

Positioning for volume recovery

Exel's Q1 results remained quite weak, although q/q improvement continued. Exel has been finding efficiency gains and positioning itself for a recovery in volumes. We expect EBIT to climb back to black soon, but more significant gains may not arrive before H2.

Demand likely to have bottomed out, H2 to see gains

Exel Q1 revenue fell 19% y/y to EUR 23.4m, compared to our EUR 24.9m estimate, as Europe declined by 29%. Declines were seen quite evenly across Exel's customer industries. Certain issues like the political strikes in Finland as well as the Red Sea crisis caused some logistical challenges while order intake continued to increase y/y and q/q. We believe the worst is over as many indicators suggest different types of industrial demand have bottomed out, however Q2 may still be a bit soft and we estimate its revenue to decrease by another 3% y/y yet see EBIT improve slightly y/y to EUR 0.3m. H2 comparison figures are low enough so that Exel could achieve some 25-30% revenue recovery then, which would bring annual growth to 6%.

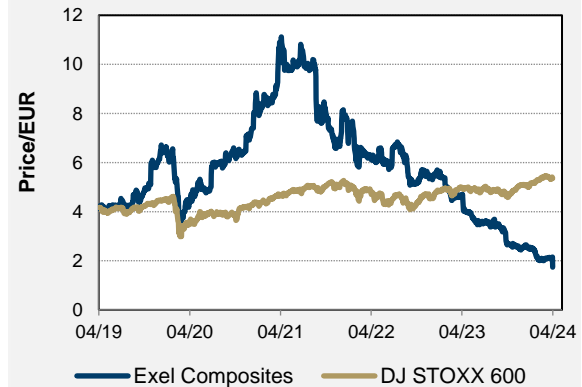
Rights offering to accelerate strategy implementation

Energy and Transportation have many secular growth drivers thanks to investments in green transition, electrification, and public transportation, while Buildings and infrastructure also has additional prospects. Exel disclosed its plans to raise EUR 23m in equity through a rights offering. The proceeds' use is less driven by deleveraging needs than we would have expected as only EUR 6.5m is to be used for debt repayments; the remaining portion is to be split roughly equally between growth investments (a factory in India), factory network optimization and working capital needs.

Volume recovery and efficiency gains to bring EUR 8m EBIT

We estimate FY '24 EBIT at EUR 2.9m, still low due to a soft H1. We estimate H2 recovery to lift EBIT margin close to 7% by the year's end and so further high single-digit growth next year could help FY '25 EBIT close to EUR 8m, which would be in line with historical averages while Exel has already achieved production efficiency gains. Current valuation plus the money raised through the issue mean EBIT recovery is expected, and we estimate the new capitalization implies ca. 8x EV/EBIT on our FY '25 estimates. Our new TP is EUR 1.8 (2.2) as we retain our HOLD rating.

Rating 🟡 HOLD



Share price, EUR (Last trading day's closing price) 1.74
Target price, EUR 1.8

Latest change in 03-May-23
Latest report on company 19-Feb-24
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 21
Free float, % 100.0
Exchange rate EUR/USD 1.07
Reuters code EXLIV.HE
Bloomberg code EXLIV FH
Average daily volume, EURm 0.1
Next interim report 15-Aug-24
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
2022	137.0	3.0	2.2%	7.8	0.18	30.1	0.7	31.4	12.0	0.20
2023	96.8	-4.9	-5.0%	-1.0	-0.78	-3.2	0.6	-12.6	-3.3	0.00
2024E	102.4	2.9	2.9%	2.3	0.06	29.8	0.5	17.0	10.9	0.10
2025E	110.6	7.7	7.0%	6.9	0.36	4.9	0.4	5.7	33.3	0.20
2026E	116.1	9.3	8.0%	7.4	0.44	4.0	0.3	4.2	35.9	0.25
Market cap, EURm			21	Gearing 2024E, %		159.4	CAGR EPS 2023-26, %			0.0
Net debt 2024E, EURm			29	Price/book 2024E		1.1	CAGR sales 2023-26, %			6.2
Enterprise value, EURm			50	Dividend yield 2024E, %		5.7	ROE 2024E, %			3.8
Total assets 2024E, EURm			85	Tax rate 2024E, %		30.2	ROCE 2024E, %			3.3
Goodwill 2024E, EURm			13	Equity ratio 2024E, %		21.6	PEG, P/E 24/CAGR			0.2

Estimates and valuation

Exel Composites	2019	2020	2021	2022	Q1'23	Q2'23	Q3'23	Q4'23	2023	Q1'24	Q2'24e	Q3'24e	Q4'24e	2024e
Revenue	103.8	108.6	134.4	137.0	28.8	25.4	20.5	22.1	96.8	23.4	24.7	26.4	27.9	102.4
y/y change, %	7 %	5 %	24 %	2 %	-16 %	-33 %	-39 %	-29 %	-29 %	-19 %	-3 %	29 %	26 %	6 %
Adjusted EBIT	7.2	9.7	6.0	8.0	0.0	0.1	-1.2	-1.3	-2.4	-0.6	0.3	1.3	1.9	2.9
EBIT	5.1	9.4	3.7	3.0	-0.3	-0.2	-0.7	-3.7	-4.9	-0.6				
-margin, %	6.9 %	8.9 %	4.5 %	5.9 %	0.0 %	0.3 %	-5.9 %	-5.9 %	-2.5 %	-2.4 %	1.2 %	4.9 %	6.8 %	2.9 %
-margin (reported), %	4.9 %	8.7 %	2.8 %	2.2 %	-1.0 %	-1.0 %	-3.2 %	-16.7 %	-5.0 %	-2.4 %				

Source: Evli Research

EXEL COMPOSITES PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			EBIT-%		
		23	24	25	23	24	25	23	24	25
Hexagon Composites	289	16.4x	8.4x	5.9x	33.5x	15.6x	8.9x	4.2 %	5.9 %	8.9 %
Hexcel	4918	19.6x	14.9x	12.5x	31.5x	22.4x	17.7x	12.1 %	13.6 %	15.5 %
Avient	3690	10.8x	10.6x	9.7x	20.2x	17.1x	14.8x	8.6 %	10.1 %	11.1 %
SGL Carbon	845	6.9x	5.9x	4.8x	8.4x	9.8x	7.0x	10.1 %	8.9 %	11.4 %
TPI Composites	110		30.6x	6.0x			11.1x	-10.9 %	-2.5 %	3.0 %
Gurit Holding	291	12.7x	7.3x	5.6x	22.2x	10.4x	7.5x	4.3 %	6.8 %	8.4 %
Peer Group Average	1690	13.3x	12.9x	7.4x	23.1x	15.1x	11.2x	4.7 %	7.2 %	9.7 %
Peer Group Median	568	12.7x	9.5x	5.9x	22.2x	15.6x	10.0x	6.4 %	7.9 %	10.0 %
Exel Composites (Evli est.)	21	15.9x	5.6x	3.1x	-12.6x	17.0x	5.7x	-5.0 %	2.9 %	7.0 %

Exel Composites prem./disc. to peer median

25 % -41 % -47 % -157 % 9 % -43 % -178 % -63 % -30 %

Source FactSet, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	1.74 PV of Free Cash Flow	61 Long-term growth, %	1.5 Risk-free interest rate, %	2.25
DCF share value	8.35 PV of Horizon value	69 WACC, %	8.5 Market risk premium, %	5.8
Share price potential, %	379.7 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %	3.3
Maximum value	9.2 Marketable securities	11 Minimum WACC, %	8.0 Equity beta coefficient	1.00
Minimum value	7.6 Debt - dividend	-43 Maximum WACC, %	9.0 Target debt ratio, %	10
Horizon value, %	53.0 Value of stock	99 Nr of shares, Mn	11.9 Effective tax rate, %	21

DCF valuation, EURm	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	Horizon
Net sales	97	102	111	116	118	121	123	126	128	131	133	135
<i>Sales growth, %</i>	-29.3	5.7	8.0	5.0	2.0	2.0	2.0	2.0	2.0	2.0	1.5	1.5
Operating income (EBIT)	-5	3	8	9	12	13	14	14	15	15	15	15
<i>Operating income margin, %</i>	-5.0	2.9	7.0	8.0	10.5	11.0	11.5	11.5	11.5	11.5	11.5	11.5
+ Depreciation+amort.	9	6	6	6	4	4	3	3	3	3	3	
EBITDA	4	9	14	15	17	17	17	17	17	18	18	
- Paid taxes	0	-1	-2	-3	-4	-4	-4	-4	-4	-5	-5	
- Change in NWC	3	-2	-1	-1	0	0	0	0	0	0	0	
<i>NWC / Sales, %</i>	11.7	13.3	13.3	13.4	13.4	13.4	13.4	13.4	13.4	13.4	13.4	
+ Change in other liabs	0	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	-3	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	
<i>opCAPEX / Sales, %</i>	4.3	2.1	2.3	2.2	1.9	1.9	1.9	1.9	1.9	1.9	1.9	
- 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	4	4	9	9	11	10	11	10	10	10	11	153
= Discounted FCFF		3	8	7	8	7	7	6	6	5	5	69
= DFCF min WACC		4	8	7	8	7	7	6	6	5	5	78
= DFCF max WACC		3	8	7	8	7	6	6	5	5	5	62

INTERIM FIGURES

EVLI ESTIMATES, EURm	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2E	2024Q3E	2024Q4E	2024E	2025E	2026E
Net sales	28.8	25.4	20.5	22.1	96.8	23.4	24.7	26.4	27.9	102.4	110.6	116.1
EBITDA	1.5	1.5	1.1	-0.3	3.8	0.9	1.8	2.8	3.4	8.9	14.1	14.9
<i>EBITDA margin (%)</i>	<i>5.3</i>	<i>5.7</i>	<i>5.6</i>	<i>-1.2</i>	<i>4.0</i>	<i>3.9</i>	<i>7.3</i>	<i>10.6</i>	<i>12.2</i>	<i>8.7</i>	<i>12.8</i>	<i>12.8</i>
EBIT	-0.3	-0.2	-0.7	-3.7	-4.9	-0.6	0.3	1.3	1.9	2.9	7.7	9.3
<i>EBIT margin (%)</i>	<i>-1.0</i>	<i>-1.0</i>	<i>-3.2</i>	<i>-16.7</i>	<i>-5.0</i>	<i>-2.4</i>	<i>1.2</i>	<i>4.9</i>	<i>6.8</i>	<i>2.9</i>	<i>7.0</i>	<i>8.0</i>
Net financial items	-1.2	-0.4	0.2	-2.0	-3.4	0.0	-0.7	-0.6	-0.6	-1.9	-1.9	-1.9
Pre-tax profit	-1.5	-0.7	-0.4	-5.7	-8.3	-0.6	-0.4	0.7	1.3	1.0	5.9	7.4
Tax	-0.6	-0.2	-0.2	0.1	-1.0	0.0	-0.1	-0.1	-0.1	-0.3	-1.6	-2.2
<i>Tax rate (%)</i>	<i>-43.8</i>	<i>-36.3</i>	<i>-48.2</i>	<i>1.8</i>	<i>-12.1</i>	<i>0.0</i>	<i>-22.2</i>	<i>14.3</i>	<i>7.7</i>	<i>30.2</i>	<i>27.3</i>	<i>30.2</i>
Net profit	-2.1	-0.9	-0.6	-5.6	-9.3	-0.6	-0.5	0.6	1.2	0.7	4.3	5.2
EPS	-0.18	-0.08	-0.05	-0.47	-0.78	-0.05	-0.05	0.05	0.10	0.06	0.36	0.44
EPS adjusted (diluted no. of shares)	-0.18	-0.08	-0.05	-0.47	-0.78	-0.05	-0.05	0.05	0.10	0.06	0.36	0.44
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.10	0.20	0.25
SALES, EURm												
Exel Composites	28.8	25.4	20.5	22.1	96.8	23.4	24.7	26.4	27.9	102.4	110.6	116.1
Total	28.8	25.4	20.5	22.1	96.8	23.4	24.7	26.4	27.9	102.4	110.6	116.1
SALES GROWTH, Y/Y %												
Exel Composites	-15.7	-33.3	-39.2	-28.8	-29.3	-18.9	-2.8	28.5	26.4	5.7	8.0	5.0
Total	-15.7	-33.3	-39.2	-28.8	-29.3	-18.9	-2.8	28.5	26.4	5.7	8.0	5.0
EBIT, EURm												
Exel Composites	-0.3	-0.2	-0.7	-3.7	-4.9	-0.6	0.3	1.3	1.9	2.9	7.7	9.3
Total	-0.3	-0.2	-0.7	-3.7	-4.9	-0.6	0.3	1.3	1.9	2.9	7.7	9.3
EBIT margin, %												
Exel Composites	-1.0	-1.0	-3.2	-16.7	-5.0	-2.4	1.2	4.9	6.8	2.9	7.0	8.0
Total	-1.0	-1.0	-3.2	-16.7	-5.0	-2.4	1.2	4.9	6.8	2.9	7.0	8.0

INCOME STATEMENT, EURm	2019	2020	2021	2022	2023	2024E	2025E	2026E
Sales	103.8	108.6	134.4	137.0	96.8	102.4	110.6	116.1
<i>Sales growth (%)</i>	7.5	4.6	23.7	2.0	-29.3	5.7	8.0	5.0
EBITDA	10.7	15.3	11.9	10.1	3.8	8.9	14.1	14.9
<i>EBITDA margin (%)</i>	10.3	14.1	8.9	7.4	4.0	8.7	12.8	12.8
Depreciation	-5.6	-5.8	-8.2	-7.1	-8.7	-6.0	-6.4	-5.6
EBITA	5.1	9.4	3.7	3.0	-4.9	2.9	7.7	9.3
Goodwill amortization / writedown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	5.1	9.4	3.7	3.0	-4.9	2.9	7.7	9.3
<i>EBIT margin (%)</i>	4.9	8.7	2.8	2.2	-5.0	2.9	7.0	8.0
Reported EBIT	5.1	9.4	3.7	3.0	-4.9	2.9	7.7	9.3
<i>EBIT margin (reported) (%)</i>	4.9	8.7	2.8	2.2	-5.0	2.9	7.0	8.0
Net financials	-1.2	-2.3	0.4	0.6	-3.4	-1.9	-1.9	-1.9
Pre-tax profit	3.9	7.1	4.2	3.6	-8.3	1.0	5.9	7.4
Taxes	-1.5	-1.7	-2.5	-1.5	-1.0	-0.3	-1.6	-2.2
Minority shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	2.4	5.4	1.7	2.1	-9.3	0.7	4.3	5.2
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	23	30	34	31	25	21	17	14
Goodwill	13	13	13	13	13	13	13	13
Right of use assets	5	3	3	2	1	1	2	2
Inventory	17	16	24	23	17	19	21	22
Receivables	20	21	26	24	18	19	20	21
Liquid funds	7	12	16	17	11	12	13	13
Total assets	85	97	118	113	85	85	85	85
Liabilities								
Shareholder's equity	26	29	31	30	18	18	21	24
Minority interest	0	0	0	0	0	0	0	0
Convertibles	0	0	0	0	0	0	0	0
Lease liabilities	4	2	2	1	0	1	2	2
Deferred taxes	0	0	0	1	0	0	0	0
Interest bearing debt	32	40	50	46	42	39	35	30
Non-interest bearing current liabilities	21	24	32	26	22	23	25	26
Other interest-free debt	2	2	3	9	3	3	3	3
Total liabilities	85	97	118	113	85	85	85	85
CASH FLOW, EURm								
+ EBITDA	11	15	12	10	4	9	14	15
- Net financial items	-1	-2	0	1	-3	-2	-2	-2
- Taxes	-2	-2	-3	-1	0	0	-2	-2
- Increase in Net Working Capital	1	3	-5	3	3	-2	-1	-1
+/- Other	0	0	0	0	0	0	0	0
= Cash flow from operations	8	13	5	13	3	4	9	10
- Capex	-8	-13	-11	-5	-4	-2	-3	-3
- Acquisitions	0	0	0	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Free cash flow	1	0	-6	8	-1	2	7	7
+/- New issues/buybacks	0	-1	3	-1	-1	0	0	0
- Paid dividend	-2	-2	-2	-2	-2	0	-1	-2
+/- Other	3	7	9	-3	-2	-2	-5	-4
Change in cash	2	5	4	2	-6	1	1	1

KEY FIGURES	2020	2021	2022	2023	2024E	2025E	2026E
M-cap	88	94	64	30	21	21	21
Net debt (excl. convertibles)	30	36	30	32	29	24	19
Enterprise value	118	131	94	61	50	44	39
Sales	109	134	137	97	102	111	116
EBITDA	15	12	10	4	9	14	15
EBIT	9	4	3	-5	3	8	9
Pre-tax	7	4	4	-8	1	6	7
Earnings	5	2	2	-9	1	4	5
Equity book value (excl. minorities)	29	31	30	18	18	21	24
Valuation multiples							
EV/sales	1.1	1.0	0.7	0.6	0.5	0.4	0.3
EV/EBITDA	7.7	10.9	9.3	15.9	5.6	3.1	2.6
EV/EBITA	12.5	34.9	31.4	-12.6	17.0	5.7	4.2
EV/EBIT	12.5	34.9	31.4	-12.6	17.0	5.7	4.2
EV/OCF	8.8	27.2	7.4	19.2	11.5	4.7	3.9
EV/FCFF	52.9	-26.0	12.5	17.2	13.5	5.1	4.3
P/FCFE	179.1	-15.3	8.3	-30.6	9.2	3.0	2.8
P/E	16.4	57.0	30.1	-3.2	29.8	4.9	4.0
P/B	3.1	3.0	2.1	1.7	1.1	1.0	0.9
Target EV/EBITDA	0.0	0.0	0.0	0.0	5.7	3.2	2.7
Target EV/EBIT	0.0	0.0	0.0	0.0	17.2	5.8	4.3
Target EV/FCF	0.0	0.0	0.0	0.0	22.5	6.5	5.4
Target P/B	0.0	0.0	0.0	0.0	1.2	1.0	0.9
Target P/E	0.0	0.0	0.0	0.0	30.8	5.0	4.1
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	0.45	0.14	0.18	-0.78	0.06	0.36	0.44
Operating cash flow per share	1.12	0.40	1.06	0.27	0.37	0.80	0.84
Free cash flow per share	0.04	-0.52	0.65	-0.08	0.19	0.58	0.62
Book value per share	2.41	2.62	2.56	1.49	1.55	1.81	2.04
Dividend per share	0.20	0.20	0.20	0.00	0.10	0.20	0.25
Dividend payout ratio, %	44.3	143.7	110.9	0.0	171.2	55.8	57.3
Dividend yield, %	2.7	2.5	3.7	0.0	5.7	11.5	14.4
FCF yield, %	0.6	-6.5	12.0	-3.3	10.9	33.3	35.9
Efficiency measures							
ROE	19.5	5.5	7.0	-38.5	3.8	21.4	22.7
ROCE	14.4	5.1	4.0	-8.8	3.3	11.5	14.4
Financial ratios							
Inventories as % of sales	14.9	17.8	17.1	17.4	19.0	19.0	19.0
Receivables as % of sales	19.2	19.6	17.8	18.1	18.1	18.1	18.0
Non-interest bearing liabilities as % of sales	22.0	23.8	19.1	22.7	22.7	22.7	22.7
NWC/sales, %	11.2	12.7	10.3	11.7	13.3	13.3	13.4
Operative CAPEX/sales, %	11.9	8.2	3.6	4.3	2.1	2.3	2.2
CAPEX/sales (incl. acquisitions), %	11.9	8.2	3.6	4.3	2.1	2.3	2.2
FCFF/EBITDA	0.1	-0.4	0.7	0.9	0.4	0.6	0.6
Net debt/EBITDA, book-weighted	2.0	3.0	2.9	8.2	3.3	1.7	1.3
Debt/equity, market-weighted	0.5	0.5	0.7	1.4	1.9	1.7	1.5
Equity ratio, book-weighted	29.7	26.5	26.9	20.8	21.6	25.1	28.5
Gearing, %	104.7	115.9	98.1	178.2	159.4	110.0	76.5

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	1.328	6.4%
OP-Finland Small Firms Fund	752,993	1.310	6.3%
Ilmarinen Mutual Pension Insurance	496,547	0.864	4.2%
Phoebus Fund	420,000	0.731	3.5%
Säästöpankki Pienyhtiöt	288,710	0.502	2.4%
Sumato Oy	231,821	0.403	1.9%
Nelimarkka Heikki Antero	213,545	0.372	1.8%
Veritas Pension Insurance Company Ltd.	199,946	0.348	1.7%
Suutarinen Timo	160,000	0.278	1.3%
Säästöpankki Kotimaa	132,680	0.231	1.1%
Ten largest	3,659,226	6.367	31%
Residual	8,237,617	14.333	69%
Total	11,896,843	20.701	100%

EARNINGS CALENDAR

August 15, 2024

Q2 report

October 31, 2024

Q3 report

OTHER EVENTS

COMPANY MISCELLANEOUS

CEO: Paul Sohlberg

Mäkituvantie 5 01510 Vantaa

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

<p>ROE, %</p> $\frac{\text{Profit before extraordinary items and taxes - income taxes}}{\text{Shareholder's equity + minority interest + taxed provisions (average)}}$	
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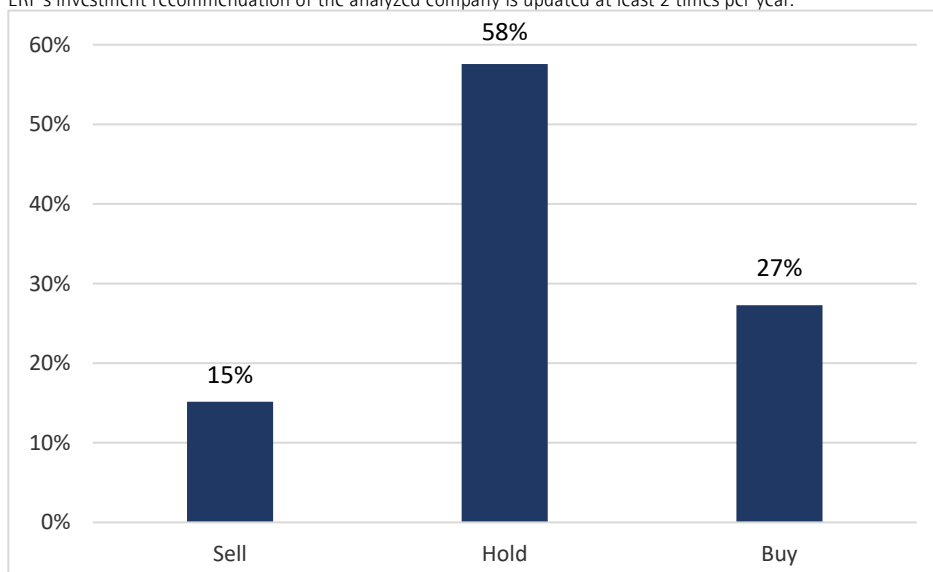
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Investment recommendations are defined as follows:

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): Ilvonen

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