

Investment returns drive EBIT beat

CapMan's net sales in Q1 amounted to EUR 11.3m, below our and consensus estimates (EUR 12.5m/11.9m Evli/cons.). EBIT amounted to EUR 10.1m, clearly above our estimates and above consensus estimates (EUR 7.8m/7.6m Evli/cons.).

- Revenue in Q1 was EUR 11.3m (EUR 12.0m in Q1/20), below our estimates and consensus estimates (EUR 12.5m/11.9m Evli/Cons.). Growth in Q1 amounted to -5.3% y/y.
- Operating profit in Q1 amounted to EUR 10.1m (EUR -6.0m in Q1/20), clearly above our and consensus estimates (EUR 7.8m/7.6m Evli/cons.), at a margin of 89.4%. Compared with our estimates the largest difference was in fair value changes (Act./Evli EUR 8.2m/3.5m).
- EPS in Q1 amounted to EUR 0.05 (EUR -0.05 in Q1/20), above our and consensus estimates (EUR 0.04/0.04 Evli/cons.).
- Management Company business revenue in Q1 was EUR 9.0m vs. EUR 9.4m Evli. Operating profit in Q1 amounted to EUR 2.5m vs. EUR 3.9m Evli.
- Investment business revenue in Q1 was EUR 0.0m vs. EUR 0.0m Evli. Operating profit in Q1 amounted to EUR 7.9m vs. EUR 3.4m Evli.
- Services business revenue in Q1 was EUR 2.3m vs. EUR 3.1m Evli. Operating profit in Q1 amounted to EUR 1.2m vs. EUR 1.3m Evli.
- Capital under management by the end of Q1 was EUR 3.9bn (Q1/20: EUR 3.2bn). Real estate funds: EUR 2.5bn, private equity & credit funds: EUR 1.0bn, infra funds: EUR 0.4bn, and other funds: EUR 0.03bn.

Rating 🟡 HOLD

Q1/21	Actual	Evli	Cons.	Q1/20
Net sales	11.3	12.5	11.9	12.0
EBIT	10.1	7.8	7.6	-6.0
EPS	0.05	0.04	0.04	-0.05

Deviation	Actual	Evli	Cons.	Q1/20
Net sales		-10%	-5%	-6%
EBIT		29%	33%	-
EPS		24%	18%	-

*Consensus by Factset

 Share price, EUR (Last trading day's closing price) 2.72

 Target price, EUR 2.7

Latest change in recommendation	02-Feb-21
Latest report on company	05-Feb-21
Research paid by issuer:	YES
No. of shares outstanding, '000's	156,459
No. of shares fully diluted, '000's	156,459
Market cap, EURm	426
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	29-Apr-21
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
2019	49.0	19.4	39.6%	-6.8	0.09	25.4	7.7	19.4	-1.9	0.13
2020	43.0	12.3	28.7%	9.9	0.03	70.6	9.1	31.7	2.7	0.14
2021E	59.5	38.2	64.3%	12.7	0.19	14.4	7.8	12.1	3.0	0.15
2022E	71.5	50.1	70.1%	27.5	0.26	10.7	6.4	9.1	6.5	0.16
2023E	69.6	47.3	67.9%	37.8	0.24	11.4	6.4	9.4	8.9	0.18

Market cap, EURm	426	BV per share 2021E, EUR	28.7	CAGR EPS 2020-23, %	93.9
Net debt 2021E, EURm	35	Price/book 2021E	3.5	CAGR sales 2020-23, %	17.4
Enterprise value, EURm	463	Dividend yield 2021E, %	5.5	ROE 2021E, %	25.4
Total assets 2021E, EURm	237	Tax rate 2021E, %	10.0	ROCE 2021E, %	18.9
Goodwill 2021E, EURm	15	Equity ratio 2021E, %	50.9	PEG, P/E 21/CAGR	3.2

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

CapMan Q1/21	Actual	Evli	vs. Evli	Consensus	vs. cons	Q1/20	vs. Q1/20
Net sales	11.3	12.5	-9.6%	11.9	-5.0%	12.0	-5.8%
-Management Company business	9.0	9.4	-3.9%			7.2	25.5%
-Investment business	0.00	0.00	-			0.00	-
-Services business	2.3	3.1	-27.0%			4.8	-52.8%
-Other	0.01	0.00	-			0.00	-
EBIT	10.1	7.8	29.5%	7.6	32.9%	-6.0	-
-Management Company business	2.5	3.9	-36.3%			1.9	30.8%
-Investment business	7.9	3.4	>100%			-8.4	-
-Services business	1.2	1.3	-8.6%			3.0	-60.4%
-Other	-1.4	-0.9	-58.6%			-2.4	40.5%
EPS	0.05	0.04	23.7%	0.04	17.5%	-0.05	-

Consensus by Factset

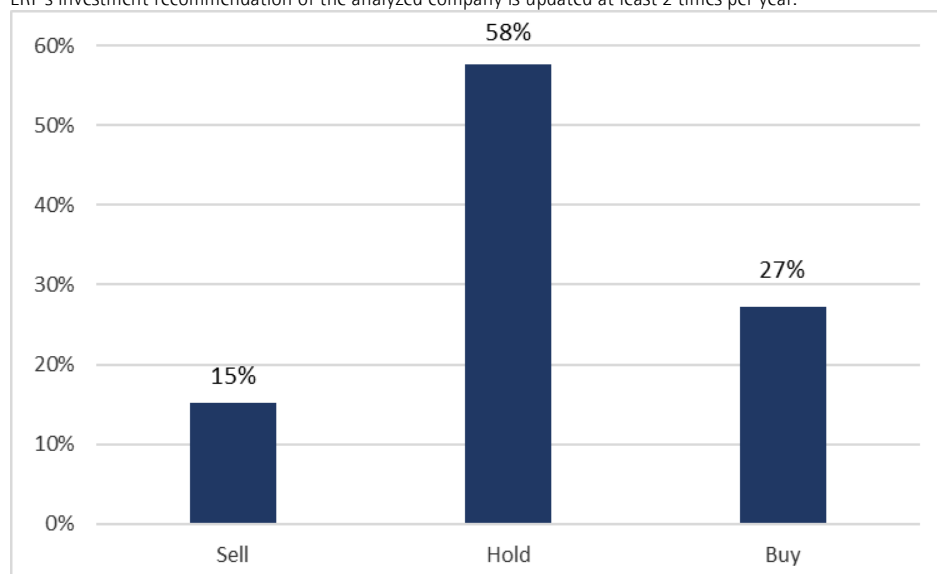
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Investment recommendations are defined as follows:

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

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The graph above shows the distribution of ERP's recommendations of companies under coverage in 11th of May 2020. If recommendation is not given, it is not mentioned here.

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