

# MANDATUM

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**COMPANY REPORT**



# No drama behind the earnings figures

Mandatum's most important income line, fee result, was below our Q1 estimate, but this did not cause a material change in the company's outlook. Despite the strong growth outlook, we still consider the stock highly priced, so we reiterate the Reduce recommendation. However, we revise our target price to EUR 6.4 per share (was EUR 6.3) in line with our dividend model.

## Earnings miss was mainly due to quarterly fluctuations in balance sheet investments

Mandatum published a Q1 result that was clearly below our expectations. This was mainly due to a larger-than-expected net finance loss, which is not particularly relevant to investors. However, fee result, which is the most important item for the Group's value, also decreased from the previous quarter and fell somewhat short of both our and consensus expectations. This was partly due to timing-related factors, although the company's growth investments also had a moderately negative impact on profitability in the short term. However, we do not see a material change in the company's scalable growth story. Wealth and asset management sales continued to perform strongly, which underlines the good competitiveness of the company's products.

## Asset management is the Group's long-term earnings driver

We now estimate that Mandatum's profitability will scale significantly for several more years, whereas previously we had estimated this to be most pronounced in 2026. As a result, our fee income forecasts for 2026–2027 decreased, but our longer-term forecasts increased. However, the decrease in 2026 forecasts is mainly due to weak Q1 investment income. Our earnings forecasts for the Group for 2027–2028, on the other hand, remain almost unchanged.

Overall, we expect Mandatum's Group-level profit to bottom out in 2026. For 2027, we expect strong earnings growth as investment income normalizes and fee income continues its

robust growth. Going forward, we expect the Group's earnings to continue growing, but at a more moderate rate. While we anticipate a significant increase in Mandatum's wealth and asset management earnings, the decline in the investment portfolio will impede earnings growth, maintaining a moderate earnings growth rate for the Group in our forecasts. However, the earnings mix is continuously improving as the share of wealth and asset management increases.

The flip side of the reduction in the investment portfolio is that profit distribution will remain generous, as Mandatum will return the funds released from this to its shareholders. In the coming years, the focus of dividend distribution will be strongly on returning excess capital, with accumulated earnings playing a smaller role. Consequently, our estimates indicate that the dividend per share will exceed earnings per share by a clear margin.

## Expectations for the stock are too demanding

Mandatum's expected return relies heavily on high dividend returns. We have gauged the value of Mandatum first and foremost by using the dividend discount model as it best reflects the company's high payout ratio and the unwinding of its overcapitalized balance sheet. Our DDM model indicates a value of some EUR 6.4 for Mandatum (was EUR 6.3). The increase from our previous update is explained by a rise in long-term (2027-) growth estimates. According to our dividend model, the value is below the share price, so we consider the share to be fully priced. Also, when looking at the sum-of-the-parts, Mandatum's asset management is priced at a significant premium relative to its domestic peers, which sets an extremely high bar for performance. However, the high dividend yield also limits the share's downside, and, with excellent operational performance continuing, there are no clear downward drivers for the share.

## Recommendation

**Reduce**

(was Reduce)

## Target price:

**EUR 6.40**

(was EUR 6.30)

## Share price:

EUR 6.53

## Business risk



## Valuation risk



## Key figures

	2025	2026e	2027e	2028e
<b>Profit before tax</b>	182.0	127.8	187.0	192.1
<b>Net income</b>	110.7	153.3	157.5	160.1
<b>EPS (adj.)</b>	0.31	0.22	0.30	0.31
<b>DPS</b>	0.85	0.85	0.57	0.56
<b>Payout ratio</b>	274%	387%	187%	179%
<b>ROE-%</b>	10.3%	8.7%	15.7%	20.4%

<b>P/E (adj.)</b>	22.2	29.7	21.5	20.9
<b>P/B</b>	2.4	3.0	3.9	4.7
<b>Dividend yield-%</b>	12.4 %	13.0 %	8.7 %	8.6 %

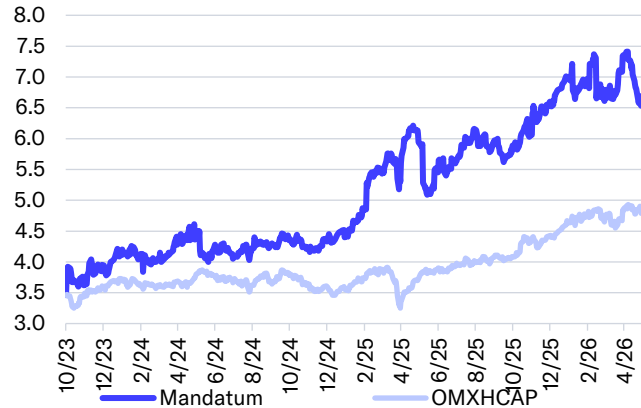
Source: Inderes

## Guidance

(New guidance)

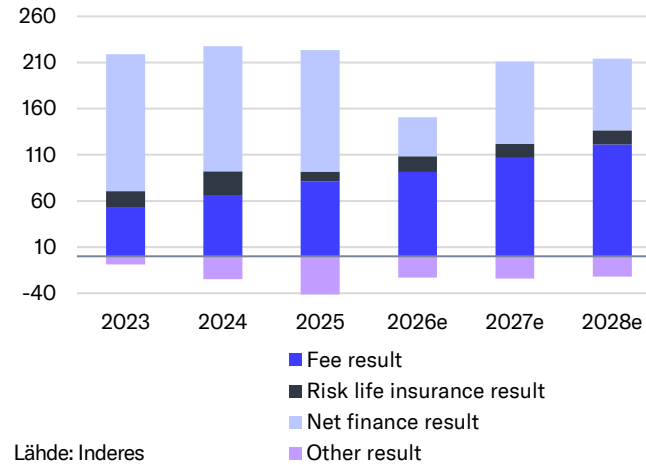
The fee result is expected to increase from 2025, assuming stable market conditions. The with-profit portfolio is expected to decline further.

## Share price



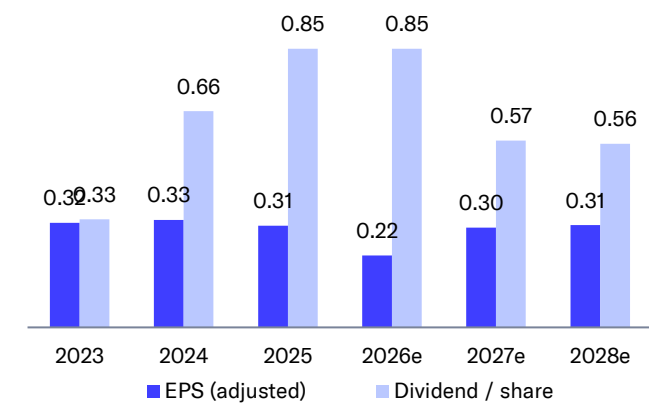
Source: Millstream Market Data AB

## Mandatum's PTP breakdown (MEUR)



Lähde: Inderes

## EPS and dividend



\*Vuodesta 2022 alkaen IFRS 17 -standardin mukaisesti

Lähde: Inderes

## Value drivers

- Growth in capital-light wealth and asset management
- Relative profitability has improvement potential with revenue growth
- With the rise in interest rates, the with-profit business has become clearly more attractive than before
- Release of capital from the with-profit portfolio and from PE investments
- Value creating acquisitions in the asset management sector

## Risk factors

- The company's earnings are highly dependent on investment returns
- Life insurance risks (especially biometric risks)
- Maintaining good return levels for funds
- Adverse changes in the tax legislation on investment insurance

Valuation	2026e	2027e	2028e
<b>Share price</b>	6.53	6.53	6.53
<b>Number of shares, millions</b>	503.7	504.2	504.7
<b>Market cap</b>	3289	3292	3296
<b>P/E (adj.)</b>	29.7	21.5	20.9
<b>P/E</b>	29.7	21.5	20.9
<b>P/B</b>	3.0	3.9	4.7
<b>Payout ratio (%)</b>	386.9 %	187.5 %	179.4 %
<b>Dividend yield-%</b>	13.0 %	8.7 %	8.6 %

Source: Inderes

# Earnings miss was mainly due to quarterly fluctuations in balance sheet investments

## Asset management earnings growth was clearly below expectations

The performance of capital-light businesses was mixed. On the other hand, the Group's sales continued to perform excellently, with the company collecting 248 MEUR in net subscriptions (forecast 240 MEUR). This did not yet include the capital of the new closed-end MAMCO II fixed income fund (>300 MEUR in the first closing), and this capital will strengthen net subscriptions in future quarters as it is gradually invested. AUM also met our expectations, totaling 15.4 BEUR (+1% from the previous quarter), as negative changes in market values dampened the impact of strong new sales.

However, fee income surprisingly declined from the previous quarter. In the report, the company highlighted that the tax deductibility of premiums for voluntary individual pension insurance policies for private individuals will be removed at the beginning of 2027. According to the

company, this will have a negative impact on the Retail Clients segment's fee income starting from Q1. In addition, the company has made some cost investments (mainly recruitment in asset management), which will slightly weigh on profitability in the short term. There were also timing-related factors in the recognition of fee income (fewer days in Q1 than in other quarters, and sales commissions fluctuate between quarters). Thus, we do not consider the forecast deviation dramatic, and in our opinion, the company's scalable growth story is still on track. However, compared to the prior period, the fee result grew by 10% and the cost/income ratio improved from 55% to 49%. We note that the 49% level is already excellent, both in absolute and relative terms, especially as it is achieved without performance fees.

## Earnings miss was mainly due to quarterly fluctuations in balance sheet investments

The result of term life insurance was clearly better than our

estimate. The item was supported by more moderate claims costs than usual, and according to the company, the level was better than average.

Net finance result, however, was significantly more negative than we expected due to the weak performance of the investment portfolio's market values. However, net finance result fluctuates quarterly with market developments, so the significance of the forecast deviation is very small. In addition, net finance result was weighed down by the already announced change in the discount rate.

Due to the lower net finance result, the Group's result also fell short of our estimates by a relatively wide margin. Earnings per share were EUR -0.02 for the quarter. Organic capital generation (EUR 0.10) exceeded EPS, as usual. Organic capital generation is a key figure published by the company that reflects growth in distributable wealth.

Estimates MEUR/EUR	Q1'25	Q1'26	Q1'26e	Q1'26e	Consensus		Diff-%	2026e
	Comparison	Actualized	Inderes	Consensus	High	Low	Act. vs. Inderes	Inderes
Fee result	18.8	20.6	23.2	22.3	21.0 - 23.4		-11%	91.3
Result from term life insurance	2.3	6.2	3.5	3.6	2.0 - 5.2		77%	17.2
Net finance result	51.8	-46.8	-24.0	-19.6	-31.0 - -6.6		-95%	42.3
Other result	-10.9	-6.0	-7.2	-7.3	-10.5 - -4.5		17%	-23.1
Profit before tax	61.9	-25.9	-4.5	-0.9	-10.8 - 15.2		-476%	127.7
Earnings per share (EPS)	0.10	-0.02	-0.01	0.00	-0.02 - 0.02		-100%	0.22
Dividend per share					-			0.87

Source: Inderes, Vara Research (consensus)

# The sale of Saxo Bank shares strengthened solvency

## Solvency strengthened as expected

Mandatum's solvency increased as expected from the previous quarter, as the company completed the sale of Saxo Bank shares. The deal price was 308 MEUR, of which Mandatum used 200 MEUR to repay a bank loan. The Solvency II ratio stood at 203% (Q4'25: 169%). We note that the solvency already accounts for the dividend to be distributed soon. Mandatum's target Solvency II ratio is 160–180%, and thus the company has a clear excess of capital on its balance sheet for dividend distribution in the coming years. Regarding profit distribution, the company tempered expectations for potential extraordinary distributions, and it is highly probable that the balance sheet will be cleared next spring.

Meanwhile, the outlook for the current year is fully in line with expectations, as Mandatum estimates that its fee result will increase from the previous year and that its with-profit portfolio will continue to decrease further. However,

the informative value of this is limited, as we consider both to be almost certain and market expectations are well above this level.

Estimates MEUR/EUR	Q1'25	Q1'26	Q1'26e	Q1'26e	Consensus		Diff-%	2026e
	Comparison	Actualized	Inderes	Consensus	High	Low	Act. vs. Inderes	Inderes
Fee result	18.8	20.6	23.2	22.3	21.0 - 23.4		-11%	91.3
Result from term life insurance	2.3	6.2	3.5	3.6	2.0 - 5.2		77%	17.2
Net finance result	51.8	-46.8	-24.0	-19.6	-31.0 - -6.6		-95%	42.3
Other result	-10.9	-6.0	-7.2	-7.3	-10.5 - -4.5		17%	-23.1
Profit before tax	61.9	-25.9	-4.5	-0.9	-10.8 - 15.2		-476%	127.7
Earnings per share (EPS)	0.10	-0.02	-0.01	0.00	-0.02 - 0.02		-100%	0.22
Dividend per share					-			0.87

Source: Inderes, Vara Research (consensus)

# Forecast changes were largely focused on the current year

## Estimate revisions

- Although Q1 was a disappointment in terms of wealth management profitability, the underlying factors were partly one-off in nature. On the other hand, the company's growth investments also seemed to have a short-term weakening effect on profitability scalability. However, we do not see a material change in the company's scalable growth story. However, we now estimate that profitability will clearly scale for several more years, whereas previously we had estimated this to be most strongly weighted towards 2026. As a result, our fee income forecasts for 2026–2027 decreased, but our longer-term forecasts increased.
- We also made minor upward revisions to our new sales forecasts for the coming years, as the demand outlook remained very strong, and we raised our net financial income forecast in line with rising interest rates.
- Overall, our forecast for the Group's profit before taxes decreased significantly, mainly due to weak investment income in Q1. Our estimates for 2027–2028, on the other hand, remain almost unchanged.

## Operational earnings drivers

- Investment income still plays a significant role in Mandatum's earnings, but the ramp-down of the with-profit portfolio and the already completed sale of PE investments will gradually reduce the weight of balance sheet investments. However, this will also slow down the group's earnings development.
- Wealth and asset management, on the other hand, continues to grow strongly in our estimates, thanks to both value changes and new sales. We expect growth to be strongest among international institutional clients. In Finland, the current strong market position somewhat limits the long-term growth potential in our estimates. We also expect growth in investment solutions for corporate customers (unit-linked pension and insurance products). In the case of private customers, our expectations are modest. Asset and wealth management, on the other hand, continues to grow strongly according to our estimates, thanks to robust new sales.
- The development of term life insurance is expected to continue as stable, as market growth has been modest and the market shares of key players are quite stable. The item also plays a limited role in the Group's current structure, with premium income and investment activities accounting for the majority of revenue.
- In our forecasts, Mandatum's Group-level earnings will bottom out in 2026, after which we expect earnings to develop quite stably. For 2027, we expect more robust earnings growth, as more one-off items will burden the 2026 result. From that point forward, growth in wealth and asset management already offsets the earnings impact of the shrinking with-profit portfolio, but declining investment returns hinder the group's earnings performance in our estimates. Payout remains generous as Mandatum distributes dividends significantly exceeding annual earnings, supported by capital released from investment asset sales.

Estimate revisions	2026e	2026e	Change	2027e	2027e	Change	2028e	2028e	Change
MEUR/EUR	Old	New	%	Old	New	%	Old	New	%
Fee result	97.4	91.3	-6%	110	107	-3%	120	121	1%
Result from term life insurance	13.6	17.2	26%	13.8	15.0	9%	13.9	15.2	9%
Net finance result	91.5	42.3	-54%	90.0	89.1	-1%	74.8	77.7	4%
Other result	-24.4	-23.1	5%	-23.6	-24.0	-2%	-21.6	-21.9	-2%
Profit before tax	178.2	127.7	-28%	190.5	187.0	-2%	187.5	192.1	2%
Earnings per share (EPS)	0.28	0.22	-22%	0.31	0.30	-2%	0.30	0.31	3%
Dividend per share	0.85	0.87	2%	0.57	0.57	0%	0.52	0.56	8%

Source: Inderes

## Mandatum Oyj, Audiocast, Q1'26



# Expectations for the stock are too demanding

We have gauged Mandatum using the dividend model as it best reflects the company's high payout ratio and the ongoing unwinding of its overcapitalized balance sheet. Mandatum's expected return relies heavily on a high dividend yield, as the company is unwinding its overly strong balance sheet. However, the earnings distribution should improve clearly as the focus shifts from the structurally declining with-profit business to the growing capital-light business. While we anticipate a significant increase in Mandatum's wealth and asset management earnings, the decline in the investment portfolio will impede earnings growth, maintaining a moderate earnings growth rate for the group also in the longer term.

Our dividend model indicates that the stock is fully priced, so the investor's expected return at current levels remains insufficient. A higher value would require earnings growth stronger than our current forecasts in asset management or alternatively an even more generous dividend outlook

## Cash flows do not justify current valuation

We believe that the dividend model (DDM) works very well for Mandatum due to the company's modest investment needs (and thus high payout ratio) and decreasing investment assets, which the company distributes as dividends as the with-profit portfolio gradually decreases. Thus, we expect Mandatum to distribute a clearly higher dividend than reported profit in the coming years. As a result, our dividend model takes into account not only the result generated by the operating business, but also the excess capital resulting from the liquidation of the balance sheet, so we believe that the method gives a fairly good picture of Mandatum's fair value.

For the terminal period, we have used a growth assumption

of 2.0%, as the with-profit portfolio is still present in our forecasts at this point, whereby the reduction of the portfolio will still for some time soften the impact of wealth and asset management growth on the group's earnings growth figures. In our calculations, we have also accounted for the assets from the calculation basis that are released only during the terminal period (after 2033) as additional capital, which support the dividend distribution potential. Our DDM model indicates a value of some EUR 6.4 per share for Mandatum (was EUR 6.3).

Our ROE requirement is 8.5%, which is the lowest in the peer group of asset managers. Our estimates do not include possible acquisitions, which we consider quite possible in the coming years. While we believe the conditions for value-creating corporate transactions are better than average, we have assumed their impact to be neutral in our valuation. The biggest forecast risks, on the other hand, relate to the return on the investment portfolio and the growth of asset management.

## Price tag for asset management is high

The price tag for Mandatum's asset management business can also be examined by deducting our determined values for the with-profit portfolio (NAV 1.2 BEUR), risk life insurance business (120 MEUR), group expenses (-250 MEUR), and the parent company's net cash (estimated ~200 MEUR) from the current share price. For asset management, this implies a P/E ratio of almost 30x based on our 2026 earnings forecast. The level is significantly higher than both Finnish peers (eQ, Evli) and international asset management giants. While we consider some kind of premium justified due to the strong growth outlook, the difference is very large, and we find it difficult to justify it.

Valuation	2026e	2027e	2028e
Share price	6.53	6.53	6.53
Number of shares, millions	503.7	504.2	504.7
Market cap	3289	3292	3296
P/E (adj.)	29.7	21.5	20.9
P/E	29.7	21.5	20.9
P/B	3.0	3.9	4.7
Payout ratio (%)	386.9 %	187.5 %	179.4 %
Dividend yield-%	13.0 %	8.7 %	8.6 %

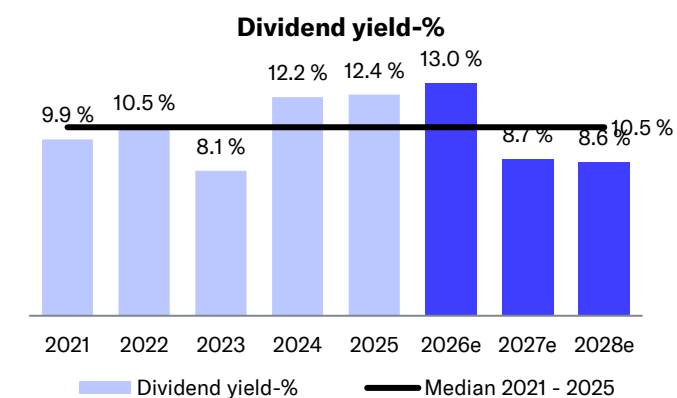
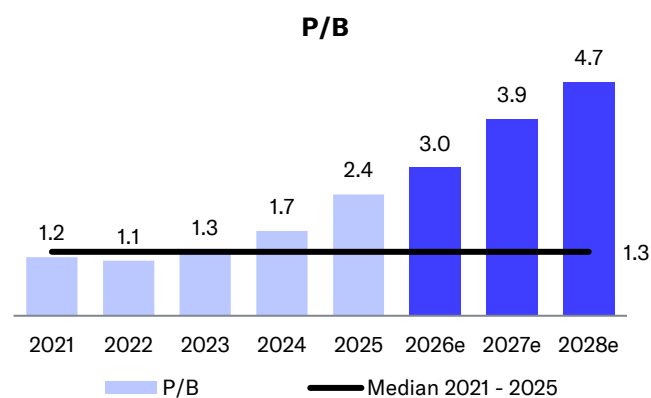
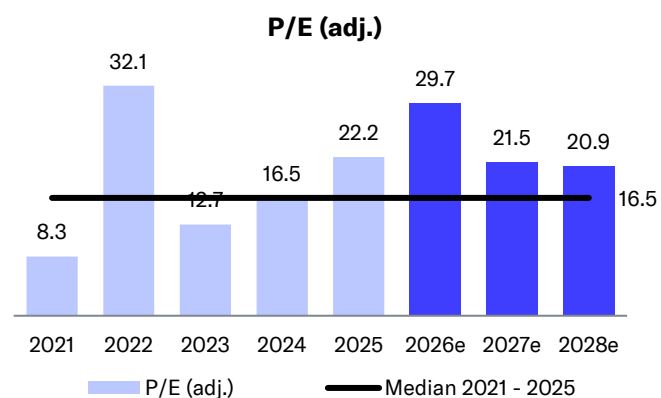
Source: Inderes

# Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	3.70	3.70	4.07	5.40	6.88	<b>6.53</b>	<b>6.53</b>	<b>6.53</b>	<b>6.53</b>
Number of shares, millions	548.0	501.8	501.8	502.7	502.7	<b>503.7</b>	<b>504.2</b>	<b>504.7</b>	<b>505.2</b>
Market cap	2028	1857	2042	2715	3459	<b>3289</b>	<b>3292</b>	<b>3296</b>	<b>3299</b>
P/E (adj.)	8.3	32.1	12.7	16.5	22.2	<b>29.7</b>	<b>21.5</b>	<b>20.9</b>	<b>20.6</b>
P/E	8.3	32.1	12.7	16.5	22.2	<b>29.7</b>	<b>21.5</b>	<b>20.9</b>	<b>20.6</b>
P/B	1.2	1.1	1.3	1.7	2.4	<b>3.0</b>	<b>3.9</b>	<b>4.7</b>	<b>5.6</b>
Payout ratio (%)	81.7 %	338.6 %	103.4 %	201.2 %	274.1 %	<b>386.9 %</b>	<b>187.5 %</b>	<b>179.4 %</b>	<b>135.7 %</b>
Dividend yield-%	9.9 %	10.5 %	8.1 %	12.2 %	12.4 %	<b>13.0 %</b>	<b>8.7 %</b>	<b>8.6 %</b>	<b>6.6 %</b>

Source: Inderes

NB! The closing price on the first trading day was used as the historical share price.



# Peer group valuation

Peer group valuation Company	Market cap MEUR	EV MEUR	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
			2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2026e
Alexandria	120	105	7.5	7.1	6.5	6.1	1.8	1.7	11.7	11.2	7.9	8.3	3.1
Aktia	830								10.5	9.4	6.2	6.7	1.2
CapMan	313	316	9.2	6.8	8.9	6.7	4.3	3.6	13.1	10.2	7.4	7.9	1.6
Evli	611	583	10.5	9.6	9.9	9.1	4.5	4.3	15.6	13.9	5.7	6.1	3.6
eQ	408	381	11.9	11.8	11.5	11.3	5.6	5.5	16.1	15.8	6.2	6.5	5.6
Taaleri	213	170	7.2	5.5	6.9	5.4	2.8	2.6	14.0	9.3	5.3	5.9	0.9
Titanium	66	54	8.9	11.8	8.1	10.2	2.7	2.8	13.4	16.8	7.1	5.8	4.4
United Bankers	213	212	12.0	10.0	10.3	8.8	3.5	3.1	16.2	13.3	6.2	6.8	3.3
<b>Mandatum (Inderes)</b>	<b>3289</b>	<b>3215</b>	<b>25.2</b>	<b>18.7</b>	<b>25.2</b>	<b>18.7</b>	<b>18.0</b>	<b>17.9</b>	<b>29.7</b>	<b>21.5</b>	<b>13.0</b>	<b>8.7</b>	<b>3.0</b>
<b>Average</b>			<b>9.6</b>	<b>8.9</b>	<b>8.9</b>	<b>8.2</b>	<b>3.6</b>	<b>3.4</b>	<b>13.8</b>	<b>12.5</b>	<b>6.5</b>	<b>6.7</b>	<b>3.0</b>
<b>Median</b>			<b>9.2</b>	<b>9.6</b>	<b>8.9</b>	<b>8.8</b>	<b>3.5</b>	<b>3.1</b>	<b>13.7</b>	<b>12.3</b>	<b>6.2</b>	<b>6.6</b>	<b>3.2</b>
<b>Diff-% to median</b>			<b>174%</b>	<b>95%</b>	<b>181%</b>	<b>112%</b>	<b>421%</b>	<b>475%</b>	<b>117%</b>	<b>75%</b>	<b>109%</b>	<b>32%</b>	<b>-7%</b>

Source: Refinitiv / Inderes

# Income statement

Income statement	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
<b>Fee result</b>	<b>66.6</b>	<b>18.8</b>	<b>18.5</b>	<b>21.7</b>	<b>21.9</b>	<b>80.9</b>	<b>20.6</b>	<b>22.4</b>	<b>24.0</b>	<b>24.3</b>	<b>91.3</b>	<b>106.8</b>	<b>121.2</b>	<b>132.0</b>
<b>Risk life insurance result</b>	<b>25.4</b>	<b>2.3</b>	<b>2.0</b>	<b>2.6</b>	<b>4.0</b>	<b>10.9</b>	<b>6.2</b>	<b>3.7</b>	<b>3.7</b>	<b>3.7</b>	<b>17.2</b>	<b>15.0</b>	<b>15.2</b>	<b>15.3</b>
<b>Net finance result</b>	<b>135.7</b>	<b>51.8</b>	<b>21.7</b>	<b>39.4</b>	<b>18.8</b>	<b>131.7</b>	<b>-46.8</b>	<b>29.7</b>	<b>30.2</b>	<b>29.3</b>	<b>42.3</b>	<b>89.1</b>	<b>77.7</b>	<b>69.7</b>
<b>Other result</b>	<b>-24.8</b>	<b>-10.9</b>	<b>-8.0</b>	<b>-8.0</b>	<b>-14.4</b>	<b>-41.3</b>	<b>-6.1</b>	<b>-5.4</b>	<b>-5.7</b>	<b>-6.0</b>	<b>-23.1</b>	<b>-24.0</b>	<b>-21.9</b>	<b>-21.8</b>
<b>Profit before tax</b>	<b>202.9</b>	<b>61.9</b>	<b>34.2</b>	<b>55.7</b>	<b>30.3</b>	<b>182.1</b>	<b>-26.1</b>	<b>50.3</b>	<b>52.2</b>	<b>51.3</b>	<b>127.7</b>	<b>187.0</b>	<b>192.1</b>	<b>195.3</b>
Taxes	<b>-38.0</b>	-12.4	-4.9	-9.0	0.2	<b>-26.1</b>	13.6	-10.1	-10.4	-10.3	<b>-17.2</b>	<b>-33.7</b>	<b>-34.6</b>	<b>-35.1</b>
<b>Net profit</b>	<b>164.9</b>	<b>49.6</b>	<b>29.2</b>	<b>46.8</b>	<b>30.3</b>	<b>155.9</b>	<b>-12.4</b>	<b>40.2</b>	<b>41.8</b>	<b>41.0</b>	<b>110.7</b>	<b>153.3</b>	<b>157.5</b>	<b>160.1</b>
Earnings per share (EPS)	0.33	0.10	0.06	0.09	0.06	0.31	-0.02	0.08	0.08	0.08	0.22	0.30	0.31	0.32
Organic capital creation per share	0.44	0.17	0.17	0.14	0.12	0.60	0.10	0.14	0.13	0.14	0.51	0.49	0.54	0.43
Dividend per share	0.66	-	-	-	-	0.85	-	-	-	-	0.87	0.57	0.56	0.43
Equity (IFRS)	1601	-	-	-	-	1430	-	-	-	-	1113	828	698	575
Return on equity	10.3%	-	-	-	-	10.9%	-	-	-	-	9.9%	18.5%	22.6%	27.8%

Assets under management (AUM)	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
<b>Group AUM (BEUR)</b>	<b>14.0</b>	<b>14.0</b>	<b>14.4</b>	<b>14.9</b>	<b>15.3</b>	<b>15.3</b>	<b>15.4</b>	<b>15.9</b>	<b>16.3</b>	<b>16.8</b>	<b>16.8</b>	<b>18.6</b>	<b>20.4</b>	<b>22.3</b>
Institutional and wealth management customers	7.8	8.0	8.1	8.4	8.7	8.7	8.9	9.2	9.5	9.9	9.9	11.2	12.5	13.8
Corporate clients	2.6	2.7	2.8	2.8	2.9	2.9	2.9	3.0	3.1	3.1	3.1	3.4	3.8	4.1
Retail clients	3.5	3.4	3.5	3.6	3.7	3.7	3.6	3.7	3.7	3.8	3.8	3.9	4.1	4.4

Solvency	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
<b>Solvency 2 ratio</b>	<b>210%</b>	<b>207%</b>	<b>209%</b>	<b>206%</b>	<b>183%</b>	<b>184%</b>	<b>203%</b>	<b>198%</b>	<b>196%</b>	<b>193%</b>	<b>193%</b>	<b>183%</b>	<b>176%</b>	<b>172%</b>
Solvency 2 own funds (MEUR)	2048	2041	2012	1996	1825	1825	1648	1625	1604	1521	1521	1387	1262	1205
Solvency capital requirement (SCR)	973	984	965	968	994	994	810	820	819	790	790	758	716	700
Excess capital at target level*	249	222	372	350	135	135	231	190	170	139	179	99	44	15
Excess capital per share at target level*	0.49	0.44	0.74	0.70	0.27	0.27	0.54	0.46	0.42	0.35	0.35	0.20	0.09	0.03

\* The midpoint of the company's solvency target (160-180%)

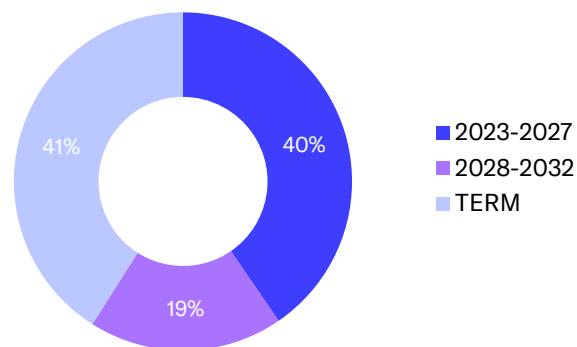
# Dividend model (DDM)

DDM valuation (MEUR)	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	TERM
<b>Mandatum's net profit</b>	<b>156</b>	<b>111</b>	<b>153</b>	<b>158</b>	<b>160</b>	<b>164</b>	<b>168</b>	<b>174</b>	<b>183</b>	
<b>Dividend paid by Mandatum</b>	<b>427</b>	<b>438</b>	<b>287</b>	<b>283</b>	<b>217</b>	<b>142</b>	<b>142</b>	<b>147</b>	<b>162</b>	<b>2553</b>
Payout ratio	274%	396%	187%	179%	136%	86%	84%	84%	89%	
<i>Dividend growth-%</i>	28.8%	2.6%	-34.4%	-1.7%	-23.1%	-34.8%	0.1%	3.7%	10.5%	2.0%
Discounted dividend	427	403	244	221	157	94	87	83	84	1328
Discounted cumulative dividend	3128	2701	2298	2054	1833	1677	1582	1496	1413	1328
Excess capital in the terminal period	110									
Equity value, DDM	3238									
<b>Per share EUR</b>	<b>6.4</b>									

## Cost of capital

Risk-free interest	2.5%
Market risk premium	4.8%
Beta	1.3
Liquidity premium	0.0%
<b>Cost of equity</b>	<b>8.5%</b>

## Cash flow breakdown



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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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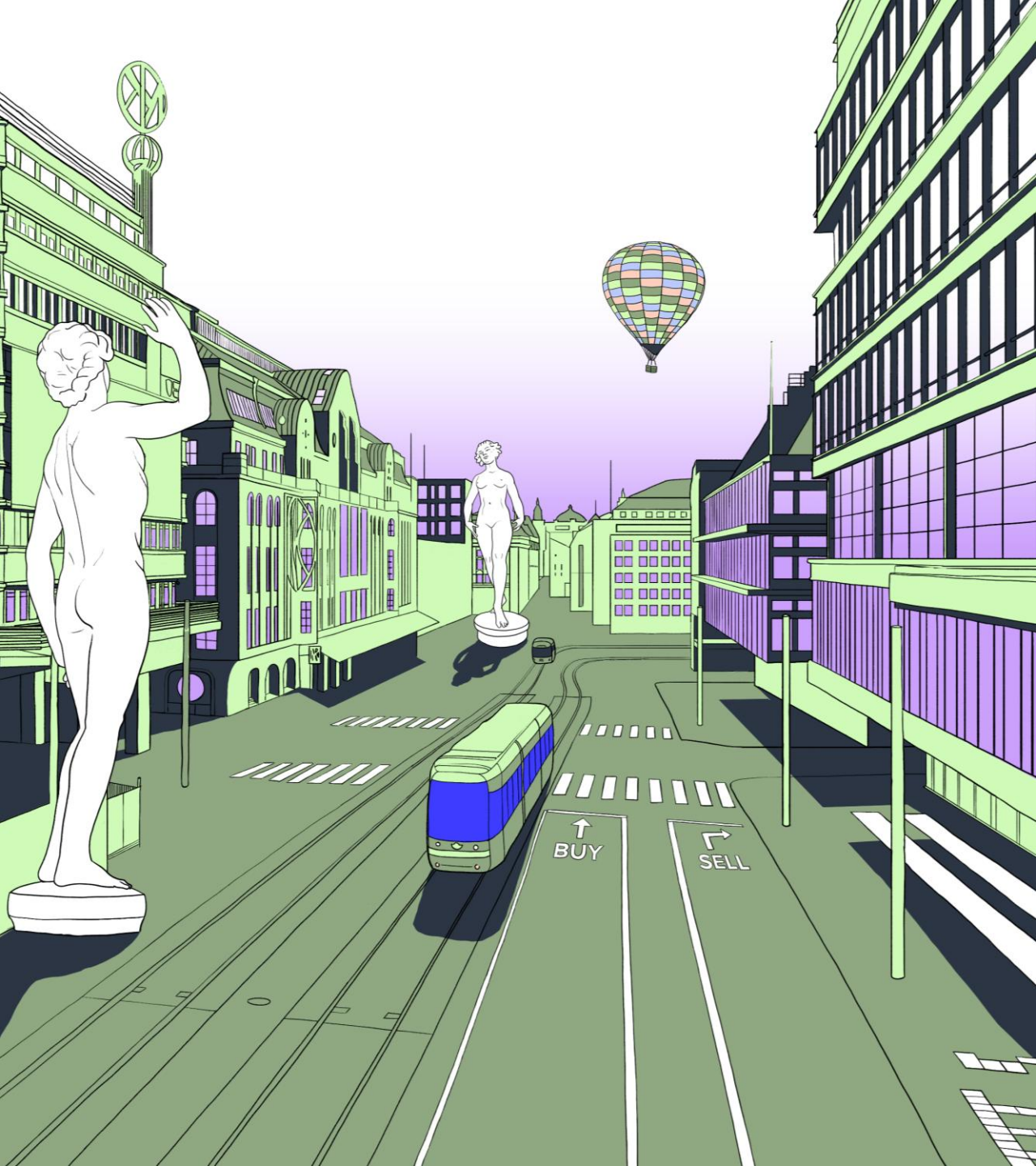
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## Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
10/12/2023	Buy	4.20 €	3.70 €
11/8/2023	Buy	4.20 €	3.62 €
2/14/2024	Buy	4.40 €	3.84 €
5/10/2024	Accumulate	4.50 €	4.36 €
8/14/2024	Reduce	4.50 €	4.38 €
11/13/2024	Accumulate	4.50 €	4.16 €
2/14/2025	Reduce	4.80 €	5.28 €
4/11/2025	Reduce	5.40 €	5.61 €
5/9/2025	Reduce	5.60 €	6.09 €
5/19/2025	Reduce	4.90 €	5.28 €
6/10/2025	Reduce	5.30 €	5.51 €
8/15/2025	Reduce	5.60 €	5.88 €
11/12/2025	Reduce	6.00 €	6.41 €
2/13/2026	Reduce	6.30 €	6.82 €
5/11/2026	Reduce	6.40 €	6.53 €



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