

Clear earnings beat

Taaleri's H1 results clearly beat our estimates, with income of EUR 35.2m vs. 31.9m Evli and EBIT of EUR 12.4m vs. 6.9m Evli. The earnings were attributable to the Wealth Management segment, mainly due to investment income.

- Net sales in H1 were EUR 35.2m (EUR 38.7m in H1/17), beating our estimates (Evli EUR 31.9m). The group's continuing earnings grew seven per cent.
- EBIT in H1 was EUR 12.4m (EUR 15.4m in H1/17), well above our estimates (Evli EUR 6.9m). The higher than expected earnings were attributable to the Wealth Management segment, where performance fees and investment income of EUR 5.6m and EUR 4.9m respectively were recorded, along with growth in fee income.
- The Wealth Management segments net sales in H1 were EUR 28m vs. EUR 23.2m Evli and EBIT EUR 14.1m vs. EUR 6.1m Evli.
- The Financing segments net sales in H1 were EUR 6.2m vs. EUR 9m Evli and EBIT EUR 2.4m vs. EUR 4.8m Evli.
- The Energy segments net sales in H1 were EUR 1.1m vs. EUR 1.4m Evli and EBIT EUR -0.9m vs. EUR -0.5m Evli.
- Net sales from other operations in H1 were EUR -1.5m vs. EUR -1.7m Evli and EBIT EUR -3.3m vs. EUR -3.5m Evli.
- Assets under management at the end of H1/18 amounted to EUR 6.0m

Rating + BUY

H1/18	Actual	Evli	Year ago
Net sales	35.2	31.9	38.7
EBIT	12.4	6.9	15.4
EPS	0.32	0.20	0.44

Deviation	Actual	Evli	Year ago
Net sales		10%	-9%
EBIT		78%	-19%
EPS		63%	-28%

 Share price, EUR (Last trading day's closing price) 10.05

 Target price, EUR 11.0

 Latest change in recommendation 28-May-18

 Latest report on company 28-May-18

 Research paid by issuer: YES

 No. of shares outstanding, '000's 28,351

 No. of shares fully diluted, '000's 28,351

 Market cap, EURm 285

 Free float, % 45.0

 Exchange rate -

 Reuters code TAALA.HE

 Bloomberg code TAALA FH

 Average daily volume, EURm 0.07

 Next interim report -

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+ BUY □ HOLD - SELL

PRE-REPORT KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	Ptx profit EURm	EPS EUR	P/E (x)	EV/Sales (x)	P/CF (x)	EV/EBIT (x)	DPS EUR
2016	61	16	26.7%	16	0.45	18.3	4.2	8.2	15.6	0.22
2017	81	27	33.4%	28	0.77	13.5	4.0	10.2	11.9	0.26
2018E	72	19	26.9%	19	0.55	18.4	4.3	16.2	16.1	0.29
2019E	83	28	33.8%	28	0.79	12.7	3.7	13.4	10.9	0.32
2020E	92	34	37.4%	34	0.97	10.4	3.2	10.6	8.6	0.34

Market cap, EURm	285	BV per share 2018E, EUR	4.0	CAGR EPS 2017-20, %	8.1
Net debt 2018E, EURm	26	Price/book 2018E	2.5	CAGR sales 2017-20, %	4.3
Enterprise value, EURm	312	Dividend yield 2018E, %	2.9	ROE 2018E, %	14.1
Total assets 2018E, EURm	229	Tax rate 2018E, %	20.0	ROCE 2018E, %	11.5
Goodwill 2018E, EURm	1	Equity ratio 2018E, %	49.8	PEG, P/E 18/CAGR	0.8

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

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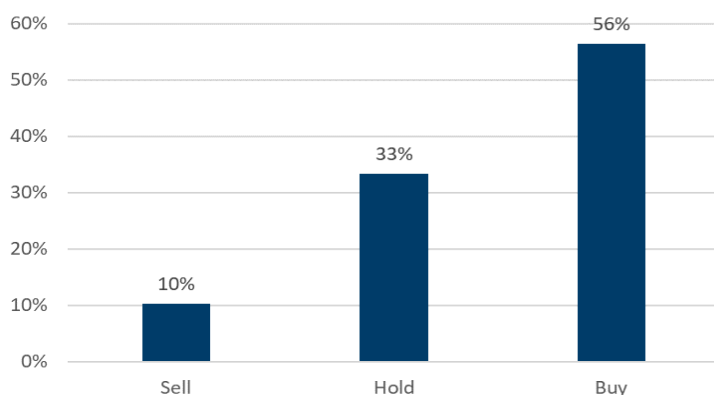
Detailed information about the valuation or methodology and the underlying assumptions is accessible via ERP:

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Investment recommendations are defined as follows:

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

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The graph above shows the distribution of ERP's recommendations of companies under coverage in 16th of April 2018. If recommendation is not given, it is not mentioned here.

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

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