

Downgrade to hold

We expect CapMan to report rather good Q4 results, with our previous slight concerns of investment returns having been alleviated since Q3. We expect CapMan to propose a dividend distribution of EUR 0.14 per share, implying a dividend yield of 5.6% (1.2.2021 closing price).

Expecting a rather good last quarter

CapMan will report Q4 results on February 4th. Post-Q3 we saw slight concerns in fair value changes of investments mainly in real estate due to the revaluation time frames. These concerns now do not appear to be substantial and we have as such raised our Q4/2020 estimates for the Investment Business. The lack of significant success fees and carried interest will limit the earnings but with a lower share of bonuses in personnel expenses (vs. Q4/2019) CapMan should still post rather good earnings figures. We have adjusted our EBIT estimate to EUR 4.4m (prev. 2.9m) mainly due to the raised fair value change estimate.

Continued DPS growth expected

We expect CapMan to propose a dividend of EUR 0.14 per share, in line with the target of paying an annually increasing dividend (2019: EUR 0.13 per share). With the financing decisions made during Q4 the liquidity situation will remain healthy despite the weaker earnings this year. We expect earnings figures to improve clearly in 2021 driven by higher fee-based profitability from the growth in AUM, higher investment returns after the weak 2020 and growth in the services business. We expect 2021E EBIT of EUR 32.0m compared with EUR 7.0m 2020E.

HOLD (BUY) with a target price of EUR 2.40 (2.20)

Current valuation is after the share price increase since on our previous update (+~28%) on our estimates somewhat higher than that implied by our SOTP-model and peer multiples, but the anticipated dividend yield is still clearly supportive. Following our estimates and multiples adjustments we raise our target price to EUR 2.40 (EUR 2.20) but downgrade our rating to HOLD (BUY).

Rating

HOLD



Share price, EUR (Last trading day's closing price) 2.48

Target price, EUR 2.4

Latest change in recommendation	02-Feb-21
Latest report on company	30-Oct-20
Research paid by issuer:	YES
No. of shares outstanding, '000's	156,338
No. of shares fully diluted, '000's	156,338
Market cap, EURm	388
Free float, %	64.0
Exchange rate EUR	1.000
Reuters code	CAPMAN.HE
Bloomberg code	CAPMAN FH
Average daily volume, EURm	0.25
Next interim report	04-Feb-21
Web site	capman.com/shareholders

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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	40.2	7.0	17.5%	4.6	0.01	207.7	10.5	59.9	1.2	0.14
2021E	53.1	32.0	60.2%	18.9	0.16	15.5	8.0	13.3	4.9	0.15
2022E	62.2	41.5	66.7%	22.6	0.21	11.6	6.8	10.2	5.8	0.16
Market cap, EURm	388		Gearing 2020E, %	27.6		CAGR EPS 2019-22, %		33.0		
Net debt 2020E, EURm	31		Price/book 2020E	3.5		CAGR sales 2019-22, %		8.3		
Enterprise value, EURm	422		Dividend yield 2020E, %	5.6		ROE 2020E, %		1.6		
Total assets 2020E, EURm	210		Tax rate 2020E, %	41.1		ROCE 2020E, %		3.7		
Goodwill 2020E, EURm	15		Equity ratio 2020E, %	53.0		PEG, P/E 20/CAGR		1.4		

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/'20	Q3/'20	Q4/'20E	2020E	2021E	2022E
Management fees	22.1	6.1	5.4	6.0	7.3	24.9	6.9	5.9	6.6	7.5	26.9	32.2	34.1
Sale of services	10.3	3.0	7.3	3.0	3.9	17.2	5.0	2.5	2.2	3.0	12.6	15.1	17.2
Carried interest	1.0	0.1	0.7	0.7	5.4	6.9	0.1	0.4	0.1	0.1	0.7	5.7	10.9
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	8.7	8.9	10.6	40.2	53.1	62.2
<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>-34.8%</i>	<i>-8.2%</i>	<i>-35.9%</i>	<i>-17.9%</i>	<i>31.9%</i>	<i>17.3%</i>
Other operating income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Personnel expenses	-19.9	-5.3	-5.5	-5.2	-8.2	-24.2	-6.3	-5.2	-4.9	-6.6	-23.1	-23.7	-24.7
Other operating expenses	-9.1	-3.2	-3.3	-2.5	-3.1	-12.1	-2.8	-2.2	-1.9	-2.6	-9.5	-10.0	-10.2
Depreciation and amortisation	-0.2	-0.3	-0.4	-0.3	-4.6	-5.6	-0.3	-0.4	-0.3	-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	3.2	2.6	3.4	0.8	14.1	15.8
Operating profit	12.0	4.7	5.8	5.5	3.4	19.4	-6.0	4.1	4.5	4.4	7.0	32.0	41.5
<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>47.5%</i>	<i>50.0%</i>	<i>41.6%</i>	<i>17.5%</i>	<i>60.2%</i>	<i>66.7%</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	4.1	4.5	4.4	7.0	32.0	41.5
Net financials	-2.7	-0.6	-0.7	-0.6	0.1	-1.8	-0.6	-0.7	-0.7	-0.6	-2.6	-3.0	-3.3
Pre-tax profit	9.3	4.1	5.1	4.9	3.5	17.6	-6.5	3.4	3.7	3.8	4.4	29.0	38.2
Income taxes	-0.8	-0.1	-0.9	-0.9	0.1	-1.7	-0.9	-0.3	-0.4	-0.3	-1.8	-2.3	-3.1
Minority interest	-0.4	-0.4	-1.2	-0.2	-0.1	-1.9	-0.9	0.2	-0.1	0.0	-0.7	-1.6	-1.8
Profit for the period	8.1	3.6	3.0	3.8	3.5	13.9	-8.3	3.3	3.3	3.6	2.6	25.0	33.4
EPS, EUR	0.05	0.02	0.02	0.03	0.02	0.09	-0.05	0.02	0.02	0.02	0.02	0.16	0.21
Assets under management	3043	3196	3270	3240	3245	3245	3225	3151	3577		3 800	4 100	4 250
Management Company business	2018	Q1/'19	Q2/'19	Q3/'19	Q4/'19	2019	Q1/'20	Q2/'20	Q3/'20	Q4/'20E	2020E	2021E	2022E
Revenue	24.2	6.4	6.4	7.0	13.0	32.8	7.2	6.5	7.0	7.9	28.6	38.9	46.0
Operating profit	2.8	0.8	0.9	1.9	2.4	6.0	1.9	1.6	2.1	2.0	7.5	16.4	22.8
Investment business	2018	Q1/'19	Q2/'19	Q3/'19	Q4/'19	2019	Q1/'20	Q2/'20	Q3/'20	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	2.8	2.6	2.9	-0.2	13.1	14.7
Services business	2018	Q1/'19	Q2/'19	Q3/'19	Q4/'19	2019	Q1/'20	Q2/'20	Q3/'20	Q4/'20E	2020E	2021E	2022E
Revenue	8.7	2.9	6.9	2.7	3.2	15.7	4.8	2.2	1.8	2.4	11.2	13.7	15.7
Operating profit	4.4	1.8	4.9	1.6	0.9	9.1	3.0	0.5	0.6	0.6	4.7	6.8	8.5
Other	2018	Q1/'19	Q2/'19	Q3/'19	Q4/'19	2019	Q1/'20	Q2/'20	Q3/'20	Q4/'20E	2020E	2021E	2022E
Revenue	0.6	0.0	0.0	0.0	0.4	0.5	0.0	0.0	0.1	0.3	0.4	0.4	0.5
Operating profit	-1.7	-1.7	-1.0	-1.2	-2.0	-5.9	-2.4	-0.7	-0.8	-1.1	-5.0	-4.4	-4.6

Source: CapMan, Evli Research estimates

VALUATION			
SOTP	Implied value (EURm)	Per share (EUR)	Notes
Management Company (excl. carry)	182	1.16	17x 2021E EBIT EUR 10.7m
Services business	68	0.44	10x 2021E EBIT EUR 6.8m
Investment business	160	1.02	Q3/20
Carried interest	33	0.21	DCF
Corporate functions	-44	-0.28	10x 2021E EBIT EUR -4.4m
Total debt	-70	-0.45	Q3/20
Equity value (SOTP)	329	2.10	
Peer multiples			
EV/EBIT 2021E		2.30	
P/E 2021E		2.26	
Div. yield 2021E		3.20	
Target price		2.40	

Source: Evli Research, Factset (peer multiples)

Investment Management Companies	MCAP MEUR	EV/EBIT			P/E			Div. yield		
		20	21	22	20	21	22	20	21	22
Institut de Developpement	295	14.2x	12.9x	12.7x	15.1x	14.1x	12.4x	4.6 %	4.6 %	4.6 %
Deutsche Beteiligungs	556		11.5x	7.8x		11.7x	7.8x	2.4 %	3.1 %	3.6 %
Mutares	248	6.4x	1.3x	19.8x	31.3x		21.0x	7.4 %	7.0 %	6.2 %
3i Group Plc	12435	8.5x	6.4x	6.1x	8.2x	6.6x	6.4x	3.2 %	3.6 %	3.9 %
Eurazeo	4440	45.1x	15.7x	14.7x	349.8x	16.4x	9.6x	2.4 %	2.5 %	2.7 %
Ratos	1240							2.7 %	2.2 %	3.2 %
Partners Group Holding	26131	33.9x	27.6x	24.0x	41.3x	30.9x	27.0x	2.4 %	2.5 %	2.7 %
Peer Group Average	3612	21.6x	12.6x	14.2x	89.1x	15.9x	14.0x	3.6 %	3.6 %	3.8 %
Peer Group Median	367	14.2x	12.2x	13.7x	31.3x	14.1x	11.0x	2.7 %	3.1 %	3.6 %
CapMan (Evli est.)	388	59.9x	13.3x	10.2x	207.7x	15.5x	11.6x	5.6 %	6.0 %	6.5 %

CapMan prem./disc. to peer median

322% 9% -25% 563% 10% 6% 107% 98% 81%

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	680	22.4x	17.8x	17.1x	28.0x	21.7x	20.9x	3.6 %	4.7 %	4.8 %
Taaleri Plc	232	16.9x	12.4x	9.2x	17.6x	12.2x	9.3x	4.1 %	4.6 %	5.1 %
Evli Bank	367	3.4x	5.1x	4.6x	17.6x	14.9x	12.7x	4.7 %	6.3 %	7.5 %
United Bankers Oyj	139	12.3x	16.4x	14.1x	18.8x	20.7x	17.9x	4.1 %	4.1 %	4.5 %
EAB Group	44	93.0x	18.0x	13.8x	158.0x	20.4x	14.8x	0.5 %	2.8 %	3.5 %
Titanium Oyj	147				15.4x	13.6x	12.4x	5.6 %	6.3 %	6.6 %
Peer Group Average	268	29.6x	14.0x	11.8x	42.6x	17.2x	14.7x	3.8 %	4.8 %	5.3 %
Peer Group Median	189	16.9x	16.4x	13.8x	18.2x	17.6x	13.8x	4.1 %	4.7 %	5.0 %
CapMan (Evli est.)	388	59.9x	13.3x	10.2x	207.7x	15.5x	11.6x	5.6 %	6.0 %	6.5 %

CapMan prem./disc. to peer median

255% -19% -26% 1041% -12% -16% 37% 29% 29%

Source FactSet, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	2.48 PV of Free Cash Flow	234 Long-term growth, %	2.0 Risk-free interest rate, %	2.25
DCF share value	3.61 PV of Horizon value	372 WACC, %	7.9 Market risk premium, %	5.8
Share price potential, %	45.5 Unconsolidated equity	-4 Spread, %	0.5 Debt risk premium, %	2.8
Maximum value	4.0 Marketable securities	44 Minimum WACC, %	7.4 Equity beta coefficient	1.10
Minimum value	3.3 Debt - dividend	-75 Maximum WACC, %	8.4 Target debt ratio, %	30
Horizon value, %	61.4 Value of stock	566 Nr of shares, Mn	156.3 Effective tax rate, %	20

DCF valuation, EURm	2019	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	Horizon
Net sales	49	40	53	62	64	65	67	69	70	72	74	75
<i>Sales growth, %</i>	<i>36.1</i>	<i>-17.9</i>	<i>31.9</i>	<i>17.3</i>	<i>2.5</i>	<i>2.5</i>	<i>2.5</i>	<i>2.5</i>	<i>2.5</i>	<i>2.5</i>	<i>2.0</i>	<i>2.0</i>
Operating income (EBIT)	19	7	32	42	38	39	40	41	42	43	44	45
<i>Operating income margin, %</i>	<i>39.6</i>	<i>17.5</i>	<i>60.2</i>	<i>66.7</i>	<i>60.0</i>							
+ Depreciation+amort.	6	1	1	2	2	2	2	2	2	2	2	2
EBITDA	25	8	33	43	40	41	42	43	44	45	46	
- Paid taxes	-5	-2	-3	-3	-3	-3	-3	-3	-3	-3	-3	-4
- Change in NWC	-3	6	5	0	0	0	0	0	0	0	0	0
<i>NWC / Sales, %</i>	<i>12.9</i>	<i>1.4</i>	<i>-8.4</i>	<i>-7.1</i>	<i>-7.0</i>	<i>-6.8</i>	<i>-6.6</i>	<i>-6.5</i>	<i>-6.3</i>	<i>-6.1</i>	<i>-6.0</i>	
+ Change in other liabs	18	0	0	0	0	0	0	0	0	0	0	0
- Operative CAPEX	-5	-4	-10	-10	0	0	0	0	0	0	0	0
<i>opCAPEX / Sales, %</i>	<i>12.0</i>	<i>11.8</i>	<i>23.2</i>	<i>19.9</i>	<i>3.1</i>							
- Acquisitions	-1	0	0	0	0	0	0	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0	0	0	0	0
- Other items	-14	0	0	0	0	0	0	0	0	0	0	0
= FCFF	16	8	25	29	37	38	39	40	41	42	42	733
= Discounted FCFF		8	23	25	29	28	27	25	24	23	22	372
= DFCF min WACC		8	24	26	30	28	27	26	25	24	22	424
= DFCF max WACC		8	23	25	29	27	26	25	23	22	21	329

INTERIM FIGURES

EVLI ESTIMATES, EURm	2019Q1	2019Q2	2019Q3	2019Q4	2019	2020Q1	2020Q2	2020Q3	2020Q4E	2020E	2021E	2022E
Net sales	9.3	13.4	9.7	16.6	49.0	12.0	8.7	8.9	10.6	40.2	53.1	62.2
EBITDA	5.0	6.2	5.8	8.0	25.0	-5.6	4.5	4.8	4.8	8.5	33.2	43.1
<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>51.9</i>	<i>53.9</i>	<i>45.0</i>	<i>21.1</i>	<i>62.5</i>	<i>69.3</i>
EBIT	4.7	5.8	5.5	3.4	19.4	-6.0	4.1	4.5	4.4	7.0	32.0	41.5
<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>47.5</i>	<i>50.0</i>	<i>41.6</i>	<i>17.5</i>	<i>60.2</i>	<i>66.7</i>
Net financial items	-0.6	-0.7	-0.6	0.1	-1.8	-0.6	-0.7	-0.7	-0.6	-2.6	-3.0	-3.3
Pre-tax profit	4.1	5.1	4.9	3.5	17.6	-6.5	3.4	3.8	3.8	4.4	29.0	38.2
Tax	-0.1	-0.9	-0.9	0.1	-1.7	-0.9	-0.3	-0.4	-0.3	-1.8	-2.3	-3.1
<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>9.6</i>	<i>9.5</i>	<i>7.0</i>	<i>41.1</i>	<i>8.0</i>	<i>8.0</i>
Net profit	3.6	3.0	3.8	3.5	14.0	-8.3	3.3	3.3	3.6	1.9	25.0	33.4
EPS	0.02	0.02	0.02	0.02	0.09	-0.05	0.02	0.02	0.02	0.01	0.16	0.21
EPS adjusted (diluted no. of shares)	0.02	0.02	0.02	0.02	0.09	-0.05	0.02	0.02	0.02	0.01	0.16	0.21
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	6.5	7.0	7.9	28.6	38.9	46.0
Service business	2.9	6.9	2.7	3.2	15.7	4.8	2.2	1.8	2.4	11.2	13.7	15.7
Other & eliminations	0.0	0.0	0.0	0.4	0.5	0.0	0.0	0.1	0.3	0.4	0.4	0.5
Total	9.3	13.4	9.7	16.6	49.0	12.0	8.7	8.9	10.6	40.2	53.1	62.2
SALES GROWTH, Y/Y %												
Management Company business	8.1	-2.1	25.9	109.5	35.5	12.2	1.5	0.3	-39.3	-12.9	36.3	18.2
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	-68.2	-33.6	-22.7	-28.5	21.8	14.9
Other & eliminations	-37.8	-76.8	-99.6	13.3	-18.2	-69.6	-41.7	99,900.0	-30.9	-13.2	5.0	5.0
Total	9.8	17.0	34.1	87.1	36.1	28.7	-34.8	-8.2	-36.0	-17.9	31.9	17.3
EBIT, EURm												
Management Company business	0.8	0.9	1.9	2.4	6.0	1.9	1.6	2.1	2.0	7.5	16.4	22.8
Investment business	3.9	1.0	3.2	2.1	10.2	-8.4	2.8	2.6	2.9	-0.2	13.1	14.7
Service business	1.8	4.9	1.6	0.9	9.1	3.0	0.5	0.6	0.6	4.7	6.8	8.5
Other & eliminations	-1.7	-1.0	-1.2	-2.0	-5.9	-2.4	-0.7	-0.8	-1.1	-5.0	-4.4	-4.6
Total	4.7	5.8	5.5	3.4	19.4	-6.0	4.1	4.5	4.4	7.0	32.0	41.5
EBIT margin, %												
Management Company business	12.4	14.5	27.1	18.2	18.2	25.9	24.5	29.7	25.3	26.4	42.2	49.6
Investment business										-		
Service business	61.3	70.6	57.1	27.9	57.9	62.2	20.5	35.9	26.4	48,100.0	42.0	50.0
Other & eliminations	-7,543.5	-2,894.4		-453.6	-1,197.6	-33,814.3	-3,300.0	-850.0	-366.7	-1,170.6	-976.8	-976.8
Total	50.7	43.3	56.4	20.6	39.6	-50.1	47.5	50.0	41.6	17.5	60.2	66.7

INCOME STATEMENT, EURm	2015	2016	2017	2018	2019	2020E	2021E	2022E
Sales	31.8	26.7	34.8	36.0	49.0	40.2	53.1	62.2
<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>-17.9</i>	<i>31.9</i>	<i>17.3</i>
EBITDA	9.6	18.9	21.2	12.2	25.0	8.5	33.2	43.1
<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>21.1</i>	<i>62.5</i>	<i>69.3</i>
Depreciation	-0.3	-0.3	-0.3	-0.2	-1.4	-1.4	-1.2	-1.6
EBITA	9.3	18.7	21.0	12.0	23.6	7.0	32.0	41.5
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	7.0	32.0	41.5
<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>17.5</i>	<i>60.2</i>	<i>66.7</i>
Reported EBIT	9.3	18.7	19.5	12.0	19.4	7.0	32.0	41.5
<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>17.5</i>	<i>60.2</i>	<i>66.7</i>
Net financials	-2.8	-3.1	-3.3	-2.7	-1.8	-2.6	-3.0	-3.3
Pre-tax profit	6.5	15.5	16.2	9.3	17.6	4.4	29.0	38.2
Taxes	-0.4	-0.2	-0.8	-0.8	-1.7	-1.8	-2.3	-3.1
Minority shares	0.0	0.0	0.0	-0.4	-1.9	-0.7	-1.6	-1.8
Net profit	5.1	14.3	15.3	8.1	14.0	1.9	25.0	33.4
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	122	132	143
Goodwill	6	6	5	5	15	15	15	15
Right of use assets	0	0	0	3	3	3	3	4
Inventory	0	0	0	0	0	0	0	0
Receivables	13	101	89	57	31	22	22	26
Liquid funds	22	45	23	55	44	44	47	55
Total assets	150	253	211	209	217	210	224	247
Liabilities								
Shareholder's equity	50	128	127	121	127	110	113	123
Minority interest	0	0	0	0	2	1	1	1
Convertibles	15	15	0	0	0	0	0	0
Lease liabilities	0	0	0	3	3	3	3	4
Deferred taxes	2	10	9	3	2	3	3	3
Interest bearing debt	69	66	48	60	57	72	77	86
Non-interest bearing current liabilities	13	33	27	17	20	17	22	26
Other interest-free debt	0	0	1	5	5	5	5	5
Total liabilities	150	253	211	209	217	210	224	247
CASH FLOW, EURm								
+ EBITDA	10	19	21	12	25	8	33	43
- Net financial items	-7	-3	-3	-3	-2	-3	-3	-3
- Taxes	-1	0	-2	-3	-5	-2	-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	9	31	35
- Capex	-2	-2	-1	2	-6	-5	-12	-12
- 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	5	19	23
+/- 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	16	6	9
Change in cash	-7	23	-22	31	-11	1	3	8

KEY FIGURES	2016	2017	2018	2019	2020E	2021E	2022E
M-cap	179	258	216	354	388	388	388
Net debt (excl. convertibles)	21	25	8	16	31	34	34
Enterprise value	215	283	225	377	422	425	425
Sales	27	35	36	49	40	53	62
EBITDA	19	21	12	25	8	33	43
EBIT	19	19	12	19	7	32	42
Pre-tax	16	16	9	18	4	29	38
Earnings	14	15	8	14	2	25	33
Equity book value (excl. minorities)	128	127	121	127	110	113	123
Valuation multiples							
EV/sales	8.1	8.1	6.3	7.7	10.5	8.0	6.8
EV/EBITDA	11.4	13.3	18.5	15.1	49.8	12.8	9.9
EV/EBITA	11.5	13.5	18.9	15.9	59.9	13.3	10.2
EV/EBIT	11.5	14.5	18.9	19.4	59.9	13.3	10.2
EV/OCF	-68.8	-78.0	-48.1	-1,037.5	45.1	13.6	12.2
EV/FCFF	1.9	10.8	4.9	23.7	52.2	16.9	14.5
P/FCFE	-34.2	-60.0	-19.3	-52.3	84.6	20.5	17.2
P/E	17.6	13.1	26.8	25.4	207.7	15.5	11.6
P/B	1.4	2.0	1.8	2.8	3.5	3.4	3.1
Target EV/EBITDA	0.0	0.0	0.0	0.0	48.0	12.4	9.5
Target EV/EBIT	0.0	0.0	0.0	0.0	57.8	12.8	9.9
Target EV/FCF	0.0	0.0	0.0	0.0	88.8	21.7	18.2
Target P/B	0.0	0.0	0.0	0.0	3.4	3.3	3.0
Target P/E	0.0	0.0	0.0	0.0	201.0	15.0	11.2
Per share measures							
Number of shares	143,287	145,600	147,116	153,755	156,338	156,338	156,338
Number of shares (diluted)	143,287	145,600	147,116	153,755	156,338	156,338	156,338
EPS	0.10	0.10	0.05	0.09	0.01	0.16	0.21
Operating cash flow per share	-0.02	-0.02	-0.03	0.00	0.06	0.20	0.22
Free cash flow per share	-0.04	-0.03	-0.08	-0.04	0.03	0.12	0.14
Book value per share	0.89	0.87	0.82	0.83	0.70	0.72	0.79
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	1,172.7	93.6	74.9
Dividend yield, %	7.2	6.2	8.2	5.6	5.6	6.0	6.5
FCF yield, %	-2.9	-1.7	-5.2	-1.9	1.2	4.9	5.8
Efficiency measures							
ROE	16.1	12.0	6.5	11.3	1.6	22.4	28.2
ROCE	10.9	10.1	6.7	10.4	3.7	16.8	20.3
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	53.7	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	1.4	-8.4	-7.1
Operative CAPEX/sales, %	7.9	1.9	-5.2	12.0	11.8	23.2	19.9
CAPEX/sales (incl. acquisitions), %	7.9	1.9	-28.6	10.9	11.8	23.2	19.9
FCFF/EBITDA	6.0	1.2	3.8	0.6	1.0	0.8	0.7
Net debt/EBITDA, book-weighted	1.1	1.2	0.7	0.7	3.6	1.0	0.8
Debt/equity, market-weighted	0.4	0.2	0.3	0.2	0.2	0.2	0.2
Equity ratio, book-weighted	56.6	60.0	57.8	59.8	53.0	51.0	50.3
Gearing, %	14.7	19.7	6.9	12.6	27.6	29.4	27.8

COMPANY DESCRIPTION: CapMan is a leading Nordic asset management and investment company. CapMan manages over EUR 3.5 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	40.242	10.4%
Ilmarinen Mutual Pension Insurance Company	10,318,326	25.589	6.6%
Laakkonen Mikko Kalervo	6,378,320	15.818	4.1%
Oy Inventiainvest AB	4,723,703	11.715	3.0%
Varma Mutual Pension Insurance Company	3,675,215	9.115	2.4%
Kyösti Kakkonen	3,289,502	8.158	2.1%
Vesasco Oy	3,088,469	7.659	2.0%
The State Pension Fund	2,500,000	6.200	1.6%
Nordea Funds	2,155,574	5.346	1.4%
Momea Invest Oy	2,150,000	5.332	1.4%
Ten largest	54,505,628	135.174	35%
Residual	101,832,792	252.545	65%
Total	156,338,420	387.719	100%

EARNINGS CALENDAR	
February 04, 2021	FY 2020 Results
April 29, 2021	Q1 report
August 05, 2021	Q2 report
October 27, 2021	Q3 report
OTHER EVENTS	
March 17, 2021	AGM

COMPANY MISCELLANEOUS	
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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, %	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholder's equity} + \text{minority interest} + \text{taxed provisions (average)}}$		

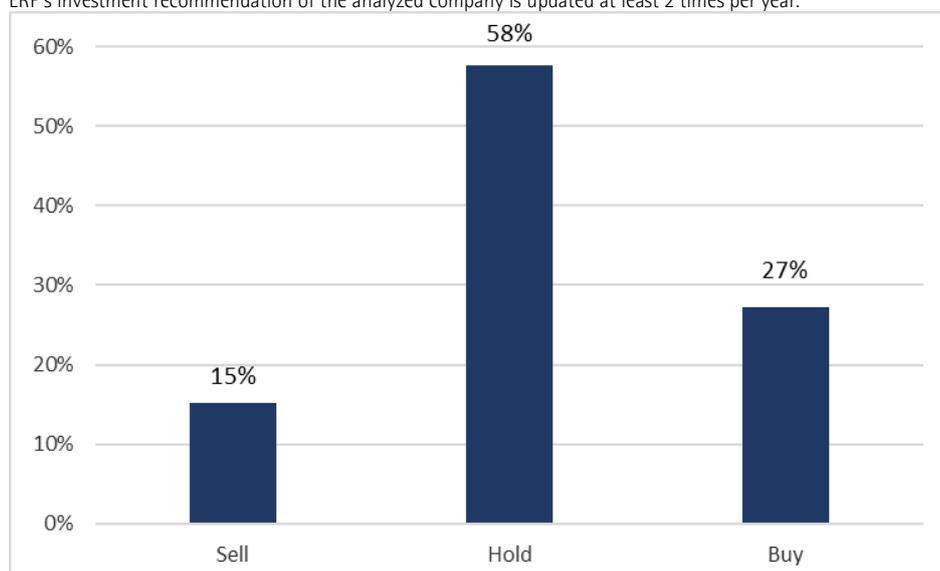
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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

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