

Slowly but steadily

Solteq's Q4 results fell shy of our expectations. Revenue amounted to EUR 15.7m (Evli EUR 15.7m) while the adj. EBIT amounted to EUR 1.1m (Evli EUR 1.5m), affected by some project challenges. We expect revenue to decline slightly in 2020 due to the SAP ERP business divestment, while expecting the adj. EBIT to remain at 2019 levels. Following estimates revisions, we adjust our target price to EUR 1.40 (1.50) and retain our HOLD-rating.

Project challenges affected H2 profitability

Solteq's revenue in Q4 amounted to EUR 15.7m (Evli 15.7m), growing 5.2% y/y. The adj. EBIT amounted to EUR 1.1m (Evli 1.5m) and EBIT to 3.3m (Evli 3.8m) due to the profit from the sale of Solteq's SAP ERP business. Solteq seeks to distribute a dividend of EUR 0.05 per share, to be decided upon later. Project challenges in Finland during H2 affected revenue and as a result profitability. Comments on the positive development of own software products (i.e. Utilities, POS) and international growth were welcome, although near-term visibility is still limited. Product development expenses amounted to EUR 3.9m in 2019 and are expected to decrease clearly in 2020.

Slight sales decline expected in 2020

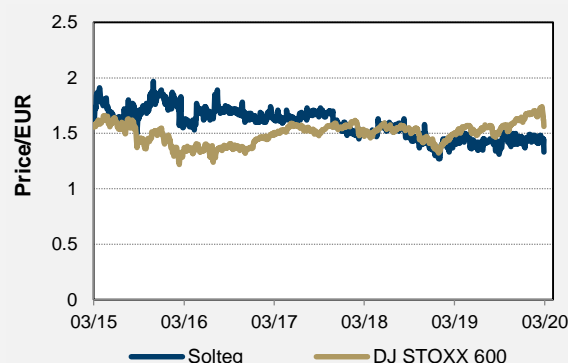
We expect revenue to decrease by 1.4% in 2020 following the impact of the sale of the SAP ERP business. The adj. EBIT is expected to remain at 2020 levels and with a pick-up in depreciation of capitalized development costs we expect operational performance to improve in 2020. Our EBITDA and adj. EBIT estimates for 2020-2021E are down by some 6-10% and ~20% respectively post-Q4 following an updated view on profitability improvement progress.

HOLD with a target price of EUR 1.40 (1.50)

Solteq saw good earnings growth in 2019 but with the capitalization of development costs cash flows remained weak. We expect improvements in 2020 but at a slower pace than previously anticipated. On our lowered estimates we adjust our target price to EUR 1.40 (1.50) and retain our HOLD-rating.

Rating

HOLD



Share price, EUR (Last trading day's closing price) 1.33

Target price, EUR 1.4

Latest change in recommendation 27-Jun-19

Latest report on company 25-Feb-20

Research paid by issuer: YES

No. of shares outstanding, '000's 19,307

No. of shares fully diluted, '000's 19,307

Market cap, EURm 26

Free float, % 43.0

Exchange rate 0.000

Reuters code SOLTEQ.HE

Bloomberg code SOLTEQ.FH

Average daily volume, EURm 0.01

Next interim report 30-Apr-20

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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	56.9	2.5	4.3%	4.7	0.02	69.9	1.0	22.0	18.8	0.00
2019	58.3	5.7	9.8%	-3.2	0.15	27.1	1.0	10.6	-11.0	0.05*
2020E	57.5	3.5	6.0%	1.0	0.06	22.1	1.0	16.5	3.9	0.03
2021E	59.8	3.9	6.5%	1.4	0.08	16.9	0.9	14.5	5.3	0.04
2022E	61.9	4.5	7.3%	2.2	0.11	12.5	0.9	12.2	8.5	0.05
Market cap, EURm			26	Gearing 2020E, %			127.4	CAGR EPS 2019-22, %	24.6	
Net debt 2020E, EURm			31	Price/book 2020E			1.0	CAGR sales 2019-22, %	2.0	
Enterprise value, EURm			57	Dividend yield 2020E, %			2.3	ROE 2020E, %	4.7	
Total assets 2020E, EURm			77	Tax rate 2020E, %			20.0	ROCE 2020E, %	5.8	
Goodwill 2020E, EURm			39	Equity ratio 2020E, %			32.2	PEG, P/E 20/CAGR	0.7	

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

*Intended distribution, yet to be approved

Solteq	2018	Q1/'19	Q2/'19	Q3/'19	Q4/'19	2019	Q1/'20E	Q2/'20E	Q3/'20E	Q4/'20E	2020E	2021E	2022E
Net sales	56.9	14.9	14.7	13.0	15.7	58.3	14.4	14.3	13.0	15.9	57.5	59.8	61.9
<i>sales growth %</i>	12.1%	0.2%	3.0%	1.2%	5.2%	2.5%	-3.7%	-2.6%	-0.2%	1.1%	-1.4%	4.0%	3.5%
Other income	0.5	0.0	0.0	0.0	2.6	2.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Materials and services	-6.1	-0.9	-1.4	-1.4	-1.7	-5.4	-1.1	-1.2	-1.2	-1.5	-5.1	-5.2	-5.3
Personnel expenses	-35.6	-9.3	-9.4	-8.1	-9.9	-36.8	-9.2	-9.2	-7.9	-9.6	-35.9	-37.1	-38.0
Other expenses	-10.9	-2.2	-2.3	-2.2	-2.3	-9.0	-2.2	-2.1	-2.1	-2.2	-8.6	-8.8	-9.1
EBITDA	4.8	2.5	1.5	1.3	4.4	9.7	1.9	1.8	1.8	2.5	7.9	8.7	9.5
D&A	-2.3	-0.9	-1.0	-1.0	-1.1	-4.0	-1.1	-1.1	-1.1	-1.2	-4.5	-4.8	-5.0
EBIT	2.5	1.5	0.6	0.3	3.3	5.7	0.8	0.7	0.6	1.4	3.5	3.9	4.5
<i>EBIT margin</i>	4.3 %	10.2 %	3.9 %	2.2 %	21.1 %	9.8 %	5.5 %	4.6 %	4.9 %	8.8 %	6.0 %	6.5 %	7.3 %
Adjustment items	0.7	0.0	0.1	0.0	-2.2	-2.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Adjusted EBIT	3.1	1.5	0.6	0.3	1.1	3.5	0.8	0.7	0.6	1.4	3.5	3.9	4.5
<i>Adj. EBIT margin</i>	5.5 %	10.3 %	4.3 %	2.2 %	6.9 %	6.1 %	5.5 %	4.6 %	4.9 %	8.8 %	6.0 %	6.5 %	7.3 %

SOLTEQ PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			P/E		
		19E	20E	21E	19E	20E	21E	19E	20E	21E
TietoEVRY	3030	8.8x	6.6x	6.1x	12.1x	8.5x	8.0x	14.6x	11.7x	10.7x
Atea	1120	11.9x	8.0x	7.1x	21.6x	13.9x	11.5x	21.5x	17.4x	14.1x
Knowit	316	10.6x	7.8x	7.2x	13.2x	9.5x	8.7x	14.1x	12.7x	11.6x
HiQ International	245	10.9x	9.4x	8.9x	13.6x	11.3x	10.6x	15.3x	14.7x	13.8x
Bouvet	394	12.5x	11.2x	10.3x	17.7x	14.7x	13.3x	22.0x	19.3x	17.4x
Enea	303	11.3x	10.1x	9.3x	15.6x	13.7x	12.9x	17.8x	15.6x	15.2x
Gofore	102							18.5x	15.4x	13.3x
Digia	117	8.1x	7.9x	7.5x	12.7x	11.6x	10.5x	16.3x	12.9x	11.7x
Silli Solutions	63	8.3x	6.7x		12.4x	10.2x		15.9x	12.8x	
Vincit	51	13.4x	9.2x	7.7x	16.5x	11.1x	8.9x	19.8x	15.8x	12.4x
Innofactor	30	8.7x	7.7x	7.4x	34.2x	24.8x	13.8x	79.0x	39.5x	13.2x
Peer Group Average	525	10.5x	8.5x	7.9x	17.0x	12.9x	10.9x	23.2x	17.1x	13.3x
Peer Group Median	245	10.7x	7.9x	7.5x	14.6x	11.4x	10.6x	17.8x	15.4x	13.2x
Solteq (Evli est.)	26	6.2x	7.2x	6.5x	10.6x	16.5x	14.5x	27.1x	22.1x	16.9x

Solteq prem./disc. to peer median

-42% -9% -13% -28% 44% 37% 52% 44% 28%

Source FactSet, Evli Research

INTERIM FIGURES

EVLI ESTIMATES, EURm	2019Q1	2019Q2	2019Q3	2019Q4	2019	2020Q1E	2020Q2E	2020Q3E	2020Q4E	2020E	2021E	2022E
Net sales	14.9	14.7	13.0	15.7	58.3	14.4	14.3	13.0	15.9	57.5	59.8	61.9
EBITDA	2.5	1.6	1.3	4.4	9.7	1.9	1.8	1.8	2.5	7.9	8.7	9.5
<i>EBITDA margin (%)</i>	<i>16.4</i>	<i>10.7</i>	<i>10.0</i>	<i>27.9</i>	<i>16.7</i>	<i>13.0</i>	<i>12.3</i>	<i>13.5</i>	<i>16.1</i>	<i>13.8</i>	<i>14.5</i>	<i>15.4</i>
EBIT	1.5	0.6	0.3	3.3	5.7	0.8	0.7	0.6	1.4	3.5	3.9	4.5
<i>EBIT margin (%)</i>	<i>10.2</i>	<i>3.9</i>	<i>2.2</i>	<i>21.2</i>	<i>9.8</i>	<i>5.5</i>	<i>4.6</i>	<i>4.9</i>	<i>8.8</i>	<i>6.0</i>	<i>6.5</i>	<i>7.3</i>
Net financial items	-0.5	-0.5	-0.5	-0.6	-2.0	-0.5	-0.5	-0.5	-0.5	-2.0	-2.0	-1.9
Pre-tax profit	1.1	0.1	-0.2	2.8	3.7	0.3	0.1	0.1	0.9	1.5	1.9	2.6
Tax	-0.3	0.1	0.0	-0.7	-0.9	-0.1	0.0	0.0	-0.2	-0.3	-0.4	-0.5
<i>Tax rate (%)</i>	<i>23.7</i>	<i>-106.3</i>	<i>16.1</i>	<i>26.2</i>	<i>23.8</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	0.8	0.1	-0.2	2.0	2.8	0.2	0.1	0.1	0.7	1.2	1.5	2.1
EPS	0.04	0.01	-0.01	0.11	0.15	0.01	0.01	0.01	0.04	0.06	0.08	0.11
EPS adjusted (diluted no. of shares)	0.04	0.01	-0.01	0.02	0.06	0.01	0.01	0.01	0.04	0.06	0.08	0.11
Dividend per share	0.00	0.00	0.00	0.00	0.05	0.00	0.00	0.00	0.00	0.03	0.04	0.05
SALES, EURm												
Solteq	14.9	14.7	13.0	15.7	58.3	14.4	14.3	13.0	15.9	57.5	59.8	61.9
Total	14.9	14.7	13.0	15.7	58.3	14.4	14.3	13.0	15.9	57.5	59.8	61.9
SALES GROWTH, Y/Y %												
Solteq	0.4	3.0	1.2	5.2	2.5	-3.7	-2.6	-0.2	1.0	-1.4	4.0	3.5
Total	0.4	3.0	1.2	5.2	2.5	-3.7	-2.6	-0.2	1.0	-1.4	4.0	3.5
EBIT, EURm												
Solteq	1.5	0.6	0.3	3.3	5.7	0.8	0.7	0.6	1.4	3.5	3.9	4.5
Total	1.5	0.6	0.3	3.3	5.7	0.8	0.7	0.6	1.4	3.5	3.9	4.5
EBIT margin, %												
Solteq	10.2	3.9	2.2	21.2	9.8	5.5	4.6	4.9	8.8	6.0	6.5	7.3
Total	10.2	3.9	2.2	21.2	9.8	5.5	4.6	4.9	8.8	6.0	6.5	7.3

INCOME STATEMENT, EURm	2015	2016	2017	2018	2019	2020E	2021E	2022E
Sales	54.2	63.0	50.7	56.9	58.3	57.5	59.8	61.9
<i>Sales growth (%)</i>	<i>32.6</i>	<i>16.3</i>	<i>-19.6</i>	<i>12.1</i>	<i>2.5</i>	<i>-1.4</i>	<i>4.0</i>	<i>3.5</i>
EBITDA	3.1	8.4	2.4	4.8	9.7	7.9	8.7	9.5
<i>EBITDA margin (%)</i>	<i>5.7</i>	<i>13.3</i>	<i>4.7</i>	<i>8.4</i>	<i>16.7</i>	<i>13.8</i>	<i>14.5</i>	<i>15.4</i>
Depreciation	-1.8	-1.9	-2.1	-2.3	-4.0	-4.5	-4.8	-5.0
EBITA	1.3	6.5	0.3	2.5	5.7	3.5	3.9	4.5
Goodwill amortization / writedown	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	1.3	6.4	0.3	2.5	5.7	3.5	3.9	4.5
<i>EBIT margin (%)</i>	<i>2.4</i>	<i>10.2</i>	<i>0.6</i>	<i>4.3</i>	<i>9.8</i>	<i>6.0</i>	<i>6.5</i>	<i>7.3</i>
Reported EBIT	1.3	6.4	0.3	2.5	5.7	3.5	3.9	4.5
<i>EBIT margin (reported) (%)</i>	<i>2.4</i>	<i>10.2</i>	<i>0.6</i>	<i>4.3</i>	<i>9.8</i>	<i>6.0</i>	<i>6.5</i>	<i>7.3</i>
Net financials	-1.0	-1.7	-1.8	-1.8	-2.0	-2.0	-2.0	-1.9
Pre-tax profit	0.3	4.7	-1.5	0.6	3.7	1.5	1.9	2.6
Taxes	-0.2	-0.1	-0.1	-0.3	-0.9	-0.3	-0.4	-0.5
Minority shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	0.1	4.6	-1.5	0.4	2.8	1.2	1.5	2.1
Cash NRIs	0.0	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	8	7	8	10	11	12	12	11
Goodwill	35	34	37	40	39	39	39	39
Right of use assets	0	0	0	6	7	7	7	8
Inventory	0	0	0	0	0	0	0	0
Receivables	18	12	15	12	16	15	16	17
Liquid funds	3	8	2	5	4	4	4	4
Total assets	64	61	61	74	77	77	78	78
Liabilities								
Shareholder's equity	15	20	20	22	25	25	26	27
Minority interest	0	0	0	0	0	0	0	0
Convertibles	0	0	0	0	0	0	0	0
Lease liabilities	0	0	0	6	8	7	7	8
Deferred taxes	1	1	1	1	1	1	1	1
Interest bearing debt	28	26	26	28	28	28	27	25
Non-interest bearing current liabilities	18	14	14	17	17	16	17	18
Other interest-free debt	0	0	0	0	0	0	0	0
Total liabilities	64	61	61	74	77	77	78	78
CASH FLOW, EURm								
+ EBITDA	3	8	2	5	10	8	9	10
- Net financial items	-1	-2	-2	-2	-2	-2	-2	-2
- Taxes	0	0	0	0	-1	0	0	-1
- Increase in Net Working Capital	-3	3	-1	6	-1	0	0	0
+/- Other	0	-5	-2	0	-2	0	0	0
= Cash flow from operations	-1	4	-2	8	4	6	6	7
- Capex	-28	-1	-1	-3	-7	-5	-5	-5
- Acquisitions	0	0	0	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Free cash flow	-29	3	-3	5	-3	1	1	2
+/- New issues/buybacks	4	0	3	1	0	0	0	0
- Paid dividend	0	0	-1	0	0	-1	-1	-1
+/- Other	25	3	-5	-2	2	0	-1	-1
Change in cash	0	6	-7	4	-2	0	0	0

KEY FIGURES	2016	2017	2018	2019	2020E	2021E	2022E
M-cap	28	28	25	29	26	26	26
Net debt (excl. convertibles)	17	24	29	32	31	31	29
Enterprise value	45	52	54	60	57	56	55
Sales	63	51	57	58	57	60	62
EBITDA	8	2	5	10	8	9	10
EBIT	6	0	2	6	3	4	5
Pre-tax	5	-1	1	4	1	2	3
Earnings	5	-2	0	3	1	2	2
Equity book value (excl. minorities)	20	20	22	25	25	26	27
Valuation multiples							
EV/sales	0.7	1.0	1.0	1.0	1.0	0.9	0.9
EV/EBITDA	5.4	21.8	11.4	6.2	7.2	6.5	5.8
EV/EBITA	7.0	168.7	22.0	10.6	16.5	14.5	12.2
EV/EBIT	7.1	168.7	22.0	10.6	16.5	14.5	12.2
EV/OCF	11.6	-25.1	6.8	14.6	10.2	8.9	7.8
EV/FCFF	4.2	-14.0	14.0	59.8	13.5	11.4	9.5
P/FCFE	9.3	-8.8	5.3	-9.1	25.7	19.0	11.7
P/E	6.1	-18.3	69.9	27.1	22.1	16.9	12.5
P/B	1.4	1.4	1.1	1.2	1.0	1.0	1.0
Target EV/EBITDA	0.0	0.0	0.0	0.0	7.4	6.6	5.9
Target EV/EBIT	0.0	0.0	0.0	0.0	16.9	14.8	12.5
Target EV/FCF	0.0	0.0	0.0	0.0	58.6	42.6	25.7
Target P/B	0.0	0.0	0.0	0.0	1.1	1.1	1.0
Target P/E	0.0	0.0	0.0	0.0	23.3	17.8	13.2
Per share measures							
Number of shares	17,639	18,197	19,202	19,307	19,307	19,307	19,307
Number of shares (diluted)	17,639	18,197	19,202	19,307	19,307	19,307	19,307
EPS	0.26	-0.08	0.02	0.15	0.06	0.08	0.11
Operating cash flow per share	0.22	-0.11	0.42	0.21	0.29	0.33	0.37
Free cash flow per share	0.17	-0.17	0.24	-0.16	0.05	0.07	0.11
Book value per share	1.15	1.13	1.14	1.27	1.28	1.33	1.40
Dividend per share	0.05	0.00	0.00	0.05*	0.03	0.04	0.05
Dividend payout ratio, %	19.1	0.0	0.0	34.4*	50.0	50.0	50.0
Dividend yield, %	3.1	0.0	0.0	3.8*	2.3	3.0	4.0
FCF yield, %	10.8	-11.4	18.8	-11.0	3.9	5.3	8.5
Efficiency measures							
ROE	25.8	-7.4	1.7	12.1	4.7	6.0	7.8
ROCE	14.3	0.7	4.8	9.8	5.8	6.5	7.5
Financial ratios							
Inventories as % of sales	0.1	0.3	0.2	0.3	0.3	0.3	0.3
Receivables as % of sales	18.9	28.9	21.1	26.8	26.8	26.8	26.8
Non-interest bearing liabilities as % of sales	21.5	27.0	29.2	28.6	28.6	28.6	28.6
NWC/sales, %	-2.5	2.2	-7.9	-1.5	-1.5	-1.5	-1.5
Operative CAPEX/sales, %	1.4	2.1	5.8	12.5	8.0	8.4	7.9
CAPEX/sales (incl. acquisitions), %	1.4	2.1	5.8	12.5	8.0	8.4	7.9
FCFF/EBITDA	1.3	-1.6	0.8	0.1	0.5	0.6	0.6
Net debt/EBITDA, book-weighted	2.1	10.2	6.2	3.2	4.0	3.5	3.1
Debt/equity, market-weighted	0.9	0.9	1.1	1.0	1.1	1.1	1.0
Equity ratio, book-weighted	33.2	33.3	29.3	31.9	32.2	33.0	34.4
Gearing, %	85.0	118.7	134.5	128.5	127.4	119.7	108.6

*Intended distribution, yet to be approved

COMPANY DESCRIPTION: Solteq is a Nordic software and IT-services provider specializing in digital business solutions. Solteq's strength has been in commerce related solutions with a focus on selected sectors, namely the retail and wholesale, industry, energy, and services sectors. Recent product development investments have focused on autonomous service robotics.

INVESTMENT CASE: Solteq's investment case revolves around the success of executing its strategy of shifting from its IT-services oriented past towards becoming a software house. Implied margin upside potential is considerable, with segment targets putting margins clearly in the double digits. Growth will need to be sought from abroad, as domestic growth potential is more restricted.

OWNERSHIP STRUCTURE	SHARES	EURm	%
Sentica Buyout III Ky	4,621,244	6.146	23.9%
Profiz Business Solution Oyj	2,051,997	2.729	10.6%
Elo Mutual Pension Insurance Company	2,000,000	2.660	10.4%
Saadetdin Ali	1,403,165	1.866	7.3%
Varma Mutual Pension Insurance Company	1,245,597	1.657	6.5%
Aalto Seppo Tapio	700,000	0.931	3.6%
Roininen Matti Juhani	450,000	0.599	2.3%
Väätäinen Olli Pekka	400,000	0.532	2.1%
Lamy Oy	225,000	0.299	1.2%
Sentica Buyout III Co-Investment Ky	180,049	0.239	0.9%
Ten largest	13,277,052	17.658	69%
Residual	6,029,475	8.019	31%
Total	19,306,527	25.678	100%

EARNINGS CALENDAR

April 30, 2020	Q1 report
August 13, 2020	Q2 report
October 29, 2020	Q3 report

OTHER EVENTS

April 01, 2020	AGM
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COMPANY MISCELLANEOUS

CEO: Olli Väätäinen	Karhumäentie 3, FI-01350
CFO: Kari Lehtosalo	Tel:
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	8%
Hold	53%
Buy	39%

The graph above shows the distribution of ERP's recommendations of companies under coverage in 1st of February 2019. If recommendation is not given, it is not mentioned here.

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

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