

Investors House

Construction and Real Estate
Finland

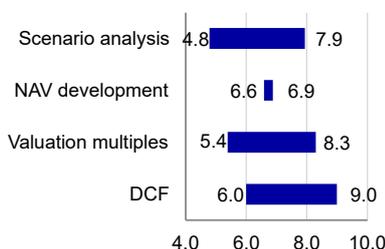
KEY DATA

Stock country	Finland
Bloomberg	INVEST.FH
Reuters	INVEST.HE
Share price (close)	EUR 5.78
Free Float	
Market cap. (bn)	EUR 0.04/EUR 0.04
Website	www.investorshouse.fi
Next report date	

PERFORMANCE



VALUATION APPROACH



Source: Nordea estimates

ESTIMATE CHANGES

Year	2021E	2022E	2023E
Sales	2%	-7%	-7%
EBIT (adj)	-3%	-2%	-2%

Source: Nordea estimates

Nordea Markets - Analysts

Svante Krokfors
DirectorDavid Flemmich
Senior Analyst, Sector Coordinator

Transaction level high; JV moves forward

Investors House reported Q3 revenue of EUR 2.4m, 8% below our EUR 2.6m estimate, while net operating income (NOI) was EUR 1.1m, 17% below our EUR 1.3m forecast. Adjusted EBIT including associates was EUR 1.5m, 12% below our EUR 1.7m estimate. The Q2 operative result was EUR 0.9m and improved by 2% y/y. The share of revenue from Services increased y/y to 54%, from 36%. The EUR 46m Kukkuola JV in Jyväskylä should start to generate rental income in 2022. We estimate a EUR 0.7m positive impact on the associated companies line annually, although the long-term potential is more interesting from developing the area, mostly for residential use. With a growing pipeline and a growing Service business, we see good potential for further value creation.

Q3 operating result was stable y/y

NOI of EUR 1.1m was somewhat below our expectation, driven equally by Real Estate and Services, and one-offs were limited. Within fund management, fees declined, while costs increased, explaining the weakness. EPRA NRV increased by 5% q/q to EUR 8.55, boosted by a further value uplift in the Services business. Solidity remained good at 49%, which is important given the growing development pipeline. Investors House reiterated its guidance that the operating result will improve in 2021 compared to 2020, in line with our estimates. We lower NOI by 12% for 2022E-23E, based on the sale of a EUR 15.5m apartment portfolio and a somewhat weaker development for Services than we previously expected.

Continued high transaction activity and strong pipeline

On 12 November, Investors House announced it had divested the majority of its residential holdings in a EUR 15.5m deal, for which a EUR 0.9m loss was booked in the Q3 numbers. Previously, the company also announced it had closed the first stage of the EUR 46m JV in Jyväskylä, the Kukkuola project, in which Investors House holds a one-third stake. The 20-year sale and leaseback project with Central Finland Health Care District will generate EUR 3.1m in annual net rents. The JV will develop the area and sees potential to build 1,800-2,400 apartments over ten to 15 years.

Our fair value range is unchanged at EUR 5.7-8.0 per share

We base our fair value range on a combination of valuation methods, with the greatest emphasis on NRV. Due to the company's focus on non-prime locations and its mixed residential and commercial portfolio, we believe the share will trade at a discount to EPRA NRV.

SUMMARY TABLE - KEY FIGURES

EURt	2017	2018	2019	2020	2021E	2022E	2023E
Total revenue	6,449	8,276	11,461	9,465	9,325	10,130	10,583
EBITDA (adj)	3,394	3,611	5,273	333	3,905	5,410	5,670
EBIT (adj)	3,394	3,611	5,273	333	3,905	5,410	5,670
EBIT (adj) margin	52.6%	43.6%	46.0%	3.5%	41.9%	53.4%	53.6%
EPS (adj, EUR)	0.55	0.17	0.48	-0.18	0.36	0.57	0.60
EPS (adj) growth	-3.2%	-68.4%	176.0%	-137.3%	300.7%	59.1%	4.5%
DPS (ord, EUR)	0.21	0.23	0.25	0.27	0.29	0.31	0.33
EV/Sales	n.a.	9.0	5.0	5.9	6.4	6.6	7.1
EV/EBIT (adj)	n.a.	25.3	9.8	17.9	22.1	19.5	20.6
P/E (adj)	n.a.	34.6	13.5	n.m.	16.1	10.1	9.7
P/BV	n.a.	0.8	0.9	0.9	1.0	1.0	1.0
Dividend yield (ord)	n.a.	3.8%	3.9%	4.7%	5.0%	5.4%	5.7%
FCF Yield bef A&D, lease	n.a.	0.7%	3.9%	2.3%	4.8%	9.7%	7.5%
Net debt	24,266	35,017	16,081	19,505	21,953	28,331	34,809
Net debt/EBITDA	4.1	7.5	4.1	n.m.	10.9	5.2	6.1
ROIC after tax	4.8%	3.6%	5.7%	0.4%	n.a.	6.2%	5.7%

Source: Company data and Nordea estimates

Factors to consider

Investors House is a real estate investment company with a focus on residential and office properties. It mainly operates in the regional growth centres of Finland. The company also provides services and expanded its business into real estate funds in 2018. This area has good upside potential, as it is scalable and requires less capital than the real estate business. The company has a strong balance sheet, which bodes well for acquisitions or the expansion of existing business areas in the future. After the acquisition of Juhola Asset Management, announced on 26 February 2021, services are becoming an increasingly important part of Investors House and will account for over 50% of group net sales this year.

Diversified business model

Investors House is a real estate company that deals in residential and office properties, with an increasing focus on services and investment products through its Service segment (formerly "Management"). The company has historically bought and sold properties efficiently and streamlined its portfolio, especially during 2019, and this continued also in Q3 2021 with divestment of residential properties totalling EUR 15.5m.

The company has grown quite aggressively since mid-2015, when the current CEO, chairman and vice chairman became owners. The Real Estate and Service segments have expanded, mainly through acquisitions. We expect the good pace of growth to continue, especially in the Service segment. Investors House decided to distribute its 20.4% stake in Ovaro (formerly Orava REIT) to its shareholders, which was completed at the end of 2020. Investors House held only 0.3% of Ovaro's shares after the distribution, which decreased EPRA NRV by EUR 0.54 per Investors House share in 2020. EPRA NRV increased from EUR 8.11 at the end of Q2 2021 to EUR 8.55 at the end of Q3 2021, mainly driven by continued upward revaluation of the Services business.

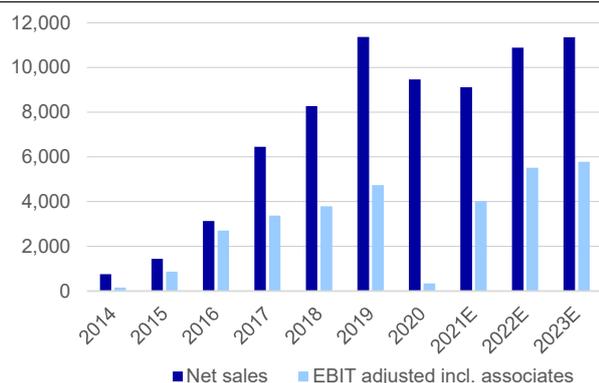
EPRA NRV CALCULATION

EURm	30/09/2021
EPRA NTA	31.0
Fair value of services and other	20.8
EPRA NRV per share (EUR)	51.8
EPRA NRV per share (EUR)	8.55

Source: Company data

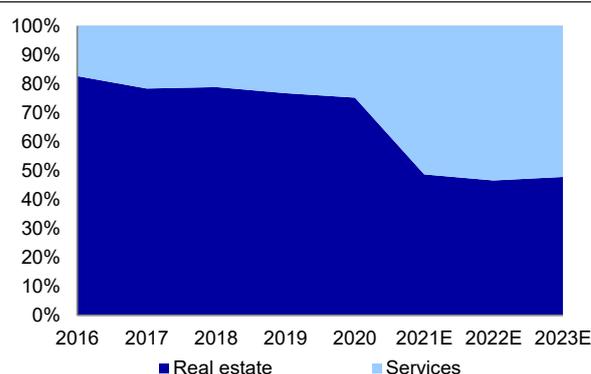
The Service segment has low capital needs and good scalability, as the company intends to expand into real estate funds, where it hopes to utilise its existing real estate investor base of around 10,000 clients. We believe the Service segment has good earnings potential and provides stability, as its revenues come from the services and fund management fees of Dividend House. An external evaluator has valued the Service business at EUR 20.4m, up from EUR 17.7m after Q2, i.e. EUR 3.3 per share; this is included in the EPRA NRV valuation as a "fair value of services". The inclusion of Juhola Asset Management increased the Service contribution significantly during Q1.

SALES AND ADJUSTED EBIT (EUR THOUSANDS)



Source: Company data and Nordea estimates

SPLIT OF NET SALES BY DIVISION

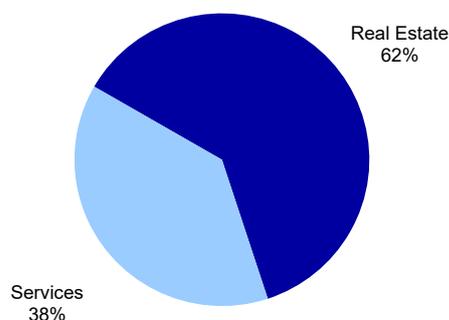


Source: Company data and Nordea estimates

Balanced investment portfolio

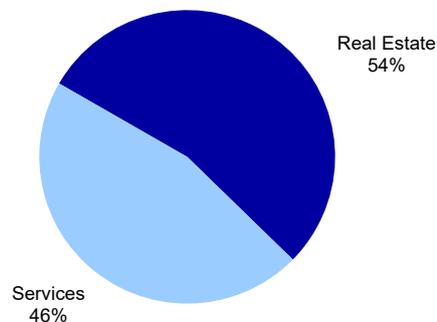
Since IVH Kampus is no longer consolidated but treated as an associated company, 46% of group sales came from the Real Estate business in Q3 and 54% from the Service segment. The acquisition took place in Q1 2021 and the acquired business was fully integrated from Q2 onwards.

EPRA NRV CONTRIBUTION, Q3 2021



Source: Company data and Nordea

SALES BY SEGMENT, Q3 2021



Source: Company data and Nordea

Strong financial position

Investors House has a strong balance sheet, with an equity ratio of 49%, which strengthened after IVH Kampus Ky was no longer consolidated (as of 23 June 2020) and instead treated as an associated company. The equity ratio is above the company's target of 45%. We believe the company will fund its expansion with new debt and we expect the equity ratio to remain above the long-term target.

Clear discount to NAV and stable dividend

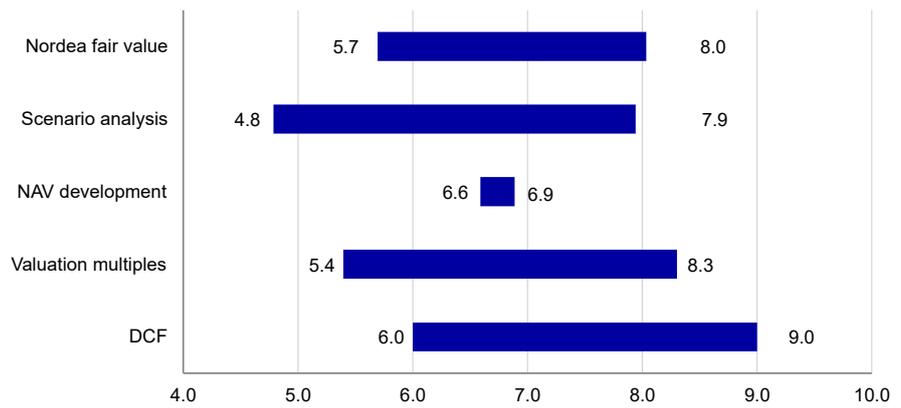
Investors House currently trades at a 33% discount to EPRA NRV and the discount narrowed somewhat after the Ovaro share distribution to shareholders but has widened again after the Q3 report as EPRA NRV increased markedly. The company has paid a stable, increasing dividend, with yields of 2.5-3.1% for the past two years. We expect a dividend of EUR 0.29-0.33 per share for 2021-23, which corresponds to a dividend yield of 5.0-5.7%.

Valuation

Combining our valuation methods, we derive a fair value range of EUR 5.7-8.0. As the company is in the midst of a transformation process, we emphasise a scenario-based sum-of-the-parts (SOTP) approach to give a better picture of where value will come from in the future and how each part of the company is valued. We also use a NRV SOTP to show the short-term NAV development and asset revaluation potential.

In our fair value, we put less focus on the DCF and multiple valuation methods, as they are sensitive to changes. Peer multiples can give a broad valuation range, but there is no direct competitor with a similar business structure (residential, office, service and investment company aspects); hence, a multiples-based valuation is less reliable. A DCF valuation is easy to understand but is also sensitive to changes in the parameters; hence, we put less focus on it.

The latest reported EPRA NRV is EUR 8.55, i.e. above the high end of our fair value range (EUR 5.7-8.0 per share). The low end of our range corresponds to a 33% discount to latest reported EPRA NRV and the high end to a discount of 6%.

VALUATION (EUR/SHARE)

Source: Nordea estimates

Risk exposure

We believe that increasing interest rates are the largest risk to the company's operations, along with a slowing transaction market. Other risks for investors to consider include the company's small size and illiquidity, as it can be difficult to sell or buy larger stakes in the company. A broader list of risks is presented in the "Risk factors" section.

Deviation and revision tables

INVESTORS HOUSE: Q3 DEVIATIONS FROM OUR ESTIMATES

EURt	Actual Q3 2021	NDA est. Q3 2021E	Deviation vs. actual		Actual Q2 2021	q/q	Actual Q3 2020	y/y
Sales	2,438	2,646	-208	-8%	2,487	-2%	1,460	67%
EBIT adj.	1,456	1,664	-208	-12%	1,156	26%	591	146%
Net operating income	1,089	1,307	-218	-17%	1,050	4%	794	37%
EPS, EUR	0.00	0.24		-100%	0.12	-99%	0.02	-96%

Source: Company data and Nordea estimates

INVESTORS HOUSE: OUR ESTIMATE REVISIONS AFTER THE Q3 REPORT

EUR THOUSANDS	New estimates			Old estimates			Difference %		
	2021E	2022E	2023E	2021E	2022E	2023E	2021E	2022E	2023E
Sales	9,325	10,130	10,583	9,122	10,885	11,353	2%	-7%	-7%
Adj. EBIT	3,905	5,410	5,670	4,020	5,516	5,778	-3%	-2%	-2%
Net operating income	3,731	4,155	4,368	3,341	4,718	4,950	12%	-12%	-12%
Adj. EPS, EUR	0.36	0.57	0.60	0.39	0.59	0.61	-7%	-3%	-2%

Source: Nordea estimates

Detailed estimates

DETAILED ESTIMATES (EUR THOUSANDS; EPS IN EUR)

EUR THOUSANDS	Q1/20	Q2/20	Q3/20	Q4/20	Q1/21	Q2/21E	Q3/21	Q4/21E	2019	2020	2021E	2022E	2023E
Net sales	3,343	2,934	1,460	1,676	1,914	2,487	2,348	2,508	11,374	9,465	9,325	10,130	10,583
Sales growth %	28%	7%	-48%	-50%	-43%	-15%	61%	50%	37%	-17%	-1%	9%	4%
Maintenance expenses (Real estate)	-2,096	-906	-270	-516	-1,002	-333	-386	-429	-4,150	-3,788	-2,150	-2,076	-2,238
Direct operating expenses (Services)	-488	-254	-398	-440	-556	-1,123	-873	-892	-2,087	-1,796	-3,444	-3,899	-3,977
Net operating income	982	1,894	794	840	356	1,050	1,089	1,206	5,137	4,499	3,731	4,155	4,368
margin %	29%	65%	54%	50%	19%	42%	46%	48%	45%	48%	40%	41%	41%
Net gains on sale of properties	-11	0	-85	103	-11	2	-71	0	-180	7	-80	0	0
Net fair value changes	-108	-331	-200	-211	-583	-84	-1,025	0	-358	-850	-1,692	0	0
Selling, marketing and admin expenses	-253	-182	-657	-200	-262	-206	-270	-288	-796	-1,384	-1,026	-709	-741
Other operating income	21	-15	0	0	-96	-20	4	0	-29	6	-112	0	0
Associates	-18	-21	454	-3,197	102	332	367	399	423	-2,782	1,200	1,964	2,043
EBIT	613	1,345	306	-2,665	-494	1,074	94	1,317	4,197	-504	2,021	5,410	5,670
margin %	18%	46%	21%	-159%	-26%	43%	4%	52%	37%	-5%	22%	53%	54%
EBIT adjusted incl. associates	732	1,676	591	-2,557	100	1,156	1,190	1,317	4,735	339	3,793	5,410	5,670
margin %	22%	58%	9%	38%	0%	33%	35%	37%	38%	33%	28%	34%	34%
Financial income	0	10	15	5	0	8	11	11	37	23	30	30	30
Financial expenses	-377	-460	-147	-155	-167	-159	-160	-137	-1,165	-1,139	-623	-695	-718
Profit before taxes	236	895	174	-2,815	-661	923	-55	1,191	3,069	-1,620	1,428	4,746	4,982
Taxes	-142	-183	-22	438	-142	-202	29	-73	-307	91	-374	-569	-598
Net profit	94	712	152	-2,377	-803	721	-26	1,118	2,762	-1,529	1,054	4,176	4,384
Cash flow hedges	0	0	0	0	0	0	0	0	0	0	0	0	0
Net profit of the period	94	712	152	-2,377	-803	721	-26	1,118	2,762	-1,529	1,054	4,176	4,384
EPS	0.02	0.12	0.02	-0.38	-0.13	0.12	0.00	0.18	0.45	-0.25	0.17	0.68	0.71
Minority interest	0	0	0	0	-100	-100	-200	-538	-279	0	-938	-1,001	-1,066
Net profit attributable to shareholders	94	712	152	-2,377	-703	821	174	1,656	2,483	-1,529	116	3,176	3,318
EPS attributable to shareholders	0.05	0.18	0.07	-0.45	-0.03	0.14	0.13	0.11	0.40	-0.18	0.34	0.57	0.60

Source: Company data and Nordea estimates

DIVISIONAL ESTIMATES

Real estate													
Net sales	2,962	2,581	935	996	1,203	1,062	1,076	1,133	9,319	7,523	4,464	4,311	4,647
Net sales growth %	59%	10%	-61%	-64%	-59%	-59%	15%	14%	38%	-25%	-41%	-3%	8%
Net fair value changes	-108	-331	-200	0	-583	-84	-1,025	0	-579	-850	-1,692	0	0
Associate income	-18	-21	454	-3,197	102	332	367	399	423	-2,782	1,200	1,964	2,043
EBIT	729	1,323	834	-2,717	-372	979	-39	1,103	4,834	111	1,742	4,199	4,452
margin %	25%	51%	89%	-273%	-31%	92%	-4%	97%	52%	1%	39%	97%	96%
EBIT adj. incl. associates	848	1,654	1,119	-2,717	303	1,061	1,057	1,103	6,187	1,678	4,276	5,001	5,295
margin%	0%	0%	0%	0%	0%	0%	0%	0%	66%	22%	96%	116%	114%
Services													
Net sales	604	599	527	680	743	1,444	1,272	1,394	2,809	2,459	4,920	5,819	5,935
Net sales growth %	-29%	11%	-16%	-14%	23%	141%	141%	105%	57%	-12%	5%	5%	5%
EBIT	137	204	129	240	91	301	399	502	1,059	764	1,476	1,920	1,959
margin %	23%	34%	24%	35%	12%	21%	31%	36%	38%	31%	30%	33%	33%

Source: Company data and Nordea estimates

Risk factors

In this section, we highlight the main risks that we find relevant for Investors House. We list the risks according to their relevance, with the most relevant at the top. The following is not an exhaustive list but rather our view of some key risks for the company.

COVID-19-related risks

The pandemic could have short- and long-term impacts on Investors House. In the short term, tenants' ability to pay rent could be affected. We estimate, however, that less than 5% of the rental income comes from tenants with exposure to hotels or restaurants. It could become more difficult to increase rents in the short term and rental reductions on new contracts might also be necessary. In the long term, demand for office space could decline if distance working were to become more widespread among office workers.

Changes in interest rates

Rising interest rates would make financial costs higher, which would have a significant impact on real estate companies. Higher interest rates would also likely slow down the transaction market as funding becomes more expensive, which in turn would lower the value of properties and make divestments more difficult. This would hamper Investors House's ability to pursue value-creative investments in the future.

Small size

The small size of the company adds volatility to future earnings, both on the downside and the upside. The company's low liquidity could also pose a risk for investors, as it can be difficult to buy or sell a large stake in the company.

Dependent on a few key people

The current strategy and growth have been driven by a few key people (CEO, chairman and vice chairman), making them crucial to the company. It could significantly impact the development of Investors House if these key people were to leave the company, although we find this unlikely.

Competition

Investors House is still a small player, but it will start competing against larger players as it grows, making it harder for the company to differentiate itself. In addition, by expanding into real estate funds, the company partly exposes itself to a new business.

Strong transaction focus

Investors House has grown its property portfolio rapidly and is expected to continue rotating its assets in the future. The currently strong transaction market has supported property prices and favoured property divestments. If the transaction market slows down and property prices face downward pressure, it would make asset disposals slower or more challenging, and it could also reduce gains on disposals.

Macroeconomic factors

Changes in economic factors such as GDP development, inflation and the level of housing production could affect real estate companies such as Investors House. A downturn in the economy would have an adverse effect on the Finnish housing market and thus impact Investors House's operations. An economic downturn would likely make homebuyers more cautious and thus put pressure on prices, as well as increase vacancy risk. Lower inflation would also slow down rental development.

Risk of value dilution

The company has grown rapidly, funding part of its expansion through share issues. This has a dilutive effect on EPS development. Additional share issues could further dilute value and pose the risk of a lower dividend per share.

Legal, tax and political risks

Changes in regulations, tax rules or development restrictions could have negative ramifications for Investors House.

Reported numbers and forecasts

INCOME STATEMENT

EURt	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
Total revenue	n.a.	752	1,438	3,134	6,449	8,276	11,461	9,465	9,325	10,130	10,583
Revenue growth	n.a.	n.a.	91.2%	117.9%	105.8%	28.3%	38.5%	-17.4%	-1.5%	8.6%	4.5%
of which organic	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
of which FX	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EBITDA	0	764	4,325	4,505	5,981	4,683	3,953	-504	2,021	5,410	5,670
Depreciation and impairments PPE	0	0	0	0	0	0	0	0	0	0	0
of which leased assets	0	0	0	0	0	0	0	0	0	0	0
EBITA	0	764	4,325	4,505	5,981	4,683	3,953	-504	2,021	5,410	5,670
Amortisation and impairments	0	0	0	0	0	0	0	0	0	0	0
EBIT	n.a.	764	4,325	4,505	5,981	4,683	3,953	-504	2,021	5,410	5,670
of which associates	0	0	0	1,356	1,056	653	-584	-2,782	1,200	1,964	2,043
Associates excluded from EBIT	0	0	0	0	0	0	0	0	n.a.	0	0
Net financials	0	37	48	-281	-422	-591	-1,213	-1,116	-593	-665	-688
of which lease interest	0	0	0	0	0	0	0	0	0	0	0
Changes in value, net	0	0	0	0	0	0	0	0	0	0	0
Pre-tax profit	0	801	4,373	4,224	5,559	4,092	2,740	-1,620	1,428	4,746	4,982
Reported taxes	0	-107	-886	-457	-512	-1,948	-657	91	-374	-569	-598
Net profit from continued operations	0	694	3,487	3,767	5,047	2,144	2,083	-1,529	1,054	4,176	4,384
Discontinued operations	0	0	0	0	0	0	0	0	0	0	0
Minority interests	0	0	0	0	0	0	-433	0	-938	-1,001	-1,066
Net profit to equity	0	694	3,487	3,767	5,047	2,144	1,650	-1,529	116	3,176	3,318
EPS, EUR	n.a.	0.46	1.48	1.14	1.12	0.35	0.27	-0.25	0.02	0.51	0.54
DPS, EUR	0.00	0.10	0.17	0.19	0.21	0.23	0.25	0.27	0.29	0.31	0.33
of which ordinary	0.00	0.10	0.17	0.19	0.21	0.23	0.25	0.27	0.29	0.31	0.33
of which extraordinary	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Profit margin in percent

EBITDA	n.a.	101.6%	300.8%	143.7%	92.7%	56.6%	34.5%	-5.3%	21.7%	53.4%	53.6%
EBITA	n.a.	101.6%	300.8%	143.7%	92.7%	56.6%	34.5%	-5.3%	21.7%	53.4%	53.6%
EBIT	n.a.	101.6%	300.8%	143.7%	92.7%	56.6%	34.5%	-5.3%	21.7%	53.4%	53.6%

Adjusted earnings

EBITDA (adj)	0	155	584	2,699	3,394	3,611	5,273	333	3,905	5,410	5,670
EBITA (adj)	0	155	584	2,699	3,394	3,611	5,273	333	3,905	5,410	5,670
EBIT (adj)	0	155	584	2,699	3,394	3,611	5,273	333	3,905	5,410	5,670
EPS (adj, EUR)	n.a.	0.06	-0.12	0.57	0.55	0.17	0.48	-0.18	0.36	0.57	0.60

Adjusted profit margins in percent

EBITDA (adj)	n.a.	20.6%	40.6%	86.1%	52.6%	43.6%	46.0%	3.5%	41.9%	53.4%	53.6%
EBITA (adj)	n.a.	20.6%	40.6%	86.1%	52.6%	43.6%	46.0%	3.5%	41.9%	53.4%	53.6%
EBIT (adj)	n.a.	20.6%	40.6%	86.1%	52.6%	43.6%	46.0%	3.5%	41.9%	53.4%	53.6%

Performance metrics

CAGR last 5 years											
Net revenue	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	72.4%	45.8%	24.4%	9.5%	5.0%
EBITDA	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	38.9%	n.m.	-14.8%	-2.0%	3.9%
EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	38.9%	n.m.	-14.8%	-2.0%	3.9%
EPS	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-10.2%	n.m.	-56.0%	-14.5%	9.1%
DPS	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	20.1%	9.7%	8.8%	8.1%	7.5%
Average last 5 years											
Average EBIT margin	n.a.	n.a.	n.a.	n.a.	n.a.	n.m.	76.2%	48.0%	35.9%	32.0%	32.5%
Average EBITDA margin	n.a.	n.a.	n.a.	n.a.	n.a.	n.m.	76.2%	48.0%	35.9%	32.0%	32.5%

VALUATION RATIOS - ADJUSTED EARNINGS

EURt	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
P/E (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	34.6	13.5	n.m.	16.1	10.1	9.7
EV/EBITDA (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	20.7	10.8	167.6	15.3	12.4	13.2
EV/EBITA (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	20.7	10.8	167.6	15.3	12.4	13.2
EV/EBIT (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	25.3	9.8	17.9	22.1	19.5	20.6

VALUATION RATIOS - REPORTED EARNINGS

EURt	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
P/E	n.a.	n.a.	n.a.	n.a.	n.a.	17.3	24.2	n.m.	n.m.	11.3	10.8
EV/Sales	n.a.	n.a.	n.a.	n.a.	n.a.	9.04	4.99	5.90	6.41	6.63	7.06
EV/EBITDA	n.a.	n.a.	n.a.	n.a.	n.a.	18.6	12.6	24.5	72.8	19.5	20.6
EV/EBITA	n.a.	n.a.	n.a.	n.a.	n.a.	18.6	12.6	24.5	72.8	19.5	20.6
EV/EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	18.6	12.6	24.5	72.8	19.5	20.6
Dividend yield (ord.)	n.a.	n.a.	n.a.	n.a.	n.a.	3.8%	3.9%	4.7%	5.0%	5.4%	5.7%
FCF yield	n.a.	n.a.	n.a.	n.a.	n.a.	-13.2%	-28.8%	-6.3%	-2.2%	-12.7%	-12.1%
FCF Yield bef A&D, lease adj	n.a.	n.a.	n.a.	n.a.	n.a.	0.7%	3.9%	2.3%	4.8%	9.7%	7.5%
Payout ratio	n.a.	21.9%	11.5%	16.7%	18.7%	66.3%	93.7%	n.m.	1,544.3%	60.3%	61.5%

Source: Company data and Nordea estimates

BALANCE SHEET

EURt	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
Intangible assets	0	0	400	1,350	1,389	2,933	3,142	2,846	2,846	2,846	2,846
of which R&D	0	0	0	0	0	0	0	0	0	0	0
of which other intangibles	0	0	0	0	39	105	329	33	33	33	33
of which goodwill	0	0	400	1,350	1,350	2,828	2,813	2,813	2,813	2,813	2,813
Tangible assets	0	6,844	28,198	38,559	57,816	71,263	42,124	45,887	31,731	40,248	47,806
of which leased assets	0	0	0	0	0	0	0	0	0	0	0
Shares associates	0	0	0	1,844	13,583	14,296	24,929	15,851	17,051	19,015	21,058
Interest bearing assets	0	0	0	0	0	0	0	10	0	0	0
Deferred tax assets	0	0	0	0	0	0	0	684	0	0	0
Other non-IB non-current assets	0	0	6	498	208	232	205	472	472	472	472
Other non-current assets	0	0	0	0	0	0	0	0	0	0	0
Total non-current assets	0	6,844	28,604	42,251	72,996	88,724	70,400	65,750	52,100	62,581	72,182
Inventory	0	0	0	0	0	0	0	0	0	0	0
Accounts receivable	0	204	440	556	1,187	1,461	1,101	1,094	1,078	1,171	1,223
Short-term leased assets	0	0	0	0	0	0	0	0	0	0	0
Other current assets	0	690	0	272	10	148	0	106	104	113	119
Cash and bank	0	39	212	509	1,465	2,323	4,844	3,181	7,243	7,865	8,387
Total current assets	0	933	652	1,337	2,662	3,932	5,945	4,381	8,335	9,178	9,759
Assets held for sale	0	0	n.a.								
Total assets	0	7,777	29,256	43,588	75,658	92,656	76,345	70,131	78,678	90,446	101,086
Shareholders equity	0	5,899	17,865	21,695	46,128	46,815	43,477	37,562	34,317	35,700	37,101
Of which preferred stocks	0	0	0	0	0	0	0	0	0	0	0
Of which equity part of hybrid debt	0	0	0	0	0	0	0	0	0	0	0
Minority interest	0	0	0	0	19	2,671	1,200	1,140	2,078	3,078	4,145
Total Equity	0	5,899	17,865	21,695	46,147	49,486	44,677	38,702	36,395	38,778	41,246
Deferred tax	0	403	1,110	1,466	1,490	1,921	925	1,005	1,005	1,005	1,005
Long term interest bearing debt	0	1,156	7,936	18,273	21,408	28,641	18,017	18,364	24,864	26,864	33,864
Pension provisions	0	0	0	0	0	0	0	0	0	0	0
Other long-term provisions	0	0	0	0	0	0	0	0	0	0	0
Other long-term liabilities	0	0	0	0	0	0	0	0	0	0	0
Non-current lease debt	0	0	0	0	0	0	0	0	0	0	0
Convertible debt	0	0	0	0	0	0	0	0	0	0	0
Shareholder debt	0	0	0	0	0	0	0	0	0	0	0
Hybrid debt	0	0	0	0	0	0	0	0	0	0	0
Total non-current liabilities	0	1,559	9,046	19,739	22,898	30,562	18,942	19,369	25,869	27,869	34,869
Short-term provisions	0	0	0	0	0	0	0	0	0	0	0
Accounts payable	0	94	533	879	2,041	3,909	9,818	7,728	7,613	8,271	8,640
Current lease debt	0	0	0	0	0	0	0	0	0	0	0
Other current liabilities	0	0	0	17	249	0	0	0	0	0	0
Short term interest bearing debt	0	225	1,812	1,259	4,323	8,699	2,908	4,332	4,332	4,332	4,332
Total current liabilities	0	319	2,345	2,155	6,613	12,608	12,726	12,060	11,362	12,793	13,167
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Total liabilities and equity	0	7,777	29,256	43,589	75,658	92,656	76,345	70,131	78,678	90,446	101,086
Balance sheet and debt metrics											
Net debt	0	1,342	9,536	19,023	24,266	35,017	16,081	19,505	21,953	28,331	34,809
of which lease debt	0	0	0	0	0	0	0	0	0	0	0
Working capital	0	800	-93	-68	-1,093	-2,300	-8,717	-6,528	-5,939	-7,148	-7,463
Invested capital	0	7,644	28,511	42,183	71,903	86,424	61,683	59,222	64,404	74,120	83,865
Capital employed	0	7,280	27,613	41,227	71,878	86,826	65,602	61,398	65,591	69,974	79,442
ROE	n.m.	23.5%	29.3%	19.0%	14.9%	4.6%	3.7%	-3.8%	0.3%	9.1%	9.1%
ROIC	n.m.	3.2%	2.6%	6.1%	4.8%	3.6%	5.7%	0.4%	n.a.	6.2%	5.7%
ROCE	n.m.	6.3%	4.1%	7.8%	6.1%	4.6%	6.9%	0.6%	n.a.	8.0%	7.6%
Net debt/EBITDA	n.m.	1.8	2.2	4.2	4.1	7.5	4.1	n.m.	10.9	5.2	6.1
Interest coverage	n.a.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	-0.4	n.m.	n.m.	n.m.
Equity ratio	n.m.	75.9%	61.1%	49.8%	61.0%	50.5%	56.9%	53.6%	43.6%	39.5%	36.7%
Net gearing	n.m.	22.7%	53.4%	87.7%	52.6%	70.8%	36.0%	50.4%	60.3%	73.1%	84.4%

Source: Company data and Nordea estimates

CASH FLOW STATEMENT

EURt	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
EBITDA (adj) for associates	0	764	4,325	3,149	4,925	4,030	4,537	2,278	821	3,446	3,627
Paid taxes	0	0	-31	-235	-133	-357	-273	-507	-374	-569	-598
Net financials	0	0	48	-281	-422	-587	-1,767	-1,087	-593	-665	-688
Change in provisions	0	0	0	0	0	0	0	0	0	0	0
Change in other LT non-IB	0	0	-6	-492	290	-24	27	-951	684	0	0
Cash flow to/from associates	0	0	0	0	0	0	0	0	0	0	0
Dividends paid to minorities	0	0	0	0	0	0	0	0	0	0	0
Other adj to reconcile to cash flow	0	-764	-3,906	-1,413	-3,244	-2,330	-649	6,910	0	0	0
Funds from operations (FFO)	0	0	430	728	1,416	732	1,875	6,643	538	2,212	2,342
Change in NWC	0	0	37	-82	33	310	810	-4,952	-589	1,209	315
Cash flow from operations (CFO)	0	n.a.	467	646	1,449	1,042	2,685	1,692	2,222	4,023	3,274
Capital expenditure	0	0	-282	-386	-578	-773	-1,126	-897	-536	-517	-558
Free cash flow before A&D	0	0	185	260	871	269	1,559	795	1,722	3,476	2,686
Proceeds from sale of assets	0	0	0	1,231	2,315	833	15,480	2,000	18,000	1,000	1,000
Acquisitions	0	0	-3,154	-3,869	-737	-6,012	-28,539	-5,000	-5,000	-9,000	-8,000
Free cash flow	0	0	-2,969	-2,378	2,449	-4,910	-11,500	-2,205	-778	-4,524	-4,314
Free cash flow bef A&D, lease adj	0	0	185	260	871	269	1,559	795	1,722	3,476	2,686
Dividends paid	0	0	-152	-563	-629	-1,298	-1,422	-1,546	-1,669	-1,793	-1,917
Equity issues / buybacks	0	0	0	0	1,167	0	0	0	0	0	0
Net change in debt	0	0	3,355	5,271	-1,138	2,983	15,500	5,000	6,500	2,000	7,000
Other financing adjustments	0	0	0	0	0	0	0	0	10	0	0
Other non-cash adjustments	0	39	-61	-2,033	-893	4,083	-57	-2,912	0	0	0
Change in cash	0	39	173	297	956	858	2,521	-1,663	4,062	621	522
Cash flow metrics											
Capex/D&A	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Capex/Sales	n.a.	0.0%	19.6%	12.3%	9.0%	9.3%	9.8%	9.5%	5.7%	5.1%	5.3%
Key information											
Share price year end (/current)	n.a.	n.a.	n.a.	n.a.	n.a.	6	6	6	6	6	6
Market cap.	n.a.	n.a.	n.a.	n.a.	n.a.	37,094	39,876	35,239	35,734	35,734	35,734
Enterprise value	n.a.	n.a.	n.a.	n.a.	n.a.	74,782	57,157	55,884	59,764	67,143	74,688
Diluted no. of shares, year-end (t)	0.0	1,519.5	3,179.9	3,310.8	6,182.3	6,182.3	6,182.3	6,182.3	6,182.3	6,182.3	6,182.3

Source: Company data and Nordea estimates

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