Heimar hf. - Forecast 2025-2034 and valuation as of 1 Jan 2025

Amounts are in million ISK / %	Actual	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Consolidated basis	31/12/2020	31/12/2021	31/12/2022	31/12/2023	31/12/2024	31/12/2025	31/12/2026	31/12/2027	31/12/2028	31/12/2029	31/12/2030	31/12/2031	31/12/2032	31/12/2033	31/12/2034
Statement of Comprehensive Income															
Rental revenue	9,170	10,374	11,508	13,026	14,051	14,459	14,893	15,339	15,800	16,274	16,762	17,265	17,783	18,316	18,866
Other revenue	566	641	689	751	786	817	842	867	893	920	948	976	1,005	1,036	1,067
Operating expenses	-3,355	-3,404	-3,829	-4,368	-4,783	-4,888	-5,035	-5,186	-5,342	-5,502	-5,667	-5,837	-6,012	-6,192	-6,378
Operating profit before valuating change	6,381	7,611	8,368	9,409	10,054	10,388	10,700	11,021	11,351	11,692	12,042	12,404	12,776	13,159	13,554
Valuation change of investment properties	1,475	6,935	5,993	6,518	8,152	7,657	5,973	6,152	6,336	6,526	6,722	6,924	7,132	7,345	7,566
Capital gains	133	227	126	-85	289	0	0	0	0	0	0	0	0	0	0
Depreciation of assets for own use	-19	-15	-21	-35	-57	-83	-78	-78	-79	-79	-79	-79	-80	-80	-80
Operating profit (EBIT)	7,970	14,758	14,466	15,807	18,438	17,962	16,594	17,094	17,609	18,139	18,685	19,248	19,828	20,425	21,040
Net financial expenses	-6,398	-7,010	-10,970	-11,566	-9,344	-8,807	-7,696	-7,875	-8,037	-8,202	-9,058	-9,282	-9,506	-9,739	-9,974
Share in the profits of associates	0	0	205	581	889	834	909	991	1,080	1,177	1,283	1,398	1,524	1,661	1,811
Profit before tax and OCI	1,572	7,748	3,701	4,822	9,983	9,989	9,807	10,209	10,652	11,114	10,910	11,364	11,846	12,347	12,876
Income tax	-298	-1,577	-787	-1,004	-1,751	-1,831	-1,780	-1,844	-1,914	-1,987	-1,925	-1,993	-2,064	-2,137	-2,213
Other comprehensive income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total comprehensive income	1,274	6,171	2,914	3,818	8,232	8,158	8,027	8,366	8,737	9,126	8,984	9,371	9,782	10,210	10,663
Operating revenue, chg. in %	-1.1%	13.1%	10.7%	13.0%	7.7%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Operating expenses / operating revenue	34.5%	30.9%	31.4%	31.7%	32.2%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%
Yield on investment properties (YOI)	4.4%	4.9%	5.0%	5.3%	5.4%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%
EBITDA %	65.5%	69.1%	68.6%	68.3%	67.8%	68.0%	68.0%	68.0%	68.0%	68.0%	68.0%	68.0%	68.0%	68.0%	68.0%
Fair value adj. of invest. properties %	1.0%	4.7%	3.7%	3.8%	4.5%	4.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
EBIT %	81.9%	134.0%	118.6%	114.7%	124.3%	117.6%	105.5%	105.5%	105.5%	105.5%	105.5%	105.5%	105.5%	105.5%	105.6%
Interest rate on loans 1)	7.1%	7.3%	10.4%	10.1%	8.0%	7.5%	6.5%	6.5%	6.5%	6.5%	7.0%	7.0%	7.0%	7.0%	7.0%
Return on equity (ROE) 2)	2.8%	13.2%	5.6%	7.1%	14.5%	12.8%	11.9%	12.1%	12.2%	12.4%	11.8%	12.0%	12.1%	12.3%	12.4%
Financial Position															
Non-current assets	147,832	162,065	179,063	188,594	198,156	206,222	212,677	219,355	226,271	233,436	240,860	248,554	256,740	265,085	273,739
Current assets	5,143	3,967	2,274	4,272	4,707	4,887	5,691	5,763	5,837	5,914	5,992	6,073	6,156	6,242	6,329
Total assets	152,975	166,032	181,337	192,866	202,863	211,109	218,368	225,118	232,109	239,349	246,852	254,628	262,897	271,326	280,069
Equity	46,872	53,043	53,960	57,778	64,522	71,930	73,839	76,184	78,647	81,220	83,360	85,993	88,746	91,620	94,625
Non-current liabilities	101,611	102,356	118,200	129,566	131,058	131,845	137,139	141,486	145,954	150,561	155,862	160,941	166,391	171,880	177,547
Current liabilities	4,492	10,633	9,177	5,522	7,283	7,334	7,390	7,448	7,507	7,568	7,630	7,694	7,759	7,827	7,896
Total equity and liabilites	152,975	166,032	181,337	192,866	202,863	211,109	218,368	225,118	232,109	239,349	246,852	254,628	262,897	271,326	280,069
Investment properties	147,178	161,142	173,739	182,737	191,427	199,084	205,057	211,208	217,545	224,071	230,793	237,717	244,848	252,194	259,760
Net investment in investment properties	4,957	7,029	6,604	2,480	538	0	0	0	0	0	0	0	0	0	0
Rentable square meters in thousand	378	382	373	372	365	365	365	365	365	365	365	365	365	365	365
BV of invest. prop. per m2 in thousand ISK	389	422	466	491	524	545	562	579	596	614	632	651	671	691	712
Interest bearing liabilities (incl. leases)	94,261	99,409	113,292	119,613	120,935	119,900	123,420	125,930	128,491	131,118	134,500	137,593	140,987	144,346	147,809
Dividend paid	535	0	1,497	0	1,453	750	6,118	6,020	6,274	6,553	6,845	6,738	7,028	7,336	7,658
Dividend / prior-year total comp. income	11.9%	0.0%	24.3%	0.0%	38.1%	9.1%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%
Equity ratio	30.6%	31.9%	29.8%	30.0%	31.8%	34.1%	33.8%	33.8%	33.9%	33.9%	33.8%	33.8%	33.8%	33.8%	33.8%
Valuation - ISK															
Wtd. avg. shares (m)	1,793	1,823	1,813	1,809	1,802	1,764	1,764	1,764	1,764	1,764	1,764	1,764	1,764	1,764	1,764
Total comp. income (million ISK)	1,274	6,171	2,914	3,818	8,232	8,158	8,027	8,366	8,737	9,126	8,984	9,371	9,782	10,210	10,663
EPS (including OCI)	0.7	3.4	1.6	2.1	4.6	4.6	4.6	4.7	5.0	5.2	5.1	5.3	5.5	5.8	6.0
DPS	0.3	0.0	0.8	0.0	0.8	0.4	3.5	3.4	3.6	3.7	3.9	3.8	4.0	4.2	4.3
BPS	25.7	29.1	29.8	31.9	36.6	40.8	41.9	43.2	44.6	46.0	47.3	48.7	50.3	51.9	53.6

Sensitivity analysis		Avg. change in OpRev 2025-2034		
		2.0%	3.0%	4.0%
Index rate avg. 2025-2034	4.75%	33.2	37.8	42.8
	3.75%	41.0	**45.5**	50.4
	2.75%	48.2	52.6	57.4

Key figures	2020-2024	2025-2034
OpRev chg.	8.5%	3.0%
Cost ratio	32.1%	32.0%
YOI	5.0%	5.3%
EBIT	114.7%	106.7%
Avg. ROE	8.6%	12.2%

Residual earnings	1.4	1.0	0.5	0.6	0.6	0.7	0.5	0.6	0.7	0.8	0.9
Discount rate	**10.0%**	1.1	1.2	1.3	1.5	1.6	1.8	1.9	2.1	2.4	2.6
Present value of RE		0.9	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.3
Total PV of RE	4.1										
PV of CV	4.8										
BV per share 1.1.2025	36.6										
PV per share	**45.5**	Value per share on 1.1.2025 in ISK									
Outstanding shares	1,764	million									
Equity value	**80,278**	Equity value on 1.1.2025 (ISK million)									

Continuing value (CV): RE 2034 x (1 + 3%) / (10% - 3%) = 12.5

Perpetuity growth rate **3.0%**

1) Interest rate on loans = Finance expenses ÷ [(Interest-bearing liabilities 1 Jan + 31 Dec) / 2]

2) ROE = Total comprehensive income ÷ [Equity at 1 Jan – (9/12 × Dividends) ± (6/12 × Other changes)]