

CapMan

Company report

6/2019

Time to deliver

We expect major earnings growth from CapMan during 2019-2020 driven by solid execution of its growth strategy. If the earnings growth materializes there is a notable upside on multiples and strong + 8 % dividend yield lowers the risk profile of the stock. We are expecting the total shareholder return (TSR) for the period of 2019-2021 to be at an excellent level of 15-20 % per annum. Thereby we retain our 1.85 euros target price for CapMan and upgrade our recommendation to Buy (prev. Accumulate).

Solid execution of growth strategy

Since the launch of CapMan's new strategy in 2016, CapMan has changed significantly. Its product offering has grown notably (i.e. Infra-segment) and CapMan has become much more agile and its ability to tailor products based on the market situation or customer demand has improved notably as well. The main goal of the strategy is to return CapMan back on growth track. The other cornerstones of the strategy are profitability of the Management business and more active usage of its own balance sheet. The execution of the strategy has been robust and the results are starting to translate into a concrete numbers. AUM, management fees and Service business are all reporting strong growth and the outlook has improved notably. Overall, we believe that the strategy is guiding CapMan in the right direction and that CapMan is currently taking the right steps in order to unlock the potential of its businesses.

We expect major earnings growth

Although CapMan has progressed well with its strategy, the profitability of the Management business has fell short from our estimates during the past year. The key to unlock the CapMan true potential lies in the Management business and the profitability of the Management business (excl. carry) is the main KPI to follow in CapMan during the upcoming quarters. We are expecting major profit improvement from CapMan during 2019-2020. The earnings growth is driven by the growth in management fees (new products), cost discipline and major carried interest from well performed funds (Nordic Real Estate I and Buyout X). Even though CapMan is less sensitive for public market volatility due to its focus on private assets, one of the main risks regarding our estimates relates to the overall market situation and mature phase of the current bull market.

CapMan is a dividend stock

We see CapMan as a dividend stock in terms of its investment profile. CapMan has stated strongly that it aims to continuously grow its dividend. We believe that the profile of CapMan's earnings will drastically change during the upcoming years as the profitability of the Management business will improve. This will lead to a situation where CapMan can pay out its regular growing dividend from its fee-based result and in years when CapMan receives major income from carry or investments it can possibly pay out extraordinary dividend. Obviously this would improve CapMan dividend profile clearly as the upside is higher while the risk level remains very low due to fee based profitability and strong balance sheet.

Risk/reward ratio is excellent

To determine the fair value of CapMan we have used several valuation methods (DCF, sum of parts and peer group). Overall the weighted average of our valuation is 1,95 euros per share. We maintain our target price of 1,85 euros as we acknowledge that our valuation relies heavily on the success of the profit improvement during the upcoming 12 months. Thereby we want to maintain some margin of safety in our valuation. In our view the expected total shareholder return (TSR) for the period of 2019-2021 is at excellent level of 15-20 % per annum. The major driver for the TSR is strong earnings growth. Also high and reliable dividend supports TSR and lowers the total risk profile of the stock.

Analyst



Sauli Vilén
+358 44 025 8908
sauli.vilen@inderes.fi

Recommendation and target price

Buy



(prev. accumulate)

EUR 1.85

(prev. EUR 1.85)

Share price 11/06/19: EUR 1.62

Potential: 14.2 %

Key figures

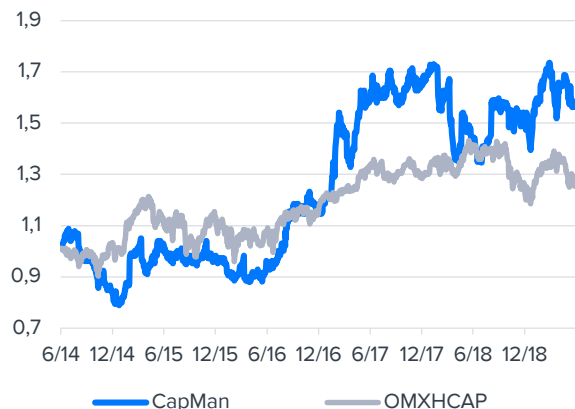
	2018	2019e	2020e
Revenue	33,5	49,4	58,6
growth-%	-4 %	47 %	19 %
EBIT adj.	12,0	28,2	38,0
EBIT-% adj.	35,7 %	57,2 %	64,8 %
Net Income	8,1	20,5	29,5
EPS (adj.)	0,05	0,14	0,19
P/E (adj.)	26,8	11,6	8,5
P/B	1,8	2,0	1,9
Dividend yield-%	8,2 %	8,0 %	9,3 %
EV/EBIT (adj.)	18,6	9,3	7,1
EV/EBITDA	16,6	9,2	6,9
EV/S	6,6	5,3	4,6

Source: Inderes

Table of contents

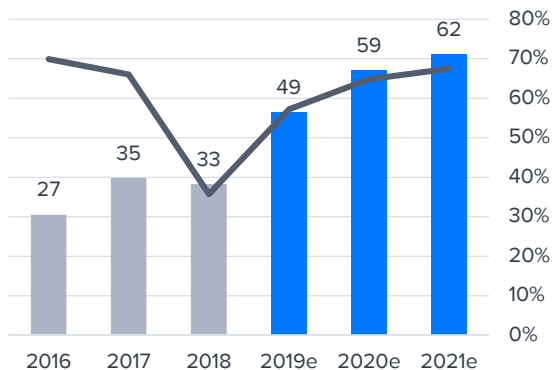
Company description, business model and strategy	5-10
Investment profile	11-12
Management business	13-17
Services	18-19
Investments	20-22
Industry and peer overview	23-26
Balance sheet analysis	27
Estimates	28-30
Valuation	32-36
<i>Appendix</i>	37-39
<i>Disclaimer and recommendation history</i>	40

Share price

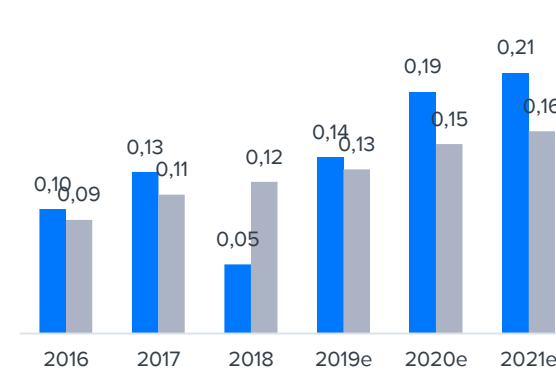


Source: Thomson Reuters

Net sales and EBIT-%



EPS adj. & DPS



Value drivers

- New products
- Improving fee based profitability in Management business
- Growth in Services
- Strong carry outlook
- M&A



Risks

- Profitability in Management business is still low
- Historically long bull market will not last forever
- Strong AUM growth in the top of the bull market
- Rapid change in the industry (digitalization etc.)
- Investment income still highly volatile



Valuation

- Safe and growing dividend supports the total shareholder return
- If the earnings growth materializes, there is clear upside in both absolute and relative multiples
- Without earnings growth the multiples are high
- Overall the expected shareholder return is at excellent level of 15-20 % p.a. during the upcoming three years

CapMan in brief

CapMan is a leading Nordic private assets management and investment company.

1989

Founded

2001

Listing

33.5 MEUR

Revenues 2018

12.0 MEUR

EBIT 2018

3196 MEUR

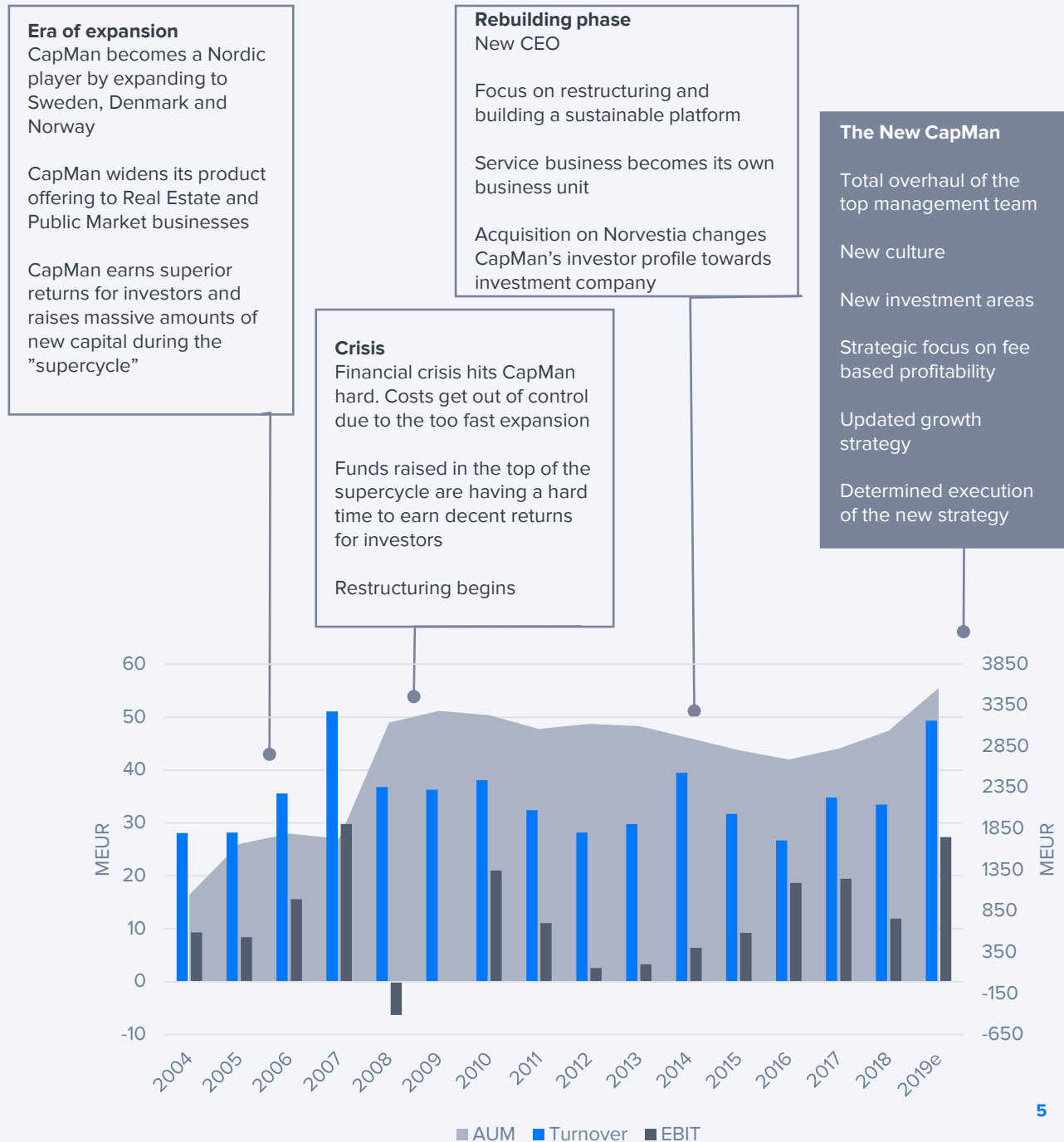
Assets under management Q1'19

130

Personnel Q1/2019

178 MEUR

Investment portfolio



Source: CapMan / Inderes

Company description and business model 1/4

Company description

CapMan is one of the first private equity fund managers in Finland. It was established in 1989. During the past 30 years CapMan has grown from a small Finnish private equity fund manager to a major Nordic player in both private equity and real estate fund managing. Currently CapMan has operations in the Nordics and in Russia. CapMan currently employs 130 people.

CapMan has three business units: Management business, Services and Investments from its own balance sheet. The Other-segment is a non-business unit and it contains group management and support functions. Management business is the heart and soul of the company and at the end of Q1'19 CapMan had 3196 MEUR assets under management. Roughly 60 % of this AUM is under Real Estate business, around 30 % is in Private Equity and around 10 % is in Infra & Credit.

In Service business CapMan currently has three business lines: fund advisory business Scala, procurement service business CaPS and fund reporting and analyzing service JAM Advisors (acquired Q1'19).

Since the successful acquisition of investment company Norvestia, CapMan has been a major investor itself. CapMan's investment capacity is currently around 200 MEUR. The majority of this portfolio is investment CapMan's own funds.

Private asset player

As opposed to other listed asset management companies in OMXH, CapMan focuses solely on the private assets. Private asset investing means making a direct (mainly controlling) investment in companies and real estate. Investments are made through funds, which raise their capital primarily from institutional investors such as pension funds and foundations. Typically these private asset funds are out of reach for the retail investors due to the high minimum investment requirements (usually

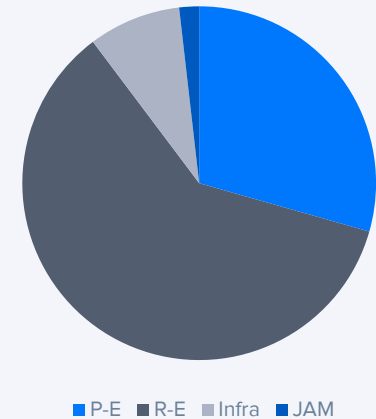
millions). Private asset investors actively develop their portfolio companies and real estate by working closely with the management and tenants. Value creation is based on promoting companies' sustainable growth and strengthening their strategic position. Private equity investment is of a long-term nature - investments are held for an average of four to six years and the entire life cycle of a fund is typically around 10 years. Over the long term, private equity funds have generated significantly higher levels of returns compared to other investment classes. The logic of this business is demonstrated on the page 9.

Partnerships

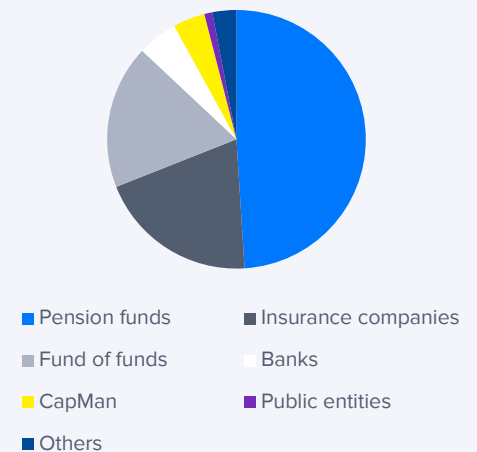
CapMan has six partnership based investment teams: Buyout, Russia, Credit, Real Estate, Infra and Growth equity. All of these investment teams are supported by CapMan's platform, which offers all the necessary support functions for the investment teams. These support functions include services like back office, fundraising, IT and HR. CapMan platform employs some 40 people or roughly 35 % of CapMan's workforce. Each team has a dedicated and autonomous investment team in order to ensure the fast decision making and efficient usage of resources.

Service businesses are operated independently, as they have only minor synergies with the Management business. Scala may help CapMan funds with fundraising and the majority of fees from CaPS comes from companies outside CapMan's current portfolio.

CapMan AUM Q1'19



Source of capital per investor type



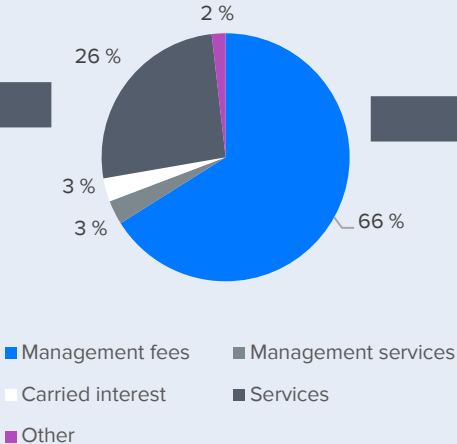
Company description and business model 2/4

Services topline 2018e

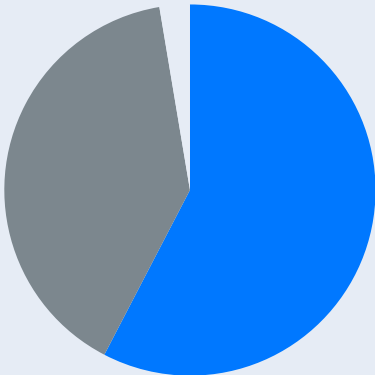


■ CaPS ■ Scala

Topline breakdown 2018

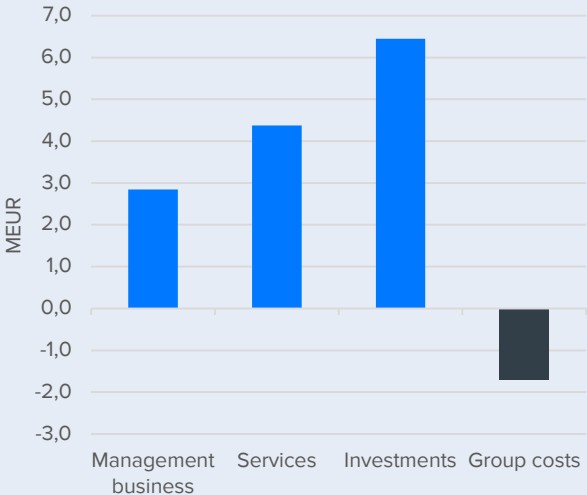


Management business topline 2018e



■ Private Equity ■ Real Estate ■ Infra

EBIT breakdown 2018



Revenue types

Management fees

Highly predictable and stable income. The backbone of the whole business. The most lucrative income from the shareholders perspective.

Carried interest

Highly volatile and difficult to estimate. Depends on the success of the underlying funds.

Management services

Small real estate service business, steady and predictable income, but the income level is fairly insignificant from CapMan's point of view.

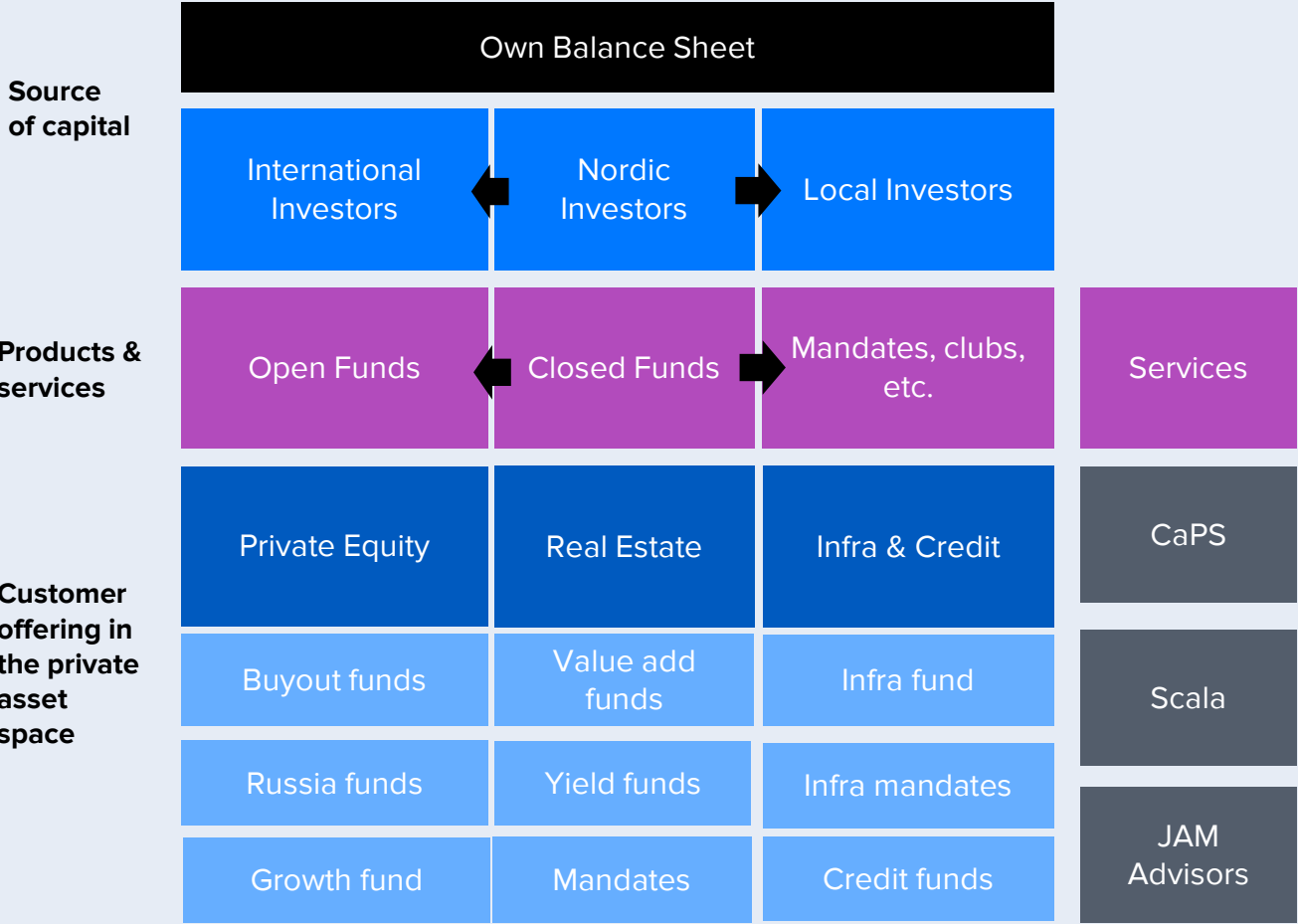
Services

CaPS is highly predictable and stable recurring income while Scala is highly volatile due to the nature of the business. We estimate that roughly half of JAM's business is predictable and stable recurring income while the other half is based on the one time project fees (i.e. transaction fees).

Other

Includes services provided by the parent company. Project based and difficult to predict. Insignificant from CapMan's point of view.

Company description and business model 3/4



Strategic direction

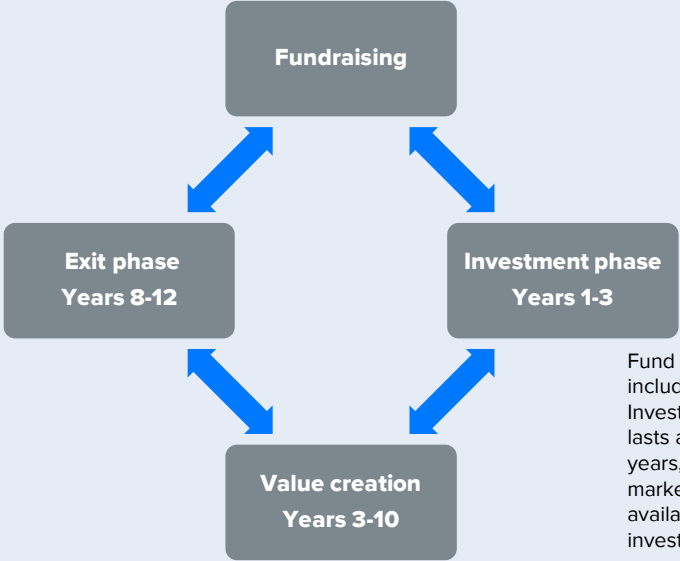
Expand investor base outside tier 1 institutions. Active usage of own balance sheet. Acquisition of JAM Advisors is a step towards this.

Expand product offering in order to be more agile and tailor products based on the market situation and investor demand.

New investment areas expand CapMan's product offering. Main focus in value creating private asset solutions. Wider range of investment areas combined with expanded product range significantly improve CapMan's ability to serve the its clients.

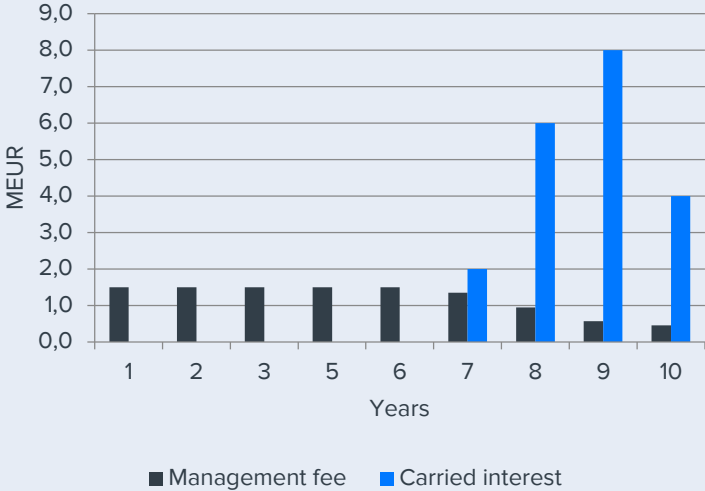
Company description and business model 4/4

Typical cycle in private asset funds. The cycle differs greatly between different product areas.



Fund investments typically include 10-15 targets. Investment phase typically lasts approximately three years, depending on the market situation and availability of lucrative investment opportunities.

The value creation can be divided in three parts; operational development, usage of leverage and multiple expansion. In rough figures the value creation between these three parts can be divided as following: operational development 50 %, usage of leverage 30 % and multiple expansion 20 %. However, the distribution of these components varies greatly between individual cases.



Assumptions:

- Fund size: 100 MEUR
- Management fee: 1.5 %
- Hurdle rate: 8 %
- Fund's IRR: 15 %
- CapMan's share of carry: 10 %

Outcome:

- Management fees earned: 12.5 MEUR
- Carried interest earned: 20 MEUR

As can be seen from the illustrative example, fund manager starts to receive carried interest in year seven and the carried interest earned peaks between years eight and nine, hence the realization of the carry potential takes a lot of time. An other important thing investors should understand is that carried interest is a significant source of income for CapMan. In our illustrative example CapMan would earn some 12.5 MEUR from the management fees during the funds lifetime. The management fees will decline towards the end of fund's lifecycle as exits will shrink the size of the fund. During the same period CapMan would earn some 20 MEUR in carried interest, which is almost twice as much as the total management fees.

Summary of strategy and the financial targets



After the period of cost cutting and restructuring (2013-2015) CapMan launched new growth strategy in 2016. Strategy has three cornerstones: Growth, profitability and actively managed balance sheet.

With its new strategy CapMan aims to be more agile in its product development and it clearly wants to increase the number of new products launched per year. Also company wants to expand its customer base to smaller institutions. The product offering can be tailored by the investor demand or by the market opportunities which offers much more room to maneuver when compared to traditional private equity fundraising business.

Besides the asset management business one of the clear growth area is the Service business. Also CapMan clearly aims to boost its profitability in the management business through growth and cost discipline.

Final part of the strategy is to achieve high IRR and maintain strong financial flexibility. We believe that CapMan is actively looking for M&A opportunities and CapMan continues to be a major investor in its own funds in the future.

Overall we see CapMan's current strategy guiding the company in the right direction. Boosting profitability of the management business is the key to increase CapMan's value and company is currently taking clear steps towards this. From investors perspective the main things to follow in CapMan are:

- Ability to create new products
- Cost discipline
- Growth in Services
- Ability to allocate own balance sheet capital to private equity
- M&A

Investment profile 1/2

We see CapMan being a dividend stock in terms of its investment profile. CapMan has stated strongly that it aims to continuously grow its dividend. The dividend profile of CapMan will change during the upcoming years as the company progresses with its strategy. During the past years the CapMan's profits have mainly come from unstable and unpredictable investments, while the management businesses profitability has stayed low. Due to its strong balance sheet and high liquidity the risk relating the dividend has stayed low.

We believe that the profile of CapMan's earnings will drastically change during the upcoming years as the profitability of the management business will climb. This will lead to a situation where CapMan can payout its regular growing dividend from its fee based result and in years when CapMan receives major income from carry or investments it can possibly payout extraordinary dividend. Obviously this would improve CapMan dividend profile clearly as the upside is higher while the risk level remains very low due fee based profitability and strong balance sheet.

- 1. Strong growth outlook through solid strategy execution**
- 2. Management business profitability still at fairly low levels**
- 3. Strong balance sheet and progress with costs limits the risk profile**
- 4. Excellent track-record under the new management**
- 5. High and growing dividend**

Potential



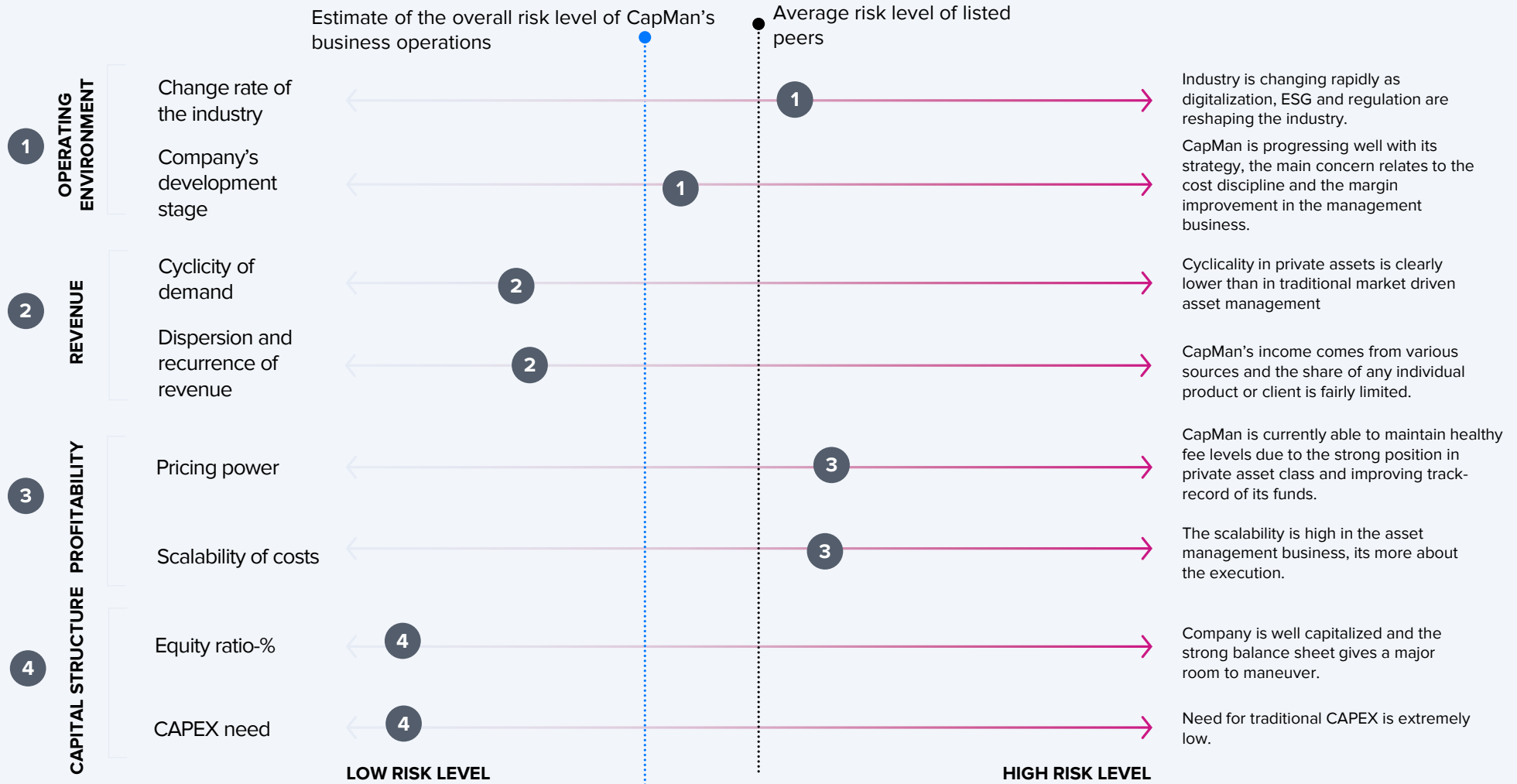
- New products
- Improving fee based profitability in Management business
- Growth in Services
- Strong carry outlook
- M&A

Risks



- Profitability in Management business is still low
- Historically long bull market will not last forever
- Strong AUM growth in the top of the bull market
- Rapid change in the industry (digitalization etc.)
- Investment income is highly volatile

Investment profile 2/2



Management business 1/5

The core

CapMan's management business is the core of the company. CapMan's management business focuses solely on the private assets and it is one of the leading private asset managers in Finland. At the end of Q1'19 CapMan had AUM of 3196 MEUR and vast majority of this AUM is in closed end funds. CapMan currently has three investment areas: Buyout, Real Estate and Infra. As all the areas are managed separately we will address each of these individually. All of the areas share the same support functions (HR, legal, fundraising etc.). Management business had 74 employees at the end of 2018.

Private equity

Private equity (PE) is the original core business of CapMan. In PE CapMan has four investment areas: Buyout, Growth, Credit and Russia. Buyout is clearly the largest one and we estimate that from Q1'19 AUM of 940 MEUR some 600 MEUR comes from Buyout. CapMan currently has eight active funds in PE: three in Buyout, two in Russia, one in Growth equity and two in Credit. CapMan is also currently raising capital for its new Buyout fund (first close in June/19 at 160 MEUR) and the target size is 250 MEUR.

According to our estimates the average fee for private equity AUM is between 1.0-1.2 % which can be considered a very healthy level. CapMan also has potential for notable carried interest fees which is typical in private equity business. According to our estimates the management fee from private equity funds was around 12-13 MEUR in 2018.

Infra

Infra was established in 2017 and it's the newest investment area of CapMan. In Q1'19 the total AUM of Infra was 270 MEUR where roughly half came from Infra fund 1 and half from two mandates (Elenia + wind park in Sweden). As the business is still in the ramp-up phase we estimate that its revenue from 2018 was below 1 MEUR.

CapMan is currently raising funds for its Infra fund and the target size for the fund is some 300 MEUR. We expect CapMan to reach this target during the latter part of 2018.

According to our estimates the average fee for Infra AUM is around 1 % which is also a very healthy level when taking the lower IRR profile of the sector into a consideration.

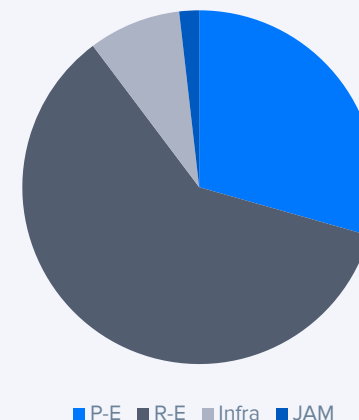
The long term goal is to grow Infra business significantly and it to become a major part of the Management business. The start for Infra looks promising as the first fund was larger than we anticipated and CapMan has been able to win investment mandates more rapidly than originally expected. More over, the Infra business is in fairly unique position as there is limited number of pure play infra fund managers in the Nordics.

Real Estate

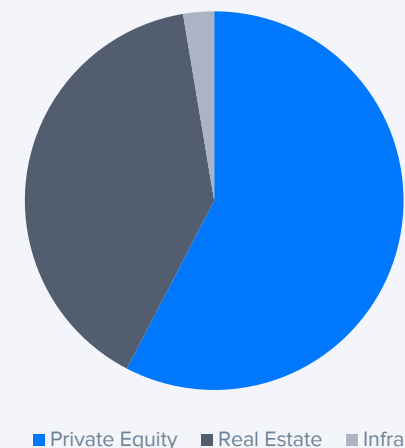
In Real Estate (RE) CapMan currently has some 1900 MEUR of AUM. CapMan currently has five funds and one mandate (BVK) in Real Estate. According to our estimates the average fee for RE is around 0.6 %. The fee level varies greatly between different products and i.e. in NRE 2 the fee should be around ~1 %, while in BVK's mandate it is clearly below 0.5 %. We estimate that the management fees from Real Estate funds were some 9 MEUR in 2018.

In Real Estate CapMan has been able to widen its product offering. Kokoelmakeskus (fund build for specific investors), BVK mandate and Nordic Property Income (open-end fund for smaller investors) are all demonstrations of CapMan's ability to bring out new products besides its traditional closed-end RE funds. We expect CapMan to be active in this field and its product offering should continue to widen.

CapMan AUM Q1'19



Management business topline 2018e



Management business 2/5

Cost structure of the Management business

As the Management business is also the core of CapMan's business the it also carries the majority of CapMan's costs. Management businesses cost structure is very straightforward and it mainly consist of three parts, personnel expenses, other costs and internal service fees. In 2018 total costs were 21.4 MEUR.

In 2018 personnel costs of the Management business were 12.6 MEUR and the average employee cost was some 170 TEUR. As 2018 did not have any notable carry the 170 TEUR/employee is a good proxy for a normalized cost level. The average employee cost is clearly higher than the average in the Finnish peer group which, has been around 110 TEUR during the period of 2010-2018 (current peer level above average due to the increased bonuses). We believe that clearly above average salary base of CapMan derives from employee mix weighting toward experienced employees and larger share of workforce outside Finland where basic salaries are higher. We expect CapMan's employee turnover to stay low and thereby we are not expecting any major changes in the average pay per employee figure. In addition, as the employee costs are above market average there definitely should not be any salary inflation.

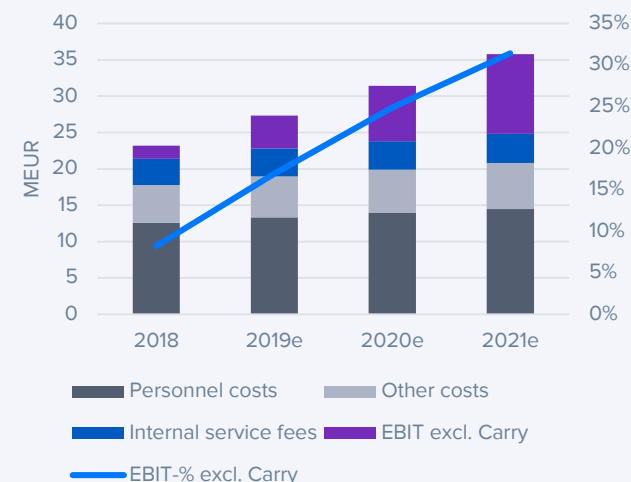
Management businesses other costs in 2018 were 5.2 MEUR while the internal service fees were 3.6 MEUR. We see the Management businesses total other cost (incl. internal service fees) staying around 9 MEUR in upcoming years and there should not be any notable upside pressure due to the restructuring and growth investments made during the past few years.

Cost structure is highly scalable

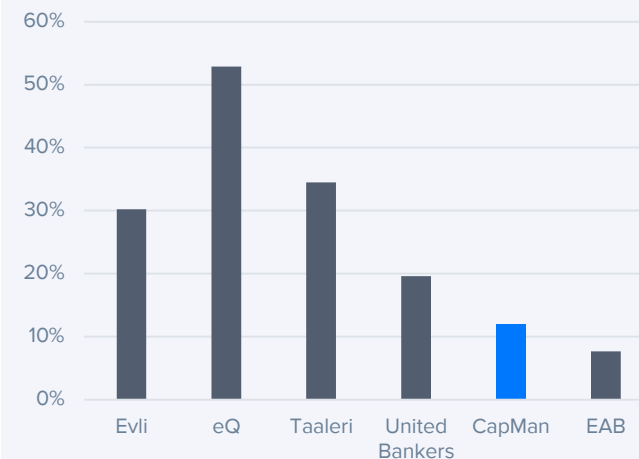
In recent years CapMan has been trimming down its cost structure as the cost base increased too much after the financial crisis and management fees were not enough to cover the fixed cost base. The cost base is now at a healthy level and the management business earns slight profit excluding carry. However the profitability is still clearly below CapMan's peers and maintaining the cost discipline during the upcoming years is one of the key factors to unlock the value in the Management business.

If CapMan is able to maintain cost discipline, the increased topline should have a notable leverage on the profitability of the Management business, hence notable leverage to CapMan's share price. Although the cost discipline has not been the strength of CapMan historically, the new mindset and culture implemented by the current managements increases faith toward the sustainability of the profitability improvement in management business.

Cost structure development



EBIT-% of peer's asset management businesses*



*United Bankers & EAB are group level figures

Management business 3/5

Carry potential

For a prolonged period of time CapMan's carry income has been depressed. This is due to poor performance of its funds after the financial crisis. Since 2013 the performance of its funds has improved notably which has improved carry outlook significantly. We are expecting a major uptick in CapMan's carry in upcoming years as several larger well performed fund are entering carry. Even though the outlook has improved clearly, we are fairly cautious with our estimates as the visibility towards the fund performance is limited and there is clear uncertainty relating the market environment.

In 2019 we are expecting Mezzanine V and Nordic Real Estate I to enter carry and we are also expecting smaller carry from third party Access funds. Overall we expect CapMan to earn some 8.9 MEUR in carried interest during 2019. In 2020 we expect carry from NRE I and from Buyout 10 and the total carry estimate is 12.7 MEUR.

As the exact timing of individual funds entering carry is impossible to predict, we advise investors to focus on the big picture regarding carry. The big picture is that CapMan's carry potential has improved significantly and we are expecting CapMan to earn major carry during the upcoming 5 year period. Also as the well performing funds are starting to enter carry the carry flow should become more frequent. More detailed fund analysis can be found on the page 17.

Future estimates

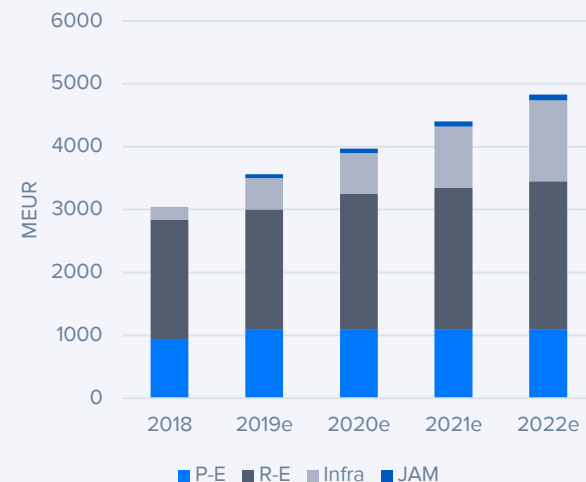
In the Management business the main thing for investors to follow is the profitability excluding carry which is the key to unlock the value in the Management business. We expect management fees to grow 15 % p.a. during the period of 2018-2022e. The main drivers behind this will be growth in Real Estate and Infra. We are not forecasting any major growth in PE as the legacy funds (Russia and

Buyout 8 & 9) continue to weight down the growth outlook. Due to the strong growth in management fees the EBIT excl. carry will grow significantly. We expect EBIT-% (excl. carry) to increase from 8 % in 2018 to 31 % in 2021. When including carry the 2021 EBIT estimate is 21.9 MEUR (2018: 2.8 MEUR). More detailed estimates can be found on the page 29.

Future estimates of the management business



AUM estimates



Management business 4/5

Valuation

We analyze the value of CapMan's management business through peer multiples and through AUM. In the management business the visibility towards future fees is high due to the long commitments of AUM. Historically CapMan has not been able to earn profit through its management business as the cost base has been too high and thereby the value of the management business has been low. We are expecting CapMan's Management business' profitability to improve significantly in upcoming years through the growth and cost discipline. As our confidence towards the earnings improvement is high we are willing to use forward earnings in our multiple analysis.

Multiple analysis

Typically fund management businesses are valued with a high EV/EBIT-ratio as the predictability of the business is good and scalability is high. Typical fair value ratio for the fund management business is around 10-13x depending mainly on the quality of AUM and business overall. The peer group (in page 34) is currently valued with an EV/EBIT of 11x, which is in line with its historical level.

When applying the 10-13x EV/EBIT and 2019 EBIT estimate of 13.4 MEUR we get a fair value range of 134-174 MEUR. As we are solely focusing on the forward figures and upcoming strong EBIT improvement, we believe that the lower end of the range should be applied.

AUM based valuation

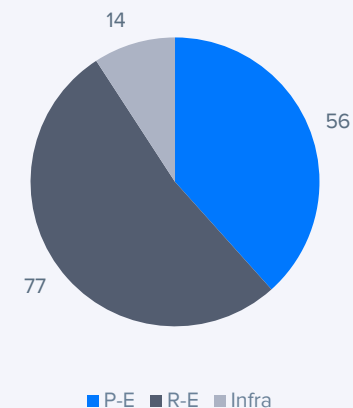
Besides earnings based valuation we have also valued CapMan's management business through its AUM. We have estimated the fair multiple for AUM and applied it to CapMan's current AUM levels for each segment separately. Typically the multiple used in AUM based valuation is between 1-5 % depending on the predictability, maturity and fee potential. Overall CapMan's AUM is high quality

as its predictability is high through long commitments and the management fee level is healthy. Also the fee potential is significantly boosted by carried interest.

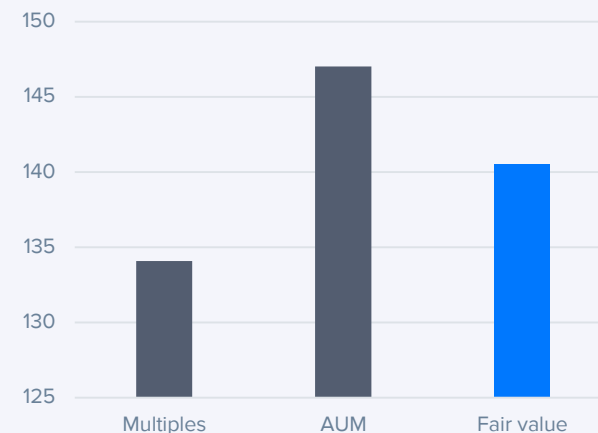
We have applied multiple of 6 % for CapMan's Private Equity AUM. Its fee level is healthy (1.2% + carry), maturity long (average maturity some 5 years) and predictability high. For Real Estate we have applied multiple of 4 % due to the lower fee level and smaller carry potential. For Infra we apply multiple of 5 %. Overall the AUM based valuation gives us fair value of 147 MEUR which is well in line with our multiple analysis.

When applying equal weights for AUM and multiple valuations we get fair value of **141 MEUR** for CapMan's Management business. We believe that the true potential of CapMan's Management business is clearly above this level and if CapMan is able to reach our estimates there is a clear upside in our valuation. Our 2019-2021 average EBIT estimate for the Management business is 18.5 MEUR which would translate into a 7.7x EV/EBIT with our current fair value estimate.

AUM based valuation (MEUR)



Fair value of the Management business (MEUR)



Summary of CapMan's funds 5/5

Fund	Est.	Size	Status	Carry potential
Private Equity				
Buyout 8	2006	440	In exit phase	Not going to deliver carry
Buyout 9	2009	295	Close to exit phase	Decent change to reach carry. Moderate carry potential
Buyout 10	2013	245	Investment phase	Likely to reach carry, high carry potential
Mezzanine 5	2010	95	Exit phase	Technically in carry, small carry potential
Nest Capital	2013	101	Investment phase	
Russia I	2007	99	Exit phase	Not going to deliver carry
Russia II	2013	118	Investment phase	Unlikely to deliver carry
Growth equity	2018	86	Investment phase	Significant long term carry potential
Real Estate				
Real Estate I	2005	500	Final stages of the exit phase	Clawback risk***
Real Estate II	2006	600	Final stages of the exit phase	Not going to deliver carry
Nordic Real Estate	2013	273	Close to exit phase	Likely to reach carry, high carry potential
Nordic Real Estate II	2017	425	Investment phase	
Hotels	2008	332	Exit phase	Decent change of carry, potential is high
Kokoelmakeskus	2016	19	Exit in 3-5 years	Minor carry potential at best
Nordic Property Income	2017	70	Open-end fund	Continuous carry potential
Infra				
Infra fund I	2018	300	Fund raising	

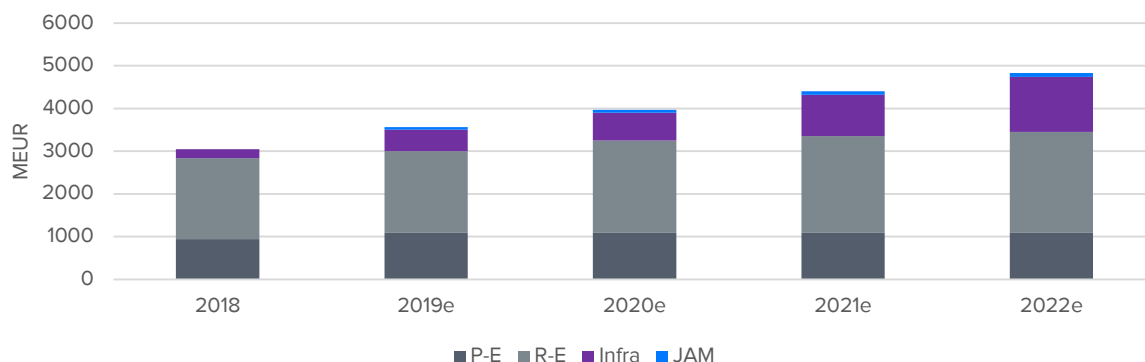
Fund	Est.	Carry	IRR-%
Equity 7	2002	Yes	>12%
Buyout 8	2006	No*	5-7%
Buyout 9	2009	No*	7-10%
Buyout 10	2013	Pending	>20%
Nordic I	2013	Yes*	>15%
Nordic 2	2017	Pending	>15%
Hotels	2008	Pending	>6%
RE 1	2005	Yes**	15%**
RE 2	2006	No*	0 %
Kokoelmakeskus	2016	Pending	
Nest Capital	2016	Pending	
Mezzanine 5	2010	Yes*	>10%
Mezzanine 4	2004	No	5 %
Mezzanine 3	2000	Yes	>10%
Russia 1	2007	No*	5 %
Russia 2	2013	No*	5 %
Public Market	2008	Yes	>20%
Technology	2007	No*	0 %
Life Science	2006	No*	0 %
Equity Sweden 7	2002	Yes	>12%
Swedestart Life Science	2000	No	<0%
Swedestart Tech	2000	No	<0%

*Inderes estimate, fund not fully exited yet

**Includes clawback

IRR estimates by Inderes

AUM estimates



Source: Inderes, CapMan

*** CapMan has booked 7.5 MEUR clawback provision for RE I due to the major carry paid out back in 2006. The 7.6 MEUR has been booked in CapMan's balance sheet and once the fund exits its final targets, CapMan will pay that 7.6 MEUR to RE I investors

Services 1/2

Profitable growth business

In Service business CapMan currently has three business lines: fund advisory business Scala, procurement service business CaPS and fund reporting and analyzing service JAM Advisors (acquired Q1'19). Total revenue from Service business in 2018 was 8.7 MEUR and corresponding EBIT 4.4 MEUR.

Although CapMan do not report these businesses separately, we have a pretty good idea about their individual numbers. Also businesses are run independently and they don't have any major synergies. Thereby we believe that they also should be valued separately.

CaPS

The main part of the Service business is CaPS which is a procurement service platform that aims to drive down costs on non-strategic products and services. CaPS was established in 2010 and we estimate that its revenue was around 5.5 MEUR in 2018. CaPS currently employees 9 people. CapMan's goal is to grow the business notably in upcoming years and due to the fairly small size of the business we believe that there should be notable potential to grow the business in the future. The profitability of CaPS is high and we estimate it to be around 40 % when taking internal service fees into an account.

Scala

Scala Fund Advisory is a specialized advisory and fundraising boutique dedicated to alternative investments. Scala was established in early 2016 when CapMan incorporated its own fund raising unit. In order to create an believable "Chinese wall" and Scala to be truly independent. Currently

CapMan owns 60 % of Scala and the rest is owned by the Scala team. 2018 was a very successful year for Scala. Due to couple of larger mandates Scala's net sales were around 3.5 MEUR according to our estimates. Scala's fee stream consist mainly on success fees depending heavily on the amount of funds raised. With its team of 7 employees we believe that Scala should be able to raise some 200-400 MEUR besides CapMan's own fundraising needs. Thereby we estimate that the normalized net revenue level in a few years would be around 3-4 MEUR.

Scala's business is extremely scalable and we estimate that with a 3,5 MEUR topline Scala's EBIT-% should be above 60 %. Even though Scala's business model is similar with the investment banks, it does not share the same steep employee compensation curve as the incentivizing is done through the minority ownership.

JAM Advisors

JAM Advisors (JAM) is a fund reporting and analysis firm. JAM employs 25 people and it has more than 100 customers. In its reporting service JAM has over 9 BEUR of assets. However the average fee from this 9 BEUR is extremely low and this capital is not under wealth management agreements. The true AUM of JAM is only 58 MEUR. JAM's net sales in 2018 were some 3.3 MEUR and EBITDA was slightly positive. JAM's revenue is divided roughly equally between management fees and project based fees.

CapMan acquired JAM Advisors in January 2019. CapMan paid some 7.5 MEUR of 60 % stake in JAM (EV ~13 MEUR). CapMan also has an option to buy out the remaining 40 % in 2023. The stand-

alone price of JAM is high (EV/S 4x) and the logic of the deal relies on the strategic synergies. JAM's customers are mainly tier 2 and tier 3 Finnish institutions, the field where CapMan has traditionally been underrepresented. We believe that this is the main reason why CapMan bought JAM. Besides this JAM also grows CapMan's service portfolio and CapMan receives state of the art IT-systems. We would not be surprised if CapMan would integrate its own old IT-systems to JAM's ones.

JAM's future potential is currently difficult to outline. According to management, integration has gone well and CapMan will receive cost synergies (0.5 MEUR/y) during the next 12 months. Also the tentative customer feedback has been positive, but we want to point out that possible deepening of the client relationships will take time. Overall we are cautious with our estimates and we expect only 10 % p.a. growth for JAM. Profitability will improve notably through growth and cost savings, but will stay clearly below CaPS or Scala. We believe that our estimates are clearly below CapMan's own estimates and the true potential of JAM. However at early stage of the integration we want to keep clear margin of safety in our estimates.

Services 2/2

Future estimates

We expect Services business to continue its healthy growth. In 2019 the topline will take a clear jump mainly due to JAM acquisition. 2020 onwards the growth will gradually slow as Scala has achieved its normalized net sales level and our conservative estimates in JAM. CaPS will continue its healthy growth but obviously the rate will slow due to a larger comparison figures.

The growth continues to be very profitable and we expect EBIT-margin to improve gradually due to the scalability of CaPS's business model and improved profitability in JAM. We estimate EBIT-margin to be in range of 40-50 % during the upcoming years.

As we said previously we believe that the major X factor in our estimates is JAM. If the integration is successful and CapMan is able to translate the strategic synergies from the powerpoint slides to the actual numbers, there should be clear upside in our Service estimates. Due to the conservative estimates in Scala and JAM together with superior track-record of CaPS, we see the risk level relating to our estimates being low.

Valuation of Services

Even though CapMan does not report service businesses separately, we value them separately as the fair valuation multiples vary greatly between businesses.

For Scala we believe that the acceptable valuation multiple should be the same which we apply for investment banks owned by CapMan's peers. We believe that the acceptable EV/EBIT for investment bank is between 4-7x. This reflects the strong cash flow generation of the business and also the high risk profile relating to the stickiness of the team and project based income stream. According to our estimates Scala's EBIT in 2018 was between 1.5-2.0 MEUR (includes internal service fees). Thereby the valuation range of Scala would be 6-14 MEUR. We

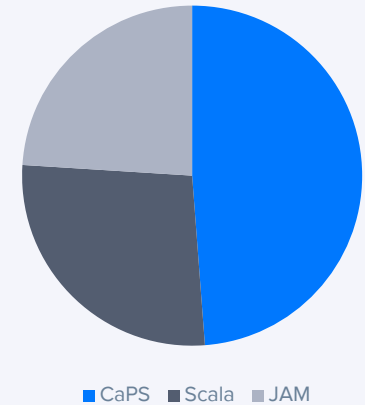
have applied the midpoint of the range and we value Scala at 10 MEUR (CapMan's share 6 MEUR).

In JAM we have applied the purchase price CapMan paid and we value JAM at 13 MEUR (CapMan's share 7.5 MEUR).

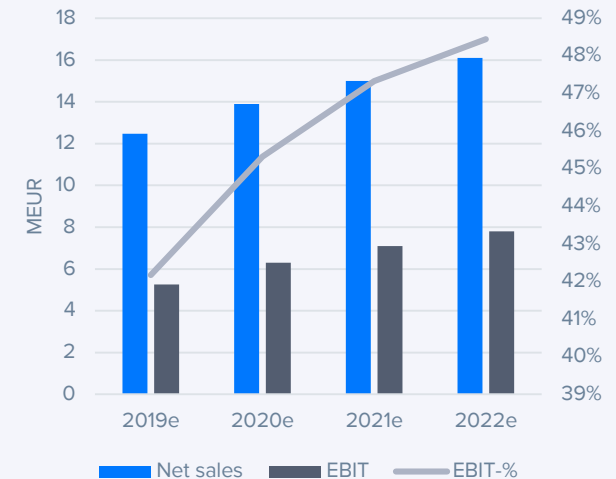
CaPS is clearly the most valuable part of CapMan's service business. CaPS revenue stream is highly predictable, the growth outlook is strong and the track-record is expectational (2013-2018e topline CAGR-% +20 %). The main negative factor affecting the valuation is CaPS's small size and high dependence on individual employees (small team size). We believe that the fair valuation multiple (EV/EBIT) for CaPS would be 8-10x (mediocre discount for listed Finnish asset managers). As CaPS did earn some 2.5 MEUR in 2018 the fair value for the business would be 20-25 MEUR and we again use the midpoint of the range 22.5 MEUR.

Overall the total valuation of CapMan's service business for CapMan is 36 MEUR. In order to confirm our valuation result, we have done the DCF-calculation for the Service business. By using 2 % terminal growth and WACC of 11 % (clearly above CapMan's WACC) we get value a of 47 MEUR. This reflects our conservative approach towards the valuation and highlights the upside potential of the Service business.

Services topline breakdown 2019e



Services topline ja profitability 2019-2022e



Investments 1/2

Main earnings contributor

At the end of Q1'19 CapMan's investment portfolio was 178 MEUR. The portfolio originated mainly from the Norvestia transaction (2015 & 2016) and partly from CapMan's own balance sheet investments.

Own investments have been a major contributor for CapMan's earnings and during the past few years majority of group's earnings have come from the own investments.

Portfolio breakdown

Almost 50 % or 85 MEUR of the portfolio is currently invested in CapMan's own funds. CapMan's strategic target is to increase the amount of private equity investments to 80 %. Basically this will mean investments in CapMan's own funds. As CapMan is going through major transformation (new investment teams etc.) CapMan has been one of the anchor investors in almost all of its new funds in order to support investor confidence. I.e. in Infra and Buyout 11 CapMan has made significant 30 MEUR commitments. These commitments are clearly above its long term target of 1-5 % from funds total size.

During the past two years CapMan has been winding down its trading portfolio, which mainly contains listed stocks from OMXH. At the end of Q1'19 the trading portfolio stood at 20 MEUR. We welcome the transformation from listed equities towards private equity investments. The IRR levels are higher in private equity field and we do not see that running a major own balance sheet based trading portfolio would be a core business for CapMan.

Cash balance was 66 MEUR at the end of Q1'19. The cash balance is fairly high, but due to the high investment commitments to its own funds (Q1'19: 94 MEUR) it is necessary to maintain strong liquidity buffers. Also we believe that CapMan's management want to maintain strong liquidity in

case potential M&A opportunities would arise.

The rest of the portfolio 7 MEUR was in joint ventures (old Maneq funds). Maneq funds should be divested completely during 2019-2020.

Future estimates

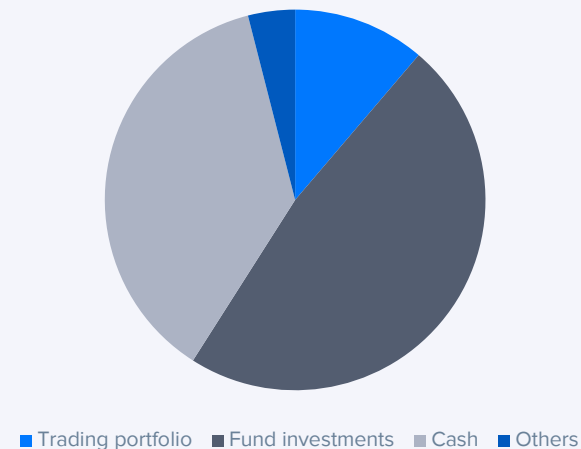
We expect CapMan's investment returns (incl. cash) to stay stable around 9 % p.a. during the upcoming years. Although we believe that CapMan's portfolios IRR potential will increase gradually as the portfolio transformation progresses, the mature bull market and high valuations will weight down investment returns. In 2019 investment returns receive notable boost from strong equity market performance during H1'19, which helps to maintain healthy IRR despite the temporary high cash balance.

Although we are fairly cautious with our IRR estimates due to the difficult market environment, the quality of the investment returns will improve significantly as the focus moves from the unstable and unpredictable listed market investments towards the more predictable and stable private asset investments. This is important for investors as it will decrease the volatility of CapMan's earnings and improve the IRR potential over the long term.

The value of the portfolio

Although the investment portfolio has a clear strategic value for CapMan (funding for M&A and co-investing to own funds with clients), we believe that it should be valued based on the fair value its portfolio. At the end of Q1'19 the fair value of the portfolio was **178 MEUR** which we use in our sum of parts calculation.

Investment portfolio Q1'19 (178 MEUR)

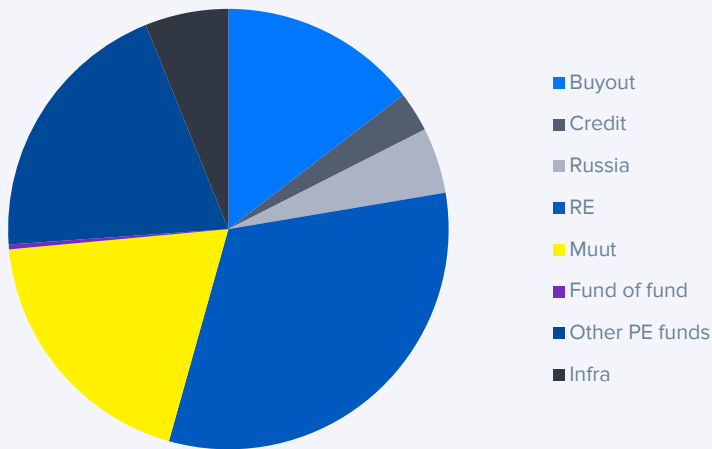


Investment returns of CapMan's portfolio 2017-2022e

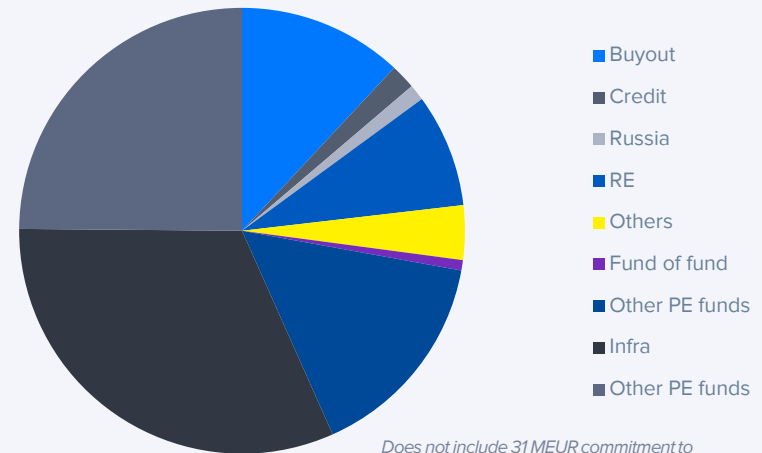


Investments 2/2

Distribution of the fund investments Q1'19 (85 MEUR)

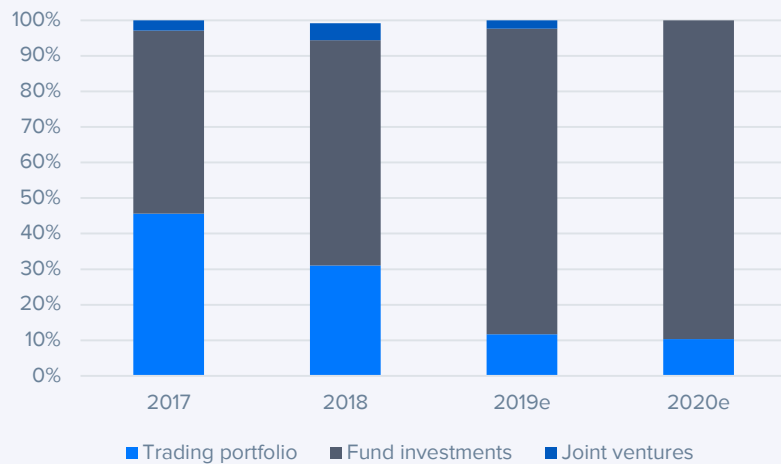


Commitments Q1'19 (94 MEUR)

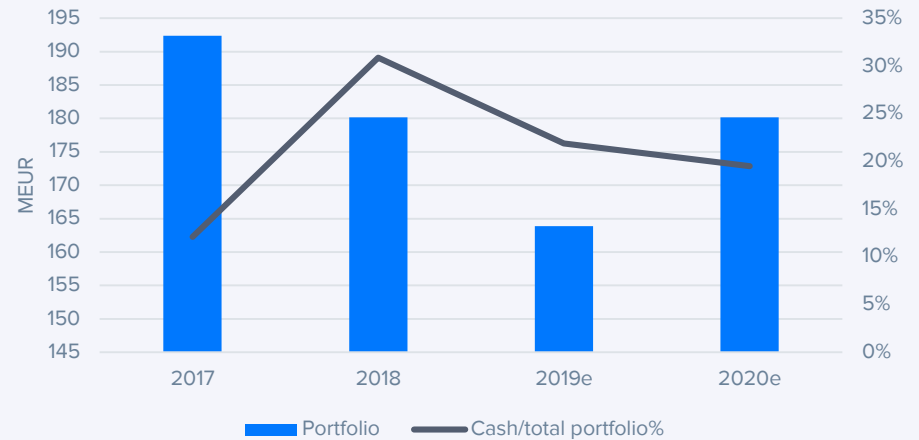


Does not include 31 MEUR commitment to Buyout 11 made in June 2019

Investment allocation



Investment portfolio (incl. cash)



Estimate changes

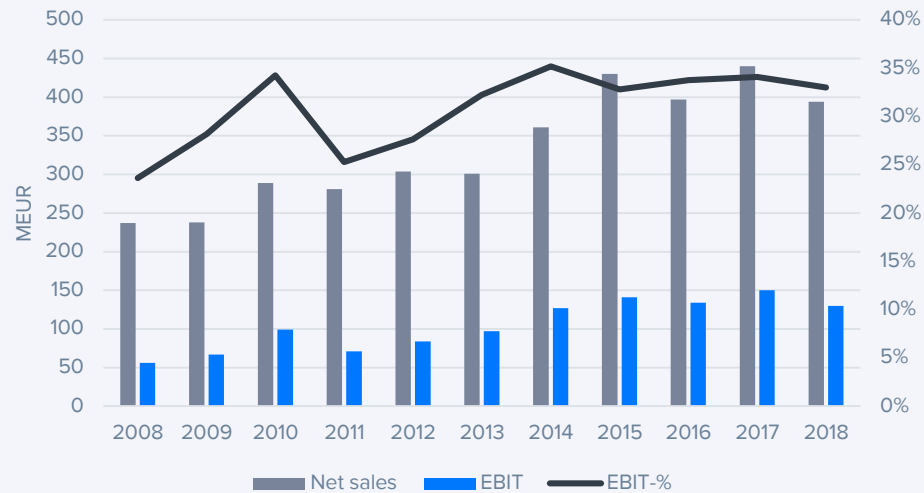
	2019e	2019e	Muutos	2020e	2020e	Muutos	2021e	2021e	Muutos
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Net sales	48,8	49,4	1 %	57,6	58,6	2 %	58,1	62,3	7 %
Management business	35,5	36,4	2 %	43,8	44,1	1%	43,5	46,7	7 %
Services	12,8	12,5	-3 %	13,9	13,9	0 %	15,0	15,0	0 %
Investments	0,0	0,0		0,0	0,0		0,0	0,0	
Other	0,5	0,5	5 %	0,6	0,6	0 %	0,6	0,6	0 %
EBIT excl. NRI	28,9	28,2	-2 %	37,5	38,0	1 %	38,3	42,0	10 %
EBIT	28,4	27,3	-4 %	37,5	38,0	1 %	38,3	42,0	10 %
Management business	12,3	13,4	9 %	20,0	20,3	1%	18,7	21,9	17 %
Services	5,7	5,3	-8 %	6,3	6,3	0 %	6,8	7,1	4 %
Investments	12,9	11,9	-8 %	13,8	13,8	0 %	15,7	15,7	0 %
Other	-3,4	-3,3	-4 %	-2,6	-2,4	-9 %	-2,8	-2,6	-6 %
PTP	25,1	24,9	-1 %	35,5	35,9	1 %	36,0	39,7	10 %
EPS (adj.)	0,14	0,14	0 %	0,19	0,19	1 %	0,19	0,21	9 %
DPS	0,13	0,13	0 %	0,15	0,15	0 %	0,16	0,16	0 %

Industry overview

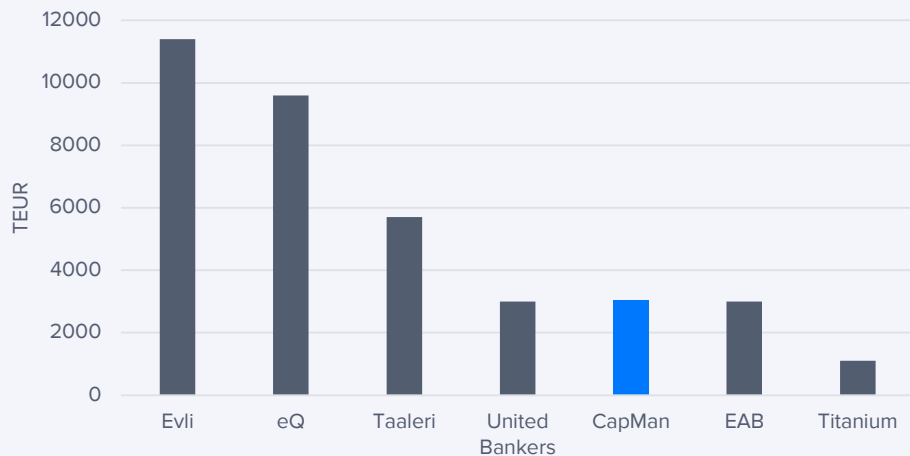
Finnish wealth management AUM



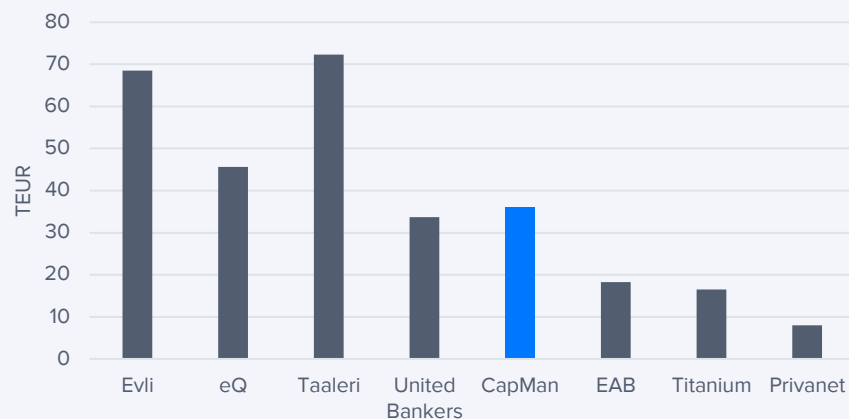
Operative development of domestic financial service companies



AUM of peers



Net sales of peers



Trends in the industry



Digitalization

Digitalization allows companies to access a whole new customer groups as the cost per customer comes down due to the major efficiency improvement in the back-office.



Regulation

Increasing regulation pushes up the administrative burden, pushes up costs and increases barriers to entry. Especially for the smaller players the current regulatory environment is difficult due to the relatively large costs.



Permanently lower interest rates

Interest rates have globally come down after the financial crisis due to the central bank actions. This change should be viewed as a permanent one, since there are no signs that global economy would return to the interest rate level we used to have before 2007.



ESG

ESG has become a major trend in the industry as investors have started to demand financial services industry to take responsibility for the ESG issues. From investors point of view this is as much risk management as it is impact investing since the dramatically improved transparency brings forth malpractices more strongly.

Changing investor behaviour

New asset classes will fill the void left by the low yield environment

Private asset class will continue its strong growth

Products need to be more transparent (ESG)

Investors demand more individual & tailored services

Risk will be redefined

Regulation, digitalization and ESG pushes up costs and increases barriers to entry

Higher expectations from investors








Passive products will continue their victory parade due to the superior risk/reward ratio

Traditional asset management (stocks/bonds) will continue to face mounting fee pressure

Asset manager will have to deliver value for its clients in order to justify its fees

CapMan's positioning on the trends of the financial industry

Scale: 

Trend	CapMan's position	Inderes' view:
Regulation		CapMan hasn't had any notable issues with the new regulation. As its product range is fairly narrow and its client base is focused purely on institutions the new regulation has been easy to implement. Overall CapMan has not had any major costs relating the new regulation.
Higher demands from investors		CapMan's funds have improved their performance notably after the sluggish period after the financial crisis which has improved CapMan's position in the eyes of its clients.
Low yields		CapMan has benefited notably from the low yield environment as the private assets have seen major inflow of capital from bonds. Even though the private asset focus has been the exactly right strategy, the narrow and closed-end product offering has not enabled CapMan to capitalize the full benefits of the low yield environment
Digitalization		CapMan's current IT-systems are in ok shape and well suited to serve smaller number of larger customers. However the current systems do not enable the company to increase As the processes still include lots of manual labour and are not build to handle large number of smaller clients. Acquisition of JAM should help CapMan in this front as JAM's in-house build systems offer strong scalability.
Private assets		The whole strategy of CapMan relies on private assets and due to the improved track-record of its funds, CapMan's position has strengthened notably in the private asset field.
Continuous pressure on fees		CapMan has not suffered any major price pressures due to the product differentiation (private assets) and improved track-record. As more and more players are entering in the field of private assets, CapMan needs to maintain the strong performance level of its funds in order to maintain the current fairly lucrative fee level in its funds.
ESG		CapMan has implemented ESG to its investment processes. As an active private asset manager for large institutions, CapMan is more under scrutiny regarding ESG issues than most of its listed peers and thereby ESG plays important role in its business.

Listed peer comparison

	eQ	Taaleri	Titanium	Evli	EAB Group	CapMan	United Bankers	Privatnet
MCAP (MEUR)	350	210	80	190	40	260	75	15
Total return of the share	Since 2011 the total return has been over 1000 %. IRR 35%	Since 2013 IPO the total return has been +300%. IRR +20%.	Since 2017 IPO total return 50 %, IRR +25%.	Since 2015 IPO total return +35%. IRR 10%.	Since 2015 IPO total return - 35% and IRR -10%.	Since 2013 total return 140%. IRR ~20%.	Since 2014 IPO total return ~40%. IRR below 10%.	Since 2016 IPO total return - 80 %, IRR noin -30 %.
Actualized profitability	EBIT +50%. Profitability is at a superior level even without performance based fees.	EBIT +30%. Profitability is good, but relies heavily on the performance based fees.	EBIT -(adj.) +50%. Profitability is excellent, but relies heavily on the performance based fees.	EBIT ~30%. Profitability is good and is based mainly on the continuous fees.	EBIT-% 2018 ~9 %. Track-record from profitability is not good.	The fee based profitability has improved but its still at modest level.	EBIT (adj.) 20%. Profitability is decent, the underlying mix (AUM& fee base) has improved significantly.	Company made a major loss in 2018.
Track-record	2014-2018 EPS CAGR-% +20%. Organic growth has been exceptionally strong and shareholder value cumulated rapidly.	2014-2018 EPS +4.0. Company has created notably value for its shareholders. Company has had issues with its operative profitability due to the challenges with costs.	14-18 EBIT (adj. CAGR-%) 45 %. Track-record is excellent due to the superior development of the flagship Care fund.	2015-2018 EPS CAGR 12%. Strong sales together with improving cost efficiency has been the main driver behind profit growth.	Company has been growing rapidly, but the profitability has been weak and it is unclear has the growth been profitable.	Profitability has improved notably and the track-record under the new CEO is strong.	Operative development has been below estimates during the past few years. Since IPO EPS (adj.) CAGR-% 12%.	Company is currently in crisis due to the poor own balance sheet investments and operative mistakes.
Strenghts/ weaknesses	Excellent products and strong institutional sales. Main weakness is high reliance on the real estate funds.	HNW customerbase which enables healthy fee levels. Strong track-record in private assets.	Care fund is an exceptional product from managers point of view. Company relies heavily on the Care fund (share of revenue +80%)	Strong institutional sales. Notable international reach and highly competitive price level are clear strenghts. Difficulties with cost control is the main weakness.	Strong real footprint and high fee levels. Poor performance of its own products and lack of focus in strategy are the main weaknesses.	Strong position in the private asset field. Main weakness is the modest fee based profitability.	Good position in real assets and wide reach in HNW field. Sales efficiency and mixed quality of products are the main weaknesses.	Crowdfunding platforms have potential, but the reputation is poor and company is facing massive operative challenges.
Strategic direction	To continue strong organic growth in real estate and PE funds while maintain superior profitability. M&A is possible.	Continue strong organic growth. Focus in Energy and private assets. Opportunistic view towards M&A.	To continue strong growth in Care fund while rolling out new products. M&A is possible.	To continue its strong growth (both domestic and international) while rolling out new private asset products. M&A unlikely.	To continue its growth while rolling out new private asset products. Over the short term the focus is shifting towards the profitability.	Growth in the management business through new product launches. Clear improvement in profitability through growth. M&A likely.	Strong growth in real and private assets. Profitability improvement through efficiency. In short term M&A unlikely, over the long term highly likely.	Focus on the crowdfunding.

Financial situation

Strong and liquid balance sheet

Overall CapMan's balance sheet is strong and net gearing and equity ratio were -3 % and 53 % in the end of Q1'19. As the balance sheet is highly liquid (high cash balance + trading portfolio) the balance sheet gives CapMan major leeway for possible M&A.

In the end of Q1'19 CapMan's total assets were 221 MEUR. Majority of this consists of investments which accounted some 112 MEUR. We have discussed investments in more detailed manner in pages 20-21. CapMan also had a major cash position (Q1'19: 66 MEUR).

Besides the investments, CapMan's business model is extremely light asset wise. In Assets CapMan has 20.5 MEUR of goodwill and intangibles. Goodwill (19.5 MEUR) is based on the acquisitions of JAM (Q1'19 and of Norum, a fund manager operating in Russia (2008). As the Russian crisis has weakened the economic outlook of the country notably, we believe that CapMan will evaluate the continuum of the Russian business before it starts to raise funds for its Russia III fund (2020-2021). If CapMan would decide to discontinue the fund managing business in Russia, it would probably lead to a write-down in goodwill of some 5 MEUR. It is worth to remember that the Russian goodwill is only roughly 10 % of CapMan's equity and thereby even a full write-down would not affect CapMan's financial position.

Other assets include typical day-to-day business related assets such as receivables (6 MEUR) and deferred tax assets (2 MEUR). Tangible assets are

3.4 MEUR and it mainly contains IFRS16 leases.

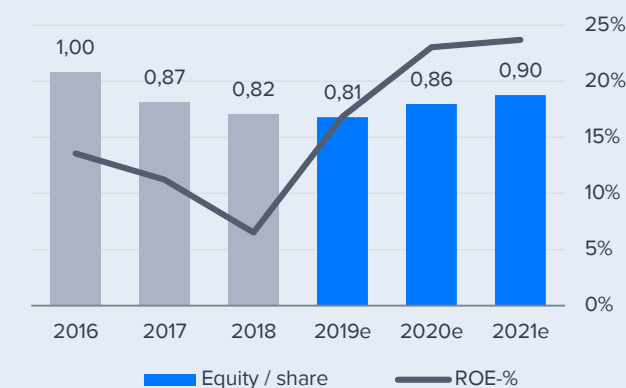
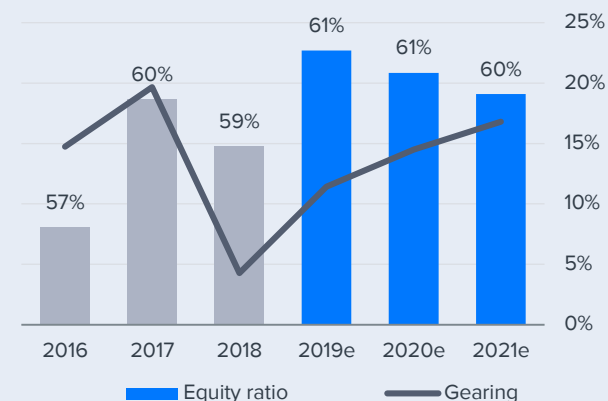
In Q1'19 CapMan's total equity stood at 115 MEUR. The corresponding total interest bearing debt was 63 MEUR. Other liabilities are some 40 MEUR including mainly trade payables.

Major off balance sheet liabilities

Outside the balance sheet, CapMan has made some 94 MEUR (Q1'19) worth of commitments to invest in its own funds. These commitments will grow significantly during Q2'19 as CapMan made a major 31 MEUR commitment for its new Buyout fund in June.

Basically these commitments mean that CapMan has committed to invest in its future funds that are in the fundraising phase. This is part of CapMan's strategy and CapMan's aim is to invest 1-5 % of the fund's total value. Although these commitments could technically be avoided, it would be a severe indication of distrust regarding the future performance of the fund, which could have negative effects on CapMan's fundraising. Therefore we believe that CapMan must fulfill these commitments and they can be seen as liabilities.

CapMan also has a minor off balance sheet liability relating its Real Estate I fund's carry. The amount is 7.6 MEUR and CapMan has already booked the losses in its PnL. The cash flow impact will still be negative and we expect this 7.6 MEUR carry clawback to be paid during 2019.



Future estimate (group) 1/2

Premises of the estimate model

in this chapter we go through estimates at group level. More detailed estimates for individual segments can be found in pages 13-21. We base our estimates for an neutral market scenario. We expect uncertainty to be high and volatility to increase as we are entering the more mature phase of the bull market. At the same time interest rates will remain low which at the hunt for yield will continue. Major trends which we discussed earlier in the report will continue to reshape the industry.

CapMan is well positioned to benefit for this environment due to its focus on private assets. We believe that private assets will flourish in our neutral market scenario as they offer superior risk/reward comparing to traditional bond/stock portfolio. We believe that it would require a clear bear market that the current uncertainty would start to reflect on CapMan's figures.

From an investor's perspective the most important thing to notice in our future estimates is that the mix of CapMan's earnings is expected to improve notably. We estimate that the profitability of the management businesses will improve significantly from current modest level as the topline grows and the cost base continues to come down. As the EBIT mix moves towards the management business the predictability of earnings improves and the volatility declines which supports the acceptable valuation.

We expect notable earnings growth in 2019

CapMan had a good start for the year as the robust rebound in the global capital markets boosted returns of the CapMan's trading portfolio in Q1. We are still expecting a major earnings growth driven by the Management business. This earnings growth will weight heavily towards the end of the year due

to the large carry mainly from Nordic Real Estate I. The Service Business will continue its strong profitable growth and acquisition of JAM will give a significant onetime boost to its topline.

We estimate AUM to grow to 3560 MEUR where majority comes from Private equity (Buyout 11) and Infra. In Real Estate AUM will not grow as the new products will offset the negative impact from divested products (NRE I).

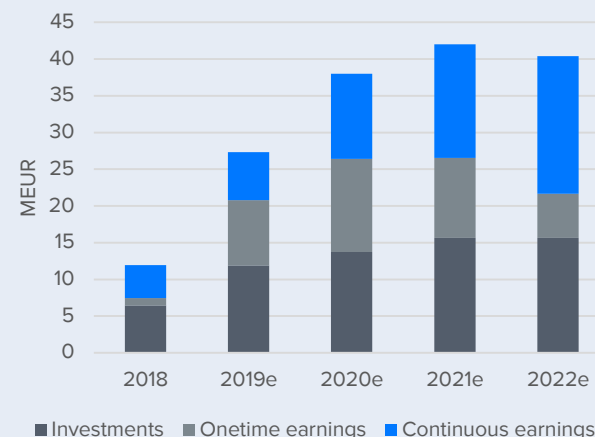
Overall we are expecting CapMan's net sales to grow some 47 % to 49 MEUR. Strong topline growth will transform into a major EBIT improvement due to continuous cost discipline. It is worth to point out that the 2019 earnings growth still comes mainly from onetime items (carry + investment income).

Group tax-rate will stay at low level due to the low tax-rate of investment portfolio and or 2019 EPS estimate is 0.14 EUR and we expect CapMan to hike its dividend according to its dividend policy (2019e: 0.13 EUR).

Key drivers of estimates

- ↑ Notable fee based profit improvement
- ↑ Significant increase in carry
- ↻ Profitable growth in Services
- ↓ Weakening market situation
- ↓ Reallocation of the portfolio puts pressure on investment income over the short term

Change in EBIT mix*



*Onetime earnings => carry & investment income

Future estimate (group) 2/2

2020 EBIT mix improvement will continue

In 2020 we expect CapMan to continue its strong growth and we expect net sales to grow by 19 % to 59 MEUR. The main driver behind this growth is continuous ramp-up of the Infra, new products in Real Estate and carry. We estimate AUM to grow to 3970 MEUR and all business lines should contribute for AUM growth.

We expect CapMan to continue its tight cost discipline and the Management business exc. carry should reach a good profitability level for the first time in CapMan's history. The EBIT mix continues to move towards the continuous earnings. Our EBIT estimate for 2020 is 38 MEUR which we believe should be fairly close to the full earnings potential of CapMan's current assets. 2019 EPS estimate is 0.19 EUR and corresponding DPS 0.15 EUR. The dividend estimate is cautious and if CapMan is able to live up with our estimates, we see a high change for a larger hike in DPS.

Long term estimates

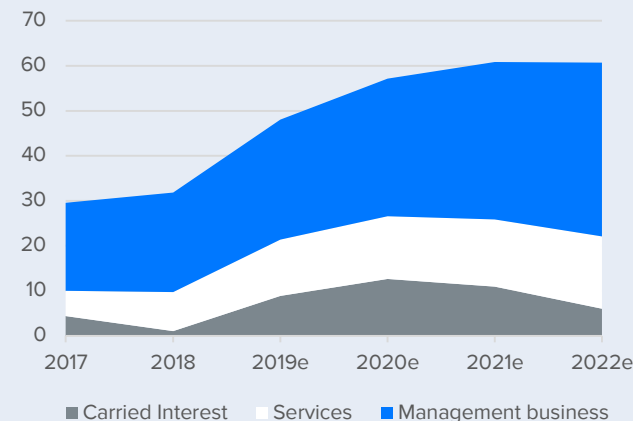
As said before, we believe that our 2020 estimate gives a fairly good proxy of full potential of CapMan's current assets. However the earnings mix is still fairly heavily weighted towards carry + investment income and we expect the share of continuous EBIT to continue to rise. The main driver behind this is obviously the management business where the 2020 expected carry excluding EBIT-% is at good level of 24 % (clearly the best in CapMan's history), but still below CapMan full potential. Due to the high quality capital under management (high fee/AUM-%) and high scalability of CapMan's business, we believe that CapMan should be able to reach margins in range of 30-35

%. It is worth to point out that carry has a larger role in CapMan comparing to its main listed peers (eQ, Taaleri, Evli) and when we include carry, CapMan's profitability should be one of the best among its peers.

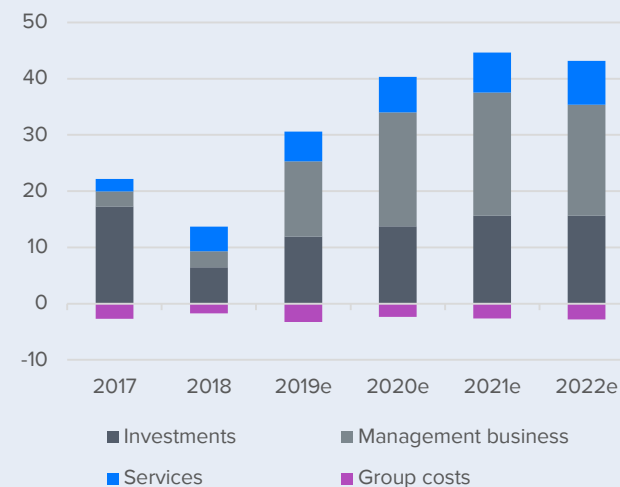
We still believe that over the long term CapMan should be able to continue its profitable growth as the strategy execution progresses. The main drivers behind the profitable growth remains same:

- Increase the topline of management business significantly (requires continuous flow of new products)
- Maintain cost discipline
- Improve the returns of own products (carry potential + new sales)
- Boost IRR and lower investment income volatility by increasing share of private assets in own portfolio.

Topline estimates

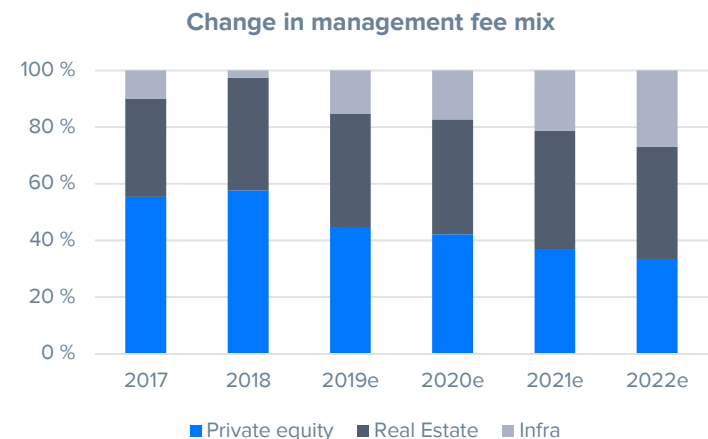
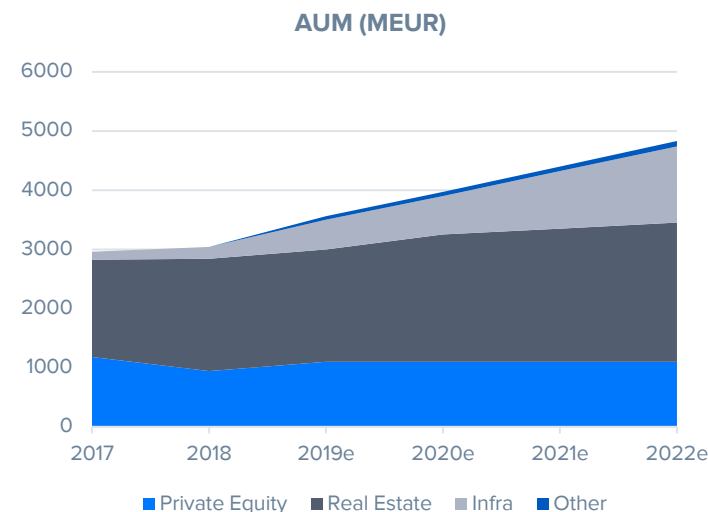


EBIT estimates



Summary of estimates 1/2

MEUR	2017	2018	2019e	2020e	2021e	2022e
Net sales	34,8	33,5	49,4	58,6	62,3	62,1
Management business	19,5	22,1	26,7	30,6	35,0	38,6
Private equity	11,1	12,8	11,7	12,7	12,7	12,7
Real Estate	6,9	8,8	10,6	12,2	14,3	15,0
Infra	2,0	0,6	4,1	5,2	7,3	10,2
Services	5,6	8,7	12,5	13,9	15,0	16,1
Carried Interest	4,4	1,0	8,9	12,7	10,9	6,0
Investments	3,7	0,0	0,0	0,0	0,0	0,0
EBIT	19,5	12,0	27,3	38,0	42,0	40,4
Management business	2,7	2,8	13,4	20,3	21,9	19,7
Services	2,3	4,4	5,3	6,3	7,1	7,8
Investments	17,3	6,5	11,9	13,8	15,7	15,7
Group costs	-2,7	-1,7	-3,3	-2,4	-2,6	-2,8
EPS	0,10	0,05	0,13	0,19	0,21	0,20
DPS	0,11	0,12	0,13	0,15	0,16	0,17
Payout-%	106 %	219 %	97 %	78 %	78 %	87 %
ROE-%	11,2 %	6,5 %	16,8 %	23,0 %	23,7 %	21,4 %
Equity per share	0,82	0,81	0,86	0,90	0,94	0,95
AUM	2827	3043	3560	3970	4400	4830
Private Equity	1178	943	1100	1100	1100	1100
Real Estate	1649	1896	1900	2150	2250	2350
Infra	134	204	500	650	970	1290
Other	0	0	60	70	80	90
Investment income	12,6 %	6,0 %	11,2 %	10,4 %	10,6 %	10,6 %
Allocation						
Trading portfolio	46 %	31 %	12 %	10 %	6 %	6 %
Own funds	52 %	64 %	86 %	90 %	94 %	94 %
Other	3 %	5 %	2 %	0 %	0 %	0 %

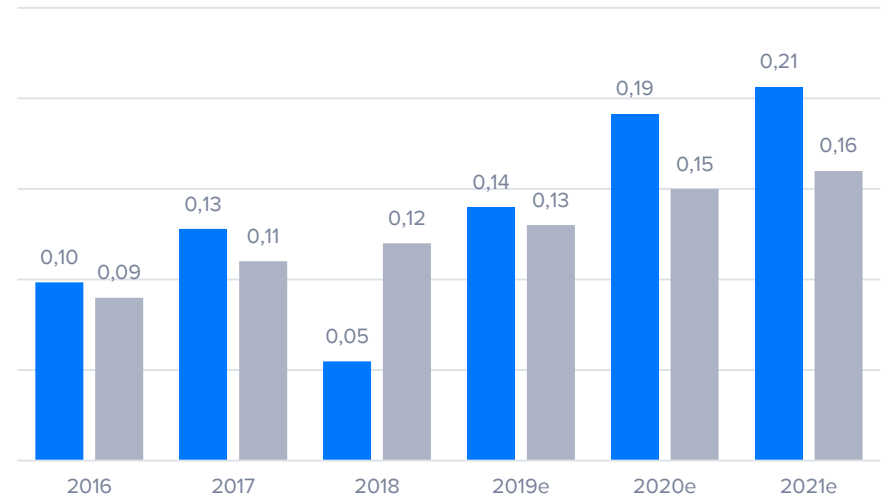


Summary of estimate 2/2

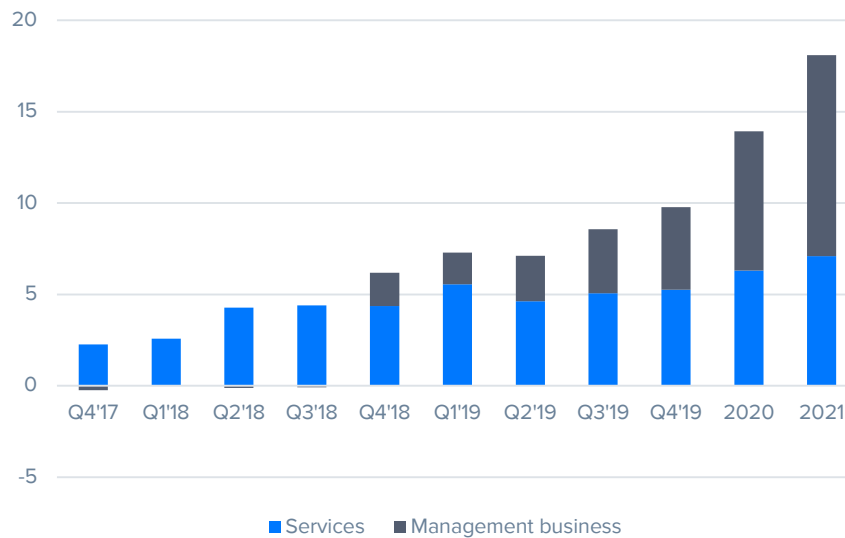
Continuous fees rolling 12m (MEUR)



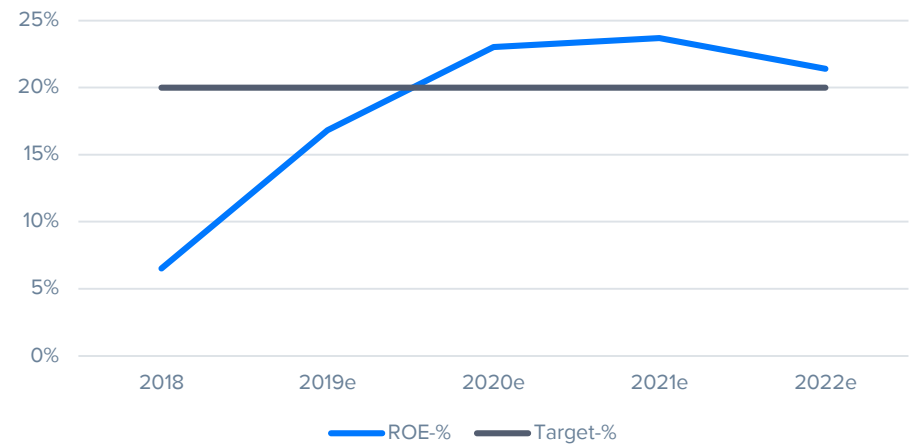
Dividend and EPS estimates



EBIT from continuous fees rolling 12m (MEUR)



ROE-% estimates



Valuation 1/3

Premises of the valuation

To determine the fair value of CapMan we have used several valuation methods (DCF, sum of parts and peer group). Overall the weighted average of our valuation is 1,96 euros per share. We maintain our target price of **1,85 euros** as we acknowledge that our valuation relies heavily on the success of the profit improvement during the upcoming 12 months. Thereby we want to maintain some margin of safety in our valuation.

In our view the expected total shareholder return (TSR) for the period of 2019-2021 is at excellent level of 15-20 % per annum. The major driver for the TSR is strong earnings growth. Also high and reliable dividend supports TSR and lowers the total risk profile of the stock.

The risk profile of CapMan is fairly limited and below sector average as the strong execution has lowered the internal risk profile. CapMan is also less exposed to the overall market environment than its listed peers. However, it is worth to point out that without earnings improvement TSR will rely on dividend. We could also see some multiple contraction as the 2018 earnings multiples are hard to justify if the estimated earnings growth does not materialize.

Due to the strong expected TSR and excellent risk/reward-ratio we upgrade our recommendation to **Buy** (prev. Accumulate).

In our view the following factors are supporting CapMan's investment case:

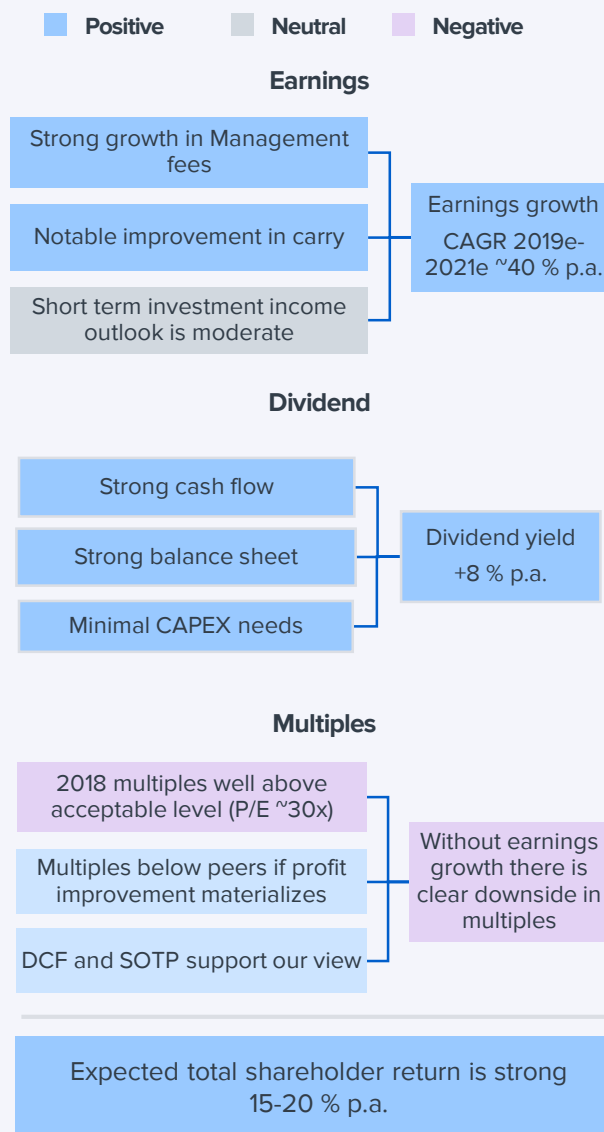
- Strong earnings growth outlook
- Limited risk profile
- Strong track-record

The main negative factors regarding the investment case are:

- Mature bull market and high market uncertainty
- High multiples when using 2018 figures



Share price drivers 2019-2021



Valuation 2/3

Sum of the parts

We have analyzed individual segments more thoroughly in their individual chapters (pages 13-21) and we only present outcomes of the valuations here. We estimate that the current EV of CapMan's sum of the parts is 258 MEUR or **1,77 euros per share**.

The major part of this value (178 MEUR) comes from Investments (page 20), 141 MEUR from Management business (page 16) and 36 MEUR from Services (page 19). Net debt 70 MEUR (Q1'19 situation) includes the upcoming 7.5 MEUR clawback provision. Other segment's value (-26 MEUR) has been calculated by discounting its normalized EBIT level with CapMan's cost of equity.

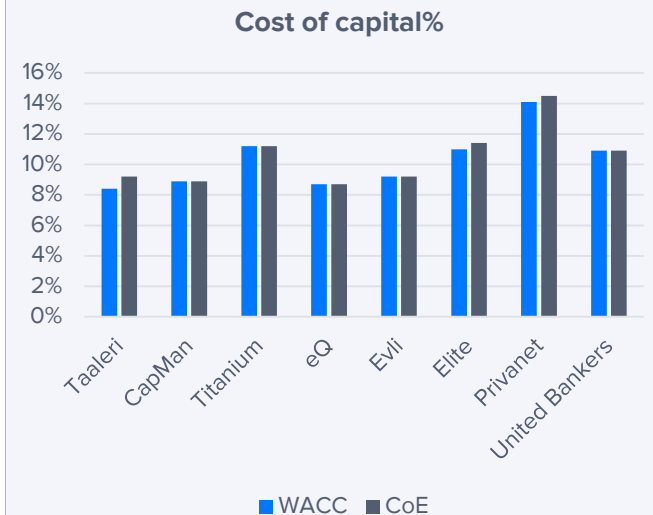
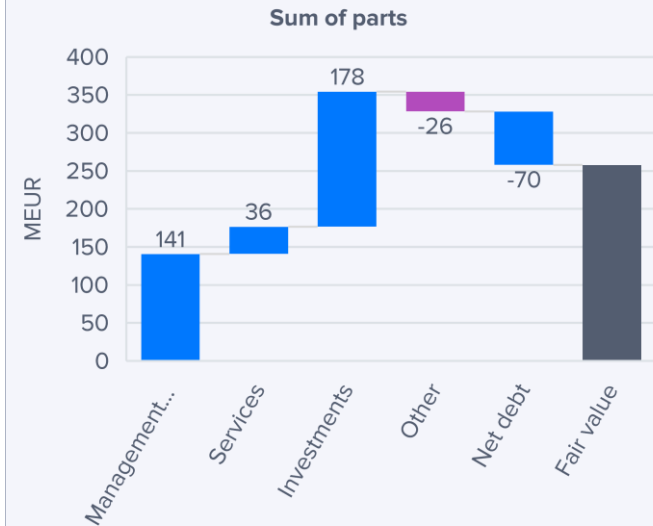
CapMan is currently valued below its sum of parts. We believe that this is due to the low profitability of the Management business, which in our view, does not reflect the true earnings level or the potential of the business.

The biggest upside potential obviously lies in the Management business as Investments are valued at fair value basis and size of the Services is relatively small in CapMan's context. If Management business is able to reach our estimates, its fair value should be clearly higher than our current estimate of 141 MEUR.

DCF-model

Our DCF value for CapMan is **2,11 euros** per share which supports our view regarding the value potential of the company highlighted by our other valuation methods. As the DCF-calculation is extremely sensitive for changes in CapMan's investment income, the reliability of DCF is fairly low. Thereby investors should look DCF as a more of a directional than as an absolute truth.

Our cost of equity and WACC are both 8,9 % which are below peer group averages. We expect CapMan's profitability to improve significantly till the year 2022 (EBIT-% 65 %). After that the profitability will start to decrease. Our estimated terminal growth rate is 2 %. The more detailed DCF-model can be found on page 38.



Valuation 3/3

Peer group valuation

For the peer group we have used the domestic listed financial service sector. Even though CapMan differs significantly from the group due to its major own balance sheet investments, we believe that the overall peer group gives a good overview of the accepted valuation levels in the sector.

In our valuation we focus solely on the 2019 estimates and we have given equal weights for P/E, EV/EBIT and dividend-% multiples. We believe that these parameters offer the best comparability between peer companies.

As we can see from the table on below, CapMan's current earnings multiples are below or in par with its peers. As CapMan's multiples rely heavily on the expected earnings growth (2018 P/E 30x), it is understandable that the markets want to apply discount for CapMan. As the earnings improvement progresses and the uncertainties fade, CapMan's earnings based multiples should start to drift towards its peer group. Over the longer term CapMan should be valued above

its peer group's multiples due its lower risk profile.

CapMan's dividend yield (8,0 %) is clearly above its peers and it is second highest from the whole group. Risk relating to CapMan's dividend is extremely low due to its robust & liquid balance sheet.

Overall the multiples support our view that if the earnings improvement materializes according to our estimates, the share is undervalued and there should be clear upside.

Multiple analysis

During 2014-2018 CapMan's average P/E-ratio has been around 18x (table at next page). This is fairly high level and we believe that fair P/E-ratio for CapMan is lower. The fair ratio depends on the earnings mix. As the earnings mix improves (Management businesses share grows) the acceptable multiple should move higher. With the current mix we see the fair P/E-ratio being around 12-13x and over the long term when mix improves the fair P/E-ratio should be around 14-15x.

Historical dividend yield has been 7,1 % and the current yield is clearly above it. We expect dividend yield to gradually come down as the earnings improve and markets can start to lean on the earnings multiples.

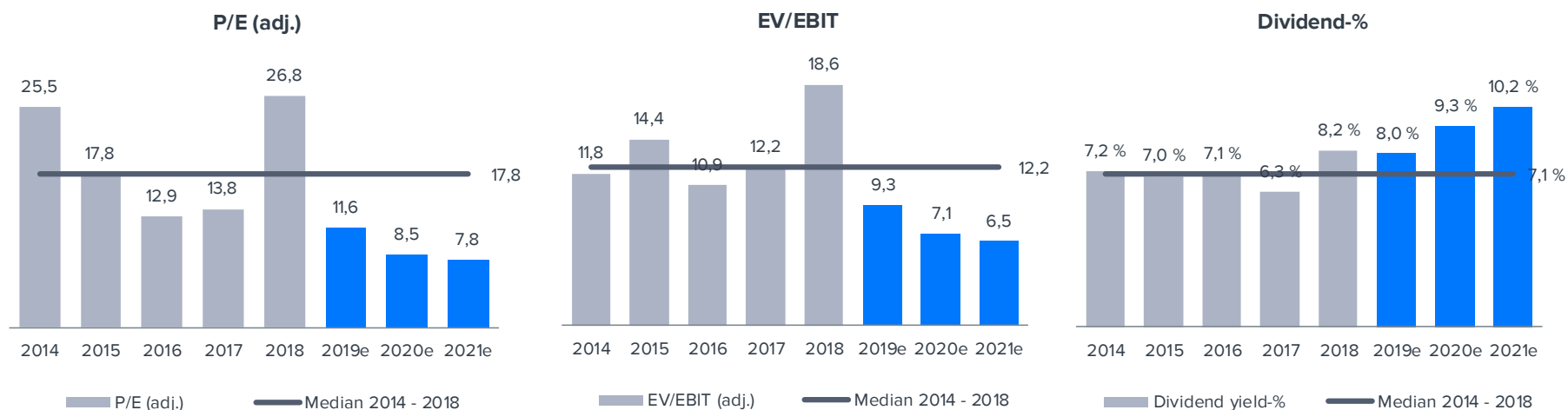
Company	Share price	MCAP MEUR	EV MEUR	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend-%		P/B 2019e
				2019e	2020e	2019e	2020e	2019e	2020e	2019e	2020e	2019e	2020e	
Evli	7,74	189	189	10,0	8,6	8,7	7,5	2,7	2,5	11,3	12,6	7,7	7,9	2,5
Taaleri	7,28	209	271	11,3	11,1	10,6	10,4	3,7	3,7	11,2	10,8	4,0	4,3	1,7
Privanet	0,77	10	14					1,8	1,8		34,5			0,9
United Bankers	7,70	79	84	14,0	16,8	9,3	9,3	2,5	2,5	11,5	11,1	5,7	6,1	2,5
eQ	8,84	339	327	14,8	11,3	14,8	11,1	7,4	5,9	19,2	14,6	5,8	7,0	5,5
EAB Group	2,70	23	30	29,6	9,9	7,4	5,9	1,6	1,4	30,2	18,1	2,9	4,4	2,1
Titanium	8,40	85	70	8,8	10,0	7,0	7,0	4,1	3,5	10,6	10,1	8,3	8,9	3,5
CapMan (Inderes)	1,62	248	263	9,3	7,1	9,2	6,9	5,3	4,6	11,6	8,5	8,0	9,3	2,0
Average				14,7	11,3	9,6	8,5	3,4	3,0	15,7	16,0	5,8	6,4	2,7
Median				12,6	10,5	9,0	8,4	2,7	2,5	11,4	12,6	5,8	6,5	2,5
Diff-% to median				-26 %	-33 %	3 %	-18 %	97 %	83 %	1 %	-33 %	39 %	43 %	-19 %

Source: Thomson Reuters / Inderes

Multiples

Valuation	2014	2015	2016	2017	2018	2019e	2020e	2021e	2022e
Share price	0,83	1,00	1,27	1,76	1,47	1,62	1,62	1,62	1,62
Number of shares, millions	86,4	86,4	143,3	145,6	147,1	153,1	154,1	158,1	158,6
Market cap	72	86	182	256	216	248	248	248	248
EV	75	133	203	281	222	263	268	273	267
P/E (adj.)	25,5	17,8	12,9	13,8	26,8	11,6	8,5	7,8	8,3
P/E	25,5	17,8	12,9	16,9	26,8	12,1	8,5	7,8	8,3
P/FCF	4,8	3,9	4,8	11,1	5,9	16,0	7,2	6,8	7,3
P/B	1,1	1,3	1,3	2,0	1,8	2,0	1,9	1,7	1,7
P/S	1,8	2,7	6,8	7,4	6,5	5,0	4,2	4,0	4,0
EV/Sales	1,9	4,2	7,6	8,1	6,6	5,3	4,6	4,4	4,3
EV/EBITDA	11,1	13,9	10,7	12,3	16,6	9,2	6,9	6,3	6,4
EV/EBIT (adj.)	11,8	14,4	10,9	12,2	18,6	9,3	7,1	6,5	6,6
Payout ratio (%)	184,5 %	124,4 %	91,5 %	105,9 %	219,0 %	97,0 %	78,3 %	77,5 %	86,6 %
Dividend yield-%	7,2 %	7,0 %	7,1 %	6,3 %	8,2 %	8,0 %	9,3 %	10,2 %	10,9 %

Source: Inderes



Income statement

Income statement	2017	Q1'18	Q2'18	Q3'18	Q4'18	2018	Q1'19	Q2'19e	Q3'19e	Q4'19e	2019e	2020e	2021e	2022e
Revenue	34,8	7,3	10,4	7,0	8,7	33,5	9,3	10,7	9,8	19,6	49,4	58,6	62,3	62,1
Management business	25,1	5,9	6,5	5,6	6,2	24,2	6,4	6,9	7,0	16,1	36,4	44,1	46,7	45,4
Services	5,6	1,4	3,8	1,4	2,1	8,7	2,9	3,7	2,7	3,2	12,5	13,9	15,0	16,1
Investments	3,7	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	0,5	0,0	0,2	0,0	0,4	0,6	0,0	0,1	0,1	0,3	0,5	0,6	0,6	0,6
EBITDA	22,9	4,1	6,0	4,9	-1,7	13,4	5,0	4,5	4,8	14,2	28,5	39,1	43,2	41,6
Depreciation	-3,4	-0,1	0,0	-0,1	-1,3	-1,5	-0,3	-0,3	-0,3	-0,3	-1,1	-1,1	-1,2	-1,2
EBIT (excl. NRI)	23,0	4,1	6,0	4,9	-3,0	12,0	5,6	4,2	4,6	13,9	28,2	38,0	42,0	40,4
EBIT	19,5	4,1	6,0	4,9	-3,0	12,0	4,7	4,2	4,6	13,9	27,3	38,0	42,0	40,4
Management business	2,7	0,8	0,7	0,8	0,5	2,8	0,8	0,8	1,6	10,2	13,4	20,3	21,9	19,7
Services	2,3	0,6	2,4	0,6	0,8	4,4	1,8	1,5	1,0	1,0	5,3	6,3	7,1	7,8
Investments	17,3	3,2	3,4	3,8	-4,0	6,5	3,9	2,5	2,3	3,1	11,9	13,8	15,7	15,7
Other	-2,7	-0,4	-0,6	-0,4	-0,3	-1,7	-1,7	-0,7	-0,4	-0,5	-3,3	-2,4	-2,6	-2,8
Net financial items	-3,1	-0,5	-1,0	-0,5	-0,7	-2,7	-0,6	-0,6	-0,6	-0,6	-2,4	-2,1	-2,3	-2,3
PTP	16,4	3,5	5,0	4,4	-3,6	9,3	4,1	3,6	4,0	13,3	24,9	35,9	39,7	38,0
Taxes	-0,8	-0,2	-0,8	-0,2	0,4	-0,8	-0,1	-0,4	-0,5	-2,5	-3,5	-5,4	-6,0	-5,7
Minority interest	-0,5	0,0	-0,5	-0,1	0,2	-0,4	-0,4	-0,4	0,0	-0,1	-0,9	-1,0	-1,1	-1,2
Net earnings	15,1	3,3	3,7	4,0	-3,0	8,1	3,6	2,8	3,5	10,6	20,5	29,5	32,6	31,1
EPS (adj.)	0,13	0,02	0,03	0,03	-0,02	0,05	0,03	0,02	0,02	0,07	0,14	0,19	0,21	0,20
EPS (rep.)	0,10	0,02	0,03	0,03	-0,02	0,05	0,02	0,02	0,02	0,07	0,13	0,19	0,21	0,20

Balance sheet

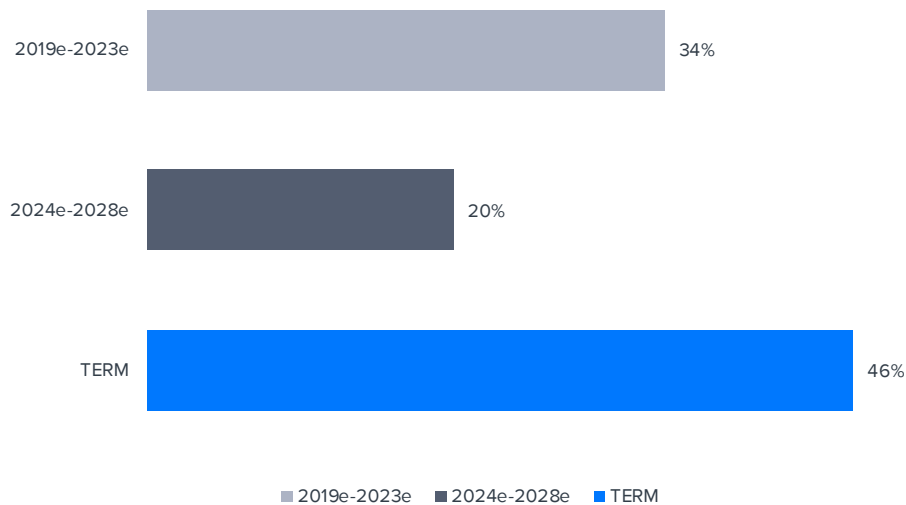
Assets	2017	2018	2019e	2020e	2021e
Non-current assets	176	134	146	163	178
Goodwill	4,5	4,7	12,7	12,7	12,7
Intangible assets	0,3	0,1	0,2	0,4	0,6
Tangible assets	0,2	0,3	3,3	3,2	3,1
Associated companies	0,0	0,0	0,0	0,0	0,0
Other investments	169	127	128	145	160
Other non-current assets	0,0	0,0	0,0	0,0	0,0
Deferred tax assets	1,8	2,0	2,0	2,0	2,0
Current assets	35,2	72,2	55,9	56,6	59,4
Inventories	0,0	0,0	0,0	0,0	0,0
Other current assets	8,7	12,6	12,6	12,6	12,6
Receivables	3,1	5,1	7,4	8,8	9,3
Cash and equivalents	23,3	54,5	35,9	35,2	37,4
Balance sheet total	211	206	202	220	238

Source: Inderes

Liabilities & equity	2017	2018	2019e	2020e	2021e
Equity	127	121	124	133	143
Share capital	0,8	0,8	0,8	0,8	0,8
Retained earnings	4,8	-2,7	0,1	9,7	19,3
Hybrid bonds	-0,4	0,0	0,0	0,0	0,0
Revaluation reserve	39,0	39,0	39,0	39,0	39,0
Other equity	82,6	83,5	83,5	83,5	83,5
Minorities	0,0	0,4	0,4	0,4	0,4
Non-current liabilities	53,9	53,2	53,5	57,3	63,1
Deferred tax liabilities	8,6	3,3	3,3	3,3	3,3
Provisions	0,0	0,0	0,0	0,0	0,0
Long term debt	45,2	49,7	50,0	53,8	59,7
Convertibles	0,0	0,0	0,0	0,0	0,0
Other long term liabilities	0,1	0,2	0,2	0,2	0,2
Current liabilities	30,7	31,9	24,8	29,2	31,7
Short term debt	3,0	10,0	0,0	0,7	1,7
Payables	26,8	16,8	19,7	23,4	24,9
Other current liabilities	0,8	5,1	5,1	5,1	5,1
Balance sheet total	211	206	202	220	238

DCF-model

DCF model	2018	2019e	2020e	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	TERM
EBIT (operating profit)	12,0	27,3	38,0	42,0	40,4	38,4	33,0	30,5	31,2	28,2	28,8	
+ Depreciation	1,5	1,1	1,1	1,2	1,2	1,2	1,3	1,3	1,3	1,3	1,3	
- Paid taxes	-6,4	-3,5	-5,4	-6,0	-5,7	-5,4	-4,6	-4,2	-4,3	-3,9	-4,0	
- Tax, financial expenses	-0,2	-0,3	-0,3	-0,3	-0,4	-0,3	-0,4	-0,4	-0,4	-0,4	-0,4	
+ 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	-11,6	0,6	2,3	0,9	0,0	0,5	0,5	0,5	0,3	0,3	0,4	
Operating cash flow	-4,8	21,2	35,7	37,8	35,5	34,3	29,8	27,7	28,1	25,6	26,1	
+ Change in other long-term liabilities	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	
- Gross CAPEX	41,2	-13,6	-18,2	-16,3	-1,3	-8,3	-1,3	-1,3	-1,3	-1,3	-1,5	
Free operating cash flow	36,5	7,6	17,5	21,5	34,2	26,0	28,5	26,4	26,8	24,3	24,6	
+/- Other	0,0	7,9	17,0	15,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	
FCFF	36,5	15,5	34,5	36,5	34,2	26,0	28,5	26,4	26,8	24,3	24,6	362
Discounted FCFF		14,7	30,2	29,3	25,2	17,6	17,7	15,1	14,0	11,7	10,9	160
Sum of FCFF present value		346	332	301	272	247	229	212	196	182	171	160
Enterprise value DCF		346										
- Interesting bearing debt		-59,7										
+ Cash and cash equivalents		54,5										
-Minorities		-0,8										
-Dividend/capital return		-17,7										
Equity value DCF		323										
Equity value DCF per share		2,1										
Wacc												
Tax-% (WACC)		20,0 %										
Target debt ratio (D/(D+E))		0,0 %										
Cost of debt		4,0 %										
Equity Beta		1,25										
Market risk premium		4,75 %										
Liquidity premium		0,00 %										
Risk free interest rate		3,0 %										
Cost of equity		8,9 %										
Weighted average cost of capital (WACC)		8,9 %										



Source: Inderes

Overview

Income statement	2016	2017	2018	2019e	2020e	Per share data	2016	2017	2018	2019e	2020e
Revenue	26,7	34,8	33,5	49,4	58,6	EPS (reported)	0,10	0,10	0,05	0,13	0,19
EBITDA	19,0	22,9	13,4	28,5	39,1	EPS (adj.)	0,10	0,13	0,05	0,14	0,19
EBIT	18,7	19,5	12,0	27,3	38,0	OCF / share	1,15	0,09	-0,03	0,14	0,23
PTP	15,5	16,4	9,3	24,9	35,9	FCF / share	0,27	0,16	0,25	0,10	0,22
Net Income	14,1	15,1	8,1	20,5	29,5	Book value / share	1,00	0,87	0,82	0,81	0,86
Extraordinary items	0,0	-3,5	0,0	-0,9	0,0	Dividend / share	0,09	0,11	0,12	0,13	0,15
Balance sheet	2016	2017	2018	2019e	2020e	Growth and profitability	2016	2017	2018	2019e	2020e
Balance sheet total	252,7	211,3	206,0	202,1	219,9	Revenue growth-%	-16 %	30 %	-4 %	47 %	19 %
Equity capital	143,0	126,7	121,0	123,8	133,4	EBITDA growth-%	98 %	21 %	-41 %	112 %	37 %
Goodwill	6,2	4,5	4,7	12,7	12,7	EBIT (adj.) growth-%	101 %	23 %	-48 %	136 %	35 %
Net debt	21,1	24,9	5,2	14,1	19,4	EPS (adj.) growth-%	75 %	30 %	-57 %	155 %	37 %
Cash flow	2016	2017	2018	2019e	2020e	EBITDA-%	71,0 %	65,7 %	40,1 %	57,7 %	66,7 %
EBITDA	19,0	22,9	13,4	28,5	39,1	EBIT (adj.)-%	69,9 %	66,0 %	35,7 %	57,2 %	64,8 %
Change in working capital	18,3	-3,2	-11,6	0,6	2,3	EBIT-%	69,9 %	55,9 %	35,7 %	55,4 %	64,8 %
Operating cash flow	164,4	12,5	-4,8	21,2	35,7	ROE-%	13,5 %	11,2 %	6,5 %	16,8 %	23,0 %
CAPEX	-128,3	4,6	41,2	-13,6	-18,2	ROI-%	10,9 %	10,1 %	6,7 %	15,4 %	21,0 %
Free cash flow	38,2	23,1	36,5	15,5	34,5	Equity ratio	56,6 %	60,0 %	58,7 %	61,3 %	60,7 %
						Gearing	14,7 %	19,7 %	4,3 %	11,4 %	14,5 %
Largest shareholders	% of shares					Valuation multiples	2016	2017	2018	2019e	2020e
Mandatum	7,6 %					EV/S	7,6	8,1	6,6	5,3	4,6
Ilmarinen	6,9 %					EV/EBITDA (adj.)	10,7	12,3	16,6	9,2	6,9
OY Inventiainvest AB (Ari Tolppanen)	4,6 %					EV/EBIT (adj.)	10,9	12,2	18,6	9,3	7,1
Mikko Laakkonen	4,2 %					P/E (adj.)	12,9	13,8	26,8	11,6	8,5
Varma	2,4 %					P/B	1,3	2,0	1,8	2,0	1,9
Joensuun Kauppa ja Kone Oy	2,2 %					Dividend-%	7,1 %	6,3 %	8,2 %	8,0 %	9,3 %

Source: Inderes

Disclaimer & recommendation history

The information presented in this report has been gathered from several public sources, which Inderes judge to be trustworthy. Inderes aims to use reliable and extensive information, but Inderes cannot guarantee the flawless nature of the information presented. Possible contentions, estimates or forecasts are based on the presenter's point of view. Inderes does not guarantee the content or the reliability of the data. Inderes or its employees do not account for financial results or other damages (direct or indirect) of investment decisions made on the basis of their reports that can materialize from the utilization of this information. Inderes or their employees shall not be held responsible for investment decisions made based on this report or other damages (both direct and indirect damages) which the usage of this report might have caused. The information presented in this report might change rapidly. Inderes does not commit to inform of the possible changes in the information / contention of the report.

Possible contentions, estimates or forecasts are based on the presenter's point of view. Inderes does not guarantee the content or the reliability of the data. Inderes or its employees do not account for financial results or other damages (direct or indirect) of investment decisions made on the basis of their reports that can materialize from the utilization of this information. Inderes or their employees shall not be held responsible for investment decisions made based on this report or other damages (both direct and indirect damages) which the usage of this report might have caused. The information presented in this report might change rapidly. Inderes does not commit to inform of the possible changes in the information / contention of the report.

This report has been produced for information purposes and the report should not be taken as an investment advice, offer or request to buy or sell a particular asset. The client should also understand that the historical development is not a guarantee of the future. When making investment decisions, client must base their decisions on their own research and their own estimates on the factors affecting the value of the investment object and also to consider their own financial goals, financial status and when necessary they shall use advisor. Customer is always responsible for their own investment decisions and the possible causes of them.

The reports produced by Inderes cannot be altered, copied or made available to others either fully or partially without written consent. Any part of this report or the whole report cannot be presented, transferred or distributed to the United States, Canada or Japan or to the citizens of the aforementioned countries. The legislation of other countries may contain restrictions related to the distribution of information contained in this report and people, whom these restrictions apply to, should take into account these restrictions.

Inderes gives the stocks it covers target prices. The recommendation methodology Inderes uses is based on the percent difference of the current price and our 12-month target price. The recommendation policy has four levels with sell, reduce, accumulate and buy. The recommendations and target prices of Inderes are examined at least four times a year after company's quarterly reports. However, it is possible to change recommendation and / or target price at any time it is necessary. The given recommendations and target prices do not guarantee that the stock's development is in accordance to the valuation that has been made. In producing target prices and recommendations, Inderes primarily uses the following valuation methods: Discounted

Cash Flow analysis (DCF), Economic Value Added model (EVA), valuation multiples, relative valuation and Sum of Parts analysis. The valuation methodologies applied and the bases for target prices are company specific and may significantly vary depending on the company and/or sector.

Inderes' recommendation policy is based on the following distribution in relation to the upside potential of the stock's 12-month target price:

Recommendation	Upside potential*
Buy	> 15 %
Accumulate	5 - 15 %
Reduce	-5 - 5 %
Sell	< -5 %

The analysts producing the research of Inderes or the employees of Inderes can not have 1) ownership that exceeds significant financial benefit 2) over 1% ownership in any of the companies under coverage. Inderes Oy can own shares of companies it covers as far as it is presented in the company's model portfolio that invests real money. All ownership of shares by Inderes Oy is fully presented in its model portfolio. Inderes Oy does not have any other ownership in shares in companies it covers. The compensation of the analyst providing the research has not been directly or indirectly tied to the given recommendation or view presented. Inderes Oy does not have any investment banking operations.

Inderes or its partners, whose customers may have a financial impact on Inderes can obtain agency relationships with different issuers on behalf of services provided by Inderes or its partners. As a result Inderes can therefore be in a direct or indirect contractual relationship with the issuer who is the target of the research. Inderes may together with its partners offer issuers Corporate Broking services, which aim to enhance the communication between the target company and the capital markets. These services include investor events, counsel related to investor relations and compiling investment reports. Inderes has made an agreement with the issuer and target of this report, which entails compiling a research report.

More information about research disclaimers can be found at www.inderes.fi/research-disclaimer.

Recommendation history (>12 mo)

Date	Recommendation	Target price	Share price
04/06/2015	Accumulate	1,20 €	1,07 €
07/08/2015	Accumulate	1,20 €	1,04 €
05/11/2015	Reduce	1,05 €	1,04 €
20/01/2016	Accumulate	1,05 €	0,95 €
04/02/2016	Accumulate	1,05 €	0,94 €
04/05/2016	Accumulate	1,10 €	0,97 €
11/08/2016	Buy	1,25 €	1,08 €
24/10/2016	Buy	1,35 €	1,20 €
03/11/2016	Accumulate	1,40 €	1,28 €
18/01/2017	Accumulate	1,40 €	1,27 €
05/02/2017	Accumulate	1,55 €	1,46 €
08/03/2017	Accumulate	1,70 €	1,55 €
05/05/2017	Accumulate	1,80 €	1,69 €
11/08/2017	Accumulate	1,85 €	1,77 €
02/11/2017	Accumulate	1,85 €	1,77 €
19/12/2017	Accumulate	1,85 €	1,76 €
02/02/2018	Reduce	1,80 €	1,76 €
04/04/2018	Accumulate	1,65 €	1,43 €
27/04/2018	Accumulate	1,70 €	1,50 €
10/08/2018	Buy	1,85 €	1,56 €
02/11/2018	Buy	1,85 €	1,58 €
01/02/2019	Accumulate	1,85 €	1,71 €
26/04/2019	Accumulate	1,85 €	1,67 €
12/06/2019	Buy	1,85 €	1,62 €



Inderes Ltd is a Finnish independent equity research and digital investor service provider. We pick the best stocks for investors and make the stock exchange more efficient by matching investors with companies through best-in-class research. Inderes morning letter, model portfolio and award-winning research reach over 35 000 Finnish investors daily. We have the most comprehensive and active coverage of the Helsinki Stock Exchange with our team of 13 analysts following over 100 companies.

Inderes Oy

Itämerentori 2
00180 Helsinki
+358 10 219 4690

Award winning research www.inderes.fi

Awards



2015, 2018
Recommendations
& estimates



2014, 2016, 2017
Recommendations



2014, 2015, 2016, 2018
Recommendations
& estimates



2012, 2016, 2018
Recommendations



2012, 2016, 2017, 2018
Recommendations
& estimates



2017
Recommendations



2017
Recommendations



2018
Estimates

