

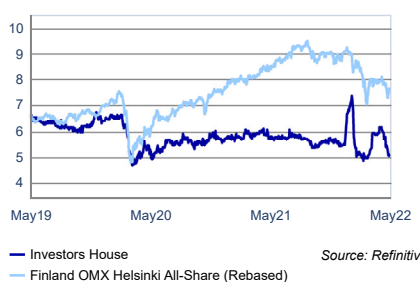
Investors House

Construction and Real Estate
Finland

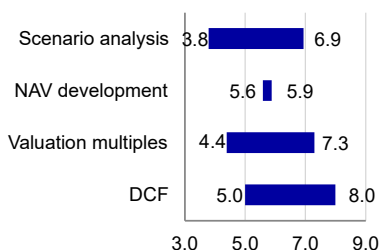
KEY DATA

Stock country	Finland
Bloomberg	INVEST.FH
Reuters	INVEST.HE
Share price (close)	EUR 5.06
Free Float	
Market cap. (bn)	EUR 0.03/EUR 0.03
Website	www.investorshouse.fi
Next report date	22 Aug 2022

PERFORMANCE



VALUATION APPROACH



Source: Nordea estimates

ESTIMATE CHANGES

Year	2022E	2023E	2024E
Sales	-8%	-7%	-7%
EBIT (adj)	-5%	-5%	-5%

Source: Nordea estimates

Nordea Markets - Analysts

Svante Krokfors
DirectorDavid Flemmich
Senior Analyst, Sector Coordinator

No hurry to conduct M&A in current market

Investors House reported Q1 revenue of EUR 1.8m, 16% below our estimate, mainly owing to Services, while net operating income (NOI) was EUR 0.7m, 8% below our EUR 0.8m forecast. Adjusted EBIT including associates was EUR 0.6m, 16% below our EUR 0.7m estimate. The Q1 EPRA result was EUR 0.3m and improved by 187% y/y. The share of revenue from Services was 56%. Investors House has succeeded in streamlining its operations and balance sheet by distributing Ovaro shares and an extra dividend of EUR 1 per share, which has reduced the EPRA NRV discount to 25% from 40% after the Q4 report.

Result miss owes to somewhat smaller quarter for Services

NOI of EUR 0.7m was 8% below our expectation, driven mainly by weaker NOI in the Services segment, which comprises more than 50% of recurring revenue but also project and transaction-related fees, for example, which can cause swings between quarters. Within Real Estate, both NOI and adjusted EBITA were better than we expected. EPRA NRV declined by 18% q/q in Q1 to EUR 6.74, from EUR 8.27, as a EUR 1 per share extra dividend was distributed in Q1. The equity ratio remained strong at 54%, which is important given the growing JV development pipeline and leaves room for M&A, especially within the Services business.

Estimates revised down slightly on account of Services

Investors House reiterated that its operating result will decline significantly in 2022 following large divestments in H2 2020. We forecast a ~30% decline in adjusted EPS in 2022 and lower our 2022-24 adjusted EPS estimates by 4-5% after the Q1 results, mainly owing to somewhat lower estimates for the Services business. New M&A and possible JVs could be made shortly given the strong balance sheet, although the company is more cautious regarding the real estate market due to recent developments.

Fair value range is unchanged at EUR 4.7-7.0

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 takes into account the extra dividend distribution of EUR 1 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	7,870	8,128	8,390
EBITDA (adj)	3,611	5,273	333	4,586	3,096	3,228	3,364
EBIT (adj)	3,611	5,273	333	4,586	3,096	3,228	3,364
EBIT (adj) margin	43.6%	46.0%	3.5%	47.0%	39.3%	39.7%	40.1%
EPS (adj, EUR)	0.17	0.48	-0.18	0.59	0.36	0.39	0.41
EPS (adj) growth	-68.4%	176.0%	-137.3%	432.9%	-38.8%	7.2%	4.2%
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	7.3	7.3	7.0
EV/EBIT (adj)	25.3	9.8	17.9	19.0	24.4	24.2	22.8
P/E (adj)	34.6	13.5	n.m.	9.4	13.9	13.0	12.5
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%	6.1%	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.	4.3	4.7	4.2
ROIC after tax	3.6%	5.7%	0.4%	n.a.	5.6%	5.4%	5.3%

Source: Company data and Nordea estimates

Deviation and revision tables

INVESTORS HOUSE: Q1 DEVIATION FROM OUR ESTIMATES

EURt	Actual Q1 2022	NDA est. Q1 2022E	Deviation vs. actual		Actual Q4 2021	q/q	Actual Q1 2021	y/y
Sales	1,796	2,131	-335	-16%	3,015	-40%	1,914	-6%
EBIT adj.	552	654	-102	-16%	1,992	-72%	100	450%
Net operating income	692	756	-64	-8%	1,275	-46%	356	94%
EPS, EUR	0.03	0.08		-61%	(0.10)	-130%	(0.13)	-123%

Source: Company data and Nordea estimates

INVESTORS HOUSE: OUR ESTIMATE REVISIONS AFTER THE Q1 REPORT

EUR THOUSANDS	New estimates			Old estimates			Difference %		
	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E
Sales	7,870	8,128	8,390	8,515	8,785	9,061	-8%	-7%	-7%
Adj. EBIT	3,096	3,228	3,364	3,258	3,389	3,523	-5%	-5%	-5%
Net operating income	3,380	3,516	3,655	3,540	3,674	3,810	-5%	-4%	-4%
Adj. EPS, EUR	0.36	0.39	0.41	0.38	0.40	0.42	-5%	-3%	-3%

Source: 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 during 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, accounting for 56% of sales in Q1.

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 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 8.27 at the end of Q4 2021 to EUR 6.74 at the end of Q1 2022. Investors House distributed an EUR 1 extra dividend after the end of 2021, which explains the majority of the decline in EPRA NRV. Investors House is trading at a ~25% EPRA NRV discount currently.

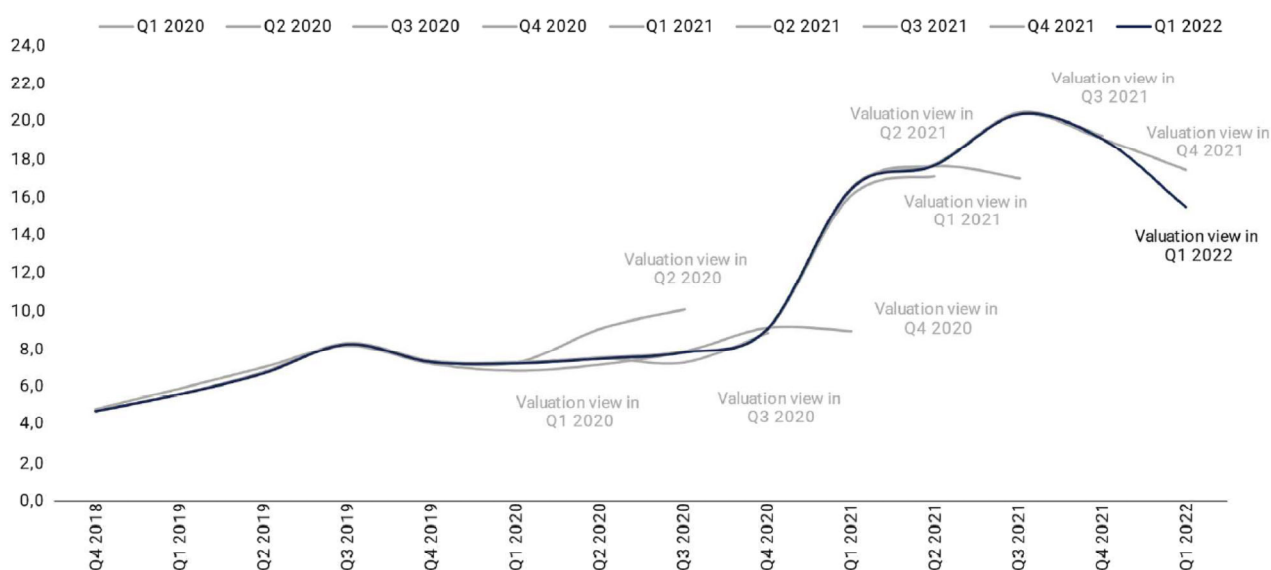
EPRA NRV CALCULATION

EURm	31/03/2022
EPRA NTA	25.2
Excess value of fair value of services and other	5.7
EPRA NRV per share (EUR)	30.9
EPRA NRV per share (EUR)	6.74

Source: Company data

FAIR VALUE DEVELOPMENT OF INVESTORS HOUSE'S SERVICE BUSINESS

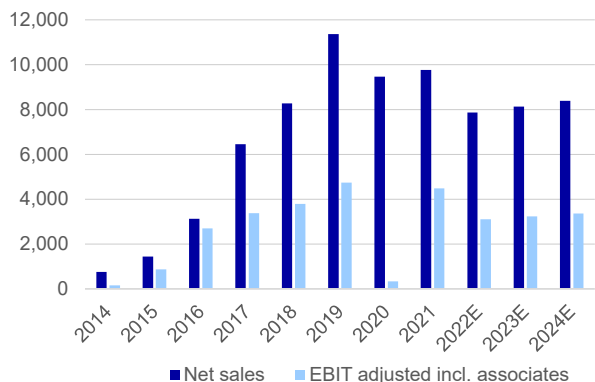
Service business fair value (EURm)



Source: Company data

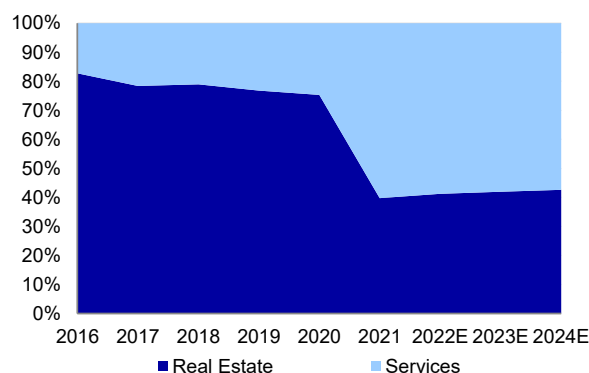
The Service segment has low capital needs and good scalability, as the company intends to expand into real estate funds, where it hopes to utilise its existing real estate investor base of around 10,000 clients. We believe the Service segment has good earnings potential and provides stability, as its revenues come from the services and fund management fees of Dividend House. An external evaluator has valued the Service business at EUR 15.6m, down from EUR 16.1m a year ago.

SALES AND ADJUSTED EBIT (EUR THOUSANDS)



Source: Company data and Nordea estimates

SPLIT OF NET SALES BY DIVISION

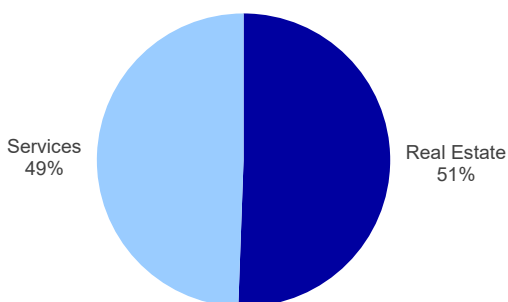


Source: Company data and Nordea estimates

Balanced investment portfolio

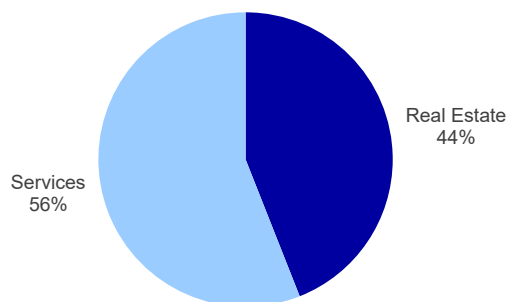
Since IVH Kampus is no longer consolidated but treated as an associated company, 44% of group sales came from the Real Estate business in Q1 and 56% from the Service segment.

EPRA NRV CONTRIBUTION, Q1 2022



Source: Company data and Nordea

SALES BY SEGMENT, Q1 2022



Source: Company data and Nordea

Robust financial position

Investors House has a strong balance sheet, with an equity ratio of 54% 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 ~12m at the end of Q1 2022.

Clear discount to NAV and stable dividend

Investors House currently trades at a 25% discount to EPRA NRV and the discount narrowed somewhat after the Ovaro share distribution and after the distribution of the EUR 1 extra dividend. 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 2022-24, which corresponds to a dividend yield of 6.1-6.9%.

Valuation

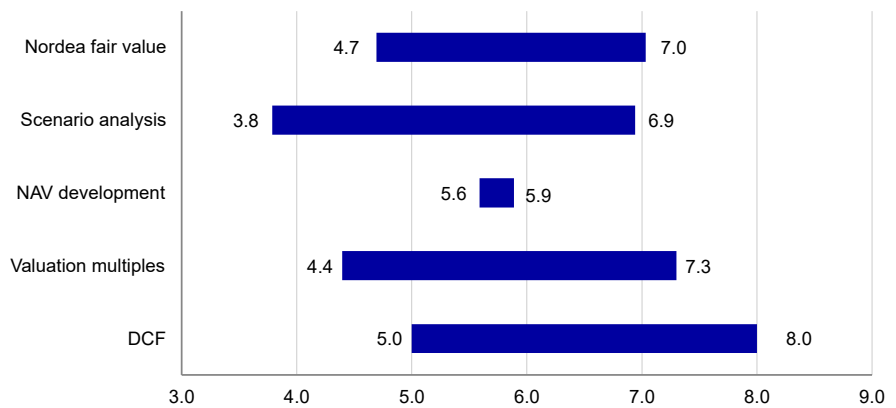
Combining our valuation methods, we derive a fair value range of EUR 4.7-7.0, which takes into account the impact of the EUR 1 per share extra dividend distributed in Q1. As the company is in the midst of a transformation process, we emphasise a scenario-based sum-of-the-parts (SOTP) approach to give 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), so a multiples-based valuation is less reliable. A DCF valuation is easy to understand but sensitive to changes in the parameters, hence we put less focus on it.

The latest reported EPRA NRV is EUR 6.74, i.e. close to the upper end of our fair value range (EUR 4.7-7.0 per share). The low end of our range corresponds to a 30% discount to the latest adjusted reported EPRA NRV and the high end to a premium of 4%.

VALUATION (EUR/SHARE)



Source: Nordea estimates

Detailed estimates

DETAILED ESTIMATES (EUR THOUSANDS; EPS IN EUR)

EUR THOUSANDS	Q1/21	Q2/21	Q3/21	Q4/21	Q1/22	Q2/22E	Q3/22E	Q4/22E	2020	2021	2022E	2023E	2024E
Net sales	1,914	2,487	2,348	3,015	1,796	1,962	1,962	2,150	9,465	9,764	7,870	8,128	8,390
Sales growth %	-43%	-15%	61%	80%	-6%	-21%	-16%	-29%	-17%	3%	-19%	3%	3%
Maintenance expenses (Real estate)	-1,002	-333	-386	-497	-273	-225	-225	-298	-3,788	-2,218	-1,021	-1,073	-1,125
Direct operating expenses (Services)	-556	-1,123	-873	-1,192	-831	-850	-800	-989	-1,796	-3,744	-3,470	-3,539	-3,610
Net operating income	356	1,050	1,089	1,275	692	887	937	864	4,499	3,802	3,380	3,516	3,655
margin %	19%	42%	46%	42%	39%	45%	48%	40%	48%	39%	43%	43%	44%
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	-267	-260	-220	-276	-1,384	-1,074	-1,023	-1,057	-1,091
Other operating income	-96	-20	4	0	0	0	0	0	6	-112	0	0	0
Associates	102	332	367	1,057	127	180	200	232	-2,782	1,858	739	769	800
EBIT	-494	1,074	94	-1,107	552	807	917	820	-504	-397	3,096	3,228	3,364
margin %	-26%	43%	4%	-37%	31%	41%	47%	38%	-5%	-4%	39%	40%	40%
EBIT adjusted incl. associates	100	1,156	1,190	1,992	552	807	917	820	339	4,474	3,096	3,228	3,364
margin %	0%	33%	35%	31%	24%	32%	37%	27%	33%	27%	30%	30%	31%
Financial income	0	8	11	55	57	21	21	21	23	84	120	120	120
Financial expenses	-167	-159	-160	-213	-105	-140	-140	-160	-1,139	-699	-545	-610	-632
Profit before taxes	-661	923	-55	-1,265	504	688	798	681	-1,620	-1,012	2,671	2,738	2,852
Taxes	-142	-202	29	643	-163	-83	-96	-82	91	312	-423	-329	-342
Net profit	-803	721	-26	-622	341	605	702	600	-1,529	-700	2,248	2,410	2,510
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	341	605	702	600	-1,529	-700	2,248	2,410	2,510
EPS	-0.13	0.12	0.00	-0.10	0.06	0.10	0.11	0.10	-0.25	-0.11	0.36	0.39	0.41
Minority interest	-100	-100	-200	-538	0	0	0	0	0	-137	0	0	0
Net profit attributable to shareholders	-703	821	174	-84	341	605	702	600	-1,529	-837	2,248	2,410	2,510
EPS attributable to shareholders	-0.03	0.14	0.13	0.22	0.06	0.10	0.11	0.10	-0.18	0.59	0.36	0.39	0.41

Source: Company data and Nordea estimates

DIVISIONAL ESTIMATES

EUR THOUSANDS	Q1/21	Q2/21	Q3/21	Q4/21	Q1/22	Q2/22E	Q3/22E	Q4/22E	2020	2021	2022E	2023E	2024E
Real estate													
Net sales	1,203	2,581	935	996	798	807	818	823	7,523	3,877	3,244	3,409	3,577
Net sales growth %	-59%	10%	-61%	-64%	-34%	-24%	-24%	54%	-25%	-48%	-16%	5%	5%
Net fair value changes	-583	-331	-200	0	-68	0	0	0	-850	-2,483	-68	0	0
Associate income	102	-21	454	-3,197	127	180	200	232	-2,782	1,858	739	769	800
EBIT	-372	1,323	834	-2,717	536	762	793	757	111	-731	2,846	3,105	3,251
margin %	-31%	51%	89%	-273%	67%	94%	97%	92%	1%	-19%	88%	91%	91%
EBIT adj. incl. associates	303	1,654	1,119	-2,717	652	762	793	757	1,678	3,517	2,962	3,105	3,251
margin %	0%	0%	0%	0%	0%	0%	0%	0%	22%	91%	91%	91%	91%
Services													
Net sales	743	599	527	680	998	1,155	1,144	1,328	2,459	5,887	4,626	4,719	4,813
Net sales growth %	23%	11%	-16%	-14%	-31%	-9%	-53%	-77%	-12%	5%	5%	5%	5%
EBIT	91	204	129	240	167	305	344	339	764	1,327	1,157	1,180	1,203
margin %	12%	34%	24%	35%	17%	26%	30%	26%	31%	23%	25%	25%	25%

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 company's 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 remote working become more widespread and permanent among office workers. The direct effects of COVID-19 have been limited, but the long-term impact is difficult to estimate.

Changes in interest rates

Rising interest rates will eventually push financial costs higher, which would have a significant impact on real estate companies. Investors House has a strong balance sheet, but rising interest rates will have an impact on earnings. The company does not disclose its hedging strategy, which means forecasting increasing financial costs is difficult. Higher interest rates will also likely slow down the transaction market as funding becomes more expensive, which in turn could lower the value of properties and make divestments more difficult. This could 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. Investors House has over the past 12 to 18 months increased the share of service business, which will make it more vulnerable to competition from service providers and less so to competition from real estate players.

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 have already started to 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.

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
Total revenue	752	1,438	3,134	6,449	8,276	11,461	9,465	9,764	7,870	8,128	8,390
Revenue growth	n.a.	91.2%	117.9%	105.8%	28.3%	38.5%	-17.4%	3.2%	-19.4%	3.3%	3.2%
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	3,096	3,228	3,364
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	3,096	3,228	3,364
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	3,096	3,228	3,364
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	-425	-490	-512
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	801	4,373	4,224	5,559	4,092	2,740	-1,620	-1,012	2,671	2,738	2,852
Reported taxes	-107	-886	-457	-512	-1,948	-657	91	312	-423	-329	-342
Net profit from continued operations	694	3,487	3,767	5,047	2,144	2,083	-1,529	-700	2,248	2,410	2,510
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	2,248	2,410	2,510
EPS, EUR	0.46	1.48	1.14	1.12	0.35	0.27	-0.25	-0.14	0.36	0.39	0.41
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%	39.3%	39.7%	40.1%
EBITA	101.6%	300.8%	143.7%	92.7%	56.6%	34.5%	-5.3%	-4.1%	39.3%	39.7%	40.1%
EBIT	101.6%	300.8%	143.7%	92.7%	56.6%	34.5%	-5.3%	-4.1%	39.3%	39.7%	40.1%

Adjusted earnings

EBITDA (adj)	155	584	2,699	3,394	3,611	5,273	333	4,586	3,096	3,228	3,364
EBITA (adj)	155	584	2,699	3,394	3,611	5,273	333	4,586	3,096	3,228	3,364
EBIT (adj)	155	584	2,699	3,394	3,611	5,273	333	4,586	3,096	3,228	3,364
EPS (adj, EUR)	0.06	-0.12	0.57	0.55	0.17	0.48	-0.18	0.59	0.36	0.39	0.41

Adjusted profit margins in percent

EBITDA (adj)	20.6%	40.6%	86.1%	52.6%	43.6%	46.0%	3.5%	47.0%	39.3%	39.7%	40.1%
EBITA (adj)	20.6%	40.6%	86.1%	52.6%	43.6%	46.0%	3.5%	47.0%	39.3%	39.7%	40.1%
EBIT (adj)	20.6%	40.6%	86.1%	52.6%	43.6%	46.0%	3.5%	47.0%	39.3%	39.7%	40.1%

Performance metrics

CAGR last 5 years											
Net revenue	n.a.	n.a.	n.a.	n.a.	n.a.	72.4%	45.8%	25.5%	4.1%	-0.4%	-6.0%
EBITDA	n.m.	n.m.	n.m.	n.m.	n.m.	38.9%	n.m.	n.m.	-12.3%	-7.2%	-3.2%
EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	38.9%	n.m.	n.m.	-12.3%	-7.2%	-3.2%
EPS	n.a.	n.a.	n.a.	n.a.	n.a.	-10.2%	n.m.	n.m.	-20.2%	2.4%	8.7%
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%	23.1%	20.1%	20.1%
Average EBITDA margin	n.a.	n.a.	n.a.	n.a.	n.m.	76.2%	48.0%	30.2%	23.1%	20.1%	20.1%

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	13.9	13.0	12.5
EV/EBITDA (adj)	n.a.	n.a.	n.a.	n.a.	20.7	10.8	167.6	11.3	18.6	18.4	17.4
EV/EBITA (adj)	n.a.	n.a.	n.a.	n.a.	20.7	10.8	167.6	11.3	18.6	18.4	17.4
EV/EBIT (adj)	n.a.	n.a.	n.a.	n.a.	25.3	9.8	17.9	19.0	24.4	24.2	22.8

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.	13.9	13.0	12.5
EV/Sales	n.a.	n.a.	n.a.	n.a.	9.04	4.99	5.90	5.31	7.30	7.32	6.97
EV/EBITDA	n.a.	n.a.	n.a.	n.a.	18.6	12.6	24.5	n.m.	24.4	24.2	22.8
EV/EBITA	n.a.	n.a.	n.a.	n.a.	18.6	12.6	24.5	n.m.	24.4	24.2	22.8
EV/EBIT	n.a.	n.a.	n.a.	n.a.	18.6	12.6	24.5	n.m.	24.4	24.2	22.8
Dividend yield (ord.)	n.a.	n.a.	n.a.	n.a.	3.8%	3.9%	4.7%	5.2%	6.1%	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%	85.3%	84.7%	86.2%

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	34,483	34,892	35,322
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	45,086	46,264	47,493
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	976	1,008	1,041
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	63	65	67
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.
Total assets	7,777	29,256	43,588	75,658	92,656	76,345	70,131	63,311	60,822	69,926	79,611
Shareholders equity	5,899	17,865	21,695	46,128	46,815	43,477	37,562	36,239	30,512	31,005	31,474
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	30,987	31,480	31,949
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	3,215	3,321	3,428
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
Total liabilities and equity	7,777	29,256	43,589	75,658	92,656	76,345	70,131	63,311	60,822	69,926	79,611
Balance sheet and debt metrics											
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	52,769	53,262	53,731
ROE	23.5%	29.3%	19.0%	14.9%	4.6%	3.7%	-3.8%	-2.3%	6.7%	7.8%	8.0%
ROIC	3.2%	2.6%	6.1%	4.8%	3.6%	5.7%	0.4%	n.a.	5.6%	5.4%	5.3%
ROCE	6.3%	4.1%	7.8%	6.1%	4.6%	6.9%	0.6%	n.a.	5.8%	6.3%	6.5%
Net debt/EBITDA	1.8	2.2	4.2	4.1	7.5	4.1	n.m.	n.m.	4.3	4.7	4.2
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%	50.2%	44.3%	39.5%
Net gearing	22.7%	53.4%	87.7%	52.6%	70.8%	36.0%	50.4%	11.9%	42.7%	48.4%	44.6%

Source: Company data and Nordea estimates

CASH FLOW STATEMENT

EURt	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
EBITDA (adj) for associates	764	4,325	3,149	4,925	4,030	4,537	2,278	-2,255	2,357	2,459	2,564
Paid taxes	0	-31	-235	-133	-357	-273	-507	328	-423	-329	-342
Net financials	0	48	-281	-422	-587	-1,767	-1,087	-615	-425	-490	-512
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
Funds from operations (FFO)	0	430	728	1,416	732	1,875	6,643	250	1,794	1,641	1,710
Change in NWC	0	37	-82	33	310	810	-4,952	-97	135	126	115
Cash flow from operations (CFO)	n.a.	467	646	1,449	1,042	2,685	1,692	153	2,577	2,390	3,037
Capital expenditure	0	-282	-386	-578	-773	-1,126	-897	-465	-389	-409	-429
Free cash flow before A&D	0	185	260	871	269	1,559	795	-313	2,132	1,906	3,037
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
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	0.0%	19.6%	12.3%	9.0%	9.3%	9.8%	9.5%	4.8%	4.9%	5.0%	5.1%
Key information											
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	31,282	31,282	31,282
Enterprise value	n.a.	n.a.	n.a.	n.a.	74,782	57,157	55,884	51,855	57,484	59,495	58,498
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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Completion Date

16 May 2022, 22:35 CET

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