

7 November 2024

Commissioned research: CapMan – Q3 EBIT miss due to reclassification and negative fair value changes – NRE IV close postponed

Marketing material commissioned by CapMan

CapMan reported Q3 adjusted EBIT of EUR 2.0m, 23% below LSEG Data & Analytics consensus, most of which can be explained by reclassification of CaPS as a discontinued operation already in Q3, which we (and likely the consensus) did not account for. Management company business fee income of EUR 12.6m came 7% short of our estimate at EUR 13.5m. The company booked EUR 0.013m of carried interest in Q3, while we had estimated EUR 0.25m. Management company business adj. EBIT excluding carried interest of EUR 4.3m missed our estimate of EUR 4.8m, which was driven mainly by the lower-than-expected turnover in the segment, while we note that the cost level of the segment is slightly lower than we had anticipated. AuM increased to EUR 6.0bn (EUR 5.8bn in Q2 2024), in line with our estimate and CapMan raised some EUR 230m of new capital during Q3 (EUR 200m in H1 2024), we calculate. Nordic Real Estate IV Fund continues fundraising with a target size of EUR 750m, however, the first close of the fund will move to 2025. We had earlier anticipated close by the end of the year 2024. Investment business adj. EBIT was EUR -0.9m (including EUR -0.8m of fair value changes, while we had expected EUR +2.4m). The fair value changes wholly explain the miss to our estimates. Initially, we expect consensus to make slightly negative revisions to underlying estimates, as the postponement of NRE IV could signal a rough fundraising market.

CAPMAN: DEVIATION TABLE

	Actual	NDA est.	Deviation	Consensus	Deviation	Actual	Actual	Actual	
EURm	Q3 2024	Q3 2024E	vs. actual	Q3 2024E	vs. actual	Q2 2024	q/q	Q3 2023	y/y
Sales	12.8	16.4	-3.6	-22%	16.7	-3.9	-23%	18.3	-30%
Adj. EBIT	2.0	7.9	-5.9	-74%	7.7	-5.6	-73%	5.8	-65%
Adj. EBIT margin	16.0%	48.3%	-32.3pp	46.0%	-30.0pp	31.5%	-16pp	35.1%	-19pp
EPS, EUR	-0.003	0.03	-0.03	-112%	0.03	-0.03	-110%	0.01	-120%
Sales									
Management company business	12.6	13.5	-0.9	-7%		15.1	-17%	11.1	14%
- excluding carried interest	12.6	13.3	-0.7	-5%		14.8	-15%	10.8	16%
- carried interest	0.0	0.3	-0.2	n.m.		0.3	-96%	0.3	n.m.
Services	0.1	2.7	-2.7	-97%		3.1	-98%	2.5	-97%
Other	0.1	0.1	0.0	7%		0.2	-23%	0.1	13%
Adj. EBIT									
Management company business	4.3	5.0	-0.7	-15%		4.6	-7%	3.6	19%
- excluding carried interest	4.3	4.8	-0.5	-11%		4.3	-1%	3.3	28%
- carried interest	0.0	0.3	-0.2	n.m.		0.3	-96%	0.3	n.m.
Services	0.1	1.7	-1.6	-96%		1.7	-96%	1.4	-95%
Investment business, FV	-0.9	2.4	-3.3	-139%		1.0	-191%	0.9	-209%
Other	-1.4	-1.2	-0.3	n.m.		-1.6	n.m.	-1.1	n.m.

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

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	70.0	66.4	67.4
EBIT (adj)	12.0	25.1	12.3	44.6	55.7	6.7	28.6	32.6	32.0
EBIT (adj) margin	33.2%	51.1%	28.7%	84.6%	82.5%	11.3%	40.9%	49.1%	47.5%
EPS (adj), EUR	0.05	0.12	0.03	0.22	0.27	0.02	0.09	0.12	0.12
EPS (adj) growth	-49.7%	127.1%	-72.2%	564.4%	22.6%	-92.0%	298.1%	44.1%	-5.6%
DPS (ord), EUR	0.12	0.13	0.14	0.15	0.17	0.10	0.14	0.12	0.13
EV/Sales	6.2	7.7	9.0	9.4	6.9	7.0	4.2	4.2	3.7
EV/EBIT (adj)	18.6	15.0	31.3	11.1	8.3	61.9	10.3	8.5	7.8
P/E (adj)	28.2	19.8	70.2	13.8	10.1	107.1	21.0	14.6	15.4
P/BV	1.9	2.8	3.2	3.7	3.0	3.5	2.2	2.2	2.1
Dividend yield (ord)	8.2%	5.5%	6.0%	4.9%	6.3%	4.4%	7.8%	6.7%	7.3%
Net debt	5	16	25	18	37	53	-4	-2	-8
Net debt/EBITDA	0.4	0.8	2.7	1.5	1.8	4.3	0.0	-0.1	-0.2

Source: Company data and Nordea estimates

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