

Expecting fairly good Q1 figures

Pihlajalinna reports its Q1 report on next week's Friday, 7th of May. Despite the worsened COVID-19 situation during Q1, we expect fairly good quarterly figures. We keep our rating "BUY" with TP of EUR 13.

We expect revenue to increase by 3%

We expect Pihlajalinna to report relatively good Q1 result, with sales growth of 3% y/y (EUR 137m). We expect the COVID-19 testing is once again boosting sales. However, as the virus situation worsened towards the end of Q1 and new restrictions came into force, we expect private demand is still in lower levels than normally. As we saw at the end of last year, the company's efficiency improvement actions have paid off and we expect Q1'21E profitability to improve from Q1'20. We foresee Q1 adj. EBIT of EUR 5.6m, resulting in adj. EBIT margin of 4.1% (Q1'20: 3.2%).

Market drivers offer new opportunities

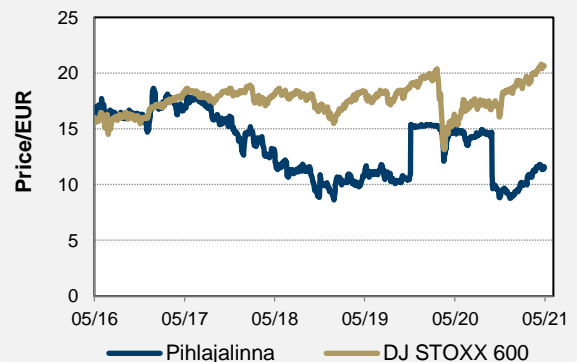
Pihlajalinna held its CMD in late March where it highlighted its strategic priorities for the upcoming years as the market is changing in many ways. The company aims to continue to strengthen its already strong partnership with the public side and to engage in close cooperation with the future wellbeing 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 market drivers have remained unchanged (aging population, digital solutions, individuals' interest in their own health etc.) offering many new opportunities to Pihlajalinna.

"BUY" with TP of EUR 13

We have included the acquisition of Työterveys Virta to our estimates from Q2'21E onwards. We expect 21E sales growth of ~11% (EUR 564m) and adj. EBIT of 28.8m (5.1% margin). We expect Pihlajalinna's profitability to improve further in 22E-23E and adj. EBIT margin of 5.6% in both years. With our estimates, the company trades with 21E-22E EV/EBIT multiple of 17.8x and 13.4x which is 8-20% discount compared to the peers. We keep our rating "BUY" with TP of EUR 13.

Rating

BUY



Share price, EUR (Last trading day's closing price)	11.60
Target price, EUR	13.0

Latest change in rating	22-Feb-21
Latest report on company	31-Mar-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	262
Free float, %	80.1
Exchange rate	na.
Reuters code	PIHLIS.HE
Bloomberg code	PIHLIS FH
Average daily volume, EURm	na.
Next interim report	07-May-21
Web site	investors.pihlajalinna.fi

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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%	12.8	0.61	24.9	1.1	26.6	3.7	0.00
2020	508.8	20.8	4.1%	0.5	0.50	18.6	0.8	20.0	0.2	0.20
2021E	564.3	28.8	5.1%	-39.3	0.84	13.8	0.9	17.8	-15.0	0.29
2022E	596.6	33.2	5.6%	72.1	0.98	11.9	0.7	13.4	27.5	0.34
2023E	614.5	34.4	5.6%	18.5	1.00	11.6	0.7	12.6	7.1	0.35
Market cap, EURm	262		Gearing 2021E, %	184.4		CAGR EPS 2020-23, %		25.6		
Net debt 2021E, EURm	239		Price/book 2021E	2.1		CAGR sales 2020-23, %		6.5		
Enterprise value, EURm	512		Dividend yield 2021E, %	2.5		ROE 2021E, %		16.3		
Total assets 2021E, EURm	440		Tax rate 2021E, %	20.0		ROCE 2021E, %		8.0		
Goodwill 2021E, EURm	174		Equity ratio 2021E, %	29.4		PEG, P/E 21/CAGR		1.5		

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	35.8	36.4	35.2	40.7	148.1
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	27.1	29.0	28.2	31.3	115.5
Private Customers	67.9	92.1	97.8	23.5	14.7	19.5	22.0	79.7	18.8	22.1	21.5	26.4	88.7
Public sector customers	330.5	349.7	360.6	92.6	88.1	88.9	97.5	367.1	98.7	97.8	95.1	102.0	393.5
Total	424.0	487.8	518.6	133.0	114.7	123.9	137.2	508.8	136.8	139.7	135.2	152.6	564.3
Net sales growth													
Corporate Customers	-	25.5%	17.3%	5.4%	-8.1%	13.7%	13.2%	4.4%	8.7%	30.8%	14.6%	12.8%	16.1%
Private Customers	-	35.6%	6.5%	-11.0%	-42.5%	-7.6%	-11.6%	-18.5%	-20.0%	50.0%	10.0%	20.0%	11.3%
Public sector customers	-	5.8%	3.2%	3.1%	-1.7%	-1.2%	5.2%	1.8%	6.6%	11.0%	6.9%	4.6%	7.2%
Total	6.2%	15.0%	6.3%	0.4%	-11.6%	0.9%	2.6%	-1.9%	2.9%	21.8%	9.2%	11.2%	10.9%
Adj. EBITDA (group)	34.0	45.9	55.2	12.7	9.0	17.2	15.7	54.6	14.4	13.3	19.6	16.8	64.0
Adj. EBITDA-margin (group)	8.0%	9.4%	10.6%	9.5%	7.8%	13.9%	10.4%	10.7%	10.5%	9.5%	14.5%	11.0%	11.3%

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	7517	8.8x	7.9x	7.5x	19.1x	16.2x	14.7x	14.5x	12.2x	10.3x
Attendo AB	ATT-SE	7923	8.6x	7.5x	7.1x	23.3x	18.0x	16.2x	29.2x	17.6x	14.0x
CareTech Holdings PLC	CTH-GB	640	9.3x	8.4x	7.6x	11.6x	10.3x	9.4x	12.3x	11.3x	11.8x
Fresenius SE & Co. KGaA	FRE-DE	22027	6.5x	5.8x	5.2x	10.4x	8.9x	7.8x	12.4x	10.8x	9.8x
Georgia Healthcare Group Plc	GHG-GB										
GHP Specialty Care AB	GHP-SE	2087	10.8x	9.5x	8.5x	21.6x	18.3x	16.1x	30.9x	26.6x	23.6x
Humana AB	HUM-SE	4060	8.3x	7.6x	7.6x	14.5x	13.0x	13.0x	13.2x	11.3x	11.0x
Korian SA	KORI-FR	3498	9.1x	8.2x	7.1x	23.4x	19.8x	16.8x	25.5x	18.5x	16.1x
LNA Sante SA	LNA-FR	464	9.5x	8.6x	8.4x	19.5x	17.2x	16.6x	16.6x	13.8x	12.2x
Mediclinic International Plc	MDC-GB	2275	7.7x	7.0x	5.9x	13.7x	11.9x	9.9x	14.1x	11.6x	10.7x
Orpea SA	ORP-FR	6936	14.4x	12.9x	12.4x	28.7x	24.8x	24.4x	28.9x	24.0x	22.2x
RHON-KLINIKUM AG	RHK-DE	1038									
Spire Healthcare Group PLC	SPI-GB	794	9.4x	7.2x	6.3x	19.1x	13.9x	11.1x	59.2x	32.0x	22.2x
Terveystalo Oy Class A	TTALO-FI	1535	10.5x	9.7x	8.9x	19.4x	17.2x	15.2x	21.0x	19.3x	17.5x
Peer Group Median		4704	9.2x	8.1x	7.5x	19.3x	16.7x	15.0x	18.8x	15.7x	13.1x
Peer Group Average		2275	9.4x	8.4x	7.7x	18.7x	15.8x	14.3x	23.1x	17.4x	15.1x
Pihlajalinna (Evli est.)		262	8.0x	6.4x	6.0x	17.8x	13.4x	12.6x	13.8x	11.9x	11.6x

Pihlajalinna premium/discount to peer median

-13 % -20 % -20 % -8 % -20 % -16 % -27 % -24 % -11 %

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	136.8	139.7	135.2	152.6	564.3	596.6	614.5
EBITDA	12.7	9.0	17.2	15.7	54.6	14.4	13.3	19.6	16.8	64.0	69.2	72.0
<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>9.5</i>	<i>14.5</i>	<i>11.0</i>	<i>11.3</i>	<i>11.6</i>	<i>11.7</i>
EBIT	4.2	0.6	8.7	7.3	20.8	5.6	4.5	10.8	8.0	28.8	33.2	34.4
<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>4.1</i>	<i>3.2</i>	<i>8.0</i>	<i>5.2</i>	<i>5.1</i>	<i>5.6</i>	<i>5.6</i>
Net financial items	-1.4	-1.0	-1.0	-1.0	-4.4	-1.1	-1.1	-1.1	-1.1	-4.4	-5.0	-5.5
Pre-tax profit	2.8	-0.4	7.7	6.3	16.4	4.5	3.4	9.7	6.9	24.4	28.2	28.9
Tax	-0.6	0.1	-1.5	-2.8	-4.8	-0.9	-0.7	-1.9	-1.4	-4.9	-5.6	-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	2.1	0.0	5.4	3.9	11.4	3.5	2.6	7.6	5.4	19.0	22.1	22.6
EPS	0.09	0.00	0.24	0.17	0.50	0.15	0.11	0.34	0.24	0.84	0.98	1.00
EPS adjusted (diluted no. of shares)	0.09	0.00	0.24	0.17	0.50	0.15	0.11	0.34	0.24	0.84	0.98	1.00
Dividend per share	0.00	0.00	0.00	0.00	0.20	0.00	0.00	0.00	0.00	0.29	0.34	0.35
SALES, EURm												
Corporate Customers	32.9	27.8	30.7	36.1	127.5	35.8	36.4	35.2	40.7	148.1	155.8	160.4
Private Customers	23.5	14.7	19.5	22.0	79.7	18.8	22.1	21.5	26.4	88.7	104.9	108.1
Public sector customers	92.6	88.1	88.9	97.5	367.1	98.7	97.8	95.1	102.0	393.5	403.9	416.0
Eliminations	-16.0	-15.9	-15.2	-18.4	-65.5	-16.5	-16.5	-16.5	-16.5	-66.0	-68.0	-70.0
Total	133.0	114.7	123.9	137.2	508.8	136.8	139.7	135.2	152.6	564.3	596.6	614.5
SALES GROWTH, Y/Y %												
<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>8.7</i>	<i>30.8</i>	<i>14.6</i>	<i>12.8</i>	<i>16.1</i>	<i>5.2</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>-20.0</i>	<i>50.0</i>	<i>10.0</i>	<i>20.0</i>	<i>11.3</i>	<i>18.3</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>11.0</i>	<i>6.9</i>	<i>4.6</i>	<i>7.2</i>	<i>2.6</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>3.0</i>	<i>3.0</i>
Total	0.4	-11.6	0.9	2.5	-1.9	2.9	21.8	9.2	11.2	10.9	5.7	3.0
EBIT, EURm												
Group	4.2	0.6	8.7	7.3	20.8	5.6	4.5	10.8	8.0	28.8	33.2	34.4
Total	4.2	0.6	8.7	7.3	20.8	5.6	4.5	10.8	8.0	28.8	33.2	34.4
EBIT margin, %												
<i>Total</i>	<i>3.2</i>	<i>0.5</i>	<i>7.0</i>	<i>5.3</i>	<i>4.1</i>	<i>4.1</i>	<i>3.2</i>	<i>8.0</i>	<i>5.2</i>	<i>5.1</i>	<i>5.6</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	564.3	596.6	614.5
<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>10.9</i>	<i>5.7</i>	<i>3.0</i>
EBITDA	29.4	34.3	45.9	55.1	54.6	64.0	69.2	72.0
<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>11.3</i>	<i>11.6</i>	<i>11.7</i>
Depreciation	-12.8	-14.2	-31.5	-34.2	-33.8	-35.2	-36.0	-37.6
EBITA	16.6	20.1	14.4	20.9	20.8	28.8	33.2	34.4
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	28.8	33.2	34.4
<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>5.1</i>	<i>5.6</i>	<i>5.6</i>
Reported EBIT	15.1	19.2	13.8	10.2	18.2	28.8	33.2	34.4
<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>5.1</i>	<i>5.6</i>	<i>5.6</i>
Net financials	-1.2	-1.4	-3.8	-4.0	-4.4	-4.4	-5.0	-5.5
Pre-tax profit	15.4	18.7	10.6	16.9	16.4	24.4	28.2	28.9
Taxes	-3.0	-3.4	-2.7	-1.9	-4.8	-4.9	-5.6	-5.8
Minority shares	-2.7	-4.6	-3.3	-1.1	-0.2	-0.5	-0.5	-0.5
Net profit	8.2	9.8	4.0	3.2	8.8	19.0	22.1	22.6
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
BALANCE SHEET, EURm								
Assets								
Fixed assets	67	83	68	74	66	67	68	67
Goodwill	92	104	170	174	174	174	174	174
Right of use assets	0	0	116	108	103	110	118	124
Inventory	2	2	3	2	3	3	3	3
Receivables	27	25	40	47	78	53	50	51
Liquid funds	28	37	36	27	13	28	30	31
Total assets	218	254	437	438	442	440	447	455
Liabilities								
Shareholder's equity	98	100	121	101	110	124	140	154
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	110	118	124
Deferred taxes	6	6	6	6	6	6	6	6
Interest bearing debt	52	77	99	107	94	157	86	69
Non-interest bearing current liabilities	55	62	80	102	109	34	89	92
Other interest-free debt	3	3	3	2	3	3	3	3
Total liabilities	217	254	437	438	442	440	447	455
CASH FLOW, EURm								
+ EBITDA	29	34	46	55	55	64	69	72
- Net financial items	-1	-1	-4	-4	-4	-4	-5	-6
- Taxes	-2	-5	-5	-4	-4	-5	-6	-6
- Increase in Net Working Capital	8	7	2	14	-23	-50	59	1
+/- Other	-1	0	-11	-12	-3	0	-1	-1
= Cash flow from operations	32	35	27	49	21	4	117	61
- Capex	-5	-10	-23	-36	-20	-44	-45	-43
- Acquisitions	-22	-17	-79	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Free cash flow	6	8	-74	13	1	-39	72	19
+/- New issues/buybacks	-1	-2	24	-25	0	0	0	0
- Paid dividend	0	-3	-3	-2	0	-5	-7	-8
+/- Other	7	7	53	5	-14	59	-64	-10
Change in cash	12	10	-1	-9	-14	15	2	1

KEY FIGURES	2017	2018	2019	2020	2021E	2022E	2023E
M-cap	275	195	346	212	262	262	262
Net debt (excl. convertibles)	40	181	194	195	239	173	162
Enterprise value	325	391	557	417	512	445	434
Sales	424	488	519	509	564	597	615
EBITDA	34	46	55	55	64	69	72
EBIT	20	14	21	21	29	33	34
Pre-tax	19	11	17	16	24	28	29
Earnings	11	5	14	11	19	22	23
Equity book value (excl. minorities)	100	121	101	110	124	140	154
Valuation multiples							
EV/sales	0.8	0.8	1.1	0.8	0.9	0.7	0.7
EV/EBITDA	9.5	8.5	10.1	7.6	8.0	6.4	6.0
EV/EBITA	16.2	27.1	26.6	20.0	17.8	13.4	12.6
EV/EBIT	16.2	27.1	26.6	20.0	17.8	13.4	12.6
EV/OCF	9.3	14.3	11.3	20.3	119.4	3.8	7.1
EV/FCFF	19.3	-11.7	20.3	33.3	-43.8	4.4	9.0
P/FCFE	35.7	-2.6	27.0	424.3	-6.7	3.6	14.1
P/E	25.7	42.4	24.9	18.6	13.8	11.9	11.6
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	8.4	6.8	6.4
Target EV/EBIT	0.0	0.0	0.0	0.0	18.7	14.2	13.4
Target EV/FCF	0.0	0.0	0.0	0.0	-13.7	6.6	24.9
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	15.4	13.3	13.0
Per share measures							
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	0.61	0.50	0.84	0.98	1.00
Operating cash flow per share	1.69	1.21	2.17	0.91	0.19	5.16	2.71
Free cash flow per share	0.37	-3.29	0.57	0.02	-1.74	3.19	0.82
Book value per share	4.87	5.36	4.47	4.85	5.49	6.17	6.83
Dividend per share	0.16	0.10	0.00	0.20	0.29	0.34	0.35
Dividend payout ratio, %	30.8	49.2	0.0	39.7	35.0	35.0	35.0
Dividend yield, %	1.2	1.2	0.0	1.7	2.5	2.9	3.0
FCF yield, %	2.8	-38.2	3.7	0.2	-15.0	27.5	7.1
Efficiency measures							
ROE	10.8	4.2	12.5	10.8	16.3	16.7	15.4
ROCE	12.2	5.4	6.2	6.4	8.0	8.9	9.8
Financial ratios							
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	9.3	8.3	8.3
Non-interest bearing liabilities as % of sales	14.6	16.3	19.7	21.5	6.0	15.0	15.0
NWC/sales, %	-8.4	-8.0	-10.2	-6.0	3.5	-6.5	-6.5
Operative CAPEX/sales, %	2.4	4.6	7.0	3.9	7.7	7.5	7.0
CAPEX/sales (incl. acquisitions), %	-1.6	-11.6	7.0	3.9	7.7	7.5	7.0
FCFF/EBITDA	0.5	-0.7	0.5	0.2	-0.2	1.5	0.7
Net debt/EBITDA, book-weighted	1.2	3.9	3.5	3.6	3.7	2.5	2.3
Debt/equity, market-weighted	0.3	0.5	0.3	0.4	0.6	0.3	0.3
Equity ratio, book-weighted	41.8	29.8	24.2	26.0	29.4	32.4	35.1
Gearing, %	37.3	138.7	182.9	169.5	184.4	119.6	101.7

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	%
LähiTapiola Keskinäinen Vakuutusyhtiö	3,481,641	40.387	15.4%
Mww Yhtiö Oy	2,309,010	26.785	10.2%
Fennia Mutual Insurance Company	1,998,965	23.188	8.8%
Tapiola Keskinäinen Henkivakuutusyhtiö	1,891,385	21.940	8.4%
Elo Pension Company	1,267,161	14.699	5.6%
Niemistö Leena Katriina	703,475	8.160	3.1%
Ilmarinen Mutual Pension Insurance Company	628,431	7.290	2.8%
Fondita Nordic Micro Cap	470,000	5.452	2.1%
FIM Fenno Sijoitusrahasto	321,421	3.728	1.4%
Fennia Life Insurance Company Ltd	309,993	3.596	1.4%
Ten largest	13,381,482	155.225	59%
Residual	9,236,359	107.142	41%
Total	22,617,841	262.367	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, %	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholder's equity} + \text{minority interest} + \text{taxed provisions (average)}}$		

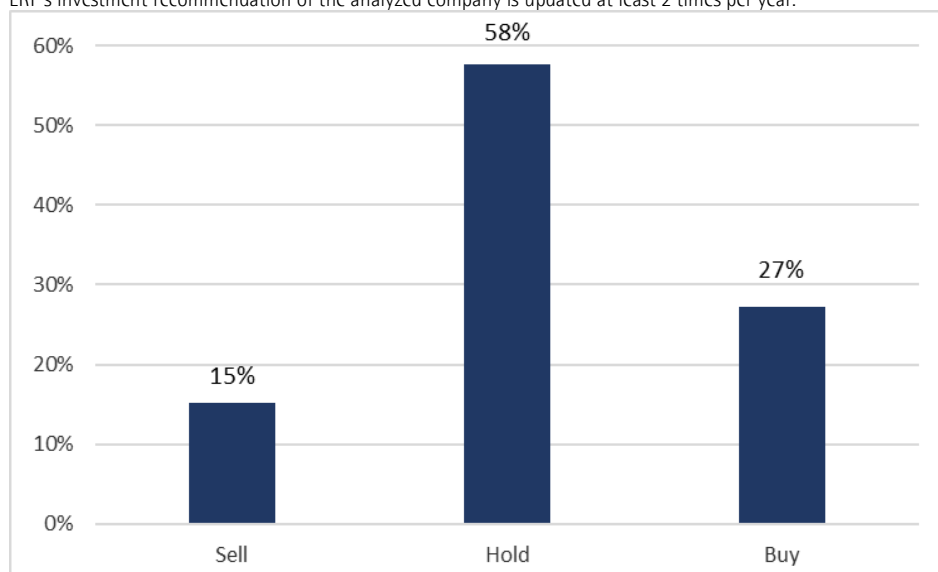
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Investment recommendations are defined as follows:

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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