

12 February 2024

Commissioned research: Investors House – Strong Q4 supported by associated companies and upbeat 2024 guidance

Marketing material commissioned by Investors House

Investors House reported Q4 revenues of EUR 1.8m, in line with our estimate. Net operating income was EUR 0.6m, which was down 15% y/y and 32% below our estimate. The dividend proposal is EUR 0.33 per share, as we expected. Real Estate division posted 6% sales growth (3% below our estimate) with net operating income down 17% y/y. The Services segment posted weaker results than we had anticipated with sales down 22% y/y and operative EBIT down 57% y/y. Services also had in impairment charge of EUR -0.6m in the quarter. Associated companies, which includes e.g. the Kukkula-project in Jyväskylä, contributed more to earnings in Q4 than we expected. Fair value changes were EUR -1.0m in Q4. EBIT excluding fair value change was EUR 1.6m, 61% above our estimate but likely includes significant amount of fair value changes in associated companies, we believe. The Services business accounted for 49% of sales and Real Estate for 51% in Q4. A guidance for 2024 was introduced: earnings will be at the same level as in 2023 (2023: EUR 3.5m). As 2023 included a significant amount of positive fair value changes, we have expected the 2024 result to decline from 2023 as we do not forecast fair value changes. EPRA NRV was EUR 5.76 per share, virtually unchanged q/q, which translates to a 10% EPRA NRV discount. The equity ratio was flat q/q at 63% in Q4 and cash position was EUR 8.5m. We expect an initial positive share price reaction on the upbeat 2024 guidance.

INVESTORS HOUSE: DEVIATION TABLE

EURt	Actual	NDA est.	Deviation		Actual		Actual	
	Q4 2023	Q4 2023E	vs. actual		Q3 2023	q/q	Q4 2022	y/y
Sales	1,839	1,841	-2	0%	1,648	12%	2,059	-11%
EBIT adj.	1,632	1,012	620	61%	768	113%	497	228%
Net operating income	554	814	-260	-32%	540	3%	654	-15%
EPS, EUR	0.01	0.14		-93%	0.08	-88%	0.37	-97%

Source: Investors House and Nordea

SUMMARY TABLE - KEY FIGURES

EURt	2020	2021	2022	2023E	2024E	2025E
Total revenue	9,465	8,043	7,603	6,856	7,161	7,404
EBITDA (adj)	333	4,149	2,260	2,101	2,645	2,829
EBIT (adj)	333	4,149	2,260	2,101	2,645	2,829
EBIT (adj) margin	3.5%	51.6%	29.7%	30.6%	36.9%	38.2%
EPS (adj, EUR)	-0.18	0.53	0.27	0.24	0.33	0.35
EPS (adj) growth	-137.3%	396.5%	-49.0%	-9.2%	33.3%	7.3%
DPS (ord, EUR)	0.27	0.29	0.31	0.33	0.35	0.37
EV/Sales	5.9	6.4	5.7	6.9	6.8	6.7
EV/EBIT (adj)	17.9	22.6	25.5	n.m.	33.5	31.3
P/E (adj)	n.m.	10.5	17.8	21.4	16.0	15.0
P/BV	0.9	1.0	1.0	1.0	1.0	1.0
Dividend yield (ord)	4.7%	5.2%	6.5%	6.3%	6.7%	7.1%
FCF Yield bef A&D, lease adj	2.3%	-2.1%	1.9%	2.2%	3.0%	3.3%
Net debt	19,505	4,383	12,205	13,459	14,562	15,684
Net debt/EBITDA	n.m.	n.m.	2.9	2.8	5.5	5.5
ROIC after tax	0.4%	n.a.	4.1%	3.5%	4.2%	4.4%

Source: Company data and Nordea estimates

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