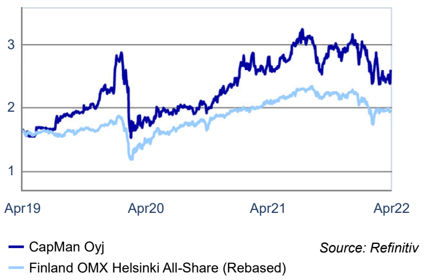
CapMan

Investment Companies
Finland

KEY DATA

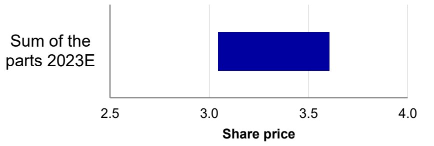
Stock country	Finland
Bloomberg	CAPMAN FH
Reuters	CAPMAN.HE
Share price (close)	EUR 2.62
Free Float	75%
Market cap. (bn)	EUR 0.41/EUR 0.41
Website	www.capman.com
Next report date	04 Aug 2022

PERFORMANCE



Source: Refinitiv

VALUATION APPROACH



Source: Nordea estimates

ESTIMATE CHANGES

Year	2022E	2023E	2024E
Sales	0%	-1%	-1%
EBIT (adj)	59%	4%	5%
EPS (adj.)	65%	4%	4%

Source: Nordea estimates

Outlook remains good

CapMan reported a strong Q1 with high fair value changes despite writedowns related to old Russian investments. All active strategies contributed positively to the Q1 development. CapMan expects the strong AuM growth to continue in 2022, with marked demand and three new product launches in the pipeline for the year. Nordic Real Estate entered carry in Q1, and CapMan expects Growth Equity to enter carry during Q2, followed by further funds over the coming 12 months, providing more stable carry. We derive a fair value range of EUR 3.0-3.6 (2.9-3.4) per CapMan share.

Q1 supported by record fair value changes

CapMan reported Q1 EBIT of 18.9m, which was EUR 13.4m (244%) above Infront consensus. Investment business EBIT was EUR 14.5m, with EUR 14.7m positive fair value changes despite the EUR 3.4m writedown of old Russian investments. Management company EBIT was EUR 4.4m; excluding carry, EBIT was EUR 3.1m, 18% short of our estimate. Services' EBIT of EUR 1.4m was 11% above our estimate. CapMan recorded EUR 1.3m of carry during Q1. AuM increased to EUR 4.7bn (versus EUR 4.5bn in Q4 and up 22% y/y) and CapMan expects AuM growth to continue in 2022. The Nordic Real Estate fund started to generate carry in Q1, while Growth Equity is approaching carry during Q2.

High estimate revisions due to fair value changes

We lower management company business fees slightly for 2022E-24E and hike our fair value change estimates. On a group level, our top-line estimates are down 0-1% for 2022-24, while our EBIT estimates are up 50% for 2022 and 4-5% for 2023-24. We note that positive revisions relate to investments and Services, while our management company EBIT estimates are down 2-3% for 2022-23.

Fair value range of EUR 3.0-3.6

We derive a SOTP-based fair value range of EUR 3.0-3.6 (2.9-3.4). We use 13-15x EV/EBIT for 2023E operating EBIT (excluding carry forwards) and 4-6x EV/EBIT for 2023E carry forwards and CapMan's book value for investments. With more normalised carry, CapMan would trade at a 2023E P/E of ~11x. 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	73.7	72.0	76.4
EBIT (adj)	18.7	19.5	12.0	25.1	12.3	44.6	60.4	43.3	46.2
EBIT (adj) margin	70.0%	55.9%	33.2%	51.1%	28.7%	84.6%	81.9%	60.2%	60.5%
EPS (adj), EUR	0.16	0.10	0.05	0.12	0.03	0.22	0.30	0.20	0.21
EPS (adj) growth	174.6%	-35.8%	-49.7%	127.1%	-72.2%	564.4%	35.6%	-33.8%	7.7%
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	5.2	4.9	4.1
EV/EBIT (adj)	10.7	14.5	18.6	15.0	31.3	11.1	6.4	8.1	6.9
P/E (adj)	7.7	17.0	28.2	19.8	70.2	13.8	8.8	13.3	12.4
P/BV	1.3	2.2	1.9	2.8	3.2	3.8	2.7	2.6	2.5
Dividend yield (ord)	7.2%	6.2%	8.2%	5.5%	6.0%	4.9%	6.1%	6.5%	6.9%
Net debt	21	25	5	16	25	18	-6	-12	-18
Net debt/EBITDA	1.1	1.2	0.4	0.8	2.7	1.5	-0.2	-0.4	-0.4

Source: Company data and Nordea estimates

Q1 results and revisions

Strong fair value changes in Q1

CapMan reported Q1 EBIT of 18.9m, beating Infront consensus by 244%. Investment business EBIT was EUR 14.5m (fair value changes were EUR +14.7m despite the Russian writedown) in Q1, far above our estimate. Management company EBIT of EUR 4.4m was 30% short of our estimate, while Services' EBIT of EUR 1.4m was 11% above our estimate.

CapMan recorded EUR 1.3m of carry during Q1 (our estimate: EUR 2.5m, following EUR 0.3m in Q4). If we adjust for lower-quality carry, underlying management company business EBIT was 18% below our estimate, burdened by lower-than-anticipated management fees.

AuM increased to EUR 4.7bn (EUR 4.5bn in Q4 and up 22% y/y) and CapMan expects further growth in AuM in 2022. The Nordic Real Estate fund started to generate carry in Q1, while the Growth Equity 2017 fund is approaching carry during Q2. In addition, CapMan expects some other funds to enter carry during 2022.

The company made a total of EUR 4.7m in writedowns on its old Russia investments and no longer has any exposure to that market.

EPS of EUR 0.083 was significantly above consensus of EUR 0.02.

Q1 RESULTS VS EXPECTATIONS

EURm	Actual Q1/22	NDA est. Q1 2022E	Deviation vs. actual		Consensus Q1 2022E	Deviation vs. actual		Actual Q4 2021	q/q	Actual Q1 2021	y/y
Sales	**14.2**	**16.3**	**-2.1**	**-13%**	**17.7**	**-3.5**	**-20%**	**14.7**	**-4%**	**11.3**	**26%**
Adj. EBIT	**18.9**	**4.1**	**14.8**	**361%**	**5.5**	**13.4**	**244%**	**12.2**	**54%**	**10.1**	**86%**
Adj. EBIT margin	133.1%	25.1%		108.0pp	31.1%		102.0pp	83.2%	50pp	89.6%	43.5pp
EPS, EUR	**0.083**	**0.016**	**0.07**	**428%**	**0.020**	**0.06**	315%	**0.058**	44%	**0.048**	74%
Sales											
Management company business	11.7	13.9	-2.2	-16%				11.8	-1%	9.0	29%
- excluding carried interest	10.4	11.4	-1.0	-9%				11.5	-9%	9.0	16%
- carried interest	1.3	2.5	-1.2	-48%				0.3	300%	0.0	2728%
Services	2.5	2.4	0.1	6%				2.4	3%	2.3	11%
Other	0.0	0.0	0.0	-39%				0.2	-97%	-0.2	-104%
Adj. EBIT											
Management company business	4.4	6.3	-1.9	-30%				3.2	37%	2.5	77%
- excluding carried interest	3.1	3.8	-0.7	-18%				2.9	7%	2.4	27%
- carried interest	1.3	2.5	-1.2	-48%				0.3	300%	0.0	2728%
Services	1.4	1.2	0.1	11%				1.2	16%	1.2	15%
Fair value changes, Investments	14.5	-2.0	16.5	-815%				9.6	51%	7.9	84%
Other	-1.4	-1.4	0.0	-1%				-1.7	-19%	-1.4	-3%

Source: Company data, Infront and Nordea estimates

Estimate revisions

Given the strong fair value changes despite the market turbulence, we hike our fair value change estimates. Our underlying estimate changes are more modest, and we trim our management fee estimates. We increase our carry estimates by EUR 1m for 2022. Our management company EBIT estimates are down 10% for 2022 and 4-5% for 2023-24. On a group level, we lower the 2023E-24E top lines by 1% and leave our estimate for 2022 intact. On the adjusted EBIT level, we hike 2022E by 59% and 2023E-24E by 4-5%.

ESTIMATE REVISIONS FOLLOWING THE Q1 REPORT

	New estimates				Old estimates				Difference, %			
EURm	**Q2 2022E**	**2022E**	**2023E**	**2024E**	**Q2 2022E**	**2022E**	**2023E**	**2024E**	**Q2 2022E**	**2022E**	**2023E**	**2024E**
Sales	**18.0**	**73.7**	**72.0**	**76.4**	**18.7**	**74.0**	**72.8**	**77.4**	**-4%**	**0%**	**-1%**	**-1%**
Adj. EBIT	**13.1**	**60.4**	**43.3**	**46.2**	**10.7**	**38.0**	**41.5**	**44.2**	**22%**	**59%**	**4%**	**5%**
Adj. EBIT margin	72.9%	81.9%	60.2%	60.5%	57.4%	51.4%	56.9%	57.1%	15.5pp	30.6pp	3.3pp	3.4pp
Adj. EPS (EUR)	**0.07**	**0.30**	**0.20**	**0.21**	**0.06**	**0.18**	**0.19**	**0.20**	**22%**	**65%**	**4%**	**4%**
Net sales by segment												
Management company	15.7	63.6	60.6	64.0	16.5	64.2	61.9	65.3	-5%	-1%	-2%	-2%
- excluding carried interest	10.7	45.1	53.1	56.5	11.5	46.7	54.4	57.8	-7%	-3%	-2%	-2%
- carried interest	5.0	18.5	7.5	7.5	5.0	17.5	7.5	7.5	0%	6%	0%	0%
Services business	2.3	9.6	10.7	11.8	2.2	9.3	10.4	11.4	5%	3%	3%	3%
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	8.1	32.4	29.1	31.1	8.6	33.0	30.2	32.2	-7%	-2%	-3%	-3%
- excluding carried interest	3.1	13.9	21.6	23.6	3.6	15.5	22.7	24.7	-16%	-10%	-5%	-4%
- carried interest	5.0	18.5	7.5	7.5	5.0	17.5	7.5	7.5	0%	6%	0%	0%
Services business	1.0	5.2	6.2	7.1	0.9	4.7	5.7	6.5	14%	10%	9%	9%
Investments	5.1	27.7	13.7	13.9	2.3	5.5	11.5	11.4	127%	403%	20%	22%
Other	-1.1	-4.9	-5.7	-5.8	-1.1	-5.2	-5.8	-5.9	1%	-5%	-2%	-2%

Source: Nordea estimates

Valuation

Using a sum-of-the-parts valuation, we derive a fair value range of EUR 3.0-3.6 per CapMan share.

SOTP valuation of EUR 3.0-3.6 per share

We use a 2023E EV/EBIT range of 13-15x to value the management company 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 3.0-3.6 (2.9-3.4) per CapMan share. We use CapMan's book value as a proxy for the investment fair value, 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	60.6	29.1	EV/EBIT 10.7x - 12.7x	311 - 370
excluding carried interest	53.1	21.6	EV/EBIT 13x - 15x	281 - 325
carried interest	7.5	7.5	EV/EBIT 4x - 6x	30 - 45
Services business	10.7	6.2	EV/EBIT 13x - 15x	80 - 93
Investment business	-	13.7	Book value Mar 2022	128 - 156
Other	0.6	-5.7	EV/EBIT 13x - 15x	-74 to -86
Total	**72.0**	**43.3**		**445 - 533**
Net debt 2022E				6
2022E dividends				25
Equity value				477 - 564
Number of shares (m)				156.6
Equity per share, EUR				**3 - 3.6**

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 3.3% 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	550-671	3.5-4.2
(Net debt)	-18	-0.1
Time value	16	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	**546-667**	**3.5-4.2**

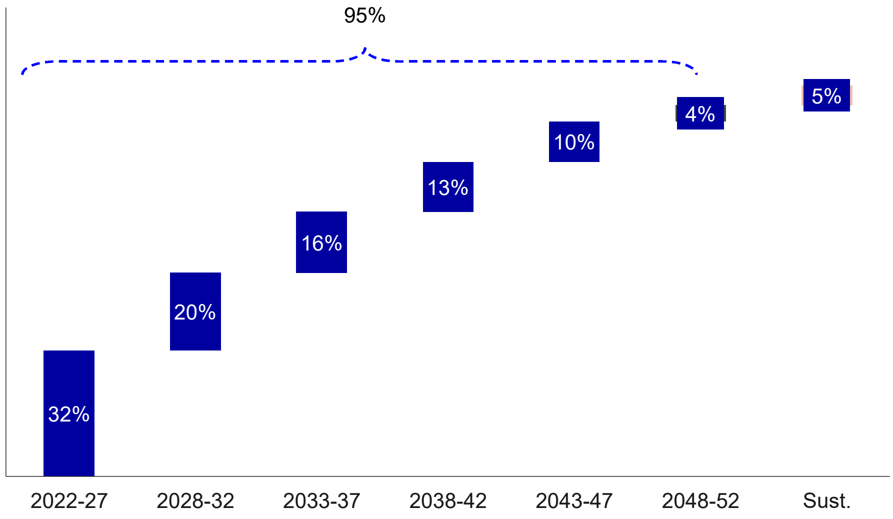
Source: Nordea estimates

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 (EURm)

Net sales	**2018**	**2019**	**2020**	**2021**	**2022E**	**2023E**	**2024E**
Management Company business	24.2	32.8	30.9	43.6	63.6	60.6	64.0
-Management fees	22.1	24.7	28.9	36.6	40.5	48.1	51.0
-Service fees	1.1	1.2	1.2	4.2	4.6	5.0	5.5
-Carried interest	1.0	6.9	0.9	2.9	18.5	7.5	7.5
Service business	8.7	15.7	11.4	8.6	9.6	10.7	11.8
Other	0.6	0.5	0.7	0.5	0.6	0.6	0.6
Group	**36.0**	**49.0**	**43.0**	**52.8**	**73.7**	**72.0**	**76.4**
Sales growth							
Management Company business	-4%	35%	-6%	41%	46%	-5%	6%
Service business	56%	81%	-28%	-24%	11%	12%	10%
Group	**3%**	**36%**	**-12%**	**23%**	**40%**	**-2%**	**6%**
Adj. EBIT							
Management Company business	2.8	10.2	9.1	13.2	32.4	29.1	31.1
-Without carried interest	1.8	3.3	8.2	10.3	13.9	21.6	23.6
Service business	4.4	9.1	4.9	4.2	5.2	6.2	7.1
Investment business	6.5	10.2	4.0	32.7	27.7	13.7	13.9
Other	-1.7	-5.9	-5.7	-5.4	-4.9	-5.7	-5.8
Group	**12.0**	**25.1**	**12.3**	**44.6**	**60.4**	**43.3**	**46.2**
-Without fair value changes	6.9	12.8	7.9	10.7	31.7	28.6	31.3
-Without FV changes and carried interest	5.8	5.9	7.1	7.9	13.2	21.1	23.8
Adj. EBIT growth							
Management Company business	6%	260%	-11%	45%	146%	-10%	7%
Service business	94%	109%	-46%	-15%	24%	20%	14%
Investment business	-63%	58%	n.a.	n.a.	-15%	-50%	1%
Group	**-39%**	**110%**	**-51%**	**262%**	**35%**	**-28%**	**7%**
Adj. EBIT margin							
Management Company business	12%	31%	29%	30%	51%	48%	49%
-without carried interest	8%	10%	27%	24%	22%	36%	37%
Service business	50%	58%	43%	48%	54%	58%	60%
Management fee and service fee together	20%	31%	33%	32%	38%	47%	49%
Group	**33%**	**51%**	**29%**	**85%**	**82%**	**60%**	**60%**
Investment business							
Invested capital	126.6	129.4	116.6	130.4	147.1	148.8	149.7
Fair value changes	5.1	12.2	4.4	33.9	28.7	14.7	14.9
-Return on invested capital	4%	9%	4%	28%	22%	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**	**27.7**	**13.7**	**13.9**
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

INTERIM ESTIMATES

EURm	Q1/21	Q2/21	Q3/21	Q4/21	Q1/22	Q2/22E	Q3/22E	Q4/22E
Management fees	8.0	8.4	9.6	10.5	9.3	9.5	10.0	11.7
Carried interest	0.0	0.3	2.2	0.3	1.3	5.0	5.0	7.2
Sale of services	3.2	3.2	3.1	3.9	3.6	3.5	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**	**14.2**	**18.0**	**18.3**	**23.2**
sales growth %	-5%	36%	67%	10%	26%	51%	23%	58%
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	-7.2	-7.6	-7.4	-8.7
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	-2.4	-2.3	-2.2	-2.8
Fair value changes	8.2	9.6	6.0	10.1	14.7	5.3	4.5	4.2
EBIT	**10.1**	**11.3**	**10.9**	**12.2**	**18.9**	**13.1**	**12.8**	**15.6**
margin %	90%	95%	73%	83%	133%	73%	70%	67%
Net financials	-0.9	-1.3	-0.8	-1.1	-2.6	-0.1	-0.9	-0.8
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	16.3	13.0	11.9	14.8
Income taxes	-1.5	-1.2	-0.7	-1.7	-2.9	-1.7	-2.1	-2.2
Profit for the period	7.5	8.8	9.0	9.0	13.3	11.3	9.8	12.5
EPS, EUR	**0.05**	**0.06**	**0.06**	**0.06**	**0.09**	**0.07**	**0.06**	**0.08**

Source: Company data and Nordea estimates

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	40.5	48.1	51.0
Carried interest	2.9	10.8	4.4	0.0	4.4	1.0	6.9	0.9	2.9	18.5	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	14.7	16.3	17.9
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**	**73.7**	**72.0**	**76.4**
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	-30.8	-31.7	-32.9
Depreciation and amortisation	-0.7	-0.4	-0.3	-0.3	-1.7	-0.2	-1.4	-1.5	-1.5	-1.5	-1.5	-1.6
Other operating expenses	-11.6	-12.0	-10.6	-12.2	-9.9	-9.1	-12.1	-9.7	-10.0	-9.7	-10.1	-10.6
Fair value changes	1.2	-3.1	5.2	22.6	17.6	5.1	12.2	4.4	33.9	28.7	14.7	14.9
EBIT	**3.3**	**6.4**	**9.3**	**18.7**	**19.5**	**12.0**	**19.4**	**12.3**	**44.6**	**60.4**	**43.3**	**46.2**
margin %	11%	16%	29%	70%	56%	33%	40%	29%	85%	82%	60%	60%
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	56.0	38.9	41.9
Income taxes	-0.5	-1.0	-0.4	-0.2	-0.8	-0.8	-1.7	-2.9	-5.2	-9.0	-7.8	-8.4
Profit for the period	1.5	4.0	6.1	15.3	15.5	8.5	15.9	6.3	35.4	47.1	31.1	33.5
EPS, EUR	**-0.01**	**0.03**	**0.06**	**0.16**	**0.10**	**0.06**	**0.09**	**0.03**	**0.22**	**0.30**	**0.20**	**0.21**

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	1.5	2.0
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	1.5	2.0
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**	**159.1**	**159.6**	**160.1**
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	20.5	19.3	19.8
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	89.5	94.8	101.1
Total current assets	**28.5**	**141.1**	**109.2**	**106.2**	**66.2**	**73.3**	**81.4**	**111.1**	**115.1**	**121.9**
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**	**270.1**	**274.7**	**282.0**
Shareholder equity	65.2	143.0	126.7	120.5	127.4	112.5	125.8	149.3	155.1	161.7
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	1.7	1.7	1.7
Total Equity	**65.2**	**143.0**	**126.7**	**121.0**	**129.5**	**113.3**	**127.4**	**151.0**	**156.8**	**163.4**
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	22.6	21.4	21.9
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**	**24.9**	**23.7**	**24.3**
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**	**270.1**	**274.7**	**282.0**

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**	**33.2**	**30.1**	**47.8**
Paid taxes	-0.9	-0.3	-1.6	-3.1	-4.6	-4.3	-0.7	-9.0	-7.8	-8.4
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**	**19.9**	**17.9**	**35.0**
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**	**20.8**	**17.8**	**35.2**
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**	**20.1**	**16.8**	**34.2**
Acquisitions and disposals (mainly exits from investments)	-39.6	37.3	34.0	39.7	17.5	4.4	33.9	28.7	14.7	0.0
Free cash flow	**-39.0**	**34.2**	**30.1**	**34.9**	**16.5**	**5.6**	**0.2**	**48.8**	**31.5**	**34.2**
Dividend paid	-5.2	-6.0	-13.0	-16.1	-19.0	-21.9	-9.8	-23.5	-25.3	-26.9

Source: Company data and Nordea estimates

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