

# Evli Bank

## Company update

4/15/2021

- We raise our target price for Evli to EUR 21.0 (previously EUR 16.5) and reiterate our Accumulate recommendation
- Performance fees from wealth management boosted result above expectations, company revised its guidance upwards
- Earnings estimates for next few years rose clearly
- Despite a steep share price rise we still see the share's return/risk ratio as sufficient to stay onboard with the investor story that is progressing in the right direction



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# The going gets good

We raise our target price for Evli to EUR 21.0 (previously EUR 16.5) and reiterate our Accumulate recommendation. The Q1 report confirmed that Evli is in excellent form and the company's growth outlook for the next few years remain good as risks are limited to the current market situation. Despite a steep share price rise we still see the share's return/risk ratio as sufficient to stay onboard with the investor story that is progressing in the right direction.

## Performance fees from wealth management boosted result above expectations, outlook revised upwards

Evli's Q1 operating profit was EUR 11.8 million, which exceeded our EUR 8.6 million estimate garishly. Just like in the previous quarter, Wealth management was behind the earnings overshoot as the company recorded EUR 5.1 million in performance fees against our expectations and the segment's operating profit clearly exceeded our estimate (Q1'21: EUR 10.6 million vs. Q1'21e: EUR 7.5 million). Performance fees in Wealth management were based on successful investment activities across the board in Q1. The Q1 operating profit from the N&Y segment was EUR 1.1 million, which exceeded our EUR 0.9 million estimate due to higher-than-expected invoicing from the investment bank. EPS ended up at EUR 0.34, which, like the operating profit, clearly exceeded our EUR 0.25 estimate. As a result of the strong Q1 development, Evli also revised its guidance upwards and now expects the operating profit for 2021 to exceed the level of the comparison period if the market conditions continue to be favorable. We feel that raising the guidance highlights the company's confidence in what it is doing, and if the market situation prevails it will not be difficult for the company to exceed the guidance.

## Estimates revised upwards

Our earnings estimates for the next few years have risen by some 8-22% after the Q1 report. The key factor behind the higher estimates is the Q1 result that clearly exceeded our expectations and Wealth management where our AUM estimate has risen thanks to strong market development and increased new sales estimates. We also revised our view of performance fees from Wealth management slightly upwards for the next couple of years. With our updated estimates we still expect strong earnings growth from Evli and estimate that the EPS will grow by an annual rate of some 13% in coming years (2020-24e CAGR). The growth drivers are the new sales of investment funds that remains strong, ramping up of new alternative products, and cost efficiency that remains excellent. The key risks in terms of earnings growth are related to the general market conditions and their sustainability.

## Stay on board

Evli's share has risen steeply after our January update (29%) and with the materialized result the share is starting to look expensive (2020 P/E 21x). With the strong earnings improvement we estimate for 2021, the P/E ratio falls to around 15x, which is in line with our acceptable level for the company (14-16x). In our view, the around 13% earnings growth and some 6% dividend yield we predict for the next few years still offer investors a good earnings expectation despite the share price rise, which favors staying onboard with the investor story that is progressing in the right direction. Our view is also supported by peer group pricing (2021-2022 around 7-12% earnings-based discount compared to peers) and the result of our DDM model (some EUR 20.7 per share). We do, however, point out that the current valuation level does not leave room for weakening market conditions, and if the market situation would turn there is downward pressure in the share both in terms of earnings estimates and valuation multiples.

## Recommendation

### Accumulate

(previous Reduce)

### EUR 21.00

(previous EUR 16.50)

### Share price:

19.10



## Key indicators

	2020	2021e	2022e	2023e
Net revenue	79.7	99.9	99.9	105.0
Growth %	5%	25%	0%	5%
EBIT adjusted	29.1	43.2	43.2	46.1
EBIT % adjusted	36.5%	43.2%	43.3%	43.9%
Net profit	21.3	30.9	32.7	33.8
EPS (adjusted)	0.89	1.28	1.34	1.39

P/E (adjusted)	14.2	14.9	14.2	13.8
P/B	3.3	4.4	4.3	4.2
Dividend yield %	5.8%	6.4%	6.7%	6.9%
EV/EBIT (adjusted)	11.0	11.3	11.3	10.8
EV/EBITDA	9.2	10.0	9.9	9.8
EV/Revenue	4.0	4.9	4.9	4.7

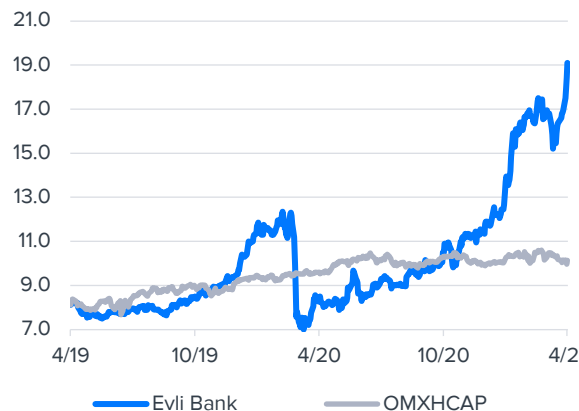
Source: Inderes

## Guidance

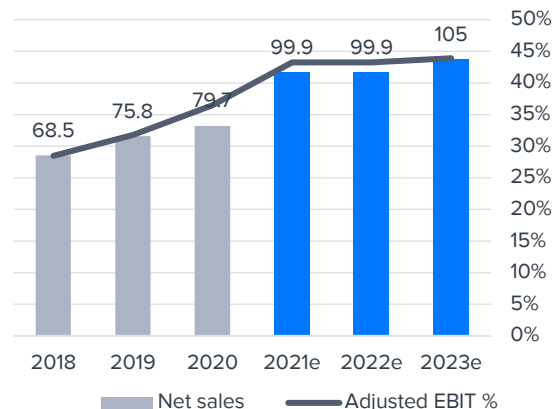
(Risen)

If the market conditions continue to be favorable, we estimate that the operating profit for 2021 will exceed the level of the comparison period.

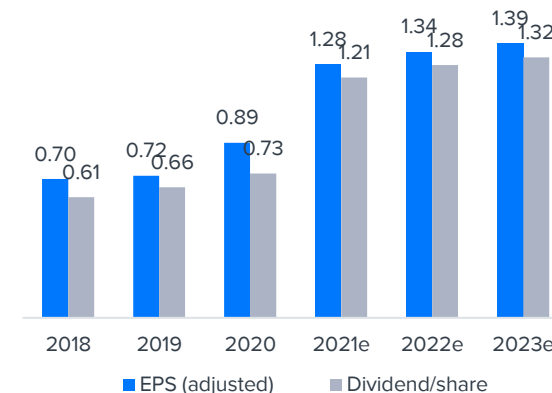
## Share price



## Net revenue and EBIT %



## EPS and dividend



### Value drivers

- Growth in current products
- International sales
- Private equity fund operations
- Improved cost efficiency



### Risk factors

- Sustainability of market conditions
- Continuous price pressure of conventional asset management
- Continuously tightening regulations



### Valuation

- The share is starting to look expensive based on the Q1 result
- With high earnings growth, the valuation for 2021 is pushed within our acceptable range
- The around 13% earnings growth and some 6% dividend yield we predict for the next few years still offer investors a good earnings expectation
- Peer group valuation and DDM model support our view

MCAP

**462**

EUR million

Dividend %

**6.4%**

2021e

P/B

**4.4**

2021e

P/E (adjusted)

**14.9**

2021e

# Estimates

Estimates	Q1'20	Q1'21	Q1'21e	Q1'21e	Consensus		Difference (%)	2021e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Inderes
Revenue	14.2	27.1	22.3				22%	99.9
EBIT (adj.)	2.1	11.8	8.6				37%	43.2
EPS (adj.)	0.06	0.34	0.25				36%	1.28
EBIT-% (adj.)	14.4 %	43.4 %	38.6 %				4.8 pp	43.2 %

Source: Inderes

Estimate revisions	2021e	2021e	Change	2022e	2022e	Change	2023e	2023e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	90.7	99.9	10%	96.8	99.9	3%	102	105	3%
EBIT	35.6	43.2	21%	39.2	43.2	10%	42.2	46.1	9%
PTP	35.6	43.4	22%	41.2	45.2	10%	43.2	47.1	9%
EPS (excl. NRIs)	1.05	1.28	22%	1.23	1.34	9%	1.28	1.39	8%
DPS	0.99	1.21	22%	1.17	1.28	9%	1.22	1.32	8%

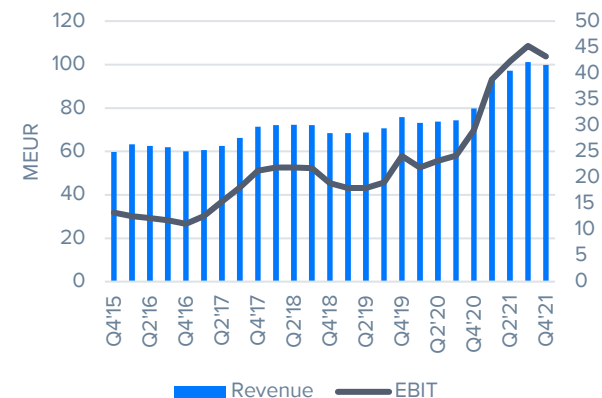
Source: Inderes

# Detailed estimates

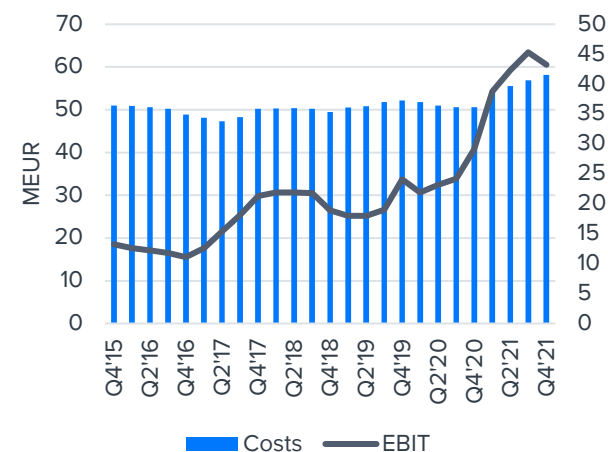
MEUR	2017	2018	2019	2020	2021e	2022e	2023e
<b>Revenue</b>	<b>71,4</b>	<b>68,5</b>	<b>75,8</b>	<b>79,7</b>	<b>99,9</b>	<b>99,9</b>	<b>105,0</b>
Growth-%	19,0 %	-4,1 %	10,7 %	5,1 %	25,3 %	0,1 %	5,1 %
Wealth Management & Investor Clients	55,4	57,3	61,6	67,0	81,5	81,6	86,6
Advisory & Corporate Clients	9,9	10,1	10,9	9,7	15,4	15,9	15,9
Group Operations	5,5	1,3	3,6	2,8	3,0	2,5	2,5
<b>EBIT</b>	<b>21,3</b>	<b>18,9</b>	<b>24,1</b>	<b>29,1</b>	<b>43,2</b>	<b>43,2</b>	<b>46,1</b>
Wealth Management & Investor Clients	15,8	17,4	20,8	27,7	39,6	39,1	41,9
Advisory & Corporate Clients	2,4	2,2	2,9	1,8	4,7	5,0	5,0
Group Operations	2,2	-0,9	0,3	-0,1	-0,7	-0,2	-0,2
Share of associates	0,6	2,6	-0,6	0,4	0,3	2,0	1,0
Minorities	-0,8	-1,3	-1,4	-1,9	-4,0	-3,5	-3,6
<b>Net profit</b>	<b>16,7</b>	<b>16,0</b>	<b>17,2</b>	<b>21,3</b>	<b>30,9</b>	<b>32,7</b>	<b>33,8</b>
<b>EPS</b>	<b>0,71</b>	<b>0,68</b>	<b>0,72</b>	<b>0,89</b>	<b>1,28</b>	<b>1,34</b>	<b>1,39</b>
<b>DPS</b>	<b>0,52</b>	<b>0,61</b>	<b>0,66</b>	<b>0,73</b>	<b>1,21</b>	<b>1,28</b>	<b>1,32</b>

	2017	2018	2019	2020	2021e	2022e	2023e
<b>AUM</b>	<b>11,2</b>	<b>11,4</b>	<b>14,3</b>	<b>14,1</b>	<b>16,3</b>	<b>17,5</b>	<b>18,7</b>
Traditional funds and Asset Management	9,8	9,7	11,9	11,3	12,9	13,6	14,3
Traditional funds	7,7	7,8	9,6	8,7	10,2	10,9	11,6
<i>Equities</i>	2,6	2,1	2,5	2,4	3,2	3,4	3,6
<i>Fixed income</i>	5,0	5,6	7,0	6,0	6,9	7,4	7,9
<i>Mixed funds</i>	0,1	0,1	0,1	0,2	0,1	0,1	0,1
Other Asset Management	2,1	1,9	2,3	2,6	2,7	2,7	2,7
Northern Horizon Capital	0,8	0,7	0,9	1,0	1,0	1,0	1,0
Evli Awards Management	0,6	0,6	0,6	0,7	0,8	0,9	1,0
Alternative funds	0,1	0,4	0,9	1,1	1,6	2,0	2,4
Domestic AUM	6,0	5,9	6,8	5,9	7,0	7,4	7,8
International AUM	1,7	1,9	2,8	2,8	3,2	3,5	3,8

Revenue and EBIT development (rolling 12mo)



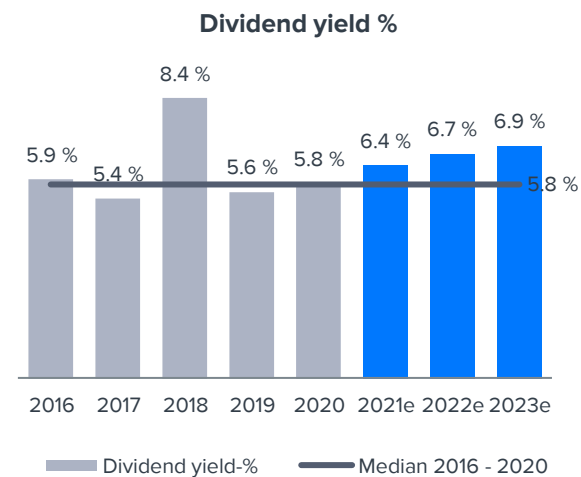
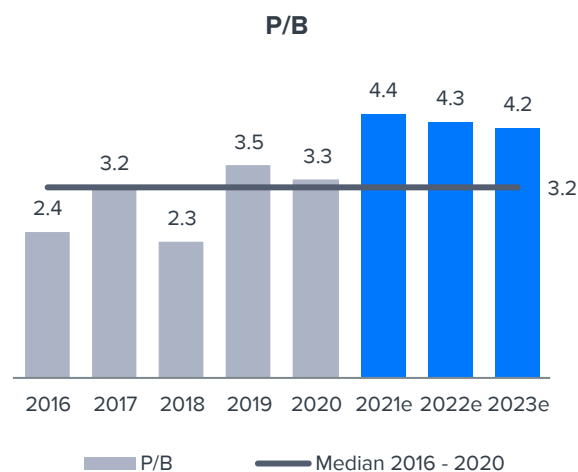
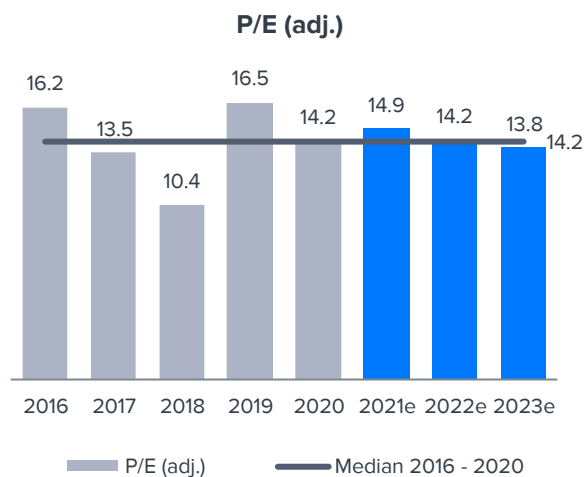
Costs and EBIT development (rolling 12mo)



# Valuation table

Valuation	2016	2017	2018	2019	2020	2021e	2022e	2023e	2024e
Share price	6.75	9.60	7.28	11.9	12.6	19.1	19.1	19.1	19.1
Number of shares, millions	23.3	23.4	23.7	23.9	24.1	24.2	24.3	24.4	24.5
Market cap	157	227	172	283	303	462	462	462	462
P/E (adj.)	16.2	13.5	10.4	16.5	14.2	14.9	14.2	13.8	13.0
P/E	16.2	13.5	10.8	16.5	14.2	14.9	14.2	13.8	13.0
P/B	2.4	3.2	2.3	3.5	3.3	4.4	4.3	4.2	4.0
P/S	2.6	3.2	2.5	3.7	3.8	4.6	4.6	4.4	4.2
EV/Sales	2.4	3.2	2.5	3.8	4.0	4.9	4.9	4.7	4.5
EV/EBIT (adj.)	13.0	10.6	8.7	11.9	11.0	11.3	11.3	10.8	10.1
Payout ratio (%)	96.1 %	73.1 %	90.2 %	91.9 %	82.5 %	95.0 %	95.0 %	95.0 %	95.0 %
Dividend yield-%	5.9 %	5.4 %	8.4 %	5.6 %	5.8 %	6.4 %	6.7 %	6.9 %	7.4 %

Source: Inderes



# Peer group valuation

Peer group valuation	Share price	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
Company		MEUR	MEUR	2021e	2022e	2021e	2022e	2021e	2022e	2021e	2022e	2021e	2022e	2021e
eQ	19.36	753	755	18.1	17.8	17.7	17.3	10.6	10.3	22.5	22.3	4.5	4.5	10.5
United Bankers	12.85	134	136	13.6	11.4	12.4	10.5	3.8	3.5	18.6	15.3	4.3	4.9	3.3
Taaleri	9.86	280	343	4.7	18.5			6.9	7.0	2.3	20.5	8.6	15.2	1.1
CapMan	2.60	406	432	12.4	10.3	13.1	10.7	7.4	6.5	15.3	12.5	5.8	6.2	3.4
Titanium	15.20	155	137	11.5	10.6	9.8	9.2	6.2	5.5	14.3	13.1	6.0	6.3	6.6
EAB Group	3.59	50	58	23.0	14.4	10.5	8.9	2.7	2.5	24.8	17.1	2.5	3.1	2.4
Aktia	10.28	716	3417	44.7	36.8			15.3	14.4	12.2	10.5	5.5	6.3	1.0
AGF Management	7.45	354	359	9.6	7.3	4.9	4.6	1.2	1.2	13.7	9.1	4.3	4.3	0.5
GAM Holdings	2.45	354	176			9.3	6.6	0.8	0.8		35.0			0.8
Wisdom Tree Investments	6.43	809	969	16.7	15.4	17.5	15.3	4.0	3.7	21.6	18.7	1.9	1.9	2.6
River and Mercantile Group	216.00	212	188	22.0	12.5	11.5	9.0	2.3	2.0	19.7	14.8	4.0	5.5	3.3
<b>Evli Pankki (Inderes)</b>	<b>19.10</b>	<b>462</b>	<b>489</b>	<b>11.3</b>	<b>11.3</b>	<b>10.0</b>	<b>9.9</b>	<b>4.9</b>	<b>4.9</b>	<b>14.9</b>	<b>14.2</b>	<b>6.4</b>	<b>6.7</b>	<b>4.4</b>
<b>Average</b>				<b>17.6</b>	<b>15.5</b>	<b>11.9</b>	<b>10.2</b>	<b>5.6</b>	<b>5.2</b>	<b>16.5</b>	<b>17.2</b>	<b>4.7</b>	<b>5.8</b>	<b>3.2</b>
<b>Median</b>				<b>15.2</b>	<b>13.5</b>	<b>11.5</b>	<b>9.2</b>	<b>4.0</b>	<b>3.7</b>	<b>17.0</b>	<b>15.3</b>	<b>4.4</b>	<b>5.2</b>	<b>2.6</b>
<b>Diff-% to median</b>				<b>-25%</b>	<b>-16%</b>	<b>-13%</b>	<b>8%</b>	<b>23%</b>	<b>31%</b>	<b>-12%</b>	<b>-7%</b>	<b>45%</b>	<b>29%</b>	<b>72%</b>

Source: Thomson Reuters / Inderes

NB: The market cap Inderes uses does not consider own shares held by the company

# Income statement

Income statement	2019	Q1'20	Q2'20	Q3'20	Q4'20	2020	Q1'21	Q2'21e	Q3'21e	Q4'21e	2021e	2022e	2023e	2024e
Revenue	75.8	14.2	18.8	18.7	28.1	79.7	27.1	23.4	22.6	26.8	99.9	99.9	105	110
Varainhoito- ja sijoittaja-asiakkaat	61.6	15.7	13.3	14.7	23.4	67.1	22.0	19.3	18.5	21.7	81.5	81.6	86.6	91.5
Neuvonanto- ja yritysasiakkaat	10.9	2.1	2.3	2.0	3.3	9.7	4.0	3.5	3.4	4.5	15.4	15.9	15.9	15.9
Konsernitoiminnot	3.6	-3.7	3.2	1.6	1.7	2.8	1.1	0.6	0.7	0.6	3.0	2.5	2.5	2.5
Kohdistamattomat&eliminoinnit	-0.3	0.0	0.0	0.3	-0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBITDA</b>	<b>27.6</b>	<b>3.6</b>	<b>8.0</b>	<b>8.4</b>	<b>14.8</b>	<b>34.8</b>	<b>12.9</b>	<b>11.5</b>	<b>11.4</b>	<b>13.1</b>	<b>48.8</b>	<b>49.8</b>	<b>50.7</b>	<b>56.3</b>
Depreciation	-3.5	-1.5	-1.5	-1.5	-1.2	-5.7	-1.1	-1.5	-1.5	-1.5	-5.6	-6.5	-4.6	-7.3
<b>EBIT (excl. NRI)</b>	<b>24.1</b>	<b>2.1</b>	<b>6.5</b>	<b>6.9</b>	<b>13.6</b>	<b>29.1</b>	<b>11.8</b>	<b>10.0</b>	<b>9.9</b>	<b>11.6</b>	<b>43.2</b>	<b>43.2</b>	<b>46.1</b>	<b>48.9</b>
<b>EBIT</b>	<b>24.1</b>	<b>2.1</b>	<b>6.5</b>	<b>6.9</b>	<b>13.6</b>	<b>29.1</b>	<b>11.8</b>	<b>10.0</b>	<b>9.9</b>	<b>11.6</b>	<b>43.2</b>	<b>43.2</b>	<b>46.1</b>	<b>48.9</b>
Varainhoito- ja sijoittaja-asiakkaat	20.8	6.2	3.9	5.5	12.1	27.7	10.6	9.3	9.1	10.6	39.6	39.1	41.9	44.8
Neuvonanto- ja yritysasiakkaat	2.8	0.4	0.5	0.3	0.6	1.8	1.1	1.1	1.0	1.5	4.7	5.0	5.0	5.0
Konsernitoiminnot	0.3	-4.5	2.4	1.0	1.1	0.0	0.0	-0.2	-0.1	-0.4	-0.7	-0.2	-0.2	-0.2
Kohdistamattomat&eliminoinnit	0.2	-0.1	-0.3	0.2	-0.2	-0.4	0.0	-0.2	-0.2	-0.2	-0.5	-0.6	-0.6	-0.6
Net financial items	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>PTP</b>	<b>23.5</b>	<b>2.3</b>	<b>6.5</b>	<b>7.0</b>	<b>13.7</b>	<b>29.5</b>	<b>12.0</b>	<b>10.0</b>	<b>9.9</b>	<b>11.6</b>	<b>43.4</b>	<b>45.2</b>	<b>47.1</b>	<b>49.9</b>
Taxes	-4.9	-0.4	-1.8	-1.4	-2.7	-6.3	-1.9	-2.1	-2.1	-2.4	-8.5	-9.1	-9.7	-10.3
Minority interest	-1.4	-0.4	-0.3	-0.7	-0.6	-1.9	-1.8	-0.8	-0.5	-0.9	-4.0	-3.5	-3.6	-3.7
<b>Net earnings</b>	<b>17.2</b>	<b>1.6</b>	<b>4.5</b>	<b>4.9</b>	<b>10.4</b>	<b>21.3</b>	<b>8.3</b>	<b>7.1</b>	<b>7.3</b>	<b>8.2</b>	<b>30.9</b>	<b>32.7</b>	<b>33.8</b>	<b>36.0</b>
<b>EPS (adj.)</b>	<b>0.72</b>	<b>0.06</b>	<b>0.19</b>	<b>0.20</b>	<b>0.43</b>	<b>0.89</b>	<b>0.34</b>	<b>0.29</b>	<b>0.30</b>	<b>0.34</b>	<b>1.28</b>	<b>1.34</b>	<b>1.39</b>	<b>1.47</b>
<b>EPS (rep.)</b>	<b>0.72</b>	<b>0.06</b>	<b>0.19</b>	<b>0.20</b>	<b>0.43</b>	<b>0.89</b>	<b>0.34</b>	<b>0.29</b>	<b>0.30</b>	<b>0.34</b>	<b>1.28</b>	<b>1.34</b>	<b>1.39</b>	<b>1.47</b>

Key figures	2019	Q1'20	Q2'20	Q3'20	Q4'20	2020	Q1'21	Q2'21e	Q3'21e	Q4'21e	2021e	2022e	2023e	2024e
Revenue growth-%	10.7 %	-15.5 %	2.5 %	4.3 %	23.2 %	5.1 %	91.0 %	24.6 %	21.0 %	-4.6 %	25.3 %	0.1 %	5.1 %	4.6 %
Adjusted EBIT growth-%	23.5 %	-52.3 %	25.0 %	17.6 %	56.3 %	20.7 %	473.2 %	54.1 %	42.2 %	-15.1 %	48.5 %	0.1 %	6.6 %	6.1 %
EBITDA-%	36.4 %	25.0 %	42.6 %	45.2 %	52.7 %	43.6 %	47.4 %	49.3 %	50.3 %	48.7 %	48.8 %	49.8 %	48.3 %	51.2 %
Adjusted EBIT-%	31.8 %	14.4 %	34.6 %	37.1 %	48.4 %	36.5 %	43.4 %	42.9 %	43.6 %	43.1 %	43.2 %	43.3 %	43.9 %	44.5 %
Net earnings-%	22.6 %	10.9 %	24.0 %	26.2 %	37.0 %	26.8 %	30.6 %	30.4 %	32.3 %	30.7 %	31.0 %	32.7 %	32.2 %	32.7 %

Source: Inderes



# Balance sheet

Assets	2019	2020	2021e	2022e	2023e
<b>Non-current assets</b>	<b>19.9</b>	<b>21.7</b>	<b>21.6</b>	<b>20.6</b>	<b>21.5</b>
Goodwill	2.9	2.9	2.9	2.9	2.9
Intangible assets	11.4	13.1	13.1	12.8	12.6
Tangible assets	1.6	1.4	1.3	0.5	1.7
Associated companies	3.8	4.2	4.2	4.2	4.2
Other investments	0.0	0.0	0.0	0.0	0.0
Other non-current assets	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	0.2	0.1	0.1	0.1	0.1
<b>Current assets</b>	<b>903</b>	<b>751</b>	<b>663</b>	<b>558</b>	<b>574</b>
Inventories	0.0	0.0	0.0	0.0	0.0
Other current assets	58.9	144	144	144	144
Receivables	183	100.0	120	115	115
Cash and equivalents	661	507	400	300	315
<b>Balance sheet total</b>	<b>923</b>	<b>773</b>	<b>685</b>	<b>579</b>	<b>596</b>

Source: Inderes

Liabilities & equity	2019	2020	2021e	2022e	2023e
<b>Equity</b>	<b>81.8</b>	<b>95.4</b>	<b>113</b>	<b>120</b>	<b>126</b>
Share capital	30.2	30.2	30.2	30.2	30.2
Retained earnings	29.6	41.3	54.6	57.9	60.7
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	1.8	1.8	1.8	1.8	1.8
Other equity	18.5	18.5	18.5	18.5	18.5
Minorities	1.7	3.6	7.6	11.1	14.7
<b>Non-current liabilities</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Deferred tax liabilities	0.0	0.0	0.0	0.0	0.0
Provisions	0.0	0.0	0.0	0.0	0.0
Long term debt	0.0	0.0	0.0	0.0	0.0
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.0	0.0	0.0	0.0	0.0
<b>Current liabilities</b>	<b>841</b>	<b>677</b>	<b>572</b>	<b>460</b>	<b>470</b>
Short term debt	662	516	397	285	292
Payables	100.0	53.2	66.9	67.0	70.3
Other current liabilities	79.7	108	108	108	108
<b>Balance sheet total</b>	<b>923</b>	<b>773</b>	<b>685</b>	<b>579</b>	<b>596</b>

# Summary

Income statement	2018	2019	2020	2021e	2022e	Per share data	2018	2019	2020	2021e	2022e
Revenue	68.5	75.8	79.7	99.9	99.9	EPS (reported)	0.68	0.72	0.89	1.28	1.34
EBITDA	21.0	27.6	34.8	48.8	49.8	EPS (adj.)	0.70	0.72	0.89	1.28	1.34
EBIT	18.9	24.1	29.1	43.2	43.2	OCF / share	0.63	0.80	0.33	1.41	1.88
PTP	21.5	23.5	29.5	43.4	45.2	FCF / share	0.48	0.55	0.03	1.18	1.65
Net Income	16.0	17.2	21.3	30.9	32.7	Book value / share	3.22	3.35	3.81	4.34	4.46
Extraordinary items	-0.6	0.0	0.0	0.0	0.0	Dividend / share	0.61	0.66	0.73	1.21	1.28
Balance sheet	2018	2019	2020	2021e	2022e	Growth and profitability	2018	2019	2020	2021e	2022e
Balance sheet total	815.5	923.2	772.6	684.7	579.0	Revenue growth-%	-4%	11%	5%	25%	0%
Equity capital	77.4	81.8	95.4	112.7	119.5	EBITDA growth-%	-11%	31%	26%	40%	2%
Goodwill	2.9	2.9	2.9	2.9	2.9	EBIT (adj.) growth-%	-8%	23%	21%	48%	0%
Net debt	0.0	0.3	9.1	-2.2	-15.0	EPS (adj.) growth-%	-1%	2%	23%	44%	5%
Cash flow	2018	2019	2020	2021e	2022e	EBITDA-%	30.7 %	36.4 %	43.6 %	48.8 %	49.8 %
EBITDA	21.0	27.6	34.8	48.8	49.8	EBIT (adj.)-%	28.5 %	31.8 %	36.5 %	43.2 %	43.3 %
Change in working capital	-2.3	-3.4	-20.6	-6.1	5.0	EBIT-%	27.6 %	31.8 %	36.5 %	43.2 %	43.3 %
Operating cash flow	15.0	19.1	8.0	34.1	45.7	ROE-%	21.7 %	21.9 %	24.8 %	31.4 %	30.6 %
CAPEX	-3.7	-6.0	-7.2	-5.5	-5.5	ROI-%	3.0 %	3.4 %	4.4 %	7.7 %	9.9 %
Free cash flow	11.3	13.1	0.8	28.6	40.2	Equity ratio	9.5 %	8.9 %	12.3 %	16.5 %	20.6 %
						Gearing	0.0 %	0.4 %	9.5 %	-1.9 %	-12.5 %
Largest shareholders	% of shares					Valuation multiples	2018	2019	2020	2021e	2022e
Oy Prandium Ab	19.9 %					EV/S	2.5	3.8	4.0	4.9	4.9
Oy Scripo Ab	19.9 %					EV/EBITDA (adj.)	8.1	10.4	9.2	10.0	9.9
Oy Fincorp Ab	11.5 %					EV/EBIT (adj.)	8.7	11.9	11.0	11.3	11.3
Ingman Group Oy Ab	10.3 %					P/E (adj.)	10.4	16.5	14.2	14.9	14.2
Maunu Lehtimäki	2.9 %					P/E	2.3	3.5	3.3	4.4	4.3
John Erik Hollfast	1.7 %					Dividend-%	8.4 %	5.6 %	5.8 %	6.4 %	6.7 %

Source: Inderes

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Accumulate            The 12-month risk-adjusted expected shareholder return of the share is attractive

Reduce                 The 12-month risk-adjusted expected shareholder return of the share is weak

Sell                     The 12-month risk-adjusted expected shareholder return of the share is very weak

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## Recommendation history (>12 mo)

Date	Recommendation	Target price	Share price
26-04-18	Buy	12.00 €	9.86 €
16-07-18	Accumulate	11.50 €	10.20 €
14-09-18	Buy	11.00 €	8.90 €
25-10-18	Reduce	9.00 €	8.95 €
31-10-18	Reduce	8.50 €	8.20 €
28-11-18	Accumulate	8.10 €	7.64 €
20-12-18	Reduce	8.00 €	7.80 €
24-01-19	Reduce	8.00 €	8.58 €
29-04-19	Reduce	8.00 €	8.00 €
15-07-19	Accumulate	8.50 €	7.92 €
24-10-19	Accumulate	9.50 €	8.90 €
23-12-19	Accumulate	10.50 €	10.00 €
16-01-20	Reduce	10.50 €	11.85 €
26-01-20	Accumulate	12.50 €	11.75 €
24-02-20	Accumulate	12.50 €	11.60 €
06-03-20	Reduce	11.50 €	11.80 €
13-03-20	Accumulate	9.00 €	7.56 €
09-04-20	Reduce	8.50 €	8.56 €
17-04-20	Reduce	8.50 €	8.58 €
05-06-20	Reduce	9.00 €	9.68 €
15-07-20	Accumulate	10.00 €	9.18 €
18-09-20	Accumulate	10.50 €	9.70 €
26-10-20	Accumulate	11.50 €	10.80 €
29-12-20	Reduce	12.00 €	12.55 €
25-01-21	Accumulate	16.50 €	14.85 €
16-04-21	Accumulate	21.00 €	19.10 €



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