

Potential leans on earnings growth

Neo Industrial's operative figures from the Q4-report were already known due to the preliminary information provided, but the bottom lines of the report contained a positive surprise. We reiterate our earlier target price of EUR 6.0, however, with the stock price decline, we upgrade our recommendation to Accumulate (was: Reduce). As the profit growth is realising, we see room for improvement in the valuation.

Operatively in line, bottom lines a positive surprise

During the last quarter, Neo Industrial achieved earnings of MEUR 1.16 from a turnover of MEUR 26 (EBIT-% 4.5). This was in line with expectations pursuant to the preliminary information. The company lowered its guidance in January based on raw material prices increasing faster than selling prices as well as exchange rate changes. Seasonally, the business is strongest during Q2 and Q3, which is why the company is focusing on exports particularly during weaker quarters. Therefore, the decline of SEK and NOK had an effect on the profitability of Q4, since the company's expenses are in euros. On the bottom lines, finance costs were down from the corresponding period and below our expectations. Furthermore, the company utilised more losses from previous years in taxation, bringing the total tax rate below our expectations. EPS exceeded our expectations fairly clearly, being at EUR 0.51 for the year (est. EUR 0.41).

Balance sheet stronger than expected, dividends above our expectations

The company doubled its distribution of assets from last year and is paying EUR 0.08 in dividend for the year 2017, exceeding our dividend forecast of EUR 0.06. The company's financial position provides good prerequisites for this, as its balance sheet has strengthened even faster than expected. At the end of 2017, the company's equity ratio was 30.4% and the net gearing ratio was 61.2% (IAS 19 adjusted figures); clearly stronger y-o-y. In our opinion, the figures are at a fairly reasonable level and the company's risk profile has clearly decreased in recent years with the strengthening of the financial position, which supports the acceptable valuation multiples.

We made minor forecast adjustments

The company's guidance provided with the preliminary information stated that turnover for the current year will grow and EBIT will clearly grow from 2017. In our opinion, the current market situation allows the company to achieve this. Following the report, we made some minor positive forecast adjustments for the current year; however, as a whole the operating result forecast only increased by 2%. For 2018, we are expecting a turnover of MEUR 114 and earnings of MEUR 5.5. However, due to the seasonal nature of the business, the focus is especially on the Q2 numbers where the company should show a clear improvement over the corresponding period.

Valuation is reasonable

The overall valuation for Neo Industrial is reasonable, as its P/E ratio for 2018 is 10x and the corresponding EV/EBITDA ratio is 5x. Due to the high volatility of the earnings, we find that requiring a higher than average safety margin for the valuation is justified, which in turn reduces the acceptable multiples. Therefore, we do not see significant upside in the valuation multiples, which means that the share price increase potential depends on the realisation of the earnings increase. Our target price reflects a P/E ratio of 11x and an EV/EBITDA ratio of approx. 5.5x, which we find are justified for this company. We also note that the valuation is not supported by dividend yield (forecast for 2018-2020 1.7-2.0%), which means that the valuation will not withstand disappointing earnings; this also gives cause to prudence to some extent.

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Recommendation

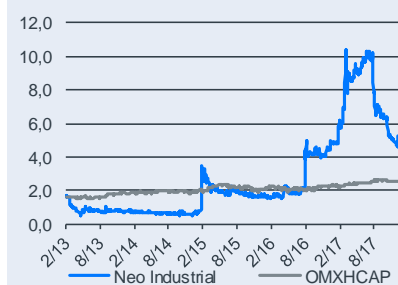
Accumulate



Previous: Reduce

Target price 6.00 EUR

Previous: 6.00



Source: Reuters

Last close **5,48 EUR**

12 month range **4,57 - 11,2 EUR**

Potential **9,5 %**

Guidance

Sales of 2018 is expected to grow and EBIT will grow significantly from 2017 level.

Guidance change: **New guidance**

Key figures

	Net sales	EBIT	EBIT-%	Pre-tax profit	EPS	DPS	EV/S	EV/EBITDA	EV/EBIT	P/E	Div. Yield
	MEUR	MEUR	%	MEUR	EUR	EUR	(x)	(x)	(x)	(x)	%
2016	101	5,9	5,8 %	4,0	0,55	0,04	0,4	5,1	6,9	8,8	0,8 %
2017	111	5,1	4,6 %	3,4	0,51	0,08	0,3	5,2	7,4	9,8	1,6 %
2018e	114	5,5	4,9 %	3,8	0,55	0,10	0,3	5,0	6,9	10,0	1,8 %
2019e	116	5,3	4,6 %	3,7	0,53	0,11	0,3	4,8	6,7	10,3	2,0 %
2020e	117	5,5	4,7 %	3,9	0,56	0,12	0,3	4,4	6,1	9,8	2,2 %
MCAP, MEUR			33	Equity/share 2018e, EUR			2,27	CAGR EPS, 2017-2020, %			3 %
Net debt 2018e, MEUR			6	P/B 2018e			2,4	CAGR growth, 2017-2020, %			2 %
EV, MEUR			38	Gearing 2018e, %			42,7 %	ROE 2018e, %			27,0 %
Balance sheet total 2018e,			47	Equity ratio 2018e, %			28,5 %	ROCE 2018e, %			25,2 %

Operatively in line, bottom lines a positive surprise

Strong sales growth continued

Neo Industrial's turnover was down by approximately 1% from the corresponding period whereas a decline of 4% was expected. This is explained by a minor difference between the advance information and actual figures, since our forecasts were based on the advance information. However, the difference is not significant as the absolute figures are very small. The company's earnings grew by approx. 10% for the full year, which is indicative of clearly increased volumes and gradually increasing selling prices. Furthermore, the company had excellent success in its export efforts particularly during the first quarter, which strongly supported growth for the full year.

EBIT for the final quarter was also very well in line with the advance information, amounting to MEUR 1.16. Thereby, the actual EBIT margin for Q4'17 was 4.5%. This reflects the situation on the market where the increases in raw material costs are ahead of increases in selling prices, which in turn has a negative effect on profitability. The development was similar during the full year of 2017. This is also typical of the entire industry and there is no reason to expect that it will change under similar market conditions.

Financial position clearly stronger

Neo Industrial's finance costs during Q4 were slightly lower than expected and, together with a low tax rate (tax rate for 2017: 10.5%) they resulted in higher than expected earnings per share. The company can utilise losses from previous years in taxation, which will lower its tax rate. According to our estimate, some MEUR 10 in such confirmed losses remain, which means that the company will not be paying normalized corporate taxes in the near future.

The positive earnings development has clearly strengthened the company's balance sheet during the past year; at the end of 2017, the company's equity ratio was 28.2% and the net gearing ratio was 74.4%, respectively. The company manages the pension fund for its employees by itself, which is also reflected on the figures in the balance sheet. Adjusted for IAS 19, the corresponding figures are 30.4% (equity ratio) and 61.2% (net gearing ratio). Overall, the company's financial position is on much firmer ground than before, which lowers the company's risk profile and supports acceptable valuation multiples. We are also expecting the company's balance sheet to strengthen even more in the coming years following earnings development pursuant to our forecasts.

Estimates MEUR / EUR	Q4'16	Q4'17	Q4'17	Q4'17	Consensus		Difference (%)	2017
	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. Inderes	Actual
Net sales	26,2	26	25,1				4 %	111
EBITDA			1,8					7,2
EBIT (exc. NRIs)	1,0	1,2	1,1				5 %	5,1
EPS (excl. NRIs)			0,10					0,51
Dividend	0,04	0,08	0,06				33 %	0,08
Net sales growth-%	18,5 %	-0,8 %	-4,2 %				3,4 %-yks.	9,8 %
EBIT-% (adjusted)	3,8 %	4,5 %	4,4 %				0,1 %-yks.	4,6 %

Source: Inderes

We made minor forecast adjustments

The earnings forecast for the current year was up by 2%

Neo Industrial's guidance indicates that its turnover for 2018 will increase and EBIT will grow substantially year-over-year. This was already known to us based on the guidance provided with the preliminary information; however, we made small adjustments in the forecasts for the current year following the report, and our forecast for EBIT in 2018 was up by 2%. For 2018, we are now expecting EBIT of MEUR 5.5 from a turnover of MEUR 114.

According to our estimate, Neo Industrial's Q1 earnings will be behind the level of the corresponding period, since the period was exceptionally strong due to excellent exports, among other things. However, the company's earnings expectations will be focused on the second quarter and avoiding a repeat of the challenges faced during Q2/2017. In Q2'17, the load on the company's factories suffered significantly as substantial orders were postponed to a later date by the client and this made profitability weak during a critical quarter. We estimate that the company's management will take this into consideration, since we understand that the company has similar, substantial orders scheduled to take place at a similar time during the current year. Our forecasts are based on the assumption that similar challenges will not be repeated this year and the company's factories will have a high load factor throughout the year. Therefore, based on a good market situation and a calm period in the increase in raw material costs, it is our opinion that the company is in a position to clearly increase its EBIT. However, should the order/delivery challenges from last year be repeated, this would cause a clear need to adjust our estimates downward.

We expect the company to utilise losses from previous years in its taxation similarly to 2017 and, therefore, our forecast for the corporation tax rate is clearly below the normal level. However, forecasting such matters is challenging in the short term and we believe they should be tracked beyond the quarter level. The positive surprise in terms of dividends made us increase our dividend forecast for the coming years. We expect dividends to remain on an upward curve in the coming years and anticipate a dividend of EUR 0.10 for next year.

High uncertainty in the longer term

When looking into 2019, the uncertainty concerning the forecasts is high, which is based on the outlook of the construction market, in particular. Although the market is strong at present, some signs of reduced activity are already present. According to our estimate, a clear downturn in construction would also have a clear effect on Neo Industrial's turnover and earnings. However, confidence is increased by the recently communicated significant orders for the years 2018 and 2019. Furthermore, we expect ground cabling to continue to advance in the coming years, which will keep demand high for certain cable types and support the outlook. For 2019, we are now expecting earnings of MEUR 5.3 from a turnover of MEUR 116.

Estimate revisions	2017e	2017	Change	2018e	2018e	Change	2019e	2019e	Change
MEUR / EUR	Old	Actual	%	Old	New	%	Old	New	%
Net sales	110	111	1 %	113	114	1 %	113	116	2 %
EBITDA	7,3	7,2	-1 %	7,5	7,7	4 %	7,3	7,5	3 %
EBIT (exc. NRIs)	5,0	5,1	1 %	5,4	5,5	2 %	5,2	5,3	2 %
EBIT	5,0	5,1	1 %	5,4	5,5	2 %	5,2	5,3	2 %
PTP	2,9	3,4	17 %	3,5	3,8	11 %	3,3	3,7	13 %
EPS (excl. NRIs)	0,41	0,51	23 %	0,49	0,55	11 %	0,48	0,53	12 %
DPS	0,06	0,08	33 %	0,08	0,10	25 %	0,09	0,11	22 %

Source: Inderes

Valuation is reasonable

Room for increase requires realised earnings growth

In our opinion, the absolute valuation for Neo Industrial is already reasonable, as its P/E ratio for the current year is 10x and the corresponding EV/EBITDA ratio is 5x. We find that the acceptable multiples for the company are P/E 10-12x and EV/EBITDA 5-6x. Due to the strong seasonal nature of the company's earnings, the full year results are particularly dependent on the success of Q2, which increases the risk profile related to the forecasts. We find it justified to compensate for this with a higher earnings requirement, which can also be seen in the low acceptable valuation multiples compared to the rest of the stock exchange.

Other valuation methods also support moderate room for increase

Relatively speaking, Neo Industrial is valued on an earnings basis with a discount of over 25% compared to the reference group. Absolutely, the multiples for the reference group are fairly

neutral in our opinion, and we find that Neo Industrial should be priced at a discount compared to this level due to its substantially smaller size and volatile earnings. However, we find that a discount of over 25% is too wide and, therefore, the relative discount supports our view of a moderate room for increase. The value of EUR 6.07 per share indicated by our cashflow model also supports this view.

However, we wish to note that this valuation is not supported by the dividend yield that will remain low in the coming years (forecast for 2018-2020: 1.8-2.2%) and we do not see a significant room for increase in the valuation multiples. Therefore, the expected yield for the share is based on earnings growth pursuant to our forecasts, where the seasonally stronger Q2 and Q3 quarters are critical. Dependence on these quarters also increases the risk profile for the investment, which we find is essential for the investors to consider.

Company	Share price	MCAP	EV	EV/EBIT		EV/EBITDA		EV/Sales		P/E		Dividend yield-%		P/B
		MEUR	MEUR	2018e	2019e	2018e	2019e	2018e	2019e	2018e	2019e	2018e	2019e	2018e
Neo Industrial	5,48	33	42	9,8	9,4	7,0	6,7	0,4	0,4	11,5	11,7	1,4	1,6	2,6
Prysmian	26,24	5807	7087	11,2	9,4	8,6	7,5	0,8	0,8	14,5	12,3	2,0	2,3	3,0
Nexans SA	45,08	2050	2507	8,5	7,7	5,7	5,1	0,5	0,5	12,7	10,9	1,8	2,2	1,3
Leoni AG	54,06	1776	2277	11,8	10,5	6,7	6,2	0,5	0,5	12,1	10,6	2,7	3,1	1,6
NKT	237,40	860	1594	22,0	11,5	9,0	6,4	0,8	0,7	21,8	11,9	1,2	2,7	0,9
Neo Industrial (Inderes)	5,48	33	38	6,9	6,7	5,0	4,8	0,3	0,3	10,0	10,3	1,8	2,0	2,4
Average				12,7	9,7	7,4	6,4	0,6	0,6	14,5	11,5	1,8	2,4	1,9
Median				11,2	9,4	7,0	6,4	0,5	0,5	12,7	11,7	1,8	2,3	1,6
Premium/discount -% vs. median				-38 %	-28 %	-29 %	-25 %	-37 %	-39 %	-21 %	-12 %	0 %	-14 %	53 %

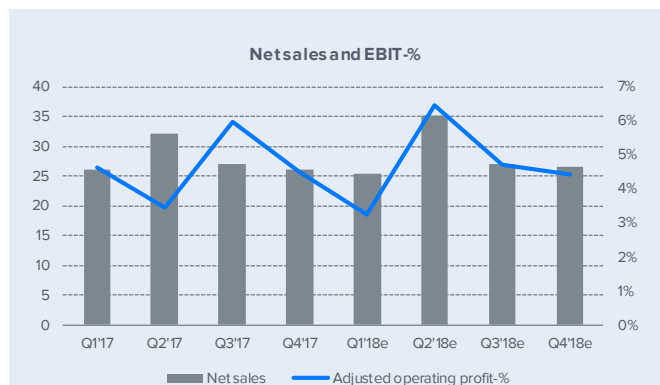
Source: Reuters / Inderes. Notification: Inderes' does not include treasury shares

Income statement and quarterly estimates

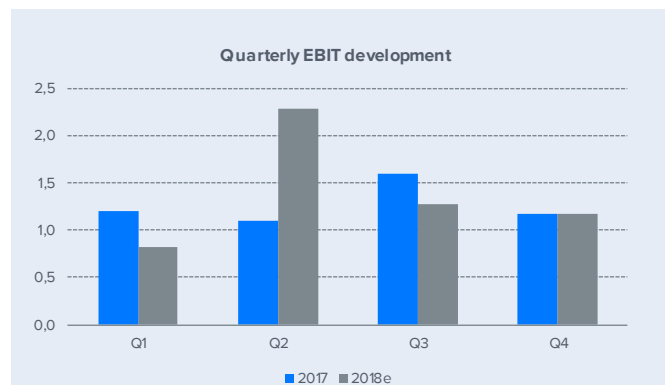
Quarterly earnings	2016	Q1'17	Q2'17	Q3'17	Q4'17	2017	Q1'18e	Q2'18e	Q3'18e	Q4'18e	2018e	2019e	2020e
Net sales	101,0	26,0	32,0	26,9	26,0	110,9	25,5	35,2	26,9	26,5	114,1	115,8	116,9
<i>Cable unit</i>	<i>101,0</i>	<i>26,0</i>	<i>32,0</i>	<i>26,9</i>	<i>26,0</i>	<i>110,9</i>	<i>25,5</i>	<i>35,2</i>	<i>26,9</i>	<i>26,5</i>	<i>114,1</i>	<i>115,8</i>	<i>116,9</i>
EBITDA	8,0	1,7	1,7	2,2	1,7	7,2	1,4	2,8	1,8	1,7	7,7	7,5	7,6
Depreciation	-2,1	-0,5	-0,6	-0,6	-0,5	-2,2	-0,6	-0,6	-0,6	-0,6	-2,2	-2,2	-2,1
EBIT (excl. NRI)	5,9	1,2	1,1	1,6	1,2	5,1	0,8	2,3	1,3	1,2	5,5	5,3	5,5
EBIT	5,9	1,2	1,1	1,6	1,2	5,1	0,8	2,3	1,3	1,2	5,5	5,3	5,5
<i>Cable unit</i>	<i>5,9</i>	<i>1,2</i>	<i>1,1</i>	<i>1,6</i>	<i>1,2</i>	<i>5,1</i>	<i>0,8</i>	<i>2,3</i>	<i>1,3</i>	<i>1,2</i>	<i>5,5</i>	<i>5,3</i>	<i>5,5</i>
Net financial items	-1,9	-0,4	-0,6	-0,4	-0,3	-1,7	-0,4	-0,4	-0,5	-0,5	-1,7	-1,6	-1,6
PTP	4,0	0,8	0,5	1,2	0,9	3,4	0,4	1,9	0,8	0,7	3,8	3,7	3,9
Taxes	-0,7	0,0	-0,1	-0,3	0,1	-0,4	-0,1	-0,3	-0,1	-0,1	-0,6	-0,6	-0,6
Minority 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	3,3	0,8	0,4	0,9	0,9	3,0	0,4	1,6	0,7	0,6	3,3	3,2	3,3
EPS (adj.)	0,55	0,14	0,06	0,15	0,16	0,51	0,06	0,27	0,12	0,10	0,55	0,53	0,56
EPS (rep.)	0,55	0,14	0,06	0,15	0,16	0,51	0,06	0,27	0,12	0,10	0,55	0,53	0,56

Key figures	2016	Q1'17	Q2'17	Q3'17	Q4'17	2017	Q1'18e	Q2'18e	Q3'18e	Q4'18e	2018e	2019e	2020e
Revenue growth-%	19,5 %	0,0 %	-36,2 %	0,0 %	-48,9 %	9,8 %					2,9 %	1,5 %	1,0 %
Adjusted revenue growth-%	-395,8 %		-71,5 %		-42,6 %	-14,1 %	-31,7 %		-20,6 %		9,2 %	-4,0 %	3,4 %
EBITDA-%	7,9 %	6,5 %	5,3 %	8,0 %	6,5 %	6,5 %	5,4 %	8,0 %	6,8 %	6,5 %	6,8 %	6,5 %	6,5 %
Adjusted operating profit-%	5,8 %	4,6 %	3,4 %	5,9 %	4,5 %	4,6 %	3,2 %	6,5 %	4,7 %	4,4 %	4,9 %	4,6 %	4,7 %
Net profit-%	3,3 %	3,2 %	1,2 %	3,4 %	3,6 %	2,7 %	1,4 %	4,5 %	2,6 %	2,3 %	2,9 %	2,7 %	2,8 %

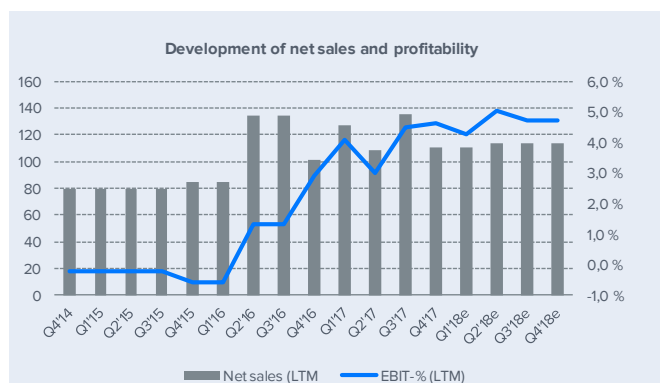
Source: Inderes



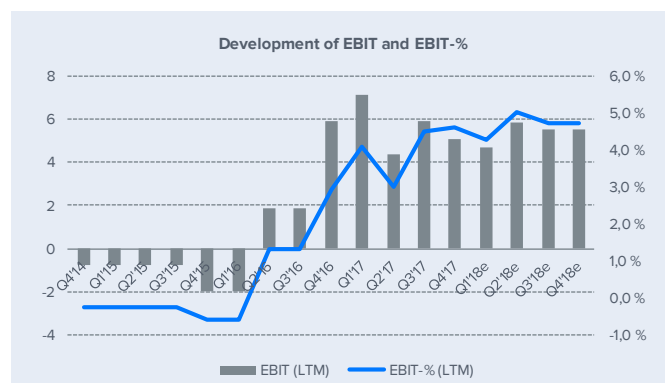
Source: Inderes



Source: Inderes 2016 reporting only on HY and FY level



Source: Inderes

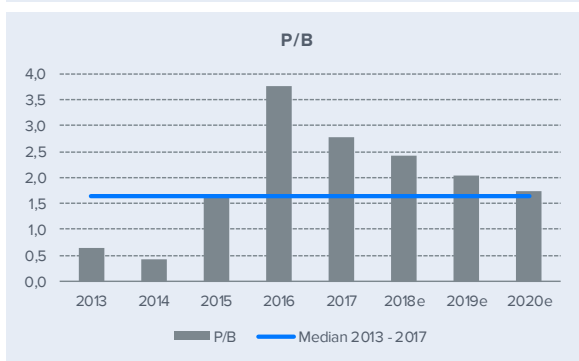
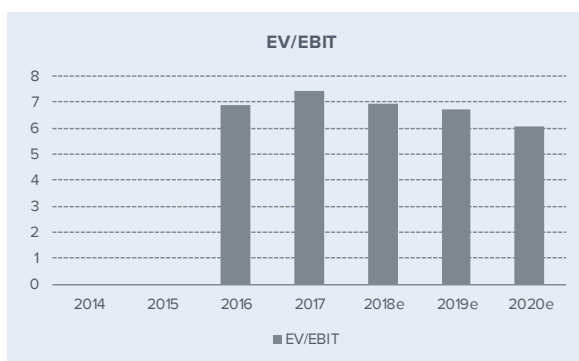
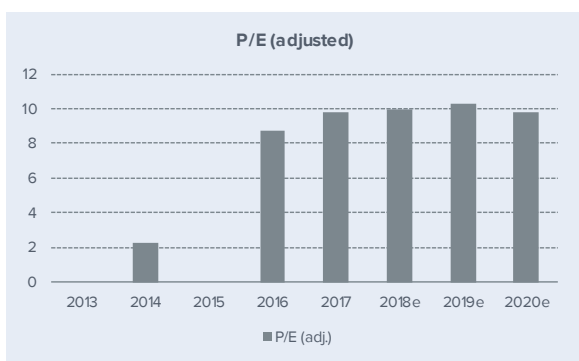


Source: Inderes

Valuation

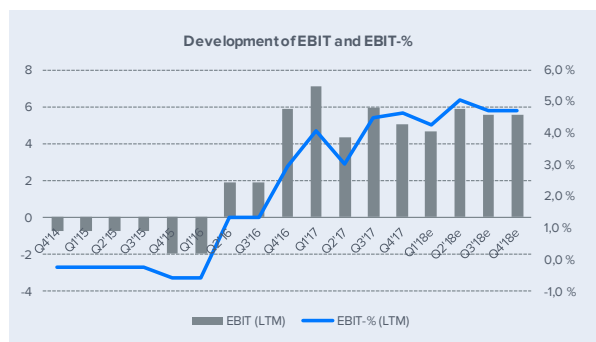
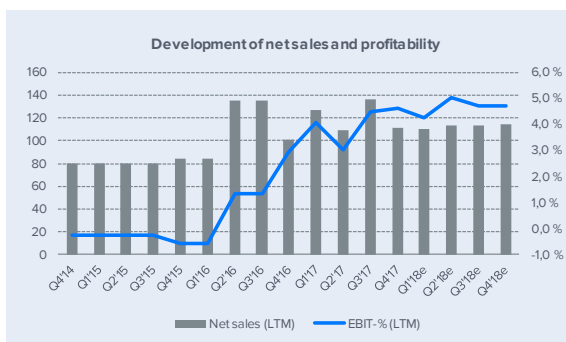
Valuation	2013	2014	2015	2016	2017	2018e	2019e	2020e
Share price	0,80	0,67	1,61	4,85	5,01	5,48	5,48	5,48
MCAP	5	4	10	29	30	33	33	33
EV	30	23	35	41	38	38	36	33
P/E (adj.)	neg.	2,3	neg.	8,8	9,8	10,0	10,3	9,8
P/E	neg.	2,3	neg.	8,8	9,8	10,0	10,3	9,8
P/FCF	0,6	1,2	-2,3	1,6	4,8	7,8	7,2	7,4
P/B	0,6	0,4	1,7	3,8	2,8	2,4	2,0	1,7
P/S	0,1	0,1	0,1	0,3	0,3	0,3	0,3	0,3
EV/S	0,4	0,3	0,4	0,4	0,3	0,3	0,3	0,3
EV/EBITDA	15,8	18,8	neg.	5,1	5,2	5,0	4,8	4,4
EV/EBIT	neg.	neg.	neg.	6,9	7,4	6,9	6,7	6,1
Payout (%)	0,0 %	0,0 %	0,0 %	7,2 %	15,6 %	18,2 %	20,7 %	21,5 %
Dividend yield-%	0,0 %	0,0 %	0,0 %	0,8 %	1,6 %	1,8 %	2,0 %	2,2 %

Source: Inderes



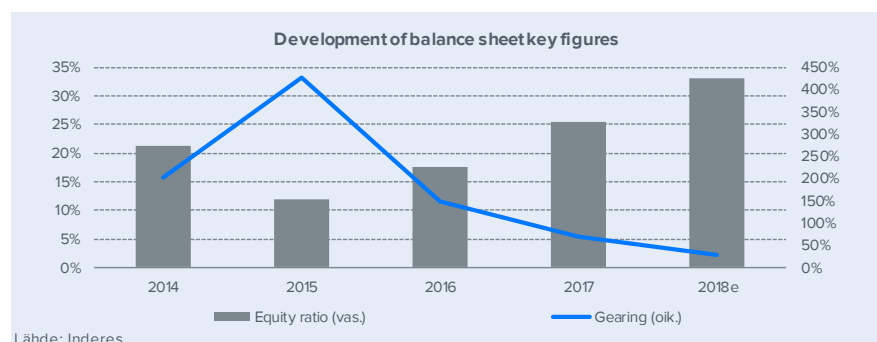
Source: Inderes

Earnings trend (rolling 12 months)



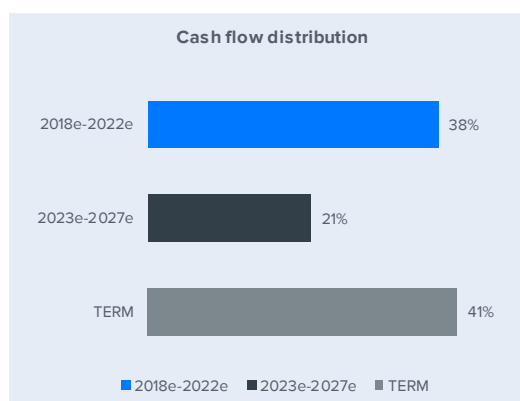
Balance sheet and DCF

Assets (MEUR)	2015	2016	2017	2018e	2019e	Liabilities (MEUR)	2015	2016	2017	2018e	2019e
Non-current assets	20	21	22	22	22	Equity	6	8	11	13	16
Goodwill	3	3	3	3	3	Share capital	24	24	24	24	24
Intangible assets	1	1	2	2	2	Retained earnings	-41	-39	-15	-12	-10
Tangible assets	14	14	14	14	15	Shares repurchased	0	0	0	0	0
Associated companies	0	1	1	1	1	Revaluation reserve	0	0	0	0	0
Other investments	0	0	0	0	0	Other equity	23	23	2	2	2
Other non-current assets	0	0	0	0	0	Minorities	0	0	0	0	0
Deferred tax assets	2	1	1	1	1	Non-current debt	10	15	13	12	12
Current assets	29	23	22	25	27	Deferred tax liabilities	0	0	0	0	1
Inventories	13	16	16	17	17	Provisions	3	3	3	3	3
Other current assets	0	0	0	0	0	Long term debt	6	10	8	7	6
Receivables	15	5	4	4	4	Convertibles	0	0	0	0	0
Cash and equivalents	1	2	2	4	6	Other long term liabilities	1	2	3	3	3
Balance sheet total	49	44	43	47	50	Current debt	34	21	19	21	22
						Short term debt	20	3	2	3	3
						Payables	13	17	17	18	19
						Other current liabilities	0	0	0	0	0
						Balance sheet total	49	44	43	47	50



DCF model (MEUR)	2017	2018e	2019e	2020e	2021e	2022e	2023e	2024e	2025e	2026e	2027e	TERM
EBIT (operating profit)	5,1	5,5	5,3	5,5	5,0	4,9	5,0	5,1	5,2	4,8	4,9	
+ Depreciation	2,2	2,2	2,2	2,1	2,0	2,1	2,1	2,1	2,1	2,2	2,2	
- Paid taxes	-0,2	-0,1	-0,6	-0,6	-0,7	-0,7	-0,7	-0,7	-0,9	-0,9	-0,9	
- Tax, financial expenses	-0,2	-0,3	-0,2	-0,2	-0,1	-0,1	-0,1	-0,1	-0,1	-0,1	-0,1	
+ Tax, financial income	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	
- Change in working capital	1,1	-0,3	0,0	0,0	-0,1	-0,1	-0,1	-0,1	-0,1	-0,1	0,0	
Operating cash flow	7,9	7,1	6,7	6,7	6,2	6,2	6,3	6,4	6,2	6,0	6,1	
+ Change in other long-term liabilities	0,3	0,1	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	
,- Gross CAPEX	-3,0	-2,5	-2,6	-2,3	-1,8	-2,2	-2,3	-2,3	-2,4	-2,5	-2,4	
Free operating cash flow	5,2	4,6	4,1	4,4	4,4	4,0	4,0	4,0	3,9	3,4	3,7	
+/- Other	1,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	
FCFF	6,2	4,6	4,1	4,4	4,4	4,0	4,0	4,0	3,9	3,4	3,7	43,7
Discounted FCFF		4,3	3,4	3,4	3,1	2,6	2,3	2,2	1,9	1,5	1,5	17,9
Sum of FCFF present value		44,1	39,8	36,3	33,1	29,9	27,4	25,0	22,9	21,0	19,4	17,9
Debt free DCF		44,1										
- Interesting bearing debt		-9,8										
+ Cash and equivalents		1,8										
- Minorities		0,0										
- Dividend/capital return		0,0										
Equity value DCF		36,1										
Equity value DCF per share		6,07										

WACC	
Tax-% (WACC)	20,0 %
Target debt ratio (D/(D+E))	25,0 %
Cost of debt	5,0 %
Equity Beta	1,50
Market risk premium	4,75 %
Liquidity premium	1,20 %
Risk free interest rate	3,0 %
Cost of equity	11,3 %
Average cost of capital (WACC)	9,5 %



Summary

Income statement	2015	2016	2017	2018e	2019e
Sales	84,6	101,0	110,9	114,1	115,8
EBITDA	-0,1	8,0	7,2	7,7	7,5
EBITDA-%	-0,1	7,9	6,5	6,8	6,5
EBIT	-2,0	5,9	5,1	5,5	5,3
PTP	-4,0	4,0	3,4	3,8	3,7
Net earnings	-3,7	3,3	3,0	3,3	3,2
Non-recurring items	0,0	0,0	0,0	0,0	0,0

Balance sheet	2015	2016	2017	2018e	2019e
Balance sheet total	49,2	44,2	43,2	47,3	49,6
Equity	5,8	7,7	10,7	13,5	16,0
Goodwill	3,3	3,3	3,3	3,3	3,3
Interest-bearing debt	26,3	13,8	9,8	10,0	9,0

Cash flow	2015	2016	2017	2018e	2019e
EBITDA	-0,1	8,0	7,2	7,7	7,5
Change in NWC	0,3	10,8	1,1	-0,3	0,0
Operating cash flow	0,0	17,9	7,9	6,6	7,2
Free cash flow	-4,2	17,8	6,2	4,2	4,6

Company description

Neo Industrial is an investment company that invests into the manufacturing industry and aims to grow their value through active management. Currently the company's only reported industry is the cable industry.

Share based key figures	2015	2016	2017	2018e	2019e
EPS	-0,62	0,55	0,51	0,55	0,53
EPS (adj.)	-0,62	0,55	0,51	0,55	0,53
Oper. cash flow per share	0,00	2,98	1,33	1,11	1,20
Book value per share	0,97	1,29	1,80	2,27	2,70
Dividend per share	0,00	0,04	0,08	0,10	0,11
Payout ratio (%)	0	7	16	18	21
Dividend yield (%)	0,0	0,8	1,6	1,8	2,0

Key figures	2015	2016	2017	2018e	2019e
P/E	neg.	8,8	9,8	10,0	10,3
P/B	1,7	3,8	2,8	2,4	2,0
P/S	0,1	0,3	0,3	0,3	0,3
P/CF	326,1	1,6	3,8	4,9	4,6
EV/S	0,4	0,4	0,3	0,3	0,3
EV/EBITDA	neg.	5,1	5,2	5,0	4,8
EV/EBIT	neg.	6,9	7,4	6,9	6,7

Largest shareholders

	% of shares
Reka Oy	50,8 %
Kuisla Reima Antero	1,6 %
Neo Industrial Oyj	1,2 %
Skandiska Enskilda Banken AB	1,1 %
Sinkko Erkki	0,6 %
Value Group Oy	0,6 %

Recommendation history, last 12 months

Date	Recommendation	Target price	Share price
9.3.2017	Accumulate	7,80 €	7,13 €
21.3.2017	Sell	7,80 €	9,43 €
26.4.2017	Reduce	8,40 €	8,80 €
4.5.2017	Accumulate	10,50 €	9,19 €
11.8.2017	Reduce	8,00 €	8,41 €
3.10.2017	Reduce	6,50 €	6,53 €
25.10.2017	Reduce	6,00 €	6,11 €
18.12.2017	Reduce	5,00 €	4,77 €
15.1.2018	Reduce	6,00 €	6,38 €
14.2.2018	Accumulate	6,00 €	5,48 €

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Recommendation	Upside potential*
Buy	> 15 %
Accumulate	5 - 15 %
Reduce	-5 - 5 %
Sell	< -5 %

Potential regarding to 12 month target price

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