



# CapMan – Becoming a specialised asset manager

Annual General Meeting – CEO review

Heikki Westerlund

GLO Hotel Art, Helsinki – 15 March 2017

CapMan

# Statements regarding future development and disclaimer

*The following concerns this document, the related oral presentation by either CapMan Plc (hereinafter the "Company") or a representative of the Company as well as the subsequent Q&A sessions.*

*This document published by the Company constitutes the written material of the presentation for potential investors regarding the possible offering of the Company's securities ("Securities"). The material set forth herein is not, and should not be construed as an offer to sell or a solicitation of an offer to subscribe or purchase any Securities, or a part of such offer. Nothing in this material shall form the basis of any contract and nothing in this should be relied upon in connection with any contract or commitment, and nothing in this constitutes a recommendation regarding the Securities. The decision to purchase Securities should be made only on the basis of the offer document (or similar document) that has been prepared in connection with the offering of the Securities. The offer document (or similar document) contains more detailed information concerning the Company and the Securities than set forth in this material, and potential investors should re-view the offer document (or similar document) to conduct an independent research and evaluation of the Company's business, financial standing and nature of the Securities before making an investment decision regarding the Securities.*

*Certain statements presented that are not historical facts, including, among others, estimates of the overall economic development and the market situation, expectations concerning the growth and profitability of the combined group, the realisation of synergy benefits and cost savings, as well as statements that contain the expressions "expects", "estimates", "forecasts", "aims", "believes", "pursues", "intends", "could", "anticipates" "plans", "seeks", "will", "may", "likely", and "would" and other corresponding expressions or their negative variations identify forward-looking*

*statements. Forward-looking statements are based on the Company's current expectations, estimates, decisions and plans as well as on the currently available facts regarding, among others, the Company's financial standing, results of operations, plans, objectives, future results and operations. Such statements involve inherent risks and uncertainties that, if materialized, may cause the actual results of operations of the combined group to be materially different than currently expected.*

*These factors include the overall economic conditions, including currency and interest rate fluctuations impacting the operating environment and profitability of clients and thereby the orders and margins on them received by the Company; competition; the Company's business conditions and continuous development and improvement thereof; and the success of possible future acquisitions. Forward-looking statements are further based on numerous assumptions concerning the Company's current and future strategy and the Company's future business environment.*

*No liability is accepted and no explicit or implicit guarantee or warranty is given with regard to this material, and no undue reliance should be placed on the truthfulness, accuracy or completeness of the material or the opinions expressed herein. The information contained in this material has not been independently verified nor will it be updated. The information contained in this material, including forward-looking statements, applies only on the date of this material and is not intended to be a guarantee of the future results. Any unsourced market data used in the material is an estimate made by the Company and has not been independently verified. The Company does not undertake to update any forward-looking statements except in circumstances specified by law and explicitly waives any liability for the material.*



***Our mission is to build  
successful businesses  
contributing to the  
enrichment of society***

# CapMan's societal footprint



~€2.6  
bn

Combined turnover of  
portfolio companies

m<sup>2</sup>

740,000

Combined lettable area



~ 25,000

Combined staff of  
portfolio companies

%

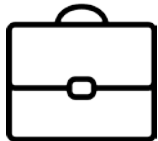
95%

Average occupancy



300+

Commercial  
tenants



40

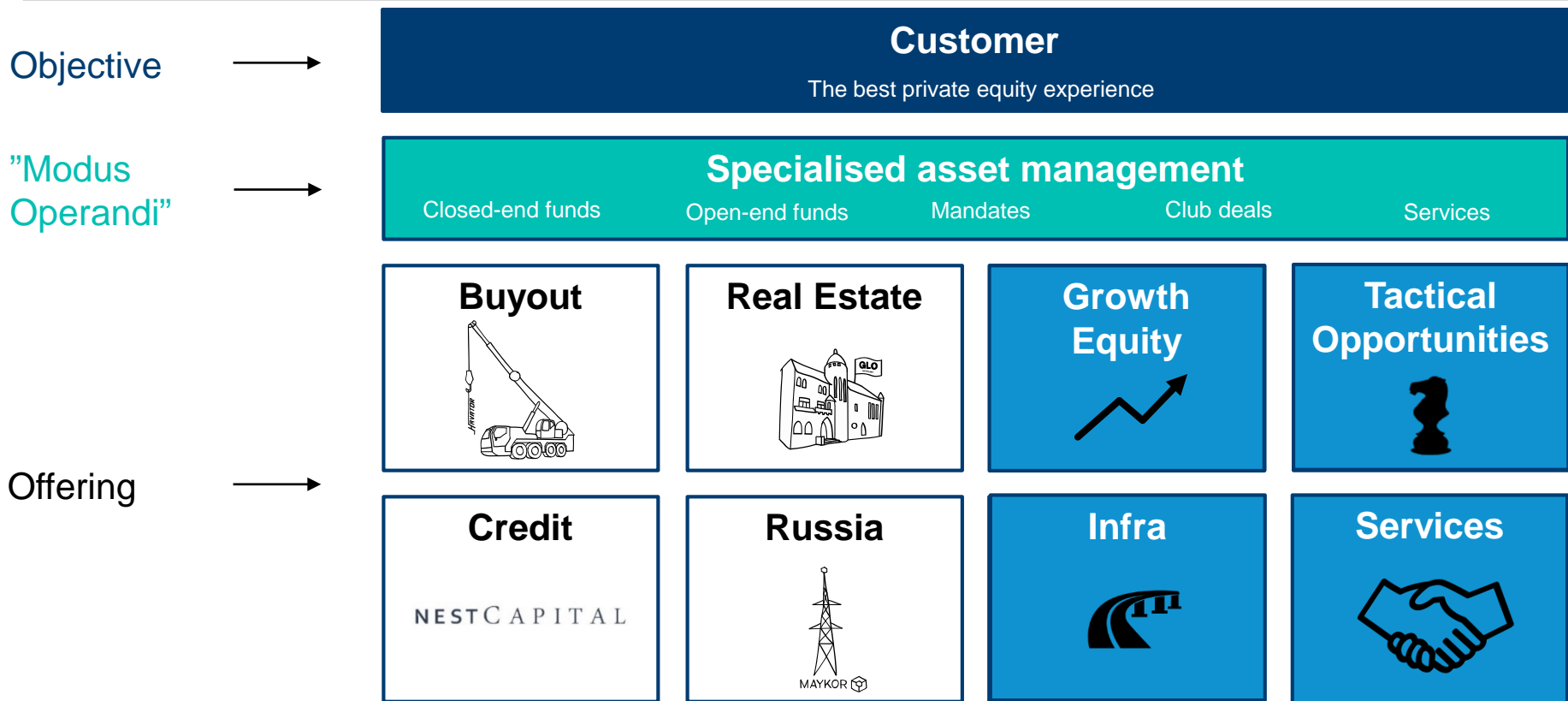
Number of portfolio  
companies



65

Number of real estate  
assets

# We are evolving into a specialised asset management company





## Contents

- **Strategic direction and 2016 highlights**
- Financial objectives and focus areas for 2017
- Result for 2016

# Highlights for 2016

## Strategy

Clear direction and objectives for the coming years: growth (new products) + strong balance sheet

The acquisition of Norvestia was completed

One share series

Net gearing **14.5%**

## Investments

Return of own funds to CapMan  
**12.5%**

Nordic Real Estate and Growth Equity among the best in Europe

Good cash flow from Buyout investments

Comparable result **+72%**

## New products and services

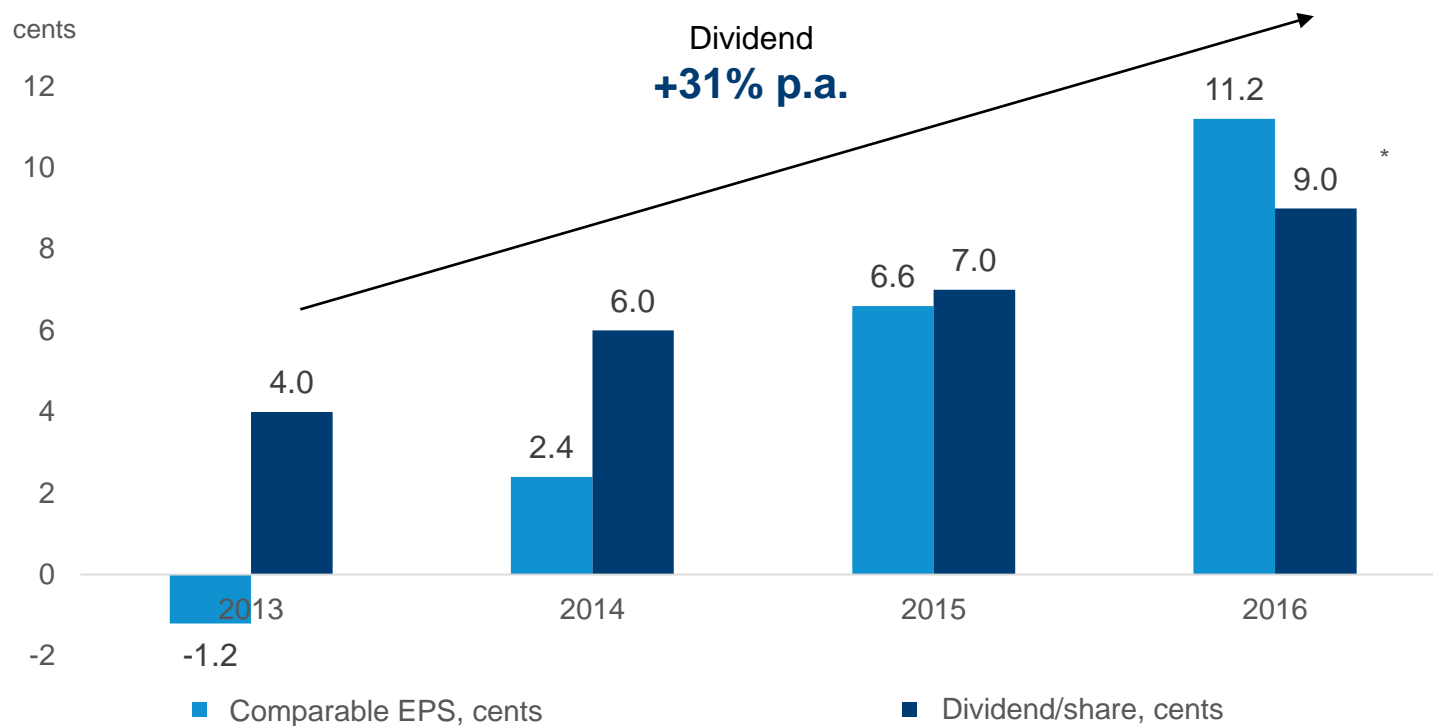
Service business grew by **80%**

A new **€100 mn.** private debt fund

A real estate investment mandate from Germany's largest pension insurance scheme

CapMan Infra

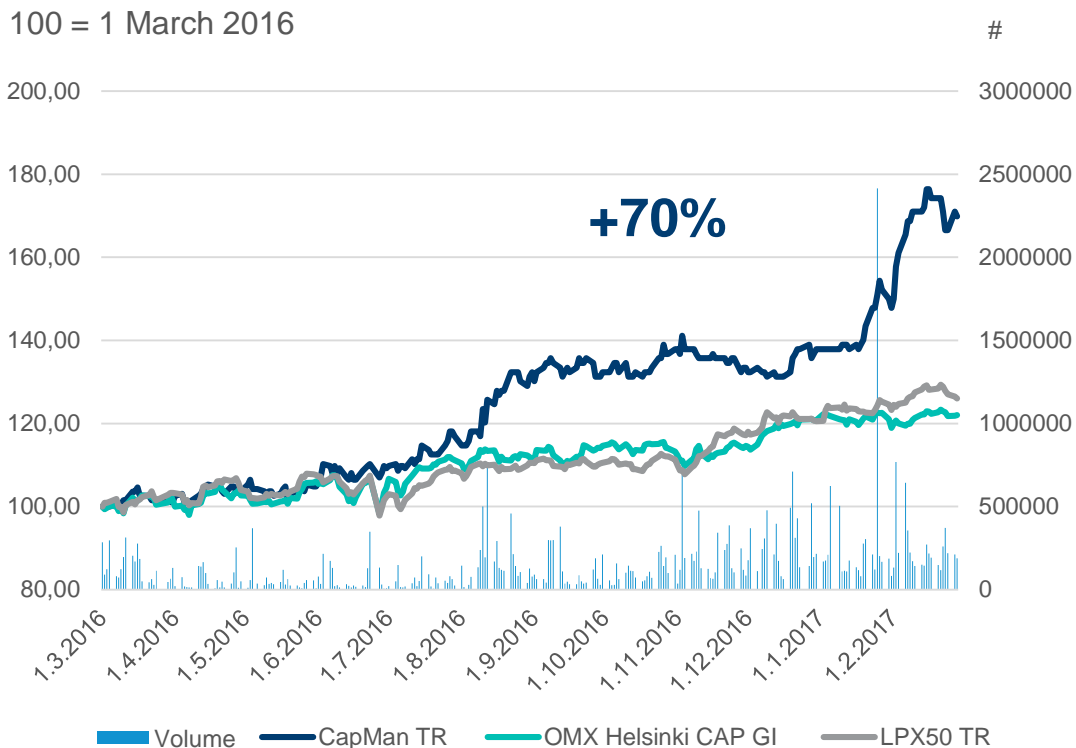
# Comparable earnings and dividend per share



\* The proposal of the Bord of Directors to the AGM



# Total return of CapMan's share over the past year



1 Mar 2016 – 28 Feb 2017

15 March 2017

## IR activity

- 2** general meetings
- 4** result infos
- 10+** 1x1 meetings
- 5** investor events
- 2** investor fairs

## Increased liquidity

2016: **130,000** shares/day

2015: 55,000 shares/day

# An active year for CapMan Real Estate

**18%**

Return of CMNRE to CapMan in 2016

**€400 M**

investment mandate from Germany's largest pension insurance scheme

## Real Estate



Real Estate from a customer perspective:

**9** exits

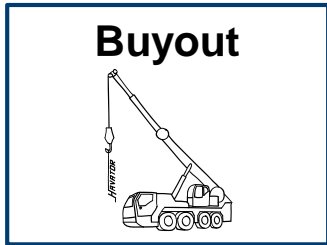
**€128 M** returned to investors

**6** new investments

**€119 M** capital calls from investors



# Several good exits from CapMan Buyout



Exits from LämpöLux  
and Esperi



Buyout X fund  
invested in Forenom



Return of Buyout funds to CapMan  
in 2016

16 %

# A successful year for Growth Equity

## Significant successes



3/16

**3x** the original investment



**5** cents to CapMan's 2017 EPS

Return before taxes of Growth Equity investments in 2016

**44 %**

## Growth Equity team



Juha Mikkola



Heikki Juntti



Saara Kauppila

CapMan

# Infrastructure – a new frontier

CapMan  
INFRA

established 2/17

Infra



## Our focus:

The Nordic Countries, primarily Finland

Energy, transportation and telecommunications sectors

Local expertise and active ownership through the management of assets

## Ville Poukka

Background: Leading M&A advisor in Nordic infrastructure for the past 10 years



# Services continue on their growth path

---

Growth in turnover **80%**

---



Contract volumes in  
2016

**500 M€**

---

*Services are a  
significant driver of  
profitability*

SCALA

Mandates

**5**



## Contents

- Strategic direction and 2016 highlights
- **Financial objectives and focus areas for 2017**
- Result for 2016

# Financial objectives for 2017

Management and  
Services business  
growth

**>10%**

Average annual growth  
objective

Achieved in 2016: **-2.9%**

Return on equity

**>20%**

In addition to successful  
investments, profitable  
service business and carried  
interest income support  
ROE

Achieved in 2016: **14.7%**

Net gearing

**≤40%**

Average ratio of interest  
bearing net debt to equity

Achieved in 2016: **14.5%**

Dividend  
distribution  
objective from EPS

**≥75%**

Dividend per share has  
grown since 2012

Achieved in 2016: **80%\***

*Financial objectives are excluding any items affecting comparability*

*\*) The proposal of the Board of Directors to the AGM*



# Focus areas for 2017

---

**Acceleration of  
growth strategy**

**Profitability**

**Actively  
managed,  
profitable  
balance sheet**

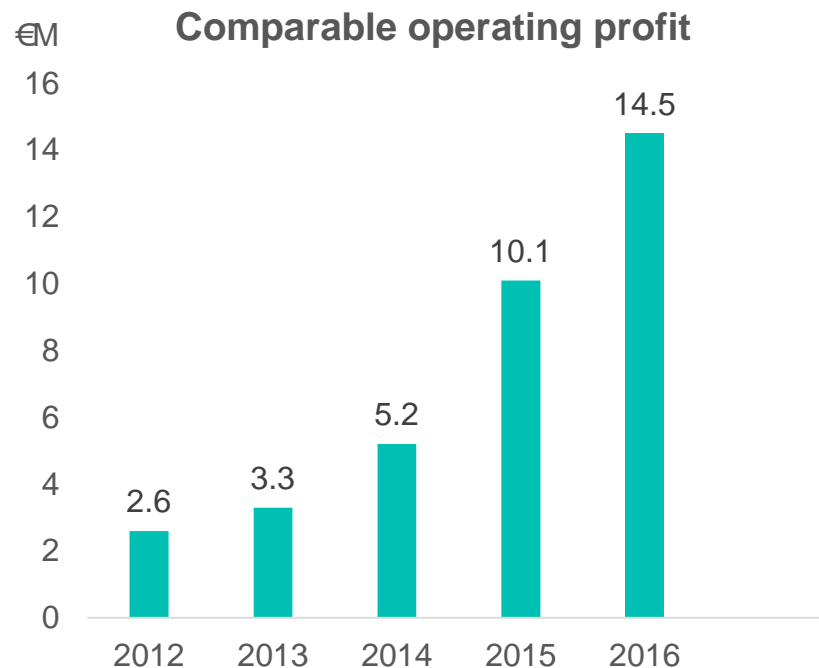
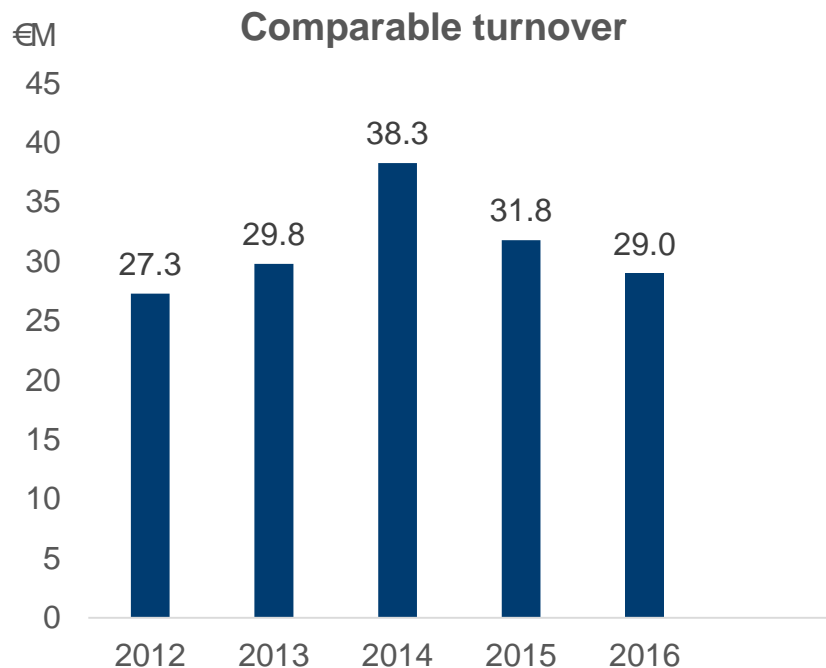
**Strong dividend  
payment  
capability**



## Contents

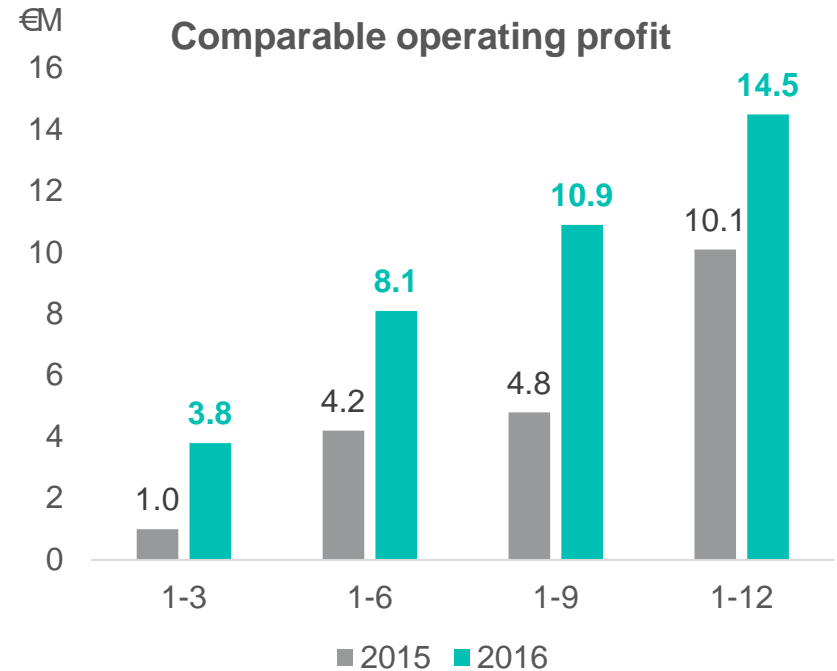
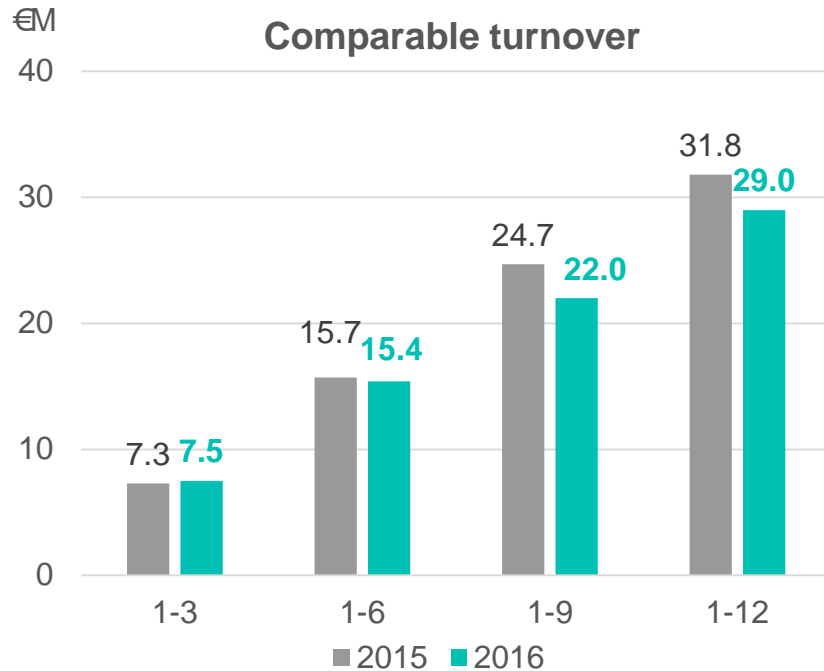
- Strategic direction and 2016 highlights
- Financial objectives and focus areas for 2017
- **Result for 2016**

# Comparable turnover and operating profit since 2012



*Items affecting comparability for 2015 and 2016 are detailed in the Annual Report 2016. The turnover and operating profit for 2014 has been adjusted for a MEUR 1.2 reversal in clawback provision and is therefore comparable with other years.*

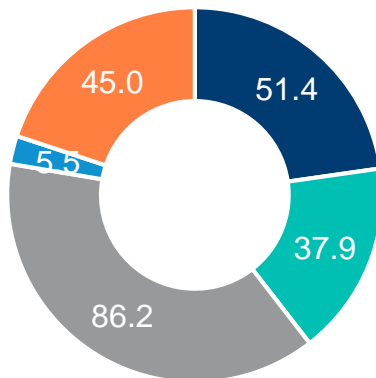
# Comparable turnover and operating profit in 2015 and 2016



Items affecting comparability for 2015 and 2016 are detailed in the Annual Report 2016.

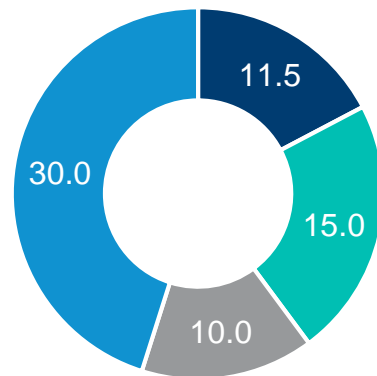
# CapMan's investments and loans, 31 December 2016

Total investments €226.0 M



- Fund investments
- Growth investments
- Market investments
- JVs and others
- Cash & bank

Total loans €66.5 M\*



- Bank loan
- Bond I
- Multi-issuer bond
- Bond II

*\*) Not including hybrid loan (€15 mn). Based on nominal value of loans.*

# Key figures

	31 Dec 2016	31 Dec 2015
Earnings per share, cents *	16.2	5.9
Diluted, cents *	16.1	5.8
Shareholders' equity / share, cents **	98.6	75.5
Share issue adjusted number of shares	88,382,868	86,290,467
Number of shares at the end of period	143,313,255	86,316,766
Number of shares outstanding	143,286,956	86,290,467
Company's possession of its own shares, end of period	26,299	26,299
Return on equity, % p.a.	14.7	9.3
Return on investment, % p.a.	10.9	8.0
Equity ratio, %	56.6	43.7
Net gearing, %	14.5	72.9

\* Hybrid bond of EUR 15 million (EUR 15 million as at December 31, 2015) is recognised to equity. Interest on the hybrid bond (net of tax) for the financial year has been deducted when calculating earnings per share. The share issue adjusted number of shares includes the shares issued as consideration transferred in the acquisition of Norvestia as of December 19, 2016, when calculating earnings per share under IAS 33

\*\* Includes hybrid bond of EUR 15 million (EUR 15 million as at December 31, 2015). Calculation of shareholders' equity per share includes all shares issued as consideration in the acquisition of Norvestia.

## **Outlook estimate for 2017**

*CapMan renewed its financial objectives at the end of 2016. The growth objective for Management Company and Services 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. The objective for net gearing, that is ratio of net interest bearing debt to equity, is a maximum of 40 per cent on average. CapMan's objective is to pay at least 75 per cent of earnings per share as dividend.*

*CapMan expects to achieve these financial objectives gradually and key figures are expected to show seasonality. CapMan expects fees from services to have a larger impact on results from the Management Company and Services business in 2017. The Management Company and Services business is profitable before carried interest income and any possible items affecting comparability. The integration of Norvestia and other growth initiatives will generate expenses in 2017.*

*The return on CapMan's investments have a substantial impact on CapMan's overall result. The development of industries and local economies, inflation development, valuation multiples of peer companies, exchange rates and various other factors outside of CapMan's control influence fair value development of CapMan's overall investments in addition to company and real estate specific development.*

*CapMan's objective is to improve results longer term, taking into account the seasonality affecting services and the Investment business. For these and other above mentioned reasons, CapMan does not provide numeric estimates for 2017.*

# CapMan launches investor coffee break

---

CapMan invites all shareholders to meet with management four times per year after quarterly results have been announced

The topics include recent results and other current matters

The first event will be held on  
[Wed 10 May 2017](#)

For registrations and additional information, see  
[www.capman.com](http://www.capman.com)





***Thank you!***