

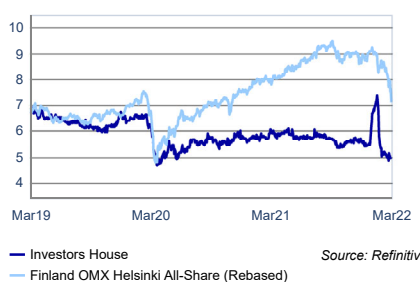
## Investors House

Construction and Real Estate  
Finland

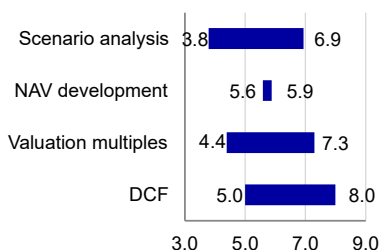
## KEY DATA

Stock country	Finland
Bloomberg	INVEST.FH
Reuters	INVEST.HE
Share price (close)	EUR 5.04
Free Float	
Market cap. (bn)	EUR 0.03/EUR 0.03
Website	www.investorhouse.fi
Next report date	16 May 2022

## PERFORMANCE



## VALUATION APPROACH



Source: Nordea estimates

## ESTIMATE CHANGES

Year	2022E	2023E	2024E
Sales	-16%	-17%	-18%
EBIT (adj)	-24%	-24%	-25%

Source: Nordea estimates

## Nordea Markets - Analysts

Svante Krokfors  
DirectorDavid Flemmich  
Senior Analyst, Sector Coordinator

## Strong balance sheet set for M&amp;A and JVs

Investors House reported Q4 revenue of EUR 3.0m, in line with our estimate, while net operating income (NOI) was EUR 1.3m, 17% below our EUR 1.5m forecast. Adjusted EBIT including associates was EUR 2.0m, 20% above our EUR 1.7m estimate. However, there were net positive one-offs of EUR 0.3m, so when adjusting for these, EBIT was broadly in line with our estimate. The Q4 operating result was EUR 1.0m and improved by 102% y/y. The share of revenue from Services increased y/y to 81%, from 63%. The EUR 46m Kukkula JV in Jyväskylä should start to generate rental income in 2022. We estimate a EUR 0.7-0.8m 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 Services business, we see good potential for further value creation.

## Q4 operating result largely in line with our estimates

NOI of EUR 1.3m was 17% below our expectation, driven mainly by weak NOI in the Real Estate segment, which included several one-offs relating to the investment of IVH Kampus in Q4. Within Services, NOI was clearly ahead of our estimates but included positive one-offs of nearly EUR 0.6m, also related to IVH Kampus. Q4 EPRA NRV declined by 3% q/q to EUR 8.27, and a EUR 1 per share extra dividend was distributed after Q4. The ordinary dividend of EUR 0.29 was in line with our estimate. Solidity increased further to 58%, which is important given the growing JV development pipeline, and leaves room for M&A.

## Guidance for declining 2022 operating result due to divestments

Investors House guides that the operating result will decline in 2022 following divestments in H2. We forecast a ~30% decline in adjusted EPS in 2022 and we lower our 2022-23 adjusted EPS estimates by 4% after the Q4 2021 results. New M&A and possible JVs could be made shortly given the strong balance sheet.

## We lower our fair value range to EUR 4.7-7.0 per share

We base our fair value range of EUR 4.7-7.0 per share on a combination of valuation methods, with the greatest emphasis on NRV. The range is lowered by EUR 1 per share following the EUR 1 extra dividend distribution in Q1 2022. 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 further improving performance of the Services business could provide additional upside.

## SUMMARY TABLE - KEY FIGURES

EURt	2018	2019	2020	2021	2022E	2023E	2024E
Total revenue	8,276	11,461	9,465	9,764	8,515	8,785	9,061
EBITDA (adj)	3,611	5,273	333	4,586	3,258	3,389	3,523
EBIT (adj)	3,611	5,273	333	4,586	3,258	3,389	3,523
EBIT (adj) margin	43.6%	46.0%	3.5%	47.0%	38.3%	38.6%	38.9%
EPS (adj, EUR)	0.17	0.48	-0.18	0.59	0.38	0.40	0.42
EPS (adj) growth	-68.4%	176.0%	-137.3%	432.9%	-35.6%	4.9%	4.8%
DPS (ord, EUR)	0.23	0.25	0.27	0.29	0.31	0.33	0.35
EV/Sales	9.0	5.0	5.9	5.3	6.7	6.8	6.4
EV/EBIT (adj)	25.3	9.8	17.9	19.0	22.8	22.7	21.4
P/E (adj)	34.6	13.5	n.m.	9.4	13.2	12.6	12.0
P/BV	0.8	0.9	0.9	1.0	1.0	1.0	1.0
Dividend yield (ord)	3.8%	3.9%	4.7%	5.2%	6.2%	6.5%	6.9%
FCF Yield bef A&D, lease	0.7%	3.9%	2.3%	-0.9%	6.8%	6.1%	9.7%
Net debt	35,017	16,081	19,505	4,383	13,227	15,237	14,240
Net debt/EBITDA	7.5	4.1	n.m.	n.m.	4.1	4.5	4.0
ROIC after tax	3.6%	5.7%	0.4%	n.a.	5.9%	5.6%	5.6%

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. 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 accounted for 81% of sales in Q4.

## 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. The company has historically bought and sold properties efficiently and streamlined its portfolio, especially during 2019, and this continued also in H2 2021 with the divestment of residential properties and IVH Kampus.

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. EPRA NRV declined from EUR 8.55 at the end of Q3 2021 to EUR 8.27 at the end of Q4 2021. However, the EPRA NRV grew by 10% y/y from EUR 7.53. Investors House distributed an EUR 1 extra dividend after the end of 2021, and adjusted for this, Investors House is trading at a ~30% EPRA NRV discount currently.

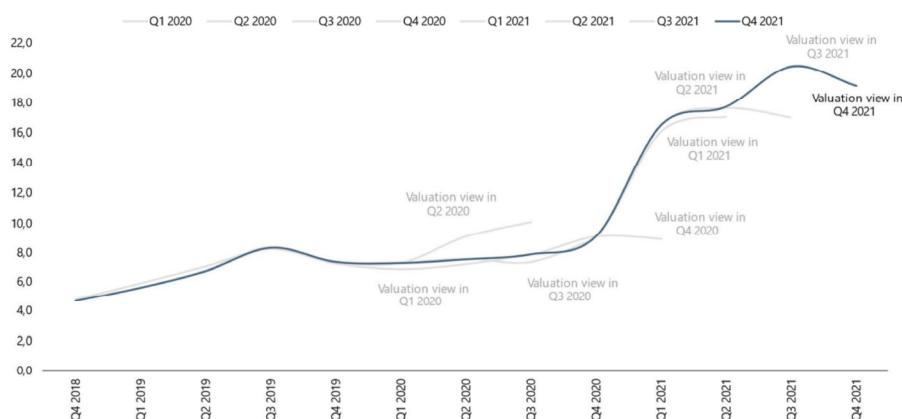
## EPRA NRV CALCULATION

EURm	31/12/2021
EPRA NTA	31.1
Fair value of services and other	20
EPRA NRV per share (EUR)	51.1
EPRA NRV per share (EUR)	8.27

Source: Company data

## FAIR VALUE DEVELOPMENT OF INVESTORS HOUSE SERVICE BUSINESS

Service business fair value (EURm)

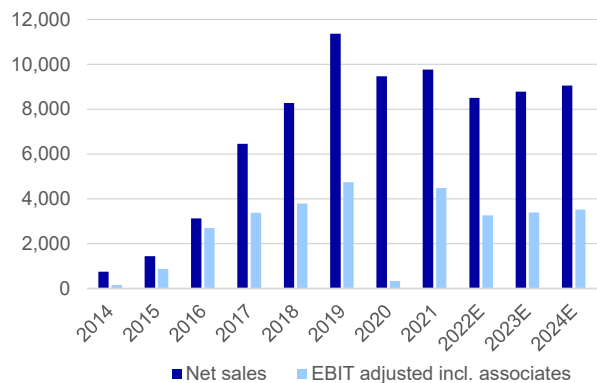


Sources: Translink Corporate Finance and Investors House calculations

Source: Company data

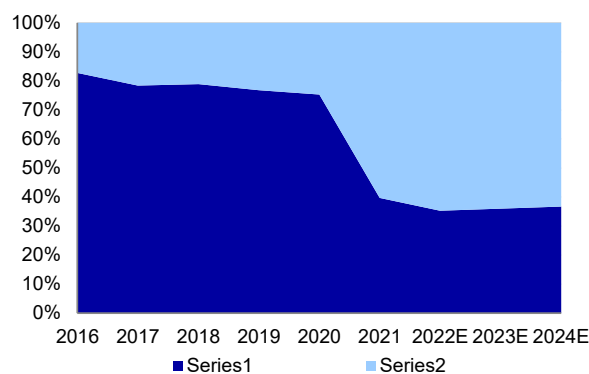
The Service segment has low capital needs and good scalability, as the company intends to expand into real estate funds, where it hopes to utilise its existing real estate investor base of around 10,000 clients. We believe the Service segment has good earnings potential and provides stability, as its revenues come from the services and fund management fees of Dividend House. An external evaluator has valued the Service business at EUR 19.1m, down from EUR 20.4m after Q3, i.e. EUR 3.1 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**

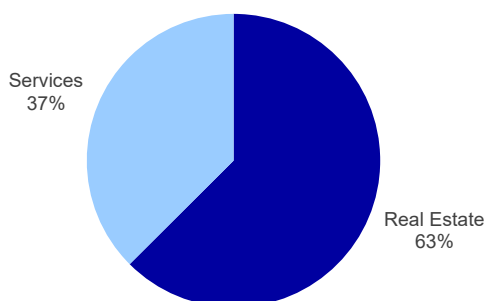


Source: Company data and Nordea estimates

**Balanced investment portfolio**

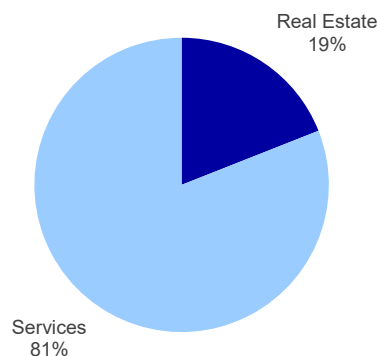
Since IVH Kampus is no longer consolidated but treated as an associated company, 46% of group sales came from the Real Estate business in Q3 and 54% from the Service segment. The acquisition took place in Q1 2021 and the acquired business was fully integrated from Q2 onwards.

**EPRA NRV CONTRIBUTION, Q4 2021**



Source: Company data and Nordea

**SALES BY SEGMENT, Q3 2021**



Source: Company data and Nordea

**Robust financial position**

Investors House has a strong balance sheet, with an equity ratio of 58% following the several divestments in H2 2021. 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. Investors House had a gross cash position of EUR 17.4m at the end of 2021, which will decline to slightly below EUR 10m after the distribution of EUR 1 of extraordinary dividend and EUR 0.29 of ordinary dividend.

**Clear discount to NAV and stable dividend**

Investors House currently trades at a 30% discount to EPRA NRV and the discount narrowed somewhat after the Ovaro share distribution to shareholders and has remained rather stable after Q3. 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 0.31-0.35 per share for 2021-23, which corresponds to a dividend yield of 6.2-6.9%.

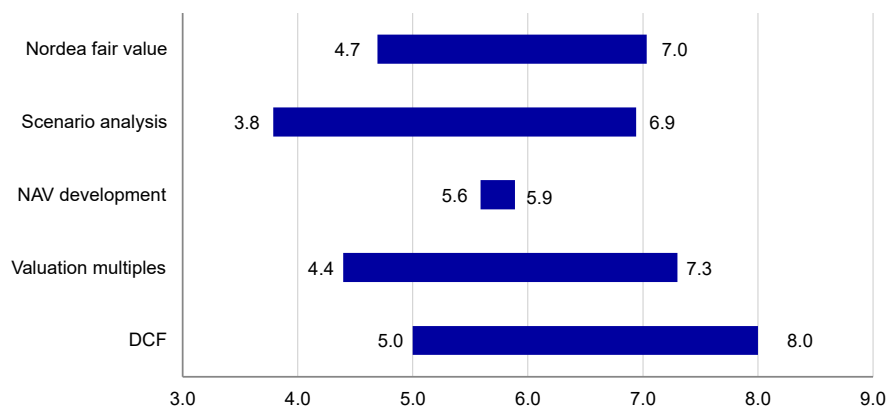
## Valuation

Combining our valuation methods, we derive a fair value range of EUR 4.7-7.0, including the impact of the EUR 1 per share extra dividend distributed. 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 an 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 8.27 (EUR 7.27 adjusted for the EUR 1 extra dividend distributed after Q4 2021), i.e. above the high end of our fair value range (EUR 4.7-7.0 per share). The low end of our range corresponds to a 35% discount to the latest adjusted reported EPRA NRV and the high end to a discount of 4%.

### 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: Q4 DEVIATIONS FROM OUR ESTIMATES

EURt	Actual	NDA est.	Deviation		Actual	q/q	Actual	y/y
	Q4 2021	Q4 2021E	vs. actual		Q3 2021		Q4 2020	
Sales	3,015	3,011	4	0%	2,348	28%	1,676	80%
EBIT adj.	1,992	1,656	336	20%	1,190	67%	(2,557)	-178%
Net operating income	1,275	1,545	-270	-17%	1,089	17%	840	52%
EPS, EUR	(0.15)	0.17	(0.32)	-190%	(0.00)	3503%	(0.38)	-61%

Source: Company data and Nordea estimates

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

EUR THOUSANDS	New estimates			Old estimates			Difference %		
	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E
Sales	8,515	8,785	9,061	10,136	10,589	n.a.	-16%	-17%	n.a.
Adj. EBIT	3,258	3,389	3,523	4,273	4,487	n.a.	-24%	-24%	n.a.
Net operating income	3,540	3,674	3,810	4,157	4,370	n.a.	-15%	-16%	n.a.
Adj. EPS, EUR	0.38	0.40	0.42	0.40	0.42	n.a.	-4%	-4%	n.a.

Source: Nordea estimates

# Detailed estimates

## DETAILED ESTIMATES (EUR THOUSANDS; EPS IN EUR)

EUR THOUSANDS	Q1/21	Q2/21	Q3/21	Q4/21	Q1/22E	Q2/22E	Q3/22E	Q4/22E	2020	2021	2022E	2023E	2024E
Net sales	1,914	2,487	2,348	3,015	2,131	2,144	2,152	2,085	9,465	9,764	8,515	8,785	9,061
Sales growth %	-43%	-15%	61%	80%	11%	-14%	-8%	-31%	-17%	3%	-13%	3%	3%
Maintenance expenses (Real estate)	-1,002	-333	-386	-497	-400	-200	-250	-267	-3,788	-2,218	-1,117	-1,177	-1,238
Direct operating expenses (Services)	-556	-1,123	-873	-1,192	-975	-980	-975	-927	-1,796	-3,744	-3,857	-3,934	-4,012
Net operating income	356	1,050	1,089	1,275	756	964	927	891	4,499	3,802	3,540	3,674	3,810
margin %	19%	42%	46%	42%	35%	45%	43%	43%	48%	39%	42%	42%	42%
Net gains on sale of properties	-11	2	-71	-1,608	0	0	0	0	7	-1,688	0	0	0
Net fair value changes	-583	-84	-1,025	-1,491	0	0	0	0	-850	-3,183	0	0	0
Selling, marketing and admin expenses	-262	-206	-270	-340	-262	-206	-270	-284	-1,384	-1,074	-1,022	-1,054	-1,087
Other operating income	-96	-20	4	0	0	0	0	0	6	-112	0	0	0
Associates	102	332	367	1,057	160	200	200	179	-2,782	1,858	739	769	800
EBIT	-494	1,074	94	-1,107	654	958	857	787	-504	-397	3,258	3,389	3,523
margin %	-26%	43%	4%	-37%	31%	45%	40%	38%	-5%	-4%	38%	39%	39%
EBIT adjusted incl. associates	100	1,156	1,190	1,992	654	958	857	787	339	4,474	3,258	3,389	3,523
margin %	0%	33%	35%	31%	23%	35%	31%	29%	33%	27%	30%	30%	30%
Financial income	0	8	11	55	21	21	21	21	23	84	84	84	84
Financial expenses	-167	-159	-160	-213	-140	-140	-140	-233	-1,139	-699	-653	-653	-653
Profit before taxes	-661	923	-55	-1,265	535	839	738	574	-1,620	-1,012	2,688	2,819	2,953
Taxes	-142	-202	29	643	-64	-101	-89	-69	91	312	-323	-338	-354
Net profit	-803	721	-26	-622	471	738	649	505	-1,529	-700	2,366	2,481	2,599
Cash flow hedges	0	0	0	0	0	0	0	0	0	0	0	0	0
Net profit of the period	-803	721	-26	-622	471	738	649	505	-1,529	-700	2,366	2,481	2,599
EPS	-0.13	0.12	0.00	-0.10	0.08	0.12	0.11	0.08	-0.25	-0.11	0.38	0.40	0.42
Minority interest	-100	-100	-200	-538	0	0	0	0	0	-137	0	0	0
Net profit attributable to shareholders	-703	821	174	-84	471	738	649	505	-1,529	-837	2,366	2,481	2,599
EPS attributable to shareholders	-0.03	0.14	0.13	0.22	0.08	0.12	0.11	0.08	-0.18	0.58	0.40	0.42	0.44

Source: Company data and Nordea estimates

## DIVISIONAL ESTIMATES

EUR THOUSANDS	Q1/21	Q2/21	Q3/21	Q4/21	Q1/22E	Q2/22E	Q3/22E	Q4/22E	2020	2021	2022E	2023E	2024E
<b>Real estate</b>													
Net sales	1,203	2,581	935	996	734	743	753	774	7,523	3,877	3,005	3,165	3,329
Net sales growth %	-59%	10%	-61%	-64%	-39%	-30%	-30%	45%	-25%	-48%	-22%	5%	5%
Net fair value changes	-583	-331	-200	0	0	0	0	0	-850	-2,483	0	0	0
Associate income	102	-21	454	-3,197	160	200	200	179	-2,782	1,858	739	769	800
EBIT	-372	1,323	834	-2,717	494	743	703	686	111	-731	2,627	2,757	2,890
margin %	-31%	51%	89%	-273%	67%	100%	93%	89%	1%	-19%	87%	87%	87%
EBIT adj. incl. associates	303	1,654	1,119	-2,717	494	743	703	686	1,678	3,517	2,627	2,757	2,890
margin %	0%	0%	0%	0%	0%	0%	0%	0%	22%	91%	87%	87%	87%
<b>Services</b>													
Net sales	743	599	527	680	1,397	1,401	1,399	1,311	2,459	5,887	5,509	5,620	5,732
Net sales growth %	23%	11%	-16%	-14%	-3%	10%	-42%	-78%	-12%	5%	5%	5%	5%
EBIT	91	204	129	240	422	421	424	384	764	1,327	1,653	1,686	1,720
margin %	12%	34%	24%	35%	30%	30%	30%	29%	31%	23%	30%	30%	30%

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	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
<b>Total revenue</b>	<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>9,764</b>	<b>8,515</b>	<b>8,785</b>	<b>9,061</b>
Revenue growth	n.a.	91.2%	117.9%	105.8%	28.3%	38.5%	-17.4%	3.2%	-12.8%	3.2%	3.1%
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	764	4,325	4,505	5,981	4,683	3,953	-504	-397	3,258	3,389	3,523
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	764	4,325	4,505	5,981	4,683	3,953	-504	-397	3,258	3,389	3,523
Amortisation and impairments	0	0	0	0	0	0	0	0	0	0	0
EBIT	764	4,325	4,505	5,981	4,683	3,953	-504	-397	3,258	3,389	3,523
of which associates	0	0	1,356	1,056	653	-584	-2,782	1,858	739	769	800
Associates excluded from EBIT	0	0	0	0	0	0	0	n.a.	0	0	0
Net financials	37	48	-281	-422	-591	-1,213	-1,116	-615	-569	-569	-569
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>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>-1,012</b>	<b>2,688</b>	<b>2,819</b>	<b>2,953</b>
Reported taxes	-107	-886	-457	-512	-1,948	-657	91	312	-323	-338	-354
Net profit from continued operations	694	3,487	3,767	5,047	2,144	2,083	-1,529	-700	2,366	2,481	2,599
Discontinued operations	0	0	0	0	0	0	0	0	0	0	0
Minority interests	0	0	0	0	0	-433	0	-137	0	0	0
Net profit to equity	694	3,487	3,767	5,047	2,144	1,650	-1,529	-837	2,366	2,481	2,599
<b>EPS, EUR</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>-0.14</b>	<b>0.38</b>	<b>0.40</b>	<b>0.42</b>
DPS, EUR	0.10	0.17	0.19	0.21	0.23	0.25	0.27	1.29	0.31	0.33	0.35
of which ordinary	0.10	0.17	0.19	0.21	0.23	0.25	0.27	0.29	0.31	0.33	0.35
of which extraordinary	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00

## Profit margin in percent

EBITDA	101.6%	300.8%	143.7%	92.7%	56.6%	34.5%	-5.3%	-4.1%	38.3%	38.6%	38.9%
EBITA	101.6%	300.8%	143.7%	92.7%	56.6%	34.5%	-5.3%	-4.1%	38.3%	38.6%	38.9%
EBIT	101.6%	300.8%	143.7%	92.7%	56.6%	34.5%	-5.3%	-4.1%	38.3%	38.6%	38.9%

## Adjusted earnings

EBITDA (adj)	155	584	2,699	3,394	3,611	5,273	333	4,586	3,258	3,389	3,523
EBITA (adj)	155	584	2,699	3,394	3,611	5,273	333	4,586	3,258	3,389	3,523
EBIT (adj)	155	584	2,699	3,394	3,611	5,273	333	4,586	3,258	3,389	3,523
EPS (adj, EUR)	0.06	-0.12	0.57	0.55	0.17	0.48	-0.18	0.59	0.38	0.40	0.42

## Adjusted profit margins in percent

EBITDA (adj)	20.6%	40.6%	86.1%	52.6%	43.6%	46.0%	3.5%	47.0%	38.3%	38.6%	38.9%
EBITA (adj)	20.6%	40.6%	86.1%	52.6%	43.6%	46.0%	3.5%	47.0%	38.3%	38.6%	38.9%
EBIT (adj)	20.6%	40.6%	86.1%	52.6%	43.6%	46.0%	3.5%	47.0%	38.3%	38.6%	38.9%

## Performance metrics

CAGR last 5 years											
Net revenue	n.a.	n.a.	n.a.	n.a.	n.a.	72.4%	45.8%	25.5%	5.7%	1.2%	-4.6%
EBITDA	n.m.	n.m.	n.m.	n.m.	n.m.	38.9%	n.m.	n.m.	-11.4%	-6.3%	-2.3%
EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	38.9%	n.m.	n.m.	-11.4%	-6.3%	-2.3%
EPS	n.a.	n.a.	n.a.	n.a.	n.a.	-10.2%	n.m.	n.m.	-19.4%	3.0%	9.5%
DPS	n.m.	n.m.	n.m.	n.m.	n.m.	20.1%	9.7%	8.8%	8.1%	7.5%	7.0%
Average last 5 years											
Average EBIT margin	n.a.	n.a.	n.a.	n.a.	n.m.	76.2%	48.0%	30.2%	23.2%	20.2%	20.3%
Average EBITDA margin	n.a.	n.a.	n.a.	n.a.	n.m.	76.2%	48.0%	30.2%	23.2%	20.2%	20.3%

## VALUATION RATIOS - ADJUSTED EARNINGS

EURt	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
P/E (adj)	n.a.	n.a.	n.a.	n.a.	34.6	13.5	n.m.	9.4	13.2	12.6	12.0
EV/EBITDA (adj)	n.a.	n.a.	n.a.	n.a.	20.7	10.8	167.6	11.3	17.6	17.5	16.6
EV/EBITA (adj)	n.a.	n.a.	n.a.	n.a.	20.7	10.8	167.6	11.3	17.6	17.5	16.6
EV/EBIT (adj)	n.a.	n.a.	n.a.	n.a.	25.3	9.8	17.9	19.0	22.8	22.7	21.4

## VALUATION RATIOS - REPORTED EARNINGS

EURt	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
P/E	n.a.	n.a.	n.a.	n.a.	17.3	24.2	n.m.	n.m.	13.2	12.6	12.0
EV/Sales	n.a.	n.a.	n.a.	n.a.	9.04	4.99	5.90	5.31	6.74	6.76	6.44
EV/EBITDA	n.a.	n.a.	n.a.	n.a.	18.6	12.6	24.5	n.m.	22.8	22.7	21.4
EV/EBITA	n.a.	n.a.	n.a.	n.a.	18.6	12.6	24.5	n.m.	22.8	22.7	21.4
EV/EBIT	n.a.	n.a.	n.a.	n.a.	18.6	12.6	24.5	n.m.	22.8	22.7	21.4
Dividend yield (ord.)	n.a.	n.a.	n.a.	n.a.	3.8%	3.9%	4.7%	5.2%	6.2%	6.5%	6.9%
FCF yield	n.a.	n.a.	n.a.	n.a.	-13.2%	-28.8%	-6.3%	39.7%	-2.8%	-0.3%	9.7%
FCF Yield bef A&D, lease adj	n.a.	n.a.	n.a.	n.a.	0.7%	3.9%	2.3%	-0.9%	6.8%	6.1%	9.7%
Payout ratio	156.6%	n.m.	33.5%	38.3%	132.6%	52.2%	n.m.	217.1%	81.0%	82.2%	83.3%

Source: Company data and Nordea estimates



**BALANCE SHEET**

EURt	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Intangible assets	0	400	1,350	1,389	2,933	3,142	2,846	5,391	5,391	5,391	5,391
of which R&D	0	0	0	0	0	0	0	0	0	0	0
of which other intangibles	0	0	0	39	105	329	33	614	614	614	614
of which goodwill	0	400	1,350	1,350	2,828	2,813	2,813	4,777	4,777	4,777	4,777
Tangible assets	6,844	28,198	38,559	57,816	71,263	42,124	45,887	34,094	34,455	34,834	35,234
of which leased assets	0	0	0	0	0	0	0	0	0	0	0
Shares associates	0	0	1,844	13,583	14,296	24,929	15,851	745	1,484	2,253	3,052
Interest bearing assets	0	0	0	0	0	0	10	0	0	0	0
Deferred tax assets	0	0	0	0	0	0	684	665	0	0	0
Other non-IB non-current assets	0	6	498	208	232	205	472	3,728	3,728	3,728	3,728
Other non-current assets	0	0	0	0	0	0	0	0	0	0	0
Total non-current assets	6,844	28,604	42,251	72,996	88,724	70,400	65,750	44,623	45,058	46,206	47,405
Inventory	0	0	0	0	0	0	0	0	0	0	0
Accounts receivable	204	440	556	1,187	1,461	1,101	1,094	1,211	1,056	1,090	1,124
Short-term leased assets	0	0	0	0	0	0	0	0	0	0	0
Other current assets	690	0	272	10	148	0	106	78	68	70	72
Cash and bank	39	212	509	1,465	2,323	4,844	3,181	17,399	10,555	15,545	23,542
Total current assets	933	652	1,337	2,662	3,932	5,945	4,381	18,688	11,909	16,958	25,010
Assets held for sale	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>Total assets</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>63,311</b>	<b>60,822</b>	<b>69,926</b>	<b>79,611</b>
Shareholders equity	5,899	17,865	21,695	46,128	46,815	43,477	37,562	36,239	30,630	31,194	31,753
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	19	2,671	1,200	1,140	475	475	475	475
Total Equity	5,899	17,865	21,695	46,147	49,486	44,677	38,702	36,714	31,105	31,669	32,228
Deferred tax	403	1,110	1,466	1,490	1,921	925	1,005	446	446	446	446
Long term interest bearing debt	1,156	7,936	18,273	21,408	28,641	18,017	18,364	18,512	18,512	18,512	18,512
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	1,559	9,046	19,739	22,898	30,562	18,942	19,369	19,338	18,958	18,958	18,958
Short-term provisions	0	0	0	0	0	0	0	0	0	0	0
Accounts payable	94	533	879	2,041	3,909	9,818	7,728	3,989	3,479	3,589	3,702
Current lease debt	0	0	0	0	0	0	0	0	0	0	0
Other current liabilities	0	0	17	249	0	0	0	0	0	0	0
Short term interest bearing debt	225	1,812	1,259	4,323	8,699	2,908	4,332	3,270	3,270	3,270	3,270
Total current liabilities	319	2,345	2,155	6,613	12,608	12,726	12,060	7,259	7,458	7,644	7,813
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0	0
<b>Total liabilities and equity</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>63,311</b>	<b>60,822</b>	<b>69,926</b>	<b>79,611</b>
<b>Balance sheet and debt metrics</b>											
Net debt	1,342	9,536	19,023	24,266	35,017	16,081	19,505	4,383	13,227	15,237	14,240
of which lease debt	0	0	0	0	0	0	0	0	0	0	0
Working capital	800	-93	-68	-1,093	-2,300	-8,717	-6,528	-2,700	-2,835	-2,961	-3,075
Invested capital	7,644	28,511	42,183	71,903	86,424	61,683	59,222	41,923	46,078	50,007	51,526
Capital employed	7,280	27,613	41,227	71,878	86,826	65,602	61,398	58,496	52,887	53,451	54,010
ROE	23.5%	29.3%	19.0%	14.9%	4.6%	3.7%	-3.8%	-2.3%	7.1%	8.0%	8.3%
ROIC	3.2%	2.6%	6.1%	4.8%	3.6%	5.7%	0.4%	n.a.	5.9%	5.6%	5.6%
ROCE	6.3%	4.1%	7.8%	6.1%	4.6%	6.9%	0.6%	n.a.	6.0%	6.5%	6.7%
Net debt/EBITDA	1.8	2.2	4.2	4.1	7.5	4.1	n.m.	n.m.	4.1	4.5	4.0
Interest coverage	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	-0.4	-0.4	n.m.	n.m.	n.m.
Equity ratio	75.9%	61.1%	49.8%	61.0%	50.5%	56.9%	53.6%	57.2%	50.4%	44.6%	39.9%
Net gearing	22.7%	53.4%	87.7%	52.6%	70.8%	36.0%	50.4%	11.9%	42.5%	48.1%	44.2%

Source: Company data and Nordea estimates

**CASH FLOW STATEMENT**

EURt	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
<b>EBITDA (adj) for associates</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>-2,255</b>	<b>2,519</b>	<b>2,620</b>	<b>2,723</b>
Paid taxes	0	-31	-235	-133	-357	-273	-507	328	-323	-338	-354
Net financials	0	48	-281	-422	-587	-1,767	-1,087	-615	-569	-569	-569
Change in provisions	0	0	0	0	0	0	0	0	0	0	0
Change in other LT non-IB	0	-6	-492	290	-24	27	-951	-2,857	285	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	-764	-3,906	-1,413	-3,244	-2,330	-649	6,910	5,649	0	0	0
<b>Funds from operations (FFO)</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>250</b>	<b>1,912</b>	<b>1,712</b>	<b>1,799</b>
Change in NWC	0	37	-82	33	310	810	-4,952	-97	135	126	115
<b>Cash flow from operations (CFO)</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>153</b>	<b>2,577</b>	<b>2,390</b>	<b>3,037</b>
Capital expenditure	0	-282	-386	-578	-773	-1,126	-897	-465	-361	-380	-399
<b>Free cash flow before A&amp;D</b>	<b>0</b>	<b>185</b>	<b>260</b>	<b>871</b>	<b>269</b>	<b>1,559</b>	<b>795</b>	<b>-313</b>	<b>2,132</b>	<b>1,906</b>	<b>3,037</b>
Proceeds from sale of assets	0	0	1,231	2,315	833	15,480	2,000	17,500	0	0	0
Acquisitions	0	-3,154	-3,869	-737	-6,012	-28,539	-5,000	-3,500	0	0	0
Free cash flow	0	-2,969	-2,378	2,449	-4,910	-11,500	-2,205	13,687	-868	-94	3,037
Free cash flow bef A&D, lease adj	0	185	260	871	269	1,559	795	-313	2,132	1,906	3,037
Dividends paid	0	-152	-563	-629	-1,298	-1,422	-1,546	-1,669	-7,975	-1,917	-2,040
Equity issues / buybacks	0	0	0	1,167	0	0	0	0	0	0	0
Net change in debt	0	3,355	5,271	-1,138	2,983	15,500	5,000	6,500	0	0	0
Other financing adjustments	0	0	0	0	0	0	0	10	0	0	0
Other non-cash adjustments	39	-61	-2,033	-893	4,083	-57	-2,912	-4,310	0	0	0
Change in cash	39	173	297	956	858	2,521	-1,663	14,218	-6,844	4,989	7,997
<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	0.0%	19.6%	12.3%	9.0%	9.3%	9.8%	9.5%	4.8%	4.2%	4.3%	4.4%
<b>Key information</b>											
Share price year end (/current)	n.a.	n.a.	n.a.	n.a.	6	6	6	6	5	5	5
Market cap.	n.a.	n.a.	n.a.	n.a.	37,094	39,876	35,239	34,497	31,159	31,159	31,159
Enterprise value	n.a.	n.a.	n.a.	n.a.	74,782	57,157	55,884	51,855	57,360	59,371	58,374
Diluted no. of shares, year-end (t)	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	6,182.3

Source: Company data and Nordea estimates

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