

Near-term softness persists

CapMan's Q3 was below estimates mainly due to carry and FV changes. Potential appears to remain high but near-term market conditions remain uncertain.

Below expectations mainly through carry and FV changes

CapMan reported Q3 results somewhat below our expectations. Revenue amounted to EUR 13.7m (EUR 17.3m/17.3m Evli/Cons.) while operating profit amounted to EUR 4.8m (EUR 7.0m/7.2m Evli/cons.). The main difference to our estimates came from the Management Company business, with limited carried interest and management fees also on the softer side due to limited new fundraising. Fair value changes were further slightly below our expectations. Assets under management amounted to EUR 5.0bn, on par with previous year levels. CapMan updated its distribution policy, aiming to 70% of profits attributable to equity holders excl. FV change impact and may additionally pay out distributions accrued from investment operations. The BoD is expected to propose a DPS of EUR 8-12 cents to the 2024 AGM, a notable decrease from a DPS of EUR 17 cents in 2023.

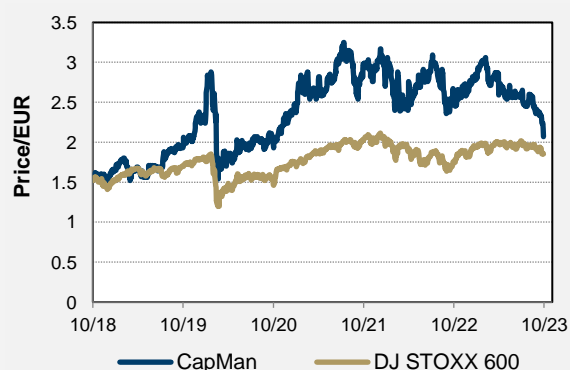
Near-term still appears slow

Performance remains weakened by low carried interest and FV changes and signs of significant near-term improvement in that regard are limited. Our revised 2023e estimates for revenue and operating profit are EUR 61.2m (68.7m) and EUR 13.7m (22.5m) respectively, and our 2024 operating profit estimate is down by ~20%, anticipating a slower start to the year. Although not visible in the financial performance, near-term activity appears reasonably high through the fundraising pipeline and carry potential, with the Services business also continuing solid performance. We also interpret management comments as likely M&A activity in the near-term. The main uncertainties remain the timing uncertainty and investor demand.

BUY with a target price of EUR 2.4 (2.8)

With our lowered estimates and the reduced distribution outlook, we lower our TP to EUR 2.4 (2.8). CapMan is clearly gearing up for growth and the current valuation in our view does not reflect the earnings potential in coming years.

Rating BUY



Share price, EUR (Last trading day's closing price) 2.07

Target price, EUR 2.4

Latest change in recommendation 29-Apr-21

Latest report on company 04-Aug-23

Research paid by issuer: YES

No. of shares outstanding, '000's 158,823

No. of shares fully diluted, '000's 158,823

Market cap, EURm 329

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

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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
2021	52.8	44.6	84.6%	11.1	0.22	13.9	9.5	11.2	2.3	0.15
2022	67.5	53.1	78.6%	3.0	0.25	10.8	7.0	8.9	0.7	0.17
2023E	61.2	13.7	22.4%	9.8	0.06	33.5	6.3	28.3	3.0	0.09
2024E	75.3	37.3	49.6%	30.2	0.19	10.7	4.9	10.0	9.2	0.11
2025E	85.6	52.8	61.7%	44.8	0.28	7.3	4.0	6.5	13.6	0.13
Market cap, EURm	329			Gearing 2023E, %	43.6			CAGR EPS 2022-25, %	4.2	
Net debt 2023E, EURm	54			Price/book 2023E	2.7			CAGR sales 2022-25, %	8.2	
Enterprise value, EURm	389			Dividend yield 2023E, %	4.3			ROE 2023E, %	7.5	
Total assets 2023E, EURm	263			Tax rate 2023E, %	6.4			ROCE 2023E, %	5.9	
Goodwill 2023E, EURm	8			Equity ratio 2023E, %	47.6			PEG, P/E 23/CAGR	0.4	

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

CapMan	2021	Q1/'22	Q2/'22	Q3/'22	Q4/'22	2022	Q1/'23	Q2/'23	Q3/'23	Q4/'23E	2023E	2024E	2025E
Revenue	52.8	14.2	17.7	15.9	19.7	67.5	15.1	16.5	13.7	15.9	61.2	75.3	85.6
<i>change, %</i>	<i>22.8%</i>	<i>25.7%</i>	<i>48.8%</i>	<i>6.9%</i>	<i>34.1%</i>	<i>27.9%</i>	<i>6.4%</i>	<i>-6.8%</i>	<i>-13.8%</i>	<i>-19.3%</i>	<i>-9.3%</i>	<i>23.0%</i>	<i>13.6%</i>
Other operating income	0.1	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.1	0.1
Materials and services	0.0	-0.1	-0.3	-0.3	-0.3	-1.0	-0.3	-0.5	-0.5	-0.5	-1.8	-2.0	-2.2
Personnel expenses	-30.6	-7.3	-10.0	-7.7	-9.7	-34.7	-8.9	-8.1	-7.0	-8.9	-33.8	-38.1	-42.1
Other operating expenses	-10.0	-2.3	-2.6	-2.9	-3.4	-11.2	-2.6	-3.0	-2.0	-3.2	-10.8	-11.4	-11.9
Depreciation and amortisation	-1.6	-0.4	-0.4	-0.4	-3.0	-4.1	-0.4	-0.4	-0.4	-0.4	-1.5	-1.6	-1.6
Fair value changes	33.9	14.7	9.8	8.0	4.1	36.5	-2.4	-0.3	0.9	2.2	0.4	15.0	25.0
Operating profit	44.6	18.9	14.1	12.7	7.5	53.1	0.5	4.2	3.9	5.1	13.7	37.3	52.8
<i>Operating profit margin, %</i>	<i>84.6%</i>	<i>>100%</i>	<i>79.8%</i>	<i>79.7%</i>	<i>37.8%</i>	<i>78.6%</i>	<i>3.3%</i>	<i>25.3%</i>	<i>28.6%</i>	<i>32.2%</i>	<i>22.4%</i>	<i>49.6%</i>	<i>61.7%</i>
Items affecting comparability	0.0	0.0	0.0	0.0	2.6	2.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Adj. operating profit	44.6	18.9	14.1	12.7	10.1	55.7	0.5	4.2	3.9	5.1	13.7	37.3	52.8
Net financials	-4.0	-2.6	-1.1	-0.5	-1.3	-5.5	-0.5	-0.3	-0.1	-0.3	-1.2	-2.1	-1.8
Pre-tax profit	40.6	16.3	13.0	12.2	6.1	47.6	0.0	3.8	3.8	4.8	12.5	35.3	50.9
Income taxes	-5.2	-2.9	-1.2	-1.4	-1.1	-6.6	0.8	0.2	-1.1	-0.6	-0.8	-2.3	-3.3
Minority interest	-1.0	-0.1	-0.2	-0.5	-0.6	-1.4	-0.5	-0.7	-0.2	-0.5	-1.9	-2.4	-2.6
Profit for the period	34.3	13.3	11.6	10.2	4.5	39.6	0.3	3.3	2.5	3.7	9.9	30.6	45.1
EPS, EUR	0.22	0.09	0.07	0.07	0.03	0.25	0.00	0.02	0.02	0.02	0.06	0.19	0.28
Assets under management	4908	5060				5039	5070	5010	5021		5050	5800	7300
Management Company business	2021	Q1/'22	Q2/'22	Q3/'22	Q4/'22	2022	Q1/'23	Q2/'23	Q3/'23	Q4/'23E	2023E	2024E	2025E
Revenue	43.6	11.7	14.5	12.6	17.1	55.9	12.5	13.7	11.1	12.7	49.9	62.6	71.5
-Fee income	40.8	10.4	11.4	11.6	12.9	46.2	12.5	10.9	10.8	12.2	46.4	52.0	59.7
-Carried interest	2.9	1.3	3.2	1.0	4.1	9.6	0.0	2.8	0.3	0.5	3.5	10.6	11.7
Operating profit	13.2	4.4	6.1	4.2	7.6	22.3	3.2	5.0	3.6	3.5	15.2	23.7	28.7
Investment business	2021	Q1/'22	Q2/'22	Q3/'22	Q4/'22	2022	Q1/'23	Q2/'23	Q3/'23	Q4/'23E	2023E	2024E	2025E
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	32.7	14.5	9.6	7.9	3.7	35.7	-2.6	-0.4	0.9	1.8	-0.3	14.2	24.2
Services business	2021	Q1/'22	Q2/'22	Q3/'22	Q4/'22	2022	Q1/'23	Q2/'23	Q3/'23	Q4/'23E	2023E	2024E	2025E
Revenue	8.6	2.5	3.2	3.1	2.4	11.1	2.6	2.7	2.5	2.9	10.7	12.1	13.5
Operating profit	4.2	1.4	1.7	1.8	-1.9	3.0	1.5	1.5	1.4	1.7	6.1	7.1	8.0
Other	2021	Q1/'22	Q2/'22	Q3/'22	Q4/'22	2022	Q1/'23	Q2/'23	Q3/'23	Q4/'23E	2023E	2024E	2025E
Revenue	0.5	0.0	0.0	0.2	0.3	0.6	0.0	0.1	0.1	0.3	0.6	0.6	0.6
Operating profit	-5.4	-1.4	-3.3	-1.3	-1.9	-7.9	-1.6	-1.9	-1.9	-1.9	-7.3	-7.7	-8.1

Source: CapMan, Evli Research estimates

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	2.07 PV of Free Cash Flow	369 Long-term growth, %	2.0 Risk-free interest rate, %
DCF share value	5.57 PV of Horizon value	586 WACC, %	7.9 Market risk premium, %
Share price potential, %	169.2 Unconsolidated equity	-6 Spread, %	0.5 Debt risk premium, %
Maximum value	6.1 Marketable securities	56 Minimum WACC, %	7.4 Equity beta coefficient
Minimum value	5.1 Debt - dividend	-120 Maximum WACC, %	8.4 Target debt ratio, %
Horizon value, %	61.4 Value of stock	885 Nr of shares, Mn	158.8 Effective tax rate, %

DCF valuation, EURm	2022	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	Horizon
Net sales	68	61	75	86	88	90	92	94	97	99	101	103
<i>Sales growth, %</i>	<i>27.9</i>	<i>-9.3</i>	<i>23.0</i>	<i>13.6</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)	53	14	37	53	61	63	64	66	68	69	71	72
<i>Operating income margin, %</i>	<i>78.6</i>	<i>22.4</i>	<i>49.6</i>	<i>61.7</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.	4	1	1	2	2	2	2	2	2	2	2	
EBITDA	57	15	39	54	63	65	66	68	70	72	73	
- Paid taxes	-4	-1	-2	-3	-4	-4	-4	-4	-4	-4	-4	-5
- Change in NWC	-10	0	0	0	0	0	0	0	0	0	0	0
<i>NWC / Sales, %</i>	<i>7.6</i>	<i>8.3</i>	<i>6.9</i>	<i>6.1</i>	<i>6.0</i>	<i>5.9</i>	<i>5.7</i>	<i>5.6</i>	<i>5.5</i>	<i>5.4</i>	<i>5.3</i>	
+ Change in other liabs	2	0	0	0	0	0	0	0	0	0	0	0
- Operative CAPEX	0	0	0	0	0	0	0	0	0	0	0	0
<i>opCAPEX / Sales, %</i>	<i>4.9</i>	<i>2.5</i>	<i>2.4</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	0
+ Divestments	0	0	0	0	0	0	0	0	0	0	0	0
- Other items	-32	0	0	0	0	0	0	0	0	0	0	0
= FCFF	13	14	36	51	59	60	62	63	65	67	68	1,178
= Discounted FCFF		14	33	43	46	44	42	40	38	36	34	586
= DFCF min WACC		14	33	43	47	45	43	41	39	37	35	668
= DFCF max WACC		14	33	42	46	43	41	39	36	35	33	518

INTERIM FIGURES

EVLI ESTIMATES, EURm	2022Q1	2022Q2	2022Q3	2022Q4	2022	2023Q1	2023Q2	2023Q3	2023Q4E	2023E	2024E	2025E
Net sales	14.2	17.7	15.9	19.7	67.5	15.1	16.5	13.7	15.9	61.2	75.3	85.6
EBITDA	19.3	14.5	13.0	10.5	57.3	0.9	4.5	4.3	5.5	15.2	38.8	54.4
<i>EBITDA margin (%)</i>	<i>135.5</i>	<i>82.2</i>	<i>81.9</i>	<i>53.0</i>	<i>84.8</i>	<i>5.9</i>	<i>27.6</i>	<i>31.2</i>	<i>34.5</i>	<i>24.8</i>	<i>51.6</i>	<i>63.6</i>
EBIT	18.9	14.1	12.7	7.5	53.1	0.5	4.2	3.9	5.1	13.7	37.3	52.8
<i>EBIT margin (%)</i>	<i>132.7</i>	<i>79.8</i>	<i>79.7</i>	<i>37.8</i>	<i>78.6</i>	<i>3.3</i>	<i>25.3</i>	<i>28.6</i>	<i>32.2</i>	<i>22.4</i>	<i>49.6</i>	<i>61.7</i>
Net financial items	-2.6	-1.1	-0.5	-1.3	-5.5	-0.5	-0.3	-0.1	-0.3	-1.2	-2.1	-1.8
Pre-tax profit	16.3	13.0	12.2	6.1	47.6	0.0	3.8	3.8	4.8	12.5	35.3	50.9
Tax	-2.9	-1.2	-1.4	-1.1	-6.6	0.7	0.2	-1.1	-0.6	-0.8	-2.3	-3.3
<i>Tax rate (%)</i>	<i>17.7</i>	<i>9.2</i>	<i>11.9</i>	<i>12.1</i>	<i>13.1</i>	<i>-18,450.0</i>	<i>-3.9</i>	<i>27.9</i>	<i>13.0</i>	<i>6.4</i>	<i>6.4</i>	<i>6.4</i>
Net profit	13.3	11.6	10.2	4.5	39.6	0.3	3.3	2.5	3.7	9.8	30.6	45.1
EPS	0.08	0.07	0.06	0.03	0.25	0.00	0.02	0.02	0.02	0.06	0.19	0.28
EPS adjusted (diluted no. of shares)	0.08	0.07	0.06	0.03	0.25	0.00	0.02	0.02	0.02	0.06	0.19	0.28
Dividend per share	0.00	0.00	0.00	0.00	0.17	0.00	0.00	0.00	0.00	0.09	0.11	0.13
SALES, EURm												
Management Company business	11.7	14.5	12.6	17.1	55.9	12.5	13.7	11.1	12.7	49.9	62.6	71.5
Service business	2.5	3.2	3.1	2.3	11.1	2.6	2.7	2.5	2.9	10.7	12.1	13.5
Other & eliminations	0.0	0.0	0.2	0.3	0.6	0.0	0.1	0.1	0.3	0.6	0.6	0.6
Total	14.2	17.7	15.9	19.7	67.5	15.1	16.5	13.7	15.9	61.2	75.3	85.6
SALES GROWTH, Y/Y %												
<i>Management Company business</i>	<i>29.3</i>	<i>46.8</i>	<i>-2.6</i>	<i>44.9</i>	<i>28.0</i>	<i>6.8</i>	<i>-5.9</i>	<i>-11.9</i>	<i>-25.6</i>	<i>-10.6</i>	<i>25.4</i>	<i>14.1</i>
<i>Service business</i>	<i>11.3</i>	<i>59.1</i>	<i>59.7</i>	<i>-3.5</i>	<i>29.0</i>	<i>4.0</i>	<i>-14.1</i>	<i>-19.3</i>	<i>23.5</i>	<i>-3.5</i>	<i>13.0</i>	<i>11.0</i>
<i>Other & eliminations</i>	<i>-36.4</i>	<i>-9.1</i>	<i>2,040.0</i>	<i>-36.1</i>	<i>3.2</i>	<i>242.9</i>	<i>1,030.0</i>	<i>-44.9</i>	<i>0.3</i>	<i>4.5</i>	<i>5.7</i>	<i>5.0</i>
Total	25.7	48.8	6.9	34.1	27.9	6.4	-6.8	-13.8	-19.3	-9.3	23.0	13.6
EBIT, EURm												
Management Company business	4.4	6.1	4.2	7.6	22.3	3.2	5.0	3.6	3.5	15.2	23.7	28.7
Investment business	14.5	9.6	7.9	3.7	35.7	-2.6	-0.4	0.9	1.8	-0.3	14.2	24.2
Service business	1.4	1.7	1.8	-1.9	3.0	1.5	1.5	1.4	1.7	6.1	7.1	8.0
Other & eliminations	-1.4	-3.3	-1.3	-1.9	-7.9	-1.6	-1.9	-1.9	-1.9	-7.3	-7.7	-8.1
Total	18.9	14.1	12.7	7.5	53.1	0.5	4.2	3.9	5.1	13.7	37.3	52.8
EBIT margin, %												
<i>Management Company business</i>	<i>37.6</i>	<i>42.0</i>	<i>33.7</i>	<i>44.4</i>	<i>39.9</i>	<i>25.3</i>	<i>36.3</i>	<i>32.3</i>	<i>27.6</i>	<i>30.5</i>	<i>37.9</i>	<i>40.1</i>
<i>Investment business</i>										<i>76,250.0</i>		
<i>Service business</i>	<i>54.4</i>	<i>52.9</i>	<i>59.6</i>	<i>-79.6</i>	<i>27.1</i>	<i>56.2</i>	<i>56.9</i>	<i>57.1</i>	<i>58.6</i>	<i>57.3</i>	<i>58.4</i>	<i>59.1</i>
<i>Other & eliminations</i>	<i>-19,814.3</i>	<i>-32,780.0</i>	<i>-630.4</i>	<i>-595.7</i>	<i>-1,434.4</i>	<i>-6,533.3</i>	<i>-1,714.2</i>	<i>-1,641.5</i>	<i>-581.1</i>	<i>-1,266.3</i>	<i>-1,257.6</i>	<i>-1,257.6</i>
Total	132.7	79.8	79.7	37.8	78.6	3.3	25.3	28.6	32.2	22.4	49.6	61.7

INCOME STATEMENT, EURm	2018	2019	2020	2021	2022	2023E	2024E	2025E
Sales	36.0	49.0	43.0	52.8	67.5	61.2	75.3	85.6
<i>Sales growth (%)</i>	<i>3.3</i>	<i>36.1</i>	<i>-12.2</i>	<i>22.8</i>	<i>27.9</i>	<i>-9.3</i>	<i>23.0</i>	<i>13.6</i>
EBITDA	12.2	25.0	13.9	46.2	57.3	15.2	38.8	54.4
<i>EBITDA margin (%)</i>	<i>33.8</i>	<i>51.0</i>	<i>32.2</i>	<i>87.4</i>	<i>84.8</i>	<i>24.8</i>	<i>51.6</i>	<i>63.6</i>
Depreciation	-0.2	-1.4	-1.5	-1.5	-1.6	-1.5	-1.5	-1.6
EBITA	12.0	23.6	12.3	44.6	55.7	13.7	37.3	52.8
Goodwill amortization / writedown	0.0	-4.2	0.0	0.0	-2.6	0.0	0.0	0.0
EBIT	12.0	19.4	12.3	44.6	53.1	13.7	37.3	52.8
<i>EBIT margin (%)</i>	<i>33.2</i>	<i>39.6</i>	<i>28.7</i>	<i>84.6</i>	<i>78.6</i>	<i>22.4</i>	<i>49.6</i>	<i>61.7</i>
Reported EBIT	12.0	19.4	12.3	44.6	53.1	13.7	37.3	52.8
<i>EBIT margin (reported) (%)</i>	<i>33.2</i>	<i>39.6</i>	<i>28.7</i>	<i>84.6</i>	<i>78.6</i>	<i>22.4</i>	<i>49.6</i>	<i>61.7</i>
Net financials	-2.7	-1.8	-3.1	-4.0	-5.5	-1.2	-2.1	-1.8
Pre-tax profit	9.3	17.6	9.2	40.6	47.6	12.5	35.3	50.9
Taxes	-0.8	-1.7	-2.9	-5.2	-6.6	-0.8	-2.3	-3.3
Minority shares	-0.4	-1.9	-1.1	-1.0	-1.4	-1.9	-2.4	-2.6
Net profit	8.1	14.0	5.1	34.3	39.6	9.8	30.6	45.1
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	88	120	117	131	170	170	170	170
Goodwill	5	15	15	15	8	8	8	8
Right of use assets	3	3	2	1	3	3	3	4
Inventory	0	0	0	0	0	0	0	0
Receivables	57	31	23	25	32	30	35	39
Liquid funds	55	44	58	65	56	50	62	70
Total assets	209	217	219	240	271	263	280	293
Liabilities								
Shareholder's equity	121	127	113	126	140	123	139	167
Minority interest	0	2	1	2	2	2	2	2
Convertibles	0	0	0	0	0	0	0	0
Lease liabilities	3	3	2	1	3	3	3	4
Deferred taxes	3	2	3	5	8	8	8	8
Interest bearing debt	60	57	81	82	90	102	97	78
Non-interest bearing current liabilities	17	20	18	24	26	23	29	33
Other interest-free debt	5	5	1	1	1	1	1	1
Total liabilities	209	217	219	240	271	263	280	293
CASH FLOW, EURm								
+ EBITDA	12	25	14	46	57	15	39	54
- Net financial items	-3	-2	-3	-4	-5	-1	-2	-2
- Taxes	-3	-5	-4	-3	-3	-1	-2	-3
- Increase in Net Working Capital	-7	-3	-16	5	-10	0	0	0
+/- Other	-4	-16	-3	-33	-32	-2	-2	-3
= Cash flow from operations	-5	0	-12	11	6	11	32	47
- Capex	2	-6	-3	0	-3	-2	-2	-2
- Acquisitions	-8	-1	0	0	0	0	0	0
+ Divestments	0	6	0	0	0	0	0	0
= Free cash flow	-11	-1	-16	11	3	10	30	45
+/- New issues/buybacks	2	12	-1	2	-1	0	0	0
- Paid dividend	-16	-18	-20	-22	-23	-27	-14	-17
+/- Other	56	-5	51	16	12	12	-4	-19
Change in cash	31	-11	14	7	-10	-5	12	8

KEY FIGURES	2019	2020	2021	2022	2023E	2024E	2025E
M-cap	354	363	476	428	329	329	329
Net debt (excl. convertibles)	16	26	18	37	54	39	11
Enterprise value	377	391	500	472	389	372	344
Sales	49	43	53	68	61	75	86
EBITDA	25	14	46	57	15	39	54
EBIT	19	12	45	53	14	37	53
Pre-tax	18	9	41	48	12	35	51
Earnings	14	5	34	40	10	31	45
Equity book value (excl. minorities)	127	113	126	140	123	139	167
Valuation multiples							
EV/sales	7.7	9.1	9.5	7.0	6.3	4.9	4.0
EV/EBITDA	15.1	28.2	10.8	8.2	25.6	9.6	6.3
EV/EBITA	15.9	31.7	11.2	8.5	28.3	10.0	6.5
EV/EBIT	19.4	31.7	11.2	8.9	28.3	10.0	6.5
EV/OCF	-1,037.5	-32.8	45.4	78.1	34.3	11.6	7.4
EV/FCFF	23.7	70.9	14.7	35.5	27.4	10.3	6.8
P/FCFE	-404.4	-23.2	42.9	140.8	33.6	10.9	7.3
P/E	25.4	70.6	13.9	10.8	33.5	10.7	7.3
P/B	2.8	3.2	3.8	3.1	2.7	2.4	2.0
Target EV/EBITDA	0.0	0.0	0.0	0.0	28.8	10.9	7.3
Target EV/EBIT	0.0	0.0	0.0	0.0	31.9	11.3	7.5
Target EV/FCF	0.0	0.0	0.0	0.0	44.7	14.0	8.8
Target P/B	0.0	0.0	0.0	0.0	3.1	2.7	2.3
Target P/E	0.0	0.0	0.0	0.0	38.8	12.5	8.5
Per share measures							
Number of shares	153,755	156,459	156,617	158,055	158,823	158,823	158,823
Number of shares (diluted)	153,755	156,459	156,617	158,055	158,823	158,823	158,823
EPS	0.09	0.03	0.22	0.25	0.06	0.19	0.28
Operating cash flow per share	0.00	-0.08	0.07	0.04	0.07	0.20	0.29
Free cash flow per share	-0.01	-0.10	0.07	0.02	0.06	0.19	0.28
Book value per share	0.83	0.72	0.80	0.89	0.77	0.88	1.05
Dividend per share	0.13	0.14	0.15	0.17	0.09	0.11	0.13
Dividend payout ratio, %	143.1	426.1	68.5	67.8	145.6	57.1	45.8
Dividend yield, %	5.6	6.0	4.9	6.3	4.3	5.3	6.3
FCF yield, %	-0.2	-4.3	2.3	0.7	3.0	9.2	13.6
Efficiency measures							
ROE	11.3	4.3	28.8	29.8	7.5	23.3	29.4
ROCE	10.4	6.4	21.9	23.8	5.9	15.8	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	63.2	54.5	47.9	47.5	48.4	46.6	45.7
Non-interest bearing liabilities as % of sales	41.2	41.9	46.0	38.2	38.2	38.2	38.2
NWC/sales, %	12.9	9.6	0.1	7.6	8.3	6.9	6.1
Operative CAPEX/sales, %	12.0	8.0	0.7	4.9	2.5	2.4	2.2
CAPEX/sales (incl. acquisitions), %	10.9	7.4	0.7	4.9	2.5	2.4	2.2
FCFF/EBITDA	0.6	0.4	0.7	0.2	0.9	0.9	0.9
Net debt/EBITDA, book-weighted	0.7	1.8	0.4	0.7	3.6	1.0	0.2
Debt/equity, market-weighted	0.2	0.2	0.2	0.2	0.3	0.3	0.2
Equity ratio, book-weighted	59.8	51.8	53.0	52.5	47.6	50.4	57.7
Gearing, %	12.6	22.5	14.0	26.3	43.6	27.3	6.6

COMPANY DESCRIPTION: CapMan is a leading Nordic asset management and investment company. CapMan manages over EUR 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 consisting of procurement activities provider CaPs.

INVESTMENT CASE: CapMan is set to continue to grow its earnings and increase earnings stability, but current market conditions have posted challenges. 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 in an approaching carry. Good cash flows and a healthy balance sheet support continued high dividend payouts.

OWNERSHIP STRUCTURE	SHARES	EURm	%
Silvertärnan Ab	21,280,519	44.051	13.4%
Ilmarinen Mutual Pension Insurance Company	8,722,689	18.056	5.5%
Laakkonen Mikko Kalervo	6,489,788	13.434	4.1%
Varma Mutual Pension Insurance Company	3,675,215	7.608	2.3%
Joensuun Kauppa ja Kone Oy	3,289,502	6.809	2.1%
Vesasco Oy	3,088,469	6.393	1.9%
The State Pension Fund	2,500,000	5.175	1.6%
Momea Invest Oy	2,150,000	4.451	1.4%
Laakkonen Hannu	1,992,742	4.125	1.3%
Danske Invest Finnish Equity Fund	1,734,107	3.590	1.1%
Ten largest	54,923,031	113.691	35%
Residual	103,900,057	215.073	65%
Total	158,823,088	328.764	100%

EARNINGS CALENDAR

OTHER EVENTS

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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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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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