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Commissioned research: Taaleri – New strategy – EUR 100m of direct industrial investments could speed up the ramp-up of AuM

Marketing material commissioned by Taaleri

Taaleri released its updated strategy and financial targets ahead of CMD event tomorrow. Taaleri aims to reach EUR 4bn AuM (EUR 2.6bn in Q3) and EUR 100m direct industrial investments by the end of 2026. We have modelled EUR 3.2bn AuM at the end of 2026. Hence, we believe the new AuM target includes new flagship fund by 2026. We note that the EUR 100m direct industrial investment could speed up ramp-up of future funds, especially within bioindustry where Taaleri does not have similar track record as within renewable energy. The company is clearly steering its focus more towards bioindustry and renewable energy which we view positively. In addition, we note the company is changing its real estate business director with imminent effect. We expect to hear more about the future of the real estate business where new director, Mikko Krootila, will take helm as of 1 January 2024. Taaleri refines its financial targets. The company aims for at least 15% growth in continuing earnings and performance fees per annum (earlier: at least 15% growth in continuing earnings), ROE at least 15% (intact) and DPS at least 50% of annual profit (intact). We have modelled 10% continuing earnings CAGR for 2022-25E while we note high volatility of performance fees. Initially, we do not expect any material consensus changes, while direct industrial investment could speed up the ramp-up of the new funds, which could offer upside to AuM and EBIT estimates beyond 2025.

Taaleri's updated strategic priorities

1. Grow within its business areas through both funds under management and direct investments
2. Make substantial industrial investments and co-operate with industrial partners especially in the bioindustry ecosystem
3. Expand its investor base outside of Finland and partner with international organisations on investments
4. Develop impact and sustainability in all investments throughout their lifecycle

New long-term financial targets

- Growth: at least 15% in Group's continuing earnings and performance fees p.a. (revised from at least 15% growth in continuing earnings)
- Return on equity: at least 15% (unchanged)

- Dividend: at least 50% payout of the FY profit (unchanged)

SUMMARY TABLE - KEY FIGURES

EURm	2020	2021	2022	2023E	2024E	2025E
Total revenue	69	73	56	70	69	63
EBITDA (adj)	24	32	30	38	32	25
EBIT (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EBIT (adj) margin	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EPS (adj, EUR)	0.46	4.81	0.81	1.08	0.89	0.69
EPS (adj) growth	11.8%	947.1%	-83.2%	34.2%	-17.9%	-22.7%
DPS (ord, EUR)	1.32	0.40	0.45	0.45	0.50	0.55
EV/Sales	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EV/EBIT (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
P/E (adj)	n.a.	2.3	13.8	8.2	10.0	12.9
P/BV	n.a.	1.4	1.6	1.2	1.1	1.1
Dividend yield (ord)	n.a.	3.6%	4.0%	5.1%	5.6%	6.2%
FCF Yield bef A&D, lease adj	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Net debt	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Net debt/EBITDA	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
ROIC after tax	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Source: Company data and Nordea estimates

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