

# UNITED BANKERS

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# EXTENSIVE REPORT



# Growth engine is still gaining momentum

UB's investment story has improved significantly in recent years, and it has emerged as a high-quality asset manager. In our view, the long-term earnings growth outlook is very good, but in the short term, the challenging market situation for alternatives throws a spanner in the works. Without strong earnings growth, there is no upside in the stock, but if the forecasts materialize, the return expectation is good. We want to see concrete signs of accelerating earnings growth and reiterate our Reduce recommendation with a target price of EUR 19.0 (was EUR 18.0).

## Asset manager focusing on real assets

United Bankers (UB) is a Finnish asset management company that also has minor investment banking operations. The company's long-term strategy has been to focus on growing funds that generate recurring cash flow, especially in alternative investment funds. In fact, the fund capital has grown rapidly historically, and the majority of the company's fees come from funds. In recent years, UB has invested in asset management, and its position in the domestic asset management landscape has strengthened significantly. Although private individuals are the company's key target group, UB has also clearly emerged as a challenger in the institutional segment.

Thanks to strong growth and high performance fees, profitability has risen to a good level. However, the share of performance fees in the result is still very high, and profitability adjusted for performance fees is a clear blemish in the investment story.

## Long-term outlook is strong

UB's new sales have weakened over the past two years due to headwinds in alternative investment products. Strong Wealth Management sales have not been able to fill the gap left by alternative funds. UB should be in a position to significantly improve its new sales over the next year as the headwinds finally ease. We note that the company's sales force has

strengthened significantly over the past couple of years due to successful recruitments.

We expect the company's new sales to turn to clear growth during 2026, and for growth to accelerate in the coming years. Alternative funds and Wealth Management will be the growth engines. The biggest uncertainty in the forecasts is related to the demand for alternative funds in the short term and the sustainability of performance fees in the longer term. Earnings growth in 2026 is still pending, but it will accelerate significantly from 2027 onwards. Overall, we forecast ~15% p.a. EPS growth for 2025-29.

The share of recurring fees will increase from the current 60% to over 70% by 2029. The share of performance fees in the company's earnings will also decrease from the current level of almost 80% to ~40%. A significant improvement in the earnings mix is critical, as it lowers the risk profile. The dividend stream remains abundant as usual, and we expect the company to continue steadily increasing its dividend. Regarding M&A, we believe UB is actively seeking acquisition targets. Acquisitions would be complementary to UB, and we do not believe UB will be involved in larger industry transactions.

## The short-term valuation picture is neutral

All our valuation methods indicate similar results. It is difficult to see upside in the stock based on the realized earnings, but if strong earnings growth materializes, the stock's expected return is good. We note that our forecasts expect significant earnings growth from the company in the coming years, and to achieve this, the company's new sales must rise to the next level. In addition, performance fees must remain at their current excellent level. Thus, the bar is already quite high, especially as valuation multiples have crept upwards and the stock is priced well above its historical levels based on realized earnings. In the short term, it is difficult for us to see upward drivers for the stock, as more robust earnings growth is still pending.

## Recommendation

**Reduce**

(was Reduce)

## Target price:

**EUR 19.00**

(was EUR 18.00)

## Share price:

19.90 EUR

## Business risk



## Valuation risk



	2025	2026e	2027e	2028e
<b>Revenue</b>	57.2	61.4	67.1	74.4
<b>growth-%</b>	-8%	7%	9%	11%
<b>EBIT adj.</b>	16.6	17.7	20.9	25.8
<b>EBIT-% adj.</b>	29.1 %	28.7 %	31.1 %	34.7 %
<b>Net income</b>	12.9	13.1	16.1	20.1
<b>EPS (adj.)</b>	1.18	1.19	1.45	1.79
<b>P/E (adj.)</b>	15.7	16.7	13.8	11.1
<b>P/B</b>	3.3	3.6	3.4	3.2
<b>Dividend yield-%</b>	6.3 %	6.0 %	6.5 %	7.3 %
<b>EV/EBIT (adj.)</b>	12.1	12.4	10.4	8.1
<b>EV/EBITDA</b>	10.2	10.6	9.1	7.3
<b>EV/S</b>	3.5	3.6	3.2	2.8

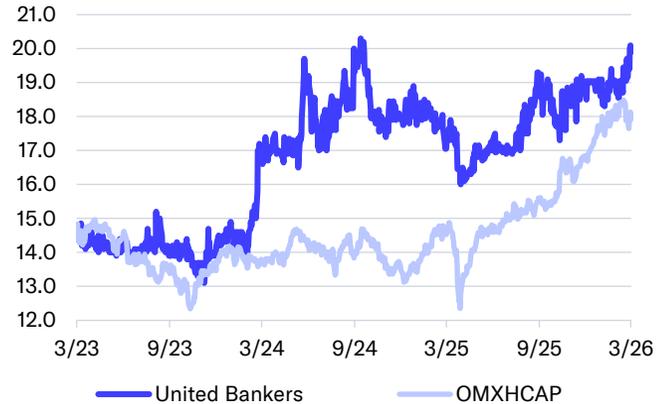
Source: Inderes

## Guidance

(Unchanged)

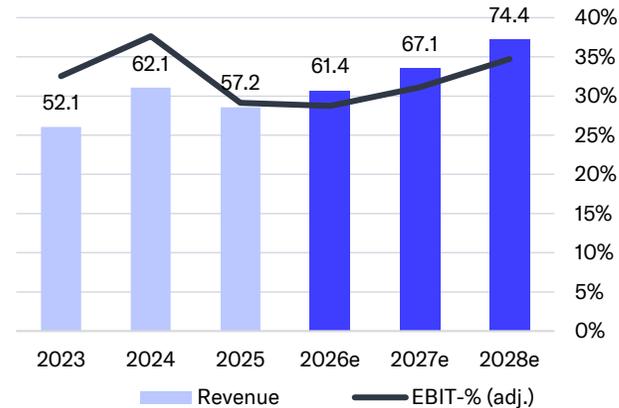
The company estimates its adjusted operating profit to be close or grow compared to 2025.

## Share price



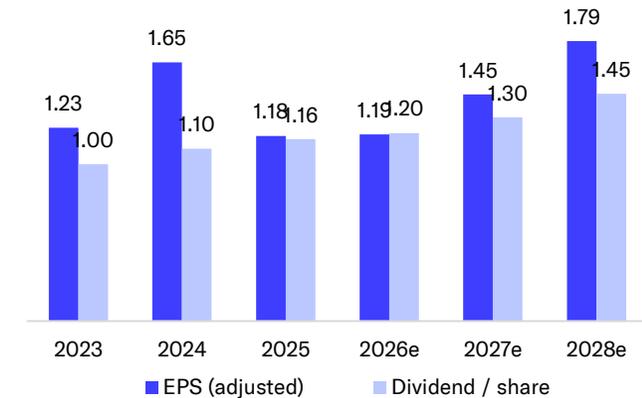
Source: Millstream Market Data AB

## Revenue and EBIT-% (adj.)



Source: Inderes

## EPS and dividend



Source: Inderes

## Value drivers

- New product launches
- Growth in the size of existing products
- Breakthrough in international sales
- Still improvement potential in cost efficiency
- Profitability improvement based on recurring income
- M&A and industry consolidation

## Risk factors

- Deterioration of the market situation
- The share of non-recurring revenue is still significant
- Profitability still relatively weak without performance fees
- Performance of spearhead funds

	2026e	2027e	2028e
<b>Share price</b>	19.9	19.9	19.9
<b>Number of shares, millions</b>	11.0	11.1	11.2
<b>Market cap</b>	220	222	224
<b>EV</b>	220	216	210
<b>P/E (adj.)</b>	16.7	13.8	11.1
<b>P/E</b>	16.7	13.8	11.1
<b>P/B</b>	3.6	3.4	3.2
<b>P/S</b>	3.6	3.3	3.0
<b>EV/Sales</b>	3.6	3.2	2.8
<b>EV/EBITDA</b>	10.6	9.1	7.3
<b>EV/EBIT (adj.)</b>	12.4	10.4	8.1
<b>Payout ratio (%)</b>	100.8 %	89.9 %	81.2 %
<b>Dividend yield-%</b>	6.0 %	6.5 %	7.3 %

Source: Inderes

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# UB 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

First North marketplace / main list of Nasdaq Helsinki

## 57.1 MEUR

Revenue 2025

## 16.6 MEUR

EBIT 2025

## 77%

Performance fees' share of earnings in 2025

## 5.2 BEUR

AUM 2025

## ~190

Headcount (incl. agents)

### 2012-2015

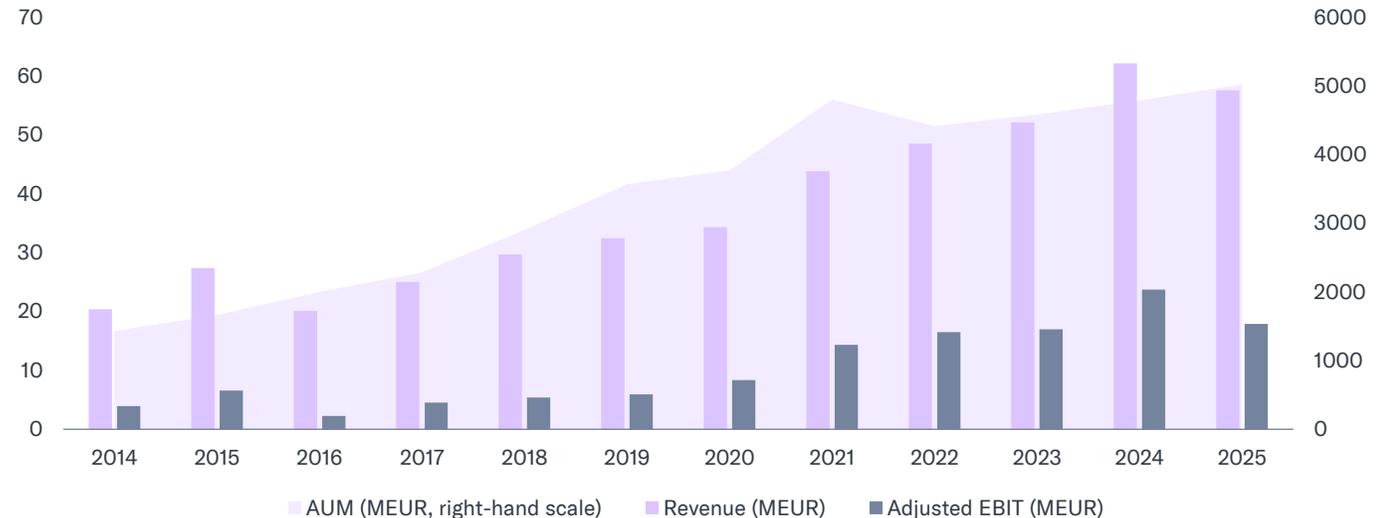
- Expanding into real asset products through acquisitions
- Founding the investment bank
- Transaction-driven business is dominant, especially structured products and brokerage are significant
- Listed on the First North marketplace in 2014

### 2016-2019

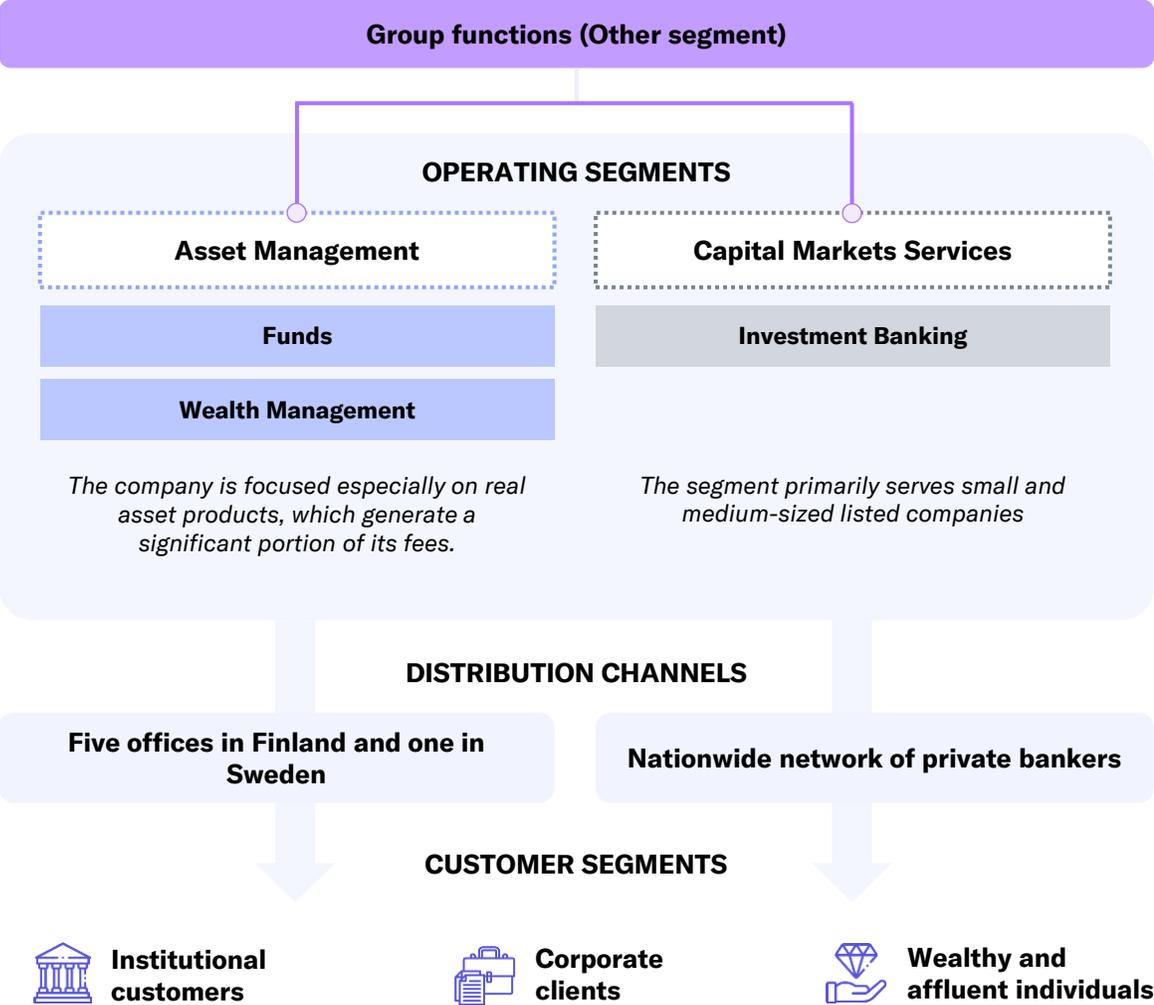
- Determined growth of fund capital and recurring commission income
- The SPL acquisition made the company a nationwide player and significantly increased its sales power
- IT investments to enable scalability
- Divestment of the Swedish investment bank

### 2020-

- Earnings to the next level driven by performance fees and organic growth
- The strategy is to grow recurring fee income and improve profitability based on recurring income
- Foothold in wealth management services has strengthened significantly
- Gradual internationalization of Asset Management
- Transition to IFRS reporting and moving to the main list



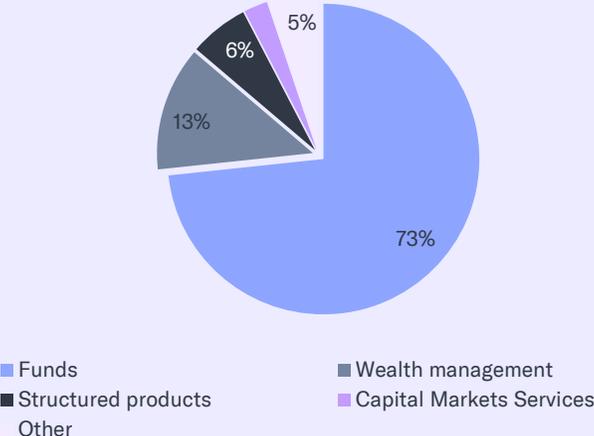
# Company description



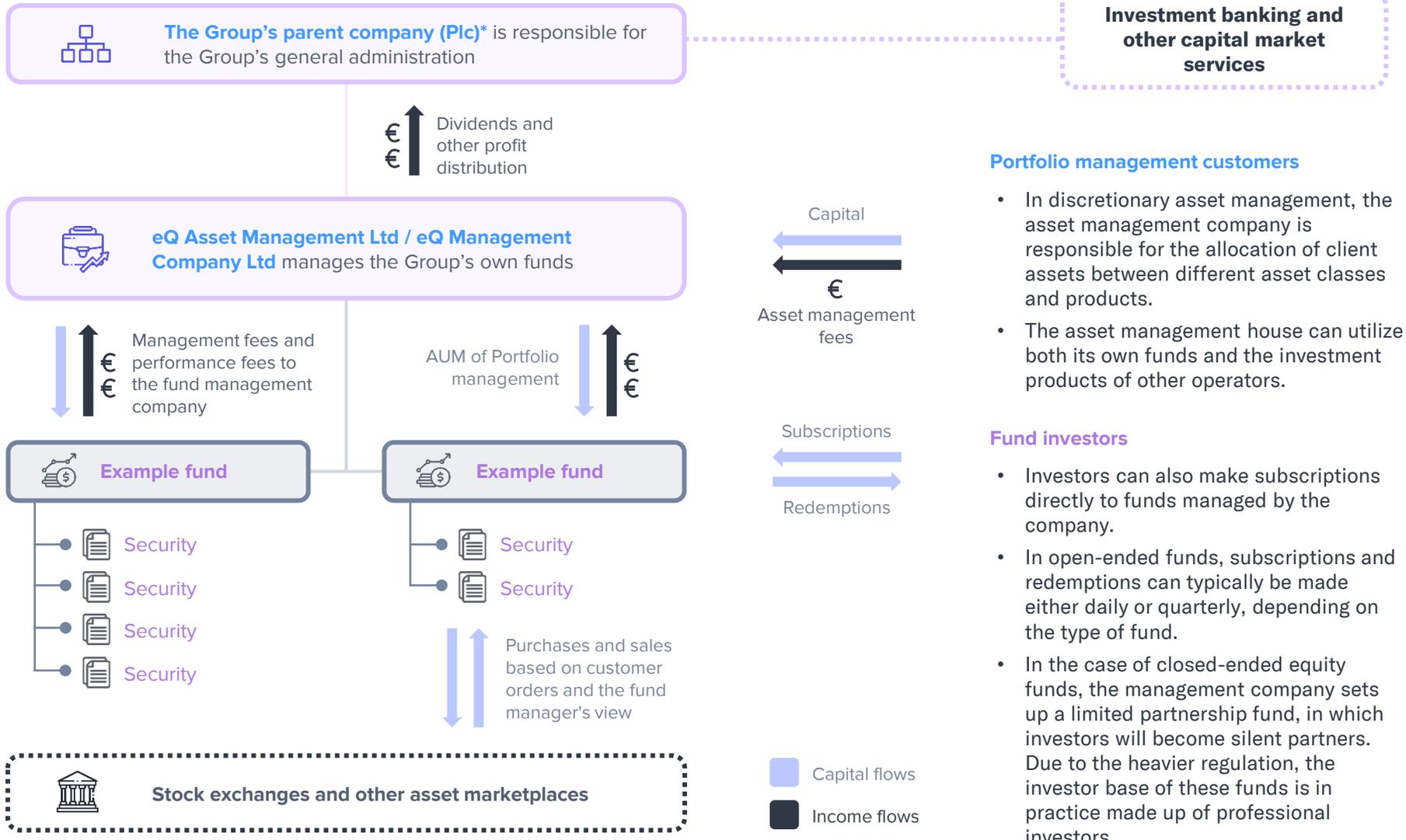
# UB

- Total AUM 5.2 BEUR (2025).
- Just over one third of the AUM invested in real asset products (listed and non-listed).
- The company's customer base is focused especially on wealthy private individuals in Finland
- 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 fee income.

**Revenue distribution (2025)**

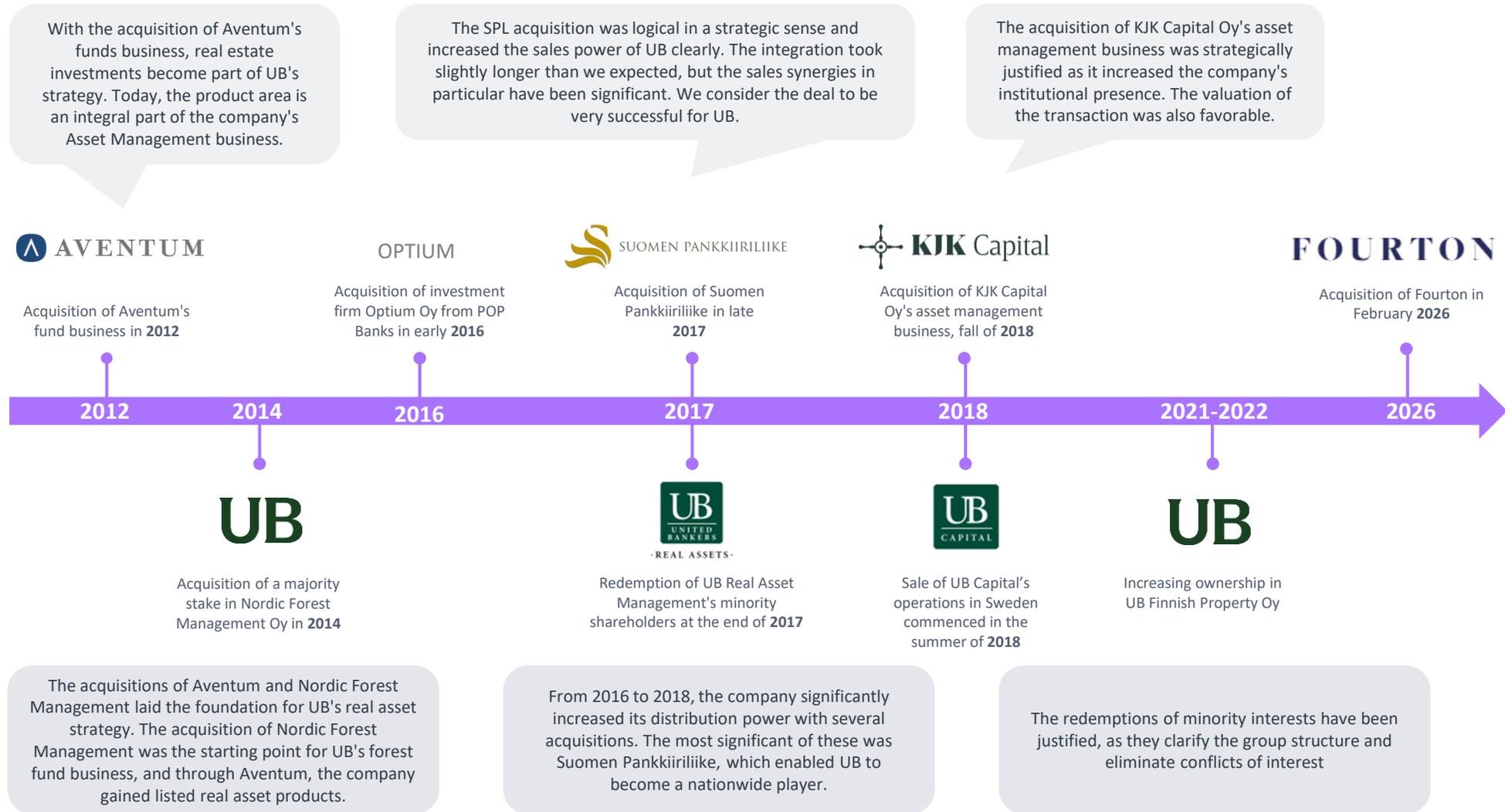


# Asset Management business model in a nutshell



\*NB! The figure is intended to illustrate a typical asset management service business model and does not take into account, for example, UB's exact group structure.

# M&A transactions



# Ownership

## Clear anchor owners

United Bankers' largest owners are mostly the company's founders and/or key personnel. The three largest owners are Carl-Gustaf Von Troil (Ov Castor-invest Ab) and Rasmus Finnilä (Jarafi Oy), as well as Amos Partners Oy, a company partly owned by Antti Asunmaa, which joined through the acquisition of Suomen Pankkiiriliike. In addition, the top ten largest owners include other key persons, such as the current Chairman of the Board Patrick Anderson (Bockholmen Invest Ab) and Head of Asset Management Jani Lehti (J. Lehti & Co Oy). Lehti & Co Oy).

## The company wants to remain independent

In our view, the decision-making of United Bankers' main owners is primarily guided by the long-term development of shareholder value. In our view, the company's main owners also highly value the company's independence. If our interpretation is correct, this clearly limits the company's M&A probabilities, as we believe UB wants to be firmly in the driver's seat in such transactions. For example, we consider a sale of the entire company very unlikely.

## Management, Board, and employee ownership is at a very high level

The Management Team and the Board have significant holdings in UB, which we have listed in the adjacent table. With the exception of one member, all members of the management team have significant holdings in the company, and management is also committed through incentive programs. We naturally welcome this, as it strengthens the common interests of the management and shareholders.

Employee ownership in the company is also extensive. UB organized extensive share issues for personnel and tied agents in 2019 and 2024, and key personnel have also been widely committed through share and option schemes. Overall, the personnel and the board own about 55% of UB, which is the highest level among the investment service companies we follow.

UB has undergone a gradual "generational change" in recent years, as some older key personnel have stepped aside from company operations or their roles have diminished. We believe this torch passing will continue in the coming years, for example, through retirements. In our opinion, it would be crucial for UB to support the shift with generous commitment programs (e.g. employee share issues and option programs) to ensure that new talent is also committed to the company's development with sufficient incentives.

Largest shareholders 3/2026	Stake
Oy Castor-invest Ab	11.6%
Amos Partners Oy	10.2%
Jarafi Oy	10.1%
Bockholmen Invest Ab	5.0%
J. Lehti & Co Oy	4.5%
Olsio Tom Henrik Wilhelm	4.1%
Jouhki Marina	3.5%
Linder Corinne Sophie	2.6%
Linder Cassandra Marie	2.6%
Linder Christoffer Magnus	2.6%

Management's share holdings	Shares	Role
Patrick Anderson (Bockholmen Invest Ab)	552061	Chairperson
Rasmus Finnilä (Jarafi Oy)	1111000	Board
Lennart Robertsson Lennart (Interfagervik ab)	13360	Board
Rainer Häggblom	114086	Board
Tarja Pääkkönen	10342	Board
Eero Suomela	10000	Board
Elisabeth Dreijer Von Sydow (Seablite Ab)	2240	Board
Jani Lehti (J. Lehti & Co Oy)	490500	Management
Timo Ronkainen (Oy Ottiger Ab)	250118	Management
Inka Noramaa	90771	Management
John Ojanperä	73112	CEO
Jukka Rasku	23929	Management
Jarkko Saukkola	18132	Management
Katri Nieminen	14875	CFO
Perttu Purhonen	2000	Management

# Asset Management 1/6

## Asset Management is the core of the Group

Asset Management is United Bankers' core business, accounting for virtually the entire market value of the Group. The company has specialized in real asset investments, particularly in forest investments. The company's product offering covers almost all asset classes and services, including funds, asset management, structured investments, and brokerage. The company can thus be described as a full-service asset management house. The company is a medium-sized asset manager in Finland and employs around 190 people (including agents).

UB has significantly raised its profile in the Finnish asset management sector over the past 10 years. Just 10 years ago, the company was a very small player in the asset management field, but it has risen to become a relevant challenger, as evidenced by its recent success in SFR's institutional survey (winning the mid-cap companies category in 2025). The company's employer image has also improved significantly in recent years, which is reflected in high-profile recruitments.

## Customer segments

United Bankers serves a wide range of client segments. In our view, the company's most important target group is private clients, and we estimate that a significant majority of management fees come from wealthy private individuals.

For **Private Banking customers** (investable assets of up to a few hundred thousand), UB mainly offers its own products. The company serves customers through sales offices and OmaUB digital platform.

For wealthy private individuals, UB mainly provides direct investments and discretionary portfolio management. In

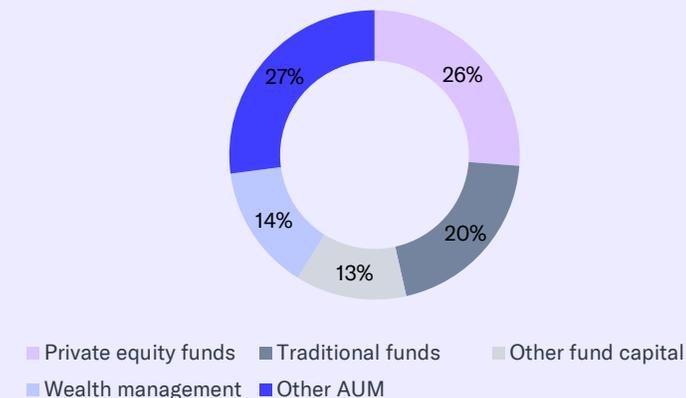
discretionary wealth management, the company primarily utilizes its own products for real assets, and for traditional asset classes, it leverages both its own funds and external ETF funds through its UB 360 concept. This is UB's most important individual segment, and its competitive position here has strengthened significantly in recent years due to strong recruitments and a sharpened service model.

**Ultra-high-net-worth individuals (UHNW)** are naturally the company's smallest customer segment, as the entire market is also quite limited. This segment is already very close to institutional wealth management in nature, as clients' portfolio sizes are comparable to those of institutions. UB has invested in the service experience of this segment through, for example, the Private Investment Office service concept, which was established in 2018.

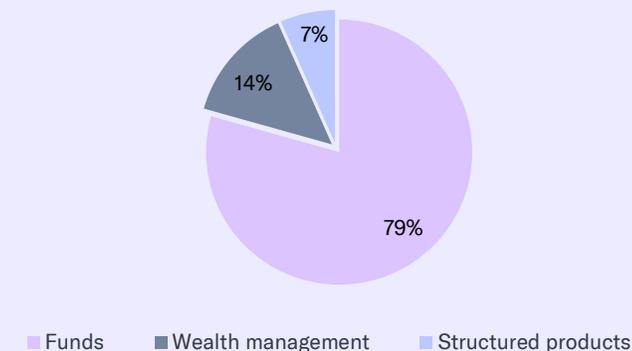
For institutional customers, UB mainly offers private equity funds and real asset products. UB has also improved its foothold in comprehensive wealth management for institutions in recent years, although the company is still clearly in a challenger position here.

**International sales** have been a focus for UB for some time, and the company has a branch office in Sweden. For international institutions, the company offers individual spearhead products, mainly forest funds in UB's case, similar to other domestic asset managers. We believe the company has successfully raised a reasonable amount of capital for its forest funds from Sweden. Central Europe has been another clear focus for the company in recent years, but the results there have so far been meager. We believe that the company will expand its international product offering beyond forest funds in the future.

AUM (2025)



Distribution of Asset Management's performance fees (2025)



# Asset Management 2/6

## 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. UB's AUM does not include double counting, and the company always records capital primarily as fund capital. Thus, if the company, for example, also has funds under a discretionary wealth management agreement, this portion of the funds will be reflected in the fund capital.

**Traditional fund capital** was at the end of 2025 about 1050 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 0.6-0.8%. Traditional funds have grown quite slowly (5% p.a.), and their net subscriptions between 2018-2025 have remained modest, even when adjusting for capital transferred from Vision and Asilo. In our view, this is explained by the company's focus on alternative funds and asset management.

**The AUM of private equity funds** (on a NAV basis) was around 1,350 MEUR at the end of 2025, consisting of 1) UB's forest asset-investing funds (UB Nordic Forest Fund III & IV and UB Forest), 2) the UB Renewable Energy fund, 3) the UB Forest Industry Green Growth fund, which invests in shares of unlisted forest industry companies, and 4) three real estate funds (UB Finnish Properties, UB Nordic Property Fund, UB Residential Fund). In addition, the company launched an open-ended private equity fund in early 2026. Private equity funds are by far 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

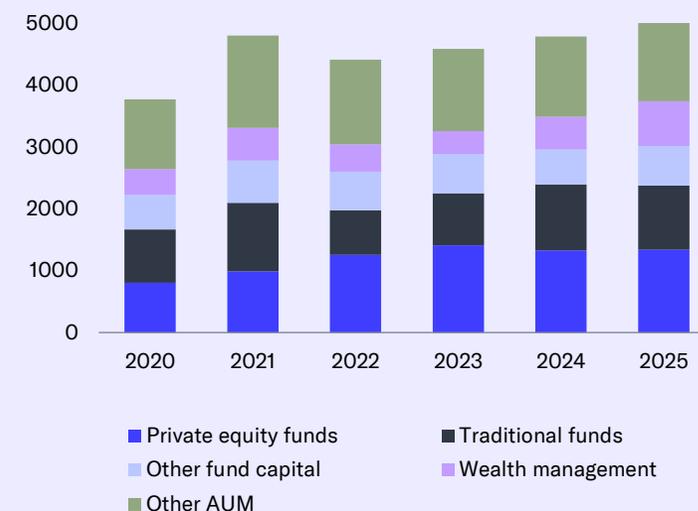
over 1.0%. Private equity funds have been a key growth engine for UB, with an average annual growth of almost 20% between 2018 and 2025. This is a very strong performance and reflects successful strategy execution.

**Other fund capital** (2025: ~650 MEUR) consists of assets under management from the KJK Capital acquisition and third-party funds offered by Asset Management (e.g., eQ). 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. UB does not actively sell these products, and AUM levels have remained flat in recent years.

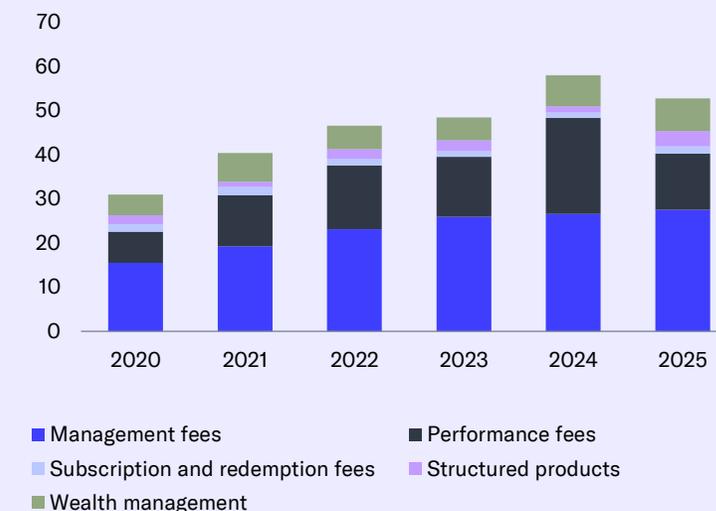
**Individual wealth management AUM** (2025: ~720 MEUR) consist mainly of portfolios under discretionary wealth management. In addition, the item also includes insurance assets, which are of minor importance to UB. In our estimate, the average level of recurring fees for asset management is ~1%, and it has grown significantly over the past two years due to excellent sales performance in discretionary wealth management. We note that the company has over 1 BEUR in assets under discretionary wealth management, but some of these are recorded as fund capital according to the company's AUM calculation.

**The "Other" item** (2025: ~1,300 MEUR) primarily consists of equities and bonds held in customer custody, as well as 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. These fees are shown under asset management, excluding structured investments.

Assets under management (MEUR)



Distribution of fee income (MEUR)



# Asset Management 3/6

## Funds

Funds make up the majority of the Asset Management business, and fund fees accounted for almost 80% of Asset Management's total fee income in 2025. Management fees from the funds stood at 28 MEUR and performance fees at ~13 MEUR. Subscription and redemption fees were at ~1 MEUR.

Currently, UB's fund offering included a total of 26 (22 open + 4 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.

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). Although fund capital as a whole has grown by less than 10% annually between 2018 and 2025, the mix has improved significantly with the substantial increase in the share of private equity funds. Management fees from funds have grown by over 15% per year during the same period.

The strong growth in fund assets was driven by strong capital market performance, an expanding product offering, good product returns (especially in forestry), and a clear 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.

## Performance fees

Performance fees play a significant role in UB's result. Over the last 5 years, the company has recorded average

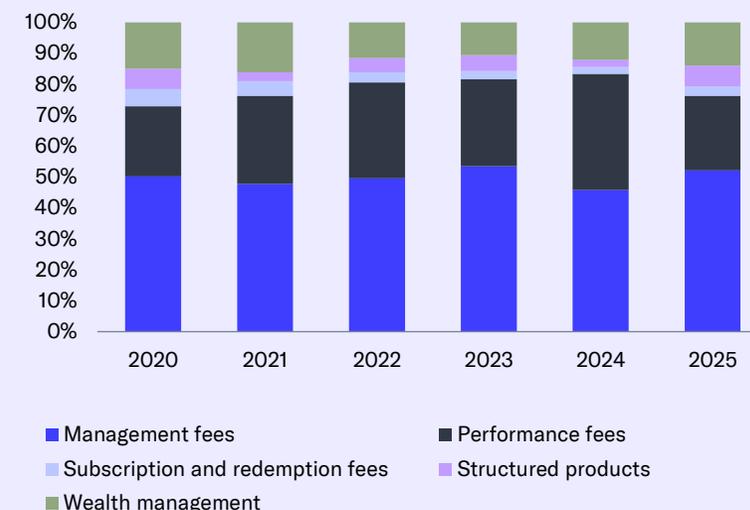
performance fees of 15 MEUR per year. Performance fees have mainly come from forest funds (closed and open-ended). As performance fees are derived from individual products only, they naturally involve a clear risk. However, we note that both the open-ended forest fund and Renewable Energy fund use a cumulatively calculated performance fee. Both funds are cumulatively well above the hurdle rate, and thus the performance fee outlook for both funds is secured for the coming years. Also in the longer term, the outlook is at least reasonable due to the calculation method. For closed-end forest funds, the company has ~10 MEUR in performance fees recorded on its balance sheet. In our understanding, these are practically entirely related to the NFF 3 fund, and these fees will materialize as cash flow when the fund is eventually sold.

## Wealth Management

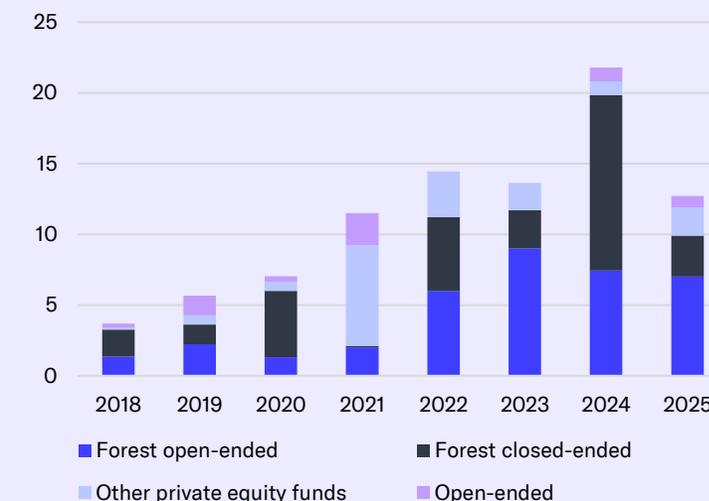
Wealth Management's fee income in 2025 was 7.4 MEUR, or about 13% of total Asset Management fee and commission income. Wealth Management revenue primarily consists of discretionary portfolios and has grown significantly in recent years. We understand that the majority of Wealth Management fees are recurring in nature and the remainder are transactional.

The core of UB's asset management service is the UB 360 wealth management concept, where the listed market is mainly managed with ETFs, and the portfolio is supplemented with the company's own products. In cases where managed assets have been invested in the UB's own products, only the fee from Wealth Management is recorded in Asset Management income. The fees for the funds below are shown under the funds.

Distribution of fee income (MEUR)



Performance fees (MEUR)



# Asset Management 4/6

Wealth Management sales were at best moderate for a long time, but in recent years the company has managed to significantly boost sales. We believe this is due to the good track record of the UB360 model, the recruitment of private bankers, and an increased strategic focus on asset management. Revenue from Wealth Management is strategically at least as important for the company as revenue from funds, as it offers significant sales potential for product sales in the longer term.

## Structured investment products

The offering of UB's structured products includes both equity-based and credit-related investment products. UB's fee and commission income from structured investment products amounted to 3.5 MEUR in 2025, representing approximately 6% of Asset Management's total fee and commission income.

Structured products have taken a clear backseat in UB's strategy over the past 10 years, and today they are mainly offered when market conditions present attractive opportunities.

## Sales a key driver for the share price

For UB, new sales are the single most important metric for long-term success. UB reports the gross sales of its products and services, which we believe does not provide a particularly good overview of the Group's total sales. Gross sales have been quite stable in recent years, hovering around 500-600 MEUR, but in reality, the difference in annual sales performance is significantly larger. For example, sales of around 600 MEUR in 2021 led to a significant increase in recurring fees, whereas nearly the same sales volume in 2025 resulted in only a very modest increase in recurring fees.

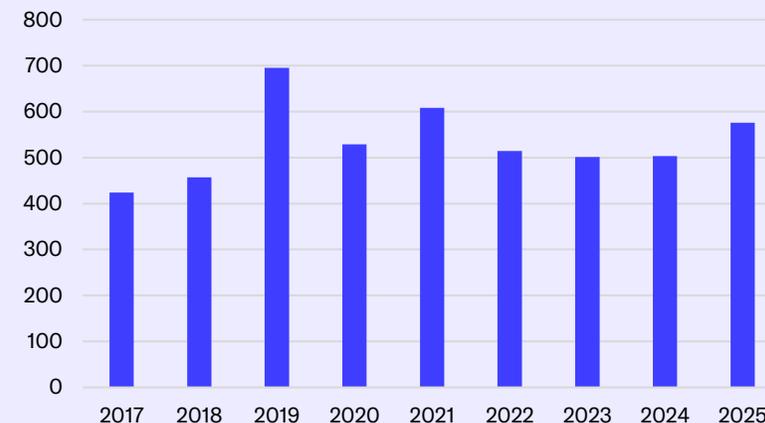
For investors, a net figure would be considerably more relevant. However, the company's figures clearly show the net sales of funds and wealth management, which are key growth drivers for the Group, as they bring in the lion's share of the company's fee income. Thus, we prefer to monitor their sales, as they also account for the sales mix.

UB's sales have historically been very Finland-driven, and the company has received limited international (mainly Swedish) capital for individual products (especially forest). UB has a nationwide sales network in Finland. UB has sales offices in Finland in five locations, and the company's distribution network is also supplemented by distribution agreements made with partners (e.g. POP banks). The POP banks operate largely in smaller localities and thus complement UB's own sales network well. According to our calculations, UB has roughly 50 salespeople in Finland, about half of whom operate under a tied agent model. In addition, the company has two salespersons in Sweden. In our view, UB's sales have strengthened significantly in recent years due to very successful recruitments. We believe that the company's employer image has improved significantly compared to 5 or 10 years ago, and the company's salary levels have also approached those of key peers.

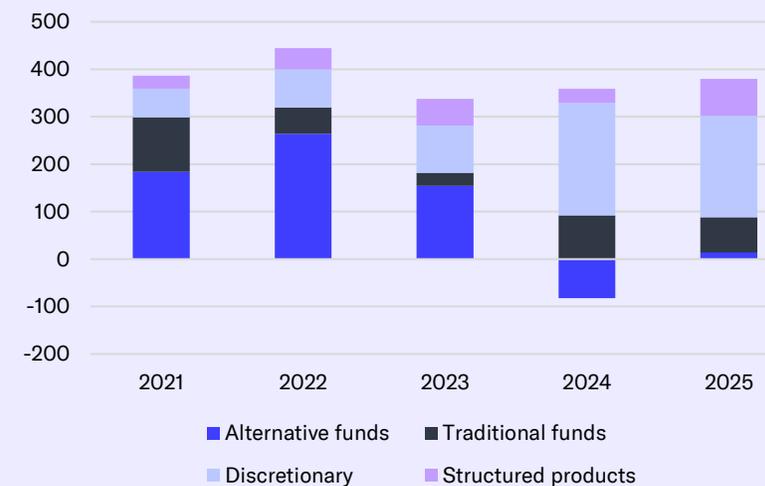
## New sales have fallen clearly from peak years

Although UB's gross sales figures have not materially decreased, the company's sales have actually weakened significantly since 2022 due to rising interest rates. The rise in interest rates severely hampered the sales of alternative funds, which has significantly impacted UB's sales. Discretionary wealth management has grown nicely, but it has not been able to compensate for the decline in high-margin alternative products. This is clearly reflected in the company's recurring fee income growth, which has slowed significantly since 2022.

Gross sales reported by UB (MEUR)



Gross sales estimated by Inderes (MEUR)\*



\*Removal of Vision and Asilo have been adjusted from the figures, but sales of forest funds are reflected as a negative in net subscriptions

# Asset Management 5/6

## New sales potential

When assessing UB's new sales potential, the sales mix is at least as important as the absolute euro amount. Alternative capital generating continuous cash flow is many times more valuable than the sale of structured products generating one-off fees.

According to our calculations, UB should be able to net sales of over 500 MEUR in products based on continuous cash flow. In the longer term, there is naturally more potential, but it requires successful execution of the strategy and likely a breakthrough in international markets.

The most important product category is of course alternative funds, i.e., the company's spearhead funds. These include open-ended real estate funds, forest funds (closed and open), PE funds (open and closed), FIGG, and Renewable Energy. In our view, the sustainable net sales potential for these funds is over 250 MEUR per year, without a major breakthrough in the international market. The company has only reached this level twice, in 2019 and 2022, during the peak zero-interest-rate period. We note, however, that the company's product offering has broadened since those years, and its selling power has also clearly increased. Thus, we see a sustainably higher level in the coming years than historical levels, and especially recent years, once the headwinds in the alternative market ease. We have previously emphasized that it is of utmost importance for the company to get a positive start for its PE funds (open and closed), as the company faces headwinds in several product categories in the short term. We have outlined the long- and short-term outlooks for various alternative products in the table in the sidebar. In the short term, the company's new sales largely depend on Forest and PE.

In our view, the company has all the preconditions to sell discretionary wealth management services for over 200 MEUR annually in the coming years, as the company has gained excellent momentum in this area over the past two years. We note that sales over the past two years have certainly been supported by recruited bankers bringing client portfolios with them from competitors.

New sales of traditional funds have been rather subdued between 2017 and 2025. This is mainly explained by the company's focus on alternative investment products. The transfer of individual funds (Visio and Asilo) out of the company's control also weighs on the figures, even though their fee impact is smaller. We believe the new sales potential is clearly higher than historical levels, supported by the expansion of the product offering during 2025 (Fourton acquisition and Megatrends fund). We estimate that the company should have all the prerequisites to sell its own funds for around 100 MEUR per year, but this will require more effort from the organization than before.

With the potential we have outlined, UB's annual recurring fee growth would be around 5-6 MEUR, which in turn would mean an annual recurring fee growth of approximately 15%. Naturally, brisk new sales would also increase the potential for performance fees, as the majority of alternative funds include significant performance fee components.

Overall, we see significant growth potential for UB in the Finnish asset management sector, and its size does not limit its growth. The company has significant growth potential in its core target group, but also among institutions and in international markets. In our view, the question is above all about the company's ability to get its sales engine running again at its full potential. Naturally, the recovery of the alternative funds market also helps in this regard.



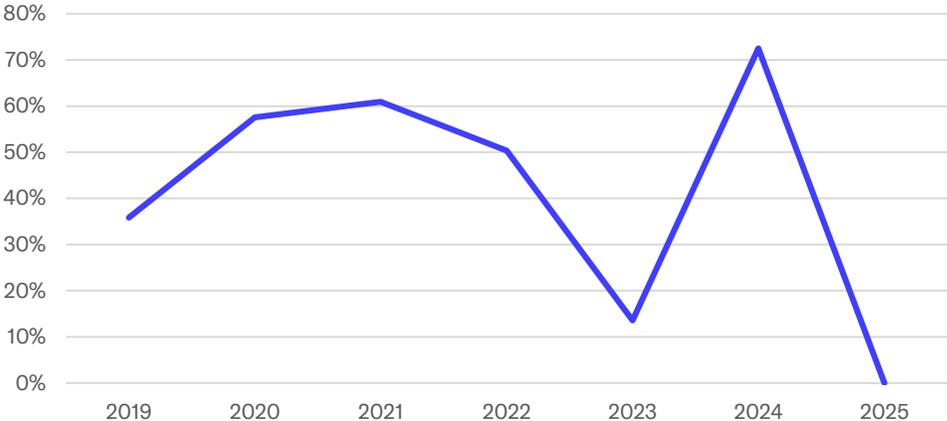
Fund sales outlook	Short-term	Long-term
<b>Real Estate funds</b>	1	3
<b>Forest</b>	3	5
<b>Renewable energy</b>	2	4
<b>FIGG</b>	1	3
<b>FRI</b>	3	4
<i>Scale 1-5 (1 very weak, 5 very strong)</i>		
<i>Inderes' estimates</i>		

# Overview of Asset Management

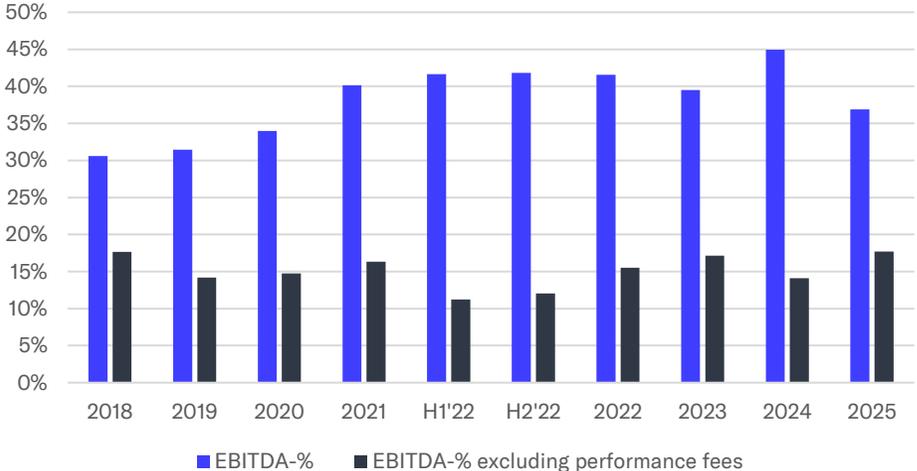
Evolution of the fee distribution



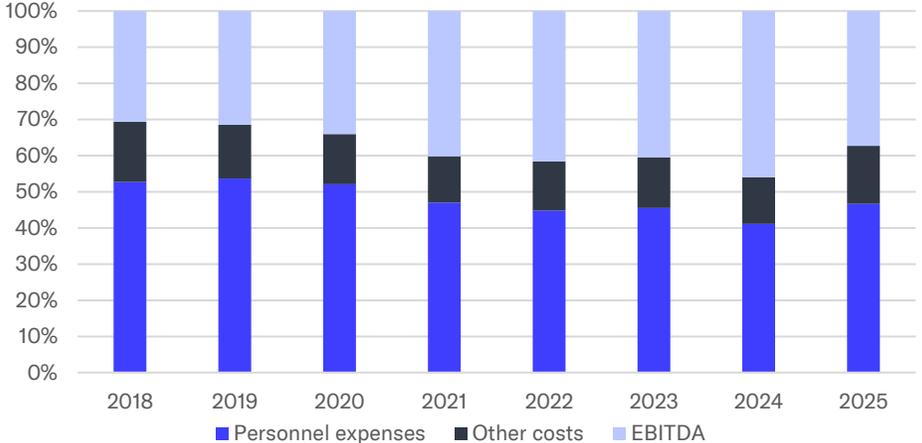
Asset Management operating leverage (2025 earnings growth negative)



Asset Management profitability %



Cost structure of Asset Management



# Asset Management 6/6

## 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 2025, UB employed 165 employees and 26 tied agents. The company doesn't disclose the distribution of personnel by segment, but we estimate that a significant majority (+150 + all agents) are employed in Asset Management.

In 2025, total personnel costs of Asset Management were around 20.1 MEUR, and we estimate the average employee cost to be around 130 TEUR/year. The level is slightly below that of key peers, which we estimate is explained by the distribution of employees (more personnel in support functions) and high employee ownership (Group-level comparison on pages 15-16).

Other costs of Asset Management consist mainly of fees paid to tied agents and other distribution partners (2025: 5.1 MEUR), administrative costs (2025: 8.7 MEUR) and depreciation. The company reported depreciation only on the group level and the amount was about 3.1 MEUR in 2025. If these were to be allocated to the operating segments (Asset and Wealth Management and Capital Markets Services) in proportion to revenue, the depreciation level of Asset and Wealth Management would be about 3.0 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.

UB Asset Management's profitability (2025: EBITDA-% 37%) has remained around 35-40% between 2020-2025. We believe the level is already quite good, although we still see

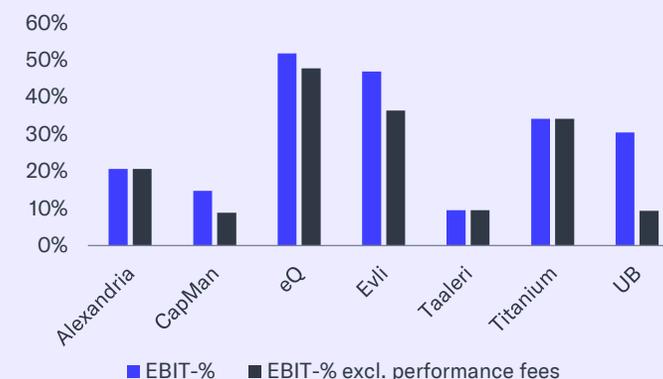
clear potential for improvement. An EBIT figure comparable to that of other asset managers can be obtained by allocating group expenses and depreciation roughly in proportion to revenue. The EBIT margin calculated in this way has hovered around 30-35% in recent years.

The key challenge of profitability is still related to performance fees. Although UB has managed to clearly increase the share of recurring revenue in recent years, performance fees continue to play a significant 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.

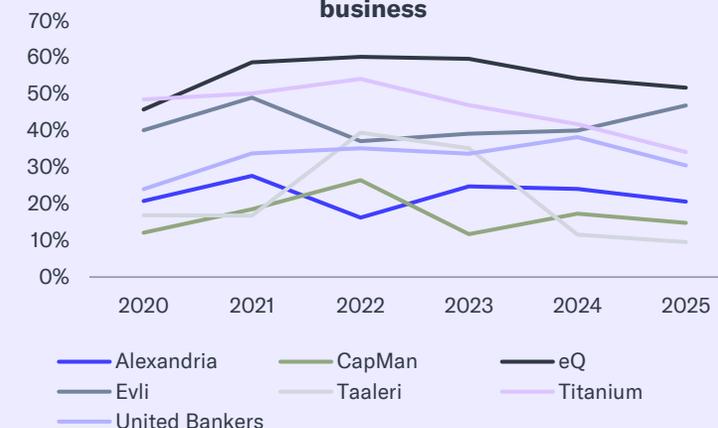
## Scalability still has potential

The operating lever is significant due to the fixed cost structure, which has been reflected in Asset Management's figures in recent years: from 2018 to 2024, around 50% of Asset Management's revenue growth passed through to EBITDA. We believe the level is reasonable, but it clearly pales in comparison to the sector's top companies, where operating leverage has consistently been between 70-100%. The company's fixed costs have continuously increased as it has expanded its product offerings and grown its sales force. The company should have the prerequisites to significantly increase the profitability of its Asset and Wealth Management segment from the current level, especially if performance fees remain high. We believe this higher earnings leverage is realistic within a couple of years, as the company's sales accelerate from current levels and the growth investments currently underway are completed.

Profitability of Asset and Wealth Management businesses (2025e)\*



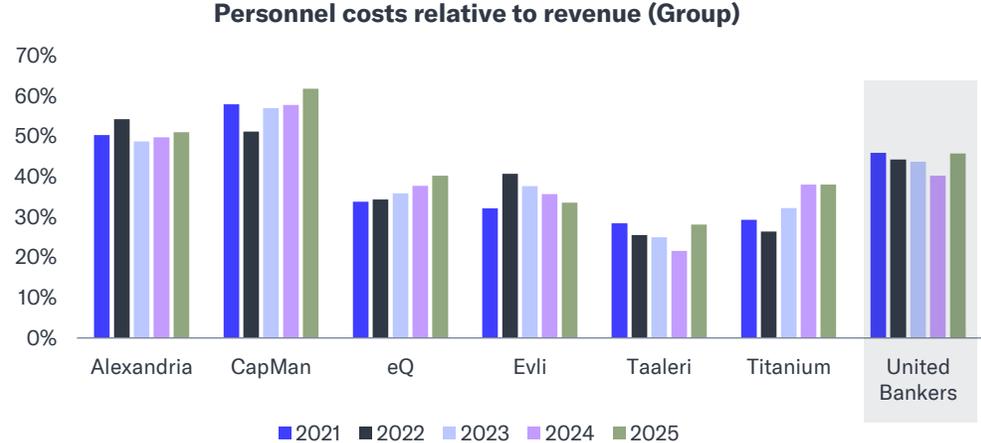
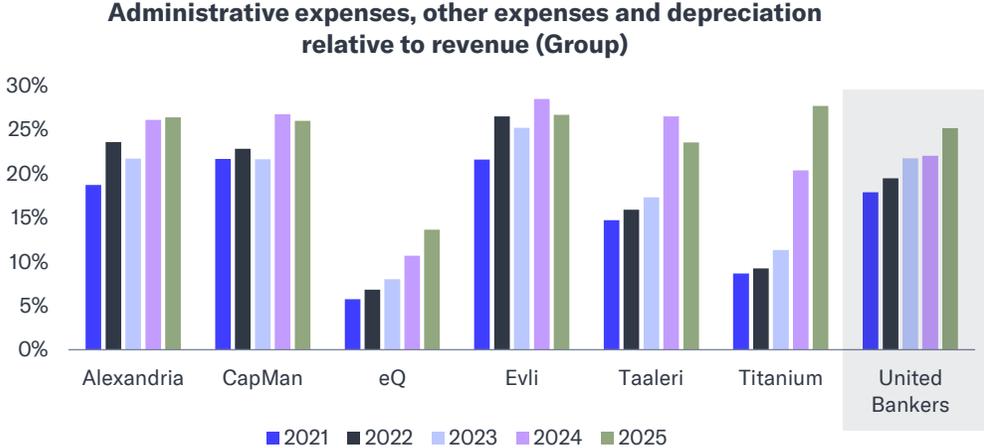
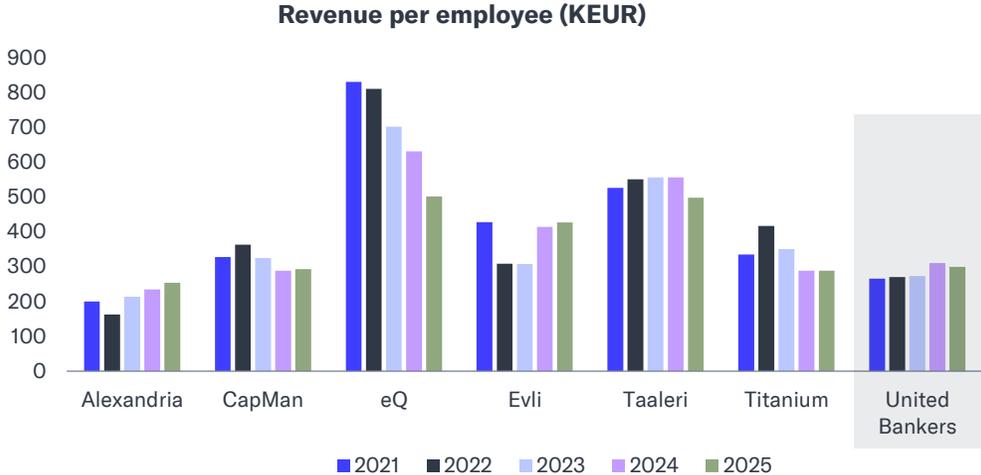
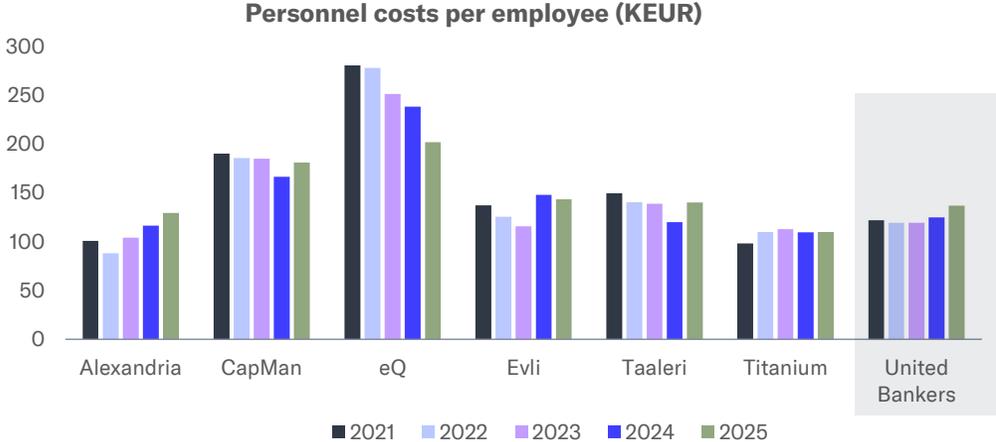
EBIT % of the Asset and Wealth Management business



### \*Inderes' comments:

- The profitability of UB's Asset Management is burdened by group costs and depreciation
- Titanium, CapMan & Alexandria at Group level excluding goodwill and PPA amortizations
- CapMan's Group expenses are taken into account
- Asset Management of eQ is burdened by Group costs
- Evli's profitability considers the Group's allocations
- Taaleri's profitability is burdened by Group expenses.
- For Taaleri, investment income from PE funds is also included in performance fees

# UB relative to listed asset managers 1/2

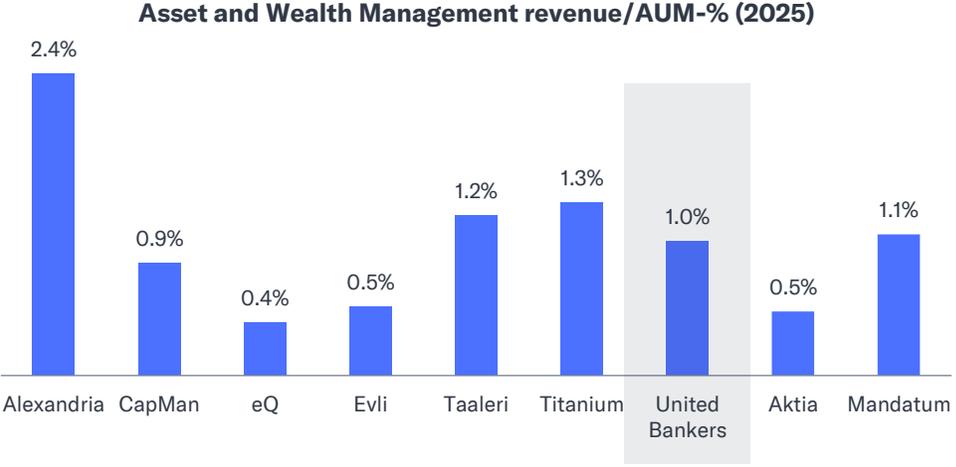
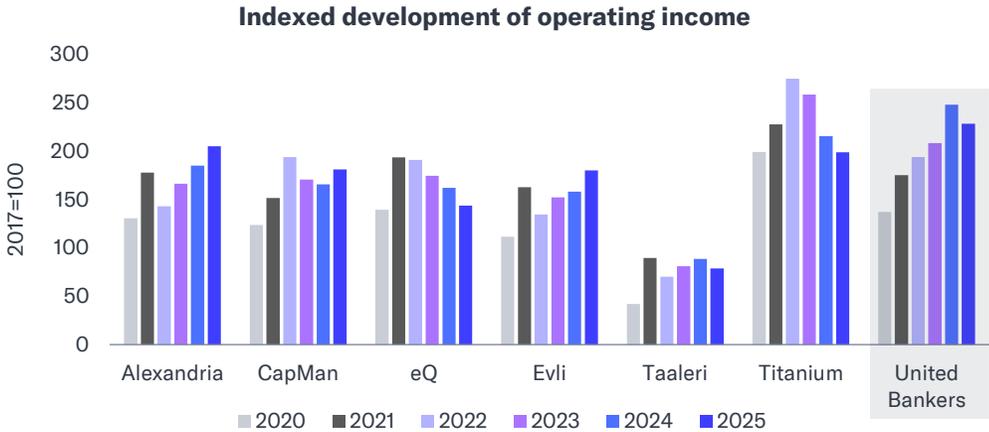


**Inderes' comments:**

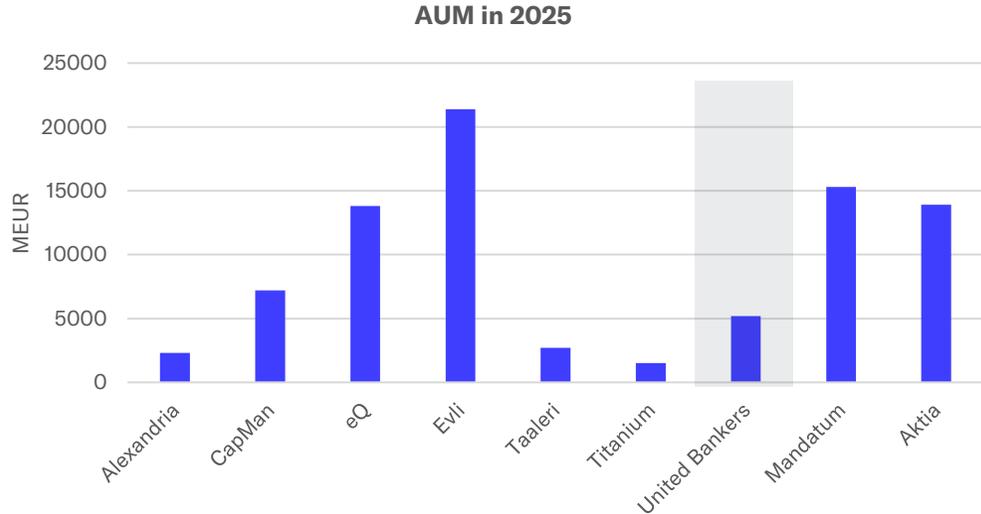
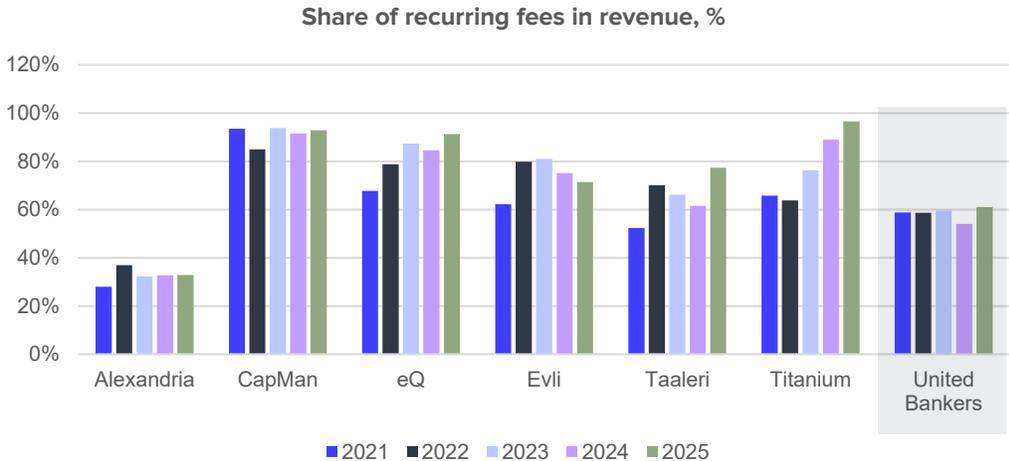
- All are Group-level numbers
- Revenue per employee is calculated with the average number of employees
- Agents were included in personnel and personnel costs
- Taaleri's 2021 figures e adjusted for divested Wealth Management business.

Source: Inderes and the companies

# UB relative to listed asset managers 2/2



\* Taaleri only includes private equity funds



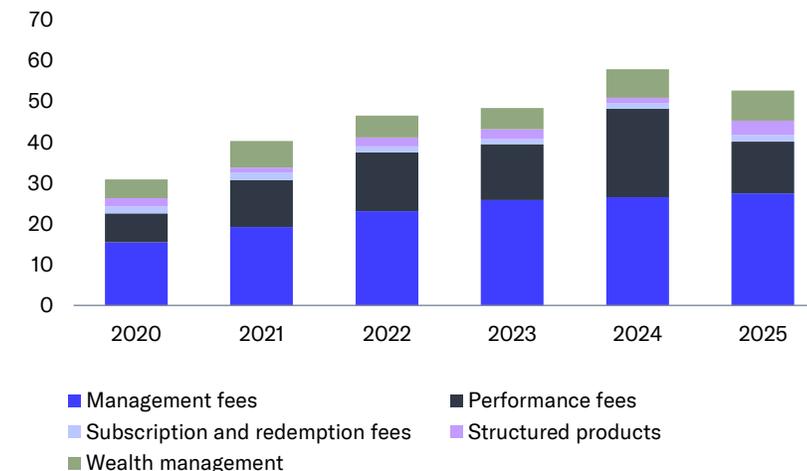
# Asset Management earnings forecasts

Asset Management (MEUR)	2023	2024	2025	2026e	2027e	2028e	2029e
Funds	40.8	49.6	41.8	43.8	47.6	53.5	58.6
Management fees	25.9	26.6	27.5	30.2	33.9	39.4	44.4
Performance fees	13.6	21.8	12.7	12.0	12.0	12.0	12.0
Subscription & redemption	1.3	1.3	1.6	1.5	1.7	2.0	2.2
Wealth management	5.2	7.0	7.4	8.9	11.4	13.0	14.3
Structured products	2.5	1.3	3.5	3.2	2.7	2.7	2.7
<b>Total revenue</b>	<b>50.6</b>	<b>60.6</b>	<b>54.5</b>	<b>57.4</b>	<b>63.3</b>	<b>70.7</b>	<b>77.1</b>
<b>Revenue growth-%</b>	<b>8%</b>	<b>20%</b>	<b>-10%</b>	<b>5%</b>	<b>10%</b>	<b>12%</b>	<b>9%</b>
Commission expenses	-4.8	-5.2	-5.1	-5.5	-6.1	-6.6	-7.0
Total other expenses	-24.6	-26.8	-28.8	-30.8	-32.8	-35.0	-37.3
<b>EBITDA</b>	<b>20.0</b>	<b>27.2</b>	<b>20.1</b>	<b>20.6</b>	<b>23.9</b>	<b>28.6</b>	<b>32.4</b>
EBITDA-%	39.5%	44.9%	36.9%	35.9%	37.8%	40.5%	42.0%
<b>EBITDA excl. performance fees</b>	<b>6.3</b>	<b>5.5</b>	<b>7.4</b>	<b>8.6</b>	<b>11.9</b>	<b>16.6</b>	<b>20.4</b>
EBITDA-% excl. performance fees	12.5%	9.1%	13.6%	15.0%	18.8%	23.5%	26.4%
<b>Assets under management</b>	<b>4585</b>	<b>4787</b>	<b>5135</b>	<b>5756</b>	<b>6406</b>	<b>7105</b>	<b>7807</b>
Private equity funds	1409	1326	1340	1511	1792	2120	2452
Traditional funds	845	1070	1035	1285	1435	1585	1735
Other fund capital	635	564	640	640	640	640	640
Wealth management	367	529	724	924	1144	1364	1584
Other AUM	1330	1298	1396	1396	1396	1396	1396
<b>AUM growth y/y</b>	<b>4%</b>	<b>4%</b>	<b>7%</b>	<b>12%</b>	<b>11%</b>	<b>11%</b>	<b>10%</b>
Funds' fee income / fund AUM (%)	1.41%	1.68%	1.39%	1.27%	1.23%	1.23%	1.21%
Management fees / fund AUM (%)	0.90%	0.90%	0.91%	0.88%	0.88%	0.91%	0.92%
Fund management fees & OH growth -%	9%	8%	4%	12%	16%	16%	12%

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 Metsä, UB Suomi Property UB Nordic Commercial Property, UB Renewable Energy and FIGG

Distribution of fee income (MEUR)



Revenue growth breakdown (MEUR)



# Investment banking and Other segment

## Activities supporting Asset Management

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. In 2025, UB Corporate Finance joined the Clairfield International network, which provides it with broader international contacts to serve its clients. In our view, the role of the investment bank supports the rest of the Group, as it complements the wealth management service offering from the client's perspective. In addition, it generates healthy profitability on average, and its significant earnings volatility does not sway the group's figures due to its small size.

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 2025, the segment's revenue has fluctuated between 0.7 and 5.5 MEUR. However, historical figures include the business of the subsequently discontinued crowdfunding channel UB Rahoitus, as well as brokerage operations later transferred under Asset Management. We estimate that the impact of these on revenue is ~1.5 MEUR, so the normal revenue for advisory services is, in our estimation, somewhat below 3 MEUR, which is also, in our estimation, the historical average. 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

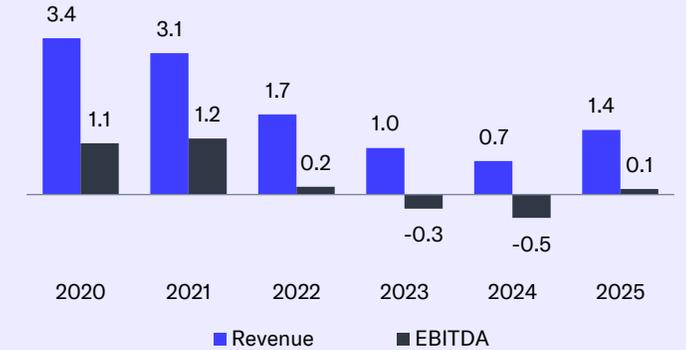
segment from its current size, given the volatility of earnings and the group's strategic focus on asset management.

In the Capital Markets Services segment, EBITDA has fluctuated between -0.5 and 1.2 MEUR in recent years, varying sharply with revenue. Again, the impact of UB Rahoitus should be taken into account, as we estimate that the business has been loss-making. According to our calculations, the adjusted result from UB Rahoitus between 2018 and 2025 has averaged slightly less than 1 MEUR.

## Other segment

Under the Other segment, UB records the returns on the Group's investment portfolio as revenue. At the end of 2025, the company had a 22 MEUR investment portfolio, mainly invested in its own funds. Roughly half of this is in closed-end or special investment funds, while the other half is, in our view, mainly in low-risk products, i.e., fixed income funds. We estimate the normal return level of the investment portfolio to be around 5%. The Other segment's operating expenses have been around 1.5 MEUR per year in recent years, mainly consisting of remuneration for the Group's top management. The Other segment will therefore generate a loss of slightly less than 1 MEUR in the coming years.

Capital Markets Services forecasts (MEUR)



# Strategy and financial targets 1/3

*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. At the same time, UB has become a significant player in the Finnish asset management landscape.*



# Strategy and financial targets 2/3

## UB's financial targets (set in February 2023)



### Growth

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



UB's AUM growth target is extremely ambitious, and we consider doubling AUM in three years unrealistic without significant acquisitions. We believe the company will move its targets forward by a few years in connection with the next strategy update.

Although the current target is very challenging within the current strategy period, it is realistic in the longer term, and the company is moving in this direction. Without acquisitions, the target can be achieved in the early part of the next decade, and with acquisitions, it can be achieved sooner.



### 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. The company's profitability is currently too heavily reliant on performance fees, and profitability adjusted for performance fees is subdued.

In our own forecasts, we expect the company to be close to its profitability target in 2029, even though AUM is still far from it. At the same time, the earnings focus has shifted more towards recurring fees.



### 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 UB to continue its very generous profit distribution policy over the next few years, and we anticipate the actual payout ratio to be closer to 100%.

Although UB has not officially stated that it aims for a growing dividend, we believe that steadily increasing the dividend is clearly the company's goal. We believe the company will aim to keep its dividend steadily growing in the coming years. In practice, this means that in good years, the payout ratio is lower, and in weaker years, dividends can be supported by a strong balance sheet if necessary.

# Strategy and financial targets 3/3

## Acquisitions as part of the future

Historically, UB has been a very active player in the M&A market. A significant portion of the current business foundation has been built through acquisitions, the most important of which have been: Aventus 2012 (listed real asset funds), Nordic Forest Management 2014 (forest fund business), and Suomen Pankkiiriliike 2017 (nationwide sales network). In addition, the company has carried out a number of smaller arrangements. The company had an exceptionally long quiet period in M&A, as it has focused on organic growth and realizing its current sales potential. However, this period ended in early 2026 when it acquired Fourton.

## The company's radar is on for M&A transactions

We believe UB is actively seeking M&A opportunities and is open to various options, and the company has openly stated that acquisitions are part of its strategy. The 10 billion AUM growth target also requires acquisitions to be realized. We believe this is logical, as the company is in a good development phase, and even a larger integration would not jeopardize its current progress.

We note that UB is not obliged to make any arrangements, as the company already has all the necessary components for strong organic growth. However, acquisitions offer an interesting avenue for value creation.

In our view, by far the most probable option for acquisitions is for UB to continue acquiring smaller players. An example of this is the Fourton acquisition completed in early 2026, where UB complemented its fund offering with a few niche products. These arrangements involve very little risk and

offer scalability potential. However, we note that it is difficult to create significant value for UB with these small acquisitions, as their scale inevitably remains small.

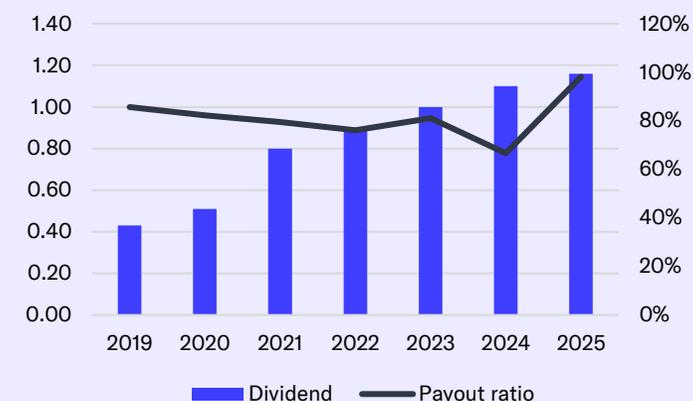
We also do not rule out the possibility that UB could carry out a larger transaction in Finland in the coming years, for example, one of SPL's size (at that time, SPL received about 10% of UB's shares). The challenge here is the lack of suitable targets in the Finnish market. In our view, UB does not really need more distribution power (excluding strengthening its foothold in institutions), and thus the likely acquisition targets would be product houses, probably those focusing on alternative products.

One very logical option, in our opinion, is for the company to expand its international operations more aggressively. In practice, this would mean acquiring a small asset manager from another Nordic country. In our view, a stronger presence in the Nordics would be highly desirable from a strategic perspective, and a successful acquisition could significantly accelerate this development. Naturally, international arrangements involve significantly more risk than domestic ones.

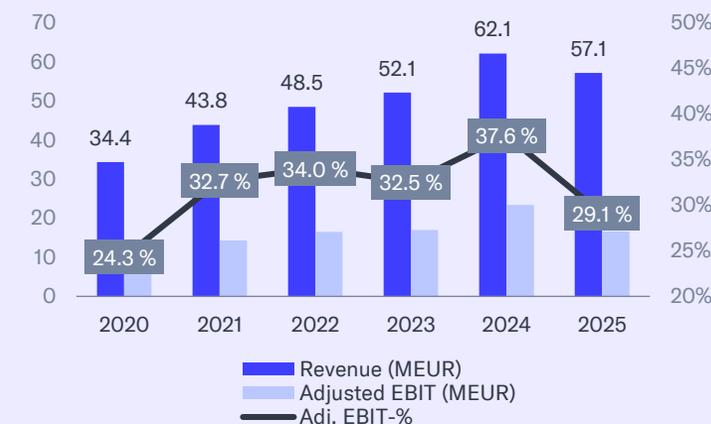
We do not consider larger arrangements (e.g. an equal merger) likely. Our interpretation is that the company's owners want to keep the company independent and retain control of it.

As we see several M&A options for UB and are quite convinced of the company's own interest in exploring different alternatives, we consider it very likely that we will see M&A transactions from UB in the coming years.

Dividend per share development



Revenue and profitability development



# Investment profile

- 1 Excellent growth prospects in Asset Management
- 2 Profitability still has scalability potential
- 3 Performance fees play a significant role in the result
- 4 Strong earnings performance and balance sheet position enable a growing dividend
- 5 Personnel and the board own a significant stake in the company

## Potential

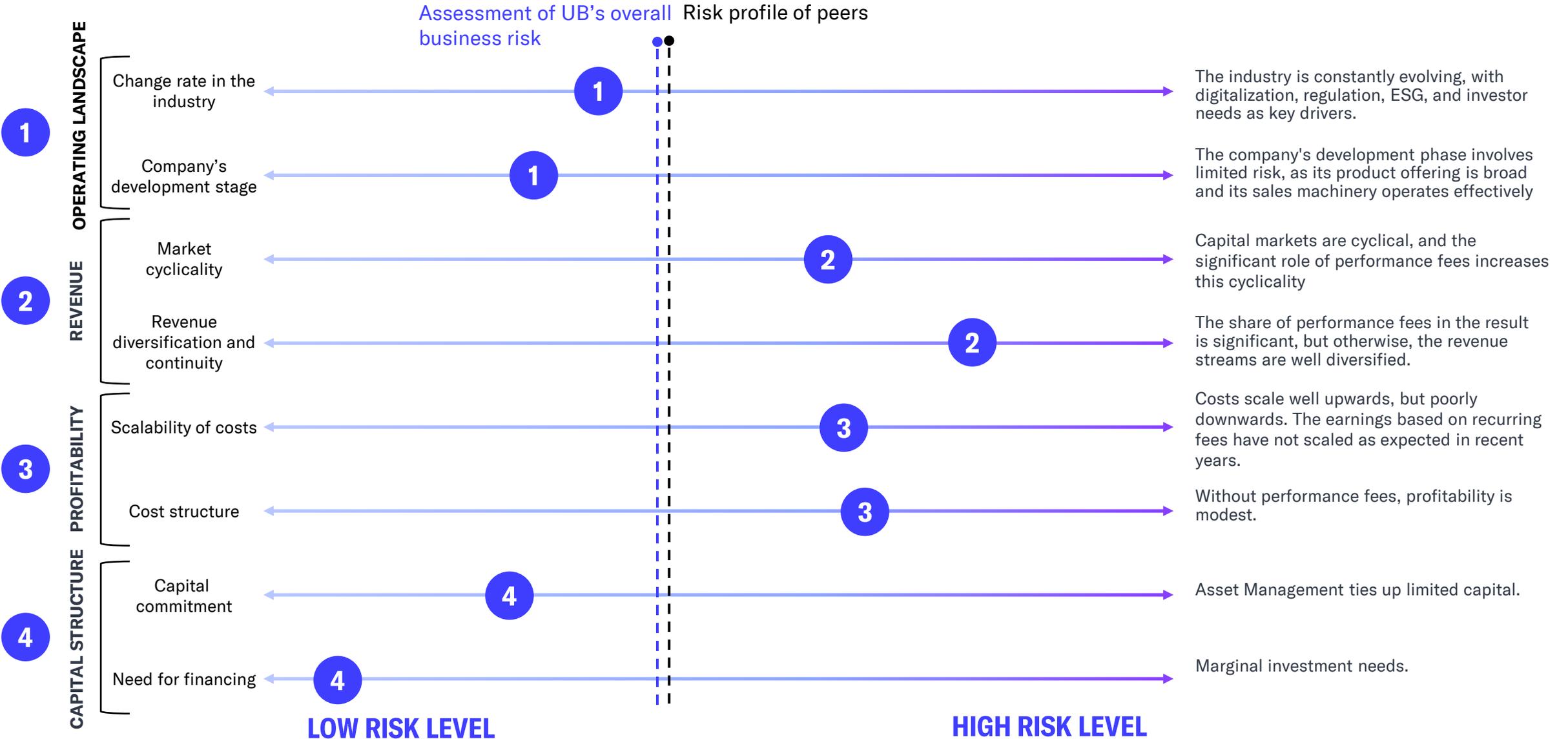
- Growth in Finnish asset management
- Breakthrough in international sales
- Scaling of profitability
- Improvement in profitability based on recurring income
- Performance fees
- M&A transactions

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## Risks

- Performance fees represent a significant proportion of the result
- Market risks and earnings volatility
- Fund performance, especially in alternative funds

# Risk profile of the business model



# Industry — Asset management market 1/5

## 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 2024, the size of the Finnish asset management market, measured by AUM, was around EUR 250 BEUR. Of this 250 billion, about half are invested in domestic investment funds and the rest are covered by consultative or power of attorney portfolio management. In addition, Finnish alternative funds held a total of approximately 45 BEUR in capital at the end of 2024. Overall, we estimate the revenue of the Finnish asset management market to be around 2 BEUR. Our estimate includes assumptions about the average fee levels for various products and services, in addition to asset management and fund capital.

Since 2005, the market has grown clearly faster than the general economy, by an average of about 5% per year. Over the last decade, growth has accelerated, and we estimate the average annual growth rate between 2014 and 2024 to have been around 10%. This growth has been partly explained by the increase in asset values and partly by the flow of new capital into asset management. Among asset classes, alternative products (alternative funds and special investment funds below) have been a clear winner,

and their share has grown significantly. Due to high fee structures, their impact on industry companies has grown significantly and supported growth over the last decade. Although the rise in interest rates, combined with rapidly growing allocations, has curbed the popularity of alternative products, these have become a permanent part of investors' allocations. Also, a growing number of investors have access to these products, as investing in unlisted assets has previously been mainly the privilege of large investors.

## Long-term growth outlook is good

In the long term, we estimate that 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 customers for investment service companies. Concerns about the sustainability of the pension system will also generate structural interest in long-term investing and asset accumulation. Confidence in the pension system has weakened, especially among young people (EVA), and in our view, this is one of the key drivers behind the growing popularity of investing and saving in Finland over the past 15 years.

We note that these are very long-term trends and their effects will become visible gradually. We believe there is plenty of evidence of this ongoing structural change, and, e.g., the number of fund owners, the number of book-entry accounts and fund capital are all at an all-time high. An increasing number of asset managers (e.g. Aktia and Alexandria) have started investing in this “next generation” target group.

## Revenue development of the Finnish asset management market (MEUR)



Source: Inderes' estimate

## Examples of Finnish asset managers

**Aktia** ALEXANDRIA

 **MANDATUM** CapMan

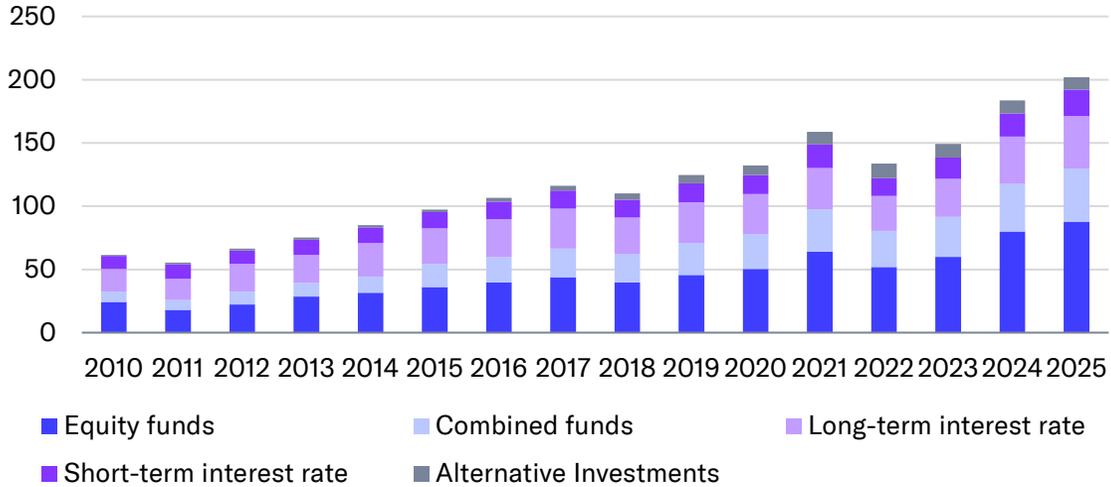
  **Nordea**

 **TITANIUM** **UB**

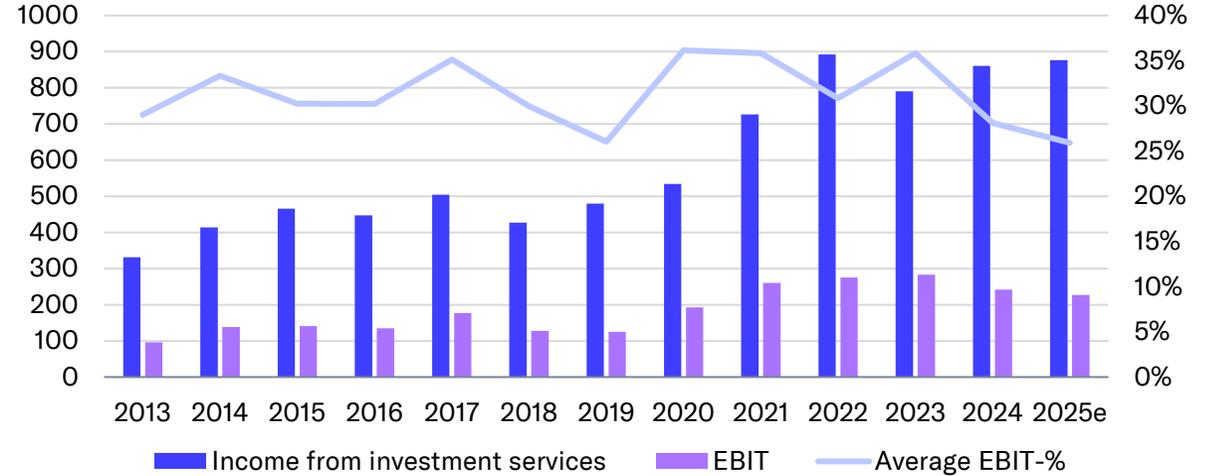
**EVLI** **TAALERI**

# Industry — Asset management market 2/5

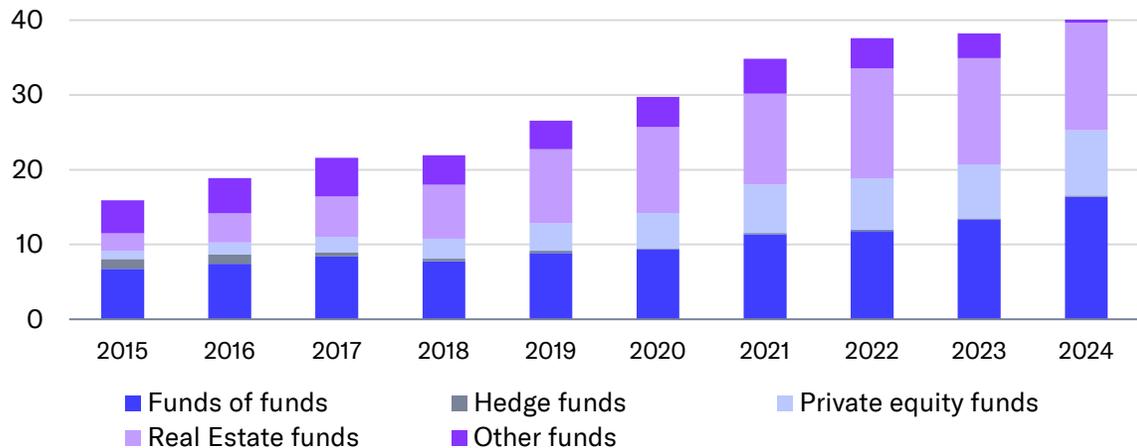
Capital of Finnish investment funds (BEUR)



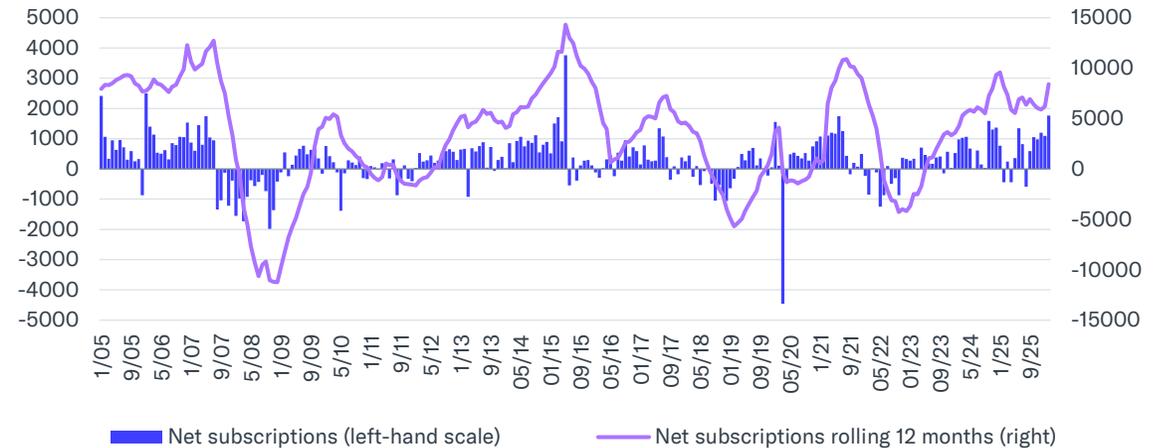
Development of Finnish investment service companies



Finnish alternative and special investment fund assets (BEUR)



Net subscriptions of Finnish investment funds (MEUR)



# Industry — Asset management market 3/5

## There are strong growth drivers in the asset management market

Unlike banking, we believe asset management can be expected to grow faster than the general gross domestic product. In our view, there are four key forces driving the growth of the asset management market:

- 1) Existing wealth, which we estimate to grow by approximately 3-5% per year on average.
- 2) New savings, which at the current savings rate are 3% of GDP. We assume that approximately one-third of new household savings will end up in asset management (+1% of AUM). In addition, savings from companies and other entities end up in asset management. Overall, new savings support an annual AUM growth of 1-2% in our calculations.
- 3) The share of current savings that shifts from other asset classes (such as housing or bank accounts) to asset management, as large and wealthier age groups transfer their assets to their more investment-prone heirs. Assessing this item is very difficult, but we believe this will also be a supportive development for the asset management sector. In our calculations, we have assumed this to have a positive annual impact of approximately 1% of assets under management.
- 4) Changes in AUM fee levels. In our view, there is still downward pressure on fee levels, especially for traditional investment funds, as these are still quite high in Finland compared to international levels, despite a trend of decline. In addition, the growing popularity of passive products mainly comes at the expense of Finnish asset managers, as these are primarily offered cheaply by large international fund houses. A significant

portion of new wealth invested in passive products does come through asset managers (asset management agreements), but the fee level for these is very modest. The outlook for alternative products, on the other hand, is clearly better, as these always require the fund company to negotiate investments and manage holdings. We estimate that the negative impact of the decrease in fee levels on AUM is around 1% per year.

Based on these assumptions, we estimate that the asset management market's AUM will grow by 5-8% per year and fee income by approximately 4-7% per year. In addition, international sales offer competitive product houses (e.g. Mandatum, Evli, Aktia, eQ, CapMan, Taaleri) the potential to grow faster than the Finnish market. In the long term, we believe that the asset management market in Finland is well positioned to continue its annual growth of about 5%, so it still remains a clear growth sector.

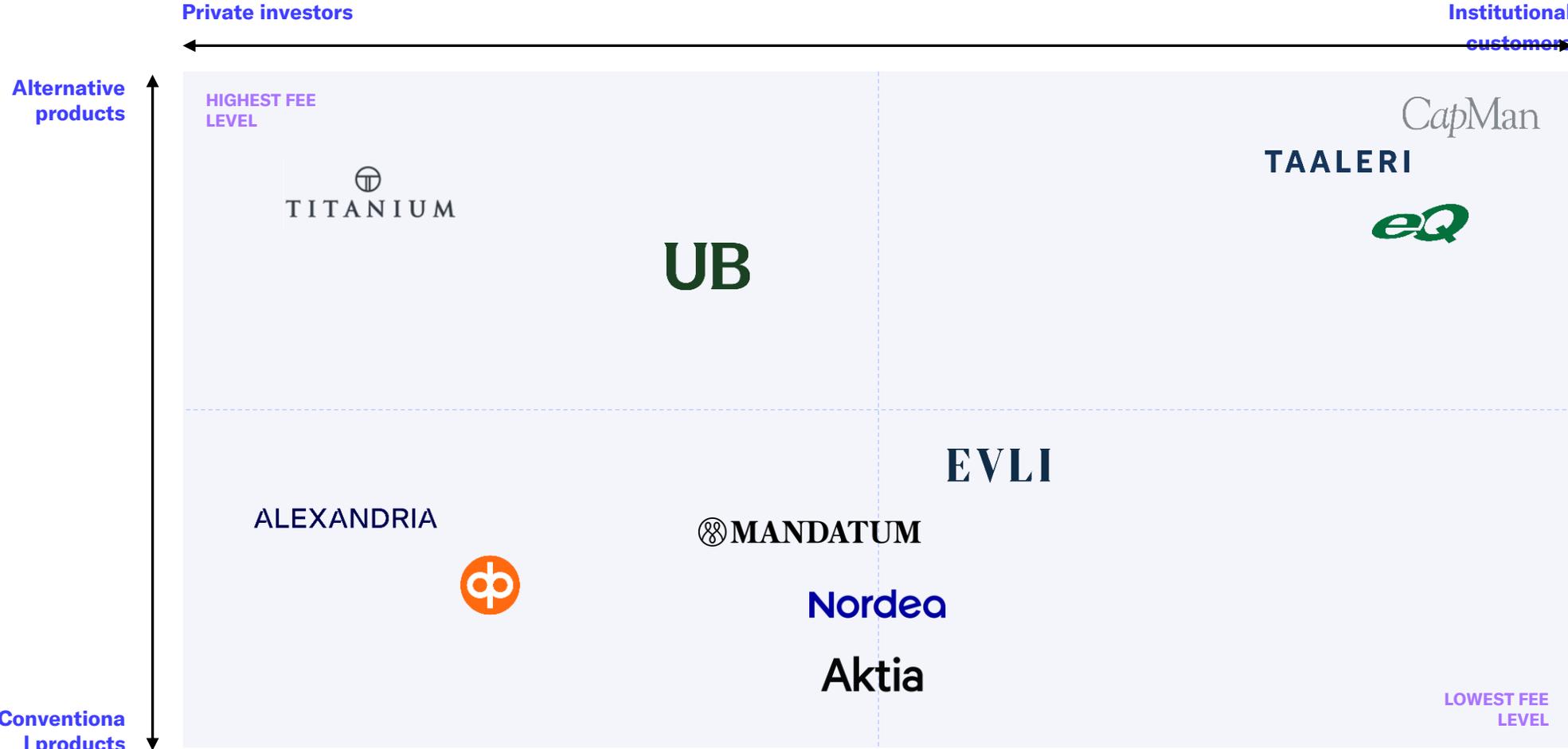
When outlining the growth rate, it should be noted that if the savings rate remains unchanged, net subscriptions will gradually decrease relative to existing assets without clear economic growth. Asset values can be expected to grow continuously at fairly stable growth rates, while new investments in euro terms will remain roughly unchanged without economic growth. In other words, economic growth should be at least as great as the growth in asset values for the ratio of net subscriptions to capital to remain constant or increase. Of course, an increase in the savings rate could counteract this effect.

## Asset management market drivers



# Industry — Asset management market 4/5

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



Source: Inderes

# Industry — Asset management market 5/5

## Asset management competition

**Banks**

**Medium-sized investment service companies**

**Small investment service companies**

## Consolidation drivers



## Finalized M&A transactions



# Financial position

## The balance sheet is simple and clear

From an investor's perspective, UB's balance sheet is simple and, as is typical in the industry, growth is not tying up significant capital. However, the significant amount of intangible assets (~25% 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).

Another item increasing the balance sheet are the company's securities related to brokerage operations. Investors should note that UB itself does not take any risk with these securities; they appear on UB's balance sheet purely for accounting reasons. The size of this item varies considerably, and at the end of 2025, they stood at 18 MEUR.

A third significant item is the company's own investment portfolio. At the end of 2025, the company had 22 MEUR in investments in its own funds. Of this amount, around 10 MEUR is in closed-end and special investment funds (e.g. FIGG, Asuntorahasto housing fund, and open-ended real estate funds), and the capital is tied up in these for a longer period. The other half is mainly in low-risk products, which we understand to be fixed income funds. We consider such a large investment portfolio questionable, as for the most part, these capital allocations are not linked to the company's operational activities. The only exception is certain closed-end funds, in which UB, as manager, must also make a small investment to support sales.

Typically for the sector, tangible assets in the company's balance sheet are very low, at only 4 MEUR, and the majority of this amount is recognized as a lease liability in accordance with IFRS 16.

At the end of 2025, cash and cash equivalents and debt

investments on the balance sheet totaled ~6 MEUR. In addition, UB has recognized over 10 MEUR in performance fee provisions from closed forest funds. These fees will be realized when the company eventually exits its NFF3 fund.

At the end of 2025, the company had ~62 MEUR in equity and no interest-bearing debt. Other liabilities (25 MEUR) consist of working capital items related to the normal course of business.

## There is a large buffer in the balance sheet

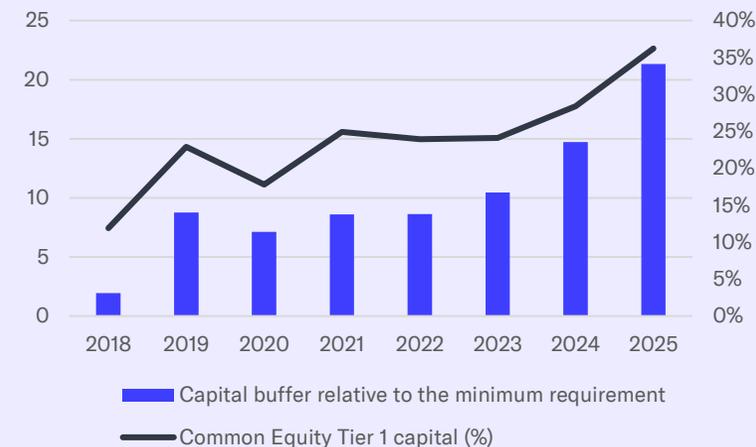
At the end of 2025, the company had an equity ratio of 63% and a CET1 solvency ratio of 36% (regulatory requirement 8%), well above its own target of 13%. The excess capital on the balance sheet compared to the solvency target is approximately 15 MEUR. However, we believe that the company wants to maintain balance sheet flexibility, for example in the case of M&A.

However, the balance sheet is becoming very strong for potential acquisitions, and we do not see it as reasonable to increase the buffer from the current level. Therefore, we consider it reasonable and even likely that the company will at some point unwind its exceptionally strong balance sheet with a one-time profit distribution. As for the base dividend, the company will likely continue on a steadily growing path.

## 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 15 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, which is also logical, as own shares are a good way to commit the counterparty's key personnel.

### Solvency development



### Dividend per share development



# Estimates 1/4

## Background of estimates

The Finnish capital markets picked up significantly in 2025, and Nasdaq Helsinki has followed the global bull market. The real estate sector is also starting to show signs of bottoming out, which supports investor sentiment. We see clear prerequisites for the acceleration of asset management market growth over the next 12 months. The long-term outlook is good thanks to strong structural growth drivers.

With interest rates again becoming a relevant asset class, the market has normalized, which has curbed the previous overheating of alternative investments. Although alternative products are a key part of an investment portfolio, rising interest rates are intensifying competition and emphasizing product quality. The impact of interest rates on UB is very limited, and thus, rising interest rates have weighed on UB's short-term growth prospects due to weakened demand for alternative products.

## Estimate revisions and summary

We have made many small changes to our estimates, but at the Group level, the changes have remained small.

However, our confidence in our performance fee forecasts has increased, as our calculations indicate that both UB Forest and UB Renewable Energy are practically guaranteed to generate strong performance fees in the coming years due to their performance fee calculation methods. In addition, the closed NFF 3 fund is also expected to generate good performance fees in the coming years, as the fund has already recorded performance fees of +10 MEUR despite highly conservative accounting principles, which will ultimately be realized upon exit. In the long term, performance fees are naturally still subject to significant uncertainty, as they are derived from only a few individual products.

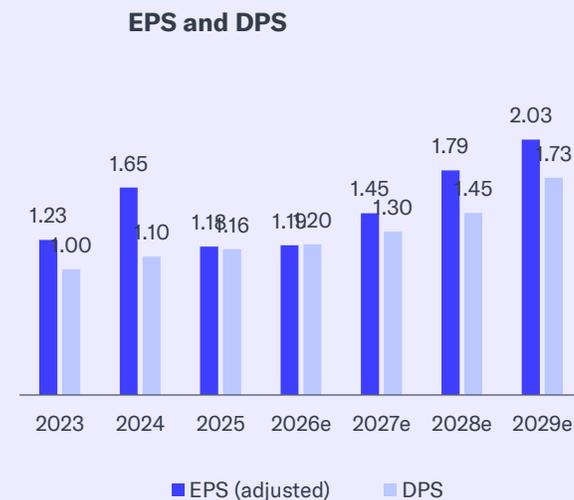
Overall, we expect the company's new sales to turn to clear growth during 2026, and this growth to accelerate in

the coming years. Alternative funds and Wealth Management will be the growth engines. The biggest uncertainty in the forecasts relates to the short-term demand for alternative funds. Earnings growth in 2026 is still pending, but it will accelerate significantly from 2027 onwards. Overall, we forecast ~15% EPS growth per year for 2025-29.

The earnings mix in our forecasts improves significantly, and the share of recurring fees rises from the current ~60% to over 70% by 2029. The share of performance fees in the company's earnings will also decrease from the current level of almost 80% to ~40%. This is very important, as it improves the company's predictability and lowers its risk profile. 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.

Estimate revisions	2026e			2027e			2028e		
	Old	New	Change %	Old	New	Change %	Old	New	Change %
MEUR / EUR									
Revenue	60.7	61.4	1%	67.0	67.1	0%	73.3	74.4	2%
EBIT (exc. NRIs)	17.4	17.7	2%	20.9	20.9	0%	26.6	25.8	-3%
EBIT	17.4	17.7	2%	20.9	20.9	0%	26.6	25.8	-3%
EPS (excl. NRIs)	1.19	1.19	0%	1.46	1.45	-1%	1.87	1.79	-4%
DPS	1.20	1.20	0%	1.25	1.30	4%	1.35	1.45	7%

Source: Inderes



# Estimates 2/4

## Flat earnings development in 2026

UB has guided that its adjusted EBIT will be close to or grow from 2025 levels. In our view, the key uncertainty in the forecasts relates to performance fees. While a reasonable amount of performance fees is certain, the exact amount naturally depends on the performance of the top funds.

UB starts the year from an excellent position. Assets under management are at a record high, sentiment has clearly improved, and the company's sales engine has significantly strengthened in recent years.

For alternative funds, we expect new sales to pick up during 2026 as the most significant demand challenges begin to ease (increasing divestments, unwinding of overallocations, etc.). However, challenges for real estate funds continue in Finland, and the growth of alternative funds in 2026 will depend on forest funds and new PE products. Sales of discretionary wealth management continue their strong development. The acquisition of Fourton also supports the growth of traditional fund fees. Overall, we forecast recurring fees to grow by 11%. Performance fees are expected to remain roughly at the strong level of the comparison period, and the investment bank should improve its performance as the market picks up. We forecast the Group's revenue to grow by around 8%. However, earnings growth will be subdued as the company makes planned growth investments. In practice, these investments mean recruitments related to new products and sales personnel. We believe the company will increase its investments, especially in international sales, and an increase in local presence would be desirable, as the current agent model has not yielded the desired results.

The EBIT margin in 2025 is slightly below 30%. We believe the level is reasonable, but it is clear that UB has the potential for a significantly higher level.

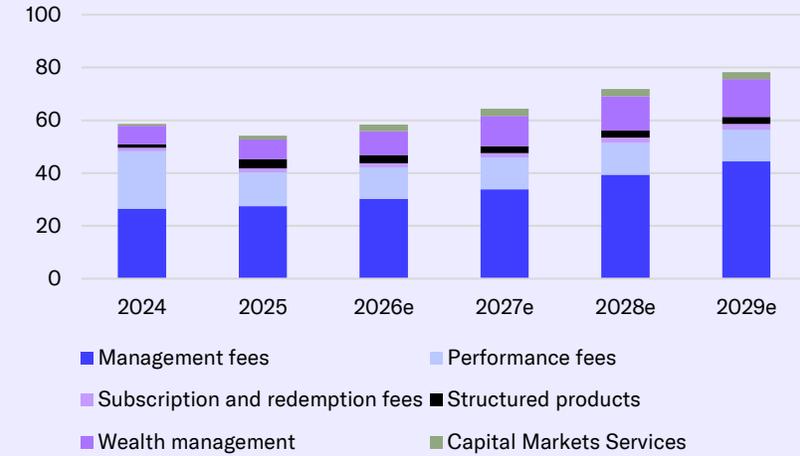
Although our dividend estimate is below our 2026 EPS estimate, we consider it practically certain that the company will increase its dividend. The company certainly wants to keep its dividend growing and, if necessary, support it with its strong balance sheet. The company is well-positioned for this due to the ample leeway on its balance sheet. In our view, cutting the dividend based on a single weaker year would be foolish, as it would also break the company's eight-year streak of dividend growth.

## Earnings will start to grow significantly in 2027

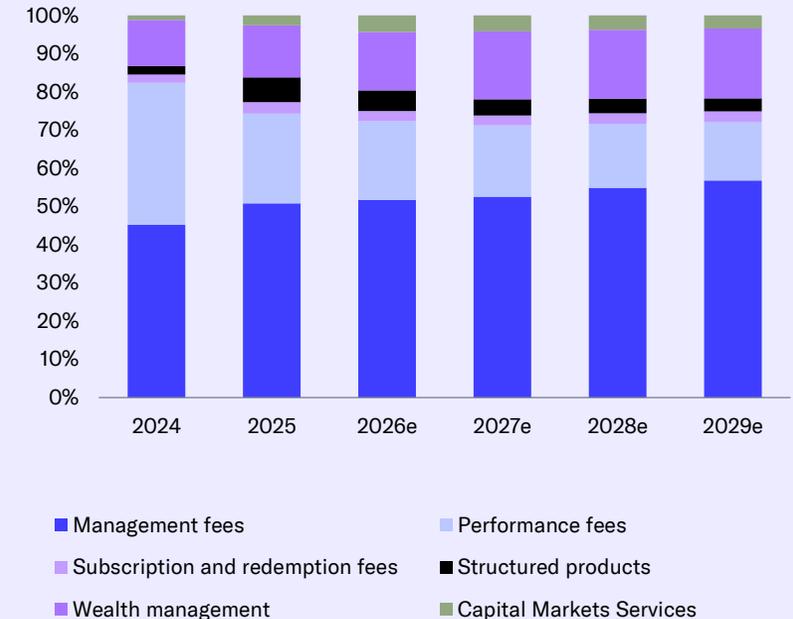
For 2027, we predict UB's revenue will start to grow significantly stronger. A key driver here is the revitalized sales of alternative funds starting from H2'26, which will increasingly be reflected in the figures. We expect net subscriptions to the spearhead funds to rise to over 200 MEUR, which we believe is already an excellent level. Discretionary wealth management also continues its strong development. Performance fees will remain strong in 2026, mainly coming from forest funds. The Group's revenue will grow by some 10% overall, and this growth will come almost entirely from recurring fees. The earnings leverage will start to fully materialize in 2027 as revenue growth accelerates, and we forecast earnings to grow by over 20%. The earnings leverage is over 50%, which is in line with the company's historical levels. We believe a higher earnings leverage is realistic if revenue grows faster than expected.

With stronger earnings growth, the company could afford a more substantial dividend increase, but we expect the dividend to rise moderately to EUR 1.30.

Fee development (MEUR)



Distribution of fee income (MEUR)



# Estimates 3/4

## From 2028 onwards, new sales will determine the growth rate

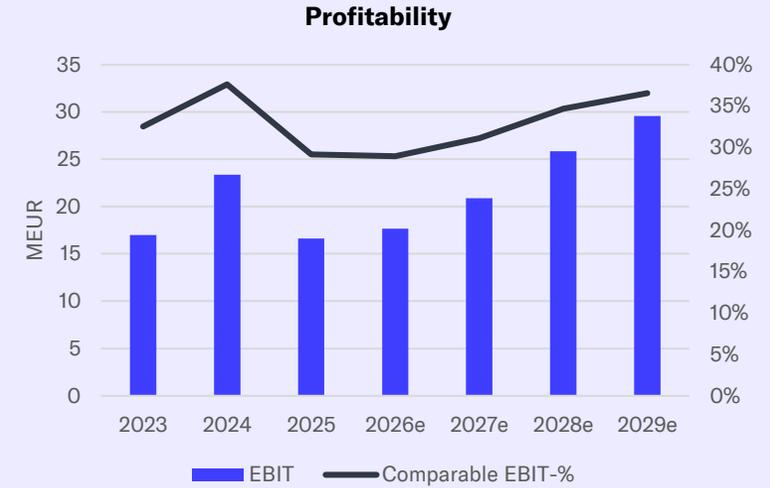
From 2028 onwards, a key question in UB's earnings forecasts is the sales volume of alternative funds and performance fees. For alternative funds, our forecasts anticipate strong annual net sales of 200-250 MEUR, a level the company has only reached in individual years historically. In our view, a significantly higher level would likely require a clear breakthrough in international markets or a significant improvement in the demand for alternative investments. Discretionary wealth management continues its strong growth, and this involves little risk.

Regarding performance fees, we expect the level to be in line with previous years. However, predictability weakens year by year, as performance fees come from only a few funds. We note that we expect UB to exit the NFF3 fund in 2028, but we expect it to be able to roll over the capital into the next closed-end forest fund almost in full. Significant performance fees will certainly be recognized from NFF3, but we expect them to be realized steadily over the coming years rather than as one large, one-time gain. Overall, we consider performance fees remaining above 10 MEUR per year to be a strong achievement for the company.

With the potential we have outlined, UB's annual recurring fee growth would be around 5-6 MEUR, which in turn would mean an annual growth of approximately 15% in recurring fees. Thanks to the high earnings leverage (~60%), this translates to annual earnings growth of approximately 4 MEUR, which in turn means annual earnings growth of ~15% at the Group level. The EBIT

margin in our forecasts rises to 37% in 2029.

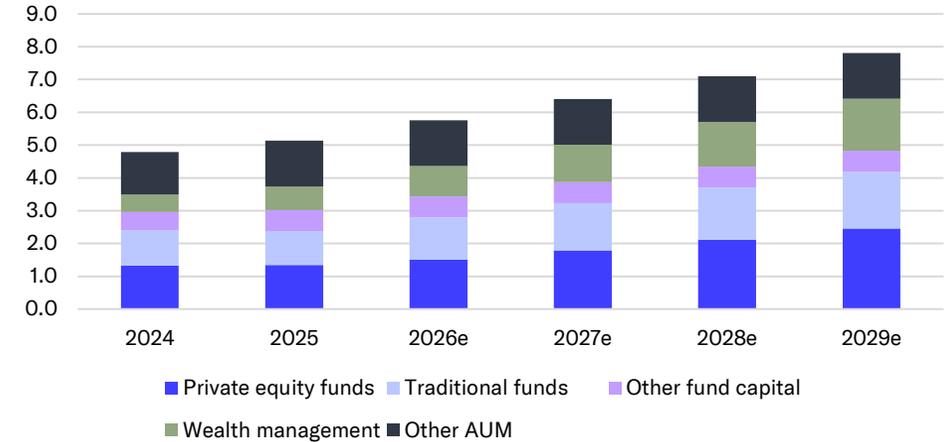
The dividend remains on a steady growth path, and we consider it highly possible that the company will distribute an additional dividend from its 2028 earnings when the performance fee receivables from the NFF3 fund are realized and boost the cash reserves.



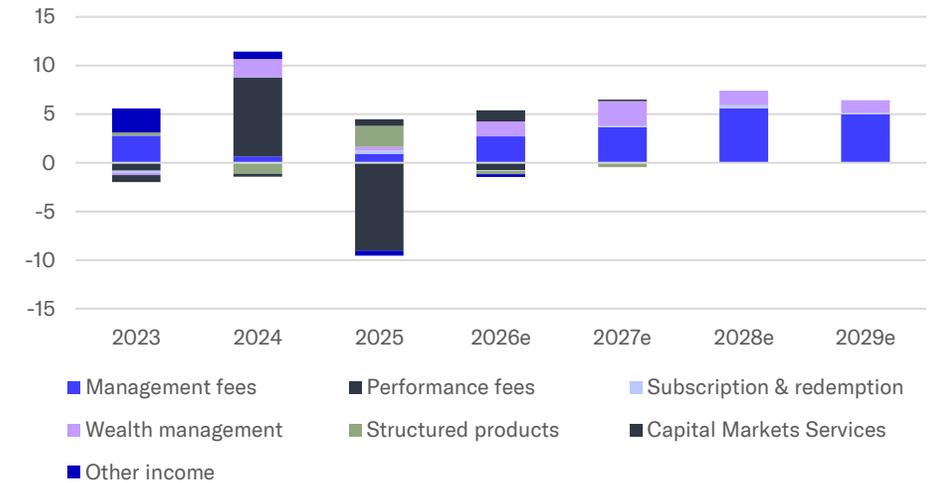
# Estimates 4/4

MEUR	2023	2024	2025	2026e	2027e	2028e	2029e
<b>Commission income</b>	<b>49.4</b>	<b>58.7</b>	<b>54.1</b>	<b>58.4</b>	<b>64.4</b>	<b>71.8</b>	<b>78.3</b>
Funds	40.8	49.6	41.8	43.8	47.6	53.5	58.6
<i>Management fees</i>	25.9	26.6	27.5	30.2	33.9	39.4	44.4
<i>Performance fees</i>	13.6	21.8	12.7	12.0	12.0	12.0	12.0
<i>Subscription &amp; redemption</i>	1.3	1.3	1.6	1.5	1.7	2.0	2.2
Wealth management	5.2	7.0	7.4	8.9	11.4	13.0	14.3
Structured products	2.5	1.3	3.5	3.2	2.7	2.7	2.7
Capital Markets Services	1.0	0.7	1.4	2.5	2.7	2.7	2.7
Other income	2.7	3.5	2.9	2.6	2.6	2.6	2.6
<b>Income from investment services</b>	<b>52.2</b>	<b>62.1</b>	<b>57.1</b>	<b>61.0</b>	<b>67.1</b>	<b>74.5</b>	<b>80.9</b>
Commission expenses	-4.8	-5.2	-5.1	-5.6	-6.1	-6.7	-7.1
<b>Net commission income</b>	<b>47.3</b>	<b>56.9</b>	<b>52.0</b>	<b>55.4</b>	<b>60.9</b>	<b>67.8</b>	<b>73.8</b>
Personnel expenses	-19.0	-21.0	-22.2	-24.5	-26.1	-27.9	-29.7
Other costs	-11.4	-12.5	-13.2	-13.3	-13.9	-14.1	-14.6
<b>EBIT</b>	<b>17.0</b>	<b>23.4</b>	<b>16.6</b>	<b>17.7</b>	<b>20.9</b>	<b>25.8</b>	<b>29.6</b>
NRI	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Comparable EBIT-%</b>	<b>32.6%</b>	<b>37.6%</b>	<b>29.2%</b>	<b>28.9%</b>	<b>31.1%</b>	<b>34.7%</b>	<b>36.6%</b>
Personnel costs per employee (TEUR)	-119	-130	-135	-142	-148	-153	-159
Headcount (FTE)	160	161	165	172	177	182	187
<b>Assets under management (MEUR)</b>	<b>4585</b>	<b>4787</b>	<b>5135</b>	<b>5756</b>	<b>6406</b>	<b>7105</b>	<b>7807</b>
Private equity funds	1409	1326	1340	1511	1792	2120	2452
Traditional funds	845	1070	1035	1285	1435	1585	1735
Other fund capital	635	564	640	640	640	640	640
Wealth management	367	529	724	924	1144	1364	1584
Other AUM	1330	1298	1396	1396	1396	1396	1396

**AUM forecasts (BEUR)**



**Fee growth breakdown (MEUR)**



# Valuation 1/4

## Valuation summary

UB has an excellent peer company group on Nasdaq Helsinki. These Finnish investment service companies compete in the same market, with similar products, for the same customers and the same employees. Therefore, we believe that this peer group provides a very good basis for gauging the fair value of UB. In addition to the valuation based on the peer group, we have examined UB's valuation through acceptable valuation multiples, DCF model and the value of the AUM.

UB's share price has been flat for the past two years, which is the same period during which the growth of the company's management fees has slowed significantly due to a weakening sales mix. In our view, this highlights how crucial new sales are for UB's share price.

UB's investor story has improved significantly in recent years. The company's position in the domestic wealth management landscape has undeniably improved, and it has emerged as a high-quality wealth management firm. As the company is undeniably a better company than, for example, 5 or 10 years ago, it could justifiably be valued at higher multiples than historical levels. However, a key challenge for the investment story is the significant share of performance fees in the result, which weighs on the acceptable valuation level.

Our different valuation methods yield very similar results. In the short term, the stock appears correctly priced, and it is difficult to see any upside in the multiples. Correspondingly, in the longer term, the stock has significant potential due to both earnings growth and an increase in acceptable valuation levels. If our forecasts materialize, we believe the

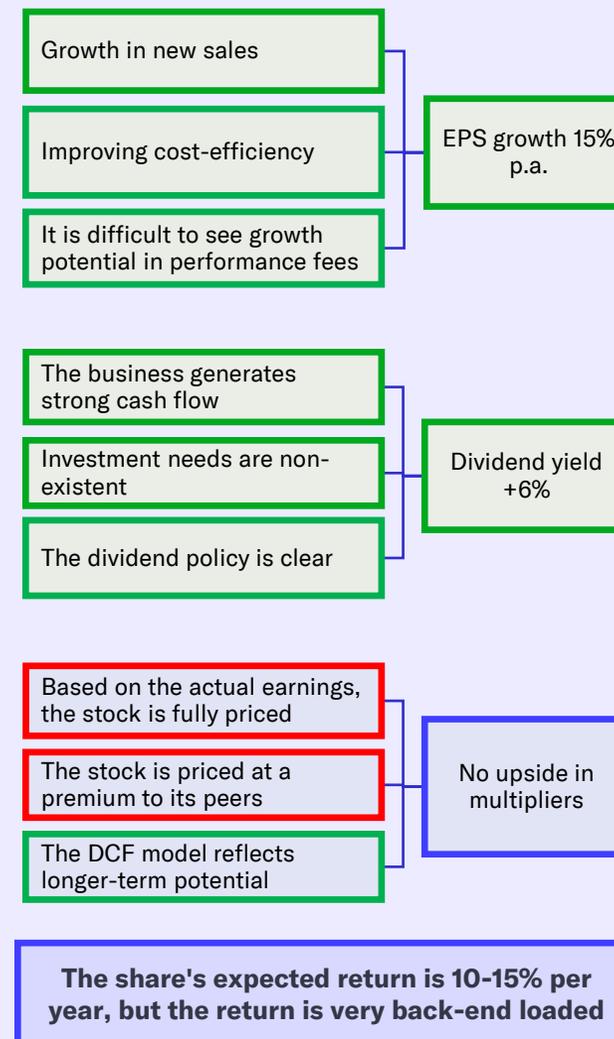
stock's expected return over the next three years is very good.

However, we note that our forecasts expect significant earnings growth from the company in the coming years, and to achieve this, the company's new sales must reach the next level. In addition, performance fees must remain at their current excellent level. Thus, the bar is already quite high, especially as valuation multiples have crept upwards and the stock is priced well above its historical levels based on realized earnings.

In the short term, it is difficult for us to see upward drivers for the stock, as more robust earnings growth is still pending.

## Total shareholder return drivers

2025-2029e  
■ Positive ■ Neutral ■ Negative



# Valuation 2/4

## Absolute valuation multiples

UB has historically been valued at 13-14x P/E multiples, which is in line with the peer group's long-term levels (graphs on page 39). A key factor weighing on UB's valuation is naturally its weak earnings mix. The result is still highly dependent on performance fees from individual funds, and adjusted for these, the result is modest. While the short-term visibility for these performance fees is good, the long-term uncertainty is considerable. This clearly weighs on the company's acceptable valuation level. Although UB has clearly improved as a company over the past 5 years, the share of performance fees in earnings has remained very high. Thus, we consider the company's acceptable valuation level to be approximately its historical levels. If the company's earnings mix were to improve and the risk associated with performance fees were to decrease, the acceptable valuation would immediately rise, and we believe a P/E multiple of 15-16x could easily be

accepted for the company.

Based on our 2025-2026 earnings forecasts, UB's earnings-based valuation is approximately 15-17x, which is a relatively high level for UB given the weak earnings mix. In our view, it is clear that there is no upside in the current multiples, and shareholder returns must come from earnings growth. As earnings growth begins, multiples will quickly become very attractive, and the valuation looking a few years ahead is already very favorable.

## Peer group

When assessing the relative valuation, we emphasize P/E ratios and dividend yield. EV-based multiples do not work well for many peers (e.g. minority interests, differences in balance sheet structures, etc.), and we do not consider their use reasonable.

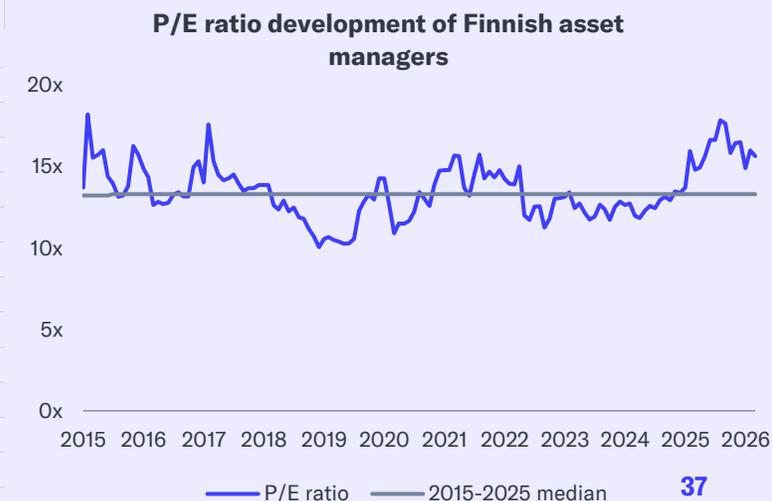
Currently, UB is priced on an earnings basis at a premium for 2026 and neutrally for 2027 relative to its peer group.

In the current situation, we find it difficult to come up with reasons why UB would deserve higher or lower valuation multiples than its peer group, and we consider a valuation level in line with its peers to be a good starting point. This also supports our view that the stock is correctly priced. Naturally, if the earnings-related risk level were to decrease, we believe a higher valuation than historical levels could be justified for UB, as the company is undeniably significantly better in many ways than, for example, 10 years ago.

Overall, the absolute multiples speak the same language as the peer valuation. The stock is currently priced correctly, and it is difficult to see any upside in the multiples.

Peer group valuation Company	Market cap MEUR	EV MEUR	EV/EBIT		EV/S		P/E		Dividend yield-%		P/B 2026e
			2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	
Alexandria	118	104	7.4	7.1	1.8	1.7	11.6	11.1	8.0	8.4	3.0
Aktia	930						11.3	10.4	6.5	7.1	1.4
CapMan	323	338	9.2	6.7	4.6	3.8	12.0	9.8	7.1	7.7	1.6
eQ	438	409	11.9	11.4	5.9	5.6	16.2	15.3	6.2	6.7	5.8
Evli	634	605	10.7	9.9	4.7	4.5	15.7	14.2	5.5	5.9	3.7
Taaleri	204	158	4.8	4.7	2.6	2.3	9.0	8.5	5.6	6.1	0.9
Titanium	77	64	10.7	14.0	3.2	3.3	15.6	19.5	6.1	5.0	5.1
Mandatium	3354	3218	18.1	18.3	17.7	17.8	23.5	21.5	12.8	8.6	3.9
<b>United Bankers (Inderes)</b>	<b>222</b>	<b>216</b>	<b>12.4</b>	<b>10.4</b>	<b>3.6</b>	<b>3.2</b>	<b>16.7</b>	<b>13.8</b>	<b>6.0</b>	<b>6.5</b>	<b>3.6</b>
<b>Average</b>			<b>10.4</b>	<b>10.3</b>	<b>5.8</b>	<b>5.6</b>	<b>14.4</b>	<b>13.8</b>	<b>7.2</b>	<b>6.9</b>	<b>3.2</b>
<b>Median</b>			<b>10.7</b>	<b>9.9</b>	<b>4.6</b>	<b>3.8</b>	<b>13.8</b>	<b>12.7</b>	<b>6.3</b>	<b>6.9</b>	<b>3.4</b>
<b>Diff-% to median</b>			<b>17%</b>	<b>5%</b>	<b>-22%</b>	<b>-15%</b>	<b>21%</b>	<b>9%</b>	<b>-5%</b>	<b>-6%</b>	<b>6%</b>

Source: Refinitiv / Inderes



# Valuation 3/4

## DCF model

The DCF model works well for UB, as the company's business is highly predictable in the long term, investment needs are non-existent, and the balance sheet is light. Our forecasts expect significant earnings growth from UB until 2029, after which earnings growth will level off in line with our prudence principles. The adjusted EBIT margin gradually decreases from 37% in 2029 to 31% in the terminal period. In our opinion, caution here is justified, as without performance fees, current profitability is far from 31%. Correspondingly, if the growth strategy is successful, UB has every prerequisite to sustainably achieve significantly higher levels than this.

According to our DCF model, the value for UB is around EUR 23 (was EUR 21.7). We note that the model relies on the expectation of strong earnings growth in 2027-2029, and earnings remaining at record levels thereafter. We apply a 10.0% required return (WACC) to UB, which is in line with the peer group average (9.9%). The required rate of return also reflects the elevated risk profile due to performance fees, and if the earnings mix were better, the WACC could easily be lower. If the required rate of return were 0.5-1.0% lower, the value would be EUR 25-27.

Overall, we believe the DCF model provides an accurate picture of the company's potential, but we also note that the current earnings level is significantly below this potential.

## Value of assets under management

As our final valuation method, we have used UB's assets under management (AUM). The value of the AUM varies significantly depending on the fee income level it produces

and the risk related to being able to hold on to capital. As a rough generalization, the vast majority of AUM is valued at 1–5%, which is in line with historical M&A transactions. We have exceptionally used year-end capital, which partly accounts for future redemptions of real estate funds.

For **traditional mutual funds and other funds** (2025: ~1,700 MEUR), we have applied a 2% valuation multiple. The fee levels of the company's own funds are healthy, but Other fund capital has a weaker fee structure, which weighs on the acceptable multiple.

**Private equity funds** (2025: ~1,340 MEUR) have been valued using a 7% multiple, which is at the higher end compared to peer companies' private equity funds. The level is high, but the strong fee level of the funds and significant performance fee potential elevate it. Private equity funds are by far the most valuable part of UB.

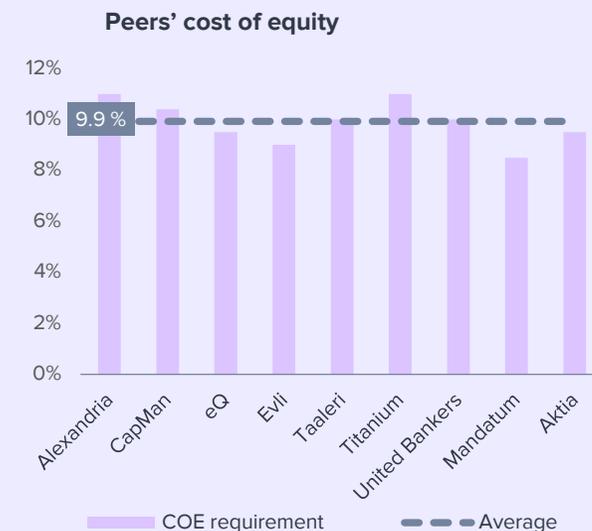
We have priced **Wealth Management** (2025: ~740 MEUR) at a 4% multiple. This level reflects the strong fee structure and high permanence derived from wealth management.

**Other assets under management** (2025: ~1,400 MEUR) have been valued at a low level of 0.5%, as they generate only limited non-recurring fee income.

Overall, our calculation yields an AUM-based value for UB of around 170 MEUR. The investment bank and group costs roughly offset each other. Considering the balance sheet investment portfolio (22 MEUR) and cash including forest performance fees (16 MEUR), UB's AUM-based value would be around 200-210 MEUR, or EUR 18-19. In our view, the AUM-based price supports our view that the stock is correctly priced.

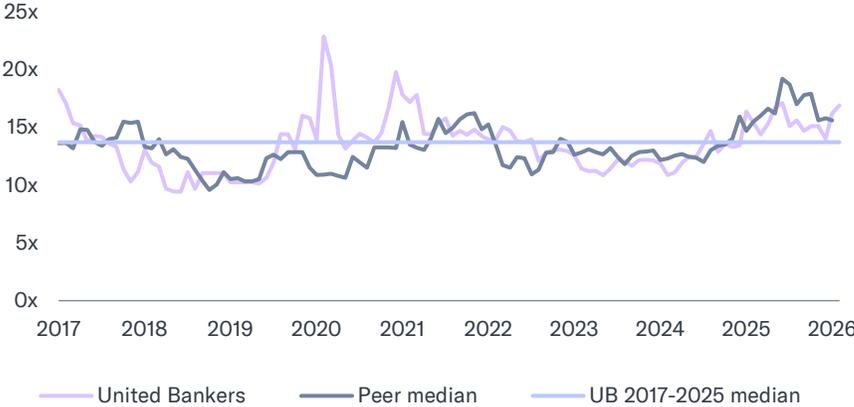
	2026e	2027e	2028e
<b>Share price</b>	19.9	19.9	19.9
<b>Number of shares, millions</b>	11.0	11.1	11.2
<b>Market cap</b>	220	222	224
<b>EV</b>	220	216	210
<b>P/E (adj.)</b>	16.7	13.8	11.1
<b>P/E</b>	16.7	13.8	11.1
<b>P/B</b>	3.6	3.4	3.2
<b>P/S</b>	3.6	3.3	3.0
<b>EV/Sales</b>	3.6	3.2	2.8
<b>EV/EBITDA</b>	10.6	9.1	7.3
<b>EV/EBIT (adj.)</b>	12.4	10.4	8.1
<b>Payout ratio (%)</b>	100.8 %	89.9 %	81.2 %
<b>Dividend yield-%</b>	6.0 %	6.5 %	7.3 %

Source: Inderes

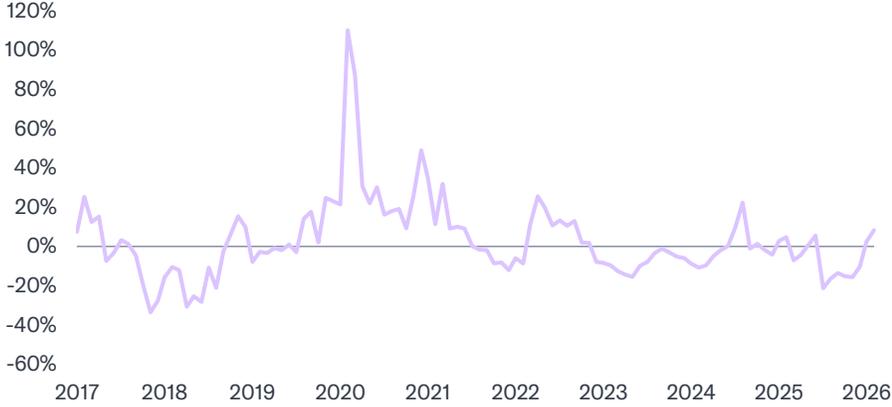


# Valuation 4/4

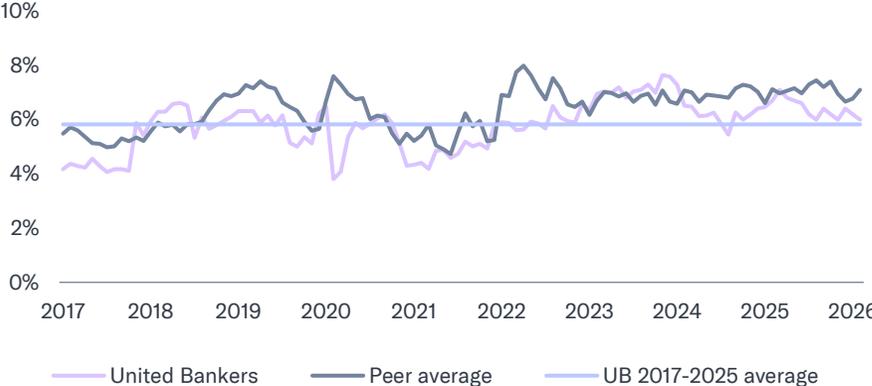
**P/E ratio of UB and peers**



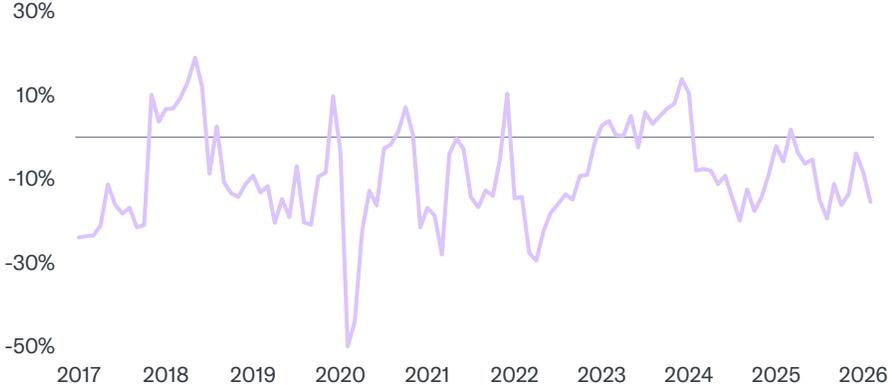
**United Bankers' P/E ratio vs. peer median**



**United Bankers' and peers' dividend yield (%)**



**UB's dividend yield (%) vs. average of peers**

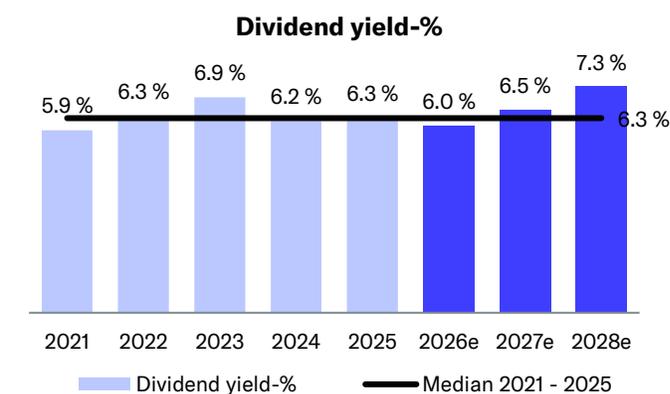
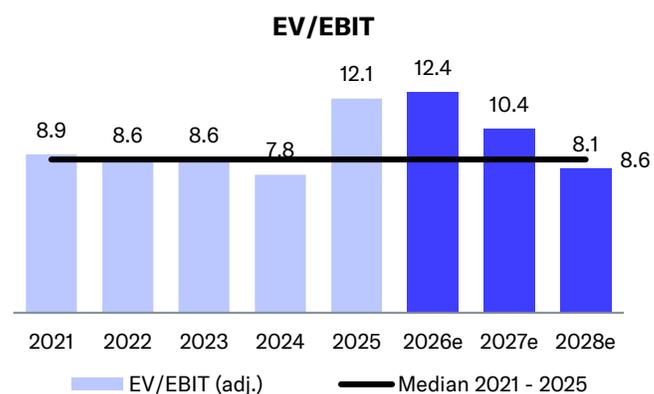
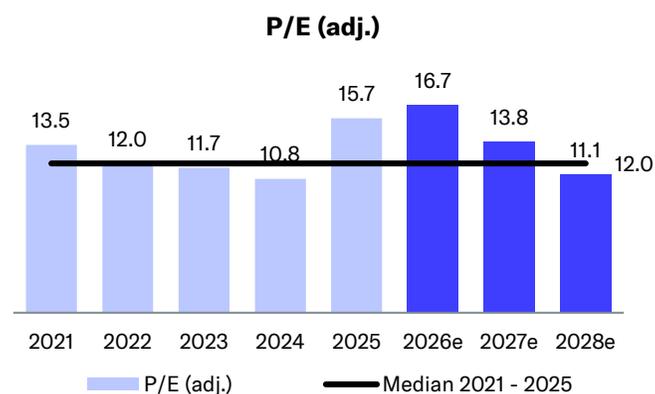


Source: Factset 11/18/2025

# Valuation table

	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	13.6	14.2	14.4	17.8	18.5	19.9	19.9	19.9	19.9
Number of shares, millions	10.4	10.6	10.8	10.9	10.9	11.0	11.1	11.2	11.3
Market cap	141	151	155	195	202	220	222	224	226
EV	129	142	147	182	201	220	216	210	204
P/E (adj.)	13.5	12.0	11.7	10.8	15.7	16.7	13.8	11.1	9.8
P/E	13.7	12.0	11.7	10.8	15.7	16.7	13.8	11.1	9.8
P/B	3.2	3.2	3.0	3.2	3.3	3.6	3.4	3.2	2.9
P/S	3.2	3.1	3.0	3.1	3.5	3.6	3.3	3.0	2.8
EV/Sales	2.9	2.9	2.8	2.9	3.5	3.6	3.2	2.8	2.5
EV/EBITDA	8.1	7.7	7.6	7.0	10.2	10.6	9.1	7.3	6.3
EV/EBIT (adj.)	8.9	8.6	8.6	7.8	12.1	12.4	10.4	8.1	6.9
Payout ratio (%)	80.3 %	76.4 %	81.1 %	66.7 %	98.1 %	100.8 %	89.9 %	81.2 %	85.0 %
Dividend yield-%	5.9 %	6.3 %	6.9 %	6.2 %	6.3 %	6.0 %	6.5 %	7.3 %	8.7 %

Source: Inderes



# Peer group valuation

Peer group valuation Company	Market cap MEUR	EV MEUR	EV/EBIT		EV/S		P/E		Dividend yield-%		P/B 2026e
			2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	
Alexandria	118	104	7.4	7.1	1.8	1.7	11.6	11.1	8.0	8.4	3.0
Aktia	930						11.3	10.4	6.5	7.1	1.4
CapMan	323	338	9.2	6.7	4.6	3.8	12.0	9.8	7.1	7.7	1.6
eQ	438	409	11.9	11.4	5.9	5.6	16.2	15.3	6.2	6.7	5.8
Evli	634	605	10.7	9.9	4.7	4.5	15.7	14.2	5.5	5.9	3.7
Taaleri	204	158	4.8	4.7	2.6	2.3	9.0	8.5	5.6	6.1	0.9
Titanium	77	64	10.7	14.0	3.2	3.3	15.6	19.5	6.1	5.0	5.1
Mandatum	3354	3218	18.1	18.3	17.7	17.8	23.5	21.5	12.8	8.6	3.9
<b>United Bankers (Inderes)</b>	<b>222</b>	<b>216</b>	<b>12.4</b>	<b>10.4</b>	<b>3.6</b>	<b>3.2</b>	<b>16.7</b>	<b>13.8</b>	<b>6.0</b>	<b>6.5</b>	<b>3.6</b>
<b>Average</b>			<b>10.4</b>	<b>10.3</b>	<b>5.8</b>	<b>5.6</b>	<b>14.4</b>	<b>13.8</b>	<b>7.2</b>	<b>6.9</b>	<b>3.2</b>
<b>Median</b>			<b>10.7</b>	<b>9.9</b>	<b>4.6</b>	<b>3.8</b>	<b>13.8</b>	<b>12.7</b>	<b>6.3</b>	<b>6.9</b>	<b>3.4</b>
<b>Diff-% to median</b>			<b>17%</b>	<b>5%</b>	<b>-22%</b>	<b>-15%</b>	<b>21%</b>	<b>9%</b>	<b>-5%</b>	<b>-6%</b>	<b>6%</b>

Source: Refinitiv / Inderes

# Income statement

Income statement	2024	H1'25	H2'25	2025	H1'26e	H2'26e	2026e	2027e	2028e	2029e
<b>Revenue</b>	<b>62.1</b>	<b>29.1</b>	<b>28.1</b>	<b>57.2</b>	<b>29.9</b>	<b>31.5</b>	<b>61.4</b>	<b>67.1</b>	<b>74.4</b>	<b>80.8</b>
<b>EBITDA</b>	<b>26.1</b>	<b>10.3</b>	<b>9.3</b>	<b>19.6</b>	<b>9.9</b>	<b>10.7</b>	<b>20.7</b>	<b>23.7</b>	<b>28.8</b>	<b>32.2</b>
Depreciation	-2.7	-1.5	-1.5	-3.0	-1.5	-1.5	-3.0	-2.9	-3.0	-2.6
<b>EBIT (excl. NRI)</b>	<b>23.4</b>	<b>8.8</b>	<b>7.8</b>	<b>16.6</b>	<b>8.4</b>	<b>9.2</b>	<b>17.7</b>	<b>20.9</b>	<b>25.8</b>	<b>29.6</b>
<b>EBIT</b>	<b>23.4</b>	<b>8.8</b>	<b>7.8</b>	<b>16.6</b>	<b>8.4</b>	<b>9.2</b>	<b>17.7</b>	<b>20.9</b>	<b>25.8</b>	<b>29.6</b>
Net financial items	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>PTP</b>	<b>23.4</b>	<b>8.8</b>	<b>7.8</b>	<b>16.6</b>	<b>8.4</b>	<b>9.2</b>	<b>17.7</b>	<b>20.9</b>	<b>25.8</b>	<b>29.6</b>
Taxes	-4.9	-1.8	-1.7	-3.5	-1.8	-1.9	-3.7	-4.0	-4.9	-5.6
Minority interest	-0.4	-0.2	0.0	-0.2	-0.4	-0.4	-0.8	-0.8	-0.9	-0.9
<b>Net earnings</b>	<b>18.0</b>	<b>6.8</b>	<b>6.1</b>	<b>12.9</b>	<b>6.3</b>	<b>6.9</b>	<b>13.1</b>	<b>16.1</b>	<b>20.1</b>	<b>23.1</b>
<b>EPS (adj.)</b>	<b>1.64</b>	<b>0.62</b>	<b>0.56</b>	<b>1.18</b>	<b>0.57</b>	<b>0.62</b>	<b>1.19</b>	<b>1.45</b>	<b>1.79</b>	<b>2.03</b>
<b>EPS (rep.)</b>	<b>1.65</b>	<b>0.62</b>	<b>0.56</b>	<b>1.18</b>	<b>0.57</b>	<b>0.62</b>	<b>1.19</b>	<b>1.45</b>	<b>1.79</b>	<b>2.03</b>

Key figures	2024	H1'25	H2'25	2025	H1'26e	H2'26e	2026e	2027e	2028e	2029e
<b>Revenue growth-%</b>	19.2 %	-12.0 %	-3.6 %	-8.0 %	3.0 %	12.1 %	7.5 %	9.2 %	11.0 %	8.6 %
<b>Adjusted EBIT growth-%</b>	37.8 %	-34.8 %	-20.6 %	-28.8 %	-4.4 %	17.9 %	6.1 %	18.3 %	23.8 %	14.4 %
<b>EBITDA-%</b>	42.0 %	35.5 %	33.2 %	34.4 %	33.1 %	34.1 %	33.6 %	35.4 %	38.7 %	39.8 %
<b>Adjusted EBIT-%</b>	37.6 %	30.3 %	27.9 %	29.1 %	28.1 %	29.3 %	28.7 %	31.1 %	34.7 %	36.6 %
<b>Net earnings-%</b>	29.0 %	23.5 %	21.7 %	22.6 %	20.9 %	21.9 %	21.4 %	24.0 %	27.0 %	28.5 %

Source: Inderes

# Balance sheet

Assets	2024	2025	2026e	2027e	2028e
<b>Non-current assets</b>	<b>47.0</b>	<b>47.0</b>	<b>50.0</b>	<b>49.3</b>	<b>48.8</b>
Goodwill	15.6	15.6	18.6	18.6	18.6
Intangible assets	6.6	5.3	5.2	4.3	3.5
Tangible assets	2.1	3.7	3.8	4.1	4.4
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	22.8	22.3	22.3	22.3	22.3
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
<b>Current assets</b>	<b>41.5</b>	<b>51.6</b>	<b>49.1</b>	<b>44.1</b>	<b>50.4</b>
Inventories	0.0	0.0	0.0	0.0	0.0
Other current assets	26.3	43.9	35.0	30.0	30.0
Receivables	1.8	1.4	1.8	2.0	2.2
Cash and equivalents	13.3	6.4	12.3	12.1	18.2
<b>Balance sheet total</b>	<b>88.5</b>	<b>98.6</b>	<b>99.1</b>	<b>93.4</b>	<b>99.2</b>

Source: Inderes

Liabilities & equity	2024	2025	2026e	2027e	2028e
<b>Equity</b>	<b>61.4</b>	<b>61.7</b>	<b>63.0</b>	<b>66.6</b>	<b>73.1</b>
Share capital	5.5	5.5	5.5	5.5	5.5
Retained earnings	35.3	35.5	36.0	38.8	44.4
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	20.3	20.4	20.4	20.4	20.4
Other equity	0.0	0.0	0.0	0.0	0.0
Minorities	0.3	0.3	1.1	1.9	2.8
<b>Non-current liabilities</b>	<b>1.8</b>	<b>2.3</b>	<b>2.3</b>	<b>2.3</b>	<b>2.3</b>
Deferred tax liabilities	1.8	2.3	2.3	2.3	2.3
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
<b>Current liabilities</b>	<b>25.2</b>	<b>34.6</b>	<b>33.8</b>	<b>24.5</b>	<b>23.8</b>
Interest bearing debt	0.0	0.0	7.2	1.9	0.0
Payables	12.6	9.5	10.4	11.4	12.7
Other current liabilities	12.6	25.0	16.2	11.2	11.2
<b>Balance sheet total</b>	<b>88.4</b>	<b>98.6</b>	<b>99.1</b>	<b>93.4</b>	<b>99.2</b>

# DCF calculation

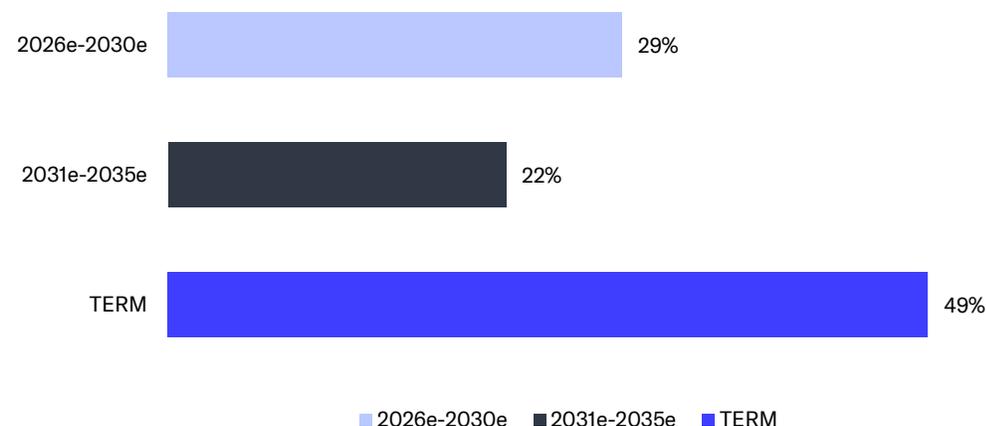
DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	-8.0 %	7.5 %	9.2 %	11.0 %	8.6 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	2.5 %	2.5 %
EBIT-%	29.1 %	28.7 %	31.1 %	34.7 %	36.6 %	35.0 %	34.0 %	33.0 %	32.0 %	31.0 %	31.0 %	31.0 %
<b>EBIT (operating profit)</b>	<b>16.6</b>	<b>17.7</b>	<b>20.9</b>	<b>25.8</b>	<b>29.6</b>	<b>29.1</b>	<b>29.2</b>	<b>29.2</b>	<b>29.1</b>	<b>29.1</b>	<b>29.8</b>	
+ Depreciation	3.0	3.0	2.9	3.0	2.6	2.6	2.6	2.8	2.9	3.1	3.3	
- Paid taxes	-3.0	-3.7	-4.0	-4.9	-5.6	-5.5	-5.5	-5.5	-5.5	-5.5	-5.7	
- 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	-7.6	0.4	0.8	1.0	0.9	0.3	0.3	0.4	0.4	0.4	0.3	
<b>Operating cash flow</b>	<b>9.0</b>	<b>17.4</b>	<b>20.6</b>	<b>24.9</b>	<b>27.5</b>	<b>26.5</b>	<b>26.6</b>	<b>26.7</b>	<b>26.9</b>	<b>27.0</b>	<b>27.7</b>	
+ 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	-6.0	-2.2	-2.5	-2.7	-2.9	-3.1	-3.3	-3.5	-3.7	-4.2	
<b>Free operating cash flow</b>	<b>6.0</b>	<b>11.4</b>	<b>18.3</b>	<b>22.5</b>	<b>24.8</b>	<b>23.6</b>	<b>23.5</b>	<b>23.4</b>	<b>23.4</b>	<b>23.3</b>	<b>23.5</b>	
+/- Other	-6.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	0.0	11.4	18.3	22.5	24.8	23.6	23.5	23.4	23.4	23.3	23.5	321
<b>Discounted FCFF</b>		<b>10.6</b>	<b>15.5</b>	<b>17.2</b>	<b>17.3</b>	<b>15.0</b>	<b>13.5</b>	<b>12.3</b>	<b>11.1</b>	<b>10.1</b>	<b>9.2</b>	<b>126</b>
Sum of FCFF present value		258	247	232	215	197	182	169	157	146	135	126
<b>Enterprise value DCF</b>		<b>258</b>										
- Interest bearing debt		0.0										
+ Cash and cash equivalents		6.4										
-Minorities		-5.0										
-Dividend/capital return		0.0										
<b>Equity value DCF</b>		<b>259</b>										
<b>Equity value DCF per share</b>		<b>23.5</b>										

## 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 %
<b>Cost of equity</b>	<b>10.0 %</b>
<b>Weighted average cost of capital (WACC)</b>	<b>10.0 %</b>

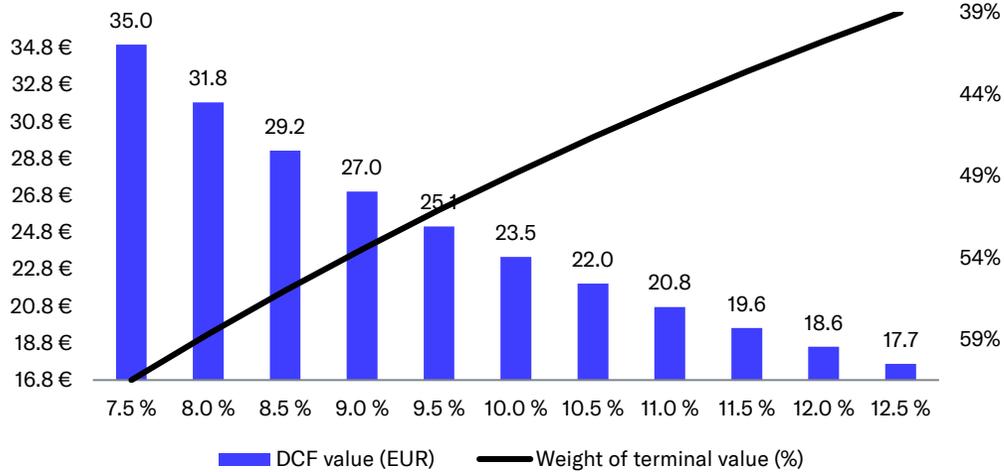
Source: Inderes

## Cash flow distribution

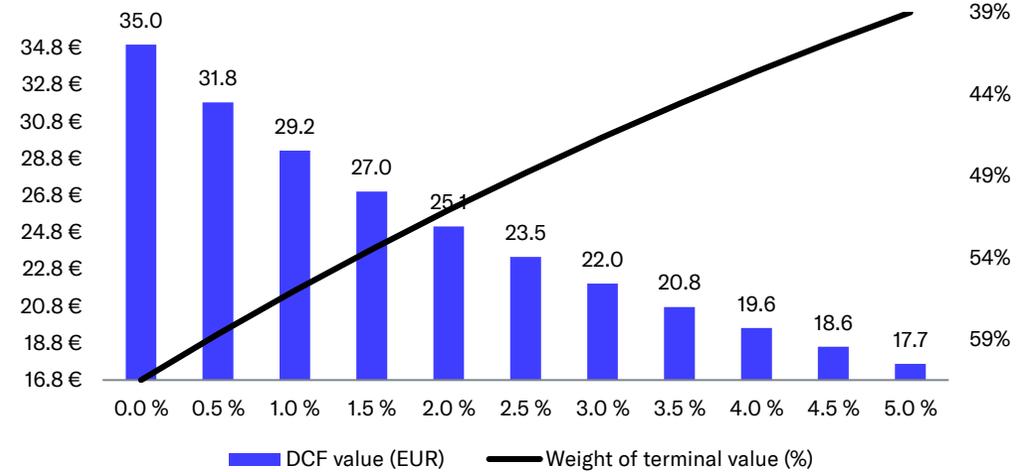


# DCF sensitivity calculations and key assumptions in graphs

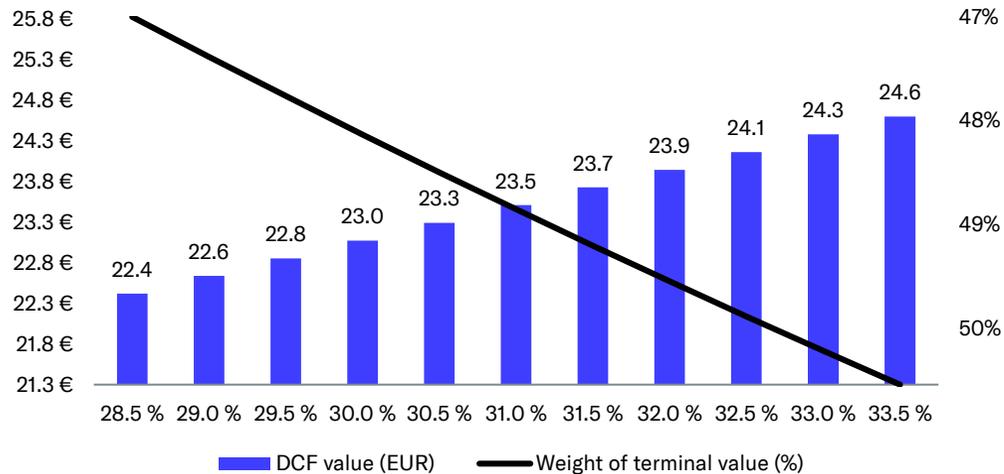
Sensitivity of DCF to changes in the WACC-%



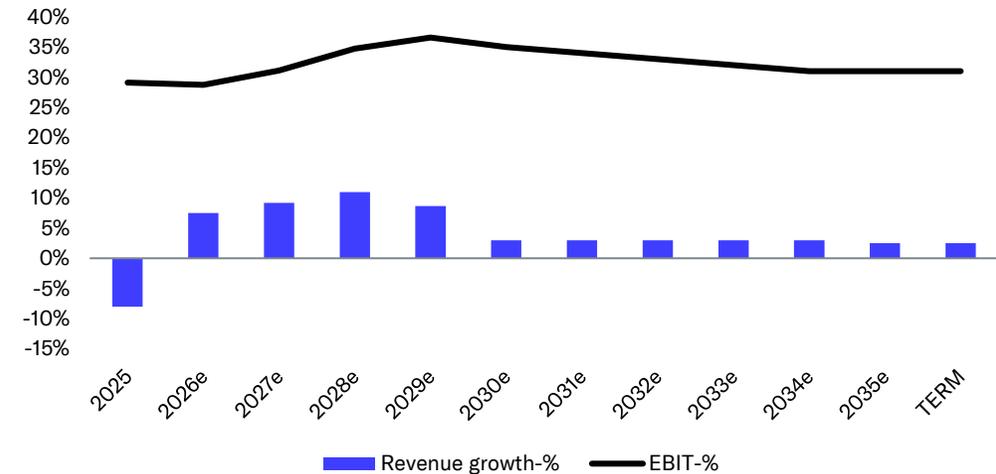
Sensitivity of DCF to changes in the risk-free rate



Sensitivity of DCF to changes in the terminal EBIT margin



Growth and profitability assumptions in the DCF calculation



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

# Summary

Income statement	2023	2024	2025	2026e	2027e	Per share data	2023	2024	2025	2026e	2027e
Revenue	52.1	62.1	57.2	<b>61.4</b>	<b>67.1</b>	EPS (reported)	1.23	1.65	1.18	<b>1.19</b>	<b>1.45</b>
EBITDA	19.2	26.1	19.6	<b>20.7</b>	<b>23.7</b>	EPS (adj.)	1.23	1.65	1.18	<b>1.19</b>	<b>1.45</b>
EBIT	17.0	23.4	16.6	<b>17.7</b>	<b>20.9</b>	OCF / share	1.22	2.69	0.82	<b>1.57</b>	<b>1.85</b>
PTP	17.0	23.4	16.6	<b>17.7</b>	<b>20.9</b>	OFCF / share	0.94	1.14	0.00	<b>1.03</b>	<b>1.65</b>
Net Income	13.3	18.0	12.9	<b>13.1</b>	<b>16.1</b>	Book value / share	4.75	5.59	5.61	<b>5.60</b>	<b>5.81</b>
Extraordinary items	0.0	0.0	0.0	<b>0.0</b>	<b>0.0</b>	Dividend / share	1.00	1.10	1.16	<b>1.20</b>	<b>1.30</b>
Balance sheet	2023	2024	2025	2026e	2027e	Growth and profitability	2023	2024	2025	2026e	2027e
Balance sheet total	76.1	88.5	98.6	<b>99.1</b>	<b>93.4</b>	Revenue growth-%	7%	19%	-8%	<b>7%</b>	<b>9%</b>
Equity capital	51.6	61.4	61.7	<b>63.0</b>	<b>66.6</b>	EBITDA growth-%	4%	36%	-25%	<b>5%</b>	<b>15%</b>
Goodwill	15.6	15.6	15.6	<b>18.6</b>	<b>18.6</b>	EBIT (adj.) growth-%	3%	38%	-29%	<b>6%</b>	<b>18%</b>
Net debt	-9.4	-13.3	-6.4	<b>-5.1</b>	<b>-10.2</b>	EPS (adj.) growth-%	4%	34%	-28%	<b>1%</b>	<b>21%</b>
Cash flow	2023	2024	2025	2026e	2027e	EBITDA-%	36.8 %	42.0 %	34.4 %	<b>33.6 %</b>	<b>35.4 %</b>
EBITDA	19.2	26.1	19.6	<b>20.7</b>	<b>23.7</b>	EBIT (adj.)-%	32.5 %	37.6 %	29.1 %	<b>28.7 %</b>	<b>31.1 %</b>
Change in working capital	-3.4	9.4	-7.6	<b>0.4</b>	<b>0.8</b>	EBIT-%	32.5 %	37.6 %	29.1 %	<b>28.7 %</b>	<b>31.1 %</b>
Operating cash flow	13.2	29.4	9.0	<b>17.4</b>	<b>20.6</b>	ROE-%	26.9 %	32.1 %	21.1 %	<b>21.3 %</b>	<b>25.5 %</b>
CAPEX	-3.0	-16.9	-3.0	<b>-6.0</b>	<b>-2.2</b>	ROI-%	34.1 %	41.4 %	27.0 %	<b>26.8 %</b>	<b>30.1 %</b>
Free cash flow	10.2	12.4	0.0	<b>11.4</b>	<b>18.3</b>	Equity ratio	67.8 %	69.4 %	62.6 %	<b>63.5 %</b>	<b>71.3 %</b>
Valuation multiples	2023	2024	2025	2026e	2027e	Gearing	-18.1 %	-21.6 %	-10.3 %	<b>-8.1 %</b>	<b>-15.3 %</b>
EV/S	2.8	2.9	3.5	<b>3.6</b>	<b>3.2</b>						
EV/EBITDA	7.6	7.0	10.2	<b>10.6</b>	<b>9.1</b>						
EV/EBIT (adj.)	8.6	7.8	12.1	<b>12.4</b>	<b>10.4</b>						
P/E (adj.)	11.7	10.8	15.7	<b>16.7</b>	<b>13.8</b>						
P/B	3.0	3.2	3.3	<b>3.6</b>	<b>3.4</b>						
Dividend-%	6.9 %	6.2 %	6.3 %	<b>6.0 %</b>	<b>6.5 %</b>						

Source: Inderes

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Buy	The 12-month risk-adjusted expected shareholder return of the share is very attractive
Accumulate	The 12-month risk-adjusted expected shareholder return of the share is attractive
Reduce	The 12-month risk-adjusted expected shareholder return of the share is weak
Sell	The 12-month risk-adjusted expected shareholder return of the share is very weak

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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 €
8/26/2024	Reduce	19.00 €	19.35 €
2/14/2025	Reduce	18.00 €	17.90 €
5/19/2025	Reduce	17.00 €	17.15 €
8/22/2025	Reduce	18.00 €	17.50 €
12/2/2025	Reduce	18.00 €	18.50 €
2/13/2026	Reduce	18.00 €	18.70 €
3/16/2026	Reduce	19.00 €	19.90 €



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