

## Well-positioned for the weather

Scanfil's top line didn't meet our estimate but profitability remained strong. We retain our EUR 6.25 TP, rating BUY.

### Some top line softness but in our view nothing dramatic

Scanfil posted EUR 141.6m in Q3 revenue, down 7% y/y. The figure didn't meet our EUR 156.2m estimate largely due to the Communication and Industrial segments. Communication revenue fell by 28% q/q mostly as a result of low demand for network elements. The segment also supplies other types of products and we expect revenues to stabilize in Q4. Consumer Applications' top line remained low as expected, slightly up by q/q but down by 23% y/y. There are signs the segment's demand is bottoming out and we expect more improvement for Q4. Energy & Automation and Medtec & Life Science performed close to expectations, but Industrial managed only EUR 44.7m (vs our EUR 50.5m estimate) and was down by 9% y/y. Industrial softness wasn't attributable to any single customer and was pronounced in July and August. Demand nevertheless improved in September. In absolute profitability terms Scanfil's EUR 9.9m Q3 adj. EBIT didn't quite reach our EUR 10.5m estimate, however the quarter still delivered a strong 7% operating margin.

### Guidance implies meaningful q/q improvement for Q4

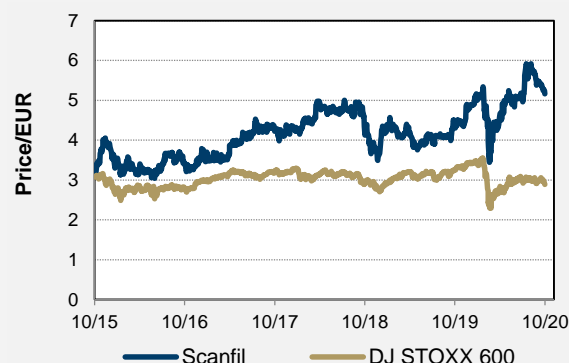
The low-end of the updated FY '20 guidance implies 5% q/q Q4 revenue increase, while the high-end implies 19% growth. We make only small updates to our Q4 estimates, and now expect EUR 154m in Q4 revenue (prev. EUR 158m), down by 1% y/y and up by 8% q/q. We now expect Q4 EBIT at EUR 10.0m (prev. EUR 11.1m). Scanfil's overall positioning within the value chain and relative to competition remains unchanged. The company has a balance sheet ready to facilitate acquisitions should a fitting opportunity arise. There's a lot of uncertainty but we note Scanfil's customers tend to be well-positioned OEMs who compete against each other directly only to a very limited extent.

### Valuation is still very reasonable

Scanfil is valued at about 6.3x EV/EBITDA on our FY '20 estimates. Scanfil's organic strategic growth target for '23 implies some 5% CAGR for the coming years. Although the target was decided on before the pandemic, we still view it quite relevant considering the customer portfolio and performance so far this year despite the uncertainty. Our TP remains EUR 6.25 and our rating BUY.

## Rating

BUY



Share price, EUR (Last trading day's closing price) 5.16

Target price, EUR 6.25

Latest change in recommendation 30-Oct-18

Latest report on company 10-Aug-20

Research paid by issuer: YES

No. of shares outstanding, '000's 63,895

No. of shares fully diluted, '000's 63,895

Market cap, EURm 330

Free float, % -

Exchange rate -

Reuters code SCANFL.HE

Bloomberg code SCANFL.FH

Average daily volume, EURm 0.1

Next interim report

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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	563.0	37.8	6.7%	18.9	0.44	10.1	0.6	8.5	6.7	0.13
2019	579.4	39.4	6.8%	7.5	0.50	10.4	0.7	9.6	2.2	0.15
2020E	595.0	38.7	6.5%	41.4	0.47	11.0	0.6	8.7	12.5	0.15
2021E	616.6	41.6	6.8%	25.6	0.50	10.3	0.5	7.7	7.8	0.17
2022E	642.9	45.0	7.0%	25.9	0.53	9.7	0.5	6.8	7.9	0.17
Market cap, EURm		330	Gearing 2020E, %			4.3	CAGR EPS 2019-22, %			1.7
Net debt 2020E, EURm		8	Price/book 2020E			1.7	CAGR sales 2019-22, %			3.5
Enterprise value, EURm		338	Dividend yield 2020E, %			3.0	ROE 2020E, %			16.8
Total assets 2020E, EURm		346	Tax rate 2020E, %			18.9	ROCE 2020E, %			16.9
Goodwill 2020E, EURm		8	Equity ratio 2020E, %			54.8	PEG, P/E 20/CAGR			2.0

**Estimates and peer group multiples**

Scanfil	2018	Q1'19	Q2'19	Q3'19	Q4'19	2019	Q1'20	Q2'20	Q3'20	Q4'20e	2020e	2021e	2022e	2023e
<b>Revenue</b>	563	130	143	152	155	579	144	156	142	154	595	617	643	670
<i>growth-%</i>	6.2 %	-6.9 %	-6.0 %	15.8 %	10.3 %	2.9 %	10.9 %	9.1 %	-7.0 %	-0.7 %	2.7 %	3.8 %	4.2 %	4.2 %
Communication	98	18	19	21	21	79	22	29	21	23	95	100	102	106
Consumer Applications	126	24	28	28	28	107	19	20	21	23	83	84	85	87
Energy Et Automation	108	26	28	28	29	111	31	33	29	30	122	127	133	139
Industrial	135	36	42	49	47	173	46	49	45	48	187	194	203	213
Medtec Et Life Science	98	27	26	26	29	108	27	25	26	30	108	113	119	125
<b>EBITDA</b>	47	10	13	16	14	54	12	14	14	14	54	58	61	63
<i>EBITDA margin</i>	8.4 %	7.7 %	9.4 %	10.6 %	9.0 %	9.2 %	8.6 %	9.0 %	9.6 %	9.1 %	9.1 %	9.3 %	9.5 %	9.5 %
<b>EBIT</b>	38	7	10	12	10	39	9	10	10	10	39	42	45	47
<i>EBIT margin</i>	6.7 %	5.2 %	7.2 %	7.9 %	6.5 %	6.8 %	6.0 %	6.5 %	7.0 %	6.5 %	6.5 %	6.8 %	7.0 %	7.0 %

Source: Evli Research

SCANFIL PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			EBIT-%		
		19	20	21	19	20	21	19	20	21
Benchmark Electronics	632				25.0x	16.7x	12.4x	2.1 %	1.9 %	2.4 %
Celestica	729	4.7x	3.3x	3.4x	7.9x	5.4x	5.3x	2.8 %	3.2 %	3.4 %
exceet Group	86									
HANZA Holding	44	6.2x	7.4x	4.5x	13.8x	20.6x	9.4x	3.2 %	1.8 %	3.7 %
Kitron	274	9.6x	9.1x	9.3x	13.5x	12.1x	12.6x	6.2 %	7.8 %	7.1 %
Lacroix	90	6.0x	7.0x	4.9x	10.0x	12.3x	7.5x	3.5 %	2.7 %	4.0 %
Neways Electronics Intl	98									
Plexus	1746	12.0x	10.1x	9.3x	16.4x	14.0x	12.5x	4.5 %	4.6 %	4.9 %
Sanmina	1441		4.4x		7.8x	6.2x		4.0 %	4.0 %	
SIIX	492	9.6x	10.9x	8.5x	19.2x	32.7x	19.6x	2.5 %	1.7 %	2.5 %
Valuetronics	157	3.9x	1.4x	1.3x	5.0x	1.9x	1.8x	8.0 %	7.5 %	7.4 %
<b>Peer Group Average</b>	526	<b>7.4x</b>	<b>6.7x</b>	<b>5.9x</b>	<b>13.2x</b>	<b>13.5x</b>	<b>10.2x</b>	<b>4.1 %</b>	<b>3.9 %</b>	<b>4.4 %</b>
<b>Peer Group Median</b>	274	<b>6.2x</b>	<b>7.2x</b>	<b>4.9x</b>	<b>13.5x</b>	<b>12.3x</b>	<b>10.9x</b>	<b>3.5 %</b>	<b>3.2 %</b>	<b>3.8 %</b>
<b>Scanfil (Evli est.)</b>	<b>330</b>	<b>7.1x</b>	<b>6.3x</b>	<b>5.6x</b>	<b>9.6x</b>	<b>8.7x</b>	<b>7.7x</b>	<b>6.8 %</b>	<b>6.5 %</b>	<b>6.8 %</b>
<i>Scanfil prem./disc. to peer median</i>		14 %	-13 %	14 %	-29 %	-29 %	-29 %	96 %	105 %	75 %

Source FactSet, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	5.16 PV of Free Cash Flow	231 Long-term growth, %	1.5 Risk-free interest rate, %
DCF share value	6.77 PV of Horizon value	254 WACC, %	8.5 Market risk premium, %
Share price potential, %	31.2 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %
Maximum value	7.3 Marketable securities	20 Minimum WACC, %	8.0 Equity beta coefficient
Minimum value	6.3 Debt - dividend	-73 Maximum WACC, %	9.0 Target debt ratio, %
Horizon value, %	52.3 Value of stock	433 Nr of shares, Mn	63.9 Effective tax rate, %

DCF valuation, EURm	2019	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	Horizon
Net sales	579	595	617	643	670	694	715	733	747	758	770	781
<i>Sales growth, %</i>	<i>2.9</i>	<i>2.7</i>	<i>3.6</i>	<i>4.3</i>	<i>4.3</i>	<i>3.5</i>	<i>3.0</i>	<i>2.5</i>	<i>2.0</i>	<i>1.5</i>	<i>1.5</i>	<i>1.5</i>
Operating income (EBIT)	39	39	42	45	47	49	50	51	52	53	54	55
<i>Operating income margin, %</i>	<i>6.8</i>	<i>6.5</i>	<i>6.8</i>	<i>7.0</i>	<i>7.0</i>	<i>7.0</i>	<i>7.0</i>	<i>7.0</i>	<i>7.0</i>	<i>7.0</i>	<i>7.0</i>	<i>7.0</i>
+ Depreciation+amort.	14	15	16	16	17	17	18	18	19	19	20	
EBITDA	54	54	58	61	63	66	68	69	71	72	74	
- Paid taxes	-5	-7	-8	-11	-11	-12	-12	-12	-13	-13	-13	
- Change in NWC	-15	14	-4	-5	-5	-4	-4	-3	-3	-2	-2	
<i>NWC / Sales, %</i>	<i>19.7</i>	<i>16.8</i>	<i>16.9</i>	<i>16.9</i>	<i>16.9</i>	<i>16.9</i>	<i>17.0</i>	<i>17.0</i>	<i>17.0</i>	<i>17.0</i>	<i>17.0</i>	
+ Change in other liabs	0	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	-18	-17	-18	-18	-19	-19	-20	-20	-21	-21	-22	
<i>opCAPEX / Sales, %</i>	<i>4.2</i>	<i>3.0</i>	<i>3.0</i>	<i>3.0</i>	<i>3.0</i>	<i>2.9</i>	<i>2.9</i>	<i>2.9</i>	<i>2.9</i>	<i>2.9</i>	<i>2.9</i>	
- Acquisitions	0	0	0	0	0	0	0	0	0	0	0	
+ Divestments	0	0	0	0	0	0	0	0	0	0	0	
- Other items	0	0	0	0	0	0	0	0	0	0	0	
= FCFF	15	43	28	27	28	30	32	34	35	36	37	535
= Discounted FCFF		43	25	23	22	22	21	20	19	19	17	254
= DFCF min WACC		43	25	23	22	22	22	21	20	19	18	285
= DFCF max WACC		43	25	23	22	21	21	20	19	18	17	227

## INTERIM FIGURES

EVLI ESTIMATES, EURm	2019Q1	2019Q2	2019Q3	2019Q4	2019	2020Q1	2020Q2	2020Q3	2020Q4E	2020E	2021E	2022E
Net sales	129.9	142.6	152.3	154.6	579.4	144.1	155.5	141.7	153.7	595.0	616.6	642.9
EBITDA	10.0	13.4	16.2	14.0	53.6	12.4	14.0	13.6	14.0	54.0	57.6	61.1
<i>EBITDA margin (%)</i>	<i>7.7</i>	<i>9.4</i>	<i>10.6</i>	<i>9.1</i>	<i>9.3</i>	<i>8.6</i>	<i>9.0</i>	<i>9.6</i>	<i>9.1</i>	<i>9.1</i>	<i>9.3</i>	<i>9.5</i>
EBIT	6.8	10.5	12.0	10.1	39.4	8.6	10.2	9.9	10.0	38.7	41.6	45.0
<i>EBIT margin (%)</i>	<i>5.2</i>	<i>7.4</i>	<i>7.9</i>	<i>6.5</i>	<i>6.8</i>	<i>6.0</i>	<i>6.6</i>	<i>7.0</i>	<i>6.5</i>	<i>6.5</i>	<i>6.8</i>	<i>7.0</i>
Net financial items	-0.8	0.4	-0.9	0.0	-1.3	0.1	-0.6	-0.8	-0.4	-1.7	-1.6	-0.5
Pre-tax profit	6.0	10.9	11.1	10.1	38.1	8.7	9.6	9.1	9.6	37.0	40.0	44.5
Tax	-1.2	-2.2	-2.3	-0.2	-5.9	-1.2	-1.4	-2.4	-2.0	-7.0	-8.0	-10.7
<i>Tax rate (%)</i>	<i>20.0</i>	<i>20.2</i>	<i>20.7</i>	<i>2.0</i>	<i>15.5</i>	<i>13.8</i>	<i>14.6</i>	<i>26.4</i>	<i>20.8</i>	<i>18.9</i>	<i>20.0</i>	<i>24.0</i>
Net profit	4.8	8.7	8.8	9.9	32.2	7.5	8.2	6.7	7.6	30.0	32.0	33.8
EPS	0.08	0.14	0.14	0.15	0.50	0.12	0.13	0.10	0.12	0.47	0.50	0.53
EPS adjusted (diluted no. of shares)	0.08	0.14	0.14	0.15	0.50	0.12	0.13	0.10	0.12	0.47	0.50	0.53
Dividend per share	0.00	0.00	0.00	0.00	0.15	0.00	0.00	0.00	0.00	0.15	0.17	0.17
<b>SALES, EURm</b>												
Group	129.9	142.6	152.3	154.6	579.4	144.1	155.5	141.7	153.7	595.0	616.6	642.9
Total	129.9	142.6	152.3	154.6	579.4	144.1	155.5	141.7	153.7	595.0	616.6	642.9
<b>SALES GROWTH, Y/Y %</b>												
Group	-6.9	-6.0	15.8	10.3	2.9	10.9	9.0	-7.0	-0.6	2.7	3.6	4.3
Total	-6.9	-6.0	15.8	10.3	2.9	10.9	9.0	-7.0	-0.6	2.7	3.6	4.3
<b>EBIT, EURm</b>												
Group	6.8	10.5	12.0	10.1	39.4	8.6	10.2	9.9	10.0	38.7	41.6	45.0
Total	6.8	10.5	12.0	10.1	39.4	8.6	10.2	9.9	10.0	38.7	41.6	45.0
<b>EBIT margin, %</b>												
Group	5.2	7.4	7.9	6.5	6.8	6.0	6.6	7.0	6.5	6.5	6.8	7.0
Total	5.2	7.4	7.9	6.5	6.8	6.0	6.6	7.0	6.5	6.5	6.8	7.0

INCOME STATEMENT, EURm	2015	2016	2017	2018	2019	2020E	2021E	2022E
Sales	377.3	508.0	529.9	563.0	579.4	595.0	616.6	642.9
<i>Sales growth (%)</i>	<i>75.9</i>	<i>34.6</i>	<i>4.3</i>	<i>6.2</i>	<i>2.9</i>	<i>2.7</i>	<i>3.6</i>	<i>4.3</i>
EBITDA	30.4	33.3	40.0	47.2	53.6	54.0	57.6	61.1
<i>EBITDA margin (%)</i>	<i>8.1</i>	<i>6.5</i>	<i>7.5</i>	<i>8.4</i>	<i>9.3</i>	<i>9.1</i>	<i>9.3</i>	<i>9.5</i>
Depreciation	-10.8	-11.0	-8.7	-9.4	-14.2	-15.3	-16.0	-16.1
EBITA	19.6	22.3	31.3	37.8	39.4	38.7	41.6	45.0
Goodwill amortization / writedown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	19.6	22.3	31.3	37.8	39.4	38.7	41.6	45.0
<i>EBIT margin (%)</i>	<i>5.2</i>	<i>4.4</i>	<i>5.9</i>	<i>6.7</i>	<i>6.8</i>	<i>6.5</i>	<i>6.8</i>	<i>7.0</i>
Reported EBIT	14.0	7.2	31.3	37.8	39.4	38.7	41.6	45.0
<i>EBIT margin (reported) (%)</i>	<i>3.7</i>	<i>1.4</i>	<i>5.9</i>	<i>6.7</i>	<i>6.8</i>	<i>6.5</i>	<i>6.8</i>	<i>7.0</i>
Net financials	-0.2	-1.2	1.3	-1.7	-1.3	-1.7	-1.6	-0.5
Pre-tax profit	19.4	21.1	32.6	36.1	38.1	37.0	40.0	44.5
Taxes	-5.4	-6.0	-6.8	-8.3	-5.9	-7.0	-8.0	-10.7
Minority shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	8.4	0.0	25.8	27.8	32.2	30.0	32.0	33.8
Cash NRIs	-5.6	-15.1	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
<b>BALANCE SHEET, EURm</b>								
<b>Assets</b>								
Fixed assets	68	57	62	64	68	70	72	74
Goodwill	11	11	10	10	8	8	8	8
Right of use assets	0	0	0	15	21	22	22	23
Inventory	91	85	101	96	102	101	105	109
Receivables	107	92	108	104	115	110	114	119
Liquid funds	22	20	21	28	20	30	31	46
Total assets	302	267	307	321	340	346	357	385
<b>Liabilities</b>								
Shareholder's equity	100	108	125	148	167	190	212	235
Minority interest	0	0	0	0	0	0	0	0
Convertibles	0	0	0	0	0	0	0	0
Lease liabilities	0	0	0	15	19	22	22	23
Deferred taxes	3	3	5	5	7	7	7	7
Interest bearing debt	88	60	61	52	44	16	1	0
Non-interest bearing current liabilities	105	88	113	99	96	104	108	113
Other interest-free debt	4	1	2	2	7	7	7	7
Total liabilities	302	267	307	321	340	346	357	385
<b>CASH FLOW, EURm</b>								
+ EBITDA	30	33	40	47	54	54	58	61
- Net financial items	2	-1	2	-2	-1	-2	-2	0
- Taxes	-4	-5	-8	-7	-5	-7	-8	-11
- Increase in Net Working Capital	-8	-6	-6	-9	-15	14	-4	-5
+/- Other	-9	-5	-6	0	0	0	0	0
= Cash flow from operations	13	16	22	29	32	59	44	45
- Capex	-52	-5	-21	-10	-24	-18	-19	-19
- Acquisitions	0	0	0	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Free cash flow	-39	10	2	19	8	41	26	26
+/- New issues/buybacks	1	13	-4	3	-6	3	0	0
- Paid dividend	-4	-5	-6	-7	-8	-10	-10	-11
+/- Other	45	-21	8	-7	-1	-25	-15	0
Change in cash	3	-2	0	8	-8	9	1	15

KEY FIGURES	2016	2017	2018	2019	2020E	2021E	2022E
M-cap	223	272	281	336	330	330	330
Net debt (excl. convertibles)	40	41	39	43	8	-8	-23
Enterprise value	263	312	320	379	338	322	307
Sales	508	530	563	579	595	617	643
EBITDA	33	40	47	54	54	58	61
EBIT	22	31	38	39	39	42	45
Pre-tax	21	33	36	38	37	40	45
Earnings	15	26	28	32	30	32	34
Equity book value (excl. minorities)	108	125	148	167	190	212	235
<b>Valuation multiples</b>							
EV/sales	0.5	0.6	0.6	0.7	0.6	0.5	0.5
EV/EBITDA	7.9	7.8	6.8	7.1	6.3	5.6	5.0
EV/EBITA	11.8	10.0	8.5	9.6	8.7	7.7	6.8
EV/EBIT	11.8	10.0	8.5	9.6	8.7	7.7	6.8
EV/OCF	16.9	14.0	11.0	11.9	5.7	7.3	6.8
EV/FCFF	-120.1	29.5	15.5	25.7	7.8	11.6	11.3
P/FCFE	21.4	169.7	14.9	44.7	8.0	12.9	12.7
P/E	14.7	10.5	10.1	10.4	11.0	10.3	9.7
P/B	2.1	2.2	1.9	2.0	1.7	1.6	1.4
Target EV/EBITDA	0.0	0.0	0.0	0.0	7.5	6.8	6.2
Target EV/EBIT	0.0	0.0	0.0	0.0	10.5	9.4	8.4
Target EV/FCF	0.0	0.0	0.0	0.0	9.9	15.3	14.5
Target P/B	0.0	0.0	0.0	0.0	2.1	1.9	1.7
Target P/E	0.0	0.0	0.0	0.0	13.3	12.5	11.8
<b>Per share measures</b>							
Number of shares	63,670	63,895	63,895	63,895	63,895	63,895	63,895
Number of shares (diluted)	63,670	63,895	63,895	63,895	63,895	63,895	63,895
EPS	0.24	0.40	0.44	0.50	0.47	0.50	0.53
Operating cash flow per share	0.24	0.35	0.45	0.50	0.92	0.69	0.71
Free cash flow per share	0.16	0.03	0.30	0.12	0.65	0.40	0.41
Book value per share	1.70	1.95	2.32	2.61	2.97	3.32	3.68
Dividend per share	0.09	0.11	0.13	0.15	0.15	0.17	0.17
Dividend payout ratio, %	37.9	27.2	29.9	29.8	33.0	33.0	33.0
Dividend yield, %	2.6	2.6	3.0	2.9	3.0	3.2	3.4
FCF yield, %	4.7	0.6	6.7	2.2	12.5	7.8	7.9
<b>Efficiency measures</b>							
ROE	14.5	22.2	20.4	20.4	16.8	15.9	15.1
ROCE	12.5	17.7	18.8	17.7	16.9	18.0	18.2
<b>Financial ratios</b>							
Inventories as % of sales	16.8	19.0	17.0	17.6	17.0	17.0	17.0
Receivables as % of sales	18.1	20.5	18.4	19.8	18.5	18.5	18.5
Non-interest bearing liabilities as % of sales	17.4	21.3	17.5	16.6	17.5	17.5	17.5
NWC/sales, %	17.2	17.7	17.5	19.7	16.8	16.9	16.9
Operative CAPEX/sales, %	1.0	3.9	1.8	4.2	3.0	3.0	3.0
CAPEX/sales (incl. acquisitions), %	1.0	3.9	1.8	4.2	3.0	3.0	3.0
FCFF/EBITDA	-0.1	0.3	0.4	0.3	0.8	0.5	0.4
Net debt/EBITDA, book-weighted	1.2	1.0	0.8	0.8	0.2	-0.1	-0.4
Debt/equity, market-weighted	0.3	0.2	0.2	0.1	0.0	0.0	0.0
Equity ratio, book-weighted	40.6	40.6	46.2	49.0	54.8	59.3	61.0
Gearing, %	36.9	32.7	26.0	25.6	4.3	-3.6	-9.7

**COMPANY DESCRIPTION:** Scanfil is a contract electronics manufacturer based in Sievi, Finland, operating a global plant network with nine sites located across three continents. The company focuses on producing industrial electronics for its customers, many of which are large global industrial original equipment manufacturers. In practice Northern Europe is by far Scanfil's most important market. Scanfil's strategy is based on a vertically integrated model with which the company aims to provide solutions to cover the entire supply chain during the whole life-cycle of a given customer product.

**INVESTMENT CASE:** In our view Scanfil is well-positioned to achieve its target 7% operating margin. We see upside to the current share price when customer product volumes continue to develop positively, helping to lift absolute operating profit. We expect Scanfil to achieve even more diversified customer portfolio; this would justify an increase in valuation multiples.

OWNERSHIP STRUCTURE	SHARES	EURm	%
Takanen Harri	9,913,146	51.152	15.5%
Takanen Jarkko	8,596,169	44.356	13.5%
Varikot Oy	7,606,442	39.249	11.9%
Takanen Jorma	6,129,305	31.627	9.6%
Tolonen Jonna	3,351,950	17.296	5.2%
Pöllä Reijo	3,328,745	17.176	5.2%
Laakkonen Mikko	2,531,187	13.061	4.0%
Takanen Martti	1,947,018	10.047	3.0%
Foundation of Riitta and Jorma J.Takanen	1,900,000	9.804	3.0%
Sijoitusrahasto Aktia Capital	1,528,000	7.884	2.4%
Ten largest	46,831,962	241.653	73%
Residual	17,063,477	88.048	27%
Total	63,895,439	329.700	100%

## EARNINGS CALENDAR

## OTHER EVENTS

## COMPANY MISCELLANEOUS

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IR:

## 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.

Recommendation	Percentage
Sell	15%
Hold	58%
Buy	27%

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):** Ilvonen

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