

Managing market headwinds

Administer's Q3 report was in line with expectations. Net sales declined 3.9% y/y, but profitability continued its positive development, with the EBITDA-margin at 5.7%, improving clearly y/y.

Steady performance in a difficult operating environment

Administer reported Q3 net sales of EUR 17.6m and EBITDA of EUR 1.0m, in line with our estimates (EUR 17.5m and EUR 1.1m, respectively). Results came as expected following an October profit warning that lowered net sales guidance and narrowed EBITDA-margin range upwards. Personnel leasing remained the main driver in the sales decline, with Econia's sales dropping 9.1% y/y in Q3, reflecting the broader 6.5% decline in the Finnish personnel leasing market, as reported by Employment Industry Finland. Administer's other brands also saw a 1–5% sales decline, in line with the weak general economic development in Finland, as its operations are closely tied to the overall economic activity and macroeconomic conditions. Despite this, Administer defended its margins well and posted its third consecutive quarter with improved profitability y/y, highlighting the effectiveness of its cost-saving initiatives. Given this steady performance amid tough conditions, we see a sustainable turnaround taking shape.

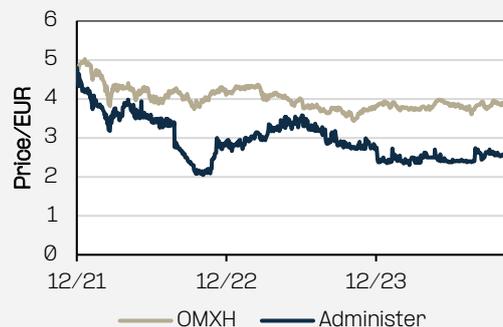
Outlook and estimates largely unchanged

Following the revised guidance in October, Administer expects revenue to range between EUR 74–76m and an EBITDA-margin of 7–9%. We keep our estimates largely unchanged, projecting revenue of EUR 75.0m and an EBITDA-margin of 8.0%. While there are no clear signs of demand improvement in Q4, we expect the acquisition of a majority stake in Kuntalaskenta to push the quarter into growth territory y/y. Although the growth outlook for 2025 remains uncertain, we anticipate a market recovery during the year and forecast moderate growth for the year and expect net sales of EUR 77.2m. Consistent with this higher revenue and operational efficiency improvements, we forecast EBITDA-margin to increase to 9.0% in 2025.

BUY with a target price of EUR 3.0

Despite solid progress in its turnaround, Administer remains valued below peers with 2024E. P/E (excl. goodwill amortization) of ~13x. The solid performance in tough conditions shows promise for the future should market recover and demand situation improve. We retain our TP of EUR 3.0 and BUY rating.

Rating 🇫🇮 Buy



Share price, EUR (Last trading day's closing price)	2.46
Target price, EUR	3.0
Latest change in recommendation	04-Mar-22
Latest report on company	23-Oct-24
Research paid by issuer:	YES
No. of shares outstanding, '000's	14 375
No. of shares fully diluted, '000's	14 375
Market cap, EURm	35
Free float, %	0.0 %
Exchange rate	0.0
Reuters code	ADMIN.HE
Bloomberg code	ADMIN FH
Average daily volume, EURm	0.0
Next interim report	
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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	52.8	0.1	0.2%	-20.1	-0.05	-52.9	1.0	473.3	-52.7%	0.05
2023	75.9	-3.0	-3.9%	0.9	-0.27	-8.9	0.6	-15.6	2.5%	0.00
2024E	75.0	0.1	0.1%	3.0	-0.07	-37.8	0.6	881.1	8.6%	0.06
2025E	77.2	1.1	1.4%	3.8	-0.02	-158.0	0.5	37.3	10.6%	0.08
2026E	81.8	2.2	2.7%	4.8	0.05	46.5	0.5	16.9	13.5%	0.10
Market cap, EURm		35	Gearing 2024E, %			31.8 %	CAGR EPS 2023–26, %			0.0 %
Net debt 2024E, EURm		8	Price/book 2024E			1.3	CAGR Sales 2023–26, %			2.6 %
Enterprise value, EURm		44	Dividend yield 2024E, %			2.3 %	ROE 2024E, %			-3.5 %
Total assets 2024E, EURm		58	Tax rate 2024E, %			8.2 %	ROCE 2024E, %			-0.3 %
Goodwill 2024E, EURm		35	Equity ratio 2024E, %			45.6 %	PEG, P/E 24/CAGR			0.0

All the important disclosures can be found on the last pages of this report.

Administer	2022	Q1/'23	Q2/'23	Q3/'23	Q4/'23	2023	Q1/'24	Q2/'24	Q3/'24	Q4/'24E	2024E	2025E	2026E
Net sales	52.8	19.6	19.6	18.3	18.5	75.9	19.0	19.3	17.6	19.0	75.0	77.2	81.8
<i>sales growth %</i>	25.9%					43.9%	-3.1%	-1.3%	-3.9%	2.9%	-1.3%	3.0%	6.0%
EBITDA	3.8	1.1	0.4	0.5	0.8	2.8	1.7	1.9	1.0	1.4	6.0	7.0	8.1
<i>EBITDA-margin</i>	7.1%	5.7%	2.3%	2.5%	4.6%	3.8%	9.1%	9.6%	5.7%	7.5%	8.0%	9.0%	9.9%
Depreciation	-1.1	-0.5	-0.5	-0.5	-0.5	-1.9	-0.4	-0.5	-0.5	-0.5	-1.9	-1.9	-1.9
EBITA	2.7	0.7	0.0	0.0	0.3	1.0	1.3	1.4	0.5	1.0	4.2	5.1	6.2
<i>EBITA-margin</i>	5.1%	3.6%	-0.1%	0.0%	1.6%	1.3%	6.6%	7.1%	3.0%	5.1%	5.6%	6.6%	7.6%
Goodwill amortization	-2.5	-1.0	-1.0	-1.0	-1.0	-4.0	-1.1	-1.0	-1.0	-1.0	-4.1	-4.0	-4.0
EBIT	0.1	-0.3	-1.0	-1.0	-0.7	-3.0	0.2	0.4	-0.5	0.0	0.1	1.1	2.2
<i>EBIT-margin</i>	0.2%	-1.5%	-5.1%	-5.5%	-3.7%	-3.9%	1.3%	1.9%	-2.7%	-0.2%	0.1%	1.4%	2.7%

Source: Administer, Evli Research estimates

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	2.46 PV of Free Cash Flow	40 Long-term growth, %	1.5 % Risk-free interest rate, %
DCF share value	5.75 PV of Horizon value	54 WACC, %	8.0 % Market risk premium, %
Share price potential, %	133.7 % Unconsolidated equity	0 Spread, %	0.5 % Debt risk premium %
Maximum value	6.3 Marketable securities	3 Minimum WACC, %	7.5 % Equity beta coefficient
Minimum value	5.3 Debt – dividend	-15 Maximum WACC, %	8.5 % Target debt ratio, %
Horizon value, %	57.7 % Value of stock	83 No. of shares, Mn	14.4 Effective tax rate, %

DCF valuation, EURm	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	TERMINAL
Net sales	76	75	77	82	86	90	95	99	104	110	111	113
Sales growth (%)	43.8%	-1.2%	3.0%	6.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	1.5%	1.5%
Operating income (EBIT)	-3	0	1	2	6	7	8	8	8	9	9	9
Operating income margin %	-3.9%	0.1%	1.4%	2.7%	7.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
+ Depreciation+amort.	6	6	6	6	4	2	2	2	2	2	3	3
EBITDA	3	6	7	8	10	9	10	10	11	11	12	
- Paid taxes	0	0	-1	-1	-2	-1	-2	-2	-2	-2	-2	
- Change in NWC	3	0	0	0	0	0	0	0	0	0	0	
NWC / Sales, %	-9.5%	-9.5%	-9.5%	-9.5%	-9.5%	-9.5%	-9.5%	-9.5%	-9.5%	-9.5%	-9.5%	
+ Change in other liabs	0											
- Operative CAPEX	-4	-2	-2	-2	-2	-3	-3	-3	-3	-3	-3	
opCAPEX / Sales, %	4.9%	2.5%	2.7%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.6%	
- Acquisitions	-1											
+ Divestments												
- Other items	0											
= FCFF	2	4	4	5	6	6	6	6	7	7	7	110
= Discounted FCF		4	4	4	5	4	4	4	4	4	3	54
= DFCF min WACC		4	4	4	5	4	4	4	4	4	4	62
= DFCF max WACC		4	4	4	5	4	4	4	4	4	3	48

Sensitivity analysis, EUR

		Terminal WACC				
		6.02 %	7.03 %	8.03 %	9.02 %	10.03 %
Terminal EBIT-%	6.00 %	6.66	5.42	4.56	3.92	3.42
	7.00 %	7.68	6.19	5.16	4.39	3.81
	8.00 %	8.69	6.95	5.75	4.87	4.19
	9.00 %	9.71	7.72	6.34	5.34	4.58
	10.00 %	10.73	8.48	6.94	5.82	4.96

INTERIM FIGURES

EVLI ESTIMATES, EURm	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3	2024Q4E	2024E	2025E	2026E
Net sales	19.6	19.6	18.3	18.4	75.9	19.0	19.3	17.6	19.0	75.0	77.2	81.8
EBITDA	1.1	0.5	0.4	0.9	2.8	1.7	1.8	1.0	1.4	6.0	7.0	8.1
<i>EBITDA margin (%)</i>	<i>5.6%</i>	<i>2.4%</i>	<i>2.1%</i>	<i>4.7%</i>	<i>3.7%</i>	<i>9.0%</i>	<i>9.4%</i>	<i>5.8%</i>	<i>7.5%</i>	<i>8.0%</i>	<i>9.0%</i>	<i>9.9%</i>
EBIT	-0.3	-1.0	-1.0	-0.7	-3.0	0.2	0.4	-0.5	0.0	0.1	1.1	2.2
<i>EBIT margin (%)</i>	<i>-1.5%</i>	<i>-5.0%</i>	<i>-5.6%</i>	<i>-3.6%</i>	<i>-3.9%</i>	<i>1.1%</i>	<i>1.8%</i>	<i>-2.7%</i>	<i>-0.2%</i>	<i>0.1%</i>	<i>1.4%</i>	<i>2.7%</i>
Net financial items	-0.1	-0.2	-0.2	-0.4	-1.0	-0.3	0.1	-0.3	-0.3	-0.7	-0.4	-0.3
Pre-tax profit	-0.4	-1.2	-1.3	-1.1	-3.9	-0.1	0.5	-0.7	-0.3	-0.6	0.7	2.0
Tax	-0.1	-0.1		0.3	0.1	-0.1	0.0	-0.1	-0.1	-0.3	-0.9	-1.2
<i>Tax rate (%)</i>	<i>16.4%</i>	<i>-45.5%</i>		<i>342.5%</i>	<i>-138.3%</i>	<i>9.1%</i>	<i>-0.3%</i>	<i>20.0%</i>	<i>20.0%</i>	<i>8.2%</i>	<i>20.0%</i>	<i>20.0%</i>
Net profit	-0.5	-1.3	-1.3	-0.8	-3.9	-0.2	0.5	-0.8	-0.4	-0.9	-0.2	0.8
EPS	-0.03	-0.09	-0.09	-0.06	-0.27	-0.01	0.03	-0.05	-0.03	-0.07	-0.02	0.05
EPS adj. (diluted)	-0.03	-0.09	-0.09	-0.06	-0.27	-0.01	0.03	-0.05	-0.03	-0.07	-0.02	0.05
Dividend per share					0.00					0.06	0.08	0.10
SALES, EURm	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3	2024Q4E	2024E	2025E	2026E
Administer	19.6	19.6	18.3	18.4	75.9	19.0	19.3	17.6	19.0	75.0	77.2	81.8
Total	19.6	19.6	18.3	18.4	75.9	19.0	19.3	17.6	19.0	75.0	77.2	81.8
SALES GROWTH, Y/Y%	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3	2024Q4E	2024E	2025E	2026E
Administer		-17.8%		-36.3%	43.8%	-3.1%	-1.5%	-3.5%	3.3%	-1.2%	3.0%	6.0%
Total		-17.8%		-36.3%	43.8%	-3.1%	-1.5%	-3.5%	3.3%	-1.2%	3.0%	6.0%
EBIT, EURm	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3	2024Q4E	2024E	2025E	2026E
Administer	-0.3	-1.0	-1.0	-0.7	-3.0	0.2	0.4	-0.5	0.0	0.1	1.1	2.2
Total	-0.3	-1.0	-1.0	-0.7	-3.0	0.2	0.4	-0.5	0.0	0.1	1.1	2.2
EBIT margin %	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3	2024Q4E	2024E	2025E	2026E
Administer	-1.5%	-5.0%	-5.6%	-3.6%	-3.9%	1.1%	1.8%	-2.7%	-0.2%	0.1%	1.4%	2.7%
Total	-1.5%	-5.0%	-5.6%	-3.6%	-3.9%	1.1%	1.8%	-2.7%	-0.2%	0.1%	1.4%	2.7%

INCOME STATEMENT, EURm	2019	2020	2021	2022	2023	2024E	2025E	2026E
Sales	45.3	43.7	41.9	52.8	75.9	75.0	77.2	81.8
<i>Sales growth (%)</i>	22.5%	-3.6%	-4.0%	25.9%	43.8%	-1.2%	3.0%	6.0%
EBITDA	3.0	4.4	2.3	3.7	2.8	6.0	7.0	8.1
<i>EBITDA margin (%)</i>	6.5%	10.2%	5.4%	7.1%	3.7%	8.0%	9.0%	9.9%
Depreciation	-1.1	-0.6	-0.7	-1.1	-1.8	-1.9	-1.9	-1.9
EBITA	1.9	3.8	1.5	2.7	1.0	4.1	5.1	6.2
Goodwill amortization / writedown	-1.0	-1.0	-1.5	-2.5	-4.0	-4.0	-4.0	-4.0
EBIT	0.9	2.9	0.1	0.1	-3.0	0.1	1.1	2.2
<i>EBIT margin (%)</i>	2.0%	6.6%	0.1%	0.2%	-3.9%	0.1%	1.4%	2.7%
Reported EBIT	0.9	2.9	0.1	0.1	-3.0	0.1	1.1	2.2
<i>EBIT margin (reported) (%)</i>	2.0%	6.6%	0.1%	0.2%	-3.9%	0.1%	1.4%	2.7%
Net financials	-0.3	-0.3	-1.8	-0.4	-1.0	-0.7	-0.4	-0.3
Pre-tax profit	0.6	2.6	-1.7	-0.3	-3.9	-0.6	0.7	2.0
Taxes	-0.1	-0.6	0.0	-0.4	0.1	-0.3	-0.9	-1.2
Minority shares	0.0	0.0	0.0	0.0	0.0	0.0		
Net profit	0.4	2.0	-1.8	-0.7	-3.9	-0.9	-0.2	0.8
Cash NRIs								
Non-cash NRIs								
BALANCE SHEET, EURm								
Assets								
Fixed assets	3	3	4	6	7	7	7	8
Goodwill	15	14	23	42	39	35	31	27
Right of use assets								
Inventory								
Receivables	8	7	7	13	13	13	13	14
Liquid funds	1	1	13	5	3	3	3	4
Total assets	26	25	47	66	63	58	55	52
Liabilities								
Shareholders' equity	7	9	32	32	28	27	26	25
Minority interest	0	0	0	0	0	0	0	0
Convertible								
Lease liabilities								
Deferred taxes								
Interest bearing debt	8	6	4	18	15	12	9	5
Non-interest bearing current liabilities	10	9	11	15	20	20	21	22
Other interest-free debt								
Total liabilities	26	25	47	66	63	58	55	52
CASH FLOW, EURm								
+ EBITDA	3	4	2	4	3	6	7	8
- Net financial items	0	0	-2	0	-1	-1	0	0
- Taxes	0	-1	0	0	0	0	-1	-1
- Increase in Net Working Capital	1	0	2	-1	3	0	0	0
+/- Other	0	0	0	0	0	0		
= Cash flow from operations	4	4	2	2	5	5	6	7
- Capex	-4	-1	-2	-3	-4	-2	-2	-2
- Acquisitions				-20	-1			
+ Divestments								
= Free cash flow	0	2	0	-20	1	3	4	5
+/- New issues/buybacks	0	0	25	1	0			
- Paid dividend				1	0	1	1	1
+/- Other	-1	-2	-13	11	-1	-3	-3	-3
Change in cash	-1	0	12	-9	-1	0	0	0

KEY FIGURES	2020	2021	2022	2023	2024E	2025E	2026E
M-cap		60	38	35	35	35	35
Net debt (excl. convertibles)	6	-9	14	11	8	6	2
Enterprise value	6	51	52	46	44	41	37
Sales	44	42	53	76	75	77	82
EBITDA	4	2	4	3	6	7	8
EBIT	3	0	0	-3	0	1	2
Pre-tax	3	-2	0	-4	-1	1	2
Earnings	2	-2	-1	-4	-1	0	1
Equity book value (excl. minorities)	9	32	32	28	27	26	25

Valuation multiple	2020	2021	2022	2023	2024E	2025E	2026E
EV/Sales	0.1	1.2	1.0	0.6	0.6	0.5	0.5
EV/EBITDA	1.2	22.6	13.9	16.4	7.4	5.9	4.6
EV/EBITA	1.4	33.8	19.6	44.1	10.8	8.1	6.0
EV/EBIT	1.9	959.9	473.3	-15.6	881.1	37.3	16.9
EV/OCF	1.6	25.9	22.1	8.5	9.0	7.0	5.3
EV/FCF	2.2	24.2	-2.6	26.5	12.0	10.1	7.5
P/FCFR		150.7	-1.9	39.6	11.7	9.4	7.4
P/E		-33.2	-52.9	-8.9	-37.8	-158.0	46.5
P/BV		1.8	1.2	1.3	1.3	1.4	1.4
Target EV/EBITDA					8.6	7.0	5.6
Target EV/EBIT					1032.5	44.1	20.3
Target EV/FCFF					17.0	12.9	9.4
Target P/BV					1.6	1.7	1.7
Target P/E, diluted		-74.5	-631.3	-10.5	-46.0	-192.7	56.7

Per share measures	2020	2021	2022	2023	2024E	2025E	2026E
Number of shares (million)	9.62	14.19	14.33	14.33	14.37	14.37	14.37
Number of shares (diluted, million)	9.62	14.19	14.33	14.33	14.37	14.37	14.37
EPS	0.20	-0.13	-0.05	-0.27	-0.07	-0.02	0.05
Operating cash flow per share	0.37	0.14	0.16	0.38	0.34	0.41	0.49
Free cash flow per share	0.23	0.03	-1.40	0.06	0.21	0.26	0.33
Book value per share	0.99	2.28	2.24	1.92	1.85	1.78	1.75
Dividend per share			0.05	0.00	0.06	0.08	0.10
Dividend payout ratio, %			-99.4%	-0.1%	-87.1%	-506.2%	187.7%
Dividend yield, %			1.9%	0.0%	2.3%	3.2%	4.0%
FCF yield, %		0.7%	-52.7%	2.5%	8.6%	10.6%	13.5%

Efficiency measures	2020	2021	2022	2023	2024E	2025E	2026E
ROE	23.1%	-8.6%	-2.2%	-13.1%	-3.5%	-0.9%	3.0%
ROCE	18.3%	0.2%	0.3%	-6.4%	-0.3%	3.0%	6.8%

Financial ratios	2020	2021	2022	2023	2024E	2025E	2026E
Inventories as % of sales							
Receivables as % of sales	15.3%	15.9%	24.9%	17.2%	17.2%	17.2%	17.2%
Non-int. bearing liabilities as % of sales	20.0%	25.1%	29.2%	26.7%	26.7%	26.7%	26.7%
NWC/sales, %	-4.8%	-9.2%	-4.3%	-9.5%	-9.5%	-9.5%	-9.5%
Operative CAPEX/Sales, %	3.1%	3.7%	4.8%	4.9%	2.5%	2.7%	2.8%
CAPEX/sales (incl. acquisitions), %	3.1%	3.7%	-33.0%	3.7%	2.5%	2.7%	2.8%
FCFF/EBITDA	0.6	0.9	-5.3	0.6	0.6	0.6	0.6
Net Debt/EBITDA, book-weighted	1.2	-3.9	3.7	4.1	1.4	0.8	0.2
Debt/equity, market-weighted		0.1	0.5	0.4	0.3	0.2	0.2
Equity ratio, book-weighted	0.4	0.7	0.5	0.4	0.5	0.5	0.5
Gearing, %	58.3%	-27.2%	43.3%	41.7%	31.8%	21.6%	7.4%

COMPANY DESCRIPTION: Administer Group is a multi-talent in payroll and financial management services, software services, consulting, personnel and international services. The company is the largest salary outsourcing partner in Finland and the leading expert in the fight against the grey economy. Administer's services are used by more than 5,000 customers, from SMEs to large companies, as well as municipalities and other public sector actors. Founded in 1985, the company is listed on the First North list of Nasdaq Helsinki. Administer Group consists of payroll management service company Silta Oy, accounting firm Administer, business service and employment expert Econia Oy and software company EmCe Solution Partner Oy, as well as other subsidiaries and associated companies.

INVESTMENT CASE: Administer seeks to achieve revenue of EUR 100m and an EBITDA-margin of 15% by 2026. The company has grown impressively in recent years driven by acquisitions, while organic growth has been modest. Near-term macroeconomic conditions have, however, proven to be a challenge, affecting both the company's growth and profitability. Cost savings measures taken in 2023 will slightly aid profitability, but larger improvement relies upon synergies from acquisitions as well as internal operational efficiency, further to be improved by pick-up in growth.

OWNERSHIP STRUCTURE	SHARES	EURm	%
Aho Peter	6 780 980	16.681	47.2 %
Ilmarinen Mutual Pension Insurance Company	1 250 000	3.075	8.7 %
Sijoitus Oy MC Invest Ab	1 205 508	2.966	8.4 %
Oy Fincorp Ab	471 646	1.160	3.3 %
Rantalainen-Yhtiöt Oy	337 475	0.830	2.3 %
Varma Mutual Pension Insurance Company	337 093	0.829	2.3 %
Salmivala Maria-Elina	283 221	0.697	2.0 %
Elo Mutual Pension Insurance Company	265 317	0.653	1.8 %
Herranen Kimmo	234 292	0.576	1.6 %
Oy Talcom Ab	216 000	0.531	1.5 %
Ten largest	11 381 532	27.999	79.2 %
Residual	2 993 273	7.363	20.8 %
Total	14 374 805	35.362	100%

EARNINGS CALENDAR

OTHER EVENTS

COMPANY MISCELLANEOUS

CEO: Kimmo Herranen
CFO: Kalle Lehtonen
IR:

Konepajankuja 3, FIN-00510 Helsinki
Tel:

DEFINITIONS

<p>P/E</p> $\frac{\text{Price per share}}{\text{Earnings per share}}$	<p>EPS</p> $\frac{\text{Profit before extraord. items and taxes} - \text{income taxes} + \text{minority interest}}{\text{Number of shares}}$
<p>P/BV</p> $\frac{\text{Price per share}}{\text{Shareholder's equity} + \text{taxed provisions per share}}$	<p>DPS</p> <p>Dividend for the financial period per share</p>
<p>Market cap</p> <p>Price per share * Number of shares</p>	<p>OCF (Operating cash flow)</p> <p>EBITDA – Net financial items – Taxes – Increase in working capital – Cash NRIs ± Other adjustments</p>
<p>EV (Enterprise value)</p> <p>Market cap + net debt + minority interest at market value – share of associated companies at market value</p>	<p>FCF (Free cash flow)</p> <p>Operating cash flow – Operative CAPEX – acquisitions + divestments</p>
<p>EV/Sales</p> $\frac{\text{Enterprise value}}{\text{Sales}}$	<p>FCF yield, %</p> $\frac{\text{Free cash flow}}{\text{Market cap}}$
<p>EV/EBITDA</p> $\frac{\text{Enterprise value}}{\text{Earnings before interest, tax, depreciation and amortization}}$	<p>Operative CAPEX / Sales</p> $\frac{\text{Capital expenditure} - \text{divestments} - \text{acquisitions}}{\text{Sales}}$
<p>EV/EBIT</p> $\frac{\text{Enterprise value}}{\text{Operating profit}}$	<p>Net working capital</p> <p>Current assets – current liabilities</p>
<p>Net debt</p> <p>Interest bearing debt – financial assets</p>	<p>Capital employed / Share</p> $\frac{\text{Total assets} - \text{non-interest bearing debt}}{\text{Number of shares}}$
<p>Total assets</p> <p>Balance sheet total</p>	<p>Gearing</p> $\frac{\text{Net debt}}{\text{Equity}}$
<p>Div yield, %</p> $\frac{\text{Dividend per share}}{\text{Price per share}}$	<p>Debt/Equity, %</p> $\frac{\text{Interest bearing debt}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}$
<p>Payout ratio, %</p> $\frac{\text{Total dividends}}{\text{Earnings before extraordinary items and taxes} - \text{income taxes} + \text{minority interest}}$	<p>Equity ratio, %</p> $\frac{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}{\text{Total assets} - \text{interest-free loans}}$
<p>ROCE, %</p> $\frac{\text{Profit before extraordinary items} + \text{interest expenses} + \text{other financial costs}}{\text{Balance sheet total} - \text{non-interest bearing debt (average)}}$	<p>CAGR, %</p> <p>Cumulative annual growth rate = Average growth rate per year</p>
<p>ROE, %</p> $\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions (average)}}$	

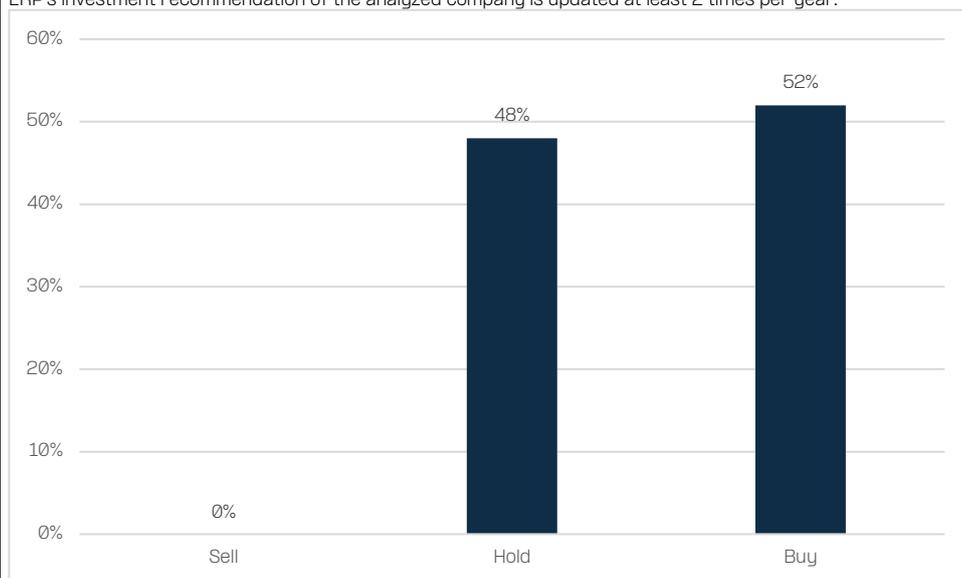
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Investment recommendations are defined as follows:

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

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 on the 23rd of October, 2024. If recommendation is not given, it is not mentioned here.

Name(s) of the analyst(s): Jerker Salokivi, Atte Pitkääjärvi

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