

Sampo

Company report

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Sauli Vilén
+358 44 025 8908
sauli.vilen@inderes.fi



Kasper Mellas
+358 45 6717 150
kasper.mellas@inderes.fi

This report is a summary translation of the report “Erinomaista suorittamista” published on 2/8/2024 at 9:01 pm EET

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Excellent performance

The Q4 report was very good, and the investment income pushed the Group to a clear earning overshoot. However, forecast changes are marginal and we still expect Sampo to generate steady earnings growth. We consider the share correctly priced from several angles and find the risk/return ratio neutral. Reflecting the slightly increased sum of the parts, we revise our target price to EUR 40 (was EUR 39) and reiterate our Reduce recommendation.

Excellent Q4 report

Sampo's Q4 result was very good and better than market expectations. The reported result falling short of expectations is explained purely by an accounting item and, considering this the result was clearly stronger than expected. The earnings overshoot was based on investment income, which were significantly higher than expected in If and Hasting. If's performance was once again excellent and the company continued its good growth with excellent profitability. The market situation in the Nordic countries also seems to have remained serene. Hastings improved its performance and its outlook is clearly better than one year ago. Contrary to our expectations, Sampo did not buy Topdanmark shares in Q4 and the CFO commented on this in [our earnings interview](#). As expected, Sampo proposed a basic dividend of EUR 1.6 and an additional dividend of EUR 0.20. The fact that the additional dividend fell short of our EUR 0.50 expectation was not a big surprise, as we expect the company to open its profit distribution targets for the coming years in more detail at the CMD in March. Surprisingly, Sampo did not provide a guidance, but will return to it and its financial targets at the CMD in early March.

Forecasts only fine-tuned, stable performance will continue

Even though the Q4 result clearly exceeded our forecasts, the forecast changes remained marginal, as the overshoot came from investment income, which did not lead to higher earnings forecasts. We estimate Sampo's current normal earnings level to be EUR 2.2-2.5/share. Given the fierce performance of the businesses, there is no reason to expect major level adjustments to this level, with steady EPS growth underpinned by strong P&C insurance operations and purchases of own shares. A key forecast risk is still related to a deterioration in the earnings mix as rising investment income increases the likelihood of higher competitive pressure, which would have a negative impact on the insurance service result. Sampo still has excess capital of EUR 2-3 per share on its balance sheet, which is mostly tied up in PE investments. After the demerger, we believe that Sampo could have the opportunity to further reduce the solvency buffers and the final amount of excess capital could still increase from the current level, if the Swedish Financial Supervisory Authority approves Sampo's application for a change in solvency calculation. We expect Sampo to define its profit-sharing policy in its CMD in March and we would not be surprised if a new buyback plan would be announced at the CMD. We have fine-tuned our forecasts of extra distribution and we now expect the extra distribution to continue also for 2025 (was only 2023-2024).

The stock is correctly priced

We have estimated Sampo's fair value through sum of the parts, relative and absolute valuation, as well as dividend flow calculations. With the exit of Mandatum, the peer valuation is a more meaningful way to value Sampo. In addition, we continue to favor the SOTP as it best reflects the excess capital on the balance sheet and Hastings' clearly lower valuation than the rest of the group. The total value of the SOTP is around EUR 40. The other valuation methods support the current target price and we consider the stock to be correctly priced at the current level.

Recommendation

Reduce

(previous Reduce)

EUR 40.00

(previous EUR 39.00)

Share price:

39.50



Key figures

	2023	2024e	2025e	2026e
PTP	1481	1606	1693	1746
growth-%	-23%	8%	5%	3%
Net Income	1323	1155	1220	1258
EPS (adj.)	2.60	2.34	2.53	2.61
Dividend / share	1.80	2.00	2.10	1.90

P/E (adj.)	15.2	16.9	15.6	15.1
P/B	2.7	2.6	2.5	2.4
Dividend yield-%	4.5 %	5.1 %	5.2 %	4.7 %
Payout ratio (%)	69%	85%	83%	73%

Source: Inderes

Guidance

(New guidance)

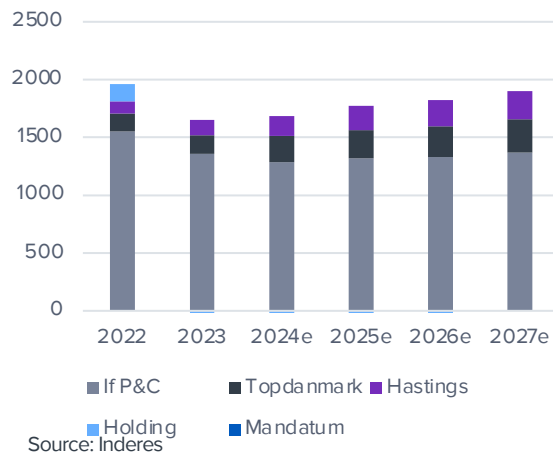
Sampo will provide its guidance for 2024 at the CMD on March 6, 2024

Share price



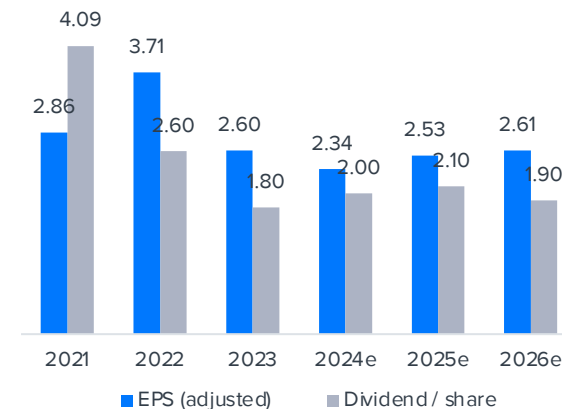
Source: Millistream Market Data AB

Sampo's PTP breakdown (MEUR)



Source: Inderes

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
- Topdanmark acquisition
- 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	2024e	2025e	2026e
Share price	39.5	39.5	39.5
Number of shares, millions	493.5	482.0	482.0
Market cap	19427	19427	19427
P/E (adj.)	16.9	15.6	15.1
P/E	16.9	15.6	15.1
P/B	2.6	2.5	2.4
Payout ratio (%)	85.2 %	83.0 %	72.8 %
Dividend yield-%	5.1 %	5.2 %	4.7 %

Source: Inderes

Excellent Q4 report

Sampo's Q4 result was very good and better than market expectations. Reported profit before taxes was 368 MEUR, well above our (412 MEUR) and consensus (385 MEUR) forecasts. However, Sampo recorded the profit impact of Mandatum's 100 MEUR loan in discontinued operations while both the consensus and we expected it to be included in the parent company's results. Adjusted for this, the result clearly exceeded the forecasts. The earnings overshoot was based on investment income, which were significantly higher than expected in If and Hastings.

Correspondingly, the parent company's investments were clearly in the red due to Nexi's share price drop and changes in currency hedging. As a whole, EPS (also considering the profit impact of discontinued operations) was EUR 0.76 and clearly higher than the consensus forecast of EUR 0.64.

Another excellent performance from If

If P&C's premium income continued to grow strongly and was as expected 5.6% after adjusting for FX movements. Growth continued to be driven mainly by price increases. Price increases continue to pass through effectively and the company has seen only marginal deterioration in customer retention. This supports our view that the competitive situation in the Nordic insurance market is still relatively calm.

The combined ratio developed more favorably than expected, reaching 83.1% in Q4, despite significantly higher than normal weather claims. Once again, If's operational performance was excellent. The net financial result was clearly better than expected, but this is of limited importance to investors. Overall, If P&C's result was a whopping 369 MEUR.

Hastings keeps improving

Hastings' Q4 was good operationally and the growth was stronger than we expected. The margin was still under pressure, but improved from the situation at the beginning of the year. Price discipline on the market also seems more reasonable and Hastings should be well positioned to achieve significant operational improvement starting from 2024.

No Topdanmark purchases

Contrary to our expectations, Sampo did not buy Topdanmark shares in Q4. In our interview, the CFO stated that the reason was that there were no blocks available for purchase in Q4. In our view, acquiring Topdanmark's shares from the market would make sense, as a gradual increase in ownership would facilitate the payment of a potential premium in the end, when the pot to be bought would be smaller than today. We have explained this logic in more detail in our [extensive report](#).

Estimates	Q4'22	Q4'23	Q4'23e	Q4'23e	Consensus	Difference (%)	2023
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low High	Act. vs. inderes	Inderes
PTP	47	368	403	385	211 - 481	-9%	1481
If	59	369	269	251	31 - 373	37%	1358
Topdanmark	65	19	22	35	20 - 91	-14%	162
Hastings	7	59	26	28	-1 - 48	127%	129
Holdings	-48	-78	87	71	-19 - 135	-190%	-169
EPS (rap.)	1.00	0.76	0.61	0.64	0.30 - 0.87	25%	2.64
DPS	2.60	1.80	2.10	1.74		-14%	1.80

Source: Inderes & Vara (consensus)

Why is Sampo not taking more risk? The CFO responds – Q4'23 earnings interview



Excellent Q4 report

Additional information on capital returns will be provided in the CMD

As expected, Sampo proposed a basic dividend of EUR 1.6. In addition, the company proposes an additional dividend of EUR 0.20. The fact that the additional dividend fell short of the EUR 0.50 expectation was not a big surprise, as we expect the company to open its profit distribution targets for the next few years in more detail at the CMD in March.

Overall, Sampo's solvency is still very strong and we estimate that the company has an excess capital of EUR 2-3 per share. The final amount is likely to be closer to the upper limit or even slightly above it, especially if the Swedish regulator approves the change in solvency formula requested by Sampo. If the company does not make a takeover bid for Topdanmark, the capital will be gradually returned in the form of share buybacks and additional dividends.

Guidance will be given at the CMD

Surprisingly, Sampo did not provide a guidance, but will return to it and its financial targets at the CMD in early March. Based on management comments, the market situation in the Nordic countries is still good and the company sets out to this year from a good position.

The market expects If's combined ratio to be 82.9% in 2024 and the guidance should reflect this (e.g. under 85%). For Hastings, the guidance should reflect clear earnings growth (consensus expects an operating ratio of 87.3%).

Otherwise, we do not expect any major surprises from the CMD, and the targets for the next 3 years are likely to be similar to those for the previous season. In practice, this would mean stable, clearly single-digit, earnings growth.

In addition, we expect the company to slightly lower its solvency range, as the previous one was issued when Mandatum was still part of the Group. As for profit distribution, we expect a slight fine-tuning of the message. The basic dividend is 'sacred' and the aim is to raise it steadily in all circumstances. On average this means a moderate payout ratio, which in turn systematically leaves surplus capital in the balance sheet. We, therefore, find it possible that in terms of profit distribution Sampo will try to dissolve this balance sheet surplus fairly regularly, as the message has now focused more on distributing the capital received from Nordea and other sprawls to the owners.

Estimates MEUR / EUR	Q4'22	Q4'23	Q4'23e	Q4'23e	Consensus	Difference (%)	2023
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Source: Inderes & Vara (consensus)

No major forecast changes

Estimate revisions

- We again made a lot of minor changes to our forecasts, but the changes at Group level are marginal. The differences in earnings forecasts are a few percentage points and, therefore, insignificant. We have discussed our estimates in more detail in our [extensive report](#).
- Topdanmark's forecasts have declined dramatically, as consensus forecasts have decreased clearly due to the weak Q4 result and guidance.
- In Hastings, we raise the forecasts clearly due to the improved outlook in the UK market. We are more confident that Hastings' operational result will improve significantly as the sharp price increases of 2023 start to bite (usually with a delay of about 12 months) and price discipline in the market is at a more reasonable level.
- We made clear changes to the profit distribution. We now expect Sampo to make share buybacks to the tune of 400 MEUR/year in 2024 and 2025 (was 500 MEUR/2024). In addition, we expect additional dividends of EUR 0.3 in 2024 and 2025 as a continuation of the additional dividend of EUR 0.2 seen in 2023 (was EUR 0.5 per year 23&24). We believe that the next share buyback program will be launched at the CMD in early March.

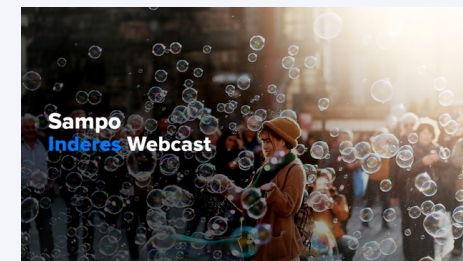
Operational earnings drivers:

- Our view on Sampo's performance has remained unchanged and we estimate that the company's normal earnings under the current structure is EUR 2.2-2.5 per share. This level is growing steadily, driven by operating profit growth and share buybacks, but larger level adjustments should not be expected given the strong performance of the businesses. Following extra dividends and rearrangement of the balance sheet, Sampo's dividend capacity is very close to its EPS level.
- In our view, the key concern in terms of performance relates to the insurance service result, as interest rates have risen to reasonable levels. We are skeptical about a situation where the recovery in investment income from rising interest rates would fully benefit companies in the sector and their earnings levels would thus again make an upward adjustment. Although a possible change in the earnings distribution would hardly be reflected in the absolute earnings level, it would put pressure on the sector's elevated valuation multiples by reducing the predictability of earnings. However, in the big picture, we believe the sector has entered a period of permanently lower combined ratios and a return to the combined ratios of a decade ago is not to be expected.

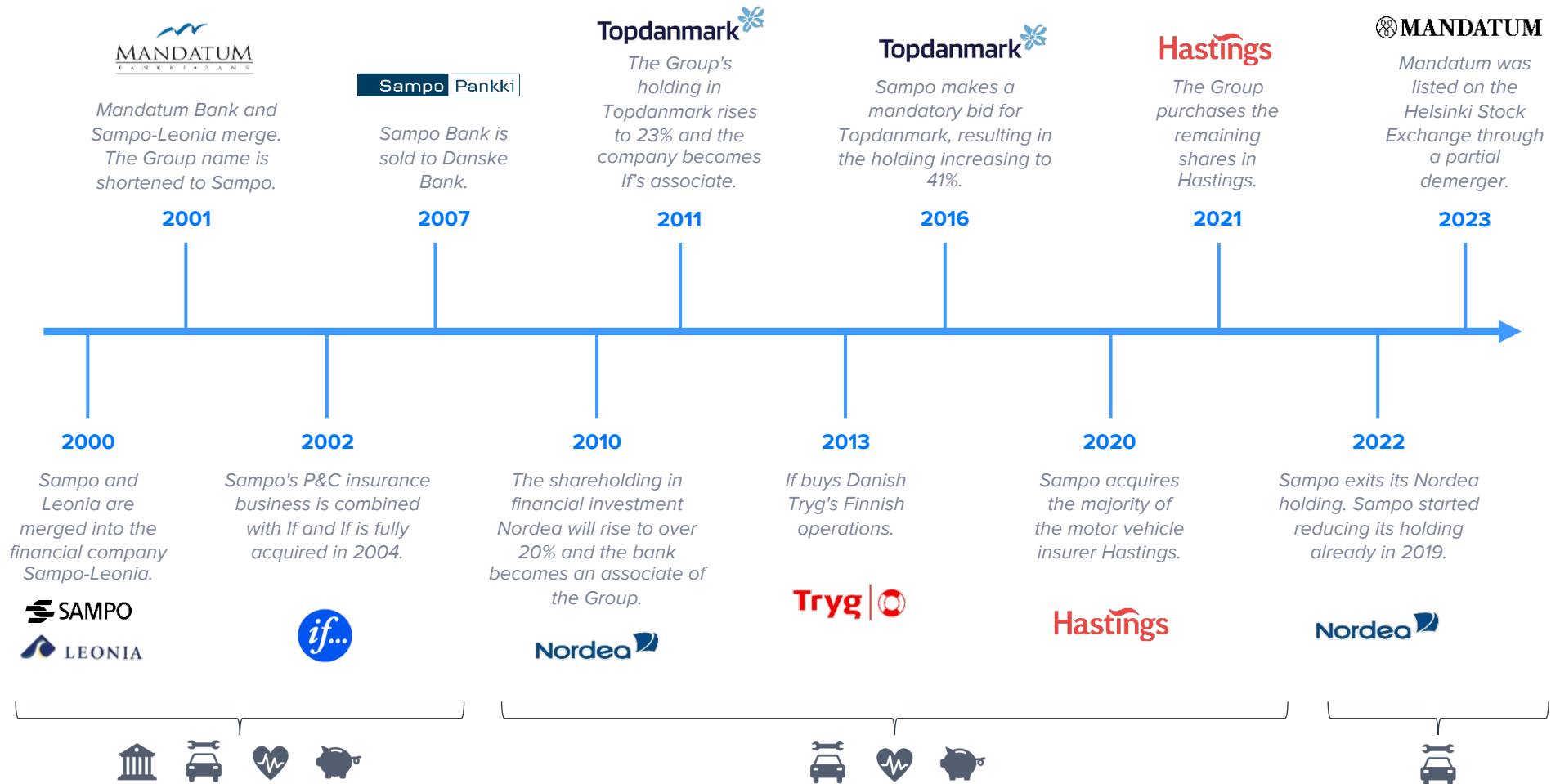
Estimate revisions	2023	2023	Change	2024e	2024e	Change	2025e	2025e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
If	1291	1358	5%	1304	1284	-2%	1314	1317	0%
Topdanmark	227	162	-28%	248	230	-7%	278	246	-12%
Hastings	93	129	39%	140	170	21%	168	208	24%
Holding	-104	-160	54%	-75	-79	5%	-74	-78	5%
PTP	1485	1481	0%	1622	1606	-1%	1684	1693	0%
EPS (adjusted)	2.34	2.64	13%	2.34	2.34	0%	2.48	2.53	2%
Dividend / share	2.10	1.80	-14%	2.20	2.00	-9%	1.80	2.10	17%

Source: Inderes

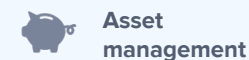
Watch Sampo's Q4 earnings call:



M&A transactions – Journey from a financial conglomerate to a P&C insurer



THE GROUP'S OPERATIONAL BUSINESSES



You are paying too much for quality

The sum of the parts has risen marginally

We have estimated Sampo's fair value through the value of its parts, relative and absolute valuation and a dividend model. In this analysis, we will focus on the sum of the parts, as it is the best way to consider the value of different parts of Sampo and the different profiles of the businesses.

Our view on the SOTP of Sampo has increased marginally to EUR 40 (was EUR 39). This is based on Hastings' increased value and the inflated cash position of the parent company (If's dividend paid in Q4). The value still relies heavily on If P&C, which accounts for more than 85% of the total Group value. Drivers for higher than the current sum of the parts would be:

- Organic profit growth in insurance activities
- Synergies arising from Topdanmark acquisition
- Successful PE exits
- Other M&A transactions

In terms of earnings growth, we do not see a realistic path to significant earnings growth (the company's current targets also indicate this). Thus, we find it difficult to see the SOTP increasing significantly from the current level without significant new M&A arrangements that aren't already on the company's agenda (excluding any subsequent Topdanmark purchase offer).

The SOTP value is in line with our target price. The peer analysis, absolute multiples and our dividend model support our current target price, and we believe that Sampo's share price is currently at the right level.

Earnings-based valuation is neutral

P/E multiples for 2023-2025 are 17-15x and corresponding dividend yields at 5% (including additional dividends in 2023-2025). The levels are in line with the main Nordic insurer peers. The valuation is still not cheap, but that is justified given the high quality of Sampo's businesses. However, it is difficult for us to see any room for valuation to move upwards, especially as higher interest rates have depressed valuation levels for the sector as a whole and for stock markets.

Our DDM model (p. 15) supports our view and indicates a value at around EUR 41 per share, considering the share buybacks that we forecast. Thus, the dividend model also supports our view of neutral pricing of the stock. We note that the level of the discount rate is still very low in absolute terms (WACC 6.7%), so a possible further rise in interest rates and a subsequent increase in the discount rate would significantly reduce the value indicated by the DDM.

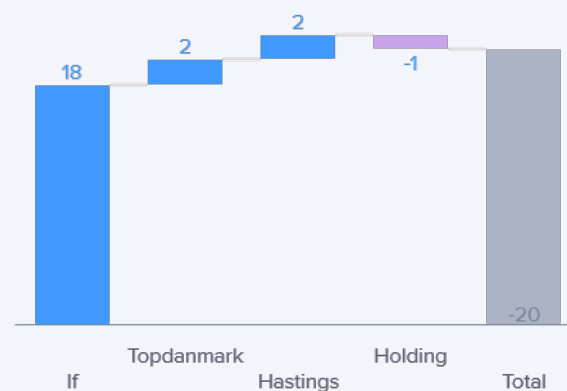
The stock is correctly priced

Overall, we see Sampo's share as correctly priced. The expected return on the stock relies mainly on dividends, which we do not consider sufficient compensation in the current interest rate environment. In our view, a better expected return would require faster-than-expected earnings growth.

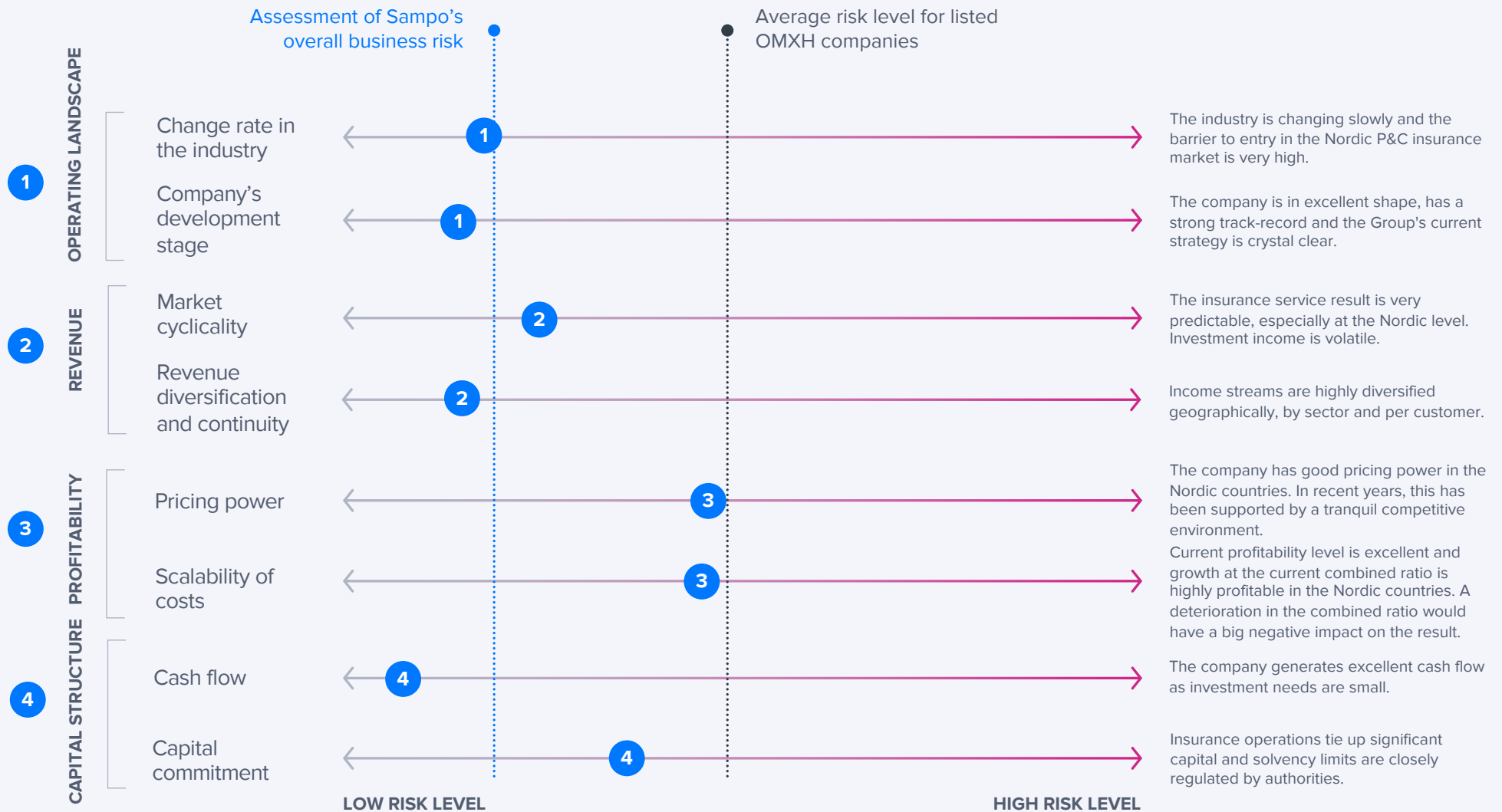
Valuation	2024e	2025e	2026e
Share price	39.5	39.5	39.5
Number of shares, millions	493.5	482.0	482.0
Market cap	19427	19427	19427
P/E (adj.)	16.9	15.6	15.1
P/E	16.9	15.6	15.1
P/B	2.6	2.5	2.4
Payout ratio (%)	85.2 %	83.0 %	72.8 %
Dividend yield-%	5.1 %	5.2 %	4.7 %

Source: Inderes

Sum of the parts	New	Old
If	17,500	17,500
Topdanmark	1,860	1,896
Hastings	1,800	1,600
Holding (incl. liabilities and investments)	-1,015	-1,350
Total (EUR)	20,146	19,646
Per share (EUR)	40.1	39.2



Risk profile of the business model



Investment profile



1.

Excellent track record of profitable growth in P&C insurance

2.

The Nordic P&C insurance market is exceptionally attractive

3.

Stable and increasing dividends and extra capital repayments

4.

Acquisition of the Topdanmark minority and possible other M&A transactions

5.

The increase in interest rates raises investment income, but may put pressure on the competitive situation and underwriting profitability

Potential

- Growth in insurance business in the Nordic countries
- Hastings' growth
- Acquisition of the Topdanmark minority and major synergies
- Other M&A transactions
- Higher interest rates improve investment income
- Exit from PE investments

Risks

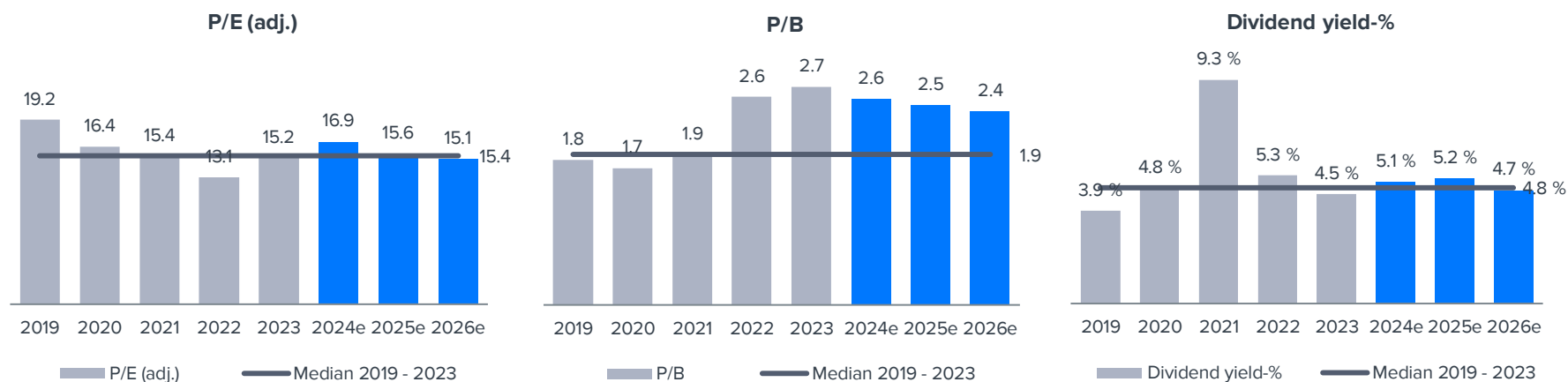


- The tightening competitive situation of the Nordic P&C insurance market
- The increase in interest rates may weaken the underwriting result through increased price competition
- Sampo's valuation multiples have downward pressure if the insurance service result weakens

Valuation table

Valuation	2019	2020	2021	2022	2023	2024e	2025e	2026e	2027e
Share price	38.9	35.3	44.1	48.8	39.6	39.5	39.5	39.5	39.5
Number of shares, millions	556.6	556.6	554.3	530.3	508.0	493.5	482.0	482.0	482.0
Market cap	21609	19593	24109	25108	19876	19427	19427	19427	19427
P/E (adj.)	19.2	16.4	15.4	13.1	15.2	16.9	15.6	15.1	13.8
P/E	19.2	>100	9.5	12.3	15.2	16.9	15.6	15.1	13.8
P/B	1.8	1.7	1.9	2.6	2.7	2.6	2.5	2.4	2.3
Payout ratio (%)	73.7 %	2484.5 %	87.3 %	63.5 %	68.3 %	85.2 %	83.0 %	72.8 %	90.0 %
Dividend yield-%	3.9 %	4.8 %	9.3 %	5.3 %	4.5 %	5.1 %	5.2 %	4.7 %	6.4 %

Source: Inderes



Peer group valuation

Peer group valuation Company	Market cap MEUR	P/E		Dividend yield-%		P/B
		2024e	2025e	2024e	2025e	2024e
Tryg	12115	15.8	14.9	5.8	6.3	2.2
Gjensidige	7436	14.9	13.5	5.5	6.0	3.5
Topdanmark	3763	20.3	18.4	4.7	5.1	5.5
ALM	2555	19.6	13.6	5.9	9.8	1.4
Storebrand	3765	10.0	9.9	5.0	5.4	1.3
Admiral	8952	18.2	16.3	5.0	5.7	7.2
Direct Line	2466	10.0	6.9	9.0	11.1	1.0
Zurich Insurance Group	68883	13.0	12.2	6.1	6.5	2.7
Allianz	96480	9.9	9.3	5.3	5.6	1.6
Assicurazioni Generali	32028	8.5	8.0	6.4	6.8	1.1
Sampo (Inderes)	19427	16.9	15.6	5.1	5.2	2.6
Average		14.0	12.3	5.9	6.8	2.8
Median		14.0	12.9	5.6	6.1	1.9
Diff-% to median		21%	21%	-10%	-15%	35%

Source: Refinitiv / Inderes

Income statement

Income statement	2022	Q1'23	Q2'23	Q3'23	Q4'23	2023	Q1'24e	Q2'24e	Q3'24e	Q4'24e	2024e	2025e	2026e	2027e
Premiums written	7267	1799	1820	1881	2035	7535	2038	2075	2119	2099	8331	8774	9092	9424
If P&C	5024	1235	1231	1264	1266	4996	1309	1305	1326	1329	5269	5427	5590	5758
Topdanmark	1255	318	317	321	332	1288	342	344	348	358	1392	1572	1604	1636
Hastings	988	246	272	296	437	1251	387	426	444	412	1670	1775	1898	2030
Mandatam	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)	1786	359	363	390	369	1481	386	408	409	403	1606	1693	1746	1900
EBIT	1924	359	363	390	369	1481	386	408	409	403	1606	1693	1746	1900
If P&C	1550	337	320	332	369	1358	325	316	318	326	1284	1317	1328	1367
Topdanmark	157	63	42	38	19	162	51	65	63	52	230	246	270	291
Hastings	107	10	17	43	59	129	29	45	48	48	170	208	224	242
Holding	146	-45	-15	-21	-79	-160	-19	-19	-19	-23	-79	-78	-76	0
Mandatam	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PTP	1924	359	363	390	369	1481	386	408	409	403	1606	1693	1746	1900
Taxes	-384	-91	-81	-79	-88	-339	-85	-90	-90	-89	-353	-372	-384	-418
Minority interest	-114	-26	-18	-17	-9	-70	-22	-27	-26	-22	-98	-101	-104	-107
Net earnings	2107	271	306	363	383	1323	279	291	293	292	1155	1220	1258	1375
EPS (adj.)	3.71	0.53	0.61	0.72	0.76	2.64	0.57	0.59	0.59	0.59	2.34	2.53	2.61	2.85
EPS (rep.)	3.97	0.53	0.61	0.72	0.76	2.60	0.57	0.59	0.59	0.59	2.34	2.53	2.61	2.85

Balance sheet

Assets	2022	2023	2024e	2025e	2026e
Non-current assets	19463	19727	19765	19803	19841
Goodwill	0.0	0.0	0.0	0.0	0.0
Intangible assets	3322	3637	3672	3707	3742
Tangible assets	329	318	321	324	327
Associated companies	11.7	12.0	12.0	12.0	12.0
Other investments	15789	15757	15757	15757	15757
Other non-current assets	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	11.0	3.0	3.0	3.0	3.0
Current assets	19749	4497	4966	5187	5346
Inventories	0.0	0.0	0.0	0.0	0.0
Other current assets	15617	800	800	800	800
Receivables	1820	2282	2083	2194	2273
Cash and equivalents	2312	1415	2083	2194	2273
Balance sheet total	39212	24224	24731	24990	25187

Source: Inderes

Liabilities & equity	2022	2023	2024e	2025e	2026e
Equity	10178	7687	7939	8175	8421
Share capital	98.0	98.0	98.0	98.0	98.0
Retained earnings	8482	6378	6630	6866	7112
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	1038	787	787	787	787
Minorities	560	424	424	424	424
Non-current liabilities	14484	15197	15452	15476	15426
Deferred tax liabilities	506	567	567	567	567
Provisions	6.0	0.0	0.0	0.0	0.0
Interest bearing debt	3087	2914	3169	3193	3143
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	10885	11716	11716	11716	11716
Current liabilities	14550	1340	1340	1340	1340
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	14550	1340	1340	1340	1340
Balance sheet total	39212	24224	24731	24990	25187

DDM calculation

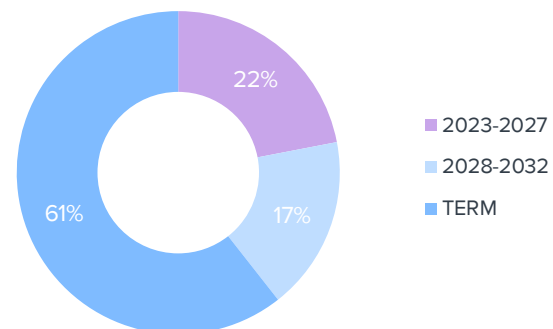
DDM valuation (MEUR)	2023	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	TERM
Sampo's result	1323	1155	1220	1258	1375	1240	1225	1248	1272	1297	1297
Dividend	903	984	1012	915	1238	1116	1103	1124	1145	1167	22671
-Payout ratio	68%	85%	83%	73%	90%	90%	90%	90%	90%	90%	
Dividend growth-%	-32.5 %	8.9 %	2.9 %	-9.5 %	35.2 %	-9.9 %	-1.2 %	1.9 %	1.9 %	1.9 %	2.0 %
Discount rate	910	924	886	748	942	792	730	694	659	626	12166
Cumulative discount rate	20078	19168	18244	17357	16610	15667	14875	14145	13452	12792	12166

Equity value, DDM	20078
Per share EUR	40.0

Cost of equity

Risk-free interest	2.5%
Market risk premium	4.8%
Company Beta	1.00
Liquidity premium	0.0%
Cost of equity	7.3%
WACC-%	6.7%

Cash flow breakdown



Summary

Income statement	2021	2022	2023	2024e	2025e	Per share data	2021	2022	2023	2024e	2025e
Premiums written	9746	7267	7535	8331	8774	EPS (reported)	4.63	3.97	2.60	2.34	2.53
PTP	3172	1924	1481	1606	1693	EPS (adj.)	2.86	3.71	2.60	2.34	2.53
Net profit	2568	2107	1323	1155	1220	Dividend / share	4.10	2.60	1.80	2.00	2.10
Extraordinary items	982	138	0	0	0	Book value / share	23.1	18.1	14.3	15.2	16.1
Balance sheet	2021	2022	2023	2024e	2025e	If key ratios	2021	2022	2023	2024e	2025e
Balance sheet total	61061	39212	24224	24731	24990	Premiums written	4772	5024	4996	5269	5427
Equity capital	13464	10178	7687	7939	8175	Growth in premiums written-%	6.0 %	5.3 %	-0.6 %	5.5 %	3.0 %
ROE-%	21.2 %	18.8 %	15.7 %	15.6 %	16.0 %	Investment income	174	278	871	582	578
						Combined ratio-%	81.3 %	86.6 %	83.1 %	83.2 %	83.0 %
						Risk ratio-%	59.9 %	65.0 %	61.9 %	62.0 %	62.0 %
						Cost ratio-%	21.4 %	21.6 %	21.2 %	21.2 %	21.0 %

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

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.

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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 €



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Inderes Oyj

Itämerentori 2

FI-00180 Helsinki, Finland

+358 10 219 4690

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