

Food & Staples Retailing/Finland, July 30, 2020 Company update

Discount retail reflects the uncertain times

Tokmanni had a successful Q2 as sales grew by 19.2% y/y to EUR 286m. Adj. EBIT amounted to EUR 30.6m (\sim 64% y/y). The good momentum is expected to continue throughout 20E. We keep our rating "BUY" with TP of EUR 18.4 (16.4).

Benefiting from the lockdown

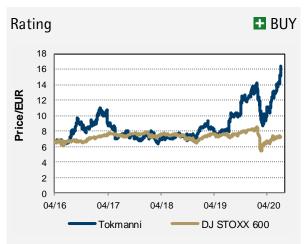
Tokmanni continued its solid growth in Q2 with sales totaling EUR 286m, growth of 19.2% y/y (LFL growth of 17.5% y/y). This also beat the revenue growth of department store and hypermarket chains (10.7%, FGTA). Revenue was driven by attractive pricing and growth was strong especially in leisure, gardening, home improvement products and food products, reflecting the situation where people are spending more time at home. At the same time, the demand in clothing was weaker. Tokmanni's adj. gross margin was 34.5% (35.2% in Q2'19) vs. our 34.1%. The drop was due to cheaper prices and unusual structure of sales. Adj. EBIT totaled EUR 30.6m vs. EUR 30.9m/28.5m Evli/cons.

The success story expected to continue in H2E

Supported by the broad product assortment, attractive pricing and a wide store network, Tokmanni benefited from the situation where people are spending more time at home. On the other hand, the sales structure has been different compared to the normal conditions and the weaker share of Tokmanni's private labels weighed down adj. gross margin. As the situation is now recovering and people are likely to return back to the offices we expect somewhat normalizing growth in H2E. We expect the sales structure to move closer to normal which supports margin development. The cost control has been successful and this is expected to continue. Tokmanni has also taken precautions to secure its most important season, Christmas (import from China has a key role) and some products are already being shipped to Finland, which is earlier than normally. The company reduced its investments during Q2 but these will continue relatively normally in H2E. Capex in 20E is expected to be EUR ~15m.

"BUY" with TP of EUR 18.4 (16.4)

Tokmanni expects strong growth in revenue and LFL revenue in 20E. Adj. EBIT margin is expected to increase from 2019. We have further increased our estimates and we expect 20E sales growth of 9.5% y/y (EUR 1034m) and adj. EBIT margin of 8.8% (EUR 90.6m). On our estimates, Tokmanni trades at 20E-21E EV/EBIT multiple of 14.7x and 14.0x, which translates into 22-25% discount compared to the int. discount peers. We keep our rating "BUY" with TP of EUR 18.4 (16.4).



Share price, EUR (Last trading day's closing price)	16.40
Target price, EUR	18.4
Latest change in rating Latest report on company Research paid by issuer: No. of shares outstanding, '000's No. of shares fully diluted, '000's Market cap, EURm Free float, % Exchange rate Reuters code Bloomberg code Average daily volume, EURm	31-Oct-19 10-Jul-20 YES 58,862 58,862 965 78.8 1.000 TOKMAN.HE TOKMAN FH
Next interim report Web site	29-Oct-20 ir.tokmanni.fi/en/investors
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■ BUY □ HOLD ■ SELL

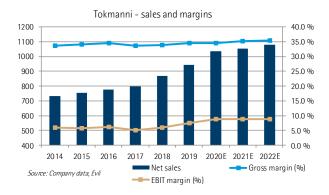
KEY FIGU	KEY FIGURES											
	Sales EURm	EBIT EURm	EBIT %	FCF EURm	EPS EUR	P/E (x)	EV/Sales (x)	EV/EBIT (x)	FCF yield %	DPS EUR		
2018	870.4	52.0	6.0%	10.1	0.56	12.9	0.9	15.4	2.4	0.50		
2019	944.3	70.4	7.5%	28.3	0.82	15.4	1.2	16.0	3.8	0.62		
2020E	1,034.1	90.6	8.8%	53.8	1.10	15.0	1.3	14.7	5.6	0.76		
2021E	1,050.8	92.9	8.8%	72.5	1.12	14.7	1.2	14.0	7.5	0.78		
2022E	1,079.7	96.3	8.9%	65.5	1.16	14.2	1.2	13.3	6.8	0.81		
Market cap	o, EURm		965 G	earing 2020E,	0/0		12.2					
Net debt 2	020E, EURm		363 P	rice/book 2020)E		4.6 CAGR	sales 2019-	22, %	4.6		
Enterprise	value, EURm		1,328 D	ividend yield 2	2020E, %		4.7 ROE 2	020E, %		32.5		
Total asset	s 2020E, EURn	า	771 Ta	ax rate 2020E,	0/0		19.8 ROCE	2020E, %		15.0		
Goodwill 2	2020E, EURm		135 E	quity ratio 202	20E, %		27.5 PEG, P	P/E 20/CAGR		5.6		

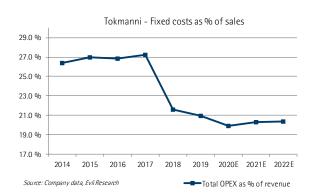
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Estimates

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	1034.1	1050.8	1079.7
Growth-%	3.3 %	3.0 %	2.9 %	2.7 %	2.7 %	9.3 %	8.5 %	9.5 %	1.6 %	2.7 %
Materials and services (adj.)	-474.6	-486.8	-497.2	-507.9	-528.4	-575.2	-619.1	-677.8	-681.8	-698.0
Growth-%	-	2.6 %	2.1 %	2.2 %	4.0 %	8.9 %	7.6 %	9.5 %	0.6 %	2.4 %
% of sales	66.6 %	66.3 %	65.8 %	65.5 %	66.3 %	66.1 %	65.6 %	65.5 %	64.9 %	64.7 %
Gross profit (adj.)	238.2	247.5	258.1	267.9	268.1	295.0	325.2	356.4	369.0	381.6
Gross margin (%)	33.4 %	33.7 %	34.2 %	34.5 %	33.7 %	33.9 %	34.4 %	34.5 %	35.1 %	35.3 %
Fixed costs (adj.)	-185.1	-193.9	-203.7	-208.5	-217.0	-189.5	-197.9	-205.7	-213.2	-219.6
Growth-%	-105.1	4.8 %	-203.7 5.0 %	-200.5 2.4 %	4.1%	-12.7 %	4.4 %	4.0 %	3.6 %	3.0 %
% of sales	26.0 %	26.4 %	27.0 %	26.9 %	27.2 %	21.8 %	21.0 %	19.9 %	20.3 %	20.3 %
011										
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	-64.4	-67.2	-70.0
EBITDA (adj.)	56.7	57.1	58.4	62.8	54.9	109.5	131.6	155.0	160.1	166.3
EBITDA margin (%)	8.0 %	7.8 %	7.7 %	8.1 %	6.9 %	12.6 %	13.9 %	15.0 %	15.2 %	15.4 %
EBIT (adi.)	44.1	43.6	43.6	47.7	40.6	52.0	70.4	90.6	92.9	96.3
EBIT margin (%)	6.2 %	5.9 %	5.8 %	6.1 %	5.1 %	6.0 %	7.5 %	8.8 %	8.8 %	8.9 %
NRIs in reported gross profit	0.0	1.1	-0.6	0.5	-0.9	0.2	-0.1	-0.1	0.0	0.0
NRIs in reported fixed costs	-1.1	-1.8	-4.0	1.0	-0.8	1.4	-1.0	-0.1	0.0	0.0
Wills in reported fixed costs		1.0	1.0	1.0	0.0		1.0	0.0	0.0	0.0
EBIT (reported)	43.0	43.0	39.0	49.2	38.9	53.6	69.4	89.9	92.9	96.3
EBIT margin (%)	6.0 %	5.9 %	5.2 %	6.3 %	4.9 %	6.2 %	7.3 %	8.7 %	8.8 %	8.9 %
Net financials	-23.0	-22.2	-20.9	-15.3	-5.9	-10.5	-10.4	-10.2	-10.8	-11.3
Profit before taxes (reported)	20.1	20.8	18.1	33.9	33.0	43.1	59.0	79.7	82.1	85.0
				0.0	0.0		44.0	45.0	10.4	470
Taxes	-4.8	-4.2	-3.4	-6.8	-6.6	-8.9	-11.8	-15.9	-16.4	-17.0
Tax rate (%)	-4.8 <i>23.9</i> %	-4.2 20.1 %	-3.4 18.8 %	20.1 %	20.0 %	20.7 %	20.0 %	20.0 %	20.0 %	20.0 %
Tax rate (%) Minorities	-4.8 <i>23.9 %</i> 0.0	-4.2 <i>20.1 %</i> 0.0	-3.4 <i>18.8 %</i> 0.0	<i>20.1 %</i> 0.0	<i>20.0 %</i> 0.0	<i>20.7 %</i> 0.0	<i>20.0 %</i> 0.0	<i>20.0 %</i> 0.0	<i>20.0 %</i> 0.0	<i>20.0 %</i> 0.0
Tax rate (%) Minorities Net income (reported)	-4.8 23.9 % 0.0 15.3	-4.2 20.1 % 0.0 16.6	-3.4 18.8 % 0.0 14.7	20.1 % 0.0 27.1	20.0 % 0.0 26.4	20.7 % 0.0 34.1	<i>20.0 %</i> 0.0 47.2	20.0 % 0.0 63.7	20.0 % 0.0 65.7	20.0 % 0.0 68.0
Tax rate (%) Minorities Net income (reported) Average number of shares (million)	-4.8 23.9 % 0.0 15.3 58.9	-4.2 20.1 % 0.0 16.6 58.9	-3.4 18.8 % 0.0 14.7 58.9	20.1 % 0.0 27.1 58.9	20.0 % 0.0 26.4 58.9	20.7 % 0.0 34.1 58.9	20.0 % 0.0 47.2 58.9	20.0 % 0.0 63.7 58.9	20.0 % 0.0 65.7 58.9	20.0 % 0.0 68.0 58.9
Tax rate (%) Minorities Net income (reported)	-4.8 23.9 % 0.0 15.3	-4.2 20.1 % 0.0 16.6	-3.4 18.8 % 0.0 14.7	20.1 % 0.0 27.1	20.0 % 0.0 26.4	20.7 % 0.0 34.1	<i>20.0 %</i> 0.0 47.2	20.0 % 0.0 63.7	20.0 % 0.0 65.7	20.0 % 0.0 68.0

Source: Tokmanni, Evli Research





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Valuation

TOWNANINI DEEDS	MCAP		EV/EBITDA			EV/EBIT	EV/EBIT	EV/FCF	EV/FCF	EV/FCF	P/E	P/E	P/E
TOKMANNI PEERS	local FX	20	21	22	20	21	22	20	21	22	20	21	22
Nordic non-grocery focused retailers Byggmax Group AB	3024	5.1x	6.7x	6.3x	8.5x	15.9x	14.9x	8.5x	11.1x	12.5x	6.3x	11.8x	11.3x
Clas Ohlson AB Class B	6460	5.1x	5.8x	5.4x	11.9x	11.7x	14.3x	12.3x	13.2x	9.1x	13.1x	13.2x	12.6x
Europris ASA	7409	7.0x	7.3x	6.9x	11.3x	12.6x	11.5x	15.1x	15.2x	15.2x	12.5x	14.3x	13.0x
Stockmann Oyj Abp Class B	74	7.1x	6.2x	6.1x	1 392.7x	40.0x	33.2x	43.7x	10.0%	10.24	12.0%	11.0%	10.0%
Verkkokauppa.com Oyj	241	10.2x	10.0x	9.4x	12.9x	13.0x	12.0x	19.3x	15.8x	15.0x	19.5x	19.7x	18.3x
XXL ASA	5564	10.9x	8.0x	7.1x	83.3x	24.2x	18.9x	14.1x	16.8x	12.8x		29.3x	22.1x
Nordic grocery focused retailers													
Axfood AB	41463	10.0x	9.9x	9.9x	19.4x	19.2x	19.2x	19.5x	27.0x	35.8x	23.2x	22.8x	22.4x
ICA Gruppen AB	88022	10.2x	10.1x	9.9x	19.7x	19.8x	19.4x	29.8x	25.6x	24.3x	21.1x	21.2x	20.8x
Kesko Oyj Class B	7181	10.0x	10.0x	9.7x	20.2x	20.2x	19.3x	21.9x	28.1x	23.4x	23.4x	23.0x	21.9x
International discount retailers	4007	7.5		7.0	100	100	44.5	10.1	00.0	00.0	101	100	15.0
B&M European Value Retail SA	4637 1590	7.5x	7.7x 2.8x	7.2x 2.4x	12.2x	12.6x	11.5x	19.1x	20.9x	20.9x	16.1x	16.9x 8.1x	15.2x
Big Lots, Inc.	143999	2.2x 20.6x	2.6x 18.7x	17.1x	3.0x 27.5x	4.4x 24.9x	4.1x 22.3x	1.2x 48.1x	6.8x 38.9x	22.6x	6.3x 38.3x	35.1x	10.4x 31.9x
Costco Wholesale Corporation Dollar General Corporation	48175	14.8x	15.1x	17.1x 13.8x	17.7x	18.1x	16.5x	28.9x	30.6x	27.1x	21.6x	21.5x	19.2x
Dollar Tree, Inc.	22542	14.6X 11.0x	10.0x	9.4x	17.7x 15.4x	13.9x	12.8x	26.1x	22.0x	27.1X 25.8x	18.7x	16.8x	15.4x
Dollarama Inc.	14926	15.8x	13.4x	J.TX	20.5x	17.1x	12.07	27.9x	23.4x	25.07	27.6x	21.7x	18.3x
Pan Pacific International Holdings Corporati		19.1x	17.4x	15.5x	25.8x	23.2x	20.1x	40.9x	48.5x	40.4x	32.5x	28.9x	25.1x
Five Below, Inc.	6314	37.3x	19.5x	15.7x	59.5x	25.5x	20.2x	457.3x	358.5x	44.6x	73.3x	31.0x	25.0x
Ollie's Bargain Outlet Holdings Inc	7024	25.8x	24.1x	22.3x	28.6x	26.9x	24.4x	98.0x	64.1x	77.3x	37.9x	36.7x	33.3x
Target Corporation	61842	11.7x	10.0x	9.7x	19.7x	15.3x	14.4x	30.3x	26.8x	18.3x	25.0x	18.4x	16.6x
Walmart Inc.	370108	12.6x	12.0x	11.7x	19.0x	17.9x	17.3x	25.8x	25.5x	23.7x	26.0x	24.1x	22.5x
Nordic non-grocery peers median	6460	7.1x	7.0x	6.6x	12.4x	14.5x	13.5x	14.6x	15.0x	12.8x	12.8x	14.3x	13.0x
Nordic grocery focused retailers		10.0x	10.0x	9.9x	19.7x	19.8x	19.3x	21.9x	27.0x	24.3x	23.2x	22.8x	21.9x
Discount retailers median	18734	13.7x	12.7x	11.7x	19.7x	17.9x	17.3x	28.9x	28.7x	26.4x	26.0x	21.7x	19.2x
Tokmanni (Evli est.)	965	8.6x	8.1x	7.7x	14.7x	14.0x	13.3x	11.2x	9.8x	10.1x	15.0x	14.7x	14.2x
Tokmanni premium vs. Nordic non-grocery focuse		21 %	16 %	17 %	18 %	-3 %	-1 %	-23 %	-35 %	-21 %	17 %	3 %	9 %
Tokmanni premium vs. Nordic grocery focused pe	ers	-15 %	-19 %	-22 %	-26 %	-29 %	-31 %	-49 %	-64 %	-58 %	-36 %	-35 %	-35 %
Tokmanni premium vs. int. discount peers		-37 %	-36 %	-34 %	-25 %	-22 %	-23 %	-61 %	-66 %	-62 %	-42 %	-32 %	-26 %
TOKMANNI PEERS	Ticker	20 20	ividend yiel 21	ld 22	20	EBIT margin	22	20	ROCE-%	22	20	ROE-% 21	22
TOKMANNI PEERS Nordic non-grocery focused retailers	neker	20	21	22	20	21	22	20	21	22	20	ZI	22
Byggmax Group AB	BMAX-SE	11.9%	3.5%	3.7%	9.1%	5.4%	5.4%	18.7%	10.4%	10.4%	25.0%	14.3%	14.0%
Clas Ohlson AB Class B	CLAS.B-SE	6.2%	6.1%	6.2%	8.1%	7.9%	8.2%	17.1%	17.1%	18.3%	23.6%	22.5%	19.8%
Europris ASA	EPR-NO	4.8%	4.9%	5.3%	12.2%	10.9%	11.4%	16.4%	13.7%	14.2%	26.3%	21.2%	21.3%
Stockmann Oyj Abp Class B	STCBV-FI	0.0%	0.0%	0.0%	0.1%	2.8%	3.4%	0.0%	1.6%	2.0%	-8.6%	-3.7%	-2.6%
Verkkokauppa.com Oyj	VERK-FI	4.3%	4.6%	4.8%	3.2%	3.1%	3.2%	30.6%	29.6%	30.4%	31.8%	29.7%	30.2%
XXL ASA	XXL-NO	0.0%	0.0%	0.9%	1.1%	3.4%	4.1%	1.5%	5.0%	6.1%	-0.9%	4.1%	5.1%
Nordic grocery focused retailers													
Axfood AB	AXFO-SE	3.7%	3.7%	3.8%	4.5%	4.4%	4.4%	21.9%	21.6%	20.8%	46.1%	45.2%	43.7%
ICA Gruppen AB	ICA-SE	2.8%	2.8%	2.9%	4.5%	4.5%	4.4%	9.2%	8.9%	8.4%	11.8%	11.2%	10.9%
Kesko Oyj Class B	KESKOB-FI	3.5%	3.8%	3.9%	4.5%	4.5%	4.6%	9.8%	9.6%	9.6%	14.6%	14.4%	14.4%
International discount retailers													
B&M European Value Retail SA	BME-GB	2.2%	2.2%	2.7%	9.7%	8.8%	9.0%	15.5%	14.4%	15.7%	30.3%	25.3%	27.0%
Big Lots, Inc.	BIG-US	3.0%	3.1%	3.4%	6.0%	4.3%	4.0%	15.4%	10.5%		19.6%	15.3%	7.9%
Costco Wholesale Corporation	COST-US	0.8%	0.8%	0.8%	3.1%	3.2%	3.3%	18.3%	18.4%	17.6%	21.2%	20.3%	19.3%
Dollar General Corporation	DG-US	0.7%	0.8%	0.8%	9.3%	8.9%	9.1%	14.6%	15.1%	14.8%	27.3%	24.7%	24.4%
Dollar Tree, Inc.	DLTR-US	0.0%	0.0%	0.0%	6.8%	7.2%	7.4%	10.4%	10.7%	10.3%	16.3%	15.9%	14.8%
Dollarama Inc.	DOL-CA	0.4%	0.4%		21.3%	23.3%		23.0%	24.9%		40.00	40.00	
Pan Pacific International Holdings Corporati	/532-JP	0.5%	0.5%	0.6%	4.4%	4.6%	4.9%	7.2%	7.6%	8.3%	12.6%	12.6%	12.9%
Five Below, Inc.	FIVE-US	0.0%	0.0%	0.0%	6.2%	11.1%	11.6%	6.9%	13.8%		11.7%	22.0%	21.3%
Ollie's Bargain Outlet Holdings Inc	OLLI-US TGT-US	0.0% 2.2%	0.0% 2.4%	0.0% 2.5%	14.2% 4.4%	13.7% 5.6%	13.5% 5.8%	15.2% 12.0%	14.7% 15.1%	16.2%	15.5% 20.4%	14.6% 27.0%	14.4% 28.0%
Target Corporation Walmart Inc.	WMT-US	1.6%	1.6%	1.8%	4.4%	4.1%	4.2%	11.5%	12.0%	15.7%	18.5%	19.4%	20.3%
Nordic non-grocery peers median	VVIVII-03	4.6%	4.1%	4.3%	5.6%	4.4%	4.8%	16.8%	12.1%	12.3%	24.3%	17.8%	16.9%
Nordic grocery focused retailers		3.5%	3.7%	3.8%	4.5%	4.5%	4.4%	9.8%	9.6%	9.6%	14.6%	14.4%	14.4%
Discount retailers median		0.6%	0.7%	0.8%	6.1%	6.4%	5.8%	14.6%	14.4%	15.7%	19.0%	19.8%	19.8%
Tokmanni (Evli est.)		4.7%	4.8%	4.9%	8.8%	8.8%	8.9%	15.0%	15.2%	15.7%	32.5%	29.5%	27.9%
TOWNANINI DEEDS			version (FC			CAPEX/sales			et debt/EBIT			Equity ratio	
TOKMANNI PEERS		20	21	22	20	21	22	20	21	22	20	21	22
Nordic non-grocery focused retailers		60.0/-	60.0/-	E 1 0/-	20/-	20/-	20/-	2 1	27	2 5	200/-	270/-	200/-
Byggmax Group AB		60 % 49 %	60 % 44 %	51 % 60 %	2% 4%	2% 4%	2% 2%	2.1x	2.7x	2.5x	39% 35%	37% 36%	39% 43%
Clas Ohlson AB Class B Europris ASA		49 %	44 %	45 %	3%	3%	2% 3%	1.2x 1.7x	1.0x 1.6x	0.7x 1.5x	35%	31%	43% 33%
Stockmann Oyj Abp Class B		16 %	-29 %	-7 %	12%	15%	15%	6.5x	5.7x	5.6x	34%	34%	35%
Verkkokauppa.com Oyj		53 %	63 %	63 %	1%	1%	1%	-0.9x	-1.0x	-1.0x	24%	25%	25%
XXL ASA		77 %	47 %	56 %	2%	2%	1%	4.2x	2.9x	2.4x	44%	46%	48%
Nordic grocery focused retailers		1		0	0							. 3 .0	
Axfood AB		51 %	37 %	28 %	2%	4%	4%	1.1x	1.1x	1.3x	22%	23%	23%
ICA Gruppen AB		34 %	39 %	41 %	5%	4%	4%	2.2x	2.2x	2.1x	34%	35%	36%
Kesko Oyj Class B		46 %	36 %	41 %	3%	4%	3%	2.9x	2.9x	2.8x	30%	31%	32%
International discount retailers													
B&M European Value Retail SA		39 %	37 %	34 %	2%	2%	2%	0.6x	0.5x	0.6x	28%	31%	34%
Big Lots, Inc.		176 %	41 %	na.	2%	3%	3%	-1.0x	-1.4x	-1.9x	34%	35%	
Costco Wholesale Corporation		43 %	48 %	76 %	2%	2%	2%	-0.4x	-0.6x	-0.7x	35%	39%	44%
Dollar General Corporation		51 %	49 %	51 %	3%	3%	3%	1.4x	1.5x	1.3x	32%	36%	35%
Dollar Tree, Inc.		42 %	46 %	36 %	4%	4%	4%	1.6x	1.3x	1.1x	37%	40%	41%
Dollarama Inc.		57 %	57 %	na.	3%	3%	3%	2.0x	1.6x	2.2	7%	16%	0.001
Pan Pacific International Holdings Corporati	บท	47 %	36 %	38 %	3%	3%	2%	3.3x	2.8x	2.3x	28%	30%	32%
Five Below, Inc. Ollie's Bargain Outlet Holdings Inc		8 % 26 %	5 % 38 %	35 % 29 %	10% 2%	9% 2%	7%	2.2x	1.4x	1.1x	37% 68%	41% 69%	
Target Corporation		26 % 39 %	38 % 37 %	29 % 53 %	2% 4%	2% 4%	3%	0.1x 1.5x	-0.2x 1.5x	-0.5x 1.4x	68% 27%	69% 28%	28%
Walmart Inc.		39 % 49 %	37 % 47 %	53 % 49 %	4% 2%	4% 2%	3% 2%	1.5x 1.3x	1.5x 1.2x	1.4x 1.2x	27% 29%	28% 29%	28% 34%
Nordic non-grocery peers median		51 %	48 %	53 %	2%	3%	2% 2%	1.9x	2.2x	2.0x	35%	35%	37%
Nordic grocery focused retailers		46 %	37%	41%	3%	3% 4%	4%	2.2x	2.2x 2.2x	2.0x 2.1x	30%	31%	32%
Discount retailers median		42 %	39 %	37 %	2%	3%	3%	1.4x	1.3x	1.1x	32%	35%	34%
Tokmanni (Evli est.)		76 %	83 %	76 %	7%	7%	6%	2.3x	2.1x	1.9x	28%	30%	33%
Source: Factset, Evli Research													

Source: Factset, Evli Research

Food & Staples Retailing/Finland, July 30, 2020 Company update

		URES

EVLI ESTIMATES, EURm	2019Q1	2019Q2	2019Q3	2019Q4	2019	2020Q1	202002	2020Q3E	2020Q4E	2020E	2021E	2022E
Net sales	188.1	239.9	231.5	284.8	944.3	199.0	286.0	252.5	296.6	1,034.1	1,050.8	1,079.7
EBITDA	12.8	34.0	37.2	47.6	131.6	16.3	46.7	41.9	50.0	155.0	160.1	166.4
EBITDA margin (%)	6.8	14.2	16.1	16.7	13.9	8.2	16.3	16.6	16.9	15.0	15.2	15.4
EBIT	-2.2	18.7	21.9	32.0	70.4	0.3	30.6	25.8	33.8	90.6	92.9	96.3
EBIT margin (%)	-1.2	7.8	9.5	11.2	7.5	0.2	10.7	10.2	11.4	8.8	8.8	8.9
Net financial items	-2.6	-2.6	-2.6	-2.6	-10.4	-2.5	-2.5	-2.6	-2.6	-10.2	-10.8	-11.3
Pre-tax profit	-4.8	16.1	19.3	29.4	60.0	-2.2	28.1	23.2	31.2	80.4	82.1	85.0
Tax	1.0	-3.1	-4.0	-5.7	-11.8	0.6	-5.6	-4.6	-6.2	-15.9	-16.4	-17.0
Tax rate (%)	20.8	19.3	20.7	19.4	19.7	27.3	19.9	20.0	20.0	19.8	20.0	20.0
Net profit	-3.8	13.0	15.3	23.7	48.2	-1.6	22.5	18.6	25.0	64.5	65.7	68.0
EPS	-0.06	0.22	0.26	0.40	0.82	-0.03	0.38	0.32	0.42	1.10	1.12	1.16
EPS adjusted (diluted no. of shares)	-0.06	0.22	0.26	0.40	0.82	-0.03	0.38	0.32	0.42	1.10	1.12	1.16
Dividend per share	0.00	0.00	0.00	0.00	0.62	0.00	0.00	0.00	0.00	0.76	0.78	0.81
SALES, EURm												
Group	188.1	239.9	231.5	284.8	944.3	199.0	286.0	252.5	296.6	1,034.1	1,050.8	1,079.7
Total	188.1	239.9	231.5	284.8	944.3	199.0	286.0	252.5	296.6	1,034.1	1,050.8	1,079.7
SALES GROWTH, Y/Y %												
Group	8.3	10.2	9.9	6.1	8.5	5.8	19.2	9.1	4.1	9.5	1.6	2.7
Total	8.3	10.2	9.9	6.1	8.5	5.8	19.2	9.1	4.1	9.5	1.6	2.7
EBIT, EURm										·	·	
Group	-2.2	18.7	21.9	32.0	70.4	0.3	30.6	25.8	33.8	90.6	92.9	96.3
Total	-2.2	18.7	21.9	32.0	70.4	0.3	30.6	25.8	33.8	90.6	92.9	96.3
EBIT margin, %		•	•	•			•	•				
Group	-1.2	7.8	9.5	11.2	7.5	0.2	10.7	10.2	11.4	8.8	8.8	8.9
Total	-1.2	7.8	9.5	11.2	7.5	0.2	10.7	10.2	11.4	8.8	8.8	8.9

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INCOME STATEMENT, EURm	2015	2016	2017	2018	2019	2020E	2021E	2022E
Sales	755.3	775.8	796.5	870.4	944.3	1,034.1	1,050.8	1,079.7
Sales growth (%)	2.9	2.7	2.7	9.3	8.5	9.5	1.6	2.7
EBITDA	58.4	62.8	54.9	109.3	131.6	155.0	160.1	166.4
EBITDA margin (%)	7.7	8.1	6.9	12.6	13.9	15.0	15.2	15.4
Depreciation	-14.8	-15.1	-14.3	-57.3	-61.2	-64.4	-67.2	-70.0
EBITA	43.6	47.7	40.6	52.0	70.4	90.6	92.9	96.3
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	52.0	70.4	90.6	92.9	96.3
EBIT margin (%)	5.8	6.1	5.1	6.0	7.5	8.8	8.8	8.9
Reported EBIT	39.0	49.2	39.8	53.6	69.4	90.0	92.9	96.3
EBIT margin (reported) (%)	5.2	6.3	5.0	6.2	7.4	8.7	8.8	8.9
Net financials	-20.9	-15.2	-5.9	-10.6	-10.4	-10.2	-10.8	-11.3
Pre-tax profit	22.7	32.5	34.7	41.4	60.0	80.4	82.1	85.0
Taxes	-3.4	-6.8	-6.6	-8.6	-11.8	-15.9	-16.4	-17.0
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	34.4	47.2	63.9	65.7	68.0
Cash NRIs	-4.6	1.5	-0.8	1.6	-1.0	-0.6	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								
Assets								
Fixed assets	97	95	94	95	44	42	41	39
Goodwill	129	129	129	135	135	135	135	135
Right of use assets	0	0	0	234	279	289	292	292
Inventory	160	155	170	191	223	238	231	238
Receivables	16	18	22	22	19	25	25	26
Liquid funds	49	58	43	38	29	41	42	43
Total assets	455	459	462	721	731	771	767	775
Liabilities								
Shareholder's equity	48	167	163	167	185	212	233	255
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	289	292	292
Deferred taxes	6	5	5	6	0	0	0	0
Interest bearing debt	294	174	177	173	100	116	86	67
Non-interest bearing current liabilities	91	104	107	123	127	145	147	151
Other interest-free debt	16	10	11	10	10	10	10	10
Total liabilities	455	459	463	721	731	771	767	775
CASH FLOW, EURm								
+ EBITDA	58	63	55	109	132	155	160	166
- Net financial items	-21	-15	-6	-11	-10	-10	-11	-11
- Taxes	-3	-4	-8	-7	-12	-16	-16	-17
- Increase in Net Working Capital	-3	15	-13	-5	-24	-3	9	-3
+/- Other	-5	4	0	-42	-1	-1	0	0
= Cash flow from operations	27	63	27	45	84	125	141	135
- Capex	-18	-10	-12	-20	-56	-71	-69	-70
- Acquisitions	0	0	0	-15	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Free cash flow	8	53	15	10	28	54	72	66
+/- New issues/buybacks	0	91	-1	-6	0	0	0	0
- Paid dividend	0	0	-30	-24	-29	-36	-45	-46
+/- Other	-12	-135	0	16	-8	-5	-27	-18
Change in cash	-4	9	-15	-5	-9	12	1	1

Food & Staples Retailing/Finland, July 30, 2020 Company update

KEY FIGURES	2016	2017	2018	2019	2020E	2021E	2022E
M-cap	500	427	423	743	965	965	965
Net debt (excl. convertibles)	116	134	379	380	363	335	316
Enterprise value	616	561	801	1,123	1,328	1,301	1,281
Sales	776	797	870	944	1,034	1,051	1,080
EBITDA	63	55	109	132	155	160	166
EBIT	48	41	52	70	91	93	96
Pre-tax	33	35	41	60	80	82	85
Earnings	26	28	33	48	64	66	68
Equity book value (excl. minorities)	167	163	167	185	212	233	255
Valuation multiples							
EV/sales	0.8	0.7	0.9	1.2	1.3	1.2	1.2
EV/EBITDA	9.8	10.2	7.3	8.5	8.6	8.1	7.7
EV/EBITA	12.9	13.8	15.4	16.0	14.7	14.0	13.3
EV/EBIT	12.9	13.8	15.4	16.0	14.7	14.0	13.3
EV/OCF	9.9	20.7	17.8	13.3	10.6	9.2	9.5
EV/FCFF	9.3	24.4	24.1	8.8	11.2	9.8	10.1
P/FCFE	9.5	27.7	41.8	26.3	17.9	13.3	14.7
P/E	19.5	15.2	12.9	15.4	15.0	14.7	14.2
P/B	3.0	2.6	2.5	4.0	4.6	4.1	3.8
Target EV/EBITDA	0.0	0.0	0.0	0.0	9.3	8.9	8.4
Target EV/EBIT	0.0	0.0	0.0	0.0	16.0	15.3	14.5
Target EV/FCF	0.0	0.0	0.0	0.0	26.9	19.6	21.3
Target P/B	0.0	0.0	0.0	0.0	5.1	4.7	4.3
Target P/E	0.0	0.0	0.0	0.0	16.8	16.5	15.9
Per share measures							
Number of shares	58,869	58,869	58,869	58,869	58,862	58,862	58,862
Number of shares (diluted)	58,869	58,869	58,869	58,869	58,862	58,862	58,862
EPS	0.44	0.48	0.56	0.82	1.10	1.12	1.16
	0.44						
Operating cash flow per share	1.06	0.46	0.76	1.43	2.13	2.40	2.29
Operating cash flow per share Free cash flow per share				1.43 0.48	2.13 0.91	2.40 1.23	2.29 1.11
Free cash flow per share	1.06 0.89	0.46 0.26	0.76 0.17	0.48	0.91	1.23	1.11
Free cash flow per share Book value per share	1.06	0.46	0.76				
Free cash flow per share Book value per share Dividend per share	1.06 0.89 2.83	0.46 0.26 2.77	0.76 0.17 2.83	0.48 3.14	0.91 3.60	1.23 3.95	1.11 4.33
Free cash flow per share Book value per share Dividend per share Dividend payout ratio, %	1.06 0.89 2.83 0.51	0.46 0.26 2.77 0.41	0.76 0.17 2.83 0.50	0.48 3.14 0.62	0.91 3.60 0.76	1.23 3.95 0.78	1.11 4.33 0.81
Free cash flow per share Book value per share Dividend per share Dividend payout ratio, % Dividend yield, %	1.06 0.89 2.83 0.51 116.8	0.46 0.26 2.77 0.41 86.0	0.76 0.17 2.83 0.50 89.7	0.48 3.14 0.62 75.8	0.91 3.60 0.76 69.9	1.23 3.95 0.78 70.0	1.11 4.33 0.81 70.0 4.9
Free cash flow per share Book value per share Dividend per share Dividend payout ratio, %	1.06 0.89 2.83 0.51 116.8 6.0	0.46 0.26 2.77 0.41 86.0 5.7	0.76 0.17 2.83 0.50 89.7 7.0	0.48 3.14 0.62 75.8 4.9	0.91 3.60 0.76 69.9 4.7	1.23 3.95 0.78 70.0 4.8	1.11 4.33 0.81 70.0
Free cash flow per share Book value per share Dividend per share Dividend payout ratio, % Dividend yield, % FCF yield, %	1.06 0.89 2.83 0.51 116.8 6.0	0.46 0.26 2.77 0.41 86.0 5.7	0.76 0.17 2.83 0.50 89.7 7.0	0.48 3.14 0.62 75.8 4.9	0.91 3.60 0.76 69.9 4.7	1.23 3.95 0.78 70.0 4.8	1.11 4.33 0.81 70.0 4.9
Free cash flow per share Book value per share Dividend per share Dividend payout ratio, % Dividend yield, % FCF yield, % Efficiency measures	1.06 0.89 2.83 0.51 116.8 6.0 10.5	0.46 0.26 2.77 0.41 86.0 5.7 3.6	0.76 0.17 2.83 0.50 89.7 7.0 2.4	0.48 3.14 0.62 75.8 4.9 3.8	0.91 3.60 0.76 69.9 4.7 5.6	1.23 3.95 0.78 70.0 4.8 7.5	1.11 4.33 0.81 70.0 4.9 6.8
Free cash flow per share Book value per share Dividend per share Dividend payout ratio, % Dividend yield, % FCF yield, % Efficiency measures ROE	1.06 0.89 2.83 0.51 116.8 6.0 10.5	0.46 0.26 2.77 0.41 86.0 5.7 3.6	0.76 0.17 2.83 0.50 89.7 7.0 2.4	0.48 3.14 0.62 75.8 4.9 3.8	0.91 3.60 0.76 69.9 4.7 5.6	1.23 3.95 0.78 70.0 4.8 7.5	1.11 4.33 0.81 70.0 4.9 6.8
Free cash flow per share Book value per share Dividend per share Dividend payout ratio, % Dividend yield, % FCF yield, % Efficiency measures ROE ROCE	1.06 0.89 2.83 0.51 116.8 6.0 10.5	0.46 0.26 2.77 0.41 86.0 5.7 3.6	0.76 0.17 2.83 0.50 89.7 7.0 2.4	0.48 3.14 0.62 75.8 4.9 3.8	0.91 3.60 0.76 69.9 4.7 5.6	1.23 3.95 0.78 70.0 4.8 7.5	1.11 4.33 0.81 70.0 4.9 6.8
Free cash flow per share Book value per share Dividend per share Dividend payout ratio, % Dividend yield, % FCF yield, % Efficiency measures ROE ROCE Financial ratios	1.06 0.89 2.83 0.51 116.8 6.0 10.5	0.46 0.26 2.77 0.41 86.0 5.7 3.6	0.76 0.17 2.83 0.50 89.7 7.0 2.4	0.48 3.14 0.62 75.8 4.9 3.8 27.4	0.91 3.60 0.76 69.9 4.7 5.6	1.23 3.95 0.78 70.0 4.8 7.5	1.11 4.33 0.81 70.0 4.9 6.8 27.9 15.7
Free cash flow per share Book value per share Dividend per share Dividend payout ratio, % Dividend yield, % FCF yield, % Efficiency measures ROE ROCE Financial ratios Inventories as % of sales	1.06 0.89 2.83 0.51 116.8 6.0 10.5 23.9 14.1	0.46 0.26 2.77 0.41 86.0 5.7 3.6	0.76 0.17 2.83 0.50 89.7 7.0 2.4 19.9 11.3	0.48 3.14 0.62 75.8 4.9 3.8 27.4 12.0	0.91 3.60 0.76 69.9 4.7 5.6 32.5 15.0	1.23 3.95 0.78 70.0 4.8 7.5 29.5 15.2	1.11 4.33 0.81 70.0 4.9 6.8 27.9 15.7
Free cash flow per share Book value per share Dividend per share Dividend payout ratio, % Dividend yield, % FCF yield, % Efficiency measures ROE ROCE Financial ratios Inventories as % of sales Receivables as % of sales	1.06 0.89 2.83 0.51 116.8 6.0 10.5 23.9 14.1	0.46 0.26 2.77 0.41 86.0 5.7 3.6 17.0 12.1	0.76 0.17 2.83 0.50 89.7 7.0 2.4 19.9 11.3	0.48 3.14 0.62 75.8 4.9 3.8 27.4 12.0 23.6 2.0	0.91 3.60 0.76 69.9 4.7 5.6 32.5 15.0	1.23 3.95 0.78 70.0 4.8 7.5 29.5 15.2	1.11 4.33 0.81 70.0 4.9 6.8 27.9 15.7
Free cash flow per share Book value per share Dividend per share Dividend payout ratio, % Dividend yield, % FCF yield, % Efficiency measures ROE ROCE Financial ratios Inventories as % of sales Receivables as % of sales Non-interest bearing liabilities as % of sales	1.06 0.89 2.83 0.51 116.8 6.0 10.5 23.9 14.1 20.0 2.3 13.3	0.46 0.26 2.77 0.41 86.0 5.7 3.6 17.0 12.1	0.76 0.17 2.83 0.50 89.7 7.0 2.4 19.9 11.3 21.9 2.5 14.1	0.48 3.14 0.62 75.8 4.9 3.8 27.4 12.0 23.6 2.0 13.4	0.91 3.60 0.76 69.9 4.7 5.6 32.5 15.0 23.0 2.4 14.0	1.23 3.95 0.78 70.0 4.8 7.5 29.5 15.2 22.0 2.4 14.0	1.11 4.33 0.81 70.0 4.9 6.8 27.9 15.7 22.0 2.4 14.0
Free cash flow per share Book value per share Dividend per share Dividend payout ratio, % Dividend yield, % 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, %	1.06 0.89 2.83 0.51 116.8 6.0 10.5 23.9 14.1 20.0 2.3 13.3 8.7	0.46 0.26 2.77 0.41 86.0 5.7 3.6 17.0 12.1 21.4 2.8 13.5 10.3	0.76 0.17 2.83 0.50 89.7 7.0 2.4 19.9 11.3 21.9 2.5 14.1 10.0	0.48 3.14 0.62 75.8 4.9 3.8 27.4 12.0 23.6 2.0 13.4 11.7	0.91 3.60 0.76 69.9 4.7 5.6 32.5 15.0 23.0 2.4 14.0 11.0	1.23 3.95 0.78 70.0 4.8 7.5 29.5 15.2 22.0 2.4 14.0 10.0	1.11 4.33 0.81 70.0 4.9 6.8 27.9 15.7 22.0 2.4 14.0 10.0
Free cash flow per share Book value per share Dividend per share Dividend payout ratio, % Dividend yield, % 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, %	1.06 0.89 2.83 0.51 116.8 6.0 10.5 23.9 14.1 20.0 2.3 13.3 8.7 1.3	0.46 0.26 2.77 0.41 86.0 5.7 3.6 17.0 12.1 21.4 2.8 13.5 10.3 1.5	0.76 0.17 2.83 0.50 89.7 7.0 2.4 19.9 11.3 21.9 2.5 14.1 10.0 2.3	0.48 3.14 0.62 75.8 4.9 3.8 27.4 12.0 23.6 2.0 13.4 11.7 5.9	0.91 3.60 0.76 69.9 4.7 5.6 32.5 15.0 23.0 2.4 14.0 11.0 6.9	1.23 3.95 0.78 70.0 4.8 7.5 29.5 15.2 22.0 2.4 14.0 10.0 6.6	1.11 4.33 0.81 70.0 4.9 6.8 27.9 15.7 22.0 2.4 14.0 10.0 6.4
Free cash flow per share Book value per share Dividend per share Dividend payout ratio, % Dividend yield, % 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), %	1.06 0.89 2.83 0.51 116.8 6.0 10.5 23.9 14.1 20.0 2.3 13.3 8.7 1.3 1.3	0.46 0.26 2.77 0.41 86.0 5.7 3.6 17.0 12.1 21.4 2.8 13.5 10.3 1.5 1.5	0.76 0.17 2.83 0.50 89.7 7.0 2.4 19.9 11.3 21.9 2.5 14.1 10.0 2.3 0.6	0.48 3.14 0.62 75.8 4.9 3.8 27.4 12.0 23.6 2.0 13.4 11.7 5.9 5.9	0.91 3.60 0.76 69.9 4.7 5.6 32.5 15.0 23.0 2.4 14.0 11.0 6.9 6.9	1.23 3.95 0.78 70.0 4.8 7.5 29.5 15.2 22.0 2.4 14.0 10.0 6.6 6.6	1.11 4.33 0.81 70.0 4.9 6.8 27.9 15.7 22.0 2.4 14.0 10.0 6.4 6.4
Free cash flow per share Book value per share Dividend per share Dividend payout ratio, % Dividend yield, % 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	1.06 0.89 2.83 0.51 116.8 6.0 10.5 23.9 14.1 20.0 2.3 13.3 8.7 1.3 1.3 1.1	0.46 0.26 2.77 0.41 86.0 5.7 3.6 17.0 12.1 21.4 2.8 13.5 10.3 1.5 1.5 0.4	0.76 0.17 2.83 0.50 89.7 7.0 2.4 19.9 11.3 21.9 2.5 14.1 10.0 2.3 0.6 0.3	0.48 3.14 0.62 75.8 4.9 3.8 27.4 12.0 23.6 2.0 13.4 11.7 5.9 5.9 1.0	0.91 3.60 0.76 69.9 4.7 5.6 32.5 15.0 23.0 2.4 14.0 11.0 6.9 6.9 0.8	1.23 3.95 0.78 70.0 4.8 7.5 29.5 15.2 22.0 2.4 14.0 10.0 6.6 6.6 0.8	1.11 4.33 0.81 70.0 4.9 6.8 27.9 15.7 22.0 2.4 14.0 10.0 6.4 6.4 0.8
Free cash flow per share Book value per share Dividend per share Dividend payout ratio, % Dividend yield, % 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	1.06 0.89 2.83 0.51 116.8 6.0 10.5 23.9 14.1 20.0 2.3 13.3 8.7 1.3 1.3 1.1	0.46 0.26 2.77 0.41 86.0 5.7 3.6 17.0 12.1 21.4 2.8 13.5 10.3 1.5 1.5 0.4 2.4	0.76 0.17 2.83 0.50 89.7 7.0 2.4 19.9 11.3 21.9 2.5 14.1 10.0 2.3 0.6 0.3 3.5	0.48 3.14 0.62 75.8 4.9 3.8 27.4 12.0 23.6 2.0 13.4 11.7 5.9 5.9 1.0 2.9	0.91 3.60 0.76 69.9 4.7 5.6 32.5 15.0 23.0 2.4 14.0 11.0 6.9 6.9 0.8 2.3	1.23 3.95 0.78 70.0 4.8 7.5 29.5 15.2 22.0 2.4 14.0 10.0 6.6 6.6 0.8 2.1	1.11 4.33 0.81 70.0 4.9 6.8 27.9 15.7 22.0 2.4 14.0 10.0 6.4 6.4 0.8 1.9
Free cash flow per share Book value per share Dividend per share Dividend payout ratio, % Dividend yield, % 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	1.06 0.89 2.83 0.51 116.8 6.0 10.5 23.9 14.1 20.0 2.3 13.3 8.7 1.3 1.3 1.1 1.8 0.3	0.46 0.26 2.77 0.41 86.0 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	0.76 0.17 2.83 0.50 89.7 7.0 2.4 19.9 11.3 21.9 2.5 14.1 10.0 2.3 0.6 0.3 3.5 0.4	0.48 3.14 0.62 75.8 4.9 3.8 27.4 12.0 23.6 2.0 13.4 11.7 5.9 5.9 1.0 2.9 0.1	0.91 3.60 0.76 69.9 4.7 5.6 32.5 15.0 23.0 2.4 14.0 11.0 6.9 6.9 0.8 2.3 0.1	1.23 3.95 0.78 70.0 4.8 7.5 29.5 15.2 22.0 2.4 14.0 10.0 6.6 6.6 0.8 2.1 0.1	1.11 4.33 0.81 70.0 4.9 6.8 27.9 15.7 22.0 2.4 14.0 10.0 6.4 6.4 0.8 1.9

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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 like-for-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	0/0
Takoa Invest	10,544,688	172.933	17.9%
Keskinäinen työeläkevakuutusyhtiö Varma	3,150,526	51.669	5.4%
Keskinäinen työeläkevakuutusyhtiö Elo	2,486,997	40.787	4.2%
Keskinäinen Eläkevakuutusyhtiö Ilmarinen	1,732,539	28.414	2.9%
OP-Suomi Arvo -sijoitusrahasto	1,223,910	20.072	2.1%
Eläkevakuutusosakeyhtiö Veritas	690,000	11.316	1.2%
Sijoitusrahasto Evli Suomi Pienyhtiöt	668,746	10.967	1.1%
Säästöpankki Kotimaa-sijoitusrahasto	636,527	10.439	1.1%
Nordea Fennia Fund	517,851	8.493	0.9%
Kirkon Eläkerahasto	496,973	8.150	0.8%
Ten largest	22,148,757	363.240	38%
Residual	36,713,710	602.105	62%
Total	58,862,467	965.344	100%

EARNINGS CALENDAR	
October 29, 2020	Q3 report
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 Earnings per share	Profit before extraord. items and taxes- income taxes + minority interest Number of shares					
P/BV	DPS					
Price per share Shareholders' equity + taxed provisions per share	Dividend for the financial period per share					
Market cap	OCF (Operating cash flow)					
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 – share of associated companies at market value	Operating cash flow – operative CAPEX – acquisitions + divestments					
EV/Sales	FCF yield, %					
Enterprise value Sales	Free cash flow Market cap					
EV/EBITDA	Operative CAPEX/sales					
Enterprise value Earnings before interest, tax, depreciation and amortization	Capital expenditure – divestments – acquisitions Sales					
EV/EBIT	Net working capital					
Enterprise value Operating profit	Current assets – current liabilities					
Net debt	Capital employed/Share					
Interest bearing debt – financial assets	Total assets – non-interest bearing debt Number of shares					
Total assets	Gearing					
Balance sheet total	<u>Net debt</u> Equity					
Div yield, %	Debt/Equity, %					
Dividend per share Price per share	Interest bearing debt Shareholders' equity + minority interest + taxed provisions					
Payout ratio, %	Equity ratio, %					
Total dividends Earnings before extraordinary items and taxes – income taxes + minority interest	Shareholders' equity + minority interest + taxed provisions Total assets – interest-free loans					
ROCE, %	CAGR, %					
Profit before extraordinary items + interest expenses+ other financial costs Balance sheet total – non-interest bearing debt (average)	Cumulative annual growth rate = Average growth per year					
ROE, %						
Profit before extraordinary items and taxes – income taxes Shareholder's equity + minority interest + taxed provisions (average)						

Food & Staples Retailing/Finland, July 30, 2020 Company update

Important Disclosures

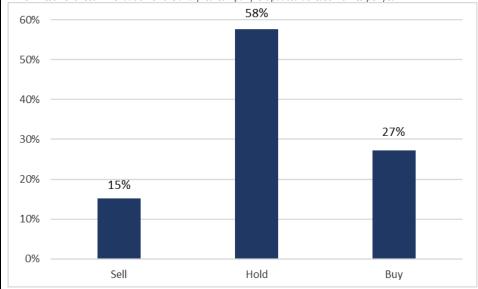
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Investment recommendations are defined as follows:

Target price compared to share price Recommendation

< -10 % SELL -10 - (+10) % HOLD > 10 % BUY

ERP's investment recommendation of the analyzed company is updated at least 2 times per year.



The graph above shows the distribution of ERP's recommendations of companies under coverage in 11th of May 2020. If recommendation is not given, it is not mentioned here.

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

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