

## In line with expectations

Talenom's net sales in Q1 grew 17.0% to EUR 20.3m, in line with our and consensus estimates (EUR 19.9m/20.3m Evli/cons.). EBIT amounted to EUR 4.4m, in line with our and consensus estimates (EUR 4.4m/4.3m Evli/cons.).

- Net sales in Q1 amounted to EUR 20.3m (EUR 17.4m in Q1/20), in line with our and consensus estimates (EUR 19.9m/20.3m Evli/Cons.). Growth in Q1 amounted to 17.0% y/y.
- Operating profit in Q1 amounted to EUR 4.4m (EUR 3.7m in Q1/20), in line with our and consensus estimates (EUR 4.4m/4.3m Evli/cons.), at a margin of 21.7%.
- EPS in Q1 amounted to EUR 0.08 (EUR 0.07 in Q1/20), in line with our and consensus estimates (EUR 0.08 Evli/cons.).
- The development of the organic growth and profitability of the accounting business in Finland during Q1, without the effect of acquisitions, was according to Talenom once again excellent.
- Net investments during Q1/21 amounted to EUR 9.8m (Q1/2020: EUR 4.1m).
- **Guidance intact (updated 15.4.2021):** Net sales in 2021 are expected to amount to EUR 80-84m and operating profit to EUR 14-16m.

### Rating

HOLD

Q1/21	Actual	Evli	Consensus	Year ago
Net sales	20.3	19.9	20.3	17.4
EBIT	4.4	4.4	4.3	3.7
EPS	0.08	0.08	0.08	0.06

  

Deviation	Actual	Evli	Consensus	Year ago
Net sales		2%	0%	17%
EBIT		0%	3%	19%
EPS		4%	0%	24%

*\*Consensus by Bloomberg*

Share price, EUR (Last trading day's closing price) **14.70**

Target price, EUR **12.0**

Latest change in recommendation	09-Feb-21
Latest report on company	16-Apr-21
Research paid by issuer:	YES
No. of shares outstanding, '000's	43,466
No. of shares fully diluted, '000's	43,466
Market cap, EURm	639
Free float, %	58.5
Exchange rate	0.000
Reuters code	TNOM.HE
Bloomberg code	TNOM FH
Average daily volume, EURm	0.28
Next interim report	26-Apr-21
Web site	<a href="http://talenom.fi/en/investors">talenom.fi/en/investors</a>

Analyst Jerker Salokivi  
 E-mail [jerker.salokivi@evli.com](mailto:jerker.salokivi@evli.com)  
 Telephone +358 9 4766 9149

BUY HOLD SELL

### PRE-REPORT KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	FCF EURm	EPS EUR	P/E (x)	EV/Sales (x)	EV/EBIT (x)	FCF yield %	DPS EUR
2019	58.0	10.4	18.0%	2.6	0.18	41.2	5.9	32.9	0.8	0.13
2020	65.2	12.9	19.8%	3.3	0.22	68.1	10.5	52.9	0.5	0.15
2021E	81.2	15.3	18.9%	-4.2	0.26	55.6	8.4	44.3	-0.7	0.18
2022E	92.6	18.5	20.0%	3.8	0.32	46.0	7.4	36.9	0.6	0.21
2023E	101.8	20.4	20.0%	11.1	0.35	41.6	6.7	33.4	1.7	0.23

  

Market cap, EURm	639	BV per share 2021E, EUR	106.8	CAGR EPS 2020-23, %	16.9
Net debt 2021E, EURm	40	Price/book 2021E	17.2	CAGR sales 2020-23, %	16.0
Enterprise value, EURm	679	Dividend yield 2021E, %	1.2	ROE 2021E, %	33.2
Total assets 2021E, EURm	106	Tax rate 2021E, %	20.0	ROCE 2021E, %	19.3
Goodwill 2021E, EURm	34	Equity ratio 2021E, %	35.1	PEG, P/E 21/CAGR	3.3

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

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Investment recommendations are defined as follows:

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

ERP's investment recommendation of the analyzed company is updated at least 2 times per year.



The graph above shows the distribution of ERP's recommendations of companies under coverage in 11th of May 2020. If recommendation is not given, it is not mentioned here.

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

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## Contact information

### SALES, TRADING AND RESEARCH

#### Equity, ETF and Derivatives Sales

Joachim Dannberg +358 9 4766 9123  
Ari Laine +358 9 4766 9115  
Kimmo Lilja +358 9 4766 9130

#### Trading

Lauri Vehkaluoto (Head) +358 9 4766 9120  
Pasi Väisänen +358 9 4766 9120  
Antti Kässi +358 9 4766 9120  
Miika Ronkanen +358 9 4766 9120

#### Structured Investments

Heikki Savijoki +358 9 4766 9726  
Aki Lakkisto +358 9 4766 9123

#### Equity Research

Jonas Forslund +358 9 4766 9314  
Joonas Ilvonen +358 44 430 9071  
Jerker Salokivi +358 9 4766 9149  
Anna-Liisa Rissanen +358 40 157 9919  
Teemu Reiman +358 40 352 6175

#### Evli Investment Solutions

Johannes Asuja +358 9 4766 9205  
Markku Reinikainen +358 9 4766 9669



**EVLI BANK PLC**  
Aleksanterinkatu 19 A  
P.O. Box 1081  
FIN-00101 Helsinki, FINLAND  
Phone +358 9 476 690  
Fax +358 9 634 382  
Internet [www.evli.com](http://www.evli.com)  
E-mail [firstname.lastname@evli.com](mailto:firstname.lastname@evli.com)

**EVLI BANK PLC,  
STOCKHOLMSFILIAL**  
Regeringsgatan 67 P.O. Box 16354  
SE-103 26 Stockholm  
Sverige  
[stockholm@evli.com](mailto:stockholm@evli.com)  
Tel +46 (0)8 407 8000  
Fax +46 (0)8 407 8001