

Earnings to improve a lot in Q4

Pihlajalinna's Q3 ramp-up costs were larger than expected, but Q4 should already show a clear y/y EBITA improvement.

There were still many profitability headwinds in Q3

Pihlajalinna's Q3 revenue was EUR 165m, compared to the EUR 167m/165m Evli/cons. estimates. The 17.5% growth was driven by corporate and private volumes, which grew strong also on an organic basis when considering the headwind from lower Covid-19 services revenue (e.g. surgical procedures grew 61%). The mix was tilted less towards public customers, where profitability improved within outsourcing agreements due to efficiency measures, than we estimated. Private clinic capacity ramp-up costs, in addition to lower Covid-19 revenue, limited profitability as fixed costs were high during the summer months. Personnel-absence related costs, at EUR 1.0m, were lower than before, however there's still uncertainty as to how these will develop in Q4. The EUR 9.4m adj. EBITA missed our estimate by EUR 2.6m, while the EUR 7.3m adj. EBIT was EUR 2m below the consensus.

Q4 and FY '23 EBITA are set to see meaningful gains

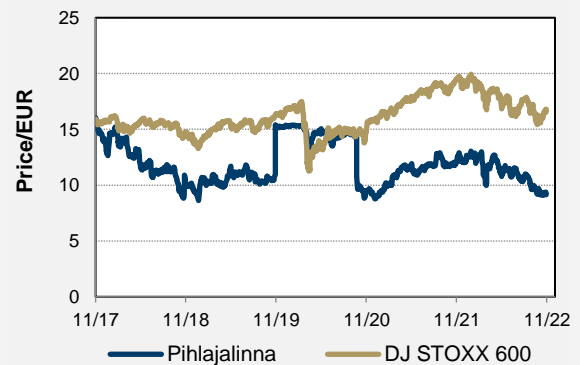
Pihlajalinna retained its guidance, which now implies ca. EUR 5m y/y EBITA gain for Q4. The comparison figure suffered a EUR 2m hit from high costs within complete outsourcing contracts, so Pihlajalinna should still be able to reach a steep y/y improvement especially when ramp-up costs are to no more burden Q4 that much. Q4 also has some favorable seasonal demand patterns going on, including influenza vaccines, and the capacity additions (high value-added categories like surgical services) should have a significant EBITA contribution throughout next year. Pihlajalinna's growth strategy is focused on major Finnish urban regions and increasingly relies on remote service paths to drive procedure volumes. Pohjola Hospital cost synergies have been taken in and hence the focus there is also on driving higher volumes. Pihlajalinna has already made some upward pricing adjustments and the tailwind continues to support next year.

Uncertainty around improvement pace, yet plenty of upside

The capacity drive-up has lifted indebtedness, but Q4 should provide a clear demonstration of higher EBITA. Pihlajalinna is valued around 13x EV/EBIT on our FY '23 estimates, where the 5.6% EBIT margin estimate is still well below peers' and long-term potential. Our new TP is EUR 11.0 (12.5); retain BUY rating.

Rating

BUY



Share price, EUR (Last trading day's closing price) 9.14

Target price, EUR 11.0

Latest change in 22-Feb-21

Latest report on company 01-Nov-22

Research paid by issuer: YES

No. of shares outstanding, 22,584

No. of shares fully diluted, 22,584

Market cap, EURm 206

Free float, % 80.1

Exchange rate -

Reuters code PHLIS.HE

Bloomberg code PHLIS FH

Average daily volume, EURm 0.1

Next interim report 17-Feb-23

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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	508.7	20.9	4.1%	0.6	0.51	18.4	0.8	20.0	0.3	0.20
2021	577.8	30.3	5.2%	33.8	0.90	14.0	0.9	16.3	11.8	0.30
2022E	679.9	28.5	4.2%	-134.9	1.03	8.9	0.8	19.3	-65.3	0.30
2023E	707.4	39.5	5.6%	38.8	1.12	8.1	0.7	13.1	18.8	0.39
2024E	728.8	45.0	6.2%	47.1	1.31	7.0	0.7	10.6	22.8	0.46
Market cap, EURm	206			Gearing 2022E, %	24.0			CAGR EPS 2021-24, %	13.2	
Net debt 2022E, EURm	336			Price/book 2022E	1.5			CAGR sales 2021-24, %	8.0	
Enterprise value, EURm	551			Dividend yield 2022E, %	3.3			ROE 2022E, %	18.5	
Total assets 2022E, EURm	622			Tax rate 2022E, %	-12.5			ROCE 2022E, %	6.9	
Goodwill 2022E, EURm	189			Equity ratio 2022E, %	22.4			PEG, P/E 22/CAGR	0.8	

Estimates and peer group valuation

Net sales	2020	2021	Q1'22	Q2'22	Q3'22	Q4'22E	2022E
Corporate Customers	120.7	137.6	49.3	56.0	52.8	59.0	217.1
of which insurance companies	31.4	34.8	20.4	25.6	23.3	26.8	96.1
of which other corporates	89.3	102.8	28.9	30.4	29.5	32.2	121.0
Private Customers	81.1	85.5	22.8	27.4	23.9	26.3	100.4
Public sector customers	372.4	427.7	109.2	108.8	106.3	112.4	436.7
Total	508.7	577.8	163.1	173.7	165.4	177.8	680.0
Net sales growth							
Corporate Customers	-1.1%	14.6%	42.1%	71.3%	69.2%	52.0%	57.8%
Private Customers	-17.1%	5.6%	6.5%	26.9%	26.5%	13.0%	17.5%
Public sector customers	3.3%	14.5%	7.0%	2.0%	-1.7%	1.0%	2.1%
Total	-1.9%	13.5%	16.6%	21.9%	17.6%	14.9%	17.7%
Adj. EBITA (group)	27.5	37.3	7.8	7.3	9.4	12.0	36.5
Adj. EBITA-margin (group)	5.4%	6.5%	4.8%	4.2%	5.7%	6.7%	5.4%

Source: Pihlajalinna, Evli Research

PIHLAJALINNA PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			EBIT-%		
		22	23	24	22	23	24	22	23	24
Ambea AB	401	7.1x	6.8x	6.4x	17.6x	15.9x	14.3x	6.8 %	7.3 %	7.8 %
Attendo AB	359	8.3x	6.8x	6.1x	31.4x	17.0x	14.0x	4.0 %	6.6 %	7.6 %
CareTech Holdings	969									
Fresenius SE	12935	7.9x	7.3x	6.7x	13.5x	12.2x	10.9x	9.5 %	9.9 %	10.5 %
Humana	194	7.3x	6.3x	5.9x	15.0x	11.6x	10.4x	4.7 %	5.7 %	6.1 %
Korian	1058	8.3x	7.6x	7.1x	22.4x	20.5x	18.7x	8.5 %	8.7 %	8.9 %
LNA Sante	317	8.7x	8.0x	7.1x	17.1x	16.3x	14.1x	9.0 %	8.7 %	9.4 %
Mediclinic International	4159	10.3x	9.6x	9.1x	17.7x	16.1x	15.0x	9.8 %	10.3 %	10.6 %
Orpea	542	13.8x	12.8x	11.6x	57.1x	46.9x	35.9x	4.7 %	5.4 %	6.7 %
Spire Healthcare Group	1001	9.1x	8.0x	7.3x	17.4x	14.0x	11.9x	9.4 %	11.0 %	12.2 %
Terveystalo	773	7.8x	7.1x	6.2x	19.3x	14.6x	11.5x	5.6 %	7.1 %	8.6 %
Peer Group Average	2064	8.9x	8.0x	7.3x	22.9x	18.5x	15.7x	7.2 %	8.1 %	8.9 %
Peer Group Median	773	8.3x	7.5x	6.9x	17.7x	16.0x	14.1x	7.6 %	8.0 %	8.8 %
Pihlajalinna (Evli est.)	206	8.5x	7.0x	5.7x	19.3x	13.1x	10.6x	4.2 %	5.6 %	6.2 %

Pihlajalinna prem./disc. to peer median

3 % -6 % -17 % 9 % -18 % -25 % -45 % -30 % -30 %

Source FactSet, Evli Research

INTERIM FIGURES

EVLI ESTIMATES, EURm	2021Q1	2021Q2	2021Q3	2021Q4	2021	2022Q1	2022Q2	2022Q3	2022Q4E	2022E	2023E	2024E
Net sales	139.9	142.6	140.6	154.7	577.8	163.0	173.8	165.3	177.8	679.9	707.4	728.8
EBITDA	15.2	15.9	19.3	14.9	65.3	16.4	16.8	18.8	20.5	65.0	74.2	84.3
<i>EBITDA margin (%)</i>	<i>10.9</i>	<i>11.2</i>	<i>13.7</i>	<i>9.6</i>	<i>11.3</i>	<i>10.1</i>	<i>9.7</i>	<i>11.4</i>	<i>11.5</i>	<i>9.6</i>	<i>10.5</i>	<i>11.6</i>
EBIT	6.7	7.1	10.6	5.9	30.3	5.9	5.3	7.3	10.0	28.5	39.5	45.0
<i>EBIT margin (%)</i>	<i>4.8</i>	<i>5.0</i>	<i>7.5</i>	<i>3.8</i>	<i>5.2</i>	<i>3.6</i>	<i>3.0</i>	<i>4.4</i>	<i>5.6</i>	<i>4.2</i>	<i>5.6</i>	<i>6.2</i>
Net financial items	-0.9	-1.0	-0.8	-1.1	-3.8	-1.5	-1.6	-2.0	-1.6	-6.8	-6.2	-6.4
Pre-tax profit	5.8	6.1	9.8	4.8	26.5	4.4	3.7	5.3	8.4	21.7	33.3	38.6
Tax	-1.1	-1.1	-1.7	-1.2	-5.1	5.2	-0.3	-0.5	-1.7	2.7	-6.7	-7.7
<i>Tax rate (%)</i>	<i>19.0</i>	<i>18.0</i>	<i>17.3</i>	<i>25.0</i>	<i>19.2</i>	<i>-118.2</i>	<i>8.1</i>	<i>9.4</i>	<i>20.0</i>	<i>-12.5</i>	<i>20.0</i>	<i>20.0</i>
Net profit	4.6	5.2	7.9	2.7	20.4	6.9	3.8	5.6	7.0	23.2	25.4	29.6
EPS	0.20	0.23	0.35	0.12	0.90	0.31	0.17	0.25	0.31	1.03	1.12	1.31
EPS adjusted (diluted no. of shares)	0.20	0.23	0.35	0.12	0.90	0.31	0.17	0.25	0.31	1.03	1.12	1.31
Dividend per share	0.00	0.00	0.00	0.00	0.30	0.00	0.00	0.00	0.00	0.30	0.39	0.46
SALES, EURm												
Corporate Customers	34.7	32.7	31.2	39.0	137.6	49.3	58.1	52.7	59.0	219.1	234.4	246.1
Private Customers	21.4	21.7	18.8	23.6	85.5	22.8	28.2	23.9	26.3	101.2	104.8	107.9
Public sector customers	102.1	106.7	108.1	110.8	427.7	109.2	106.1	106.3	112.4	434.0	444.9	453.8
Eliminations	-18.3	-18.5	-17.5	-18.7	-73.0	-18.3	-18.6	-17.6	-19.9	-74.4	-76.7	-79.0
Total	139.9	142.6	140.6	154.7	577.8	163.0	173.8	165.3	177.8	679.9	707.4	728.8
SALES GROWTH, Y/Y %												
<i>Corporate Customers</i>	<i>5.5</i>	<i>17.6</i>	<i>1.6</i>	<i>33.1</i>	<i>14.0</i>	<i>42.1</i>	<i>77.7</i>	<i>68.9</i>	<i>51.2</i>	<i>59.2</i>	<i>7.0</i>	<i>5.0</i>
<i>Private Customers</i>	<i>-8.9</i>	<i>47.6</i>	<i>-3.6</i>	<i>0.9</i>	<i>5.4</i>	<i>6.5</i>	<i>30.0</i>	<i>27.1</i>	<i>11.6</i>	<i>18.4</i>	<i>3.5</i>	<i>3.0</i>
<i>Public sector customers</i>	<i>10.3</i>	<i>21.1</i>	<i>21.6</i>	<i>7.8</i>	<i>14.8</i>	<i>7.0</i>	<i>-0.6</i>	<i>-1.7</i>	<i>1.5</i>	<i>1.5</i>	<i>2.5</i>	<i>2.0</i>
<i>Eliminations</i>	<i>14.4</i>	<i>16.4</i>	<i>14.8</i>	<i>1.6</i>	<i>11.4</i>	<i>0.0</i>	<i>0.5</i>	<i>0.6</i>	<i>6.6</i>	<i>2.0</i>	<i>3.0</i>	<i>3.0</i>
Total	5.2	24.3	13.5	12.8	13.6	16.5	21.9	17.6	14.9	17.7	4.0	3.0
EBIT, EURm												
Group	6.7	7.1	10.6	5.9	30.3	5.9	5.3	7.3	10.0	28.5	39.5	45.0
Total	6.7	7.1	10.6	5.9	30.3	5.9	5.3	7.3	10.0	28.5	39.5	45.0
EBIT margin, %												
<i>Total</i>	<i>4.8</i>	<i>5.0</i>	<i>7.5</i>	<i>3.8</i>	<i>5.2</i>	<i>3.6</i>	<i>3.0</i>	<i>4.4</i>	<i>5.6</i>	<i>4.2</i>	<i>5.6</i>	<i>6.2</i>

INCOME STATEMENT, EURm	2017	2018	2019	2020	2021	2022E	2023E	2024E
Sales	424.0	487.8	518.7	508.7	577.8	679.9	707.4	728.8
<i>Sales growth (%)</i>	<i>6.2</i>	<i>15.0</i>	<i>6.3</i>	<i>-1.9</i>	<i>13.6</i>	<i>17.7</i>	<i>4.0</i>	<i>3.0</i>
EBITDA	34.3	45.9	55.1	54.7	65.3	65.0	74.2	84.3
<i>EBITDA margin (%)</i>	<i>8.1</i>	<i>9.4</i>	<i>10.6</i>	<i>10.8</i>	<i>11.3</i>	<i>9.6</i>	<i>10.5</i>	<i>11.6</i>
Depreciation	-14.2	-31.5	-34.2	-33.8	-35.0	-36.5	-34.7	-39.3
EBITA	20.1	14.4	20.9	20.9	30.3	28.5	39.5	45.0
Goodwill amortization / writedown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	20.1	14.4	20.9	20.9	30.3	28.5	39.5	45.0
<i>EBIT margin (%)</i>	<i>4.7</i>	<i>3.0</i>	<i>4.0</i>	<i>4.1</i>	<i>5.2</i>	<i>4.2</i>	<i>5.6</i>	<i>6.2</i>
Reported EBIT	19.2	13.8	10.2	18.3	30.3	28.5	39.5	45.0
<i>EBIT margin (reported) (%)</i>	<i>4.5</i>	<i>2.8</i>	<i>2.0</i>	<i>3.6</i>	<i>5.2</i>	<i>4.2</i>	<i>5.6</i>	<i>6.2</i>
Net financials	-1.4	-3.8	-4.0	-4.4	-3.8	-6.8	-6.2	-6.4
Pre-tax profit	18.7	10.6	16.9	16.5	26.5	21.7	33.3	38.6
Taxes	-3.4	-2.7	-1.9	-4.8	-5.1	2.7	-6.7	-7.7
Minority shares	-4.6	-3.3	-1.1	-0.2	-1.0	-1.2	-1.3	-1.3
Net profit	9.8	4.0	3.2	8.9	20.4	23.2	25.4	29.6
Cash NRIs	-0.9	-0.6	-10.7	-2.6	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	83	68	74	66	67	97	97	89
Goodwill	104	170	174	174	189	189	189	189
Right of use assets	0	116	108	103	96	238	226	219
Inventory	2	3	2	3	4	3	4	4
Receivables	25	40	47	78	93	55	57	59
Liquid funds	37	36	27	13	4	34	35	36
Total assets	254	437	438	442	457	622	614	601
Liabilities								
Shareholder's equity	100	121	101	110	117	134	152	173
Minority interest	6	9	5	5	5	5	5	5
Convertibles	0	0	0	0	0	0	0	0
Lease liabilities	0	119	114	114	106	238	226	219
Deferred taxes	6	6	6	6	6	6	6	6
Interest bearing debt	77	99	107	94	93	132	113	84
Non-interest bearing current liabilities	62	80	102	109	125	102	106	109
Other interest-free debt	3	3	2	3	4	4	4	4
Total liabilities	254	437	438	442	457	622	614	601
CASH FLOW, EURm								
+ EBITDA	34	46	55	55	65	65	74	84
- Net financial items	-1	-4	-4	-4	-4	-7	-6	-6
- Taxes	-5	-5	-4	-4	-5	3	-7	-8
- Increase in Net Working Capital	7	2	14	-23	2	15	2	1
+/- Other	0	-11	-12	-3	-1	-1	-1	-1
= Cash flow from operations	35	27	49	21	57	74	62	70
- Capex	-10	-23	-36	-20	-24	-169	-23	-23
- Acquisitions	-17	-79	0	0	0	-40	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Free cash flow	8	-74	13	1	34	-135	39	47
+/- New issues/buybacks	-2	24	-25	0	-8	0	0	0
- Paid dividend	-3	-3	-2	0	-5	-7	-7	-9
+/- Other	7	53	5	-14	-30	171	-31	-37
Change in cash	10	-1	-9	-14	-9	30	1	1

KEY FIGURES	2018	2019	2020	2021	2022E	2023E	2024E
M-cap	195	346	212	285	206	206	206
Net debt (excl. convertibles)	181	194	195	195	336	304	266
Enterprise value	391	557	417	493	551	518	479
Sales	488	519	509	578	680	707	729
EBITDA	46	55	55	65	65	74	84
EBIT	14	21	21	30	29	40	45
Pre-tax	11	17	17	27	22	33	39
Earnings	5	14	12	20	23	25	30
Equity book value (excl. minorities)	121	101	110	117	134	152	173
Valuation multiples							
EV/sales	0.8	1.1	0.8	0.9	0.8	0.7	0.7
EV/EBITDA	8.5	10.1	7.6	7.5	8.5	7.0	5.7
EV/EBITA	27.1	26.6	20.0	16.3	19.3	13.1	10.6
EV/EBIT	27.1	26.6	20.0	16.3	19.3	13.1	10.6
EV/OCF	14.3	11.3	20.2	8.6	7.4	8.4	6.8
EV/FCFF	-11.7	20.3	33.0	10.7	16.5	10.3	7.8
P/FCFE	-2.6	27.0	353.6	8.4	-1.5	5.3	4.4
P/E	42.4	24.9	18.4	14.0	8.9	8.1	7.0
P/B	1.6	3.4	1.9	2.4	1.5	1.4	1.2
Target EV/EBITDA	0.0	0.0	0.0	0.0	9.1	7.5	6.2
Target EV/EBIT	0.0	0.0	0.0	0.0	20.7	14.1	11.6
Target EV/FCF	0.0	0.0	0.0	0.0	-4.4	14.4	11.0
Target P/B	0.0	0.0	0.0	0.0	1.9	1.6	1.4
Target P/E	0.0	0.0	0.0	0.0	10.7	9.8	8.4
Per share measures							
Number of shares	22,620	22,620	22,618	22,584	22,584	22,584	22,584
Number of shares (diluted)	22,620	22,620	22,618	22,584	22,584	22,584	22,584
EPS	0.20	0.61	0.51	0.90	1.03	1.12	1.31
Operating cash flow per share	1.21	2.17	0.91	2.54	3.30	2.74	3.11
Free cash flow per share	-3.29	0.57	0.03	1.50	-5.97	1.72	2.08
Book value per share	5.36	4.47	4.85	5.20	5.92	6.75	7.66
Dividend per share	0.10	0.00	0.20	0.30	0.30	0.39	0.46
Dividend payout ratio, %	49.2	0.0	39.3	33.2	29.2	35.0	35.0
Dividend yield, %	1.2	0.0	2.1	2.4	3.3	4.3	5.0
FCF yield, %	-38.2	3.7	0.3	11.8	-65.3	18.8	22.8
Efficiency measures							
ROE	4.2	12.5	10.9	18.0	18.5	17.7	18.2
ROCE	5.4	6.2	6.4	9.4	6.9	7.8	9.2
Financial ratios							
Inventories as % of sales	0.5	0.4	0.7	0.6	0.5	0.5	0.5
Receivables as % of sales	8.2	9.1	15.3	16.0	8.1	8.1	8.1
Non-interest bearing liabilities as % of sales	16.3	19.7	21.5	21.7	15.0	15.0	15.0
NWC/sales, %	-8.0	-10.2	-6.0	-5.6	-6.9	-6.9	-6.9
Operative CAPEX/sales, %	4.6	7.0	3.9	4.1	24.9	3.3	3.2
CAPEX/sales (incl. acquisitions), %	-11.6	7.0	3.9	4.1	19.0	3.3	3.2
FCFF/EBITDA	-0.7	0.5	0.2	0.7	0.5	0.7	0.7
Net debt/EBITDA, book-weighted	3.9	3.5	3.6	3.0	5.2	4.1	3.2
Debt/equity, market-weighted	0.5	0.3	0.4	0.3	0.6	0.5	0.4
Equity ratio, book-weighted	29.8	24.2	26.0	26.8	22.4	25.7	29.7
Gearing, %	138.7	182.9	169.5	158.8	242.0	193.2	149.3

COMPANY DESCRIPTION: Pihlajalinna is the 3rd largest private social welfare and healthcare service provider in Finland offering a wide selection of services to private individuals, businesses, insurance companies and public sector entities, such as municipalities and joint municipal authorities. In its private clinics and hospitals Pihlajalinna provides general practitioner services, specialized care, emergency and on-call services, a wide range of surgical services, occupational healthcare and dental care. Pihlajalinna is the market leader in complete social and healthcare outsourcings in Finland.

INVESTMENT CASE: The demand for private social and healthcare services is growing due to ageing population and increasing pressure on public healthcare spending, offering Pihlajalinna growth opportunities in primary care as well as in specialized care. Profitability improvement stems from increased volumes and better utilization rate of the clinics.

OWNERSHIP STRUCTURE	SHARES	EURm	%
Lähitapiola Keskinäinen Vakuutusyhtiö	3,481,641	31.822	15.4%
Mww Yhtiö Oy	2,309,010	21.104	10.2%
Fennia Mutual Insurance Company	1,998,965	18.271	8.9%
Tapiola Keskinäinen Henkivakuutusyhtiö	1,893,985	17.311	8.4%
Elo Pension Company	1,267,161	11.582	5.6%
Niemistö Leena Katriina	704,687	6.441	3.1%
Ilmarinen Mutual Pension Insurance Company	628,431	5.744	2.8%
Fondita Nordic Micro Cap	470,000	4.296	2.1%
Fennia Life Insurance Company Ltd	322,443	2.947	1.4%
OP-Finland Small Firms Fund	305,644	2.794	1.4%
Ten largest	13,381,967	122.311	59%
Residual	9,202,420	84.110	41%
Total	22,584,387	206.421	100%

EARNINGS CALENDAR

February 17, 2023	FY 2022 Results
April 28, 2023	Q1 report
August 11, 2023	Q2 report
November 03, 2023	Q3 report

OTHER EVENTS**COMPANY MISCELLANEOUS**

CEO: Joni Aaltonen	Kehräsaari B, 33200 Tampere
CFO: Tarja Rantala	Tel:
IR: Tuula Lehto	

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

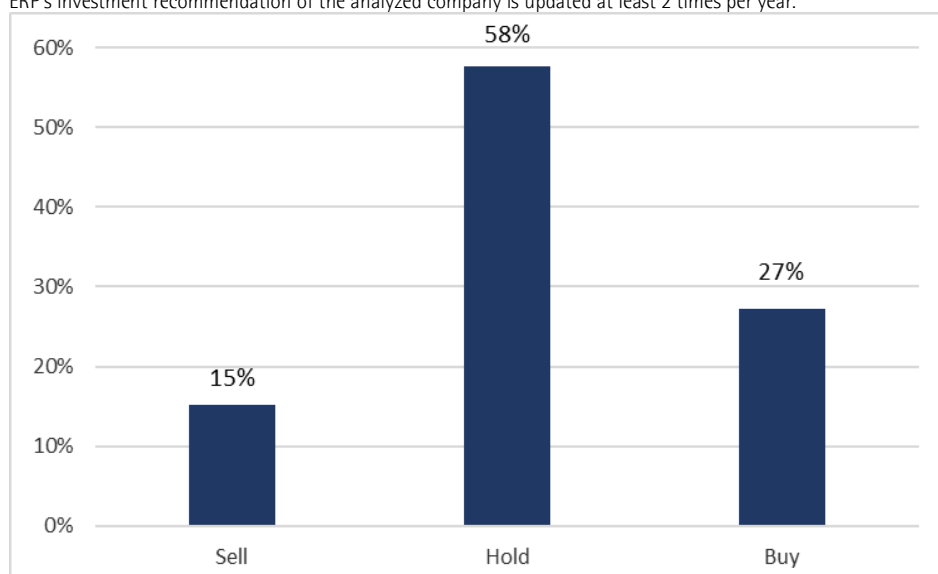
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Investment recommendations are defined as follows:

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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