United Bankers

Extensive report

6/26/2024 8:20 am EEST

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Inderes corporate customer

This report is a summary translation of the report “Kasvua reaaliomaisuusrahastoista” published on 6/26/2024 at 8:20 am EEST.

Growth from real asset funds

UB's operational performance in recent years has been very strong and the company's results have grown rapidly. While challenging market conditions will slow new sales in the short term, the company is well positioned to continue its healthy growth in line with the rest of the asset management market, particularly over the longer term. However, we believe that the valuation of the stock is neutral, so the expected return we forecast is not enough to be positive after the share price rises. We therefore lower our recommendation to Reduce (was Accumulate) and reiterate our target price of EUR 19.0.

Asset manager focusing on real assets

The company's business operations are divided into two operating segments – Asset Management and Capital Markets Services. Asset Management is the core business of UB, and its share of the company's revenue and value is dominant. Overall Capital Market Services are of minor importance to UB and can be seen as complementary to Asset Management.

In the past, UB has been a product-driven operator whose main focus has been on the sale of individual products. In recent years, however, the company has in line with its strategy focused on increasing the cash flow generating fund capital. In particular, the focus has been on real asset products. In fact, the fund's capital has historically grown rapidly, driven by asset value developments and strong new sales. There has also been a significant improvement in cost efficiency, which is starting to bring the company's profitability to a very good level. However, the distribution of returns is still relatively skewed toward non-recurring income. As a result, recurring revenue is one of the most important variables an investor should monitor in UB. In addition to fund products, the company has invested in the sale of wealth management services in recent years.

The long-term growth outlook is favorable despite short-term uncertainty

In the short term, the challenging market environment will put pressure on new sales, but we expect UB's fund assets to continue to grow strongly in the coming years, supported by new fund launches. Overall, we expect UB to deliver average earnings growth of around 5% between 2024 and 2027. Performance growth will be driven primarily by management fees, which will increase in line with AUM, as we expect performance fees to normalize from the exceptionally high levels of recent years. However, investors should note that the level of performance fees is still quite high (~20% of operating income), which is a key forecast risk for the stock. As is typical for the sector, the dividend stream remains strong while investment needs are low.

Growth prospects and profit distribution support valuation

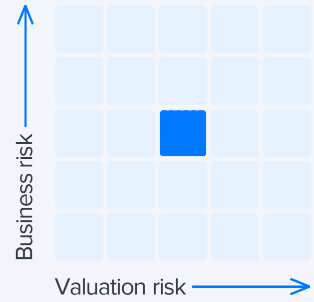
On a multiple basis, UB's current valuation is moderately neutral, so an investor's expected return is a combination of the dividend yield (~6%) and our forecast earnings growth (~5%). Performance growth is driven primarily by management fees, which increase in line with assets under management. Dividend payouts, on the other hand, are supported by low investment needs. However, it should be noted that the dividend ultimately depends on the actual results. Overall, therefore, we estimate that the expected return over the next few years will be in the ballpark of our 10% RoE requirement, which we do not consider sufficient compensation. The value of our DCF model (EUR 19.5) is also in line with our target price.

Recommendation

Reduce
(previous Accumulate)

EUR 19.00
(previous EUR 19.00)

Share price:
18.55



Key figures

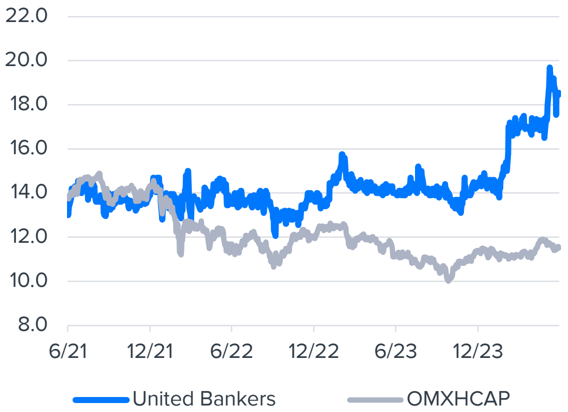
	2023	2024e	2025e	2026e
Revenue	52.2	60.6	59.1	62.6
growth-%	7%	16%	-2%	6%
EBIT adj.	16.9	22.6	19.1	20.3
EBIT-% adj.	32.3 %	37.3 %	32.3 %	32.5 %
Net income	13.3	16.9	14.2	15.2
EPS (adj.)	1.22	1.57	1.30	1.39
P/E (adj.)	11.8	11.8	14.2	13.4
P/B	3.0	3.5	3.4	3.2
Dividend yield-%	6.9 %	5.9 %	6.2 %	6.5 %
EV/EBIT (adj.)	8.7	8.0	9.1	8.4
EV/EBITDA	7.6	7.2	8.0	7.4
EV/S	2.8	3.0	2.9	2.7

Source: Inderes

Guidance (Unchanged)

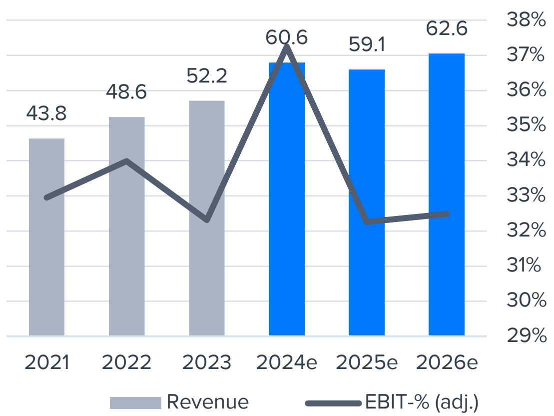
The company expects its operational EBIT to grow clearly from the 2023 level (2023: 16.9 MEUR)

Share price



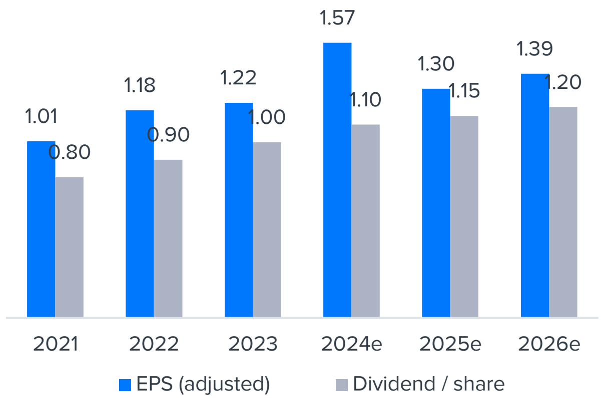
Source: Millistream Market Data AB

Revenue and EBIT-%



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

- New product launches
- Increase in the size of existing products
- Further improvement potential in cost-efficiency
- M&A transactions and consolidation of the industry

Risk factors

- Deterioration of the market situation
- The share of non-recurring revenue is still significant
- Sustainability of profitability improvement

	2024e	2025e	2026e
Share price	18.6	18.6	18.6
Number of shares, millions	10.8	10.9	10.9
Market cap	201	201	201
EV	180	173	170
P/E (adj.)	11.8	14.2	13.4
P/E	11.8	14.2	13.4
P/B	3.5	3.4	3.2
P/S	3.3	3.4	3.2
EV/Sales	3.0	2.9	2.7
EV/EBITDA	7.2	8.0	7.4
EV/EBIT (adj.)	8.0	9.1	8.4
Payout ratio (%)	70.3 %	88.3 %	86.4 %
Dividend yield-%	5.9 %	6.2 %	6.5 %

Source: Inderes

Contents

United Bankers in brief

United Bankers Plc is a Finnish expert of asset management and investment markets founded in 1986. United Bankers' business areas include Asset Management and Capital Markets Services.

2014/2020
To the First North marketplace / main list of Nasdaq Helsinki

52.1 MEUR **(+7 % vs. 2022)**
Revenue in 2023

32.5 % **(34.1 %)**
Operating profit -% 2023 (2022)

4,585 MEUR
AUM at the end of 2023

14,600
Number of customers at the end of 2023

160 **(plus 31 agents)**
Personnel at the end of 2023

Expansion to real assets (2012-2015)

Expansion to real asset products

Founding the investment bank

The share of transaction-driven business remains significant

Listed on the First North marketplace in 2014

Investments in sales (2016-2019)

Becoming a nation-wide operator through the acquisition of SPL

IT investments

Determined growth of fund capital and recurring commission income

SPL integration and a significant increase in sales power

Divestment of the Swedish investment bank

Continuing profitable growth (2020-)

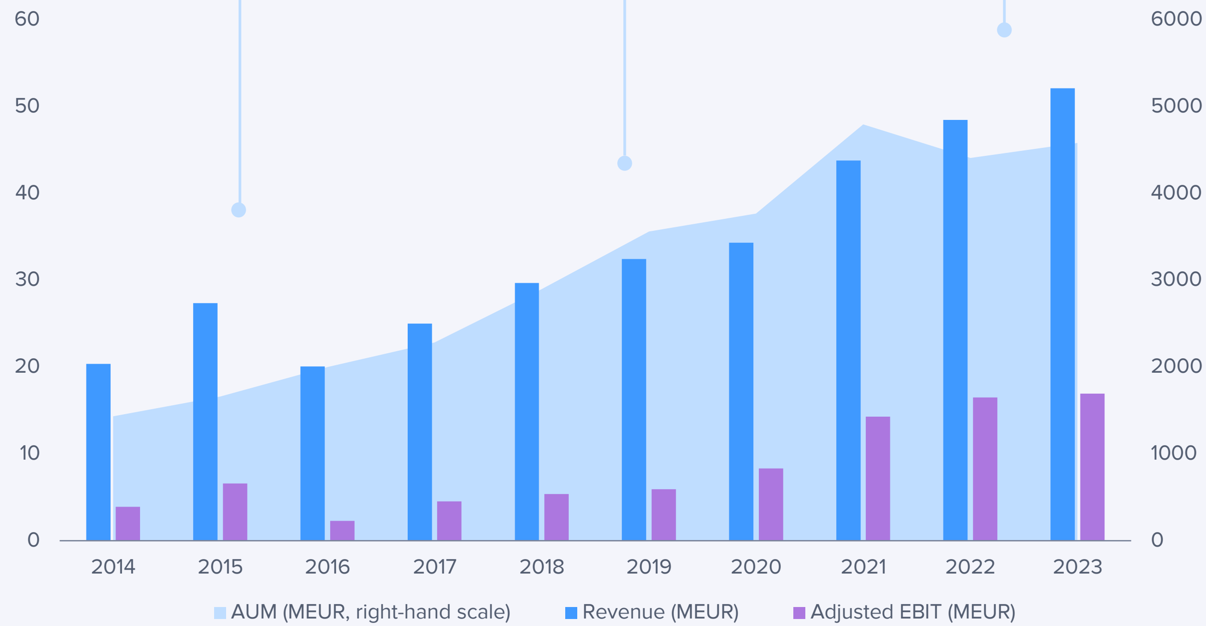
Transition to IFRS reporting and moving to the main list

Continued strong new sales

Investments in the HNW and institute fields

Increase in recurring commission income and profitability improvement based on recurring income

Gradual internationalization of Asset Management



Source: UB / Inderes

Note: In 2014-2017, figures in accordance with FAS and IFRS as of 2018. 2014-2017 operating profit excluding goodwill depreciation

Company description and business model

United Bankers' business is divided into two operational segments: Asset Management and Capital Markets Services. The company also reports the Other segment, which includes group expenses. The assets under management are mainly divided between institutional clients and wealthy individuals.

Services

Asset management

- Funds
- Wealth Management
- Structured Products

- Asset Management is the core business of UB and its share of revenue and the value of the company is dominant.
- Asset Management includes the company's fund management business, which is by far the single most important source of fee income for the group.

Capital Markets Services

- Investment banking
- Other advisory services

- The segment includes, among others, Corporate Finance advisory services, listing services and various financial engineering services.
- The company's strategy is built around Asset Management and the Capital Markets Services segment acts as a support function for it.

Fund products

LISTED	NON-LISTED
Equity funds	Forest funds
Fixed income funds	Infrastructure funds
Multi-strategy funds	Private equity funds
Listed real estate and infrastructure funds	Non-listed real estate funds

UNITED BANKERS

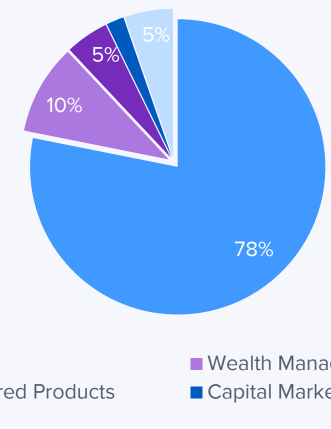
Total AUM 4.6 BNEUR (2023).

Just over one third of the AUM invested in real asset products (listed and non-listed).

The assets under management are divided between wealthy individuals and institutional clients.

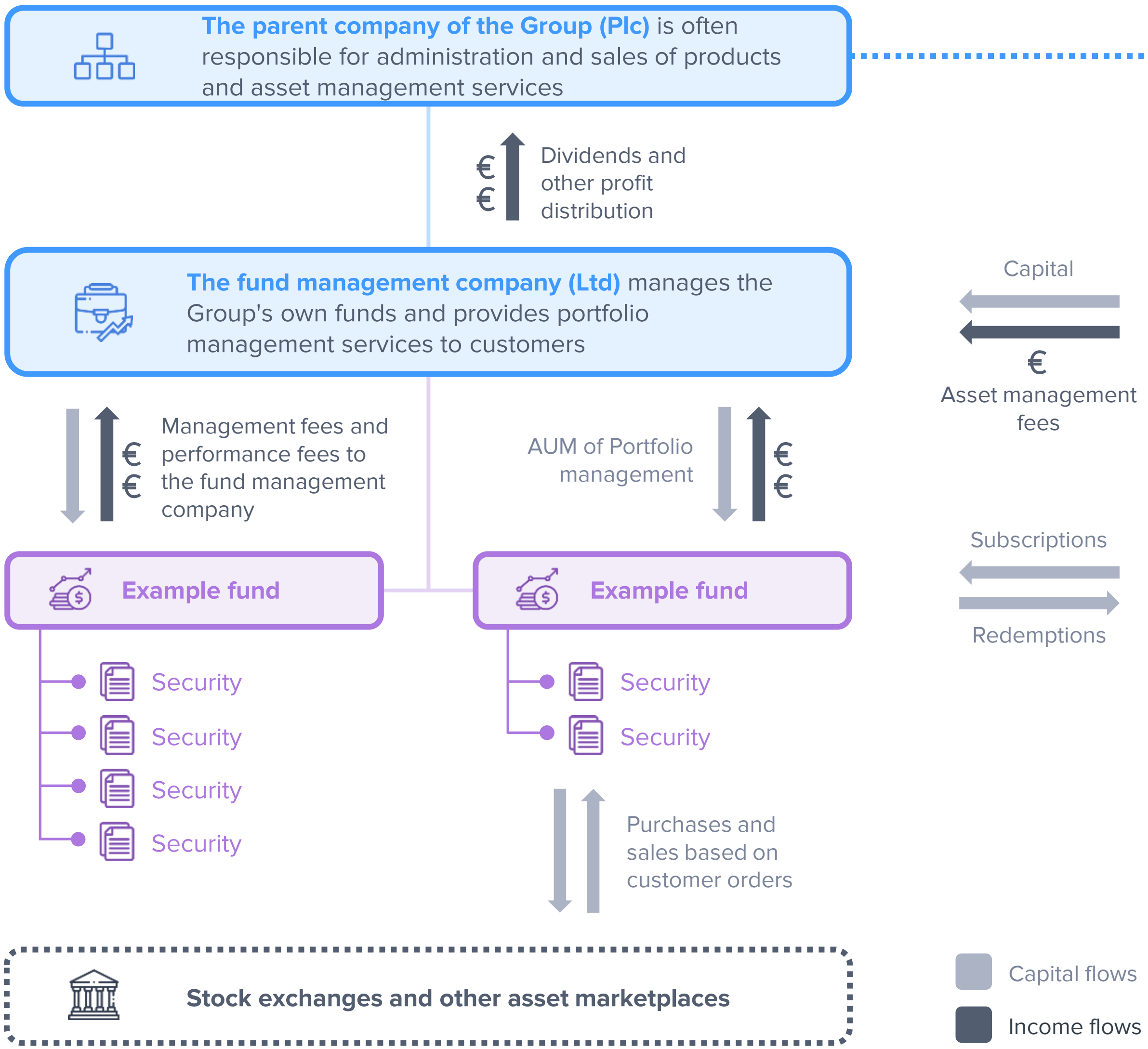
Asset Management accounts for more than 90% of the group's revenue. Within the Asset Management segment, the fund business clearly represents the majority of commission income.

Revenue distribution (2023)



Source: UB

Asset Management business model in a nutshell*



Portfolio management customers

- In power of attorney asset management, the asset management company is responsible for the allocation of client assets between different asset classes and products.
- The asset management house can utilize both its own funds and the investment products of other operators.

Fund investors

- Investors can also make subscriptions directly to funds managed by the company.
- In open-ended funds, subscriptions and redemptions can typically be made either daily or quarterly, depending on the type of fund.
- In the case of closed-ended equity funds, the management company sets up a limited partnership fund, in which investors will become silent partners. Due to the heavier regulation, the investor base of these funds is in practice made up of professional investors.

**NB! The figure is intended as a simplified illustration of the business model and does not take into account, e.g., the exact group structure of UB.*

M&A transactions

With the acquisition of Aventum's funds business, real estate investments become part of UB's strategy. Today, the product area is an integral part of the company's Asset Management business.

The SPL acquisition was logical in a strategic sense and increased the sales power of UB clearly. The integration took a little longer than expected, but the synergies have exceeded our expectations, especially in sales. We consider the deal to be very successful for UB.

The acquisition of KJK Capital Oy's asset management business was strategically justified as it increased the company's institutional presence. The valuation of the transaction was also favorable.

AVENTUM

Acquisition of Aventum's funds business **2012**

OPTIUM

Acquisition of investment service company Optium Ltd from POP banks in early **2016**

SUOMEN PANKKIIRILIIKE

The acquisition of Suomen Pankkiiriliike (SPL) in **2017**

KJK Capital

Acquisition of the asset management business of KJK Capital Ltd in the fall of **2018**

2012 2014 2016 2017 2018 2021-2022

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Acquisition of the majority of Nordic Forest Management Oy **2014**

UB UNITED BANKERS ·REAL ASSETS·

Redemption of minority owners of UB Real Asset Management in late **2017**

UB CAPITAL

The sale of UB Capital's operations in Sweden in the summer of **2018**

UB UNITED BANKERS

Increasing ownership in UB Finnish Property Oy

The acquisition of Nordic Forest Management, which invests in forest assets, was the starting point for UB's forest fund business. Today, through its funds, UB is the third largest private forest owner in Finland.

Purchase of minority shares of UB Real Asset Management is strategically sensible, as the real asset funds managed by UBREAM are at the heart of the UB's real asset strategy.

In our view, the acquisition of minority shares in UB Finnish Property, which manages the UB Finnish Property fund, was logical and clarified the group's structure. The valuation of the transaction was neutral.

Asset Management 1/4

UB is a medium-sized asset manager that focuses on real asset products. The Asset Management business of UB comprises funds, portfolio management and sales of structured investment products. In 2023, the commission income of Asset Management was 48.4 MEUR and EBITDA 20 MEUR. At the end of 2023, the company had around 4.6 BNEUR in client AUM.

Assets under management

In our AUM model, we have divided UB into 1) traditional funds, 2) private equity funds, 3) other fund capital, 4) managed assets under portfolio management and 5) other capital.

The traditional fund capital was at the end of 2023 about 845 MEUR and comprises UB Fund Management's fund capital (excl. UB Forest, UB Finnish Property and UB Nordic Property funds). According to our estimates, the average fee level of UB for traditional investment funds is healthy at around 0.7-0.9%.

The AUM of private equity funds (NAV-based) at the end of 2023 were about 1,400 MEUR, consisting of (1) UB: UB Nordic Forest Fund III & IV and UB Metsä), (2) UB Corporate Lending Fund, (3) UB Renewable Energy Fund, (4) UB Forest Industry Green Growth Fund investing in shares of unlisted forest industry companies and (5) two real estate funds (UB Finnish Property and UB Nordic Business Property). Private equity funds are the most valuable of UB's AUM due to their attractive fee structure, and we estimate that UB's average fee level is strong at over 1.0%.

Other fund capital (2023: ~ 1330 MEUR) consists of the AUM that came with the KJK Capital acquisition and third-party funds (e.g eQ) offered by the UB Brokerage Company (formerly SPL). According to our estimates, the fee level of the AUM is the weakest, under 0.5% of the fund capital, since for most of them UB will only receive a distribution margin.

AUM of portfolio management (2023: ~ 370 MEUR) consists mainly of mandates and insurance funds. In our estimate, the average level of recurring fees for portfolio management is between 0.5% and 0.6%.

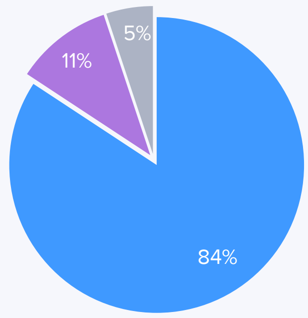
To our understanding, the Other item consists mainly of shares and bonds in customer storage and positions in structured investment products. The commission income of these items is based on transactions, so the capital in the item virtually doesn't generate a recurring income stream and, in general, the fee level is low.

Funds

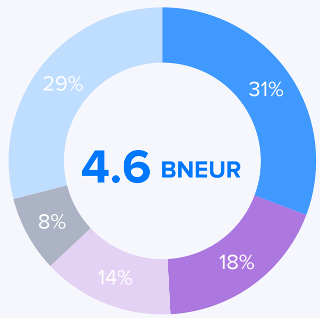
Funds make up the majority of Asset Management's business and fund fees accounted for around 85% of Asset Management's total fee and commission income in 2023. Management fees from the funds stood at 25.9 MEUR and performance fees at 13.6 MEUR. Subscription and redemption fees were at 1.3 MEUR.

Currently, UB's fund offering included a total of 24 (21 open- + 3 closed-ended) funds. The company's fund selection includes 1) traditional equity, fixed income and multi-strategy funds, 2) listed real estate and infrastructure funds, 3) non-listed real estate funds and 4) forest funds.

Distribution of Asset Management's performance fees (2023)



AUM (2023)



Source: UB

Asset Management 2/4

UB's aim has been to increase the share of fund capital that generates recurring cash flow, and the company's focus has been especially on real asset products (e.g. real estate and forest funds). The growth of the fund capital has been rapid in recent years and this capital has grown at an average annual growth rate of around 12% over the last six years.

The strong growth in fund assets was driven by strong capital market performance, good product returns and a significant improvement in sales. Sales efficiency was positively impacted by the SPL acquisition in 2017, which strengthened UB's distribution engine. In recent years, UB's net sales of funds (including subscriptions and redemptions) have ranged from 50 MEUR to just over 300 MEUR (5-year average ~200 MEUR), with a focus on institutional clients.

Wealth Management

Wealth Management's fee and commission income in 2023 was 5.2 MEUR, or about 11% of total Asset Management fee and commission income. The fee and commission income of Portfolio Management includes the fees from management agreements of non-own products and various transaction fees. We understand that the majority of Weatlh Management fees are recurring in nature and the remainder are transactional.

The core of UB's portfolio management service is its own products. In cases where managed assets have been invested in the UB's own products, only the fee from asset management is recorded in Wealth Management income. The fees for the funds below are shown under the funds.

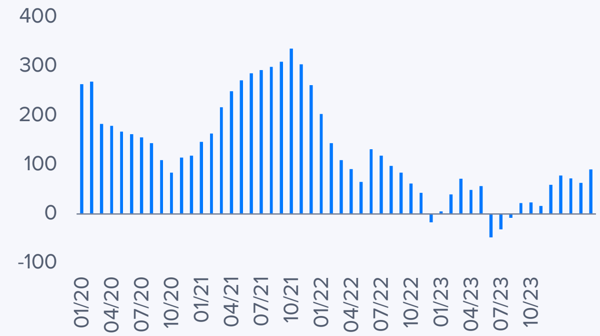
UB has sales offices in Finland in seven locations, and the company's distribution network is also supplemented by distribution agreements made with partners (e.g. POP banks). The POP banks operate in a large number of smaller cities and thus complement UB's own sales network well. Wealth Management also has a sales team of a few people in Sweden, responsible for sales to Nordic institutional clients. We estimate that the company's international sales are focused on forest products. In recent years, UB has also invested in the development of a digital distribution channel, and its products have been significant in the Swedish pension scheme and in the Nordnet and Avanza fund portals.

Structured investment products

The offering of UB's structured products includes both equity-based and credit-related investment products. UB's fee andc commission income from structured investment products amounted to 2.5 MEUR in 2023, representing approximately 5% of Asset Management's total fee and commission income.

In structured products, revenue has been falling clearly in recent years, due to, among other things, the decline in rates of return seen in the corporate lending market. In 2018, the euro volume of these products still exceeded 100 MEUR, but in recent years the level has been around 50 MEUR. However, given the company's focus on the development and sale of its Asset Management solutions, which generate a steady stream of revenue, the development of sales of transaction-driven structured products is of little relevance to its investment story.

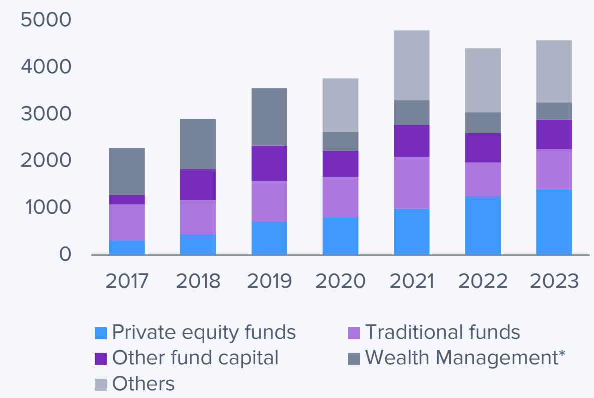
Net subscriptions to UB's investment funds* (MEUR, rolling 12-month)



Excludes subscriptions in limited partnership alternative funds (Forest Funds, Corporate Lending Fund)

Source: Investment Research Finland

AUM (MEUR)



**The AUM under Portfolio Management has been divided from 2020 onwards into Wealth Management and Other items.*

Source: UB

Asset Management 3/4

Cost structure of Asset Management

The cost structure of Asset Management is quite fixed as is typical for the industry, and the most significant expense item is personnel costs. At the end of 2023, UB employed 160 employees and 31 tied agents. The company doesn't disclose the distribution of personnel by segment, but we estimate that a significant majority (about 90–100 + all agents) are employed in Asset Management.

In 2023, total personnel costs of Asset Management were around 17.6 MEUR, and we estimate the average employee cost to be around 110-120 TEUR/year. The level is slightly below that of key peers, which we believe is due to the sales-heavy distribution of employees and the high level of employee ownership (group-level comparison, p. 26).

Other costs of Asset Management consist mainly of fees paid to tied agents and other distribution partners (2023: 4.8 MEUR), administrative costs (2023: 6.3 MEUR) and depreciation. The company reported depreciation only on the group level and the amount was about 2.2 MEUR in 2023.

If these were to allocated to the operating segments (Asset Management and Capital Markets Services) in relation to revenue, the depreciation level of Asset Management would be just above 2 MEUR. The company's annual depreciation is relatively high due to the high volume of intangible assets. The high depreciation mass of intangible assets is due to the depreciation of customer relationships (PPA depreciation) and the depreciation of IT systems resulting from past M&A transactions.

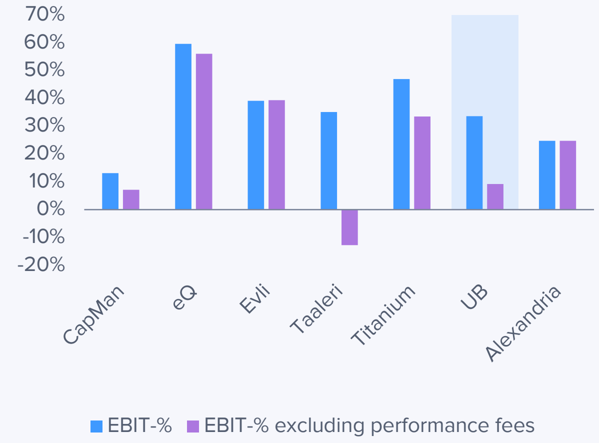
Profitability of UB's Asset Management (2023: EBITDA-% 40%) has improved significantly in recent years and is already at a relatively good level compared to its main peers. The clear improvement in profitability has been driven by significant business scalability and increased cost-efficiency. An EBIT figure comparable to that of other asset managers can be obtained by allocating group expenses and depreciation roughly in proportion to revenue. The EBIT margin calculated in this way has hovered around 35% in recent years.

The key challenge of profitability is still related to performance fees. Although UB has managed to increase the share of recurring revenue clearly in recent years, performance fees continue to play a very important role in the company's profitability. Excluding performance fees from results, Asset Management's operating margin would be only 10%. Although the calculation is not entirely consistent with the inflexibility of bonuses, the profitability of continuing operations is still quite sluggish. Profitability improvement through recurring income is therefore at the heart of the value development of Asset Management.

Customer segments

United Bankers has focused its business on serving private investors, although the focus of customer segments varies slightly from one service area to another. The main target group for Portfolio Management are Private Banking customers, to whom UB mainly offers its own products. The company serves customers through sales offices and OmaUB digital platform.

Profitability of asset management businesses (2023)



Inderes' comments:

- The profitability of UB's Asset Management burdened by group costs and depreciation
- Titanium and Alexandria have no goodwill depreciation at group level
- CapMan's Management Business burdened by group function costs
- Asset Management of eQ burdened by group costs
- Evli's profitability takes into account the group's allocations

Asset Management 4/4

For wealthy private individuals, UB mainly provides direct investments and power of attorney portfolio management. In power of attorney portfolio management, the company mainly utilizes its own products for real assets, and in traditional asset types the company utilizes both its own funds and ETF funds from external service providers.

Very wealthy individuals (UHNW) are clearly the smallest customer group of UB. The company's desire is to increase the number of UHNW customers and it has invested in the service experience of wealthy individuals through, for example, the Private Investment Office service concept, which was established in 2018.

For institutional customers, UB mainly offers private equity funds and real asset products. As regards institutional customers, the company's medium-term objective is to expand its product offering and to increase customer base outside Finland and Sweden. We estimate that more than half of Asset Management's fee and commission income currently comes from individuals, while AUM is roughly evenly split.

Cyclicality affects the fund capital

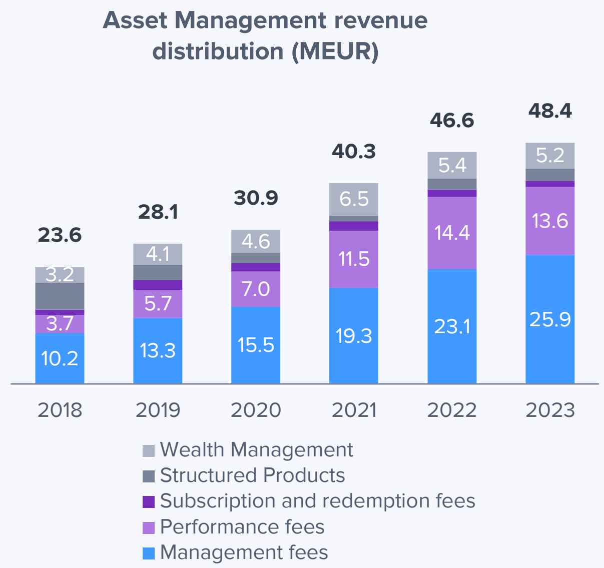
In addition to new sales, value changes affect the amount of AUM of the companies in the industry. Funds can be divided into three categories in this review: 1) Traditional open-ended funds whose value is determined on a daily basis on the listed markets, 2) open-ended alternative funds and 3) closed-ended alternative funds.

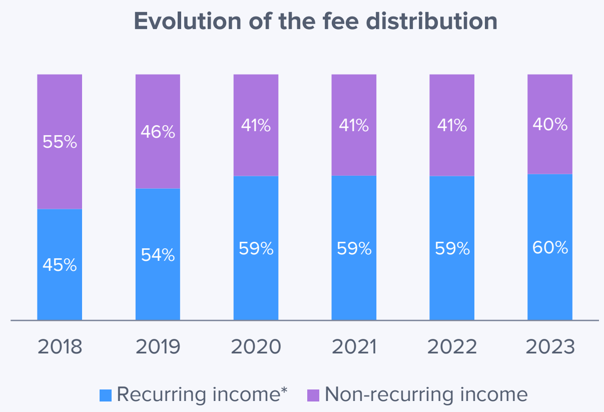
In the case of open-ended alternative funds, the management company may exercise its own discretion in valuing the assets in the portfolio. As the assets aren't subject to continuous public trading, the estimates are partly subjective and the volatility of changes in value is also typically more moderate than on the general market.

Closed-ended alternative funds are operational only for a certain period (typically 10 years), during which capital cannot be redeemed from them. While many companies also calculate fair values for their closed-end alternative funds throughout the life of the fund, management fees are still tied to the amount of initial commitments to the fund. Therefore, general market developments aren't relevant to the recurring income from these funds.

The impact of general market developments on the company's fund capital (and thus on management fees) through changes in value can therefore be roughly estimated from the share of traditional fund capital of the whole AUM.

Nearly one-third of UB's fee-generating client assets are in private equity funds, primarily open-end alternative funds. As a result, we anticipate that overall market performance will have a moderate impact on the company's fee and commission income in the near term through valuation changes. However, the company is not immune to market conditions, with the greatest impact on new sales and performance fees, both of which are typically depressed by weakening market sentiment.





*Recurring income = fund management fees + wealth management fees

Capital Markets Services

The Capital Markets Services business includes Corporate Finance, which provides M&A advisory services, IPO services, and equity and debt financing advisory services. The segment also reports on the already discontinued crowdfunding channel UB Rahoitus. However, the contribution of UB Rahoitus to the segment's revenues and expenses is already very small, so the segment's results are mainly driven by advisory services.

Overall, Capital Market Services are of minor importance to UB and can be seen as complementary to its overall offering. Last year, the segment's revenue was 1.0 MEUR (2022: 1.7 MEUR) and EBITDA -0.3 MEUR (2022: 0.2 MEUR).

Advisory services

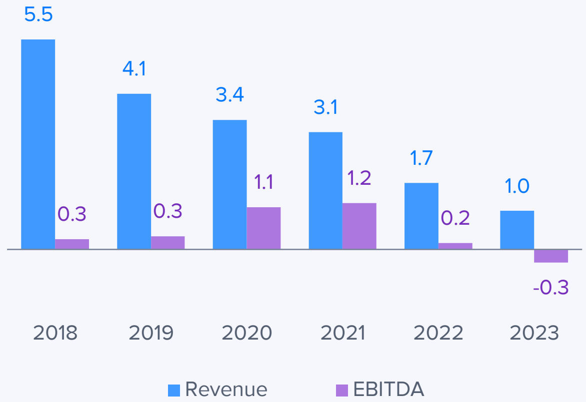
UB's Corporate Finance business has focused on, e.g., equity and debt financing and IPO services. In addition to these, the company acts as an approved advisor for companies listed on First North.

The cost structure of Capital Markets Services is fairly fixed and we expect the segment to break even with a revenue of 1.0-1.5 MEUR. After that, profitability scales quite well, even though the bonuses paid to employees increase somewhat with performance.

Between 2018 and 2023, the segment's revenue has fluctuated between 1.0 and 5.5 MEUR, but this still includes the business of the crowdfunding channel UB Rahoitus. We estimate that the impact on revenue was well below 1 MEUR, so the normal revenue level for advisory services is estimated to be around 3-4 MEUR. In this revenue class, the segment's business is quite profitable, but due to the relatively small size of the segment, its significance for the group's figures is low. In our view, UB also has no material appetite to grow the segment from its current size, given the volatility of earnings and the group's strategic focus on asset management. In addition, competition in advisory services is moderately fierce.

In the Capital Markets Services segment, EBITDA has fluctuated between -0.3 and 1.2 MEUR in recent years. Again, the impact of UB Rahoitus should be taken into account, as we estimate that the business has been loss-making.

Capital Market Services revenue and EBITDA (MEUR)



Strategy and financial targets 1/2

UB started out as a securities brokerage firm, but after the financial crisis, the company made an important strategic decision to focus more on asset management, particularly real asset products. The choice of strategy has proved to be correct, as the brokerage activity has ended up in structural problems in Finland and the prerequisites of the old business model have disappeared.

2011-2014

Becoming a full-service financial house

- Expansion to real assets
- Founding the investment bank
- IT systems modernization
- Expansion of product offering
- Company remains dependent on transaction fees
- Listing on First North in 2014

2015-2018

Moving to the next size class and focus on recurring income

- Significant distribution power through M&A (SPL and Optium)
- Redemption of minorities
- Organic growth supported by favorable market developments
- Launching private equity business
- IT investments and regulation increase costs
- Strong growth in the share of recurring income
- Focus on asset management (exit from the investment bank in Sweden)

2019-2020

Materializing earnings potential

- Successful integration of SPL and full use of sales power
- Accelerating organic growth
- Increasing focus on real asset products
- Growing private equity fund business and new product launches (e.g. Nordic Property and UB Finnish Property).
- Integration of ESG into the company's activities

2021-

Continuing profitable growth

- Investments in international sales and distribution
- Growing into a significantly larger player
- Expansion of product offering, especially in private equity funds
- Clear shift of focus from a product house to an asset manager
- A clear increase in the size classes of individual products

Strategy and financial targets 2/2

UB's financial targets (set in February 2023)

Growth

The aim is to increase the amount of client AUM to more than 10 BNEUR by 2028.

Achieving the growth target for UB's AUM would represent an average annual growth rate of approximately 17% between 2023 and 2028. We believe that the target is extremely ambitious and achieving it organically will require 1) excellent new sales, 2) successful expansion of the product offering and 3) largely favorable market developments.

Without acquisitions, we do not believe that the company will reach its goal, although the starting point for growth is good. In our view, management also sees inorganic growth as one of the ways to achieve this goal. The company has also announced that it is looking to grow by expanding its business into other Nordic countries.

Profitability

The aim is to increase the operating margin to over 40% by 2028.

We consider the profitability target of over 40% to be realistic for the company, but even more important is an improvement in the earnings mix. In our estimates, we expect an EBIT profit margin of just above 30% by the end of the target period, but at the same time returns are much more heavily weighted towards recurring fees, which increases the value of the result for the investor.

We estimate that reaching the target level would require faster growth than our current projections. For example, if UB achieves its AUM growth target of 10 BNEUR, profitability is likely to be better than expected.

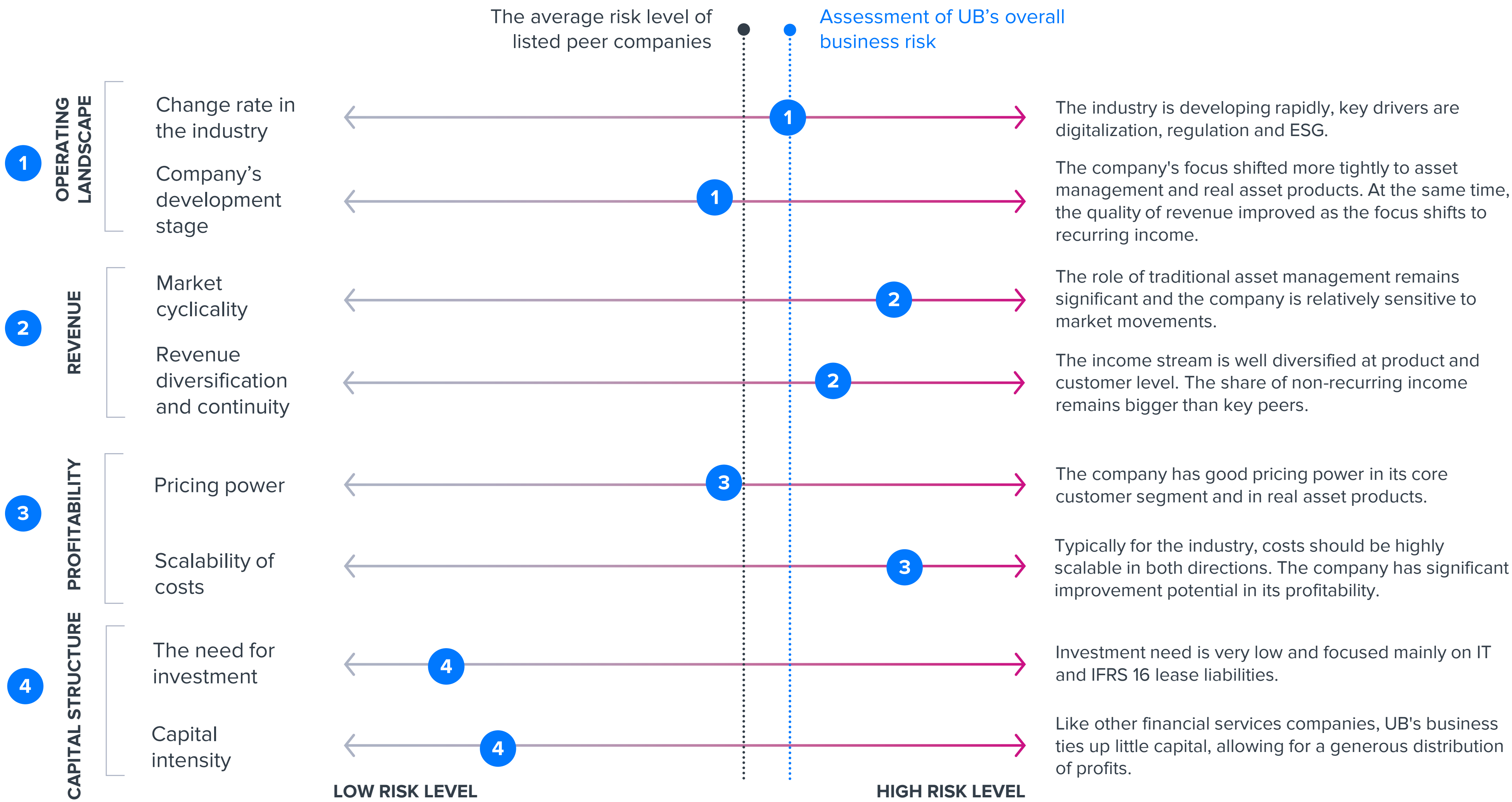
Profit distribution

The aim is to pay an annual dividend of at least 70% of earnings per share or cash flow.

We believe this target is quite conservative given the modest investment needs of the business. We expect that the company continues its very generous profit distribution policy over the next few years and we anticipate a payout ratio of 70-90% between 2024 and 2027.

Although UB's balance sheet is very strong, we believe that the dividend will be dependent on earnings development in the coming years. As a result, we do not expect the company to pay a dividend significantly above EPS, even in a weaker market environment. Similarly, if the company were to find meaningful acquisition targets, the payout would likely remain near the lower end of the range.

The risk profile of United Bankers' business model



Source: Inderes

Investment profile

1. **Long-term demand outlook is strong in the company's main product groups**

2. **There is potential for improvement in cost efficiency**

3. **Low capital requirements allow for generous dividends along with growth**

4. **Opportunity to create value through M&A**

5. **Key persons have a significant interest in the company**

Potential

- Launching new products and expanding the fund range
- Increasing the size of existing funds
- Significant upside potential from strong fund performance
- Further improvement potential in cost efficiency
- M&A transactions and consolidation of the industry

Risks

- Higher-than-expected cost growth and low profitability based on recurring fees
- The share of non-recurring income (performance fees and subscription and redemption fees) remains significant
- Weakening market conditions and their negative impact on industry demand
- Sustained decline in investor allocations to alternative asset classes

Source: Inderes

Asset management market 1/8

Asset management market is growing despite weak economic development

The asset management market in Finland is relatively young and, for example, the first mutual funds were only established at the end of the 1980s. Over the last three decades, the asset management business has grown rapidly with the growth of the national economy and the prosperity of citizens. Historically, a majority of the wealth of Finnish households has been tied to housing and it remains by far the largest asset item of households, although other forms of investment have become more common. The young age of capital markets in Finland is also seen in the fact that a significant proportion of the non-housing investment assets of households are still on banks' current accounts.

At the end of 2022, we estimate the size of the Finnish asset management market to be around 230 BNEUR in terms of assets under management (source: Statistics of the Finnish Financial Supervisory Authority). We estimate the total market revenue to be around 1.7 BNEUR in 2022. Since 2014, the market has grown at a compound annual growth rate (CAGR) of around 9%, according to our calculations.

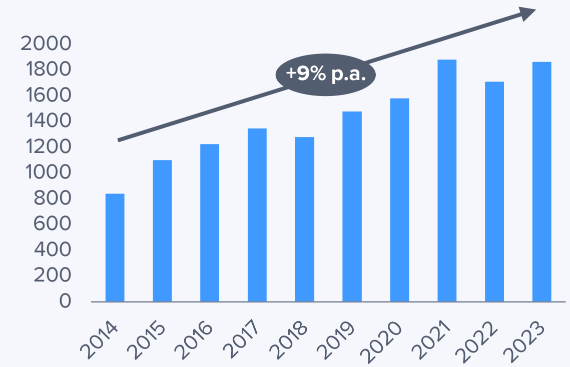
The vast majority of total market revenue comes from fees charged to funds. In addition, a significant amount of assets are held under various asset management agreements (e.g., full power of attorney), but their average fee level is well below that of funds. For example, we have not included in our calculations estimates of various one-off fees (e.g., performance fees and subscription/redemption fees) that increase the actual figure.

We note that calculating the exact size of the market from these premises is challenging, as it also depends on the assumptions made about the average premium levels for the products. Therefore, our calculation should be seen primarily as indicative.

Long-term growth outlook is good

In the long term, the Finnish asset management market will receive significant support from structural changes, as the wealth collected by the baby boom generation begins to pass to the next generation through inheritance. According to our estimates, this sudden increase in wealth will inevitably lead to an increase in the asset management market, as more and more people are interested in investing and also become attractive clients for investment service companies. Concerns about the sustainability of the pension system will also generate structural interest in long-term investing and asset accumulation. However, this structural change will only take place over the coming decades and won't therefore affect the short-term prospects of the sector. In the long term, we believe that the asset management market in Finland is well positioned to continue the annual growth of about 5% so it still remains a clear growth sector.

Development of the Finnish asset management market (MEUR)

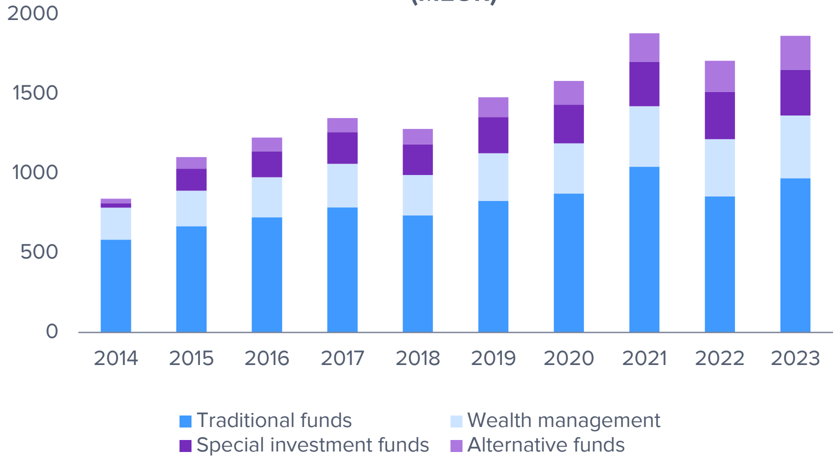


Source: Inderes

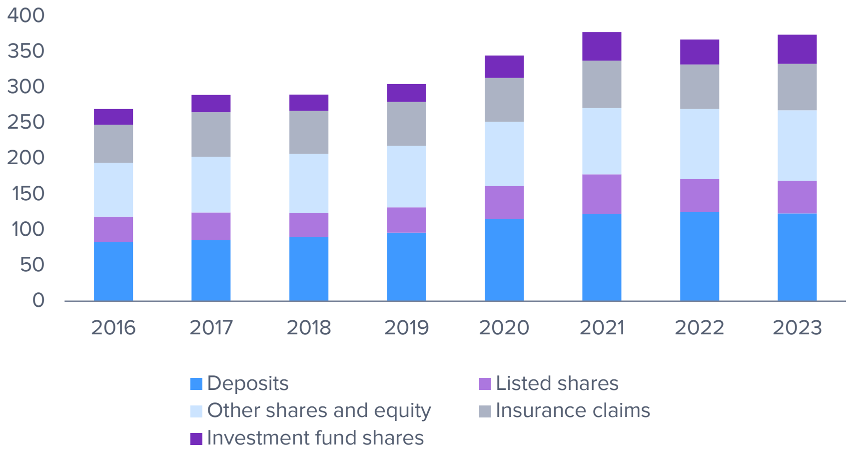
Examples of Finnish asset managers

Asset management market 2/8

Development of the Finnish asset management market (MEUR)



Household financial assets (BNEUR)



Source: Inderes / Finnish Financial Supervisory Authority / Finnish Investment Survey / Financial sector

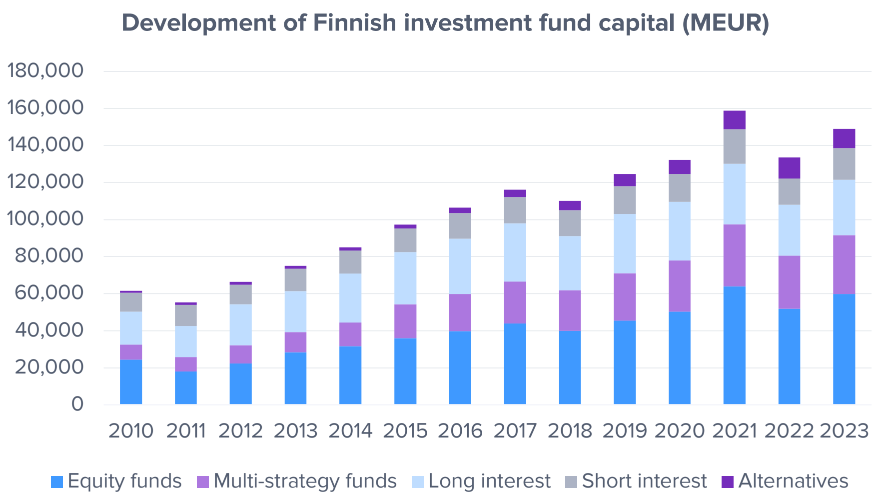
Asset management market drivers

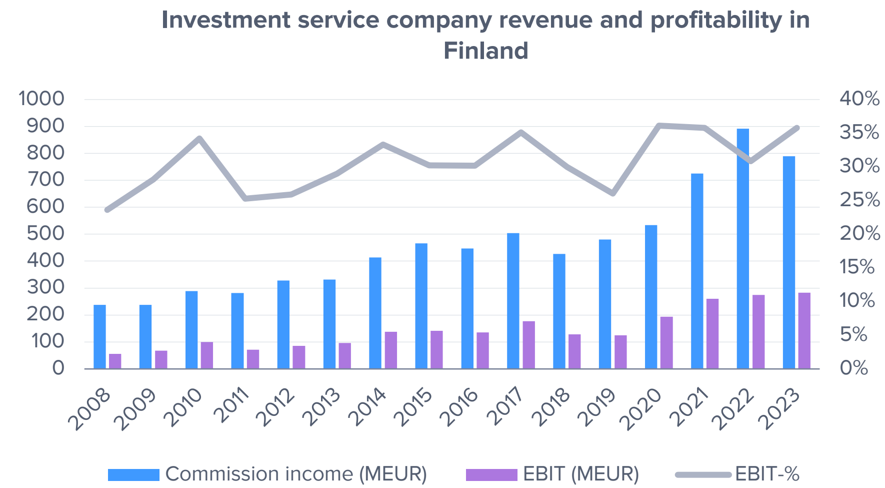
- Wealth creation
- Will to prepare
- Need for professional asset management

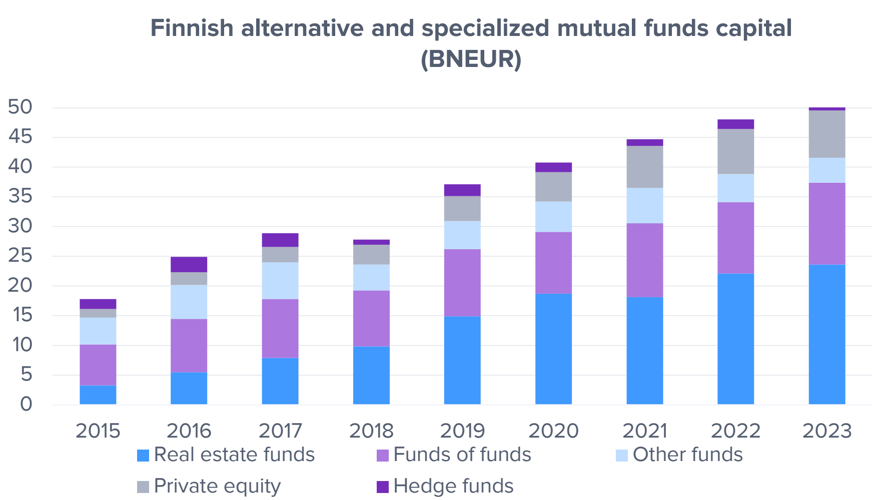
- Inheritance
- Concerns about the pension system
- Increasing complexity of the capital markets
- Wealth, for example, through acquisitions
- Awareness of investing is growing
- More and more people have access to professional wealth management

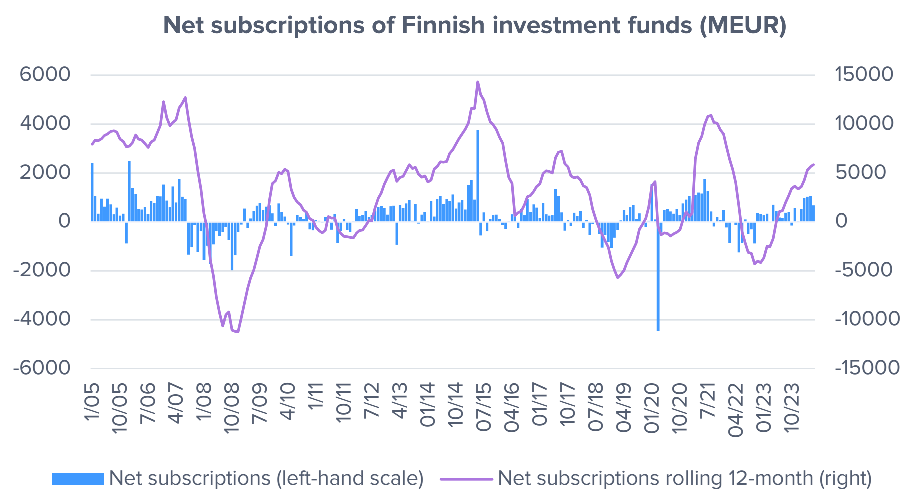
Strong structural growth trends underpinning the asset management market

Asset management market 3/8









Source: Inderes / Statistics Finland / FIN-FSA / Investment Research Finland

Asset management market 4/8 – industry trends

Sustainability (ESG)

Sustainability has become a key part of the investment process as investors increasingly want to have an impact with their capital. Sustainability has already become a central theme guiding investment decisions and a significant standard for the entire industry.

A renaissance for interest rates

After nearly a decade of low interest rates, interest rates have risen sharply, making a return as a relevant asset class.

Digitalization

Digitalization enables a more efficient service for new customer groups and a significant improvement in efficiency in the companies' internal operations.

Increasing regulations

The increasing number of regulations grow the administrative burden of the field and weakens the position of small players in particular In addition to the small players, the regulations hit banks hard

Evolving needs of investors

Unlisted asset classes have become part of a modern investment portfolio	Interest rate products have again become a relevant asset class	Sustainability has become a guiding theme for investment decisions
Investors are looking for more and more individual wealth management	The requirements for asset managers increase as the role of alternatives grows in investment portfolios	Regulation, digitalization and ESG raise the barrier to entry

Investors' requirements are growing

Demand for passive investment products continues to grow thanks to their superior cost/return ratio	Traditional wealth management will face even more aggressive price pressure	Wealth managers must find ways to generate genuine additional value to their customers

Asset management market 5/8 – industry trends

Victory march of alternative assets

The share of active funds in the AUM has decreased, particularly as a result of passive and non-listed products growing in popularity

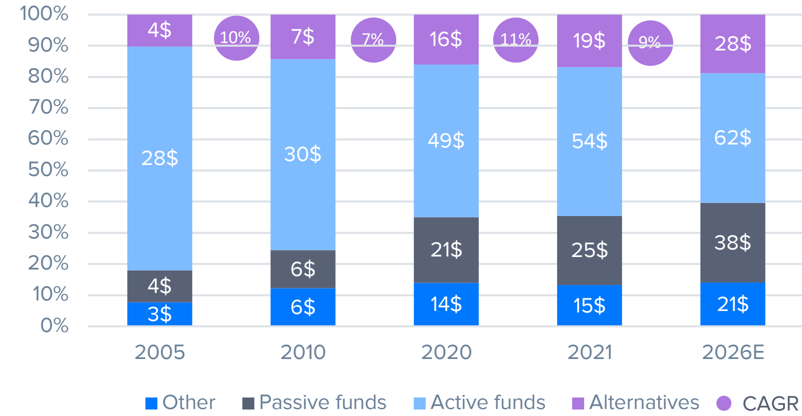
Passive products don't represent a significant source of income for investment service companies due to low fee levels, although they account for a significant share of total assets

The average fee levels for active investment funds have fallen clearly

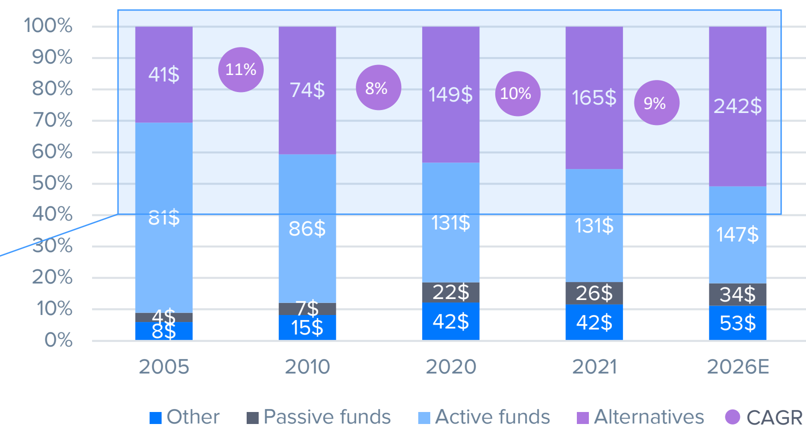
The fee levels of alternative assets significantly better than traditional funds

The share of alternative assets of global fee and commission income has risen to over half

Global AUM distribution (BNUSD)



Global revenue distribution (BNUSD)



Source: BCG Global Asset Management 2024

Asset management market 6/8 – industry trends

Investment income in a critical role

Investment assets play a pivotal role in the Finnish pension system and the sustainability of the system depends to a large extent on the long-term returns of pension assets. According to the calculations of the Finnish Center for Pensions, private sector employment pension contributions can be kept under control until the 2050s, provided that the underlying assumptions (real return 2.5% per year until 2028 and then 3.5% per year until 2050) are correct.

Increasing risk-taking

With the decline in interest rates, pension companies have increasingly had to seek out non-traditional investments and face different and higher risks. This has significantly decreased the weight of fixed income investments in the portfolio.

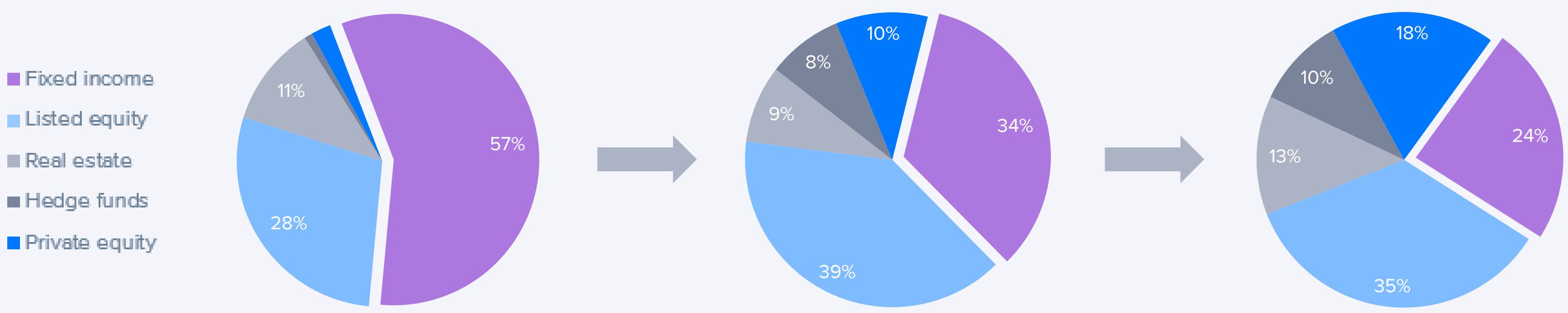
Sustainability gap is threatening

The fall in the interest rate levels seems to be more permanent than was expected a few years ago. At the same time, the population is aging, which will continue to increase the pressure on raising pension contributions. In the light of recent developments and discussions, the share of stocks and alternative investments in the portfolios of pension companies will continue to grow as one of the means to address these challenges.

Allocation of employment pension institutions 2004

Allocation of employment pension institutions 2019

Illustration of possible allocation in 2029*



Source: Inderes / Tela

Asset management market 7/8 – competitive landscape

Structure of the Finnish asset management market by client size and product positioning

Source: Inderes

Asset management market 8/8 – consolidation expected in the industry

Wealth management competition

Banks

Nordea, OP, S-Pankki, Ålandsbanken, SEB, Aktia, Danske Bank, omaSp (Lähellä ja läsnä)

Medium-sized investment service companies

Mandatum, Evli, CapMan, LähiTapiola, UB United Bankers, Taaleri, Titanium, eQ, Alexandria

Small investment service companies

Icecapital, Finlandia, Fourton, Fondita, PYN Elite, DC Dasos Capital

Consolidation drivers

Trends

- Digitalization
- Regulation
- Return of interest rates
- Alternative asset classes
- Sustainability (ESG)

Sales synergies

- Growing the product and service range
- Increasing distribution capacity
- Increasing AUM

Cost synergies

- IT costs
- Administrative expenses
- Personnel expenses

Drivers for consolidation are clear and we believe that consolidation will continue as active

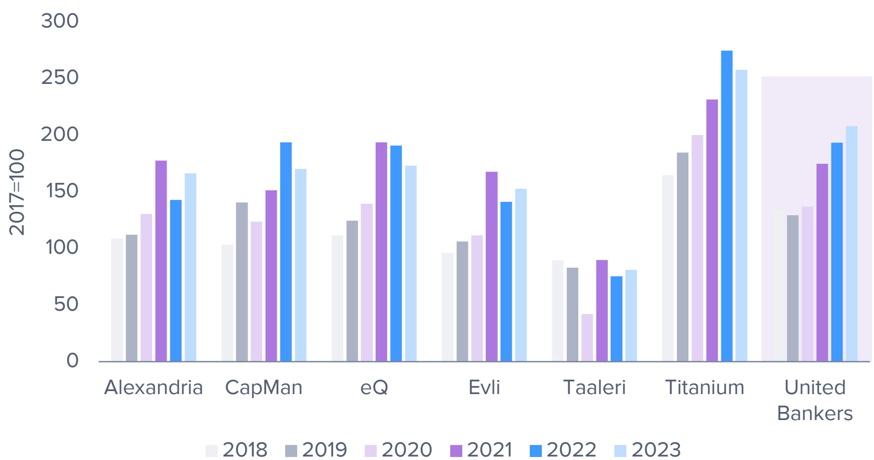
Finalized M&A transactions

eQ	Advium, Icecapital
UB United Bankers	Suomen Pankkiiriliike, KJK Capital
CapMan	Norvestia (Norvestia Oyj), DC Dasos Capital
Elite	Alfred Berg 1863
Titanium	Investium
Taaleri	Garantia
Aktia	Taaleri Varainhoito
Evli	Elite Alfred Berg, Kelonia (Ab Kelonia Oy)

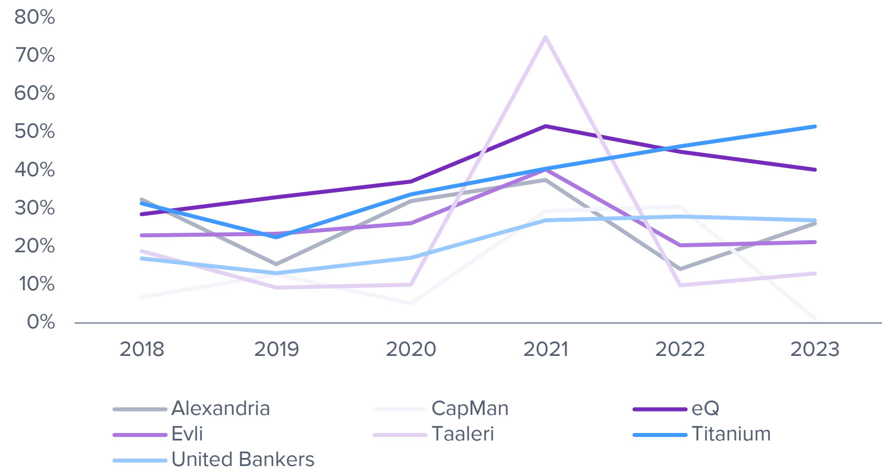
Source: Inderes

United Bankers in relation to Finnish peers 1/2

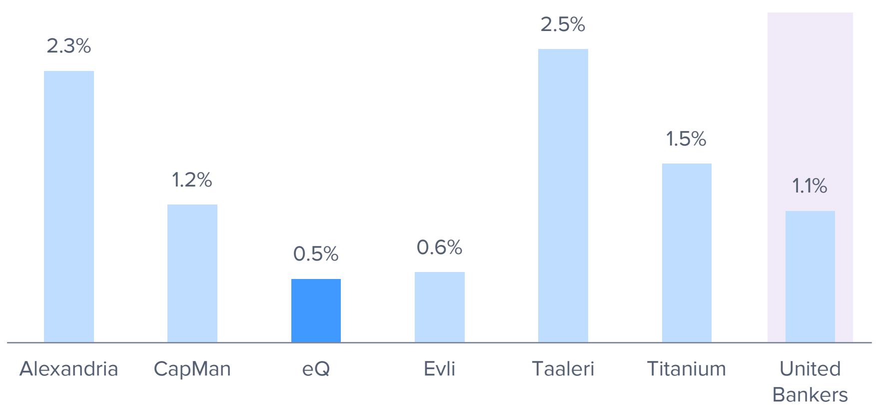
Indexed operating income development



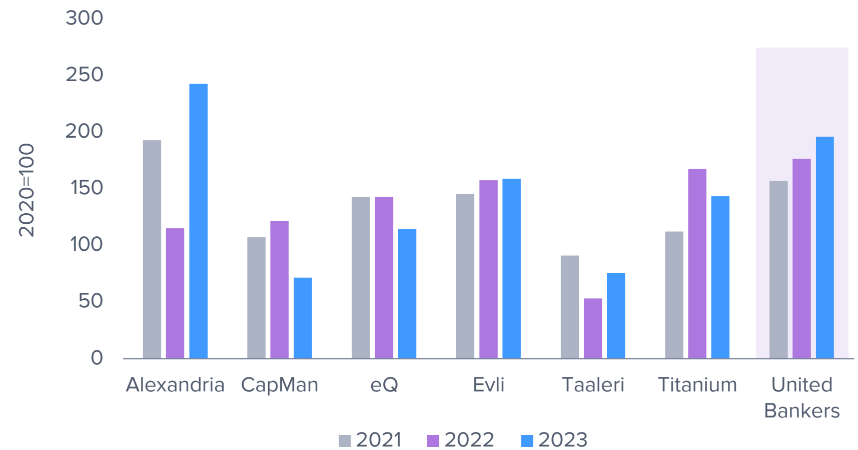
Return on equity (ROE)



Revenue/AUM-%

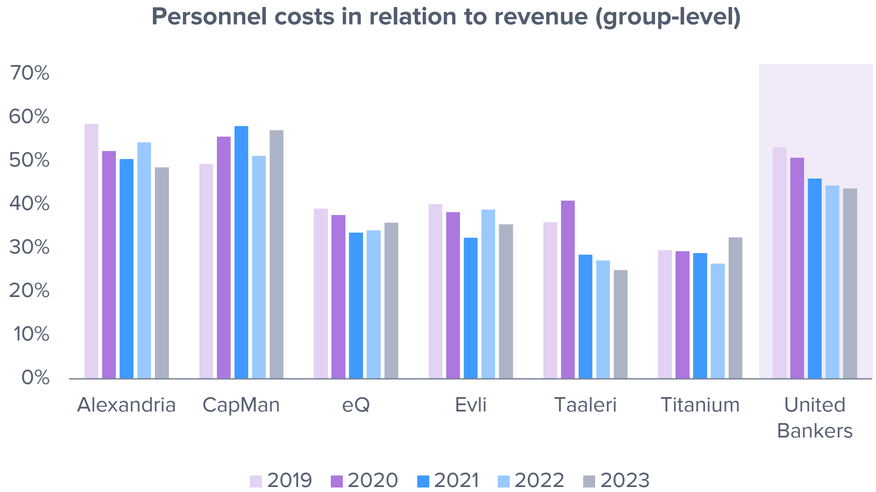


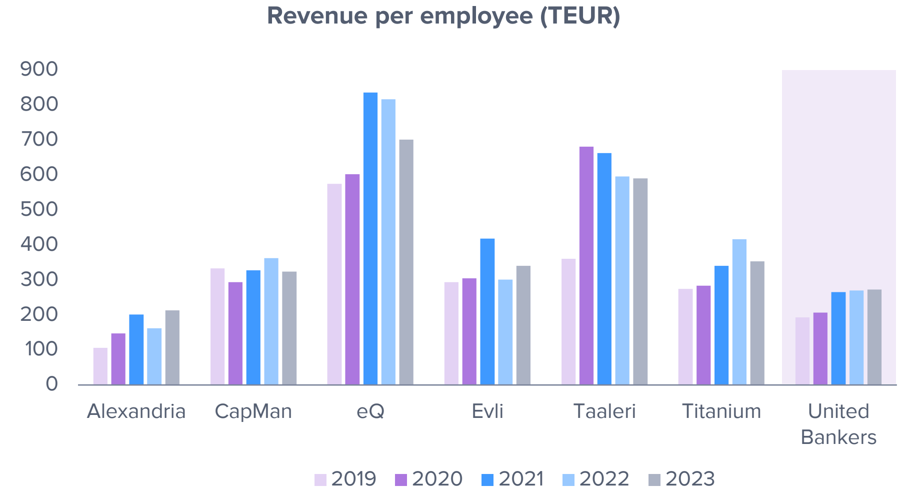
Indexed dividend / share development

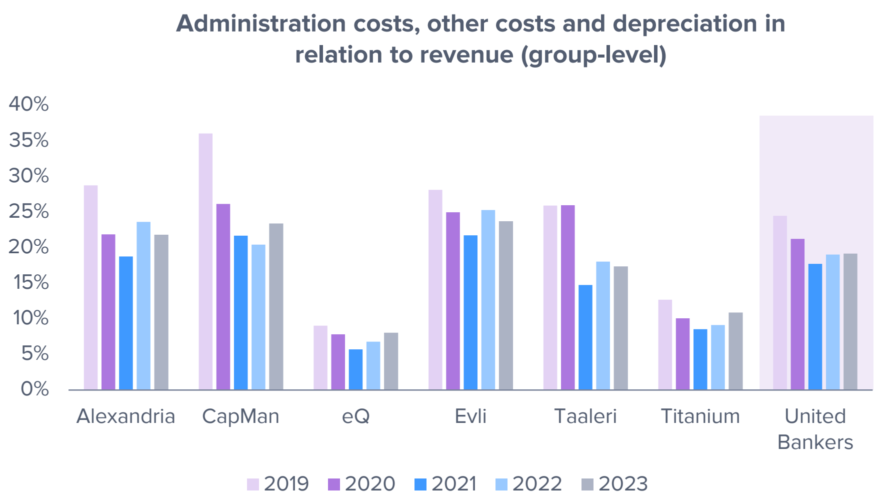


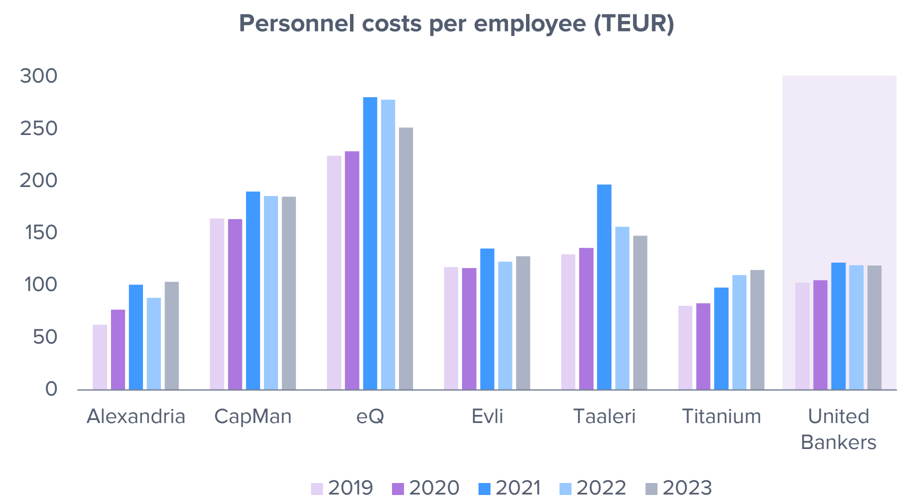
Source: Financial statements of companies

United Bankers in relation to Finnish peers 2/2









Inderes' comments:

- Revenue per employee calculated with average number of employees.
- Agents were included in personnel and personnel costs.
- Taaleri's 2019–2021 figures adjusted for divested Wealth Management business..

Financial position

Intangible assets increase the balance sheet

From an investor's perspective, UB's balance sheet is very simple and, as is typical in the industry, growth is not tying up significant capital. However, the significant amount of intangible assets (~31% of the balance sheet) increases the size of the balance sheet. Intangible assets consist of goodwill and primarily intangible assets related to acquisitions (UB transitioned to IFRS accounting in 2019 and no longer amortizes goodwill).

Typically for the sector, tangible assets in the company's balance sheet are very low, i.e., only 2.9 MEUR. The majority of this amount is recognized as a lease liability in accordance with IFRS 16.

At the end of 2023, cash and cash equivalents and debt investments on the balance sheet amounted to around 10.6 MEUR and other investments, mainly in the company's own products, amounted to around 8.2 MEUR.

The last relevant asset item in the balance sheet is other assets (31.0 MEUR), which mainly consists of fee receivables.

At the end of 2023, the company's equity amounted to 51.6 MEUR and interest-bearing debt to 2.0 MEUR. Interest-bearing liabilities consist exclusively of IFRS 16 lease liabilities. Other liabilities (22.7 MEUR) consist of working capital items related to the normal course of business.

There is a large buffer in the balance sheet

At the end of 2023, the company had an equity ratio of 67.7% and a CET1 solvency ratio of 24.1% (regulatory requirement 8%), well above its own target of 13%. The excess capital on the balance sheet compared to the solvency target is approximately 7 MEUR. However, we believe that the company wants to maintain balance sheet flexibility, for example in the case of M&A. Therefore, we do not believe an additional dividend payment and balance sheet reduction are likely. Nor do we see any point in increasing the buffer from its current level, so that the company will be able to use all of the capital generated by the business either for dividends or for acquisitions in the future.

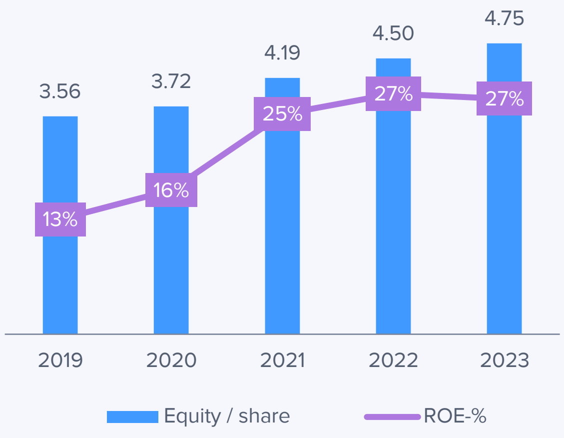
M&A possible also in the future

The current balance sheet gives the company some room to maneuver and according to our calculations, UB would be able to make an acquisition of at least around 10 MEUR on its current balance sheet without jeopardizing its financial position or having to use its own shares as a means of payment. Transactions above this level would generally require the use of own shares.

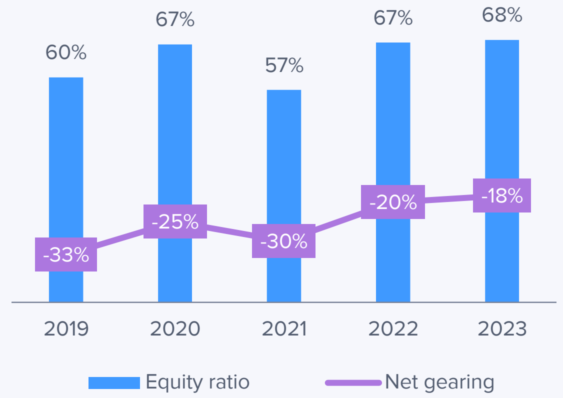
We believe that in the medium term, UB will remain an active player in the M&A field, as the company continues to aim for increasing its size class. In our estimate, small Finnish financial houses that complement the company's product offering and medium-sized asset managers from Sweden, which would enable it to become more prominent in the Swedish asset management market, are interesting M&A targets for UB.

In our view, UB's track record of M&A transactions is quite good and we regard the M&A card as a positive option for investors. In particular, smaller domestic product houses would be an interesting addition to UB, as the company would be able to use its own efficient distribution network with them.

Equity per share and ROE-%



Development of balance sheet key figures



Estimates 1/4

Estimate revisions

In connection with the extensive report, we have made some changes to our forecasts. Overall, the impact of these has been quite modest, and our EBIT forecasts for the coming years have been reduced by 3-5%. Our dividend forecasts have also fallen in line with our earnings forecasts. However, in the big picture, our view of the company's performance remains unchanged.

We have slightly lowered our growth forecasts for traditional fund assets over the next few years. We also moved up the final close of the fundraising-stage capital fund (FIGG) until the second half of the year. We expect this to be in the order of 200 MEUR. At the same time, we have delayed our expectations for the launch of the next private equity fund by one year. Otherwise, our forecasts are virtually unchanged.

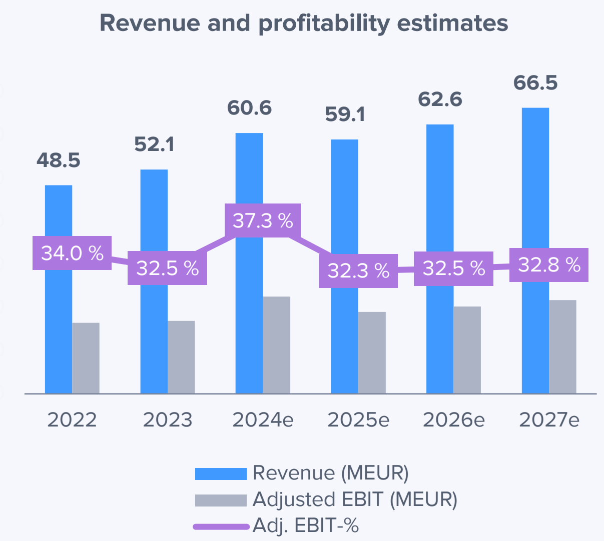
Summary of estimates

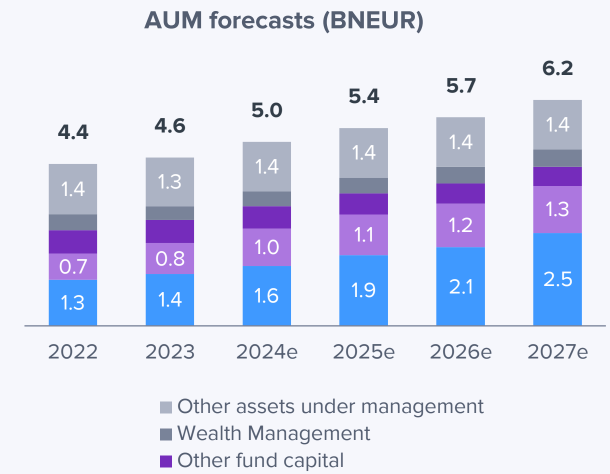
UB's earnings development has improved significantly over the past few years. Since the SPL integration, the company's new sales have made a clear upward level adjustment and the sales focus has increasingly shifted to real asset products, which form the core of the strategy. The company's profitability has also scaled with growth, with EBITDA margin hovering around a healthy 40% in recent years. Growth has also been strong in euro terms, and last year UB achieved another record result despite the difficult market situation.

However, recurring income is still quite important and accounts for a larger share of UB's operating income than its main peers. However, the share of recurring income should gradually decline in the coming years as the growth in client assets under management improves profitability based on recurring income.

Overall, we expect UB to deliver average earnings growth of around 5% between 2024 and 2027. The majority of this comes from recurring management fees, which we expect to reach approximately 70% of group revenue by 2027 (up from ~60% in recent years). The level is starting to be good and we believe that it's relatively close to the optimal level for the company. Recurring commission income is significantly more predictable and more valuable than non-recurring performance and transaction-driven fees for an investor, as their growth reduces volatility and supports acceptable valuation.

In our projections, recurring fee and commission income growth is driven by continued strong capital growth in real asset products that are strategically important to UB. Investors should note that our forecasts for the distribution of recurring and non-recurring income differ slightly from UB's own reporting. In its own reporting, UB treats performance fees as recurring income, while our interpretation is that they are one-off income. At the same time, we note that our forecasts will vary somewhat depending on the timing of performance fees.





Estimates 2/4

In terms of market conditions, we expect demand for real estate products to remain weak for the remainder of the year. An improvement is expected as early as next year, as the forecast decline in interest rates supports the outlook for asset returns and thus the demand for fund products. Beyond that, we do not have a specific view on macroeconomic developments, but we expect normal market conditions for the period 2025-2027.

2024: Another new record result

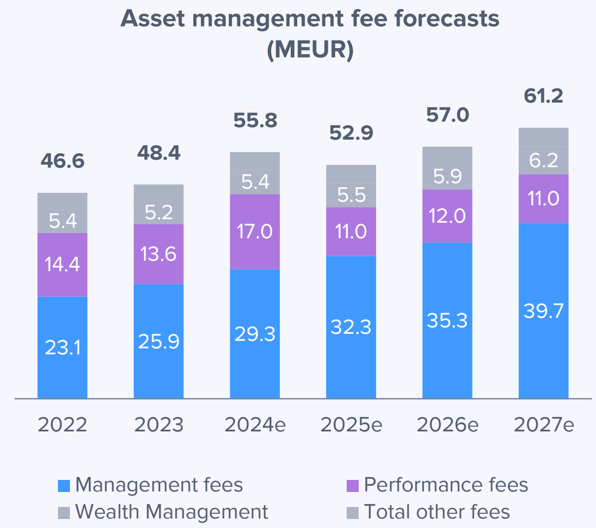
UB issued a positive profit warning in March, as the sale of the UB Nordic Forest Fund II will generate 10 MEUR in performance fees for the current year. The current guidance expects the company's EBIT to grow well above the 2023 level, which we estimate to be at least 20%. Therefore, according to the new guidance, EBIT should be at least 20.3 MEUR at the lower limit of the guidacne range. We estimate that the company has a buffer in its own forecasts relative to the lower end of the guidance, as the year was just starting at the time of the warning and visibility on performance fees for the rest of the year was limited. Overall, we expect UB to deliver by far the best result in its history this year and our EBIT forecast stands at 22.6 MEUR.

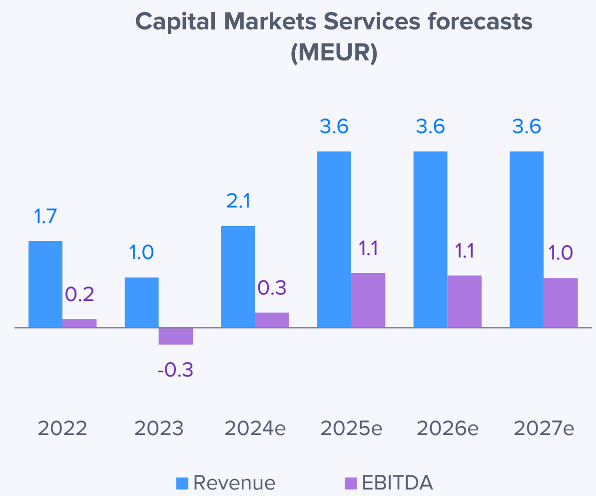
In our new sales forecasts, we have assumed that demand for UB's fund products in the second half of 2024 will remain at least at the level of the first half of the year. For the rest of the year, we expect the demand outlook to be supported by a gradually improving economic outlook and falling interest rates. We expect net subscriptions to the company's alternative funds to be over 200 MEUR this year. The growth in fund assets is driven primarily by forest funds and the new UB Forest Industry Green Growth Fund, which is in the fundraising phase and will invest in equities of unlisted forest industry companies. We expect the final size of the fund to be around 200 MEUR. We also expect healthy new sales from the new UB Renewable Energy fund.

We also expect strong growth in traditional fund assets for the full year. This was mainly due to the increase in fund values at the beginning of the year. In contrast, sales of real estate funds are expected to remain challenging throughout the year, and we expect these funds to decline slightly due to sluggish returns and redemptions. Overall, however, we expect UB's new business to continue to perform reasonably well despite the weak market conditions, and we forecast 2024 management fees of 29.3 MEUR (2023: 26.4) and year-end AUM of 5.0 BNEUR (2023: 4.6 BNEUR).

Of the 17 MEUR of performance fees we forecast for the current year, the majority will come from the sale of the NFF II fund and we also expect performance fees from the UB Forest fund. For real estate funds, we do not expect UB to record performance fees.

We expect the cost structure in Asset Management to remain relatively stable, so that the increase in revenue will effectively be passed through to the bottom line. At the same time, profitability based on recurring fee income will improve.





Estimates 3/4

For Capital Markets Services, the general stickiness of the transaction market will keep activity low this year, so our revenue forecast is below normal at 2.1 MEUR. Due to the fixed cost structure, profitability will also remain modest and we expect only a slightly positive result for the segment. The Other segment, which includes group expenses, recorded a small loss.

Our more detailed earnings forecasts can be found in the tables on pages 33-34 of the report.

2025-2027: Stronger focus on recurring fee income

We expect the market situation to gradually improve during 2024 and a fairly normal market environment in 2025. By this we mean a situation in which asset values are returning in line with historical averages and fund products are selling in line with historical averages at the overall market level.

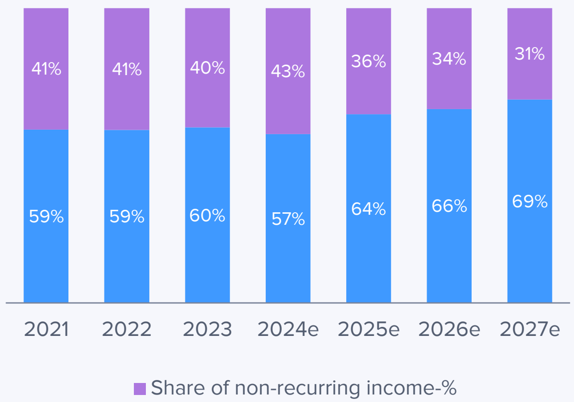
For the period 2025-2027, we expect an average growth of around 7% in UB's client AUM. The new sales forecasts for equity funds are driven by strategically important funds (UB FIGG, UB NFF IV, UB Renewable Energy and UB Forest). We expect traditional fund capital to grow by an average of 8% over the next few years, driven by revaluations and new sales. In real estate funds, the projected decline in interest rates should gradually stimulate demand starting next year. For these, however, we expect sales volumes to remain well below peak levels. We estimate the normal volume of structured products to be around 50 MEUR, which means performance fees of more than 2 MEUR.

The greatest uncertainty relates to performance fees that have been significant in recent years. We are quite conservative in our forecasts because, as in previous years, it is extremely difficult to estimate their level, with fund performance being the most important component. We expect the amount of performance fees to be around 11 MEUR in the coming years (2018-2023 average ~9 MEUR). In the coming years, our projections show that performance fees will come almost entirely from forest funds. On the real estate fund side, the situation will remain challenging for some time to come as the funds operate on a *high-water mark* basis. This means that funds cannot be charged a performance fee until the value of the fund has exceeded its previous peak. Given the weak return development in recent years and rising interest rates, we estimate that we can expect a return to performance fees for real estate funds until at least 2026.

We expect total Asset Management revenue to average zero growth between 2025 and 2027. However, this is explained by the normalization of performance fees from the exceptionally high level in 2024. For the same reason, UB's consolidated net income is projected to increase only nominally over the same period.

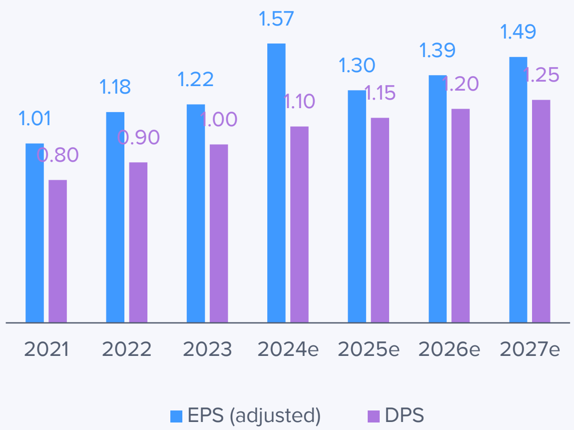
However, we expect the EBITDA of the Asset Management business, which is based on recurring income, to continue to grow and to increase to approximately 25% by 2027. If realized, the improvement will be significant, as the 2023 level is only around 14% (EBITDA% with one-off revenues around 40%) due to the significant share of performance fees in revenue.

Evolution of the fee distribution



**Recurring income = fund management fees, portfolio management and about half of Capital Markets Services*
*** Inderes' estimate*

EPS and DPS



Estimates 4/4

Our forecasts for Capital Markets Services assume revenues of around 3.6 MEUR for the period 2025-2027, which is in line with our estimate of the segment's normalized level. With the normalization of revenue, the segment's EBITDA is expected to increase to around 1.0 MEUR. This corresponds to an EBITDA margin of just under 35%. We note that the segment, although very profitable with a revenue of 3-4 MEUR, is of minor importance to the group's figures.

Long-term estimates

In our view, UB's Asset Management is well positioned to continue strong organic growth even in the long term. The company's product offering responds well to long-term market demand trends (especially for real estate products), and the sales machine has gotten off to a good start. Key factors for good operational development in the future will be: 1) improving product quality, especially in traditional asset management, 2) expanding product offering and 3) continuously improving cost-efficiency. We also consider it quite likely that, in the medium term, the company will grow the Asset Management segment through acquisitions.

Over the longer term, we expect performance fees to grow roughly in line with AUM, as the level of performance fees depends not only on the fund's return but also on its size.

Dividend flow continues to be strong, but is dependent on earnings development

UB's official dividend policy is to distribute at least 70% of net income as dividends to shareholders, which we believe is a conservative target given the modest investment needs of the business. We expect that the company continues its very generous profit distribution policy over the next few years and we anticipate a payout ratio of 70-90% between 2024 and 2027. Although UB's balance sheet is very strong, we believe that the dividend will depend on earnings development in the coming years. Therefore, we don't expect the company to distribute a dividend significantly above earnings per share, even in a weaker market situation.

UB has also purchased its own shares on the stock exchange, but only to a very limited extent. Share buybacks have been used primarily to reward employees rather than to optimize the capital structure. We expect the dividend to remain the main distribution channel, as the low liquidity of the stock alone makes a broader buyback program difficult.

Estimate revisions

Estimate revisions	2024e	2024e	Change	2025e	2025e	Change	2026e	2026e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	61.4	60.6	-1%	59.8	59.1	-1%	63.8	62.6	-2%
EBIT (exc. NRIs)	23.3	22.6	-3%	19.7	19.1	-3%	21.5	20.3	-5%
EBIT	23.3	22.6	-3%	19.7	19.1	-3%	21.5	20.3	-5%
EPS (excl. NRIs)	1.62	1.57	-3%	1.35	1.30	-3%	1.47	1.39	-6%
DPS	1.10	1.10	0%	1.20	1.15	-4%	1.30	1.20	-8%

Source: Inderes

Asset Management forecasts

Asset Management (MEUR)	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e	2027e
Funds	14.9	20.8	24.3	32.7	39.0	40.8	47.8	45.1	48.9	52.8
Management fees	*10.2*	*13.3*	*15.5*	*19.3*	*23.1*	*25.9*	*29.3*	*32.3*	*35.3*	*39.7*
Performance fees	*3.7*	*5.7*	*7.0*	*11.5*	*14.4*	*13.6*	*17.0*	*11.0*	*12.0*	*11.0*
Subscription & redemption	*1.0*	*1.9*	*1.7*	*1.9*	*1.5*	*1.3*	*1.6*	*1.8*	*1.5*	*2.1*
Wealth Management	3.2	4.1	4.6	6.5	5.4	5.2	5.4	5.5	5.9	6.2
Structured Products	5.4	3.2	2.0	1.2	2.2	2.5	2.5	2.3	2.3	2.3
Total revenue	**23.5**	**28.1**	**31.1**	**40.4**	**46.8**	**50.6**	**58.1**	**55.1**	**58.7**	**62.5**
Revenue growth-%	**10%**	**20%**	**11%**	**30%**	**16%**	**8%**	**15%**	**-5%**	**7%**	**7%**
Commission expenses	-2.7	-3.8	-4.3	-5.0	-5.2	-4.8	-5.4	-5.2	-5.6	-6.0
Total other expenses	-13.6	-15.4	-16.3	-19.1	-22.1	-24.6	-26.1	-27.2	-28.9	-30.7
EBITDA	**7.2**	**8.8**	**10.6**	**16.2**	**19.5**	**20.0**	**25.5**	**21.5**	**23.3**	**25.2**
EBITDA %	30.6%	31.5%	34.0%	40.2%	41.6%	39.5%	43.9%	39.1%	39.7%	40.2%
EBITDA recurring income	**2.5**	**1.3**	**1.8**	**2.8**	**3.5**	**5.1**	**6.9**	**8.7**	**9.8**	**12.1**
EBITDA-% recurring income	10.7%	4.6%	5.9%	7.0%	7.5%	10.1%	11.9%	15.9%	16.6%	19.3%
Assets under management	**2900**	**3565**	**3772**	**4800**	**4411**	**4585**	**5010**	**5385**	**5680**	**6155**
Private equity funds	441	708	806	990	1254	1409	1630	1930	2140	2530
Traditional funds	729	875	859	1108	718	845	1020	1100	1190	1280
Other fund capital	668	752	560	682	630	635	610	580	550	520
Wealth Management	1062	1230	415	530	441	367	400	425	450	475
Others	0	0	1132	1490	1367	1330	1350	1350	1350	1350
AUM growth y/y	**27%**	**23%**	**6%**	**27%**	**-8%**	**4%**	**9%**	**7%**	**5%**	**8%**
Funds' fee income / fund AUM (%)	0.81%	0.89%	1.09%	1.17%	1.50%	1.41%	1.47%	1.25%	1.26%	1.22%
Management fees / fund AUM (%)	0.56%	0.57%	0.70%	0.69%	0.89%	0.90%	0.90%	0.89%	0.91%	0.92%

Traditional funds = UB management company AUM excl. UB Forest, UB Finnish Property and UB Nordic Property funds

Equity funds = NFF funds, Lending Fund and UB Forest, UB Suomi Property UB Nordic Commercial Property, UB Renewable Energy and FIGG

Group level estimates

MEUR	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e	2027e
Fee income	**29.1**	**32.2**	**34.3**	**43.4**	**48.3**	**49.4**	**57.8**	**56.4**	**60.5**	**64.8**
Funds	14.9	20.8	24.3	32.7	39.0	40.8	47.8	45.1	48.9	52.8
Management fees	*10.2*	*13.3*	15.5	19.3	23.1	25.9	*29.3*	*32.3*	*35.3*	*39.7*
Performance fees	*3.7*	*5.7*	7.0	11.5	14.4	13.6	*17.0*	*11.0*	*12.0*	*11.0*
Subscription & redemption	*1.0*	*1.9*	1.7	1.9	1.5	1.3	*1.6*	*1.8*	*1.5*	*2.1*
Wealth Management	3.2	4.1	4.6	6.5	5.4	5.2	5.4	5.5	5.9	6.2
Structured Products	5.4	3.2	2.0	1.2	2.2	2.5	2.5	2.3	2.3	2.3
Capital Markets Services	5.5	4.1	3.4	3.1	1.7	1.0	2.1	3.6	3.6	3.6
Other income	0.6	0.3	0.0	0.4	0.3	2.8	2.8	2.7	2.1	1.7
Income from investment services	**29.7**	**32.5**	**34.4**	**43.8**	**48.6**	**52.2**	**60.6**	**59.1**	**62.6**	**66.5**
Commission expenses	-3.9	-4.5	-4.6	-5.3	-5.1	-4.8	-5.6	-5.7	-6.1	-6.5
Net fee income	**25.8**	**28.0**	**29.7**	**38.5**	**43.4**	**47.4**	**55.0**	**53.5**	**56.5**	**60.0**
Personnel expenses	-12.1	-14.0	-14.0	-16.3	-17.5	-19.0	-20.9	-22.4	-23.9	-25.5
Other costs	-8.3	-8.1	-7.4	-8.0	-9.4	-11.4	-11.5	-12.0	-12.2	-12.6
EBIT	**5.4**	**5.9**	**8.3**	**14.3**	**16.5**	**17.0**	**22.6**	**19.1**	**20.3**	**21.8**
NRI	0.0	-0.8	-0.2	-0.1	0.0	0.1	0.0	0.0	0.0	0.0
Comparable EBIT-%	**18.1%**	**18.3%**	**24.3%**	**32.7%**	**33.9%**	**32.6%**	**37.3%**	**32.3%**	**32.5%**	**32.8%**
Personnel costs per employee (TEUR)	-92	-102	-108	-119	-118	-119	-126	-131	-136	-141
Headcount (FTE)	130	135	129	137	148	160	166	171	176	181

AUM (MEUR)	**2900**	**3565**	**3772**	**4800**	**4411**	**4585**	**5010**	**5385**	**5680**	**6155**
Private equity funds	441	708	806	990	1254	1409	1630	1930	2140	2530
Traditional funds	729	875	859	1108	718	845	1020	1100	1190	1280
Other fund capital	668	752	560	682	630	635	610	580	550	520
Wealth Management	1062	1230	415	530	441	367	400	425	450	475
Other assets under management				1490	1367	1330	1350	1350	1350	1350

Funds' fee income / fund AUM (%)	0.81%	0.89%	1.09%	1.17%	1.50%	1.41%	1.47%	1.25%	1.26%	1.22%
Management fees / fund AUM (%)	0.56%	0.57%	0.70%	0.69%	0.89%	0.90%	0.90%	0.89%	0.91%	0.92%
Share of recurring income*	46%	54%	59%	59%	59%	63%	60%	67%	68%	71%
Share of non-recurring income	54%	46%	41%	41%	41%	37%	40%	33%	32%	29%

**Recurring income = fund management fees, asset management and about half of Capital Markets Services*

Valuation 1/3

Summary of the valuation

We have examined the valuation of UB using a cash flow model (DCF), valuation multiples and peer analysis. Our key valuation metrics suggest that the stock is fairly neutrally valued as a result of the risen share price. The different methods are also all quite well aligned with our target price of EUR 19.0. Our target price is also in line with our estimate of the fair value of the UB share (EUR17.0-21.0). The valuation methods we use are discussed in more detail on the following pages of this report.

On a multiple basis, UB's current valuation is moderately neutral, so an investor's expected return is a combination of the dividend yield (~6%) and our forecast earnings growth (~5%). Performance growth will be driven primarily by management fees, which will increase in line with AUM, as we expect performance fees to normalize from the exceptionally high levels of recent years. However, investors should note that the level of performance fees is still quite high (~20% of operating income), which is a key forecast risk for the stock. Dividend payouts, on the other hand, are supported by low investment needs. However, it should be noted that the dividend ultimately depends on the actual results.

Overall, we estimate the expected return over the next few years to be around 10%, which is in line with our 10% rRoE requirement. In our view, this is not sufficient compensation given the company's risk profile.

Factors supporting UB's valuation:

- Growing market
- Competitive core product offering
- Long-term earnings growth potential
- Moderate risk level (increasing proportion of recurring income)

Factors negatively affecting UB's valuation:

- Major role of traditional asset management (market sensitivity)
- The important role of performance fees and their low predictability

TSR drivers 2023-2027

Positive | Neutral | Negative

Profit drivers

- Strong new sales
- Maintaining a good level of profitability
- In the short term, the market situation causes headwinds

Earnings growth CAGR 2024-2027 ~ 5% p.a.

Dividend yield drivers

- Good cash flow conversion and low investment needs
- Strong and net debt-free balance sheet
- Brokerage activity ties some cash resources

Dividend yield-% ~6% p.a.

Valuation multiple drivers

- At the actual result, the valuation is slightly elevated (P/E 15x)
- Multiples have no room to stretch without an increase in earnings growth forecasts
- Valuation in line with historical levels

Current valuation level neutral

Overall expected return from the share for the next few years ~10% p.a.

Valuation 2/3

Cash flow model (DCF)

In our DCF calculation, we assume that UB's revenue growth will slow from its historical level of around 16% (2018-2023) in the coming years. However, with a growing market and a strong product offering, we expect growth to remain strong over the next few years. Thereafter, growth is projected to slow to 3.0%, still above our estimate of Finland's economic growth rate. We have used 2.5% as the growth assumption for the terminal period.

We expect relative profitability to hover around the 2023 level for the next several years, declining steadily toward our terminal-period EBIT margin forecast of 27%. The level is relatively modest compared to the company's current performance and potential, but also includes a safety margin to mitigate forecast risks. However, the level is significantly higher than in the years before the COVID pandemic.

UB's business investment needs are relatively modest, so most of the fiscal year's earnings will be returned to shareholders as free cash flow throughout the forecast period.

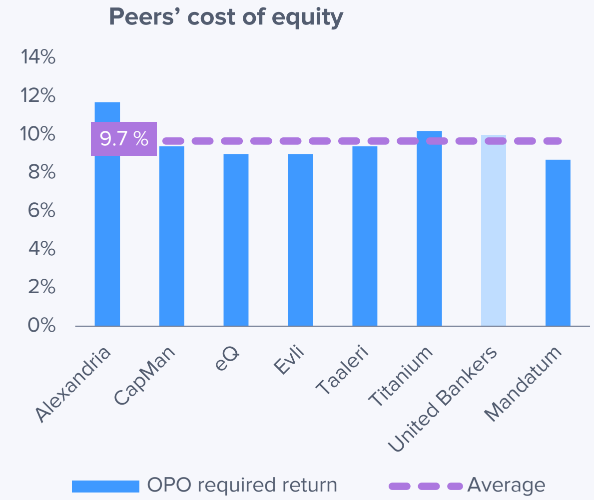
We apply a 10% cost of equity to UB, which is in line with the company's main peers. With UB, the required return is increased in particular by the forecast risks associated with performance fees. Therefore, a lower level would also be justified if UB is able to demonstrate that the current level of earnings is sustainable and the focus of earnings distribution shifts even more towards recurring income.

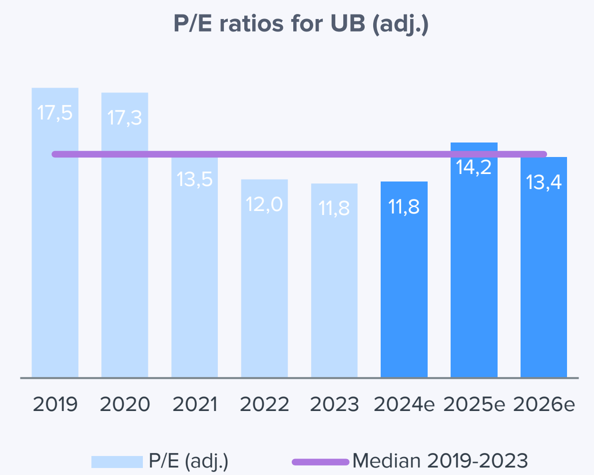
Our DCF model (p. 45) indicates that the value of UB's share is around EUR 19.5 (previously EUR 20). The change is due to moderate forecast cuts compared to the last update. The level is in line with the current share price and we also believe it gives a good indication of the fair value of the company.

Earnings multiples

UB's share value can also be broken down by multiples. In our analysis, we prefer the P/E ratio, which is the most comparable across the sector, as solvency requirements impose limits on the balance sheet structure of investment service companies. As a result, EV-based multiples can paint a misleading picture of valuation in some cases. On the other hand, the P/E ratio does not take into account the rather large cash surpluses of several companies. In any case, we consider the method to be by far the most useful, despite its minor weaknesses.

With the current year's earnings forecast, the P/E ratio is a moderate 12x, which is below the valuation range we have adopted for UB (13-15x). However, we believe that our earnings forecast for 2025 is a better benchmark, as the level of performance fees this year will be higher than what we consider normal. With a P/E ratio of around 14x based on our 2025 earnings forecast, we believe that UB's valuation level is quite neutral also on an earnings basis.





Valuation 3/3

Peer analysis supports the valuation

UB has a rather comprehensive peer company group on Nasdaq Helsinki. These Finnish fund and investment service companies compete in the same market, with similar products, for the same customers and the same employees. Therefore, we believe that the peer group is a relevant reference point to support the valuation of UB.

We have used all listed asset managers as benchmarks, namely Alexandria, Aktia, CapMan, eQ, Evli, Taaleri and Titanium. We focus our analysis on the P/E ratio and the dividend yield, which we believe are the key pricing multiples in the sector and are highly comparable.

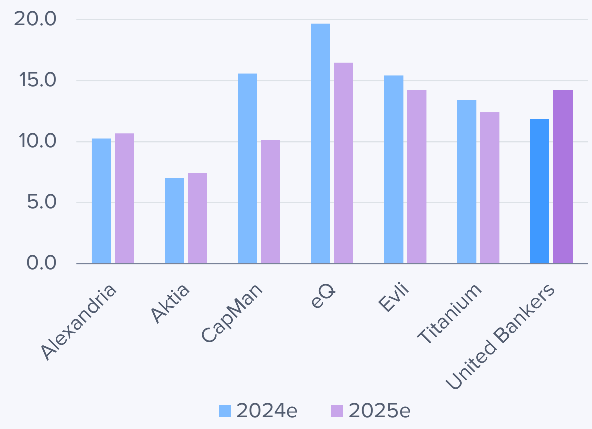
With average performance multiples for 2024 and 2025, UB is priced at a small premium to its key peers. The company's dividend yield is slightly lower than the average. We do not believe the premium pricing is justified given the slightly higher risk level and required return than the company's main peers. Thus, the results of the peer analysis are consistent with the rest of our valuation.

UB's historical multiples tell the same story, as the company has traded at an average P/E of 14x over the past five years. We believe this level is reasonable and justified by the company's earnings level, earnings growth prospects, and risk level.

	2024e	2025e	2026e
Share price	18.6	18.6	18.6
Number of shares, millions	10.8	10.9	10.9
Market cap	201	201	201
EV	180	173	170
P/E (adj.)	11.8	14.2	13.4
P/E	11.8	14.2	13.4
P/B	3.5	3.4	3.2
P/S	3.3	3.4	3.2
EV/Sales	3.0	2.9	2.7
EV/EBITDA	7.2	8.0	7.4
EV/EBIT (adj.)	8.0	9.1	8.4
Payout ratio (%)	70.3 %	88.3 %	86.4 %
Dividend yield-%	5.9 %	6.2 %	6.5 %

Source: Inderes

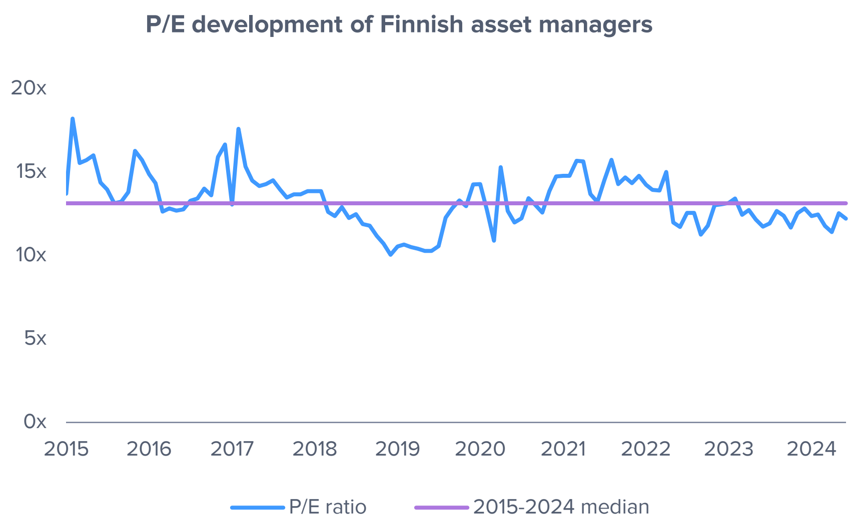
P/E ratios of Finnish peers

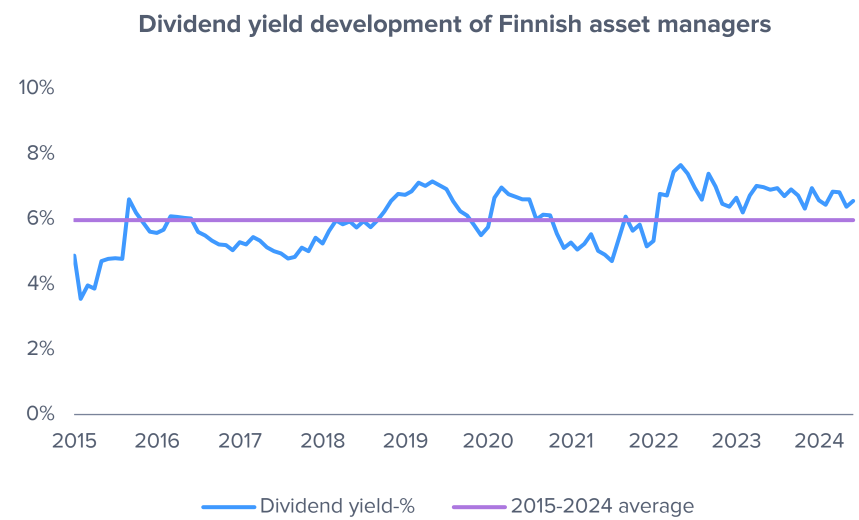


Peer group valuation 1/2

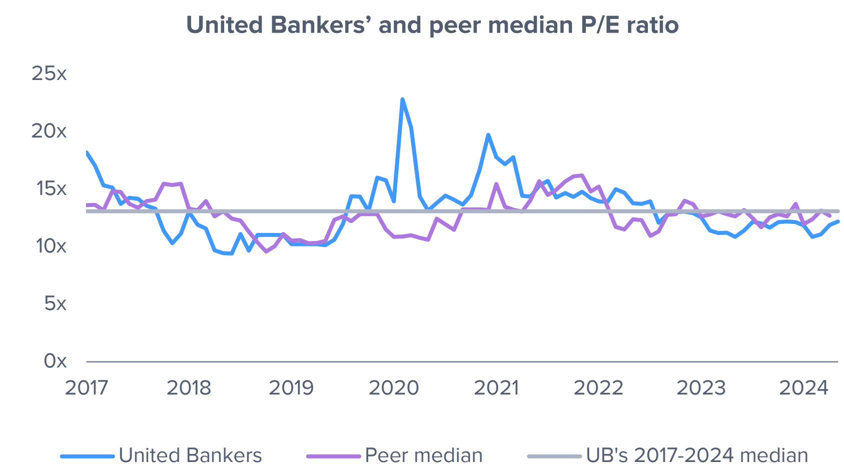
Peer group valuation	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
Company	**MEUR**	**MEUR**	**2024e**	**2025e**	**2024e**	**2025e**	**2024e**	**2025e**	**2024e**	**2025e**	**2024e**	**2025e**	**2024e**
Alexandria	81	76	7.4	7.0	6.1	5.8	1.7	1.5	10.3	10.7	7.9	7.6	2.4
Aktia	681								7.0	7.4	9.2	8.8	1.0
CapMan	329	389	11.3	8.4	11.2	8.2	5.4	4.9	15.6	10.2	6.4	11.1	2.0
eQ	598	567	14.8	12.2	14.3	11.9	8.3	7.0	19.7	16.5	5.3	6.4	7.7
Evli	523	519	11.3	10.5	8.0	9.4	4.2	4.6	15.4	14.2	7.5	8.2	3.6
Taaleri	235	202	6.0	6.3	5.9	6.2	3.1	3.2	9.9	10.1	6.4	6.6	1.1
Titanium	122	108	9.4	8.7	9.0	8.2	4.3	4.0	13.4	12.4	7.8	8.2	6.2
United Bankers (Inderes)	**201**	**173**	**8.0**	**9.1**	**7.2**	**8.0**	**3.0**	**2.9**	**11.8**	**14.2**	**5.9**	**6.2**	**3.5**
Average			**10.0**	**8.9**	**9.1**	**8.3**	**4.5**	**4.2**	**13.0**	**11.6**	**7.2**	**8.1**	**3.4**
Median			**10.4**	**8.5**	**8.5**	**8.2**	**4.3**	**4.3**	**13.4**	**10.7**	**7.5**	**8.2**	**2.4**
Diff-% to median			***-23%***	***6%***	***-15%***	***-2%***	***-30%***	***-32%***	***-12%***	***33%***	***-21%***	***-24%***	***45%***

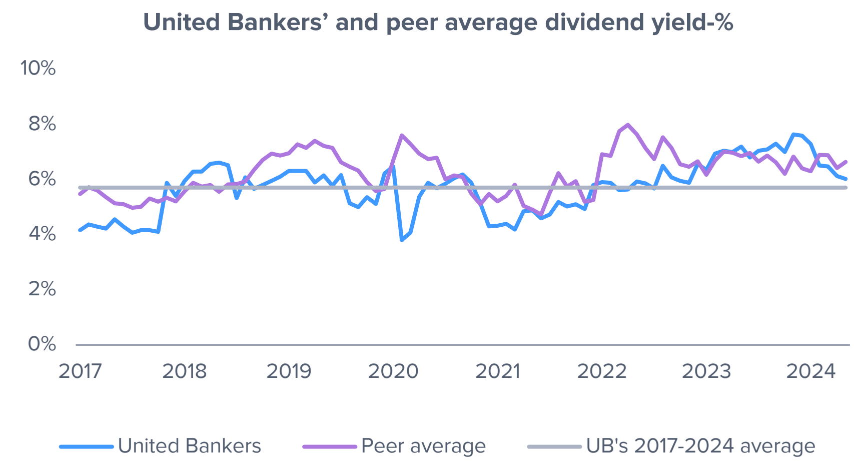
Source: Refinitiv / Inderes

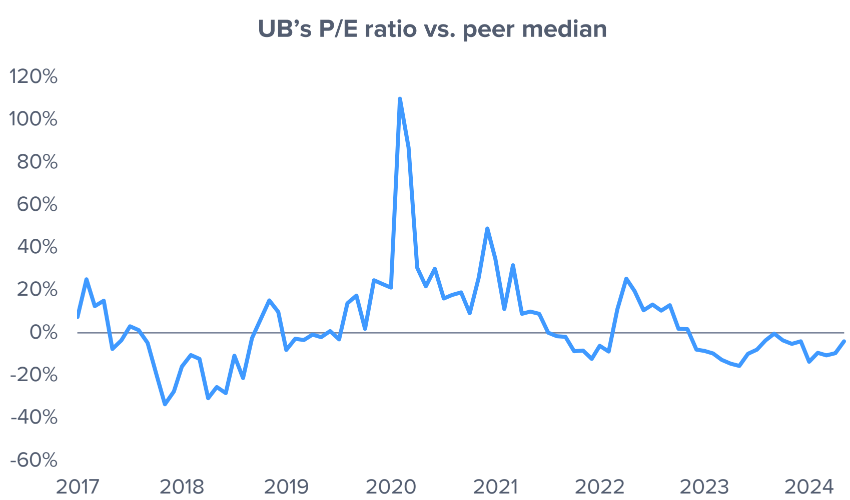


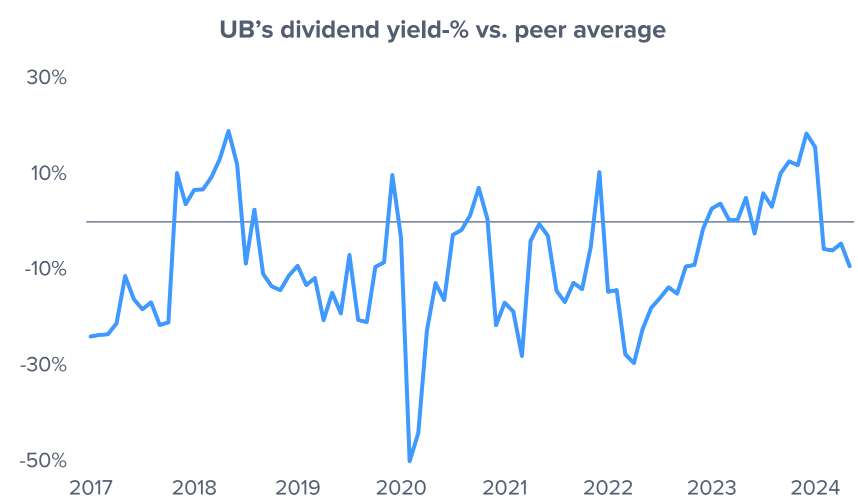


Peer group valuation 2/2





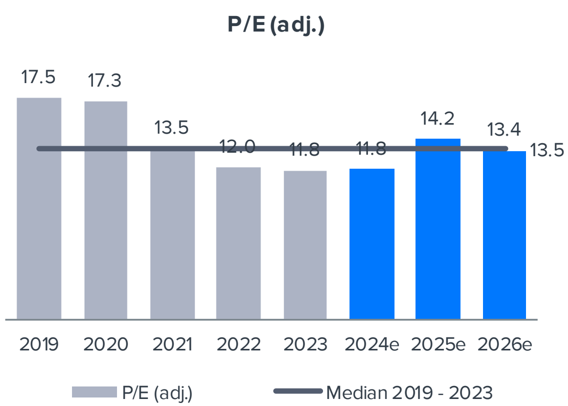


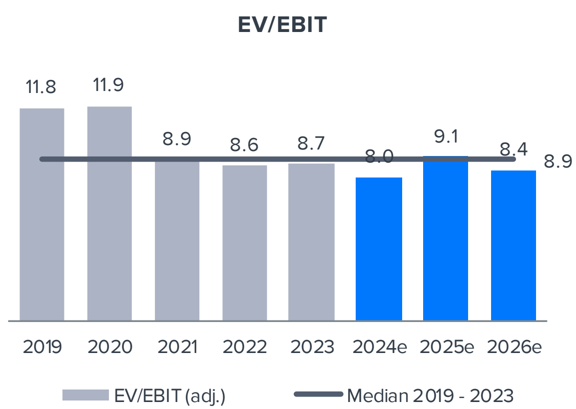


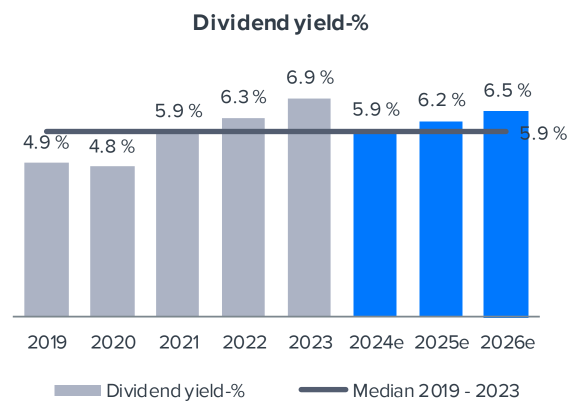
Valuation table

	2019	2020	2021	2022	2023	2024e	2025e	2026e	2027e
Share price	8.80	10.7	13.6	14.2	14.4	**18.6**	**18.6**	**18.6**	**18.6**
Number of shares, millions	10.4	10.4	10.4	10.6	10.8	**10.8**	**10.9**	**10.9**	**11.0**
Market cap	92	112	141	151	155	**201**	**201**	**201**	**201**
EV	79	102	129	142	147	**180**	**173**	**170**	**166**
P/E (adj.)	17.5	17.3	13.5	12.0	11.8	**11.8**	**14.2**	**13.4**	**12.4**
P/E	20.7	17.9	13.7	12.0	11.7	**11.8**	**14.2**	**13.4**	**12.4**
P/B	2.5	2.9	3.2	3.2	3.0	**3.5**	**3.4**	**3.2**	**3.1**
P/S	2.8	3.3	3.2	3.1	3.0	**3.3**	**3.4**	**3.2**	**3.0**
EV/Sales	2.4	3.0	2.9	2.9	2.8	**3.0**	**2.9**	**2.7**	**2.5**
EV/EBITDA	10.4	10.2	8.1	7.7	7.6	**7.2**	**8.0**	**7.4**	**6.7**
EV/EBIT (adj.)	11.8	11.9	8.9	8.6	8.7	**8.0**	**9.1**	**8.4**	**7.6**
Payout ratio (%)	101.2 %	85.4 %	80.3 %	76.4 %	81.1 %	**70.3 %**	**88.3 %**	**86.4 %**	**83.9 %**
Dividend yield-%	4.9 %	4.8 %	5.9 %	6.3 %	6.9 %	**5.9 %**	**6.2 %**	**6.5 %**	**6.8 %**

Source: Inderes







Income statement

Income statement	2022	H1'23	H2'23	2023	H1'24e	H2'24e	2024e	2025e	2026e	2027e
Revenue	**48.6**	**24.7**	**27.5**	**52.2**	**32.0**	**28.6**	**60.6**	**59.1**	**62.6**	**66.5**
EBITDA	**18.4**	**8.0**	**11.2**	**19.2**	**13.7**	**11.3**	**25.0**	**21.6**	**23.0**	**24.6**
Depreciation	-1.9	-1.0	-1.2	-2.2	-1.2	-1.2	-2.4	-2.5	-2.7	-2.8
EBIT (excl. NRI)	**16.5**	**7.0**	**9.9**	**16.9**	**12.5**	**10.1**	**22.6**	**19.1**	**20.3**	**21.8**
EBIT	**16.5**	**7.0**	**10.0**	**17.0**	**12.5**	**10.1**	**22.6**	**19.1**	**20.3**	**21.8**
Net financial items	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PTP	**16.5**	**7.0**	**10.0**	**17.0**	**12.5**	**10.1**	**22.6**	**19.1**	**20.3**	**21.8**
Taxes	-3.6	-1.6	-1.6	-3.1	-2.6	-2.1	-4.7	-4.0	-4.3	-4.6
Minority interest	-0.3	-0.1	-0.5	-0.5	-0.3	-0.6	-0.9	-0.9	-0.9	-0.9
Net earnings	**12.5**	**5.4**	**7.9**	**13.3**	**9.6**	**7.4**	**16.9**	**14.2**	**15.2**	**16.4**
EPS (adj.)	**1.18**	**0.50**	**0.73**	**1.22**	**0.88**	**0.68**	**1.57**	**1.30**	**1.39**	**1.49**
EPS (rep.)	**1.18**	**0.50**	**0.74**	**1.23**	**0.88**	**0.68**	**1.57**	**1.30**	**1.39**	**1.49**

Key figures	2022	H1'23	H2'23	2023	H1'24e	H2'24e	2024e	2025e	2026e	2027e
Revenue growth-%	10.9 %	5.9 %	9.0 %	7.5 %	29.6 %	4.1 %	16.2 %	-2.5 %	5.9 %	6.2 %
Adjusted EBIT growth-%	14.4 %	-5.9 %	8.8 %	2.2 %	78.6 %	2.3 %	33.9 %	-15.6 %	6.6 %	7.4 %
EBITDA-%	37.9 %	32.3 %	40.7 %	36.7 %	42.7 %	39.5 %	41.2 %	36.5 %	36.7 %	37.1 %
Adjusted EBIT-%	34.0 %	28.3 %	35.9 %	32.3 %	39.0 %	35.3 %	37.3 %	32.3 %	32.5 %	32.8 %
Net earnings-%	25.8 %	21.7 %	28.8 %	25.5 %	29.9 %	25.8 %	27.9 %	24.0 %	24.2 %	24.6 %

Source: Inderes

Balance sheet

Assets	2022	2023	2024e	2025e	2026e
Non-current assets	**32.0**	**32.8**	**33.7**	**34.6**	**35.4**
Goodwill	15.6	15.6	15.6	15.6	15.6
Intangible assets	5.1	6.1	7.1	8.2	9.1
Tangible assets	2.7	2.9	2.7	2.5	2.4
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	8.6	8.2	8.2	8.2	8.2
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	**39.6**	**43.3**	**50.5**	**52.6**	**55.9**
Inventories	0.0	0.0	0.0	0.0	0.0
Other current assets	28.8	32.7	27.7	22.7	22.7
Receivables	1.2	1.2	1.5	1.5	1.6
Cash and equivalents	9.5	9.4	21.3	28.4	31.6
Balance sheet total	**71.6**	**76.1**	**84.2**	**87.2**	**91.3**

Source: Inderes

Liabilities & equity	2022	2023	2024e	2025e	2026e
Equity	**48.1**	**51.6**	**58.6**	**61.8**	**65.4**
Share capital	5.5	5.5	5.5	5.5	5.5
Retained earnings	17.6	22.8	28.9	31.2	33.9
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	24.6	22.9	22.9	22.9	22.9
Other equity	0.0	0.0	0.0	0.0	0.0
Minorities	0.4	0.4	1.3	2.2	3.1
Non-current liabilities	**2.5**	**3.0**	**3.0**	**3.0**	**3.0**
Deferred tax liabilities	2.5	3.0	3.0	3.0	3.0
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	0.0	0.0	0.0	0.0	0.0
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.0	0.0	0.0	0.0	0.0
Current liabilities	**21.0**	**21.5**	**22.6**	**22.3**	**22.9**
Interest bearing debt	0.0	0.0	0.0	0.0	0.0
Payables	7.8	8.1	9.1	8.9	9.4
Other current liabilities	13.2	13.5	13.5	13.5	13.5
Balance sheet total	**71.6**	**76.1**	**84.2**	**87.2**	**91.3**

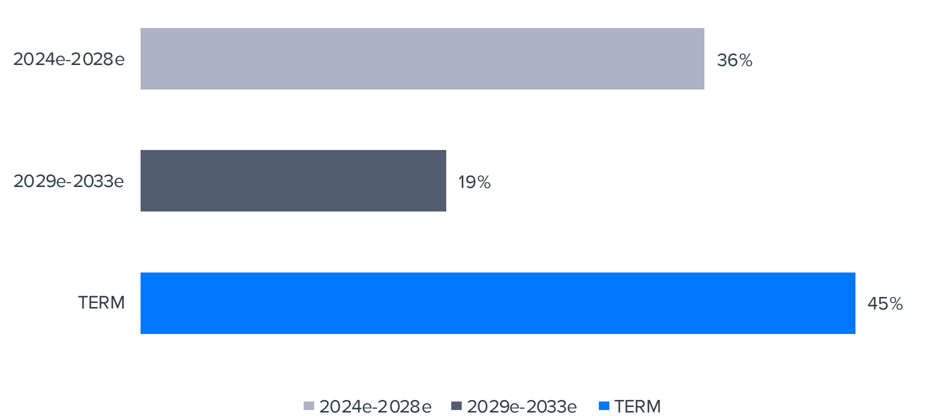
DCF calculation

DCF model	2023	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	TERM
Revenue growth-%	7.5 %	16.2 %	-2.5 %	5.9 %	6.2 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	2.5 %	2.5 %
EBIT-%	32.5 %	37.3 %	32.3 %	32.5 %	32.8 %	33.0 %	30.0 %	28.0 %	28.0 %	27.0 %	27.0 %	27.0 %
EBIT (operating profit)	**17.0**	**22.6**	**19.1**	**20.3**	**21.8**	**22.6**	**21.2**	**20.3**	**21.0**	**20.8**	**21.3**	
+ Depreciation	2.2	2.4	2.5	2.7	2.8	3.0	3.1	3.3	3.4	3.5	3.6	
- Paid taxes	-2.6	-4.7	-4.0	-4.3	-4.6	-4.7	-4.4	-4.3	-4.4	-4.4	-4.5	
- Tax, financial expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
+ Tax, financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Change in working capital	-3.4	5.8	4.8	0.4	0.5	0.2	0.3	0.3	0.3	0.3	0.2	
Operating cash flow	**13.2**	**26.0**	**22.4**	**19.2**	**20.5**	**21.1**	**20.1**	**19.6**	**20.2**	**20.2**	**20.7**	
+ Change in other long-term liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-3.0	-3.3	-3.4	-3.4	-3.6	-3.6	-3.8	-3.8	-3.9	-3.9	-3.7	
Free operating cash flow	**10.2**	**22.7**	**19.0**	**15.7**	**16.9**	**17.4**	**16.3**	**15.8**	**16.3**	**16.3**	**16.9**	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	10.2	22.7	19.0	15.7	16.9	17.4	16.3	15.8	16.3	16.3	16.9	232
Discounted FCFF		**21.6**	**16.5**	**12.4**	**12.1**	**11.3**	**9.6**	**8.5**	**8.0**	**7.2**	**6.8**	**93.5**
Sum of FCFF present value		208	186	169	157	145	134	124	116	108	100	93.5
Enterprise value DCF		**208**										
- Interest bearing debt		0.0										
+ Cash and cash equivalents		9.4										
-Minorities		-0.8										
-Dividend/capital return		-5.4										
Equity value DCF		**211**										
Equity value DCF per share		**19.5**										

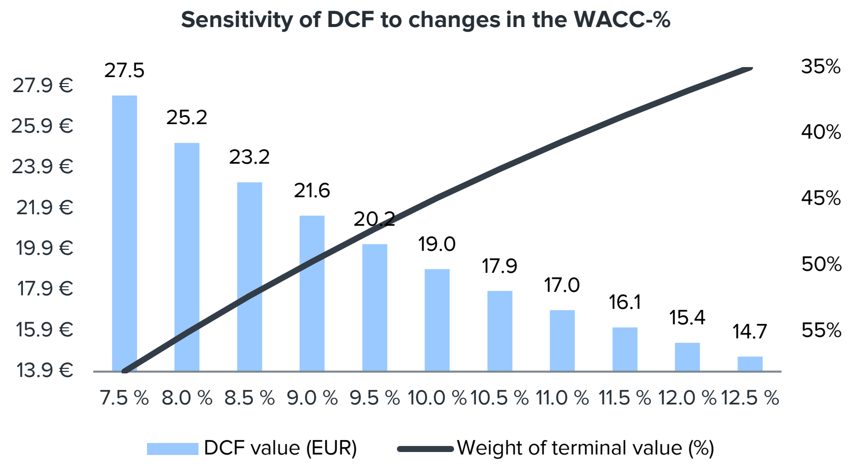
WACC	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E)	0.0 %
Cost of debt	5.0 %
Equity Beta	1.20
Market risk premium	4.75%
Liquidity premium	1.80%
Risk free interest rate	2.5 %
Cost of equity	**10.0 %**
Weighted average cost of capital (WACC)	**10.0 %**

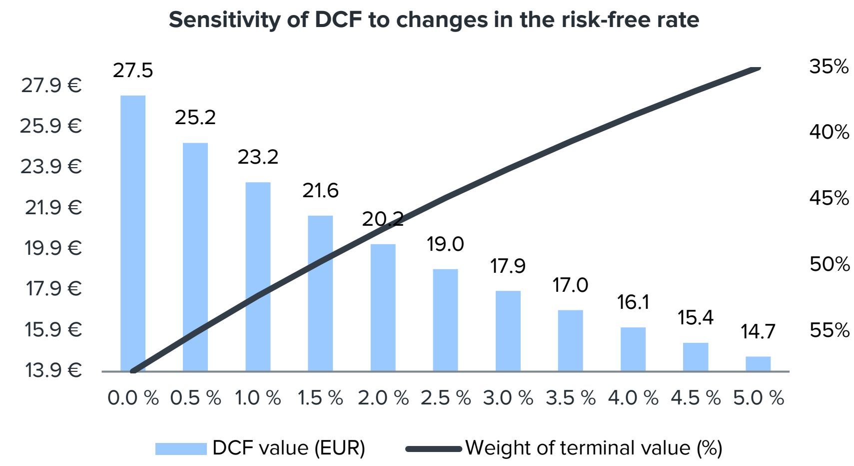
Source: Inderes

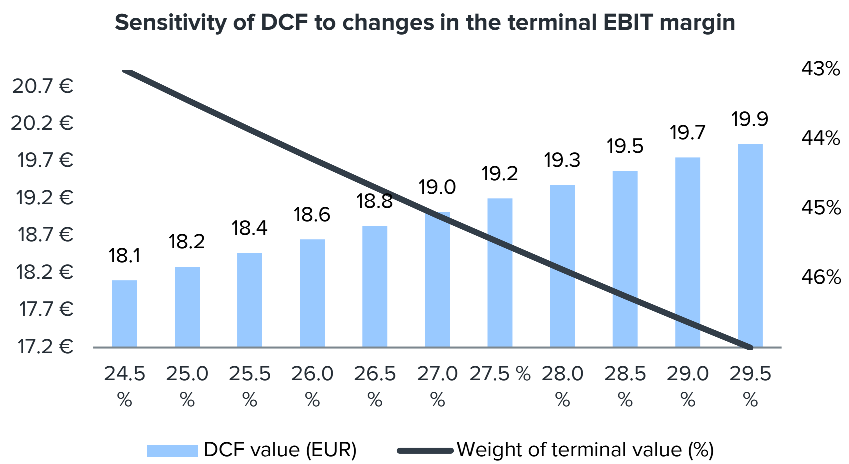
Cash flow distribution

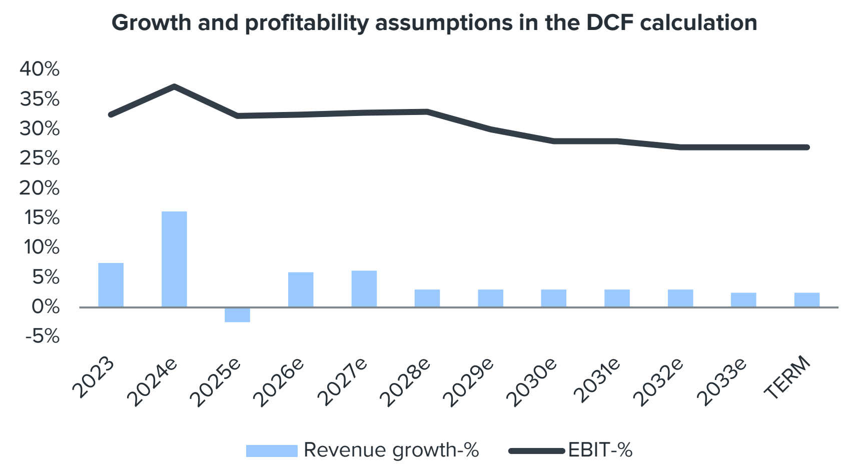


DCF sensitivity calculations and key assumptions in graphs









Source: Inderes. Note that the weight of the terminal value (%) is shown on an inverse scale for clarity.

Summary

Income statement	2021	2022	2023	2024e	2025e
Revenue	43.8	48.6	52.2	**60.6**	**59.1**
EBITDA	15.9	18.4	19.2	**25.0**	**21.6**
EBIT	14.3	16.5	17.0	**22.6**	**19.1**
PTP	14.3	16.5	17.0	**22.6**	**19.1**
Net Income	10.3	12.5	13.3	**16.9**	**14.2**
Extraordinary items	-0.1	0.0	0.1	**0.0**	**0.0**

Balance sheet	2021	2022	2023	2024e	2025e
Balance sheet total	78.2	71.6	76.1	**84.2**	**87.2**
Equity capital	44.3	48.1	51.6	**58.6**	**61.8**
Goodwill	15.6	15.6	15.6	**15.6**	**15.6**
Net debt	-13.1	-9.5	-9.4	**-21.3**	**-28.4**

Cash flow	2021	2022	2023	2024e	2025e
EBITDA	15.9	18.4	19.2	**25.0**	**21.6**
Change in working capital	1.4	-8.1	-3.4	**5.8**	**4.8**
Operating cash flow	14.2	7.8	13.2	**26.0**	**22.4**
CAPEX	-4.8	-2.3	-3.0	**-3.3**	**-3.4**
Free cash flow	9.4	5.6	10.2	**22.7**	**19.0**

Valuation multiples	2021	2022	2023	2024e	2025e
EV/S	2.9	2.9	2.8	**3.0**	**2.9**
EV/EBITDA	8.1	7.7	7.6	**7.2**	**8.0**
EV/EBIT (adj.)	8.9	8.6	8.7	**8.0**	**9.1**
P/E (adj.)	13.5	12.0	11.8	**11.8**	**14.2**
P/B	3.2	3.2	3.0	**3.5**	**3.4**
Dividend-%	5.9 %	6.3 %	6.9 %	**5.9 %**	**6.2 %**

Source: Inderes

Per share data	2021	2022	2023	2024e	2025e
EPS (reported)	1.00	1.18	1.23	**1.57**	**1.30**
EPS (adj.)	1.01	1.18	1.22	**1.57**	**1.30**
OCF / share	1.37	0.74	1.22	**2.40**	**2.06**
FCF / share	0.90	0.53	0.94	**2.10**	**1.75**
Book value / share	4.19	4.50	4.75	**5.29**	**5.48**
Dividend / share	0.80	0.90	1.00	**1.10**	**1.15**

Growth and profitability	2021	2022	2023	2024e	2025e
Revenue growth-%	27%	11%	7%	**16%**	**-2%**
EBITDA growth-%	58%	16%	4%	**30%**	**-14%**
EBIT (adj.) growth-%	68%	14%	2%	**34%**	**-16%**
EPS (adj.) growth-%	62%	17%	4%	**28%**	**-17%**
EBITDA-%	36.3 %	37.9 %	36.7 %	**41.2 %**	**36.5 %**
EBIT (adj.)-%	33.0 %	34.0 %	32.3 %	**37.3 %**	**32.3 %**
EBIT-%	32.7 %	34.0 %	32.5 %	**37.3 %**	**32.3 %**
ROE-%	25.1 %	27.5 %	26.9 %	**31.3 %**	**24.2 %**
ROI-%	32.8 %	35.0 %	34.1 %	**41.0 %**	**31.7 %**
Equity ratio	56.7 %	67.1 %	67.8 %	**69.6 %**	**70.9 %**
Gearing	-29.5 %	-19.8 %	-18.1 %	**-36.3 %**	**-46.0 %**

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Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
8/23/2019	Reduce	7.50 €	7.40 €
12/16/2019	Sell	8.20 €	9.35 €
12/20/2019	Sell	8.20 €	8.95 €
2/7/2020	Reduce	9.00 €	9.45 €
3/3/2020	Reduce	9.00 €	8.90 €
3/23/2020	Reduce	6.40 €	6.90 €
5/14/2020	Reduce	7.50 €	7.75 €
6/8/2020	Reduce	8.00 €	7.95 €
8/27/2020	Reduce	8.80 €	9.00 €
10/26/2020	Reduce	9.00 €	9.30 €
2/22/2021	Reduce	11.00 €	12.80 €
5/26/2021	Reduce	13.00 €	13.15 €
8/27/2021	Reduce	12.50 €	14.30 €
9/24/2021	Reduce	14.00 €	13.60 €
2/21/2022	Reduce	14.00 €	13.95 €
4/11/2022	Reduce	14.00 €	13.70 €
8/29/2022	Reduce	14.00 €	13.85 €
2/6/2023	Accumulate	16.00 €	14.30 €
2/20/2023	Accumulate	16.00 €	14.80 €
8/25/2023	Accumulate	16.00 €	14.80 €
2/19/2024	Accumulate	17.00 €	14.60 €
3/7/2024	Accumulate	19.00 €	17.00 €
6/26/2024	Reduce	19.00 €	18.55 €

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