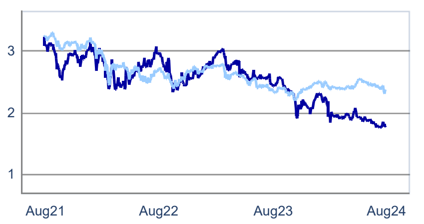
CapMan

Investment Companies
Finland

KEY DATA

Stock country	Finland
Bloomberg	CAPMAN FH
Reuters	CAPMAN.HE
Share price (close)	EUR 1.78
Free float	75%
Market cap. (bn)	EUR 0.32/EUR 0.32
Website	www.capman.com
Next report date	07 Nov 2024

PERFORMANCE



Source: LSEG Data & Analytics

VALUATION APPROACH

Source: Nordea estimates

ESTIMATE CHANGES

Year	2024E	2025E	2026E
Sales	1%	1%	1%
EBIT (adj)	-5%	-1%	-1%
EPS (adj.)	-14%	-4%	-4%

Source: Nordea estimates

Solid foundation for growth

CapMan's Q2 adjusted EBIT was good on an underlying basis, with the Management company result in line with our estimates when excluding carried interest. We note that personnel costs increased above our estimates. Management company business sales and EBIT were boosted by the closing of two funds during Q2 and the acquisition of Dasos. AuM increased to EUR 5.8bn from EUR 5.7bn in Q1. We expect a gradual recovery in the fundraising market by the end of the year, despite the prevailing sluggishness in the overall market. With multiple funds in fundraising, we believe the foundation is solid for growth once the market improves. We trim underlying 2024E-26E EBIT by 2-3% and lower our SOTP-based fair value range slightly to EUR 1.9-2.3 (2.0-2.4).

Underlying EBIT in line despite higher costs

CapMan's Q2 comparable operating profit of EUR 5.8m came slightly below LSEG Data & Analytics consensus, which we believe could be driven by fair value changes. Fair value changes were EUR +1.2m, versus our estimate of EUR +2.0m. Carried interest bookings were EUR 0.3m, while we had modelled EUR 0m. Management company business fee income excluding carried interest of EUR 14.8m came in 8% above our estimate, while adjusted EBIT of EUR 4.3m was in line with our estimate. The Service business was mostly in line with our estimates with sales of EUR 3.1m (our estimate: EUR 3.0m) and EBIT of EUR 1.7m (our estimate: EUR 1.8m).

We trim underlying aggregated EBIT estimates by 2-3%

We raise our Management company top-line estimates by 1-2% for 2024E-26E, translating to group top-line estimate increases of 1%. We trim Management company adjusted EBIT by 1-2% and Service business EBIT by 1% for 2024E-26E due to increased costs, translating to 2-3% cuts on an underlying aggregate basis. We model EUR 5.4m (previously EUR 5.1m) of carried interest for 2024E (EUR 3.1m in 2023). We now model management fee income growth of 23% to EUR 48.1m and AuM growth of 23% to EUR 6.2bn, mainly driven by the Dasos acquisition.

Estimated fair value range of EUR 1.9-2.3 (2.0-2.4)

Our SOTP-based fair value range declines slightly to EUR 1.9-2.3 per share based on 2025E, when we fully incorporate the Dasos acquisition. We use 2025E EV/EBIT of 10-12x for the Management company (excluding carried interest), 2025E EV/EBIT of 4-6x for the carry forwards, and a book value for investments.

Nordea IB & Equity - Analysts
Jukka-Pekka Pesonen
Analyst

Joni Sandvall
Analyst

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	72.0	79.2	81.5
EBIT (adj)	12.0	25.1	12.3	44.6	55.7	6.7	32.3	41.5	42.0
EBIT (adj) margin	33.2%	51.1%	28.7%	84.6%	82.5%	11.3%	44.8%	52.4%	51.5%
EPS (adj), EUR	0.05	0.12	0.03	0.22	0.27	0.02	0.11	0.17	0.17
EPS (adj) growth	-49.7%	127.1%	-72.2%	564.4%	22.6%	-92.0%	418.4%	51.8%	1.6%
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	10.9	7.7	6.8
P/E (adj)	28.2	19.8	70.2	13.8	10.1	107.1	16.1	10.6	10.4
P/BV	1.9	2.8	3.2	3.7	3.0	3.5	2.0	1.9	1.8
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	49	36	25
Net debt/EBITDA	0.4	0.8	2.7	1.5	1.8	4.3	1.5	0.8	0.6

Source: Company data and Nordea estimates

Q2 results and revisions

Q2 underlying EBIT in line with our estimates despite increased costs
CapMan's Q2 comparable operating profit came in at EUR 5.8m, 4% below LSEG Data & Analytics consensus at EUR 6.0m and 8% below our estimate at EUR 6.3m. We believe the main driver behind the deviation is fair value changes (EUR +1.2m, versus our estimate of EUR +2.0m). Fee income from CapMan's management company business (EUR 15.1m) was 10% above our estimate for Q2, boosted by closings of two funds and carried interest of EUR 0.3m.

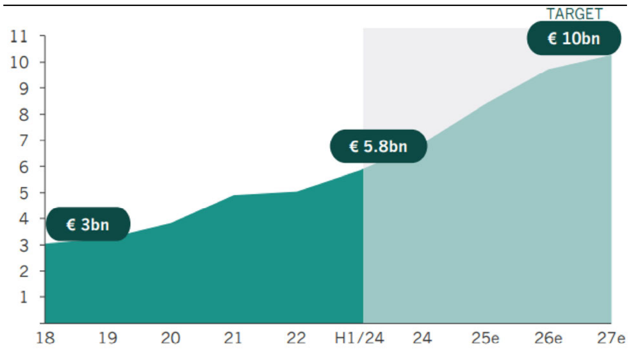
Management company adjusted EBIT was EUR 4.6m in Q2, 8% above our estimate of EUR 4.3m. The deviation is explained by carried interest (EUR 0.3m, versus our estimate of EUR 0m). Adjusting for carry, EBIT was in line with our estimate. Personnel and other expenses, however, increased more than we anticipated.

Service business EBIT of EUR 1.7m was slightly below our estimate at EUR 1.8m, while sales of EUR 3.1m were up 13% y/y and were slightly above our estimate of EUR 3.0m.

AuM increased to EUR 5.8m in Q2 (from EUR 5.7bn in Q1 2024), Capman has raised EUR 203m of new capital during 2024, which is the same number reported for January-April 2024. Natural capital (Dasos) AuM totalled EUR 718m in Q2, for an increase of EUR 4m over Q1.

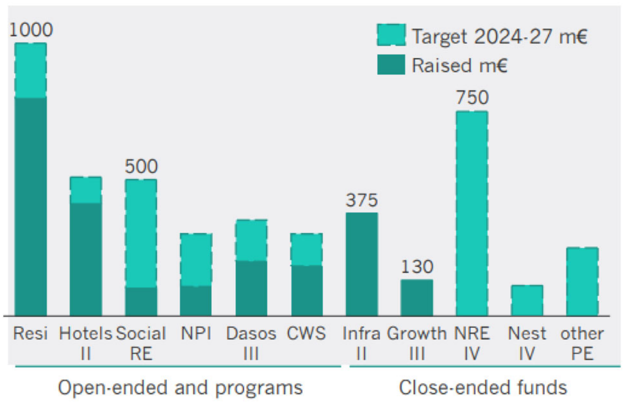
Fundraising continues in the Social Real Estate Fund, for example, with a target size of EUR 500m in the coming years, and for the real estate flagship Nordic Real Estate IV fund, with first closing targeted during 2024 and a final close target size of EUR 750m. Fundraising also continues for the open-ended Dasos Sustainable Forest and Wood III and other open-ended funds.

AUM (EURbn)



Source: Company image

ONGOING AND PLANNED FUNDRAISINGS (EURm), 2024-27



Source: Company image

CAPMAN Q2 2024 DEVIATION TABLE

EURm	Actual Q2 2024	NDA est. Q2 2024E	Deviation vs. actual		Consensus Q2 2024E	Deviation vs. actual		Actual Q1 2024	q/q	Actual Q2 2023	y/y
Sales	**18.3**	**16.8**	**1.6**	**9%**	**16.5**	**1.8**	**11%**	**18.4**	**0%**	**16.5**	**11%**
Adj. EBIT	**5.8**	**6.3**	**-0.5**	**-8%**	**6.0**	**-0.2**	**-4%**	**8.6**	**-33%**	**4.2**	**39%**
Adj. EBIT margin	31.5%	37.6%		-6.1pp	36.4%		-4.9pp	46.7%	-15pp	25.3%	6pp
EPS, EUR	**0.015**	**0.024**	**-0.01**	**-38%**	**0.020**	**-0.01**	-25%	**0.02**	-1%	**0.02**	-30%
Sales											
Management company business	15.1	13.7	1.4	10%				15.4	-2%	13.7	11%
- excluding carried interest	14.8	13.7	1.1	8%				11.8	25%	10.9	36%
- carried interest	0.3	0.0	0.3	n.m.				3.5	-92%	2.8	n.m.
Services	3.1	3.0	0.1	3%				2.9	7%	2.7	13%
Other	0.2	0.1	0.1	45%				0.2	14%	0.1	52%
Adj. EBIT											
Management company business	4.6	4.3	0.4	8%				6.4	-27%	5.0	-7%
- excluding carried interest	4.3	4.3	0.1	2%				2.9	51%	2.2	99%
- carried interest	0.3	0.0	0.3	n.m.				3.5	-92%	2.8	n.m.
Services	1.7	1.8	-0.1	-6%				1.7	-1%	1.5	9%
Fair value changes, Investments	1.0	2.0	-0.9	-48%				2.1	-51%	-0.4	-358%
Other	-1.6	-1.7	0.2	n.m.				-1.6	n.m.	-1.9	n.m.

Source: Company data and Nordea estimates

Estimate revisions

Following the Q2 report, we raise our top-line estimates for 2024E-26E by 1%, stemming from a 1-2% increase in our Management company top-line estimates. We lower our adjusted EBIT estimates by 1-5% for 2024E-26E due to higher personnel costs and other costs compared to our estimates.

We lower Management company EBIT excluding carried interest by 2-4% for 2024E-26E and Services business EBIT by 1%. On an underlying aggregated basis, we lower our estimates by 2-3% for 2024E-26E.

We model EUR 5.4m of carried interest for 2024E, EUR 3.8m of which has been realised in H1 2024. We model the majority of remaining carried interest for Q4 (EUR 1.4m). We lower our EBIT estimate for Investments by 15%, due to our lower estimate of fair value changes for 2024 (EUR +9.6m in 2024E, of which EUR +3.5m in H1).

We model a EUR 0.01 annual increase in DPS for 2024E-26E from the proposed EUR 0.10 (including the additional dividend of EUR 0.04/share, to be decided upon by the Board of directors in the coming months.)

REVISIONS FOLLOWING THE Q2 REPORT

	New estimates				Old estimates				Difference, %			
EURm	**Q3 2024E**	**2024E**	**2025E**	**2026E**	**Q3 2024E**	**2024E**	**2025E**	**2026E**	**Q3 2024E**	**2024E**	**2025E**	**2026E**
Sales	**16.4**	**72.0**	**79.2**	**81.5**	**16.2**	**71.0**	**78.5**	**80.7**	**1%**	**1%**	**1%**	**1%**
Adj. EBIT	**7.9**	**31.4**	**41.7**	**42.2**	**8.1**	**32.9**	**42.0**	**42.5**	**-2%**	**-5%**	**-1%**	**-1%**
Adj. EBIT margin	48.3%	43.7%	52.7%	51.8%	49.8%	46.4%	53.5%	52.6%	-1.5pp	-2.7pp	-0.8pp	-0.9pp
Adj. EPS (EUR)	**0.03**	**0.11**	**0.17**	**0.17**	**0.03**	**0.12**	**0.18**	**0.18**	**-7%**	**-14%**	**-4%**	**-4%**
Net sales by segment												
Management company	13.5	59.8	65.8	66.8	13.3	58.7	65.0	65.9	1%	2%	1%	1%
- excluding carried interest	13.3	54.3	58.8	61.8	13.1	53.6	58.0	60.9	2%	1%	1%	1%
- carried interest	0.3	5.4	7.0	5.0	0.3	5.1	7.0	5.0	0%	6%	0%	0%
Services business	2.7	11.7	12.8	14.1	2.7	11.7	12.8	14.1	0%	0%	0%	0%
Other	0.1	0.6	0.6	0.6	0.1	0.6	0.6	0.6	0%	0%	0%	0%
EBIT by segment												
Management company	4.7	20.0	24.6	24.2	4.7	20.3	25.1	24.6	-1%	-1%	-2%	-2%
- excluding carried interest	4.4	14.6	17.6	19.2	4.5	15.1	18.1	19.6	-1%	-4%	-3%	-2%
- carried interest	0.3	5.4	7.0	5.0	0.3	5.1	7.0	5.0	0%	6%	0%	0%
Services business	1.7	6.7	7.7	8.8	1.6	6.8	7.8	8.9	1%	-1%	-1%	-1%
Investments	2.4	9.0	15.1	15.2	2.7	10.7	15.3	15.4	-13%	-15%	-1%	-1%
Other	-1.2	-6.7	-6.8	-7.0	-1.1	-6.1	-6.3	-6.5	-9%	-9%	-9%	-9%

Source: Nordea estimates

Valuation

Using a sum-of-the-parts valuation, we derive a fair value range of EUR 1.9-2.3 per share.

SOTP valuation of EUR 1.9-2.3 per share

We use a 2025E EV/EBIT range of 10-12x to value the Management company business (excluding carry), EV/EBIT of 4-6x for our 2025E carry valuation and 11-13x EV/EBIT to value the Services business. From this, we derive a fair value range of EUR 2.0-2.4 per CapMan share. We use CapMan's book value as a proxy for the investment fair value and deduct 2024E net debt.

SUM-OF-THE-PARTS VALUATION BASED ON 2025 ESTIMATES (EURm AND EUR)

Based on 2025 estimates	Sales	EBIT	Valuation method	EV Range
Management company business	65.8	24.6	EV/EBIT 8.3x - 10.3x	204 - 253
excluding carried interest	58.8	17.6	EV/EBIT 10x - 12x	176 - 211
carried interest	7.0	7.0	EV/EBIT 4x - 6x	28 - 42
Services business	12.8	7.7	EV/EBIT 11x - 13x	85 - 100
Investment business	-	15.1	Book value Jun 2024	146 - 178
Other	0.6	-6.8	EV/EBIT 9x - 11x	-61 to -75
Total	**79.2**	**40.6**		**373 - 457**
Net debt 2024E				-49
2023E dividends				
Equity value				331 - 407
Number of shares (m)				176.9
Equity per share, EUR				**1.9 - 2.3**

Source: Company data and Nordea estimates

DCF valuation suggests EUR 2.8-3.4 per share

In our DCF model, we assume a sales CAGR of 5.9% for 2024-29, 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	1.5-2
Cost of equity	9.5-11.5%
Cost of debt	4.0%
Tax-rate used in WACC	20%
Equity weight	70%
WACC	**7.6-9%**

Source: Nordea estimates

DCF VALUE (EURm AND EUR)

DCF value	Value	Per share
NPV FCFF	472-571	3-3.6
(Net debt)	-53	-0.3
Time value	29	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	**446-545**	**2.8-3.4**

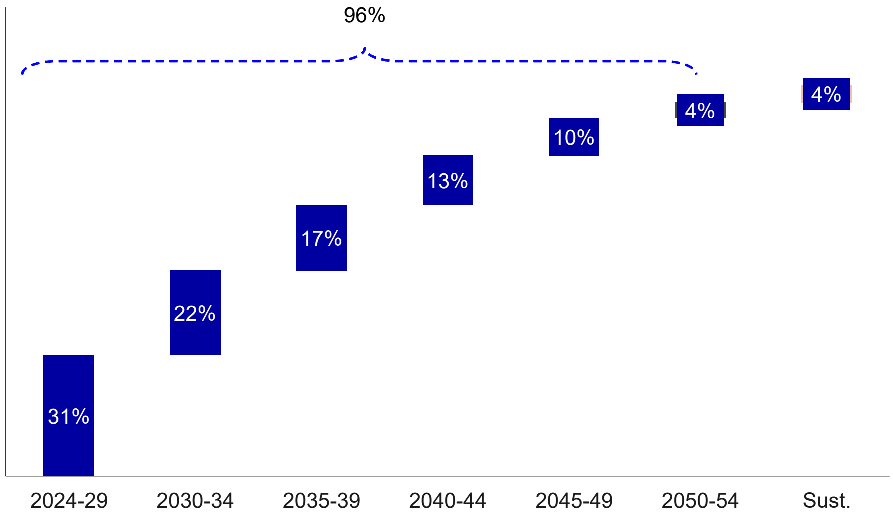
Source: Nordea estimates

DCF ASSUMPTIONS

Averages and assumptions	2024-29	2030-34	2035-39	2040-44	2045-49	2050-54	Sust.
Sales growth, CAGR	5.9%	2.5%	2.5%	2.5%	2.5%	2.5%	
EBIT-margin, excluding associates	49.6%	50.0%	50.0%	50.0%	50.0%	9.0%	
Capex/depreciation, x	0.8	1.0	1.0	1.0	1.0	1.0	
Capex/sales	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
NWC/sales	-9%	-9%	-9%	-9%	-9%	-9%	
FCFF, CAGR	13.3%	2.6%	2.5%	2.5%	2.5%	-29.8%	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)

Net sales	**2019**	**2020**	**2021**	**2022**	**2023**	**2024E**	**2025E**	**2026E**
Management Company business	32.8	30.9	43.6	55.9	48.2	59.8	65.8	66.8
-Management fees	24.7	28.9	36.6	38.8	39.0	48.1	51.9	54.5
-Service fees	1.2	1.2	4.2	7.4	6.1	6.3	6.9	7.2
-Carried interest	6.9	0.9	2.9	9.6	3.1	5.4	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
Group	**49.0**	**43.0**	**52.8**	**67.5**	**59.4**	**72.0**	**79.2**	**81.5**
Sales growth								
Management Company business	35%	-6%	41%	28%	-14%	24%	10%	1%
Service business	81%	-28%	-24%	29%	-5%	10%	10%	10%
Group	**36%**	**-12%**	**23%**	**28%**	**-12%**	**21%**	**10%**	**3%**
Adj. EBIT								
Management Company business	10.2	9.1	13.2	22.3	12.2	20.0	24.6	24.2
-Without carried interest	3.3	8.2	10.3	12.7	9.1	14.6	17.6	19.2
Service business	9.1	4.9	4.2	3.0	6.0	6.7	7.7	8.8
Investment business	10.2	4.0	32.7	35.7	-6.6	9.0	15.1	15.2
Other	-5.9	-5.7	-5.4	-7.9	-6.9	-6.7	-6.8	-7.0
Group	**25.1**	**12.3**	**44.6**	**55.7**	**6.7**	**31.4**	**41.7**	**42.2**
-Without fair value changes	12.8	7.9	10.7	19.2	12.9	21.9	26.0	26.4
-Without FV changes and carried interest	5.9	7.1	7.9	9.5	9.7	16.4	19.0	21.4
Adj. EBIT growth								
Management Company business	260%	-11%	45%	69%	-45%	64%	23%	-2%
Service business	109%	-46%	-15%	-28%	101%	12%	14%	14%
Investment business	58%	n.a.	n.a.	9%	-119%	-236%	68%	0%
Group	**110%**	**-51%**	**262%**	**25%**	**-88%**	**367%**	**33%**	**1%**
Adj. EBIT margin								
Management Company business	31%	29%	30%	40%	25%	33%	37%	36%
-without carried interest	10%	27%	24%	23%	19%	24%	27%	29%
Service business	58%	43%	48%	27%	57%	58%	60%	62%
Management fee and service fee together	31%	33%	32%	31%	31%	36%	39%	41%
Group	**51%**	**29%**	**85%**	**82%**	**11%**	**44%**	**53%**	**52%**
Investment business								
Invested capital	129.4	116.6	130.4	169.5	159.4	157.0	157.7	157.4
Fair value changes	12.2	4.4	33.9	36.5	-6.1	9.6	15.7	15.8
-Return on invested capital	9%	4%	28%	22%	5%	6%	10%	10%
Expenses	-2.0	-0.4	-1.2	-0.8	-0.5	-0.6	-0.6	-0.6
EBIT	**10.2**	**4.0**	**32.7**	**35.7**	**-6.6**	**9.0**	**15.1**	**15.2**
Capital under management (EURbn)	**3.2**	**3.8**	**4.5**	**5.0**	**5.0**	**6.2**	**6.7**	**7.1**
-growth y/y	7%	18%	18%	12%	-1%	23%	9%	6%

Source: Company data and Nordea estimates

Reported numbers and forecasts

ANNUAL ESTIMATES

EURm	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
Management fees	27.4	26.6	19.6	22.1	24.7	28.9	36.6	38.8	39.0	48.1	51.9	54.5
Carried interest	4.4	0.0	4.4	1.0	6.9	0.9	2.9	9.6	3.1	5.4	7.0	5.0
Sale of services	0.0	0.0	7.1	10.3	17.4	13.3	13.3	19.1	17.2	18.5	20.3	22.0
Dividend & interest income	0.0	0.0	3.7	2.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net sales	**31.8**	**26.7**	**34.8**	**36.0**	**49.0**	**43.0**	**52.8**	**67.5**	**59.4**	**72.0**	**79.2**	**81.5**
sales growth %	-20%	-16%	31%	3%	36%	-12%	23%	28%	-12%	21%	10%	3%
Other operating income	0.3	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.0
Personnel expenses	-17.1	-18.3	-21.4	-19.9	-24.2	-23.9	-30.6	-34.6	-33.9	-35.5	-36.8	-38.0
Depreciation and amortisation	-0.3	-0.3	-1.7	-0.2	-1.4	-1.5	-1.5	-4.2	-1.5	-2.5	-2.5	-2.6
Other operating expenses	-10.6	-12.2	-9.9	-9.1	-12.1	-9.7	-10.0	-12.2	-13.2	-14.5	-15.0	-15.6
Fair value changes	5.2	22.6	17.6	5.1	12.2	4.4	33.9	36.5	-6.1	9.6	15.7	15.8
EBIT	**9.3**	**18.7**	**19.5**	**12.0**	**19.4**	**12.3**	**44.6**	**53.1**	**4.7**	**29.1**	**40.6**	**41.1**
margin %	29%	70%	56%	33%	40%	29%	85%	79%	8%	40%	51%	50%
Net financials	-2.9	-3.1	-3.2	-2.7	-1.8	-3.1	-4.0	-5.5	-0.7	-4.0	-3.9	-3.8
Income using the equity method*	0.1	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit before taxes	6.4	15.5	16.2	9.3	17.6	9.2	40.6	47.6	4.0	25.2	36.7	37.3
Income taxes	-0.4	-0.2	-0.8	-0.8	-1.7	-2.9	-5.2	-6.6	-0.6	-4.3	-6.2	-6.3
Profit for the period	6.1	15.3	15.5	8.5	15.9	6.3	35.4	41.0	3.4	20.9	30.5	31.0
EPS, EUR	**0.06**	**0.16**	**0.10**	**0.06**	**0.09**	**0.03**	**0.22**	**0.25**	**0.01**	**0.09**	**0.16**	**0.17**

Source: Company data and Nordea estimates

INTERIM ESTIMATES

EURm	Q1/23	Q2/23	Q3/23	Q4/23	Q1/24	Q2/24	Q3/24E	Q4/24E
Management fees	10.8	9.7	9.7	8.9	10.5	13.4	11.9	12.3
Carried interest	0.0	2.8	0.3	0.1	3.5	0.3	0.3	1.4
Sale of services	4.4	4.0	3.7	5.1	4.4	4.7	4.2	5.2
Dividend & interest income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net sales	**15.1**	**16.5**	**13.7**	**14.1**	**18.4**	**18.3**	**16.4**	**18.9**
sales growth %	6%	-7%	-14%	-29%	22%	11%	20%	34%
Other operating income	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Personnel expenses	-8.9	-8.1	-7.0	-9.9	-8.5	-9.4	-7.7	-9.9
Depreciation and amortisation	-0.4	-0.4	-0.4	-0.4	-0.5	-0.7	-0.7	-0.7
Other operating expenses	-2.9	-3.5	-2.5	-4.3	-4.5	-4.0	-2.9	-3.0
Fair value changes	-2.4	-0.3	0.9	-4.3	2.3	1.2	2.4	3.6
EBIT	**0.5**	**4.2**	**4.8**	**-4.8**	**7.3**	**5.4**	**7.6**	**8.8**
margin %	3%	25%	35%	-34%	40%	30%	46%	47%
Net financials	-0.5	-0.3	-0.1	0.3	-0.9	-1.1	-1.0	-1.0
Income using the equity method*	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit before taxes	0.0	3.8	4.7	-4.5	6.4	4.3	6.6	7.8
Income taxes	0.7	0.2	-1.1	-0.4	-1.5	-0.4	-1.2	-1.2
Profit for the period	0.3	3.3	3.4	-5.7	2.5	2.6	4.9	6.2
EPS, EUR	**0.00**	**0.02**	**0.02**	**-0.04**	**0.02**	**0.01**	**0.03**	**0.04**

Source: Company data and Nordea estimates

BALANCE SHEET

EURm	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
Intangible assets	4.8	4.8	16.1	16.0	15.8	8.0	7.9	46.9	46.9	46.9
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	0.2	0.1	0.8	0.7	0.5	0.1	0.0	0.0	0.0	0.0
of which goodwill	4.5	4.7	15.3	15.3	15.3	7.9	7.9	46.9	46.9	46.9
Tangible assets	0.3	0.3	2.5	1.7	0.8	2.6	3.1	2.7	2.2	1.8
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	0.3	0.3	2.5	1.7	0.8	2.6	3.1	2.7	2.2	1.8
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	0.0	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	0.2	0.0	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	1.8	2.0	3.7	2.4	1.8	1.8	1.9	1.9	1.9	1.9
Other non-interest bearing assets	58.3	80.6	118.6	116.1	130.0	169.1	158.9	158.9	158.9	158.9
Other non-current assets	37.0	12.1	9.4	9.1	10.5	6.0	7.0	7.0	7.0	7.0
Total non-current assets	**102.1**	**99.8**	**150.4**	**145.5**	**158.8**	**187.4**	**178.8**	**217.4**	**216.9**	**216.5**
Inventory	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	8.7	12.6	10.8	14.0	15.2	20.7	20.4	24.0	25.6	25.5
Other current assets	77.1	39.0	10.8	0.3	0.0	0.1	0.3	0.3	0.4	0.4
Cash and bank	23.3	54.5	43.7	58.0	65.2	55.6	41.0	44.5	56.7	67.1
Total current assets	**109.2**	**106.2**	**66.2**	**73.3**	**81.4**	**77.4**	**62.7**	**69.9**	**83.8**	**94.1**
Assets held for sale	0.0	0.0	0.0	0.0	0.0	5.8	0.0	0.0	0.0	0.0
Total assets	**211.3**	**206.0**	**216.5**	**218.8**	**240.3**	**270.5**	**241.5**	**287.3**	**300.7**	**310.6**
Shareholder equity	126.7	120.5	127.4	112.5	125.8	140.1	113.2	149.4	159.0	167.3
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	0.4	2.1	0.7	1.6	2.1	1.9	6.6	8.1	9.6
Total Equity	**126.7**	**121.0**	**129.5**	**113.3**	**127.4**	**142.1**	**115.1**	**156.0**	**167.1**	**176.8**
Deferred tax	8.6	3.3	2.2	2.7	4.6	8.4	6.0	6.0	6.0	6.0
Long term interest bearing debt	45.2	49.7	59.1	82.6	82.0	91.9	92.5	92.5	92.5	92.5
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	0.2	0.2	6.9	7.6	7.3	0.5	0.5	0.5	0.5
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	**53.9**	**53.2**	**61.4**	**92.3**	**94.2**	**107.6**	**98.9**	**99.0**	**99.0**	**99.0**
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	26.8	16.8	20.2	11.1	16.7	18.4	24.2	28.6	30.7	30.7
Other current liabilities	0.8	5.1	4.5	1.3	1.0	0.5	1.9	2.3	2.6	2.7
Short term interest bearing debt	3.0	10.0	0.5	0.4	0.5	0.6	0.9	0.9	0.9	0.9
Total current liabilities	**30.7**	**31.9**	**25.6**	**13.3**	**18.7**	**20.0**	**27.5**	**32.3**	**34.7**	**34.8**
Liabilities for assets held for sale	0.0	0.0	0.0	0.0	0.0	0.7	0.0	0.0	0.0	0.0
Total liabilities and equity	**211.3**	**206.0**	**216.5**	**218.8**	**240.3**	**270.5**	**241.5**	**287.3**	**300.7**	**310.6**

Source: Company data and Nordea estimates

CASH FLOW STATEMENT

EURm	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
EBITDA (excludes fair value changes)	**3.6**	**7.0**	**8.5**	**9.4**	**12.2**	**20.7**	**12.3**	**31.6**	**43.1**	**43.7**
Paid taxes	-1.6	-3.1	-4.6	-4.3	-2.6	-3.1	-2.7	-4.3	-6.2	-6.3
Net financials	-3.9	-2.4	-2.6	-3.2	-4.0	-4.0	-4.4	-4.0	-3.9	-3.8
Other adjustments to reconcile cash flow	0.0	0.7	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Funds from operations (FFO)	**-1.8**	**2.2**	**2.1**	**2.0**	**5.7**	**13.6**	**5.3**	**23.4**	**33.0**	**33.5**
Change in NWC	-1.8	-6.9	-2.5	-15.7	4.5	-10.3	6.1	1.2	0.7	0.2
Cash flow from operations (CFO)	**-3.6**	**-4.7**	**-0.4**	**-13.8**	**10.2**	**3.4**	**11.3**	**24.5**	**33.7**	**33.7**
Capital Expenditure	-0.3	-0.1	-0.6	-0.4	-0.1	-0.3	0.0	-1.0	-1.0	-1.0
Free Cash Flow before A&D	**-3.9**	**-4.8**	**-0.9**	**-14.1**	**10.1**	**3.0**	**11.3**	**23.5**	**32.7**	**32.7**
Acquisitions and disposals (mainly exits from investments)	34.0	39.7	17.5	4.4	33.9	36.5	-6.1	0.0	0.0	0.0
Free cash flow	**30.1**	**34.9**	**16.5**	**5.6**	**30.2**	**8.5**	**15.5**	**20.3**	**32.7**	**32.7**
Dividend paid	-13.0	-16.1	-19.0	-21.9	-22.2	-25.1	-29.2	-15.8	-19.4	-21.2

Source: Company data and Nordea estimates

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