



Financial Statements 2018

21.2.2019

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



HOIVATILAT

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 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
- Strong 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 the financial year

- A strong year in all respects
- During the financial year, a total of 36 new properties were completed
- Several new business initiatives in 2018:
 - Hoivatilat AB was established, with Maria Frid as the CEO
 - The first school project started
 - We introduced prefabricated movable service facilities
 - The Dream Communities concept was introduced
- Growing project value: service communities, schools, hybrid projects
- A new financing solution, long-term financing with the European Investment Bank (EIB)
- Value based, responsible and sustainable business model

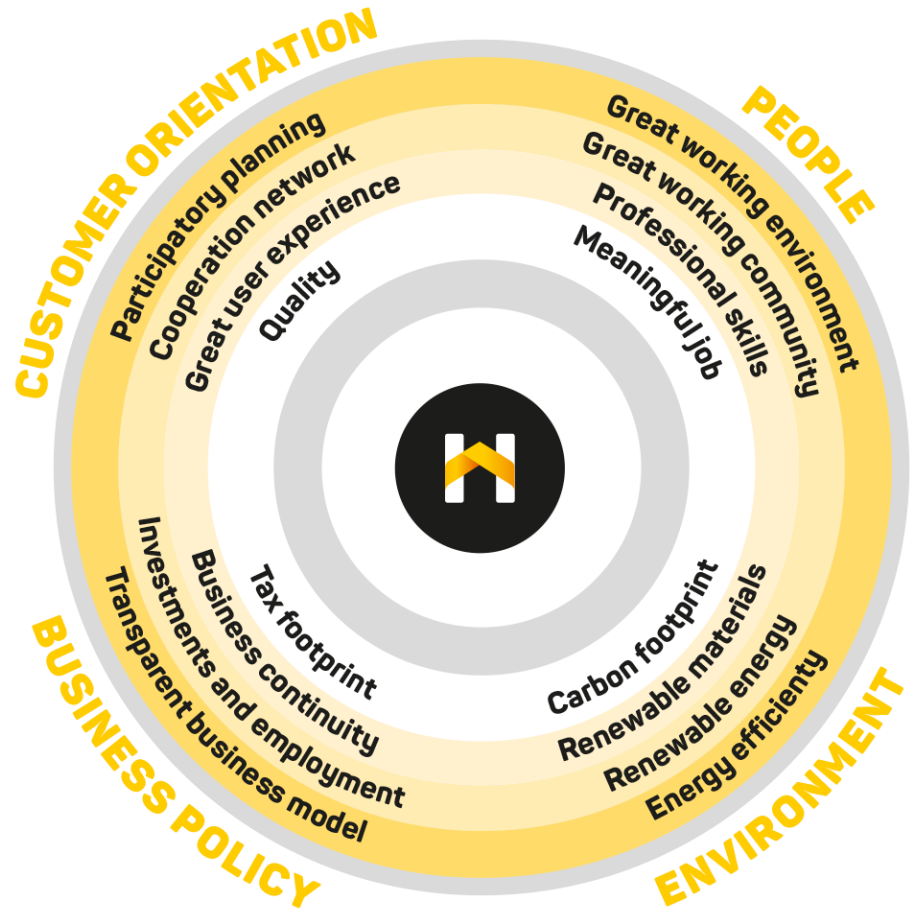


Significant events during the financial year

- All key indicators improved considerably: the value of investment properties increased by 41 %, revenue grew by almost 40 % and the profit for the period improved by 45 %
- NAV per share 7,28 euros, increase of 29 % from to previous year
- Value of Agreement Portfolio 427 Meur.
- Own in-house project development and construction operations increase shareholder value. Four new employees were recruited during the year to strengthen competence in our teams.
- Responsible ownership and utilising of digitalisation are the key factors in creating superior customer experience
- The first life cycle projects were completed during the year 2018
- Events after the review period:
 - Prefabricated modular school, customer City of Mikkeli (5.2.2019)
 - Day Care Centre, customer City of Vaasa (20.2.2019)

Corporate responsibility

- The operations are guided by company's values:
 - Helping customers
 - Creating value
 - Rapid responses
 - Straightforwardness
- In 2018 Hoivatilat implemented a project to determine the content of its corporate responsibility and key sustainability focuses



KEY FIGURES

31.12.2018

COMPANY
FOUNDED

2008

NASDAQ
HELSINKI MAIN LISTING

1.3.2017



180
PROJECTS

60
MUNICIPALITIES



KEY FIGURES

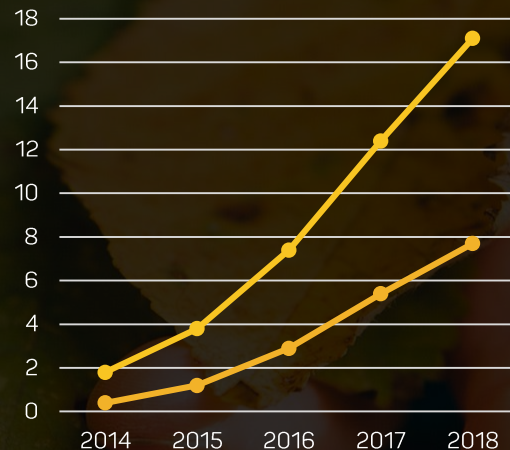
31.12.2018

REVENUE

17,2 M€

OPERATING RESULT

7,7 M€



KEY FIGURES

31.12.2018

OCCUPANCY RATE

100 %

FINISHED PORTFOLIO
AVERAGE AGE

2,0 Years

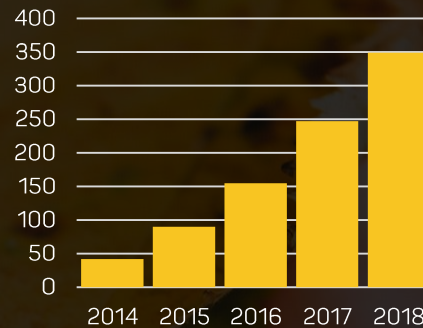
AVERAGE LEASE
MATURITY

14,9 Years

VALUE OF AGREEMENT
PORTFOLIO

427 M€

PORTFOLIO VALUE



349 M€

CASE RAAHE

PREFABRICATED DAY CARE CENTRE

6 groups, 1022 m²

December 2018

Touhula Varhaiskasvatus

City of Raahé



HOIVATILAT

CASE MIKKELI

ELEMENTARY SCHOOL

For approx. 100 pupils
1076 m²
10 years lease period
December 2019
City of Mikkeli



THE DREAM COMMUNITIES

BETTER COMMUNITIES
TO LOHJA 2021



CASE KOUVOLA

CARE FACILITY FOR ELDERLY PEOPLE

60 apartments
(40 sheltered apartments and
20 intensive sheltered rooms)
January 2020



CASE KUOPION PORTTI

CARE FACILITY FOR
ELDERY PEOPLE

65 serviced and assisted living apartments
Value of the investment approx. EUR 10 million
Long-term lease agreement
Attendo Oy



MARKKESKUS
HOIVATILAT

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 440–470 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

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 31.12.2018

COMPLETED & PIPELINE

Properties 31 December	Completed		In progress and not started*		Total	
	2018	2017	2018	2017	2018	2017
Number of properties	120	90	39	39	159	129,0
Leasable area, thousand floor m ²	105,2	78,5	45,8	34,4	151,0	112,8
Annual rents, EUR million	21,5	15,9	8,4	6,6	29,9	22,5
Investment (acquisition cost), EUR million	237,8	170,7	122,1	81,8	359,9	252,5

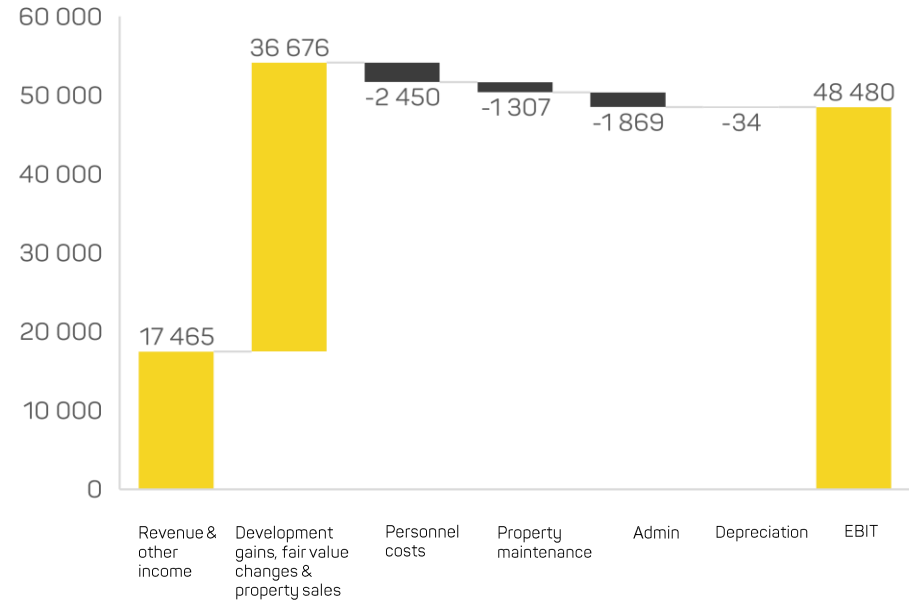
* = Properties in progress and not started also include properties for which binding leases or preliminary agreements have been signed, but construction has not yet begun.

Key figures Jan – Dec 2018

INCOME STATEMENT

Income statement (1000 euro)	2018	2017
Revenue	17 182	12 373
Fair value changes	36 676	25 086
Other operating income	283	0
Personnel	-2 450	-1885
Other operating expenses	-3 177	-2 247
Depreciation	-34	-10
Operating profit	48 480	33 317
Financial income	1	1
Financial expenses	-2 058	-1400
Profit before taxes	46 424	31 918
Taxes	-9 420	-6 414
Profit for the period	37 003	25 504
ROE	25,4 %	25,0 %

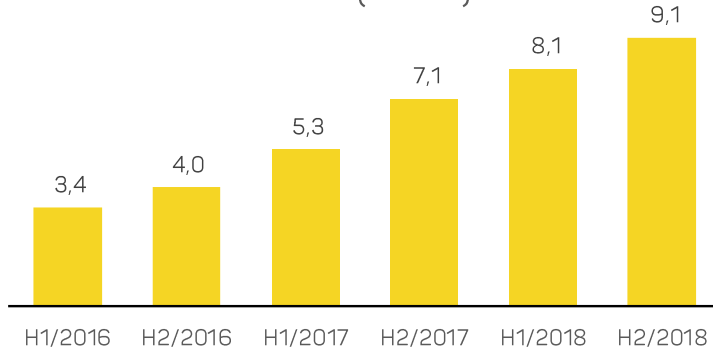
Income statement structure



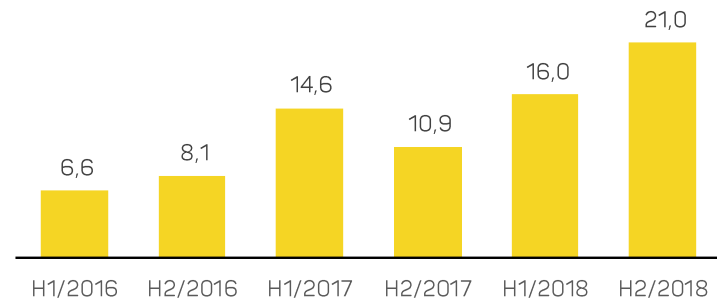
Key figures Jan – Dec 2018

REVENUE & PROFIT

Revenue (MEUR)

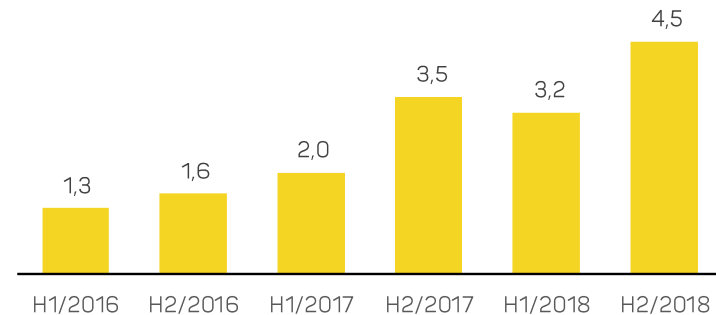


Profit for the period (MEUR)



- Total revenue (rental income) EURM 17,2 (12,3). Growth 38,9 %. H2/2018: EURM 9,1 (7,1). Growth 29,2 %.
- Profit for the period was EURM 37,0 (25,5). Growth 45,1 %. H2/2018: EURM 21,0 (10,9). Growth 93,9 %.
- Operating result EURM 7,7 (5,4). Growth 41,0 %. H2/2018: EURM 4,5 (3,5). Growth 30,5 %.

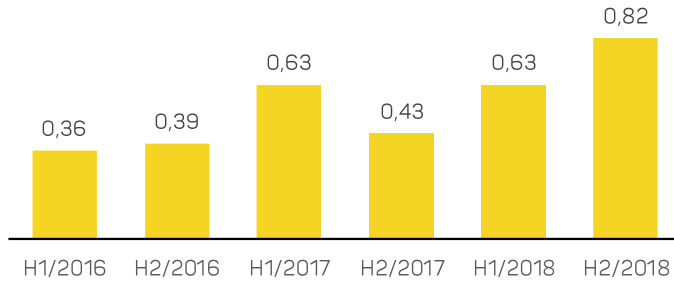
Operating result (MEUR)



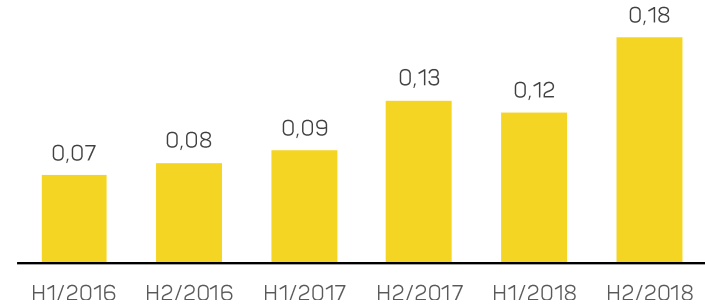
Key figures Jan – Dec 2018

EPS & NAV/SHARE

EPS, undiluted (EUR)

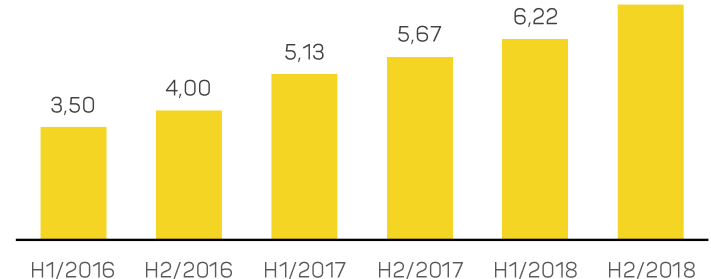


Operating result per share (EUR)



- EPS EUR 1,46 (1,05). Growth 39,0 %. H2/2018: 0,82 (0,43). Growth 90,7 %.
- Operating result per share EUR 0,30 (0,22). Growth 36,4 %. H2/2018: 0,18 (0,13). Growth 38,5 %.
- NAV per share was EUR 7,28 (5,67). Growth 28,5 %.

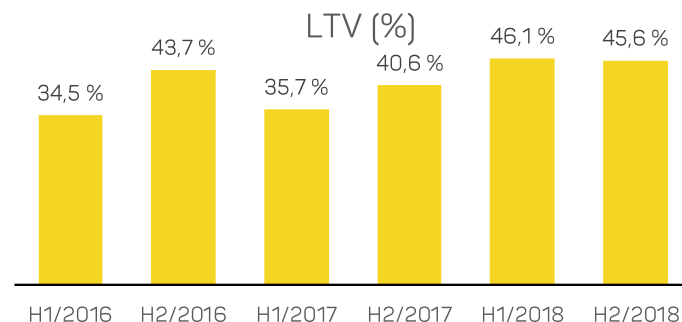
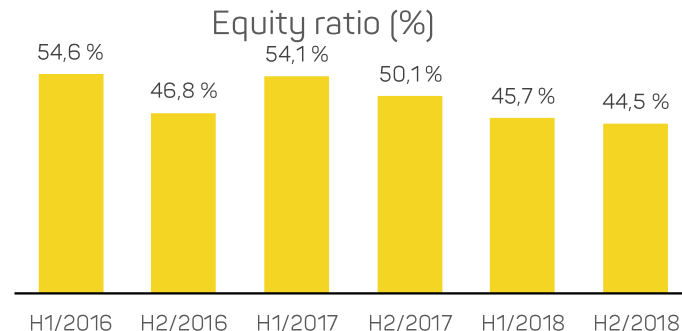
NAV per share (EUR)



Key figures Jan – Dec 2018

BALANCE SHEET, EQUITY RATIO & LTV

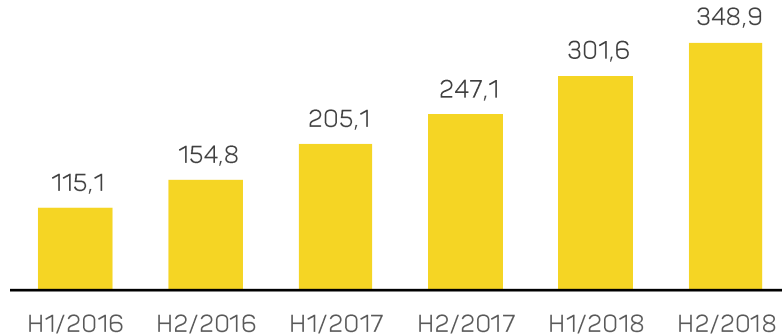
Balance sheet (1000 euro)	2018	2017
Investment properties	348 899	247 066
Other long-term assets	187	47
Deferred tax assets	364	378
Receivables	3 456	735
Cash	11 383	9 845
TOTAL ASSETS	364 288	258 071
Share capital	80	80
Free equity reserve	69 722	69 721
Fair value reserve	-951	-157
Profit for the period & previous periods	93 086	59 492
Shareholders equity total	161 937	129 136
Bank loans	170 450	110 057
Deferred tax liabilities	23 619	14 430
Other short term liabilities	8 282	4 448
SHAREHOLDERS EQUITY & LIABILITIES	364 288	258 071



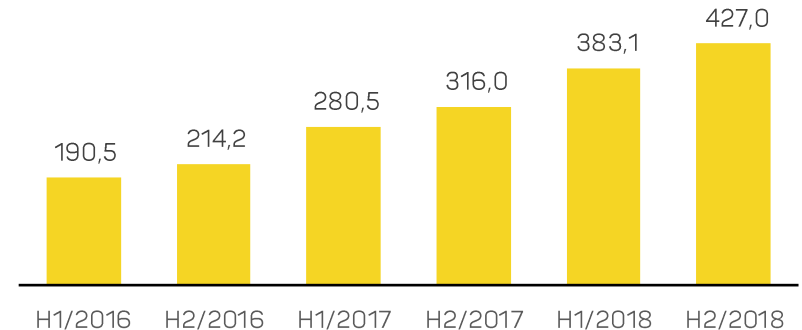
Key figures Jan – Dec 2018

INVESTMENT PROPERTIES & VALUE OF AGREEMENT PORTFOLIO

Portfolio value (MEUR)



Value of agreement portfolio (MEUR)



- Value of portfolio EURM 348,9 (247,1). Growth 41,2 %.
- Investment properties net return was 6,15 % (6,46 %). Net return decreased 0,31 percentage points from year end 2017. This is due to increase in property values.
- Value of agreement portfolio was EURM 427,0 (316,0). Growth 35,1 %.
- Average maturity of the agreement portfolio was 14,9 (14,4) years.

Key figures Jan – Dec 2018

LARGEST SHAREHOLDERS 31.12.2018

No.	Shareholder	Number of shares	% of shares
1	2care Capital Ab (Konstsamfundet & Kusinkapital)	3 767 012	14,8 %
2	Skandinaviska Enskilda Banken AB	3 643 208	14,3 %
3	OP Funds	2 071 769	8,1 %
4	Hintsala Eino	941 439	3,7 %
5	Nordea Bank ABP	937 490	3,7 %
6	Timo Pekkarinen	896 489	3,5 %
7	Milerosa Oy	604 776	2,4 %
8	Veritas Pension Insurance Company Ltd	434 552	1,7 %
9	Hyväri Harri Tapani	432 348	1,7 %
10	Ilmarinen Mutual Pension Insurance Company	428 171	1,7 %
11	Ahola Tuomas Veli	394 244	1,5 %
12	Karjula Jussi Pekka	361 916	1,4 %
13	Kusinkapital Ab	352 137	1,4 %
14	Mevita Invest Oy	288 769	1,1 %
15	OP Life Assurance Company Ltd	282 500	1,1 %
16	Partnera Oy (Nurture Property Holding Oy)	277 500	1,1 %
17	Väisänen Ahti Pekka Olavi	250 000	1,0 %
18	Investment Fund Arvo Finland Value	240 000	0,9 %
19	Misaelma Holding Oy	224 645	0,9 %
20	Pirkko ja Jukka Ruusu Oy	214 676	0,8 %
	Other shareholders	8 395 588	33,0 %
	All shares	25 439 229	100,0 %



Thank you!



HOIVATILAT

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