

## CMD notes

Pihlajalinna held its CMD yesterday, 30<sup>th</sup> of March. The focus of the event was on the company's strategic priorities and the future of the social and healthcare market. Financial targets remained unchanged. Thus, there were no changes in the big picture. We keep our rating "BUY" with TP of EUR 13.0 (12.0).

### New opportunities in both, public and private side

Pihlajalinna highlighted its strategic priorities for the upcoming years as the market is changing in many ways (SOTE-reform, aging population etc.). The company aims to strengthen its already strong partnership with the public side and to engage in close cooperation with the future wellbeing services counties. In addition, Pihlajalinna will make renewals to its private services with new service concepts and digital innovation. Further, the company will continue to strengthen digitalization. The company has already had a strong focus on this and the importance of developing new digital solutions has only increased during the pandemic. The long-term financial targets (EBIT margin of over 7% and net debt/EBITDA under 3x) remained unchanged.

### Big picture is unchanged

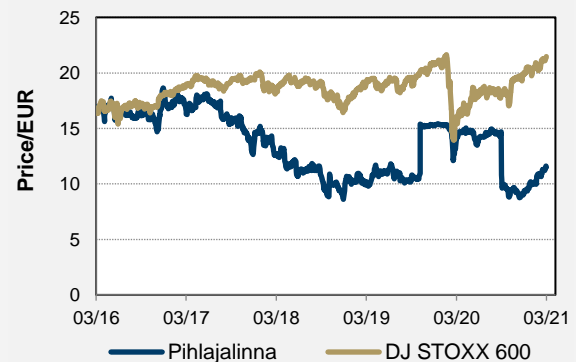
The main market drivers are unchanged as the Finnish population is rapidly aging which increases social and healthcare expenditures. Digitalization offers new opportunities and can improve efficiency. In addition, individuals' interest in their own health is increasing which creates new opportunities in the preventive social and health care. The company seemed to be relatively positive about the future wellbeing services counties and cooperation opportunities stemming from these. However, Pihlajalinna has also strengthened its positioning e.g. in the occupational healthcare market and has widened its cooperation with insurance companies which reinforces our view that the company can grow in both, public and private side. Expanding the service network should also provide support for future partnerships.

### "BUY" with TP of EUR 13 (12)

We have kept our estimates intact and expect 21E revenue growth of ~10% and adj. EBIT of EUR 27.3m (adj. EBIT margin of 4.9%). In 22E and 23E, we expect revenue growth of 5% and 3%. We expect profitability improvement to continue and expect adj. EBIT margin of 5.4% in 22E and 5.6% in 23E. With our estimates, the company trades with 21E-22E EV/EBIT multiple of 16.3x and 13.8x which is 14% discount compared to the peers. We keep our rating "BUY" with new TP of EUR 13 (12).

## Rating

BUY



Share price, EUR (Last trading day's closing price) 11.50

Target price, EUR 13.0

Latest change in rating 22-Feb-21

Latest report on company 22-Feb-21

Research paid by issuer: YES

No. of shares outstanding, '000's 22,618

No. of shares fully diluted, '000's 22,618

Market cap, EURm 260

Free float, % 80.1

Exchange rate -

Reuters code PIHLIS.HE

Bloomberg code PIHLIS FH

Average daily volume, EURm -

Next interim report 07-May-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	518.7	20.9	4.0%	9.6	0.47	32.3	1.1	26.6	2.8	0.00
2020	508.8	20.8	4.1%	0.9	0.52	18.0	0.8	20.0	0.4	0.20
2021E	558.9	27.3	4.9%	25.8	0.83	13.9	0.8	16.3	9.9	0.27
2022E	586.3	31.4	5.4%	17.0	0.93	12.3	0.7	13.8	6.5	0.31
2023E	603.9	33.8	5.6%	22.6	1.03	11.2	0.7	12.3	8.7	0.34
Market cap, EURm	260			Gearing 2021E, %	134.5			CAGR EPS 2020-23, %	25.4	
Net debt 2021E, EURm	174			Price/book 2021E	2.1			CAGR sales 2020-23, %	5.9	
Enterprise value, EURm	445			Dividend yield 2021E, %	2.4			ROE 2021E, %	16.0	
Total assets 2021E, EURm	432			Tax rate 2021E, %	20.0			ROCE 2021E, %	8.2	
Goodwill 2021E, EURm	174			Equity ratio 2021E, %	29.8			PEG, P/E 21/CAGR	1.2	

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

## Estimates

Net sales	2017	2018	2019	Q1'20	Q2'20	Q3'20	Q4'20	2020	Q1'21E	Q2'21E	Q3'21E	Q4'21E	2021E
Corporate Customers	82.6	103.7	122.1	32.9	27.8	30.7	36.1	127.5	37.0	35.4	34.2	39.7	146.3
of which insurance companies	26.6	25.2	27.6	8.3	6.6	6.4	8.6	29.9	8.7	7.4	7.0	9.5	32.5
of which other corporates	56.0	78.5	94.5	24.6	21.2	24.3	27.5	97.6	28.3	28.0	27.2	30.3	113.7
Private Customers	67.9	92.1	97.8	23.5	14.7	19.5	22.0	79.7	21.2	22.1	21.5	26.4	91.1
Public sector customers	330.5	349.7	360.6	92.6	88.1	88.9	97.5	367.1	98.7	95.8	93.1	100.0	387.5
<b>Total</b>	<b>424.0</b>	<b>487.8</b>	<b>518.6</b>	<b>133.0</b>	<b>114.7</b>	<b>123.9</b>	<b>137.2</b>	<b>508.8</b>	140.4	136.7	132.2	149.6	<b>558.9</b>
<b>Net sales growth</b>													
Corporate Customers	-	25.5%	17.3%	5.4%	-8.1%	13.7%	13.2%	4.4%	12.5%	27.3%	11.4%	10.0%	14.7%
Private Customers	-	35.6%	6.5%	-11.0%	-42.5%	-7.6%	-11.6%	-18.5%	-10.0%	50.0%	10.0%	20.0%	14.2%
Public sector customers	-	5.8%	3.2%	3.1%	-1.7%	-1.2%	5.2%	1.8%	6.6%	8.7%	4.7%	2.5%	5.6%
<b>Total</b>	<b>6.2%</b>	<b>15.0%</b>	<b>6.3%</b>	<b>0.4%</b>	<b>-11.6%</b>	<b>0.9%</b>	<b>2.6%</b>	<b>-1.9%</b>	5.6%	19.2%	6.7%	9.0%	<b>9.9%</b>
Adj. EBITDA (group)	34.0	45.9	55.2	12.7	9.0	17.2	15.7	54.6	14.7	12.2	19.2	16.5	62.5
Adj. EBITDA-margin (group)	8.0%	9.4%	10.6%	9.5%	7.8%	13.9%	10.4%	10.7%	10.5%	8.9%	14.5%	11.0%	11.2%

Source: Pihlajalinna, Evli Research

## Valuation

PIHLAJALINNA PEER GROUP	Security identifier	MCAP Local FX	EV/EBITDA			EV/EBIT			P/E		
			21	22	23	21	22	23	21	22	23
Ambea AB	AMBEA-SE	6799	8.3x	7.4x	7.1x	17.7x	15.1x	13.7x	13.1x	11.0x	9.7x
Attendo AB	ATT-SE	7988	8.7x	7.6x	7.1x	23.1x	18.0x	16.0x	30.3x	18.1x	14.5x
CareTech Holdings PLC	CTH-GB	612	9.1x	8.2x	7.3x	11.3x	10.1x	9.0x	12.0x	10.7x	9.6x
Fresenius SE & Co. KGaA	FRE-DE	21020	6.2x	5.5x	5.1x	9.9x	8.5x	7.6x	11.4x	10.3x	9.5x
Georgia Healthcare Group Plc	GHG-GB										
GHP Specialty Care AB	GHP-SE	1785	9.7x	8.5x	7.7x	20.1x	17.2x	15.3x	28.0x	22.9x	20.5x
Humana AB	HUM-SE	3906	8.1x	7.4x	7.2x	14.2x	12.6x	12.2x	13.2x	11.3x	11.0x
Korian SA	KORI-FR	3110	8.7x	7.8x	7.3x	21.2x	18.4x	17.1x	21.3x	16.8x	16.5x
LNA Sante SA	LNA-FR	442	9.7x	9.1x		19.6x	17.8x		16.7x	13.8x	
Mediclinic International Plc	MDC-GB	2155	7.9x	7.1x	5.7x	13.9x	12.2x	9.5x	12.9x	11.1x	10.1x
Orpea SA	ORP-FR	6428	14.0x	12.9x	12.5x	28.2x	25.1x	24.4x	26.8x	22.8x	20.9x
RHON-KLINIKUM AG	RHK-DE	1060									
Spire Healthcare Group PLC	SPI-GB	669	8.9x	7.1x	7.2x	18.5x	13.9x	12.6x	64.7x	29.6x	17.3x
Terveystalo Oy Class A	TTALO-FI	1517	10.6x	9.6x	8.8x	20.2x	17.0x	15.0x	21.7x	18.9x	16.4x
<b>Peer Group Median</b>		<b>4471</b>	<b>8.8x</b>	<b>7.7x</b>	<b>7.2x</b>	<b>19.0x</b>	<b>16.0x</b>	<b>13.7x</b>	<b>19.0x</b>	<b>15.3x</b>	<b>14.5x</b>
<b>Peer Group Average</b>		<b>2155</b>	<b>9.2x</b>	<b>8.2x</b>	<b>7.5x</b>	<b>18.2x</b>	<b>15.5x</b>	<b>13.9x</b>	<b>22.7x</b>	<b>16.5x</b>	<b>14.2x</b>
<b>Pihlajalinna (Evli est.)</b>		<b>260</b>	<b>7.1x</b>	<b>6.4x</b>	<b>5.9x</b>	<b>16.3x</b>	<b>13.8x</b>	<b>12.3x</b>	<b>13.9x</b>	<b>12.3x</b>	<b>11.2x</b>

Pihlajalinna premium/discount to peer median

-19 % -16 % -19 % -14 % -14 % -10 % -27 % -20 % -23 %

Source: Factset, Evli Research

## INTERIM FIGURES

EVLI ESTIMATES, EURm	2020Q1	2020Q2	2020Q3	2020Q4	2020	2021Q1E	2021Q2E	2021Q3E	2021Q4E	2021E	2022E	2023E
Net sales	133.0	114.7	123.9	137.2	508.8	140.4	136.7	132.2	149.6	558.9	586.3	603.9
EBITDA	12.7	9.0	17.2	15.7	54.6	14.7	12.2	19.2	16.5	62.5	67.3	70.9
<i>EBITDA margin (%)</i>	<i>9.5</i>	<i>7.8</i>	<i>13.9</i>	<i>11.4</i>	<i>10.7</i>	<i>10.5</i>	<i>8.9</i>	<i>14.5</i>	<i>11.0</i>	<i>11.2</i>	<i>11.5</i>	<i>11.7</i>
EBIT	4.2	0.6	8.7	7.3	20.8	5.9	3.4	10.4	7.7	27.3	31.4	33.8
<i>EBIT margin (%)</i>	<i>3.2</i>	<i>0.5</i>	<i>7.0</i>	<i>5.3</i>	<i>4.1</i>	<i>4.2</i>	<i>2.5</i>	<i>7.8</i>	<i>5.1</i>	<i>4.9</i>	<i>5.4</i>	<i>5.6</i>
Net financial items	-1.4	-1.0	-1.0	-1.0	-4.4	-1.0	-1.0	-1.0	-1.0	-4.0	-5.0	-4.7
Pre-tax profit	2.8	-0.4	7.7	6.3	16.4	4.9	2.4	9.4	6.7	23.3	26.4	29.1
Tax	-0.6	0.1	-1.5	-2.8	-4.8	-1.0	-0.5	-1.9	-1.3	-4.7	-5.3	-5.8
<i>Tax rate (%)</i>	<i>21.4</i>	<i>25.0</i>	<i>19.5</i>	<i>44.4</i>	<i>29.3</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	2.3	-0.6	7.0	3.1	11.8	4.0	1.9	7.5	5.3	18.7	21.1	23.3
EPS	0.10	-0.03	0.31	0.14	0.52	0.17	0.08	0.33	0.24	0.83	0.93	1.03
EPS adjusted (diluted no. of shares)	0.10	-0.03	0.31	0.14	0.52	0.17	0.08	0.33	0.24	0.83	0.93	1.03
Dividend per share	0.00	0.00	0.00	0.00	0.20	0.00	0.00	0.00	0.00	0.27	0.31	0.34
<b>SALES, EURm</b>												
Corporate Customers	32.9	27.8	30.7	36.1	127.5	37.0	35.4	34.2	39.7	146.3	152.9	157.5
Private Customers	23.5	14.7	19.5	22.0	79.7	21.2	22.1	21.5	26.4	91.1	104.7	107.8
Public sector customers	92.6	88.1	88.9	97.5	367.1	98.7	95.8	93.1	100.0	387.5	395.3	407.1
Eliminations	-16.0	-15.9	-15.2	-18.4	-65.5	-16.5	-16.5	-16.5	-16.5	-66.0	-66.7	-68.7
<b>Total</b>	<b>133.0</b>	<b>114.7</b>	<b>123.9</b>	<b>137.2</b>	<b>508.8</b>	<b>140.4</b>	<b>136.7</b>	<b>132.2</b>	<b>149.6</b>	<b>558.9</b>	<b>586.3</b>	<b>603.9</b>
<b>SALES GROWTH, Y/Y %</b>												
<i>Corporate Customers</i>	<i>4.1</i>	<i>-8.1</i>	<i>13.7</i>	<i>10.1</i>	<i>4.8</i>	<i>12.5</i>	<i>27.3</i>	<i>11.4</i>	<i>10.0</i>	<i>14.7</i>	<i>4.6</i>	<i>3.0</i>
<i>Private Customers</i>	<i>-11.3</i>	<i>-42.5</i>	<i>-7.6</i>	<i>-11.6</i>	<i>-18.7</i>	<i>-10.0</i>	<i>50.0</i>	<i>10.0</i>	<i>20.0</i>	<i>14.2</i>	<i>15.0</i>	<i>3.0</i>
<i>Public sector customers</i>	<i>3.7</i>	<i>-1.7</i>	<i>-1.2</i>	<i>6.1</i>	<i>1.7</i>	<i>6.6</i>	<i>8.7</i>	<i>4.7</i>	<i>2.5</i>	<i>5.6</i>	<i>2.0</i>	<i>3.0</i>
<i>Eliminations</i>	<i>7.4</i>	<i>1.3</i>	<i>-1.0</i>	<i>16.5</i>	<i>6.1</i>	<i>3.1</i>	<i>3.8</i>	<i>8.2</i>	<i>-10.3</i>	<i>0.7</i>	<i>1.0</i>	<i>3.0</i>
<b>Total</b>	<b>0.4</b>	<b>-11.6</b>	<b>0.9</b>	<b>2.5</b>	<b>-1.9</b>	<b>5.6</b>	<b>19.2</b>	<b>6.7</b>	<b>9.0</b>	<b>9.9</b>	<b>4.9</b>	<b>3.0</b>
<b>EBIT, EURm</b>												
Group	4.2	0.6	8.7	7.3	20.8	5.9	3.4	10.4	7.7	27.3	31.4	33.8
<b>Total</b>	<b>4.2</b>	<b>0.6</b>	<b>8.7</b>	<b>7.3</b>	<b>20.8</b>	<b>5.9</b>	<b>3.4</b>	<b>10.4</b>	<b>7.7</b>	<b>27.3</b>	<b>31.4</b>	<b>33.8</b>
<b>EBIT margin, %</b>												
<i>Total</i>	<i>3.2</i>	<i>0.5</i>	<i>7.0</i>	<i>5.3</i>	<i>4.1</i>	<i>4.2</i>	<i>2.5</i>	<i>7.8</i>	<i>5.1</i>	<i>4.9</i>	<i>5.4</i>	<i>5.6</i>

INCOME STATEMENT, EURm	2016	2017	2018	2019	2020	2021E	2022E	2023E
Sales	399.1	424.0	487.8	518.7	508.8	558.9	586.3	603.9
<i>Sales growth (%)</i>	<i>87.0</i>	<i>6.2</i>	<i>15.0</i>	<i>6.3</i>	<i>-1.9</i>	<i>9.9</i>	<i>4.9</i>	<i>3.0</i>
EBITDA	29.4	34.3	45.9	55.1	54.6	62.5	67.3	70.9
<i>EBITDA margin (%)</i>	<i>7.4</i>	<i>8.1</i>	<i>9.4</i>	<i>10.6</i>	<i>10.7</i>	<i>11.2</i>	<i>11.5</i>	<i>11.7</i>
Depreciation	-12.8	-14.2	-31.5	-34.2	-33.8	-35.2	-35.9	-37.1
EBITA	16.6	20.1	14.4	20.9	20.8	27.3	31.4	33.8
Goodwill amortization / writedown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	16.6	20.1	14.4	20.9	20.8	27.3	31.4	33.8
<i>EBIT margin (%)</i>	<i>4.2</i>	<i>4.7</i>	<i>3.0</i>	<i>4.0</i>	<i>4.1</i>	<i>4.9</i>	<i>5.4</i>	<i>5.6</i>
Reported EBIT	15.1	19.2	13.8	10.2	18.2	27.3	31.4	33.8
<i>EBIT margin (reported) (%)</i>	<i>3.8</i>	<i>4.5</i>	<i>2.8</i>	<i>2.0</i>	<i>3.6</i>	<i>4.9</i>	<i>5.4</i>	<i>5.6</i>
Net financials	-1.2	-1.4	-3.8	-4.0	-4.4	-4.0	-5.0	-4.7
Pre-tax profit	15.4	18.7	10.6	16.9	16.4	23.3	26.4	29.1
Taxes	-3.0	-3.4	-2.7	-1.9	-4.8	-4.7	-5.3	-5.8
Minority shares	-2.7	-4.6	-3.3	-4.3	0.2	0.0	0.0	0.0
Net profit	8.2	9.8	4.0	0.0	9.2	18.7	21.1	23.3
Cash NRIs	-1.5	-0.9	-0.6	-10.7	-2.6	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	67	83	68	74	66	67	68	64
Goodwill	92	104	170	174	174	174	174	174
Right of use assets	0	0	116	108	103	109	114	121
Inventory	2	2	3	2	3	3	3	3
Receivables	27	25	40	47	78	35	37	38
Liquid funds	28	37	36	27	13	39	41	42
Total assets	218	254	437	438	442	432	442	447
<b>Liabilities</b>								
Shareholder's equity	98	100	121	101	110	124	139	155
Minority interest	3	6	9	5	5	5	5	5
Convertibles	0	0	0	0	0	0	0	0
Lease liabilities	0	0	119	114	114	109	114	121
Deferred taxes	6	6	6	6	6	6	6	6
Interest bearing debt	52	77	99	107	94	104	89	69
Non-interest bearing current liabilities	55	62	80	102	109	81	85	88
Other interest-free debt	3	3	3	2	3	3	3	3
Total liabilities	217	254	437	438	442	432	442	447
<b>CASH FLOW, EURm</b>								
+ EBITDA	29	34	46	55	55	63	67	71
- Net financial items	-1	-1	-4	-4	-4	-4	-5	-5
- Taxes	-2	-5	-5	-4	-4	-5	-5	-6
- Increase in Net Working Capital	8	7	2	14	-23	15	2	1
+/- Other	-1	0	-11	-15	-2	0	0	0
= Cash flow from operations	32	35	27	46	21	68	59	62
- Capex	-5	-10	-23	-36	-20	-43	-42	-39
- Acquisitions	-22	-17	-79	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Free cash flow	6	8	-74	10	1	26	17	23
+/- New issues/buybacks	-1	-2	24	-22	0	0	0	0
- Paid dividend	0	-3	-3	-2	0	-5	-6	-7
+/- Other	7	7	53	5	-14	5	-9	-14
Change in cash	12	10	-1	-9	-14	26	2	1

KEY FIGURES	2017	2018	2019	2020	2021E	2022E	2023E
M-cap	275	195	346	212	260	260	260
Net debt (excl. convertibles)	40	181	194	195	174	163	147
Enterprise value	325	391	557	417	445	433	416
Sales	424	488	519	509	559	586	604
EBITDA	34	46	55	55	63	67	71
EBIT	20	14	21	21	27	31	34
Pre-tax	19	11	17	16	23	26	29
Earnings	11	5	11	12	19	21	23
Equity book value (excl. minorities)	100	121	101	110	124	139	155
<b>Valuation multiples</b>							
EV/sales	0.8	0.8	1.1	0.8	0.8	0.7	0.7
EV/EBITDA	9.5	8.5	10.1	7.6	7.1	6.4	5.9
EV/EBITA	16.2	27.1	26.6	20.0	16.3	13.8	12.3
EV/EBIT	16.2	27.1	26.6	20.0	16.3	13.8	12.3
EV/OCF	9.3	14.3	12.1	19.9	6.5	7.3	6.7
EV/FCFF	19.3	-11.7	20.3	33.3	8.6	10.0	8.2
P/FCFE	35.7	-2.6	36.0	235.7	10.1	15.3	11.5
P/E	25.7	42.4	32.3	18.0	13.9	12.3	11.2
P/B	2.7	1.6	3.4	1.9	2.1	1.9	1.7
Target EV/EBITDA	0.0	0.0	0.0	0.0	7.6	6.9	6.3
Target EV/EBIT	0.0	0.0	0.0	0.0	17.3	14.7	13.2
Target EV/FCF	0.0	0.0	0.0	0.0	18.3	27.2	19.7
Target P/B	0.0	0.0	0.0	0.0	2.4	2.1	1.9
Target P/E	0.0	0.0	0.0	0.0	15.8	13.9	12.6
<b>Per share measures</b>							
Number of shares	20,613	22,620	22,620	22,618	22,618	22,618	22,618
Number of shares (diluted)	20,613	22,620	22,620	22,618	22,618	22,618	22,618
EPS	0.52	0.20	0.47	0.52	0.83	0.93	1.03
Operating cash flow per share	1.69	1.21	2.03	0.93	3.02	2.62	2.73
Free cash flow per share	0.37	-3.29	0.42	0.04	1.14	0.75	1.00
Book value per share	4.87	5.36	4.47	4.85	5.48	6.14	6.86
Dividend per share	0.16	0.10	0.00	0.20	0.27	0.31	0.34
Dividend payout ratio, %	30.8	49.2	0.0	38.3	33.0	33.0	33.0
Dividend yield, %	1.2	1.2	0.0	1.7	2.4	2.7	3.0
FCF yield, %	2.8	-38.2	2.8	0.4	9.9	6.5	8.7
<b>Efficiency measures</b>							
ROE	10.8	4.2	9.6	11.2	16.0	16.1	15.8
ROCE	12.2	5.4	6.2	6.4	8.2	9.1	9.7
<b>Financial ratios</b>							
Inventories as % of sales	0.5	0.5	0.4	0.7	0.5	0.5	0.5
Receivables as % of sales	5.9	8.2	9.1	15.3	6.3	6.3	6.3
Non-interest bearing liabilities as % of sales	14.6	16.3	19.7	21.5	14.5	14.5	14.5
NWC/sales, %	-8.4	-8.0	-10.2	-6.0	-8.0	-8.0	-8.0
Operative CAPEX/sales, %	2.4	4.6	7.0	3.9	7.6	7.2	6.5
CAPEX/sales (incl. acquisitions), %	-1.6	-11.6	7.0	3.9	7.6	7.2	6.5
FCFF/EBITDA	0.5	-0.7	0.5	0.2	0.8	0.6	0.7
Net debt/EBITDA, book-weighted	1.2	3.9	3.5	3.6	2.8	2.4	2.1
Debt/equity, market-weighted	0.3	0.5	0.3	0.4	0.4	0.3	0.3
Equity ratio, book-weighted	41.8	29.8	24.2	26.0	29.8	32.5	35.9
Gearing, %	37.3	138.7	182.9	169.5	134.5	113.0	91.7

**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	40.039	15.4%
Mww Yhtiö Oy	2,309,010	26.554	10.2%
Fennia Mutual Insurance Company	1,998,965	22.988	8.8%
Tapiola Keskinäinen Henkivakuutusyhtiö	1,891,385	21.751	8.4%
Elo Pension Company	1,267,161	14.572	5.6%
Niemistö Leena Katriina	703,475	8.090	3.1%
Ilmarinen Mutual Pension Insurance Company	628,431	7.227	2.8%
Fondita Nordic Micro Cap	470,000	5.405	2.1%
FIM Fenno Sijoitusrahasto	321,421	3.696	1.4%
Fennia Life Insurance Company Ltd	308,104	3.543	1.4%
Ten largest	13,379,593	153.865	59%
Residual	9,238,248	106.240	41%
Total	22,617,841	260.105	100%

EARNINGS CALENDAR	
May 07, 2021	Q1 report
August 13, 2021	Q2 report
November 04, 2021	Q3 report
OTHER EVENTS	
April 15, 2021	AGM

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

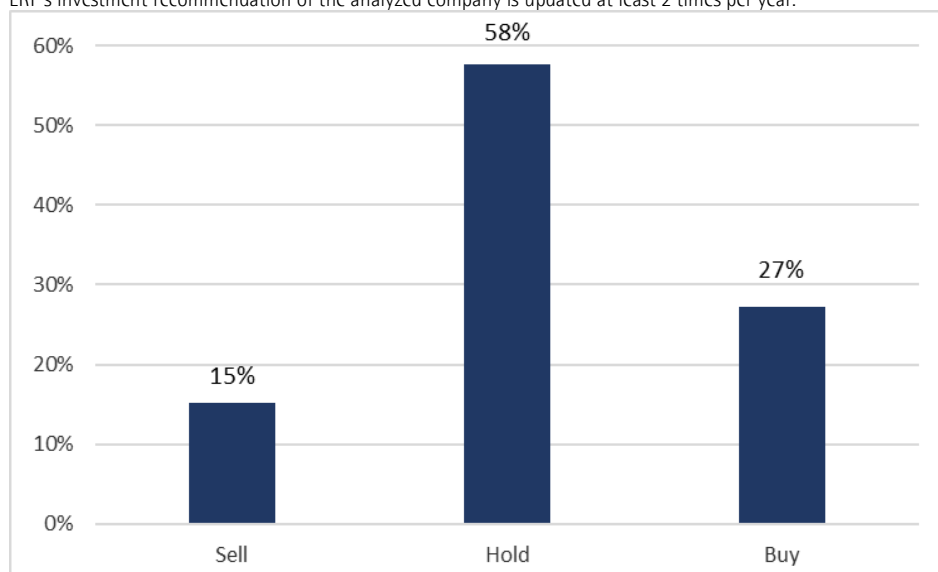
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Investment recommendations are defined as follows:

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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