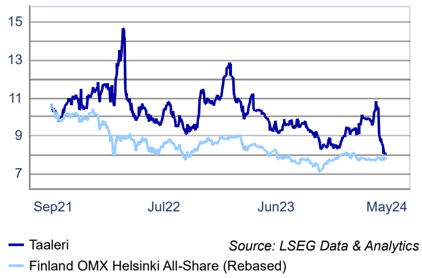
Taaleri

Financials
Finland

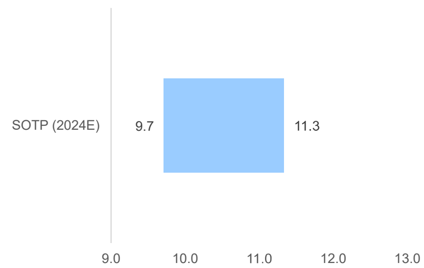
KEY DATA	
Stock country	Finland
Bloomberg	TAALA FH
Reuters	TAALA.HE
Share price (close)	EUR 8.10
Free float	72%
Market cap. (bn)	EUR 0.23/EUR 0.23
Website	taaleri.com
Next report date	07 May 2024

PERFORMANCE



Source: LSEG Data & Analytics

VALUATION APPROACH



Source: Nordea estimates

ESTIMATE CHANGES

Year	2024E	2025E	2026E
Sales	-2%	-3%	-4%
EBIT (adj)	2%	0%	0%

Source: Nordea estimates

Normalising investment environment ahead

Ahead of Taaleri's Q1 results, due on 7 May, we adjust our Q1 estimates to reflect expected fair value changes within the Strategic investments segment, as we pencil in earlier normalisation for the Garantia investment portfolio in 2024. We do not model any performance fees for Q1 in Private asset management. We expect Garantia's strong underlying performance to have continued in Q1, with positive investment operation earnings and fair value changes of EUR 2.6m. We expect continuing earnings of EUR 10.1m for Q1, up 2% y/y. We derive a slightly lower SOTP-based fair value range of EUR 9.7-11.3 (10.3-11.9) per Taaleri share based on our 2024 estimates.

Next triggers in SolarWind III final close and new flagship funds

Taaleri announced the second closing of its flagship fund SolarWind III in late December 2023, with EUR 430m in commitments. The fund has a target size of EUR 600m, with a EUR 900m hard cap and it remains open for commitments until at least December 2024. We model EUR 700m in commitments with a final closing in 2025, along the lines of Taaleri's strategic roadmap announced at the company's CMD in November 2023. Taaleri has also shared its plans to exit Wind II and III funds during 2024, with new Bioindustry Fund II and SolarWind IV funds in the pipeline for 2025-26. We expect Garantia's underlying performance to remain solid, with normalising investment portfolio returns during 2024E. We expect the combined ratio to remain strong, at 29.3%, for Q1. We note that the softness in the Finnish housing market could mute the growth outlook for Garantia.

Underlying estimates fine-tuned due to investment gains

We fine-tune our underlying estimates within the Strategic investments segment, lifting our 2024 income estimate 4% due to expected investment gains and normalisation of Garantia's investment portfolio yields. On a group level, this translates to 1% higher underlying revenue for 2024E and 2% higher operating profit, while we leave 2025E-26E intact. In IFRS reporting, we cut our group net sales estimates by 2-4% for 2024-26, owing to more cautious estimates for associated income. We derive a slightly lower SOTP-based fair value range of EUR 9.7-11.3 (10.3-11.9), mainly due to already paid-out dividends for 2023.

Nordea IB & Equity - Analysts
Joni Sandvall
Analyst

Svante Krokfors
Director

SUMMARY TABLE - KEY FIGURES

EURm	2020	2021	2022	2023	2024E	2025E	2026E
Total revenue	69	73	57	66	73	60	57
EBITDA (adj)	24	32	28	33	37	23	19
EBIT (adj)	21	32	27	32	36	23	19
EBIT (adj) margin	30.3%	43.6%	47.9%	49.5%	49.3%	37.7%	33.1%
EPS (adj, EUR)	0.46	4.81	0.73	0.81	1.02	0.62	0.51
EPS (adj) growth	11.8%	947.1%	-84.9%	11.5%	25.4%	-38.7%	-17.8%
DPS (ord, EUR)	1.32	0.40	0.45	1.00	0.45	0.40	0.45
EV/Sales	3.8	3.8	4.9	3.4	2.5	3.0	3.1
EV/EBIT (adj)	12.4	8.6	10.3	7.0	5.2	7.9	9.4
P/E (adj)	17.7	2.3	15.4	11.1	7.9	13.0	15.8
P/BV	1.7	1.4	1.6	1.2	1.1	1.1	1.1
Dividend yield (ord)	16.3%	3.6%	4.0%	11.1%	5.6%	5.0%	5.6%
FCF Yield bef A&D, lease adj	0.0%	40.3%	11.5%	3.2%	13.9%	9.3%	6.1%
Net debt	32	-44	-38	-29	-43	-50	-52
Net debt/EBITDA	1.4	-1.4	-1.3	-0.9	-1.2	-2.2	-2.7
ROIC after tax	7.4%	10.5%	8.7%	10.3%	11.5%	7.4%	6.1%

Source: Company data and Nordea estimates

Estimate revisions

ESTIMATE REVISIONS PRIOR TO THE Q1 2024 REPORT (EPS/DPS IN EUR)

TAALERI: ESTIMATE REVISIONS

	New estimates				Old estimates				Difference %			
EURm	**Q1 2024E**	**2024E**	**2025E**	**2026E**	**Q1 2024E**	**2024E**	**2025E**	**2026E**	**Q1 2024E**	**2024E**	**2025E**	**2026E**
Sales	15.1	73.3	60.0	57.0	13.2	74.5	62.1	59.1	14%	-2%	-3%	-4%
EBIT	6.0	36.1	22.6	18.8	3.6	35.3	22.6	18.8	67%	2%	0%	0%
EBIT margin	40%	49.3%	37.7%	33.1%	27.0%	47.4%	36.4%	31.9%	12.5pp	1.9pp	1.3pp	1.2pp
PTP	**5.6**	**34.9**	**21.4**	**17.6**	**3.2**	**34.1**	**21.4**	**17.6**	**75%**	**2%**	**0%**	**0%**
PTP margin	37%	47.6%	35.6%	30.9%	24.4%	45.7%	34.4%	29.8%	12.9pp	1.9pp	1.2pp	1.1pp
Adj. EPS	0.16	1.02	0.62	0.51	0.09	0.99	0.62	0.51	75%	2%	0%	0%
EPS	0.16	1.02	0.62	0.51	0.09	1.0	0.62	0.51	75%	2%	0%	0%
DPS		0.45	0.40	0.45		0.45	0.40	0.45		0%	0%	0%
Segment reporting	**Q1 2024E**	**2024E**	**2025E**	**2026E**	**Q1 2024E**	**2024E**	**2025E**	**2026E**	**Q1 2024E**	**2024E**	**2025E**	**2026E**
Recurring revenues												
Private asset management	6.4	26.3	29.0	30.5	6.4	26.3	29.0	30.5	0%	0%	0%	0%
Strategic investments	3.3	14.8	16.0	16.5	3.3	14.8	16.0	16.5	0%	0%	0%	0%
Other	0.5	2.0	2.0	2.0	0.5	2.0	2.0	2.0	0%	0%	0%	0%
TOTAL	10.1	43.1	47.1	49.0	10.1	43.1	47.1	49.0	0%	0%	0%	0%
Total income												
Private asset management	8.1	47.0	35.2	31.5	8.1	47.0	35.2	31.5	0%	0%	0%	0%
Strategic investments	5.9	19.6	20.1	20.7	3.5	18.8	20.1	20.7	70%	4%	0%	0%
Other	0.5	4.0	2.0	2.0	0.5	4.0	2.0	2.0	0%	0%	0%	0%
TOTAL	14.4	70.6	57.3	54.2	12.0	69.8	57.3	54.2	20%	1%	0%	0%
Operating profit												
Private asset management	1.7	20.5	8.6	4.3	1.7	20.5	8.6	4.3	0%	0%	0%	0%
Strategic investments	5.4	18.1	18.5	19.1	3.0	17.3	18.5	19.1	80%	5%	0%	0%
Other	-1.0	-1.5	-3.6	-3.7	-1.0	-1.5	-3.6	-3.7	0%	0%	0%	0%
TOTAL	6.1	37.0	23.5	19.7	3.7	36.2	23.5	19.7	64%	2%	0%	0%
Operating profit margin												
Private asset management	21.4%	43.7%	24.5%	13.8%	21.4%	43.7%	24.5%	13.8%	0.0pp	0.0pp	0.0pp	0.0pp
Strategic investments	92.4%	92.2%	92.2%	92.2%	87.1%	91.9%	92.2%	92.2%	5.3pp	0.3pp	0.0pp	0.0pp
Other	-222.2%	-38.4%	-179.0%	-183.0%	-222.2%	-38.4%	-179.0%	-183.0%	0pp	0pp	0pp	0pp
TOTAL	42.7%	52.5%	41.1%	36.4%	31.2%	51.9%	41.0%	36.4%	11.5pp	0.5pp	0.0pp	0.0pp

Source: Nordea estimates

Valuation

We calculate a SOTP-derived fair value range of EUR 9.7-11.3 per Taaleri share. We use peer group multiples to value Taaleri's private equity business. In addition, due to the solid and stable outlook for Garantia, we use a dividend discount model to value the guarantee insurance part of Taaleri. We derive two different peer groups, one for renewable energy and another for private asset management.

SOTP valuation yields a EUR 9.3-11.3 fair value range

We think a SOTP valuation is most relevant for Taaleri. However, we use different valuation methods for the company's asset management business and Garantia, due to their different characteristics. We believe peer multiples are the logical means of valuing the company's Private asset management business, despite it being in a ramp-up phase, while we are inclined to use a dividend discount model to value Garantia, due to its stable business model and fairly stable dividend outlook. We do not believe a traditional DCF-based valuation is suitable for Taaleri, due to its high dependence on unannounced funds.

Two peer groups for Taaleri in renewable energy and private asset management

We derive two different peer groups for Taaleri: one for renewable energy and another for other private asset management. Although there are multiple Finnish peers for Taaleri, we are hesitant to use a broad peer group, as there is insufficient coverage of these names. Hence, our peer group for other private asset management consists of three companies. For renewable energy, we use a broader peer group of European asset managers and companies exposed to renewable energy infrastructure. Our peer group for renewable energy consists of nine European companies.

RENEWABLE ENERGY PEER GROUP

		Price	Mcap	Net Debt	EV/EBIT			P/E			Div yield %	
Renewable energy peers	**Country**	**Local**	**EURm**	**2022**	**2024E**	**2025E**	**2026E**	**2024E**	**2025E**	**2026E**	**2024E**	**2025E**
Ox2 Ab (Publ)	Sweden	40.1	939	-256	6.7	4.4	3.7	10.2	6.9	6.0	0.0 %	0.0 %
Abo Wind Ag	Germany	55.2	518	156	14.1	12.8	11.0	17.7	16.5	14.2	1.1 %	1.2 %
Capman Oyj	Finland	2.0	361	54	11.5	8.8	8.6	13.1	9.6	9.6	5.4 %	6.4 %
Eqt Ab	Sweden	302.3	32,324		23.5	19.5	15.9	22.7	18.6	15.4	1.4 %	1.6 %
Acciona Sa	UK	108.7	5,993	8,398	13.5	11.9	11.5	14.7	12.7	12.2	4.6 %	4.7 %
Energiekontor Ag	UK	64.5	900	228	13.1	9.1	9.3	19.4	12.6	12.5	1.7 %	2.0 %
Eolus Vind Ab (Publ)	UK	71.4	145	17	5.0	4.7	5.1	6.3	5.9	6.4	3.8 %	4.2 %
Pne Ag	UK	13.4	1,028	674	93.1	52.1	49.3			125.8	0.3 %	0.3 %
Scatec Asa	Norway	75.4	1,014	2,285	15.5	13.5	12.2	19.1	18.9	14.8	1.3 %	1.5 %
Median			**939**	**192**	**13.5**	**11.9**	**11.0**	**16.2**	**12.7**	**12.5**	**1.4 %**	**1.6 %**
Average			4,802	1,445	21.8	15.2	14.1	15.4	12.7	24.1	2.2 %	2.4 %
Nordea												
Taaleri Oyj	**Finland**	**8.1**	**229**	**-29**	**5.2**	**7.9**	**9.4**	**8.0**	**13.0**	**15.8**	**5.6 %**	**4.9 %**
Discount/premium					-62%	-33%	-14%	-51%	3%	27%	293%	206%

Note: share prices as of 2 May

Source: LSEG Data & Analytics and Nordea estimates

OTHER PRIVATE ASSET MANAGEMENT PEERS

		Price	Mcap	Net Debt	EV/EBIT			P/E			Div yield %	
Finnish peers	**Country**	**Local**	**EURm**	**2022**	**2024E**	**2025E**	**2026E**	**2024E**	**2025E**	**2026E**	**2024E**	**2025E**
Capman Oyj	Finland	2.0	361	54	11.5	8.8	8.6	13.1	9.6	9.6	5.4 %	6.4 %
Eq Oyj	Finland	13.6	559	5	14.9	12.5	10.8	18.3	15.6	13.8	5.6 %	6.7 %
Aktia Bank Abp	Finland	9.6	696					7.3	7.8	8.1	8.5 %	8.1 %
Median			**559**	**30**	**13.2**	**10.7**	**9.7**	**13.1**	**9.6**	**9.6**	**5.6 %**	**6.7 %**
Average			539	30	13.2	10.7	9.7	12.9	11.0	10.5	6.5 %	7.1 %
Nordea												
Taaleri Oyj	**Finland**	**8.1**	**229**	**-29**	**5.2**	**7.9**	**9.4**	**8.0**	**13.0**	**15.8**	**5.6 %**	**4.9 %**
Discount/premium					-61%	-26%	-3%	-39%	35%	65%	-1%	-26%

Note: share prices as of 2 May

Source: LSEG Data & Analytics and Nordea estimates

As mentioned, we use different peer groups for renewable energy and other private asset management. In addition, we assign lower multiples for performance fees.

Based on our 2024 EBIT estimate for renewable energy, excluding performance fees (EUR 18m), and accepted valuation multiples of 10-13x, we derive a fair value range of EUR 18-23m for renewable energy. In addition, we derive a fair value range of EUR 54-81m for expected performance fees from renewable energy. Our valuation takes into account the minority share of renewable energy (24%).

In principle, we believe that Garantia could pay all of its annual profits to Taaleri

In principle, we believe that Garantia could pay all of its annual profits to Taaleri. We model a EUR 15m dividend from Garantia to Taaleri in 2024 and flat dividends until 2026, after which we expect a 1.5-3.0% annual dividend increase for terminal value. We use a 10.3% cost of equity as a discount factor. Based on this approach, we arrive at a fair value range of EUR 157-178m for Garantia. We note that Garantia paid a EUR 10m dividend to Taaleri for 2022 and Garantia's dividend was EUR 15m for 2023.

Garantia uses FAS accounting as a basis for solvency calculations. Hence, the company does not book fair value changes until the fair value is lower than the acquisition price. In addition, technically, increasing interest rates should lower future insurance liabilities due to the discount factor and thereby increase the solvency ratio.

We also deduct group costs and add investments at book value (as of Q4 2023), Aktia shares (0.97 million) at the current market value (EUR 9.6 as of 30 April), and 2024E net cash (EUR 43m) to derive our equity fair value range of EUR 275-321m for Taaleri. As there are 28.3 million shares outstanding, we derive a fair value range of EUR 9.7-11.3 per Taaleri share.

SOTP VALUATION FOR TAALERI (EURm AND EUR)

Based on 2024 estimates	Share	Sales	EBIT	Valuation method	EV Range
Private asset management		**42.3**	**18.5**	**EV/EBIT 3.5x - 5x**	**64 - 93**
Renewable energy (excl. performance fees and investments)	76%	35.4	2.3	EV/EBIT 10x - 13x	18 - 23
Performance fees	76%		17.7	EV/EBIT 4x - 6x	54 - 81
Other private asset management (ex. performance fees)	100%	7.0	-1.5	EV/EBIT 5x - 7x	-7 - -10
Performance fees	100%		0.0	EV/EBIT 4x - 6x	0 - 0
Strategic investments (Garantia)	**100%**	**17.9**	**18.1**	**DDM**	**157 - 178**
Other excl. investment operations	**100%**	**6.1**	**-3.5**	**EV/EBIT 6.8x - 8.1x**	**-24 to -29**
Investments	100%			Book value Q4 23	26
TOTAL			**33.0**	**EV/EBIT 6.8x - 8.1x**	**223 - 269**
Aktia shares				As of 30 April	9
Net cash 2024E					43
Equity value					275 - 321
Number of shares (m)					28.3
Equity per share, EUR					**9.7 - 11.3**

Source: Nordea estimates

We note that Taaleri's full earnings potential should be visible after 2024, although we are slightly hesitant to push our valuation approach beyond 2024 due to uncertainties related to fund sizes and the ramping up of the current funds. Given the positive first two closings of SolarWind III, however, we note the possibility of an improving outlook for recurring revenues.

Detailed estimates

DETAILED ESTIMATES: SEGMENT REPORTING

Segment reporting, EURm	Q123	Q223	Q323	Q423	Q124E	Q224E	Q324E	Q424E	2022	2023	2024E	2025E	2026E
Income													
Recurring revenues													
Private asset management	5.6	5.6	6.5	6.7	6.4	6.6	6.8	6.6	20.7	24.4	26.3	29.0	30.5
Renewable energy	3.9	4.0	5.1	5.2	4.8	5.0	5.2	5.1	14.6	18.1	20.1	22.9	24.0
Other private asset management	1.6	1.7	1.4	1.5	1.6	1.6	1.6	1.5	6.1	6.2	6.2	6.2	6.5
Strategic investments (Garantia)	3.9	3.5	3.4	2.8	3.3	3.3	3.7	4.7	13.7	13.6	14.8	16.0	16.5
Other	0.4	0.7	0.4	0.4	0.5	0.5	0.5	0.7	2.4	1.9	2.0	2.0	2.0
TOTAL	9.8	9.9	10.3	9.9	10.1	10.3	10.9	11.9	36.8	39.9	43.1	47.1	49.0
Recurring revenues growth y/y													
Private asset management	14%	17%	22%	18%	14%	16%	5%	-1%	3%	18%	8%	10%	5%
Renewable energy	12%	11%	36%	38%	22%	26%	3%	-1%	-4%	25%	11%	14%	5%
Other private asset management	19%	32%	-12%	-19%	-4%	-7%	12%	-4%	25%	2%	-1%	0%	5%
Strategic investments (Garantia)	52%	6%	4%	-39%	-16%	-7%	6%	68%	-22%	-1%	9%	8%	3%
Other	-22%	-1%	-49%	14%	8%	-38%	19%	67%	-20%	-19%	5%	0%	0%
TOTAL	24%	11%	10%	-7%	2%	4%	6%	21%	-10%	8%	8%	9%	4%
Total income													
Private asset management	5.2	16.1	8.4	12.7	8.1	6.6	11.8	20.5	42.6	42.3	47.0	35.2	31.5
Renewable energy	3.6	12.9	7.0	11.9	4.8	5.0	10.2	19.8	25.8	35.4	39.8	27.9	24.0
Other private asset management	1.6	3.2	1.4	0.8	3.3	1.6	1.6	0.7	16.8	7.0	7.2	7.3	7.5
Strategic investments (Garantia)	4.1	5.4	3.9	4.5	5.9	4.0	4.4	5.4	3.8	17.9	19.6	20.1	20.7
Other	-0.1	4.8	0.8	0.5	0.5	0.5	0.5	2.7	12.6	6.1	4.0	2.0	2.0
TOTAL	9.3	26.3	13.1	17.7	14.4	11.0	16.7	28.6	58.9	66.3	70.6	57.3	54.2
Income growth y/y													
Private asset management	-2%	178%	-33%	-33%	55%	-59%	41%	62%	37%	-1%	11%	-25%	-10%
Renewable energy	-5%	198%	54%	-9%	33%	-61%	47%	67%	17%	37%	13%	-30%	-14%
Other private asset management	5%	118%	-82%	-86%	106%	-51%	12%	-8%	87%	-58%	3%	2%	3%
Strategic investments (Garantia)	-458%	-402%	-20%	148%	42%	-26%	12%	19%	-88%	374%	9%	3%	3%
Other	-105%	-32%	-90%	-111%	-617%	-91%	-43%	427%	50%	-52%	-34%	-50%	0%
TOTAL	59%	136%	-49%	9%	55%	-58%	27%	62%	-15%	13%	6%	-19%	-5%
EBIT													
Private asset management	-0.8	9.0	2.7	4.0	1.7	0.1	5.3	13.4	18.6	14.9	20.5	8.6	4.3
Renewable energy	-0.3	8.1	2.8	5.7	0.5	0.6	5.8	15.1	11.5	16.3	22.0	10.3	6.1
Other private asset management	-0.5	0.9	-0.1	-1.7	1.2	-0.5	-0.5	-1.7	7.1	-1.4	-1.5	-1.7	-1.8
Strategic investments (Garantia)	3.7	5.1	3.7	4.0	5.4	3.6	4.1	5.0	3.1	16.5	18.1	18.5	19.1
Other	-1.4	3.7	-0.7	-1.1	-1.0	-0.5	-0.8	0.8	5.5	0.5	-1.5	-3.6	-3.7
TOTAL	1.6	17.8	5.7	6.9	6.1	3.2	8.6	19.1	27.3	31.9	37.0	23.5	19.7
EBIT margin													
Private asset management	-15.3%	55.9%	32.3%	31.7%	21.4%	0.9%	44.9%	65.4%	43.8%	35.2%	43.7%	24.5%	13.8%
Renewable energy	-8.3%	62.7%	40.5%	48.1%	10.9%	11.4%	56.6%	76.5%	44.7%	46.2%	55.3%	36.9%	25.6%
Other private asset management	-31.3%	28.4%	-7.4%	-216%	36.9%	-33.1%	-29.3%	-237%	42.3%	-20.1%	-20.9%	-22.9%	-24.0%
Strategic investments (Garantia)	90.2%	94.9%	93.1%	88.2%	92.4%	91.9%	92.8%	91.7%	82.9%	91.7%	92.2%	92.2%	92.2%
Other	1576%	76%	-85%	-219%	-222%	-111%	-178%	28%	43.9%	8%	-38.4%	-179%	-183%
TOTAL	16.8%	67.5%	43.5%	38.9%	42.7%	29.1%	51.6%	66.9%	46.3%	48.1%	52.5%	41.1%	36.4%
EBIT excluding investments and performance fees													
Private asset management	-0.5	-1.4	0.8	-1.9	0.0	0.0	0.3	-0.5	-3.2	-3.0	-0.2	2.5	3.3
Renewable energy	0.0	-0.8	0.9	-1.0	0.5	0.6	0.8	0.5	0.3	-0.9	2.3	5.3	6.1
Other private asset management	-0.5	-0.6	-0.1	-1.0	-0.5	-0.5	-0.5	-1.0	-3.5	-2.1	-2.5	-2.8	-2.8
Strategic investments (Garantia)	3.5	3.2	3.2	2.2	2.8	2.9	3.3	4.2	13.1	12.1	13.3	14.4	14.9
Other	-0.9	-0.5	-1.1	-1.2	-1.0	-0.5	-0.8	-1.2	-4.7	-3.6	-3.5	-3.6	-3.7
TOTAL	2.1	1.3	2.9	-0.9	1.8	2.5	2.8	2.5	5.1	5.4	9.6	13.3	14.5

Source: Company data and Nordea estimates

DETAILED ESTIMATES: IFRS REPORTING (EURm; EPS AND DPS IN EUR)

IFRS reporting, EURm	Q123	Q223	Q323	Q423	Q124E	Q224E	Q324E	Q424E	2022	2023	2024E	2025E	2026E
Total income	10.1	23.8	13.5	18.2	15.1	11.6	17.3	29.3	56.7	65.6	73.3	60.0	57.0
growth y/y	50%	95%	-28%	-5%	48%	-51%	28%	61%	-22%	16%	12%	-18%	-5%
Costs	-8.9	-6.5	-8.0	-11.5	-9.4	-9.0	-9.3	-10.7	-30.4	-35.0	-38.4	-38.6	-39.4
growth y/y	10%	-32%	1126%	-5%	7%	37%	16%	-7%	-34%	15%	10%	1%	2%
Operating profit	1.3	17.3	5.5	6.7	5.6	2.7	8.1	18.6	26.4	30.7	34.9	21.4	17.6
margin %	13%	73%	41%	37%	37%	23%	47%	63%	46%	47%	48%	36%	31%
Taxes	-0.7	-1.3	-0.6	-1.6	-1.0	-0.5	-1.4	-3.3	-5.1	-4.1	-6.1	-3.7	-3.1
Profit (continuing operations)	0.5	13.8	4.6	4.1	4.6	2.2	6.6	15.3	20.6	23.0	28.8	17.7	14.5
Profit (discontinued operations)	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
Profit for the period	0.5	13.8	4.6	4.1	4.6	2.2	6.6	15.3	20.6	23.0	28.8	17.7	14.5
EPS (continuing operations), EUR	0.02	0.49	0.16	0.14	0.16	0.08	0.23	0.54	0.73	0.81	1.02	0.62	0.51
EPS, EUR	0.02	0.57	0.17	0.18	0.16	0.08	0.23	0.54	0.73	0.81	1.02	0.62	0.51
DPS (ordinary)									0.45	1.00	0.45	0.40	0.45
DPS (extra)									0.25	0.00	0.00	0.00	0.00
DPS (total)									0.70	1.00	0.45	0.40	0.45

Source: Company data and Nordea estimates

Main risks

Below, we list the main risk factors that we find relevant for Taaleri. The purpose of this is not to provide a comprehensive list of all of the risks to which the company may be exposed, but rather to highlight those that we find the most relevant. The main risks we identify relate to the overall economic situation, as this will have implications for both the funds and Garantia.

A slowdown in economic activity could hamper Taaleri's performance

General economy

Taaleri has benefitted from a favourable macroeconomic environment, which, combined with low interest rates, has supported housing prices and hence Garantia's business. In addition, demand for alternative investments has fared well in the positive market environment. In the event of an economic slowdown, both Garantia's and fund companies' performances could be negatively affected. Changes in the market environment could affect Taaleri's ability to raise fund commitments, and a slowing transaction market could hinder its ability to make new investments and exit assets.

A cooling of the housing market could affect the real estate operations negatively

Housing market

The positive development in the Finnish housing market has benefitted Garantia through high housing market activity, while Taaleri's housing funds have benefitted from lower yield requirements. If the housing transaction market were to cool down, Taaleri's operations in Garantia and real estate funds could be negatively affected.

Low interest rates have supported alternative investments

Interest rates

Low interest rates have supported Taaleri's business through low financing costs and easy funding access. If interest rates were to rise, the availability of funding could become more difficult. Higher interest rates could also hamper the valuation of investments and the project pipeline.

Key personnel are important for customer relationships

Key personnel

As a financial player, key personnel play a crucial role in Taaleri's customer relationships. If any key personnel were to leave the company, there could be a risk of customer outflow from Taaleri's funds.

Cooperation with Aktia plays a crucial role for Taaleri

Sales channels

Taaleri cooperates with Aktia in the sale of its funds. In order to reach targeted fund sizes, the recently announced cooperation plays a crucial role. Taaleri is also ramping up its institutional sales channel. If the company cannot ramp up its institutional sales channel or if it fails in its cooperation with Aktia, the funds' performance could be negatively affected through lower AuM.

Overall economic activity could affect investment values

Investments

Taaleri has around EUR 30m of non-strategic investments that it aims to divest. The market value of these investments could vary greatly depending on the general economic situation.

If not executed well, M&A activity may increase costs

Potential M&A

After divesting its wealth management arm, Taaleri has an overcapitalised balance sheet. M&A could increase costs temporarily, or even longer term in a worst-case scenario, if acquisitions were to fail or integration were to be executed poorly. It is therefore important for the company to maintain good cost control and clear M&A execution plans so as not to hamper earnings.

A tightening competitive environment could hamper Taaleri's growth prospects

Competitive environment

If the competitive environment regarding alternative investments were to intensify, it could hamper Taaleri's growth and earnings through lower management fees and hinder the company's ability to find investments.

Reported numbers and forecasts

INCOME STATEMENT							
EURm	**2020**	**2021**	**2022**	**2023**	**2024E**	**2025E**	**2026E**
Total revenue	69	73	57	66	73	60	57
Revenue growth	3.3%	4.6%	-21.9%	15.6%	11.7%	-18.1%	-5.1%
of which organic	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
of which FX	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EBITDA	24	32	28	33	37	23	19
Depreciation and impairments PPE	-3	-1	-1	-1	-1	-1	-1
of which leased assets	0	0	0	0	0	0	0
EBITA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Amortisation and impairments	0	0	0	0	0	0	0
EBIT	21	32	27	32	36	23	19
of which associates	0	-1	4	3	0	0	0
Associates excluded from EBIT	0	0	0	0	0	0	0
Net financials	-3	-2	-1	-1	-1	-1	-1
of which lease interest	0	0	0	0	0	0	0
Changes in value, net	0	-3	0	-1	0	0	0
Pre-tax profit	**18**	**26**	**26**	**31**	**35**	**21**	**18**
Reported taxes	-4	-5	-5	-4	-6	-4	-3
Net profit from continued operations	13	21	21	27	29	18	15
Discontinued operations	0	115	0	0	0	0	0
Minority interests	0	0	-1	-4	0	0	0
Net profit to equity	13	136	21	23	29	18	15
EPS, EUR	**0.46**	**4.81**	**0.73**	**0.81**	**1.02**	**0.62**	**0.51**
DPS, EUR	1.32	1.20	0.70	1.00	0.45	0.40	0.45
of which ordinary	1.32	0.40	0.45	1.00	0.45	0.40	0.45
of which extraordinary	0.00	0.80	0.25	0.00	0.00	0.00	0.00
Profit margin in percent							
EBITDA	34.0%	44.7%	50.0%	50.3%	50.1%	38.7%	34.1%
EBITA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EBIT	30.3%	43.6%	47.9%	49.5%	49.3%	37.7%	33.1%
Adjusted earnings							
EBITDA (adj)	24	32	28	33	37	23	19
EBITA (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EBIT (adj)	21	32	27	32	36	23	19
EPS (adj, EUR)	0.46	4.81	0.73	0.81	1.02	0.62	0.51
Adjusted profit margins in percent							
EBITDA (adj)	34.0%	44.7%	50.0%	50.3%	50.1%	38.7%	34.1%
EBITA (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EBIT (adj)	30.3%	43.6%	47.9%	49.5%	49.3%	37.7%	33.1%
Performance metrics							
CAGR last 5 years							
Net revenue	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EBITDA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EPS	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
DPS	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Average last 5 years							
Average EBIT margin	n.a.	n.a.	n.a.	40.4%	44.1%	45.6%	43.5%
Average EBITDA margin	n.a.	n.a.	n.a.	42.7%	45.8%	46.8%	44.6%

VALUATION RATIOS - ADJUSTED EARNINGS							
EURm	**2020**	**2021**	**2022**	**2023**	**2024E**	**2025E**	**2026E**
P/E (adj)	17.7	2.3	15.4	11.1	7.9	13.0	15.8
EV/EBITDA (adj)	11.1	8.4	9.8	6.8	5.1	7.7	9.1
EV/EBITA (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EV/EBIT (adj)	12.4	8.6	10.3	7.0	5.2	7.9	9.4

VALUATION RATIOS - REPORTED EARNINGS							
EURm	**2020**	**2021**	**2022**	**2023**	**2024E**	**2025E**	**2026E**
P/E	17.7	2.3	15.4	11.1	7.9	13.0	15.8
EV/Sales	3.8	3.8	4.9	3.4	2.5	3.0	3.1
EV/EBITDA	11.1	8.4	9.8	6.8	5.1	7.7	9.1
EV/EBITA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EV/EBIT	12.4	8.6	10.3	7.0	5.2	7.9	9.4
Dividend yield (ord.)	16.3%	3.6%	4.0%	11.1%	5.6%	5.0%	5.6%
FCF yield	0.0%	36.9%	8.6%	5.5%	18.7%	8.2%	4.9%
FCF Yield bef A&D, lease adj	0.0%	40.3%	11.5%	3.2%	13.9%	9.3%	6.1%
Payout ratio	287.1%	24.9%	96.3%	123.3%	44.2%	64.1%	87.7%

Source: Company data and Nordea estimates

BALANCE SHEET

EURm	2020	2021	2022	2023E	2024E	2025E	2026E
Intangible assets	7	1	0	1	1	1	1
of which R&D	0	0	0	0	0	0	0
of which other intangibles	2	0	0	0	0	0	1
of which goodwill	5	1	0	0	0	0	0
Tangible assets	3	1	0	2	2	2	2
of which leased assets	0	0	0	0	0	0	0
Shares associates	31	50	48	52	41	44	47
Interest bearing assets	0	0	0	0	0	0	0
Deferred tax assets	2	2	3	3	3	3	3
Other non-IB non-current assets	162	167	153	161	155	156	158
Other non-current assets	14	14	13	13	13	13	13
Total non-current assets	219	235	218	232	215	220	225
Inventory	0	0	0	0	0	0	0
Accounts receivable	11	17	28	27	30	24	23
Short-term leased assets	0	0	0	0	0	0	0
Other current assets	0	0	0	0	0	0	0
Cash and bank	32	59	53	43	57	65	67
Total current assets	44	76	82	70	87	90	90
Assets held for sale	5	5	0	0	0	0	0
Total assets	**268**	**317**	**300**	**302**	**303**	**310**	**315**
Shareholders equity	132	227	200	211	206	212	217
Of which preferred stocks	0	0	0	0	0	0	0
Of which equity part of hybrid debt	0	0	0	0	0	0	0
Minority interest	1	1	0	-3	-3	-3	-3
Total Equity	133	228	201	209	203	210	215
Deferred tax	15	16	17	16	16	16	16
Long term interest bearing debt	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Pension provisions	0	0	0	0	0	0	0
Other long-term provisions	35	41	47	47	48	48	49
Other long-term liabilities	20	17	21	21	21	21	21
Non-current lease debt	0	0	0	0	0	0	0
Convertible debt	0	0	0	0	0	0	0
Shareholder debt	0	0	0	0	0	0	0
Hybrid debt	0	0	0	0	0	0	0
Total non-current liabilities	135	89	99	99	100	100	101
Short-term provisions	0	0	0	0	0	0	0
Accounts payable	0	0	0	0	0	0	0
Current lease debt	0	0	0	0	0	0	0
Other current liabilities	0	0	0	0	0	0	0
Short term interest bearing debt	0	0	0	0	0	0	0
Total current liabilities	0	0	0	0	0	0	0
Liabilities for assets held for sale	0	0	0	0	0	0	0
Total liabilities and equity	**268**	**317**	**300**	**308**	**303**	**310**	**315**
Balance sheet and debt metrics							
Net debt	32	-44	-38	-29	-43	-50	-52
of which lease debt	0	0	0	0	0	0	0
Working capital	11	17	28	27	30	24	23
Invested capital	230	252	247	259	245	244	248
Capital employed	198	242	216	224	218	225	229
ROE	10.1%	75.9%	9.6%	11.2%	13.8%	8.5%	6.8%
ROIC	10.5%	8.7%	10.3%	11.5%	7.4%	6.1%	2.3%
ROCE	10.6%	14.4%	11.9%	14.8%	16.4%	10.2%	8.3%
Net debt/EBITDA	1.4	-1.4	-1.3	-0.9	-1.2	-2.2	-2.7
Interest coverage	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Equity ratio	49.3%	71.6%	66.7%	69.9%	67.9%	68.5%	68.9%
Net gearing	24.4%	-19.6%	-18.9%	-13.5%	-20.7%	-23.7%	-23.9%

Source: Company data and Nordea estimates

CASH FLOW STATEMENT

EURm	2020	2021	2022	2023E	2024E	2025E	2026E
EBITDA (adj) for associates	23	34	25	30	36	23	19
Paid taxes	0	-4	-2	-4	-6	-4	-3
Net financials	0	-2	-1	-1	-1	-1	-1
Change in provisions	0	0	0	0	0	0	0
Change in other LT non-IB	-1	-1	22	-7	7	-1	-1
Cash flow to/from associates	0	0	0	0	0	0	0
Dividends paid to minorities	0	0	0	0	0	0	0
Other adj to reconcile to cash flow	-23	104	-8	0	0	0	0
Funds from operations (FFO)	**0**	**130**	**36**	**18**	**36**	**17**	**14**
Change in NWC	0	-1	-8	-11	-3	5	1
Cash flow from operations (CFO)	**0**	**129**	**28**	**6**	**32**	**22**	**15**
Capital expenditure	0	-2	8	2	-1	-1	-1
Free cash flow before A&D	0	128	36	8	32	21	14
Proceeds from sale of assets	0	0	0	3	11	0	0
Acquisitions	0	-11	-9	3	0	-3	-3
Free cash flow	0	117	27	14	43	19	11
Free cash flow bef A&D, lease adj	**0**	**128**	**36**	**8**	**32**	**21**	**14**
Dividends paid	0	-37	-34	-20	-28	-13	-11
Equity issues / buybacks	0	0	0	0	0	0	0
Net change in debt	0	-50	0	0	0	0	0
Other financing adjustments	0	0	0	2	0	2	2
Other non-cash adjustments	-5	-3	1	-5	0	0	0
Change in cash	-5	27	-6	-10	14	8	2
Cash flow metrics							
Capex/D&A	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Capex/Sales	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Key information							
Share price year end (/current)	8	11	11	9	8	8	8
Market cap.	230	317	316	254	216	205	192
Enterprise value	263	273	279	223	171	152	138
Diluted no. of shares, year-end (m)	28.3	28.3	28.3	28.3	28.3	28.3	28.3

Source:Company data and Nordea estimates

Disclaimer and legal disclosures

Origin of the report
This publication or report originates from: Nordea Bank Abp, including its branches Nordea Danmark, Filial af Nordea Bank Abp, Finland, Nordea Bank Abp, filial i Norge and Nordea Bank Abp, filial i Sverige (together "Nordea") acting through their units Nordea Markets and Equity Sales & Research.

Nordea Bank Abp is supervised by the European Central Bank and the Finnish Financial Supervisory Authority and the branches are supervised by the European Central Bank and the Finnish Financial Supervisory Authority and the Financial Supervisory Authorities in their respective countries.

Content of report
This report has been prepared solely by Nordea Markets or Equity Sales & Research.

Opinions or suggestions from Nordea Markets credit and equity research may deviate from one another or from opinions presented by other departments in Nordea. This may typically be the result of differing time horizons, methodologies, contexts or other factors.

The information provided herein is not intended to constitute and does not constitute investment advice nor is the information intended as an offer or solicitation for the purchase or sale of any financial instrument. The information contained herein has no regard to the specific investment objectives, the financial situation or particular needs of any particular recipient. Relevant and specific professional advice should always be obtained before making any investment or credit decision

Opinions or ratings are based on one or more methods of valuation, for instance cash flow analysis, use of multiples, behavioural technical analyses of underlying market movements in combination with considerations of the market situation and the time horizon. Key assumptions of forecasts or ratings in research cited or reproduced appear in the research material from the named sources. The date of publication appears from the research material cited or reproduced. Opinions and estimates may be updated in subsequent versions of the report, provided that the relevant company/issuer is treated anew in such later versions of the report.

Validity of the report
All opinions and estimates in this report are, regardless of source, given in good faith, and may only be valid as of the stated date of this report and are subject to change without notice.

No individual investment or tax advice
The report is intended only to provide general and preliminary information to investors and shall not be construed as the basis for any investment decision. This report has been prepared by Nordea Markets or Equity Sales & Research as general information for private use of investors to whom the report has been distributed, but it is not intended as a personal recommendation of particular financial instruments or strategies and thus it does not provide individually tailored investment advice, and does not take into account the individual investor's particular financial situation, existing holdings or liabilities, investment knowledge and experience, investment objective and horizon or risk profile and preferences. The investor must particularly ensure the suitability of an investment as regards his/her financial and fiscal situation and investment objectives. The investor bears the risk of losses in connection with an investment.

Before acting on any information in this report, it is recommendable to consult (without being limited to) one's financial, legal, tax, accounting, or regulatory advisor in any relevant jurisdiction.
The information contained in this report does not constitute advice on the tax consequences of making any particular investment decision. Each investor shall make his/her own appraisal of the tax and other financial merits of his/her investment.

Sources
This report may be based on or contain information, such as opinions, estimates and valuations which emanate from: Nordea Markets' or Equity Sales & Research analysts or representatives, publicly available information, information from other units of Nordea, or other named sources.

To the extent this publication or report is based on or contain information emanating from other sources ("Other Sources") than Nordea Markets or Equity Sales & Research ("External Information"), Nordea Markets or Equity Sales & Research has deemed the Other Sources to be reliable but neither Nordea, others associated or affiliated with Nordea nor any other person, do guarantee the accuracy, adequacy or completeness of the External Information.

Limitation of liability
Nordea or other associated and affiliated companies assume no liability as regards to any investment, divestment or retention decision taken by the investor on the basis of this report. In no event will Nordea or other associated and affiliated companies be liable for direct, indirect or incidental, special or consequential damages (regardless of whether being considered as foreseeable or not) resulting from the information in this report.

Risk information
The risk of investing in certain financial instruments, including those mentioned in this report, is generally high, as their market value is exposed to a lot of different factors such as the operational and financial conditions of the relevant company, growth prospects, change in interest rates, the economic and political environment, foreign exchange rates, shifts in market sentiments etc. Where an investment or security is denominated in a different currency to the investor's currency of reference, changes in rates of exchange may have an adverse effect on the value, price or income of or from that investment to the investor. Past performance is not a guide to future performance. Estimates of future performance are based on assumptions that may not be realized. When investing in individual shares, the investor may lose all or part of the investments.

Conflicts of interest
Readers of this document should note that Nordea Markets or Equity Sales & Research has received remuneration from the company mentioned in this document for the production of the report. The remuneration is not dependent on the content of the report.
Nordea, affiliates or staff in Nordea, may perform services for, solicit business from, hold long or short positions in, or otherwise be interested in the investments (including derivatives) of any company mentioned in the report.

To limit possible conflicts of interest and counter the abuse of inside knowledge, the analysts of Nordea Markets and Equity Sales & Research are subject to internal rules on sound ethical conduct, the management of inside information, handling of unpublished research material, contact with other units of Nordea and personal account dealing. The internal rules have been prepared in accordance with applicable legislation and relevant industry standards. The object of the internal rules is for example to ensure that no analyst will abuse or cause others to abuse confidential information. It is the policy of Nordea that no link exists between revenues from capital markets activities and individual analyst remuneration. Nordea and the branches are members of national stockbrokers' associations in each of the countries in which Nordea has head offices. Internal rules have been developed in accordance with recommendations issued by the stockbrokers associations. This material has been prepared following the Nordea Conflict of Interest Policy, which may be viewed at www.nordea.com/mifid.
Please find a list of all recommendations disseminated by Nordea Equities during the preceding 12-month period here: https://research.nordea.com/compliance

Distribution restrictions
The securities referred to in this report may not be eligible for sale in some jurisdictions. This report is not intended for, and must not be distributed to private customers in the UK or the US or to customers in any other jurisdiction where restrictions may apply.
This research report has not been prepared for distribution outside the EU, the UK or the US. The content of this research report is not a product disclosure statement or other regulated document for the purposes of the Australian Corporations Act 2001 (CTH). The distribution of this research report in Australia has not been authorised by any regulatory authority in Australia, and Nordea bank Abp is not licensed by the Australian Securities and Investment Commission to provide financial services in Australia.

This publication or report may be distributed in the UK to institutional investors by Nordea Bank Abp London Branch of 6th Floor, 5 Aldermanbury Square, London, EC2V 7AZ, which is under supervision of the European Central Bank, Finanssivalvonta (Financial Supervisory Authority) in Finland and subject to limited regulation by the Financial Conduct Authority and Prudential Regulation Authority in the United Kingdom. Details about the extent of our regulation by the Financial Conduct Authority and Prudential Regulation Authority are available upon request.

Nordea Bank Abp (“Nordea”) research is not “globally branded” research. Nordea research reports are intended for distribution in the United States solely to “major U.S. institutional investors,” as defined in Rule 15a-6 under the Securities Exchange Act of 1934. Any transactions in securities discussed within the research reports will be chaperoned by Nordea Securities LLC (“Nordea Securities”), an affiliate of Nordea and a SEC registered broker dealer and member of FINRA. Nordea Securities does not employ research analysts and has no contractual relationship with Nordea that is reasonably likely to inform the content of Nordea research reports. Nordea makes all research content determinations without any input from Nordea Securities.

The research analyst(s) named on this report are not registered/qualified as research analysts with FINRA. Such research analyst(s) are also not registered with Nordea Securities and therefore may not be subject to FINRA Rule 2241 or FINRA Rule 2242 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account.

Analyst Shareholding

Nordea analysts do not hold shares in the companies that they cover.
No holdings or other affiliations by analysts or associates.

Fair value and sensitivity

We calculate our fair values by weighting DCF, DDM, SOTP, asset-based and other standard valuation methods. Our fair values are sensitive to changes in valuation assumptions, of which growth, margins, tax rates, working capital ratios, investment-to-sales ratios and cost of capital are typically the most sensitive.
It should be noted that our fair values would change by a disproportionate factor if changes are made to any or all valuation assumptions, owing to the non-linear nature of the standard valuation models applied (mentioned above). As a consequence of the standard valuation models we apply, changes of 1-2 percentage points in any single valuation assumption can change the derived fair value by as much as 30% or more. All research is produced on an ad hoc basis and will be updated when the circumstances require it.

Marketing Material

This research report should be considered marketing material, as it has been commissioned and paid for by the subject company, and has not been prepared in accordance with the regulations designed to promote the independence of investment research and it is not subject to any legal prohibition on dealing ahead of the dissemination of the report. However, Nordea Markets analysts are according to internal policies not allowed to hold shares in the companies/sectors that they cover.

Market-making obligations and other significant financial interest

Nordea has no market-making obligations in Taaleri shares.

As of 02/05/2024, Nordea Abp holds no positions of 0.5% or more of shares issued by Taaleri.

As of the publication of this report, the issuer does not hold a position exceeding 5% of the total shares issued in Nordea Abp.

Investment banking transactions and/or services

In view of Nordea's position in its markets, readers should assume that the bank may currently or may in the coming three months and beyond be providing or seeking to provide confidential investment banking and/or ancillary services to the company/ companies.

Issuer Review

This report has not been reviewed by the Issuer prior to publication.

Completion Date

03 May 2024, 00:50 CET

Nordea Bank Abp

Nordea IB & Equity Division, Equity Research
Visiting address:
Aleksis Kiven katu 7, Helsinki
FI-00020 Nordea
Finland

Tel: +358 9 1651
Fax: +358 9 165 59710

Reg.no. 2858394-9
Satamaradankatu 5
Helsinki

Nordea Bank Abp, filial i Sverige

Nordea IB & Equity Division, Equity Research
Visiting address:
Smålandsgatan 17
SE-105 71 Stockholm
Sweden

Tel: +46 8 614 7000
Fax: +46 8 534 911 60

Nordea Danmark, Filial af Nordea Bank Abp, Finland

Nordea IB & Equity Division, EquityResearch
Visiting address:
Grønjordsvej 10
DK-2300 Copenhagen S
Denmark

Tel: +45 3333 3333
Fax: +45 3333 1520

Nordea Bank Abp, filial i Norge

Nordea IB & Equity Division, Equity Research
Visiting address:
Essendropsgate 7
N-0107 Oslo
Norway

Tel: +47 2248 5000
Fax: +47 2256 8650