

Investors House

Construction and Real Estate
Finland

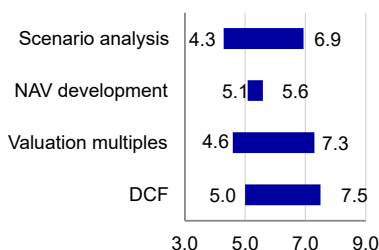
KEY DATA

Stock country	Finland
Bloomberg	INVEST FH
Reuters	INVEST.HE
Share price (close)	EUR 5.38
Free float	
Market cap. (bn)	EUR 0.03/EUR 0.03
Website	www.investorshouse.fi
Next report date	

PERFORMANCE



VALUATION APPROACH



Source: Nordea estimates

ESTIMATE CHANGES

Year	2024E	2025E	2026E
Sales	8%	9%	9%
EBIT (adj)	14%	5%	5%

Source: Nordea estimates

Nordea IB & Equity - Analysts

Svante Krokfors
DirectorDavid Flemmich
Associate Director

Stable earnings with a solid balance sheet

Investors House reported Q2 2024 revenue of EUR 3.1m, 18% above our estimate, while net operating income beat our forecast by 32%. The beat was largely explained by a EUR ~0.4m performance-based compensation in the Service segment, but underlying performance was better than we expected even after adjusting for that, especially within Real Estate. Reported numbers were strong thanks to the EUR ~6m gain on the disposed JV stake. As Investors House now consolidates Apitare (two-thirds ownership), in our view reported numbers will become more stable, but there will be no further upside from the divested JV. Investors House is well positioned to continue increasing its dividend, although we make cuts to our EPS estimates for 2025E-26E owing to higher financial cost estimates.

Q2 2024 results impacted by disposal gains; operations solid

Q2 NOI of EUR 1.9m was better than our EUR 1.2m estimate. Earnings were solid for Real Estate, and Services' profitability improved markedly y/y thanks to performance fees, while the underlying performance was still not satisfactory. The EUR ~6m JV disposal gain strengthens the balance sheet and underlines dividend capacity in the medium term. The equity ratio improved to 46% q/q from 44% and is now above the 45% target level again, which should continue to improve thanks to the stable earnings profile. We estimate that 90% of EBIT will come from Real Estate in 2025E with a high share of triple-net leases and credit-worthy public tenants.

We raise 2024E-26E EBIT by 5-14% but trim adjusted EPS

We raise our adjusted EBIT estimates by 5-14% for 2024-26 following the stable performance in H1. We raise 2024E adjusted EPS by 8% thanks to the Q2 beat but trim adjusted EPS by 8-10% for 2025E-26E owing to higher financial costs. 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 6.5-7.2% 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 per share on a combination of valuation methods, with the greatest emphasis being on valuation multiples and equity per share multiples. Investors House has released much of its hidden value, and we argue that the stable earnings profile should offer valuation support for the share in the medium term.

SUMMARY TABLE - KEY FIGURES

EURt	2020	2021	2022	2023	2024E	2025E	2026E
Total revenue	9,465	8,043	7,603	6,857	10,323	11,591	11,823
EBITDA (adj)	333	4,149	2,260	3,897	5,582	5,195	5,374
EBIT (adj)	333	4,149	2,260	3,897	5,582	5,195	5,374
EBIT (adj) margin	3.5%	51.6%	29.7%	56.8%	54.1%	44.8%	45.5%
EPS (adj, EUR)	-0.18	0.53	0.27	0.54	0.46	0.37	0.40
EPS (adj) growth	-137.3%	396.5%	-49.0%	100.3%	-14.4%	-19.3%	7.2%
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	8.5	7.6	7.5
EV/EBIT (adj)	17.9	22.6	25.5	n.m.	16.5	17.0	16.5
P/E (adj)	n.m.	10.5	17.8	9.4	11.6	14.4	13.5
P/BV	0.9	1.0	1.0	1.0	0.9	0.8	0.8
Dividend yield (ord)	4.7%	5.2%	6.5%	6.5%	6.5%	6.9%	7.2%
FCF Yield bef A&D, lease	2.3%	-2.1%	1.9%	-2.9%	23.5%	6.4%	6.6%
Net debt	19,505	4,383	12,205	8,273	38,651	38,678	38,759
Net debt/EBITDA	n.m.	n.m.	2.9	2.1	3.4	7.4	7.2
ROIC after tax	0.4%	n.a.	4.1%	6.9%	6.8%	4.7%	4.8%

Source: Company data and Nordea estimates

Deviation and revision tables

INVESTORS HOUSE: Q2 DEVIATION FROM OUR ESTIMATES

	Actual Q2 2024	NDA est. Q2 2024E	Deviation vs. actual		Actual Q1 2024	q/q	Actual Q22023	y/y
EURt								
Sales	3,082	2,609	473	18%	1,635	89%	1,715	80%
EBIT adj.	1,814	1,249	565	45%	986	84%	3,394	-47%
Net operating income	1,905	1,449	456	32%	169	1028%	564	238%
EPS, EUR	0.88	0.12		644%	0.13	597%	0.49	80%

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	10,323	11,591	11,823	9,527	10,617	10,830	8%	9%	9%
Adj. EBIT	5,582	5,195	5,374	4,892	4,964	5,097	14%	5%	5%
Net operating income	5,164	6,123	6,320	4,574	5,813	5,964	13%	5%	6%
Adj. EPS, EUR	0.46	0.37	0.40	0.43	0.41	0.43	8%	-10%	-8%

Source: Nordea estimates

Factors to consider

Investors House is a real estate investment company with a focus on community service 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 business in Jyväskylä was consolidated from Q2 2024 onwards and its one-third ownership in the development JV was divested at a good profit, creating more stable and predictable income.

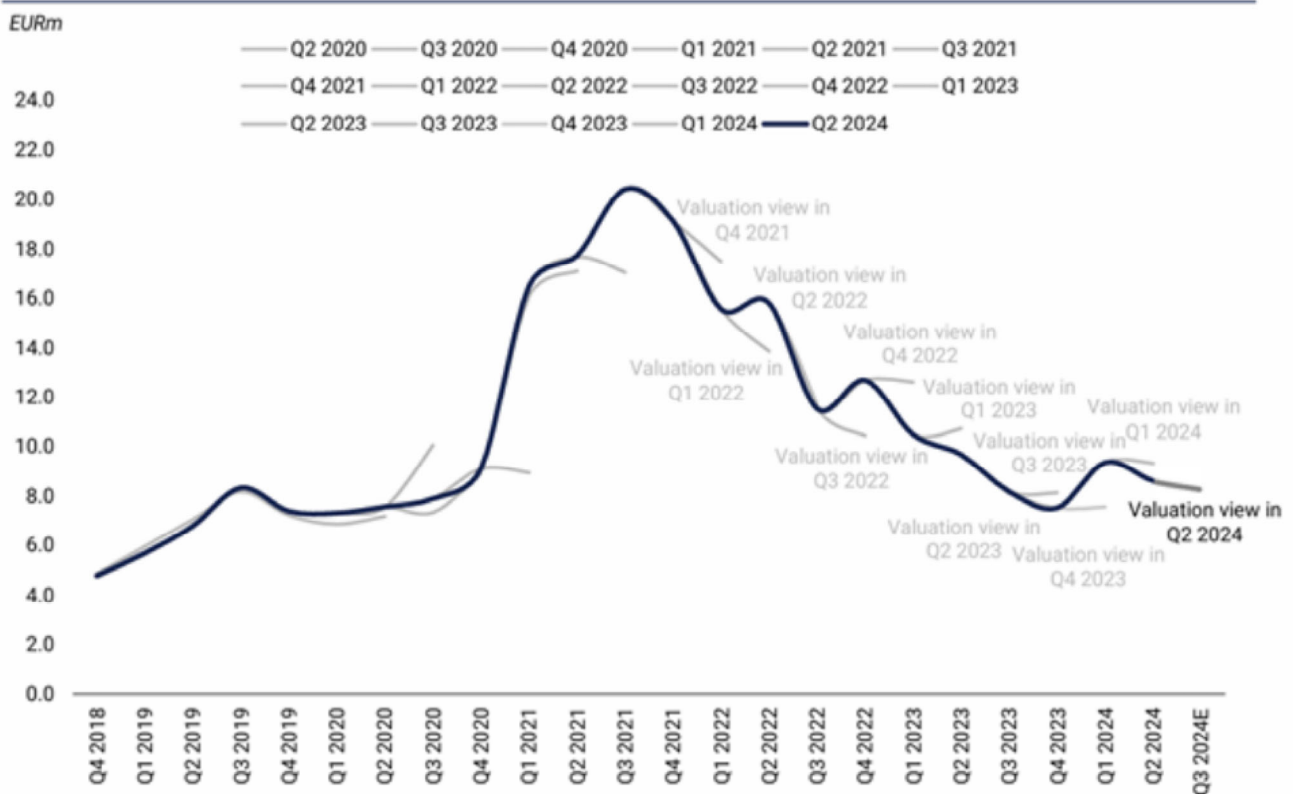
Diversified business model

Investors House is a real estate company that deals in community service and office properties

Investors House is a real estate company that deals in community service 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. This continued in H2 2021 with the divestment of residential properties and IVH Kampus.

Investors House has grown 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, where Investors House owns two-thirds of the JV and consolidates the holding. The stock is currently trading at a 10% discount to its reported equity per share.

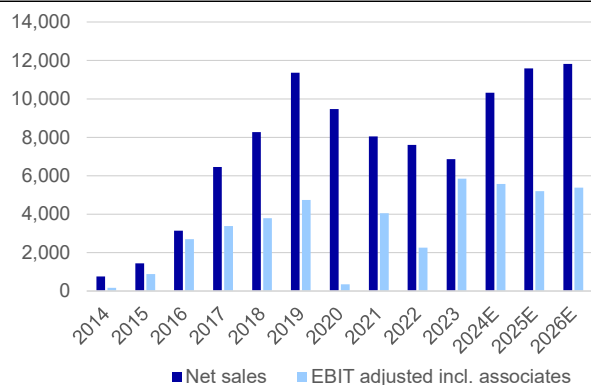
FAIR VALUE DEVELOPMENT OF INVESTORS HOUSE'S SERVICES BUSINESS



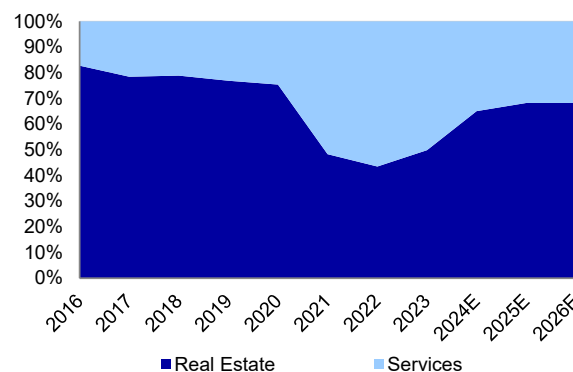
Source: Company data

We believe the Services segment has solid earnings potential and provides stability

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 ~9m.

SALES AND ADJUSTED EBIT (EUR THOUSANDS)

Source: Company data and Nordea estimates

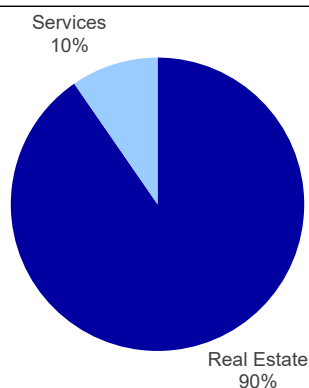
SPLIT OF NET SALES BY DIVISION

Source: Company data and Nordea estimates

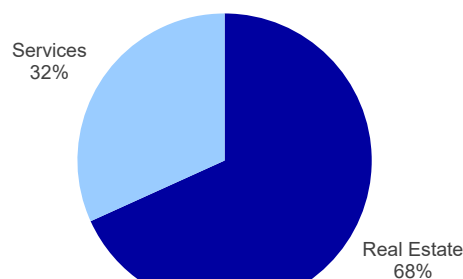
Real Estate's share of adjusted EBIT could be as much as 90% in 2025

Balanced investment portfolio with a clear tilt to real estate now

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. We estimate that Real Estate's share of adjusted EBIT will be as much as 90% in 2025.

ADJUSTED EBIT PER SEGMENT, 2025E

Source: Company data and Nordea

SALES BY SEGMENT, 2025E

Source: Company data and Nordea

Strong balance sheet**Robust financial position**

Investors House has a strong balance sheet with a Q2 2024 equity ratio of 46% following the consolidation of Apitare. At the end of Q1 2024, the equity ratio was down at 44% and 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.

We expect annual dividends of EUR 0.35-0.39/share for 2024-26, dividend yields of 6.5-7.2%

Trading at a discount to reported equity and solid dividend capacity

Investors House is currently trading at a 10% discount to the reported equity of EUR 5.95 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 6.5-7.2%.

We derive an unchanged fair value range of EUR 4.7-6.8

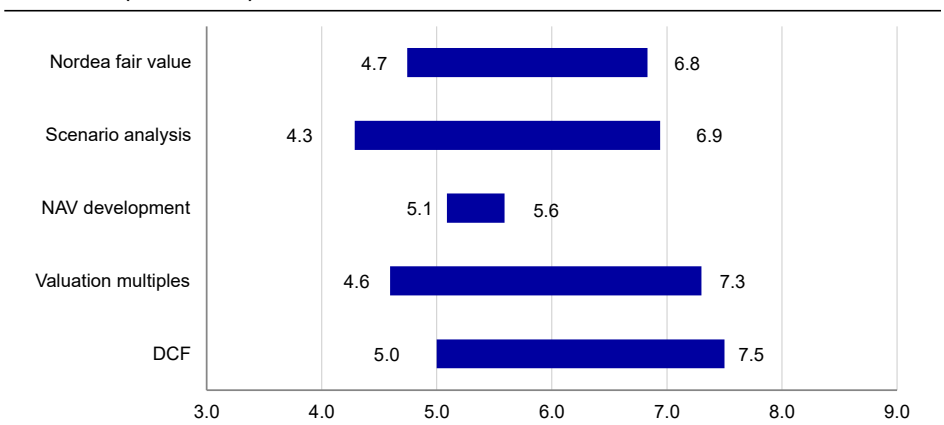
Valuation

When combining our valuation methods, we derive an unchanged fair value range of EUR 4.7-6.8. 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.

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 5.95, 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 20% discount to the latest reported equity per share, and the high end to a premium of 15%. 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.

VALUATION (EUR/SHARE)



Source: Nordea estimates

Detailed estimates

DETAILED ESTIMATES (EUR THOUSANDS; EPS IN EUR)

EUR THOUSANDS	Q1/23	Q2/23	Q3/23	Q4/23	Q1/24	Q2/24	Q3/24E	Q4/24E	2022	2023	2024E	2025E	2026E
Net sales	1,655	1,715	1,648	1,839	1,635	3,082	2,706	2,899	7,603	6,857	10,323	11,591	11,823
Sales growth %	-8%	-8%	-13%	-11%	-1%	80%	64%	58%	-5%	-10%	51%	12%	2%
Maintenance expenses (Real estate)	-792	-372	-393	-467	-746	-514	-410	-600	-1,321	-2,024	-2,270	-2,374	-2,422
Direct operating expenses (Services)	-786	-779	-715	-818	-720	-663	-700	-806	-3,375	-3,098	-2,889	-3,094	-3,081
Net operating income	77	564	540	554	169	1,905	1,596	1,493	2,907	1,735	5,164	6,123	6,320
margin %	5%	33%	33%	30%	10%	62%	59%	52%	38%	25%	50%	53%	53%
Net gains on sale of properties	-77	-92	-28	34	0	5,999	0	0	-184	-163	5,999	0	0
Net fair value changes	-108	-29	-31	-1,625	-16	-159	0	0	2,180	-1,793	-175	0	0
Selling, marketing and admin expenses	-162	-266	-210	-187	-263	-254	-160	-149	-1,046	-825	-826	-927	-946
Other operating income	0	-33	0	0	969	0	0	0	-162	-33	969	0	0
Associates	144	3,129	438	1,265	111	163	0	0	561	4,976	274	0	0
EBIT	-126	3,273	709	41	970	7,654	1,436	1,344	4,255	3,897	11,406	5,195	5,374
margin %	-8%	191%	43%	2%	59%	248%	53%	46%	56%	57%	110%	45%	45%
EBIT adjusted incl. associates	59	3,394	768	1,632	986	1,814	1,436	1,344	2,259	5,853	5,582	5,195	5,374
margin %	-5%	15%	20%	20%	54%	54%	53%	46%	22%	13%	51%	45%	45%
Financial income	82	65	66	141	44	12	22	22	246	354	100	100	100
Financial expenses	-146	-177	-180	-341	-183	-518	-520	-520	-485	-844	-1,741	-2,080	-2,080
Profit before taxes	-190	3,161	595	-159	831	7,148	938	847	4,016	3,408	9,765	3,215	3,394
Taxes	5	-44	-77	103	-24	-1,360	-113	1,008	-795	-13	-488	-161	-170
Net profit	-185	3,117	517	-56	807	5,789	826	1,855	3,221	3,395	9,277	3,054	3,224
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	5,789	826	1,855	3,221	3,395	9,277	3,054	3,224
EPS	-0.03	0.49	0.08	-0.01	0.13	0.91	0.13	0.29	0.51	0.53	1.45	0.48	0.50
Minority interest	0	0	0	0	0	-170	-170	-170	0	56	-510	-680	-680
Net profit attributable to shareholders	-185	3,117	517	-56	807	5,619	656	1,685	3,221	3,451	8,767	2,374	2,544

Source: Company data and Nordea estimates

DIVISIONAL ESTIMATES

EUR THOUSANDS	Q1/23	Q2/23	Q3/23	Q4/23	Q1/24	Q2/24	Q3/24E	Q4/24E	2022	2023	2024E	2025E	2026E
Real estate													
Net sales	853	824	851	893	884	1,910	1,938	1,981	3,309	3,421	6,712	7,907	8,066
Net sales growth %	7%	4%	-3%	6%	4%	132%	128%	122%	-15%	3%	96%	18%	2%
Net fair value changes	-108	-29	-31	-1,025	-16	-159	0	0	2,241	-1,193	-175	0	0
Associate income	144	3,129	438	1,265	111	163	0	0	561	4,976	274	0	0
EBIT	20	3,460	837	700	1,202	7,562	1,528	1,381	4,590	5,017	11,672	5,533	5,644
margin %	2%	420%	98%	78%	136%	396%	79%	70%	139%	147%	174%	70%	70%
EBIT adj. incl. associates	205	3,581	896	1,691	249	1,559	1,528	1,381	2,548	6,373	4,716	5,533	5,644
margin%	24%	435%	105%	189%	28%	82%	79%	70%	77%	186%	70%	70%	70%
Services													
Net sales	802	891	797	946	751	1,172	769	918	4,294	3,436	3,611	3,683	3,757
Net sales growth %	-20%	-16%	-21%	-10%	-6%	32%	-4%	-10%	5%	5%	5%	5%	5%
EBIT	16	79	82	-473	31	509	69	113	712	-296	722	589	676
margin %	2%	9%	10%	-50%	4%	43%	9%	12%	17%	-9%	20%	16%	18%

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
Total revenue	3,134	6,449	8,276	11,461	9,465	8,043	7,603	6,857	10,323	11,591	11,823
Revenue growth	117.9%	105.8%	28.3%	38.5%	-17.4%	-15.0%	-5.5%	-9.8%	50.5%	12.3%	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	11,406	5,195	5,374
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	11,406	5,195	5,374
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	11,406	5,195	5,374
of which associates	1,356	1,056	653	-584	-2,782	1,858	561	4,976	274	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	-1,641	-1,980	-1,980
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
Pre-tax profit	4,224	5,559	4,092	2,740	-1,620	-1,449	4,017	3,408	9,765	3,215	3,394
Reported taxes	-457	-512	-1,948	-657	91	446	-795	-13	-488	-161	-170
Net profit from continued operations	3,767	5,047	2,144	2,083	-1,529	-1,003	3,222	3,395	9,277	3,054	3,224
Discontinued operations	0	0	0	0	0	0	0	0	0	0	0
Minority interests	0	0	0	-433	0	-137	0	56	-510	-680	-680
Net profit to equity	3,767	5,047	2,144	1,650	-1,529	-1,140	3,222	3,451	8,767	2,374	2,544
EPS, EUR	1.14	1.12	0.35	0.27	-0.25	-0.18	0.50	0.54	1.38	0.37	0.40
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%	110.5%	44.8%	45.5%
EBITA	143.7%	92.7%	56.6%	34.5%	-5.3%	-10.4%	56.0%	56.8%	110.5%	44.8%	45.5%
EBIT	143.7%	92.7%	56.6%	34.5%	-5.3%	-10.4%	56.0%	56.8%	110.5%	44.8%	45.5%

Adjusted earnings

EBITDA (adj)	2,699	3,394	3,611	5,273	333	4,149	2,260	3,897	5,582	5,195	5,374
EBITA (adj)	2,699	3,394	3,611	5,273	333	4,149	2,260	3,897	5,582	5,195	5,374
EBIT (adj)	2,699	3,394	3,611	5,273	333	4,149	2,260	3,897	5,582	5,195	5,374
EPS (adj, EUR)	0.57	0.55	0.17	0.48	-0.18	0.53	0.27	0.54	0.46	0.37	0.40

Adjusted profit margins in percent

EBITDA (adj)	86.1%	52.6%	43.6%	46.0%	3.5%	51.6%	29.7%	56.8%	54.1%	44.8%	45.5%
EBITA (adj)	86.1%	52.6%	43.6%	46.0%	3.5%	51.6%	29.7%	56.8%	54.1%	44.8%	45.5%
EBIT (adj)	86.1%	52.6%	43.6%	46.0%	3.5%	51.6%	29.7%	56.8%	54.1%	44.8%	45.5%

Performance metrics

CAGR last 5 years											
Net revenue	n.a.	n.a.	n.a.	72.4%	45.8%	20.7%	3.3%	-3.7%	-2.1%	4.1%	8.0%
EBITDA	n.m.	n.m.	n.m.	38.9%	n.m.	n.m.	-6.6%	-3.6%	23.6%	n.m.	n.m.
EBIT	n.a.	n.a.	n.a.	38.9%	n.m.	n.m.	-6.6%	-3.6%	23.6%	n.m.	n.m.
EPS	n.a.	n.a.	n.a.	-10.2%	n.m.	n.m.	-14.8%	9.3%	38.8%	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%	43.1%	53.9%	62.5%
Average EBITDA margin	n.a.	n.a.	n.m.	76.2%	48.0%	30.4%	25.8%	24.8%	43.1%	53.9%	62.5%

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	11.6	14.4	13.5
EV/EBITDA (adj)	n.a.	n.a.	20.7	10.8	167.6	12.5	19.2	10.5	15.7	17.0	16.5
EV/EBITA (adj)	n.a.	n.a.	20.7	10.8	167.6	12.5	19.2	10.5	15.7	17.0	16.5
EV/EBIT (adj)	n.a.	n.a.	25.3	9.8	17.9	22.6	25.5	n.m.	16.5	17.0	16.5

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	3.9	14.4	13.5
EV/Sales	n.a.	n.a.	9.04	4.99	5.90	6.45	5.69	5.97	8.47	7.60	7.52
EV/EBITDA	n.a.	n.a.	18.6	12.6	24.5	n.m.	11.7	n.m.	7.9	17.0	16.5
EV/EBITA	n.a.	n.a.	18.6	12.6	24.5	n.m.	11.7	n.m.	7.9	17.0	16.5
EV/EBIT	n.a.	n.a.	18.6	12.6	24.5	n.m.	11.7	n.m.	7.9	17.0	16.5
Dividend yield (ord.)	n.a.	n.a.	3.8%	3.9%	4.7%	5.2%	6.5%	6.5%	6.5%	6.9%	7.2%
FCF yield	n.a.	n.a.	-13.2%	-28.8%	-6.3%	38.5%	1.9%	14.1%	-82.6%	6.4%	6.6%
FCF Yield bef A&D, lease adj	n.a.	n.a.	0.7%	3.9%	2.3%	-2.1%	1.9%	-2.9%	23.5%	6.4%	6.6%
Payout ratio	33.5%	38.3%	132.6%	52.2%	n.m.	243.8%	114.9%	61.1%	75.7%	99.2%	97.6%

Source: Company data and Nordea estimates

BALANCE SHEET

EURt	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
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	79,474	80,423	81,391
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	89,128	90,077	91,045
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	1,048	1,176	1,200
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	134	150	153
Cash and bank	509	1,465	2,323	4,844	3,181	17,399	6,543	8,516	8,138	8,111	8,030
Total current assets	1,337	2,662	3,932	5,945	4,381	18,688	8,122	9,301	9,320	9,438	9,383
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.
Total assets	43,588	75,658	92,656	76,345	70,131	63,311	54,460	53,546	98,448	99,515	100,428
Shareholders equity	21,695	46,128	46,815	43,477	37,562	36,239	32,113	33,619	40,277	40,424	40,613
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	8,345	9,025	9,705
Total Equity	21,695	46,147	49,486	44,677	38,702	36,714	32,538	33,954	48,622	49,449	50,318
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	1,957	2,197	2,241
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	9,707	9,947	9,991
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Total liabilities and equity	43,589	75,658	92,656	76,345	70,131	63,311	54,460	53,546	98,448	99,515	100,428
Balance sheet and debt metrics											
Net debt	19,023	24,266	35,017	16,081	19,505	4,383	12,205	8,273	38,651	38,678	38,759
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	-775	-870	-888
Invested capital	42,183	71,903	86,424	61,683	59,222	41,923	46,226	43,730	88,353	89,207	90,157
Capital employed	41,227	71,878	86,826	65,602	61,398	58,496	51,286	50,743	95,411	96,238	97,107
ROE	19.0%	14.9%	4.6%	3.7%	-3.8%	-3.1%	9.4%	10.5%	23.7%	5.9%	6.3%
ROIC	6.1%	4.8%	3.6%	5.7%	0.4%	n.a.	4.1%	6.9%	6.8%	4.7%	4.8%
ROCE	7.8%	6.1%	4.6%	6.9%	0.6%	n.a.	4.6%	8.3%	7.8%	5.5%	5.7%
Net debt/EBITDA	4.2	4.1	7.5	4.1	n.m.	n.m.	2.9	2.1	3.4	7.4	7.2
Interest coverage	15.9	13.1	7.5	3.2	-0.4	-1.1	9.3	5.0	6.6	2.5	2.6
Equity ratio	49.8%	61.0%	50.5%	56.9%	53.6%	57.2%	59.0%	62.8%	40.9%	40.6%	40.4%
Net gearing	87.7%	52.6%	70.8%	36.0%	50.4%	11.9%	37.5%	24.4%	79.5%	78.2%	77.0%

Source: Company data and Nordea estimates

CASH FLOW STATEMENT

EURt	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
EBITDA (adj) for associates	3,149	4,925	4,030	4,537	2,278	-2,692	3,695	-1,079	11,132	5,195	5,374
Paid taxes	-235	-133	-357	-273	-507	328	-795	-13	-488	-161	-170
Net financials	-281	-422	-587	-1,767	-1,087	-615	-239	-381	-1,641	-1,980	-1,980
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
Funds from operations (FFO)	728	1,416	732	1,875	6,643	-153	843	82	8,580	3,054	3,224
Change in NWC	-82	33	310	810	-4,952	-97	135	0	260	95	17
Cash flow from operations (CFO)	646	1,449	1,042	2,685	1,692	-250	978	82	8,840	3,149	3,242
Capital expenditure	-386	-578	-773	-1,126	-897	-465	-397	-1,013	-805	-949	-968
Free cash flow before A&D	260	871	269	1,559	795	-715	581	-931	8,035	2,200	2,274
Proceeds from sale of assets	1,231	2,315	833	15,480	2,000	17,500	0	5,479	6,196	0	0
Acquisitions	-3,869	-737	-6,012	-28,539	-5,000	-3,500	0	0	-42,500	0	0
Free cash flow	-2,378	2,449	-4,910	-11,500	-2,205	13,285	581	4,548	-28,269	2,200	2,274
Free cash flow bef A&D, lease adj	260	871	269	1,559	795	-715	581	-931	8,035	2,200	2,274
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	-378	-27	-81
Cash flow metrics											
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%
Key information											
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	34,242	34,242	34,242
Enterprise value	n.a.	n.a.	74,782	57,157	55,884	51,855	43,298	40,937	87,434	88,141	88,902
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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Completion Date

15 Aug 2024, 01:23 CET

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