

Investors House

Construction and Real Estate
Finland

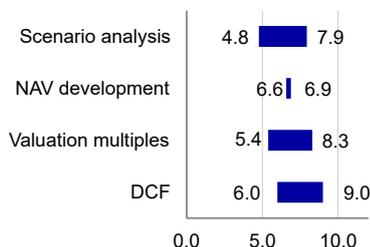
KEY DATA

Stock country	Finland
Bloomberg	INVEST.FH
Reuters	INVEST.HE
Share price (close)	EUR 5.94
Free Float	
Market cap. (bn)	EUR 0.04/EUR 0.04
Website	www.investorhouse.fi
Next report date	11 May 2021

PERFORMANCE



VALUATION APPROACH



Source: Nordea estimates

ESTIMATE CHANGES

Year	2021E	2022E	2023E
Sales	10%	8%	8%
EBIT (adj)	-18%	-15%	-15%

Source: Nordea estimates

Nordea Markets - Analysts

Svante Krokfors
DirectorDavid Flemmich
Senior Analyst, Sector Coordinator

Expanding in Real Estate and Services

Investors House reported Q1 revenue of EUR 1.9m, clearly above our EUR 1.4m estimate, while net operating income was EUR 0.4m, below our EUR 0.7m estimate. The Q1 operative result of EUR 0.1m was virtually flat y/y, burdened by property taxes for the full year being paid in the quarter and by investments in new business and an increased headcount. The acquired Juhola Asset Management, a Finnish real estate asset management company, was incorporated for only three weeks in Q1. The acquisition will increase the share of Services business sales to more than 50% of group sales after Q1. In April, Investors House announced it is part of a consortium that is preparing to acquire an old hospital (85,000 m² for EUR 46m). This should open up property development potential for the next five to ten years. With a strong Service business and a growing development pipeline, we see good growth potential for Investors House.

Q1 was operationally flat y/y, burdened by one-offs

Net operating income of EUR 0.4m was on the weak side, while net sales exceeded our expectations significantly. Negative fair value changes and disposal losses burdened the result by EUR 0.6m. EPRA NRV increased by 4% q/q, up to EUR 7.90, boosted by the acquisition of Juhola Asset Management. Solidity remained strong at 52%, which is important given the growing development pipeline. Investors House reintroduced its financial guidance on 7 May and now expects the operating result to improve in 2021 compared to 2020, in line with our current estimates.

Seeking new property development opportunities

Last year, Investors House announced that it would develop a 11,000 m² residential project in Tikkurila, Vantaa. The company estimated the project value at EUR 45-55m. Recently, the company also announced a partnership project in Jyväskylä related to an old 85,000 m² hospital to be acquired for EUR 46m. These projects have significant development potential and the company has reduced its risks through co-ownership.

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 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 stability from an increased Service focus should support the valuation.

SUMMARY TABLE - KEY FIGURES

EURt	2017	2018	2019	2020	2021E	2022E	2023E
Total revenue	6,449	8,276	11,461	9,465	9,453	11,222	11,697
EBITDA (adj)	3,394	3,611	5,273	333	4,786	5,815	6,078
EBIT (adj)	3,394	3,611	5,273	333	4,786	5,815	6,078
EBIT (adj) margin	52.6%	43.6%	46.0%	3.5%	50.6%	51.8%	52.0%
EPS (adj, EUR)	0.55	0.17	0.48	-0.18	0.51	0.64	0.66
EPS (adj) growth	-3.2%	-68.4%	176.0%	-137.3%	387.1%	24.2%	3.0%
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	6.1	6.5
EV/EBIT (adj)	n.a.	25.3	9.8	17.9	21.8	18.2	19.3
P/E (adj)	n.a.	34.6	13.5	n.m.	11.6	9.3	9.1
P/BV	n.a.	0.8	0.9	0.9	0.9	0.9	0.9
Dividend yield (ord)	n.a.	3.8%	3.9%	4.7%	4.9%	5.2%	5.6%
FCF Yield bef A&D, lease	n.a.	0.7%	3.9%	2.3%	4.7%	9.5%	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.	4.6	4.9	5.7
ROIC after tax	4.8%	3.6%	5.7%	0.4%	6.2%	6.7%	6.2%

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 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 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.

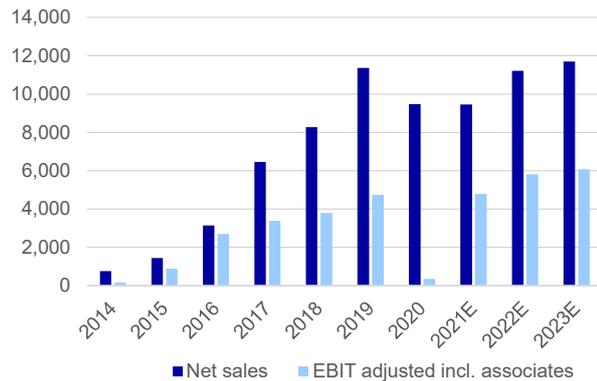
The company has grown quite aggressively since mid-2015, when the current CEO, Chairman and Vice Chairman became owners. After this, the Real Estate and Service segments have expanded mainly through acquisitions. We expect the good pace of growth to continue, especially in the Service segment, where 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 (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 7.60 at the end of Q4 2020 to EUR 7.90 at the end of Q1 2021, adversely impacted in part by asset writedowns in Q1.

EPRA NRV CALCULATION

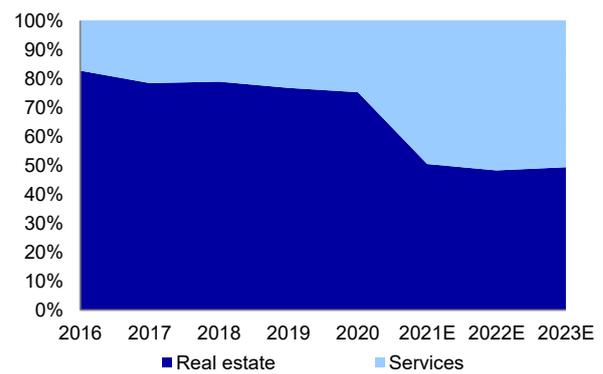
EURm	31/03/2021
EPRA NTA	31.3
Fair value of services and other	16.5
EPRA NRV	47.9
EPRA NRV per share (EUR)	7.90

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 16.1m, ie EUR 2.7 per share; this is included in the EPRA NRV valuation as a "fair value of services". The inclusion of Juhola Asset Management increased the Services contribution significantly during Q1.

SALES AND ADJUSTED EBIT (EUR THOUSANDS)

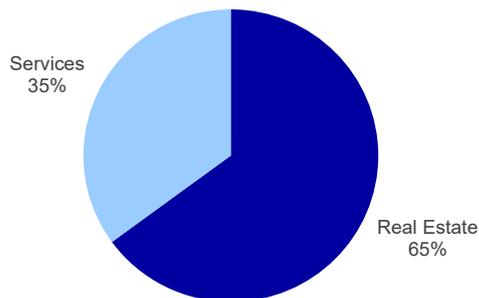
Source: Company data and Nordea estimates

SPLIT OF NET SALES BY DIVISION

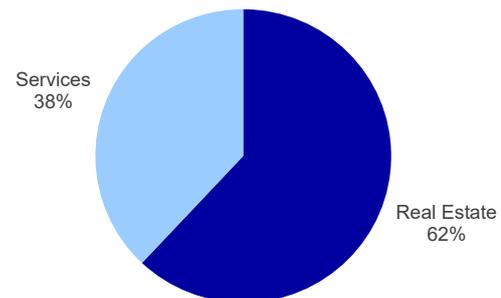
Source: Company data and Nordea estimates

Balanced investment portfolio

Because IVH Kampus is no longer consolidated but treated as an associated company, 62% of group sales came from the Real Estate business in Q1 and 38% from the Service segment. The share of sales from Services will increase closer to 60% after the Juhola Asset Management deal closes. The acquisition took place in Q1 2021 and the acquired business will be fully integrated from Q2 onwards.

EPRA NRV CONTRIBUTION, Q1 2021

Source: Company data and Nordea

SALES BY SEGMENT, Q1 2021

Source: Company data and Nordea

Strong financial position

Investors House has a strong balance sheet, with an equity ratio of 55%, 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 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 ~25% 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% 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

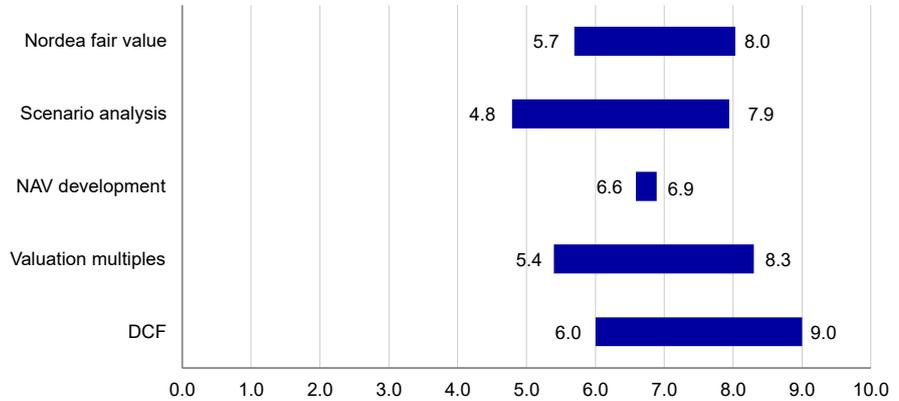
Combining our valuation methods, we derive a fair value range of EUR 5.7-8.0. As the company is in the midst of a transformation process, we emphasise a scenario-based sum-of-the-parts (SOTP) approach to give a better picture of where value will come from in the future and how each part of the company is valued. We also use a NAV 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 multiple-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 7.90, ie closer to the high end of our fair value range (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 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	Actual		y/y
	Q1 2021	Q1 2021E	vs. actual		Q4 2020	q/q	Q1 2020	
Sales	1,914	1,381	533	39%	1,676	14%	3,343	-43%
EBIT adj.	132	1,122	-990	-88%	(2,557)	-105%	732	-82%
Net operating income	388	701	-313	-45%	840	-54%	982	-60%
EPS, EUR	(0.07)	0.14		-149%	(0.39)	-82%	0.02	-560%

Source: Company data and Nordea estimates

INVESTORS HOUSE: OUR ESTIMATE REVISIONS AFTER THE Q1 REPORT

EUR THOUSANDS	New estimates			Old estimates			Difference %		
	2021E	2022E	2023E	2021E	2022E	2023E	2021E	2022E	2023E
Sales	9,453	11,222	11,697	8,611	10,364	10,821	10%	8%	8%
Adj. EBIT	4,786	5,815	6,078	5,859	6,821	7,169	-18%	-15%	-15%
Net operating income	3,542	4,633	4,851	4,262	5,272	5,562	-17%	-12%	-13%
Adj. EPS, EUR	0.51	0.64	0.66	0.62	0.72	0.74	-17%	-11%	-12%

Source: Company data and 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	Q3/21E	Q4/21E	2019	2020	2021E	2022E	2023E
Net sales	3,343	2,934	1,460	1,676	1,914	2,704	2,652	2,829	11,374	9,465	9,453	11,222	11,697
Sales growth %	28%	7%	-48%	-50%	-43%	-8%	82%	69%	37%	-17%	0%	19%	4%
Maintenance expenses (Real estate)	-2,096	-906	-270	-516	-1,002	-500	-500	-498	-4,150	-3,788	-2,500	-2,700	-2,878
Direct operating expenses (Services)	-488	-254	-398	-440	-556	-950	-950	-950	-2,087	-1,796	-3,411	-3,890	-3,968
Net operating income	982	1,894	794	840	356	1,254	1,202	1,381	5,137	4,499	3,542	4,633	4,851
margin %	0%	0%	0%	0%	0%	0%	0%	0%	45%	48%	37%	41%	41%
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	-262	-170	-170	-171	-796	-1,384	-756	-898	-936
Other operating income	21	-15	0	0	-96	-15	0	0	-29	6	0	0	0
Associates	-18	-21	454	-3,197	570	570	570	648	423	-2,782	2,000	2,080	2,163
EBIT	613	1,345	306	-2,665	557	1,639	1,602	1,858	4,197	-504	4,786	5,815	6,078
margin %	18%	46%	21%	-159%	29%	61%	60%	66%	37%	-5%	51%	52%	52%
EBIT adjusted incl. associates	732	1,676	591	-2,557	568	1,639	1,602	1,858	4,735	339	4,786	5,815	6,078
margin %	22%	58%	9%	38%	0%	40%	39%	43%	38%	33%	29%	33%	33%
Financial income	0	10	15	-2	0	10	15	-16	37	23	23	23	23
Financial expenses	-377	-460	-147	-155	-167	-120	-120	-112	-1,165	-1,139	-519	-654	-724
Profit before taxes	236	895	174	-2,822	390	1,529	1,497	1,730	3,069	-1,620	4,290	5,184	5,377
Taxes	-142	-183	-22	438	-142	-200	-200	-100	-307	91	-343	-415	-430
Net profit	94	712	152	-2,384	248	1,329	1,297	1,630	2,762	-1,529	3,946	4,769	4,947
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	248	1,329	1,297	1,630	2,762	-1,529	3,946	4,769	4,947
EPS	0.02	0.12	0.02	-0.39	-0.03	0.14	0.14	0.19	0.45	-0.25	0.34	0.46	0.48
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	248	1,329	1,297	1,630	2,483	-1,529	3,009	3,769	3,881
EPS attributable to shareholders	0.05	0.18	0.07	-0.45	0.07	0.24	0.23	0.29	0.40	-0.18	0.51	0.64	0.66

Source: Company data and Nordea estimates

DIVISIONAL ESTIMATES

EUR THOUSANDS	Q1/20	Q2/20	Q3/20	Q4/20	Q1/21	Q2/21E	Q3/21E	Q4/21E	2019	2020	2021E	2022E	2023E
Real estate													
Net sales	2,962	2,581	935	996	1,203	1,233	1,254	1,276	9,319	7,523	5,016	5,416	5,774
Net sales growth %	59%	10%	-61%	-64%	-59%	-52%	34%	28%	38%	-25%	-33%	8%	7%
Net fair value changes	-108	-331	-200	0	-583	0	0	0	-579	-850	0	0	0
Associate income	-18	-21	454	-3,197	102	625	625	648	423	-2,782	2,000	2,080	2,163
EBIT	729	1,323	834	-2,717	-372	1,358	1,379	1,426	4,834	111	4,516	4,797	5,060
margin %	25%	51%	89%	-273%	-31%	110%	110%	112%	52%	1%	90%	89%	88%
EBIT adj. incl. associates	848	1,654	1,119	-2,717	303	1,358	1,379	1,426	6,187	1,678	5,278	5,598	5,903
margin%	0%	0%	0%	0%	0%	0%	0%	0%	66%	22%	105%	103%	102%
Services													
Net sales	604	599	527	680	743	1,511	1,438	1,594	2,809	2,459	4,908	5,806	5,922
Net sales growth %	-29%	11%	-16%	-14%	23%	152%	173%	134%	57%	-12%	5%	5%	5%
EBIT	137	204	129	240	91	546	488	644	1,059	764	1,497	1,916	1,954
margin %	23%	34%	24%	35%	12%	36%	34%	40%	38%	31%	31%	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 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, 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. 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, funding part of its expansion through share issues. This has a dilutive effect if looking at the historical 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 effects 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	9,453	11,222	11,697
Revenue growth	n.a.	n.a.	91.2%	117.9%	105.8%	28.3%	38.5%	-17.4%	-0.1%	18.7%	4.2%
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	0	764	4,325	4,505	5,981	4,683	3,953	-504	4,786	5,815	6,078
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	4,786	5,815	6,078
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	4,786	5,815	6,078
of which associates	0	0	0	1,356	1,056	653	-584	-2,782	2,000	2,080	2,163
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	-496	-631	-701
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	4,290	5,184	5,377
Reported taxes	0	-107	-886	-457	-512	-1,948	-657	91	-343	-415	-430
Net profit from continued operations	0	694	3,487	3,767	5,047	2,144	2,083	-1,529	3,946	4,769	4,947
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	3,009	3,769	3,881
EPS, EUR	n.a.	0.46	1.48	1.14	1.12	0.35	0.27	-0.25	0.49	0.61	0.63
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%	50.6%	51.8%	52.0%
EBITA	n.a.	101.6%	300.8%	143.7%	92.7%	56.6%	34.5%	-5.3%	50.6%	51.8%	52.0%
EBIT	n.a.	101.6%	300.8%	143.7%	92.7%	56.6%	34.5%	-5.3%	50.6%	51.8%	52.0%

Adjusted earnings

EBITDA (adj)	0	155	584	2,699	3,394	3,611	5,273	333	4,786	5,815	6,078
EBITA (adj)	0	155	584	2,699	3,394	3,611	5,273	333	4,786	5,815	6,078
EBIT (adj)	0	155	584	2,699	3,394	3,611	5,273	333	4,786	5,815	6,078
EPS (adj, EUR)	n.a.	0.06	-0.12	0.57	0.55	0.17	0.48	-0.18	0.51	0.64	0.66

Adjusted profit margins in percent

EBITDA (adj)	n.a.	20.6%	40.6%	86.1%	52.6%	43.6%	46.0%	3.5%	50.6%	51.8%	52.0%
EBITA (adj)	n.a.	20.6%	40.6%	86.1%	52.6%	43.6%	46.0%	3.5%	50.6%	51.8%	52.0%
EBIT (adj)	n.a.	20.6%	40.6%	86.1%	52.6%	43.6%	46.0%	3.5%	50.6%	51.8%	52.0%

Performance metrics

CAGR last 5 years											
Net revenue	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	72.4%	45.8%	24.7%	11.7%	7.2%
EBITDA	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	38.9%	n.m.	1.2%	-0.6%	5.4%
EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	38.9%	n.m.	1.2%	-0.6%	5.4%
EPS	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-10.2%	n.m.	-15.6%	-11.5%	12.6%
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%	41.9%	37.6%	37.8%
Average EBITDA margin	n.a.	n.a.	n.a.	n.a.	n.a.	n.m.	76.2%	48.0%	41.9%	37.6%	37.8%

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.	11.6	9.3	9.1
EV/EBITDA (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	20.7	10.8	167.6	12.7	11.7	12.5
EV/EBITA (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	20.7	10.8	167.6	12.7	11.7	12.5
EV/EBIT (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	25.3	9.8	17.9	21.8	18.2	19.3

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.	12.2	9.7	9.5
EV/Sales	n.a.	n.a.	n.a.	n.a.	n.a.	9.04	4.99	5.90	6.43	6.07	6.47
EV/EBITDA	n.a.	n.a.	n.a.	n.a.	n.a.	18.6	12.6	24.5	21.8	18.2	19.3
EV/EBITA	n.a.	n.a.	n.a.	n.a.	n.a.	18.6	12.6	24.5	21.8	18.2	19.3
EV/EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	18.6	12.6	24.5	21.8	18.2	19.3
Dividend yield (ord.)	n.a.	n.a.	n.a.	n.a.	n.a.	3.8%	3.9%	4.7%	4.9%	5.2%	5.6%
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%	9.5%	7.3%
Payout ratio	n.a.	21.9%	11.5%	16.7%	18.7%	66.3%	93.7%	n.m.	59.6%	50.9%	52.6%

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	48,989	57,639	65,332
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	17,851	19,931	22,094
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	70,158	80,888	90,744
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	1,093	1,297	1,352
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	106	126	131
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	38,901	40,877	42,841
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	40,979	43,956	46,986
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	7,718	9,163	9,550
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	70,175	80,152	90,182
ROE	n.m.	23.5%	29.3%	19.0%	14.9%	4.6%	3.7%	-3.8%	7.9%	9.4%	9.3%
ROIC	n.m.	3.2%	2.6%	6.1%	4.8%	3.6%	5.7%	0.4%	6.2%	6.7%	6.2%
ROCE	n.m.	6.3%	4.1%	7.8%	6.1%	4.6%	6.9%	0.6%	7.3%	7.8%	7.2%
Net debt/EBITDA	n.m.	1.8	2.2	4.2	4.1	7.5	4.1	n.m.	4.6	4.9	5.7
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%	49.4%	45.2%	42.4%
Net gearing	n.m.	22.7%	53.4%	87.7%	52.6%	70.8%	36.0%	50.4%	53.6%	64.5%	74.1%

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	2,786	3,735	3,915
Paid taxes	0	0	-31	-235	-133	-357	-273	-507	-343	-415	-430
Net financials	0	0	48	-281	-422	-587	-1,767	-1,087	-496	-631	-701
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	2,630	2,689	2,784
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	-602	-650	-693
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	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
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%	6.4%	5.8%	5.9%
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	36,723	36,723	36,723
Enterprise value	n.a.	n.a.	n.a.	n.a.	n.a.	74,782	57,157	55,884	60,753	68,133	75,677
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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Nordea Bank Abp	Nordea Bank Abp, filial i Sverige	Nordea Danmark, Filial af Nordea Bank Abp, Finland	Nordea Bank Abp, filial i Norge
Nordea Markets Division, Research Visiting address: Aleksis Kiven katu 7, Helsinki FI-00020 Nordea Finland Tel: +358 9 1651 Fax: +358 9 165 59710 Reg.no. 2858394-9 Satamaradankatu 5 Helsinki	Nordea Markets Division, Research Visiting address: Smålandsgatan 17 SE-105 71 Stockholm Sweden Tel: +46 8 614 7000 Fax: +46 8 534 911 60	Nordea Markets Division, Research Visiting address: Grønjørdsvej 10 DK-2300 Copenhagen S Denmark Tel: +45 3333 3333 Fax: +45 3333 1520	Nordea Markets Division, Research Visiting address: Essendropsgate 7 N-0107 Oslo Norway Tel: +47 2248 5000 Fax: +47 2256 8650