

5 November 2024

Commissioned research: Taaleri – Solid Q3 on an underlying basis – commentary suggests tough fundraising environment*Marketing material commissioned by Taaleri*

Taaleri reported recurring revenues of EUR 9.7m (-6% y/y), 4% below our estimate, mostly explained by a one-off within private asset management in Q3 2023 and the Other segment's recurring revenue. Investment operations income of EUR 11.9m came above our estimate of EUR 9.7m, mainly due to investment income in Garantia segment (EUR 3.5m; NDA: EUR 0.8m). The Investment operations income was boosted by the EUR 8.3m earnout from renewable energy project development portfolio sale that Taaleri announced earlier. The company did not book any carry, while we had estimated EUR 5.0m. Q3 EBIT was EUR 14.7m, while we expected EUR 17.0m. Based on segment reporting, Q3 total income was EUR 21.6m, 13% below our estimate. The miss in total income as well as EBIT can be explained by no carry bookings, offset by higher investment income and lower cost base in private asset management. Garantia's recurring revenues decreased by 4% y/y to EUR 3.3m, in line with our expectation. Combined ratio improved sequentially to 25.8% (26.5% in Q2 2024) and solvency was at 281.3%. Private asset management AuM was roughly flat q/q at EUR 2.6bn. SolarWind III fundraising continues and by the end of Q3 the commitments amounted to EUR 440m, up merely EUR 10m from EUR 430m in year-end 2023. However, commitments received in October will bring the fund to EUR 470m. The goal is to raise EUR 700m by end of June 2025. Preparations to exit Wind II & III continued. Bioindustry business has decided not to launch the venture capital fund and the launch target of new products within real estate was rolled to next year. Overall, we see the result solid on an underlying basis with a lower-than-expected cost base in private asset management. However, we believe the axing of an upcoming fund as well as postponing the launch of new real estate products suggest sluggish fundraising environment, that might be recovering slower than we have anticipated.

TAALERI: DEVIATION TABLE

	Actual	NDA est.	Deviation	Consensus	Deviation	Actual	Actual		Actual
EURm	Q3 2024	Q3 2024E	vs. actual	Q3 2024E	vs. actual	Q2 2024	q/q	Q3 2023	y/y
Sales	22.2	25.4	-3.2 -13%	14.5	7.7 53%	12.6	76%	13.5	65%
EBIT	14.7	17.0	-2.3 -14%	10.5	4.2 40%	4.4	232%	5.7	158%
EBIT margin	66.1%	67.0%	-0.9pp	72.4%	-6.3pp	35.0%	31.2pp	42.2%	23.9pp
PTP	14.5	16.7	-2.2 -13%	4.0	10.5 262%	4.2	246%	5.5	163%
PTP margin	65.1%	65.6%	-0.5pp	27.6%	37.5pp	33.1%	32.0pp	40.7%	24.4pp
Adj. EPS	0.39	0.49	-0.10 -20%	0.30	0.19 32%	0.11	253%	0.16	140%
EPS	0.39	0.49	-0.10 -20%	0.30	0.19 32%	0.11	253%	0.16	140%
Segment reporting									
Recurring revenues									
Private asset management	6.1	6.4	-0.3 -4%			6.1	1%	6.5	-5%
Garantia	3.3	3.3	0.0 1%			3.3	-1%	3.4	-4%
Other	0.3	0.5	-0.2 -44%			0.7	-66%	0.4	-34%
TOTAL	9.7	10.1	-0.4 -4%			10.1	-4%	10.3	-6%
Total income									
Private asset management	14.4	20.3	-5.9 -29%			6.4	124%	8.4	72%
Garantia	6.8	4.0	2.8 70%			4.7	44%	4.1	65%
Other	0.4	0.5	0.0 -9%			0.7	-45%	0.6	-31%
TOTAL	21.6	24.8	-3.1 -13%			11.9	82%	13.1	65%
EBIT									
Private asset management	9.2	14.1	-4.9 -35%			0.3	2850%	2.7	241%
Garantia	6.3	4.0	2.4 59%			4.7	35%	3.9	64%
Other	-0.9	-0.9	0.0 3%			-0.6	44%	-0.9	1%
TOTAL	14.7	17.3	-2.6 -15%			4.4	234%	5.7	158%
EBIT margin									
Private asset management	64.0%	69.7%	-5.7pp			4.9%	59.2pp	32.3%	31.7pp
Garantia	93.2%	99.1%	-6pp			99.5%	-6.3pp	93.4%	0pp
Other	-214.1%	-188.9%	-25pp			-82.3%	-132pp	-146.2%	-68pp
TOTAL	67.9%	69.8%	-1.9pp			36.9%	31.0pp	43.5%	24.4pp

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	81	58	55
EBITDA (adj)	24	32	28	33	47	23	19
EBIT (adj)	21	32	27	33	46	22	18
EBIT (adj) margin	30.3%	43.6%	47.9%	49.5%	57.0%	38.3%	33.5%
EPS (adj, EUR)	0.46	4.81	0.73	0.81	1.32	0.62	0.51
EPS (adj) growth	11.8%	947.1%	-84.9%	11.5%	62.9%	-53.0%	-17.9%
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	3.3	3.5
EV/EBIT (adj)	12.4	8.6	10.3	7.0	4.3	8.7	10.6
P/E (adj)	17.7	2.3	15.4	11.1	6.1	12.9	15.8
P/BV	1.7	1.4	1.6	1.2	1.1	1.0	1.0
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%	15.9%	11.3%	6.2%
Net debt	32	-44	-38	-29	-24	-34	-32
Net debt/EBITDA	1.4	-1.4	-1.3	-0.9	-0.5	-1.5	-1.7
ROIC after tax	7.4%	10.5%	8.7%	10.2%	13.9%	6.6%	5.4%

Source: Company data and Nordea estimates

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Nordea analyst: Jukka-Pekka Pesonen

Jukka-Pekka Pesonen
Analyst

Nordea | Equity Research FI

Visit me: Aleksis Kiven katu 7, 00500 Helsinki, Finland

Write to me: Aleksis Kiven katu 9, 00020 Nordea, Finland

Tel: +358 953005431

E-mail: jukka-pekka.pesonen@nordea.fi

Web: nordea.com

Nordea Bank Abp, Satamaradankatu 5, FI-00020 NORDEA, Finland, domicile Helsinki, Business ID 2858394-9

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