



CapMan Plc Interim Report for the period 1 January – 30 September 2019

CapMan Plc Stock Exchange Release / Interim Report
31 October 2019 at 8:30 a.m. EET

CapMan Plc Interim Report for the period 1 January – 30 September 2019

Results and significant events:

- Group turnover was MEUR 32.4 1 Jan–30 Sep 2019 (MEUR 24.8 1 Jan–30 Sep 2018), growth was 30 per cent from the comparison period.
- Operating profit was MEUR 16.0 (MEUR 14.9). Operating profit excluding items affecting comparability was MEUR 17.4 (MEUR 14.9), growth was 17 per cent from the comparison period.
- Diluted earnings per share were 6.8 cents (7.5 cents). Diluted earnings per share excluding items affecting comparability were 7.6 cents (7.5 cents).
- Capital under management was EUR 3.2 bn (EUR 2.7 bn), growth was 21 per cent from the comparison period.

This stock exchange release is a summary of CapMan Plc's Interim Report for the period 1 January – 30 September 2019. The complete report is available in pdf-format as an attachment to this release and on the company's website at <https://www.capman.com/shareholders/financial-reports/>.

Joakim Frimodig, CEO:

"CapMan's strong growth continues as Group turnover grew by 30 per cent in the first nine months of 2019. Correspondingly, comparable operating profit grew by 17 per cent from the comparison period to more than MEUR 17.

These past few years we have focused on developing new business areas and investment products. As a consequence, our capital under management grew by more than 20 per cent, or approx. MEUR 600 from the comparison period. Our management fee-based profitability improved significantly during the third quarter.

We are currently raising capital for Buyout, Infra and Real Estate funds. In addition, we have launched new fundraising projects, of which one is the next fund in our Credit-strategy. Demand for our funds remains solid and our fundraising projects proceed as planned. Currently ongoing fundraising projects extend into next year and we expect significant growth in our capital under management during 2020.

Due to the challenging fundraising market in Russia, we currently assess strategic options for our Russia investment area.

We wish to cater to an increasingly broad investor group in line with our strategy. CapMan Nordic Property Income Fund is a non-UCITS fund where we have partnered with Nordea in terms of additional distribution. The broader distribution enables a significant increase in fund size and allows a more diverse group of investors the opportunity to invest in unlisted real estate in a diversified manner. In the future, we may expand the product portfolio offered through partners also to other product categories.

Our funds have actively invested and conducted exits in 2019. Value creation work continues strong and based on the first nine months of the year annualised returns of our fund investments were at 10 per cent.

Our Service business has grown by 90 per cent and the segment's operating profit exceeded MEUR 8 in the first nine months of 2019. All three service businesses – CaPS, Scala and JAM Advisors – have performed well and their growth outlook remains good.

During the past year, we have continued to pursue our key objectives. Fee-based profitability has now grown for 12 quarters in a row and latest rolling twelve-month fee-based operating profit reached new record levels at MEUR 12.

The CapMan Mezzanine V fund under our Credit strategy started realising carry in September while several other funds approach carry as well.

Strong growth and improved profitability support the implementation of our long-term dividend policy. Our objective is to distribute an annually growing dividend to our shareholders."

CapMan maintains financial objectives and outlook estimate for 2019 unchanged

CapMan's objective is to pay an annually increasing dividend to its shareholders.

The combined growth objective for Management Company and Service business is more than 10 per cent p.a. on average. The objective for return on equity is more than 20 per cent p.a. on average. CapMan's equity ratio target is more than 60 per cent.

CapMan expects to achieve these financial objectives gradually and key figures are expected to show fluctuation on an annual basis considering the nature of the business. CapMan expects management fees and fees from services to continue growing in aggregate in 2019. Our objective is to improve the aggregate profitability of Management Company and Service businesses before carried interest income and any possible items affecting comparability.

The return on CapMan's investments have a substantial impact on CapMan's overall result. The development of industries and local economies, market instrument and inflation development, valuation multiples of peer companies, exchange rates and various other factors outside of CapMan's control, as well as the combined effect of the aforementioned factors, influence fair value development of CapMan's overall investments in addition to portfolio company and asset-specific development.

CapMan's objective is to improve results in the longer term, taking into account annual fluctuations affecting the business. For these and other above-mentioned reasons, CapMan does not provide numeric estimates for 2019.

Items affecting comparability are described in the Tables section of this report.

Key figures

MEUR	1-9/19	1-9/18
Operating profit	16,0	14,9
Items affecting comparability		
Acquisition related costs	1,1	
Donations	0,3	
Items affecting comparability, total	1,4	
Adjusted operating profit	17,4	14,9
Profit for the period	12,3	11,7
Items affecting comparability		
Acquisition related costs	1,0	
Donations	0,3	
Items affecting comparability, total	1,3	
Adjusted profit for the period	13,6	11,7
Earnings per share, cents	6,9	7,5
Items affecting comparability, cents	0,8	
Adjusted earnings per share, cents	7,7	7,5
Earnings per share, diluted, cents	6,8	7,5
Items affecting comparability, cents	0,8	
Adjusted earnings per share, diluted, cents	7,6	7,5
%	30.9.2019	30.9.2018
Return on equity, %*	13.3	11.7
Return on equity, comparable, %*	14.8	11.7
Equity ratio, %	59.9	58.0

*CapMan has changed the calculation of Return on equity (ROE) as of Q2 2019. Return on equity is calculated as annualised profit for the period divided by average total equity (incl. non-controlling interests). Previously, ROE was calculated as annualised profit attributable to equity holders of the parent divided by average equity attributable to equity holders of the parent. The figures for the comparison periods have been restated accordingly.

Press, analyst and institutional investor conference and webcast today at 10.00 a.m. EEST

CapMan's management will present the result for the review period to press, analysts and institutional investors in a press conference to be held at 10.00 a.m. EET at CapMan's head office in Helsinki, address Ludviginkatu 6. To join the conference in person, please register with linda.tierala@capman.com. The conference is also accessible over a live webcast at <https://capman.videosync.fi/2019-q3-results>. The conference will be held in English. A replay of the webcast will be available on the company's website after the event. Welcome!

Helsinki, 31 October 2019

CAPMAN PLC
Board of Directors

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Appendix: [CapMan Plc 1-9 2019 Interim Report](#)

CapMan is a leading Nordic private asset expert with an active approach to value creation. We offer a wide selection of investment products and services. As one of the Nordic private equity pioneers, we have developed hundreds of companies and real estate assets and created substantial value in these businesses and assets over the past 30 years. With over €3 billion in assets under management, our objective is to provide attractive returns and innovative solutions to investors. We have a broad presence in the unlisted market through our local and specialised teams. Our investment strategies cover Private Equity, Real Estate and Infra. We also have a growing service business that includes procurement services, fundraising advisory, and analysis, reporting and wealth management services. Altogether, CapMan employs 140 people in Helsinki, Stockholm, Copenhagen, London, Moscow and Luxembourg. www.capman.com