

03 February 2022

## Commissioned research: CapMan – 8% EBIT beat driven by fair value changes

Marketing material commissioned by CapMan

CapMan reported Q4 EBIT of 12.2m, 8% above Infront consensus and 52% above Nordea estimates. Investment business EBIT was EUR 9.6m (fair value changes EUR 10.1m) in Q4 and came above Nordea estimate of EUR 3.1m. Management Company EBIT of EUR 3.2 came 33% below Nordea estimate while Service Business EBIT of EUR 1.2m came 20% below Nordea estimate. CapMan recorded EUR 0.3m of carry during Q4 (Nordea EUR 1m, after EUR 2.2m in Q3). Hence, if we adjust for lower quality carry, underlying management company business EBIT came 25% below our estimate, burdened by higher salaries and bonus accruals. AuM increased to EUR 4.5bn (EUR 4.3bn in Q3 and up 18% y/y). After the review period, CapMan Nordic Real Estate fund has on an exit, which at completion would transfer the fund to carry (we have modelled EUR 17.5m carry in 2022E). The company expects to see continued AuM growth during next 12-months. EPS of EUR 0.057 came slightly below consensus of EUR 0.060. Dividend proposal is EUR 0.15 (consensus and Nordea EUR 0.15), to be paid in two instalments. We believe the consensus will make slightly negative estimate revisions given higher cost base in management company business.

### CAPMAN: DEVIATION TABLE

	Actual	NDA est.	Deviation	Consensus	Deviation	Actual	Actual				
EURm	Q4/21	Q4 2021E	vs. actual	Q4 2021E	vs. actual	Q3 2021	q/q	Q4 2020	y/y		
<b>Sales</b>	<b>14.7</b>	<b>15.4</b>	<b>-0.7</b>	<b>-5%</b>	<b>16.5</b>	<b>-1.8</b>	<b>-11%</b>	<b>14.9</b>	<b>-1%</b>	<b>13.4</b>	<b>10%</b>
<b>Adj. EBIT</b>	<b>12.2</b>	<b>8.1</b>	<b>4.2</b>	<b>52%</b>	<b>11.3</b>	<b>0.9</b>	<b>8%</b>	<b>10.9</b>	<b>12%</b>	<b>9.7</b>	<b>26%</b>
Adj. EBIT margin	83.2%	52.3%		30.9pp	68.5%		14.6pp	73.4%	10pp	72.5%	10.7pp
<b>EPS, EUR</b>	<b>0.057</b>	<b>0.040</b>	<b>0.02</b>	<b>44%</b>	<b>0.060</b>	<b>0.00</b>	<b>-5%</b>	<b>0.058</b>	<b>-1%</b>	<b>0.045</b>	<b>27%</b>
<b>DPS</b>	<b>0.150</b>	<b>0.15</b>	<b>0.00</b>	<b>0%</b>	<b>0.15</b>	<b>0.00</b>	<b>0%</b>			<b>0.140</b>	<b>7%</b>
<b>Sales</b>											
Management company business	11.8	12.0	-0.2	-2%		12.9	-9%	10.3	15%		
- excluding carried interest	11.5	11.1	0.4	4%		10.7	7%	10.0	14%		
- carried interest	0.3	1.0	-0.6	-66%		2.2	-85%	0.3	28%		
Services	2.4	2.7	-0.3	-10%		1.9	26%	2.6	-5%		
Other	0.5	0.7	-0.2	-28%		-0.2	-339%	0.6	-11%		
<b>Adj. EBIT</b>											
Management company business	3.2	4.8	-1.6	-33%		5.1	-37%	3.6	-10%		
- excluding carried interest	2.9	3.8	-1.0	-25%		2.8	1%	3.3	-13%		
- carried interest	0.3	1.0	-0.6	-66%		2.2	-85%	0.3	28%		
Services	1.2	1.5	-0.3	-20%		1.1	11%	1.0	24%		
Fair value changes, Investments	9.6	3.1	6.5	213%		5.9	63%	7.0	36%		
Other	-1.7	-1.3	-0.4	34%		-1.1	60%	-1.8	-6%		

Source: Nordea estimates, Infront consensus and company data

## 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	53.5	74.7	73.5
EBIT (adj)	9.3	18.7	19.5	12.0	25.1	12.3	40.5	46.4	43.6
EBIT (adj) margin	29.2%	70.0%	55.9%	33.2%	51.1%	28.7%	75.7%	62.2%	59.3%
EPS (adj), EUR	0.06	0.16	0.10	0.05	0.12	0.03	0.20	0.22	0.20
EPS (adj) growth	71.6%	174.6%	-35.8%	-49.7%	127.1%	-72.2%	512.9%	7.6%	-6.5%
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	8.8	5.8	5.4
EV/EBIT (adj)	16.2	10.7	14.5	18.6	15.0	31.3	11.6	9.3	9.2
P/E (adj)	16.9	7.7	17.0	28.2	19.8	70.2	15.1	14.1	15.1
P/BV	1.4	1.3	2.2	1.9	2.8	3.2	3.9	3.6	3.4
Dividend yield (ord)	7.0%	7.2%	6.2%	8.2%	5.5%	6.0%	4.9%	5.2%	5.6%
Net debt	48	21	25	5	16	25	13	2	-5
Net debt/EBITDA	5.0	1.1	1.2	0.4	0.8	2.7	0.8	0.0	-0.1

Source: Company data and Nordea estimates

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Nordea analyst: Joni Sandvall

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