

Good progress negated by FV changes

CapMan's Q1 results were slightly better than expected and underlying performance remained good, although EBIT as a result of negative fair value changes as expected fell clearly, to EUR -6.0m (Evli/cons. -7.5m/-3.9m). Fundraising projects continue but delays of 0-6 months are seen. Cost savings of up to 10% of the cost base are sought without affecting growth ambitions. We retain our BUY-rating and TP of EUR 1.95.

Negative FV changes spoiled otherwise good profitability

CapMan's Q1 results came in slightly better than we had expected, with revenue of EUR 11.9m (Evli/cons. 10.7m) and EBIT of EUR -6.0m (Evli/cons -7.5m/-3.9m). Termination of the 2018 share plan caused a one-off cost of approx. EUR 1.4m. Unrealized FV changes amounted to EUR -10.5m. Profitability of the Management company and Service businesses improved clearly y/y, the latter aided by success fees from Scala but also seeing good development overall.

2020 an unfortunate dent to solid progress

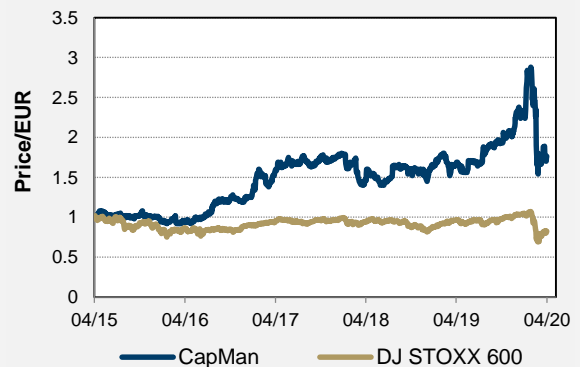
With the significant negative FV changes in Q1 and assuming a cautionary view on carry and success fees in the current market environment we expect adj. EBIT to decline in 2020 to EUR 1.2m (25.0m). We expect the fee-based profitability to continue to improve through growth in AUM. Fundraising projects are seen to be delayed by 0-6 months but are continuing nonetheless, and CapMan also flashed a second Growth fund. CapMan is seeking to achieve cost savings of up to 10% of its cost base, which are sought to be achieved without affecting growth ambitions.

BUY with a target price of EUR 1.95

The expected weak earnings in 2020, mainly due to the negative unrealized FV changes, makes valuation on near-term figures more challenging. Upside potential can be seen on 2021E peer multiples and dividend yields but with the weakened visibility due to the Coronavirus we assume a near-term uncertainty discount and retain our target price of EUR 1.95 and BUY-rating.

Rating

BUY



Share price, EUR (Last trading day's closing price) 1.76

Target price, EUR 1.95

Latest change in recommendation 21-Apr-20

Latest report on company 21-Apr-20

Research paid by issuer: YES

No. of shares outstanding, '000's 155,963

No. of shares fully diluted, '000's 155,963

Market cap, EURm 274

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 06-Aug-20

Web site capman.com/shareholders

Analyst Jerker Salokivi

E-mail jerker.salokivi@evli.com

Telephone +358 9 4766 9149

BUY HOLD SELL

KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	FCF EURm	EPS EUR	P/E (x)	EV/Sales (x)	EV/EBIT (x)	FCF yield %	DPS EUR
2018	36.0	12.0	33.2%	-11.2	0.05	26.8	6.3	18.9	-5.2	0.12
2019	49.0	19.4	39.6%	-6.8	0.09	25.4	7.7	19.4	-1.9	0.13
2020E	45.1	1.2	2.7%	3.6	-0.02	-79.3	6.9	253.3	1.3	0.14
2021E	55.9	33.4	59.7%	20.6	0.17	10.3	5.6	9.4	7.5	0.15
2022E	60.0	37.4	62.4%	24.5	0.19	9.2	5.2	8.3	8.9	0.16
Market cap, EURm			274	Gearing 2020E, %		30.5	CAGR EPS 2019-22, %		28.2	
Net debt 2020E, EURm			32	Price/book 2020E		2.6	CAGR sales 2019-22, %		7.0	
Enterprise value, EURm			312	Dividend yield 2020E, %		8.0	ROE 2020E, %		-3.0	
Total assets 2020E, EURm			205	Tax rate 2020E, %		-111.1	ROCE 2020E, %		0.7	
Goodwill 2020E, EURm			15	Equity ratio 2020E, %		52.0	PEG, P/E 20/CAGR		0.0	

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

CapMan	2018	Q1/'19	Q2/'19	Q3/'19	Q4/'19	2019	Q1/'20	Q2/'20E	Q3/'20E	Q4/'20E	2020E	2021E	2022E
Management fees	22.1	6.1	5.4	6.0	7.3	24.9	6.9	6.9	6.6	7.0	27.5	31.1	33.0
Sale of services	10.3	3.0	7.3	3.0	3.9	17.2	5.0	3.4	2.7	4.2	15.3	19.4	21.2
Carried interest	1.0	0.1	0.7	0.7	5.4	6.9	0.1	0.0	0.0	2.2	2.3	5.4	5.8
Dividend and interest income	2.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revenue	36.0	9.3	13.4	9.7	16.6	49.0	12.0	10.4	9.3	13.5	45.1	55.9	60.0
<i>change, %</i>	<i>3.3%</i>	<i>9.8%</i>	<i>17.0%</i>	<i>34.1%</i>	<i>86.9%</i>	<i>36.1%</i>	<i>28.7%</i>	<i>-22.2%</i>	<i>-4.1%</i>	<i>-18.6%</i>	<i>-7.8%</i>	<i>23.8%</i>	<i>7.3%</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	-19.9	-5.3	-5.5	-5.2	-8.2	-24.2	-6.3	-5.3	-5.1	-6.5	-23.3	-23.3	-24.8
Other operating expenses	-9.1	-3.2	-3.3	-2.5	-3.1	-12.1	-2.8	-2.9	-2.4	-3.0	-11.1	-11.8	-12.0
Depreciation and amortisation	-0.2	-0.3	-0.4	-0.3	-4.6	-5.6	-0.3	-0.4	-0.4	-0.4	-1.4	-1.5	-1.6
Fair value changes	5.1	4.2	1.7	3.8	2.6	12.3	-8.4	0.8	1.0	-1.4	-8.0	14.1	15.8
Operating profit	12.0	4.7	5.8	5.5	3.4	19.4	-6.0	2.6	2.4	2.2	1.2	33.4	37.4
<i>Operating profit margin, %</i>	<i>33.2%</i>	<i>50.7%</i>	<i>43.3%</i>	<i>56.4%</i>	<i>20.6%</i>	<i>39.6%</i>	<i>-50.1%</i>	<i>25.1%</i>	<i>26.0%</i>	<i>16.2%</i>	<i>2.7%</i>	<i>59.7%</i>	<i>62.4%</i>
Items affecting comparability	0.0	0.9	0.5	0.0	4.2	5.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Adj. operating profit	12.0	5.6	6.3	5.5	7.7	25.0	-6.0	2.6	2.4	2.2	1.2	33.4	37.4
Net financials	-2.7	-0.6	-0.7	-0.6	0.1	-1.8	-0.6	-0.6	-0.6	-0.6	-2.4	-2.8	-3.0
Pre-tax profit	9.3	4.1	5.1	4.9	3.5	17.6	-6.5	2.0	1.8	1.6	-1.1	30.6	34.4
Income taxes	-0.8	-0.1	-0.9	-0.9	0.1	-1.7	-0.9	-0.1	-0.1	-0.1	-1.3	-2.4	-2.8
Minority interest	-0.4	-0.4	-1.2	-0.2	-0.1	-1.9	-0.9	0.0	0.0	0.0	-0.9	-1.6	-1.8
Profit for the period	8.1	3.6	3.0	3.8	3.5	13.9	-8.3	1.9	1.7	1.5	-2.4	26.5	29.9
EPS, EUR	0.05	0.02	0.02	0.03	0.02	0.09	-0.05	0.01	0.01	0.01	-0.02	0.17	0.19
Assets under management	3043	3196	3270	3240	3245	3245	3225				3 500	4 000	4 250
Management Company business	2018	Q1/'19	Q2/'19	Q3/'19	Q4/'19	2019	Q1/'20	Q2/'20E	Q3/'20E	Q4/'20E	2020E	2021E	2022E
Revenue	24.2	6.4	6.4	7.0	13.0	32.8	7.2	7.2	6.9	9.5	30.8	37.4	39.7
Operating profit	2.8	0.8	0.9	1.9	2.4	6.0	1.9	2.0	1.9	3.6	9.4	15.4	17.0
Investment business	2018	Q1/'19	Q2/'19	Q3/'19	Q4/'19	2019	Q1/'20	Q2/'20E	Q3/'20E	Q4/'20E	2020E	2021E	2022E
Revenue	2.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating profit	6.5	3.9	1.0	3.2	2.1	10.2	-8.4	0.1	0.4	-1.9	-9.9	12.1	13.8
Services business	2018	Q1/'19	Q2/'19	Q3/'19	Q4/'19	2019	Q1/'20	Q2/'20E	Q3/'20E	Q4/'20E	2020E	2021E	2022E
Revenue	8.7	2.9	6.9	2.7	3.2	15.7	4.8	3.2	2.4	3.5	13.9	18.0	19.8
Operating profit	4.4	1.8	4.9	1.6	0.9	9.1	3.0	1.5	1.1	1.7	7.3	10.7	11.8
Other	2018	Q1/'19	Q2/'19	Q3/'19	Q4/'19	2019	Q1/'20	Q2/'20E	Q3/'20E	Q4/'20E	2020E	2021E	2022E
Revenue	0.6	0.0	0.0	0.0	0.4	0.5	0.0	0.0	0.0	0.4	0.5	0.5	0.5
Operating profit	-1.7	-1.7	-1.0	-1.2	-2.0	-5.9	-2.4	-1.0	-1.0	-1.3	-5.6	-4.9	-5.1

Source: CapMan, Evli Research estimates

Investment Management Companies	MCAP MEUR	EV/EBIT			P/E			Div. yield		
		20	21	22	20	21	22	20	21	22
Institut de Developpement	266	12.0x	11.2x		13.6x	12.7x		5.1 %	5.1 %	
Deutsche Beteiligungs	439	13.2x	9.0x		17.5x	10.2x		5.2 %	5.3 %	
Mutares	160		30.0x	10.6x	9.8x	9.2x	7.9x	9.5 %	10.0 %	11.4 %
3i Group Plc	8167	9.5x	4.4x		9.5x	5.4x		5.2 %	5.1 %	
Eurazeo	3142	100.2x	13.9x	12.2x		8.6x	7.6x	3.3 %	3.3 %	3.4 %
Ratos	645							3.5 %	4.0 %	5.7 %
Partners Group Holding	18103	22.0x	18.9x	16.7x	26.4x	21.5x	18.9x	3.3 %	3.7 %	4.0 %
Peer Group Average	2457	31.4x	14.6x	13.2x	15.4x	11.3x	11.5x	5.0 %	5.2 %	6.1 %
Peer Group Median	266	13.2x	12.5x	12.2x	13.6x	9.7x	7.9x	5.1 %	5.1 %	4.8 %
CapMan (Evli est.)	272	-40.9x	11.0x	9.8x	-28.3x	11.9x	10.4x	7.9 %	8.5 %	9.0 %

CapMan prem./disc. to peer median
neg. -12% -20% neg. 23% 32% 54% 66% 88%
Source FactSet, Evli Research

Finnish financial services peers	MCAP MEUR	EV/EBIT			P/E			Div. yield		
		20	21	22	20	21	22	20	21	22
eQ	465	16.5x	13.9x	12.8x	20.0x	17.1x	15.8x	5.2 %	6.0 %	6.3 %
Taaleri Plc	177	15.7x	12.1x	10.2x	14.6x	10.7x	9.4x	5.4 %	5.7 %	6.3 %
Evli Bank	192	-3.8x	-2.5x	-2.4x	19.0x	11.2x	11.1x	4.9 %	7.3 %	8.6 %
United Bankers Oyj	76	19.3x	12.0x	10.3x	23.7x	14.7x	12.7x	4.2 %	5.4 %	6.8 %
EAB Group	26	91.8x	18.6x	14.1x	209.1x	16.2x	12.0x	0.3 %	3.4 %	4.2 %
Titanium Oyj	78	6.1x	5.6x	5.2x	9.5x	8.9x	8.2x	9.7 %	10.4 %	11.0 %
Peer Group Average	169	24.3x	10.0x	8.4x	49.3x	13.1x	11.5x	4.9 %	6.4 %	7.2 %
Peer Group Median	128	16.1x	12.0x	10.2x	19.5x	13.0x	11.5x	5.0 %	5.8 %	6.6 %
CapMan (Evli est.)	272	-40.9x	11.0x	9.8x	-28.3x	11.9x	10.4x	7.9 %	8.5 %	9.0 %

CapMan prem./disc. to peer median
neg. -8% -4% neg. -8% -9% 57% 45% 38%
Source FactSet, Evli Research
VALUATION

SOTP	Implied value (EURm)	Per share (EUR)	Notes
Management Company (excl. carry)	140	0.90	14x 2021E EBIT EUR 10m
Services business	97	0.62	9x 2021E EBIT EUR 10.7m
Investment business	162	1.04	Q1/20
Carried interest	27	0.17	DCF
Corporate functions	-49	-0.31	10x 2021E EBIT EUR -4.9m
Total debt	-70	-0.45	Senior bond + revolver
Equity value (SOTP)	307	1.97	
Peer multiples			
EV/EBIT 2021E		2.20	
P/E 2021E		2.35	
Div. yield 2021E		2.52	
Target price		1.95	

Source: Evli Research

INTERIM FIGURES

EVLI ESTIMATES, EURm	2019Q1	2019Q2	2019Q3	2019Q4	2019	2020Q1	2020Q2E	2020Q3E	2020Q4E	2020E	2021E	2022E
Net sales	9.3	13.4	9.7	16.6	49.0	12.0	10.4	9.3	13.5	45.1	55.9	60.0
EBITDA	5.0	6.2	5.8	8.0	25.0	-5.6	3.0	2.8	2.6	2.7	34.7	39.1
<i>EBITDA margin (%)</i>	<i>53.7</i>	<i>46.2</i>	<i>60.1</i>	<i>48.0</i>	<i>51.0</i>	<i>-47.2</i>	<i>28.6</i>	<i>29.9</i>	<i>18.9</i>	<i>5.9</i>	<i>62.1</i>	<i>65.1</i>
EBIT	4.7	5.8	5.5	3.4	19.4	-6.0	2.6	2.4	2.2	1.2	33.4	37.4
<i>EBIT margin (%)</i>	<i>50.7</i>	<i>43.3</i>	<i>56.4</i>	<i>20.6</i>	<i>39.6</i>	<i>-50.1</i>	<i>25.1</i>	<i>26.0</i>	<i>16.2</i>	<i>2.7</i>	<i>59.7</i>	<i>62.4</i>
Net financial items	-0.6	-0.7	-0.6	0.1	-1.8	-0.6	-0.6	-0.6	-0.6	-2.4	-2.8	-3.0
Pre-tax profit	4.1	5.1	4.9	3.5	17.6	-6.5	2.0	1.8	1.6	-1.1	30.6	34.4
Tax	-0.1	-0.9	-0.9	0.1	-1.7	-0.9	-0.1	-0.1	-0.1	-1.3	-2.4	-2.8
<i>Tax rate (%)</i>	<i>2.6</i>	<i>17.5</i>	<i>17.5</i>	<i>-1.7</i>	<i>7.9</i>	<i>-13.4</i>	<i>7.0</i>	<i>7.0</i>	<i>7.0</i>	<i>-111.1</i>	<i>8.0</i>	<i>8.0</i>
Net profit	3.6	3.0	3.8	3.5	14.0	-8.5	1.9	1.7	1.5	-3.5	26.5	29.9
EPS	0.02	0.02	0.02	0.02	0.09	-0.05	0.01	0.01	0.01	-0.02	0.17	0.19
EPS adjusted (diluted no. of shares)	0.02	0.02	0.02	0.02	0.09	-0.05	0.01	0.01	0.01	-0.02	0.17	0.19
Dividend per share	0.00	0.00	0.00	0.00	0.13	0.00	0.00	0.00	0.00	0.14	0.15	0.16
SALES, EURm												
Management Company business	6.4	6.4	7.0	13.0	32.8	7.2	7.2	6.9	9.5	30.8	37.4	39.7
Service business	2.9	6.9	2.7	3.2	15.7	4.8	3.2	2.4	3.5	13.9	18.0	19.8
Other & eliminations	0.0	0.0	0.0	0.4	0.5	0.0	0.0	0.0	0.4	0.5	0.5	0.5
Total	9.3	13.4	9.7	16.6	49.0	12.0	10.4	9.3	13.5	45.1	55.9	60.0
SALES GROWTH, Y/Y %												
Management Company business	8.1	-2.1	25.9	109.5	35.5	12.2	12.7	-1.2	-26.7	-6.0	21.4	6.1
Investment business	-100.0	-100.0	-99.9	-100.0	-100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Service business	107.1	84.3	83.4	54.9	80.8	66.1	-54.6	-11.6	11.3	-11.8	29.7	10.0
Other & eliminations	-37.8	-76.8	-99.6	13.3	-18.2	-69.6	15.0	0.0	0.2	-2.0	5.0	5.0
Total	9.8	17.0	34.1	87.1	36.1	28.7	-22.2	-4.1	-18.7	-7.8	23.8	7.3
EBIT, EURm												
Management Company business	0.8	0.9	1.9	2.4	6.0	1.9	2.0	1.9	3.6	9.4	15.4	17.0
Investment business	3.9	1.0	3.2	2.1	10.2	-8.4	0.1	0.4	-1.9	-9.9	12.1	13.8
Service business	1.8	4.9	1.6	0.9	9.1	3.0	1.5	1.1	1.7	7.3	10.7	11.8
Other & eliminations	-1.7	-1.0	-1.2	-2.0	-5.9	-2.4	-1.0	-1.0	-1.3	-5.6	-4.9	-5.1
Total	4.7	5.8	5.5	3.4	19.4	-6.0	2.6	2.4	2.2	1.2	33.4	37.4
EBIT margin, %												
Management Company business	12.4	14.5	27.1	18.2	18.2	25.9	27.7	27.5	38.2	30.5	41.0	42.8
Service business	61.3	70.6	57.1	27.9	57.9	62.2	46.1	46.9	48.9	52.5	59.7	59.7
Other & eliminations	-7,543.5	-2,894.4	-453.6	-1,197.6	-1,197.6	-33,814.3	-2,314.8	-291.0	-291.0	-1,151.0	-960.4	-960.4
Total	50.7	43.3	56.4	20.6	39.6	-50.1	25.1	26.0	16.2	2.7	59.7	62.4

INCOME STATEMENT, EURm	2015	2016	2017	2018	2019	2020E	2021E	2022E
Sales	31.8	26.7	34.8	36.0	49.0	45.1	55.9	60.0
<i>Sales growth (%)</i>	<i>-19.5</i>	<i>-16.0</i>	<i>30.6</i>	<i>3.3</i>	<i>36.1</i>	<i>-7.8</i>	<i>23.8</i>	<i>7.3</i>
EBITDA	9.6	18.9	21.2	12.2	25.0	2.7	34.7	39.1
<i>EBITDA margin (%)</i>	<i>30.2</i>	<i>71.0</i>	<i>61.0</i>	<i>33.8</i>	<i>51.0</i>	<i>5.9</i>	<i>62.1</i>	<i>65.1</i>
Depreciation	-0.3	-0.3	-0.3	-0.2	-1.4	-1.4	-1.3	-1.6
EBITA	9.3	18.7	21.0	12.0	23.6	1.2	33.4	37.4
Goodwill amortization / writedown	0.0	0.0	-1.5	0.0	-4.2	0.0	0.0	0.0
EBIT	9.3	18.7	19.5	12.0	19.4	1.2	33.4	37.4
<i>EBIT margin (%)</i>	<i>29.2</i>	<i>70.0</i>	<i>55.9</i>	<i>33.2</i>	<i>39.6</i>	<i>2.7</i>	<i>59.7</i>	<i>62.4</i>
Reported EBIT	9.3	18.7	19.5	12.0	19.4	1.2	33.4	37.4
<i>EBIT margin (reported) (%)</i>	<i>29.2</i>	<i>70.0</i>	<i>55.9</i>	<i>33.2</i>	<i>39.6</i>	<i>2.7</i>	<i>59.7</i>	<i>62.4</i>
Net financials	-2.8	-3.1	-3.3	-2.7	-1.8	-2.4	-2.8	-3.0
Pre-tax profit	6.5	15.5	16.2	9.3	17.6	-1.1	30.6	34.4
Taxes	-0.4	-0.2	-0.8	-0.8	-1.7	-1.3	-2.4	-2.8
Minority shares	0.0	0.0	0.0	-0.4	-1.9	-0.9	-1.6	-1.8
Net profit	5.1	14.3	15.3	8.1	14.0	-3.5	26.5	29.9
Cash NRIs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-cash NRIs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BALANCE SHEET, EURm								
Assets								
Fixed assets	104	95	93	88	120	119	129	134
Goodwill	6	6	5	5	15	15	15	15
Right of use assets	0	0	0	3	3	3	4	4
Inventory	0	0	0	0	0	0	0	0
Receivables	13	101	89	57	31	24	23	25
Liquid funds	22	45	23	55	44	40	50	53
Total assets	150	253	211	209	217	205	224	235
Liabilities								
Shareholder's equity	50	128	127	121	127	104	109	115
Minority interest	0	0	0	0	2	2	2	2
Convertibles	15	15	0	0	0	0	0	0
Lease liabilities	0	0	0	3	3	3	4	4
Deferred taxes	2	10	9	3	2	2	2	2
Interest bearing debt	69	66	48	60	57	70	80	82
Non-interest bearing current liabilities	13	33	27	17	20	19	23	25
Other interest-free debt	0	0	1	5	5	5	5	5
Total liabilities	150	253	211	209	217	205	224	235
CASH FLOW, EURm								
+ EBITDA	10	19	21	12	25	3	35	39
- Net financial items	-7	-3	-3	-3	-2	-2	-3	-3
- Taxes	-1	0	-2	-3	-5	-1	-2	-3
- Increase in Net Working Capital	-3	5	-2	-7	-3	6	5	0
+/- Other	0	-23	-18	-4	-16	-1	-2	-2
= Cash flow from operations	-2	-3	-4	-5	0	4	33	31
- Capex	-2	-2	-1	2	-6	0	-12	-7
- Acquisitions	0	0	0	-8	-1	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Free cash flow	-4	-5	-4	-11	-7	4	21	24
+/- New issues/buybacks	0	70	-4	2	12	0	0	0
- Paid dividend	-5	-6	-13	-16	-18	-20	-22	-23
+/- Other	2	-35	-1	56	1	13	11	3
Change in cash	-7	23	-22	31	-11	-3	10	4

KEY FIGURES	2016	2017	2018	2019	2020E	2021E	2022E
M-cap	179	258	216	354	274	274	274
Net debt (excl. convertibles)	21	25	8	16	32	34	33
Enterprise value	215	283	225	377	312	313	312
Sales	27	35	36	49	45	56	60
EBITDA	19	21	12	25	3	35	39
EBIT	19	19	12	19	1	33	37
Pre-tax	16	16	9	18	-1	31	34
Earnings	14	15	8	14	-3	27	30
Equity book value (excl. minorities)	128	127	121	127	104	109	115
Valuation multiples							
EV/sales	8.1	8.1	6.3	7.7	6.9	5.6	5.2
EV/EBITDA	11.4	13.3	18.5	15.1	117.2	9.0	8.0
EV/EBITA	11.5	13.5	18.9	15.9	253.3	9.4	8.3
EV/EBIT	11.5	14.5	18.9	19.4	253.3	9.4	8.3
EV/OCF	-68.8	-78.0	-48.1	-1,037.5	83.5	9.5	9.9
EV/FCFF	1.9	10.8	4.9	23.7	42.9	11.8	10.2
P/FCFE	-34.2	-60.0	-19.3	-52.3	77.1	13.3	11.2
P/E	17.6	13.1	26.8	25.4	-79.3	10.3	9.2
P/B	1.4	2.0	1.8	2.8	2.6	2.5	2.4
Target EV/EBITDA	0.0	0.0	0.0	0.0	127.1	9.8	8.7
Target EV/EBIT	0.0	0.0	0.0	0.0	274.5	10.2	9.1
Target EV/FCF	0.0	0.0	0.0	0.0	95.2	16.5	13.8
Target P/B	0.0	0.0	0.0	0.0	2.9	2.8	2.6
Target P/E	0.0	0.0	0.0	0.0	-87.9	11.5	10.2
Per share measures							
Number of shares	143,287	145,600	147,116	153,755	155,963	155,963	155,963
Number of shares (diluted)	143,287	145,600	147,116	153,755	155,963	155,963	155,963
EPS	0.10	0.10	0.05	0.09	-0.02	0.17	0.19
Operating cash flow per share	-0.02	-0.02	-0.03	0.00	0.02	0.21	0.20
Free cash flow per share	-0.04	-0.03	-0.08	-0.04	0.02	0.13	0.16
Book value per share	0.89	0.87	0.82	0.83	0.67	0.70	0.74
Dividend per share	0.09	0.11	0.12	0.13	0.14	0.15	0.16
Dividend payout ratio, %	90.0	104.9	218.9	143.1	-631.1	88.2	83.6
Dividend yield, %	7.2	6.2	8.2	5.6	8.0	8.5	9.1
FCF yield, %	-2.9	-1.7	-5.2	-1.9	1.3	7.5	8.9
Efficiency measures							
ROE	16.1	12.0	6.5	11.3	-3.0	24.9	26.6
ROCE	10.9	10.1	6.7	10.4	0.7	17.8	18.8
Financial ratios							
Inventories as % of sales	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Receivables as % of sales	379.6	255.5	157.6	63.2	52.3	41.2	41.2
Non-interest bearing liabilities as % of sales	125.0	77.0	46.7	41.2	41.2	41.2	41.2
NWC/sales, %	253.4	176.1	96.8	12.9	1.2	-7.9	-7.4
Operative CAPEX/sales, %	7.9	1.9	-5.2	12.0	0.4	21.9	11.7
CAPEX/sales (incl. acquisitions), %	7.9	1.9	-28.6	10.9	0.4	21.9	11.7
FCFF/EBITDA	6.0	1.2	3.8	0.6	2.7	0.8	0.8
Net debt/EBITDA, book-weighted	1.1	1.2	0.7	0.7	12.2	1.0	0.8
Debt/equity, market-weighted	0.4	0.2	0.3	0.2	0.3	0.3	0.3
Equity ratio, book-weighted	56.6	60.0	57.8	59.8	52.0	49.5	50.0
Gearing, %	14.7	19.7	6.9	12.6	30.5	30.3	27.7

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 its 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 services.

INVESTMENT CASE: CapMan is set to continue to grow its earnings and increase earnings stability. An important driver is the increase in fee-based profitability through growth in capital under management, while still being able to maintain a sound cost structure. Additional earnings potential in the upcoming years is offered by the outlook of several of CapMans funds approaching carry. Good cash flows and a healthy balance sheet support continued high dividend payouts.

OWNERSHIP STRUCTURE	SHARES	EURm	%
Silvertärnan Ab	16,226,519	28.559	10.4%
Ilmarinen Mutual Pension Insurance Company	10,318,326	18.160	6.6%
Laakkonen Mikko Kalervo	6,378,320	11.226	4.1%
Oy Inventiainvest AB	4,723,703	8.314	3.0%
Varma Mutual Pension Insurance Company	3,675,215	6.468	2.4%
Joensuun Kauppa ja Kone Oy	3,160,553	5.563	2.0%
Vesasco Oy	3,088,469	5.436	2.0%
The State Pension Fund	2,500,000	4.400	1.6%
Momea Invest Oy	2,150,000	3.784	1.4%
Laakkonen Hannu	1,992,742	3.507	1.3%
Ten largest	54,213,847	95.416	35%
Residual	101,749,612	179.079	65%
Total	155,963,459	274.496	100%

EARNINGS CALENDAR	
August 06, 2020	Q2 report
October 29, 2020	Q3 report
OTHER EVENTS	
March 11, 2020	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	$\frac{\text{Profit before extraord. items and taxes} - \text{income taxes} + \text{minority interest}}{\text{Number of shares}}$
P/BV	$\frac{\text{Price per share}}{\text{Shareholders' equity} + \text{taxed provisions per share}}$	DPS	Dividend for the financial period per share
Market cap	Price per share * Number of shares	OCF (Operating cash flow)	EBITDA – Net financial items – Taxes – Increase in working capital – Cash NRIs ± Other adjustments
EV (Enterprise value)	Market cap + net debt + minority interest at market value – share of associated companies at market value	FCF (Free cash flow)	Operating cash flow – operative CAPEX – acquisitions + divestments
EV/Sales	$\frac{\text{Enterprise value}}{\text{Sales}}$	FCF yield, %	$\frac{\text{Free cash flow}}{\text{Market cap}}$
EV/EBITDA	$\frac{\text{Enterprise value}}{\text{Earnings before interest, tax, depreciation and amortization}}$	Operative CAPEX/sales	$\frac{\text{Capital expenditure} - \text{divestments} - \text{acquisitions}}{\text{Sales}}$
EV/EBIT	$\frac{\text{Enterprise value}}{\text{Operating profit}}$	Net working capital	Current assets – current liabilities
Net debt	Interest bearing debt – financial assets	Capital employed/Share	$\frac{\text{Total assets} - \text{non-interest bearing debt}}{\text{Number of shares}}$
Total assets	Balance sheet total	Gearing	$\frac{\text{Net debt}}{\text{Equity}}$
Div yield, %	$\frac{\text{Dividend per share}}{\text{Price per share}}$	Debt/Equity, %	$\frac{\text{Interest bearing debt}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}$
Payout ratio, %	$\frac{\text{Total dividends}}{\text{Earnings before extraordinary items and taxes} - \text{income taxes} + \text{minority interest}}$	Equity ratio, %	$\frac{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}{\text{Total assets} - \text{interest-free loans}}$
ROCE, %	$\frac{\text{Profit before extraordinary items} + \text{interest expenses} + \text{other financial costs}}{\text{Balance sheet total} - \text{non-interest bearing debt (average)}}$	CAGR, %	Cumulative annual growth rate = Average growth per year
ROE, %	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholder's equity} + \text{minority interest} + \text{taxed provisions (average)}}$		

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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 times per year.

Recommendation	Percentage
Sell	8%
Hold	53%
Buy	39%

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

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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 9120
Pasi Väisänen +358 9 4766 9120
Antti Kässi +358 9 4766 9120
Miika Ronkanen +358 9 4766 9120

ETFs and Derivatives

Joachim Dannberg +358 9 4766 9123
Kimmo Lijja +358 9 4766 9130

Structured Investments

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

Equity Research

Jonas Forslund +358 9 4766 9314
Joonas Ilvonen +358 44 430 9071
Jerker Salokivi +358 9 4766 9149
Anna-Liisa Rissanen +358 40 157 9919

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**
Regeringsgatan 67 P.O. Box 16354
SE-103 26 Stockholm
Sverige
stockholm@evli.com
Tel +46 (0)8 407 8000
Fax +46 (0)8 407 8001