

12 January 2023

Commissioned research: Investors House – EUR 3m pre-tax gain to be booked in Q4 2022 from Tikkurila zoning plan confirmation

Marketing material commissioned by Investors House

Investors House announced yesterday (11 January) that its zoning plan for Neilikkatie 17 in Tikkurila, Vantaa has been confirmed. This will enable the construction of 10,000 m² apartments and Investors House has signed in June 2021 a preliminary agreement for the plot sale. The estimated pre-tax impact of the deal is around EUR 3m and will be booked to the Q4 2022 result. The deal is expected to close during H1 2023 and the cash flow impact will be visible during 2023, according to the company. We have not included the deal in our estimates as the timing has been uncertain while we have estimated the impact to be EUR 2m eventually, so the financial impact of the deal is around EUR 1m higher than we have expected. The transaction will further strengthen Investors House's strong financial position and based on our calculations enables M&A of over EUR 30m. However, given the recent market turbulence, we do not believe Investors House to be in a hurry to conduct acquisitions, which are likely to focus on the Service segment with the Real Estate segment's relative share of Investors House's NAV declining.

SUMMARY TABLE - KEY FIGURES

EURt	2019	2020	2021	2022E	2023E	2024E
Total revenue	11,461	9,465	8,043	7,517	8,351	8,691
EBITDA (adj)	5,273	333	4,149	2,703	3,152	3,335
EBIT (adj)	5,273	333	4,149	2,703	3,152	3,335
EBIT (adj) margin	46.0%	3.5%	51.6%	36.0%	37.7%	38.4%
EPS (adj, EUR)	0.48	-0.18	0.53	0.32	0.37	0.39
EPS (adj) growth	176.0%	-137.3%	396.5%	-39.0%	15.5%	5.8%
DPS (ord, EUR)	0.25	0.27	0.29	0.31	0.33	0.35
EV/Sales	5.0	5.9	6.4	7.9	7.4	7.0
EV/EBIT (adj)	9.8	17.9	22.6	28.9	24.8	22.9
P/E (adj)	13.5	n.m.	10.5	15.9	13.7	13.0
P/BV	0.9	0.9	1.0	1.1	1.1	1.1
Dividend yield (ord)	3.9%	4.7%	5.2%	6.1%	6.4%	6.8%
FCF Yield bef A&D, lease adj	3.9%	2.3%	-2.1%	6.4%	5.7%	9.1%
Net debt	16,081	19,505	4,383	13,227	15,237	14,240
Net debt/EBITDA	4.1	n.m.	n.m.	6.2	4.8	4.3
ROIC after tax	5.7%	0.4%	n.a.	4.9%	5.2%	5.3%

Source: Company data and Nordea estimates

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