

Exel Composites

Company report

11/05/2021 07:30



Joonas Korkiakoski
+358 40 182 8660
joonas.korkiakoski@inderes.fi



Antti Viljakainen
+358 44 591 2216
antti.viljakainen@inderes.fi

✓ Inderes Corporate customer

This report is a summary translation of the report "Kasvua ja korjaussarjoja" published on 11/5/2021 at 7:30 am

inde
res.

Growth and repair kits

Yesterday, Exel published its contrasted Q3 report. The company's volume growth remained strong, but major challenges facing the US unit ruined short-term earnings performance. We consider these problems to be temporary, even though there is uncertainty about how long they will take to solve. We see the annual return expectation as adequate and reiterate our Accumulate recommendation. We revise our target price to EUR 8.40 (previous EUR 9.50).

Earnings buried across the pond

In Q3, Exel's revenue grew by 28% to EUR 33.4 million, which quite clearly exceeded our EUR 29.1 million estimate. Of major customer industries, the growth was very strong in Buildings and infrastructure (+ 64%) driven by conductor cores and in Machinery and electrical (+ 46%). The largest of customer industries, i.e., Wind power (+ 10%) returned as expected to good volume growth and of smaller industries both Defense (+ 14%) and Telecommunications (+ 36%) continued to develop following end-use demand. In Q3, Exel only made EUR 0.1 million in adjusted operating profit, which was significantly lower than our expectations. The root cause of significantly lower performance is found directly in the US unit, which suffered from efficiency losses caused by the high-volume product ramp-up of the Wind power sector, as well as new employee availability and turnover challenges. According to our estimates, the unit made a significant loss, as operating result at the Group level and taxes paid in Q3 indicate that other units achieved strong results. The US challenges also led to write-downs of EUR 1.8 million in intangible assets.

Level adjustment

Exel reiterated its guidance for the current year in the Q3 report, but due to the weak development of the US unit, the company gave a more precise numerical range for the rest of the year. For the whole year, the company expects its revenue to be EUR 125-135 million and adjusted operating profit EUR 5.8-7.0 million. Based on this range, we made the necessary adjustments to our estimates for the rest of the year. In line with more detailed comments from management, real development of orders received and various demand drivers in its wide product portfolio, the company's growth outlook continues to seem excellent. Based on this and the company's own structural capabilities, we raised our growth forecast for next year. We now anticipate that the company's revenue will increase 5% to EUR 135 million in 2022. Similarly, reflecting the uncertainties surrounding the actual effects and schedule of improvements in the US unit (e.g. production volume management and mix improvement), we cut off one layer from our earnings expectations for next year. Therefore, in the environment of good volumes and improved overall efficiency, we expect Exel to reach EUR 9.8 million in operating profit next year.

No reason to jump off

Exel's adjusted P/E ratios for 2021 and 2022 based on our estimates are 24x and 14x while the corresponding EV/EBITDA ratios are 12x and 7x. The multiples for this year are high, but when looking at next year, they are at the bottom of the range that we previously assessed as acceptable for Exel. Reflecting this, we don't consider the current valuation too demanding. We believe that the return expectation, which consists of expected earnings growth, about 2% dividend and a small upside in the multiples, is sufficient in relation to the risks. Thus, despite the rough waters that have caused additional concerns, we still see the share worth owning.

Recommendation

Accumulate

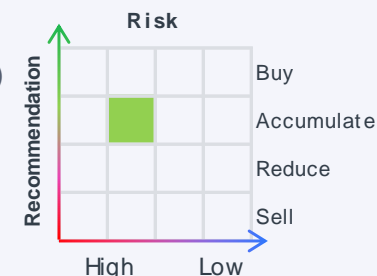
(previous Accumulate)

EUR 8.40

(previous EUR 9.50)

Share price:

7.52



Key figures

	2020	2021e	2022e	2023e
Revenue	109	129	135	140
growth-%	5%	18%	5%	4%
EBIT adj.	9.7	6.5	9.8	11.8
EBIT-% adj.	8.9 %	5.0 %	7.3 %	8.4 %
Net Income	5.4	2.2	6.5	8.0
EPS (adj.)	0.47	0.31	0.55	0.67

P/E (adj.)	15.7	24.2	13.8	11.2
P/B	3.0	3.1	2.7	2.3
Dividend yield-%	2.7 %	2.4 %	3.2 %	3.5 %
EV/EBIT (adj.)	12.3	18.9	12.1	9.6
EV/EBITDA	7.8	12.4	7.4	6.3
EV/S	1.1	1.0	0.9	0.8

Source: Inderes

Guidance

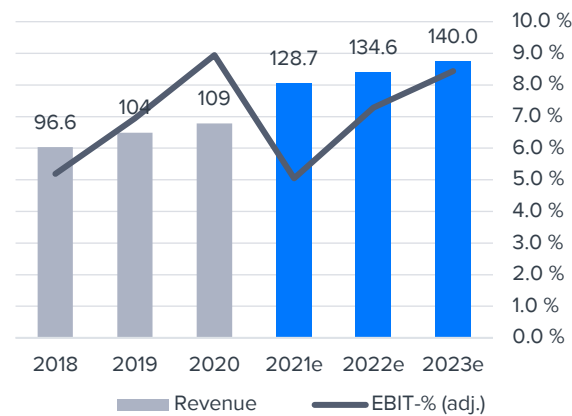
(Adjusted)

Due to the weak development of the US business unit, Exel provides more detailed information about its guidance and estimates that in 2021 its revenue will be EUR 125-135 million and adjusted operating profit will be EUR 5.8-7.0 million.

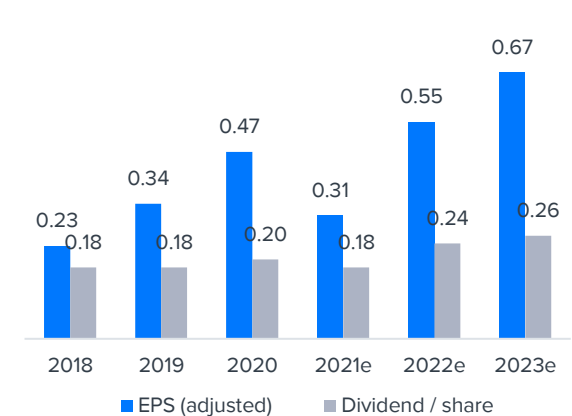
Share price



Revenue and EBIT %



EPS and dividend



Value drivers

- Growing composite market creates a good basis for organic growth
- Still room for improvement in profitability relative to the full potential
- Global structure of production and relative economies of scale
- Boosting growth with acquisitions in the medium term



Risk factors

- Somewhat cyclical and volatile demand
- Relatively fixed cost structure
- Concentrated customer portfolio
- The amount of the debt in the balance sheet limits leeway
- Marginal pressures caused by delivery chain problems and higher material costs in the short term
- Performance concerns of the US unit

Valuation	2021e	2022e	2023e
Share price	7.52	7.52	7.52
Number of shares, millions	11.9	11.9	11.9
Market cap	89	89	89
EV	122	119	113
P/E (adj.)	24.2	13.8	11.2
P/E	41.4	13.8	11.2
P/FCF	neg.	13.5	10.1
P/B	3.1	2.7	2.3
P/S	0.7	0.7	0.6
EV/Sales	1.0	0.9	0.8
EV/EBITDA	12.4	7.4	6.3
EV/EBIT (adj.)	18.9	12.1	9.6
Payout ratio (%)	99.2 %	43.9 %	38.8 %
Dividend yield-%	2.4 %	3.2 %	3.5 %

Source: Inderes

Estimates

Estimates	Q3'20	Q3'21	Q3'21e	Q3'21e	Consensus		Difference (%)	2021e
MEUR / EUR	Comparator	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Inderes
Revenue	26.0	33.4	29.7	30.6	29.7	- 31.8	12%	128.7
EBIT (adj.)	2.0	0.1	1.7	1.7	1.4	- 1.9	-94%	6.5
EBIT	2.0	-1.7	1.7	1.7	1.4	- 1.9	-200%	4.6
EPS (adj.)	0.09	-0.06	0.09	0.08	0.06	- 0.10	-170%	0.31
Revenue growth-%	10.2 %	28.2 %	14.0 %	17.5 %	14.0 %	- 22.1 %	14.2 pp	18.5 %
EBIT-% (adj.)	7.6 %	0.3 %	5.7 %	5.5 %	4.7 %	- 6.0 %	-5.4 pp	5.0 %

Source: Inderes & Infront (consensus)

Estimate revisions	2021e	2021e	Change	2022e	2022e	Change	2023e	2023e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	126	129	3%	131	135	3%	136	140	3%
EBITDA	14.1	9.9	-30%	16.8	16.0	-4%	18.1	18.1	0%
EBIT (exc. NRIs)	8.9	6.5	-27%	10.8	9.8	-10%	12.1	11.8	-2%
EBIT	8.8	4.6	-48%	10.8	9.8	-10%	12.1	11.8	-2%
PTP	8.3	4.7	-44%	9.9	8.9	-10%	11.2	10.9	-3%
EPS (excl. NRIs)	0.52	0.31	-40%	0.64	0.55	-14%	0.72	0.67	-7%
DPS	0.22	0.18	-18%	0.24	0.24	0%	0.26	0.26	0%

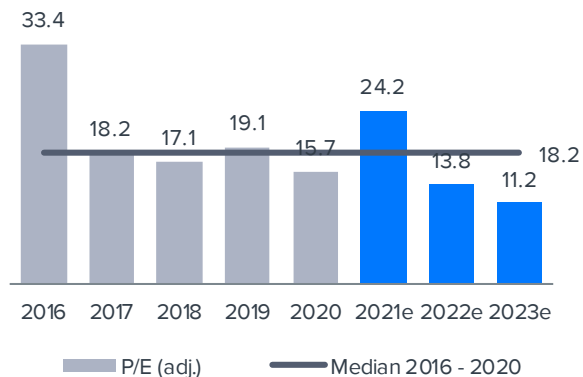
Source: Inderes

Valuation table

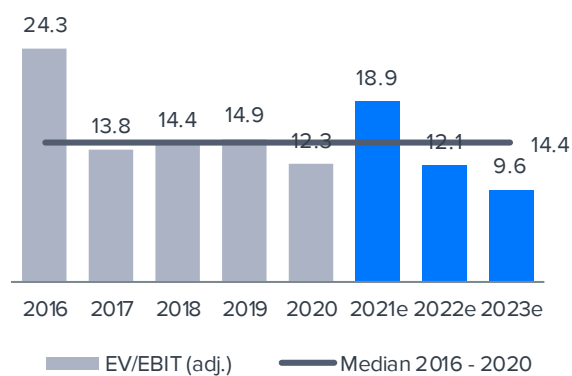
Valuation	2016	2017	2018	2019	2020	2021e	2022e	2023e	2024e
Share price	5.02	6.57	4.00	6.48	7.38	7.52	7.52	7.52	7.52
Number of shares, millions	11.9	11.9	11.9	11.9	11.9	11.9	11.9	11.9	11.9
Market cap	60	78	48	77	88	89	89	89	89
EV	63	87	72	107	119	122	119	113	108
P/E (adj.)	33.4	18.2	17.1	19.1	15.7	24.2	13.8	11.2	9.9
P/E	>100	18.4	>100	32.0	16.4	41.4	13.8	11.2	9.9
P/FCF	48.3	neg.	neg.	20.1	24.2	neg.	13.5	10.1	9.7
P/B	2.2	2.7	1.8	2.9	3.0	3.1	2.7	2.3	2.0
P/S	0.8	0.9	0.5	0.7	0.8	0.7	0.7	0.6	0.6
EV/Sales	0.9	1.0	0.7	1.0	1.1	1.0	0.9	0.8	0.7
EV/EBITDA	16.0	9.3	7.8	10.0	7.8	12.4	7.4	6.3	5.5
EV/EBIT (adj.)	24.3	13.8	14.4	14.9	12.3	18.9	12.1	9.6	8.1
Payout ratio (%)	502.0 %	84.1 %	554.7 %	88.8 %	44.3 %	99.2 %	43.9 %	38.8 %	36.8 %
Dividend yield-%	2.0 %	4.6 %	4.5 %	2.8 %	2.7 %	2.4 %	3.2 %	3.5 %	3.7 %

Source: Inderes

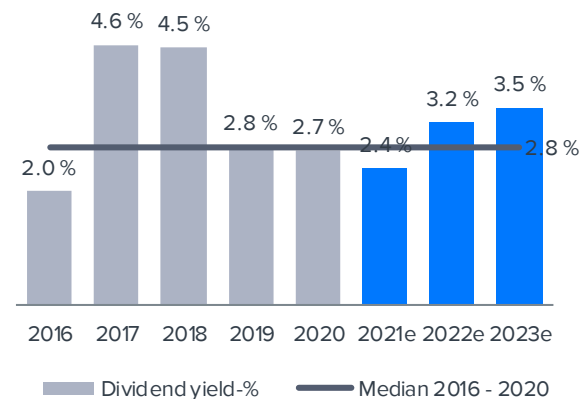
P/E (adj.)



EV/EBIT



Dividend yield-%



Income statement

Income statement	2019	Q1'20	Q2'20	Q3'20	Q4'20	2020	Q1'21	Q2'21	Q3'21	Q4'21e	2021e	2022e	2023e	2024e
Revenue	104	27.8	27.2	26.0	27.5	108.6	31.0	33.5	33.4	30.8	128.7	134.6	140.0	145.6
Group	104	27.8	27.2	26.0	27.5	109	31.0	33.5	33.4	30.8	128.7	134.6	140.0	145.6
Adjustments	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
EBITDA	10.7	3.2	3.8	3.3	4.9	15.3	3.8	3.7	-0.4	2.8	9.9	16.0	18.1	19.5
Depreciation	-5.6	-1.3	-1.0	-1.4	-2.2	-5.9	-1.3	-1.3	-1.3	-1.3	-5.3	-6.2	-6.3	-6.2
EBIT (excl. NRI)	7.2	2.1	2.9	2.0	2.7	9.7	2.5	2.5	0.1	1.5	6.5	9.8	11.8	13.3
EBIT	5.1	1.9	2.8	2.0	2.7	9.4	2.4	2.4	-1.7	1.5	4.6	9.8	11.8	13.3
Adjustments	-2.1	-0.2	-0.1	0.0	0.0	-0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net financial items	-1.2	-0.6	0.2	-0.6	-1.3	-2.3	0.5	-0.5	0.3	-0.2	0.1	-0.9	-0.9	-0.9
PTP	3.9	1.3	3.0	1.3	1.5	7.1	2.9	1.9	-1.4	1.2	4.7	8.9	10.9	12.4
Taxes	-1.5	-0.6	-0.4	-0.3	-0.4	-1.8	-1.0	-0.4	-0.8	-0.3	-2.5	-2.4	-3.0	-3.3
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	0.0
Net earnings	2.4	0.7	2.5	1.1	1.1	5.4	2.0	1.5	-2.2	0.9	2.2	6.5	8.0	9.0
EPS (adj.)	0.34	0.07	0.22	0.09	0.09	0.47	0.17	0.13	-0.06	0.08	0.31	0.55	0.67	0.76
EPS (rep.)	0.20	0.06	0.21	0.09	0.09	0.45	0.17	0.12	-0.19	0.08	0.18	0.55	0.67	0.76

Key figures	2019	Q1'20	Q2'20	Q3'20	Q4'20	2020	Q1'21	Q2'21	Q3'21	Q4'21e	2021e	2022e	2023e	2024e
Revenue growth-%	7.4 %	2.6 %	2.9 %	10.2 %	3.4 %	4.6 %	11.3 %	23.1 %	28.2 %	12.0 %	18.5 %	4.6 %	4.0 %	4.0 %
Adjusted EBIT growth-%	43.5 %	7.4 %	29.2 %	19.4 %	103.7 %	34.9 %	17.0 %	-15.0 %	-94.6 %	-46.2 %	-33.1 %	50.9 %	20.6 %	12.5 %
EBITDA-%	10.3 %	11.5 %	13.9 %	12.8 %	18.0 %	14.1 %	12.1 %	11.0 %	-1.1 %	9.1 %	7.7 %	11.9 %	12.9 %	13.4 %
Adjusted EBIT-%	6.9 %	7.6 %	10.6 %	7.6 %	9.9 %	8.9 %	7.9 %	7.3 %	0.3 %	4.8 %	5.0 %	7.3 %	8.4 %	9.1 %
Net earnings-%	2.3 %	2.5 %	9.3 %	4.1 %	3.9 %	4.9 %	6.4 %	4.4 %	-6.6 %	3.0 %	1.7 %	4.8 %	5.7 %	6.2 %

Source: Inderes

Balance sheet

Assets	2019	2020	2021e	2022e	2023e
Non-current assets	41.6	47.8	46.8	46.6	46.4
Goodwill	13.0	12.6	10.8	10.8	10.8
Intangible assets	4.3	3.9	4.0	4.0	4.1
Tangible assets	22.8	29.4	31.6	31.4	31.1
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	0.0	0.0	0.0	0.0	0.0
Other non-current assets	0.1	0.0	0.1	0.1	0.1
Deferred tax assets	1.4	1.7	0.3	0.3	0.3
Current assets	43.8	49.0	50.8	53.2	57.4
Inventories	16.9	16.2	18.0	18.8	18.9
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	20.0	20.9	23.8	24.9	25.9
Cash and equivalents	6.9	12.0	9.0	9.4	12.6
Balance sheet total	85.4	96.8	97.6	99.8	104

Source: Inderes

Liabilities & equity	2019	2020	2021e	2022e	2023e
Equity	26.3	28.9	29.1	33.5	38.6
Share capital	2.1	2.1	2.1	2.1	2.1
Retained earnings	19.0	22.2	22.0	26.4	31.5
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	5.2	4.5	5.0	5.0	5.0
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	15.6	14.1	23.2	21.5	23.0
Deferred tax liabilities	0.3	0.2	0.2	0.2	0.2
Provisions	0.0	0.0	0.0	0.0	0.0
Long term debt	14.8	12.9	22.5	20.8	22.3
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.6	0.9	0.5	0.5	0.5
Current liabilities	43.4	53.9	45.2	44.7	42.1
Short term debt	22.4	30.3	19.5	17.8	14.1
Payables	21.0	23.6	25.7	26.9	28.0
Other current liabilities	0.0	0.0	0.0	0.0	0.0
Balance sheet total	85.4	96.8	97.6	99.8	104

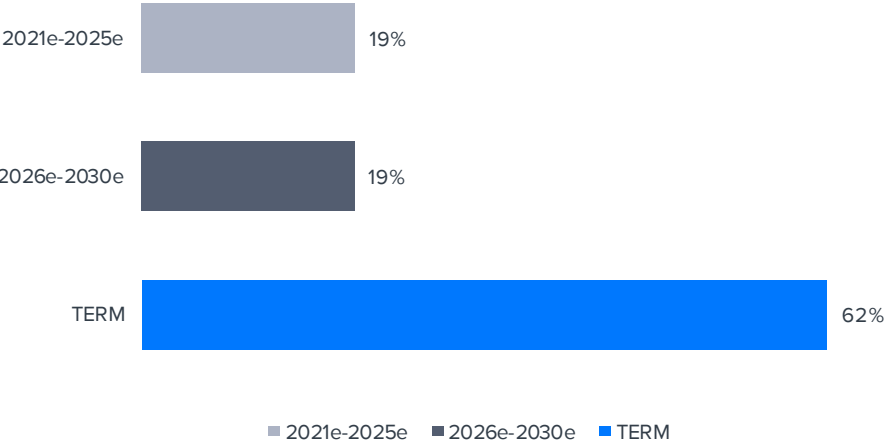
DCF calculation

DCF model	2020	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	TERM
EBIT (operating profit)	9.4	4.6	9.8	11.8	13.3	12.0	12.4	12.7	13.0	13.4	13.6	
+ Depreciation	5.9	5.3	6.2	6.3	6.2	6.2	6.1	6.1	6.1	6.1	6.1	
- Paid taxes	-2.2	-1.1	-2.4	-3.0	-3.3	-2.9	-3.0	-2.8	-3.1	-3.2	-3.3	
- Tax, financial expenses	-0.6	0.0	-0.2	-0.2	-0.2	-0.4	-0.3	-0.2	-0.2	-0.2	-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	2.4	-2.7	-0.7	0.0	-0.7	0.2	-0.5	-0.5	-0.5	-0.5	-0.4	
Operating cash flow	14.9	6.2	12.7	14.9	15.3	15.2	14.6	15.2	15.4	15.6	15.9	
+ Change in other long-term liabilities	0.4	-0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-11.7	-5.8	-6.1	-6.1	-6.1	-6.1	-6.1	-6.1	-6.1	-6.0	-6.2	
Free operating cash flow	3.6	-0.1	6.6	8.9	9.2	9.1	8.6	9.2	9.4	9.6	9.7	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	3.6	-0.1	6.6	8.9	9.2	9.1	8.6	9.2	9.4	9.6	9.7	174
Discounted FCFF		-0.1	6.1	7.6	7.3	6.7	5.9	5.8	5.5	5.3	4.9	88.3
Sum of FCFF present value		143	143	137	130	122	116	110	104	98.5	93.2	88.3
Enterprise value DCF		143										
- Interesting bearing debt		-43.1										
+ Cash and cash equivalents		12.0										
-Minorities		0.0										
-Dividend/capital return		-2.4										
Equity value DCF		110										
Equity value DCF per share		9.2										

Wacc	
Tax-% (WACC)	25.0 %
Target debt ratio (D/(D+E))	25.0 %
Cost of debt	5.0 %
Equity Beta	1.25
Market risk premium	5.00%
Liquidity premium	0.75%
Risk free interest rate	2.0 %
Cost of equity	9.0 %
Weighted average cost of capital (WACC)	7.7 %

Source: Inderes

Cash flow distribution



Summary

Income statement	2018	2019	2020	2021e	2022e	Per share data	2018	2019	2020	2021e	2022e
Revenue	96.6	103.8	108.6	128.7	134.6	EPS (reported)	0.03	0.20	0.45	0.18	0.55
EBITDA	9.3	10.7	15.3	9.9	16.0	EPS (adj.)	0.23	0.34	0.47	0.31	0.55
EBIT	2.2	5.1	9.4	4.6	9.8	OCF / share	-0.11	0.83	1.26	0.52	1.06
PTP	1.7	3.9	7.1	4.7	8.9	FCF / share	-1.03	0.32	0.30	-0.01	0.56
Net Income	0.4	2.4	5.4	2.2	6.5	Book value / share	2.17	2.21	2.43	2.45	2.82
Extraordinary items	-2.8	-2.1	-0.3	-1.9	0.0	Dividend / share	0.18	0.18	0.20	0.18	0.24
Balance sheet	2018	2019	2020	2021e	2022e	Growth and profitability	2018	2019	2020	2021e	2022e
Balance sheet total	74.6	85.4	96.8	97.6	99.8	Revenue growth-%	12%	7%	5%	18%	5%
Equity capital	25.8	26.3	28.9	29.1	33.5	EBITDA growth-%	-1%	15%	43%	-35%	62%
Goodwill	12.8	13.0	12.6	10.8	10.8	EBIT (adj.) growth-%	-20%	44%	35%	-33%	51%
Net debt	24.8	30.2	31.2	33.0	29.2	EPS (adj.) growth-%	-35%	45%	38%	-34%	76%
Cash flow	2018	2019	2020	2021e	2022e	EBITDA-%	9.6 %	10.3 %	14.1 %	7.7 %	11.9 %
EBITDA	9.3	10.7	15.3	9.9	16.0	EBIT (adj.)-%	5.2 %	6.9 %	8.9 %	5.0 %	7.3 %
Change in working capital	-8.8	1.9	2.4	-2.7	-0.7	EBIT-%	2.3 %	4.9 %	8.7 %	3.5 %	7.3 %
Operating cash flow	-1.3	9.9	14.9	6.2	12.7	ROE-%	1.4 %	9.3 %	19.5 %	7.4 %	20.8 %
CAPEX	-10.9	-6.1	-11.7	-5.8	-6.1	ROI-%	4.4 %	8.6 %	13.9 %	6.4 %	13.7 %
Free cash flow	-12.3	3.8	3.6	-0.1	6.6	Equity ratio	34.6 %	30.8 %	29.8 %	29.9 %	33.6 %
Valuation multiples	2018	2019	2020	2021e	2022e	Gearing	96.3 %	114.9 %	107.9 %	113.3 %	87.1 %
EV/S	0.7	1.0	1.1	1.0	0.9						
EV/EBITDA (adj.)	7.8	10.0	7.8	12.4	7.4						
EV/EBIT (adj.)	14.4	14.9	12.3	18.9	12.1						
P/E (adj.)	17.1	19.1	15.7	24.2	13.8						
P/E	1.8	2.9	3.0	3.1	2.7						
Dividend-%	4.5 %	2.8 %	2.7 %	2.4 %	3.2 %						

Source: Inderes

Disclaimer and recommendation history

The information presented in Inderes reports is obtained from several different public sources that Inderes considers to be reliable. Inderes aims to use reliable and comprehensive information, but Inderes does not guarantee the accuracy of the presented information. Any opinions, estimates and forecasts represent the views of the authors. Inderes is not responsible for the content or accuracy of the presented information. Inderes and its employees are also not responsible for the financial outcomes of investment decisions made based on the reports or any direct or indirect damage caused by the use of the information. The information used in producing the reports may change quickly. Inderes makes no commitment to announcing any potential changes to the presented information and opinions.

The reports produced by Inderes are intended for informational use only. The reports should not be construed as offers or advice to buy, sell or subscribe investment products. Customers should also understand that past performance is not a guarantee of future results. When making investment decisions, customers must base their decisions on their own research and their estimates of the factors that influence the value of the investment and take into account their objectives and financial position and use advisors as necessary. Customers are responsible for their investment decisions and their financial outcomes.

Reports produced by Inderes may not be edited, copied or made available to others in their entirety, or in part, without Inderes' written consent. No part of this report, or the report as a whole, shall be transferred or shared in any form to the United States, Canada or Japan or the citizens of the aforementioned countries. The legislation of other countries may also lay down restrictions pertaining to the distribution of the information contained in this report. Any individuals who may be subject to such restrictions must take said restrictions into account.

Inderes issues target prices for the shares it follows. The recommendation methodology used by Inderes is based on the share's 12-month expected total shareholder return (including the share price and dividends) and takes into account Inderes' view of the risk associated with the expected returns. The recommendation policy consists of four tiers: Sell, Reduce, Accumulate and Buy. As a rule, Inderes' investment recommendations and target prices are reviewed at least 2–4 times per year in connection with the companies' interim reports, but the recommendations and target prices may also be changed at other times depending on the market conditions. The issued recommendations and target prices do not guarantee that the share price will develop in line with the estimate. Inderes primarily uses the following valuation methods in determining target prices and recommendations: Cash flow analysis (DCF), valuation multiples, peer group analysis and sum of parts analysis. The valuation methods and target price criteria used are always company-specific and they may vary significantly depending on the company and (or) industry.

Inderes' recommendation policy is based on the following distribution relative to the 12-month risk-adjusted expected total shareholder return.

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

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

The assessment of the 12-month risk-adjusted expected total shareholder return based on the above-mentioned definitions is company-specific and subjective. Consequently, similar 12-month expected total shareholder returns between different shares may result in different recommendations, and the recommendations and 12-month expected total shareholder returns between different shares should not be compared with each other. The counterpart of the expected total shareholder return is Inderes' view of the risk taken by the investor, which varies considerably between companies and scenarios. Thus, a high expected total shareholder return does not necessarily lead to positive performance when the risks are exceptionally high and, correspondingly, a low expected total shareholder return does not necessarily lead to a negative recommendation if Inderes considers the risks to be moderate.

The analysts who produce Inderes' research and Inderes employees cannot have 1) shareholdings that exceed the threshold of significant financial gain or 2) shareholdings exceeding 1% in any company subject to Inderes' research activities. Inderes Oyj can only own shares in the target companies it follows to the extent shown in the company's model portfolio investing real funds. All of Inderes Oyj's shareholdings are presented in itemised form in the model portfolio. Inderes Oyj does not have other shareholdings in the target companies analysed. The remuneration of the analysts who produce the analysis are not directly or indirectly linked to the issued recommendation or views. Inderes Oyj does not have investment bank operations.

Inderes or its partners whose customer relationships may have a financial impact on Inderes may, in their business operations, seek assignments with various issuers with respect to services provided by Inderes or its partners. Thus, Inderes may be in a direct or indirect contractual relationship with an issuer that is the subject of research activities. Inderes and its partners may provide investor relations services to issuers. The aim of such services is to improve communication between the company and the capital markets. These services include the organisation of investor events, advisory services related to investor relations and the production of investor research reports.

More information about research disclaimers can be found at www.inderes.fi/research-disclaimer.

Inderes has made an agreement with the issuer and target of this report, which entails compiling a research report.

Recommendation history (>12 mo)

Date	Recommendation	Target price	Share price
7/24/2019	Accumulate	5.00 €	4.52 €
10/31/2019	Accumulate	5.30 €	4.80 €
11/22/2019	Accumulate	6.30 €	5.76 €
2/18/2020	Accumulate	6.50 €	6.14 €
3/16/2020	Accumulate	4.10 €	3.96 €
5/7/2020	Accumulate	5.10 €	4.80 €
7/22/2020	Accumulate	6.00 €	5.52 €
11/2/2020	Accumulate	6.80 €	6.40 €
12/8/2020	Accumulate	7.00 €	6.50 €
2/19/2021	Accumulate	9.20 €	8.76 €
5/2/2021	Accumulate	11.50 €	10.88 €
7/21/2021	Accumulate	11.50 €	10.32 €
9/2/2021	Accumulate	11.50 €	9.95 €
9/17/2021	Accumulate	9.50 €	8.59 €
11/5/2021	Accumulate	8.40 €	7.52 €



Inderes' mission is to connect listed companies and investors. We produce high-quality research and content for the needs of our extensive investor community.

At Inderes we believe that open data is every investor's fundamental right. We guarantee investors' access to award-winning research, insightful video content and an active investor community.

For listed companies we ensure that there is always high-quality information available on the company for investors and shareholders for decision making, and that data collected from investors can be utilized by the companies.

Over 100 Finnish listed companies want to serve their shareholders and investors through us by utilizing our company research services, data driven IR services, content creation and consulting.

Inderes Oyj

Itämerentori 2

FI-00180 Helsinki, Finland

+358 10 219 4690

Award-winning research at inderes.fi



**STARMINE
ANALYST AWARDS
FROM REFINITIV**



**THOMSON REUTERS
ANALYST AWARDS**



Juha Kinnunen
2012, 2016, 2017, 2018, 2019, 2020



Mikael Rautanen
2014, 2016, 2017, 2019



Sauli Vilén
2012, 2016, 2018, 2019, 2020



Antti Viljakainen
2014, 2015, 2016, 2018, 2019, 2020



Petri Kajaani
2017, 2019, 2020



Joni Grönqvist
2019, 2020



Erkki Vesola
2018, 2020



Petri Gostowski
2020



Atte Riikola
2020



Olli Koponen
2020

**Research belongs
to everyone.**