2	63.1	66.4
Gearing, %	-49.2	-11.0	-2.5	4.4	1.4	-5.2	-10.6

**COMPANY DESCRIPTION:** Vaisala develops, manufactures and markets products and services for environmental and industrial measurement. Vaisala's strategy relies on R&D and focusing on technology leadership in its selected segments. Vaisala has two segments: Weather & Environment (W&E), and Industrial Measurement (IM). The W&E customers include meteorological institutes, airports, roads and railroad, defense, and energy industry. IM serves industrial customers in life science, power transmission, and targeted industrial applications offering a broad range of measurement instruments to ensure operational quality and productivity. Headquartered in Finland, Vaisala employs around 1,850 professionals worldwide.

**INVESTMENT CASE:** Vaisala should continue to profitably grow due to continued good growth in IM, with possible additional organic and non-organic opportunities in other niche areas supporting growth, and a more stable outlook for W&E. Vaisala benefits from its strong R&D based market leadership in both segments, with main profitability drivers being economies of scale and increasing share of IM sales. The healthy business and strong net cash position support ability to pay an increasing dividend.

OWNERSHIP STRUCTURE	SHARES	EURm	%
Novamator Oy	3,776,358	144.446	10.4%
Skandinaviska Enskilda Banken Ab (publ) Helsinki Branch	3,198,961	122.360	8.8%
Nordea Bank Ab (publ), Finnish Branch	2,352,727	89.992	6.5%
Finnish Academy of Science and Letters	2,041,605	78.091	5.6%
Nordea Nordic Small Cap Fund	1,795,568	68.680	4.9%
Weisell-Säätiö Sr	1,440,000	55.080	4.0%
Citybank Europe	1,339,526	51.237	3.7%
Voipio Mikko	1,268,312	48.513	3.5%
Mandatum Life Insurance Company Ltd.	1,196,100	45.751	3.3%
Caspers Anja	969,496	37.083	2.7%
Ten largest	19,378,653	741.233	53%
Residual	17,058,075	652.471	47%
Total	36,436,728	1,393.705	100%

## EARNINGS CALENDAR

## OTHER EVENTS

## COMPANY MISCELLANEOUS

CEO: Kai Öistämö

CFO: Kaarina Muurinen

IR: Paula Liimatta

Vanha Nurmijärventie 21, 01670 Vantaa

Tel:

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

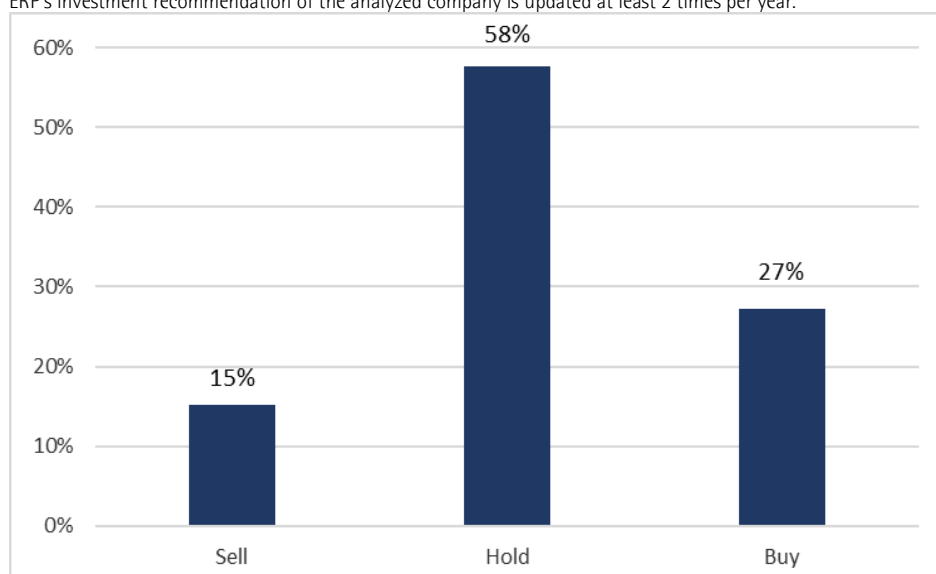
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Investment recommendations are defined as follows:

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

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

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**Contact information****SALES, TRADING AND RESEARCH****Equity, ETF and Derivatives Sales**

Joachim Dannberg	+358 9 4766 9123
Ari Laine	+358 9 4766 9115
Kimmo Lilja	+358 9 4766 9130

**Trading**

Lauri Vehkaluoto (Head)	+358 9 4766 9120
Pasi Väisänen	+358 9 4766 9120
Antti Kässi	+358 9 4766 9120
Miika Ronkanen	+358 9 4766 9120

**Structured Investments**

Heikki Savijoki	+358 9 4766 9726
Aki Lakkisto	+358 9 4766 9123

**Equity Research**

Jonas Forslund	+358 9 4766 9314
Joonas Ilvonen	+358 44 430 9071
Jerker Salokivi	+358 9 4766 9149
Teemu Reiman	+358 40 352 6175

**Evli Investment Solutions**

Johannes Asuja	+358 9 4766 9205
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**EVLI BANK PLC**  
Aleksanterinkatu 19 A  
P.O. Box 1081  
FIN-00101 Helsinki, FINLAND  
Phone +358 9 476 690  
Fax +358 9 634 382  
Internet [www.evli.com](http://www.evli.com)  
E-mail [firstname.lastname@evli.com](mailto:firstname.lastname@evli.com)

**EVLI BANK PLC,  
STOCKHOLMSFILIAL**  
Regeringsgatan 67 P.O. Box 16354  
SE-103 26 Stockholm  
Sverige  
[stockholm@evli.com](mailto:stockholm@evli.com)  
Tel +46 (0)8 407 8000  
Fax +46 (0)8 407 8001