

# CapMan

## Company report

2/8/2024



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This report is a summary translation of the report “Suoritustasoa pitää parantaa” published on 2/7/2024 at 6:50 pm EET

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# Better performance is required

CapMan's Q4 report was a clear disappointment and the whole year 2023 was also well below our expectations. Although we have lowered our short-term estimates, our view of the company's normal earnings profile has not changed materially. However, there is clear uncertainty about the timeframe for reaching the earnings level, mainly due to the sluggish market situation. Although the valuation of the share is very attractive in the longer term (2025e P/E 10x), short-term uncertainty and neutral valuation support a more cautious view. We reiterate our Accumulate recommendation and revise our target price to EUR 2.2 (EUR 2.4) following the estimate cuts.

## Even adjusted for one-offs, Q4 left much to be desired

CapMan's Q4 revenue was 14.1 MEUR, below our estimate of 16.2 MEUR. The revenue miss was driven by the Management Company business, where low transaction fees and an adjustment to old fees led to a significant revenue shortfall. CaPS continued to grow strongly as expected. The company's EBIT (-4.8 MEUR) was dramatically lower than our forecast of 4.8 MEUR. The poor result is mainly explained by the investment income, which fell into the red (-4.3 MEUR), whereas we had expected a slightly positive figure. The company commented that the decline was mainly due to its external funds. The result of the Management Company business was also disappointingly weak at 0.5 MEUR, while we had expected a result of 3.2 MEUR. The substantial underperformance is explained by the soft revenue and the 1.5 MEUR reorganization items included in the costs. The dividend proposal of EUR 0.10 is slightly higher than our forecast of EUR 0.09.

As expected, assets under management were around 5 BNEUR, with falling fund values overshadowing the small total of new sales. In terms of new sales, the news was brighter than expected, as the company has received significant commitments to the Growth 3 fund (first close in H1'24) and the size of the Nordic Real Estate 4 fund will be above our expectations at 750 MEUR (first close in 2024).

## Awaiting a return to normal performance

We have revised our 2024 forecast substantially downwards, mainly due to the postponement of carried interest income. We still believe that the company's normalized EBIT level will be 40–50 MEUR, which is reflected in the 2025 forecast. This is unlikely to be achieved in 2024 due to slow new sales and lackluster investment income. The clearest driver of earnings improvement in 2024 will be investment income, which we expect to move well above negative and closer to normal. We believe that the risks related to the improvement in earnings from new sales and carried interest income have increased due to the continued challenging market conditions. Regarding our dividend projections, we note that the 2025–2027 estimates include additional dividends, which at this point are more of a guess than a forecast.

## The share is cheap, but the drivers are missing

Relative to the normal earnings range for CapMan, the share is cheap (2025e: P/E 10x & EV/EBIT 8x), especially since the quality of the result should have improved by then. In the short term, however, the valuation picture is much more neutral and the dividend no longer offers the same backrest as before in support of the short-term expected return. Overall, we consider a cautious view justified until we see concrete evidence that the earnings improvement is materializing. Acquisitions can also be a clear driver for the stock, as the company is very much in "M&A mode" after the strategic reform.

## Recommendation

**Accumulate**  
(previous Accumulate)

**EUR 2.20**  
(previous EUR 2.40)

**Share price:**  
1.95



## Key figures

	2023	2024e	2025e	2026e
<b>Revenue</b>	59.4	64.6	74.1	76.8
<b>growth-%</b>	-12%	9%	15%	4%
<b>EBIT adj.</b>	6.7	29.2	43.0	44.3
<b>EBIT-% adj.</b>	11.4 %	45.1 %	58.0 %	57.7 %
<b>Net Income</b>	1.3	18.1	30.2	30.1
<b>EPS (adj.)</b>	0.02	0.11	0.19	0.19

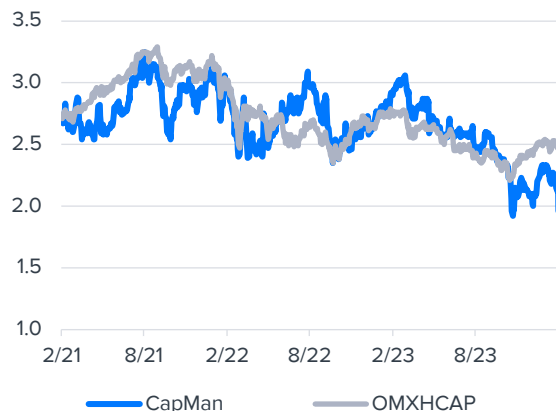
<b>P/E (adj.)</b>	>100	17.1	10.3	10.4
<b>P/B</b>	3.2	2.7	2.5	2.6
<b>Dividend yield-%</b>	4.4 %	6.2 %	11.6 %	11.7 %
<b>EV/EBIT (adj.)</b>	63.2	13.0	8.6	8.5
<b>EV/EBITDA</b>	68.7	12.4	8.4	8.3
<b>EV/S</b>	7.2	5.8	5.0	4.9

Source: Inderes

## Guidance

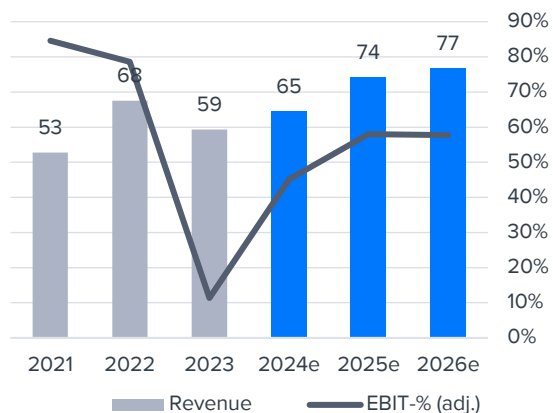
(No guidance)

## Share price



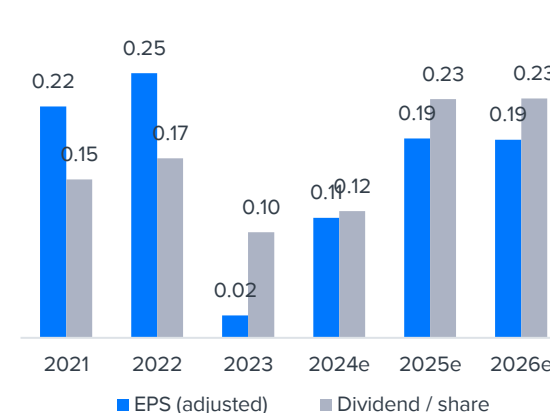
Source: Millistream Market Data AB

## Revenue and EBIT-%



Source: Inderes

## EPS and dividend



Source: Inderes



## Value drivers

- New products
- Growth in open-end products
- Increase in carried interest income
- Ramping up CWS
- Growth in Service business
- Improving cost efficiency



## Risk factors

- Sustainability of cost level
- Funds' ability to generate good returns for investors
- Investment portfolio's share of result still significant
- Market situation

Valuation	2024e	2025e	2026e
Share price	1.95	1.95	1.95
Number of shares, millions	159.0	159.7	160.4
Market cap	310	310	310
EV	378	371	378
P/E (adj.)	17.1	10.3	10.4
P/E	17.1	10.3	10.4
P/B	2.7	2.5	2.6
P/S	4.8	4.2	4.0
EV/Sales	5.8	5.0	4.9
EV/EBITDA	12.4	8.4	8.3
EV/EBIT (adj.)	13.0	8.6	8.5
Payout ratio (%)	105%	120%	121%
Dividend yield-%	6.2 %	11.6 %	11.7 %

Source: Inderes

# Summary of estimates

MEUR	2021	2022	2023	2024e	2025e	2026e	2027e
<b>Revenue</b>	<b>52.8</b>	<b>68.1</b>	<b>59.2</b>	<b>64.6</b>	<b>74.1</b>	<b>76.8</b>	<b>82.7</b>
Fund management fees	36.6	38.8	39.0	40.6	43.3	46.2	49.4
Carried interest income	2.9	9.6	3.1	5.5	10.8	9.0	9.0
Fees from wealth advisory services	4.2	8.0	6.0	6.5	6.8	7.2	7.5
Service business	8.6	11.1	10.6	11.5	12.7	13.9	15.3
Other and eliminations	0.5	0.6	0.5	0.5	0.5	0.5	0.5
Personnel costs	-30.6	-34.6	-33.9	-34.5	-36.0	-37.7	-39.4
Other costs	-10.0	-12.2	-12.5	-13.1	-13.7	-14.3	-14.9
Depreciation	-1.5	-4.2	-1.4	-1.3	-1.2	-1.4	-1.5
Changes in fair value	33.9	36.5	-0.1	13.4	19.8	20.9	21.0
<b>EBIT</b>	<b>44.6</b>	<b>53.1</b>	<b>4.7</b>	<b>29.2</b>	<b>43.0</b>	<b>44.3</b>	<b>46.9</b>
Management Company business	13.2	22.3	12.2	16.0	22.5	22.0	23.6
Services	4.2	3.0	6.0	6.6	7.6	8.6	9.7
Investments	32.7	35.7	-6.6	12.9	19.3	20.4	20.5
Group expenses	-5.4	-7.9	-6.9	-6.3	-6.4	-6.7	-6.9
<b>EBIT adjusted for investments and profit distribution</b>	<b>9.1</b>	<b>7.8</b>	<b>8.2</b>	<b>10.8</b>	<b>12.9</b>	<b>14.9</b>	<b>17.4</b>
<b>AUM (MEUR)</b>	<b>4909</b>	<b>5039</b>	<b>5005</b>	<b>5361</b>	<b>5811</b>	<b>6261</b>	<b>6761</b>
<i>Growth %</i>	28%	3%	-1%	7%	8%	8%	8%
Private Equity	991	933	1022	1000	950	900	900
Real Estate	3060	3187	2933	3223	3523	3823	4123
Infra	355	442	562	600	700	800	900
Others	503	478	488	538	638	738	838
<i>EBIT-%</i>	84.6 %	78.0 %	7.9 %	45.1 %	58.0 %	57.7 %	56.7 %
<i>EBIT % excl. investments and profit distribution</i>	18.2 %	13.3 %	14.6 %	18.2 %	20.4 %	22.0 %	23.6 %
<i>EPS</i>	0.25	0.02	0.11	0.19	0.19	0.19	0.17
<i>Dividend/share</i>	0.17	0.10	0.12	0.23	0.23	0.16	0.13
<i>Payout ratio-%</i>	68%	468%	105%	120%	121%	80%	80%
<i>ROE-%</i>	28.8 %	29.8 %	1.1 %	15.8 %	24.9 %	24.4 %	26.5 %
<i>Equity per share</i>	0.89	0.71	0.73	0.79	0.75	0.72	0.73
<i>Income from balance sheet investments %</i>	26.0%	21.7 %	-3.8 %	7.4 %	10.4 %	10.4 %	10.5 %

# Estimates

Estimates MEUR / EUR	Q4'22	Q4'23	Q4'23e	Q4'23e	Consensus		Difference (%)		2023
	Comparator	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Inderes	
Revenue	19.7	14.1	16.2				-13%		59.4
EBIT	7.5	-4.8	4.8						4.7
PTP	6.1	-4.5	3.8						4.0
EPS (adj.)	0.03	-0.04	0.02						0.02
DPS	0.17	0.10	0.09				11%		0.09
Revenue growth-%	34.1 %	-28.7 %	-17.9 %				-10.8 pp		-12.1 %
EBIT-% (adj.)	37.8 %	-19.6 %	29.6 %				-49.3 pp		11.4 %

Source: Inderes

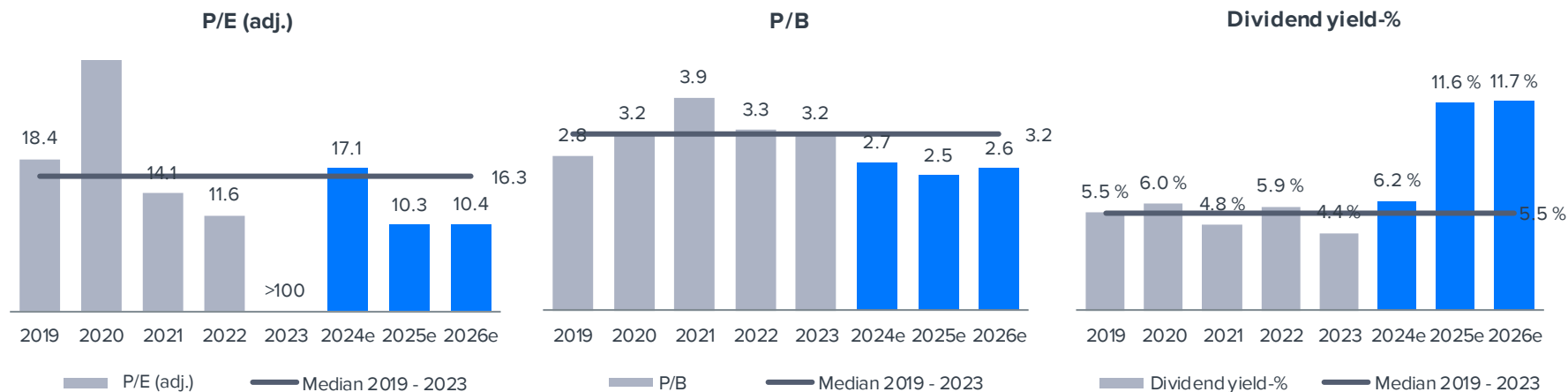
Estimate revisions MEUR / EUR	2023	2023e	Change	2024e	2024e	Change	2025e	2025e	Change
	Old	New	%	Old	New	%	Old	New	%
Revenue	63.6	59.4	-7%	70.4	64.6	-8%	75.8	74.1	-2%
EBIT (exc. NRIs)	16.1	6.7	-58%	35.2	29.2	-17%	43.9	43.0	-2%
EBIT	16.1	4.7	-71%	35.2	29.2	-17%	43.9	43.0	-2%
PTP	14.1	4.0	-72%	29.7	23.7	-20%	39.2	38.5	-2%
EPS (excl. NRIs)	0.07	0.02	-69%	0.15	0.11	-22%	0.19	0.19	-3%
DPS	0.09	0.10	12%	0.12	0.12	3%	0.28	0.23	-20%

Source: Inderes

# Valuation table

Valuation	2019	2020	2021	2022	2023	2024e	2025e	2026e	2027e
Share price	2.36	2.32	3.10	2.90	2.29	1.95	1.95	1.95	1.95
Number of shares, millions	152.2	155.8	156.6	158.1	158.6	159.0	159.7	160.4	161.1
Market cap	359	361	486	458	363	310	310	310	310
EV	385	395	513	506	426	378	371	378	384
P/E (oik.)	18.4	70.3	14.1	11.6	>100	17.1	10.3	10.4	10.0
P/E	25.7	70.3	14.1	11.6	>100	17.1	10.3	10.4	10.0
P/B	2.8	3.2	3.9	3.3	3.2	2.7	2.5	2.6	2.7
P/S	7.3	8.4	9.2	6.8	6.1	4.8	4.2	4.0	3.8
EV/Sales	7.9	9.2	9.7	7.5	7.2	5.8	5.0	4.9	4.7
EV/EBITDA	15.4	28.7	11.1	8.8	68.7	12.4	8.4	8.3	7.9
EV/EBIT (adj.)	15.4	32.0	11.5	9.5	63.2	13.0	8.6	8.5	8.2
Payout ratio (%)	141.7 %	424.1 %	68.5 %	67.8 %	1179.0 %	105.4 %	119.7 %	120.9 %	80.0 %
Dividend yield-%	5.5 %	6.0 %	4.8 %	5.9 %	4.4 %	6.2 %	11.6 %	11.7 %	8.1 %

Source: Inderes



# Peer group valuation

Peer group valuation	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
Company	MEUR	MEUR	2024e	2025e	2024e	2025e	2024e	2025e	2024e	2025e	2024e	2025e	2024e
Alexandria	71	56	6.6	5.7	5.2	4.6	1.3	1.2	11.6	9.8	7.8	8.3	2.3
Aktia	675	840							7.1	7.3	9.1	8.9	0.9
eQ	581	549	13.7	11.7	13.3	11.4	7.8	6.8	18.2	15.7	5.7	6.6	7.5
Eveli	500	452	9.7	8.4	8.5	7.7	3.9	3.6	15.0	12.8	7.6	9.0	3.7
Taaleri	277	223	7.5	6.8	7.3	6.7	3.6	3.4	13.1	11.5	4.6	5.2	1.3
Titanium	176	156	9.1	8.7	8.8	8.4	5.1	4.8	12.9	12.3	7.8	8.1	6.9
United Bankers	150	136	7.9	6.8	7.0	6.0	2.5	2.2	11.8	10.5	7.9	8.6	2.8
<b>CapMan (Inderes)</b>	<b>310</b>	<b>378</b>	<b>13.0</b>	<b>8.6</b>	<b>12.4</b>	<b>8.4</b>	<b>5.8</b>	<b>5.0</b>	<b>17.1</b>	<b>10.3</b>	<b>6.2</b>	<b>11.6</b>	<b>2.7</b>
<b>Average</b>			<b>9.1</b>	<b>8.0</b>	<b>8.3</b>	<b>7.4</b>	<b>4.0</b>	<b>3.6</b>	<b>12.8</b>	<b>11.4</b>	<b>7.2</b>	<b>7.8</b>	<b>3.6</b>
<b>Median</b>			<b>8.5</b>	<b>7.6</b>	<b>7.9</b>	<b>7.2</b>	<b>3.7</b>	<b>3.5</b>	<b>12.9</b>	<b>11.5</b>	<b>7.8</b>	<b>8.3</b>	<b>2.8</b>
<b>Diff-% to median</b>			<b>53%</b>	<b>14%</b>	<b>56%</b>	<b>17%</b>	<b>56%</b>	<b>44%</b>	<b>33%</b>	<b>-10%</b>	<b>-21%</b>	<b>41%</b>	<b>-2%</b>

Source: Refinitiv / Inderes

# Income statement

Income statement	2022	Q1'23	Q2'23	Q3'23	Q4'23	2023	Q1'24e	Q2'24e	Q3'24e	Q4'24e	2024e	2025e	2026e	2027e
<b>Revenue</b>	<b>67.5</b>	<b>15.1</b>	<b>16.5</b>	<b>13.7</b>	<b>14.1</b>	<b>59.4</b>	<b>14.6</b>	<b>17.0</b>	<b>13.9</b>	<b>19.1</b>	<b>64.6</b>	<b>74.1</b>	<b>76.8</b>	<b>81.7</b>
Management company business	55.9	12.5	13.7	11.1	11.0	48.2	11.8	14.1	11.2	15.5	52.6	60.9	62.4	65.9
Service business	11.1	2.6	2.7	2.5	2.8	10.6	2.8	2.9	2.7	3.1	11.5	12.7	13.9	15.3
Investment business	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.6	0.0	0.1	0.1	0.3	0.5	0.0	0.0	0.0	0.5	0.5	0.5	0.5	0.5
<b>EBITDA</b>	<b>57.3</b>	<b>0.9</b>	<b>4.6</b>	<b>5.2</b>	<b>-4.4</b>	<b>6.2</b>	<b>5.7</b>	<b>8.3</b>	<b>7.2</b>	<b>9.3</b>	<b>30.5</b>	<b>44.1</b>	<b>45.7</b>	<b>48.4</b>
Depreciation	-4.2	-0.4	-0.4	-0.4	-0.4	-1.5	-0.3	-0.3	-0.3	-0.3	-1.4	-1.2	-1.4	-1.5
<b>EBIT (excl. NRI)</b>	<b>53.1</b>	<b>0.5</b>	<b>4.2</b>	<b>4.8</b>	<b>-2.8</b>	<b>6.7</b>	<b>5.3</b>	<b>8.0</b>	<b>6.9</b>	<b>9.0</b>	<b>29.2</b>	<b>43.0</b>	<b>44.3</b>	<b>46.9</b>
<b>EBIT</b>	<b>53.1</b>	<b>0.5</b>	<b>4.2</b>	<b>4.8</b>	<b>-4.8</b>	<b>4.7</b>	<b>5.3</b>	<b>8.0</b>	<b>6.87</b>	<b>9.0</b>	<b>29.2</b>	<b>43.0</b>	<b>44.3</b>	<b>46.9</b>
Management company business	22.3	3.2	5.0	3.6	0.5	12.2	2.3	5.1	3.2	5.4	16.0	22.5	22.0	23.6
Service business	3.0	1.5	1.5	1.4	1.6	6.0	1.6	1.6	1.6	1.8	6.6	7.6	8.6	9.7
Investment business	35.7	-2.5	-0.4	0.9	-4.5	-6.6	3.1	3.1	3.3	3.4	12.9	19.3	20.4	20.5
Other	-7.9	-1.6	-1.9	-1.1	-2.4	-6.9	-1.6	-1.8	-1.3	-1.6	-6.3	-6.4	-6.7	-6.9
Net financial items	-5.5	-0.5	-0.3	-0.1	0.3	-0.7	-1.4	-1.4	-1.4	-1.4	-5.5	-4.5	-4.7	-5.1
<b>PTP</b>	<b>47.6</b>	<b>0.0</b>	<b>3.8</b>	<b>4.7</b>	<b>-4.5</b>	<b>4.0</b>	<b>3.9</b>	<b>6.6</b>	<b>5.50</b>	<b>7.6</b>	<b>23.7</b>	<b>38.5</b>	<b>39.6</b>	<b>41.8</b>
Taxes	-6.6	0.7	0.2	-1.1	-0.4	-0.6	-0.4	-1.0	-0.7	-1.1	-3.3	-5.8	-6.7	-7.5
Minority interest	-1.4	-0.5	-0.7	-0.2	-0.7	-2.0	-0.6	-0.6	-0.6	-0.6	-2.3	-2.6	-2.8	-3.0
<b>Net earnings</b>	<b>39.6</b>	<b>0.3</b>	<b>3.3</b>	<b>3.4</b>	<b>-5.7</b>	<b>1.3</b>	<b>2.9</b>	<b>5.1</b>	<b>4.2</b>	<b>5.9</b>	<b>18.1</b>	<b>30.2</b>	<b>30.1</b>	<b>31.3</b>
<b>EPS (adj.)</b>	<b>0.25</b>	<b>0.00</b>	<b>0.02</b>	<b>0.02</b>	<b>-0.02</b>	<b>0.02</b>	<b>0.02</b>	<b>0.03</b>	<b>0.03</b>	<b>0.04</b>	<b>0.11</b>	<b>0.19</b>	<b>0.19</b>	<b>0.19</b>
<b>EPS (rep.)</b>	<b>0.25</b>	<b>0.00</b>	<b>0.02</b>	<b>0.02</b>	<b>-0.04</b>	<b>0.01</b>	<b>0.02</b>	<b>0.03</b>	<b>0.03</b>	<b>0.04</b>	<b>0.11</b>	<b>0.19</b>	<b>0.19</b>	<b>0.19</b>

Key figures	2022	Q1'23	Q2'23	Q3'23	Q4'23	2023	Q1'24e	Q2'24e	Q3'24e	Q4'24e	2024e	2025e	2026e	2027e
<b>Revenue growth-%</b>	27.9 %	6.1 %	-6.7 %	-13.8 %	-28.7 %	-12.1 %	-3.0 %	3.2 %	1.4 %	35.4 %	8.9 %	14.6 %	3.7 %	6.4 %
<b>Adjusted EBIT growth-%</b>	19.0 %	-97.2 %	-70.4 %	-62.1 %		-87.3 %	905.6 %	91.3 %	43.1 %	-425.3 %	332.6 %	47.4 %	3.1 %	5.8 %
<b>EBITDA-%</b>	84.9 %	6.1 %	27.6 %	37.6 %	-31.4 %	10.4 %	38.7 %	48.9 %	51.9 %	48.9 %	47.2 %	59.6 %	59.5 %	59.3 %
<b>Adjusted EBIT-%</b>	78.6 %	3.5 %	25.3 %	35.0 %	-19.6 %	11.4 %	36.4 %	46.9 %	49.4 %	47.1 %	45.1 %	58.0 %	57.7 %	57.4 %
<b>Net earnings-%</b>	58.7 %	2.0 %	20.2 %	24.7 %	-40.3 %	2.3 %	20.0 %	29.7 %	30.3 %	31.1 %	28.0 %	40.7 %	39.2 %	38.3 %

Source: Inderes



# Balance sheet

Assets	2022	2023	2024e	2025e	2026e
<b>Non-current assets</b>	<b>183</b>	<b>173</b>	<b>174</b>	<b>174</b>	<b>175</b>
Goodwill	7.9	7.9	7.9	7.9	7.9
Intangible assets	0.1	0.0	0.1	0.5	0.6
Tangible assets	3.6	4.1	4.4	4.7	4.9
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	170	159	159	159	159
Other non-current assets	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	1.8	1.9	1.9	1.9	1.9
<b>Current assets</b>	<b>87.6</b>	<b>68.0</b>	<b>71.1</b>	<b>84.3</b>	<b>87.2</b>
Inventories	0.0	0.0	0.0	0.0	0.0
Other current assets	5.8	6.5	6.5	6.5	6.5
Receivables	26.3	20.5	22.6	29.6	30.7
Cash and equivalents	55.6	41.0	42.0	48.2	49.9
<b>Balance sheet total</b>	<b>270</b>	<b>241</b>	<b>245</b>	<b>259</b>	<b>262</b>

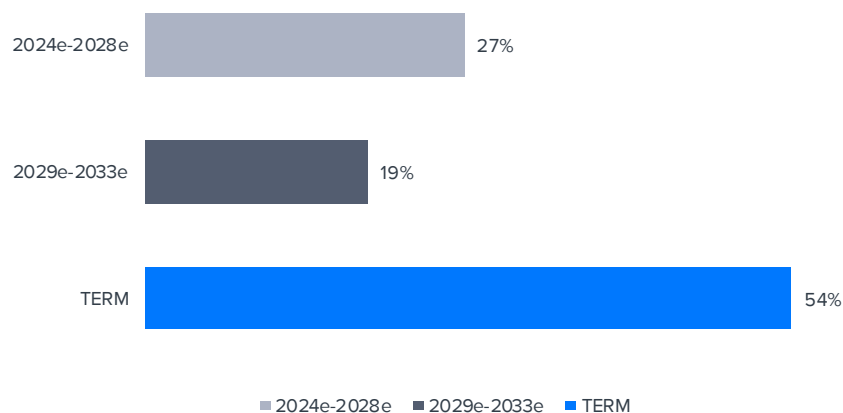
Source: Inderes

Liabilities & equity	2022	2023	2024e	2025e	2026e
<b>Equity</b>	<b>142</b>	<b>115</b>	<b>117</b>	<b>128</b>	<b>122</b>
Share capital	0.8	0.8	0.8	0.8	0.8
Retained earnings	65.5	52.9	55.2	66.3	60.2
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	38.4	38.4	38.4	38.4	38.4
Other equity	35.4	21.1	21.1	21.1	21.1
Minorities	2.1	1.9	1.9	1.9	1.9
<b>Non-current liabilities</b>	<b>108</b>	<b>98.9</b>	<b>106</b>	<b>106</b>	<b>114</b>
Deferred tax liabilities	8.4	6.0	6.0	6.0	6.0
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	91.9	92.5	99.2	99.1	107
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	7.3	0.5	0.5	0.5	0.5
<b>Current liabilities</b>	<b>20.8</b>	<b>27.5</b>	<b>21.8</b>	<b>24.7</b>	<b>25.6</b>
Interest bearing debt	1.1	1.4	0.5	0.5	0.6
Payables	18.4	24.2	19.4	22.2	23.0
Other current liabilities	1.2	1.9	1.9	1.9	1.9
<b>Balance sheet total</b>	<b>271</b>	<b>242</b>	<b>245</b>	<b>259</b>	<b>262</b>

# DCF calculation

DCF model	2023	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	TERM
Revenue growth-%	-12.1 %	8.9 %	14.6 %	3.7 %	6.4 %	4.0 %	3.0 %	3.0 %	3.0 %	3.0 %	2.5 %	2.5 %
EBIT-%	7.9 %	45.1 %	58.0 %	57.7 %	57.4 %	50.0 %	45.0 %	45.0 %	45.0 %	45.0 %	45.0 %	45.0 %
<b>EBIT (operating profit)</b>	<b>4.7</b>	<b>29.2</b>	<b>43.0</b>	<b>44.3</b>	<b>46.9</b>	<b>42.5</b>	<b>39.4</b>	<b>40.6</b>	<b>41.8</b>	<b>43.1</b>	<b>44.1</b>	
+ Depreciation	1.5	1.4	1.2	1.4	1.5	1.7	1.8	1.9	2.0	2.0	2.0	
- Paid taxes	-3.2	-3.3	-5.8	-6.7	-7.5	-7.1	-6.8	-7.1	-7.3	-7.6	-7.9	
- Tax, financial expenses	-0.1	-0.8	-0.7	-0.8	-0.9	-1.0	-1.1	-1.0	-1.0	-1.0	-0.9	
+ Tax, financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Change in working capital	11.5	-6.9	-4.2	-0.3	-0.5	-0.3	-0.3	-0.3	-0.3	-0.3	-0.2	
<b>Operating cash flow</b>	<b>14.4</b>	<b>19.6</b>	<b>33.5</b>	<b>37.9</b>	<b>39.5</b>	<b>35.8</b>	<b>33.0</b>	<b>34.1</b>	<b>35.1</b>	<b>36.2</b>	<b>37.1</b>	
+ Change in other long-term liabilities	-6.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	8.1	-1.7	-1.8	-1.8	-1.9	-1.9	-2.1	-2.1	-2.1	-2.1	-2.2	
<b>Free operating cash flow</b>	<b>15.6</b>	<b>17.9</b>	<b>31.7</b>	<b>36.1</b>	<b>37.6</b>	<b>33.9</b>	<b>30.9</b>	<b>32.0</b>	<b>33.0</b>	<b>34.1</b>	<b>34.9</b>	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	15.6	17.9	31.7	36.1	37.6	33.9	30.9	32.0	33.0	34.1	34.9	567
<b>Discounted FCFF</b>		<b>16.6</b>	<b>27.0</b>	<b>28.3</b>	<b>27.1</b>	<b>22.4</b>	<b>18.8</b>	<b>17.9</b>	<b>16.9</b>	<b>16.1</b>	<b>15.1</b>	<b>246</b>
Sum of FCFF present value		452	435	408	380	353	330	312	294	277	261	246
<b>Enterprise value DCF</b>		<b>452</b>										
- Interest bearing debt		-93.9										
+ Cash and cash equivalents		41.0										
-Minorities		-10.0										
-Dividend/capital return		0.0										
<b>Equity value DCF</b>		<b>389</b>										
<b>Equity value DCF per share</b>		<b>2.4</b>										

Cash flow distribution

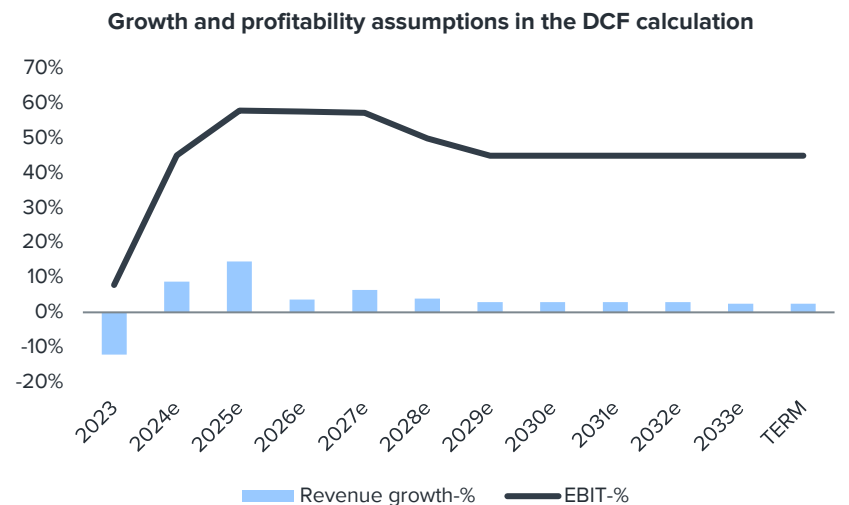
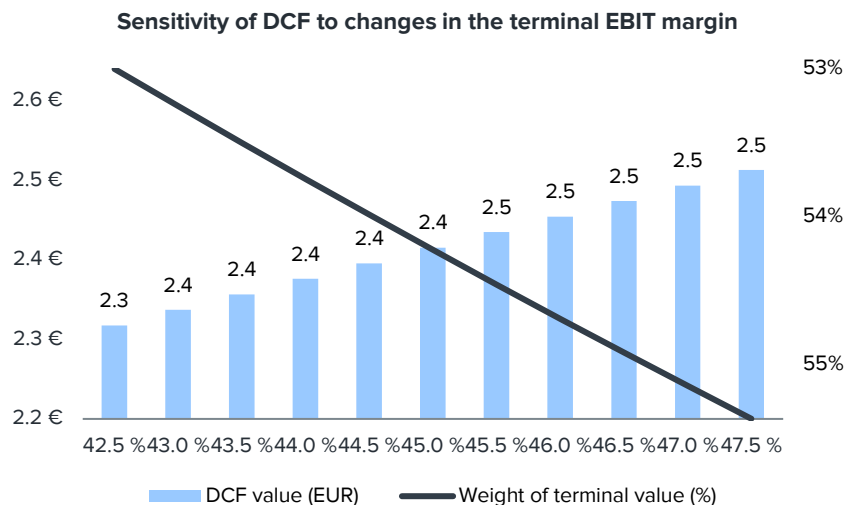
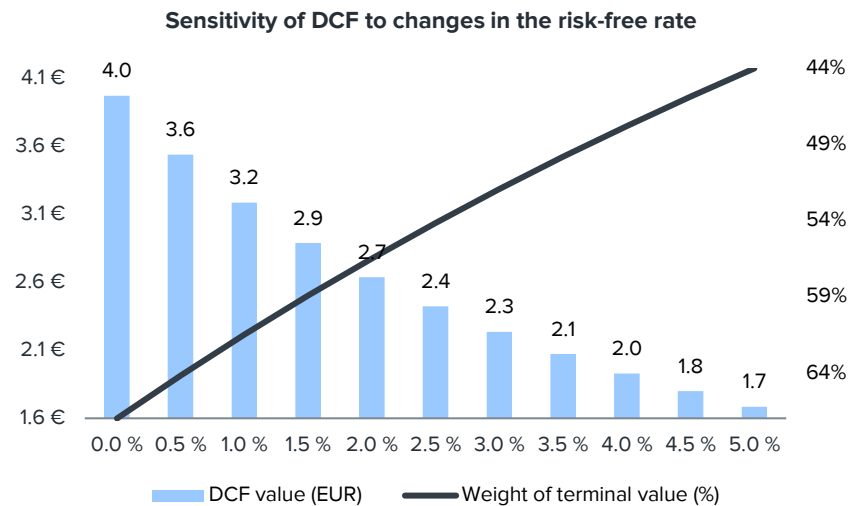
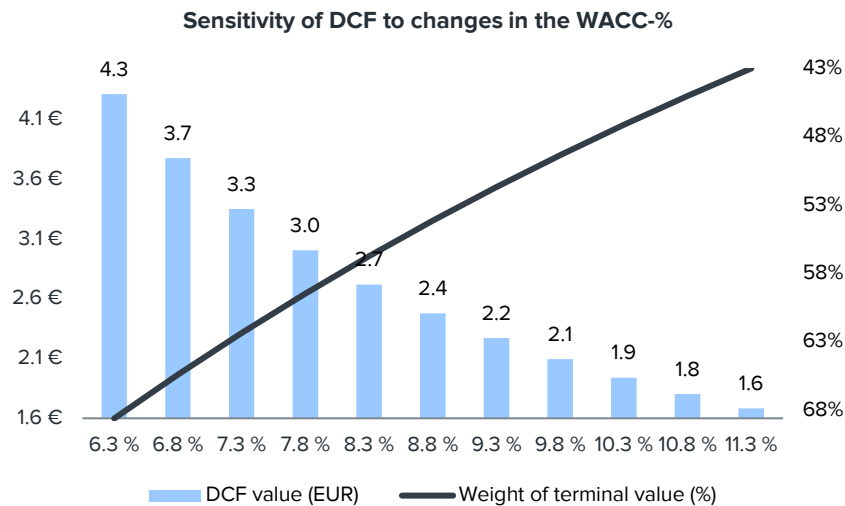


## WACC

Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	10.0 %
Cost of debt	4.0 %
Equity Beta	1.25
Market risk premium	4.75%
Liquidity premium	1.00%
Risk free interest rate	2.5 %
<b>Cost of equity</b>	<b>9.4 %</b>
<b>Weighted average cost of capital (WACC)</b>	<b>8.8 %</b>

Source: Inderes

# DCF sensitivity calculations and key assumptions in graphs



Source: Inderes. Note that the weight of the terminal value (%) is shown on an inverse scale for clarity.

# Summary

Income statement	2021	2022	2023	2024e	2025e	Per share data	2021	2022	2023	2024e	2025e
Revenue	52.8	67.5	59.4	64.6	74.1	EPS (reported)	0.22	0.25	0.01	0.11	0.19
EBITDA	46.1	57.3	6.2	30.5	44.1	EPS (adj.)	0.22	0.25	0.02	0.11	0.19
EBIT	44.6	53.1	4.7	29.2	43.0	OCF / share	0.29	0.31	0.09	0.12	0.21
PTP	40.6	47.6	4.0	23.7	38.5	FCF / share	0.37	0.07	0.10	0.11	0.20
Net Income	34.3	39.6	1.3	18.1	30.2	Book value / share	0.80	0.89	0.71	0.73	0.79
Extraordinary items	0.0	0.0	-2.0	0.0	0.0	Dividend / share	0.15	0.17	0.10	0.12	0.23
Balance sheet	2021	2022	2023	2024e	2025e	Growth and profitability	2021	2022	2023	2024e	2025e
Balance sheet total	240.3	270.5	241.4	244.8	258.7	Revenue growth-%	23%	28%	-12%	9%	15%
Equity capital	127.4	142.1	115.1	117.4	128.5	EBITDA growth-%	236%	24%	-89%	393%	45%
Goodwill	15.3	7.9	7.9	7.9	7.9	EBIT (adj.) growth-%	262%	19%	-87%	333%	47%
Net debt	17.8	37.4	52.8	57.7	51.4	EPS (adj.) growth-%	564%	14%	-91%	433%	66%
Cash flow	2021	2022	2023	2024e	2025e	EBITDA-%	87.4 %	84.9 %	10.4 %	47.2 %	59.6 %
EBITDA	46.1	57.3	6.2	30.5	44.1	EBIT (adj.)-%	84.6 %	78.6 %	11.4 %	45.1 %	58.0 %
Change in working capital	0.2	-1.9	11.5	-6.9	-4.2	EBIT-%	84.6 %	78.6 %	7.9 %	45.1 %	58.0 %
Operating cash flow	46.0	49.1	14.4	19.6	33.5	ROE-%	28.8 %	29.8 %	1.1 %	15.8 %	24.9 %
CAPEX	-14.2	-37.3	8.1	-1.7	-1.8	ROI-%	21.9 %	23.8 %	2.1 %	13.7 %	19.3 %
Free cash flow	57.2	11.5	15.6	17.9	31.7	Equity ratio	53.0 %	52.6 %	47.7 %	47.9 %	49.7 %
						Gearing	14.0 %	26.3 %	45.9 %	49.1 %	40.0 %
Valuation multiples	2021	2022	2023	2024e	2025e						
EV/S	9.7	7.5	7.2	5.8	5.0						
EV/EBITDA (adj.)	11.1	8.8	68.7	12.4	8.4						
EV/EBIT (adj.)	11.5	9.5	63.2	13.0	8.6						
P/E (adj.)	14.1	11.6	>100	17.1	10.3						
P/B	3.9	3.3	3.2	2.7	2.5						
Dividend-%	4.8 %	5.9 %	4.4 %	6.2 %	11.6 %						

Source: Inderes

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Sell	The 12-month risk-adjusted expected shareholder return of the share is very weak

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Date	Recommendation	Target	Share price
8/9/2019	Buy	2.00 €	1.75 €
9/26/2019	Accumulate	2.00 €	1.87 €
11/1/2019	Reduce	2.10 €	2.06 €
1/31/2020	Buy	2.75 €	2.48 €
3/20/2020	Buy	2.00 €	1.52 €
4/7/2020	Accumulate	1.90 €	1.70 €
4/24/2020	Accumulate	1.90 €	1.76 €
8/7/2020	Accumulate	2.10 €	1.96 €
10/30/2020	Accumulate	2.10 €	1.93 €
2/5/2021	Accumulate	2.80 €	2.63 €
2/22/2021	Accumulate	2.80 €	2.68 €
4/30/2021	Accumulate	3.00 €	2.78 €
8/6/2021	Accumulate	3.30 €	3.04 €
10/28/2021	Accumulate	3.30 €	2.98 €
1/5/2022	Accumulate	3.30 €	3.10 €
2/4/2022	Accumulate	3.30 €	3.00 €
3/21/2022	Accumulate	3.10 €	2.81 €
4/29/2022	Buy	3.10 €	2.62 €
8/5/2022	Accumulate	3.30 €	3.09 €
10/28/2022	Accumulate	3.00 €	2.60 €
11/14/2022	Accumulate	3.00 €	2.58 €
2/3/2022	Accumulate	3.10 €	2.89 €
5/2/2023	Accumulate	2.90 €	2.59 €
8/4/2023	Accumulate	2.70 €	2.57 €
10/27/2023	Lisää	2.40 €	2.06 €
2/8/2024	Accumulate	2.20 €	1.95 €



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