Food & Staples Retailing/Finland, January 23, 2019
Preview

Expecting growth in revenue, earnings and dividend

Tokmanni will report its seasonally strong Q4 earnings on Feb 8th. As usual LFL growth and margins are of interest. We expect revenue and earnings to grow with continued LFL growth and stable gross margin. We foresee the dividend at EUR 0.45, which corresponds to 70% EPS payout and yields 5.6%. Our rating and target price ("Buy", TP EUR 9) remain intact ahead of Q4 earnings.

Store network approaching 200 stores with acquisitions

Tokmanni acquired 4 stores in Northern Finland in December with combined revenue of some EUR 9m in 2017. The stores were transferred to Tokmanni at the beginning of 2019. These together with the earlier Ale-Makasiini acquisition (9 stores, revenue EUR 20m in 2017) put Tokmanni's store count at 190 vs. the target of about 200 stores. At the targeted opening pace of ~5 stores per year, Tokmanni is set to reach its 200 store target in the next couple of years. Growth beyond this was not addressed at the CMD in December, but plans are likely to receive increased attention going forward.

Expecting continued LFL growth and stable GM in Q4

Tokmanni's LFL growth has surprised positively in Q1–Q3 (+6%), considering the company has had zero or slightly negative LFL growth in recent years. Solid LFL growth has been supported by weak comparables, better weather, assortment improvements and somewhat more active take on campaigning. Revenue guidance was raised to reflect good LFL performance with Q3 earnings. We expect LFL growth to continue at solid 4% level in Q4, but for 2019E we maintain a more conservative 1% LFL growth assumption. We foresee the gross margin at 34.8% in Q4, which is in line with the average level of Q4s in 2015–2017.

Expecting growth in revenue, earnings and dividend

We expect Q4 revenue of EUR 267m (7.5% growth y/y, of which LFL 4.0%) and adj. EBITDA of EUR 31.0m (EUR 28.6m y/y). We expect a dividend of EUR 0.45, which corresponds to \sim 70% EPS payout and yields 5.6%. Our rating and target price ("Buy", TP EUR 9) remain intact ahead of Q4 earnings.



| closing price) | |
|-------------------------------------|-----------------------------|
| Target price, EUR | 9.0 |
| Latest change in recommendation | 18-Apr-17 |
| Latest report on company | 5-Dec-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 | 476 |
| Free float, % | 100.0 |
| Exchange rate | 1.000 |
| Reuters code | TOKMAN.HE |
| Bloomberg code | TOKMAN FH |
| Average daily volume, EURm | na. |
| Next interim report | 8-Feb-19 |
| Web site | https://yritys.tokmanni.fi/ |
| Analyst | Joonas Häyhä |
| E-mail | joonas.hayha@evli.com |

■ BUY □ HOLD ■ SELL

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| KEY FIGU | IRES | | | | | | | | | |
|-------------|---------------|--------------|-----------|--------------------|------------|------------|-----------------|-------------|----------------|------------|
| | 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 | 869 | 51 | 5.9% | 46 | 0.62 | 13.1 | 0.7 | 11.8 | 12.2 | 0.45 |
| 2019E | 921 | 58 | 6.3% | 54 | 0.74 | 11.0 | 0.7 | 8.3 | 10.5 | 0.51 |
| 2020E | 954 | 68 | 7.1% | 65 | 0.89 | 9.1 | 0.6 | 7.0 | 8.7 | 0.62 |
| Market cap | o, EURm | | 476 E | BV per share 201 | 8E, EUR | | 3.0 CAGR | EPS 2017-2 | 20, % | 22.9 |
| Net debt 2 | 018E, EURm | | 150 l | Price/book 2018l | Ē | | 2.7 CAGR | sales 2017- | 20, % | 6.2 |
| Enterprise | value, EURm | | 626 I | Dividend yield 20 |)18E, % | | 5.6 ROE 20 |)18E, % | | 21.4 |
| Total asset | s 2018E, EURn | n | 507 | Tax rate 2018E, 9 | /o | | 20.7 ROCE 2 | 2018E, % | | 14.3 |
| Goodwill 2 | .018E, EURm | | 129 l | Equity ratio 2018 | 3E, % | | 34.7 PEG, P | /E 18/CAGR | | 0.9 |

Telephone

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

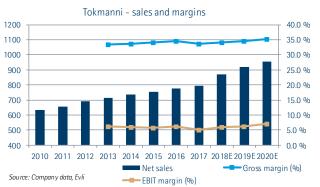
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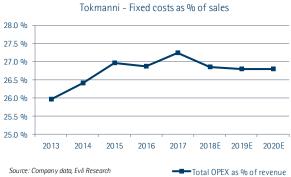
Estimates

Our estimates do not yet reflect upcoming IFRS 16 changes.

| Tokmanni | 2013 | 2014 | 2015 | 2016 | 2017 | 2018E | 2019E | 2020E |
|--|--------|--------|--------|--------|--------|--------|--------|--------|
| Key sales assumptions | | | | | | | | |
| Sales space increase, 1000m2 (organic) | 11 | 18 | 7 | 8 | 24 | 10 | 12 | 12 |
| # of stores at year-end | 145 | 149 | 156 | 162 | 175 | 186 | 191 | 196 |
| LFL growth (%) | 0.0% | -0.3% | -0.6% | -0.1% | -1.3% | 4.7% | 1.0% | 1.0% |
| Net sales | 712.8 | 734.3 | 755.3 | 775.8 | 796.5 | 869.5 | 921.1 | 954.2 |
| Growth-% | 3.3 % | 3.0 % | 2.9 % | 2.7 % | 2.7 % | 9.2 % | 5.9 % | 3.6 % |
| Materials and services (adj.) | -474.6 | -486.8 | -497.2 | -507.9 | -528.4 | -573.7 | -603.3 | -617.4 |
| Growth-% | - | 2.6 % | 2.1 % | 2.2 % | 4.0 % | 8.6 % | 5.2 % | 2.3 % |
| % of sales | 66.6 % | 66.3 % | 65.8 % | 65.5 % | 66.3 % | 66.0 % | 65.5 % | 64.7 % |
| Gross profit (adj.) | 238.2 | 247.5 | 258.1 | 267.9 | 268.1 | 295.9 | 317.8 | 336.8 |
| Gross margin (%) | 33.4 % | 33.7 % | 34.2 % | 34.5 % | 33.7 % | 34.0 % | 34.5 % | 35.3 % |
| Fixed costs (adj.) | -185.1 | -193.9 | -203.7 | -208.5 | -217.0 | -233.5 | -246.8 | -255.7 |
| Growth-% | - | 4.8 % | 5.0 % | 2.4 % | 4.1 % | 7.6 % | 5.7 % | 3.6 % |
| % of sales | 26.0 % | 26.4 % | 27.0 % | 26.9 % | 27.2 % | 26.9 % | 26.8 % | 26.8 % |
| Other income | 3.5 | 3.6 | 4.0 | 3.4 | 3.8 | 3.7 | 3.7 | 3.7 |
| 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 | -14.6 | -16.6 | -16.7 |
| EBITDA (adj.) | 56.7 | 57.1 | 58.4 | 62.8 | 54.9 | 66.1 | 74.7 | 84.9 |
| EBITDA margin (%) | 8.0 % | 7.8 % | 7.7 % | 8.1 % | 6.9 % | 7.6 % | 8.1 % | 8.9 % |
| EBIT (adj.) | 44.1 | 43.6 | 43.6 | 47.7 | 40.6 | 51.5 | 58.1 | 68.2 |
| EBIT margin (%) | 6.2 % | 5.9 % | 5.8 % | 6.1 % | 5.1 % | 5.9 % | 6.3 % | 7.1 % |
| NRIs in reported gross profit | 0.0 | 1.1 | -0.6 | 0.5 | -0.9 | 0.4 | 0.0 | 0.0 |
| NRIs in reported fixed costs | -1.1 | -1.8 | -4.0 | 1.0 | -0.8 | 0.9 | 0.0 | 0.0 |
| EBIT (reported) | 43.0 | 43.0 | 39.0 | 49.2 | 38.9 | 52.8 | 58.1 | 68.2 |
| EBIT margin (%) | 6.0 % | 5.9 % | 5.2 % | 6.3 % | 4.9 % | 6.1 % | 6.3 % | 7.1 % |
| Net financials | -23.0 | -22.2 | -20.9 | -15.3 | -5.9 | -5.7 | -4.0 | -3.0 |
| Profit before taxes (reported) | 20.1 | 20.8 | 18.1 | 33.9 | 33.0 | 47.1 | 54.1 | 65.2 |
| Taxes | -4.8 | -4.2 | -3.4 | -6.8 | -6.6 | -9.5 | -10.8 | -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 |
| Net income (reported) | 15.3 | 16.6 | 14.7 | 27.1 | 26.4 | 37.6 | 43.3 | 52.2 |
| Average number of shares (million) | 58.9 | 58.9 | 58.9 | 58.9 | 58.9 | 58.9 | 58.9 | 58.9 |
| EPS (reported) | 0.26 | 0.28 | 0.25 | 0.46 | 0.45 | 0.64 | 0.74 | 0.89 |
| Dividend and capital return | - | - | - | 0.51 | 0.41 | 0.45 | 0.51 | 0.62 |
| Payout ratio (%) | | | | 111% | 92% | 70% | 70% | 70% |
| | | | | | | | | |

Source: Tokmanni, Evli Research





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Valuation

| | MCAP | FV/FBITD/ | a ev/ebitda | FV/FBITDA | EV/EBIT | EV/EBIT | EV/EBIT | EV/FCF | EV/FCF | EV/FCF | P/E | P/E | P/E |
|--|---|-------------------|-------------------|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| TOKMANNI PEERS | local FX | 18 | 19 | 20 | 18 | 19 | 20 | 18 | 19 | 20 | 18 | 19 | 20 |
| Nordic non-grocery focused retailers Byggmax Group AB | 2117 | 8.9x | 7.4x | 6.3x | 17.6x | 12.1x | 9.6x | 21.9x | 13.9x | 12.3x | 12.8x | 9.3x | 7.7x |
| Clas Ohlson AB Class B | 4922 | 10.8x | 7.4x 7.2x | 6.5x | 15.2x | 10.5x | 9.5x | 39.8x | 14.5x | 12.3x | 13.9x | 12.5x | 11.5x |
| Europris ASA | 3951 | 7.5x | 6.7x | 6.1x | 8.7x | 9.5x | 8.7x | 18.7x | 12.1x | 10.8x | 9.8x | 9.5x | 9.0x |
| Stockmann Oyj Abp Class B | 130 | 9.0x | 9.0x | 9.0x | 24.2x | 29.6x | 28.1x | 6.7x | 54.5x | 40.7x | | 47.0 | |
| Verkkokauppa.com Oy XXL ASA | 173 3909 | 13.2x 9.9x | 9.7x 8.4x | 8.1x 7.1x | 15.0x 14.7x | 10.7x 11.7x | 9.0x 9.6x | 89.5x | 14.3x 26.2x | 11.1x 20.3x | 22.9x 15.5x | 17.8x 11.3x | 15.1x 9.2x |
| Nordic grocery focused retailers | 3303 | 3.31 | 0.41 | 7.18 | 14.78 | 11.78 | 3.00 | 65.51 | 20.28 | 20.31 | 13.38 | 11.38 | J.2X |
| Axfood AB | 33016 | 11.3x | 11.5x | 11.4x | 15.5x | 16.0x | 15.9x | 21.4x | 29.4x | 29.4x | 21.2x | 21.0x | 20.7x |
| ICA Gruppen AB | 64226 | 11.3x | 10.9x | 10.7x | 15.2x | 14.8x | 14.6x | 35.5x | 33.3x | 30.8x | 17.7x | 17.6x | 17.3x |
| Kesko Oyj Class B International discount retailers | 5090 | 9.9x | 10.2x | 9.7x | 14.2x | 14.5x | 13.8x | 18.8x | 24.2x | 21.5x | 20.9x | 19.2x | 18.3x |
| B&M European Value Retail SA | 3240 | 10.4x | 10.2x | 9.2x | 12.3x | 12.1x | 10.9x | 44.3x | 21.7x | 17.8x | 16.4x | 14.3x | 12.5x |
| Big Lots, Inc. | 1292 | 4.3x | 4.7x | 4.8x | 6.8x | 7.7x | 8.1x | 14.7x | 10.6x | 13.8x | 8.8x | 8.8x | 8.5x |
| Costco Wholesale Corporation | 93560 | 15.3x | 14.9x | 13.5x | 20.2x | 19.7x | 17.8x | 35.0x | 42.9x | 38.2x | 31.5x | 27.6x | 25.5x |
| Distribuidora Internacional de Alimentacion | 264 | 4.3x | 4.2x | 4.0x | 11.3x | 10.9x | 9.8x | 04.0 | 71.5x | 258.3x | 4.1x | 5.0x | 3.8x |
| Dollar General Corporation Dollar Tree, Inc. | 29680 22781 | 11.9x 10.2x | 11.4x 9.7x | 10.7x 8.8x | 14.4x 13.5x | 13.8x 12.8x | 12.8x 11.4x | 24.3x 20.6x | 22.8x 20.4x | 22.4x 17.6x | 18.7x 17.6x | 17.0x 16.5x | 15.5x 14.8x |
| Dollarama Inc. | 11162 | 13.4x | 13.7x | 12.7x | 14.8x | 15.3x | 14.3x | 28.6x | 22.4x | 21.0x | 20.8x | 18.4x | 16.1x |
| Don Quijote Holdings Co.,Ltd. | 982766 | 19.0x | 16.8x | 13.2x | 25.0x | 21.7x | 17.6x | | | 37.9x | 27.5x | 23.1x | 19.2x |
| Five Below, Inc. | 6812 | 24.2x | 23.5x | 19.1x | 29.6x | 28.8x | 23.4x | 127.4x | 65.6x | 50.4x | 46.2x | 38.6x | 31.3x |
| Ollie's Bargain Outlet Holdings Inc Target Corporation | 4647 36674 | 22.3x 6.9x | 21.0x 7.2x | 17.6x 7.2x | 25.4x 10.8x | 23.5x 11.3x | 19.6x 11.3x | 83.7x 22.3x | 56.3x 18.4x | 61.3x 18.4x | 40.9x 13.0x | 34.7x 12.5x | 29.2x 12.0x |
| Walmart Inc. | 283234 | 9.6x | 10.0x | 9.8x | 14.6x | 15.1x | 14.6x | 23.6x | 20.8x | 21.0x | 20.2x | 20.7x | 12.0x 19.7x |
| Nordic non-grocery peers median | 3951 | 9.4x | 7.9x | 6.8x | 15.1x | 11.2x | 9.5x | 21.9x | 14.4x | 12.3x | 13.9x | 11.3x | 9.2x |
| Nordic grocery focused retailers | | 11.3x | 10.9x | 10.7x | 15.2x | 14.8x | 14.6x | 21.4x | 29.4x | 29.4x | 20.9x | 19.2x | 18.3x |
| Discount retailers median | 16971 476 | 11.2x | 10.8x | 10.3x | 14.5x | 14.4x 10.5x | 13.5x | 26.5x | 22.4x | 21.7x | 19.5x | 17.7x | 15.8x |
| Tokmanni (Evli est.) Tokmanni premium vs. Nordic non-grocery focused | | 9.5x 0% | 8.2x 4% | 7.0x 3% | 12.2x -19% | -6% | 8.7x -9% | 51.4x 135% | 14.3x -1% | 11.3x -8% | 13.1x -6% | 11.0x -3% | 9.1x -1% |
| Tokmanni premium vs. Nordic non-grocery rocused peer | | -16% | -25% | -35% | -20% | -29% | -990 -41% | 140% | -1% -51% | -62% | -37% | -43% | -50% |
| Tokmanni premium vs. int. discount peers | | -15% | -24% | -32% | -16% | -27% | -36% | 94% | -36% | -48% | -33% | -38% | -42% |
| TOWARANKII DEEDS | T . / | | Dividend yie | | | EBIT margin | 00 | 1 | ROCE-% | 00 | | ROE-% | 00 |
| Nordic non-grocery focused retailers | Ticker | 18 | 19 | 20 | 18 | 19 | 20 | 18 | 19 | 20 | 18 | 19 | 20 |
| Byggmax Group AB | BMAX-SE | 5.4% | 6.7% | 7.1% | 3.5% | 4.7% | 5.5% | 8.9% | 12.7% | 14.4% | 12.2% | 15.9% | 18.1% |
| | CLAS.B-SE | 8.0% | 8.1% | 7.4% | 3.9% | 5.6% | 6.1% | 14.6% | 21.1% | 22.9% | 17.4% | 19.6% | 20.7% |
| Europris ASA | EPR-NO | 7.3% | 7.8% | 8.3% | 9.9% | 10.1% | 10.2% | 15.9% | 14.8% | 15.2% | 22.2% | 21.3% | 21.1% |
| Stockmann Oyj Abp Class B | STCBV-FI | 0.0% | 0.0% | 0.0% | 2.8% | 2.3% | 2.5% | 2.1% | 1.7% | 1.9% | -2.2% | -0.7% | -0.4% |
| Verkkokauppa.com Oy XXL ASA | VERK-FI XXL-NO | 5.0% 2.1% | 5.3% 3.0% | 5.8% 5.4% | 2.0% 4.0% | 2.4% 4.9% | 2.5% 5.3% | 19.4% 7.3% | 23.3% 9.0% | 23.0% 10.1% | 18.9% 6.8% | 23.3% 8.6% | 25.5% 9.8% |
| Nordic grocery focused retailers | AAL-NO | 2.1%0 | 3.0% | 3.4% | 4.0% | 4.5% | 3.3% | 7.3% | 3.0% | 10.1% | 0.0% | 0.0% | 3.0% |
| Axfood AB | AXFO-SE | 4.5% | 4.5% | 4.6% | 4.2% | 4.1% | 4.1% | 34.7% | 34.2% | 33.9% | 36.1% | 36.4% | 36.8% |
| ICA Gruppen AB | ICA-SE | 3.5% | 3.5% | 3.5% | 4.1% | 4.1% | 4.1% | 10.4% | 10.3% | 10.1% | 10.9% | 10.5% | 10.3% |
| | KESKOB-FI | 4.6% | 4.8% | 5.1% | 3.2% | 3.4% | 3.5% | 12.7% | 13.3% | 13.7% | 11.5% | 12.3% | 12.7% |
| International discount retailers B&M European Value Retail SA | BME-GB | 2.5% | 2.9% | 3.3% | 7.9% | 7.8% | 8.0% | 15.3% | 16.8% | 17.8% | 19.5% | 20.3% | 21.6% |
| Big Lots, Inc. | BIG-US | 3.7% | 4.0% | 4.4% | 3.9% | 3.8% | 3.5% | 16.5% | 14.5% | 13.0% | 22.2% | 21.0% | 18.5% |
| Costco Wholesale Corporation | COST-US | 1.0% | 1.1% | 1.3% | 3.2% | 3.1% | 3.2% | 20.8% | 20.2% | 20.3% | 23.4% | 22.9% | 21.1% |
| Distribuidora Internacional de Alimentacion | | 10.1% | 3.5% | 5.4% | 1.8% | 1.8% | 1.9% | 11.3% | 10.6% | 11.8% | 26.5% | 21.2% | 25.7% |
| Dollar General Corporation Dollar Tree, Inc. | DG-US DLTR-US | 1.0% 0.0% | 1.1% 0.0% | 1.2% 0.0% | 8.4% 8.1% | 8.4% 8.2% | 8.4% 8.4% | 20.7% 12.6% | 21.1% 12.7% | 20.7% 13.2% | 24.1% 15.5% | 23.5% 13.9% | 22.8% 13.2% |
| Dollarama Inc. | DOL-CA | 0.5% | 0.5% | 0.6% | 22.7% | 22.7% | 22.5% | 44.1% | 41.5% | 39.7% | 13.3% | 13.5% | 13.2% |
| Don Quijote Holdings Co.,Ltd. | 7532-JP | 0.5% | 0.5% | 0.6% | 5.5% | 4.7% | 4.7% | 8.2% | 7.2% | 8.4% | 12.4% | 11.6% | 12.2% |
| Five Below, Inc. | FIVE-US | 0.0% | 0.0% | 0.0% | 12.1% | 12.2% | 12.4% | 27.3% | 27.1% | 27.7% | 26.4% | 26.1% | 24.9% |
| Ollie's Bargain Outlet Holdings Inc | OLLI-US | 0.0% | 0.0% | 0.0% | 13.0% | 13.3% | 13.6% | 16.2% | 16.7% | 19.3% | 12.7% | 13.3% | 14.3% |
| Target Corporation Walmart Inc. | TGT-US WMT-US | 3.7% 2.2% | 3.9% 2.2% | 4.3% 2.4% | 5.5% 4.2% | 5.4% 4.1% | 5.3% 4.0% | 15.5% 15.4% | 15.3% 15.3% | 14.8% 15.5% | 24.3% 18.5% | 23.9% 17.7% | 25.6% 17.6% |
| Nordic non-grocery peers median | *************************************** | 5.2% | 6.0% | 6.5% | 3.7% | 4.8% | 5.4% | 11.7% | 13.7% | 14.8% | 14.8% | 17.7% | 19.4% |
| Nordic grocery focused retailers | | 4.5% | 4.5% | 4.6% | 4.1% | 4.1% | 4.1% | 12.7% | 13.3% | 13.7% | 11.5% | 12.3% | 12.7% |
| Discount retailers median | | 1.0% | 1.1% | 1.2% | 6.7% | 6.6% | 6.6% | 15.8% | 16.0% | 16.7% | 22.2% | 21.0% | 21.1% |
| Tokmanni (Evli est.) | | 5.6% | 6.4% | 7.7% | 5.9% | 6.3% | 7.1% | 14.3% | 15.2% | 17.6% | 21.4% | 23.5% | 25.6% |
| | | Cash co | nversion (FC | F/EBITDA) | | CAPEX/sales | | Ne | et debt/EBITI | DA | | Equity ratio | |
| TOKMANNI PEERS | | 18 | 19 | 20 ^ | 18 | 19 | 20 | 18 | 19 | 20 | 18 | 19 | 20 |
| Nordic non-grocery focused retailers | | 4001 | F 0.07 | E 4.01 | 001 | 001 | 001 | | 0 - | 0.6 | 070 | 0.007 | 4601 |
| Byggmax Group AB Clas Ohlson AB Class B | | 42% 27% | 53% 50% | 51% 52% | 3% 3% | 2% 3% | 2% 3% | 3.3x 0.2x | 2.5x 0.2x | 2.0x 0.1x | 37% 49% | 38% 48% | 40% 48% |
| Europris ASA | | 42% | 50% 55% | 52% 57% | 3% 2% | 3% 2% | 3% 2% | 1.7x | 0.2x 2.0x | 1.7x | 39% | 48% 36% | 48% 37% |
| Stockmann Oyj Abp Class B | | 134% | 16% | 22% | 4% | 4% | 4% | 7.2x | 7.2x | 7.2x | 47% | 47% | 46% |
| Verkkokauppa.com Oy | | -7% | 67% | 73% | 0% | 0% | 0% | -4.0x | -3.1x | -2.5x | 30% | 28% | 26% |
| XXL ASA | | 12% | 32% | 35% | 3% | 2% | 2% | 3.5x | 2.7x | 2.2x | 49% | 50% | 51% |
| Nordic grocery focused retailers Axfood AB | | 54% | 39% | 39% | 2% | 3% | 3% | -0.3x | -0.2x | 0.0x | 37% | 37% | 36% |
| ICA Gruppen AB | | 32% | 33% | 35% | 3% | 3% | 3% | 1.1x | 1.1x | 1.1x | 41% | 42% | 43% |
| Kesko Oyj Class B | | 58% | 42% | 45% | 3% | 2% | 2% | 0.2x | 0.3x | 0.3x | 49% | 49% | 49% |
| International discount retailers | | | | | | | | | | | | | 40 |
| B&M European Value Retail SA Big Lots, Inc. | | 27% | 47% | 51% 35% | 4% | 2% | 2% 40% | 1.8x | 1.3x | 1.2x | 47% 36% | 47% 35% | 48% 38% |
| Costco Wholesale Corporation | | 32% 45% | 45% 35% | 35% 35% | 4% 2% | 4% 2% | 4% 2% | 0.8x 0.1x | 0.8x -0.1x | 0.8x -0.3x | 36% 32% | 35% 35% | 38% 38% |
| Distribuidora Internacional de Alimentacion | SA | -64% | 6% | 2% | 4% | 3% | 4% | 3.5x | 3.4x | 3.3x | 7% | 7% | 8% |
| Dollar General Corporation | | 51% | 50% | 48% | 3% | 3% | 3% | 1.0x | 0.8x | 0.7x | 50% | 51% | 54% |
| Dollar Tree, Inc. | | 52% | 48% | 50% | 4% | 3% | 3% | 1.5x | 0.9x | 0.5x | 50% | 55% | 59% |
| Dollarama Inc. Don Quijote Holdings Co.,Ltd. | | 51% -94% | 61% -116% | 60% 35% | 5% 6% | 3% 3% | 3% 3% | 2.1x 3.0x | 2.0x 5.0x | 1.9x 3.8x | -16% 37% | -17% 29% | -14% 32% |
| Five Below, Inc. | | -94% 23% | 36% | 38% | 8% | 3% 7% | 5% 6% | -0.5x | -0.4x | -0.4x | 65% | 29% 64% | 32% 67% |
| Ollie's Bargain Outlet Holdings Inc | | 30% | 37% | 29% | 6% | 2% | 2% | -0.2x | -0.6x | -0.7x | 82% | 82% | 80% |
| Target Corporation | | 33% | 39% | 39% | 5% | 4% | 4% | 1.6x | 1.6x | 1.7x | 29% | 29% | 30% |
| | | 43% | 48% | 47% | 2% | 2% | 2% | 1.4x | 1.3x | 1.3x 1.8x | 35% 43% | 35% | 35% 43% |
| Walmart Inc. | | 240/ | | | | | | | | | | | |
| Nordic non-grocery peers median | | 34% 54% | 52% 39% | 52% 39% | 3% 3% | 2% 3% | 2% 3% | 2.5x 0.2x | 2.3x 0.3x | | | 43% 42% | |
| | | 34% 54% 32% | 52% 39% 42% | 52% 39% 39% | 3% 3% 4% | 3% 3% | 3% 3% | 0.2x 1.4x | 0.3x 1.1x | 0.3x 1.0x | 41% 36% | 42% 35% | 43% 38% |
| Nordic non-grocery peers median Nordic grocery focused retailers | | 54% | 39% | 39% | 3% | 3% | 3% | 0.2x | 0.3x | 0.3x | 41% | 42% | 43% |

Source: Factset, Evli Research

Food & Staples Retailing/Finland, January 23, 2019 Preview

| VALUATION RESULTS | BASE CASE DETAILS | VALUATION ASSUMPTIONS | ASSUMPTIONS FOR WAC | С |
|--------------------------|----------------------------|-------------------------|--------------------------------|------|
| Current share price | 8.08 PV of Free Cash Flow | 349 Long-term growth, % | 2.0 Risk-free interest rate, % | 2.25 |
| DCF share value | 11.44 PV of Horizon value | 487 WACC, % | 7.6 Market risk premium, % | 5.8 |
| Share price potential, % | 41.6 Unconsolidated equity | 0 Spread, % | 0.5 Debt risk premium, % | 3.3 |
| Maximum value | 12.8 Marketable securities | 52 Minimum WACC, % | 7.1 Equity beta coefficient | 0.90 |
| Minimum value | 10.3 Debt - dividend | -202 Maximum WACC, % | 8.1 Target debt ratio, % | 20 |
| Horizon value, % | 58.3 Value of stock | 678 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 | 869 | 921 | 954 | 973 | 993 | 1,013 | 1,033 | 1,054 | 1,075 | 1,096 | 1,118 |
| Sales growth, % | 2.7 | 9.1 | 6.0 | 3.6 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| Operating income (EBIT) | 41 | 51 | 58 | 68 | 73 | 74 | 76 | 77 | 68 | 70 | 71 | 73 |
| EBIT margin, % | 5.1 | 5.9 | 6.3 | 7.1 | 7.5 | 7.5 | 7.5 | 7.5 | 6.5 | 6.5 | 6.5 | 6.5 |
| + Depreciation+amort. | 14 | 15 | 17 | 17 | 16 | 16 | 16 | 17 | 17 | 17 | 18 | |
| - Income taxes | -8 | -11 | -12 | -14 | -15 | -15 | -15 | -15 | -14 | -14 | -14 | |
| - Change in NWC | -14 | -15 | -6 | -4 | -2 | -2 | -2 | -2 | -2 | -2 | -2 | |
| NWC / Sales, % | 10.3 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.1 | 11.1 | 11.1 | 11.1 | 11.1 | |
| + Change in other liabs | -1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| - Capital Expenditure | -13 | -29 | -14 | -15 | -16 | -17 | -18 | -19 | -19 | -20 | -21 | -22 |
| Investments / Sales, % | 1.7 | 3.3 | 1.6 | 1.6 | 1.6 | 1.7 | 1.7 | 1.8 | 1.8 | 1.9 | 2.0 | 2.0 |
| - Other items | -1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| = Unlevered Free CF (FCF) | 18 | 12 | 43 | 53 | 57 | 57 | 57 | 58 | 50 | 50 | 51 | 935 |
| = Discounted FCF (DFCF) | | 12 | 40 | 46 | 46 | 43 | 40 | 37 | 30 | 28 | 27 | 487 |
| | | | | | | | | | | | | |
| = DFCF min WACC | | 12 | 40 | 46 | 46 | 43 | 41 | 39 | 31 | 29 | 28 | 558 |
| = DFCF max WACC | • | 12 | 40 | 45 | 45 | 42 | 39 | 36 | 29 | 27 | 26 | 429 |

Food & Staples Retailing/Finland, January 23, 2019 Preview

INTERIM FIGURES

| EVLI ESTIMATES, EURm | 2017Q1 | 2017Q2 | 2017Q3 | 2017Q4 | 2017 | 2018Q1 | 2018Q2 | 2018Q3 | 2018Q4E | 2018E | 2019E | 2020E |
|--------------------------------------|--------|--------|--------|--------|------|--------|--------|--------|---------|-------|-------|-------|
| Net sales | 157 | 196 | 195 | 249 | 797 | 174 | 218 | 211 | 267 | 869 | 921 | 954 |
| EBITDA | -1 | 12 | 16 | 29 | 55 | 1 | 16 | 18 | 31 | 66 | 75 | 85 |
| EBITDA margin (%) | -1.0 | 5.9 | 8.3 | 11.5 | 6.9 | 0.5 | 7.3 | 8.6 | 11.6 | 7.6 | 8.1 | 8.9 |
| EBIT | -5 | 8 | 13 | 25 | 41 | -3 | 12 | 15 | 27 | 51 | 58 | 68 |
| EBIT margin (%) | -3.3 | 4.1 | 6.5 | 10.1 | 5.1 | -1.6 | 5.7 | 6.9 | 10.2 | 5.9 | 6.3 | 7.1 |
| Net financial items | -1 | -1 | -2 | -2 | -6 | -1 | -1 | -1 | -1 | -6 | -4 | -3 |
| Pre-tax profit | -6 | 7 | 11 | 23 | 35 | -4 | 11 | 13 | 26 | 46 | 54 | 65 |
| Tax | 2 | -1 | -2 | -5 | -7 | 1 | -3 | -2 | -5 | -9 | -11 | -13 |
| Tax rate (%) | 26.2 | 16.4 | 21.7 | 20.5 | 19.0 | 19.3 | 23.5 | 19.1 | 20.0 | 20.7 | 20.0 | 20.0 |
| Net profit | -5 | 6 | 9 | 19 | 28 | -3 | 8 | 11 | 21 | 36 | 43 | 52 |
| EPS | -0.08 | 0.10 | 0.15 | 0.32 | 0.48 | -0.06 | 0.14 | 0.18 | 0.35 | 0.62 | 0.74 | 0.89 |
| EPS adjusted (diluted no. of shares) | -0.08 | 0.10 | 0.15 | 0.32 | 0.48 | -0.06 | 0.14 | 0.18 | 0.35 | 0.62 | 0.74 | 0.89 |
| Dividend per share | 0.00 | 0.00 | 0.00 | 0.00 | 0.41 | 0.00 | 0.00 | 0.00 | 0.00 | 0.45 | 0.51 | 0.62 |
| SALES, EURm | | | | | | | | | | | | |
| Group | 157 | 196 | 195 | 249 | 797 | 174 | 218 | 211 | 267 | 869 | 921 | 954 |
| Total | 157 | 196 | 195 | 249 | 797 | 174 | 218 | 211 | 267 | 869 | 921 | 954 |
| SALES GROWTH, Y/Y % | | | | | | | | | | | | |
| Group | -1.1 | 1.9 | 4.5 | 4.4 | 2.7 | 10.9 | 11.0 | 7.8 | 7.5 | 9.1 | 6.0 | 3.6 |
| Total | -1.1 | 1.9 | 4.5 | 4.4 | 2.7 | 10.9 | 11.0 | 7.8 | 7.5 | 9.1 | 6.0 | 3.6 |
| EBIT, EURm | | | | | | | | | | | | |
| Group | -5 | 8 | 13 | 25 | 41 | -3 | 12 | 15 | 27 | 51 | 58 | 68 |
| Total | -5 | 8 | 13 | 25 | 41 | -3 | 12 | 15 | 27 | 51 | 58 | 68 |
| EBIT margin, % | | | | | | | | | | | | |
| Group | -3.3 | 4.1 | 6.5 | 10.1 | 5.1 | -1.6 | 5.7 | 6.9 | 10.2 | 5.9 | 6.3 | 7.1 |
| Total | -3.3 | 4.1 | 6.5 | 10.1 | 5.1 | -1.6 | 5.7 | 6.9 | 10.2 | 5.9 | 6.3 | 7.1 |

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| INCOME STATEMENT, EURm | 2013 | 2014 | 2015 | 2016 | 2017 | 2018E | 2019E | 2020E |
|--|-------------|--------|------|--------------|-----------|---------|----------|----------|
| Sales | 713 | 734 | 755 | 776 | 797 | 869 | 921 | 954 |
| Sales growth (%) | 0.0 | 3.0 | 2.9 | 2.7 | 2.7 | 9.1 | 6.0 | 3.6 |
| Costs | -656 | -677 | -697 | -713 | -742 | -803 | -846 | -869 |
| Reported EBITDA | 57 | 57 | 58 | 63 | 55 | 66 | 75 | 85 |
| Extraordinary items in EBITDA | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| EBITDA margin (%) | 7.9 | 7.8 | 7.7 | 8.1 | 6.9 | 7.6 | 8.1 | 8.9 |
| Depreciation | -13 | -13 | -15 | -15 | -14 | -15 | -17 | -17 |
| EBITA | 44 | 44 | 44 | 48 | 41 | 51 | 58 | 68 |
| Goodwill amortization / writedown | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Reported EBIT | 44 | 44 | 44 | 48 | 41 | 51 | 58 | 68 |
| EBIT margin (%) | 6.2 | 5.9 | 5.8 | 6.1 | 5.1 | 5.9 | 6.3 | 7.1 |
| Net financials | -23 | -22 | -21 | -15 | -6 | -6 | -4 | -3 |
| Pre-tax profit | 21 | 21 | 23 | 33 | 35 | 46 | 54 | 65 |
| Extraordinary items | -1 | -2 | -5 | 2 | -1 | 1 | 0 | 0 |
| Taxes | -5 | -4 | -3 | -7 | -7 | -9 | -11 | -13 |
| Minority shares | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net profit | 15 | 15 | 15 | 27 | 27 | 37 | 43 | 52 |
| BALANCE SHEET, EURm | | | | _ | | | | |
| Assets | | | | | | | | |
| Fixed assets | 93 | 93 | 97 | 95 | 94 | 108 | 106 | 104 |
| % of sales | 13 | 13 | 13 | 12 | 12 | 12 | 12 | 11 |
| Goodwill | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 |
| | | | | | | | | |
| % of sales | 18 | 18 | 17 | 17 | 16 | 15 | 14 | 13 |
| Inventory | 147 | 151 | 160 | 155 | 170 | 191 | 203 | 210 |
| % of sales | 21 | 21 | 21 | 20 | 21 | 22 | 22 | 22 |
| Receivables | 15 | 16 | 16 | 18 | 22 | 22 | 23 | 24 |
| % of sales | 2 | 2 | 2 | 2 | 3 | 3 | 3 | 2 |
| Liquid funds | 47 | 52 | 49 | 58 | 43 | 52 | 55 | 57 |
| % of sales | 7 | 7 | 6 | 7 | 5 | 6 | 6 | 6 |
| Total assets Liabilities | 435 | 446 | 455 | 459 | 462 | 507 | 521 | 529 |
| Equity | 16 | 33 | 48 | 167 | 163 | 176 | 193 | 215 |
| % of sales | 2 | 5 | 6 | 21 | 20 | 20 | 21 | 23 |
| 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 | 202 | 192 | 175 |
| % of sales | 44 | 42 | 39 | 22 | 22 | 23 | 21 | 18 |
| Non-interest bearing current liabilities | 83 | 84 | 91 | 104 | 107 | 113 | 120 | 124 |
| % 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 | 507 | 521 | 529 |
| CASH FLOW, EURm | | | | | | | | |
| + EBITDA | 57 | 57 | 58 | 63 | 55 | 66 | 75 | 85 |
| - Net financial items | -23 | -22 | -21 | -15 | -6 | -6 | -4 | -3 |
| - Taxes | -4 | -4 | -3 | -7 | -7 | -9 | -11 | -13 |
| - Increase in Net Working Capital | -79 | -3 | -3 | , 17 | -14 | -15 | -6 | -4 |
| +/- Other | -1 | -2 | -5 | 2 | -1 | 1 | 0 | 0 |
| = Cash flow from operations | -51 | 26 | 27 | 59 | 27 | 37 | 54 | 65 |
| - Capex | -235 | -13 | -18 | -13 | -13 | -14 | -14 | -15 |
| - Acquisitions | -255 | 0 | 0 | 0 | -13 | -15 | 0 | 0 |
| + Divestments | 0 | 0 | 0 | 0 | 0 | -13 | 0 | 0 |
| = Net cash flow | -285 | 13 | 8 | 46 | 14 | 8 | 40 | 50 |
| +/- Change in interest-bearing debt | -285 315 | -9 | -12 | -120 | 3 | 8 26 | -10 | -18 |
| +/- Change in interest-bearing debt +/- New issues/buybacks | | | | -120 91 | -1 | 0 | -10 | |
| +/- New Issues/ouybacks - Paid dividend | 1 0 | 1 0 | 0 | 91 | -1 -30 | -24 | -26 | 0 -30 |
| +/- Change in loan receivables | | | 0 | | -30 -1 | | -26 0 | |
| | 15 | 0 | | -8 | | 0 | | 0 |
| Change in cash | 46 | 5 | -3 | 9 | -15 | 9 | 3 | 2 |

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| KEY FIGURES | 2014 | 2015 | 2016 | 2017 | 2018E | 2019E | 2020E |
|---|---------------|---------------|--------|--------------|--------|--------|--------------|
| M-cap | 0 | 0 | 500 | 427 | 476 | 476 | 476 |
| Net debt | 254 | 245 | 116 | 134 | 150 | 137 | 117 |
| Enterprise value | 254 | 245 | 616 | 561 | 626 | 613 | 593 |
| Sales | 734 | 755 | 776 | 797 | 869 | 921 | 954 |
| EBITDA | 57 | 58 | 63 | 55 | 66 | 75 | 85 |
| EBIT | 44 | 44 | 48 | 41 | 51 | 58 | 68 |
| Pre-tax | 21 | 23 | 33 | 35 | 46 | 54 | 65 |
| Earnings | 17 | 19 | 26 | 28 | 36 | 43 | 52 |
| Book value | 33 | 48 | 167 | 163 | 176 | 193 | 215 |
| Valuation multiples | | | | | | | |
| EV/sales | 0.3 | 0.3 | 0.8 | 0.7 | 0.7 | 0.7 | 0.6 |
| EV/EBITDA | 4.4 | 4.2 | 9.8 | 10.2 | 9.5 | 8.2 | 7.0 |
| EV/EBITA | 5.8 | 5.6 | 12.9 | 13.8 | 12.2 | 10.5 | 8.7 |
| EV/EBIT | 5.8 | 5.6 | 12.9 | 13.8 | 12.2 | 10.5 | 8.7 |
| EV/operating cash flow | 5.6 | 5.0 | 8.9 | 17.1 | 15.6 | 10.7 | 8.8 |
| EV/cash earnings | 8.1 | 7.2 | 15.3 | 13.3 | 12.3 | 10.2 | 8.6 |
| P/E | 0.0 | 0.0 | 19.5 | 15.2 | 13.1 | 11.0 | 9.1 |
| P/E excl. goodwill | 0.0 | 0.0 | 19.5 | 15.2 | 13.1 | 11.0 | 9.1 |
| P/B | 0.0 | 0.0 | 3.0 | 2.6 | 2.7 | 2.5 | 2.2 |
| 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 | 11.8 | 8.3 | 7.0 |
| Target EV/EBIT | 0.0 | 0.0 | 0.0 | 0.0 | 13.2 | 11.5 | 9.5 |
| Target P/E | 0.0 | 0.0 | 0.0 | 0.0 | 14.6 | 12.2 | 10.2 |
| Target P/B | 0.0 | 0.0 | 0.0 | 0.0 | 3.0 | 2.7 | 2.5 |
| Per share measures | 0.0 | 0.0 | 0.0 | 0.0 | 3.0 | 2.7 | 2.0 |
| 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 | 0.62 | 0.74 | 0.89 |
| EPS excl. goodwill | 0.78 | 0.87 | 0.44 | 0.48 | 0.62 | 0.74 | 0.89 |
| Cash EPS | 1.40 | 1.53 | 0.44 | 0.46 | 0.87 | 1.02 | 1.17 |
| Operating cash flow per share | 2.05 | 2.21 | 1.18 | 0.71 | 0.67 | 0.97 | 1.17 |
| | | | | | | | |
| Capital employed per share | 12.87 1.49 | 13.14 2.16 | 4.80 | 5.04 2.77 | 5.54 | 5.60 | 5.64 3.65 |
| Book value per share | | | 2.83 | | 2.99 | 3.28 | |
| Book value excl. goodwill | -4.28 | -3.61 | 0.65 | 0.58 | 0.81 | 1.09 | 1.46 |
| Dividend per share | 0.00 | 0.00 | 0.51 | 0.41 | 0.45 | 0.51 | 0.62 |
| Dividend payout ratio, % | 0.0 | 0.0 | 116.8 | 86.0 | 72.9 | 70.0 | 70.0 |
| Dividend yield, % | 0.0 | 0.0 | 6.0 | 5.7 | 5.6 | 6.4 | 7.7 |
| Efficiency measures | | | | | | | |
| ROE | 69.6 | 47.5 | 23.9 | 17.0 | 21.4 | 23.5 | 25.6 |
| ROCE | 13.0 | 12.9 | 14.1 | 12.1 | 14.3 | 15.2 | 17.6 |
| Financial ratios | | | | | | | |
| Capex/sales, % | 1.8 | 2.4 | 1.7 | 1.7 | 3.3 | 1.6 | 1.6 |
| Capex/depreciation excl. goodwill,% | 96.9 | 124.1 | 86.0 | 94.4 | 198.6 | 87.4 | 90.1 |
| Net debt/EBITDA, book-weighted | 4.4 | 4.2 | 1.8 | 2.4 | 2.3 | 1.8 | 1.4 |
| 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 | 34.7 | 37.0 | 40.6 |
| Gearing | 7.63 | 5.10 | 0.70 | 0.82 | 0.85 | 0.71 | 0.55 |
| | ^ | 0 | 0 | 0 | 0 | 0 | 0 |
| Number of employees, average | 0 | | | | | | |
| Sales per employees, EUR EBIT per employee, EUR | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

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| COMPANY DESCRIPTION: | |
|----------------------|--|
| COMPANT BESCHILLION. | |

INVESTMENT CASE:

| OWNERSHIP STRUCTURE | SHARES | EURm | 0/0 |
|---|------------|---------|-------|
| Takoa Invest | 10,267,688 | 82.963 | 17.4% |
| Keskinäinen Työeläkevakuutusyhtiö Elo | 4,750,000 | 38.380 | 8.1% |
| Keskinäinen työeläkevakuutusyhtiö Varma | 4,343,252 | 35.093 | 7.4% |
| Sijoitusrahasto Nordea Pro Suomi | 2,670,267 | 21.576 | 4.5% |
| OP-Suomi Arvo -sijoitusrahasto | 1,870,606 | 15.114 | 3.2% |
| Keskinäinen Eläkevakuutusyhtiö Ilmarinen | 1,388,574 | 11.220 | 2.4% |
| Fondita Nordic Small Cap -sijoitusrahasto | 863,000 | 6.973 | 1.5% |
| Eläkevakuutusosakeyhtiö Veritas | 810,000 | 6.545 | 1.4% |
| OP-Suomi Pienyhtiöt -sijoitusrahasto | 802,936 | 6.488 | 1.4% |
| Sijoitusrahasto Nordea Nordic Small Cap | 769,128 | 6.215 | 1.3% |
| Ten largest | 28,535,451 | 230.566 | 48% |
| Residual | 30,333,301 | 245.093 | 52% |
| Total | 58,868,752 | 475.660 | 100% |

| FARNINGS | CALENDAR |
|-----------------|-----------|
| LAMMINOS | CALLINDAN |

OTHER EVENTS

COMPANY MISCELLANEOUS

CEO: Mika Rautiainen

CFO: Markku Pirskanen Tel: +358 300 472 220

IR: Maarit Mikkonen

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DEFINITIONS

| P/E | EPS | | |
|--|---|--|--|
| Price per share | Profit before extraordinary items and taxes – income taxes + minority interest | | |
| Earnings per share | | | |
| Lamings per snare | <u> </u> | | |
| | Number of shares | | |
| P/Sales | DPS | | |
| Market cap | Dividend for the financial period per share | | |
| Sales | Dividend for the financial period per share | | |
| Saics | | | |
| P/BV | CEPS | | |
| Price per share | Gross cash flow from operations | | |
| Shareholders' equity + taxed provisions per share | Number of shares | | |
| | | | |
| P/CF | EV/Share | | |
| Price per share | Enterprise value | | |
| Operating cash flow per share | Number of shares | | |
| | | | |
| EV (Enterprise value) | Sales/Share | | |
| Market cap + net debt + minority interest at market value | Sales | | |
| – share of associated companies at market value | Number of shares | | |
| | | | |
| Net debt | EBITDA/Share | | |
| Interest bearing debt – financial assets | Earnings before interest, tax, depreciation and amortisation | | |
| | Number of shares | | |
| The state of the s | | | |
| EV/Sales | EBIT/Share | | |
| Enterprise value | Operating profit | | |
| Sales | Number of shares | | |
| EV/EBITDA | EAFI/Share | | |
| Enterprise value | Pretax profit | | |
| Earnings before interest, tax, depreciation and amortisation | Number of shares | | |
| 3 | | | |
| EV/EBIT | Capital employed/Share | | |
| Enterprise value | Total assets – non interest bearing debt | | |
| Operating profit | Number of shares | | |
| | | | |
| Div yield, % | Total assets | | |
| <u>Dividend</u> per share | Balance sheet total | | |
| Price per share | | | |
| Paraut watio 06 | Interest accorded (v) | | |
| Payout ratio, % Total dividends | Interest coverage (x) Operating profit | | |
| Earnings before extraordinary items and taxes – income taxes + minority interest | Operating profit Financial items | | |
| Lannings octore extraordinary items and taxes — income taxes + minority interest | i inanciai (terns | | |
| Net cash/Share | Asset turnover (x) | | |
| Financial assets — interest bearing debt | Turnover | | |
| Number of shares | Balance sheet total (average) | | |
| | | | |
| ROA, % | Debt/Equity, % | | |
| Operating profit + financial income + extraordinary items | Interest bearing debt | | |
| Balance sheet total — interest free short term debt | Shareholders' equity + minority interest + taxed provisions | | |
| long term advances received and accounts payable (average) | | | |
| | | | |
| ROCE, % | Equity ratio, % | | |
| Profit before extraordinary items + interest expenses + other financial costs | Shareholders' equity + minority interest + taxed provisions | | |
| | Total assets – interest free loans | | |
| Balance sheet total — non interest bearing debt (average) | | | |
| | | | |
| ROE, % Profit before extraordinary items and taxes – income taxes | CAGR, % Cumulative annual growth rate = Average growth per year | | |

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Important Disclosures

Evli Research Partners Plc ("ERP") uses 12-month target prices. Target prices are defined by utilizing analytical techniques based on financial theory including (but not limited to) discounted cash flow analysis and comparative valuation. The selection of valuation methods depends on different circumstances. Target prices may be altered on the basis of new information coming to light in the underlying company or changes in interest rates, changes in foreign exchange rates, other securities prices or market indices or outlook for the aforementioned factors or other factors that may change the conditions of financial markets. Recommendations and changes by analysts are available at

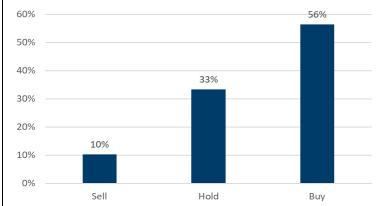
https://research.evli.com/JasperAllModels.action?authParam=key;461&tauthParam=x;G3rNagWrtf7K&tauthType=3
Detailed information about the valuation or methodology and the underlying assumptions is accessible via ERP: http://research.evli.com

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 in general updated 2 – 4 per year.



The graph above shows the distribution of ERP's recommendations of companies under coverage in 16th of April 2018. If recommendation is not given, it is not mentioned here.

Name(s) of the analyst(s): Häyhä

This research report has been prepared by Evli Research Partners Plc ("ERP" or "Evli Research"). ERP is a subsidiary of Evli Bank Plc. Production of the investment recommendation has been concluded on [23.1.2019, 8:00]. This report has been published on [23.1.2019, 9:05].

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