

## High demand and better productivity

Scanfil's Q2 report didn't reveal big surprises, although there were a couple of profitability headwinds which should not limit performance that much going forward.

### Q2 profitability faced a couple of headwinds

Scanfil Q2 top line grew 23% y/y to EUR 213m vs the EUR 202m/213m Evli/cons. estimates. Growth was 11% when excluding the spot component purchases; 3% was due to inflation and thus underlying comparable growth was ca. 8%, neatly above the 5-7% long-term organic target. Advanced Consumer Applications didn't achieve much growth without the transitory invoicing items, but other than that demand remained favorable for all segments. EBIT landed at EUR 10.1m vs the EUR 11.3m/11.2m Evli/cons. estimates. The miss can be attributed to the FX loss which was mainly due to strong USD; Scanfil has since put hedges into place, although it's still not entirely immune to FX moves. Lockdowns in China also hit profitability in Suzhou during the spring, but the situation has since normalized.

### Component shortages seem to be easing already

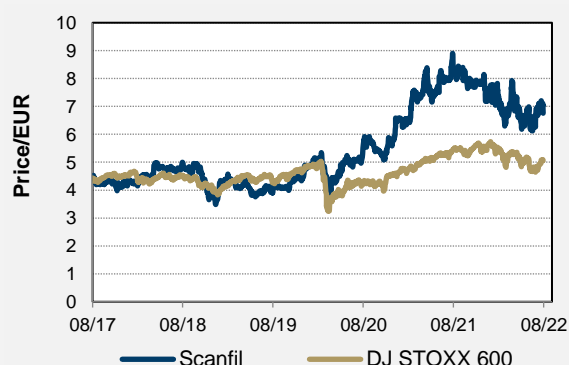
The component availability situation has been a nuisance for well over a year, but there are now signs of improvement. Scanfil sees Q3 spot market purchases already lower than in Q2 yet still somewhat high. The stabilizing component situation will help productivity and profitability going forward, and Scanfil looks to manage its elevated inventory levels down. This easing should be a major factor in helping H2 EBIT higher; Scanfil's guidance implies meaningful EBIT margin improvement for H2 without any significant changes in product mix. Late increases in production space mean Scanfil can meet high customer demand at least in the short-term, while M&A remains a likely tool for potential larger increases in manufacturing footprint.

### Profitability has room to improve quite a bit more

Scanfil may not achieve significant top line growth next year as the spot market purchases fade away, however that should not limit absolute profitability potential. Scanfil's 7% long-term EBIT margin target remains a relevant benchmark, but it is likely to take at least a few more years to reach that level. Scanfil is valued 7.5x EV/EBITDA and 10x EV/EBIT on our FY '22 estimates. The multiples are in line with peers' while Scanfil's margins top those of the typical peer. We retain our EUR 8 TP and BUY rating.

Rating

BUY



Share price, EUR (Last trading day's closing price) 6.76

Target price, EUR 8.0

Latest change in recommendation 14-Oct-21

Latest report on company 25-Apr-22

Research paid by issuer: YES

No. of shares outstanding, '000's 63,895

No. of shares fully diluted, '000's 63,895

Market cap, EURm 432

Free float, % 46.6

Exchange rate -

Reuters code SCANFL.HE

Bloomberg code SCANFL.FH

Average daily volume, EURm 0.1

Next interim report 26-Oct-22

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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	595.3	39.1	6.6%	43.5	0.49	13.2	0.7	11.0	10.4	0.17
2021	695.7	40.3	5.8%	-31.7	0.48	15.6	0.8	13.2	-6.7	0.19
2022E	835.4	45.5	5.4%	48.0	0.53	12.7	0.5	9.9	11.1	0.20
2023E	826.3	52.1	6.3%	44.9	0.61	11.1	0.5	8.1	10.4	0.21
2024E	867.6	58.1	6.7%	36.9	0.68	9.9	0.5	6.8	8.5	0.23
Market cap, EURm	432			Gearing 2022E, %		9.0		CAGR EPS 2021-24, %		12.8
Net debt 2022E, EURm	21			Price/book 2022E		1.9		CAGR sales 2021-24, %		7.6
Enterprise value, EURm	453			Dividend yield 2022E, %		3.0		ROE 2022E, %		15.5
Total assets 2022E, EURm	450			Tax rate 2022E, %		22.6		ROCE 2022E, %		15.7
Goodwill 2022E, EURm	8			Equity ratio 2022E, %		50.9		PEG, P/E 22/CAGR		1.1

**Estimates and peer group multiples**

Scanfil	2020	Q1'21	Q2'21	Q3'21	Q4'21	2021	Q1'22	Q2'22	Q3'22e	Q4'22e	2022e	2023e
<b>Revenue</b>	595	163	173	168	192	696	197	213	210	216	836	826
<i>growth-%</i>	<i>2.8 %</i>	<i>13.4 %</i>	<i>11.1 %</i>	<i>18.4 %</i>	<i>24.4 %</i>	<i>16.9 %</i>	<i>20.4 %</i>	<i>23.2 %</i>	<i>25.3 %</i>	<i>12.5 %</i>	<i>20.1 %</i>	<i>-1.1 %</i>
Advanced Consumer Applications	151	43	53	55	53	205	55	69	70	60	254	241
Automation & Safety	142	35	37	33	41	145	43	46	41	46	175	180
Connectivity	29	8	7	7	10	33	11	9	9	11	40	42
Energy & Cleantech	136	40	45	44	53	182	55	54	53	60	221	214
Medtech & Life Science	108	29	29	29	34	121	34	36	37	38	145	148
Discontinued	30	9	2	0	0	11	0	0	0	0	0	0
<b>EBIT</b>	39	10	11	10	10	40	10	10	12	13	45	52
<i>EBIT margin</i>	<i>6.6 %</i>	<i>6.1 %</i>	<i>6.1 %</i>	<i>5.7 %</i>	<i>5.3 %</i>	<i>5.8 %</i>	<i>5.2 %</i>	<i>4.7 %</i>	<i>5.8 %</i>	<i>5.9 %</i>	<i>5.4 %</i>	<i>6.3 %</i>

Source: Evli Research

SCANFIL PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			EBIT-%		
		22	23	24	22	23	24	22	23	24
Benchmark Electronics	924				11.4x	9.4x		3.2 %	3.7 %	
Celestica	1336	4.2x	4.0x	4.1x	5.9x	5.5x	5.6x	4.6 %	4.6 %	4.4 %
TT Electronics	377	8.2x	7.2x	6.7x	12.4x	9.8x	8.7x	7.0 %	8.5 %	9.1 %
Hanza	188							5.6 %	6.4 %	6.5 %
Kitron	402	10.5x	9.0x	8.1x	15.0x	12.3x	10.4x	6.4 %	7.0 %	7.4 %
Lacroix Group	147	6.2x	5.2x	4.7x	10.5x	8.5x	7.4x	4.1 %	4.8 %	5.2 %
Flex Ltd	7734	5.7x	5.3x	5.0x	7.8x	7.2x	6.9x	4.6 %	4.8 %	4.7 %
Plexus	2526	11.7x	9.9x		16.0x	13.1x		4.7 %	5.2 %	
Sanmina	2987	6.2x	5.9x		7.6x	7.1x		5.2 %	5.4 %	
SIIX	347	6.3x	5.3x	4.8x	12.0x	9.6x	8.0x	3.0 %	3.3 %	3.8 %
Valuetronics	166	2.2x	2.0x	1.9x	3.2x	2.9x	2.7x	6.0 %	6.2 %	6.4 %
Peer Group Average	1558	<b>6.8x</b>	<b>6.0x</b>	<b>5.0x</b>	<b>10.2x</b>	<b>8.5x</b>	<b>7.1x</b>	<b>5.0 %</b>	<b>5.4 %</b>	<b>5.9 %</b>
Peer Group Median	402	<b>6.2x</b>	<b>5.3x</b>	<b>4.8x</b>	<b>11.0x</b>	<b>9.0x</b>	<b>7.4x</b>	<b>4.7 %</b>	<b>5.2 %</b>	<b>5.8 %</b>
Scanfil (Evli est.)	<b>432</b>	<b>7.5x</b>	<b>6.2x</b>	<b>5.4x</b>	<b>9.9x</b>	<b>8.1x</b>	<b>6.8x</b>	<b>5.4 %</b>	<b>6.3 %</b>	<b>6.7 %</b>

*Scanfil prem./disc. to peer median*

21 %    16 %    14 %    -9 %    -10 %    -8 %    16 %    21 %    16 %

Source FactSet, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	6.76 PV of Free Cash Flow	327 Long-term growth, %	2.0 Risk-free interest rate, %
DCF share value	10.57 PV of Horizon value	417 WACC, %	8.0 Market risk premium, %
Share price potential, %	56.3 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %
Maximum value	11.6 Marketable securities	25 Minimum WACC, %	7.5 Equity beta coefficient
Minimum value	9.7 Debt - dividend	-94 Maximum WACC, %	8.5 Target debt ratio, %
Horizon value, %	56.1 Value of stock	675 Nr of shares, Mn	63.9 Effective tax rate, %

DCF valuation, EURm	2021	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	Horizon
Net sales	696	835	826	868	902	934	962	986	1,006	1,026	1,046	1,067
<i>Sales growth, %</i>	<i>16.9</i>	<i>20.1</i>	<i>-1.1</i>	<i>5.0</i>	<i>4.0</i>	<i>3.5</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>
Operating income (EBIT)	40	46	52	58	63	65	67	69	70	72	73	75
<i>Operating income margin, %</i>	<i>5.8</i>	<i>5.4</i>	<i>6.3</i>	<i>6.7</i>	<i>7.0</i>	<i>7.0</i>	<i>7.0</i>	<i>7.0</i>	<i>7.0</i>	<i>7.0</i>	<i>7.0</i>	<i>7.0</i>
+ Depreciation+amort.	15	15	16	15	14	14	13	13	14	14	14	
EBITDA	56	61	68	73	77	79	81	83	84	86	87	
- Paid taxes	-10	-10	-12	-14	-15	-16	-16	-17	-17	-17	-18	
- Change in NWC	-59	24	2	-7	-6	-6	-5	-4	-3	-4	-4	
<i>NWC / Sales, %</i>	<i>24.1</i>	<i>17.2</i>	<i>17.2</i>	<i>17.2</i>	<i>17.2</i>	<i>17.3</i>	<i>17.3</i>	<i>17.3</i>	<i>17.3</i>	<i>17.3</i>	<i>17.3</i>	
+ Change in other liabs	0	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	-13	-21	-12	-13	-13	-14	-14	-14	-15	-15	-16	
<i>opCAPEX / Sales, %</i>	<i>2.4</i>	<i>3.0</i>	<i>1.4</i>	<i>1.7</i>	<i>1.6</i>	<i>1.6</i>	<i>1.6</i>	<i>1.5</i>	<i>1.5</i>	<i>1.5</i>	<i>1.6</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	-26	54	45	39	43	44	46	47	49	50	51	860
= Discounted FCFF		52	41	32	33	31	30	29	28	26	25	417
= DFCF min WACC		52	41	32	33	32	31	30	29	27	26	476
= DFCF max WACC		52	40	32	32	31	29	28	27	25	24	369

## INTERIM FIGURES

EVLI ESTIMATES, EURm	2021Q1	2021Q2	2021Q3	2021Q4	2021	2022Q1	2022Q2	2022Q3E	2022Q4E	2022E	2023E	2024E
Net sales	163.3	172.9	167.8	191.7	695.7	196.6	212.9	210.3	215.6	835.4	826.3	867.6
EBITDA	13.8	14.4	13.2	14.3	55.7	14.3	14.4	15.8	16.2	60.7	68.1	72.9
<i>EBITDA margin (%)</i>	<i>8.5</i>	<i>8.3</i>	<i>7.9</i>	<i>7.5</i>	<i>8.0</i>	<i>7.3</i>	<i>6.8</i>	<i>7.5</i>	<i>7.5</i>	<i>7.3</i>	<i>8.2</i>	<i>8.4</i>
EBIT	10.0	10.6	9.4	10.3	40.3	10.3	10.2	12.3	12.7	45.5	52.1	58.1
<i>EBIT margin (%)</i>	<i>6.1</i>	<i>6.1</i>	<i>5.6</i>	<i>5.4</i>	<i>5.8</i>	<i>5.2</i>	<i>4.8</i>	<i>5.8</i>	<i>5.9</i>	<i>5.4</i>	<i>6.3</i>	<i>6.7</i>
Net financial items	-0.7	-0.1	-0.9	-0.2	-1.9	-1.0	-0.3	-0.2	-0.2	-1.6	-0.9	-0.6
Pre-tax profit	9.3	10.5	8.5	10.1	38.4	9.3	9.9	12.1	12.5	43.9	51.1	57.6
Tax	-1.7	-1.8	-3.5	-0.9	-7.9	-1.3	-2.7	-2.9	-3.0	-9.9	-12.3	-13.8
<i>Tax rate (%)</i>	<i>18.3</i>	<i>17.1</i>	<i>41.2</i>	<i>8.9</i>	<i>20.6</i>	<i>14.0</i>	<i>27.3</i>	<i>24.0</i>	<i>24.0</i>	<i>22.6</i>	<i>24.0</i>	<i>24.0</i>
Net profit	7.6	8.7	5.0	9.2	30.5	8.0	7.2	9.2	9.5	33.9	38.9	43.7
EPS	0.12	0.14	0.08	0.14	0.48	0.13	0.11	0.14	0.15	0.53	0.61	0.68
EPS adjusted (diluted no. of shares)	0.12	0.14	0.08	0.14	0.48	0.13	0.11	0.14	0.15	0.53	0.61	0.68
Dividend per share	0.00	0.00	0.00	0.00	0.19	0.00	0.00	0.00	0.00	0.20	0.21	0.23
<b>SALES, EURm</b>												
Group	163.3	172.9	167.8	191.7	695.7	196.6	212.9	210.3	215.6	835.4	826.3	867.6
Total	163.3	172.9	167.8	191.7	695.7	196.6	212.9	210.3	215.6	835.4	826.3	867.6
<b>SALES GROWTH, Y/Y %</b>												
Group	13.3	11.2	18.4	24.5	16.9	20.4	23.1	25.3	12.5	20.1	-1.1	5.0
Total	13.3	11.2	18.4	24.5	16.9	20.4	23.1	25.3	12.5	20.1	-1.1	5.0
<b>EBIT, EURm</b>												
Group	10.0	10.6	9.4	10.3	40.3	10.3	10.2	12.3	12.7	45.5	52.1	58.1
Total	10.0	10.6	9.4	10.3	40.3	10.3	10.2	12.3	12.7	45.5	52.1	58.1
<b>EBIT margin, %</b>												
Group	6.1	6.1	5.6	5.4	5.8	5.2	4.8	5.8	5.9	5.4	6.3	6.7
Total	6.1	6.1	5.6	5.4	5.8	5.2	4.8	5.8	5.9	5.4	6.3	6.7

INCOME STATEMENT, EURm	2017	2018	2019	2020	2021	2022E	2023E	2024E
Sales	529.9	563.0	579.4	595.3	695.7	835.4	826.3	867.6
<i>Sales growth (%)</i>	<i>4.3</i>	<i>6.2</i>	<i>2.9</i>	<i>2.7</i>	<i>16.9</i>	<i>20.1</i>	<i>-1.1</i>	<i>5.0</i>
EBITDA	40.0	47.2	53.6	55.2	55.7	60.7	68.1	72.9
<i>EBITDA margin (%)</i>	<i>7.5</i>	<i>8.4</i>	<i>9.3</i>	<i>9.3</i>	<i>8.0</i>	<i>7.3</i>	<i>8.2</i>	<i>8.4</i>
Depreciation	-8.7	-9.4	-14.2	-16.1	-15.4	-15.2	-16.0	-14.8
EBITA	31.3	37.8	39.4	39.1	40.3	45.5	52.1	58.1
Goodwill amortization / writedown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	31.3	37.8	39.4	39.1	40.3	45.5	52.1	58.1
<i>EBIT margin (%)</i>	<i>5.9</i>	<i>6.7</i>	<i>6.8</i>	<i>6.6</i>	<i>5.8</i>	<i>5.4</i>	<i>6.3</i>	<i>6.7</i>
Reported EBIT	31.3	37.8	39.4	39.1	40.3	45.5	52.1	58.1
<i>EBIT margin (reported) (%)</i>	<i>5.9</i>	<i>6.7</i>	<i>6.8</i>	<i>6.6</i>	<i>5.8</i>	<i>5.4</i>	<i>6.3</i>	<i>6.7</i>
Net financials	1.3	-1.7	-1.3	-2.6	-1.9	-1.6	-0.9	-0.6
Pre-tax profit	32.6	36.1	38.1	36.5	38.4	43.9	51.1	57.6
Taxes	-6.8	-8.3	-5.9	-4.9	-7.9	-9.9	-12.3	-13.8
Minority shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	25.8	27.8	32.2	31.6	30.5	33.9	38.9	43.7
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
<b>BALANCE SHEET, EURm</b>								
<b>Assets</b>								
Fixed assets	62	64	68	61	63	69	64	63
Goodwill	10	10	8	8	8	8	8	8
Right of use assets	0	15	21	18	22	27	26	28
Inventory	101	96	102	103	193	142	140	147
Receivables	108	104	115	116	153	154	153	160
Liquid funds	21	28	20	26	25	42	41	63
Total assets	307	321	340	339	474	450	442	477
<b>Liabilities</b>								
Shareholder's equity	125	148	167	183	207	229	255	286
Minority interest	0	0	0	0	0	0	0	0
Convertibles	0	0	0	0	0	0	0	0
Lease liabilities	0	15	19	16	20	27	26	28
Deferred taxes	5	5	7	6	5	5	5	5
Interest bearing debt	61	52	44	24	62	36	3	0
Non-interest bearing current liabilities	113	99	96	103	172	146	145	152
Other interest-free debt	2	2	7	7	6	6	6	6
Total liabilities	307	321	340	339	474	450	442	477
<b>CASH FLOW, EURm</b>								
+ EBITDA	40	47	54	55	56	61	68	73
- Net financial items	2	-2	-1	-3	-2	-2	-1	-1
- Taxes	-8	-7	-5	-7	-10	-10	-12	-14
- Increase in Net Working Capital	-6	-9	-15	5	-59	24	2	-7
+/- Other	-6	0	0	0	0	0	0	0
= Cash flow from operations	22	29	32	50	-15	73	56	51
- Capex	-21	-10	-24	-6	-17	-25	-12	-14
- Acquisitions	0	0	0	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Free cash flow	2	19	8	44	-32	48	45	37
+/- New issues/buybacks	-4	3	-6	-6	5	0	0	0
- Paid dividend	-6	-7	-8	-10	-11	-12	-13	-13
+/- Other	8	-7	-1	-23	37	-19	-33	-2
Change in cash	0	8	-8	5	0	16	0	21

KEY FIGURES	2018	2019	2020	2021	2022E	2023E	2024E
M-cap	281	336	417	477	432	432	432
Net debt (excl. convertibles)	39	43	15	57	21	-11	-35
Enterprise value	320	379	431	533	453	420	397
Sales	563	579	595	696	835	826	868
EBITDA	47	54	55	56	61	68	73
EBIT	38	39	39	40	46	52	58
Pre-tax	36	38	37	38	44	51	58
Earnings	28	32	32	31	34	39	44
Equity book value (excl. minorities)	148	167	183	207	229	255	286
<b>Valuation multiples</b>							
EV/sales	0.6	0.7	0.7	0.8	0.5	0.5	0.5
EV/EBITDA	6.8	7.1	7.8	9.6	7.5	6.2	5.4
EV/EBITA	8.5	9.6	11.0	13.2	9.9	8.1	6.8
EV/EBIT	8.5	9.6	11.0	13.2	9.9	8.1	6.8
EV/OCF	11.0	11.9	8.6	-36.3	6.2	7.4	7.7
EV/FCFF	15.5	25.7	10.0	-20.5	8.4	9.3	10.3
P/FCFE	14.9	44.7	9.6	-15.0	9.0	9.6	11.7
P/E	10.1	10.4	13.2	15.6	12.7	11.1	9.9
P/B	1.9	2.0	2.3	2.3	1.9	1.7	1.5
Target EV/EBITDA	0.0	0.0	0.0	0.0	8.8	7.3	6.5
Target EV/EBIT	0.0	0.0	0.0	0.0	11.7	9.6	8.2
Target EV/FCF	0.0	0.0	0.0	0.0	11.1	11.1	12.9
Target P/B	0.0	0.0	0.0	0.0	2.2	2.0	1.8
Target P/E	0.0	0.0	0.0	0.0	15.1	13.2	11.7
<b>Per share measures</b>							
Number of shares	63,895	63,895	63,895	63,895	63,895	63,895	63,895
Number of shares (diluted)	63,895	63,895	63,895	63,895	63,895	63,895	63,895
EPS	0.44	0.50	0.49	0.48	0.53	0.61	0.68
Operating cash flow per share	0.45	0.50	0.78	-0.23	1.14	0.88	0.80
Free cash flow per share	0.30	0.12	0.68	-0.50	0.75	0.70	0.58
Book value per share	2.32	2.61	2.86	3.25	3.59	4.00	4.47
Dividend per share	0.13	0.15	0.17	0.19	0.20	0.21	0.23
Dividend payout ratio, %	29.9	29.8	34.4	39.8	37.7	34.5	33.0
Dividend yield, %	3.0	2.9	2.6	2.5	3.0	3.1	3.3
FCF yield, %	6.7	2.2	10.4	-6.7	11.1	10.4	8.5
<b>Efficiency measures</b>							
ROE	20.4	20.4	18.1	15.6	15.5	16.0	16.2
ROCE	18.8	17.7	17.3	15.7	15.7	18.1	19.4
<b>Financial ratios</b>							
Inventories as % of sales	17.0	17.6	17.4	27.8	17.0	17.0	17.0
Receivables as % of sales	18.4	19.8	19.4	22.0	18.5	18.5	18.4
Non-interest bearing liabilities as % of sales	17.5	16.6	17.3	24.8	17.5	17.5	17.5
NWC/sales, %	17.5	19.7	18.3	24.1	17.2	17.2	17.2
Operative CAPEX/sales, %	1.8	4.2	1.1	2.4	3.0	1.4	1.7
CAPEX/sales (incl. acquisitions), %	1.8	4.2	1.1	2.4	3.0	1.4	1.7
FCFF/EBITDA	0.4	0.3	0.8	-0.5	0.9	0.7	0.5
Net debt/EBITDA, book-weighted	0.8	0.8	0.3	1.0	0.3	-0.2	-0.5
Debt/equity, market-weighted	0.2	0.1	0.1	0.1	0.1	0.0	0.0
Equity ratio, book-weighted	46.2	49.0	53.9	43.8	50.9	57.8	59.8
Gearing, %	26.0	25.6	7.9	27.3	9.0	-4.5	-12.2

**COMPANY DESCRIPTION:** Scanfil is a contract electronics manufacturer based in Sievi, Finland, operating a global plant network with nine sites located across three continents. The company focuses on producing industrial electronics for its customers, many of which are large global industrial original equipment manufacturers. In practice Northern Europe is by far Scanfil's most important market. Scanfil's strategy is based on a vertically integrated model with which the company aims to provide solutions to cover the entire supply chain during the whole life-cycle of a given customer product.

**INVESTMENT CASE:** In our view Scanfil is well-positioned to achieve its target 7% operating margin. We see upside to the current share price when customer product volumes continue to develop positively, helping to lift absolute operating profit. We expect Scanfil to achieve even more diversified customer portfolio; this would justify an increase in valuation multiples.

OWNERSHIP STRUCTURE	SHARES	EURm	%
Takanen Harri	9,913,146	67.013	15.5%
Takanen Jarkko	8,596,169	58.110	13.5%
Varikot Oy	7,606,442	51.420	11.9%
Takanen Jorma	6,129,305	41.434	9.6%
Tolonen Jonna	3,351,950	22.659	5.2%
Pöllä Reijo	3,328,745	22.502	5.2%
Laakkonen Mikko	2,531,187	17.111	4.0%
Takanen Martti	1,947,018	13.162	3.0%
Sijoitusrahasto Aktia Capital	1,918,000	12.966	3.0%
Foundation of Riitta and Jorma J.Takanen	1,900,000	12.844	3.0%
Ten largest	47,221,962	319.220	74%
Residual	16,673,477	112.713	26%
Total	63,895,439	431.933	100%

**EARNINGS CALENDAR**

October 26, 2022

Q3 report

**OTHER EVENTS****COMPANY MISCELLANEOUS**

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Yritystie 6, FI-85410 Sievi

CFO: Kai Valo

Tel: +358 8 48 82 111

IR: Pasi Hiedanpää

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



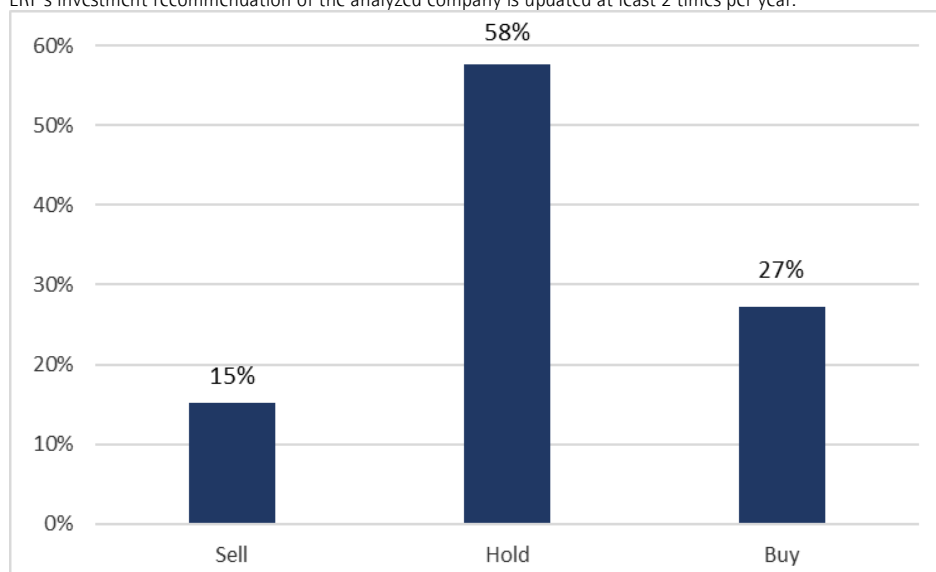
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Investment recommendations are defined as follows:

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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