

Eyes on the demand situation

Consti will report Q2 results on July 24th. As the direct impacts of the Coronavirus pandemic have been limited, we expect profitability to have remained at a good level and clearly above the weak comparison period. The order backlog will remain of support for the quarter while a thinness in demand may start to show during the latter half of the year. We retain our HOLD-rating and adjust our target price to EUR 7.4 (7.0).

Limited direct pandemic impact to support profitability

Consti continued on a track of improved profitability in Q1 and we do not expect any major deviations from that trend. The direct impacts of the Coronavirus pandemic on the second quarter results are expected to be limited, as on-going worksites have to our understanding been able to operate without significant interruptions. We expect EBIT to improve clearly from the weak comparison period (Q2/2019: EUR 0.1m), which was affected by certain weak-margin projects, to EUR 1.8m in Q2/2020. We expect a revenue of EUR 68.5m, a decline of 15.7% y/y, as a result of the weakened order backlog from more disciplined bidding procedures.

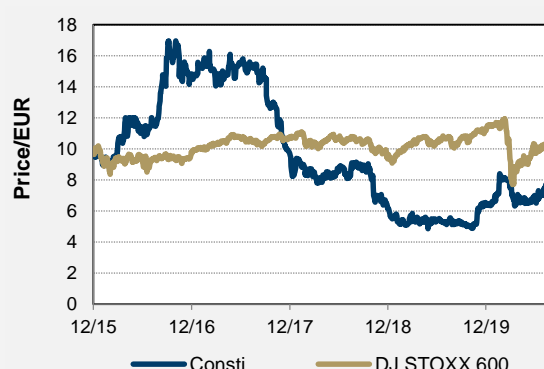
Short-term demand thinness to be expected

Going forward, we expect our main attention to be pointing toward the overall demand situation. Given the timing of the housing company General Meeting season, decision-making for certain renovation projects will have been delayed to the fall or possibly next year. Decisions of corporations will possibly also have been affected while the public sector should have been less affected. The renovation sector fundamentals, however, remain unaffected and the impact should as such be of more temporary nature.

HOLD with a target price of EUR 7.4 (7.0)

Our estimates remain unchanged ahead of the Q2 results. Following lower COVID-19 uncertainty and increases in peer multiples we adjust our target price to EUR 7.4 (7.0) and retain our HOLD-rating.

Rating 🟡 HOLD



Share price, EUR (Last trading day's closing price) 7.70

Target price, EUR 7.4

Latest change in recommendation	29-Jan-20
Latest report on company	30-Apr-20
Research paid by issuer:	YES
No. of shares outstanding, '000's	7,858
No. of shares fully diluted, '000's	7,858
Market cap, EURm	61
Free float, %	62.0
Exchange rate EUR	1.000
Reuters code	CONSTI.HE
Bloomberg code	CONSTI FH
Average daily volume, EURm	0.1
Next interim report	24-Jul-20
Web site	investor.consti.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
2018	315.8	-2.1	-0.7%	-7.5	-0.30	-18.5	0.2	-31.3	-17.4	0.00
2019	314.8	4.6	1.5%	0.1	0.32	20.3	0.2	15.6	0.2	0.16
2020E	271.9	7.6	2.8%	1.5	0.60	12.8	0.3	10.9	2.5	0.24
2021E	280.4	9.0	3.2%	5.4	0.70	10.9	0.3	8.8	8.9	0.35
2022E	288.8	9.8	3.4%	6.2	0.80	9.6	0.3	7.7	10.2	0.40
Market cap, EURm			61	Gearing 2020E, %		56.8	CAGR EPS 2019-22, %			36.5
Net debt 2020E, EURm			22	Price/book 2020E		2.0	CAGR sales 2019-22, %			-2.8
Enterprise value, EURm			82	Dividend yield 2020E, %		3.1	ROE 2020E, %			16.9
Total assets 2020E, EURm			121	Tax rate 2020E, %		19.9	ROCE 2020E, %			12.3
Goodwill 2020E, EURm			49	Equity ratio 2020E, %		27.2	PEG, P/E 20/CAGR			0.5

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	7.70 PV of Free Cash Flow	67 Long-term growth, %	1.2 Risk-free interest rate, %	2.25
DCF share value	14.49 PV of Horizon value	70 WACC, %	8.6 Market risk premium, %	5.8
Share price potential, %	88.2 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %	3.3
Maximum value	15.8 Marketable securities	10 Minimum WACC, %	8.1 Equity beta coefficient	1.15
Minimum value	13.4 Debt - dividend	-33 Maximum WACC, %	9.1 Target debt ratio, %	30
Horizon value, %	50.9 Value of stock	114 Nr of shares, Mn	7.9 Effective tax rate, %	20

DCF valuation, EURm	2019	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	Horizon
Net sales	315	272	280	289	293	298	302	307	311	316	320	323
<i>Sales growth, %</i>	-0.3	-13.6	3.1	3.0	1.5	1.5	1.5	1.5	1.5	1.5	1.2	1.2
Operating income (EBIT)	5	8	9	10	12	12	12	12	12	13	11	11
<i>Operating income margin, %</i>	1.5	2.8	3.2	3.4	4.2	4.0	4.0	4.0	4.0	4.0	3.5	3.5
+ Depreciation+amort.	4	3	3	3	3	4	4	4	4	4	4	4
EBITDA	8	11	12	13	16	15	16	16	16	16	15	
- Paid taxes	0	-2	-2	-2	-2	-2	-2	-2	-2	-2	-3	-2
- Change in NWC	-3	-3	0	0	0	0	0	0	0	0	0	0
<i>NWC / Sales, %</i>	-1.7	-0.8	-0.8	-0.8	-0.8	-0.8	-0.8	-0.8	-0.8	-0.8	-0.8	-0.8
+ Change in other liabs	0	0	0	0	0	0	0	0	0	0	0	0
- Operative CAPEX	-3	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2
<i>opCAPEX / Sales, %</i>	1.3	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
- Acquisitions	0	0	0	0	0	0	0	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0	0	0	0	0
- Other items	0	0	0	0	0	0	0	0	0	0	0	0
= FCFF	2	4	9	9	12	11	12	12	12	12	11	152
= Discounted FCFF		4	8	8	9	8	7	7	6	6	5	70
= DFCF min WACC		4	8	8	9	8	8	7	7	6	5	78
= DFCF max WACC		4	8	7	9	8	7	7	6	6	5	63

INTERIM FIGURES

EVLI ESTIMATES, EURm	2019Q1	2019Q2	2019Q3	2019Q4	2019	2020Q1	2020Q2E	2020Q3E	2020Q4E	2020E	2021E	2022E
Net sales	73.5	81.2	81.8	78.3	314.8	59.0	68.5	69.9	74.4	271.9	280.4	288.8
EBITDA	0.5	1.0	3.0	3.6	8.1	1.3	2.7	3.1	4.0	10.9	12.2	13.2
<i>EBITDA margin (%)</i>	<i>0.7</i>	<i>1.3</i>	<i>3.6</i>	<i>4.7</i>	<i>2.6</i>	<i>2.2</i>	<i>3.9</i>	<i>4.4</i>	<i>5.3</i>	<i>4.0</i>	<i>4.4</i>	<i>4.6</i>
EBIT	-0.4	0.1	2.1	2.8	4.6	0.5	1.8	2.2	3.1	7.6	9.0	9.8
<i>EBIT margin (%)</i>	<i>-0.5</i>	<i>0.1</i>	<i>2.6</i>	<i>3.6</i>	<i>1.5</i>	<i>0.8</i>	<i>2.6</i>	<i>3.1</i>	<i>4.2</i>	<i>2.8</i>	<i>3.2</i>	<i>3.4</i>
Net financial items	-0.2	-0.4	-0.3	-0.3	-1.2	-0.3	-0.3	-0.3	-0.3	-1.2	-1.6	-1.5
Pre-tax profit	-0.6	-0.3	1.8	2.5	3.4	0.2	1.5	1.9	2.8	6.4	7.4	8.3
Tax	0.1	0.1	-0.4	-0.6	-0.7	0.0	-0.3	-0.4	-0.6	-1.3	-1.5	-1.7
<i>Tax rate (%)</i>	<i>20.1</i>	<i>19.6</i>	<i>20.0</i>	<i>22.2</i>	<i>21.6</i>	<i>16.9</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>	<i>19.9</i>	<i>20.0</i>	<i>20.0</i>
Net profit	-0.5	-0.3	1.4	1.9	2.5	0.0	1.1	1.4	2.2	4.7	5.5	6.3
EPS	-0.06	-0.04	0.18	0.24	0.32	0.00	0.14	0.18	0.27	0.60	0.70	0.80
EPS adjusted (diluted no. of shares)	-0.06	-0.04	0.18	0.24	0.32	0.00	0.14	0.18	0.27	0.60	0.70	0.80
Dividend per share	0.00	0.00	0.00	0.00	0.16	0.00	0.00	0.00	0.00	0.24	0.35	0.40
SALES, EURm												
Housing Companies	28.3	27.7	30.4	24.0	110.4	16.5	20.4	21.3	21.4	79.5	82.4	84.9
Corporations	27.6	31.7	27.9	31.8	119.1	20.8	23.9	24.2	26.3	95.1	96.8	99.7
Public Sector	5.3	8.3	10.5	9.8	33.9	9.4	10.8	10.9	11.9	43.1	46.4	47.7
Building Technology	16.4	18.8	18.0	16.6	69.7	15.5	16.9	17.1	18.6	68.1	69.5	71.6
Elimination	-4.1	-5.2	-5.0	-3.9	-18.2	-3.0	-3.5	-3.5	-3.8	-13.8	-14.6	-15.1
Total	73.5	81.2	81.8	78.3	314.8	59.0	68.5	69.9	74.4	271.9	280.4	288.8
SALES GROWTH, Y/Y %												
<i>Housing Companies</i>	<i>58.6</i>	<i>10.2</i>	<i>4.9</i>	<i>-25.9</i>	<i>5.8</i>	<i>-41.9</i>	<i>-26.4</i>	<i>-30.0</i>	<i>-10.8</i>	<i>-28.0</i>	<i>3.6</i>	<i>3.0</i>
<i>Corporations</i>	<i>6.4</i>	<i>-4.3</i>	<i>-15.9</i>	<i>-24.3</i>	<i>-11.3</i>	<i>-24.8</i>	<i>-24.7</i>	<i>-13.5</i>	<i>-17.3</i>	<i>-20.1</i>	<i>1.8</i>	<i>3.0</i>
<i>Public Sector</i>	<i>75.1</i>	<i>116.8</i>	<i>161.4</i>	<i>36.6</i>	<i>88.0</i>	<i>77.7</i>	<i>30.7</i>	<i>3.8</i>	<i>22.0</i>	<i>27.1</i>	<i>7.7</i>	<i>3.0</i>
<i>Building Technology</i>	<i>-8.4</i>	<i>-6.9</i>	<i>7.2</i>	<i>-18.5</i>	<i>-7.2</i>	<i>-5.5</i>	<i>-9.9</i>	<i>-5.0</i>	<i>12.1</i>	<i>-2.4</i>	<i>2.1</i>	<i>3.0</i>
<i>Elimination</i>	<i>67.8</i>	<i>16.8</i>	<i>24.5</i>	<i>-23.5</i>	<i>13.6</i>	<i>-26.8</i>	<i>-33.2</i>	<i>-29.3</i>	<i>-2.6</i>	<i>-24.1</i>	<i>5.7</i>	<i>3.0</i>
Total	18.0	4.4	3.7	-19.1	-0.3	-19.7	-15.7	-14.5	-4.9	-13.6	3.1	3.0
EBIT, EURm												
Group	-0.4	0.1	2.1	2.8	4.6	0.5	1.8	2.2	3.1	7.6	9.0	9.8
Total	-0.4	0.1	2.1	2.8	4.6	0.5	1.8	2.2	3.1	7.6	9.0	9.8
EBIT margin, %												
Total	-0.5	0.1	2.6	3.6	1.5	0.8	2.6	3.1	4.2	2.8	3.2	3.4

INCOME STATEMENT, EURm	2015	2016	2017	2018	2019	2020E	2021E	2022E
Sales	256.2	261.5	300.2	315.8	314.8	271.9	280.4	288.8
<i>Sales growth (%)</i>	<i>18.6</i>	<i>2.1</i>	<i>14.8</i>	<i>5.2</i>	<i>-0.3</i>	<i>-13.6</i>	<i>3.1</i>	<i>3.0</i>
EBITDA	12.6	13.1	1.7	-0.5	8.1	10.9	12.2	13.2
<i>EBITDA margin (%)</i>	<i>4.9</i>	<i>5.0</i>	<i>0.6</i>	<i>-0.1</i>	<i>2.6</i>	<i>4.0</i>	<i>4.4</i>	<i>4.6</i>
Depreciation	-2.1	-2.1	-2.1	-1.7	-3.5	-3.4	-3.2	-3.4
EBITA	10.5	10.9	-0.4	-2.1	4.6	7.6	9.0	9.8
Goodwill amortization / writedown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	10.5	10.9	-0.4	-2.1	4.6	7.6	9.0	9.8
<i>EBIT margin (%)</i>	<i>4.1</i>	<i>4.2</i>	<i>-0.1</i>	<i>-0.7</i>	<i>1.5</i>	<i>2.8</i>	<i>3.2</i>	<i>3.4</i>
Reported EBIT	8.4	10.9	-0.4	-2.1	4.6	7.6	9.0	9.8
<i>EBIT margin (reported) (%)</i>	<i>3.3</i>	<i>4.2</i>	<i>-0.1</i>	<i>-0.7</i>	<i>1.5</i>	<i>2.8</i>	<i>3.2</i>	<i>3.4</i>
Net financials	-4.4	-0.9	-0.8	-0.7	-1.2	-1.2	-1.6	-1.5
Pre-tax profit	6.2	10.1	-1.2	-2.8	3.4	6.4	7.4	8.3
Taxes	-0.8	-2.1	0.1	0.5	-0.7	-1.3	-1.5	-1.7
Minority shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	3.3	8.0	-1.1	-2.3	2.5	4.7	5.5	6.3
Cash NRIs	-2.1	0.0	0.0	0.0	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
BALANCE SHEET, EURm								
Assets								
Fixed assets	6	6	5	4	4	4	4	4
Goodwill	43	44	49	49	49	49	49	49
Right of use assets	0	0	0	4	3	3	3	3
Inventory	1	1	1	1	1	1	1	1
Receivables	36	39	36	53	50	49	50	52
Liquid funds	4	9	10	3	10	15	15	16
Total assets	91	98	101	115	117	121	123	125
Liabilities								
Shareholder's equity	25	30	25	23	26	30	33	37
Minority interest	0	0	0	0	0	0	0	0
Convertibles	0	0	0	0	3	3	3	3
Lease liabilities	0	0	0	4	4	3	3	3
Deferred taxes	0	0	0	0	0	0	0	0
Interest bearing debt	21	21	22	23	25	31	28	25
Non-interest bearing current liabilities	43	46	52	62	56	52	53	55
Other interest-free debt	0	0	0	0	0	0	0	0
Total liabilities	91	98	101	115	117	121	123	125
CASH FLOW, EURm								
+ EBITDA	13	13	2	0	8	11	12	13
- Net financial items	-4	-1	-1	-1	-1	-1	-2	-1
- Taxes	-1	-1	-1	0	0	-1	-1	-2
- Increase in Net Working Capital	2	0	9	-5	-3	-3	0	0
+/- Other	-2	0	0	0	0	0	0	0
= Cash flow from operations	7	11	9	-7	4	5	9	10
- Capex	-1	-2	-1	-1	-4	-3	-3	-4
- Acquisitions	0	-1	-4	0	0	0	0	0
+ Divestments	0	0	1	1	0	0	0	0
= Free cash flow	6	8	4	-8	0	2	5	6
+/- New issues/buybacks	21	0	1	0	0	0	0	0
- Paid dividend	0	-3	-4	0	0	-1	-2	-3
+/- Other	-33	0	-1	1	6	5	-3	-3
Change in cash	-6	5	0	-6	7	5	0	0

KEY FIGURES	2016	2017	2018	2019	2020E	2021E	2022E
M-cap	112	66	43	50	61	61	61
Net debt (excl. convertibles)	12	12	23	19	19	15	12
Enterprise value	125	78	67	72	82	79	75
Sales	262	300	316	315	272	280	289
EBITDA	13	2	0	8	11	12	13
EBIT	11	0	-2	5	8	9	10
Pre-tax	10	-1	-3	3	6	7	8
Earnings	8	-1	-2	2	5	6	6
Equity book value (excl. minorities)	30	25	23	26	30	33	37
Valuation multiples							
EV/sales	0.5	0.3	0.2	0.2	0.3	0.3	0.3
EV/EBITDA	9.5	45.3	-143.6	8.9	7.5	6.4	5.7
EV/EBITA	11.4	-207.0	-31.3	15.6	10.9	8.8	7.7
EV/EBIT	11.4	-207.0	-31.3	15.6	10.9	8.8	7.7
EV/OCF	11.7	8.8	-9.9	19.7	17.1	8.9	7.8
EV/FCFF	13.8	14.9	-9.6	31.9	20.4	9.3	8.2
P/FCFE	13.5	14.6	-5.7	523.9	40.1	11.2	9.8
P/E	14.1	-61.0	-18.5	20.3	12.8	10.9	9.6
P/B	3.8	2.6	1.8	1.9	2.0	1.8	1.6
Target EV/EBITDA	0.0	0.0	0.0	0.0	7.3	6.2	5.6
Target EV/EBIT	0.0	0.0	0.0	0.0	10.6	8.5	7.5
Target EV/FCF	0.0	0.0	0.0	0.0	52.9	14.2	11.8
Target P/B	0.0	0.0	0.0	0.0	2.0	1.7	1.6
Target P/E	0.0	0.0	0.0	0.0	12.3	10.5	9.2
Per share measures							
Number of shares	7,621	7,621	7,858	7,858	7,858	7,858	7,858
Number of shares (diluted)	7,621	7,621	7,858	7,858	7,858	7,858	7,858
EPS	1.05	-0.14	-0.30	0.32	0.60	0.70	0.80
Operating cash flow per share	1.40	1.16	-0.85	0.47	0.61	1.13	1.24
Free cash flow per share	1.09	0.59	-0.96	0.01	0.19	0.69	0.78
Book value per share	3.89	3.32	2.98	3.33	3.77	4.23	4.68
Dividend per share	0.54	0.00	0.00	0.16	0.24	0.35	0.40
Dividend payout ratio, %	51.5	0.0	0.0	50.8	40.0	50.0	50.0
Dividend yield, %	3.7	0.0	0.0	2.5	3.1	4.6	5.2
FCF yield, %	7.4	6.8	-17.4	0.2	2.5	8.9	10.2
Efficiency measures							
ROE	29.5	-3.9	-9.6	10.0	16.9	17.6	18.0
ROCE	22.7	-0.6	-4.2	8.6	12.3	13.7	14.8
Financial ratios							
Inventories as % of sales	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Receivables as % of sales	14.7	12.1	16.8	15.8	18.0	18.0	18.0
Non-interest bearing liabilities as % of sales	17.5	17.3	19.5	17.8	19.0	19.0	19.0
NWC/sales, %	-2.6	-5.0	-2.5	-1.7	-0.8	-0.8	-0.8
Operative CAPEX/sales, %	0.7	0.5	0.4	1.3	1.2	1.2	1.2
CAPEX/sales (incl. acquisitions), %	0.4	-0.8	0.4	1.3	1.2	1.2	1.2
FCFF/EBITDA	0.7	3.0	15.0	0.3	0.4	0.7	0.7
Net debt/EBITDA, book-weighted	0.9	7.0	-50.5	2.3	1.7	1.2	0.9
Debt/equity, market-weighted	0.2	0.3	0.5	0.5	0.5	0.5	0.4
Equity ratio, book-weighted	34.8	28.8	24.4	29.8	27.2	29.7	32.0
Gearing, %	40.8	47.7	100.0	64.4	56.8	41.5	29.3

COMPANY DESCRIPTION: Consti is one of the leading renovation and technical service companies in Finland. Consti has a comprehensive service offering covering technical building services, residential pipeline renovation, renovation contracting, building facade repair and maintenance, and other renovation and technical services for residential and non-residential properties. Consti was established in 2008 to meet the growing need for repair and construction work.

INVESTMENT CASE: Consti should seek to regain healthier levels of profitability after a period of weaker profitability during the past few years driven by a number of weak margin projects. Reorganisations and more disciplined bidding procedures support the profitability outlook, although the latter has had an unfavourable impact on the order backlog. In the near-term the decline in order backlog along with an anticipated increase in competition following a slow-down in new construction volumes pose growth challenges. The long-term market outlook, however, remains favourable due to among other things a large aging building stock, and the renovation market is expected to see steady growth.

OWNERSHIP STRUCTURE	SHARES	EURm	%
Lujatalo Oy	790,000	6.083	10.1%
Korkeela Esa Sakari	434,133	3.343	5.5%
Evli Finnish Small Cap Fund	434,000	3.342	5.5%
Heikintorppa Oy	385,000	2.964	4.9%
Wipunen varainhallinta Oy	385,000	2.964	4.9%
Kivi Risto Juhani	379,758	2.924	4.8%
Danske Invest Finnish Equity Fund	338,708	2.608	4.3%
Kalervo Markku	299,128	2.303	3.8%
Korkeela Antti Petteri	276,894	2.132	3.5%
Mutual Fund eQ Nordic Small Cap	206,609	1.591	2.6%
Ten largest	3,929,230	30.255	50%
Residual	3,929,037	30.254	50%
Total	7,858,267	60.509	100%

EARNINGS CALENDAR	
July 24, 2020	Q2 report
October 28, 2020	Q3 report
OTHER EVENTS	
April 06, 2020	AGM

COMPANY MISCELLANEOUS	
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CFO: Joni Sorsanen	Tel: +358 10 288 6000
IR: Ismo Heikkilä	

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

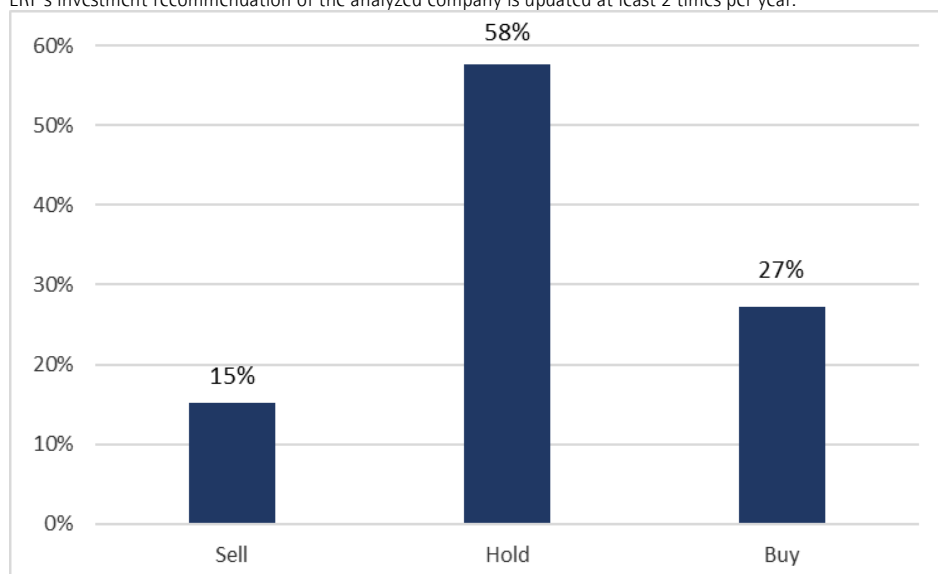
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Investment recommendations are defined as follows:

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

ERP's investment recommendation of the analyzed company is updated at least 2 times per year.



The graph above shows the distribution of ERP's recommendations of companies under coverage in 11th of May 2020. If recommendation is not given, it is not mentioned here.

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

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