

## CapMan

Investment Companies  
Finland

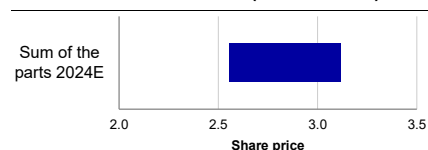
## KEY DATA

Stock country	Finland
Bloomberg	CAPMAN FH
Reuters	CAPMAN.HE
Share price (close)	EUR 2.57
Free float	75%
Market cap. (bn)	EUR 0.41/EUR 0.41
Website	www.capman.com
Next report date	26 Oct 2023

## PERFORMANCE



## VALUATION APPROACH (EUR/SHARE)



## ESTIMATE CHANGES

Year	2023E	2024E	2025E
Sales	-6%	-3%	-2%
EBIT (adj)	-22%	-6%	-5%
EPS (adj.)	-25%	-10%	-8%

Source: Nordea estimates

## Three new funds in the pipeline

CapMan's Q2 2023 EBIT fell short of Refinitiv consensus expectations, partly explained by fair value changes and carry. In addition, Management company fees fell short of our expectations, while costs were well in line. The fundraising market remains slow, with tight allocations, while CapMan continues to expect multiple exits during the next 12 months from its three funds that are in carry. The company is preparing for three new fund openings within 12 months and reiterated its expectation of growing AuM in 2023, despite multiple exit processes. We derive a lower SOTP-based fair value range of EUR 2.6-3.1 (2.8-3.4) per CapMan share.

## Q2 results were on the soft side

CapMan's Q2 2023 EBIT of EUR 4.2m fell short of Refinitiv consensus of EUR 10.7m. Fair value changes were EUR -0.3m, burdened by EUR -1.8m in fair value changes in external venture capital funds (we had anticipated EUR -1m). The company booked EUR 2.8m of carry in Q2, while we had anticipated EUR 4m. When excluding carried interest, Management company fees fell 15% short of our expectations, partly explained by weaker service sales. Q2 was a clearly slower quarter, while we expect the pace to improve in H2. The company was able to raise EUR 87m of new capital during Q2, of which EUR 35m was to Infra II. At the end of Q2, Infra II had raised EUR 243m, and we expect final closing to take at least until Q4 (EUR 400m target size). The company is preparing for fundraising in three new funds: Nordic Real Estate IV, Growth III and Buyout XII. The company aims to upsize funds slightly, although remain in the mid-market.

## We lower 2024E-25E EBIT by 5-6%

With the Q2 miss and slightly slower fee growth, we trim the top line by 6% for 2023E and 2-3% for 2024E. Similarly, we cut EBIT by 22% for 2023E and 5-6% for 2024E-25E. Revisions stem mainly from the Management company business, while we also take a slightly more cautious view on the profitability of Services. We trim 2023E carry by 21% but leave 2024E-25E intact. We still believe in EUR 0.01 in annual DPS increases.

## Fair value range down to EUR 2.6-3.1

We derive a SOTP-based fair value range of EUR 2.6-3.1 (2.8-3.4). We use 12-14x EV/EBIT for 2024E operating EBIT (excluding carry forwards), 4-6x EV/EBIT for 2024E carry forwards and book value for investments. We note the high uncertainty related to fair value changes in particular, while we believe fee-based income should continue to develop favourably.

## Nordea IB &amp; Equity - Analysts

Joni Sandvall  
AnalystSvante Krokfors  
Director

## 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	68.3	76.1	75.9
EBIT (adj)	19.5	12.0	25.1	12.3	44.6	55.7	22.0	41.3	40.9
EBIT (adj) margin	55.9%	33.2%	51.1%	28.7%	84.6%	82.5%	32.2%	54.2%	53.9%
EPS (adj), EUR	0.10	0.05	0.12	0.03	0.22	0.27	0.10	0.19	0.19
EPS (adj) growth	-35.8%	-49.7%	127.1%	-72.2%	564.4%	22.6%	-64.3%	95.9%	-0.8%
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	6.2	5.1	4.8
EV/EBIT (adj)	14.5	18.6	15.0	31.3	11.1	8.3	19.1	9.5	8.8
P/E (adj)	17.0	28.2	19.8	70.2	13.8	10.1	26.8	13.7	13.8
P/BV	2.2	1.9	2.8	3.2	3.7	3.0	3.1	3.0	3.0
Dividend yield (ord)	6.2%	8.2%	5.5%	6.0%	4.9%	6.3%	7.0%	7.4%	7.8%
Net debt	25	5	16	25	18	37	39	36	36
Net debt/EBITDA	1.2	0.4	0.8	2.7	1.5	1.8	1.7	0.9	0.8

Source: Company data and Nordea estimates

# Q2 results and revisions

Fair value changes of external funds and slower quarter in Management company business burdened Q2

## Soft Q2 driven by carry and fair value changes

CapMan reported Q2 EBIT of EUR 4.2m, clearly below Refinitiv consensus of EUR 10.7m. The deviation was likely explained to some extent by fair value changes in external funds and carry, while we also note soft Management Company business fee income.

Investment business EBIT was EUR -0.4m (fair value changes EUR -0.3m) in Q2 and came in below our estimate of EUR 0.9m (EUR +1.1m fair value changes). Fair value changes in own funds remained in positive territory, while negative fair value changes stem from external funds.

Management Company EBIT of EUR 2.2m came in 48% below our estimate, driven partly by EUR 2.8m carry booking (we had modelled EUR 4m). When excluding carry, management fees came in 15% below our estimate and were down 13% q/q (down 4% y/y), while EBIT came in 48% below our estimate. Q2 service fees were down clearly from the strong comparison period.

Service Business EBIT of EUR 1.5m came in slightly below our estimate of EUR 1.6m.

AuM declined slightly q/q to EUR 5.0bn (EUR 5.1bn in Q1 and EUR 5.0bn in 2022) and the company expects AuM growth to continue in 2023, supported by multiple fund raisings. CapMan raised EUR 87m in new capital during Q2 (EUR 35m to Infra) and notes longer fundraising processes.

The company has multiple funds close to carry, and several exit processes in funds that would generate carry were they to be realised.

## Q2 RESULTS VERSUS EXPECTATIONS

	Actual	NDA est.	Deviation	Consensus	Deviation	Actual	Actual		
EURm	Q2/22	Q2 2023E	vs. actual	Q2 2023E	vs. actual	Q1 2023	q/q	Q2 2022	y/y
<b>Sales</b>	<b>16.5</b>	<b>19.6</b>	<b>-3.1</b>	<b>-16%</b>	<b>19.7</b>	<b>-3.2</b>	<b>-16%</b>	<b>15.1</b>	<b>9%</b>
<b>Adj. EBIT</b>	<b>4.2</b>	<b>9.1</b>	<b>-4.9</b>	<b>-54%</b>	<b>10.7</b>	<b>-6.5</b>	<b>-61%</b>	<b>0.5</b>	<b>692%</b>
Adj. EBIT margin	25.3%	46.2%	-20.9pp		54.2%	-28.9pp		3.5%	22pp
EPS, EUR	0.021	0.042	-0.02	-51%	0.047	-0.03	-55%	0.00	329%
<b>Sales</b>									
Management company business	13.7	16.9	-3.2	-19%		12.5	10%	14.5	-6%
- excluding carried interest	10.9	12.9	-2.0	-15%		12.5	-13%	11.4	-4%
- carried interest	2.8	4.0	-1.2	-30%		0.0	-10441%	3.2	-12%
Services	2.7	2.8	0.0	-2%		2.6	3%	3.2	-14%
Other	0.1	0.0	0.1	976%		0.0	371%	0.0	1030%
<b>Adj. EBIT</b>									
Management company business	5.0	8.2	-3.2	-39%		3.2	57%	6.1	-18%
- excluding carried interest	2.2	4.2	-2.0	-48%		3.2	-32%	2.9	-26%
- carried interest	2.8	4.0	-1.2	-30%		0.0	-10441%	3.2	-12%
Services	1.5	1.6	-0.1	-4%		1.5	5%	1.7	-8%
Fair value changes, Investments	-0.4	0.9	-1.3	-144%		-2.5	-84%	9.6	-104%
Other	-1.9	-1.6	-0.3	19%		-1.6	24%	-3.3	-41%

Source: Company data, Refinitiv and Nordea estimates

## Estimate revisions

Lowering 2024E-25E EBIT by 5-6%

We reduce 2023E EBIT by 22%, driven mainly by the Q2 miss and expected continuing headwinds in external venture capital funds. We expect own operations' fair value changes to remain positive, while forecasting around EUR 1m in negative fair value changes from external funds for Q3. We take a slightly more cautious view on fund raising owing to market volatility and slowness in allocations. For Service Business, we keep our top-line forecasts virtually intact, while lowering EBIT slightly due to costs. On group level, we lower 2024E-25E EBIT by 5-6% with intact carry estimates.

**ESTIMATE REVISIONS FOLLOWING THE Q2 REPORT**

EURm	New estimates				Old estimates				Difference, %			
	Q3 2023E	2023E	2024E	2025E	Q3 2023E	2023E	2024E	2025E	Q3 2023E	2023E	2024E	2025E
<b>Sales</b>	<b>15.4</b>	<b>68.3</b>	<b>76.1</b>	<b>75.9</b>	<b>17.6</b>	<b>72.7</b>	<b>78.8</b>	<b>77.8</b>	<b>-12%</b>	<b>-6%</b>	<b>-3%</b>	<b>-2%</b>
<b>Adj. EBIT</b>	<b>5.4</b>	<b>22.0</b>	<b>41.3</b>	<b>40.9</b>	<b>8.6</b>	<b>28.2</b>	<b>44.0</b>	<b>42.9</b>	<b>-37%</b>	<b>-22%</b>	<b>-6%</b>	<b>-5%</b>
Adj. EBIT margin	35.3%	32.2%	54.2%	53.9%	48.7%	38.7%	55.8%	55.1%	-13.4pp	-6.5pp	-1.6pp	-1.2pp
<b>Adj. EPS (EUR)</b>	<b>0.02</b>	<b>0.10</b>	<b>0.19</b>	<b>0.19</b>	<b>0.04</b>	<b>0.13</b>	<b>0.21</b>	<b>0.20</b>	<b>-48%</b>	<b>-25%</b>	<b>-10%</b>	<b>-8%</b>
<b>Net sales by segment</b>												
Management company	12.4	56.8	63.5	62.1	14.6	61.1	66.0	63.8	-15%	-7%	-4%	-3%
- excluding carried interest	11.4	49.3	53.0	57.1	12.6	51.6	55.5	58.8	-9%	-5%	-5%	-3%
- carried interest	1.0	7.5	10.5	5.0	2.0	9.5	10.5	5.0	-50%	-21%	0%	0%
Services business	2.7	10.9	12.0	13.2	2.7	11.0	12.1	13.3	0%	-1%	-1%	-1%
Other	0.2	0.6	0.6	0.6	0.2	0.6	0.6	0.6	0%	0%	0%	0%
<b>Adj. EBIT by segment</b>												
Management company	4.1	21.7	28.2	25.4	6.3	26.2	30.6	27.1	-35%	-17%	-8%	-6%
- excluding carried interest	3.1	14.2	17.7	20.4	4.3	16.7	20.1	22.1	-27%	-15%	-12%	-7%
- carried interest	1.0	7.5	10.5	5.0	2.0	9.5	10.5	5.0	-50%	-21%	0%	0%
Services business	1.7	6.2	7.0	8.0	1.8	6.6	7.5	8.6	-5%	-6%	-7%	-7%
Investments	0.9	0.3	13.4	15.0	1.9	2.0	13.5	15.1	-53%	-87%	-1%	-1%
Other	-1.3	-6.1	-7.3	-7.4	-1.4	-6.6	-7.7	-7.9	-10%	-8%	-5%	-6%

Source: Nordea estimates

# Valuation

Using a sum-of-the-parts valuation, we derive a fair value range of EUR 2.6-3.1 per share.

## SOTP valuation of EUR 2.6-3.1 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 2024E carry valuation and 12-14x EV/EBIT to value the Services business. From this, we derive a fair value range of EUR 2.6-3.1 per CapMan share. We use CapMan's book value as a proxy for the investment fair value, deduct 2023E net debt and add 2023E dividends.

### SUM-OF-THE-PARTS VALUATION BASED ON 2024 ESTIMATES (EURm AND EUR)

Based on 2024 estimates	Sales	EBIT	Valuation method	EV Range
Management company business	63.5	28.2	EV/EBIT 9x - 11x	255 - 311
excluding carried interest	53.0	17.7	EV/EBIT 12x - 14x	213 - 248
carried interest	10.5	10.5	EV/EBIT 4x - 6x	42 - 63
Services business	12.0	7.0	EV/EBIT 12x - 14x	84 - 97
Investment business	-	13.4	Book value June 2023	150 - 184
Other	0.6	-7.3	EV/EBIT 10x - 12x	-73 to -87
<b>Total</b>	<b>76.1</b>	<b>41.3</b>		<b>416 - 505</b>
Net debt 2023E				-39
2023 dividends				29
Equity value				406 - 495
Number of shares (m)				158.8
<b>Equity per share, EUR</b>				<b>2.6 - 3.1</b>

Source: Company data and Nordea estimates

## DCF valuation suggests EUR 2.9-3.6 per share

In our DCF model, we assume a sales CAGR of 5.5% for 2023-28, followed by 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 and a 3.5% risk-free interest rate in our DCF model. We also assign a long-term equity weight of 70% in our DCF model.

### WACC COMPONENTS

WACC components	
Risk-free interest rate	3.5%
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	8.7-10.7%
Cost of debt	4.0%
Tax-rate used in WACC	20%
Equity weight	70%
<b>WACC</b>	<b>7.1-8.5%</b>

Source: Nordea estimates

### DCF VALUE (EURm AND EUR)

DCF value	Value	Per share
NPV FCFF	481-585	3-3.7
(Net debt)	-37	-0.2
Time value	27	0.2
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>468-573</b>	<b>2.9-3.6</b>

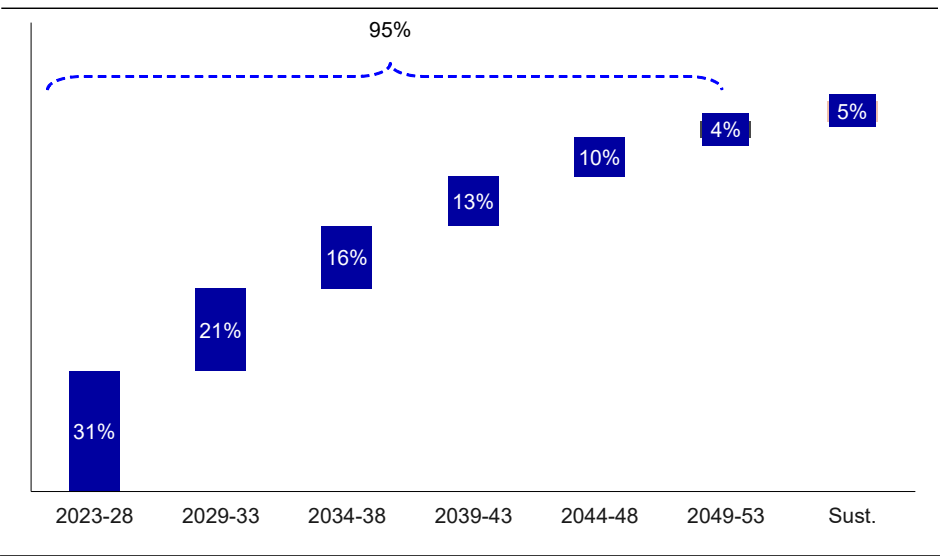
Source: Nordea estimates

### DCF ASSUMPTIONS

Averages and assumptions	2023-28	2029-33	2034-38	2039-43	2044-48	2049-53	Sust.
Sales growth, CAGR	5.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
EBIT-margin, excluding associates	51.1%	50.0%	50.0%	50.0%	50.0%	9.5%	
Capex/depreciation, x	1.3	1.0	1.0	1.0	1.0	1.0	
Capex/sales	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	
NWC/sales	2%	2%	2%	2%	2%	2%	
FCFF, CAGR	7.4%	1.6%	2.5%	2.5%	2.5%	-29.4%	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 their valuations. Changes in interest rates could affect the company's ability to raise funds, and a slowing transaction market could hinder its ability to make new investments or exit assets. The performance of its existing funds can also materially affect CapMan's ability to raise money for its subsequent funds.

# Detailed estimates

## ESTIMATES BY SEGMENT (EURm)

### Segment estimates EURm

Net sales	2018	2019	2020	2021	2022	2023E	2024E	2025E
Management Company business	24.2	32.8	30.9	43.6	55.9	56.8	63.5	62.1
-Management fees	22.1	24.7	28.9	36.6	38.8	42.2	45.6	49.2
-Service fees	1.1	1.2	1.2	4.2	7.4	7.1	7.5	7.8
-Carried interest	1.0	6.9	0.9	2.9	9.6	7.5	10.5	5.0
Service business	8.7	15.7	11.4	8.6	11.1	10.9	12.0	13.2
Other	0.6	0.5	0.7	0.5	0.6	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>67.5</b>	<b>68.3</b>	<b>76.1</b>	<b>75.9</b>

### Sales growth

Management Company business	-4%	35%	-6%	41%	28%	2%	12%	-2%
Service business	56%	81%	-28%	-24%	29%	-2%	10%	10%
<b>Group</b>	<b>3%</b>	<b>36%</b>	<b>-12%</b>	<b>23%</b>	<b>28%</b>	<b>1%</b>	<b>11%</b>	<b>0%</b>

### Adj. EBIT

Management Company business	2.8	10.2	9.1	13.2	22.3	21.7	28.2	25.4
-Without carried interest	1.8	3.3	8.2	10.3	12.7	14.2	17.7	20.4
Service business	4.4	9.1	4.9	4.2	3.0	6.2	7.0	8.0
Investment business	6.5	10.2	4.0	32.7	35.7	0.3	13.4	15.0
Other	-1.7	-5.9	-5.7	-5.4	-7.9	-6.1	-7.3	-7.4
<b>Group</b>	<b>12.0</b>	<b>25.1</b>	<b>12.3</b>	<b>44.6</b>	<b>55.7</b>	<b>22.0</b>	<b>41.3</b>	<b>40.9</b>
-Without fair value changes	6.9	12.8	7.9	10.7	19.2	20.9	27.1	25.1
-Without FV changes and carried interest	5.8	5.9	7.1	7.9	9.5	13.4	16.6	20.1

### Adj. EBIT growth

Management Company business	6%	260%	-11%	45%	69%	-3%	30%	-10%
Service business	94%	109%	-46%	-15%	-28%	104%	13%	14%
Investment business	-63%	58%	n.a.	n.a.	9%	-99%	4755%	12%
<b>Group</b>	<b>-39%</b>	<b>110%</b>	<b>-51%</b>	<b>262%</b>	<b>25%</b>	<b>-60%</b>	<b>88%</b>	<b>-1%</b>

### Adj. EBIT margin

Management Company business	12%	31%	29%	30%	40%	38%	44%	41%
-without carried interest	8%	10%	27%	24%	23%	25%	28%	33%
Service business	50%	58%	43%	48%	27%	56%	58%	60%
Management fee and service fee together	20%	31%	33%	32%	31%	38%	43%	45%
<b>Group</b>	<b>33%</b>	<b>51%</b>	<b>29%</b>	<b>85%</b>	<b>82%</b>	<b>32%</b>	<b>54%</b>	<b>54%</b>

### Investment business

Invested capital	126.6	129.4	116.6	130.4	169.5	157.6	157.8	158.5
Fair value changes	5.1	12.2	4.4	33.9	36.5	1.1	14.2	15.8
-Return on invested capital	4%	9%	4%	28%	22%	5%	9%	10%
Expenses	-1.2	-2.0	-0.4	-1.2	-0.8	-0.8	-0.8	-0.8
<b>EBIT</b>	<b>6.5</b>	<b>10.2</b>	<b>4.0</b>	<b>32.7</b>	<b>35.7</b>	<b>0.3</b>	<b>13.4</b>	<b>15.0</b>

<b>Capital under management (EURbn)</b>	<b>3.0</b>	<b>3.2</b>	<b>3.8</b>	<b>4.5</b>	<b>5.0</b>	<b>5.2</b>	<b>5.5</b>	<b>5.7</b>
-growth y/y	9%	7%	18%	18%	12%	3%	6%	4%

Source: Company data and Nordea estimates

# Reported numbers and forecasts

## ANNUAL ESTIMATES

EURm	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
Management fees	28.7	27.4	26.6	19.6	22.1	24.7	28.9	36.6	38.8	42.2	45.6	49.2
Carried interest	10.8	4.4	0.0	4.4	1.0	6.9	0.9	2.9	9.6	7.5	10.5	5.0
Sale of services	0.0	0.0	0.0	7.1	10.3	17.4	13.3	13.3	19.1	18.6	20.1	21.7
Dividend & interest income	0.0	0.0	0.0	3.7	2.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net sales</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>67.5</b>	<b>68.3</b>	<b>76.1</b>	<b>75.9</b>
sales growth %	33%	-20%	-16%	31%	3%	36%	-12%	23%	28%	1%	11%	0%
Other operating income	0.0	0.3	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0
Personnel expenses	-17.8	-17.1	-18.3	-21.4	-19.9	-24.2	-23.9	-30.6	-34.6	-33.1	-34.2	-35.3
Depreciation and amortisation	-0.4	-0.3	-0.3	-1.7	-0.2	-1.4	-1.5	-1.5	-4.2	-1.5	-1.5	-1.5
Other operating expenses	-12.0	-10.6	-12.2	-9.9	-9.1	-12.1	-9.7	-10.0	-12.2	-12.7	-13.3	-13.9
Fair value changes	-3.1	5.2	22.6	17.6	5.1	12.2	4.4	33.9	36.5	1.1	14.2	15.8
<b>EBIT</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>53.1</b>	<b>22.0</b>	<b>41.3</b>	<b>40.9</b>
margin %	16%	29%	70%	56%	33%	40%	29%	85%	79%	32%	54%	54%
Net financials	-1.4	-2.9	-3.1	-3.2	-2.7	-1.8	-3.1	-4.0	-5.5	-2.6	-3.0	-3.0
Income using the equity method*	0.0	0.1	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit before taxes	4.9	6.4	15.5	16.2	9.3	17.6	9.2	40.6	47.6	19.5	38.3	38.0
Income taxes	-1.0	-0.4	-0.2	-0.8	-0.8	-1.7	-2.9	-5.2	-6.6	-2.1	-6.9	-6.8
Profit for the period	4.0	6.1	15.3	15.5	8.5	15.9	6.3	35.4	41.0	17.3	31.4	31.1
<b>EPS, EUR</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>0.25</b>	<b>0.10</b>	<b>0.19</b>	<b>0.19</b>

Source: Company data and Nordea estimates

## INTERIM ESTIMATES

EURm	Q1/22	Q2/22	Q3/22	Q4/22	Q1/23	Q2/23	Q3/23E	Q4/23E
Management fees	9.3	9.2	9.9	10.4	10.8	9.7	9.8	12.0
Carried interest	1.3	3.2	1.0	4.1	0.0	2.8	1.0	3.7
Sale of services	3.6	5.4	4.9	5.2	4.4	4.0	4.6	5.6
Dividend & interest income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net sales</b>	<b>14.2</b>	<b>17.7</b>	<b>15.9</b>	<b>19.7</b>	<b>15.1</b>	<b>16.5</b>	<b>15.4</b>	<b>21.3</b>
sales growth %	26%	49%	7%	34%	6%	-7%	-3%	8%
Other operating income	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0
Personnel expenses	-7.2	-10.0	-7.7	-9.7	-8.9	-8.1	-7.6	-8.5
Depreciation and amortisation	-0.4	-0.4	-0.4	-3.0	-0.4	-0.4	-0.4	-0.4
Other operating expenses	-2.4	-2.9	-3.2	-3.7	-2.9	-3.5	-3.0	-3.3
Fair value changes	14.7	9.8	8.0	4.1	-2.4	-0.3	1.0	2.8
<b>EBIT</b>	<b>18.9</b>	<b>14.1</b>	<b>12.7</b>	<b>7.5</b>	<b>0.5</b>	<b>4.2</b>	<b>5.4</b>	<b>12.0</b>
margin %	133%	80%	80%	38%	3%	25%	35%	56%
Net financials	-2.6	-1.1	-0.5	-1.3	-0.5	-0.3	-0.9	-0.9
Income using the equity method*	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit before taxes	16.3	13.0	12.2	6.1	0.0	3.8	4.6	11.1
Income taxes	-2.9	-1.2	-1.4	-1.1	0.7	0.2	-0.8	-2.2
Profit for the period	13.3	11.6	10.2	4.5	0.3	3.3	3.3	8.4
<b>EPS, EUR</b>	<b>0.09</b>	<b>0.07</b>	<b>0.07</b>	<b>0.03</b>	<b>0.00</b>	<b>0.02</b>	<b>0.02</b>	<b>0.05</b>

Source: Company data and Nordea estimates

**BALANCE SHEET**

EURm	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
Intangible assets	6.5	4.8	4.8	16.1	16.0	15.8	8.0	1.0	1.0	1.0
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	0.3	0.2	0.1	0.8	0.7	0.5	0.1	0.1	0.1	0.1
of which goodwill	6.2	4.5	4.7	15.3	15.3	15.3	7.9	0.9	0.9	0.9
Tangible assets	0.2	0.3	0.3	2.5	1.7	0.8	2.6	7.1	7.7	8.2
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	0.3	0.3	2.5	1.7	0.8	2.6	7.1	7.7	8.2
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	0.0	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	0.2	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	4.9	1.8	2.0	3.7	2.4	1.8	1.8	1.8	1.8	1.8
Other non-interest bearing assets	51.4	58.3	80.6	118.6	116.1	130.0	169.1	169.1	169.1	169.1
Other non-current assets	48.6	37.0	12.1	9.4	9.1	10.5	6.0	6.0	6.0	6.0
<b>Total non-current assets</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>187.4</b>	<b>185.0</b>	<b>185.5</b>	<b>186.0</b>
Inventory	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	9.8	8.7	12.6	10.8	14.0	15.2	20.7	19.6	21.1	20.2
Other current assets	86.2	77.1	39.0	10.8	0.3	0.0	0.1	0.1	0.1	0.1
Cash and bank	45.0	23.3	54.5	43.7	58.0	65.2	55.6	54.3	56.5	57.4
<b>Total current assets</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>77.4</b>	<b>75.0</b>	<b>78.8</b>	<b>78.9</b>
Assets held for sale	0.0	0.0	0.0	0.0	0.0	0.0	5.8	0.0	0.0	0.0
<b>Total assets</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>270.5</b>	<b>260.0</b>	<b>264.3</b>	<b>264.9</b>
Shareholder equity	143.0	126.7	120.5	127.4	112.5	125.8	140.1	128.6	130.0	129.9
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	0.4	2.1	0.7	1.6	2.1	4.2	5.7	7.2
<b>Total Equity</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>142.1</b>	<b>132.8</b>	<b>135.7</b>	<b>137.1</b>
Deferred tax	9.9	8.6	3.3	2.2	2.7	4.6	8.4	8.4	8.4	8.4
Long term interest bearing debt	48.1	45.2	49.7	59.1	82.6	82.0	91.9	91.9	91.9	91.9
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	0.1	0.1	0.2	0.2	6.9	7.6	7.3	7.3	7.3	7.3
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>58.1</b>	<b>53.9</b>	<b>53.2</b>	<b>61.4</b>	<b>92.3</b>	<b>94.2</b>	<b>107.6</b>	<b>107.6</b>	<b>107.6</b>	<b>107.7</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	33.3	26.8	16.8	20.2	11.1	16.7	18.4	18.0	19.3	18.5
Other current liabilities	0.3	0.8	5.1	4.5	1.3	1.0	0.5	0.5	0.5	0.5
Short term interest bearing debt	18.0	3.0	10.0	0.5	0.4	0.5	0.6	0.6	0.6	0.6
<b>Total current liabilities</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>20.0</b>	<b>19.6</b>	<b>21.0</b>	<b>20.1</b>
Liabilities for assets held for sale	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.0	0.0	0.0
<b>Total liabilities and equity</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>270.5</b>	<b>260.0</b>	<b>264.3</b>	<b>264.9</b>

Source: Company data and Nordea estimates

**CASH FLOW STATEMENT**

EURm	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
<b>EBITDA (excludes fair value changes)</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>20.7</b>	<b>22.4</b>	<b>42.8</b>	<b>42.5</b>
Paid taxes	-0.3	-1.6	-3.1	-4.6	-4.3	-2.6	-3.1	-2.1	-6.9	-6.8
Net financials	-4.2	-3.9	-2.4	-2.6	-3.2	-4.0	-4.0	-2.6	-3.0	-3.0
Other adjustments to reconcile cash flow	0.4	0.0	0.7	0.8	0.0	0.0	0.0	0.0	0.0	0.0
<b>Funds from operations (FFO)</b>	<b>-7.8</b>	<b>-1.8</b>	<b>2.2</b>	<b>2.1</b>	<b>2.0</b>	<b>5.7</b>	<b>13.6</b>	<b>17.7</b>	<b>32.9</b>	<b>32.7</b>
Change in NWC	4.6	-1.8	-6.9	-2.5	-15.7	4.5	-10.3	0.7	-0.1	0.0
<b>Cash flow from operations (CFO)</b>	<b>-3.1</b>	<b>-3.6</b>	<b>-4.7</b>	<b>-0.4</b>	<b>-13.8</b>	<b>10.2</b>	<b>3.4</b>	<b>18.4</b>	<b>32.8</b>	<b>32.7</b>
Capital Expenditure	0.0	-0.3	-0.1	-0.6	-0.4	-0.1	-0.3	-1.0	-1.0	-1.0
<b>Free Cash Flow before A&amp;D</b>	<b>-3.1</b>	<b>-3.9</b>	<b>-4.8</b>	<b>-0.9</b>	<b>-14.1</b>	<b>10.1</b>	<b>3.0</b>	<b>17.4</b>	<b>31.8</b>	<b>31.7</b>
Acquisitions and disposals (mainly exits from investments)	37.3	34.0	39.7	17.5	4.4	33.9	36.5	1.1	0.0	0.0
<b>Free cash flow</b>	<b>34.2</b>	<b>30.1</b>	<b>34.9</b>	<b>16.5</b>	<b>5.6</b>	<b>30.2</b>	<b>8.5</b>	<b>26.5</b>	<b>31.8</b>	<b>32.2</b>
Dividend paid	-6.0	-13.0	-16.1	-19.0	-21.9	-22.2	-25.1	-26.7	-28.5	-30.2

Source: Company data and Nordea estimates

# Disclaimer and legal disclosures

## Origin of the report

This publication or report originates from: Nordea Bank Abp, including its branches Nordea Danmark, Filial af Nordea Bank Abp, Finland, Nordea Bank Abp, filial i Norge and Nordea Bank Abp, filial i Sverige (together "Nordea") acting through their units Nordea Markets and Equity Sales & Research.

Nordea Bank Abp is supervised by the European Central Bank and the Finnish Financial Supervisory Authority and the branches are supervised by the European Central Bank and the Finnish Financial Supervisory Authority and the Financial Supervisory Authorities in their respective countries.

## Content of report

This report has been prepared solely by Nordea Markets or Equity Sales & Research.

Opinions or suggestions from Nordea Markets credit and equity research may deviate from one another or from opinions presented by other departments in Nordea. This may typically be the result of differing time horizons, methodologies, contexts or other factors.

The information provided herein is not intended to constitute and does not constitute investment advice nor is the information intended as an offer or solicitation for the purchase or sale of any financial instrument. The information contained herein has no regard to the specific investment objectives, the financial situation or particular needs of any particular recipient. Relevant and specific professional advice should always be obtained before making any investment or credit decision.

Opinions or ratings are based on one or more methods of valuation, for instance cash flow analysis, use of multiples, behavioural technical analyses of underlying market movements in combination with considerations of the market situation and the time horizon. Key assumptions of forecasts or ratings in research cited or reproduced appear in the research material from the named sources. The date of publication appears from the research material cited or reproduced. Opinions and estimates may be updated in subsequent versions of the report, provided that the relevant company/issuer is treated anew in such later versions of the report.

## Validity of the report

All opinions and estimates in this report are, regardless of source, given in good faith, and may only be valid as of the stated date of this report and are subject to change without notice.

## No individual investment or tax advice

The report is intended only to provide general and preliminary information to investors and shall not be construed as the basis for any investment decision. This report has been prepared by Nordea Markets or Equity Sales & Research as general information for private use of investors to whom the report has been distributed, but it is not intended as a personal recommendation of particular financial instruments or strategies and thus it does not provide individually tailored investment advice, and does not take into account the individual investor's particular financial situation, existing holdings or liabilities, investment knowledge and experience, investment objective and horizon or risk profile and preferences. The investor must particularly ensure the suitability of an investment as regards his/her financial and fiscal situation and investment objectives. The investor bears the risk of losses in connection with an investment.

Before acting on any information in this report, it is recommendable to consult (without being limited to) one's financial, legal, tax, accounting, or regulatory advisor in any relevant jurisdiction.

The information contained in this report does not constitute advice on the tax consequences of making any particular investment decision. Each investor shall make his/her own appraisal of the tax and other financial merits of his/her investment.

## Sources

This report may be based on or contain information, such as opinions, estimates and valuations which emanate from: Nordea Markets' or Equity Sales & Research analysts or representatives, publicly available information, information from other units of Nordea, or other named sources.

To the extent this publication or report is based on or contain information emanating from other sources ("Other Sources") than Nordea Markets or Equity Sales & Research ("External Information"), Nordea Markets or Equity Sales & Research has deemed the Other Sources to be reliable but neither Nordea, others associated or affiliated with Nordea nor any other person, do guarantee the accuracy, adequacy or completeness of the External Information.

## Limitation of liability

Nordea or other associated and affiliated companies assume no liability as regards to any investment, divestment or retention decision taken by the investor on the basis of this report. In no event will Nordea or other associated and affiliated companies be liable for direct, indirect or incidental, special or consequential damages (regardless of whether being considered as foreseeable or not) resulting from the information in this report.

## Risk information

The risk of investing in certain financial instruments, including those mentioned in this report, is generally high, as their market value is exposed to a lot of different factors such as the operational and financial conditions of the relevant company, growth prospects, change in interest rates, the economic and political environment, foreign exchange rates, shifts in market sentiments etc. Where an investment or security is denominated in a different currency to the investor's currency of reference, changes in rates of exchange may have an adverse effect on the value, price or income of or from that investment to the investor. Past performance is not a guide to future performance. Estimates of future performance are based on assumptions that may not be realized. When investing in individual shares, the investor may lose all or part of the investments.

## Conflicts of interest

Readers of this document should note that Nordea Markets or Equity Sales & Research has received remuneration from the company mentioned in this document for the production of the report. The remuneration is not dependent on the content of the report. Nordea, affiliates or staff in Nordea, may perform services for, solicit business from, hold long or short positions in, or otherwise be interested in the investments (including derivatives) of any company mentioned in the report.

To limit possible conflicts of interest and counter the abuse of inside knowledge, the analysts of Nordea Markets and Equity Sales & Research are subject to internal rules on sound ethical conduct, the management of inside information, handling of unpublished research material, contact with other units of Nordea and personal account dealing. The internal rules have been prepared in accordance with applicable legislation and relevant industry standards. The object of the internal rules is for example to ensure that no analyst will abuse or cause others to abuse confidential information. It is the policy of Nordea that no link exists between revenues from capital markets activities and individual analyst remuneration. Nordea and the branches are members of national stockbrokers' associations in each of the countries in which Nordea has head offices. Internal rules have been developed in accordance with recommendations issued by the stockbrokers associations. This material has been prepared following the Nordea Conflict of Interest Policy, which may be viewed at [www.nordea.com/mifid](http://www.nordea.com/mifid).

Please find a list of all recommendations disseminated by Nordea Equities during the preceding 12-month period here: <https://research.nordea.com/compliance>

## Distribution restrictions

The securities referred to in this report may not be eligible for sale in some jurisdictions. This report is not intended for, and must not be distributed to private customers in the UK or the US or to customers in any other jurisdiction where restrictions may apply.

This research report has not been prepared for distribution outside the EU, the UK or the US. The content of this research report is not a product disclosure statement or other regulated document for the purposes of the Australian Corporations Act 2001 (CTH). The distribution of this research report in Australia has not been authorised by any regulatory authority in Australia, and Nordea bank Abp is not licensed by the Australian Securities and Investment Commission to provide financial services in Australia.

This publication or report may be distributed in the UK to institutional investors by Nordea Bank Abp London Branch of 6th Floor, 5 Aldermanbury Square, London, EC2V 7AZ, which is under supervision of the European Central Bank, Finanssivalvonta (Financial Supervisory Authority) in Finland and subject to limited regulation by the Financial Conduct Authority and Prudential Regulation Authority in the United Kingdom. Details about the extent of our regulation by the Financial Conduct Authority and Prudential Regulation Authority are available upon request.

Nordea Bank Abp ("Nordea") research is not "globally branded" research. Nordea research reports are intended for distribution in the United States solely to "major U.S. institutional investors," as defined in Rule 15a-6 under the Securities Exchange Act of 1934. Any transactions in securities discussed within the research reports will be chaperoned by Nordea Securities LLC ("Nordea Securities"), an affiliate of Nordea and a SEC registered broker dealer and member of FINRA. Nordea Securities does not employ research analysts and has no contractual relationship with Nordea that is reasonably likely to inform the content of Nordea research reports. Nordea makes all research content determinations without any input from Nordea Securities.

The research analyst(s) named on this report are not registered/qualified as research analysts with FINRA. Such research analyst(s) are also not registered with Nordea Securities and therefore may not be subject to FINRA Rule 2241 or FINRA Rule 2242 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account.

This report may not be mechanically duplicated, photocopied or otherwise reproduced, in full or in part, under applicable copyright laws.

**Analyst Shareholding**

Nordea analysts do not hold shares in the companies that they cover. No holdings or other affiliations by analysts or associates.

**Fair value and sensitivity**

We calculate our fair values by weighting DCF, DDM, SOTP, asset-based and other standard valuation methods. Our fair values are sensitive to changes in valuation assumptions, of which growth, margins, tax rates, working capital ratios, investment-to-sales ratios and cost of capital are typically the most sensitive. It should be noted that our fair values would change by a disproportionate factor if changes are made to any or all valuation assumptions, owing to the non-linear nature of the standard valuation models applied (mentioned above). As a consequence of the standard valuation models we apply, changes of 1-2 percentage points in any single valuation assumption can change the derived fair value by as much as 30% or more. All research is produced on an ad hoc basis and will be updated when the circumstances require it.

**Marketing Material**

This research report should be considered marketing material, as it has been commissioned and paid for by the subject company, and has not been prepared in accordance with the regulations designed to promote the independence of investment research and it is not subject to any legal prohibition on dealing ahead of the dissemination of the report. However, Nordea Markets analysts are according to internal policies not allowed to hold shares in the companies/sectors that they cover.

**Market-making obligations and other significant financial interest**

Nordea has no market-making obligations in CapMan Oyj shares.

As of 02/08/2023, Nordea Abp holds no positions of 0.5% or more of shares issued

As of the publication of this report, the issuer does not hold a position exceeding 5% of the total shares issued in Nordea Abp.

**Investment banking transactions and/or services**

In view of Nordea's position in its markets, readers should assume that the bank may currently or may in the coming three months and beyond be providing or seeking to provide confidential investment banking and/or ancillary services to the company/ companies.

**Issuer Review**

*This report has not been reviewed by the Issuer prior to publication.*

**Completion Date**

03 Aug 2023, 21:26 CET

Nordea Bank Abp	Nordea Bank Abp, filial i Sverige	Nordea Danmark, Filial af Nordea Bank Abp, Finland	Nordea Bank Abp, filial i Norge
<b>Nordea IB &amp; Equity Division, Equity Research</b> Visiting address: Aleksis Kiven katu 7, Helsinki FI-00020 Nordea Finland	<b>Nordea IB &amp; Equity Division, Equity Research</b> Visiting address: Smålandsgatan 17 SE-105 71 Stockholm Sweden	<b>Nordea IB &amp; Equity Division, Equity Research</b> Visiting address: Grønlandsvej 10 DK-2300 Copenhagen S Denmark	<b>Nordea IB &amp; Equity Division, Equity Research</b> Visiting address: Essendropsgate 7 N-0107 Oslo Norway
Tel: +358 9 1651 Fax: +358 9 165 59710	Tel: +46 8 614 7000 Fax: +46 8 534 911 60	Tel: +45 3333 3333 Fax: +45 3333 1520	Tel: +47 2248 5000 Fax: +47 2256 8650
Reg.no. 2858394-9 Satamaradankatu 5 Helsinki			