

# CapMan

## Company report

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# First batch of harvest reaped

We revise our target price for CapMan to EUR 3.0 (previously EUR 2.8) and reiterate our Accumulate recommendation. The Q1 report offered a good start considering the strong earnings improvement expectations for the rest of the year and the company's story progressing nicely. Relative to the estimated earnings improvement, the share is still not especially expensive and this together with a strong dividend yield keeps the share's return/risk ratio sufficient. We do, however, point out that the current share price level is difficult to justify without the earnings improvement materializing and there is no room for errors regarding the earnings improvement.

## Flying start to the year

Q1 turnover was EUR 11.3 million and fully in line with our estimate (EUR 11.4 million). The Management Company business continued growing in line with expectations (+17%). Turnover from Service business decreased clearly from the comparison period due to the termination of Scala but organic growth was stronger than we expected both in terms of CaPS and JAY Solutions. Operating profit at EUR 10.1 million exceeded our EUR 7.6 million estimate clearly. The overshoot came purely from investments where value changes amounted to EUR 8 million, while we expected EUR 4.8 million in investment income. The operating result was EUR 0.6 million weaker than we expected due to higher cost levels than we anticipated. We believe the cost level is based on CWS' growth investments and increased bonus accumulation from the strong result. Thus, the importance of the earnings overshoot is relatively small in the end. As a whole, the report offered a lot of tangible basis for the market's high earnings growth expectations and we feel the uncertainty surrounding the earnings improvement continued to fade.

## Track open for significant earnings improvement

Management comments were very positive, and the company expects that capital under management will continue growing strongly this year driven by several new fundraising projects. In addition, in terms of carried interest income we felt the company's message was clear, this year the company will for the first time in years generate considerable carried interest income. We only made limited revisions to our estimates and in terms of our estimates the name of the game is exceptionally clear. We expect a clear level improvement in CapMan's result this year (2021e EBIT: EUR 40 million). The drivers for the earnings improvement are profitable growth in the Management Company business, considerable carried interest, recovering investment income, and successful cost control. In our view, an operating profit level of around EUR 40 million should be the so-called "new normal" for CapMan over the next few years. Thanks to successful implementation of the strategy, the building blocks are ready and there is no room for explanations. We have explained our estimates in more detail in our recent [extensive report](#).

## No rush to jump off the train as the story continues on track

Thanks to a strong share price rise, CapMan's share is no longer cheap, and the current share price level relies on the assumption that the company's result will rise to a new level starting from 2021. With 2021 multiples the share is priced neutrally (P/E 15x), but if the earnings improvement materializes and the company continues growing profitably the share's long-term return expectation is still good. The return expectation is supported by strong dividend yield (2021e +5%) and as the company's story progresses on track, the risk level related to the share has also decreased which supports the return/risk ratio. The valuation is also explained in more detail in our [extensive report](#).

## Recommendation

**Accumulate**

(previous Accumulate)

**EUR 3.00**

(previous EUR 2.80)

**Share price:**

2.78



## Key indicators

	2020	2021e	2022e	2023e
Turnover	43.0	57.8	68.8	68.3
growth %	-12%	34%	19%	-1%
EBIT adjusted	12.3	39.7	44.3	42.3
EBIT % adjusted	28.7%	68.7%	64.3%	61.9%
Net profit	5.1	30.0	33.2	31.2
EPS (adjusted)	0.03	0.19	0.21	0.20

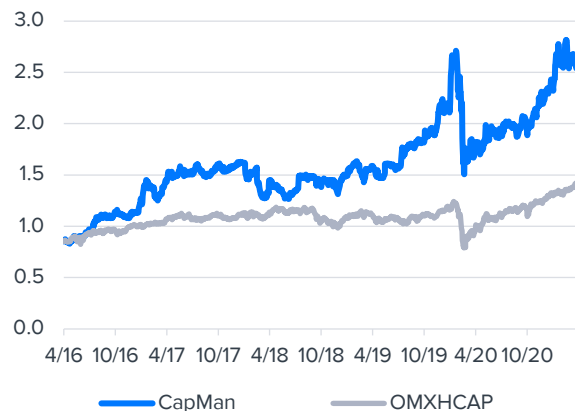
P/E (adjusted)	70.3	14.7	13.3	14.2
P/B	3.2	3.6	3.4	3.2
Dividend yield %	6.0%	5.4%	5.8%	6.1%
EV/EBIT (adjusted)	32.0	12.2	11.0	11.5
EV/EBITDA	28.7	11.8	10.7	11.2
EV/Net sales	9.2	8.4	7.1	7.1

Source: Inderes

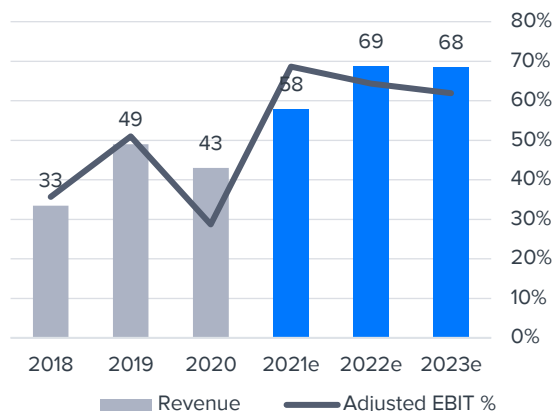
## Guidance

No guidance

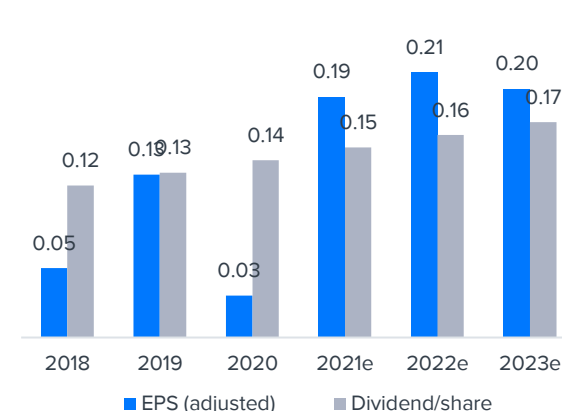
## Share price



## Revenue and EBIT %



## EPS and dividend



MCAP

**440**

EUR million

Dividend %

**5.4%**

2021e

P/B

**3.6**

2021e

P/E (adjusted)

**14.7**

2021e



### Value drivers

- New products
- Increase in carried interest income
- Growth in Service business
- Improving cost efficiency



### Risk factors

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



### Valuation

- Dividend provides good base return for share
- Current share price level requires a clear level adjustment in the result during 2021
- Tightened share price level leaves no room for errors in the short term
- In the long term, the return expectation is still attractive as the growth story progresses on track

# Estimates

Estimates	Q1'20	Q1'21	Q1'21e	Q1'21e	Consensus		Difference (%)	2021
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. Inderes	Inderes
Revenue	12.0	11.3	11.4				-1%	57.8
EBIT (adj.)	-6.0	10.1	7.6				33%	39.7
PTP	-6.5	9.3	6.9				35%	36.4
EPS (adj.)	-0.05	0.05	0.03				58%	0.19
Revenue growth-%	28.7 %	-5.3 %	-4.6 %				-0.7 pp	34.3 %
EBIT-% (adj.)	-50.1 %	89.6 %	66.7 %				22.9 pp	68.7 %

Source: Inderes

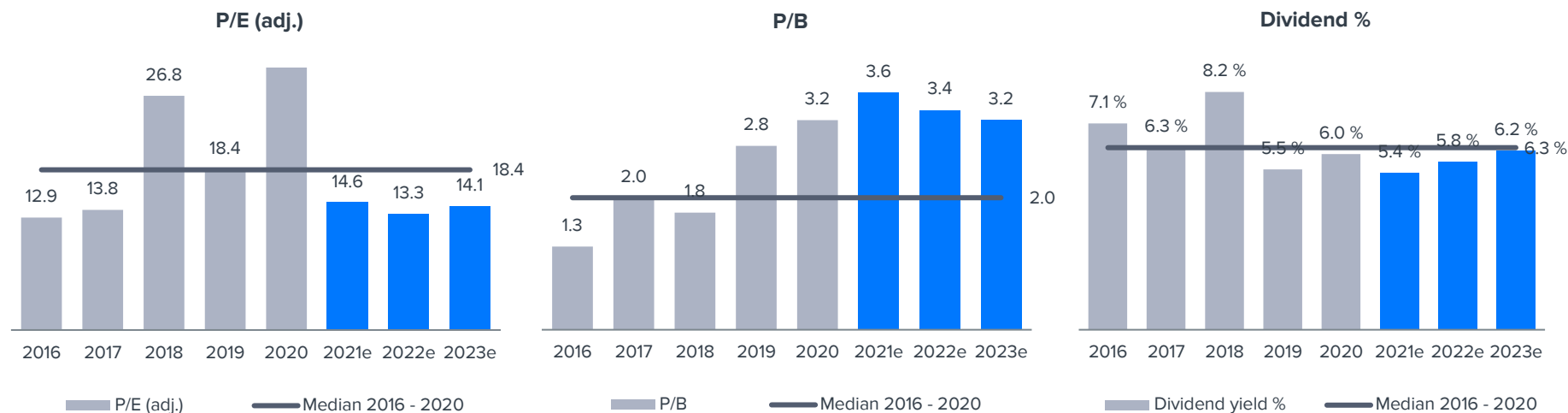
Estimate revisions	2021	2021e	Change	2022e	2022e	Change	2023e	2023e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	60.1	57.8	-4%	64.3	68.8	7%	68.9	68.3	-1%
EBIT (exc. NRIs)	37.8	39.7	5%	42.0	44.3	5%	44.3	42.3	-4%
EBIT	37.8	39.7	5%	42.0	44.3	5%	44.3	42.3	-4%
PTP	35.0	36.4	4%	39.2	41.5	6%	41.5	39.5	-5%
EPS (excl. NRIs)	0.18	0.19	7%	0.20	0.21	7%	0.20	0.20	-4%
DPS	0.15	0.15	0%	0.16	0.16	0%	0.17	0.17	0%

Source: Inderes

# Valuation table

Valuation	2016	2017	2018	2019	2020	2021e	2022e	2023e	2024e
Market cap	182	256	216	359	361	439	439	439	439
EV	203	281	222	385	395	482	484	485	480
P/E (adj.)	12.9	13.8	26.8	18.4	70.3	14.6	13.3	14.1	13.5
P/E	12.9	16.9	26.8	25.7	70.3	14.6	13.3	14.1	13.5
P/FCF	4.8	11.1	5.9	neg.	neg.	9.6	16.9	15.8	12.1
P/B	1.3	2.0	1.8	2.8	3.2	3.6	3.4	3.2	3.1
P/S	6.8	7.4	6.5	7.3	8.4	7.6	6.4	6.4	6.0
EV/Sales	7.6	8.1	6.6	7.9	9.2	8.4	7.0	7.1	6.6
EV/EBITDA	10.7	12.3	16.6	15.4	28.7	11.7	10.6	11.1	10.4
EV/EBIT (adj.)	10.9	12.2	18.6	15.4	32.0	12.2	10.9	11.5	10.7
Payout ratio (%)	91.5 %	105.9 %	219.0 %	141.7 %	424.1 %	78.9 %	76.4 %	86.5 %	90.0 %
Dividend yield %	7.1 %	6.3 %	8.2 %	5.5 %	6.0 %	5.4 %	5.8 %	6.2 %	6.7 %

Source: Inderes



# Peer group valuation

Peer group valuation	Share price	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
Company		MEUR	MEUR	2021e	2022e	2021e	2022e	2021e	2022e	2021e	2022e	2021e	2022e	2021e
Evli	18.95	459	459	10.5	10.2	9.3	8.9	4.6	4.6	14.7	14.1	6.4	6.8	5.9
Taaleri	10.00	280	344	4.7	18.6			6.9	7.0	2.3	20.6	8.6	15.2	1.1
United Bankers	13.15	137	140	14.0	11.6	12.7	10.7	3.9	3.6	19.1	15.7	4.2	4.8	3.4
eQ	20.60	798	799	18.5	18.4	18.1	17.9	10.8	10.8	23.0	23.4	4.4	4.3	10.8
EAB Group	3.49	47	55	21.8	13.6	9.9	8.4	2.5	2.3	23.2	16.0	2.7	3.3	2.3
Titanium	14.55	148	130	11.8	10.0	9.3	8.7	5.7	5.0	13.7	12.7	6.3	6.6	6.4
Aktia	10.64	727								12.3	10.7	5.4	6.2	1.0
AGF Management	7.56	356	364	9.6	7.4	4.9	4.7	1.2	1.2	13.8	9.2	4.2	4.2	0.5
Wisdom Tree Investments	6.72	830	988	17.3	15.9	18.1	15.7	4.1	3.8	22.5	19.4	1.8	1.8	2.7
River and Mercantile Group	208.00	204	179	18.7	12.2	11.0	8.6	2.2	1.9	18.8	14.2	4.2	5.7	3.2
IDI SCA	44.50	320	418	13.9	13.5			69.7	59.8	15.2	13.4	4.5	4.5	0.6
Liontrust Asset Management	1574.00	1100	994	16.1	11.7	15.0	10.5	5.9	4.3	22.3	15.8	2.5	3.3	6.1
Deutsche Beteiligungs	34.70	656	629	8.2	9.6			5.6	6.0	7.7	8.2	2.9	3.4	1.1
<b>CapMan (Inderes)</b>	<b>2.78</b>	<b>439</b>	<b>482</b>	<b>12.2</b>	<b>10.9</b>	<b>11.7</b>	<b>10.6</b>	<b>8.4</b>	<b>7.0</b>	<b>14.6</b>	<b>13.3</b>	<b>5.4</b>	<b>5.8</b>	<b>3.6</b>
<b>Average</b>				<b>13.8</b>	<b>12.7</b>	<b>12.0</b>	<b>10.5</b>	<b>10.3</b>	<b>9.2</b>	<b>16.1</b>	<b>14.9</b>	<b>4.5</b>	<b>5.4</b>	<b>3.5</b>
<b>Median</b>				<b>14.0</b>	<b>11.9</b>	<b>11.0</b>	<b>8.9</b>	<b>5.1</b>	<b>4.4</b>	<b>15.2</b>	<b>14.2</b>	<b>4.2</b>	<b>4.5</b>	<b>2.7</b>
<b>Diff-% to median</b>				<b>-13%</b>	<b>-8%</b>	<b>7%</b>	<b>20%</b>	<b>64%</b>	<b>59%</b>	<b>-4%</b>	<b>-7%</b>	<b>27%</b>	<b>28%</b>	<b>37%</b>

Source: Thomson Reuters / Inderes

NB: The market cap Inderes uses does not consider own shares held by the company

# Income statement

Income statement	2019	Q1'20	Q2'20	Q3'20	Q4'20	2020	Q1'21	Q2'21e	Q3'21e	Q4'21e	2021e	2022e	2023e	2024e
<b>Revenue</b>	<b>49.0</b>	<b>12.0</b>	<b>8.7</b>	<b>9.0</b>	<b>13.4</b>	<b>43.0</b>	<b>11.3</b>	<b>12.2</b>	<b>14.3</b>	<b>19.9</b>	<b>57.8</b>	<b>68.8</b>	<b>68.3</b>	<b>73.1</b>
Hallinnointiliiketoiminta	32.8	7.2	6.5	7.0	10.3	30.9	9.0	10.1	12.3	17.1	48.6	58.1	56.3	59.1
Palveluliiketoiminta	15.7	4.8	2.2	1.8	2.6	11.4	2.3	2.2	2.0	2.3	8.7	10.2	11.5	12.5
Sijoitustoiminta	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	1.0
Muut	0.5	0.0	0.0	0.2	0.5	0.7	0.0	0.0	0.0	0.5	0.5	0.5	0.5	0.5
<b>EBITDA</b>	<b>25.0</b>	<b>-5.6</b>	<b>4.5</b>	<b>4.8</b>	<b>10.1</b>	<b>13.7</b>	<b>10.5</b>	<b>7.1</b>	<b>9.7</b>	<b>13.8</b>	<b>41.1</b>	<b>45.5</b>	<b>43.6</b>	<b>46.2</b>
Depreciation	-5.6	-0.3	-0.4	-0.4	-0.4	-1.4	-0.4	-0.4	-0.4	-0.4	-1.4	-1.2	-1.3	-1.4
<b>EBIT (excl. NRI)</b>	<b>25.0</b>	<b>-6.0</b>	<b>4.1</b>	<b>4.5</b>	<b>9.7</b>	<b>12.3</b>	<b>10.1</b>	<b>6.7</b>	<b>9.4</b>	<b>13.4</b>	<b>39.7</b>	<b>44.3</b>	<b>42.3</b>	<b>44.8</b>
<b>EBIT</b>	<b>19.4</b>	<b>-6.0</b>	<b>4.1</b>	<b>4.5</b>	<b>9.7</b>	<b>12.3</b>	<b>10.1</b>	<b>6.7</b>	<b>9.38</b>	<b>13.4</b>	<b>39.7</b>	<b>44.3</b>	<b>42.3</b>	<b>44.8</b>
Hallinnointiliiketoiminta	6.0	1.9	1.6	2.1	3.6	9.1	2.5	3.8	6.2	9.6	22.0	30.3	27.6	29.5
Palveluliiketoiminta	9.1	3.0	0.5	0.6	1.0	5.0	1.2	1.0	1.1	1.2	4.5	5.6	6.6	7.2
Sijoitustoiminta	10.2	-8.4	2.8	2.6	7.0	4.0	7.9	3.1	3.3	4.1	18.3	14.0	14.0	14.0
Muut	-5.9	-2.4	-0.7	-0.9	-1.8	-5.7	-1.4	-1.2	-1.2	-1.4	-5.1	-5.7	-6.0	-5.9
Net financial items	-1.8	-0.6	-0.7	-0.7	-1.1	-3.1	-0.9	-0.8	-0.8	-0.8	-3.3	-2.8	-2.8	-2.7
<b>PTP</b>	<b>17.6</b>	<b>-6.5</b>	<b>3.4</b>	<b>3.7</b>	<b>8.6</b>	<b>9.2</b>	<b>9.3</b>	<b>5.9</b>	<b>8.58</b>	<b>12.6</b>	<b>36.4</b>	<b>41.5</b>	<b>39.5</b>	<b>42.1</b>
Taxes	-1.7	-0.9	-0.3	-0.4	-1.4	-2.9	-1.5	-0.8	-1.7	-1.0	-5.0	-6.8	-6.7	-7.6
Minority interest	-1.9	-0.9	0.2	-0.1	-0.4	-1.1	-0.3	-0.3	-0.4	-0.4	-1.4	-1.5	-1.6	-1.7
<b>Net earnings</b>	<b>14.0</b>	<b>-8.3</b>	<b>3.3</b>	<b>3.3</b>	<b>6.8</b>	<b>5.1</b>	<b>7.5</b>	<b>4.8</b>	<b>6.5</b>	<b>11.2</b>	<b>30.0</b>	<b>33.2</b>	<b>31.2</b>	<b>32.8</b>
<b>EPS (adj.)</b>	<b>0.13</b>	<b>-0.05</b>	<b>0.02</b>	<b>0.02</b>	<b>0.04</b>	<b>0.03</b>	<b>0.05</b>	<b>0.03</b>	<b>0.04</b>	<b>0.07</b>	<b>0.19</b>	<b>0.21</b>	<b>0.20</b>	<b>0.21</b>
<b>EPS (rep.)</b>	<b>0.09</b>	<b>-0.05</b>	<b>0.02</b>	<b>0.02</b>	<b>0.04</b>	<b>0.03</b>	<b>0.05</b>	<b>0.03</b>	<b>0.04</b>	<b>0.07</b>	<b>0.19</b>	<b>0.21</b>	<b>0.20</b>	<b>0.21</b>

Key figures	2019	Q1'20	Q2'20	Q3'20	Q4'20	2020	Q1'21	Q2'21e	Q3'21e	Q4'21e	2021e	2022e	2023e	2024e
<b>Revenue growth-%</b>	46.3 %	28.7 %	-34.9 %	-7.7 %	-19.5 %	-12.2 %	-5.3 %	40.6 %	59.4 %	48.9 %	34.3 %	19.2 %	-0.7 %	7.0 %
<b>Adjusted EBIT growth-%</b>	109.1 %	-206.9 %	-34.7 %	-18.4 %		-50.6 %	-269.4 %	62.4 %	110.7 %	37.8 %	221.4 %	11.7 %	-4.5 %	5.8 %
<b>EBITDA-%</b>	51.1 %	-47.2 %	51.5 %	53.6 %	75.4 %	31.9 %	92.8 %	57.7 %	68.1 %	69.1 %	71.1 %	66.0 %	63.8 %	63.2 %
<b>Adjusted EBIT-%</b>	51.0 %	-50.1 %	47.5 %	49.7 %	72.8 %	28.7 %	89.6 %	54.9 %	65.7 %	67.4 %	68.7 %	64.3 %	61.9 %	61.2 %
<b>Net earnings-%</b>	28.5 %	-69.4 %	37.6 %	37.0 %	51.2 %	12.0 %	65.9 %	39.5 %	45.4 %	56.5 %	52.0 %	48.2 %	45.7 %	44.8 %

Source: Inderes

# Balance sheet

Assets	2019	2020	2021e	2022e	2023e
<b>Non-current assets</b>	<b>157</b>	<b>138</b>	<b>156</b>	<b>167</b>	<b>174</b>
Goodwill	15.3	15.3	15.3	15.3	22.3
Intangible assets	0.8	0.7	0.8	1.1	1.2
Tangible assets	3.4	2.6	2.7	2.9	3.2
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	134	117	135	145	145
Other non-current assets	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	3.7	2.4	2.4	2.4	2.4
<b>Current assets</b>	<b>59.6</b>	<b>81.1</b>	<b>72.0</b>	<b>73.9</b>	<b>72.2</b>
Inventories	0.0	0.0	0.0	0.0	0.0
Other current assets	5.2	9.1	9.1	9.1	9.1
Receivables	10.8	14.0	17.3	20.6	20.5
Cash and equivalents	43.7	58.0	45.6	44.1	42.6
<b>Balance sheet total</b>	<b>216</b>	<b>219</b>	<b>228</b>	<b>241</b>	<b>246</b>

Source: Inderes

Liabilities & equity	2019	2020	2021e	2022e	2023e
<b>Equity</b>	<b>130</b>	<b>113</b>	<b>121</b>	<b>131</b>	<b>137</b>
Share capital	0.8	0.8	0.8	0.8	0.8
Retained earnings	3.2	1.6	9.8	19.3	25.2
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	39.0	39.0	39.0	39.0	39.0
Other equity	84.5	71.2	71.2	71.2	71.2
Minorities	2.1	0.7	0.7	0.7	0.7
<b>Non-current liabilities</b>	<b>61.4</b>	<b>92.3</b>	<b>91.1</b>	<b>91.1</b>	<b>91.1</b>
Deferred tax liabilities	2.2	2.7	2.7	2.7	2.7
Provisions	0.0	0.0	0.0	0.0	0.0
Long term debt	59.1	82.6	81.5	81.5	81.5
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.2	6.9	6.9	6.9	6.9
<b>Current liabilities</b>	<b>25.6</b>	<b>13.3</b>	<b>15.7</b>	<b>18.5</b>	<b>18.4</b>
Short term debt	0.9	0.9	0.0	0.0	0.0
Payables	20.2	11.1	14.4	17.2	17.1
Other current liabilities	4.5	1.3	1.3	1.3	1.3
<b>Balance sheet total</b>	<b>217</b>	<b>219</b>	<b>228</b>	<b>241</b>	<b>246</b>



# DCF calculation

DCF model	2020	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	TERM
EBIT (operating profit)	12.3	39.7	44.3	42.3	44.8	41.4	38.6	39.6	40.5	41.6	42.6	
+ Depreciation	1.4	1.4	1.2	1.3	1.4	1.5	1.6	1.6	1.6	1.7	1.7	
- Paid taxes	-1.1	-5.0	-6.8	-6.7	-7.6	-7.0	-6.5	-6.6	-6.8	-7.0	-7.6	
- Tax, financial expenses	-0.6	-0.4	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	-0.4	-0.5	
+ 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	-19.4	0.1	-0.6	0.0	-0.2	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	
Operating cash flow	-7.4	35.7	37.6	36.5	37.9	35.4	33.1	34.0	34.8	35.6	36.1	
+ Change in other long-term liabilities	6.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	16.5	-20.0	-11.6	-8.7	-1.7	-1.7	-1.7	-1.7	-1.7	-1.7	-2.0	
Free operating cash flow	15.9	15.6	26.0	27.8	36.2	33.7	31.4	32.3	33.1	33.9	34.1	
+/- Other	-17.0	30.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	-1.2	45.9	26.0	27.8	36.2	33.7	31.4	32.3	33.1	33.9	34.1	669
Discounted FCFF		43.7	23.0	22.8	27.6	23.8	20.6	19.6	18.7	17.8	16.6	326
Sum of FCFF present value		560	517	494	471	443	419	399	379	361	343	326
Enterprise value DCF		560										
- Interesting bearing debt		-83.5										
+ Cash and cash equivalents		58.0										
-Minorities		-7.8										
-Dividend/capital return		-21.8										
Equity value DCF		505										
Equity value DCF per share		3.2										
Wacc												
Tax-% (WACC)		20.0 %										
Target debt ratio (D/(D+E))		10.0 %										
Cost of debt		4.0 %										
Equity Beta		1.10										
Market risk premium		4.75%										
Liquidity premium		1.00%										
Risk free interest rate		2.0 %										
Cost of equity		8.2 %										
Weighted average cost of capital (WACC)		7.7 %										

2021e-2025e

25%

2026e-2030e

17%

TERM

58%

■ 2021e-2025e

■ 2026e-2030e

■ TERM

# Summary

Income statement	2018	2019	2020	2021e	2022e	Per share data	2018	2019	2020	2021e	2022e
Revenue	33.5	49.0	43.0	57.8	68.8	EPS (reported)	0.05	0.09	0.03	0.19	0.21
EBITDA	13.4	25.0	13.7	41.1	45.5	EPS (adj.)	0.05	0.13	0.03	0.19	0.21
EBIT	12.0	19.4	12.3	39.7	44.3	OCF / share	-0.03	0.14	-0.05	0.23	0.24
PTP	9.3	17.6	9.2	36.4	41.5	FCF / share	0.25	-0.03	-0.01	0.29	0.16
Net Income	8.1	14.0	5.1	30.0	33.2	Book value / share	0.82	0.84	0.72	0.77	0.82
Extraordinary items	0.0	-5.6	0.0	0.0	0.0	Dividend / share	0.12	0.13	0.14	0.15	0.16
Balance sheet	2018	2019	2020	2021e	2022e	Growth and profitability	2018	2019	2020	2021e	2022e
Balance sheet total	206.0	216.5	218.8	228.3	240.6	Revenue growth-%	-4%	46%	-12%	34%	19%
Equity capital	121.0	129.5	113.3	121.5	131.0	EBITDA growth-%	-41%	87%	-45%	199%	11%
Goodwill	4.7	15.3	15.3	15.3	15.3	EBIT (adj.) growth-%	-48%	109%	-51%	221%	12%
Net debt	5.2	16.4	25.5	35.9	37.4	EPS (adj.) growth-%	-57%	135%	-74%	476%	10%
Cash flow	2018	2019	2020	2021e	2022e	EBITDA-%	40.1 %	51.1 %	31.9 %	71.1 %	66.0 %
EBITDA	13.4	25.0	13.7	41.1	45.5	EBIT (adj.)-%	35.7 %	51.0 %	28.7 %	68.7 %	64.3 %
Change in working capital	-11.6	4.5	-19.4	0.1	-0.6	EBIT-%	35.7 %	39.6 %	28.7 %	68.7 %	64.3 %
Operating cash flow	-4.8	20.8	-7.4	35.7	37.6	ROE-%	6.5 %	11.3 %	4.3 %	25.7 %	26.4 %
CAPEX	41.2	-27.1	16.5	-20.0	-11.6	ROI-%	6.7 %	10.5 %	6.4 %	19.8 %	21.3 %
Free cash flow	36.5	-4.0	-1.2	45.9	26.0	Equity ratio	58.7 %	59.8 %	51.8 %	53.2 %	54.4 %
						Gearing	4.3 %	12.6 %	22.5 %	29.5 %	28.5 %
Largest shareholders	% of shares					Valuation multiples	2018	2019	2020	2021e	2022e
Silvertärnan Ab	10.4 %					EV/S	6.6	7.9	9.2	8.4	7.0
Ilmarinen	6.6 %					EV/EBITDA (adj.)	16.6	15.4	28.7	11.7	10.6
Mikko Laakkonen	4.1 %					EV/EBIT (adj.)	18.6	15.4	32.0	12.2	10.9
OY Inventiainvest AB (Ari Tolppanen)	3.0 %					P/E (adj.)	26.8	18.4	70.3	14.6	13.3
Varma	2.4 %					P/E	1.8	2.8	3.2	3.6	3.4
Kyösti Kakkonen	2.1 %					Dividend-%	8.2 %	5.5 %	6.0 %	5.4 %	5.8 %

Source: Inderes

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

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## Recommendation history (>12 mo)

Date	Recommendation	Target price	Share price
05-05-17	Accumulate	1.80 €	1.69 €
11-08-17	Accumulate	1.85 €	1.77 €
02-11-17	Accumulate	1.85 €	1.77 €
19-12-17	Accumulate	1.85 €	1.76 €
02-02-18	Reduce	1.80 €	1.76 €
04-04-18	Accumulate	1.65 €	1.43 €
27-04-18	Accumulate	1.70 €	1.50 €
10-08-18	Buy	1.85 €	1.56 €
02-11-18	Buy	1.85 €	1.58 €
01-02-19	Accumulate	1.85 €	1.71 €
26-04-19	Accumulate	1.85 €	1.67 €
12-06-19	Buy	1.85 €	1.62 €
09-08-19	Buy	2.00 €	1.75 €
26-09-19	Accumulate	2.00 €	1.87 €
01-11-19	Reduce	2.10 €	2.06 €
31-01-20	Buy	2.75 €	2.48 €
20-03-20	Buy	2.00 €	1.52 €
07-04-20	Accumulate	1.90 €	1.70 €
24-04-20	Accumulate	1.90 €	1.76 €
07-08-20	Accumulate	2.10 €	1.96 €
30-10-20	Accumulate	2.10 €	1.93 €
05-02-21	Accumulate	2.80 €	2.63 €
22-02-21	Accumulate	2.80 €	2.68 €
30-04-21	Accumulate	3.00 €	2.78 €



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