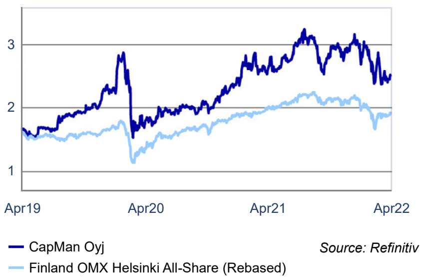
CapMan

Investment Companies
Finland

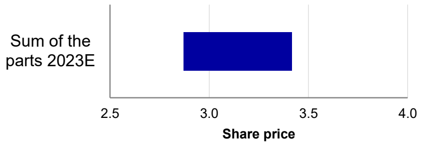
KEY DATA

Stock country	Finland
Bloomberg	CAPMAN FH
Reuters	CAPMAN.HE
Share price (close)	EUR 2.50
Free Float	75%
Market cap. (bn)	EUR 0.39/EUR 0.39
Website	www.capman.com
Next report date	28 Apr 2022

PERFORMANCE



VALUATION APPROACH



Source: Nordea estimates

ESTIMATE CHANGES

Year	2022E	2023E	2024E
Sales	0%	0%	0%
EBIT (adj)	-22%	-3%	-3%
EPS (adj.)	-25%	-5%	-5%

Source: Nordea estimates

Fair value changes are under pressure

CapMan will report its Q1 results on 28 April. We take a more cautious view on fair value changes and note EUR 3.4m of old investments related to Russia, which we believe the company could write down in conjunction with the Q1 report. New sustainability-linked notes should secure the funding needed and we believe the positive trend in management fees will continue, despite the turbulent market conditions. We expect Nordic Real Estate to enter into carryforwards in Q1 and to support 2022 performance. We derive a fair value range of EUR 2.9-3.4 (3.0-3.5) per CapMan share.

Focus on the underlying business

We believe CapMan's Q1 will be burdened by lower fair value changes due to market turbulence. The company also had EUR 3.4m of balance sheet investments related to old Russian investments at the end of 2021. We expect the company to write down these investments in Q1. The main focus in the report will be on Management Company business fees and costs, as 2021 personnel costs were elevated due to variable pay, new recruitments and a reversal in COVID-related cost savings. We model a 30% y/y increase in management fees (-1% q/q) and expect a ~6 pp margin improvement in the Management Company business when excluding carryforwards.

Large estimate revision for 2022 due to fair value changes

We cut 2022E EBIT by 22%, mainly owing to clearly lower fair value changes and an expected writedown of old Russian investments. For 2023E-24E, we trim EBIT by 3% due to slightly higher cost assumptions. WE also adjust for the new sustainability-linked notes (EUR 40m) which, based on our calculations, increase financial costs by EUR ~0.5m on an annual basis compared to old notes (EUR 31.5m). New notes will mature in 2027 and initially carry a 4.5% fixed annual rate.

Fair value range of EUR 2.9-3.4

We derive an SOTP-driven fair value range of EUR 2.9-3.4 (3.0-3.5). We use 13-15x EV/EBIT for 2023E operating EBIT (excluding carryforwards) and 4-6x EV/EBIT for 2023E carryforwards and CapMan's book value for investments (excluding Russian investments). With more normalised carry, CapMan would trade at 2023E P/E of ~11x, fairly in line with Finnish peers. Based on our estimates, the share offers a 6-7% dividend yield for 2022-24.

Nordea Markets - Analysts
Joni Sandvall
Analyst

Svante Krokfors
Director

SUMMARY TABLE - KEY FIGURES

EURm	2016	2017	2018	2019	2020	2021E	2022E	2023E	2024E
Total revenue	26.7	34.8	36.0	49.0	43.0	52.8	74.0	72.8	77.4
EBIT (adj)	18.7	19.5	12.0	25.1	12.3	44.6	38.0	41.5	44.2
EBIT (adj) margin	70.0%	55.9%	33.2%	51.1%	28.7%	84.6%	51.4%	56.9%	57.1%
EPS (adj), EUR	0.16	0.10	0.05	0.12	0.03	0.22	0.18	0.19	0.20
EPS (adj) growth	174.6%	-35.8%	-49.7%	127.1%	-72.2%	564.4%	-17.6%	4.7%	7.5%
DPS (ord), EUR	0.09	0.11	0.12	0.13	0.14	0.15	0.16	0.17	0.18
EV/Sales	7.5	8.1	6.2	7.7	9.0	9.4	5.1	4.8	4.1
EV/EBIT (adj)	10.7	14.5	18.6	15.0	31.3	11.1	10.0	8.4	7.2
P/E (adj)	7.7	17.0	28.2	19.8	70.2	13.8	13.9	13.2	12.3
P/BV	1.3	2.2	1.9	2.8	3.2	3.7	3.0	2.9	2.8
Dividend yield (ord)	7.2%	6.2%	8.2%	5.5%	6.0%	4.9%	6.4%	6.8%	7.2%
Net debt	21	25	5	16	25	18	12	8	3
Net debt/EBITDA	1.1	1.2	0.4	0.8	2.7	1.5	0.4	0.3	0.1

Source: Company data and Nordea estimates

Estimate revisions and expectations

Revisions mainly due to lower fair value change assumptions

We make only minor estimate revisions to our Management Company estimates while we slash our assumptions of fair value changes and expect a EUR 3.4m writedown related to old Russian investments. We lower 2022E EBIT by 22% but only trim 2023E-24E by 3%. We also adjust for the recently issued EUR 40m of sustainability-linked notes, which replaced the outstanding notes that were due in 2023.

ESTIMATE REVISIONS

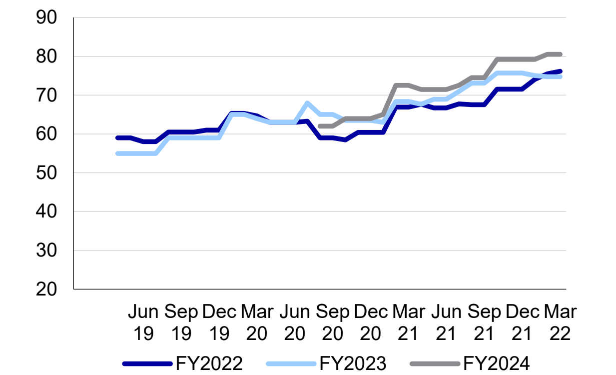
	New estimates				Old estimates				Difference, %			
EURm	**Q1 2022E**	**2022E**	**2023E**	**2024E**	**Q1 2022E**	**2022E**	**2023E**	**2024E**	**Q1 2022E**	**2022E**	**2023E**	**2024E**
Sales	**16.3**	**74.0**	**72.8**	**77.4**	**16.3**	**74.2**	**72.9**	**77.4**	**0%**	**0%**	**0%**	**0%**
Adj. EBIT	**4.1**	**38.0**	**41.5**	**44.2**	**11.0**	**48.9**	**42.9**	**45.7**	**-63%**	**-22%**	**-3%**	**-3%**
Adj. EBIT margin	25.1%	51.4%	56.9%	57.1%	67.2%	66.0%	58.8%	59.0%	-42.1pp	-14.6pp	-1.9pp	-1.9pp
Adj. EPS (EUR)	**0.02**	**0.18**	**0.19**	**0.20**	**0.05**	**0.24**	**0.20**	**0.21**	**-70%**	**-25%**	**-5%**	**-5%**
Net sales by segment												
Management company	13.9	64.2	61.9	65.3	13.9	64.2	61.9	65.3	0%	0%	0%	0%
- excluding carried interest	11.4	46.7	54.4	57.8	11.4	46.7	54.4	57.8	0%	0%	0%	0%
- carried interest	2.5	17.5	7.5	7.5	2.5	17.5	7.5	7.5	0%	0%	0%	0%
Services business	2.4	9.3	10.4	11.4	2.4	9.5	10.4	11.5	0%	-2%	0%	0%
Other	0.0	0.6	0.6	0.6	0.0	0.6	0.6	0.6	0%	0%	0%	0%
Adj. EBIT by segment												
Management company	6.3	33.0	30.2	32.2	6.5	33.1	30.4	32.3	-3%	0%	-1%	-1%
- excluding carried interest	3.8	15.5	22.7	24.7	4.0	15.6	22.9	24.8	-5%	-1%	-1%	-1%
- carried interest	2.5	17.5	7.5	7.5	2.5	17.5	7.5	7.5	0%	0%	0%	0%
Services business	1.2	4.7	5.7	6.5	1.2	4.9	5.7	6.6	0%	-5%	-1%	-1%
Investments	-2.0	5.5	11.5	11.4	4.6	15.9	12.5	12.5	-144%	-65%	-8%	-9%
Other	-1.4	-5.2	-5.8	-5.9	-1.4	-5.0	-5.7	-5.8	0%	2%	2%	2%

Source: Nordea estimates

Expectations

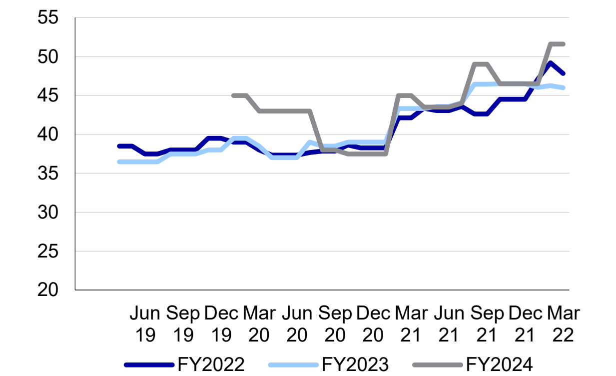
CapMan will report its Q1 results on 28 April at 08:00 EET. Refinitiv consensus' expectations for adjusted EBIT have increased throughout the year owing to positive business momentum and positive fair value changes.

CONSENSUS SALES ESTIMATES (EURm)



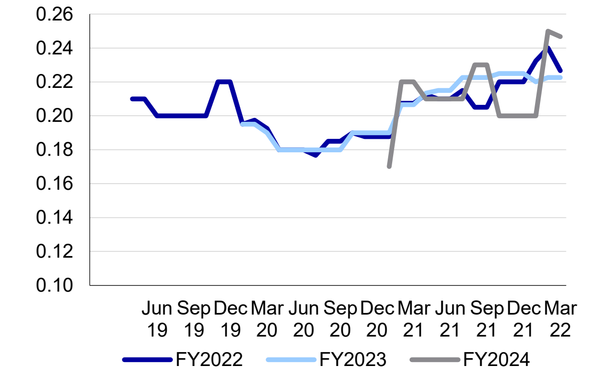
Source: Refinitiv

CONSENSUS EBIT ESTIMATES (EURm)



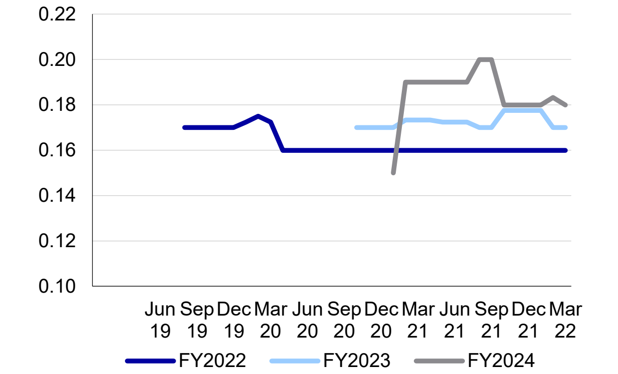
Source: Refinitiv

CONSENSUS EPS ESTIMATES (EUR)



Source: Refinitiv

CONSENSUS DPS ESTIMATES (EUR)



Source: Refinitiv

Below consensus for 2022E-23E, most likely due to carryforwards

We are 21% below Refinitiv consensus on EBIT for 2022E and 10-14% below for 2023E-24E. We believe the main difference is due to carryforward expectations and writedown assumptions related to the old Russian investments.

OUR ESTIMATES VS CONSENSUS

	Our estimates				Consensus estimates				Difference %			
EURm	**Q1 2022E**	**2022E**	**2023E**	**2024E**	**Q1 2022E**	**2022E**	**2023E**	**2024E**	**Q1 2022E**	**2022E**	**2023E**	**2024E**
Sales	**16.3**	**74.0**	**72.8**	**77.4**	**17.7**	**76.1**	**74.7**	**80.6**	**-8%**	**-3%**	**-3%**	**-4%**
Adj. EBIT	**4.1**	**38.0**	**41.5**	**44.2**	**9.3**	**47.8**	**46.0**	**51.6**	**-56%**	**-21%**	**-10%**	**-14%**
Adj. EBIT margin	25.1%	51.4%	56.9%	57.1%	52.8%	62.8%	61.6%	64.0%	-27.7pp	-11.5pp	-4.6pp	-7.0pp
PTP	2.9	34.0	37.5	40.3	8.3	44.0	42.3	48.0	-65%	-23%	-11%	-16%
Adj. EPS, EUR	**0.016**	**0.18**	**0.19**	**0.21**	**0.043**	**0.23**	**0.22**	**0.25**	**-64%**	**-20%**	**-14%**	**-17%**

Source: Refinitiv and Nordea estimates

Valuation

Using a sum-of-the-parts valuation, we derive a fair value range of EUR 2.9-3.4 per CapMan share.

SOTP valuation of EUR 2.9-3.4 per share

We use a 2023E EV/EBIT range of 13-15x to value the management business (excluding carry), EV/EBIT of 4-6x for our 2023 carry valuation and 13-15x EV/EBIT to value the Services business. From this, we derive a fair value range of EUR 2.9-3.4 (3.0-3.5) per CapMan share. We use CapMan's book value as a proxy for the investment fair value (excluding Russia), deduct 2022E net debt and add 2022E dividends.

SUM-OF-THE-PARTS VALUATION BASED ON 2023 ESTIMATES (EURm AND EUR)

Based on 2023 estimates	Sales	EBIT	Valuation method	EV Range
Management company business	61.9	30.2	EV/EBIT 10.8x - 12.8x	325 - 385
excluding carried interest	54.4	22.7	EV/EBIT 13x - 15x	295 - 340
carried interest	7.5	7.5	EV/EBIT 4x - 6x	30 - 45
Services business	10.4	5.7	EV/EBIT 13x - 15x	74 - 85
Investment business	-	11.5	Book value Dec 2021	114 - 139
Other	0.6	-5.8	EV/EBIT 13x - 15x	-76 to -88
Total	**72.8**	**41.5**		**436 - 522**
Net debt 2022E				-12
2022E dividends				25
Equity value				449 - 535
Number of shares (m)				156.6
Equity per share, EUR				**2.9 - 3.4**

Source: Company data and Nordea estimates

DCF valuation suggests EUR 3.3-4.1 per share

In our DCF model, we assume a sales CAGR of 3.5% for 2022-27, followed by a 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	2.5%
Market risk premium	4.0%
Forward looking asset beta	nm
Beta debt	0.1
Forward looking equity beta	1.3-1.8
Cost of equity	7.7-9.7%
Cost of debt	4.0%
Tax-rate used in WACC	20%
Equity weight	70%
WACC	**6.4-7.8%**

Source: Nordea estimates

DCF VALUE (EURm AND EUR)

DCF value	Value	Per share
NPV FCFF	528-644	3.4-4.1
(Net debt)	-18	-0.1
Time value	15	0.1
Market value of associates	0	0.0
(Market value of minorities)	-2	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	**523-639**	**3.3-4.1**

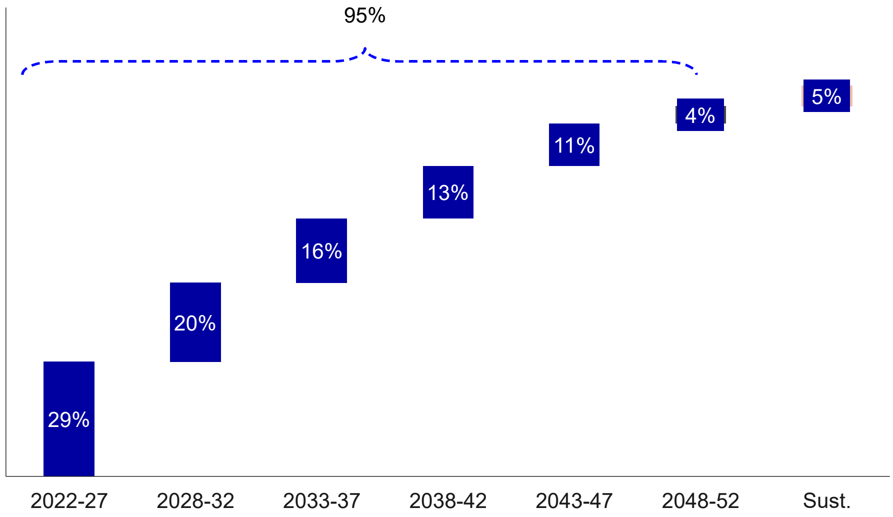
Source: Nordea estimates

DCF ASSUMPTIONS

Averages and assumptions	2022-27	2028-32	2033-37	2038-42	2043-47	2048-52	Sust.
Sales growth, CAGR	3.5%	3.5%	2.5%	2.5%	2.5%	2.5%	
EBIT-margin, excluding associates	55.0%	50.0%	50.0%	50.0%	50.0%	7.0%	
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	-5%	-5%	-5%	-5%	-5%	-5%	
FCFF, CAGR	3.2%	2.3%	2.8%	2.5%	2.5%	-34.1%	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 SEGMENT

Net sales	2018	2019	2020	2021	2022E	2023E	2024E
Management Company business	24.2	32.8	30.9	43.6	64.2	61.9	65.3
-Management fees	22.1	24.7	28.9	36.6	42.2	49.4	52.4
-Service fees	1.1	1.2	1.2	4.2	4.5	4.9	5.4
-Carried interest	1.0	6.9	0.9	2.9	17.5	7.5	7.5
Service business	8.7	15.7	11.4	8.6	9.3	10.4	11.4
Other	0.6	0.5	0.7	0.5	0.6	0.6	0.6
Group	**36.0**	**49.0**	**43.0**	**52.8**	**74.0**	**72.8**	**77.4**
Sales growth							
Management Company business	-4%	35%	-6%	41%	47%	-4%	6%
Service business	56%	81%	-28%	-24%	8%	12%	10%
Group	**3%**	**36%**	**-12%**	**23%**	**40%**	**-2%**	**6%**
Adj. EBIT							
Management Company business	2.8	10.2	9.1	13.2	33.0	30.2	32.2
-Without carried interest	1.8	3.3	8.2	10.3	15.5	22.7	24.7
Service business	4.4	9.1	4.9	4.2	4.7	5.7	6.5
Investment business	6.5	10.2	4.0	32.7	5.5	11.5	11.4
Other	-1.7	-5.9	-5.7	-5.4	-5.2	-5.8	-5.9
Group	**12.0**	**25.1**	**12.3**	**44.6**	**38.0**	**41.5**	**44.2**
-Without fair value changes	6.9	12.8	7.9	10.7	31.5	29.0	31.7
-Without FV changes and carried interest	5.8	5.9	7.1	7.9	14.0	21.5	24.2
Adj. EBIT growth							
Management Company business	6%	260%	-11%	45%	150%	-8%	7%
Service business	94%	109%	-46%	-15%	12%	21%	15%
Investment business	-63%	58%	n.a.	n.a.	-83%	108%	-1%
Group	**-39%**	**110%**	**-51%**	**262%**	**-15%**	**9%**	**6%**
Adj. EBIT margin							
Management Company business	12%	31%	29%	30%	51%	49%	49%
-without carried interest	8%	10%	27%	24%	24%	37%	38%
Service business	50%	58%	43%	48%	51%	55%	57%
Management fee and service fee together	20%	31%	33%	32%	39%	47%	49%
Group	**33%**	**51%**	**29%**	**85%**	**51%**	**57%**	**57%**
Investment business							
Invested capital	126.6	129.4	116.6	130.4	124.9	124.4	122.9
Fair value changes	5.1	12.2	4.4	33.9	6.5	12.5	12.4
-Return on invested capital	4%	9%	4%	28%	5%	10%	10%
Expenses	-1.2	-2.0	-0.4	-1.2	-1.0	-1.0	-1.0
EBIT	**6.5**	**10.2**	**4.0**	**32.7**	**5.5**	**11.5**	**11.4**
Capital under management (EURbn)	**3.0**	**3.2**	**3.8**	**4.5**	**5.0**	**5.6**	**5.9**
-growth y/y	9%	7%	18%	18%	12%	11%	5%

Source: Company data and Nordea estimates

Reported numbers and forecasts

ANNUAL ESTIMATES

EURm	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Management fees	26.9	28.7	27.4	26.6	19.6	22.1	24.7	28.9	36.6	42.2	49.4	52.4
Carried interest	2.9	10.8	4.4	0.0	4.4	1.0	6.9	0.9	2.9	17.5	7.5	7.5
Sale of services	0.0	0.0	0.0	0.0	7.1	10.3	17.4	13.3	13.3	14.3	15.9	17.5
Dividend & interest income	0.0	0.0	0.0	0.0	3.7	2.5	0.0	0.0	0.0	0.0	0.0	0.0
Net sales	**29.8**	**39.5**	**31.8**	**26.7**	**34.8**	**36.0**	**49.0**	**43.0**	**52.8**	**74.0**	**72.8**	**77.4**
sales growth %	9%	33%	-20%	-16%	31%	3%	36%	-12%	23%	40%	-2%	6%
Other operating income	0.0	0.0	0.3	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Personnel expenses	-15.6	-17.8	-17.1	-18.3	-21.4	-19.9	-24.2	-23.9	-30.6	-30.7	-31.5	-32.8
Depreciation and amortisation	-0.7	-0.4	-0.3	-0.3	-1.7	-0.2	-1.4	-1.5	-1.5	-1.6	-1.6	-1.6
Other operating expenses	-11.6	-12.0	-10.6	-12.2	-9.9	-9.1	-12.1	-9.7	-10.0	-10.2	-10.7	-11.2
Fair value changes	1.2	-3.1	5.2	22.6	17.6	5.1	12.2	4.4	33.9	6.5	12.5	12.4
EBIT	**3.3**	**6.4**	**9.3**	**18.7**	**19.5**	**12.0**	**19.4**	**12.3**	**44.6**	**38.0**	**41.5**	**44.2**
margin %	11%	16%	29%	70%	56%	33%	40%	29%	85%	51%	57%	57%
Net financials	-0.7	-1.4	-2.9	-3.1	-3.2	-2.7	-1.8	-3.1	-4.0	-4.4	-4.5	-4.4
Income using the equity method*	0.0	0.0	0.1	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit before taxes	2.0	4.9	6.4	15.5	16.2	9.3	17.6	9.2	40.6	33.7	37.0	39.8
Income taxes	-0.5	-1.0	-0.4	-0.2	-0.8	-0.8	-1.7	-2.9	-5.2	-5.4	-7.4	-8.0
Profit for the period	1.5	4.0	6.1	15.3	15.5	8.5	15.9	6.3	35.4	28.3	29.6	31.8
EPS, EUR	**-0.01**	**0.03**	**0.06**	**0.16**	**0.10**	**0.06**	**0.09**	**0.03**	**0.22**	**0.18**	**0.19**	**0.20**

Source: Company data and Nordea estimates

INTERIM ESTIMATES

EURm	Q1/21	Q2/21	Q3/21	Q4/21	Q1/22E	Q2/22E	Q3/22E	Q4/22E
Management fees	8.0	8.4	9.6	10.5	10.4	10.3	10.8	10.7
Carried interest	0.0	0.3	2.2	0.3	2.5	5.0	5.0	5.0
Sale of services	3.2	3.2	3.1	3.9	3.4	3.4	3.3	4.3
Dividend & interest income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net sales	**11.3**	**11.9**	**14.9**	**14.7**	**16.3**	**18.7**	**19.1**	**20.0**
sales growth %	-5%	36%	67%	10%	44%	57%	28%	36%
Other operating income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Personnel expenses	-6.3	-7.8	-7.5	-9.1	-7.3	-7.5	-7.4	-8.5
Depreciation and amortisation	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4
Other operating expenses	-2.7	-2.0	-2.1	-3.1	-2.8	-2.6	-1.9	-3.0
Fair value changes	8.2	9.6	6.0	10.1	-1.8	2.5	3.1	2.7
EBIT	**10.1**	**11.3**	**10.9**	**12.2**	**4.1**	**10.7**	**12.5**	**10.7**
margin %	90%	95%	73%	83%	25%	57%	66%	54%
Net financials	-0.9	-1.3	-0.8	-1.1	-1.2	-0.1	-0.9	-2.2
Income using the equity method*	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit before taxes	9.3	10.1	10.2	11.1	2.9	10.6	11.6	8.6
Income taxes	-1.5	-1.2	-0.7	-1.7	-0.4	-1.4	-2.1	-1.5
Profit for the period	7.5	8.8	9.0	9.0	2.5	9.2	9.5	7.1
EPS, EUR	**0.05**	**0.06**	**0.06**	**0.06**	**0.02**	**0.06**	**0.06**	**0.05**

Source: Company data and Nordea estimates

BALANCE SHEET

EURm	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Intangible assets	6.7	6.5	4.8	4.8	16.1	16.0	15.8	15.8	15.8	15.8
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	0.5	0.3	0.2	0.1	0.8	0.7	0.5	0.5	0.5	0.5
of which goodwill	6.2	6.2	4.5	4.7	15.3	15.3	15.3	15.3	15.3	15.3
Tangible assets	0.2	0.2	0.3	0.3	2.5	1.7	0.8	1.0	1.4	1.8
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	0.3	0.3	2.5	1.7	0.8	1.0	1.4	1.8
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	0.1	0.1	0.0	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	0.2	0.0	0.0	0.0	0.0
Deferred tax assets	4.4	4.9	1.8	2.0	3.7	2.4	1.8	1.8	1.8	1.8
Other non-interest bearing assets	47.2	51.4	58.3	80.6	118.6	116.1	130.0	130.0	130.0	130.0
Other non-current assets	62.5	48.6	37.0	12.1	9.4	9.1	10.5	10.5	10.5	10.5
Total non-current assets	**121.1**	**111.6**	**102.1**	**99.8**	**150.4**	**145.5**	**158.8**	**159.0**	**159.5**	**159.9**
Inventory	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	6.6	9.8	8.7	12.6	10.8	14.0	15.2	20.6	19.5	20.0
Other current assets	0.3	86.2	77.1	39.0	10.8	0.3	0.0	0.0	0.0	0.0
Cash and bank	21.6	45.0	23.3	54.5	43.7	58.0	65.2	70.8	74.9	79.8
Total current assets	**28.5**	**141.1**	**109.2**	**106.2**	**66.2**	**73.3**	**81.4**	**92.4**	**95.5**	**100.9**
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	**149.6**	**252.7**	**211.3**	**206.0**	**216.5**	**218.8**	**240.3**	**251.4**	**254.9**	**260.8**
Shareholder equity	65.2	143.0	126.7	120.5	127.4	112.5	125.8	130.6	135.1	140.3
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	0.4	2.1	0.7	1.6	1.6	1.6	1.6
Total Equity	**65.2**	**143.0**	**126.7**	**121.0**	**129.5**	**113.3**	**127.4**	**132.2**	**136.7**	**141.9**
Deferred tax	2.0	9.9	8.6	3.3	2.2	2.7	4.6	4.6	4.6	4.6
Long term interest bearing debt	69.4	48.1	45.2	49.7	59.1	82.6	82.0	82.0	82.0	82.0
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	0.1	0.1	0.2	0.2	6.9	7.6	7.6	7.6	7.6
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	**71.3**	**58.1**	**53.9**	**53.2**	**61.4**	**92.3**	**94.2**	**94.2**	**94.2**	**94.3**
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	13.1	33.3	26.8	16.8	20.2	11.1	16.7	22.7	21.6	22.2
Other current liabilities	0.0	0.3	0.8	5.1	4.5	1.3	1.0	1.3	1.3	1.4
Short term interest bearing debt	0.0	18.0	3.0	10.0	0.5	0.4	0.5	0.5	0.5	0.5
Total current liabilities	**13.1**	**51.7**	**30.7**	**31.9**	**25.6**	**13.3**	**18.7**	**25.0**	**23.9**	**24.6**
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	**149.6**	**252.7**	**211.3**	**206.0**	**216.5**	**218.8**	**240.3**	**251.4**	**254.9**	**260.8**

Source: Company data and Nordea estimates

CASH FLOW STATEMENT

EURm	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
EBITDA (excludes fair value changes)	**4.4**	**-3.7**	**3.6**	**7.0**	**8.5**	**9.4**	**12.2**	**33.0**	**30.6**	**45.8**
Paid taxes	-0.9	-0.3	-1.6	-3.1	-4.6	-4.3	-0.7	-5.4	-7.4	-8.0
Net financials	-4.3	-4.2	-3.9	-2.4	-2.6	-3.2	-0.1	-4.4	-4.5	-4.4
Other adjustments to reconcile cash flow	4.6	0.4	0.0	0.7	0.8	0.0	0.0	0.0	0.0	0.0
Funds from operations (FFO)	**3.9**	**-7.8**	**-1.8**	**2.2**	**2.1**	**2.0**	**11.4**	**23.3**	**18.7**	**33.4**
Change in NWC	-3.3	4.6	-1.8	-6.9	-2.5	-15.7	3.2	1.0	-0.1	0.2
Cash flow from operations (CFO)	**0.6**	**-3.1**	**-3.6**	**-4.7**	**-0.4**	**-13.8**	**14.7**	**24.3**	**18.6**	**33.7**
Capital Expenditure	0.0	0.0	-0.3	-0.1	-0.6	-0.4	-0.1	-0.8	-1.0	-1.0
Free Cash Flow before A&D	**0.6**	**-3.1**	**-3.9**	**-4.8**	**-0.9**	**-14.1**	**14.6**	**23.5**	**17.6**	**32.7**
Acquisitions and disposals (mainly exits from investments)	-39.6	37.3	34.0	39.7	17.5	4.4	33.9	6.5	12.5	0.0
Free cash flow	**-39.0**	**34.2**	**30.1**	**34.9**	**16.5**	**5.6**	**0.2**	**30.1**	**30.1**	**32.7**
Dividend paid	-5.2	-6.0	-13.0	-16.1	-19.0	-21.9	-9.8	-23.5	-25.1	-26.6

Source: Company data and Nordea estimates

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