

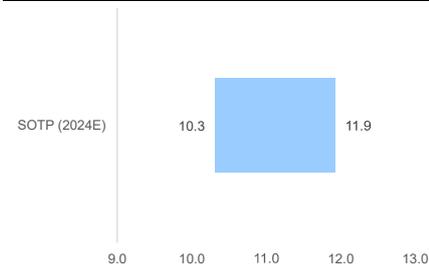
## KEY DATA

Stock country	Finland
Bloomberg	TAALA.FH
Reuters	TAALA.HE
Share price (close)	EUR 9.70
Free float	72%
Market cap. (bn)	EUR 0.27/EUR 0.27
Website	taaleri.com
Next report date	07 May 2024

## PERFORMANCE



## VALUATION APPROACH (EUR/SHARE)



## ESTIMATE CHANGES

Year	2024E	2025E	2026E
Sales	8%	-1%	n.a.
EBIT (adj)	11%	-9%	n.a.

Source: Nordea estimates

## Positive recurring revenue trend to continue

Taaleri's Q4 results were well in line with LSEG Data & Analytics consensus, while the dividend proposal of EUR 1.00 was far above expectations. Recurring revenue declined due to a lower insurance service result while investment gains were strong in Q4. The company is still fundraising for its flagship fund SolarWind III and should continue with a positive recurring revenue trajectory in 2024. We make only minor estimate revisions on an underlying basis, while we shift our carry expectations into 2024. We derive a fair value range of EUR 10.3-11.9 per Taaleri share.

## Dividend proposal well ahead of expectations

Taaleri's Q4 results were well in line with LSEG Data & Analytics consensus, while the EUR 1.00 dividend proposal came as a positive surprise. After the dividend, the company has distributed extra capital related to the divestment of wealth management in 2021. Q4 recurring revenues declined by 7% y/y, driven by Garantia where insurance service results came down clearly, e.g. due to losses from onerous contracts. Private asset management recurring revenues were 5% below our expectations, despite the second close of the SolarWind III. Taaleri did not book any carry in Q4 but we believe there is good potential within the Wind II-III funds that the company aims to exit in 2024. We thus move our carry expectations related to Wind II-III into 2024. Garantia's high solvency allows a large dividend to Taaleri and the company expects a EUR 15m dividend for 2023, which is above our initial assumption of EUR 11m. The focus in 2024 will be on SolarWind III, and the company is also reviewing its real estate strategy.

## We raise our 2024 estimates due to carry

We raise our 2024E top line and adjusted EBIT by 8-11% as we move carried interest expectations from 2023 into 2024. For 2025E, we trim the top line by 1% and adjusted EBIT by 9%, mainly driven by slightly lower recurring revenues in Renewable energy. Following the EUR 1.00 dividend for 2023, we also no longer expect extra dividends and trim our total DPS expectations by 40-50% for 2024E-25E.

## Fair value range of EUR 10.3-11.9

We derive a SOTP-based fair value range of EUR 10.3-11.9. Due to the current ramping up, Taaleri should reach its full earnings potential after 2024, in our view. We highlight that Garantia currently represents around two-thirds of our SOTP-based enterprise value.

## Nordea IB &amp; Equity - Analysts

Joni Sandvall  
Analyst

Svante Krokfors  
Director

## SUMMARY TABLE - KEY FIGURES

EURm	2020	2021	2022	2023	2024E	2025E	2026E
Total revenue	69	73	56	68	75	62	59
EBITDA (adj)	24	32	28	35	36	23	19
EBIT (adj)	21	32	27	35	35	23	19
EBIT (adj) margin	30.3%	43.6%	47.4%	51.3%	47.4%	36.4%	31.9%
EPS (adj, EUR)	0.46	4.81	0.71	0.90	0.99	0.62	0.51
EPS (adj) growth	11.8%	947.1%	-85.3%	26.3%	11.0%	-37.3%	-17.8%
DPS (ord, EUR)	1.32	0.40	0.45	1.00	0.45	0.40	0.45
EV/Sales	3.8	3.8	5.0	3.3	3.1	3.6	3.8
EV/EBIT (adj)	12.4	8.6	10.5	6.5	6.6	9.9	11.9
P/E (adj)	17.7	2.3	15.8	10.0	9.8	15.6	18.9
P/BV	1.7	1.4	1.6	1.2	1.3	1.3	1.3
Dividend yield (ord)	16.3%	3.6%	4.0%	11.1%	4.6%	4.1%	4.6%
FCF Yield bef A&D, lease adj	0.0%	40.3%	11.5%	3.2%	11.5%	7.6%	5.1%
Net debt	32	-44	-38	-29	-42	-50	-51
Net debt/EBITDA	1.4	-1.4	-1.4	-0.8	-1.2	-2.1	-2.6
ROIC after tax	7.4%	10.5%	8.5%	11.0%	11.2%	7.4%	6.1%

Source: Company data and Nordea estimates

# Estimate revisions

## ESTIMATE REVISIONS AFTER THE Q4 2023 REPORT (EPS/DPS IN EUR)

EURm	New estimates				Old estimates				Difference %			
	Q1 2024E	2024E	2025E	2026E	Q1 2024E	2024E	2025E	2026E	Q1 2024E	2024E	2025E	2026E
Sales	13.2	74.5	62.1	59.1	n.a.	69.3	62.6	n.a.	n.a.	8%	-1%	n.a.
EBIT	3.6	35.3	22.6	18.8	n.a.	31.7	24.8	n.a.	n.a.	11%	-9%	n.a.
EBIT margin	27%	47.4%	36.4%	31.9%	n.a.	45.8%	39.6%	n.a.	n.a.	1.6pp	-3.2pp	n.a.
<b>PTP</b>	<b>3.2</b>	<b>34.1</b>	<b>21.4</b>	<b>17.6</b>	<b>n.a.</b>	<b>30.5</b>	<b>23.6</b>	<b>n.a.</b>	<b>n.a.</b>	<b>12%</b>	<b>-9%</b>	<b>n.a.</b>
PTP margin	24%	45.7%	34.4%	29.8%	n.a.	44.1%	37.7%	n.a.	n.a.	1.7pp	-3.3pp	n.a.
Adj. EPS	0.09	0.99	0.62	0.51	n.a.	0.89	0.69	n.a.	n.a.	12%	-9%	n.a.
EPS	0.09	0.99	0.62	0.51	n.a.	0.9	0.69	n.a.	n.a.	12%	-9%	n.a.
DPS		0.45	0.40	0.45		0.75	0.80	n.a.		-40%	-50%	n.a.
<b>Segment reporting</b>	<b>Q1 2024E</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>	<b>Q1 2024E</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>	<b>Q1 2024E</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
<b>Recurring revenues</b>												
Private asset management	6.4	26.3	29.0	30.5	n.a.	29.2	30.4	n.a.	n.a.	-10%	-5%	n.a.
Strategic investments	3.3	14.8	16.0	16.5	n.a.	14.8	16.0	n.a.	n.a.	0%	0%	n.a.
Other	0.5	2.0	2.0	2.0	n.a.	2.6	2.6	n.a.	n.a.	-21%	-21%	n.a.
<b>TOTAL</b>	<b>10.1</b>	<b>43.1</b>	<b>47.1</b>	<b>49.0</b>	<b>n.a.</b>	<b>46.6</b>	<b>49.0</b>	<b>n.a.</b>	<b>n.a.</b>	<b>-7%</b>	<b>-4%</b>	<b>n.a.</b>
<b>Total income</b>												
Private asset management	8.1	47.0	35.2	31.5	n.a.	42.6	36.5	n.a.	n.a.	10%	-4%	n.a.
Strategic investments	3.5	18.8	20.1	20.7	n.a.	18.9	20.3	n.a.	n.a.	0%	-1%	n.a.
Other	0.5	4.0	2.0	2.0	n.a.	4.6	2.6	n.a.	n.a.	-12%	-21%	n.a.
<b>TOTAL</b>	<b>12.0</b>	<b>69.8</b>	<b>57.3</b>	<b>54.2</b>	<b>n.a.</b>	<b>66.1</b>	<b>59.3</b>	<b>n.a.</b>	<b>n.a.</b>	<b>6%</b>	<b>-3%</b>	<b>n.a.</b>
<b>Operating profit</b>												
Private asset management	1.7	20.5	8.6	4.3	n.a.	16.6	10.4	n.a.	n.a.	23%	-18%	n.a.
Strategic investments	3.0	17.3	18.5	19.1	n.a.	17.6	19.0	n.a.	n.a.	-2%	-2%	n.a.
Other	-1.0	-1.5	-3.6	-3.7	n.a.	-1.7	-3.8	n.a.	n.a.	-9%	-4%	n.a.
<b>TOTAL</b>	<b>3.7</b>	<b>36.2</b>	<b>23.5</b>	<b>19.7</b>	<b>n.a.</b>	<b>32.6</b>	<b>25.6</b>	<b>n.a.</b>	<b>n.a.</b>	<b>11%</b>	<b>-8%</b>	<b>n.a.</b>
<b>Operating profit margin</b>												
Private asset management	21.4%	43.7%	24.5%	13.8%	n.a.	39.0%	28.6%	n.a.	n.a.	4.7pp	-4.1pp	n.a.
Strategic investments	87.1%	91.9%	92.2%	92.2%	n.a.	93.4%	93.7%	n.a.	n.a.	-1.5pp	-1.5pp	n.a.
Other	-222.2%	-38.4%	-179.0%	-183.0%	n.a.	-37.1%	-147.3%	n.a.	n.a.	-1pp	-32pp	n.a.
<b>TOTAL</b>	<b>31.2%</b>	<b>51.9%</b>	<b>41.0%</b>	<b>36.4%</b>	<b>n.a.</b>	<b>49.3%</b>	<b>43.2%</b>	<b>n.a.</b>	<b>n.a.</b>	<b>2.6pp</b>	<b>-2.2pp</b>	<b>n.a.</b>

Source: Nordea estimates

# Valuation

We calculate a SOTP-derived fair value range of EUR 10.3-11.9 per Taaleri share. We use peer group multiples to value Taaleri's private equity business. In addition, due to the solid and stable outlook for Garantia, we use a dividend discount model to value the guarantee insurance part of Taaleri. We derive two different peer groups, one for renewable energy and another for private asset management.

## SOTP valuation yields a EUR 10.3-11.9 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 well suited to Taaleri, due to its high dependence on unannounced funds.

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 due to 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	2022	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	
Ox2 Ab (Publ)	Sweden	46.2	1,110	-110	11.1	8.8	5.5	12.9	11.2	7.2	0.0 %	0.0 %				
Abo Wind Ag	Germany	54.2	479	155	15.5	14.1	12.8	20.5	18.8	16.9	1.2 %	1.2 %				
Capman Oyj	Finland	1.9	304	54	76.3	11.7	8.4	239.0	14.3	9.6	6.8 %	7.8 %				
Eq2 Ab	Sweden	274.1	30,108		26.2	21.7	18.2	28.2	20.7	17.3	1.7 %	2.1 %				
Acciona Sa	UK	110.1	6,040	8,802	11.9	12.7	11.2	11.2	12.8	12.0	3.9 %	4.1 %				
Energiekontor Ag	UK	72.8	1,016	292	12.8	13.2	11.8	17.0	18.3	16.3	1.4 %	1.5 %				
Eolus Vind Ab (Publ)	UK	76.5	159	-20	2.2	4.5	4.4	3.4	7.2	6.9	2.5 %	3.3 %				
Pne Ag	UK	13.2	1,013	595	80.8	64.5	39.3		440.7	352.5	0.3 %	0.3 %				
Scatec Asa	Norway	70.5	981	2,241	14.5	14.5	13.2	17.6	19.4	17.7	3.0 %	2.3 %				
<b>Median</b>			1,013	223	14.5	13.2	11.8	17.3	18.3	16.3	1.7 %	2.1 %				
Average			4,579	1,501	27.9	18.4	13.9	43.7	62.6	50.7	2.3 %	2.5 %				
Nordea																
<b>Taaleri Oyj</b>	Finland	9.7	275	32	6.5	6.1	9.2	10.0	9.2	14.6	11.1 %	4.9 %				
Discount/premium					-55%	-54%	-22%	-42%	-50%	-10%	537%	135%				

Note: share prices as of 31 October

Source: Refinitiv and Nordea estimates

### OTHER PRIVATE ASSET MANAGEMENT PEERS

Finnish peers	Country	Price		Mcap		Net Debt			EV/EBIT			P/E			Div yield %	
		Local	EURm	2022	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	
Capman Oyj	Finland	1.9	304	54	76.3	11.7	8.4	239.0	14.3	9.6	6.8 %	7.8 %				
Eq Oyj	Finland	14.1	573	5	14.5	14.1	12.4	18.7	17.7	15.7	5.6 %	6.6 %				
Aktia Bank Abp	Finland	8.9	648						7.4	6.9	7.3	8.1 %	9.5 %			
<b>Median</b>			573	30	45.4	12.9	10.4	18.7	14.3	9.6	6.8 %	7.8 %				
Average			508	30	45.4	12.9	10.4	88.4	13.0	10.9	6.8 %	8.0 %				
Nordea																
<b>Taaleri Oyj</b>	Finland	9.7	275	32	6.5	6.1	9.2	10.0	9.2	14.6	11.1 %	4.9 %				
Discount/premium					-86%	-53%	-11%	-46%	-36%	53%	63%	-37%				

Note: share prices as of 31 October

Source: Refinitiv 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 18-23m 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 total, our fair value range for renewable energy is EUR 72-104m.

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 2023 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 management was expecting EUR 15m of dividend for 2023.

Garantia is using FAS accounting as a base 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 Q4 2023), Aktia shares (0.97 million) at the current market value (EUR 9 as of 13 February), 2024E net cash (EUR 42m) and 2023E dividends (EUR 20m) to derive our equity fair value range of EUR 292-338m for Taaleri. As there are 28.3 million shares outstanding, we derive a fair value range of EUR 10.3-11.9 per Taaleri share.

#### SOTP VALUATION FOR TAALERI (EURm AND EUR)

Based on 2024 estimates	Share	Sales	EBIT	Valuation method	EV Range
<b>Private asset management</b>		<b>42.3</b>	<b>18.5</b>	<b>EV/EBIT 3.5x - 5x</b>	<b>64 - 93</b>
Renewable energy (excl. performance fees and investments)	76%	35.4	2.3	EV/EBIT 10x - 13x	18 - 23
Performance fees	76%		17.7	EV/EBIT 4x - 6x	54 - 81
Other private asset management (ex. performance fees)	100%	7.0	-1.5	EV/EBIT 5x - 7x	-7 - -10
Performance fees	100%		0.0	EV/EBIT 4x - 6x	0 - 0
<b>Strategic investments (Garantia)</b>	<b>100%</b>	<b>17.9</b>	<b>17.3</b>	<b>DDM</b>	<b>157 - 178</b>
<b>Other excl. investment operations</b>	<b>100%</b>	<b>6.1</b>	<b>-3.5</b>	<b>EV/EBIT 7.4x - 8.8x</b>	<b>-26 to -31</b>
Investments	100%			Book value Q4 23	26
<b>TOTAL</b>			<b>32.2</b>	<b>EV/EBIT 6.9x - 8.3x</b>	<b>221 - 267</b>
Aktia shares				As of 14 February 2024	9
Net cash 2024E					42
2023 dividends					20
Equity value					292 - 338
Number of shares (m)					28.3
<b>Equity per share, EUR</b>					<b>10.3 - 11.9</b>

Source: Nordea estimates

We note that Taaleri's full earnings potential should be visible after 2024, while 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	Q124E	Q224E	Q324E	Q424E	2022	2023	2024E	2025E	2026E
<b>Income</b>													
<b>Recurring revenues</b>													
Private asset management	5.6	5.6	6.5	6.7	6.4	6.6	6.8	6.6	20.7	24.4	26.3	29.0	30.5
Renewable energy	3.9	4.0	5.1	5.2	4.8	5.0	5.2	5.1	14.6	18.1	20.1	22.9	24.0
Other private asset management	1.6	1.7	1.4	1.5	1.6	1.6	1.6	1.5	6.1	6.2	6.2	6.2	6.5
Strategic investments (Garantia)	3.9	3.5	3.4	2.8	3.3	3.3	3.7	4.7	13.7	13.6	14.8	16.0	16.5
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
<b>TOTAL</b>	<b>9.8</b>	<b>9.9</b>	<b>10.3</b>	<b>9.9</b>	<b>10.1</b>	<b>10.3</b>	<b>10.9</b>	<b>11.9</b>	<b>36.8</b>	<b>39.9</b>	<b>43.1</b>	<b>47.1</b>	<b>49.0</b>
<b>Recurring revenues growth y/y</b>													
Private asset management	14%	17%	22%	18%	14%	16%	5%	-1%	3%	18%	8%	10%	5%
Renewable energy	12%	11%	36%	38%	22%	26%	3%	-1%	-4%	25%	11%	14%	5%
Other private asset management	19%	32%	-12%	-19%	-4%	-7%	12%	-4%	25%	2%	-1%	0%	5%
Strategic investments (Garantia)	52%	6%	4%	-39%	-16%	-7%	6%	68%	-22%	-1%	9%	8%	3%
Other	-22%	-1%	-49%	14%	8%	-38%	19%	67%	-20%	-19%	5%	0%	0%
<b>TOTAL</b>	<b>24%</b>	<b>11%</b>	<b>10%</b>	<b>-7%</b>	<b>2%</b>	<b>4%</b>	<b>6%</b>	<b>21%</b>	<b>-10%</b>	<b>8%</b>	<b>8%</b>	<b>9%</b>	<b>4%</b>
<b>Total income</b>													
Private asset management	5.2	16.1	8.4	12.7	8.1	6.6	11.8	20.5	42.6	42.3	47.0	35.2	31.5
Renewable energy	3.6	12.9	7.0	11.9	4.8	5.0	10.2	19.8	25.8	35.4	39.8	27.9	24.0
Other private asset management	1.6	3.2	1.4	0.8	3.3	1.6	1.6	0.7	16.8	7.0	7.2	7.3	7.5
Strategic investments (Garantia)	4.1	5.4	3.9	4.5	3.5	4.7	4.7	6.0	3.3	17.9	18.8	20.1	20.7
Other	-0.1	4.8	0.8	0.5	0.5	0.5	0.5	2.7	12.6	6.1	4.0	2.0	2.0
<b>TOTAL</b>	<b>9.3</b>	<b>26.3</b>	<b>13.1</b>	<b>17.7</b>	<b>12.0</b>	<b>11.7</b>	<b>16.9</b>	<b>29.2</b>	<b>58.4</b>	<b>66.3</b>	<b>69.8</b>	<b>57.3</b>	<b>54.2</b>
<b>Income growth y/y</b>													
Private asset management	-2%	178%	-33%	-33%	55%	-59%	41%	62%	37%	-1%	11%	-25%	-10%
Renewable energy	-5%	198%	54%	-9%	33%	-61%	47%	67%	17%	37%	13%	-30%	-14%
Other private asset management	5%	118%	-82%	-86%	106%	-51%	12%	-8%	87%	-58%	3%	2%	3%
Strategic investments (Garantia)	-458%	-402%	-10%	148%	-16%	-13%	18%	34%	-89%	449%	5%	7%	3%
Other	-105%	-32%	-90%	-111%	-617%	-91%	-43%	427%	50%	-52%	-34%	-50%	0%
<b>TOTAL</b>	<b>59%</b>	<b>136%</b>	<b>-48%</b>	<b>9%</b>	<b>30%</b>	<b>-56%</b>	<b>29%</b>	<b>65%</b>	<b>-16%</b>	<b>14%</b>	<b>5%</b>	<b>-18%</b>	<b>-5%</b>
<b>EBIT</b>													
Private asset management	-0.8	9.0	2.7	4.0	1.7	0.1	5.3	13.4	18.6	14.9	20.5	8.6	4.3
Renewable energy	-0.3	8.1	2.8	5.7	0.5	0.6	5.8	15.1	11.5	16.3	22.0	10.3	6.1
Other private asset management	-0.5	0.9	-0.1	-1.7	1.2	-0.5	-0.5	-1.7	7.1	-1.4	-1.5	-1.7	-1.8
Strategic investments (Garantia)	3.7	5.1	3.7	4.0	3.0	4.3	4.3	5.6	2.6	16.5	17.3	18.5	19.1
Other	-1.4	3.7	-0.7	-1.1	-1.0	-0.5	-0.8	0.8	5.5	0.5	-1.5	-3.6	-3.7
<b>TOTAL</b>	<b>1.6</b>	<b>17.8</b>	<b>5.7</b>	<b>6.9</b>	<b>3.7</b>	<b>3.9</b>	<b>8.8</b>	<b>19.8</b>	<b>26.8</b>	<b>31.9</b>	<b>36.2</b>	<b>23.5</b>	<b>19.7</b>
<b>EBIT margin</b>													
Private asset management	-15.3%	55.9%	32.3%	31.7%	21.4%	0.9%	44.9%	65.4%	43.8%	35.2%	43.7%	24.5%	13.8%
Renewable energy	-8.3%	62.7%	40.5%	48.1%	10.9%	11.4%	56.6%	76.5%	44.7%	46.2%	55.3%	36.9%	25.6%
Other private asset management	-31.3%	28.4%	-7.4%	-216%	36.9%	-33.1%	-29.3%	-237%	42.3%	-20.1%	-20.9%	-22.9%	-24.0%
Strategic investments (Garantia)	90.2%	94.9%	93.1%	88.2%	87.1%	93.1%	93.2%	92.6%	80.2%	91.7%	91.9%	92.2%	92.2%
Other	1576%	76%	-85%	-219%	-222%	-111%	-178%	28%	43.9%	8%	-38.4%	-179%	-183%
<b>TOTAL</b>	<b>16.8%</b>	<b>67.5%</b>	<b>43.5%</b>	<b>38.9%</b>	<b>31.2%</b>	<b>33.3%</b>	<b>52.3%</b>	<b>67.6%</b>	<b>45.8%</b>	<b>48.1%</b>	<b>51.9%</b>	<b>41.0%</b>	<b>36.4%</b>
<b>EBIT excluding investments and performance fees</b>													
Private asset management	-0.5	-1.4	0.8	-1.9	0.0	0.0	0.3	-0.5	-3.2	-3.0	-0.2	2.5	3.3
Renewable energy	0.0	-0.8	0.9	-1.0	0.5	0.6	0.8	0.5	0.3	-0.9	2.3	5.3	6.1
Other private asset management	-0.5	-0.6	-0.1	-1.0	-0.5	-0.5	-0.5	-1.0	-3.5	-2.1	-2.5	-2.8	-2.8
Strategic investments (Garantia)	3.5	3.2	3.2	2.2	2.8	2.9	3.3	4.2	13.1	12.1	13.3	14.4	14.9
Other	-0.9	-0.5	-1.1	-1.2	-1.0	-0.5	-0.8	-1.2	-4.7	-3.6	-3.5	-3.6	-3.7
<b>TOTAL</b>	<b>2.1</b>	<b>1.3</b>	<b>2.9</b>	<b>-0.9</b>	<b>1.8</b>	<b>2.5</b>	<b>2.8</b>	<b>2.5</b>	<b>5.1</b>	<b>5.4</b>	<b>9.6</b>	<b>13.3</b>	<b>14.5</b>

Source: Company data and Nordea estimates

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

IFRS reporting, EURm	Q123	Q223	Q323	Q423	Q124E	Q224E	Q324E	Q424E	2022	2023	2024E	2025E	2026E
Total income	10.1	23.8	13.5	18.2	13.2	12.8	18.1	30.5	56.2	68.0	74.5	62.1	59.1
growth y/y	50%	95%	-26%	-5%	30%	-46%	34%	68%	-23%	21%	10%	-17%	-5%
Costs	-8.9	-6.5	-8.0	-11.5	-9.9	-9.5	-9.8	-11.3	-30.4	-35.0	-40.4	-40.7	-41.5
growth y/y	10%	-32%	1126%	-5%	12%	45%	22%	-2%	-34%	15%	16%	1%	2%
Operating profit	1.3	17.3	5.5	6.7	3.2	3.4	8.3	19.2	25.9	33.1	34.1	21.4	17.6
margin %	13%	73%	41%	37%	24%	26%	46%	63%	46%	49%	46%	34%	30%
Taxes	-0.7	-1.3	-0.6	-1.6	-0.6	-0.6	-1.5	-3.4	-5.1	-4.1	-6.0	-3.7	-3.1
Profit (continuing operations)	0.5	13.8	4.6	4.1	2.6	2.8	6.9	15.9	20.1	25.3	28.1	17.6	14.5
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	2.6	2.8	6.9	15.9	20.1	25.3	28.1	17.6	14.5
EPS (continuing operations), EUR	0.02	0.49	0.16	0.14	0.09	0.10	0.24	0.56	0.71	0.90	0.99	0.62	0.51
EPS, EUR	0.02	0.57	0.17	0.18	0.09	0.10	0.24	0.56	0.71	0.90	0.99	0.62	0.51
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

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 the risks that the company may be subject to, but instead to highlight those that we find most relevant. The main risks we identify relate to the overall economic situation, as this will have implications both for the funds and for Garantia.

A slowdown in economic activity could hamper Taaleri's performance	<p><b>General economy</b></p> <p>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.</p>
A cooling of the housing market could affect the real estate operations negatively	<p><b>Housing market</b></p> <p>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.</p>
Low interest rates have supported alternative investments	<p><b>Interest rates</b></p> <p>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.</p>
Key personnel are important for customer relationships	<p><b>Key personnel</b></p> <p>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.</p>
Cooperation with Aktia plays a crucial role for Taaleri	<p><b>Sales channels</b></p> <p>Taaleri cooperates with Aktia on 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.</p>
Overall economic activity could affect investment values	<p><b>Investments</b></p> <p>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.</p>
If not executed well, M&A activity may increase costs	<p><b>Potential M&amp;A</b></p> <p>After divesting its wealth management arm, Taaleri has an overcapitalised balance sheet. M&amp;A could increase costs temporarily, or even longer term in a worst-case scenario if acquisitions were to fail or integration is executed poorly. It is therefore important for the company to maintain good cost control and clear M&amp;A execution plans so as not to hamper earnings.</p>
A tightening competitive environment could hamper Taaleri's growth prospects	<p><b>Competitive environment</b></p> <p>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.</p>

# Reported numbers and forecasts

## INCOME STATEMENT

EURm	2020	2021	2022	2023	2024E	2025E	2026E
Total revenue	69	73	56	68	75	62	59
Revenue growth	3.3%	4.6%	-22.6%	21.0%	9.6%	-16.7%	-4.9%
of which organic	n.a.						
of which FX	n.a.						
EBITDA	24	32	28	35	36	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.						
Amortisation and impairments	0	0	0	0	0	0	0
EBIT	21	32	27	35	35	23	19
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
<b>Pre-tax profit</b>	<b>18</b>	<b>26</b>	<b>26</b>	<b>33</b>	<b>34</b>	<b>21</b>	<b>18</b>
Reported taxes	-4	-5	-5	-4	-6	-4	-3
Net profit from continued operations	13	21	21	29	28	18	15
Discontinued operations	0	115	0	0	0	0	0
Minority interests	0	0	-1	-4	0	0	0
Net profit to equity	13	136	20	25	28	18	15
<b>EPS, EUR</b>	<b>0.46</b>	<b>4.81</b>	<b>0.71</b>	<b>0.90</b>	<b>0.99</b>	<b>0.62</b>	<b>0.51</b>
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
<b>Profit margin in percent</b>							
EBITDA	34.0%	44.7%	49.5%	52.0%	48.2%	37.4%	32.9%
EBITA	n.a.						
EBIT	30.3%	43.6%	47.4%	51.3%	47.4%	36.4%	31.9%
<b>Adjusted earnings</b>							
EBITDA (adj)	24	32	28	35	36	23	19
EBITA (adj)	n.a.						
EBIT (adj)	21	32	27	35	35	23	19
EPS (adj, EUR)	0.46	4.81	0.71	0.90	0.99	0.62	0.51
<b>Adjusted profit margins in percent</b>							
EBITDA (adj)	34.0%	44.7%	49.5%	52.0%	48.2%	37.4%	32.9%
EBITA (adj)	n.a.						
EBIT (adj)	30.3%	43.6%	47.4%	51.3%	47.4%	36.4%	31.9%
<b>Performance metrics</b>							
CAGR last 5 years							
Net revenue	n.a.						
EBITDA	n.a.						
EBIT	n.a.						
EPS	n.a.						
DPS	n.m.						
Average last 5 years							
Average EBIT margin	n.a.	n.a.	n.a.	40.7%	44.0%	45.2%	42.9%
Average EBITDA margin	n.a.	n.a.	n.a.	43.0%	45.7%	46.4%	44.0%
<b>VALUATION RATIOS - ADJUSTED EARNINGS</b>							
EURm	2020	2021	2022	2023	2024E	2025E	2026E
P/E (adj)	17.7	2.3	15.8	10.0	9.8	15.6	18.9
EV/EBITDA (adj)	11.1	8.4	10.0	6.4	6.5	9.7	11.5
EV/EBITA (adj)	n.a.						
EV/EBIT (adj)	12.4	8.6	10.5	6.5	6.6	9.9	11.9
<b>VALUATION RATIOS - REPORTED EARNINGS</b>							
EURm	2020	2021	2022	2023	2024E	2025E	2026E
P/E	17.7	2.3	15.8	10.0	9.8	15.6	18.9
EV/Sales	3.8	3.8	5.0	3.3	3.1	3.6	3.8
EV/EBITDA	11.1	8.4	10.0	6.4	6.5	9.7	11.5
EV/EBITA	n.a.						
EV/EBIT	12.4	8.6	10.5	6.5	6.6	9.9	11.9
Dividend yield (ord.)	16.3%	3.6%	4.0%	11.1%	4.6%	4.1%	4.6%
FCF yield	0.0%	36.9%	8.6%	5.5%	15.5%	6.7%	4.1%
FCF Yield bef A&D, lease adj	0.0%	40.3%	11.5%	3.2%	11.5%	7.6%	5.1%
Payout ratio	287.1%	24.9%	98.7%	111.7%	45.3%	64.2%	87.8%

Source: Company data and Nordea estimates

**BALANCE SHEET**

EURm	2020	2021	2022	2023	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	41	44	47
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
<b>Total non-current assets</b>	<b>219</b>	<b>235</b>	<b>218</b>	<b>232</b>	<b>215</b>	<b>220</b>	<b>225</b>
Inventory	0	0	0	0	0	0	0
Accounts receivable	11	17	28	27	29	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	57	65	66
<b>Total current assets</b>	<b>44</b>	<b>76</b>	<b>82</b>	<b>70</b>	<b>87</b>	<b>89</b>	<b>89</b>
Assets held for sale	5	5	0	0	0	0	0
<b>Total assets</b>	<b>268</b>	<b>317</b>	<b>300</b>	<b>302</b>	<b>302</b>	<b>309</b>	<b>314</b>
Shareholders equity	132	227	200	211	205	211	216
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
<b>Total Equity</b>	<b>133</b>	<b>228</b>	<b>201</b>	<b>209</b>	<b>202</b>	<b>209</b>	<b>214</b>
Deferred tax	15	16	17	16	16	16	16
Long term interest bearing debt	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
<b>Total non-current liabilities</b>	<b>135</b>	<b>89</b>	<b>99</b>	<b>99</b>	<b>100</b>	<b>100</b>	<b>101</b>
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
<b>Total current liabilities</b>	<b>0</b>						
Liabilities for assets held for sale	0	0	0	0	0	0	0
<b>Total liabilities and equity</b>	<b>268</b>	<b>317</b>	<b>300</b>	<b>308</b>	<b>302</b>	<b>309</b>	<b>314</b>
<b>Balance sheet and debt metrics</b>							
Net debt	32	-44	-38	-29	-42	-50	-51
of which lease debt	0	0	0	0	0	0	0
Working capital	11	17	28	27	29	24	23
Invested capital	230	252	247	259	245	244	248
Capital employed	198	242	216	224	217	224	229
ROE	10.1%	75.9%	9.4%	12.3%	13.5%	8.5%	6.8%
ROIC	10.5%	8.5%	11.0%	11.2%	7.4%	6.1%	2.3%
ROCE	10.6%	14.4%	11.6%	15.9%	16.0%	10.3%	8.3%
Net debt/EBITDA	1.4	-1.4	-1.4	-0.8	-1.2	-2.1	-2.6
Interest coverage	n.m.						
Equity ratio	49.3%	71.6%	66.7%	69.9%	67.9%	68.4%	68.8%
Net gearing	24.4%	-19.6%	-18.9%	-13.5%	-20.7%	-23.5%	-23.7%

Source: Company data and Nordea estimates

**CASH FLOW STATEMENT**

EURm	2020	2021	2022	2023	2024E	2025E	2026E
EBITDA (adj) for associates	23	34	24	32	36	23	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	-7	-2	0	0	0
<b>Funds from operations (FFO)</b>	<b>0</b>	<b>130</b>	<b>36</b>	<b>18</b>	<b>35</b>	<b>17</b>	<b>13</b>
Change in NWC	0	-1	-8	-11	-3	5	1
<b>Cash flow from operations (CFO)</b>	<b>0</b>	<b>129</b>	<b>28</b>	<b>6</b>	<b>32</b>	<b>22</b>	<b>15</b>
Capital expenditure	0	-2	8	2	-1	-1	-1
Free cash flow before A&D	0	128	36	8	32	21	14
Proceeds from sale of assets	0	0	0	3	11	0	0
Acquisitions	0	-11	-9	3	0	-3	-3
Free cash flow	0	117	27	14	43	18	11
<b>Free cash flow bef A&amp;D, lease adj</b>	<b>0</b>	<b>128</b>	<b>36</b>	<b>8</b>	<b>32</b>	<b>21</b>	<b>14</b>
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	14	7	2
<b>Cash flow metrics</b>							
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.
<b>Key information</b>							
Share price year end (/current)	8	11	11	9	10	10	10
Market cap.	230	317	316	254	262	251	238
Enterprise value	263	273	279	223	217	198	184
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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**Completion Date**

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