

# SAMPO

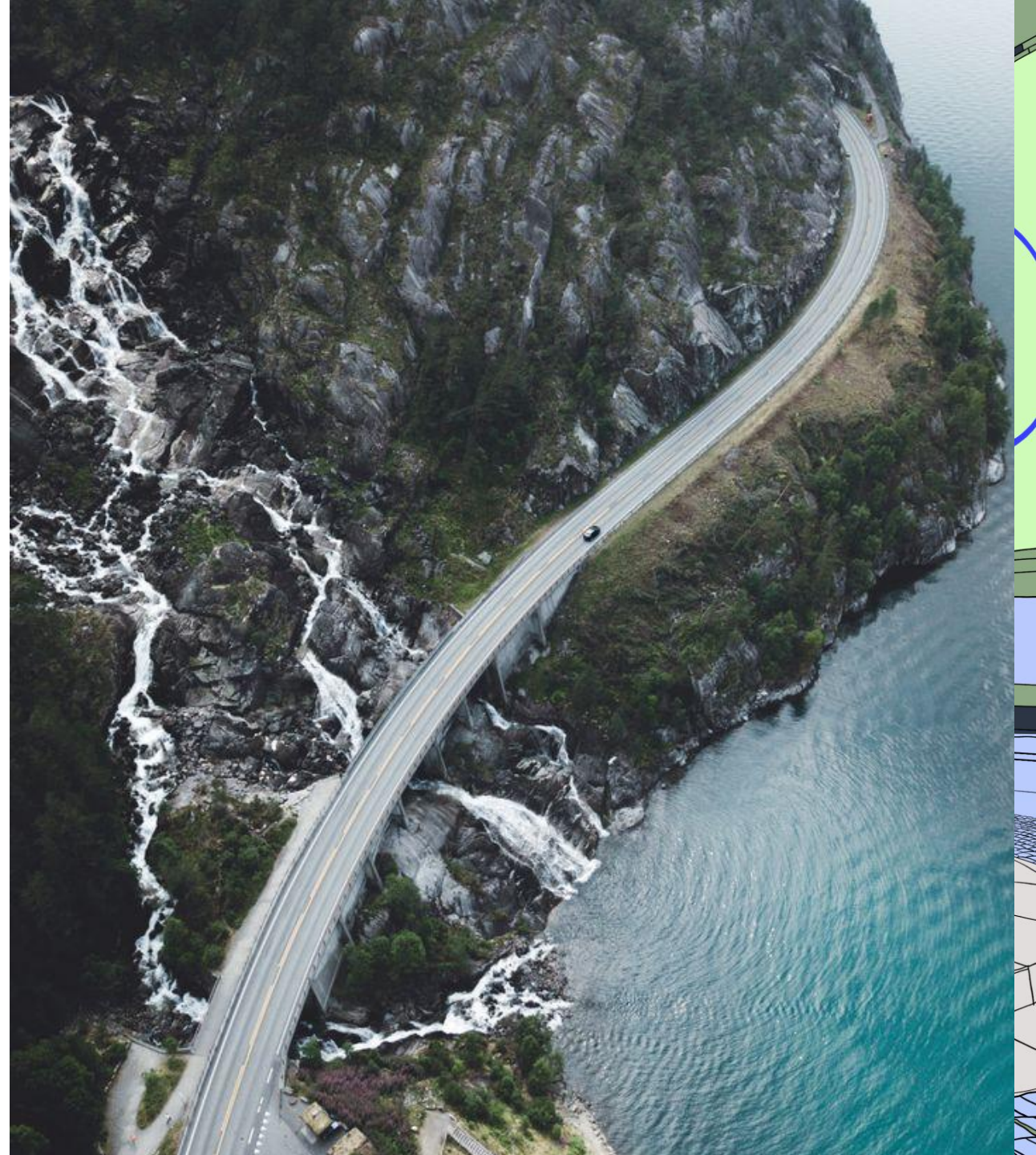
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# COMPANY REPORT



# Payout outlook more generous than before

We revise our Sampo target price to 43.0 EUR (was 42 EUR) and raise our recommendation to Accumulate (was Reduce). Sampo's Q4 report was very good and we have raised our estimates for future profit distributions. In light of our updated forecasts, we see the expected return as just enough for a positive recommendation, although the stock is not significantly undervalued.

## Excellent Q4 report

The Q4 result was very good in all respects. As expected, reported EBIT was weighed down by 150 MEUR one-off items related to the Topdanmark integration, and the adjusted EBIT of 369 MEUR were better than our and consensus expectations (354 and 346 MEUR, respectively). If P&C continued its convincing growth and the underwriting result was well ahead of expectations. Although investment returns were below expectations, their significance is limited. Hastings also continued its strong growth and profitability was at a good level.

In line with our expectations, Sampo will pay a basic dividend of EUR 1.7 per share (2023: EUR 1.6). The additional dividend we forecast will not be paid, but the company announced that it will start a new share buyback program in the spring. Solvency remains at a very strong level and will allow for ample profit distributions in the coming years.

## Revenue and underwriting development included in guidance

Sampo's outlook was a surprise as, as in previous years, the company did not provide any guidance on the development of the combined ratio. Instead, Sampo provided guidance ranges for insurance revenue and underwriting result for 2025. Insurance revenue is expected to amount to 8.7-9.0 BNEUR (+4-7%) and underwriting result 1,350-1,450 MEUR (+3-10%). Even before the result, our forecasts were well in line with the company's guidance.

## Steadily growing earnings with generous payouts

We have made only marginal changes to our earnings forecasts. Our view on Sampo's performance has remained unchanged and we estimate that the company's normal earnings under the current structure is about EUR 2.5-2.6 per share. The level should be growing steadily, driven by the Topdanmark merger, operating profit growth and share buybacks, but larger-level adjustments should not be expected given the current excellent performance of the businesses. The promised synergies of 95 MEUR from the Topdanmark/If P&C merger are, in our view, conservative and we would not be surprised if the final figure is significantly higher. However, we note that it will take several years for the synergies to materialize. We believe the company's sustainable earnings growth rate over the next few years is +5%/year. We have raised our estimates for profit distribution in the coming years. We expect a steadily increasing basic dividend and regular share buybacks of a significant size. Our payout forecast is above consensus, and we see pressure from the consensus to raise their payout forecasts.

## Expected return is just adequate

In our valuation, our focus is particularly on the dividend model, as the investment needs of the business are low and Sampo is able to distribute most of its earnings to its shareholders. The value of Sampo's shares under our dividend model, which takes into account excess capital on the balance sheet, has increased slightly to EUR 43. In absolute terms, we believe the valuation is at a reasonable level, and we do not believe a slight downgrade relative to key peers is warranted. Thus, we see the stock offering just a barely sufficient expected return as a combination of earnings growth and dividends. In addition, investors have the option that Sampo will start to trade at a premium to its peers in the market, which would also allow multiples to increase somewhat.

## Recommendation

**Accumulate**

(was Reduce)

## Target price:

**EUR 43.00**

(was EUR 42.00)

## Share price:

EUR 40.92

## Business risk



## Valuation risk



	2024	2025e	2026e	2027e
<b>PTP</b>	1559	1720	1783	1818
<b>growth-%</b>	5%	10%	4%	2%
<b>Net Income</b>	1323	1254	1342	1391
<b>EPS (adj.)</b>	2.60	2.70	2.54	2.71
<b>Dividend / share</b>	1.80	1.70	1.80	1.90

<b>P/E (adj.)</b>	14.6	16.1	15.1	14.4
<b>P/B</b>	2.8	2.7	2.5	2.4
<b>Dividend yield-%</b>	4.3 %	4.4 %	4.5 %	4.6 %
<b>Payout ratio (%)</b>	69%	63%	71%	70%

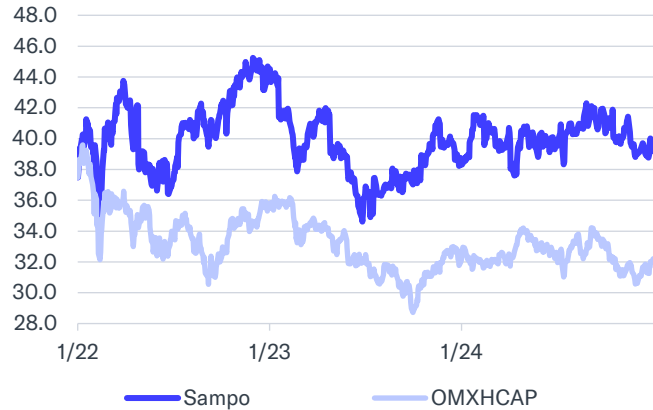
Source: Inderes

## Guidance

(New guidance)

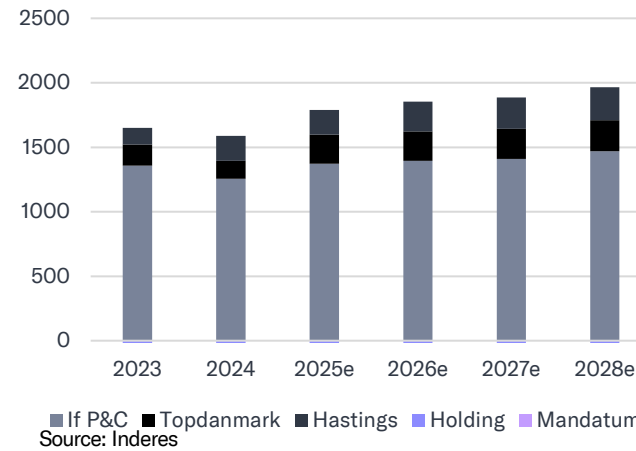
Group insurance revenue: 8.7-9.0 BNEUR, representing growth of 4-7% year-on-year. Group underwriting result: 1,350-1,450 MEUR, representing growth of 3-10% year-on-year. The outlook for 2025 is in line with the 2024-2026 targets.

## Share price



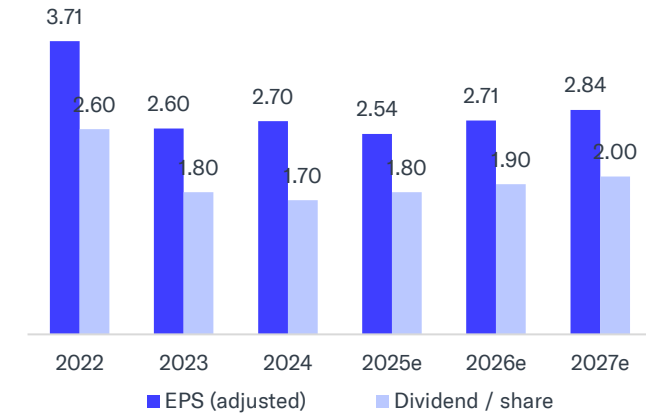
Source: Millstream Market Data AB

## 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
- 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
<b>Share price</b>	40.9	40.9	40.9
<b>Number of shares, millions</b>	528.6	513.8	498.9
<b>Market cap</b>	21616	21616	21616
<b>P/E (adj.)</b>	16.1	15.1	14.4
<b>P/E</b>	16.1	15.1	14.4
<b>P/B</b>	2.7	2.5	2.4
<b>Payout ratio (%)</b>	70.9 %	70.1 %	70.3 %
<b>Dividend yield-%</b>	4.4 %	4.5 %	4.6 %

Source: Inderes



# Wrapping up the year excellently

## If P&C's insurance performance developed strongly

If P&C's insurance revenue developed in line with expectations, with an increase of 6.2% year-on-year. However, insurance sales appear to have performed well, with personal lines premiums up 8% on a constant currency basis. In addition, revenues were carried over from the previous quarter, supporting growth in large corporate lines in Q4.

Claims volumes for the quarter were well below our expectations, which also resulted in a better-than-expected underwriting result. Net finance income was below our expectations as the effect from changes in the discount rate was slightly lower than expected. This also dragged If P&C's reported result below our forecast. However, due to the strong performance of the insurance business, If P&C's quarter was clearly positive.

The reported pre-tax income of 187 MEUR was negatively impacted by one-time integration costs of 77 MEUR, which, as previously reported, were included in Other income. The integration costs, as estimated by management, are recorded in a front-loaded manner so that they will not affect earnings in future periods.

## The largest forecast deviation came from the Group's investment income

Topdanmark's result was slightly better than expected because, like If P&C, the segment's claims volume was lower than expected. As a result, Topdanmark's insurance business also developed favorably. As expected, however, the reported result was negative due to integration costs of 73 MEUR.

In turn, Hastings performed in line with our expectations. The number of insurance contracts continued to grow, but the positive impact of price increases has been significantly reduced in recent quarters. We believe this is due to slower claims cost inflation and tighter market pricing.

The biggest forecast deviation came from Holdings, where results were well above our expectations. As a result, the Group's pre-tax profit of 219 MEUR exceeded our forecast of 194 MEUR.

## Sampo Q4'24: Gaining Market Share in the P&C Market



# Profit distribution in line with estimates

## Revenue and underwriting development included in guidance

Sampo's outlook was a surprise as, as in previous years, the company did not provide any guidance on the development of the combined ratio. Instead, Sampo provided guidance ranges for insurance revenue and underwriting result for 2025. Insurance revenue is expected to amount to 8.7-9.0 BNEUR (+4-7%) and underwriting result 1,350-1,450 MEUR (+3-10%). Sampo also stated that the guidance is in line with the company's 2024-2026 financial targets (see figure below).

The guidance is in line with our forecasts and our forecasts are at the top of the guidance. We believe this is justified as Sampo has a history of providing conservative guidance and the company emphasized this on the conference call. We believe it is very possible, and even likely, that the

company will further clarify its guidance as the year progresses.

## Total profit distribution in line with forecasts



In line with our expectations, Sampo will pay a basic dividend of EUR 1.7 per share (2023: EUR 1.6). The additional dividend we forecast will not be paid, but the company announced that it will start a new share buyback program in the spring. We estimate that Sampo's share buyback program will be larger than we previously estimated (250 MEUR) and our updated forecast is 400 MEUR. The total payout is therefore in line with our forecasts.

Sampo's solvency remains at a very strong level, with a Solvency 2 ratio of 177% at the end of Q4'24. The remaining PE investments continue to weigh on solvency

and, according to our calculations, exiting them would increase solvency by around 30 percentage points, leaving significant additional room for profit distribution. According to the company, excess capital will be returned in the future mainly through share buybacks.

## Share split next week

Sampo also announced on Wednesday that it will carry out a share split, whereby each shareholder will receive four new shares for each Sampo share held. As a result, the number of Sampo's shares will increase fivefold. The split is expected to take place on February 12, with trading in the new shares commencing on February 13. We emphasize to investors that the split will have no impact on Sampo's fair value.

Target for 2024-2026	2024
Operating EPS growth (period average): >7%	13% 
Combined ratio: <85% (annual)	84.3% 
Deployable capital generation: >EUR 4.5 billion (cumulative)	2.0 billion
Solvency II ratio: 150-190%	177% 
Financial leverage: <30%	26.9% 
Capital optimisation: ≤EUR 1.2 billion deployable capital	0.8 billion

Outlook for 2025
The outlook for Sampo Group's 2025 financial performance is: <ul style="list-style-type: none"> <li>Group insurance revenue: EUR 8.7 – 9.0 billion, representing growth of 4–7 per cent year-on-year.</li> <li>Group underwriting result: EUR 1,350–1,450 million, representing growth of 3–10 per cent year-on-year.</li> </ul>
The outlook for 2025 is consistent with Sampo's 2024–2026 financial targets of delivering a combined ratio below 85 per cent annually and Operating EPS growth of more than 7 per cent annually on average.

# No major changes in forecasts, earnings train is chugging along

## Estimate revisions

- We have made only marginal changes to our forecasts, and in the big picture our earnings forecasts are virtually unchanged.
- The main changes relate to our profit distribution forecasts. We continue to expect the basic dividend to increase by EUR 0.10 per year, but we no longer expect any additional dividends. Instead of additional dividends, we believe the company will focus on buying back its own shares, which will regularly supplement the dividend payout in the future. 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. The company cautiously indicated that at least one more investment could be exited this year. In total, we now expect 1,600 MEUR of share buybacks over the next three years, and our view of the company's overall profit distribution has increased slightly from before. We continue to be relatively conservative and see the potential for a higher payout than this.
- Our payout forecast is above consensus, and we see pressure from the consensus to raise their payout forecasts.

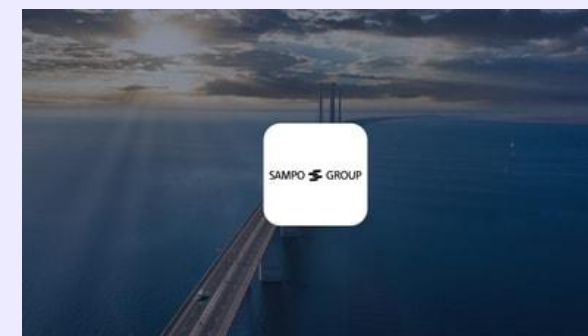
## Operational earnings drivers:

- Our view on Sampo's performance has remained unchanged and we estimate that the company's normal earnings under the current structure is about EUR 2.5-2.6 per share. The level should be growing steadily, driven by the Topdanmark merger, operating profit growth and share buybacks, but larger-level adjustments should not be expected given the current excellent performance of the businesses. The promised synergies of 95 MEUR from the Topdanmark/If P&C merger are, in our view, conservative and we would not be surprised if the final figure is significantly higher. However, we note that it will take several years for the synergies to materialize. We believe the company's sustainable earnings growth rate over the next few years is +5%/year.
- A key risk to earnings development is the changing competitive situation, as price competition would inevitably hit the sector's profitability. However, we are more optimistic than before about the market's pricing discipline, as there has been no material deterioration in profitability, even with rising interest rates. But in the big picture we believe the sector has entered a period of permanently lower combined ratios and a return to the levels of a decade ago is not to be expected.
- The result of investment activities will continue to have an impact on the short-term result, but in the longer term this effect will level off. The return outlook for Sampo's investment portfolio focusing on fixed income investments has clearly improved as interest rates have risen, which will provide support for the coming years.

Estimate revisions	2024	2024	Change	2025e	2025e	Change	2026e	2026e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	8391	8387	0%	8946	8899	-1%	9336	9267	-1%
EBIT (exc. NRIs)	1684	1709	1%	1759	1720	-2%	1797	1783	-1%
PTP	1534	1559	2%	1759	1720	-2%	1797	1783	-1%
EPS (excl. NRIs)	2.37	2.61	10%	2.58	2.54	-1%	2.66	2.71	2%
DPS	1.85	1.70	-8%	1.93	1.80	-7%	2.02	1.90	-6%

Source: Inderes

## Sampo – Q4 2024 presentation and Q&A session



# Expected return is just adequate

We have estimated Sampo's fair value through relative and absolute valuation and a dividend model. In our analysis our focus is particularly on the dividend model, as the investment needs of the business are low and the company is able to distribute most of its earnings to its shareholders. As we have increased our estimate of Sampo's future payout, the value of our dividend model has also increased. Our view on Sampo's value has increased slightly after the Q4 report and we are revising our price target to EUR 43 (was EUR 42).

## Dividend model (DDM)

Our DDM model indicates a value of some EUR 43 per share for Sampo (was EUR 42). The group value still relies heavily on If, which accounts for more than 80% of the value in our calculations. We note that our dividend model assumes future distributions through dividends, but in reality, this is likely to be a combination of dividends and share buybacks. If shares are purchased in the market at approximately fair value, the effect on the value of the shares is the same. The assumption is in line with our view that Sampo's share is reasonably valued at current levels. However, we have included in the calculation both the current excess capital on the balance sheet and the excess capital from the sale of PE investments.

Drivers for a higher dividend distribution model would be:

- Higher-than-expected synergies from the Topdanmark transaction
- More successful PE exits than expected
- Stronger than expected organic earnings growth in P&C insurance operations

Potential product areas for accelerated growth include SME insurance and personal insurance, which still account for a relatively small share of current business. In addition, Hastings has the potential to gain market share in the UK through its efficient operating model and competitive pricing. In terms of earnings growth, however, we do not see a realistic path to significant earnings growth, which the company's current financial targets also indicate. Therefore, it is difficult for us to see Sampo's value increasing significantly from the current level.

## Earnings-based valuation of the share is neutral

Sampo's multiple-based value is supported by its low investment rate and moderate risk level. In addition, the value is increased by excess capital on the balance sheet. In a mature industry, growth opportunities are limited, which lowers the acceptable multiples. We consider an acceptable P/E ratio for Sampo to be a range of 16-17x, which is also in line with the historical levels of key peers.

Sampo's P/E multiples for the coming years are around 16-15x and the corresponding dividend yield +4%. We believe that the multiples for Sampo are well justified, especially considering the very high quality of Sampo's business. The multiples are also slightly below key Nordic peers, which we find questionable as Sampo is arguably the highest quality of these companies. In addition, Sampo has more excess capital on its balance sheet than its peers.

The expected return on the share is based primarily on dividends, balance sheet decapitalization and earnings growth. In addition, investors have the option that Sampo will start to trade at a premium to its peers in the market, which would also allow multiples to increase somewhat.

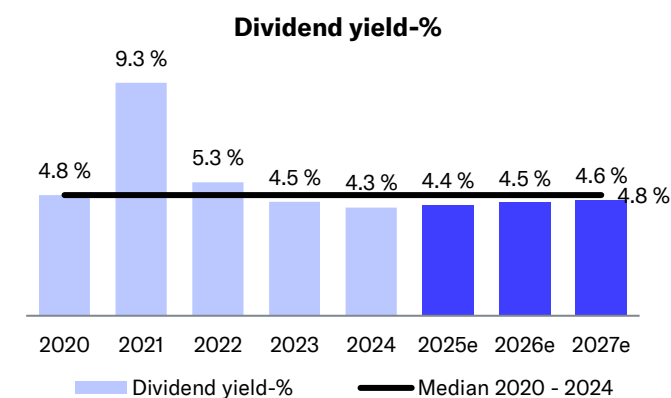
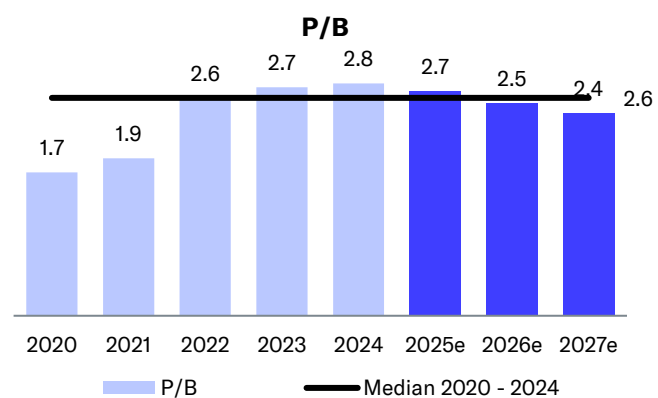
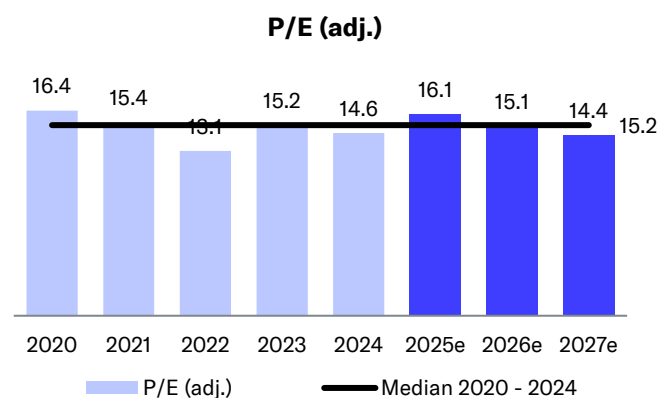
Valuation	2025e	2026e	2027e
Share price	40.9	40.9	40.9
Number of shares, millions	528.6	513.8	498.9
Market cap	21616	21616	21616
P/E (adj.)	16.1	15.1	14.4
P/E	16.1	15.1	14.4
P/B	2.7	2.5	2.4
Payout ratio (%)	70.9 %	70.1 %	70.3 %
Dividend yield-%	4.4 %	4.5 %	4.6 %

Source: Inderes

# Valuation table

Valuation	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price	35.3	44.1	48.8	39.6	39.4	<b>40.9</b>	<b>40.9</b>	<b>40.9</b>	<b>40.9</b>
Number of shares, millions	556.6	554.3	530.3	508.0	520.0	<b>528.6</b>	<b>513.8</b>	<b>498.9</b>	<b>489.1</b>
Market cap	19593	24109	25108	19876	21196	<b>21616</b>	<b>21616</b>	<b>21616</b>	<b>21616</b>
P/E (adj.)	16.4	15.4	13.1	15.2	14.6	<b>16.1</b>	<b>15.1</b>	<b>14.4</b>	<b>13.5</b>
P/E	>100	9.5	12.3	15.2	16.3	<b>16.1</b>	<b>15.1</b>	<b>14.4</b>	<b>13.5</b>
P/B	1.7	1.9	2.6	2.7	2.8	<b>2.7</b>	<b>2.5</b>	<b>2.4</b>	<b>2.3</b>
Payout ratio (%)	2484.5 %	87.3 %	63.5 %	68.3 %	73.0 %	<b>70.9 %</b>	<b>70.1 %</b>	<b>70.3 %</b>	<b>69.2 %</b>
Dividend yield-%	4.8 %	9.3 %	5.3 %	4.5 %	4.3 %	<b>4.4 %</b>	<b>4.5 %</b>	<b>4.6 %</b>	<b>4.7 %</b>

Source: Inderes





# Peer group valuation

Peer group valuation Company	Market cap	P/E		Dividend yield-%		P/B
	MEUR	2025e	2026e	2025e	2026e	2025e
Tryg	12031	16.2	15.1	5.8	6.1	2.4
Gjensidige	9933	18.2	16.2	4.6	5.0	4.5
Storebrand	5056	13.3	12.1	4.2	4.5	1.8
Admiral	10103	14.0	12.5	6.5	7.0	6.9
Direct Line	4187	13.4	10.4	5.0	5.9	1.5
Zurich Insurance Group	87101	14.6	13.5	5.3	5.7	3.2
Allianz	120909	11.4	10.5	5.3	5.7	2.0
Assicurazioni Generali	48103	11.2	10.5	5.0	5.3	1.4
<b>Sampo (Inderes)</b>	<b>21616</b>	<b>16.1</b>	<b>15.1</b>	<b>4.4</b>	<b>4.5</b>	<b>2.7</b>
<b>Average</b>		<b>14.4</b>	<b>12.9</b>	<b>5.5</b>	<b>5.7</b>	<b>2.8</b>
<b>Median</b>		<b>14.0</b>	<b>12.5</b>	<b>5.3</b>	<b>5.7</b>	<b>2.0</b>
<b>Diff-% to median</b>		<b>15%</b>	<b>20%</b>	<b>-16%</b>	<b>-21%</b>	<b>38%</b>

Source: Refinitiv / Inderes

# Income statement

Income statement	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25e	Q2'25e	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
<b>Insurance revenue</b>	<b>7535</b>	<b>2020</b>	<b>2057</b>	<b>2138</b>	<b>2172</b>	<b>8387</b>	<b>2195</b>	<b>2199</b>	<b>2247</b>	<b>2258</b>	<b>8899</b>	<b>9267</b>	<b>9625</b>	<b>9948</b>
If P&C	4996	1290	1297	1327	1344	5258	1355	1355	1387	1384	5481	5689	5888	6065
Topdanmark	1288	361	361	371	377	1470	379	377	385	390	1531	1577	1617	1657
Hastings	1251	369	399	440	451	1659	461	467	475	484	1887	2000	2120	2226
Mandatium	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
<b>EBIT (excl. NRI)</b>	<b>1481</b>	<b>465</b>	<b>444</b>	<b>432</b>	<b>369</b>	<b>1709</b>	<b>406</b>	<b>439</b>	<b>447</b>	<b>429</b>	<b>1720</b>	<b>1783</b>	<b>1818</b>	<b>1901</b>
<b>EBIT</b>	<b>1481</b>	<b>465</b>	<b>444</b>	<b>432</b>	<b>219</b>	<b>1559</b>	<b>406</b>	<b>439</b>	<b>447</b>	<b>429</b>	<b>1720</b>	<b>1783</b>	<b>1818</b>	<b>1901</b>
If P&C	1358	356	379	333	188	1256	321	352	355	343	1372	1395	1409	1470
Topdanmark	162	63	49	47	-22	137	55	59	60	53	226	228	234	241
Hastings	129	26	45	69	53	193	46	47	49	50	192	230	243	254
Holding	-160	20	-30	-18	-1	-29	-17	-19	-17	-17	-70	-70	-68	-64
<b>PTP</b>	<b>1481</b>	<b>465</b>	<b>444</b>	<b>432</b>	<b>219</b>	<b>1559</b>	<b>406</b>	<b>439</b>	<b>447</b>	<b>429</b>	<b>1720</b>	<b>1783</b>	<b>1818</b>	<b>1901</b>
Taxes	-339	-96	-100	-96	63	-230	-89	-97	-98	-94	-378	-392	-400	-418
Minority interest	-70	-26	-7	-16	-1	-50	0	0	0	0	0	0	0	0
<b>Net earnings</b>	<b>1323</b>	<b>343</b>	<b>310</b>	<b>320</b>	<b>281</b>	<b>1254</b>	<b>316</b>	<b>342</b>	<b>349</b>	<b>334</b>	<b>1342</b>	<b>1391</b>	<b>1418</b>	<b>1483</b>
<b>EPS (adj.)</b>	<b>2.64</b>	<b>0.68</b>	<b>0.62</b>	<b>0.59</b>	<b>0.80</b>	<b>2.61</b>	<b>0.60</b>	<b>0.65</b>	<b>0.66</b>	<b>0.63</b>	<b>2.54</b>	<b>2.71</b>	<b>2.84</b>	<b>3.03</b>
<b>EPS (rep.)</b>	<b>2.60</b>	<b>0.68</b>	<b>0.62</b>	<b>0.59</b>	<b>0.52</b>	<b>2.41</b>	<b>0.60</b>	<b>0.65</b>	<b>0.66</b>	<b>0.63</b>	<b>2.54</b>	<b>2.71</b>	<b>2.84</b>	<b>3.03</b>

# Balance sheet

Assets	2023	2024	2025e	2026e	2027e
<b>Non-current assets</b>	<b>19727</b>	<b>20017</b>	<b>20020</b>	<b>20023</b>	<b>20026</b>
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
<b>Current assets</b>	<b>4497</b>	<b>4460</b>	<b>4679</b>	<b>4835</b>	<b>4988</b>
Inventories	0.0	0.0	0.0	0.0	0.0
Other current assets	800	880	880	880	880
Receivables	2282	2618	2778	2893	3004
Cash and equivalents	1415	962	1021	1063	1104
<b>Balance sheet total</b>	<b>24224</b>	<b>24477</b>	<b>24699</b>	<b>24858</b>	<b>25014</b>

Source: Inderes

Liabilities & equity	2023	2024	2025e	2026e	2027e
<b>Equity</b>	<b>7687</b>	<b>8037</b>	<b>8464</b>	<b>8904</b>	<b>9346</b>
Share capital	98.0	98.0	98.0	98.0	98.0
Retained earnings	6378	6728	7155	7595	8037
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	787	787	787	787
Minorities	424	424	424	424	424
<b>Non-current liabilities</b>	<b>15197</b>	<b>15100</b>	<b>14894</b>	<b>14614</b>	<b>14328</b>
Deferred tax liabilities	567	567	567	567	567
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	2914	2817	2611	2331	2045
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long-term liabilities	11716	11716	11716	11716	11716
<b>Current liabilities</b>	<b>1340</b>	<b>1340</b>	<b>1340</b>	<b>1340</b>	<b>1340</b>
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	1340	1340	1340	1340
<b>Balance sheet total</b>	<b>24224</b>	<b>24477</b>	<b>24699</b>	<b>24858</b>	<b>25014</b>

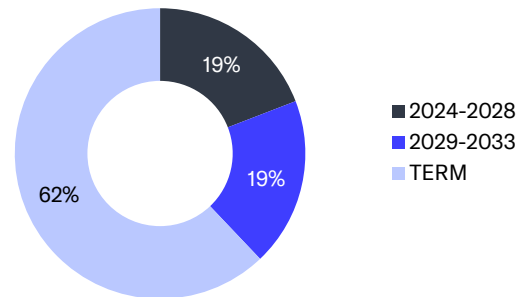
# DDM calculation

DDM valuation (MEUR)	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	TERM
<b>Sampo's profit</b>	<b>1254</b>	<b>1342</b>	<b>1391</b>	<b>1418</b>	<b>1483</b>	<b>1464</b>	<b>1494</b>	<b>1523</b>	<b>1554</b>	<b>1585</b>	<b>1585</b>
<b>Dividend distributed by Sampo</b>	<b>915</b>	<b>951</b>	<b>976</b>	<b>997</b>	<b>1027</b>	<b>1318</b>	<b>1344</b>	<b>1371</b>	<b>1398</b>	<b>1426</b>	<b>26287</b>
Payout ratio	73%	71%	70%	70%	69%	90%	90%	90%	90%	90%	
Dividend growth-%	1.3 %	3.9 %	2.6 %	2.2 %	2.9 %	28.4 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
Discounted dividend	900	870	830	789	755	901	855	811	769	730	13447
Discounted cumulative dividend	21657	20757	19887	19057	18268	17513	16612	15757	14946	14176	13447
Excess balance sheet capital (MEUR)	1500										
<b>Equity (MEUR)</b>	<b>23157</b>										
<b>Per share EUR</b>	<b>43.0</b>										

## Cost of equity

Risk-free interest	2.5%
Market risk premium	4.8%
Company Beta	1.06
Liquidity premium	0.0%
<b>Cost of equity</b>	<b>7.5%</b>

## Cash flow breakdown





# Summary

Income statement	2022	2023	2024	2025e	2026e	Per share data	2022	2023	2024	2025e	2026e
Insurance revenue	7267	7535	8387	<b>8899</b>	<b>9267</b>	EPS (reported)	3.97	2.60	2.41	<b>2.54</b>	<b>2.71</b>
PTP	1924	1481	1559	<b>1720</b>	<b>1783</b>	EPS (adj.)	3.71	2.60	2.70	<b>2.54</b>	<b>2.71</b>
Net profit	2107	1323	1254	<b>1342</b>	<b>1391</b>	Dividend / share	2.60	1.80	1.70	<b>1.80</b>	<b>1.90</b>
Extraordinary items	138	0	-150	<b>0</b>	<b>0</b>	Book value / share	18.1	14.3	14.6	<b>15.2</b>	<b>16.5</b>
Balance sheet	2022	2023	2024	2025e	2026e	If P&C key figures	2022	2023	2024	2025e	2026e
Balance sheet total	39212	24224	24477	<b>24699</b>	<b>24858</b>	Insurance revenue	4772	5024	4996	<b>5258</b>	<b>5481</b>
Equity capital	10178	7687	8037	<b>8464</b>	<b>8904</b>	Insurance revenue growth-%	6.0 %	5.3 %	-0.6 %	<b>5.2 %</b>	<b>4.2 %</b>
ROE-%	18.8 %	15.7 %	16.9 %	<b>17.1 %</b>	<b>16.8 %</b>	Investment income	174	278	871	<b>651</b>	<b>579</b>
						Combined ratio	81.3 %	86.6 %	83.1 %	<b>83.1 %</b>	<b>82.5 %</b>
						Risk ratio	59.9 %	65.0 %	61.9 %	<b>62.2 %</b>	<b>62.0 %</b>
						Cost ratio	21.4 %	21.6 %	21.2 %	<b>20.9 %</b>	<b>20.5 %</b>

Source: Inderes

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

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.

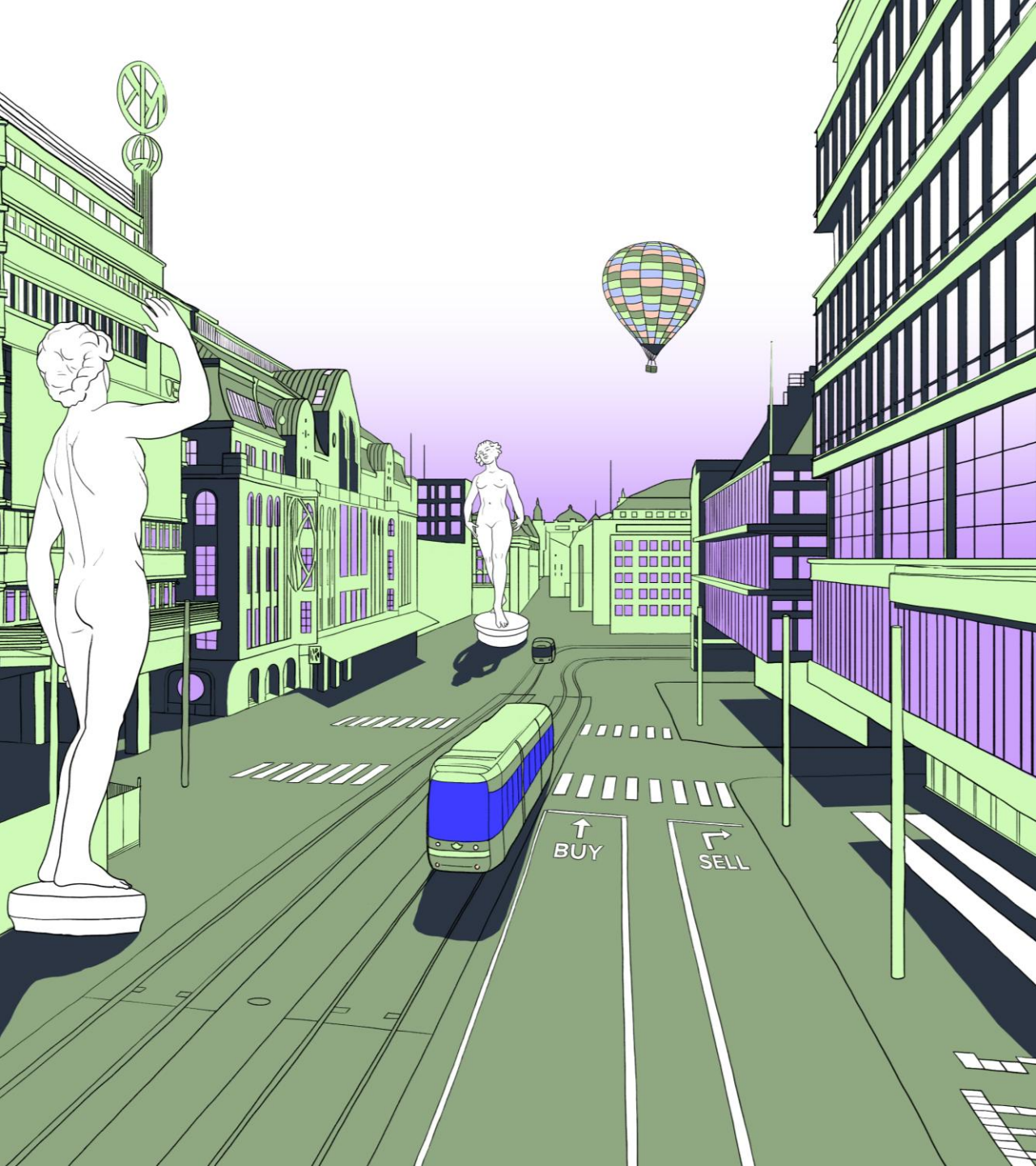
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## Recommendation history (>12 mo)

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 €
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 €



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