

# TAALERI

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Sauli Vilén  
+358440258908  
sauli.vilen@inderes.fi

INDERES CORPORATE CUSTOMER

# COMPANY REPORT



# High expectations for the fall strategy update

We reiterate our EUR 9.0 target price and Buy recommendation for Taaleri. The Q1 report was subdued, but its significance is limited as the focus is on the strategy update. The stock continues to trade at a hefty discount relative to its sum of the parts, and it is also very cheap in absolute terms. The key question is how to highlight the undeniable value of the parts. We hope to get a clear answer to this question at the fall's CMD, because without a clear roadmap for unlocking value, a price below the sum of the parts is justified.

## One-off items depressed Q1 earnings

Taaleri's Q1 report was clearly more modest than expected. The earnings shortfall was, however, almost entirely attributable to investments and one-off items, and, therefore, its significance is limited. Operationally, the figures were largely in line with our expectations, and Garantia's performance was once again very good. The sales of the SolarWind3 fund seem to be falling short of targets, which cannot be considered surprising in the current market. We commented on Taaleri's result in more detail [here](#).

There was no concrete information regarding the strategy yet, and the company will arrange a CMD in the fall. Our view remains that the value of the company's parts is not reflected in the current group structure. However, the comments made by the company's management in our interview give us reason to believe that the value in parts could finally be revealed.

## Estimates revised slightly down, capital allocation is the biggest question mark

We have revised our estimates somewhat downwards, in particular because SolarWind3 is below expectations. We predict that Taaleri's operating result will be 30 MEUR on average in the coming years. Earnings fluctuate significantly on an annual level due to the significant weight of investment

operations in the group's earnings. We expect the profitability of private equity funds to gradually improve along with the growth in AUM, but the timing and amount of non-recurring fees will sway annual earnings somewhat. We expect Garantia to return to stable growth as the housing market slowly picks up. Bioindustry investments are a significant variable in the company's investment case, but the schedule and magnitude of these are still question marks. The dividend stream is reasonable, with the main focus of capital allocation on own balance sheet investments.

## There is value in parts, but the route to materialize it is unclear

In this analysis, we focus on the sum of the parts, as it is the best way to consider the value of different parts of Taaleri and the different profiles of the businesses. The value based on our conservative sum of the parts is around EUR 10 per share, which is clearly above the current share price level. The majority of the value is still generated by the insurance company Garantia, while the remainder is effectively split between the energy fund business and balance sheet investments. The stock is also cheap in absolute terms (P/E 10x, EV/EBIT 6x). We think it is clear that there is significant value in the parts, but the route to materialize it and the timetable are question marks. We hope to get clear answers to this in the CMD this fall. If the company continues with its current structure and own-balance-sheet bioindustry investments are at the core of the strategy, we find it justified that the stock is priced below the sum of the parts. This is because the schedule for bioindustry investments is really long (the potential would be realized at the end of the decade at the earliest), and we also do not see the value of the different parts being fully realized in the current conglomerate-like structure.

## Recommendation

**Buy**  
(was Buy)

**Target price:**  
**EUR 9.00**  
(was EUR 9.00)

**Share price:**  
EUR 7.12

## Business risk



## Valuation risk



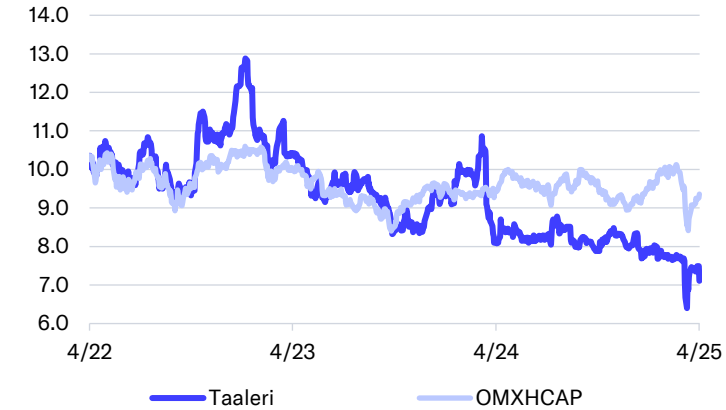
	2024	2025e	2026e	2027e
Revenue	72.6	56.6	61.2	66.4
growth-%	11%	-22%	8%	8%
EBIT adj.	38.1	23.0	28.2	30.9
EBIT-% adj.	52.4 %	40.7 %	46.1 %	46.5 %
Net Income	28.0	14.6	20.9	23.4
EPS (adj.)	0.99	0.51	0.73	0.81
P/E (adj.)	8.1	13.9	9.7	8.8
P/B	1.1	1.0	0.9	0.9
Dividend yield-%	6.2 %	4.3 %	6.2 %	6.8 %
EV/EBIT (adj.)	6.0	7.6	6.1	6.0
EV/EBITDA	5.8	7.4	6.1	6.0
EV/S	3.1	3.1	2.8	2.8

Source: Inderes

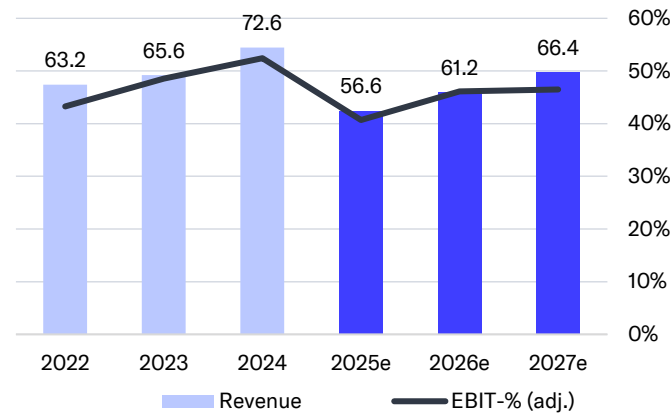
## Guidance

No guidance

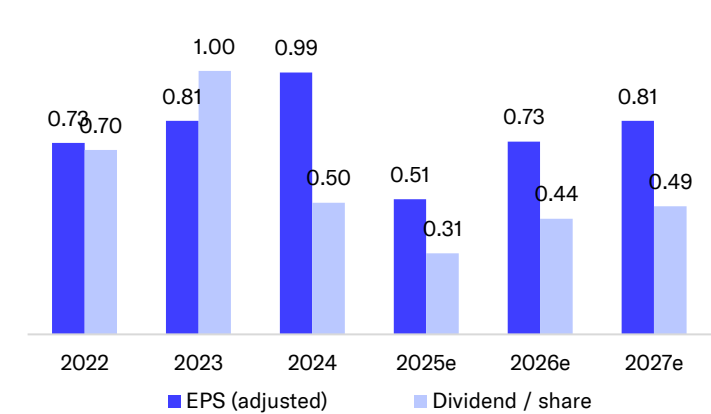
## Share price



## Revenue and EBIT-% (adj.)



## EPS and dividend



## Value drivers

- Scaling of Energia
- Ramping up Other private equity funds
- Garantia's profitable growth
- Balance sheet bioindustry investments
- M&A transactions
- Performance fees for funds

## Risk factors

- Success in fund investments
- Success of bioindustry investments
- Success of ramping up Other private equity funds
- Scalability of costs and improving cost-efficiency
- Garantia's guarantee risks

Valuation	2025e	2026e	2027e
Share price	7.12	7.12	7.12
Number of shares, millions	28.4	28.6	28.8
Market cap	202	204	205
EV	175	173	185
P/E (adj.)	13.8	9.7	8.8
P/E	13.8	9.7	8.8
P/B	1.0	0.9	0.9
P/S	3.6	3.3	3.1
EV/Sales	3.1	2.8	2.8
EV/EBITDA	7.3	6.1	5.9
EV/EBIT (adj.)	7.6	6.1	6.0
Payout ratio (%)	60.0 %	60.0 %	60.0 %
Dividend yield-%	4.3 %	6.2 %	6.8 %

Source: Inderes

# Subdued start to the year, eyes on the new strategy

## The earnings miss is largely explained by one-off items

Taaleri's revenue was 9.3 MEUR, clearly missing our 11.4 MEUR estimate. The estimate miss is explained by the weak development of investment income (recorded in revenue at Taaleri). Weak investment income combined with non-recurring expenses related to the CEO change depressed EBIT to a weak 0.5 MEUR (Q1'25e: 3.0 MEUR).

## SolarWind3 sales falling short of expectations, Garantia performed well

In Private equity funds, Renewable Energy's revenue was a bit weaker than we expected, as sales of the SolarWind3 fund did not increase as we anticipated. In its report, the company stated that the asset management market had become even more difficult and considered it likely that the fund size would fall short of the original target (600 MEUR). This is not surprising considering the current market situation. Despite slightly weaker-than-expected revenue, Renewable Energy's earnings were fully in line with

expectations, as expenses were lower than anticipated. For Other private equity funds, revenue remained subdued, while the investment rate under the Keva mandate was still low and the earnings were loss-making.

Garantia's operative performance was good considering the circumstances, and insurance revenue was better than we expected. The insurance service result also exceeded expectations, but the return on the investment portfolio was somewhat weaker than expected. Overall, Garantia's performance turns to positive despite the earnings miss, due to the strong operative performance.

The largest earnings misses were seen in the Other segment and Own-balance-sheet investments. The Other segment included a 0.7 MEUR non-recurring item related to the CEO change, and Own-balance-sheet investments were negative, contrary to our expectations, mainly due to the impact of exchange rates.

## Expectations of the strategy are cautiously optimistic

The big outlook picture remains unchanged, although, like other players in the sector, Taaleri highlighted the uncertainty in the markets created by the trade war. Taaleri said the strategy update it is well under way. We believe the wording of the report indicated the intention to maintain the current group structure unchanged. However, when asked in an interview, the CEO pointed out that major changes are part of Taaleri (as has happened many times before) and that maximizing shareholder value is the starting point for the entire process. Furthermore, it is clear that it is hard to articulate major structural arrangements as a strategy in advance (a rather poor negotiating strategy to announce the desire to dispose of certain parts of the company beforehand). If the maximisation of shareholder value is really the starting point of the strategy, we believe that this will inevitably mean changes in the group structure at some point. We remain cautiously optimistic about the company's strategy process and its ability to highlight the undeniable value of the parts.

Estimates	Q1'24	Q1'25	Q1'25e	Q1'25e	Consensus	Difference (%)	2025e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low	High	Inderes
Revenue	17.2	9.3	11.4				56.6
EBIT (adj.)	9.6	0.5	3.0				23.0
EPS (adj.)	0.26	0.02	0.07				0.51
Revenue growth-%	69.1 %	-45.7 %	-33.5 %				-22.0 %
EBIT-% (adj.)	55.9 %	5.2 %	26.3 %				40.7 %

Source: Inderes

# Estimates cut mainly due to Renewable Energy

## Estimate revisions

- Our forecasts for the next few years decreased by 7-25% as a result of our estimate changes. The sharp 25% decline in 2025 is largely explained by the weak Q1 earnings and the SolarWind3 fund being smaller than expected (due to the catch-up model, the final close sale has a large one-off impact on fees and earnings).
- 2026-2027 forecast changes are smaller and earnings forecasts decreased by about 7%. This is also mainly due to the SolarWind3 fund, as well as smaller changes in investment income and group expenses. The silver lining of the forecast for lower SolarWind3 fund sales is that our confidence in the start of fundraising for the SolarWind4 fund in 2027 has clearly increased. SW3 has an extensive project portfolio and half of the fund has already been invested.
- Our dividend forecasts remain cautious, as the focus of capital allocation is on investments. In our interview, the company's management once again spoke surprisingly openly about the company's interest in M&A deals in the industry, and based on the comments, we find it possible that the company itself will be an active party in M&A deals. From a capital allocation perspective, this would also be logical, as the large investments in bioindustry that were previously discussed seem to be significantly smaller than planned. In addition, the company's balance sheet is very strong and enables medium-sized deals without using own shares.

## Operational earnings drivers:

- In Renewable energy, performance based on recurring management fees has taken a clear leap with the latest SolarWind 3 fund. The next level upgrade can be expected in the next SolarWind fund, which we expect to occur in 2027. We note that non-recurring income plays a major role in the segment and we expect significant non-recurring also in the coming years (AT1 performance fee, exits of the Texas wind project and Wind 2 & 3). The segment's earnings outlook for the coming years is good.
- We expect the profitability of Other private asset management, based on continuing earnings, to remain loss-making at least this year, and profitability next year will require good sales success.
- Garantia's guarantee insurance business continues to perform steadily in our forecasts as the mortgage market gradually recovers. Investment returns are under pressure as interest rates weigh on portfolio returns.
- Overall, we expect the company to achieve earnings of some 30 MEUR in the next few years. However, the earnings level will especially in the long term be highly dependent on the company's balance sheet investments and capital allocation. We expect the company to clarify its capital allocation playbook in the CMD this fall.

Estimate revisions	2025	2025	Change	2026e	2026e	Change	2027e	2027e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
<b>Revenue</b>	<b>64.1</b>	<b>56.6</b>	<b>-12%</b>	<b>66.4</b>	<b>61.2</b>	<b>-8%</b>	<b>72.5</b>	<b>66.4</b>	<b>-8%</b>
Private equity funds	38.4	34.3	-11%	38.3	35.7	-7%	40.0	35.6	-11%
Garantia	17.5	16.9	-4%	20.0	19.8	-1%	20.9	20.5	-2%
Others	1.5	1.2	-23%	1.5	1.5	0%	1.5	1.5	0%
Investments (from 2024)	6.6	4.2	-36%	6.6	4.2	-36%	10.0	8.8	-12%
<b>EBIT</b>	<b>29.4</b>	<b>23.0</b>	<b>-22%</b>	<b>30.3</b>	<b>28.2</b>	<b>-7%</b>	<b>33.8</b>	<b>30.9</b>	<b>-9%</b>
Private equity funds	13.5	11.0	-19%	12.3	11.7	-5%	12.1	10.8	-11%
Garantia	16.5	15.9	-4%	18.9	18.7	-1%	19.7	19.3	-2%
Others	-6.6	-7.3	-10%	-6.9	-6.8	2%	-7.2	-7.1	2%
Investments (from 2024)	5.9	3.4	-42%	6.0	4.6	-23%	9.2	7.9	-14%
<b>PTP</b>	<b>29.0</b>	<b>22.6</b>	<b>-22%</b>	<b>30.0</b>	<b>27.9</b>	<b>-7%</b>	<b>33.5</b>	<b>30.6</b>	<b>-9%</b>
<b>EPS (adjusted)</b>	<b>0.69</b>	<b>0.51</b>	<b>-25%</b>	<b>0.79</b>	<b>0.73</b>	<b>-7%</b>	<b>0.87</b>	<b>0.81</b>	<b>-7%</b>
Dividend / share	0.41	0.31	-25%	0.47	0.44	-7%	0.52	0.49	-7%

Source: Inderes

## Taaleri Interim Statement for the period January–March 2025





# Parts still have significant value

## Sum of the parts as a basis for valuation

Since the profiles of Taaleri's different parts are very different, the sum of the parts serves as the best valuation method. However, we note that based on the latest strategy update, the value of the sum of the parts cannot be assumed to be unwound through various arrangements but must be derived from the cash flows of the businesses. Our estimate for Taaler's sum-of-the-parts value is roughly unchanged at around 278 MEUR (was 289 MEUR), which means approximately EUR 10 per share.

## Share price under the SOTP value

In our calculations, the current value of Taaleri consists of Garantia (170 MEUR, based on DDM), Renewable Energy (85 MEUR, based on peer calculation), balance sheet investment assets (76 MEUR, including performance fee receivables from old wind funds and investment tax liabilities), net cash (21 MEUR) and group expenses (-86 MEUR). The value contribution of Other private asset management is marginal (12 MEUR), as the business remains loss-making in our forecasts and profitability requires considerable success in new sales. In our view, our SOTP calculation is quite conservative and even with very small changes, the value could be EUR 1-2/share higher. It is therefore clear that there is significant value in the parts of the company, and the stock is priced well below this level.

The share is also very cheap in absolute terms (2024 P/E 8x, 2025e P/E 9x, EV/EBIT ~6x) and this supports our view of cheap pricing. The P/B ratio has also fallen well below 1x the level, which is difficult to consider to be justified. The key question (and challenge) is the timeframe for realizing the potential. Under the current strategy, the value in the parts cannot be expected to be released through

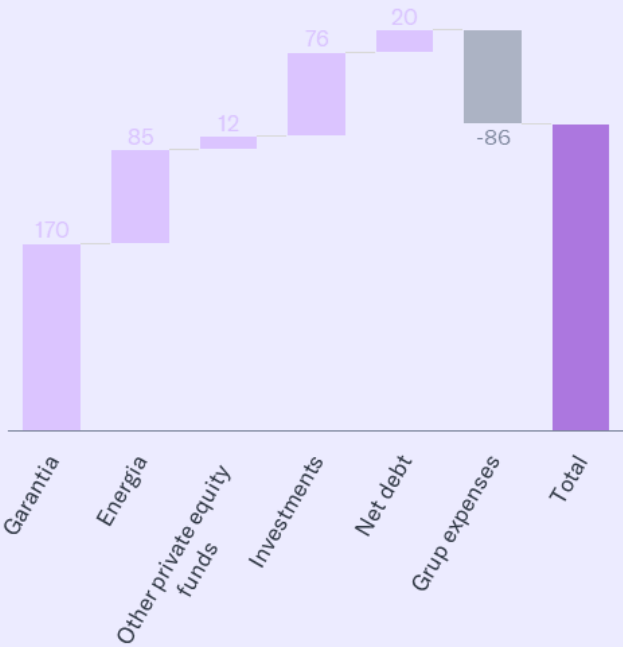
restructuring (e.g., a spin-off) or profit distribution, and therefore the value must eventually be reflected in the income statement (i.e., the result). The timelines for own-balance-sheet investments in the bioindustry are long, and the potential is not likely to be realized until the end of the decade. Therefore, it is likely to be a long time before the potential is realized, and until we see concrete signs of this, we think it is understandable that the market is pricing the company below the sum of its parts. If the company were to continue with its current strategy, we think it would be perfectly justified to continue to price the stock below its sum of the parts (Taaleri's historical discount relative to the SOTP is about 15-20%).

## Capital allocation is decisive

The company's current investment story increasingly boils down to the management's ability to successfully allocate balance sheet investments. We remind investors that Taaleri's track record of capital allocation is very good. The key successes we like to highlight are Finsilva, Garantia and Ficolo. The company's return on capital figures are at an excellent level, both in the long term (previous 10 years 24%) and in the short term (previous 5 years 24%). In the bioindustry, the company has accumulated significant expertise, but in our view, the market environment has deteriorated significantly from what it was a couple of years ago. The company has also progressed with its bioindustry investments clearly slower than previously stated, and the 100 MEUR investments by the end of 2026 seem unrealistic. We consider it very likely that the company will make changes to its bioindustry investment strategy at its fall CMD. If this were the case, the question would remain as to the use of excess capital, as the company still has plenty of excess cash and is also generating good earnings in the coming years.

Valuation	2025e	2026e	2027e
Share price	7.12	7.12	7.12
Number of shares, millions	28.4	28.6	28.8
Market cap	202	204	205
EV	175	173	185
P/E (adj.)	13.8	9.7	8.8
P/E	13.8	9.7	8.8
P/B	1.0	0.9	0.9
P/S	3.6	3.3	3.1
EV/Sales	3.1	2.8	2.8
EV/EBITDA	7.3	6.1	5.9
EV/EBIT (adj.)	7.6	6.1	6.0
Payout ratio (%)	60.0 %	60.0 %	60.0 %
Dividend yield-%	4.3 %	6.2 %	6.8 %

Source: Inderes



# Why should the value now emerge?

As we stated on the previous page, we find it difficult to see the value inherent in Taaleri's parts being fully realized under the current structure. For example, Garantia, the most valuable part of the group, remains completely on the sidelines in the company's investor story, while the focus is on private equity funds. For the value to be fully realized under the current structure, the following would need to happen: improved earnings predictability, significant clarification of the strategy, confidence in bioindustry investments, and better visibility into the use of the balance sheet. We consider this unlikely, and thus materializing the value would require structural measures.

## So why do we now believe that the value could be unlocked, for example, within the next two years?

To begin with, it is worth noting that the company itself has all the tools to unlock the value inherent in its parts. In our view, the probability of this has gradually increased due to the weak share price performance.

### The company has all the tools to unlock value

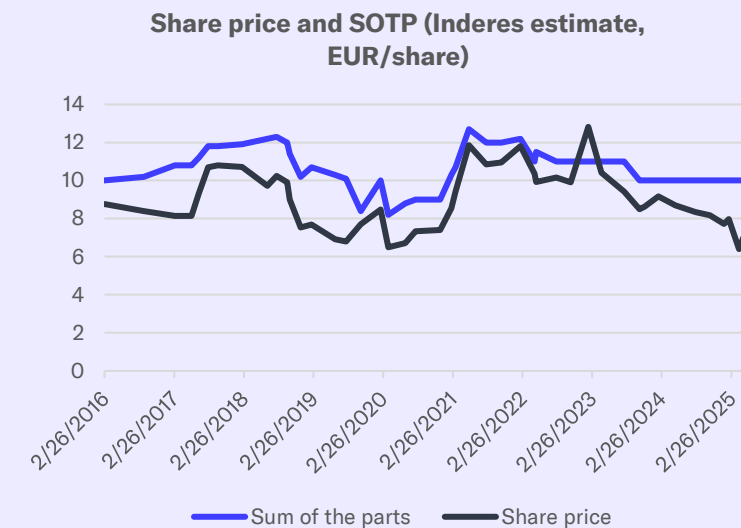
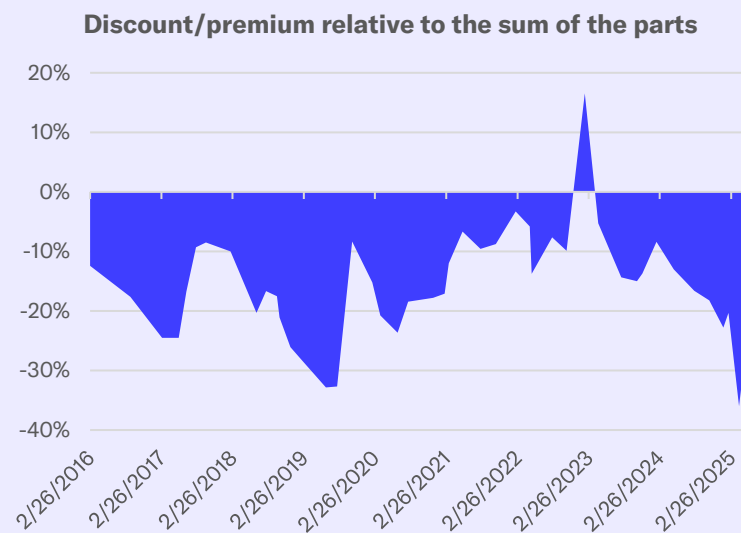
The most logical catalyst for materializing value would be for the company itself to decide to unlock the value inherent in its parts. This would be relatively easy to implement, for example, through a spin-off or some other major arrangement. Another option for the company to unlock value through its own actions would be a change in its capital allocation strategy. If, for example, the company announced that it would start distributing its entire financial year's earnings as dividends and/or otherwise gave a clear indication of unwinding the balance sheet's overcapitalization through profit distribution, the markdown relative to the SOTP would quickly decrease as value is gradually unlocked through profit distribution.

### Value can also be unlocked through other avenues

We also note that a catalyst for value unlocking could also come from outside the company. In practice, this would mean that someone would make a sufficiently attractive offer for Energy or Garantia. We consider this unlikely for Garantia, but we see Energy as a very attractive acquisition target. We believe that Energy is attracting broad interest among companies in the sector, both in Finland and abroad.

We also note that the release of value through the implementation of the current strategy is also possible. At the core of this would be successful exits from Fintoil and Biocoal (building a track record) as well as subsequent investments in the sector. In addition, the release of capital from other investments would also help unlock value. However, even in the best-case scenario, this scenario would probably take years, and in this scenario, there would be a clear risk that the value of the parts would not be fully reflected due to the conglomerate structure.

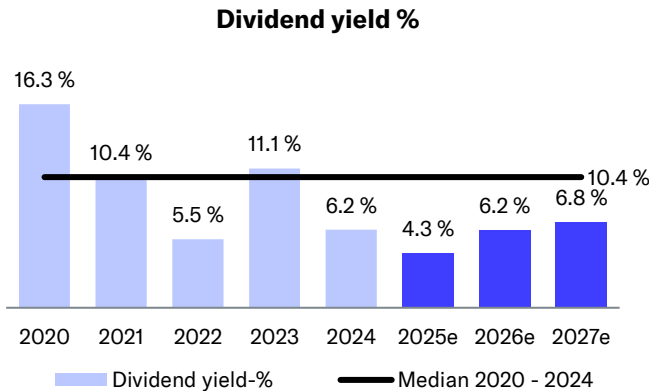
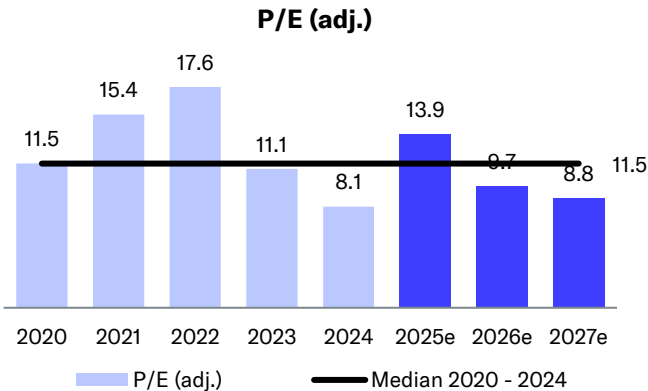
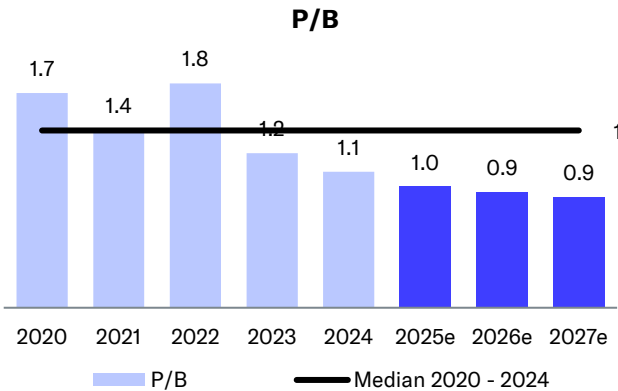
Overall, we assign a probability of more than 50% to the company's parts unlocking their value within the next two years. In this scenario, the annual return offered by the share would be excellent. As for the company's own actions, all eyes are on the fall CMD, where the company should provide a clear roadmap for unlocking value. If the company's message at the CMD is that it will continue with a slightly refined current strategy, the probability of value unlocking would decrease. Even in this scenario, however, we consider it realistic that the current historically large undervaluation relative to the sum-of-the-parts would close at least partially. Furthermore, even in this scenario, the stock's expected return would be moderate.



# Valuation table

Valuation	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price	8.12	11.5	12.8	8.99	8.03	7.12	7.12	7.12	7.12
Number of shares, millions	28.4	28.4	28.4	28.3	28.2	28.4	28.6	28.8	29.0
Market cap	230	326	363	254	226	202	204	205	206
EV	289	308	331	234	227	175	173	186	175
P/E (adj.)	11.5	15.4	17.6	11.1	8.1	13.9	9.7	8.8	8.1
P/E	11.5	2.4	17.6	11.1	8.1	13.9	9.7	8.8	8.1
P/B	1.7	1.4	1.8	1.2	1.1	1.0	0.9	0.9	0.8
P/S	2.7	4.7	5.7	3.9	3.1	3.6	3.3	3.1	3.0
EV/Sales	3.3	4.4	5.2	3.6	3.1	3.1	2.8	2.8	2.5
EV/EBITDA	10.7	2.1	11.6	7.2	5.8	7.4	6.1	6.0	5.1
EV/EBIT (adj.)	11.8	10.7	12.1	7.3	6.0	7.6	6.1	6.0	5.2
Payout ratio (%)	187.2 %	25.0 %	96.3 %	123.3 %	50.3 %	60.0 %	60.0 %	60.0 %	60.0 %
Dividend yield-%	16.3 %	10.4 %	5.5 %	11.1 %	6.2 %	4.3 %	6.2 %	6.8 %	7.4 %

Source: Inderes





# Peer group valuation

Peer group valuation Company	Market cap MEUR	EV MEUR	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
			2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e
Aktia	729								8.1	8.5	8.4	8.6	1.0
Alexandria	96	91	7.4	6.6	6.2	5.7	1.8	1.6	10.3	9.4	9.4	9.8	2.8
CapMan	333	302	8.8	7.6	8.5	7.3	4.5	4.1	13.5	12.3	8.0	8.5	1.7
Evli	487	490	12.0	10.3	11.0	9.6	4.6	4.2	17.1	14.5	6.5	6.7	3.3
eQ	435	399	11.2	8.8	10.8	8.6	6.0	5.0	15.4	12.4	6.8	8.4	5.5
Titanium	74	61	8.8	9.8	8.0	8.7	3.0	3.0	13.5	14.6	7.8	7.2	4.7
United Bankers	181	166	10.7	8.3	9.2	7.5	3.1	2.7	15.8	12.4	7.0	7.3	2.9
Taaleri (Inderes)	202	175	7.6	6.1	7.4	6.1	3.1	2.8	13.9	9.7	4.3	6.2	1.0
Average			9.8	8.6	9.0	7.9	3.8	3.4	13.4	12.0	7.7	8.1	3.1
Median			9.8	8.6	8.8	8.0	3.8	3.6	13.5	12.4	7.8	8.4	2.9
Diff-% to median			-22%	-29%	-17%	-24%	-18%	-21%	3%	-21%	-44%	-26%	-67%

Source: Refinitiv / Inderes

# Income statement

Income statement	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25e	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue	65.6	17.2	12.6	22.2	20.7	72.6	8.3	20.3	12.0	16.1	56.6	61.2	66.4	69.9
Private equity funds	42.3	6.5	6.8	6.6	9.5	29.4	6.5	14.8	6.5	6.5	34.3	35.7	35.6	38.6
Garantia	17.9	8.7	4.7	6.8	5.3	25.5	2.4	4.8	4.9	4.9	16.9	19.8	20.5	21.1
Others	6.1	0.9	0.6	0.3	0.2	2.0	0.0	0.4	0.4	0.4	1.2	1.5	1.5	1.5
EBITDA	32.4	9.8	4.6	14.9	9.6	39.0	0.7	12.0	4.5	6.7	23.8	28.5	31.2	34.1
Depreciation	-0.5	-0.2	-0.2	-0.2	-0.2	-0.9	-0.2	-0.2	-0.2	-0.2	-0.8	-0.3	-0.3	-0.3
EBIT (excl. NRI)	31.9	9.6	4.4	14.7	9.4	38.1	0.5	11.8	4.3	6.5	23.0	28.2	30.9	33.7
EBIT	31.9	9.6	4.4	14.7	9.4	38.1	0.5	11.8	4.3	6.5	23.0	28.2	30.9	33.7
Private equity funds	14.9	1.1	1.2	2.1	3.1	7.4	1.4	8.8	1.2	-0.4	11.0	11.7	10.8	13.5
Garantia	16.5	8.5	4.7	6.3	4.8	24.3	2.1	4.6	4.6	4.6	15.9	18.7	19.3	19.8
Others	0.5	-0.9	-1.1	-1.5	-2.1	-5.7	-2.1	-1.7	-1.6	-1.9	-7.3	-6.8	-7.1	-7.4
Net financial items	-1.2	-0.2	-0.2	-0.2	-0.2	-0.9	-0.1	-0.1	-0.1	-0.1	-0.4	-0.3	-0.3	-0.3
PTP	30.7	9.4	4.2	14.5	9.1	37.1	0.4	11.7	4.2	6.4	22.6	27.9	30.6	33.4
Taxes	-4.2	-1.9	-0.8	-1.4	-0.7	-4.7	-0.1	-2.5	-0.9	-1.3	-4.8	-5.6	-5.7	-6.2
Minority interest	-3.6	-0.1	-0.3	-2.2	-1.8	-4.4	-0.3	-1.0	-1.0	-1.0	-3.3	-1.4	-1.6	-1.6
Net earnings	22.9	7.4	3.1	11.0	6.6	28.0	0.0	8.2	2.3	4.1	14.6	20.9	23.4	25.6
EPS (adj.)	0.81	0.26	0.11	0.39	0.23	0.99	0.00	0.29	0.08	0.14	0.51	0.73	0.81	0.88
EPS (rep.)	0.81	0.26	0.11	0.39	0.23	0.99	0.00	0.29	0.08	0.14	0.51	0.73	0.81	0.88

Key figures	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25e	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue growth-%	3.8 %	69.1 %	-46.9 %	64.7 %	13.4 %	10.6 %	-51.6 %	60.5 %	-46.0 %	-22.3 %	-22.0 %	8.1 %	8.5 %	5.3 %
Adjusted EBIT growth-%	16.5 %	515.7 %	-75.2 %	156.3 %	36.3 %	19.4 %	-95.2 %	168.9 %	-70.9 %	-30.7 %	-39.5 %	22.5 %	9.3 %	9.3 %
EBITDA-%	49.3 %	57.3 %	36.2 %	67.5 %	46.5 %	53.6 %	7.9 %	59.1 %	37.5 %	41.7 %	42.1 %	46.6 %	47.0 %	48.8 %
Adjusted EBIT-%	48.6 %	55.9 %	34.7 %	66.4 %	45.4 %	52.4 %	5.5 %	58.1 %	35.9 %	40.4 %	40.7 %	46.1 %	46.5 %	48.3 %
Net earnings-%	35.0 %	43.0 %	24.4 %	49.4 %	32.0 %	38.6 %	-0.2 %	40.6 %	19.3 %	25.2 %	25.8 %	34.2 %	35.2 %	36.7 %

Source: Inderes

# Balance sheet

Assets	2023	2024	2025e	2026e	2027e
Non-current assets	221	224	223	234	256
Goodwill	0.3	0.3	0.3	0.3	0.3
Intangible assets	0.2	0.2	0.2	0.2	0.2
Tangible assets	2.4	1.8	1.4	1.5	1.7
Associated companies	51.6	55.4	54.4	66.0	88.0
Other investments	161	159	159	159	159
Other non-current assets	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	5.1	7.6	7.6	7.6	7.6
Current assets	87.3	67.9	73.1	75.0	65.2
Inventories	0.0	0.0	0.0	0.0	0.0
Other current assets	17.2	9.3	9.3	9.3	9.3
Receivables	31.8	39.0	17.0	15.3	16.6
Cash and equivalents	38.3	19.6	46.8	50.4	39.3
Balance sheet total	308	292	296	309	322

Source: Inderes

Liabilities & equity	2023	2024	2025e	2026e	2027e
Equity	209	215	219	233	245
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	187	190	190	202	213
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	18.8	18.8	18.8	18.8	18.8
Other equity	0.0	0.0	0.0	0.0	0.0
Minorities	2.5	6.6	9.9	11.3	12.9
Non-current liabilities	77.8	55.9	55.9	55.9	55.9
Deferred tax liabilities	16.5	12.3	12.3	12.3	12.3
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	14.9	0.0	0.0	0.0	0.0
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	46.4	43.6	43.6	43.6	43.6
Current liabilities	21.5	20.7	20.7	20.7	20.7
Interest bearing debt	0.0	0.0	0.0	0.0	0.0
Payables	0.0	0.0	0.0	0.0	0.0
Other current liabilities	21.5	20.7	20.7	20.7	20.7
Balance sheet total	308	292	296	309	322

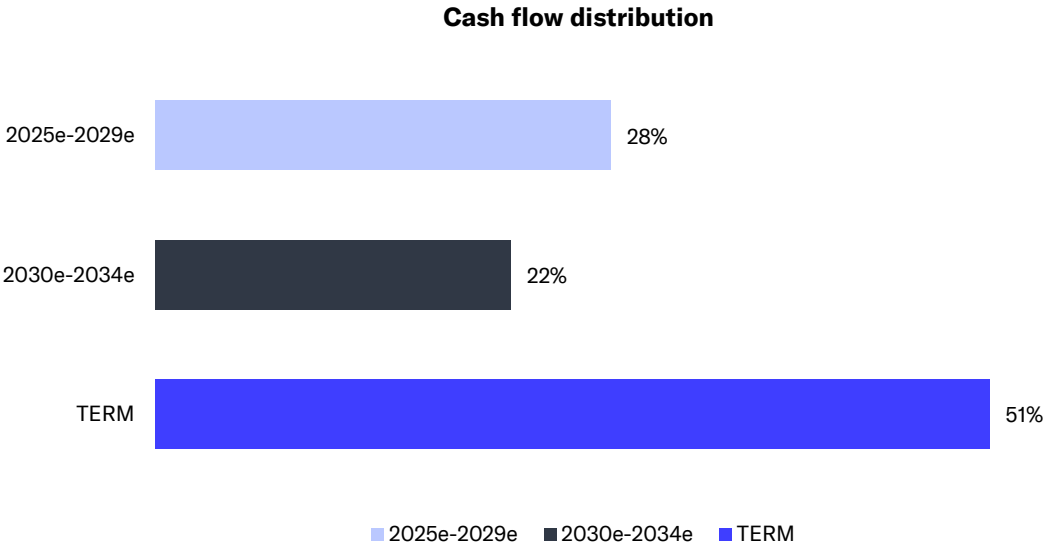
# DCF-calculation

DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	10.6 %	-22.0 %	8.1 %	8.5 %	5.3 %	3.0 %	3.0 %	3.0 %	2.5 %	2.5 %	2.5 %	2.5 %
EBIT-%	52.4 %	40.7 %	46.1 %	46.5 %	48.3 %	47.0 %	46.0 %	45.0 %	45.0 %	45.0 %	45.0 %	45.0 %
<b>EBIT (operating profit)</b>	<b>38.1</b>	<b>23.0</b>	<b>28.2</b>	<b>30.9</b>	<b>33.7</b>	<b>33.8</b>	<b>34.1</b>	<b>34.4</b>	<b>35.2</b>	<b>36.1</b>	<b>37.0</b>	
+ Depreciation	0.9	0.8	0.3	0.3	0.3	0.4	0.4	0.5	0.5	0.5	0.6	
- Paid taxes	-11.4	-4.8	-5.6	-5.7	-6.2	-6.2	-6.3	-6.3	-6.5	-6.6	-6.8	
- Tax, financial expenses	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	0.0	
+ Tax, financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Change in working capital	-0.1	22.0	1.7	-1.3	-0.9	-0.5	-0.5	-0.6	-0.5	-0.5	-0.5	
<b>Operating cash flow</b>	<b>27.3</b>	<b>41.0</b>	<b>24.5</b>	<b>24.2</b>	<b>27.0</b>	<b>27.4</b>	<b>27.7</b>	<b>27.9</b>	<b>28.7</b>	<b>29.5</b>	<b>30.2</b>	
+ Change in other long-term liabilities	-2.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	2.1	-0.4	-0.4	-0.5	-0.5	-0.6	-0.6	-0.7	-0.7	-0.8	-0.8	
<b>Free operating cash flow</b>	<b>26.5</b>	<b>40.6</b>	<b>24.1</b>	<b>23.7</b>	<b>26.5</b>	<b>26.9</b>	<b>27.1</b>	<b>27.2</b>	<b>28.0</b>	<b>28.7</b>	<b>29.5</b>	
+/- Other	-3.8	1.0	-11.6	-22.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	22.7	41.6	12.5	1.7	26.5	26.9	27.1	27.2	28.0	28.7	29.5	401
<b>Discounted FCFF</b>		<b>39.0</b>	<b>10.7</b>	<b>1.3</b>	<b>18.6</b>	<b>17.2</b>	<b>15.7</b>	<b>14.4</b>	<b>13.4</b>	<b>12.5</b>	<b>11.7</b>	<b>159</b>
Sum of FCFF present value		314	275	264	263	244	227	211	197	183	171	159
<b>Enterprise value DCF</b>		<b>314</b>										
- Interest bearing debt		0.0										
+ Cash and cash equivalents		19.6										
-Minorities		-20.0										
-Dividend/capital return		-14.1										
<b>Equity value DCF</b>		<b>299</b>										
<b>Equity value DCF per share</b>		<b>10.5</b>										

## WACC

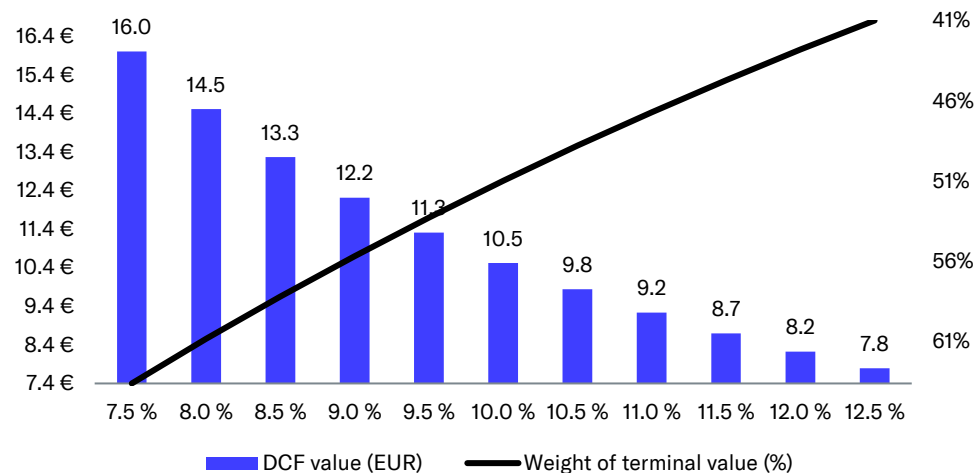
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	0.0 %
Cost of debt	5.0 %
Equity Beta	1.38
Market risk premium	4.75%
Liquidity premium	1.00%
Risk free interest rate	2.5 %
<b>Cost of equity</b>	<b>10.0 %</b>
<b>Weighted average cost of capital (WACC)</b>	<b>10.0 %</b>

Source: Inderes

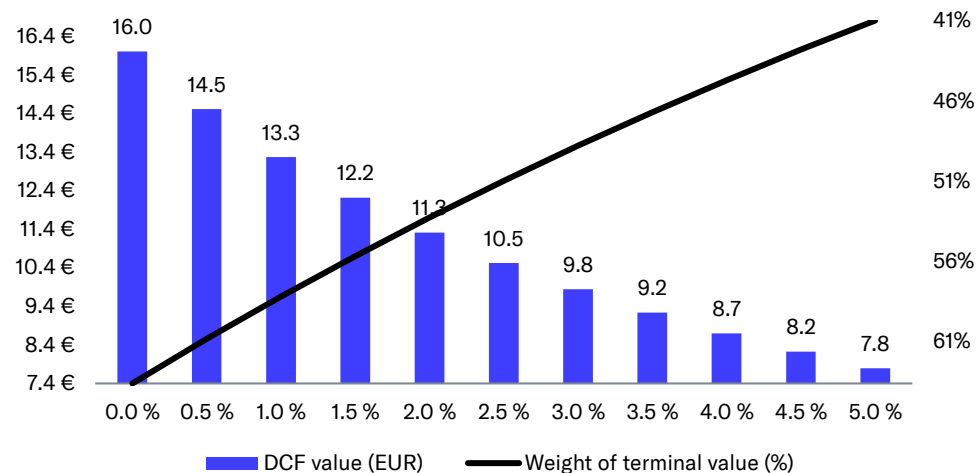


# DCF sensitivity calculations and key assumptions in graphs

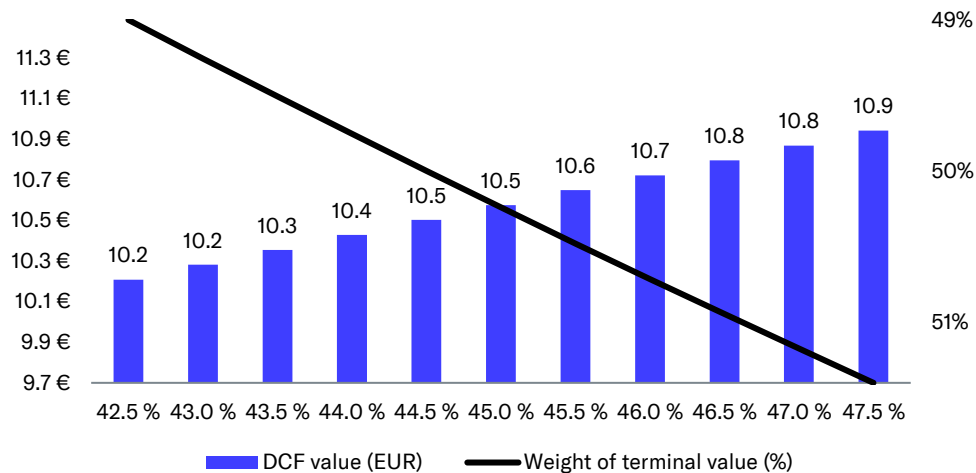
Sensitivity of DCF to changes in the WACC-%



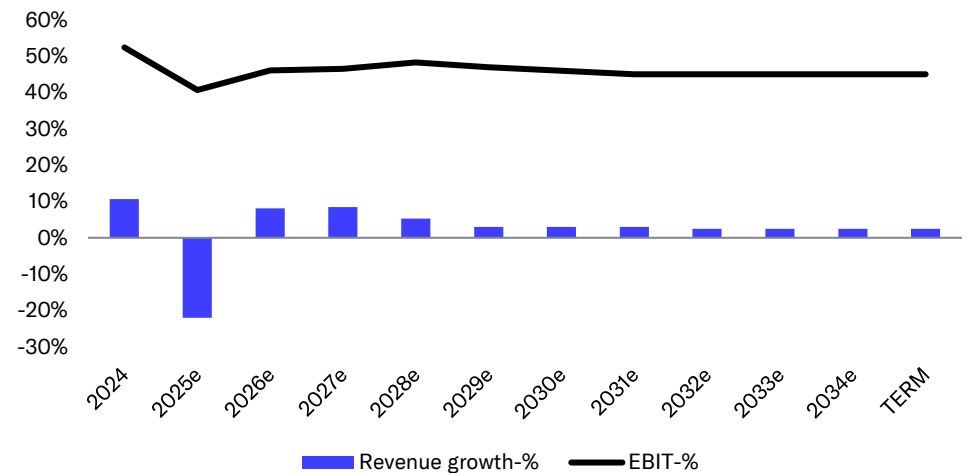
Sensitivity of DCF to changes in the risk-free rate



Sensitivity of DCF to changes in the terminal EBIT margin



Growth and profitability assumptions in the DCF calculation



Lähde: Inderes. Huomaa, että terminaaliarvon paino (%) on esitetty käänteisellä asteikolla selkeyden vuoksi.



# Summary

Income statement	2022	2023	2024	2025e	2026e	Per share data	2022	2023	2024	2025e	2026e
Revenue	63.2	65.6	72.6	56.6	61.2	EPS (reported)	0.73	0.81	0.99	0.51	0.73
EBITDA	28.6	32.4	39.0	23.8	28.5	EPS (adj.)	0.73	0.81	0.99	0.51	0.73
EBIT	27.4	31.9	38.1	23.0	28.2	OCF / share	0.58	0.06	0.97	1.44	0.86
PTP	26.4	30.7	37.1	22.6	27.9	FCF / share	2.04	0.22	0.81	1.47	0.44
Net Income	20.6	22.9	28.0	14.6	20.9	Book value / share	7.16	7.28	7.40	7.37	7.74
Extraordinary items	0.0	0.0	0.0	0.0	0.0	Dividend / share	0.70	1.00	0.50	0.31	0.44
Balance sheet	2022	2023	2024	2025e	2026e	Growth and profitability	2022	2023	2024	2025e	2026e
Balance sheet total	300.8	307.9	291.9	295.6	309.2	Revenue growth-%	-9%	4%	11%	-22%	8%
Equity capital	202.7	208.7	215.3	219.1	232.7	EBITDA growth-%	-80%	13%	20%	-39%	20%
Goodwill	0.3	0.3	0.3	0.3	0.3	EBIT (adj.) growth-%	-5%	16%	19%	-39%	23%
Net debt	-31.9	-23.4	-19.6	-46.8	-50.4	EPS (adj.) growth-%	-2%	11%	23%	-48%	42%
Cash flow	2022	2023	2024	2025e	2026e	EBITDA-%	45.2 %	49.3 %	53.6 %	42.1 %	46.6 %
EBITDA	28.6	32.4	39.0	23.8	28.5	EBIT (adj.)-%	43.3 %	48.6 %	52.4 %	40.7 %	46.1 %
Change in working capital	-6.8	-23.5	-0.1	22.0	1.7	EBIT-%	43.3 %	48.6 %	52.4 %	40.7 %	46.1 %
Operating cash flow	16.5	1.6	27.3	41.0	24.5	ROE-%	9.5 %	11.2 %	13.5 %	7.0 %	9.7 %
CAPEX	15.0	-9.7	2.1	-0.4	-0.4	ROI-%	11.8 %	14.5 %	17.3 %	10.6 %	12.5 %
Free cash flow	57.7	6.2	22.7	41.6	12.5	Equity ratio	67.4 %	67.8 %	73.8 %	74.1 %	75.3 %
Valuation multiples	2022	2023	2024	2025e	2026e	Gearing	-15.8 %	-11.2 %	-9.1 %	-21.4 %	-21.6 %
EV/S	5.2	3.6	3.1	3.1	2.8						
EV/EBITDA	11.6	7.2	5.8	7.4	6.1						
EV/EBIT (adj.)	12.1	7.3	6.0	7.6	6.1						
P/E (adj.)	17.6	11.1	8.1	13.9	9.7						
P/B	1.8	1.2	1.1	1.0	0.9						
Dividend-%	5.5 %	11.1 %	6.2 %	4.3 %	6.2 %						

Source: Inderes

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Buy	The 12-month risk-adjusted expected shareholder return of the share is very attractive
Accumulate	The 12-month risk-adjusted expected shareholder return of the share is attractive
Reduce	The 12-month risk-adjusted expected shareholder return of the share is weak
Sell	The 12-month risk-adjusted expected shareholder return of the share is very weak

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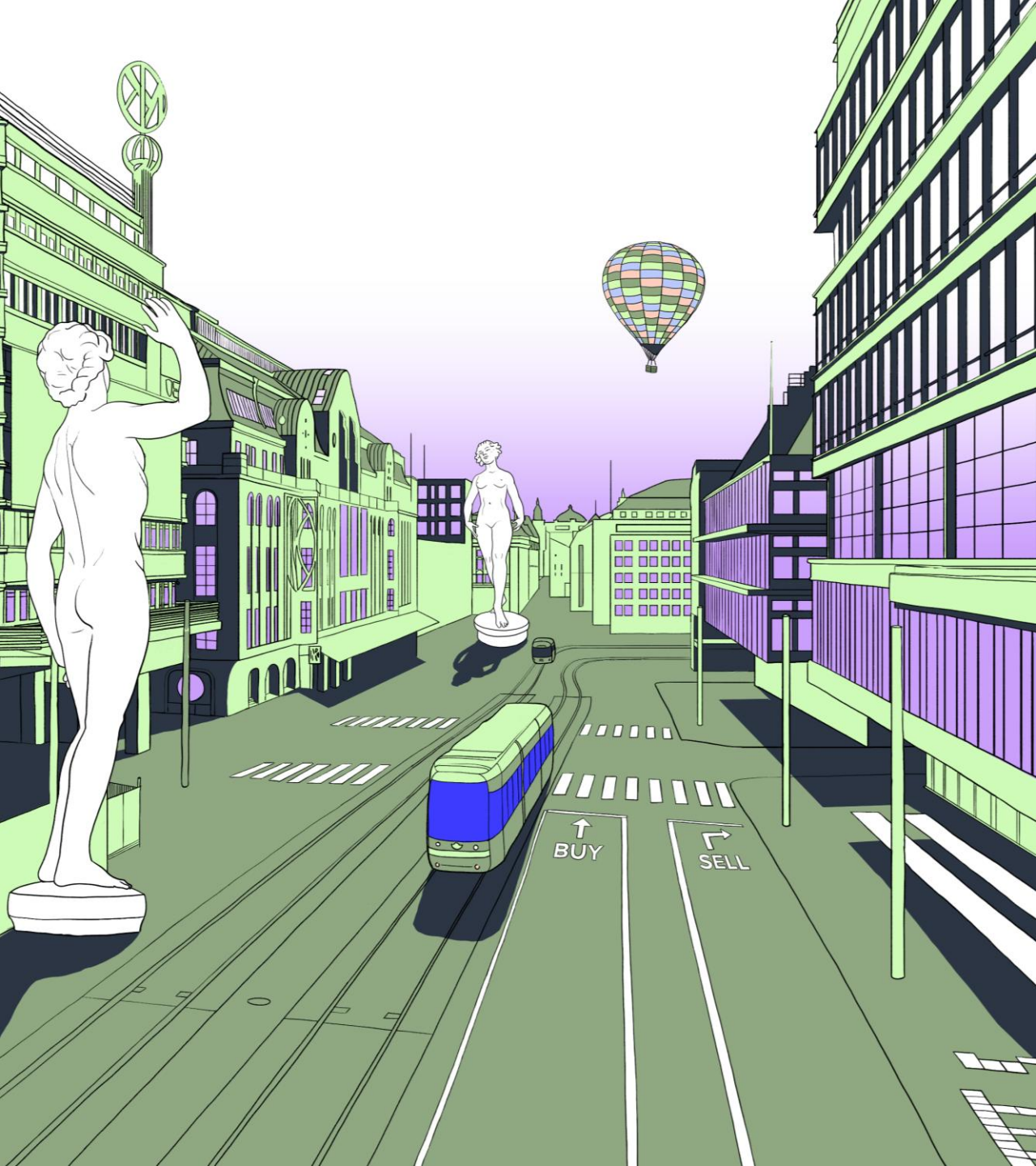
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Date	Recommendation	Target	Share price
5/10/2021	Accumulate	11.50 €	10.65 €
5/24/2021	Accumulate	12.50 €	11.65 €
6/1/2021	Accumulate	11.50 €	11.20 €
8/20/2021	Accumulate	11.50 €	10.85 €
11/8/2021	Accumulate	11.50 €	10.95 €
12/2/2021	Reduce	11.50 €	11.50 €
2/17/2022	Reduce	12.00 €	11.80 €
5/2/2022	Reduce	11.00 €	10.38 €
5/9/2022	Accumulate	11.00 €	9.92 €
8/22/2022	Accumulate	11.00 €	10.16 €
10/31/2022	Accumulate	11.00 €	9.35 €
11/7/2022	Accumulate	11.00 €	9.91 €
2/7/2023	Sell	11.00 €	12.82 €
2/17/2023	Reduce	11.00 €	11.34 €
4/17/2023	Reduce	11.00 €	10.42 €
5/4/2023	Reduce	11.00 €	10.40 €
8/14/2023	Accumulate	11.00 €	9.42 €
8/17/2023	Accumulate	11.00 €	9.65 €
11/2/2023	Accumulate	10.00 €	8.50 €
11/30/2023	Accumulate	10.00 €	8.63 €
2/12/2024	Accumulate	10.00 €	9.16 €
2/15/2024	Reduce	10.00 €	9.70 €
5/8/2024	Reduce	9.50 €	8.70 €
8/21/2024	Accumulate	9.50 €	8.34 €
11/6/2024	Accumulate	9.50 €	8.18 €
1/17/2025	Accumulate	9.00 €	7.72 €
2/13/2025	Accumulate	9.00 €	7.97 €
4/8/2025	Buy	9.00 €	6.40 €
4/30/2025	Buy	9.00 €	7.12 €



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## **Inderes Ab**

Vattugatan 17, 5tr  
Stockholm  
+46 8 411 43 80

## **Inderes Oyj**

Porkkalankatu 5  
00180 Helsinki  
+358 10 219 4690

[inderes.se](https://inderes.se)

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