

22 July 2024

**Commissioned research: CapMan – Focus on fundraising and transaction market development***Marketing material commissioned by CapMan*

We keep our estimates intact ahead of CapMan's Q2 report due on 8 August. We believe that the fundraising market activity is improving gradually, supporting the positive outlook on fee income, while the final close of CapMan Nordic Infrastructure II at EUR 375m should give a boost to management fees in Q2. Furthermore, we consider CapMan Growth III fund's completed investment into Tana in April and the announced tender offer on Innofactor today as signs of improving transaction activity in the market. We model 29% growth in management fees to EUR 12.4m in Q2 y/y, of which 14pp is attributable to the Dasos acquisition completed in Q1. We expect management company business EBIT of EUR 4.3m in Q2, down 14% y/y as carried interest bookings were EUR 2.8m in Q2 2023. We model no carried interest for Q2. The service business has likely continued a solid growth track, and we pencil in 10% y/y fee growth to EUR 3.0m and 16% y/y EBIT growth to EUR 1.8m (60% margin). We model EUR 2.0m positive fair value changes in Q2. We expect CapMan to reiterate its verbal outlook for 2024 for growing AuM and fee profit (excluding possible items affecting comparability). We currently model AuM growth of 24% to EUR 6.2bn (EUR 5.0bn in 2023, Dasos EUR 0.7bn in Q1 2024) and EUR 16.6m in fee profit for 2024E (EUR 9.7m in 2023). For Q2E, we are 5% above low quality LSEG consensus on EBIT. For 2024E we forecast EBIT of EUR 32.9m, 10% below consensus at EUR 36.7m. We believe the difference could be explained by carried interest estimate differences (our estimate EUR 5.1m for 2024E, no consensus available). Our fair value range is EUR 2.0-2.4 per CapMan share.

**Segment estimates EURm**

| <b>Net sales</b>            | <b>2019</b> | <b>2020</b> | <b>2021</b> | <b>2022</b> | <b>2023</b> | <b>2024E</b> | <b>2025E</b> | <b>2026E</b> |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|
| Management Company business | 32.8        | 30.9        | 43.6        | 55.9        | 48.2        | 58.7         | 65.0         | 65.9         |
| -Management fees            | 24.7        | 28.9        | 36.6        | 38.8        | 39.0        | 47.3         | 51.1         | 53.6         |
| -Service fees               | 1.2         | 1.2         | 4.2         | 7.4         | 6.1         | 6.3          | 6.9          | 7.3          |
| -Carried interest           | 6.9         | 0.9         | 2.9         | 9.6         | 3.1         | 5.1          | 7.0          | 5.0          |
| Service business            | 15.7        | 11.4        | 8.6         | 11.1        | 10.6        | 11.7         | 12.8         | 14.1         |
| Other                       | 0.5         | 0.7         | 0.5         | 0.6         | 0.5         | 0.6          | 0.6          | 0.6          |
| <b>Group</b>                | <b>49.0</b> | <b>43.0</b> | <b>52.8</b> | <b>67.5</b> | <b>59.4</b> | <b>71.0</b>  | <b>78.5</b>  | <b>80.7</b>  |

**Sales growth**

|                             |            |             |            |            |             |            |            |           |
|-----------------------------|------------|-------------|------------|------------|-------------|------------|------------|-----------|
| Management Company business | 35%        | -6%         | 41%        | 28%        | -14%        | 22%        | 11%        | 1%        |
| Service business            | 81%        | -28%        | -24%       | 29%        | -5%         | 10%        | 10%        | 10%       |
| <b>Group</b>                | <b>36%</b> | <b>-12%</b> | <b>23%</b> | <b>28%</b> | <b>-12%</b> | <b>20%</b> | <b>11%</b> | <b>3%</b> |

**Adj. EBIT**

|                                          |             |             |             |             |            |             |             |             |
|------------------------------------------|-------------|-------------|-------------|-------------|------------|-------------|-------------|-------------|
| Management Company business              | 10.2        | 9.1         | 13.2        | 22.3        | 12.2       | 20.3        | 25.1        | 24.6        |
| -Without carried interest                | 3.3         | 8.2         | 10.3        | 12.7        | 9.1        | 15.1        | 18.1        | 19.6        |
| Service business                         | 9.1         | 4.9         | 4.2         | 3.0         | 6.0        | 6.8         | 7.8         | 8.9         |
| Investment business                      | 10.2        | 4.0         | 32.7        | 35.7        | -6.6       | 10.7        | 15.3        | 15.4        |
| Other                                    | -5.9        | -5.7        | -5.4        | -7.9        | -6.9       | -6.1        | -6.3        | -6.5        |
| <b>Group</b>                             | <b>25.1</b> | <b>12.3</b> | <b>44.6</b> | <b>55.7</b> | <b>6.7</b> | <b>32.9</b> | <b>42.0</b> | <b>42.5</b> |
| -Without fair value changes              | 12.8        | 7.9         | 10.7        | 19.2        | 12.9       | 21.8        | 26.1        | 26.5        |
| -Without FV changes and carried interest | 5.9         | 7.1         | 7.9         | 9.5         | 9.7        | 16.6        | 19.1        | 21.5        |

**Adj. EBIT growth**

|                             |             |             |             |            |             |             |            |           |
|-----------------------------|-------------|-------------|-------------|------------|-------------|-------------|------------|-----------|
| Management Company business | 260%        | -11%        | 45%         | 69%        | -45%        | 66%         | 24%        | -2%       |
| Service business            | 109%        | -46%        | -15%        | -28%       | 101%        | 13%         | 14%        | 13%       |
| Investment business         | 58%         | n.a.        | n.a.        | 9%         | -119%       | -261%       | 44%        | 1%        |
| <b>Group</b>                | <b>110%</b> | <b>-51%</b> | <b>262%</b> | <b>25%</b> | <b>-88%</b> | <b>389%</b> | <b>27%</b> | <b>1%</b> |

**Adj. EBIT margin**

|                                         |            |            |            |            |            |            |            |            |
|-----------------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Management Company business             | 31%        | 29%        | 30%        | 40%        | 25%        | 34%        | 39%        | 37%        |
| -without carried interest               | 10%        | 27%        | 24%        | 23%        | 19%        | 26%        | 28%        | 30%        |
| Service business                        | 58%        | 43%        | 48%        | 27%        | 57%        | 59%        | 61%        | 63%        |
| Management fee and service fee together | 31%        | 33%        | 32%        | 31%        | 31%        | 37%        | 41%        | 42%        |
| <b>Group</b>                            | <b>51%</b> | <b>29%</b> | <b>85%</b> | <b>82%</b> | <b>11%</b> | <b>46%</b> | <b>54%</b> | <b>53%</b> |

**Investment business**

|                             |             |            |             |             |             |             |             |             |
|-----------------------------|-------------|------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Invested capital            | 129.4       | 116.6      | 130.4       | 169.5       | 159.4       | 158.6       | 159.4       | 159.4       |
| Fair value changes          | 12.2        | 4.4        | 33.9        | 36.5        | -6.1        | 11.2        | 15.9        | 15.9        |
| -Return on invested capital | 9%          | 4%         | 28%         | 22%         | 5%          | 7%          | 10%         | 10%         |
| Expenses                    | -2.0        | -0.4       | -1.2        | -0.8        | -0.5        | -0.5        | -0.5        | -0.5        |
| <b>EBIT</b>                 | <b>10.2</b> | <b>4.0</b> | <b>32.7</b> | <b>35.7</b> | <b>-6.6</b> | <b>10.7</b> | <b>15.3</b> | <b>15.4</b> |

**Capital under management (EURbn)**

|             |    |     |     |     |     |     |    |    |
|-------------|----|-----|-----|-----|-----|-----|----|----|
| -growth y/y | 7% | 18% | 18% | 12% | -1% | 24% | 8% | 6% |
|-------------|----|-----|-----|-----|-----|-----|----|----|

## SUMMARY TABLE - KEY FIGURES

| EURm                 | 2018   | 2019   | 2020   | 2021   | 2022  | 2023   | 2024E  | 2025E | 2026E |
|----------------------|--------|--------|--------|--------|-------|--------|--------|-------|-------|
| Total revenue        | 36.0   | 49.0   | 43.0   | 52.8   | 67.5  | 59.4   | 71.0   | 78.5  | 80.7  |
| EBIT (adj)           | 12.0   | 25.1   | 12.3   | 44.6   | 55.7  | 6.7    | 32.9   | 42.0  | 42.5  |
| EBIT (adj) margin    | 33.2%  | 51.1%  | 28.7%  | 84.6%  | 82.5% | 11.3%  | 46.4%  | 53.5% | 52.6% |
| EPS (adj), EUR       | 0.05   | 0.12   | 0.03   | 0.22   | 0.27  | 0.02   | 0.12   | 0.18  | 0.18  |
| EPS (adj) growth     | -49.7% | 127.1% | -72.2% | 564.4% | 22.6% | -92.0% | 482.6% | 42.1% | 1.4%  |
| DPS (ord), EUR       | 0.12   | 0.13   | 0.14   | 0.15   | 0.17  | 0.10   | 0.11   | 0.12  | 0.13  |
| EV/Sales             | 6.2    | 7.7    | 9.0    | 9.4    | 6.9   | 7.0    | 4.9    | 4.0   | 3.5   |
| EV/EBIT (adj)        | 18.6   | 15.0   | 31.3   | 11.1   | 8.3   | 61.9   | 10.5   | 7.5   | 6.6   |
| P/E (adj)            | 28.2   | 19.8   | 70.2   | 13.8   | 10.1  | 107.1  | 14.3   | 10.0  | 9.9   |
| P/BV                 | 1.9    | 2.8    | 3.2    | 3.7    | 3.0   | 3.5    | 2.0    | 1.8   | 1.7   |
| Dividend yield (ord) | 8.2%   | 5.5%   | 6.0%   | 4.9%   | 6.3%  | 4.4%   | 6.2%   | 6.7%  | 7.3%  |
| Net debt             | 5      | 16     | 25     | 18     | 37    | 53     | 47     | 33    | 22    |
| Net debt/EBITDA      | 0.4    | 0.8    | 2.7    | 1.5    | 1.8   | 4.3    | 1.4    | 0.8   | 0.5   |

Source: Company data and Nordea estimates

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