16 May 2022

Commissioned research: Investors House – Stable Q1 and outlook for 2022 unchanged

Marketing material commissioned by Investors House

Investors House reported Q1 revenues of EUR 1.8m, 16% below our estimate, mainly owing to weaker top line in Services. Net operating income was EUR 0.7m, 8% below our EUR 0.8m estimate. The Q1 operative result (EPRA) was EUR 0.3m, up 187% y/y. Reported EBIT of EUR 0.4m included EUR -0.1m of negative fair value changes while we calculate that the adjusted EBIT was EUR 0.6m, 16% below our estimate, explained by lower EBIT of Services. The 2022 guidance is intact: the operating result to decline significantly owing to divestments conducted in Q4 2021. On divisional level, Real Estate top line was above our estimates while Services sales were clearly below. It is worth noting that quarterly result in Services fluctuates owing to e.g. transaction timing. EPRA NRV was EUR 6.74 per share, down from EUR 8.27 at the end of Q4 2021. EPRA NRV declined 15% from EUR 7.90 a year ago as an extra dividend of EUR 1.0 was distributed. The Services business accounted for 56% of sales and Real Estate for 44% compared to 58% and 42% a year ago, respectively. Solidity declined to 54% from 58% in Q4 2021 owing to the extra dividend. Investors House trades at a 25% discount to EPRA NRV and the discount has declined from 40% after the Q4 report. We expect a neutral share price reaction on Investors House's Q1 report..

Investors House: Deviation table

	Actual	NDA est.	Deviation		Actual		Actual	
EURt	Q1 2022	Q1 2022E	vs. actual		Q4 2021	q/q	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: Investors House and Nordea

SUMMARY TABLE - KEY FIGURES

EURt	2019	2020	2021	2022E	2023E	2024E
Total revenue	11,461	9,465	9,764	8,515	8,785	9,061
EBITDA (adj)	5,273	333	4,586	3,258	3,389	3,523
EBIT (adj)	5,273	333	4,586	3,258	3,389	3,523
EBIT (adj) margin	46.0%	3.5%	47.0%	38.3%	38.6%	38.9%
EPS (adj, EUR)	0.48	-0.18	0.59	0.38	0.40	0.42
EPS (adj) growth	176.0%	-137.3%	432.9%	-35.6%	4.9%	4.8%
DPS (ord, EUR)	0.25	0.27	0.29	0.31	0.33	0.35
EV/Sales	5.0	5.9	5.3	6.8	6.8	6.5
EV/EBIT (adj)	9.8	17.9	19.0	23.1	22.9	21.7
P/E (adj)	13.5	n.m.	9.4	13.5	12.9	12.3
P/BV	0.9	0.9	1.0	1.0	1.0	1.0
Dividend yield (ord)	3.9%	4.7%	5.2%	6.0%	6.4%	6.8%
FCF Yield bef A&D, lease adj	3.9%	2.3%	-0.9%	6.7%	6.0%	9.5%
Net debt	16,081	19,505	4,383	13,227	15,237	14,240
Net debt/EBITDA	4.1	n.m.	n.m.	4.1	4.5	4.0
ROIC after tax	5.7%	0.4%	n.a.	5.9%	5.6%	5.6%

Source: Company data and Nordea estimates

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