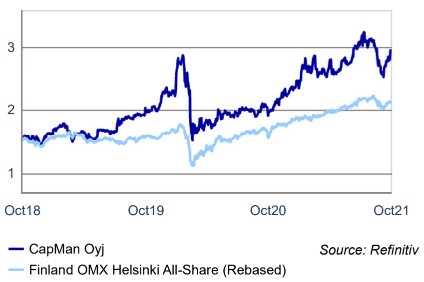
CapMan

Investment Companies
Finland

KEY DATA

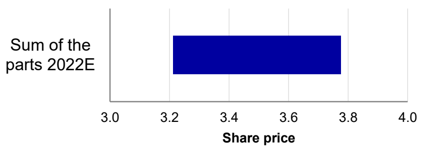
Stock country	Finland
Bloomberg	CAPMAN FH
Reuters	CAPMAN.HE
Share price (close)	EUR 2.98
Free Float	75%
Market cap. (bn)	EUR 0.47/EUR 0.47
Website	www.capman.com
Next report date	03 Feb 2022

PERFORMANCE



Source: Refinitiv

VALUATION APPROACH (EUR/SHARE)



Source: Nordea estimates

ESTIMATE CHANGES

Year	2021E	2022E	2023E
Sales	3%	4%	1%
EBIT (adj)	5%	1%	-3%
EPS (adj.)	8%	1%	-3%

Source: Nordea estimates

AuM growth set to continue with new products

CapMan reported Q3 EBIT of EUR 10.9m, 19% above Infront consensus' expectations. The strong market continued to support fair value changes, up EUR 6m, while carry from two funds accounted for EUR 2.2m in Q3. Although EBIT from the management company business was below our estimate, fees were above our expectations, up 46% y/y and 14% q/q. CapMan Wealth Service's new fund should start to support fee generation from Q4 onwards and the company is planning its next vintage for 2022. The new RE product and Infra II should launch around the end of the year, while multiple funds are expected to enter into carry in the next six months. We derive fair value range of EUR 3.2-3.8 (3.1-3.7) per CapMan share.

Diversified fund pipeline and good carry potential

CapMan's Q3 EBIT was 19% above Infront consensus with strong fair value changes of EUR 6m and carry of EUR 2.2m. Fair value changes were driven by actual transactions, while there were only two funds in carry during Q3. CapMan expects multiple funds to enter into carry in the next six months; we expect the most carry potential from the Nordic Real Estate fund. On 26 October, the company announced its first CapMan Wealth Service (CWS) Investment Partners fund, with USD 90m commitments. We think CWS will introduce a new vintage annually and we expect solid fee potential going forward. New funds should further diversify CapMan's offering going forward. The open-ended residential fund increased its AuM roughly EUR 150m during Q3 and reached EUR 465m. Overall, the fund pipeline appears promising and we model EUR 5.7bn of AuM for 2023 (EUR 4.3bn in Q3).

Estimate revisions reflect increased carry expectations

We hike 2021E-22E EBIT by 1-5%, as we take more positive view on carry potential for the period. We remain slightly cautious towards future CWS products for now, but see further upside if the company can successfully ramp up its CWS offering. We lower 2023E EBIT by 3% due to higher management company business cost estimates and slightly lower fees.

Valuation range up to EUR 3.2-3.8

We derive SOTP-driven fair value range of EUR 3.2-3.8 (3.1-3.7). We use 14-16x 2022E EV/EBIT for 2022E operating EBIT (excluding carry), 4-6x EV/EBIT for 2023E carry, and CapMan's book value for investments. Finnish peers are trading at ~17.5x 2022E EV/EBIT. If we deduct investments' book values from CapMan's enterprise value and exclude our carry forecast from our estimates, CapMan trades at an operational EV/EBIT of ~17x 2022E. Based on our estimates, the share offers a ~5.5% dividend yield for 2022-23.

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	58.2	71.4	75.7
EBIT (adj)	9.3	18.7	19.5	12.0	25.1	12.3	45.4	43.4	46.0
EBIT (adj) margin	29.2%	70.0%	55.9%	33.2%	51.1%	28.7%	78.0%	60.7%	60.8%
EPS (adj), EUR	0.06	0.16	0.10	0.05	0.12	0.03	0.23	0.20	0.22
EPS (adj) growth	71.6%	174.6%	-35.8%	-49.7%	127.1%	-72.2%	588.7%	-11.1%	6.9%
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	7.8	5.9	5.1
EV/EBIT (adj)	16.2	10.7	14.5	18.6	15.0	31.3	10.0	9.6	8.3
P/E (adj)	16.9	7.7	17.0	28.2	19.8	70.2	13.1	14.7	13.8
P/BV	1.4	1.3	2.2	1.9	2.8	3.2	3.7	3.4	3.2
Dividend yield (ord)	7.0%	7.2%	6.2%	8.2%	5.5%	6.0%	5.0%	5.4%	5.7%
Net debt	48	21	25	5	16	25	9	0	-8
Net debt/EBITDA	5.0	1.1	1.2	0.4	0.8	2.7	0.4	0.0	-0.2

Source: Company data and Nordea estimates

Q3 result takeaways and revisions

Strong Q3 driven by carry and fair value changes

CapMan reported Q3 EBIT of EUR 10.9m, 19% above Infront consensus and 38% above the Nordea estimate. Fair value changes in the investment business totalled EUR 5.9m in Q3, above our estimate of EUR 3.2m. Management Company EBIT of EUR 5.1 was 10% above our forecast, while Service Business EBIT of EUR 1.1m was in line with our projection. CapMan recorded EUR 2.2m of carry during Q3 (Nordea: EUR 1m). Hence, if we adjust for the lower-quality carry beat, underlying Management Company EBIT was 21% below our estimate, burdened by higher earnings-based bonus accruals. However, Management Company recorded EUR 9.6m of management fees, which was 13% above our estimate.

AuM increased to EUR 4.3bn, up 21% y/y (EUR 4.3bn in Q2). After the review period, CapMan has raised EUR 250m for new residential- and credit funds, as well as the new CWS investment project. The new residential fund increased AuM by EUR ~150m q/q, which was the main driver behind the increased management fees visible in Management Company's fees. The company expects strong AuM growth over the next 12 months and to enter carry in multiple funds in the coming quarters. EPS of EUR 0.058 beat consensus of EUR 0.043.

Q3 DEVIATION TABLE

EURm	Actual Q3/21	NDA est. Q3 2021E	Deviation vs. actual		Consensus Q3 2021E	Deviation vs. actual		Actual Q2 2021	q/q	Actual Q3 2020	y/y
Sales	**14.9**	**12.9**	**1.9**	**15%**	**12.5**	**2.4**	**19%**	**11.9**	**25%**	**8.9**	**67%**
Adj. EBIT	**10.9**	**7.9**	**3.0**	**38%**	**9.2**	**1.7**	**19%**	**11.3**	**-4%**	**4.5**	**145%**
Adj. EBIT margin	73.4%	61.0%		12.4pp	73.3%		0.1pp	95.5%	-22pp	50.0%	23.4pp
EPS, EUR	**0.058**	**0.037**		**58%**	**0.043**	**-0.01**	34%	**0.057**	1%	**0.022**	166%
Sales											
Management company business	12.9	10.7	2.2	21%				9.9	31%	7.0	85%
- excluding carried interest	10.7	9.7	1.0	11%				9.6	11%	6.9	56%
- carried interest	2.2	1.0	1.2	121%				0.3	698%	0.1	1490%
Services	1.9	2.1	-0.2	-9%				2.0	-2%	1.8	7%
Other	0.0	-0.1	0.1	-120%				-0.2	-105%	0.1	-90%
Adj. EBIT											
Management company business	5.1	4.6	0.4	10%				2.4	107%	2.1	143%
- excluding carried interest	2.8	3.6	-0.8	-21%				2.2	32%	1.9	47%
- carried interest	2.2	1.0	1.2	121%				0.3	698%	0.1	1490%
Services	1.1	1.1	0.0	0%				0.7	46%	0.6	79%
Fair value changes, Investments	5.9	3.2	2.6	83%				9.4	-38%	2.6	128%
Other	-1.1	-1.0	-0.1	7%				-1.2	-11%	-0.9	26%

Source: Company data, Infront and Nordea estimates

Takeaways from the conference call

- The Nordic real estate fund is closing carry and the company is currently in the exit phase in one of the larger assets. We were left with the impression that the company will need 1-2 additional exits before entering carry. Hence, we see good carry potential in Q1 2022, at the latest.
- Management fees were up 14% q/q and the company did not see any meaningful one-off fees. We think the increased AuM in the new open-ended residential fund is the main driver behind the higher AuM, while the NAV-based AuM increases in Hotels II and exits in Infra (reverses from commitments) supported fee development.
- Regarding the new CWS private equity product, management appeared upbeat about future prospects. We think the company has collected USD 90m in a rather short time and note that it expects to launch the next fund in 2022, most likely with significantly higher commitments. We think the first fund will have fee potential of less than EUR 1m.
- Fair value changes in Q3 were driven by closed deals, especially within private equity investment, and we think the momentum will continue into Q4.

Estimate revisions

We raise our top-line estimates 1-3% for 2021E-23E, raise 2021E-22E EBIT by 1-5% and lower 2023E EBIT by 3%. Our estimate revisions reflect higher carry expectations and higher cost base within management company business. In addition, we slightly delay our forecasts over new funds.

ESTIMATE REVISIONS AFTER Q3 REPORT

	New estimates				Old estimates				Difference, %			
EURm	**Q4 2021E**	**2021E**	**2022E**	**2023E**	**Q4 2020E**	**2021E**	**2022E**	**2023E**	**Q4 2020E**	**2021E**	**2022E**	**2023E**
Sales	**20.1**	**58.2**	**71.4**	**75.7**	**20.4**	**56.6**	**68.7**	**74.8**	**-2%**	**3%**	**4%**	**1%**
Adj. EBIT	**13.0**	**45.4**	**43.4**	**46.0**	**13.0**	**43.3**	**42.9**	**47.5**	**0%**	**5%**	**1%**	**-3%**
Adj. EBIT margin	64.4%	78.0%	60.7%	60.8%	63.7%	76.6%	62.5%	63.4%	0.8pp	1.3pp	-1.7pp	-2.6pp
Adj. EPS (EUR)	**0.06**	**0.23**	**0.20**	**0.22**	**0.06**	**0.21**	**0.20**	**0.22**	**2%**	**8%**	**1%**	**-3%**
Net sales by segment												
Management company	16.7	48.6	60.9	64.1	16.9	46.5	57.7	62.7	-1%	4%	5%	2%
- excluding carried interest	10.7	40.1	48.4	56.6	10.7	39.0	50.2	57.7	0%	3%	-4%	-2%
- carried interest	6.0	8.5	12.5	7.5	6.2	7.5	7.5	5.0	-3%	13%	67%	50%
Services business	2.7	8.9	9.8	10.8	2.9	9.3	10.2	11.3	-8%	-5%	-5%	-5%
Other	0.7	0.7	0.8	0.8	0.6	0.7	0.8	0.8	15%	0%	0%	0%
Adj. EBIT by segment												
Management company	9.7	19.7	31.8	33.7	10.3	19.8	29.7	33.3	-6%	-1%	7%	1%
- excluding carried interest	3.7	11.2	19.3	26.2	4.1	12.3	22.2	28.3	-10%	-9%	-13%	-8%
- carried interest	6.0	8.5	12.5	7.5	6.2	7.5	7.5	5.0	n.a.	13%	67%	50%
Services business	1.5	4.5	5.2	6.0	1.6	4.6	5.3	6.1	-7%	-2%	-1%	-1%
Investments	3.1	26.2	11.8	11.9	3.1	23.6	12.5	12.6	-2%	11%	-5%	-5%
Other	-1.3	-5.0	-5.5	-5.6	-2.0	-5.6	-5.5	-5.6	-36%	-12%	1%	1%

Source: Nordea estimates

Valuation

Using a sum-of-the-parts valuation, we derive a fair value range of EUR 3.2-3.8 per CapMan share.

SOTP valuation of EUR 3.2-3.8 per share

Using a 2022E EV/EBIT range of 14-16x for management business operational EBIT estimates for 2022E (excluding carry) and EV/EBIT of 4-6x for our 2023E carry estimate, we derive a fair value range of EUR 3.2-3.8 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 2022/23 ESTIMATES (EURm AND EUR)

Based on 2022/23 estimates	Sales	EBIT	Valuation method	EV Range
Management company business	60.9	31.8	EV/EBIT 11.6x - 13.6x	371 - 434
excluding carried interest	43.3	24.3	EV/EBIT 14x - 16x	341 - 389
carried interest (2023E)	7.5	7.5	EV/EBIT 4x - 6x	30 - 45
Services business	9.8	5.2	EV/EBIT 14x - 16x	73 - 83
Investment business	-	11.8	Book value Sep 2021	113 - 138
Other	-	-5.5	EV/EBIT 14x - 16x	-77 to -88
Total	**121.5**	**75.2**		**480 - 568**
Net debt 2022E				0
2021E dividends				23
Equity value				503 - 591
Number of shares (m)				156.6
Equity per share, EUR				**3.2 - 3.8**

Source: Company data and Nordea estimates

DCF valuation suggests EUR 3.5-4.2 per share

In our DCF model, we assume a sales CAGR of 8.2% 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 50%. 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	531-651	3.4-4.2
(Net debt)	-25	-0.2
Time value	40	0.3
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	**544-665**	**3.5-4.2**

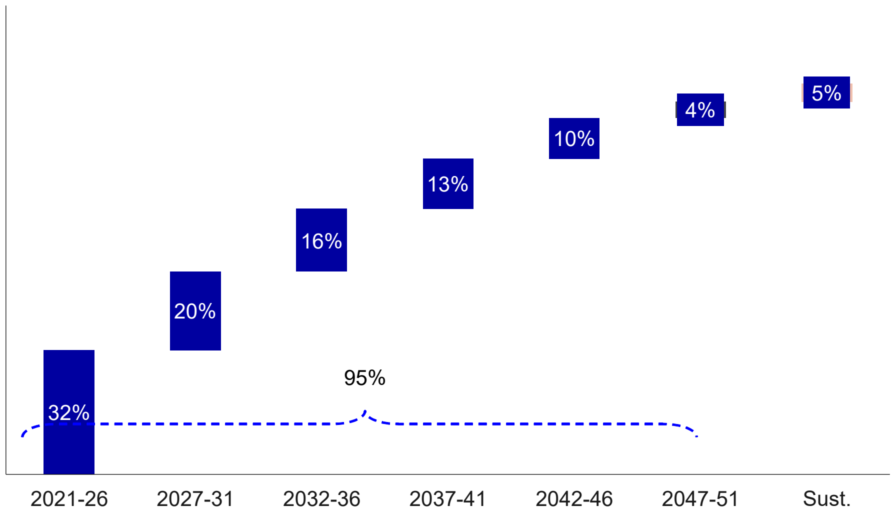
Source: Nordea estimates

DCF ASSUMPTIONS

Averages and assumptions	2021-26	2027-31	2032-36	2037-41	2042-46	2047-51	Sust.
Sales growth, CAGR	8.2%	4.0%	2.5%	2.5%	2.5%	2.5%	
EBIT-margin, excluding associates	62.2%	50.0%	50.0%	50.0%	50.0%	6.8%	
Capex/depreciation, x	1.2	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	-0.9%	1.2%	2.9%	2.5%	2.5%	-34.7%	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	48.6	60.9	64.1
-Management fees	19.6	22.1	24.7	28.9	35.7	43.3	51.1
-Service fees	1.1	1.1	1.2	1.2	4.4	5.1	5.6
-Carried interest	4.4	1.0	6.9	0.9	8.5	12.5	7.5
Service business	5.6	8.7	15.7	11.4	8.9	9.8	10.8
Other	0.5	0.6	0.5	0.7	0.7	0.8	0.8
Group	**34.8**	**36.0**	**49.0**	**43.0**	**58.2**	**71.4**	**75.7**
Sales growth							
Management Company business	-6%	-4%	35%	-6%	57%	25%	5%
Service business	n.a.	56%	81%	-28%	-22%	10%	10%
Group	**31%**	**3%**	**36%**	**-12%**	**35%**	**23%**	**6%**
Adj. EBIT							
Management Company business	2.7	2.8	10.2	9.1	19.7	31.8	33.7
-Without carried interest	-1.7	1.8	3.3	8.2	11.2	19.3	26.2
Service business	2.3	4.4	9.1	4.9	4.5	5.2	6.0
Investment business	17.3	6.5	10.2	4.0	26.2	11.8	11.9
Other	-2.7	-1.7	-5.9	-5.7	-5.0	-5.5	-5.6
Group	**19.5**	**12.0**	**25.1**	**12.3**	**45.4**	**43.4**	**46.0**
-Without fair value changes	1.9	6.9	12.8	7.9	18.3	30.7	33.3
-Without FV changes and carried interest	-2.5	5.8	5.9	7.1	9.8	18.2	25.8
Adj. EBIT growth							
Management Company business		6%	260%	-11%	116%	62%	6%
Service business		94%	109%	-46%	-10%	17%	16%
Investment business		-63%	58%	n.a.	n.a.	-55%	0%
Group	**4%**	**-39%**	**110%**	**-51%**	**268%**	**-4%**	**6%**
Adj. EBIT margin							
Management Company business	11%	12%	31%	29%	41%	52%	53%
-without carried interest	-9%	8%	13%	29%	31%	45%	51%
Service business	41%	50%	58%	43%	50%	53%	56%
Management fee and service fee together	2%	20%	31%	33%	35%	46%	52%
Group	**56%**	**33%**	**51%**	**29%**	**78%**	**61%**	**61%**
Investment business							
Invested capital	169.3	126.6	129.4	116.6	126.7	127.4	127.1
Fair value changes	17.6	5.1	12.2	4.4	27.1	12.7	12.7
-Return on invested capital	10%	4%	9%	4%	23%	10%	10%
Expenses	-4.1	-1.2	-2.0	-0.4	-0.9	-0.8	-0.8
EBIT	**17.3**	**6.5**	**10.2**	**4.0**	**26.2**	**11.8**	**11.9**
Capital under management (EURbn)	**2.8**	**3.0**	**3.2**	**3.8**	**4.6**	**5.1**	**5.7**
-growth y/y	4%	9%	7%	18%	20%	12%	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	35.7	43.3	51.1
Carried interest	1.8	2.9	10.8	4.4	0.0	4.4	1.0	6.9	0.9	8.5	12.5	7.5
Sale of services	0.0	0.0	0.0	0.0	0.0	7.1	10.3	17.4	13.3	14.0	15.6	17.1
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**	**58.2**	**71.4**	**75.7**
sales growth %	-16%	9%	33%	-20%	-16%	31%	3%	36%	-12%	35%	23%	6%
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	-29.0	-29.5	-30.7
Depreciation and amortisation	-0.8	-0.7	-0.4	-0.3	-0.3	-1.7	-0.2	-1.4	-1.5	-1.5	-1.5	-1.6
Other operating expenses	-12.0	-11.6	-12.0	-10.6	-12.2	-9.9	-9.1	-12.1	-9.7	-9.4	-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	27.1	12.7	12.7
EBIT	**2.6**	**3.3**	**6.4**	**9.3**	**18.7**	**19.5**	**12.0**	**19.4**	**12.3**	**45.4**	**43.4**	**46.0**
margin %	10%	11%	16%	29%	70%	56%	33%	40%	29%	78%	61%	61%
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	41.5	39.5	42.2
Income taxes	-0.6	-0.5	-1.0	-0.4	-0.2	-0.8	-0.8	-1.7	-2.9	-5.9	-7.9	-8.4
Profit for the period	2.7	1.5	4.0	6.1	15.3	15.5	8.5	15.9	6.3	35.6	31.6	33.8
EPS, EUR	**0.00**	**-0.01**	**0.03**	**0.06**	**0.16**	**0.10**	**0.06**	**0.09**	**0.03**	**0.23**	**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	Q3/21	Q4/21E
Management fees	6.8	5.8	6.5	9.7	8.0	8.4	9.6	9.6
Carried interest	0.1	0.4	0.1	0.3	0.0	0.3	2.2	6.0
Sale of services	5.0	2.5	2.2	3.5	3.2	3.2	3.1	4.6
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**	**14.9**	**20.1**
sales growth %	29%	-35%	-8%	-19%	-5%	36%	67%	50%
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	-7.5	-7.4
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	-2.1	-2.6
Fair value changes	-8.4	3.2	2.6	7.0	8.2	9.6	6.0	3.2
EBIT	**-6.0**	**4.1**	**4.5**	**9.7**	**10.1**	**11.3**	**10.9**	**13.0**
margin %	-50%	47%	50%	73%	90%	95%	73%	64%
Net financials	-0.6	-0.7	-0.7	-1.1	-0.9	-1.3	-0.8	-1.0
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	10.2	12.0
Income taxes	-0.9	-0.3	-0.4	-1.4	-1.5	-1.2	-0.7	-2.4
Profit for the period	-8.3	3.3	3.3	6.8	7.5	9.0	9.0	10.1
EPS, EUR	**-0.05**	**0.02**	**0.02**	**0.04**	**0.05**	**0.06**	**0.06**	**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	2.1	2.5
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	2.1	2.5
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**	**145.5**	**145.7**	**146.2**
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	14.5	17.1	17.4
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	75.0	83.2	91.6
Total current assets	**34.9**	**28.5**	**141.1**	**109.2**	**106.2**	**66.2**	**73.3**	**91.0**	**101.9**	**110.6**
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**	**236.5**	**247.6**	**256.8**
Shareholder equity	65.6	65.2	143.0	126.7	120.5	127.4	112.5	126.3	134.4	143.1
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**	**127.0**	**135.1**	**143.9**
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	14.5	17.1	17.4
Other current liabilities	0.4	0.0	0.3	0.8	5.1	4.5	1.3	1.7	2.1	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**	**17.2**	**20.2**	**20.6**
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**	**236.5**	**247.6**	**256.8**

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**	**19.8**	**32.2**	**34.8**
Paid taxes	-3.5	-0.9	-0.3	-1.6	-3.1	-4.6	-4.3	-5.9	-7.9	-8.4
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**	**10.0**	**20.5**	**22.6**
Change in NWC	1.7	-3.3	4.6	-1.8	-6.9	-2.5	-15.7	3.3	0.3	0.1
Cash flow from operations (CFO)	**11.7**	**0.6**	**-3.1**	**-3.6**	**-4.7**	**-0.4**	**-13.8**	**13.3**	**20.8**	**22.7**
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**	**12.6**	**20.0**	**21.7**
Acquisitions and disposals (mainly exits from investments)	0.0	-39.6	37.3	34.0	39.7	17.5	4.4	27.1	12.7	12.7
Free cash flow	**11.7**	**-39.0**	**34.2**	**30.1**	**34.9**	**16.5**	**5.6**	**39.6**	**32.7**	**34.4**
Dividend paid	-3.5	-5.2	-6.0	-13.0	-16.1	-19.0	-21.9	-21.8	-23.5	-25.1

Source: Company data and Nordea estimates

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