

7 February 2024

## Commissioned research: CapMan – Weak Q4 with higher costs and lower fee income

*Marketing material commissioned by CapMan*

CapMan reported Q4 EBIT of -4.8m, clearly below Refinitiv consensus at EUR 6m. The deviation is mainly explained by fair value changes and carry, while we note somewhat soft fee income. Management company business fee income came 20% below our estimate, driven by real estate fees. In addition, there does not appear to be any catch up payments in Q4. Investment business EBIT was EUR -4.5m (fair value changes EUR -4.3m) in Q4 and came clearly below Nordea estimate of EUR 0.5m (EUR +0.9m fair value changes). Management Company EBIT of EUR 0.5m came clearly below Nordea estimate (EUR 7.6m) driven by EUR 2.4m lower carry booking (EUR 0.1m while we had modelled EUR 2.5m), lower fee income and higher costs. When excluding carry, management fees came EUR 2.8m below our estimate while those were up EUR 0.1m q/q (down EUR 2.2m y/y). Management company EBIT, excluding carry, came EUR 4.7m below our estimate. Service Business EBIT of EUR 1.6m came above Nordea estimate of EUR 1.2m. AuM remained flat at EUR 5.0bn (EUR 5.0bn in Q3 and EUR 5.0bn in 2022) and the company expects significant growth to its AuM in 2024. CapMan has raised EUR 136m in new capital during Q4. The company aims to raise EUR 500m to its new Social Real Estate fund within next few years, while the company is preparing to launch its new flagship fund, Nordic Real Estate IV. CapMan aims to reach first close with NRE IV in 2024 and to reach final close of EUR 750m. Infra II fundraising continues to lag behind our expectation as fund raised only EUR 8m during Q4 (EUR 272m raised at the end of Q4). The board of directors propose 10 cents per share distribution for 2023, compared to consensus of EUR 0.09. We expect consensus to make negative estimate changes to its underlying estimates due to higher costs and somewhat soft fee income in Q4.

**CAPMAN: DEVIATION TABLE**

EURm	Actual	NDA est.	Deviation		Consensus	Deviation		Actual	Actual		
	Q4/23	Q4 2023E	vs. actual		Q4 2023E	vs. actual		Q3 2023	q/q	Q4 2022	y/y
<b>Sales</b>	<b>14.1</b>	<b>19.1</b>	<b>-5.0</b>	<b>-26%</b>	<b>17.0</b>	<b>-2.9</b>	<b>-17%</b>	<b>13.7</b>	<b>3%</b>	<b>19.7</b>	<b>-29%</b>
<b>Adj. EBIT</b>	<b>-4.8</b>	<b>7.9</b>	<b>-12.8</b>	<b>-161%</b>	<b>6.0</b>	<b>-10.8</b>	<b>-180%</b>	<b>4.8</b>	<b>-200%</b>	<b>10.1</b>	<b>-148%</b>
Adj. EBIT margin	-34.2%	41.6%	-75.8pp		35.3%	-69.5pp		35.1%	-69pp	51.0%	-85pp
<b>EPS, EUR</b>	<b>-0.025</b>	<b>0.033</b>	<b>-0.06</b>	<b>-176%</b>	<b>0.025</b>	<b>-0.05</b>	<b>-200%</b>	<b>0.02</b>	<b>-216%</b>	<b>0.03</b>	<b>-188%</b>
<b>Sales</b>											
Management company business	11.1	16.2	-5.1	-32%				11.1	0%	17.1	-35%
- excluding carried interest	10.9	13.7	-2.8	-20%				10.8	1%	12.9	-16%
- carried interest	0.1	2.5	-2.4	-96%				0.3	-60%	4.1	-98%
Services	2.8	2.5	0.2	9%				2.5	11%	2.4	18%
Other	0.3	0.3	-0.1	-17%				0.1	129%	0.3	-16%
<b>Adj. EBIT</b>											
Management company business	0.5	7.6	-7.1	-93%				3.6	-86%	7.6	-93%
- excluding carried interest	0.4	5.1	-4.7	-92%				3.3	-88%	3.5	-88%
- carried interest	0.1	2.5	-2.4	-96%				0.3	-60%	4.1	-98%
Services	1.6	1.2	0.4	33%				1.4	13%	-1.9	-186%
Fair value changes, Investments	-4.5	0.5	-5.0	-1046%				0.9	-630%	3.7	-224%
Other	-2.4	-1.4	-1.0	74%				-1.1	126%	-1.9	24%

Source: Nordea estimates, LSEG Data & Analytics 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	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	5.9	5.0	4.3
EV/EBIT (adj)	14.5	18.6	15.0	31.3	11.1	8.3	22.0	9.5	7.7
P/E (adj)	17.0	28.2	19.8	70.2	13.8	10.1	28.8	12.8	11.3
P/BV	2.2	1.9	2.8	3.2	3.7	3.0	2.7	2.4	2.1
Dividend yield (ord)	6.2%	8.2%	5.5%	6.0%	4.9%	6.3%	3.6%	4.1%	4.5%
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

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