

On track towards new profitability levels

CapMan reported higher than expected profitability figures due to solid investment returns. Operating profit remains well on track towards a whole new level. We raise our TP to EUR 3.4 (3.1) with our BUY-rating intact.

Q2 operating profit beat driven by investment returns

CapMan reported better than expected Q2 results mainly due to higher than anticipated operating profit in the Investment business. Revenue was in line with expectations at EUR 11.9m (EUR 11.7m/11.8m Evli/Cons.), growing some 36% y/y. Growth in the Management company business and Services business (excl. Scala) was clearly in the double digits during the first half of the year. The operating profit amounted to EUR 11.3m, clearly beating expectations (EUR 9.4m/7.5m Evli/cons.). Compared with our expectations the clear positive was the Investment business operating profit (EUR 9.4m/5.9m Act./Evli). On the other hand personnel expenses increased clearly more than expected, and Management company business operating profit was lower than expected (EUR 2.4m/3.1m Act./Evli) despite higher revenue (EUR 9.9m/9.1m Act./Evli).

Operating profit pushing towards new levels

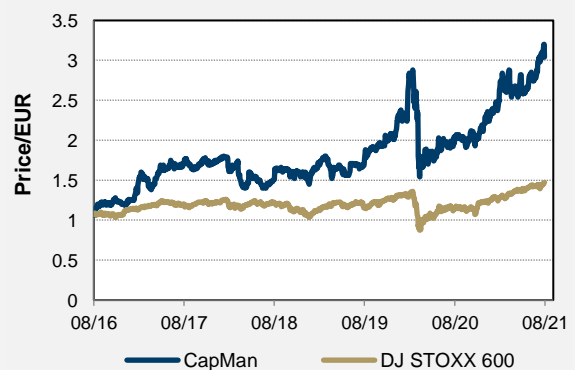
Q2 brought further good news in AUM growth, up 1.2bn y/y to EUR 4.3bn driven mainly by Real estate, supporting continued healthy revenue growth in coming years. We expect some EUR 45-50m in operating profit in the coming years, with Investment business returns expected to decline somewhat from the anticipated strong 2021 but operating profit increases in the other segments to largely make up for the expected decrease. We have made some smaller changes to our 2021 estimates to account for cost inflation and higher investment returns, expecting an operating profit of EUR 48.5m and a clear increase in EPS from the weak comparison period to EUR 0.24 (0.03).

BUY-rating with a target price of EUR 3.4 (3.1)

Valuation upside is supported by peer multiples and the dividend yield, with the solid financial performance and financial position potentially enabling faster dividend growth in coming years. We raise our target price to EUR 3.4 (3.1), BUY-rating intact.

Rating

BUY



Share price, EUR (Last trading day's closing price) 3.04

Target price, EUR 3.4

Latest change in recommendation	30-Apr-21
Latest report on company	30-Apr-21
Research paid by issuer:	YES
No. of shares outstanding, '000's	156,617
No. of shares fully diluted, '000's	156,617
Market cap, EURm	476
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	27-Oct-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%	-0.9	0.09	25.4	7.7	19.4	-0.2	0.13
2020	43.0	12.3	28.7%	-15.6	0.03	70.6	9.1	31.7	-4.3	0.14
2021E	55.4	48.5	87.5%	21.7	0.24	12.6	9.1	10.4	4.6	0.15
2022E	66.9	46.7	69.8%	23.9	0.23	13.2	7.5	10.8	5.0	0.16
2023E	69.4	47.4	68.4%	36.2	0.23	13.0	7.1	10.4	7.6	0.17
Market cap, EURm	476		Gearing 2021E, %	19.9		CAGR EPS 2020-23, %		92.5		
Net debt 2021E, EURm	26		Price/book 2021E	3.7		CAGR sales 2020-23, %		17.3		
Enterprise value, EURm	505		Dividend yield 2021E, %	4.9		ROE 2021E, %		31.4		
Total assets 2021E, EURm	231		Tax rate 2021E, %	11.9		ROCE 2021E, %		24.2		
Goodwill 2021E, EURm	15		Equity ratio 2021E, %	55.8		PEG, P/E 21/CAGR		9.9		

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/'21	Q3/'21E	Q4/'21E	2021E	2022E	2023E
Management fees	24.9	6.9	5.9	6.6	9.7	29.0	8.0	8.4	9.0	10.0	35.5	39.0	40.6
Sale of services	17.2	5.0	2.5	2.2	3.5	13.1	3.2	3.2	2.9	4.1	13.3	15.3	17.5
Carried interest	6.9	0.1	0.4	0.1	0.3	0.9	0.0	0.3	0.3	6.0	6.6	12.6	11.3
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	11.9	12.2	20.1	55.4	66.9	69.4
<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>36.4%</i>	<i>36.4%</i>	<i>49.8%</i>	<i>29.0%</i>	<i>20.6%</i>	<i>3.8%</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	-7.8	-7.2	-9.2	-30.4	-31.9	-33.5
Other operating expenses	-12.1	-2.8	-2.2	-1.9	-2.8	-9.7	-2.7	-2.0	-1.9	-3.1	-9.8	-10.2	-10.8
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	9.6	8.0	9.0	34.8	23.6	24.0
Operating profit	19.4	-6.0	4.1	4.5	9.7	12.3	10.1	11.3	10.7	16.3	48.5	46.7	47.4
<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>95.5%</i>	<i>88.1%</i>	<i>81.3%</i>	<i>87.5%</i>	<i>69.8%</i>	<i>68.4%</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	11.3	10.7	16.3	48.5	46.7	47.4
Net financials	-1.8	-0.6	-0.7	-0.7	-1.1	-3.1	-0.9	-1.3	-1.1	-1.1	-4.3	-4.4	-4.4
Pre-tax profit	17.6	-6.5	3.4	3.7	8.6	9.2	9.3	10.1	9.6	15.2	44.2	42.3	43.0
Income taxes	-1.7	-0.9	-0.3	-0.4	-1.4	-2.9	-1.5	-1.2	-1.0	-1.5	-5.3	-5.0	-5.1
Minority interest	-1.9	-0.9	0.2	-0.1	-0.4	-1.1	-0.3	0.0	-0.3	-0.5	-1.1	-1.2	-1.2
Profit for the period	13.9	-8.3	3.3	3.3	6.8	6.3	7.5	8.8	8.3	13.2	37.8	36.1	36.7
EPS, EUR	0.09	-0.05	0.02	0.02	0.04	0.04	0.05	0.06	0.05	0.08	0.24	0.23	0.23
Assets under management	3245	3225	3151	3577	3827	3827	3889	4326			4500	4750	4900
Management Company business	2019	Q1/'20	Q2/'20	Q3/'20	Q4/'20	2020	Q1/'21	Q2/'21	Q3/'21E	Q4/'21E	2021E	2022E	2023E
Revenue	32.8	7.9	7.1	7.6	11.1	33.7	9.0	9.9	10.3	17.3	46.5	56.6	57.7
Operating profit	6.0	1.9	1.6	2.1	3.9	9.5	2.5	2.4	2.9	8.7	16.5	25.1	24.6
Investment business	2019	Q1/'20	Q2/'20	Q3/'20	Q4/'20	2020	Q1/'21	Q2/'21	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	9.4	7.9	8.9	34.0	22.8	23.1
Services business	2019	Q1/'20	Q2/'20	Q3/'20	Q4/'20	2020	Q1/'21	Q2/'21	Q3/'21E	Q4/'21E	2021E	2022E	2023E
Revenue	15.7	4.1	1.6	1.2	1.7	8.6	2.3	2.0	1.8	2.2	8.2	9.5	10.9
Operating profit	9.1	2.9	0.4	0.6	0.7	4.6	1.2	0.7	1.0	0.7	3.6	4.6	5.8
Other	2019	Q1/'20	Q2/'20	Q3/'20	Q4/'20	2020	Q1/'21	Q2/'21	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	-1.2	-1.0	-1.9	-5.5	-5.8	-6.1

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	293	12.9x	12.6x	12.2x	14.0x	12.3x	11.8x	4.9 %	4.9 %	4.9 %
Deutsche Beteiligungs	715	6.2x	8.9x		6.6x	8.7x		3.1 %	3.4 %	
Mutares SE	364	2.7x		56.2x	7.3x		28.2x	6.2 %	6.2 %	6.2 %
3i Group Plc	14810	5.4x	5.8x	5.5x	5.6x	6.1x	5.8x	3.1 %	3.4 %	3.9 %
Eurazeo	6681	16.7x	17.6x	15.7x	10.0x	11.3x	9.3x	1.9 %	2.0 %	2.0 %
Ratos	1974	15.7x	13.2x	11.8x	24.0x	19.3x	17.1x	2.4 %	2.0 %	2.6 %
Partners Group Holding	39227	35.0x	32.3x	29.4x	39.4x	36.5x	33.3x	1.9 %	2.1 %	2.3 %
Peer Group Average	5106	13.5x	15.1x	21.8x	15.3x	15.7x	17.6x	3.4 %	3.4 %	3.6 %
Peer Group Median	555	12.9x	12.9x	14.0x	10.0x	11.8x	14.4x	3.1 %	3.4 %	3.2 %
CapMan (Evli est.)	476	10.4x	10.8x	10.4x	12.6x	13.2x	13.0x	4.9 %	5.3 %	5.6 %

CapMan prem./disc. to peer median -19 % -17 % -26 % 26 % 12 % -10 % 61 % 55 % 72 %
 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	1108				29.7x	30.9x	25.6x	3.4 %	3.4 %	3.9 %
Taaleri Plc	304				22.1x	23.0x	14.5x	3.8 %	10.7 %	4.9 %
Evli Bank	555	6.8x	7.4x	7.0x	17.3x	15.9x	15.4x	5.5 %	6.0 %	6.2 %
United Bankers Oyj	147	11.8x	12.1x	10.9x	15.0x	15.5x	14.0x	4.6 %	5.0 %	5.3 %
EAB Group	49	19.6x	13.1x	11.4x	24.3x	15.3x	13.0x	2.7 %	3.6 %	4.0 %
Titanium Oyj	150				14.3x	12.2x	10.3x	6.4 %	7.1 %	7.8 %
Peer Group Average	385	12.7x	10.9x	9.8x	20.4x	18.8x	15.5x	4.4 %	5.9 %	5.4 %
Peer Group Median	227	11.8x	12.1x	10.9x	19.7x	15.7x	14.3x	4.2 %	5.5 %	5.1 %
CapMan (Evli est.)	476	10.4x	10.8x	10.4x	12.6x	13.2x	13.0x	4.9 %	5.3 %	5.6 %

CapMan prem./disc. to peer median -12 % -11 % -5 % -36 % -16 % -9 % 17 % -4 % 8 %
 Source FactSet, Evli Research

VALUATION

SOTP	Implied value (EURm)	Per share (EUR)	Notes
Management Company (excl. carry)	201	1.28	16x 2022E EBIT EUR 12.6m
Services business	51	0.33	11x 2022E EBIT EUR 4.6m
Investment business	181	1.16	Q2/21
Carried interest	36	0.23	DCF
Corporate functions	-58	-0.37	10x 2022E EBIT EUR -5.8m
Total debt	-82	-0.52	Q2/21
Equity value (SOTP)	329	2.10	
Peer multiples			
P/E 2021-2022E		3.62-4.76	
Div. yield 2021E		3.55	

Target price	3.40
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Source: Evli Research, Factset (peer multiples)

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	3.04 PV of Free Cash Flow	304 Long-term growth, %	2.0 Risk-free interest rate, %	2.25
DCF share value	4.46 PV of Horizon value	445 WACC, %	7.9 Market risk premium, %	5.8
Share price potential, %	46.7 Unconsolidated equity	-3 Spread, %	0.5 Debt risk premium, %	2.8
Maximum value	4.9 Marketable securities	58 Minimum WACC, %	7.4 Equity beta coefficient	1.10
Minimum value	4.1 Debt - dividend	-105 Maximum WACC, %	8.4 Target debt ratio, %	30
Horizon value, %	59.4 Value of stock	698 Nr of shares, Mn	156.6 Effective tax rate, %	20

DCF valuation, EURm	2020	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	Horizon
Net sales	43	55	67	69	71	73	75	77	79	80	82	84
<i>Sales growth, %</i>	-12.2	29.0	20.6	3.8	2.5	2.5	2.5	2.5	2.5	2.5	2.0	2.0
Operating income (EBIT)	12	49	47	47	50	51	52	54	55	56	57	59
<i>Operating income margin, %</i>	28.7	87.5	69.8	68.4	70.0	70.0	70.0	70.0	70.0	70.0	70.0	70.0
+ Depreciation+amort.	2	1	2	2	2	2	2	2	3	3	3	
EBITDA	14	50	49	50	52	53	55	56	58	59	60	
- Paid taxes	-5	-6	-6	-6	-6	-6	-6	-6	-7	-7	-7	
- Change in NWC	-16	-1	-1	0	0	0	0	0	0	0	0	
<i>NWC / Sales, %</i>	9.6	9.6	9.9	10.0	10.1	10.1	10.1	10.2	10.2	10.3	10.3	
+ Change in other liabs	18	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	-3	-14	-11	0	0	0	0	0	0	0	0	
<i>opCAPEX / Sales, %</i>	8.0	29.4	19.0	3.5	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	-3	0	0	0	0	0	0	0	0	0	0	
= FCFF	6	29	31	43	46	47	48	49	50	52	53	910
= Discounted FCFF		28	28	36	35	33	32	30	29	27	26	445
= DFCF min WACC		28	28	36	36	34	33	31	30	28	27	508
= DFCF max WACC		28	28	36	35	33	31	29	28	26	25	393

INTERIM FIGURES

EVLI ESTIMATES, EURm	2020Q1	2020Q2	2020Q3	2020Q4	2020	2021Q1	2021Q2	2021Q3E	2021Q4E	2021E	2022E	2023E
Net sales	12.0	8.7	8.9	13.4	43.0	11.3	11.9	12.2	20.1	55.4	66.9	69.4
EBITDA	-5.6	4.5	4.8	10.2	13.9	10.5	11.7	11.1	16.7	50.0	48.6	49.7
<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>98.5</i>	<i>91.0</i>	<i>83.1</i>	<i>90.1</i>	<i>72.6</i>	<i>71.6</i>
EBIT	-6.0	4.1	4.5	9.7	12.3	10.1	11.3	10.7	16.3	48.5	46.7	47.4
<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>95.5</i>	<i>88.1</i>	<i>81.3</i>	<i>87.5</i>	<i>69.8</i>	<i>68.4</i>
Net financial items	-0.6	-0.7	-0.7	-1.1	-3.1	-0.9	-1.3	-1.1	-1.1	-4.3	-4.4	-4.4
Pre-tax profit	-6.5	3.4	3.8	8.6	9.2	9.3	10.1	9.6	15.2	44.2	42.3	43.0
Tax	-0.9	-0.3	-0.4	-1.4	-2.9	-1.5	-1.2	-1.0	-1.5	-5.3	-5.0	-5.1
<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>12.4</i>	<i>10.0</i>	<i>10.0</i>	<i>11.9</i>	<i>11.9</i>	<i>11.9</i>
Net profit	-8.3	3.3	3.3	6.8	5.1	7.5	8.8	8.3	13.2	37.8	36.1	36.7
EPS	-0.05	0.02	0.02	0.04	0.03	0.05	0.06	0.05	0.08	0.24	0.23	0.23
EPS adjusted (diluted no. of shares)	-0.05	0.02	0.02	0.04	0.03	0.05	0.06	0.05	0.08	0.24	0.23	0.23
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	0.17
SALES, EURm												
Management Company business	7.2	6.5	7.0	10.3	30.9	9.0	9.9	10.3	17.3	46.5	56.6	57.7
Service business	4.8	2.2	1.8	2.6	11.4	2.3	2.0	1.8	2.2	8.2	9.5	10.9
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	11.9	12.2	20.1	55.4	66.9	69.4
SALES GROWTH, Y/Y %												
Management Company business	12.2	1.5	0.3	-21.1	-5.6	25.9	52.6	46.4	68.4	50.3	21.9	1.9
Service business	66.1	-68.2	-33.6	-18.7	-27.6	-52.5	-10.2	-0.5	-14.6	-27.4	15.0	15.0
Other & eliminations	-69.6	-41.7	0.0	30.9	41.2	57.1	-47.6	5.0	5.0	3.9	5.0	5.0
Total	28.7	-34.8	-8.2	-19.3	-12.2	-5.3	36.5	36.4	49.8	29.0	20.6	3.8
EBIT, EURm												
Management Company business	1.9	1.6	2.1	3.6	9.1	2.5	2.4	2.9	8.7	16.5	25.1	24.6
Investment business	-8.4	2.8	2.6	7.0	4.0	7.9	9.4	7.9	8.9	34.0	22.8	23.1
Service business	3.0	0.5	0.6	1.0	5.0	1.2	0.7	1.0	0.7	3.6	4.6	5.8
Other & eliminations	-2.4	-0.7	-0.8	-1.8	-5.7	-1.4	-1.2	-1.0	-1.9	-5.5	-5.8	-6.1
Total	-6.0	4.1	4.5	9.7	12.3	10.1	11.3	10.7	16.3	48.5	46.7	47.4
EBIT margin, %												
Management Company business	25.9	24.5	29.7	34.7	29.4	27.5	24.7	27.8	50.3	35.4	44.4	42.7
Service business	62.2	20.5	35.9	37.2	44.2	52.5	36.9	55.6	31.8	43.9	48.8	53.2
Other & eliminations	-33,814.3	-3,300.0	-850.0	-322.4	-824.9	-12,972.7	-10,990.9	-947.6	-319.2	-765.1	-765.1	-765.1
Total	-50.1	47.5	50.0	72.5	28.7	89.6	95.5	88.1	81.3	87.5	69.8	68.4

INCOME STATEMENT, EURm	2016	2017	2018	2019	2020	2021E	2022E	2023E
Sales	26.7	34.8	36.0	49.0	43.0	55.4	66.9	69.4
<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>29.0</i>	<i>20.6</i>	<i>3.8</i>
EBITDA	18.9	21.2	12.2	25.0	13.9	50.0	48.6	49.7
<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>90.1</i>	<i>72.6</i>	<i>71.6</i>
Depreciation	-0.3	-0.3	-0.2	-1.4	-1.5	-1.4	-1.8	-2.2
EBITA	18.7	21.0	12.0	23.6	12.3	48.5	46.7	47.4
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	48.5	46.7	47.4
<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>87.5</i>	<i>69.8</i>	<i>68.4</i>
Reported EBIT	18.7	19.5	12.0	19.4	12.3	48.5	46.7	47.4
<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>87.5</i>	<i>69.8</i>	<i>68.4</i>
Net financials	-3.1	-3.3	-2.7	-1.8	-3.1	-4.3	-4.4	-4.4
Pre-tax profit	15.5	16.2	9.3	17.6	9.2	44.2	42.3	43.0
Taxes	-0.2	-0.8	-0.8	-1.7	-2.9	-5.3	-5.0	-5.1
Minority shares	0.0	0.0	-0.4	-1.9	-1.1	-1.1	-1.2	-1.2
Net profit	14.3	15.3	8.1	14.0	5.1	37.8	36.1	36.7
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	30	36	37
Liquid funds	45	23	55	44	58	49	60	62
Total assets	253	211	209	217	219	231	259	262
Liabilities								
Shareholder's equity	128	127	121	127	113	128	141	153
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	72	81	72
Non-interest bearing current liabilities	33	27	17	20	18	23	28	29
Other interest-free debt	0	1	5	5	1	1	1	1
Total liabilities	253	211	209	217	219	231	259	262
CASH FLOW, EURm								
+ EBITDA	19	21	12	25	14	50	49	50
- Net financial items	-3	-3	-3	-2	-3	-4	-4	-4
- Taxes	0	-2	-3	-5	-4	-5	-5	-5
- Increase in Net Working Capital	5	-2	-7	-3	-16	-1	-1	0
+/- Other	-23	-18	-4	-16	-3	-1	-1	-1
= Cash flow from operations	-3	-4	-5	0	-12	38	37	39
- Capex	-2	-1	2	-6	-3	-16	-13	-2
- Acquisitions	0	0	-8	-1	0	0	0	0
+ Divestments	0	0	0	6	0	0	0	0
= Free cash flow	-5	-4	-11	-1	-16	22	24	36
+/- 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	-5	51	-8	10	-9
Change in cash	23	-22	31	-11	14	-9	10	2

KEY FIGURES	2017	2018	2019	2020	2021E	2022E	2023E
M-cap	258	216	354	363	476	476	476
Net debt (excl. convertibles)	25	8	16	26	26	25	14
Enterprise value	283	225	377	391	505	504	493
Sales	35	36	49	43	55	67	69
EBITDA	21	12	25	14	50	49	50
EBIT	19	12	19	12	49	47	47
Pre-tax	16	9	18	9	44	42	43
Earnings	15	8	14	5	38	36	37
Equity book value (excl. minorities)	127	121	127	113	128	141	153
Valuation multiples							
EV/sales	8.1	6.3	7.7	9.1	9.1	7.5	7.1
EV/EBITDA	13.3	18.5	15.1	28.2	10.1	10.4	9.9
EV/EBITA	13.5	18.9	15.9	31.7	10.4	10.8	10.4
EV/EBIT	14.5	18.9	19.4	31.7	10.4	10.8	10.4
EV/OCF	-78.0	-48.1	-1,037.5	-32.8	13.3	13.8	12.8
EV/FCFF	10.8	4.9	23.7	70.9	17.7	16.2	11.4
P/FCFE	-60.0	-19.3	-404.4	-23.2	21.9	20.0	13.1
P/E	13.1	26.8	25.4	70.6	12.6	13.2	13.0
P/B	2.0	1.8	2.8	3.2	3.7	3.4	3.1
Target EV/EBITDA	0.0	0.0	0.0	0.0	11.2	11.5	11.0
Target EV/EBIT	0.0	0.0	0.0	0.0	11.5	12.0	11.5
Target EV/FCF	0.0	0.0	0.0	0.0	25.7	23.4	15.1
Target P/B	0.0	0.0	0.0	0.0	4.1	3.8	3.5
Target P/E	0.0	0.0	0.0	0.0	14.1	14.8	14.5
Per share measures							
Number of shares	145,600	147,116	153,755	156,459	156,617	156,617	156,617
Number of shares (diluted)	145,600	147,116	153,755	156,459	156,617	156,617	156,617
EPS	0.10	0.05	0.09	0.03	0.24	0.23	0.23
Operating cash flow per share	-0.02	-0.03	0.00	-0.08	0.24	0.23	0.25
Free cash flow per share	-0.03	-0.08	-0.01	-0.10	0.14	0.15	0.23
Book value per share	0.87	0.82	0.83	0.72	0.82	0.90	0.98
Dividend per share	0.11	0.12	0.13	0.14	0.15	0.16	0.17
Dividend payout ratio, %	104.9	218.9	143.1	426.1	62.1	69.4	72.0
Dividend yield, %	6.2	8.2	5.6	6.0	4.9	5.3	5.6
FCF yield, %	-1.7	-5.2	-0.2	-4.3	4.6	5.0	7.6
Efficiency measures							
ROE	12.0	6.5	11.3	4.3	31.4	26.8	25.0
ROCE	10.1	6.7	10.4	6.4	24.2	21.7	20.8
Financial ratios							
Inventories as % of sales	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Receivables as % of sales	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	9.6	9.9	10.0
Operative CAPEX/sales, %	1.9	-5.2	12.0	8.0	29.4	19.0	3.5
CAPEX/sales (incl. acquisitions), %	1.9	-28.6	10.9	7.4	29.4	19.0	3.5
FCFF/EBITDA	1.2	3.8	0.6	0.4	0.6	0.6	0.9
Net debt/EBITDA, book-weighted	1.2	0.7	0.7	1.8	0.5	0.5	0.3
Debt/equity, market-weighted	0.2	0.3	0.2	0.2	0.2	0.2	0.2
Equity ratio, book-weighted	60.0	57.8	59.8	51.8	55.8	54.8	58.5
Gearing, %	19.7	6.9	12.6	22.5	19.9	17.8	9.2

COMPANY DESCRIPTION: CapMan is a leading Nordic asset management and investment company. CapMan manages over EUR 4.0 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 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	49.329	10.4%
Ilmarinen Mutual Pension Insurance Company	10,318,326	31.368	6.6%
Laakkonen Mikko Kalervo	6,378,320	19.390	4.1%
Oy Inventiainvest AB	4,723,703	14.360	3.0%
Varma Mutual Pension Insurance Company	3,675,215	11.173	2.3%
Joensuun Kauppa ja Kone Oy	3,289,502	10.000	2.1%
Vesasco Oy	3,088,469	9.389	2.0%
The State Pension Fund	2,500,000	7.600	1.6%
Nordea Funds	2,251,762	6.845	1.4%
Momea Invest Oy	2,150,000	6.536	1.4%
Ten largest	54,601,816	165.990	35%
Residual	102,015,477	310.127	65%
Total	156,617,293	476.117	100%

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

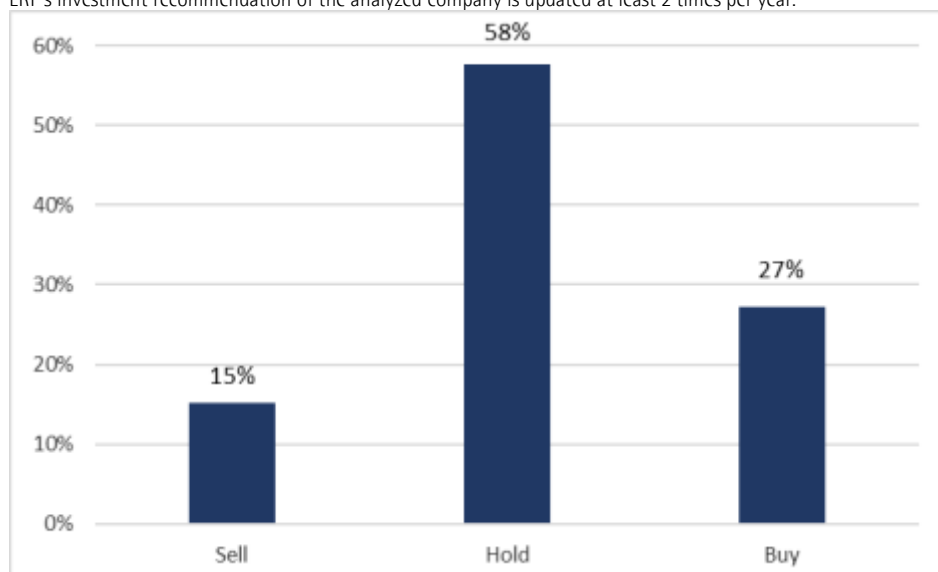
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Investment recommendations are defined as follows:

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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