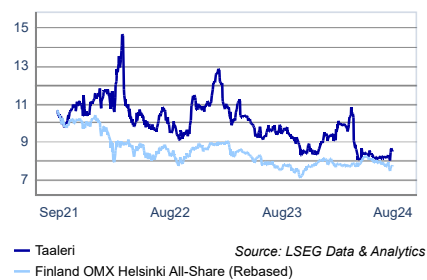


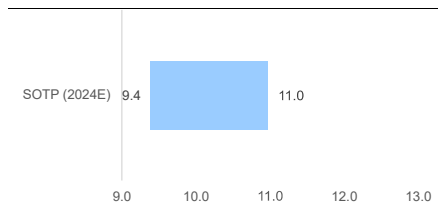
KEY DATA

Stock country	Finland
Bloomberg	TAALA.FH
Reuters	TAALA.HE
Share price (close)	EUR 8.59
Free float	72%
Market cap. (bn)	EUR 0.24/EUR 0.24
Website	taaleri.com
Next report date	20 Aug 2024

PERFORMANCE



VALUATION APPROACH



ESTIMATE CHANGES

Year	2024E	2025E	2026E
Sales	1%	0%	0%
EBIT (adj)	1%	-1%	-1%

Source: Nordea estimates

Fund pipeline supporting outlook

Ahead of Taaleri's half-year financial report, due on 20 August, we keep our underlying estimates intact. However, we revise our forecasts to reflect its new segment reporting structure, announced on 7 August, and the partial sale of Taaleri's Aktia shareholding. We raise 2024E EBIT by 1%, but trim 2025E-26E by 1%. For Q2, we model no performance fees in Private Asset Management. We expect Garantia's strong underlying performance to continue, with a modest 4% decline in continuing earnings for Q2. At the group level, we model a 2% y/y increase in continuing earnings, to EUR 10.1m. Our SOTP-based fair value range of EUR 9.4-11.0 is unchanged.

New products and flagship funds in the pipeline

For Q2, we expect 2% growth in group continuing earnings. We expect no performance fees for Q2, but pencil in EUR 17.7m for H2, as Taaleri is preparing exits of the Taaleri Wind II and Wind III funds. We estimate fairly neutral fair value changes for the group (EUR +0.1m) for Q2. Fundraising continues for SolarWind III, which achieved a size of EUR 430m during its second closing in December 2023. The fund has a target size of EUR 700m with a hard cap of EUR 900m, being open at least until December 2024. We model EUR 700m of commitments by the end of 2025. Taaleri also has plans to launch new real estate business products and services, slated to be launched by the end of this year. Along with Bioindustry II and SolarWind IV funds in the pipeline for 2025-26, this supports its near-term outlook.

Changes in segment reporting – minor estimate revisions

Taaleri announced changes to its segment reporting on 7 August, moving the remaining Aktia shareholding under the group Other, thereby simplifying the reporting structure. It sold 150,000 Aktia shares during Q2 (824,563 in remaining shares held at the end of Q2). Strategic Investments was renamed Garantia. Our new estimates reflect the change in reporting as well as the sale of Aktia shares. We also fine-tune our fair value change estimates. The changes translate to 1% higher adjusted EBIT for 2024E, but 1% lower for 2025E-26E. Our fair value range of EUR 9.4-11.0 thus remains intact.

Nordea IB & Equity - Analysts

Jukka-Pekka Pesonen
AnalystJoni Sandvall
Analyst

SUMMARY TABLE - KEY FIGURES

EURm	2020	2021	2022	2023	2024E	2025E	2026E
Total revenue	69	73	57	66	75	60	56
EBITDA (adj)	24	32	28	33	39	23	19
EBIT (adj)	21	32	27	33	38	22	18
EBIT (adj) margin	30.3%	43.6%	47.9%	49.5%	50.7%	37.3%	32.5%
EPS (adj, EUR)	0.46	4.81	0.73	0.81	1.08	0.61	0.50
EPS (adj) growth	11.8%	947.1%	-84.9%	11.5%	32.8%	-43.3%	-18.4%
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	2.6	3.2	3.3
EV/EBIT (adj)	12.4	8.6	10.3	7.0	5.2	8.5	10.2
P/E (adj)	17.7	2.3	15.4	11.1	7.9	14.0	17.1
P/BV	1.7	1.4	1.6	1.2	1.2	1.1	1.1
Dividend yield (ord)	16.3%	3.6%	4.0%	11.1%	5.3%	4.7%	5.3%
FCF Yield bef A&D, lease adj	0.0%	40.3%	11.5%	3.2%	13.5%	9.1%	5.7%
Net debt	32	-44	-38	-29	-45	-53	-54
Net debt/EBITDA	1.4	-1.4	-1.3	-0.9	-1.2	-2.3	-2.9
ROIC after tax	7.4%	10.5%	8.7%	10.3%	12.1%	7.3%	6.0%

Source: Company data and Nordea estimates

Estimate revisions

Revisions mainly due to a change in segment reporting

On 7 August, Taaleri announced a change to its segment reporting.

Under the new reporting structure, Strategic Investments is being renamed Garantia, as it now only contains the guarantee insurance company. The holding in Aktia shares, which Taaleri received as part of its wealth management business sale to Aktia, was transferred to the company's "Other" segment. Otherwise, the company's reporting remains the same. Taaleri has two operational segments: **Private Asset Management** (divided into Renewable Energy and Other Private Asset Management) and **Garantia**. The **Other** segment contains non-strategic investments, Taaleri Kapitaali and group functions not included in the other segments.

Our new estimates reflect the Aktia shares now being reported under the Other segment, as well as Taaleri's sale of 150,000 Aktia shares during Q2 (for a loss of EUR 0.1m versus the Q1 book value, we estimate). We also include dividends received from Aktia (EUR 0.7m) and the fair value change of the remaining holding (EUR -0.6m, we estimate).

ESTIMATE REVISIONS PRIOR TO THE Q2 2024 REPORT (EPS/DPS IN EUR)

EURm	New estimates				Old estimates				Difference %			
	Q2 2024E	2024E	2025E	2026E	Q2 2024E	2024E	2025E	2026E	Q2 2024E	2024E	2025E	2026E
Sales	11.8	75.3	59.5	56.4	11.4	74.8	59.7	56.6	4%	1%	0%	0%
EBIT	3.0	38.2	22.2	18.3	2.6	37.8	22.3	18.5	16%	1%	-1%	-1%
EBIT margin	25%	50.7%	37.3%	32.5%	22.7%	50.5%	37.4%	32.7%	2.6pp	0.3pp	-0.2pp	-0.2pp
PTP	2.6	36.9	21.0	17.1	2.2	36.5	21.1	17.3	18%	1%	-1%	-1%
PTP margin	22%	49.1%	35.2%	30.3%	19.7%	48.8%	35.4%	30.5%	2.7pp	0.3pp	-0.2pp	-0.2pp
Adj. EPS	0.08	1.08	0.61	0.50	0.07	1.06	0.61	0.50	18%	1%	-1%	-1%
EPS	0.08	1.08	0.61	0.50	0.07	1.1	0.61	0.50	18%	1%	-1%	-1%
DPS		0.45	0.40	0.45		0.45	0.40	0.45	0%	0%	0%	0%
Segment reporting	Q2 2024E	2024E	2025E	2026E	Q2 2024E	2024E	2025E	2026E	Q2 2024E	2024E	2025E	2026E
Recurring revenues												
Private asset management	6.3	25.6	29.0	30.5	6.3	25.6	29.0	30.5	0%	0%	0%	0%
Garantia	3.4	13.8	15.6	16.1	3.4	13.8	15.6	16.1	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	41.4	46.7	48.6	10.1	41.4	46.7	48.6	0%	0%	0%	0%
Total income												
Private asset management	6.3	46.4	35.2	31.5	6.3	46.4	35.2	31.5	0%	0%	0%	0%
Garantia	3.9	21.0	18.9	19.3	4.1	21.7	19.7	20.3	-5%	-4%	-4%	-5%
Other	1.1	5.2	2.8	2.9	0.5	4.0	2.0	2.0	134%	30%	37%	41%
TOTAL	11.2	72.6	56.8	53.7	10.8	72.1	56.9	53.8	4%	1%	0%	0%
Operating profit												
Private asset management	-0.5	19.8	8.4	4.2	-0.5	19.8	8.4	4.2	n.m.	0%	0%	0%
Garantia	3.6	19.7	17.5	17.9	3.8	20.4	18.4	18.9	-5%	-4%	-5%	-5%
Other	0.1	-0.4	-2.9	-2.9	-0.6	-1.5	-3.6	-3.7	-110%	-77%	-20%	-22%
TOTAL	3.2	39.1	23.1	19.2	2.8	38.6	23.2	19.4	15%	1%	-1%	-1%
Operating profit margin												
Private asset management	-7.3%	42.6%	24.0%	13.2%	-7.3%	42.6%	24.0%	13.2%	0.0pp	0.0pp	0.0pp	0.0pp
Garantia	92.9%	93.8%	92.9%	92.9%	93.2%	94.0%	93.2%	93.3%	-0.4pp	-0.2pp	-0.3pp	-0.4pp
Other	5.0%	-6.9%	-104.2%	-101.1%	-122.2%	-38.4%	-179.0%	-183.0%	127pp	32pp	75pp	82pp
TOTAL	28.5%	53.9%	40.6%	35.8%	25.8%	53.6%	40.8%	36.0%	2.7pp	0.3pp	-0.2pp	-0.2pp

Source: Nordea estimates

Valuation

SOTP valuation yields a EUR 9.4-11.0 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 Other 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

Renewable energy peers	Country	Price		Mcap Net Debt		EV/EBIT			P/E			Div yield %	
		Local	EURm	2023	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	
Ox2 Ab (Publ)	Sweden	59.3	1,405	-265	13.0	7.5	6.2	17.9	10.7	8.9	0.0 %	0.0 %	
Abo Energy Gmbh & Co Kga	Germany	47.7	443	156	12.5	11.3	9.8	15.4	14.3	12.4	1.3 %	1.4 %	
Capman Oyj	Finland	1.7	308	60	12.2	8.4	7.8	15.9	9.5	8.7	6.3 %	7.5 %	
Eqst Ab	Sweden	316.6	34,203		25.8	19.4	15.0	27.6	20.4	16.4	1.3 %	1.5 %	
Acciona Sa	UK	116.0	6,355	10,056	15.9	13.2	12.0	18.0	14.7	13.2	4.3 %	4.4 %	
Energiekontor Ag	UK	58.5	818	261	13.6	8.2	8.6	20.4	10.8	11.3	2.1 %	2.3 %	
Eolus Vind Ab (Publ)	UK	65.2	134	16	5.8	5.0	4.4	7.3	6.3	5.5	4.1 %	4.5 %	
Pne Ag	UK	14.3	1,095	732	94.1	54.8	49.9			119.2	0.3 %	0.3 %	
Scatec Asa	Norway	84.6	1,140	2,285	13.4	11.3	11.9	23.5	19.8	19.1	0.0 %	0.0 %	
Median			1,095	209	13.4	11.3	9.8	18.0	12.6	12.4	1.3 %	1.5 %	
Average			5,100	1,663	22.9	15.5	13.9	18.2	13.3	23.8	2.2 %	2.4 %	
Nordea													
Taaleri Oyj	Finland	8.5	240	-29	5.2	8.5	10.2	7.9	14.0	17.1	5.3 %	4.7 %	
Difference					-61%	-25%	5%	-56%	11%	38%	3.9pp	3.2pp	

Note: share prices as of 12 August

Source: LSEG Data & Analytics and Nordea estimates

OTHER PRIVATE ASSET MANAGEMENT PEERS

Finnish peers	Country	Price		Mcap Net Debt		EV/EBIT			P/E			Div yield %	
		Local	EURm	2023	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	
Capman Oyj	Finland	1.7	308	60	12.2	8.4	7.8	15.9	9.5	8.7	6.3 %	7.5 %	
Eq Oyj	Finland	14.0	577	4	15.4	13.1	11.4	19.0	16.3	14.5	5.4 %	6.4 %	
Aktia Bank Abp	Finland	9.2	668					6.9	7.4	7.7	8.7 %	8.4 %	
Median			577	32	13.8	10.7	9.6	15.9	9.5	8.7	6.3 %	7.5 %	
Average			518	32	13.8	10.7	9.6	13.9	11.1	10.3	6.8 %	7.4 %	
Nordea													
Taaleri Oyj	Finland	8.5	240	-29	5.2	8.5	10.2	7.9	14.0	17.1	5.3 %	4.7 %	
Difference					-63%	-21%	6%	-50%	47%	97%	-1.0pp	-2.8pp	

Note: share prices as of 12 August

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 17-21m 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 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 Q1 2024), Aktia shares (holding of 0.82 million) at the current market value (EUR 9.18/share as of 12 August), and 2024E net cash (EUR 45m) to derive our equity fair value range of EUR 266-311m for Taaleri. As there are 28.3 million shares outstanding, we derive a fair value range of EUR 9.4-11.0 per Taaleri share.

SOTP VALUATION FOR TAALERI (EURm AND EUR)

Based on 2024 estimates	Share	Sales	EBIT	Valuation method	EV Range
Private asset management		46.4	17.8	EV/EBIT 3.4x - 4.9x	60 - 87
Renewable energy (excl. performance fees and investments)	76%	39.2	2.2	EV/EBIT 10x - 13x	17 - 21
Performance fees	76%		17.7	EV/EBIT 4x - 6x	54 - 81
Other private asset management (ex. performance fees)	100%	7.2	-2.2	EV/EBIT 5x - 7x	-11 - -15
Performance fees	100%		0.0	EV/EBIT 4x - 6x	0 - 0
Garantia	100%	21.0	19.7	DDM	157 - 178
Other excl. investment operations	100%	5.2	-3.5	EV/EBIT 6.2x - 7.4x	-22 to -26
Investments	100%			Book value Q1 24	19
TOTAL			33.9	EV/EBIT 6.3x - 7.6x	213 - 258
Aktia shares				As of 30 June	8
Net cash 2024E					45
Equity value					266 - 311
Number of shares (m)					28.3
Equity per share, EUR					9.4 - 11

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	Q124	Q224E	Q324E	Q424E	2022	2023	2024E	2025E	2026E
Income													
Recurring revenues													
Private asset management	5.6	5.6	6.5	6.7	5.9	6.3	6.5	7.0	20.7	24.4	25.6	29.0	30.5
Renewable energy	3.9	4.0	5.1	5.2	4.6	4.7	4.9	5.3	14.6	18.1	19.5	22.9	24.0
Other private asset management	1.6	1.7	1.4	1.5	1.3	1.6	1.6	1.7	6.1	6.2	6.2	6.2	6.5
Garantia	3.9	3.5	3.4	2.8	3.9	3.4	3.5	3.0	13.7	13.6	13.8	15.6	16.1
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	10.3	10.1	10.4	10.7	36.8	39.9	41.4	46.7	48.6
Recurring revenues growth y/y													
Private asset management	14%	17%	22%	18%	6%	11%	0%	4%	3%	18%	5%	13%	5%
Renewable energy	12%	11%	36%	38%	16%	18%	-3%	3%	-4%	25%	7%	18%	5%
Other private asset management	19%	32%	-12%	-19%	-18%	-7%	12%	11%	25%	2%	-1%	0%	5%
Garantia	52%	6%	4%	-39%	1%	-4%	1%	9%	-22%	-1%	1%	13%	3%
Other	-22%	-1%	-49%	14%	14%	-38%	19%	61%	-20%	-19%	5%	0%	0%
TOTAL	24%	11%	10%	-7%	4%	2%	1%	8%	-10%	8%	4%	13%	4%
Total income													
Private asset management	5.2	16.1	8.4	12.7	6.7	6.3	11.5	21.9	42.6	42.3	46.4	35.2	31.5
Renewable energy	3.6	12.9	7.0	11.9	5.3	4.7	9.9	19.3	25.8	35.4	39.2	27.9	24.0
Other private asset management	1.6	3.2	1.4	0.8	1.4	1.6	1.6	2.7	16.8	7.0	7.2	7.3	7.5
Garantia	4.8	5.2	4.1	4.2	8.7	3.9	4.2	4.2	3.8	18.3	21.0	18.9	19.3
Other	-0.7	5.0	0.6	0.8	1.7	1.1	0.5	2.1	12.6	5.7	5.2	2.8	2.9
TOTAL	9.3	26.3	13.1	17.7	17.0	11.2	16.2	28.2	58.9	66.3	72.6	56.8	53.7
Income growth y/y													
Private asset management	-2%	178%	-33%	-33%	28%	-61%	37%	73%	37%	-1%	10%	-24%	-10%
Renewable energy	-5%	198%	54%	-9%	47%	-64%	42%	62%	17%	37%	11%	-29%	-14%
Other private asset management	5%	118%	-82%	-86%	-15%	-51%	12%	239%	87%	-58%	3%	2%	3%
Garantia	-514%	-392%	-16%	131%	82%	-26%	2%	0%	-88%	383%	14%	-10%	2%
Other	-145%	-30%	-93%	-118%	n.m.	-79%	-24%	151%	50%	-55%	-8%	-47%	3%
TOTAL	59%	136%	-49%	9%	84%	-58%	23%	60%	-15%	13%	9%	-22%	-5%
EBIT													
Private asset management	-0.8	9.0	2.7	4.0	0.5	-0.5	4.9	14.8	18.6	14.9	19.8	8.4	4.2
Renewable energy	-0.3	8.1	2.8	5.7	1.4	0.3	5.5	14.8	11.5	16.3	21.9	10.8	6.7
Other private asset management	-0.5	0.9	-0.1	-1.7	-0.9	-0.7	-0.6	0.0	7.1	-1.4	-2.2	-2.4	-2.5
Garantia	4.4	4.9	3.9	3.7	8.5	3.6	3.9	3.7	3.1	16.8	19.7	17.5	17.9
Other	-2.0	3.8	-0.9	-0.8	0.6	0.1	-0.9	-0.2	5.5	0.1	-0.4	-2.9	-2.9
TOTAL	1.6	17.8	5.7	6.9	9.6	3.2	8.0	18.3	27.3	31.9	39.1	23.1	19.2
EBIT margin													
Private asset management	-15.3%	55.9%	32.3%	31.7%	7.0%	-7.3%	42.6%	67.7%	43.8%	35.2%	42.6%	24.0%	13.2%
Renewable energy	-8.3%	62.7%	40.5%	48.1%	25.6%	5.8%	55.3%	76.8%	44.7%	46.2%	55.9%	38.8%	27.8%
Other private asset management	-31.3%	28.4%	-7.4%	-216%	-66.3%	-46.8%	-36.0%	1.8%	42.3%	-20.1%	-30.0%	-32.3%	-33.5%
Garantia	91.6%	94.7%	93.4%	87.3%	97.5%	92.9%	93.5%	87.5%	82.9%	91.9%	93.8%	92.9%	92.9%
Other	274%	76.4%	-146%	-98%	38.2%	5%	-189%	-9.4%	43.9%	2.5%	-6.9%	-104%	-101%
TOTAL	16.8%	67.5%	43.5%	38.9%	56.2%	28.5%	49.4%	65.0%	46.3%	48.1%	53.9%	40.6%	35.8%
EBIT excluding investments and performance fees													
Private asset management	-0.5	-1.4	0.8	-1.9	-0.3	-0.5	-0.1	-0.1	-3.2	-3.0	-1.0	2.3	3.2
Renewable energy	0.0	-0.8	0.9	-1.0	0.6	0.3	0.5	0.8	0.3	-0.9	2.2	5.8	6.7
Other private asset management	-0.5	-0.6	-0.1	-1.0	-0.9	-0.7	-0.6	-0.9	-3.5	-2.1	-3.2	-3.5	-3.5
Garantia	3.5	3.2	3.2	2.2	3.7	3.1	3.2	2.5	13.1	12.1	12.5	14.3	14.7
Other	-0.9	-0.5	-1.1	-1.2	-0.5	-0.6	-0.9	-1.6	-4.7	-3.6	-3.5	-3.6	-3.7
TOTAL	2.1	1.3	2.9	-0.9	2.8	2.1	2.2	0.8	5.1	5.4	7.9	13.0	14.1

Note: Figures for Q1 2023-Q1 2024 restated due to change in segment reporting

Source: Company data and Nordea estimates

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

IFRS reporting, EURm	Q123	Q223	Q323	Q423	Q124	Q224E	Q324E	Q424E	2022	2023	2024E	2025E	2026E
Total income	10.1	23.8	13.5	18.2	17.2	11.8	16.8	29.5	56.7	65.6	75.3	59.5	56.4
growth y/y	50%	95%	-28%	-5%	69%	-50%	25%	62%	-22%	16%	15%	-21%	-5%
Costs	-8.9	-6.5	-8.0	-11.5	-7.8	-9.2	-9.4	-10.9	-30.4	-35.0	-38.3	-38.6	-39.3
growth y/y	10%	-32%	1126%	-5%	-12%	40%	17%	-5%	-34%	15%	10%	1%	2%
Operating profit	1.3	17.3	5.5	6.7	9.4	2.6	7.4	18.6	26.4	30.7	36.9	21.0	17.1
margin %	13%	73%	41%	37%	55%	22%	44%	63%	46%	47%	49%	35%	30%
Taxes	-0.7	-1.3	-0.6	-1.6	-1.9	-0.5	-1.3	-2.8	-5.1	-4.1	-6.5	-3.7	-3.0
Profit (continuing operations)	0.5	13.8	4.6	4.1	7.4	2.2	6.1	15.7	20.6	23.0	30.5	17.3	14.1
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	7.4	2.2	6.1	15.7	20.6	23.0	30.5	17.3	14.1
EPS (continuing operations), EUR	0.02	0.49	0.16	0.14	0.26	0.08	0.22	0.56	0.73	0.81	1.08	0.61	0.50
EPS, EUR	0.02	0.57	0.17	0.18	0.27	0.08	0.22	0.56	0.73	0.81	1.08	0.61	0.50
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
DPS payout of continuing EPS									96%	123%	42%	65%	90%

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	75	60	56
Revenue growth	3.3%	4.6%	-21.9%	15.6%	14.7%	-20.9%	-5.2%
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	39	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	33	38	22	18
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	37	21	17
Reported taxes	-4	-5	-5	-4	-6	-4	-3
Net profit from continued operations	13	21	21	27	30	17	14
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	30	17	14
EPS, EUR	0.46	4.81	0.73	0.81	1.08	0.61	0.50
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%	51.5%	38.3%	33.6%
EBITA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EBIT	30.3%	43.6%	47.9%	49.5%	50.7%	37.3%	32.5%
Adjusted earnings							
EBITDA (adj)	24	32	28	33	39	23	19
EBITA (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EBIT (adj)	21	32	27	33	38	22	18
EPS (adj, EUR)	0.46	4.81	0.73	0.81	1.08	0.61	0.50
Adjusted profit margins in percent							
EBITDA (adj)	34.0%	44.7%	50.0%	50.3%	51.5%	38.3%	33.6%
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%	50.7%	37.3%	32.5%
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%	44.4%	45.8%	43.6%
Average EBITDA margin	n.a.	n.a.	n.a.	42.7%	46.1%	47.0%	44.7%

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	14.0	17.1
EV/EBITDA (adj)	11.1	8.4	9.8	6.8	5.1	8.3	9.9
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	8.5	10.2

VALUATION RATIOS - REPORTED EARNINGS

EURm	2020	2021	2022	2023	2024E	2025E	2026E
P/E	17.7	2.3	15.4	11.1	7.9	14.0	17.1
EV/Sales	3.8	3.8	4.9	3.4	2.6	3.2	3.3
EV/EBITDA	11.1	8.4	9.8	6.8	5.1	8.3	9.9
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	8.5	10.2
Dividend yield (ord.)	16.3%	3.6%	4.0%	11.1%	5.3%	4.7%	5.3%
FCF yield	0.0%	36.9%	8.6%	5.5%	18.6%	8.1%	4.5%
FCF Yield bef A&D, lease adj	0.0%	40.3%	11.5%	3.2%	13.5%	9.1%	5.7%
Payout ratio	287.1%	24.9%	96.3%	123.3%	41.8%	65.5%	90.3%

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	40	43	46
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	214	219	224
Inventory	0	0	0	0	0	0	0
Accounts receivable	11	17	28	27	31	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	60	68	69
Total current assets	44	76	82	70	90	92	92
Assets held for sale	5	5	0	0	0	0	0
Total assets	268	317	300	302	304	311	316
Shareholders equity	132	227	200	211	207	213	218
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	205	211	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	304	311	316
Balance sheet and debt metrics							
Net debt	32	-44	-38	-29	-45	-53	-54
of which lease debt	0	0	0	0	0	0	0
Working capital	11	17	28	27	31	24	23
Invested capital	230	252	247	259	245	243	247
Capital employed	198	242	216	224	220	226	230
ROE	10.1%	75.9%	9.6%	11.2%	14.6%	8.2%	6.5%
ROIC	10.5%	8.7%	10.3%	12.1%	7.3%	6.0%	4.1%
ROCE	10.6%	14.4%	11.9%	14.8%	17.2%	10.0%	8.0%
Net debt/EBITDA	1.4	-1.4	-1.3	-0.9	-1.2	-2.3	-2.9
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%	68.1%	68.6%	69.0%
Net gearing	24.4%	-19.6%	-18.9%	-13.5%	-21.6%	-25.0%	-25.0%

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	38	22	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	37	16	13
Change in NWC	0	-1	-8	-11	-4	6	1
Cash flow from operations (CFO)	0	129	28	6	33	23	14
Capital expenditure	0	-2	8	2	-1	-1	-1
Free cash flow before A&D	0	128	36	8	33	22	14
Proceeds from sale of assets	0	0	0	3	12	0	0
Acquisitions	0	-11	-9	3	0	-3	-3
Free cash flow	0	117	27	14	45	20	11
Free cash flow bef A&D, lease adj	0	128	36	8	33	22	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	16	8	1
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	9	9	9
Market cap.	230	317	316	254	229	218	205
Enterprise value	263	273	279	223	182	162	148
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

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Nordea has no market-making obligations in Taaleri shares.

As of 13/08/2024, Nordea Abp holds no positions of 0.5% or more of shares issued by Taaleri.

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Issuer Review

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

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