

## Signs of stronger growth

Vaisala revised its guidance for FY 2021 and disclosed preliminary figures for Q3'21. The company is now expecting revenue of EUR 425-440m (prev. 400-420m) and an operating profit (EBIT) of EUR 48-58m (prev. 40-50m).

### Strong 3rd quarter

Preliminary orders received and net sales were strong, EUR 109.9m (growth 29% y/y) and EUR 111.5m (growth 19% y/y) respectively. Preliminary EBIT was a bit weaker at EUR 19.2m (19.5m), 17.3% (20.7%) of net sales. To our understanding, the profitability was burdened by increased material costs. The company had a robust Q3 and demand for Vaisala's offering continued strongly in both BUs, especially in Industrial Measurements. Despite the component shortage, Vaisala found solutions to most availability issues together with suppliers and by purchasing higher-priced components from the spot market.

### The component shortage is expected to continue

The global shortage of components is expected to continue during the fourth quarter and the first half of next year. Vaisala estimates that component shortages will continue to generate additional material costs during the fourth quarter of 2021. We have revised our net sales and EBIT estimates for 2021-23E to reflect the company's strong performance and a solid outlook. We expect the company to grow by 14.5% to EUR 434.5m driven by 26.1% growth in IM, while we expect W&E to grow by 7.4% in 2021. We estimate the company to reach an EBIT margin of 12.6% in 2021. For 2022-23E we expect Vaisala to grow by 8.3% and 6.8% respectively.

### TP of EUR 42 (prev. EUR 38) with HOLD-rating

On our revised FY 22 estimates, Vaisala trades at a premium compared to its peers. Vaisala has performed well during FY 21 but considering the uncertainties relating to component shortage and availability, we do not find the valuation overly stretched (premium of 27% and 9% to 2022E EV/EBIT and P/E peer median). With our raised estimates, we adjust our TP to EUR 42 (prev. EUR 38) and retain our HOLD-rating.

## Rating

HOLD



Share price, EUR (Last trading day's closing price) 45.70

Target price, EUR 42.0

Latest change in recommendation	29-Apr-21
Latest report on company	23-Sep-21
Research paid by issuer:	YES
No. of shares outstanding, '000's	36,437
No. of shares fully diluted, '000's	36,437
Market cap, EURm	1,665
Free float, %	-
Exchange rate EUR/USD	0.000
Reuters code	VAIAS.HE
Bloomberg code	VAIAS FH
Average daily volume, EURm	0.0
Next interim report	28-Oct-21
Web site	vaisala.com/en/investors

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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	403.6	41.1	10.2%	4.6	0.93	34.6	2.9	28.1	0.4	0.61
2020	379.5	44.8	11.8%	16.9	0.91	44.2	3.9	32.7	1.2	0.61
2021E	434.5	54.6	12.6%	29.2	1.27	36.1	3.8	30.6	1.8	0.63
2022E	470.7	61.0	13.0%	41.0	1.46	31.4	3.5	27.1	2.5	0.65
2023E	502.9	70.5	14.0%	45.7	1.55	29.5	3.2	23.1	2.7	0.67
Market cap, EURm		1,665	Gearing 2021E, %				0.8	CAGR EPS 2020-23, %		19.2
Net debt 2021E, EURm		2	Price/book 2021E				7.3	CAGR sales 2020-23, %		9.8
Enterprise value, EURm		1,670	Dividend yield 2021E, %				1.4	ROE 2021E, %		21.3
Total assets 2021E, EURm		386	Tax rate 2021E, %				11.6	ROCE 2021E, %		20.1
Goodwill 2021E, EURm		55	Equity ratio 2021E, %				59.4	PEG, P/E 21/CAGR		5.8

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	45.70 PV of Free Cash Flow	395 Long-term growth, %	2.5 Risk-free interest rate, %	2.25
DCF share value	29.73 PV of Horizon value	722 WACC, %	7.4 Market risk premium, %	5.8
Share price potential, %	-34.9 Unconsolidated equity	-3 Spread, %	0.0 Debt risk premium, %	2.8
Maximum value	29.7 Marketable securities	45 Minimum WACC, %	7.4 Equity beta coefficient	0.80
Minimum value	29.7 Debt - dividend	-76 Maximum WACC, %	7.4 Target debt ratio, %	10
Horizon value, %	64.7 Value of stock	1,083 Nr of shares, Mn	36.4 Effective tax rate, %	25

DCF valuation, EURm	2020	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	Horizon
Net sales	380	434	471	503	526	544	560	577	594	612	627	643
<i>Sales growth, %</i>	-6.0	14.5	8.3	6.8	4.5	3.5	3.0	3.0	3.0	3.0	2.5	2.5
Operating income (EBIT)	45	55	61	71	69	71	73	75	77	80	82	84
<i>Operating income margin, %</i>	11.8	12.6	13.0	14.0	13.2	13.0	13.0	13.0	13.0	13.0	13.0	13.0
+ Depreciation+amort.	21	21	24	26	27	28	29	30	31	31	32	
EBITDA	66	76	85	96	96	99	102	105	108	111	114	
- Paid taxes	-7	-6	-8	-14	-14	-14	-15	-15	-15	-16	-16	
- Change in NWC	-6	-9	-6	-5	-4	-3	-3	-3	-3	-3	-2	
<i>NWC / Sales, %</i>	15.2	15.3	15.4	15.4	15.4	15.4	15.5	15.5	15.5	15.5	15.5	
+ Change in other liabs	-5	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	-29	-24	-24	-25	-26	-26	-26	-27	-27	-27	-28	
<i>opCAPEX / Sales, %</i>	8.6	6.8	6.4	6.2	6.0	5.9	5.8	5.7	5.6	5.6	5.5	
- 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	19	37	47	52	53	56	58	61	63	65	67	1,398
= Discounted FCFF		37	43	44	42	41	40	39	37	36	35	722
= DFCF min WACC		37	43	44	42	41	40	39	37	36	35	722
= DFCF max WACC		37	43	44	42	41	40	39	37	36	35	722

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Company update

## INTERIM FIGURES

EVLI ESTIMATES, EURm	2020Q1	2020Q2	2020Q3	2020Q4	2020	2021Q1	2021Q2	2021Q3E	2021Q4E	2021E	2022E	2023E
Net sales	87.2	91.4	94.0	106.9	379.5	92.0	109.5	111.5	121.5	434.5	470.7	502.9
EBITDA	10.1	13.5	24.7	17.6	65.9	13.4	16.1	24.6	21.7	75.9	84.9	96.0
<i>EBITDA margin (%)</i>	<i>11.6</i>	<i>14.8</i>	<i>26.3</i>	<i>16.5</i>	<i>17.4</i>	<i>14.6</i>	<i>14.7</i>	<i>22.1</i>	<i>17.9</i>	<i>17.5</i>	<i>18.0</i>	<i>19.1</i>
EBIT	5.2	7.9	19.5	12.2	44.8	8.1	10.9	19.2	16.3	54.6	61.0	70.5
<i>EBIT margin (%)</i>	<i>6.0</i>	<i>8.6</i>	<i>20.7</i>	<i>11.4</i>	<i>11.8</i>	<i>8.8</i>	<i>10.0</i>	<i>17.2</i>	<i>13.4</i>	<i>12.6</i>	<i>13.0</i>	<i>14.0</i>
Net financial items	-0.2	-0.9	-1.3	-1.0	-3.4	-0.2	-0.8	-0.5	-0.5	-2.0	0.0	0.0
Pre-tax profit	5.0	7.0	18.2	11.2	41.4	7.9	10.1	18.7	15.8	52.6	61.0	70.5
Tax	-0.9	-1.2	-3.7	-2.7	-8.5	-1.6	-0.7	-2.1	-1.7	-6.1	-7.9	-14.1
<i>Tax rate (%)</i>	<i>18.0</i>	<i>17.1</i>	<i>20.3</i>	<i>24.5</i>	<i>20.6</i>	<i>20.0</i>	<i>7.1</i>	<i>11.0</i>	<i>11.0</i>	<i>11.6</i>	<i>13.0</i>	<i>20.0</i>
Net profit	4.1	5.8	14.5	8.5	32.9	6.2	9.2	16.6	14.1	46.2	53.1	56.4
EPS	0.11	0.16	0.40	0.24	0.91	0.17	0.25	0.46	0.39	1.27	1.46	1.55
EPS adjusted (diluted no. of shares)	0.11	0.16	0.40	0.24	0.91	0.17	0.25	0.46	0.39	1.27	1.46	1.55
Dividend per share	0.00	0.00	0.00	0.00	0.61	0.00	0.00	0.00	0.00	0.63	0.65	0.67
<b>SALES, EURm</b>												
Weather and Environment	51.8	57.6	59.2	67.0	235.6	52.2	65.4	63.4	72.0	253.0	272.0	288.3
Industrial Measurements	35.4	33.8	34.8	39.9	143.9	39.7	44.1	48.1	49.5	181.4	198.7	214.6
<b>Total</b>	<b>87.2</b>	<b>91.4</b>	<b>94.0</b>	<b>106.9</b>	<b>379.5</b>	<b>92.0</b>	<b>109.5</b>	<b>111.5</b>	<b>121.5</b>	<b>434.5</b>	<b>470.7</b>	<b>502.9</b>
<b>SALES GROWTH, Y/Y %</b>												
<i>Weather and Environment</i>	<i>4.4</i>	<i>-5.1</i>	<i>-14.3</i>	<i>-18.1</i>	<i>-9.8</i>	<i>0.8</i>	<i>13.5</i>	<i>7.1</i>	<i>7.5</i>	<i>7.4</i>	<i>7.5</i>	<i>6.0</i>
<i>Industrial Measurements</i>	<i>2.3</i>	<i>-4.5</i>	<i>-3.6</i>	<i>10.1</i>	<i>1.1</i>	<i>12.3</i>	<i>30.5</i>	<i>38.2</i>	<i>24.1</i>	<i>26.1</i>	<i>9.5</i>	<i>8.0</i>
<b>Total</b>	<b>3.6</b>	<b>-4.9</b>	<b>-10.6</b>	<b>-9.5</b>	<b>-6.0</b>	<b>5.5</b>	<b>19.8</b>	<b>18.6</b>	<b>13.7</b>	<b>14.5</b>	<b>8.3</b>	<b>6.8</b>
<b>EBIT, EURm</b>												
Weather and Environment	-2.4	0.7	11.1	5.2	14.6	-0.9	1.0	7.6	6.2	13.9	16.5	22.0
Industrial Measurements	7.6	7.1	8.6	8.3	31.6	9.4	10.5	12.0	10.5	42.4	46.5	50.5
Other	0.0	0.1	-0.2	-1.3	-1.4	-0.4	-0.6	-0.4	-0.4	-1.7	-2.0	-2.0
<b>Total</b>	<b>5.2</b>	<b>7.9</b>	<b>19.5</b>	<b>12.2</b>	<b>44.8</b>	<b>8.1</b>	<b>10.9</b>	<b>19.2</b>	<b>16.3</b>	<b>54.6</b>	<b>61.0</b>	<b>70.5</b>
<b>EBIT margin, %</b>												
<i>Weather and Environment</i>	<i>-4.6</i>	<i>1.2</i>	<i>18.8</i>	<i>7.8</i>	<i>6.2</i>	<i>-1.7</i>	<i>1.5</i>	<i>12.0</i>	<i>8.6</i>	<i>5.5</i>	<i>6.1</i>	<i>7.6</i>
<i>Industrial Measurements</i>	<i>21.4</i>	<i>21.0</i>	<i>24.7</i>	<i>20.8</i>	<i>22.0</i>	<i>23.7</i>	<i>23.8</i>	<i>24.9</i>	<i>21.2</i>	<i>23.4</i>	<i>23.4</i>	<i>23.5</i>
<b>Total</b>	<b>6.0</b>	<b>8.6</b>	<b>20.7</b>	<b>11.4</b>	<b>11.8</b>	<b>8.8</b>	<b>10.0</b>	<b>17.2</b>	<b>13.4</b>	<b>12.6</b>	<b>13.0</b>	<b>14.0</b>

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INCOME STATEMENT, EURm	2016	2017	2018	2019	2020	2021E	2022E	2023E
Sales	319.2	332.6	348.8	403.6	379.5	434.5	470.7	502.9
<i>Sales growth (%)</i>	<i>0.2</i>	<i>4.2</i>	<i>4.9</i>	<i>15.7</i>	<i>-6.0</i>	<i>14.5</i>	<i>8.3</i>	<i>6.8</i>
EBITDA	46.3	50.3	51.1	64.7	65.9	75.9	84.9	96.0
<i>EBITDA margin (%)</i>	<i>14.5</i>	<i>15.1</i>	<i>14.7</i>	<i>16.0</i>	<i>17.4</i>	<i>17.5</i>	<i>18.0</i>	<i>19.1</i>
Depreciation	-13.5	-9.5	-12.1	-23.6	-21.1	-21.3	-23.9	-25.5
EBITA	32.8	40.8	39.0	41.1	44.8	54.6	61.0	70.5
Goodwill amortization / writedown	-10.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	22.2	40.8	39.0	41.1	44.8	54.6	61.0	70.5
<i>EBIT margin (%)</i>	<i>7.0</i>	<i>12.3</i>	<i>11.2</i>	<i>10.2</i>	<i>11.8</i>	<i>12.6</i>	<i>13.0</i>	<i>14.0</i>
Reported EBIT	22.2	40.8	39.0	41.1	44.8	54.6	61.0	70.5
<i>EBIT margin (reported) (%)</i>	<i>7.0</i>	<i>12.3</i>	<i>11.2</i>	<i>10.2</i>	<i>11.8</i>	<i>12.6</i>	<i>13.0</i>	<i>14.0</i>
Net financials	-0.2	-2.8	-1.4	-1.0	-3.4	-2.0	0.0	0.0
Pre-tax profit	22.0	38.0	37.6	40.1	41.4	52.6	61.0	70.5
Taxes	-3.3	-10.9	-8.0	-6.5	-8.5	-6.1	-7.9	-14.1
Minority shares	0.0	0.0	0.0	0.0	0.0	-0.3	0.0	0.0
Net profit	18.7	27.1	29.6	33.5	32.9	46.2	53.1	56.4
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
<b>BALANCE SHEET, EURm</b>								
<b>Assets</b>								
Fixed assets	46	46	72	83	94	101	106	110
Goodwill	17	16	55	55	55	55	55	55
Right of use assets	0	0	12	12	13	14	16	17
Inventory	32	29	32	40	45	51	55	59
Receivables	78	84	93	105	93	106	115	123
Liquid funds	72	91	73	56	45	52	56	60
Total assets	255	274	347	361	352	386	410	431
<b>Liabilities</b>								
Shareholder's equity	179	186	183	198	205	229	259	292
Minority interest	0	0	0	0	0	0	0	0
Convertibles	0	0	0	0	0	0	0	0
Lease liabilities	0	0	12	11	9	14	16	17
Deferred taxes	0	1	9	8	8	8	8	8
Interest bearing debt	0	0	41	40	45	39	25	5
Non-interest bearing current liabilities	71	81	89	94	76	87	95	101
Other interest-free debt	4	5	9	7	8	8	8	8
Total liabilities	255	274	347	361	352	386	410	431
<b>CASH FLOW, EURm</b>								
+ EBITDA	46	50	51	65	66	76	85	96
- Net financial items	0	-3	-1	-1	-3	-2	0	0
- Taxes	-9	-7	-9	-8	-6	-6	-8	-14
- Increase in Net Working Capital	2	7	-4	-16	-6	-9	-6	-5
+/- Other	3	2	11	0	0	0	0	0
= Cash flow from operations	42	49	48	40	50	59	71	77
- Capex	-8	-8	-14	-35	-33	-30	-30	-31
- Acquisitions	0	-2	-52	0	0	0	0	0
+ Divestments	1	0	0	0	0	0	0	0
= Free cash flow	35	39	-18	5	17	29	41	46
+/- New issues/buybacks	-4	-2	5	3	-4	0	0	0
- Paid dividend	-17	-18	-37	-21	-22	-22	-23	-24
+/- Other	-1	0	31	-3	-2	-1	-14	-18
Change in cash	13	19	-19	-16	-11	7	4	4

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KEY FIGURES	2017	2018	2019	2020	2021E	2022E	2023E
M-cap	794	659	1,159	1,453	1,665	1,665	1,665
Net debt (excl. convertibles)	-91	-20	-5	9	2	-16	-38
Enterprise value	703	638	1,154	1,464	1,670	1,651	1,629
Sales	333	349	404	380	434	471	503
EBITDA	50	51	65	66	76	85	96
EBIT	41	39	41	45	55	61	71
Pre-tax	38	38	40	41	53	61	71
Earnings	27	30	34	33	46	53	56
Equity book value (excl. minorities)	186	183	198	205	229	259	292
<b>Valuation multiples</b>							
EV/sales	2.1	1.8	2.9	3.9	3.8	3.5	3.2
EV/EBITDA	14.0	12.5	17.8	22.2	22.0	19.4	17.0
EV/EBITA	17.2	16.4	28.1	32.7	30.6	27.1	23.1
EV/EBIT	17.2	16.4	28.1	32.7	30.6	27.1	23.1
EV/OCF	14.3	13.2	28.9	29.5	28.5	23.2	21.2
EV/FCFF	17.1	-38.5	141.1	78.1	45.1	35.3	31.5
P/FCFE	40.6	-37.2	250.6	86.0	57.1	40.6	36.4
P/E	29.3	22.2	34.6	44.2	36.1	31.4	29.5
P/B	4.3	3.6	5.8	7.1	7.3	6.4	5.7
Target EV/EBITDA	0.0	0.0	0.0	0.0	20.2	17.8	15.5
Target EV/EBIT	0.0	0.0	0.0	0.0	28.1	24.8	21.2
Target EV/FCF	0.0	0.0	0.0	0.0	52.6	37.0	32.7
Target P/B	0.0	0.0	0.0	0.0	6.7	5.9	5.2
Target P/E	0.0	0.0	0.0	0.0	33.2	28.8	27.1
<b>Per share measures</b>							
Number of shares	35,692	35,790	35,881	36,000	36,437	36,437	36,437
Number of shares (diluted)	35,692	35,790	35,881	36,000	36,437	36,437	36,437
EPS	0.76	0.83	0.93	0.91	1.27	1.46	1.55
Operating cash flow per share	1.38	1.35	1.11	1.38	1.61	1.95	2.11
Free cash flow per share	1.10	-0.49	0.13	0.47	0.80	1.12	1.25
Book value per share	5.20	5.11	5.52	5.69	6.29	7.12	8.01
Dividend per share	1.05	0.58	0.61	0.61	0.63	0.65	0.67
Dividend payout ratio, %	138.3	70.1	65.3	66.8	49.7	44.6	43.3
Dividend yield, %	4.7	3.2	1.9	1.5	1.4	1.4	1.5
FCF yield, %	4.9	-2.7	0.4	1.2	1.8	2.5	2.7
<b>Efficiency measures</b>							
ROE	14.9	16.1	17.6	16.3	21.3	21.7	20.5
ROCE	22.4	18.5	17.0	17.7	20.1	20.9	23.0
<b>Financial ratios</b>							
Inventories as % of sales	8.6	9.2	9.8	11.7	11.7	11.7	11.7
Receivables as % of sales	25.3	26.7	26.0	24.4	24.4	24.4	24.4
Non-interest bearing liabilities as % of sales	24.4	25.5	23.2	20.1	20.1	20.1	20.1
NWC/sales, %	9.5	10.1	12.7	15.2	15.3	15.4	15.4
Operative CAPEX/sales, %	2.5	4.1	8.7	8.6	6.8	6.4	6.2
CAPEX/sales (incl. acquisitions), %	1.9	-10.7	8.7	8.6	6.8	6.4	6.2
FCFF/EBITDA	0.8	-0.3	0.1	0.3	0.5	0.6	0.5
Net debt/EBITDA, book-weighted	-1.8	-0.4	-0.1	0.1	0.0	-0.2	-0.4
Debt/equity, market-weighted	0.0	0.1	0.0	0.0	0.0	0.0	0.0
Equity ratio, book-weighted	67.7	52.8	54.9	58.4	59.4	63.3	67.8
Gearing, %	-49.2	-11.0	-2.5	4.4	0.8	-6.2	-13.1

**COMPANY DESCRIPTION:** Vaisala develops, manufactures and markets products and services for environmental and industrial measurement. Vaisala's strategy relies on R&D and focusing on technology leadership in its selected segments. Vaisala has two segments: Weather & Environment (W&E), and Industrial Measurement (IM). The W&E customers include meteorological institutes, airports, roads and railroad, defense, and energy industry. IM serves industrial customers in life science, power transmission, and targeted industrial applications offering a broad range of measurement instruments to ensure operational quality and productivity. Headquartered in Finland, Vaisala employs around 1,850 professionals worldwide.

**INVESTMENT CASE:** Vaisala should continue to profitably grow due to continued good growth in IM, with possible additional organic and non-organic opportunities in other niche areas supporting growth, and a more stable outlook for W&E. Vaisala benefits from its strong R&D based market leadership in both segments, with main profitability drivers being economies of scale and increasing share of IM sales. The healthy business and strong net cash position support ability to pay an increasing dividend.

OWNERSHIP STRUCTURE	SHARES	EURm	%
Novameter Oy	3,776,358	172.580	10.4%
Skandinaviska Enskilda Banken Ab (publ) Helsinki Branch	3,259,185	148.945	8.9%
Nordea Bank Ab (publ), Finnish Branch	2,311,285	105.626	6.3%
Finnish Academy of Science and Letters	2,041,605	93.301	5.6%
Nordea Nordic Small Cap Fund	1,772,713	81.013	4.9%
Mandatum Life Insurance Company Ltd.	1,470,900	67.220	4.0%
Weisell-Säätiö Sr	1,440,000	65.808	4.0%
Citybank Europe	1,345,593	61.494	3.7%
Voipio Mikko	1,268,312	57.962	3.5%
Caspers Anja	969,496	44.306	2.7%
Ten largest	19,655,447	898.254	54%
Residual	16,781,281	766.905	46%
Total	36,436,728	1,665.158	100%

## EARNINGS CALENDAR

## OTHER EVENTS

## COMPANY MISCELLANEOUS

CEO: Kai Öistämö

CFO: Kaarina Muurinen

IR: Paula Liimatta

Vanha Nurmijärventie 21, 01670 Vantaa

Tel:

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

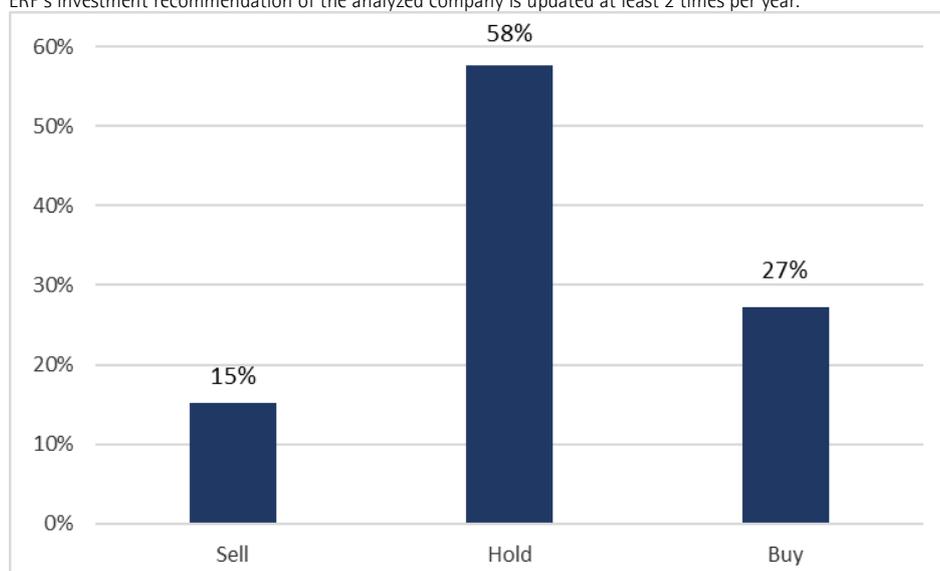
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Investment recommendations are defined as follows:

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

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

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