

Growth and EBIT potential remain

Exel's Q3 results didn't meet our estimates, but long-term EBIT potential remains significant even if it materializes somewhat slower than we previously estimated.

Top and bottom line a bit shy but no major issues

Exel's Q3 revenue was EUR 33.8m vs our EUR 37.5m estimate. The two largest regions, Europe and North America, continued to grow at a rate of some 5% y/y while Asia-Pacific declined by 6%. The largest customer segments landed close to our estimates, while relative softness within the smaller segments added up and hence Exel's volumes were not quite as high as we expected. The relative lack in volumes also left the EUR 1.8m adj. EBIT muted vs our EUR 2.7m estimate. The summer months were quiet in terms of new orders however the levels have begun to improve over the autumn. Exel left its guidance unchanged; in our view Q4 EBIT is set to improve y/y as the comparison figure is low, while there should be potential for at least some improvement q/q.

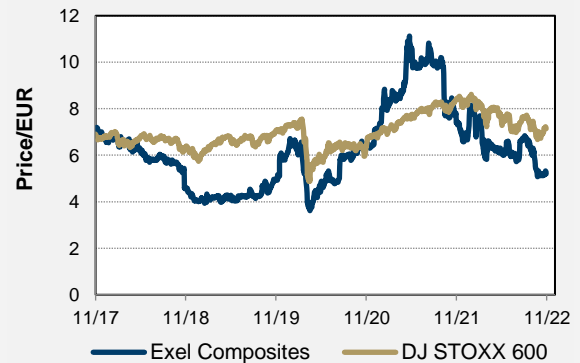
Long-term CAGR should remain around 5-10%

Exel's long-term drivers are in place as before and we believe the company has been able to find the right types of customer accounts. The 6.7% adj. EBIT margin seen this year is not too bad, yet there should be plenty of upside left beyond that level. The consolidation of the two Chinese plants yields annual cost savings of EUR 0.7m, while wind power is likely to remain an important driver next year. The Indian JV may prove useful in this respect. The 24% growth seen last year was a rate very difficult to sustain for long, and Exel's top line may not grow much this year, but in our view Exel's accounts should still support long-term CAGR of some 5-10%. Such rates, combined with further margin upside, mean there's still meaningful EBIT potential left.

Valuation not demanding even if growth slows a bit

Exel is valued at slightly above 8x EV/EBIT on our FY '23 estimates, which is not a particularly high level considering our respective 7.5% EBIT margin estimate is well below the long-term benchmark level of 10% the company has been able to touch on a few occasions with significantly lower top line. In our view Exel's key customer accounts could help the company grow even in a more challenging macro environment, however short order visibility is one factor limiting earnings multiples potential. We update our TP to EUR 6.5 (8.5) and retain our BUY rating.

Rating BUY



Share price, EUR (Last trading day's closing price) 5.20
Target price, EUR 6.5

Latest change in recommendation 20-Jul-21
Latest report on company 21-Jul-22
Research paid by issuer: YES
No. of shares outstanding, '000's 11,897
No. of shares fully diluted, '000's 11,897
Market cap, EURm 62
Free float, % 100.0
Exchange rate EUR/USD 0.99
Reuters code EXL1V.HE
Bloomberg code EXL1V FH
Average daily volume, EURm 0.1
Next interim report 17-Feb-23
Web site www.exelcomposites.com

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BUY HOLD SELL

KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	FCF EURm	EPS EUR	P/E (x)	EV/Sales (x)	EV/EBIT (x)	FCF yield %	DPS EUR
2020	108.6	9.4	8.7%	0.5	0.45	16.4	1.1	12.5	0.6	0.20
2021	134.4	3.7	2.8%	-6.2	0.14	57.0	1.0	34.9	-6.5	0.20
2022E	142.3	7.1	5.0%	6.4	0.65	8.0	0.7	13.2	10.4	0.25
2023E	150.8	11.3	7.5%	5.9	0.63	8.3	0.6	8.1	9.5	0.30
2024E	158.4	14.3	9.0%	9.2	0.90	5.8	0.5	6.0	14.9	0.32
Market cap, EURm	62			Gearing 2022E, %	87.9			CAGR EPS 2021-24, %	86.5	
Net debt 2022E, EURm	32			Price/book 2022E	1.7			CAGR sales 2021-24, %	5.6	
Enterprise value, EURm	94			Dividend yield 2022E, %	4.8			ROE 2022E, %	22.9	
Total assets 2022E, EURm	122			Tax rate 2022E, %	29.0			ROCE 2022E, %	8.7	
Goodwill 2022E, EURm	13			Equity ratio 2022E, %	30.0			PEG, P/E 22/CAGR	0.4	

Estimates and peer group multiples

Exel Composites	2019	2020	Q1'21	Q2'21	Q3'21	Q4'21	2021	Q1'22	Q2'22	Q3'22	Q4'22e	2022e
Buildings and infrastructure	23.5	23.5	7.0	9.5	8.1	8.4	32.9	7.7	8.9	7.8	7.8	32.2
Equipment and other industries	18.6	19.5	5.6	5.2	5.4	7.1	23.4	7.4	5.9	5.6	7.3	26.0
Wind power	23.6	28.1	7.4	7.8	8.6	8.3	32.1	6.8	6.5	8.0	7.2	28.5
Machinery and electrical	14.4	15.5	3.6	4.3	4.8	4.9	17.6	4.3	5.3	5.0	5.1	19.6
Transportation	13.1	10.2	2.5	2.7	2.1	2.9	10.2	3.1	7.2	3.7	3.9	17.9
Defense	2.3	5.3	2.2	1.8	2.2	2.5	8.7	2.1	1.6	2.0	2.6	8.2
Telecommunications	8.2	6.5	2.5	2.3	2.3	2.3	9.5	2.8	2.8	1.7	2.4	9.8
Revenue	103.8	108.6	31.0	33.5	33.4	36.5	134.4	34.2	38.1	33.8	36.3	142.3
<i>y/y change, %</i>	<i>7 %</i>	<i>5 %</i>	<i>11 %</i>	<i>23 %</i>	<i>28 %</i>	<i>33 %</i>	<i>24 %</i>	<i>10 %</i>	<i>14 %</i>	<i>1 %</i>	<i>-1 %</i>	<i>6 %</i>
Adjusted EBIT	7.2	9.7	2.5	2.5	0.1	1.0	6.0	2.2	3.1	1.8	2.4	9.5
EBIT	5.1	9.4	2.4	2.4	-1.7	0.6	3.7	0.0	3.0	1.7		7.1
<i>-margin, %</i>	<i>6.9 %</i>	<i>8.9 %</i>	<i>7.9 %</i>	<i>7.3 %</i>	<i>0.3 %</i>	<i>2.8 %</i>	<i>4.5 %</i>	<i>6.4 %</i>	<i>8.2 %</i>	<i>5.4 %</i>	<i>6.6 %</i>	<i>6.7 %</i>
<i>-margin (reported), %</i>	<i>4.9 %</i>	<i>8.7 %</i>	<i>7.8 %</i>	<i>7.0 %</i>	<i>-5.1 %</i>	<i>1.8 %</i>	<i>2.8 %</i>	<i>0.1 %</i>	<i>7.9 %</i>	<i>5.0 %</i>		<i>5.0 %</i>

Source: Evli Research

EXEL COMPOSITES PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			EBIT-%		
		22	23	24	22	23	24	22	23	24
Hexagon Composites	430		95.8x	21.7x				-9.3 %	-5.9 %	-2.5 %
Hexcel	4748	17.6x	14.2x	12.2x	30.3x	22.8x	17.9x	11.4 %	13.3 %	15.4 %
Avient	2635	9.4x	9.3x	8.3x	14.0x	14.2x	12.1x	8.9 %	10.4 %	11.5 %
SGL Carbon	886	6.2x	6.8x	6.1x	10.0x	11.1x	9.8x	9.4 %	8.4 %	9.1 %
TPI Composites	386	15.9x	8.5x	5.2x		23.7x	8.3x	-1.0 %	1.6 %	4.1 %
Peer Group Average	1817	12.3x	26.9x	10.7x	18.1x	18.0x	12.0x	3.9 %	5.6 %	7.5 %
Peer Group Median	886	12.6x	9.3x	8.3x	14.0x	18.5x	10.9x	8.9 %	8.4 %	9.1 %
Exel Composites (Evli est.)	62	6.7x	5.0x	4.0x	13.2x	8.1x	6.0x	5.0 %	7.5 %	9.0 %

Exel Composites prem./disc. to peer median

-47 % -46 % -51 % -5 % -56 % -45 % -44 % -11 % -1 %

Source FactSet, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	5.20 PV of Free Cash Flow	75 Long-term growth, %	1.5 Risk-free interest rate, %	2.25
DCF share value	11.42 PV of Horizon value	99 WACC, %	8.5 Market risk premium, %	5.8
Share price potential, %	119.6 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %	3.3
Maximum value	12.6 Marketable securities	16 Minimum WACC, %	8.0 Equity beta coefficient	1.00
Minimum value	10.4 Debt - dividend	-54 Maximum WACC, %	9.0 Target debt ratio, %	10
Horizon value, %	56.9 Value of stock	136 Nr of shares, Mn	11.9 Effective tax rate, %	21

DCF valuation, EURm	2021	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	Horizon
Net sales	134	142	151	158	163	167	171	174	177	181	184	186
<i>Sales growth, %</i>	<i>23.7</i>	<i>5.9</i>	<i>6.0</i>	<i>5.0</i>	<i>3.0</i>	<i>2.5</i>	<i>2.0</i>	<i>2.0</i>	<i>2.0</i>	<i>2.0</i>	<i>1.5</i>	<i>1.5</i>
Operating income (EBIT)	4	7	11	14	16	18	18	19	20	21	21	21
<i>Operating income margin, %</i>	<i>2.8</i>	<i>5.0</i>	<i>7.5</i>	<i>9.0</i>	<i>10.0</i>	<i>10.5</i>	<i>10.5</i>	<i>11.0</i>	<i>11.5</i>	<i>11.5</i>	<i>11.5</i>	<i>11.5</i>
+ Depreciation+amort.	8	7	7	7	7	7	7	7	7	7	7	7
EBITDA	12	14	18	21	23	25	25	26	27	28	28	
- Paid taxes	-3	-2	-3	-4	-5	-5	-5	-6	-6	-6	-6	
- Change in NWC	-5	-1	-1	-1	-1	-1	0	0	0	0	0	
<i>NWC / Sales, %</i>	<i>12.7</i>	<i>12.7</i>	<i>12.8</i>	<i>12.8</i>	<i>12.8</i>	<i>12.9</i>	<i>12.9</i>	<i>12.9</i>	<i>12.9</i>	<i>12.9</i>	<i>12.9</i>	
+ Change in other liabs	0	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	-10	-6	-6	-6	-6	-7	-7	-7	-7	-7	-7	
<i>opCAPEX / Sales, %</i>	<i>8.2</i>	<i>5.1</i>	<i>4.9</i>	<i>4.7</i>	<i>4.6</i>	<i>4.6</i>	<i>4.2</i>	<i>4.2</i>	<i>4.2</i>	<i>4.2</i>	<i>4.1</i>	
- Acquisitions	0	0	0	0	0	0	0	0	0	0	0	
+ Divestments	0	0	0	0	0	0	0	0	0	0	0	
- Other items	0	0	0	0	0	0	0	0	0	0	0	
= FCFF	-5	5	7	10	12	12	12	13	14	14	15	210
= Discounted FCFF		5	7	8	9	9	8	8	8	7	7	99
= DFCF min WACC		5	7	8	9	9	8	8	8	8	7	112
= DFCF max WACC		5	7	8	9	9	8	8	7	7	7	89

INTERIM FIGURES

EVLI ESTIMATES, EURm	2021Q1	2021Q2	2021Q3	2021Q4	2021	2022Q1	2022Q2	2022Q3	2022Q4E	2022E	2023E	2024E
Net sales	31.0	33.5	33.4	36.5	134.4	34.2	38.1	33.8	36.3	142.3	150.8	158.4
EBITDA	4.0	3.9	0.0	4.1	11.9	1.8	4.8	3.6	4.0	14.1	18.2	21.2
<i>EBITDA margin (%)</i>	<i>13.0</i>	<i>11.7</i>	<i>-0.1</i>	<i>11.1</i>	<i>8.9</i>	<i>5.2</i>	<i>12.5</i>	<i>10.5</i>	<i>11.0</i>	<i>9.9</i>	<i>12.1</i>	<i>13.4</i>
EBIT	2.4	2.4	-1.7	0.6	3.7	0.0	3.0	1.7	2.4	7.1	11.3	14.3
<i>EBIT margin (%)</i>	<i>7.8</i>	<i>7.0</i>	<i>-5.1</i>	<i>1.8</i>	<i>2.8</i>	<i>0.1</i>	<i>7.9</i>	<i>5.0</i>	<i>6.6</i>	<i>5.0</i>	<i>7.5</i>	<i>9.0</i>
Net financial items	0.5	-0.5	0.4	0.0	0.4	0.5	1.9	1.6	-0.2	3.8	-0.8	0.9
Pre-tax profit	2.9	1.9	-1.3	0.7	4.2	0.5	4.9	3.3	2.2	10.9	10.5	15.1
Tax	-0.9	-0.5	-0.9	-0.2	-2.5	-0.5	-1.0	-1.2	-0.5	-3.2	-3.0	-4.4
<i>Tax rate (%)</i>	<i>30.8</i>	<i>25.4</i>	<i>-68.9</i>	<i>31.2</i>	<i>60.2</i>	<i>104.4</i>	<i>20.0</i>	<i>35.6</i>	<i>21.0</i>	<i>29.0</i>	<i>29.0</i>	<i>29.0</i>
Net profit	2.0	1.4	-2.2	0.5	1.7	0.0	3.9	2.1	1.7	7.8	7.5	10.7
EPS	0.17	0.12	-0.19	0.04	0.14	0.00	0.33	0.18	0.15	0.65	0.63	0.90
EPS adjusted (diluted no. of shares)	0.17	0.12	-0.19	0.04	0.14	0.00	0.33	0.18	0.15	0.65	0.63	0.90
Dividend per share	0.00	0.00	0.00	0.00	0.20	0.00	0.00	0.00	0.00	0.25	0.30	0.32
SALES, EURm												
Exel Composites	31.0	33.5	33.4	36.5	134.4	34.2	38.1	33.8	36.3	142.3	150.8	158.4
Total	31.0	33.5	33.4	36.5	134.4	34.2	38.1	33.8	36.3	142.3	150.8	158.4
SALES GROWTH, Y/Y %												
Exel Composites	11.3	23.3	28.0	32.6	23.7	10.3	13.5	1.2	-0.5	5.9	6.0	5.0
Total	11.3	23.3	28.0	32.6	23.7	10.3	13.5	1.2	-0.5	5.9	6.0	5.0
EBIT, EURm												
Exel Composites	2.4	2.4	-1.7	0.6	3.7	0.0	3.0	1.7	2.4	7.1	11.3	14.3
Total	2.4	2.4	-1.7	0.6	3.7	0.0	3.0	1.7	2.4	7.1	11.3	14.3
EBIT margin, %												
Exel Composites	7.8	7.0	-5.1	1.8	2.8	0.1	7.9	5.0	6.6	5.0	7.5	9.0
Total	7.8	7.0	-5.1	1.8	2.8	0.1	7.9	5.0	6.6	5.0	7.5	9.0

INCOME STATEMENT, EURm	2017	2018	2019	2020	2021	2022E	2023E	2024E
Sales	86.3	96.6	103.8	108.6	134.4	142.3	150.8	158.4
<i>Sales growth (%)</i>	<i>18.1</i>	<i>11.9</i>	<i>7.5</i>	<i>4.6</i>	<i>23.7</i>	<i>5.9</i>	<i>6.0</i>	<i>5.0</i>
EBITDA	9.3	7.7	10.7	15.3	11.9	14.1	18.2	21.2
<i>EBITDA margin (%)</i>	<i>10.8</i>	<i>8.0</i>	<i>10.3</i>	<i>14.1</i>	<i>8.9</i>	<i>9.9</i>	<i>12.1</i>	<i>13.4</i>
Depreciation	-3.2	-5.5	-5.6	-5.8	-8.2	-7.0	-6.9	-7.0
EBITA	6.1	2.2	5.1	9.4	3.7	7.1	11.3	14.3
Goodwill amortization / writedown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	6.1	2.2	5.1	9.4	3.7	7.1	11.3	14.3
<i>EBIT margin (%)</i>	<i>7.1</i>	<i>2.3</i>	<i>4.9</i>	<i>8.7</i>	<i>2.8</i>	<i>5.0</i>	<i>7.5</i>	<i>9.0</i>
Reported EBIT	6.1	2.2	5.1	9.4	3.7	7.1	11.3	14.3
<i>EBIT margin (reported) (%)</i>	<i>7.1</i>	<i>2.3</i>	<i>4.9</i>	<i>8.7</i>	<i>2.8</i>	<i>5.0</i>	<i>7.5</i>	<i>9.0</i>
Net financials	-0.7	-0.5	-1.2	-2.3	0.4	3.8	-0.8	0.9
Pre-tax profit	5.4	1.7	3.9	7.1	4.2	10.9	10.5	15.1
Taxes	-1.2	-1.3	-1.5	-1.7	-2.5	-3.2	-3.0	-4.4
Minority shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	4.2	0.4	2.4	5.4	1.7	7.8	7.5	10.7
Cash NRIs	0.0	0.0	0.0	0.0	0.0	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								
Assets								
Fixed assets	16	21	23	30	34	34	34	35
Goodwill	13	13	13	13	13	13	13	13
Right of use assets	0	5	5	3	3	3	4	4
Inventory	12	15	17	16	24	25	27	28
Receivables	15	20	20	21	26	28	30	31
Liquid funds	8	5	7	12	16	17	18	18
Total assets	64	79	85	97	118	122	126	131
Liabilities								
Shareholder's equity	29	26	26	29	31	37	41	48
Minority interest	0	0	0	0	0	0	0	0
Convertibles	0	0	0	0	0	0	0	0
Lease liabilities	0	3	4	2	2	3	4	4
Deferred taxes	0	0	0	0	0	0	0	0
Interest bearing debt	16	30	32	40	50	45	43	38
Non-interest bearing current liabilities	18	18	21	24	32	34	36	38
Other interest-free debt	0	2	2	2	3	3	3	3
Total liabilities	64	79	85	97	118	122	126	131
CASH FLOW, EURm								
+ EBITDA	9	8	11	15	12	14	18	21
- Net financial items	-1	0	-1	-2	0	4	-1	1
- Taxes	-1	-2	-2	-2	-3	-3	-3	-4
- Increase in Net Working Capital	-3	-4	1	3	-5	-1	-1	-1
+/- Other	1	0	0	0	0	0	0	0
= Cash flow from operations	5	1	8	13	5	14	13	17
- Capex	-3	-10	-8	-13	-11	-7	-7	-7
- Acquisitions	0	0	0	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Free cash flow	1	-9	1	0	-6	6	6	9
+/- New issues/buybacks	-1	0	0	-1	3	0	0	0
- Paid dividend	-1	-4	-2	-2	-2	-2	-3	-4
+/- Other	1	9	3	7	9	-3	-2	-5
Change in cash	0	-3	2	5	4	1	1	1

KEY FIGURES	2018	2019	2020	2021	2022E	2023E	2024E
M-cap	48	78	88	94	62	62	62
Net debt (excl. convertibles)	28	29	30	36	32	29	24
Enterprise value	76	107	118	131	94	91	85
Sales	97	104	109	134	142	151	158
EBITDA	8	11	15	12	14	18	21
EBIT	2	5	9	4	7	11	14
Pre-tax	2	4	7	4	11	11	15
Earnings	0	2	5	2	8	7	11
Equity book value (excl. minorities)	26	26	29	31	37	41	48
Valuation multiples							
EV/sales	0.8	1.0	1.1	1.0	0.7	0.6	0.5
EV/EBITDA	9.9	10.0	7.7	10.9	6.7	5.0	4.0
EV/EBITA	34.5	21.0	12.5	34.9	13.2	8.1	6.0
EV/EBIT	34.5	21.0	12.5	34.9	13.2	8.1	6.0
EV/OCF	84.3	12.9	8.8	27.2	6.9	6.9	5.1
EV/FCFF	-6.6	32.5	52.9	-26.0	19.6	12.2	8.8
P/FCFE	-5.5	110.9	179.1	-15.3	9.6	10.5	6.7
P/E	119.0	32.5	16.4	57.0	8.0	8.3	5.8
P/B	1.8	3.0	3.1	3.0	1.7	1.5	1.3
Target EV/EBITDA	0.0	0.0	0.0	0.0	7.8	5.8	4.8
Target EV/EBIT	0.0	0.0	0.0	0.0	15.4	9.4	7.1
Target EV/FCF	0.0	0.0	0.0	0.0	17.1	18.1	10.9
Target P/B	0.0	0.0	0.0	0.0	2.1	1.9	1.6
Target P/E	0.0	0.0	0.0	0.0	10.0	10.4	7.2
Per share measures							
Number of shares	11,897	11,897	11,897	11,897	11,897	11,897	11,897
Number of shares (diluted)	11,897	11,897	11,897	11,897	11,897	11,897	11,897
EPS	0.03	0.20	0.45	0.14	0.65	0.63	0.90
Operating cash flow per share	0.08	0.70	1.12	0.40	1.15	1.11	1.40
Free cash flow per share	-0.73	0.06	0.04	-0.52	0.54	0.49	0.78
Book value per share	2.16	2.21	2.41	2.62	3.08	3.45	4.06
Dividend per share	0.18	0.18	0.20	0.20	0.25	0.30	0.32
Dividend payout ratio, %	535.4	89.2	44.3	143.7	38.4	47.8	35.4
Dividend yield, %	4.5	2.7	2.7	2.5	4.8	5.8	6.2
FCF yield, %	-18.3	0.9	0.6	-6.5	10.4	9.5	14.9
Efficiency measures							
ROE	1.5	9.2	19.5	5.5	22.9	19.2	24.0
ROCE	4.5	8.6	14.4	5.1	8.7	11.7	13.4
Financial ratios							
Inventories as % of sales	15.7	16.3	14.9	17.8	17.8	17.8	17.8
Receivables as % of sales	20.8	19.2	19.2	19.6	19.6	19.6	19.6
Non-interest bearing liabilities as % of sales	19.2	20.2	22.0	23.8	23.8	23.8	23.8
NWC/sales, %	16.1	14.1	11.2	12.7	12.7	12.8	12.8
Operative CAPEX/sales, %	9.9	7.3	11.9	8.2	5.1	4.9	4.7
CAPEX/sales (incl. acquisitions), %	9.9	7.3	11.9	8.2	5.1	4.9	4.7
FCFF/EBITDA	-1.5	0.3	0.1	-0.4	0.3	0.4	0.5
Net debt/EBITDA, book-weighted	3.7	2.7	2.0	3.0	2.3	1.6	1.1
Debt/equity, market-weighted	0.6	0.4	0.5	0.5	0.7	0.7	0.6
Equity ratio, book-weighted	32.5	30.8	29.7	26.5	30.0	32.5	36.9
Gearing, %	109.9	110.2	104.7	115.9	87.9	71.2	48.9

COMPANY DESCRIPTION: Exel Composites manufactures composites profiles for various demanding, mainly industrial end-use, applications. Exel's customer base includes companies operating in industries such as wind energy, transportation and telecommunications. Exel Composites is one of the largest manufacturers of pultruded composites profiles globally and currently operates eight manufacturing plants on three continents.

INVESTMENT CASE: Our positive view is based on good long-term composites demand outlook, coupled with the fact that Exel Composites' current manufacturing footprint could support annual revenue in the EUR 150m ballpark i.e. there's still plenty of room to improve delivery volumes. Exel's rather high fixed cost base translates to meaningful operating leverage, and thus higher revenues should lead to improving operating margins. The company is also progressing well with its cost savings program. Operating profit could further significantly improve if good execution continues. Recently the wind energy sector has provided great lift for volumes; other attractive applications include e.g. transportation industry profiles.

OWNERSHIP STRUCTURE	SHARES	EURm	%
Sijoitusrahasto Taaleritehdas Mikro Markka	800,000	4.160	6.7%
OP-Finland Small Firms Fund	590,119	3.069	5.0%
Ilmarinen Mutual Pension Insurance	496,547	2.582	4.2%
Op-Suomi Mikroyhtiöt -Erikoissijoitusrahasto	420,000	2.184	3.5%
Phoebus Fund	370,000	1.924	3.1%
Säästöpankki Pienyhtiöt	288,710	1.501	2.4%
Nelimarkka Heikki Antero	213,545	1.110	1.8%
Veritas Pension Insurance Company Ltd.	207,479	1.079	1.7%
Säästöpankki Kotimaa	132,680	0.690	1.1%
Sumato Oy	131,821	0.685	1.1%
Ten largest	3,650,901	18.985	31%
Residual	8,245,942	42.879	69%
Total	11,896,843	61.864	100%

EARNINGS CALENDAR	
February 17, 2023	FY 2022 Results
May 02, 2023	Q1 report
August 18, 2023	Q2 report
November 03, 2023	Q3 report
OTHER EVENTS	

COMPANY MISCELLANEOUS	
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CFO: Mikko Rummukainen	Tel: +358 20 7541 200
IR:	

DEFINITIONS

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

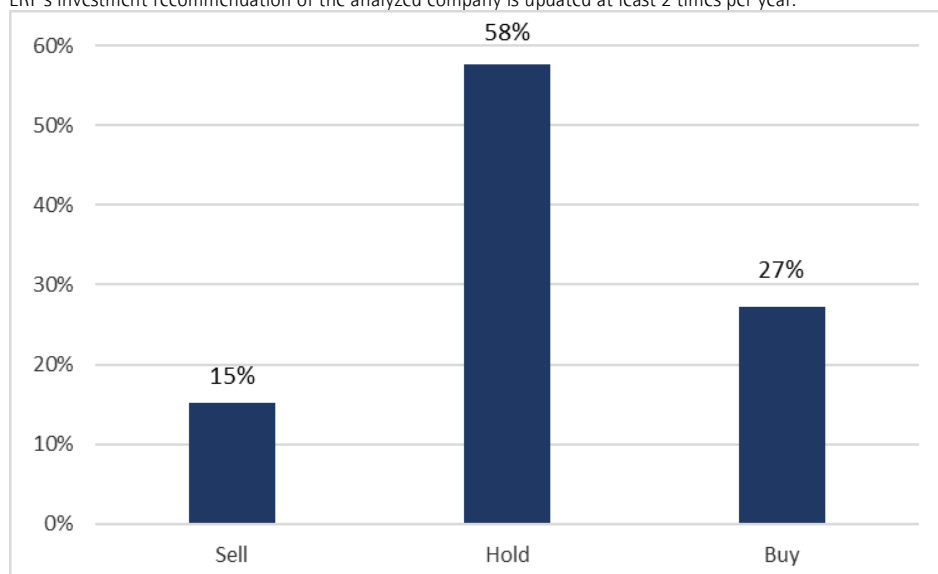
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Investment recommendations are defined as follows:

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

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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): Ilvonen

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