

Eyes on Wealth Management

Taaleri has previously given guidance for an operating profit margin of 20-25% in H1/19, affected by a decline in Wealth Management's continuing earnings and a postponement of planned projects. We expect the bulk of earnings from Financing following a favourable investment environment during H1. We keep our long-term view intact pre-H1 and retain our BUY-rating, lowering our TP to EUR 8.0 (8.5) to reflect increased Wealth Management uncertainty.

Co's H1/19 operating profit margin guidance 20-25%

Taaleri will report H1/19 results on August 15th. Taaleri has previously given guidance for a H1 operating profit margin of 20-25%, mainly following a decline in continuing earnings in Wealth Management and the postponement of planned projects to H2/19. The corresponding full year margin is expected to be slightly lower than in 2018 (33.0%).

Financing main earnings contributor in H1/19E

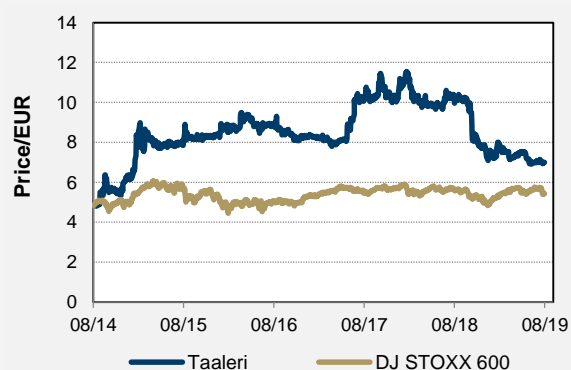
We expect the bulk of Taaleri's H1 results to be delivered by Financing, following expected solid investment returns from the favourable market environment during H1. Wealth Management's continuing earnings are as per company guidance expected to be lower y/y, and we further expect performance fees and investment returns to have been only minor. We see reason for viewing AUM development with caution and will focus our attention in the H1/19 report on the development of Wealth Management. We expect the operating profit of Energy to have remained in the red during H1 but the first closing of the SolarWind II -fund at EUR 220m post-Q2 as well as the expected exit from the Truscott-Gilliland East wind farm are expected to significantly boost both Energy's and group earnings in H2.

BUY with a target price of EUR 8.0 (8.5).

The development of Wealth Management's continuing earnings gives some reason for concern. However, with the currently limited information we do not see a basis for extrapolating any long-term conclusions before the H1 report. As such we retain our BUY rating but lower our target price to EUR 8.0 (8.5).

Rating

BUY



Share price, EUR (Last trading day's closing price) 7.00

Target price, EUR 8.0

Latest change in recommendation 29-May-18

Latest report on company 15-Feb-19

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 198

Free float, % 45.0

Exchange rate 0.000

Reuters code TAALA.HE

Bloomberg code TAALA FH

Average daily volume, EURm 0.07

Next interim report 15-Aug-19

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BUY HOLD SELL

KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	Ptx profit EURm	EPS EUR	P/E (x)	EV/Sales (x)	P/CF (x)	EV/EBIT (x)	DPS EUR
2017	81	27	33.4%	28	0.77	13.5	4.0	10.2	11.9	0.26
2018	73	24	33.3%	24	0.76	9.3	3.3	-82.9	10.0	0.30
2019E	72	21	28.6%	21	0.58	12.1	3.2	10.9	11.1	0.30
2020E	77	24	30.5%	24	0.66	10.5	2.9	11.4	9.4	0.32
2021E	82	27	33.3%	27	0.77	9.1	2.6	9.5	7.7	0.33
Market cap, EURm		198	BV per share 2019E, EUR			4.5	CAGR EPS 2018-21, %			0.4
Net debt 2019E, EURm		27	Price/book 2019E			1.5	CAGR sales 2018-21, %			4.3
Enterprise value, EURm		228	Dividend yield 2019E, %			4.3	ROE 2019E, %			13.2
Total assets 2019E, EURm		237	Tax rate 2019E, %			20.0	ROCE 2019E, %			11.2
Goodwill 2019E, EURm		5	Equity ratio 2019E, %			54.9	PEG, P/E 19/CAGR			1.1

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

Taaleri	2017	H1/'18	H2/'18	2018	H1/'19E	H2/'19E	2019E	2020E	2021E
Income	81.0	35.5	37.3	72.3	31.1	40.8	71.9	77.3	82.2
<i>change, %</i>	<i>33.7%</i>	<i>-8.4%</i>	<i>-11.8%</i>	<i>-10.7%</i>	<i>-12.3%</i>	<i>9.4%</i>	<i>-0.5%</i>	<i>7.5%</i>	<i>6.4%</i>
Share of associates	-0.6	-0.3	0.5	0.2	0.0	0.0	0.0	0.0	0.0
Operating profit	27.6	12.4	11.5	23.9	6.8	13.8	20.7	23.5	27.4
<i>Operating profit margin, %</i>	<i>1.4%</i>	<i>34.9%</i>	<i>30.8%</i>	<i>33.0%</i>	<i>21.7%</i>	<i>33.8%</i>	<i>28.8%</i>	<i>30.5%</i>	<i>33.3%</i>
Wealth Management	2017	H1/'18	H2/'18	2018	H1/'19E	H2/'19E	2019E	2020E	2021E
Income	54.6	29.7	19.0	48.7	18.0	24.3	42.3	51.0	54.7
<i>change, %</i>	<i>47.3%</i>	<i>24.4%</i>	<i>-38.0%</i>	<i>-10.7%</i>	<i>-39.4%</i>	<i>27.6%</i>	<i>-13.2%</i>	<i>20.6%</i>	<i>7.3%</i>
Operating profit	16.6	14.1	2.7	16.8	2.2	6.9	9.1	16.5	19.2
<i>Operating profit margin, %</i>	<i>30.5%</i>	<i>47.6%</i>	<i>14.1%</i>	<i>34.5%</i>	<i>12.2%</i>	<i>28.4%</i>	<i>21.5%</i>	<i>32.3%</i>	<i>35.1%</i>
Financing	2017	H1/'18	H2/'18	2018	H1/'19E	H2/'19E	2019E	2020E	2021E
Income	21.8	6.2	6.3	12.5	10.6	8.4	19.0	18.1	18.5
<i>change, %</i>	<i>76.4%</i>	<i>-47.2%</i>	<i>-37.2%</i>	<i>-42.6%</i>	<i>71.6%</i>	<i>33.1%</i>	<i>52.1%</i>	<i>-4.7%</i>	<i>2.2%</i>
Operating profit	13.9	2.4	2.5	4.9	6.5	3.6	10.2	8.2	8.9
<i>Operating profit margin, %</i>	<i>64%</i>	<i>38.9%</i>	<i>39.6%</i>	<i>40%</i>	<i>60.8%</i>	<i>42.9%</i>	<i>53.6%</i>	<i>45.4%</i>	<i>48.2%</i>
Energy	2017	H1/'18	H2/'18	2018	H1/'19E	H2/'19E	2019E	2020E	2021E
Income	1.8	1.1	1.2	2.3	2.0	7.6	9.6	7.2	8.0
<i>change, %</i>	<i>>100%</i>	<i>40.3%</i>	<i>17.9%</i>	<i>27.7%</i>	<i>83.7%</i>	<i>>100%</i>	<i>>100%</i>	<i>-25.0%</i>	<i>11.1%</i>
Operating profit	-1.5	-0.9	-1.4	-2.3	-0.8	4.6	3.8	1.1	1.5
<i>Operating profit margin, %</i>	<i>-86.5%</i>	<i>-84.4%</i>	<i><-100 %</i>	<i><-100 %</i>	<i>-40.0%</i>	<i>60.5%</i>	<i>40%</i>	<i>16%</i>	<i>19%</i>
Other operations	2017	H1/'18	H2/'18	2018	H1/'19E	H2/'19E	2019E	2020E	2021E
Income	3.4	-1.5	10.3	8.8	0.5	0.5	1.0	1.0	1.0
<i>change, %</i>	<i>-68.8%</i>	<i>-</i>	<i>>100%</i>	<i>>100%</i>	<i>-</i>	<i>-95.1%</i>	<i>-88.6%</i>	<i>0.0%</i>	<i>0.0%</i>
Operating profit	-1.4	-3.3	7.7	4.4	-1.1	-1.3	-2.4	-2.3	-2.2
<i>Operating profit margin, %</i>	<i>-40.5%</i>	<i>-</i>	<i>75.0%</i>	<i>50.6%</i>	<i><-100 %</i>	<i><-100 %</i>	<i><-100 %</i>	<i><-100 %</i>	<i><-100 %</i>

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	7.00 PV of Free Cash Flow	142 Long-term growth, %	2.0 Risk-free interest rate, %
DCF share value	10.15 PV of Horizon value	184 WACC, %	8.7 Market risk premium, %
Share price potential, %	45.0 Unconsolidated equity	-3 Spread, %	0.5 Debt risk premium, %
Maximum value	11.1 Marketable securities	26 Minimum WACC, %	8.2 Equity beta coefficient
Minimum value	9.3 Debt - dividend	-62 Maximum WACC, %	9.2 Target debt ratio, %
Horizon value, %	56.3 Value of stock	288 Nr of shares, Mn	28.4 Effective tax rate, %

DCF valuation, EURm	2018	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	Horizon
Net sales	73	72	77	82	86	91	94	98	101	104	106	108
<i>Sales growth, %</i>	-10.5	-0.8	7.5	6.4	5.0	5.0	4.0	4.0	3.0	3.0	2.0	2.0
Operating income (EBIT)	24	21	24	27	28	29	30	31	32	33	34	35
<i>EBIT margin, %</i>	33.3	28.6	30.5	33.3	32.5	32.0	32.0	32.0	32.0	32.0	32.0	32.0
+ Depreciation+amort.	1	2	1	1	1	1	1	1	2	2	2	
- Income taxes	-5	-4	-5	-5	-6	-6	-6	-6	-6	-7	-7	
- Change in NWC	-23	0	-2	-2	-2	-2	-2	-2	-1	-1	-1	
<i>NWC / Sales, %</i>	33.1	33.0	33.9	34.6	35.2	35.7	36.1	36.5	36.7	37.0	37.2	
+ Change in other liabs	3	0	0	0	0	0	0	0	0	0	0	
- Capital Expenditure	-17	-1	-1	-1	-1	-1	-2	-2	-2	-2	-2	-2
<i>Investments / Sales, %</i>	24.0	2.1	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6
- Other items	0	0	0	0	0	0	0	0	0	0	0	
= Unlevered Free CF (FCF)	-17	17	16	19	20	21	22	23	24	25	26	400
= Discounted FCF (DFCF)		16	14	16	15	15	14	14	13	13	12	184
= DFCF min WACC		16	15	16	16	15	15	14	14	13	13	207
= DFCF max WACC		16	14	16	15	14	14	13	13	12	11	164

INTERIM FIGURES

EVLI ESTIMATES, EURm	2018Q1	2018Q2	2018Q3	2018Q4	2018	2019Q1E	2019Q2E	2019Q3E	2019Q4E	2019E	2020E	2021E
Net sales	0	35	0	37	73	0	31	0	41	72	77	82
EBITDA	0	13	0	12	25	0	8	0	15	22	25	29
<i>EBITDA margin (%)</i>	<i>0.0</i>	<i>36.9</i>	<i>0.0</i>	<i>33.0</i>	<i>34.9</i>	<i>0.0</i>	<i>24.1</i>	<i>0.0</i>	<i>35.7</i>	<i>30.7</i>	<i>31.9</i>	<i>34.7</i>
EBIT	0	12	0	12	24	0	7	0	14	21	24	27
<i>EBIT margin (%)</i>	<i>0.0</i>	<i>35.2</i>	<i>0.0</i>	<i>31.5</i>	<i>33.3</i>	<i>0.0</i>	<i>21.7</i>	<i>0.0</i>	<i>33.8</i>	<i>28.6</i>	<i>30.5</i>	<i>33.3</i>
Net financial items	0	0	0	0	0	0	0	0	0	0	0	0
Pre-tax profit	0	12	0	12	24	0	7	0	14	21	24	27
Tax	0	-3	0	1	-2	0	-1	0	-3	-4	-5	-5
<i>Tax rate (%)</i>	<i>0.0</i>	<i>24.1</i>	<i>0.0</i>	<i>-6.2</i>	<i>9.4</i>	<i>0.0</i>	<i>20.0</i>	<i>0.0</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>
Net profit	0	9	0	12	22	0	5	0	11	16	19	22
EPS	0.00	0.33	0.00	0.43	0.76	0.00	0.19	0.00	0.39	0.58	0.66	0.77
EPS adjusted (diluted no. of shares)	0.00	0.33	0.00	0.43	0.76	0.00	0.19	0.00	0.39	0.58	0.66	0.77
Dividend per share	0.00	0.00	0.00	0.00	0.30	0.00	0.00	0.00	0.00	0.30	0.32	0.33
SALES, EURm												
Wealth management	0	30	0	19	49	0	18	0	24	42	51	55
Financing	0	6	0	6	12	0	11	0	8	19	18	19
Energy	0	1	0	1	2	0	2	0	8	10	7	8
Other & share of associates	0	-2	0	11	9	0	1	0	1	1	1	1
Total	0	35	0	37	73	0	31	0	41	72	77	82
SALES GROWTH, Y/Y %												
<i>Wealth management</i>	<i>0.0</i>	<i>24.4</i>	<i>0.0</i>	<i>-38.0</i>	<i>-10.7</i>	<i>0.0</i>	<i>-39.4</i>	<i>0.0</i>	<i>27.6</i>	<i>-13.2</i>	<i>20.6</i>	<i>7.3</i>
<i>Financing</i>	<i>0.0</i>	<i>-47.2</i>	<i>0.0</i>	<i>-37.2</i>	<i>-42.6</i>	<i>0.0</i>	<i>71.6</i>	<i>0.0</i>	<i>33.1</i>	<i>52.1</i>	<i>-4.7</i>	<i>2.2</i>
<i>Energy</i>	<i>0.0</i>	<i>40.3</i>	<i>0.0</i>	<i>17.9</i>	<i>27.7</i>	<i>0.0</i>	<i>83.7</i>	<i>0.0</i>	<i>538.2</i>	<i>321.1</i>	<i>-25.0</i>	<i>11.1</i>
<i>Other & share of associates</i>	<i>0.0</i>	<i>-175.6</i>	<i>0.0</i>	<i>1,863.8</i>	<i>216.0</i>	<i>0.0</i>	<i>-128.7</i>	<i>0.0</i>	<i>-95.3</i>	<i>-88.9</i>	<i>0.0</i>	<i>0.0</i>
Total	0.0	-8.9	0.0	-11.9	-10.5	0.0	-11.7	0.0	9.4	-0.8	7.5	6.4
EBIT, EURm												
Wealth management	0	14	0	3	17	0	2	0	7	9	16	19
Financing	0	2	0	3	5	0	6	0	4	10	8	9
Energy	0	-1	0	-1	-2	0	-1	0	5	4	1	1
Other & share of associates	0	-3	0	8	5	0	-1	0	-1	-2	-2	-2
Total	0	12	0	12	24	0	7	0	14	21	24	27
EBIT margin, %												
<i>Wealth management</i>	<i>0.0</i>	<i>47.6</i>	<i>0.0</i>	<i>14.1</i>	<i>34.5</i>	<i>0.0</i>	<i>12.2</i>	<i>0.0</i>	<i>28.4</i>	<i>21.5</i>	<i>32.3</i>	<i>35.1</i>
<i>Financing</i>	<i>0.0</i>	<i>39.0</i>	<i>0.0</i>	<i>40.3</i>	<i>39.6</i>	<i>0.0</i>	<i>60.8</i>	<i>0.0</i>	<i>42.9</i>	<i>52.9</i>	<i>45.4</i>	<i>48.2</i>
<i>Energy</i>	<i>0.0</i>	<i>-84.3</i>	<i>0.0</i>	<i>-118.6</i>	<i>-102.2</i>	<i>0.0</i>	<i>-40.0</i>	<i>0.0</i>	<i>60.5</i>	<i>39.6</i>	<i>15.7</i>	<i>18.6</i>
<i>Other & share of associates</i>	<i>0.0</i>	<i>187.1</i>	<i>0.0</i>	<i>73.7</i>	<i>51.8</i>	<i>0.0</i>	<i>-220.0</i>	<i>0.0</i>	<i>-260.0</i>	<i>-240.0</i>	<i>-230.0</i>	<i>-223.3</i>
Total	0.0	35.2	0.0	31.5	33.3	0.0	21.7	0.0	33.8	28.6	30.5	33.3

INCOME STATEMENT, EURm	2014	2015	2016	2017	2018	2019E	2020E	2021E
Sales	54	59	61	81	73	72	77	82
<i>Sales growth (%)</i>	<i>95.7</i>	<i>9.5</i>	<i>3.3</i>	<i>33.7</i>	<i>-10.5</i>	<i>-0.8</i>	<i>7.5</i>	<i>6.4</i>
Costs	-32	-39	-43	-53	-47	-50	-53	-54
Reported EBITDA	21	20	18	28	25	22	25	29
Extraordinary items in EBITDA	0	0	0	0	0	0	0	0
<i>EBITDA margin (%)</i>	<i>39.9</i>	<i>33.6</i>	<i>29.0</i>	<i>35.0</i>	<i>34.9</i>	<i>30.7</i>	<i>31.9</i>	<i>34.7</i>
Depreciation	-1	-1	-1	-1	-1	-1	-1	-1
EBITA	21	19	16	27	24	21	24	27
Goodwill amortization / writedown	0	0	0	0	0	0	0	0
Reported EBIT	21	19	16	27	24	21	24	27
<i>EBIT margin (%)</i>	<i>38.9</i>	<i>32.1</i>	<i>26.7</i>	<i>33.4</i>	<i>33.3</i>	<i>28.6</i>	<i>30.5</i>	<i>33.3</i>
Net financials	0	0	0	1	0	0	0	0
Pre-tax profit	21	19	16	28	24	21	24	27
Extraordinary items	0	29	4	-4	0	0	0	0
Taxes	-4	-3	-4	-6	-2	-4	-5	-5
Minority shares	0	0	0	0	0	0	0	0
Net profit	17	44	17	18	22	16	19	22
BALANCE SHEET, EURm								
Assets								
Fixed assets	86	164	137	168	165	165	165	165
<i>% of sales</i>	<i>160</i>	<i>280</i>	<i>227</i>	<i>207</i>	<i>227</i>	<i>229</i>	<i>213</i>	<i>201</i>
Goodwill	1	1	1	1	5	5	5	5
<i>% of sales</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>7</i>	<i>7</i>	<i>7</i>	<i>6</i>
Inventory	0	0	0	0	0	0	0	0
<i>% of sales</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Receivables	35	23	20	25	40	40	42	44
<i>% of sales</i>	<i>65</i>	<i>40</i>	<i>32</i>	<i>31</i>	<i>55</i>	<i>55</i>	<i>54</i>	<i>54</i>
Liquid funds	32	28	55	35	26	26	28	30
<i>% of sales</i>	<i>59</i>	<i>48</i>	<i>91</i>	<i>43</i>	<i>36</i>	<i>36</i>	<i>36</i>	<i>36</i>
Total assets	153	217	213	229	238	237	242	246
Liabilities								
Equity	38	97	94	106	122	130	141	153
<i>% of sales</i>	<i>71</i>	<i>165</i>	<i>155</i>	<i>131</i>	<i>169</i>	<i>181</i>	<i>182</i>	<i>187</i>
Deferred taxes	3	18	17	16	15	15	15	15
<i>% of sales</i>	<i>5</i>	<i>30</i>	<i>28</i>	<i>20</i>	<i>20</i>	<i>20</i>	<i>19</i>	<i>18</i>
Interest bearing debt	100	75	74	63	62	53	48	39
<i>% of sales</i>	<i>187</i>	<i>128</i>	<i>122</i>	<i>77</i>	<i>85</i>	<i>74</i>	<i>62</i>	<i>47</i>
Non-interest bearing current liabilities	0	0	0	0	0	0	0	0
<i>% of sales</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Other interest free debt	12	27	29	45	39	39	39	39
<i>% of sales</i>	<i>23</i>	<i>46</i>	<i>48</i>	<i>55</i>	<i>54</i>	<i>54</i>	<i>51</i>	<i>48</i>
Total liabilities	153	217	213	229	238	237	242	246
CASH FLOW, EURm								
+ EBITDA	21	20	18	28	25	22	25	29
- Net financial items	0	0	0	1	0	0	0	0
- Taxes	-2	12	-5	-7	-5	-4	-5	-5
- Increase in Net Working Capital	-16	13	4	5	-23	0	-2	-2
+/- Other	-13	-26	11	3	0	0	0	0
= Cash flow from operations	-9	19	28	29	0	18	17	21
- Capex	0	-115	-11	-10	-17	-1	-1	-1
- Acquisitions	0	0	0	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Net cash flow	1	-57	11	14	-18	17	16	19
+/- Change in interest-bearing debt	100	-25	-1	-11	-1	-8	-6	-9
+/- New issues/buybacks	-1	15	-17	0	2	0	0	0
- Paid dividend	0	0	-3	-6	-7	-9	-9	-9
+/- Change in loan receivables	0	13	2	5	3	0	0	0
Change in cash	100	-54	-8	3	-21	0	2	2

KEY FIGURES	2015	2016	2017	2018	2019E	2020E	2021E
M-cap	123	233	293	201	198	198	198
Net debt	47	19	28	36	27	20	9
Enterprise value	173	253	323	240	228	221	210
Sales	59	61	81	73	72	77	82
EBITDA	20	18	28	25	22	25	29
EBIT	19	16	27	24	21	24	27
Pre-tax	19	16	28	24	21	24	27
Earnings	16	13	22	22	16	19	22
Book value	95	93	106	121	129	139	152
Valuation multiples							
EV/sales	3.0	4.2	4.0	3.3	3.2	2.9	2.6
EV/EBITDA	8.8	14.4	11.4	9.5	10.4	8.9	7.4
EV/EBITA	9.2	15.6	11.9	10.0	11.1	9.4	7.7
EV/EBIT	9.2	15.6	11.9	10.0	11.1	9.4	7.7
EV/operating cash flow	9.1	8.9	11.2	-98.9	12.5	12.6	10.1
EV/cash earnings	5.5	19.5	14.9	11.8	12.7	11.1	9.1
P/E	15.0	18.3	13.5	9.3	12.1	10.5	9.1
P/E excl. goodwill	15.0	18.3	13.5	9.3	12.1	10.5	9.1
P/B	1.3	2.5	2.8	1.7	1.5	1.4	1.3
P/sales	4.0	3.9	3.6	2.8	2.8	2.6	2.4
P/CF	12.5	8.2	10.2	-82.9	10.9	11.4	9.5
Target EV/EBIT	0.0	0.0	0.0	0.0	12.5	10.5	8.7
Target P/E	0.0	0.0	0.0	0.0	13.8	12.0	10.4
Target P/B	0.0	0.0	0.0	0.0	1.8	1.6	1.5
Per share measures							
Number of shares	28,306	28,306	28,351	28,351	28,351	28,351	28,351
Number of shares (diluted)	28,306	28,306	28,351	28,351	28,351	28,351	28,351
EPS	0.56	0.45	0.77	0.76	0.58	0.66	0.77
EPS excl. goodwill	0.56	0.45	0.77	0.76	0.58	0.66	0.77
Cash EPS	1.12	0.46	0.76	0.72	0.63	0.70	0.81
Operating cash flow per share	0.67	1.01	1.02	-0.09	0.64	0.62	0.73
Capital employed per share	3.40	3.56	3.55	4.92	4.91	5.00	5.09
Book value per share	3.35	3.30	3.73	4.26	4.54	4.90	5.35
Book value excl. goodwill	3.33	3.28	3.71	4.08	4.36	4.72	5.18
Dividend per share	0.10	0.22	0.26	0.30	0.30	0.32	0.33
Dividend payout ratio, %	18.6	48.8	33.8	39.3	51.7	48.2	42.7
Dividend yield, %	1.2	2.7	2.5	4.3	4.3	4.6	4.7
Efficiency measures							
ROE	24.1	13.6	21.9	19.1	13.2	14.1	15.1
ROCE	12.1	9.6	16.4	13.5	11.2	12.7	14.4
Financial ratios							
Capex/sales, %	195.9	17.9	12.0	24.0	2.1	1.6	1.6
Capex/depreciation excl. goodwill,%	13,207.7	782.9	738.5	1,095.3	98.8	114.7	112.4
Net debt/EBITDA, book-weighted	2.4	1.1	1.0	1.4	1.2	0.8	0.3
Debt/equity, market-weighted	0.6	0.3	0.2	0.3	0.3	0.2	0.2
Equity ratio, book-weighted	44.8	44.0	46.3	51.4	54.9	58.1	62.3
Gearing	0.49	0.20	0.27	0.29	0.21	0.14	0.06
Number of employees, average	175	179	184	183	187	190	194
Sales per employee, EUR	335,200	338,374	440,158	396,246	385,192	406,044	423,372
EBIT per employee, EUR	107,497	90,341	146,897	131,754	110,093	123,681	140,950

COMPANY DESCRIPTION: Taaleri is a Finnish company operating in wealth management, financing and investments. Taaleri operates through three segments; Wealth Management, Financing, and Energy, and its clients are wealthy private individuals, institutional investors and companies. Taaleri is headquartered in Finland and was founded in 2007. The company listed on Helsinki First North in 2013 and moved to the Nasdaq Helsinki main list in 2016.

INVESTMENT CASE:

OWNERSHIP STRUCTURE	SHARES	EURm	%
Veikko Laine Oy	2,861,430	20.030	10.1%
Oy Hermitage Ab	2,503,128	17.522	8.8%
Elomaa Heikki Juhani	1,721,272	12.049	6.1%
Haaparinne Karri Erik	1,451,521	10.161	5.1%
Lombard International Assurance S.A.	1,386,452	9.705	4.9%
Fennia Life Insurance Company Ltd	1,260,685	8.825	4.4%
Swiss Life Luxembourg Sa	1,255,173	8.786	4.4%
Lampinen Petri	509,067	3.563	1.8%
Mathur Ranjit Juhani C.	430,000	3.010	1.5%
Lehto Vesa Matti	367,100	2.570	1.3%
Ten largest	13,745,828	96.221	48%
Residual	14,604,792	102.234	52%
Total	28,350,620	198.454	100%

EARNINGS CALENDAR

August 15, 2019

Q2 report

OTHER EVENTS

March 20, 2019

AGM

COMPANY MISCELLANEOUS

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Kasarmikatu 21B, FI-00130 Helsinki

CFO: Minna Smedsten

Tel: +358 46 714 7100

IR: Sophie Jolly

DEFINITIONS

P/E	$\frac{\text{Price per share}}{\text{Earnings per share}}$	EPS	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes} + \text{minority interest}}{\text{Number of shares}}$
P/Sales	$\frac{\text{Market cap}}{\text{Sales}}$	DPS	Dividend for the financial period per share
P/BV	$\frac{\text{Price per share}}{\text{Shareholders' equity} + \text{taxed provisions per share}}$	CEPS	$\frac{\text{Gross cash flow from operations}}{\text{Number of shares}}$
P/CF	$\frac{\text{Price per share}}{\text{Operating cash flow per share}}$	EV/Share	$\frac{\text{Enterprise value}}{\text{Number of shares}}$
EV (Enterprise value)	Market cap + net debt + minority interest at market value – share of associated companies at market value	Sales/Share	$\frac{\text{Sales}}{\text{Number of shares}}$
Net debt	Interest bearing debt – financial assets	EBITDA/Share	$\frac{\text{Earnings before interest, tax, depreciation and amortisation}}{\text{Number of shares}}$
EV/Sales	$\frac{\text{Enterprise value}}{\text{Sales}}$	EBIT/Share	$\frac{\text{Operating profit}}{\text{Number of shares}}$
EV/EBITDA	$\frac{\text{Enterprise value}}{\text{Earnings before interest, tax, depreciation and amortisation}}$	EAFI/Share	$\frac{\text{Pretax profit}}{\text{Number of shares}}$
EV/EBIT	$\frac{\text{Enterprise value}}{\text{Operating profit}}$	Capital employed/Share	$\frac{\text{Total assets} - \text{non interest bearing debt}}{\text{Number of shares}}$
Div yield, %	$\frac{\text{Dividend per share}}{\text{Price per share}}$	Total assets	Balance sheet total
Payout ratio, %	$\frac{\text{Total dividends}}{\text{Earnings before extraordinary items and taxes} - \text{income taxes} + \text{minority interest}}$	Interest coverage (x)	$\frac{\text{Operating profit}}{\text{Financial items}}$
Net cash/Share	$\frac{\text{Financial assets} - \text{interest bearing debt}}{\text{Number of shares}}$	Asset turnover (x)	$\frac{\text{Turnover}}{\text{Balance sheet total (average)}}$
ROA, %	$\frac{\text{Operating profit} + \text{financial income} + \text{extraordinary items}}{\text{Balance sheet total} - \text{interest free short term debt} - \text{long term advances received and accounts payable (average)}}$	Debt/Equity, %	$\frac{\text{Interest bearing debt}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}$
ROCE, %	$\frac{\text{Profit before extraordinary items} + \text{interest expenses} + \text{other financial costs}}{\text{Balance sheet total} - \text{non interest bearing debt (average)}}$	Equity ratio, %	$\frac{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}{\text{Total assets} - \text{interest free loans}}$
ROE, %	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions (average)}}$	CAGR, %	Cumulative annual growth rate = Average growth per year

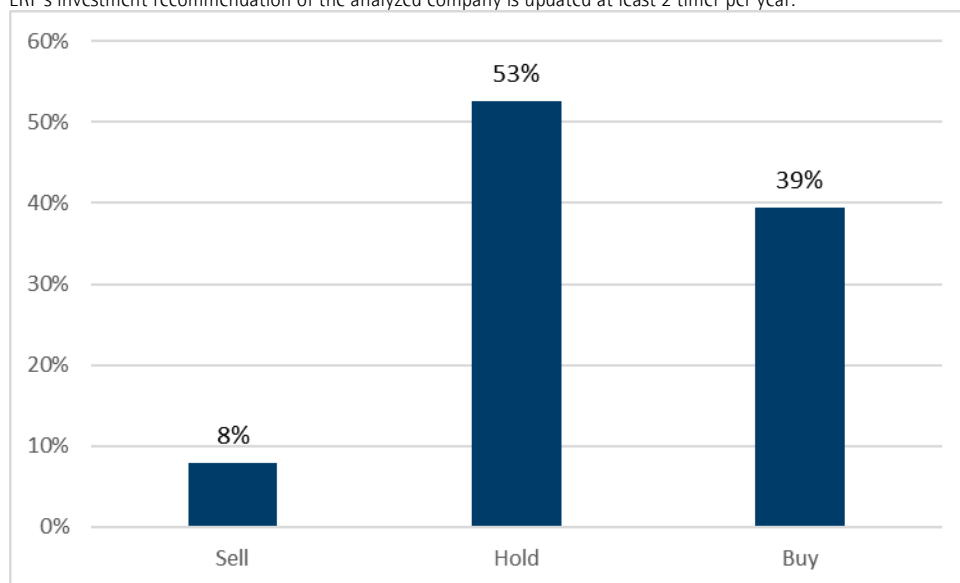
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Investment recommendations are defined as follows:

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 1st of February 2019. If recommendation is not given, it is not mentioned here.

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

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