

Upgrade to BUY

Vaisala reports its Q1 result on Friday, May 5th. Growth is foreseen, but margin improvement is yet limited with temporal pressures in fixed costs. With valuation attractive, we upgrade our rating to BUY.

Solid growth expected despite strong comparison period

Despite uncertain market, we expect Vaisala to deliver solid topline growth in Q1'23. Overall, we anticipate Vaisala's Q1 net sales to increase by 8.7% y/y to EUR 129.1m, supported by IM's double-digit and W&E's mid-single-digit growth. The comparison period was strong in terms of both top- and bottomline. In particular, EBIT of W&E was robust, considering Q1 typically being its weakest quarter of the year. The comparison EBIT was supported by, for example, low usage of spot components. In addition, long-term investments made during 2022 were not visible in Q1'22 figures yet. Therefore, we expect Q1'23 group EBIT to decline by some 2% y/y to EUR 17.2m (13.3% margin). We however foresee IM's Q1 EBIT improving in line with its solid topline growth.

Main focus on orders and comments on the future

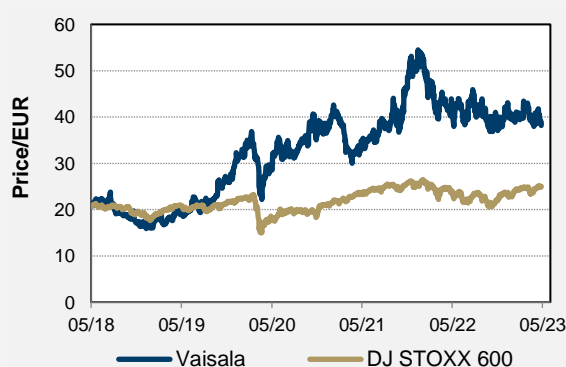
Vaisala's Q4'22 order book was strong, providing a good growth base for H1. Our interest in the Q1 report is on the order development and comments on the demand during uncertain market. In late April, Vaisala announced that it will report the S/DaaS revenue separately to increase visibility into its continuing services business of X-Weather. In 2022, X-Weather's net sales amounted to EUR 28.4m and, according to our assessment, the segment grew by some 25-35% y/y. In our view, such reporting allows investors to measure the value of Vaisala's growth. Based on our estimates, X-Weather could potentially generate gross margin around 80% which in the future has a significant potential to improve W&E's profitability.

Attractive valuation ahead of Q1 result

Given the 10% decline in Vaisala's share price since our last update, we find the current valuation quite attractive, considering Vaisala's high exposure to growing niche markets. Additionally, earnings are expected to grow with the conclusion of Vaisala's efficiency reinforcement programs during 2023-24. With our estimates intact, we reiterate a TP of EUR 44.0. Our TP provides a decent premium to the current share price, and therefore, we upgrade our rating to BUY (HOLD) ahead of the Q1 result.

Rating

BUY



Share price, EUR (Last trading day's closing price) **38.15**

Target price, EUR **44.0**

Latest change in recommendation **03-May-23**

Latest report on company **17-Feb-23**

Research paid by issuer: **YES**

No. of shares outstanding, '000's **36,020**

No. of shares fully diluted, '000's **36,020**

Market cap, EURm **1,374**

Free float, % **0.0**

Exchange rate EUR/USD **0.000**

Reuters code **VAIAS.HE**

Bloomberg code **VAIAS FH**

Average daily volume, EURm **0.0**

Next interim report **05-May-23**

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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
2021	437.9	50.1	11.4%	58.4	1.08	49.4	4.3	37.9	3.0	0.68
2022	514.1	62.5	12.2%	-12.3	1.25	31.6	2.8	23.1	-0.9	0.72
2023E	556.2	74.4	13.4%	56.7	1.59	23.9	2.4	18.2	4.1	0.88
2024E	592.9	91.1	15.4%	59.8	1.97	19.4	2.2	14.5	4.4	1.12
2025E	624.6	96.2	15.4%	63.8	2.10	18.1	2.1	13.5	4.6	1.16
Market cap, EURm		1,374	Gearing 2023E, %			-8.1	CAGR EPS 2022-25, %			18.6
Net debt 2023E, EURm		-23	Price/book 2023E			4.9	CAGR sales 2022-25, %			6.7
Enterprise value, EURm		1,351	Dividend yield 2023E, %			2.3	ROE 2023E, %			21.5
Total assets 2023E, EURm		474	Tax rate 2023E, %			20.0	ROCE 2023E, %			22.7
Goodwill 2023E, EURm		49	Equity ratio 2023E, %			59.5	PEG, P/E 23/CAGR			2.3

VAISALA PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			P/E			Div. yield		
		23	24	25	23	24	25	23	24	25	23	24	25
Hexagon	27485	15.6x	14.4x	13.4x	20.8x	19.1x	17.6x	23.2x	21.2x	19.3x	1.3 %	1.4 %	1.5 %
Keysight Tech	23108	14.6x	13.8x		16.0x	15.1x	13.8x	17.7x	16.5x	14.7x	0.0 %	0.0 %	
Trimble	10342	13.5x	12.5x	10.7x	14.6x	13.1x	11.4x	16.8x	15.1x	12.8x	0.0 %	0.0 %	0.0 %
National Instruments	6964	18.8x	17.2x	15.7x	21.3x	19.1x	18.1x	23.2x	20.5x	18.4x	1.9 %	2.0 %	2.0 %
Spectris	4453	13.3x	12.3x	11.4x	16.3x	15.6x	13.7x	20.2x	18.6x	17.1x	2.1 %	2.3 %	2.5 %
FARO Technologies	397	18.3x	9.1x	6.1x	30.7x	13.8x	7.4x	57.5x	20.9x	11.2x	4.3 %	4.3 %	4.3 %
Oxford Instruments	1808	16.4x	15.5x	14.2x	19.1x	18.0x	16.8x	25.1x	24.0x	23.0x	0.8 %	0.8 %	0.9 %
Sensirion Holding	1524	19.2x	17.4x	15.3x	25.6x	23.2x	20.2x	33.0x	29.9x	25.9x	0.0 %	0.0 %	0.0 %
Halma	10023	20.4x	19.0x	18.2x	23.4x	21.8x	20.8x	29.3x	27.4x	25.9x	0.9 %	1.0 %	1.0 %
Peer Group Average	8525	16.7x	14.6x	13.1x	20.9x	17.6x	15.5x	27.3x	21.6x	18.7x	1.3 %	1.3 %	1.5 %
Peer Group Median	4453	16.4x	14.4x	13.8x	20.8x	18.0x	16.8x	23.2x	20.9x	18.4x	0.9 %	1.0 %	1.3 %
Vaisala (Evli est.)	1403	14.2x	12.1x	11.3x	18.5x	14.8x	13.8x	24.4x	19.8x	18.5x	2.3 %	2.9 %	3.0 %

Vaisala prem./disc. to peer median

-13% -16% -18% -11% -18% -18% 5% -5% 1% 146% 194% 131%

Source FactSet, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	38.15 PV of Free Cash Flow	569 Long-term growth, %	2.5 Risk-free interest rate, %
DCF share value	43.22 PV of Horizon value	1,022 WACC, %	7.4 Market risk premium, %
Share price potential, %	13.3 Unconsolidated equity	0 Spread, %	0.0 Debt risk premium, %
Maximum value	43.2 Marketable securities	56 Minimum WACC, %	7.4 Equity beta coefficient
Minimum value	43.2 Debt - dividend	-89 Maximum WACC, %	7.4 Target debt ratio, %
Horizon value, %	64.2 Value of stock	1,557 Nr of shares, Mn	36.0 Effective tax rate, %

DCF valuation, EURm	2022	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	Horizon
Net sales	514	556	593	625	649	672	692	713	734	756	775	795
<i>Sales growth, %</i>	<i>17.4</i>	<i>8.2</i>	<i>6.6</i>	<i>5.3</i>	<i>4.0</i>	<i>3.5</i>	<i>3.0</i>	<i>3.0</i>	<i>3.0</i>	<i>3.0</i>	<i>2.5</i>	<i>2.5</i>
Operating income (EBIT)	63	74	91	96	97	94	97	100	103	106	109	111
<i>Operating income margin, %</i>	<i>12.2</i>	<i>13.4</i>	<i>15.4</i>	<i>15.4</i>	<i>15.0</i>	<i>14.0</i>	<i>14.0</i>	<i>14.0</i>	<i>14.0</i>	<i>14.0</i>	<i>14.0</i>	<i>14.0</i>
+ Depreciation+amort.	23	23	21	21	22	23	18	19	19	20	21	
EBITDA	85	97	112	117	120	117	115	119	122	126	129	
- Paid taxes	-15	-15	-18	-19	-19	-19	-19	-20	-21	-21	-22	
- Change in NWC	-38	-2	-6	-5	-4	-3	-3	-3	-3	-3	-3	
<i>NWC / Sales, %</i>	<i>15.3</i>	<i>14.5</i>	<i>14.5</i>	<i>14.6</i>	<i>14.6</i>	<i>14.6</i>	<i>14.6</i>	<i>14.6</i>	<i>14.6</i>	<i>14.6</i>	<i>14.6</i>	
+ Change in other liabs	0	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	-14	-16	-21	-22	-22	29	-15	-16	-16	-17	-6	
<i>opCAPEX / Sales, %</i>	<i>3.7</i>	<i>3.9</i>	<i>4.4</i>	<i>4.5</i>	<i>4.3</i>	<i>-3.4</i>	<i>3.1</i>	<i>3.1</i>	<i>3.1</i>	<i>3.1</i>	<i>1.7</i>	
- Acquisitions	-23	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	-5	64	67	71	74	124	78	80	82	85	99	2,044
= Discounted FCFF		61	60	58	57	89	52	50	48	46	49	1,022
= DFCF min WACC		61	60	58	57	89	52	50	48	46	49	1,022
= DFCF max WACC		61	60	58	57	89	52	50	48	46	49	1,022

INTERIM FIGURES

EVLI ESTIMATES, EURm	2022Q1	2022Q2	2022Q3	2022Q4	2022	2023Q1E	2023Q2E	2023Q3E	2023Q4E	2023E	2024E	2025E
Net sales	118.8	120.5	133.3	141.5	514.1	129.1	133.2	141.6	152.2	556.2	592.9	624.6
EBITDA	23.1	16.1	27.9	18.2	85.4	22.9	19.9	31.1	23.4	97.3	111.7	117.3
<i>EBITDA margin (%)</i>	<i>19.5</i>	<i>13.4</i>	<i>20.9</i>	<i>12.9</i>	<i>16.6</i>	<i>17.8</i>	<i>14.9</i>	<i>22.0</i>	<i>15.3</i>	<i>17.5</i>	<i>18.8</i>	<i>18.8</i>
EBIT	17.5	10.3	22.0	12.6	62.5	17.2	14.2	25.4	17.6	74.4	91.1	96.2
<i>EBIT margin (%)</i>	<i>14.8</i>	<i>8.6</i>	<i>16.5</i>	<i>8.9</i>	<i>12.2</i>	<i>13.3</i>	<i>10.6</i>	<i>17.9</i>	<i>11.6</i>	<i>13.4</i>	<i>15.4</i>	<i>15.4</i>
Net financial items	-0.2	-1.0	-1.3	-0.4	-2.9	-0.7	-0.7	-0.7	-0.6	-2.7	-2.5	-1.4
Pre-tax profit	17.3	9.3	20.7	12.2	59.6	16.5	13.5	24.7	17.0	71.7	88.6	94.8
Tax	-3.6	-3.0	-4.7	-3.2	-14.5	-3.3	-2.7	-4.9	-3.4	-14.3	-17.7	-19.0
<i>Tax rate (%)</i>	<i>20.8</i>	<i>32.2</i>	<i>22.6</i>	<i>26.7</i>	<i>24.4</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>
Net profit	13.7	6.3	16.1	9.0	45.1	13.2	10.8	19.8	13.6	57.4	70.9	75.8
EPS	0.38	0.18	0.45	0.25	1.25	0.37	0.30	0.55	0.38	1.59	1.97	2.10
EPS adjusted (diluted no. of shares)	0.39	0.18	0.45	0.25	1.26	0.37	0.30	0.55	0.38	1.59	1.97	2.10
Dividend per share	0.00	0.00	0.00	0.00	0.72	0.00	0.00	0.00	0.00	0.88	1.12	1.16
SALES, EURm												
Weather and Environment	65.7	65.9	75.7	81.3	288.6	69.6	73.1	79.5	87.8	310.0	327.1	340.2
Industrial Measurements	53.1	54.7	57.6	60.2	225.5	59.5	60.1	62.2	64.4	246.2	265.8	284.5
Total	118.8	120.5	133.3	141.5	514.1	129.1	133.2	141.6	152.2	556.2	592.9	624.6
SALES GROWTH, YYY %												
<i>Weather and Environment</i>	<i>25.8</i>	<i>0.7</i>	<i>17.5</i>	<i>8.6</i>	<i>12.3</i>	<i>6.0</i>	<i>11.0</i>	<i>5.0</i>	<i>8.0</i>	<i>7.4</i>	<i>5.5</i>	<i>4.0</i>
<i>Industrial Measurements</i>	<i>33.6</i>	<i>23.9</i>	<i>22.2</i>	<i>20.2</i>	<i>24.6</i>	<i>12.0</i>	<i>10.0</i>	<i>8.0</i>	<i>7.0</i>	<i>9.2</i>	<i>8.0</i>	<i>7.0</i>
Total	29.2	10.1	19.5	13.3	17.4	8.7	10.5	6.3	7.6	8.2	6.6	5.3
EBIT, EURm												
Weather and Environment	2.9	-1.0	7.5	1.8	11.1	0.8	1.3	8.9	4.3	15.3	24.0	52.4
Industrial Measurements	14.6	11.5	14.6	10.8	51.5	16.8	13.0	16.7	13.6	60.2	69.1	43.8
Other	0.1	-0.1	0.0	0.0	0.0	-0.4	-0.2	-0.2	-0.3	-1.1	-2.1	0.0
Total	17.5	10.3	22.0	12.6	62.5	17.2	14.2	25.4	17.6	74.4	91.1	96.2
EBIT margin, %												
<i>Weather and Environment</i>	<i>4.4</i>	<i>-1.6</i>	<i>9.9</i>	<i>2.2</i>	<i>3.9</i>	<i>1.2</i>	<i>1.8</i>	<i>11.2</i>	<i>4.9</i>	<i>4.9</i>	<i>7.3</i>	<i>15.4</i>
<i>Industrial Measurements</i>	<i>27.5</i>	<i>21.0</i>	<i>25.3</i>	<i>17.9</i>	<i>22.8</i>	<i>28.2</i>	<i>21.7</i>	<i>26.9</i>	<i>21.1</i>	<i>24.4</i>	<i>26.0</i>	<i>15.4</i>
<i>Other</i>	<i>50,000.0</i>		<i>0.0</i>	<i>0.0</i>	<i>-12,500.0</i>							<i>0.0</i>
Total	14.8	8.6	16.5	8.9	12.2	13.3	10.6	17.9	11.6	13.4	15.4	15.4

Electronic Equipment & Instruments/Finland, May 3, 2023
Preview

INCOME STATEMENT, EURm	2018	2019	2020	2021	2022	2023E	2024E	2025E
Sales	348.8	403.6	379.5	437.9	514.1	556.2	592.9	624.6
<i>Sales growth (%)</i>	<i>4.9</i>	<i>15.7</i>	<i>-6.0</i>	<i>15.4</i>	<i>17.4</i>	<i>8.2</i>	<i>6.6</i>	<i>5.3</i>
EBITDA	51.1	64.7	65.9	71.7	85.4	97.3	111.7	117.3
<i>EBITDA margin (%)</i>	<i>14.7</i>	<i>16.0</i>	<i>17.4</i>	<i>16.4</i>	<i>16.6</i>	<i>17.5</i>	<i>18.8</i>	<i>18.8</i>
Depreciation	-12.1	-23.6	-21.1	-21.6	-22.8	-22.9	-20.6	-21.1
EBITA	39.0	41.1	44.8	50.1	62.5	74.4	91.1	96.2
Goodwill amortization / writedown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	39.0	41.1	44.8	50.1	62.5	74.4	91.1	96.2
<i>EBIT margin (%)</i>	<i>11.2</i>	<i>10.2</i>	<i>11.8</i>	<i>11.4</i>	<i>12.2</i>	<i>13.4</i>	<i>15.4</i>	<i>15.4</i>
Reported EBIT	39.0	41.1	44.8	50.1	62.5	74.4	91.1	96.2
<i>EBIT margin (reported) (%)</i>	<i>11.2</i>	<i>10.2</i>	<i>11.8</i>	<i>11.4</i>	<i>12.2</i>	<i>13.4</i>	<i>15.4</i>	<i>15.4</i>
Net financials	-1.4	-1.0	-3.4	-2.1	-2.9	-2.7	-2.5	-1.4
Pre-tax profit	37.6	40.1	41.4	48.1	59.6	71.7	88.6	94.8
Taxes	-8.0	-6.5	-8.5	-8.8	-14.5	-14.3	-17.7	-19.0
Minority shares	0.0	0.0	0.0	-0.3	0.0	0.0	0.0	0.0
Net profit	29.6	33.5	32.9	39.0	45.1	57.4	70.9	75.8
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	102	108	120	125	121	119	124	131
Goodwill	25	30	30	29	49	49	49	49
Right of use assets	12	12	13	11	12	13	14	15
Inventory	32	40	45	50	62	67	71	75
Receivables	93	105	93	107	131	133	142	150
Liquid funds	73	56	45	78	56	83	89	94
Total assets	347	361	352	408	440	474	498	522
Liabilities								
Shareholder's equity	183	198	205	230	251	282	321	357
Minority interest	0	0	0	1	0	0	0	0
Convertibles	0	0	0	0	0	0	0	0
Lease liabilities	12	11	9	8	11	13	14	15
Deferred taxes	9	8	8	7	4	4	4	4
Interest bearing debt	41	40	45	40	53	48	24	5
Non-interest bearing current liabilities	89	94	76	116	111	117	125	131
Other interest-free debt	9	7	8	7	7	7	7	7
Total liabilities	347	361	352	408	440	474	498	522
CASH FLOW, EURm								
+ EBITDA	51	65	66	72	85	97	112	117
- Net financial items	-1	-1	-3	-2	-3	-3	-2	-1
- Taxes	-9	-9	-8	-9	-14	-14	-18	-19
- Increase in Net Working Capital	-4	-16	-7	17	-38	-2	-6	-5
+/- Other	11	2	-6	3	0	0	0	0
= Cash flow from operations	48	41	41	80	30	78	86	92
- Capex	-14	-38	-35	-22	-19	-22	-26	-28
- Acquisitions	-52	0	0	0	-23	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Free cash flow	-18	3	6	58	-12	57	60	64
+/- New issues/buybacks	5	3	-4	8	0	0	0	0
- Paid dividend	-37	-21	-22	-22	-25	-26	-32	-40
+/- Other	31	-1	9	-12	15	-3	-23	-19
Change in cash	-19	-16	-11	33	-22	28	6	5

Electronic Equipment & Instruments/Finland, May 3, 2023
Preview

KEY FIGURES	2019	2020	2021	2022	2023E	2024E	2025E
M-cap	1,159	1,454	1,924	1,437	1,374	1,374	1,374
Net debt (excl. convertibles)	-5	9	-30	8	-23	-51	-74
Enterprise value	1,154	1,466	1,899	1,445	1,351	1,323	1,300
Sales	404	380	438	514	556	593	625
EBITDA	65	66	72	85	97	112	117
EBIT	41	45	50	63	74	91	96
Pre-tax	40	41	48	60	72	89	95
Earnings	34	33	39	45	57	71	76
Equity book value (excl. minorities)	198	205	230	251	282	321	357
Valuation multiples							
EV/sales	2.9	3.9	4.3	2.8	2.4	2.2	2.1
EV/EBITDA	17.8	22.2	26.5	16.9	13.9	11.8	11.1
EV/EBITA	28.1	32.7	37.9	23.1	18.2	14.5	13.5
EV/EBIT	28.1	32.7	37.9	23.1	18.2	14.5	13.5
EV/OCF	28.3	35.8	23.7	48.5	17.2	15.4	14.1
EV/FCFF	141.5	115.8	30.3	-308.4	21.1	19.6	18.4
P/FCFE	413.9	259.7	33.0	-116.8	24.2	23.0	21.5
P/E	34.6	44.2	49.4	31.6	23.9	19.4	18.1
P/B	5.8	7.1	8.4	5.7	4.9	4.3	3.9
Target EV/EBITDA	0.0	0.0	0.0	0.0	16.1	13.7	12.9
Target EV/EBIT	0.0	0.0	0.0	0.0	21.0	16.8	15.7
Target EV/FCF	0.0	0.0	0.0	0.0	27.6	25.7	23.7
Target P/B	0.0	0.0	0.0	0.0	5.6	4.9	4.4
Target P/E	0.0	0.0	0.0	0.0	27.6	22.4	20.9
Per share measures							
Number of shares	35,881	36,000	36,101	36,020	36,020	36,020	36,020
Number of shares (diluted)	35,881	36,000	36,101	36,020	36,020	36,020	36,020
EPS	0.93	0.91	1.08	1.25	1.59	1.97	2.10
Operating cash flow per share	1.14	1.14	2.22	0.83	2.18	2.39	2.56
Free cash flow per share	0.08	0.16	1.62	-0.34	1.57	1.66	1.77
Book value per share	5.53	5.69	6.36	6.96	7.83	8.92	9.91
Dividend per share	0.61	0.61	0.68	0.72	0.88	1.12	1.16
Dividend payout ratio, %	65.3	66.8	63.0	57.5	55.0	57.0	55.0
Dividend yield, %	1.9	1.5	1.3	1.8	2.3	2.9	3.0
FCF yield, %	0.2	0.4	3.0	-0.9	4.1	4.4	4.6
Efficiency measures							
ROE	17.6	16.3	17.9	18.8	21.5	23.5	22.4
ROCE	17.0	17.7	18.6	21.2	22.7	25.9	26.2
Financial ratios							
Inventories as % of sales	9.8	11.7	11.4	12.0	12.0	12.0	12.0
Receivables as % of sales	26.0	24.4	24.4	25.5	24.0	24.0	24.0
Non-interest bearing liabilities as % of sales	23.2	20.1	26.6	21.6	21.0	21.0	21.0
NWC/sales, %	12.7	15.2	8.6	15.3	14.5	14.5	14.6
Operative CAPEX/sales, %	9.4	9.3	4.9	3.7	3.9	4.4	4.5
CAPEX/sales (incl. acquisitions), %	9.4	9.3	4.9	-0.8	3.9	4.4	4.5
FCFF/EBITDA	0.1	0.2	0.9	-0.1	0.7	0.6	0.6
Net debt/EBITDA, book-weighted	-0.1	0.1	-0.4	0.1	-0.2	-0.5	-0.6
Debt/equity, market-weighted	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equity ratio, book-weighted	54.8	58.4	56.5	57.0	59.5	64.5	68.4
Gearing, %	-2.5	4.4	-13.1	3.2	-8.1	-15.8	-20.8

COMPANY DESCRIPTION: Vaisala develops, manufactures, and markets products, projects, and services for weather, environmental and industrial measurements. 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 over 2,000 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 increased share of digital business of 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	%
Skandinaviska Enskilda Banken Ab (publ) Helsinki Branch	3,776,358	144.068	10.5%
Nordea Nordic Small Cap Fund	1,863,224	71.082	5.2%
Weisell-Säätiö Sr	1,700,710	64.882	4.7%
Citibank Europe Plc	1,281,956	48.907	3.6%
Voipio Mikko	1,268,312	48.386	3.5%
Caspers Anja	969,496	36.986	2.7%
Voipio Raimo Hannes	919,656	35.085	2.6%
Ilmarinen Mutual Pension Insurance Company	889,275	33.926	2.5%
Ten largest	12,668,987	483.322	35%
Residual	23,351,013	890.841	65%
Total	36,020,000	1,374.163	100%

EARNINGS CALENDAR	
May 05, 2023	Q1 report
July 28, 2023	Q2 report
October 27, 2023	Q3 report
OTHER EVENTS	

COMPANY MISCELLANEOUS	
CEO: Kai Öistämö	Vanha Nurmijärventie 21, 01670 Vantaa
CFO: Kaarina Muurinen	Tel:
IR: Paula Liimatta	

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

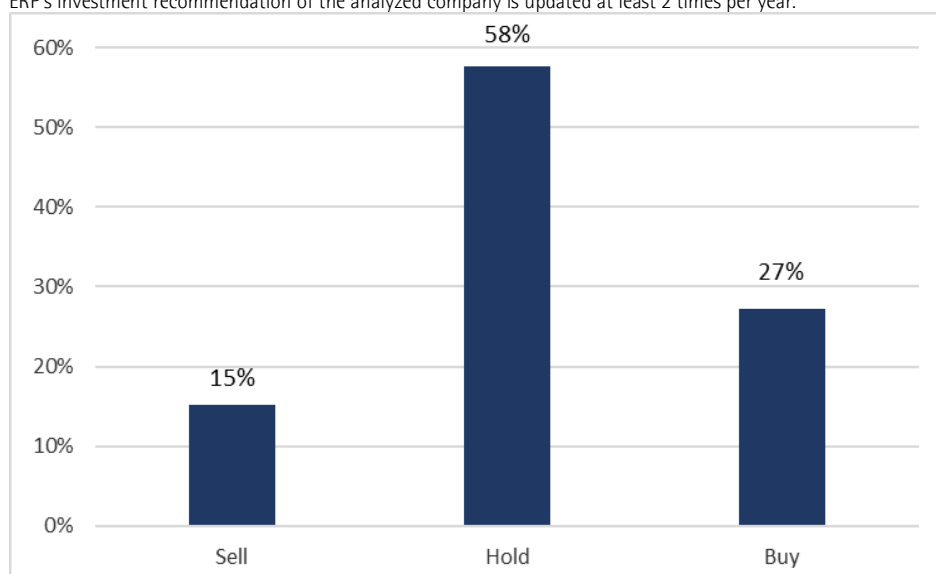
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Investment recommendations are defined as follows:

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

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

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