

Investment Services

**Key data**

Price (EUR)*	10.0
Country	Finland
Bloomberg	TAALA FH
Reuters	TAALA.HE
Free float	45.0%
Market cap (EURm)	284
No. of shares (m)	28.4
Next event	Q3: 4-Nov

\* Price as at 16:00 CET on 19 August 2022

CEO	Peter Ramsay
CFO	Minna Smedsten

Company description

Taaleri is a Finnish financial services company. Taaleri focuses on Private Equity funds, mainly on renewables and other alternative investments. The company also has a strategic guaranty insurance subsidiary Garantia. Taaleri group consists of two key divisions: Private Asset Management & Strategic investment Garantia.

Ownership structure

Veikko Laine Oy	11.5%
Hermitage Oy	10.3%
Juhani Elomaa	6.3%

Source: Company data

Estimate changes

	22E	23E	24E
Tot inc	-3.3%	-1.5%	-2.3%
Op prof	-6.7%	-4.6%	3.8%
EPS (adj.)	-7.8%	-4.9%	4.7%

Source: Danske Bank Equity Research estimates

Analyst(s)

Daniel Lepistö

Find our research here:  
<https://research.danskebank.com>

Important disclosures and certifications are contained from page 8 of this report

# Taaleri plc

## Plenty of positives to build upon

**Taaleri's Q2 report provided no drama, although rising interest rates affected the reported margins more than expected. These fair-value changes do not affect the big picture, and operationally the company is progressing as expected. Continuing earnings were 3% above our estimates and profitability in H2 22 is set to be strong driven by performance fees. Our fair value range of EUR11-12.5 is unchanged.**

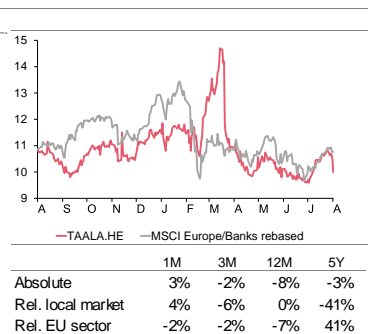
- Impact on the investment case.** Neutral or slightly negative due to higher than expected negative fair value impact from the rising rates. Total income was 11% below Factset consensus expectations, but continuing earnings topped our estimates by 3%, indicating that operationally the company is heading in the expected direction. Operating profit was EUR2.4m (20.5% margin) 50% below consensus estimates, and was impacted mainly from the negative fair-value changes of investments, as well as some one-offs related to suppressed Infrastructure segment goodwill write-down. Insurance-leg Garantia continued to show positive development despite decreasing housing transaction volumes, and earned premiums decreased mainly due to changes in provisions, due to higher y/y consumer exposure, which is in-line with the company's strategy. End-year focus is set to be on the second round of the already successful Bioindustry I fund, the start of marketing of the upcoming flagship SolarWind III fund, and CTO biorefinery Fintoil's start of operations. Overall, we restate our view that Taaleri is building a solid foundation as an impact investment focused asset manager, driven by expertise in Renewable Energy and Bioindustry segments.
- Estimate changes.** We adjust our carried interest and fair value change assumptions.
- Valuation.** Our valuation methodology derives a 12M fair value range of EUR11.0-12.5 (unchanged). Based on our 2023 estimates, the midpoint of the range implies P/E of 16.2x (previously 15.4x). In our view, if Taaleri is able to demonstrate good progress with its Bioindustry and Renewable Energy fund operations, the consequential higher exposure to ESG should warrant a premium to the company's historical valuation (14.6x over the previous 5Y NTM P/E).

### Key financials

Year-end Dec (EUR)	2020	2021	2022E	2023E	2024E
Total income (m)	69.5	72.6	60.8	64.7	63.5
Total income growth	3.5%	4.4%	-16.3%	6.4%	-1.8%
Total expenses (m)	-51.9	-43.8	-33.7	-35.8	-38.5
Operating profit (m)	17.6	28.8	27.1	28.9	25.0
Operating profit growth	10.5%	63.5%	-6.0%	6.7%	-13.4%
Operating profit margin	25.3%	39.7%	44.5%	44.7%	39.4%
EPS (adj.)	0.45	0.75	0.72	0.72	0.63
DPS	1.32	1.20	0.75	0.70	0.30
Dividend yield	16.3%	10.7%	7.5%	7.0%	3.0%
ROE	9.0%	74.0%	9.2%	9.5%	8.4%
P/E (adj.) (x)	17.9	15.0	13.9	13.8	15.7
P/BV	1.59	1.38	1.31	1.32	1.33

Source: Company data, Danske Bank Equity Research estimates

### Price performance



Source: FactSet

### Not for US distribution

## Q2 22 key conclusions

Taaleri reported expectedly messy numbers with rising interest rates notably affecting its fair-value changes of investments, especially with insurance-leg Garantia's fixed-income portfolio. Overall, there was no drama in the operational performance, as continuous earnings developed better than expected, and the pipeline for upcoming news flow with Bioindustry I and SolarWind III is set to be solid. Moreover, we expect that the unraveling of the balance sheet from non-strategic investments will continue.

Some negative one-offs appeared in the Private Asset Management segment, as some write-downs regarding goodwill of the Infrastructure business, which has been in difficulties due to the current market environment. However, as the highest potential lies on the Bioindustry and Renewable Energy segments, we again see no drama on winding up the operations, as Taaleri's competitive edge on the fairly mature infrastructure segment has thus far been difficult to conceptualise. The marketing of the new SolarWind III fund will also start this year, and its target size is around 2x the size of its predecessor SolarWind II (some EUR350m), we believe.

Garantia developed positively, despite decreasing housing transaction volumes causing headwind. Earned premiums decreased 8% y/y, but the sale of guaranty insurances grew. The decrease was a result of the change in provision for unearned premiums, which was larger than y/y, due to higher exposure to consumer clients, instead of corporate. This is a cautious decision and we do not expect the claims ratio to increase in short-term from 1-2% in past two years.

Table 1: Estimate deviation

EURm	Actual Q2 22	Cons. Q2 22E	Diff	Danske Q2 22E	Diff.
<b>Total income</b>	<b>11.9</b>	<b>13.4</b>	<b>-11%</b>	<b>12.8</b>	<b>-7%</b>
Operating profit	2.4	4.8	-50%	4.8	-50%
Operating profit-%	20.2%	35.8%		37.8%	
adj. EPS	0.00	0.13	-100%	0.13	-100%
AuM	2,400	n.a.	n.a.	2,300	4%

Source: Company data, Factset, Danske Bank Equity Research estimates

Not for US distribution

Table 2 : Quarterly estimates

EURm	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22E	Q4 22E
<b>Total income</b>	<b>12.1</b>	<b>17</b>	<b>13.2</b>	<b>30.2</b>	<b>7.1</b>	<b>11.9</b>	<b>24.1</b>	<b>17.8</b>
Growth y/y		19.20%		-3.50%	-41.90%	-30.40%	82.80%	-41.20%
Total expenses	-7.4	-14.3	-8.6	-15.5	-7.7	-9.4	-8.3	-8.3
Operating profit	4.7	2.7	4.6	14.7	-0.7	2.4	15.9	9.4
<b>Operating margin</b>	<b>38.80%</b>	<b>16.10%</b>	<b>34.90%</b>	<b>48.70%</b>	<b>-9.30%</b>	<b>20.50%</b>	<b>65.70%</b>	<b>53.10%</b>
<b>Segment income</b>								
Other Private Equity	1.2	1	0.7	6.1	1.5	1.5	16	2.7
Insurance	7	7.2	6.6	9.4	0.1	-1.1	3.9	3.4
Renewables	4	4.3	3.6	10.2	3.8	4.3	3.6	9.6
Other	1.5	1.7	1.4	3.8	1.7	7.1	0.6	2.1
<b>Total</b>	<b>13.7</b>	<b>14.3</b>	<b>12.3</b>	<b>29.4</b>	<b>7.1</b>	<b>11.9</b>	<b>24.1</b>	<b>17.8</b>
<b>Income growth (y/y)</b>								
Other Private Equity		-88.10%		-72.20%	27.90%	41.40%	2085.10%	-55.40%
Insurance		300.00%		16.80%	-98.90%	-114.90%	-40.80%	-64.10%
Renewables		98.50%		171.20%	-4.50%	0.90%	0.70%	-5.50%
Other		-279.80%		176.60%	13.30%	312.60%	-58.10%	-44.10%
<b>Total</b>		<b>14.20%</b>		<b>-7.50%</b>	<b>-48.40%</b>	<b>-17.00%</b>	<b>96.10%</b>	<b>-39.50%</b>
<b>Segment operating profit</b>								
Other Private Equity	-0.4	-1.1	-1.2	1.8	-0.6	-1.1	13.5	0.1
Insurance	5.4	5.8	4.6	6.9	-1	-2.3	2.8	2.3
Renewables	0.3	0.4	0.4	4.9	0.6	0.4	0.4	6.4
Other	-0.2	-0.7	0.8	1.1	0.3	5.5	-0.8	0.7
<b>Total</b>	<b>5.1</b>	<b>4.4</b>	<b>4.6</b>	<b>14.7</b>	<b>-0.7</b>	<b>2.4</b>	<b>15.9</b>	<b>9.4</b>
<b>Operating profit margin</b>								
Other Private Equity	-32.40%	-107.60%	-162.80%	29.60%	-42.60%	-74.30%	84.50%	4.80%
Insurance	76.90%	80.60%	69.40%	73.40%	-1195.00%	215.80%	72.10%	68.20%
Renewables	7.40%	10.20%	11.70%	48.30%	17.00%	8.70%	9.70%	66.10%
Other	-14.20%	-43.20%	58.10%	29.60%	18.00%	76.50%	-139.70%	31.50%
<b>Total</b>	<b>37.40%</b>	<b>30.80%</b>	<b>37.50%</b>	<b>50.10%</b>	<b>-9.30%</b>	<b>20.50%</b>	<b>65.70%</b>	<b>53.10%</b>
Reported EPS (EUR)	0.24	4.02	0.11	0.41	-0.04	0	0.45	0.23
Adj. EPS (EUR)	0.12	0.08	0.11	0.41	-0.04	0	0.45	0.23
ROE	20.10%	282.90%	6.60%	20.90%	-2.20%	0.10%	23.10%	12.10%
ROE (adj.)	10.50%	5.40%	6.60%	20.90%	-2.20%	0.10%	23.10%	12.10%
<b>AuM</b>								
Mutual funds	0	0	0	0	0	0	0	0
Private equity funds	578	947	980	1,040	1,144	1,096	1,136	1,136
Wealth management	0	0	0	0	0	0	0	0
Energia / Renewables	1,238	1,272	1,272	1,272	1,272	1,272	1,272	1,272
<b>Total AuM</b>	<b>1,800</b>	<b>2,200</b>	<b>2,300</b>	<b>2,300</b>	<b>2,400</b>	<b>2,400</b>	<b>2,400</b>	<b>2,400</b>

Source: Company data, Factset, Danske Bank Equity Research estimates

Not for US distribution

## *Executive summary*

**Renewable funds are creating new, sustainable business opportunities.** Taaleri's Energy division has one of the largest dedicated wind and solar investment teams in Europe and is one of the largest private equity owner-operators in the Finnish wind market, with 116 turbines producing almost 1% of all the country's electricity. These infrastructure investments in wind and solar power are the main drivers of Taaleri's asset and revenue growth. We see strong growth in the renewables business for Taaleri as the company is now able to attract institutional money, but remains small enough not to compete with the larger global payers, and is able to invest in smaller assets.

**Earnings boost from carried interest from existing alternative investments in 2022-24E.** Taaleri has in total over 20 alternative investment funds, consisting of real estate, energy infrastructure, and private equity funds. As the funds mature, Taaleri could earn significant performance fees, or carried interest, in fund exits. In successful funds, carry could be larger than the total fund management fees.

**M&A opportunities remain, even after the Aktia transaction.** There are several medium-sized asset managers in Finland, with both complementary and overlapping operations. These players include companies such as CapMan, eQ, and Evli. Even though Taaleri has now entered into cooperation with Aktia and is set to provide the private equity funds for its needs until further notice, the simplified structure of Taaleri and streamlined future ambitions increase the chances that Taaleri would be part of the asset management M&A activity in Finland in the future, in our view.

**ESG focus and impact investing should expand valuation multiples.** We believe the increasing focus on ESG among all investors will benefit companies such as Taaleri, which promotes sustainability in its strategy and operations.

### *Key risks with the case*

**Disposal of Wealth Management significantly decreases Taaleri's AUM and size.** Even though, in our view, Taaleri gains significant focus benefits from the transaction, the absolute size of the company's AUM and continuing earnings will decrease. The smaller size and excess cash in hand might turn risky in the long-term, if the company fails to capitalise on attracting new talent and growing its AUM organically and through M&A. In the worst-case scenario, investors are paid most of the excess capital, but are left with a smaller scale business with low growth.

**High earnings volatility.** Although Taaleri's operations are not cyclical by nature, the group's reported earnings have historically been volatile. This has partly been due to performance fees in the Wealth Management division and the group's own investments, as well as the insurance company profit volatility in IFRS reporting. Some of these, mainly in terms of visibility, will be resolved over time after the transaction, as Taaleri has communicated that it could be opening up its private equity fund lifecycles, management fees, and estimated carried interest in more detail in the future.

**Small size and illiquid shares.** Taaleri has limited institutional ownership at the moment, as either current or previous employees or related close-party institutions hold most of the shares. One could view this as negative from a governance point of view. Additional risk emerges from the fact that most of Taaleri's personnel will be transferred to Aktia, and as most of them simultaneously own Taaleri's shares, their incentives to keep their ownership in the long-term are uncertain.

### *Not for US distribution*

## Valuation

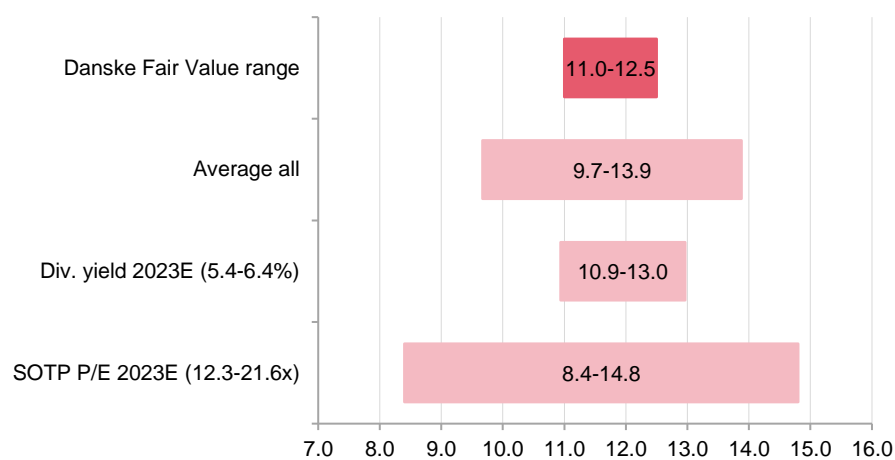
We reiterate our fair value range of EUR11.0-12.5 for Taaleri. We believe that selling the Wealth Management operations (but keeping the private equity operations) is key for Taaleri to crystallise its company value and execute a clearer strategy with higher earnings potential in the future. In addition, cleaning up the balance sheet of the non-strategic investments is set to streamline the investment case overall.

For its continuing activities, Taaleri should focus on channelling the profit from the Wealth Management sale into its operating business, both by boosting organic growth and looking into inorganic measures by attracting private equity teams from competitors to Taaleri's projects. We believe that the new Bioindustry segment will be operationally important for Taaleri in the future.

However, Taaleri is also able to pay attractive dividends and return of capital during the build-up phase of the other private asset management operations, if the company's current capabilities are on-point and the company is able to show steeper AUM growth momentum in the near future. On our estimates, the total dividend yield without any major M&A could be 7-7.5% in 2022-23.

Moreover, if Taaleri is able to demonstrate good progress with its Bioindustry and Renewable Energy fund operations, the company's increased exposure to ESG should warrant a clear premium to the historical valuation, we believe. Taaleri's previous 5Y NTM P/E is 14.6x, whereas our 2023E valuation midpoint suggests 16.2x (previously 15.4x).

Chart 1 : Fair value range



Source: Danske Bank Equity Research estimates

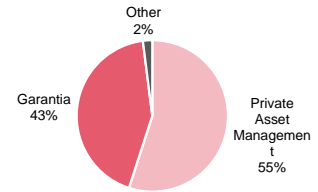
Not for US distribution

## Company summary

### Income breakdown by geographical area



### Income breakdown by segment



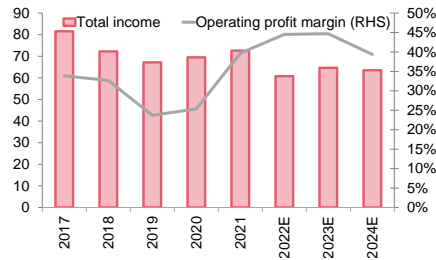
### Company information

Taaleri plc  
 Kasarmikatu 21, 00130 Helsinki  
 Finland  
 www.taaleri.com

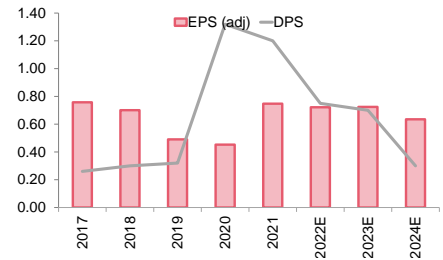
### Main shareholders

Name	Votes (%)	Capital (%)
Veikko Laine Oy	11.5%	11.5%
Hermitage Oy	10.3%	10.3%
Juhani Elomaa	6.3%	6.3%

### Total income and operating profit margin (FII™)



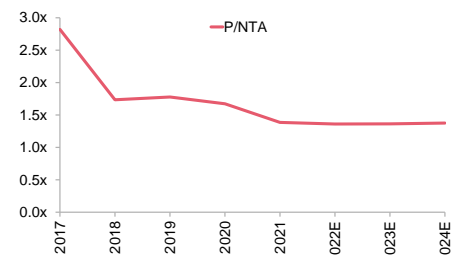
### EPS (adjusted) and DPS (EURm)



### P/E NTM (x)



### P/NTA NTM (x)



Source: FactSet, Company data, Danske Bank Equity Research estimates

Not for US distribution

**Summary tables**
**INCOME STATEMENT**

Year end Dec, EURm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E
Commissions		31.8	33.2	53.0	45.6	46.1	51.5	21.9	20.9	33.1
<b>Total income</b>		<b>58.4</b>	<b>60.6</b>	<b>81.6</b>	<b>72.3</b>	<b>67.2</b>	<b>69.5</b>	<b>72.6</b>	<b>60.8</b>	<b>64.7</b>
Costs		-39.6	-44.5	-54.0	-48.5	-50.7	-51.9	-43.8	-33.7	-35.8
<b>Operating profit</b>		<b>47.4</b>	<b>16.3</b>	<b>27.6</b>	<b>23.6</b>	<b>15.9</b>	<b>17.6</b>	<b>28.8</b>	<b>27.1</b>	<b>28.9</b>
Taxes		-3.0	-3.6	-5.8	-2.3	-5.0	-4.4	-5.2	-5.4	-5.8
<b>Pre-tax profit</b>		<b>47.4</b>	<b>16.3</b>	<b>27.6</b>	<b>23.6</b>	<b>15.9</b>	<b>17.6</b>	<b>28.8</b>	<b>27.1</b>	<b>28.9</b>
<b>Net profit</b>		<b>44.1</b>	<b>12.8</b>	<b>21.4</b>	<b>21.3</b>	<b>10.6</b>	<b>12.8</b>	<b>138</b>	<b>20.5</b>	<b>20.5</b>
<b>Net profit (adj.)</b>		<b>17.3</b>	<b>12.8</b>	<b>21.4</b>	<b>19.8</b>	<b>13.9</b>	<b>12.8</b>	<b>21.2</b>	<b>20.5</b>	<b>20.5</b>

**BALANCE SHEET**

EURm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E
Insurance assets		0.0	126	136	134	153	160	169	166	161
Other interest bearing assets		0.0	55.1	34.6	26.1	29.1	37.0	53.3	82.1	77.4
Goodwill		0.0	2.5	2.2	6.6	6.5	6.8	0.7	7.9	7.5
<b>Total assets</b>		<b>0.0</b>	<b>213</b>	<b>229</b>	<b>238</b>	<b>270</b>	<b>268</b>	<b>319</b>	<b>308</b>	<b>295</b>
Insurance liabilities		13.1	15.0	20.3	23.3	32.3	34.7	39.4	42.4	40.0
Wholesale funding		29.9	64.7	54.8	54.8	34.9	34.9	0.0	0.0	0.0
Equity		97.1	93.9	106	122	141	144	230	216	215
<b>NTA</b>		<b>97.1</b>	<b>91.3</b>	<b>104</b>	<b>116</b>	<b>134</b>	<b>138</b>	<b>229</b>	<b>208</b>	<b>208</b>

**PER SHARE DATA**

	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E
No. of shares, fully diluted YE (m)		28.3	28.3	28.3	28.3	28.3	28.4	28.4	28.4	28.4
No. of shares, fully diluted avg. (m)		28.3	28.3	28.3	28.3	28.3	28.4	28.4	28.4	28.4
EPS (reported) (EUR)		1.56	0.45	0.76	0.75	0.39	0.45	4.80	0.72	0.72
EPS (adj.) (EUR)		0.61	0.45	0.76	0.70	0.49	0.45	0.75	0.72	0.72
DPS (EUR)		0.14	0.22	0.26	0.30	0.32	1.32	1.20	0.75	0.70
Book value per share (EUR)		3.43	3.32	3.75	4.32	4.97	5.09	8.10	7.63	7.60
NTA per share (EUR)		3.43	3.23	3.67	4.09	4.73	4.85	8.08	7.35	7.34

**MARGINS AND GROWTH**

	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
C/I, adjusted	67.8%	73.4%	66.2%	67.1%	75.4%	74.7%	60.3%	55.5%	55.3%	60.6%
Op profit marg	81.1%	27.0%	33.8%	32.7%	23.7%	25.3%	39.7%	44.5%	44.7%	39.4%
Op profit grth		-65.51%	69.0%	-14.52%	-32.49%	10.5%	63.5%	-6.00%	6.73%	-13.45%
Tot inc growth		3.7%	34.7%	-11.4%	-7.0%	3.5%	4.4%	-16.3%	6.4%	-1.8%
Cost growth		-12.2%	-21.4%	10.2%	-4.5%	-2.5%	15.6%	23.0%	-6.0%	-7.7%
PPP growth		-14.2%	71.4%	-13.8%	-30.6%	6.6%	63.5%	-6.0%	6.7%	-13.4%
EPS (adj) growth		-26.1%	67.9%	-7.5%	-30.0%	-7.7%	65.1%	-3.5%	0.4%	-12.3%

**PROFITABILITY**

	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E
ROE, reported profits		65.3%	13.4%	21.5%	18.7%	8.0%	9.0%	74.0%	9.2%	9.5%
RONTA, adj. profits		25.6%	13.6%	22.0%	18.1%	11.1%	9.5%	11.6%	9.4%	9.9%

**VALUATION**

	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E
Share price (EUR)	6.36	8.38	8.24	10.4	7.10	8.42	8.12	11.2	10.0	10.0
Market cap (EURm)		237	233	293	201	238	230	318	284	284
P/E (reported) (x)		5.4	18.3	13.7	9.4	21.4	17.9	2.3	13.9	13.8
P/E (adj.) (x)		13.7	18.3	13.7	10.1	17.2	17.9	15.0	13.9	13.8
P/BV (x)		2.44	2.49	2.76	1.64	1.70	1.59	1.38	1.31	1.32
P/NTA (x)		2.44	2.55	2.82	1.74	1.78	1.67	1.39	1.36	1.36
Dividend yield		1.7%	2.7%	2.5%	4.2%	3.8%	16.3%	10.7%	7.5%	7.0%
Total yield (incl. buybacks)		1.7%	2.7%	2.5%	4.2%	3.8%	16.3%	10.7%	7.5%	7.0%

Source: Company data, Danske Bank Equity Research estimates

Not for US distribution

Commissioned Research - marketing material sponsored by Taaleri plc



## Disclosures

This commissioned research report has been prepared by Equity Research, a division of Danske Bank A/S ('Danske Bank'). The author of this research report is Daniel Lepistö.

This commissioned research report should be considered marketing material, as it has been requested and paid for by Taaleri plc and has therefore not been prepared in accordance with the legal requirements designed to promote the independence of investment research. However, the report is still subject to prohibition on dealing ahead of the dissemination of the report.

### *Analyst certification*

Each research analyst responsible for the content of this commissioned research report certifies that the views expressed in the research report accurately reflect the research analyst's personal view about the financial instruments and issuers covered by the research report.

### *Regulation*

Authorised and regulated by the Danish Financial Services Authority (Finanstilsynet). Deemed authorised by the Prudential Regulation Authority. Subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details of the Temporary Permissions Regime, which allows EEA-based firms to operate in the UK for a limited period while seeking full authorisation, are available on the Financial Conduct Authority's website.

Danske Bank's commissioned research reports are prepared in accordance with the recommendations of the Danish Securities Dealers Association.

### *Conflicts of interest*

Danske Bank has established procedures to prevent conflicts of interest and to ensure the provision of high-quality research based on research objectivity and independence from outside influences. These procedures are documented in Danske Bank's research policies. Employees within Danske Bank's Research Departments have been instructed that any request that might impair the objectivity of research and independence from outside influence of research shall be referred to Research Management and the Compliance Department. Danske Bank's Research Departments are physically separated from other business areas within Danske Bank and surrounded by arrangements (Chinese Walls) to restrict the flows of sensitive information.

Research analysts are remunerated in part based on the overall profitability of Danske Bank, which includes investment banking revenues, but do not receive bonuses or other remuneration linked to specific corporate finance or debt capital transactions.

Danske Bank, its affiliates, subsidiaries and staff may perform services for or solicit business from Taaleri plc and may hold long or short positions in, or otherwise be interested in, the financial instruments mentioned in this research report. The Equity and Corporate Bonds analysts of Danske Bank and persons in other departments of Danske Bank with which the relevant analysts have close links are not permitted to invest in 1) financial instruments that are covered by the relevant Equity or Corporate Bonds analyst and 2) the research sector within the geographical area (the Nordics) to which the analyst is linked.

Danske Bank, its affiliates and subsidiaries are engaged in commercial banking, securities underwriting, dealing, trading, brokerage, investment management, investment banking, custody and other financial services activities, may be a lender to Taaleri plc and have whatever rights as are available to a creditor under applicable law and the applicable loan and credit agreements. At any time, Danske Bank, its affiliates and subsidiaries may have credit or other information regarding Taaleri plc that is not available to or may not be used by the personnel responsible for the preparation of this report, which might affect the analysis and opinions expressed in this research report.

Danske Bank is a market maker and a liquidity provider and may hold positions in the financial instruments of the issuer(s) mentioned in this research report.

No parts of this research report have been disclosed to Taaleri plc for factual check.

As an investment bank, Danske Bank, its affiliates and subsidiaries provide a variety of financial services, including investment banking services. It is possible that Danske Bank and/or its affiliates and/or its subsidiaries might seek to become engaged to provide such services to Taaleri plc in the next three months.

### *Financial models and/or methodology used in this research report*

Investment views and opinions in this research report are formed on the basis of a combined selection of discounted cash flow analysis, industry knowledge, peer group analysis and company-specific and market technical elements (events affecting both the financial and operational profile of the company). Forecasting of company sales and earnings is based on segmented bottom-up models using subjective views of relevant future market developments. In addition, the expected macroeconomic environment is taken into account. The output is aggregated into models for group profit and loss, balance sheets and cash flow estimates – all taking into account the recent development in historical research reports.

More information about the valuation and/or methodology and the underlying assumptions is accessible via [www.danskebank.com/equityresearch](http://www.danskebank.com/equityresearch).

### *Risk warning*

Major risks connected with investment views or opinions in this research report, including a sensitivity analysis of relevant assumptions, are stated throughout the text.

### *Expected updates*

This research product will be updated on a semi-annual basis as a minimum.

### *Completion and first dissemination*

The completion date and time in this research report mean the date and time when the author hands over the final version of the research report to Danske Bank's editing function for legal review and editing.

The date and time of first dissemination mean the date and estimated time of the first dissemination of this research report. The estimated time may deviate up to 15 minutes from the effective dissemination time due to technical limitations.

See the back page of this research report for the date and time of first dissemination.

### *Recommendation structure*

This report does not have a target price or a buy/sell recommendation but it does include a valuation discussion and a suggested valuation range.

## Not for US distribution



*Validity time period*

This communication as well as previous communications referred to below are valid until the earlier of (a) dissemination of a superseding communication by the author, or (b) significant changes in circumstances following its dissemination, including events relating to the market or the issuer, which can influence the price of the issuer or financial instrument.

## *General disclaimer*

This commissioned research report has been prepared by Danske Bank A/S. It is provided for informational purposes only and should not be considered investment, legal or tax advice. It does not constitute or form part of, and shall under no circumstances be considered as, an offer to sell or a solicitation of an offer to purchase or sell any relevant financial instruments (i.e. financial instruments mentioned herein or other financial instruments of any issuer mentioned herein and/or options, warrants, rights or other interests with respect to any such financial instruments) ('Relevant Financial Instruments').

This commissioned research report has been prepared independently and solely on the basis of publicly available information that Danske Bank A/S considers to be reliable but Danske Bank A/S has not independently verified the contents hereof. While reasonable care has been taken to ensure that its contents are not untrue or misleading, no representation or warranty, express or implied, is made as to and no reliance should be placed on the fairness, accuracy, completeness or reasonableness of the information, opinions and projections contained in this commissioned research report and Danske Bank A/S, its affiliates and subsidiaries accept no liability whatsoever for any direct or consequential loss, including without limitation any loss of profits, arising from reliance on this commissioned research report.

The opinions expressed herein are the opinions of the research analysts and reflect their opinion as of the date hereof. These opinions are subject to change and Danske Bank A/S does not undertake to notify any recipient of this research report of any such change nor of any other changes related to the information provided in this commissioned research report.

This commissioned research is not intended for, and may not be redistributed to, retail customers in the United Kingdom and may under no circumstances be distributed in the United States.

This research report is protected by copyright and is intended solely for the designated addressee. It may not be reproduced or distributed, in whole or in part, by any recipient for any purpose without Danske Bank A/S's prior written consent.

## *Disclaimer related to distribution in the United Kingdom*

In the United Kingdom, this document is for distribution only to (I) persons who have professional experience in matters relating to investments falling within article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the 'Order'); (II) high net worth entities falling within article 49(2)(a) to (d) of the Order; or (III) persons who are an elective professional client or a per se professional client under Chapter 3 of the FCA Conduct of Business Sourcebook (all such persons together being referred to as 'Relevant Persons'). In the United Kingdom, this document is directed only at Relevant Persons, and other persons should not act or rely on this document or any of its contents.

## *Disclaimer related to distribution in the European Economic Area*

This document is being distributed to and is directed only at persons in member states of the European Economic Area ('EEA') who are 'Qualified Investors' within the meaning of Article 2(e) of the Prospectus Regulation (Regulation (EU) 2017/1129) ('Qualified Investors'). Any person in the EEA who receives this document will be deemed to have represented and agreed that it is a Qualified Investor. Any such recipient will also be deemed to have represented and agreed that it has not received this document on behalf of persons in the EEA other than Qualified Investors or persons in the UK and member states (where equivalent legislation exists) for whom the investor has authority to make decisions on a wholly discretionary basis. Danske Bank A/S will rely on the truth and accuracy of the foregoing representations and agreements. Any person in the EEA who is not a Qualified Investor should not act or rely on this document or any of its contents.

Report completed: 19 August 2022 at 17:05 CET

Report disseminated: 19 August 2022 at 17:20 CET

## *Not for US distribution*