

EBITA muted in the short-term

Pihlajalinna's guidance downgrade wasn't very big news as costs have remained relatively high over the course of this year. Demand is strong, but short-term upside is now more limited due to the uncertainty around FY '23 improvement.

Q4 EBITA not to improve that much

Pihlajalinna downgraded its guidance. Top line will still increase substantially, but FY '22 adj. EBITA is to decrease relative to the EUR 37.3m comparison figure. The earlier guidance suggested flat EBITA, and we previously estimated the figure at EUR 36.5m. We revise our Q4 EBITA estimate down to EUR 9.0m and hence now see the FY '22 figure at EUR 33.5m. We note the EUR 7.8m figure seen in Q4'21 was weighed down by some EUR 2m in extraordinary high service costs within complete outsourcing contracts, and hence Pihlajalinna should be able to achieve at least flattish y/y profitability development in Q4'22.

EBITA is bound to improve next year

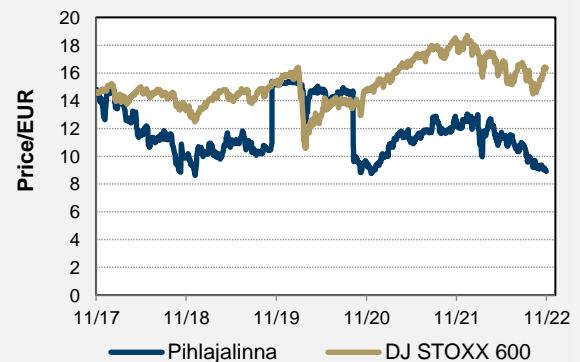
Pihlajalinna has scaled up its capacity over the past year; volumes and revenue have followed pretty much according to plan. Pohjola Hospital burdened profitability in H1, while new clinic ramp-ups continued to drag Q3 results. Personnel absence-related costs moderated a bit in Q3 but were still EUR 1m. Lower Covid-19 services revenue was another headwind. Pohjola Hospital cost synergies have already been realized and the units are profitable, but there's still work to be done in driving higher capacity utilization rates across the network and especially within high value-added categories such as surgery procedures. Demand continues at a high level and Pihlajalinna has scope to raise prices; in our view profitability is set to follow up with top line next year, however we revise our FY '23 profitability estimates down by EUR 3m.

Uncertainty around FY '23 improvement pace limits upside

We make no changes to our revenue estimates as in our view the update concerns the cost levels which have continued relatively high. Pihlajalinna is valued at 14x EV/EBIT on our FY '23 estimates, which is still not a high figure relative to peers while we estimate the respective EBIT margin almost 300bps below peers'. Long-term potential should remain large, but uncertainty around costs limits upside at least in the short-term perspective. Our updated TP is EUR 10 (11); we retain BUY rating.

Rating

BUY



Share price, EUR (Last trading day's closing price)	8.91
Target price, EUR	10.0

Latest change in	22-Feb-21
Latest report on company	07-Nov-22
Research paid by issuer:	YES
No. of shares outstanding,	22,584
No. of shares fully diluted,	22,584
Market cap, EURm	201
Free float, %	80.1
Exchange rate	-
Reuters code	PIHLIS.HE
Bloomberg code	PIHLIS FH
Average daily volume, EURm	0.1
Next interim report	17-Feb-23
Web site	http://investors.pihlajalinna.fi/

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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	25.5	3.8%	-137.3	0.92	9.7	0.8	21.5	-68.2	0.25
2023E	707.4	36.5	5.2%	36.4	1.02	8.8	0.7	14.1	18.1	0.35
2024E	728.8	42.7	5.9%	45.2	1.22	7.3	0.7	11.2	22.4	0.43
Market cap, EURm		201	Gearing 2022E, %			248.0	CAGR EPS 2021-24, %			10.7
Net debt 2022E, EURm		339	Price/book 2022E			1.5	CAGR sales 2021-24, %			8.0
Enterprise value, EURm		548	Dividend yield 2022E, %			2.8	ROE 2022E, %			16.7
Total assets 2022E, EURm		622	Tax rate 2022E, %			-17.7	ROCE 2022E, %			6.1
Goodwill 2022E, EURm		189	Equity ratio 2022E, %			22.0	PEG, P/E 22/CAGR			0.7

Estimates and 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	9.0	33.5
Adj. EBITA-margin (group)	5.4%	6.5%	4.8%	4.2%	5.7%	5.1%	4.9%

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	430	7.3x	7.0x	6.6x	18.0x	16.3x	14.7x	6.8 %	7.3 %	7.8 %
Attendo AB	372	8.4x	6.8x	6.2x	31.8x	17.2x	14.1x	4.0 %	6.6 %	7.6 %
CareTech Holdings	978									
Fresenius SE	13576	7.9x	7.4x	6.7x	13.7x	12.5x	11.1x	9.5 %	9.8 %	10.5 %
Humana	188	7.6x	6.6x	6.2x	15.9x	12.7x	11.3x	4.6 %	5.4 %	5.8 %
Korian	1048	8.2x	7.6x	7.1x	22.4x	20.4x	18.7x	8.5 %	8.7 %	8.9 %
LNA Sante	276	8.4x	7.8x	6.9x	16.6x	15.8x	13.7x	9.0 %	8.6 %	9.4 %
Mediclinic International	4201	10.3x	9.6x	9.2x	17.7x	16.3x	15.3x	9.8 %	10.2 %	10.6 %
Orpea	433	13.9x	12.6x	11.2x	60.2x	50.4x	36.2x	4.4 %	4.8 %	6.3 %
Spire Healthcare Group	1057	9.3x	8.2x	7.4x	17.9x	14.4x	12.4x	9.4 %	10.9 %	12.0 %
Terveystalo	798	7.9x	7.2x	6.4x	19.6x	14.9x	11.7x	5.6 %	7.1 %	8.6 %
Peer Group Average	2123	8.9x	8.1x	7.4x	23.4x	19.1x	15.9x	7.2 %	7.9 %	8.8 %
Peer Group Median	798	8.3x	7.5x	6.8x	17.9x	16.1x	13.9x	7.7 %	7.9 %	8.8 %
Pihlajalinna (Evli est.)	201	8.8x	7.3x	5.8x	21.5x	14.1x	11.2x	3.8 %	5.2 %	5.9 %

Pihlajalinna prem./disc. to peer median

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	17.5	62.0	71.2	82.0
<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>9.8</i>	<i>9.1</i>	<i>10.1</i>	<i>11.2</i>
EBIT	6.7	7.1	10.6	5.9	30.3	5.9	5.3	7.3	7.0	25.5	36.5	42.7
<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>3.9</i>	<i>3.8</i>	<i>5.2</i>	<i>5.9</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	-6.5
Pre-tax profit	5.8	6.1	9.8	4.8	26.5	4.4	3.7	5.3	5.4	18.7	30.3	36.2
Tax	-1.1	-1.1	-1.7	-1.2	-5.1	5.2	-0.3	-0.5	-1.1	3.3	-6.1	-7.2
<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>-17.7</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	4.6	20.8	23.0	27.7
EPS	0.20	0.23	0.35	0.12	0.90	0.31	0.17	0.25	0.20	0.92	1.02	1.22
EPS adjusted (diluted no. of shares)	0.20	0.23	0.35	0.12	0.90	0.31	0.17	0.25	0.20	0.92	1.02	1.22
Dividend per share	0.00	0.00	0.00	0.00	0.30	0.00	0.00	0.00	0.00	0.25	0.35	0.43
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	7.0	25.5	36.5	42.7
Total	6.7	7.1	10.6	5.9	30.3	5.9	5.3	7.3	7.0	25.5	36.5	42.7
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>3.9</i>	<i>3.8</i>	<i>5.2</i>	<i>5.9</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	62.0	71.2	82.0
<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>9.1</i>	<i>10.1</i>	<i>11.2</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	25.5	36.5	42.7
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	25.5	36.5	42.7
<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>3.8</i>	<i>5.2</i>	<i>5.9</i>
Reported EBIT	19.2	13.8	10.2	18.3	30.3	25.5	36.5	42.7
<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>3.8</i>	<i>5.2</i>	<i>5.9</i>
Net financials	-1.4	-3.8	-4.0	-4.4	-3.8	-6.8	-6.2	-6.5
Pre-tax profit	18.7	10.6	16.9	16.5	26.5	18.7	30.3	36.2
Taxes	-3.4	-2.7	-1.9	-4.8	-5.1	3.3	-6.1	-7.2
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	20.8	23.0	27.7
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	131	149	168
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	135	117	89
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	62	71	82
- Net financial items	-1	-4	-4	-4	-4	-7	-6	-7
- Taxes	-5	-5	-4	-4	-5	3	-6	-7
- 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	72	59	68
- 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	-137	36	45
+/- New issues/buybacks	-2	24	-25	0	-8	0	0	0
- Paid dividend	-3	-3	-2	0	-5	-7	-6	-8
+/- Other	7	53	5	-14	-30	174	-29	-36
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	201	201	201
Net debt (excl. convertibles)	181	194	195	195	339	308	271
Enterprise value	391	557	417	493	548	516	478
Sales	488	519	509	578	680	707	729
EBITDA	46	55	55	65	62	71	82
EBIT	14	21	21	30	26	37	43
Pre-tax	11	17	17	27	19	30	36
Earnings	5	14	12	20	21	23	28
Equity book value (excl. minorities)	121	101	110	117	131	149	168
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	8.8	7.3	5.8
EV/EBITA	27.1	26.6	20.0	16.3	21.5	14.1	11.2
EV/EBIT	27.1	26.6	20.0	16.3	21.5	14.1	11.2
EV/OCF	14.3	11.3	20.2	8.6	7.6	8.7	7.0
EV/FCFF	-11.7	20.3	33.0	10.7	17.5	10.8	8.0
P/FCFE	-2.6	27.0	353.6	8.4	-1.5	5.5	4.5
P/E	42.4	24.9	18.4	14.0	9.7	8.8	7.3
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	9.2	7.6	6.1
Target EV/EBIT	0.0	0.0	0.0	0.0	22.3	14.8	11.8
Target EV/FCF	0.0	0.0	0.0	0.0	-4.2	14.8	11.1
Target P/B	0.0	0.0	0.0	0.0	1.7	1.5	1.3
Target P/E	0.0	0.0	0.0	0.0	10.9	9.8	8.2
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	0.92	1.02	1.22
Operating cash flow per share	1.21	2.17	0.91	2.54	3.19	2.63	3.02
Free cash flow per share	-3.29	0.57	0.03	1.50	-6.08	1.61	2.00
Book value per share	5.36	4.47	4.85	5.20	5.82	6.58	7.46
Dividend per share	0.10	0.00	0.20	0.30	0.25	0.35	0.43
Dividend payout ratio, %	49.2	0.0	39.3	33.2	27.2	34.4	35.0
Dividend yield, %	1.2	0.0	2.1	2.4	2.8	3.9	4.8
FCF yield, %	-38.2	3.7	0.3	11.8	-68.2	18.1	22.4
Efficiency measures							
ROE	4.2	12.5	10.9	18.0	16.7	16.4	17.4
ROCE	5.4	6.2	6.4	9.4	6.1	7.3	8.7
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	5.5	4.3	3.3
Debt/equity, market-weighted	0.5	0.3	0.4	0.3	0.7	0.6	0.4
Equity ratio, book-weighted	29.8	24.2	26.0	26.8	22.0	25.1	28.9
Gearing, %	138.7	182.9	169.5	158.8	248.0	200.2	155.9

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	%
Lähiapiola Keskinäinen Vakuutusyhtiö	3,481,641	31.021	15.4%
Mww Yhtiö Oy	2,309,010	20.573	10.2%
Fennia Mutual Insurance Company	1,998,965	17.811	8.9%
Tapiola Keskinäinen Henkivakuutusyhtiö	1,893,985	16.875	8.4%
Elo Pension Company	1,267,161	11.290	5.6%
Niemistö Leena Katriina	704,687	6.279	3.1%
Ilmarinen Mutual Pension Insurance Company	628,431	5.599	2.8%
Fondita Nordic Micro Cap	470,000	4.188	2.1%
Fennia Life Insurance Company Ltd	322,443	2.873	1.4%
OP-Finland Small Firms Fund	305,644	2.723	1.4%
Ten largest	13,381,967	119.233	59%
Residual	9,202,420	81.994	41%
Total	22,584,387	201.227	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, %	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholder's equity} + \text{minority interest} + \text{taxed provisions (average)}}$		

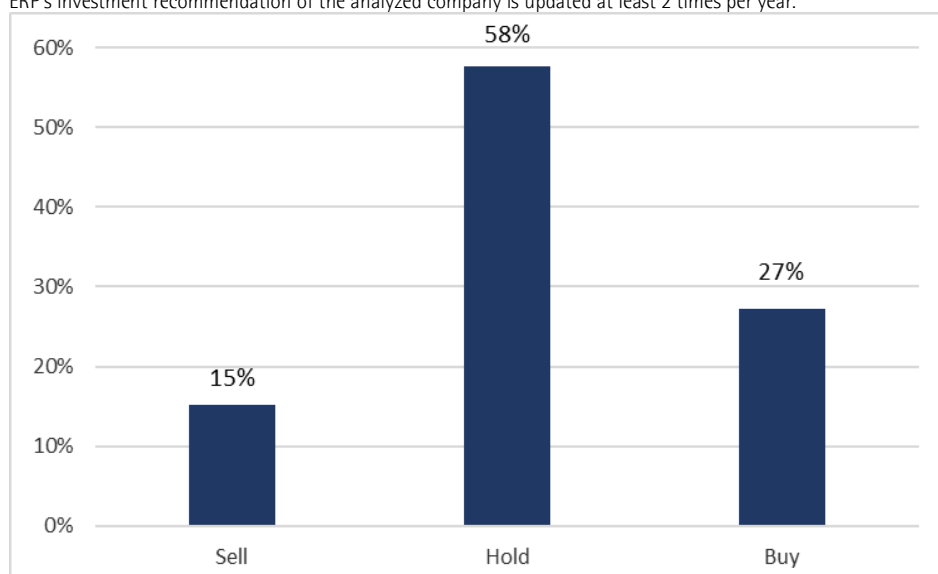
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Investment recommendations are defined as follows:

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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