

In line with estimates

Talenom's Q2 results were well in line with our estimates, with revenue at EUR 14.8m (Evli EUR 14.4m) and EBIT at EUR 3.2m (Evli EUR 3.2m). Talenom also reported that its CEO will change, with deputy CEO Otto-Pekka Huhtala taking over as CEO from the 29.7.2019.

- Talenom's net sales in Q2 amounted to EUR 14.8m (EUR 12.5m during Q2/18), slightly above our estimates (Evli EUR 14.4m). Q2 revenue growth was at 17.7% y/y.
- The operating profit in Q2 amounted to EUR 3.2m (EUR 2.6m in Q2/18), in line with our estimates (Evli EUR 3.2m), at a margin of 21.4%.
- Talenom's CEO will step as of the 29.7.2019 and will be replaced by current deputy CEO Otto-Pekka Huhtala
- Talenom's guidance intact: the net sales growth rate is expected to be greater than in 2018 and the operating profit margin to improve compared to 2018
- Net investments during the H1/19 amounted to EUR 9.5m (H1/18: 5.5m). The acquisitions of Wakers Consulting and Wasa Tilit and Företagstjänster amounted to EUR 4.2m

Rating + BUY

Q2/19	Actual	Evli	Year ago	Q1/19
Net sales	14.8	14.4	12.5	14.8
EBIT	3.2	3.2	2.6	3.4
EPS	0.34	0.35	0.29	0.38
Deviation	Actual	Evli	Year ago	Q1/19
Net sales		3%	18%	0%
EBIT		0%	24%	-7%
EPS		-3%	19%	-10%

Share price, EUR (Last trading day's closing price) 36.00

Target price, EUR 35.0

Latest change in recommendation 05-Feb-19

Latest report on company 07-May-19

Research paid by issuer: YES

No. of shares outstanding, '000's 6,872

No. of shares fully diluted, '000's 6,872

Market cap, EURm 247

Free float, % 57.0

Exchange rate 0.000

Reuters code TNOM.HE

Bloomberg code TNOM FH

Average daily volume, EURm 0.07

Next interim report 29-Jul-19

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+ BUY + HOLD - SELL

PRE-REPORT 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	41	5	11.7%	4	0.50	23.4	2.5	8.9	21.6	0.32
2018	49	9	17.5%	8	0.93	20.6	3.2	10.8	18.4	0.55
2019E	59	12	19.5%	11	1.27	28.3	4.6	16.1	23.6	0.75
2020E	69	14	20.7%	14	1.58	22.8	4.0	13.5	19.2	0.95
2021E	77	16	21.0%	16	1.82	19.8	3.5	11.9	16.7	1.09

Market cap, EURm	247	BV per share 2019E, EUR	3.6	CAGR EPS 2018-21, %	25.3
Net debt 2019E, EURm	25	Price/book 2019E	9.9	CAGR sales 2018-21, %	16.6
Enterprise value, EURm	273	Dividend yield 2019E, %	2.1	ROE 2019E, %	40.1
Total assets 2019E, EURm	67	Tax rate 2019E, %	20.0	ROCE 2019E, %	21.4
Goodwill 2019E, EURm	19	Equity ratio 2019E, %	37.5	PEG, P/E 19/CAGR	1.7

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

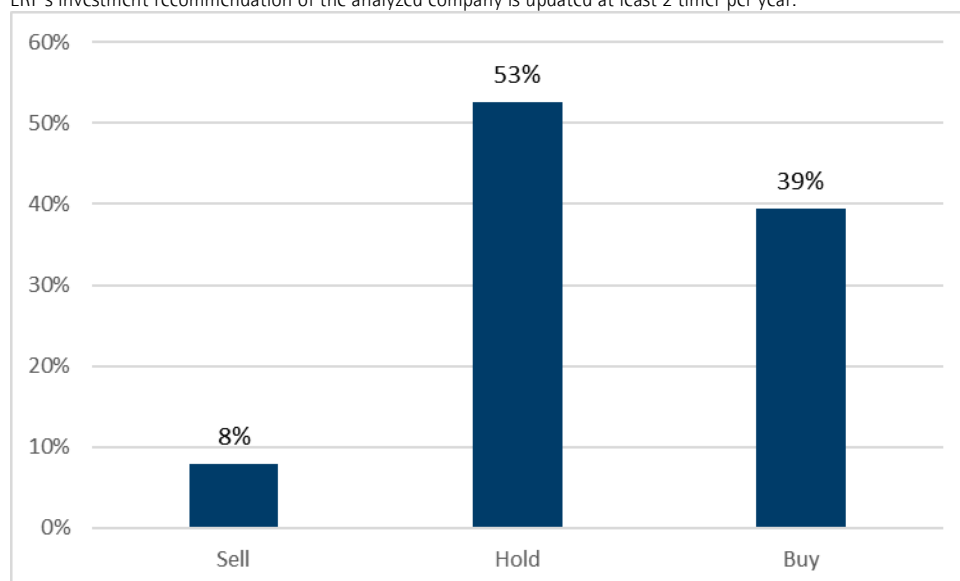
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Investment recommendations are defined as follows:

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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