

## Supportive fee outlook

Taaleri's H1 earnings were due to the previously given guidance quite unsurprising and segment development corresponded roughly to expectations. A better than anticipated AUM development supports the fee outlook going forward, with 2019 earnings still expected to rely on the Texas wind farm project.

### Favourable AUM development improving WM fee outlook

Taaleri's had pre-H1 announced an H1 EBIT-margin range of 20-25%, with EBIT at EUR 6.4m (Evli 6.8m), at a 20.6% margin. Segment results corresponded roughly to our expectations, with solid investment returns boosting Financing's earnings, while Wealth Management earnings were weak, as indicated by the guidance revision. Energy's earnings remained negative as expected. The in our view most positive information of the first half-year was AUM development, with group AUM up 15.6% to EUR 6.6bn. Uncalled commitments along with the accumulation of AUM towards late H1 is expected to benefit Wealth Management's fees and continuing earnings going into H2.

### 2019 earnings still dependent on Texas wind farm project

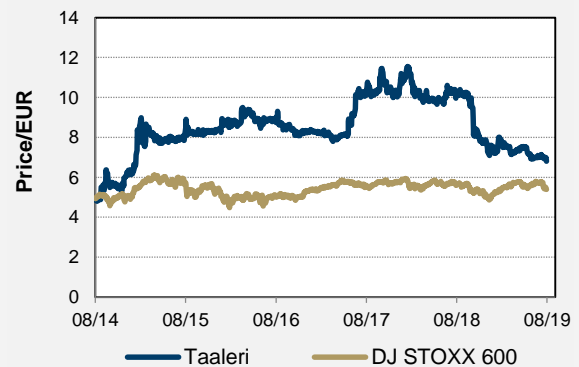
Taaleri has guided for the 2019 EBIT-margin to be slightly below that achieved in 2018. Compared to H1/19 we expected clear improvements in Wealth Managements operating profits, driven by higher AUM and an increase in performance fees (-0.5m in H1). We expect a decline in Financing, both H2/19 and the coming years, due to expected lower investment returns. The deciding factor for 2019 earnings will be Energy, were the divestment of the Texas wind farm project is expected during H2/19, with SolarWind II fees also expected to boost the operating profitability to a positive level. H1 group earnings were also affected by elevated personnel expenses, which we expect to support earnings improvement in H2.

### BUY with a target price of EUR 7.6 (8.0)

Based on the H1 report, which given the favourable AUM development and expected cost base decline in H2 was slightly more positive than we had expected, we retain our BUY-rating with a target price of EUR 7.6 (8.0).

## Rating

BUY



Share price, EUR (Last trading day's closing price) 6.80

Target price, EUR 7.6

Latest change in recommendation 29-Mar-18

Latest report on company 13-Aug-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 193

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

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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	71	21	29.4%	21	0.59	11.6	3.2	10.3	11.0	0.30
2020E	74	20	26.8%	20	0.56	12.2	3.0	12.4	11.2	0.32
2021E	78	23	29.1%	23	0.64	10.6	2.8	11.1	9.5	0.33
Market cap, EURm			193	BV per share 2019E, EUR		4.5	CAGR EPS 2018-21, %			-5.8
Net debt 2019E, EURm			33	Price/book 2019E		1.5	CAGR sales 2018-21, %			2.3
Enterprise value, EURm			228	Dividend yield 2019E, %		4.4	ROE 2019E, %			13.3
Total assets 2019E, EURm			243	Tax rate 2019E, %		20.0	ROCE 2019E, %			11.2
Goodwill 2019E, EURm			5	Equity ratio 2019E, %		53.8	PEG, P/E 19/CAGR			2.1

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

Taaleri	2017	H1/'18	H2/'18	2018	H1/'19E	H2/'19E	2019E	2020E	2021E
<b>Income</b>	<b>81.0</b>	<b>35.5</b>	<b>37.3</b>	<b>72.3</b>	<b>30.9</b>	<b>40.0</b>	<b>70.9</b>	<b>73.9</b>	<b>77.7</b>
<i>change, %</i>	<i>33.7%</i>	<i>-8.4%</i>	<i>-11.8%</i>	<i>-10.7%</i>	<i>-13.0%</i>	<i>7.2%</i>	<i>-2.0%</i>	<i>4.3%</i>	<i>5.2%</i>
Share of associates	-0.6	-0.3	0.5	0.2	0.0	0.0	0.0	0.0	0.0
<b>Operating profit</b>	<b>27.6</b>	<b>12.4</b>	<b>11.5</b>	<b>23.9</b>	<b>6.3</b>	<b>14.6</b>	<b>20.9</b>	<b>19.8</b>	<b>22.6</b>
<i>Operating profit margin, %</i>	<i>1.4%</i>	<i>34.9%</i>	<i>30.8%</i>	<i>33.0%</i>	<i>20.3%</i>	<i>36.4%</i>	<i>29.6%</i>	<i>26.8%</i>	<i>29.1%</i>
<b>Wealth Management</b>	<b>2017</b>	<b>H1/'18</b>	<b>H2/'18</b>	<b>2018</b>	<b>H1/'19E</b>	<b>H2/'19E</b>	<b>2019E</b>	<b>2020E</b>	<b>2021E</b>
<b>Income</b>	<b>54.6</b>	<b>29.7</b>	<b>19.0</b>	<b>48.7</b>	<b>17.2</b>	<b>23.9</b>	<b>41.1</b>	<b>49.0</b>	<b>52.2</b>
<i>change, %</i>	<i>47.3%</i>	<i>24.4%</i>	<i>-38.0%</i>	<i>-10.7%</i>	<i>-42.0%</i>	<i>25.5%</i>	<i>-15.6%</i>	<i>19.1%</i>	<i>6.4%</i>
<b>Operating profit</b>	<b>16.6</b>	<b>14.1</b>	<b>2.7</b>	<b>16.8</b>	<b>2.0</b>	<b>7.7</b>	<b>9.7</b>	<b>14.5</b>	<b>16.7</b>
<i>Operating profit margin, %</i>	<i>30.5%</i>	<i>47.6%</i>	<i>14.1%</i>	<i>34.5%</i>	<i>11.8%</i>	<i>32.2%</i>	<i>23.7%</i>	<i>29.6%</i>	<i>31.9%</i>
<b>Financing</b>	<b>2017</b>	<b>H1/'18</b>	<b>H2/'18</b>	<b>2018</b>	<b>H1/'19E</b>	<b>H2/'19E</b>	<b>2019E</b>	<b>2020E</b>	<b>2021E</b>
<b>Income</b>	<b>21.8</b>	<b>6.2</b>	<b>6.3</b>	<b>12.5</b>	<b>10.4</b>	<b>8.4</b>	<b>18.8</b>	<b>16.7</b>	<b>16.6</b>
<i>change, %</i>	<i>76.4%</i>	<i>-47.2%</i>	<i>-37.2%</i>	<i>-42.6%</i>	<i>68.8%</i>	<i>33.1%</i>	<i>50.8%</i>	<i>-11.4%</i>	<i>-0.6%</i>
<b>Operating profit</b>	<b>13.9</b>	<b>2.4</b>	<b>2.5</b>	<b>4.9</b>	<b>6.0</b>	<b>3.7</b>	<b>9.8</b>	<b>6.8</b>	<b>7.0</b>
<i>Operating profit margin, %</i>	<i>64%</i>	<i>38.9%</i>	<i>39.6%</i>	<i>40%</i>	<i>57.3%</i>	<i>44.0%</i>	<i>52.1%</i>	<i>40.7%</i>	<i>42.1%</i>
<b>Energy</b>	<b>2017</b>	<b>H1/'18</b>	<b>H2/'18</b>	<b>2018</b>	<b>H1/'19E</b>	<b>H2/'19E</b>	<b>2019E</b>	<b>2020E</b>	<b>2021E</b>
<b>Income</b>	<b>1.8</b>	<b>1.1</b>	<b>1.2</b>	<b>2.3</b>	<b>1.4</b>	<b>7.2</b>	<b>8.6</b>	<b>7.2</b>	<b>8.0</b>
<i>change, %</i>	<i>&gt;100%</i>	<i>40.3%</i>	<i>17.9%</i>	<i>27.7%</i>	<i>29.1%</i>	<i>&gt;100%</i>	<i>&gt;100%</i>	<i>-16.3%</i>	<i>11.1%</i>
<b>Operating profit</b>	<b>-1.5</b>	<b>-0.9</b>	<b>-1.4</b>	<b>-2.3</b>	<b>-1.6</b>	<b>4.1</b>	<b>2.4</b>	<b>0.8</b>	<b>1.2</b>
<i>Operating profit margin, %</i>	<i>-86.5%</i>	<i>-84.4%</i>	<i>&lt;-100 %</i>	<i>&lt;-100 %</i>	<i>&lt;-100 %</i>	<i>56.3%</i>	<i>28%</i>	<i>12%</i>	<i>16%</i>
<b>Other operations</b>	<b>2017</b>	<b>H1/'18</b>	<b>H2/'18</b>	<b>2018</b>	<b>H1/'19E</b>	<b>H2/'19E</b>	<b>2019E</b>	<b>2020E</b>	<b>2021E</b>
<b>Income</b>	<b>3.4</b>	<b>-1.5</b>	<b>10.3</b>	<b>8.8</b>	<b>1.8</b>	<b>0.5</b>	<b>2.3</b>	<b>1.0</b>	<b>1.0</b>
<i>change, %</i>	<i>-68.8%</i>	<i>-</i>	<i>&gt;100%</i>	<i>&gt;100%</i>	<i>-</i>	<i>-95.1%</i>	<i>-73.8%</i>	<i>-56.5%</i>	<i>0.0%</i>
<b>Operating profit</b>	<b>-1.4</b>	<b>-3.3</b>	<b>7.7</b>	<b>4.4</b>	<b>-0.1</b>	<b>-0.9</b>	<b>-1.0</b>	<b>-2.3</b>	<b>-2.2</b>
<i>Operating profit margin, %</i>	<i>-40.5%</i>	<i>-</i>	<i>75.0%</i>	<i>50.6%</i>	<i>-6.0%</i>	<i>&lt;-100 %</i>	<i>-44%</i>	<i>&lt;-100 %</i>	<i>&lt;-100 %</i>

TAALERI PEER GROUP	MCAP MEUR	P/E			P/B			EV/EBIT		
		19E	20E	21E	19E	20E	21E	19E	20E	21E
CapMan	273	14.9x	10.9x	10.3x	2.2x	2.1x	2.0x	11.0x	8.6x	7.7x
EAB Group	42		16.5x	12.6x	1.8x	1.7x			14.1x	11.2x
Evli Bank	189	11.8x	10.3x	9.5x	2.4x	2.3x	2.2x			
eQ	371	17.6x	14.2x	14.7x	6.0x	5.6x	5.8x	13.8x	11.0x	11.2x
Titanium	85	11.3x	10.2x	9.7x	3.9x	4.0x	4.2x	7.5x	7.0x	6.6x
United Bankers Oyj	81	11.6x	9.6x	8.8x	2.7x	2.6x	2.6x	9.8x	8.0x	7.2x
Peer Group Average	174	13.4x	12.0x	10.9x	3.2x	3.1x	3.4x	10.5x	9.7x	8.8x
Peer Group Median	137	11.8x	10.6x	10.0x	2.6x	2.5x	2.6x	10.4x	8.6x	7.7x
Taaleri (Evli est.)	193	11.6x	12.2x	10.6x	1.5x	1.4x	1.3x	11.0x	11.2x	9.5x
<i>Prem./disc. to peer median</i>		-2%	15%	7%	-42%	-43%	-48%	5%	31%	23%

Source Bloomberg, Evli research

VALUATION		
	EV	Per share
Wealth Management	151	5.3
Financing	122	4.3
Energy	32	1.1
Other operations	-50	-1.8
Investments, other	30	1.1
Net debt	-42	-1.5
Equity value (SOTP)	243	8.6
Equity value (DCF)		9.2
Peer EV/EBIT 19E		6.5
<b>Target price (EUR)</b>		<b>7.6</b>

Source: Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	6.80 PV of Free Cash Flow	126 Long-term growth, %	2.0 Risk-free interest rate, %	2.25
DCF share value	9.24 PV of Horizon value	174 WACC, %	8.7 Market risk premium, %	5.8
Share price potential, %	35.9 Unconsolidated equity	-2 Spread, %	0.5 Debt risk premium, %	2.8
Maximum value	10.1 Marketable securities	26 Minimum WACC, %	8.2 Equity beta coefficient	1.10
Minimum value	8.5 Debt - dividend	-62 Maximum WACC, %	9.2 Target debt ratio, %	20
Horizon value, %	57.9 Value of stock	262 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	71	74	78	82	86	89	93	95	98	100	102
<i>Sales growth, %</i>	-10.5	-2.3	4.3	5.2	5.0	5.0	4.0	4.0	3.0	3.0	2.0	2.0
Operating income (EBIT)	24	21	20	23	24	27	29	30	31	31	32	33
<i>EBIT margin, %</i>	33.3	29.4	26.8	29.1	30.0	32.0	32.0	32.0	32.0	32.0	32.0	32.0
+ Depreciation+amort.	1	1	1	1	1	1	1	1	1	1	1	
- Income taxes	-5	-4	-4	-5	-5	-5	-6	-6	-6	-6	-6	
- Change in NWC	-23	1	-1	-2	-2	-2	-2	-2	-1	-1	-1	
<i>NWC / Sales, %</i>	33.1	32.8	33.3	34.0	34.5	35.1	35.5	35.9	36.2	36.5	36.7	
+ Change in other liabs	3	0	0	0	0	0	0	0	0	0	0	
- Capital Expenditure	-17	-7	-1	-1	-1	-1	-1	-1	-1	-1	-2	-2
<i>Investments / Sales, %</i>	24.0	10.5	1.5	1.6	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
- Other items	0	0	0	0	0	0	0	0	0	0	0	
= Unlevered Free CF (FCF)	-17	11	14	16	18	20	21	22	23	24	25	379
= Discounted FCF (DFCF)		11	13	13	13	14	14	13	13	12	11	174
= DFCF min WACC		11	13	13	14	14	14	13	13	12	12	196
= DFCF max WACC		11	13	13	13	14	13	13	12	11	11	155

## 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	31	0	40	71	74	78
EBITDA	0	13	0	12	25	0	7	0	15	22	21	24
<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>22.2</i>	<i>0.0</i>	<i>38.3</i>	<i>31.2</i>	<i>28.2</i>	<i>30.5</i>
EBIT	0	12	0	12	24	0	6	0	15	21	20	23
<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>20.3</i>	<i>0.0</i>	<i>36.4</i>	<i>29.4</i>	<i>26.8</i>	<i>29.1</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	6	0	15	21	20	23
Tax	0	-3	0	1	-2	0	-1	0	-3	-4	-4	-5
<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	5	0	12	17	16	18
EPS	0.00	0.33	0.00	0.43	0.76	0.00	0.18	0.00	0.41	0.59	0.56	0.64
EPS adjusted (diluted no. of shares)	0.00	0.33	0.00	0.43	0.76	0.00	0.18	0.00	0.41	0.59	0.56	0.64
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
<b>SALES, EURm</b>												
Wealth management	0	30	0	19	49	0	17	0	24	41	49	52
Financing	0	6	0	6	12	0	10	0	8	19	17	17
Energy	0	1	0	1	2	0	1	0	7	9	7	8
Other & share of associates	0	-2	0	11	9	0	2	0	1	2	1	1
<b>Total</b>	<b>0</b>	<b>35</b>	<b>0</b>	<b>37</b>	<b>73</b>	<b>0</b>	<b>31</b>	<b>0</b>	<b>40</b>	<b>71</b>	<b>74</b>	<b>78</b>
<b>SALES GROWTH, Y/Y %</b>												
<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>-42.0</i>	<i>0.0</i>	<i>25.5</i>	<i>-15.6</i>	<i>19.1</i>	<i>6.4</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>68.8</i>	<i>0.0</i>	<i>33.1</i>	<i>50.8</i>	<i>-11.4</i>	<i>-0.6</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>29.1</i>	<i>0.0</i>	<i>504.6</i>	<i>277.5</i>	<i>-16.3</i>	<i>11.1</i>
<i>Other &amp; 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>-203.3</i>	<i>0.0</i>	<i>-95.3</i>	<i>-74.5</i>	<i>-56.5</i>	<i>0.0</i>
<b>Total</b>	<b>0.0</b>	<b>-8.9</b>	<b>0.0</b>	<b>-11.9</b>	<b>-10.5</b>	<b>0.0</b>	<b>-12.4</b>	<b>0.0</b>	<b>7.3</b>	<b>-2.3</b>	<b>4.3</b>	<b>5.2</b>
<b>EBIT, EURm</b>												
Wealth management	0	14	0	3	17	0	2	0	8	10	14	17
Financing	0	2	0	3	5	0	6	0	4	10	7	7
Energy	0	-1	0	-1	-2	0	-2	0	4	2	1	1
Other & share of associates	0	-3	0	8	5	0	0	0	-1	-1	-2	-2
<b>Total</b>	<b>0</b>	<b>12</b>	<b>0</b>	<b>12</b>	<b>24</b>	<b>0</b>	<b>6</b>	<b>0</b>	<b>15</b>	<b>21</b>	<b>20</b>	<b>23</b>
<b>EBIT margin, %</b>												
<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>11.8</i>	<i>0.0</i>	<i>32.2</i>	<i>23.7</i>	<i>29.6</i>	<i>31.9</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>57.3</i>	<i>0.0</i>	<i>44.0</i>	<i>51.4</i>	<i>40.7</i>	<i>42.1</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>-116.5</i>	<i>0.0</i>	<i>56.3</i>	<i>28.0</i>	<i>11.5</i>	<i>15.6</i>
<i>Other &amp; 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>-6.0</i>	<i>0.0</i>	<i>-180.0</i>	<i>-43.8</i>	<i>-230.0</i>	<i>-223.3</i>
<b>Total</b>	<b>0.0</b>	<b>35.2</b>	<b>0.0</b>	<b>31.5</b>	<b>33.3</b>	<b>0.0</b>	<b>20.3</b>	<b>0.0</b>	<b>36.4</b>	<b>29.4</b>	<b>26.8</b>	<b>29.1</b>

INCOME STATEMENT, EURm	2014	2015	2016	2017	2018	2019E	2020E	2021E
Sales	54	59	61	81	73	71	74	78
<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>-2.3</i>	<i>4.3</i>	<i>5.2</i>
Costs	-32	-39	-43	-53	-47	-49	-53	-54
Reported EBITDA	21	20	18	28	25	22	21	24
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>31.2</i>	<i>28.2</i>	<i>30.5</i>
Depreciation	-1	-1	-1	-1	-1	-1	-1	-1
EBITA	21	19	16	27	24	21	20	23
Goodwill amortization / writedown	0	0	0	0	0	0	0	0
Reported EBIT	21	19	16	27	24	21	20	23
<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>29.4</i>	<i>26.8</i>	<i>29.1</i>
Net financials	0	0	0	1	0	0	0	0
Pre-tax profit	21	19	16	28	24	21	20	23
Extraordinary items	0	29	4	-4	0	0	0	0
Taxes	-4	-3	-4	-6	-2	-4	-4	-5
Minority shares	0	0	0	0	0	0	0	0
Net profit	17	44	17	18	22	17	16	18
<b>BALANCE SHEET, EURm</b>								
Assets								
Fixed assets	86	164	137	168	165	171	171	171
<i>% of sales</i>	<i>160</i>	<i>280</i>	<i>227</i>	<i>207</i>	<i>227</i>	<i>241</i>	<i>231</i>	<i>220</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>7</i>	<i>7</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	39	41	42
<i>% of sales</i>	<i>65</i>	<i>40</i>	<i>32</i>	<i>31</i>	<i>55</i>	<i>55</i>	<i>55</i>	<i>54</i>
Liquid funds	32	28	55	35	26	26	27	28
<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	243	245	249
Liabilities								
Equity	38	97	94	106	122	131	138	147
<i>% of sales</i>	<i>71</i>	<i>165</i>	<i>155</i>	<i>131</i>	<i>169</i>	<i>184</i>	<i>187</i>	<i>189</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>21</i>	<i>20</i>	<i>19</i>
Interest bearing debt	100	75	74	63	62	58	54	48
<i>% of sales</i>	<i>187</i>	<i>128</i>	<i>122</i>	<i>77</i>	<i>85</i>	<i>82</i>	<i>73</i>	<i>62</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>55</i>	<i>53</i>	<i>50</i>
Total liabilities	153	217	213	229	238	243	245	249
<b>CASH FLOW, EURm</b>								
+ EBITDA	21	20	18	28	25	22	21	24
- Net financial items	0	0	0	1	0	0	0	0
- Taxes	-2	12	-5	-7	-5	-4	-4	-5
- Increase in Net Working Capital	-16	13	4	5	-23	1	-1	-2
+/- Other	-13	-26	11	3	0	0	0	0
= Cash flow from operations	-9	19	28	29	0	19	16	17
- Capex	0	-115	-11	-10	-17	-7	-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	11	14	16
+/- Change in interest-bearing debt	100	-25	-1	-11	-1	-3	-5	-6
+/- 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	1	1

KEY FIGURES	2015	2016	2017	2018	2019E	2020E	2021E
M-cap	123	233	293	201	193	193	193
Net debt	47	19	28	36	33	27	20
Enterprise value	173	253	323	240	228	222	215
Sales	59	61	81	73	71	74	78
EBITDA	20	18	28	25	22	21	24
EBIT	19	16	27	24	21	20	23
Pre-tax	19	16	28	24	21	20	23
Earnings	16	13	22	22	17	16	18
Book value	95	93	106	121	129	136	145
<b>Valuation multiples</b>							
EV/sales	3.0	4.2	4.0	3.3	3.2	3.0	2.8
EV/EBITDA	8.8	14.4	11.4	9.5	10.3	10.7	9.1
EV/EBITA	9.2	15.6	11.9	10.0	11.0	11.2	9.5
EV/EBIT	9.2	15.6	11.9	10.0	11.0	11.2	9.5
EV/operating cash flow	9.1	8.9	11.2	-98.9	12.2	14.3	12.3
EV/cash earnings	5.5	19.5	14.9	11.8	12.7	13.1	11.2
P/E	15.0	18.3	13.5	9.3	11.6	12.2	10.6
P/E excl. goodwill	15.0	18.3	13.5	9.3	11.6	12.2	10.6
P/B	1.3	2.5	2.8	1.7	1.5	1.4	1.3
P/sales	4.0	3.9	3.6	2.8	2.7	2.6	2.5
P/CF	12.5	8.2	10.2	-82.9	10.3	12.4	11.1
Target EV/EBIT	0.0	0.0	0.0	0.0	12.0	12.3	10.5
Target P/E	0.0	0.0	0.0	0.0	12.9	13.6	11.9
Target P/B	0.0	0.0	0.0	0.0	1.7	1.6	1.5
<b>Per share measures</b>							
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	0.59	0.56	0.64
EPS excl. goodwill	0.56	0.45	0.77	0.76	0.59	0.56	0.64
Cash EPS	1.12	0.46	0.76	0.72	0.63	0.60	0.68
Operating cash flow per share	0.67	1.01	1.02	-0.09	0.66	0.55	0.61
Capital employed per share	3.40	3.56	3.55	4.92	5.11	5.16	5.23
Book value per share	3.35	3.30	3.73	4.26	4.55	4.80	5.12
Book value excl. goodwill	3.33	3.28	3.71	4.08	4.37	4.62	4.94
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	51.1	57.2	51.7
Dividend yield, %	1.2	2.7	2.5	4.4	4.4	4.7	4.9
<b>Efficiency measures</b>							
ROE	24.1	13.6	21.9	19.1	13.3	12.0	12.9
ROCE	12.1	9.6	16.4	13.5	11.2	10.4	11.7
<b>Financial ratios</b>							
Capex/sales, %	195.9	17.9	12.0	24.0	10.5	1.5	1.6
Capex/depreciation excl. goodwill,%	13,207.7	782.9	738.5	1,095.3	561.9	108.6	110.6
Net debt/EBITDA, book-weighted	2.4	1.1	1.0	1.4	1.5	1.3	0.8
Debt/equity, market-weighted	0.6	0.3	0.2	0.3	0.3	0.3	0.2
Equity ratio, book-weighted	44.8	44.0	46.3	51.4	53.8	56.2	59.1
Gearing	0.49	0.20	0.27	0.29	0.25	0.20	0.14
Number of employees, average	175	179	184	183	187	190	194
Sales per employee, EUR	335,200	338,374	440,158	396,246	379,594	388,004	400,272
EBIT per employee, EUR	107,497	90,341	146,897	131,754	111,508	104,065	116,591

**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	%
Veikko Laine Oy	2,861,430	19.458	10.1%
Oy Hermitage Ab	2,503,128	17.021	8.8%
Elomaa Heikki Juhani	1,721,272	11.705	6.1%
Haaparinne Karri Erik	1,451,521	9.870	5.1%
Lombard International Assurance S.A.	1,386,452	9.428	4.9%
Fennia Life Insurance Company Ltd	1,260,685	8.573	4.4%
Swiss Life Luxembourg Sa	1,255,173	8.535	4.4%
Lampinen Petri	509,067	3.462	1.8%
Mathur Ranjit Juhani C.	430,000	2.924	1.5%
Lehto Vesa Matti	367,100	2.496	1.3%
Ten largest	13,745,828	93.472	48%
Residual	14,604,792	99.313	52%
Total	28,350,620	192.784	100%

**EARNINGS CALENDAR**

**OTHER EVENTS**

March 20, 2019

AGM

**COMPANY MISCELLANEOUS**

CEO: Robin Lindahl

Kasarmikatu 21B, FI-00130 Helsinki

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

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Investment recommendations are defined as follows:

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

ERP's investment recommendation of the analyzed company is updated at least 2 times per year.

Recommendation	Percentage
Sell	8%
Hold	53%
Buy	39%

The graph above shows the distribution of ERP's recommendations of companies under coverage in 1st of February 2019. If recommendation is not given, it is not mentioned here.

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

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