

25 November 2021

Commissioned research: Investors House – Divests associated company IVH Kampus and issues a positive profit warning for 2021

Marketing material commissioned by Investors House

Investors House issued a positive profit warning today (25 November) following the sale of associated company IVH Kampus. Investors House now expects the operative result for 2021 to improve significantly from 2020 (previously: operative result to improve). Investors House announced it will sell its associated company IVH Kampus to Swedish real estate company Nyfosa. Investors House owns 48% of IVH Kampus. The transaction will bring Investors House service fees of one-off nature although the divestment will reduce associated company income, which will improve the operative result in Q4 as the deal is expected to close in the quarter. Investors House will continue to manage the IVH Kampus properties for an undisclosed period. The transaction results in realised value changes of EUR -0.7m. The transaction will improve Investors House's cash position by EUR 15m (after repayment of associated company loans) which will increase the cash position to EUR 23m. The transaction highlights Investors House's ambition to accelerate recycling of capital and the company recently announced the Kukkula JV in Jyväskylä, Finland, where Investors House owns one-third and will develop the area over the coming 10-15 years to develop e.g. residentials in the Jyväskylä region together with its JV partners. The announced transaction will lower the associated income from 2022 by over EUR 1m annually, we estimate, but will improve the financial position considerably to focus on development projects and continue to expand the service business.

SUMMARY TABLE - KEY FIGURES

EURt	2018	2019	2020	2021E	2022E	2023E
Total revenue	8,276	11,461	9,465	9,325	10,130	10,583
EBITDA (adj)	3,611	5,273	333	3,905	5,410	5,670
EBIT (adj)	3,611	5,273	333	3,905	5,410	5,670
EBIT (adj) margin	43.6%	46.0%	3.5%	41.9%	53.4%	53.6%
EPS (adj, EUR)	0.17	0.48	-0.18	0.36	0.57	0.60
EPS (adj) growth	-68.4%	176.0%	-137.3%	300.7%	59.1%	4.5%
DPS (ord, EUR)	0.23	0.25	0.27	0.29	0.31	0.33
EV/Sales	9.0	5.0	5.9	6.3	6.5	7.0
EV/EBIT (adj)	25.3	9.8	17.9	21.8	19.2	20.4
P/E (adj)	34.6	13.5	n.m.	15.7	9.9	9.5
P/BV	0.8	0.9	0.9	1.0	1.0	0.9
Dividend yield (ord)	3.8%	3.9%	4.7%	5.1%	5.5%	5.9%
FCF Yield bef A&D, lease adj	0.7%	3.9%	2.3%	4.9%	10.0%	7.7%
Net debt	35,017	16,081	19,505	21,953	28,331	34,809
Net debt/EBITDA	7.5	4.1	n.m.	10.9	5.2	6.1
ROIC after tax	3.6%	5.7%	0.4%	n.a.	6.2%	5.7%

Source: Company data and Nordea estimates

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