

7 May 2024

Commissioned research: Taaleri – Solid start for the year supported by investment income*Marketing material commissioned by Taaleri*

Taaleri reported Q1 EBIT of EUR 9.6m, coming well in line with LSEG Data & Analytics consensus at EUR 4.5m. Based on segment reporting, Q1 total income was EUR 17.0m, 18% above our estimate, supported by strong investment operations. Recurring revenues were EUR 10.3m in Q1, 2% above our estimate. Investment operations income of EUR 6.8m came above our estimate of EUR 4.3m, driven mainly by stronger income from Garantia. The company did not book any carry in Q1 (we did not expect any). Private asset management EBIT came 17% below our estimate mainly due to lower investment income. On underlying basis, cost base in Renewable energy was slightly lower than we had anticipated, while other private asset management cost were slightly above. Private asset management recurring revenues came 7% below our estimate. Garantia's claims ratio turned negative in Q1 (-3%) while insurance service revenue was up 1% y/y to EUR 5.1m, 11% above our estimate. Combined ratio was 21.5% in Q1 (42% in Q4), above our estimate of 29.3%. Solvency was at 243%. Private asset management AuM was flat q/q at EUR 2.6bn 4% below our estimate of EUR 2.7bn. Taaleri has built a dedicated strategy and organization for direct investments and has renewed real estate strategy during Q1. On initial take, we expect consensus to make slightly positive underlying estimate revision, driven by Renewable energy cost base and solid performance of Garantia.

TAALERI: DEVIATION TABLE

TABLE 1: DEVIATION TABLE											
	Actual	NDA est.	Deviation		Consensus	Deviation		Actual	Actual		
EURm	Q1 2024	Q1 2024E	vs. actual		Q1 2024E	vs. actual		Q4 2023	q/q	Q1 2023	y/y
Sales	17.2	15.1	2.1	14%	11.0	6.2	56%	18.2	-6%	10.1	69%
EBIT	9.6	6.0	3.7	61%	4.5	5.1	113%	7.5	29%	1.6	513%
EBIT margin	56.0%	39.6%		16.4pp	40.9%		15.1pp	41.1%	14.9pp	15.4%	40.6pp
PTP	9.4	5.6	3.8	67%	3.0	6.4	213%	6.7	41%	1.3	628%
PTP margin	54.7%	37.2%		17.4pp	27.3%		27.4pp	36.6%	18.1pp	12.7%	42.0pp
Adj. EPS	0.26	0.16	0.10	59%	0.12	0.05	126%	0.14	80%	0.02	1299%
EPS	0.26	0.16	0.10	59%	0.12	0.05	126%	0.14	80%	0.02	1299%
Segment reporting											
Recurring revenues											
Private asset management	5.9	6.4	-0.5	-7%				6.7	-12%	5.6	6%
Strategic investments	3.9	3.3	0.7	20%				2.8	41%	3.9	1%
Other	0.5	0.5	0.0	5%				0.4	17%	0.4	14%
TOTAL	10.3	10.1	0.2	2%				9.9	4%	9.8	4%
Total income											
Private asset management	6.7	8.1	-1.4	-17%				12.7	-47%	5.2	28%
Strategic investments	9.3	5.9	3.4	59%				4.5	106%	4.1	125%
Other	1.1	0.5	0.6	138%				0.5	110%	-0.1	-1329%
TOTAL	17.0	14.4	2.6	18%				17.7	-4%	9.3	84%
EBIT											
Private asset management	0.5	1.7	-1.3	-73%				4.0	-88%	12.3	-96%
Strategic investments	9.1	5.4	3.7	68%				4.0	128%	1.7	424%
Other	0.0	-1.0	1.0	-105%				-1.1	-104%	-6.8	-101%
TOTAL	9.6	6.1	3.4	56%				6.9	39%	7.2	33%
EBIT margin											
Private asset management	7.0%	21.4%		-14.4pp				31.7%	-24.7pp	236.5%	#####
Strategic investments	97.7%	92.4%		5pp				88.2%	9.5pp	41.9%	56pp
Other	4.5%	-222.2%		227pp				-219.3%	224pp	7848.3%	-7844pp
TOTAL	56.4%	42.7%		13.7pp				38.9%	17.5pp	78.1%	-21.7pp

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

English speaking webcast will be held on 13:00 EET and can followed through the following link:

<https://taaleri.videosync.fi/q1-2024/register>

SUMMARY TABLE - KEY FIGURES

EURm	2021	2022	2023	2024E	2025E	2026E
Total revenue	73	57	66	73	60	57
EBITDA (adj)	32	28	33	37	23	19
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)	4.81	0.73	0.81	1.02	0.62	0.51
EPS (adj) growth	947.1%	-84.9%	11.5%	25.4%	-38.7%	-17.8%
DPS (ord, EUR)	0.40	0.45	1.00	0.45	0.40	0.45
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)	2.3	15.4	11.1	8.0	13.1	15.9
P/BV	1.4	1.6	1.2	1.1	1.1	1.1
Dividend yield (ord)	3.6%	4.0%	11.1%	5.5%	4.9%	5.5%
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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