

Q1 result slightly above estimates

Tokmanni's Q1 revenue increased by 5.8% (LFL growth of 4.4%) and was EUR 199.0m vs. EUR 196.6m/193.5m Evli/consensus. Tokmanni's adj. EBIT was EUR 0.3m vs. EUR -2.2m/-1.4m Evli/cons. Adj. gross margin was 32.1% vs. 31.4% Evli. The company did not provide a guidance for 20E, due to the coronavirus situation.

- Q1 revenue grew by 5.8% and was EUR 199.0m vs. EUR 196.6m/193.5m Evli/consensus. The leap day had a positive impact on sales. The restrictions caused by the coronavirus reduced customer flows towards the end of the quarter.
- Q1 adj. gross profit was EUR 63.8m (32.1% margin) vs. EUR 61.7m (31.4%) Evli expectation.
- Q1 adj. EBITDA was EUR 16.3m vs EUR 13.6m/14.5m Evli/consensus.
- Q1 adj. EBIT was EUR 0.3m (0.1% margin) vs. EUR -2.2m (-1.1%) our expectation and EUR -1.4m (-0.7%) consensus.
- Q1 eps was EUR -0.04 vs EUR -0.07/-0.06 Evli/consensus
- Guidance for 20E was not given at this point due to the coronavirus crisis.

Rating

 **BUY**

Tokmanni				
Q1'20	Actual	Evli	Cons.*	Year ago
Net sales	199.0	196.6	193.5	188.1
Gross profit (adj.)	63.8	61.7	na.	58.6
Gross margin (adj.)	32.1 %	31.4 %	na.	31.2 %
EBIT (adj.)	0.3	-2.2	-1.4	-2.2
EBIT margin (adj.)	0.1 %	-1.1 %	-0.7 %	-1.2 %
EPS	-0.04	-0.07	-0.06	-0.07

*Source: Factset (5-6 est. avg.)

Share price, EUR (Last trading day's closing price) 10.52

Target price, EUR 12.5

Latest change in rating 31-Oct-19

Latest report on company 27-Mar-20

Research paid by issuer: YES

No. of shares outstanding, '000's 58,863

No. of shares fully diluted, '000's 58,863

Market cap, EURm 619

Free float, % 78.8

Exchange rate 1.000

Reuters code TOKMAN.HE

Bloomberg code TOKMAN FH

Average daily volume, EURm na.

Next interim report 29-Apr-20

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 BUY  HOLD  SELL

PRE-REPORT 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	870.4	52.0	6.0%	10.1	0.56	12.9	0.9	15.4	2.4	0.50
2019	944.3	70.4	7.5%	28.3	0.82	15.4	1.2	16.0	3.8	0.62
2020E	918.5	55.3	6.0%	49.7	0.60	17.6	1.1	17.8	8.0	0.42
2021E	1,021.2	86.4	8.5%	45.8	1.02	10.4	0.9	11.2	7.4	0.71
2022E	1,058.6	91.9	8.7%	59.7	1.08	9.7	0.9	10.3	9.6	0.76
Market cap, EURm	619		BV per share 2020E, EUR		200.2		CAGR EPS 2019-22, %		9.8	
Net debt 2020E, EURm	367		Price/book 2020E		3.4		CAGR sales 2019-22, %		3.9	
Enterprise value, EURm	986		Dividend yield 2020E, %		4.0		ROE 2020E, %		19.1	
Total assets 2020E, EURm	726		Tax rate 2020E, %		19.7		ROCE 2020E, %		9.4	
Goodwill 2020E, EURm	135		Equity ratio 2020E, %		25.3		PEG, P/E 20/CAGR		0.7	

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

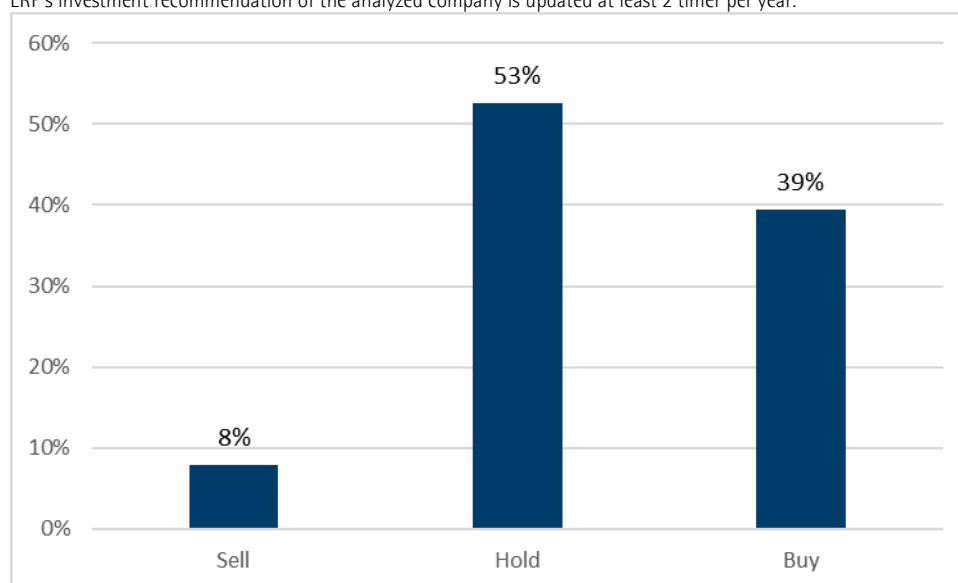
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Investment recommendations are defined as follows:

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

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