

15 May 2023

Commissioned research: Investors House – Q1 results impacted by one-offs, company initiates improvement measures

Marketing material commissioned by Investors House

Investors House reported Q1 revenues of EUR 1.6m, -13% versus our estimate. Net operating income was EUR 0.1m, clearly below our EUR 0.7m estimate but includes EUR -0.4m of one-offs. Both Real Estate and Services segments were weaker than we expected. The Q1 reported operative result (EPRA) was EUR -0.2m versus EUR +0.2m a year ago. Adjusting for one-offs, the reported operative result was broadly flat y/y. Reported EBIT of EUR -0.1m included EUR -0.1m of fair value changes. The 2023 guidance was reiterated: earnings will remain at the same level as in 2022. We have expected a slight increase in earnings in 2023. EPRA NRV was EUR 5.66 per share. The Services business accounted for 48% of sales and Real Estate for 52%. Equity ratio weakened slightly q/q to 58% from 60% and cash position was EUR 5.6m. The company initiates programmes to improve profitability. Measures include continued search for growth projects as well as increase of recurring revenue and lowering of costs. The improvement period is set for 2023-26 and will gradually improve earnings during the period. We expect a slightly negative share price reaction on Investors House's Q1 report which was on the weak side.

INVESTORS HOUSE: DEVIATION TABLE

EURt	Actual	NDA est.	Deviation		Actual	Actual		
	Q1 2023	Q1 2023E	vs. actual		Q4 2022	q/q	Q1 2022	y/y
Sales	1,655	1,894	-239	-13%	2,059	-20%	1,796	-8%
EBIT adj.	(0)	609	-609	-100%	497	-100%	552	-100%
Net operating income	77	744	-667	-90%	654	-88%	692	-89%
EPS, EUR	0.04	0.07		-46%	0.37	-89%	0.06	-28%

Source: Investors House and Nordea

SUMMARY TABLE - KEY FIGURES

EURt	2020	2021	2022	2023E	2024E	2025E
Total revenue	9,465	8,043	7,603	8,080	8,412	8,680
EBITDA (adj)	333	4,149	2,260	2,633	2,783	2,901
EBIT (adj)	333	4,149	2,260	2,633	2,783	2,901
EBIT (adj) margin	3.5%	51.6%	29.7%	32.6%	33.1%	33.4%
EPS (adj, EUR)	-0.18	0.53	0.27	0.31	0.34	0.35
EPS (adj) growth	-137.3%	396.5%	-49.0%	15.3%	9.3%	4.3%
DPS (ord, EUR)	0.27	0.29	0.31	0.33	0.35	0.37
EV/Sales	5.9	6.4	5.7	5.6	5.5	5.5
EV/EBIT (adj)	17.9	22.6	25.5	22.2	21.3	20.9
P/E (adj)	n.m.	10.5	17.8	16.5	15.1	14.4
P/BV	0.9	1.0	1.0	1.0	1.0	1.0
Dividend yield (ord)	4.7%	5.2%	6.5%	6.4%	6.8%	7.2%
FCF Yield bef A&D, lease adj	2.3%	-2.1%	1.9%	5.3%	3.8%	3.9%
Net debt	19,505	4,383	12,205	12,442	13,318	14,275
Net debt/EBITDA	n.m.	n.m.	2.9	4.7	4.8	4.9
ROIC after tax	0.4%	n.a.	4.1%	4.6%	4.7%	4.8%

Source: Company data and Nordea estimates

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