

Unfortunate one-off earnings hit

The arbitration proceedings relating to the Hotel St. George project unfortunately came to a for Consti unfavourable conclusion. As a result, Consti lowered its 2021 operating result estimate to EUR 4–8m (EUR 7–11m). Our 2021 estimate is now EUR 5.7m (EUR 8.7m), TP of EUR 13.0 and HOLD-rating intact.

Arbitration proceedings to an end

The arbitration proceedings between Consti's subsidiary Consti Korjausrakentaminen Oy and Kiinteistö Oy Yrjönkatu 13 relating to the Hotel St. George construction project came to a conclusion. Compensations amounted to EUR 0.7m for the former and EUR 0.9m for the latter, along with penalty interest. The net receivable related to the project in Consti's balance sheet was approximately EUR 3m at the end of Q1/2021. Costs relating to the arbitral award will be recorded in Consti's Q2/2021 results. The positive impact on cash flow is approximately EUR 2m. As a result of the arbitral award Consti lowered its operating result estimate range for 2021 to EUR 4–8m from the previous 7–11m.

Operating result estimate for 2021 down by EUR 3m

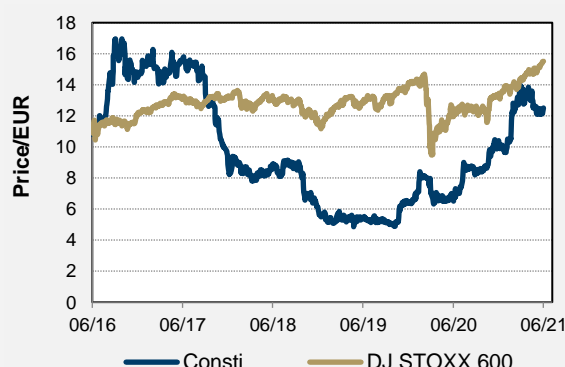
With the net compensation close to even the impact on the operating result will be around EUR 3m due to the cancellation of receivables in Consti's balance sheet. The income statement will be partly effected through revenue and partly costs and we have revised our Q2/2021 estimate for revenue and operating result to EUR 68.5m (EUR 70.5m) and EUR -0.4m (EUR 2.6m). Our revisions solely reflect the outcome of the arbitration proceedings, as operational performance appears to have remained in line with expectations. The outcome, although unfortunate, is essentially a one-off item and ultimately did have a positive cash flow impact.

HOLD with a target price of EUR 13.0

We make no adjustments to our target price or rating based on the outcome of the arbitration proceedings due to the one-off nature. Our target price of EUR 13.0 values Consti at 16.6x 2021 P/E (excl. arbitration proceedings items).

Rating

■ HOLD



Share price, EUR (Last trading day's closing price) 12.50

Target price, EUR 13.0

Latest change in recommendation 28-Apr-21

Latest report on company 03-May-21

Research paid by issuer: YES

No. of shares outstanding, '000's 7,858

No. of shares fully diluted, '000's 7,858

Market cap, EURm 98

Free float, % 62.0

Exchange rate EUR 1.000

Reuters code CONSTI.HE

Bloomberg code CONSTI FH

Average daily volume, EURm 0.1

Next interim report 23-Jul-21

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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
2019	314.8	4.6	1.5%	0.1	0.32	20.3	0.2	15.6	0.2	0.16
2020	274.6	8.2	3.0%	15.1	0.71	14.2	0.3	10.6	19.2	0.40
2021E	278.0	5.7	2.1%	3.9	0.48	26.0	0.4	18.5	3.9	0.35
2022E	286.3	10.0	3.5%	7.6	0.94	13.3	0.4	10.1	7.8	0.47
2023E	294.4	11.0	3.7%	8.5	1.05	11.9	0.3	8.7	8.7	0.53
Market cap, EURm		98	Gearing 2021E, %			23.2	CAGR EPS 2020-23, %			14.1
Net debt 2021E, EURm		7	Price/book 2021E			3.2	CAGR sales 2020-23, %			2.3
Enterprise value, EURm		105	Dividend yield 2021E, %			2.8	ROE 2021E, %			12.3
Total assets 2021E, EURm		126	Tax rate 2021E, %			20.0	ROCE 2021E, %			9.5
Goodwill 2021E, EURm		49	Equity ratio 2021E, %			24.6	PEG, P/E 21/CAGR			0.8

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	12.50 PV of Free Cash Flow	76 Long-term growth, %	1.2 Risk-free interest rate, %	2.25
DCF share value	18.51 PV of Horizon value	81 WACC, %	8.6 Market risk premium, %	5.8
Share price potential, %	48.1 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %	3.3
Maximum value	20.0 Marketable securities	24 Minimum WACC, %	8.1 Equity beta coefficient	1.15
Minimum value	17.2 Debt - dividend	-35 Maximum WACC, %	9.1 Target debt ratio, %	30
Horizon value, %	51.6 Value of stock	145 Nr of shares, Mn	7.9 Effective tax rate, %	20

DCF valuation, EURm	2020	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	Horizon
Net sales	275	278	286	294	299	303	308	312	317	322	326	330
<i>Sales growth, %</i>	-12.8	1.2	3.0	2.8	1.5	1.5	1.5	1.5	1.5	1.5	1.2	1.2
Operating income (EBIT)	8	6	10	11	12	12	12	12	13	13	13	13
<i>Operating income margin, %</i>	3.0	2.1	3.5	3.7	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
+ Depreciation+amort.	3	3	3	3	3	3	3	3	3	4	4	
EBITDA	11	9	13	14	15	15	16	16	16	16	17	
- Paid taxes	-1	-1	-2	-2	-2	-2	-2	-2	-3	-3	-3	
- Change in NWC	8	0	0	0	0	0	0	0	0	0	0	
<i>NWC / Sales, %</i>	-4.9	-4.9	-4.9	-4.9	-4.9	-4.9	-4.9	-4.9	-4.9	-4.9	-4.9	
+ Change in other liabs	0	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	
<i>opCAPEX / Sales, %</i>	1.0	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	
- 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	17	7	10	11	12	12	12	12	13	13	13	177
= Discounted FCFF		6	9	9	9	8	8	7	7	6	6	81
= DFCF min WACC		6	9	9	9	8	8	7	7	7	6	91
= DFCF max WACC		6	9	9	9	8	8	7	7	6	6	72

INTERIM FIGURES

EVLI ESTIMATES, EURm	2020Q1	2020Q2	2020Q3	2020Q4	2020	2021Q1	2021Q2E	2021Q3E	2021Q4E	2021E	2022E	2023E
Net sales	59.0	69.3	68.2	78.1	274.6	59.3	68.5	69.3	80.9	278.0	286.3	294.4
EBITDA	1.3	3.2	3.2	3.7	11.4	0.9	0.4	3.5	4.1	8.8	13.1	14.2
<i>EBITDA margin (%)</i>	<i>2.2</i>	<i>4.6</i>	<i>4.8</i>	<i>4.8</i>	<i>4.2</i>	<i>1.5</i>	<i>0.5</i>	<i>5.0</i>	<i>5.0</i>	<i>3.1</i>	<i>4.6</i>	<i>4.8</i>
EBIT	0.5	2.4	2.5	3.0	8.2	0.1	-0.4	2.7	3.3	5.7	10.0	11.0
<i>EBIT margin (%)</i>	<i>0.8</i>	<i>3.4</i>	<i>3.6</i>	<i>3.8</i>	<i>3.0</i>	<i>0.2</i>	<i>-0.6</i>	<i>3.9</i>	<i>4.1</i>	<i>2.1</i>	<i>3.5</i>	<i>3.7</i>
Net financial items	-0.3	-0.2	-0.2	-0.2	-1.0	-0.2	-0.2	-0.2	-0.2	-0.9	-0.8	-0.6
Pre-tax profit	0.2	2.1	2.2	2.7	7.2	-0.1	-0.6	2.5	3.1	4.8	9.2	10.4
Tax	0.0	-0.4	-0.5	-0.6	-1.6	0.0	0.1	-0.5	-0.6	-1.0	-1.8	-2.1
<i>Tax rate (%)</i>	<i>16.9</i>	<i>19.6</i>	<i>24.0</i>	<i>21.4</i>	<i>21.6</i>	<i>19.8</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	0.1	1.7	1.7	2.0	5.6	-0.1	-0.5	2.0	2.4	3.8	7.4	8.3
EPS	0.02	0.22	0.22	0.26	0.71	-0.02	-0.07	0.25	0.31	0.48	0.94	1.05
EPS adjusted (diluted no. of shares)	0.02	0.22	0.22	0.26	0.71	-0.02	-0.07	0.25	0.31	0.48	0.94	1.05
Dividend per share	0.00	0.00	0.00	0.00	0.40	0.00	0.00	0.00	0.00	0.35	0.47	0.53
SALES, EURm												
Housing Companies	16.5	24.8	23.8	21.1	86.1	13.4	21.8	23.0	25.0	83.2	86.5	90.0
Corporations	20.8	21.6	21.5	26.6	90.6	21.8	20.0	20.5	24.5	86.8	88.5	89.9
Public Sector	9.4	10.3	9.8	12.0	41.4	7.5	10.9	11.0	13.8	43.1	44.4	45.8
Building Technology	15.5	16.5	15.9	21.5	69.4	19.2	19.3	18.1	21.0	77.6	80.0	82.4
Elimination	-3.0	-3.9	-2.8	-3.2	-12.9	-2.6	-3.5	-3.3	-3.4	-12.8	-13.2	-13.6
Total	59.0	69.3	68.2	78.1	274.6	59.3	68.5	69.3	80.9	278.0	286.3	294.4
SALES GROWTH, Y/Y %												
<i>Housing Companies</i>	<i>-41.9</i>	<i>-10.4</i>	<i>-21.7</i>	<i>-12.1</i>	<i>-22.0</i>	<i>-18.6</i>	<i>-12.1</i>	<i>-3.2</i>	<i>18.3</i>	<i>-3.4</i>	<i>4.0</i>	<i>4.0</i>
<i>Corporations</i>	<i>-24.8</i>	<i>-31.8</i>	<i>-22.9</i>	<i>-16.2</i>	<i>-23.9</i>	<i>5.0</i>	<i>-7.6</i>	<i>-4.8</i>	<i>-8.0</i>	<i>-4.2</i>	<i>2.0</i>	<i>1.5</i>
<i>Public Sector</i>	<i>77.7</i>	<i>24.2</i>	<i>-7.2</i>	<i>22.7</i>	<i>22.3</i>	<i>-20.3</i>	<i>5.7</i>	<i>12.4</i>	<i>15.1</i>	<i>4.1</i>	<i>3.0</i>	<i>3.0</i>
<i>Building Technology</i>	<i>-5.5</i>	<i>-12.3</i>	<i>-11.5</i>	<i>29.5</i>	<i>-0.5</i>	<i>24.4</i>	<i>17.3</i>	<i>13.7</i>	<i>-2.3</i>	<i>12.0</i>	<i>3.0</i>	<i>3.0</i>
<i>Elimination</i>	<i>-26.8</i>	<i>-25.6</i>	<i>-43.5</i>	<i>-19.5</i>	<i>-29.4</i>	<i>-13.5</i>	<i>-9.6</i>	<i>17.4</i>	<i>7.4</i>	<i>-0.4</i>	<i>3.0</i>	<i>3.0</i>
Total	-19.7	-14.7	-16.7	-0.2	-12.8	0.4	-1.2	1.6	3.6	1.2	3.0	2.8
EBIT, EURm												
Group	0.5	2.4	2.5	3.0	8.2	0.1	-0.4	2.7	3.3	5.7	10.0	11.0
Total	0.5	2.4	2.5	3.0	8.2	0.1	-0.4	2.7	3.3	5.7	10.0	11.0
EBIT margin, %												
<i>Total</i>	<i>0.8</i>	<i>3.4</i>	<i>3.6</i>	<i>3.8</i>	<i>3.0</i>	<i>0.2</i>	<i>-0.6</i>	<i>3.9</i>	<i>4.1</i>	<i>2.1</i>	<i>3.5</i>	<i>3.7</i>

INCOME STATEMENT, EURm	2016	2017	2018	2019	2020	2021E	2022E	2023E
Sales	261.5	300.2	315.8	314.8	274.6	278.0	286.3	294.4
<i>Sales growth (%)</i>	<i>2.1</i>	<i>14.8</i>	<i>5.2</i>	<i>-0.3</i>	<i>-12.8</i>	<i>1.2</i>	<i>3.0</i>	<i>2.8</i>
EBITDA	13.1	1.7	-0.5	8.1	11.4	8.8	13.1	14.2
<i>EBITDA margin (%)</i>	<i>5.0</i>	<i>0.6</i>	<i>-0.1</i>	<i>2.6</i>	<i>4.2</i>	<i>3.1</i>	<i>4.6</i>	<i>4.8</i>
Depreciation	-2.1	-2.1	-1.7	-3.5	-3.2	-3.0	-3.1	-3.2
EBITA	10.9	-0.4	-2.1	4.6	8.2	5.7	10.0	11.0
Goodwill amortization / writedown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	10.9	-0.4	-2.1	4.6	8.2	5.7	10.0	11.0
<i>EBIT margin (%)</i>	<i>4.2</i>	<i>-0.1</i>	<i>-0.7</i>	<i>1.5</i>	<i>3.0</i>	<i>2.1</i>	<i>3.5</i>	<i>3.7</i>
Reported EBIT	10.9	-0.4	-2.1	4.6	8.2	5.7	10.0	11.0
<i>EBIT margin (reported) (%)</i>	<i>4.2</i>	<i>-0.1</i>	<i>-0.7</i>	<i>1.5</i>	<i>3.0</i>	<i>2.1</i>	<i>3.5</i>	<i>3.7</i>
Net financials	-0.9	-0.8	-0.7	-1.2	-1.0	-0.9	-0.8	-0.6
Pre-tax profit	10.1	-1.2	-2.8	3.4	7.2	4.8	9.2	10.4
Taxes	-2.1	0.1	0.5	-0.7	-1.6	-1.0	-1.8	-2.1
Minority shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	8.0	-1.1	-2.3	2.5	5.6	3.8	7.4	8.3
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	6	5	4	4	3	3	3	3
Goodwill	44	49	49	49	49	49	49	49
Right of use assets	0	0	4	3	2	2	2	3
Inventory	1	1	1	1	1	1	1	1
Receivables	39	36	53	50	49	50	51	53
Liquid funds	9	10	3	10	24	21	21	22
Total assets	98	101	115	117	129	126	128	130
Liabilities								
Shareholder's equity	30	25	23	26	30	31	36	40
Minority interest	0	0	0	0	0	0	0	0
Convertibles	0	0	0	3	3	0	0	0
Lease liabilities	0	0	4	4	2	2	2	3
Deferred taxes	0	0	0	0	0	0	0	0
Interest bearing debt	21	22	23	25	27	26	21	17
Non-interest bearing current liabilities	46	52	62	56	63	64	66	68
Other interest-free debt	0	0	0	0	0	0	0	0
Total liabilities	98	101	115	117	129	126	128	130
CASH FLOW, EURm								
+ EBITDA	13	2	0	8	11	9	13	14
- Net financial items	-1	-1	-1	-1	-1	-1	-1	-1
- Taxes	-1	-1	0	0	-1	-1	-2	-2
- Increase in Net Working Capital	0	9	-5	-3	8	0	0	0
+/- Other	0	0	0	0	0	0	0	0
= Cash flow from operations	11	9	-7	4	18	7	11	12
- Capex	-2	-1	-1	-4	-3	-3	-3	-3
- Acquisitions	-1	-4	0	0	0	0	0	0
+ Divestments	0	1	1	0	0	0	0	0
= Free cash flow	8	4	-8	0	15	4	8	9
+/- New issues/buybacks	0	1	0	0	0	0	0	0
- Paid dividend	-3	-4	0	0	-1	-3	-3	-4
+/- Other	0	-1	1	6	0	-4	-4	-4
Change in cash	5	0	-6	7	14	-3	1	1

KEY FIGURES	2017	2018	2019	2020	2021E	2022E	2023E
M-cap	66	43	50	79	98	98	98
Net debt (excl. convertibles)	12	23	19	5	7	2	-3
Enterprise value	78	67	72	87	105	101	96
Sales	300	316	315	275	278	286	294
EBITDA	2	0	8	11	9	13	14
EBIT	0	-2	5	8	6	10	11
Pre-tax	-1	-3	3	7	5	9	10
Earnings	-1	-2	2	6	4	7	8
Equity book value (excl. minorities)	25	23	26	30	31	36	40
Valuation multiples							
EV/sales	0.3	0.2	0.2	0.3	0.4	0.4	0.3
EV/EBITDA	45.3	-143.6	8.9	7.6	12.0	7.7	6.8
EV/EBITA	-207.0	-31.3	15.6	10.6	18.5	10.1	8.7
EV/EBIT	-207.0	-31.3	15.6	10.6	18.5	10.1	8.7
EV/OCF	8.8	-9.9	19.7	4.9	15.1	9.3	8.1
EV/FCFF	14.9	-9.6	31.9	5.2	15.9	9.7	8.5
P/FCFE	14.6	-5.7	523.9	5.2	25.4	12.9	11.5
P/E	-61.0	-18.5	20.3	14.2	26.0	13.3	11.9
P/B	2.6	1.8	1.9	2.6	3.2	2.8	2.4
Target EV/EBITDA	0.0	0.0	0.0	0.0	12.5	8.0	7.0
Target EV/EBIT	0.0	0.0	0.0	0.0	19.2	10.4	9.1
Target EV/FCF	0.0	0.0	0.0	0.0	28.2	13.7	11.7
Target P/B	0.0	0.0	0.0	0.0	3.3	2.9	2.5
Target P/E	0.0	0.0	0.0	0.0	27.1	13.9	12.3
Per share measures							
Number of shares	7,621	7,858	7,858	7,858	7,858	7,858	7,858
Number of shares (diluted)	7,621	7,858	7,858	7,858	7,858	7,858	7,858
EPS	-0.14	-0.30	0.32	0.71	0.48	0.94	1.05
Operating cash flow per share	1.16	-0.85	0.47	2.27	0.89	1.38	1.51
Free cash flow per share	0.59	-0.96	0.01	1.93	0.49	0.97	1.09
Book value per share	3.32	2.98	3.33	3.87	3.95	4.53	5.12
Dividend per share	0.00	0.00	0.16	0.40	0.35	0.47	0.53
Dividend payout ratio, %	0.0	0.0	50.8	56.3	72.9	50.0	50.0
Dividend yield, %	0.0	0.0	2.5	4.0	2.8	3.8	4.2
FCF yield, %	6.8	-17.4	0.2	19.2	3.9	7.8	8.7
Efficiency measures							
ROE	-3.9	-9.6	10.0	19.7	12.3	22.1	21.8
ROCE	-0.6	-4.2	8.6	13.7	9.5	17.0	18.6
Financial ratios							
Inventories as % of sales	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Receivables as % of sales	12.1	16.8	15.8	17.9	17.9	17.9	17.9
Non-interest bearing liabilities as % of sales	17.3	19.5	17.8	23.1	23.1	23.1	23.1
NWC/sales, %	-5.0	-2.5	-1.7	-4.9	-4.9	-4.9	-4.9
Operative CAPEX/sales, %	0.5	0.4	1.3	1.0	1.1	1.1	1.1
CAPEX/sales (incl. acquisitions), %	-0.8	0.4	1.3	1.0	1.1	1.1	1.1
FCFF/EBITDA	3.0	15.0	0.3	1.5	0.8	0.8	0.8
Net debt/EBITDA, book-weighted	7.0	-50.5	2.3	0.4	0.8	0.2	-0.2
Debt/equity, market-weighted	0.3	0.5	0.5	0.3	0.3	0.2	0.2
Equity ratio, book-weighted	28.8	24.4	29.8	26.1	24.6	27.8	30.9
Gearing, %	47.7	100.0	64.4	14.1	23.2	6.6	-6.2

COMPANY DESCRIPTION: Consti is one of the leading renovation and technical service companies in Finland. Consti has a comprehensive service offering covering technical building services, residential pipeline renovation, renovation contracting, building facade repair and maintenance, and other renovation and technical services for residential and non-residential properties. Consti was established in 2008 to meet the growing need for repair and construction work.

INVESTMENT CASE: Consti should seek to regain healthier levels of profitability after a period of weaker profitability during the past few years driven by a number of weak margin projects. Reorganisations and more disciplined bidding procedures support the profitability outlook, although the latter has had an unfavourable impact on the order backlog. In the near-term the decline in order backlog along with an anticipated increase in competition following a slow-down in new construction volumes pose growth challenges. The long-term market outlook, however, remains favourable due to among other things a large aging building stock, and the renovation market is expected to see steady growth.

OWNERSHIP STRUCTURE	SHARES	EURm	%
Lujatalo Oy	790,000	9.875	10.1%
Heikintorppa Oy	545,000	6.813	6.9%
Wipunen varainhallinta Oy	545,000	6.813	6.9%
Korkeela Esa Sakari	434,637	5.433	5.5%
Evli Finnish Small Cap Fund	422,625	5.283	5.4%
Kivi Risto Juhani	380,267	4.753	4.8%
Fennia Life Insurance Company Ltd	354,471	4.431	4.5%
Kalervo Markku	299,128	3.739	3.8%
Korkeela Antti Petteri	176,705	2.209	2.2%
Consti Yhtiöt Oyj	173,031	2.163	2.2%
Ten largest	4,120,864	51.511	52%
Residual	3,737,403	46.718	48%
Total	7,858,267	98.228	100%

EARNINGS CALENDAR	
July 23, 2021	Q2 report
October 27, 2021	Q3 report
OTHER EVENTS	
April 07, 2021	AGM

COMPANY MISCELLANEOUS	
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CFO: Joni Sorsanen	Tel: +358 10 288 6000
IR: Ismo Heikkilä	

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

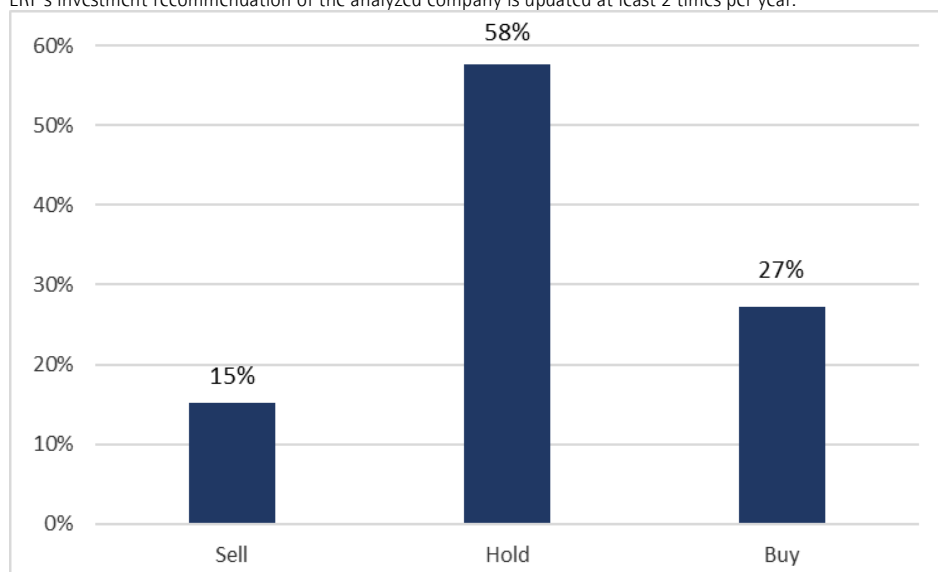
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Investment recommendations are defined as follows:

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

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The graph above shows the distribution of ERP's recommendations of companies under coverage in 11th of May 2020. If recommendation is not given, it is not mentioned here.

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

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