

Earnings outlook still very favourable

CapMan's Q4 profitability beat expectations to finish an overall solid year. Earnings are set to pick up further in 2022 driven by carried interest and our views on CapMan remain clearly positive.

2021 was a solid year overall

CapMan reported solid Q4 results, rounding of a year of clear earnings improvement. The operating profit amounted to EUR 12.2m, beating both our and consensus estimates (EUR 10.7m/9.4m Evli/cons.). Y/y the operating profit improved by 262%. The Management Company business saw good continued growth, aided by a ~EUR 700m net increase in AUM during 2021, with management fees surpassing EUR 10m during the last quarter. The Services business also continued good growth, with CaPS showing profitable growth and JAY Solutions profitability seen to start to pick up. The Investment business returns were strong also in the final quarter and the main driver behind CapMan's 2021 earnings. CapMan as expected proposes a dividend of EUR 0.15 per share (0.15 Evli/cons.).

Carried interest expected to boost earnings further

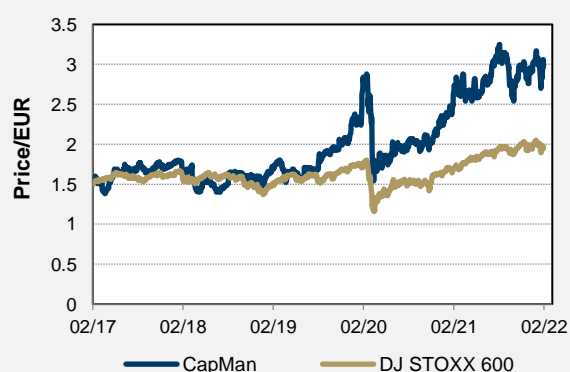
We have not made any substantial revisions to our estimates post-Q4. We expect continued growth in the Management Company and Service businesses, with the former expected to pick up clearly in earnings due to carried interest as the NRE-I fund is set to enter carry and the outlook for further funds entering carry also appearing to be quite favourable. We are still somewhat cautious to investment returns compared with the strong 2021 figures but still expect to see a good level. Should the pace continue CapMan would be well set to continue on an over EUR 40m annual operating profit track excluding carry. In 2022 we expect a y/y increase in operating profit of some 30% driven largely by the expected carried interest.

BUY with a target price of EUR 3.4

Absolute valuation on our estimates is very affordable and even excl. the highly unpredictable carried interest is not too challenging. Dividend yields also continue to support the investment case. We retain our BUY-rating and TP of EUR 3.4.

Rating

BUY



Share price, EUR (Last trading day's closing price) 2.97

Target price, EUR 3.4

Latest change in recommendation 29-Apr-21

Latest report on company 01-Feb-22

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 465

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 28-Apr-22

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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 |
|--------------------------|---------------|--------------|-------------------------|-------------|------------|------------|-----------------------|----------------|----------------|------------|
| 2020 | 43.0 | 12.3 | 28.7% | -15.6 | 0.03 | 70.6 | 9.1 | 31.7 | -4.3 | 0.14 |
| 2021 | 52.8 | 44.6 | 84.6% | 11.1 | 0.22 | 13.9 | 9.5 | 11.2 | 2.3 | 0.15 |
| 2022E | 78.6 | 59.6 | 75.9% | 43.0 | 0.30 | 9.8 | 6.0 | 7.9 | 9.3 | 0.16 |
| 2023E | 75.5 | 56.3 | 74.6% | 44.5 | 0.29 | 10.4 | 5.9 | 8.0 | 9.6 | 0.17 |
| 2024E | 80.9 | 62.3 | 77.0% | 51.0 | 0.32 | 9.1 | 5.2 | 6.8 | 11.0 | 0.18 |
| Market cap, EURm | | 465 | Gearing 2022E, % | | | -1.2 | CAGR EPS 2021-24, % | | | 14.0 |
| Net debt 2022E, EURm | | -2 | Price/book 2022E | | | 3.1 | CAGR sales 2021-24, % | | | 15.3 |
| Enterprise value, EURm | | 468 | Dividend yield 2022E, % | | | 5.4 | ROE 2022E, % | | | 34.5 |
| Total assets 2022E, EURm | | 275 | Tax rate 2022E, % | | | 12.0 | ROCE 2022E, % | | | 26.9 |
| Goodwill 2022E, EURm | | 15 | Equity ratio 2022E, % | | | 55.2 | PEG, P/E 22/CAGR | | | 17.3 |

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

| CapMan | 2020 | Q1/'21 | Q2/'21 | Q3/'21 | Q4/'21 | 2021 | Q1/'22E | Q2/'22E | Q3/'22E | Q4/'22E | 2022E | 2023E | 2024E |
|------------------------------------|---------------|---------------|---------------|---------------|---------------|--------------|----------------|----------------|----------------|----------------|--------------|--------------|--------------|
| Management fees | 29.0 | 8.0 | 8.4 | 9.6 | 10.5 | 36.6 | 9.8 | 10.1 | 10.5 | 11.0 | 41.4 | 43.9 | 46.1 |
| Sale of services | 13.1 | 3.2 | 3.2 | 3.1 | 3.9 | 13.3 | 3.3 | 3.4 | 3.4 | 4.5 | 14.7 | 16.8 | 18.5 |
| Carried interest | 0.9 | 0.0 | 0.3 | 2.2 | 0.3 | 2.9 | 6.5 | 4.0 | 4.0 | 8.0 | 22.5 | 14.9 | 16.3 |
| 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 | 43.0 | 11.3 | 11.9 | 14.9 | 14.7 | 52.8 | 19.6 | 17.5 | 17.9 | 23.5 | 78.6 | 75.5 | 80.9 |
| <i>change, %</i> | <i>-12.2%</i> | <i>-5.3%</i> | <i>36.4%</i> | <i>66.9%</i> | <i>9.7%</i> | <i>22.8%</i> | <i>73.5%</i> | <i>47.2%</i> | <i>20.7%</i> | <i>59.9%</i> | <i>48.9%</i> | <i>-3.9%</i> | <i>7.1%</i> |
| Other operating income | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 0.1 | 0.1 |
| Personnel expenses | -23.9 | -6.3 | -7.8 | -7.5 | -9.1 | -30.6 | -6.6 | -8.4 | -8.4 | -9.5 | -33.0 | -34.6 | -36.3 |
| Other operating expenses | -9.7 | -2.7 | -2.0 | -2.1 | -3.1 | -10.0 | -2.9 | -2.1 | -2.2 | -3.3 | -10.5 | -11.0 | -11.5 |
| Depreciation and amortisation | -1.5 | -0.4 | -0.4 | -0.4 | -0.4 | -1.6 | -0.4 | -0.4 | -0.4 | -0.4 | -1.6 | -1.7 | -1.8 |
| Fair value changes | 4.4 | 8.2 | 9.6 | 6.0 | 10.1 | 33.9 | 7.0 | 6.0 | 6.0 | 7.0 | 26.0 | 28.0 | 31.0 |
| Operating profit | 12.3 | 10.1 | 11.3 | 10.9 | 12.2 | 44.6 | 16.7 | 12.5 | 13.0 | 17.4 | 59.6 | 56.3 | 62.3 |
| <i>Operating profit margin, %</i> | <i>28.7%</i> | <i>89.6%</i> | <i>95.5%</i> | <i>73.4%</i> | <i>83.2%</i> | <i>84.6%</i> | <i>85.3%</i> | <i>71.7%</i> | <i>72.3%</i> | <i>73.9%</i> | <i>75.9%</i> | <i>74.6%</i> | <i>77.0%</i> |
| Items affecting comparability | 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 |
| Adj. operating profit | 12.3 | 10.1 | 11.3 | 10.9 | 12.2 | 44.6 | 16.7 | 12.5 | 13.0 | 17.4 | 59.6 | 56.3 | 62.3 |
| Net financials | -3.1 | -0.9 | -1.3 | -0.8 | -1.1 | -4.0 | -1.0 | -1.0 | -1.0 | -1.0 | -4.0 | -4.0 | -2.9 |
| Pre-tax profit | 9.2 | 9.3 | 10.1 | 10.2 | 11.1 | 40.6 | 15.7 | 11.5 | 12.0 | 16.4 | 55.6 | 52.4 | 59.4 |
| Income taxes | -2.9 | -1.5 | -1.2 | -0.8 | -1.7 | -5.2 | -1.9 | -1.4 | -1.4 | -2.0 | -6.7 | -6.3 | -7.1 |
| Minority interest | -1.1 | -0.3 | 0.0 | -0.4 | -0.3 | -1.0 | -0.4 | -0.4 | -0.4 | -0.4 | -1.2 | -1.2 | -1.2 |
| Profit for the period | 6.3 | 7.5 | 8.8 | 9.0 | 9.0 | 34.3 | 13.5 | 9.8 | 10.2 | 14.1 | 47.8 | 44.9 | 51.1 |
| EPS, EUR | 0.04 | 0.05 | 0.06 | 0.06 | 0.06 | 0.22 | 0.09 | 0.06 | 0.07 | 0.09 | 0.30 | 0.29 | 0.33 |
| Assets under management | 3827 | 3889 | 4326 | 4341 | 4517 | 4517 | | | | | 4800 | 5000 | 5200 |
| Management Company business | 2020 | Q1/'21 | Q2/'21 | Q3/'21 | Q4/'21 | 2021 | Q1/'22E | Q2/'22E | Q3/'22E | Q4/'22E | 2022E | 2023E | 2024E |
| Revenue | 33.7 | 9.0 | 9.9 | 12.9 | 11.8 | 43.6 | 17.3 | 15.2 | 15.7 | 20.2 | 68.4 | 63.9 | 68.1 |
| Operating profit | 9.5 | 2.5 | 2.4 | 5.1 | 3.2 | 13.2 | 10.2 | 7.1 | 7.2 | 10.9 | 35.4 | 29.3 | 31.7 |
| Investment business | 2020 | Q1/'21 | Q2/'21 | Q3/'21 | Q4/'21 | 2021 | Q1/'22E | Q2/'22E | Q3/'22E | Q4/'22E | 2022E | 2023E | 2024E |
| 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 | 4.0 | 7.9 | 9.4 | 5.9 | 9.6 | 32.7 | 6.8 | 5.8 | 5.8 | 6.8 | 25.0 | 27.0 | 29.9 |
| Services business | 2020 | Q1/'21 | Q2/'21 | Q3/'21 | Q4/'21 | 2021 | Q1/'22E | Q2/'22E | Q3/'22E | Q4/'22E | 2022E | 2023E | 2024E |
| Revenue | 8.6 | 2.3 | 2.0 | 1.9 | 2.4 | 8.6 | 2.3 | 2.3 | 2.2 | 2.8 | 9.6 | 11.0 | 12.2 |
| Operating profit | 4.6 | 1.2 | 0.7 | 1.1 | 1.2 | 4.2 | 1.2 | 1.0 | 1.2 | 1.5 | 4.9 | 6.1 | 6.9 |
| Other | 2020 | Q1/'21 | Q2/'21 | Q3/'21 | Q4/'21 | 2021 | Q1/'22E | Q2/'22E | Q3/'22E | Q4/'22E | 2022E | 2023E | 2024E |
| Revenue | 0.7 | 0.0 | 0.0 | 0.0 | 0.5 | 0.5 | 0.0 | 0.0 | 0.0 | 0.5 | 0.6 | 0.6 | 0.6 |
| Operating profit | -5.7 | -1.4 | -1.2 | -1.1 | -1.7 | -5.4 | -1.4 | -1.3 | -1.2 | -1.8 | -5.6 | -5.9 | -6.2 |

Source: CapMan, Evli Research estimates

| VALUATION RESULTS | BASE CASE DETAILS | VALUATION ASSUMPTIONS | ASSUMPTIONS FOR WACC |
|--------------------------|----------------------------|-------------------------|--------------------------------|
| Current share price | 2.97 PV of Free Cash Flow | 370 Long-term growth, % | 2.0 Risk-free interest rate, % |
| DCF share value | 5.38 PV of Horizon value | 494 WACC, % | 7.9 Market risk premium, % |
| Share price potential, % | 81.0 Unconsolidated equity | -5 Spread, % | 0.5 Debt risk premium, % |
| Maximum value | 5.9 Marketable securities | 65 Minimum WACC, % | 7.4 Equity beta coefficient |
| Minimum value | 4.9 Debt - dividend | -83 Maximum WACC, % | 8.4 Target debt ratio, % |
| Horizon value, % | 57.2 Value of stock | 842 Nr of shares, Mn | 156.6 Effective tax rate, % |

| DCF valuation, EURm | 2021 | 2022E | 2023E | 2024E | 2025E | 2026E | 2027E | 2028E | 2029E | 2030E | 2031E | Horizon |
|-----------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Net sales | 53 | 79 | 76 | 81 | 83 | 85 | 87 | 89 | 92 | 94 | 96 | 98 |
| <i>Sales growth, %</i> | <i>22.8</i> | <i>48.9</i> | <i>-3.9</i> | <i>7.1</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) | 45 | 60 | 56 | 62 | 58 | 59 | 61 | 62 | 64 | 66 | 67 | 68 |
| <i>Operating income margin, %</i> | <i>84.6</i> | <i>75.9</i> | <i>74.6</i> | <i>77.0</i> | <i>70.0</i> | <i>70.0</i> | <i>70.0</i> | <i>70.0</i> | <i>70.0</i> | <i>70.0</i> | <i>70.0</i> | <i>70.0</i> |
| + Depreciation+amort. | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| EBITDA | 46 | 61 | 58 | 64 | 60 | 61 | 63 | 64 | 66 | 68 | 69 | |
| - Paid taxes | -3 | -7 | -7 | -7 | -7 | -7 | -7 | -7 | -8 | -8 | -8 | |
| - Change in NWC | 5 | 6 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| <i>NWC / Sales, %</i> | <i>0.1</i> | <i>-7.2</i> | <i>-7.3</i> | <i>-7.2</i> | <i>-7.1</i> | <i>-7.1</i> | <i>-7.1</i> | <i>-7.1</i> | <i>-7.0</i> | <i>-7.0</i> | <i>-7.0</i> | |
| + Change in other liabs | 19 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| - Operative CAPEX | 0 | -11 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| <i>opCAPEX / Sales, %</i> | <i>0.7</i> | <i>15.1</i> | <i>2.1</i> | <i>2.2</i> | <i>2.2</i> | <i>2.2</i> | <i>2.2</i> | <i>2.3</i> | <i>2.3</i> | <i>2.4</i> | <i>2.3</i> | |
| - 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 | -33 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| = FCFF | 34 | 49 | 51 | 56 | 52 | 54 | 55 | 57 | 58 | 60 | 61 | 1,050 |
| = Discounted FCFF | | 46 | 44 | 45 | 39 | 37 | 35 | 33 | 32 | 30 | 29 | 494 |
| = DFCF min WACC | | 46 | 44 | 46 | 40 | 38 | 36 | 35 | 33 | 32 | 30 | 566 |
| = DFCF max WACC | | 46 | 43 | 45 | 38 | 36 | 34 | 32 | 31 | 29 | 27 | 435 |

INTERIM FIGURES

| EVLI ESTIMATES, EURm | 2021Q1 | 2021Q2 | 2021Q3 | 2021Q4 | 2021 | 2022Q1E | 2022Q2E | 2022Q3E | 2022Q4E | 2022E | 2023E | 2024E |
|--------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Net sales | 11.3 | 11.9 | 14.9 | 14.7 | 52.8 | 19.6 | 17.5 | 17.9 | 23.5 | 78.6 | 75.5 | 80.9 |
| EBITDA | 10.5 | 11.7 | 11.3 | 12.6 | 46.2 | 17.1 | 12.9 | 13.4 | 17.8 | 61.2 | 57.9 | 63.9 |
| <i>EBITDA margin (%)</i> | <i>92.8</i> | <i>98.5</i> | <i>76.1</i> | <i>85.9</i> | <i>87.4</i> | <i>87.3</i> | <i>74.0</i> | <i>74.5</i> | <i>75.6</i> | <i>77.9</i> | <i>76.7</i> | <i>79.0</i> |
| EBIT | 10.1 | 11.3 | 10.9 | 12.2 | 44.6 | 16.7 | 12.5 | 13.0 | 17.4 | 59.6 | 56.3 | 62.3 |
| <i>EBIT margin (%)</i> | <i>89.6</i> | <i>95.5</i> | <i>73.4</i> | <i>83.2</i> | <i>84.6</i> | <i>85.3</i> | <i>71.7</i> | <i>72.3</i> | <i>73.9</i> | <i>75.9</i> | <i>74.6</i> | <i>77.0</i> |
| Net financial items | -0.9 | -1.3 | -0.8 | -1.1 | -4.0 | -1.0 | -1.0 | -1.0 | -1.0 | -4.0 | -4.0 | -2.9 |
| Pre-tax profit | 9.3 | 10.1 | 10.2 | 11.1 | 40.6 | 15.7 | 11.5 | 12.0 | 16.4 | 55.6 | 52.4 | 59.4 |
| Tax | -1.5 | -1.2 | -0.7 | -1.7 | -5.2 | -1.9 | -1.4 | -1.4 | -2.0 | -6.7 | -6.3 | -7.1 |
| <i>Tax rate (%)</i> | <i>16.5</i> | <i>12.4</i> | <i>7.1</i> | <i>15.7</i> | <i>12.9</i> | <i>12.0</i> | <i>12.0</i> | <i>12.0</i> | <i>12.0</i> | <i>12.0</i> | <i>12.0</i> | <i>12.0</i> |
| Net profit | 7.5 | 8.8 | 9.0 | 9.0 | 34.3 | 13.5 | 9.8 | 10.2 | 14.1 | 47.6 | 44.7 | 50.9 |
| EPS | 0.05 | 0.06 | 0.06 | 0.06 | 0.22 | 0.09 | 0.06 | 0.07 | 0.09 | 0.30 | 0.29 | 0.32 |
| EPS adjusted (diluted no. of shares) | 0.05 | 0.06 | 0.06 | 0.06 | 0.22 | 0.09 | 0.06 | 0.07 | 0.09 | 0.30 | 0.29 | 0.32 |
| Dividend per share | 0.00 | 0.00 | 0.00 | 0.00 | 0.15 | 0.00 | 0.00 | 0.00 | 0.00 | 0.16 | 0.17 | 0.18 |
| SALES, EURm | | | | | | | | | | | | |
| Management Company business | 9.0 | 9.9 | 12.9 | 11.8 | 43.6 | 17.3 | 15.2 | 15.7 | 20.2 | 68.4 | 63.9 | 68.1 |
| Service business | 2.3 | 2.0 | 1.9 | 2.4 | 8.6 | 2.3 | 2.3 | 2.2 | 2.8 | 9.6 | 11.0 | 12.2 |
| Other & eliminations | 0.0 | 0.0 | 0.0 | 0.5 | 0.5 | 0.0 | 0.0 | 0.0 | 0.5 | 0.6 | 0.6 | 0.6 |
| Total | 11.3 | 11.9 | 14.9 | 14.7 | 52.8 | 19.6 | 17.5 | 17.9 | 23.5 | 78.6 | 75.5 | 80.9 |
| SALES GROWTH, Y/Y % | | | | | | | | | | | | |
| Management Company business | 25.9 | 52.6 | 84.5 | 14.6 | 41.0 | 91.6 | 53.7 | 21.6 | 71.5 | 56.8 | -6.6 | 6.6 |
| Service business | -52.5 | -10.2 | 7.1 | -5.4 | -24.1 | 1.6 | 15.0 | 15.0 | 15.0 | 11.5 | 15.0 | 10.0 |
| Other & eliminations | 57.1 | -47.6 | -90.0 | -11.3 | -23.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 |
| Total | -5.3 | 36.5 | 66.9 | 9.7 | 22.8 | 73.5 | 47.2 | 20.7 | 59.9 | 48.9 | -3.9 | 7.1 |
| EBIT, EURm | | | | | | | | | | | | |
| Management Company business | 2.5 | 2.4 | 5.1 | 3.2 | 13.2 | 10.2 | 7.1 | 7.2 | 10.9 | 35.4 | 29.3 | 31.7 |
| Investment business | 7.9 | 9.4 | 5.9 | 9.6 | 32.7 | 6.8 | 5.8 | 5.8 | 6.8 | 25.0 | 27.0 | 29.9 |
| Service business | 1.2 | 0.7 | 1.1 | 1.2 | 4.2 | 1.2 | 1.0 | 1.2 | 1.5 | 4.9 | 6.1 | 6.9 |
| Other & eliminations | -1.4 | -1.2 | -1.1 | -1.7 | -5.4 | -1.4 | -1.3 | -1.2 | -1.8 | -5.6 | -5.9 | -6.2 |
| Total | 10.1 | 11.3 | 10.9 | 12.2 | 44.6 | 16.7 | 12.5 | 13.0 | 17.4 | 59.6 | 56.3 | 62.3 |
| EBIT margin, % | | | | | | | | | | | | |
| Management Company business | 27.5 | 24.7 | 39.1 | 27.3 | 30.2 | 59.0 | 46.8 | 45.7 | 54.0 | 51.8 | 45.8 | 46.6 |
| Service business | 52.5 | 36.9 | 55.2 | 48.6 | 48.4 | 50.9 | 42.4 | 55.1 | 53.1 | 50.5 | 54.8 | 56.9 |
| Other & eliminations | -12,972.7 | -10,990.9 | -10,720.0 | -340.1 | -1,011.6 | -12,021.2 | -11,155.4 | -11,328.6 | -334.6 | -1,001.6 | -1,001.6 | -1,001.6 |
| Total | 89.6 | 95.5 | 73.4 | 83.2 | 84.6 | 85.3 | 71.7 | 72.3 | 73.9 | 75.9 | 74.6 | 77.0 |

| INCOME STATEMENT, EURm | 2017 | 2018 | 2019 | 2020 | 2021 | 2022E | 2023E | 2024E |
|--|-------------|-------------|-------------|--------------|-------------|-------------|-------------|-------------|
| Sales | 34.8 | 36.0 | 49.0 | 43.0 | 52.8 | 78.6 | 75.5 | 80.9 |
| <i>Sales growth (%)</i> | <i>30.6</i> | <i>3.3</i> | <i>36.1</i> | <i>-12.2</i> | <i>22.8</i> | <i>48.9</i> | <i>-3.9</i> | <i>7.1</i> |
| EBITDA | 21.2 | 12.2 | 25.0 | 13.9 | 46.2 | 61.2 | 57.9 | 63.9 |
| <i>EBITDA margin (%)</i> | <i>61.0</i> | <i>33.8</i> | <i>51.0</i> | <i>32.2</i> | <i>87.4</i> | <i>77.9</i> | <i>76.7</i> | <i>79.0</i> |
| Depreciation | -0.3 | -0.2 | -1.4 | -1.5 | -1.5 | -1.6 | -1.6 | -1.6 |
| EBITA | 21.0 | 12.0 | 23.6 | 12.3 | 44.6 | 59.6 | 56.3 | 62.3 |
| Goodwill amortization / writedown | -1.5 | 0.0 | -4.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| EBIT | 19.5 | 12.0 | 19.4 | 12.3 | 44.6 | 59.6 | 56.3 | 62.3 |
| <i>EBIT margin (%)</i> | <i>55.9</i> | <i>33.2</i> | <i>39.6</i> | <i>28.7</i> | <i>84.6</i> | <i>75.9</i> | <i>74.6</i> | <i>77.0</i> |
| Reported EBIT | 19.5 | 12.0 | 19.4 | 12.3 | 44.6 | 59.6 | 56.3 | 62.3 |
| <i>EBIT margin (reported) (%)</i> | <i>55.9</i> | <i>33.2</i> | <i>39.6</i> | <i>28.7</i> | <i>84.6</i> | <i>75.9</i> | <i>74.6</i> | <i>77.0</i> |
| Net financials | -3.3 | -2.7 | -1.8 | -3.1 | -4.0 | -4.0 | -4.0 | -2.9 |
| Pre-tax profit | 16.2 | 9.3 | 17.6 | 9.2 | 40.6 | 55.6 | 52.4 | 59.4 |
| Taxes | -0.8 | -0.8 | -1.7 | -2.9 | -5.2 | -6.7 | -6.3 | -7.1 |
| Minority shares | 0.0 | -0.4 | -1.9 | -1.1 | -1.0 | -1.4 | -1.4 | -1.4 |
| Net profit | 15.3 | 8.1 | 14.0 | 5.1 | 34.3 | 47.6 | 44.7 | 50.9 |
| 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 | 93 | 88 | 120 | 117 | 131 | 142 | 141 | 142 |
| Goodwill | 5 | 5 | 15 | 15 | 15 | 15 | 15 | 15 |
| Right of use assets | 0 | 3 | 3 | 2 | 1 | 1 | 1 | 1 |
| Inventory | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Receivables | 89 | 57 | 31 | 23 | 25 | 31 | 30 | 32 |
| Liquid funds | 23 | 55 | 44 | 58 | 65 | 83 | 103 | 85 |
| Total assets | 211 | 209 | 217 | 219 | 240 | 275 | 293 | 277 |
| Liabilities | | | | | | | | |
| Shareholder's equity | 127 | 121 | 127 | 113 | 126 | 150 | 169 | 194 |
| Minority interest | 0 | 0 | 2 | 1 | 2 | 2 | 2 | 2 |
| Convertibles | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Lease liabilities | 0 | 3 | 3 | 2 | 1 | 1 | 1 | 1 |
| Deferred taxes | 9 | 3 | 2 | 3 | 5 | 5 | 5 | 5 |
| Interest bearing debt | 48 | 60 | 57 | 81 | 82 | 80 | 80 | 38 |
| Non-interest bearing current liabilities | 27 | 17 | 20 | 18 | 24 | 36 | 35 | 37 |
| Other interest-free debt | 1 | 5 | 5 | 1 | 1 | 1 | 1 | 1 |
| Total liabilities | 211 | 209 | 217 | 219 | 240 | 275 | 293 | 277 |
| CASH FLOW, EURm | | | | | | | | |
| + EBITDA | 21 | 12 | 25 | 14 | 46 | 61 | 58 | 64 |
| - Net financial items | -3 | -3 | -2 | -3 | -4 | -4 | -4 | -3 |
| - Taxes | -2 | -3 | -5 | -4 | -3 | -7 | -6 | -7 |
| - Increase in Net Working Capital | -2 | -7 | -3 | -16 | 5 | 6 | 0 | 0 |
| +/- Other | -18 | -4 | -16 | -3 | -33 | -1 | -1 | -1 |
| = Cash flow from operations | -4 | -5 | 0 | -12 | 11 | 55 | 46 | 53 |
| - Capex | -1 | 2 | -6 | -3 | 0 | -12 | -2 | -2 |
| - Acquisitions | 0 | -8 | -1 | 0 | 0 | 0 | 0 | 0 |
| + Divestments | 0 | 0 | 6 | 0 | 0 | 0 | 0 | 0 |
| = Free cash flow | -4 | -11 | -1 | -16 | 11 | 43 | 45 | 51 |
| +/- New issues/buybacks | -4 | 2 | 12 | -1 | 2 | 0 | 0 | 0 |
| - Paid dividend | -13 | -16 | -18 | -20 | -22 | -23 | -25 | -27 |
| +/- Other | -1 | 56 | -5 | 51 | 16 | -2 | 0 | -42 |
| Change in cash | -22 | 31 | -11 | 14 | 7 | 18 | 20 | -18 |

| KEY FIGURES | 2018 | 2019 | 2020 | 2021 | 2022E | 2023E | 2024E |
|--|---------|----------|---------|---------|---------|---------|---------|
| M-cap | 216 | 354 | 363 | 476 | 465 | 465 | 465 |
| Net debt (excl. convertibles) | 8 | 16 | 26 | 18 | -2 | -21 | -46 |
| Enterprise value | 225 | 377 | 391 | 500 | 468 | 448 | 423 |
| Sales | 36 | 49 | 43 | 53 | 79 | 76 | 81 |
| EBITDA | 12 | 25 | 14 | 46 | 61 | 58 | 64 |
| EBIT | 12 | 19 | 12 | 45 | 60 | 56 | 62 |
| Pre-tax | 9 | 18 | 9 | 41 | 56 | 52 | 59 |
| Earnings | 8 | 14 | 5 | 34 | 48 | 45 | 51 |
| Equity book value (excl. minorities) | 121 | 127 | 113 | 126 | 150 | 169 | 194 |
| Valuation multiples | | | | | | | |
| EV/sales | 6.3 | 7.7 | 9.1 | 9.5 | 6.0 | 5.9 | 5.2 |
| EV/EBITDA | 18.5 | 15.1 | 28.2 | 10.8 | 7.6 | 7.7 | 6.6 |
| EV/EBITA | 18.9 | 15.9 | 31.7 | 11.2 | 7.9 | 8.0 | 6.8 |
| EV/EBIT | 18.9 | 19.4 | 31.7 | 11.2 | 7.9 | 8.0 | 6.8 |
| EV/OCF | -48.1 | -1,037.5 | -32.8 | 45.4 | 8.5 | 9.7 | 8.0 |
| EV/FCFF | 4.9 | 23.7 | 70.9 | 14.7 | 9.5 | 8.9 | 7.5 |
| P/FCFE | -19.3 | -404.4 | -23.2 | 42.9 | 10.8 | 10.5 | 9.1 |
| P/E | 26.8 | 25.4 | 70.6 | 13.9 | 9.8 | 10.4 | 9.1 |
| P/B | 1.8 | 2.8 | 3.2 | 3.8 | 3.1 | 2.7 | 2.4 |
| Target EV/EBITDA | 0.0 | 0.0 | 0.0 | 0.0 | 8.7 | 8.9 | 7.6 |
| Target EV/EBIT | 0.0 | 0.0 | 0.0 | 0.0 | 8.9 | 9.1 | 7.8 |
| Target EV/FCF | 0.0 | 0.0 | 0.0 | 0.0 | 12.4 | 11.5 | 9.6 |
| Target P/B | 0.0 | 0.0 | 0.0 | 0.0 | 3.6 | 3.1 | 2.7 |
| Target P/E | 0.0 | 0.0 | 0.0 | 0.0 | 11.2 | 11.9 | 10.5 |
| Per share measures | | | | | | | |
| Number of shares | 147,116 | 153,755 | 156,459 | 156,617 | 156,617 | 156,617 | 156,617 |
| Number of shares (diluted) | 147,116 | 153,755 | 156,459 | 156,617 | 156,617 | 156,617 | 156,617 |
| EPS | 0.05 | 0.09 | 0.03 | 0.22 | 0.30 | 0.29 | 0.32 |
| Operating cash flow per share | -0.03 | 0.00 | -0.08 | 0.07 | 0.35 | 0.29 | 0.34 |
| Free cash flow per share | -0.08 | -0.01 | -0.10 | 0.07 | 0.27 | 0.28 | 0.33 |
| Book value per share | 0.82 | 0.83 | 0.72 | 0.80 | 0.96 | 1.08 | 1.24 |
| Dividend per share | 0.12 | 0.13 | 0.14 | 0.15 | 0.16 | 0.17 | 0.18 |
| Dividend payout ratio, % | 218.9 | 143.1 | 426.1 | 68.5 | 52.7 | 59.6 | 55.4 |
| Dividend yield, % | 8.2 | 5.6 | 6.0 | 5.1 | 5.4 | 5.7 | 6.1 |
| FCF yield, % | -5.2 | -0.2 | -4.3 | 2.3 | 9.3 | 9.6 | 11.0 |
| Efficiency measures | | | | | | | |
| ROE | 6.5 | 11.3 | 4.3 | 28.8 | 34.5 | 28.0 | 28.0 |
| ROCE | 6.7 | 10.4 | 6.4 | 21.9 | 26.9 | 23.2 | 25.6 |
| Financial ratios | | | | | | | |
| Inventories as % of sales | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Receivables as % of sales | 157.6 | 63.2 | 54.5 | 47.9 | 40.0 | 40.0 | 40.0 |
| Non-interest bearing liabilities as % of sales | 46.7 | 41.2 | 41.9 | 46.0 | 46.0 | 46.0 | 46.0 |
| NWC/sales, % | 96.8 | 12.9 | 9.6 | 0.1 | -7.2 | -7.3 | -7.2 |
| Operative CAPEX/sales, % | -5.2 | 12.0 | 8.0 | 0.7 | 15.1 | 2.1 | 2.2 |
| CAPEX/sales (incl. acquisitions), % | -28.6 | 10.9 | 7.4 | 0.7 | 15.1 | 2.1 | 2.2 |
| FCFF/EBITDA | 3.8 | 0.6 | 0.4 | 0.7 | 0.8 | 0.9 | 0.9 |
| Net debt/EBITDA, book-weighted | 0.7 | 0.7 | 1.8 | 0.4 | 0.0 | -0.4 | -0.7 |
| Debt/equity, market-weighted | 0.3 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.1 |
| Equity ratio, book-weighted | 57.8 | 59.8 | 51.8 | 53.0 | 55.2 | 58.4 | 70.4 |
| Gearing, % | 6.9 | 12.6 | 22.5 | 14.0 | -1.2 | -12.4 | -23.3 |

COMPANY DESCRIPTION: CapMan is a leading Nordic asset management and investment company. CapMan manages over EUR 4.5 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, Credit and Special situations. 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 | 48.193 | 10.4% |
| Ilmarinen Mutual Pension Insurance Company | 10,318,326 | 30.645 | 6.6% |
| Laakkonen Mikko Kalervo | 6,378,320 | 18.944 | 4.1% |
| Oy Inventiainvest AB | 4,286,860 | 12.732 | 2.7% |
| Varma Mutual Pension Insurance Company | 3,675,215 | 10.915 | 2.3% |
| Joensuun Kauppa ja Kone Oy | 3,289,502 | 9.770 | 2.1% |
| Vesasco Oy | 3,088,469 | 9.173 | 2.0% |
| The State Pension Fund | 2,500,000 | 7.425 | 1.6% |
| Nordea Funds | 2,345,639 | 6.967 | 1.5% |
| Handelsbanken Funds | 2,193,707 | 6.515 | 1.4% |
| Ten largest | 54,302,557 | 161.279 | 35% |
| Residual | 102,314,736 | 303.875 | 65% |
| Total | 156,617,293 | 465.153 | 100% |

| EARNINGS CALENDAR | |
|-------------------|-----------|
| April 28, 2022 | Q1 report |
| August 04, 2022 | Q2 report |
| October 27, 2022 | Q3 report |
| OTHER EVENTS | |
| March 16, 2022 | AGM |

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

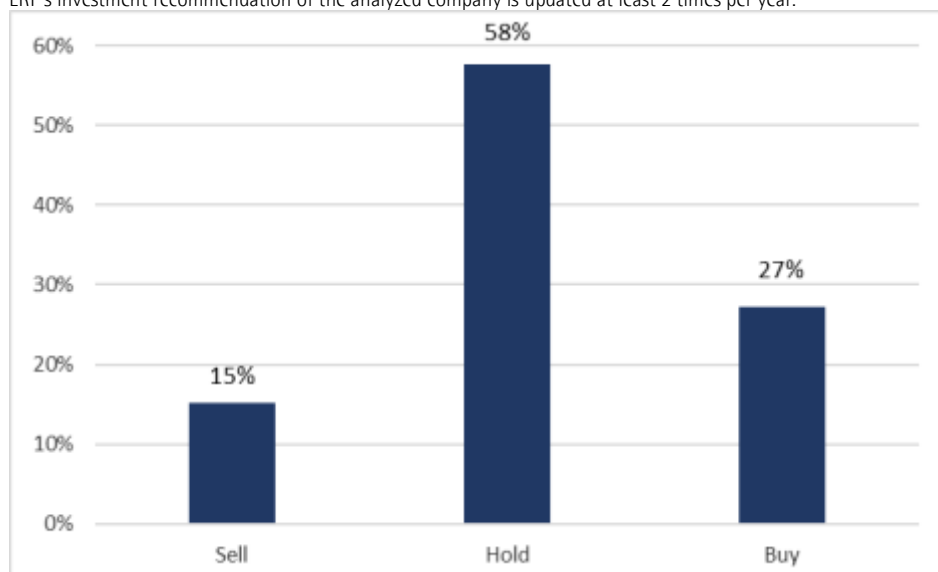
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Investment recommendations are defined as follows:

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

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

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