CapMan

Investment Companies
Finland

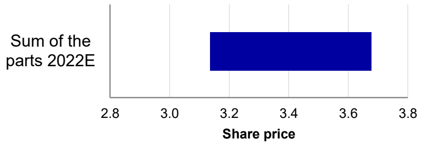
KEY DATA

Stock country	Finland
Bloomberg	CAPMAN FH
Reuters	CAPMAN.HE
Share price (close)	EUR 2.84
Free Float	75%
Market cap. (bn)	EUR 0.44/EUR 0.44
Website	www.capman.com
Next report date	27 Oct 2021

PERFORMANCE

Source: Refinitiv

VALUATION APPROACH (EUR/SHARE)



Source: Nordea estimates

ESTIMATE CHANGES

Year	2021E	2022E	2023E
Sales	8%	3%	0%
EBIT (adj)	12%	6%	1%
EPS (adj.)	10%	5%	0%

Source: Nordea estimates

All eyes on the fund pipeline

CapMan will report its Q3 results on 27 October. The company has benefitted from the positive market trend in 2021 and we expect this to continue in Q3. The new Infra II fund and the real estate concept should further pinpoint growing international interest in CapMan's product offering. At the end of Q2, close to 60% of assets under management (AuM) were derived outside the Nordics with a positive trend among large institutional investors. The company has multiple funds in carry or closing carry and we expect a positive impact especially from the Nordic Real Estate fund in Q4. In addition, we think the exit pipeline should offer more stable carry going forward. We derive a fair value range of EUR 3.1-3.7 (3.1-3.6) per CapMan share.

Carry potential closing with positive AuM trend

CapMan is currently in an exit phase or closing exit phase in multiple funds. In H1, the company booked EUR 0.3m carry, while we expect EUR 7.2m in H2. Regarding AuM development, fundraising for the open-ended Residential fund continues and the company is planning to launch Infra II and the new real estate concept during H2. Hence we expect more concrete information regarding the fund pipeline. We believe the positive trend in AuM continues to support fee development in 2021-23 while upcoming fundraising for new funds plays a crucial role for the timing of new Infra and Residential funds. We expect EUR 5.6bn AuM in 2023, up from EUR 4.3bn in Q2 2021.

Estimates up mainly owing to higher carry expectations

We raise our 2021-23 adjusted EBIT estimates by 1-12%, mainly owing to higher carry expectations. We expect EUR 7.5m carry in 2021-22 and EUR 5m in 2023. In addition, we take a slightly more positive view of service business development. We think the company is close to the required scale to reach profitability in its Jay Solutions business.

Valuation range of EUR 3.1-3.7 per share

We derive a fair value range of EUR 3.1-3.7 (3.1-3.6) per CapMan share by using a sum-of-the-parts valuation with 12-14x 2022E EV/EBIT multiples for 2022E operating EBIT and CapMan's book value for investments. Finnish peers are trading at 2022E EV/EBIT of ~17x (closest peer eQ at ~24x). Given the recent drop in the share price and based on our EUR 0.01 annual dividend increase forecast, the share offers close to 6% dividend yield for 2022E-23E.

Nordea Markets - Analysts
Joni Sandvall
Analyst

Svante Krokfors
Director

SUMMARY TABLE - KEY FIGURES

EURm	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
Total revenue	31.8	26.7	34.8	36.0	49.0	43.0	56.6	68.7	74.8
EBIT (adj)	9.3	18.7	19.5	12.0	25.1	12.3	43.3	42.9	47.5
EBIT (adj) margin	29.2%	70.0%	55.9%	33.2%	51.1%	28.7%	76.6%	62.5%	63.4%
EPS (adj), EUR	0.06	0.16	0.10	0.05	0.12	0.03	0.21	0.20	0.22
EPS (adj) growth	71.6%	174.6%	-35.8%	-49.7%	127.1%	-72.2%	540.0%	-5.4%	11.8%
DPS (ord), EUR	0.07	0.09	0.11	0.12	0.13	0.14	0.15	0.16	0.17
EV/Sales	4.7	7.5	8.1	6.2	7.7	9.0	7.6	5.8	4.8
EV/EBIT (adj)	16.2	10.7	14.5	18.6	15.0	31.3	9.9	9.3	7.6
P/E (adj)	16.9	7.7	17.0	28.2	19.8	70.2	13.4	14.1	12.7
P/BV	1.4	1.3	2.2	1.9	2.8	3.2	3.6	3.3	3.1
Dividend yield (ord)	7.0%	7.2%	6.2%	8.2%	5.5%	6.0%	5.3%	5.7%	6.0%
Net debt	48	21	25	5	16	25	11	3	-6
Net debt/EBITDA	5.0	1.1	1.2	0.4	0.8	2.7	0.5	0.1	-0.2

Source: Company data and Nordea estimates

Estimate revisions and expectations

We raise 2021E-23E adjusted EBIT by 1-12%

We raise our adjusted EBIT estimates for 2021-23 by 1-12%, mainly owing to higher carry expectations. We expect EUR 7.5m carry in 2021-22 and EUR 5m in 2023. In addition, we take a slightly more positive view of service business development. We think the company is closing the needed scale to reach profitability in its Jay Solutions business.

We think CapMan continues to invest in its management company business through selected upscaling of personnel, which should support the business after the initial cost burden.

ESTIMATE REVISIONS

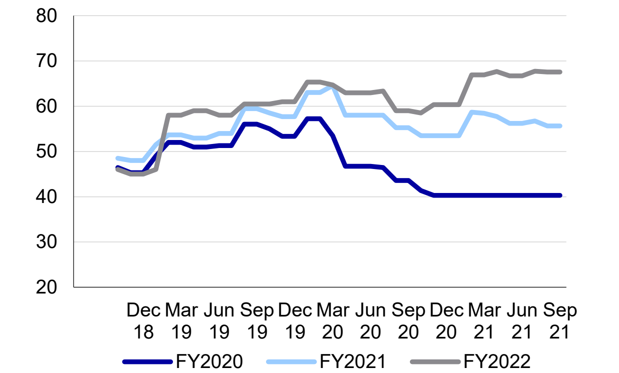
	New estimates			Old estimates			Difference, %		
EURm	**2021E**	**2022E**	**2023E**	**2021E**	**2022E**	**2023E**	**2021E**	**2022E**	**2023E**
Sales	**56.6**	**68.7**	**74.8**	**52.5**	**66.6**	**75.1**	**8%**	**3%**	**0%**
Adj. EBIT	**43.3**	**42.9**	**47.5**	**38.6**	**40.4**	**46.9**	**12%**	**6%**	**1%**
Adj. EBIT margin	76.6%	62.5%	63.4%	73.6%	60.7%	62.4%	3.1pp	1.8pp	1.0pp
Adj. EPS (EUR)	**0.21**	**0.20**	**0.22**	**0.19**	**0.19**	**0.22**	**10%**	**5%**	**0%**
Net sales by segment									
Management company business	46.5	57.7	62.7	42.7	55.8	63.3	9%	3%	-1%
- excluding carried interest	39.0	50.2	57.7	39.2	50.8	58.3	0%	-1%	-1%
- carried interest	7.5	7.5	5.0	3.5	5.0	5.0	114%	50%	0%
Services business	9.3	10.2	11.3	9.1	10.0	11.0	2%	2%	2%
Other	0.7	0.8	0.8	0.7	0.8	0.8	0%	0%	0%
Adj. EBIT by segment									
Management company business	19.8	29.7	33.3	16.0	28.2	34.0	24%	5%	-2%
- excluding carried interest	12.3	22.2	28.3	12.5	23.2	29.0	-1%	-5%	-2%
- carried interest	7.5	7.5	5.0	3.5	5.0	5.0	114%	50%	0%
Services business	4.6	5.3	6.1	4.1	4.7	5.4	11%	13%	14%
Investments	23.6	12.5	12.6	23.6	12.6	12.7	0%	-1%	-1%
Other	-5.6	-5.5	-5.6	-5.0	-5.1	-5.2	13%	7%	6%
Net sales growth by segment									
Management company business	50%	24%	9%	38%	31%	13%	12.5pp	-6.7pp	-4.7pp
- excluding carried interest	30%	29%	15%	30%	30%	15%	-0.5pp	-1.0pp	0.3pp
- carried interest	760%	0%	-33%	301%	43%	0%	458.7pp	-42.9pp	-33.3pp
Services business	-18%	10%	10%	-20%	10%	10%	2.1pp	0.0pp	0.0pp
Other	5%	5%	5%	5%	5%	5%	0.0pp	0.0pp	0.0pp

Source: Nordea estimates

Expectations

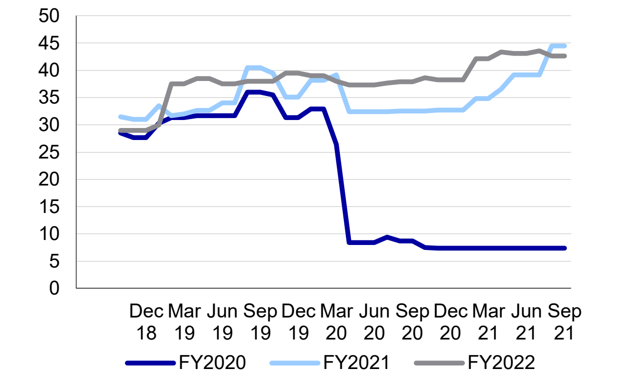
CapMan will report its Q3 results on 27 October at 08:00 EET. Consensus expectations for adjusted EBIT have increased throughout the year owing to positive business momentum and positive fair value changes.

CONSENSUS SALES ESTIMATES (EURm)



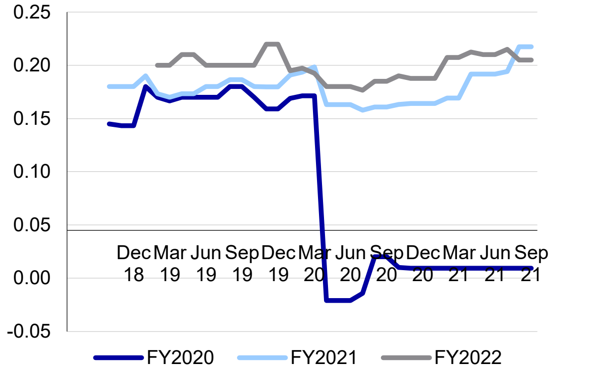
Source: Refinitiv

CONSENSUS EBIT ESTIMATES (EURm)



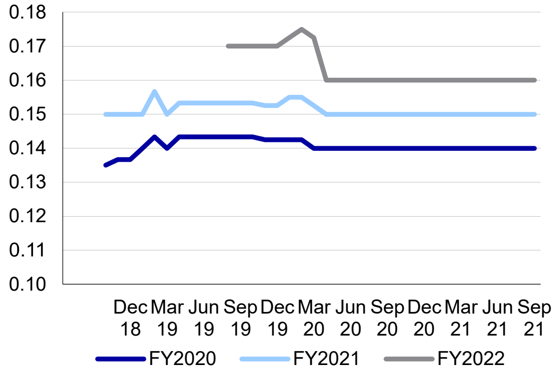
Source: Refinitiv

CONSENSUS EPS ESTIMATES (EUR PER SHARE)



Source: Refinitiv

CONSENSUS DPS ESTIMATES (EUR PER SHARE)



Source: Refinitiv

Fairly in line with consensus for 2021-23

We are 2% above Refinitiv consensus on the top line for 2021E-23E. On adjusted EBIT, we are 2% below consensus for 2021E and 1-2% above for 2022E-23E.

OUR ESTIMATES VERSUS CONSENSUS

	Our estimates				Consensus estimates				Difference %			
EURm	**Q3 2021E**	**2021E**	**2022E**	**2023E**	**Q3 2021E**	**2021E**	**2022E**	**2023E**	**Q3 2021E**	**2021E**	**2022E**	**2023E**
Sales	**12.9**	**56.6**	**68.7**	**74.8**	**12.4**	**55.7**	**67.6**	**73.1**	**4%**	**2%**	**2%**	**2%**
Adj. EBIT	**7.9**	**43.3**	**42.9**	**47.5**	**9.0**	**44.5**	**42.6**	**46.5**	**-12%**	**-2%**	**1%**	**2%**
Adj. EBIT margin	61.0%	76.6%	62.5%	63.4%	72.6%	79.8%	63.1%	63.6%	-11.6pp	-3.2pp	-0.6pp	-0.1pp
Adj. EPS, EUR	**0.037**	**0.21**	**0.20**	**0.22**	**0.043**	**0.22**	**0.21**	**0.22**	**-15%**	**-3%**	**-3%**	**0%**
DPS		**0.15**	**0.16**	**0.17**		**0.15**	**0.16**	**0.17**		**0%**	**0%**	**0%**

Source: Refinitiv and Nordea estimates

Valuation

Using a sum-of-the-parts valuation, we derive a fair value range of EUR 3.1-3.7 per CapMan share. We use an EV/EBIT multiple of 12-14x on our 2022 operational EBIT estimates and CapMan's book value for investments.

SOTP valuation EUR 3.1-3.7 per share

Using a 2022E EV/EBIT range of 12-14x and our operational EBIT estimates for 2022E, we derive a fair value range of EUR 3.1-3.7 per CapMan share. We use CapMan's book value as a proxy for investment fair value, deduct 2022E net debt and add 2021E dividends.

SUM-OF-THE-PARTS VALUATION BASED ON 2022 ESTIMATES (EURm AND EUR)

Based on 2022 estimates	Sales	EBIT	Valuation method	EV Range
Management company business	57.7	29.7	EV/EBIT 12x - 14x	356 - 415
Services business	10.2	5.3	EV/EBIT 12x - 14x	63 - 74
Investment business	-	12.5	Book value Jun 2021	117 - 143
Other	-	-5.5	EV/EBIT 12x - 14x	-66 to -77
Total	**68.0**	**41.9**		**470 - 555**
Net debt 2022				-3
2021E dividends				23
Equity value				491 - 575
Number of share (m)				156.5
Equity per share, EUR				**3.1 - 3.7**

Source: Company data and Nordea estimates

DCF valuation suggests EUR 3.4-4.2 per share

In our DCF model, we assume a sales CAGR of 9.6% for 2021-26, followed by gradual deceleration to 2.5% growth in perpetuity, meaning that organic growth is roughly the same as the average rate of inflation. We also assume CapMan will have a long-term adjusted EBIT margin of 45%. We use a 4% cost of debt in our DCF model, as the current level is unlikely to persist in the long term. We also assign a long-term equity weight of 70% in our DCF model.

WACC COMPONENTS

WACC components	
Risk-free interest rate	2.0%
Market risk premium	4.5%
Forward looking asset beta	nm
Beta debt	0.1
Forward looking equity beta	1.3-1.8
Cost of equity	7.9-10.1%
Cost of debt	4.0%
Tax-rate used in WACC	20%
Equity weight	70%
WACC	**6.5-8%**

Source: Nordea estimates

DCF VALUE (EURm AND EUR)

DCF value	Value	Per share
NPV FCFF	525-645	3.4-4.1
(Net debt)	-25	-0.2
Time value	39	0.2
Market value of associates	0	0.0
(Market value of minorities)	-1	0.0
Surplus values	0	0.0
(Market value preference shares)	0	0.0
Share based adjustments	0	0.0
Other adjustments	0	0.0
DCF Value	**537-657**	**3.4-4.2**

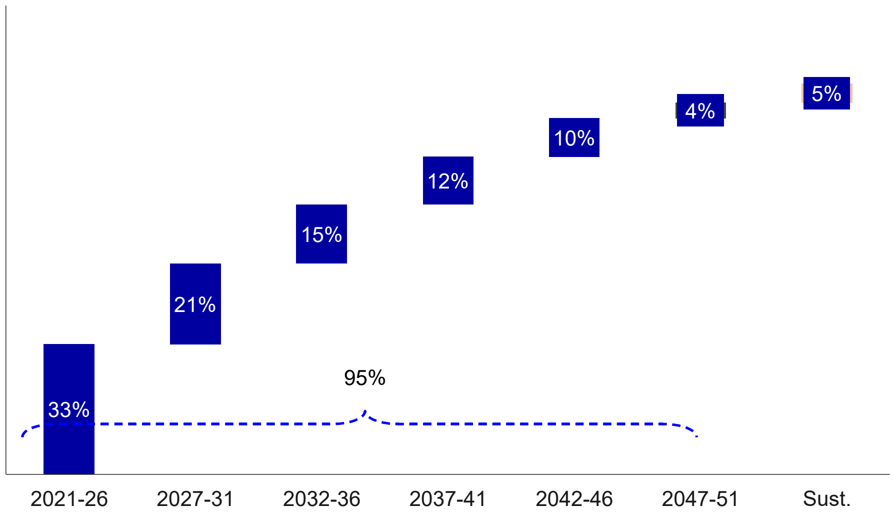
Source: Nordea estimates

DCF ASSUMPTIONS

Averages and assumptions	2021-26	2027-31	2032-36	2037-41	2042-46	2047-51	Sust.
Sales growth, CAGR	9.6%	4.0%	2.5%	2.5%	2.5%	2.5%	
EBIT-margin, excluding associates	65.0%	45.0%	45.0%	45.0%	45.0%	6.8%	
Capex/depreciation, x	1.3	1.0	1.0	1.0	1.0	1.0	
Capex/sales	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	
NWC/sales	-2%	-2%	-2%	-2%	-2%	-2%	
FCFF, CAGR	2.7%	-2.6%	2.9%	2.5%	2.5%	-33.0%	2.5%

Source: Nordea estimates

DCF VALUATION DISTRIBUTION



Source: Nordea estimates

Main risks

We believe that the largest risks for CapMan's operations are macroeconomic and market-related, as an economic slowdown could hamper the performance of fund companies and thus affect their valuations. Changes in interest rates could affect the company's ability to raise funds, and a slowing transaction market could hinder CapMan's ability to make new investments or exit assets. The performance of CapMan's existing funds will materially affect its ability to raise money for its subsequent funds.

Detailed estimates

ESTIMATES BY SEGMENTS

Segment estimates EURm							
Net sales	**2017**	**2018**	**2019**	**2020**	**2021E**	**2022E**	**2023E**
Management Company business	25.1	24.2	32.8	30.9	46.5	57.7	62.7
-Management fees	19.6	22.1	24.7	28.9	34.6	45.1	52.1
-Service fees	1.1	1.1	1.2	1.2	4.5	5.1	5.6
-Carried interest	4.4	1.0	6.9	0.9	7.5	7.5	5.0
Service business	5.6	8.7	15.7	11.4	9.3	10.2	11.3
Other	0.5	0.6	0.5	0.7	0.7	0.8	0.8
Group	**34.8**	**36.0**	**49.0**	**43.0**	**56.6**	**68.7**	**74.8**
Sales growth							
Management Company business	-6%	-4%	35%	-6%	50%	24%	9%
Service business	n.a.	56%	81%	-28%	-18%	10%	10%
Group	**31%**	**3%**	**36%**	**-12%**	**32%**	**22%**	**9%**
Adj. EBIT							
Management Company business	2.7	2.8	10.2	9.1	19.8	29.7	33.3
-Without carried interest	-1.7	1.8	3.3	8.2	12.3	22.2	28.3
Service business	2.3	4.4	9.1	4.9	4.6	5.3	6.1
Investment business	17.3	6.5	10.2	4.0	23.6	12.5	12.6
Other	-2.7	-1.7	-5.9	-5.7	-5.6	-5.5	-5.6
Group	**19.5**	**12.0**	**25.1**	**12.3**	**43.3**	**42.9**	**47.5**
-Without fair value changes	1.9	6.9	12.8	7.9	19.1	29.8	34.2
-Without FV changes and carried interest	-2.5	5.8	5.9	7.1	11.6	22.3	29.2
Adj. EBIT growth							
Management Company business		6%	260%	-11%	118%	50%	12%
Service business		94%	109%	-46%	-7%	15%	16%
Investment business		-63%	58%	n.a.	n.a.	-47%	1%
Group	**4%**	**-39%**	**110%**	**-51%**	**251%**	**-1%**	**11%**
Adj. EBIT margin							
Management Company business	11%	12%	31%	29%	43%	51%	53%
-without carried interest	-9%	8%	13%	29%	36%	49%	54%
Service business	41%	50%	58%	43%	49%	51%	54%
Management fee and service fee together	2%	20%	31%	33%	39%	50%	54%
Group	**56%**	**33%**	**51%**	**29%**	**77%**	**62%**	**63%**
Investment business							
Invested capital	169.3	126.6	129.4	116.6	131.3	132.4	132.6
Fair value changes	17.6	5.1	12.2	4.4	24.3	13.1	13.2
-Return on invested capital	10%	4%	9%	4%	20%	10%	10%
Expenses	-4.1	-1.2	-2.0	-0.4	-0.6	-0.7	-0.7
EBIT	**17.3**	**6.5**	**10.2**	**4.0**	**23.6**	**12.5**	**12.6**
Capital under management (EURbn)	**2.8**	**3.0**	**3.2**	**3.8**	**4.6**	**5.0**	**5.6**
-growth y/y	4%	9%	7%	18%	21%	9%	11%

Source: Company data and Nordea estimates

Reported numbers and forecasts

ANNUAL ESTIMATES

EURm	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
Management fees	25.5	26.9	28.7	27.4	26.6	19.6	22.1	24.7	28.9	34.6	45.1	52.1
Carried interest	1.8	2.9	10.8	4.4	0.0	4.4	1.0	6.9	0.9	7.5	7.5	5.0
Sale of services	0.0	0.0	0.0	0.0	0.0	7.1	10.3	17.4	13.3	14.5	16.1	17.7
Dividend & interest income	0.0	0.0	0.0	0.0	0.0	3.7	2.5	0.0	0.0	0.0	0.0	0.0
Net sales	**27.3**	**29.8**	**39.5**	**31.8**	**26.7**	**34.8**	**36.0**	**49.0**	**43.0**	**56.6**	**68.7**	**74.8**
sales growth %	-16%	9%	33%	-20%	-16%	31%	3%	36%	-12%	32%	22%	9%
Other operating income	0.0	0.0	0.0	0.3	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0
Personnel expenses	-17.4	-15.6	-17.8	-17.1	-18.3	-21.4	-19.9	-24.2	-23.9	-27.5	-28.8	-29.9
Depreciation and amortisation	-0.8	-0.7	-0.4	-0.3	-0.3	-1.7	-0.2	-1.4	-1.5	-1.4	-1.5	-1.5
Other operating expenses	-12.0	-11.6	-12.0	-10.6	-12.2	-9.9	-9.1	-12.1	-9.7	-9.5	-9.7	-10.2
Fair value changes	5.3	1.2	-3.1	5.2	22.6	17.6	5.1	12.2	4.4	24.3	13.1	13.2
EBIT	**2.6**	**3.3**	**6.4**	**9.3**	**18.7**	**19.5**	**12.0**	**19.4**	**12.3**	**43.3**	**42.9**	**47.5**
margin %	10%	11%	16%	29%	70%	56%	33%	40%	29%	77%	62%	63%
Net financials	0.1	-0.7	-1.4	-2.9	-3.1	-3.2	-2.7	-1.8	-3.1	-3.9	-3.9	-3.8
Income using the equity method*	0.0	0.0	0.0	0.1	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0
Profit before taxes	3.3	2.0	4.9	6.4	15.5	16.2	9.3	17.6	9.2	39.4	39.1	43.7
Income taxes	-0.6	-0.5	-1.0	-0.4	-0.2	-0.8	-0.8	-1.7	-2.9	-6.4	-7.8	-8.7
Profit for the period	2.7	1.5	4.0	6.1	15.3	15.5	8.5	15.9	6.3	33.1	31.3	34.9
EPS, EUR	**0.00**	**-0.01**	**0.03**	**0.06**	**0.16**	**0.10**	**0.06**	**0.09**	**0.03**	**0.21**	**0.20**	**0.22**

Source: Company data and Nordea estimates

INTERIM ESTIMATES

EURm	Q1/20	Q2/20	Q3/20	Q4/20	Q1/21	Q2/21	Q3/21E	Q4/21E
Management fees	6.8	5.8	6.5	9.7	8.0	8.4	8.5	9.6
Carried interest	0.1	0.4	0.1	0.3	0.0	0.3	1.0	6.2
Sale of services	5.0	2.5	2.2	3.5	3.2	3.2	3.4	4.7
Dividend & interest income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net sales	**12.0**	**8.7**	**8.9**	**13.4**	**11.3**	**11.9**	**12.9**	**20.4**
sales growth %	29%	-35%	-8%	-19%	-5%	36%	45%	52%
Other operating income	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0
Personnel expenses	-6.3	-5.2	-4.9	-7.5	-6.3	-7.8	-5.7	-7.7
Depreciation and amortisation	-0.3	-0.4	-0.3	-0.4	-0.4	-0.4	-0.4	-0.4
Other operating expenses	-2.8	-2.2	-1.9	-2.8	-2.7	-2.0	-2.2	-2.6
Fair value changes	-8.4	3.2	2.6	7.0	8.2	9.6	3.2	3.2
EBIT	**-6.0**	**4.1**	**4.5**	**9.7**	**10.1**	**11.3**	**7.9**	**13.0**
margin %	-50%	47%	50%	73%	90%	95%	61%	64%
Net financials	-0.6	-0.7	-0.7	-1.1	-0.9	-1.3	-0.9	-0.9
Income using the equity method*	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit before taxes	-6.5	3.4	3.8	8.6	9.3	10.1	7.0	12.1
Income taxes	-0.9	-0.3	-0.4	-1.4	-1.5	-1.2	-1.2	-2.4
Profit for the period	-8.3	3.3	3.3	6.8	7.5	9.0	5.7	9.9
EPS, EUR	**-0.05**	**0.02**	**0.02**	**0.04**	**0.05**	**0.06**	**0.04**	**0.06**

Source: Company data and Nordea estimates

BALANCE SHEET

EURm	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
Intangible assets	7.0	6.7	6.5	4.8	4.8	16.1	16.0	16.0	16.0	16.0
of which R&D	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
of which other intangibles	0.8	0.5	0.3	0.2	0.1	0.8	0.7	0.7	0.7	0.7
of which goodwill	6.2	6.2	6.2	4.5	4.7	15.3	15.3	15.3	15.3	15.3
Tangible assets	0.2	0.2	0.2	0.3	0.3	2.5	1.7	1.9	2.2	2.7
of which machinery & plant	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
of which property	0.2	0.2	0.2	0.3	0.3	2.5	1.7	1.9	2.2	2.7
of which land	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Shares associates	9.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest bearing assets	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.0
Deferred tax assets	4.1	4.4	4.9	1.8	2.0	3.7	2.4	2.4	2.4	2.4
Other non-interest bearing assets	55.3	47.2	51.4	58.3	80.6	118.6	116.1	116.1	116.1	116.1
Other non-current assets	3.4	62.5	48.6	37.0	12.1	9.4	9.1	9.1	9.1	9.1
Total non-current assets	**79.0**	**121.1**	**111.6**	**102.1**	**99.8**	**150.4**	**145.5**	**145.6**	**145.8**	**146.3**
Inventory	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	6.0	6.6	9.8	8.7	12.6	10.8	14.0	14.1	16.5	17.2
Other current assets	0.3	0.3	86.2	77.1	39.0	10.8	0.3	0.4	0.5	0.5
Cash and bank	28.7	21.6	45.0	23.3	54.5	43.7	58.0	72.4	80.2	89.7
Total current assets	**34.9**	**28.5**	**141.1**	**109.2**	**106.2**	**66.2**	**73.3**	**87.9**	**98.2**	**108.5**
Assets held for sale	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total assets	**113.9**	**149.6**	**252.7**	**211.3**	**206.0**	**216.5**	**218.8**	**233.5**	**244.0**	**254.9**
Shareholder equity	65.6	65.2	143.0	126.7	120.5	127.4	112.5	123.8	131.5	141.4
of which preferred stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
of which Equity part of hybrid debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minority interest	0.0	0.0	0.0	0.0	0.4	2.1	0.7	0.7	0.7	0.7
Total Equity	**65.6**	**65.2**	**143.0**	**126.7**	**121.0**	**129.5**	**113.3**	**124.5**	**132.3**	**142.2**
Deferred tax	2.0	2.0	9.9	8.6	3.3	2.2	2.7	2.7	2.7	2.7
Long term interest bearing debt	27.2	69.4	48.1	45.2	49.7	59.1	82.6	82.6	82.6	82.6
Non-current liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pension provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other long-term provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other long-term liabilities	0.0	0.0	0.1	0.1	0.2	0.2	6.9	6.9	6.9	6.9
Convertible debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Shareholder debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Hybrid debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total non-current liabilities	**29.2**	**71.3**	**58.1**	**53.9**	**53.2**	**61.4**	**92.3**	**92.3**	**92.3**	**92.3**
Short-term provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable	13.7	13.1	33.3	26.8	16.8	20.2	11.1	14.1	16.5	17.2
Other current liabilities	0.4	0.0	0.3	0.8	5.1	4.5	1.3	1.7	2.0	2.2
Short term interest bearing debt	5.0	0.0	18.0	3.0	10.0	0.5	0.4	0.4	0.4	0.4
Total current liabilities	**19.1**	**13.1**	**51.7**	**30.7**	**31.9**	**25.6**	**13.3**	**16.7**	**19.5**	**20.4**
Liabilities for assets held for sale	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total liabilities and equity	**113.9**	**149.6**	**252.7**	**211.3**	**206.0**	**216.5**	**218.8**	**233.5**	**244.0**	**254.9**

Source: Company data and Nordea estimates

CASH FLOW STATEMENT

EURm	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
EBITDA (excludes fair value changes)	**9.9**	**4.4**	**-3.7**	**3.6**	**7.0**	**8.5**	**9.4**	**20.5**	**31.3**	**35.7**
Paid taxes	-3.5	-0.9	-0.3	-1.6	-3.1	-4.6	-4.3	-6.4	-7.8	-8.7
Net financials	-2.8	-4.3	-4.2	-3.9	-2.4	-2.6	-3.2	-3.9	-3.9	-3.8
Other adjustments to reconcile cash flow	6.3	4.6	0.4	0.0	0.7	0.8	0.0	0.0	0.0	0.0
Funds from operations (FFO)	**10.0**	**3.9**	**-7.8**	**-1.8**	**2.2**	**2.1**	**2.0**	**10.2**	**19.6**	**23.2**
Change in NWC	1.7	-3.3	4.6	-1.8	-6.9	-2.5	-15.7	3.2	0.3	0.1
Cash flow from operations (CFO)	**11.7**	**0.6**	**-3.1**	**-3.6**	**-4.7**	**-0.4**	**-13.8**	**13.5**	**19.9**	**23.3**
Capital Expenditure	0.0	0.0	0.0	-0.3	-0.1	-0.6	-0.4	-0.8	-0.8	-1.0
Free Cash Flow before A&D	**11.7**	**0.6**	**-3.1**	**-3.9**	**-4.8**	**-0.9**	**-14.1**	**12.7**	**19.1**	**22.3**
Acquisitions and disposals (mainly exits from investments)	0.0	-39.6	37.3	34.0	39.7	17.5	4.4	24.3	13.1	13.2
Free cash flow	**11.7**	**-39.0**	**34.2**	**30.1**	**34.9**	**16.5**	**5.6**	**37.0**	**32.2**	**35.6**
Dividend paid	-3.5	-5.2	-6.0	-13.0	-16.1	-19.0	-21.9	-21.8	-23.5	-25.0

Source: Company data and Nordea estimates

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