

## LFL growth should normalize

Tokmanni will report its Q3 business review on October 24<sup>th</sup>. In Q3 comparables no longer provide tailwind as in H1, which should make the quarter more normal and better representative of how assortment improvements and other development actions yield results. Our estimates, rating and TP are intact ahead of the Q3 report.

Non-grocery market growth figures indicate softer demand PTY statistics indicate the non-grocery market grew by -4.2% in July and by -1.4% in August. Still in H1 non-grocery market grew by +1.5%. PTY statistics thus seem to indicate somewhat softer demand in the market in Q3 vs. H1.

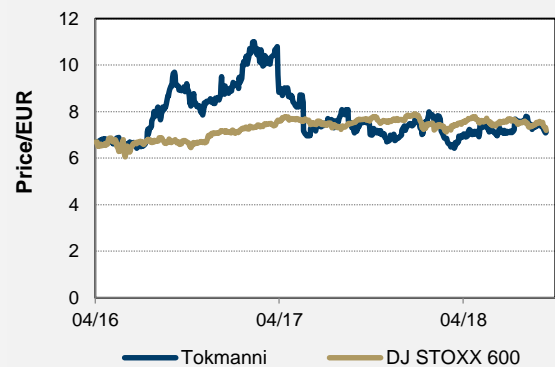
### We expect positive LFL growth to continue from H1

Tokmanni delivered 7.0% LFL growth in H1, supported by weak comparables, better weather, assortment improvements and somewhat more active take on campaigning and their better management. In Q3 comparables no longer help and hence LFL growth should normalize. We have incorporated LFL growth of +2.0% for Q3.

### Estimates, rating and TP intact ahead of Q3

We expect revenue of EUR 207m (6.1% growth y/y, of which LFL 2.0%) and adj. EBITDA of EUR 19.6m (EUR 16.1m y/y) in Q3. Our "Buy" case and TP EUR 9 remain intact ahead of the Q2 report, as valuation remains attractive against the sourcing improvement potential and related gross margin improvement potential, in our view.

## Rating + BUY



Share price, EUR (Last trading day's closing price) 7.12

Target price, EUR 9.0

Latest change in recommendation 18-Apr-17

Latest report on company 10-Aug-18

Research paid by issuer: Yes

No. of shares outstanding, '000's 58,869

No. of shares fully diluted, '000's 58,869

Market cap, EURm 419

Free float, % 100.0

Exchange rate 1.000

Reuters code TOKMAN.HE

Bloomberg code TOKMAN FH

Average daily volume, EURm na.

Next interim report 24-Oct-18

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+ BUY   + HOLD   - SELL

## KEY FIGURES

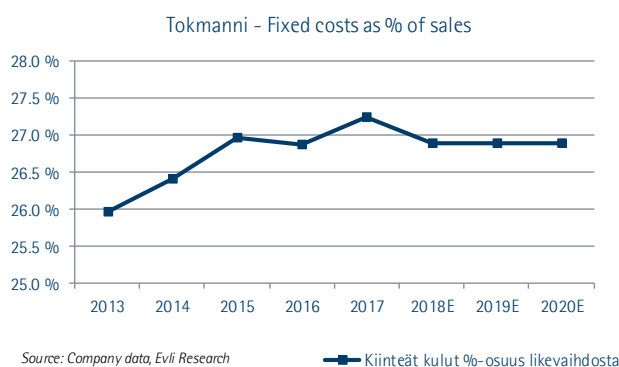
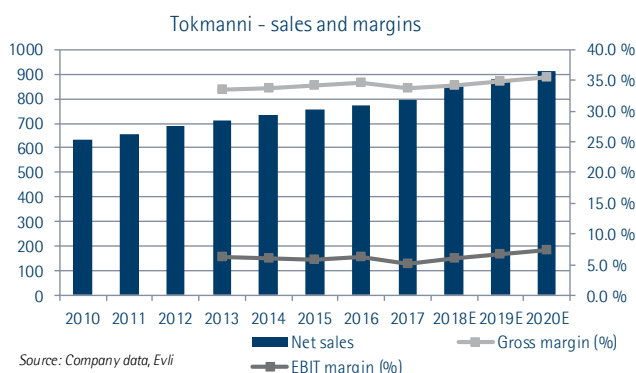
	Sales EURm	EBIT EURm	EBIT %	Ptx profit EURm	EPS EUR	P/E (x)	EV/Sales (x)	P/CF (x)	EV/EBIT (x)	DPS EUR
2016	776	48	6.1%	33	0.44	19.5	0.8	7.2	12.9	0.51
2017	797	41	5.1%	35	0.48	15.2	0.7	13.0	13.8	0.41
2018E	856	52	6.1%	47	0.63	11.3	0.6	9.1	10.5	0.45
2019E	881	58	6.6%	54	0.74	9.6	0.6	7.2	9.1	0.52
2020E	914	68	7.4%	65	0.88	8.1	0.6	6.4	7.6	0.62
Market cap, EURm		419		BV per share 2018E, EUR		3.0	CAGR EPS 2017-20, %			22.7
Net debt 2018E, EURm		129		Price/book 2018E		2.4	CAGR sales 2017-20, %			4.7
Enterprise value, EURm		548		Dividend yield 2018E, %		6.3	ROE 2018E, %			21.8
Total assets 2018E, EURm		484		Tax rate 2018E, %		20.9	ROCE 2018E, %			14.9
Goodwill 2018E, EURm		129		Equity ratio 2018E, %		36.5	PEG, P/E 18/CAGR			0.9

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

## Estimates

Tokmanni	2013	2014	2015	2016	2017	2018E	2019E	2020E
<b>Key sales assumptions</b>								
Sales space increase, 1000m <sup>2</sup>	11	18	7	8	24	8	12	12
Sales space at year end, 1000m <sup>2</sup>	375	393	400	408	432	440	452	464
LFL growth (%)	0.0%	-0.3%	-0.6%	-0.1%	-1.3%	3.7%	1.0%	1.0%
<b>Net sales</b>	<b>712.8</b>	<b>734.3</b>	<b>755.3</b>	<b>775.8</b>	<b>796.5</b>	<b>856.6</b>	<b>881.3</b>	<b>914.1</b>
Growth-%	3.3 %	3.0 %	2.9 %	2.7 %	2.7 %	7.5 %	2.9 %	3.7 %
Materials and services (adj.)	-474.6	-486.8	-497.2	-507.9	-528.4	-564.6	-575.0	-589.6
Growth-%	-	2.6 %	2.1 %	2.2 %	4.0 %	6.8 %	1.8 %	2.5 %
% of sales	66.6 %	66.3 %	65.8 %	65.5 %	66.3 %	65.9 %	65.2 %	64.5 %
<b>Gross profit (adj.)</b>	<b>238.2</b>	<b>247.5</b>	<b>258.1</b>	<b>267.9</b>	<b>268.1</b>	<b>292.0</b>	<b>306.3</b>	<b>324.5</b>
Gross margin (%)	33.4 %	33.7 %	34.2 %	34.5 %	33.7 %	34.1 %	34.8 %	35.5 %
Fixed costs (adj.)	-185.1	-193.9	-203.7	-208.5	-217.0	-229.0	-237.0	-245.8
Growth-%	-	4.8 %	5.0 %	2.4 %	4.1 %	5.5 %	3.5 %	3.7 %
% of sales	26.0 %	26.4 %	27.0 %	26.9 %	27.2 %	26.7 %	26.9 %	26.9 %
Other income	3.5	3.6	4.0	3.4	3.8	3.6	3.6	3.6
Share of profits in associated comp.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Depreciation and amortization	-12.6	-13.5	-14.8	-15.2	-14.3	-14.4	-14.6	-14.5
<b>EBITDA (adj.)</b>	<b>56.7</b>	<b>57.1</b>	<b>58.4</b>	<b>62.8</b>	<b>54.9</b>	<b>66.5</b>	<b>72.9</b>	<b>82.3</b>
EBITDA margin (%)	8.0 %	7.8 %	7.7 %	8.1 %	6.9 %	7.8 %	8.3 %	9.0 %
<b>EBIT (adj.)</b>	<b>44.1</b>	<b>43.6</b>	<b>43.6</b>	<b>47.7</b>	<b>40.6</b>	<b>52.1</b>	<b>58.3</b>	<b>67.8</b>
EBIT margin (%)	6.2 %	5.9 %	5.8 %	6.1 %	5.1 %	6.1 %	6.6 %	7.4 %
NRIs in reported gross profit	0.0	1.1	-0.6	0.5	-0.9	0.9	0.0	0.0
NRIs in reported fixed costs	-1.1	-1.8	-4.0	1.0	-0.8	1.0	0.0	0.0
<b>EBIT (reported)</b>	<b>43.0</b>	<b>43.0</b>	<b>39.0</b>	<b>49.2</b>	<b>38.9</b>	<b>54.0</b>	<b>58.3</b>	<b>67.8</b>
EBIT margin (%)	6.0 %	5.9 %	5.2 %	6.3 %	4.9 %	6.3 %	6.6 %	7.4 %
Net financials	-23.0	-22.2	-20.9	-15.3	-5.9	-5.3	-4.0	-3.0
<b>Profit before taxes (reported)</b>	<b>20.1</b>	<b>20.8</b>	<b>18.1</b>	<b>33.9</b>	<b>33.0</b>	<b>48.7</b>	<b>54.3</b>	<b>64.8</b>
Taxes	-4.8	-4.2	-3.4	-6.8	-6.6	-9.8	-10.9	-13.0
Tax rate (%)	23.9 %	20.1 %	18.8 %	20.1 %	20.0 %	20.1 %	20.0 %	20.0 %
Minorities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income (reported)</b>	<b>15.3</b>	<b>16.6</b>	<b>14.7</b>	<b>27.1</b>	<b>26.4</b>	<b>38.9</b>	<b>43.5</b>	<b>51.9</b>
Average number of shares (million)	58.9	58.9	58.9	58.9	58.9	58.9	58.9	58.9
<b>EPS (reported)</b>	<b>0.26</b>	<b>0.28</b>	<b>0.25</b>	<b>0.46</b>	<b>0.45</b>	<b>0.66</b>	<b>0.74</b>	<b>0.88</b>
<b>Dividend and capital return</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.51</b>	<b>0.41</b>	<b>0.45</b>	<b>0.52</b>	<b>0.62</b>
Payout ratio (%)				111%	92%	68%	70%	70%

Source: Tokmanni, Evli Research





VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	7.12 PV of Free Cash Flow	356 Long-term growth, %	2.0 Risk-free interest rate, %	2.25
DCF share value	11.43 PV of Horizon value	476 WACC, %	7.6 Market risk premium, %	5.8
Share price potential, %	60.6 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %	3.3
Maximum value	12.7 Marketable securities	43 Minimum WACC, %	7.1 Equity beta coefficient	0.90
Minimum value	10.3 Debt - dividend	-201 Maximum WACC, %	8.1 Target debt ratio, %	20
Horizon value, %	57.2 Value of stock	673 Nr of shares, Mn	58.9 Effective tax rate, %	25

DCF valuation, EURm	2017	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	Horizon
Net sales	797	856	881	914	937	960	984	1,009	1,034	1,060	1,081	1,103
<i>Sales growth, %</i>	2.7	7.5	2.9	3.7	2.5	2.5	2.5	2.5	2.5	2.5	2.0	2.0
Operating income (EBIT)	41	52	58	68	70	72	74	76	67	69	70	72
<i>EBIT margin, %</i>	5.1	6.1	6.6	7.4	7.5	7.5	7.5	7.5	6.5	6.5	6.5	6.5
+ Depreciation+amort.	14	14	15	14	14	14	14	15	15	15	15	16
- Income taxes	-8	-11	-12	-14	-14	-14	-15	-15	-13	-14	-14	-14
- Change in NWC	-14	-9	-3	-3	-2	-2	-3	-3	-3	-3	-2	-2
<i>NWC/Sales, %</i>	10.3	10.7	10.7	10.7	10.7	10.7	10.7	10.6	10.6	10.6	10.6	
+ Change in other liabs	-1	0	0	0	0	0	0	0	0	0	0	
- Capital Expenditure	-13	-14	-14	-14	-14	-15	-15	-16	-17	-18	-19	-19
<i>Investments/Sales, %</i>	1.7	1.6	1.6	1.5	1.5	1.5	1.6	1.6	1.6	1.7	1.7	1.7
- Other items	-1	1	0	0	0	0	0	0	0	0	0	
= Unlevered Free CF (FCF)	18	33	45	51	54	55	55	56	49	50	51	932
= Discounted FCF (DFCF)		33	41	44	43	40	38	36	29	27	26	476
= DFCF min WACC		33	41	44	43	41	39	37	30	28	27	546
= DFCF max WACC		33	41	43	42	39	37	35	28	26	25	418

## INTERIM FIGURES

EVLI ESTIMATES, EURm	2017Q1	2017Q2	2017Q3	2017Q4	2017	2018Q1	2018Q2	2018Q3E	2018Q4E	2018E	2019E	2020E
Net sales	157	196	195	249	797	174	218	207	258	856	881	914
EBITDA	-1	12	16	29	55	1	16	20	30	66	73	82
EBITDA margin (%)	-1.0	5.9	8.3	11.5	6.9	0.5	7.3	9.5	11.7	7.8	8.3	9.0
EBIT	-5	8	13	25	41	-3	12	16	26	52	58	68
EBIT margin (%)	-3.3	4.1	6.5	10.1	5.1	-1.6	5.7	7.7	10.3	6.1	6.6	7.4
Net financial items	-1	-1	-2	-2	-6	-1	-1	-1	-1	-5	-4	-3
Pre-tax profit	-6	7	11	23	35	-4	11	15	25	47	54	65
Tax	2	-1	-2	-5	-7	1	-3	-3	-5	-10	-11	-13
Tax rate (%)	26.2	16.4	21.7	20.5	19.0	19.3	23.5	20.0	20.0	20.9	20.0	20.0
Net profit	-5	6	9	19	28	-3	8	12	20	37	43	52
EPS	-0.08	0.10	0.15	0.32	0.48	-0.06	0.14	0.20	0.34	0.63	0.74	0.88
EPS adjusted (diluted no. of shares)	-0.08	0.10	0.15	0.32	0.48	-0.06	0.14	0.20	0.34	0.63	0.74	0.88
Dividend per share	0.00	0.00	0.00	0.00	0.41	0.00	0.00	0.00	0.00	0.45	0.52	0.62
<b>SALES, EURm</b>												
Group	157	196	195	249	797	174	218	207	258	856	881	914
Total	157	196	195	249	797	174	218	207	258	856	881	914
<b>SALES GROWTH, Y/Y %</b>												
Group	-1.1	1.9	4.5	4.4	2.7	10.9	11.0	6.1	3.7	7.5	2.9	3.7
Total	-1.1	1.9	4.5	4.4	2.7	10.9	11.0	6.1	3.7	7.5	2.9	3.7
<b>EBIT, EURm</b>												
Group	-5	8	13	25	41	-3	12	16	26	52	58	68
Total	-5	8	13	25	41	-3	12	16	26	52	58	68
<b>EBIT margin, %</b>												
Group	-3.3	4.1	6.5	10.1	5.1	-1.6	5.7	7.7	10.3	6.1	6.6	7.4
Total	-3.3	4.1	6.5	10.1	5.1	-1.6	5.7	7.7	10.3	6.1	6.6	7.4

INCOME STATEMENT, EURm	2013	2014	2015	2016	2017	2018E	2019E	2020E
Sales	713	734	755	776	797	856	881	914
Sales growth (%)	0.0	3.0	2.9	2.7	2.7	7.5	2.9	3.7
Costs	-656	-677	-697	-713	-742	-790	-808	-832
Reported EBITDA	57	57	58	63	55	66	73	82
Extraordinary items in EBITDA	0	0	0	0	0	0	0	0
EBITDA margin (%)	7.9	7.8	7.7	8.1	6.9	7.8	8.3	9.0
Depreciation	-13	-13	-15	-15	-14	-14	-15	-14
EBITA	44	44	44	48	41	52	58	68
Goodwill amortization / writedown	0	0	0	0	0	0	0	0
Reported EBIT	44	44	44	48	41	52	58	68
EBIT margin (%)	6.2	5.9	5.8	6.1	5.1	6.1	6.6	7.4
Net financials	-23	-22	-21	-15	-6	-5	-4	-3
Pre-tax profit	21	21	23	33	35	47	54	65
Extraordinary items	-1	-2	-5	2	-1	1	0	0
Taxes	-5	-4	-3	-7	-7	-10	-11	-13
Minority shares	0	0	0	0	0	0	0	0
Net profit	15	15	15	27	27	38	43	52
<b>BALANCE SHEET, EURm</b>								
Assets								
Fixed assets	93	93	97	95	94	93	93	92
% of sales	13	13	13	12	12	11	11	10
Goodwill	129	129	129	129	129	129	129	129
% of sales	18	18	17	17	16	15	15	14
Inventory	147	151	160	155	170	184	189	197
% of sales	21	21	21	20	21	22	22	22
Receivables	15	16	16	18	22	22	22	23
% of sales	2	2	2	2	3	3	3	3
Liquid funds	47	52	49	58	43	51	53	55
% of sales	7	7	6	7	5	6	6	6
Total assets	435	446	455	459	462	484	491	500
Liabilities								
Equity	16	33	48	167	163	177	194	215
% of sales	2	5	6	21	20	21	22	24
Deferred taxes	5	6	6	5	5	5	5	5
% of sales	1	1	1	1	1	1	1	1
Interest bearing debt	315	306	294	174	177	180	167	151
% of sales	44	42	39	22	22	21	19	16
Non-interest bearing current liabilities	83	84	91	104	107	111	115	119
% of sales	12	11	12	13	13	13	13	13
Other interest free debt	15	18	16	10	11	11	11	11
% of sales	2	2	2	1	1	1	1	1
Total liabilities	435	446	455	459	463	484	491	500
<b>CASH FLOW, EURm</b>								
+ EBITDA	57	57	58	63	55	66	73	82
- Net financial items	-23	-22	-21	-15	-6	-5	-4	-3
- Taxes	-4	-4	-3	-7	-7	-10	-11	-13
- Increase in Net Working Capital	-79	-3	-3	17	-14	-9	-3	-3
+/- Other	-1	-2	-5	2	-1	1	0	0
= Cash flow from operations	-51	26	27	59	27	43	55	63
- Capex	-235	-13	-18	-13	-13	-14	-14	-14
- Acquisitions	0	0	0	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Net cash flow	-285	13	8	46	14	29	41	49
+/- Change in interest-bearing debt	315	-9	-12	-120	3	4	-13	-16
+/- New issues/buybacks	1	1	0	91	-1	0	0	0
- Paid dividend	0	0	0	0	-30	-24	-26	-30
+/- Change in loan receivables	15	0	0	-8	-1	0	0	0
Change in cash	46	5	-3	9	-15	9	2	2

KEY FIGURES	2014	2015	2016	2017	2018E	2019E	2020E
M-cap	0	0	500	427	419	419	419
Net debt	254	245	116	134	129	114	96
Enterprise value	254	245	616	561	548	533	515
Sales	734	755	776	797	856	881	914
EBITDA	57	58	63	55	66	73	82
EBIT	44	44	48	41	52	58	68
Pre-tax	21	23	33	35	47	54	65
Earnings	17	19	26	28	37	43	52
Book value	33	48	167	163	177	194	215
<b>Valuation multiples</b>							
EV/sales	0.3	0.3	0.8	0.7	0.6	0.6	0.6
EV/EBITDA	4.4	4.2	9.8	10.2	8.2	7.3	6.3
EV/EBITA	5.8	5.6	12.9	13.8	10.5	9.1	7.6
EV/EBIT	5.8	5.6	12.9	13.8	10.5	9.1	7.6
EV/operating cash flow	5.6	5.0	8.9	17.1	11.9	9.1	7.9
EV/cash earnings	8.1	7.2	15.3	13.3	10.7	9.2	7.8
P/E	0.0	0.0	19.5	15.2	11.3	9.6	8.1
P/E excl. goodwill	0.0	0.0	19.5	15.2	11.3	9.6	8.1
P/B	0.0	0.0	3.0	2.6	2.4	2.2	1.9
P/sales	0.0	0.0	0.6	0.5	0.5	0.5	0.5
P/CF	0.0	0.0	7.2	13.0	9.1	7.2	6.4
Target EV/EBIT	0.0	0.0	0.0	0.0	12.7	11.0	9.2
Target P/E	0.0	0.0	0.0	0.0	14.3	12.2	10.2
Target P/B	0.0	0.0	0.0	0.0	3.0	2.7	2.5
<b>Per share measures</b>							
Number of shares	22,274	22,274	58,869	58,869	58,869	58,869	58,869
Number of shares (diluted)	22,274	22,274	58,869	58,869	58,869	58,869	58,869
EPS	0.78	0.87	0.44	0.48	0.63	0.74	0.88
EPS excl. goodwill	0.78	0.87	0.44	0.48	0.63	0.74	0.88
Cash EPS	1.40	1.53	0.69	0.71	0.87	0.99	1.13
Operating cash flow per share	2.05	2.21	1.18	0.56	0.78	0.99	1.11
Capital employed per share	12.87	13.14	4.80	5.04	5.19	5.23	5.28
Book value per share	1.49	2.16	2.83	2.77	3.00	3.29	3.66
Book value excl. goodwill	-4.28	-3.61	0.65	0.58	0.82	1.11	1.47
Dividend per share	0.00	0.00	0.51	0.41	0.45	0.52	0.62
Dividend payout ratio, %	0.0	0.0	116.8	86.0	71.5	70.0	70.0
Dividend yield, %	0.0	0.0	6.0	5.7	6.3	7.3	8.7
<b>Efficiency measures</b>							
ROE	69.6	47.5	23.9	17.0	21.8	23.5	25.4
ROCE	13.0	12.9	14.1	12.1	14.9	16.2	18.7
<b>Financial ratios</b>							
Capex/sales, %	1.8	2.4	1.7	1.7	1.6	1.6	1.5
Capex/depreciation excl. goodwill, %	96.9	124.1	86.0	94.4	97.2	96.2	96.8
Net debt/EBITDA, book-weighted	4.4	4.2	1.8	2.4	1.9	1.6	1.2
Debt/equity, market-weighted	0.0	0.0	0.3	0.4	0.4	0.4	0.4
Equity ratio, book-weighted	7.4	10.9	36.3	35.2	36.5	39.5	43.0
Gearing	7.63	5.10	0.70	0.82	0.73	0.59	0.44
Number of employees, average	0	0	0	0	0	0	0
Sales per employee, EUR	0	0	0	0	0	0	0
EBIT per employee, EUR	0	0	0	0	0	0	0

## COMPANY DESCRIPTION:

## INVESTMENT CASE:

OWNERSHIP STRUCTURE	SHARES	EURm	%
Takoa Invest	10,267,688	73.106	17.4%
Keskinäinen Työeläkevakuutusyhtiö Elo	4,750,000	33.820	8.1%
Keskinäinen työeläkevakuutusyhtiö Varma	4,343,252	30.924	7.4%
Sijoitusrahasto Nordea Pro Suomi	2,670,267	19.012	4.5%
OP-Suomi Arvo -sijoitusrahasto	1,870,606	13.319	3.2%
Keskinäinen Eläkevakuutusyhtiö Ilmarinen	1,388,574	9.887	2.4%
Fondita Nordic Small Cap -sijoitusrahasto	863,000	6.145	1.5%
Eläkevakuutusosakeyhtiö Veritas	810,000	5.767	1.4%
OP-Suomi Pienyhtiöt -sijoitusrahasto	802,936	5.717	1.4%
Sijoitusrahasto Nordea Nordic Small Cap	769,128	5.476	1.3%
Ten largest	28,535,451	203.172	48%
Residual	30,333,301	215.973	52%
Total	58,868,752	419.146	100%

## EARNINGS CALENDAR

October 24, 2018

Q3 report

## OTHER EVENTS

## COMPANY MISCELLANEOUS

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CFO: Markku Pirskanen

IR: Joséphine Mickwitz

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## DEFINITIONS

P/E	$\frac{\text{Price per share}}{\text{Earnings per share}}$	EPS	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes} + \text{minority interest}}{\text{Number of shares}}$
P/Sales	$\frac{\text{Market cap}}{\text{Sales}}$	DPS	Dividend for the financial period per share
P/BV	$\frac{\text{Price per share}}{\text{Shareholders' equity} + \text{taxed provisions per share}}$	CEPS	$\frac{\text{Gross cash flow from operations}}{\text{Number of shares}}$
P/CF	$\frac{\text{Price per share}}{\text{Operating cash flow per share}}$	EV/Share	$\frac{\text{Enterprise value}}{\text{Number of shares}}$
EV (Enterprise value)	Market cap + net debt + minority interest at market value – share of associated companies at market value	Sales/Share	$\frac{\text{Sales}}{\text{Number of shares}}$
Net debt	Interest bearing debt – financial assets	EBITDA/Share	$\frac{\text{Earnings before interest, tax, depreciation and amortisation}}{\text{Number of shares}}$
EV/Sales	$\frac{\text{Enterprise value}}{\text{Sales}}$	EBIT/Share	$\frac{\text{Operating profit}}{\text{Number of shares}}$
EV/EBITDA	$\frac{\text{Enterprise value}}{\text{Earnings before interest, tax, depreciation and amortisation}}$	EAFI/Share	$\frac{\text{Pretax profit}}{\text{Number of shares}}$
EV/EBIT	$\frac{\text{Enterprise value}}{\text{Operating profit}}$	Capital employed/Share	$\frac{\text{Total assets} - \text{non interest bearing debt}}{\text{Number of shares}}$
Div yield, %	$\frac{\text{Dividend per share}}{\text{Price per share}}$	Total assets	Balance sheet total
Payout ratio, %	$\frac{\text{Total dividends}}{\text{Earnings before extraordinary items and taxes} - \text{income taxes} + \text{minority interest}}$	Interest coverage (x)	$\frac{\text{Operating profit}}{\text{Financial items}}$
Net cash/Share	$\frac{\text{Financial assets} - \text{interest bearing debt}}{\text{Number of shares}}$	Asset turnover (x)	$\frac{\text{Turnover}}{\text{Balance sheet total (average)}}$
ROA, %	$\frac{\text{Operating profit} + \text{financial income} + \text{extraordinary items}}{\text{Balance sheet total} - \text{interest free short term debt} - \text{long term advances received and accounts payable (average)}}$	Debt/Equity, %	$\frac{\text{Interest bearing debt}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}$
ROCE, %	$\frac{\text{Profit before extraordinary items} + \text{interest expenses} + \text{other financial costs}}{\text{Balance sheet total} - \text{non interest bearing debt (average)}}$	Equity ratio, %	$\frac{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}{\text{Total assets} - \text{interest free loans}}$
ROE, %	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions (average)}}$	CAGR, %	Cumulative annual growth rate = Average growth per year

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<https://research.evli.com/JasperAllModels.action?authParam=key:461&authParam=x:G3rNagWrft7K&authType=3>

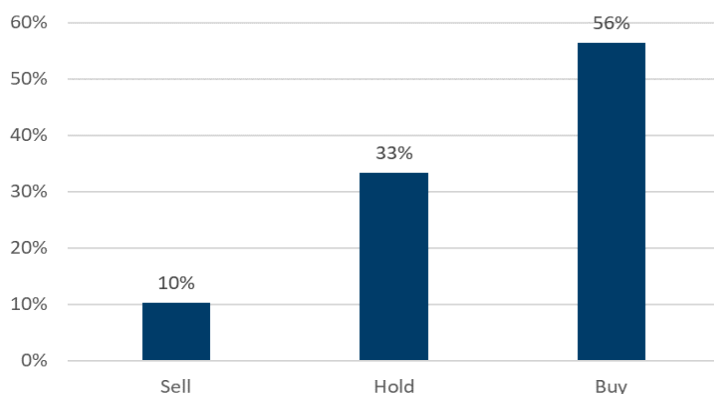
Detailed information about the valuation or methodology and the underlying assumptions is accessible via ERP:

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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): Häyhä

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