

Talenom

Post-results report Q2 2021



First disseminated
3.8.2021 12:52

Robust growth with high valuation

- Talenom's growth gathered momentum in Q2, as expected, driven by acquisitions. It is positive that organic growth has also returned to pre-corona levels. Acquisitions will weigh on relative profitability in the short term, but the higher automation rate of the Finnish accounting business underpins expectations of profitability improving in the long term in Finland as well as in Sweden within a few years. As a result of a share price rise, we have downgraded our recommendation to Reduce (from Accumulate) with a target price of EUR 16.00.
- Q2:** Sales growth (+30%) clearly picked up speed from the Q1 level (+17%), bolstered by acquisitions. Organic growth represented around one-third of growth in H1 and had returned to pre-corona levels in late spring, according to the company. The EBIT margin missed forecasts, but the company said that the profitability of Finnish operations improved YoY, excluding the dampening effect of acquisitions.
- Outlook:** Talenom repeated its previous guidance and expects net sales of EUR 80–84m and operating profit of EUR 14–16m in 2021. In our view, the company's long-term growth projects are progressing as planned. Talenom expanded operations to Spain in July and has fortified its position in Finland and Sweden as well through acquisitions in the early part of the year. Growth projects will weigh on relative profitability in 2021, but the rise of the automation rate to above 75% in bookkeeping in Finland (H1 2020: 68%) and to above 50% in payroll accounting (0%) will support a margin improvement in the coming years. In turn, the establishment of a bridgehead in the vast market of Spain creates a new, interesting source of growth over the longer term. Talenom's growth story has become slightly stronger again.
- Target price:** As a result of the brighter growth outlook, we accept an EV/EBITDA multiple 18x (prev. 16.5x) for Talenom for 2023, which corresponds to an EV/EBIT multiple 28x. The value indicated by the DCF model is EUR 15.70 per share. As a result of these valuation methods and our updated forecasts, our target price rises to EUR 16.00 (prev. EUR 14.50).

Recommendation **REDUCE**
Downgraded (prev. ACCUMULATE)

Target price (€) **16,00**
(prev. 14,50)

Price (€)*	16,12
High (12m)	16,82
Low (12m)	7,94
Market cap (M€)	704
Index weight	0,2 %
Beta	0,80
Ticker	TNOM
Next report date	1.11.2021

Performance	1m	3m	12m
Price (€)	14,22	13,32	9,32
Change	13,4 %	21,0 %	73,0 %



Source: OP Markets, Bloomberg, *) as of 3.8. 12:15

Talenom

EURm	2018	2019	2020	2021e	2022e	2023e
Sales	48.9	58.0	65.2	82.8	96.8	111.4
Sales Growth (%)	18.1 %	18.6 %	12.4 %	27.1 %	16.9 %	15.0 %
EBIT	8.5	10.4	12.9	15.2	20.5	25.6
EBIT (%)	17.5 %	18.0 %	19.8 %	18.4 %	21.2 %	23.0 %
PTP	8.0	9.6	12.0	14.4	19.7	24.8
EPS	0.15	0.18	0.22	0.27	0.37	0.46
DPS	0.09	0.13	0.15	0.17	0.20	0.23
Yield (%)	2.9 %	1.7 %	1.0 %	1.0 %	1.2 %	1.4 %
EV/Sales	3.0	5.9	10.4	9.3	7.9	6.8
EV/EBITDA	10.9	18.0	29.0	27.9	22.5	18.8
P/E	20.6	40.8	67.7	63.0	45.7	36.2
P/B	7.0	13.2	20.1	19.4	15.8	12.5
ROE	34 %	32 %	30 %	31 %	35 %	34 %
ROCE	19 %	17 %	17 %	16 %	21 %	25 %
Equity Ratio	36 %	33 %	37 %	37 %	41 %	47 %
Gearing	96 %	116 %	87 %	99 %	69 %	42 %

Source: OP Markets



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Investment case

- **Defensive growth market:** In 2019, the Finnish accounting market totalled around EUR 1.2bn. Annual growth in this market was 5.4% on average in 2001–2019, which is clearly faster than economic growth in general. In addition to healthy growth, the sector is very defensive – the sector grew even during the financial crisis in 2008–2009.
- **Competitive advantage in technology and service:** Automation gains and economies of scale are sizeable in this sector, so it is inevitable that consolidation will continue. Digitalisation will accelerate consolidation, as small, manually operating accounting firms do not have sufficient resources to develop their operations. Talenom’s business model is based on efficiency brought by in-house software development, which means that specialists may focus on value-added services. This will improve customer satisfaction and enable additional sales to existing customers.
- **Additional growth from international expansion as well as new services and customer groups:** Talenom expanded operations to Sweden in 2019 and is investigating other European countries for potential expansion. Internationalisation offers significant growth potential for the company. Talenom has profound expertise in contract law and taxation, among other things, and the company’s strategy is to provide services to SMEs widely on matters related to business management. The company has also expanded operations to smaller companies with new business based on digital distribution and enhanced its product offering to banking services, among other things.

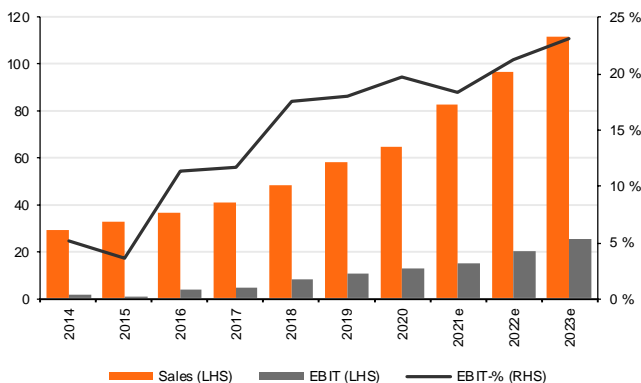
Drivers

- **International expansion:** Talenom’s international expansion started in Sweden in 2019 and now the scope of expansion is considerable. New countries are actively charted.
- **Increasing importance of value-added services:** The automation of accounting has meant that specialists have more time for value-added services, which increases sales per customer and improves customer experience and the personnel’s job satisfaction.
- **Value-creating acquisitions:** Talenom has accelerated acquisitions both in Finland and Sweden in recent years. Talenom has very successfully integrated acquisitions and raised their profitability, which creates shareholder value coupled with inexpensive acquisition prices.

Risks

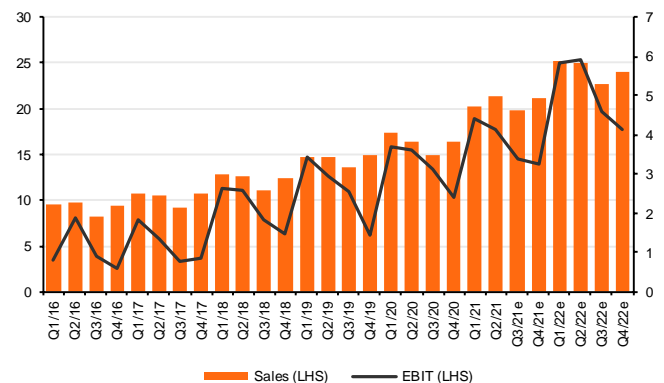
- **Intensifying competition:** Advancing automation and digitalisation in the sector will probably lead to intensifying price competition in the future.
- **Failure in international expansion:** There is not yet any proof that the profitability of business operations in Sweden can be raised through the localisation of software that increases automation.
- **Goodwill and intangible rights:** The amount of goodwill and intangible rights is high in Talenom’s balance sheet. If profitability declined sharply, these items would involve uncertainty. However, in our view the risk is very low.

Annual sales and EBIT



Source: OP Markets

Quarterly sales and EBIT



Source: OP Markets

Q2 results

Talenom's sales topped forecasts, but profitability was weaker than expected. However, the profitability of Finnish operations increased YoY, excluding the impact of acquisitions.

Talenom						
EURm	Q2/21a	vs. OP	Q2/2021e		Q2/20a	Growth YoY
			OP	Cons.		
Sales	21.4	1 %	21.1	21.1	16.5	30 %
EBIT (adjusted)	4.1	-5 %	4.4	4.4	3.6	15 %
EBIT margin	19.4 %		20.7 %	20.9 %	21.8 %	
PTP	3.8	-8 %	4.2	4.2	3.4	14 %
EPS, reported	0.07	-10 %	0.08	0.08	0.06	14 %

Source : OP Markets and FactSet

Forecast revisions

Talenom announced two acquisitions in July. The company expanded to Spain by acquiring Avail Services (Avalanding) and strengthened its position in Sweden by acquiring YOUNited Professionals. We have updated our forecasts as a result of the Q2 report and the before-mentioned acquisitions. Due to the higher sales forecast, our EBIT forecasts for 2022–2023 have also risen mildly.

Forecast revisions

EURm	2021			2022			2023		
	New	Old	Diff.	New	Old	Diff.	New	Old	Diff.
Total sales	82.8	81.4	2 %	96.8	93.6	3 %	111.4	107.6	3 %
Sales growth	0.0%	0.0%		16.9%	15.0%		15.0%	15.0%	
EBIT	15.2	15.5	-2 %	20.5	20.2	2 %	25.6	25.0	3 %
Margin	18.4 %	19.1 %		21.2 %	21.6 %		23.0 %	23.2 %	
PTP	14.4	14.8	-3 %	19.7	19.4	2 %	24.8	24.2	3 %
EPS	0.27	0.27	-3 %	0.37	0.36	2 %	0.46	0.45	3 %

Source: OP Markets

Talenom's acquisitions in 2017-2021

Acquired company	Location	Staff	Sales	Result	Transaction price	Additional transaction price (max.)	EV/S (max.)
2017							
Trust Accounts TKG	Kuopio	17	1.2	0.1	0.5		0.4
2018							
Tiltoimisto K Ollila	Oulu			0.5			
Tiltoimisto Tuloslaskenta and ATT yrityspalv.				1.4			
2019							
Wakers Consulting	Stockholm	30	2.6	0.4	2.6		1.0
Wasa Tilit and WT Företagstjänster	Vaasa	30	2.2	0.2	1.6		0.7
2020							
Addvalue Advisors	Vantaa	6	0.5	0.1	0.3		0.5
Niva Ekonomi AB	Stockholm	17	1.4	0.2	1.1	0.2	0.9
Frivision	Gothenburg and Malmö	20	1.4	0.0	1.4	0.6	1.4
Larsen & Co Tiltoimisto	Helsinki	17	1.4	0.2	1.0		0.7
Ekonomianalys and Persson&Thorin	Järfälla, Växjö	42	3.5	0.3	2.9	2.3	1.5
2021							
Balance Systems and Laskentalinja	Kemi and Kuopio		0.9		0.6	0.3	1.0
Tilipalvelu Pirkko Kemppainen	Ivalo, Rovaniemi	5	0.4		0.2	0.1	0.8
Crescendo and Progredo	Nacka, Östersund, Åre	25	2.3	0.3	2.2	0.4	1.1
AC-Tilit and Tiltoimisto Reijo Mäki	Espoo and Hämeenlinna		0.6		0.3		0.5
Balance-Team	Helsinki	20	2.7	1.0	5.3		2.0
Lapin Tulostieto	Tornio, Ylitornio, Kolari	7	0.5				
Avail Services SL	Barcelona	16	0.9	0.0	1.9	1.5	3.8
YOUNited Professionals	Nyköping	14	1.2	0.3	1.3	0.2	1.3

Source: Talenom, Asiakastieto, OP Markets, OP's estimates marked with grey

Peer companies

It is difficult to find listed peer companies for Talenom. The company's operating model differs from companies that provide accounting services, such as Aallon Group which is listed in Finland, but also from software houses, such as Admicom or Fortnox.

We have gathered four types of peer companies in the table below: (1) Finnish service companies of which Enento (former Asiakastieto) we think is closest based on the defensive nature of its business and good competitive position, (2) Nordic IT service firms that sell specialist work, (3) Nordic software houses and (4) accounting service providers.

As shown by the table, there are great valuation differences between the companies. The valuations of software houses whose profitability and growth are high are naturally higher compared with service companies whose business is clearly less scalable.

In terms of sales growth and profitability, Talenom is between software houses and service companies.

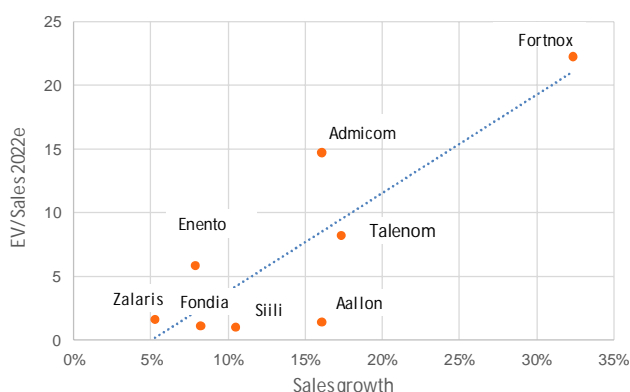
Peer valuation

Company	MCAP EURm	EV/Sales			EV/EBITDA			EV/EBIT			P/E		
		2021e	2022e	2023e	2021e	2022e	2023e	2021e	2022e	2023e	2021e	2022e	2023e
Finnish peer companies													
Enento Group Oyj	928	6.4x	5.9x	5.4x	17.4x	15.1x	13.6x	27.5x	22.8x	20.1x	32.0x	27.4x	24.0x
Fondia Oyj	31	1.2x	1.1x	na.	10.7x	8.1x	na.	13.5x	10.4x	na.	21.1x	16.3x	12.8x
Gofore Plc	284	na.	na.	na.	na.	na.	na.	na.	na.	na.	22.7x	20.5x	18.6x
Siili Solutions Oy	111	1.2x	1.0x	na.	9.7x	7.7x	na.	16.4x	11.9x	na.	14.0x	11.5x	11.5x
Nordic software firms													
Admicom Oyj	456	17.7x	14.8x	12.4x	37.6x	31.8x	26.3x	38.9x	32.6x	26.7x	50.7x	43.0x	35.8x
Fortnox AB	2,780	29.1x	22.2x	16.9x	70.1x	51.2x	37.0x	87.2x	62.2x	43.8x	111.8x	80.9x	58.0x
Accounting service providers													
Zalaris ASA	125	1.9x	1.7x	1.5x	11.7x	9.8x	10.1x	18.8x	14.7x	11.6x	21.7x	17.6x	12.5x
Aallon Group Oyj	44	1.7x	1.4x	na.	12.1x	9.8x	na.	13.7x	10.9x	na.	18.3x	15.0x	14.3x
Talenom Oyj	728	9.4x	8.3x	7.2x	27.8x	23.4x	20.2x	49.6x	39.9x	32.9x	62.5x	50.7x	41.3x
Median -Finnish companies		1.2x	1.1x	5.4x	10.7x	8.1x	13.6x	16.4x	11.9x	20.1x	21.9x	18.4x	15.7x
Median - Nordic software firms		23.4x	18.5x	14.6x	53.8x	41.5x	31.6x	63.1x	47.4x	35.2x	81.3x	62.0x	46.9x
Median - Accounting service providers		1.9x	1.7x	4.4x	12.1x	9.8x	15.1x	18.8x	14.7x	22.2x	21.7x	17.6x	14.3x
Talenom (OP)		9.3x	7.9x	6.8x	27.9x	22.5x	18.8x	50.4x	37.1x	29.4x	63.0x	45.7x	36.2x

Source: FactSet, OP (2 Aug 2021)

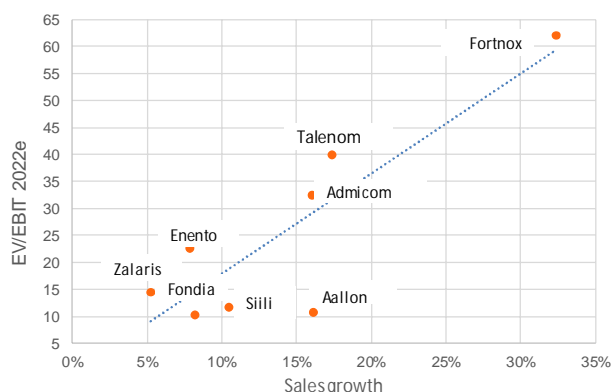
Based on the comparison, the predicted high average sales and earnings growth for the next few years (CAGR 2020–2023e) lifts the valuation multiples sharply. We have included the companies on the previous page in the graphs below. The forecasts are consensus forecasts.

EV/Sales 2022e and sales growth 2020-23e (CAGR)



Source: Consensus forecasts FactSet (2 August 2021)

EV/EBIT 2022e and sales growth 2020-23e (CAGR)



Source: Consensus forecasts FactSet (2 August 2021)

Financial performance and forecasts

Talenom - Segments by Quarter

EURm	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21
Total sales	17.4	16.5	14.8	16.5	20.3	21.4	19.9	21.3
Sales growth (YoY)	17 %	12 %	10 %	10 %	17 %	30 %	34 %	29 %
Total EBIT	3.7	3.6	3.1	2.4	4.4	4.1	3.4	3.3
Margin	21.4 %	21.8 %	21.2 %	14.7 %	21.7 %	19.4 %	17.1 %	15.4 %
PTP	3.5	3.4	2.9	2.2	4.2	3.8	3.2	3.1
EPS	0.07	0.06	0.05	0.04	0.08	0.07	0.06	0.06

Source: OP Markets

Income Statement

EURm	2017	2018	2019	2020	2021e	2022e	2023e
Sales	41.4	48.9	58.0	65.2	82.8	96.8	111.4
EBITDA	9.5	13.7	18.9	23.3	27.5	33.9	40.0
Depreciation	4.7	5.1	8.5	10.4	12.2	13.4	14.4
EBIT	4.8	8.5	10.4	12.9	15.2	20.5	25.6
Financials	-0.5	-0.6	-0.8	-0.9	-0.9	-0.8	-0.8
PTP	4.3	8.0	9.6	12.0	14.4	19.7	24.8
Taxes	0.9	1.6	2.0	2.4	2.9	3.9	5.0
Net profit	3.4	6.4	7.6	9.6	11.4	15.8	19.9
EPS, reported	0.08	0.15	0.18	0.22	0.27	0.37	0.46
DPS	0.05	0.09	0.13	0.15	0.17	0.20	0.23

Source: OP Markets

Balance Sheet

EURm	2017	2018	2019	2020	2021e	2022e	2023e
Assets:							
Goodwill	18	18	21	24	30	30	30
Other intangibles	14	19	25	34	43	47	53
Tangible assets	3	2	11	10	10	10	10
Investments	0	0	0	0	0	0	0
Inventory	0	0	0	0	0	0	0
Receivables	5	5	7	7	9	10	12
Short-term investments	0	0	1	2	2	2	3
Cash and bank	5	6	8	9	7	10	13
Total assets	46	51	72	87	102	110	122
Liabilities:							
Share capital	0	0	0	0	0	0	0
Other restricted share capital	0	0	0	0	0	0	0
Retained earnings	14	19	24	32	37	45	58
Minority interest	0	0	0	0	0	0	0
Shareholders equity total	14	19	24	32	37	45	58
Provisions	0	0	0	0	0	0	0
LT interest bearing debt	23	24	35	37	44	41	37
LT non-interest bearing debt	0	0	0	0	0	0	0
Other long-term debt	0	0	1	2	2	2	3
ST interest bearing debt	1	0	0	0	0	0	0
ST non-interest bearing debt	9	9	13	16	19	22	24
Total liabilities	46	51	72	87	102	110	122

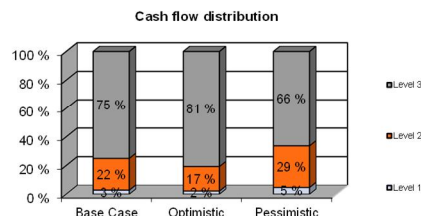
Source: OP Markets

Cash flow forecasts

CASH FLOW PROJECTIONS

EURm	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Revenues	83	97	111	127	144	163	183	204	221	237	249
Revenue growth	27.1 %	16.9 %	15.0 %	14.3 %	13.5 %	12.9 %	12.2 %	11.6 %	8.0 %	7.5 %	5.0 %
EBIT	15	21	26	29	33	37	41	45	48	52	54
EBIT margin	18.4 %	21.2 %	23.0 %	22.8 %	22.7 %	22.5 %	22.3 %	22.1 %	21.9 %	21.8 %	21.6 %
Gross Investments	27	20	20	20	22	23	26	28	30	32	32
Gross inv./depreciation	2.2	1.5	1.4	1.3	1.3	1.2	1.2	1.1	1.1	1.1	1.1
Free cash flow	-2	11	16	20	24	28	31	36	37	40	43

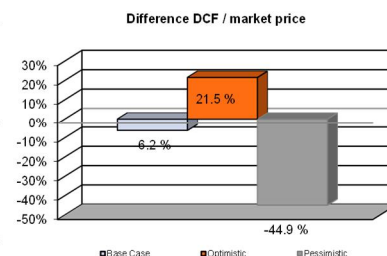
FCF	Base Case		Optimistic		Pessimistic	
	growth	% pv*	growth	% pv	growth	% pv
Level 1						
2021						
:	108.0 %	3 %	108.0 %	2 %	108.0 %	5 %
2023						
Level 2						
2024						
:	13.1 %	22 %	15.6 %	17 %	10.6 %	29 %
2031						
Level 3						
2032						
	3.0 %	75 %	3.5 %	81 %	1.0 %	66 %
PV total	723	100 %	926	100 %	441	100 %



* Level share of present value cash flows

IMPLIED SHARE PRICE vs CURRENT SHARE PRICE

Talenom	Base Case	Optimistic	Pessimistic
Present value FCF	723	926	441
- debt (int.-bearing)	49	49	49
- minority interest	0	0	0
+ fin. investments	0	0	0
+ cash and bank	11	11	11
PV shareholder equity	685	888	403
No. of shares (million)	43.7	43.7	43.7
Implied share price	15.7	20.3	9.2
Current share price	16.7	16.7	16.7
Difference (EUR)	-1.0	3.6	-7.5
Difference %	-6.2 %	21.5 %	-44.9 %



SENSITIVITY ANALYSIS

Interest rate sensitivity		Implied share price		
		Base Case	Optimistic	Pessimistic
risk-free rate	1.50 %	18.3	24.3	10.3
	2.00 %	15.7	20.3	9.2
	2.50 %	13.7	17.3	8.3

WACC vs risk-free rate

Risk-fr. r.	1.50 %	2.00 %	2.50 %
CAPM	5.90 %	6.40 %	6.90 %
WACC	6.35 %	6.8 %	7.3 %
	WACC ₂	WACC ₁	WACC ₃

Growth sensitivity		Implied share price					WACC
		Base Case	5.8 %	6.3 %	6.8 %	7.3 %	
	2.00 %	17.2	14.9	13.0	11.5	10.3	
	2.50 %	19.4	16.4	14.2	12.4	11.0	
	3.00 %	22.3	18.5	15.7	13.5	11.9	
	3.50 %	26.4	21.2	17.6	15.0	12.9	
	4.00 %	32.9	25.2	20.2	16.8	14.3	

WACC

Cost of equity capital:

CAPM	
Risk-free rate	2.00 %
Market risk premium	5.50 %
Company beta	0.80
Cost of equity capital	6.40 %

Cost of debt capital:

Risk-free rate	2.00 %
Risk premium	1.50 %
Tax rate	20.0 %
Tax shield on interest exp.	0.70 %
Cost of debt capital	2.80 %

WACC:

Cost of equity capital	6.40 %
Cost of debt capital	2.80 %
Debt ratio (target)	30.0 %
Equity ratio (target)	70.0 %
Liquidity premium	1.50 %
WACC	6.8%

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OP Corporate Bank plc mainly uses the following valuation methods when determining target prices on shares: DCF = Discounted Cash Flow, peer group valuation, analysis based on absolute valuation parameters, analysis based on historical valuation parameters, sum-of-parts, analysis based on market and company outlook, analysis based on news flow.

OP's Research team has abandoned the Neutral recommendation as of 1 October 2020 and started to use a new four-rank recommendation structure: Buy, Accumulate, Reduce and Sell. The recommendation is relative to the expected return of the share within the next 12 months. If the return of the share is expected to exceed 15% within the next 12 months, the recommendation is Buy. If the expected return is 5–15% within the next 12 months, the recommendation is Accumulate. If the expected return is (-5)–(5)% within the next 12 months, the recommendation is Reduce. If the expected return is below (-5%), the recommendation is Sell. Expected return is measured as upside potential of a stock calculated as a percentage difference between target price and current price. This includes dividends.

The recommendations and target prices of OP Corporate Bank plc for shares are principally updated four times a year in connection with the quarterly earnings of the companies. It is always possible to change the recommendations and target prices also at other times, whenever motivated. The updating frequency of recommendations and target prices has not been restricted.

The recommendations or target prices given are based on assumptions that may not be realised and they do not guarantee that the price of the security will perform as estimated. Due to the nature of the securities market, even moderate changes in a company's operations or operating environment or general fluctuations in the securities market can result in considerable changes in value. The past performance of a security does not guarantee its future performance. A numeric sensitivity analysis for the earnings forecasts is provided in connection with the cash flow model. When investing in individual shares, the investor may lose all or part of the investments.

OP Corporate Bank plc's divisions within Banking and Investment Services engage in own-account trading and issuing of financial instruments, and also offer services related to share issues and investment advice regarding financial instruments and engage in selling, buying and brokerage of securities on behalf of clients. As stipulated by the OP Financial Group's conflict of interests' policy, Corporate Finance operations which relate to issuance of financial instruments on behalf of clients are separated from investment research and brokerage operations both physically and

operationally. In addition, it has been identified as a conflict of interests situation that the Chair of OP Corporate Bank plc's Board of Directors is a member of Kesko Corporation's Board of Directors. It is estimated that this conflict of interests situation does not compromise the objectivity and independence of the investment research on Kesko Corporation produced by OP Corporate Bank plc's Research Team.

The analysts of the Research Team and their related parties may own securities issued by the companies analysed by the Research Team. The analysts of OP Corporate Bank plc may receive a merit pay bonus that is subject to the total return of OP Corporate Bank plc or one of its divisions or business areas. The salaries of the analysts are not directly dependent on the execution of an individual investment banking assignment executed by OP Corporate Bank plc or another company pertaining to the same group.

The holdings of OP Corporate Bank plc and other companies pertaining to the same group exceed the 5% limit in Terveystalo Plc and SRV Group Plc through the shareholdings of Pohjola Insurance Ltd. OP Corporate Bank plc or other companies pertaining to the same group do not have holdings of more than 5% in other companies subject to analysis. The exception to OP Financial Group's obligation to disclose shareholdings is applied to this calculation of ownerships in companies subject to analysis. In accordance with the exception, the securities owned by funds managed by OP Fund Management Company Ltd in Finnish companies and the votes carried by such shares are excluded from the ownerships calculated here for the companies pertaining to the same group with OP Corporate Bank plc. The holdings of OP Bank Group Pension Fund and the votes carried by such holdings are also excluded from said ownership and voting rights figures.

OP Corporate Bank plc, or another company pertaining to the same group, does not act as a market maker or other liquidity provider for the stocks of issuers subject to analysis. OP Corporate Bank plc, or another company pertaining to the same group, may, however, act as a market maker or other liquidity provider for the debt instruments of issuers subject to analysis. OP Corporate Bank plc may hold a position in a financial instrument mentioned in this research report.

OP Corporate Bank plc's business functions strive to actively establish relations with different issuers for the provision of various services offered by OP Corporate Bank plc. Within the past 12 months, OP Corporate Bank plc, or another company pertaining to the same group, has acted as a lead manager or co-manager in the public issue or offering of securities by the following companies subject to analysis or has been party to an agreement with an issuer concerning the provision of investment banking services at the time the analysis was released or within the past 12 months*: Ahlstrom-Munksjö, Aspo, CapMan, Caverion, Citycon, Finnair, HKScan, Kojamo, Kreate, Lehto Group, Metso Outotec, Normet Group, Sanoma, Sato, Stora Enso, Tornator and YIT.

OP Corporate Bank plc conducts commission-based equity research for certain companies under coverage where the research has been provided against payment under an agreement concluded with the company under coverage. The payment charged on this kind of research is not significant from OP Corporate Bank plc's perspective, and OP Corporate Bank plc estimates that it does not compromise the independence of OP Research. At the time of dissemination of this report, OP Corporate Bank plc had an agreement on commission-based research with the following companies: Exel Composites, Rapala, Scanfil and Talenom.

Recommendations and target price history			Talenom	
Recommendation	Target price (€)	Price (€)	Date	
REDUCE	16.0	16.7	3.8.2021	Recommendation and target price change
ACCUMULATE	14.5	13.6	9.6.2021	

The recommendation breakdown of OP Corporate Bank plc for all companies under its coverage and for the aforementioned* companies OP Corporate Bank plc or another company pertaining to the same group has been party to an agreement with concerning the provision of investment banking services:

Share recommendation breakdown (as of 10 May 2021)				
Recommendation	All Companies		Inv. Banking Relationships*	
	Count	%	Count	%
BUY	12	16	2	15
ACCUMULATE	35	47	6	46
REDUCE	21	28	4	31
SELL	7	9	1	8
	75	100	13	100

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