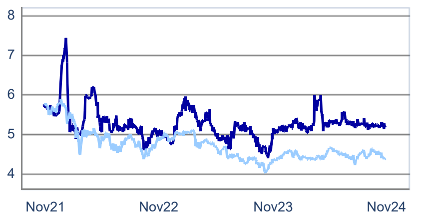
Investors House

Construction and Real Estate
Finland

KEY DATA

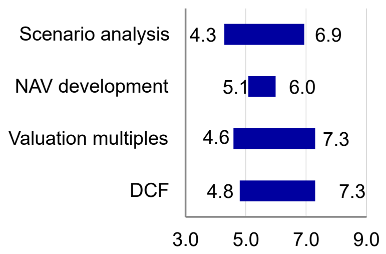
Stock country	Finland
Bloomberg	INVEST FH
Reuters	INVEST.HE
Share price (close)	EUR 5.18
Free float	
Market cap. (bn)	EUR 0.03/EUR 0.03
Website	www.investorshouse.fi
Next report date	

PERFORMANCE



Source: LSEG Data & Analytics

VALUATION APPROACH



Source: Nordea estimates

ESTIMATE CHANGES

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

Source: Nordea estimates

Nordea IB & Equity - Analysts
Svante Krokfors
Director

David Flemmich
Associate Director

Positioned for more stable earnings

Investors House reported Q3 2024 revenue of EUR 2.4m, 10% below our estimate, while net operating income beat our forecast by 18%. The Services segment posted weaker sales and EBIT than we expected – EBIT was EUR -0.1m versus EUR +0.1m a year ago. Reported sales grew by 42% y/y and net rental income was up by 187%, as Investors House has now consolidated Apitare (two-thirds ownership). In our view, earnings will become more stable, especially considering that ~50% of the Real Estate division's income will derive from triple-net rental agreements. Investors House is well positioned to continue raising its dividend, although we make cuts to our EPS estimates for 2025-26, owing to slightly lower estimates for the large Real Estate division and the smaller Services business not yet posting satisfactory profitability. The Services business is also currently suffering from the low transaction volumes in the real estate sector.

Q3 2024 results below our estimates; 2024 guidance reiterated

Q3 NOI of EUR 1.3m was below our EUR 1.6m estimate, with Services accounting for the majority of the miss. Real Estate posted slightly lower revenue and NOI than we expected. The equity ratio improved to 49% q/q, from 46%, and is now clearly above the 45% target level again; it should continue to improve thanks to the stable earnings profile. We estimate that over 90% of EBIT will come from Real Estate in 2025 with a high share of triple-net leases and credit-worthy public tenants.

We lower 2025E-26E EBIT by 8% and adjusted EPS by 7%

We trim our adjusted EBIT estimates by 8% for 2025-26 following the Q3 2024 report. Dividend capacity should remain strong; we expect an annual increase in the dividend of EUR 0.02, from EUR 0.33 for 2023, implying a dividend yield of 6.7-7.5% for 2024E-26E. The guidance for clearly higher net earnings in 2024 compared to 2023 was reiterated.

Fair value range virtually unchanged at EUR 4.7-6.9

We base our fair value range of EUR 4.7-6.9 (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. The sustainable dividend yield of ~7% should also offer support.

SUMMARY TABLE - KEY FIGURES

EURt	2020	2021	2022	2023	2024E	2025E	2026E
Total revenue	9,465	8,043	7,603	6,857	9,786	10,958	11,177
EBITDA (adj)	333	4,149	2,260	3,897	5,142	4,779	4,943
EBIT (adj)	333	4,149	2,260	3,897	5,142	4,779	4,943
EBIT (adj) margin	3.5%	51.6%	29.7%	56.8%	52.5%	43.6%	44.2%
EPS (adj, EUR)	-0.18	0.53	0.27	0.54	0.37	0.35	0.37
EPS (adj) growth	-137.3%	396.5%	-49.0%	100.3%	-32.0%	-5.5%	7.0%
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	8.9	8.0	7.9
EV/EBIT (adj)	17.9	22.6	25.5	n.m.	17.8	18.3	17.9
P/E (adj)	n.m.	10.5	17.8	9.4	14.1	14.9	14.0
P/BV	0.9	1.0	1.0	1.0	0.8	0.8	0.8
Dividend yield (ord)	4.7%	5.2%	6.5%	6.5%	6.8%	7.1%	7.5%
FCF Yield bef A&D, lease	2.3%	-2.1%	1.9%	-2.9%	21.8%	5.8%	6.0%
Net debt	19,505	4,383	12,205	8,273	39,500	39,801	40,164
Net debt/EBITDA	n.m.	n.m.	2.9	2.1	3.6	8.3	8.1
ROIC after tax	0.4%	n.a.	4.1%	6.9%	6.2%	4.3%	4.4%

Source: Company data and Nordea estimates

Deviation and revision tables

INVESTORS HOUSE: Q3 DEVIATION FROM OUR ESTIMATES

EURt	Actual Q3 2024	NDA est. Q3 2024E	Deviation vs. actual		Actual Q2 2024	q/q	Actual Q3 2023	y/y
Sales	2,426	2,706	-280	-10%	3,082	-21%	1,648	47%
EBIT adj.	1,047	1,436	-389	-27%	1,814	-42%	768	36%
Net operating income	1,311	1,596	-285	-18%	1,905	-31%	540	143%
EPS, EUR	0.14	0.13		8%	0.91	-85%	0.08	72%

Source: Company data and Nordea estimates

INVESTORS HOUSE: OUR ESTIMATE REVISIONS AFTER THE Q3 REPORT

	New estimates			Old estimates			Difference %		
EUR THOUSANDS	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E
Sales	9,786	10,958	11,177	10,323	11,591	11,823	-5%	-5%	-5%
Adj. EBIT	5,142	4,779	4,943	5,582	5,195	5,374	-8%	-8%	-8%
Net operating income	4,852	5,820	6,005	5,164	6,123	6,320	-6%	-5%	-5%
Adj. EPS, EUR	0.37	0.35	0.37	0.46	0.37	0.40	-21%	-7%	-7%

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 its ownership stake of the Apitare JV 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 Investors House's one-third ownership in the development JV was divested at a good profit, creating more stable and predictable income and strengthening the balance sheet further.

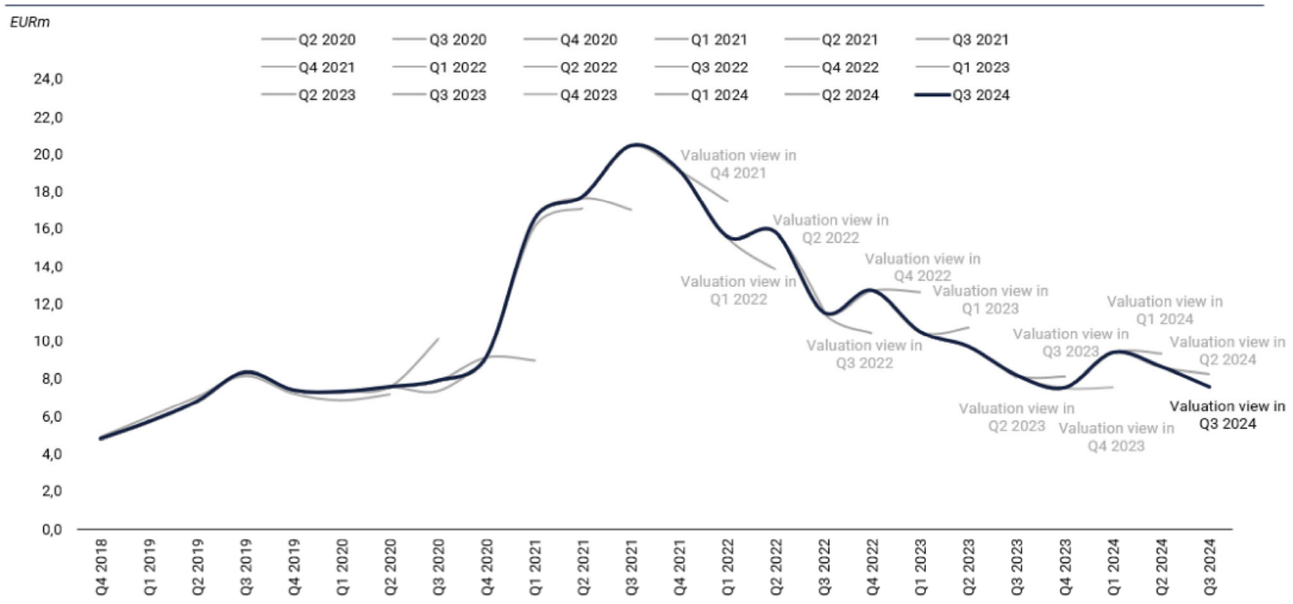
Investors House is a real estate company that deals in community service and office properties

Diversified business model

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; Investors House now owns two-thirds of the JV and has consolidated the holding. The stock is currently trading at a 15% discount to its reported equity per share.

FAIR VALUE DEVELOPMENT OF INVESTORS HOUSE'S SERVICES BUSINESS

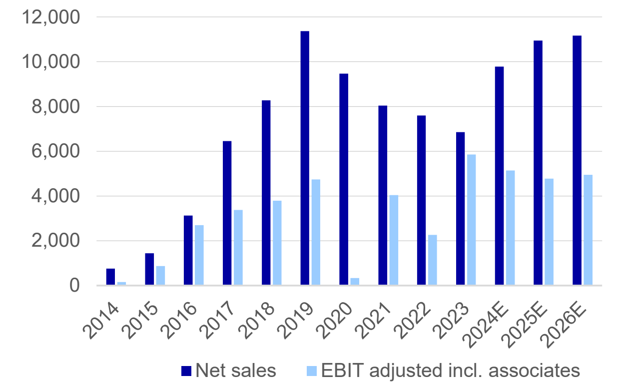


Source: Company data

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

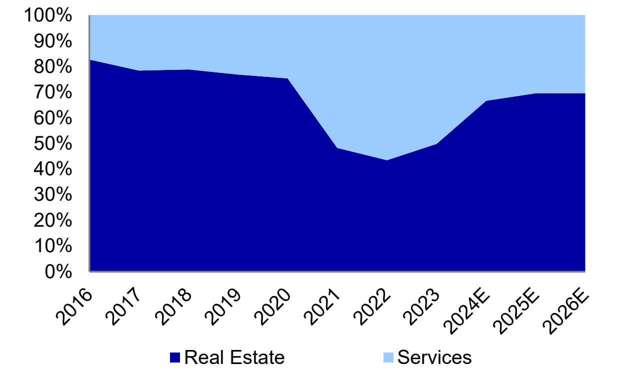
The Services segment has low capital needs and good scalability, as the company intends to expand into real estate funds, where it hopes to utilise its existing real estate investor base of ~10,000 clients. We believe the segment has good earnings potential and provides stability, as its revenues come from the services and fund management fees. An external evaluator has valued the Services business at EUR ~8m.

SALES AND ADJUSTED EBIT (EUR THOUSANDS)



Source: Company data and Nordea estimates

SPLIT OF NET SALES BY DIVISION



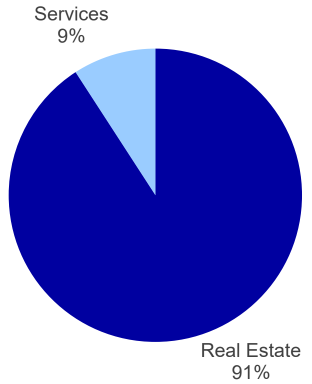
Source: Company data and Nordea estimates

Balanced investment portfolio with a clear tilt towards real estate now

Real Estate's share of group adjusted EBIT could be more than 90% in 2025

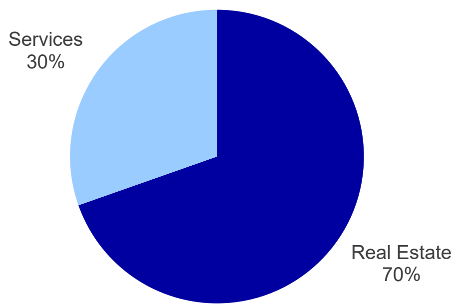
We estimate that in 2025, the first normalised year after the consolidation of Apitare, 70% of group sales will come from the Real Estate business and 30% from Services. We estimate that Real Estate's share of adjusted EBIT will be as much as 91% in 2025.

ADJUSTED EBIT PER SEGMENT, 2025E



Source: Company data and Nordea

SALES BY SEGMENT, 2025E



Source: Company data and Nordea

Robust financial position

Strong balance sheet

Investors House has a strong balance sheet, with a Q3 2024 equity ratio of 49% following the consolidation of Apitare. At the end of Q2 2024, the equity ratio was down to 46% and the equity ratio is now clearly above the company's target of 45%, a level at which the covenants on bank loans stand, as we understand it.

Trading at a discount to reported equity and solid dividend capacity

We expect annual dividends of EUR 0.35-0.39 per share for 2024-26, implying dividend yields of 6.7-7.5%

Investors House is currently trading at a 15% discount to the reported equity of EUR ~6.10 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 6.7-7.5%.

Valuation

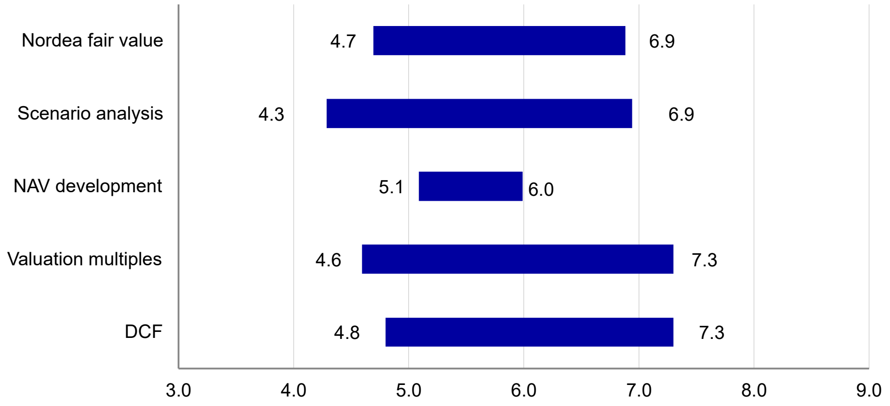
We derive an unchanged fair value range of EUR 4.7-6.9

When combining our valuation methods, we derive a virtually unchanged fair value range of EUR 4.7-6.9 (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 is EUR ~6.10, i.e. slightly above the midpoint 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 reflects a premium of ~10%. 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 PER 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	Q3/24	Q4/24E	2022	2023	2024E	2025E	2026E
Net sales	1,655	1,715	1,648	1,839	1,635	3,082	2,426	2,643	7,603	6,857	9,786	10,958	11,177
Sales growth %	-8%	-8%	-13%	-11%	-1%	80%	47%	44%	-5%	-10%	43%	12%	2%
Maintenance expenses (Real estate)	-792	-372	-393	-467	-746	-514	-477	-519	-1,321	-2,024	-2,256	-2,339	-2,386
Direct operating expenses (Services)	-786	-779	-715	-818	-720	-663	-638	-657	-3,375	-3,098	-2,678	-2,798	-2,786
Net operating income	77	564	540	554	169	1,905	1,311	1,467	2,907	1,735	4,852	5,820	6,005
margin %	5%	33%	33%	30%	10%	62%	54%	55%	38%	25%	50%	53%	54%
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	-6	0	2,180	-1,793	-181	0	0
Selling, marketing and admin expenses	-162	-266	-210	-187	-263	-254	-235	-178	-1,046	-825	-930	-1,041	-1,062
Other operating income	0	-33	0	0	969	0	-23	0	-162	-33	946	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	1,047	1,289	4,255	3,897	10,960	4,779	4,943
margin %	-8%	191%	43%	2%	59%	248%	43%	49%	56%	57%	112%	44%	44%
EBIT adjusted incl. associates	59	3,394	768	1,632	986	1,814	1,053	1,289	2,259	5,853	5,142	4,779	4,943
margin %	-5%	15%	20%	20%	54%	54%	43%	49%	22%	13%	50%	44%	44%
Financial income	82	65	66	141	44	12	126	18	246	354	200	200	200
Financial expenses	-146	-177	-180	-341	-183	-518	-510	-461	-485	-844	-1,672	-2,080	-2,080
Profit before taxes	-190	3,161	595	-159	831	7,148	663	847	4,016	3,408	9,488	2,899	3,062
Taxes	5	-44	-77	103	-24	-1,360	364	-24	-795	-13	-1,044	-145	-153
Net profit	-185	3,117	517	-56	807	5,789	1,027	823	3,221	3,395	8,445	2,754	2,909
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	1,027	823	3,221	3,395	8,445	2,754	2,909
EPS	-0.03	0.49	0.08	-0.01	0.13	0.91	0.16	0.13	0.51	0.53	1.32	0.43	0.46
Minority interest	0	0	0	0	0	-97	-109	-84	0	56	-290	-547	-547
Net profit attributable to shareholders	-185	3,117	517	-56	807	5,692	918	738	3,221	3,451	8,155	2,207	2,363
EPS attributable to shareholders	-0.03	0.49	0.08	-0.01	0.13	0.91	0.16	0.13	0.27	0.84	0.37	0.31	0.34

Source: Company data and Nordea estimates

DIVISIONAL ESTIMATES

EUR THOUSANDS	Q1/23	Q2/23	Q3/23	Q4/23	Q1/24	Q2/24	Q3/24	Q4/24E	2022	2023	2024E	2025E	2026E
Real estate													
Net sales	853	824	851	893	884	1,910	1,840	1,887	3,309	3,421	6,520	7,627	7,779
Net sales growth %	7%	4%	-3%	6%	4%	132%	116%	111%	-15%	3%	91%	17%	2%
Net fair value changes	-108	-29	-31	-1,025	-16	-159	-6	0	2,241	-1,193	-181	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	1,334	1,367	4,590	5,017	11,465	5,287	5,393
margin %	2%	420%	98%	78%	136%	396%	72%	72%	139%	147%	176%	69%	69%
EBIT adj. incl. associates	205	3,581	896	1,691	249	1,559	1,363	1,367	2,548	6,373	4,538	5,287	5,393
margin%	24%	435%	105%	189%	28%	82%	74%	72%	77%	186%	70%	69%	69%
Services													
Net sales	802	891	797	946	751	1,172	586	757	4,294	3,436	3,266	3,331	3,398
Net sales growth %	-20%	-16%	-21%	-10%	-6%	32%	-27%	-10%	5%	5%	5%	5%	5%
EBIT	16	79	82	-473	31	509	-52	100	712	-296	588	533	612
margin %	2%	9%	10%	-50%	4%	43%	-9%	13%	17%	-9%	18%	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.

Dependence 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**	**9,786**	**10,958**	**11,177**
Revenue growth	117.9%	105.8%	28.3%	38.5%	-17.4%	-15.0%	-5.5%	-9.8%	42.7%	12.0%	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	10,960	4,779	4,943
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	10,960	4,779	4,943
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	10,960	4,779	4,943
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	-1,472	-1,880	-1,880
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**	**9,488**	**2,899**	**3,062**
Reported taxes	-457	-512	-1,948	-657	91	446	-795	-13	-1,044	-145	-153
Net profit from continued operations	3,767	5,047	2,144	2,083	-1,529	-1,003	3,222	3,395	8,445	2,754	2,909
Discontinued operations	0	0	0	0	0	0	0	0	0	0	0
Minority interests	0	0	0	-433	0	-137	0	56	-290	-547	-547
Net profit to equity	3,767	5,047	2,144	1,650	-1,529	-1,140	3,222	3,451	8,155	2,207	2,363
EPS, EUR	**1.14**	**1.12**	**0.35**	**0.27**	**-0.25**	**-0.18**	**0.50**	**0.54**	**1.28**	**0.35**	**0.37**
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%	112.0%	43.6%	44.2%
EBITA	143.7%	92.7%	56.6%	34.5%	-5.3%	-10.4%	56.0%	56.8%	112.0%	43.6%	44.2%
EBIT	143.7%	92.7%	56.6%	34.5%	-5.3%	-10.4%	56.0%	56.8%	112.0%	43.6%	44.2%
Adjusted earnings											
EBITDA (adj)	2,699	3,394	3,611	5,273	333	4,149	2,260	3,897	5,142	4,779	4,943
EBITA (adj)	2,699	3,394	3,611	5,273	333	4,149	2,260	3,897	5,142	4,779	4,943
EBIT (adj)	2,699	3,394	3,611	5,273	333	4,149	2,260	3,897	5,142	4,779	4,943
EPS (adj, EUR)	0.57	0.55	0.17	0.48	-0.18	0.53	0.27	0.54	0.37	0.35	0.37
Adjusted profit margins in percent											
EBITDA (adj)	86.1%	52.6%	43.6%	46.0%	3.5%	51.6%	29.7%	56.8%	52.5%	43.6%	44.2%
EBITA (adj)	86.1%	52.6%	43.6%	46.0%	3.5%	51.6%	29.7%	56.8%	52.5%	43.6%	44.2%
EBIT (adj)	86.1%	52.6%	43.6%	46.0%	3.5%	51.6%	29.7%	56.8%	52.5%	43.6%	44.2%
Performance metrics											
CAGR last 5 years											
Net revenue	n.a.	n.a.	n.a.	72.4%	45.8%	20.7%	3.3%	-3.7%	-3.1%	3.0%	6.8%
EBITDA	n.m.	n.m.	n.m.	38.9%	n.m.	n.m.	-6.6%	-3.6%	22.6%	n.m.	n.m.
EBIT	n.a.	n.a.	n.a.	38.9%	n.m.	n.m.	-6.6%	-3.6%	22.6%	n.m.	n.m.
EPS	n.a.	n.a.	n.a.	-10.2%	n.m.	n.m.	-14.8%	9.3%	36.9%	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%	42.6%	53.3%	62.2%
Average EBITDA margin	n.a.	n.a.	n.m.	76.2%	48.0%	30.4%	25.8%	24.8%	42.6%	53.3%	62.2%

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	14.1	14.9	14.0
EV/EBITDA (adj)	n.a.	n.a.	20.7	10.8	167.6	12.5	19.2	10.5	16.9	18.3	17.9
EV/EBITA (adj)	n.a.	n.a.	20.7	10.8	167.6	12.5	19.2	10.5	16.9	18.3	17.9
EV/EBIT (adj)	n.a.	n.a.	25.3	9.8	17.9	22.6	25.5	n.m.	17.8	18.3	17.9

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	4.0	14.9	14.0
EV/Sales	n.a.	n.a.	9.04	4.99	5.90	6.45	5.69	5.97	8.87	8.00	7.92
EV/EBITDA	n.a.	n.a.	18.6	12.6	24.5	n.m.	11.7	n.m.	8.1	18.3	17.9
EV/EBITA	n.a.	n.a.	18.6	12.6	24.5	n.m.	11.7	n.m.	8.1	18.3	17.9
EV/EBIT	n.a.	n.a.	18.6	12.6	24.5	n.m.	11.7	n.m.	8.1	18.3	17.9
Dividend yield (ord.)	n.a.	n.a.	3.8%	3.9%	4.7%	5.2%	6.5%	6.5%	6.8%	7.1%	7.5%
FCF yield	n.a.	n.a.	-13.2%	-28.8%	-6.3%	38.5%	1.9%	14.1%	-88.3%	5.8%	6.0%
FCF Yield bef A&D, lease adj	n.a.	n.a.	0.7%	3.9%	2.3%	-2.1%	1.9%	-2.9%	21.8%	5.8%	6.0%
Payout ratio	33.5%	38.3%	132.6%	52.2%	n.m.	243.8%	114.9%	61.1%	95.3%	106.7%	105.1%

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	79,451	80,367	81,300
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	89,105	90,021	90,954
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	993	1,112	1,134
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	127	142	145
Cash and bank	509	1,465	2,323	4,844	3,181	17,399	6,543	8,516	7,289	6,988	6,625
Total current assets	1,337	2,662	3,932	5,945	4,381	18,688	8,122	9,301	8,409	8,242	7,905
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**	**97,514**	**98,263**	**98,859**
Shareholders equity	21,695	46,128	46,815	43,477	37,562	36,239	32,113	33,619	39,665	39,645	39,652
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	8,125	8,672	9,218
Total Equity	21,695	46,147	49,486	44,677	38,702	36,714	32,538	33,954	47,790	48,316	48,871
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	1,855	2,077	2,119
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	9,605	9,827	9,869
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**	**97,514**	**98,263**	**98,859**
Balance sheet and debt metrics											
Net debt	19,023	24,266	35,017	16,081	19,505	4,383	12,205	8,273	39,500	39,801	40,164
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	-735	-823	-839
Invested capital	42,183	71,903	86,424	61,683	59,222	41,923	46,226	43,730	88,370	89,198	90,115
Capital employed	41,227	71,878	86,826	65,602	61,398	58,496	51,286	50,743	94,579	95,105	95,660
ROE	19.0%	14.9%	4.6%	3.7%	-3.8%	-3.1%	9.4%	10.5%	22.3%	5.6%	6.0%
ROIC	6.1%	4.8%	3.6%	5.7%	0.4%	n.a.	4.1%	6.9%	6.2%	4.3%	4.4%
ROCE	7.8%	6.1%	4.6%	6.9%	0.6%	n.a.	4.6%	8.3%	7.4%	5.3%	5.4%
Net debt/EBITDA	4.2	4.1	7.5	4.1	n.m.	n.m.	2.9	2.1	3.6	8.3	8.1
Interest coverage	15.9	13.1	7.5	3.2	-0.4	-1.1	9.3	5.0	6.7	2.4	2.5
Equity ratio	49.8%	61.0%	50.5%	56.9%	53.6%	57.2%	59.0%	62.8%	40.7%	40.3%	40.1%
Net gearing	87.7%	52.6%	70.8%	36.0%	50.4%	11.9%	37.5%	24.4%	82.7%	82.4%	82.2%

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**	**10,686**	**4,779**	**4,943**
Paid taxes	-235	-133	-357	-273	-507	328	-795	-13	-1,044	-145	-153
Net financials	-281	-422	-587	-1,767	-1,087	-615	-239	-381	-1,472	-1,880	-1,880
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**	**7,748**	**2,754**	**2,909**
Change in NWC	-82	33	310	810	-4,952	-97	135	0	220	88	16
Cash flow from operations (CFO)	**646**	**1,449**	**1,042**	**2,685**	**1,692**	**-250**	**978**	**82**	**7,968**	**2,842**	**2,926**
Capital expenditure	-386	-578	-773	-1,126	-897	-465	-397	-1,013	-782	-915	-933
Free cash flow before A&D	**260**	**871**	**269**	**1,559**	**795**	**-715**	**581**	**-931**	**7,185**	**1,927**	**1,992**
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	-29,119	1,927	1,992
Free cash flow bef A&D, lease adj	260	871	269	1,559	795	-715	581	-931	7,185	1,927	1,992
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	-1,227	-301	-363
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%	8.0%	8.4%	8.4%
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	32,969	32,969	32,969
Enterprise value	n.a.	n.a.	74,782	57,157	55,884	51,855	43,298	40,937	86,790	87,638	88,547
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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Nordea IB & Equity Division, Equity Research Visiting address: Aleksis Kiven katu 7, Helsinki FI-00020 Nordea Finland	**Nordea IB & Equity Division, Equity Research** Visiting address: Smålandsgatan 17 SE-105 71 Stockholm Sweden	**Nordea IB & Equity Division, EquityResearch** Visiting address: Grønjordsvej 10 DK-2300 Copenhagen S Denmark	**Nordea IB & Equity Division, Equity Research** Visiting address: Essendropsgate 7 N-0107 Oslo Norway
Tel: +358 9 1651 Fax: +358 9 165 59710	Tel: +46 8 614 7000 Fax: +46 8 534 911 60	Tel: +45 3333 3333 Fax: +45 3333 1520	Tel: +47 2248 5000 Fax: +47 2256 8650
Reg.no. 2858394-9 Satamaradankatu 5 Helsinki			