

## Viewing game launches in H2/2020

Next Games Q4 revenue (Act./Evli EUR 7.7m/8.2m) fell short of our expectations despite total gross bookings in line with our estimates while EBIT (Act./Evli EUR -1.8m/-1.7m) was in line with our estimates despite the revenue miss and a low gross profit. With Blade Runner Nexus moved backed to production phase we expect new game launches in mid to late H2/2020, with priority in our view set on launching the Stranger Things -game.

### Slight revenue miss, EBIT held up fairly well

Next Games revenue in Q4 amounted to EUR 7.7m (Evli 8.2m), with gross bookings of EUR 8.2m (Evli 8.2m). EBIT was in line with our estimates at EUR -1.8m (Evli -1.7m) despite the lower revenue and a low gross profit margin (Act./Evli 53%/67%). The adj. EBIT amounted to EUR -1.0m (Evli -0.7m). Our World continued to be affected by retention issues and gross bookings continued to decline. Next Games added Publishing Operations to its reporting (live games revenue – costs), at an EBITDA of EUR 3.8m in 2019.

### Next major steps should be seen during H2/2020

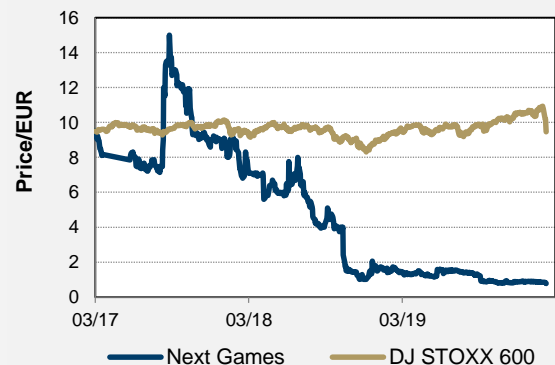
Next Games expects moderate revenue growth in 2020 and for its publishing operations EBITDA to be profitable. Revenue from live games is expected to continue on a flat or declining trend. Blade Runner Nexus was moved back to production phase and we now expect new game launches in mid to late H2/2020. Priority in our view will likely be on bringing the commercially more attractive Stranger Things -game to the market. Successful new launches along with seeking to solve Our World's retention and reverse the declining will be key for 2020. We expect a revenue growth of 5% in 2020 and EBIT to remain clearly in the red due to development costs of new projects.

### HOLD with a target price of EUR 0.84 (0.90)

We have overall slightly lowered our estimates post-Q4 and with the slight increase in uncertainty brought by the postponement of a BRN launch we adjust our target price to EUR 0.84 (0.90) and retain our HOLD rating.

Rating

■ HOLD



Share price, EUR (Last trading day's closing price) 0.77

Target price, EUR 0.84

Latest change in rating 10-Jan-19

Latest report on company 26-Feb-20

Research paid by issuer: YES

No. of shares outstanding, 27,909

No. of shares fully diluted, 27,909

Market cap, EURm 21

Free float, % 45.0

Exchange rate 0.000

Reuters code NXTGMS.HE

Bloomberg code NXTGMS FH

Average daily volume, EURm 0.04

Next interim report 28-Aug-20

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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
2018	35.2	-16.9	-48.0%	-13.8	-0.97	-1.1	0.5	-1.1	-70.0	0.00
2019	34.7	-7.4	-21.4%	-7.1	-0.30	-3.0	0.6	-3.0	-28.5	0.00
2020E	36.6	-9.2	-25.0%	-10.1	-0.34	-2.3	0.8	-3.2	-46.8	0.00
2021E	63.9	0.4	0.7%	0.6	0.00	-295.6	0.4	64.2	3.0	0.00
2022E	75.1	2.6	3.5%	1.4	0.06	13.5	0.4	10.4	6.6	0.00
Market cap, EURm	21		Gearing 2020E, %	54.3		CAGR EPS 2019-22, %		0.0		0.0
Net debt 2020E, EURm	7		Price/book 2020E	1.6		CAGR sales 2019-22, %		29.3		29.3
Enterprise value, EURm	29		Dividend yield 2020E, %	0.0		ROE 2020E, %		-52.6		-52.6
Total assets 2020E, EURm	31		Tax rate 2020E, %	0.0		ROCE 2020E, %		-36.4		-36.4
Goodwill 2020E, EURm	3		Equity ratio 2020E, %	43.2		PEG, P/E 20/CAGR		0.0		0.0

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

Next Games	2018	H1/19	H2/19	2019	H1/20E	H2/20E	2020E	2021E	2022E
Net sales	35.2	19.2	15.5	34.7	13.9	22.6	36.6	63.9	75.1
<i>change, %</i>	9%	83%	-38%	-2%	-28%	46%	5%	75%	17%
Cost of revenue	-14.0	-8.0	-7.1	-15.0	-6.0	-9.7	-15.7	-27.5	-32.3
<b>Gross profit</b>	<b>21.3</b>	<b>11.3</b>	<b>8.4</b>	<b>19.7</b>	<b>7.9</b>	<b>12.9</b>	<b>20.8</b>	<b>36.4</b>	<b>42.8</b>
<i>-margin, %</i>	60%	59%	54%	57%	57%	57%	57%	57%	57%
Other operating income	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
R&D costs	-7.5	-3.3	-3.3	-6.6	-3.5	-3.7	-7.2	-8.0	-9.0
Sales and marketing costs	-26.8	-9.8	-7.8	-17.6	-7.5	-12.5	-20.0	-25.0	-28.0
Admin costs	-4.0	-1.6	-1.3	-3.0	-1.4	-1.4	-2.8	-3.0	-3.2
<b>EBIT</b>	<b>-16.9</b>	<b>-3.5</b>	<b>-3.9</b>	<b>-7.4</b>	<b>-4.5</b>	<b>-4.7</b>	<b>-9.2</b>	<b>0.4</b>	<b>2.6</b>
<i>-margin, %</i>	-48%	-18%	-25%	-21%	-32%	-21%	-25%	1%	3%
Depreciations	1.7	1.5	1.5	2.9	1.4	1.4	2.8	2.8	2.8
IFRS 2 adjustment	1.5	0.2	0.3	0.5	0.3	0.3	0.5	0.5	0.5
<b>Adj. operating result</b>	<b>-13.8</b>	<b>-1.8</b>	<b>-2.2</b>	<b>-4.0</b>	<b>-2.8</b>	<b>-3.0</b>	<b>-5.9</b>	<b>3.7</b>	<b>5.9</b>
<i>-margin, %</i>	-39%	-9%	-14%	-11%	-20%	-13%	-16%	6%	8%

Next Games	2018	H1/19	H2/19	2019	H1/20E	H2/20E	2020E	2021E	2022E
<b>DAU (m)</b>	<b>0.46</b>	<b>0.39</b>	<b>0.30</b>	<b>0.34</b>	<b>0.27</b>	<b>0.73</b>	<b>0.73</b>	<b>0.84</b>	<b>1.11</b>
TWD: NML		0.21	0.17	0.19	0.16	0.15	0.15	0.10	0.05
TWD: Our World		0.18	0.12	0.15	0.11	0.13	0.12	0.12	0.06
Blade Runner Nexus						0.12	0.12	0.12	0.09
Stranger Things -game						0.33	0.33	0.30	0.25
Game 1/2021								0.20	0.23
Game 2/2021									0.23
Game 1/2022									0.20
<b>ARPPDAU (EUR)</b>	<b>0.24</b>	<b>0.26</b>	<b>0.29</b>	<b>0.27</b>	<b>0.29</b>	<b>0.24</b>	<b>0.24</b>	<b>0.23</b>	<b>0.22</b>
TWD: NML		0.22	0.23	0.23	0.22	0.22	0.22	0.18	0.17
TWD: Our World		0.32	0.37	0.34	0.38	0.39	0.39	0.30	0.22
Blade Runner Nexus						0.15	0.15	0.22	0.21
Stranger Things -game						0.22	0.22	0.22	0.25
Game 1/2021								0.23	0.23
Game 1/2022									0.23
Game 2/2022									0.20
<b>Gross bookings (EURm)</b>	<b>35.8</b>	<b>18.5</b>	<b>16.0</b>	<b>34.5</b>	<b>13.9</b>	<b>22.6</b>	<b>36.6</b>	<b>63.9</b>	<b>75.1</b>
TWD: NML	21.4	8.3	7.6	15.9	6.4	6.1	12.4	6.6	3.1
TWD: Our World	14.0	10.2	8.4	18.5	7.6	9.3	16.9	13.1	4.8
Blade Runner Nexus						0.6	0.6	9.6	6.9
Stranger Things -game						6.7	6.7	24.1	22.8
Game 1/2021								10.5	19.3
Game 1/2022									14.5
Game 2/2022									3.7

## INTERIM FIGURES

EVLI ESTIMATES, EURm	2019Q1	2019Q2	2019Q3	2019Q4	2019	2020Q1E	2020Q2E	2020Q3E	2020Q4E	2020E	2021E	2022E
Net sales	0.0	19.2	0.0	15.5	34.7	0.0	13.9	0.0	22.6	36.6	63.9	75.1
EBITDA	0.0	-1.5	0.0	-2.0	-3.5	0.0	-2.4	0.0	-2.7	-5.0	4.7	6.9
<i>EBITDA margin (%)</i>	<i>0.0</i>	<i>-7.9</i>	<i>0.0</i>	<i>-12.7</i>	<i>-10.0</i>	<i>0.0</i>	<i>-17.5</i>	<i>0.0</i>	<i>-11.9</i>	<i>-13.8</i>	<i>7.3</i>	<i>9.2</i>
EBIT	0.0	-3.5	0.0	-3.9	-7.4	0.0	-4.5	0.0	-4.7	-9.2	0.4	2.6
<i>EBIT margin (%)</i>	<i>0.0</i>	<i>-18.2</i>	<i>0.0</i>	<i>-25.5</i>	<i>-21.4</i>	<i>0.0</i>	<i>-32.0</i>	<i>0.0</i>	<i>-20.8</i>	<i>-25.0</i>	<i>0.7</i>	<i>3.5</i>
Net financial items	0.0	-0.2	0.0	-0.1	-0.3	0.0	-0.2	0.0	-0.2	-0.4	-0.5	-0.6
Pre-tax profit	0.0	-3.7	0.0	-4.0	-7.8	0.0	-4.6	0.0	-4.9	-9.5	-0.1	2.0
Tax	0.0	-0.3	0.0	-0.2	-0.5	0.0	0.0	0.0	0.0	0.0	0.0	-0.4
<i>Tax rate (%)</i>	<i>0.0</i>	<i>-8.2</i>	<i>0.0</i>	<i>-5.6</i>	<i>-6.8</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>20.0</i>	<i>20.0</i>
Net profit	0.0	-4.0	0.0	-4.3	-8.3	0.0	-4.6	0.0	-4.9	-9.5	-0.1	1.6
EPS	0.00	-0.14	0.00	-0.15	-0.30	0.00	-0.17	0.00	-0.17	-0.34	0.00	0.06
EPS adjusted (diluted no. of shares)	0.00	-0.14	0.00	-0.15	-0.30	0.00	-0.17	0.00	-0.17	-0.34	0.00	0.06
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>SALES, EURm</b>												
Next Games	0.0	19.2	0.0	15.5	34.7	0.0	13.9	0.0	22.6	36.6	63.9	75.1
Total	0.0	19.2	0.0	15.5	34.7	0.0	13.9	0.0	22.6	36.6	63.9	75.1
<b>SALES GROWTH, Y/Y %</b>												
Next Games	<i>0.0</i>	<i>83.5</i>	<i>0.0</i>	<i>-37.4</i>	<i>-1.5</i>	<i>0.0</i>	<i>-27.5</i>	<i>0.0</i>	<i>46.2</i>	<i>5.4</i>	<i>74.8</i>	<i>17.4</i>
Total	<i>0.0</i>	<i>83.5</i>	<i>0.0</i>	<i>-37.4</i>	<i>-1.5</i>	<i>0.0</i>	<i>-27.5</i>	<i>0.0</i>	<i>46.2</i>	<i>5.4</i>	<i>74.8</i>	<i>17.4</i>
<b>EBIT, EURm</b>												
Next Games	0.0	-3.5	0.0	-3.9	-7.4	0.0	-4.5	0.0	-4.7	-9.2	0.4	2.6
Total	0.0	-3.5	0.0	-3.9	-7.4	0.0	-4.5	0.0	-4.7	-9.2	0.4	2.6
<b>EBIT margin, %</b>												
Next Games	<i>0.0</i>	<i>-18.2</i>	<i>0.0</i>	<i>-25.5</i>	<i>-21.4</i>	<i>0.0</i>	<i>-32.0</i>	<i>0.0</i>	<i>-20.8</i>	<i>-25.0</i>	<i>0.7</i>	<i>3.5</i>
Total	<i>0.0</i>	<i>-18.2</i>	<i>0.0</i>	<i>-25.5</i>	<i>-21.4</i>	<i>0.0</i>	<i>-32.0</i>	<i>0.0</i>	<i>-20.8</i>	<i>-25.0</i>	<i>0.7</i>	<i>3.5</i>

INCOME STATEMENT, EURm	2015	2016	2017	2018	2019	2020E	2021E	2022E
Sales	9.7	31.1	32.5	35.2	34.7	36.6	63.9	75.1
<i>Sales growth (%)</i>	<i>242,600.0</i>	<i>220.5</i>	<i>4.4</i>	<i>8.5</i>	<i>-1.5</i>	<i>5.4</i>	<i>74.8</i>	<i>17.4</i>
EBITDA	-6.6	-1.9	-4.7	-14.7	-3.5	-5.0	4.7	6.9
<i>EBITDA margin (%)</i>	<i>-68.5</i>	<i>-6.3</i>	<i>-14.4</i>	<i>-41.9</i>	<i>-10.0</i>	<i>-13.8</i>	<i>7.3</i>	<i>9.2</i>
Depreciation	-0.4	-0.2	-0.4	-2.2	-4.0	-4.1	-4.2	-4.3
EBITA	-7.0	-2.2	-5.1	-16.9	-7.4	-9.2	0.4	2.6
Goodwill amortization / writedown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	-7.0	-2.2	-5.1	-16.9	-7.4	-9.2	0.4	2.6
<i>EBIT margin (%)</i>	<i>-72.5</i>	<i>-7.0</i>	<i>-15.6</i>	<i>-48.0</i>	<i>-21.4</i>	<i>-25.0</i>	<i>0.7</i>	<i>3.5</i>
Reported EBIT	-7.0	-2.2	-5.1	-16.9	-7.4	-9.2	0.4	2.6
<i>EBIT margin (reported) (%)</i>	<i>-72.5</i>	<i>-7.0</i>	<i>-15.6</i>	<i>-48.0</i>	<i>-21.4</i>	<i>-25.0</i>	<i>0.7</i>	<i>3.5</i>
Net financials	0.2	-0.1	-1.0	0.0	-0.3	-0.4	-0.5	-0.6
Pre-tax profit	-6.9	-2.3	-6.0	-16.9	-7.8	-9.5	-0.1	2.0
Taxes	0.0	2.5	-0.1	-1.2	-0.5	0.0	0.0	-0.4
Minority shares	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	-6.9	0.1	-6.1	-18.0	-8.3	-9.5	-0.1	1.6
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	1	3	8	13	13	14	14	15
Goodwill	0	2	3	3	3	3	3	3
Right of use assets	0	0	0	5	4	4	4	4
Inventory	0	0	0	0	0	0	0	0
Receivables	3	6	5	6	5	6	10	11
Liquid funds	5	4	26	7	8	3	4	8
Total assets	9	17	46	36	35	31	37	43
<b>Liabilities</b>								
Shareholder's equity	5	7	39	23	23	13	13	15
Minority interest	0	0	0	0	0	0	0	0
Convertibles	0	0	0	0	0	0	0	0
Lease liabilities	0	0	0	5	4	4	4	4
Deferred taxes	0	0	0	0	0	0	0	0
Interest bearing debt	0	1	1	1	1	6	7	8
Non-interest bearing current liabilities	4	9	6	8	7	7	13	15
Other interest-free debt	0	0	0	0	0	0	0	0
Total liabilities	9	17	46	37	35	31	37	43
<b>CASH FLOW, EURm</b>								
+ EBITDA	-7	-2	-5	-15	-3	-5	5	7
- Net financial items	0	0	-1	0	0	0	-1	-1
- Taxes	0	0	0	0	0	0	0	0
- Increase in Net Working Capital	0	0	-1	1	0	0	1	1
+/- Other	0	2	3	2	0	0	0	0
= Cash flow from operations	-7	0	-4	-12	-4	-5	6	6
- Capex	-1	1	0	-2	-3	-5	-5	-5
- Acquisitions	0	0	0	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Free cash flow	-8	0	-4	-14	-7	-10	1	1
+/- New issues/buybacks	9	3	38	2	8	0	0	0
- Paid dividend	0	0	0	0	0	0	0	0
+/- Other	1	-4	-11	-7	-1	5	1	2
Change in cash	2	-1	23	-19	0	-5	2	3

KEY FIGURES	2016	2017	2018	2019	2020E	2021E	2022E
M-cap	0	168	20	25	21	21	21
Net debt (excl. convertibles)	-3	-26	-1	-3	7	7	5
Enterprise value	-3	143	18	22	29	28	27
Sales	31	32	35	35	37	64	75
EBITDA	-2	-5	-15	-3	-5	5	7
EBIT	-2	-5	-17	-7	-9	0	3
Pre-tax	-2	-6	-17	-8	-10	0	2
Earnings	0	-6	-18	-8	-10	0	2
Equity book value (excl. minorities)	7	39	23	23	13	13	15
<b>Valuation multiples</b>							
EV/sales	-0.1	4.4	0.5	0.6	0.8	0.4	0.4
EV/EBITDA	1.4	-30.4	-1.2	-6.4	-5.7	6.0	3.9
EV/EBITA	1.2	-28.1	-1.1	-3.0	-3.2	64.2	10.4
EV/EBIT	1.2	-28.1	-1.1	-3.0	-3.2	64.2	10.4
EV/OCF	6.0	-34.7	-1.5	-6.1	-5.4	5.1	4.2
EV/FCFF	80.4	-23.4	-1.0	-3.6	-3.4	13.1	9.0
P/FCFE	0.0	-39.4	-1.4	-3.5	-2.1	33.9	15.3
P/E	0.0	-30.1	-1.1	-3.0	-2.3	-295.6	13.5
P/B	0.0	4.3	0.9	1.1	1.6	1.6	1.4
Target EV/EBITDA	0.0	0.0	0.0	0.0	-6.1	6.4	4.2
Target EV/EBIT	0.0	0.0	0.0	0.0	-3.4	68.3	11.1
Target EV/FCF	0.0	0.0	0.0	0.0	-3.0	47.4	20.3
Target P/B	0.0	0.0	0.0	0.0	1.8	1.8	1.6
Target P/E	0.0	0.0	0.0	0.0	-2.5	-322.4	14.7
<b>Per share measures</b>							
Number of shares	3,325	18,219	18,503	27,909	27,909	27,909	27,909
Number of shares (diluted)	3,325	18,219	18,503	27,909	27,909	27,909	27,909
EPS	0.03	-0.34	-0.97	-0.30	-0.34	0.00	0.06
Operating cash flow per share	-0.14	-0.23	-0.65	-0.13	-0.19	0.20	0.23
Free cash flow per share	0.02	-0.23	-0.74	-0.25	-0.36	0.02	0.05
Book value per share	2.22	2.16	1.24	0.82	0.48	0.47	0.53
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dividend payout ratio, %	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividend yield, %	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FCF yield, %	0.0	-2.5	-70.0	-28.5	-46.8	3.0	6.6
<b>Efficiency measures</b>							
ROE	1.6	-26.2	-58.0	-36.3	-52.6	-0.5	11.4
ROCE	-32.7	-22.8	-49.5	-26.9	-36.4	1.8	10.0
<b>Financial ratios</b>							
Inventories as % of sales	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Receivables as % of sales	19.7	15.3	18.0	15.1	15.1	15.1	15.1
Non-interest bearing liabilities as % of sales	27.9	17.3	22.1	20.1	20.1	20.1	20.1
NWC/sales, %	-8.2	-1.9	-4.1	-5.0	-5.0	-5.0	-5.0
Operative CAPEX/sales, %	-1.6	0.5	5.0	9.9	13.0	7.6	6.7
CAPEX/sales (incl. acquisitions), %	-1.6	0.5	5.0	9.9	13.0	7.6	6.7
FCFF/EBITDA	0.0	1.3	1.3	1.8	1.7	0.5	0.4
Net debt/EBITDA, book-weighted	1.4	5.5	0.1	0.8	-1.4	1.4	0.8
Debt/equity, market-weighted	0.0	0.0	0.0	0.0	0.3	0.3	0.4
Equity ratio, book-weighted	50.9	88.7	62.6	65.9	43.2	35.7	34.8
Gearing, %	-36.9	-65.2	-6.2	-12.4	54.3	49.8	35.0

**COMPANY DESCRIPTION:** Next Games is a Finland-based developer and publisher of licensed mobile games. The Company develops games in cooperation with the license owners of the entertainment products, for instance a television series. The company's current live games include The Walking Dead No Man's Land and the Walking Dead: Our World along with several new projects under development.

**INVESTMENT CASE:** Next Games' success will rely heavily on the launch of new games during 2020. Growth has been stagnant as the number of users in both live games have seen a declining trend. With an expected larger portfolio of live games in the coming years, growth should in our view pick up and profitability improve due to a lower relative share of development costs.

OWNERSHIP STRUCTURE	SHARES	EURm	%
Ovaskainen Jari Juhani Rainer	6,578,068	5.065	23.6%
IDG Ventures USA III, L.P.	1,188,306	0.915	4.3%
Hiitola Kalle Johannes	971,675	0.748	3.5%
Achrén Joakim Tomas Johan	937,698	0.722	3.4%
Jumisko Jaakko Ensio	830,246	0.639	3.0%
Ilmarinen Mutual Pension Insurance Company	819,336	0.631	2.9%
Achrén Mikael Jan Kennet	811,367	0.625	2.9%
Varma Mutual Pension Insurance Company	570,000	0.439	2.0%
Nuard Ventures Oy	364,000	0.280	1.3%
Danske Invest Finnish Small Cap Fund	306,465	0.236	1.1%
Ten largest	13,377,161	10.300	48%
Residual	14,531,539	11.189	52%
Total	27,908,700	21.490	100%

**EARNINGS CALENDAR**

August 28, 2020

Q2 report

**OTHER EVENTS**

May 20, 2020

AGM

**COMPANY MISCELLANEOUS**

CEO: Teemu Huuhtanen

Aleksanterinkatu 9A, 00100 Helsinki

CFO: Annina Salvén

Tel:

IR:

## 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

ERP's investment recommendation of the analyzed company is updated at least 2 timer per year.

Recommendation	Percentage
Sell	8%
Hold	53%
Buy	39%

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

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