

21 August 2023

Commissioned research: Investors House – Strong Q2 on associated companies valuation gains, operationally slightly soft

Marketing material commissioned by Investors House

Investors House reported Q2 revenues of EUR 1.7m, -12% versus our estimate. Net operating income was EUR 0.6m. The Services segment posted somewhat weaker results than we had anticipated with sales down 16% and EBIT down 63% y/y. The net result was EUR 3.1m compared to EUR 0.4m a year ago as the successful Kukkuola-transaction was completed and booked in associated companies in the P&L in Q2. EBIT excluding associated companies' fair value change was EUR 0.6m versus our EUR 0.8m estimate. The 2023 guidance was reiterated: earnings will be at the same level or slightly better from 2022. We have expected a slight increase in earnings in 2023. EPRA NRV was EUR 5.83 per share which translates to a 10% EPRA NRV discount. The Services business accounted for 52% of sales and Real Estate for 48% in Q2. The equity ratio improved clearly q/q to 62% from 58% in Q1 and cash position was EUR 5.1m. We expect a neutral share price reaction on the results and reiterated guidance for 2023.

INVESTORS HOUSE: DEVIATION TABLE

	Actual	NDA est.	Deviation		Actual		Actual	
EURt	Q2 2023	Q2 2023E	vs. actual		Q1 2023	q/q	Q2 2022	y/y
Sales	1,715	1,952	-237	-12%	1,655	4%	1,862	-8%
EBIT adj.	298	667	-369	-55%	59	408%	510	-42%
Net operating income	564	752	-188	-25%	77	635%	632	-11%
EPS, EUR	0.49	0.08		517%	(0.03)	-1735%	0.07	650%

Source: Investors House and Nordea

SUMMARY TABLE - KEY FIGURES

EURt	2020	2021	2022	2023E	2024E	2025E
Total revenue	9,465	8,043	7,603	7,727	8,053	8,314
EBITDA (adj)	333	4,149	2,260	2,364	2,893	3,014
EBIT (adj)	333	4,149	2,260	2,364	2,893	3,014
EBIT (adj) margin	3.5%	51.6%	29.7%	30.6%	35.9%	36.3%
EPS (adj, EUR)	-0.18	0.53	0.27	0.28	0.36	0.37
EPS (adj) growth	-137.3%	396.5%	-49.0%	3.5%	28.5%	4.2%
DPS (ord, EUR)	0.27	0.29	0.31	0.33	0.35	0.37
EV/Sales	5.9	6.4	5.7	6.0	5.9	5.8
EV/EBIT (adj)	17.9	22.6	25.5	26.2	20.8	20.4
P/E (adj)	n.m.	10.5	17.8	19.0	14.8	14.2
P/BV	0.9	1.0	1.0	1.1	1.1	1.1
Dividend yield (ord)	4.7%	5.2%	6.5%	6.2%	6.6%	7.0%
FCF Yield bef A&D, lease adj	2.3%	-2.1%	1.9%	n.a.	3.6%	3.8%
Net debt	19,505	4,383	12,205	12,442	13,318	14,275
Net debt/EBITDA	n.m.	n.m.	2.9	5.7	4.6	4.7
ROIC after tax	0.4%	n.a.	4.1%	4.1%	4.9%	5.0%

Source: Company data and Nordea estimates

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