



Business Review

January – September 2019

CEO Jussi Karjula, CFO Tommi Aarnio
November 6, 2019

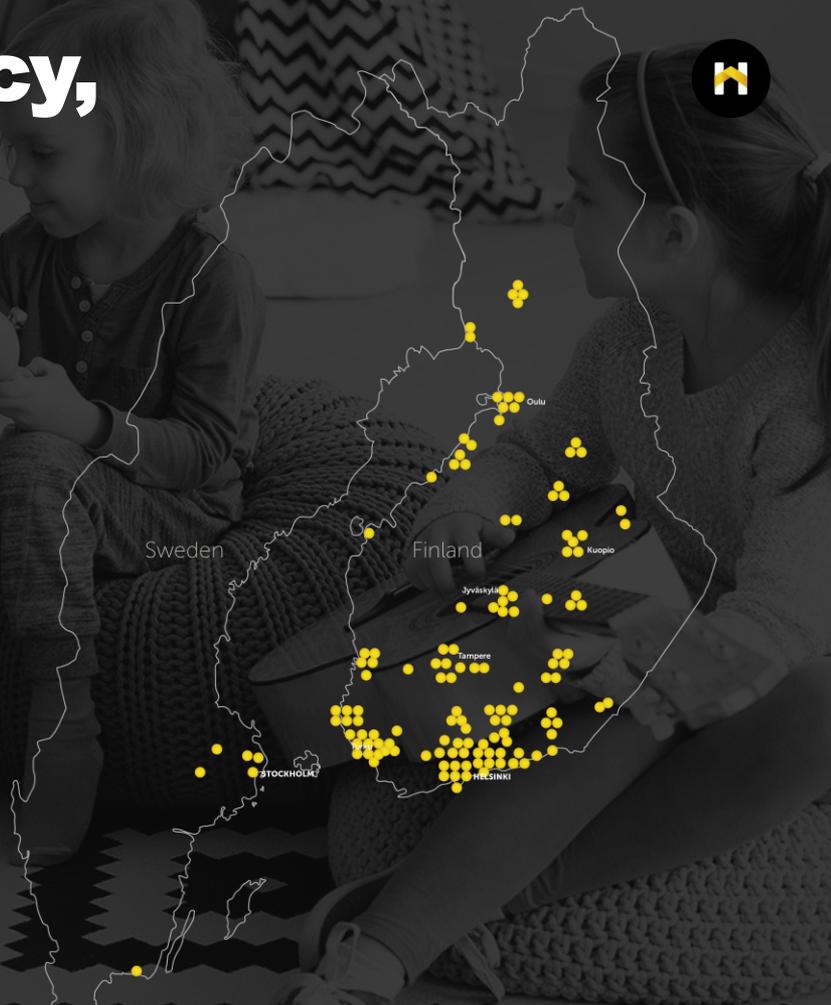
Quality, Cost Efficiency, Expertise

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



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.



Market Drivers

- A** Urbanisation
- B** Aging population
- C** Increasing day care enrolment
- D** Freedom of choice
- E** Aging building stock
- F** Financial challenges in the public sector
- G** Change in the public sector purchasing practices

Sustainable, ecological and energy efficient property



Remote monitoring of properties

- i.e. Heating and ventilation can be centrally controlled

Conversion flexible facility design

Renewable building materials, wood construction

Renewable energy and hybrid heating

- Combining multiple heating modes; solar panels, geothermal and pellet heating

Good indoor air

- Versatile sensors for data collection (carbon dioxide, relative humidity, heat, dew point, air pressure, VOC/CO2)

Intelligent heating control and optimisation

- Automated heating – can be adjusted based on actual temperature, occupancy and weather forecasts
- Active optimisation can save up to 40 per cent

Energy efficient LED-lighting

Minimising the need for cooling

- Building orientation, space design, openings, and passive sun protection

Secure, intelligent locking solutions



Significant Events During Q3/2019

- EPRA Earnings increased by 50 per cent
- Value of the lease portfolio exceeded 500 EUR million
- Value of investment properties 457 MEUR – guidance refined
- A record 20 properties were completed
- Strong momentum in Sweden
- 12 new customers during January-September
- Two school projects after the review period
- Guidance refined (fair value of investment properties)



Public Tender Offer



- Aedifica (Aureit Holding Oy) announced on 4th November a public cash tender offer for all shares in Hoivatilat Plc
- The consideration offered for each share in Hoivatilat validly tendered in the Tender Offer is EUR 14.75 in cash
- The Board of Directors of Hoivatilat has unanimously decided to recommend that the shareholders of Hoivatilat accept the Tender Offer
- The offer period under the Tender Offer is expected to commence on or about 11 November 2019 and expire on or about 2 December 2019



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References



SALONIIRAN
PÄIVÄKOTI JA KOULU

Oulu School

City of Oulu

- Size: 2 622 sqm
- School and day-care centre
- Students and children: approx. 200
- Lease agreement: 25 years
- Value to municipality: approx. 15 MEUR
- Completion: December 2021





Service Community

Tuusula, Asuntomessut 2020

- Service community in the Tuusula Housing Fair 2020 area
- Size: approx. 3000 sqm
- Day-care centre, approx. 90 children
- Care Home + Apartments for assisted living, 45 customers
- Completion: Summer 2020





Family Shelter

Vantaan turvakoti ry

- 24/7 shelter for 14 customers
- Size: 900 sqm
- Completed: August 2019
- Lease agreement: 20 years





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**Financial Report
CFO Tommi Aarnio**

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 470-490 million (previous guidance: 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, September 30, 2019



Completed & Pipeline

Properties	Completed		In progress and not started*		Total	
	Q3/2019	Q3/2018	Q3/2019	Q3/2018	Q3/2019	Q3/2018
Number of properties	148	107	40	44	188	151
Leasable area, thousand floor m ²	126.5	93.8	53.4	46.9	179.9	140.8
Annual rents, EUR million	25.5	18.9	10.1	8.9	35.6	27.8
Investment (acquisition cost), EUR million	293.0	209.9	146.7	120.5	439.7	330.4

* = 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–Sep 2019



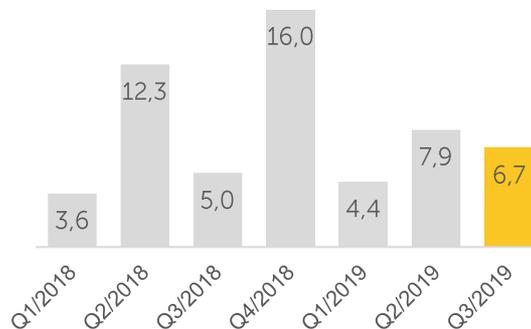
Revenue & Profit

Revenue (MEUR)



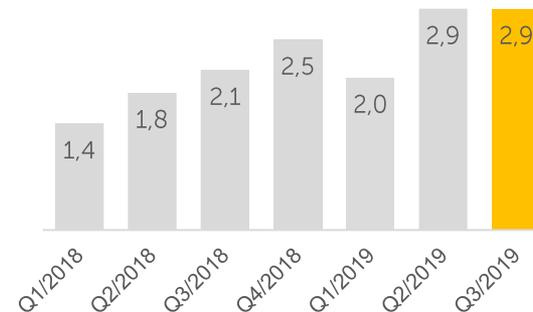
Revenue (rental income) MEUR 16.9 (12.5). Growth 34.8 per cent.

Profit for the period (MEUR)



Profit for the period was MEUR 19.0 (21.0). Decline 9.4 per cent.

EPRA earnings (MEUR)



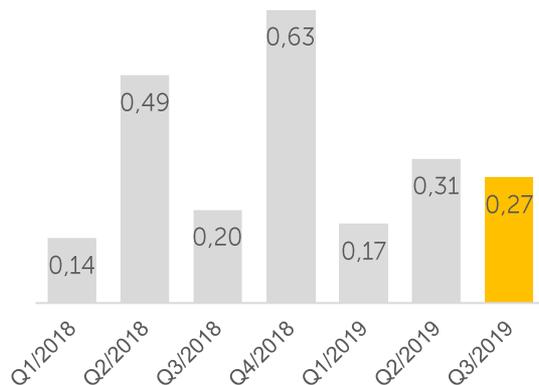
EPRA earnings MEUR 7.8 (5.2). Growth 50.3 per cent.

Key Figures, Jan–Sep 2019



Eps & Nav/Share

EPS, undiluted (EUR)



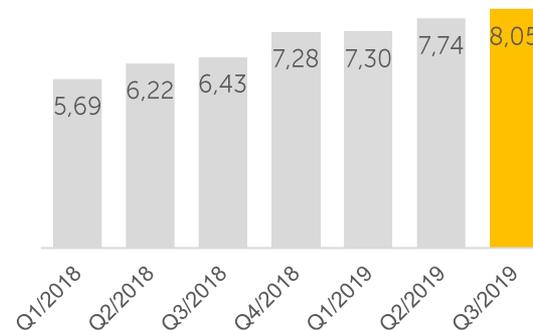
EPS EUR 0.75 (0.83).
Decline 9.6 per cent.

EPRA earnings per share (EUR)



EPRA Earnings per share EUR 0.31 (0.20).
Growth 55.0 per cent.

EPRA NAV per share (EUR)



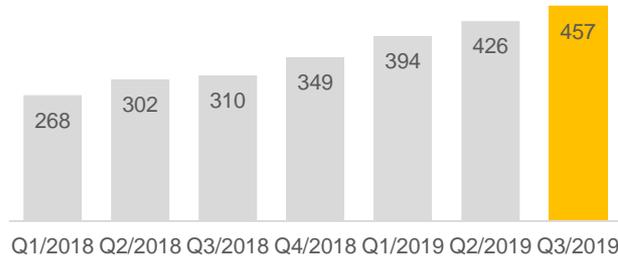
NAV per share was EUR 8.05 (6.43).
Growth 25.3 per cent.

Key Figures, Jan–Sep 2019

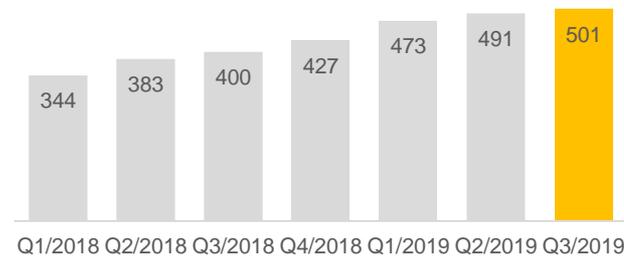


Investment Properties & Value of Agreement Portfolio

Value of investment properties (MEUR)



Value of agreement portfolio (MEUR)



- Value of investment properties MEUR 457 (310). Growth 47.3 per cent. MEUR 28 of the growth due to adoption of IFRS 16.
- Investment properties valuation principles same as in 30.6.2019.
- Value of rental agreement portfolio was MEUR 501 (400). Growth 28.1 per cent.
- Average maturity of the agreement portfolio was 14.8 (15.0) years.

Key Figures, Jan–Sep 2019



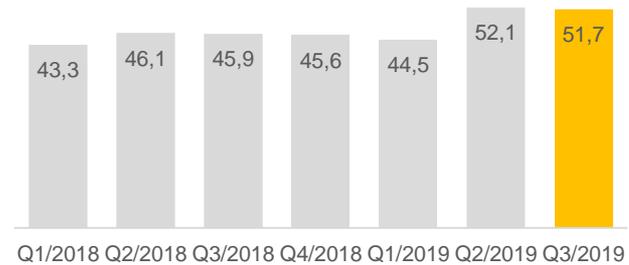
Capital Structure

Equity ratio (%)



- Equity ratio 37,4 per cent (46,0 per cent)

LTV (%)



- LTV 51,7 per cent (45,9 per cent)

Key Figures, Jan–Sep 2019



Largest Shareholders September 30, 2019

No.	Shareholder	Number of shares	% of shares
1	Skandinaviska Enskilda Banken AB	4 974 278	19,6 %
2	2care Capital Ab	3 767 012	14,8 %
3	OP Funds	1 695 151	6,7 %
4	Hintsala Eino	941 439	3,7 %
5	Pekkarinen Timo Jaakko	896 489	3,5 %
6	Nordea Bank ABP	891 832	3,5 %
7	Milerosa Oy	599 776	2,4 %
8	Eläkevakuutusosakeyhtiö Veritas	450 000	1,8 %
9	Hyväri Harri Tapani	427 648	1,7 %
10	Karjula Jussi Pekka	361 916	1,4 %
11	Kusinkapital Ab	352 137	1,4 %
12	Ahola Tuomas Veli	312 754	1,2 %
13	OP-Henkivakuutus Oy	281 143	1,1 %
14	SEB Finland Small Cap	256 614	1,0 %
15	Väisänen Ahti Pekka Olavi	250 000	1,0 %
16	Pirkko ja Jukka Ruusu Oy	214 676	0,8 %
17	Veikkolainen Erkki	203 861	0,8 %
18	Mevita Invest Oy	200 895	0,8 %
19	Misaelma Holding Oy	200 000	0,8 %
20	Merivirta Jyri	200 000	0,8 %
	Other shareholders	7 961 608	31,3 %
	All shares	25 439 229	100,0 %



Thank you!

Hoivatilat Oyj

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