

SAMPO

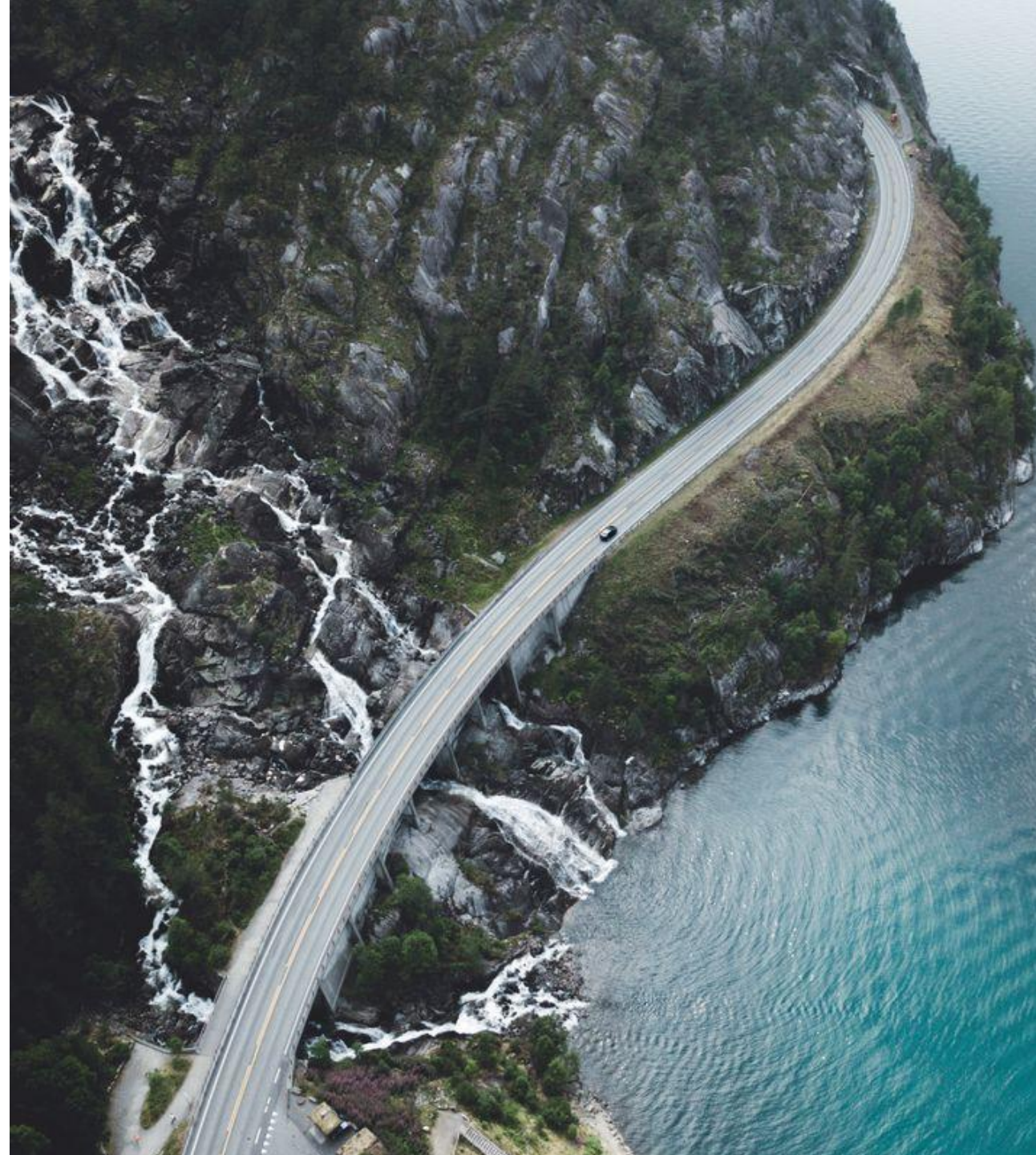
5/8/2025 9:30 pm EEST

This is a translated version of "Erinomaista tekemistä jopa Sammon standardeilla" report, published on 5/7/2025



Sauli Vilén
358440258908
sauli.vilen@inderes.fi

COMPANY REPORT



Excellent work even by Sampo's standards

Sampo's Q1 report was excellent in all respects, and we have made some distinct positive upward revisions to our estimates. The outlook for earnings growth over the next few years is very good, and the risk level to earnings growth has continued to decline. The stock is starting to look pricey, but strong earnings growth and a flowing dividend stream provide just enough expected returns. We revise Sampo's target price to EUR 9.8 (previous EUR 8.6) and reiterate our Accumulate recommendation.

An excellent start to the year

Sampo's insurance revenue increased by 8% to 2,188 MEUR, in line with expectations. As usual, the growth was driven by price increases in the Nordic countries and new sales in the UK. Insurance-technical profitability was excellent, and the combined ratio fell from the weak comparison period to 84.6%. As a result, the important underwriting result also increased slightly more than expected to 336 MEUR. The excellent underwriting result was underpinned by revenue growth, mild weather conditions in the Nordic countries and a calm competitive environment. Overall, profit before taxes amounted to 377 MEUR, significantly exceeding expectations.

Guidance revised upwards and synergy estimate for Topdanmark increased

Following a strong start to the year, Sampo also revised its guidance upwards, which was no surprise as the consensus was already above the guidance before the better-than-expected Q1 result. Sampo also increased its synergy estimate for Topdanmark from 95 MEUR to 140 MEUR. Although we had considered the previous level of synergies to be conservative, such a sharp increase so early in the integration process is a positive surprise. The company also said in the earnings call that new synergies may still be found along the way.

Forecasts raised significantly

For 2025, the forecast changes have been small, but for 2026-2027, our earnings forecasts have increased substantially (7-12%)

by Sampo standards. Our estimates for 2025 are at the top end of the guidance. With our updated earnings forecasts, we expect the company to be able to grow its operating result by more than 10% on average between 2024 and 2028. The main driver is of course the underwriting result, and the rest comes mainly from the share series, which is reduced by the purchase of own shares. Overall, Sampo's earnings growth is currently on a very strong footing. The company is growing rapidly on the basis of its strong digital capabilities, profitability is at an excellent level and the threat from competitive pressure has dissipated with lower interest rates. Although lower interest rates are putting pressure on the company's investment returns, this is of limited significance as they only account for a quarter of the group's result. We have also increased our dividend projections for 2026-2027 by 11-13%. We expect the basic dividend to grow steadily in line with earnings per share (around 10%/year), and in addition the company will buy back shares annually with its excess capital.

Expected return just barely sufficient

We continue to view P/E multiples of around 16-17x as an acceptable valuation level for Sampo, which is in line with the historical levels of key peers. As a result of the strong earnings growth we forecast for the coming years, the P/E will fall to ~15-16x. These levels are by no means cheap, but on the other hand, we believe they are fully justified given Sampo's excellent performance and strong earnings outlook. The dividend will remain at 4-5% for the next few years, rising to 5-6% if share buybacks are taken into account. Compared to the main peers Gjensidige and Tryg, Sampo's pricing is quite well in line. Overall, we see Sampo as correctly priced. We still see earnings growth and dividend as providing a barely adequate expected return, especially when viewed in the context of low risk levels. The current share price sets the bar high, and without earnings growth the stock would be expensive.

Recommendation

Accumulate
(was Accumulate)

Target price:

EUR 9.8
(was EUR 8.6)

Share price:
EUR 9.33

Business risk



Valuation risk



	2024	2025e	2026e	2027e
PTP	1559	1774	1898	2027
growth-%	5%	14%	7%	7%
Net Income	1323	1254	1401	1509
EPS (adj.)	0.52	0.54	0.52	0.58
Dividend / share	0.36	0.34	0.37	0.42

P/E (adj.)	14.6	17.9	16.0	14.6
P/B	2.8	3.1	2.8	2.6
Dividend yield-%	4.3 %	4.0 %	4.5 %	4.8 %
Payout ratio (%)	69%	63%	71%	72%

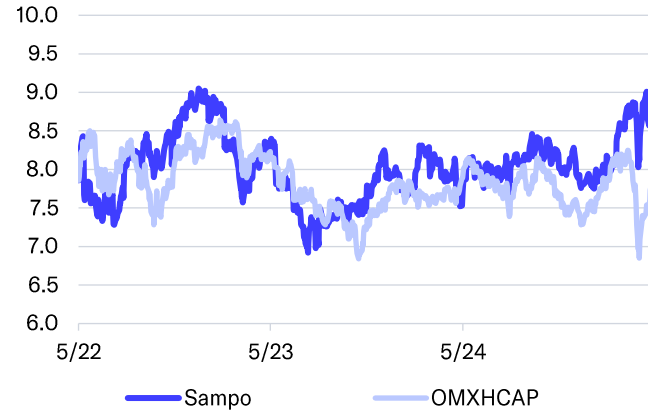
Source: Inderes

Guidance

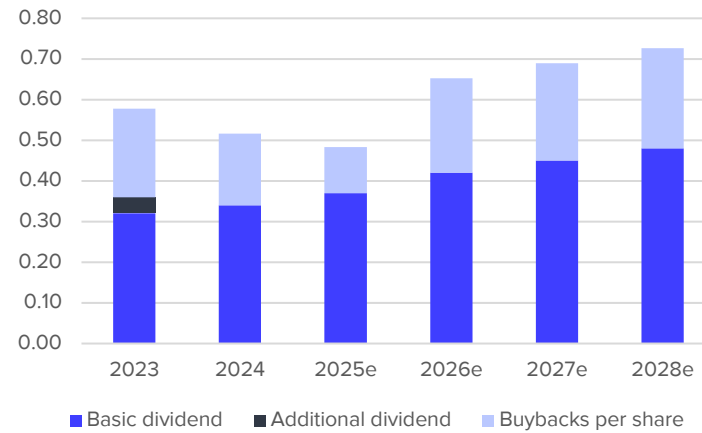
(Upgraded)

Group insurance revenue: 8.8-9.1 BNEUR, representing growth of 5-9% year-on-year. Group underwriting result: 1,400-1,500 MEUR, representing growth of 6-14% year-on-year. The outlook for 2025 is in line with the 2024-2026 targets.

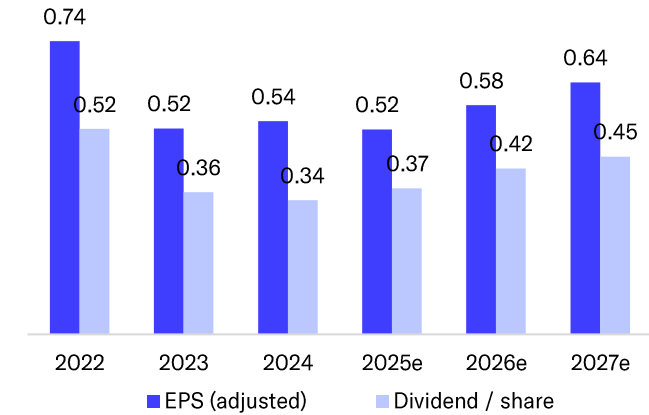
Share price



Total profit distribution per share



EPS and dividend



Source: Inderes

Value drivers

- Profitable growth in insurance activities
- Capital released from non-core business activities
- Higher interest rates would improve investment income
- Unlocking Topdanmark synergies
- Other M&A transactions

Risk factors

- Rising interest rates could weaken underwriting results and depress insurance companies' acceptable multiples
- Tightening competition in the Nordic insurance market

Valuation	2025e	2026e	2027e
Share price	9.33	9.33	9.33
Number of shares, millions	2682.0	2581.5	2507.7
Market cap	24845	24154	23463
P/E (adj.)	18.0	16.1	14.7
P/E	18.0	16.1	14.7
P/B	3.1	2.8	2.6
Payout ratio (%)	70.6 %	72.4 %	70.5 %
Dividend yield-%	4.0 %	4.5 %	4.8 %

Source: Inderes

An excellent start to the year

Strong quarter operationally

Sampo's insurance revenue increased by 8% to 2,188 MEUR, in line with expectations. As usual, the growth was driven by price increases in the Nordic countries and new sales in the UK. Growth still continued as very strong in Hastings (+27%). Insurance-technical profitability was excellent, and the combined ratio fell from the weak comparison period to 84.6%. As a result, the important underwriting result also increased slightly more than expected to 336 MEUR. The excellent underwriting result was underpinned by revenue growth, mild weather conditions in the Nordic countries and a calm competitive environment. At the segment level, the earnings beat was mainly driven by private customers (Nordics and Hastings).

Net financial result was slightly higher than expected, but this is practically irrelevant for investors on a quarterly basis. Overall, profit before taxes was 377 MEUR, considerably above our forecast of 320 MEUR and the

consensus forecast of 350 MEUR. Earnings per share were EUR 0.11, which of course also exceeded the consensus forecast of EUR 0.10.

Guidance revised upwards and synergy estimate for Topdanmark increased

Following a strong start to the year, Sampo also revised its guidance upwards. It now expects insurance revenue to reach 8.8-9.1 BNEUR (previously BNEUR) and the underwriting result to reach 1,400-1,500 MEUR (previously 1,350-1,450 MEUR). The guidance revision comes as no surprise, as the consensus was already slightly above the guidance for both items before the better-than-expected Q1 result.

Sampo also increased its synergy estimate for Topdanmark from 95 MEUR to 140 MEUR. Although we had considered the previous level of synergies to be conservative, such a sharp increase so early in the integration process is a clear

positive surprise. The company also said in its conference call that they have excellent visibility at the current level and that new synergies may still be found along the way.

Regarding the share buyback program, the company stated, as expected, that it will revisit the issue in the Q2 results at the latest. The company also said directly that it hopes to have further information on the sale of its PE investments before then. In practice, this means Noba, which has been rumored to be going public for some time.

Estimates	Q1'24	Q1'25	Q1'25e	Q1'25e	Consensus	Difference (%)	2025e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low High	Act. vs. Inderes	Inderes
Insurance revenue	2020	2188	2231	2189	2137 - 2231	-2%	9098
Underwriting result	260	336	316	325	290 - 368	6%	1475
Combined ratio-%	87.1 %	84.6 %	85.8 %	85.1 %	87.0 % - 83.4 %	-1.4 %	83.8 %
PTP	463	377	320	350	267 - 426	18%	1762
EPS (rap.)	0.14	0.11	0.09	0.10	0.08 - 0.12	22%	0.52

Source: Inderes & Vara
(consensus)

Sampo Q1'25 interview:



Estimates revised significantly upwards

Estimate revisions

- We have revised our estimates upwards after the strong Q1 report. The main drivers for the upward revisions are not only the strong Q1 result, but also the increased synergies from Topdanmark and our increased growth forecasts for Hastings.
- For 2025, the forecast changes have been small, but for 2026-2027, our earnings forecasts have increased substantially (7-12%) by Sampo standards. Our estimates for 2025 are at the top end of the guidance.
- We have increased our dividend projections for 2026-2027 by 11-13% as well. We expect the payout ratio to be close to the company's minimum payout ratio floor of 70%, as the company is committed to growing the base dividend regardless of circumstances. However, the company does not need additional capital to run its business and therefore the amount between the profit and the basic dividend will be used to buy back shares. The capital returned from PE investments (~400 MEUR) will likely also be used for buybacks. In total, we now expect 2,100 MEUR of share buybacks over the next four years, and our view of the company's overall profit distribution has further increased.
- Altogether, our 2026-2027 estimates for EPS and dividend are ~10% above the consensus published before the Q1 report. We expect the consensus to revise its estimates upwards with the Q1 report, and this gap should narrow markedly for the next consensus.
- We have added an earnings forecast table based on the new reporting model to our report, which can be found on page 10, and a total profit distribution table can be found on page 12.

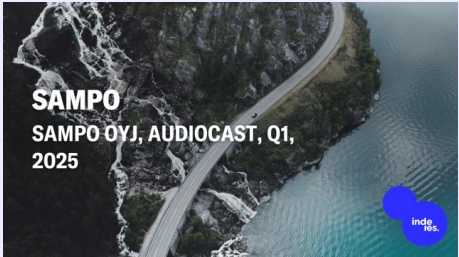
Operational earnings drivers:

- Sampo's performance has consistently exceeded our expectations, mainly due to its excellent growth and its insurance-technical margin, which has proved to be more resilient than expected. Higher interest rates have not significantly increased the operators' urge to compete aggressively on price, and now that interest rates are falling sharply again, this risk is much lower than before. We are no longer particularly concerned about this, especially if interest rates remain at current levels.
- With our updated earnings forecasts, we expect the company to be able to increase its operating result by more than 10% on average from the actual level in 2024, while the company's financial target for 2024-2026 was more than 7%. The main driver of the result is of course the underwriting result, which we forecast to grow at a rate of over 7%, with the rest of the growth coming mainly from a reduced equity series due to share buybacks.
- Overall, Sampo's earnings growth is currently on a very strong footing. The company is growing at a good pace on the basis of its strong digital competitive advantages. Profitability is at an excellent level and the threat from competitive pressure has dissipated as interest rates have fallen. Although lower interest rates are putting pressure on the company's investment returns, this is of limited significance as investment returns only account for a quarter of the group's result.

Estimate revisions	2025e	2025e	Change	2026e	2026e	Change	2027e	2027e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Insurance revenue	8899	9098	2%	9267	9722	5%	9625	10215	6%
PTP	1720	1762	2%	1783	1883	6%	1818	2012	11%
EPS (excl. NRIs)	0.50	0.52	3%	0.54	0.58	7%	0.57	0.64	12%
DPS	0.36	0.37	3%	0.38	0.42	11%	0.40	0.45	13%

Source: Inderes

Sampo Q1'25 webcast



Expected return now barely sufficient

With the completion of the acquisition of Topdanmark, Sampo's transformation from a financial supermarket to a full-fledged insurance company is finally complete. From a valuation point of view, we no longer believe that the sum-of-the-parts is the best way to value the company, and the current new reporting structure would not even allow this anymore. In our opinion, the best valuation methods for Sampo are peer valuation, own historical valuation and dividend flow model.

Overall, we believe that Sampo is fairly correctly priced, and it is difficult to see an undervaluation in the stock from any perspective. At the same time, however, the company's earnings growth outlook is very good and the dividend flow is abundant. We still see earnings growth and dividend as providing a barely adequate expected return, especially when viewed in the context of low risk levels of the share. However, the current share price sets the bar high, and without earnings growth the stock would be expensive.

The stock is correctly priced

Based on this year's strong result, Sampo is priced at a P/E multiple of 18x. Sampo has historically been priced at lower levels than this, but we believe this is logical given its historical structure as a financial conglomerate. We continue to view P/E multiples of around 16-17x as an acceptable valuation level for Sampo, which is in line with the historical levels of key peers. As a result of the strong earnings growth we forecast for the coming years, the P/E will fall to ~15-16x. These levels are by no means cheap, but on the other hand, we believe they are fully justified given Sampo's excellent performance and strong earnings outlook. The dividend yield will remain at 4-5% for the next

few years, rising to 5-6% if share buybacks are taken into account.

Compared to the main peers Gjensidige and Tryg, Sampo's pricing is quite well in line. We continue to believe that it is justified to price Sampo in line with its peers. Although Sampo's Nordic operations are arguably the highest quality of the trio, Hastings weighs on the acceptable valuation level (UK insurers' multiples are well below those of the Nordic players).

Dividend flow model supports our view

The value of Sampo's share according to our dividend flow model is around EUR 9.9, taking into account the share buybacks we forecast for the coming years. The level has risen significantly from the previous EUR 8.6 due to our increased profit distribution forecasts. The discount rate used in our dividend flow model is 7.5%, which is low in absolute terms but fully justified given the company's low risk profile and the significant decline in interest rates.

Valuation	2025e	2026e	2027e
Share price	9.33	9.33	9.33
Number of shares, millions	2682.0	2581.5	2507.7
Market cap	24845	24154	23463
P/E (adj.)	18.0	16.1	14.7
P/E	18.0	16.1	14.7
P/B	3.3	2.8	2.6
Payout ratio (%)	70.6 %	72.4 %	70.5 %
Dividend yield-%	4.0 %	4.5 %	4.8 %

Source: Inderes

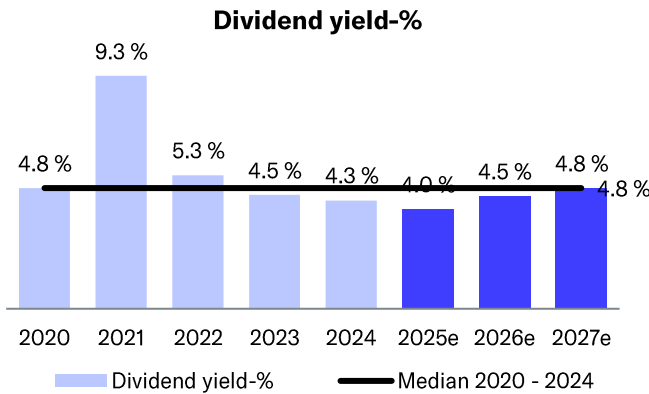
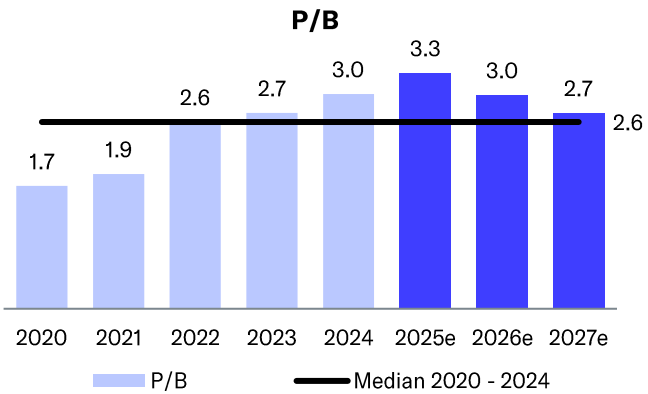
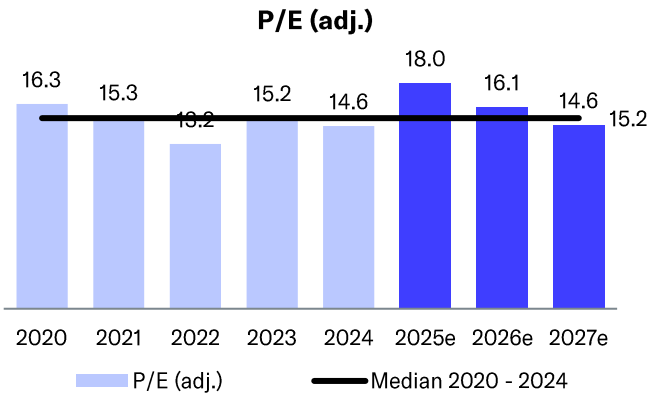
Summary of earnings forecasts

	2023	2024	Q1'25	Q2'25e	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Insurance revenue	7535	8386	2187	2176	2253	2481	9098	9722	10215	10742
Private	3489	3667	958	972	992	1009	3931	4151	4276	4404
Commercial	1945	2128	537	487	572	613	2209	2366	2484	2609
Industrial	627	657	150	170	123	293	736	735	750	765
UK	1251	1659	470	479	506	506	1961	2196	2416	2658
Other operations	223	275	72	68	60	61	261	273	290	307
Underwriting result	1164	1316	336	360	404	376	1475	1578	1695	1822
Private	595	628	155	186	202	177	720	745	784	825
Commercial	315	352	78	88	103	110	379	418	448	481
Industrial	80	74	31	12	14	22	78	81	85	90
UK	128	190	53	57	66	51	227	264	302	345
Other operations	46	72	19	17	19	16	72	71	75	80
Net financial result	560	636	101	78	143	143	465	493	502	485
Net investment income	1004	888	80	183	198	198	659	743	752	735
Net insurance finance income or expense	-446	-252	22	-105	-55	-55	-193	-250	-250	-250
Other income or expense	-81	-210	-7	23	-8	-8	0	-30	-30	-30
Non-operational amortizations	-68	-79	-26	-25	-25	-25	-101	-100	-100	-100
Finance expenses	-93	-103	-28	-20	-15	-15	-78	-58	-55	-50
Profit before taxes	1481	1559	376	415	499	471	1762	1883	2012	2127
EPS	0.52	0.45	0.11	0.12	0.15	0.14	0.52	0.58	0.64	0.69
EPS growth-%		-13%	-21%	2%	13%	131%	15%	12%	10%	9%
Combined ratio-%	84.6 %	84.3 %	84.6 %	83.5 %	82.1 %	84.9 %	83.8 %	83.8 %	83.4 %	83.0 %
Private	83.6 %	83.7 %	84.0 %	82.5 %	81.1 %	83.9 %	82.9 %	82.9 %	82.5 %	82.0 %
Commercial	83.0 %	82.9 %	83.8 %	80.9 %	79.6 %	82.5 %	-37.8 %	82.1 %	81.7 %	81.3 %
Industrial	83.8 %	83.5 %	85.5 %	82.0 %	82.0 %	82.0 %	-35.3 %	82.4 %	82.0 %	81.6 %
UK	89.8 %	88.5 %	88.7 %	88.0 %	87.0 %	90.0 %	88.4 %	88.0 %	87.5 %	87.0 %
Other operations	79.4 %	73.7 %	83.9 %	75.0 %	68.0 %	73.0 %	72.5 %	74.0 %	74.0 %	74.0 %
Insurance revenue growth-%										
Private	6.8 %	8.3 %	5.8 %	4.8 %	5.1 %	4.8 %	5.3 %	4.0 %	3.5 %	3.5 %
Commercial	5.0 %	6.8 %	8.5 %	6.0 %	6.0 %	6.0 %	6.2 %	4.0 %	3.0 %	3.0 %
Industrial	4.6 %	9.9 %	5.2 %	4.0 %	4.0 %	4.0 %	5.8 %	5.0 %	5.0 %	5.0 %
UK	37.0 %	32.7 %	25.9 %	20.0 %	15.0 %	12.0 %	18.1 %	12.0 %	10.0 %	10.0 %

Valuation table

Valuation	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price	7.06	8.82	9.76	7.92	7.88	9.33	9.33	9.33	9.33
Number of shares, millions	2778	2755	2653	2540	2600	2682	2582	2508	2434
Market cap	19593	24109	25108	19876	21196	24845	24154	23463	22772
P/E (adj.)	16.3	15,3	13.2	15.2	14.6	18.0	16.1	14.7	13.5
P/E	>100	9.5	12.3	15.2	16.3	18.0	16.1	14.7	13.5
P/B	1.7	1.9	2.6	2.7	2.8	3.1	2.8	2.6	2.4
Payout ratio (%)	2484.5 %	87.3 %	63.5 %	68.3 %	73.0 %	70.6 %	72.4 %	70.5 %	69.1 %
Dividend yield-%	4.8 %	9.3 %	5.3 %	4.5 %	4.3 %	4.0 %	4.5 %	4.8 %	5.1 %

Source: Inderes



Peer group valuation

Peer group valuation	Market cap	P/E		Dividend yield-%		P/B
Company	MEUR	2025e	2026e	2025e	2026e	2025e
Tryg	13379	18.3	17.4	5.1	5.4	2.8
Gjensidige	10759	20.0	17.6	4.3	4.7	4.9
Storebrand	4893	13.2	11.9	4.0	4.3	1.7
Admiral	12017	14.8	14.2	5.9	6.1	7.2
Direct Line	4477	15.4	11.6	4.5	5.4	1.7
Zurich Insurance Group	92948	16.2	14.8	4.7	5.1	3.8
Allianz	146087	13.6	12.6	4.4	4.8	2.3
Assicurazioni Generali	52941	12.6	11.7	4.6	5.0	1.6
Sampo (Inderes)	24845	18.0	16.1	4.0	4.5	3.1
Average		15.6	14.1	4.8	5.2	3.1
Median		15.4	14.2	4.6	5.1	2.3
Diff-% to median		17%	14%	-13%	-12%	34%

Source: Refinitiv / Inderes

Income statement

Income statement	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25e	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Insurance revenue	7535	2020	2057	2138	2172	8387	2187	2176	2253	2481	9098	9722	10215	10742
If P&C	4996	1290	1297	1327	1344	5258	1645	1629	1687	1914	6876	7252	7510	7777
Topdanmark (from 2025 part of If)	1288	361	361	371	377	1470	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Hastings	1251	369	399	440	451	1659	470	479	506	506	1961	2196	2416	2658
Others (was holding)	0	0	0	0	0	0	72	68	60	61	261	273	290	307
EBITDA	1481	465	444	432	219	1559	376	415	499	471	1762	1883	2012	2127
Depreciation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT (excl. NRI)	1481	465	444	432	369	1709	376	415	499	471	1762	1883	2012	2127
EBIT	1481	465	444	432	219	1559	376	415	499	471	1762	1883	2012	2127
If P&C	1358	356	379	333	188	1256	0	0	0	0	0	0	0	0
Topdanmark (from 2025 part of If)	162	63	49	47	-22	137	0	0	0	0	0	0	0	0
Hastings	129	26	45	69	53	193	0	0	0	0	0	0	0	0
Others (was holding)	-160	20	-30	-18	-1	-29	0	0	0	0	0	0	0	0
Sampo	0	0	0	0	0	0	376	415	499	471	1762	1883	2012	2127
PTP	1481	465	444	432	219	1559	376	415	499	471	1762	1883	2012	2127
Taxes	-339	-96	-100	-96	63	-230	-79	-87	-105	-99	-370	-386	-413	-436
Minority interest	-70	-26	-7	-16	-1	-50	0	0	0	0	0	0	0	0
Net earnings	1072	343	337	320	281	1280	297	328	394	372	1392	1497	1600	1691
EPS (adj.)	2.64	0.68	0.62	0.59	0.80	2.61	0.11	0.12	0.15	0.14	0.52	0.58	0.64	0.69
EPS (rep.)	0.52	0.68	0.62	0.59	0.52	0.48	0.11	0.12	0.15	0.14	0.52	0.58	0.64	0.69

Balance sheet

Assets	2023	2024	2025e	2026e	2027e
Non-current assets	19727	20017	20020	20023	20026
Goodwill	0.0	0.0	0.0	0.0	0.0
Intangible assets	3637	3637	3637	3637	3637
Tangible assets	318	284	287	290	293
Associated companies	12.0	4.0	4.0	4.0	4.0
Other investments	15757	16090	16090	16090	16090
Other non-current assets	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	3.0	2.0	2.0	2.0	2.0
Current assets	4497	4460	4747	5012	5222
Inventories	0.0	0.0	0.0	0.0	0.0
Other current assets	800	880	880	880	880
Receivables	2282	2618	2820	3014	3167
Cash and equivalents	1415	962	1046	1118	1175
Balance sheet total	24224	24477	24767	25035	25248

Source: Inderes

Liabilities & equity	2023	2024	2025e	2026e	2027e
Equity	7687	7059	7536	8050	8566
Share capital	98.0	98.0	98.0	98.0	98.0
Retained earnings	6378	7707	8184	8698	9214
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	787	-746.0	-746.0	-746.0	-746.0
Minorities	424	0.0	0.0	0.0	0.0
Non-current liabilities	15197	15858	15671	15425	15121
Deferred tax liabilities	567	535	535	535	535
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	2914	3037	2850	2604	2300
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	11716	12286	12286	12286	12286
Current liabilities	1340	1560	1560	1560	1560
Interest bearing debt	0.0	0.0	0.0	0.0	0.0
Payables	0.0	0.0	0.0	0.0	0.0
Other current liabilities	1340	1560	1560	1560	1560
Balance sheet total	24224	24477	24767	25035	25248

DDM calculation and profit distribution table

DDM valuation (MEUR)	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	TERM
Sampo's result	1254	1392	1497	1600	1691	1699	1688	1722	1710	1744	1744
Sampo's dividend	915	982	1084	1128	1168	1614	1604	1636	1625	1657	30537
Payout ratio	73%	71%	72%	71%	69%	95%	95%	95%	95%	95%	
Growth-% in Sampo's dividend	1.3 %	7.3 %	10.4 %	4.1 %	3.5 %	38.2 %	-0.6 %	2.0 %	-0.7 %	2.0 %	2.0 %
Discounted dividend	916	915	939	908	875	1124	1039	985	910	863	15903
Discounted cumulative dividend	25376	24460	23545	22606	21698	20823	19700	18661	17676	16766	15903
Excess capital on balance sheet (MEUR)	2100										
Equity value (MEUR)	26560										
Per share EUR	9.9										
Cost of capital											
Risk-free interest	2.5%										
Market risk premium	4.8%										
Company Beta	1.06										
Liquidity premium	0.0%										
Cost of equity	7.5%										

Cash flow breakdown

Period	Percentage
2024-2028	18%
2029-2033	19%
TERM	63%

Profit distribution	2023	2024	2025e	2026e	2027e	2028e
Basic dividend	0.32	0.34	0.37	0.42	0.45	0.48
Additional dividend	0.04	0.00	0.00	0.00	0.00	0.00
Buybacks per share	0.22	0.18	0.11	0.23	0.24	0.25
Total profit distribution per share	0.58	0.52	0.48	0.65	0.69	0.73
Basic dividend payout ratio-%	62%	76%	71%	72%	71%	69%
Total profit distribution ratio-%	111%	115%	93%	113%	108%	105%
Solvency-%	182%	177%	177%	192%	182%	174%

Disclaimer and recommendation history

The information presented in Inderes reports is obtained from several different public sources that Inderes considers to be reliable. Inderes aims to use reliable and comprehensive information, but Inderes does not guarantee the accuracy of the presented information. Any opinions, estimates and forecasts represent the views of the authors. Inderes is not responsible for the content or accuracy of the presented information. Inderes and its employees are also not responsible for the financial outcomes of investment decisions made based on the reports or any direct or indirect damage caused by the use of the information. The information used in producing the reports may change quickly. Inderes makes no commitment to announcing any potential changes to the presented information and opinions.

The reports produced by Inderes are intended for informational use only. The reports should not be construed as offers or advice to buy, sell or subscribe investment products. Customers should also understand that past performance is not a guarantee of future results. When making investment decisions, customers must base their decisions on their own research and their estimates of the factors that influence the value of the investment and take into account their objectives and financial position and use advisors as necessary. Customers are responsible for their investment decisions and their financial outcomes.

Reports produced by Inderes may not be edited, copied or made available to others in their entirety, or in part, without Inderes' written consent. No part of this report, or the report as a whole, shall be transferred or shared in any form to the United States, Canada or Japan or the citizens of the aforementioned countries. The legislation of other countries may also lay down restrictions pertaining to the distribution of the information contained in this report. Any individuals who may be subject to such restrictions must take said restrictions into account.

Inderes issues target prices for the shares it follows. The recommendation methodology used by Inderes is based on the share's 12-month expected total shareholder return (including the share price and dividends) and takes into account Inderes' view of the risk associated with the expected returns. The recommendation policy consists of four tiers: Sell, Reduce, Accumulate and Buy. As a rule, Inderes' investment recommendations and target prices are reviewed at least 2–4 times per year in connection with the companies' interim reports, but the recommendations and target prices may also be changed at other times depending on the market conditions. The issued recommendations and target prices do not guarantee that the share price will develop in line with the estimate. Inderes primarily uses the following valuation methods in determining target prices and recommendations: Cash flow analysis (DCF), valuation multiples, peer group analysis and sum of parts analysis. The valuation methods and target price criteria used are always company-specific and they may vary significantly depending on the company and (or) industry.

Inderes' recommendation policy is based on the following distribution relative to the 12-month risk-adjusted expected total shareholder return.

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

The assessment of the 12-month risk-adjusted expected total shareholder return based on the above-mentioned definitions is company-specific and subjective. Consequently, similar 12-month expected total shareholder returns between different shares may result in different recommendations, and the recommendations and 12-month expected total shareholder returns between different shares should not be compared with each other. The counterpart of the expected total shareholder return is Inderes' view of the risk taken by the investor, which varies considerably between companies and scenarios. Thus, a high expected total shareholder return does not necessarily lead to positive performance when the risks are exceptionally high and, correspondingly, a low expected total shareholder return does not necessarily lead to a negative recommendation if Inderes considers the risks to be moderate.

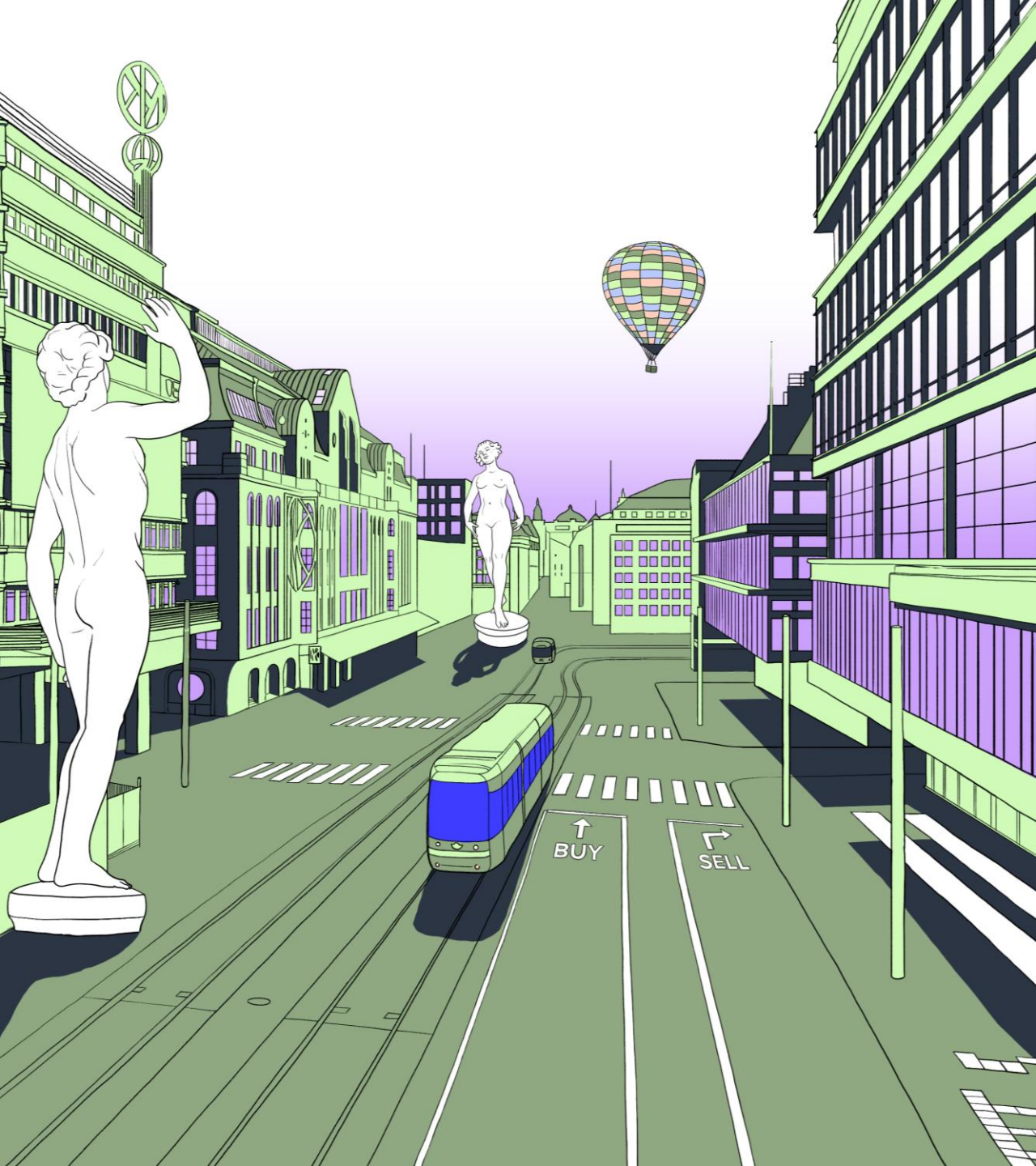
The analysts who produce Inderes' research and Inderes employees cannot have 1) shareholdings that exceed the threshold of significant financial gain or 2) shareholdings exceeding 1% in any company subject to Inderes' research activities. Inderes Oyj can only own shares in the target companies it follows to the extent shown in the company's model portfolio investing real funds. All of Inderes Oyj's shareholdings are presented in itemised form in the model portfolio. Inderes Oyj does not have other shareholdings in the target companies analysed. The remuneration of the analysts who produce the analysis are not directly or indirectly linked to the issued recommendation or views. Inderes Oyj does not have investment bank operations.

Inderes or its partners whose customer relationships may have a financial impact on Inderes may, in their business operations, seek assignments with various issuers with respect to services provided by Inderes or its partners. Thus, Inderes may be in a direct or indirect contractual relationship with an issuer that is the subject of research activities. Inderes and its partners may provide investor relations services to issuers. The aim of such services is to improve communication between the company and the capital markets. These services include the organisation of investor events, advisory services related to investor relations and the production of investor research reports.

More information about research disclaimers can be found at www.inderes.fi/research-disclaimer.

Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
3/17/2020	Buy	30.00 €	23.83 €
4/30/2020	Buy	34.00 €	30.85 €
5/7/2020	Accumulate	33.00 €	30.40 €
6/16/2020	Buy	34.00 €	30.40 €
8/6/2020	Buy	35.00 €	30.30 €
10/9/2020	Buy	38.00 €	35.20 €
11/5/2020	Buy	38.00 €	34.14 €
1/20/2021	Buy	38.00 €	35.28 €
2/12/2021	Buy	41.00 €	36.04 €
2/25/2021	Buy	41.00 €	36.95 €
4/7/2021	Buy	43.00 €	39.23 €
5/6/2021	Buy	44.00 €	39.85 €
8/5/2021	Buy	45.00 €	42.39 €
9/24/2021	Buy	46.00 €	43.35 €
11/4/2021	Accumulate	48.00 €	46.73 €
12/9/2021	Accumulate	48.00 €	44.09 €
2/10/2022	Accumulate	49.00 €	45.35 €
5/5/2022	Accumulate	48.00 €	45.85 €
5/23/2022	Accumulate	44.00 €	41.76 €
8/4/2022	Accumulate	46.00 €	43.71 €
10/27/2022	Reduce	46.00 €	46.67 €
11/3/2022	Reduce	46.00 €	44.32 €
2/13/2023	Reduce	46.00 €	45.50 €
5/11/2023	Reduce	47.00 €	46.15 €
6/14/2023	Reduce	44.00 €	43.08 €
8/10/2023	Accumulate	44.00 €	40.35 €
10/2/2023	Accumulate	39.00 €	40.98 €
11/9/2023	Reduce	39.00 €	38.94 €
2/9/2024	Reduce	40.00 €	39.50 €
5/8/2024	Reduce	39.00 €	37.66 €
6/18/2024	Reduce	40.00 €	38.81 €
8/8/2024	Reduce	41.00 €	40.00 €
11/7/2024	Reduce	42.00 €	41.00 €
1/23/2025	Reduce	42.00 €	39.55 €
2/7/2025	Accumulate	43.00 €	40.91 €
	Share split 1/5	8.60 €	
5/8/2025	Accumulate	9.80 €	9.33 €



CONNECTING INVESTORS AND COMPANIES.

Inderes connects investors and listed companies.

We serve over 400 Nordic listed companies that want to better serve investors. The Inderes community is home to over 70,000 active investors.

We provide listed companies with solutions that enable seamless and effective investor relations. The Inderes service is built on four cornerstones for high-quality investor relations: Equity Research, Events, IR Software, and Annual General Meetings (AGM).

Inderes operates in Finland, Sweden, Norway, and Denmark and is listed on the Nasdaq First North Growth Market.

Inderes was created by investors, for investors.

Inderes Ab

Brunnsgatan

Stockholm

+358 10 219 4690

inderes.se

**inde
res.**