MANDATUM

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INDERES CORPORATE CUSTOMER

COMPANY REPORT

Everything else is fine except the price

Mandatum's Q2 earnings exceeded our estimates, driven by investment income, and the fee result, the most important bottom line for the group's value, continued its impressive growth. We consider the acquisition of Swedish asset manager Cliens to be a strategically logical step, and the transaction has good preconditions to create shareholder value. We raise our target price to EUR 6.2 (was 5.5) due to our increased earnings and profit distribution estimates Mandatum's performance is currently extremely impressive, but the current price tag sets the bar too high. Therefore, we reiterate our Reduce recommendation.

Fee result grew strongly and earnings exceeded our estimate

Mandatum's fee result rose strongly by 21% y-o-y to 22.4 MEUR, in line with our estimate. Growth was driven by both the development of AUM and improved cost efficiency. AUM grew by 8% from the previous quarter to 16.7 BEUR (estimate 16.2 BEUR), but this was primarily due to market tailwinds, as net subscriptions (164 MEUR) fell short of our estimate (290 MEUR). However, overall sales performance was good, and international sales in particular continued their impressive development. We also note that the company has investment commitments of around 400 MEUR in its current funds. The net finance result, on the other hand, clearly exceeded our estimate due to narrowed credit risk margins and well-developed equity markets, which resulted in a significantly better-than-expected profit before taxes (79.1 MEUR). The Solvency II ratio stood at a strong 195%, still clearly above the targeted level.

Cliens acquisition strengthens the foothold in Sweden

Mandatum announced in connection with its earnings report that it will acquire a 78.4% stake in the Swedish asset manager Cliens for a cash purchase price of 64 MEUR. Cliens is a specialized fund house with approximately 3.3 BEUR in assets under management almost entirely in funds, and its strong equity expertise complements Mandatum's interest-rate-weighted product offering well. We consider the expansion into Sweden logical and the transaction pricing reasonable (EV/EBIT ~7x and ~2.4% of AUM). A key risk is the strong product concentration, as two funds account for over 80% of AUM. Personnel risks are also naturally present, but the company seeks to address this by leaving a significant minority ownership to the personnel. Further, Cliens will continue under its own brand, which reduces integration risks. The transaction is small in euro terms for Mandatum and does not significantly impact profit-sharing in the coming years. Strategically, however, the deal is significant, as it clearly increases the company's footprint in Sweden and strengthens its equity offering. The transaction is expected to be completed by the end of 2026.

Our estimates increased due to the acquisition

We included the Cliens acquisition in our estimates, which significantly increased our fee result estimates from 2027 onwards. Our net finance result estimates also increased following the rise in interest rates, while we made moderate downward revisions to other earnings items. Overall, our earnings estimates for the coming years rose by 7–10%. We expect group-level earnings to bottom out in 2026 and make a strong leap in 2027. We expect the profit distribution to be more abundant than our previous estimate, as we estimate the company to decrease its solvency target as the with-profit portfolio contracts.

Expectations for the share remain demanding

We have gauged the value of Mandatum primarily using the dividend discount model, as it best reflects the high payout ratio and unwinding of the overcapitalized balance sheet. Our DDM model indicates a value of some EUR 6.2 per share (was 5.5), and the increase is mainly explained by higher long-term profit distribution estimates and, to a lesser extent, by the Cliens acquisition. From a sum-of-the-parts perspective, wealth management trades at a P/E of around 30x, which is significantly above its domestic peers and sets a high bar for performance. However, the high dividend yield limits the stock's downside.

Recommendation
Reduce
(was Reduce)

Target price:
EUR 6.20
(was EUR 5.50)

Share price:
EUR 6.40

Business risk ●●●○○

Valuation risk ●●●●○

Key figures

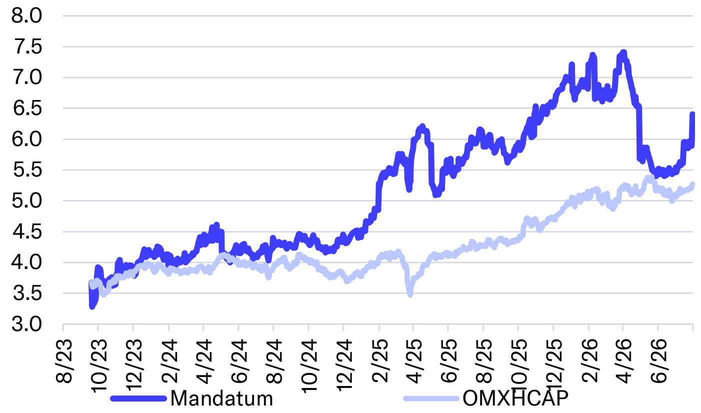
	2025	2026e	2027e	2028e
Profit before tax	182.0	152.8	205.7	205.7
Net income	131.8	166.7	166.5	170.0
EPS (adj.)	0.31	0.26	0.33	0.33
DPS	0.85	0.80	0.60	0.55
Payout ratio	274%	307%	181%	166%
ROE-%	10.3%	10.3%	16.4%	20.1%
P/E (adj.)	22.2	24.5	19.4	19.4
P/B	2.4	2.8	3.6	4.2
Dividend yield-%	12.4 %	12.6 %	9.3 %	8.6 %

Source: Inderes

Guidance (Unchanged)

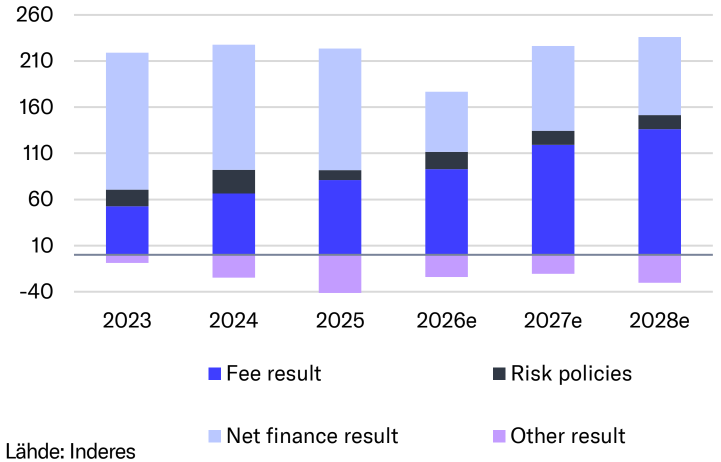
The fee result is expected to increase from 2025, assuming stable market conditions. The with-profit portfolio is expected to decline further.

Share price



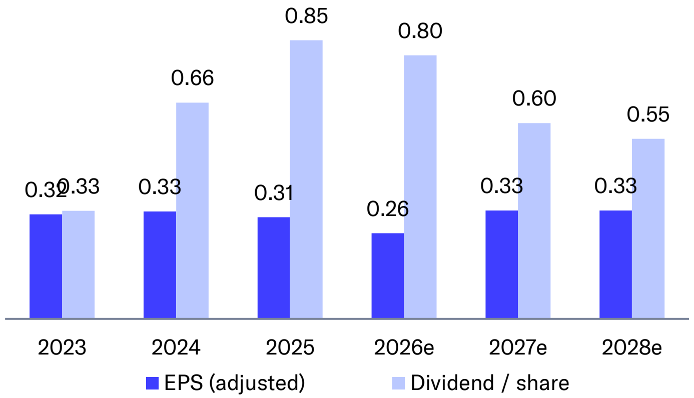
Source: Millistream Market Data AB

Mandatum's PTP breakdown (MEUR)



Lähde: Inderes

EPS and dividend



*From 2022 onwards, according to IFRS 17

Source: Inderes

Value drivers

- Growth in capital-light Wealth management
- Relative profitability still has improvement potential with revenue growth
- With the rise in interest rates, the with-profit business has become clearly more attractive than before
- Release of capital from the with-profit portfolio and remaining PE investments
- Value creating acquisitions in the domestic asset management sector

Risk factors

- The result is still very dependent on investment income
- In investment activities, there are risks, particularly regarding interest rate levels, as a decrease in interest rates would weigh on the Group's investment income and earnings
- Life insurance business risks (assumptions underlying insurance models may prove incorrect)
- Weakening fund returns and decreasing competitiveness
- Harmful revisions in the tax legislation for investment insurance policies

Valuation	2026e	2027e	2028e
Share price	6.40	6.40	6.40
Number of shares, millions	503.7	504.2	503.7
Market cap	3224	3227	3224
P/E (adj.)	24.5	19.4	19.4
P/E	24.5	19.4	19.4
P/B	2.8	3.6	4.2
Payout ratio (%)	307.3 %	180.7 %	166.2 %
Dividend yield-%	12.6 %	9.3 %	8.6 %

Source: Inderes

Market tailwinds were stronger than we expected

AUM grew strongly even though sales fell short of expectations

Mandatum fee result rose in line with our estimate to 22.4 MEUR, representing a robust 21% growth year-on-year. Earnings growth was driven by both an increase in assets under management and improved cost efficiency.

Mandatum's AUM developed more favorably than we anticipated, growing by 8% from the previous quarter to 16.7 BEUR (forecast 16.2 BEUR). However, this was thanks to market momentum, as net subscriptions were more moderate than our estimate (164 MEUR vs. 290 MEUR forecast). Sales performance was not weak, but it fell short of the company's average development in recent years. However, it is good to remember that sales naturally fluctuate quarterly, and Mandatum also has 400 MEUR worth of investment commitments in its fixed income funds. These are not yet reflected in sales figures, as capital is only reported as it is called into use. Therefore, we are not concerned about weakening demand. The company stated in the report that international sales, particularly from Sweden, accounted for the majority of the quarter's new sales. In addition, Mandatum commented that it had gained its first customers in Italy, so the company's targeted international expansion is progressing quite well.

Net finance result clearly exceeded estimates

The net finance result, on the other hand, clearly exceeded our estimate. This was driven by investment income, which benefited more than we estimated from narrower credit risk margins and well-performing equity markets. However, the net finance result fluctuates quarterly with market developments, so the forecast deviation is not significant. Term life insurance results were also better than expected.

Mainly due to the net finance result, Mandatum's profit before taxes was also clearly higher than our expectations at 79.1 MEUR. Earnings per share were EUR 0.13 for the quarter. Organic capital generation (EUR 0.10) exceeded EPS, as usual. Organic capital generation is a key figure published by the company that reflects growth in distributable wealth.

A stable balance sheet supports the outlook for profit distribution

Mandatum's Solvency II ratio was 195%. Thus, solvency is above Mandatum's target level after the company divested its ownership in Saxo Bank earlier this year. Although solvency is well above the company's target level (160-180%), we do not expect the company to unwind its balance sheet with an extra profit distribution during the year; instead, profit distribution occurs annually in connection with the financial statements.

Meanwhile, the outlook for the current year is fully in line with expectations, as Mandatum estimates that its fee result will increase from the previous year and that its with-profit portfolio will continue to decrease. However, the informative value of this is minimal, as we consider both to be almost certain.

Estimates MEUR / EUR	Q2'25 Comparison	Q2'26 Actualized	Q2'26e Inderes	Q2'26e Consensus	Consensus Low High	Difference (%) Act. vs. Inderes	2026e Inderes
Fee result	18.5	22.4	22.4	22.0	20.3 - 23.0	0 %	91.3
Result from term life insurance	2.0	5.1	3.7	3.6	3.0 - 4.4	38 %	17.2
Net finance result	21.6	55.4	41.2	35.1	29.4 - 43.2	34 %	54.0
Other result	-8.0	-3.8	-6.6	-5.9	-6.5 - -5.3	42 %	-26.8
PTP	34.2	79.1	60.7	54.8	47.6 - 62.6	30 %	136.6
EPS	0.06	0.13	0.10	0.09	0.08 - 0.10	30 %	0.23
DPS	-			-	- - -		0.80

Source: Inderes, Vara Research (consensus)

M&A activity resonates

A complementary and strategically logical step for the product offering

Mandatum announced on Thursday that it will acquire a 78.4% stake in the Swedish asset manager Cliens for a purchase price of 64 MEUR.

Cliens is a specialized fund house with approximately 3.3 BEUR (36 BSEK) in assets under management (AUM), almost entirely held in funds. Mandatum has been building its institutional client business in Sweden for a long time, and we believe that expanding through an acquisition in Sweden is a logical step. We understand that the majority of Cliens' assets under management come through distribution partners, i.e., from smaller investors. In addition, the company itself serves some one hundred institutional clients. Overall, the company's fee margin of 0.6% is relatively low for a specialized product house, reflecting the significant role of distributors. As a significant portion of the distribution comes through partners, Cliens itself is an extremely efficient organization. It has only 26 employees, and AUM per employee of ~130 MEUR is very high (2x Evli, 4x UB & CapMan). We also note that roughly two-thirds of Cliens' AUM is in one small-cap fund, and another equity fund investing in Sweden accounts for almost a quarter of the total AUM. These two funds account for over 80% of the total AUM, and this is a key risk of the transaction, especially as the small-cap fund has seen significant capital outflows in recent years. Strategically, however, the companies' compatibility appears excellent, as Cliens' strong equity expertise perfectly complements Mandatum's product offering, which has traditionally focused on fixed income investments.

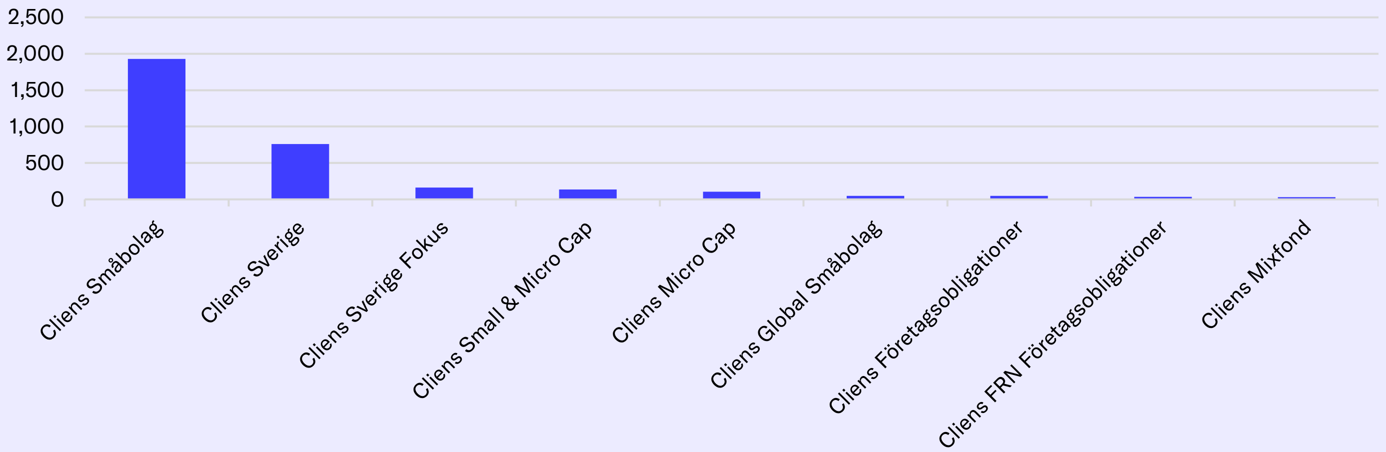
Moderate valuation reflects personnel and product risks

The pricing of the transaction also seems reasonable (with a purchase price EV/EBIT of ~7x and ~2.4% of AUM). We note, however, that given the significant personnel risks and the aforementioned strong product concentration, the multiples should be moderate. In the transaction structure, Cliens' current management and employees will retain a 21.6% ownership stake in the company, which we consider an excellent and necessary way to commit key personnel and manage personnel risks.

Excess capital is finally put to work

We have long expected Mandatum to utilize its very strong and continuously overcapitalized balance sheet in the consolidation of the asset management market. The purchase price will be paid in full in cash. The arrangement is expected to be completed by the end of 2026, following regulatory approvals, but there should be no major obstacles to its implementation. We note that the transaction is small for Mandatum in euro terms and has no significant impact on Mandatum's dividend distribution in the coming years.

Share of different products in Cliens AUM (MEUR)



Cliens	
AUM (06/30/2026)	**~3.3 BEUR (36 BSEK)**
Revenue 2025	**20.2 MEUR**
EBIT 2025	**11,2 MEUR (~55%)**
Valuation (EV, 100%)	
EV/Sales	**~4.0x**
EV/EBIT	**~7.3x**
P/E	**~9.1x**
Price/AUM	**~2.5%**

Acquisition raised our earnings estimates

Estimate revisions

- We have included the Cliens acquisition in our estimates, which significantly increased our fee result forecasts from 2027 onwards.
- Our net finance result estimates, on the other hand, increased as we revised our assessment of the investment portfolio's return levels following the interest rate hikes.
- Our estimates for the other result item, however, decreased as we made small negative revisions to our forecasts for Group expenses and other smaller income items. At the same time, we added the positive earnings impact we estimate from the reduction in Finland's corporate tax to our 2027 estimate, which raised the estimate for that year.
- Overall, our earnings estimates for the next few years rose by 7–10%, mainly due to the acquisition.
- However, our profit distribution estimates underwent some changes. Overall, we expect Mandatum's profit distribution to be more generous than our previous estimate. Although we slightly revised our dividend estimates for the coming years downwards as the acquisition ties up some capital, we estimate that Mandatum will lower its solvency target level in the future as the capital-intensive with-profit business shrinks. This increased our long-term dividend forecasts.

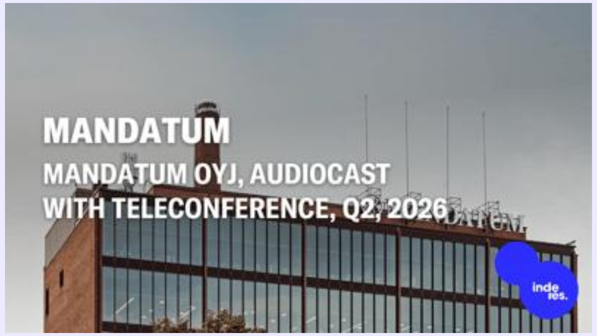
Operational earnings drivers

- Investment income still plays a significant role in Mandatum's earnings, but the ramp-down of the with-profit portfolio and the already completed sale of PE investments will gradually reduce the weight of balance sheet investments. However, this will also slow down the group's earnings development.
- Wealth and asset management continue to grow clearly in our estimates, thanks to strong new sales. In addition, the fee income will receive even clearer support from the scaling of the cost level and the Cliens acquisition.
- The development of term life insurance is expected to continue as stable, as market growth has been modest and the market shares of key players are quite stable. The item also plays a limited role in the Group's current structure, with premium income and investment activities accounting for the majority of revenue.
- In our forecasts, Mandatum's Group-level earnings will bottom out in 2026, after which we expect earnings to develop quite stably. However, for 2027, we expect a strong earnings jump as more one-off items have burdened the 2026 earnings, and the Cliens acquisition is estimated to be reflected in the figures starting from 2027. From that point forward, growth in wealth and asset management already offsets the earnings impact of the shrinking with-profit portfolio, but declining investment returns hinder the group's earnings performance in our estimates. Payout remains generous as Mandatum distributes dividends significantly exceeding annual earnings, supported by capital released from investment asset sales.

Estimate revisions MEUR / EUR	2026e Old	2026e New	Change %	2027e Old	2027e New	Change %	2028e Old	2028e New	Change %
Fee result	91.3	93.0	2 %	106.8	119.1	12 %	121.2	136.0	12 %
Result from term life insurance	17.2	18.7	9 %	15.0	15.1	1 %	15.2	15.3	1 %
Net finance result	42.3	65.0	54 %	89.1	92.1	3 %	77.7	84.7	9 %
Other result	-23.1	-24.0	-4 %	-24.0	-20.7	13 %	-21.9	-30.3	-38 %
PTP	127.7	152.6	20 %	187.0	205.7	10 %	192.1	205.7	7 %
EPS	0.22	0.26	19 %	0.30	0.33	9 %	0.31	0.33	6 %
DPS	0.87	0.80	-8 %	0.57	0.60	5 %	0.56	0.55	-2 %

Source: Inderes

Mandatum Oyj, Audiocast, Q2'26



Valuation 1/2

We have primarily gauged Mandatum's fair value using the dividend discount model, as it best reflects the company's high payout ratio and the ongoing unwinding of its overcapitalized balance sheet.

We have determined Mandatum's fair value to be around EUR 6.2 per share based on our dividend discount model. Considering this, we believe the stock is fully priced, so the investor's expected return at current levels remains insufficient. Mandatum's expected return relies heavily on a high dividend yield when the company is unwinding its overly strong balance sheet. A significant portion of the company's value is also tied to its balance sheet investment assets, although the development and outlook of the wealth management businesses play a clearly more important role for future value creation.

The dividend model is the primary valuation method

We believe that the dividend discount model (DDM) works very well for Mandatum due to the company's low investment needs and the overly strong balance sheet that the company is unwinding as the with-profit interest rate decreases. Our dividend model takes into account not only the result generated by the operating business, but also the current and future excess capital of the balance sheet, so we believe that the method gives a good picture of Mandatum's fair value. We therefore consider the DDM to be preferred method in Mandatum valuation.

In our dividend model, Mandatum's profit distribution is more heavily weighted towards the near future, as the amount of capital released from the balance sheet gradually decreases along with the investment portfolio. At the end of our estimate period, profit distribution will already be below the financial year's earnings, as the with-profit portfolio is already quite small. Further, the growth of asset management ties up solvency capital, even though the business is generally quite capital-light.

We have used 2.5% as the growth assumption for the terminal period. Although we find the long-term growth outlook for wealth management to be good, the gradual contraction of capital released from the with-profit portfolio will somewhat curb the dividend growth outlook. Our ROE requirement is 8.5%, which is the lowest in the peer group of asset managers.

Our DDM model indicates a value of some EUR 6.2 per share for Mandatum (was EUR 5.5). The increase since our previous update is explained by both the rise in our long-term profit-sharing estimates and the announced acquisition of Cliens, which we believe has good value creation potential. The impact of the increase in profit-sharing estimates was clearly greater.

The price tag for wealth management is too high, despite the good growth outlook

Finnish asset managers offer a relatively weak peer group for Mandatum, because although they are very relevant competitors for Mandatum's capital-light business, Mandatum's structure at the Group level differs significantly from them. The biggest differentiating factor is the remarkably large factoring business, which peers do not have. This return on capital is clearly lower than in the asset management business, so Finnish peers, even at best, only provide an approximate indication of the company's acceptable valuation. Therefore, we do not give significant weight to the peer group in our valuation. However, the price tag that remains for asset management based on Mandatum's current share price can be gauged through a sum-of-the-parts calculation and compared to the valuations of peers.

Valuation	2026e	2027e	2028e
Share price	6.40	6.40	6.40
Number of shares, millions	503.7	504.2	503.7
Market cap	3224	3227	3224
P/E (adj.)	24.5	19.4	19.4
P/E	24.5	19.4	19.4
P/B	2.8	3.6	4.2
Payout ratio (%)	307.3 %	180.7 %	166.2 %
Dividend yield-%	12.6 %	9.3 %	8.6 %

Source: Inderes

Valuation 2/2

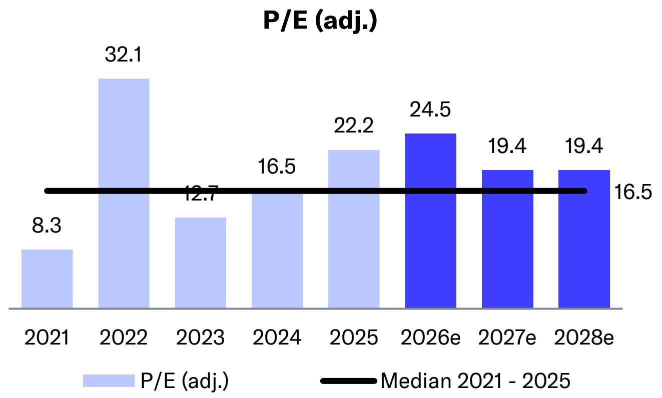
We have valued the term life insurance business at a 10x P/E multiple and our current year earnings estimate. The earnings multiple we apply is in line with European life insurance companies. We have valued the with-profit business at its net asset value (assets-liabilities). For the Group overheads, we have applied our current year estimate (~15 MEUR) and a growth factor of 2.5%. In addition, we have taken into account the Group's interest-bearing liabilities (~400 MEUR), remaining P/E investments (~40 MEUR) and the parent company's cash reserves (~100 MEUR). We note that the amount of cash in the parent company is our own estimate, as the company does not separate the cash included in the investment portfolio of the with-profit portfolio in its cash reporting. Thus, the calculation is not exact, but we believe it gives a reasonably good picture of the value of the remaining wealth management business.

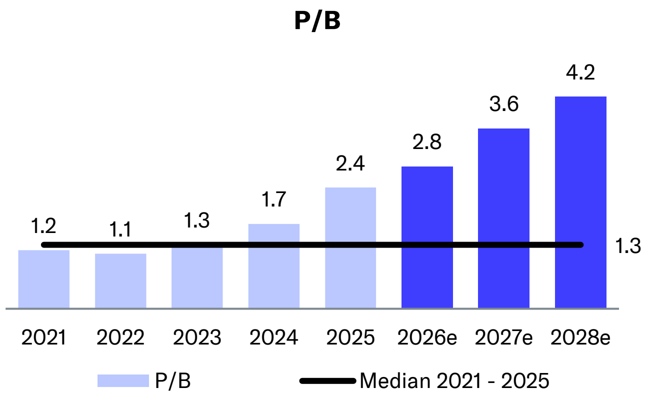
With this calculation, wealth management trades at a P/E ratio of around 30x, when the price tag is relative to our 2026 fee result estimate (considering taxes and the impact of the Cliens acquisition). The level is significantly above that of domestic peers. For example, Evli, which competes with Mandatum for the title of the highest quality company in the sector, has a P/E ratio of around 17x for 2026, almost half of Mandatum's corresponding figure. In our opinion, this valuation difference is difficult to justify, as Mandatum's long-term earnings growth outlook does not, in our view, differ significantly from Evli's Compared to other domestic players, the difference is even greater. The valuation premium is also remarkably wide when compared internationally. While we consider some premium justified due to the strong growth outlook and excellent operational execution, we find it difficult to accept a premium of the current magnitude.

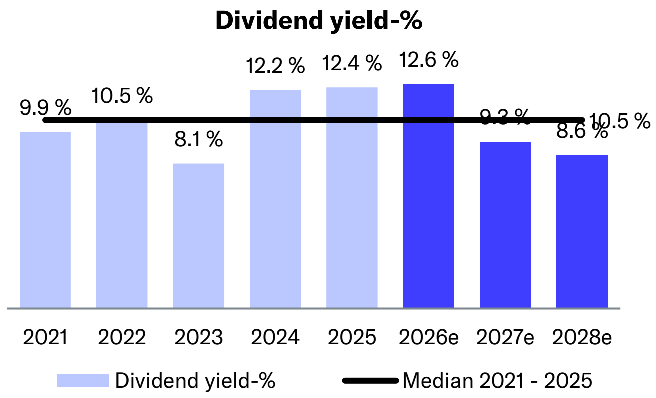
Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	3.70	3.70	4.07	5.40	6.88	**6.40**	**6.40**	**6.40**	**6.40**
Number of shares, millions	548.0	501.8	501.8	502.7	502.7	**503.7**	**504.2**	**503.7**	**503.7**
Market cap	2028	1857	2042	2715	3459	**3224**	**3227**	**3224**	**3224**
P/E (adj.)	8.3	32.1	12.7	16.5	22.2	**24.5**	**19.4**	**19.4**	**19.0**
P/E	8.3	32.1	12.7	16.5	22.2	**24.5**	**19.4**	**19.4**	**19.0**
P/B	1.2	1.1	1.3	1.7	2.4	**2.8**	**3.6**	**4.2**	**4.9**
Payout ratio (%)	81.7 %	338.6 %	103.4 %	201.2 %	274.1 %	**307.3 %**	**180.7 %**	**166.2 %**	**142.0 %**
Dividend yield-%	9.9 %	10.5 %	8.1 %	12.2 %	12.4 %	**12.6 %**	**9.3 %**	**8.6 %**	**7.5 %**

Source: Inderes NB! The closing price of the first trading day was used as the historical share price







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**	**2026e**	**2027e**	**2026e**	**2027e**	**2026e**	**2027e**	**2026e**	**2027e**	**2026e**	**2027e**	**2026e**
Alexandria	168	152	8.5	9.1	7.5	7.9	2.4	2.4	12.7	13.7	7.5	6.9	4.1
Aktia	903								10.4	10.1	5.7	6.1	1.3
CapMan	330	336	11.1	7.2	10.7	7.1	4.6	3.8	16.3	10.7	7.0	7.5	1.7
Evli	665	635	11.2	9.7	10.6	9.2	4.9	4.5	16.6	14.0	5.2	5.6	3.8
eQ	401	374	11.7	11.4	11.3	11.0	5.5	5.3	15.9	15.4	6.3	6.7	5.5
Taaleri	210	223	11.0	7.1	10.6	6.9	3.9	3.1	16.2	10.3	4.1	5.4	0.9
Titanium	64	52	8.6	11.4	7.8	9.9	2.6	2.7	13.1	16.4	7.3	5.9	4.2
United Bankers	291	285	14.4	12.7	12.5	11.2	4.4	3.9	19.6	17.0	4.6	5.0	4.4
Mandatum (Inderes)	**3224**	**3129**	**20.5**	**16.4**	**20.5**	**16.4**	**21.0**	**16.8**	**24.5**	**19.4**	**12.6**	**9.3**	**2.8**
Average			**10.9**	**9.8**	**10.2**	**9.0**	**4.0**	**3.7**	**15.1**	**13.4**	**6.0**	**6.1**	**3.2**
Median			**11.1**	**9.7**	**10.6**	**9.2**	**4.4**	**3.8**	**16.1**	**13.8**	**6.0**	**6.0**	**4.0**
Diff-% to median			***85%***	***69%***	***93%***	***77%***	***382%***	***344%***	***52%***	***40%***	***110%***	***55%***	***-28%***

Source: Refinitiv / Inderes

Income statement

Income statement	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Fee result	**66.6**	**18.8**	**18.5**	**21.7**	**21.9**	**80.9**	**20.6**	**22.4**	**24.8**	**25.1**	**93.0**	**119.1**	**136.0**	**147.9**
Result from term life insurance	**25.4**	**2.3**	**2.0**	**2.6**	**4.0**	**10.9**	**6.2**	**5.1**	**3.7**	**3.7**	**18.7**	**15.1**	**15.3**	**15.4**
Net finance income	**135.7**	**51.8**	**21.7**	**39.4**	**18.8**	**131.7**	**-46.8**	**55.4**	**28.5**	**27.9**	**65.0**	**92.1**	**84.7**	**77.2**
Other result	**-24.8**	**-10.9**	**-8.0**	**-8.0**	**-14.4**	**-41.3**	**-6.1**	**-3.8**	**-6.9**	**-7.2**	**-24.0**	**-20.7**	**-30.3**	**-30.5**
PTP	**202.9**	**61.9**	**34.2**	**55.7**	**30.3**	**182.1**	**-26.1**	**79.1**	**50.1**	**49.5**	**152.6**	**205.7**	**205.7**	**210.0**
Taxes	**-38.0**	-12.4	-4.9	-9.0	0.2	**-26.1**	13.6	-14.7	-10.0	-9.9	**-21.0**	**-37.0**	**-37.0**	**-37.8**
Minortiy share	**0.0**	0.0	0.0	0.0	0.0	**0.0**	0.0	0.0	0.0	0.0	**0.0**	**-2.0**	**-2.1**	**-2.3**
Net profit	**164.9**	**49.6**	**29.2**	**46.8**	**30.3**	**155.9**	**-12.4**	**64.5**	**40.1**	**39.6**	**131.8**	**166.7**	**166.5**	**170.0**
EPS	0.33	0.10	0.06	0.09	0.06	0.31	-0.02	0.13	0.08	0.08	0.26	0.33	0.33	0.34
DPS	0.66	-	-	-	-	0.85	-	-	-	-	0.80	0.60	0.55	0.48
Equity (IFRS)	1601	-	-	-	-	1430	-	-	-	-	1134	895	761	654
Return on equity	10.3 %	-	-	-	-	10.3 %	-	-	-	-	10.3 %	16.4 %	20.1 %	24.0 %

Assets under management (AUM)	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Group AUM (BEUR)	**14.0**	**14.0**	**14.4**	**14.9**	**15.3**	**15.3**	**15.4**	**16.7**	**17.0**	**20.8**	**20.8**	**22.9**	**25.0**	**27.1**
Institutional and wealth management customers	7.8	8.0	8.1	8.4	8.7	8.7	8.9	9.4	9.6	13.3	13.3	14.9	16.4	18.0
Corporate clients	2.6	2.7	2.8	2.8	2.9	2.9	2.9	3.2	3.3	3.4	3.4	3.7	4.1	4.4
Retail clients	3.5	3.4	3.5	3.6	3.7	3.7	3.6	4.0	4.1	4.1	4.1	4.3	4.5	4.7

Solvency	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Solvency II ratio	210 %	207 %	208 %	206 %	184 %	184 %	220 %	210 %	210 %	192 %	192 %	181 %	176 %	169 %
Solvency II without transitional provision	-	-	193 %	191 %	169 %	169 %	203 %	195 %	195 %	178 %	178 %	169 %	167 %	163 %
Solvency II own funds (MEUR)	2048	2041	1858	1847	1682	1825	1648	1705	1667	1443	1562	1427	1317	1246
Solvency capital requirement (SCR)	973	984	965	968	994	994	810	874	855	812	812	789	749	736
Excess capital at target level* (MEUR)	248	221	217	201	-8	-8	271	220	214	62	62	-8	-26	-49
Number of shares (million)	502.7	502.7	502.7	502.7	502.7	502.7	503.2	503.2	503.2	503.7	503.7	504.2	503.7	503.7
Excess capital per share at target level*	0.49	0.44	0.43	0.40	-0.02	-0.02	0.54	0.44	0.42	0.12	0.12	-0.02	-0.05	-0.10

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

Balance sheet

Assets	2024	2025	2026e	2027e	2028e
Non-current assets	**16999**	**17981**	**17979**	**17976**	**17973**
Goodwill	41.2	42.3	42.3	42.3	42.3
Intangible assets	12.9	12.9	12.9	12.9	12.9
Tangible assets	25.1	22.4	20.2	17.2	14.0
Associated companies	0.5	0.5	0.5	0.5	0.5
Other investments	16920	17903	17903	17903	17903
Other non-current assets	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	0.0	0.0	0.0	0.0	0.0
Current assets	**1054**	**830**	**647**	**412**	**358**
Inventories	0.0	0.0	0.0	0.0	0.0
Other current assets	163	143	143	143	143
Receivables	0.0	0.0	0.0	0.0	0.0
Cash and equivalents	890	688	505	270	215
Balance sheet total	**18053**	**18812**	**18626**	**18388**	**18331**

Source: Inderes

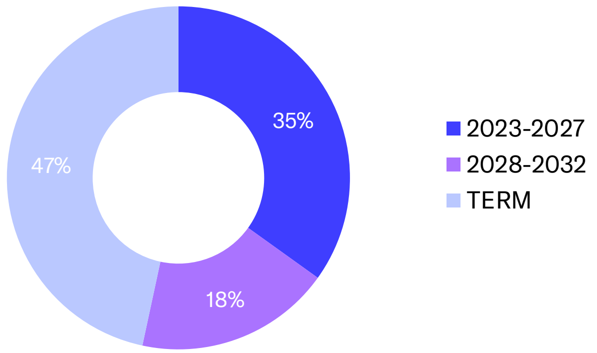
Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	**1601**	**1430**	**1134**	**895**	**761**
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	440	440	144	-93.9	-228.5
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	1161	989	989	989	989
Minorities	0.2	0.6	0.0	0.0	0.0
Non-current liabilities	**15982**	**16925**	**17036**	**17036**	**16626**
Deferred tax liabilities	134	108	108	108	108
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	299	299	410	410	0.0
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	15549	16518	16518	16518	16518
Current liabilities	**470**	**457**	**457**	**457**	**944**
Interest bearing debt	0.0	0.0	0.0	0.0	487
Payables	0.0	0.0	0.0	0.0	0.0
Other current liabilities	470	457	457	457	457
Balance sheet total	**18053**	**18812**	**18626**	**18388**	**18331**

Dividend model (DDM)

DDM valuation (MEUR)	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Mandatum's net profit	**132**	**167**	**167**	**170**	**177**	**183**	**193**	**204**	**214**	
Dividend paid by Mandatum	**405**	**301**	**277**	**241**	**229**	**219**	**158**	**162**	**166**	**2837**
Payout ratio	307%	181%	166%	142%	129%	119%	82%	79%	77%	
Dividend growth-%	*-5.2 %*	*-25.6 %*	*-8.1 %*	*-12.8 %*	*-5.1 %*	*-4.4 %*	*-27.9 %*	*2.8 %*	*2.1 %*	*2.5 %*
Discounted dividend	381	261	221	178	156	137	91	86	81	1392
Discounted cumulative dividend	2985	2604	2342	2121	1943	1788	1651	1560	1473	1392
Excess capital in the terminal period	150									
Equity value, DDM	3135									
Per share EUR	**6.2**									

Cost of capital	
Risk-free interest	2.5%
Market risk premium	4.8%
Beta	1.3
Liquidity premium	0.0%
Cost of equity	**8.5%**

Cash flow breakdown



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

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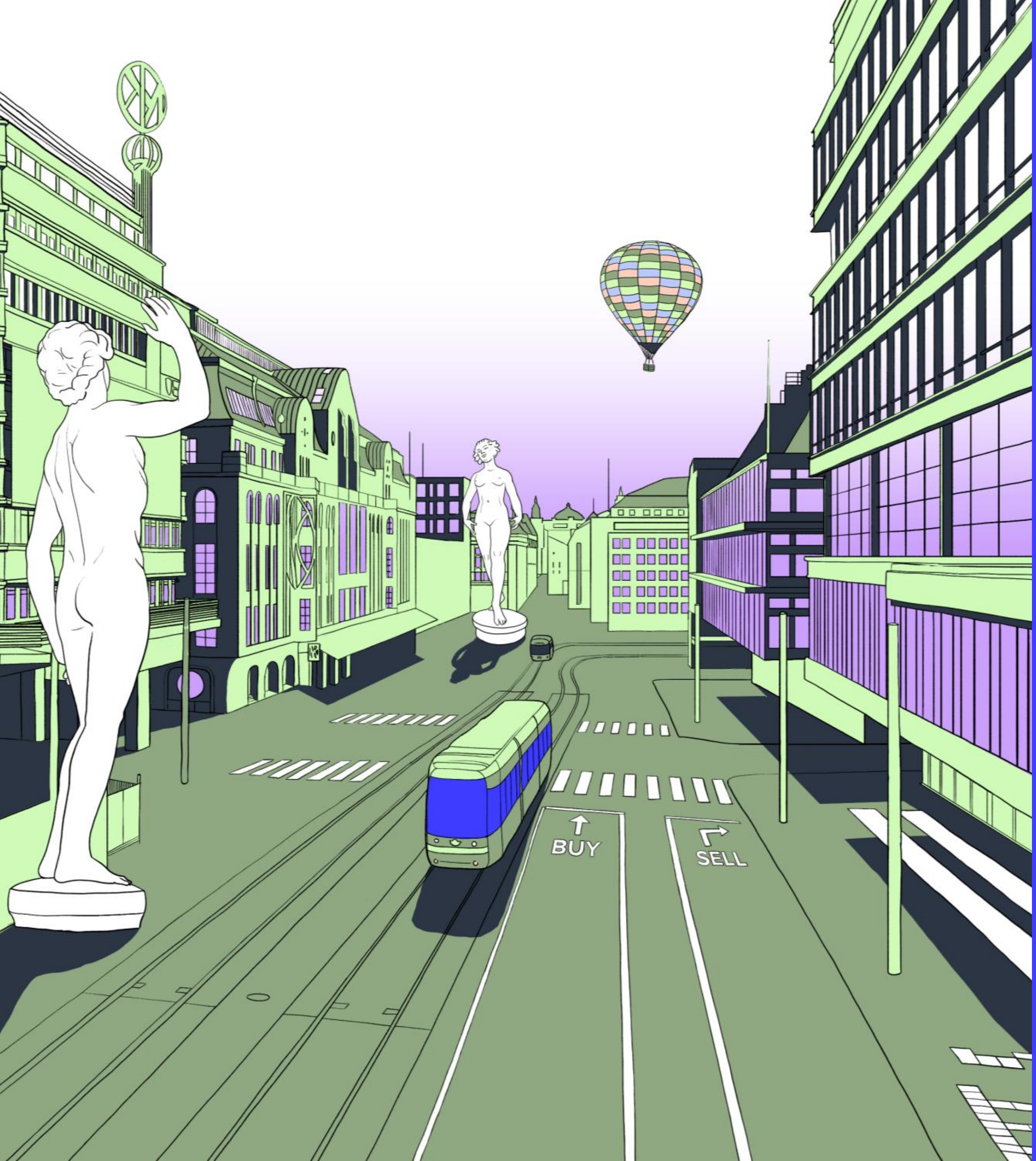
Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
10/12/2023	Buy	4.20 €	3.70 €
11/8/2023	Osta	4.20 €	3.62 €
2/14/2024	Buy	4.40 €	3.84 €
5/10/2024	Accumulate	4.50 €	4.36 €
8/14/2024	Reduce	4.50 €	4.38 €
11/13/2024	Accumulate	4.50 €	4.16 €
2/14/2025	Reduce	4.80 €	5.28 €
4/11/2025	Reduce	5.40 €	5.61 €
5/9/2025	Reduce	5.60 €	6.09 €
5/19/2025	Reduce	4.90 €	5.28 €
6/10/2025	Reduce	5.30 €	5.51 €
8/15/2025	Reduce	5.60 €	5.88 €
11/12/2025	Reduce	6.00 €	6.41 €
2/13/2026	Reduce	6.30 €	6.82 €
5/11/2026	Reduce	6.40 €	6.53 €
5/15/2026	Reduce	5.50 €	5.69 €
8/14/2026	Reduce	6.20 €	6.40 €



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