

Back to healthy profitability

CapMan's net sales in Q2 amounted to EUR 8.7m, below our and consensus estimates (EUR 10.4m/10.6m Evli/cons.). Profitability was better than expected due to larger fair value changes and EBIT amounted to EUR 4.1m, above our estimates and above consensus estimates (EUR 2.6m/2.5m Evli/cons.).

- Revenue in Q2 was EUR 8.7m (EUR 13.4m in Q2/19), below our estimates and consensus estimates (EUR 10.4m/10.6m Evli/Cons.). Growth in Q2 amounted to -35 % y/y.
- Operating profit in Q2 amounted to EUR 4.1m (EUR 5.8m in Q2/19), above our estimates and consensus estimates (EUR 2.6m/2.5m Evli/cons.), driven by higher than expected fair value changes.
- EPS in Q2 amounted to EUR 0.02 (EUR 0.02 in Q2/19), above our estimates and consensus estimates (EUR 0.01/0.01 Evli/cons.).
- Management Company business revenue in Q2 was EUR 6.5m vs. EUR 7.2m Evli. Operating profit in Q2 amounted to EUR 1.6m vs. EUR 2.0m Evli.
- Investment business revenue in Q2 was EUR 0.0m vs. EUR 0.0m Evli. Operating profit in Q2 amounted to EUR 2.8m vs. EUR 0.1m Evli. Fair value changes amounted to EUR 3.2m (Evli EUR 0.8m)
- Services business revenue in Q2 was EUR 2.2m vs. EUR 3.2m Evli. Operating profit in Q2 amounted to EUR 0.5m vs. EUR 1.5m Evli.
- Capital under management by the end of Q2 was EUR 3.2bn (Q2/19: EUR 3.3bn). Real estate funds: EUR 1.9bn, private equity & credit funds: EUR 1.0bn, infra funds: EUR 0.3bn, and other funds: EUR 0.03bn.
- CapMan Growth established a new growth fund with a target size of EUR 85m, having so far raised EUR 74m.

Rating + BUY

Q2/20	Actual	Evli	Cons.	Q2/19
Net sales	8.7	10.4	10.6	13.4
EBIT	4.1	2.6	2.5	5.8
EPS	0.02	0.01	0.01	0.02
Deviation	Actual	Evli	Cons.	Q2/19
Net sales		-16%	-18%	-35%
EBIT		59%	66%	-29%
EPS		75%	>100%	5%

*Consensus by Bloomberg

 Share price, EUR (Last trading day's closing price) 2.04

 Target price, EUR 1.95

 Latest change in recommendation 21-Apr-20

 Latest report on company 24-Apr-20

 Research paid by issuer: YES

 No. of shares outstanding, '000's 155,963

 No. of shares fully diluted, '000's 155,963

 Market cap, EURm 318

 Free float, % 64.0

 Exchange rate EUR 1.000

 Reuters code CAPMAN.HE

 Bloomberg code CAPMAN FH

 Average daily volume, EURm 0.74

 Next interim report 06-Aug-20

 Web site capman.com/shareholders

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+ BUY □ HOLD - SELL

PRE-REPORT KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	FCF EURm	EPS EUR	P/E (x)	EV/Sales (x)	EV/EBIT (x)	FCF yield %	DPS EUR
2018	36.0	12.0	33.2%	-11.2	0.05	26.8	6.3	18.9	-5.2	0.12
2019	49.0	19.4	39.6%	-6.8	0.09	25.4	7.7	19.4	-1.9	0.13
2020E	45.1	1.2	2.7%	3.6	-0.02	-92.0	7.9	289.4	1.1	0.14
2021E	55.9	33.4	59.7%	20.6	0.17	12.0	6.4	10.7	6.5	0.15
2022E	60.0	37.4	62.4%	24.5	0.19	10.7	5.9	9.5	7.7	0.16
Market cap, EURm		318	BV per share 2020E, EUR		30.5	CAGR EPS 2019-22, %				28.2
Net debt 2020E, EURm		32	Price/book 2020E		3.0	CAGR sales 2019-22, %				7.0
Enterprise value, EURm		357	Dividend yield 2020E, %		6.9	ROE 2020E, %				-3.0
Total assets 2020E, EURm		205	Tax rate 2020E, %		-111.1	ROCE 2020E, %				0.7
Goodwill 2020E, EURm		15	Equity ratio 2020E, %		52.0	PEG, P/E 20/CAGR				0.0

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

CapMan Q2/20	Actual	Evli	vs. Evli	Consensus	vs. cons	Q2/19	vs. Q2/19
Net sales	8.7	10.4	-16.2%	10.6	-18.1%	13.4	-35.0%
-Management Company business	6.5	7.2	-10.0%			6.4	1.3%
-Investment business	0.00	0.00	-			0.00	-
-Services business	2.2	3.2	-31.3%			6.9	-68.1%
-Other	0.02	0.00	-			0.00	-
EBIT	4.1	2.6	59.2%	2.5	65.5%	5.8	-28.7%
-Management Company business	1.6	2.0	-20.7%			0.90	76.3%
-Investment business	2.8	0.10	>100%			1.0	>100%
-Services business	0.45	1.5	-69.9%			4.9	-90.8%
-Other	-0.69	-1.00	30.7%			-1.00	30.7%
EPS	0.02	0.01	75.0%	0.01	>100%	0.02	5.0%

Consensus by Bloomberg

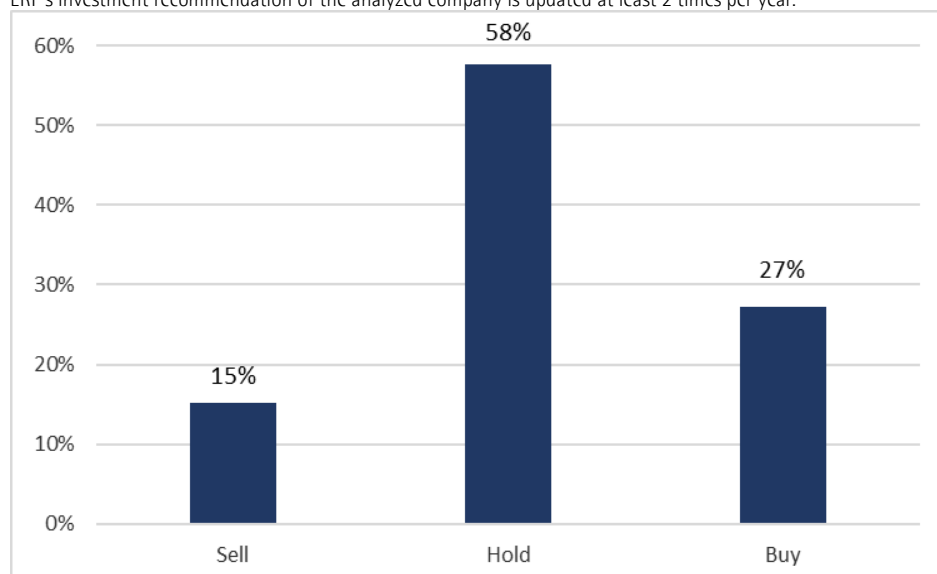
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Investment recommendations are defined as follows:

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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