3 May 2024

Commissioned research: CapMan – Strong Q1 driven by carried interest and fair value changes – fees a tad below our expectation

Marketing material commissioned by CapMan

CapMan reported Q1 EBIT of 8.6m, clearly above LSEG Data & Analytics consensus at EUR 3.7m. Management company business fee income came 7% below our estimate and was down 5% y/y, driven timing of fund closings and lower sales from property and asset management services. AuM increased 13% from year-end to EUR 5.7bn (EUR 5.0bn in 2023) driven by Dasos acquisition and the company expects growth to its AuM in 2024. CapMan has raised over EUR 110m in new capital to its Infra and Growth funds during Q1. On 29 April, Capman announced the final close of its Infra II with EUR 375m while the final close of its Growth III fund at hard cap of EUR 130m was reached on 2 May. The company aims to raise EUR 500m to its new Social Real Estate fund within next few years (has completed two investment), while the company started fundraising to 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. Initially, we expect consensus to make only minor estimate changes to its underlying estimates while we note the closing of two funds in recent days, supporting fee income in Q2.

CAPMAN: DEVIATION TABLE

	Actual	NDA est.	Deviation		Consensus	Deviation		Actual		Actual	
EURm	**Q1 2024E**	**Q1 2024E**	**vs. actual**		**Q1 2024E**	**vs. actual**		**Q4 2023**	**q/q**	**Q1 2023**	**y/y**
Sales	**18.4**	**15.6**	**2.8**	**18%**	**15.3**	**3.0**	**20%**	**14.1**	**31%**	**15.1**	**22%**
Adj. EBIT	**8.6**	**1.9**	**6.7**	**346%**	**3.7**	**4.9**	**134%**	**-2.8**	**-410%**	**0.5**	**1528%**
Adj. EBIT margin	46.7%	12.3%		34.3pp	23.9%		22.8pp	-19.7%	66pp	3.5%	43pp
EPS, EUR	**0.015**	**0.004**	**0.01**	**273%**	**0.007**	**0.01**	125%	**-0.04**	-141%	**0.00**	675%
Sales											
Management company business	15.4	12.7	2.7	21%				11.0	39%	12.5	23%
- excluding carried interest	11.8	12.7	-0.9	-7%				10.9	8%	12.5	-5%
- carried interest	3.5	0.0	3.5	n.m.				0.1	3319%	0.0	n.m.
Services	2.9	2.9	0.0	-1%				2.8	3%	2.6	9%
Other	0.2	0.0	0.1	499%				0.3	-44%	0.0	529%
Adj. EBIT											
Management company business	6.4	3.3	3.1	94%				0.5	1165%	3.2	102%
- excluding carried interest	2.9	3.3	-0.4	-13%				0.4	612%	3.2	-10%
- carried interest	3.5	0.0	3.5	n.m.				0.1	3319%	0.0	n.m.
Services	1.7	1.6	0.1	3%				1.6	5%	1.5	15%
Fair value changes, Investments	2.3	-1.7	4.1	-234%				-4.5	-152%	-2.5	-192%
Other	-1.6	-1.3	-0.4	28%				-2.4	-33%	-1.6	2%

Source: Nordea estimates, LSEG Data & Analytics consenus and company data

Underlying performance in Q1 a tad soft compared to our expectations

- Q1 net sales of EUR 18.4m came 20% above LSEG Data & Analytics consensus
- Adjusted EBIT of EUR 8.6m came 134% above consensus. There were EUR -1.3m of items affecting comparability in Q1, mainly related to the acquisition of Dasos.
- Management company business adjusted EBIT of EUR 6.4m came 94% above our estimate due to EUR 3.5m carried interest. If we adjust for carry (we did not expect any carry), Management company adjusted EBIT fell 13% short of our expectation. Service business EBIT of EUR 1.7m came 3% above our estimate while Investment business EBIT of EUR 2.3m beat our estimate of EUR -1.7m clearly due to positive fair value changes of EUR 2.3m while we anticipated EUR -1.6m. Hence, adjusted EBIT excluding fair value changes and carry, fell 20% short of our expectation.
- EPS of EUR 0.015 came clearly above consensus of EUR 0.007.

Infra II and Growth III final closes in Q2

CapMan has announced final closes for Infra II (EUR 375m) and Growth III (EUR 130m) after Q1. We believe fundraising market is easing and should support AuM growth. The company continues to expect AuM growth in 2024.

Dasos AuM at EUR 714m

CapMan acquired Dasos Capital at the beginning of March. Dasos AuM was at EUR 714m at the end of Q1, up from EUR 630m at the end of Q3 2023. Dasos continues fundraising to its open-ended fund Dasos Sustainable Forest and Wood III.

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