

Continued solid earnings

CapMan's posted good Q3 results. EBIT was EUR 4.8m vs. Evli EUR 4.1m. The exit from Fluido significantly contributed to earnings. Net sales were EUR 7.2m (Evli 8.6m) and no larger carried interest was booked. CapMan held the first closing of its Nordic mid cap infrastructure fund, receiving commitments of EUR 115m.

- CapMan's Q3 net sales amounted to EUR 7.2m, below our estimates of EUR 8.6m. No larger carried interest was booked in Q3. Management Company and Service businesses fees grew 24 % during Jan-Sep 2018.
- EBIT in Q3 amounted to EUR 4.8m, above our estimates of EUR 4.1m. The Management Company business EBIT was EUR 0.8m, Service business EBIT EUR 0.6m, Investment business EBIT EUR 3.8m, and Other EUR -0.4m. The exit from Fluido had a significant positive impact on Q3 earnings.
- Capital under management by the end of Q3 was EUR 2.7b. Of the capital under management EUR 1.7b was attributable to real estate funds and EUR 0.8b to portfolio companies and EUR 0.2b in Infra and Credit.
- The first closing of CapMan Infra's Nordic mid cap infrastructure fund was held. The fund received commitments of EUR 115m. CapMan's commitment to the fund is EUR 30m. Target size of EUR 300m is believed to be reached next year.

Rating

 BUY

Q3/18	Actual	Evli	Year ago	Q2/18
Net sales	7.2	8.6	9.4	11.4
EBIT	4.8	4.1	5.1	6.0
PTP	4.3	3.4	4.5	5.1
EPS	0.03	0.02	0.03	0.03

Deviation	Actual	Evli	Year ago	Q2/18
Net sales		-16%	-24%	-37%
EBIT		17%	-6%	-20%
PTP		27%	-4%	-15%
EPS		46%	3%	7%

Share price, EUR (Last trading day's closing price) 1.56

Target price, EUR 1.75

Latest change in recommendation 27-Apr-18

Latest report on company 10-Aug-18

Research paid by issuer: YES

No. of shares outstanding, '000's 146,923

No. of shares fully diluted, '000's 146,923

Market cap, EURm 229

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 01-Nov-18

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 BUY  HOLD  SELL

PRE-REPORT 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
2016	27	19	70.0%	16	0.16	10.9	5.5	-35.4	7.9	0.09
2017	35	19	55.9%	16	0.10	13.1	8.1	9.1	14.5	0.11
2018E	38	19	49.8%	16	0.09	17.5	6.5	5.7	13.1	0.12
2019E	42	24	57.5%	22	0.12	13.3	6.0	6.1	10.4	0.13
2020E	44	25	57.7%	23	0.12	12.7	5.8	10.8	10.0	0.13
Market cap, EURm	229		BV per share 2018E, EUR		0.8		CAGR EPS 2017-20, %		-3.1	
Net debt 2018E, EURm	21		Price/book 2018E		1.9		CAGR sales 2017-20, %		7.7	
Enterprise value, EURm	250		Dividend yield 2018E, %		7.7		ROE 2018E, %		10.4	
Total assets 2018E, EURm	219		Tax rate 2018E, %		16.0		ROCE 2018E, %		11.0	
Goodwill 2018E, EURm	5		Equity ratio 2018E, %		56.6		PEG, P/E 18/CAGR		1.0	

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

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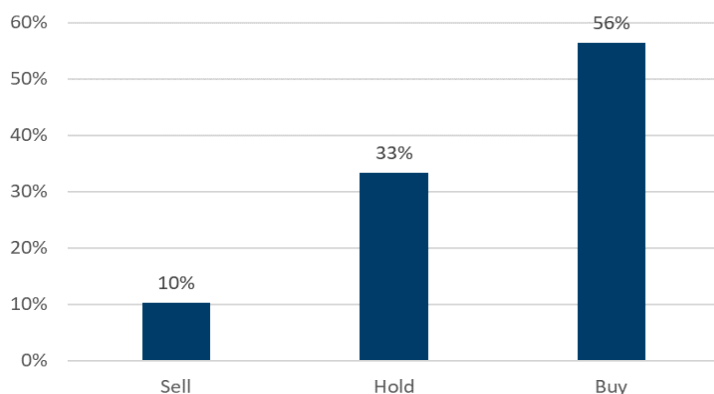
Detailed information about the valuation or methodology and the underlying assumptions is accessible via ERP:

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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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