

CMD notes

Exel's CMD added details to its new strategy. Many important decisions are still to be worked out, but in our view the path for value creation is a lot clearer now.

Higher volumes and lower costs are to tame leverage ratio...

Exel aims to keep NIBD/EBITDA below 3x by 2028; Exel has historically been around the ratio, but earnings weakness now pushed it to 4.8x even when the absolute level of debt was kept in check. The ratio is to improve next year as Exel sees growth in wind power but also within other industries as certain large integrated players, who have some insourced pultrusion volumes, are outsourcing business back to Exel. Margins have remained stable, despite the recent inflationary environment, and thus earnings have good potential to bounce back with higher volumes especially when Exel has achieved fixed cost reductions. Some portion of the EUR 20-25m projected financing need for the strategy period should be covered with internal cash flow when earnings rebound, yet there could be some larger outlays into key sites which would require a stronger balance sheet.

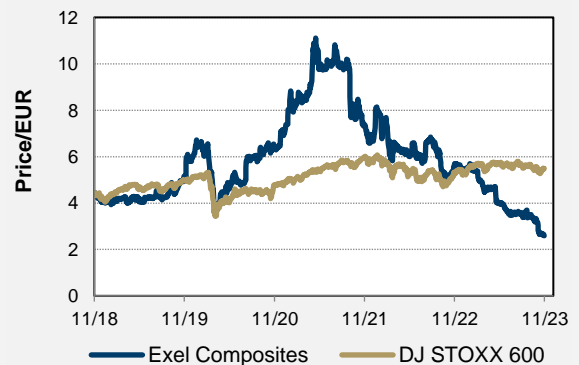
...while key asset focus may yet require external financing

Pultruded profiles' ability to insulate is one key quality driving volumes for buildings and transportation. China (wind power and transportation) is to be a volume site, whereas assets in Europe and the US are likely to be mostly tailored sites. Such sites help Exel integrate within the value chain (both engineering and post-processing services) and they should also feed orders to the volume business (such accounts need not be larger than EUR 4-5m). Exel expects the long-term split between tailored and volume sites at 60/40, whereas we would have expected the volume share to be a bit larger than that. Exel says post-processing services, which can e.g. help make final assembly easier, can be as valuable as the tailored composite volumes. Exel can also be quite selective within the tailored business, and we see value chain integration as a major part of the new strategy.

Our near-term estimates remain unchanged for now

Exel is likely to achieve a lot better results next year, but the rate of volume recovery is still uncertain while balance sheet could be stronger. The 9x EV/EBIT multiple, on our FY '24 estimates, isn't very high but in our view the uncertainties continue to limit upside potential. We retain our EUR 2.7 TP and HOLD rating.

Rating HOLD



Share price, EUR (Last trading day's closing price) 2.59

Target price, EUR 2.7

Latest change in recommendation 03-May-23

Latest report on company 06-Nov-23

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 31

Free float, % 100.0

Exchange rate EUR/USD 1.07

Reuters code EXL1V.HE

Bloomberg code EXL1V FH

Average daily volume, EURm 0.1

Next interim report 16-Feb-24

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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
2021	134.4	3.7	2.8%	-6.2	0.14	57.0	1.0	34.9	-6.5	0.20
2022	137.0	3.0	2.2%	7.9	0.18	30.1	0.7	31.4	12.2	0.20
2023E	101.6	-4.8	-4.7%	-0.7	-0.68	-3.8	0.6	-13.3	-2.2	0.00
2024E	113.8	6.8	6.0%	1.7	0.27	9.6	0.5	9.1	5.5	0.15
2025E	121.7	8.5	7.0%	4.3	0.44	5.8	0.5	7.0	13.8	0.20
Market cap, EURm	31			Gearing 2023E, %	164.6			CAGR EPS 2022-25, %	35.0	
Net debt 2023E, EURm	33			Price/book 2023E	1.5			CAGR sales 2022-25, %	-3.9	
Enterprise value, EURm	64			Dividend yield 2023E, %	0.0			ROE 2023E, %	-32.1	
Total assets 2023E, EURm	94			Tax rate 2023E, %	-24.7			ROCE 2023E, %	-8.4	
Goodwill 2023E, EURm	13			Equity ratio 2023E, %	21.1			PEG, P/E 23/CAGR	0.0	

Estimates and valuation

Exel Composites	2019	2020	2021	Q1'22	Q2'22	Q3'22	Q4'22	2022	Q1'23	Q2'23	Q3'23	Q4'23e	2023e
Buildings and infrastructure	23.5	23.5	32.9	7.7	8.9	7.8	8.1	32.5	7.8	6.5	5.7	7.0	26.9
Equipment and other industries	18.6	19.5	23.4	7.4	5.9	5.6	4.3	23.1	5.6	5.0	4.0	3.8	18.4
Wind power	23.6	28.1	32.1	6.8	6.5	8.0	5.5	26.8	1.5	2.3	2.1	4.8	10.7
Machinery and electrical	14.4	15.5	17.6	4.3	5.3	5.0	5.2	19.7	4.6	4.1	3.4	4.6	16.7
Transportation	13.1	10.2	10.2	3.1	7.2	3.7	3.3	17.4	4.2	3.7	3.1	2.9	13.9
Defense	2.3	5.3	8.7	2.1	1.6	2.0	1.9	7.5	2.9	2.6	1.4	1.7	8.5
Telecommunications	8.2	6.5	9.5	2.8	2.8	1.7	2.6	10.0	2.2	1.3	0.8	2.1	6.4
Revenue	103.8	108.6	134.4	34.2	38.1	33.8	31.0	137.0	28.8	25.4	20.5	26.8	101.6
<i>y/y change, %</i>	<i>7 %</i>	<i>5 %</i>	<i>24 %</i>	<i>10 %</i>	<i>14 %</i>	<i>1 %</i>	<i>-15 %</i>	<i>2 %</i>	<i>-16 %</i>	<i>-33 %</i>	<i>-39 %</i>	<i>-13 %</i>	<i>-26 %</i>
Adjusted EBIT	7.2	9.7	6.0	2.2	3.1	1.8	0.9	8.0	0.0	0.1	-1.2	0.7	-0.4
EBIT	5.1	9.4	3.7	0.0	3.0	1.7	-1.7	3.0	-0.3	-0.2	-0.7	-3.6	-4.8
<i>-margin, %</i>	<i>6.9 %</i>	<i>8.9 %</i>	<i>4.5 %</i>	<i>6.4 %</i>	<i>8.2 %</i>	<i>5.4 %</i>	<i>3.0 %</i>	<i>5.9 %</i>	<i>0.0 %</i>	<i>0.3 %</i>	<i>-5.9 %</i>	<i>2.6 %</i>	<i>-0.4 %</i>
<i>-margin (reported), %</i>	<i>4.9 %</i>	<i>8.7 %</i>	<i>2.8 %</i>	<i>0.1 %</i>	<i>7.9 %</i>	<i>5.0 %</i>	<i>-5.5 %</i>	<i>2.2 %</i>	<i>-1.0 %</i>	<i>-1.0 %</i>	<i>-3.2 %</i>	<i>-13.4 %</i>	<i>-4.7 %</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	421		14.8x	10.0x		28.3x	17.1x	-8.0 %	4.5 %	6.9 %
Hexcel	5115	19.0x	17.3x	14.5x	31.6x	26.9x	21.0x	11.4 %	12.8 %	14.8 %
Avient	2789	8.0x	9.3x	8.7x	11.7x	15.1x	13.1x	11.9 %	9.8 %	11.1 %
SGL Carbon	745	6.0x	7.4x	5.1x	9.9x	11.8x	7.8x	9.9 %	7.1 %	10.2 %
TPI Composites	85	13.1x		12.0x				-1.6 %	-9.0 %	-0.6 %
Gurit Holding	377	13.5x	11.6x	8.4x	22.6x	19.2x	12.3x	4.5 %	4.8 %	6.8 %
Peer Group Average	1589	11.9x	12.1x	9.8x	18.9x	20.3x	14.3x	4.7 %	5.0 %	8.2 %
Peer Group Median	583	13.1x	11.6x	9.4x	17.2x	19.2x	13.1x	7.2 %	6.0 %	8.5 %
Exel Composites (Evli est.)	31	9.3x	32.1x	4.8x	31.4x	-13.3x	9.1x	2.2 %	-4.7 %	6.0 %

Exel Composites prem./disc. to peer median

-29 % 177 % -49 % 83 % -169 % -31 % -69 % -179 % -30 %

Source FactSet, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	2.59 PV of Free Cash Flow	55 Long-term growth, %	1.5 Risk-free interest rate, %	2.25
DCF share value	8.79 PV of Horizon value	82 WACC, %	8.5 Market risk premium, %	5.8
Share price potential, %	239.2 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %	3.3
Maximum value	9.7 Marketable securities	17 Minimum WACC, %	8.0 Equity beta coefficient	1.00
Minimum value	8.0 Debt - dividend	-50 Maximum WACC, %	9.0 Target debt ratio, %	10
Horizon value, %	59.9 Value of stock	105 Nr of shares, Mn	11.9 Effective tax rate, %	21

DCF valuation, EURm	2022	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	Horizon
Net sales	137	102	114	122	128	130	133	136	138	141	143	145
<i>Sales growth, %</i>	<i>2.0</i>	<i>-25.9</i>	<i>12.0</i>	<i>7.0</i>	<i>5.0</i>	<i>2.0</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)	3	-5	7	9	10	14	15	16	16	16	16	17
<i>Operating income margin, %</i>	<i>2.2</i>	<i>-4.7</i>	<i>6.0</i>	<i>7.0</i>	<i>8.0</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>	<i>11.5</i>
+ Depreciation+amort.	7	7	6	6	6	6	6	6	6	6	6	6
EBITDA	10	2	13	15	16	19	20	21	22	22	22	
- Paid taxes	-1	-1	-2	-2	-3	-3	-4	-4	-4	-4	-4	-4
- Change in NWC	3	5	-2	-1	-1	0	0	0	0	0	0	0
<i>NWC / Sales, %</i>	<i>10.3</i>	<i>8.7</i>	<i>9.4</i>	<i>9.7</i>	<i>10.0</i>	<i>10.1</i>	<i>10.2</i>	<i>10.3</i>	<i>10.4</i>	<i>10.5</i>	<i>10.5</i>	
+ Change in other liabs	0	0	0	0	0	0	0	0	0	0	0	0
- Operative CAPEX	-4	-4	-5	-5	-5	-5	-6	-6	-6	-6	-6	-6
<i>opCAPEX / Sales, %</i>	<i>3.5</i>	<i>4.6</i>	<i>5.2</i>	<i>4.9</i>	<i>4.7</i>	<i>4.4</i>	<i>4.4</i>	<i>4.4</i>	<i>4.4</i>	<i>4.4</i>	<i>4.3</i>	
- Acquisitions	0	0	0	0	0	0	0	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0	0	0	0	0
- Other items	0	0	0	0	0	0	0	0	0	0	0	0
= FCFF	8	2	4	6	7	10	11	11	11	12	12	173
= Discounted FCFF		2	3	5	6	7	7	7	6	6	6	82
= DFCF min WACC		2	3	5	6	7	7	7	7	6	6	92
= DFCF max WACC		2	3	5	6	7	7	7	6	6	5	73

INTERIM FIGURES

EVLI ESTIMATES, EURm	2022Q1	2022Q2	2022Q3	2022Q4	2022	2023Q1	2023Q2	2023Q3	2023Q4E	2023E	2024E	2025E
Net sales	34.2	38.1	33.8	31.0	137.0	28.8	25.4	20.5	26.8	101.6	113.8	121.7
EBITDA	1.8	4.8	3.6	0.0	10.1	1.5	1.5	1.1	-2.1	2.0	13.0	14.6
<i>EBITDA margin (%)</i>	<i>5.2</i>	<i>12.5</i>	<i>10.5</i>	<i>0.0</i>	<i>7.4</i>	<i>5.3</i>	<i>5.7</i>	<i>5.6</i>	<i>-7.9</i>	<i>2.0</i>	<i>11.4</i>	<i>12.0</i>
EBIT	0.0	3.0	1.7	-1.7	3.0	-0.3	-0.2	-0.7	-3.6	-4.8	6.8	8.5
<i>EBIT margin (%)</i>	<i>0.1</i>	<i>7.9</i>	<i>5.0</i>	<i>-5.5</i>	<i>2.2</i>	<i>-1.0</i>	<i>-1.0</i>	<i>-3.2</i>	<i>-13.4</i>	<i>-4.7</i>	<i>6.0</i>	<i>7.0</i>
Net financial items	0.5	1.9	1.6	-3.4	0.6	-1.2	-0.4	0.2	-0.3	-1.7	-1.6	-1.5
Pre-tax profit	0.5	4.9	3.3	-5.1	3.6	-1.5	-0.7	-0.4	-3.9	-6.5	5.2	7.0
Tax	-0.6	-0.9	-1.2	1.2	-1.5	-0.6	-0.2	-0.2	-0.5	-1.6	-2.0	-1.8
<i>Tax rate (%)</i>	<i>111.4</i>	<i>19.3</i>	<i>35.6</i>	<i>24.3</i>	<i>40.4</i>	<i>-43.8</i>	<i>-36.3</i>	<i>-48.2</i>	<i>-12.8</i>	<i>-24.7</i>	<i>38.3</i>	<i>25.0</i>
Net profit	-0.1	4.0	2.1	-3.9	2.1	-2.1	-0.9	-0.6	-4.4	-8.1	3.2	5.3
EPS	-0.01	0.33	0.18	-0.33	0.18	-0.18	-0.08	-0.05	-0.37	-0.68	0.27	0.44
EPS adjusted (diluted no. of shares)	-0.01	0.33	0.18	-0.33	0.18	-0.18	-0.08	-0.05	-0.37	-0.68	0.27	0.44
Dividend per share	0.00	0.00	0.00	0.00	0.20	0.00	0.00	0.00	0.00	0.00	0.15	0.20
SALES, EURm												
Exel Composites	34.2	38.1	33.8	31.0	137.0	28.8	25.4	20.5	26.8	101.6	113.8	121.7
Total	34.2	38.1	33.8	31.0	137.0	28.8	25.4	20.5	26.8	101.6	113.8	121.7
SALES GROWTH, Y/Y %												
Exel Composites	10.3	13.5	1.2	-15.1	2.0	-15.7	-33.3	-39.2	-13.5	-25.9	12.0	7.0
Total	10.3	13.5	1.2	-15.1	2.0	-15.7	-33.3	-39.2	-13.5	-25.9	12.0	7.0
EBIT, EURm												
Exel Composites	0.0	3.0	1.7	-1.7	3.0	-0.3	-0.2	-0.7	-3.6	-4.8	6.8	8.5
Total	0.0	3.0	1.7	-1.7	3.0	-0.3	-0.2	-0.7	-3.6	-4.8	6.8	8.5
EBIT margin, %												
Exel Composites	0.1	7.9	5.0	-5.5	2.2	-1.0	-1.0	-3.2	-13.4	-4.7	6.0	7.0
Total	0.1	7.9	5.0	-5.5	2.2	-1.0	-1.0	-3.2	-13.4	-4.7	6.0	7.0

INCOME STATEMENT, EURm	2018	2019	2020	2021	2022	2023E	2024E	2025E
Sales	96.6	103.8	108.6	134.4	137.0	101.6	113.8	121.7
<i>Sales growth (%)</i>	<i>11.9</i>	<i>7.5</i>	<i>4.6</i>	<i>23.7</i>	<i>2.0</i>	<i>-25.9</i>	<i>12.0</i>	<i>7.0</i>
EBITDA	7.7	10.7	15.3	11.9	10.1	2.0	13.0	14.6
<i>EBITDA margin (%)</i>	<i>8.0</i>	<i>10.3</i>	<i>14.1</i>	<i>8.9</i>	<i>7.4</i>	<i>2.0</i>	<i>11.4</i>	<i>12.0</i>
Depreciation	-5.5	-5.6	-5.8	-8.2	-7.1	-6.8	-6.2	-6.1
EBITA	2.2	5.1	9.4	3.7	3.0	-4.8	6.8	8.5
Goodwill amortization / writedown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	2.2	5.1	9.4	3.7	3.0	-4.8	6.8	8.5
<i>EBIT margin (%)</i>	<i>2.3</i>	<i>4.9</i>	<i>8.7</i>	<i>2.8</i>	<i>2.2</i>	<i>-4.7</i>	<i>6.0</i>	<i>7.0</i>
Reported EBIT	2.2	5.1	9.4	3.7	3.0	-4.8	6.8	8.5
<i>EBIT margin (reported) (%)</i>	<i>2.3</i>	<i>4.9</i>	<i>8.7</i>	<i>2.8</i>	<i>2.2</i>	<i>-4.7</i>	<i>6.0</i>	<i>7.0</i>
Net financials	-0.5	-1.2	-2.3	0.4	0.6	-1.7	-1.6	-1.5
Pre-tax profit	1.7	3.9	7.1	4.2	3.6	-6.5	5.2	7.0
Taxes	-1.3	-1.5	-1.7	-2.5	-1.5	-1.6	-2.0	-1.8
Minority shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	0.4	2.4	5.4	1.7	2.1	-8.1	3.2	5.3
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	21	23	30	34	31	29	29	29
Goodwill	13	13	13	13	13	13	13	13
Right of use assets	5	5	3	3	2	2	2	2
Inventory	15	17	16	24	23	17	19	21
Receivables	20	20	21	26	24	18	20	22
Liquid funds	5	7	12	16	17	13	14	15
Total assets	79	85	97	118	113	94	100	103
Liabilities								
Shareholder's equity	26	26	29	31	30	20	23	27
Minority interest	0	0	0	0	0	0	0	0
Convertibles	0	0	0	0	0	0	0	0
Lease liabilities	3	4	2	2	1	2	2	2
Deferred taxes	0	0	0	0	1	1	1	1
Interest bearing debt	30	32	40	50	46	44	44	42
Non-interest bearing current liabilities	18	21	24	32	26	19	22	23
Other interest-free debt	2	2	2	3	9	9	9	9
Total liabilities	79	85	97	118	113	94	100	103
CASH FLOW, EURm								
+ EBITDA	8	11	15	12	10	2	13	15
- Net financial items	0	-1	-2	0	1	-2	-2	-1
- Taxes	-2	-2	-2	-3	-1	-2	-2	-2
- Increase in Net Working Capital	-4	1	3	-5	3	5	-2	-1
+/- Other	0	0	0	0	0	0	0	0
= Cash flow from operations	1	8	13	5	13	4	8	10
- Capex	-10	-8	-13	-11	-5	-5	-6	-6
- Acquisitions	0	0	0	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Free cash flow	-9	1	0	-6	8	-1	2	4
+/- New issues/buybacks	0	0	-1	3	-1	0	0	0
- Paid dividend	-4	-2	-2	-2	-2	-2	0	-2
+/- Other	9	3	7	9	-3	-1	0	-1
Change in cash	-3	2	5	4	2	-4	2	1

KEY FIGURES	2019	2020	2021	2022	2023E	2024E	2025E
M-cap	78	88	94	64	31	31	31
Net debt (excl. convertibles)	29	30	36	30	33	31	29
Enterprise value	107	118	131	94	64	62	59
Sales	104	109	134	137	102	114	122
EBITDA	11	15	12	10	2	13	15
EBIT	5	9	4	3	-5	7	9
Pre-tax	4	7	4	4	-6	5	7
Earnings	2	5	2	2	-8	3	5
Equity book value (excl. minorities)	26	29	31	30	20	23	27
Valuation multiples							
EV/sales	1.0	1.1	1.0	0.7	0.6	0.5	0.5
EV/EBITDA	10.0	7.7	10.9	9.3	32.1	4.8	4.1
EV/EBITA	21.0	12.5	34.9	31.4	-13.3	9.1	7.0
EV/EBIT	21.0	12.5	34.9	31.4	-13.3	9.1	7.0
EV/OCF	12.9	8.8	27.2	7.4	16.0	8.2	5.8
EV/FCFF	32.5	52.9	-26.0	12.4	38.4	17.4	10.0
P/FCFE	110.9	179.1	-15.3	8.2	-44.7	18.3	7.2
P/E	32.5	16.4	57.0	30.1	-3.8	9.6	5.8
P/B	3.0	3.1	3.0	2.1	1.5	1.3	1.2
Target EV/EBITDA	0.0	0.0	0.0	0.0	32.7	4.9	4.2
Target EV/EBIT	0.0	0.0	0.0	0.0	-13.6	9.3	7.1
Target EV/FCF	0.0	0.0	0.0	0.0	-94.3	37.6	14.3
Target P/B	0.0	0.0	0.0	0.0	1.6	1.4	1.2
Target P/E	0.0	0.0	0.0	0.0	-4.0	10.0	6.1
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	0.20	0.45	0.14	0.18	-0.68	0.27	0.44
Operating cash flow per share	0.70	1.12	0.40	1.06	0.33	0.64	0.86
Free cash flow per share	0.06	0.04	-0.52	0.66	-0.06	0.14	0.36
Book value per share	2.21	2.41	2.62	2.56	1.68	1.95	2.24
Dividend per share	0.18	0.20	0.20	0.20	0.00	0.15	0.20
Dividend payout ratio, %	89.2	44.3	143.7	110.9	0.0	55.3	45.1
Dividend yield, %	2.7	2.7	2.5	3.7	0.0	5.8	7.7
FCF yield, %	0.9	0.6	-6.5	12.2	-2.2	5.5	13.8
Efficiency measures							
ROE	9.2	19.5	5.5	7.0	-32.1	15.0	21.2
ROCE	8.6	14.4	5.1	4.0	-8.4	8.7	10.8
Financial ratios							
Inventories as % of sales	16.3	14.9	17.8	17.1	17.1	17.1	17.1
Receivables as % of sales	19.2	19.2	19.6	17.8	18.0	17.9	17.9
Non-interest bearing liabilities as % of sales	20.2	22.0	23.8	19.1	19.1	19.1	19.1
NWC/sales, %	14.1	11.2	12.7	10.3	8.7	9.4	9.7
Operative CAPEX/sales, %	7.3	11.9	8.2	3.5	4.6	5.2	4.9
CAPEX/sales (incl. acquisitions), %	7.3	11.9	8.2	3.5	4.6	5.2	4.9
FCFF/EBITDA	0.3	0.1	-0.4	0.8	0.8	0.3	0.4
Net debt/EBITDA, book-weighted	2.7	2.0	3.0	2.9	16.5	2.4	2.0
Debt/equity, market-weighted	0.4	0.5	0.5	0.7	1.4	1.4	1.4
Equity ratio, book-weighted	30.8	29.7	26.5	26.9	21.1	23.2	25.8
Gearing, %	110.2	104.7	115.9	98.1	164.6	134.4	107.5

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	%
Erikoissijoitusrahasto Aktia Mikro Markka	762,984	1.976	6.4%
OP-Finland Small Firms Fund	752,993	1.950	6.3%
Ilmarinen Mutual Pension Insurance	496,547	1.286	4.2%
Phoebus Fund	420,000	1.088	3.5%
Säästöpankki Pienyhtiöt	288,710	0.748	2.4%
Sumato Oy	231,821	0.600	1.9%
Nelimarkka Heikki Antero	213,545	0.553	1.8%
Veritas Pension Insurance Company Ltd.	199,946	0.518	1.7%
Suutarinen Timo	160,000	0.414	1.3%
Säästöpankki Kotimaa	132,680	0.344	1.1%
Ten largest	3,659,226	9.477	31%
Residual	8,237,617	21.335	69%
Total	11,896,843	30.813	100%

EARNINGS CALENDAR

February 16, 2024	FY 2023 Results
April 25, 2024	Q1 report
August 15, 2024	Q2 report
October 31, 2024	Q3 report

OTHER EVENTS

COMPANY MISCELLANEOUS

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CFO: Mikko Rummukainen	Tel: +358 20 7541 200
IR: Sanna Ahvenniemi	

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, %	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholder's equity} + \text{minority interest} + \text{taxed provisions (average)}}$		

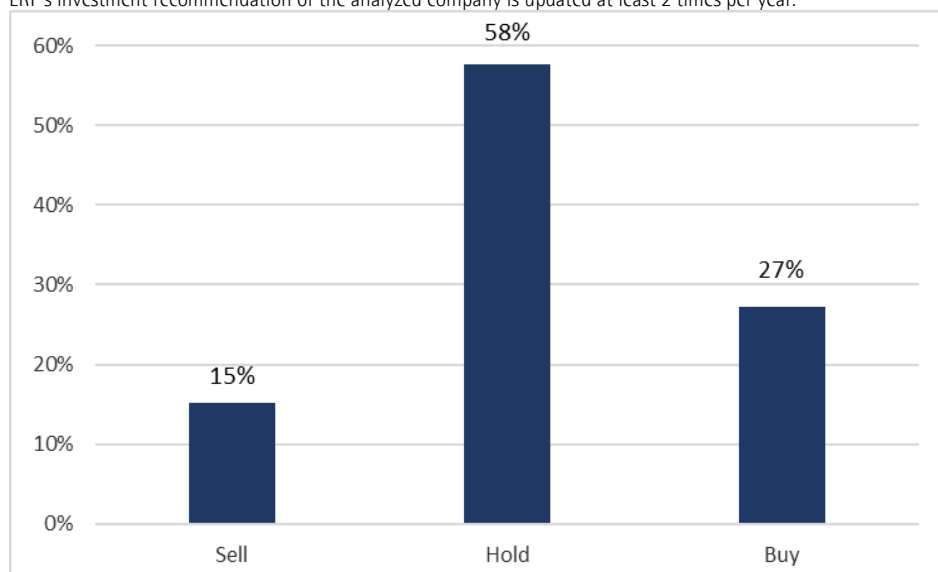
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Investment recommendations are defined as follows:

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

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

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