

28 April 2023

## Commissioned research: CapMan – Soft Q1 driven by FX impacts on fair value changes and carry

Marketing material commissioned by CapMan

CapMan reported Q1 EBIT of 0.5m, clearly below Refinitiv consensus. The deviation is partly explained by FX impacts on fair value changes and carry, while we note also soft Management company business profitability. Investment business EBIT was EUR -2.5m (fair value changes EUR -2.4m) in Q1 and came well below Nordea estimate of EUR 1.9m (EUR +2.1m fair value changes). Management Company EBIT of EUR 3.2m came 63% below Nordea estimate driven partly by EUR 0m carry booking (we had modelled EUR 4m). When excluding carry, management fees came 2% below our estimate, while EBIT came 30% below our estimate. Service Business EBIT of EUR 1.5m came below Nordea estimate of EUR 1.3m. AuM increased slightly to EUR 5.1bn (EUR 5.0bn in Q4 and flat y/y) and the company expects growth to continue in AuM in 2023. CapMan has raised EUR 110m in new capital during Q1 and notes that it has significant amounts of dry powder (we estimate around 30% of capital raised). The company has multiple funds close to carry and multiple exit processes in funds that generate carry if they are realised. Owing to soft Management company profitability, we believe the consensus to make negative underlying estimate revisions on the back of Q1 report.

### CAPMAN: DEVIATION TABLE

EURm	Actual Q1/22	NDA est. Q1 2023E	Deviation vs. actual	Consensus Q1 2023E	Deviation vs. actual	Actual Q4 2022	q/q	Actual Q1 2022	y/y		
<b>Sales</b>	<b>15.1</b>	<b>18.8</b>	<b>-3.7</b>	<b>-20%</b>	<b>17.0</b>	<b>-1.9</b>	<b>-11%</b>	<b>19.7</b>	<b>-23%</b>	<b>14.2</b>	<b>6%</b>
Adj. EBIT	0.5	10.4	-9.8	-95%	11.0	-10.5	-95%	10.1	-95%	18.9	-97%
Adj. EBIT margin	3.5%	55.0%	-51.5pp		64.7%	-61.2pp		51.0%	-47pp	132.7%	-129pp
EPS, EUR	0.002	0.049	-0.05	-96%	0.055	-0.05	-96%	0.03	-94%	0.09	-98%
<b>Sales</b>											
Management company business	12.5	16.7	-4.2	-25%		17.1	-27%	11.7	7%		
- excluding carried interest	12.5	12.7	-0.2	-2%		12.9	-4%	10.4	20%		
- carried interest	0.0	4.0	-4.0	-101%		4.1	-101%	1.3	-102%		
Services	2.6	2.1	0.5	24%		2.4	11%	2.5	4%		
Other	0.0	0.0	0.0	227%		0.3	-93%	0.0	243%		
<b>Adj. EBIT</b>											
Management company business	3.2	8.5	-5.4	-63%		7.6	-58%	4.4	-28%		
- excluding carried interest	3.2	4.5	-1.4	-30%		3.5	-8%	3.1	3%		
- carried interest	0.0	4.0	-4.0	-101%		5.2	-101%	1.3	-102%		
Services	1.5	1.3	0.1	11%		-1.9	-179%	1.4	7%		
Fair value changes, Investments	-2.5	1.9	-4.5	-231%		3.7	-169%	14.5	-118%		
Other	-1.6	-1.5	-0.1	8%		-1.9	-18%	-1.4	13%		

Source: Nordea estimates, Refinitiv consensus and company data

## SUMMARY TABLE - KEY FIGURES

EURm	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
Total revenue	34.8	36.0	49.0	43.0	52.8	67.5	78.2	78.1	77.0
EBIT (adj)	19.5	12.0	25.1	12.3	44.6	55.7	41.7	46.3	45.3
EBIT (adj) margin	55.9%	33.2%	51.1%	28.7%	84.6%	82.5%	53.4%	59.2%	58.8%
EPS (adj), EUR	0.10	0.05	0.12	0.03	0.22	0.27	0.20	0.22	0.22
EPS (adj) growth	-35.8%	-49.7%	127.1%	-72.2%	564.4%	22.6%	-27.0%	12.3%	-2.1%
DPS (ord), EUR	0.11	0.12	0.13	0.14	0.15	0.17	0.18	0.19	0.20
EV/Sales	8.1	6.2	7.7	9.0	9.4	6.9	5.7	5.3	4.9
EV/EBIT (adj)	14.5	18.6	15.0	31.3	11.1	8.3	10.7	8.9	8.3
P/E (adj)	17.0	28.2	19.8	70.2	13.8	10.1	14.6	13.0	13.2
P/BV	2.2	1.9	2.8	3.2	3.7	3.0	3.1	2.9	2.9
Dividend yield (ord)	6.2%	8.2%	5.5%	6.0%	4.9%	6.3%	6.3%	6.7%	7.0%
Net debt	25	5	16	25	18	37	25	19	15
Net debt/EBITDA	1.2	0.4	0.8	2.7	1.5	1.8	0.7	0.4	0.3

Source: Company data and Nordea estimates

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