

**TAALERI**

# **HALF-YEAR FINANCIAL RESULTS 2019**

CEO ROBIN LINDAHL

15 AUGUST 2019



# AGENDA

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# MANAGEMENT TEAM NOMINATIONS 14.8.2019



**Titta Elomaa**  
*Head of Taaleri's  
 Financing segment*

- CEO of Garantia Insurance Company Ltd as of 1 July 2019.
- Has assumed responsibility for the duties of CEO since September 2018.
- Has been Head of Investments and deputy CEO of Garantia 7/2015 – 6/2019.



**Kai Rintala**  
*Head of Taaleri's  
 Energia segment*

- Managing Director of Taaleri Energia Ltd.
- One of the founders of Taaleri Energia in 2016.
- Has over 15 years of experience in the infrastructure industry and before joining Taaleri Energia, he worked for 10 years at KPMG advising public and private sector clients on i.e. infrastructure strategy and transactions related to energy.



**HALF-YEAR FINANCIAL RESULTS 2019**

## TAALERI IN JANUARY-JUNE 2019

- Income was EUR 30.9 (35.2) million. The decline was mainly due to lower performance fees.
- Continuing earnings totalled EUR 24.5 (26.9) million, a decrease of 8.6 per cent.
- Net income from investment operations doubled and totalled EUR 6.8 (3.0) million.
- Operating profit was EUR 6.4 (12.4) million and represented 20.6 (35.1) per cent of income.
- Earnings per share was EUR 0.18 (0.32).
- Assets under Management grew 15.6 % to EUR 6.6 (5.7) billion. The growth was strongest in private equity funds.
- The Guaranty insurance portfolio remained at last year's level and totalled EUR 1.6 (1.7) billion.

## HIGHLIGHTS DURING THE PERIOD

- International breakthrough for Energia
- The launch of private equity funds focusing on impact investing – Taaleri Solarwind II, Taaleri Daycare Properties and Taaleri Wind IV
- The fund distribution agreement with Nordnet helps Taaleri to reach more than 200,000 private investors
- Robin Lindahl appointed CEO of Taaleri Plc as of 1 June 2019. Juhani Elomaa transitioned to Vice Chairman of Taaleri Plc's Board of Directors
- Titta Elomaa appointed CEO of Garantia Insurance Company Ltd as of 1 July 2019



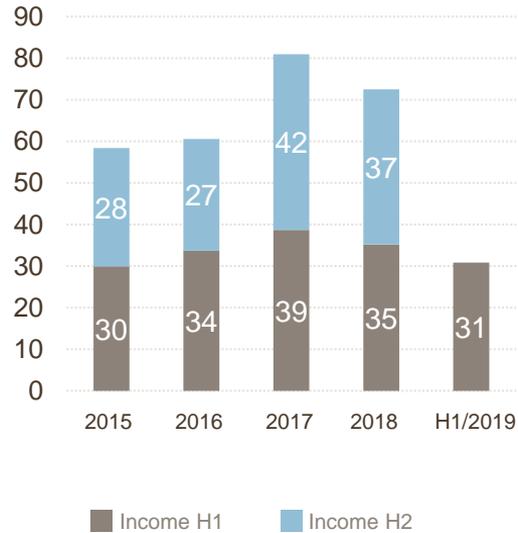
# AUM AND EARNINGS FROM INVESTMENT OPERATIONS GREW, RESULT BURDENED BY DECLINED PERFORMANCE FEES

Group key figures	H1/2019	H1/2018	2018	Long-term target
<b>Earnings key figures</b>				
Continuing earnings	24.5	26.9	52.0	
Income, MEUR	30.9	35.2	72.5	
Operating profit, MEUR	6.4	12.4	23.9	
Operating profit, %	20.6	35.1	33.0	> 20.0
Profit for the period, MEUR	4.8	9.4	21.6	
Return on equity*, %	8.0	17.4	18.9	> 15.0
<b>Balance sheet key figures</b>				
Equity ratio, %	48.9	48.3	51.4	> 30.0
Group's capital adequacy ratio, %	194.6	178.1	186.0	
<b>Per share key figures</b>				
Earnings/share, euros	0.18	0.32	0.76	
Equity/share, euros	4.22	3.84	4.26	
Share closing price, euros	7.00	10.0	7.10	
<b>Other key figures</b>				
Cost/income ratio	79.5	65.1	67.0	
Average full-time employees	185	177	183	
Market capitalisation MEUR	198.1	283.1	201.0	
Assets under management BEUR	6.6	6.0	5.7	
Guaranty insurance portfolio, BEUR	1.6	1.6	1.7	

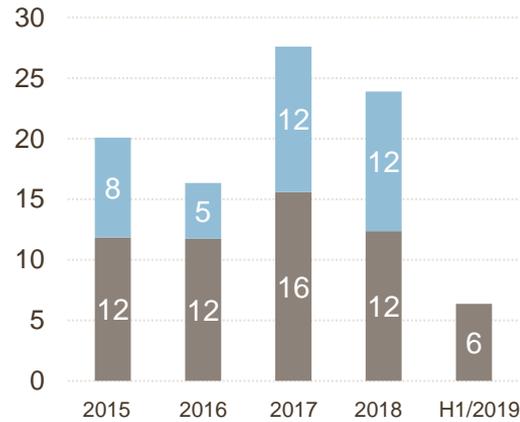
\* annualized

# KEY FIGURES 2015 – H1/2019

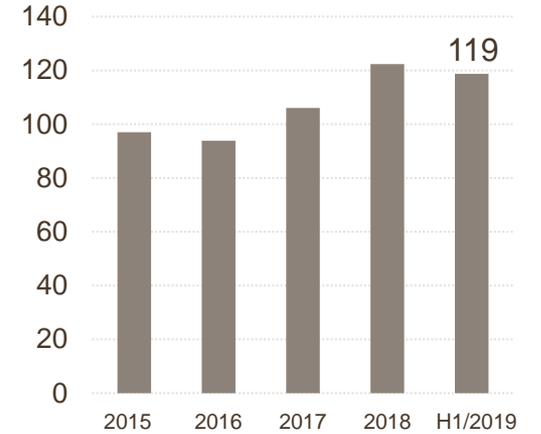
**INCOME, MEUR**



**OPERATING PROFIT, MEUR**

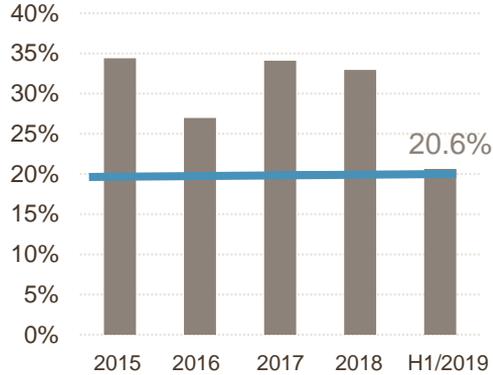


**EQUITY, MEUR**

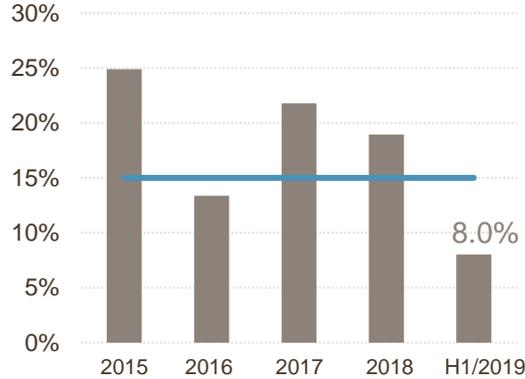


# ECONOMIC PROGRESS 2015 - H1/2019

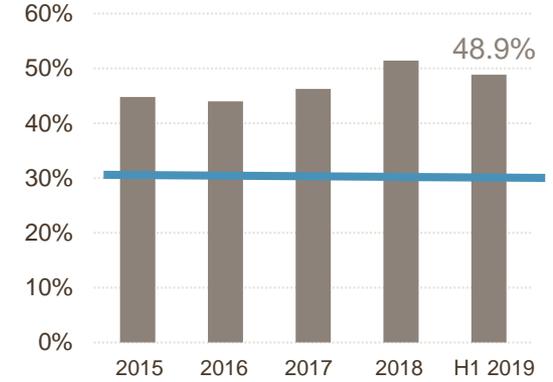
OPERATING PROFIT, %



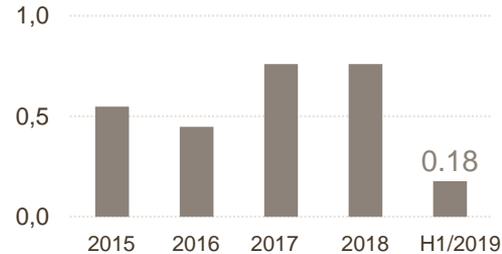
RETURN ON EQUITY, %



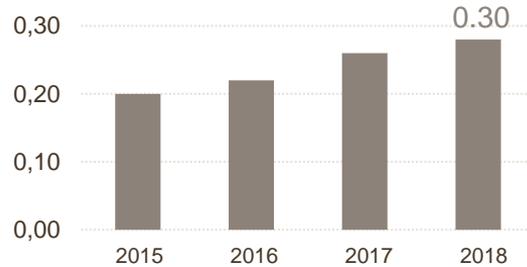
EQUITY RATIO, %



EARNINGS/SHARE, EUR

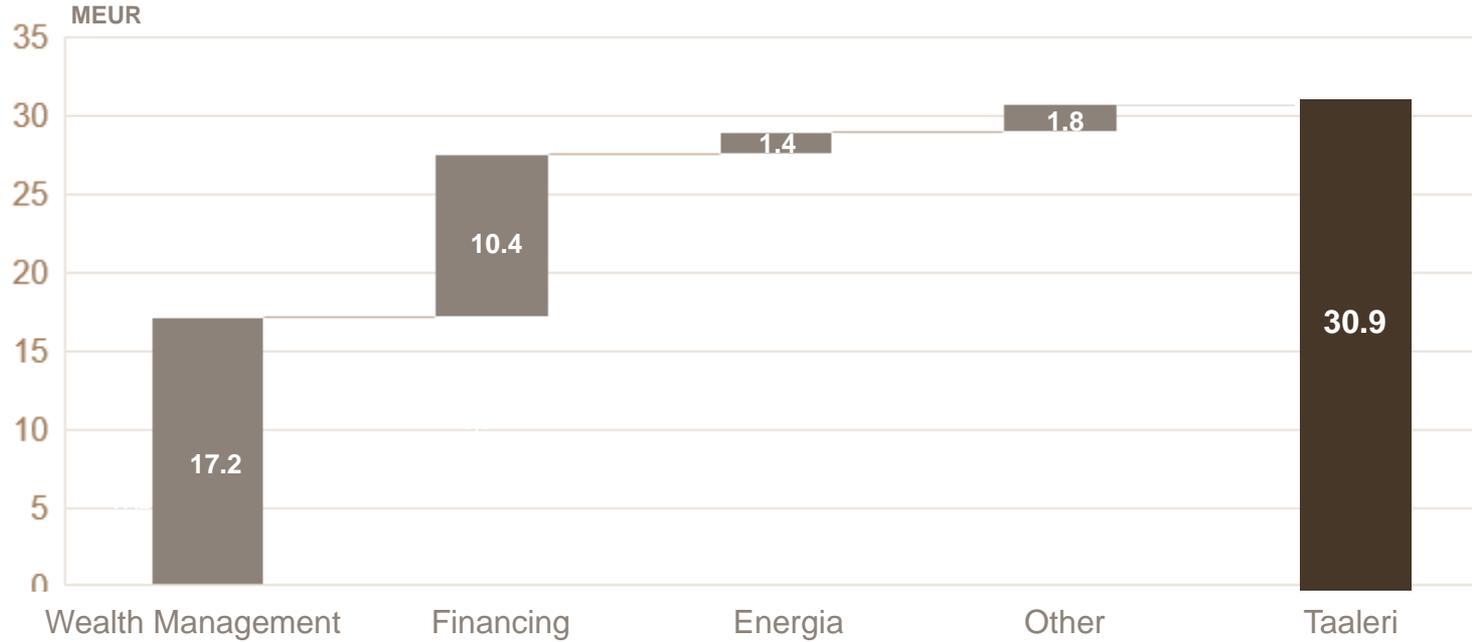


DIVIDEND/SHARE, EUR



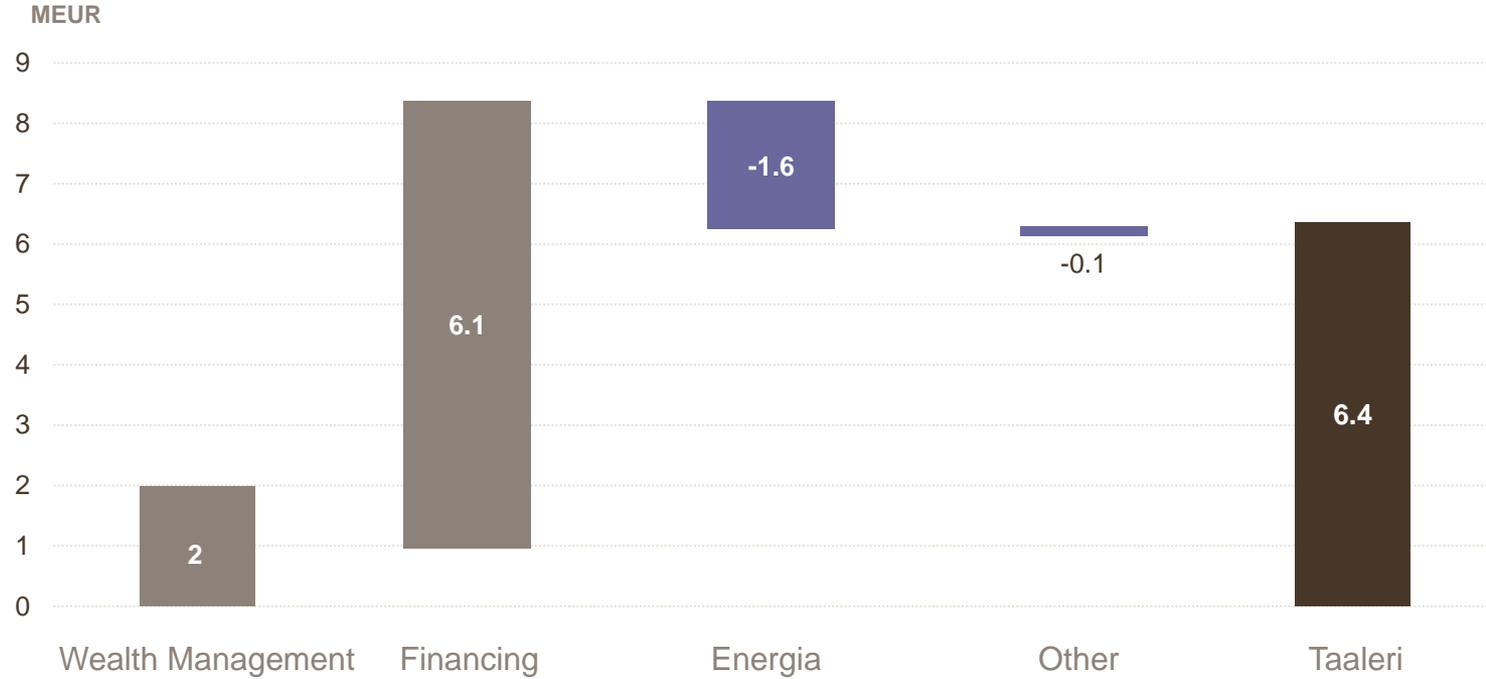
— Long-term target

# INCOME BY SEGMENT H1/2019\*



\*Including results of associated companies

# OPERATING PROFIT BY SEGMENT H1/2019



A man with a beard and glasses, wearing a dark blue jacket and dark trousers, sits on a wooden step. He is looking towards a young boy sitting on the step next to him. The boy is wearing a light blue jacket and blue pants. They are sitting on a set of wide wooden steps that lead up a hill. In the background, there is a Ferris wheel and a building with a glass facade. The sky is clear and blue. The text "WEALTH MANAGEMENT" is overlaid in white, bold, sans-serif font across the middle of the image.

# WEALTH MANAGEMENT

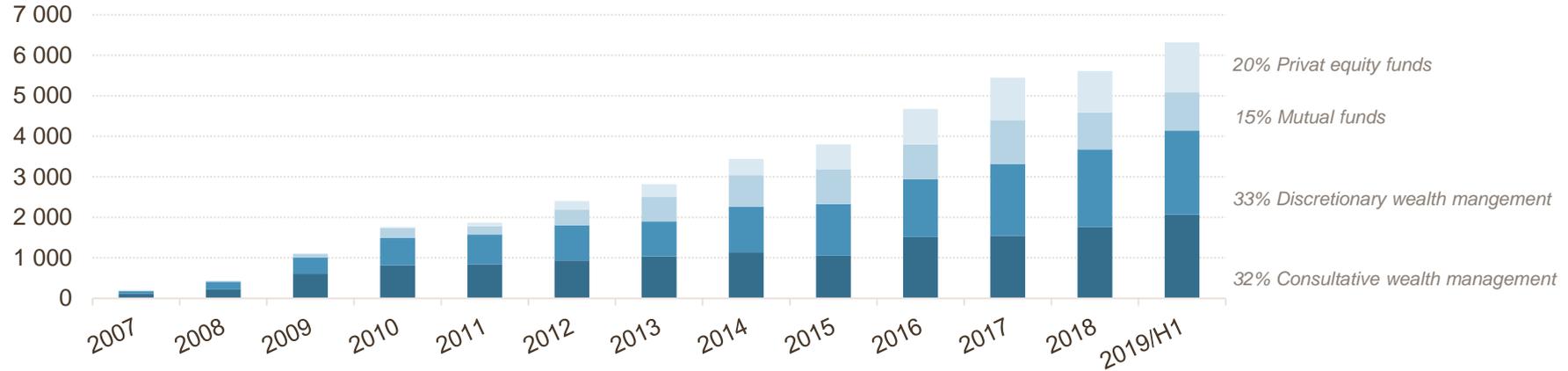
# ASSETS UNDER MANAGEMENT GREW, BUT RESULT WAS BURDENED BY DECLINED PERFORMANCE FEES

- Assets under management grew by 13% and totalled EUR 6.3 billion. Growth was strongest in private equity funds 21%.
- Performance fees totalled EUR -0.5 (5.6) million. Continuing earnings declined 10 per cent mainly due to the challenging year-end 2018 investment market.
- Taaleri strengthened its position as a forerunner in responsible investments by launching three new private equity funds – Taaleri Solarwind II, Taaleri Daycare Properties and Taaleri Wind IV. In addition, two special mutual funds, Taaleri Global Fixed Income and Taaleri Alternatives, started their operations.
- Taaleri Kapitaali Oy, received Certified Adviser status on the First North marketplace
- Evervest customers were transferred to Taaleri Wealth Management, which impacted the amount of customers during the period.

Key figures H1/2019 (H1/2018)



# DEVELOPMENT OF ASSETS UNDER MANAGEMENT, WEALTH MANAGEMENT

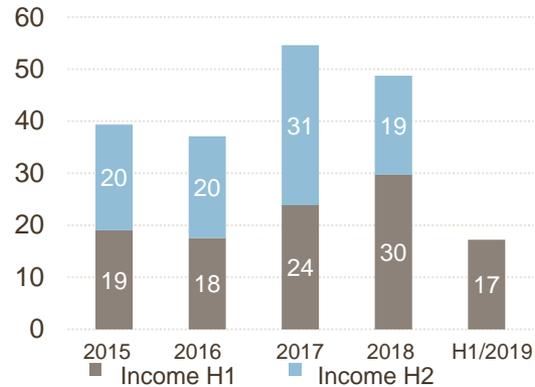


Assets under Management, EUR million	30 June 2019	31 Dec. 2018	Change, %
Assets under Management	6,321	5,612	12.6
Mutual funds	945	911	3.7
Private equity funds*	1,238	1,024	20.8
Discretionary wealth management	2,074	1,922	7.9
Consultative wealth management	2,064	1,754	17.6

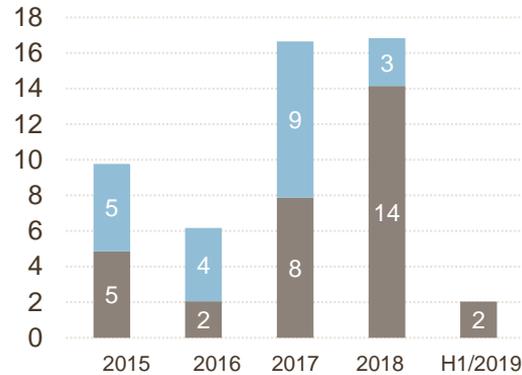
\*In addition, an estimate of equity that will be called from current projects totals EUR 265 million.

# WEALTH MANAGEMENT PERFORMANCE 2015 – H1/2019

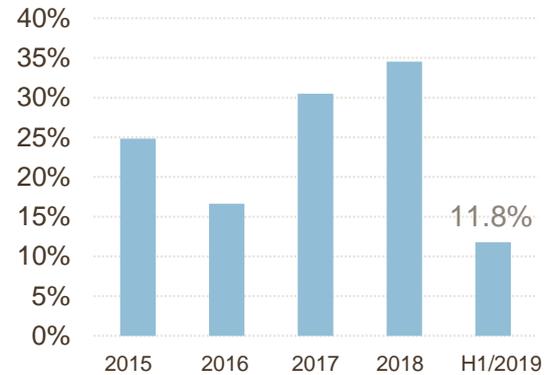
**INCOME, MEUR**



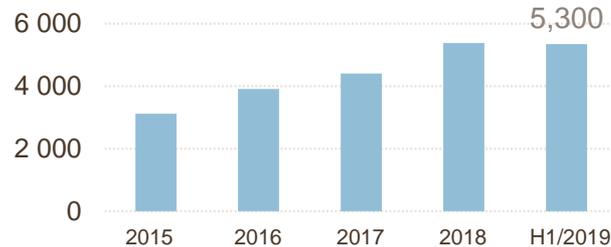
**OPERATING PROFIT, MEUR**



**OPERATING PROFIT, %**



**CUSTOMERS**

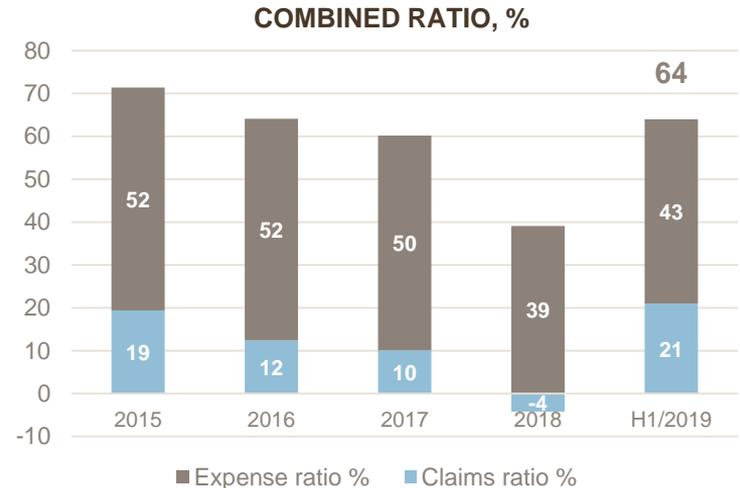




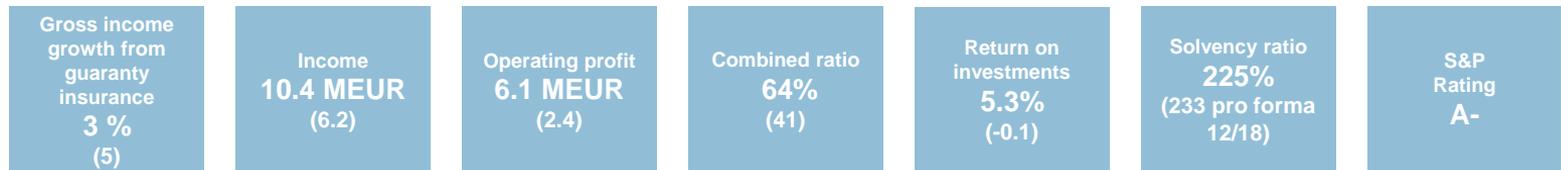
# FINANCING

# NET INCOME FROM INVESTMENT OPERATIONS GREW SIGNIFICANTLY AND THE GUARANTY INSURANCE PORTFOLIO REMAINED UNCHANGED

- Earned premiums (net), increased by 23 per cent, but net income from guaranty insurance activities decreased 6 per cent to EUR 5.5 (5.8) million as a result of changes in known claims provision.
- Net income from investment operations grew significantly to EUR 5.0 (0.4) million
- Guaranty insurance portfolio totalled EUR 1.6 billion.
- S&P rating remained at A-, stable outlook.
- Titta Elomaa appointed CEO as of 1 July 2019.

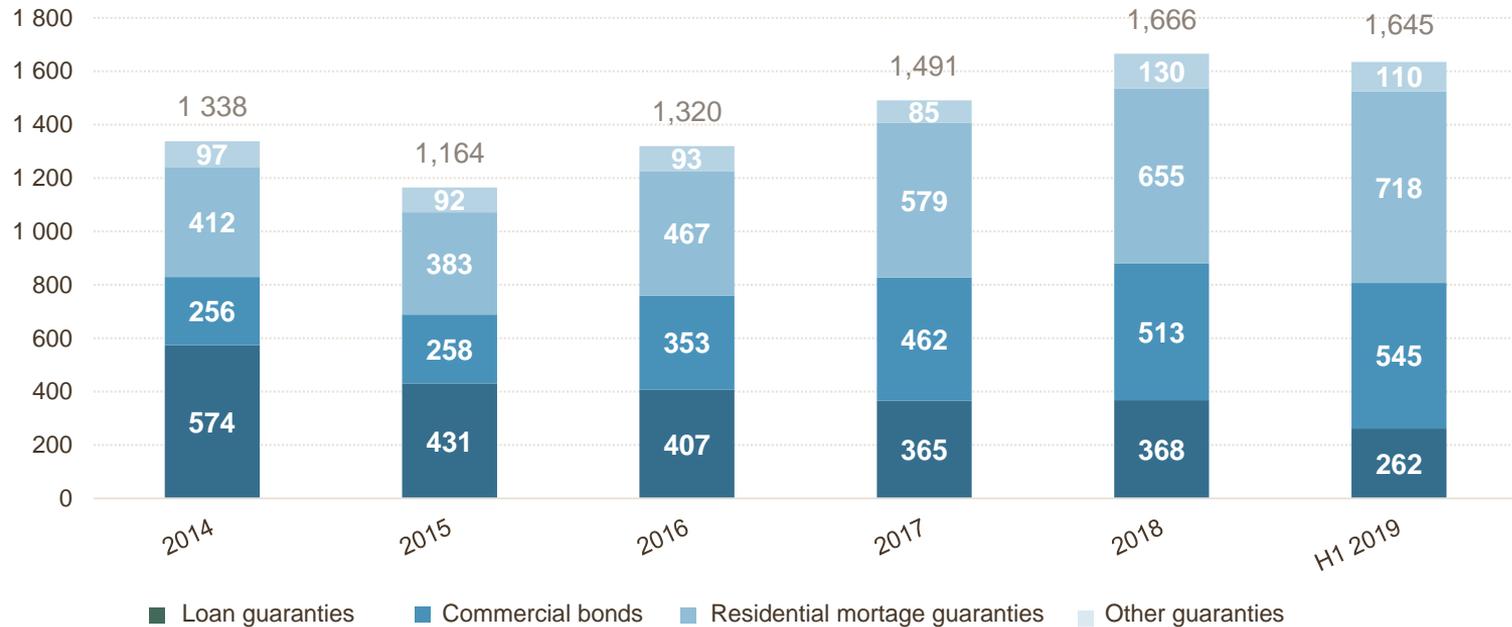


## Key figures H1/2019 (H1/2018)



# GARANTIA'S INSURANCE PORTFOLIO EUR 1.6 BILLION

INSURANCE PORTFOLIO SPLIT, MEUR





# ENERGIA

# TAALERI ENERGIA DID AN INTERNATIONAL BREAKTHROUGH WITH ITS SOLARWIND II FUND

- The SolarWind fund’s wind and solar energy projects were successfully further developed and the fund gained international recognition.
- The international renewable energy fund, Taaleri SolarWind II, raised commitments totalling EUR 220 million at its first closing.
  - Investment decisions on wind farms in Finland and Norway have been made.
- In Texas, the 275 MW wind power project Truscott-Gilliland is being developed.
  - The selection of a a new turbine supplier is in progress, so that electricity production can start 2021.

<b>Energia, EUR million</b>	<b>H1/2019</b>	<b>H1/2018</b>	<b>Change, %</b>	<b>2018</b>
Income	1.4	1.1	29.2	2.3
Operating profit	-1.6	-0.9	78.2	-2.3
Average full-time personnel	22	18	25.7	19



# OTHER OPERATIONS

## OTHER OPERATIONS H1/2019

Other, EUR million	H1/2019	H1/2018	Change, %	2018
Income	1.8	-1.5	Neg.	8.8
Operating profit	-0.1	-3.3	-97.0	4.4
Average full-time personnel	18	15	17.6	19

EUR million	30 June 2019	31 Dec. 2018	Change, %
Investments, fair value	47.1	45.7	2.9
- Portfolio investments	27.4	25.3	8.1
- Co-investments	6.3	4.8	30.8
- Own investments	13.3	15.6	-14.3



**RESULT, BALANCE SHEET AND SOLVENCY**

# TAALERI RESULT IN H1/2019

EUR 1,000	H1/2019	H1/2018	2018
Continuing earnings*	24,549	26,865	52,028
Performance fees	-459	5,637	8,102
Investment operations	6,765	2,979	12,168
<b>Income</b>	<b>30,855</b>	<b>35,481</b>	<b>72,298</b>
Fee and commission expense	-2,235	-3,152	-5,774
Interest expense	-1,437	-1,464	-2,943
Personnel costs	-12,317	-10,219	-21,735
Direct expenses	-7,907	-7,657	-16,820
Depreciation, amortisation and impairment	-573	-608	-1,181
Impairment losses on receivables	26	-4	51
<b>Operating profit</b>	<b>6,412</b>	<b>12,377</b>	<b>23,895</b>
Change in fair value of investments	2,010	-563	-1,721
<b>Profit before taxes and non-controlling interests</b>	<b>8,422</b>	<b>11,814</b>	<b>22,174</b>

\* incl. Profit of associated companies

# BALANCE SHEET

<b>Assets</b>		
<b>EUR 1,000</b>	<b>30 June 2019</b>	<b>31 Dec. 2018</b>
Receivables from credit institutions	11,857	26,133
Receivables from the public and general government	7,807	9,379
Debt Securities	1,500	
Shares and units	9,442	12,424
Assets classified as held for sale	13,204	12,007
Participating interests	6,405	6,140
Insurance assets	142,455	133,634
- Insurance assets	3,769	1,802
- Investments	138,686	131,832
Intangible assets	6,645	6,575
Tangible assets	5,170	692
Other assets	20,105	6,540
Accrued income and prepayments	15,438	22,163
Deferred tax assets	2,881	2,322
	<b>242,911</b>	<b>238,009</b>
<b>Liabilities</b>		
<b>EUR 1,000</b>	<b>30 June 2019</b>	<b>31 Dec. 2018</b>
<b>LIABILITIES</b>	<b>124,179</b>	115,628
Liabilities to credit institutions	6,503	6,996
Debt securities issued to the public	54,844	54,815
Insurance liabilities	28,037	23,293
Other liabilities	7,724	2,882
Accrued expenses and deferred income	11,804	12,999
Deferred tax liabilities	15,267	14,643
<b>EQUITY CAPITAL</b>	<b>118,732</b>	122,381
	<b>242,911</b>	<b>238,009</b>

Fellow Finance valued at fair value EUR 13.2 million

Incl. receivables related to sold projects EUR 11.9 million

Equity EUR 118.7 million  
Equity ratio 48.9%

## CAPITAL ADEQUACY – RAVA CONGLOMERATE & FINANCING SECTOR

Capital adequacy of RaVa conglomerate, EUR thousand	30 June 2019	31 Dec. 2018
<b>Shareholders' equity of the Taaleri Group</b>	<b>118,732</b>	<b>122,381</b>
Goodwill and other intangible assets	-6,648	-7,164
Non-controlling interests	739	-1,661
Planned distribution of profit	-	-8,505
<b>Profit for the period, Financing sector</b>	<b>112,823</b>	<b>105,051</b>
Conglomerate's own funds, total	10,930	11,156
Financing business' requirement for own funds	47,045	45,327
<b>Insurance business' requirement for own funds</b>	<b>57,975</b>	<b>56,483</b>
<b>Minimum amount of own funds of the Conglomerate, total</b>	<b>54,848</b>	<b>48,567</b>
<b>Conglomerate's capital adequacy</b>	<b>194.6%</b>	<b>186.0%</b>

The conglomerate's capital adequacy stayed strong at 194.6% despite the capital add-on of EUR 19.8 million set by the Finnish Financial Supervisory Authority. The minimum requirement is 100%.

Financing sector's capital adequacy, EUR thousand (CRR 49 permission)	30 June 2019	31 Dec. 2018
<b>Common Equity Tier before deductions</b>	<b>80,295</b>	<b>86,321</b>
<b>Deductions from the Common Equity Tier</b>	<b>-9,995</b>	<b>-29,208</b>
<b>Common Equity Tier (CET1)</b>	<b>70,300</b>	<b>57,113</b>
<b>Tier 1 capital (T1 = CET1 + AT1)</b>	<b>70,300</b>	<b>57,113</b>
<b>Total capital (TC = T1 + T2)</b>	<b>70,300</b>	<b>57,113</b>
<b>Total risk-weighted commitments (total risk)</b>	<b>241,939</b>	<b>229,622</b>
Common Equity Tier (CET1) in relation to the amount of total risk (%)	29.1%	24.9%
Tier 1 capital (T1) in relation to the amount of total risk (%)	29.1%	24.9%
Total capital (TC) in relation to the amount of total risk (%)	29.1%	24.9%

The Financing sector's Common Equity Tier with the CRR 49 permission is EUR 70.3 million and corresponds to a capital adequacy of 29.1%, when the profit of the year EUR 4.4 million is deducted.



# SUMMARY

# RESPONSIBLE TAALERI

## WE CREATE A SUSTAINABLE FUTURE

*Impact is the spearhead of Taaleri's corporate responsibility*

## WE IMPACT WITH EXPERTISE AND PASSION

*We offer our employees a growth platform to develop and an opportunity to be profiled as an influencer in society..*

## WE BUILD SOLID TRUST

*Compliance is the solid foundation of Taaleri's operations.*

# SUMMARY OF HALF-YEAR FINANCIAL RESULTS 2019

- Wealt Management's assets under management grew.
  - Fees declined mainly due to the challenging market environment in the end of 2018.
- Financing had strong income and operating profit
  - Significant improvement in net income from investment operations.
  - Titta Elomaa appointed CEO of Garantia.
- Energia made its international breakthrough.
- Our aim is to improve the company's profitability through responsible growth, and cost management.
- We will continue Taaleri's development in line with the company's strategy.
- Year 2019 operating profit margin is estimated to be slightly lower than in 2018 based on the H1 performance.

# TAALERI

Additional info:

The Half-Year Financial Report 2019 is found on [www.taaleri.com/en/investor-relations/reports-and-presentations](http://www.taaleri.com/en/investor-relations/reports-and-presentations)  
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# WEALTH MANAGEMENT INCOME AND OPERATING PROFIT

<b>Wealth Management, EUR million</b>	<b>H1/2019</b>	<b>H1/2018</b>	<b>Change, %</b>	<b>2018</b>
Wealth Management fees	17.1	19.1	-10.4	35.8
Performance fees	-0.5	5.6	-108.1	8.1
Investment operations	0.5	4.9	-89.0	4.8
<b>Income</b>	<b>17.2</b>	<b>29.7</b>	<b>-42.0</b>	<b>48.7</b>
<b>Operating profit</b>	<b>2.0</b>	<b>14.1</b>	<b>-85.6</b>	<b>16.8</b>
<b>Average full-time personnel</b>	<b>119</b>	<b>120</b>	<b>-1.5</b>	<b>120</b>

## GARANTIA INCOME AND OPERATING PROFIT, IFRS

Financing, EUR million	H1/2019	H1/2018	Change, %	2018
<b>Net income from guaranty insurance operations</b>	<b>5.5</b>	<b>5.8</b>	<b>-5.6</b>	<b>13.2</b>
of which Earned premium, net	6.8	5.5	23.1	12.5
of which Claims incurred, net	-1.3	0.3	-534.2	0.7
<b>Net income from investment operations</b>	<b>5.0</b>	<b>0.4</b>	<b>1,166.8</b>	<b>-0.7</b>
<b>Income</b>	<b>10.4</b>	<b>6.2</b>	<b>68.8</b>	<b>12.5</b>
<b>Operating expenses</b>	<b>-4.3</b>	<b>-3.8</b>	<b>14.4</b>	<b>-7.5</b>
<b>Operating profit before valuations</b>	<b>6.1</b>	<b>2.4</b>	<b>154.2</b>	<b>4.9</b>
<b>Change in fair value of investments</b>	<b>2.0</b>	<b>-0.6</b>	<b>neg.</b>	<b>-1.7</b>
<b>Result at fair value before tax</b>	<b>8.1</b>	<b>1.8</b>	<b>340.3</b>	<b>3.3</b>