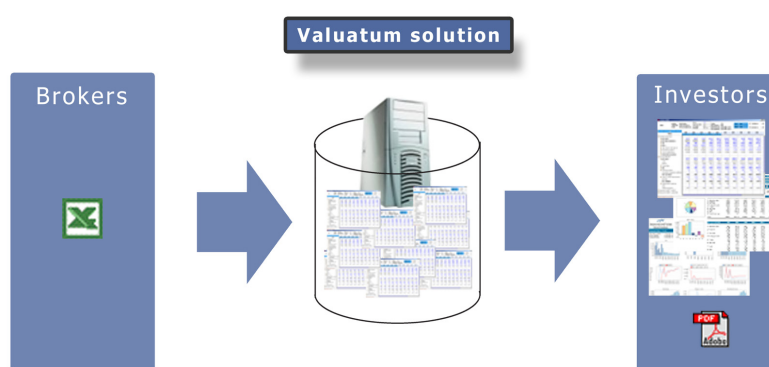




## PRODUCT BACKGROUND AND BENEFITS

Vast amount of resources are allocated in research to provide customers the best possible service. However, the usability of the research has been low: majority of the produced numbers have not been available for investors, nor have the numbers been in practical format. Thus, small **investments in the delivery and usability of the research can bring multiple gains in return.**

Valuatum is a company that is founded and managed by former equity analysts and brokers who plotted the need within the industry and decided to build a solution for it. The aim of our software product is to provide a platform for delivering the research data to institutional customers instantly, comprehensively and in practical and illustrative format.



Via Valutatum Platform broker can distribute its research in illustrative and flexible format.

Valuatum Platform uses existing excel models as a starting point. From excel models the data is transferred to database and further to investors in illustrative www format. Investors get access to the entire research data including the quarterly and divisional forecasts. With valuation models investors can even test e.g. the impact of their own assumptions on company key figures and on DCF-valuation. The whole product can be installed to be an integral part of broker's current www-services. Brokers can also limit the service to those parts that suit their specific needs.

## **BENEFITS**

Key features of Valuatum platform save valuable **investor** time and enhance considerably investment decision support.

- Valuation platform increases greatly transparency of the research as investors have full access to all the figures behind the reports in an easy-to-use web format.
- Using our platform, investor can flexibly test their own scenarios with the models.
- Platform provides all the market figures and time-series illustrations always up-to-date.
- Valuatum Network provides investor access to broader geographical area of research.

→ The Valuatum platform brings significant value to the end user, the investor, and therefore creates a distinguished competitive advantage for the broker.

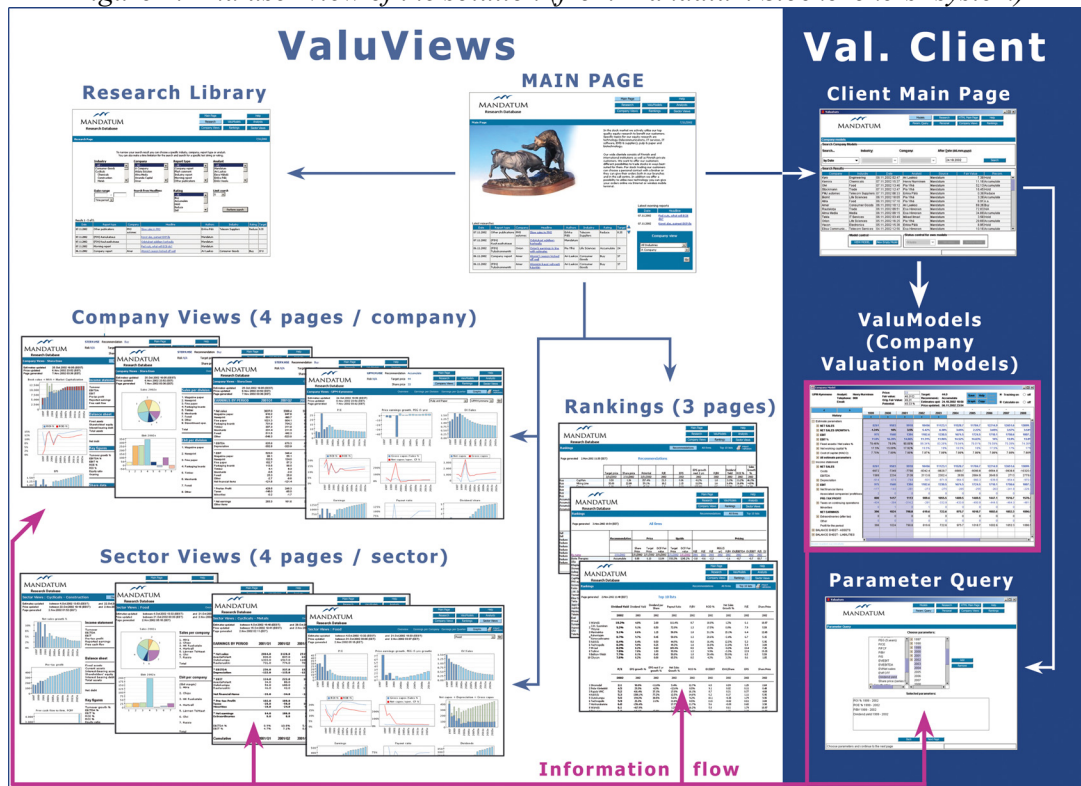
Our platform increases also the efficient **creation and internal use** of the research material.

- Adapting of the platform streamlines the processes in excel and from excel to database.
- Integrated database enables getting aggregate data and tracking estimate changes far easier than has been possible before.
- Using specialised third-party software instead of in-house solution and option to outsource all hardware, staff and maintenance can lead to considerable cost savings.
- Valuatum Network is inexpensive method to acquire foreign research data.
- The brokers can look at the same fresh numbers and graphs while speaking with customers on the phone and therefore increase the quality of the whole broker service.

## PRODUCT OVERVIEW

### VALUATUM PRODUCTS from End-User' point of view

Figure 2. End user view of the solution (from Mandatum Stockbrokers' system)



From the end user's point of view Valuatum Product consists of two parts:

- **ValuViews** – Www-pages including Company Views, Sector Views and Rankings pages and also Research Library for pdf-documents.
- **Valuatum Client** – Dynamic java application including fully modifiable Company Valuation Models of each followed company. Client includes also Parameter Query, which can be used for making customized parameter queries from the database.

## VALUMODELS

ValuModels provide the investors an easy and flexible way to test their own assumptions on company valuation. The user can change all the relevant estimate parameters flexibly at many different levels (% or absolute figures, quarter/divisional level) and see how the change affects all the key figures and DCF-based valuation. Valuation model includes about 9000 parameters. The user can save his/her scenarios to local disk for later use.

Figure 3. User can modify estimate parameters (in blue font) in ValuModel

History	1999	2000	2001	2002	2003	2004	2005	2006	2007	20
NET SALES	19772	30376	31191	33472.2	38622.3	43849.4	48810.7	54668	60954.8	6
EBIT	3908	5861	5237	5944.5	6931.9	7868.6	8556.4	9156.9	9600.4	1
Networks (click for more)	1082	1400	1073	1050	1218	1585.1	1895.7			
Mobile Phones	3099	4897	4648	5172.6	5897.8	6408.6	6790.6			
Others	-273	-307	-327	-160	-63.8	19.9	45			
Internal	0	-129	-157	-118.2	-120	-145	-175			
Division 5 (+ for more)	0	0	0	0	0	0	0			
EBIT CUMULATIVE	3908	5861	5237	5944.5	6931.9					
Net earnings growth %	53,36%	56,27%	-5,91%	8,83%	12,59%	13,07%	9,24%	8,53%	5,16%	
FREE CASH FLOW TO FIRM	1527.2	266.6	4362.2	3234.3	4349.5	4351.3	5192.3	5527.9	5786.5	
EVA (Economic Value Added)	2239.5	3380.7	2579.8	2747.1	3064.2	3386.6	3865.7	4043.4	4065	
Equity ratio %	52,82%	55,45%	55,49%	60,51%	61,83%	64,17%	65,5%	66,12%	66,34%	
ROE %	40,67%	43,57%	32,4%	30,03%	27,96%	26,49%	24,7%	23,4%	21,99%	
WACC %	9,35%	9,35%	9,35%	9,35%	9,35%	9,35%	9,35%	9,35%	9,35%	
DCF-valuation										
EBIT	3908	5861	5237	5944.5	6931.9	7868.6	8556.4	9156.9	9600.4	1
+/- Share of associated companies' provisions	5	-16	-12	-32	-35	-40	-40	-35	-30	
- Taxes on continuing operations	-1189	-1780	-1478	-1826	-2175.7	-2470.8	-2688.6	-2919.7	-3075.3	
- Tax, financial expenses	-76.8	-57.1	-40.9	-30.8	-31.7	-34.1	-36.3	-38.2	-40.7	

Valuation Model is the key part in the system, since it produces the numbers to the database. This enables the creation of ValuViews: www-pages about companies and sectors (see the information flow (red line) in the figure 2).

## VALUVIEWS

As you can see on the following page, ValuViews consist of four different elements:

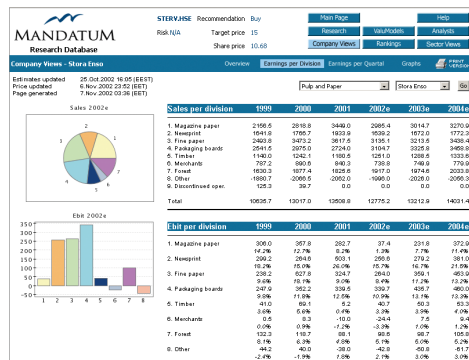
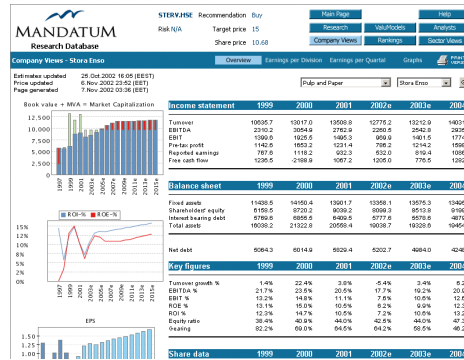
- **Company Views** include four html pages of each followed company. The pages are created every night with the latest price information.
- **Sector Views** have four similar pages as Company Views, except the figures are calculated for industries.
- **Rankings** include currently three different pages where companies are sorted according to different key figures or recommendation.
- **Research Library** is a tool for searching pdf-documents from the database.

# COMPANY VIEWS (4 pages of each company)

## OVERVIEW

In the Overview page you can see the most important income statement and balance sheet parameters and also the key figures.

Notice that broker can itself define what parameters are shown and in which order on each of the pages.



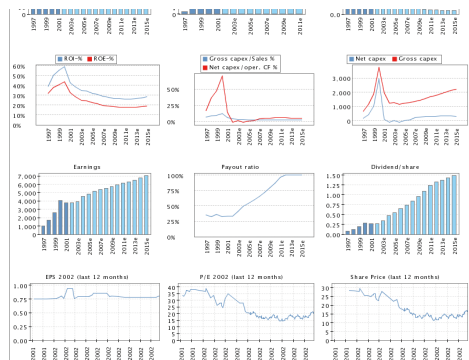
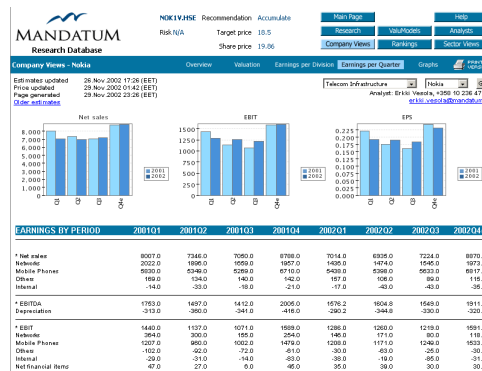
## EARNINGS PER DIVISION

Here you can see an example of the Earnings per Division page.

The page includes net sales and operating profit in divisional level.

## EARNINGS PER QUARTER

The Earnings per Quarter page shows you the latest actualised and current year income statement, both in periodic and cumulative figures. Net sales and EBIT are shown also in division-level.



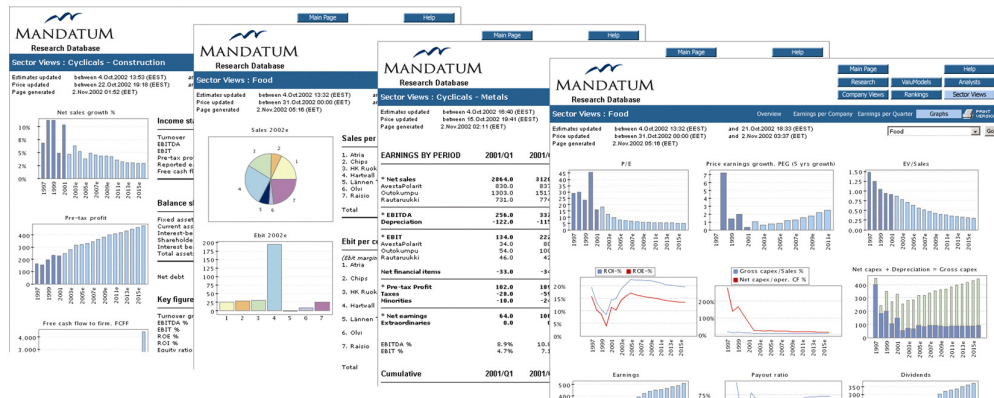
## GRAPHS

The last page includes various different graphs from selected key-parameters.

The page includes also time series graphs, which show how a certain key figure has changed during the last 365 days.

## SECTOR VIEWS (4 pages of each sector)

Sector Views have a similar structure as Company Views except they are generated based on sector data. The second page is "Earnings per Company" (compared to "Earnings per Division" in Company Views -section).



## RANKINGS

The Rankings pages offer you a few lists of all companies sorted by different criteria. Users can also sort companies with desired key figures themselves.

MANDATUM Research Database

Rankings Recommendations All firms Top 10 lists

Page generated: 22Nov2002 18:54 (EET) All firms

By name	Recommendation	Price			Upside		Pricing										Per share figures							
		Share Price	Target Price	DCF Fair value	Target Price	DCF Fair value	P/E	D/E	P/E	D/E	EV/EBITDA	EV/EBIT	D/S	Div.yield	Div.yield	Dividend per share	EPS	EPS adj	CEPS	FCF/Share	BV/Share	EV/Share	EV/	
Accumulate	0.68	6.10	11.84	593.2%	1246.2%	-3.8	-0.6	-2.3	-1.6	-0.7	-0.7	83.7	0.0%	0.0%	0.00	-1.46	-1.46	-1.44	-1.55	-0.03	-1			
Hold	2.25	2.00	14.81	-11.1%	558.4%	9.5	-3.9	11.2	-0.29	2.0	6.2	14.6	0.3	0.0%	3.6%	0.00	-0.58	-0.58	0.25	-1.14	2.00	-0		
Accumulate	0.51	1.00	2.07	96.1%	305.1%	-13.2	-1.2	-127.9	0.4	1.2	1.0	1.0	0.0%	0.0%	0.00	-0.43	-0.43	-0.35	-0.10	1.15	-0			
Buy	4.12	6.00	14.13	46.6%	242.9%	44.8	6.8	4.8	0.09	0.5	1.7	3.6	0.2	7.3%	10.4%	0.30	0.60	0.60	1.64	2.15	7.82	-0		
Hold	0.38	0.75	1.16	97.4%	204.8%	-1.7	-21.1	10.6	0.8	4.8	26.4	0.2	0.0%	1.4%	0.00	-0.02	-0.02	0.13	0.80	0.47	-0			
Reduce	0.60	0.60	1.69	0.0%	181.5%	257.1	-3.1	91.3	-0.05	0.5	0.6	0.6	0.8	0.0%	0.0%	0.00	-0.19	-0.19	-1.12	0.02	1.32	-0		
Accumulate	5.32	9.00	14.62	69.3%	174.6%	43.8	54.0	76.8	0.8	4.6	25.5	0.5	0.0%	0.0%	0.00	0.10	0.10	2.42	0.14	6.01	-0			
Accumulate	2.15	4.00	5.87	86.6%	172.8%	29.3	92.5	12.8	4.22	1.3	8.9	31.5	1.0	0.4%	3.1%	0.01	0.02	0.13	0.11	1.65	-0			
Accumulate	12.39	20.00	34.63	54.6%	164.9%	12.1	14.8	10.7	1.78	1.5	4.4	7.4	0.4	4.6%	4.7%	0.69	0.88	0.88	1.88	3.11	8.44	-0		
Hold	0.24	0.30	0.64	25.6%	165.2%	-0.4	149.9	7.4	0.5	-6.2	-6.2	1.0	0.0%	0.0%	0.00	0.00	-0.04	0.00	0.05	0.51	-0			
Hold	3.00	4.00	7.90	33.3%	163.2%	17.0	-26.9	22.0	8.88	1.5	22.1	-9.4	0.8	0.0%	2.2%	0.00	-0.11	-0.11	0.06	-0.13	1.98	-0		
Accumulate	6.00	0.00	15.51	158.5%	158.5%	15.4	12.2	6.8	0.78	2.1	5.3	5.1	0.6	3.7%	6.6%	0.22	0.49	0.49	1.07	1.01	2.89	-0		
Accumulate	7.35	10.00	19.73	36.1%	154.9%	16.3	12.4	6.2	0.42	0.5	4.9	11.2	0.2	9.2%	9.2%	0.69	0.55	0.55	2.21	2.37	14.16	-0		
Accumulate	3.00	6.50	7.59	116.7%	153.0%	18.2	11.9	9.4	0.90	2.2	5.3	7.3	0.3	3.8%	5.3%	0.11	0.25	0.25	0.37	0.30	1.36	-0		
Hold	6.42	8.50	16.80	32.4%	149.2%	-4.5	20.4	7.6	0.4	2.4	30.4	0.3	0.0%	3.8%	0.00	0.31	0.31	2.79	0.64	16.51	-3			
Accumulate	20.30	24.00	49.78	18.2%	145.2%	14.8	10.4	7.5	0.52	0.8	3.9	9.4	0.4	5.2%	8.6%	1.05	1.95	1.95	0.73	3.41	24.46	-0		
Accumulate	3.00	5.50	7.27	83.3%	142.5%	-17.8	-19.7	11.4	1.1	4.1	-23.8	0.5	3.3%	3.5%	0.10	-0.15	-0.15	0.39	-0.16	2.80	-0			
Buy	29.60	37.00	70.37	25.6%	137.7%	10.2	11.1	9.8	1.02	1.4	7.3	10.0	0.6	3.6%	4.6%	1.06	2.61	2.61	4.14	-4.57	20.97	-0		

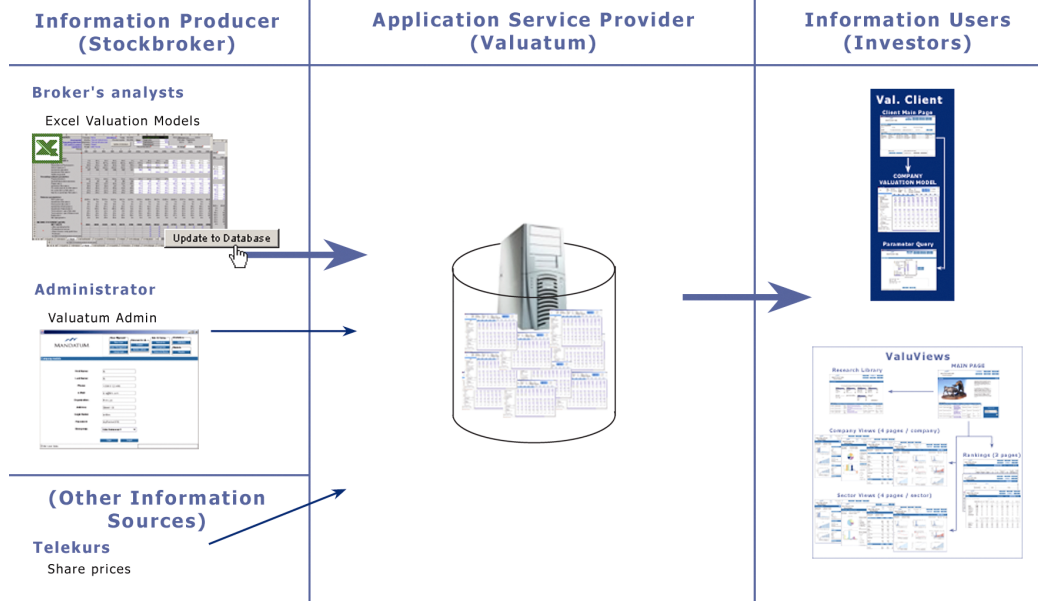
## Research library

Valuviews include also research library for storing and fetching current and old pdf-research documents. Of course the Platform can be integrated as a part of customers' existing Extranet so there is no need to give up your current pdf-research library.

## Integration and suitability

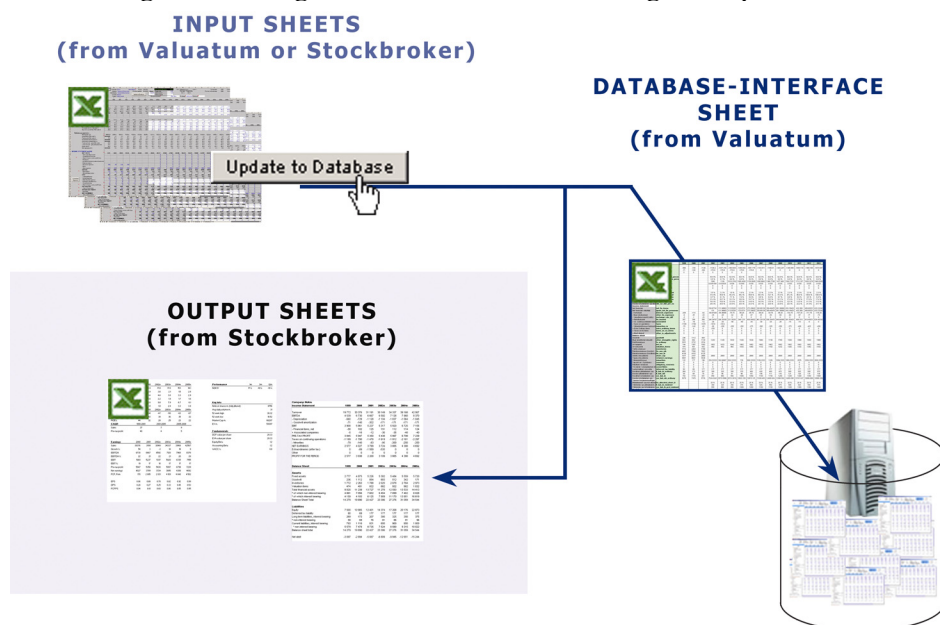
Valuatum hosts the system and thus brokers need only 1) Internet connection and 2) valuation models based on MS Excel in order to adapt the service.

Figure 10. Architecture of the solution



Valuation models in Excel need only to have one uniform data-gathering sheet from Valuatum. The data flows through the sheet with help of a macro and a java program to the Valuatum database. Valuatum can also provide a sophisticated valuation model, to which you can integrate your own output sheets. The model includes e.g. automatic balance sheet smoothing, year-change and update procedures.

Figure 11. Integration essentials: Excel-integration procedure



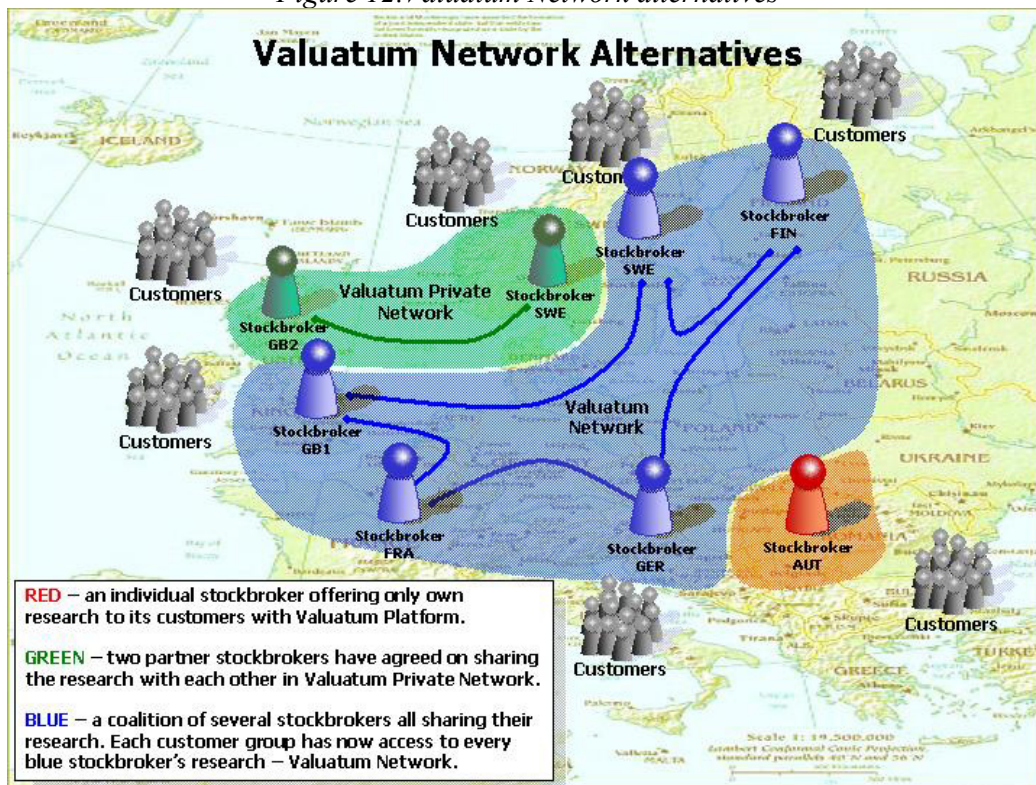
## Valuatum Network

All the brokers using Valuatum Platform can create co-operation relationships with each other and thus benefit from shared database.

After you have created partnerships with other brokers, your own customers can access the data (numbers, graphs, models) from all the brokers (countries) involved.

Partnerships are made with individual brokers. Thus sharing your research data with broker X does not mean that you would have to share your research with broker Y, even though the brokers X and Y would have created partnership with each other. The Platform can also be used to share the research data only to your own customers.

Figure 12. Valuatum Network alternatives



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Links for more information:

References and user comments: <http://www.valuatum.com/references.shtml>

More detailed product info: <http://www.valuatum.com/product.shtml>