

Earnings weaker as expected

CapMan's Q4 results were weaker as expected due to the market volatility. A dividend of EUR 0.12 per share is proposed (Evli EUR 0.12). AUM grew to over EUR 3bn driven by the additional BVK mandate. CapMan further announced the acquisition of 60% of analysis and wealth management company JAM Advisors.

- Income in Q4 was EUR 8.9m (EUR 8.8m in Q4/17), above our estimates (Evli EUR 8.2m).
- Operating profit in Q4 was EUR -2.9m (EUR -3.4m in Q4/17), quite in line with our estimates (Evli EUR -2.8m).
- Management Company business revenue in Q4 was EUR 6.2m vs. EUR 6m Evli. Operating profit in Q4 was EUR 0.5m vs. EUR -0.1m Evli.
- Investment business: Revenue in Q4 was EUR 0.2m vs. EUR 0.2m Evli. Operating profit in Q4 was EUR -4m vs. EUR -3.2m Evli.
- Services business: Revenue in Q4 was EUR 2m vs. EUR 2m Evli. Operating profit in Q4 was EUR 0.8m vs. EUR 1m Evli.
- **Dividend proposal:** CapMan proposes a dividend of EUR 0.12 per share (Evli EUR 0.12).
- **Guidance:** CapMan does not provide a numeric guidance for 2019.
- Capital under management by the end of Q4 was EUR 3.0bn. Of the capital under management EUR 1.9bn was attributable to real estate funds, EUR 0.8bn to portfolio companies and EUR 0.3bn to Infra and Credit.
- CapMan announced that it has acquired 60% of analysis and wealth management company JAM Advisors. The acquisition will provide opportunities for CapMan to expand into new customer segments. The company's turnover in 2018 was approx. EUR 3.3m and EBITDA barely positive.

Rating

 BUY

Q4	Actual	Evli	Year ago	Q3/18
Net sales	8.9	8.2	8.8	7.2
EBIT	-2.9	-2.8	-3.4	4.8
PTP	-3.6	-3.5	-4.3	4.3
EPS	-0.02	-0.02	-0.02	0.03

Deviation	Actual	Evli	Year ago	Q3/18
Net sales		8%	0%	22%
EBIT		5%	-14%	-
PTP		3%	-16%	-
EPS		-7%	-9%	-

Share price, EUR (Last trading day's closing price) 1.65

Target price, EUR 1.8

Latest change in recommendation 27-Apr-18

Latest report on company 19-Jan-19

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 242

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 31-Jan-19

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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	35	12	34.2%	9	0.05	30.8	7.7	7.4	22.4	0.12
2019E	42	24	57.8%	22	0.14	12.0	6.3	5.6	10.9	0.13
2020E	44	27	62.1%	25	0.16	10.5	5.9	9.0	9.5	0.14

Market cap, EURm 242 BV per share 2018E, EUR 0.8 CAGR EPS 2017-20, % 5.1

Net debt 2018E, EURm 28 Price/book 2018E 2.0 CAGR sales 2017-20, % 8.1

Enterprise value, EURm 271 Dividend yield 2018E, % 7.3 ROE 2018E, % 6.4

Total assets 2018E, EURm 216 Tax rate 2018E, % 9.5 ROCE 2018E, % 7.0

Goodwill 2018E, EURm 5 Equity ratio 2018E, % 55.0 PEG, P/E 18/CAGR 0.7

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

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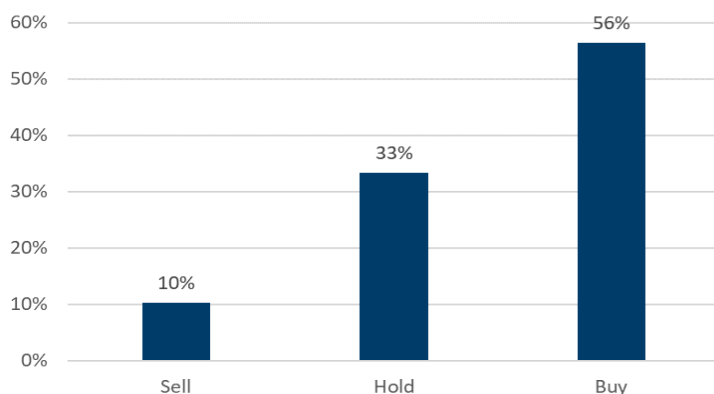
Detailed information about the valuation or methodology and the underlying assumptions is accessible via ERP:

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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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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.

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