EVLI

CAPMAN

Diversified Financial Services/Finland, August 9, 2019
Spot comment

Steaming ahead

CapMan's Q2 results were above estimates, largely due to Scala's success fees. The Buyout XI fund held a first closing at EUR 160m, to aid management fees during H2/19 and onwards. The Q2 report gave little reason to change our views on CapMan's development; on the contrary, we have made upward revisions to our estimates. We retain our BUY-rating with a target price of EUR 1.95 (1.85).

Earnings boosted by significant Scala success fees

CapMan's Q2 results beat both our and consensus expectations, with revenue at EUR 13.4m (Evli/cons. 10.8m/11.0m) and EBIT at EUR 5.8m (Evli/cons. 4.5m/4.2m). The stronger earnings were in our view largely due to stronger than expected Scala success fees. The solid Services business operating profit (Act./Evli 4.9m/2.1m) was slightly offset by weaker investment returns, due to weaker performance of certain portfolio companies, according to management of a more temporary nature. The Buyout XI fund held a first closing at EUR 160m, with management fees expected to kick in during Q3.

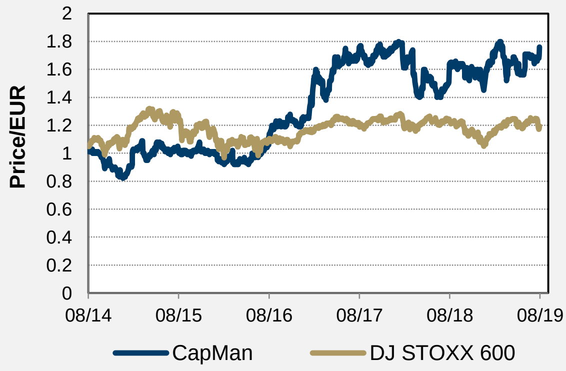
Solid Services business development

We have revised our 2019 estimates slightly upwards, mainly due to the strong Q2 earnings. We have further raised our estimates for the coming years, with our 2020 operating profit estimate up 10%, reflected mainly through the Services business. Our estimates continue to rely on more rapid accumulation of carried interest starting from H2/19, the timing and materialization of which remains the biggest near-term uncertainty. For 2019 we expect an operating profit of EUR 24.7m, with a diversified contribution split from all business areas.

BUY with a target price of EUR 1.95 (1.85)

Our SOTP implies a fair value of EUR 1.82 per share, which together with peer multiple valuation implies a limited valuation upside. However, when considering the top-class dividend yield and expected ~35% improvement in operating profit in 2020, CapMan in our view remains an attractive case. Following our estimates revisions, we lift our target price to EUR 1.95 (1.85) and retain our BUY-rating.

Rating — BUY



Share price, EUR (Last trading day's closing price)	1.76
Target price, EUR	1.95
Latest change in recommendation	27-Apr-18
Latest report on company	26-Apr-19
Research paid by issuer:	YES
No. of shares outstanding, '000's	153,270
No. of shares fully diluted, '000's	153,270
Market cap, EURm	270
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-Oct-19
Web site	www.capman.com

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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	6.3	6.7	18.9	0.12
2019E	48	25	51.9%	22	0.13	13.3	6.1	4.1	11.7	0.13
2020E	53	33	63.6%	31	0.19	9.4	5.4	6.6	8.5	0.14
2021E	56	38	66.8%	35	0.21	8.3	5.0	7.3	7.6	0.15

Market cap, EURm	270	BV per share 2019E, EUR	0.8	CAGR EPS 2018-21, %	56.9
Net debt 2019E, EURm	17	Price/book 2019E	2.2	CAGR sales 2018-21, %	16.1
Enterprise value, EURm	288	Dividend yield 2019E, %	7.4	ROE 2019E, %	16.6
Total assets 2019E, EURm	230	Tax rate 2019E, %	8.6	ROCE 2019E, %	13.3
Goodwill 2019E, EURm	20	Equity ratio 2019E, %	53.8	PEG, P/E 19/CAGR	0.9

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/'19	Q2/'19	Q3/'19E	Q4/'19E	2019E	2020E	2021E
Management fees	19.6	5.6	5.7	5.2	5.6	22.1	6.1	5.4	6.7	7.3	25.4	27.2	28.6
Sale of services	7.1	1.6	4.1	1.7	2.9	10.3	3.0	7.3	3.2	4.3	17.9	19.5	21.3
Carried interest	4.4	0.1	0.6	0.2	0.1	1.0	0.1	0.7	1.6	1.8	4.2	5.8	6.4
Dividend and interest income	3.7	1.1	1.0	0.2	0.2	2.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revenue	**34.8**	**8.5**	**11.4**	**7.2**	**8.9**	**36.0**	**9.3**	**13.4**	**11.5**	**13.4**	**47.5**	**52.6**	**56.3**
change, %	*30.6%*	*12.7%*	*25.8%*	*-23.3%*	*0.5%*	*3.3%*	*9.8%*	*17.0%*	*59.1%*	*50.3%*	*32.0%*	*10.6%*	*7.2%*
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	-5.3	-5.5	-5.5	-5.9	-22.1	-22.4	-23.1
Other operating expenses	-9.9	-2.2	-2.6	-1.6	-2.8	-9.1	-3.2	-3.3	-1.7	-3.0	-11.3	-10.4	-10.6
Depreciation and amortisation	-1.7	-0.1	-0.1	0.0	0.0	-0.2	-0.3	-0.4	-0.2	-0.3	-1.2	-1.2	-1.3
Fair value changes	17.6	2.5	2.7	3.9	-4.0	5.1	4.2	1.7	3.1	2.8	11.7	14.9	16.2
Operating profit	**19.5**	**4.1**	**6.0**	**4.8**	**-2.9**	**12.0**	**4.7**	**5.8**	**7.2**	**7.0**	**24.7**	**33.4**	**37.6**
Operating profit margin, %	*55.9%*	*48.0%*	*52.6%*	*66.8%*	*-33.2%*	*33.2%*	*50.7%*	*43.3%*	*62.1%*	*52.7%*	*51.9%*	*63.6%*	*66.8%*
Net financials	-3.2	-0.5	-1.0	-0.5	-0.7	-2.7	-0.6	-0.7	-0.7	-0.7	-2.6	-2.6	-2.7
Pre-tax profit	**16.2**	**3.5**	**5.1**	**4.3**	**-3.6**	**9.3**	**4.1**	**5.1**	**6.5**	**6.4**	**22.1**	**30.8**	**34.9**
Income taxes	-0.8	-0.2	-0.8	-0.2	0.4	-0.8	-0.1	-0.9	-0.5	-0.4	-1.9	-2.2	-2.4
Profit for the period	**15.5**	**3.3**	**4.3**	**4.1**	**-3.2**	**8.5**	**4.0**	**4.2**	**6.0**	**5.9**	**20.2**	**28.6**	**32.4**
EPS, EUR	**0.10**	**0.02**	**0.03**	**0.03**	**-0.02**	**0.05**	**0.02**	**0.03**	**0.04**	**0.04**	**0.13**	**0.19**	**0.21**
Assets under management	2800	2799	2758	2681	3043	3043	3196	3270			3 400	3 600	3 800
Management Company business	2017	Q1/'18	Q2/'18	Q3/'18	Q4/'18	2018	Q1/'19	Q2/'19	Q3/'19E	Q4/'19E	2019E	2020E	2021E
Revenue	25.1	5.9	6.5	5.5	6.2	24.2	6.4	6.4	8.5	9.3	30.5	33.9	35.8
Operating profit	2.7	0.8	0.7	0.8	0.5	2.8	0.8	0.9	3.6	3.4	8.8	11.5	13.4
Investment business	2017	Q1/'18	Q2/'18	Q3/'18	Q4/'18	2018	Q1/'19	Q2/'19	Q3/'19E	Q4/'19E	2019E	2020E	2021E
Revenue	3.7	1.1	1.0	0.2	0.2	2.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating profit	17.3	3.2	3.4	3.8	-4.0	6.5	3.9	1.0	2.6	2.5	10.0	13.8	15.2
Services business	2017	Q1/'18	Q2/'18	Q3/'18	Q4/'18	2018	Q1/'19	Q2/'19	Q3/'19E	Q4/'19E	2019E	2020E	2021E
Revenue	5.6	1.4	3.8	1.5	2.0	8.7	2.9	6.9	3.0	3.7	16.5	18.2	20.0
Operating profit	2.3	0.6	2.4	0.6	0.8	4.4	1.8	4.9	1.3	1.5	9.5	10.4	11.5
Other	2017	Q1/'18	Q2/'18	Q3/'18	Q4/'18	2018	Q1/'19	Q2/'19	Q3/'19E	Q4/'19E	2019E	2020E	2021E
Revenue	0.5	0.0	0.2	0.0	0.4	0.6	0.0	0.0	0.0	0.4	0.5	0.5	0.5
Operating profit	-2.7	-0.4	-0.6	-0.4	-0.3	-1.7	-1.7	-1.0	-0.4	-0.4	-3.5	-2.3	-2.4

Investment Management Companies	MCAP MEUR	EV/EBIT 19E	EV/EBIT 20E	EV/EBIT 21E	P/E 19E	P/E 20E	P/E 21E	Div. yield 19E	Div. yield 20E	Div. yield 21E
Institut de Developpement	308	16.7x	14.9x		16.0x	14.2x		3.7 %	3.7 %	
Deutsche Beteiligungs	453	20.5x	11.1x		23.7x	10.6x		4.9 %	4.9 %	5.1 %
mutares	147	6.0x	4.7x	3.2x	6.5x	5.4x	3.9x	10.5 %	10.5 %	10.5 %
3i Group	11455	7.0x	7.2x	7.5x	7.9x	8.0x	7.2x	3.0 %	3.3 %	3.5 %
Eurazeo	4608	18.9x	17.9x	16.2x	13.8x	12.9x	11.0x	2.2 %	2.4 %	2.4 %
Ratos	713	20.8x	13.7x	16.0x	19.0x	9.7x		6.4 %	5.9 %	8.6 %
Partners Group Holding	19243	22.5x	20.7x	19.1x	25.2x	22.8x	20.9x	3.0 %	3.3 %	3.7 %
Peer Group Average	**5275**	**16.1x**	**12.9x**	**12.4x**	**16.0x**	**11.9x**	**10.7x**	**4.8 %**	**4.9 %**	**5.6 %**
Peer Group Median	**713**	**18.9x**	**13.7x**	**16.0x**	**16.0x**	**10.6x**	**9.1x**	**3.7 %**	**3.7 %**	**4.4 %**
CapMan (Evli est.)	**270**	**11.6x**	**8.5x**	**7.5x**	**13.0x**	**9.4x**	**8.3x**	**7.4 %**	**8.0 %**	**8.5 %**
CapMan prem./disc. to peer median		*-38%*	*-38%*	*-53%*	*-19%*	*-11%*	*-9%*	*97%*	*112%*	*95%*

Source Bloomberg, Evli Research

Finnish financial services peers	MCAP MEUR	EV/EBIT 19E	EV/EBIT 20E	EV/EBIT 21E	P/E 19E	P/E 20E	P/E 21E	Div. yield 19E	Div. yield 20E	Div. yield 21E
eQ	346							6.4 %		
Taaleri	198	11.3x	9.8x	8.5x	10.9x	9.6x	8.0x	4.5 %	4.8 %	5.1 %
Evli Bank	194				12.1x	10.5x	9.8x	7.7 %	8.0 %	8.6 %
United Bankers	83	10.1x	8.2x	7.4x	11.9x	9.9x	9.0x	5.8 %	6.6 %	7.2 %
EAB Group	65							4.2 %		
Titanium	85	7.5x	7.0x	6.6x	11.3x	10.2x	9.6x	8.8 %	9.4 %	10.0 %
Peer Group Average	**162**	**9.6x**	**8.3x**	**7.5x**	**11.5x**	**10.1x**	**9.1x**	**6.2 %**	**7.2 %**	**7.8 %**
Peer Group Median	**139**	**10.1x**	**8.2x**	**7.4x**	**11.6x**	**10.0x**	**9.3x**	**6.1 %**	**7.3 %**	**7.9 %**
CapMan (Evli est.)	**270**	**11.6x**	**8.5x**	**7.5x**	**13.0x**	**9.4x**	**8.3x**	**7.4 %**	**8.0 %**	**8.5 %**
CapMan prem./disc. to peer median		*16%*	*4%*	*2%*	*12%*	*-6%*	*-11%*	*21%*	*9%*	*7%*

Source Bloomberg, Evli Research

VALUATION			
SOTP	Implied value (EURm)	Per share (EUR)	Notes
Management Company (excl. carry)	66	0.43	13x NTM EBIT EUR 5.1m
Services business	109	0.71	11x NTM EBIT EUR 9.9m
Investment business	155	1.01	NAV
Carried interest	34	0.22	DCF
Corporate functions	-35	-0.23	12x NTM EBIT EUR -2.9m
Total debt	-50	-0.33	Senior bond
Equity value (SOTP)	280	1.82	
Peer multiples			
EV/EBIT 19-20E		1.51-1.69	
P/E 19-20E		1.57-1.88	
Div. yield 19-20E		1.92-2.13	
Target price		**1.95**	

Source: Evli Research

VALUATION RESULTS		BASE CASE DETAILS		VALUATION ASSUMPTIONS		ASSUMPTIONS FOR WACC	
Current share price	1.76	PV of Free Cash Flow	200	Long-term growth, %	2.0	Risk-free interest rate, %	2.25
DCF share value	3.19	PV of Horizon value	316	WACC, %	7.9	Market risk premium, %	5.8
Share price potential, %	81.1	Unconsolidated equity	-1	Spread, %	0.5	Debt risk premium, %	2.8
Maximum value	3.5	Marketable securities	55	Minimum WACC, %	7.4	Equity beta coefficient	1.10
Minimum value	2.9	Debt - dividend	-81	Maximum WACC, %	8.4	Target debt ratio, %	30
Horizon value, %	61.2	Value of stock	489	Nr of shares, Mn	153.3	Effective tax rate, %	20

DCF valuation, EURm	2018	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	Horizon
Net sales	36	48	53	56	58	59	61	62	64	65	67	68
Sales growth, %	*3.3*	*32.0*	*10.6*	*7.2*	*2.5*	*2.5*	*2.5*	*2.5*	*2.5*	*2.5*	*2.0*	*2.0*
Operating income (EBIT)	12	25	33	38	35	36	36	37	38	39	40	41
EBIT margin, %	*33.2*	*51.9*	*63.6*	*66.8*	*60.6*	*60.0*	*60.0*	*60.0*	*60.0*	*60.0*	*60.0*	*60.0*
+ Depreciation+amort.	0	1	1	1	1	1	1	1	1	1	1	
- Income taxes	-7	-2	-2	-3	-2	-2	-3	-3	-3	-3	-3	
- Change in NWC	27	42	9	1	0	0	0	0	0	0	0	
NWC / Sales, %	*96.8*	*-14.6*	*-30.4*	*-29.8*	*-29.6*	*-29.3*	*-29.1*	*-28.9*	*-28.7*	*-28.5*	*-28.4*	
+ Change in other liabs	0	0	0	0	0	0	0	0	0	0	0	
- Capital Expenditure	3	-62	-16	-11	-1	-1	-1	-1	-1	-1	-1	-1
Investments / Sales, %	*-8.5*	*129.6*	*31.2*	*20.2*	*2.1*	*2.1*	*2.1*	*2.1*	*2.1*	*2.1*	*2.1*	*2.1*
- Other items	7	2	0	0	0	0	0	0	0	0	0	
= Unlevered Free CF (FCF)	42	6	25	25	33	33	34	35	36	37	37	645
= Discounted FCF (DFCF)		6	22	21	25	24	23	21	20	19	18	316
= DFCF min WACC		6	22	21	26	24	23	22	21	20	19	360
= DFCF max WACC		6	22	21	25	23	22	21	20	19	17	279

INTERIM FIGURES

EVLI ESTIMATES, EURm	2018Q1	2018Q2	2018Q3	2018Q4	2018	2019Q1	2019Q2	2019Q3E	2019Q4E	2019E	2020E	2021E
Net sales	8	11	7	9	36	9	13	12	13	48	53	56
EBITDA	4	6	5	-3	12	5	6	7	7	26	34	39
EBITDA margin (%)	*48.7*	*53.2*	*67.6*	*-32.9*	*33.8*	*53.7*	*46.2*	*64.1*	*54.7*	*54.4*	*65.3*	*68.6*
EBIT	4	6	5	-3	12	5	6	7	7	25	33	38
EBIT margin (%)	*48.0*	*52.6*	*66.8*	*-33.2*	*33.2*	*50.7*	*43.3*	*62.1*	*52.7*	*51.9*	*63.6*	*66.8*
Net financial items	-1	-1	-1	-1	-3	-1	-1	-1	-1	-3	-3	-3
Pre-tax profit	4	5	4	-4	9	4	5	7	6	22	31	35
Tax	0	-1	0	0	-1	0	-1	0	0	-2	-2	-2
Tax rate (%)	*5.7*	*15.9*	*5.5*	*12.2*	*8.6*	*2.6*	*17.4*	*7.0*	*7.0*	*8.6*	*7.0*	*7.0*
Net profit	3	4	4	-3	8	4	4	6	6	20	29	32
EPS	0.02	0.03	0.03	-0.02	0.05	0.03	0.03	0.04	0.04	0.13	0.19	0.21
EPS adjusted (diluted no. of shares)	0.02	0.03	0.03	-0.02	0.05	0.03	0.03	0.04	0.04	0.13	0.19	0.21
Dividend per share	0.00	0.00	0.00	0.00	0.12	0.00	0.00	0.00	0.00	0.13	0.14	0.15
SALES, EURm												
Management Company business	6	7	6	6	24	6	6	9	9	31	34	36
Investment business	1	1	0	0	3	0	0	0	0	0	0	0
Service business	1	4	1	2	9	3	7	3	4	17	18	20
Other & eliminations	0	0	0	0	1	0	0	0	0	0	0	1
Total	8	11	7	9	36	9	13	12	13	48	53	56
SALES GROWTH, Y/Y %												
Management Company business	*11.7*	*28.8*	*-30.7*	*-7.2*	*-3.5*	*8.1*	*-2.1*	*53.5*	*48.9*	*26.2*	*11.0*	*5.7*
Investment business	*-3.0*	*-55.9*	*21.8*	*5.7*	*-32.8*	*-100.0*	*-100.0*	*-99.9*	*-100.0*	*-100.0*	*0.0*	*0.0*
Service business	*35.1*	*112.6*	*17.8*	*35.7*	*56.0*	*107.1*	*84.3*	*102.0*	*81.0*	*90.2*	*10.0*	*10.0*
Other & eliminations	*32.1*	*416.7*	*64.7*	*-5.7*	*25.4*	*-37.8*	*-76.8*	*-99.6*	*5.0*	*-23.5*	*5.0*	*5.0*
Total	*12.7*	*25.8*	*-23.3*	*0.5*	*3.3*	*9.8*	*17.0*	*59.1*	*50.3*	*32.0*	*10.6*	*7.2*
EBIT, EURm												
Management Company business	1	1	1	1	3	1	1	4	3	9	11	13
Investment business	3	3	4	-4	6	4	1	3	2	10	14	15
Service business	1	2	1	1	4	2	5	1	2	9	10	11
Other & eliminations	0	-1	0	0	-2	-2	-1	0	0	-4	-2	-2
Total	4	6	5	-3	12	5	6	7	7	25	33	38
EBIT margin, %												
Management Company business	*12.8*	*11.4*	*14.5*	*8.7*	*11.7*	*12.4*	*14.5*	*42.6*	*36.8*	*28.7*	*33.8*	*37.4*
Investment business	*285.0*	*350.5*	*2,130.2*	*-1,625.9*	*257.0*							
Service business	*41.0*	*64.8*	*38.0*	*39.2*	*50.4*	*61.3*	*70.6*	*43.3*	*40.9*	*57.4*	*57.4*	*57.4*
Other & eliminations	*-1,205.4*	*-375.5*	*-1,250.0*	*-87.2*	*-283.9*	*-7,543.5*	*-2,894.4*		*-87.2*	*-764.1*	*-476.1*	*-476.1*
Total	*48.0*	*52.6*	*66.8*	*-33.2*	*33.2*	*50.7*	*43.3*	*62.1*	*52.7*	*51.9*	*63.6*	*66.8*

INCOME STATEMENT, EURm	2014	2015	2016	2017	2018	2019E	2020E	2021E
Sales	39	32	27	35	36	48	53	56
Sales growth (%)	*32.6*	*-19.5*	*-16.0*	*30.6*	*3.3*	*32.0*	*10.6*	*7.2*
Costs	-33	-22	-8	-14	-24	-22	-18	-18
Reported EBITDA	7	10	19	21	12	26	34	39
Extraordinary items in EBITDA	0	0	0	0	0	0	0	0
EBITDA margin (%)	*17.2*	*30.2*	*71.0*	*61.0*	*33.8*	*54.4*	*65.3*	*68.6*
Depreciation	0	0	0	0	0	-1	-1	-1
EBITA	6	9	19	21	12	25	33	38
Goodwill amortization / writedown	0	0	0	-1	0	0	0	0
Reported EBIT	6	9	19	19	12	25	33	38
EBIT margin (%)	*16.2*	*29.2*	*70.0*	*55.9*	*33.2*	*51.9*	*63.6*	*66.8*
Net financials	-1	-3	-3	-3	-3	-3	-3	-3
Pre-tax profit	5	6	16	16	9	22	31	35
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	20	29	32
BALANCE SHEET, EURm								
Assets								
Fixed assets	65	104	95	93	91	130	145	156
% of sales	*166*	*329*	*357*	*266*	*253*	*273*	*276*	*276*
Goodwill	6	6	6	5	5	20	20	20
% of sales	*16*	*20*	*23*	*13*	*13*	*41*	*37*	*35*
Inventory	0	0	0	0	0	0	0	0
% of sales	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
Receivables	10	13	101	89	57	31	26	28
% of sales	*24*	*41*	*380*	*255*	*158*	*66*	*49*	*49*
Liquid funds	29	22	45	23	55	48	53	56
% of sales	*73*	*68*	*169*	*67*	*152*	*100*	*100*	*100*
Total assets	114	150	253	211	209	230	245	261
Liabilities								
Equity	50	50	128	127	121	124	132	143
% of sales	*128*	*158*	*480*	*364*	*336*	*260*	*252*	*255*
Deferred taxes	2	2	10	9	3	3	3	3
% of sales	*5*	*6*	*37*	*25*	*9*	*7*	*6*	*6*
Interest bearing debt	47	84	81	48	63	65	67	70
% of sales	*120*	*266*	*304*	*138*	*175*	*136*	*128*	*124*
Non-interest bearing current liabilities	14	13	33	27	17	33	37	39
% of sales	*35*	*41*	*125*	*77*	*47*	*70*	*70*	*70*
Other interest free debt	0	0	0	1	5	5	5	5
% of sales	*1*	*0*	*2*	*3*	*15*	*11*	*10*	*9*
Total liabilities	114	150	253	211	209	230	245	261
CASH FLOW, EURm								
+ EBITDA	7	10	19	21	12	26	34	39
- 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	42	9	1
+/- Other	5	-2	-23	-6	6	2	0	0
= Cash flow from operations	12	1	-3	17	42	65	39	34
- Capex	0	47	-51	2	3	-62	-16	-11
- 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	45	4	22	23
+/- Change in interest-bearing debt	0	37	-3	-33	15	2	3	2
+/- New issues/buybacks	1	0	70	-9	2	0	0	0
- Paid dividend	-3	-5	-6	-8	-16	-18	-20	-21
+/- Change in loan receivables	0	0	0	0	0	0	0	0
Change in cash	4	27	107	-30	46	-12	5	4

KEY FIGURES	2015	2016	2017	2018	2019E	2020E	2021E
M-cap	86	111	258	216	270	270	270
Net debt	63	36	25	8	17	15	14
Enterprise value	149	147	283	225	288	286	284
Sales	32	27	35	36	48	53	56
EBITDA	10	19	21	12	26	34	39
EBIT	9	19	19	12	25	33	38
Pre-tax	6	16	16	9	22	31	35
Earnings	5	14	15	8	20	29	32
Book value	50	128	127	121	123	132	143
Valuation multiples							
EV/sales	4.7	5.5	8.1	6.3	6.1	5.4	5.0
EV/EBITDA	15.5	7.7	13.3	18.5	11.1	8.3	7.4
EV/EBITA	16.1	7.9	13.5	18.9	11.7	8.5	7.6
EV/EBIT	16.1	7.9	14.5	18.9	11.7	8.5	7.6
EV/operating cash flow	260.7	-46.9	9.9	7.0	4.4	7.0	7.7
EV/cash earnings	24.6	6.4	14.8	72.0	13.5	9.7	8.5
P/E	14.7	10.9	13.1	26.8	13.3	9.4	8.3
P/E excl. goodwill	14.7	10.9	12.2	26.8	13.3	9.4	8.3
P/B	1.7	0.9	2.0	1.8	2.2	2.0	1.9
P/sales	2.7	4.1	7.4	6.0	5.7	5.1	4.8
P/CF	150.9	-35.4	9.1	6.7	4.1	6.6	7.3
Target EV/EBIT	*0.0*	*0.0*	*0.0*	*0.0*	*12.8*	*9.4*	*8.3*
Target P/E	*0.0*	*0.0*	*0.0*	*0.0*	*14.8*	*10.4*	*9.2*
Target P/B	*0.0*	*0.0*	*0.0*	*0.0*	*2.4*	*2.3*	*2.1*
Per share measures							
Number of shares	86,317	88,409	145,626	147,142	153,270	153,270	153,270
Number of shares (diluted)	86,317	88,409	145,626	147,142	153,270	153,270	153,270
EPS	0.06	0.16	0.10	0.05	0.13	0.19	0.21
EPS excl. goodwill	0.07	0.12	0.15	0.05	0.13	0.19	0.21
Cash EPS	0.07	0.26	0.13	0.02	0.14	0.19	0.22
Operating cash flow per share	0.01	-0.04	0.20	0.22	0.43	0.27	0.24
Capital employed per share	0.66	1.79	1.01	0.83	0.92	0.96	1.02
Book value per share	0.58	1.45	0.87	0.82	0.80	0.86	0.93
Book value excl. goodwill	0.51	1.38	0.84	0.79	0.68	0.73	0.81
Dividend per share	0.07	0.09	0.11	0.12	0.13	0.14	0.15
Dividend payout ratio, %	118.6	55.5	104.9	219.0	98.5	75.0	70.9
Dividend yield, %	7.0	7.2	6.2	8.2	7.4	8.0	8.5
Efficiency measures							
ROE	10.1	16.1	12.0	6.5	16.6	22.4	23.6
ROCE	8.0	10.9	10.1	6.7	13.3	17.2	18.2
Financial ratios							
Capex/sales, %	-148.7	190.8	-6.0	-8.5	129.6	31.2	20.2
Capex/depreciation excl. goodwill,%	-14,671.1	19,726.7	-753.1	-1,524.6	4,017.1	1,823.8	1,143.1
Net debt/EBITDA, book-weighted	6.5	1.9	1.2	0.7	0.7	0.4	0.4
Debt/equity, market-weighted	1.0	0.7	0.2	0.3	0.2	0.3	0.3
Equity ratio, book-weighted	33.5	50.6	60.0	57.8	53.8	54.0	54.9
Gearing	1.25	0.28	0.20	0.07	0.14	0.11	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 asset management and investment company. CapMan manages over EUR 3 billion in assets. The company mainly manages investors' assets but also makes direct investments from 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.

INVESTMENT CASE:

OWNERSHIP STRUCTURE	SHARES	EURm	%
Mandatum Life Insurance Company	11,605,186	20.425	7.6%
Ilmarinen Mutual Pension Insurance Company	10,464,415	18.417	6.8%
Oy Inventiainvest AB (Ari Tolppanen)	7,024,794	12.364	4.6%
Laakkonen Mikko Kalervo	6,378,320	11.226	4.2%
Varma Mutual Pension Insurance Company	3,675,215	6.468	2.4%
Joensuun Kauppa ja Kone Oy	3,311,853	5.829	2.2%
Vesasco Oy	3,088,469	5.436	2.0%
The State Pension Fund	2,500,000	4.400	1.6%
Winsome Oy + Tuomo Raasio	2,130,043	3.749	1.4%
Heiwes Oy	2,094,480	3.686	1.4%
Ten largest	52,272,775	92.000	34%
Residual	100,997,281	177.755	66%
Total	153,270,056	269.755	100%

EARNINGS CALENDAR

OTHER EVENTS

COMPANY MISCELLANEOUS

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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

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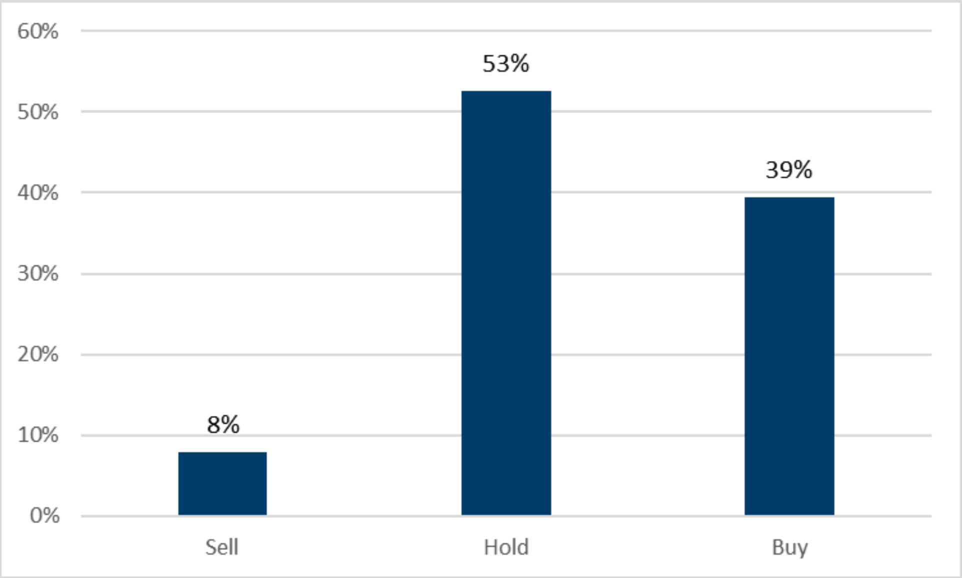
Investment recommendations are defined as follows:

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

ERP's investment recommendation of the analyzed company is updated at least 2 timer per year.



The graph above shows the distribution of ERP's recommendations of companies under coverage in 1st of February 2019. If recommendation is not given, it is not mentioned here.

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

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