

Upgrade to BUY

CapMan reported better than expected Q1 results. Q1 EBIT was clearly above our estimates driven by investment returns. We have raised our 2021 EBIT estimate to EUR 46.8m (prev. 38.2m). Improvement is being seen across the board but 2021 earnings look to be driven less by recurring profits and more by investment returns and carry. We raise our TP to EUR 3.1 (2.7) and upgrade to BUY (HOLD).

Estimates beat on profitability figures

CapMan posted better than expected Q1 results. Revenue was slightly below expectations at EUR 11.3m (EUR 12.5m/11.9m Evli/cons.) but the EBIT of EUR 10.1m clearly beat expectations (EUR 7.8m/7.6m Evli/cons.). The EBIT beat was driven by higher than expected fair value changes (EUR 8.2m/3.5m Act./Evli) while the Management Company business EBIT was lower than expected (EUR 2.5m/3.9m Act./Evli). Capital under management stood at EUR 3.9bn, up 20% y/y. The Buyout XI fund held a final close at EUR 190m, with a new Real Estate product of for CapMan significant size is in the pipeline.

Expect clear earnings improvement in 2021

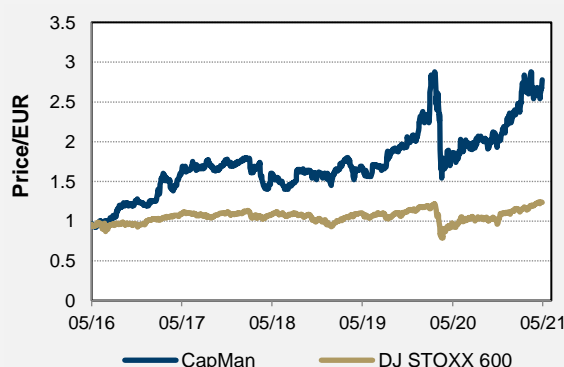
CapMan's development continues to look bright after the challenges faced in the previous year. In terms of absolute profits, the Investment business has in the near past been the clear driver, but good progress can be seen more or less across the board. The performance of the own funds has during the start of the year surpassed the collective return target. We have raised our 2021 operating profit estimate to EUR 46.8m (prev. 38.2m), noting that some two-thirds consists of the more unpredictable investment returns and carried interest.

BUY (HOLD) with a target price of EUR 3.1 (2.7)

Following adjustments to our estimates we raise our target price to EUR 3.1. Compared with the Finnish peers the 2021e P/E is certainly not challenging, but on our estimates a high share of the profit is from more uncertain sources and thus remain somewhat on the cautious side.

Rating

BUY



Share price, EUR (Last trading day's closing price) 2.78

Target price, EUR 3.1

Latest change in recommendation	30-Apr-21
Latest report on company	05-Feb-21
Research paid by issuer:	YES
No. of shares outstanding, '000's	156,492
No. of shares fully diluted, '000's	156,492
Market cap, EURm	435
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	05-Aug-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
2019	49.0	19.4	39.6%	-6.8	0.09	25.4	7.7	19.4	-1.9	0.13
2020	43.0	12.3	28.7%	9.9	0.03	70.6	9.1	31.7	2.7	0.14
2021E	58.0	46.8	80.7%	20.2	0.24	11.8	8.0	9.9	4.7	0.15
2022E	69.9	52.2	74.6%	28.9	0.26	10.6	6.6	8.8	6.6	0.16
2023E	68.3	49.1	71.8%	39.0	0.25	11.3	6.5	9.1	9.0	0.18
Market cap, EURm			435	Gearing 2021E, %		21.2	CAGR EPS 2020-23, %			95.9
Net debt 2021E, EURm			27	Price/book 2021E		3.4	CAGR sales 2020-23, %			16.7
Enterprise value, EURm			465	Dividend yield 2021E, %		5.4	ROE 2021E, %			30.7
Total assets 2021E, EURm			235	Tax rate 2021E, %		11.4	ROCE 2021E, %			23.2
Goodwill 2021E, EURm			15	Equity ratio 2021E, %		54.5	PEG, P/E 21/CAGR			-3.1

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

CapMan	2019	Q1/'20	Q2/'20	Q3/'20	Q4/'20	2020	Q1/'21	Q2/'21E	Q3/'21E	Q4/'21E	2021E	2022E	2023E
Management fees	24.9	6.9	5.9	6.6	9.7	29.0	8.0	8.0	9.0	11.6	36.6	40.3	41.9
Sale of services	17.2	5.0	2.5	2.2	3.5	13.1	3.2	3.5	3.2	4.7	14.6	16.7	19.1
Carried interest	6.9	0.1	0.4	0.1	0.3	0.9	0.0	0.2	2.8	3.8	6.8	12.9	7.2
Dividend and interest 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
Revenue	49.0	11.9	8.7	8.9	13.4	43.0	11.3	11.7	15.0	20.0	58.0	69.9	68.3
<i>change, %</i>	<i>36.1%</i>	<i>28.6%</i>	<i>-34.8%</i>	<i>-8.2%</i>	<i>-19.2%</i>	<i>-12.2%</i>	<i>-5.3%</i>	<i>34.2%</i>	<i>68.5%</i>	<i>49.2%</i>	<i>35.0%</i>	<i>20.5%</i>	<i>-2.4%</i>
Other operating income	0.0	0.0	0.0	0.1	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.1	0.1
Personnel expenses	-24.2	-6.3	-5.2	-4.9	-7.5	-23.9	-6.3	-5.5	-5.0	-9.3	-26.1	-27.4	-28.7
Other operating expenses	-12.1	-2.8	-2.2	-1.9	-2.8	-9.7	-2.7	-2.4	-2.1	-3.1	-10.3	-10.8	-11.4
Depreciation and amortisation	-5.6	-0.3	-0.4	-0.3	-0.4	-1.5	-0.4	-0.4	-0.4	-0.5	-1.6	-1.7	-1.7
Fair value changes	12.3	-8.4	3.2	2.6	7.0	4.4	8.2	6.0	6.0	6.5	26.7	22.0	22.5
Operating profit	19.4	-6.0	4.1	4.5	9.7	12.3	10.1	9.4	13.5	13.7	46.8	52.2	49.1
<i>Operating profit margin, %</i>	<i>39.6%</i>	<i>-50.1%</i>	<i>47.5%</i>	<i>50.0%</i>	<i>72.5%</i>	<i>28.7%</i>	<i>89.6%</i>	<i>80.8%</i>	<i>90.1%</i>	<i>68.5%</i>	<i>80.7%</i>	<i>74.6%</i>	<i>71.8%</i>
Items affecting comparability	5.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Adj. operating profit	25.0	-6.0	4.1	4.5	9.7	12.3	10.1	9.4	13.5	13.7	46.8	52.2	49.1
Net financials	-1.8	-0.6	-0.7	-0.7	-1.1	-3.1	-0.9	-0.8	-0.9	-1.1	-3.6	-3.6	-3.4
Pre-tax profit	17.6	-6.5	3.4	3.7	8.6	9.2	9.3	8.6	12.7	12.6	43.2	48.6	45.6
Income taxes	-1.7	-0.9	-0.3	-0.4	-1.4	-2.9	-1.5	-0.9	-1.3	-1.3	-4.9	-5.5	-5.2
Minority interest	-1.9	-0.9	0.2	-0.1	-0.4	-1.1	-0.3	-0.3	-0.4	-0.4	-1.5	-1.8	-1.8
Profit for the period	13.9	-8.3	3.3	3.3	6.8	6.3	7.5	7.5	11.0	10.9	36.8	41.2	38.6
EPS, EUR	0.09	-0.05	0.02	0.02	0.04	0.04	0.05	0.05	0.07	0.07	0.24	0.26	0.25
Assets under management	3245	3225	3151	3577	3827	3827	3889				4 100	4 250	4 300
Management Company business	2019	Q1/'20	Q2/'20	Q3/'20	Q4/'20	2020	Q1/'21	Q2/'21E	Q3/'21E	Q4/'21E	2021E	2022E	2023E
Revenue	32.8	7.9	7.1	7.6	11.1	33.7	9.0	9.1	12.7	16.7	47.6	58.0	54.6
Operating profit	6.0	1.9	1.6	2.1	3.9	9.5	2.5	3.1	6.8	8.1	20.5	29.5	24.7
Investment business	2019	Q1/'20	Q2/'20	Q3/'20	Q4/'20	2020	Q1/'21	Q2/'21E	Q3/'21E	Q4/'21E	2021E	2022E	2023E
Revenue	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
Operating profit	10.2	-8.4	2.8	2.6	7.0	4.0	7.9	5.9	5.9	6.4	26.1	21.4	21.9
Services business	2019	Q1/'20	Q2/'20	Q3/'20	Q4/'20	2020	Q1/'21	Q2/'21E	Q3/'21E	Q4/'21E	2021E	2022E	2023E
Revenue	15.7	4.1	1.6	1.2	1.7	8.6	2.3	2.6	2.2	2.8	9.7	11.2	12.9
Operating profit	9.1	2.9	0.4	0.6	0.7	4.6	1.2	1.3	1.5	1.2	5.2	6.4	7.8
Other	2019	Q1/'20	Q2/'20	Q3/'20	Q4/'20	2020	Q1/'21	Q2/'21E	Q3/'21E	Q4/'21E	2021E	2022E	2023E
Revenue	0.5	0.0	0.0	0.1	0.6	0.7	0.0	0.0	0.1	0.6	0.7	0.8	0.8
Operating profit	-5.9	-2.4	-0.7	-0.8	-1.8	-5.7	-1.4	-0.9	-0.7	-1.9	-4.9	-5.1	-5.4

Source: CapMan, Evli Research estimates

Investment Management Companies	MCAP MEUR	EV/EBIT			P/E			Div. yield		
		21	22	23	21	22	23	21	22	23
Institut de Developpement	321	13.8x	13.5x		15.4x	13.5x		4.5 %	4.5 %	
Deutsche Beteiligungs	656	7.9x	7.8x		7.9x	7.5x		3.1 %	3.5 %	
Mutares SE	366	4.5x	6.2x		7.6x	12.1x	9.7x	6.2 %	6.2 %	6.2 %
3i Group Plc	14104	6.6x	6.0x	6.4x	6.7x	6.4x	6.5x	3.2 %	3.5 %	4.3 %
Eurazeo	5358	16.2x	15.3x	12.9x	15.2x	10.7x	10.8x	2.1 %	2.2 %	2.2 %
Ratos	1708							1.7 %	2.0 %	2.6 %
Partners Group Holding	31476	31.5x	28.2x	25.4x	35.9x	32.1x	28.8x	2.2 %	2.4 %	2.6 %
Peer Group Average	4296	13.4x	12.8x	14.9x	14.8x	13.7x	13.9x	3.3 %	3.5 %	3.6 %
Peer Group Median	453	10.8x	10.7x	12.9x	11.5x	11.4x	10.2x	3.1 %	3.5 %	2.6 %
CapMan (Evli est.)	411	11.7x	8.8x	9.1x	13.9x	10.3x	11.6x	5.6 %	6.0 %	6.5 %

CapMan prem./disc. to peer median 8% -17% -29% 20% -10% 14% 84% 72% 146%

Source FactSet, Evli Research

Finnish financial services peers	MCAP MEUR	EV/EBIT			P/E			Div. yield		
		21	22	23	21	22	23	21	22	23
eQ	794				22.5x	23.1x	20.3x	4.6 %	4.4 %	4.9 %
Taaleri Plc	280	19.6x	19.5x	12.0x	20.4x	20.7x	13.3x	8.6 %	15.2 %	5.6 %
Evli Bank	453				14.9x	14.2x	13.7x	6.4 %	6.7 %	6.9 %
United Bankers Oyj	137	14.9x	12.2x	10.8x	19.1x	15.7x	13.8x	4.2 %	4.8 %	5.3 %
EAB Group	48	20.0x	13.8x	10.8x	24.8x	16.1x	12.4x	2.7 %	3.5 %	3.9 %
Titanium Oyj	147				13.7x	12.6x	10.8x	6.3 %	6.6 %	6.9 %
Peer Group Average	310	18.2x	15.2x	11.2x	19.2x	17.1x	14.0x	5.4 %	6.9 %	5.6 %
Peer Group Median	214	19.6x	13.8x	10.8x	19.8x	15.9x	13.5x	5.4 %	5.7 %	5.4 %
CapMan (Evli est.)	411	11.7x	8.8x	9.1x	13.9x	10.3x	11.6x	5.6 %	6.0 %	6.5 %

CapMan prem./disc. to peer median -40% -36% -16% -30% -35% -14% 4% 7% 19%

Source FactSet, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	2.78 PV of Free Cash Flow	272 Long-term growth, %	2.0 Risk-free interest rate, %	2.25
DCF share value	3.80 PV of Horizon value	372 WACC, %	7.9 Market risk premium, %	5.8
Share price potential, %	36.5 Unconsolidated equity	-3 Spread, %	0.5 Debt risk premium, %	2.8
Maximum value	4.2 Marketable securities	58 Minimum WACC, %	7.4 Equity beta coefficient	1.10
Minimum value	3.5 Debt - dividend	-105 Maximum WACC, %	8.4 Target debt ratio, %	30
Horizon value, %	57.8 Value of stock	594 Nr of shares, Mn	156.5 Effective tax rate, %	20

DCF valuation, EURm	2020	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	Horizon
Net sales	43	58	70	68	70	72	74	75	77	79	81	82
<i>Sales growth, %</i>	-12.2	35.0	20.5	-2.4	2.5	2.5	2.5	2.5	2.5	2.5	2.0	2.0
Operating income (EBIT)	12	47	52	49	42	43	44	45	46	48	48	49
<i>Operating income margin, %</i>	28.7	80.7	74.6	71.8	60.0	60.0	60.0	60.0	60.0	60.0	60.0	60.0
+ Depreciation+amort.	2	1	2	2	2	2	2	2	2	3	3	
EBITDA	14	48	54	51	44	45	46	48	49	50	51	
- Paid taxes	-2	-5	-6	-6	-5	-5	-5	-5	-5	-5	-6	
- Change in NWC	2	-1	-1	0	0	0	0	0	0	0	0	
<i>NWC / Sales, %</i>	9.6	9.7	10.0	10.0	10.0	10.1	10.1	10.2	10.2	10.2	10.3	
+ Change in other liabs	0	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	0	-15	-11	0	0	0	0	0	0	0	0	
<i>opCAPEX / Sales, %</i>	1.8	28.5	18.4	3.2	3.4	3.4	3.4	3.4	3.4	3.4	3.4	
- Acquisitions	0	0	0	0	0	0	0	0	0	0	0	
+ Divestments	0	0	0	0	0	0	0	0	0	0	0	
- Other items	0	0	0	0	0	0	0	0	0	0	0	
= FCFF	14	27	36	46	39	40	41	42	43	44	45	776
= Discounted FCFF		26	32	37	29	28	27	25	24	23	22	372
= DFCF min WACC		26	32	38	30	29	27	26	25	24	23	425
= DFCF max WACC		26	32	37	29	27	26	24	23	22	21	328

INTERIM FIGURES

EVLI ESTIMATES, EURm	2020Q1	2020Q2	2020Q3	2020Q4	2020	2021Q1	2021Q2E	2021Q3E	2021Q4E	2021E	2022E	2023E
Net sales	12.0	8.7	8.9	13.4	43.0	11.3	11.7	15.0	20.0	58.0	69.9	68.3
EBITDA	-5.6	4.5	4.8	10.2	13.9	10.5	9.8	13.9	14.1	48.3	54.1	51.4
<i>EBITDA margin (%)</i>	<i>-47.2</i>	<i>51.9</i>	<i>53.9</i>	<i>75.9</i>	<i>32.2</i>	<i>92.8</i>	<i>83.8</i>	<i>92.5</i>	<i>70.3</i>	<i>83.1</i>	<i>77.4</i>	<i>75.2</i>
EBIT	-6.0	4.1	4.5	9.7	12.3	10.1	9.4	13.5	13.7	46.8	52.2	49.1
<i>EBIT margin (%)</i>	<i>-50.1</i>	<i>47.5</i>	<i>50.0</i>	<i>72.5</i>	<i>28.7</i>	<i>89.6</i>	<i>80.8</i>	<i>90.1</i>	<i>68.5</i>	<i>80.7</i>	<i>74.6</i>	<i>71.8</i>
Net financial items	-0.6	-0.7	-0.7	-1.1	-3.1	-0.9	-0.8	-0.9	-1.1	-3.6	-3.6	-3.4
Pre-tax profit	-6.5	3.4	3.8	8.6	9.2	9.3	8.6	12.7	12.6	43.2	48.6	45.6
Tax	-0.9	-0.3	-0.4	-1.4	-2.9	-1.5	-0.9	-1.3	-1.3	-4.9	-5.5	-5.2
<i>Tax rate (%)</i>	<i>-13.4</i>	<i>9.6</i>	<i>9.5</i>	<i>16.1</i>	<i>31.9</i>	<i>16.5</i>	<i>10.0</i>	<i>10.0</i>	<i>10.0</i>	<i>11.4</i>	<i>11.4</i>	<i>11.4</i>
Net profit	-8.3	3.3	3.3	6.8	5.1	7.5	7.5	11.0	10.9	36.8	41.2	38.6
EPS	-0.05	0.02	0.02	0.04	0.03	0.05	0.05	0.07	0.07	0.24	0.26	0.25
EPS adjusted (diluted no. of shares)	-0.05	0.02	0.02	0.04	0.03	0.05	0.05	0.07	0.07	0.24	0.26	0.25
Dividend per share	0.00	0.00	0.00	0.00	0.14	0.00	0.00	0.00	0.00	0.15	0.16	0.19
SALES, EURm												
Management Company business	7.2	6.5	7.0	10.3	30.9	9.0	9.1	12.7	16.7	47.6	58.0	54.6
Service business	4.8	2.2	1.8	2.6	11.4	2.3	2.6	2.2	2.8	9.7	11.2	12.9
Other & eliminations	0.0	0.0	0.1	0.6	0.7	0.0	0.0	0.1	0.6	0.7	0.8	0.8
Total	12.0	8.7	8.9	13.4	43.0	11.3	11.7	15.0	20.0	58.0	69.9	68.3
SALES GROWTH, Y/Y %												
Management Company business	12.2	1.5	0.3	-21.1	-5.6	25.9	40.6	82.0	62.2	53.7	21.9	-5.8
Service business	66.1	-68.2	-33.6	-18.7	-27.6	-52.5	16.0	19.8	7.1	-14.2	15.0	15.0
Other & eliminations	-69.6	-41.7	0.0	30.9	41.2	57.1	5.0	5.0	5.0	5.5	5.0	5.0
Total	28.7	-34.8	-8.2	-19.3	-12.2	-5.3	34.2	68.5	49.2	35.0	20.5	-2.4
EBIT, EURm												
Management Company business	1.9	1.6	2.1	3.6	9.1	2.5	3.1	6.8	8.1	20.5	29.5	24.7
Investment business	-8.4	2.8	2.6	7.0	4.0	7.9	5.9	5.9	6.4	26.1	21.4	21.9
Service business	3.0	0.5	0.6	1.0	5.0	1.2	1.3	1.5	1.2	5.2	6.4	7.8
Other & eliminations	-2.4	-0.7	-0.8	-1.8	-5.7	-1.4	-0.9	-0.7	-1.9	-4.9	-5.1	-5.4
Total	-6.0	4.1	4.5	9.7	12.3	10.1	9.4	13.5	13.7	46.8	52.2	49.1
EBIT margin, %												
Management Company business	25.9	24.5	29.7	34.7	29.4	27.5	34.2	53.6	48.4	43.1	51.0	45.3
Service business	62.2	20.5	35.9	37.2	44.2	52.5	51.2	69.4	42.0	52.9	57.0	60.8
Other & eliminations	-33,814.3	-3,300.0	-850.0	-322.4	-824.9	-12,972.7	-3,981.6	-661.9	-319.2	-667.6	-667.6	-667.6
Total	-50.1	47.5	50.0	72.5	28.7	89.6	80.8	90.1	68.5	80.7	74.6	71.8

INCOME STATEMENT, EURm	2016	2017	2018	2019	2020	2021E	2022E	2023E
Sales	26.7	34.8	36.0	49.0	43.0	58.0	69.9	68.3
<i>Sales growth (%)</i>	<i>-16.0</i>	<i>30.6</i>	<i>3.3</i>	<i>36.1</i>	<i>-12.2</i>	<i>35.0</i>	<i>20.5</i>	<i>-2.4</i>
EBITDA	18.9	21.2	12.2	25.0	13.9	48.3	54.1	51.4
<i>EBITDA margin (%)</i>	<i>71.0</i>	<i>61.0</i>	<i>33.8</i>	<i>51.0</i>	<i>32.2</i>	<i>83.1</i>	<i>77.4</i>	<i>75.2</i>
Depreciation	-0.3	-0.3	-0.2	-1.4	-1.5	-1.4	-1.9	-2.3
EBITA	18.7	21.0	12.0	23.6	12.3	46.8	52.2	49.1
Goodwill amortization / writedown	0.0	-1.5	0.0	-4.2	0.0	0.0	0.0	0.0
EBIT	18.7	19.5	12.0	19.4	12.3	46.8	52.2	49.1
<i>EBIT margin (%)</i>	<i>70.0</i>	<i>55.9</i>	<i>33.2</i>	<i>39.6</i>	<i>28.7</i>	<i>80.7</i>	<i>74.6</i>	<i>71.8</i>
Reported EBIT	18.7	19.5	12.0	19.4	12.3	46.8	52.2	49.1
<i>EBIT margin (reported) (%)</i>	<i>70.0</i>	<i>55.9</i>	<i>33.2</i>	<i>39.6</i>	<i>28.7</i>	<i>80.7</i>	<i>74.6</i>	<i>71.8</i>
Net financials	-3.1	-3.3	-2.7	-1.8	-3.1	-3.6	-3.6	-3.4
Pre-tax profit	15.5	16.2	9.3	17.6	9.2	43.2	48.6	45.6
Taxes	-0.2	-0.8	-0.8	-1.7	-2.9	-4.9	-5.5	-5.2
Minority shares	0.0	0.0	-0.4	-1.9	-1.1	-1.5	-1.8	-1.8
Net profit	14.3	15.3	8.1	14.0	5.1	36.8	41.2	38.6
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	95	93	88	120	117	132	142	142
Goodwill	6	5	5	15	15	15	15	15
Right of use assets	0	0	3	3	2	3	4	4
Inventory	0	0	0	0	0	0	0	0
Receivables	101	89	57	31	23	31	38	37
Liquid funds	45	23	55	44	58	52	62	61
Total assets	253	211	209	217	219	235	263	261
Liabilities								
Shareholder's equity	128	127	121	127	113	127	145	159
Minority interest	0	0	0	2	1	1	1	1
Convertibles	15	0	0	0	0	0	0	0
Lease liabilities	0	0	3	3	2	3	4	4
Deferred taxes	10	9	3	2	3	3	3	3
Interest bearing debt	66	48	60	57	81	76	80	65
Non-interest bearing current liabilities	33	27	17	20	18	24	29	29
Other interest-free debt	0	1	5	5	1	1	1	1
Total liabilities	253	211	209	217	219	235	263	261
CASH FLOW, EURm								
+ EBITDA	19	21	12	25	14	48	54	51
- Net financial items	-3	-3	-3	-2	-3	-4	-4	-3
- Taxes	0	-2	-3	-5	-1	-5	-6	-5
- Increase in Net Working Capital	5	-2	-7	-3	2	-1	-1	0
+/- Other	-23	-18	-4	-16	-1	-1	-2	-2
= Cash flow from operations	-3	-4	-5	0	11	37	42	41
- Capex	-2	-1	2	-6	-1	-17	-13	-2
- Acquisitions	0	0	-8	-1	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Free cash flow	-5	-4	-11	-7	10	20	29	39
+/- New issues/buybacks	70	-4	2	12	-1	0	0	0
- Paid dividend	-6	-13	-16	-18	-20	-22	-23	-25
+/- Other	-35	-1	56	1	26	-5	5	-15
Change in cash	23	-22	31	-11	14	-6	11	-1

KEY FIGURES	2017	2018	2019	2020	2021E	2022E	2023E
M-cap	258	216	354	363	435	435	435
Net debt (excl. convertibles)	25	8	16	26	27	22	8
Enterprise value	283	225	377	391	465	459	445
Sales	35	36	49	43	58	70	68
EBITDA	21	12	25	14	48	54	51
EBIT	19	12	19	12	47	52	49
Pre-tax	16	9	18	9	43	49	46
Earnings	15	8	14	5	37	41	39
Equity book value (excl. minorities)	127	121	127	113	127	145	159
Valuation multiples							
EV/sales	8.1	6.3	7.7	9.1	8.0	6.6	6.5
EV/EBITDA	13.3	18.5	15.1	28.2	9.6	8.5	8.7
EV/EBITA	13.5	18.9	15.9	31.7	9.9	8.8	9.1
EV/EBIT	14.5	18.9	19.4	31.7	9.9	8.8	9.1
EV/OCF	-78.0	-48.1	-1,037.5	36.6	12.6	11.0	10.8
EV/FCFF	10.8	4.9	23.7	28.1	17.3	12.7	9.7
P/FCFE	-60.0	-19.3	-52.3	36.7	21.5	15.1	11.2
P/E	13.1	26.8	25.4	70.6	11.8	10.6	11.3
P/B	2.0	1.8	2.8	3.2	3.4	3.0	2.7
Target EV/EBITDA	0.0	0.0	0.0	0.0	10.6	9.4	9.6
Target EV/EBIT	0.0	0.0	0.0	0.0	11.0	9.7	10.1
Target EV/FCF	0.0	0.0	0.0	0.0	25.3	17.6	12.7
Target P/B	0.0	0.0	0.0	0.0	3.8	3.3	3.1
Target P/E	0.0	0.0	0.0	0.0	13.2	11.8	12.6
Per share measures							
Number of shares	145,600	147,116	153,755	156,459	156,492	156,492	156,492
Number of shares (diluted)	145,600	147,116	153,755	156,459	156,492	156,492	156,492
EPS	0.10	0.05	0.09	0.03	0.24	0.26	0.25
Operating cash flow per share	-0.02	-0.03	0.00	0.07	0.23	0.27	0.26
Free cash flow per share	-0.03	-0.08	-0.04	0.06	0.13	0.18	0.25
Book value per share	0.87	0.82	0.83	0.72	0.81	0.93	1.01
Dividend per share	0.11	0.12	0.13	0.14	0.15	0.16	0.18
Dividend payout ratio, %	104.9	218.9	143.1	426.1	63.8	60.7	72.0
Dividend yield, %	6.2	8.2	5.6	6.0	5.4	5.8	6.4
FCF yield, %	-1.7	-5.2	-1.9	2.7	4.7	6.6	9.0
Efficiency measures							
ROE	12.0	6.5	11.3	4.3	30.7	30.2	25.4
ROCE	10.1	6.7	10.4	6.4	23.2	23.9	21.4
Financial ratios							
Inventories as % of sales	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Receivables as % of sales	255.5	157.6	63.2	54.5	53.7	53.7	53.7
Non-interest bearing liabilities as % of sales	77.0	46.7	41.2	41.9	41.9	41.9	41.9
NWC/sales, %	176.1	96.8	12.9	9.6	9.7	10.0	10.0
Operative CAPEX/sales, %	1.9	-5.2	12.0	1.8	28.5	18.4	3.2
CAPEX/sales (incl. acquisitions), %	1.9	-28.6	10.9	1.8	28.5	18.4	3.2
FCFF/EBITDA	1.2	3.8	0.6	1.0	0.6	0.7	0.9
Net debt/EBITDA, book-weighted	1.2	0.7	0.7	1.8	0.6	0.4	0.2
Debt/equity, market-weighted	0.2	0.3	0.2	0.2	0.2	0.2	0.1
Equity ratio, book-weighted	60.0	57.8	59.8	51.8	54.5	55.4	61.2
Gearing, %	19.7	6.9	12.6	22.5	21.2	14.9	4.9

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	45.110	10.4%
Ilmarinen Mutual Pension Insurance Company	10,318,326	28.685	6.6%
Laakkonen Mikko Kalervo	6,378,320	17.732	4.1%
Oy Inventiainvest AB	4,723,703	13.132	3.0%
Varma Mutual Pension Insurance Company	3,675,215	10.217	2.3%
Joensuun Kauppa ja Kone Oy	3,289,502	9.145	2.1%
Vesasco Oy	3,088,469	8.586	2.0%
The State Pension Fund	2,500,000	6.950	1.6%
Momea Invest Oy	2,150,000	5.977	1.4%
Hannu Laakkonen	1,992,742	5.540	1.3%
Ten largest	54,342,796	151.073	35%
Residual	102,149,649	283.976	65%
Total	156,492,445	435.049	100%

EARNINGS CALENDAR	
August 05, 2021	Q2 report
October 27, 2021	Q3 report
OTHER EVENTS	
March 17, 2021	AGM

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

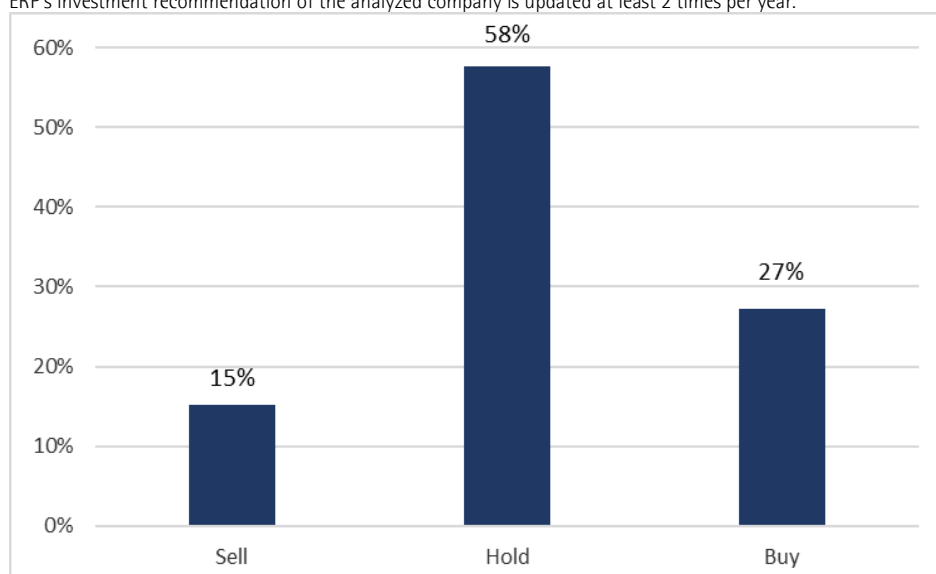
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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

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