

Still recovering from the lows

Exel's Q3 figures disappointed due to the continued demand softness, however EBIT has plenty of potential next year.

Some investments projects have been further postponed

Exel's EUR 24.6m Q3 revenue grew 20% y/y but declined 8% q/q due to seasonality, as well as continued soft demand, and was below the EUR 26.5m/26.0m Evli/cons. estimates. The revenue disappointment also left the EUR 0.7m adj. EBIT lower than the EUR 1.5m/1.0m Evli/cons. estimates. Q3 order intake declined 8% y/y, yet order backlog was still 7% higher y/y. Many investment decisions are being postponed, which seems at least to some extent be due to the POTUS election, but the low comparison period means it shouldn't be too hard for Exel to achieve continued y/y growth in Q4. Exel thus continues to guide y/y higher FY'24 revenue even if the YTD'Q3 figure remained flat.

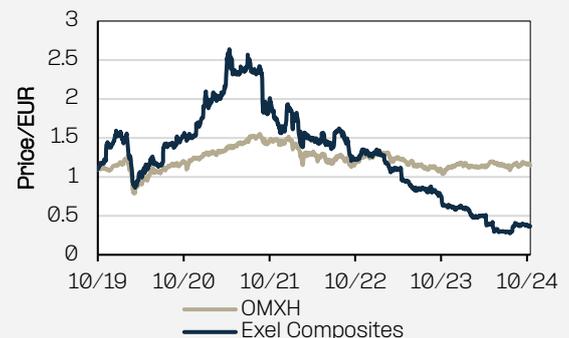
Some cuts to estimates, but growth likely to continue

We revise our Q4 y/y growth estimate down by 600bps due to the demand softness seen in Q3, yet we still estimate significant 16% growth. Exel FY'24 revenue would then grow a little over 3% y/y. We cut our Q4 EBIT estimate by EUR 0.9m, which would leave FY'24 adj. EBIT at a very modest level of EUR 2.4m. We also revise our FY'25 estimates down, but Exel should be able to grow at a high single-digit rate next year as the new Indian factory begins production in Q4'24. We expect Energy to be the only customer industry not able to grow this year, but it should have solid ground from which to expand next year thanks to wind power demand in India as well as China (where an offshore wind system order was recently signed). Meanwhile Transportation and Industrial are already improving; Exel has made progress with post-processing services and new customers in the US.

Significant earnings recovery should continue next year

We estimate 6% EBIT margin for FY'25, which would represent further significant earnings recovery driven by higher volumes. Exel is valued slightly below 9x EV/EBIT on our EUR 6.4m EBIT estimate for FY'25, which isn't a very low multiple, but the earnings level would be quite moderate relative to historical performance and potential. We don't hence view valuation challenging even if demand uncertainty persists. Our new TP is EUR 0.38 (0.40) as we retain BUY rating.

Rating ++ Buy



Share price, EUR (Last trading day's closing price) **0.35**
Target price, EUR 0.38

Latest change in recommendation 16-Aug-24

Latest report on company 16-Aug-24

Research paid by issuer: YES

No. of shares outstanding, '000's 106 686

No. of shares fully diluted, '000's 106 686

Market cap, EURm 37

Free float, % 100.0 %

Exchange rate -

Reuters code EXL1V.HE

Bloomberg code EXL1V FH

Average daily volume, EURm 0.1

Next interim report 14-Feb-25

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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	0.04	30.1	0.7	31.4	12.0%	0.05
2023	96.8	-4.9	-5.0%	-0.8	-0.19	-3.2	0.6	-12.6	-2.7%	
2024E	100.1	2.1	2.1%	10.0	-0.02	-20.4	0.6	27.5	27.2%	
2025E	107.1	6.4	6.0%	1.9	0.02	15.2	0.5	8.8	5.1%	0.01
2026E	112.5	8.4	7.5%	3.6	0.06	5.4	0.5	6.4	9.7%	0.01
Market cap, EURm			37	Gearing 2024E, %		135.8 %	CAGR EPS 2023-26, %			0.0 %
Net debt 2024E, EURm			22	Price/book 2024E		2.3	CAGR Sales 2023-26, %			5.1 %
Enterprise value, EURm			58	Dividend yield 2024E, %		0.0 %	ROE 2024E, %			-10.7 %
Total assets 2024E, EURm			74	Tax rate 2024E, %		-31.3 %	ROCE 2024E, %			2.1 %
Goodwill 2024E, EURm			13	Equity ratio 2024E, %		21.4 %	PEG, P/E 24/CAGR			0.0

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

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	0.35 PV of Free Cash Flow	102 Long-term growth, %	1.5 % Risk-free interest rate, %
DCF share value	1.84 PV of Horizon value	126 WACC, %	8.5 % Market risk premium, %
Share price potential, %	434.4 % Unconsolidated equity	0 Spread, %	0.5 % Debt risk premium %
Maximum value	2.0 Marketable securities	11 Minimum WACC, %	8.0 % Equity beta coefficient
Minimum value	1.7 Debt – dividend	–43 Maximum WACC, %	9.0 % Target debt ratio, %
Horizon value, %	55.3 % Value of stock	197 No. of shares, Mn	106.7 Effective tax rate, %

DCF valuation, EURm	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	TERMINAL
Net sales	97	100	107	113	115	117	119	122	124	127	129	131
Sales growth (%)	–	3.4%	7.0%	5.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	1.5%	1.5%
Operating income (EBIT)	–5	2	6	8	11	12	13	14	14	14	14	14
Operating income margin %	–5.0%	2.1%	6.0%	7.5%	10.0%	10.0%	11.0%	11.5%	11.5%	11.0%	11.0%	11.0%
+ Depreciation+amort.	9	6	6	7	6	6	5	5	5	5	5	5
EBITDA	4	8	13	16	18	17	18	19	19	19	19	19
– Paid taxes	0	1	–2	3	4	4	4	4	4	4	4	4
– Change in NWC	3	11	–2	–6	0	0	0	0	0	0	0	0
NWC / Sales, %	11.7%	0.7%	2.7%	7.8%	7.8%	7.8%	7.8%	7.8%	7.8%	7.8%	7.8%	7.8%
+ Change in other liabs	0											
– Operative CAPEX	–4	–4	–4	–4	–4	–4	–4	–5	–5	–5	–5	–5
opCAPEX / Sales, %	4.0%	4.8%	4.3%	4.2%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.8%	3.8%
– Acquisitions												
+ Divestments												
– Other items												
= FCFF	4	15	4	8	17	16	18	19	19	18	19	268
= Discounted FCFF		15	4	7	13	12	12	11	10	9	9	126
= DFCF min WACC		15	4	7	13	12	12	12	11	10	9	142
= DFCF max WACC		15	4	7	13	11	11	11	10	9	8	113

Sensitivity analysis, EUR

		Terminal WACC				
		6.53 %	7.53 %	8.53 %	9.53 %	10.53 %
Terminal EBIT-%	9.00 %	2.44	2.00	1.68	1.44	1.26
	10.00 %	2.57	2.10	1.76	1.51	1.31
	11.00 %	2.71	2.20	1.84	1.57	1.36
	12.00 %	2.84	2.31	1.93	1.64	1.42
	13.00 %	2.98	2.41	2.01	1.71	1.47

Estimates and valuation

Exel Composites	Q1'23	Q2'23	Q3'23	Q4'23	2023	Q1'24	Q2'24	Q3'24	Q4'24e	2024e
Buildings and infrastructure	5.7	5.0	4.3	3.7	18.7	4.8	5.5	5.7	4.7	20.7
Industrial	5.5	3.4	3.0	3.5	15.4	3.4	4.2	3.8	4.2	15.5
Energy	6.2	5.4	5.2	4.9	21.8	5.3	4.5	4.9	4.9	19.6
Transportation	4.4	4.0	3.3	4.7	16.3	3.9	5.0	4.0	5.3	18.1
Other	7.1	7.6	4.7	5.3	24.7	6.0	7.5	6.2	6.6	26.2
Revenue	28.8	25.4	20.5	22.1	96.8	23.4	26.6	24.6	25.6	100.1
<i>y/y change, %</i>	<i>-16 %</i>	<i>-33 %</i>	<i>-39 %</i>	<i>-29 %</i>	<i>-29 %</i>	<i>-19 %</i>	<i>5 %</i>	<i>20 %</i>	<i>16 %</i>	<i>3 %</i>
Adjusted EBIT	0.0	0.1	-1.2	-1.3	-2.4	-0.6	1.4	0.7	0.9	2.4
EBIT	-0.3	-0.2	-0.7	-3.7	-4.9	-0.6	1.2	0.6		2.1
<i>-margin, %</i>	<i>0.0 %</i>	<i>0.3 %</i>	<i>-5.9 %</i>	<i>-5.9 %</i>	<i>-2.5 %</i>	<i>-2.4 %</i>	<i>5.2 %</i>	<i>2.9 %</i>	<i>3.5 %</i>	<i>2.4 %</i>
<i>-margin (reported), %</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>4.4 %</i>	<i>2.5 %</i>		<i>2.1 %</i>

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	747	16.4x	17.2x	11.4x	33.5x	31.4x	16.5x	4.2 %	6.3 %	10.1 %
Hexcel	4407	19.6x	15.1x	13.2x	31.5x	23.7x	19.4x	12.1 %	12.5 %	14.0 %
Avient	4008	10.8x	11.3x	10.4x	17.4x	17.8x	15.6x	10.0 %	10.4 %	11.3 %
SGL Carbon	573	6.9x	5.5x	3.6x	8.4x	8.3x	5.5x	10.1 %	7.5 %	10.8 %
TPI Composites	149		255.4x	7.4x			12.9x	-10.9 %	-3.7 %	3.5 %
Gurit Holding	95	12.7x	4.4x	3.9x	22.2x	6.6x	5.7x	4.3 %	5.3 %	5.8 %
Peer Group Average	1663	13.3x	51.5x	8.3x	22.6x	17.6x	12.6x	5.0 %	6.4 %	9.3 %
Peer Group Median	660	12.7x	13.2x	8.9x	22.2x	17.8x	14.3x	7.1 %	6.9 %	10.4 %
Exel Composites (Evli est.)	37	16.0x	7.2x	4.4x	-12.6x	27.5x	8.8x	-5.0 %	2.1 %	6.0 %

Exel Composites prem./disc. to peer median 26 % -46 % -50 % -157 % 55 % -38 % -170 % -69 % -42 %

Source FactSet, Evli Research

INTERIM FIGURES

EVLI ESTIMATES, EURm	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3	2024Q4E	2024E	2025E	2026E
Net sales	28.8	25.4	20.5	22.1	96.8	23.4	26.6	24.6	25.6	100.1	107.1	112.5
EBITDA	1.5	1.4	1.1	-0.2	3.8	0.9	2.6	2.2	2.4	8.1	12.8	15.7
<i>EBITDA margin (%)</i>	<i>5.3%</i>	<i>5.7%</i>	<i>5.2%</i>	<i>-0.8%</i>	<i>4.0%</i>	<i>3.8%</i>	<i>9.8%</i>	<i>9.0%</i>	<i>9.4%</i>	<i>8.1%</i>	<i>11.9%</i>	<i>13.9%</i>
EBIT	-0.3	-0.2	-0.7	-3.7	-4.9	-0.6	1.2	0.6	0.9	2.1	6.4	8.4
<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>4.4%</i>	<i>2.5%</i>	<i>3.5%</i>	<i>2.1%</i>	<i>6.0%</i>	<i>7.5%</i>
Net financial items	-1.2	-0.4	0.2	-2.0	-3.4	-0.4	-0.4	-2.4	-0.8	-3.5	-3.0	-3.2
Pre-tax profit	-1.5	-0.7	-0.4	-5.7	-8.3	-0.6	0.8	-1.8	0.2	-1.4	3.4	5.2
Tax	-0.7	-0.3	-0.2	0.0	-1.1		-0.3	-0.1	-0.1	-0.4	-1.0	1.6
<i>Tax rate (%)</i>	<i>-43.8%</i>	<i>-36.3%</i>	<i>-48.2%</i>	<i>0.8%</i>	<i>-12.8%</i>		<i>32.2%</i>	<i>-4.3%</i>	<i>66.7%</i>	<i>-31.3%</i>	<i>29.2%</i>	<i>-31.3%</i>
Net profit	-2.1	-0.9	-0.6	-5.6	-9.3	-0.6	0.5	-1.8	0.1	-1.8	2.4	6.9
EPS	-0.04	-0.02	-0.01	-0.11	-0.19	-0.01	0.01	-0.02	0.00	-0.02	0.02	0.06
EPS adj. (diluted)	-0.04	-0.02	-0.01	-0.11	-0.19	-0.01	0.01	-0.02	0.00	-0.02	0.02	0.06
Dividend per share											0.01	0.01
SALES, EURm	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3	2024Q4E	2024E	2025E	2026E
Exel Composites	28.8	25.4	20.5	22.1	96.8	23.4	26.6	24.6	25.6	100.1	107.1	112.5
Total	28.8	25.4	20.5	22.1	96.8	23.4	26.6	24.6	25.6	100.1	107.1	112.5
SALES GROWTH, Y/Y%	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3	2024Q4E	2024E	2025E	2026E
Exel Composites	-15.7%	-33.3%	-39.2%	-28.8%	-29.3%	-18.9%	4.7%	19.7%	16.0%	3.4%	7.0%	5.0%
Total	-15.7%	-33.3%	-39.2%	-28.8%	-29.3%	-18.9%	4.7%	19.7%	16.0%	3.4%	7.0%	5.0%
EBIT, EURm	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3	2024Q4E	2024E	2025E	2026E
Exel Composites	-0.3	-0.2	-0.7	-3.7	-4.9	-0.6	1.2	0.6	0.9	2.1	6.4	8.4
Total	-0.3	-0.2	-0.7	-3.7	-4.9	-0.6	1.2	0.6	0.9	2.1	6.4	8.4
EBIT margin %	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3	2024Q4E	2024E	2025E	2026E
Exel Composites	-1.0%	-1.0%	-3.2%	-16.7%	-5.0%	-2.4%	4.4%	2.5%	3.5%	2.1%	6.0%	7.5%
Total	-1.0%	-1.0%	-3.2%	-16.7%	-5.0%	-2.4%	4.4%	2.5%	3.5%	2.1%	6.0%	7.5%

INCOME STATEMENT, EURm	2019	2020	2021	2022	2023	2024E	2025E	2026E
Sales	103.8	108.6	134.4	137.0	96.8	100.1	107.1	112.5
<i>Sales growth (%)</i>	7.5%	4.6%	23.7%	2.0%	-29.3%	3.4%	7.0%	5.0%
EBITDA	10.7	15.3	11.9	10.1	3.8	8.1	12.8	15.7
<i>EBITDA margin (%)</i>	10.3%	14.1%	8.9%	7.4%	4.0%	8.1%	11.9%	13.9%
Depreciation	-5.6	-5.9	-8.2	-7.1	-8.7	-6.0	-6.4	-7.2
EBITA	5.1	9.4	3.7	3.0	-4.9	2.1	6.4	8.4
Goodwill amortization / writedown								
EBIT	5.1	9.4	3.7	3.0	-4.9	2.1	6.4	8.4
<i>EBIT margin (%)</i>	4.9%	8.7%	2.8%	2.2%	-5.0%	2.1%	6.0%	7.5%
Reported EBIT	5.1	9.4	3.7	3.0	-4.9	2.1	6.4	8.4
<i>EBIT margin (reported) (%)</i>	4.9%	8.7%	2.8%	2.2%	-5.0%	2.1%	6.0%	7.5%
Net financials	-1.2	-2.3	0.4	0.6	-3.4	-3.5	-3.0	-3.2
Pre-tax profit	3.9	7.1	4.2	3.6	-8.3	-1.4	3.4	5.2
Taxes	-1.5	-1.8	-2.5	-1.5	-1.1	-0.4	-1.0	1.6
Minority shares								
Net profit	2.4	5.4	1.7	2.1	-9.3	-1.8	2.4	6.9
Cash NRIs								
Non-cash NRIs								
BALANCE SHEET, EURm								
Assets								
Fixed assets	23	30	34	31	25	24	22	19
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	12	14	17
Receivables	20	21	26	24	18	13	14	18
Liquid funds	7	12	16	17	11	11	13	14
Total assets	85	97	118	113	85	74	78	83
Liabilities								
Shareholders' equity	26	29	31	30	18	16	18	24
Minority interest								
Convertibles								
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	32	31	29
Non-interest bearing current liabilities	21	24	32	26	22	23	24	25
Other interest-free debt	2	2	3	9	3	3	3	3
Total liabilities	85	97	118	113	85	74	78	83
CASH FLOW, EURm								
+ EBITDA	11	15	12	10	4	8	13	16
- Net financial items	-1	-2	0	1	-3	-4	-3	-3
- Taxes	-2	-2	-3	-1	0	0	-1	2
- Increase in Net Working Capital	1	3	-5	3	3	11	-2	-6
+/- Other								
= Cash flow from operations	8	13	5	13	3	15	7	8
- Capex	-8	-13	-11	-5	-4	-5	-5	-5
- Acquisitions								
+ Divestments								
= Free cash flow	1	0	-6	8	-1	10	2	4
+/- New issues/buybacks	0	-1	3	-1	-1			
- Paid dividend	2	2	2	2			1	1
+/- Other	3	7	9	-3	-2	-10	0	-2
Change in cash	2	5	4	2	-6	0	2	1

KEY FIGURES	2020	2021	2022	2023	2024E	2025E	2026E
M-cap	88	94	64	30	37	37	37
Net debt (excl. convertibles)	30	36	30	32	22	20	17
Enterprise value	118	131	94	61	58	57	54
Sales	109	134	137	97	100	107	113
EBITDA	15	12	10	4	8	13	16
EBIT	9	4	3	-5	2	6	8
Pre-tax	7	4	4	-8	-1	3	5
Earnings	5	2	2	-9	-2	2	7
Equity book value (excl. minorities)	29	31	30	18	16	18	24
Valuation multiple	2020	2021	2022	2023	2024E	2025E	2026E
EV/Sales	1.1	1.0	0.7	0.6	0.6	0.5	0.5
EV/EBITDA	7.7	10.9	9.3	16.0	7.2	4.4	3.5
EV/EBITA	12.5	34.9	31.4	-12.6	27.5	8.8	6.4
EV/EBIT	12.5	34.9	31.4	-12.6	27.5	8.8	6.4
EV/OCF	8.8	27.2	7.4	19.6	3.9	8.6	6.5
EV/FCF	52.9	-26.0	12.5	17.5	3.8	12.6	6.6
P/FCFR	754.8	-64.5	35.0	-157.6	3.7	19.5	10.3
P/E	16.4	57.0	30.1	-3.2	-20.4	15.2	5.4
P/BV	3.1	3.0	2.1	1.7	2.3	2.0	1.5
Target EV/EBITDA					7.7	4.7	3.7
Target EV/EBIT					29.3	9.4	6.8
Target EV/FCFF					6.2	31.8	16.2
Target P/BV					2.5	2.2	1.7
Target P/E, diluted	15.2	62.4	10.0	-4.0	-22.4	16.7	5.9
Per share measures	2020	2021	2022	2023	2024E	2025E	2026E
Number of shares (million)	50.13	50.13	50.13	50.13	106.69	106.69	106.69
Number of shares (diluted, million)	50.13	50.13	50.13	50.13	106.69	106.69	106.69
EPS	0.11	0.03	0.04	-0.19	-0.02	0.02	0.06
Operating cash flow per share	0.27	0.10	0.25	0.06	0.14	0.06	0.08
Free cash flow per share	0.01	-0.12	0.15	-0.02	0.09	0.02	0.03
Book value per share	0.57	0.62	0.61	0.35	0.15	0.17	0.23
Dividend per share	0.05	0.05	0.05			0.01	0.01
Dividend payout ratio, %	44.3%	143.7%	110.9%			43.9%	15.6%
Dividend yield, %	2.7%	2.5%	3.7%			2.9%	2.9%
FCF yield, %	0.6%	-6.5%	12.0%	-2.7%	27.2%	5.1%	9.7%
Efficiency measures	2020	2021	2022	2023	2024E	2025E	2026E
ROE	19.5%	5.5%	7.0%	-38.7%	-10.7%	14.2%	32.3%
ROCE	14.4%	5.1%	4.0%	-8.8%	2.1%	10.9%	13.8%
Financial ratios	2020	2021	2022	2023	2024E	2025E	2026E
Inventories as % of sales	14.9%	17.8%	17.1%	17.4%	12.0%	13.0%	15.5%
Receivables as % of sales	19.3%	19.6%	17.8%	18.1%	12.5%	13.5%	16.0%
Non-int. bearing liabilities as % of sales	22.0%	23.8%	19.2%	22.7%	22.7%	22.7%	22.7%
NWC/sales, %	11.2%	12.7%	10.3%	11.7%	0.7%	2.7%	7.8%
Operative CAPEX/Sales, %	11.9%	8.2%	3.6%	4.0%	4.8%	4.3%	4.2%
CAPEX/sales (incl. acquisitions), %	11.9%	8.2%	3.6%	4.0%	4.8%	4.3%	4.2%
FCFF/EBITDA	0.1	-0.4	0.7	0.9	1.9	0.3	0.5
Net Debt/EBITDA, book-weighted	2.0	3.0	2.9	8.2	2.7	1.5	1.1
Debt/equity, market-weighted	0.5	0.5	0.7	1.4	0.9	0.8	0.8
Equity ratio, book-weighted	0.3	0.3	0.3	0.2	0.2	0.2	0.3
Gearing, %	104.7%	115.9%	98.1%	178.2%	135.8%	107.5%	71.4%

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	6 866 856	2.369	6.4 %
OP-Finland Small Firms Fund	5 446 457	1.879	5.1 %
Elo Mutual Pension Insurance Company	5 123 275	1.768	4.8 %
Danske Invest Finnish Equity Fund	4 707 032	1.624	4.4 %
Phoebus Fund	3 780 000	1.304	3.5 %
Säästöpankki Pienyhtiöt	3 080 659	1.063	2.9 %
Proprius partners micro finland (non-ucits)	2 930 971	1.011	2.7 %
Nelimarkka Heikki Antero	1 913 463	0.660	1.8 %
Veritas Pension Insurance Company Ltd.	1 890 009	0.652	1.8 %
Suutarinen Timo	1 440 000	0.497	1.3 %
Ten largest	37 178 722	12.827	34.8 %
Residual	69 507 278	23.980	65.2 %
Total	106 686 000	36.807	100%

EARNINGS CALENDAR

February 14, 2025	FY 2024 Results
May 08, 2025	Q1 report
August 14, 2025	Q2 report
November 06, 2025	Q3 report

OTHER EVENTS

COMPANY MISCELLANEOUS

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OFO: Mikko Rummukainen	Tel: +358 20 7541 200
IR: Lilli Riikonen	

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

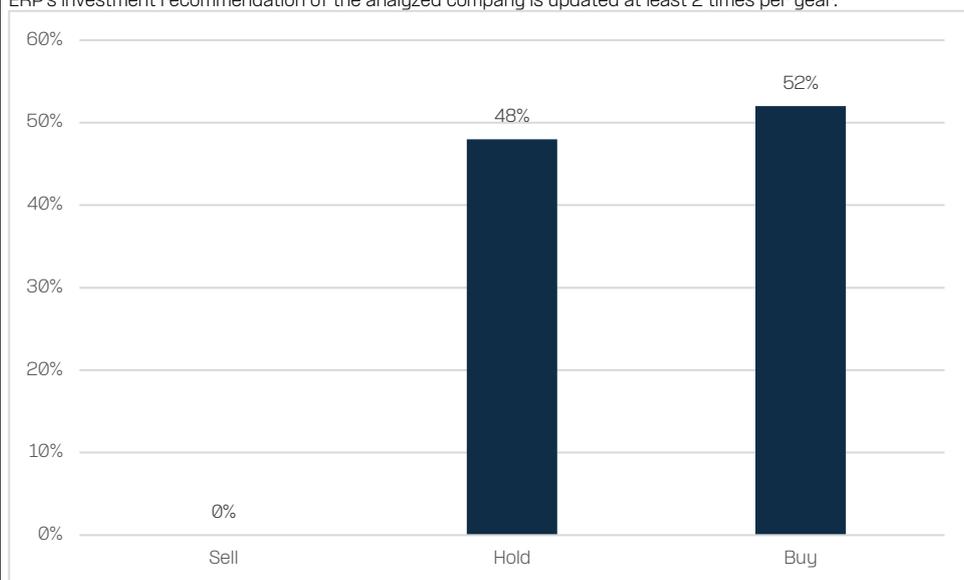
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Investment recommendations are defined as follows:

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): Joonas Iivonen

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