

Carry offset by goodwill amortization

CapMan's net sales in Q4 amounted to EUR 16.6m, above our estimates and above consensus estimates (EUR 12.5m/11.4m Evli/cons.) following clearly higher carried interest. EBIT amounted to EUR 3.4m, below our and consensus estimates (EUR 4.7m/5.0m Evli/cons.). Adj. EBIT was EUR 7.7m. CapMan proposes a dividend of EUR 0.13 per share (EUR 0.13/0.13 Evli/Cons.).

- Revenue in Q4 was EUR 16.6m (EUR 8.9m in Q4/18), above our estimates and consensus estimates (EUR 12.5m/11.4m Evli/Cons.). CapMan recorded EUR 5.4m in carried interest, (Evli EUR 2.0m).
- Operating profit in Q4 amounted to EUR 3.4m (EUR -2.9m in Q4/18), below our estimates and consensus estimates (EUR 4.7m/5.0m Evli/cons.). The operating profit includes a EUR 4.2m goodwill amortization relating to CapMan's business in Russia and the adjusted operating profit amounted to EUR 7.7m
- EPS in Q4 amounted to EUR 0.02 (EUR -0.02 in Q4/18), in line with our and consensus estimates (EUR 0.02/0.03 Evli/cons.).
- Management Company business: Revenue in Q4 was EUR 13.0m vs. EUR 8.7m Evli. Operating profit in Q4 amounted to EUR 2.4m vs. EUR 2.9m Evli. Adj. operating profit was EUR 6.6m
- Investment business: Operating profit in Q4 amounted to EUR 2.1m vs. EUR 1.6m Evli.
- Services business: Revenue in Q4 was EUR 3.2m vs. EUR 3.4m Evli. Operating profit in Q4 amounted to EUR 0.9m vs. EUR 1.2m Evli.
- Dividend proposal: CapMan proposes a dividend of EUR 0.13 per share (EUR 0.13/0.13 Evli/Cons.).
- Capital under management by the end of Q4 was EUR 3.2bn (Q4/18: EUR 3.0bn).

 Rating 🟡 HOLD

Q4/19	Actual	Evli	Cons.	Q3/19
Net sales	16.6	12.5	11.4	8.9
EBIT	3.4	4.7	5.0	-2.9
EPS	0.02	0.02	0.03	-0.02
DPS	0.13	0.13	0.13	0.12
Deviation	Actual	Evli	Cons.	Q3/19
Net sales		33%	46%	87%
EBIT		-27%	-32%	-
EPS		5%	-8%	-
DPS		0%	0%	8%

*Consensus by Bloomberg

 Share price, EUR (Last trading day's closing price) 2.35

 Target price, EUR 2.1

Latest change in recommendation	25-Oct-19
Latest report on company	27-Jan-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	360
Free float, %	64.0
Exchange rate EUR	1.000
Reuters code	CAPMAN.HE
Bloomberg code	CAPMAN FH
Average daily volume, EURm	0.74
Next interim report	30-Jan-20
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
2017	34.8	19.5	55.9%	-4.3	0.10	13.1	8.1	14.5	-1.7	0.11
2018	36.0	12.0	33.2%	-2.8	0.05	26.8	6.3	18.9	-1.3	0.12
2019E	44.9	20.7	46.1%	-1.5	0.09	26.1	8.6	18.6	-0.4	0.13
2020E	50.7	29.0	57.2%	19.6	0.14	16.7	7.6	13.3	5.4	0.14
2021E	55.1	33.1	60.1%	15.0	0.16	14.4	7.1	11.8	4.2	0.15
Market cap, EURm		360	BV per share 2019E, EUR		17.8	CAGR EPS 2018-21, %		43.8		
Net debt 2019E, EURm		21	Price/book 2019E		3.1	CAGR sales 2018-21, %		15.2		
Enterprise value, EURm		384	Dividend yield 2019E, %		5.5	ROE 2019E, %		11.6		
Total assets 2019E, EURm		214	Tax rate 2019E, %		13.1	ROCE 2019E, %		11.2		
Goodwill 2019E, EURm		20	Equity ratio 2019E, %		55.4	PEG, P/E 19/CAGR		1.1		

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

CapMan Q4/19	Actual	Evli	vs. Evli	Consensus	vs. cons	Q4/18	vs. Q4/18
Net sales	16.6	12.5	32.8%	11.4	45.6%	8.9	86.5%
-Management Company business	13.0	8.7	49.7%			6.2	>100%
-Investment business	0.00	0.00	-			0.20	-
-Services business	3.2	3.4	-6.9%			2.0	58.4%
-Other	0.41	0.40	3.3%			0.40	3.3%
EBIT	3.4	4.7	-27.1%	5.0	-31.5%	-2.90	-
-Management Company business	2.4	2.9	-18.4%			0.50	>100%
-Investment business	2.1	1.6	33.9%			-4.00	-
-Services business	0.90	1.2	-25.1%			0.80	12.4%
-Other	-2.0	-1.0	-98.3%			-0.30	-561.0%
DPS	0.13	0.13	0.0%	0.13	0.0%	0.12	8.3%

Consensus by Bloomberg

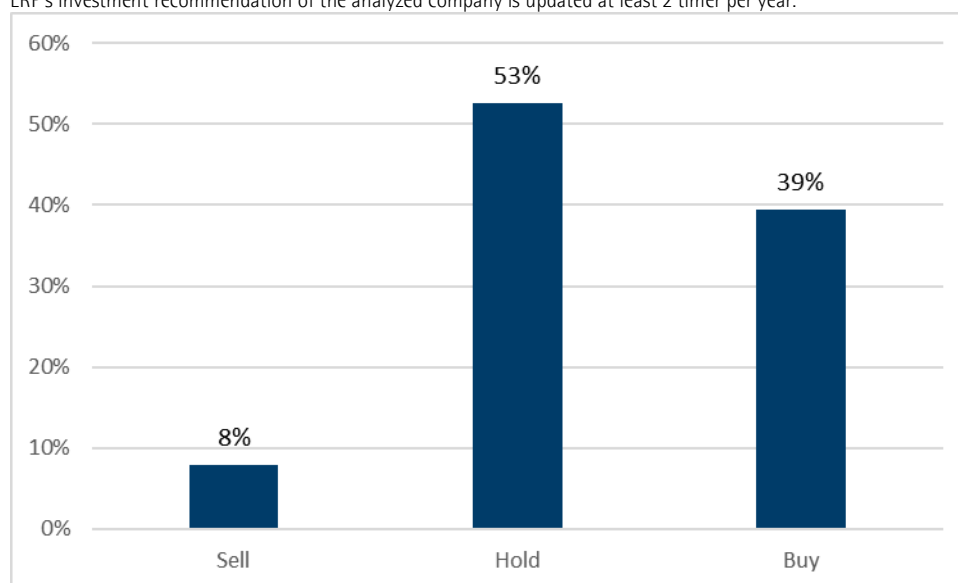
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Investment recommendations are defined as follows:

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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