

22 December 2023

Commissioned research: CapMan – Acquires Dasos Capital and expands its activities into natural capital – AuM up by some 13%

Marketing material commissioned by CapMan

After market close on 21 December, CapMan announced acquisition of Dasos Capital, an asset management company focusing on sustainable timberland investment. Dasos focuses on managing sustainable timberland investments, natural sites and forest carbon sinks, as well as developing value in Europe and emerging markets. Currently, Dasos manages seven funds, which have a total asset value of approximately EUR 1.4bn and which manage 266,000 hectares of forest in eight countries. In 2023, Dasos has employed on average eight persons. CapMan estimates that the acquisition expands its fee-generating AuM by approximately EUR 630m (~13% of CapMan's AuM in Q3 2023) and increases the share of real assets investment strategies to approximately 80%. Based on our calculations, Dasos fee generation per AuM is slightly below CapMan's level, which we, however, do not view as a surprise given the focus area of Dasos. In 2022, Dasos' turnover was EUR 4.5m (EUR 3.4m in 2021) with EBIT of EUR 2.2m (1.7m in 2021). In 2023, Dasos expects to reach EBIT of EUR 2.7m. At the moment, we do not know whether disclosed figures include any performance fees. CapMan will not receive right to the carried interest income of existing funds under Dasos, while new funds carry distribution will follow general principles of funds managed by CapMan. The debt free purchase price is EUR 35m with additional earn-out of a maximum of EUR 5m based on management fee turnover in 2025 and 2026. Acquisition price corresponds to EV/EBIT of 13x with estimated 2023 EBIT and 14.8x with full earn-outs. The acquisition is planned to be paid in shares of CapMan by directed share issue, and a cash consideration of approximately 9% of the purchase price. The subscription price for the shares issued is EUR 2.0938. The purchase price is now anticipated to be approximately EUR 41.6m at closing. The completion of the acquisition is subject to, among others, CapMan's EGM to be held in January 2024. The acquisition is intended to be completed during the first half of 2024. Overall, we view the acquisition as a logical step for CapMan as it seeks to reach EUR 10bn AuM during the strategy period and become the most responsible private asset company in the Nordics. Acquisition could increase management fees by more than 10% and we note ~50% EBIT margin of Dasos, which supports fee-based profitability of CapMan. Dasos appears to be a good fit for CapMan and we believe the company can scale up fund vintages going forward. We have a fair value range of EUR 2.3-2.8 per CapMan share.

Press conference for analysts and investors

CapMan will host a press conference for analysts, investors and the media, which can be followed via a live webcast at <https://capman.videosync.fi/2023-12-22-webcast> as of 11:00 EET on 22 December.

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	5.8	4.9	4.1
EV/EBIT (adj)	14.5	18.6	15.0	31.3	11.1	8.3	21.4	9.3	7.5
P/E (adj)	17.0	28.2	19.8	70.2	13.8	10.1	28.0	12.4	10.9
P/BV	2.2	1.9	2.8	3.2	3.7	3.0	2.6	2.3	2.1
Dividend yield (ord)	6.2%	8.2%	5.5%	6.0%	4.9%	6.3%	3.7%	4.2%	4.7%
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

Completion date: 22/12/2023 06:47:55 CET

Nordea analyst: Joni Sandvall

Joni Sandvall

Analyst, Consumer Goods and Retail, Food and Beverages, Investment companies

Nordea | Investment Banking & Equities | Equity Research FI

Visit me: Aleksis Kiven katu 7, 00500 HELSINKI

Write to me: Fleminginkatu 27, 00020 Nordea

Tel: +358 9 5300 5484 | Mob: +358 445460855

E-mail: joni.sandvall@nordea.com

Web: nordeamarkets.com

Nordea Bank Abp, Satamaradankatu 5, FI-00020 NORDEA, Finland, domicile Helsinki, Business ID 2858394-9

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