

Ramping up recurring revenue

CapMan's Q3 was slightly below expectations but still overall neutral. Newly raised capital pushed AUM to ATH levels and the outlook for fee-based growth is favourable. Although market uncertainty is on the rise, with the dividend story intact we retain our BUY-rating and TP of EUR 2.2.

Slightly below expectations, AUM at all-time high

CapMan's Q3 results came in slightly below expectations, with turnover of EUR 8.9m (EUR 9.6m/9.9m Evli/cons.) and EBIT of EUR 4.5m (EUR 5.0m Evli/cons.). The report in our view was all in all rather neutral. Low transaction-based fee volumes still caused weakness in the Services business while the Management Company business saw a boost from recent fundraising projects, albeit not quite as much as we had anticipated. AUM grew to an all-time high mainly through the first closing of the NRE III fund, having raised EUR 313m, with the target of EUR 500m still seen to be reached in the not too distant future. No major carried interest was received, and fair value changes were as expected.

Outlook for fee-based growth still favourable

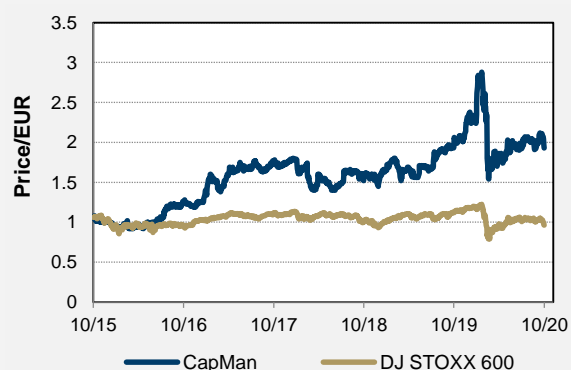
CapMan's recurring turnover continued to grow but at a slower pace. With the newly raised funds and on-going fundraising as well as the overall relatively new AUM the outlook for accelerating growth again is promising. The new CapMan Wealth Services model was also launched recently, aiming to further boost fee-based growth. The clear weakness currently continues to be the transaction-based fees, where volumes have declined due to the pandemic and with the recent increased uncertainty the near-term continues to look challenging. Realization of carried interest is still looking more distant and we no longer expect significant carry in 2020.

BUY with a target price of EUR 2.2

The market uncertainty is causing some stir to the near-term development and justifying upside potential in relation to current valuation seems more challenging, but the dividend yield and healthy financial position continue to speak for CapMan. We retain our BUY-rating and target price of EUR 2.2.

Rating

BUY



Share price, EUR (Last trading day's closing price) 1.93

Target price, EUR 2.2

Latest change in recommendation 21-Apr-20

Latest report on company 07-Aug-20

Research paid by issuer: YES

No. of shares outstanding, '000's 156,338

No. of shares fully diluted, '000's 156,338

Market cap, EURm 302

Free float, % 64.0

Exchange rate EUR 1.000

Reuters code CAPMAN.HE

Bloomberg code CAPMAN FH

Average daily volume, EURm 0.25

Next interim report 04-Feb-21

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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
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	39.7	5.5	13.9%	3.2	0.00	640.1	8.5	60.8	1.1	0.14
2021E	51.4	30.3	59.0%	17.5	0.15	12.8	6.6	11.2	5.8	0.15
2022E	60.5	39.8	65.8%	20.9	0.20	9.5	5.7	8.6	6.9	0.16
Market cap, EURm			302	Gearing 2020E, %		29.2	CAGR EPS 2019-22, %			30.7
Net debt 2020E, EURm			32	Price/book 2020E		2.8	CAGR sales 2019-22, %			7.3
Enterprise value, EURm			336	Dividend yield 2020E, %		7.3	ROE 2020E, %			0.4
Total assets 2020E, EURm			209	Tax rate 2020E, %		58.5	ROCE 2020E, %			3.0
Goodwill 2020E, EURm			15	Equity ratio 2020E, %		52.5	PEG, P/E 20/CAGR			2.2

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

CapMan	2018	Q1/'19	Q2/'19	Q3/'19	Q4/'19	2019	Q1/'20	Q2/'20	Q3/'20	Q4/'20E	2020E	2021E	2022E
Management fees	22.1	6.1	5.4	6.0	7.3	24.9	6.9	5.9	6.6	7.0	26.4	30.6	32.4
Sale of services	10.3	3.0	7.3	3.0	3.9	17.2	5.0	2.5	2.2	3.0	12.6	15.1	17.2
Carried interest	1.0	0.1	0.7	0.7	5.4	6.9	0.1	0.4	0.1	0.1	0.7	5.7	10.9
Dividend and interest income	2.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revenue	36.0	9.3	13.4	9.7	16.6	49.0	12.0	8.7	8.9	10.1	39.7	51.4	60.5
<i>change, %</i>	<i>3.3%</i>	<i>9.8%</i>	<i>17.0%</i>	<i>34.1%</i>	<i>86.9%</i>	<i>36.1%</i>	<i>28.7%</i>	<i>-34.8%</i>	<i>-8.2%</i>	<i>-38.9%</i>	<i>-18.9%</i>	<i>29.4%</i>	<i>17.6%</i>
Other operating income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Personnel expenses	-19.9	-5.3	-5.5	-5.2	-8.2	-24.2	-6.3	-5.2	-4.9	-6.6	-23.1	-23.7	-24.7
Other operating expenses	-9.1	-3.2	-3.3	-2.5	-3.1	-12.1	-2.8	-2.2	-1.9	-2.6	-9.5	-10.0	-10.2
Depreciation and amortisation	-0.2	-0.3	-0.4	-0.3	-4.6	-5.6	-0.3	-0.4	-0.3	-0.4	-1.4	-1.5	-1.6
Fair value changes	5.1	4.2	1.7	3.8	2.6	12.3	-8.4	3.2	2.6	2.4	-0.2	14.1	15.8
Operating profit	12.0	4.7	5.8	5.5	3.4	19.4	-6.0	4.1	4.5	2.9	5.5	30.3	39.8
<i>Operating profit margin, %</i>	<i>33.2%</i>	<i>50.7%</i>	<i>43.3%</i>	<i>56.4%</i>	<i>20.6%</i>	<i>39.6%</i>	<i>-50.1%</i>	<i>47.5%</i>	<i>50.0%</i>	<i>28.9%</i>	<i>13.9%</i>	<i>59.0%</i>	<i>65.8%</i>
Items affecting comparability	0.0	0.9	0.5	0.0	4.2	5.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Adj. operating profit	12.0	5.6	6.3	5.5	7.7	25.0	-6.0	4.1	4.5	2.9	5.5	30.3	39.8
Net financials	-2.7	-0.6	-0.7	-0.6	0.1	-1.8	-0.6	-0.7	-0.7	-0.6	-2.6	-3.0	-3.3
Pre-tax profit	9.3	4.1	5.1	4.9	3.5	17.6	-6.5	3.4	3.7	2.3	2.9	27.3	36.4
Income taxes	-0.8	-0.1	-0.9	-0.9	0.1	-1.7	-0.9	-0.3	-0.4	-0.2	-1.7	-2.2	-2.9
Minority interest	-0.4	-0.4	-1.2	-0.2	-0.1	-1.9	-0.9	0.2	-0.1	0.0	-0.7	-1.6	-1.8
Profit for the period	8.1	3.6	3.0	3.8	3.5	13.9	-8.3	3.3	3.3	2.2	1.2	23.5	31.7
EPS, EUR	0.05	0.02	0.02	0.03	0.02	0.09	-0.05	0.02	0.02	0.01	0.01	0.15	0.20
Assets under management	3043	3196	3270	3240	3245	3245	3225	3151	3577		3 700	4 000	4 250
Management Company business	2018	Q1/'19	Q2/'19	Q3/'19	Q4/'19	2019	Q1/'20	Q2/'20	Q3/'20	Q4/'20E	2020E	2021E	2022E
Revenue	24.2	6.4	6.4	7.0	13.0	32.8	7.2	6.5	7.0	7.4	28.1	37.3	44.3
Operating profit	2.8	0.8	0.9	1.9	2.4	6.0	1.9	1.6	2.1	1.5	7.0	14.8	21.1
Investment business	2018	Q1/'19	Q2/'19	Q3/'19	Q4/'19	2019	Q1/'20	Q2/'20	Q3/'20	Q4/'20E	2020E	2021E	2022E
Revenue	2.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating profit	6.5	3.9	1.0	3.2	2.1	10.2	-8.4	2.8	2.6	1.9	-1.2	13.1	14.7
Services business	2018	Q1/'19	Q2/'19	Q3/'19	Q4/'19	2019	Q1/'20	Q2/'20	Q3/'20	Q4/'20E	2020E	2021E	2022E
Revenue	8.7	2.9	6.9	2.7	3.2	15.7	4.8	2.2	1.8	2.4	11.2	13.7	15.7
Operating profit	4.4	1.8	4.9	1.6	0.9	9.1	3.0	0.5	0.6	0.6	4.7	6.8	8.5
Other	2018	Q1/'19	Q2/'19	Q3/'19	Q4/'19	2019	Q1/'20	Q2/'20	Q3/'20	Q4/'20E	2020E	2021E	2022E
Revenue	0.6	0.0	0.0	0.0	0.4	0.5	0.0	0.0	0.1	0.3	0.4	0.4	0.5
Operating profit	-1.7	-1.7	-1.0	-1.2	-2.0	-5.9	-2.4	-0.7	-0.8	-1.1	-5.0	-4.4	-4.6

Source: CapMan, Evli Research estimates

Investment Management Companies	MCAP MEUR	EV/EBIT			P/E			Div. yield		
		20	21	22	20	21	22	20	21	22
Institut de Developpement	264	12.8x	11.9x	11.6x	13.5x	12.6x	11.1x	5.2 %	5.2 %	5.2 %
Deutsche Beteiligungs	412	62.8x	8.7x		140.2x	9.5x		2.7 %	4.6 %	
Mutares	161	11.7x	28.0x	12.7x	3.1x	8.1x	6.5x	9.5 %	10.9 %	10.4 %
3i Group Plc	10224	8.4x	6.7x	6.0x	9.1x	7.2x	6.6x	3.8 %	4.1 %	4.3 %
Eurazeo	3013	45.9x	15.8x	14.4x	108.1x	11.2x	7.2x	3.4 %	3.4 %	3.5 %
Ratos	970							3.4 %	2.8 %	3.9 %
Partners Group Holding	20223	27.0x	22.1x	18.9x	32.6x	24.6x	21.2x	3.1 %	3.2 %	3.5 %
Peer Group Average	2813	28.1x	15.5x	12.7x	51.1x	12.2x	10.5x	4.4 %	4.9 %	5.1 %
Peer Group Median	281	19.9x	13.8x	12.7x	23.0x	10.4x	7.2x	3.4 %	4.1 %	4.1 %
CapMan (Evli est.)	300	60.5x	11.2x	8.6x	636.8x	12.8x	9.5x	7.3 %	7.8 %	8.3 %

CapMan prem./disc. to peer median 204% -19% -32% 2663% 23% 31% 115% 93% 103%

Source FactSet, Evli Research

Finnish financial services peers	MCAP MEUR	EV/EBIT			P/E			Div. yield		
		20	21	22	20	21	22	20	21	22
eQ	538	19.0x	14.5x	13.8x	22.8x	17.7x	17.0x	4.5 %	5.8 %	5.9 %
Taaleri Plc	281	17.1x	11.0x	7.6x	17.4x	10.3x	7.2x	5.0 %	5.7 %	6.3 %
Evli Bank	234	1.9x	1.5x	1.4x	14.3x	12.0x	10.3x	7.0 %	7.6 %	8.1 %
United Bankers Oyj	92	10.2x	10.9x	9.5x	12.5x	13.7x	11.8x	6.3 %	6.3 %	6.8 %
EAB Group	42	252.1x	19.9x	14.9x		22.3x	15.8x	0.8 %	2.8 %	3.1 %
Titanium Oyj	112				11.7x	10.4x	9.4x	7.4 %	8.3 %	8.6 %
Peer Group Average	216	60.0x	11.6x	9.4x	15.7x	14.4x	11.9x	5.2 %	6.1 %	6.5 %
Peer Group Median	173	17.1x	11.0x	9.5x	14.3x	12.8x	11.1x	5.6 %	6.0 %	6.5 %
CapMan (Evli est.)	300	60.5x	11.2x	8.6x	636.8x	12.8x	9.5x	7.3 %	7.8 %	8.3 %

CapMan prem./disc. to peer median 254% 2% -9% 4342% -1% -14% 30% 29% 27%

Source FactSet, Evli Research

VALUATION

SOTP	Implied value (EURm)	Per share (EUR)	Notes
Management Company (excl. carry)	144	0.92	16x 2021E EBIT EUR 9m
Services business	62	0.39	9x 2021E EBIT EUR 6.8m
Investment business	160	1.02	Q3/20
Carried interest	30	0.19	DCF
Corporate functions	-44	-0.28	10x 2021E EBIT EUR -4.4m
Total debt	-70	-0.45	Q3/20
Equity value (SOTP)	282	1.80	
Peer multiples			
EV/EBIT 2021E		1.88	
P/E 2021E		1.87	
Div. yield 2021E		2.48	
Target price		2.20	

Source: Evli Research, Factset (peer multiples)

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	1.93 PV of Free Cash Flow	221 Long-term growth, %	2.0 Risk-free interest rate, %
DCF share value	3.43 PV of Horizon value	355 WACC, %	7.9 Market risk premium, %
Share price potential, %	77.7 Unconsolidated equity	-3 Spread, %	0.5 Debt risk premium, %
Maximum value	3.8 Marketable securities	44 Minimum WACC, %	7.4 Equity beta coefficient
Minimum value	3.1 Debt - dividend	-80 Maximum WACC, %	8.4 Target debt ratio, %
Horizon value, %	61.6 Value of stock	536 Nr of shares, Mn	156.3 Effective tax rate, %

DCF valuation, EURm	2019	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	Horizon
Net sales	49	40	51	60	62	64	65	67	68	70	72	73
<i>Sales growth, %</i>	<i>36.1</i>	<i>-18.9</i>	<i>29.4</i>	<i>17.6</i>	<i>2.5</i>	<i>2.5</i>	<i>2.5</i>	<i>2.5</i>	<i>2.5</i>	<i>2.5</i>	<i>2.0</i>	<i>2.0</i>
Operating income (EBIT)	19	6	30	40	37	38	39	40	41	42	43	44
<i>Operating income margin, %</i>	<i>39.6</i>	<i>13.9</i>	<i>59.0</i>	<i>65.8</i>	<i>60.0</i>	<i>60.0</i>	<i>60.0</i>	<i>60.0</i>	<i>60.0</i>	<i>60.0</i>	<i>60.0</i>	<i>60.0</i>
+ Depreciation+amort.	6	1	1	2	2	2	2	2	2	2	2	2
EBITDA	25	7	31	41	39	40	41	42	43	44	45	
- Paid taxes	-5	-2	-2	-3	-3	-3	-3	-3	-3	-3	-3	-3
- Change in NWC	-3	6	5	0	0	0	0	0	0	0	0	0
<i>NWC / Sales, %</i>	<i>12.9</i>	<i>1.4</i>	<i>-8.6</i>	<i>-7.3</i>	<i>-7.2</i>	<i>-7.0</i>	<i>-6.8</i>	<i>-6.6</i>	<i>-6.5</i>	<i>-6.3</i>	<i>-6.2</i>	
+ Change in other liabs	18	0	0	0	0	0	0	0	0	0	0	0
- Operative CAPEX	-5	-4	-10	-10	0	0	0	0	0	0	0	0
<i>opCAPEX / Sales, %</i>	<i>12.0</i>	<i>11.9</i>	<i>23.7</i>	<i>20.4</i>	<i>3.1</i>	<i>3.1</i>	<i>3.1</i>	<i>3.1</i>	<i>3.1</i>	<i>3.1</i>	<i>3.1</i>	<i>3.1</i>
- Acquisitions	-1	0	0	0	0	0	0	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0	0	0	0	0
- Other items	-14	0	0	0	0	0	0	0	0	0	0	0
= FCFF	16	7	24	28	36	37	38	38	39	40	41	712
= Discounted FCFF		7	22	23	28	27	25	24	23	22	21	355
= DFCF min WACC		7	22	24	28	27	26	25	24	23	21	404
= DFCF max WACC		7	21	23	28	26	25	23	22	21	20	313

INTERIM FIGURES

EVLI ESTIMATES, EURm	2019Q1	2019Q2	2019Q3	2019Q4	2019	2020Q1	2020Q2	2020Q3	2020Q4E	2020E	2021E	2022E
Net sales	9.3	13.4	9.7	16.6	49.0	12.0	8.7	8.9	10.1	39.7	51.4	60.5
EBITDA	5.0	6.2	5.8	8.0	25.0	-5.6	4.5	4.8	3.3	7.0	31.5	41.3
<i>EBITDA margin (%)</i>	<i>53.7</i>	<i>46.2</i>	<i>60.1</i>	<i>48.0</i>	<i>51.0</i>	<i>-47.2</i>	<i>52.0</i>	<i>54.0</i>	<i>32.5</i>	<i>17.6</i>	<i>61.3</i>	<i>68.3</i>
EBIT	4.7	5.8	5.5	3.4	19.4	-6.0	4.1	4.5	2.9	5.5	30.3	39.8
<i>EBIT margin (%)</i>	<i>50.7</i>	<i>43.3</i>	<i>56.4</i>	<i>20.6</i>	<i>39.6</i>	<i>-50.1</i>	<i>47.5</i>	<i>50.0</i>	<i>28.9</i>	<i>13.9</i>	<i>59.0</i>	<i>65.8</i>
Net financial items	-0.6	-0.7	-0.6	0.1	-1.8	-0.6	-0.7	-0.7	-0.6	-2.6	-3.0	-3.3
Pre-tax profit	4.1	5.1	4.9	3.5	17.6	-6.5	3.4	3.8	2.3	2.9	27.3	36.4
Tax	-0.1	-0.9	-0.9	0.1	-1.7	-0.9	-0.3	-0.4	-0.2	-1.7	-2.2	-2.9
<i>Tax rate (%)</i>	<i>2.6</i>	<i>17.5</i>	<i>17.5</i>	<i>-1.7</i>	<i>7.9</i>	<i>-13.4</i>	<i>9.6</i>	<i>9.5</i>	<i>7.0</i>	<i>58.5</i>	<i>8.0</i>	<i>8.0</i>
Net profit	3.6	3.0	3.8	3.5	14.0	-8.3	3.3	3.3	2.2	0.5	23.5	31.7
EPS	0.02	0.02	0.02	0.02	0.09	-0.05	0.02	0.02	0.01	0.00	0.15	0.20
EPS adjusted (diluted no. of shares)	0.02	0.02	0.02	0.02	0.09	-0.05	0.02	0.02	0.01	0.00	0.15	0.20
Dividend per share	0.00	0.00	0.00	0.00	0.13	0.00	0.00	0.00	0.00	0.14	0.15	0.16
SALES, EURm												
Management Company business	6.4	6.4	7.0	13.0	32.8	7.2	6.5	7.0	7.4	28.1	37.3	44.3
Service business	2.9	6.9	2.7	3.2	15.7	4.8	2.2	1.8	2.4	11.2	13.7	15.7
Other & eliminations	0.0	0.0	0.0	0.4	0.5	0.0	0.0	0.1	0.3	0.4	0.4	0.5
Total	9.3	13.4	9.7	16.6	49.0	12.0	8.7	8.9	10.1	39.7	51.4	60.5
SALES GROWTH, Y/Y %												
Management Company business	8.1	-2.1	25.9	109.5	35.5	12.2	1.5	0.3	-43.2	-14.4	32.9	18.8
Investment business	-100.0	-100.0	-99.9	-100.0	-100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Service business	107.1	84.3	83.4	54.9	80.8	66.1	-68.2	-33.6	-22.7	-28.5	21.8	14.9
Other & eliminations	-37.8	-76.8	-99.6	13.3	-18.2	-69.6	-41.7	99,900.0	-30.9	-13.2	5.0	5.0
Total	9.8	17.0	34.1	87.1	36.1	28.7	-34.8	-8.2	-39.0	-18.9	29.4	17.6
EBIT, EURm												
Management Company business	0.8	0.9	1.9	2.4	6.0	1.9	1.6	2.1	1.5	7.0	14.8	21.1
Investment business	3.9	1.0	3.2	2.1	10.2	-8.4	2.8	2.6	1.9	-1.2	13.1	14.7
Service business	1.8	4.9	1.6	0.9	9.1	3.0	0.5	0.6	0.6	4.7	6.8	8.5
Other & eliminations	-1.7	-1.0	-1.2	-2.0	-5.9	-2.4	-0.7	-0.8	-1.1	-5.0	-4.4	-4.6
Total	4.7	5.8	5.5	3.4	19.4	-6.0	4.1	4.5	2.9	5.5	30.3	39.8
EBIT margin, %												
Management Company business	12.4	14.5	27.1	18.2	18.2	25.9	24.5	29.7	20.2	25.0	39.6	47.6
Service business	61.3	70.6	57.1	27.9	57.9	62.2	20.5	35.9	26.4	42.0	50.0	54.3
Other & eliminations	-7,543.5	-2,894.4		-453.6	-1,197.6	-33,814.3	-3,300.0	-850.0	-366.7	-1,170.6	-976.8	-976.8
Total	50.7	43.3	56.4	20.6	39.6	-50.1	47.5	50.0	28.9	13.9	59.0	65.8

INCOME STATEMENT, EURm	2015	2016	2017	2018	2019	2020E	2021E	2022E
Sales	31.8	26.7	34.8	36.0	49.0	39.7	51.4	60.5
<i>Sales growth (%)</i>	<i>-19.5</i>	<i>-16.0</i>	<i>30.6</i>	<i>3.3</i>	<i>36.1</i>	<i>-18.9</i>	<i>29.4</i>	<i>17.6</i>
EBITDA	9.6	18.9	21.2	12.2	25.0	7.0	31.5	41.3
<i>EBITDA margin (%)</i>	<i>30.2</i>	<i>71.0</i>	<i>61.0</i>	<i>33.8</i>	<i>51.0</i>	<i>17.6</i>	<i>61.3</i>	<i>68.3</i>
Depreciation	-0.3	-0.3	-0.3	-0.2	-1.4	-1.5	-1.2	-1.5
EBITA	9.3	18.7	21.0	12.0	23.6	5.5	30.3	39.8
Goodwill amortization / writedown	0.0	0.0	-1.5	0.0	-4.2	0.0	0.0	0.0
EBIT	9.3	18.7	19.5	12.0	19.4	5.5	30.3	39.8
<i>EBIT margin (%)</i>	<i>29.2</i>	<i>70.0</i>	<i>55.9</i>	<i>33.2</i>	<i>39.6</i>	<i>13.9</i>	<i>59.0</i>	<i>65.8</i>
Reported EBIT	9.3	18.7	19.5	12.0	19.4	5.5	30.3	39.8
<i>EBIT margin (reported) (%)</i>	<i>29.2</i>	<i>70.0</i>	<i>55.9</i>	<i>33.2</i>	<i>39.6</i>	<i>13.9</i>	<i>59.0</i>	<i>65.8</i>
Net financials	-2.8	-3.1	-3.3	-2.7	-1.8	-2.6	-3.0	-3.3
Pre-tax profit	6.5	15.5	16.2	9.3	17.6	2.9	27.3	36.4
Taxes	-0.4	-0.2	-0.8	-0.8	-1.7	-1.7	-2.2	-2.9
Minority shares	0.0	0.0	0.0	-0.4	-1.9	-0.7	-1.6	-1.8
Net profit	5.1	14.3	15.3	8.1	14.0	0.5	23.5	31.7
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
BALANCE SHEET, EURm								
Assets								
Fixed assets	104	95	93	88	120	122	132	143
Goodwill	6	6	5	5	15	15	15	15
Right of use assets	0	0	0	3	3	3	3	4
Inventory	0	0	0	0	0	0	0	0
Receivables	13	101	89	57	31	21	21	25
Liquid funds	22	45	23	55	44	44	46	54
Total assets	150	253	211	209	217	209	222	244
Liabilities								
Shareholder's equity	50	128	127	121	127	109	110	119
Minority interest	0	0	0	0	2	1	1	1
Convertibles	15	15	0	0	0	0	0	0
Lease liabilities	0	0	0	3	3	3	3	4
Deferred taxes	2	10	9	3	2	3	3	3
Interest bearing debt	69	66	48	60	57	73	79	89
Non-interest bearing current liabilities	13	33	27	17	20	16	21	25
Other interest-free debt	0	0	1	5	5	5	5	5
Total liabilities	150	253	211	209	217	209	222	244
CASH FLOW, EURm								
+ EBITDA	10	19	21	12	25	7	31	41
- Net financial items	-7	-3	-3	-3	-2	-3	-3	-3
- Taxes	-1	0	-2	-3	-5	-1	-2	-3
- Increase in Net Working Capital	-3	5	-2	-7	-3	6	5	0
+/- Other	0	-23	-18	-4	-16	-1	-2	-2
= Cash flow from operations	-2	-3	-4	-5	0	8	30	33
- Capex	-2	-2	-1	2	-6	-5	-12	-12
- Acquisitions	0	0	0	-8	-1	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Free cash flow	-4	-5	-4	-11	-7	3	17	21
+/- New issues/buybacks	0	70	-4	2	12	0	0	0
- Paid dividend	-5	-6	-13	-16	-18	-20	-22	-23
+/- Other	2	-35	-1	56	1	17	6	11
Change in cash	-7	23	-22	31	-11	0	2	8

KEY FIGURES	2016	2017	2018	2019	2020E	2021E	2022E
M-cap	179	258	216	354	302	302	302
Net debt (excl. convertibles)	21	25	8	16	32	36	39
Enterprise value	215	283	225	377	336	341	343
Sales	27	35	36	49	40	51	60
EBITDA	19	21	12	25	7	31	41
EBIT	19	19	12	19	6	30	40
Pre-tax	16	16	9	18	3	27	36
Earnings	14	15	8	14	0	24	32
Equity book value (excl. minorities)	128	127	121	127	109	110	119
Valuation multiples							
EV/sales	8.1	8.1	6.3	7.7	8.5	6.6	5.7
EV/EBITDA	11.4	13.3	18.5	15.1	48.1	10.8	8.3
EV/EBITA	11.5	13.5	18.9	15.9	60.8	11.2	8.6
EV/EBIT	11.5	14.5	18.9	19.4	60.8	11.2	8.6
EV/OCF	-68.8	-78.0	-48.1	-1,037.5	42.2	11.5	10.3
EV/FCFF	1.9	10.8	4.9	23.7	50.2	14.4	12.4
P/FCFE	-34.2	-60.0	-19.3	-52.3	93.4	17.3	14.4
P/E	17.6	13.1	26.8	25.4	640.1	12.8	9.5
P/B	1.4	2.0	1.8	2.8	2.8	2.7	2.5
Target EV/EBITDA	0.0	0.0	0.0	0.0	53.9	12.1	9.3
Target EV/EBIT	0.0	0.0	0.0	0.0	68.1	12.6	9.7
Target EV/FCF	0.0	0.0	0.0	0.0	116.6	21.8	18.3
Target P/B	0.0	0.0	0.0	0.0	3.2	3.1	2.9
Target P/E	0.0	0.0	0.0	0.0	729.6	14.6	10.8
Per share measures							
Number of shares	143,287	145,600	147,116	153,755	156,338	156,338	156,338
Number of shares (diluted)	143,287	145,600	147,116	153,755	156,338	156,338	156,338
EPS	0.10	0.10	0.05	0.09	0.00	0.15	0.20
Operating cash flow per share	-0.02	-0.02	-0.03	0.00	0.05	0.19	0.21
Free cash flow per share	-0.04	-0.03	-0.08	-0.04	0.02	0.11	0.13
Book value per share	0.89	0.87	0.82	0.83	0.69	0.71	0.76
Dividend per share	0.09	0.11	0.12	0.13	0.14	0.15	0.16
Dividend payout ratio, %	90.0	104.9	218.9	143.1	4,643.2	99.8	78.9
Dividend yield, %	7.2	6.2	8.2	5.6	7.3	7.8	8.3
FCF yield, %	-2.9	-1.7	-5.2	-1.9	1.1	5.8	6.9
Efficiency measures							
ROE	16.1	12.0	6.5	11.3	0.4	21.5	27.7
ROCE	10.9	10.1	6.7	10.4	3.0	16.0	19.6
Financial ratios							
Inventories as % of sales	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Receivables as % of sales	379.6	255.5	157.6	63.2	53.8	41.2	41.2
Non-interest bearing liabilities as % of sales	125.0	77.0	46.7	41.2	41.2	41.2	41.2
NWC/sales, %	253.4	176.1	96.8	12.9	1.4	-8.6	-7.3
Operative CAPEX/sales, %	7.9	1.9	-5.2	12.0	11.9	23.7	20.4
CAPEX/sales (incl. acquisitions), %	7.9	1.9	-28.6	10.9	11.9	23.7	20.4
FCFF/EBITDA	6.0	1.2	3.8	0.6	1.0	0.7	0.7
Net debt/EBITDA, book-weighted	1.1	1.2	0.7	0.7	4.6	1.2	0.9
Debt/equity, market-weighted	0.4	0.2	0.3	0.2	0.2	0.3	0.3
Equity ratio, book-weighted	56.6	60.0	57.8	59.8	52.5	50.2	48.9
Gearing, %	14.7	19.7	6.9	12.6	29.2	32.7	32.6

COMPANY DESCRIPTION: CapMan is a leading Nordic asset management and investment company. CapMan manages over EUR 3.5 billion in assets. The company mainly manages investors' assets but also makes direct investments from its 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 services.

INVESTMENT CASE: CapMan is set to continue to grow its earnings and increase earnings stability. An important driver is the increase in fee-based profitability through growth in capital under management, while still being able to maintain a sound cost structure. Additional earnings potential in the upcoming years is offered by the outlook of several of CapMans funds approaching carry. Good cash flows and a healthy balance sheet support continued high dividend payouts.

OWNERSHIP STRUCTURE	SHARES	EURm	%
Silvertärnan Ab	16,226,519	31.317	10.4%
Ilmarinen Mutual Pension Insurance Company	10,318,326	19.914	6.6%
Laakkonen Mikko Kalervo	6,378,320	12.310	4.1%
Oy Inventiainvest AB	4,723,703	9.117	3.0%
Varma Mutual Pension Insurance Company	3,675,215	7.093	2.4%
Joensuun Kauppa ja Kone Oy	3,309,502	6.387	2.1%
Vesasco Oy	3,088,469	5.961	2.0%
The State Pension Fund	2,500,000	4.825	1.6%
Momea Invest Oy	2,150,000	4.150	1.4%
Laakkonen Hannu	1,992,742	3.846	1.3%
Ten largest	54,362,796	104.920	35%
Residual	101,975,624	196.813	65%
Total	156,338,420	301.733	100%

EARNINGS CALENDAR

February 04, 2021

FY 2020 Results

OTHER EVENTS

March 17, 2021

AGM

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, %	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholder's equity} + \text{minority interest} + \text{taxed provisions (average)}}$		

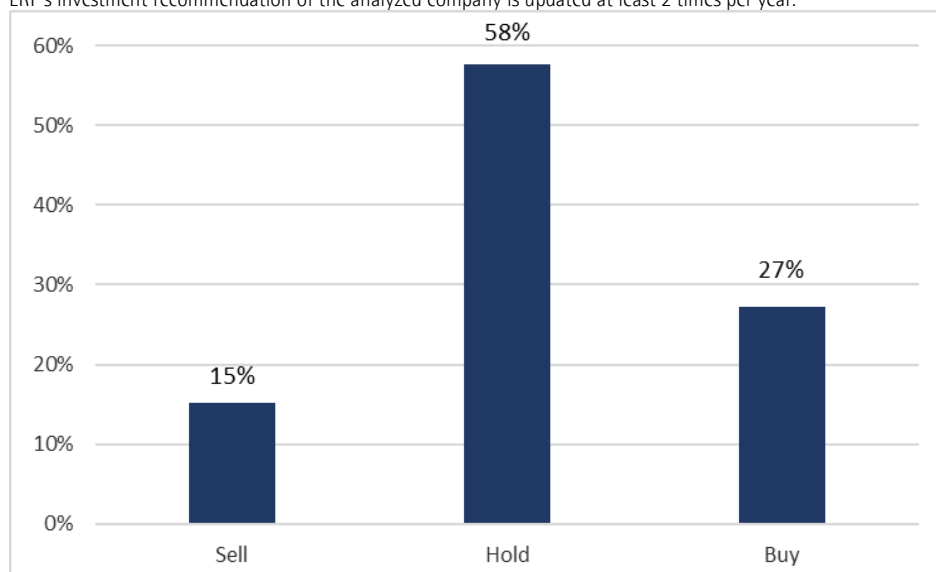
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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

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