



Half-Year Report Jan-Jun 2019

August 22, 2019

CEO Jussi Karjula

CFO Tommi Aarnio



Quality, Cost Efficiency, Expertise

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



APPROX.
200
PROJECTS

60
MUNICIPALITIES



We Develop, Finance, Own and Lease



Day Care Centres



Care Homes



Service Communities



Schools



Properties for people with
Special Needs

Our Mission:

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

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 per cent 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 H1/2019

- Business in Sweden is growing rapidly – contract base worth EUR 16 million.
- Successful first half in sales: 11 new customers – public sector getting stronger, bigger projects, record high pipeline.
- Operational result is particularly strong – financial guidance for 2019 adjusted.
- 15 new properties completed after the review period.



Significant Events During Q2/2019

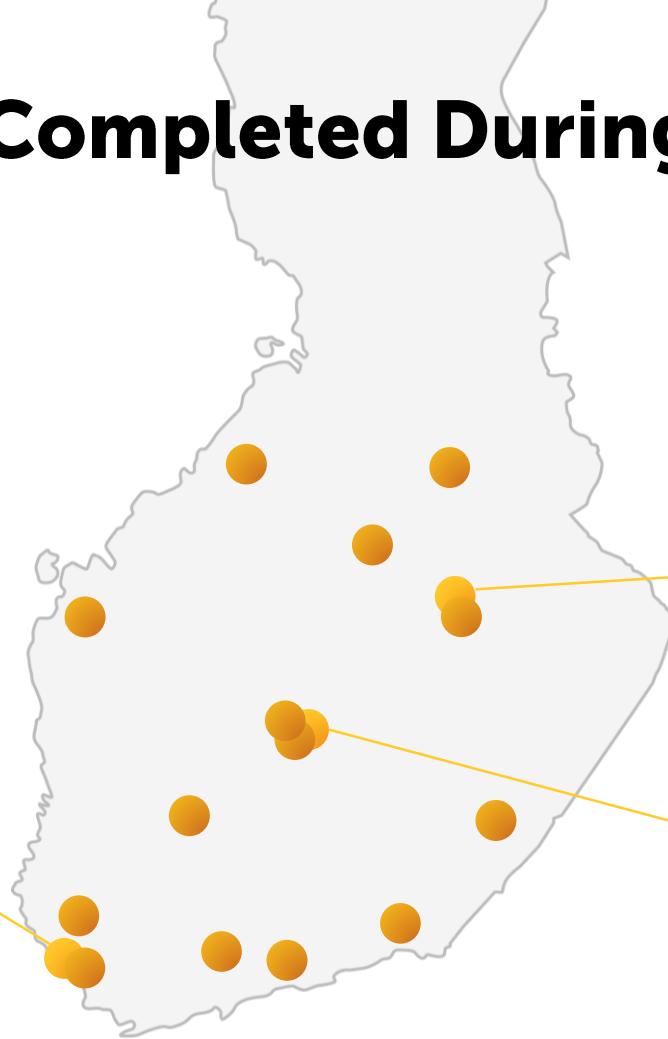
- Revenue EUR 10.9 million (January-June 2019: EUR 8.1 million), representing an increase of 35 per cent year-on-year.
- EPRA NAV per share 7.74 euros (6.24 euros), increase of 24 per cent.
- Value of Agreement Portfolio EUR 491 million (EUR 383 million), increase of 28.1 per cent.
- The fair value of investment properties EUR 426 million (EUR 302 million).
- The value of properties in progress and not started approximately EUR 174 million, record high.



17 New Sites Completed During This Summer



Care facility for elderly people and day care centre



School Kuuslahti



Timber day care centre

Case Jyväskylä

Timber Day Care Centre

- 84 children
- 800 m²
- Private operator:
Tähtipäiväkodit Oy



Case Siilinjärvi

Elementary School

- For approx. 100 pupils
- About 1 100 m²
- 15 years lease period
- City of Siilinjärvi





Case Turku

Care Facility for Elderly People
Day Care Centre

Care home

- 24 intensive sheltered rooms
- 20 years lease period
- Private operator

Day care centre

- 60 children
- 20 years lease period
- Private operator





Guidance for 2019

Strong Growth Continues

- Total revenue approximately EUR 23 million.
- EPRA Earnings at least 40 per cent of revenue (previous guidance: approximately 40 per cent of revenue).
- The fair value of investment properties at the end of 2019 is estimated to be EUR 460-490 million.

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

- Average annual increase of 30 per cent in revenue.
- Average operating result (EPRA Earnings) 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, June 30, 2019

Completed & Pipeline

Properties	Completed		In progress and not started*		Total	
	H1/2019	H1/2018	H1/2019	H1/2018	H1/2019	H1/2018
Number of properties	127	98	55	49	182	147
Leasable area, thousand floor m ²	110.7	86.2	63.4	49.7	174.1	135.8
Annual rents, EUR million	22.5	17.4	12.1	9.5	34.6	27.0
Investment (acquisition cost), EUR million	251.1	188.5	173.5	126.0	424.6	314.5

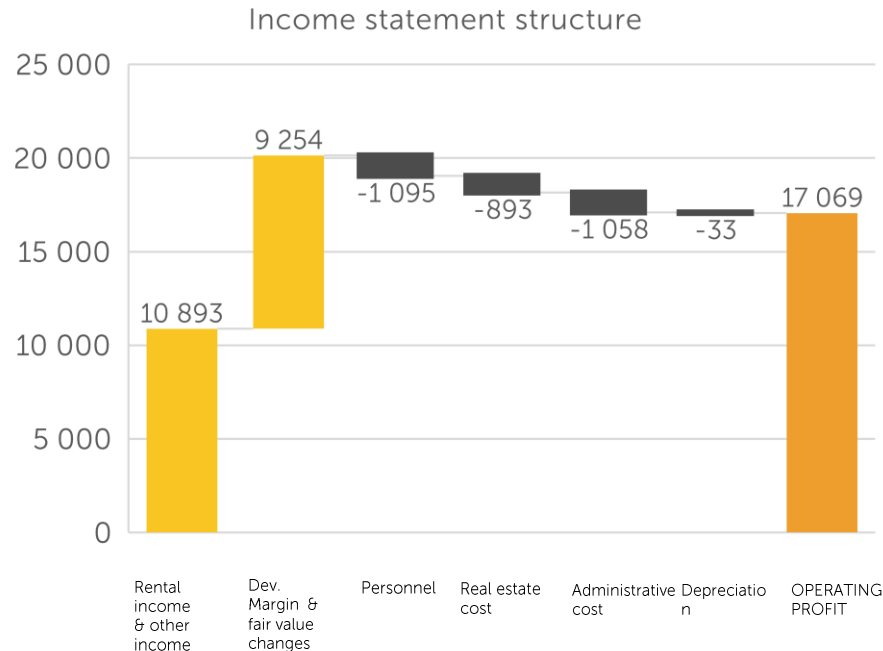
* = Properties in progress and not started also include properties for which binding leases or preliminary agreements have been signed, but construction has not yet begun.



Key Figures, Jan-Jun 2019

Income Statement & Income Statement Structure

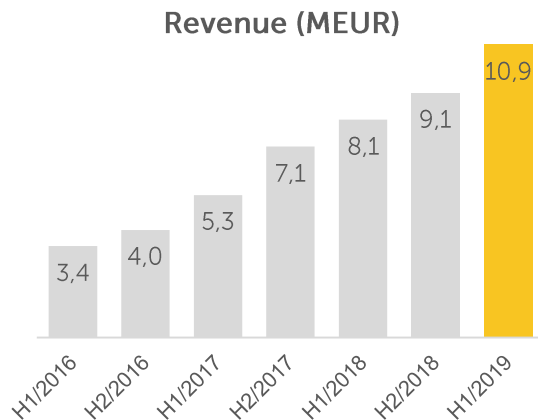
Income statement (1000 EUR)	H1/2019	H1/2018	2018
Revenue	10 893	8 061	17 182
Fair value changes	9 254	16 005	36 676
Other operating income	0	55	283
Personnel	-1 095	-1 055	-2 450
Other operating expenses	-1 911	-2 008	-3 177
Depreciation	-72	-9	-34
Operating profit	17 069	21 050	48 480
Financial income	2	0	1
Financial expenses	-1 540	-1 022	-2 058
Profit before taxes	15 531	20 028	46 424
Taxes	-3 233	-4 071	-9 420
Profit for the period	12 298	15 957	37 003
ROE	14,9 %	23,6 %	25,4 %



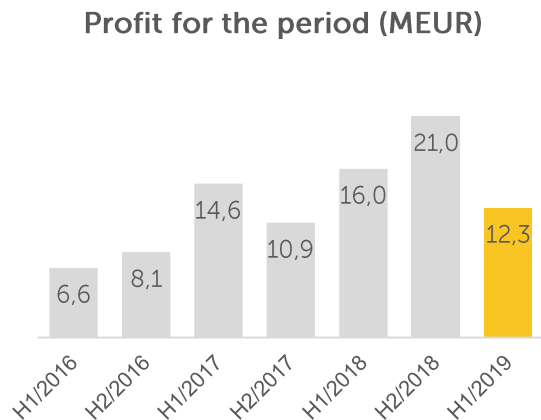


Key Figures, Jan-Jun 2019

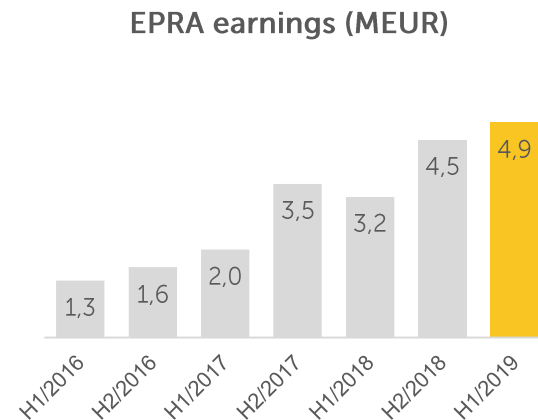
Revenue & Profit



Revenue (rental income) MEUR 10.9 (8.1). Growth 35.1 per cent.



Profit for the period was MEUR 12.3 (16.0). Decline 22.9 per cent.



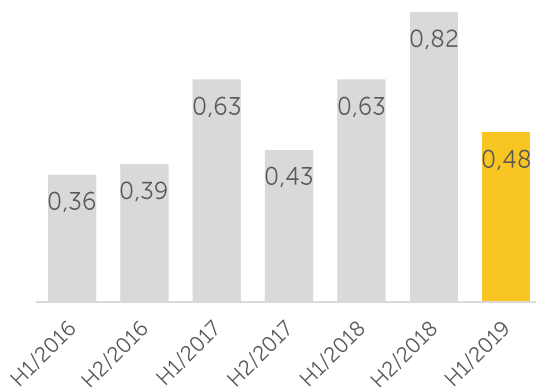
EPRA earnings MEUR 4.9 (3.2). Growth 55.2 per cent.



Key Figures, Jan-Jun 2019

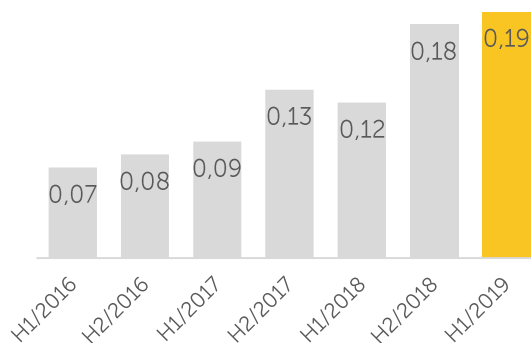
EPS & NAV / Share

EPS, undiluted (EUR)



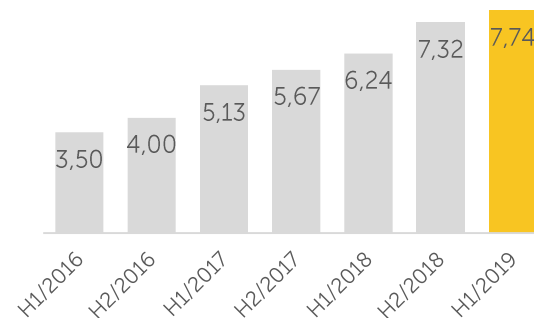
EPS EUR 0.49 (0.63).
Decline 23.8 per cent.

EPRA earnings per share (EUR)



EPRA Earnings per share EUR 0.19 (0.12).
Growth 58.3 per cent.

EPRA NAV per share (EUR)



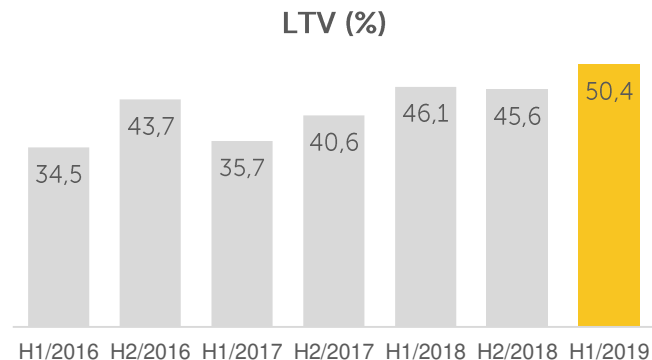
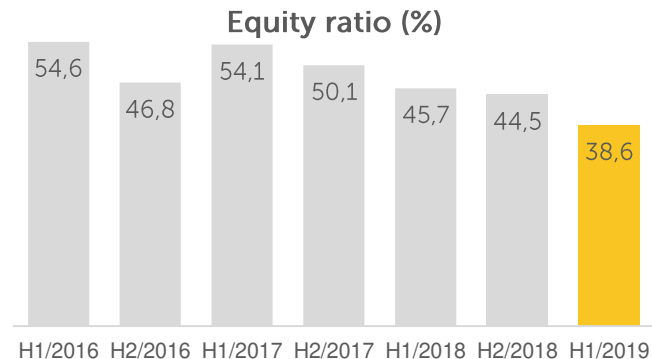
NAV per share was EUR 7.74 (6.24).
Growth 24.0 per cent.



Key Figures, Jan-Jun 2019

Balance Sheet, Equity Ratio & LTV

Balance sheet (1000 euro)	H1/2019	H1/2018	2018
Investment properties	426 433	301 579	348 899
Other long-term assets	315	89	187
Deferred tax assets	789	454	364
Receivables	4 213	1 837	3 456
Cash	6 683	4 516	11 383
Total assets	438 433	308 475	364 288
Share capital	80	80	80
Free equity reserve	69 722	69 722	69 722
Fair value reserve	-2 055	-609	-951
Profit for the period & previous periods	101 374	71 720	93 086
Shareholders equity total	169 121	140 913	161 937
Interest-bearing debt	235 163	143 690	170 450
Deferred tax liabilities	25 650	17 534	23 619
Other short term liabilities	8 498	6 338	8 282
Shareholders equity & liabilities	438 433	308 475	364 288





Key Figures, Jan-Jun 2019

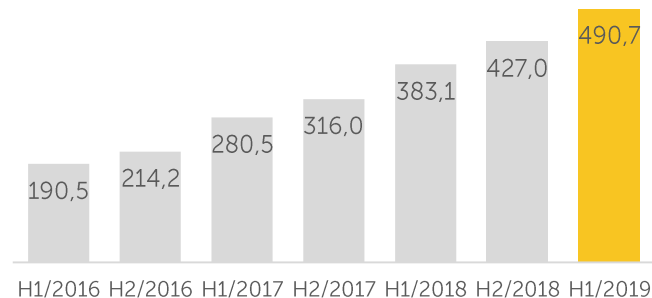
Investment Properties & Value of Agreement Portfolio

- Value of investment properties MEUR 426.4 (301.6). Growth 41.4 per cent. MEUR 26.8 of the growth due to adoption of IFRS 16.
- Investment properties net return was 6.12 per cent (6.30). Net return decreased by ~ 0.03 percentage points from year end 2018. This is due to increase in property values.
- Value of rental agreement portfolio was MEUR 491 (383). Growth 28.1 per cent.
- Average maturity of the agreement portfolio was 14.9 (14.7) years.

Portfolio value (MEUR)



Value of agreement portfolio (MEUR)





Key Figures, Jan-Jun 2019

Largest Shareholders July 31, 2019

No.	Shareholder	Number of shares	% of shares
1	Skandinaviska Enskilda Banken AB	4 399 285	17,3 %
2	2care Capital Ab	3 767 012	14,8 %
3	OP Funds	1 821 769	7,2 %
4	Nordea Bank ABP	1 037 157	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	429 528	1,7 %
10	Karjula Jussi Pekka	361 916	1,4 %
11	Kusinkapital Ab	352 137	1,4 %
12	OP-Henkivakuutus Oy	343 482	1,4 %
13	Keskinäinen Eläkevakuutusyhtiö Ilmarinen	343 111	1,3 %
14	Ahola Tuomas Veli	312 754	1,2 %
15	Väisänen Ahti Pekka Olavi	250 000	1,0 %
16	SEB Finland Small Cap	243 843	1,0 %
17	Mevita Invest Oy	225 769	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	8 045 225	31,6 %
	All shares	25 439 229	100,0 %



Thank you!

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