



Business Review Q1

January - March 2019

8.5.2019

CEO Jussi Karjula

CFO Tommi Aarnio



Quality, cost efficiency, expertise

- **Public and private service providers**
- **Investment free**
- **Risk free property partnership**



APPROX.

180

PROJECTS

60

MUNICIPALITIES



We develop, finance, own and lease

Our mission:

We create better society and service environments together with our partners.



DAY CARE CENTRES



CARE HOMES



SERVICE COMMUNITIES



SCHOOLS



PROPERTIES WITH SPECIAL NEEDS



HOIVATILAT

Hoivatilat has an operating model tailored to respond to the market growth

Hoivatilat as an investment

- Unique business model, a service company
- Meaningful for society and innovative operating model
- Strongly growing company
- Low risk company: new properties, long lease agreements and 100 % lease maturity
- Transparent operating model: revenue consists of rental income, construction development margin and possible increase in property values
- Together with cities, associations and private service providers

Significant events during Q1/2019

- The first projects in Sweden started
- The company won the competitive bidding for municipal day-care centres in Oulu, Vaasa and Rovaniemi
- The second school project started
- The company signed an agreement on a EUR 100 million commercial paper programme



Significant events during Q1/2019

- Revenue EUR 5.3 million (January–March 2018: EUR 4.0 million), representing an increase of 32 % year-on-year.
- NAV per share 7,30 euros (5,69 euros), increase of 28 %
- Value of Agreement Portfolio EUR 473 million (EUR 344 million), increase of 38 %
- The fair value of investment properties EUR 394 million (EUR 268 million)
- The value of properties in progress and not started approximately EUR 159 million, record high



CASE MIKKELI

ELEMENTARY SCHOOL

For approx. 150 pupils
1076 m²
10 years lease period
December 2019
City of Mikkeli



CASE VAASA

DAY CARE CENTRE

For 210 children
2519 m²
Summer 2020
15 years lease period
City of Vaasa



CASE OULU

DAY CARE CENTRE

Approx. 210 children
2140 m²
25 years lease period
December 2020
City of Oulu



CASE IISALMI

CARE FACILITY FOR ELDERY PEOPLE

Apartments
**Serviced and assisted
living apartments**
Rehabilitation
Restaurant
3955 m²
15 years lease period
Summer 2020
Vetrea Terveys Oy



Guidance for 2019

STRONG GROWTH CONTINUES

- Total revenue approximately EUR 23 million
- Operating result approximately 40 % of revenue.
- The fair value of investment properties at the end of 2019 is estimated to be EUR 460–490 million (previously EUR 440–470 million). The financial guidance was adjusted due to the adoption of the IFRS 16 standard.

The guidance is based on the assumption that, in 2019, the company will not make significant purchases or sales of completed investment properties, and that the market yields used in the valuation of real estate will remain at their current level.

Financial targets 2019 - 2021

STRONG GROWTH CONTINUES

Suomen Hoivatilat Oyj has set the following financial targets for 2019–2021:

- Average annual increase of 30 % in revenue
- Average operating profit at 40 per cent of revenue
- Equity ratio of at least 30 per cent on average. The equity ratio includes the effect of the IFRS 16 standard as of 1 January 2019.

Properties 31.3.2019

COMPLETED & PIPELINE

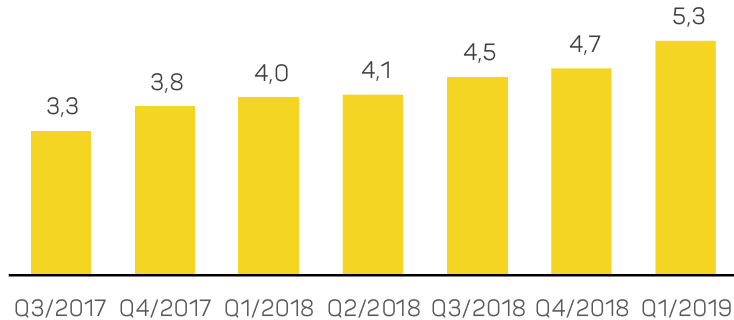
Properties	Completed		In progress and not started*		Total	
	Q1/2019	Q1/2018	Q1/2019	Q1/2018	Q1/2019	Q1/2018
Number of properties	123	92	49	48	172	140,0
Leasable area, thousand floor m ²	108,2	79,9	60,2	43,2	168,4	123,1
Annual rents, EUR million	22,0	16,3	11,4	8,3	33,4	24,6
Investment (acquisition cost), EUR million	245,0	174,1	158,6	102,9	403,6	277,0

* = Properties in progress and not started also include properties for which binding leases or preliminary agreements have been signed, but construction has not yet begun.

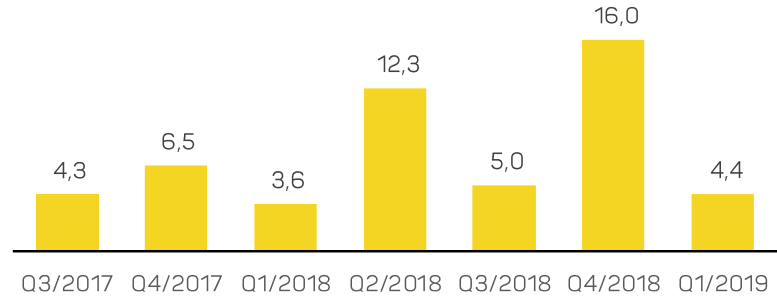
Key figures Jan – Mar 2019

REVENUE & PROFIT

Revenue (MEUR)

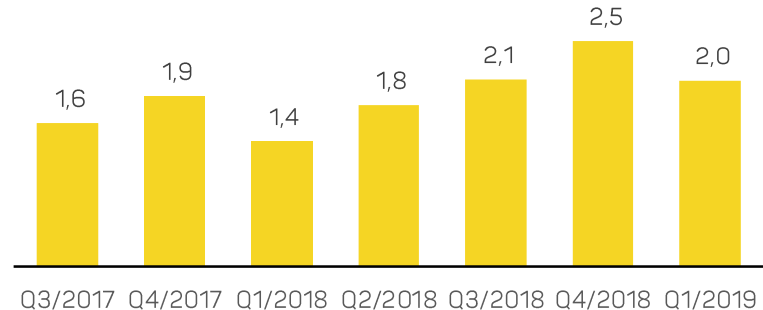


Profit for the period (MEUR)



- Revenue (rental income) EURM 5,3 (12,3). Growth 32,1 %.
- Profit for the period was EURM 4,4 (4,0). Growth 20,9 %.
- Operating result EURM 2,0 (1,4). Growth 48,4 %.

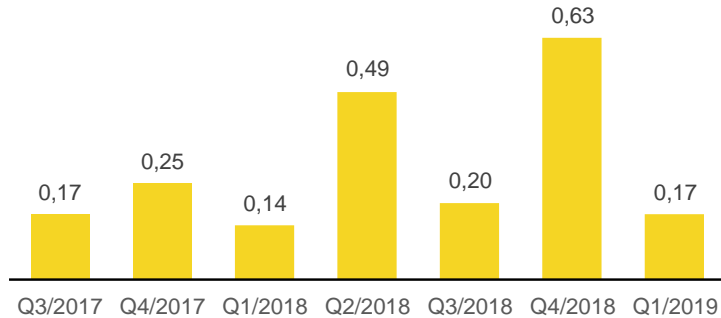
Operating result (MEUR)



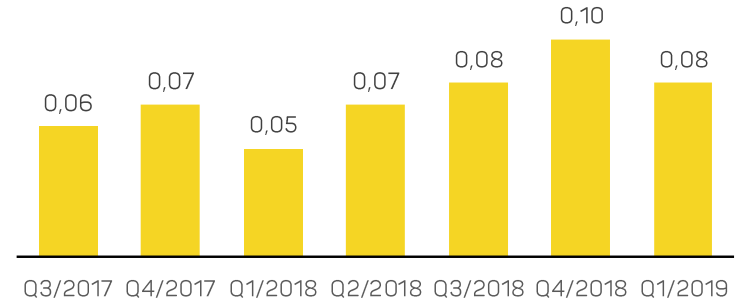
Key figures Jan – Mar 2019

EPS & NAV/SHARE

EPS, undiluted (EUR)

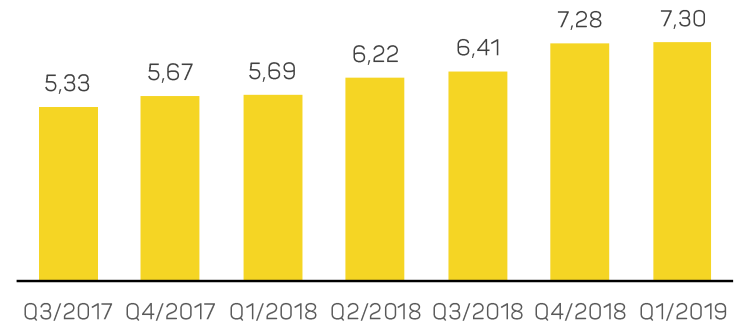


Operating result per share (EUR)



- EPS EUR 0,17 (0,14). Growth 21,4 %.
- Operating result per share EUR 0,08 (0,05). Growth 60,0 %
- NAV per share was EUR 7,30 (5,69). Growth 28,3 %.
Dividend EUR 0,17 subtracted.

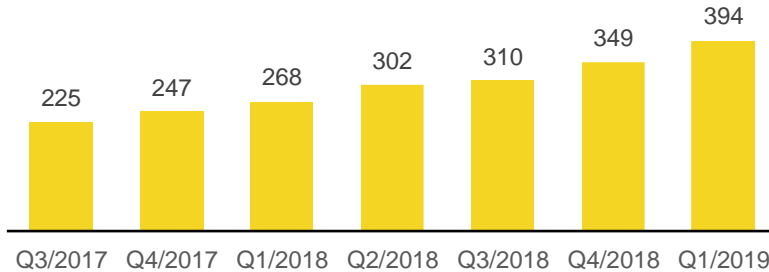
NAV per share (EUR)



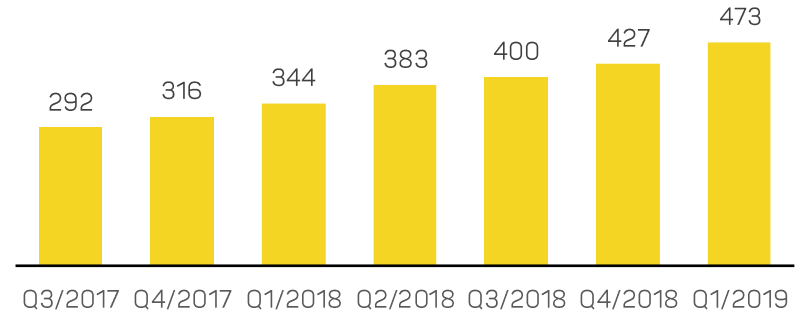
Key figures Jan – Mar 2019

INVESTMENT PROPERTIES & VALUE OF AGREEMENT PORTFOLIO

Value of investment properties
(MEUR)



Value of rental agreement portfolio
(MEUR)

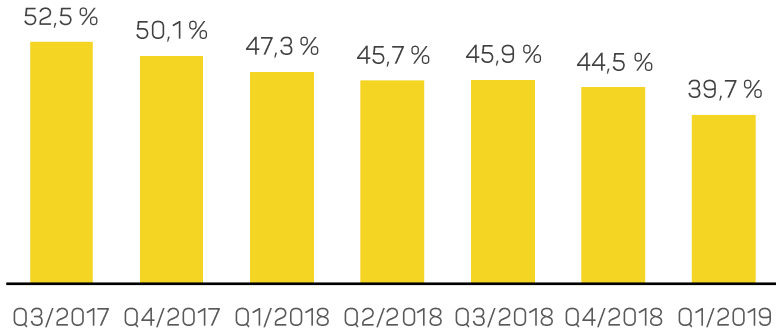


- Value of investment properties EURM 394 (268). Growth 47,0 %. EURM 26 of the growth due to adoption of IFRS 16
- Investment properties valuation principles same as in 31.12.2018
- Value of rental agreement portfolio was EURM 473 (344). Growth 37,7 %.
- Average maturity of the agreement portfolio was 15,0 (14,3) years.

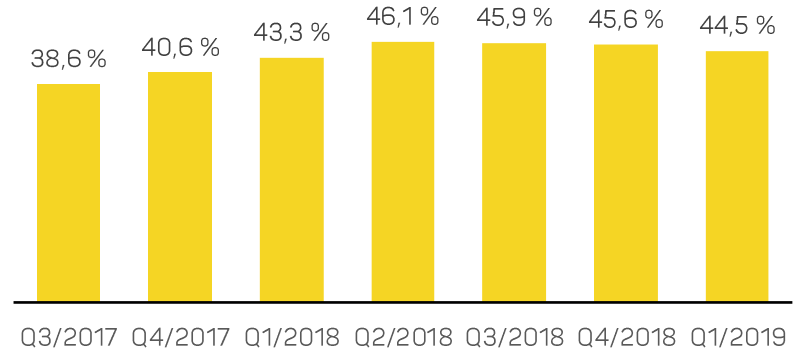
Key figures Jan – Mar 2019

EQUITY RATIO & LTV

Equity ratio (%)



LTV (%)



- Equity ratio 39,7 % (47,3 %)
- LTV 44,5 % (43,3 %)
- The adoption of the IFRS 16 standard had a negative effect on the equity ratio and a positive effect on the loan-to-value ratio. Without the effect of the IFRS 16 standard, the equity ratio would have been 42,5% and the loan-to-value ratio would have been 47,7%.

Largest shareholders

30.4.2019

No.	Shareholder	Number of shares	% of shares
1	Skandinaviska Enskilda Banken AB	4 198 830	16,5 %
2	2care Capital Ab	3 767 012	14,8 %
3	OP Funds	1 821 769	7,2 %
4	Nordea Bank ABP	1 051 068	4,1 %
5	Hintsala Eino	941 439	3,7 %
6	Pekkarinen Timo Jaakko	896 489	3,5 %
7	Milerosa Oy	599 776	2,4 %
8	Eläkevakuutusosakeyhtiö Veritas	450 000	1,8 %
9	Hyväri Harri Tapani	432 348	1,7 %
10	Keskinäinen Eläkevakuutusyhtiö Ilmarinen	428 171	1,7 %
11	Karjula Jussi Pekka	361 916	1,4 %
12	Kusinkapital Ab	352 137	1,4 %
13	OP-Henkivakuutus Oy	332 746	1,3 %
14	Ahola Tuomas Veli	327 754	1,3 %
15	Mevita Invest Oy	288 769	1,1 %
16	Väisänen Ahti Pekka Olavi	250 000	1,0 %
17	Misaelma Holding Oy	224 645	0,9 %
18	Pirkko ja Jukka Ruusu Oy	214 676	0,8 %
19	Veikkolainen Erkki	203 861	0,8 %
20	Merivirta Jyri	200 000	0,8 %
	Other shareholders	8 095 823	31,8 %
	All shares	25 439 229	100,0 %

Thank you!



HOIVATILAT

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