

Strong finish to the year

LapWall's Q4 was slightly stronger than we expected in terms of profitability. Although the declining backlog poses a potential downside risk, the company's tender pipeline has shown quarter-over-quarter improvement throughout 2024. Additionally, management noted that project sales have developed positively in early 2025.

Profitability exceeded our expectations

LapWall's net sales fell 13.3% y/y during Q4 to EUR 10.5m while we estimated net sales of EUR 11.1m. The main negative driver behind volume development was the company's roof elements business where demand fell after a strong H1. On the other hand, the company was able to increase production in the wall elements business. Profitability was at very strong level considering the net sales development as EBITA was at EUR 1.3m (EUR 1.0m Q4/23, EUR 1.2m Evli est.) at a margin of 12.3% (Q4/23 8.4%). We expect that the improved volumes in the Pyhäntä factory coupled with successful fixed costs management were the main drivers behind the development. The company's BoD proposes a dividend of EUR 0.18 per share, topping our previous estimate of EUR 0.11 clearly with payout rate of approx. 75% of 2024 EPS. The payout rate is in line with the company's updated long-term financial targets where it targets payout ratio of 50–75% (prev. 30–50%).

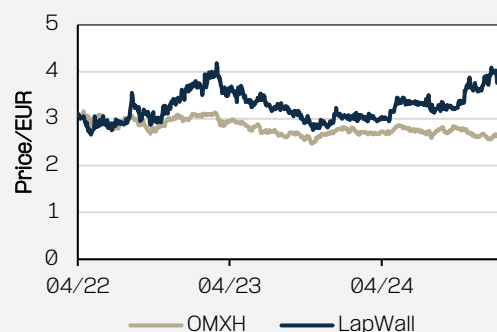
Short-term outlook remains uncertain

LapWall's order backlog declined 28% to EUR 12.3m. While the backlog declined notably, it is important to notice that the backlog of last year included the large Metsä Wood Äänekoski order of EUR 6.5m. Excluding the large order, we expect that backlog was relatively flat y/y. While the backlog trend seems worrying, the company's tender pipeline kept growing q/q & y/y and was at EUR 65.5m at the end of 2024 (EUR 45.5m 12/23). We have revised our estimates slightly downwards in terms of sales growth for 2025E. We now estimate net sales of EUR 45.0m for 2025E (prev. EUR 47.6m) and EBITA of EUR 5.6m (prev. EUR 5.8m). We estimate that the company is able to maintain the fixed costs discipline while we expect the ongoing shift in sales mix to continue.

Focus on the future

We consider the company's current pricing based on 2024 actual figures and our projections for 2025E to be relatively neutral. The market is expected to remain challenging; however, we are inclined to focus on the company's long-term potential given its performance in difficult market conditions and robust balance sheet. We revise our TP to EUR 4.3 (prev. EUR 4.2) while we maintain rating at ACCUMULATE.

Rating + Accumulate



Share price, EUR (Last trading day's closing price)	4.13
Target price, EUR	4.3
Latest change in recommendation	31-Jan-25
Latest report on company	31-Jan-25
Research paid by issuer:	YES
No. of shares outstanding, '000's	14 526
No. of shares fully diluted, '000's	14 526
Market cap, EURm	60
Free float, %	
Exchange rate	
Reuters code	LAPWALL.HE
Bloomberg code	LAPWALL FH
Average daily volume, EUR	
Next interim report	29-Apr-25
Web site	https://lapwall.fi/sijoittajille/
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+ BUY + ACCUMULATE - REDUCE - SELL

KEY FIGURES

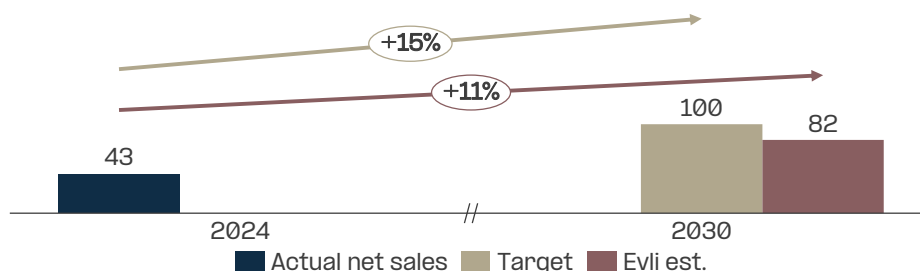
	Sales EURm	EBIT EURm	EBIT %	FCF EURm	EPS EUR	P/E (x)	EV/Sales (x)	EV/EBIT (x)	FCF yield %	DPS EUR
2023	41.9	3.2	7.7%	-0.9	0.18	17.6	1.0	13.1	-2.0%	0.13
2024	43.3	4.2	9.7%	-4.1	0.24	16.8	1.4	14.7	-7.1%	0.18
2025E	45.0	4.7	10.5%	2.1	0.26	15.9	1.4	13.5	3.5%	0.20
2026E	56.5	6.4	11.4%	4.0	0.35	11.9	1.1	9.8	6.6%	0.26
2027E	66.4	8.2	12.4%	8.0	0.45	9.1	0.9	7.1	13.4%	0.34
Market cap, EURm	60		Gearing 2025E, %	16.2 %		CAGR EPS 2024–27, %	23.9 %			
Net debt 2025E, EURm	3		Price/book 2025	3.1		CAGR Sales 2024–27, %	15.3 %			
Enterprise value, EURm	64		Dividend yield 2025E, %	4.7 %		ROE 2025E, %	20.0 %			
Total assets 2025E, EURm	40		Tax rate 2025E, %	17.1 %		ROCE 2025E, %	19.2 %			
Goodwill 2025E, EURm	4		Equity ratio 2025E, %	49.6 %		PEG, P/E 25/CAGR	0.6			

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

Upside is considerable should the company reach the LT targets

Prior to the earnings release, LapWall updated its strategy and long-term financial targets. Previously, the company targeted net sales of over EUR 70m by 2026 and EBITA margin of 12–15% in the medium-term. The new targets aim towards net sales of EUR 100m by the end of 2030 and EBITA margin of 15–20%. We have made positive estimate revisions to our long-term profitability estimates. Our current estimates sit still below the company's new targets as we forecast net sales of EUR 81m for 2030 with EBITA margin of 13.5%. We see the new targets realistic yet reaching the targets would require higher capacity utilization than we currently estimate coupled with optimized sales mix.

Figure 1: Actual net sales for 2024, target for 2030 and current estimate by Evli (CAGR %)



Source: LapWall, Evli Research

Figure 2: Actual EBITA % for 2024, target (low & high) for 2030 and current estimate by Evli



Source: LapWall, Evli Research

Table 1: Estimate summary

LapWall	2022	H1/'23	H2/'23	2023	H1/'24	H2/'24	2024E	H2/'25E	H2/'25E	2025E	2026E	2027E
Revenue	52.5	18.9	23.0	41.9	21.1	22.2	43.3	20.5	24.5	45.0	56.5	66.4
<i>change, %</i>	-17.4%	-25.9%	-14.9%	-20.2%	12.0%	-3.7%	3.4%	-3.0%	10.5%	4.0%	25.6%	17.5%
EBITDA	9.5	2.6	2.7	5.3	2.8	3.6	6.4	2.8	4.0	6.8	9.1	10.9
<i>-margin</i>	18.1%	13.7%	11.6%	12.6%	13.2%	16.2%	14.7%	13.5%	16.3%	15.0%	16.1%	16.4%
EBITA	8.3	1.9	2.0	4.0	2.2	3.0	5.1	2.2	3.4	5.6	7.2	9.0
<i>-margin</i>	15.7%	10.2%	8.8%	9.4%	10.2%	13.3%	11.8%	10.7%	13.8%	12.4%	12.8%	13.6%
Operating profit	7.8	1.7	1.6	3.2	1.7	2.5	4.2	1.8	3.0	4.7	6.4	8.2
<i>-margin</i>	14.9%	8.8%	6.9%	7.7%	8.2%	11.3%	9.8%	8.7%	12.1%	10.5%	11.4%	12.4%
Net financials	-0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.2	-0.2
Pre-tax profit	7.1	1.7	1.5	3.2	1.7	2.5	4.2	1.8	3.0	4.7	6.2	8.1
Income taxes	-1.4	-0.3	-0.3	-0.6	-0.2	-0.5	-0.9	-0.4	-0.6	-0.9	-1.2	-1.5
Net earnings	5.5	1.3	1.2	2.6	1.4	2.0	3.5	1.4	2.4	3.8	5.0	6.6

Source: LapWall, Evli Research

Table 2: Peer group

Peer group	MCAP MEUR	EV/Sales			EV/EBITDA			EV/EBIT			P/E		
		24	25	26	24	25	26	24	25	26	24	25	26
Steico	281	1.1x	1.0x	0.9x	4.8x	5.8x	5.3x	9.3x	12.3x	10.5x	11.4x	14.9x	11.7x
Inwido	1080	1.5x	1.4x	1.3x	9.7x	9.6x	8.7x	13.4x	13.0x	11.5x	19.8x	16.5x	14.5x
Nordic Waterproofing Hld*	388	1.3x	1.2x	1.1x	10.3x	8.9x	8.4x	15.6x	12.4x	11.5x	22.3x	14.3x	13.3x
H+H International	169	0.7x	0.7x	0.6x	10.3x	5.9x	5.0x	39.8x	11.8x	9.2x	92.0x	12.3x	8.7x
Nobia	266	0.7x	0.7x	0.7x	7.9x	6.3x	5.3x		19.8x	12.7x			11.1x
Balco Group	80	0.8x	0.6x	0.5x	10.7x	6.7x	6.0x	19.0x	9.4x	8.3x	22.1x	8.4x	7.1x
Peer Group Average	377	1.0x	0.9x	0.8x	8.9x	7.2x	6.5x	19.4x	13.1x	10.6x	33.5x	13.3x	11.1x
Peer Group Median	273	0.9x	0.9x	0.8x	10.0x	6.5x	5.7x	15.6x	12.4x	11.0x	22.1x	14.3x	11.4x
LapWall (Evli est.)	60	1.4x	1.4x	1.1x	9.7x	9.4x	7.0x	12.0x	11.5x	8.7x	13.4x	13.1x	10.3x

LapWall prem./disc. to peer median 51 % 65 % 43 % -3 % 46 % 24 % -23 % -7 % -21 % -39 % -9 % -10 %

Source FactSet, Evli Research

*Kingspan has submitted a public offer to the shareholders of Nordic Waterproofing to transfer all of their shares to Kingspan for SEK 182.50/share

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	4.13 PV of Free Cash Flow	43 Long-term growth, %	2.0 % Risk-free interest rate, %
DCF share value	5.51 PV of Horizon value	40 WACC, %	9.6 % Market risk premium, %
Share price potential, %	33.4 % Unconsolidated equity	-1 Spread, %	0.5 % Debt risk premium %
Maximum value	5.9 Marketable securities	4 Minimum WACC, %	9.1 % Equity beta coefficient
Minimum value	5.2 Debt – dividend	-6 Maximum WACC, %	10.1 % Target debt ratio, %
Horizon value, %	48.2 % Value of stock	80 No. of shares, Mn	14.5 Effective tax rate, %

DCF valuation, EURm	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	TERMINAL
Net sales	43	45	57	66	73	79	82	84	86	87	89	91
Sales growth (%)	3.4%	4.0%	25.6%	17.5%	10.0%	7.5%	5.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Operating income (EBIT)	4	5	6	8	9	10	11	10	9	10	10	10
Operating income margin %	9.7%	10.5%	11.4%	12.4%	13.0%	13.0%	13.0%	12.0%	11.0%	11.0%	11.0%	11.0%
+ Depreciation+amort.	2	2	3	3	3	3	3	2	2	2	2	2
EBITDA	6	7	9	11	12	13	13	12	11	11	12	
- Paid taxes	-1	-1	-1	-2	-2	-2	-2	-2	-2	-2	-2	
- Change in NWC	-2	3	0	0	0	0	0	0	0	0	0	
NWC / Sales, %	1.0%	-4.7%	-3.0%	-2.5%	-2.5%	-2.5%	-2.5%	-2.5%	-2.5%	-2.5%	-2.5%	
+ Change in other liabs												
- Operative CAPEX	-8	-6	-3	-1	-1	-1	-2	-2	-2	-2	-2	
opCAPEX / Sales, %	18.6%	14.0%	5.7%	1.7%	1.9%	1.8%	2.4%	2.6%	2.6%	2.6%	2.6%	
- Acquisitions												
+ Divestments												
- Other items	0											
= FCFF	-4	2	4	8	9	10	9	8	7	7	7	100
= Discounted FCFF		2	3	6	6	6	5	4	3	3	3	40
= DFCF min WACC		2	4	6	6	6	6	4	4	3	3	45
= DFCF max WACC		2	3	6	6	6	5	4	3	3	3	36

Sensitivity analysis, EUR

		Terminal WACC				
		7.59 %	8.59 %	9.59 %	10.59 %	11.59 %
Terminal EBIT-%	9.00 %	6.48	5.54	4.84	4.30	3.86
	10.00 %	7.02	5.96	5.17	4.57	4.08
	11.00 %	7.56	6.38	5.51	4.83	4.30
	12.00 %	8.11	6.80	5.84	5.10	4.52
	13.00 %	8.65	7.22	6.17	5.37	4.74

INTERIM FIGURES

EVLI ESTIMATES, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1E	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Net sales	10.1	11.0	11.7	10.5	43.3	10.0	10.5	12.5	12.0	45.0	56.5	66.4
EBITDA	1.3	1.4	2.0	1.6	6.4	1.3	1.5	2.1	1.9	6.8	9.0	10.9
<i>EBITDA margin (%)</i>	<i>13.3%</i>	<i>13.1%</i>	<i>17.0%</i>	<i>15.3%</i>	<i>14.7%</i>	<i>13.1%</i>	<i>14.2%</i>	<i>16.9%</i>	<i>15.8%</i>	<i>15.1%</i>	<i>15.9%</i>	<i>16.4%</i>
EBIT	0.8	0.9	1.4	1.1	4.2	0.8	1.0	1.6	1.4	4.7	6.4	8.2
<i>EBIT margin (%)</i>	<i>7.9%</i>	<i>8.1%</i>	<i>12.4%</i>	<i>10.2%</i>	<i>9.7%</i>	<i>8.0%</i>	<i>9.3%</i>	<i>12.7%</i>	<i>11.5%</i>	<i>10.5%</i>	<i>11.4%</i>	<i>12.4%</i>
Net financial items		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.2	-0.2
Pre-tax profit	0.8	0.9	1.4	1.1	4.2	0.8	1.0	1.6	1.4	4.7	6.2	8.1
Tax	-0.2	-0.2	-0.3	-0.3	-0.9	-0.2	-0.2	-0.3	-0.3	-0.9	-1.2	-1.5
<i>Tax rate (%)</i>	<i>15.6%</i>	<i>18.8%</i>	<i>15.3%</i>	<i>19.8%</i>	<i>17.2%</i>	<i>15.9%</i>	<i>16.5%</i>	<i>17.7%</i>	<i>17.4%</i>	<i>17.1%</i>	<i>17.1%</i>	<i>17.1%</i>
Net profit	0.7	0.7	1.2	0.8	3.4	0.6	0.8	1.3	1.1	3.8	5.0	6.6
EPS	0.05	0.05	0.08	0.06	0.24	0.04	0.05	0.09	0.08	0.26	0.35	0.45
EPS adj. (diluted)	0.05	0.05	0.08	0.06	0.24	0.04	0.05	0.09	0.08	0.26	0.35	0.45
Dividend per share					0.18					0.20	0.26	0.34
SALES, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1E	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
LapWall	10.1	11.0	11.7	10.5	43.3	10.0	10.5	12.5	12.0	45.0	56.5	66.4
Total	10.1	11.0	11.7	10.5	43.3	10.0	10.5	12.5	12.0	45.0	56.5	66.4
SALES GROWTH, Y/Y%	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1E	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
LapWall	9.4%	14.6%	6.9%	-13.3%	3.4%	-1.4%	-4.4%	7.0%	14.5%	4.0%	25.6%	17.5%
Total	9.4%	14.6%	6.9%	-13.3%	3.4%	-1.4%	-4.4%	7.0%	14.5%	4.0%	25.6%	17.5%
EBIT, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1E	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
LapWall	0.8	0.9	1.4	1.1	4.2	0.8	1.0	1.6	1.4	4.7	6.4	8.2
Total	0.8	0.9	1.4	1.1	4.2	0.8	1.0	1.6	1.4	4.7	6.4	8.2
EBIT margin %	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1E	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
LapWall	7.9%	8.1%	12.4%	10.2%	9.7%	8.0%	9.3%	12.7%	11.5%	10.5%	11.4%	12.4%
Total	7.9%	8.1%	12.4%	10.2%	9.7%	8.0%	9.3%	12.7%	11.5%	10.5%	11.4%	12.4%

INCOME STATEMENT, EURm	2020	2021	2022	2023	2024	2025E	2026E	2027E
Sales		35.5	52.5	41.9	43.3	45.0	56.5	66.4
<i>Sales growth (%)</i>			48.0%	-20.3%	3.4%	4.0%	25.6%	17.5%
EBITDA		6.1	9.5	5.3	6.4	6.8	9.0	10.9
<i>EBITDA margin (%)</i>		17.2%	18.1%	12.6%	14.7%	15.1%	15.9%	16.4%
Depreciation		-1.4	-1.2	-1.3	-1.3	-1.3	-1.7	-1.8
EBITA		4.8	8.3	4.0	5.1	5.6	7.2	9.0
Goodwill amortization / writedown		-0.4	-0.5	-0.7	-0.9	-0.8	-0.8	-0.8
EBIT		4.4	7.8	3.2	4.2	4.7	6.4	8.2
<i>EBIT margin (%)</i>		12.3%	14.9%	7.7%	9.7%	10.5%	11.4%	12.4%
Reported EBIT		4.4	7.8	3.2	4.2	4.7	6.4	8.2
<i>EBIT margin (reported) (%)</i>		12.3%	14.9%	7.7%	9.7%	10.5%	11.4%	12.4%
Net financials		-0.1	-0.7	0.0	0.0	0.0	-0.2	-0.2
Pre-tax profit		4.2	7.1	3.2	4.2	4.7	6.2	8.1
Taxes		-0.9	-1.4	-0.6	-0.9	-0.9	-1.2	-1.5
Minority shares								
Net profit		3.3	5.5	2.6	3.4	3.8	5.0	6.6
Cash NRIs								
Non-cash NRIs								
BALANCE SHEET, EURm								
Assets								
Fixed assets	8	7	10	9	16	21	23	22
Goodwill	2	2	2	6	5	4	3	2
Right of use assets								
Inventory	1	3	3	3	3	7	7	9
Receivables	3	3	5	5	4	6	6	6
Liquid funds	2	2	8	4	4	1	2	5
Total assets	17	17	28	27	32	40	41	45
Liabilities								
Shareholders' equity	5	7	16	17	18	20	22	24
Minority interest					0	0	0	0
Convertible								
Lease liabilities								
Deferred taxes								
Interest bearing debt	5	3	2	1	6	5	4	3
Non-interest bearing current liabilities	6	7	10	9	7	10	15	17
Other interest-free debt						6		
Total liabilities	17	17	28	27	32	40	41	45
CASH FLOW, EURm								
+ EBITDA		6	10	5	6	7	9	11
- Net financial items		0	-1	0	0	0	0	0
- Taxes		-1	-1	-1	-1	-1	-1	-2
- Increase in Net Working Capital	2	-1	1	0	-2	3	0	0
+/- Other			0		0			
= Cash flow from operations	2	4	8	4	4	8	7	9
- Capex	-11	0	-4	-5	-8	-6	-3	-1
- Acquisitions								
+ Divestments								
= Free cash flow	-9	4	4	-1	-4	2	4	8
+/- New issues/buybacks	5	-2	5	1	0			
- Paid dividend		2	3	2	3	3	4	5
+/- Other	5	-2	-1	-1	5	-2	-1	-1
Change in cash	2	0	6	-3	-1	-2	0	3

KEY FIGURES	2021	2022	2023	2024	2025E	2026E	2027E
M-cap		51	45	58	60	60	60
Net debt (excl. convertibles)	1	-6	-3	3	3	2	-2
Enterprise value	1	45	42	62	64	63	59
Sales	35	53	42	43	45	57	66
EBITDA	6	10	5	6	7	9	11
EBIT	4	8	3	4	5	6	8
Pre-tax	4	7	3	4	5	6	8
Earnings	3	5	3	3	4	5	7
Equity book value (excl. minorities)	7	16	17	18	20	22	24

Valuation multiple	2021	2022	2023	2024	2025E	2026E	2027E
EV/Sales	0.0	0.9	1.0	1.4	1.4	1.1	0.9
EV/EBITDA	0.2	4.8	8.0	9.7	9.4	7.0	5.4
EV/EBITA	0.3	5.5	10.7	12.2	11.6	8.7	6.5
EV/EBIT	0.3	5.8	13.1	14.7	13.5	9.8	7.1
EV/OCF	0.3	5.8	10.3	15.6	7.7	8.8	6.4
EV/FCF	0.3	10.9	-48.0	-15.1	30.7	15.3	7.2
P/FCFR		14.4	-50.4	-14.1	28.9	15.2	7.5
P/E		9.3	17.6	16.8	15.9	11.9	9.1
P/BV		3.2	2.7	3.2	3.1	2.8	2.5
Target EV/EBITDA					9.7	7.2	5.6
Target EV/EBIT					13.9	10.1	7.4
Target EV/FCFF					31.8	16.4	7.6
Target P/BV					3.2	2.9	2.6
Target P/E, diluted				19.1	16.5	12.4	9.5

Per share measures	2021	2022	2023	2024	2025E	2026E	2027E
Number of shares (million)	12.38	14.23	14.53	14.53	14.53	14.53	14.53
Number of shares (diluted, million)	12.38	14.23	14.53	14.53	14.53	14.53	14.53
EPS	0.27	0.38	0.18	0.24	0.26	0.35	0.45
Operating cash flow per share	0.36	0.55	0.28	0.27	0.58	0.49	0.63
Free cash flow per share	0.33	0.25	-0.06	-0.28	0.14	0.27	0.55
Book value per share	0.58	1.11	1.15	1.26	1.34	1.49	1.69
Dividend per share	0.14	0.19	0.13	0.18	0.20	0.26	0.34
Dividend payout ratio, %	51.9%	49.4%	73.7%	75.9%	75.0%	75.0%	75.0%
Dividend yield, %		5.3%	4.2%	4.4%	4.7%	6.3%	8.2%
FCF yield, %		7.0%	-2.0%	-7.1%	3.5%	6.6%	13.4%

Efficiency measures	2021	2022	2023	2024	2025E	2026E	2027E
ROE	53.4%	47.6%	15.7%	19.6%	20.0%	24.5%	28.4%
ROCE	41.0%	54.4%	17.8%	19.4%	19.2%	25.7%	30.8%

Financial ratios	2021	2022	2023	2024	2025E	2026E	2027E
Inventories as % of sales	7.1%	6.1%	7.4%	8.0%	16.0%	13.0%	14.0%
Receivables as % of sales	8.8%	9.5%	10.9%	8.4%	14.0%	10.0%	9.5%
Non-int. bearing liabilities as % of sales	18.8%	19.0%	21.3%	15.4%	22.0%	26.0%	26.0%
NWC/sales, %	-2.9%	-3.3%	-3.0%	1.0%	-4.7%	-3.0%	-2.5%
Operative CAPEX/Sales, %	1.2%	8.3%	12.0%	18.6%	14.0%	5.7%	1.7%
CAPEX/sales (incl. acquisitions), %	1.2%	8.3%	12.0%	18.6%	14.0%	5.7%	1.7%
FCFF/EBITDA	0.7	0.4	-0.2	-0.6	0.3	0.5	0.7
Net Debt/EBITDA, book-weighted	0.2	-0.6	-0.6	0.4	0.5	0.2	-0.2
Debt/equity, market-weighted		0.0	0.0	0.1	0.1	0.1	0.0
Equity ratio, book-weighted	0.4	0.6	0.6	0.6	0.5	0.5	0.6
Gearing, %	17.7%	-34.7%	-18.0%	14.3%	16.2%	9.5%	-8.6%

COMPANY DESCRIPTION: LapWall is a Finnish construction material company that produces prefabricated wooden construction elements for both residential and non-residential buildings. The company operates through its three production facilities located in Finland. LapWall's business model is centered around its LEKO® element system that covers everything from element design to installation. LapWall was founded in 2011 and currently employs roughly 115 personnel. The company was listed to the First North Growth Market in 2022.

INVESTMENT CASE: The sluggish residential construction market has decreased demand for LapWall's wooden wall element products during 2023–2024. While the wall elements market remains difficult, the firm's expansion into roof element capabilities has proven fruitful, with roof element demand holding up better. The company is currently investing in its Pyhäntä factory to triple the capacity. We forecast 2023–2024 to be the cycle-low in terms of earnings and expect that the company will continue its profitable growth as market stabilizes throughout 2025–2028 and LapWall gains market share.

OWNERSHIP STRUCTURE	SHARES	EURm	%
Jarmo Pekkarinen	2 700 000	11.151	18.6 %
Timo Pekkarinen	2 245 000	9.272	15.5 %
Pohjanmaan Arvo Sijoitusosuuskunta	1 510 306	6.238	10.4 %
Ahola Tuomas Veli	1 289 739	5.327	8.9 %
Pekkarinen Janne Petteri	964 751	3.984	6.6 %
Alquila Oy	424 111	1.752	2.9 %
Pekkarinen Antti Olavi	390 632	1.613	2.7 %
Kari Viljamaa	385 644	1.593	2.7 %
Suomen Teollisuussijoitus Oy	294 108	1.215	2.0 %
Ahti Väisänen	271 254	1.120	1.9 %
Ten largest	10 475 545	43.264	72.1 %
Residual	4 049 973	16.726	27.9 %
Total	14 525 518	59.990	100%

EARNINGS CALENDAR

OTHER EVENTS

COMPANY MISCELLANEOUS

OEO: Jarmo Pekkarinen
CFO: Tuomo Riihonen
IR:

Yrittäjätie 7, 36600 Pälkäne
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> $\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions (average)}}$	

Important Disclosures

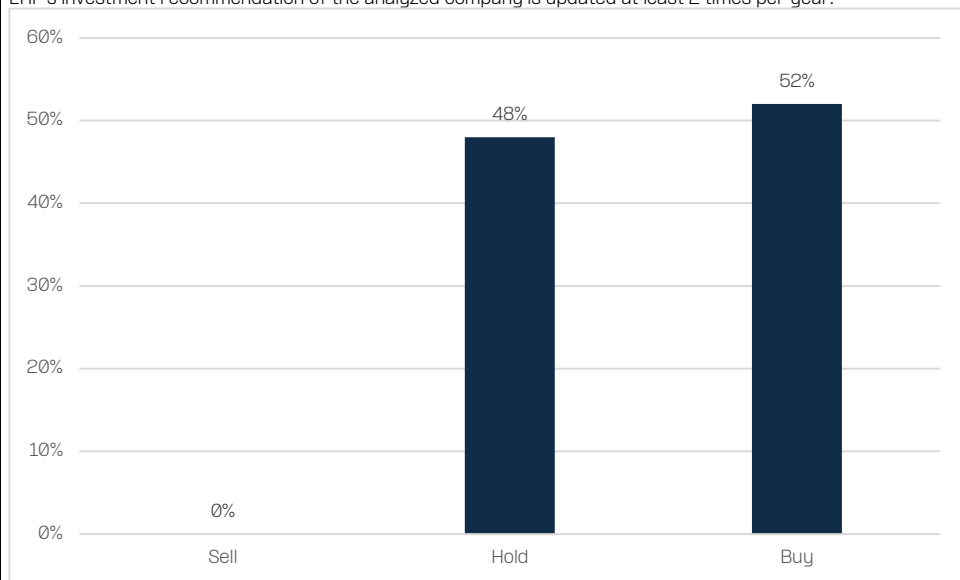
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Investment recommendations are defined as follows:

Target price compared to share price	Recommendation
< -10 %	SELL
-10 - 0 %	RECUDE
0 - (+10) %	ACCUMULATE
> 10 %	BUY

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Name(s) of the analyst(s): Atte Jortikka

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