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Carnegie Investment Bank AB

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Ratings and risk assessment structure

Current rating system as of October 2011

Buy (B), upside of at least 10% to the target price and with an attractive risk/reward profile

Hold (H), the stock is trading close to its target price and is fairly valued

Sell (S), unattractive risk/reward ratio as the stock is trading above its target price

Not rated (NR), Under review (UR), Under bid (UB). The investment rating, if any, has been suspended temporarily.

Risk assessment

The risk assessment is based on the analyst's evaluation of the company's equity beta based on the business risk (asset beta) and financial risk (gearing).

Low risk estimated equity beta <0.75

Medium risk estimated equity beta 0.75 to 1.25

High risk estimated equity beta >1.25

Valuation, methodology, and assumptions

Target price

Carnegie publishes a target price for most of the stocks in our Research Universe. The target price is the analyst's assessment of expected total return over the coming six to 12 months based on various fundamental valuation methods. A commonly used method is DCF valuation, where future cash flows are discounted to today. Analysts may also use different valuation multiples, e.g. P/E ratio and EV/EBIT multiples, relative to industry peers to obtain a target price. For companies where it is appropriate, a target price can also be based on the analyst's assessment of a fair ratio relative to the net asset value of the company. Target prices are revised when earnings and cash flow forecasts are changed. Thus, changes to estimates are a key risk to the target price. Other reasons for revising target prices include changes in the underlying value of a company's assets and when factors affecting the required rate of return change, which can also be seen as risk factors to the target price.

Information

You will find detailed information about the valuation or methodology and the underlying assumptions on Carnegie Edge (www.carnegie-edge.com). The complete history of research reports and previous recommendations can also be found on Carnegie Edge.

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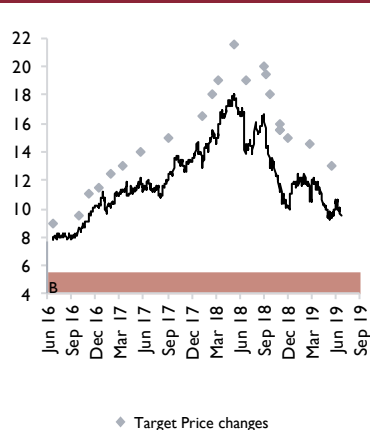
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Stora Enso price, rating and target price history (STERV.HE)



Date	Analyst	Ccy	Target Price	Market price when disseminated	Rating
19 Jul 2019 17:29	Robin Santavirta	EUR	12.50	9.50	Buy
18 Jun 2019 06:25	Robin Santavirta	EUR	13.00	9.31	Buy
25 Mar 2019 06:35	Robin Santavirta	EUR	14.50	10.77	Buy
02 Jan 2019 17:26	Robin Santavirta	EUR	15.00	10.09	Buy
04 Dec 2018 09:05	Robin Santavirta	EUR	15.50	11.26	Buy
04 Dec 2018 09:05	Robin Santavirta	EUR	16.00	11.26	Buy
04 Dec 2018 09:05	Robin Santavirta	EUR	15.50	11.20	Buy
29 Oct 2018 06:47	Robin Santavirta	EUR	18.00	13.32	Buy
08 Oct 2018 15:19	Robin Santavirta	EUR	19.50	15.72	Buy
08 Oct 2018 15:19	Robin Santavirta	EUR	20.00	16.41	Buy
23 Jul 2018 06:49	Robin Santavirta	EUR	19.00	14.08	Buy
12 Jun 2018 09:45	Robin Santavirta	EUR	21.50	17.95	Buy
16 Apr 2018 06:47	Robin Santavirta	EUR	19.00	15.93	Buy
20 Mar 2018 20:02	Robin Santavirta	EUR	18.00	15.13	Buy
12 Feb 2018 06:21	Robin Santavirta	EUR	16.50	12.85	Buy
15 Jan 2018 17:14	Robin Santavirta	EUR	16.00	13.90	Buy
11 Oct 2017 06:08	Robin Santavirta	EUR	15.00	12.32	Buy
19 Jun 2017 06:03	Robin Santavirta	EUR	14.00	11.84	Buy
12 Apr 2017 16:35	Robin Santavirta	EUR	13.00	11.38	Buy
02 Mar 2017 07:01	Robin Santavirta	EUR	12.50	10.39	Buy
11 Jan 2017 09:31	Robin Santavirta	EUR	11.50	10.17	Buy
01 Dec 2016 17:43	Robin Santavirta	EUR	11.00	9.12	Buy
26 Oct 2016 07:27	Carl-Henrik Frejborg	EUR	9.50	8.73	Buy

Our Target Price Horizon is 6–12 months

Source: Carnegie Research, Factset

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Stock rating distribution in the previous 12 months

Ratings	Carnegie coverage universe	Investment banking services*
	% of total	% of total
Buy	51	70
Hold	41	30
Sell	8	0

*Investment banking services provided by Carnegie in the previous 12 months

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