

Opportunities but also concerns ahead

Taaleri's H2 results were affected by the impact of market volatility on Financing and Wealth Management. Fundraising has begun for the second SolarWind fund, with target investment capital at EUR 300m. New product launches are expected also in PE funds and Financing. Market turbulence remains a concern for the performance of Wealth Management.

Market volatility impacted on segment results

Taaleri's group income in H2/2018 amounted to EUR 37.3m (Evl 37.9m) and EBIT to EUR 11.5m (Evl EUR 10.7m). Wealth Management's profitability declined to EUR 2.7m (H2/17: EUR 8.8m) mainly due to lower performance fees and investment income but lower costs mitigated part of the impact. Profitability in Financing also fell due to lower investment income while the insurance operations continued to report solid results. The group results were aided by the impact of the listing of Fellow Finance.

Fundraising for second SolarWind fund started

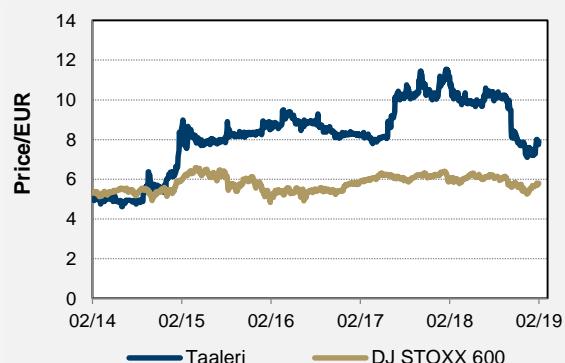
Taaleri has started fundraising for its second SolarWind fund, seeking to raise investment capital of EUR 300m. Taaleri will most likely seek to sell the Truscott-Gilliland wind project to the fund during 2019, which would significantly boost Energy's profitability. New product launches are also to be expected in Wealth Managements PE funds and Financing. The market turbulence has increased concerns relating to the performance of Wealth Management and AUM development was somewhat dissatisfactory, partly due to the write down of the geothermal fund. We have revised our estimates and now expect group income and revenue of EUR 74.8m and 23.4m respectively. We have not yet included estimates for the likely sale of the Truscott-Gilliland wind project but include it through our SOTP.

BUY with a TP of EUR 8.5 (11.4)

On our estimates and revised valuation metrics, with the multiples for Wealth Management lowered due to the increased uncertainty, our SOTP-value is EUR 8.9 per share while peer EV/EBIT valuation suggests an implied price of EUR 8.0. We retain our BUY rating with a target price of EUR 8.5 (11.4).

Rating

BUY



Share price, EUR (Last trading day's closing price) 7.90

Target price, EUR 8.5

Latest change in recommendation 29-May-18

Latest report on company 15-Feb-19

Research paid by issuer: YES

No. of shares outstanding, '000's 28,351

No. of shares fully diluted, '000's 28,351

Market cap, EURm 224

Free float, % 45.0

Exchange rate 0.000

Reuters code TAALA.HE

Bloomberg code TAALA FH

Average daily volume, EURm 0.07

Next interim report 15-Aug-19

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BUY **HOLD** **SELL**

KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	Ptx profit EURm	EPS EUR	P/E (x)	EV/Sales (x)	P/CF (x)	EV/EBIT (x)	DPS EUR
2017	81	27	33.4%	28	0.77	13.5	4.0	10.2	11.9	0.26
2018	73	24	33.3%	24	0.76	9.3	3.3	-82.9	10.0	0.30
2019E	75	24	32.5%	24	0.69	11.5	3.4	11.3	10.4	0.30
2020E	81	28	35.0%	28	0.80	9.8	3.0	10.7	8.5	0.32
2021E	84	30	36.1%	30	0.86	9.2	2.7	9.2	7.5	0.33
Market cap, EURm		224	BV per share 2019E, EUR		4.6	CAGR EPS 2018-21, %		4.0		
Net debt 2019E, EURm		26	Price/book 2019E		1.7	CAGR sales 2018-21, %		5.1		
Enterprise value, EURm		253	Dividend yield 2019E, %		3.8	ROE 2019E, %		15.4		
Total assets 2019E, EURm		240	Tax rate 2019E, %		20.0	ROCE 2019E, %		13.1		
Goodwill 2019E, EURm		5	Equity ratio 2019E, %		55.6	PEG, P/E 19/CAGR		2.0		

All the important disclosures can be found on the last pages of this report.

Taaleri	2017	H1/'18	H2/'18E	2018	H1/'19E	H2/'19E	2019E	2020E	2021E
Income	81.0	35.5	37.3	72.3	37.5	37.4	74.8	81.2	84.1
<i>change, %</i>	<i>33.7%</i>	<i>-8.4%</i>	<i>-11.8%</i>	<i>-10.7%</i>	<i>5.7%</i>	<i>0.3%</i>	<i>3.4%</i>	<i>8.6%</i>	<i>3.6%</i>
Share of associates	-0.6	-0.3	0.5	0.2	0.0	0.0	0.0	0.0	0.0
Operating profit	27.6	12.4	11.5	23.9	13.2	10.4	23.4	27.5	29.3
<i>Operating profit margin, %</i>	<i>1.4%</i>	<i>34.9%</i>	<i>30.8%</i>	<i>33.0%</i>	<i>-0.5%</i>	<i>-0.4%</i>	<i>31.3%</i>	<i>33.8%</i>	<i>34.8%</i>
Wealth Management	2017	H1/'18	H2/'18E	2018	H1/'19E	H2/'19E	2019E	2020E	2021E
Income	54.6	29.7	19.0	48.7	27.0	25.0	51.8	55.0	56.7
<i>change, %</i>	<i>47.3%</i>	<i>24.4%</i>	<i>-38.0%</i>	<i>-10.7%</i>	<i>-9.1%</i>	<i>31.3%</i>	<i>6.3%</i>	<i>6.1%</i>	<i>3.1%</i>
Operating profit	16.6	14.1	2.7	16.8	11.2	7.6	18.6	20.5	21.2
<i>Operating profit margin, %</i>	<i>30.5%</i>	<i>47.6%</i>	<i>14.1%</i>	<i>34.5%</i>	<i>41.5%</i>	<i>30.4%</i>	<i>35.9%</i>	<i>37.3%</i>	<i>37.4%</i>
Financing	2017	H1/'18	H2/'18E	2018	H1/'19E	H2/'19E	2019E	2020E	2021E
Income	21.8	6.2	6.3	12.5	8.0	8.4	16.5	18.0	18.4
<i>change, %</i>	<i>76.4%</i>	<i>-47.2%</i>	<i>-37.2%</i>	<i>-42.6%</i>	<i>29.5%</i>	<i>33.1%</i>	<i>31.8%</i>	<i>9.5%</i>	<i>2.2%</i>
Operating profit	13.9	2.4	2.5	4.9	3.9	3.6	7.4	8.1	8.8
<i>Operating profit margin, %</i>	<i>64%</i>	<i>38.9%</i>	<i>39.6%</i>	<i>40%</i>	<i>48.1%</i>	<i>42.9%</i>	<i>45.2%</i>	<i>45.1%</i>	<i>47.9%</i>
Energy	2017	H1/'18	H2/'18E	2018	H1/'19E	H2/'19E	2019E	2020E	2021E
Income	1.8	1.1	1.2	2.3	2.0	3.5	5.5	7.2	8.0
<i>change, %</i>	<i>>100%</i>	<i>40.3%</i>	<i>17.9%</i>	<i>27.7%</i>	<i>83.7%</i>	<i>>100%</i>	<i>>100%</i>	<i>30.9%</i>	<i>11.1%</i>
Operating profit	-1.5	-0.9	-1.4	-2.3	-0.8	0.5	-0.3	1.1	1.5
<i>Operating profit margin, %</i>	<i>-86.5%</i>	<i>-84.4%</i>	<i><-100%</i>	<i><-100%</i>	<i>-40.0%</i>	<i>14.3%</i>	<i>-5%</i>	<i>16%</i>	<i>19%</i>
Other operations	2017	H1/'18	H2/'18E	2018	H1/'19E	H2/'19E	2019E	2020E	2021E
Income	3.4	-1.5	10.3	8.8	0.5	0.5	1.0	1.0	1.0
<i>change, %</i>	<i>-68.8%</i>	<i>-</i>	<i>>100%</i>	<i>>100%</i>	<i>-</i>	<i>-95.1%</i>	<i>-88.6%</i>	<i>0.0%</i>	<i>0.0%</i>
Operating profit	-1.4	-3.3	7.7	4.4	-1.1	-1.3	-2.4	-2.3	-2.2
<i>Operating profit margin, %</i>	<i>-40.5%</i>	<i>-</i>	<i>75.0%</i>	<i>-</i>	<i><-100%</i>	<i><-100%</i>	<i><-100%</i>	<i><-100%</i>	<i><-100%</i>

Source: Taaleri, Evli estimates

VALUATION			
	EV	Per share	Notes
Wealth Management	169	6.0	9x EV/EBIT '19E
Financing	111	3.9	15x EV/EBIT '19E
Energy	20	0.7	9x EV/EBIT '19E + investments
Other operations	-50	-1.8	
Investments, other	30	1.1	
Net debt	-28	-1.0	
Equity value (SOTP)	252	8.9	
Equity value (DCF)		10.1	
Peer EV/EBIT 19E		8.0	
Target price (EUR)		8.5	

Source: Evli Research

TAALERI PEER GROUP	MCAP MEUR	P/E			P/B			EV/EBIT		
		19E	20E	21E	19E	20E	21E	19E	20E	21E
CapMan	257	12.4x	10.2x	10.1x	2.1x	2.0x	1.9x	10.1x	8.4x	8.3x
EAB Group	42	14.7x	9.0x	10.0x	2.0x	1.9x	1.7x	26.1x	13.1x	11.3x
Evli Bank	226	14.3x	12.0x	10.8x	2.8x	2.7x	2.5x			
eQ	324	14.5x	14.1x	13.2x	5.1x	5.1x	5.1x	10.9x	10.4x	9.4x
Titanium	74	9.8x	10.2x	10.1x	5.0x	5.2x	5.4x	6.8x	7.0x	7.0x
United Bankers	72			13.0x		2.3x	2.4x			9.4x
Peer Group Average	166	13.2x	11.1x	11.2x	3.4x	3.2x	3.2x	13.5x	9.7x	9.1x
Peer Group Median	150	14.3x	10.2x	10.4x	2.8x	2.5x	2.5x	10.5x	9.4x	9.4x
Taaleri (Evli est.)	216	11.1x	9.5x	8.9x	1.6x	1.5x	1.3x	10.0x	8.2x	7.2x

Source: Bloomberg, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	7.90 PV of Free Cash Flow	146 Long-term growth, %	2.0 Risk-free interest rate, %	2.25
DCF share value	10.15 PV of Horizon value	180 WACC, %	8.7 Market risk premium, %	5.8
Share price potential, %	28.5 Unconsolidated equity	-3 Spread, %	0.5 Debt risk premium, %	2.8
Maximum value	11.1 Marketable securities	26 Minimum WACC, %	8.2 Equity beta coefficient	1.10
Minimum value	9.3 Debt - dividend	-62 Maximum WACC, %	9.2 Target debt ratio, %	20
Horizon value, %	55.3 Value of stock	288 Nr of shares, Mn	28.4 Effective tax rate, %	20

DCF valuation, EURm	2018	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	Horizon
Net sales	73	75	81	84	88	93	96	100	103	106	109	111
Sales growth, %	-10.5	3.3	8.4	3.6	5.0	5.0	4.0	4.0	3.0	3.0	2.0	2.0
Operating income (EBIT)	24	24	28	30	29	30	31	32	33	34	35	35
EBIT margin, %	33.3	32.5	35.0	36.1	32.5	32.0	32.0	32.0	32.0	32.0	32.0	32.0
+ Depreciation+amort.	1	2	1	1	1	1	1	1	2	2	2	
- Income taxes	-5	-5	-6	-6	-6	-6	-6	-6	-7	-7	-7	
- Change in NWC	-23	-1	-3	-1	-2	-2	-2	-2	-1	-1	-1	
NWC/Sales, %	33.1	33.5	34.5	34.9	35.4	35.9	36.3	36.7	36.9	37.2	37.4	
+ Change in other liabs	3	0	0	0	0	0	0	0	0	0	0	
- Capital Expenditure	-17	-2	-1	-1	-1	-1	-2	-2	-2	-2	-2	-2
Investments/Sales, %	24.0	2.1	1.7	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6
- Other items	0	0	0	0	0	0	0	0	0	0	0	
= Unlevered Free CF (FCF)	-17	18	20	23	21	22	23	24	25	26	27	410
= Discounted FCF (DFCF)		17	17	18	15	14	14	13	13	12	12	180
= DFCF min WACC		17	17	18	15	15	14	14	13	13	12	204
= DFCF max WACC		17	17	18	15	14	14	13	13	12	11	160

INTERIM FIGURES

EVLI ESTIMATES, EURm	2018Q1	2018Q2	2018Q3	2018Q4	2018	2019Q1E	2019Q2E	2019Q3E	2019Q4E	2019E	2020E	2021E
Net sales	0	35	0	37	73	0	38	0	37	75	81	84
EBITDA	0	13	0	12	25	0	14	0	12	26	30	32
<i>EBITDA margin (%)</i>	<i>0.0</i>	<i>36.9</i>	<i>0.0</i>	<i>33.0</i>	<i>34.9</i>	<i>0.0</i>	<i>38.0</i>	<i>0.0</i>	<i>31.0</i>	<i>34.5</i>	<i>36.5</i>	<i>37.6</i>
EBIT	0	12	0	12	24	0	14	0	11	24	28	30
<i>EBIT margin (%)</i>	<i>0.0</i>	<i>35.2</i>	<i>0.0</i>	<i>31.5</i>	<i>33.3</i>	<i>0.0</i>	<i>36.0</i>	<i>0.0</i>	<i>29.0</i>	<i>32.5</i>	<i>35.0</i>	<i>36.1</i>
Net financial items	0	0	0	0	0	0	0	0	0	0	0	0
Pre-tax profit	0	12	0	12	24	0	14	0	11	24	28	30
Tax	0	-3	0	1	-2	0	-3	0	-2	-5	-6	-6
<i>Tax rate (%)</i>	<i>0.0</i>	<i>24.1</i>	<i>0.0</i>	<i>-6.2</i>	<i>9.4</i>	<i>0.0</i>	<i>20.0</i>	<i>0.0</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>
Net profit	0	9	0	12	22	0	11	0	9	19	23	24
EPS	0.00	0.33	0.00	0.43	0.76	0.00	0.38	0.00	0.31	0.69	0.80	0.86
EPS adjusted (diluted no. of shares)	0.00	0.33	0.00	0.43	0.76	0.00	0.38	0.00	0.31	0.69	0.80	0.86
Dividend per share	0.00	0.00	0.00	0.00	0.30	0.00	0.00	0.00	0.00	0.30	0.32	0.33
SALES, EURm												
Wealth management	0	30	0	19	49	0	27	0	25	52	55	57
Financing	0	6	0	6	12	0	8	0	8	16	18	18
Energy	0	1	0	1	2	0	2	0	4	6	7	8
Other & share of associates	0	-2	0	11	9	0	1	0	1	1	1	1
Total	0	35	0	37	73	0	38	0	37	75	81	84
SALES GROWTH, Y/Y %												
<i>Wealth management</i>	<i>0.0</i>	<i>24.4</i>	<i>0.0</i>	<i>-38.0</i>	<i>-10.7</i>	<i>0.0</i>	<i>-9.1</i>	<i>0.0</i>	<i>31.2</i>	<i>6.7</i>	<i>5.8</i>	<i>3.1</i>
<i>Financing</i>	<i>0.0</i>	<i>-47.2</i>	<i>0.0</i>	<i>-37.2</i>	<i>-42.6</i>	<i>0.0</i>	<i>29.5</i>	<i>0.0</i>	<i>33.1</i>	<i>31.3</i>	<i>9.9</i>	<i>2.2</i>
<i>Energy</i>	<i>0.0</i>	<i>40.3</i>	<i>0.0</i>	<i>17.9</i>	<i>27.7</i>	<i>0.0</i>	<i>83.7</i>	<i>0.0</i>	<i>193.9</i>	<i>141.2</i>	<i>30.9</i>	<i>11.1</i>
<i>Other & share of associates</i>	<i>0.0</i>	<i>-175.6</i>	<i>0.0</i>	<i>1,863.8</i>	<i>216.0</i>	<i>0.0</i>	<i>-128.7</i>	<i>0.0</i>	<i>-95.3</i>	<i>-88.9</i>	<i>0.0</i>	<i>0.0</i>
Total	0.0	-8.9	0.0	-11.9	-10.5	0.0	6.5	0.0	0.3	3.3	8.4	3.6
EBIT, EURm												
Wealth management	0	14	0	3	17	0	11	0	8	19	20	21
Financing	0	2	0	3	5	0	4	0	4	7	8	9
Energy	0	-1	0	-1	-2	0	0	0	1	1	2	3
Other & share of associates	0	-3	0	8	5	0	-1	0	-1	-2	-2	-2
Total	0	12	0	12	24	0	14	0	11	24	28	30
EBIT margin, %												
<i>Wealth management</i>	<i>0.0</i>	<i>47.6</i>	<i>0.0</i>	<i>14.1</i>	<i>34.5</i>	<i>0.0</i>	<i>41.5</i>	<i>0.0</i>	<i>30.4</i>	<i>36.2</i>	<i>37.3</i>	<i>37.4</i>
<i>Financing</i>	<i>0.0</i>	<i>39.0</i>	<i>0.0</i>	<i>40.3</i>	<i>39.6</i>	<i>0.0</i>	<i>48.1</i>	<i>0.0</i>	<i>42.9</i>	<i>45.4</i>	<i>45.1</i>	<i>47.9</i>
<i>Energy</i>	<i>0.0</i>	<i>-84.3</i>	<i>0.0</i>	<i>-118.6</i>	<i>-102.2</i>	<i>0.0</i>	<i>-22.5</i>	<i>0.0</i>	<i>27.1</i>	<i>9.1</i>	<i>29.6</i>	<i>32.5</i>
<i>Other & share of associates</i>	<i>0.0</i>	<i>187.1</i>	<i>0.0</i>	<i>73.7</i>	<i>51.8</i>	<i>0.0</i>	<i>-220.0</i>	<i>0.0</i>	<i>-260.0</i>	<i>-240.0</i>	<i>-230.0</i>	<i>-223.3</i>
Total	0.0	35.2	0.0	31.5	33.3	0.0	36.0	0.0	29.0	32.5	35.0	36.1

INCOME STATEMENT, EURm	2014	2015	2016	2017	2018	2019E	2020E	2021E
Sales	54	59	61	81	73	75	81	84
<i>Sales growth (%)</i>	<i>95.7</i>	<i>9.5</i>	<i>3.3</i>	<i>33.7</i>	<i>-10.5</i>	<i>3.3</i>	<i>8.4</i>	<i>3.6</i>
Costs	-32	-39	-43	-53	-47	-49	-52	-52
Reported EBITDA	21	20	18	28	25	26	30	32
Extraordinary items in EBITDA	0	0	0	0	0	0	0	0
<i>EBITDA margin (%)</i>	<i>39.9</i>	<i>33.6</i>	<i>29.0</i>	<i>35.0</i>	<i>34.9</i>	<i>34.5</i>	<i>36.5</i>	<i>37.6</i>
Depreciation	-1	-1	-1	-1	-1	-1	-1	-1
EBITA	21	19	16	27	24	24	28	30
Goodwill amortization / writedown	0	0	0	0	0	0	0	0
Reported EBIT	21	19	16	27	24	24	28	30
<i>EBIT margin (%)</i>	<i>38.9</i>	<i>32.1</i>	<i>26.7</i>	<i>33.4</i>	<i>33.3</i>	<i>32.5</i>	<i>35.0</i>	<i>36.1</i>
Net financials	0	0	0	1	0	0	0	0
Pre-tax profit	21	19	16	28	24	24	28	30
Extraordinary items	0	29	4	-4	0	0	0	0
Taxes	-4	-3	-4	-6	-2	-5	-6	-6
Minority shares	0	0	0	0	0	0	0	0
Net profit	17	44	17	18	22	19	23	24
BALANCE SHEET, EURm								
Assets								
Fixed assets	86	164	137	168	165	165	165	165
<i>% of sales</i>	<i>160</i>	<i>280</i>	<i>227</i>	<i>207</i>	<i>227</i>	<i>220</i>	<i>203</i>	<i>196</i>
Goodwill	1	1	1	1	5	5	5	5
<i>% of sales</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>7</i>	<i>7</i>	<i>6</i>	<i>6</i>
Inventory	0	0	0	0	0	0	0	0
<i>% of sales</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Receivables	35	23	20	25	40	41	44	45
<i>% of sales</i>	<i>65</i>	<i>40</i>	<i>32</i>	<i>31</i>	<i>55</i>	<i>55</i>	<i>54</i>	<i>54</i>
Liquid funds	32	28	55	35	26	27	29	30
<i>% of sales</i>	<i>59</i>	<i>48</i>	<i>91</i>	<i>43</i>	<i>36</i>	<i>36</i>	<i>36</i>	<i>36</i>
Total assets	153	217	213	229	238	240	245	248
Liabilities								
Equity	38	97	94	106	122	133	148	163
<i>% of sales</i>	<i>71</i>	<i>165</i>	<i>155</i>	<i>131</i>	<i>169</i>	<i>178</i>	<i>182</i>	<i>194</i>
Deferred taxes	3	18	17	16	15	15	15	15
<i>% of sales</i>	<i>5</i>	<i>30</i>	<i>28</i>	<i>20</i>	<i>20</i>	<i>20</i>	<i>18</i>	<i>17</i>
Interest bearing debt	100	75	74	63	62	53	44	31
<i>% of sales</i>	<i>187</i>	<i>128</i>	<i>122</i>	<i>77</i>	<i>85</i>	<i>71</i>	<i>54</i>	<i>37</i>
Non-interest bearing current liabilities	0	0	0	0	0	0	0	0
<i>% of sales</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Other interest free debt	12	27	29	45	39	39	39	39
<i>% of sales</i>	<i>23</i>	<i>46</i>	<i>48</i>	<i>55</i>	<i>54</i>	<i>52</i>	<i>48</i>	<i>47</i>
Total liabilities	153	217	213	229	238	240	245	248
CASH FLOW, EURm								
+ EBITDA	21	20	18	28	25	26	30	32
- Net financial items	0	0	0	1	0	0	0	0
- Taxes	-2	12	-5	-7	-5	-5	-6	-6
- Increase in Net Working Capital	-16	13	4	5	-23	-1	-3	-1
+/- Other	-13	-26	11	3	0	0	0	0
= Cash flow from operations	-9	19	28	29	0	20	21	24
- Capex	0	-115	-11	-10	-17	-2	-1	-1
- Acquisitions	0	0	0	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Net cash flow	1	-57	11	14	-18	18	20	23
+/- Change in interest-bearing debt	100	-25	-1	-11	-1	-9	-9	-13
+/- New issues/buybacks	-1	15	-17	0	2	0	0	0
- Paid dividend	0	0	-3	-6	-7	-9	-9	-9
+/- Change in loan receivables	0	13	2	5	3	0	0	0
Change in cash	100	-54	-8	3	-21	1	2	1

KEY FIGURES	2015	2016	2017	2018	2019E	2020E	2021E
M-cap	123	233	293	201	224	224	224
Net debt	47	19	28	36	26	15	1
Enterprise value	173	253	323	240	253	241	227
Sales	59	61	81	73	75	81	84
EBITDA	20	18	28	25	26	30	32
EBIT	19	16	27	24	24	28	30
Pre-tax	19	16	28	24	24	28	30
Earnings	16	13	22	22	19	23	24
Book value	95	93	106	121	132	146	161
Valuation multiples							
EV/sales	3.0	4.2	4.0	3.3	3.4	3.0	2.7
EV/EBITDA	8.8	14.4	11.4	9.5	9.8	8.1	7.2
EV/EBITA	9.2	15.6	11.9	10.0	10.4	8.5	7.5
EV/EBIT	9.2	15.6	11.9	10.0	10.4	8.5	7.5
EV/operating cash flow	9.1	8.9	11.2	-98.9	12.7	11.5	9.4
EV/cash earnings	5.5	19.5	14.9	11.8	12.0	10.1	8.9
P/E	15.0	18.3	13.5	9.3	11.5	9.8	9.2
P/E excl. goodwill	15.0	18.3	13.5	9.3	11.5	9.8	9.2
P/B	1.3	2.5	2.8	1.7	1.7	1.5	1.4
P/sales	4.0	3.9	3.6	2.8	3.0	2.8	2.7
P/CF	12.5	8.2	10.2	-82.9	11.3	10.7	9.2
Target EV/EBIT	0.0	0.0	0.0	0.0	11.0	9.0	8.0
Target P/E	0.0	0.0	0.0	0.0	12.4	10.6	9.9
Target P/B	0.0	0.0	0.0	0.0	1.8	1.7	1.5
Per share measures							
Number of shares	28,306	28,306	28,351	28,351	28,351	28,351	28,351
Number of shares (diluted)	28,306	28,306	28,351	28,351	28,351	28,351	28,351
EPS	0.56	0.45	0.77	0.76	0.69	0.80	0.86
EPS excl. goodwill	0.56	0.45	0.77	0.76	0.69	0.80	0.86
Cash EPS	1.12	0.46	0.76	0.72	0.74	0.84	0.90
Operating cash flow per share	0.67	1.01	1.02	-0.09	0.70	0.74	0.85
Capital employed per share	3.40	3.56	3.55	4.92	4.96	5.07	5.12
Book value per share	3.35	3.30	3.73	4.26	4.65	5.15	5.69
Book value excl. goodwill	3.33	3.28	3.71	4.08	4.47	4.97	5.51
Dividend per share	0.10	0.22	0.26	0.30	0.30	0.32	0.33
Dividend payout ratio, %	18.6	48.8	33.8	39.3	43.7	39.8	38.0
Dividend yield, %	1.2	2.7	2.5	3.8	3.8	4.1	4.1
Efficiency measures							
ROE	24.1	13.6	21.9	19.1	15.4	16.4	15.8
ROCE	12.1	9.6	16.4	13.5	13.1	15.1	15.8
Financial ratios							
Capex/sales, %	195.9	17.9	12.0	24.0	2.1	1.7	1.6
Capex/depreciation excl. goodwill,%	13,207.7	782.9	738.5	1,095.3	104.8	116.4	107.0
Net debt/EBITDA, book-weighted	2.4	1.1	1.0	1.4	1.0	0.5	0.0
Debt/equity, market-weighted	0.6	0.3	0.2	0.3	0.2	0.2	0.1
Equity ratio, book-weighted	44.8	44.0	46.3	51.4	55.6	60.2	65.7
Gearing	0.49	0.20	0.27	0.29	0.19	0.10	0.01
Number of employees, average	175	179	184	183	187	190	194
Sales per employee, EUR	335,200	338,374	440,158	396,246	401,264	426,584	433,197
EBIT per employee, EUR	107,497	90,341	146,897	131,754	130,451	149,473	156,496

COMPANY DESCRIPTION: Taaleri is a Finnish company operating in wealth management, financing and investments. Taaleri operates through three segments; Wealth Management, Financing, and Energy, and its clients are wealthy private individuals, institutional investors and companies. Taaleri is headquartered in Finland and was founded in 2007. The company listed on Helsinki First North in 2013 and moved to the Nasdaq Helsinki main list in 2016.

INVESTMENT CASE:

OWNERSHIP STRUCTURE	SHARES	EURm	%
Oy Hermitage Ab	2,503,128	19.775	8.8%
Veikko Laine Oy	2,430,694	19.202	8.6%
Elomaa Heikki Juhani	1,717,562	13.569	6.1%
Lombard International Assurance S.A.	1,485,695	11.737	5.2%
Haaparinne Karri Erik	1,450,213	11.457	5.1%
Fennia Life Insurance Company Ltd	1,229,313	9.712	4.3%
Swiss Life Luxembourg Sa	1,103,825	8.720	3.9%
Berling Capital Ltd	724,033	5.720	2.6%
Lampinen Petri	508,844	4.020	1.8%
Mathur Ranjit Juhani C.	430,000	3.397	1.5%
Ten largest	13,583,307	107.308	48%
Residual	14,767,313	116.662	52%
Total	28,350,620	223.970	100%

EARNINGS CALENDAR

February 14, 2019 FY 2018 Results
August 15, 2019 Q2 report

OTHER EVENTS

March 20, 2019 AGM

COMPANY MISCELLANEOUS

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CFO: Minna Smedsten Tel: +358 46 714 7100
IR: Sophie Jolly

DEFINITIONS

P/E	$\frac{\text{Price per share}}{\text{Earnings per share}}$	EPS	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes} + \text{minority interest}}{\text{Number of shares}}$
P/Sales	$\frac{\text{Market cap}}{\text{Sales}}$	DPS	Dividend for the financial period per share
P/BV	$\frac{\text{Price per share}}{\text{Shareholders' equity} + \text{taxed provisions per share}}$	CEPS	$\frac{\text{Gross cash flow from operations}}{\text{Number of shares}}$
P/CF	$\frac{\text{Price per share}}{\text{Operating cash flow per share}}$	EV/Share	$\frac{\text{Enterprise value}}{\text{Number of shares}}$
EV (Enterprise value)	Market cap + net debt + minority interest at market value – share of associated companies at market value	Sales/Share	$\frac{\text{Sales}}{\text{Number of shares}}$
Net debt	Interest bearing debt – financial assets	EBITDA/Share	$\frac{\text{Earnings before interest, tax, depreciation and amortisation}}{\text{Number of shares}}$
EV/Sales	$\frac{\text{Enterprise value}}{\text{Sales}}$	EBIT/Share	$\frac{\text{Operating profit}}{\text{Number of shares}}$
EV/EBITDA	$\frac{\text{Enterprise value}}{\text{Earnings before interest, tax, depreciation and amortisation}}$	EAFI/Share	$\frac{\text{Pretax profit}}{\text{Number of shares}}$
EV/EBIT	$\frac{\text{Enterprise value}}{\text{Operating profit}}$	Capital employed/Share	$\frac{\text{Total assets} - \text{non interest bearing debt}}{\text{Number of shares}}$
Div yield, %	$\frac{\text{Dividend per share}}{\text{Price per share}}$	Total assets	Balance sheet total
Payout ratio, %	$\frac{\text{Total dividends}}{\text{Earnings before extraordinary items and taxes} - \text{income taxes} + \text{minority interest}}$	Interest coverage (x)	$\frac{\text{Operating profit}}{\text{Financial items}}$
Net cash/Share	$\frac{\text{Financial assets} - \text{interest bearing debt}}{\text{Number of shares}}$	Asset turnover (x)	$\frac{\text{Turnover}}{\text{Balance sheet total (average)}}$
ROA, %	$\frac{\text{Operating profit} + \text{financial income} + \text{extraordinary items}}{\text{Balance sheet total} - \text{interest free short term debt} - \text{long term advances received and accounts payable (average)}}$	Debt/Equity, %	$\frac{\text{Interest bearing debt}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}$
ROCE, %	$\frac{\text{Profit before extraordinary items} + \text{interest expenses} + \text{other financial costs}}{\text{Balance sheet total} - \text{non interest bearing debt (average)}}$	Equity ratio, %	$\frac{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}{\text{Total assets} - \text{interest free loans}}$
ROE, %	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions (average)}}$	CAGR, %	Cumulative annual growth rate = Average growth per year

Important Disclosures

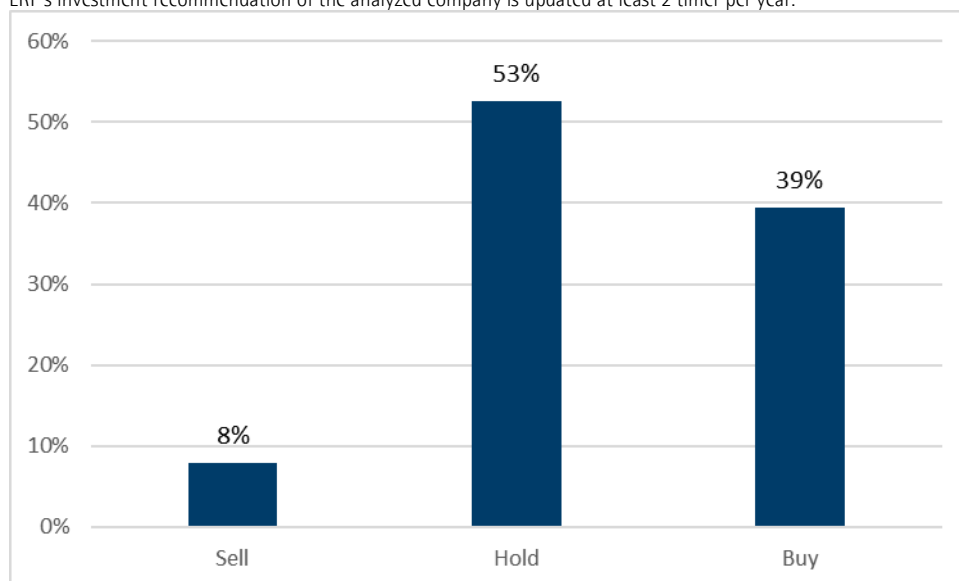
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 - (+10) %	HOLD
> 10 %	BUY

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Name(s) of the analyst(s): Salokivi

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