# EVLI

TOKMANNI

Food & Staples Retailing/Finland, February 10, 2020 Company update

### Towards EUR 1bn of sales

Tokmanni's Q4 result was in line with expectations and the company executed well its strategy to improve profitability. We expect further improvement in profitability, driven by gross margin increase. We expect Tokmanni to reach EUR 1bn (6.2% y/y) of sales in 20E and adj. EBIT increase of ~17% y/y (EUR 82m). We keep our rating "BUY" with TP of EUR 16 intact.

#### Good performance continued

Tokmanni's Q4 result was broadly in line with expectations with revenue of EUR 284.8 (+6.1% y/y) vs. our EUR 287.7m (cons. 287.0m). Revenue was driven by successful campaigns whereas the timing of tax refunds, late winter in certain areas and the postal strike weighed down sales. Gross margin increased to 35.2% (Q4'18:34.4%) vs. our 35.5%, reflecting the increase in direct import (28.6% vs 26.4% of total sales in Q4'18). Costs were well controlled and the decreased relative share of operating expenses (18.9% vs. 19.8% in Q4'18) impacted positively on adj. EBIT, which improved by ~26.5% y/y to EUR 32.0m vs. our EUR 32.7m (cons. 31.8m). Proposed '19 dividend is EUR 0.62 (EUR 0.62/0.60 Evli/cons).

#### Expecting profitability to further improve and sales of EUR 1bn

Tokmanni successfully executed its strategy to improve profitability in '19 as adj. EBIT margin rose from 6.0% (2018) to 7.5%. In our view, there is still potential for further profitability improvement, especially through gross margin improvement. The company targets to increase its adj. EBIT margin gradually to ~9% and indicated that gross margin improvement potential is some 0.5-1.5% while the operating expenses improvement potential is ~0.5-1.0%. We expect gross margin (34.4% in '19) to improve to 34.8% in '20E and to 35.1% in '21E, boosted by increased share of direct import (and own products). We expect the relative share of operating expenses to decrease by 30-40bps in '20E-21E, driven by more efficient supply chain. Tokmanni targets to reach revenue of EUR 1bn (timeline not specified) which we expect to be reached during 20E, as increased customer flows and new store openings are boosting revenue growth. We expect LFL sales growth of 2.0% and 1.7% in 20E-21E.

#### "BUY" with TP of EUR 16 intact

Tokmanni expects good revenue growth in '20E and slight growth in LFL sales. The adj. EBIT margin is expected to increase from the previous year. We have slightly increased our estimates and expect 20E sales of EUR 1bn (6.2% y/y) and adj. EBIT of EUR 82.1 (~17% y/y), resulting in adj. EBIT margin of 8.2%. On our estimates, Tokmanni trades at 20E-21E EV/EBIT multiple of 14.6x and 13.7x which is on par with its Nordic non-grocery peers and 25-27% discount compared to the international peer group. We keep our rating "BUY" with TP of EUR 16.

#### Rating BUY 16 14 12 Price/EUR 10 8 6 4 2 0 04/16 04/17 04/18 04/19 DJ STOXX 600 Tokmanni

Share price, EUR (Last trading day's closing price)	13.66
Target price, EUR	16.0
Latest change in rating	31-Oct-19
Latest report on company	31-Jan-20
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	804
Free float, %	100.0
Exchange rate	1.000
Reuters code	TOKMAN.HE
Bloomberg code	TOKMAN FH
Average daily volume, EURm	na.
Next interim report	29-Apr-20
Web site	ir.tokmanni.fi/en/investors
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🖪 BUY 🖸 HOLD 🗖 SELL

KEY FIGU	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	52.3	6.0%	10.1	0.56	12.8	0.9	15.3	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	1,003.0	82.1	8.2%	22.7	0.96	14.2	1.2	14.6	2.8	0.67		
2021E	1,040.6	89.6	8.6%	14.1	1.06	12.9	1.2	13.7	1.7	0.74		
2022E	1,078.8	95.0	8.8%	21.0	1.12	12.1	1.2	13.1	2.6	0.79		
Market cap	p, EURm		804 G	earing 2020E,	%		192.4 CAGR	EPS 2019-2	2,%	11.2		
Net debt 2	020E, EURm		394 P	rice/book 2020	θE		3.9 CAGR	sales 2019-	22, %	4.5		
Enterprise value, EURm 1,1			1,198 D	ividend yield 2	020E, %		4.9 ROE 2	020E, %		29.1		
Total asset	otal assets 2020E, EURm 799		799 T	ax rate 2020E,	rate 2020E, % 19.7 ROCE 2020E, %					13.2		
Goodwill 2020E, EURm			135 E	quity ratio 202	0E, %		25.6 PEG, F	P/E 20/CAGR		-28.7		

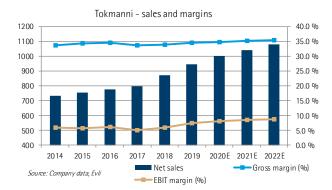
## TOKMANNI

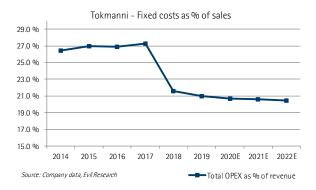
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#### Estimates

Tokmanni	2013	2014	2015	2016	2017	2018	2019	2020E	2021E	2022E
Net sales	712.8	734.3	755.3	775.8	796.5	870.5	944.3	1003.0	1040.6	1078.8
Growth-%	3.3 %	3.0 %	<i>2.9 %</i>	2.7 %	2.7 %	<i>9.3 %</i>	8.5 %	6.2 %	3.8 %	3.7 %
Materials and services (adj.)	-474.6	-486.8	-497.2	-507.9	-528.4	-575.2	-619.1	-654.0	-675.4	-697.5
Growth-%	-	2.6 %	2.1 %	2.2 %	4.0 %	8.9 %	7.6 %	5.6 %	3.3 %	3.3 %
% of sales	66.6 %	66.3 %	65.8 %	65.5 %	66.3 %	66.1 %	65.6 %	65.2 %	64.9 %	64.7 %
Gross profit (adj.)	238.2	247.5	258.1	267.9	268.1	295.0	325.2	349.0	365.2	381.3
Gross margin (%)	33.4 %	33.7 %	34.2 %	34.5 %	33.7 %	33.9 %	34.4 %	34.8 %	35.1 %	35.3 %
Fixed costs (adj.)	-185.1	-193.9	-203.7	-208.5	-217.0	-189.5	-197.9	-207.5	-214.3	-221.0
Growth-%	-105.1	-193.9 4.8 %	-203.7 5.0 %	-200.5	4.1 %	-12.7 %	-137.5 4.4 %	-207.3 4.8 %	-214.3 3.3 %	-221.0
% of sales	- 26.0 %	4.8 % 26.4 %	27.0 %	2.4 % 26.9 %	4.1 % 27.2 %	-12.7 %) 21.8 %	4.4 % 21.0 %	4.8 % 20.7 %	20.6 %	20.5 %
Other income	3.5	3.6	4.0	3.4	3.8	4.1	4.3	4.3	4.3	4.3
Share of profits in associated comp.	0.0	0.0	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	-57.5	-61.2	-63.7	-65.6	-69.6
EBITDA (adj.)	56.7	57.1	58.4	62.8	54.9	109.5	131.6	145.8	155.2	164.6
EBITDA margin (%)	8.0 %	7.8 %	7.7 %	8.1 %	6.9 %	12.6 %	13.9 %	14.5 %	14.9 %	15.3 %
EBIT (adj.)	44.1	43.6	43.6	47.7	40.6	52.0	70.4	82.1	89.6	95.0
EBIT margin (%)	6.2 %	5.9 %	5.8 %	6.1 %	5.1 %	6.0 %	7.5 %	8.2 %	8.6 %	8.8 %
NRIs in reported gross profit	0.0	1.1	-0.6	0.5	-0.9	0.2	-0.1	0.0	0.0	0.0
NRIs in reported fixed costs	-1.1	-1.8	-4.0	1.0	-0.8	1.4	-1.0	0.0	0.0	0.0
EBIT (reported)	43.0	43.0	39.0	49.2	38.9	53.6	69.4	82.1	89.6	95.0
EBIT margin (%)	6.0 %	<b>5.9</b> %	5.2 %	6.3 %	4.9 %	6.2 %	7.3 %	8.2 %	8.6 %	8.8 %
Net financials	-23.0	-22.2	-20.9	-15.3	-5.9	-10.5	-10.4	-11.6	-11.6	-12.2
Profit before taxes (reported)	20.1	20.8	18.1	33.9	33.0	43.1	59.0	70.5	78.0	82.8
Taxes	-4.8	-4.2	-3.4	-6.8	-6.6	-8.9	-11.8	-14.1	-15.6	-16.6
Tax rate (%)	23.9 %	20.1 %	18.8 %	20.1 %	20.0 %	20.7 %	20.0 %	20.0 %	20.0 %	20.0 %
Minorities	0.0	0.0	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	34.1	47.2	56.4	62.4	66.2
Average number of shares (million)	58.9	58.9	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	0.58	0.80	0.96	1.06	1.12
Dividend and capital return	-	-	-	0.51	0.41	0.50	0.62	0.67	0.74	0.79
Payout ratio (%)				111 %	<i>92 %</i>	<i>86 %</i>	77 %	70 %	<i>70 %</i>	70 %

Source: Tokmanni, Evli Research





## TOKMANNI

### Food & Staples Retailing/Finland, February 10, 2020 Company update

#### Valuation

	MCAP	EV/EBITD/	a ev/ebitda	ev/ebitda	EV/EBIT	EV/EBIT	EV/EBIT	EV/FCF	EV/FCF	EV/FCF	P/E	P/E	P/E
TOKMANNI PEERS	local FX	19	20	21	19	20	21	19	20	21	19	20	21
Nordic non-grocery focused retailers Byggmax Group AB	1734	6.1x	5.7x	5.3x	18.4x	16.6x	15.1x		11.8x	10.8x	9.6x	8.8x	8.4x
Clas Ohlson AB Class B	6651	7.4x	6.4x	6.2x	14.5x	12.5x	12.1x	18.2x	13.0x	13.6x	14.1x	13.4x	13.4x
Europris ASA Stockmann Ovi Abn Class B	5565 180	7.6x 12.0x	6.6x 10.3x	6.0x 9.6x	14.5x 61.2x	11.7x 39.7x	10.5x 31.2x	13.5x	14.0x	11.8x	14.4x	12.2x	11.2x
Stockmann Oyj Abp Class B Verkkokauppa.com Oy	184	7.7x	8.5x	9.6x 7.8x	10.8x	11.6x	10.2x	11.5x	13.0x	11.4x	21.3x	19.0x	17.2x
XXL ASA	1600	13.4x	5.5x	4.6x		28.9x	19.0x	6.6x	16.4x	9.4x		32.4x	12.6x
Nordic grocery focused retailers	40955	11.1.	10.0%	0.0%	21.64	10.7%	10.7%	26.1x	17.0%	22.04	24.0%	22.0%	22.4
Axfood AB ICA Gruppen AB	40855 81304	11.1x 10.6x	10.0x 9.7x	9.9x 9.5x	21.6x 20.7x	19.7x 19.1x	19.7x 18.8x	26.1x 21.4x	17.9x 28.0x	23.9x 23.6x	24.9x 23.7x	23.9x 20.2x	23.4x 19.9x
Kesko Oyj Class B	6710	9.6x	9.7x	9.5x	19.5x	19.4x	18.8x	74.9x	25.2x	23.6x	20.5x	21.7x	20.9x
International discount retailers	3757	12 74	11.0%	0.7	16.0%	12.2%	11.7.	21.4%	24.4%	20.24	10.7%	15.0%	14.1
B&M European Value Retail SA Big Lots, Inc.	1062	13.7x 4.0x	11.0x 3.6x	9.7x	16.8x 6.3x	13.3x 5.9x	11.7x	31.4x 12.4x	24.4x 9.1x	20.3x	18.7x 7.2x	15.9x 6.7x	14.1x 6.5x
Costco Wholesale Corporation	138549	19.5x	19.8x	18.0x	25.7x	26.0x	23.9x	41.7x	49.0x	43.1x	38.3x	36.0x	33.6x
Distribuidora Internacional de Alimentacion	611	13.2x	9.5x	20.3x	10.0%	17.6%	17.1.	21.7%	20.04	20.24	22.24	20.0%	10.0
Dollar General Corporation Dollar Tree, Inc.	39455 20623	15.6x 11.6x	14.5x 10.0x	14.1x 9.1x	19.0x 16.1x	17.6x 13.7x	17.1x 12.3x	31.7x 27.8x	28.9x 23.3x	28.3x 22.4x	23.3x 18.2x	20.9x 16.5x	18.9x 14.7x
Dollarama Inc.	13826	14.8x	13.5x	11.7x	19.0x	17.2x	14.7x	30.0x	25.9x	23.0x	25.0x	21.6x	18.8x
Pan Pacific International Holdings Corporati		16.4x	16.3x	14.8x	22.4x	22.3x	19.8x	31.6x	43.0x	40.7x	25.9x	26.7x	24.0x
Five Below, Inc. Ollie's Bargain Outlet Holdings Inc	6347 3144	25.5x 21.6x	19.0x 14.1x	15.8x 11.0x	31.8x 24.5x	23.9x 15.8x	19.8x 12.7x	272.0x 41.8x	110.4x	124.1x	36.8x 24.8x	31.4x 21.3x	26.1x 18.1x
Target Corporation	58584	10.4x	9.4x	9.0x	15.8x	14.1x	13.4x	23.1x	22.0x	18.4x	18.2x	16.8x	15.4x
Walmart Inc.	330390	11.7x	11.3x	10.9x	17.6x	16.9x	16.1x	25.1x	23.1x	22.1x	23.3x	22.3x	20.9x
Nordic non-grocery peers median Nordic grocery focused retailers	5565	7.6x 10.6x	6.5x 9.7x	6.1x 9.5x	14.5x 20.7x	14.5x 19.4x	13.6x 18.8x	12.5x 26.1x	13.0x 25.2x	11.4x 23.6x	14.2x 23.7x	13.4x 21.7x	12.6x 20.9x
Discount retailers median	17224	14.2x	12.4x	11.7x	19.0x	16.9x	15.4x	31.4x	25.1x	23.0x	23.3x	21.3x	18.8x
Tokmanni (Evli est.)	804	8.5x	8.2x	7.9x	16.0x	14.6x	13.7x	8.8x	9.7x	10.5x	4.0x	3.9x	3.5x
Tokmanni premium vs. Nordic non-grocery focuse Tokmanni premium vs. Nordic grocery focused peo		12 % -20 %	27 % -15 %	29 % -17 %	10 % -23 %	0% -25%	1% -27%	-29 % -66 %	-26 % -62 %	-8 % -56 %	-72 % -83 %	-71 % -82 %	-72 % -83 %
Tokmanni premium vs. int. discount peers		-40 %	-34 %	-32 %	-16 %	-13 %	-11 %	-72 %	-62 %	-54 %	-83 %	-82 %	-81 %
	Tal		Dividend yie		10	EBIT margin	01	10	ROCE-%		10	ROE-%	01
TOKMANNI PEERS Nordic non-grocery focused retailers	Ticker	19	20	21	19	20	21	19	20	21	19	20	21
Byggmax Group AB	BMAX-SE	4.1%	4.5%	4.8%	4.3%	4.5%	4.6%	7.0%	7.2%	7.5%	12.1%	12.4%	12.3%
Clas Ohlson AB Class B	CLAS.B-SE	5.6%	5.6%	5.7%	7.6%	8.0%	7.9%	17.8%	18.5%	18.9%	27.3%	26.2%	24.2%
Europris ASA Stockmann Oyj Abp Class B	EPR-NO STCBV-FI	5.8% 0.0%	6.1% 0.0%	6.5% 0.0%	9.3% 2.0%	10.4% 3.4%	10.8% 4.3%	11.9% 1.1%	12.7% 1.9%	13.2% 2.4%	19.7% -7.8%	21.5% -3.9%	22.0% -3.4%
Verkkokauppa.com Oy	VERK-FI	5.1%	5.5%	5.9%	2.4%	2.5%	2.7%	19.1%	20.4%	22.0%	23.3%	25.8%	27.7%
XXL ASA	XXL-NO	0.0%	3.0%	5.1%	-6.2%	2.0%	2.7%	-6.5%	2.4%	3.4%	-9.0%	1.2%	2.8%
Nordic grocery focused retailers Axfood AB	AXFO-SE	3.7%	3.7%	3.8%	4.5%	4.4%	4.4%	21.8%	20.5%	20.2%	40.9%	41.8%	41.6%
ICA Gruppen AB	ICA-SE	2.9%	3.0%	3.0%	4.5%	4.5%	4.5%	8.9%	8.9%	8.8%	10.2%	11.4%	11.1%
Kesko Oyj Class B	KESKOB-FI	3.7%	3.9%	4.0%	4.3%	4.5%	4.5%	9.5%	9.7%	9.9%	16.2%	14.9%	15.0%
International discount retailers B&M European Value Retail SA	BME-GB	2.2%	2.6%	2.9%	6.9%	7.5%	7.7%	12.7%	15.5%	17.4%	19.7%	22.3%	23.8%
Big Lots, Inc.	BIG-US	4.4%	4.5%	5.0%	4.1%	4.1%	3.9%	8.8%	8.5%	8.7%	18.1%	16.8%	15.7%
Costco Wholesale Corporation	COST-US	0.8%	0.9%	0.9%	3.2%	3.2%	3.2%	20.9%	20.2%	19.8%	23.4%	21.3%	20.2%
Distribuidora Internacional de Alimentacion Dollar General Corporation	DIA-ES DG-US	0.0% 0.8%	0.0% 0.9%	0.0% 1.0%	-4.7% 8.3%	-1.7% 8.4%	-1.2% 8.4%	13.5%	14.1%	15.2%	24.8%	25.0%	24.9%
Dollar Tree, Inc.	DLTR-US	0.0%	0.0%	0.0%	6.8%	7.1%	7.4%	10.8%	11.2%	12.0%	17.3%	16.3%	16.0%
Dollarama Inc.	DOL-CA	0.4%	0.4%		22.8%	23.4%	23.9%	28.0%	33.8%	38.8%			4.0 5.0
Pan Pacific International Holdings Corporati Five Below, Inc.	7532-JP FIVE-US	0.5% 0.0%	0.5% 0.0%	0.6% 0.0%	4.7% 11.7%	4.2% 11.8%	4.4% 11.8%	6.6% 16.5%	7.0% 17.7%	7.6% 24.9%	14.6% 26.4%	12.6% 25.3%	12.5% 24.1%
Ollie's Bargain Outlet Holdings Inc	OLLI-US	0.0%	0.1%	0.0%	12.3%	12.6%	13.2%	12.2%	13.6%	15.8%	12.3%	13.2%	14.0%
Target Corporation	TGT-US	2.3%	2.4%	2.5%	6.0%	6.1%	6.2%	16.9%	17.2%	17.3%	27.4%	27.6%	29.3%
Walmart Inc. Nordic non-grocery peers median	WMT-US	1.8% 4.6%	1.8% 5.0%	2.0% 5.4%	4.1% 3.4%	4.2% 4.0%	4.2% 4.5%	14.0% 9.5%	14.7% 9.9%	15.0% 10.4%	18.1% 15.9%	19.2% 17.0%	20.1% 17.2%
Nordic grocery focused retailers		3.7%	3.7%	3.8%	4.5%	4.5%	4.5%	9.5%	9.7%	9.9%	16.2%	14.9%	15.0%
Discount retailers median		0.6%	0.7%	0.9%	6.4%	6.6%	6.8%	13.5%	14.7%	15.8%	18.9%	20.2%	20.2%
Tokmanni (Evli est.)		4.9%	4.9%	5.4%	7.5%	8.2%	8.6%	12.0%	13.2%	13.3%	27.4%	29.1%	28.8%
		Cash co	nversion (FC	F/EBITDA)		CAPEX/sales			t debt/EBIT			Equity ratio	
TOKMANNI PEERS Nordic non-grocery focused retailers		19	20	21	19	20	21	19	20	21	19	20	21
Byggmax Group AB		-22 %	48 %	49 %	2%	2%	2%	3.7x	3.3x	3.0x	30%	30%	30%
Clas Ohlson AB Class B		38 %	49 %	45 %	4%	4%	4%	1.7x	1.4x	1.2x	30%	32%	34%
Europris ASA Stockmann Oyj Abp Class B		54 % -237 %	47 % -16 %	51 % -2 %	2% 35%	3% 9%	2% 9%	2.2x	1.9x	1.6x	27% 34%	29% 31%	30% 30%
Verkkokauppa.com Oy		-237 % 79 %	-16 % 65 %	-2 % 69 %	35% 1%	9% 1%	9% 0%	10.4x -1.5x	8.8x -1.4x	8.1x -1.5x	22%	21%	20%
XXLASA		164 %	33 %	49 %	2%	2%	2%	7.6x	3.9x	3.2x	37%	39%	40%
Nordic grocery focused retailers Axfood AB		40 %	56 %	41 %	3%	2%	4%	1.2x	1.1x	1.2x	24%	23%	23%
ICA Gruppen AB		40 %	35%	41 %	3%0 4%	2% 4%	4%	2.1x	2.2x	2.1x	34%	35%	36%
Kesko Oyj Class B		13 %	38 %	40 %	5%	4%	3%	3.0x	3.0x	2.9x	30%	30%	31%
International discount retailers B&M European Value Retail SA		40 %	45 %	48 %	2%	2%	2%	1.6x	1.4x	1.1x	37%	39%	37%
Betwieuropean value Retail SA Big Lots, Inc.		40 % 32 %	45 % 40 %	48 % na.	2% 5%	2% 4%	2% 4%	0.9x	0.7x	1.1X	24%	25%	37% 26%
Costco Wholesale Corporation		51 %	40 %	42 %	2%	2%	2%	-0.3x	-0.4x	-0.5x	34%	36%	39%
Distribuidora Internacional de Alimentacion Dollar General Corporation	SA	-324 % 50 %	-101 % 50 %	-116 % 50 %	3% 3%	2% 3%	3% 3%	9.4x 1.7x	7.1x 1.5x	15.2x 2.0x	33%	35%	38%
Dollar General Corporation Dollar Tree, Inc.		50 % 40 %	50 % 43 %	50 % 41 %	3% 4%	3% 4%	3% 4%	1.7x 1.9x	1.5x 1.4x	2.0x 1.1x	33%	35% 40%	38% 44%
Dollarama Inc.		49 %	52 %	51 %	4%	3%	3%	2.2x	<u>2</u> .1x	1.2x	3%	1%	4%
Pan Pacific International Holdings Corporation	on	58 %	38%	36 %	4%	3%	2%	3.6x	3.1x	2.6x	26%	28%	30%
Five Below, Inc. Ollie's Bargain Outlet Holdings Inc		9% 41%	17 % 0 %	13 % 0 %	11% 5%	10% 2%	9% 2%	-0.1x 1.2x	-0.1x 0.5x	0.0x -0.2x	40% 67%	44% 66%	60% 66%
Target Corporation		42 %	43 %	49 %	4%	4%	3%	1.5x	1.5x	-0.2x 1.4x	28%	28%	28%
Walmart Inc.		47 %	49 %	49 %	2%	2%	2%	1.6x	1.5x	1.5x	32%	32%	32%
Nordic non-grocery peers median Nordic grocery focused retailers		46 % 40 %	47% 38%	49 % 40 %	2% 4%	3% 4%	2% 4%	3.0x 2.1x	2.6x 2.2x	2.3x 2.1x	30% 30%	30% 30%	30% 31%
Discount retailers median		41%	41%	42 %	4%	3%	3%	1.6x	1.5x	1.2x	33%	35%	37%
Tokmanni (Evli est.)		97%	85 %	75%	6%	11%	11%	2.9x	2.7x	2.7x	25%	26%	27%
Source: Factset, Evli Research													

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Food & Staples Retailing/Finland, February 10, 2020 Company update

INTERIM FIGURES												
EVLI ESTIMATES, EURm	2019Q1	2019Q2	2019Q3	2019Q4	2019	2020Q1E	2020Q2E	2020Q3E	2020Q4E	2020E	2021E	2022E
Net sales	188.1	239.9	231.5	284.8	944.3	198.2	256.5	248.1	300.1	1,003.0	1,040.6	1,078.8
EBITDA	12.8	34.0	37.2	47.6	131.6	14.1	38.1	41.4	52.2	145.8	161.7	164.6
EBITDA margin (%)	6.8	14.2	<i>16.1</i>	16.7	13.9	7.1	14.8	16.7	17.4	14.5	15.5	15.3
EBIT	-2.2	18.7	21.9	32.0	70.4	-1.7	22.2	25.4	36.2	82.1	89.6	95.0
EBIT margin (%)	-1.2	7.8	9.5	11.2	7.5	-0.8	8.6	10.2	12.1	8.2	8.6	8.8
Net financial items	-2.6	-2.6	-2.6	-2.6	-10.4	-2.9	-2.9	-2.9	-2.9	-11.6	-11.6	-12.2
Pre-tax profit	-4.8	16.1	19.3	29.4	60.0	-4.6	19.3	22.5	33.3	70.5	78.0	82.8
Тах	1.0	-3.1	-4.0	-5.7	-11.8	0.9	-3.8	-4.4	-6.5	-13.9	-15.6	-16.6
Tax rate (%)	20.8	19.3	20.7	19.4	19.7	19.7	19.7	19.7	19.7	19.7	20.0	20.0
Net profit	-3.8	13.0	15.3	23.7	48.2	-3.7	15.5	18.1	26.7	56.6	62.4	66.2
EPS	-0.06	0.22	0.26	0.40	0.82	-0.06	0.26	0.31	0.45	0.96	1.06	1.12
EPS adjusted (diluted no. of shares)	-0.06	0.22	0.26	0.40	0.82	-0.06	0.26	0.31	0.45	0.96	1.06	1.12
Dividend per share	0.00	0.00	0.00	0.00	0.62	0.00	0.00	0.00	0.00	0.67	0.74	0.79
SALES, EURm												
Group	188.1	239.9	231.5	284.8	944.3	198.2	256.5	248.1	300.1	1,003.0	1,040.6	1,078.8
Total	188.1	239.9	231.5	284.8	944.3	198.2	256.5	248.1	300.1	1,003.0	1,040.6	1,078.8
SALES GROWTH, Y/Y %												
Group	8.3	10.2	9.9	6.1	8.5	5.4	6.9	7.2	5.4	6.2	3.8	3.7
Total	8.3	10.2	9.9	6.1	8.5	5.4	6.9	7.2	5.4	6.2	3.8	3.7
EBIT, EURm												
Group	-2.2	18.7	21.9	32.0	70.4	-1.7	22.2	25.4	36.2	82.1	89.6	95.0
Total	-2.2	18.7	21.9	32.0	70.4	-1.7	22.2	25.4	36.2	82.1	89.6	95.0
EBIT margin, %												
Group	-1.2	7.8	9.5	11.2	7.5	-0.8	8.6	10.2	12.1	8.2	8.6	8.8
Total	-1.2	7.8	9.5	11.2	7.5	-0.8	8.6	10.2	12.1	8.2	8.6	8.8

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### Food & Staples Retailing/Finland, February 10, 2020 Company update

INCOME STATEMENT, EURm	2015	2016	2017	2018	2019	2020E	2021E	2022E
Sales	755.3	775.8	796.5	870.4	944.3	1,003.0	1,040.6	1,078.8
Sales growth (%)	2.9	2.7	2.7	9.3	8.5	6.2	3.8	3.7
EBITDA	58.4	62.8	54.9	109.9	131.6	145.8	161.7	164.6
EBITDA margin (%)	7.7	8.1	6.9	12.6	13.9	14.5	15.5	15.3
Depreciation	-14.8	-15.1	-14.3	-57.6	-61.2	-63.7	-72.1	-69.6
EBITA	43.6	47.7	40.6	52.3	70.4	82.1	89.6	95.0
Goodwill amortization / writedown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	43.6	47.7	40.6	52.3	70.4	82.1	89.6	95.0
EBIT margin (%)	5.8	6.1	5.1	6.0	7.5	8.2	8.6	8.8
Reported EBIT	39.0	49.2	39.8	53.3	69.4	82.1	89.6	95.0
EBIT margin (reported) (%)	5.2	6.3	5.0	6.1	7.4	8.2	8.6	8.8
Net financials	-20.9	-15.2	-5.9	-10.6	-10.4	-11.6	-11.6	-12.2
Pre-tax profit	22.7	32.5	34.7	41.7	60.0	70.5	78.0	82.8
Taxes	-3.4	-6.8	-6.6	-8.6	-11.8	-13.9	-15.6	-16.6
Minority shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	14.7	27.2	27.3	34.1	47.2	56.6	62.4	66.2
Cash NRIs	-4.6	1.5	-0.8	1.0	- 1.0	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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Assets								
Fixed assets	97	95	94	95	44	43	43	42
Goodwill	129	129	129	135	135	135	135	135
Right of use assets	0	0	0	234	279	325	370	412
Inventory	160	155	170	191	223	221	229	237
Receivables	16	18	22	22	19	24	225	257
Liquid funds	49	58	43	38	29	50	52	54
Total assets	455	459	462	721	731	799	855	907
Liabilities	+55	455	402	721	751	755	000	507
Shareholder's equity	48	167	163	167	185	205	228	250
Minority interest	0	0	0	0	0	0	0	0
Convertibles	0	0	0	0	0	0	0	0
Lease liabilities	0	0	0	244	310	325	370	412
Deferred taxes	6	5	5	6	0	0	0	0
Interest bearing debt	294	174	177	173	100	120	102	84
Non-interest bearing current liabilities	91	104	107	123	100	140	146	151
Other interest-free debt	16	10	11	123	10	10	10	10
Total liabilities	455	459	463	721	731	799	855	907
CASH FLOW, EURm	100	100	100	, 21	, 31	700	000	507
+ EBITDA	58	63	55	110	132	146	162	165
- Net financial items	-21	-15	-6	-11	-10	-12	-12	-12
- Taxes	-3	-4	-8	-7	-12	-14	-16	-17
- Increase in Net Working Capital	-3	15	-13	-5	-24	10	-4	-4
+/- Other	-5	4	-13	-42	-24	0	-+	-4
= Cash flow from operations	27	63	27	45	-1	131	131	132
- Capex - Acquisitions	-18 0	-10 0	-12 0	-20 -15	-56 0	-108 0	-117 0	-111 0
+ Divestments	0	0	0	-15	0	0	0	0
= Free cash flow	8	53	15	10	28	23	14	21
+/- New issues/buybacks	8 0	53 91	-1	-6		23	0	21
	0				0			
- Paid dividend +/- Other	-12	0	-30	-24	-29	-36	-39	-44
+/- Otner Change in cash		-135	0	16	-8	35	27	25
change in cash	-4	9	-15	-5	-9	21	2	2

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### Food & Staples Retailing/Finland, February 10, 2020 Company update

KEY FIGURES	2016	2017	2018	2019	2020E	2021E	2022E
M-cap	500	427	423	743	804	804	804
Net debt (excl. convertibles)	116	134	379	380	394	419	442
Enterprise value	616	561	801	1,123	1,198	1,224	1,246
Sales	776	797	870	944	1,003	1,041	1,079
EBITDA	63	55	110	132	146	162	165
EBIT	48	41	52	70	82	90	95
Pre-tax	33	35	42	60	70	78	83
Earnings	26	28	33	48	57	62	66
Equity book value (excl. minorities)	167	163	167	185	205	228	250
Valuation multiples							
EV/sales	0.8	0.7	0.9	1.2	1.2	1.2	1.2
EV/EBITDA	9.8	10.2	7.3	8.5	8.2	7.6	7.6
EV/EBITA	12.9	13.8	15.3	16.0	14.6	13.7	13.1
EV/EBIT	12.9	13.8	15.3	16.0	14.6	13.7	13.1
EV/OCF	9.9	20.7	17.8	13.3	9.2	9.4	9.4
EV/FCFF	9.3	24.4	24.6	8.8	9.7	10.0	10.0
P/FCFE	9.5	27.7	41.8	26.3	35.4	57.2	38.4
P/E	19.5	15.2	12.8	15.4	14.2	12.9	12.1
P/B	3.0	2.6	2.5	4.0	3.9	3.5	3.2
Target EV/EBITDA	0.0	0.0	0.0	0.0	9.2	8.4	8.4
Target EV/EBIT	0.0	0.0	0.0	0.0	16.3	15.2	14.6
Target EV/FCF	0.0	0.0	0.0	0.0	58.8	96.8	66.0
Target P/B	0.0	0.0	0.0	0.0	4.6	4.1	3.8
Target P/E	0.0	0.0	0.0	0.0	16.6	15.1	14.2
Per share measures							
Number of shares	58,869	58,869	58,869	58,869	58,869	58,869	58,869
Number of shares (diluted)	58,869	58,869	58,869	58,869	58,869	58,869	58,869
EPS	0.44	0.48	0.56	0.82	0.96	1.06	1.12
Operating cash flow per share	1.06	0.46	0.76	1.43	2.22	2.22	2.24
Free cash flow per share	0.89	0.26	0.17	0.48	0.39	0.24	0.36
Book value per share	2.83	2.77	2.83	3.14	3.48	3.87	4.25
Dividend per share	0.51	0.41	0.50	0.62	0.67	0.74	0.79
Dividend payout ratio, %	116.8	86.0	00.0	75.8	69.7	70.0	70.0
	110.0	00.0	88.9			70.0	
Dividend vield, %			88.9 7.0				5.8
Dividend yield, % FCF yield, %	6.0 10.5	5.7 3.6		4.5 3.8	4.9	5.4	5.8 2.6
FCF yield, %	6.0	5.7	7.0	4.5			5.8 2.6
FCF yield, % Efficiency measures	6.0 10.5	5.7 3.6	7.0 2.4	4.5 3.8	4.9 2.8	5.4 1.7	2.6
FCF yield, % Efficiency measures ROE	6.0 10.5 23.9	5.7 3.6 17.0	7.0 2.4 20.1	4.5 3.8 27.4	4.9 2.8 29.1	5.4 1.7 28.8	2.6
FCF yield, % Efficiency measures ROE ROCE	6.0 10.5	5.7 3.6	7.0 2.4	4.5 3.8	4.9 2.8	5.4 1.7	2.6
FCF yield, % Efficiency measures ROE ROCE Financial ratios	6.0 10.5 23.9 14.1	5.7 3.6 17.0 12.1	7.0 2.4 20.1 11.3	4.5 3.8 27.4 12.0	4.9 2.8 29.1 13.2	5.4 1.7 28.8 13.3	2.6 27.7 13.1
FCF yield, % Efficiency measures ROE ROCE Financial ratios Inventories as % of sales	6.0 10.5 23.9 14.1 20.0	5.7 3.6 17.0 12.1 21.4	7.0 2.4 20.1 11.3 21.9	4.5 3.8 27.4 12.0 23.6	4.9 2.8 29.1 13.2 22.0	5.4 1.7 28.8 13.3 22.0	2.6 27.7 13.1 22.0
FCF yield, % Efficiency measures ROE ROCE Financial ratios Inventories as % of sales Receivables as % of sales	6.0 10.5 23.9 14.1 20.0 2.3	5.7 3.6 17.0 12.1 21.4 2.8	7.0 2.4 20.1 11.3 21.9 2.5	4.5 3.8 27.4 12.0 23.6 2.0	4.9 2.8 29.1 13.2 22.0 2.4	5.4 1.7 28.8 13.3 22.0 2.4	2.6 27.7 13.1 22.0 2.4
FCF yield, % Efficiency measures ROE ROCE Financial ratios Inventories as % of sales Receivables as % of sales Non-interest bearing liabilities as % of sales	6.0 10.5 23.9 14.1 20.0 2.3 13.3	5.7 3.6 17.0 12.1 21.4 2.8 13.5	7.0 2.4 20.1 11.3 21.9 2.5 14.1	4.5 3.8 27.4 12.0 23.6 2.0 13.4	4.9 2.8 29.1 13.2 22.0 2.4 14.0	5.4 1.7 28.8 13.3 22.0 2.4 14.0	2.6 27.7 13.1 22.0 2.4 14.0
FCF yield, % Efficiency measures ROE ROCE Financial ratios Inventories as % of sales Receivables as % of sales Non-interest bearing liabilities as % of sales NWC/sales, %	6.0 10.5 23.9 14.1 20.0 2.3 13.3 8.7	5.7 3.6 17.0 12.1 21.4 2.8 13.5 10.3	7.0 2.4 20.1 11.3 21.9 2.5 14.1 10.0	4.5 3.8 27.4 12.0 23.6 2.0 13.4 11.7	4.9 2.8 29.1 13.2 22.0 2.4 14.0 10.0	5.4 1.7 28.8 13.3 22.0 2.4 14.0 10.0	2.6 27.7 13.1 22.0 2.4 14.0 10.0
FCF yield, % Efficiency measures ROE ROCE Financial ratios Inventories as % of sales Receivables as % of sales Non-interest bearing liabilities as % of sales NWC/sales, % Operative CAPEX/sales, %	6.0 10.5 23.9 14.1 20.0 2.3 13.3 8.7 1.3	5.7 3.6 17.0 12.1 21.4 2.8 13.5 10.3 1.5	7.0 2.4 20.1 11.3 21.9 2.5 14.1 10.0 2.3	4.5 3.8 27.4 12.0 23.6 2.0 13.4 11.7 5.9	4.9 2.8 29.1 13.2 22.0 2.4 14.0 10.0 10.8	5.4 1.7 28.8 13.3 22.0 2.4 14.0 10.0 11.2	2.6 27.7 13.1 22.0 2.4 14.0 10.0 10.3
FCF yield, % Efficiency measures ROE ROCE Financial ratios Inventories as % of sales Receivables as % of sales Non-interest bearing liabilities as % of sales NWC/sales, % Operative CAPEX/sales, % CAPEX/sales (incl. acquisitions), %	6.0 10.5 23.9 14.1 20.0 2.3 13.3 8.7 1.3 1.3 1.3	5.7 3.6 17.0 12.1 21.4 2.8 13.5 10.3 1.5 1.5	7.0 2.4 20.1 11.3 21.9 2.5 14.1 10.0 2.3 0.6	4.5 3.8 27.4 12.0 23.6 2.0 13.4 11.7 5.9 5.9	4.9 2.8 29.1 13.2 22.0 2.4 14.0 10.0 10.8 10.8	5.4 1.7 28.8 13.3 22.0 2.4 14.0 10.0 11.2 11.2	2.6 27.7 13.1 22.0 2.4 14.0 10.0 10.3 10.3
FCF yield, %   Efficiency measures   ROE   ROCE   Financial ratios   Inventories as % of sales   Receivables as % of sales   Non-interest bearing liabilities as % of sales   NWC/sales, %   Operative CAPEX/sales, %   CAPEX/sales (incl. acquisitions), %   FCFF/EBITDA	6.0 10.5 23.9 14.1 20.0 2.3 13.3 8.7 1.3 1.3 1.3 1.1	5.7 3.6 17.0 12.1 21.4 2.8 13.5 10.3 1.5 1.5 0.4	7.0 2.4 20.1 11.3 21.9 2.5 14.1 10.0 2.3 0.6 0.3	4.5 3.8 27.4 12.0 23.6 2.0 13.4 11.7 5.9 5.9 1.0	4.9 2.8 29.1 13.2 22.0 2.4 14.0 10.0 10.8 10.8 0.9	5.4 1.7 28.8 13.3 22.0 2.4 14.0 10.0 11.2 11.2 0.8	2.6 27.7 13.1 22.0 2.4 14.0 10.0 10.3 10.3 0.8
FCF yield, %   Efficiency measures   ROE   ROCE   Financial ratios   Inventories as % of sales   Receivables as % of sales   Non-interest bearing liabilities as % of sales   NWC/sales, %   Operative CAPEX/sales, %   CAPEX/sales (incl. acquisitions), %   FCFF/EBITDA   Net debt/EBITDA, book-weighted	6.0 10.5 23.9 14.1 20.0 2.3 13.3 8.7 1.3 1.3 1.3 1.3 1.1 1.8	5.7 3.6 17.0 12.1 21.4 2.8 13.5 10.3 1.5 1.5 0.4 2.4	7.0 2.4 20.1 11.3 21.9 2.5 14.1 10.0 2.3 0.6 0.3 3.4	4.5 3.8 27.4 12.0 23.6 2.0 13.4 11.7 5.9 5.9 1.0 2.9	4.9 2.8 29.1 13.2 22.0 2.4 14.0 10.0 10.8 10.8 0.9 2.7	5.4 1.7 28.8 13.3 22.0 2.4 14.0 10.0 11.2 11.2 11.2 0.8 2.6	2.6 27.7 13.1 22.0 2.4 14.0 10.0 10.3 10.3 0.8 2.7
FCF yield, %   Efficiency measures   ROE   ROCE   Financial ratios   Inventories as % of sales   Receivables as % of sales   Non-interest bearing liabilities as % of sales   NWC/sales, %   Operative CAPEX/sales, %   CAPEX/sales (incl. acquisitions), %   FCFF/EBITDA   Net debt/EBITDA, book-weighted   Debt/equity, market-weighted	6.0 10.5 23.9 14.1 20.0 2.3 13.3 8.7 1.3 1.3 1.3 1.3 1.1 1.8 0.3	5.7 3.6 17.0 12.1 21.4 2.8 13.5 10.3 1.5 1.5 0.4 2.4 0.4	7.0 2.4 20.1 11.3 21.9 2.5 14.1 10.0 2.3 0.6 0.3 3.4 0.4	4.5 3.8 27.4 12.0 23.6 2.0 13.4 11.7 5.9 5.9 1.0 2.9 0.1	4.9 2.8 29.1 13.2 22.0 2.4 14.0 10.0 10.8 10.8 0.9 2.7 0.1	5.4 1.7 28.8 13.3 22.0 2.4 14.0 10.0 11.2 11.2 11.2 0.8 2.6 0.1	2.6 27.7 13.1 22.0 2.4 14.0 10.0 10.3 10.3 0.8 2.7 0.1
FCF yield, %   Efficiency measures   ROE   ROCE   Financial ratios   Inventories as % of sales   Receivables as % of sales   Non-interest bearing liabilities as % of sales   NWC/sales, %   Operative CAPEX/sales, %   CAPEX/sales (incl. acquisitions), %   FCFF/EBITDA   Net debt/EBITDA, book-weighted   Debt/equity, market-weighted   Equity ratio, book-weighted	6.0 10.5 23.9 14.1 20.0 2.3 13.3 8.7 1.3 1.3 1.3 1.3 1.1 1.8 0.3 36.3	5.7 3.6 17.0 12.1 21.4 2.8 13.5 10.3 1.5 1.5 0.4 2.4 0.4 35.2	7.0 2.4 20.1 11.3 21.9 2.5 14.1 10.0 2.3 0.6 0.3 3.4 0.4 23.1	4.5 3.8 27.4 12.0 23.6 2.0 13.4 11.7 5.9 5.9 1.0 2.9 0.1 25.3	4.9 2.8 29.1 13.2 22.0 2.4 14.0 10.0 10.8 10.8 0.9 2.7 0.1 25.6	5.4 1.7 28.8 13.3 22.0 2.4 14.0 10.0 11.2 11.2 11.2 0.8 2.6 0.1 26.6	2.6 27.7 13.1 22.0 2.4 14.0 10.0 10.3 10.3 0.8 2.7 0.1 27.6
FCF yield, %   Efficiency measures   ROE   ROCE   Financial ratios   Inventories as % of sales   Receivables as % of sales   Non-interest bearing liabilities as % of sales   NWC/sales, %   Operative CAPEX/sales, %   CAPEX/sales (incl. acquisitions), %   FCFF/EBITDA   Net debt/EBITDA, book-weighted   Debt/equity, market-weighted	6.0 10.5 23.9 14.1 20.0 2.3 13.3 8.7 1.3 1.3 1.3 1.3 1.1 1.8 0.3	5.7 3.6 17.0 12.1 21.4 2.8 13.5 10.3 1.5 1.5 0.4 2.4 0.4	7.0 2.4 20.1 11.3 21.9 2.5 14.1 10.0 2.3 0.6 0.3 3.4 0.4	4.5 3.8 27.4 12.0 23.6 2.0 13.4 11.7 5.9 5.9 1.0 2.9 0.1	4.9 2.8 29.1 13.2 22.0 2.4 14.0 10.0 10.8 10.8 0.9 2.7 0.1	5.4 1.7 28.8 13.3 22.0 2.4 14.0 10.0 11.2 11.2 11.2 0.8 2.6 0.1	2.6 27.7 13.1 22.0 2.4 14.0 10.0 10.3 10.3 0.8 2.7 0.1

## TOKMANNI Food & Staples Retailing/Finland, February 10, 2020 Company update

COMPANY DESCRIPTION: Tokmanni is the largest and only nationwide general discount retail chain in Finland with approximately 190 stores across the country. The company operates under one brand and has a wide range of low-priced products for example for home renovation and cleaning, dressing and leisure, as well as interior decoration and gardening. Tokmanni offers a selection of international brands, the company's own private label products and non-branded products.

INVESTMENT CASE: Based on a healthy demand for Tokmanni's value proposition in the Finnish market, Tokmanni's growth is based on store network expansion and likefor-like growth, resulting in faster than market growth. Profitability drivers include increasing share of private labels, improved sourcing, and cost efficiency improvements.

OWNERSHIP STRUCTURE	SHARES	EURm	%
Takoa Invest	10,544,688	144.040	17.9%
Keskinäinen Työeläkevakuutusyhtiö Elo	5,050,000	68.983	8.6%
Keskinäinen työeläkevakuutusyhtiö Varma	3,150,526	43.036	5.4%
Keskinäinen Eläkevakuutusyhtiö Ilmarinen	2,045,767	27.945	3.5%
OP-Suomi Arvo -sijoitusrahasto	1,026,075	14.016	1.7%
Sijoitusrahasto Evli Suomi Pienyhtiöt	900,000	12.294	1.5%
Eläkevakuutusosakeyhtiö Veritas	690,000	9.425	1.2%
Kirkon Eläkerahasto	628,458	8.585	1.1%
Nordea Fennia Fund	591,254	8.077	1.0%
Säästöpankki Kotimaa-sjoitusrahasto	586,527	8.012	1.0%
Ten largest	25,213,295	344.414	43%
Residual	33,655,457	459.734	57%
Total	58,868,752	804.147	100%

EARNINGS CALENDAR	
April 29, 2020	Q1 report
July 29, 2020	Q2 report
October 29, 2020	Q3 report
OTHER EVENTS	

CC	MPANY MISCELLANEOUS	
CE	0: Mika Rautiainen	
CF	0: Markku Pirskanen	Tel: +358 300 472 220
IR:	Maarit Mikkonen	

## TOKMANNI Food & Staples Retailing/Finland, February 10, 2020 Company update

DEFINITIONS

P/E	EPS
Dries and here	
Price per share Earnings per share	Profit before extraord. items and taxes- income taxes + minority interest
Lannings per share	Number of shares
P/BV	DPS
Price per share	Dividend for the financial period per share
Shareholders' equity + taxed provisions per share	
Market cap	OCF (Operating cash flow)
Murket cup	
Price per share * Number of shares	EBITDA – Net financial items – Taxes – Increase in working
	capital – Cash NRIs ± Other adjustments
EV (Enterprise value)	FCF (Free cash flow)
Market cap + net debt + minority interest at market value –	Operating cash flow – operative CAPEX – acquisitions + divestments
share of associated companies at market value	operating cash now – operative CALEX – acquisitions + unvestments
F	
EV/Sales	FCF yield, %
Enternrise volue	
Enterprise value Sales	Free cash flow
Jaics	Market cap
EV/EBITDA	Operative CAPEX/sales
Enterprise value	Capital expenditure – divestments – acquisitions
Earnings before interest, tax, depreciation and amortization	Sales
EV/EBIT	Net working capital
Enterprise value	Current assets – current liabilities
Operating profit	
Net debt	Capital employed/Share
	Capital Chiployed/Share
Interact bearing debt financial access	Total assets – non-interest bearing debt
Interest bearing debt – financial assets	Number of shares
Total assets	Gearing
Deleges should be a	
Balance sheet total	<u>Net debt</u>
	Equity
Div yield, %	Debt/Equity, %
Dividend per share	Interest bearing debt
Price per share	Shareholders' equity + minority interest + taxed provisions
Payout ratio, %	Equity ratio, %
Total dividends	Shareholders' equity + minority interest + taxed provisions_
Earnings before extraordinary items and taxes - income taxes + minority interest	Total assets – interest-free loans
ROCE, %	CAGR, %
Profit before extraordinary items + interest expenses+ other financial costs	Cumulative annual growth rate = Average growth per year
Balance sheet total – non-interest bearing debt (average)	
ROE, %	
Profit before extraordinary items and taxes – income taxes	
Shareholder's equity + minority interest + taxed provisions (average)	

# Food & Staples Retailing/Finland, February 10, 2020 Company update

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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): Rissanen

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