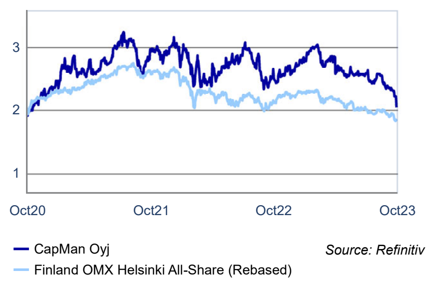
CapMan

Investment Companies
Finland

KEY DATA

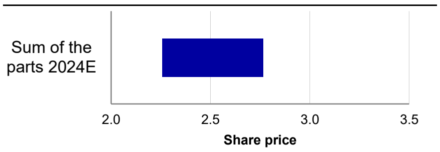
Stock country	Finland
Bloomberg	CAPMAN FH
Reuters	CAPMAN.HE
Share price (close)	EUR 2.07
Free float	75%
Market cap. (bn)	EUR 0.33/EUR 0.33
Website	www.capman.com
Next report date	07 Feb 2024

PERFORMANCE



Source: Refinitiv

VALUATION APPROACH (EUR/SHARE)



Source: Nordea estimates

ESTIMATE CHANGES

Year	2023E	2024E	2025E
Sales	-6%	-7%	-1%
EBIT (adj)	-21%	-10%	2%
EPS (adj.)	-21%	-9%	5%

Source: Nordea estimates

Nordea IB & Equity - Analysts

Joni Sandvall
Analyst

Svante Krokfors
Director

Own actions needed to wake up fundraising

CapMan's Q3 fell short of Refinitiv consensus expectations, we believe partly owing to lower carry bookings. While Management company fees fell short of our expectations, EBIT excluding carry beat with a lower cost base. Fair value changes turned positive, however, supported by external funds. The fundraising market remains subdued and the company announced a new distribution policy and aims to support fundraising by investing in its own funds alongside external investors. M&A options appear to be on the table and the company sticks to its strategic targets despite the more challenging operating environment. We derive a lower SOTP-based fair value range of EUR 2.3-2.8 (2.6-3.1) per CapMan share.

Underlying operations largely in line with our expectations

CapMan's Q3 2023 EBIT of EUR 4.8m was 12% below our expectation, driven by lower carry bookings. Management company fees were 5% below our estimate but, when adjusting for carry, management company EBIT was 8% above our expectation, supported by a lower cost base. The Services top line was 9% below our expectation, while EBIT missed by 17%. On an aggregated level, underlying operational EBIT excluding carry and fair value changes came in 4% above our estimate. AuM remained flat at EUR 5bn and the company reiterated its target to reach EUR 10bn in AuM in 2027, which we find ambitious. To speed up fundraising and with compelling investment targets, the company revised its distribution policy. CapMan aims for at least 70% payout excluding fair value changes. In addition, it may pay out distributions accrued from investment operations. For 2023, the BoD expects to propose EUR 0.08-0.12, clearly below the Refinitiv consensus expectation of EUR 0.18.

Underlying estimates down 5-6% for 2023-25

We trim underlying EBIT (excluding carry and fair value changes) by 5-6% for 2023E-25E due to 3% lower management company fees and 5% lower Services fees. We believe slower fundraising will persist into 2024 while the company is preparing for two new flagship fund launches that could offer upside to our fee estimates. We reset our DPS estimates and now model EUR 0.08 for 2023 with a EUR 0.01 annual increases for 2024E-25E.

Fair value range down to EUR 2.3-2.8

We derive a SOTP-based fair value range of EUR 2.3-2.8 (2.6-3.1). 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.

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	64.4	70.9	75.5
EBIT (adj)	19.5	12.0	25.1	12.3	44.6	55.7	17.4	37.2	41.6
EBIT (adj) margin	55.9%	33.2%	51.1%	28.7%	84.6%	82.5%	27.0%	52.4%	55.1%
EPS (adj), EUR	0.10	0.05	0.12	0.03	0.22	0.27	0.08	0.17	0.20
EPS (adj) growth	-35.8%	-49.7%	127.1%	-72.2%	564.4%	22.6%	-71.6%	124.9%	13.8%
DPS (ord), EUR	0.11	0.12	0.13	0.14	0.15	0.17	0.08	0.09	0.10
EV/Sales	8.1	6.2	7.7	9.0	9.4	6.9	5.6	4.7	4.0
EV/EBIT (adj)	14.5	18.6	15.0	31.3	11.1	8.3	20.8	9.0	7.2
P/E (adj)	17.0	28.2	19.8	70.2	13.8	10.1	27.1	12.1	10.6
P/BV	2.2	1.9	2.8	3.2	3.7	3.0	2.5	2.3	2.0
Dividend yield (ord)	6.2%	8.2%	5.5%	6.0%	4.9%	6.3%	3.9%	4.3%	4.8%
Net debt	25	5	16	25	18	37	42	27	9
Net debt/EBITDA	1.2	0.4	0.8	2.7	1.5	1.8	2.1	0.7	0.2

Source: Company data and Nordea estimates

Q3 results and revisions

Underlying operations largely in line with our expectations

CapMan reported Q3 EBIT of EUR 4.8m, clearly below Refinitiv consensus at EUR 7m. The deviation is likely explained to some extent by fair value changes and carry.

Costs from the management company business were below our expectations

Fee income from the management company business was 5% below our estimate. Investment business EBIT was EUR 0.9m in Q3, with fair value changes of EUR 0.9m, in line with our EBIT estimate of EUR 0.9m and EUR +1m in fair value changes. We calculate that fair value changes in own funds were EUR -1m, while negative fair value changes for external funds reversed in Q3. Management company EBIT of EUR 3.6m was 12% below our estimate, driven solely by EUR 0.3m carry booking (we had modelled EUR 1m). When excluding carry, management fees were 5% below our estimate and flat q/q (down 6% y/y), while EBIT was 8% above our estimate. Services' EBIT of EUR 1.4m was below our estimate at EUR 1.7m.

AuM remained flat at EUR 5.0bn (EUR 5.0bn in Q2 and EUR 5bn in 2022) while the company reiterated its guidance for AuM growth in 2023. CapMan raised EUR 60m in new capital during Q3 and expects new commitments into several ongoing fundraising projects during the remaining months of the year.

The company has several exits from funds that are in carry or are approaching carry.

Q3 RESULTS VS. EXPECTATIONS

EURm	Actual Q3/22	NDA est. Q3 2023E	Deviation vs. actual		Consensus Q3 2023E	Deviation vs. actual		Actual Q2 2023	q/q	Actual Q3 2022	y/y
Sales	**13.7**	**15.4**	**-1.7**	**-11%**	**16.3**	**-2.6**	**-16%**	**16.5**	**-17%**	**15.9**	**-14%**
Adj. EBIT	**4.8**	**5.4**	**-0.6**	**-12%**	**7.0**	**-2.2**	**-31%**	**4.2**	**15%**	**12.7**	**-62%**
Adj. EBIT margin	35.1%	35.3%		-0.3pp	42.9%		-7.8pp	25.3%	10pp	79.7%	-45pp
EPS, EUR	**0.021**	**0.021**	**0.00**	**1%**	**0.033**	**-0.01**	-37%	**0.02**	-1%	**0.07**	-68%
Sales											
Management company business	11.1	12.4	-1.4	-11%				13.7	-19%	12.6	-12%
- excluding carried interest	10.8	11.4	-0.6	-5%				10.9	0%	11.6	-6%
- carried interest	0.3	1.0	-0.7	-74%				2.8	-91%	1.0	-75%
Services	2.5	2.7	-0.2	-9%				2.7	-8%	3.1	-19%
Other	0.1	0.2	-0.1	-47%				0.1	4%	0.2	-45%
Adj. EBIT											
Management company business	3.6	4.1	-0.5	-12%				5.0	-28%	4.2	-16%
- excluding carried interest	3.3	3.1	0.2	8%				2.2	53%	3.2	3%
- carried interest	0.3	1.0	-0.7	-74%				2.8	-91%	1.0	-75%
Services	1.4	1.7	-0.3	-17%				1.5	-7%	1.8	-23%
Fair value changes, Investments	0.9	0.9	-0.1	-6%				-0.4	-315%	7.9	-89%
Other	-1.1	-1.3	0.2	-17%				-1.9	-45%	-1.3	-22%

Source: Company data, Refinitiv and Nordea estimates

New distribution policy and an early indication about 2023 dividend

The company revised its dividend policy and expects to distribute at least 70% of profit to shareholders. The board of directors expects to propose a distribution of 8-12 cents per share for 2023, which is clearly below the EUR 0.18 expected by us and consensus prior to the announcement.

Estimate revisions

Taking a more cautious view on fundraising market and fee income

We reduce 2023E EBIT by 21%, driven mainly by lower carry expectations and slower fundraising. We also expect only EUR 0.9m positive fair value changes in Q4 owing to a soft real estate market. Given the slow fundraising market and smaller allocations, we trim management company fee income for 2024E-25E. For the Service business, we trim our top-line forecasts slightly, while lowering EBIT slightly due to costs. On the group level, we lower 2024E EBIT by 10%, but raise 2025E by 2% due to the shift in our carry estimates.

On an aggregated level, we lower EBIT for the management company and services businesses by 4-7% for 2023E-25E.

ESTIMATE REVISIONS FOLLOWING THE Q3 REPORT

	New estimates				Old estimates				Difference, %			
EURm	**Q4 2023E**	**2023E**	**2024E**	**2025E**	**Q4 2023E**	**2023E**	**2024E**	**2025E**	**Q4 2023E**	**2023E**	**2024E**	**2025E**
Sales	**19.1**	**64.4**	**70.9**	**75.5**	**21.3**	**68.3**	**76.1**	**75.9**	**-10%**	**-6%**	**-7%**	**-1%**
Adj. EBIT	**7.9**	**17.4**	**37.2**	**41.6**	**12.0**	**22.0**	**41.3**	**40.9**	**-34%**	**-21%**	**-10%**	**2%**
Adj. EBIT margin	41.6%	27.0%	52.4%	55.1%	56.1%	32.2%	54.2%	53.9%	-14.5pp	-5.3pp	-1.8pp	1.2pp
Adj. EPS (EUR)	**0.03**	**0.08**	**0.17**	**0.20**	**0.05**	**0.10**	**0.19**	**0.19**	**-39%**	**-21%**	**-9%**	**5%**
Net sales by segment												
Management company	16.2	53.4	58.9	62.3	18.2	56.8	63.5	62.1	-11%	-6%	-7%	0%
- excluding carried interest	13.7	47.9	51.4	55.3	14.5	49.3	53.0	57.1	-5%	-3%	-3%	-3%
- carried interest	2.5	5.5	7.5	7.0	3.7	7.5	10.5	5.0	-34%	-27%	-29%	40%
Services business	2.5	10.4	11.4	12.5	2.8	10.9	12.0	13.2	-10%	-5%	-5%	-5%
Other	0.3	0.6	0.6	0.6	0.2	0.6	0.6	0.6	49%	0%	0%	0%
Adj. EBIT by segment												
Management company	7.6	19.4	24.0	26.2	9.5	21.7	28.2	25.4	-19%	-11%	-15%	3%
- excluding carried interest	5.1	13.9	16.5	19.2	5.7	14.2	17.7	20.4	-10%	-2%	-7%	-6%
- carried interest	2.5	5.5	7.5	7.0	3.7	7.5	10.5	5.0	-34%	-27%	-29%	40%
Services business	1.2	5.6	6.4	7.3	1.5	6.2	7.0	8.0	-19%	-9%	-9%	-8%
Investments	0.5	-1.6	13.3	14.9	2.3	0.3	13.4	15.0	-79%	-681%	0%	-1%
Other	-1.4	-6.0	-6.6	-6.7	-1.3	-6.1	-7.3	-7.4	6%	-2%	-10%	-9%

Source: Nordea estimates

Valuation

Using a sum-of-the-parts valuation, we derive a fair value range of EUR 2.3-2.8 per share.

SOTP valuation of EUR 2.3-2.8 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 2.3-2.8 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	58.9	24.0	EV/EBIT 9.5x - 11.5x	228 - 277
excluding carried interest	51.4	16.5	EV/EBIT 12x - 14x	198 - 232
carried interest	7.5	7.5	EV/EBIT 4x - 6x	30 - 45
Services business	11.4	6.4	EV/EBIT 12x - 14x	76 - 89
Investment business	-	13.3	Book value Sep 2023	149 - 182
Other	0.6	-6.6	EV/EBIT 10x - 12x	-66 to -79
Total	**70.9**	**37.2**		**388 - 469**
Net debt 2023E				-42
2023 dividends				13
Equity value				359 - 439
Number of shares (m)				158.8
Equity per share, EUR				**2.3 - 2.8**

Source: Company data and Nordea estimates

DCF valuation suggests EUR 2.9-3.5 per share

In our DCF model, we assume a sales CAGR of 6.1% 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%
WACC	**7.1-8.5%**

Source: Nordea estimates

DCF VALUE (EURm AND EUR)

DCF value	**Value**	**Per share**
NPV FCFF	462-564	2.9-3.6
(Net debt)	-37	-0.2
Time value	37	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
DCF Value	**459-561**	**2.9-3.5**

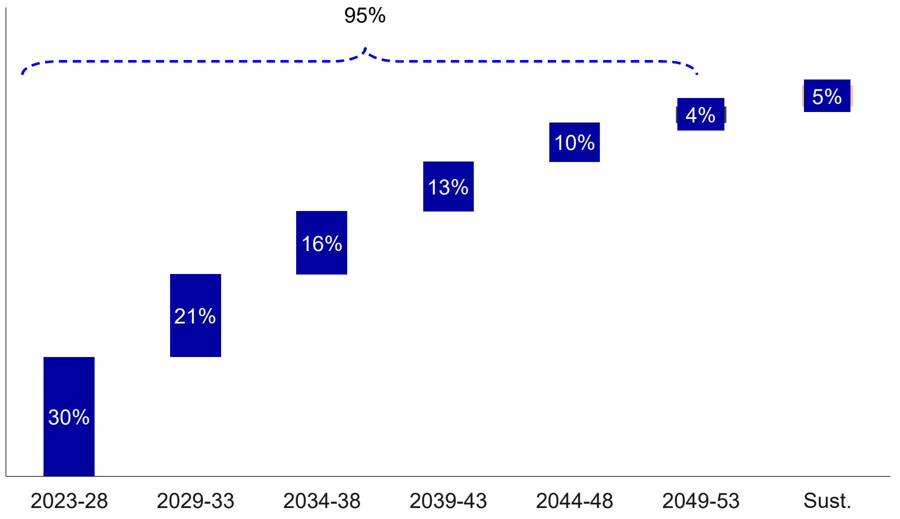
Source: Nordea estimates

DCF ASSUMPTIONS

Averages and assumptions	**2023-28**	**2029-33**	**2034-38**	**2039-43**	**2044-48**	**2049-53**	**Sust.**
Sales growth, CAGR	6.1%	2.5%	2.5%	2.5%	2.5%	2.5%	
EBIT-margin, excluding associates	50.3%	50.0%	50.0%	50.0%	50.0%	9.5%	
Capex/depreciation, x	1.4	1.0	1.0	1.0	1.0	1.0	
Capex/sales	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	
NWC/sales	2%	2%	2%	2%	2%	2%	
FCFF, CAGR	10.1%	1.7%	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	53.4	58.9	62.3
-Management fees	22.1	24.7	28.9	36.6	38.8	41.1	44.4	47.9
-Service fees	1.1	1.2	1.2	4.2	7.4	6.8	7.0	7.4
-Carried interest	1.0	6.9	0.9	2.9	9.6	5.5	7.5	7.0
Service business	8.7	15.7	11.4	8.6	11.1	10.4	11.4	12.5
Other	0.6	0.5	0.7	0.5	0.6	0.6	0.6	0.6
Group	**36.0**	**49.0**	**43.0**	**52.8**	**67.5**	**64.4**	**70.9**	**75.5**
Sales growth								
Management Company business	-4%	35%	-6%	41%	28%	-4%	10%	6%
Service business	56%	81%	-28%	-24%	29%	-7%	10%	10%
Group	**3%**	**36%**	**-12%**	**23%**	**28%**	**-5%**	**10%**	**6%**
Adj. EBIT								
Management Company business	2.8	10.2	9.1	13.2	22.3	19.4	24.0	26.2
-Without carried interest	1.8	3.3	8.2	10.3	12.7	13.9	16.5	19.2
Service business	4.4	9.1	4.9	4.2	3.0	5.6	6.4	7.3
Investment business	6.5	10.2	4.0	32.7	35.7	-1.6	13.3	14.9
Other	-1.7	-5.9	-5.7	-5.4	-7.9	-6.0	-6.6	-6.7
Group	**12.0**	**25.1**	**12.3**	**44.6**	**55.7**	**17.4**	**37.2**	**41.6**
-Without fair value changes	6.9	12.8	7.9	10.7	19.2	18.3	23.2	26.1
-Without FV changes and carried interest	5.8	5.9	7.1	7.9	9.5	12.8	15.7	19.1
Adj. EBIT growth								
Management Company business	6%	260%	-11%	45%	69%	-13%	24%	9%
Service business	94%	109%	-46%	-15%	-28%	85%	14%	15%
Investment business	-63%	58%	n.a.	n.a.	9%	-104%	-932%	12%
Group	**-39%**	**110%**	**-51%**	**262%**	**25%**	**-69%**	**114%**	**12%**
Adj. EBIT margin								
Management Company business	12%	31%	29%	30%	40%	36%	41%	42%
-without carried interest	8%	10%	27%	24%	23%	26%	28%	31%
Service business	50%	58%	43%	48%	27%	54%	56%	58%
Management fee and service fee together	20%	31%	33%	32%	31%	38%	41%	44%
Group	**33%**	**51%**	**29%**	**85%**	**82%**	**27%**	**52%**	**55%**
Investment business								
Invested capital	126.6	129.4	116.6	130.4	169.5	155.6	155.6	156.1
Fair value changes	5.1	12.2	4.4	33.9	36.5	-0.9	14.0	15.6
-Return on invested capital	4%	9%	4%	28%	22%	5%	9%	10%
Expenses	-1.2	-2.0	-0.4	-1.2	-0.8	-0.7	-0.7	-0.7
EBIT	**6.5**	**10.2**	**4.0**	**32.7**	**35.7**	**-1.6**	**13.3**	**14.9**
Capital under management (EURbn)	**3.0**	**3.2**	**3.8**	**4.5**	**5.0**	**5.1**	**5.4**	**5.6**
-growth y/y	9%	7%	18%	18%	12%	2%	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	41.1	44.4	47.9
Carried interest	10.8	4.4	0.0	4.4	1.0	6.9	0.9	2.9	9.6	5.5	7.5	7.0
Sale of services	0.0	0.0	0.0	7.1	10.3	17.4	13.3	13.3	19.1	17.8	19.0	20.6
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
Net sales	**39.5**	**31.8**	**26.7**	**34.8**	**36.0**	**49.0**	**43.0**	**52.8**	**67.5**	**64.4**	**70.9**	**75.5**
sales growth %	33%	-20%	-16%	31%	3%	36%	-12%	23%	28%	-5%	10%	6%
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	-32.4	-33.4	-34.5
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	-12.2	-12.9	-13.4
Fair value changes	-3.1	5.2	22.6	17.6	5.1	12.2	4.4	33.9	36.5	-0.9	14.0	15.6
EBIT	**6.4**	**9.3**	**18.7**	**19.5**	**12.0**	**19.4**	**12.3**	**44.6**	**53.1**	**17.4**	**37.2**	**41.6**
margin %	16%	29%	70%	56%	33%	40%	29%	85%	79%	27%	52%	55%
Net financials	-1.4	-2.9	-3.1	-3.2	-2.7	-1.8	-3.1	-4.0	-5.5	-2.1	-2.5	-2.5
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	15.3	34.6	39.1
Income taxes	-1.0	-0.4	-0.2	-0.8	-0.8	-1.7	-2.9	-5.2	-6.6	-1.4	-5.9	-6.7
Profit for the period	4.0	6.1	15.3	15.5	8.5	15.9	6.3	35.4	41.0	13.9	28.7	32.5
EPS, EUR	**0.03**	**0.06**	**0.16**	**0.10**	**0.06**	**0.09**	**0.03**	**0.22**	**0.25**	**0.08**	**0.17**	**0.20**

Source: Company data and Nordea estimates

INTERIM ESTIMATES

EURm	Q1/22	Q2/22	Q3/22	Q4/22	Q1/23	Q2/23	Q3/23	Q4/23E
Management fees	9.3	9.2	9.9	10.4	10.8	9.7	9.7	10.9
Carried interest	1.3	3.2	1.0	4.1	0.0	2.8	0.3	2.5
Sale of services	3.6	5.4	4.9	5.2	4.4	4.0	3.7	5.7
Dividend & interest income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net sales	**14.2**	**17.7**	**15.9**	**19.7**	**15.1**	**16.5**	**13.7**	**19.1**
sales growth %	26%	49%	7%	34%	6%	-7%	-14%	-3%
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	-7.0	-8.4
Depreciation and amortisation	-0.4	-0.4	-0.4	-3.0	-0.4	-0.4	-0.4	-0.3
Other operating expenses	-2.4	-2.9	-3.2	-3.7	-2.9	-3.5	-2.5	-3.3
Fair value changes	14.7	9.8	8.0	4.1	-2.4	-0.3	0.9	0.9
EBIT	**18.9**	**14.1**	**12.7**	**7.5**	**0.5**	**4.2**	**4.8**	**7.9**
margin %	133%	80%	80%	38%	3%	25%	35%	42%
Net financials	-2.6	-1.1	-0.5	-1.3	-0.5	-0.3	-0.1	-1.1
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	4.7	6.8
Income taxes	-2.9	-1.2	-1.4	-1.1	0.7	0.2	-1.1	-1.2
Profit for the period	13.3	11.6	10.2	4.5	0.3	3.3	3.4	5.1
EPS, EUR	**0.09**	**0.07**	**0.07**	**0.03**	**0.00**	**0.02**	**0.02**	**0.03**

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	7.2	7.7	8.3
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	7.2	7.7	8.3
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
Total non-current assets	**111.6**	**102.1**	**99.8**	**150.4**	**145.5**	**158.8**	**187.4**	**185.0**	**185.6**	**186.1**
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	18.5	19.6	20.1
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	51.0	66.4	84.4
Total current assets	**141.1**	**109.2**	**106.2**	**66.2**	**73.3**	**81.4**	**77.4**	**70.5**	**87.1**	**105.7**
Assets held for sale	0.0	0.0	0.0	0.0	0.0	0.0	5.8	0.0	0.0	0.0
Total assets	**252.7**	**211.3**	**206.0**	**216.5**	**218.8**	**240.3**	**270.5**	**255.5**	**272.7**	**291.9**
Shareholder equity	143.0	126.7	120.5	127.4	112.5	125.8	140.1	125.4	140.0	157.2
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	3.9	5.4	6.9
Total Equity	**143.0**	**126.7**	**121.0**	**129.5**	**113.3**	**127.4**	**142.1**	**129.4**	**145.5**	**164.2**
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
Total non-current liabilities	**58.1**	**53.9**	**53.2**	**61.4**	**92.3**	**94.2**	**107.6**	**107.6**	**107.6**	**107.7**
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	16.9	18.0	18.4
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
Total current liabilities	**51.7**	**30.7**	**31.9**	**25.6**	**13.3**	**18.7**	**20.0**	**18.5**	**19.6**	**20.0**
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
Total liabilities and equity	**252.7**	**211.3**	**206.0**	**216.5**	**218.8**	**240.3**	**270.5**	**255.5**	**272.7**	**291.9**

Source: Company data and Nordea estimates

CASH FLOW STATEMENT

EURm	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
EBITDA (excludes fair value changes)	**-3.7**	**3.6**	**7.0**	**8.5**	**9.4**	**12.2**	**20.7**	**19.8**	**38.6**	**43.1**
Paid taxes	-0.3	-1.6	-3.1	-4.6	-4.3	-2.6	-3.1	-1.4	-5.9	-6.7
Net financials	-4.2	-3.9	-2.4	-2.6	-3.2	-4.0	-4.0	-2.1	-2.5	-2.5
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
Funds from operations (FFO)	**-7.8**	**-1.8**	**2.2**	**2.1**	**2.0**	**5.7**	**13.6**	**16.3**	**30.2**	**34.0**
Change in NWC	4.6	-1.8	-6.9	-2.5	-15.7	4.5	-10.3	0.7	-0.1	-0.1
Cash flow from operations (CFO)	**-3.1**	**-3.6**	**-4.7**	**-0.4**	**-13.8**	**10.2**	**3.4**	**17.0**	**30.1**	**33.9**
Capital Expenditure	0.0	-0.3	-0.1	-0.6	-0.4	-0.1	-0.3	-1.0	-1.0	-1.0
Free Cash Flow before A&D	**-3.1**	**-3.9**	**-4.8**	**-0.9**	**-14.1**	**10.1**	**3.0**	**16.0**	**29.1**	**32.9**
Acquisitions and disposals (mainly exits from investments)	37.3	34.0	39.7	17.5	4.4	33.9	36.5	-0.9	0.0	0.0
Free cash flow	**34.2**	**30.1**	**34.9**	**16.5**	**5.6**	**30.2**	**8.5**	**23.1**	**29.1**	**33.4**
Dividend paid	-6.0	-13.0	-16.1	-19.0	-21.9	-22.2	-25.1	-26.7	-12.7	-14.3

Source: Company data and Nordea estimates

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Completion Date
26 Oct 2023, 23:49 CET

Nordea Bank Abp

Nordea IB & Equity Division, Equity Research
Visiting address:
Aleksis Kiven katu 7, Helsinki
FI-00020 Nordea
Finland

Tel: +358 9 1651
Fax: +358 9 165 59710

Reg.no. 2858394-9
Satamaradankatu 5
Helsinki

Nordea Bank Abp, filial i Sverige

Nordea IB & Equity Division, Equity Research
Visiting address:
Smålandsgatan 17
SE-105 71 Stockholm
Sweden

Tel: +46 8 614 7000
Fax: +46 8 534 911 60

Nordea Danmark, Filial af Nordea Bank Abp, Finland

Nordea IB & Equity Division, EquityResearch
Visiting address:
Grønjordsvej 10
DK-2300 Copenhagen S
Denmark

Tel: +45 3333 3333
Fax: +45 3333 1520

Nordea Bank Abp, filial i Norge

Nordea IB & Equity Division, Equity Research
Visiting address:
Essendropsgate 7
N-0107 Oslo
Norway

Tel: +47 2248 5000
Fax: +47 2256 8650