Long awaited good news

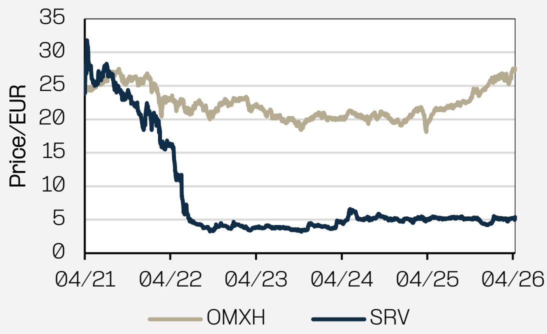
SRV issued a positive profit warning, raising its estimate for revenue and operative operating profit in 2026. We raise our TP to EUR 5.3 (prev. 4.8), REDUCE-rating intact.

Raised estimates for revenue and operative operating profit
SRV issued a positive profit warning on April 23rd, raising its estimate for revenue and operative operating profit for 2026. Revenue is now estimated to exceed EUR 800m (prev. EUR 650-750 million) and the operative operating profit to exceed the level of 2025 (prev. Operative operating profit is expected to be positive). According to SRV, the revision is due to better-than-expected order intake in the early part of the year and the positive progress rate of projects in the development phase. Earnings are expected to be strongly skewed towards H2.

Aided by significant data centre project
Following revisions to our estimates, we now expect revenue of EUR 830.9m (prev. 697.9m) and an operative operating profit of EUR 10.0m (prev. EUR 7.3m). We expect clear double-digit growth in both business and housing construction, with the contribution of housing construction still expected to be small in absolute terms. During Q1, SRV won a major data centre construction project, with the project value at around 35% of the order backlog at the end of Q4/25 and implied value of roughly EUR 270m. We expect the project to aid in keeping business construction on an upward trend also in 2027, with the typically more favourable project margin profile also offering group margin improvement potential. The outlook for housing construction on the other hand remains quite challenging, and the The Confederation of Finnish Construction Industries RT recently lowered its expectations for block-of-flats construction, expecting a ~15% y/y decline in 2026. We have slightly lowered our estimates but still expect growth from SRV's current very low levels.

REDUCE-rating with a target price of EUR 5.3 (prev. 4.8)
With the revisions to our estimates, we raise our target price to EUR 5.3 (prev. EUR 4.8), REDUCE-rating intact. The margin upside potential is significant, and mid-term multiples appear attractive, but visibility into the recovery of the housing market and business construction margin development in our view still warrants caution.

Rating — Reduce



Share price, EUR (Last trading day's closing price)	**5.42**
Target price, EUR	5.3
Latest change in recommendation	06-Feb-25
Latest report on company	12-Feb-26
Research paid by issuer:	YES
No. of shares outstanding, '000's	16 963
No. of shares fully diluted, '000's	16 963
Market cap, EURm	92
Free float, %	61.1 %
Exchange rate	1.0
Reuters code	SRV1V.HE
Bloomberg code	SRV1V FH
Average daily volume, EURm	0.06
Next interim report	07-May-26
Web site	srv.fi/en/investors

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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
2024	745.9	12.0	1.6%	13.7	0.31	15.8	0.3	17.8	16.2%	
2025	705.6	27.5	3.9%	29.8	0.90	4.7	0.2	6.4	41.0%	
2026E	830.9	10.0	1.2%	-12.5	0.09	57.4	0.2	20.7	-13.6%	
2027E	908.2	20.8	2.3%	-7.3	0.56	9.7	0.2	10.3	-8.0%	0.17
2028E	959.1	28.2	2.9%	6.5	0.92	5.9	0.2	7.5	7.1%	0.46

Market cap, EURm	92	Gearing 2026E, %	65.0 %	CAGR EPS 2025-28, %	0.6 %
Net debt 2026E, EURm	115	Price/book 2026E	0.8	CAGR Sales 2025-28, %	10.8 %
Enterprise value, EURm	207	Dividend yield 2026E, %	0.0 %	ROE 2026E, %	1.3 %
Total assets 2026E, EURm	512	Tax rate 2026E, %	20.0 %	ROCE 2026E, %	3.2 %
Goodwill 2026E, EURm	2	Equity ratio 2026E, %	24.0 %	PEG, P/E 26/CAGR	0.4

SRV	2024	Q1/'25	Q2/'25	Q3/'25	Q4/'25	2025	Q1/'26E	Q2/'26E	Q3/'26E	Q4/'26E	2026E	2027E	2028E
Revenue	**745.8**	**161.4**	**168.7**	**159.7**	**215.8**	**705.6**	**154.0**	**171.6**	**237.5**	**267.7**	**830.9**	**908.2**	**959.1**
change, %	*22.3%*	*-3.4%*	*-9.4%*	*-12.9%*	*3.2%*	*-5.4%*	*-4.6%*	*1.7%*	*48.7%*	*24.0%*	*17.7%*	*9.3%*	*5.6%*
Revenue - Business construction	688.1	149.8	156.1	147.6	199.3	652.8	141.0	152.0	221.0	251.0	765.0	795.6	819.5
change, %	*35.3%*	*-4.0%*	*-9.9%*	*-11.7%*	*4.1%*	*-5.1%*	*-5.9%*	*-2.6%*	*49.7%*	*25.9%*	*17.2%*	*4.0%*	*3.0%*
Revenue - Housing construction	57.7	11.7	12.6	12.0	16.4	52.7	13.0	19.6	16.5	16.7	65.9	112.5	139.5
change, %	*-42.6%*	*7.3%*	*-3.1%*	*-25.9%*	*-6.3%*	*-8.6%*	*11.3%*	*55.7%*	*37.5%*	*2.0%*	*25.0%*	*70.8%*	*24.0%*
Operative operating profit	**10.3**	**0.7**	**0.8**	**1.3**	**3.9**	**6.8**	**0.4**	**1.7**	**2.9**	**5.0**	**10.0**	**20.8**	**28.2**
-margin	*1.4%*	*0.4%*	*0.5%*	*0.8%*	*1.8%*	*1.0%*	*0.3%*	*1.0%*	*1.2%*	*1.9%*	*1.2%*	*2.3%*	*2.9%*
Operating profit	**12.0**	**0.7**	**0.7**	**1.3**	**24.9**	**27.5**	**0.4**	**1.7**	**2.9**	**5.0**	**10.0**	**20.8**	**28.2**
-margin	*1.6%*	*0.4%*	*0.4%*	*0.8%*	*11.5%*	*3.9%*	*0.3%*	*1.0%*	*1.2%*	*1.9%*	*1.2%*	*2.3%*	*2.9%*
Net financials	-6.3	-1.2	-2.0	-2.9	-2.0	-8.1	-2.0	-2.0	-2.0	-2.0	-9.0	-8.7	-8.7
Pre-tax profit	**5.7**	**-0.5**	**-1.4**	**-1.6**	**22.9**	**19.4**	**-1.6**	**-0.3**	**0.9**	**3.0**	**1.0**	**12.1**	**19.5**
Income taxes	-0.4	0.3	0.5	0.5	-5.3	-4.0	0.3	0.1	-0.2	-0.6	-0.4	-2.4	-3.9
Non-controlling interest	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
Net earnings	**5.3**	**-0.2**	**-0.8**	**-1.1**	**17.6**	**15.5**	**-1.3**	**-0.2**	**0.7**	**2.4**	**0.6**	**9.7**	**15.6**
EPS*	0.18	-0.05	-0.08	-0.10	1.01	0.78	-0.13	-0.07	0.02	0.12	-0.07	0.55	0.89

*incl. tax adjusted hybrid interest

VALUATION RESULTS		BASE CASE DETAILS		VALUATION ASSUMPTIONS		ASSUMPTIONS FOR WACC	
Current share price	5.42	PV of Free Cash Flow	132	Long-term growth, %	2.0 %	Risk-free interest rate, %	2.25 %
DCF share value	10.09	PV of Horizon value	142	WACC, %	10.0 %	Market risk premium, %	5.8 %
Share price potential, %	86.2 %	Unconsolidated equity	0	Spread, %	0.5 %	Debt risk premium %	3.8 %
Maximum value	11.3	Marketable securities	104	Minimum WACC, %	9.5 %	Equity beta coefficient	1.40
Minimum value	9.1	Debt - dividend	-207	Maximum WACC, %	10.5 %	Target debt ratio, %	20 %
Horizon value, %	52.0 %	Value of stock	171	No. of shares, Mn	17.0	Effective tax rate, %	20 %

DCF valuation, EURm	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	TERMINAL
Net sales	706	831	908	959	1 007	1 037	1 068	1 090	1 112	1 134	1 156	1 180
Sales growth (%)	*-5.4%*	*17.8%*	*9.3%*	*5.6%*	*5.0%*	*3.0%*	*3.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*
Operating income (EBIT)	28	10	21	28	35	39	45	44	39	40	35	41
Operating income margin %	*3.9%*	*1.2%*	*2.3%*	*2.9%*	*3.5%*	*3.8%*	*4.2%*	*4.0%*	*3.5%*	*3.5%*	*3.5%*	*3.5%*
+ Depreciation+amort.	6	6	6	6	6	6	6	6	6	6	6	
EBITDA	34	16	26	34	41	45	51	49	45	46	41	
- Paid taxes	-2	-2	-4	-6	-7	-8	-9	-9	-8	-8	-7	
- Change in NWC	17	-14	-17	-9	-7	-4	-4	-3	-3	-3	-3	
NWC / Sales, %	*13.1%*	*12.8%*	*13.6%*	*13.8%*	*13.8%*	*13.8%*	*13.8%*	*13.8%*	*13.8%*	*13.8%*	*13.8%*	
+ Change in other liabs	4											
- Operative CAPEX	-7	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	
opCAPEX / Sales, %	*2.9%*	*0.7%*	*0.6%*	*0.6%*	*0.6%*	*0.5%*	*0.5%*	*0.5%*	*0.5%*	*0.5%*	*0.5%*	
- Acquisitions												
+ Divestments	9											
- Other items												
= FCFF	55	-3	3	17	25	31	35	36	32	32	28	359
= Discounted FCFF		-2	3	13	18	20	21	19	15	14	11	142
= DFCF min WACC		-2	3	13	18	20	21	19	16	15	12	159
= DFCF max WACC		-2	3	13	18	20	20	18	15	14	11	128

Sensitivity analysis, EUR

		Terminal WACC				
		8.00 %	9.00 %	10.00 %	11.00 %	12.00 %
Terminal EBIT-%	1.50 %	4.98	4.00	3.19	2.50	1.91
	2.50 %	10.48	8.31	6.64	5.31	4.23
	3.50 %	15.98	12.62	10.09	8.12	6.55
	4.50 %	21.48	16.93	13.54	10.93	8.86
	5.50 %	26.98	21.24	17.00	13.74	11.18

INTERIM FIGURES

EVLI ESTIMATES, EURm	2025Q1	2025Q2	2025Q3	2025Q4	2025	2026Q1E	2026Q2E	2026Q3E	2026Q4E	2026E	2027E	2028E
Net sales	161.4	168.7	159.7	215.8	705.6	154.0	171.6	237.5	267.7	830.9	908.2	959.1
EBITDA	2.1	2.1	2.8	26.7	33.7	1.8	3.1	4.3	6.4	15.6	26.4	34.1
EBITDA margin (%)	*1.3%*	*1.2%*	*1.8%*	*12.4%*	*4.8%*	*1.2%*	*1.8%*	*1.8%*	*2.4%*	*1.9%*	*2.9%*	*3.6%*
EBIT	0.7	0.7	1.4	24.7	27.5	0.4	1.7	2.9	5.0	10.0	20.8	28.2
EBIT margin (%)	*0.4%*	*0.4%*	*0.9%*	*11.4%*	*3.9%*	*0.3%*	*1.0%*	*1.2%*	*1.9%*	*1.2%*	*2.3%*	*2.9%*
Net financial items	−1.2	−2.0	−3.0	−2.0	−8.2	−2.0	−2.0	−2.0	−2.0	−8.0	−9.0	−8.7
Pre-tax profit	−0.5	−1.4	−1.5	22.7	19.3	−1.6	−0.3	0.9	3.0	2.0	11.8	19.5
Tax	0.3	0.5	0.5	−5.3	−4.0	0.3	0.1	−0.2	−0.6	−0.4	−2.4	−3.9
Tax rate (%)	*60.0%*	*39.7%*	*29.9%*	*23.4%*	*20.7%*	*20.0%*	*20.0%*	*20.0%*	*20.0%*	*20.0%*	*20.0%*	*20.0%*
Net profit	−0.2	−0.8	−1.1	17.4	15.3	−1.3	−0.2	0.7	2.4	1.6	9.5	15.6
EPS	−0.01	−0.05	−0.06	1.03	0.90	−0.08	−0.01	0.04	0.14	0.09	0.56	0.92
EPS adj. (diluted)	−0.01	−0.05	−0.06	1.03	0.90	−0.08	−0.01	0.04	0.14	0.09	0.56	0.92
Dividend per share											0.17	0.46

SALES, EURm	2025Q1	2025Q2	2025Q3	2025Q4	2025	2026Q1E	2026Q2E	2026Q3E	2026Q4E	2026E	2027E	2028E
Group	161.4	168.7	159.7	215.8	705.6	154.0	171.6	237.5	267.7	830.9	908.2	959.1
Total	161.4	168.7	159.7	215.8	705.6	154.0	171.6	237.5	267.7	830.9	908.2	959.1

SALES GROWTH, Y/Y %	2025Q1	2025Q2	2025Q3	2025Q4	2025	2026Q1E	2026Q2E	2026Q3E	2026Q4E	2026E	2027E	2028E
Group	−3.4%	−9.5%	−13.0%	3.2%	−5.4%	−4.6%	1.7%	48.7%	24.0%	17.8%	9.3%	5.6%
Total	−3.4%	−9.5%	−13.0%	3.2%	−5.4%	−4.6%	1.7%	48.7%	24.0%	17.8%	9.3%	5.6%

EBIT, EURm	2025Q1	2025Q2	2025Q3	2025Q4	2025	2026Q1E	2026Q2E	2026Q3E	2026Q4E	2026E	2027E	2028E
Group	0.7	0.7	1.4	24.7	27.5	0.4	1.7	2.9	5.0	10.0	20.8	28.2
Total	0.7	0.7	1.4	24.7	27.5	0.4	1.7	2.9	5.0	10.0	20.8	28.2

EBIT margin %	2025Q1	2025Q2	2025Q3	2025Q4	2025	2026Q1E	2026Q2E	2026Q3E	2026Q4E	2026E	2027E	2028E
Group	0.4%	0.4%	0.9%	11.4%	3.9%	0.3%	1.0%	1.2%	1.9%	1.2%	2.3%	2.9%
Total	0.4%	0.4%	0.9%	11.4%	3.9%	0.3%	1.0%	1.2%	1.9%	1.2%	2.3%	2.9%

INCOME STATEMENT, EURm	2021	2022	2023	2024	2025	2026E	2027E	2028E
Sales	932.5	770.1	610.1	745.9	705.6	830.9	908.2	959.1
Sales growth (%)	-4.4%	-17.4%	-20.8%	22.3%	-5.4%	17.8%	9.3%	5.6%
EBITDA	4.5	-67.0	-1.2	21.6	33.7	15.6	26.4	34.1
EBITDA margin (%)	0.5%	-8.7%	-0.2%	2.9%	4.8%	1.9%	2.9%	3.6%
Depreciation	-6.3	-9.3	-5.6	-9.6	-6.2	-5.6	-5.6	-5.9
EBITA	-1.8	-76.3	-6.8	12.0	27.5	10.0	20.8	28.2
Goodwill amortization / writedown								
EBIT	-1.8	-76.3	-6.8	12.0	27.5	10.0	20.8	28.2
EBIT margin (%)	-0.2%	-9.9%	-1.1%	1.6%	3.9%	1.2%	2.3%	2.9%
Reported EBIT	-1.8	-76.3	-6.8	12.0	27.5	10.0	20.8	28.2
EBIT margin (reported) (%)	-0.2%	-9.9%	-1.1%	1.6%	3.9%	1.2%	2.3%	2.9%
Net financials	-18.6	-2.7	-9.0	-6.3	-8.2	-8.0	-9.0	-8.7
Pre-tax profit	-20.4	-79.0	-15.8	5.7	19.3	2.0	11.8	19.5
Taxes	0.5	-6.6	0.7	-0.4	-4.0	-0.4	-2.4	-3.9
Minority shares								
Net profit	-21.4	-85.7	-15.4	5.3	15.3	1.6	9.5	15.6
Cash NRIs								
Non-cash NRIs								
BALANCE SHEET, EURm								
Assets								
Fixed assets	122	15	18	18	12	12	13	13
Goodwill	2	2	2	2	2	2	2	2
Right of use assets	82	84	96	91	101	101	100	100
Inventory	227	163	157	167	192	191	218	235
Receivables	143	103	89	96	55	106	116	123
Liquid funds	68	45	40	41	104	66	54	52
Total assets	686	448	439	451	498	512	537	558
Liabilities								
Shareholders' equity	150	113	105	113	120	122	131	144
Minority interest								
Convertibles	15	34	34	34	46	22	22	22
Lease liabilities	89	92	106	106	116	111	110	110
Deferred taxes	1	1	0	0	0	0	0	0
Interest bearing debt	149	34	33	31	44	49	45	39
Non-interest bearing current liabilities	243	148	138	154	154	191	211	225
Other interest-free debt	15	7	3	3	9	9	9	9
Total liabilities	686	449	439	451	498	512	537	558
CASH FLOW, EURm								
+ EBITDA	5	-67	-1	22	34	16	26	34
- Net financial items	-19	-3	-9	-6	-8	-8	-9	-9
- Taxes	-2	-2	0	0	-1	0	-2	-4
- Increase in Net Working Capital	98	11	9	-2	17	-14	-17	-9
+/- Other	-13	50	0	5				
= Cash flow from operations	69	-10	-2	19	41	-7	-2	12
- Capex	45	-58	-19	-5	-21	-6	-6	-6
- Acquisitions								
+ Divestments					9			
= Free cash flow	114	-68	-21	14	30	-12	-7	7
+/- New issues/buybacks	5	49	8	3	-9			
- Paid dividend							3	8
+/- Other	-148	-4	8	-16	42	-25	-5	-6
Change in cash	-29	-23	-6	1	63	-37	-12	-3

KEY FIGURES	2022	2023	2024	2025	2026E	2027E	2028E
M-cap	65	67	84	73	92	92	92
Net debt (excl. convertibles)	80	99	96	57	93	101	97
Enterprise value	178	200	214	175	207	215	211
Sales	770	610	746	706	831	908	959
EBITDA	-67	-1	22	34	16	26	34
EBIT	-76	-7	12	28	10	21	28
Pre-tax	-79	-16	6	19	2	12	19
Earnings	-86	-15	5	15	2	9	16
Equity book value (excl. minorities)	113	105	113	120	122	131	144

Valuation multiple	2022	2023	2024	2025	2026E	2027E	2028E
EV/Sales	0.2	0.3	0.3	0.2	0.2	0.2	0.2
EV/EBITDA	-2.7	-173.7	9.9	5.2	13.3	8.1	6.2
EV/EBITA	-2.3	-29.6	17.8	6.4	20.7	10.3	7.5
EV/EBIT	-2.3	-29.6	17.8	6.4	20.7	10.3	7.5
EV/OCF	-17.7	-105.2	11.3	4.2	-31.2	-132.4	17.3
EV/FCF	-3.2	-558.8	15.7	3.2	-80.2	64.1	12.4
P/FCFR	-1.0	-3.2	6.2	2.4	-7.4	-12.5	14.1
P/E	-0.8	-4.4	15.8	4.7	57.4	9.7	5.9
P/BV	0.6	0.6	0.7	0.6	0.8	0.7	0.6
Target EV/EBITDA					13.2	8.0	6.1
Target EV/EBIT					20.5	10.2	7.4
Target EV/FCFF					-16.4	-29.0	31.9
Target P/BV					0.7	0.7	0.6
Target P/E, diluted					56.1	9.5	5.8

Per share measures	2022	2023	2024	2025	2026E	2027E	2028E
Number of shares (million)	16.98	16.98	16.94	16.96	16.96	16.96	16.96
Number of shares (diluted, million)	16.98	16.98	16.94	16.96	16.96	16.96	16.96
EPS	-5.05	-0.90	0.31	0.90	0.09	0.56	0.92
Operating cash flow per share	-0.59	-0.11	1.11	2.44	-0.39	-0.10	0.72
Free cash flow per share	-3.99	-1.24	0.81	1.75	-0.74	-0.43	0.39
Book value per share	6.64	6.20	6.70	7.07	7.17	7.73	8.48
Dividend per share						0.17	0.46
Dividend payout ratio, %						30.0%	50.0%
Dividend yield, %						3.1%	8.5%
FCF yield, %	-105.1%	-31.4%	16.2%	41.0%	-13.6%	-8.0%	7.1%

Efficiency measures	2022	2023	2024	2025	2026E	2027E	2028E
ROE	-65.3%	-14.1%	4.9%	13.1%	1.3%	7.5%	11.3%
ROCE	-21.4%	-2.5%	4.3%	9.0%	3.2%	6.8%	9.0%

Financial ratios	2022	2023	2024	2025	2026E	2027E	2028E
Inventories as % of sales	21.1%	25.8%	22.4%	27.2%	23.0%	24.0%	24.5%
Receivables as % of sales	13.3%	14.5%	12.8%	7.7%	12.8%	12.8%	12.8%
Non-int. bearing liabilities as % of sales	19.2%	22.7%	20.6%	21.8%	23.0%	23.3%	23.5%
NWC/sales, %	15.1%	17.6%	14.6%	13.1%	12.8%	13.6%	13.8%
Operative CAPEX/Sales, %	7.5%	3.1%	0.7%	2.9%	0.7%	0.6%	0.6%
CAPEX/sales (incl. acquisitions), %	7.5%	3.1%	0.7%	2.9%	0.7%	0.6%	0.6%
FCFF/EBITDA	0.8	0.3	0.6	1.6	-0.2	0.1	0.5
Net Debt/EBITDA, book-weighted	-1.2	-86.3	4.5	1.7	6.0	3.8	2.8
Debt/equity, market-weighted	0.5	0.5	0.4	0.6	0.5	0.5	0.4
Equity ratio, book-weighted	0.4	0.4	0.4	0.4	0.3	0.3	0.4
Gearing, %	55.0%	71.6%	65.6%	34.2%	65.0%	65.7%	58.5%

COMPANY DESCRIPTION: SRV is a Finnish project management contractor that develops and builds commercial and business premises, residential units as well as infrastructure and logistics projects.

INVESTMENT CASE: SRV's road has been bumpy in the past few years and earnings have been weak despite good demand. The current slower residential construction market presents challenges yet several factors support the company including a healthy balance sheet, low amount of unsold developer contracted units and a solid backlog of lower–risk business construction projects. With the revised strategy, SRV aims towards sustainable profitability driven by increasing the share accounted for by housing construction and especially by housing and business premises construction based on in–house project development in a controlled manner.

OWNERSHIP STRUCTURE	SHARES	EURm	%
As Pontos Baltic	2 877 709	15.597	17.0 %
Ilmarinen Mutual Pension Insurance Company	1 942 246	10.527	11.5 %
Kolpi Investments Oy	1 446 353	7.839	8.5 %
Havu Capital Oy	957 562	5.190	5.6 %
OP Life Assurance Company Ltd	767 083	4.158	4.5 %
Tungelin Investments Oy	654 055	3.545	3.9 %
Lareale Investments Oy	654 055	3.545	3.9 %
Varma Mutual Pension Insurance Company	483 611	2.621	2.9 %
Pohjola Insurance Ltd	394 650	2.139	2.3 %
Nordea Life Assurance Finland Ltd.	393 207	2.131	2.3 %
Ten largest	10 570 531	57.292	62.3 %
Residual	6 392 240	34.646	37.7 %
Total	16 962 771	91.938	100%

EARNINGS CALENDAR

May 07, 2026	Q1 report
August 06, 2026	Q2 report
October 22, 2026	Q3 report

OTHER EVENTS

COMPANY MISCELLANEOUS

CEO: Saku Sipola	Tarvonsalmenkatu 15, Espoo
CFO: Jarkko Rantala	Tel: +358 20 145 5200
IR:	

DEFINITIONS

P/E Price per share / Earnings per share	**EPS** Profit before extraord. items and taxes – income taxes + minority interest / Number of shares
P/BV Price per share / Shareholder's equity + 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 Enterprise value / Sales	**FCF yield, %** Free cash flow / Market cap
EV/EBITDA Enterprise value / Earnings before interest, tax, depreciation and amortization	**Operative CAPEX / Sales** Capital expenditure – divestments – acquisitions / Sales
EV/EBIT Enterprise value / Operating profit	**Net working capital** Current assets – current liabilities
Net debt Interest bearing debt – financial assets	**Capital employed / Share** Total assets – non-interest bearing debt / Number of shares
Total assets Balance sheet total	**Gearing** Net debt / Equity
Div yield, % Dividend per share / Price per share	**Debt/Equity, %** Interest bearing debt / Shareholders' equity + minority interest + taxed provisions
Payout ratio, % Total dividends / Earnings before extraordinary items and taxes – income taxes + minority interest	**Equity ratio, %** Shareholders' equity + minority interest + taxed provisions / Total assets – interest-free loans
ROCE, % Profit before extraordinary items + interest expenses + other financial costs / Balance sheet total – non-interest bearing debt (average)	**CAGR, %** Cumulative annual growth rate = Average growth rate per year
ROE, % Profit before extraordinary items and taxes – income taxes / Shareholders' equity + minority interest + taxed provisions (average)	

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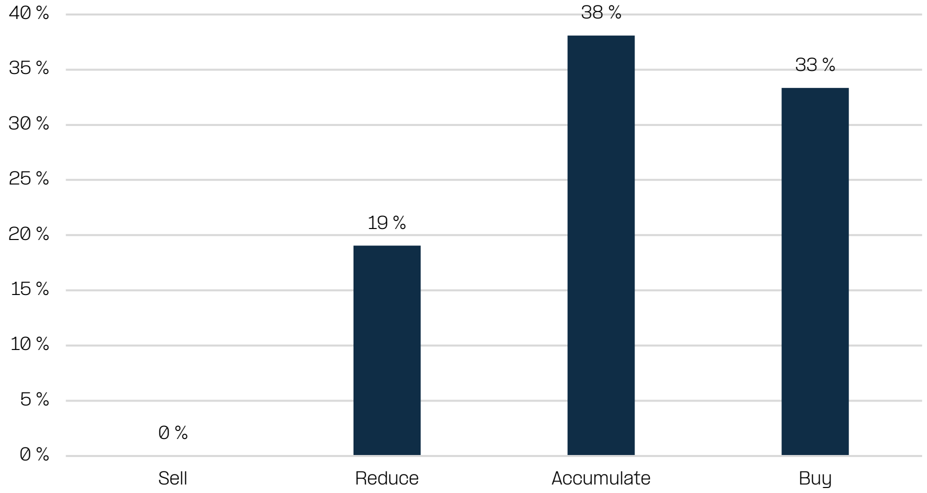
Investment recommendations are defined as follows:

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

ERP may temporarily suspend the rating and, if applicable, the target price to comply with regulations and/or firm policies, in which case a NOT RATED classification is used.

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 16th of May, 2025. If recommendation is not given, it is not mentioned here.

Name(s) of the analyst(s): Jerker Salokivi

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