

20 August 2024

Commissioned research: Taaleri – Q2 EBIT above expectations with solid underlying profitability

Marketing material commissioned by Taaleri

Taaleri reported Q2 EBIT of EUR 4.4m, clearly above LSEG Data & Analytics consensus at EUR 3.5m. Comparing to our estimates, we believe the beat mainly stems from better-than-expected investment operations income in Garantia (EUR +1.4m, our estimate: EUR +0.5m). Based on segment reporting, total income was EUR 11.9m, 7% above our estimate. Recurring revenues were EUR 10.1m in Q2, in line with our estimate. Private asset management recurring revenues grew 7% y/y. The company did not book any carried interest in Q2, in line with our expectations. On a positive note, Private asset management cost base appears to be slightly lower than we had estimate, due to lower personnel costs in Renewable energy. Garantia's Q2 combined ratio was 26.5% (21.5% in Q1 with negative claims ratio), better than our estimate at 30.2%. Solvency at 271%. Private asset management AuM was flat q/q at EUR 2.6b. Taaleri continues fundraising for SolarWind III, with multiple investors conducting due diligence on the fund, with committed capital expected to increase towards the end of the year. The bioindustry business continued preparations on a new venture capital fund, with fundraising starting in the early Autumn. Taaleri is also aiming to develop and launch new real estate products during this year and is strengthening the real estate team through new recruitments. Initially, we believe consensus revisions will be neutral to slightly positive.

Taaleri will hold an English-speaking webcast at 11:00 EEST.

Webcast: <https://taaleri.videosync.fi/q2-2024>

TAALERI: DEVIATION TABLE

EURm	Actual	NDA est.	Deviation		Consensus	Deviation		Actual	Actual		
	Q2 2024	Q2 2024E	vs. actual		Q2 2024E	vs. actual	Q1 2024	q/q	Q2 2023	y/y	
Sales	12.6	11.8	0.8	7%	12.0	0.6	5%	17.2	-26%	23.8	-47%
EBIT	4.4	3.0	1.4	47%	3.5	0.9	26%	9.5	-53%	17.8	-75%
EBIT margin	34.9%	25.4%	9.5pp		29.2%	5.7pp		55.2%	-20.3pp	74.7%	-39.9pp
PTP	4.2	2.6	1.5	58%	4.0	0.2	5%	9.4	-55%	17.3	-76%
PTP margin	33.1%	22.4%	10.7pp		33.3%	-0.2pp		54.7%	-21.6pp	72.5%	-39.4pp
Adj. EPS	0.11	0.08	0.03	43%	0.09	-0.01	29%	0.26	-58%	0.49	-77%
EPS	0.11	0.08	0.03	43%	0.09	-0.01	29%	0.26	-58%	0.49	-77%
Segment reporting											
Recurring revenues											
Private asset management	6.1	6.3	-0.2	-3%				5.9	3%	5.6	7%
Garantia	3.3	3.4	0.0	-1%				3.9	-15%	3.5	-5%
Other	0.7	0.5	0.3	62%				0.5	53%	0.7	0%
TOTAL	10.1	10.1	0.1	1%				10.3	-2%	9.9	3%
Total income											
Private asset management	6.4	6.3	0.2	3%				6.7	-4%	16.1	-60%
Garantia	4.7	3.9	0.9	22%				8.7	-46%	5.2	-9%
Other	0.7	1.1	-0.3	-30%				1.7	-55%	5.0	-85%
TOTAL	11.9	11.2	0.7	7%				17.0	-30%	26.3	-55%
EBIT											
Private asset management	0.3	-0.5	0.8	-168%				0.5	-34%	9.0	-97%
Garantia	4.7	3.6	1.1	31%				8.5	-45%	4.9	-5%
Other	-0.6	0.1	-0.7	-1251%				0.6	-197%	3.8	-116%
TOTAL	4.4	3.2	1.2	38%				9.6	-54%	17.8	-75%
EBIT margin											
Private asset management	4.8%	-7.3%	12.1pp					7.0%	-2.2pp	55.9%	-51.1pp
Garantia	99.5%	92.9%	7pp					97.5%	2.0pp	94.7%	5pp
Other	-82.3%	5.0%	-87pp					38.2%	-121pp	76.4%	-159pp
TOTAL	36.9%	28.5%	8.4pp					56.2%	-19.4pp	67.5%	-30.6pp

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

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	8.6	10.3
P/E (adj)	17.7	2.3	15.4	11.1	8.0	14.1	17.2
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%	5.2%	4.7%	5.2%
FCF Yield bef A&D, lease adj	0.0%	40.3%	11.5%	3.2%	13.4%	9.1%	5.6%
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

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