TAALERI

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INDERES CORPORATE CUSTOMER

COMPANY REPORT

Capital allocation at the heart of value creation

Yesterday's Capital Markets Day clarified Taaleri's previous growth strategy. Regarding capital allocation, the focus remains on investments in the company's own balance sheet, though the emphasis on the bioindustry has shifted to a broader, more opportunistic investment mandate. The company will also maintain its current structure, at least for the time being. While the share is cheap by all measures, we find it difficult to see how the sum of its parts could be realized with the current structure and uncertainty surrounding capital allocation. Therefore, we consider it justified to price the share at a clear discount to the sum of its parts for the time being, and as a result, we are revising our target price to EUR 8.5 (was EUR 9.0) and lowering our recommendation to Accumulate (was Buy).

Previous strategy honed at CMD

The company aims to grow in all business operations and focuses on improving profitability based on continuing fees. The strategy revolves around current business operations, and Garantia's role within the group has been more clearly defined than before. Garantia's role is to act as a stabilizing element and generate stable cash flow to enable investments in other business operations. All private equity funds seek clear growth. Regarding capital allocation, the focus remains on investments in the company's own balance sheet, though the emphasis on the bioindustry has shifted to a broader, more opportunistic investment mandate. Overall, CMD's outcome was twofold. In operational terms, CMD provided substantial concrete information about growth prospects for different segments. Furthermore, broadening the investment portfolio's focus beyond the bioindustry was a positive development. At the same time, however, there are still clear question marks surrounding capital allocation, and CMD did not provide a plan for unlocking value in the parts.

No major forecast changes

The key change in our forecast is a decrease in the size of the investment portfolio, but the other changes are minor. Our projections for the 2025 result remain modest, as only a small amount of non-recurring income will be realized. Similarly, 2026 will be very strong, as several significant exits have been planned for that year. As a whole, we predict that Taaleri's operating result will be 30 MEUR on average in the coming years. The result fluctuates significantly on an annual basis due to the significant proportion of non-recurring income. We expect the profitability of private equity funds to gradually improve as AUM grows. Central to this is the new SolarWind 4 fund, set to launch next year. Overall, the outlook for Renewable Energy's earnings is very good. We expect Garantia to return to stable growth as the housing market slowly picks up. Investments on the company's own balance sheet are a significant variable in its investment history, and visibility into them is non-existent. Our dividend forecasts remain cautious, as the focus of capital allocation is on investments.

The share is cheap but drivers are in short supply

Our conservative sum-of-the-parts calculation has remained unchanged at around EUR 10 per share. Most of the value is generated by the insurance company Garantia, while the remainder is effectively split between the energy fund business and balance sheet investments. Although Taaleri left the door open for larger restructuring measures at the CMD, it does not actively pursue them, as far as we know. Therefore, we cannot assume that the sum-of-the-parts value will be realized, and we deem it justified to value the company below the sum of its parts for the time being. Historically, Taaleri has been priced at a 15-20% discount relative to the sum of its parts, and we consider this level justified for the time being. In absolute terms, the share price is attractive, but we note that the significant proportion of non-recurring income weighs on the acceptable valuation. In our view, a higher valuation requires next year's earnings growth to materialize, which hinges on the realization of large non-recurring fees. M&A and changes to the company's balance sheet could naturally also act as catalysts.

Recommendation
Accumulate
(was Buy)

Target price:
EUR 8.50
(was EUR 9.00)

Share price:
EUR 7.32

Business risk

Valuation risk

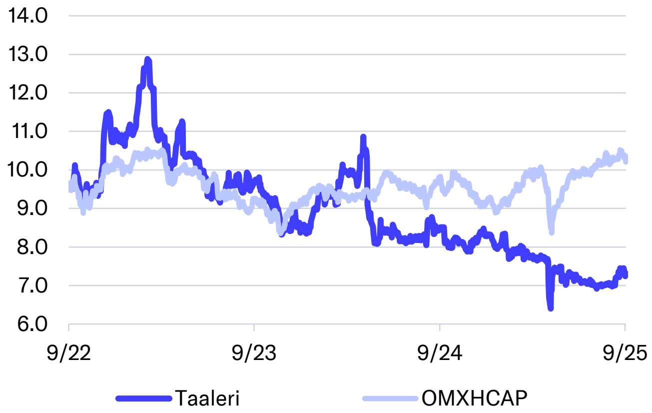
	2024	2025e	2026e	2027e
Revenue	72.6	53.6	64.4	64.3
growth-%	11%	-26%	20%	0%
EBIT adj.	38.1	19.2	34.9	31.8
EBIT-% adj.	52.4 %	35.9 %	54.2 %	49.5 %
Net Income	28.0	11.6	26.1	23.4
EPS (adj.)	0.99	0.41	0.91	0.81
P/E (adj.)	8.1	18.0	8.0	9.0
P/B	1.1	1.0	0.9	0.9
Dividend yield-%	6.2 %	3.3 %	7.5 %	6.7 %
EV/EBIT (adj.)	6.0	10.6	4.6	4.8
EV/EBITDA	5.8	10.1	4.6	4.8
EV/S	3.1	3.8	2.5	2.4

Source: Inderes

Guidance

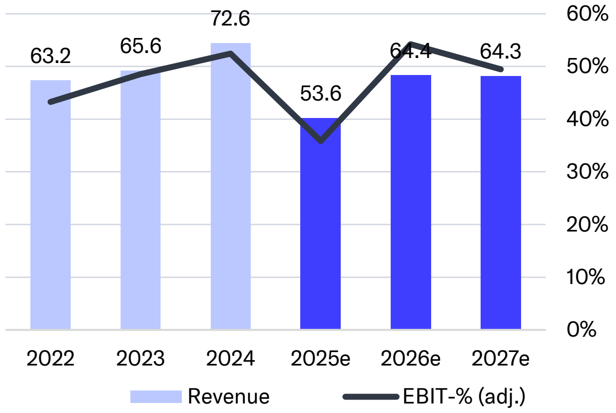
No guidance

Share price



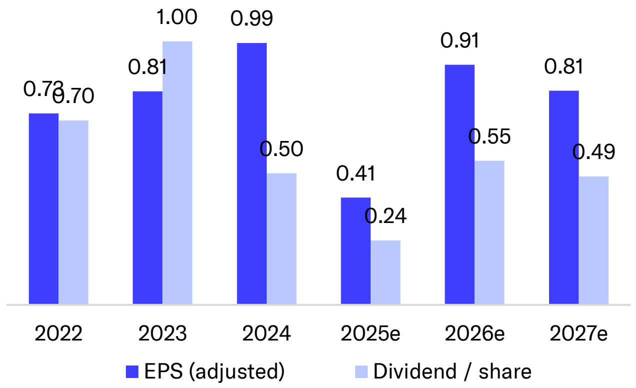
Source: Millistream Market Data AB

Revenue and EBIT-% (adj.)



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

- Scaling of Energia
- Ramping up Other private equity funds
- Garantia’s profitable growth
- Own balance sheet investments
- M&A transactions
- Performance fees for funds

Risk factors

- Success in fund investments
- Failure in own balance sheet 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	7.32	7.32	7.32
Number of shares, millions	28.4	28.6	28.8
Market cap	208	209	211
EV	203	161	154
P/E (adj.)	18.0	8.0	9.0
P/E	18.0	8.0	9.0
P/B	1.0	0.9	0.9
P/S	3.9	3.2	3.3
EV/Sales	3.8	2.5	2.4
EV/EBITDA	10.1	4.6	4.8
EV/EBIT (adj.)	10.6	4.6	4.8
Payout ratio (%)	60.0 %	60.0 %	60.0 %
Dividend yield-%	3.3 %	7.5 %	6.7 %

Source: Inderes

Comments on the CMD

Strategy refines previous policies

The focus areas of Taaleri's updated strategy are:

- Capturing Garantia's full growth potential.
- Expansion of the private asset management business by scaling products within its current strategies and launching new products.
- Attractive return on direct investments through development capital.
- Implementing the growth strategy also through selective M&A.

While there were no surprises in the strategy for Garantia, the company clarified its role within the group from a communication perspective. Garantia aims to generate a stable cash flow to enable investments in other business operations. We would like to point out that, although Garantia is also seeking growth in the corporate sector, among others, growth primarily depends on the recovery of the Finnish housing market. In our view, there is very little risk associated with Garantia's growth, and the main question is the growth rate.

In private asset management, the key change is opening the door to new products and strategies. The company is exploring options for expanding into new product areas, in addition to its current three (renewable energy, bioindustry and real estate). In practice, this would likely mean acquisitions because building up private equity funds from scratch is a long and rather rocky road. The main challenge is the limited number of good acquisition targets in Finland. Considering that two of the company's businesses are clearly in the ramp-up phase (bio and real estate), we are not convinced that launching a third new product group at the same time would be sensible.

In terms of Renewable Energy, the key news was the launch of the SolarWind 4 fund as early as 2026. We had previously expected fundraising to begin in early 2027, but the company has made faster progress than expected in SolarWind 3's investment activities. The fund's target size is +800 MEUR, which is in line with our expectations. The ramp-up of SW4 is the single most important value driver of the strategy period, and if successful, Private Asset Management's profitability should scale very well.

No significant new information was obtained regarding Bioindustry and Real Estate, and efforts will be made to grow both in the coming years with new flagship funds. In our view, there is significant uncertainty surrounding the growth of both, particularly due to the prevailing market conditions. However, we note that these funds are significantly smaller than SolarWind 4, and the success of the entire Private Asset Management business depends largely on SW4's success.

Significant change in investment activities on own balance sheet

The most significant changes in strategy were seen in the company's investment activities on its own balance sheet. The portfolio's focus on the bioindustry was eliminated, and the previous minimum target size of 100 MEUR for the investment portfolio was also removed. Instead, Taaleri's investments on its own balance sheet will revert to its previous highly opportunistic approach and, as we see it, the guiding principle behind its investment activities will be purely portfolio returns. Investments in the bioindustry will also remain a possibility, and the biocoal project in Canada, for example, may still be implemented using the company's balance sheet, at least in part. The company also has greater flexibility in terms of portfolio size.

Taaleri's own balance sheet investment activities have been very successful in the past, with larger projects in particular (Finsilva, Garantia, and Asset Management sales) being especially successful. In this sense, investments in the company's own balance sheet can be viewed positively now that they are not limited to the higher-risk bioindustry sector. At the same time, however, we find it difficult to imagine the market being willing to assign any substantial value to the investment activity until there is concrete evidence of M&A activity.

M&A a key part of strategy

As the final cornerstone of its strategy, Taaleri emphasizes the role of M&A as part of its growth strategy. This naturally refers primarily to the growth of private equity funds, but growth in other business areas is also possible.

Although the company's new strategy is built on existing components, structural changes remain possible in the long term. This was illustrated by a sentence in the CEO's review: "Taaleri also has a strong track record of successful acquisitions and divestments, and we remain open to M&A opportunities going forward." This is naturally positive, as we do not foresee Taaleri's parts reaching their full potential under the current structure. However, we estimate that Taaleri itself will not actively seek to unlock the value contained within its parts but rather focus on increasing the value of its business operations.

Financial targets in line with our estimates

Minor adjustments to financial targets

Taaleri also updated its financial targets for 2026-2028.

- Profitability growth: Growth in operating profit from continuing earnings 12% p.a. on average (new target)
- Return on equity (ROE) at fair value: Above 15% p.a. on average over the strategy period (updated)
- Dividend policy: At least 50% of the financial year's profit to be paid as dividends (unchanged)

We believe that growth in operating profit from continuing earnings is a good target. Naturally, achieving this requires strong growth in continuing fees and ongoing cost efficiency. In terms of continuing fees, the largest single driver is Renewable Energy and the SolarWind 4 fund. Of course, getting Garantia back on track for growth is important as well, since it currently generates the majority of the company's profitability based on continuing fees.

Our forecasts are already quite well-aligned with the projected growth in continuing fees. We are slightly below the company's 12% target, but we estimate that the difference will come from other private equity funds, where our forecasts are cautious. Furthermore, our view of the recovery in the housing market for Garantia may be more cautious than Taaleri's assessment.

We also consider the 15% ROE target good because the company's balance sheet is substantial, unlike those of many of its peers. Our estimates align with the company's target, though we note its reliance on high performance fees and investment returns in 2026-2028.

Regarding the dividend policy, we would have preferred more visibility on the use of excess capital. We interpret this to mean that the company will not distribute any extra dividends during the strategy period but will instead focus on growing its investment portfolio and possibly implementing M&A transactions in Private Asset Management. If there is excess capital remaining, an additional dividend distribution may be possible, but likely only towards the end of the strategy period.

Taaleri's Capital Markets Day 2025

Taaleri CMD: Updated targets (English subtitles available soon)

Big picture forecasts unchanged

Estimate revisions

- We have only made limited changes to our forecasts. The most significant change is the reduction in the size of the investment portfolio, given that the company will not be investing in the bioindustry as previously planned. We now expect the investment portfolio to remain at its current level of approximately 50 MEUR, with an annual return of 8%. Taaleri is obviously aiming for a much higher return (+15%), and any returns are likely to come in the form of larger one-time returns rather than evenly distributed annual returns as in our estimates. The size of the investment portfolio may also end up being larger, but due to poor visibility, we believe caution is warranted.
- Otherwise, there have only been marginal changes to our forecasts, with the only significant change being the slightly earlier SW4 fund sales forecasts in Renewable Energy.
- Regarding dividends, we expect the company to distribute approximately 60% of its profit for the financial year, although it could afford to distribute a significantly higher dividend. The relatively low payout ratio will lead to a situation in which the company accumulates significant excess capital during the strategy period (2028e net cash +80 MEUR). Naturally, how this capital is used will be a key issue during the strategy period. As a general rule, the capital is intended for investments (investments on the company's own balance sheet and strategic acquisitions), but additional profit distribution may also be considered if the company cannot find a use for the money within the framework of its strategy.

Summary of earnings forecasts

- In Renewable Energy, earnings based on recurring fees have taken a clear leap forward with the latest SolarWind 3 fund, and profitability is already at a good level with recurring fees. The next level increase in profitability will occur in 2027 when the SolarWind4 fund makes its first exit. We also expect significant performance fees from the segment in the coming years from old wind funds and the Aurinkotuuli 1 fund. The segment's earnings outlook for the coming years is very good.
- The recurring fee-based profitability from other private equity funds remains weak in our estimates but turns profitable starting next year. Higher profitability requires significant growth in activities, which we find difficult to envision in the current situation. We note that as a result of the reporting reform that came into effect at the beginning of the year, group expenses are higher than before, and correspondingly, the earnings of operating segments are better than before.
- Garantia's guarantee insurance business continues to grow steadily in our forecasts as the mortgage market gradually recovers. However, the market recovery is slow, which is reflected in Garantia's growth as well.
- Overall, we expect the company to achieve earnings of some 30 MEUR in the next few years. Currently, the focus in the results is strongly on non-recurring income, but it will gradually improve as the strategy period progresses.

Estimate revisions	2025e	2025e	Change	2026e	2026e	Change	2027e	2027e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	53.6	53.6	0%	63.4	64.4	2%	64.7	64.3	-1%
EBIT (exc. NRIs)	19.2	19.2	0%	34.5	34.9	1%	31.6	31.8	1%
EBIT	19.2	19.2	0%	34.5	34.9	1%	31.6	31.8	1%
EPS (excl. NRIs)	0.41	0.41	0%	0.91	0.91	0%	0.82	0.81	-1%
DPS	0.24	0.24	0%	0.54	0.55	0%	0.49	0.49	-1%

Source: Inderes

Affordable pricing...

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 is a good starting point for determining the company's value. However, according to its strategy reform, the company does not seek to unlock the value of its parts through restructuring, so the value of the parts must be reflected in the cash flows of business operations. Our estimate of Taaleri's SOTP value is unchanged at around 279 MEUR, or around EUR 10 per share.

In our calculations, the current value of Taaleri consists of Garantia (170 MEUR, based on DDM), Renewable Energy (95 MEUR, based on peer calculation), balance sheet investment assets (72 MEUR, including performance fee receivables from old wind funds and investment tax liabilities), net cash (16 MEUR) and group expenses (-86 MEUR). The value contribution of Other private asset management is marginal (12 MEUR), as business operations development is very modest in our forecasts. In our view, our SOTP calculation is 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 P/B ratio, which has fallen to around 1x, also indicates clear value in the parts.

Value of parts unlikely to become apparent with current structure

In our view, the key question for Taaleri remains how to better highlight the value inherent in the company's parts. Although the company left the door open for larger structural changes at the CMD, we do not believe that it is actively pursuing these, so when evaluating Taaleri, we must assume that it will continue with its current structure for the time being.

As we have stated several times, we do not believe that Taaleri's parts will realize their full value under the current conglomerate structure. The group's most valuable part, Garantia, is inevitably relegated to a supporting role in the investor story, as the core lies in private equity funds. Furthermore, investment activities on the own balance sheet are difficult to value from an investor's perspective due to their low visibility. For the value of the company's parts to be fully reflected in the share price, at least the following should occur:

- improved predictability of the result (especially improvement in the result mix)
- better visibility into the company's own balance sheet investment activities (scale and targets)
- better visibility into the use of the balance sheet (profit distribution vs. investments)

Share justified to be priced below the sum of the parts

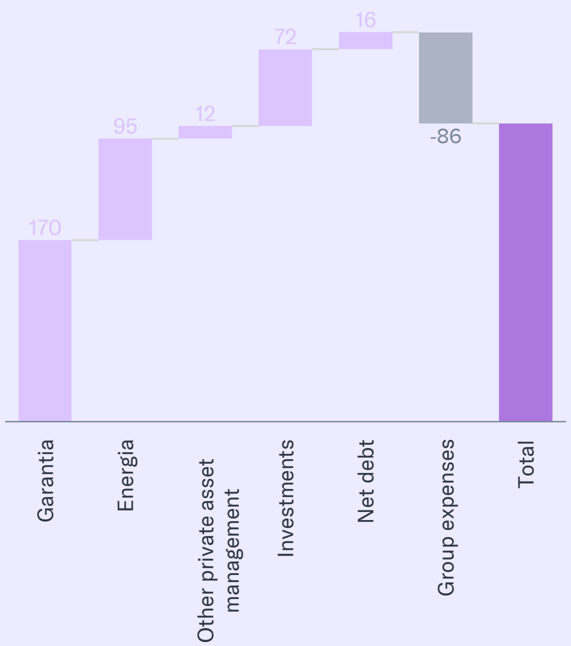
Historically, Taaleri has been priced at a 15-20% discount relative to the sum of its parts as defined by us. We consider this level justified for the time being until we gain additional visibility on capital allocation and/or the unwinding of value.

We note that, although Taaleri itself is not actively seeking to unlock the value inherent in its parts, a catalyst for this could potentially 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 rather 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.

Valuation	2025e	2026e	2027e
Share price	7.32	7.32	7.32
Number of shares, millions	28.4	28.6	28.8
Market cap	208	209	211
EV	203	161	154
P/E (adj.)	18.0	8.0	9.0
P/E	18.0	8.0	9.0
P/B	1.0	0.9	0.9
P/S	3.9	3.2	3.3
EV/Sales	3.8	2.5	2.4
EV/EBITDA	10.1	4.6	4.8
EV/EBIT (adj.)	10.6	4.6	4.8
Payout ratio (%)	60.0 %	60.0 %	60.0 %
Dividend yield-%	3.3 %	7.5 %	6.7 %

Source: Inderes

Sum-of-the-parts calculation



...but drivers for value creation are lacking

Valuation multiples

Since Taaleri appears to be maintaining its current structure, traditional valuation multiples can be used to value Taaleri. Based on the 2025 result, the stock seems expensive in absolute and relative terms, but based on the 2026-2027 forecasts, the stock is cheap (P/E < 10x). We note that the earnings mix leans toward non-recurring income, so a clear discount to the peer group's earnings-based valuation is justified. However, with 2026 multiples, the discount is really large (40-50%), and we believe a smaller valuation difference is more appropriate. Therefore, once the improvement in earnings materializes next year, the stock should have upside.

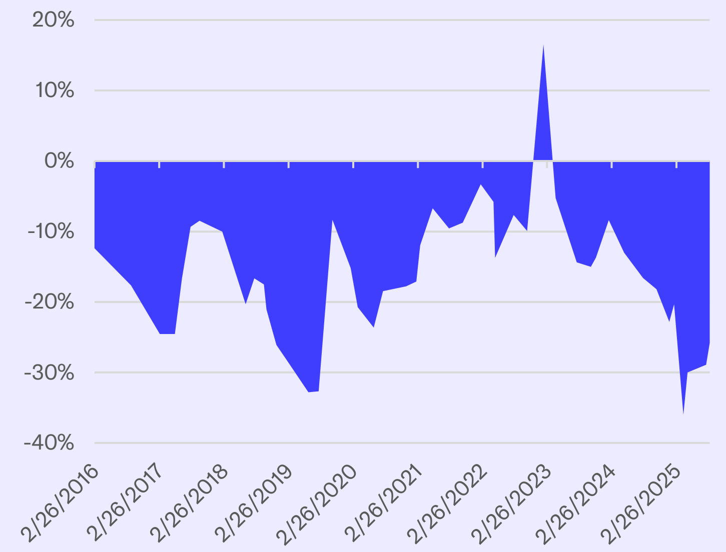
Values of different performance components

We have attempted to break down Taaleri's value based on the value of its parts related to earnings. The key challenge for Taaleri is its earnings mix's emphasis on non-recurring income and the resulting poor predictability of results Obviously, profitability based on recurring income is significantly more valuable than non-recurring income, and in our opinion, these can be valued as separate components. Taaleri's EBIT from continuing operations for the last 12 months is approximately 10 MEUR. The company targets annual growth of 15-12% in its continuous results during the strategy period. Using the last 12 months' results as a starting point (the company itself uses the 2025 results as a basis for its calculations), we estimate that the result from continuing operations for 2028 would be approximately 15 MEUR. We estimate a total of ~55 MEUR in non-recurring income for the years 2026-2028, meaning that non-recurring fees will average approximately 18 MEUR per year.

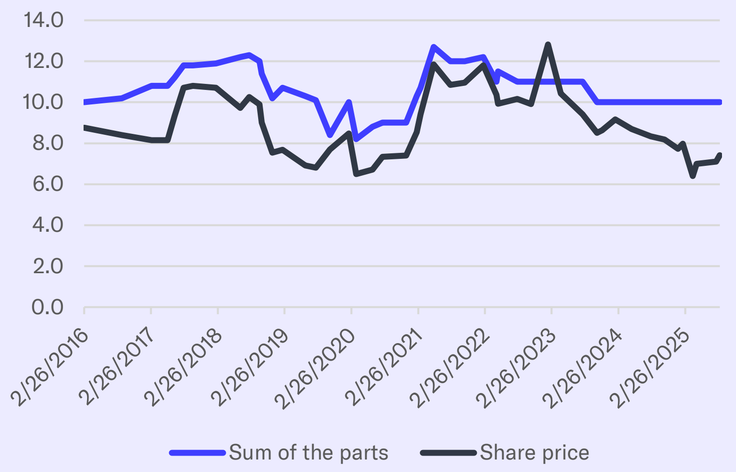
In our view, recurring fees could well be priced at an EV/EBIT multiple of 10-12x due to their high quality and good predictability. Thus, the value of the result based on recurring fees would be 150-180 MEUR. Regarding non-recurring fees, the returns on Garantia's investment portfolio are reasonably predictable and their multiple could be higher, but, conversely, the performance fee from a single project (e.g., Fintoil or Toriparkki) deserves a very low multiple, as there is no continuity. An acceptable valuation multiple for non-recurring earnings could be 4-6x, or 70-110 MEUR. Thus, we would value Taaleri at 223-290 MEUR at the end of 2028. This would represent a 10-40% increase in the share price, and an annual return of around 10-20% when taking dividends into account. If the strategy succeeds, the share price could have upside, which supports our positive recommendation for the share.

Using the same formula for the last 12 months' continuous result (~10 MEUR) and the previous two years' average non-continuous income (~20 MEUR), the company's current value would be 180-240 MEUR, roughly equal to the current share price.

Discount/premium relative to the sum of the parts



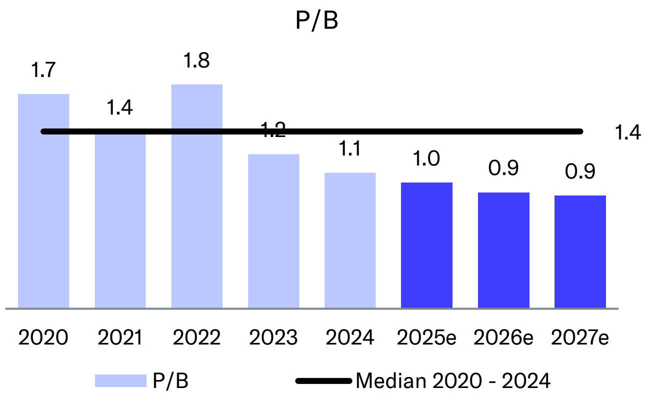
Share price and SOTP (Inderes estimate, EUR/share)

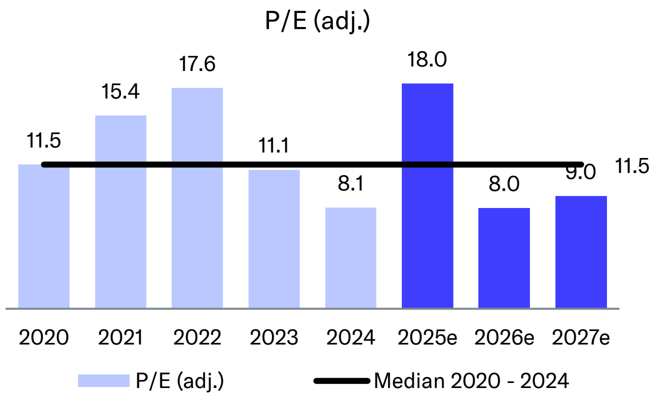


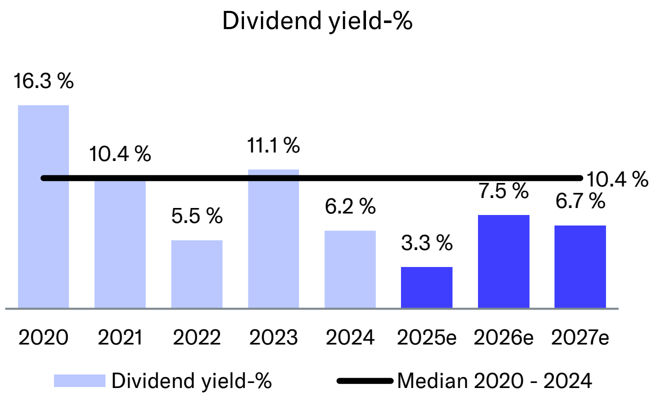
Valuation table

Valuation	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price	8.12	11.5	12.8	8.99	8.03	7.32	7.32	7.32	7.32
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	208	209	211	212
EV	289	308	331	234	227	203	161	154	143
P/E (adj.)	11.5	15.4	17.6	11.1	8.1	18.0	8.0	9.0	8.7
P/E	11.5	2.4	17.6	11.1	8.1	18.0	8.0	9.0	8.7
P/B	1.7	1.4	1.8	1.2	1.1	1.0	0.9	0.9	0.9
P/S	2.7	4.7	5.7	3.9	3.1	3.9	3.2	3.3	3.2
EV/Sales	3.3	4.4	5.2	3.6	3.1	3.8	2.5	2.4	2.1
EV/EBITDA	10.7	2.1	11.6	7.2	5.8	10.1	4.6	4.8	4.3
EV/EBIT (adj.)	11.8	10.7	12.1	7.3	6.0	10.6	4.6	4.8	4.3
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 %	3.3 %	7.5 %	6.7 %	6.9 %

Source: Inderes







The market cap and enterprise value in the table consider the expected change in the number of shares and net debt for the forecast years.

Peer group valuation

Peer group valuation	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
Company	MEUR	MEUR	2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e
Aktia	763								9.1	9.6	8.0	8.5	1.1
Alexandria	111	108	9.8	8.1	8.0	6.9	2.1	1.9	14.1	11.4	7.7	8.5	3.4
CapMan	334	327	10.7	7.8	10.2	7.5	5.1	4.3	16.4	12.0	8.0	8.5	1.7
Evli	518	517	11.5	10.2	10.7	9.5	4.7	4.4	16.4	14.5	6.1	6.3	3.4
eQ	516	504	17.4	13.1	16.7	12.6	8.4	6.8	22.6	17.8	4.4	5.6	6.9
Titanium	68	56	8.8	9.2	7.9	8.5	2.8	2.8	13.5	13.8	7.1	7.1	4.2
United Bankers	201	183	10.3	9.5	9.1	8.5	3.2	3.0	14.8	14.0	6.3	6.6	3.1
Mandatum	2904	2502	14.5	16.4	14.5	16.4	15.3	15.9	20.8	20.5	17.3	12.1	2.8
Taaleri (Inderes)	208	203	10.6	4.6	10.1	4.6	3.8	2.5	18.0	8.0	3.3	7.5	1.0
Average			11.9	10.6	11.0	10.0	5.9	5.6	16.0	14.2	8.1	7.9	3.3
Median			10.7	9.5	10.2	8.5	4.7	4.3	15.6	13.9	7.4	7.8	3.3
Diff-% to median			-1%	-51%	-2%	-46%	-19%	-42%	15%	-42%	-55%	-4%	-69%

Source: Refinitiv / Inderes

Income statement

Income statement	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue	65.6	17.2	12.6	22.2	20.7	72.6	9.3	13.5	12.5	18.3	53.6	64.4	64.3	66.7
Private equity funds	42.3	6.5	6.8	6.6	9.5	29.4	6.5	8.9	7.2	8.6	31.2	39.1	36.8	38.7
Garantia	17.9	8.7	4.7	6.8	5.3	25.5	2.4	5.1	4.7	5.1	17.2	21.1	21.8	22.4
Others	6.1	0.9	0.6	0.3	0.2	2.0	0.3	0.2	0.4	0.4	1.3	1.5	1.5	1.5
EBITDA	32.4	9.8	4.6	14.9	9.6	39.0	0.7	4.9	5.2	9.5	20.2	35.2	32.1	33.6
Depreciation	-0.5	-0.2	-0.2	-0.2	-0.2	-0.9	-0.2	-0.4	-0.2	-0.2	-0.9	-0.3	-0.3	-0.3
EBIT (excl. NRI)	31.9	9.6	4.4	14.7	9.4	38.1	0.5	4.5	5.0	9.3	19.2	34.9	31.8	33.3
EBIT	31.9	9.6	4.4	14.7	9.4	38.1	0.5	4.5	5.0	9.3	19.2	34.9	31.8	33.3
Private equity funds	14.9	1.1	1.2	2.1	3.1	7.4	1.4	3.0	2.1	2.2	8.6	18.4	15.3	16.6
Garantia	16.5	8.5	4.7	6.3	4.8	24.3	2.1	5.0	4.4	4.8	16.3	20.0	20.6	21.1
Others	0.5	-0.9	-1.1	-1.5	-2.1	-5.7	-2.1	-1.9	-1.6	-1.9	-7.4	-6.9	-7.2	-7.5
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	4.4	4.9	9.2	18.9	34.6	31.5	33.0
Taxes	-4.2	-1.9	-0.8	-1.4	-0.7	-4.7	0.4	-2.3	-1.0	-1.9	-4.9	-6.9	-5.8	-6.1
Minority interest	-3.6	-0.1	-0.3	-2.2	-1.8	-4.4	-0.2	-0.2	-1.0	-1.0	-2.4	-1.6	-2.3	-2.4
Net earnings	22.9	7.4	3.1	11.0	6.6	28.0	0.6	1.9	2.9	6.2	11.6	26.1	23.4	24.5
EPS (adj.)	0.81	0.26	0.11	0.39	0.23	0.99	0.02	0.07	0.10	0.22	0.41	0.91	0.81	0.85
EPS (rep.)	0.81	0.26	0.11	0.39	0.23	0.99	0.02	0.07	0.10	0.22	0.41	0.91	0.81	0.85

Key figures	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue growth-%	3.8 %	69.1 %	-46.9 %	64.7 %	13.4 %	10.6 %	-45.7 %	6.6 %	-43.4 %	-11.3 %	-26.1 %	20.1 %	-0.2 %	3.8 %
Adjusted EBIT growth-%	16.5 %	515.7 %	-75.2 %	156.3 %	36.3 %	19.4 %	-94.9 %	2.7 %	-66.1 %	-1.3 %	-49.5 %	81.6 %	-9.0 %	4.7 %
EBITDA-%	49.3 %	57.3 %	36.2 %	67.5 %	46.5 %	53.6 %	7.0 %	36.2 %	41.4 %	51.6 %	37.6 %	54.6 %	49.9 %	50.4 %
Adjusted EBIT-%	48.6 %	55.9 %	34.7 %	66.4 %	45.4 %	52.4 %	5.2 %	33.4 %	39.8 %	50.5 %	35.9 %	54.2 %	49.5 %	49.9 %
Net earnings-%	35.0 %	43.0 %	24.4 %	49.4 %	32.0 %	38.6 %	6.2 %	14.0 %	22.8 %	34.0 %	21.5 %	40.5 %	36.4 %	36.7 %

Source: Inderes

Full-year earnings per share are calculated using the number of shares at year-end.

Balance sheet

Assets	2023	2024	2025e	2026e	2027e
Non-current assets	221	224	220	219	220
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	1.3	1.4	1.6
Associated companies	51.6	55.4	52.3	51.0	52.0
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	71.4	93.3	102
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	37.6	16.1	16.1
Cash and equivalents	38.3	19.6	24.6	67.9	76.8
Balance sheet total	308	292	292	312	323

Source: Inderes

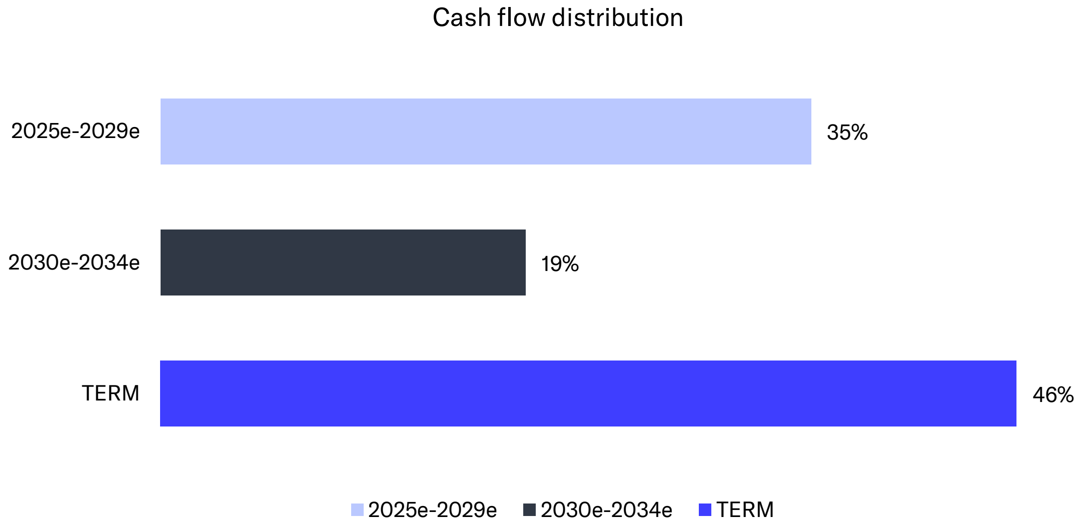
Liabilities & equity	2023	2024	2025e	2026e	2027e
Equity	209	215	215	236	246
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	187	190	187	206	214
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	18.8	18.8	18.8	18.8	18.8
Other equity	0.0	0.0	0.0	0.0	0.0
Minorities	2.5	6.6	9.0	10.6	12.9
Non-current 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	292	312	323

DCF-calculation

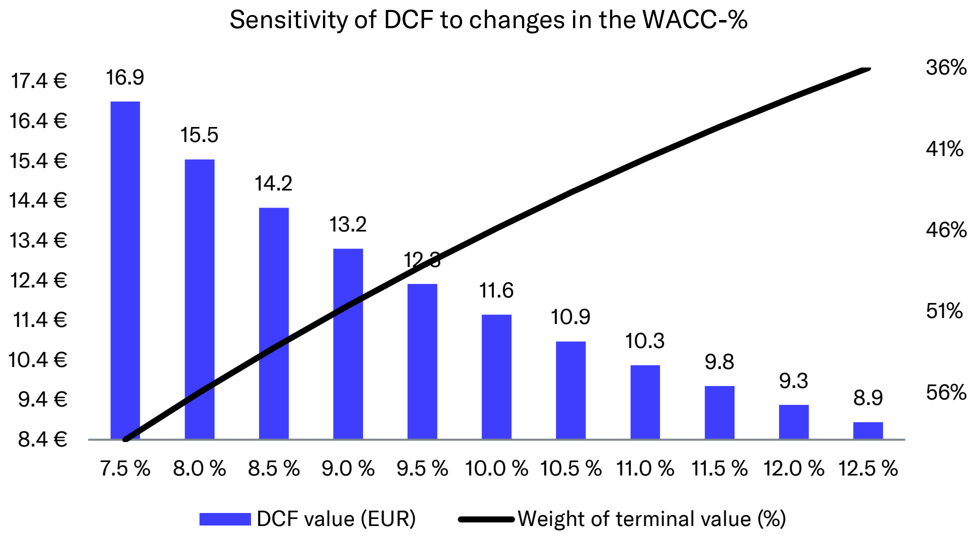
DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	10.6 %	-26.1 %	20.1 %	-0.2 %	3.8 %	3.0 %	3.0 %	3.0 %	2.5 %	2.5 %	2.5 %	2.5 %
EBIT-%	52.4 %	35.9 %	54.2 %	49.5 %	49.9 %	47.0 %	46.0 %	45.0 %	45.0 %	45.0 %	45.0 %	45.0 %
EBIT (operating profit)	38.1	19.2	34.9	31.8	33.3	32.3	32.6	32.8	33.6	34.5	35.3	
+ Depreciation	0.9	0.9	0.3	0.3	0.3	0.4	0.4	0.4	0.5	0.5	0.6	
- Paid taxes	-11.4	-4.9	-6.9	-5.8	-6.1	-5.9	-6.0	-6.0	-6.2	-6.3	-6.5	
- 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	1.4	21.4	0.0	-0.6	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	
Operating cash flow	27.3	16.6	49.6	26.2	26.8	26.2	26.4	26.7	27.4	28.2	28.9	
+ 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	
Free operating cash flow	26.5	16.3	49.2	25.8	26.3	25.6	25.8	26.0	26.7	27.4	28.1	
+/- Other	-3.8	3.1	1.3	-1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	22.7	19.3	50.5	24.8	26.3	25.6	25.8	26.0	26.7	27.4	28.1	383
Discounted FCFF		18.8	44.5	19.8	19.2	16.9	15.5	14.2	13.3	12.4	11.5	157
Sum of FCFF present value		343	324	280	260	241	224	208	194	181	168	157
Enterprise value DCF		343										
- Interest bearing debt		0.0										
+ Cash and cash equivalents		19.6										
-Minorities		-20.0										
-Dividend/capital return		-14.1										
Equity value DCF		328										
Equity value DCF per share		11.6										

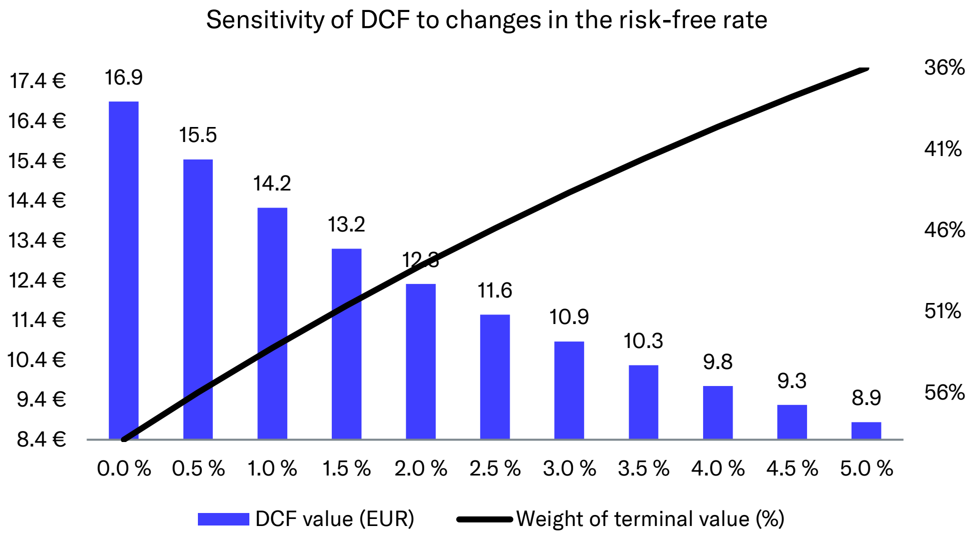
WACC	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E)	0.0 %
Cost of debt	5.0 %
Equity Beta	1.38
Market risk premium	4.75%
Liquidity premium	1.00%
Risk free interest rate	2.5 %
Cost of equity	10.0 %
Weighted average cost of capital (WACC)	10.0 %

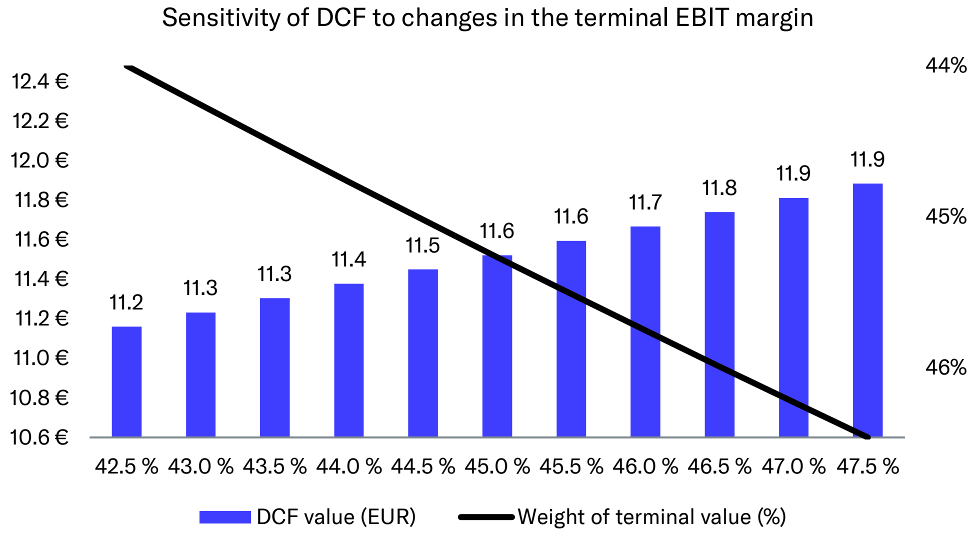
Source: Inderes

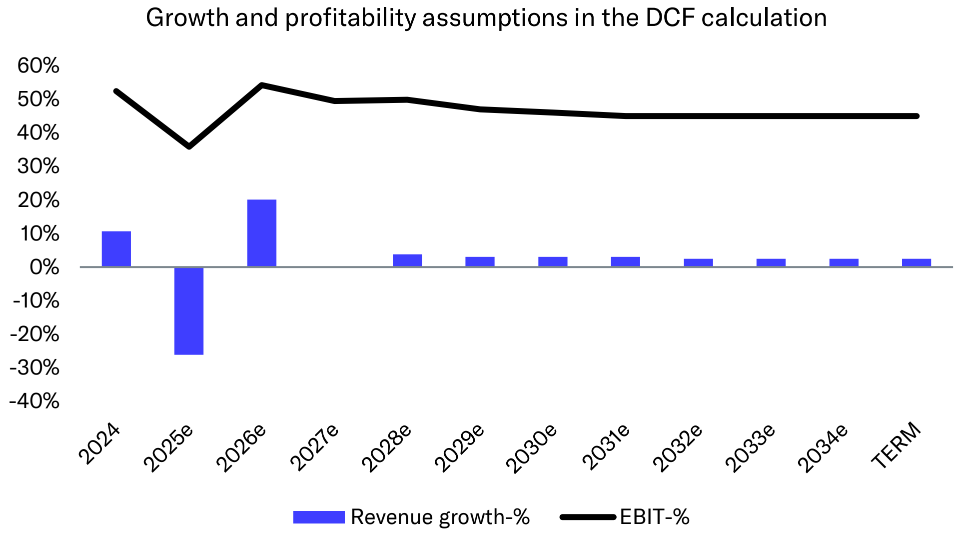


DCF sensitivity calculations and key assumptions in graphs









Source: Inderes. Note that the weight of the terminal value (%) is shown on an inverse scale for clarity.

Summary

Income statement	2022	2023	2024	2025e	2026e
Revenue	63.2	65.6	72.6	53.6	64.4
EBITDA	28.6	32.4	39.0	20.2	35.2
EBIT	27.4	31.9	38.1	19.2	34.9
PTP	26.4	30.7	37.1	18.9	34.6
Net Income	20.6	22.9	28.0	11.6	26.1
Extraordinary items	0.0	0.0	0.0	0.0	0.0

Balance sheet	2022	2023	2024	2025e	2026e
Balance sheet total	300.8	307.9	291.9	291.7	312.5
Equity capital	202.7	208.7	215.3	215.2	236.0
Goodwill	0.3	0.3	0.3	0.3	0.3
Net debt	-31.9	-23.4	-19.6	-24.6	-67.9

Cash flow	2022	2023	2024	2025e	2026e
EBITDA	28.6	32.4	39.0	20.2	35.2
Change in working capital	-6.8	-23.5	-0.1	1.4	21.4
Operating cash flow	16.5	1.6	27.3	16.6	49.6
CAPEX	15.0	-9.7	2.1	-0.4	-0.4
Free cash flow	57.7	6.2	22.7	19.3	50.5

Valuation multiples	2022	2023	2024	2025e	2026e
EV/S	5.2	3.6	3.1	3.8	2.5
EV/EBITDA	11.6	7.2	5.8	10.1	4.6
EV/EBIT (adj.)	12.1	7.3	6.0	10.6	4.6
P/E (adj.)	17.6	11.1	8.1	18.0	8.0
P/B	1.8	1.2	1.1	1.0	0.9
Dividend-%	5.5 %	11.1 %	6.2 %	3.3 %	7.5 %

Source: Inderes

Per share data	2022	2023	2024	2025e	2026e
EPS (reported)	0.73	0.81	0.99	0.41	0.91
EPS (adj.)	0.73	0.81	0.99	0.41	0.91
OCF / share	0.58	0.06	0.97	0.59	1.74
OFCF / share	2.04	0.22	0.81	0.68	1.77
Book value / share	7.16	7.28	7.40	7.26	7.88
Dividend / share	0.70	1.00	0.50	0.24	0.55

Growth and profitability	2022	2023	2024	2025e	2026e
Revenue growth-%	-9%	4%	11%	-26%	20%
EBITDA growth-%	-80%	13%	20%	-48%	74%
EBIT (adj.) growth-%	-5%	16%	19%	-49%	82%
EPS (adj.) growth-%	-2%	11%	23%	-59%	124%
EBITDA-%	45.2 %	49.3 %	53.6 %	37.6 %	54.6 %
EBIT (adj.)-%	43.3 %	48.6 %	52.4 %	35.9 %	54.2 %
EBIT-%	43.3 %	48.6 %	52.4 %	35.9 %	54.2 %
ROE-%	9.5 %	11.2 %	13.5 %	5.6 %	12.1 %
ROI-%	11.8 %	14.5 %	17.3 %	8.9 %	15.5 %
Equity ratio	67.4 %	67.8 %	73.8 %	73.8 %	75.5 %
Gearing	-15.8 %	-11.2 %	-9.1 %	-11.4 %	-28.8 %

The market cap and enterprise value in the table consider the expected change in the number of shares and net debt for the forecast years. Per-share figures are calculated using the number of shares at year-end.

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

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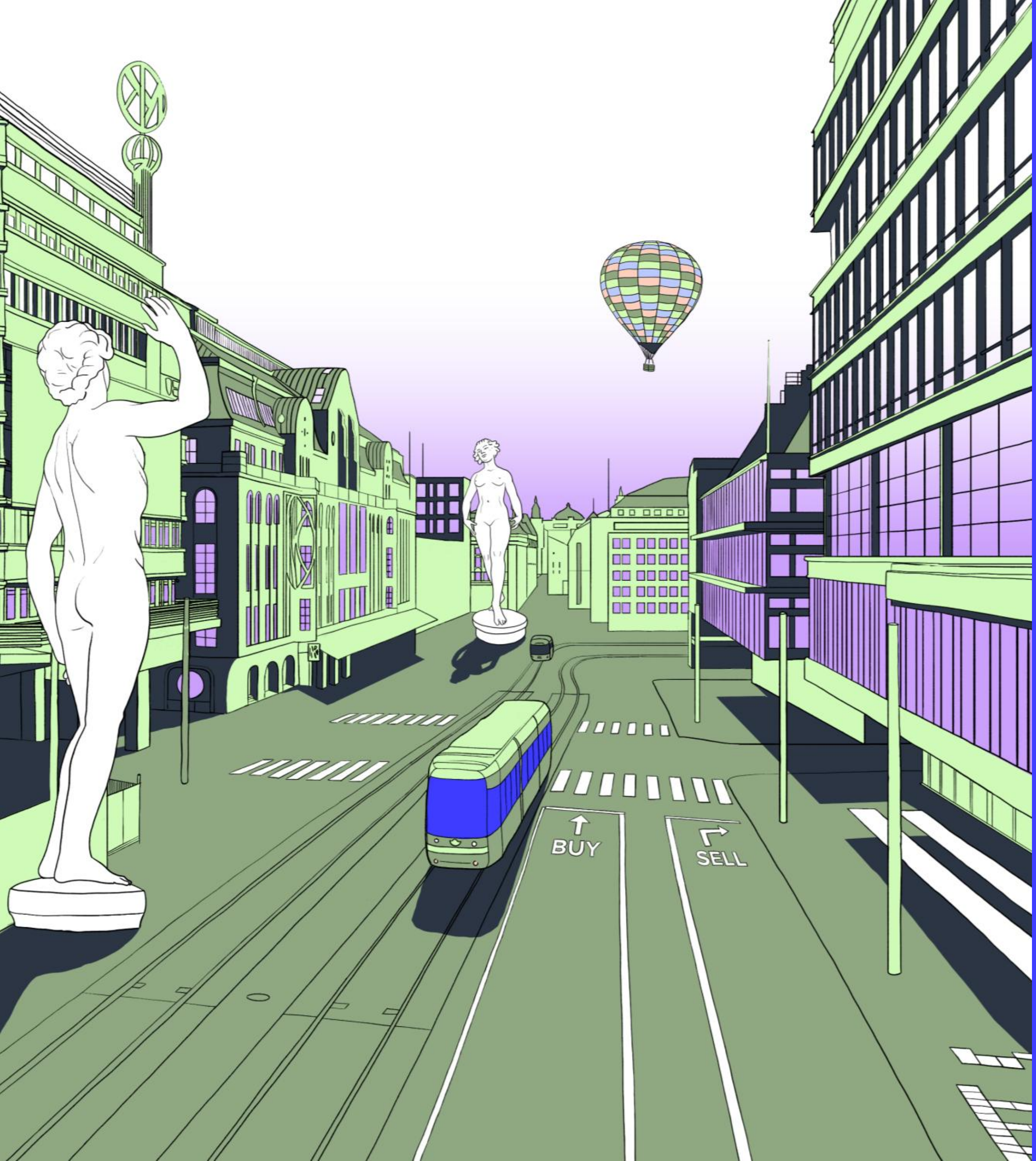
Recommendation history (>12 mo)

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 €
8/14/2025	Buy	9.00 €	7.20 €
9/3/2025	Accumulate	8.50 €	7.40 €



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