

## Upbeat Q4 figures, initiating savings program

Next Games released preliminary Q4 figures and announced an intention to streamline operations, expecting annual cost savings in the range of EUR 4–8m. Next Games is still reviewing financing options but no update on the situation was given with the releases. Financing remains a concern but with a stronger than expected cash position we upgrade to HOLD (SELL) with a target price of EUR 2.0 (1.8).

### Q4 losses smaller than anticipated

Next Games announced preliminary Q4 figures. Revenue amounted to EUR 11.3m (Evli EUR 12.2m) while EBITDA amounted to EUR -1.3m (Evli -3.6m). The gross margin improved more than we had expected, at 37% in Q4 (-11% in Q3). User acquisition and marketing costs relating to Our World have normalized, which helped boost the gross margin. The company's cash position at the end of Q4 was EUR 7.3m.

### Seeking to streamline operations

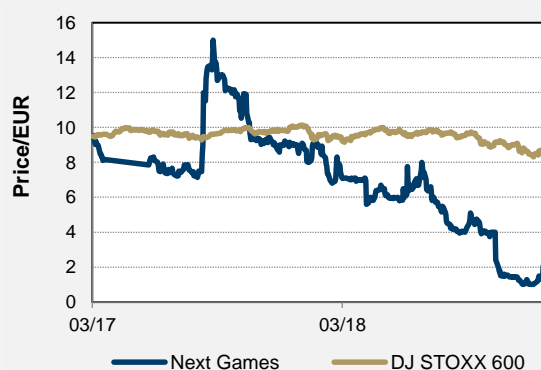
Company management has been authorized to initiate a program to review the company's cost structure, including consultation proceedings covering the entire organization. The company estimates annual cost savings in the range of EUR 4–8m during the full year 2019. Next Games is further still looking into alternatives to strengthen its financial position.

### HOLD (SELL) with a target price of EUR 2.0 (1.8)

We have revised our estimates, with our 2019E sales estimate lowered to EUR 67.2m (prev. 73m) due to expected lower Our World revenue and EBIT estimate raised to EUR -5.7m, to account for the cost savings program and lower than expected UA costs. Although the financing situation remains a concern, we view the situation as less dire than previously anticipated. We expect the cost savings program to further alleviate the financing situation but will likely have some impact on new game launches. We upgrade to HOLD with a target price of EUR 2.0 (1.8).

Rating

■ HOLD



Share price, EUR (Last trading day's closing price) 2.07

Target price, EUR 2.0

Latest change in recommendation 11-Jan-19

Latest report on company 11-Jan-19

Research paid by issuer: YES

No. of shares outstanding, '000's 18,459

No. of shares fully diluted, '000's 18,459

Market cap, EURm 38

Free float, % 48.6

Exchange rate 0.000

Reuters code NXTGMS.HE

Bloomberg code NXTGMS FH

Average daily volume, EURm 0.0

Next interim report 15-Feb-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	31	-2	-5.1%	-2	-0.49	0.0	-0.1	0.0	1.8	0.00
2017	32	-6	-19.6%	-7	-0.35	-28.8	4.4	-25.2	-22.3	0.00
2018E	35	-21	-58.6%	-22	-1.04	-2.0	0.9	-2.3	-1.5	0.00
2019E	67	-6	-8.5%	-6	-0.25	-8.2	0.5	-11.7	-6.0	0.00
2020E	87	3	3.7%	3	0.12	16.7	0.4	11.8	10.3	0.00
Market cap, EURm			38	BV per share 2018E, EUR			0.9	CAGR EPS 2017-20, %		0.0
Net debt 2018E, EURm			-8	Price/book 2018E			2.2	CAGR sales 2017-20, %		39.0
Enterprise value, EURm			31	Dividend yield 2018E, %			0.0	ROE 2018E, %		-70.8
Total assets 2018E, EURm			22	Tax rate 2018E, %			12.0	ROCE 2018E, %		-75.2
Goodwill 2018E, EURm			1	Equity ratio 2018E, %			80.2	PEG, P/E 18/CAGR		0.0

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	2.07 PV of Free Cash Flow	34 Long-term growth, %	2.5 Risk-free interest rate, %
DCF share value	7.76 PV of Horizon value	84 WACC, %	10.6 Market risk premium, %
Share price potential, %	275.1 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %
Maximum value	8.3 Marketable securities	8 Minimum WACC, %	10.1 Equity beta coefficient
Minimum value	7.3 Debt - dividend	0 Maximum WACC, %	11.1 Target debt ratio, %
Horizon value, %	71.0 Value of stock	144 Nr of shares, Mn	18.5 Effective tax rate, %

DCF valuation, EURm	2017	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	Horizon
Net sales	32	35	67	87	100	112	124	133	140	147	150	154
<i>Sales growth, %</i>	<i>4.5</i>	<i>8.4</i>	<i>90.7</i>	<i>30.0</i>	<i>15.0</i>	<i>12.0</i>	<i>10.0</i>	<i>7.5</i>	<i>5.0</i>	<i>5.0</i>	<i>2.5</i>	<i>2.5</i>
Operating income (EBIT)	-6	-21	-6	3	15	17	19	19	20	21	21	22
<i>EBIT margin, %</i>	<i>-19.6</i>	<i>-58.6</i>	<i>-8.5</i>	<i>3.7</i>	<i>14.5</i>	<i>15.0</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>
+ Depreciation+amort.	2	2	2	1	1	1	1	1	1	1	1	
- Income taxes	0	2	1	-1	-3	-3	-4	-4	-4	-4	-4	
- Change in NWC	-2	-1	-1	-1	0	0	0	0	0	0	0	
<i>NWC / Sales, %</i>	<i>0.6</i>	<i>3.0</i>	<i>3.0</i>	<i>3.0</i>	<i>3.0</i>	<i>3.0</i>	<i>3.0</i>	<i>3.0</i>	<i>3.0</i>	<i>3.0</i>	<i>3.0</i>	
+ Change in other liabs	0	0	0	0	0	0	0	0	0	0	0	
- Capital Expenditure	-8	0	0	-2	-2	-2	-1	-1	-1	-1	-1	-1
<i>Investments / Sales, %</i>	<i>23.9</i>	<i>0.1</i>	<i>0.3</i>	<i>2.1</i>	<i>1.6</i>	<i>1.5</i>	<i>1.2</i>	<i>1.0</i>	<i>1.0</i>	<i>1.0</i>	<i>0.9</i>	<i>0.9</i>
- Other items	0	0	0	0	0	0	0	0	0	0	0	
= Unlevered Free CF (FCF)	-14	-17	-3	1	10	12	14	14	15	16	17	209
= Discounted FCF (DFCF)		-17	-3	1	8	8	8	8	7	7	7	84
= DFCF min WACC		-17	-3	1	8	8	9	8	8	7	7	93
= DFCF max WACC		-17	-3	1	8	8	8	8	7	7	6	76

## INTERIM FIGURES

EVLI ESTIMATES, EURm	2017Q1	2017Q2	2017Q3	2017Q4	2017	2018Q1	2018Q2	2018Q3	2018Q4E	2018E	2019E	2020E
Net sales	11	9	6	7	32	5	6	13	11	35	67	87
EBITDA	1	0	-2	-4	-5	-3	-4	-10	-1	-19	-3	4
<i>EBITDA margin (%)</i>	<i>4.9</i>	<i>1.3</i>	<i>-30.4</i>	<i>-53.1</i>	<i>-14.9</i>	<i>-70.6</i>	<i>-68.4</i>	<i>-74.4</i>	<i>-11.5</i>	<i>-52.7</i>	<i>-5.1</i>	<i>5.1</i>
EBIT	0	0	-2	-4	-6	-4	-4	-11	-2	-21	-6	3
<i>EBIT margin (%)</i>	<i>3.4</i>	<i>-2.6</i>	<i>-35.6</i>	<i>-63.9</i>	<i>-19.6</i>	<i>-78.0</i>	<i>-74.8</i>	<i>-79.8</i>	<i>-17.0</i>	<i>-58.6</i>	<i>-8.5</i>	<i>3.7</i>
Net financial items	0	0	0	0	0	0	-1	0	0	-1	0	0
Pre-tax profit	0	0	-2	-4	-7	-4	-5	-11	-2	-22	-6	3
Tax	0	0	0	0	0	1	-1	2	0	3	1	-1
<i>Tax rate (%)</i>	<i>0.0</i>	<i>-5.4</i>	<i>0.0</i>	<i>10.8</i>	<i>6.8</i>	<i>20.0</i>	<i>-15.5</i>	<i>19.9</i>	<i>20.0</i>	<i>12.0</i>	<i>20.0</i>	<i>20.0</i>
Net profit	0	0	-2	-4	-6	-3	-6	-9	-2	-19	-5	2
EPS	0.02	-0.02	-0.13	-0.22	-0.35	-0.17	-0.31	-0.47	-0.09	-1.04	-0.25	0.12
EPS adjusted (diluted no. of shares)	0.05	-0.02	-0.13	-0.22	-0.32	-0.17	-0.31	-0.47	-0.09	-1.04	-0.25	0.12
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	11	9	6	7	32	5	6	13	11	35	67	87
Total	11	9	6	7	32	5	6	13	11	35	67	87
<b>SALES GROWTH, Y/Y %</b>												
Next Games	<i>95.7</i>	<i>18.3</i>	<i>-7.9</i>	<i>-41.5</i>	<i>4.5</i>	<i>-56.2</i>	<i>-33.2</i>	<i>110.4</i>	<i>69.7</i>	<i>8.4</i>	<i>90.7</i>	<i>30.0</i>
Total	<i>95.7</i>	<i>18.3</i>	<i>-7.9</i>	<i>-41.5</i>	<i>4.5</i>	<i>-56.2</i>	<i>-33.2</i>	<i>110.4</i>	<i>69.7</i>	<i>8.4</i>	<i>90.7</i>	<i>30.0</i>
<b>EBIT, EURm</b>												
Next Games	0	0	-2	-4	-6	-4	-4	-11	-2	-21	-6	3
Total	0	0	-2	-4	-6	-4	-4	-11	-2	-21	-6	3
<b>EBIT margin, %</b>												
Next Games	<i>3.4</i>	<i>-2.6</i>	<i>-35.6</i>	<i>-63.9</i>	<i>-19.6</i>	<i>-78.0</i>	<i>-74.8</i>	<i>-79.8</i>	<i>-17.0</i>	<i>-58.6</i>	<i>-8.5</i>	<i>3.7</i>
Total	<i>3.4</i>	<i>-2.6</i>	<i>-35.6</i>	<i>-63.9</i>	<i>-19.6</i>	<i>-78.0</i>	<i>-74.8</i>	<i>-79.8</i>	<i>-17.0</i>	<i>-58.6</i>	<i>-8.5</i>	<i>3.7</i>

INCOME STATEMENT, EURm	2013	2014	2015	2016	2017	2018E	2019E	2020E
Sales	0	0	10	31	32	35	67	87
<i>Sales growth (%)</i>	<i>0.0</i>	<i>0.0</i>	<i>242,600.0</i>	<i>220.5</i>	<i>4.5</i>	<i>8.4</i>	<i>90.7</i>	<i>30.0</i>
Costs	0	-4	-16	-32	-37	-54	-71	-83
Reported EBITDA	0	-4	-7	-1	-5	-19	-3	4
Extraordinary items in EBITDA	0	0	0	0	0	0	0	0
<i>EBITDA margin (%)</i>	<i>0.0</i>	<i>-98,825.0</i>	<i>-68.5</i>	<i>-3.7</i>	<i>-14.9</i>	<i>-52.7</i>	<i>-5.1</i>	<i>5.1</i>
Depreciation	0	0	0	0	-2	-2	-2	-1
EBITA	0	-4	-7	-2	-6	-21	-6	3
Goodwill amortization / writedown	0	0	0	0	0	0	0	0
Reported EBIT	0	-4	-7	-2	-6	-21	-6	3
<i>EBIT margin (%)</i>	<i>0.0</i>	<i>-98,825.0</i>	<i>-72.5</i>	<i>-5.1</i>	<i>-19.6</i>	<i>-58.6</i>	<i>-8.5</i>	<i>3.7</i>
Net financials	0	0	0	0	0	-1	0	0
Pre-tax profit	0	-4	-7	-2	-7	-22	-6	3
Extraordinary items	0	0	0	0	0	0	0	0
Taxes	0	0	0	0	0	3	1	-1
Minority shares	0	0	0	0	0	0	0	0
Net profit	0	-4	-7	-2	-6	-19	-5	2
<b>BALANCE SHEET, EURm</b>								
Assets								
Fixed assets	0	1	1	2	7	5	3	4
<i>% of sales</i>	<i>0</i>	<i>24,975</i>	<i>9</i>	<i>6</i>	<i>22</i>	<i>14</i>	<i>5</i>	<i>4</i>
Goodwill	0	0	0	0	1	1	1	1
<i>% of sales</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>3</i>	<i>3</i>	<i>1</i>	<i>1</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	0	0	3	7	6	5	10	13
<i>% of sales</i>	<i>0</i>	<i>0</i>	<i>34</i>	<i>21</i>	<i>18</i>	<i>15</i>	<i>15</i>	<i>15</i>
Liquid funds	0	2	5	4	26	8	10	13
<i>% of sales</i>	<i>0</i>	<i>56,825</i>	<i>48</i>	<i>12</i>	<i>81</i>	<i>22</i>	<i>15</i>	<i>15</i>
Total assets	0	3	9	15	43	22	27	34
Liabilities								
Equity	0	2	5	5	37	17	13	15
<i>% of sales</i>	<i>0</i>	<i>59,025</i>	<i>48</i>	<i>17</i>	<i>113</i>	<i>50</i>	<i>19</i>	<i>17</i>
Deferred taxes	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>
Interest bearing debt	0	0	0	1	1	0	6	8
<i>% of sales</i>	<i>0</i>	<i>3,825</i>	<i>4</i>	<i>2</i>	<i>2</i>	<i>0</i>	<i>9</i>	<i>9</i>
Non-interest bearing current liabilities	0	1	4	8	5	4	8	10
<i>% of sales</i>	<i>0</i>	<i>18,875</i>	<i>37</i>	<i>27</i>	<i>17</i>	<i>12</i>	<i>12</i>	<i>12</i>
Other interest free debt	0	0	0	0	0	0	0	0
<i>% of sales</i>	<i>0</i>	<i>0</i>	<i>2</i>	<i>0</i>	<i>1</i>	<i>0</i>	<i>0</i>	<i>0</i>
Total liabilities	0	3	9	15	43	22	27	34
<b>CASH FLOW, EURm</b>								
+ EBITDA	0	-4	-7	-1	-5	-19	-3	4
- Net financial items	0	0	0	0	0	-1	0	0
- Taxes	0	0	0	-2	0	3	1	-1
- Increase in Net Working Capital	0	1	0	1	-2	-1	-1	-1
+/- Other	0	0	0	1	0	0	0	0
= Cash flow from operations	0	-3	-7	-1	-7	-18	-3	3
- Capex	0	0	-1	0	-8	0	0	-2
- Acquisitions	0	0	0	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Net cash flow	0	-3	-8	0	-14	-18	-4	1
+/- Change in interest-bearing debt	0	0	0	0	0	-1	6	2
+/- New issues/buybacks	0	6	9	2	38	0	0	0
- Paid dividend	0	0	0	0	0	0	0	0
+/- Change in loan receivables	0	0	10	0	0	0	0	0
Change in cash	0	3	11	2	23	-19	2	3

KEY FIGURES	2014	2015	2016	2017	2018E	2019E	2020E
M-cap	0	0	0	168	38	38	38
Net debt	-2	-4	-3	-26	-8	-4	-5
Enterprise value	-2	-4	-3	143	31	34	33
Sales	0	10	31	32	35	67	87
EBITDA	-4	-7	-1	-5	-19	-3	4
EBIT	-4	-7	-2	-6	-21	-6	3
Pre-tax	-4	-7	-2	-7	-22	-6	3
Earnings	-4	-7	-2	-6	-19	-5	2
Book value	2	5	5	37	17	13	15
<b>Valuation multiples</b>							
EV/sales	-530.0	-0.4	-0.1	4.4	0.9	0.5	0.4
EV/EBITDA	0.5	0.6	2.5	-29.5	-1.6	-9.9	7.4
EV/EBITA	0.5	0.6	1.8	-22.3	-1.5	-6.0	10.3
EV/EBIT	0.5	0.6	1.8	-22.3	-1.5	-6.0	10.3
EV/operating cash flow	0.7	0.6	3.3	-21.4	-1.8	-10.5	10.2
EV/cash earnings	0.6	0.6	0.8	-27.4	-1.8	-14.1	9.3
P/E	0.0	0.0	0.0	-28.8	-2.0	-8.2	16.7
P/E excl. goodwill	0.0	0.0	0.0	-28.8	-2.0	-8.2	16.7
P/B	0.0	0.0	0.0	4.6	2.2	3.0	2.5
P/sales	0.0	0.0	0.0	5.2	1.1	0.6	0.4
P/CF	0.0	0.0	0.0	-25.2	-2.3	-11.7	11.8
Target EV/EBIT	0.0	0.0	0.0	0.0	-1.4	-5.8	9.9
Target P/E	0.0	0.0	0.0	0.0	-1.9	-7.9	16.2
Target P/B	0.0	0.0	0.0	0.0	2.1	2.9	2.4
<b>Per share measures</b>							
Number of shares	2,449	2,449	3,325	18,219	18,459	18,459	18,459
Number of shares (diluted)	2,449	2,449	3,325	18,219	18,459	18,459	18,459
EPS	-1.57	-2.81	-0.49	-0.35	-1.04	-0.25	0.12
EPS excl. goodwill	-1.57	-2.81	-0.79	-0.32	-1.04	-0.25	0.12
Cash EPS	-1.57	-2.65	-1.09	-0.29	-0.92	-0.13	0.19
Operating cash flow per share	-1.31	-2.74	-0.26	-0.37	-0.92	-0.18	0.18
Capital employed per share	-0.24	0.17	0.43	0.54	0.47	0.41	0.48
Book value per share	0.96	1.90	1.63	2.01	0.95	0.69	0.82
Book value excl. goodwill	0.96	1.90	1.63	1.96	0.90	0.64	0.77
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
<b>Efficiency measures</b>							
ROE	0.0	-196.2	-32.7	-30.4	-70.8	-30.8	16.4
ROCE	-314.5	-176.2	-28.1	-29.3	-75.2	-31.3	15.3
<b>Financial ratios</b>							
Capex/sales, %	4,300.0	11.2	1.0	23.9	0.1	0.3	2.1
Capex/depreciation excl. goodwill,%	0.0	277.1	73.2	441.4	1.3	8.1	145.9
Net debt/EBITDA, book-weighted	0.5	0.6	2.5	5.3	0.4	1.2	-1.2
Debt/equity, market-weighted	0.0	0.0	0.0	0.0	0.0	0.2	0.2
Equity ratio, book-weighted	72.2	52.7	44.8	87.7	80.2	47.5	44.9
Gearing	-0.90	-0.90	-0.53	-0.70	-0.44	-0.32	-0.34
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:** Next Games Oyj 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. Its current flagship game is The Walking Dead: No Man's Land and has four new games under development.

**INVESTMENT CASE:**

OWNERSHIP STRUCTURE	SHARES	EURm	%
Ovaskainen Jari Juhani Rainer	3,093,110	6.403	16.8%
IDG Ventures USA III, L.P.	1,188,306	2.460	6.4%
Hiitola Kalle Johannes	942,896	1.952	5.1%
Achrén Joakim Tomas Johan	940,818	1.947	5.1%
Achrén Mikael Jan Kennet	928,295	1.922	5.0%
Jumisko Jaakko Ensio	924,746	1.914	5.0%
Ilmarinen Mutual Pension Insurance Company	507,520	1.051	2.7%
Varma Mutual Pension Insurance Company	380,000	0.787	2.1%
Nuard Ventures Oy	364,000	0.753	2.0%
Vaah Holdings Oy	266,720	0.552	1.4%
Ten largest	9,536,411	19.740	52%
Residual	8,923,003	18.471	48%
Total	18,459,414	38.211	100%

**EARNINGS CALENDAR**

February 15, 2019

FY 2018 Results

**OTHER EVENTS**

May 17, 2018

AGM

**COMPANY MISCELLANEOUS**

CEO: Teemu Huuhtanen

Kansakoulukatu 10, 00100 Helsinki

CFO: Annina Salvén

Tel:

IR:

## 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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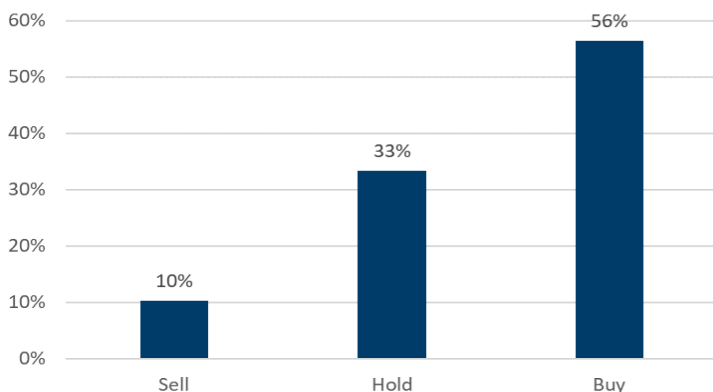
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Investment recommendations are defined as follows:

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

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