

## Strategy execution set to continue

Pihlajalinna's Q4 EBIT was soft relative to estimates, but in our view the issue is temporary; Pihlajalinna continues its strategy execution with the acquisition of Pohjola Hospital.

### We view the Q4 cost challenge as a temporary issue

Pihlajalinna's top line grew at a 13% y/y rate. The EUR 155m figure was well in line with the EUR 156m/152m Evli/cons. estimates. Covid-19 services still amounted to a high EUR 10.1m, only a small q/q decline, but the level is set to fade this year. Q4 EBIT was hit by a spike in specialized care costs within complete outsourcing contracts, induced by Covid-19, and the effect amounted to some EUR 2m. The EUR 6.0m adj. EBIT therefore didn't meet the EUR 9.2m/8.8m Evli/cons. estimates. Pihlajalinna has been negotiating for compensation for increased production costs before and expects to get favorable outcomes this year.

### Growth and profitability targets set the bar high

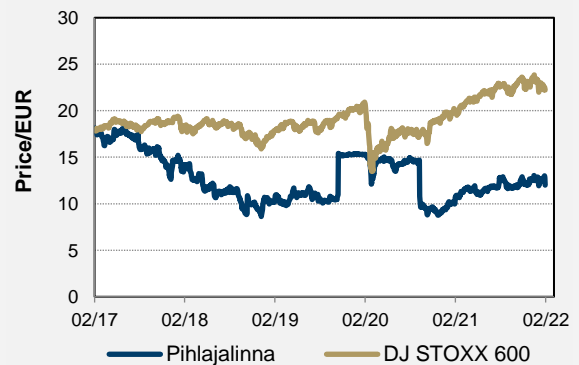
Pohjola Hospital's FY '21 figures improved a bit, but EBIT was still EUR 7m red. Pihlajalinna sees EUR 5m in cost synergies and expects break-even during the year; H1 is still soft but H2 could already show results. The acquisition drives growth within private and insurance customers and thus helps margins as these areas are more profitable than public ones. Pihlajalinna revised its long-term financial targets accordingly: the new aim is above 9% EBITA margin and EUR 250m more revenue by the end of 2025 (compared to 2021), which in our view implies ca. 7.5% CAGR for the three years following the closing of the acquisition. Two thirds of the growth is to stem from corporate and private customers, segments where the acquisition is to prove useful. The profitability target can be seen as a small positive revision on the previous one; it will take some time for Pihlajalinna to reach that level, but we estimate by inferring from the guidance that Pihlajalinna could reach 7.5% EBITA margin already in H2'22. The company targets 4-6% margins within outsourcing, while other areas aim for levels comparable with those of Terveystalo.

### Overall valuation picture hasn't been altered

The acquisition limits profitability in H1'22, but Pihlajalinna is valued only around 6-8x EV/EBITDA and 12-18x EV/EBIT on our FY '22-23 estimates. The multiples represent discounts to peers while our estimates remain moderate relative to long-term potential. We retain our EUR 14 TP and BUY rating.

Rating

BUY



Share price, EUR (Last trading day's closing price) 12.00

Target price, EUR 14.0

Latest change in 22-Feb-21

Latest report on company 10-Feb-22

Research paid by issuer: YES

No. of shares outstanding, 22,584

No. of shares fully diluted, 22,584

Market cap, EURm 271

Free float, % 80.1

Exchange rate -

Reuters code PIHLIS.HE

Bloomberg code PIHLIS FH

Average daily volume, EURm 0.2

Next interim report 05-May-22

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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
2020	508.7	20.9	4.1%	0.6	0.51	18.4	0.8	20.0	0.3	0.20
2021	577.8	30.3	5.2%	35.8	0.99	12.7	0.9	16.3	12.5	0.30
2022E	665.3	28.1	4.2%	-13.1	0.86	13.9	0.7	17.7	-4.8	0.30
2023E	690.2	40.2	5.8%	26.6	1.23	9.7	0.7	11.8	9.8	0.43
2024E	713.1	42.0	5.9%	33.3	1.32	9.1	0.6	10.7	12.3	0.46
Market cap, EURm			271	Gearing 2022E, %		158.6		CAGR EPS 2021-24, %		10.0
Net debt 2022E, EURm			215	Price/book 2022E		2.1		CAGR sales 2021-24, %		7.3
Enterprise value, EURm			496	Dividend yield 2022E, %		2.5		ROE 2022E, %		15.7
Total assets 2022E, EURm			493	Tax rate 2022E, %		20.0		ROCE 2022E, %		8.0
Goodwill 2022E, EURm			189	Equity ratio 2022E, %		27.4		PEG, P/E 22/CAGR		0.8

**Estimates and peer group valuation**

<b>Net sales</b>	<b>2020</b>	Q1'21	Q2'21	Q3'21	Q4'21	<b>2021</b>	Q1'22E	Q2'22E	Q3'22E	Q4'22E	<b>2022E</b>
Corporate Customers	120.7	35.4	34.7	31.2	38.8	137.8	44.6	53.0	48.7	57.0	203.3
of which insurance companies	31.4	8.5	7.9	7.7	9.8	34.8	15.9	24.1	23.8	25.7	89.5
of which other corporates	89.3	26.9	26.8	23.5	29.0	103.0	28.7	28.9	24.9	31.3	113.8
Private Customers	81.1	21.1	21.7	18.9	23.3	85.3	22.6	22.4	21.4	24.5	90.8
Public sector customers	372.4	101.7	104.6	108.1	111.3	427.7	107.8	111.9	112.4	113.5	445.7
<b>Total</b>	<b>508.7</b>	139.9	142.5	140.7	154.7	<b>577.8</b>	156.6	168.8	164.9	175.1	<b>665.3</b>
<b>Net sales growth</b>											
Corporate Customers	-1.1%	12.0%	30.8%	11.4%	7.5%	14.6%	26.0%	53.0%	56.0%	47.0%	47.6%
Private Customers	-17.1%	-10.2%	43.7%	-5.0%	5.9%	5.6%	7.0%	3.0%	13.0%	5.0%	6.4%
Public sector customers	3.3%	8.3%	17.5%	18.4%	14.2%	14.5%	6.0%	7.0%	4.0%	2.0%	4.2%
<b>Total</b>	<b>-1.9%</b>	5.2%	24.2%	13.5%	12.8%	<b>13.5%</b>	11.9%	18.4%	17.2%	13.2%	<b>15.1%</b>
<b>Adj. EBITA (group)</b>	27.5	8.3	8.9	12.3	7.8	37.3	5.8	6.8	13.3	12.0	37.9
<b>Adj. EBITA-margin (group)</b>	5.4%	5.9%	6.2%	8.7%	5.0%	6.5%	3.7%	4.0%	8.1%	6.9%	5.7%

Source: Pihlajalinna, Evli Research

PIHLAJALINNA PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			EBIT-%		
		21	22	23	21	22	23	21	22	23
Ambea AB	402	9.4x	7.0x	6.6x	24.0x	16.3x	14.4x	5.6 %	7.1 %	7.8 %
Attendo AB	454	9.0x	7.6x	6.7x	26.1x	19.0x	15.0x	5.9 %	6.9 %	8.3 %
CareTech	806	10.3x	10.1x	9.3x	12.7x	13.0x	11.6x	16.7 %	15.4 %	16.0 %
GHP Specialty Care	147	10.2x	9.1x	7.9x	21.6x	20.5x	16.3x	6.3 %	5.4 %	6.2 %
Humana	231	8.4x	6.7x	6.2x	15.6x	12.0x	10.8x	6.1 %	6.3 %	6.6 %
Korian	1869	10.3x	8.1x	7.5x	26.5x	19.1x	17.7x	9.1 %	10.3 %	10.4 %
LNA Sante	341	9.8x	7.9x	7.1x	20.5x	16.3x	14.5x	9.8 %	9.9 %	10.3 %
Mediclinic International	2982	9.5x	8.7x	8.2x	17.2x	14.7x	13.4x	8.6 %	9.9 %	10.5 %
Orpea	2371	15.3x	11.0x	10.3x	30.4x	21.5x	20.0x	12.6 %	13.0 %	13.1 %
Spire Healthcare Group	1095	10.8x	9.0x	8.7x	20.7x	16.1x	15.6x	9.1 %	10.8 %	10.9 %
Terveystalo	1428	10.1x	9.1x	8.7x	18.3x	16.7x	15.4x	9.7 %	9.5 %	10.0 %
Peer Group Average	1102	10.3x	8.6x	7.9x	21.2x	16.8x	15.0x	9.0 %	9.5 %	10.0 %
Peer Group Median	806	10.1x	8.7x	7.9x	20.7x	16.3x	15.0x	9.1 %	9.9 %	10.3 %
Pihlajalinna (Evli est.)	271	7.5x	7.9x	5.7x	16.3x	17.7x	11.8x	5.2 %	4.2 %	5.8 %

Pihlajalinna prem./disc. to peer median

-25 %    -9 %    -28 %    -22 %    8 %    -21 %    -42 %    -57 %    -43 %

Source FactSet, Evli Research

## INTERIM FIGURES

EVLI ESTIMATES, EURm	2021Q1	2021Q2	2021Q3	2021Q4	2021	2022Q1E	2022Q2E	2022Q3E	2022Q4E	2022E	2023E	2024E
Net sales	139.9	142.6	140.6	154.7	577.8	156.6	168.8	164.9	175.1	665.3	690.2	713.1
EBITDA	15.2	15.9	19.3	14.9	65.3	13.1	14.2	20.7	19.3	63.1	84.0	83.1
<i>EBITDA margin (%)</i>	<i>10.9</i>	<i>11.2</i>	<i>13.7</i>	<i>9.6</i>	<i>11.3</i>	<i>8.3</i>	<i>8.4</i>	<i>12.5</i>	<i>11.0</i>	<i>9.5</i>	<i>12.2</i>	<i>11.7</i>
EBIT	6.7	7.2	10.5	5.9	30.3	3.3	4.4	10.9	9.5	28.1	40.2	42.0
<i>EBIT margin (%)</i>	<i>4.8</i>	<i>5.0</i>	<i>7.5</i>	<i>3.8</i>	<i>5.2</i>	<i>2.1</i>	<i>2.6</i>	<i>6.6</i>	<i>5.4</i>	<i>4.2</i>	<i>5.8</i>	<i>5.9</i>
Net financial items	-0.9	-1.0	-0.8	-1.1	-3.8	-1.2	-1.2	-1.2	-1.2	-5.0	-6.7	-6.1
Pre-tax profit	5.8	6.2	9.7	4.8	26.5	2.1	3.2	9.7	8.3	23.1	33.5	35.9
Tax	-1.1	-1.2	-1.6	-1.2	-5.1	-0.4	-0.6	-1.9	-1.6	-4.6	-6.7	-7.2
<i>Tax rate (%)</i>	<i>19.0</i>	<i>19.4</i>	<i>16.5</i>	<i>25.0</i>	<i>19.2</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	4.6	5.2	8.2	4.4	22.4	1.9	2.8	8.0	6.9	19.5	27.9	29.8
EPS	0.20	0.23	0.36	0.19	0.99	0.08	0.12	0.35	0.30	0.86	1.23	1.32
EPS adjusted (diluted no. of shares)	0.20	0.23	0.36	0.19	0.99	0.08	0.12	0.35	0.30	0.86	1.23	1.32
Dividend per share	0.00	0.00	0.00	0.00	0.30	0.00	0.00	0.00	0.00	0.30	0.43	0.46
<b>SALES, EURm</b>												
Corporate Customers	35.4	34.8	28.8	38.8	137.8	44.6	53.0	48.7	57.0	203.3	213.5	222.0
Private Customers	21.1	22.1	18.9	23.2	85.3	22.6	22.4	21.4	24.5	90.8	94.4	97.2
Public sector customers	101.7	104.2	110.4	111.4	427.7	107.8	111.9	112.4	113.5	445.7	459.0	472.8
Eliminations	-18.3	-18.5	-17.5	-18.7	-73.0	-18.4	-18.5	-17.6	-19.9	-74.4	-76.7	-79.0
Total	139.9	142.6	140.6	154.7	577.8	156.6	168.8	164.9	175.1	665.3	690.2	713.1
<b>SALES GROWTH, Y/Y %</b>												
Corporate Customers	7.6	25.2	-6.2	32.4	14.2	26.0	52.3	69.0	47.0	47.6	5.0	4.0
Private Customers	-10.2	50.3	-3.1	-0.9	5.2	7.0	1.1	13.0	5.5	6.4	4.0	3.0
Public sector customers	9.8	18.3	24.2	8.4	14.8	6.0	7.4	1.8	1.9	4.2	3.0	3.0
Eliminations	14.4	16.4	14.8	1.6	11.4	0.7	-0.1	0.6	6.6	2.0	3.0	3.0
Total	5.2	24.3	13.5	12.8	13.6	11.9	18.4	17.3	13.2	15.1	3.7	3.3
<b>EBIT, EURm</b>												
Group	6.7	7.2	10.5	5.9	30.3	3.3	4.4	10.9	9.5	28.1	40.2	42.0
Total	6.7	7.2	10.5	5.9	30.3	3.3	4.4	10.9	9.5	28.1	40.2	42.0
<b>EBIT margin, %</b>												
Total	4.8	5.0	7.5	3.8	5.2	2.1	2.6	6.6	5.4	4.2	5.8	5.9

INCOME STATEMENT, EURm	2017	2018	2019	2020	2021	2022E	2023E	2024E
Sales	424.0	487.8	518.7	508.7	577.8	665.3	690.2	713.1
<i>Sales growth (%)</i>	<i>6.2</i>	<i>15.0</i>	<i>6.3</i>	<i>-1.9</i>	<i>13.6</i>	<i>15.1</i>	<i>3.7</i>	<i>3.3</i>
EBITDA	34.3	45.9	55.1	54.7	65.3	63.1	84.0	83.1
<i>EBITDA margin (%)</i>	<i>8.1</i>	<i>9.4</i>	<i>10.6</i>	<i>10.8</i>	<i>11.3</i>	<i>9.5</i>	<i>12.2</i>	<i>11.7</i>
Depreciation	-14.2	-31.5	-34.2	-33.8	-35.0	-35.0	-43.8	-41.1
EBITA	20.1	14.4	20.9	20.9	30.3	28.1	40.2	42.0
Goodwill amortization / writedown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	20.1	14.4	20.9	20.9	30.3	28.1	40.2	42.0
<i>EBIT margin (%)</i>	<i>4.7</i>	<i>3.0</i>	<i>4.0</i>	<i>4.1</i>	<i>5.2</i>	<i>4.2</i>	<i>5.8</i>	<i>5.9</i>
Reported EBIT	19.2	13.8	10.2	18.3	30.3	28.1	40.2	42.0
<i>EBIT margin (reported) (%)</i>	<i>4.5</i>	<i>2.8</i>	<i>2.0</i>	<i>3.6</i>	<i>5.2</i>	<i>4.2</i>	<i>5.8</i>	<i>5.9</i>
Net financials	-1.4	-3.8	-4.0	-4.4	-3.8	-5.0	-6.7	-6.1
Pre-tax profit	18.7	10.6	16.9	16.5	26.5	23.1	33.5	35.9
Taxes	-3.4	-2.7	-1.9	-4.8	-5.1	-4.6	-6.7	-7.2
Minority shares	-4.6	-3.3	-1.1	-0.2	1.0	1.0	1.0	1.1
Net profit	9.8	4.0	3.2	8.9	22.4	19.5	27.9	29.8
Cash NRIs	-0.9	-0.6	-10.7	-2.6	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	83	68	74	66	67	78	72	67
Goodwill	104	170	174	174	189	189	189	189
Right of use assets	0	116	108	103	96	131	139	143
Inventory	2	3	2	3	4	3	3	4
Receivables	25	40	47	78	93	54	56	57
Liquid funds	37	36	27	13	4	33	35	36
Total assets	254	437	438	442	457	493	499	501
<b>Liabilities</b>								
Shareholder's equity	100	121	101	110	117	130	151	171
Minority interest	6	9	5	5	5	5	5	5
Convertibles	0	0	0	0	0	0	0	0
Lease liabilities	0	119	114	114	106	131	139	143
Deferred taxes	6	6	6	6	6	6	6	6
Interest bearing debt	77	99	107	94	93	117	90	64
Non-interest bearing current liabilities	62	80	102	109	125	100	104	107
Other interest-free debt	3	3	2	3	4	4	4	4
Total liabilities	254	437	438	442	457	493	499	501
<b>CASH FLOW, EURm</b>								
+ EBITDA	34	46	55	55	65	63	84	83
- Net financial items	-1	-4	-4	-4	-4	-5	-7	-6
- Taxes	-5	-5	-4	-4	-5	-5	-7	-7
- Increase in Net Working Capital	7	2	14	-23	2	14	2	1
+/- Other	0	-11	-12	-3	1	1	1	1
= Cash flow from operations	35	27	49	21	59	68	73	72
- Capex	-10	-23	-36	-20	-24	-81	-47	-39
- Acquisitions	-17	-79	0	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Free cash flow	8	-74	13	1	36	-13	27	33
+/- New issues/buybacks	-2	24	-25	0	-10	0	0	0
- Paid dividend	-3	-3	-2	0	-5	-7	-7	-10
+/- Other	7	53	5	-14	-30	49	-19	-22
Change in cash	10	-1	-9	-14	-9	29	1	1

KEY FIGURES	2018	2019	2020	2021	2022E	2023E	2024E
M-cap	195	346	212	285	271	271	271
Net debt (excl. convertibles)	181	194	195	195	215	195	171
Enterprise value	391	557	417	493	496	475	451
Sales	488	519	509	578	665	690	713
EBITDA	46	55	55	65	63	84	83
EBIT	14	21	21	30	28	40	42
Pre-tax	11	17	17	27	23	34	36
Earnings	5	14	12	22	19	28	30
Equity book value (excl. minorities)	121	101	110	117	130	151	171
<b>Valuation multiples</b>							
EV/sales	0.8	1.1	0.8	0.9	0.7	0.7	0.6
EV/EBITDA	8.5	10.1	7.6	7.5	7.9	5.7	5.4
EV/EBITA	27.1	26.6	20.0	16.3	17.7	11.8	10.7
EV/EBIT	27.1	26.6	20.0	16.3	17.7	11.8	10.7
EV/OCF	14.3	11.3	20.2	8.3	7.3	6.5	6.2
EV/FCFF	-11.7	20.3	33.0	10.7	12.0	8.0	7.4
P/FCFE	-2.6	27.0	353.6	8.0	-20.6	10.2	8.1
P/E	42.4	24.9	18.4	12.7	13.9	9.7	9.1
P/B	1.6	3.4	1.9	2.4	2.1	1.8	1.6
Target EV/EBITDA	0.0	0.0	0.0	0.0	8.5	6.1	5.9
Target EV/EBIT	0.0	0.0	0.0	0.0	19.1	12.8	11.7
Target EV/FCF	0.0	0.0	0.0	0.0	-40.8	19.4	14.8
Target P/B	0.0	0.0	0.0	0.0	2.4	2.1	1.8
Target P/E	0.0	0.0	0.0	0.0	16.2	11.4	10.6
<b>Per share measures</b>							
Number of shares	22,620	22,620	22,618	22,584	22,584	22,584	22,584
Number of shares (diluted)	22,620	22,620	22,618	22,584	22,584	22,584	22,584
EPS	0.20	0.61	0.51	0.99	0.86	1.23	1.32
Operating cash flow per share	1.21	2.17	0.91	2.63	3.03	3.25	3.20
Free cash flow per share	-3.29	0.57	0.03	1.59	-0.58	1.18	1.47
Book value per share	5.36	4.47	4.85	5.20	5.76	6.69	7.58
Dividend per share	0.10	0.00	0.20	0.30	0.30	0.43	0.46
Dividend payout ratio, %	49.2	0.0	39.3	30.2	35.0	35.0	35.0
Dividend yield, %	1.2	0.0	2.1	2.5	2.5	3.6	3.8
FCF yield, %	-38.2	3.7	0.3	12.5	-4.8	9.8	12.3
<b>Efficiency measures</b>							
ROE	4.2	12.5	10.9	19.7	15.7	19.8	18.5
ROCE	5.4	6.2	6.4	9.4	8.0	10.5	10.9
<b>Financial ratios</b>							
Inventories as % of sales	0.5	0.4	0.7	0.6	0.5	0.5	0.5
Receivables as % of sales	8.2	9.1	15.3	16.0	8.1	8.1	8.1
Non-interest bearing liabilities as % of sales	16.3	19.7	21.5	21.7	15.0	15.0	15.0
NWC/sales, %	-8.0	-10.2	-6.0	-5.6	-6.9	-6.9	-6.9
Operative CAPEX/sales, %	4.6	7.0	3.9	4.1	12.2	6.8	5.5
CAPEX/sales (incl. acquisitions), %	-11.6	7.0	3.9	4.1	12.2	6.8	5.5
FCFF/EBITDA	-0.7	0.5	0.2	0.7	0.7	0.7	0.7
Net debt/EBITDA, book-weighted	3.9	3.5	3.6	3.0	3.4	2.3	2.1
Debt/equity, market-weighted	0.5	0.3	0.4	0.3	0.4	0.3	0.2
Equity ratio, book-weighted	29.8	24.2	26.0	26.8	27.4	31.3	35.2
Gearing, %	138.7	182.9	169.5	158.8	158.6	124.6	97.1

**COMPANY DESCRIPTION:** Pihlajalinna is the 3rd largest private social welfare and healthcare service provider in Finland offering a wide selection of services to private individuals, businesses, insurance companies and public sector entities, such as municipalities and joint municipal authorities. In its private clinics and hospitals Pihlajalinna provides general practitioner services, specialized care, emergency and on-call services, a wide range of surgical services, occupational healthcare and dental care. Pihlajalinna is the market leader in complete social and healthcare outsourcings in Finland.

**INVESTMENT CASE:** The demand for private social and healthcare services is growing due to ageing population and increasing pressure on public healthcare spending, offering Pihlajalinna growth opportunities in primary care as well as in specialized care. Profitability improvement stems from increased volumes and better utilization rate of the clinics.

OWNERSHIP STRUCTURE	SHARES	EURm	%
Lähiapiola Keskinäinen Vakuutusyhtiö	3,481,641	41.780	15.4%
Mww Yhtiö Oy	2,309,010	27.708	10.2%
Fennia Mutual Insurance Company	1,998,965	23.988	8.9%
Tapiola Keskinäinen Henkivakuutusyhtiö	1,893,985	22.728	8.4%
Elo Pension Company	1,267,161	15.206	5.6%
Niemistö Leena Katriina	704,687	8.456	3.1%
Ilmarinen Mutual Pension Insurance Company	628,431	7.541	2.8%
Fondita Nordic Micro Cap	470,000	5.640	2.1%
Fennia Life Insurance Company Ltd	322,443	3.869	1.4%
OP-Finland Small Firms Fund	305,644	3.668	1.4%
Ten largest	13,381,967	160.584	59%
Residual	9,202,420	110.429	41%
Total	22,584,387	271.013	100%

#### EARNINGS CALENDAR

May 05, 2022	Q1 report
August 12, 2022	Q2 report
November 04, 2022	Q3 report

#### OTHER EVENTS

#### COMPANY MISCELLANEOUS

CEO: Joni Aaltonen	Kehräsaari B, 33200 Tampere
CFO: Tarja Rantala	Tel:
IR: Marko Savolainen	

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

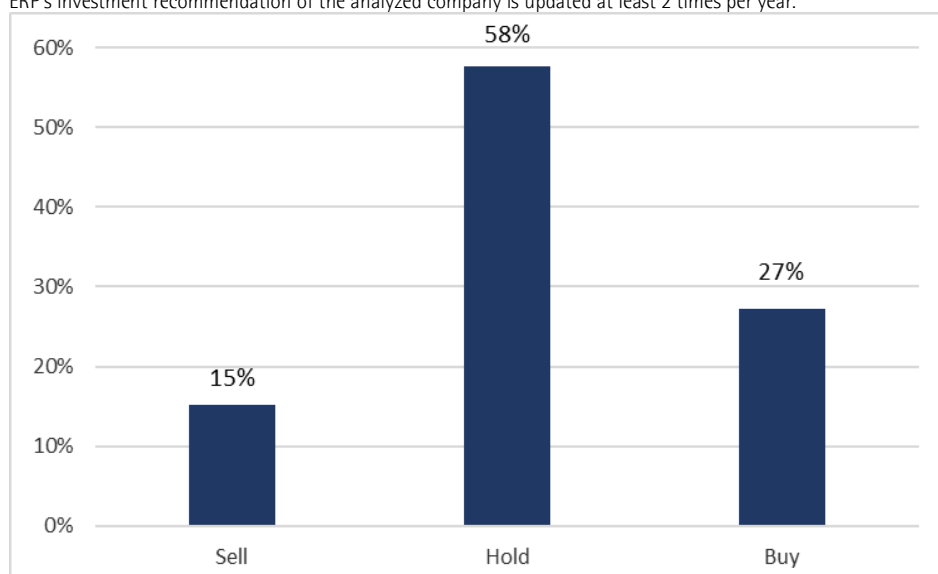
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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## Name(s) of the analyst(s): Ilvonen

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