

Picking up the pace with M&A

CapMan's Q4 results were as expected weaker and in line with our expectations, despite our underestimation of the negative impact on the market portfolio. The acquisition of JAM Advisors (60%) is seen by CapMan as a means to expanding its customer base but we expect CapMan to also seek to rapidly grow the business. We retain our BUY rating with an ex-div TP of EUR 1.75 (1.80).

Weaker results, raises dividend

CapMan's Q4 results were quite in line with our expectations, with revenue of EUR 8.9m (Evli 8.2m) and EBIT of EUR -2.9m (Evli -2.8m). Despite having underestimated the market portfolio decline positive fair value changes in especially Real estate and Infra aided Investment business returns. The dividend proposal is EUR 0.12 per share as expected (2017: 0.11).

Acquisition of the majority of JAM Advisors

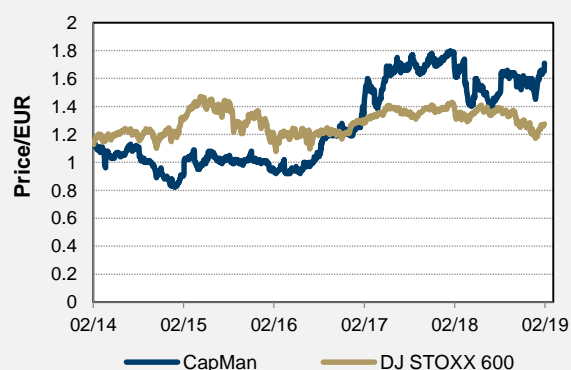
CapMan announced the acquisition of 60% of JAM Advisors, to be paid for with 5.11m CapMan shares. The company, established in 2012, had EUR 3.3m revenue in 2018 and EBITDA was barely positive. Valuation appears reasonable as it is to be expected that CapMan will seek for rapid expansion of the business, likely also internationally. CapMan will also use JAM Advisor's customer network to expand its own offering towards tier 2 and 3 investors.

BUY-rating with an ex-div target price of EUR 1.75 (1.80)

CapMan has during Q4, through among other things the additional BVK mandate and second Infra mandate, seen AUM growth of EUR over 400m, that will contribute with over EUR 4m annual fee income. Together with the acquisition of JAM Advisors this will boost revenue and profitability in 2019 and we have raised our 2019 estimates for revenue and operating profit by 13% and 5% respectively. We expect management fee growth of 23% in 2019. Despite the negative Q4 earnings from the impact of the non-core market portfolio CapMan is in our view continuing to show solid progress. With valuation still looking attractive we retain our BUY rating with an ex-div target price of EUR 1.75 (1.80).

Rating

BUY



Share price, EUR (Last trading day's closing price) 1.71

Target price, EUR 1.75

Latest change in recommendation	27-Apr-18
Latest report on company	1-Feb-19
Research paid by issuer:	YES
No. of shares outstanding, '000's	147,142
No. of shares fully diluted, '000's	147,142
Market cap, EURm	252
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	25-Apr-19
Web site	www.capman.com

Analyst Jerker Salokivi
 E-mail jerker.salokivi@evli.com
 Telephone +358 9 4766 9149

BUY HOLD SELL

KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	Ptx profit EURm	EPS EUR	P/E (x)	EV/Sales (x)	P/CF (x)	EV/EBIT (x)	DPS EUR
2017	35	19	55.9%	16	0.10	13.1	8.1	9.1	14.5	0.11
2018	36	12	33.2%	9	0.05	26.8	6.2	6.7	18.6	0.12
2019	47	25	53.7%	23	0.14	11.8	5.6	5.7	10.5	0.13
2020E	50	29	57.6%	26	0.17	10.3	5.2	5.3	9.0	0.15
2021E	54	32	60.4%	30	0.19	9.1	5.0	8.3	8.2	0.17
Market cap, EURm		252	BV per share 2020E, EUR			0.8	CAGR EPS 2019-22, %			50.7
Net debt 2020E, EURm		14	Price/book 2020E			2.0	CAGR sales 2019-22, %			14.2
Enterprise value, EURm		266	Dividend yield 2020E, %			7.6	ROE 2020E, %			17.4
Total assets 2020E, EURm		218	Tax rate 2020E, %			7.0	ROCE 2020E, %			13.9
Goodwill 2020E, EURm		5	Equity ratio 2020E, %			57.1	PEG, P/E 20/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/'19E	Q2/'19E	Q3/'19E	Q4/'19E	2019E	2020E	2021E
Management fees	19.6	5.6	5.7	5.2	5.6	22.1	6.9	6.9	6.3	7.1	27.2	28.5	29.9
Sale of services	7.1	1.6	4.1	1.7	2.9	10.3	4.7	3.7	2.5	3.7	14.6	15.9	17.4
Carried interest	4.4	0.1	0.6	0.2	0.1	1.0	0.1	2.0	0.1	2.3	4.6	5.7	6.3
Dividend and interest income	3.7	1.1	1.0	0.2	0.2	2.5	0.5	0.4	0.1	0.1	1.1	0.0	0.0
Revenue	34.8	8.5	11.4	7.2	8.9	36.0	12.2	13.0	9.0	13.3	47.5	50.1	53.6
<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>44.4%</i>	<i>13.8%</i>	<i>24.4%</i>	<i>49.2%</i>	<i>31.8%</i>	<i>5.6%</i>	<i>6.9%</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	-5.9	-6.4	-5.8	-6.7	-24.8	-25.7	-26.5
Other operating expenses	-9.9	-2.2	-2.6	-1.6	-2.8	-9.1	-2.2	-2.7	-1.6	-2.9	-9.5	-9.7	-9.8
Depreciation and amortisation	-1.7	-0.1	-0.1	0.0	0.0	-0.2	-0.1	-0.1	-0.1	-0.1	-0.2	-0.2	-0.2
Fair value changes	17.6	2.5	2.7	3.9	-4.0	5.1	3.5	2.7	3.2	3.0	12.4	14.3	15.3
Operating profit	19.5	4.1	6.0	4.8	-2.9	12.0	7.0	6.7	4.8	7.0	25.5	28.9	32.4
<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>57.5%</i>	<i>51.2%</i>	<i>53.4%</i>	<i>52.7%</i>	<i>53.7%</i>	<i>57.6%</i>	<i>60.4%</i>
Net financials	-3.2	-0.5	-1.0	-0.5	-0.7	-2.7	-0.7	-0.7	-0.7	-0.7	-2.6	-2.7	-2.7
Profit before taxes	16.2	3.5	5.1	4.3	-3.6	9.3	6.4	6.0	4.2	6.3	22.9	26.2	29.7
Income taxes	-0.8	-0.2	-0.8	-0.2	0.4	-0.8	-0.4	-0.4	-0.3	-0.4	-1.6	-2.1	-2.1
Profit for the period	15.5	3.3	4.3	4.1	-3.2	8.5	5.9	5.6	3.9	5.9	21.3	24.1	27.6
EPS, EUR	0.10	0.02	0.03	0.03	-0.02	0.05	0.04	0.04	0.03	0.04	0.14	0.16	0.19
Management Company business	2017	Q1/'18	Q2/'18	Q3/'18	Q4/'18	2018	Q1/'19E	Q2/'19E	Q3/'19E	Q4/'19E	2019E	2020E	2021E
Revenue	25.1	5.9	6.5	5.5	6.2	24.2	7.2	9.1	6.7	9.7	32.7	35.2	37.2
Operating profit	2.7	0.8	0.7	0.8	0.5	2.8	1.8	3.1	1.7	3.7	10.4	11.7	13.7
Investment business	2017	Q1/'18	Q2/'18	Q3/'18	Q4/'18	2018	Q1/'19E	Q2/'19E	Q3/'19E	Q4/'19E	2019E	2020E	2021E
Revenue	3.7	1.1	1.0	0.2	0.2	2.5	0.5	0.4	0.1	0.1	1.1	0.0	0.0
Operating profit	17.3	3.2	3.4	3.8	-4.0	6.5	3.2	2.7	2.9	2.7	11.5	13.1	14.1
Services business	2017	Q1/'18	Q2/'18	Q3/'18	Q4/'18	2018	Q1/'19E	Q2/'19E	Q3/'19E	Q4/'19E	2019E	2020E	2021E
Revenue	5.6	1.4	3.8	1.5	2.0	8.7	4.4	3.3	2.2	3.1	13.0	14.3	15.7
Operating profit	2.3	0.6	2.4	0.6	0.8	4.4	2.5	1.4	0.6	0.9	5.4	5.9	6.5
Other	2017	Q1/'18	Q2/'18	Q3/'18	Q4/'18	2018	Q1/'19E	Q2/'19E	Q3/'19E	Q4/'19E	2019E	2020E	2021E
Revenue	0.5	0.0	0.2	0.0	0.4	0.6	0.0	0.2	0.0	0.4	0.6	0.6	0.7
Operating profit	-2.7	-0.4	-0.6	-0.4	-0.3	-1.7	-0.5	-0.6	-0.4	-0.4	-1.8	-1.9	-2.0

Source: CapMan, Evli estimates

CAPMAN PEER GROUP	MCAP MEUR	EV/EBIT		P/E		P/B		Div. yield	
		19	20	19	20	19	20	19	20
Institut de Developpement	288	11.3x	9.6x	15.0x	13.3x	0.6x	0.6x	4.0 %	4.0 %
Deutsche Beteiligungs mutares	513	13.0x	9.9x	14.5x	10.5x	1.1x	1.0x	4.3 %	4.4 %
3i Group	148	7.3x	5.2x	10.5x	10.6x	0.8x	0.7x	6.2 %	6.7 %
Eurazeo	9399	6.1x	5.6x	6.8x	6.6x	1.0x	0.9x	3.9 %	4.0 %
Ratos	4806	11.5x	10.5x	14.3x	13.2x	1.0x	0.9x	2.1 %	2.2 %
Panostaja	798	14.2x	10.6x	16.4x	13.0x	0.8x	0.8x	7.7 %	7.7 %
eQ	58			14.0x	13.7x	1.1x	1.0x	4.5 %	4.6 %
Taaleri	308	10.9x	10.2x	15.0x	14.1x	5.1x	5.0x	6.5 %	6.7 %
Jupiter Fund Management	215			11.3x	12.3x	1.7x	1.6x	4.3 %	4.6 %
Liontrust Asset Mgmt	1691	8.4x	7.7x	12.6x	11.7x	2.4x	2.3x	6.7 %	7.1 %
Partners Group Holding	336	8.5x	7.4x	12.3x	11.0x	4.6x	4.1x	4.3 %	4.8 %
Peer Group Average	15970	18.9x	16.8x	22.1x	20.2x	7.5x	6.8x	3.3 %	3.7 %
Peer Group Median	2877	10.1x	8.5x	13.0x	11.8x	1.8x	1.7x	5.0 %	5.2 %
CapMan (Evli est.)	425	10.9x	9.6x	14.0x	12.3x	1.1x	1.0x	4.3 %	4.6 %
CapMan prem./disc. to peer median	252	10.5x	9.0x	11.8x	10.3x	2.0x	1.9x	7.6 %	8.7 %
		-6%	-7%	-16%	-19%	87%	86%	75%	90%

Source: FactSet, Evli estimates

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	1.71 PV of Free Cash Flow	190 Long-term growth, %	2.0 Risk-free interest rate, %	2.25
DCF share value	3.13 PV of Horizon value	302 WACC, %	7.9 Market risk premium, %	5.8
Share price potential, %	82.9 Unconsolidated equity	-1 Spread, %	0.5 Debt risk premium, %	2.8
Maximum value	3.5 Marketable securities	47 Minimum WACC, %	7.4 Equity beta coefficient	1.10
Minimum value	2.8 Debt - dividend	-79 Maximum WACC, %	8.4 Target debt ratio, %	30
Horizon value, %	61.4 Value of stock	460 Nr of shares, Mn	147.1 Effective tax rate, %	20

DCF valuation, EURm	2018	2019	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	Horizon
Net sales	36	47	50	54	55	56	58	59	61	62	63	65
<i>Sales growth, %</i>	<i>3.3</i>	<i>31.8</i>	<i>5.6</i>	<i>6.9</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)	12	25	29	32	35	36	36	37	38	39	40	41
<i>EBIT margin, %</i>	<i>33.2</i>	<i>53.7</i>	<i>57.6</i>	<i>60.4</i>	<i>64.0</i>	<i>64.0</i>	<i>63.0</i>	<i>63.0</i>	<i>63.0</i>	<i>63.0</i>	<i>63.0</i>	<i>63.0</i>
+ Depreciation+amort.	0	0	0	0	0	0	0	0	0	0	0	0
- Income taxes	-7	-2	-2	-2	-2	-3	-3	-3	-3	-3	-3	-3
- Change in NWC	27	20	20	0	0	0	0	0	0	0	0	0
<i>NWC / Sales, %</i>	<i>96.8</i>	<i>30.7</i>	<i>-10.9</i>	<i>-10.2</i>	<i>-10.0</i>	<i>-9.8</i>	<i>-9.6</i>	<i>-9.3</i>	<i>-9.1</i>	<i>-8.9</i>	<i>-8.8</i>	
+ Change in other liabs	0	0	0	0	0	0	0	0	0	0	0	0
- Capital Expenditure	6	-40	-20	-10	0	0	0	0	0	0	0	0
<i>Investments / Sales, %</i>	<i>-17.4</i>	<i>83.6</i>	<i>40.4</i>	<i>19.3</i>	<i>0.6</i>	<i>0.6</i>	<i>0.6</i>	<i>0.6</i>	<i>0.6</i>	<i>0.6</i>	<i>0.5</i>	<i>0.5</i>
- Other items	7	2	0	0	0	0	0	0	0	0	0	0
= Unlevered Free CF (FCF)	45	7	27	20	33	33	34	35	36	36	37	643
= Discounted FCF (DFCF)		6	23	16	24	23	22	20	19	18	17	302
= DFCF min WACC		6	23	16	25	24	22	21	20	19	18	346
= DFCF max WACC		6	23	16	24	23	21	20	19	18	17	266

INTERIM FIGURES

EVLI ESTIMATES, EURm	2018Q1	2018Q2	2018Q3	2018Q4	2018	2019Q1	2019Q2	2019Q3	2019Q4	2019	2020E	2021E
Net sales	8	11	7	9	36	12	13	9	13	47	50	54
EBITDA	4	6	5	-3	12	7	7	5	7	26	29	33
<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>58.0</i>	<i>51.6</i>	<i>53.9</i>	<i>53.0</i>	<i>54.1</i>	<i>58.1</i>	<i>60.9</i>
EBIT	4	6	5	-3	12	7	7	5	7	25	29	32
<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>57.5</i>	<i>51.2</i>	<i>53.4</i>	<i>52.7</i>	<i>53.7</i>	<i>57.6</i>	<i>60.4</i>
Net financial items	-1	-1	-1	-1	-3	-1	-1	-1	-1	-3	-3	-3
Pre-tax profit	4	5	4	-4	9	6	6	4	6	23	26	30
Tax	0	-1	0	0	-1	0	0	0	0	-2	-2	-2
<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>7.0</i>	<i>7.0</i>	<i>7.0</i>	<i>7.0</i>	<i>7.0</i>	<i>7.0</i>	<i>7.0</i>
Net profit	3	4	4	-3	8	6	6	4	6	21	24	28
EPS	0.02	0.03	0.03	-0.02	0.05	0.04	0.04	0.03	0.04	0.14	0.17	0.19
EPS adjusted (diluted no. of shares)	0.02	0.03	0.03	-0.02	0.05	0.04	0.04	0.03	0.04	0.14	0.17	0.19
Dividend per share	0.00	0.00	0.00	0.00	0.12	0.00	0.00	0.00	0.00	0.13	0.15	0.17
SALES, EURm												
Management Company business	6	7	6	6	24	7	9	7	10	33	35	37
Investment business	1	1	0	0	3	1	0	0	0	1	0	0
Service business	1	4	1	2	9	4	3	2	3	13	14	16
Other & eliminations	0	0	0	0	1	0	0	0	0	1	1	1
Total	8	11	7	9	36	12	13	9	13	47	50	54
SALES GROWTH, Y/Y %												
<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>22.4</i>	<i>40.0</i>	<i>20.7</i>	<i>55.7</i>	<i>35.3</i>	<i>7.6</i>	<i>5.7</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>-55.0</i>	<i>-55.0</i>	<i>-55.0</i>	<i>-54.8</i>	<i>-55.0</i>	<i>-100.0</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>219.4</i>	<i>-13.6</i>	<i>49.9</i>	<i>50.0</i>	<i>49.5</i>	<i>10.0</i>	<i>10.0</i>
<i>Other & eliminations</i>	<i>32.1</i>	<i>416.7</i>	<i>64.7</i>	<i>-5.7</i>	<i>25.4</i>	<i>5.0</i>	<i>5.7</i>	<i>-99.6</i>	<i>5.0</i>	<i>0.3</i>	<i>5.0</i>	<i>5.0</i>
Total	12.7	25.8	-23.3	0.5	3.3	44.4	13.8	24.4	49.2	31.8	5.6	6.9
EBIT, EURm												
Management Company business	1	1	1	1	3	2	3	2	4	10	12	14
Investment business	3	3	4	-4	6	3	3	3	3	12	13	14
Service business	1	2	1	1	4	2	1	1	1	5	6	7
Other & eliminations	0	-1	0	0	-2	0	-1	0	0	-2	-2	-2
Total	4	6	5	-3	12	7	7	5	7	25	29	32
EBIT margin, %												
<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>25.3</i>	<i>33.7</i>	<i>25.8</i>	<i>38.5</i>	<i>31.6</i>	<i>33.3</i>	<i>36.9</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>636.3</i>	<i>626.3</i>	<i>3,549.4</i>	<i>2,481.0</i>	<i>1,019.2</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>55.7</i>	<i>44.4</i>	<i>27.7</i>	<i>28.7</i>	<i>41.7</i>	<i>41.7</i>	<i>41.7</i>
<i>Other & 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>-1,205.4</i>	<i>-373.1</i>	<i>-87.2</i>	<i>-87.2</i>	<i>-301.9</i>	<i>-301.9</i>	<i>-301.9</i>
Total	48.0	52.6	66.8	-33.2	33.2	57.5	51.2	53.4	52.7	53.7	57.6	60.4

INCOME STATEMENT, EURm	2014	2015	2016	2017	2018	2019	2020E	2021E
Sales	39	32	27	35	36	47	50	54
<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>31.8</i>	<i>5.6</i>	<i>6.9</i>
Costs	-33	-22	-8	-14	-24	-22	-21	-21
Reported EBITDA	7	10	19	21	12	26	29	33
Extraordinary items in EBITDA	0	0	0	0	0	0	0	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>54.1</i>	<i>58.1</i>	<i>60.9</i>
Depreciation	0	0	0	0	0	0	0	0
EBITA	6	9	19	21	12	25	29	32
Goodwill amortization / writedown	0	0	0	-1	0	0	0	0
Reported EBIT	6	9	19	19	12	25	29	32
<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>53.7</i>	<i>57.6</i>	<i>60.4</i>
Net financials	-1	-3	-3	-3	-3	-3	-3	-3
Pre-tax profit	5	6	16	16	9	23	26	30
Extraordinary items	0	0	0	0	0	0	0	0
Taxes	-1	0	0	-1	-1	-2	-2	-2
Minority shares	0	0	0	0	0	0	0	0
Net profit	3	5	14	15	8	21	24	28
BALANCE SHEET, EURm								
Assets								
Fixed assets	65	104	95	93	88	120	140	151
<i>% of sales</i>	<i>166</i>	<i>329</i>	<i>357</i>	<i>266</i>	<i>245</i>	<i>254</i>	<i>280</i>	<i>281</i>
Goodwill	6	6	6	5	5	5	5	5
<i>% of sales</i>	<i>16</i>	<i>20</i>	<i>23</i>	<i>13</i>	<i>13</i>	<i>10</i>	<i>9</i>	<i>9</i>
Inventory	0	0	0	0	0	0	0	0
<i>% of sales</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Receivables	10	13	101	89	57	43	25	26
<i>% of sales</i>	<i>24</i>	<i>41</i>	<i>380</i>	<i>255</i>	<i>158</i>	<i>91</i>	<i>49</i>	<i>49</i>
Liquid funds	29	22	45	23	55	47	50	54
<i>% of sales</i>	<i>73</i>	<i>68</i>	<i>169</i>	<i>67</i>	<i>152</i>	<i>100</i>	<i>100</i>	<i>100</i>
Total assets	114	150	253	211	206	218	222	237
Liabilities								
Equity	50	50	128	127	121	125	130	135
<i>% of sales</i>	<i>128</i>	<i>158</i>	<i>480</i>	<i>364</i>	<i>336</i>	<i>263</i>	<i>259</i>	<i>253</i>
Deferred taxes	2	2	10	9	3	3	3	3
<i>% of sales</i>	<i>5</i>	<i>6</i>	<i>37</i>	<i>25</i>	<i>9</i>	<i>7</i>	<i>7</i>	<i>6</i>
Interest bearing debt	47	84	81	48	60	61	59	66
<i>% of sales</i>	<i>120</i>	<i>266</i>	<i>304</i>	<i>138</i>	<i>166</i>	<i>129</i>	<i>117</i>	<i>124</i>
Non-interest bearing current liabilities	14	13	33	27	17	24	25	27
<i>% of sales</i>	<i>35</i>	<i>41</i>	<i>125</i>	<i>77</i>	<i>47</i>	<i>50</i>	<i>50</i>	<i>50</i>
Other interest free debt	0	0	0	1	5	5	5	5
<i>% of sales</i>	<i>1</i>	<i>0</i>	<i>2</i>	<i>3</i>	<i>15</i>	<i>11</i>	<i>10</i>	<i>10</i>
Total liabilities	114	150	253	211	206	218	222	237
CASH FLOW, EURm								
+ EBITDA	7	10	19	21	12	26	29	33
- Net financial items	-1	-3	-3	-3	-3	-3	-3	-3
- Taxes	-1	-1	0	1	-6	-2	-2	-2
- Increase in Net Working Capital	2	-3	5	6	27	20	20	0
+/- Other	5	-2	-23	-6	6	2	0	0
= Cash flow from operations	12	1	-3	17	42	44	45	28
- Capex	0	47	-51	2	6	-40	-20	-10
- Acquisitions	0	0	0	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Net cash flow	6	-5	47	19	48	4	24	18
+/- Change in interest-bearing debt	0	37	-3	-33	11	1	-3	8
+/- New issues/buybacks	1	0	70	-9	2	0	0	0
- Paid dividend	-3	-5	-6	-8	-16	-18	-19	-22
+/- Change in loan receivables	0	0	0	0	0	0	0	0
Change in cash	4	27	107	-30	46	-12	3	3

KEY FIGURES	2015	2016	2017	2018	2019	2020E	2021E
M-cap	86	111	258	216	252	252	252
Net debt	63	36	25	5	14	8	13
Enterprise value	149	147	283	222	266	261	265
Sales	32	27	35	36	47	50	54
EBITDA	10	19	21	12	26	29	33
EBIT	9	19	19	12	25	29	32
Pre-tax	6	16	16	9	23	26	30
Earnings	5	14	15	8	21	24	28
Book value	50	128	127	121	124	129	135
Valuation multiples							
EV/sales	4.7	5.5	8.1	6.2	5.6	5.2	5.0
EV/EBITDA	15.5	7.7	13.3	18.3	10.4	9.0	8.1
EV/EBITA	16.1	7.9	13.5	18.6	10.5	9.0	8.2
EV/EBIT	16.1	7.9	14.5	18.6	10.5	9.0	8.2
EV/operating cash flow	260.7	-46.9	9.9	6.9	6.0	5.5	8.7
EV/cash earnings	24.6	6.4	14.8	71.0	12.4	10.6	9.5
P/E	14.7	10.9	13.1	26.8	11.8	10.3	9.1
P/E excl. goodwill	14.7	10.9	12.2	26.8	11.8	10.3	9.1
P/B	1.7	0.9	2.0	1.8	2.0	1.9	1.9
P/sales	2.7	4.1	7.4	6.0	5.3	5.0	4.7
P/CF	150.9	-35.4	9.1	6.7	5.7	5.3	8.3
Target EV/EBIT	0.0	0.0	0.0	0.0	10.7	9.2	8.4
Target P/E	0.0	0.0	0.0	0.0	12.1	10.5	9.3
Target P/B	0.0	0.0	0.0	0.0	2.1	2.0	1.9
Per share measures							
Number of shares	86,317	88,409	145,626	147,142	147,142	147,142	147,142
Number of shares (diluted)	86,317	88,409	145,626	147,142	147,142	147,142	147,142
EPS	0.06	0.16	0.10	0.05	0.14	0.17	0.19
EPS excl. goodwill	0.07	0.12	0.15	0.05	0.14	0.17	0.19
Cash EPS	0.07	0.26	0.13	0.02	0.15	0.17	0.19
Operating cash flow per share	0.01	-0.04	0.20	0.22	0.30	0.32	0.21
Capital employed per share	0.66	1.79	1.01	0.81	0.94	0.94	1.01
Book value per share	0.58	1.45	0.87	0.82	0.84	0.88	0.92
Book value excl. goodwill	0.51	1.38	0.84	0.79	0.81	0.85	0.89
Dividend per share	0.07	0.09	0.11	0.12	0.13	0.15	0.17
Dividend payout ratio, %	118.6	55.5	104.9	219.0	90.0	90.0	90.0
Dividend yield, %	7.0	7.2	6.2	8.2	7.6	8.7	9.9
Efficiency measures							
ROE	10.1	16.1	12.0	6.5	17.4	19.3	20.9
ROCE	8.0	10.9	10.1	6.7	13.9	15.4	16.6
Financial ratios							
Capex/sales, %	-148.7	190.8	-6.0	-17.4	83.6	40.4	19.3
Capex/depreciation excl. goodwill,%	-14,671.1	19,726.7	-753.1	-3,034.6	19,832.0	7,959.6	3,843.8
Net debt/EBITDA, book-weighted	6.5	1.9	1.2	0.4	0.5	0.3	0.4
Debt/equity, market-weighted	1.0	0.7	0.2	0.3	0.2	0.2	0.3
Equity ratio, book-weighted	33.5	50.6	60.0	58.7	57.1	58.5	57.1
Gearing	1.25	0.28	0.20	0.04	0.11	0.06	0.09
Number of employees, average	0	0	0	0	0	0	0
Sales per employee, EUR	0	0	0	0	0	0	0
EBIT per employee, EUR	0	0	0	0	0	0	0

COMPANY DESCRIPTION: CapMan is a leading Nordic investment and specialised asset management company. CapMan has over 100 private equity professionals and manages over EUR 2.7 billion in assets. The company mainly manages the assets of its customers, the investors, but also makes direct investments from balance sheet in areas without an active fund. Current investments strategies cover Buyout, Growth Equity, Real Estate, Russia, Credit, Infrastructure and Tactical Opportunities. CapMan has also a growing service business that includes fundraising advisory, procurement activities and fund management.

INVESTMENT CASE:

OWNERSHIP STRUCTURE	SHARES	EURm	%
Mandatum Life Insurance Company	10,737,228	18.361	7.3%
Ilmarinen Mutual Pension Insurance Company	10,464,415	17.894	7.1%
Oy Inventiainvest AB (Ari Tolppanen)	7,024,794	12.012	4.8%
Laakkonen Mikko Kalervo	6,378,320	10.907	4.3%
Varma Mutual Pension Insurance Company	3,675,215	6.285	2.5%
Joensuun Kauppa ja Kone Oy	3,511,853	6.005	2.4%
Vesasco Oy	3,088,469	5.281	2.1%
The State Pension Fund	2,500,000	4.275	1.7%
Winsome Oy + Tuomo Raasio	2,130,043	3.642	1.4%
Heiwes Oy	2,094,480	3.582	1.4%
Ten largest	51,604,817	88.244	35%
Residual	95,537,346	163.369	65%
Total	147,142,163	251.613	100%

EARNINGS CALENDAR

April 25, 2019 Q1 report
August 08, 2019 Q2 report

OTHER EVENTS

March 13, 2019 AGM

COMPANY MISCELLANEOUS

CEO: Joakim Frimodig Ludviginkatu 6, 4 fl. 01300 Helsinki
CFO: Niko Haavisto Tel: +358 207 207 500
IR: Linda Tierala

DEFINITIONS

P/E	$\frac{\text{Price per share}}{\text{Earnings per share}}$	EPS	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes} + \text{minority interest}}{\text{Number of shares}}$
P/Sales	$\frac{\text{Market cap}}{\text{Sales}}$	DPS	Dividend for the financial period per share
P/BV	$\frac{\text{Price per share}}{\text{Shareholders' equity} + \text{taxed provisions per share}}$	CEPS	$\frac{\text{Gross cash flow from operations}}{\text{Number of shares}}$
P/CF	$\frac{\text{Price per share}}{\text{Operating cash flow per share}}$	EV/Share	$\frac{\text{Enterprise value}}{\text{Number of shares}}$
EV (Enterprise value)	Market cap + net debt + minority interest at market value – share of associated companies at market value	Sales/Share	$\frac{\text{Sales}}{\text{Number of shares}}$
Net debt	Interest bearing debt – financial assets	EBITDA/Share	$\frac{\text{Earnings before interest, tax, depreciation and amortisation}}{\text{Number of shares}}$
EV/Sales	$\frac{\text{Enterprise value}}{\text{Sales}}$	EBIT/Share	$\frac{\text{Operating profit}}{\text{Number of shares}}$
EV/EBITDA	$\frac{\text{Enterprise value}}{\text{Earnings before interest, tax, depreciation and amortisation}}$	EAFI/Share	$\frac{\text{Pretax profit}}{\text{Number of shares}}$
EV/EBIT	$\frac{\text{Enterprise value}}{\text{Operating profit}}$	Capital employed/Share	$\frac{\text{Total assets} - \text{non interest bearing debt}}{\text{Number of shares}}$
Div yield, %	$\frac{\text{Dividend per share}}{\text{Price per share}}$	Total assets	Balance sheet total
Payout ratio, %	$\frac{\text{Total dividends}}{\text{Earnings before extraordinary items and taxes} - \text{income taxes} + \text{minority interest}}$	Interest coverage (x)	$\frac{\text{Operating profit}}{\text{Financial items}}$
Net cash/Share	$\frac{\text{Financial assets} - \text{interest bearing debt}}{\text{Number of shares}}$	Asset turnover (x)	$\frac{\text{Turnover}}{\text{Balance sheet total (average)}}$
ROA, %	$\frac{\text{Operating profit} + \text{financial income} + \text{extraordinary items}}{\text{Balance sheet total} - \text{interest free short term debt} - \text{long term advances received and accounts payable (average)}}$	Debt/Equity, %	$\frac{\text{Interest bearing debt}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}$
ROCE, %	$\frac{\text{Profit before extraordinary items} + \text{interest expenses} + \text{other financial costs}}{\text{Balance sheet total} - \text{non interest bearing debt (average)}}$	Equity ratio, %	$\frac{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}{\text{Total assets} - \text{interest free loans}}$
ROE, %	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions (average)}}$	CAGR, %	Cumulative annual growth rate = Average growth per year

Important Disclosures

Evli Research Partners Plc ("ERP") uses 12-month target prices. Target prices are defined by utilizing analytical techniques based on financial theory including (but not limited to) discounted cash flow analysis and comparative valuation. The selection of valuation methods depends on different circumstances. Target prices may be altered on the basis of new information coming to light in the underlying company or changes in interest rates, changes in foreign exchange rates, other securities prices or market indices or outlook for the aforementioned factors or other factors that may change the conditions of financial markets. Recommendations and changes by analysts are available at

<https://research.evli.com/JasperAllModels.action?authParam=key;461&authParam=x;G3rNagWrtf7K&authType=3>

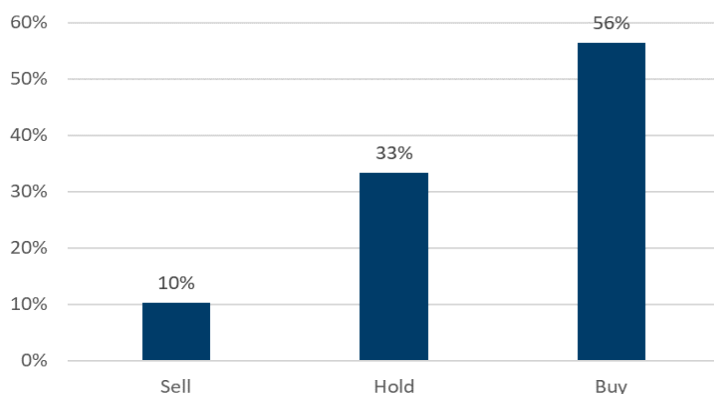
Detailed information about the valuation or methodology and the underlying assumptions is accessible via ERP:

<http://research.evli.com>

Investment recommendations are defined as follows:

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

ERP's investment recommendation of the analyzed company is in general updated 2 – 4 per year.



The graph above shows the distribution of ERP's recommendations of companies under coverage in 16th of April 2018. If recommendation is not given, it is not mentioned here.

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

This research report has been prepared by Evli Research Partners Plc ("ERP" or "Evli Research"). ERP is a subsidiary of Evli Bank Plc. Production of the investment recommendation has been concluded on 1.2.2019, 9:15. This report has been published on 31.1.2019, 9:30.

None of the analysts contributing to this report, persons under their guardianship or corporations under their control have a position in the shares of the company or related securities.

The date and time for any price of financial instruments mentioned in the recommendation refer to the previous trading day's closing price(s) unless otherwise stated in the report.

Each analyst responsible for the content of this report assures that the expressed views accurately reflect the personal views of each analyst on the covered companies and securities. Each analyst assures that (s)he has not been, nor are or will be, receiving direct or indirect compensation related to the specific recommendations or views contained in this report.

Companies in the Evli Group, affiliates or staff of companies in the Evli Group, may perform services for, solicit business from, hold long or short positions in, or otherwise be interested in the investments (including derivatives) of any company mentioned in the publication or report.

Neither ERP nor any company within the Evli Group have managed or co-managed a public offering of the company's securities during the last 12 months prior to, received compensation for investment banking services from the company during the last 12 months prior to the publication of the research report.

ERP may pursue an assignment from the issuer(s) of the financial instruments mentioned in the recommendation or this report. These assignments may have a limited economic or financial impact on ERP and/or Evli. Under such assignments ERP may perform services including, but not limited to, arranging investor meetings or –events, investor relations communication advisory and production of research material.

ERP has signed an agreement with the issuer of the financial instruments mentioned in the recommendation, which includes production of research reports. This assignment has a limited economic and financial impact on ERP and/or Evli. Under the assignment ERP performs services including, but not limited to, arranging investor meetings or –events, investor relations communication advisory and production of research material.

ERP or another company within the Evli Group does not have an agreement with the company to perform market making services.

For the prevention and avoidance of conflicts of interests with respect to this report, there is an information barrier (Chinese wall) between Investment Research and Corporate Finance units concerning unpublished investment banking services to the company. The remuneration of the analyst(s) is not tied

directly or indirectly to investment banking transactions performed by Evli Bank Plc or any company within Evli Group.

This report has not been disclosed to the company prior to its dissemination.

This report is provided and intended for informational purposes only and may not be used or considered under any circumstances as an offer to sell or buy any securities or as advice to trade any securities.

This report is based on sources ERP considers to be correct and reliable. The sources include information providers Reuters and Bloomberg, stock-exchange releases from the companies and other company news, Statistics Finland and articles in newspapers and magazines. However, ERP does not guarantee the materialization, correctness, accuracy or completeness of the information, opinions, estimates or forecasts expressed or implied in the report. In addition, circumstantial changes may have an influence on opinions and estimates presented in this report. The opinions and estimates presented are valid at the moment of their publication and they can be changed without a separate announcement. Neither ERP nor any company within the Evli Group are responsible for amending, correcting or updating any information, opinions or estimates contained in this report. Neither ERP nor any company within the Evli Group will compensate any direct or consequential loss caused by or derived from the use of the information represented in this publication.

All information published in this report is for the original recipient's private and internal use only. ERP reserves all rights to the report. No part of this publication may be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, or stored in any retrieval system of any nature, without the written permission of ERP.

This report or its copy may not be published or distributed in Australia, Canada, Hong Kong, Japan, New Zealand, Singapore or South Africa. The publication or distribution of this report in certain other jurisdictions may also be restricted by law. Persons into whose possession this report comes are required to inform themselves about and to observe any such restrictions.

Evli Bank Plc is not registered as a broker-dealer with the U. S. Securities and Exchange Commission ("SEC"), and it and its analysts are not subject to SEC rules on securities analysts' certification as to the currency of their views reflected in the research report. Evli Bank is not a member of the Financial Industry Regulatory Authority ("FINRA"). It and its securities analysts are not subject to FINRA's rules on Communications with the Public and Research Analysts and Research Reports and the attendant requirements for fairness, balance and disclosure of potential conflicts of interest. This research report is only being offered in U.S. by Auerbach Grayson & Company, LLC (Auerbach Grayson) to Major U.S. Institutional Investors and is not available to, and should not be used by, any U.S. person or entity that is not a Major U.S. Institutional Investor. Auerbach Grayson is a broker-dealer registered with the U.S. Securities and Exchange Commission and is a member of the FINRA. U.S. entities seeking more information about any of the issuers or securities discussed in this report should contact Auerbach Grayson. The securities of non-U.S. issuers may not be registered with or subject to SEC reporting and other requirements.

ERP is not a supervised entity but its parent company Evli Bank Plc is supervised by the Finnish Financial Supervision Authority.

Contact information**SALES, TRADING AND RESEARCH****Equity Sales**

Ari Laine +358 9 4766 9115
Lauri Ahokanto +358 9 4766 9117
Niclas Henelius +358 9 4766 9116

Trading

Lauri Vehkaluoto (Head) +358 9 4766 9130
Pasi Väisänen +358 9 4766 9120
Antti Kässi +358 9 4766 9120

ETFs and Derivatives

Tobias Björk (Head) +358 9 4766 9130
Joachim Dannberg +358 9 4766 9123
Kimmo Lijja +358 9 4766 9130
Sami Järvinen +358 9 4766 9110

Structured Investments

Heikki Savijoki +358 9 4766 9726
Aki Lakkisto +358 9 4766 9123

Equity Research

Joonas Häyhä +358 9 4766 9662
Jonas Forslund +358 9 4766 9314
Joonas Ilvonen +358 44 430 9071
Jerker Salokivi +358 9 4766 9149

Evli Investment Solutions

Johannes Asuja +358 9 4766 9205
Markku Reinikainen +358 9 4766 9669

**EVLI BANK PLC**

Aleksanterinkatu 19 A
P.O. Box 1081
FIN-00101 Helsinki, FINLAND
Phone +358 9 476 690
Fax +358 9 634 382
Internet www.evli.com
E-mail
firstname.lastname@evli.com

**EVLI BANK PLC,
STOCKHOLMSFILIAL**
Kungsgatan 27, P.O. Box 16354
SE-111 56 Stockholm
Sverige
stockholm@evli.com
Tel +46 (0)8 407 8000
Fax +46 (0)8 407 8001