

## Solid performance across the board

CapMan posted solid Q3 results, largely in line with our estimates, with Q3 revenue amounting to EUR 9.7m (Evli 9.9m) and EBIT of EUR 5.5m (Evli 5.3m). CapMan is showing good development across all business segments and in the light of a good fundraising outlook we have slightly raised our AUM estimates and for 2020-2021 and made corresponding changes to the Management company business EBIT. Following adjustments to expenses of Other operations our Group estimates are largely intact. We retain our HOLD-rating with a TP of EUR 2.1 (1.95)

### Solid results, carry contribution minor

CapMan continued to post solid results, on Group level largely in line with our estimates. Q3 revenue amounted to EUR 9.7m (Evli 9.9m) and EBIT of EUR 5.5m (Evli 5.3m). AUM development compared to Q2 was flattish given no new fund closings but up 21% y/y. The Mezzanine V -fund entered carry but with a limited impact and total carry was at Q2 levels of EUR 0.7m. The Investment business contributed to a larger part of EBIT, aided by Buyouts exit from Kämp Collection Hotels. Q3 in general in our view showed little signs of weakness.

### Positive fundraising outlook

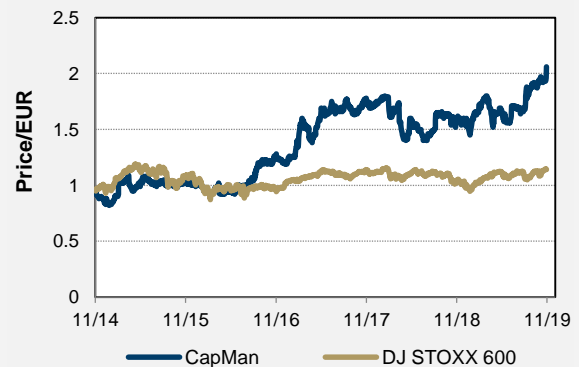
CapMan is currently raising capital more or less across the board and management sees significant growth in AUM during 2020. Investment returns so far during 2019 surpassed the lower end of the 10-15% target return and all three service businesses are reportedly performing well, with 1-9/2019 Services business growth of over 90%. We have slightly increased our views on 2020-2021 AUM development and as a result raised our Management company EBIT estimates by some 12%. Following an offsetting impact of revised Other operations expense estimates our Group estimates remain largely unchanged.

### HOLD with a target price of EUR 2.1 (1.95)

On Group level our coming year estimates remain largely unchanged. With the outlook for the core business looking yet more favourable we adjust our target price to EUR 2.1 (1.95) and retain our hold rating.

## Rating

**HOLD**



Share price, EUR (Last trading day's closing price) 2.06

Target price, EUR 2.1

Latest change in recommendation 25-Oct-19

Latest report on company 25-Oct-19

Research paid by issuer: YES

No. of shares outstanding, '000's 153,270

No. of shares fully diluted, '000's 153,270

Market cap, EURm 316

Free float, % 75.0

Exchange rate EUR 1.000

Reuters code CAPMAN.HE

Bloomberg code CAPMAN FH

Average daily volume, EURm 0.2

Next interim report -

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BUY HOLD SELL

## KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	FCF EURm	EPS EUR	P/E (x)	EV/Sales (x)	EV/EBIT (x)	FCF yield %	DPS EUR
2017	34.8	19.5	55.9%	21.0	0.10	13.1	8.1	14.5	8.1	0.11
2018	36.0	12.0	33.2%	42.3	0.05	26.8	6.3	18.9	19.6	0.12
2019E	45.7	22.7	49.8%	0.2	0.10	20.3	7.4	14.9	0.1	0.13
2020E	51.7	31.2	60.4%	21.6	0.15	13.4	6.5	10.8	6.8	0.14
2021E	56.2	35.4	63.1%	17.2	0.18	11.6	6.1	9.6	5.5	0.15
Market cap, EURm			316	Gearing 2019E, %		16.1	CAGR EPS 2018-21, %		47.9	
Net debt 2019E, EURm			19	Price/book 2019E		2.6	CAGR sales 2018-21, %		16.0	
Enterprise value, EURm			338	Dividend yield 2019E, %		6.3	ROE 2019E, %		13.0	
Total assets 2019E, EURm			215	Tax rate 2019E, %		13.1	ROCE 2019E, %		12.3	
Goodwill 2019E, EURm			20	Equity ratio 2019E, %		55.9	PEG, P/E 19/CAGR		1.0	

All the important disclosures can be found on the last pages of this report.

CapMan	2017	Q1/'18	Q2/'18	Q3/'18	Q4/'18	2018	Q1/'19	Q2/'19	Q3/'19	Q4/'19E	2019E	2020E	2021E
Management fees	19.6	5.6	5.7	5.2	5.6	22.1	6.1	5.4	6.0	6.5	24.0	26.9	29.1
Sale of services	7.1	1.6	4.1	1.7	2.9	10.3	3.0	7.3	3.0	4.3	17.6	19.3	21.0
Carried interest	4.4	0.1	0.6	0.2	0.1	1.0	0.1	0.7	0.7	2.5	4.0	5.5	6.1
Dividend and interest income	3.7	1.1	1.0	0.2	0.2	2.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Revenue</b>	<b>34.8</b>	<b>8.5</b>	<b>11.4</b>	<b>7.2</b>	<b>8.9</b>	<b>36.0</b>	<b>9.3</b>	<b>13.4</b>	<b>9.7</b>	<b>13.3</b>	<b>45.7</b>	<b>51.7</b>	<b>56.2</b>
<i>change, %</i>	<i>30.6%</i>	<i>12.7%</i>	<i>25.8%</i>	<i>-23.3%</i>	<i>0.5%</i>	<i>3.3%</i>	<i>9.8%</i>	<i>17.0%</i>	<i>34.1%</i>	<i>49.7%</i>	<i>26.8%</i>	<i>13.2%</i>	<i>8.7%</i>
Other operating income	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
Personnel expenses	-21.4	-4.7	-5.5	-4.7	-5.0	-19.9	-5.3	-5.5	-5.2	-6.0	-22.0	-22.2	-23.5
Other operating expenses	-9.9	-2.2	-2.6	-1.6	-2.8	-9.1	-3.2	-3.3	-2.5	-3.2	-12.2	-11.7	-11.9
Depreciation and amortisation	-1.7	-0.1	-0.1	0.0	0.0	-0.2	-0.3	-0.4	-0.3	-0.4	-1.4	-1.5	-1.5
Fair value changes	17.6	2.5	2.7	3.9	-4.0	5.1	4.2	1.7	3.8	3.1	12.7	14.9	16.2
<b>Operating profit</b>	<b>19.5</b>	<b>4.1</b>	<b>6.0</b>	<b>4.8</b>	<b>-2.9</b>	<b>12.0</b>	<b>4.7</b>	<b>5.8</b>	<b>5.5</b>	<b>6.8</b>	<b>22.7</b>	<b>31.2</b>	<b>35.4</b>
<i>Operating profit margin, %</i>	<i>55.9%</i>	<i>48.0%</i>	<i>52.6%</i>	<i>66.8%</i>	<i>-33.2%</i>	<i>33.2%</i>	<i>50.7%</i>	<i>43.3%</i>	<i>56.4%</i>	<i>50.9%</i>	<i>49.8%</i>	<i>60.4%</i>	<i>63.1%</i>
Net financials	-3.2	-0.5	-1.0	-0.5	-0.7	-2.7	-0.6	-0.7	-0.7	-0.7	-2.6	-2.6	-2.9
<b>Pre-tax profit</b>	<b>16.2</b>	<b>3.5</b>	<b>5.1</b>	<b>4.3</b>	<b>-3.6</b>	<b>9.3</b>	<b>4.1</b>	<b>5.1</b>	<b>4.8</b>	<b>6.1</b>	<b>20.1</b>	<b>28.6</b>	<b>32.5</b>
Income taxes	-0.8	-0.2	-0.8	-0.2	0.4	-0.8	-0.1	-0.9	-0.3	-0.8	-2.1	-3.1	-3.6
Minority interest	0.0	0.0	-0.6	-0.1	0.2	-0.4	-0.4	-1.2	-0.2	-0.2	-2.0	-1.8	-1.8
<b>Profit for the period</b>	<b>15.5</b>	<b>3.3</b>	<b>3.7</b>	<b>4.0</b>	<b>-3.0</b>	<b>8.1</b>	<b>3.6</b>	<b>3.0</b>	<b>4.2</b>	<b>5.1</b>	<b>16.0</b>	<b>25.4</b>	<b>29.0</b>
<b>EPS, EUR</b>	<b>0.10</b>	<b>0.02</b>	<b>0.03</b>	<b>0.03</b>	<b>-0.02</b>	<b>0.05</b>	<b>0.02</b>	<b>0.02</b>	<b>0.03</b>	<b>0.03</b>	<b>0.11</b>	<b>0.17</b>	<b>0.19</b>
<b>Assets under management</b>	<b>2800</b>	<b>2799</b>	<b>2758</b>	<b>2681</b>	<b>3043</b>	<b>3043</b>	<b>3196</b>	<b>3270</b>	<b>3240</b>		<b>3 350</b>	<b>3 700</b>	<b>3 900</b>
<b>Management Company business</b>	<b>2017</b>	<b>Q1/'18</b>	<b>Q2/'18</b>	<b>Q3/'18</b>	<b>Q4/'18</b>	<b>2018</b>	<b>Q1/'19</b>	<b>Q2/'19</b>	<b>Q3/'19</b>	<b>Q4/'19E</b>	<b>2019E</b>	<b>2020E</b>	<b>2021E</b>
Revenue	25.1	5.9	6.5	5.5	6.2	24.2	6.4	6.4	7.0	9.2	29.0	33.3	36.0
Operating profit	2.7	0.8	0.7	0.8	0.5	2.8	0.8	0.9	1.9	3.4	7.0	10.7	12.7
<b>Investment business</b>	<b>2017</b>	<b>Q1/'18</b>	<b>Q2/'18</b>	<b>Q3/'18</b>	<b>Q4/'18</b>	<b>2018</b>	<b>Q1/'19</b>	<b>Q2/'19</b>	<b>Q3/'19</b>	<b>Q4/'19E</b>	<b>2019E</b>	<b>2020E</b>	<b>2021E</b>
Revenue	3.7	1.1	1.0	0.2	0.2	2.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating profit	17.3	3.2	3.4	3.8	-4.0	6.5	3.9	1.0	3.2	2.7	10.8	13.7	15.1
<b>Services business</b>	<b>2017</b>	<b>Q1/'18</b>	<b>Q2/'18</b>	<b>Q3/'18</b>	<b>Q4/'18</b>	<b>2018</b>	<b>Q1/'19</b>	<b>Q2/'19</b>	<b>Q3/'19</b>	<b>Q4/'19E</b>	<b>2019E</b>	<b>2020E</b>	<b>2021E</b>
Revenue	5.6	1.4	3.8	1.5	2.0	8.7	2.9	6.9	2.7	3.7	16.2	17.9	19.6
Operating profit	2.3	0.6	2.4	0.6	0.8	4.4	1.8	4.9	1.6	1.5	9.7	10.7	11.8
<b>Other</b>	<b>2017</b>	<b>Q1/'18</b>	<b>Q2/'18</b>	<b>Q3/'18</b>	<b>Q4/'18</b>	<b>2018</b>	<b>Q1/'19</b>	<b>Q2/'19</b>	<b>Q3/'19</b>	<b>Q4/'19E</b>	<b>2019E</b>	<b>2020E</b>	<b>2021E</b>
Revenue	0.5	0.0	0.2	0.0	0.4	0.6	0.0	0.0	0.0	0.4	0.5	0.5	0.5
Operating profit	-2.7	-0.4	-0.6	-0.4	-0.3	-1.7	-1.7	-1.0	-1.2	-0.8	-4.7	-3.9	-4.1

Investment Management Companies	MCAP MEUR	EV/EBIT			P/E			Div. yield		
		19	20	21	19	20	21	19	20	21
Institut de Developpement	311	16.8x	15.0x	14.0x	17.8x	15.8x	14.8x	4.4 %	4.4x	4.4x
Deutsche Beteiligungs	545	15.1x	14.8x		17.3x	14.6x		4.0 %	4.1x	4.2x
Mutares	160	6.0x	5.1x	3.7x	5.1x	4.9x	3.7x	9.6 %	9.5x	9.7x
3i Group Plc	12718	7.2x	7.3x	7.7x	8.1x	8.2x	7.4x	2.9 %	3.2x	3.4x
Eurazeo	4939	17.8x	17.0x	16.2x	14.7x	13.6x	11.7x	2.1 %	2.1x	2.6x
Ratos	756	20.9x	16.0x	18.6x	21.4x	13.2x	12.6x	6.0 %	5.5x	8.0x
Partners Group Holding	18697	23.2x	21.3x	19.6x	25.1x	22.8x	20.7x	3.1 %	3.4x	3.7x
Peer Group Average	3015	<b>15.3x</b>	<b>13.8x</b>	<b>13.3x</b>	<b>15.7x</b>	<b>13.3x</b>	<b>11.8x</b>	<b>4.6 %</b>	<b>4.6x</b>	<b>5.1x</b>
Peer Group Median	311	<b>16.8x</b>	<b>15.0x</b>	<b>15.1x</b>	<b>17.3x</b>	<b>13.6x</b>	<b>12.2x</b>	<b>4.0 %</b>	<b>4.1x</b>	<b>4.2x</b>
CapMan (Evli est.)	<b>316</b>	<b>14.9x</b>	<b>10.8x</b>	<b>9.6x</b>	<b>20.3x</b>	<b>13.4x</b>	<b>11.6x</b>	<b>6.3 %</b>	<b>6.8x</b>	<b>7.3x</b>

*CapMan prem./disc. to peer median*

-12% -28% -36% 17% -2% -5% 58% 67% 74%

*Source Bloomberg, Evli Research*

Finnish financial services peers	MCAP EUR	EV/EBIT			P/E			Div. yield		
		19	20	21	19	20	21	19	20	21
eQ	437	16.4x	12.7x	13.1x	20.8x	16.2x	17.0x	5.2 %	6.2 %	6.0 %
Taaleri	205	12.1x	12.1x	9.7x	12.2x	11.9x	9.8x	4.4 %	4.6 %	5.1 %
Evli Bank	205				12.6x	11.1x	10.2x	7.1 %	7.6 %	8.0 %
United Bankers Oyj	93	28.1x	18.4x	14.3x	19.9x	13.6x	11.3x	5.0 %	6.1 %	6.7 %
EAB Group	39		27.0x	18.8x		33.2x	21.7x	0.9 %	2.3 %	3.0 %
Titanium	93	11.0x	9.7x	8.9x	12.2x	10.6x	10.0x	8.2 %	8.8 %	9.3 %
Peer Group Average	179	<b>16.9x</b>	<b>16.0x</b>	<b>13.0x</b>	<b>15.5x</b>	<b>16.1x</b>	<b>13.3x</b>	<b>5.1 %</b>	<b>6.0 %</b>	<b>6.3 %</b>
Peer Group Median	149	<b>14.2x</b>	<b>12.7x</b>	<b>13.1x</b>	<b>12.6x</b>	<b>12.7x</b>	<b>10.7x</b>	<b>5.1 %</b>	<b>6.2 %</b>	<b>6.3 %</b>
CapMan (Evli est.)	<b>316</b>	<b>14.9x</b>	<b>10.8x</b>	<b>9.6x</b>	<b>20.3x</b>	<b>13.4x</b>	<b>11.6x</b>	<b>6.3 %</b>	<b>6.8 %</b>	<b>7.3 %</b>

*CapMan prem./disc. to peer median*

4% -15% -27% 62% 5% 8% 23% 10% 15%

*Source Bloomberg, Evli Research*
**VALUATION**

SOTP	Implied value (EURm)	Per share (EUR)	Notes
Management Company (excl. carry)	83	0.54	16x 2020E EBIT EUR 5.2m
Services business	107	0.70	10x 2020E EBIT EUR 10.7m
Investment business	163	1.06	NAV
Carried interest	34	0.22	DCF
Corporate functions	-47	-0.31	12x 2020E EBIT EUR -2.9m
Total debt	-50	-0.33	Senior bond
Equity value (SOTP)	289	1.89	
Peer multiples			
EV/EBIT 19-20E		1.98-2.47	
P/E 19-20E		1.28-1.96	
Div. yield 19-20E		2.26-2.53	
<b>Target price</b>		<b>2.10</b>	

*Source: Evli Research*

## INTERIM FIGURES

EVLI ESTIMATES, EURm	2018Q1	2018Q2	2018Q3	2018Q4	2018	2019Q1	2019Q2	2019Q3	2019Q4E	2019E	2020E	2021E
Net sales	8.5	11.4	7.2	8.9	36.0	9.3	13.4	9.7	13.3	45.7	51.7	56.2
EBITDA	4.1	6.1	4.9	-2.9	12.2	5.0	6.2	5.8	7.2	24.2	32.7	37.0
<i>EBITDA margin (%)</i>	<i>48.7</i>	<i>53.2</i>	<i>67.6</i>	<i>-32.9</i>	<i>33.8</i>	<i>53.7</i>	<i>46.2</i>	<i>60.1</i>	<i>53.9</i>	<i>52.9</i>	<i>63.3</i>	<i>65.9</i>
EBIT	4.1	6.0	4.8	-2.9	12.0	4.7	5.8	5.5	6.8	22.7	31.2	35.4
<i>EBIT margin (%)</i>	<i>48.0</i>	<i>52.6</i>	<i>66.8</i>	<i>-33.2</i>	<i>33.2</i>	<i>50.7</i>	<i>43.3</i>	<i>56.4</i>	<i>50.9</i>	<i>49.8</i>	<i>60.4</i>	<i>63.1</i>
Net financial items	-0.5	-1.0	-0.5	-0.7	-2.7	-0.6	-0.7	-0.6	-0.6	-2.5	-2.6	-2.9
Pre-tax profit	3.5	5.1	4.3	-3.6	9.3	4.1	5.1	4.9	6.1	20.2	28.6	32.5
Tax	-0.2	-0.8	-0.2	0.4	-0.8	-0.1	-0.9	-0.9	-0.8	-2.7	-3.1	-3.6
<i>Tax rate (%)</i>	<i>5.7</i>	<i>15.9</i>	<i>5.5</i>	<i>12.2</i>	<i>8.6</i>	<i>2.6</i>	<i>17.5</i>	<i>17.5</i>	<i>13.0</i>	<i>13.1</i>	<i>11.0</i>	<i>11.0</i>
Net profit	3.3	3.7	4.0	-3.0	8.1	3.6	3.0	3.8	5.1	15.6	23.6	27.2
EPS	0.02	0.03	0.03	-0.02	0.05	0.02	0.02	0.02	0.03	0.10	0.15	0.18
EPS adjusted (diluted no. of shares)	0.02	0.03	0.03	-0.02	0.05	0.02	0.02	0.02	0.03	0.10	0.15	0.18
Dividend per share	0.00	0.00	0.00	0.00	0.12	0.00	0.00	0.00	0.00	0.13	0.14	0.15
<b>SALES, EURm</b>												
Management Company business	5.9	6.5	5.5	6.2	24.2	6.4	6.4	7.0	9.2	29.0	33.3	36.0
Investment business	1.1	1.0	0.2	0.2	2.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Service business	1.4	3.8	1.5	2.0	8.7	2.9	6.9	2.7	3.7	16.2	17.9	19.6
Other & eliminations	0.0	0.2	0.0	0.4	0.6	0.0	0.0	0.0	0.4	0.5	0.5	0.5
<b>Total</b>	<b>8.5</b>	<b>11.4</b>	<b>7.2</b>	<b>8.9</b>	<b>36.0</b>	<b>9.3</b>	<b>13.4</b>	<b>9.7</b>	<b>13.3</b>	<b>45.7</b>	<b>51.7</b>	<b>56.2</b>
<b>SALES GROWTH, Y/Y %</b>												
<i>Management Company business</i>	<i>11.7</i>	<i>28.8</i>	<i>-30.7</i>	<i>-7.2</i>	<i>-3.5</i>	<i>8.1</i>	<i>-2.1</i>	<i>25.9</i>	<i>48.1</i>	<i>19.7</i>	<i>15.1</i>	<i>8.1</i>
<i>Investment business</i>	<i>-3.0</i>	<i>-55.9</i>	<i>21.8</i>	<i>5.7</i>	<i>-32.8</i>	<i>-100.0</i>	<i>-100.0</i>	<i>-99.9</i>	<i>-100.0</i>	<i>-100.0</i>	<i>0.0</i>	<i>0.0</i>
<i>Service business</i>	<i>35.1</i>	<i>112.6</i>	<i>17.8</i>	<i>35.7</i>	<i>56.0</i>	<i>107.1</i>	<i>84.3</i>	<i>83.4</i>	<i>81.0</i>	<i>87.0</i>	<i>10.0</i>	<i>10.0</i>
<i>Other &amp; eliminations</i>	<i>32.1</i>	<i>416.7</i>	<i>64.7</i>	<i>-5.7</i>	<i>25.4</i>	<i>-37.8</i>	<i>-76.8</i>	<i>-99.6</i>	<i>5.0</i>	<i>-23.5</i>	<i>5.0</i>	<i>5.0</i>
<b>Total</b>	<b>12.7</b>	<b>25.8</b>	<b>-23.3</b>	<b>0.5</b>	<b>3.3</b>	<b>9.8</b>	<b>17.0</b>	<b>34.1</b>	<b>49.7</b>	<b>26.8</b>	<b>13.2</b>	<b>8.7</b>
<b>EBIT, EURm</b>												
Management Company business	0.8	0.7	0.8	0.5	2.8	0.8	0.9	1.9	3.4	7.0	10.7	12.7
Investment business	3.2	3.4	3.8	-4.0	6.5	3.9	1.0	3.2	2.7	10.8	13.7	15.1
Service business	0.6	2.4	0.6	0.8	4.4	1.8	4.9	1.6	1.5	9.7	10.7	11.8
Other & eliminations	-0.4	-0.6	-0.3	-0.3	-1.7	-1.7	-1.0	-1.2	-0.8	-4.7	-3.9	-4.1
<b>Total</b>	<b>4.1</b>	<b>6.0</b>	<b>4.8</b>	<b>-2.9</b>	<b>12.0</b>	<b>4.7</b>	<b>5.8</b>	<b>5.5</b>	<b>6.8</b>	<b>22.7</b>	<b>31.2</b>	<b>35.4</b>
<b>EBIT margin, %</b>												
<i>Management Company business</i>	<i>12.8</i>	<i>11.4</i>	<i>14.5</i>	<i>8.7</i>	<i>11.7</i>	<i>12.4</i>	<i>14.5</i>	<i>27.1</i>	<i>36.5</i>	<i>24.1</i>	<i>32.1</i>	<i>35.2</i>
<i>Investment business</i>	<i>285.0</i>	<i>350.5</i>	<i>2,130.2</i>	<i>-1,625.9</i>	<i>257.0</i>							
<i>Service business</i>	<i>41.0</i>	<i>64.8</i>	<i>38.0</i>	<i>39.2</i>	<i>50.4</i>	<i>61.3</i>	<i>70.6</i>	<i>57.1</i>	<i>40.9</i>	<i>59.9</i>	<i>59.9</i>	<i>59.9</i>
<i>Other &amp; eliminations</i>	<i>-1,205.4</i>	<i>-375.5</i>	<i>-1,250.0</i>	<i>-87.2</i>	<i>-283.9</i>	<i>-7,543.5</i>	<i>-2,894.4</i>	<i>-198.4</i>		<i>-1,026.5</i>	<i>-812.0</i>	<i>-812.0</i>
<b>Total</b>	<b>48.0</b>	<b>52.6</b>	<b>66.8</b>	<b>-33.2</b>	<b>33.2</b>	<b>50.7</b>	<b>43.3</b>	<b>56.4</b>	<b>50.9</b>	<b>49.8</b>	<b>60.4</b>	<b>63.1</b>

INCOME STATEMENT, EURm	2014	2015	2016	2017	2018	2019E	2020E	2021E
Sales	39.5	31.8	26.7	34.8	36.0	45.7	51.7	56.2
<i>Sales growth (%)</i>	<i>32.6</i>	<i>-19.5</i>	<i>-16.0</i>	<i>30.6</i>	<i>3.3</i>	<i>26.8</i>	<i>13.2</i>	<i>8.7</i>
EBITDA	6.8	9.6	18.9	21.2	12.2	24.2	32.7	37.0
<i>EBITDA margin (%)</i>	<i>17.2</i>	<i>30.2</i>	<i>71.0</i>	<i>61.0</i>	<i>33.8</i>	<i>52.9</i>	<i>63.3</i>	<i>65.9</i>
Depreciation	-0.4	-0.3	-0.3	-0.3	-0.2	-0.3	-0.4	-0.4
EBITA	6.4	9.3	18.7	21.0	12.0	22.7	31.2	35.4
Goodwill amortization / writedown	0.0	0.0	0.0	-1.5	0.0	0.0	0.0	0.0
EBIT	6.4	9.3	18.7	19.5	12.0	22.7	31.2	35.4
<i>EBIT margin (%)</i>	<i>16.2</i>	<i>29.2</i>	<i>70.0</i>	<i>55.9</i>	<i>33.2</i>	<i>49.8</i>	<i>60.4</i>	<i>63.1</i>
Reported EBIT	6.4	9.3	18.7	19.5	12.0	22.7	31.2	35.4
<i>EBIT margin (reported) (%)</i>	<i>16.2</i>	<i>29.2</i>	<i>70.0</i>	<i>55.9</i>	<i>33.2</i>	<i>49.8</i>	<i>60.4</i>	<i>63.1</i>
Net financials	-1.5	-2.8	-3.1	-3.3	-2.7	-2.5	-2.6	-2.9
Pre-tax profit	4.9	6.5	15.5	16.2	9.3	20.2	28.6	32.5
Taxes	-1.0	-0.4	-0.2	-0.8	-0.8	-2.7	-3.1	-3.6
Minority shares	0.0	0.0	0.0	0.0	-0.4	-2.0	-1.8	-1.8
Net profit	3.0	5.1	14.3	15.3	8.1	15.6	23.6	27.2
Cash NRIs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-cash NRIs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>BALANCE SHEET, EURm</b>								
<b>Assets</b>								
Fixed assets	65	104	95	93	88	115	126	136
Goodwill	6	6	6	5	5	20	20	20
Right of use assets	0	0	0	0	3	3	3	3
Inventory	0	0	0	0	0	0	0	0
Receivables	10	13	101	89	57	29	24	26
Liquid funds	29	22	45	23	55	46	52	56
Total assets	114	150	253	211	209	215	226	243
<b>Liabilities</b>								
Shareholder's equity	50	50	128	127	121	119	123	129
Minority interest	0	0	0	0	0	1	1	1
Convertibles	15	15	15	0	0	0	0	0
Lease liabilities	0	0	0	0	3	3	3	3
Deferred taxes	2	2	10	9	3	2	2	2
Interest bearing debt	32	69	66	48	60	62	66	75
Non-interest bearing current liabilities	14	13	33	27	17	23	26	28
Other interest-free debt	0	0	0	1	5	5	5	5
Total liabilities	114	150	253	211	209	215	226	243
<b>CASH FLOW, EURm</b>								
+ EBITDA	7	10	19	21	12	24	33	37
- Net financial items	12	-7	23	-3	-3	-2	-3	-3
- Taxes	-1	-1	0	1	-6	-4	-3	-4
- Increase in Net Working Capital	2	-3	5	6	27	33	8	0
+/- Other	-9	0	-53	-6	6	0	-2	-2
= Cash flow from operations	11	-2	-6	19	36	51	33	29
- Capex	0	47	-51	2	6	-51	-12	-12
- Acquisitions	0	0	0	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Free cash flow	10	45	-57	21	42	0	22	17
+/- New issues/buybacks	1	0	70	-9	2	1	0	0
- Paid dividend	-3	-5	-6	-8	-16	-18	-20	-21
+/- Other	4	-47	17	-26	3	7	4	9
Change in cash	12	-7	23	-22	31	-9	6	4

KEY FIGURES	2015	2016	2017	2018	2019E	2020E	2021E
M-cap	86	111	258	216	316	316	316
Net debt (excl. convertibles)	48	21	25	8	19	18	22
Enterprise value	149	147	283	225	338	336	340
Sales	32	27	35	36	46	52	56
EBITDA	10	19	21	12	24	33	37
EBIT	9	19	19	12	23	31	35
Pre-tax	6	16	16	9	20	29	33
Earnings	5	14	15	8	16	24	27
Equity book value (excl. minorities)	50	128	127	121	119	123	129
<b>Valuation multiples</b>							
EV/sales	4.7	5.5	8.1	6.3	7.4	6.5	6.1
EV/EBITDA	15.5	7.7	13.3	18.5	14.0	10.3	9.2
EV/EBITA	16.1	7.9	13.5	18.9	14.9	10.8	9.6
EV/EBIT	16.1	7.9	14.5	18.9	14.9	10.8	9.6
EV/OCF	-70.2	-23.6	15.0	6.3	6.6	10.1	11.8
EV/FCFF	-20.9	6.2	11.7	5.0	61.1	12.4	14.9
P/FCFE	1.9	-1.9	12.3	5.1	1,501.0	14.6	18.3
P/E	14.7	10.9	13.1	26.8	20.3	13.4	11.6
P/B	1.7	0.9	2.0	1.8	2.6	2.6	2.5
Target EV/EBITDA	0.0	0.0	0.0	0.0	14.2	10.4	9.3
Target EV/EBIT	0.0	0.0	0.0	0.0	15.0	10.9	9.7
Target EV/FCF	0.0	0.0	0.0	0.0	1,626.7	15.8	20.0
Target P/B	0.0	0.0	0.0	0.0	2.7	2.6	2.5
Target P/E	0.0	0.0	0.0	0.0	20.7	13.6	11.8
<b>Per share measures</b>							
Number of shares	86,317	88,409	145,626	147,142	153,270	153,270	153,270
Number of shares (diluted)	86,317	88,409	145,626	147,142	153,270	153,270	153,270
EPS	0.06	0.16	0.10	0.05	0.10	0.15	0.18
Operating cash flow per share	-0.02	-0.07	0.13	0.24	0.33	0.22	0.19
Free cash flow per share	0.52	-0.65	0.14	0.29	0.00	0.14	0.11
Book value per share	0.58	1.45	0.87	0.82	0.78	0.80	0.84
Dividend per share	0.07	0.09	0.11	0.12	0.13	0.14	0.15
Dividend payout ratio, %	118.6	55.5	104.9	219.0	128.0	90.8	84.6
Dividend yield, %	7.0	7.2	6.2	8.2	6.3	6.8	7.3
FCF yield, %	52.3	-51.7	8.1	19.6	0.1	6.8	5.5
<b>Efficiency measures</b>							
ROE	10.1	16.1	12.0	6.5	13.0	19.5	21.6
ROCE	8.0	10.9	10.1	6.7	12.3	16.5	17.7
<b>Financial ratios</b>							
Inventories as % of sales	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Receivables as % of sales	40.9	379.6	255.5	157.6	64.5	47.0	47.0
Non-interest bearing liabilities as % of sales	41.3	125.0	77.0	46.7	50.0	50.0	50.0
NWC/sales, %	-0.3	253.4	176.1	96.8	3.4	-12.8	-12.0
Operative CAPEX/sales, %	-148.7	190.8	-6.0	-17.4	111.2	22.7	20.8
CAPEX/sales (incl. acquisitions), %	-148.7	190.8	-6.0	-17.4	111.2	22.7	20.8
FCFF/EBITDA	-0.7	1.2	1.1	3.7	0.2	0.8	0.6
Net debt/EBITDA, book-weighted	5.0	1.1	1.2	0.7	0.8	0.5	0.6
Debt/equity, market-weighted	0.8	0.6	0.2	0.3	0.2	0.2	0.2
Equity ratio, book-weighted	43.6	56.6	60.0	57.8	55.9	54.8	53.4
Gearing, %	73.3	14.7	19.7	6.9	16.1	14.2	16.9

**COMPANY DESCRIPTION:** CapMan is a leading Nordic asset management and investment company. CapMan manages over EUR 3 billion in assets. The company mainly manages investors' assets but also makes direct investments from balance sheet, mainly into own funds. Current investments strategies cover Buyout, Growth Equity, Real Estate, Infra, Russia, and Credit. CapMan also has a growing service business that includes fundraising advisory, procurement activities, reporting and analysis services and fund management.

**INVESTMENT CASE:**

OWNERSHIP STRUCTURE	SHARES	EURm	%
Mandatum Life Insurance Company	11,588,286	23.872	7.6%
Ilmarinen Mutual Pension Insurance Company	10,464,415	21.557	6.8%
Oy Inventiainvest AB (Ari Tolppanen)	7,024,794	14.471	4.6%
Laakkonen Mikko Kalervo	6,378,320	13.139	4.2%
Varma Mutual Pension Insurance Company	3,675,215	7.571	2.4%
Joensuun Kauppa ja Kone Oy	3,161,853	6.513	2.1%
Vesasco Oy	3,088,469	6.362	2.0%
The State Pension Fund	2,500,000	5.150	1.6%
Heiwes Oy	2,094,480	4.315	1.4%
Momea Invest Oy	2,079,222	4.283	1.4%
Ten largest	52,055,054	107.233	34%
Residual	101,215,002	208.503	66%
Total	153,270,056	315.736	100%

**EARNINGS CALENDAR****OTHER EVENTS****COMPANY MISCELLANEOUS**

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## DEFINITIONS

P/E	$\frac{\text{Price per share}}{\text{Earnings per share}}$	EPS	$\frac{\text{Profit before extraord. items and taxes} - \text{income taxes} + \text{minority interest}}{\text{Number of shares}}$
P/BV	$\frac{\text{Price per share}}{\text{Shareholders' equity} + \text{taxed provisions per share}}$	DPS	Dividend for the financial period per share
Market cap	Price per share * Number of shares	OCF (Operating cash flow)	EBITDA – Net financial items – Taxes – Increase in working capital – Cash NRIs ± Other adjustments
EV (Enterprise value)	Market cap + net debt + minority interest at market value – share of associated companies at market value	FCF (Free cash flow)	Operating cash flow – operative CAPEX – acquisitions + divestments
EV/Sales	$\frac{\text{Enterprise value}}{\text{Sales}}$	FCF yield, %	$\frac{\text{Free cash flow}}{\text{Market cap}}$
EV/EBITDA	$\frac{\text{Enterprise value}}{\text{Earnings before interest, tax, depreciation and amortization}}$	Operative CAPEX/sales	$\frac{\text{Capital expenditure} - \text{divestments} - \text{acquisitions}}{\text{Sales}}$
EV/EBIT	$\frac{\text{Enterprise value}}{\text{Operating profit}}$	Net working capital	Current assets – current liabilities
Net debt	Interest bearing debt – financial assets	Capital employed/Share	$\frac{\text{Total assets} - \text{non-interest bearing debt}}{\text{Number of shares}}$
Total assets	Balance sheet total	Gearing	$\frac{\text{Net debt}}{\text{Equity}}$
Div yield, %	$\frac{\text{Dividend per share}}{\text{Price per share}}$	Debt/Equity, %	$\frac{\text{Interest bearing debt}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}$
Payout ratio, %	$\frac{\text{Total dividends}}{\text{Earnings before extraordinary items and taxes} - \text{income taxes} + \text{minority interest}}$	Equity ratio, %	$\frac{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}{\text{Total assets} - \text{interest-free loans}}$
ROCE, %	$\frac{\text{Profit before extraordinary items} + \text{interest expenses} + \text{other financial costs}}{\text{Balance sheet total} - \text{non-interest bearing debt (average)}}$	CAGR, %	Cumulative annual growth rate = Average growth per year
ROE, %	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholder's equity} + \text{minority interest} + \text{taxed provisions (average)}}$		



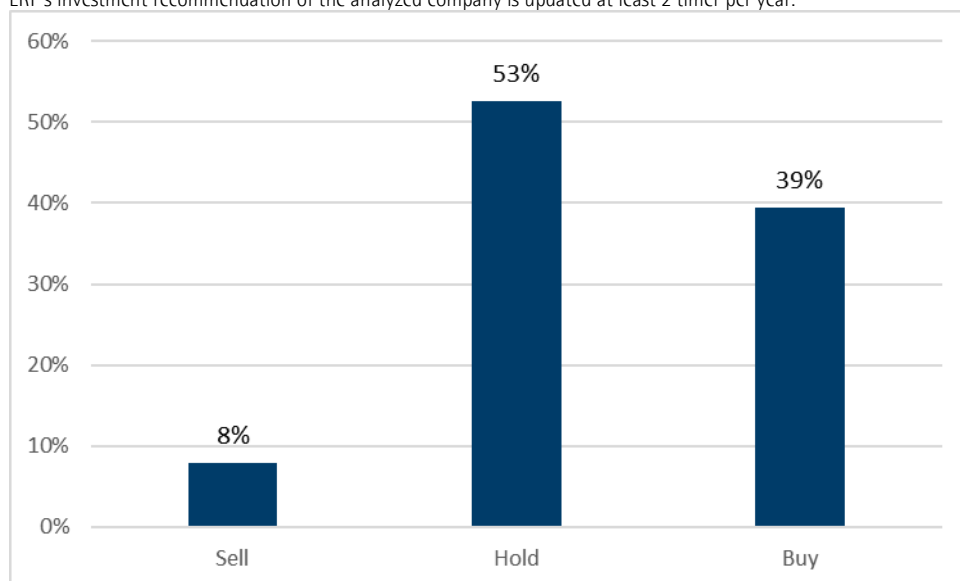
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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Name(s) of the analyst(s): Salokivi

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