

CMD notes

CapMan's CMD revolved around the strategic changes that have taken place during the past few years and CapMan's position going forward. Key emphasis will, based on our take on the CMD, lie on earnings stability, asset diversification, and broadening of the investor base.

Multi-asset manager

CapMan's CMD clearly signaled the continued strive towards an increasing Nordic presence and to a larger extent becoming a multi-asset manager. In our view key areas of interest will be the fairly recently established areas of Growth equity and Infra. The presented performance metrics for exits in CapMan Growth are impressive, with significant further potential going forward. The Infra fund has had a good start and a second mandate, still subject to approval, has been signed.

Broadening of investor base

Another strategic area of focus lies in the broadening of the investor base. Currently some 85 % of AUM stems from local tier 1 investors. CapMan is seeking to increase the share of tier 2 and 3 investors along with international tier 1 investors. Targeting investors with smaller ticket sizes could likely be reflected in new product launches similar to the open-ended NPI fund.

Seeking earnings stability, carry potential remains

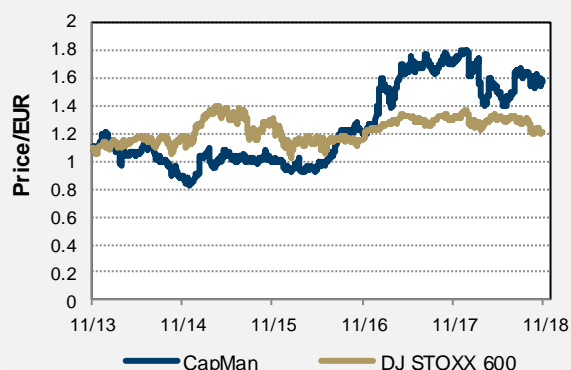
CapMan's financial objective remain unchanged. Currently the average ROE of 20 % in our view remains the most challenging. Realization of mid- to long-term carry potential remains a key factor but CapMan is also seeking to increase the share of fee income to achieve more stability in earnings.

BUY with a target price of EUR 1.75

Our estimates remain unchanged, with earnings expected to improve in the coming years. The effect of recent market uncertainty on CapMan is in our view currently mostly neutral. We expect several new products to be launched during 2019 and the uncertainty could impact on fundraising, although fund track records remain supportive. We retain our BUY-rating and target price of EUR 1.75.

Rating

BUY



Share price, EUR (Last trading day's closing price) 1.58

Target price, EUR 1.75

Latest change in recommendation 27-Apr-18

Latest report on company 29-Nov-18

Research paid by issuer: YES

No. of shares outstanding, '000's 146,923

No. of shares fully diluted, '000's 146,923

Market cap, EURm 232

Free float, % 75.0

Exchange rate EUR 1.000

Reuters code CAPMAN.HE

Bloomberg code CAPMAN FH

Average daily volume, EURm 0.2

Next interim report 31-Jan-19

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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
2016	27	19	70.0%	16	0.16	10.9	5.5	-35.4	7.9	0.09
2017	35	19	55.9%	16	0.10	13.1	8.1	9.1	14.5	0.11
2018E	37	20	53.6%	17	0.10	15.8	6.8	5.7	12.7	0.12
2019E	42	24	57.2%	21	0.12	13.5	6.1	6.1	10.6	0.13
2020E	43	25	57.5%	22	0.12	13.0	5.8	11.0	10.1	0.13
Market cap, EURm			232	BV per share 2018E, EUR		0.9	CAGR EPS 2017-20, %			-3.4
Net debt 2018E, EURm			20	Price/book 2018E		1.9	CAGR sales 2017-20, %			7.5
Enterprise value, EURm			253	Dividend yield 2018E, %		7.6	ROE 2018E, %			11.6
Total assets 2018E, EURm			217	Tax rate 2018E, %		11.0	ROCE 2018E, %			11.5
Goodwill 2018E, EURm			5	Equity ratio 2018E, %		57.7	PEG, P/E 18/CAGR			1.3

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	1.58 PV of Free Cash Flow	173 Long-term growth, %	2.0 Risk-free interest rate, %	2.25
DCF share value	2.45 PV of Horizon value	228 WACC, %	7.9 Market risk premium, %	5.8
Share price potential, %	54.8 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %	2.8
Maximum value	2.7 Marketable securities	23 Minimum WACC, %	7.4 Equity beta coefficient	1.10
Minimum value	2.2 Debt - dividend	-64 Maximum WACC, %	8.4 Target debt ratio, %	30
Horizon value, %	56.8 Value of stock	359 Nr of shares, Mn	146.9 Effective tax rate, %	20

DCF valuation, EURm	2017	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	Horizon
Net sales	35	37	42	43	44	45	47	48	49	50	51	52
<i>Sales growth, %</i>	<i>30.6</i>	<i>6.4</i>	<i>12.3</i>	<i>3.9</i>	<i>2.5</i>	<i>2.5</i>	<i>2.5</i>	<i>2.5</i>	<i>2.5</i>	<i>2.5</i>	<i>2.0</i>	<i>2.0</i>
Operating income (EBIT)	19	20	24	25	28	29	30	30	31	32	32	33
<i>EBIT margin, %</i>	<i>55.9</i>	<i>53.6</i>	<i>57.2</i>	<i>57.5</i>	<i>64.0</i>	<i>64.0</i>	<i>64.0</i>	<i>63.0</i>	<i>63.0</i>	<i>63.0</i>	<i>63.0</i>	<i>63.0</i>
+ Depreciation+amort.	2	0	0	0	0	0	0	0	0	0	0	
- Income taxes	1	-2	-5	-5	-6	-6	-6	-6	-6	-6	-6	
- Change in NWC	6	23	19	1	1	1	1	1	1	1	1	
<i>NWC / Sales, %</i>	<i>176.1</i>	<i>104.0</i>	<i>47.0</i>	<i>42.7</i>	<i>40.0</i>	<i>37.4</i>	<i>34.9</i>	<i>32.5</i>	<i>30.1</i>	<i>27.7</i>	<i>25.9</i>	
+ Change in other liabs	0	0	0	0	0	0	0	0	0	0	0	
- Capital Expenditure	2	-22	-18	0	0	0	0	0	0	0	0	0
<i>Investments / Sales, %</i>	<i>-6.0</i>	<i>59.8</i>	<i>43.6</i>	<i>0.3</i>	<i>0.4</i>	<i>0.4</i>	<i>0.3</i>	<i>0.3</i>	<i>0.3</i>	<i>0.3</i>	<i>0.3</i>	<i>0.3</i>
- Other items	-6	7	2	0	0	0	0	0	0	0	0	
= Unlevered Free CF (FCF)	24	25	22	21	23	24	25	25	25	26	26	457
= Discounted FCF (DFCF)		25	20	18	18	17	17	16	15	14	13	228
= DFCF min WACC		25	20	18	19	18	17	16	15	15	14	259
= DFCF max WACC		25	20	18	18	17	16	15	14	13	13	201

INTERIM FIGURES

EVLI ESTIMATES, EURm	2017Q1	2017Q2	2017Q3	2017Q4	2017	2018Q1	2018Q2	2018Q3	2018Q4E	2018E	2019E	2020E
Net sales	8	9	9	9	35	8	11	7	10	37	42	43
EBITDA	11	7	5	-2	21	4	6	5	5	20	24	25
<i>EBITDA margin (%)</i>	<i>141.3</i>	<i>80.7</i>	<i>55.2</i>	<i>-21.4</i>	<i>61.0</i>	<i>48.7</i>	<i>53.2</i>	<i>67.5</i>	<i>50.5</i>	<i>54.2</i>	<i>57.5</i>	<i>57.8</i>
EBIT	11	7	5	-3	19	4	6	5	5	20	24	25
<i>EBIT margin (%)</i>	<i>140.6</i>	<i>80.0</i>	<i>54.4</i>	<i>-39.0</i>	<i>55.9</i>	<i>48.0</i>	<i>52.6</i>	<i>66.8</i>	<i>49.8</i>	<i>53.6</i>	<i>57.2</i>	<i>57.5</i>
Net financial items	-1	-1	-1	-1	-3	-1	-1	-1	-1	-3	-2	-2
Pre-tax profit	10	6	4	-4	16	4	5	4	4	17	21	22
Tax	-1	-1	-1	1	-1	0	-1	0	-1	-2	-4	-4
<i>Tax rate (%)</i>	<i>6.1</i>	<i>9.7</i>	<i>14.5</i>	<i>40.6</i>	<i>4.3</i>	<i>5.7</i>	<i>15.9</i>	<i>5.5</i>	<i>15.0</i>	<i>11.0</i>	<i>20.0</i>	<i>20.0</i>
Net profit	9	6	4	-3	15	3	4	4	4	15	17	18
EPS	0.06	0.04	0.03	-0.02	0.10	0.02	0.03	0.03	0.02	0.10	0.12	0.12
EPS adjusted (diluted no. of shares)	0.06	0.04	0.03	0.00	0.14	0.02	0.03	0.03	0.02	0.10	0.12	0.12
Dividend per share	0.00	0.00	0.00	0.00	0.11	0.00	0.00	0.00	0.00	0.12	0.13	0.13
SALES, EURm												
Management Company business	5	5	8	7	25	6	7	6	7	25	30	32
Investment business	1	2	0	0	4	1	1	0	0	2	1	1
Service business	1	2	1	2	6	1	4	1	3	9	10	11
Other & eliminations	0	0	0	0	0	0	0	0	0	0	0	0
Total	8	9	9	9	35	8	11	7	10	37	42	43
SALES GROWTH, Y/Y %												
<i>Management Company business</i>	<i>-29.7</i>	<i>-35.7</i>	<i>20.7</i>	<i>44.6</i>	<i>-6.0</i>	<i>11.7</i>	<i>28.8</i>	<i>-30.7</i>	<i>6.3</i>	<i>0.2</i>	<i>18.6</i>	<i>5.8</i>
<i>Investment business</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>-3.0</i>	<i>-55.9</i>	<i>21.8</i>	<i>-34.8</i>	<i>-35.3</i>	<i>-42.1</i>	<i>-42.9</i>
<i>Service business</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>35.1</i>	<i>112.6</i>	<i>17.8</i>	<i>66.0</i>	<i>64.2</i>	<i>10.0</i>	<i>5.0</i>
<i>Other & eliminations</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>32.1</i>	<i>416.7</i>	<i>64.7</i>	<i>-50.7</i>	<i>-12.7</i>	<i>-4.8</i>	<i>0.0</i>
Total	-0.5	15.2	42.2	90.8	30.6	12.7	25.8	-23.3	12.8	6.4	12.3	3.9
EBIT, EURm												
Management Company business	0	0	4	-2	3	1	1	1	1	3	7	7
Investment business	10	7	1	-1	17	3	3	4	3	14	13	14
Service business	0	1	0	1	2	1	2	1	2	5	6	7
Other & eliminations	0	-1	0	-1	-3	0	-1	0	-1	-2	-3	-3
Total	11	7	5	-3	19	4	6	5	5	20	24	25
EBIT margin, %												
<i>Management Company business</i>	<i>8.1</i>	<i>2.7</i>	<i>46.2</i>	<i>-23.7</i>	<i>10.7</i>	<i>12.8</i>	<i>11.4</i>	<i>14.5</i>	<i>11.5</i>	<i>12.4</i>	<i>22.8</i>	<i>23.4</i>
<i>Investment business</i>	<i>895.1</i>	<i>316.4</i>	<i>827.2</i>	<i>-533.9</i>	<i>462.2</i>	<i>285.0</i>	<i>350.5</i>	<i>2,130.2</i>	<i>2,233.3</i>	<i>568.9</i>	<i>957.1</i>	<i>1,712.5</i>
<i>Service business</i>	<i>24.5</i>	<i>42.1</i>	<i>33.9</i>	<i>55.4</i>	<i>40.6</i>	<i>41.0</i>	<i>64.8</i>	<i>38.0</i>	<i>72.0</i>	<i>58.8</i>	<i>62.2</i>	<i>62.2</i>
<i>Other & eliminations</i>	<i>-1,500.0</i>	<i>-2,046.7</i>	<i>-1,270.6</i>	<i>-361.1</i>	<i>-564.7</i>	<i>-1,205.4</i>	<i>-375.5</i>	<i>-1,250.0</i>	<i>-500.0</i>	<i>-566.2</i>	<i>-650.0</i>	<i>-687.5</i>
Total	140.6	80.0	54.4	-39.0	55.9	48.0	52.6	66.8	49.8	53.6	57.2	57.5

INCOME STATEMENT, EURm	2013	2014	2015	2016	2017	2018E	2019E	2020E
Sales	30	39	32	27	35	37	42	43
<i>Sales growth (%)</i>	<i>9.0</i>	<i>32.6</i>	<i>-19.5</i>	<i>-16.0</i>	<i>30.6</i>	<i>6.4</i>	<i>12.3</i>	<i>3.9</i>
Costs	-26	-33	-22	-8	-14	-17	-18	-18
Reported EBITDA	4	7	10	19	21	20	24	25
Extraordinary items in EBITDA	0	0	0	0	0	0	0	0
<i>EBITDA margin (%)</i>	<i>13.5</i>	<i>17.2</i>	<i>30.2</i>	<i>71.0</i>	<i>61.0</i>	<i>54.2</i>	<i>57.5</i>	<i>57.8</i>
Depreciation	-1	0	0	0	0	0	0	0
EBITA	3	6	9	19	21	20	24	25
Goodwill amortization / writedown	0	0	0	0	-1	0	0	0
Reported EBIT	3	6	9	19	19	20	24	25
<i>EBIT margin (%)</i>	<i>11.2</i>	<i>16.2</i>	<i>29.2</i>	<i>70.0</i>	<i>55.9</i>	<i>53.6</i>	<i>57.2</i>	<i>57.5</i>
Net financials	-1	-1	-3	-3	-3	-3	-2	-2
Pre-tax profit	2	5	6	16	16	17	21	22
Extraordinary items	0	0	0	0	0	0	0	0
Taxes	-1	-1	0	0	-1	-2	-4	-4
Minority shares	0	0	0	0	0	-1	0	0
Net profit	-1	3	5	14	15	15	17	18
BALANCE SHEET, EURm								
Assets								
Fixed assets	75	65	104	95	93	110	128	128
<i>% of sales</i>	<i>252</i>	<i>166</i>	<i>329</i>	<i>357</i>	<i>266</i>	<i>295</i>	<i>306</i>	<i>295</i>
Goodwill	6	6	6	6	5	5	5	5
<i>% of sales</i>	<i>21</i>	<i>16</i>	<i>20</i>	<i>23</i>	<i>13</i>	<i>12</i>	<i>11</i>	<i>11</i>
Inventory	0	0	0	0	0	0	0	0
<i>% of sales</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Receivables	8	10	13	101	89	76	61	62
<i>% of sales</i>	<i>27</i>	<i>24</i>	<i>41</i>	<i>380</i>	<i>255</i>	<i>204</i>	<i>147</i>	<i>143</i>
Liquid funds	17	29	22	45	23	26	29	30
<i>% of sales</i>	<i>57</i>	<i>73</i>	<i>68</i>	<i>169</i>	<i>67</i>	<i>70</i>	<i>70</i>	<i>70</i>
Total assets	110	114	150	253	211	217	224	226
Liabilities								
Equity	50	50	50	128	127	125	125	124
<i>% of sales</i>	<i>167</i>	<i>128</i>	<i>158</i>	<i>480</i>	<i>364</i>	<i>338</i>	<i>300</i>	<i>286</i>
Deferred taxes	2	2	2	10	9	9	9	9
<i>% of sales</i>	<i>6</i>	<i>5</i>	<i>6</i>	<i>37</i>	<i>25</i>	<i>23</i>	<i>21</i>	<i>20</i>
Interest bearing debt	47	47	84	81	48	46	49	50
<i>% of sales</i>	<i>157</i>	<i>120</i>	<i>266</i>	<i>304</i>	<i>138</i>	<i>125</i>	<i>118</i>	<i>116</i>
Non-interest bearing current liabilities	11	14	13	33	27	37	42	43
<i>% of sales</i>	<i>38</i>	<i>35</i>	<i>41</i>	<i>125</i>	<i>77</i>	<i>100</i>	<i>100</i>	<i>100</i>
Other interest free debt	1	0	0	0	1	0	0	0
<i>% of sales</i>	<i>2</i>	<i>1</i>	<i>0</i>	<i>2</i>	<i>3</i>	<i>0</i>	<i>0</i>	<i>0</i>
Total liabilities	110	114	150	253	211	217	224	226
CASH FLOW, EURm								
+ EBITDA	4	7	10	19	21	20	24	25
- Net financial items	-1	-1	-3	-3	-3	-3	-2	-2
- Taxes	-1	-1	-1	0	1	-2	-4	-4
- Increase in Net Working Capital	1	2	-3	5	6	23	19	1
+/- Other	-6	5	-2	-23	-6	6	2	0
= Cash flow from operations	-3	12	1	-3	17	45	38	19
- Capex	5	0	47	-51	2	-22	-18	0
- Acquisitions	0	0	0	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Net cash flow	17	6	-5	47	19	23	20	19
+/- Change in interest-bearing debt	-15	0	37	-3	-33	-2	3	1
+/- New issues/buybacks	1	1	0	70	-9	0	0	0
- Paid dividend	0	-3	-5	-6	-8	-16	-18	-19
+/- Change in loan receivables	-1	0	0	0	0	0	0	0
Change in cash	3	4	27	107	-30	5	5	1

KEY FIGURES	2014	2015	2016	2017	2018E	2019E	2020E
M-cap	72	86	111	258	232	232	232
Net debt	19	63	36	25	20	20	20
Enterprise value	90	149	147	283	253	252	252
Sales	39	32	27	35	37	42	43
EBITDA	7	10	19	21	20	24	25
EBIT	6	9	19	19	20	24	25
Pre-tax	5	6	16	16	17	21	22
Earnings	3	5	14	15	15	17	18
Book value	50	50	128	127	125	125	124
Valuation multiples							
EV/sales	2.3	4.7	5.5	8.1	6.8	6.1	5.8
EV/EBITDA	13.2	15.5	7.7	13.3	12.6	10.5	10.1
EV/EBITA	14.1	16.1	7.9	13.5	12.7	10.6	10.1
EV/EBIT	14.1	16.1	7.9	14.5	12.7	10.6	10.1
EV/operating cash flow	7.7	260.7	-46.9	9.9	6.2	6.6	11.9
EV/cash earnings	19.9	24.6	6.4	14.8	16.3	14.6	14.0
P/E	23.8	14.7	10.9	13.1	15.8	13.5	13.0
P/E excl. goodwill	23.8	14.7	10.9	12.2	15.8	13.5	13.0
P/B	1.4	1.7	0.9	2.0	1.9	1.9	1.9
P/sales	1.8	2.7	4.1	7.4	6.3	5.6	5.4
P/CF	6.1	150.9	-35.4	9.1	5.7	6.1	11.0
Target EV/EBIT	0.0	0.0	0.0	0.0	14.0	11.6	11.1
Target P/E	0.0	0.0	0.0	0.0	17.5	15.0	14.4
Target P/B	0.0	0.0	0.0	0.0	2.1	2.1	2.1
Per share measures							
Number of shares	86,164	86,317	88,409	145,626	146,923	146,923	146,923
Number of shares (diluted)	86,164	86,317	88,409	145,626	146,923	146,923	146,923
EPS	0.03	0.06	0.16	0.10	0.10	0.12	0.12
EPS excl. goodwill	0.03	0.07	0.12	0.15	0.10	0.12	0.12
Cash EPS	0.05	0.07	0.26	0.13	0.11	0.12	0.12
Operating cash flow per share	0.14	0.01	-0.04	0.20	0.28	0.26	0.14
Capital employed per share	0.70	0.66	1.79	1.01	0.99	0.99	0.98
Book value per share	0.59	0.58	1.45	0.87	0.85	0.85	0.84
Book value excl. goodwill	0.51	0.51	1.38	0.84	0.82	0.82	0.81
Dividend per share	0.06	0.07	0.09	0.11	0.12	0.13	0.13
Dividend payout ratio, %	172.0	118.6	55.5	104.9	120.2	111.3	105.0
Dividend yield, %	7.2	7.0	7.2	6.2	7.6	8.2	8.1
Efficiency measures							
ROE	6.0	10.1	16.1	12.0	11.6	13.7	14.4
ROCE	6.5	8.0	10.9	10.1	11.5	13.8	14.3
Financial ratios							
Capex/sales, %	1.2	-148.7	190.8	-6.0	59.8	43.6	0.3
Capex/depreciation excl. goodwill,%	116.2	-14,671.1	19,726.7	-753.1	9,352.9	15,997.1	102.4
Net debt/EBITDA, book-weighted	2.7	6.5	1.9	1.2	1.0	0.8	0.8
Debt/equity, market-weighted	0.7	1.0	0.7	0.2	0.2	0.2	0.2
Equity ratio, book-weighted	44.3	33.5	50.6	60.0	57.7	55.7	54.8
Gearing	0.37	1.25	0.28	0.20	0.16	0.16	0.16
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: CapMan is a leading Nordic investment and specialised asset management company. CapMan has over 100 private equity professionals and manages over EUR 2.7 billion in assets. The company mainly manages the assets of its customers, the investors, but also makes direct investments from balance sheet in areas without an active fund. Current investments strategies cover Buyout, Growth Equity, Real Estate, Russia, Credit, Infrastructure and Tactical Opportunities. CapMan has also a growing service business that includes fundraising advisory, procurement activities and fund management.

INVESTMENT CASE:

OWNERSHIP STRUCTURE	SHARES	EURm	%
Mandatum Life Insurance Company	10,737,228	16.965	7.3%
Ilmarinen Mutual Pension Insurance Company	10,464,415	16.534	7.1%
Oy Inventiainvest AB (Ari Tolppanen)	7,024,794	11.099	4.8%
Laakkonen Mikko Kalervo	6,378,320	10.078	4.3%
Varma Mutual Pension Insurance Company	3,675,215	5.807	2.5%
Joensuun Kauppa ja Kone Oy	3,511,853	5.549	2.4%
Vesasco Oy	3,088,469	4.880	2.1%
The State Pension Fund	2,500,000	3.950	1.7%
Winsome Oy + Tuomo Raasio	2,130,043	3.365	1.4%
Heiwes Oy	2,094,480	3.309	1.4%
Ten largest	51,604,817	81.536	35%
Residual	95,317,951	150.602	65%
Total	146,922,768	232.138	100%

EARNINGS CALENDAR

January 31, 2019	FY 2018 Results
April 25, 2019	Q1 report
August 08, 2019	Q2 report

OTHER EVENTS

March 13, 2019	AGM
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COMPANY MISCELLANEOUS

CEO: Joakim Frimodig	Ludviginkatu 6, 4 fl. 01300 Helsinki
CFO: Niko Haavisto	Tel: +358 207 207 500
IR: Linda Tierala	

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

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<https://research.evli.com/JasperAllModels.action?authParam=key:461&authParam=x:G3rNagWrtf7K&authType=3>

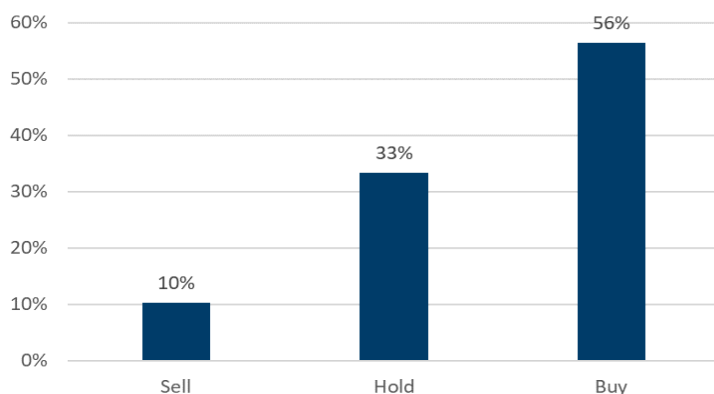
Detailed information about the valuation or methodology and the underlying assumptions is accessible via ERP:

<http://research.evli.com>

Investment recommendations are defined as follows:

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

ERP's investment recommendation of the analyzed company is in general updated 2 – 4 per year.



The graph above shows the distribution of ERP's recommendations of companies under coverage in 16th of April 2018. If recommendation is not given, it is not mentioned here.

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

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