

Q1 result slightly below expectations

Pihlajalinna's Q1 result was slightly below our expectations but in line with consensus. Q1 revenue amounted to EUR 133m vs. EUR 135m/133m Evli/cons, while adj. EBIT landed at EUR 4.2m vs. EUR 5.2m/4.4m Evli/cons estimates. Guidance for 20E was not given at this point.

- Q1 revenue was EUR 133m vs. EUR 135m/133m Evli/cons estimates. Revenue grew by 0.4% y/y.
- Q1 adj. EBITDA was EUR 12.7m (9.5% margin) vs. EUR 14.2m/13.2m Evli/cons estimates.
- Q1 adj. EBIT was EUR 4.2m (3.2% margin) vs. EUR 5.2m/4.4m (3.9%/3.3%) Evli/cons estimates.
- Q1 EPS was EUR 0.06 vs. EUR 0.12/0.10 Evli/cons.
- According the company, sales and profitability developed as planned during the first months of the year, prior the coronavirus epidemic.
- Pihlajalinna did not provide a guidance for 20E at this point due to the coronavirus.

Rating BUY

Pihlajalinna Q1'20	Actual	Evli	Cons.*	Year ago
Net Sales	133	135	133	133
Adj. EBITDA	12.7	14.2	13.2	12.6
Adj. EBIT	4.2	5.2	4.4	3.9
Adj. EBITDA-margin	9.5 %	10.5 %	9.9 %	9.5 %
Adj. EBIT- margin	3.2 %	3.9 %	3.3 %	2.9 %
PTP (reported)	2.0	3.9	3.3	2.5
EPS	0.06	0.12	0.10	0.06

**Infront (3 estimates mean)*

Share price, EUR (Last trading day's closing price) 14.55

Target price, EUR 16.0

Latest change in rating 30-Mar-20

Latest report on company 30-Mar-20

Research paid by issuer: YES

No. of shares outstanding, '000's 22,620

No. of shares fully diluted, '000's 22,620

Market cap, EURm 329

Free float, % 57.0

Exchange rate 0.000

Reuters code PIHLIS.HE

Bloomberg code PIHLIS FH

Average daily volume, EURm na.

Next interim report 08-May-20

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BUY HOLD SELL

PRE-REPORT 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	487.8	14.4	3.0%	-74.5	0.20	42.4	0.8	27.1	-38.2	0.10
2019	518.7	20.9	4.0%	9.6	0.47	32.3	1.1	26.6	2.8	0.00
2020E	519.4	26.8	5.2%	4.7	0.56	25.8	1.0	19.9	1.4	0.19
2021E	562.5	37.0	6.6%	17.4	0.92	15.8	0.9	14.0	5.3	0.30
2022E	579.4	40.6	7.0%	22.6	1.08	13.5	0.9	12.3	6.9	0.36

Market cap, EURm	329	BV per share 2020E, EUR	159.3	CAGR EPS 2019-22, %	31.5
Net debt 2020E, EURm	189	Price/book 2020E	2.9	CAGR sales 2019-22, %	3.8
Enterprise value, EURm	533	Dividend yield 2020E, %	1.3	ROE 2020E, %	11.9
Total assets 2020E, EURm	429	Tax rate 2020E, %	20.1	ROCE 2020E, %	8.0
Goodwill 2020E, EURm	174	Equity ratio 2020E, %	27.7	PEG, P/E 20/CAGR	2.3

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

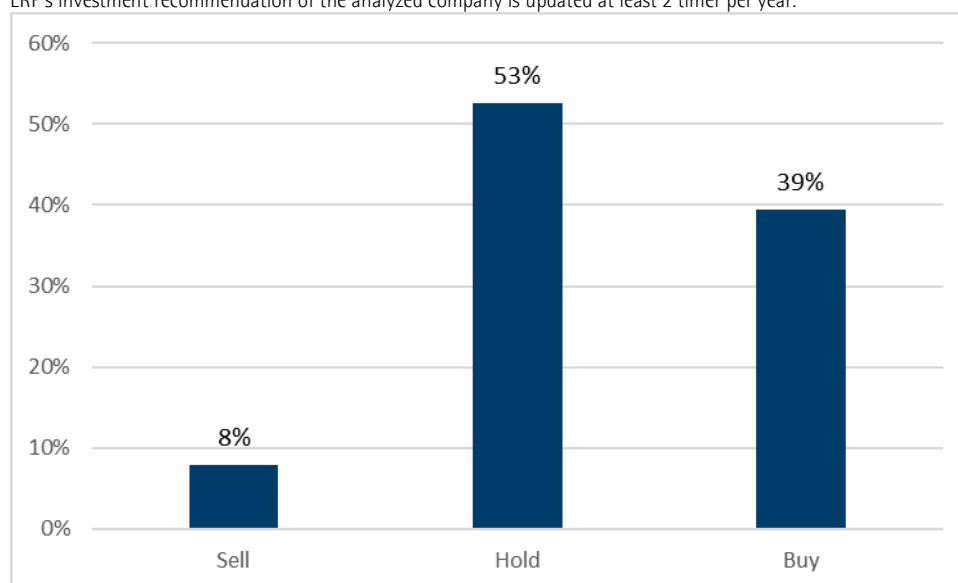
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Investment recommendations are defined as follows:

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

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

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