

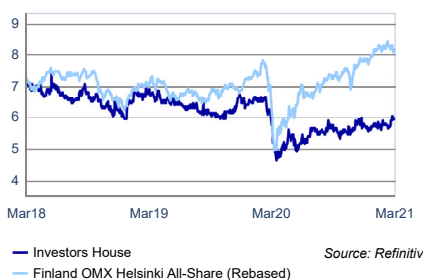
## Investors House

Construction and Real Estate  
Finland

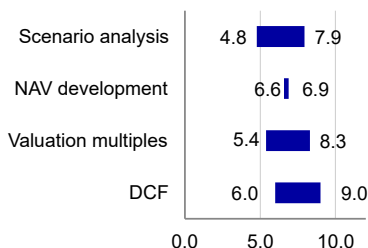
## KEY DATA

Stock country	Finland
Bloomberg	INVEST.FH
Reuters	INVEST.HE
Share price (close)	EUR 5.95
Free Float	
Market cap. (bn)	EUR 0.04/EUR 0.04
Website	www.investorshouse.fi
Next report date	11 May 2021

## PERFORMANCE



## VALUATION APPROACH



Source: Nordea estimates

## ESTIMATE CHANGES

Year	2021E	2022E	2023E
Sales	29%	45%	42%
EBIT (adj)	5%	14%	13%

Source: Nordea estimates

## Nordea Markets - Analysts

Svante Krokfors  
AnalystDavid Flemmich  
Senior Analyst, Sector Coordinator

## Increasing Services' exposure through M&amp;A

Investors House reported Q4 revenues of EUR 1.73m, largely in line with our estimates. Net operating income was EUR 0.83m, 20% below our EUR 1.04m estimate. The Q4 operative result of EUR 0.51m was down 24% y/y and was burdened by investments in new business and increased headcount. More importantly, Investors House announced at the end of February that it will acquire Juhola Asset Management Oy, a Finnish real estate asset management company. We have incorporated the acquisition into our estimates from Q2 2021. The acquisition will increase the share of Services business sales to close to 60% of group sales. We believe the move is logical and will bring diversification and stability. The property holdings will still form over 50% of the company's value going forward, we estimate.

## Q4 was somewhat weak, burdened by growth investments

Net operating income of EUR 0.83m was on the weak side, while net sales exceeded our expectations slightly. Investors House has made growth investments, ie hired experts to widen its product palette. We expect these investments to start bearing fruit gradually, with a stronger impact in 2022. EPRA NRV declined 8% q/q to EUR 7.60 and was burdened by the distribution of Ovaro shares to Investors House's shareholders. Solidity remained strong at 55% despite the Ovaro distribution.

## A significant acquisition will strengthen the Service business

On 26 February, Investors House announced that it will acquire Juhola Asset Management Oy, with net sales of EUR 3.2m in FY 2020. Juhola has 26 employees and manages EUR 1.5bn of property across Finland. The purchase price is 4.5x the average of Juhola's FY 2020-22 EBITDA. We have included the acquisition in our estimates from Q2 2021 and our estimate revisions are mainly owing to the acquisition. A part of the transaction will be paid in Investors House's shares. We believe the acquisition is value accretive and that some top-line synergies could emerge. After the acquisition, nearly 60% of Investors House's sales will be from Services.

## Our fair value range remains 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 a NAV approach. 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, although the increased Service focus should support the valuation through stability.

## SUMMARY TABLE - KEY FIGURES

EURt	2017	2018	2019	2020	2021E	2022E	2023E
Total revenue	6,449	8,276	11,461	9,465	8,611	10,364	10,821
EBITDA (adj)	3,394	3,611	5,273	333	5,859	6,821	7,169
EBIT (adj)	3,394	3,611	5,273	333	5,859	6,821	7,169
EBIT (adj) margin	52.6%	43.6%	46.0%	3.5%	68.0%	65.8%	66.2%
EPS (adj, EUR)	0.55	0.17	0.48	-0.18	0.62	0.72	0.74
EPS (adj) growth	-3.2%	-68.4%	176.0%	-137.3%	446.9%	16.1%	3.6%
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	7.1	6.6	7.0
EV/EBIT (adj)	n.a.	25.3	9.8	17.9	17.0	15.3	16.1
P/E (adj)	n.a.	34.6	13.5	n.m.	9.6	8.3	8.0
P/BV	n.a.	0.8	0.9	0.9	0.9	0.9	0.8
Dividend yield (ord)	n.a.	3.8%	3.9%	4.7%	4.9%	5.2%	5.5%
FCF Yield bef A&D, lease	n.a.	0.7%	3.9%	2.3%	4.7%	9.4%	7.3%
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.	3.7	4.2	4.9
ROIC after tax	4.8%	3.6%	5.7%	0.4%	7.6%	7.9%	7.3%

Source: Company data and Nordea estimates

# Factors to consider when investing in Investors House

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 during 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 become an increasingly important part of Investors House and services will account for nearly 60% of group net sales.

## 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.

The company has grown quite aggressively since mid-2015, when the current CEO, Chairman, and Vice Chairman became owners. After this, 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 where the company has already raised around EUR 60m for its new real estate fund, in cooperation with the fund management company Dividend House. Investors House decided to distribute its 20.4% stake in Ovaro (former 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 the EPRA NRV by EUR 0.54 per Investors House share. The EPRA NRV declined from EUR 8.30 at the end of Q3 2020 to EUR 7.60 at the end of Q4 2020, partly also impacted by asset write-downs.

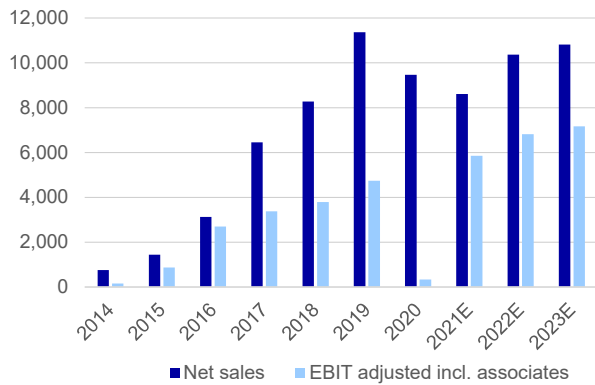
## EPRA NRV CALCULATION

EURm	31/12/2020
EPRA NAV	38.9
Fair value of services	6.3
EPRA NRV	45.2
EPRA NRV per share (EUR)	7.60

Source: Company data

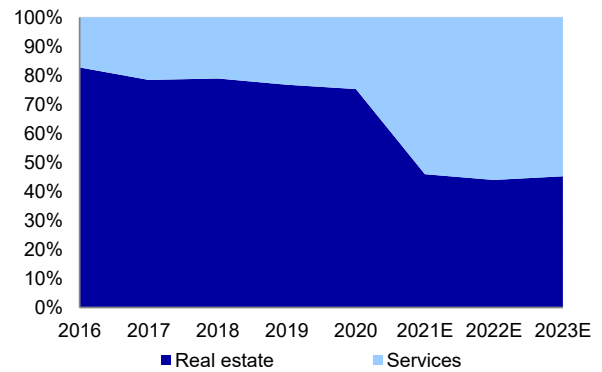
The Service segment has low capital needs and good scalability, as the company intends to expand into real estate funds, where it hopes to utilise its existing real estate investor base of around 10,000 clients. We believe the Service segment has good earnings potential and provides stability, as its revenues come from the services and fund management fees of Dividend House. An external evaluator has valued the Service business at EUR 6.3m, ie EUR 1.0 per share, and this valuation is included in the EPRA NRV valuation as Fair value of services.

**SALES AND ADJUSTED EBIT (EUR THOUSANDS)**



Source: Company data and Nordea estimates

**SPLIT OF NET SALES BY DIVISION**

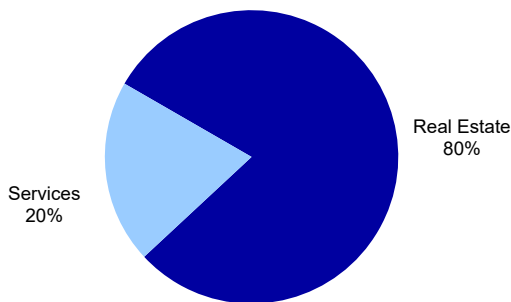


Source: Company data and Nordea estimates

**Balanced investment portfolio**

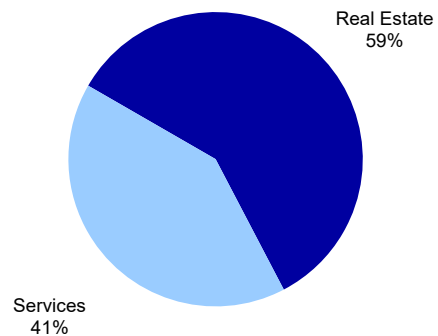
59% of group sales came from the Real Estate business in Q4 and 41% from the Service segment after IVH Kampus was no longer consolidated but treated as an associated company. The share of sales from Services will increase closer to 60% after the Juhola Asset Management deal is closed, which is likely to take place in Q1 2021 and the acquired business will be fully integrated from Q2 onwards.

**EPRA NRV CONTRIBUTION, Q4 2020**



Source: Company data and Nordea

**SALES BY SEGMENT, Q4 2020**



Source: Company data and Nordea

**Strong financial position**

Investors House has a strong balance sheet, with an equity ratio of 55%, which was strengthened when IVH Kampus Ky was no longer consolidated (as of 23 June 2020) but treated as an associated company. The equity ratio is clearly 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 clearly above the long-term target.

**Clear discount to NAV and stable dividend**

Investors House currently trades at a ~20% discount to EPRA NRV) and the discount has narrowed after the Ovaro share distribution to shareholders. The company has paid a stable, increasing dividend, with yields of 2.5-3.1% during the past two years. We expect a dividend of EUR 0.29-0.33 per share for 2021E-23E, which corresponds to a dividend yield of 4.9-5.5%.

**Valuation**

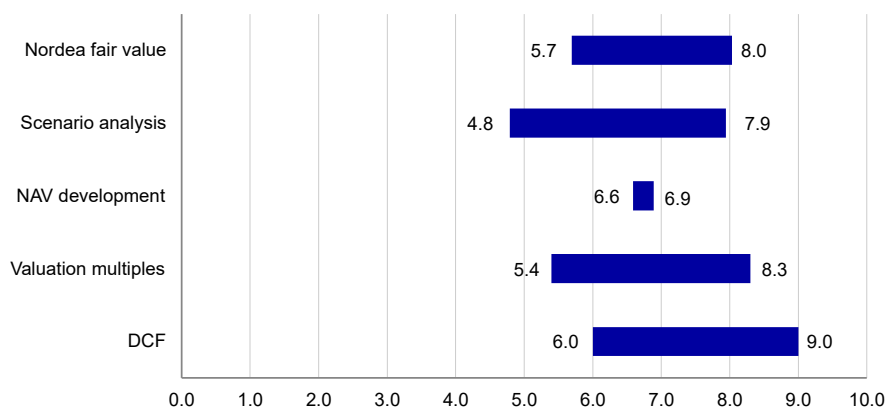
Combining our valuation methods, we derive a fair value range of EUR 5.7-8.0. As the company is in the midst of a transformation process, we emphasise a scenario-based sum-of-the-parts (SOTP) approach to give a better picture of where value will come from in the future and how each part of the company is valued. We also use a NAV SOTP to show the short-term NAV development and the value of 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 multiple-based valuation is less reliable. A DCF valuation is easy to understand but also sensitive to changes in the parameters; hence we put less focus on it.

The latest reported EPRA NRV is EUR 7.60, ie closer to the high-end of our fair value range of EUR 5.7-8.0 per share.

**VALUATION (EUR/SHARE)**



Source: Nordea estimates

**Risk exposure**

We believe that increasing interest rates are the largest risk to Investors House'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: Q4 DEVIATIONS VS OUR ESTIMATES

EURt	Actual	NDA est.	Deviation		Actual	q/q	Actual	y/y
	Q4 2020	Q4 2020E	vs. actual	%	Q3 2020		Q4 2019	
Sales	1,727	1,676	51	3%	1,460	18%	3,321	-48%
EBIT adj.	640	1,381	-741	-54%	591	8%	1,072	-40%
Net operating income	829	1,040	-211	-20%	794	4%	1,979	-58%
EPS, EUR	(0.43)	0.16		-370%	0.02	-1845%	0.20	-315%

Source: Company data and Nordea estimates

## INVESTORS HOUSE: OUR ESTIMATE REVISIONS AFTER THE Q4 REPORT

EUR THOUSANDS	New estimates			Old estimates			Difference %		
	2021E	2022E	2023E	2021E	2022E	2023E	2021E	2022E	2023E
Sales	8,611	10,364	10,821	6,654	7,163	7,636	29%	45%	42%
Adj. EBIT	5,859	6,821	7,169	5,554	6,001	6,351	5%	14%	13%
Net operating income	4,262	5,272	5,562	3,734	4,125	4,413	14%	28%	26%
Adj. EPS, EUR	0.62	0.72	0.74	0.61	0.64	0.67	2%	12%	11%

Source: Company data and Nordea estimates

# Detailed estimates

## DETAILED ESTIMATES (EPS IN EUR)

EUR THOUSANDS	Q1/20	Q2/20	Q3/20	Q4/20	Q1/21E	Q2/21E	Q3/21E	Q4/21E	2019	2020	2021E	2022E	2023E
Net sales	3,343	2,934	1,460	1,676	1,381	2,168	2,372	2,591	11,374	9,465	8,611	10,364	10,821
Sales growth %	28%	7%	-48%	-50%	-59%	-26%	62%	55%	37%	-17%	-9%	20%	4%
Maintenance expenses (Real estate)	-2,096	-906	-270	-516	-280	-270	-260	-290	-4,150	-3,788	-1,100	-1,201	-1,291
Direct operating expenses (Services)	-488	-254	-398	-440	-400	-950	-950	-950	-2,087	-1,796	-3,249	-3,890	-3,968
Net operating income	982	1,894	794	840	701	948	1,162	1,351	5,137	4,499	4,262	5,272	5,562
margin %	0%	0%	0%	0%	0%	0%	0%	0%	45%	48%	49%	51%	51%
Net gains on sale of properties	-11	0	-85	103	-11	0	0	0	-180	7	0	0	0
Net fair value changes	-108	-331	-200	-211	0	0	0	0	-358	-850	0	0	0
Selling, marketing and admin expenses	-253	-182	-657	-200	-170	-170	-170	-171	-796	-1,384	-689	-829	-866
Other operating income	21	-15	0	0	21	-15	0	0	-29	6	0	0	0
Associates	-18	-21	454	-3,197	570	570	570	576	423	-2,782	2,286	2,377	2,473
EBIT	613	1,345	306	-2,665	1,111	1,333	1,562	1,756	4,197	-504	5,859	6,821	7,169
margin %	18%	46%	21%	-159%	80%	61%	66%	68%	37%	-5%	68%	66%	66%
EBIT adjusted incl. associates	732	1,676	591	-2,557	1,122	1,333	1,562	1,756	4,735	339	5,859	6,821	7,169
margin %	22%	58%	9%	38%	40%	35%	42%	46%	38%	33%	41%	43%	43%
Financial income	0	10	15	-2	0	10	15	-16	37	23	23	23	23
Financial expenses	-377	-460	-147	-155	-195	-195	-195	-193	-1,165	-1,139	-778	-981	-1,086
Profit before taxes	236	895	174	-2,822	916	1,148	1,382	1,547	3,069	-1,620	5,104	5,863	6,106
Taxes	-142	-183	-22	438	-142	-183	-22	350	-307	91	-612	-704	-733
Net profit	94	712	152	-2,384	774	965	1,360	1,897	2,762	-1,529	4,491	5,159	5,373
Cash flow hedges	0	0	0	0	0	0	0	0	0	0	0	0	0
Net profit of the period	94	712	152	-2,384	774	965	1,360	1,897	2,762	-1,529	4,491	5,159	5,373
EPS	0.02	0.12	0.02	-0.39	0.13	0.16	0.22	0.31	0.45	-0.25	0.73	0.83	0.87
Minority interest	0	0	0	0	0	0	0	0	-279	0	-938	-1,001	-1,066
Net profit attributable to shareholders	94	712	152	-2,384	774	965	1,360	1,897	2,483	-1,529	3,553	4,159	4,307
EPS attributable to shareholders	0.05	0.18	0.07	-0.48	0.14	0.18	0.21	0.27	0.40	-0.18	0.62	0.72	0.74

Source: Company data and Nordea estimates

## DIVISIONAL ESTIMATES

EUR THOUSANDS	Q1/20	Q2/20	Q3/20	Q4/20	Q1/21E	Q2/21E	Q3/21E	Q4/21E	2019	2020	2021E	2022E	2023E
<b>Real estate</b>													
Net sales	2,962	2,581	935	996	987	1,003	1,036	1,098	9,319	7,523	4,174	4,557	4,898
Net sales growth %	59%	10%	-61%	-64%	-67%	-61%	11%	10%	38%	-25%	-45%	9%	7%
Net fair value changes	-108	-331	-200	0	0	0	0	0	-579	-850	0	0	0
Associate income	-18	-21	454	-3,197	570	570	570	576	423	-2,782	2,286	2,377	2,473
EBIT	729	1,323	834	-2,717	1,277	1,303	1,346	1,384	4,834	111	5,360	5,734	6,080
margin %	25%	51%	89%	-273%	129%	130%	130%	126%	52%	1%	128%	126%	124%
EBIT adj. incl. associates	848	1,654	1,119	-2,717	1,277	1,303	1,346	1,384	6,187	1,678	6,122	6,535	6,923
margin%	0%	0%	0%	0%	0%	0%	0%	0%	66%	22%	147%	143%	141%
<b>Services</b>													
Net sales	604	599	527	680	616	1,411	1,338	1,494	2,809	2,459	4,908	5,806	5,922
Net sales growth %	-29%	11%	-16%	-14%	2%	136%	154%	120%	57%	-12%	5%	5%	5%
EBIT	137	204	129	240	237	446	388	544	1,059	764	1,659	1,916	1,954
margin %	23%	34%	24%	35%	38%	32%	29%	36%	38%	31%	34%	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 the future earnings, both on the downside and the upside. The company's low liquidity also can add risk for investors, as it can be difficult to buy or sell a larger stake in the company.

## **Dependent on a few key people**

The current strategy and growth has 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, however we find this very unlikely.

## **Competition**

Investors House is still a small player, but when it grows it will start competing against larger players, making it harder for the company to differentiate itself. Also, 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 the GDP development, inflation, and the level of housing production can affect real estate companies like 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 and partly funded its expansion through share issues, which have had a dilutive effect if looking the historical EPS development. Additional share issues could hence have a value-dilutive effect 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 effects for Investors House.

# Reported numbers and forecasts

## INCOME STATEMENT

EURt	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
<b>Total revenue</b>	n.a.	<b>752</b>	<b>1,438</b>	<b>3,134</b>	<b>6,449</b>	<b>8,276</b>	<b>11,461</b>	<b>9,465</b>	<b>8,611</b>	<b>10,364</b>	<b>10,821</b>
Revenue growth	n.a.	n.a.	91.2%	117.9%	105.8%	28.3%	38.5%	-17.4%	-9.0%	20.4%	4.4%
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	5,859	6,821	7,169
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	5,859	6,821	7,169
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	5,859	6,821	7,169
of which associates	0	0	0	1,356	1,056	653	-584	-2,782	2,286	2,377	2,473
Associates excluded from EBIT	0	0	0	0	0	0	0	0	0	0	0
Net financials	0	37	48	-281	-422	-591	-1,213	-1,116	-755	-958	-1,063
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
<b>Pre-tax profit</b>	<b>0</b>	<b>801</b>	<b>4,373</b>	<b>4,224</b>	<b>5,559</b>	<b>4,092</b>	<b>2,740</b>	<b>-1,620</b>	<b>5,104</b>	<b>5,863</b>	<b>6,106</b>
Reported taxes	0	-107	-886	-457	-512	-1,948	-657	91	-612	-704	-733
Net profit from continued operations	0	694	3,487	3,767	5,047	2,144	2,083	-1,529	4,491	5,159	5,373
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	3,553	4,159	4,307
<b>EPS, EUR</b>	<b>n.a.</b>	<b>0.46</b>	<b>1.48</b>	<b>1.14</b>	<b>1.12</b>	<b>0.35</b>	<b>0.27</b>	<b>-0.25</b>	<b>0.57</b>	<b>0.67</b>	<b>0.70</b>
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%	68.0%	65.8%	66.2%
EBITA	n.a.	101.6%	300.8%	143.7%	92.7%	56.6%	34.5%	-5.3%	68.0%	65.8%	66.2%
EBIT	n.a.	101.6%	300.8%	143.7%	92.7%	56.6%	34.5%	-5.3%	68.0%	65.8%	66.2%

## Adjusted earnings

EBITDA (adj)	0	155	584	2,699	3,394	3,611	5,273	333	5,859	6,821	7,169
EBITA (adj)	0	155	584	2,699	3,394	3,611	5,273	333	5,859	6,821	7,169
EBIT (adj)	0	155	584	2,699	3,394	3,611	5,273	333	5,859	6,821	7,169
EPS (adj, EUR)	n.a.	0.06	-0.12	0.57	0.55	0.17	0.48	-0.18	0.62	0.72	0.74

## Adjusted profit margins in percent

EBITDA (adj)	n.a.	20.6%	40.6%	86.1%	52.6%	43.6%	46.0%	3.5%	68.0%	65.8%	66.2%
EBITA (adj)	n.a.	20.6%	40.6%	86.1%	52.6%	43.6%	46.0%	3.5%	68.0%	65.8%	66.2%
EBIT (adj)	n.a.	20.6%	40.6%	86.1%	52.6%	43.6%	46.0%	3.5%	68.0%	65.8%	66.2%

## Performance metrics

CAGR last 5 years											
Net revenue	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	72.4%	45.8%	22.4%	10.0%	5.5%
EBITDA	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	38.9%	n.m.	5.4%	2.7%	8.9%
EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	38.9%	n.m.	5.4%	2.7%	8.9%
EPS	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-10.2%	n.m.	-12.8%	-9.8%	15.0%
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%	45.1%	43.2%	45.9%
Average EBITDA margin	n.a.	n.a.	n.a.	n.a.	n.a.	n.m.	76.2%	48.0%	45.1%	43.2%	45.9%

## 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.	9.6	8.3	8.0
EV/EBITDA (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	20.7	10.8	167.6	10.4	10.0	10.6
EV/EBITA (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	20.7	10.8	167.6	10.4	10.0	10.6
EV/EBIT (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	25.3	9.8	17.9	17.0	15.3	16.1

## 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.	10.4	8.8	8.5
EV/Sales	n.a.	n.a.	n.a.	n.a.	n.a.	9.04	4.99	5.90	7.06	6.58	7.00
EV/EBITDA	n.a.	n.a.	n.a.	n.a.	n.a.	18.6	12.6	24.5	17.0	15.3	16.1
EV/EBITA	n.a.	n.a.	n.a.	n.a.	n.a.	18.6	12.6	24.5	17.0	15.3	16.1
EV/EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	18.6	12.6	24.5	17.0	15.3	16.1
Dividend yield (ord.)	n.a.	n.a.	n.a.	n.a.	n.a.	3.8%	3.9%	4.7%	4.9%	5.2%	5.5%
FCF yield	n.a.	n.a.	n.a.	n.a.	n.a.	-13.2%	-28.8%	-6.3%	-2.1%	-12.3%	-11.7%
FCF Yield bef A&D, lease adj	n.a.	n.a.	n.a.	n.a.	n.a.	0.7%	3.9%	2.3%	4.7%	9.4%	7.3%
Payout ratio	n.a.	21.9%	11.5%	16.7%	18.7%	66.3%	93.7%	n.m.	50.5%	46.1%	47.4%

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	48,888	57,435	65,023
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	18,137	20,514	22,987
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	70,343	81,267	91,328
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	995	1,198	1,251
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	96	116	121
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.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>Total assets</b>	<b>0</b>	<b>7,777</b>	<b>29,256</b>	<b>43,588</b>	<b>75,658</b>	<b>92,656</b>	<b>76,345</b>	<b>70,131</b>	<b>78,678</b>	<b>90,446</b>	<b>101,086</b>
Shareholders equity	0	5,899	17,865	21,695	46,128	46,815	43,477	37,562	39,446	41,812	44,202
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	41,524	44,890	48,347
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	31,864	38,864
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	32,869	39,869
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	7,030	8,461	8,835
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
<b>Total liabilities and equity</b>	<b>0</b>	<b>7,777</b>	<b>29,256</b>	<b>43,589</b>	<b>75,658</b>	<b>92,656</b>	<b>76,345</b>	<b>70,131</b>	<b>78,678</b>	<b>90,446</b>	<b>101,086</b>
<b>Balance sheet and debt metrics</b>											
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	70,720	81,086	91,543
ROE	n.m.	23.5%	29.3%	19.0%	14.9%	4.6%	3.7%	-3.8%	9.2%	10.2%	10.0%
ROIC	n.m.	3.2%	2.6%	6.1%	4.8%	3.6%	5.7%	0.4%	7.6%	7.9%	7.3%
ROCE	n.m.	6.3%	4.1%	7.8%	6.1%	4.6%	6.9%	0.6%	8.9%	9.0%	8.3%
Net debt/EBITDA	n.m.	1.8	2.2	4.2	4.1	7.5	4.1	n.m.	3.7	4.2	4.9
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%	50.1%	46.2%	43.7%
Net gearing	n.m.	22.7%	53.4%	87.7%	52.6%	70.8%	36.0%	50.4%	52.9%	63.1%	72.0%

Source: Company data and Nordea estimates

**CASH FLOW STATEMENT**

EURt	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
<b>EBITDA (adj) for associates</b>	<b>0</b>	<b>764</b>	<b>4,325</b>	<b>3,149</b>	<b>4,925</b>	<b>4,030</b>	<b>4,537</b>	<b>2,278</b>	<b>3,573</b>	<b>4,443</b>	<b>4,696</b>
Paid taxes	0	0	-31	-235	-133	-357	-273	-507	-612	-704	-733
Net financials	0	0	48	-281	-422	-587	-1,767	-1,087	-755	-958	-1,063
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
<b>Funds from operations (FFO)</b>	<b>0</b>	<b>0</b>	<b>430</b>	<b>728</b>	<b>1,416</b>	<b>732</b>	<b>1,875</b>	<b>6,643</b>	<b>2,889</b>	<b>2,782</b>	<b>2,901</b>
Change in NWC	0	0	37	-82	33	310	810	-4,952	-589	1,209	315
<b>Cash flow from operations (CFO)</b>	<b>0</b>	<b>n.a.</b>	<b>467</b>	<b>646</b>	<b>1,449</b>	<b>1,042</b>	<b>2,685</b>	<b>1,692</b>	<b>2,222</b>	<b>4,023</b>	<b>3,274</b>
Capital expenditure	0	0	-282	-386	-578	-773	-1,126	-897	-501	-547	-588
<b>Free cash flow before A&amp;D</b>	<b>0</b>	<b>0</b>	<b>185</b>	<b>260</b>	<b>871</b>	<b>269</b>	<b>1,559</b>	<b>795</b>	<b>1,722</b>	<b>3,476</b>	<b>2,686</b>
Proceeds from sale of assets	0	0	0	1,231	2,315	833	15,480	2,000	2,500	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	7,000	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
<b>Cash flow metrics</b>											
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%	5.8%	5.3%	5.4%
<b>Key information</b>											
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	36,785	36,785	36,785
Enterprise value	n.a.	n.a.	n.a.	n.a.	n.a.	74,782	57,157	55,884	60,815	68,194	75,739
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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