

Near-term outlook still soft

Operatively CapMan's Q3 fell short of our expectations mainly due to negative fair value changes, while the Management Company business profitability continued to develop nicely. The near-term outlook remains soft and we have pushed forward our expectations for market aided recovery.

Weak investment returns, core business developed well

CapMan's Q3 results were below expectations partly due to the reclassification of CaPS as discontinued operations (not in our estimates) while mainly driven by negative fair value changes (partly due to FX) at EUR -0.8m (Evli EUR 2.0m). Turnover in Q3 amounted to EUR 12.8m (EUR 16.9m/16.7m Evli/cons.) and operating profit to EUR 1.7m (EUR 6.7m/7.6m Evli/cons.). Capital under management amounted to EUR 6.0bn, with some net growth q/q driven by Real Estate. The Management Company business continued its steady profitability development and ultimately, the quarter was rather eventless.

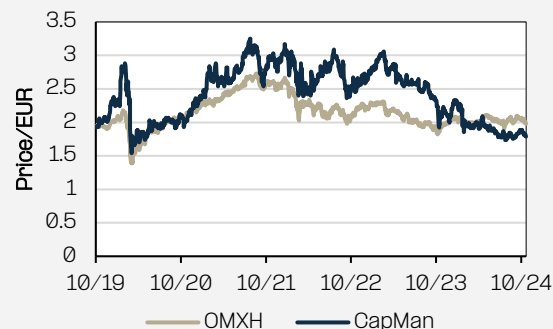
Market situation providing limited near-term support

In terms of near-term AUM growth, the anticipated first closing of NRE IV was pushed to 2025, in line with our expectations. Remarks relating to carried interest remained cautious and we have pushed our expectations forward in time, along with the recovery in investment returns, with continued market slowness keeping uncertainty at elevated levels. In the near-term we still continue to expect improvements in profitability in both the Management Company and Investment business, anticipating an ~80% y/y group EBIT improvement mainly through weak comparison figures for the Investment business. Looking ahead, we expect fee-based profitability to continue to scale at a decent pace assuming >5% net AUM growth y/y. Under improved market conditions, if and when investment returns start nearing target levels, we see that EBIT (excl. group expenses) should surpass EUR 40m p.a., with slightly below half from fee-based profitability. With the proceeds from the divestment of CaPS, CapMan's financial situation will improve further and could enable new strategic initiatives, in such case likely aimed at further boosting fee-based profitability.

BUY with a target price of EUR 2.1 (2.2)

We see no changes to the long-term investment case but with market conditions further prolonging the near-term uncertainty and as such lowered estimates we lower our TP to EUR 2.1 (2.2), BUY-rating intact.

Rating 🇺🇸 Buy



| | |
|--|---------------------------|
| Share price, EUR (Last trading day's closing price) | 1.77 |
| Target price, EUR | 2.1 |
| Latest change in recommendation | 30-Apr-21 |
| Latest report on company | 09-Oct-24 |
| Research paid by issuer: | YES |
| No. of shares outstanding, '000's | 176 522 |
| No. of shares fully diluted, '000's | 176 522 |
| Market cap, EURm | 313 |
| Free float, % | 64.0 % |
| Exchange rate | 1.0 |
| Reuters code | CAPMAN.HE |
| Bloomberg code | CAPMAN FH |
| Average daily volume, EURm | 0.25 |
| Next interim report | 13-Feb-25 |
| Web site | capman.com/shareholders |
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🇺🇸 BUY 🟡 HOLD 🇩🇪 SELL

KEY FIGURES

| | Sales EURm | EBIT EURm | EBIT % | FCF EURm | EPS EUR | P/E (x) | EV/Sales (x) | EV/EBIT (x) | FCF yield % | DPS EUR |
|-------|---------------|--------------|-----------|-------------|------------|------------|-----------------|----------------|----------------|------------|
| 2022 | 67.5 | 53.1 | 78.6% | 3.0 | 0.25 | 10.8 | 7.0 | 8.9 | 0.7% | 0.17 |
| 2023 | 49.5 | -1.1 | -2.3% | 10.3 | -0.02 | -115.2 | 8.5 | -375.9 | 2.8% | 0.10 |
| 2024E | 58.1 | 14.3 | 24.6% | -31.9 | 0.01 | 135.8 | 5.6 | 22.9 | -10.2% | 0.14 |
| 2025E | 65.5 | 25.9 | 39.5% | 13.9 | 0.08 | 22.5 | 5.2 | 13.1 | 4.4% | 0.15 |
| 2026E | 73.9 | 39.8 | 53.9% | 23.7 | 0.13 | 13.2 | 4.6 | 8.6 | 7.6% | 0.09 |

| | | | | | |
|--------------------------|-----|-------------------------|--------|-----------------------|--------|
| Market cap, EURm | 313 | Gearing 2024E, % | 5.9 % | CAGR EPS 2023-26, % | 0.0 % |
| Net debt 2024E, EURm | 11 | Price/book 2024E | 1.7 | CAGR Sales 2023-26, % | 14.3 % |
| Enterprise value, EURm | 327 | Dividend yield 2024E, % | 7.9 % | ROE 2024E, % | 1.5 % |
| Total assets 2024E, EURm | 346 | Tax rate 2024E, % | 23.0 % | ROCE 2024E, % | 5.6 % |
| Goodwill 2024E, EURm | 31 | Equity ratio 2024E, % | 55.2 % | PEG, P/E 24/CAGR | 1.0 |

All the important disclosures can be found on the last pages of this report.

| VALUATION RESULTS | BASE CASE DETAILS | VALUATION ASSUMPTIONS | ASSUMPTIONS FOR WACC |
|--------------------------|------------------------------|-------------------------|----------------------------------|
| Current share price | 1.77 PV of Free Cash Flow | 206 Long-term growth, % | 1.5 % Risk-free interest rate, % |
| DCF share value | 2.70 PV of Horizon value | 343 WACC, % | 7.9 % Market risk premium, % |
| Share price potential, % | 52.3 % Unconsolidated equity | -3 Spread, % | 0.5 % Debt risk premium % |
| Maximum value | 3.0 Marketable securities | 41 Minimum WACC, % | 7.4 % Equity beta coefficient |
| Minimum value | 2.5 Debt – dividend | -110 Maximum WACC, % | 8.4 % Target debt ratio, % |
| Horizon value, % | 62.5 % Value of stock | 476 No. of shares, Mn | 176.5 Effective tax rate, % |

| DCF valuation, EURm | 2023 | 2024E | 2025E | 2026E | 2027E | 2028E | 2029E | 2030E | 2031E | 2032E | 2033E | TERMINAL |
|----------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|----------|
| Net sales | 49 | 58 | 66 | 74 | 76 | 78 | 80 | 82 | 84 | 86 | 87 | 88 |
| <i>Sales growth (%)</i> | - | 17.5% | 12.8% | 12.8% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% | 1.5% | 1.5% |
| Operating income (EBIT) | -1 | 14 | 26 | 40 | 45 | 47 | 48 | 49 | 50 | 51 | 52 | 53 |
| <i>Operating income margin %</i> | -2.3% | 24.6% | 39.5% | 53.9% | 60.0% | 60.0% | 60.0% | 60.0% | 60.0% | 60.0% | 60.0% | 60.0% |
| + Depreciation+amort. | 1 | 2 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 4 | 4 | |
| EBITDA | 0 | 17 | 29 | 43 | 49 | 50 | 51 | 52 | 54 | 55 | 56 | |
| - Paid taxes | -3 | 5 | -6 | -9 | -10 | -11 | -11 | -11 | -12 | -12 | -12 | |
| - Change in NWC | 6 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| <i>NWC / Sales, %</i> | 2.2% | 2.7% | 3.0% | 3.3% | 3.4% | 3.4% | 3.5% | 3.5% | 3.6% | 3.6% | 3.7% | |
| + Change in other liabs | 3 | | | | | | | | | | | |
| - Operative CAPEX | 0 | -32 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| <i>opCAPEX / Sales, %</i> | 3.7% | 59.0% | 3.7% | 3.5% | 3.5% | 3.6% | 3.7% | 3.7% | 3.8% | 3.9% | 3.8% | |
| - Acquisitions | | | | | | | | | | | | |
| + Divestments | | -10 | | | | | | | | | | |
| - Other items | 9 | | | | | | | | | | | |
| = FCFF | 16 | -21 | 22 | 33 | 38 | 39 | 40 | 41 | 42 | 43 | 43 | 687 |
| = Discounted FCFF | | -21 | 20 | 28 | 30 | 28 | 27 | 25 | 24 | 23 | 22 | 343 |
| = DFCF min WACC | | -21 | 20 | 28 | 30 | 29 | 27 | 26 | 25 | 24 | 23 | 388 |
| = DFCF max WACC | | -21 | 20 | 28 | 29 | 28 | 26 | 25 | 23 | 22 | 21 | 305 |

Sensitivity analysis, EUR

| | | Terminal WACC | | | | |
|------------------------|---------|---------------|--------|--------|--------|--------|
| | | 5.90 % | 6.90 % | 7.90 % | 8.90 % | 9.90 % |
| Terminal EBIT-% | 58.00 % | 4.10 | 3.22 | 2.62 | 2.18 | 1.85 |
| | 59.00 % | 4.17 | 3.27 | 2.66 | 2.21 | 1.87 |
| | 60.00 % | 4.24 | 3.32 | 2.70 | 2.24 | 1.90 |
| | 61.00 % | 4.30 | 3.38 | 2.74 | 2.27 | 1.92 |
| | 62.00 % | 4.37 | 3.43 | 2.78 | 2.31 | 1.95 |

INTERIM FIGURES

| EVLI ESTIMATES, EURm | 2023Q1 | 2023Q2 | 2023Q3 | 2023Q4 | 2023 | 2024Q1 | 2024Q2 | 2024Q3 | 2024Q4E | 2024E | 2025E | 2026E |
|-----------------------------|---------|-------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Net sales | 12.7 | 13.9 | 11.4 | 11.4 | 49.5 | 15.6 | 15.3 | 12.8 | 14.4 | 58.1 | 65.5 | 73.9 |
| EBITDA | -0.6 | 3.1 | 3.8 | -5.9 | 0.4 | 6.1 | 4.5 | 2.3 | 3.8 | 16.8 | 28.7 | 43.0 |
| <i>EBITDA margin (%)</i> | -4.6% | 22.3% | 33.3% | -52.0% | 0.7% | 39.3% | 29.5% | 18.0% | 26.5% | 28.9% | 43.8% | 58.1% |
| EBIT | -1.0 | 2.7 | 3.4 | -6.3 | -1.1 | 5.6 | 3.8 | 1.7 | 3.1 | 14.3 | 25.9 | 39.8 |
| <i>EBIT margin (%)</i> | -7.6% | 19.6% | 30.2% | -55.3% | -2.3% | 36.3% | 25.0% | 13.1% | 21.7% | 24.6% | 39.5% | 53.9% |
| Net financial items | -0.5 | -0.3 | -0.1 | 0.3 | -0.7 | -0.9 | -1.1 | -1.3 | -1.1 | -4.4 | -5.2 | -6.1 |
| Pre-tax profit | -1.5 | 2.4 | 3.3 | -6.1 | -1.8 | 4.8 | 2.7 | 0.4 | 2.0 | 9.9 | 20.7 | 33.8 |
| Tax | 1.1 | 0.5 | -0.8 | -0.1 | 0.7 | -1.2 | -0.1 | -0.8 | -0.2 | -2.3 | -4.7 | -7.7 |
| <i>Tax rate (%)</i> | 74.9% | -21.0% | 24.0% | -1.7% | 38.6% | 24.0% | 3.7% | 207.1% | 12.0% | 23.0% | 23.0% | 23.0% |
| Net profit | -0.8 | 2.2 | 2.3 | -6.9 | -3.2 | 1.2 | 1.3 | -1.2 | 1.0 | 2.3 | 13.9 | 23.6 |
| EPS | -0.01 | 0.01 | 0.01 | -0.04 | -0.02 | 0.01 | 0.01 | -0.01 | 0.01 | 0.01 | 0.08 | 0.13 |
| EPS adj. (diluted) | -0.01 | 0.01 | 0.01 | -0.04 | -0.02 | 0.01 | 0.01 | -0.01 | 0.01 | 0.01 | 0.08 | 0.13 |
| Dividend per share | | | | | 0.10 | | | | | 0.14 | 0.15 | 0.09 |
| SALES, EURm | 2023Q1 | 2023Q2 | 2023Q3 | 2023Q4 | 2023 | 2024Q1 | 2024Q2 | 2024Q3 | 2024Q4E | 2024E | 2025E | 2026E |
| Management Company business | 12.5 | 13.7 | 11.1 | 11.0 | 48.3 | 15.4 | 15.1 | 12.6 | 14.0 | 57.1 | 64.6 | 73.0 |
| Service business | 0.2 | 0.1 | 0.2 | 0.1 | 0.7 | 0.1 | 0.1 | 0.1 | 0.1 | 0.2 | 0.2 | 0.1 |
| Other & eliminations | 0.0 | 0.1 | 0.1 | 0.3 | 0.5 | 0.2 | 0.2 | 0.1 | 0.3 | 0.8 | 0.8 | 0.8 |
| Total | 12.7 | 13.9 | 11.4 | 11.4 | 49.5 | 15.6 | 15.3 | 12.8 | 14.4 | 58.1 | 65.5 | 73.9 |
| SALES GROWTH, Y/Y% | 2023Q1 | 2023Q2 | 2023Q3 | 2023Q4 | 2023 | 2024Q1 | 2024Q2 | 2024Q3 | 2024Q4E | 2024E | 2025E | 2026E |
| Management Company business | 6.8% | -5.9% | -11.9% | -35.4% | -13.6% | 23.1% | 10.6% | 13.7% | 27.0% | 18.3% | 13.1% | 13.0% |
| Service business | -92.1% | -95.7% | -93.5% | -94.2% | -93.9% | -70.5% | -57.6% | -65.0% | -56.1% | -63.3% | -30.0% | -30.0% |
| Other & eliminations | 242.9% | 1 030.0% | -44.9% | -16.2% | -5.1% | 529.2% | 52.2% | 12.7% | 11.1% | 44.0% | 5.0% | 5.0% |
| Total | -10.6% | -21.3% | -28.2% | -42.1% | -26.8% | 22.5% | 10.3% | 12.3% | 25.6% | 17.5% | 12.8% | 12.8% |
| EBIT, EURm | 2023Q1 | 2023Q2 | 2023Q3 | 2023Q4 | 2023 | 2024Q1 | 2024Q2 | 2024Q3 | 2024Q4E | 2024E | 2025E | 2026E |
| Management Company business | 3.2 | 5.0 | 3.6 | 0.5 | 12.2 | 6.3 | 4.3 | 4.0 | 3.1 | 17.6 | 22.3 | 27.8 |
| Investment business | -2.6 | -0.4 | 0.9 | -4.5 | -6.6 | 2.1 | 1.0 | -0.9 | 1.9 | 4.1 | 11.3 | 20.3 |
| Service business | | 0.1 | 0.1 | 0.1 | 0.3 | 0.0 | 0.1 | 0.1 | 0.1 | 0.2 | 0.2 | 0.1 |
| Other & eliminations | -1.6 | -1.9 | -1.1 | -2.4 | -6.9 | -2.8 | -1.6 | -1.4 | -1.9 | -7.6 | -7.9 | -8.3 |
| Total | -1.0 | 2.7 | 3.4 | -6.3 | -1.1 | 5.6 | 3.8 | 1.7 | 3.1 | 14.3 | 25.9 | 39.8 |
| EBIT margin % | 2023Q1 | 2023Q2 | 2023Q3 | 2023Q4 | 2023 | 2024Q1 | 2024Q2 | 2024Q3 | 2024Q4E | 2024E | 2025E | 2026E |
| Management Company business | 25.3% | 36.4% | 32.3% | 4.6% | 25.3% | 40.8% | 28.4% | 31.4% | 22.1% | 30.9% | 34.6% | 38.1% |
| Investment business | -100.0% | -100.0% | 100.0% | -100.0% | -100.0% | 100.0% | 100.0% | -100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Service business | | 67.1% | 35.0% | 67.1% | 37.6% | 67.8% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Other & eliminations | -100.0% | -100.0% | -100.0% | -100.0% | -100.0% | -100.0% | -100.0% | -100.0% | -100.0% | -100.0% | -100.0% | -100.0% |
| Total | -7.6% | 19.6% | 30.2% | -55.3% | -2.3% | 36.3% | 25.0% | 13.1% | 21.7% | 24.6% | 39.5% | 53.9% |

| INCOME STATEMENT, EURm | 2019 | 2020 | 2021 | 2022 | 2023 | 2024E | 2025E | 2026E |
|--|-------|--------|-------|-------|--------|-------|-------|-------|
| Sales | 49.0 | 43.0 | 52.8 | 67.5 | 49.5 | 58.1 | 65.5 | 73.9 |
| <i>Sales growth (%)</i> | 36.1% | -12.2% | 22.8% | 27.9% | -26.8% | 17.5% | 12.8% | 12.8% |
| EBITDA | 25.0 | 13.9 | 46.2 | 57.3 | 0.4 | 16.8 | 28.7 | 43.0 |
| <i>EBITDA margin (%)</i> | 51.0% | 32.2% | 87.5% | 84.8% | 0.7% | 28.9% | 43.8% | 58.1% |
| Depreciation | -1.4 | -1.5 | -1.5 | -1.6 | -1.5 | -2.5 | -2.8 | -3.1 |
| EBITA | 23.6 | 12.3 | 44.6 | 55.7 | -1.1 | 14.3 | 25.9 | 39.8 |
| Goodwill amortization / writedown | -4.2 | | | -2.6 | | | | |
| EBIT | 19.4 | 12.3 | 44.6 | 53.1 | -1.1 | 14.3 | 25.9 | 39.8 |
| <i>EBIT margin (%)</i> | 39.6% | 28.7% | 84.6% | 78.6% | -2.3% | 24.6% | 39.5% | 53.9% |
| Reported EBIT | 19.4 | 12.3 | 44.6 | 53.1 | -1.1 | 14.3 | 25.9 | 39.8 |
| <i>EBIT margin (reported) (%)</i> | 39.6% | 28.7% | 84.6% | 78.6% | -2.3% | 24.6% | 39.5% | 53.9% |
| Net financials | -1.8 | -3.1 | -4.0 | -5.5 | -0.7 | -4.4 | -5.2 | -6.1 |
| Pre-tax profit | 17.6 | 9.2 | 40.6 | 47.6 | -1.8 | 9.9 | 20.7 | 33.8 |
| Taxes | -1.7 | -2.9 | -5.2 | -6.6 | 0.7 | -2.3 | -4.7 | -7.7 |
| Minority shares | -1.9 | -1.1 | -1.0 | -1.4 | -2.0 | -5.3 | -2.0 | -2.4 |
| Net profit | 14.0 | 5.1 | 34.3 | 39.6 | -3.2 | 2.3 | 13.9 | 23.6 |
| Cash NRIs | | | | | | | | |
| Non-cash NRIs | | | | | | | | |
| BALANCE SHEET, EURm | | | | | | | | |
| Assets | | | | | | | | |
| Fixed assets | 120 | 117 | 131 | 170 | 160 | 178 | 178 | 177 |
| Goodwill | 15 | 15 | 15 | 8 | 8 | 31 | 31 | 31 |
| Right of use assets | 3 | 2 | 1 | 3 | 4 | 4 | 5 | 5 |
| Inventory | | | | | | | | |
| Receivables | 31 | 23 | 25 | 32 | 27 | 32 | 36 | 40 |
| Liquid funds | 44 | 58 | 65 | 56 | 41 | 99 | 111 | 126 |
| Total assets | 217 | 219 | 240 | 271 | 242 | 346 | 362 | 380 |
| Liabilities | | | | | | | | |
| Shareholders' equity | 127 | 113 | 126 | 140 | 113 | 189 | 178 | 175 |
| Minority interest | 2 | 1 | 2 | 2 | 2 | 2 | 2 | 2 |
| Convertibles | | | | | | | | |
| Lease liabilities | 3 | 2 | 1 | 3 | 4 | 4 | 5 | 5 |
| Deferred taxes | 2 | 3 | 5 | 8 | 6 | 14 | 14 | 14 |
| Interest bearing debt | 57 | 81 | 82 | 90 | 90 | 106 | 129 | 145 |
| Non-interest bearing current liabilities | 20 | 18 | 24 | 26 | 24 | 28 | 32 | 36 |
| Other interest-free debt | 5 | 1 | 1 | 1 | 2 | 2 | 2 | 2 |
| Total liabilities | 217 | 219 | 240 | 271 | 242 | 346 | 362 | 380 |
| CASH FLOW, EURm | | | | | | | | |
| + EBITDA | 25 | 14 | 46 | 57 | 0 | 17 | 29 | 43 |
| - Net financial items | -2 | -3 | -4 | -5 | -1 | -4 | -5 | -6 |
| - Taxes | -5 | -4 | -3 | -3 | -3 | 6 | -5 | -8 |
| - Increase in Net Working Capital | -3 | -16 | 5 | -10 | 6 | 0 | 0 | 0 |
| +/- Other | -16 | -3 | -33 | -32 | 9 | -5 | -2 | -2 |
| = Cash flow from operations | 0 | -12 | 11 | 6 | 12 | 12 | 16 | 26 |
| - Capex | -6 | -3 | 0 | -3 | -2 | -34 | -2 | -3 |
| - Acquisitions | -1 | 0 | | | | | | |
| + Divestments | 6 | | 0 | 0 | | -10 | | |
| = Free cash flow | -1 | -16 | 11 | 3 | 10 | -32 | 14 | 24 |
| +/- New issues/buybacks | 12 | -1 | 2 | -1 | 3 | 89 | | |
| - Paid dividend | 20 | 22 | 23 | 27 | 16 | 25 | 26 | 17 |
| +/- Other | -5 | 51 | 16 | 12 | -1 | 16 | 23 | 17 |
| Change in cash | -11 | 14 | 7 | -10 | -15 | 58 | 13 | 14 |

| KEY FIGURES | 2020 | 2021 | 2022 | 2023 | 2024E | 2025E | 2026E |
|--------------------------------------|------|------|------|------|-------|-------|-------|
| M-cap | 363 | 476 | 428 | 364 | 313 | 313 | 313 |
| Net debt (excl. convertibles) | 26 | 18 | 37 | 53 | 11 | 22 | 25 |
| Enterprise value | 391 | 500 | 472 | 423 | 327 | 338 | 341 |
| Sales | 43 | 53 | 68 | 49 | 58 | 66 | 74 |
| EBITDA | 14 | 46 | 57 | 0 | 17 | 29 | 43 |
| EBIT | 12 | 45 | 53 | -1 | 14 | 26 | 40 |
| Pre-tax | 9 | 41 | 48 | -2 | 10 | 21 | 34 |
| Earnings | 5 | 34 | 40 | -3 | 2 | 14 | 24 |
| Equity book value (excl. minorities) | 113 | 126 | 140 | 113 | 189 | 178 | 175 |

| Valuation multiple | 2020 | 2021 | 2022 | 2023 | 2024E | 2025E | 2026E |
|---------------------|-------|------|-------|--------|-------|-------|-------|
| EV/Sales | 9.1 | 9.5 | 7.0 | 8.5 | 5.6 | 5.2 | 4.6 |
| EV/EBITDA | 28.2 | 10.8 | 8.2 | 1153.4 | 19.5 | 11.8 | 7.9 |
| EV/EBITA | 31.7 | 11.2 | 8.5 | -375.9 | 22.9 | 13.1 | 8.6 |
| EV/EBIT | 31.7 | 11.2 | 8.9 | -375.9 | 22.9 | 13.1 | 8.6 |
| EV/OCF | -32.8 | 45.4 | 78.1 | 35.0 | 26.6 | 20.7 | 13.0 |
| EV/FCF | 70.9 | 14.7 | 35.5 | 26.2 | -15.4 | 15.4 | 10.4 |
| P/FCFR | -23.2 | 42.9 | 140.8 | 35.4 | -9.8 | 22.5 | 13.2 |
| P/E | 70.6 | 13.9 | 10.8 | -115.2 | 135.8 | 22.5 | 13.2 |
| P/BV | 3.2 | 3.8 | 3.1 | 3.2 | 1.7 | 1.8 | 1.8 |
| Target EV/EBITDA | | | | | 22.9 | 13.8 | 9.3 |
| Target EV/EBIT | | | | | 26.9 | 15.3 | 10.0 |
| Target EV/FCFF | | | | | -12.0 | 28.4 | 16.8 |
| Target P/BV | | | | | 2.0 | 2.1 | 2.1 |
| Target P/E, diluted | | | | | 161.0 | 26.6 | 15.7 |

| Per share measures | 2020 | 2021 | 2022 | 2023 | 2024E | 2025E | 2026E |
|-------------------------------------|--------|--------|--------|---------|----------|--------|--------|
| Number of shares (million) | 156.46 | 156.62 | 158.06 | 158.82 | 176.52 | 176.52 | 176.52 |
| Number of shares (diluted, million) | 156.46 | 156.62 | 158.06 | 158.82 | 176.52 | 176.52 | 176.52 |
| EPS | 0.03 | 0.22 | 0.25 | -0.02 | 0.01 | 0.08 | 0.13 |
| Operating cash flow per share | -0.08 | 0.07 | 0.04 | 0.08 | 0.07 | 0.09 | 0.15 |
| Free cash flow per share | -0.10 | 0.07 | 0.02 | 0.06 | -0.18 | 0.08 | 0.13 |
| Book value per share | 0.72 | 0.80 | 0.89 | 0.71 | 1.07 | 1.01 | 0.99 |
| Dividend per share | 0.14 | 0.15 | 0.17 | 0.10 | 0.14 | 0.15 | 0.09 |
| Dividend payout ratio, % | 426.1% | 68.5% | 67.8% | -502.8% | 1 073.2% | 190.2% | 70.0% |
| Dividend yield, % | 6.0% | 4.9% | 6.3% | 4.4% | 7.9% | 8.5% | 5.3% |
| FCF yield, % | -4.3% | 2.3% | 0.7% | 2.8% | -10.2% | 4.4% | 7.6% |

| Efficiency measures | 2020 | 2021 | 2022 | 2023 | 2024E | 2025E | 2026E |
|---------------------|------|-------|-------|-------|-------|-------|-------|
| ROE | 4.3% | 28.8% | 29.8% | -2.5% | 1.5% | 7.6% | 13.4% |
| ROCE | 6.4% | 21.9% | 23.8% | -0.5% | 5.6% | 8.4% | 12.4% |

| Financial ratios | 2020 | 2021 | 2022 | 2023 | 2024E | 2025E | 2026E |
|--|-------|-------|-------|-------|-------|-------|-------|
| Inventories as % of sales | | | | | | | |
| Receivables as % of sales | 54.5% | 47.9% | 47.5% | 55.0% | 54.9% | 54.8% | 54.8% |
| Non-int. bearing liabilities as % of sales | 41.9% | 46.0% | 38.2% | 48.8% | 48.8% | 48.8% | 48.8% |
| NWC/sales, % | 9.6% | 0.1% | 7.6% | 2.2% | 2.7% | 3.0% | 3.3% |
| Operative CAPEX/Sales, % | 8.0% | 0.7% | 4.9% | 3.7% | 59.0% | 3.7% | 3.5% |
| CAPEX/sales (incl. acquisitions), % | 7.4% | 0.7% | 4.9% | 3.7% | 59.0% | 3.7% | 3.5% |
| FCFF/EBITDA | 0.4 | 0.7 | 0.2 | 44.1 | -1.3 | 0.8 | 0.8 |
| Net Debt/EBITDA, book-weighted | 1.8 | 0.4 | 0.7 | 144.2 | 0.7 | 0.8 | 0.6 |
| Debt/equity, market-weighted | 0.2 | 0.2 | 0.2 | 0.2 | 0.3 | 0.4 | 0.5 |
| Equity ratio, book-weighted | 0.5 | 0.5 | 0.5 | 0.5 | 0.6 | 0.5 | 0.5 |
| Gearing, % | 22.5% | 14.0% | 26.3% | 45.9% | 5.9% | 12.3% | 14.1% |

COMPANY DESCRIPTION: CapMan is a leading Nordic asset management and investment company. CapMan manages close to EUR 6 billion in assets. The company mainly manages investors' assets but also makes direct investments from its balance sheet, mainly into own funds. Current investments strategies cover Buyout, Growth Equity, Real Estate, Natural Capital, Infra, Credit and Special situations.

INVESTMENT CASE: CapMan is set to continue to grow its earnings and increase earnings stability, but current market conditions have posted challenges. An important driver is the increase in fee-based profitability through growth in capital under management, while still being able to maintain a sound cost structure. Additional earnings potential in the upcoming years is offered by the outlook of several of CapMans funds in an approaching carry. Good cash flows and a healthy balance sheet support continued high dividend payouts. The proceeds from the divestment of CapMan Procurement Services (CaPS) further provides financial leeway for larger strategic moves.

| OWNERSHIP STRUCTURE | SHARES | EURm | % |
|--|-------------|---------|--------|
| Silvertärnan Ab | 22 680 519 | 40.190 | 12.8 % |
| Hozainum Partners Oy | 9 012 467 | 15.970 | 5.1 % |
| Ilmarinen Mutual Pension Insurance Company | 8 672 000 | 15.367 | 4.9 % |
| Laakkonen Mikko Kalervo | 7 034 635 | 12.465 | 4.0 % |
| Dolobratos Oy Ab | 5 442 698 | 9.644 | 3.1 % |
| Varma Mutual Pension Insurance Company | 3 675 215 | 6.512 | 2.1 % |
| Joensuun Kauppa ja Kone Oy | 3 296 466 | 5.841 | 1.9 % |
| Vesasco Oy | 3 088 469 | 5.473 | 1.7 % |
| The State Pension Fund | 2 500 000 | 4.430 | 1.4 % |
| Laakkonen Hannu | 1 992 742 | 3.531 | 1.1 % |
| Ten largest | 67 395 211 | 119.424 | 38.2 % |
| Residual | 109 126 937 | 193.373 | 61.8 % |
| Total | 176 522 148 | 312.797 | 100% |

EARNINGS CALENDAR

| | |
|-------------------|-----------------|
| February 13, 2025 | FY 2024 Results |
| May 09, 2025 | Q1 report |
| August 07, 2025 | Q2 report |
| November 06, 2025 | Q3 report |

OTHER EVENTS

COMPANY MISCELLANEOUS

| | |
|--------------------|--------------------------------------|
| CEO: Pia Käll | Ludviginkatu 6, 4 fl. 01300 Helsinki |
| CFO: Atte Rissanen | Tel: +358 207 207 500 |
| IR: Tuija Ottoila | |

DEFINITIONS

| | |
|--|---|
| <p>P/E</p> $\frac{\text{Price per share}}{\text{Earnings per share}}$ | <p>EPS</p> $\frac{\text{Profit before extraord. items and taxes} - \text{income taxes} + \text{minority interest}}{\text{Number of shares}}$ |
| <p>P/BV</p> $\frac{\text{Price per share}}{\text{Shareholder's equity} + \text{taxed provisions per share}}$ | <p>DPS</p> <p>Dividend for the financial period per share</p> |
| <p>Market cap</p> <p>Price per share * Number of shares</p> | <p>OCF (Operating cash flow)</p> <p>EBITDA – Net financial items – Taxes – Increase in working capital – Cash NRIs ± Other adjustments</p> |
| <p>EV (Enterprise value)</p> <p>Market cap + net debt + minority interest at market value – share of associated companies at market value</p> | <p>FCF (Free cash flow)</p> <p>Operating cash flow – Operative CAPEX – acquisitions + divestments</p> |
| <p>EV/Sales</p> $\frac{\text{Enterprise value}}{\text{Sales}}$ | <p>FCF yield, %</p> $\frac{\text{Free cash flow}}{\text{Market cap}}$ |
| <p>EV/EBITDA</p> $\frac{\text{Enterprise value}}{\text{Earnings before interest, tax, depreciation and amortization}}$ | <p>Operative CAPEX / Sales</p> $\frac{\text{Capital expenditure} - \text{divestments} - \text{acquisitions}}{\text{Sales}}$ |
| <p>EV/EBIT</p> $\frac{\text{Enterprise value}}{\text{Operating profit}}$ | <p>Net working capital</p> <p>Current assets – current liabilities</p> |
| <p>Net debt</p> <p>Interest bearing debt – financial assets</p> | <p>Capital employed / Share</p> $\frac{\text{Total assets} - \text{non-interest bearing debt}}{\text{Number of shares}}$ |
| <p>Total assets</p> <p>Balance sheet total</p> | <p>Gearing</p> $\frac{\text{Net debt}}{\text{Equity}}$ |
| <p>Div yield, %</p> $\frac{\text{Dividend per share}}{\text{Price per share}}$ | <p>Debt/Equity, %</p> $\frac{\text{Interest bearing debt}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}$ |
| <p>Payout ratio, %</p> $\frac{\text{Total dividends}}{\text{Earnings before extraordinary items and taxes} - \text{income taxes} + \text{minority interest}}$ | <p>Equity ratio, %</p> $\frac{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}{\text{Total assets} - \text{interest-free loans}}$ |
| <p>ROCE, %</p> $\frac{\text{Profit before extraordinary items} + \text{interest expenses} + \text{other financial costs}}{\text{Balance sheet total} - \text{non-interest bearing debt (average)}}$ | <p>CAGR, %</p> <p>Cumulative annual growth rate = Average growth rate per year</p> |
| <p>ROE, %</p> $\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions (average)}}$ | |

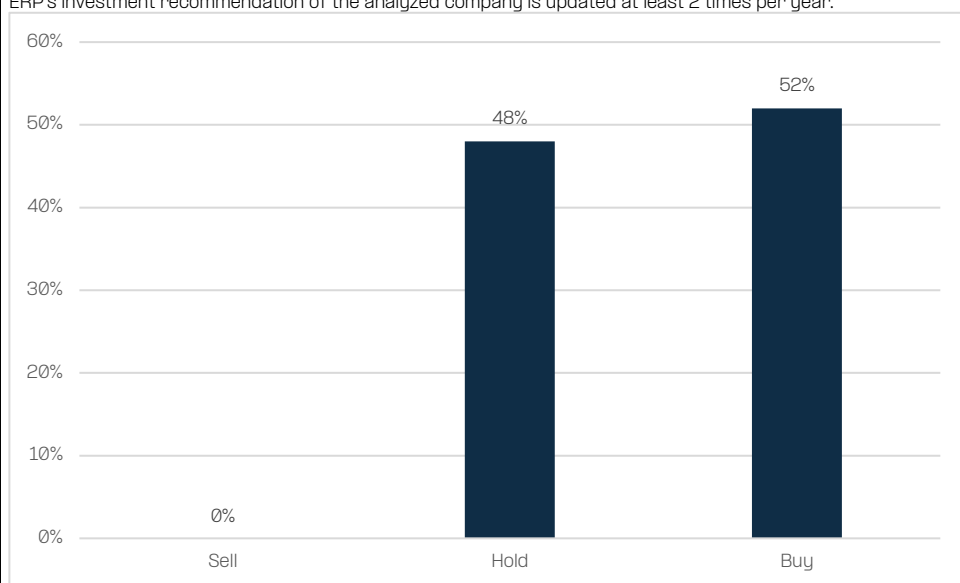
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| | |
|--|---------------------------------------|
| Target price compared to share price < -10 % -10 – (+10) % > 10 % | Recommendation SELL HOLD BUY |
|--|---------------------------------------|

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Name(s) of the analyst(s): Jerker Salokivi

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