

## Investors House

Construction and Real Estate  
Finland

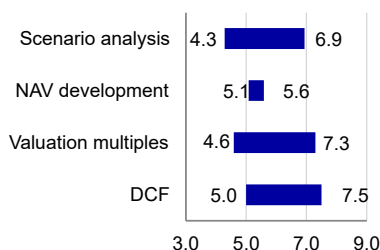
## KEY DATA

Stock country	Finland
Bloomberg	INVEST FH
Reuters	INVEST.HE
Share price (close)	EUR 5.30
Free float	
Market cap. (bn)	EUR 0.03/EUR 0.03
Website	www.investorshouse.fi
Next report date	14 Aug 2024

## PERFORMANCE



## VALUATION APPROACH



Source: Nordea estimates

## ESTIMATE CHANGES

Year	2024E	2025E	2026E
Sales	36%	48%	48%
EBIT (adj)	53%	44%	44%

Source: Nordea estimates

## Nordea IB &amp; Equity - Analysts

Svante Krokfors  
DirectorDavid Flemmich  
Associate Director

## Reporting structure clearer after recent deal

Investors House reported Q1 2024 revenue of EUR 1.6m, 4% below our estimate, while net operating income beat our forecast by 24%. The reported numbers will change materially from Q2 because the company consolidated Apitare, the former minority-stake JV, at the end of Q1 after increasing its stake from 33% to 67%. The guidance of a flat net result for 2024 was reiterated (EUR 3.5m), broadly in line with our EUR 3.3m estimate after the report. We do not include any fair value changes in our estimates, but as the development of the Kukkula area in Jyväskylä (Apitare) continues, the company has indicated that more positive revaluations might occur. As Investors House consolidated Apitare, reported debt increased and the equity rate dropped temporarily to 44%; however, the company expects to reach the low-end target of 45% by the end of 2024.

## Q1 2024 results impacted by revaluations; operations in line

Q1 NOI of EUR 0.2m was better than our EUR 0.1m estimate. Earnings were solid for Real Estate, and Services' profitability improved y/y. The positive impact from the Apitare transaction was EUR ~1m in Q1. The purchase price for 33% of the shares in Apitare was EUR 6.3m. The equity ratio fell q/q from 63% to 44% due to the Apitare consolidation, as deferred tax liabilities also increased by EUR 5.9m. However, the earnings from Apitare will lift the equity ratio (including minorities) above 45% by year-end.

## We raise 2024E-26E EBIT by 44-53%

We raise our adjusted EBIT estimates by 44-53% for 2024-26 following the transaction. We raise 2024E adjusted EPS by 15% thanks to revaluations while we lower 2025E-26E EPS by 12-15%. Dividend capacity should remain strong; we expect an annual increase of EUR 0.02 in the dividend from EUR 0.33 for 2023, implying a dividend yield of 6.6-7.4% for 2024E-26E.

## Fair value range unchanged, at EUR 4.7-6.8

We base our fair value range of EUR 4.7-6.8 (4.9-7.2) per share on a combination of valuation methods, with the greatest emphasis being on valuation multiples and equity per share multiples. Development projects, especially the Kukkula project, contain hidden value, which could support a valuation above EUR 5.4 per share, i.e. closer to the upper end of our valuation range in the longer term.

## SUMMARY TABLE - KEY FIGURES

EURt	2020	2021	2022	2023	2024E	2025E	2026E
Total revenue	9,465	8,043	7,603	6,857	9,527	10,617	10,830
EBITDA (adj)	333	4,149	2,260	3,897	4,892	4,964	5,097
EBIT (adj)	333	4,149	2,260	3,897	4,892	4,964	5,097
EBIT (adj) margin	3.5%	51.6%	29.7%	56.8%	51.4%	46.7%	47.1%
EPS (adj, EUR)	-0.18	0.53	0.27	0.54	0.43	0.41	0.43
EPS (adj) growth	-137.3%	396.5%	-49.0%	100.3%	-20.5%	-3.8%	4.6%
DPS (ord, EUR)	0.27	0.29	0.31	0.33	0.35	0.37	0.39
EV/Sales	5.9	6.4	5.7	6.0	9.0	8.1	8.0
EV/EBIT (adj)	17.9	22.6	25.5	n.m.	17.8	17.3	16.9
P/E (adj)	n.m.	10.5	17.8	9.4	12.3	12.8	12.3
P/BV	0.9	1.0	1.0	1.0	1.0	1.0	1.0
Dividend yield (ord)	4.7%	5.2%	6.5%	6.5%	6.6%	7.0%	7.4%
FCF Yield bef A&D, lease	2.3%	-2.1%	1.9%	-2.9%	6.6%	7.8%	7.9%
Net debt	19,505	4,383	12,205	8,273	37,124	36,726	36,418
Net debt/EBITDA	n.m.	n.m.	2.9	2.1	7.6	7.4	7.1
ROIC after tax	0.4%	n.a.	4.1%	6.9%	6.3%	4.9%	5.0%

Source: Company data and Nordea estimates

# Deviation and revision tables

## INVESTORS HOUSE: Q1 DEVIATION FROM OUR ESTIMATES

	Actual Q1 2024	NDA est. Q1 2024E	Deviation vs. actual		Actual Q4 2023	q/q	Actual Q1 2023	y/y
EURt								
Sales	1,635	1,696	-61	-4%	1,839	-11%	1,655	-1%
EBIT adj.	17	296	-279	-94%	1,632	-99%	59	-71%
Net operating income	169	136	33	24%	554	-69%	77	120%
EPS, EUR	0.13	0.02		435%	(0.01)	-1582%	(0.03)	-534%

Source: Company data and Nordea estimates

## INVESTORS HOUSE: OUR ESTIMATE REVISIONS AFTER THE Q1 REPORT

	New estimates			Old estimates			Difference %		
EUR THOUSANDS	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E
Sales	9,527	10,617	10,830	7,029	7,169	7,313	36%	48%	48%
Adj. EBIT	4,892	4,964	5,097	3,192	3,439	3,549	53%	44%	44%
Net operating income	4,574	5,813	5,964	1,965	2,148	2,191	133%	171%	172%
Adj. EPS, EUR	0.43	0.41	0.43	0.37	0.48	0.49	15%	-15%	-12%

Source: Nordea estimates

# Factors to consider

Investors House is a real estate investment company with a focus on residential and office properties. It mainly operates in the regional growth centres of Finland. The most significant recent event was the increase in the ownership stake in JV Apitare from one-third to two-thirds at the end of Q1 2024, meaning that the Kukkula real estate project in Jyväskylä will be consolidated from Q2 2024 onwards.

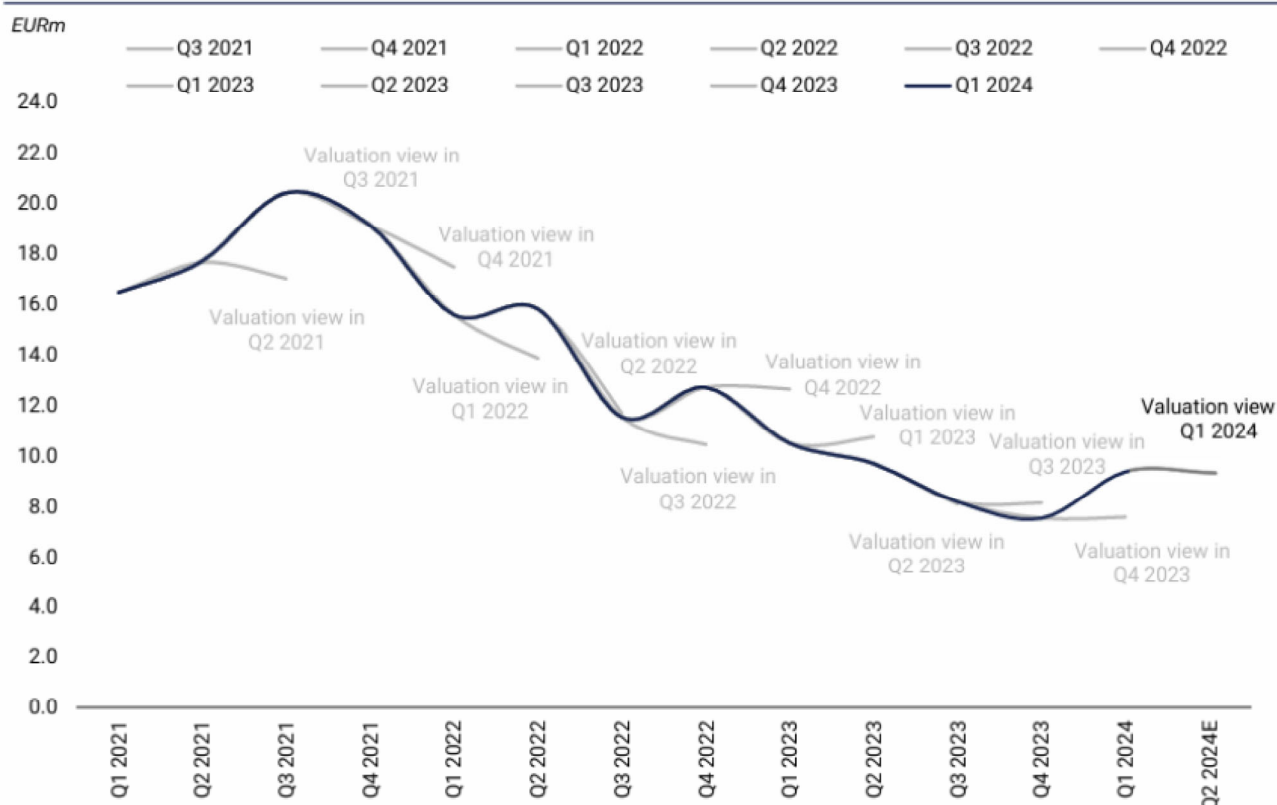
## Diversified business model

Investors House is a real estate company that deals in residential and office properties, with an increasing focus on services and investment products through its Services segment. The company has historically bought and sold properties efficiently and streamlined its portfolio, especially during 2019, and this continued in H2 2021 with the divestment of residential properties and IVH Kampus.

Investors House has grown quite aggressively since mid-2015, when the current CEO, chairman and vice chairman became owners. The Real Estate and Services segments have expanded, mainly through acquisitions. We expect the good growth pace to continue, now driven mainly by Apitare. The stock is currently trading broadly in line with its reported equity per share.

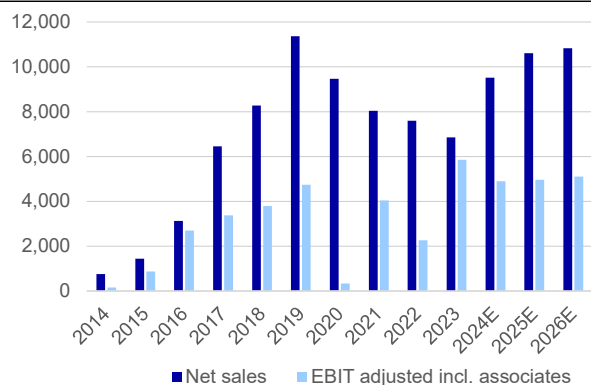
## FAIR VALUE DEVELOPMENT OF INVESTORS HOUSE'S SERVICES BUSINESS

### Fair value development<sup>1</sup>

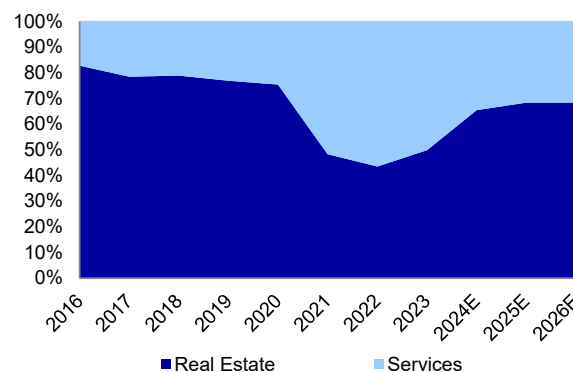


Source: Company data

The Services segment has low capital needs and good scalability, as the company intends to expand into real estate funds, where it hopes to utilise its existing real estate investor base of ~10,000 clients. We believe the segment has good earnings potential and provides stability, as its revenues come from the services and fund management fees. An external evaluator has valued the Services business at EUR ~10m.

**SALES AND ADJUSTED EBIT (EUR THOUSANDS)**

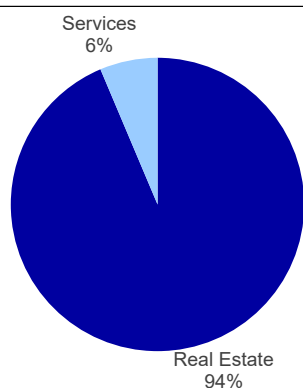
Source: Company data and Nordea estimates

**SPLIT OF NET SALES BY DIVISION**

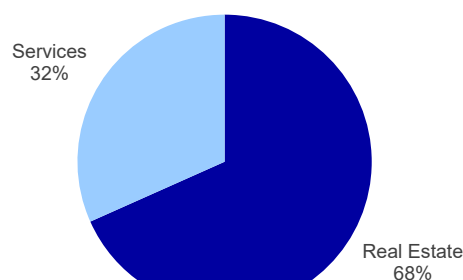
Source: Company data and Nordea estimates

**Balanced investment portfolio**

We estimate that in 2025, the first normalised year after the consolidation of Apitare, 68% of group sales will come from the Real Estate business and 32% from Services.

**ADJUSTED EBIT PER SEGMENT, 2025E**

Source: Company data and Nordea

**SALES BY SEGMENT, 2025E**

Source: Company data and Nordea

**Robust financial position**

Investors House has a strong balance sheet, with a Q1 2024 equity ratio of 44% following the consolidation of Apitare. At the end of Q4 2023, the equity ratio was as high as 63%. The equity ratio is now close to the company's target of 45%, a level at which the covenants on bank loans stand, as we understand it. The company believes that the equity ratio will be above 45% at the end of 2024 once Apitare starts contributing to earnings from Q2 2024.

**Trading broadly in line with reported equity and solid dividend capacity**

Investors House is currently trading broadly in line with its reported equity of EUR 5.40 per share. The company has paid a stable, increasing dividend, with yields of 4.7-6.5%, for the past four years. We expect annual dividends of EUR 0.35-0.39 per share for 2024-26, which correspond to dividend yields of 6.6-7.4%.

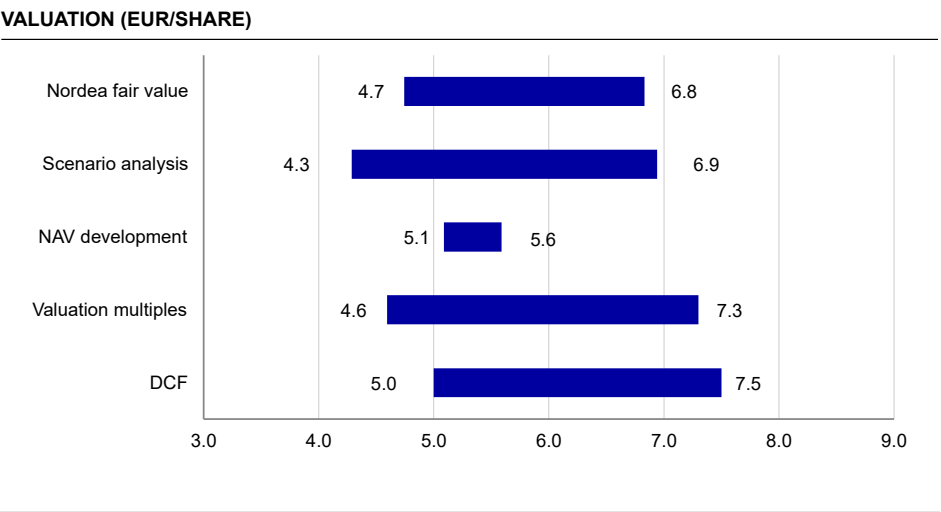
**Valuation**

When combining our valuation methods, we derive a fair value range of EUR 4.7-6.8 (4.9-7.2). As the company is in the midst of a transformation process, we use a scenario-based sum-of-the-parts (SOTP) approach to give a better picture of where value will come from in the future and how each part of the company is valued. We also use an NRV SOTP to show the short-term NAV development and asset revaluation potential.

In our fair value, we put less focus on DCF; it is easy to understand but sensitive to changes in the parameters. Peer multiples offer a broad valuation range, but there is no direct competitor with a similar business structure (residential, office, service and investment company aspects), so a multiples-based valuation is less reliable.

The latest reported equity per share was EUR 5.40, i.e. at the lower end of our fair value range of EUR 4.7-6.8 per share. The low end of our range corresponds to a 15%

discount to the latest reported equity per share, and the high end to a premium of 25%. We see limited risk of asset writedowns in Investors House's high-yielding assets, as to our understanding there has been next to no yield compression in the portfolio over the past few years.



Source: Nordea estimates

# Detailed estimates

## DETAILED ESTIMATES (EUR THOUSANDS; EPS IN EUR)

EUR THOUSANDS	Q1/23	Q2/23	Q3/23	Q4/23	Q1/24	Q2/24E	Q3/24E	Q4/24E	2022	2023	2024E	2025E	2026E
Net sales	1,655	1,715	1,648	1,839	1,635	2,609	2,545	2,738	7,603	6,857	9,527	10,617	10,830
Sales growth %	-8%	-8%	-13%	-11%	-1%	52%	54%	49%	-5%	-10%	39%	11%	2%
Maintenance expenses (Real estate)	-792	-372	-393	-467	-746	-400	-410	-428	-1,321	-2,024	-1,984	-1,810	-1,846
Direct operating expenses (Services)	-786	-779	-715	-818	-720	-760	-700	-788	-3,375	-3,098	-2,968	-2,994	-3,020
Net operating income	77	564	540	554	169	1,449	1,435	1,522	2,907	1,735	4,574	5,813	5,964
margin %	5%	33%	33%	30%	10%	56%	56%	56%	38%	25%	48%	55%	55%
Net gains on sale of properties	-77	-92	-28	34	0	0	0	0	-184	-163	0	0	0
Net fair value changes	-108	-29	-31	-1,625	-16	0	0	0	2,180	-1,793	-16	0	0
Selling, marketing and admin expenses	-162	-266	-210	-187	-263	-200	-160	-139	-1,046	-825	-762	-849	-866
Other operating income	0	-33	0	0	969	0	0	0	-162	-33	969	0	0
Associates	144	3,129	438	1,265	111	0	0	0	561	4,976	111	0	0
EBIT	-126	3,273	709	41	970	1,249	1,275	1,382	4,255	3,897	4,876	4,964	5,097
margin %	-8%	191%	43%	2%	59%	48%	50%	50%	56%	57%	51%	47%	47%
EBIT adjusted incl. associates	59	3,394	768	1,632	986	1,249	1,275	1,382	2,259	5,853	4,892	4,964	5,097
margin %	-5%	15%	20%	20%	54%	48%	50%	50%	22%	13%	50%	47%	47%
Financial income	82	65	66	141	44	80	80	146	246	354	350	350	350
Financial expenses	-146	-177	-180	-341	-183	-470	-470	-471	-485	-844	-1,594	-1,562	-1,562
Profit before taxes	-190	3,161	595	-159	831	859	885	1,058	4,016	3,408	3,633	3,751	3,885
Taxes	5	-44	-77	103	-24	-103	-106	-94	-795	-13	-327	-338	-350
Net profit	-185	3,117	517	-56	807	756	779	964	3,221	3,395	3,306	3,414	3,535
Cash flow hedges	0	0	0	0	0	0	0	0	0	0	0	0	0
Net profit of the period	-185	3,117	517	-56	807	756	779	964	3,221	3,395	3,306	3,414	3,535
EPS	-0.03	0.49	0.08	-0.01	0.13	0.12	0.12	0.15	0.51	0.53	0.52	0.53	0.55
Minority interest	0	0	0	0	0	-196	-196	-196	0	56	-588	-783	-783
Net profit attributable to shareholders	-185	3,117	517	-56	807	951	975	1,160	3,221	3,451	2,718	2,630	2,752
EPS attributable to shareholders	-0.03	0.49	0.08	-0.01	0.13	0.12	0.12	0.15	0.27	0.84	0.43	0.39	0.41

Source: Company data and Nordea estimates

## DIVISIONAL ESTIMATES

EUR THOUSANDS	Q1/23	Q2/23	Q3/23	Q4/23	Q1/24	Q2/24E	Q3/24E	Q4/24E	2022	2023	2024E	2025E	2026E
<b>Real estate</b>													
Net sales	853	824	851	893	884	1,749	1,777	1,820	3,309	3,421	6,229	7,253	7,398
Net sales growth %	7%	4%	-3%	6%	4%	112%	109%	104%	-15%	3%	82%	16%	2%
Net fair value changes	-108	-29	-31	-1,025	-16	0	0	0	2,241	-1,193	-16	0	0
Associate income	144	3,129	438	1,265	111	0	0	0	561	4,976	111	0	0
EBIT	20	3,460	837	700	1,202	1,349	1,367	1,392	4,590	5,017	4,340	5,443	5,552
margin %	2%	420%	98%	78%	136%	77%	77%	76%	139%	147%	70%	75%	75%
EBIT adj. incl. associates	205	3,581	896	1,691	249	1,349	1,367	1,392	2,548	6,373	4,356	5,443	5,552
margin %	24%	435%	105%	189%	28%	77%	77%	76%	77%	186%	70%	75%	75%
<b>Services</b>													
Net sales	802	891	797	946	751	860	769	918	4,294	3,436	3,298	3,364	3,432
Net sales growth %	-20%	-16%	-21%	-10%	-6%	-3%	-4%	-10%	5%	5%	5%	5%	5%
EBIT	16	79	82	-473	31	100	69	130	712	-296	330	370	412
margin %	2%	9%	10%	-50%	4%	12%	9%	14%	17%	-9%	10%	11%	12%

Source: Company data and Nordea estimates

# Risk factors

In this section, we highlight the main risks that we find relevant to Investors House. We list these according to their relevance, with the most relevant at the top. The following is not an exhaustive list, but rather our view of some key risks for the company.

## **Changes in interest rates**

Rising interest rates will eventually push financial costs higher, which could have a significant impact on real estate companies. Investors House has a strong balance sheet but rising interest rates will have an impact on earnings. The company does not disclose its hedging strategy, which means forecasting increasing financial costs is difficult. Higher interest rates will also likely slow down the transaction market as funding becomes more expensive, which in turn could lower the value of properties and make divestments more difficult. This could hamper Investors House's ability to pursue value-creative investments in the future.

## **Small size**

The company's small size adds volatility to future earnings, both on the downside and the upside. Investor House's low liquidity could also pose a risk for investors, as it can be difficult to buy or sell a large stake in the company.

## **Dependent on a few key people**

The current strategy and growth have been driven by a few key people (CEO, chairman and vice chairman), making them crucial to the company. It could significantly impact Investors House's development if they were to leave the company, although we find this unlikely.

## **Competition**

Investors House is still a small player, but the company will start competing against larger players as it grows, making it more difficult to differentiate itself. Over the past years, Investors House has increased its share of service business, which will make it more vulnerable to competition from service providers and less vulnerable to real estate peers.

## **Strong transaction focus**

Investors House has grown its property portfolio rapidly and is expected to continue rotating its assets. The current strong transaction market has supported property prices and favoured property divestments. If this market were to slow down and property prices faced downward pressure, it would make asset disposals slower or more challenging and could reduce gains on disposals.

## **Macroeconomic factors**

Changes in economic factors such as GDP development, inflation and the level of housing production have already started to affect real estate companies such as Investors House. A downturn in the economy would have an adverse effect on the Finnish housing market and thus impact Investors House's operations. An economic downturn would likely make homebuyers more cautious and thus put pressure on prices, as well as increase vacancy risk.

## **Risk of value dilution**

The company has grown rapidly, funding part of its expansion through share issues. This has a dilutive effect on EPS development. Additional share issues could further dilute value and pose the risk of a lower dividend per share.

## **Legal, tax and political risks**

Changes in regulations, tax rules or development restrictions could have negative ramifications for Investors House.

# Reported numbers and forecasts

## INCOME STATEMENT

EURt	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
<b>Total revenue</b>	<b>3,134</b>	<b>6,449</b>	<b>8,276</b>	<b>11,461</b>	<b>9,465</b>	<b>8,043</b>	<b>7,603</b>	<b>6,857</b>	<b>9,527</b>	<b>10,617</b>	<b>10,830</b>
Revenue growth	117.9%	105.8%	28.3%	38.5%	-17.4%	-15.0%	-5.5%	-9.8%	38.9%	11.4%	2.0%
of which organic	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
of which FX	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EBITDA	4,505	5,981	4,683	3,953	-504	-834	4,256	3,897	4,876	4,964	5,097
Depreciation and impairments PPE	0	0	0	0	0	0	0	0	0	0	0
of which leased assets	0	0	0	0	0	0	0	0	0	0	0
EBITA	4,505	5,981	4,683	3,953	-504	-834	4,256	3,897	4,876	4,964	5,097
Amortisation and impairments	0	0	0	0	0	0	0	0	0	0	0
EBIT	4,505	5,981	4,683	3,953	-504	-834	4,256	3,897	4,876	4,964	5,097
of which associates	1,356	1,056	653	-584	-2,782	1,858	561	4,976	111	0	0
Associates excluded from EBIT	0	0	0	0	0	n.a.	0	0	0	0	0
Net financials	-281	-422	-591	-1,213	-1,116	-615	-239	-490	-1,244	-1,212	-1,212
of which lease interest	0	0	0	0	0	0	0	0	0	0	0
Changes in value, net	0	0	0	0	0	0	0	0	0	0	0
<b>Pre-tax profit</b>	<b>4,224</b>	<b>5,559</b>	<b>4,092</b>	<b>2,740</b>	<b>-1,620</b>	<b>-1,449</b>	<b>4,017</b>	<b>3,408</b>	<b>3,633</b>	<b>3,751</b>	<b>3,885</b>
Reported taxes	-457	-512	-1,948	-657	91	446	-795	-13	-327	-338	-350
Net profit from continued operations	3,767	5,047	2,144	2,083	-1,529	-1,003	3,222	3,395	3,306	3,414	3,535
Discontinued operations	0	0	0	0	0	0	0	0	0	0	0
Minority interests	0	0	0	-433	0	-137	0	56	-588	-783	-783
Net profit to equity	3,767	5,047	2,144	1,650	-1,529	-1,140	3,222	3,451	2,718	2,630	2,752
<b>EPS, EUR</b>	<b>1.14</b>	<b>1.12</b>	<b>0.35</b>	<b>0.27</b>	<b>-0.25</b>	<b>-0.18</b>	<b>0.50</b>	<b>0.54</b>	<b>0.43</b>	<b>0.41</b>	<b>0.43</b>
DPS, EUR	0.19	0.21	0.23	0.25	0.27	1.29	0.31	0.33	0.35	0.37	0.39
of which ordinary	0.19	0.21	0.23	0.25	0.27	0.29	0.31	0.33	0.35	0.37	0.39
of which extraordinary	0.00	0.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	0.00	0.00

### Profit margin in percent

EBITDA	143.7%	92.7%	56.6%	34.5%	-5.3%	-10.4%	56.0%	56.8%	51.2%	46.7%	47.1%
EBITA	143.7%	92.7%	56.6%	34.5%	-5.3%	-10.4%	56.0%	56.8%	51.2%	46.7%	47.1%
EBIT	143.7%	92.7%	56.6%	34.5%	-5.3%	-10.4%	56.0%	56.8%	51.2%	46.7%	47.1%

### Adjusted earnings

EBITDA (adj)	2,699	3,394	3,611	5,273	333	4,149	2,260	3,897	4,892	4,964	5,097
EBITA (adj)	2,699	3,394	3,611	5,273	333	4,149	2,260	3,897	4,892	4,964	5,097
EBIT (adj)	2,699	3,394	3,611	5,273	333	4,149	2,260	3,897	4,892	4,964	5,097
EPS (adj, EUR)	0.57	0.55	0.17	0.48	-0.18	0.53	0.27	0.54	0.43	0.41	0.43

### Adjusted profit margins in percent

EBITDA (adj)	86.1%	52.6%	43.6%	46.0%	3.5%	51.6%	29.7%	56.8%	51.4%	46.7%	47.1%
EBITA (adj)	86.1%	52.6%	43.6%	46.0%	3.5%	51.6%	29.7%	56.8%	51.4%	46.7%	47.1%
EBIT (adj)	86.1%	52.6%	43.6%	46.0%	3.5%	51.6%	29.7%	56.8%	51.4%	46.7%	47.1%

### Performance metrics

CAGR last 5 years											
Net revenue	n.a.	n.a.	n.a.	72.4%	45.8%	20.7%	3.3%	-3.7%	-3.6%	2.3%	6.1%
EBITDA	n.m.	n.m.	n.m.	38.9%	n.m.	n.m.	-6.6%	-3.6%	4.3%	n.m.	n.m.
EBIT	n.a.	n.a.	n.a.	38.9%	n.m.	n.m.	-6.6%	-3.6%	4.3%	n.m.	n.m.
EPS	n.a.	n.a.	n.a.	-10.2%	n.m.	n.m.	-14.8%	9.3%	9.9%	n.m.	n.m.
DPS	n.m.	n.m.	n.m.	20.1%	9.7%	8.8%	8.1%	7.5%	7.0%	6.5%	6.1%
Average last 5 years											
Average EBIT margin	n.a.	n.a.	n.m.	76.2%	48.0%	30.4%	25.8%	24.8%	28.2%	40.2%	50.8%
Average EBITDA margin	n.a.	n.a.	n.m.	76.2%	48.0%	30.4%	25.8%	24.8%	28.2%	40.2%	50.8%

### VALUATION RATIOS - ADJUSTED EARNINGS

EURt	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
P/E (adj)	n.a.	n.a.	34.6	13.5	n.m.	10.5	17.8	9.4	12.3	12.8	12.3
EV/EBITDA (adj)	n.a.	n.a.	20.7	10.8	167.6	12.5	19.2	10.5	17.4	17.3	16.9
EV/EBITA (adj)	n.a.	n.a.	20.7	10.8	167.6	12.5	19.2	10.5	17.4	17.3	16.9
EV/EBIT (adj)	n.a.	n.a.	25.3	9.8	17.9	22.6	25.5	n.m.	17.8	17.3	16.9

### VALUATION RATIOS - REPORTED EARNINGS

EURt	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
P/E	n.a.	n.a.	17.3	24.2	n.m.	n.m.	9.5	9.4	12.4	12.8	12.3
EV/Sales	n.a.	n.a.	9.04	4.99	5.90	6.45	5.69	5.97	8.95	8.07	7.96
EV/EBITDA	n.a.	n.a.	18.6	12.6	24.5	n.m.	11.7	n.m.	17.9	17.3	16.9
EV/EBITA	n.a.	n.a.	18.6	12.6	24.5	n.m.	11.7	n.m.	17.9	17.3	16.9
EV/EBIT	n.a.	n.a.	18.6	12.6	24.5	n.m.	11.7	n.m.	17.9	17.3	16.9
Dividend yield (ord.)	n.a.	n.a.	3.8%	3.9%	4.7%	5.2%	6.5%	6.5%	6.6%	7.0%	7.4%
FCF yield	n.a.	n.a.	-13.2%	-28.8%	-6.3%	38.5%	1.9%	14.1%	-79.3%	7.8%	7.9%
FCF Yield bef A&D, lease adj	n.a.	n.a.	0.7%	3.9%	2.3%	-2.1%	1.9%	-2.9%	6.6%	7.8%	7.9%
Payout ratio	33.5%	38.3%	132.6%	52.2%	n.m.	243.8%	114.9%	61.1%	81.5%	89.5%	90.2%

Source: Company data and Nordea estimates



**BALANCE SHEET**

<b>EURt</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
Intangible assets	1,350	1,389	2,933	3,142	2,846	5,391	6,173	6,177	6,177	6,177	6,177
of which R&D	0	0	0	0	0	0	0	0	0	0	0
of which other intangibles	0	39	105	329	33	614	686	488	488	488	488
of which goodwill	1,350	1,350	2,828	2,813	2,813	4,777	5,487	5,689	5,689	5,689	5,689
Tangible assets	38,559	57,816	71,263	42,124	45,887	34,094	34,664	28,669	71,916	72,787	73,675
of which leased assets	0	0	0	0	0	0	0	0	0	0	0
Shares associates	1,844	13,583	14,296	24,929	15,851	745	1,306	5,922	0	0	0
Interest bearing assets	0	0	0	0	10	0	0	0	0	0	0
Deferred tax assets	0	0	0	0	684	665	876	791	791	791	791
Other non-IB non-current assets	498	208	232	205	472	3,728	3,319	2,686	2,686	2,686	2,686
Other non-current assets	0	0	0	0	0	0	0	0	0	0	0
Total non-current assets	42,251	72,996	88,724	70,400	65,750	44,623	46,338	44,245	81,570	82,441	83,329
Inventory	0	0	0	0	0	0	0	0	0	0	0
Accounts receivable	556	1,187	1,461	1,101	1,094	1,211	1,507	696	967	1,078	1,099
Short-term leased assets	0	0	0	0	0	0	0	0	0	0	0
Other current assets	272	10	148	0	106	78	72	89	124	138	141
Cash and bank	509	1,465	2,323	4,844	3,181	17,399	6,543	8,516	9,665	10,063	10,371
Total current assets	1,337	2,662	3,932	5,945	4,381	18,688	8,122	9,301	10,756	11,278	11,611
Assets held for sale	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>Total assets</b>	<b>43,588</b>	<b>75,658</b>	<b>92,656</b>	<b>76,345</b>	<b>70,131</b>	<b>63,311</b>	<b>54,460</b>	<b>53,546</b>	<b>92,326</b>	<b>93,719</b>	<b>94,939</b>
Shareholders equity	21,695	46,128	46,815	43,477	37,562	36,239	32,113	33,619	34,229	34,631	35,028
Of which preferred stocks	0	0	0	0	0	0	0	0	0	0	0
Of which equity part of hybrid debt	0	0	0	0	0	0	0	0	0	0	0
Minority interest	0	19	2,671	1,200	1,140	475	425	335	8,423	9,206	9,989
Total Equity	21,695	46,147	49,486	44,677	38,702	36,714	32,538	33,954	42,651	43,837	45,017
Deferred tax	1,466	1,490	1,921	925	1,005	446	1,183	1,080	1,080	1,080	1,080
Long term interest bearing debt	18,273	21,408	28,641	18,017	18,364	18,512	16,553	9,039	39,039	39,039	39,039
Pension provisions	0	0	0	0	0	0	0	0	0	0	0
Other long-term provisions	0	0	0	0	0	0	0	0	0	0	0
Other long-term liabilities	0	0	0	0	0	0	0	0	0	0	0
Non-current lease debt	0	0	0	0	0	0	0	0	0	0	0
Convertible debt	0	0	0	0	0	0	0	0	0	0	0
Shareholder debt	0	0	0	0	0	0	0	0	0	0	0
Hybrid debt	0	0	0	0	0	0	0	0	0	0	0
Total non-current liabilities	19,739	22,898	30,562	18,942	19,369	19,338	18,036	10,542	40,119	40,119	40,119
Short-term provisions	0	0	0	0	0	0	0	0	0	0	0
Accounts payable	879	2,041	3,909	9,818	7,728	3,989	1,691	1,300	1,806	2,013	2,053
Current lease debt	0	0	0	0	0	0	0	0	0	0	0
Other current liabilities	17	249	0	0	0	0	0	0	0	0	0
Short term interest bearing debt	1,259	4,323	8,699	2,908	4,332	3,270	2,195	7,750	7,750	7,750	7,750
Total current liabilities	2,155	6,613	12,608	12,726	12,060	7,259	3,886	9,050	9,556	9,763	9,803
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0	0
<b>Total liabilities and equity</b>	<b>43,589</b>	<b>75,658</b>	<b>92,656</b>	<b>76,345</b>	<b>70,131</b>	<b>63,311</b>	<b>54,460</b>	<b>53,546</b>	<b>92,326</b>	<b>93,719</b>	<b>94,939</b>
<b>Balance sheet and debt metrics</b>											
Net debt	19,023	24,266	35,017	16,081	19,505	4,383	12,205	8,273	37,124	36,726	36,418
of which lease debt	0	0	0	0	0	0	0	0	0	0	0
Working capital	-68	-1,093	-2,300	-8,717	-6,528	-2,700	-112	-515	-716	-797	-813
Invested capital	42,183	71,903	86,424	61,683	59,222	41,923	46,226	43,730	80,855	81,643	82,515
Capital employed	41,227	71,878	86,826	65,602	61,398	58,496	51,286	50,743	89,440	90,626	91,806
ROE	19.0%	14.9%	4.6%	3.7%	-3.8%	-3.1%	9.4%	10.5%	8.0%	7.6%	7.9%
ROIC	6.1%	4.8%	3.6%	5.7%	0.4%	n.a.	4.1%	6.9%	6.3%	4.9%	5.0%
ROCE	7.8%	6.1%	4.6%	6.9%	0.6%	n.a.	4.6%	8.3%	7.5%	5.9%	6.0%
Net debt/EBITDA	4.2	4.1	7.5	4.1	n.m.	n.m.	2.9	2.1	7.6	7.4	7.1
Interest coverage	15.9	13.1	7.5	3.2	-0.4	-1.1	9.3	5.0	3.3	3.4	3.5
Equity ratio	49.8%	61.0%	50.5%	56.9%	53.6%	57.2%	59.0%	62.8%	37.1%	37.0%	36.9%
Net gearing	87.7%	52.6%	70.8%	36.0%	50.4%	11.9%	37.5%	24.4%	87.0%	83.8%	80.9%

Source: Company data and Nordea estimates

**CASH FLOW STATEMENT**

<b>EURt</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
<b>EBITDA (adj) for associates</b>	<b>3,149</b>	<b>4,925</b>	<b>4,030</b>	<b>4,537</b>	<b>2,278</b>	<b>-2,692</b>	<b>3,695</b>	<b>-1,079</b>	<b>4,765</b>	<b>4,964</b>	<b>5,097</b>
Paid taxes	-235	-133	-357	-273	-507	328	-795	-13	-327	-338	-350
Net financials	-281	-422	-587	-1,767	-1,087	-615	-239	-381	-1,244	-1,212	-1,212
Change in provisions	0	0	0	0	0	0	0	0	0	0	0
Change in other LT non-IB	-492	290	-24	27	-951	-2,857	118	841	-423	0	0
Cash flow to/from associates	0	0	0	0	0	0	0	0	0	0	0
Dividends paid to minorities	0	0	0	0	0	0	0	0	0	0	0
Other adj to reconcile to cash flow	-1,413	-3,244	-2,330	-649	6,910	5,684	-1,936	714	0	0	0
<b>Funds from operations (FFO)</b>	<b>728</b>	<b>1,416</b>	<b>732</b>	<b>1,875</b>	<b>6,643</b>	<b>-153</b>	<b>843</b>	<b>82</b>	<b>2,772</b>	<b>3,414</b>	<b>3,535</b>
Change in NWC	-82	33	310	810	-4,952	-97	135	0	201	82	16
<b>Cash flow from operations (CFO)</b>	<b>646</b>	<b>1,449</b>	<b>1,042</b>	<b>2,685</b>	<b>1,692</b>	<b>-250</b>	<b>978</b>	<b>82</b>	<b>2,972</b>	<b>3,495</b>	<b>3,551</b>
Capital expenditure	-386	-578	-773	-1,126	-897	-465	-397	-1,013	-747	-870	-888
<b>Free cash flow before A&amp;D</b>	<b>260</b>	<b>871</b>	<b>269</b>	<b>1,559</b>	<b>795</b>	<b>-715</b>	<b>581</b>	<b>-931</b>	<b>2,225</b>	<b>2,625</b>	<b>2,663</b>
Proceeds from sale of assets	1,231	2,315	833	15,480	2,000	17,500	0	5,479	6,033	0	0
Acquisitions	-3,869	-737	-6,012	-28,539	-5,000	-3,500	0	0	-35,000	0	0
Free cash flow	-2,378	2,449	-4,910	-11,500	-2,205	13,285	581	4,548	-26,742	2,625	2,663
Free cash flow bef A&D, lease adj	260	871	269	1,559	795	-715	581	-931	2,225	2,625	2,663
Dividends paid	-563	-629	-1,298	-1,422	-1,546	-1,669	-7,975	-1,981	-2,108	-2,228	-2,355
Equity issues / buybacks	0	1,167	0	0	0	0	0	0	0	0	0
Net change in debt	5,271	-1,138	2,983	15,500	5,000	6,500	7,000	7,000	30,000	0	0
Other financing adjustments	0	0	0	0	0	10	0	0	0	0	0
Other non-cash adjustments	-2,033	-893	4,083	-57	-2,912	-3,908	-10,461	-7,594	0	0	0
Change in cash	297	956	858	2,521	-1,663	14,218	-10,856	1,973	1,149	397	308
<b>Cash flow metrics</b>											
Capex/D&A	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Capex/Sales	12.3%	9.0%	9.3%	9.8%	9.5%	5.8%	5.2%	14.8%	7.8%	8.2%	8.2%
<b>Key information</b>											
Share price year end (/current)	n.a.	n.a.	6	6	6	6	5	5	5	5	5
Market cap.	n.a.	n.a.	37,094	39,876	35,239	34,497	30,668	32,329	33,733	33,733	33,733
Enterprise value	n.a.	n.a.	74,782	57,157	55,884	51,855	43,298	40,937	85,312	85,698	86,173
Diluted no. of shares, year-end (t)	3,310.8	6,182.3	6,182.3	6,182.3	6,182.3	6,182.3	6,389.1	6,389.1	6,364.6	6,364.6	6,364.6

Source: Company data and Nordea estimates

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**Investment banking transactions and/or services**

In view of Nordea's position in its markets, readers should assume that the bank may currently or may in the coming three months and beyond be providing or seeking to provide confidential investment banking and/or ancillary services to the company/ companies.

**Issuer Review**

*This report has not been reviewed by the Issuer prior to publication.*

**Completion Date**

08 May 2024, 22:18 CET

Nordea Bank Abp	Nordea Bank Abp, filial i Sverige	Nordea Danmark, Filial af Nordea Bank Abp, Finland	Nordea Bank Abp, filial i Norge
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