

04 August 2022

## Commissioned research: CapMan – Solid underlying development and fair value changes

Marketing material commissioned by CapMan

CapMan reported Q2 EBIT of 14.1m, 11% above Refinitiv consensus. Investment business EBIT was EUR 9.6m (fair value changes EUR +9.8m) in Q2 and came above Nordea estimate of EUR 8.1m (EUR +8.3m fair value changes). Management Company EBIT of EUR 6.1m came 31% below Nordea estimate while Service Business EBIT of EUR 1.7m came 67% above Nordea estimate. CapMan recorded EUR 3.2m carry in Q2 (Nordea EUR 6m, after EUR 1.3m in Q1). Hence, if we adjust for lower quality carry, the more important underlying management company business EBIT came 2% above our estimate, with 6% higher-than-anticipated fees. We believe the company has been conservative with its carry bookings due to multiple exits left in the two funds in the carry (NRE and Growth). We note positive development in Services, where sales are due to long-term contracts; higher-than-anticipated sales bodes well for CapMan due to high operating leverage. AuM increased to EUR 4.8bn (EUR 4.7bn in Q1 and up 12% y/y) and the company expects growth to continue in AuM in 2022. Nordic Real Estate fund started to generate carry in Q1, while Growth Equity 2017 entered carry in Q2. In addition, the company has multiple funds close to carry and it expects some of these to enter carry in next 12-months. EPS of EUR 0.074 came above consensus of EUR 0.06. We believe the consensus will make slightly positive estimate revisions to underlying estimates due to Management Company business and Services.

### CAPMAN: DEVIATION TABLE

EURm	Actual	NDA est.	Deviation		Consensus	Deviation		Actual	Actual		
	Q2/22	Q2 2022E	vs. actual	vs. actual	Q2 2022E	vs. actual	Q1 2022	q/q	Q2 2021	y/y	
<b>Sales</b>	<b>17.7</b>	<b>19.0</b>	<b>-1.3</b>	<b>-7%</b>	<b>19.3</b>	<b>-1.6</b>	<b>-9%</b>	<b>14.2</b>	<b>24%</b>	<b>11.9</b>	<b>49%</b>
<b>Adj. EBIT</b>	<b>14.1</b>	<b>15.7</b>	<b>-1.6</b>	<b>-10%</b>	<b>12.7</b>	<b>1.4</b>	<b>11%</b>	<b>18.9</b>	<b>-25%</b>	<b>11.3</b>	<b>24%</b>
Adj. EBIT margin	79.8%	82.8%		-3.0pp	65.5%		14.3pp	132.7%	-53pp	95.5%	-15.7pp
<b>EPS, EUR</b>	<b>0.074</b>	<b>0.078</b>	<b>0.00</b>	<b>-6%</b>	<b>0.060</b>	<b>0.01</b>	<b>23%</b>	<b>0.085</b>	<b>-13%</b>	<b>0.056</b>	<b>31%</b>
<b>Sales</b>											
Management company business	14.5	16.7	-2.2	-13%				11.7	24%	9.9	47%
- excluding carried interest	11.4	10.7	0.7	6%				10.4	9%	9.6	18%
- carried interest	3.2	6.0	-2.8	-47%				1.3	143%	0.3	1042%
Services	3.2	2.3	0.9	38%				2.5	25%	2.0	59%
Other	0.0	0.0	0.0	-13%				-0.2	-106%	-0.2	-105%
<b>Adj. EBIT</b>											
Management company business	6.1	8.9	-2.8	-31%				4.4	39%	2.4	150%
- excluding carried interest	2.9	2.9	0.1	2%				3.1	-5%	2.2	35%
- carried interest	3.2	6.0	-2.8	-47%				1.3	143%	0.3	1042%
Services	1.7	1.0	0.7	67%				1.4	22%	0.7	128%
Fair value changes, Investments	9.6	8.1	1.5	19%				14.5	-33%	9.4	3%
Other	-3.3	-2.3	-1.0	45%				-1.4	137%	-1.2	171%

Source: Nordea estimates, Refinitiv consensus and company data

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