

14 February 2024

Commissioned research: Taaleri – Q4 well in line with consensus expectations – Dividend proposal well ahead of expectations

Marketing material commissioned by Taaleri

Taaleri reported Q4 EBIT of EUR 6.9m, coming well in line with LSEG Data & Analytics consensus at EUR 7.0m. Based on segment reporting, Q4 total income was EUR 17.7m, 16% below our estimate due to no carry bookings in Q4. Recurring revenues were EUR 9.9m in Q4, 12% below our estimate. Fair value changes of investments were EUR 0.5m in Q4 (we had anticipated EUR 2.5m), burdened by non-strategic investments fair values. Investment operations income of EUR 7.8m came well above our estimate of EUR 2.7m, driven mainly by EUR 5.5m related to renewable energy projects in Texas. In addition, the company recorded EUR 1.3m invoicing related to renewable energy projects with corresponding costs in operating expenses. The company did not book any carry in Q4 (we expected EUR 7.1m). Private asset management EBIT came 53% below our estimate mainly due to lower carry. On underlying basis, cost base in Renewable energy was slightly lower than we had anticipated, while other private asset management cost were above. Private asset management recurring revenues came 5% below our estimate. Garantia's claims ratio increased in Q4 (17.6%) while insurance service revenue was down 17% y/y to EUR 4.6m, in line with our estimate. Combined ratio was 42% in Q4 (22% in Q3), above our estimate of 29.8%. Solvency was at 246% and should allow solid dividend for Taaleri. Dividend proposal of EUR 1.00 came well ahead of consensus expectation of EUR 0.46. Private asset management AuM was flat q/q at EUR 2.6bn 3% below our estimate of EUR 2.7bn. SolarWind III had its second closing in Q4 with EUR 430m of commitments and the company continues fundraising until at least end of 2024. Taaleri targets EUR 700m of commitments for SW III (we have modelled EUR 700m in 2025E). On initial take, we expect consensus to make only muted estimate revision to its underlying estimates, while we note higher-than-expected dividend proposal.

English speaking webcast will be held on 11:00 EET and can followed through the following link: <https://taaleri.videosync.fi/q4-2023>

TAALERI: DEVIATION TABLE

EURm	Actual	NDA est.	Deviation		Consensus	Deviation		Actual	Actual		
	Q4 2023	Q4 2023E	vs. actual		Q4 2023E	vs. actual		Q3 2023	q/q	Q4 2022	y/y
Sales	18.2	22.3	-4.1	-18%	16.5	1.7	10%	13.5	35%	19.1	-5%
EBIT	6.9	12.3	-5.4	-44%	7.0	-0.1	-1%	5.7	21%	7.2	-4%
EBIT margin	38.0%	55.2%			42.4%	-4.4pp		42.2%	-4.3pp	37.9%	0.1pp
PTP	6.7	12.1	-5.4	-45%	2.0	4.7	233%	5.5	21%	7.0	-5%
PTP margin	36.6%	54.2%			12.1%	-17.5pp		40.7%	-4.1pp	36.6%	0.0pp
Adj. EPS	0.14	0.42	-0.28	-66%	0.22	0.20	-36%	0.16	-14%	0.20	-30%
EPS	0.14	0.42	-0.28	-66%	0.17	0.25	-18%	0.16	-14%	0.20	-30%
DPS	1.00	0.70	0.30	43%	0.46	0.25	120%			0.70	43%

Segment reporting

Recurring revenues

Private asset management	6.7	7.1	-0.4	-5%				6.5	3%	5.7	18%
Strategic investments	2.8	3.3	-0.5	-16%				3.4	-19%	4.6	-39%
Other	0.4	0.8	-0.4	-52%				0.4	8%	0.4	14%
TOTAL	9.9	11.2	-1.3	-12%				10.3	-4%	10.6	-7%

Total income

Private asset management	12.7	14.8	-2.1	-14%				8.4	51%	18.9	-33%
Strategic investments	4.5	3.8	0.7	18%				3.9	15%	1.8	148%
Other	0.5	2.3	-1.8	-78%				0.8	-36%	-4.5	-111%
TOTAL	17.7	21.0	-3.3	-16%				13.1	35%	16.2	9%

EBIT

Private asset management	4.0	8.5	-4.5	-53%				2.7	48%	12.3	-67%
Strategic investments	4.0	3.6	0.4	11%				3.7	9%	1.7	130%
Other	-1.1	0.1	-1.2	-1151%				-0.7	66%	-6.8	-84%
TOTAL	6.9	12.2	-5.4	-44%				5.7	21%	7.2	-5%

EBIT margin

Private asset management	31.7%	57.8%		-26.1pp				32.3%	-0.6pp	65.3%	-33.7pp
Strategic investments	88.2%	93.3%		-5pp				93.1%	-4.9pp	95.0%	-7pp
Other	-219.3%	4.6%		-224pp				-85.3%	-134pp	152.9%	-372pp
TOTAL	38.9%	58.4%		-19.5pp				43.5%	-4.6pp	44.6%	-5.6pp

Source: Company data, LSEG Data & Analytics and Nordea estimates

SUMMARY TABLE - KEY FIGURES

EURm	2019	2020	2021	2022	2023E	2024E	2025E
Total revenue	67	69	73	56	70	69	63
EBITDA (adj)	23	24	32	30	38	32	25
EBIT (adj)	21	21	32	29	37	32	25
EBIT (adj) margin	30.8%	30.3%	43.6%	52.0%	53.6%	45.8%	39.6%
EPS (adj, EUR)	0.41	0.46	4.81	0.81	1.08	0.89	0.69
EPS (adj) growth	n.a.	11.8%	947.1%	-83.2%	34.2%	-17.9%	-22.7%
DPS (ord, EUR)	0.16	1.32	0.40	0.45	0.45	0.50	0.55
EV/Sales	4.1	3.8	3.8	5.0	3.2	3.0	3.3
EV/EBIT (adj)	13.4	12.4	8.6	9.5	5.9	6.5	8.3
P/E (adj)	20.5	17.7	2.3	13.8	8.4	10.2	13.3
P/BV	1.9	1.7	1.4	1.6	1.2	1.2	1.2
Dividend yield (ord)	1.9%	16.3%	3.6%	4.0%	4.9%	5.5%	6.0%
FCF Yield bef A&D, lease adj	3.0%	0.0%	40.3%	11.5%	7.6%	9.2%	8.2%
Net debt	38	32	-44	-38	-37	-53	-52
Net debt/EBITDA	1.6	1.4	-1.4	-1.2	-1.0	-1.6	-2.1
ROIC after tax	14.8%	7.4%	10.5%	9.4%	11.8%	9.9%	7.9%

Source: Company data and Nordea estimates

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