

## CapMan

Investment Companies  
Finland

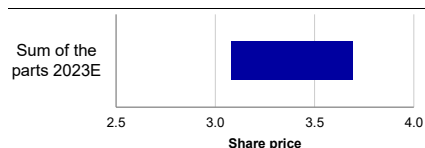
## KEY DATA

|                     |                   |
|---------------------|-------------------|
| Stock country       | Finland           |
| Bloomberg           | CAPMAN FH         |
| Reuters             | CAPMAN.HE         |
| Share price (close) | EUR 2.60          |
| Free Float          | 75%               |
| Market cap. (bn)    | EUR 0.41/EUR 0.41 |
| Website             | www.capman.com    |
| Next report date    |                   |

## PERFORMANCE



## VALUATION APPROACH



Source: Nordea estimates

## ESTIMATE CHANGES

| Year       | 2022E | 2023E | 2024E |
|------------|-------|-------|-------|
| Sales      | -9%   | 11%   | 1%    |
| EBIT (adj) | -6%   | 8%    | 0%    |
| EPS (adj.) | -7%   | 10%   | 1%    |

Source: Nordea estimates

## Strong underlying performance has continued

CapMan reported Q3 EBIT of EUR 12.7m, 7% above Refinitiv consensus. Fair value changes remained strong thanks to successful exits, while carry was only EUR 1m in Q3. Fee income increased by 17% y/y, while management fees were up 4% y/y. Despite greater market uncertainty, demand for CapMan's products has remained favourable and the company expects AuM to increase further in 2022. CapMan expects to make a second closing of its Infra II in Q4, while Social Real Estate fund's first closing has been postponed to Q1. We derive a fair value range of EUR 3.1-3.7 per share.

## Recurring revenue base continues to increase

CapMan reported Q3 EBIT of EUR 12.7m, 7% above Refinitiv consensus. Management Company EBIT of EUR 4.2m was 52% below our estimate due to substantially lower carry bookings. If we adjust for lower-quality carry, the more important underlying Management Company EBIT was 15% above our estimate. We believe carry has been pushed slightly towards 2023 as the current environment has most likely slowed market activity. Service Business EBIT of EUR 1.8m was 4% above our forecast, supported by 60% sales growth (boosted by licence sales). Carried interest was only EUR 1m in Q3; we anticipated EUR 6m. Infra II is expected to have a second closing in Q4 with solid investor demand. Social Real Estate fund has been postponed from H2 2022 to Q1 2023. In addition to new funds, we were left with impression that CapMan has seen good demand for its other open-ended real estate funds despite the market volatility.

## Slightly positive underlying EBIT revisions

We nudge up our 2022-24 underlying EBIT estimates for Management Company business (excluding carry) and Services business by 0-3%. We push EUR 8m of our carry expectations from 2022 to 2023 and take a more cautious view on 2023E fair value changes owing to the current market turbulence.

## Fair value range of EUR 3.1-3.7

We derive an SOTP-based fair value range of EUR 3.1-3.7. We use 12-14x EV/EBIT for 2024E operating EBIT (excluding carry forwards), 4-6x EV/EBIT for 2024E carry forwards and CapMan's book value for investments. We note the high uncertainty related to fair value changes in particular, while fee-based income should continue to develop favourably, we believe.

## Nordea IB &amp; Equity - Analysts

Joni Sandvall  
AnalystSvante 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   | 67.9  | 85.6   | 77.8  |
| EBIT (adj)           | 18.7   | 19.5   | 12.0   | 25.1   | 12.3   | 44.6   | 56.9  | 48.1   | 44.9  |
| EBIT (adj) margin    | 70.0%  | 55.9%  | 33.2%  | 51.1%  | 28.7%  | 84.6%  | 83.8% | 56.2%  | 57.7% |
| EPS (adj), EUR       | 0.16   | 0.10   | 0.05   | 0.12   | 0.03   | 0.22   | 0.27  | 0.22   | 0.21  |
| EPS (adj) growth     | 174.6% | -35.8% | -49.7% | 127.1% | -72.2% | 564.4% | 23.2% | -17.2% | -7.0% |
| 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    | 5.8   | 4.2    | 4.1   |
| EV/EBIT (adj)        | 10.7   | 14.5   | 18.6   | 15.0   | 31.3   | 11.1   | 6.9   | 7.4    | 7.2   |
| P/E (adj)            | 7.7    | 17.0   | 28.2   | 19.8   | 70.2   | 13.8   | 9.9   | 11.9   | 12.8  |
| P/BV                 | 1.3    | 2.2    | 1.9    | 2.8    | 3.2    | 3.7    | 2.8   | 2.7    | 2.6   |
| Dividend yield (ord) | 7.2%   | 6.2%   | 8.2%   | 5.5%   | 6.0%   | 4.9%   | 6.0%  | 6.4%   | 6.8%  |
| Net debt             | 21     | 25     | 5      | 16     | 25     | 18     | -2    | -13    | -18   |
| Net debt/EBITDA      | 1.1    | 1.2    | 0.4    | 0.8    | 2.7    | 1.5    | -0.1  | -0.3   | -0.4  |

Source: Company data and Nordea estimates

# Q3 results and revisions

## Strong underlying performance in Q3

CapMan reported Q3 EBIT of 12.7m, 7% above Refinitiv consensus. Investment business EBIT was EUR 7.9m (including fair value changes of EUR +8m) in Q3, above our estimate of EUR 4m (including EUR +4.2m from fair value changes). Management Company EBIT of EUR 4.2m came in 52% below our estimate, while Service business EBIT of EUR 1.8m was 4% above our estimate. CapMan recorded EUR 1m in carry in Q3 (our estimate was EUR 6m, after EUR 3.2m in Q2). Hence, if we adjust for lower-quality carry, the more important underlying Management Company business EBIT was 15% above our estimate, with 6% higher-than-anticipated fees. We believe the company has been conservative in its carry bookings, due to multiple exits left in the two funds in the carry (Nordic Real Estate and Growth).

We note positive development in the underlying businesses. Continued strong performance for the Service business bodes well for CapMan, due to the high operating leverage.

For Q3, AuM increased to EUR 4.9bn (from EUR 4.8bn in Q2, up 14% y/y). The company expects AuM to continue to grow during the remainder of 2022.

The 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 the next 12 months.

EPS of EUR 0.064 came in above consensus at EUR 0.055 and in line with our estimate.

## Q3 RESULTS VERSUS EXPECTATIONS

| EURm                            | Actual<br>Q3/22 | NDA est.<br>Q3 2022E | Deviation<br>vs. actual |             | Consensus<br>Q3 2022E | Deviation<br>vs. actual |             | Actual<br>Q2 2022 | q/q         | Actual<br>Q3 2021 | y/y        |
|---------------------------------|-----------------|----------------------|-------------------------|-------------|-----------------------|-------------------------|-------------|-------------------|-------------|-------------------|------------|
| <b>Sales</b>                    | <b>15.9</b>     | <b>19.8</b>          | <b>-3.9</b>             | <b>-20%</b> | <b>19.0</b>           | <b>-3.1</b>             | <b>-16%</b> | <b>17.7</b>       | <b>-10%</b> | <b>14.9</b>       | <b>7%</b>  |
| <b>Adj. EBIT</b>                | <b>12.7</b>     | <b>13.1</b>          | <b>-0.4</b>             | <b>-3%</b>  | <b>11.8</b>           | <b>0.8</b>              | <b>7%</b>   | <b>14.1</b>       | <b>-10%</b> | <b>10.9</b>       | <b>16%</b> |
| Adj. EBIT margin                | 79.7%           | 66.1%                |                         | 13.6pp      | 62.3%                 |                         | 17.4pp      | 79.8%             | 0pp         | 73.4%             | 6.3pp      |
| <b>EPS, EUR</b>                 | <b>0.064</b>    | <b>0.064</b>         | <b>0.00</b>             | <b>0%</b>   | <b>0.055</b>          | <b>0.01</b>             | <b>16%</b>  | <b>0.075</b>      | <b>-15%</b> | <b>0.058</b>      | <b>11%</b> |
| <b>Sales</b>                    |                 |                      |                         |             |                       |                         |             |                   |             |                   |            |
| Management company business     | 12.6            | 16.9                 | -4.3                    | -26%        |                       |                         |             | 14.5              | -13%        | 12.9              | -3%        |
| - excluding carried interest    | 11.6            | 10.9                 | 0.6                     | 6%          |                       |                         |             | 11.4              | 2%          | 10.7              | 8%         |
| - carried interest              | 1.0             | 6.0                  | -5.0                    | -83%        |                       |                         |             | 3.2               | -68%        | 2.2               | -54%       |
| Services                        | 3.1             | 2.9                  | 0.2                     | 6%          |                       |                         |             | 3.2               | -2%         | 1.9               | 60%        |
| Other                           | 0.2             | 0.0                  | 0.2                     | 1938%       |                       |                         |             | -0.1              | -252%       | -0.2              | -201%      |
| <b>Adj. EBIT</b>                |                 |                      |                         |             |                       |                         |             |                   |             |                   |            |
| Management company business     | 4.2             | 8.8                  | -4.6                    | -52%        |                       |                         |             | 6.1               | -30%        | 5.1               | -16%       |
| - excluding carried interest    | 3.2             | 2.8                  | 0.4                     | 15%         |                       |                         |             | 2.9               | 10%         | 2.8               | 13%        |
| - carried interest              | 1.0             | 6.0                  | -5.0                    | -83%        |                       |                         |             | 3.2               | -68%        | 2.2               | -54%       |
| Services                        | 1.8             | 1.8                  | 0.1                     | 4%          |                       |                         |             | 1.7               | 11%         | 1.1               | 72%        |
| Fair value changes, Investments | 7.9             | 4.0                  | 3.9                     | 98%         |                       |                         |             | 9.6               | -18%        | 5.9               | 35%        |
| Other                           | -1.3            | -1.5                 | 0.1                     | -9%         |                       |                         |             | -3.3              | -59%        | -1.1              | 26%        |

Source: Company data, Refinitiv and Nordea estimates

### Estimate revisions

We raise underlying EBIT estimates (Management Company, excluding carried interest, and Services business) by 3% for 2022 and 1% for 2023, but leave estimates intact for 2024. We move our carry expectations more towards 2023 due to current market volatility, but clearly lower our fair value changes for 2023E due to expected lower valuation levels in the market.

#### ESTIMATE REVISIONS FOLLOWING THE Q3 REPORT

| EURm                         | New estimates |             |             |             | Old estimates |             |             |             | Difference, % |            |            |           |
|------------------------------|---------------|-------------|-------------|-------------|---------------|-------------|-------------|-------------|---------------|------------|------------|-----------|
|                              | Q4 2022E      | 2022E       | 2023E       | 2024E       | Q4 2022E      | 2022E       | 2023E       | 2024E       | Q4 2022E      | 2022E      | 2023E      | 2024E     |
| <b>Sales</b>                 | <b>20.1</b>   | <b>67.9</b> | <b>85.6</b> | <b>77.8</b> | <b>23.2</b>   | <b>74.9</b> | <b>76.9</b> | <b>77.4</b> | <b>-13%</b>   | <b>-9%</b> | <b>11%</b> | <b>1%</b> |
| <b>Adj. EBIT</b>             | <b>11.3</b>   | <b>56.9</b> | <b>48.1</b> | <b>44.9</b> | <b>14.2</b>   | <b>60.3</b> | <b>44.6</b> | <b>45.0</b> | <b>-20%</b>   | <b>-6%</b> | <b>8%</b>  | <b>0%</b> |
| Adj. EBIT margin             | 56.1%         | 83.8%       | 56.2%       | 57.7%       | 61.2%         | 80.5%       | 58.0%       | 58.1%       | -5.1pp        | 3.4pp      | -1.9pp     | -0.4pp    |
| <b>Adj. EPS (EUR)</b>        | <b>0.05</b>   | <b>0.27</b> | <b>0.22</b> | <b>0.21</b> | <b>0.07</b>   | <b>0.29</b> | <b>0.20</b> | <b>0.21</b> | <b>-31%</b>   | <b>-7%</b> | <b>10%</b> | <b>1%</b> |
| <b>Net sales by segment</b>  |               |             |             |             |               |             |             |             |               |            |            |           |
| Management company           | 16.5          | 55.3        | 71.7        | 62.6        | 19.6          | 62.7        | 63.2        | 62.4        | -16%          | -12%       | 13%        | 0%        |
| - excluding carried interest | 11.5          | 44.8        | 51.2        | 55.1        | 11.5          | 44.2        | 50.7        | 54.9        | 0%            | 1%         | 1%         | 0%        |
| - carried interest           | 5.0           | 10.5        | 20.5        | 7.5         | 8.0           | 18.5        | 12.5        | 7.5         | -38%          | -43%       | 64%        | 0%        |
| Services business            | 3.3           | 12.1        | 13.3        | 14.6        | 3.1           | 11.6        | 13.0        | 14.3        | 8%            | 4%         | 2%         | 2%        |
| Other                        | 0.3           | 0.6         | 0.6         | 0.6         | 0.5           | 0.6         | 0.6         | 0.6         | -38%          | 0%         | 0%         | 0%        |
| <b>Adj. EBIT by segment</b>  |               |             |             |             |               |             |             |             |               |            |            |           |
| Management company           | 8.3           | 23.0        | 39.5        | 29.0        | 11.4          | 30.7        | 31.2        | 28.9        | -27%          | -25%       | 27%        | 0%        |
| - excluding carried interest | 3.3           | 12.5        | 19.0        | 21.5        | 3.4           | 12.2        | 18.7        | 21.4        | -2%           | 3%         | 2%         | 0%        |
| - carried interest           | 5.0           | 10.5        | 20.5        | 7.5         | 8.0           | 18.5        | 12.5        | 7.5         | -38%          | -43%       | 64%        | 0%        |
| Services business            | 1.7           | 6.6         | 7.4         | 8.5         | 1.5           | 6.3         | 7.4         | 8.5         | 10%           | 3%         | 0%         | 0%        |
| Investments                  | 2.7           | 34.8        | 7.7         | 14.1        | 2.6           | 30.8        | 12.5        | 14.3        | 3%            | 13%        | -39%       | -1%       |
| Other                        | -1.4          | -7.4        | -6.5        | -6.6        | -1.4          | -7.5        | -6.6        | -6.7        | 2%            | -2%        | 0%         | -1%       |

Source: Nordea estimates

# Valuation

Using a sum-of-the-parts valuation, we derive a fair value range of EUR 3.1-3.7 per CapMan share.

## SOTP valuation of EUR 3.1-3.7 per share

We use a 2024E EV/EBIT range of 12-14x to value the Management Company business (excluding carry), EV/EBIT of 4-6x for our 2024 carry valuation and 12-14x EV/EBIT to value the Services business. From this, we derive a fair value range of EUR 3.1-3.7 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  | 63.2        | 31.2        | EV/EBIT 9.4x - 11.4x | 293 - 356        |
| excluding carried interest   | 50.7        | 18.7        | EV/EBIT 13x - 15x    | 243 - 281        |
| carried interest             | 12.5        | 12.5        | EV/EBIT 4x - 6x      | 50 - 75          |
| Services business            | 13.0        | 7.4         | EV/EBIT 13x - 15x    | 96 - 111         |
| Investment business          | -           | 12.5        | Book value Jun 2022  | 149 - 182        |
| Other                        | 0.6         | -6.6        | EV/EBIT 13x - 15x    | -85 to -98       |
| <b>Total</b>                 | <b>76.9</b> | <b>44.6</b> |                      | <b>453 - 551</b> |
| Net debt 2022E               |             |             |                      | 5                |
| 2022E dividends              |             |             |                      | 25               |
| Equity value                 |             |             |                      | 484 - 581        |
| Number of shares (m)         |             |             |                      | 157.1            |
| <b>Equity per share, EUR</b> |             |             |                      | <b>3.1 - 3.7</b> |

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 5.5% for 2022-27, followed by a 2.5% growth in perpetuity, meaning 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     | 3.0%            |
| 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              | 8.2-10.2%       |
| Cost of debt                | 4.0%            |
| Tax-rate used in WACC       | 20%             |
| Equity weight               | 70%             |
| <b>WACC</b>                 | <b>6.7-8.1%</b> |

Source: Nordea estimates

### DCF VALUE (EURm AND EUR)

| DCF value                        | Value          | Per share      |
|----------------------------------|----------------|----------------|
| NPV FCFF                         | 522-643        | 3.3-4.1        |
| (Net debt)                       | -18            | -0.1           |
| Time value                       | 41             | 0.3            |
| 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            |
| <b>DCF Value</b>                 | <b>544-665</b> | <b>3.5-4.2</b> |

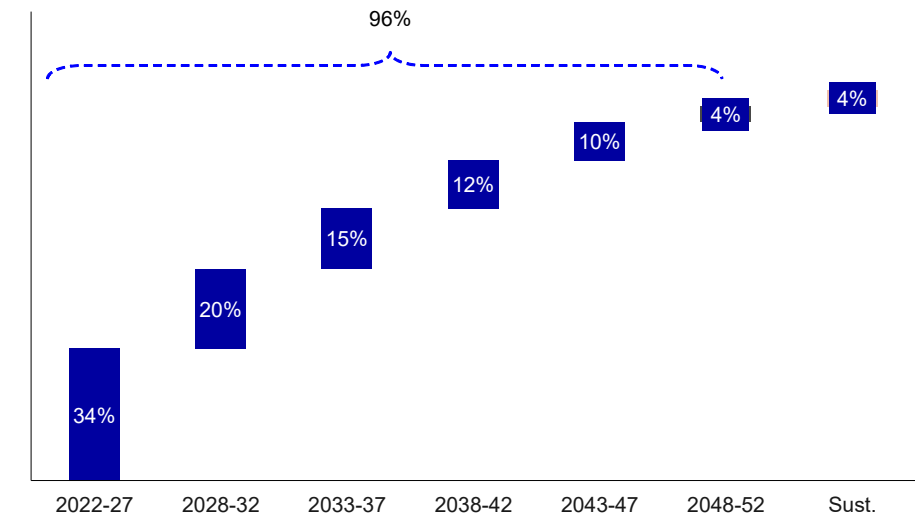
Source: Nordea estimates

### DCF ASSUMPTIONS

| Averages and assumptions          | 2022-27 | 2028-32 | 2033-37 | 2038-42 | 2043-47 | 2048-52 | Sust. |
|-----------------------------------|---------|---------|---------|---------|---------|---------|-------|
| Sales growth, CAGR                | 5.5%    | 2.5%    | 2.5%    | 2.5%    | 2.5%    | 2.5%    |       |
| EBIT-margin, excluding associates | 61.5%   | 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                       | 2.5%    | 2.5%    | 2.5%    | 2.5%    | 2.5%    | 2.5%    |       |
| NWC/sales                         | -5%     | -5%     | -5%     | -5%     | -5%     | -5%     |       |
| FCFF, CAGR                        | -3.0%   | 0.2%    | 2.5%    | 2.5%    | 2.5%    | -34.1%  | 2.5%  |

Source: Nordea estimates

DCF VALUATION DISTRIBUTION



Source: Nordea estimates

Main risks

We believe the greatest risks for CapMan's operations are macroeconomic and market-related, as an economic slowdown could hamper the performance of fund companies and thus affect its 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 its existing funds will materially affect CapMan's 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        | 55.3        | 71.7        | 62.6        |
| -Management fees                         | 22.1        | 24.7        | 28.9        | 36.6        | 38.5        | 44.6        | 48.2        |
| -Service fees                            | 1.1         | 1.2         | 1.2         | 4.2         | 6.3         | 6.6         | 6.9         |
| -Carried interest                        | 1.0         | 6.9         | 0.9         | 2.9         | 10.5        | 20.5        | 7.5         |
| Service business                         | 8.7         | 15.7        | 11.4        | 8.6         | 12.1        | 13.3        | 14.6        |
| Other                                    | 0.6         | 0.5         | 0.7         | 0.5         | 0.6         | 0.6         | 0.6         |
| <b>Group</b>                             | <b>36.0</b> | <b>49.0</b> | <b>43.0</b> | <b>52.8</b> | <b>67.9</b> | <b>85.6</b> | <b>77.8</b> |
| <b>Sales growth</b>                      |             |             |             |             |             |             |             |
| Management Company business              | -4%         | 35%         | -6%         | 41%         | 27%         | 30%         | -13%        |
| Service business                         | 56%         | 81%         | -28%        | -24%        | 40%         | 10%         | 10%         |
| <b>Group</b>                             | <b>3%</b>   | <b>36%</b>  | <b>-12%</b> | <b>23%</b>  | <b>29%</b>  | <b>26%</b>  | <b>-9%</b>  |
| <b>Adj. EBIT</b>                         |             |             |             |             |             |             |             |
| Management Company business              | 2.8         | 10.2        | 9.1         | 13.2        | 23.0        | 39.5        | 29.0        |
| -Without carried interest                | 1.8         | 3.3         | 8.2         | 10.3        | 12.5        | 19.0        | 21.5        |
| Service business                         | 4.4         | 9.1         | 4.9         | 4.2         | 6.6         | 7.4         | 8.5         |
| Investment business                      | 6.5         | 10.2        | 4.0         | 32.7        | 34.8        | 7.7         | 14.1        |
| Other                                    | -1.7        | -5.9        | -5.7        | -5.4        | -7.4        | -6.5        | -6.6        |
| <b>Group</b>                             | <b>12.0</b> | <b>25.1</b> | <b>12.3</b> | <b>44.6</b> | <b>56.9</b> | <b>48.1</b> | <b>44.9</b> |
| -Without fair value changes              | 6.9         | 12.8        | 7.9         | 10.7        | 21.2        | 39.5        | 29.9        |
| -Without FV changes and carried interest | 5.8         | 5.9         | 7.1         | 7.9         | 10.7        | 19.0        | 22.4        |
| <b>Adj. EBIT growth</b>                  |             |             |             |             |             |             |             |
| Management Company business              | 6%          | 260%        | -11%        | 45%         | 74%         | 72%         | -27%        |
| Service business                         | 94%         | 109%        | -46%        | -15%        | 57%         | 12%         | 15%         |
| Investment business                      | -63%        | 58%         | n.a.        | n.a.        | 6%          | -78%        | 84%         |
| <b>Group</b>                             | <b>-39%</b> | <b>110%</b> | <b>-51%</b> | <b>262%</b> | <b>28%</b>  | <b>-16%</b> | <b>-7%</b>  |
| <b>Adj. EBIT margin</b>                  |             |             |             |             |             |             |             |
| Management Company business              | 12%         | 31%         | 29%         | 30%         | 42%         | 55%         | 46%         |
| -without carried interest                | 8%          | 10%         | 27%         | 24%         | 23%         | 27%         | 34%         |
| Service business                         | 50%         | 58%         | 43%         | 48%         | 54%         | 56%         | 58%         |
| Management fee and service fee together  | 20%         | 31%         | 33%         | 32%         | 38%         | 46%         | 48%         |
| <b>Group</b>                             | <b>33%</b>  | <b>51%</b>  | <b>29%</b>  | <b>85%</b>  | <b>84%</b>  | <b>56%</b>  | <b>58%</b>  |
| <b>Investment business</b>               |             |             |             |             |             |             |             |
| Invested capital                         | 126.6       | 129.4       | 116.6       | 130.4       | 171.9       | 167.5       | 168.6       |
| Fair value changes                       | 5.1         | 12.2        | 4.4         | 33.9        | 35.7        | 8.6         | 15.1        |
| -Return on invested capital              | 4%          | 9%          | 4%          | 28%         | 22%         | 5%          | 9%          |
| Expenses                                 | -1.2        | -2.0        | -0.4        | -1.2        | -0.9        | -0.9        | -0.9        |
| <b>EBIT</b>                              | <b>6.5</b>  | <b>10.2</b> | <b>4.0</b>  | <b>32.7</b> | <b>34.8</b> | <b>7.7</b>  | <b>14.1</b> |
| <b>Capital under management (EURbn)</b>  |             |             |             |             |             |             |             |
| 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        | 38.5        | 44.6        | 48.2        |
| Carried interest                | 2.9          | 10.8        | 4.4         | 0.0         | 4.4         | 1.0         | 6.9         | 0.9         | 2.9         | 10.5        | 20.5        | 7.5         |
| Sale of services                | 0.0          | 0.0         | 0.0         | 0.0         | 7.1         | 10.3        | 17.4        | 13.3        | 13.3        | 18.9        | 20.5        | 22.1        |
| 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         |
| <b>Net sales</b>                | <b>29.8</b>  | <b>39.5</b> | <b>31.8</b> | <b>26.7</b> | <b>34.8</b> | <b>36.0</b> | <b>49.0</b> | <b>43.0</b> | <b>52.8</b> | <b>67.9</b> | <b>85.6</b> | <b>77.8</b> |
| sales growth %                  | 9%           | 33%         | -20%        | -16%        | 31%         | 3%          | 36%         | -12%        | 23%         | 29%         | 26%         | -9%         |
| 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       | -33.3       | -31.9       | -33.2       |
| 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       | -11.8       | -12.6       | -13.1       |
| Fair value changes              | 1.2          | -3.1        | 5.2         | 22.6        | 17.6        | 5.1         | 12.2        | 4.4         | 33.9        | 35.7        | 8.6         | 15.1        |
| <b>EBIT</b>                     | <b>3.3</b>   | <b>6.4</b>  | <b>9.3</b>  | <b>18.7</b> | <b>19.5</b> | <b>12.0</b> | <b>19.4</b> | <b>12.3</b> | <b>44.6</b> | <b>56.9</b> | <b>48.1</b> | <b>44.9</b> |
| margin %                        | 11%          | 16%         | 29%         | 70%         | 56%         | 33%         | 40%         | 29%         | 85%         | 84%         | 56%         | 58%         |
| Net financials                  | -0.7         | -1.4        | -2.9        | -3.1        | -3.2        | -2.7        | -1.8        | -3.1        | -4.0        | -5.5        | -4.2        | -4.1        |
| 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        | 51.4        | 43.9        | 40.8        |
| Income taxes                    | -0.5         | -1.0        | -0.4        | -0.2        | -0.8        | -0.8        | -1.7        | -2.9        | -5.2        | -8.2        | -8.8        | -8.2        |
| Profit for the period           | 1.5          | 4.0         | 6.1         | 15.3        | 15.5        | 8.5         | 15.9        | 6.3         | 35.4        | 43.2        | 35.1        | 32.7        |
| <b>EPS, EUR</b>                 | <b>-0.01</b> | <b>0.03</b> | <b>0.06</b> | <b>0.16</b> | <b>0.10</b> | <b>0.06</b> | <b>0.09</b> | <b>0.03</b> | <b>0.22</b> | <b>0.27</b> | <b>0.22</b> | <b>0.21</b> |

Source: Company data and Nordea estimates

## INTERIM ESTIMATES

| EURm                            | Q1/21       | Q2/21       | Q3/21       | Q4/21       | Q1/22       | Q2/22       | Q3/22       | Q4/22E      |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Management fees                 | 8.0         | 8.4         | 9.6         | 10.5        | 9.3         | 9.2         | 9.9         | 10.1        |
| Carried interest                | 0.0         | 0.3         | 2.2         | 0.3         | 1.3         | 3.2         | 1.0         | 5.0         |
| Sale of services                | 3.2         | 3.2         | 3.1         | 3.9         | 3.6         | 5.4         | 4.9         | 5.0         |
| Dividend & interest income      | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         |
| <b>Net sales</b>                | <b>11.3</b> | <b>11.9</b> | <b>14.9</b> | <b>14.7</b> | <b>14.2</b> | <b>17.7</b> | <b>15.9</b> | <b>20.1</b> |
| sales growth %                  | -5%         | 36%         | 67%         | 10%         | 26%         | 49%         | 7%          | 37%         |
| 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        | -10.0       | -7.7        | -8.4        |
| 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        | -2.9        | -3.2        | -3.3        |
| Fair value changes              | 8.2         | 9.6         | 6.0         | 10.1        | 14.7        | 9.8         | 8.0         | 3.2         |
| <b>EBIT</b>                     | <b>10.1</b> | <b>11.3</b> | <b>10.9</b> | <b>12.2</b> | <b>18.9</b> | <b>14.1</b> | <b>12.7</b> | <b>11.3</b> |
| margin %                        | 90%         | 95%         | 73%         | 83%         | 133%        | 80%         | 80%         | 56%         |
| Net financials                  | -0.9        | -1.3        | -0.8        | -1.1        | -2.6        | -1.1        | -0.5        | -1.3        |
| 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        | 12.2        | 9.9         |
| Income taxes                    | -1.5        | -1.2        | -0.7        | -1.7        | -2.9        | -1.2        | -1.4        | -2.7        |
| Profit for the period           | 7.5         | 8.8         | 9.0         | 9.0         | 13.3        | 11.8        | 10.7        | 7.2         |
| <b>EPS, EUR</b>                 | <b>0.05</b> | <b>0.06</b> | <b>0.06</b> | <b>0.06</b> | <b>0.09</b> | <b>0.08</b> | <b>0.07</b> | <b>0.05</b> |

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          | 0.9          | 1.3          | 1.7          |
| 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          | 0.9          | 1.3          | 1.7          |
| 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         |
| <b>Total non-current assets</b>      | <b>121.1</b> | <b>111.6</b> | <b>102.1</b> | <b>99.8</b>  | <b>150.4</b> | <b>145.5</b> | <b>158.8</b> | <b>159.0</b> | <b>159.4</b> | <b>159.8</b> |
| 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         | 18.9         | 23.0         | 20.1         |
| 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         | 85.5         | 95.9         | 101.0        |
| <b>Total current assets</b>          | <b>28.5</b>  | <b>141.1</b> | <b>109.2</b> | <b>106.2</b> | <b>66.2</b>  | <b>73.3</b>  | <b>81.4</b>  | <b>105.4</b> | <b>119.9</b> | <b>122.2</b> |
| Assets held for sale                 | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| <b>Total assets</b>                  | <b>149.6</b> | <b>252.7</b> | <b>211.3</b> | <b>206.0</b> | <b>216.5</b> | <b>218.8</b> | <b>240.3</b> | <b>264.4</b> | <b>279.3</b> | <b>282.1</b> |
| Shareholder equity                   | 65.2         | 143.0        | 126.7        | 120.5        | 127.4        | 112.5        | 125.8        | 144.7        | 154.7        | 160.6        |
| 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          | 2.4          | 2.4          | 2.4          |
| <b>Total Equity</b>                  | <b>65.2</b>  | <b>143.0</b> | <b>126.7</b> | <b>121.0</b> | <b>129.5</b> | <b>113.3</b> | <b>127.4</b> | <b>147.1</b> | <b>157.1</b> | <b>163.0</b> |
| 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          |
| <b>Total non-current liabilities</b> | <b>71.3</b>  | <b>58.1</b>  | <b>53.9</b>  | <b>53.2</b>  | <b>61.4</b>  | <b>92.3</b>  | <b>94.2</b>  | <b>94.2</b>  | <b>94.2</b>  | <b>94.3</b>  |
| 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         | 20.8         | 25.4         | 22.3         |
| Other current liabilities            | 0.0          | 0.3          | 0.8          | 5.1          | 4.5          | 1.3          | 1.0          | 1.2          | 1.6          | 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          |
| <b>Total current liabilities</b>     | <b>13.1</b>  | <b>51.7</b>  | <b>30.7</b>  | <b>31.9</b>  | <b>25.6</b>  | <b>13.3</b>  | <b>18.7</b>  | <b>23.1</b>  | <b>28.0</b>  | <b>24.8</b>  |
| 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          |
| <b>Total liabilities and equity</b>  | <b>149.6</b> | <b>252.7</b> | <b>211.3</b> | <b>206.0</b> | <b>216.5</b> | <b>218.8</b> | <b>240.3</b> | <b>264.4</b> | <b>279.3</b> | <b>282.1</b> |

Source: Company data and Nordea estimates



**CASH FLOW STATEMENT**

| EURm   | 2015         | 2016        | 2017        | 2018        | 2019        | 2020         | 2021        | 2022E       | 2023E       | 2024E       |
|--|--------------|-------------|-------------|-------------|-------------|--------------|-------------|-------------|-------------|-------------|
| <b>EBITDA (excludes fair value changes)</b>                | <b>4.4</b>   | <b>-3.7</b> | <b>3.6</b>  | <b>7.0</b>  | <b>8.5</b>  | <b>9.4</b>   | <b>12.2</b> | <b>22.8</b> | <b>41.1</b> | <b>46.6</b> |
| Paid taxes   | -0.9         | -0.3        | -1.6        | -3.1        | -4.6        | -4.3         | -0.7        | -8.2        | -8.8        | -8.2        |
| Net financials   | -4.3         | -4.2        | -3.9        | -2.4        | -2.6        | -3.2         | -0.1        | -5.5        | -4.2        | -4.1        |
| 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         |
| <b>Funds from operations (FFO)</b>                         | <b>3.9</b>   | <b>-7.8</b> | <b>-1.8</b> | <b>2.2</b>  | <b>2.1</b>  | <b>2.0</b>   | <b>11.4</b> | <b>9.1</b>  | <b>28.1</b> | <b>34.3</b> |
| Change in NWC  | -3.3         | 4.6         | -1.8        | -6.9        | -2.5        | -15.7        | 3.2         | 0.7         | 0.8         | -0.4        |
| <b>Cash flow from operations (CFO)</b>                     | <b>0.6</b>   | <b>-3.1</b> | <b>-3.6</b> | <b>-4.7</b> | <b>-0.4</b> | <b>-13.8</b> | <b>14.7</b> | <b>9.8</b>  | <b>28.9</b> | <b>33.9</b> |
| Capital Expenditure  | 0.0          | 0.0         | -0.3        | -0.1        | -0.6        | -0.4         | -0.1        | -0.8        | -1.0        | -1.0        |
| <b>Free Cash Flow before A&amp;D</b>                       | <b>0.6</b>   | <b>-3.1</b> | <b>-3.9</b> | <b>-4.8</b> | <b>-0.9</b> | <b>-14.1</b> | <b>14.6</b> | <b>9.0</b>  | <b>27.9</b> | <b>32.9</b> |
| Acquisitions and disposals (mainly exits from investments) | -39.6        | 37.3        | 34.0        | 39.7        | 17.5        | 4.4          | 33.9        | 35.7        | 8.6         | 0.0         |
| <b>Free cash flow</b>                                      | <b>-39.0</b> | <b>34.2</b> | <b>30.1</b> | <b>34.9</b> | <b>16.5</b> | <b>5.6</b>   | <b>0.2</b>  | <b>44.7</b> | <b>36.5</b> | <b>32.9</b> |
| Dividend paid  | -5.2         | -6.0        | -13.0       | -16.1       | -19.0       | -21.9        | -9.8        | -23.5       | -25.1       | -26.7       |

Source: Company data and Nordea estimates

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**Completion Date**

28 Oct 2022, 00:47 CET

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