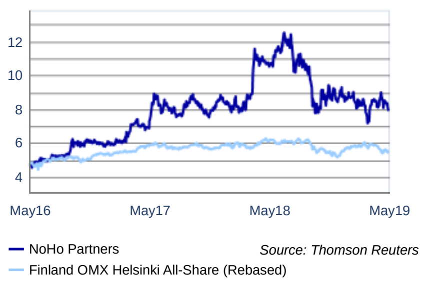
NoHo Partners

Consumer Goods
Finland

KEY DATA

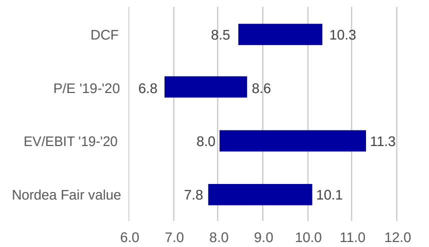
Stock country	Finland
Bloomberg	NOHO FH
Reuters	NOHOP.HE
Share price (close)	EUR 7.98
Free Float	25%
Market cap. (bn)	EUR 0.15/EUR 0.15
Website	http://www.noho.fi/
Next report date	06 Aug 2019

PERFORMANCE



Source: Thomson Reuters

VALUATION APPROACH, EUR/SHARE



Source: Nordea estimates

ESTIMATE CHANGES

Year	2019E	2020E	2021E
Sales	n.a.	n.a.	n.a.
EBIT (adj)	n.a.	n.a.	n.a.

Source: Nordea estimates

Nordea Markets - Analysts
Harri Wallenius
Analyst

Joni Sandvall
Analyst

Leading the way in restaurants and labour hire

NoHo Partners is a Finnish restaurant and labour hire company. It operates mainly in Finland but also has restaurant operations in Denmark and Norway. Mostly via M&A, the company has grown rapidly in recent years at a sales CAGR of 38% in 2013-2018. We expect the underlying markets to be good for NoHo, but slowing GDP growth could have a slight dampening effect on NoHo's growth and particularly its Labour hire segment.

Recent M&A activity paves the way for expansion

In April 2018, NoHo made the biggest acquisition in the Finnish restaurant industry's history when it acquired Royal Ravintolat for EUR 90m. NoHo also took its first international steps by entering Denmark in 2018 and Norway in 2019. In addition to the restaurant business, NoHo has a subsidiary, Smile Henkilöstöpalvelut, one of the leading labour hire businesses in Finland with a sales CAGR of 74% in 2015-18. Originally NoHo founded Smile (in 2014) to provide its restaurants with flexible labour, and Smile has now expanded to new sectors such as construction, industrial and logistics via M&A.

Growth remains a priority, as indicated by the ambitious targets

NoHo targets a sales of EUR 600m with an EBIT margin of 7.5% by 2021, which indicates hunger for additional M&A. We model 2021E sales of EUR 430m (10% sales CAGR in 2018-21) and adjusted EBIT of EUR 29m, with a 6.8% margin, excluding M&A. Without new equity capital, we expect the good cash flow generation to bring down net gearing from above 180% in 2018 to around 50% (including EUR 25m in hybrid debt) in 2021. As the balance sheet is stretched, we believe that the company could achieve its financial targets for example by carrying out a EUR 80m share issue to fund M&A (while taking net gearing down from around 184% in 2018 to around 45% in 2021) or by divesting Smile to reach the Restaurant business's targets.

Valuation

We base our fair value range on a combination of valuation methods, including a DCF-based valuation and valuation multiples such as P/E and EV/EBIT. In our multiple valuation we compare NoHo to restaurant and labour hire peers, and we assume that the company succeeds in integrating the acquired businesses. Based on this combination of valuation methods, we derive a fair value range of EUR 7.8-10.1 for NoHo.

SUMMARY TABLE – KEY FIGURES

EURm	2015	2016	2017	2018	2019E	2020E	2021E
Total revenue	114	130	186	323	388	411	430
EBITDA (adj)	17	20	23	32	74	80	84
EBIT (adj)	8	9	11	10	22	27	29
EBIT (adj) margin	7.0%	7.2%	6.0%	3.2%	5.8%	6.5%	6.8%
EPS (adj)	0.35	0.37	0.43	0.42	0.43	0.58	0.67
EPS (adj) growth	46.1%	3.6%	16.1%	-1.0%	2.0%	34.1%	17.0%
DPS (ord)	0.27	0.30	0.33	0.34	0.35	0.37	0.39
EV/Sales	1.0	1.0	1.0	1.0	1.1	1.0	0.9
EV/EBIT (adj)	14.1	14.1	17.0	30.1	19.7	15.8	13.8
P/E (adj)	14.2	16.4	20.1	20.6	18.6	13.9	11.8
P/BV	2.1	2.3	3.2	2.4	1.6	1.5	1.5
Dividend yield (ord)	5.4%	5.0%	3.9%	3.9%	4.4%	4.6%	4.9%
FCF Yield bef acq & disp	2.3%	6.3%	4.7%	5.2%	11.4%	16.0%	17.1%
Net debt	29	31	44	138	278	259	239
Net debt/EBITDA	1.8	1.6	2.0	4.9	3.8	3.2	2.9
ROIC after tax	9.5%	10.0%	10.1%	5.0%	5.9%	5.8%	6.6%

Source: Company data and Nordea estimates

Contents

Factors to consider when investing in NoHo

In the shadow of the bulky general trade and HoReCa giants of Finland, NoHo has been driving successful growth as an asset-light restaurant and labour hire operator with a multitude of restaurant concepts. The next step will be further international expansion and strengthening the newly acquired Danish and Norwegian operations. The company has ambitious growth targets that might be challenging to achieve with the currently highly leveraged balance sheet. In order to reach its 2021 financial targets NoHo could fund potential M&A with a EUR 80m share issue or divest its Labour hire business

Growth from both operating segments

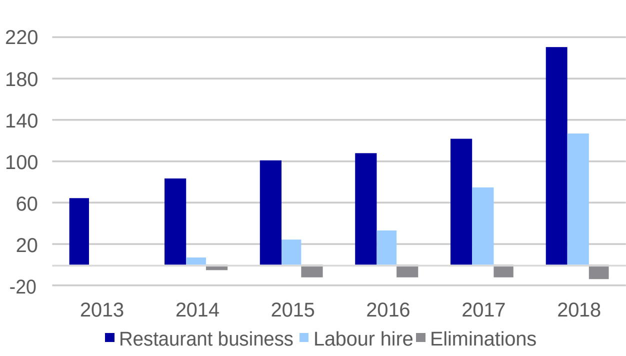
NoHo has two segments: Restaurant business and Labour hire

NoHo Partners has shown strong sales growth from both its main segments: Restaurant business and Labour hire. On top of good organic growth NoHo has been active on the M&A front with its largest-ever acquisition Royal Ravintolat in Q1 2018, acquired for EUR 90m. With the acquisition NoHo strengthened its presence in the Finnish capital region and expanded its offering more towards the high-end restaurant segment. In 2018 NoHo had net sales of EUR 323m and an adjusted EBIT of EUR 10m.

Smile has grown rapidly, both organically and via M&A

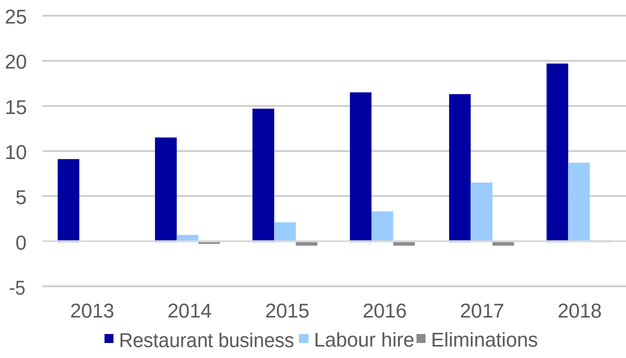
NoHo is engaged in labour hire via its subsidiary Smile Henkilöstöpalvelut. Originally Smile was intended to staff NoHo's own restaurants but as the business was easily scalable and lucrative, NoHo started expanding it towards the areas of industrial, construction and logistics via M&A. Smile has grown at a CAGR of 74% in 2015-18.

NET SALES BY SEGMENT, EURm



Source: Nordea estimates

EBITDA BY SEGMENT, EURm



Source: Nordea estimates Note: In 2018 there were non-recurring items of EUR -2.8m stemming for example from the cancelled IPO of Smile

Strategic targets are ambitious

We believe that NoHo will not achieve its 2021 financial targets with the current balance sheet (net gearing of 184% in 2018) and we have not modelled in future M&A or potential share issues to fund the needed growth investments. However, if the company carried out a EUR 80m share issue it could reach its 2021 group targets, or by divesting 70% of Smile it would reach its Restaurant business targets. The divestment of Smile seems sensible as NoHo has already tried to spin off the segment in an IPO. It is also too early to say what the dilutive effect of a share issue would be, but given NoHo's track record of gaining synergies from M&A we believe that a share issue could be value-accretive if the company finds a suitable acquisition target with significant synergies.

In the 'Strategy' section of this report we illustrate potential ways for NoHo to reach its strategic targets for 2021.

NOHO PARTNERS IMPLICIT STRATEGIC TARGETS VS NORDEA, EURm

	Restaurant segment	Labour hire segment	Group overhead	NoHo Group
2018 revenue, EURm	210	127	-14	323
Revenue target 2021, EURm	**350**	**300**	**-50**	**600**
Average annual growth target	18.6%	33.1%		23%
Nordea revenue estimate for 2021E, EURm	**268**	**178**	**-16**	**430**
2018 EBIT margin	1.1%	3.9%		2.2%
2021 EBIT margin target	**8.0%**	**6.5%**		**7.5%**
Improvement target, pp	6.9pp	2.6pp		5.3pp
Nordea EBIT margin estimate for 2021E	**7.6%**	**5.1%**		**6.8%**
2018 EBIT, EURm	2.2	5.0	0	7.2
2021 EBIT target, EURm	**28.0**	**19.5**	**0**	**47.5**
Nordea EBIT estimate for 2021E, EURm	**20.3**	**9.1**	**0**	**29.4**

Source: Company data and Nordea estimates

International expansion continues

In 2019 the focus is on strengthening the Danish and Norwegian businesses

In Q1 2018 NoHo made its first move to expand internationally by acquiring 11 restaurants in Denmark. The company now has 22 restaurants in Denmark and since April 2019, 15 in Norway, when NoHo took its next internationalisation step. In 2019 the company intends to further consolidate the international businesses and we thus do not expect any openings in new countries in 2019. To ensure continuity and engagement, NoHo typically operates with a partner model where the owners or founders of the acquired companies remain minority shareholders. This business model also gives NoHo local market knowledge, which enables quick and smooth market entries with limited risk. On top of Denmark and Norway we believe that NoHo could eventually (2020 or beyond) also expand its operation further by acquiring a chain or conglomerate of 5-20 restaurants in a northern European location (the countries surrounding the Baltic Sea), where consolidation of the restaurant segment has not been strong to date, offering value-adding opportunities for a consolidator such as NoHo.

Synergies starting to kick in after the acquisition of Royal Ravintolat

Cost synergies from M&A already visible

NoHo expects to gain more than EUR 6m annual synergies from the Royal Ravintolat acquisitions already in 2019, of which at least EUR 1m should come from reduced management costs (already realised), at least EUR 1.5m from better purchasing agreements (already visible in Q1 2019) and at least EUR 3.5m from a more flexible staff structure (starting to kick in in H1 2019). We believe that the synergy targets are realistic and model in EUR 6.5m synergies for 2019 and EUR 1m for 2020.

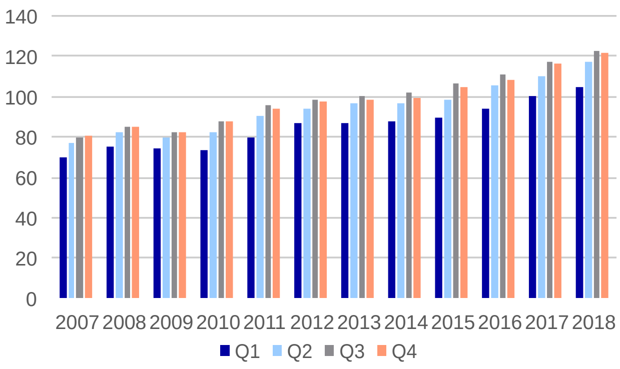
Changes in consumption habits support the Restaurant business segment

Consumption habits support the Restaurant business segment as people are eating out more frequently

According to Mara (The Finnish Hospitality Association) Finns are eating more frequently in restaurants and we believe that this is a trend that will continue, as consumers are willing to spend more money on services.

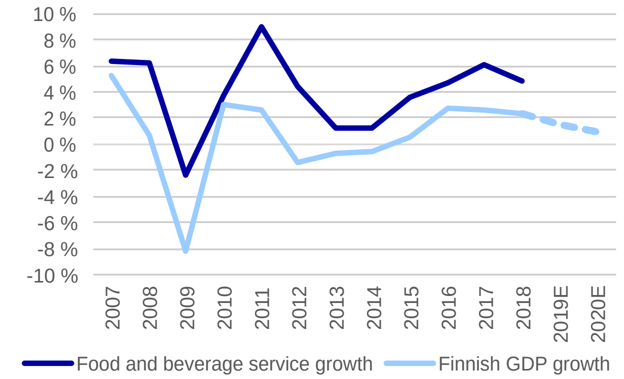
In Finland, the restaurant sector has grown at an average of ~5% annually in 2016-2018 (according to Statistics Finland). Decreasing unemployment in Finland (7.4% in 2018 versus Nordea's estimate of 6.3% for 2020) and increasing wages (+2.5% and +2.7% in 2019 and 2020 according to Nordea) should support sector growth in the coming years. However, we expect GDP growth to slow down in the coming years, which could also slow down the growth of the restaurant industry. We forecast average organic growth of ~2.5% for NoHo's Restaurant business in 2019-21.

FINNISH FOOD AND BEVERAGE SERVICE ACTIVITIES' TURNOVER, INDEX 2015=100



Source: Statistics Finland

FINNISH FOOD AND BEVERAGE SERVICE ACTIVITIES AND REAL GDP GROWTH, Y/Y



Source: Statistics Finland and Nordea Economic Outlook

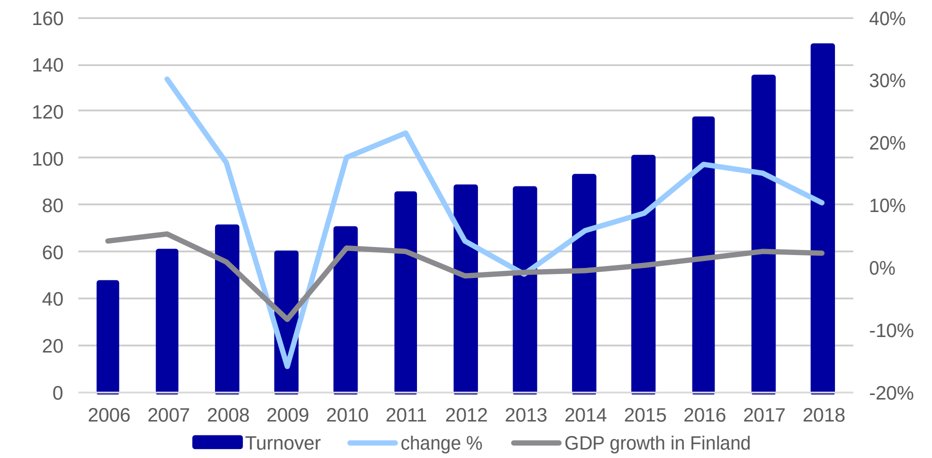
Slowing GDP growth could dampen labour hire growth in the coming years

Slowing economy has its effect on the Labour hire segment

The labour hire industry in Finland has shown good average growth of around 10% in 2006-2018. We believe that the good economic growth in Finland has been one of the main drivers behind the strong growth in the past three years. The labour hire business has correlated fairly well with GDP growth in Finland, and slowing GDP growth will likely also slow down the labour hire market in the coming years. However, the decreasing unemployment rate in Finland should limit the downside in the HoReCa sector (both restaurants and labour hire) as consumers would still be better off in total. We forecast average organic growth of ~9% for NoHo's Labour hire segment in 2019-21.

The Finnish labour hire business is growing, and it increased by 10% in 2018

ANNUAL TURNOVER OF EMPLOYMENT ACTIVITIES (2015=100) AND GDP GROWTH IN FINLAND

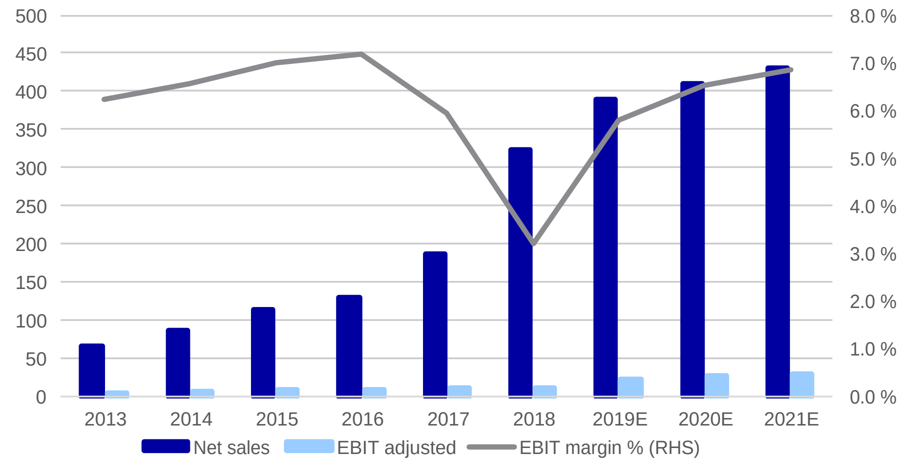


Source: Statistics Finland

Group sales and EBIT

NoHo's sales took a leap in 2018 after the Royal Ravintolat acquisition and we expect synergies to boost the EBIT margin in 2019-21. Despite strong growth we do not expect NoHo to reach its ambitious growth targets in 2021 (net sales of EUR 600m and an EBIT margin of 7.5%) without additional equity capital, which we have not modelled into our estimates. For 2021 we forecast new sales of EUR 430m, an adjusted EBIT of 29m and an EBIT margin of 6.8%.

NET SALES, ADJUSTED EBIT AND EBIT MARGIN, EURm AND %



Source: Company data and Nordea estimates

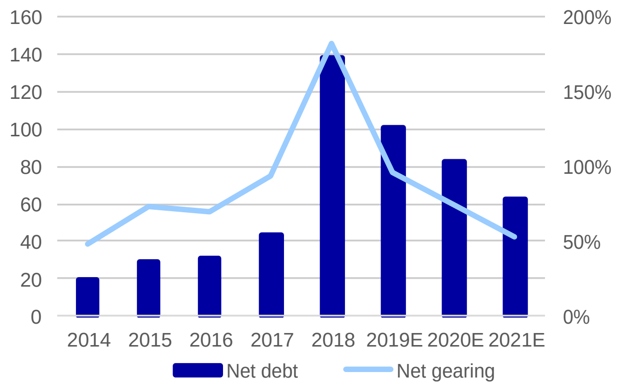
Balance sheet currently stretched

Acquisitions have pushed net debt up substantially since 2012

NoHo's gearing has risen substantially since 2012 as the company has made a number of acquisitions, increasing net debt from EUR 6m in 2012 to EUR 139m in 2018 (excluding IFRS 16 impact). Net debt/EBITDA rose to more than 1.5x in 2014, when NoHo entered the labour hiring market via acquisitions.

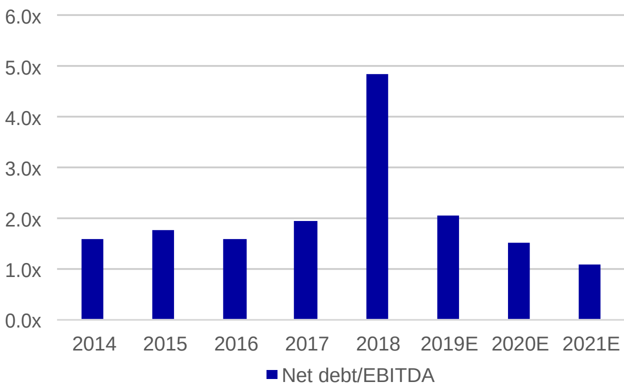
The increase in the leverage ratio in 2018 was mainly related to the acquisition of Royal Ravintolat, which pushed year-end net gearing to around 184%. Over the past seven years, the average equity ratio has been ~41%, while it was 25% at the end of 2018. The company issued a new EUR 25m hybrid bond in March 2019, with a 9% fixed coupon. The hybrid bond has the first redemption date on 29 March 2022 and is treated as equity, thus increasing the equity ratio and lowering net gearing. To strengthen the balance sheet we believe that the company is considering lowering its ownership stake in Smile. However, we do not expect this to happen in the short term and we expect the company to maintain its minority stake in Smile even in the case of a divestment.

NET DEBT AND GEARING, EURm AND %



Source: Company data and Nordea estimates (Note: Excluding IFRS 16 impact)

NET DEBT/EBITDA, x

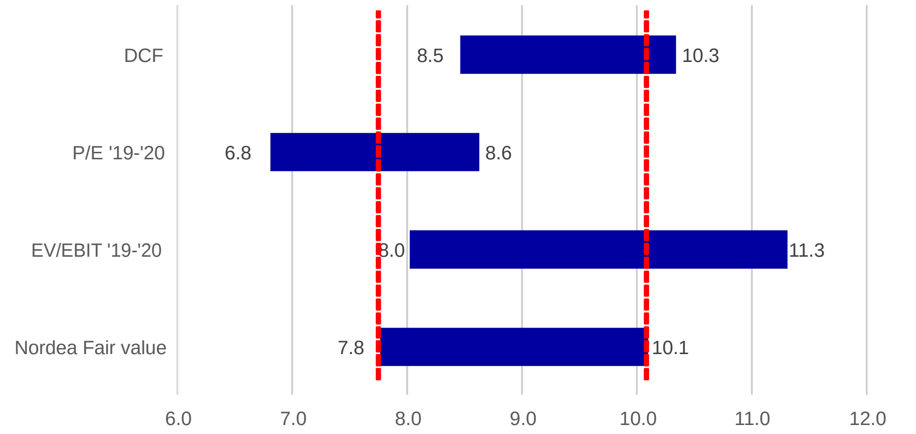


Source: Company data and Nordea estimates (Note: Excluding IFRS 16 impact)

Valuation conclusion

We use multiple valuations and a DCF-based fair value calculation in our analysis. Based on the assumption that NoHo can deliver revenue growth and an operating profit margin in line with our expectations, we estimate a fair value range of EUR 7.8-10.1 per share using our different valuation approaches. This valuation range is represented in the red lines in the chart below.

VALUATION APPROACH, EUR/SHARE



Source: Nordea estimates

Key risks

There are several risks related to NoHo. We believe the biggest risks come from the general state of the Finnish economy. If the economic growth cools down, this could affect both Restaurant business and Labour hire segments negatively. Also, NoHo's high debt is a risk factor and we do not rule out the need for additional equity to support future M&A activity. However, we do not expect the company to raise equity to support the balance sheet as we expect solid cash flow generation going forward. A broader discussion on risk exposure can be found in the 'Risk factors' section.

Company overview

NoHo Partners is a Finnish company that focuses on restaurant services and labour hire. The company operates mainly in Finland, but it also has restaurant operations in Denmark and Norway. NoHo was established in 1996 and has grown through acquisitions, joint ventures and expansions. The company became the first Finnish restaurant company to be listed on the Helsinki Stock Exchange when it went public in 2013. At the time of the IPO, the company was called Restamax and in December 2018 the name was changed to Nordic Hospitality Partners, or NoHo Partners. The company employs over 4,000 people, the majority of whom are hired through its labour hire subsidiary, Smile Henkilöstöpalvelut. Group turnover was EUR 323m in 2018, and the company seeks to increase this to EUR 600m by the end of 2021.

NoHo underwent large structural changes in 2018

Two great companies became one

In April 2018, NoHo made history by acquiring another large restaurant business, Royal Ravintolat. The new company is one of the largest restaurant companies in the Nordics. However, there is a lot to do in order to integrate the two companies and realise the potential synergies from the deal. The newco consists of two different entities with different profiles. The former Restamax restaurants include a large variety of different services, are more profitable and are largely designed for scalability. In contrast, the restaurants of the former Royal Ravintolat are unique, high-end places whose historical profitability has been somewhat lower than the profitability of the former Restamax restaurants. The joint restaurant business consists of over 200 restaurants, nightclubs and entertainment centres across Finland and in Denmark, of which around 140 were operated by Restamax before the acquisition of Royal Ravintolat.

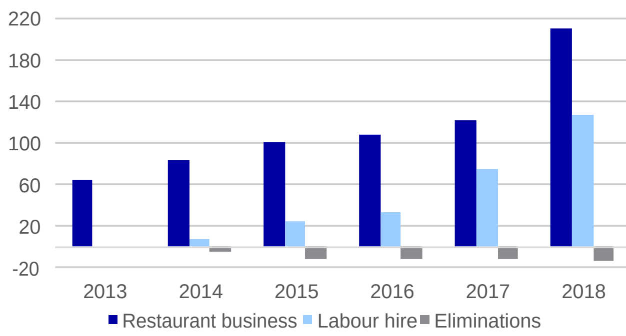
In addition to the restaurant business, NoHo has a subsidiary, Smile, one of the leading labour hire businesses in Finland. Smile was founded in 2014 and has boasted strong growth numbers since then through organic growth and extensive M&A. The majority of NoHo's employees are hired through Smile's labour hire services.

The group's turnover has increased through organic growth and M&A. In 2018, group turnover totalled EUR 323m with an operating profit of EUR 7.2m. The latter was burdened by EUR 5.2m in one-offs from restructuring and Smile's cancelled IPO process, while it was boosted by EUR 3.6m from the sale of Superpark.

GROUP TURNOVER IN 2013-18, EURm

Source: Company data

GROUP TURNOVER SPLIT IN 2013-18, %

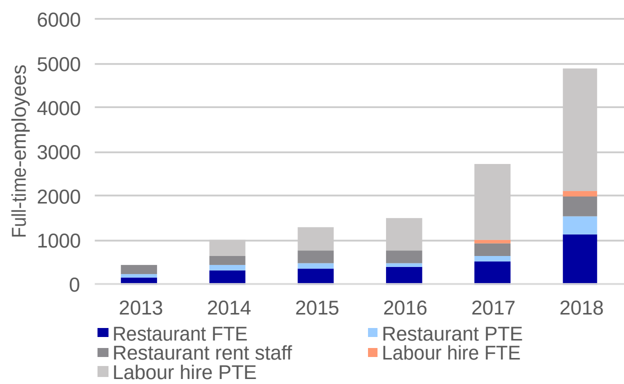


Source: Company data

Asset-light businesses with flexible personnel cost structure

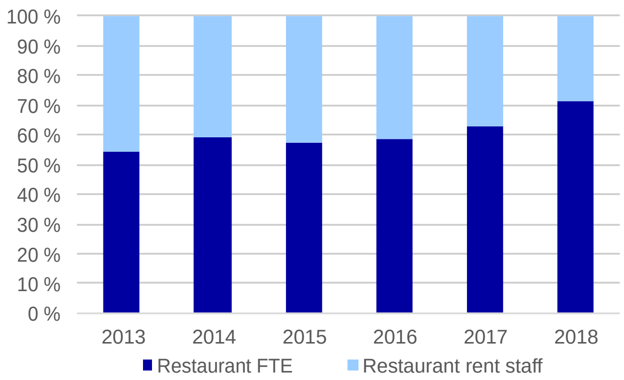
NoHo's restaurant business's need for personnel varies greatly between seasons. Originally, the labour hire business Smile was acquired to ensure the availability of personnel and support the growth of the company. The share of hired staff remained around 60% in the Restaurant business segment in 2013-17 and peaked in 2018 after NoHo acquired Royal Ravintolat. The company has the ambition to convert the heavier personnel cost structure of Royal Ravintolat to a leaner version; by doing this, the company estimates it could save around EUR 3.5m annually.

AVERAGE FULL-TIME-EMPLOYEES DURING THE YEAR



Source: Company data

AVERAGE RESTAURANT SEGMENT EMPLOYEES BY TYPE



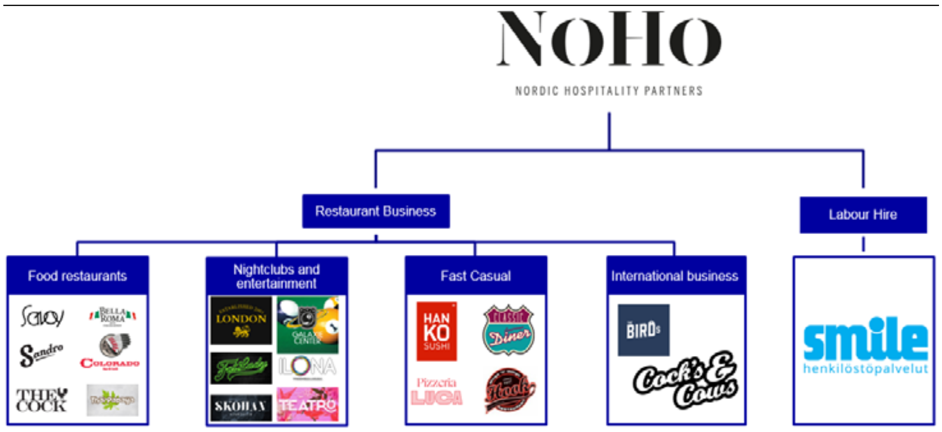
Source: Company data and Nordea estimates

Organisational structure renewed for 2019

NoHo reorganised the structure of its Restaurant business segment at the end of 2018. It is now divided into four business areas: food restaurants; nightclubs, pubs and entertainment; fast casual; and international business. The Labour hire business segment consists of Smile Henkilöstöpalvelut.

Examples of NoHo's brands within the restaurant and labour hire businesses

ORGANISATIONAL STRUCTURE AS OF MARCH 2018



Source: Company data

Growth mode is on

NoHo is in growth mode...

NoHo is growing in terms of turnover, EBITDA, number of employees and number of restaurants. Since 2011, it has opened more than 80 new restaurants across Finland. The company expanded its restaurant business into Copenhagen in 2018 with the acquisitions of Cock's and Cows and The Bird, and into Norway in 2019 with the JV with Crea Diem. Currently, the Restaurant business segment operates over 200 restaurants. Smile's growth is both organic and has been achieved via M&A, as it has made multiple acquisitions since 2014.

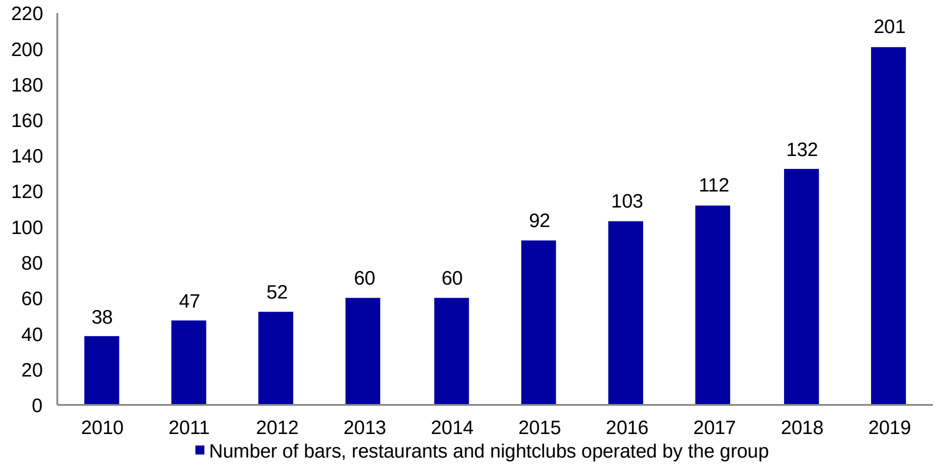
...with acquisition of Royal Ravintolat and Smile's five acquisitions in 2018

Group turnover has grown in recent years, and the company aims to reach over EUR 600m in turnover with an operating margin of approximately 7.5% by the end of 2021. In 2018, revenue was EUR 323m, a 74% increase from 2017. The growth was primarily attributable to acquisitions, as Royal Ravintolat (with revenue of EUR 106m in 2017) was acquired in April 2018 and Smile made a total of five acquisitions during H1 2018 (with combined revenue of around EUR 36m in 2017).

The Restaurant business segment targets 19% annual growth on average for 2019-21...

The acquisition of Royal Ravintolat can be considered strategic, since it adds scale benefits and there is scope to turn around its low profitability. Royal Ravintolat consists of 35 single restaurants and three restaurant chains, which fit well into NoHo's restaurant portfolio. In conjunction with the acquisition, the company streamlined its portfolio and closed a total of 23 unprofitable restaurants which had combined revenue of EUR 12m. The company has set strategic targets for the Restaurant business segment and aims to reach a turnover of approximately EUR 350m and a profit margin of around 8% by the end of 2021. The Restaurant business segment's revenue was EUR 210m in 2018.

NUMBER OF BARS, RESTAURANTS AND NIGHTCLUBS AT THE BEGINNING OF 2019



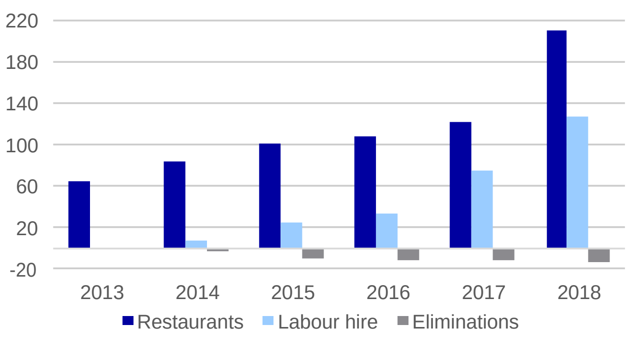
Source: Company data

After the failed initial public offering (IPO) of Smile in 2018, NoHo now seeks to expand this business. The company indicated in its Q4 2018 report that it had put M&A activity in Smile on hold and that it has multiple candidates in the pipeline. Smile's growth has been rapid in the past few years and turnover increased at a CAGR of 74% in 2015-18, of which we estimate around half to have been organic growth.

…while the Labour hire segment targets average growth of 33% in 2019-21

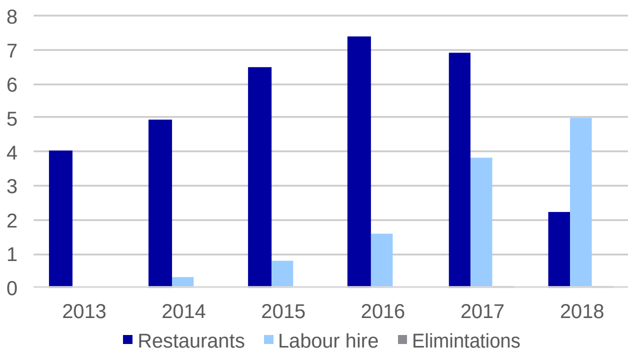
NoHo's acquisition of Royal Ravintolat can be seen as an opportunity for Smile too, as Royal Ravintolat has a heavier cost structure with a higher number of permanent employees. The Restaurant business segment's staff expenses increased relative to sales by some 400 bp in 2018, due to Royal Ravintolat's heavy cost structure. NoHo has set strategic targets for Smile and seeks to achieve a turnover of approximately EUR 300m with a profit margin of approximately 6.5% by the end of 2021.

TURNOVER BY SEGMENT, EURm



Source: Company data

OPERATING PROFIT BY SEGMENT, EURm



Source: Company data

Company history

Started in the pub and nightclub sector, expanded to restaurants

NoHo Partners (formerly Restamax until Q4 2018 and before that Mr Max Oy) was established in 1996 with a focus on pubs and nightclubs. It expanded into the restaurant business in 2005 and continued to increase its services in pubs and nightclubs in the late 2000s.

NoHo went public in 2013 on the Helsinki Stock Exchange

In 2013, the company went public on the Helsinki Stock Exchange. The following year, it expanded by acquiring the Rengasravintolat Group and opening new restaurants and nightclubs. Following the expansion, the company had restaurants in Helsinki, Tampere, Jyväskylä, Pori, Oulu, Ruka and Pyhä.

In 2014, the company entered the labour hire business

In August 2014, NoHo entered the labour hire business and in 2015, it expanded to medical and healthcare hire services. By 2016, the labour hiring business was further expanded to new sectors.

NoHo continues to grow via joint ventures and organic growth

In 2017, NoHo established a joint limited company, Rivermax Oy, together with Koskiravintolat Oy. The joint venture consists of seven restaurants in Tampere and Pori. NoHo continued to expand by opening new restaurants in Vaasa and Rovaniemi, and the labour hiring business has now become one of the leading players in the sector.

NoHo successfully divested SuperPark in 2018

In April 2018 NoHo divested its 30% stake in SuperPark for around EUR 6.5m, booking a EUR 3.4m profit from the deal. SuperPark had seven own and five licensed activity parks in Finland as well as one in Hong Kong. NoHo acquired its first stake (19%) in SuperPark in 2015 and increased its stake to 30% in 2017.

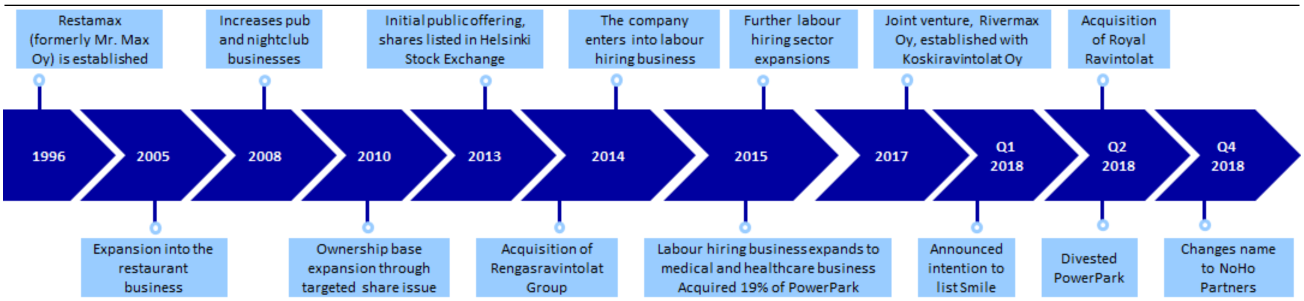
Royal Ravintolat was acquired in Q2 2018

In Q2 2018, the company announced it had acquired another large Finnish restaurant chain, Royal Ravintolat Oy. This was the biggest-ever acquisition in the Finnish restaurant industry.

Q4 2018: From Restamax to NoHo Partners, new long-term targets for 2019-21

In Q4 2018, Restamax changed its name to NoHo Partners (Nordic Hospitality Partners). In conjunction with the name change, the company updated its long-term financial targets and strategy for the 2019-21 period. NoHo aims to achieve turnover of over EUR 600m and a profit margin of approximately 7.5% by the end of 2021.

NOHO PARTNERS: HISTORY TIMELINE



Source: Company data

Financial targets are ambitious

The long-term financial targets for the strategy period 2019-21 seem ambitious, in our view, and implicitly indicate a revenue CAGR of over 24% with an 87% EBIT CAGR for the period. To reach the targets, NoHo will most likely have to continue expanding through M&A, as the organic growth potential within the Restaurant business segment is limited, we believe.

NoHo has ambitious long-term targets

NOHO PARTNERS: STRATEGIC TARGETS FOR SEGMENTS IN 2021

	Restaurant segment	Labour hire segment	Group overhead	NoHo Group
2018 revenue, EURm	210	127	-14	323
Revenue target 2021, EURm	350	300	-50	600
Average annual growth target	18.6%	33.1%		23%
2018 EBIT margin	1.1%	3.9%		2.2%
2021 EBIT margin target	8.0%	6.5%		7.5%
Improvement target, pp	6.9pp	2.6pp		5.3pp
2018 EBIT, EURm	2.2	5.0	0	7.2
2021 EBIT target, EURm	28.0	19.5	0	47.5

Source: Company data and Nordea estimates

The Restaurant business segment

NoHo offers a whole range of restaurant experiences

NoHo's Restaurant business segment operates on the principle of "from the morning until late at night". The company offers a comprehensive range of experiences for all target groups, with restaurants, bars, nightclubs, pubs and other entertainment services (for example bowling). The Restaurant business has some 100 concepts and approximately half of these are designed for scalability.

The Restaurant business is expanding via acquisitions and organic growth

The company seeks profitable growth by being present in the largest cities, shopping centres and ski resorts in Finland. It is expanding via both acquisitions and organic growth (opening new restaurants and developing new concepts). In 2018, the restaurant operations were expanded to Denmark. Further expansion in the Nordics continued in 2019 as the company established a joint venture in Norway. We expect NoHo to expand further in northern Europe.

Some of its more well-known restaurant concepts include Viihdemaailma Ilona, Classic American Diner, Daddy's Diner, Colorado Bar & Grill, Stefan's Steakhouse, Galaxie Center and Space Bowling & Billiards. With the acquisition of Royal Ravintolat, the company acquired well-known high-end restaurants in its portfolio, such as Palace (with one Michelin star), Savoy and Teatteri, but also the more casual chain brands Sandro, Pizzarium and Hanko Sushi.

NoHo operates restaurants all across Finland

Traditionally the company has focused on operating in the towns outside the Finnish capital area. The latest acquisitions signal that NoHo has changed its strategy and is looking to expand within capital areas, while assessing the profitability of rural locations. The restaurants inherited from Royal Ravintolat are mostly located in Helsinki. Currently, NoHo has restaurants in 25 different cities in Finland but also in Denmark and Norway. The number of restaurants abroad totalled 27 at the end of April 2019.

In April 2019 NoHo took another step abroad by entering Norway, where the company acquired 15 restaurants. The Norwegian operations are run as a joint venture (JV) with NoHo owning 80% of the JV. Via the JV, NoHo has acquired shareholdings of selected Capre Diem and Crea Diem subsidiaries, as well as 70% of the shares of the Trobbelskyter company, making NoHo a significant player in the Norwegian restaurant market.

Stefan's Steakhouse, Helsinki

Source: Company data

The Labour hire segment

Besides the restaurant business, NoHo Partners is involved in labour hiring via its subsidiary Smile Henkilöstöpalvelut Oyj. Smile's origins date back to 2002, but the current Smile was founded in 2014 when it became a part of NoHo Partners. Since then, it has grown rapidly organically and via acquisitions, while also improving its profitability. Smile posted a sales CAGR of 74% from 2015 to 2018 and improved its EBIT margin by 70 bp over the same period. NoHo has ambitious targets for the Labour hire business, as it aims for revenue of EUR 300m and a 6.5% EBIT margin for the Restaurant business segment by 2021. In 2018 Smile's net sales were EUR 127m and EBIT EUR 5m.

Smile's vision is to be the market leader, and one of the most profitable companies in the labour hire sector. Smile provides staffing services to various sectors, including HoReCa (hotels, restaurants and catering), construction, industry, health care and logistics. Smile's earnings come almost entirely from labour hire activities, with the majority of its turnover coming from the HoReCa and construction sectors. The main costs are staff expenses.

Going forward, the strategic cornerstones will be acquiring new customers, continuing to develop the current business, and profitable growth via M&A. NoHo is focusing on developing new service models and investing in the availability of labour with various cooperating parties.

Executive management

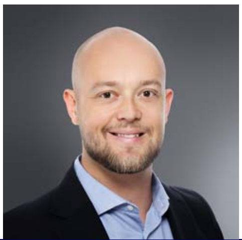
NoHo Partners management team is headed by CEO Aku Vikström who became CEO and a member of the executive team in April 2018 after the acquisitions of Royal Ravintolat.

EXECUTIVE MANAGEMENT




Aku Vikström	Jarno Suominen	Juha Helminen	Perttu Pesonen
Position:	**Position:**	**Position:**	**Position:**
CEO	CFO	Director of International Operations	Development Director
Education:	**Education:**	**Education:**	**Education:**
BA (Hons)	N/A	MSc Industrial Management, Business Economics	N/A
Previous experience:	**Previous experience:**	**Previous experience:**	**Previous experience:**
CEO of Royal Ravintolat. Various director positions in Mars.	N/A	Sinebrychoff: Vice President, Manager and Controller. Carlsberg Group: Vice President, Business Development Director and Controller.	N/A
Equity stake:	**Equity stake:**	**Equity stake:**	**Equity stake:**
207,419	249,347 (JS-Resta Oy)	23,400 (Helvest Oy)	70.861 (Kuumat Ravintolat Oy)

			
Tanja Virtanen	**Anne Kokkonen**	**Paul Meli**	**Benjamin Gripenberg**
Position:	**Position:**	**Position:**	**Position:**
CBO, Food restaurants, rest of Finland	HR director	CBO, Nightclubs and Pubs&Entertainment, rest of Finland	CBO, Food restaurants, Helsinki metropolitan area
Education:	**Education:**	**Education:**	**Education:**
N/A	Bachelor of Business Administration and Bachelor of Social Services	N/A	Msc Economics, Marketing & Finance
Previous experience:	**Previous experience:**	**Previous experience:**	**Previous experience:**
N/A	HR director at Royal Ravintolat	Suomen Ravintolatoimi Oy: Line Director, Jyväskylän Elohuvi Oy: Restaurant manager	Various director positions at Royal Ravintolat, Vaasan & Vaasan and Mars
Equity stake:	**Equity stake:**	**Equity stake:**	**Equity stake:**
200	24,802	181,670 (Pauli Meli Holdings Oy)	43,081

	
Eemeli Nurminen	**Tero Kaikkonen**
Position:	**Position:**
CBO, Nightclubs and Pubs&Entertainment, Helsinki metropolitan area	CBO, Fast Casual
Education:	**Education:**
N/A	Bachelor in Hospitality Management
Previous experience:	**Previous experience:**
Various director positions at Royal Ravintolat and Modufia. Head Chef at restaurant Olo	Various director positions at NoHo Partners
Equity stake:	**Equity stake:**
2,840	100

Source: Company data and LinkedIn

Board of directors

NoHo Partners' board of directors is headed by one of the founders of Restamax, Mr Timo Laine. The other members of the board of directors have wide experience from the restaurant and private equity sectors.

BOARD OF DIRECTORS

			
Timo Laine	**Mikko Aartio**	**Saku Tuominen**	**Petri Olkinuora**
Position:	**Position:**	**Position:**	**Position:**
Chairman of the board	Board Member	Board Member	Board Member
Selected experience:	**Selected experience:**	**Selected experience:**	**Selected experience:**
Founder of Restamax Plc	Founder of Restamax Plc	Board member of RR Holding Oy. Co-founder and Creative director of HundrED.org Oy, Idealists Group Py, 925 Desing Oy and Broadcasters Oy	Managing Director of Forbia Oy and Citycon Oyj. Board member for several real estate and building companies.
Education:	**Education:**	**Education:**	**Education:**
N/A	N/A	Msc Economics	N/A
Equity stake:	**Equity stake:**	**Equity stake:**	**Equity stake:**
4,805,844 (Laine Capital Oy)	3,372,930 (Pimu Capital Oy, Eiramax Oy & Mikko Aartio)	4,423	12,500

		
Mika Niemi	**Tomi Terho**	**Mia Ahlström**
Position:	**Position:**	**Position:**
Board Member	Board Member	Board Member
Selected experience:	**Selected experience:**	**Selected experience:**
CEO and Chairman of the Board of Directors of Rengasravintolat Group. CEO and Chairman of the Board for Udokai Oy. Vice-Chairman of the Board of Tampereen Tenniskeskus Oy.	Board member of RR Holding Oy, Intera Equity Partners II Ltd, Sitowise Holding I and II, Sitowise Oy, Polarica Holding Ab, Lummene Capital Oy and Evidensia Djursjukvård Holding AB	CEO and member of the Board of Directors of BCC Ahlström Oy. Partner and member of the Board of Directors of Flove Oy. Deputy Country Retail Manager/Executive Vice President of IKEA Group
Education:	**Education:**	**Education:**
N/A	Msc Economics, Finance	Graduate in Business & Marketing
Equity stake:	**Equity stake:**	**Equity stake:**
2,591,939 (Mika Niemi & close family)	N/A	N/A

Source: Company data and LinkedIn

Shareholder structure

The three main shareholders are Laine Capital Oy, Pimu Capital Oy and Mika Niemi, owning 25.4%, 17.8% and 11.8% of the outstanding shares respectively. The three main shareholders are on the board of directors. In addition to this, two other board members and three of the executive management are also shareholders.

Laine Capital Oy, Pimu Capital Oy and Mika Niemi are the three main shareholders

NOHO PARTNERS MAIN SHAREHOLDERS AS OF 30 APRIL 2019

	Shareholder	Ownership (%)
1	Laine Capital Oy	25.3
2	Pimu Capital Oy	17.7
3	Niemi Mika Rainer	11.8
4	Intera Fund II Ky	9.6
5	Evli Finnish Small Cap Fund	4.5
6	Sign Systems Finland Oy	4.0
7	Ilmarinen Mutual Pension Insurance Company	2.1
8	Niemi Hanna-Stiina	1.8
9	Elo Mutual Pension Insurance Company	1.4
10	Varma Mutual Pension Insurance Company	1.4
11	JS-Resta Oy	1.3
12	Cascarilla Oy	1.1
13	Evli Finland Select Fund	1.1
14	Jalen Invest Oy	1.1
15	Paul Meli Holdings Oy	1.0
16	Nordea Nordic Small Cap Fund	0.9
17	Laakkonen Mikko Kalervo	0.8
18	Nordea Life Assurance Finland Ltd.	0.5
19	Kuumat Ravintolat Oy	0.4
20	OP-Henkivakuutus Ltd.	0.4
	Others	12.0
	Total	**100**

Source: Company data

Strategy

NoHo's updated long-term financial targets and strategy for the 2019-21 period were updated at the end of 2018. The company has an ambitious target to reach a turnover of over EUR 600m with a profit margin of approximately 7.5% by the end of 2021. NoHo aims to reach its targets through profitable organic growth within Finnish growth centres, through new establishments, acquisitions and also with the help of a digital platform. Furthermore, the company aims for further international expansion into northern Europe through its partner model, profitable growth for its organic labour hiring, and via acquisitions. Despite the strong historical growth, we do not expect NoHo to reach its ambitious growth targets in 2021 (net sales of EUR 600m with an EBIT margin of 7.5%) without additional equity capital, which we have not modelled into our estimates.

Strategy

The restaurant business pursues profitable growth through new establishments and organic growth in growing Finnish cities

In the Restaurant business segment, NoHo's main strategy is profitable growth driven by new establishments, corporate acquisitions and organic customer growth in larger Finnish cities and large events. NoHo wants to increase the productivity of its existing business and boost the value of each customer visit by investing more in customer service, corporate sales, marketing and employee engagement. Regardless of its investments, NoHo still plans to focus on being cost efficient.

Plans to expand the restaurant business to new Finnish cities and abroad

NoHo's restaurants have historically had an entrepreneurial-driven culture and it encourages staff to think in an entrepreneurial way. Current expansion into northern Europe started with the expansion to Denmark. The company aims to use acquired businesses in each country as a platform for further growth, as was done with the Danish operations.

Strategic targets

Strategic target of increasing turnover to at least EUR 600m by the end of 2021

NoHo's goal is to increase turnover and keep the operating profit at a good level. At group level, it is pursuing turnover of at least EUR 600m by the end of 2021, implying annual growth of ~23% (2013-18 growth CAGR: 37.8%). For the Restaurant business segment, its goal is to have turnover above EUR 350m by 2021 and to reach this, it will need annual growth of 18.6% or higher (2013-18 growth CAGR: 26.4%). For the Labour hire business, it targets turnover of EUR 300m by 2021, implying 33.1% growth needed annually (2018: 68.1% growth). By the end of 2021, the group's EBIT margin target is 7.5%, while the EBIT margin targets for Restaurant business and Labour hiring segments are 8% and 6.5%, respectively.

In addition to sales and EBIT margin targets, NoHo aims for annually increasing dividend payments.

NOHO PARTNERS IMPLICIT FINANCIAL TARGETS

	Restaurant segment	Labour hire segment	Group overhead	NoHo Group
2018 revenue, EURm	210	127	-14	323
Revenue target 2021, EURm	**350**	**300**	**-50**	**600**
Average annual growth target	18.6%	33.1%		23%
Nordea revenue estimate for 2021E, EURm	**268**	**178**	**-16**	**430**
2018 EBIT margin	1.1%	3.9%		2.2%
2021 EBIT margin target	**8.0%**	**6.5%**		**7.5%**
Improvement target, pp	6.9pp	2.6pp		5.3pp
Nordea EBIT margin estimate for 2021E	**7.6%**	**5.1%**		**6.8%**
2018 EBIT, EURm	2.2	5.0	0	7.2
2021 EBIT target, EURm	**28.0**	**19.5**	**0**	**47.5**
Nordea EBIT estimate for 2021E, EURm	**20.3**	**9.1**	**0**	**29.4**

Source: Company data and Nordea

Potential action to reach the 2021 financial targets

We believe that NoHo will not achieve its 2021 financial targets with the current balance sheet. Below we illustrate some potential ways of how we believe the company could achieve its targets. The scenarios below are illustrative and do not take into account restructuring costs or other one-off costs, for example.

EUR 80m equity issue

One way of reaching the 2021 financial group targets could be to carry out a EUR 80m share issue on top of using EUR 50m from the company's own balance sheet. We assume that NoHo could make future acquisitions at the historical average EV/sales multiples of 0.8x in which case it could add some EUR 163m of sales by investing EUR 130m in M&A. If we assume that NoHo acquires a business with a 5% EBIT margin and gains similar synergies as with the Royal Ravintolat acquisition (in this case around EUR 8m or 5% of the target's sales) EBIT could increase by some EUR 16m. We are fairly confident on NoHo achieving synergies from M&A as it has, to our understanding, already realised more than half of the targeted synergies from the Royal Ravintolat acquisition in less than a year.

If acquisitions took place in 2020 the integration and synergies would be realised by the end of 2021, we argue. With these assumptions NoHo would reach group sales of EUR 597m (target is EUR 600m) and EBIT of EUR 46m (7.7% margin vs target of 7.5%) in 2021, while taking net gearing down to around 45% (our current estimate is 53%).

It is also too early to say what the dilutive effect of a share issue would be, but given NoHo's track record in gaining synergies from M&A we believe that a share issue could be value accretive if the company finds a suitable acquisition target with significant synergies.

EQUITY ISSUE SCENARIO ASSUMPTIONS AND CALCULATION

Current estimates	2018	2019E	2020E	2021E
Sales, EURm	323	388	411	430
EBIT adj, EURm	10	22	27	29
margin %	3.2%	5.8%	6.5%	6.8%
Net debt (excl IFRS 16), EURm	138	101	82	63
Equity, EURm	76	106	111	118
Net gearing, EURm	184%	96%	74%	53%
Deal size, EURm			130	
Equity issue, EURm			80	
Own balance sheet used, EURm			50	
M&A assumption				
EV/Sales			0.8x	
Additional sales from M&A, EURm			163	
Additional EBIT from M&A. EURm			8	
EBIT margin %			5%	
Potential synergies from M&A, EURm			8	
% of sales			5%	
New estimates after share issue and M&A	**2018**	**2019E**	**2020E**	**2021E**
Sales, EURm			573	597
EBIT, EURm			43	46
margin %			7.5%	7.7%
Net debt (excl IFRS 16), EURm			132	113
Equity, EURm			191	248
Net gearing (excl IFRS 16)			69%	45%

Source: Nordea estimates

Divestment of Labour hire business would ensure Restaurant business targets but not group targets

NoHo has indicated that it intends to divest its Labour hire subsidiary Smile while increasing its focus on the Restaurant business. To ensure the continuity of its flexible restaurant staffing NoHo would most likely remain as a significant minority shareholder in Smile. In this scenario we assume that NoHo divests 70% of Smile.

If we use our 2020 EBIT estimate for Smile (EUR 8m) and apply the labour hire peer median EV/EBIT multiple of 11.0x we derive an enterprise value of EUR 89m for Smile. Assuming net debt of EUR 10m (EUR 14m at the end of 2017) the equity value would be EUR 79m. By selling 70% of Smile, NoHo could hence get EUR 55m in cash in this case.

If NoHo invested the EUR 55m from the Smile divestment and acquired a restaurant business with an EV/sales multiple of 0.8x, the additional sales would be EUR 69m. Assuming the acquired business had an EBIT margin of 5% and that synergies were 5% of sales, then NoHo's EBIT would increase by EUR 7m annually. In this scenario NoHo's Restaurant business would reach net sales of EUR 339m (target is EUR 350m) and EBIT of EUR 27m (8.1% margin vs target of 8.0%) in 2021, which would be close to the company's targets for the Restaurant business.

LABOUR HIRE DIVESTMENT SCENARIO

	2018	2019E	2020E	2021E
Smile EBIT, EURm			8	
Labour hire peers' EV/EBIT			11.0x	
Implied EV of Smile, EURm			89	
Net debt assumption, EURm			10	
Implied equity value of Smile, EURm			79	
% of Smile divested			70%	
Cash from Smile divestment, EURm			55	
M&A assumption				
EV/Sales			0.8x	
Current Restaurants business estimates	**2018**	**2019E**	**2020E**	**2021E**
Sales, EURm	210	251	261	268
EBIT, EURm	4	15	19	20
margin %	2.0%	6.1%	7.2%	7.6%
Additional sales from M&A, EURm			69	
Additional EBIT from M&A. EURm			3	
EBIT margin %			5%	
Potential synergies from M&A, EURm			3	
% of sales			5%	
New Restaurant business estimates after Smile divestment and M&A			**2020E**	**2021E**
Sales, EURm			331	339
EBIT, EURm			26	27
margin %			7.8 %	8.1 %
Net debt (excl IFRS 16), EURm			27	7
Equity, EURm			111	118
Net gearing (excl IFRS 16)			24%	6%

Source: Nordea estimates

Estimates

For NoHo, we model a sales CAGR of ~10% for 2018-21E, of which around 5.5% is organic growth. We believe that the company will benefit in Finland from changes in customers' consumption patterns, and from scale benefits after the acquisition of Royal Ravintolat. In addition, the current partner model for international expansion seems like a wise move going forward. For 2019E, we are in line with the company's guidance for net sales of approximately EUR 390m with an EBIT margin of around 5.8%, but we remain substantially below the company's target for 2021, as we believe this can only be achieved with a high proportion of inorganic growth, which we do not foresee. However, NoHo's track record suggests that it has an appetite for M&A, and its experience of deal integration and execution is solid. We expect that the company will be able to make a quick margin recovery in 2019 and slightly improve profitability in 2020-21, reaching an EBIT margin of 6.8% in 2021.

NoHo has acquisition-driven targets

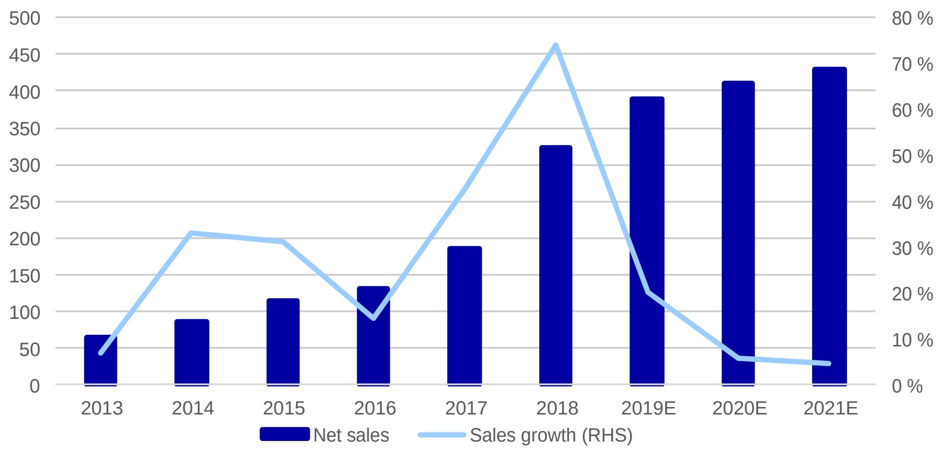
Financial targets for 2021 rely on acquisitions

NoHo has issued net sales and EBIT guidance for 2019 and financial targets for 2021. We forecast ~20% sales growth for 2019, of which the majority, 15 pp, is attributable to acquisitions in 2018. We note that NoHo's Labour hire segment, Smile, did not make any acquisitions during H2 2018, as it was in the middle of an IPO process, and we expect to see some M&A activity this year. In addition, the recent acquisitions in Norway will most likely trigger further restaurant openings within the Restaurant business segment. For 2020-21, we forecast growth that is purely organic of ~5%.

As the company's strategic target for 2021 is net sales above EUR 600m, we note that acquisitions are on the table, as the company would need a sales CAGR of 23% for 2018-21 to reach its group revenue target in 2021, we calculate.

We expect the group's sales growth to settle around 5-6% annually in 2020-21 as we do not model in M&A

GROUP NET SALES AND GROWTH, EURm AND %



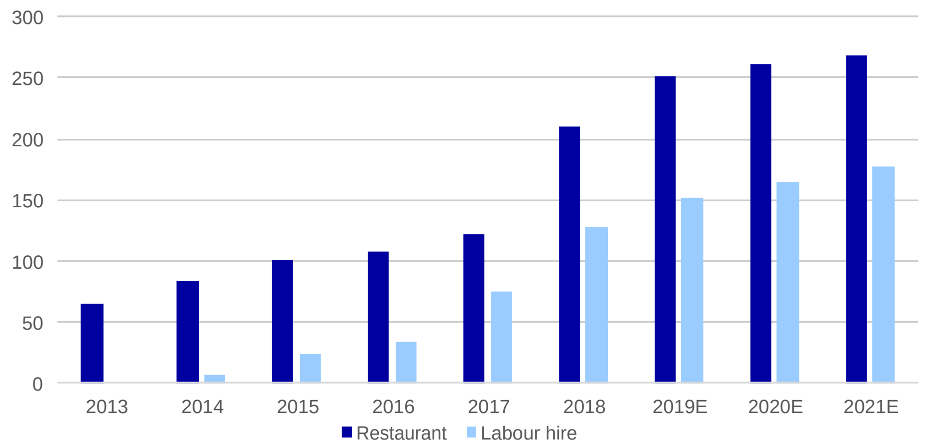
Source: Company data and Nordea estimates

We forecast Labour hire to show around 10% organic growth annually in 2019-21

Labour hire segment is set for faster organic growth

Of NoHo's two segments, Labour hire is set for faster growth. Although both of NoHo's operating segments compete in fairly fragmented markets, we see Labour hire as more fragmented and the one with greater growth potential if the current economic environment continues. For Labour hire, we forecast a sales CAGR of ~12% for 2018-21, the majority of it organic, while we forecast an organic sales CAGR of ~2.5% for the Restaurant business segment in 2018-21. At group level, we forecast ~10% sales CAGR for 2018-21, whereas NoHo would need a 23% sales CAGR to reach its sales targets by 2021.

NET SALES BY SEGMENT, EURm



Source: Company data and Nordea estimates

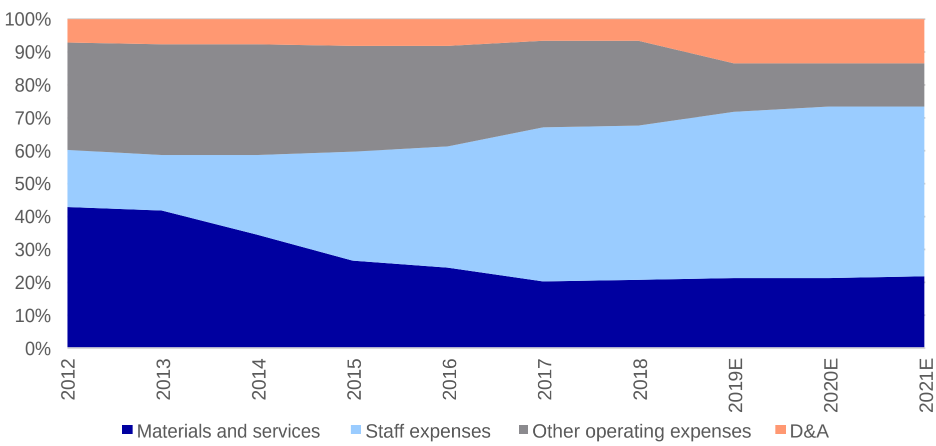
We expect the share of staff costs to increase in the coming years due to the higher share of labour hire

The majority of costs are personnel costs

NoHo's operations are highly dependent on personnel. The Restaurant business segment's staff expenses increased as a share of total costs after the Royal Ravintolat acquisition in 2018 to over 30%, and we do not expect this business to fall below that level in the future with the current structure. Personnel costs in the Labour hire segment were around 85% in 2014-17 and declined to 82.4% in 2018. As the Labour hire's share of total group sales is increasing, the proportion of personnel costs is set to increase in the future to around 49% of group sales in 2021 (versus 47% in 2018), we estimate.

The share of material expenses declined steadily during 2013-17, reaching ~20% of sales in 2018. We expect material expenses to remain stable at 20% of sales in 2019. The cost structure in general will change, as implementation of IFRS 16 will have an impact on leased assets. NoHo operates mainly in leased premises and costs arising from these in 2018 amounted to EUR 39.4m. Lease contracts with a duration of over 12 months will be divided between depreciation and interest costs, which will substantially increase depreciations for NoHo and lower other operating expenses, as shown in the chart below.

GROUP COST STRUCTURE, % OF NET SALES



Source: Company data and Nordea estimates

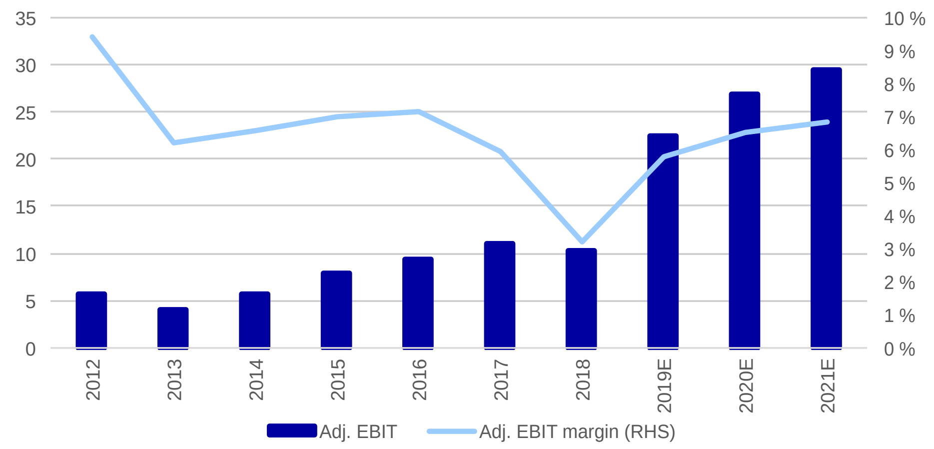
NoHo's guidance implies improving profitability

NoHo has carried out multiple acquisitions in the past few years, Royal Ravintolat being the largest. The company's current EBIT margin guidance for 2019 of approximately 5.8% implies improving profitability (EBIT of EUR 22.5m). For 2019, we forecast EUR 6.5m in synergies from the Royal Ravintolat acquisition, accounting for almost half of the adjusted EBIT improvement we forecast. For 2020, we expect an additional EUR 1m in synergies from the Royal Ravintolat acquisition.

The company has guided for synergies to be at least EUR 6.0m for 2019, of which at least EUR 1m should come from reduced management costs, at least EUR 1.5m from better purchasing agreements and at least EUR 3.5m from a more flexible staff structure.

We calculate that the company's adjusted EBIT margin was 6.5% on average in 2012-18, while the reported margin on average was 6.1%. We forecast the 2019 EBIT margin at 5.8%, while for 2021 we expect it to reach 6.8%.

GROUP ADJUSTED EBIT AND MARGIN, EURm AND %



Source: Company data and Nordea estimates

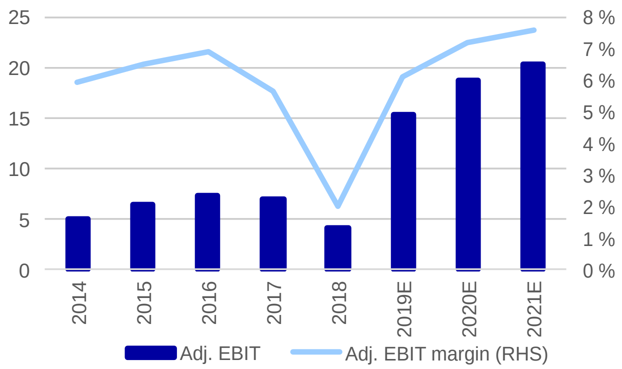
Growth has hampered both segments' profitability

Despite its high growth rate, the Labour hire segment has maintained its profitability at a good level. Its adjusted EBIT CAGR for 2015-18 was 61%, while the sales CAGR for 2015-18 was 74%. The Restaurant business segment's adjusted EBIT margin has been sliding since 2016, as NoHo's expansion in 2017-18 has been testing its profitability levels. In addition, the company reported large non-recurring items related to discontinued operations and the divestment of SuperPark in 2018. The Restaurant segment's adjusted EBIT CAGR for 2015-18 was -14%, while its sales CAGR was 28%.

We forecast a fast recovery in the Restaurant segment's profitability thanks to synergies from the Royal Ravintolat acquisition. In addition to synergies, we expect the Danish operations to benefit from scale in purchasing, as the company now has more than 20 restaurants in Denmark. Our estimates indicate that the Restaurant business segment could reach an adjusted EBIT CAGR of around 70% in 2018-21, reaching a 7.6% EBIT margin in 2021, though still a bit shy of the company's target of around 8%.

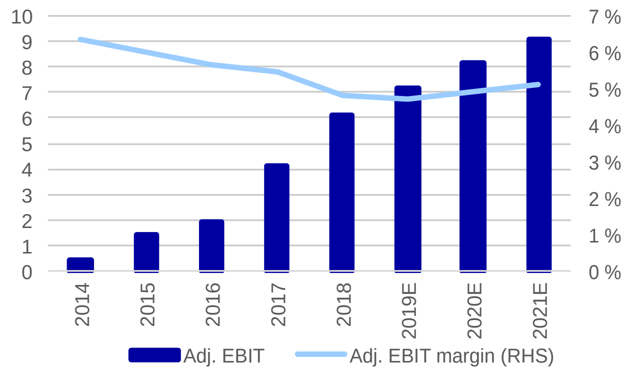
For the Labour hire segment, we forecast gradually slowing growth with improving profitability. Our forecasts are mainly for organic growth, as we do not assume any acquisitions in the future. We forecast around a 15% adjusted EBIT CAGR for the Labour hire segment in 2018-21, and expect it to reach a 5.1% EBIT margin in 2021, short of the company's target of around 6.5% in 2021. We expect Labour hire's margin improvement to stem mainly from scale benefits from acquired businesses.

RESTAURANT SEGMENT: ADJUSTED EBIT AND MARGIN, EURm AND %



Source: Company data and Nordea estimates

LABOUR HIRE SEGMENT: ADJUSTED EBIT AND MARGIN, EURm AND %



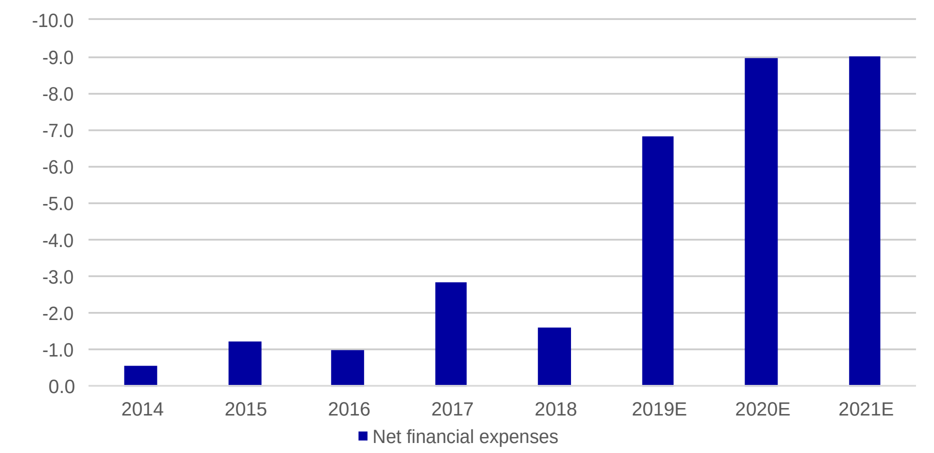
Source: Company data and Nordea estimates

Financial expenses increase due to IFRS 16

The new IFRS 16 standard has a large impact on NoHo's financials. The impact is substantially higher in the Restaurant segment, where the company operates in leased premises. Old lease costs are divided between depreciation and financial expenses and we estimate a EUR 7.5m increase in interest expenses in 2019 due to IFRS 16. Net financials are affected by divestments and acquisitions of businesses, as the company acquires companies with partner models and these deals usually have contingent additional sales prices dependent on business performance in subsequent years. If an acquired company fails to meet its targets, NoHo makes adjustments to the estimated additional sales price, which are visible in financial income. In addition, acquisitions usually contain advisory fees, visible in financial expenses.

IFRS 16 will have a significant impact on NoHo's financial expenses, but not cash flows

GROUP NET FINANCIAL EXPENSES, EURm

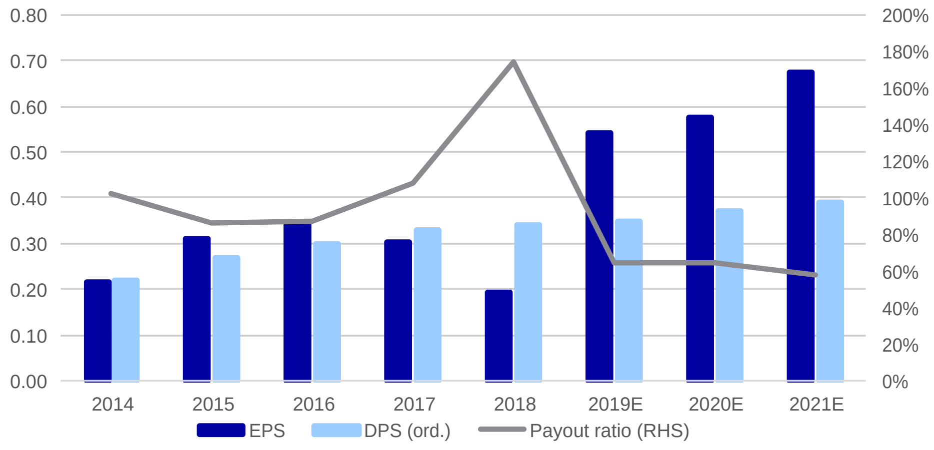


Source: Company data and Nordea estimates

EPS set to increase after the Royal Ravintolat acquisition

NoHo has increased its dividend steadily since the IPO in 2013. The company aims to pay an annually increasing dividend, which we believe is feasible after the acquisition of Royal Ravintolat. While we expect the dividend to rise, we estimate that the tight financial situation will likely limit the annual increase to EUR 0.01 in 2019 and to EUR 0.02 in 2020-21. We model a rebound in EPS in 2019E and more gradual increases in 2020E-21E. Based on our assumptions, the dividend payout ratio will remain around 60% during 2019E-21E.

EPS, DPS AND PAYOUT RATIO, EUR AND %



Source: Company data and Nordea estimates

Balance sheet is stretched

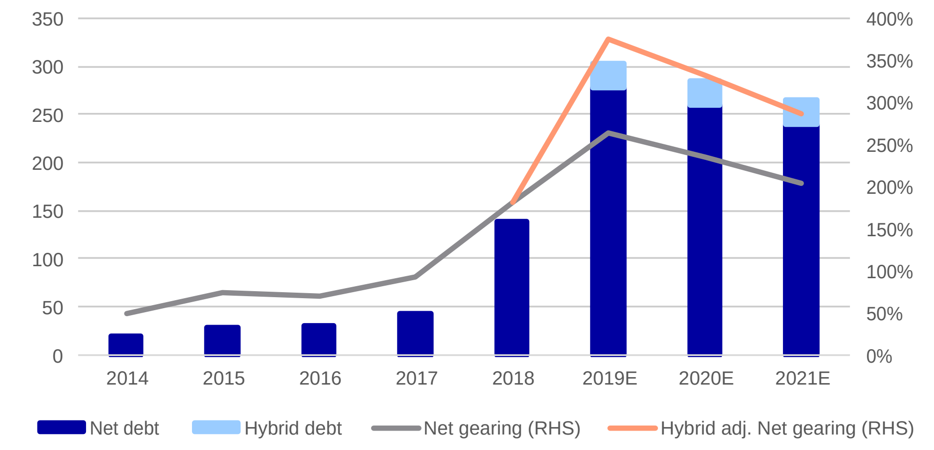
Further major M&A unlikely with the current balance sheet

NoHo's balance sheet is currently stretched following the Royal Ravintolat acquisition and failed IPO of Smile. However, the main reason for the extremely high net debt and gearing figures currently is IFRS 16, which increased net debt by EUR 177m at the beginning of 2019. We model stable lease liabilities going forward, and thus we assume that NoHo will roll its leases on an annual basis going forward. In the event of new restaurant openings, net debt would increase by the discounted value of new leases. For NoHo, these lease liabilities are an essential part of its business model, but even excluding the IFRS 16 impact the balance sheet seems stretched. Excluding the IFRS 16 impact, underlying net debt would be EUR 63m and net gearing 53% for 2021E (including EUR 25m of hybrid debt) – a much healthier level than the current 114% (end of Q1 2019, including the EUR 25m of hybrid debt).

The divestment of Smile is still on the table

We do not believe that the current balance sheet will support further major M&A, but we think that a divestment of Smile is still on the table, should a potential buyer emerge. The divestment of Smile also seems sensible as the company already tried to spin off the segment in an IPO. The company could also fund its growth ambitions with small share issues, we argue.

NET DEBT AND GEARING, EURm AND %



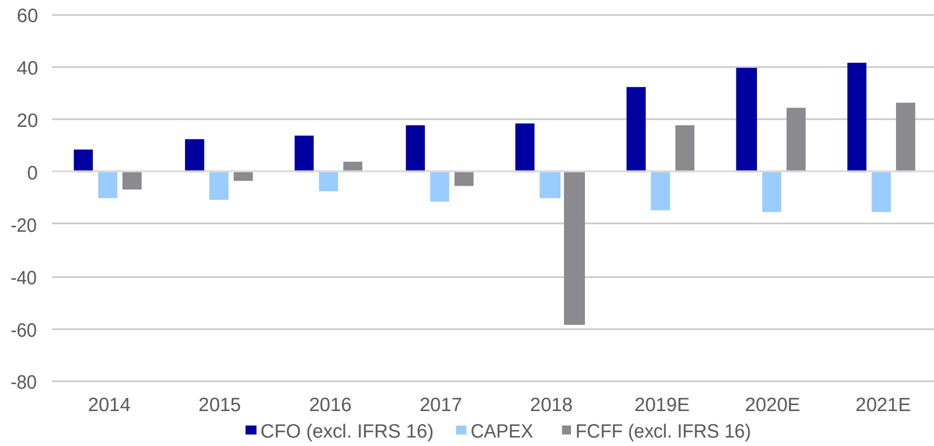
Source: Company data and Nordea estimates

We expect NoHo to reach an annual free cash flow of EUR 26m in 2021

Cash flows are increasing after acquisitions

NoHo's cash flow from operations has been steady for the past five years and we estimate it to increase at a CAGR of 31% in 2018-21 due to the Royal Ravintolat acquisition being fully in the numbers. We expect capital expenditures to increase to around EUR 15m in 2019-21 due to the larger restaurant base. The large negative free cash flow in 2018 was a result of the acquisition of Royal Ravintolat. We expect the company to reach EUR 26m in free cash flow in 2021. Our cash flow numbers in the chart below exclude the impact from IFRS 16 in order to achieve comparability with past cash flows.

CFO, CAPEX AND FCFF, EURm



Source: Company data and Nordea estimates

GROUP LEVEL DETAILED ESTIMATES, EURm

	Q1/18	Q2/18	Q3/18	Q4/18	Q1/19	Q2/19E	Q3/19E	Q4/19E	2017	2018	2019E	2020E	2021E
Turnover	**49.4**	**73.2**	**102.4**	**98.4**	**80.2**	**96.8**	**107.9**	**103.4**	**185.9**	**323.2**	**388.3**	**411**	**430**
growth %	54 %	68 %	83 %	81 %	62 %	32 %	5 %	5 %	43 %	74 %	20 %	6 %	5 %
Other operating income	1	4	1	1	2	1	1	1	2	7	4	3	3
Materials and services	-10	-15	-21	-20	-16	-19	-22	-21	-36	-66	-77	-82	-86
Staff expenses	-23	-36	-48	-44	-39	-48	-51	-47	-83	-151	-185	-198	-207
Other operating expenses	-13	-19	-25	-28	-12	-15	-13	-17	-47	-84	-56	-54	-57
EBITDA	4.3	7.8	9.2	7.3	15.2	15.8	23.3	19.6	22.4	28.4	73.8	80.2	83.7
EBITDA margin %	9%	11%	9%	7%	19%	16%	22%	19%	12.1%	8.8%	19.0%	19.5%	19.5%
D&A	**-3.4**	**-4.6**	**-8.7**	**-4.6**	**-12.4**	**-13.0**	**-13.9**	**-11.9**	**-11.6**	**-21.2**	**-51.3**	**-53.3**	**-54.3**
IFRS 16 depreciation	0.0	0.0	0.0	0.0	-6.3	-6.3	-6.3	-6.3	0.0	0.0	-25.1	-26.1	-26.8
EBIT adjusted	**0.9**	**-0.4**	**5.9**	**3.9**	**2.7**	**2.8**	**9.3**	**7.6**	**11.1**	**10.3**	**22.4**	**26.9**	**29.4**
EBIT adj. margin %	1.8 %	-0.6 %	5.8 %	4.0 %	3.4 %	2.9 %	8.6 %	7.4 %	6.0 %	3.2 %	5.8 %	6.5 %	6.8 %
NRI	0.0	3.6	-5.4	-1.3	0.0	0.0	0.0	0.0	-0.3	-3.1	0.0	0.0	0.0
EBIT	**0.9**	**3.1**	**0.5**	**2.6**	**2.7**	**2.8**	**9.3**	**7.6**	**10.8**	**7.2**	**22.4**	**26.9**	**29.4**
EBIT margin %	1.8 %	4.3 %	0.5 %	2.7 %	3.4 %	2.9 %	8.6 %	7.4 %	5.8 %	2.2 %	5.8 %	6.5 %	6.8 %
Associate income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Net financial expenses	-0.1	-0.7	-1.2	0.5	0.1	-2.4	-2.2	-2.4	-2.8	-1.6	-6.8	-8.9	-9.0
of which IFRS 16	0.0	0.0	0.0	0.0	-1.9	-1.9	-1.9	-1.9	0.0	0.0	-7.5	-7.5	-7.6
of which NRI	0.0	0.0	-0.9	-0.1	2.1	0.0	0.0	0.0	-1.7	-0.9	2.1	0.0	0.0
Profit before taxes	**0.8**	**2.4**	**-0.7**	**3.1**	**2.8**	**0.5**	**7.1**	**5.2**	**8.0**	**5.6**	**15.6**	**18.0**	**20.4**
Reported taxes	-0.4	-0.2	-0.3	-0.5	0.0	-0.1	-1.7	-1.3	-2.5	-1.4	-3.1	-4.3	-4.9
Net profit	**0.4**	**2.2**	**-0.9**	**2.6**	**2.8**	**0.4**	**5.4**	**4.0**	**5.5**	**4.2**	**12.6**	**13.6**	**15.5**
Minorities	0.0	0.2	0.2	0.4	0.2	0.2	0.2	0.4	0.4	0.7	0.9	1.0	1.0
Profit to equity holders	**0.4**	**2.0**	**-1.2**	**2.2**	**2.7**	**0.2**	**5.2**	**3.6**	**5.1**	**3.5**	**11.6**	**12.7**	**14.5**
Hybrid interest ex tax shield	0.0	0.0	0.0	0.0	0.0	-0.5	-0.5	-0.5	0.0	0.0	-1.4	-1.8	-1.8
EPS, EUR	**0.03**	**0.11**	**-0.06**	**0.12**	**0.14**	**-0.01**	**0.25**	**0.17**	**0.30**	**0.19**	**0.54**	**0.57**	**0.67**

Source: Company data and Nordea estimates

SEGMENT LEVEL DETAILED ESTIMATES, EURm

	Q1/18	Q2/18	Q3/18	Q4/18	Q1/19	Q2/19E	Q3/19E	Q4/19E	2017	2018	2019E	2020E	2021E
Restaurant business													
Turnover	**30.9**	**45.0**	**66.2**	**67.7**	**53.3**	**60.1**	**67.9**	**69.4**	**122.2**	**209.7**	**250.7**	**261.2**	**267.7**
growth %	21 %	55 %	99 %	97 %	72 %	34 %	3 %	3 %	14 %	72 %	20 %	4 %	3 %
Adj. EBIT	**0.1**	**-1.5**	**3.2**	**2.3**	**1.8**	**1.4**	**6.4**	**5.8**	**6.9**	**4.2**	**15.3**	**18.7**	**20.3**
margin %	0.4 %	-3.2 %	4.9 %	3.4 %	3.3 %	2.3 %	9.4 %	8.3 %	5.7 %	2.0 %	6.1 %	7.2 %	7.6 %
Labour hire													
Turnover	**21.8**	**31.6**	**39.9**	**34.2**	**30.3**	**40.2**	**43.9**	**37.6**	**75.6**	**127.1**	**152.0**	**164.9**	**178.1**
growth %	151 %	81 %	53 %	46 %	39 %	27 %	10 %	10 %	122 %	68 %	20 %	8 %	8 %
Adj. EBIT	**0.8**	**1.0**	**2.7**	**1.7**	**1.0**	**1.4**	**2.9**	**1.8**	**4.1**	**6.1**	**7.1**	**8.1**	**9.1**
margin %	3.5 %	3.2 %	6.7 %	4.9 %	3.1 %	3.6 %	6.7 %	4.9 %	5.5 %	4.8 %	4.7 %	4.9 %	5.1 %
Eliminations													
Turnover	-3.3	-3.4	-3.7	-3.4	-3.4	-3.5	-3.9	-3.6	-11.9	-13.7	-14.4	-15.1	-15.9
Operating profit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: Company data and Nordea estimates

Valuation

We analyse NoHo using a variety of valuation methods, including a multiple valuation and a DCF valuation. In our approach to valuation, we only include the organic growth potential and exclude any impact of potential future M&A. NoHo has a highly leveraged balance sheet but we expect the company to be able to take the leverage down significantly in the coming years, due to good cash flow generation. Using a combination of valuation methods, we derive a valuation range of EUR 7.8-10.1.

Background

We acknowledge NoHo's ambition to grow internationally, which includes a significant M&A growth component. However, as the potential targets and their size and fundamentals remain unknown for now, we refrain from including any speculative M&A in our estimates.

We use a range of valuation methods to derive a fair value for NoHo. In our analysis, we compare NoHo to the most relevant peers using valuation multiples such as EV/EBIT and P/E multiples. We also use a standard DCF model. The table below shows our valuation peer groups of restaurant and labour hire peers.

PEER VALUATION MULTIPLES

	EV / EBIT				P/E			
Restaurant peers	**2018**	**2019E**	**2020E**	**2021E**	**2018**	**2019E**	**2020E**	**2021E**
Autogrill Spa	19.6x	14.1x	12.9x	12.4x	31.8x	19.5x	17.2x	16.0x
Ibersol Sgps Sa	10.9x	11.2x	9.8x	9.1x	11.7x	11.7x	10.0x	
J D Wetherspoon Plc	15.8x	15.4x	15.2x	14.7x	17.5x	17.3x	16.7x	16.0x
Kotipizza Group Oyj	32.9x	15.7x	14.0x	12.8x	40.9x	19.6x	16.9x	15.5x
Revolution Bars Group Plc	7.7x	8.9x			7.5x	10.7x	9.2x	
Telepizza Group Sa	44.9x	14.7x	12.9x	12.1x	311.9x	17.7x	14.9x	15.4x
Vapiano Se			26.7x	18.5x			84.5x	
Young & Co'S Brewery Plc	19.2x	18.5x	17.9x	17.0x	25.6x	25.4x	24.6x	22.4x
Average	**21.6x**	**14.1x**	**15.6x**	**13.8x**	**63.9x**	**17.4x**	**24.2x**	**17.1x**
Median	**19.2x**	**14.7x**	**14.0x**	**12.8x**	**25.6x**	**17.7x**	**16.8x**	**16.0x**
Noho Partners Oyj	**32.2x**	**11.2x**	**9.5x**	**9.0x**	**32.8x**	**11.2x**	**10.1x**	**9.8x**
Labour hire peers	**2018**	**2019E**	**2020E**	**2021E**	**2018**	**2019E**	**2020E**	**2021E**
Adecco Group Ag	12.4x	8.8x	8.3x	8.1x	15.0x	11.5x	10.9x	10.4x
Amadeus Fire Ag	15.3x	14.4x	13.3x	11.2x	25.3x	23.9x	22.2x	18.7x
Attendo Ab (Publ)	21.2x	20.4x	17.0x	14.4x	12.1x	19.7x	15.1x	12.8x
Groupe Crit Sa	5.3x	5.3x	4.9x	5.2x	7.3x	9.6x	9.1x	8.8x
Hays Plc	8.8x	8.2x	7.6x		13.3x	12.3x	11.4x	
Impellam Group Plc	8.0x	6.9x	6.5x		9.2x	7.7x	7.1x	
Kforce Inc	12.8x	12.8x	11.2x		16.3x	15.4x	12.8x	
Manpowergroup Inc	7.7x	7.8x	7.5x	7.1x	11.1x	11.6x	10.8x	9.8x
Pagegroup Plc	11.6x	10.0x	9.1x	8.3x	16.3x	14.1x	13.1x	12.0x
Randstad Nv	9.5x	9.3x	9.6x	9.3x	10.6x	11.0x	10.7x	10.1x
Robert Walters Plc	8.6x	7.6x	7.0x	6.6x	13.0x	12.6x	11.8x	11.2x
Synergie Se	6.4x	6.1x	5.9x	5.8x	9.3x	11.4x	9.8x	10.6x
Staffline Group Plc	3.0x	2.7x	2.7x		2.5x	2.3x	2.2x	
Vmp Oyj	16.7x	22.4x	12.8x	11.9x	11.8x	7.8x	6.4x	9.2x
Average	**10.5x**	**10.2x**	**8.8x**	**8.8x**	**12.4x**	**12.2x**	**11.0x**	**11.4x**
Median	**9.2x**	**8.5x**	**7.9x**	**8.2x**	**11.9x**	**11.6x**	**10.9x**	**10.5x**
Noho Partners Oyj	**32.2x**	**11.2x**	**9.5x**	**9.0x**	**32.8x**	**11.2x**	**10.1x**	**9.8x**

Source: Thomson Reuters

EV/EBIT valuation of NoHo is EUR 8.0-11.3

Based on our EUR 15m and EUR 19m 2019-20 EBIT estimates for the Restaurants business and EUR 7m and EUR 8m 2019-20 EBIT estimates for Labour hire we arrive at a fair value range of EUR 8.0-11.3 for NoHo. For the enterprise value calculation we use the 2019-20 restaurant peer median EV/EBIT multiples of 14.0-14.7x and 2019-20 Labour hire peer median EV/EBIT multiples of 7.9-8.5. In our estimates, we expect NoHo to realise EUR 7.5m in synergies from previous acquisitions in the 2019-21 period, while reaching an adjusted EBIT margin of 6.8% in 2021 (vs 3.2% in 2018). We have taken into account the IFRS 16 impact on net debt and EBIT in our EV/EBIT valuation for NoHo.

P/E valuation of NoHo is EUR 6.8-8.6

Using our EUR 0.43 and EUR 0.58 adjusted EPS forecasts for 2019-20, we arrive at a EUR 6.8-8.6 fair value range based on the peer median P/E multiple of 15.0-15.9x (70% weight on Restaurant peer and 30% weight on Labour hire peers). We note that using P/E valuation multiples, the fair value range is lower than using the EV/EBIT multiples. This is largely related to the company's high debt, as well as the interest payments related to the hybrid bond. The situation would, however, change if NoHo divested its Labour hire business (most likely keeping a significant minority share) or carried out a share issue.

DCF model

A discounted cash flow (DCF) model is one of the most common ways to evaluate the intrinsic value of a business and so we also use it to estimate the value of NoHo. A DCF model discounts the value of all future cash flows to their present value using the weighted cost of capital (WACC). The WACC takes into account the expected return or both equity and bondholders of a company. A DCF valuation can be described by the following steps:

- Discount a company's free cash flows at WACC to derive the total company's enterprise value (EV)
- Identify which parts of the total enterprise value are related to debt holders and non-equity claims.
- Deduct all components that are not related to the equity holders' claim to derive equity value for the company. The equity value is then divided by the number of outstanding shares to achieve a DCF-based share price.

We find DCF to be a good valuation method for NoHo since it takes into account the fundamental drivers of a company, such as the cost of capital, growth rates, reinvestments rates etc. The main appeal of a DCF model is that it only takes into account a company's cash flows instead of accounting-based earnings. A disadvantage is that it is relatively sensitive to changes in input values.

DCF valuation of NoHo is EUR 8.5-10.3

In our DCF model, we value NoHo based on the current business, assuming no additional value-adding acquisitions and that sales will grow on average by 5% until 2024 and subsequently at a 2.5% pace to perpetuity, meaning that organic growth is roughly the same as the average rate of inflation. We also assume NoHo will maintain its profitability level, with an adjusted EBIT margin of 6.5% in the long run. We use a cost of debt of 3.0% in our DCF model, as the current level of around 2.0% is unlikely to persist in the long term. We also assume that average debt will go down, owing to higher interest rates in the future and so we assign the company a long-term equity weight of 60% in our DCF model.

WACC COMPONENTS

Risk-free interest rate	1.5%
Market risk premium	5.5%
Equity beta	1.5-1.3
Cost of equity	9.8-8.7%
Cost of debt	3.0%
Tax-rate used in WACC	21%
Equity weight	60%
WACC	**6.8-6.1%**

Source: Nordea estimates

DCF VALUATION, EURm AND EUR

DCF value	Value	Per share
NPV FCFF	488	24.9-26.8
(Net debt)	-138	-7.3
Market value of associates	0	0.0
(Market value of minorities)	-9	-0.5
Surplus values	0	0.0
(Market value preference shares)	0	0.0
Share based adjustments	0	0.0
Other adjustments	-177	-9.4
Time value	13	0.7
DCF Value	**177**	**8.5-10.3**

Source: Nordea estimates

DCF ASSUMPTIONS

Averages and assumptions	2019-24	2025-29	2030-34	2035-39	2040-44	2045-49	Sust.
Sales growth, CAGR	4.94%	2.5%	2.5%	2.5%	2.5%	2.5%	
EBIT-margin, excluding associates	6.9%	6.5%	6.5%	6.5%	6.5%	1.2%	
Capex/depreciation, x	0.8	1.00	1.00	1.00	1.00	1.00	
Capex/sales	9.7%	9.7%	9.7%	9.7%	9.7%	9.7%	
NWC/sales	-5.4%	-5.4%	-5.4%	-5.4%	-5.4%	-5.4%	
FCFF, CAGR	11.8%	-0.2%	2.5%	2.5%	2.5%	-28.6%	2.5%

Source: Nordea estimates

DCF valuation sensitivity

To test the robustness of our base-case scenario, we perform a sensitivity analysis by varying our EBIT margin, sales growth and WACC assumptions. We note that the derived DCF fair value is especially sensitive to the WACC assumptions, implying that changes in the company's risk profile could significantly impact the fair value assessment in either direction.

When we use sensitivities of ±0.5 pp for WACC, ±0.5 pp for sales growth and ±0.5 for EBIT margin change, our DCF model gives us a value range of EUR 6.3-13.4 per share.

SENSITIVITY OF OUR DCF MODEL, EUR

Sensitivity analysis: WACC vs EBIT margin

		WACC				
		6.3%	**6.5%**	**6.8%**	**7.0%**	**7.3%**
EBIT marg. change	**0.5pp**	13.4	12.1	11.1	10.2	9.3
	0.3pp	12.2	11.2	10.3	9.4	8.5
	0.0pp	11.2	10.3	9.4	8.6	7.8
	-0.3pp	10.2	9.3	8.5	7.8	7.1
	-0.5pp	9.2	8.4	7.7	7.0	6.3

Sensitivity analysis: WACC vs Sales growth

		WACC				
		6.3%	**6.5%**	**6.8%**	**7.0%**	**7.3%**
Sales growth change	**0.5pp**	12.3	11.2	10.3	9.4	8.6
	0.3pp	11.7	10.7	9.8	9.0	8.2
	0.0pp	11.2	10.3	9.4	8.6	7.8
	-0.3pp	10.7	9.8	9.0	8.2	7.4
	-0.5pp	10.3	9.4	8.6	7.8	7.1

Sensitivity analysis: Sales growth vs EBIT margin

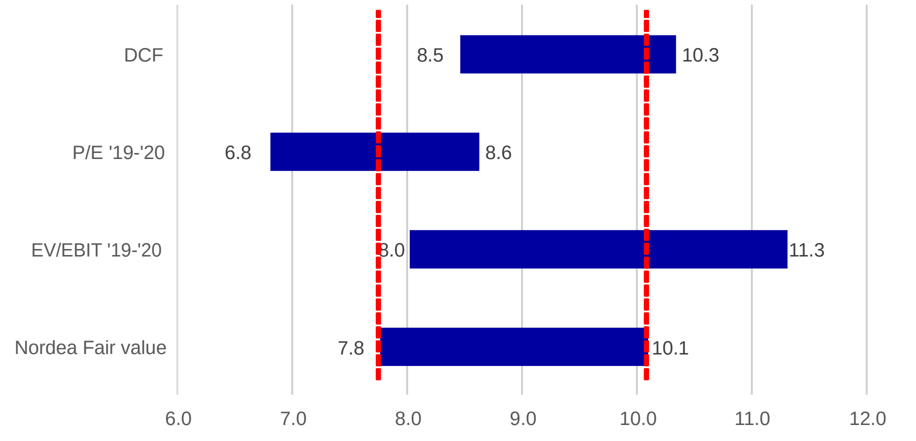
		Sales growth change				
		-0.5pp	**-0.3pp**	**0.0pp**	**0.3pp**	**0.5pp**
EBIT margin change	**0.5pp**	10.2	10.6	11.1	11.6	12.1
	0.3pp	9.4	9.8	10.3	10.7	11.2
	0.0pp	8.6	9.0	9.4	9.8	10.3
	-0.3pp	7.8	8.1	8.5	8.9	9.4
	-0.5pp	7.0	7.3	7.7	8.0	8.4

Source: Nordea estimates

Valuation conclusion

Based on the assumption that NoHo can deliver revenue growth and an operating profit margin in line with our expectations, we estimate a fair value range of EUR 7.8-10.1 per share based on our different valuation approaches. This valuation range is represented as the red lines in the chart below.

VALUATION APPROACH, EUR/SHARE



Source: Nordea estimates

NoHo's acquisition model

A key component of NoHo's growth is M&A, although organic efforts are used as well. The M&A approach is justified by the high economies of scale in the restaurant and labour hire businesses. Given its extensive M&A record in Finland and the core existing scalable concepts assisting in organic growth after acquiring businesses, we believe that NoHo has good capabilities of continuing its internationalisation strategy through acquisitions, especially given that the northern European markets are fragmented. When acquiring companies, NoHo typically uses a partner model by leaving a minority stake for key personnel, which is our view, ensures a smooth continuation of the business.

Acquisition-driven growth strategy

Typically acquires a majority share

Over the past few years, NoHo has grown its restaurant and staffing business in Finland and the Nordics through organic growth and acquisitions. Organic growth in Finland is not sufficient due to the high market share of a few existing Finnish HoReCa giants, such as the S Group. When NoHo acquires targets, it typically acquires a majority share at once, or achieves this only a few months after its initial purchase. After the Royal Ravintolat acquisition in Q2 2018, NoHo has a good presence in the capital, but the majority of its business (indoor count) is in smaller Finnish cities. When acquiring companies, it either expands its presence in cities it already operates in, or enters new smaller cities experiencing economic growth.

Restaurants have varying concepts to meet local demand

For its Restaurant business segment, NoHo aims to develop a range of restaurant concepts with varying concepts at different locations to meet local demand. Its object is to grow the business rapidly and boldly, while seeking expansions that are new, individual concepts tailored to the needs of each location.

Focus on being cost-efficient while expanding

NoHo entered the staffing service industry as it saw potential in the industry, had solid competence in the restaurant business, which has synergies with the staffing business, and plenty of experience with part-time employment relationships. It started by acquiring Staff Invest Plc, for which NoHo was the largest customer. The staffing industry has continued to grow in the last few years and NoHo is now expanding its staffing services to segments where it historically has not been present or strong, as well as segments it already operates in and wishes to build even further.

Although NoHo focuses on an acquisition-driven growth strategy, it is also active in managing the acquired portfolio. If some of the companies or individual restaurants do not live up to expectations or are not a good fit, NoHo has historically exited these companies or business units.

Plans to expand restaurant business in northern Europe

Since 2014, we have seen that NoHo has acquired a growing number of companies each year, especially in the Restaurant business segment but also the Labour hire segment. In 2019, it is planning to expand its restaurant business further abroad and is investigating further possibilities in northern Europe. The plan is either to acquire companies, expand its existing business model in the new location, or create a hybrid of the two.

Acquisition criteria

NoHo is seeking acquisitions with synergy benefits

In 2017, the company acquired several companies in both the labour hire industry and the Restaurant business segment. Some of the criteria for potential acquisitions are:

Type of company

- Provides restaurant or staffing services with opportunities for synergies with NoHo
- Small restaurants/staffing companies, or small restaurant chains/concepts

Type of deal

- Privately held company
- Typically leaves minority stake to key employees

Region

- Small cities in Finland with economic growth
- Small northern European cities

Integration process and NoHo's value proposition to the acquired company

NoHo offers restaurants the possibility to be part of a larger corporation with a more extensive budget, possibilities for funding, marketing, and the ability to renovate restaurants. The acquired companies will also benefit from sourcing due to economies of scale, as well as operational benefits from common IT systems. Furthermore, NoHo has a customer loyalty programme that covers all of its restaurants. According to NoHo, its culture brings an entrepreneurial spirit and the company focuses on having a varied range of restaurants targeting the local population. Hence, acquired restaurants are able to keep their concept while reaping the benefits of being part of a larger chain that values uniqueness. Staffing companies acquired by NoHo are able to be part of a large company offering varied staffing services, which has a strong brand and opportunity for larger marketing campaigns. Furthermore, Smile has a new IT system that allows for quick and smooth integration of acquired companies.

Acquisition multiples

Acquired Staff Invest Oy at 0.5x EV/sales

NoHo has historically paid a range of 0.2-1.2x of EV/sales. In addition to the initial consideration, it often also has additional potential earn-out if the company fulfils certain requirements.

SELECTED LIST OF TRANSACTIONS

Year	Segment	Company	Multiple
2014	Staffing	Staff Invest Oy	EV/S 0.49x plus potential earn-outs
2014	Staffing	Huippu Henkilöstöpalvelut Oy	EV/S 0.22x plus potential earn-outs
2014	Restaurant	Rengasravintolat group	EV/S 0.79x plus potential earn-outs
2014	Restaurant	Tunturimax	EV/S 0.33x
2017	Restaurant	Cock's & Cows and the Bird	EV/S 1.23x plus potential earn-outs
2017	Staffing	Adicio	EV/S 0.85x
2018	Restaurant	Royal Ravintola	EV/S 0.85x

Source: Company data

M&A case example: Staff Invest

In 2014, NoHo entered the staffing service industry by acquiring Staff Invest Oy's labour hire service operations. NoHo was Staff Invest's largest customer and wanted to keep the profit margin of the hired labour working in NoHo's restaurant in its group. It also saw potential in the staffing service industry and believed it would achieve synergies through its experience with the restaurant business and part-time employment relationship.

For the financial period ending 31 July 2013, Staff Invest's turnover was approximately EUR 18m, EBITDA EUR 2.2m and its income was EUR 1.2m. The majority of Staff Invest's shareholders were already related to NoHo and the company paid EUR 7.7m for 75% of Staff Invest's business operations. At the end of 2014, NoHo purchased the rest of Staff Invest Group's labour hire operations.

M&A case example: Tunturimax

In October 2014, NoHo and Rukakeskus Group established a joint venture covering the restaurant operations of Rukakeskus Oy and its subsidiary Pyhätunturi. NoHo owns 65% and Rukakeskus 35% of the joint venture.

The acquisition matched NoHo's strategy to expand to tourist attractions in the north of the country, and by working with Rukakeskus it could utilise Rukakeskus' expertise and experience of running a family business in the area. In NoHo, Rukakeskus found a good partner to develop the restaurant business with as it wanted to focus on the ski business and also raise the supply of restaurant services in Ruka and Pyhä.

M&A case example: Cock's & Cows and The Bird

In March 2018, NoHo took its first step in its expansion abroad strategy by acquiring Cock's & Cows and the Bird. Currently, both companies only operate in Copenhagen although NoHo plans on expanding the concepts to other countries. Cock's & Cows is a restaurant chain serving primarily burgers and cocktails. Cock's & Cows is a popular chain, but face harsh competition in the "Copenhagen burger war" with competitors such as Grillen, Halifax and Jagger trying to become market leaders.

The Bird is a cocktail bar/nightclub chain, famous for their numerous gin drinks. The Bird face competition from other nightclubs and bars, but by marketing themselves as a niche bar, with a great variety of gin drinks, they operate in a more niche segment, although also being able to serve more mainstream customers with beer, cider, soda etc. Both Cock's & Cows and the Bird fits well with NoHo's existing restaurant portfolio, which consists of several burger restaurants as well as nightclubs and bars.

The two founding partners of Cock's & Cows and the Bird continue as partners in the new joint venture Restamax Operations Denmark, which acquired the companies. Restamax Oyj owns 75% and the founders own 25%. Restamax can build on the founders' knowledge of the Danish market as well as their experience with operating social restaurants and nightclubs. The founders become part of the largest restaurant company in the Nordics, can utilise Restamax's expertise to expand abroad and get access to its competence and know-how.

With its expansion abroad, NoHo changed strategy and acquired a company which only operates in the capital of Denmark. This indicates that the next restaurant it opens or acquires, could be either in the Danish or Finnish Capital (to build on the new strategy) or in one of the smaller Danish cities (continue the previous strategy).

M&A case example: Royal Ravintolat

In April 2018, NoHo made its largest acquisition ever by acquiring Royal Ravintolat for EUR 90m. In Finland, the majority of NoHo's restaurants have historically been in smaller cities outside the capital but when acquiring Royal Ravintolat, focus shifted towards capital regions. The focus also shifted towards a more premium offering from being historically more focused towards the mid-priced restaurant segment.

In Helsinki Royal, Ravintolat operates well-known restaurants such as Elite, Löyly, Palace (having one Michelin star), Savoy and Teatteri. In 2017, Royal Ravintolat had net sales of EUR 106m and an EBITDA of EUR 7m.

Potential future targets are mainly abroad

Acquiring Cock's & Cows and the Bird was NoHo's first step in realising its strategy of going abroad. The company has also communicated its ambitions to grow significantly abroad. Going forward we expect NoHo to focus its internationalisation efforts on the countries surrounding the Baltic Sea, given the proximity and sourcing synergies relative to its home market, the similar consumer trends and the fragmentation of the restaurant industry beyond the fast food giants. We believe that NoHo could be further looking into strengthening its restaurant foothold in Norway and Denmark.

Potential target example: Jensens Bøfhus

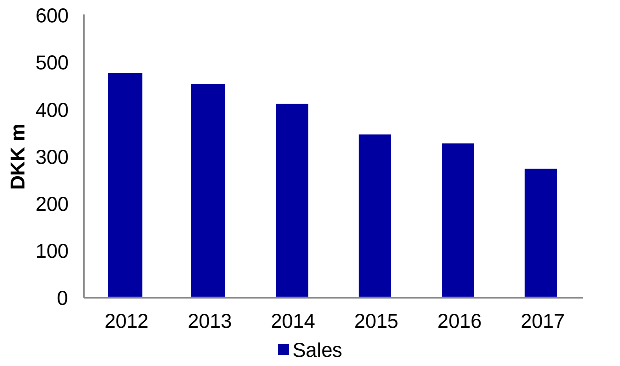
Jensens Bøfhus is a Danish steakhouse chain with 46 restaurants: 22 in Denmark, ten in Sweden and two in Norway. Its concept is to serve great steaks at a reasonable price, in a place where everyone feels welcome. Although its primary focus is steaks, it also has other options on the menu.

It is a well-known brand in Denmark and in 2013, 96% of Danes associated "Jensens" with Jensens Bøfhus. Its customer club is currently the largest in its field, with 225,000 members in Denmark and still growing.

The last few years have been challenging for Jensens Bøfhus. In 2014, customers boycotted its restaurants after Jensens Bøfhus sued a small fish restaurant for using the name Jensens. The owner lost the case, but gained public sympathy. In the last few years, Jensen Bøfhus has produced negative results; it has large debt and has had properties sold or put on the market, with the price reduced for at least one of these. The company has fired directors and changed its prices and menus to make it more up-to-date, although customers were not satisfied with the changes to the menu. In the past year, Jensens Bøfhus has closed ten restaurants as part of its rescue plan.

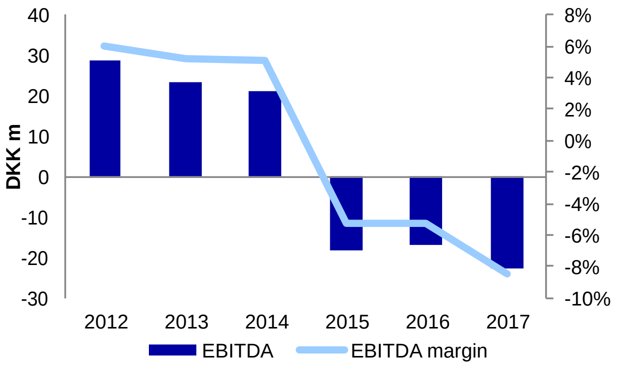
By acquiring Jensens Bøfhus, NoHo would get access to a well-known brand operating in Scandinavia, the largest Danish customer club in its segment, and a similar concept to NoHo's steak houses, so it would be possible to utilise and build on NoHo's knowledge in the segment. The acquisition price should be expected to be low as well, with a turnaround opportunity, given its recent customer and financial struggles.

JENSENS BØFHUS GROUP SALES, DKKm



Source: Jensens Bøfhus Annual Report 2017

JENSENS BØFHUS GROUP EBITDA, DKKm



Source: Jensens Bøfhus Annual Report 2017

Restaurant business market

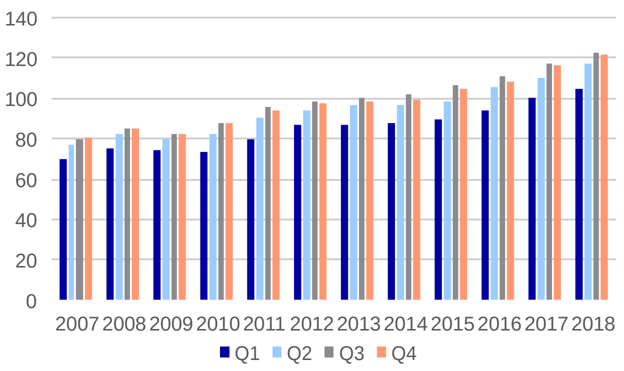
The Finnish restaurant industry is growing fast. According to Statistics Finland, the entire industry has posted average annual growth of 4% since 2009, and with increasing numbers of single-person households and tourists, we argue that the industry should continue to grow. The change in alcohol regulations in 2018 allowed for "happy hour" marketing, removed certain limits from bar and restaurant opening hours, and allowed some takeaway sales of alcohol products from restaurant premises. NoHo entered the Danish restaurant market in 2018 and the Norwegian restaurant market in 2019 through a joint venture.

Finnish restaurant market

The Finnish food and beverage service market is growing

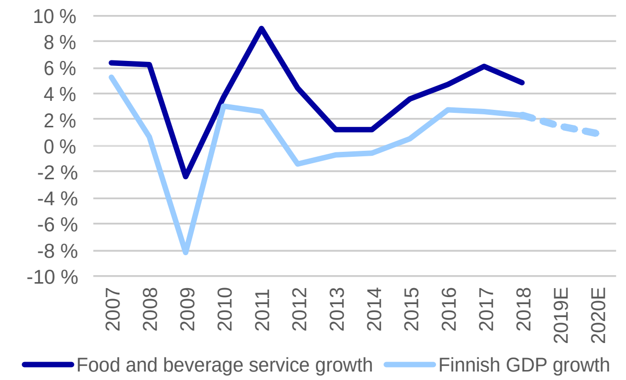
The turnover growth from Finnish food and beverage service activities has escalated in the past four years thanks to good economic growth. Although the industry is dependent on general economic trends, we see in data from Statistics Finland that the annual growth of the restaurant industry has been consistently higher than GDP growth during the past ten years; Finnish GDP has shown annual average growth of 2% over the past four years; at the same time, the Finnish restaurant industry has grown at an annual average of 5%. Nordea forecasts slowing GDP growth for Finland ahead, which could slow down the growth of the restaurant industry.

FINNISH FOOD AND BEVERAGE SERVICE ACTIVITIES' TURNOVER, INDEX 2015=100



Source: Statistics Finland

FINNISH FOOD AND BEVERAGE SERVICE ACTIVITIES AND REAL GDP GROWTH, Y/Y

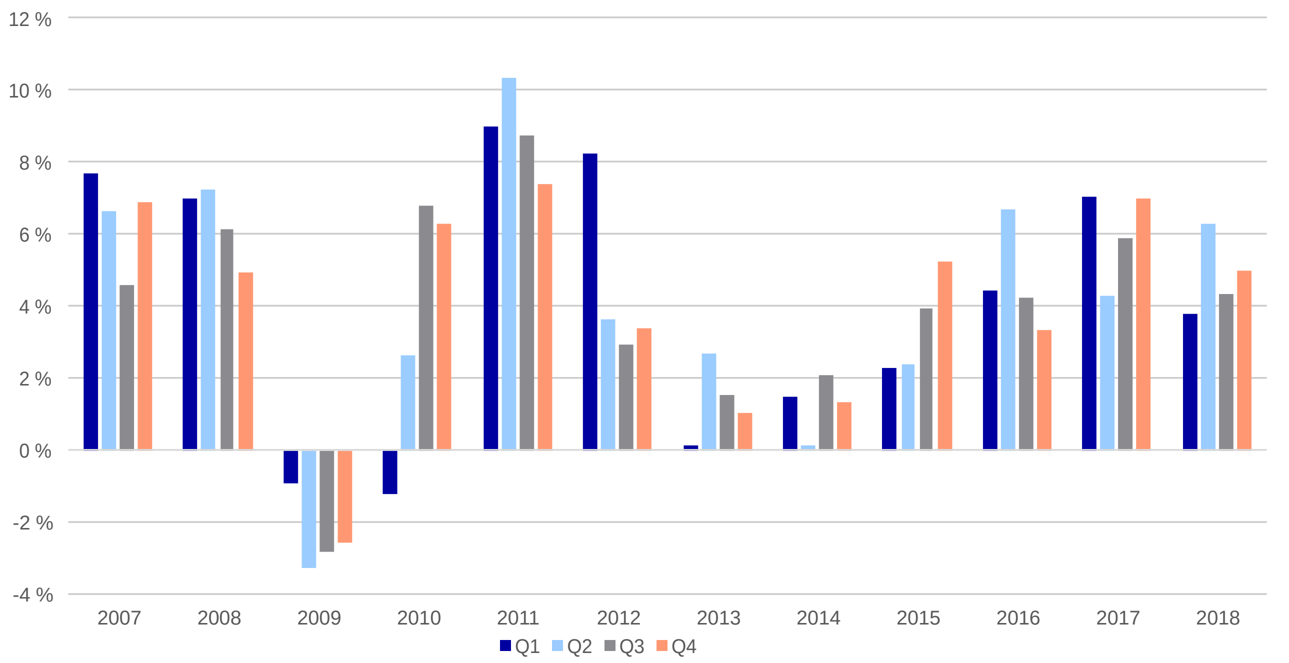


Source: Statistics Finland and Nordea Economic Outlook

The industry faces seasonal variations, with Q3 and Q4 being the best quarters

In the food and beverage service industry, there are seasonal variations. Q1 is often the weakest sales quarter, whereas Q3 and Q4 are typically the best. The second half of the year is supported by active summer months and Christmas celebrations.

FINNISH FOOD AND BEVERAGE SERVICE INDUSTRY: TURNOVER GROWTH, Y/Y

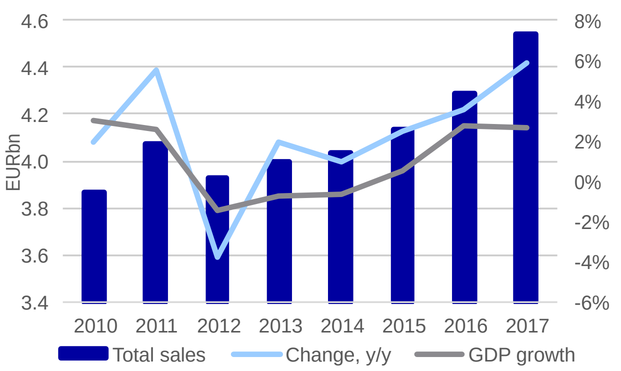


Source: Statistics Finland

Total sales in Finnish restaurants have trended well in recent years, with an annual increase of 3% on average during 2013-17. For the past two years, growth has been the strongest in the fast food segment, where large fast food chains have gained market share.

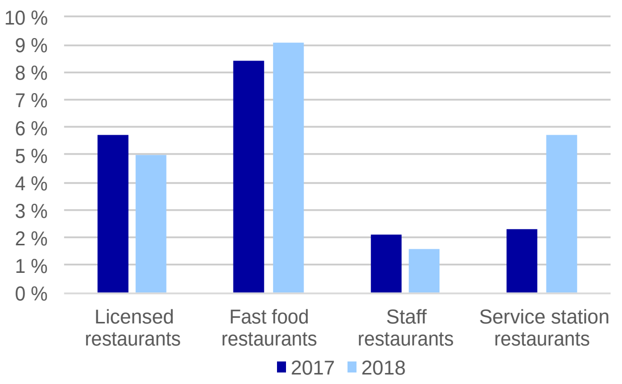
NoHo's restaurant segment operates restaurants with alcohol licences. From 2018, alcohol licensing in Finnish restaurants is unified, with no specific separation between the alcoholic beverage categories (ie if a restaurant has an alcohol licence, it can serve all alcoholic drinks). Historically the Finnish restaurants' sector has correlated fairly well with GDP growth; in both good and bad times.

TOTAL SALES IN FINNISH RESTAURANTS, EURbn



Source: National Supervisory Authority for Welfare and Health (Valvira)

FINNISH RESTAURANT SEGMENT: Y/Y GROWTH BY TYPE, %



Source: Valvira and Finnish Hospitality Association (MaRa)

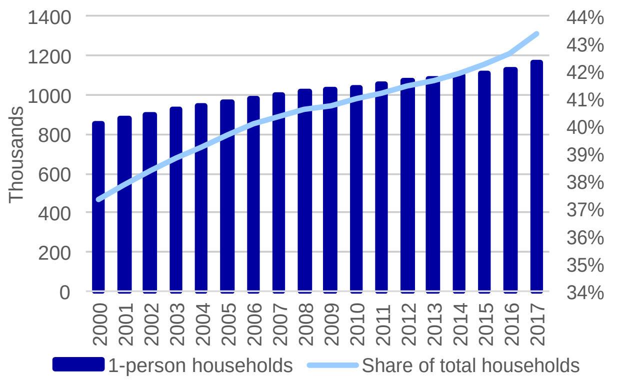
The number of single-person households is increasing in Finland

The number of single-person households has increased throughout the century, both as an absolute number and as a percentage of the total number of households. As single-person households tend to dine and go out more frequently, this increase in single-person households should increase the size of the target market for the food and beverage service industry in Finland, we believe.

Since 1995, the number of domestic and foreign tourists visiting Finland has increased

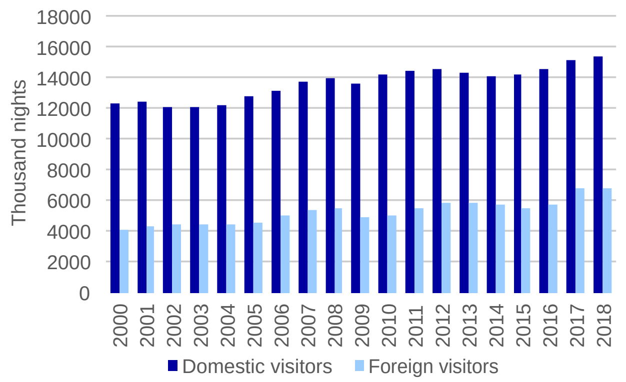
The number of tourists and visitors to Finland is increasing. Since 2014, the number of domestic tourists has increased at a CAGR of 2.2%, and the number of foreign tourists has risen at a CAGR of 4.6%. The growing number of visitors in established accommodation is good for the food and beverage service industry, as visitors are likely to dine and drink out during their stays.

FINNISH SINGLE-PERSON HOUSEHOLDS: NUMBER (THOUSANDS) AND SHARE OF TOTAL HOUSEHOLDS (%)



Source: Statistics Finland

VISITORS IN FINLAND: OVERNIGHT STAYS BY COUNTRY OF RESIDENCE, THOUSAND NIGHTS

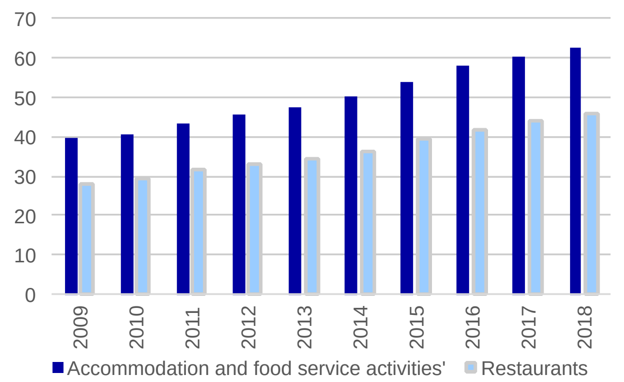


Source: Statistics Finland

Danish restaurant market

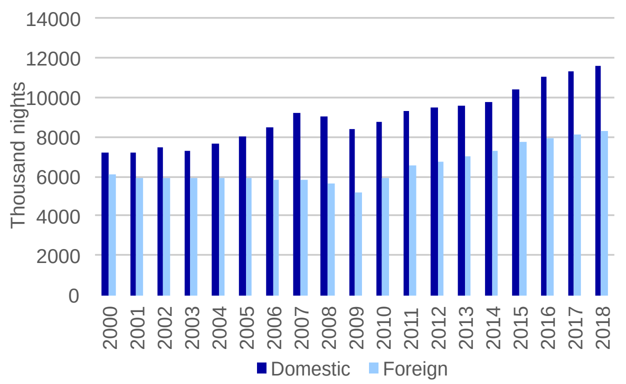
According to Statistics Denmark, the turnover from Danish accommodation and food service activities has increased at a 2009-18 CAGR of 5.2%, while restaurants' turnover growth has been faster, at a CAGR of 5.5%. In 2018, restaurants accounted for around 73% (71% in 2009) of Danish accommodation and food service activities' turnover. During 2009-18, overnight stays in hotels and holiday resorts increased at a CAGR of 4.3%.

DANISH ACCOMMODATION AND FOOD SERVICE ACTIVITIES' TURNOVER, DKKbn



Source: Statistics Denmark

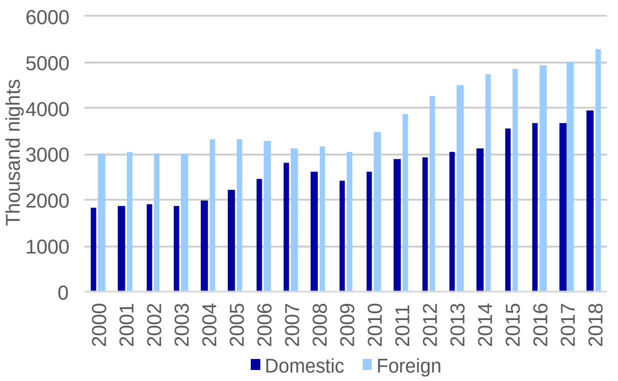
OVERNIGHT STAYS IN DANISH HOTELS AND HOLIDAY RESORTS BY COUNTRY OF RESIDENCE, THOUSAND NIGHTS



Source: Statistics Denmark

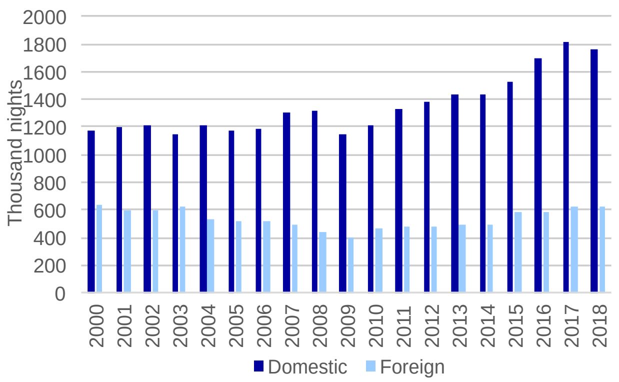
In Denmark, NoHo currently operates in Copenhagen (Region Hovedstaden) and Aarhus (Region Midtjylland). Copenhagen and Aarhus are the largest and second-largest cities in Denmark, respectively, and both have been growing faster than Denmark in general with respect to the number of overnight stays in hotels and holiday resorts. According to Statistics Denmark, Copenhagen is the most frequent destination for foreign visitors, as around 64% of Denmark's total foreigner overnight stays were recorded in the Hovedstaden region in 2018. Midtjylland's overnight stays growth is more thanks to domestic visitors, as around 74% of the region's overnight stays were by domestic visitors in 2018. Overnight stays in Hovedstaden and Midtjylland, combined, grew at a CAGR of 5.8% in 2009-18.

OVERNIGHT STAYS IN HOVEDSTADEN BY COUNTRY OF RESIDENCE, THOUSAND NIGHTS



Source: Statistics Denmark

OVERNIGHT STAYS IN MIDTJYLLAND BY COUNTRY OF RESIDENCE, THOUSAND NIGHTS

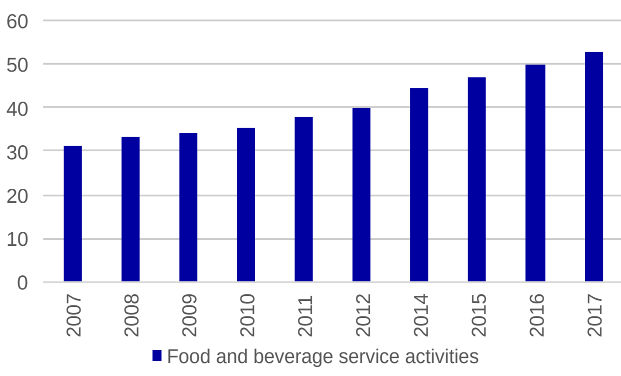


Source: Statistics Denmark

Norwegian restaurant market

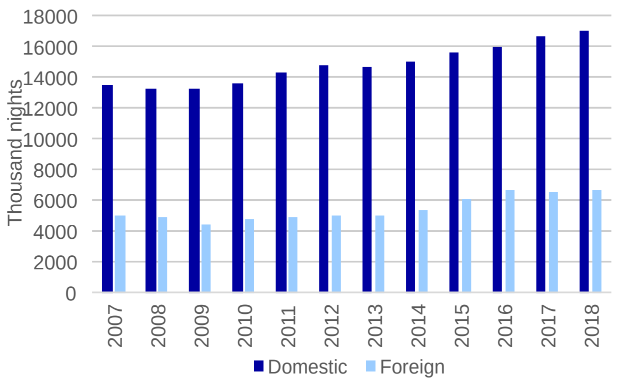
According to Statistics Norway, Norwegian food and beverage service activities' turnover increased at a CAGR of 5.3% in 2007-17. Overnight stays in Norwegian hotels and similar establishments increased at a CAGR of 2.3% in 2007-18. The growth of overnight stays in the past two years has been solely thanks to an increase in domestic visitors.

NORWEGIAN FOOD AND BEVERAGE SERVICE ACTIVITIES' TURNOVER, NOKbn



Source: Statistics Norway

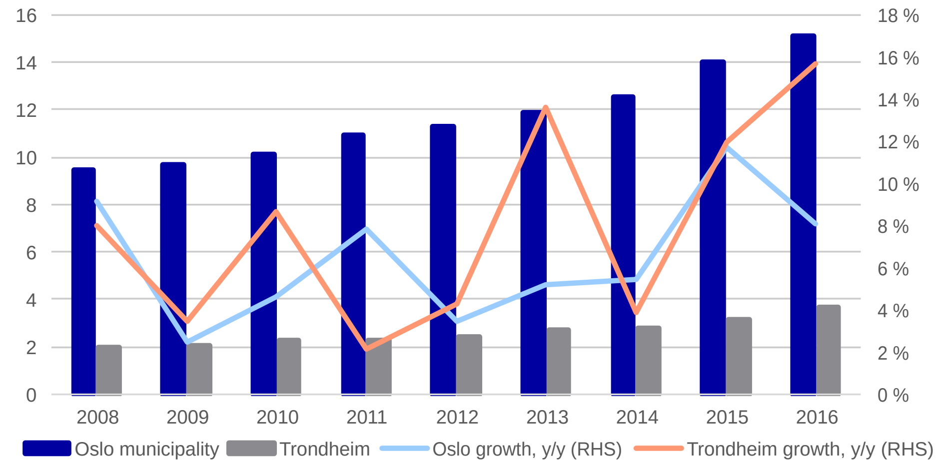
OVERNIGHT STAYS IN NORWEGIAN HOTELS AND SIMILAR ESTABLISHMENTS BY COUNTRY OF RESIDENCE, THOUSAND NIGHTS



Source: Statistics Norway

In Norway, NoHo currently (end of Q1 2019) has operations in Oslo and Trondheim. Oslo is the largest and Trondheim the third-largest city in Norway. According to Statistics Norway, turnover of food and beverage service activities has increased in both of the cities quickly: activities in Oslo municipality posted a CAGR of 6.4% and Trondheim a CAGR of 7.9% in 2007-16. The turnover in these two cities accounted for around 37% of the total food and beverage service activities' turnover in Norway.

OSLO AND TRONDHEIM: FOOD AND BEVERAGE SERVICE ACTIVITIES' TURNOVER AND GROWTH, NOKbn AND %



Source: Statistics Norway

Labour hire market

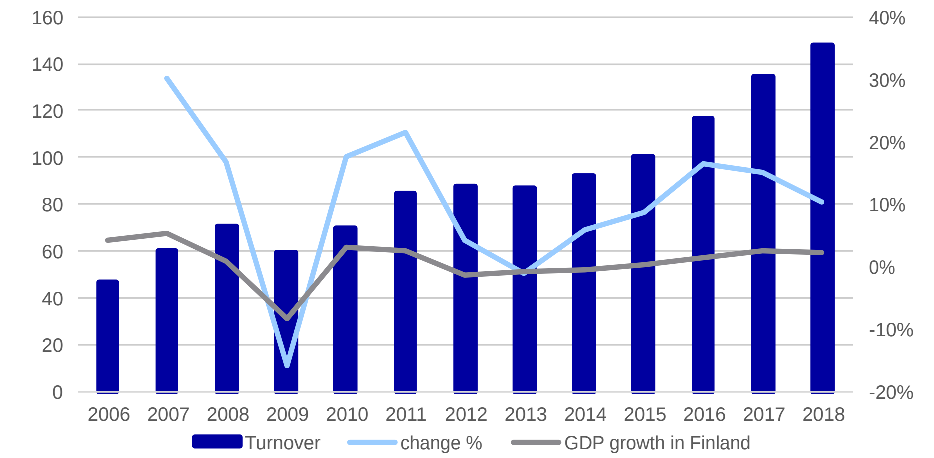
The Labour hiring segment is growing even faster than the Restaurant business segment for NoHo. Since 2009, the Finnish labour hire industry as a whole has grown by more than 10% annually on average, there is increased confidence in the sector overall, and employers are expecting to hire more personnel.

Finnish labour hire market

The labour hire industry is a growing market. In 2006-2018, the industry has grown by 10.2% annually on average. We believe that the good economic growth in Finland has been one of the main drivers behind the strong growth in the past three years. The employment services business has correlated fairly well with GDP growth in Finland.

The staffing industry is growing, and it increased by 10% in 2018

ANNUAL TURNOVER OF EMPLOYMENT ACTIVITIES (2015=100) AND GDP GROWTH IN FINLAND



Source: Statistics Finland

The market for employment services has increased from EUR 1.2bn in 2009 to EUR 2.6bn in 2017, with industrial and construction workers, as well as transport, warehousing and logistic personnel representing the largest groups within the industry. Most sub-sectors in the industry have shown double-digit growth in 2009-17.

TURNOVER OF EMPLOYMENT AGENCY SERVICES IN FINLAND, EURm

	2009	2010	2011	2012	2013	2014	2015	2016	2017	CAGR '09-17
Executive search	21	17	21	26	27	27	27	35	38	8%
Permanent placement excl. exec. search	16	16	25	36	20	42	43	36	85	23%
Computer and telecommunication	63	55	64	131	88	47	69	141	141	11%
Administration	35	49	63	51	27	27	60	51	57	6%
Call and contact centre	43	82	83	55	43	52	27	100	24	-7%
Sales and marketing	11	47	21	28	76	30	57	27	60	24%
Other office support	80	75	90	69	51	69	58	63	62	-3%
Commercial and trade	86	92	126	112	83	160	147	129	184	10%
Transport, warehousing and logistics	85	134	118	145	159	178	171	284	241	14%
Industrial	141	212	273	231	226	241	209	333	508	17%
Construction	83	84	125	178	67	67	132	267	285	17%
HoReCa	130	178	210	217	219	202	228	230	256	9%
Medical	174	92	153	90	262	166	180	129	186	1%
Other personnel	33	38	97	189	121	105	155	106	136	20%
Other HR provision services	20	35	15	31	4	38	101	178	230	35%
Other	137	43	27	36	55	144	186	73	79	-7%
Employment activities total	**1,160**	**1,249**	**1,512**	**1,625**	**1,530**	**1,595**	**1,853**	**2,180**	**2,572**	**10%**

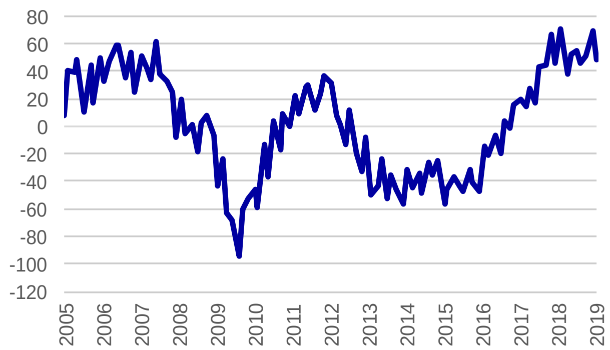
Source: Statistics Finland

General confidence in the staffing service industry is growing

During the past two years, general confidence in the labour hire industry has increased, according to the Finnish service confidence indicator published by the Confederation of Finnish Industries. From 2011 until mid-2016, there was negative confidence in the labour hire and general services industry, as shown in the graph below to the left. Since mid-2016, confidence has been positive and growing, which we believe is a result of the good GDP growth in Finland (2.3-2.8% annually in 2016-18).

However, the outlook for labour hire services has turned more negative in recent years, which we believe to be a result of the slowing economic growth in Finland. We believe that the more cyclical sub-segments in labour hire (such as construction) will most likely be hit harder than the more defensive ones (such as restaurant staff) if the economic growth slows down significantly. In 2017 46% of Smile's sales came from the HoReCa sector and 51% from industry, construction and logistics (ICL). The rest came mainly from other areas such as medical doctors. In 2018 Smile made an acquisition in the ICL sector and we hence believe that the sales split is currently more tilted towards ICL clients.

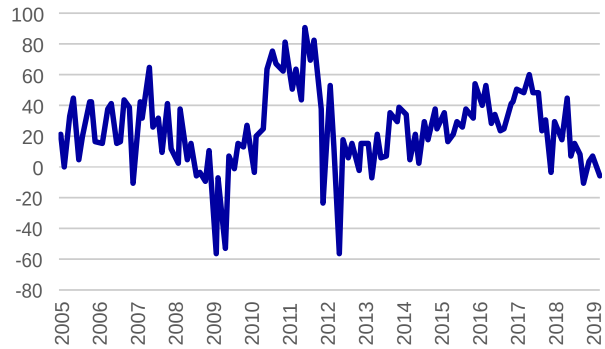
EMPLOYMENT SERVICE CONFIDENCE INDICATOR, BALANCE FIGURE



Source: Confederation of Finnish Industries (EK)

Note: A positive balance figure denotes an optimistic view and a negative balance figure a pessimistic view on the economy.

EMPLOYMENT SERVICE CYCLE OUTLOOK, BALANCE FIGURE

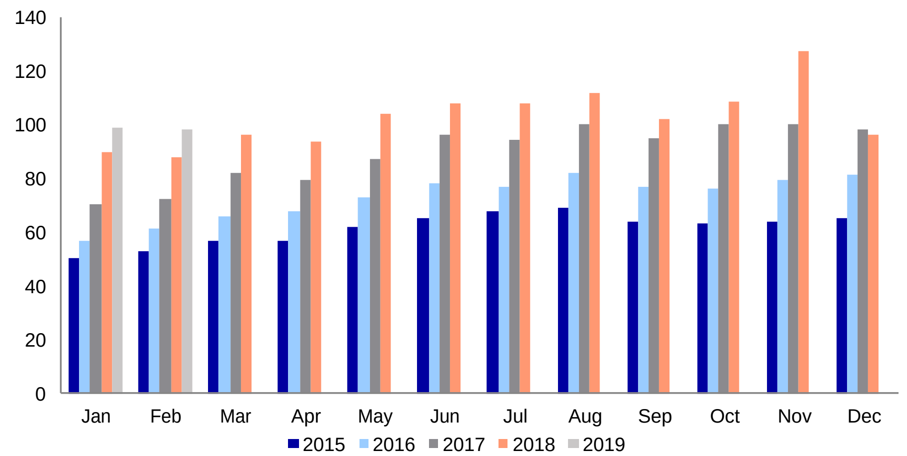


Source: Confederation of Finnish Industries

Revenue is increasing each year

Revenue in the labour hire industry has increased for the past four years. The industry has grown each year, and the first two months of 2019 has already performed better than the first two months of 2018. The labour hire industry is somewhat affected by seasonality, with the summer and winter holiday seasons showing the highest aggregated revenues.

AGGREGATE REVENUE OF TEMPORARY LABOUR HIRE INDUSTRY IN FINLAND, EURm

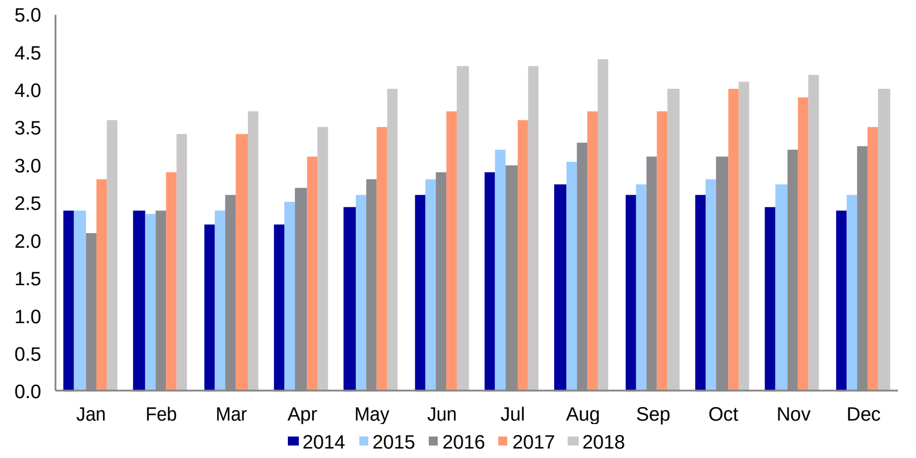


Source: HPL

The sector experiences some seasonality, with January and February being the toughest months

The total number of hours worked also indicates an industry affected by seasonality. Q1 generally has fewer hours, where the hours increase before the summer holidays and continue to stay high towards Christmas. As data from the Finnish Private Employment Agencies Association (HPL) shows, there has been some growth in the past four years, with each year increasing slightly compared to last year. The hours worked in 2018 have all increased compared to 2017, with an average monthly increase of 14%.

TOTAL NUMBER OF HOURS WORKED IN 2014-2018, MILLION HOURS

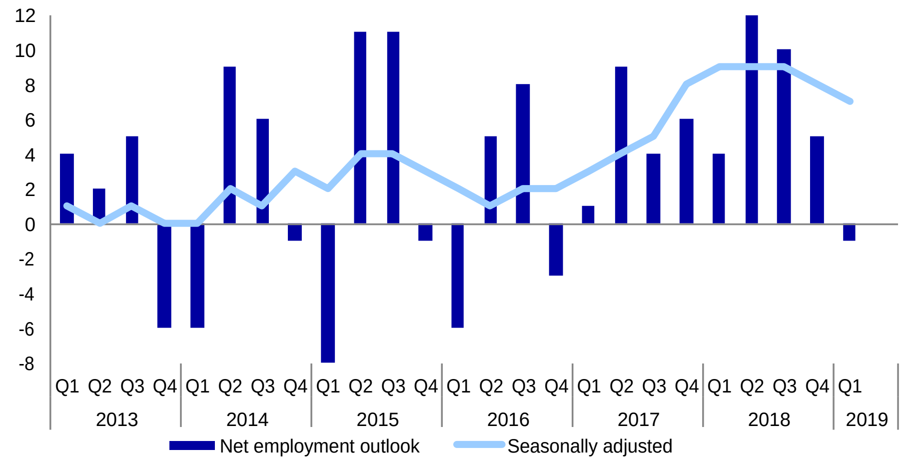


Source: HPL

There is increased demand for workers in Finland during the summer months

Since Q1 2013, Finnish employers have generally expected an increase in the need for employees during the summer months, with a decrease in the winter months according to Manpower. The hiring intention of Finnish employers has been particularly good in 2017-18, while Q1 2019 showed a slight decline y/y. It is still too early to say whether the negative trend will continue but we believe that a slowing economy could have a negative impact on companies' intention to hire people.

FINLAND EMPLOYMENT OUTLOOK



Source: Manpower

In Q2 2019, employers expected increased demand for workers

When dividing Finnish organisations into four size categories, all four had positive expectations for Q2 2019 with regards to the employment outlook. Since 2012, companies have on average expected a positive increase in demand for new hires. Currently, micro-sized companies (fewer than 10 employees) have a 'Net Employment Outlook' according to Manpower of 3% (zero would indicate a neutral outlook whereas a positive figure indicates future hiring intentions) for Q2 2019. Small-sized companies (10-49 employees) had a Net Employment Outlook of 7% for Q2 2019 and medium-sized companies (50-249 employees) had 20%. Large-sized companies (over 250 employees) had the best Net Employment Outlook of 23% for Q2 2019.

FINLAND NET EMPLOYMENT OUTLOOK BY COMPANY OR ORGANISATION SIZE FOR Q2 2019

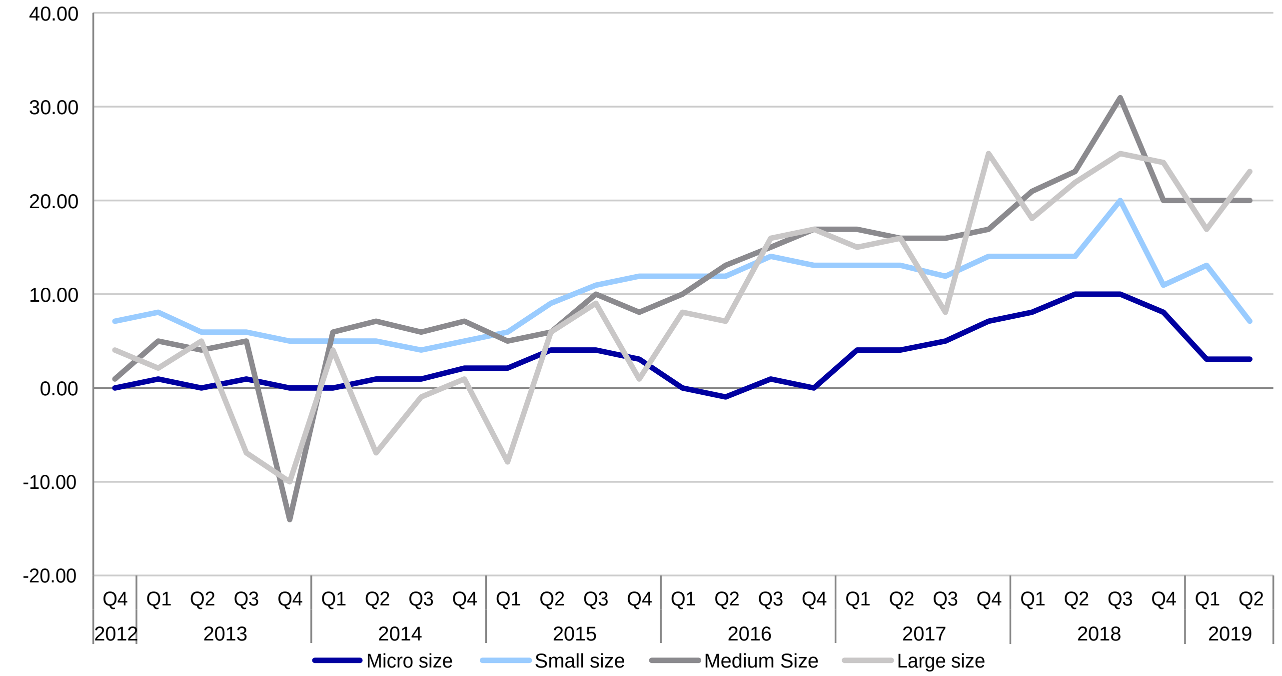
Organisation-Size	Increase	Decrease	No change	Don't know	Net employment outlook	Seasonally adjusted
	%	%	%	%	%	%
Micro-Size (<10)	11	3	84	2	8	3
Small-Size (10-49)	15	7	78	0	8	7
Medium-Size (50-249)	30	3	66	1	27	20
Large-Size (>250)	36	9	52	3	27	23

Source: Manpower Group Employment Outlook Survey Finland

Note: A 0% net employment outlook would indicate no change in future hiring intention, whereas a positive figure indicates an intention to hire staff. A negative figure indicates that staff will be laid off.

Despite the intention to hire staff in the coming quarter, we note that companies' intention to hire started decreasing in Q2 2018. Large and medium-sized companies in Finland have had the best Net Employment Outlook in the past three years.

FINLAND NET EMPLOYMENT OUTLOOK: ORGANISATION-SIZE COMPARISON (%)

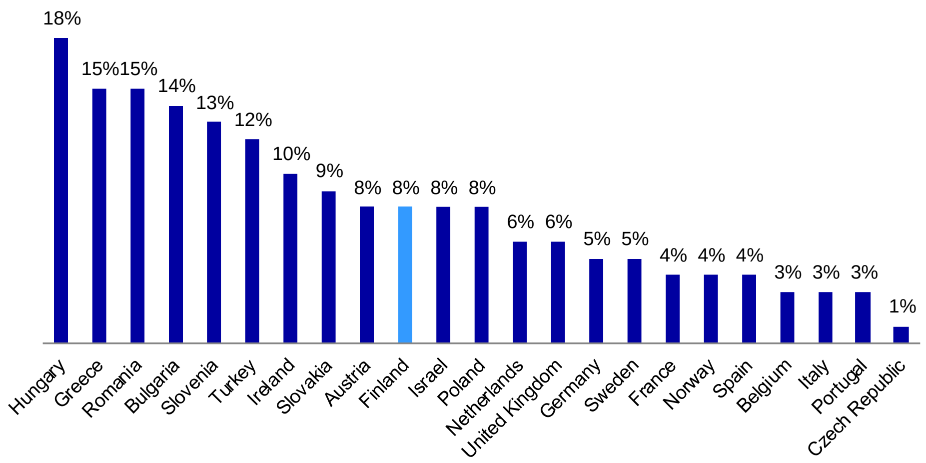


Source: Manpower Group Employment Outlook Survey Finland

Note: A 0% net employment outlook would indicate no change in future hiring intention, whereas a positive figure indicates an intention to hire staff. A negative figure indicates that staff will be laid off.

Compared to the rest of Europe, Finland's employment outlook for Q2 2019 is at the average level. In Finland, 8% of the corresponding companies expected the employment outlook to improve in Q2 2019 compared to in Q1 2019.

EMPLOYMENT OUTLOOK Q4 2017, % OF EMPLOYERS EXPECTING AN IMPROVEMENT



Source: Manpower

Historical financials

Since 2012, NoHo has grown its sales, EBITDA and employee base significantly. Through organic growth and acquisitions, the company achieved a sales CAGR of 32% and EBITDA CAGR of 19% from 2012 to 2018. The employee base also increased by 54% annually during the same period, primarily owing to good growth in the Labour hire business segment. This segment carries a high percentage of personnel costs, as its main business is the provision of temporary staff to customers. Hence, NoHo's ratio of raw material costs to sales has decreased, whereas personnel costs as a proportion of sales have increased.

Annual sales CAGR of 32% from 2012 to 2018

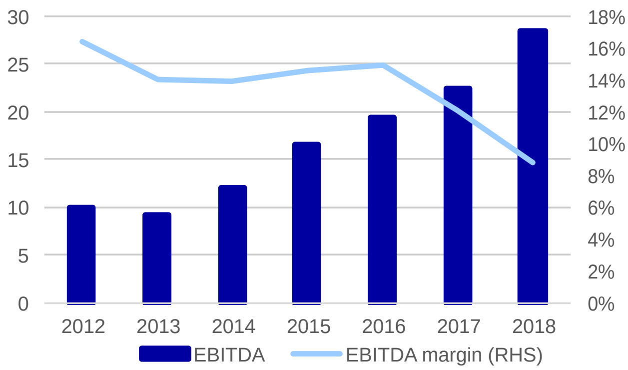
Group financials

Over the past six years, NoHo has grown both sales and EBITDA, enjoying a sales CAGR of 32% and an EBITDA CAGR of 19% during this period. In the past two years, growth has primarily been driven by organic growth and acquisitions. In 2017, the company acquired multiple companies through its Labour hire business segment, and in 2018 it made a large acquisition through its Restaurant business segment, acquiring Finnish restaurant company Royal Ravintolat which had net sales of EUR 106m in 2017.

NOHO: GROUP SALES, EURm

Source: Company data

NOHO: REPORTED EBITDA AND MARGIN, EURm AND %



Source: Company data and Nordea estimates

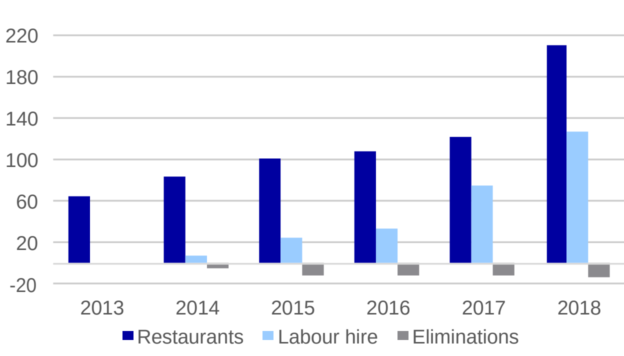
The 2018 group EBITDA margin was down by almost half from 2013 owing to acquisitions

Sales have increased in both segments

In 2013, NoHo was purely a restaurant business with net sales of EUR 65m and an EBITDA margin of 16.4%. In 2014, it acquired the Labour hire business segment Smile, and since then its top line has been growing on average by 121% annually. Growth in the Restaurant business segment during 2014-18 was 28% on average. Together with the Labour hire segment's lower EBITDA margins, this contributed to the group EBITDA margin declining to 8.8% in 2018. In addition, the acquisition of Royal Ravintolat had a dilutive effect on the Restaurant segment's EBITDA margin, as Royal Ravintolat had an EBITDA margin of 7.9% in 2017, while the EBITDA margin in NoHo's Restaurant segment was 13.4% that year.

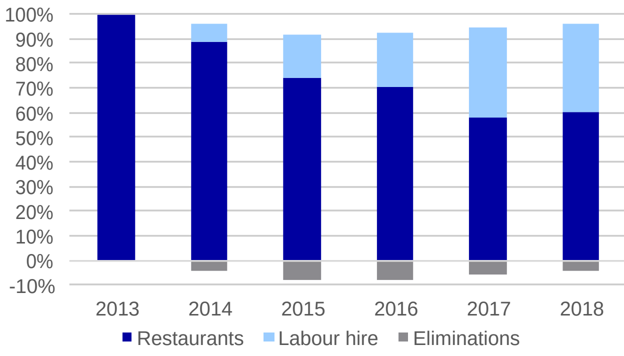
With regards to sales, the Restaurant business segment accounted for 65% of group revenue at the end of 2018, while the Labour hire segment made up around 39% of group sales. Eliminations (~4% of group sales in 2018) in the income statement relate mainly to the Labour hire business segment, as it offers its services to NoHo's Restaurant business segment, among others. While sales in the Labour hire segment have been increasing, the share of top-line eliminations has been decreasing, indicating higher external sales for the Labour hire business segment.

GROUP SALES BY SEGMENT, EURm



Source: Company data

SALES SPLIT BY SEGMENT, %



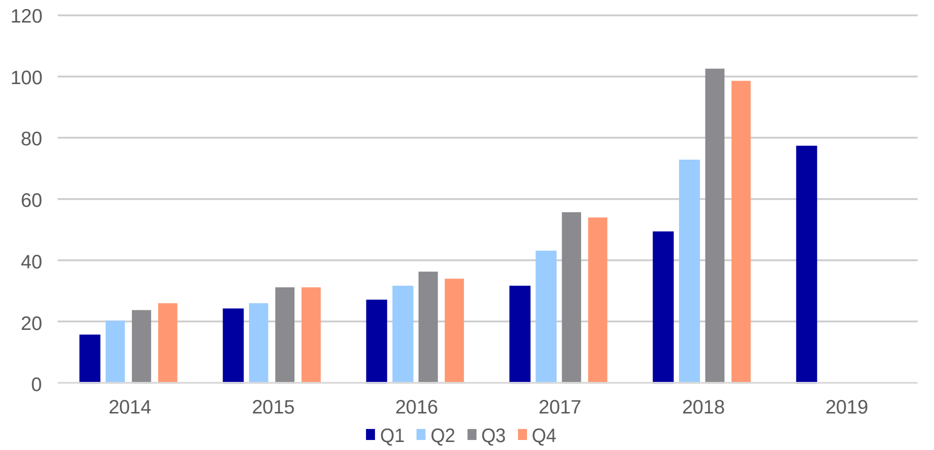
Source: Company data

Seasonality visible in sales

Q3 and Q4 are the peak sales seasons for NoHo

NoHo's sales are influenced by seasonality, as the Restaurant business segment typically has the highest sales during Q3 and Q4 thanks to the summer and Christmas seasons. Q2 and especially Q1 typically see lower sales. The same seasonality is also visible in the Labour hire business segment, as the hotel/restaurant/café (HoReCa) industry is the largest customer segment for Smile.

NOHO: REPORTED QUARTERLY SALES, EURm

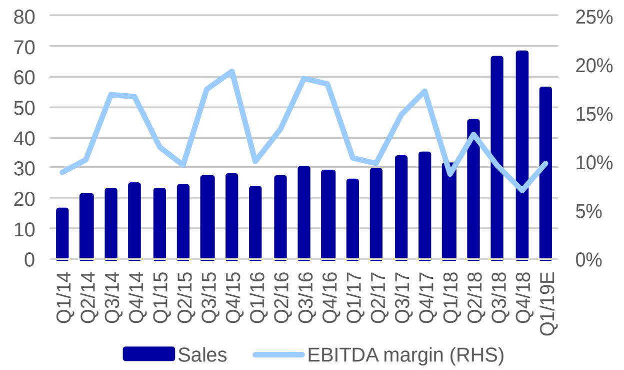


Source: Company data

The Labour hire segment has more stable margins than the Restaurant segment

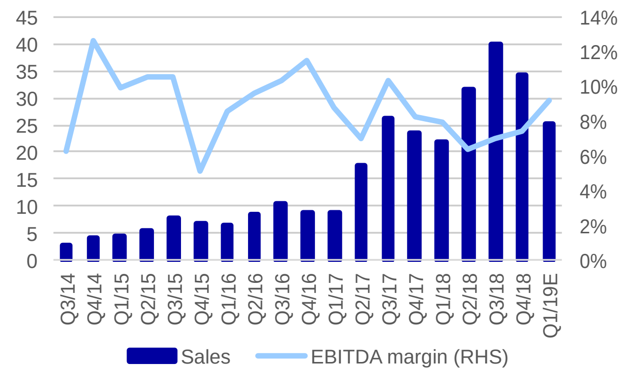
EBITDA margins in the Labour hire business segment are more stable than in the Restaurant business segment, as the former's cost base is more agile thanks to a high number of pay-per-hour workers. Historically, NoHo's Restaurant segment has had a good balance between full-time employees and its hired workforce, but the acquisition of Royal Ravintolat in Q2 2018 changed the picture somewhat. During 2012-17, an average of 29% of expenses in NoHo's Restaurant segment related to staff expenses, but in 2018 these expenses went up to 32%. In our view, the increase indicates that Royal Ravintolat had around 38% staff expenses (as a percentage of sales) when NoHo acquired the company. Increased staff expenses are also visible in the Restaurant business's figures, as its profitability dropped after the acquisition.

RESTAURANT SALES AND EBITDA MARGIN, EURm AND %



Source: Company data

LABOUR HIRE SALES AND EBITDA MARGIN, EURm AND %



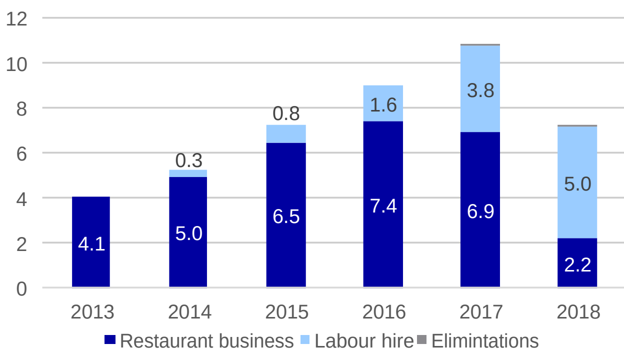
Source: Company data

2018 EBIT hit by the cancelled IPO and restructuring costs

Operating profit

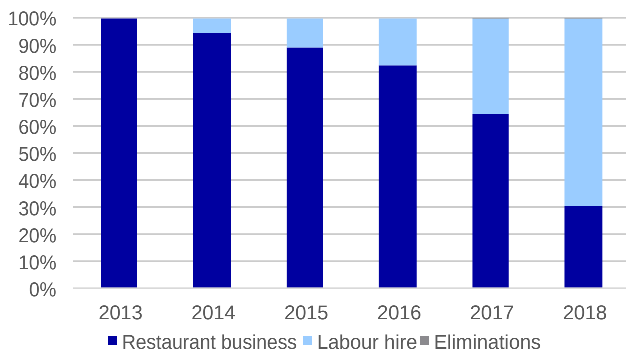
Group operating profit increased annually from 2012 to 2017 but decreased in 2018, as costs rose owing to acquisitions. In addition, the cancellation of the IPO of Smile (the Labour hire business) and restructuring costs hampered reported EBIT in 2018.

GROUP REPORTED EBIT BY SEGMENT, EURm



Source: Company data

ANNUAL EBIT SPLIT, %



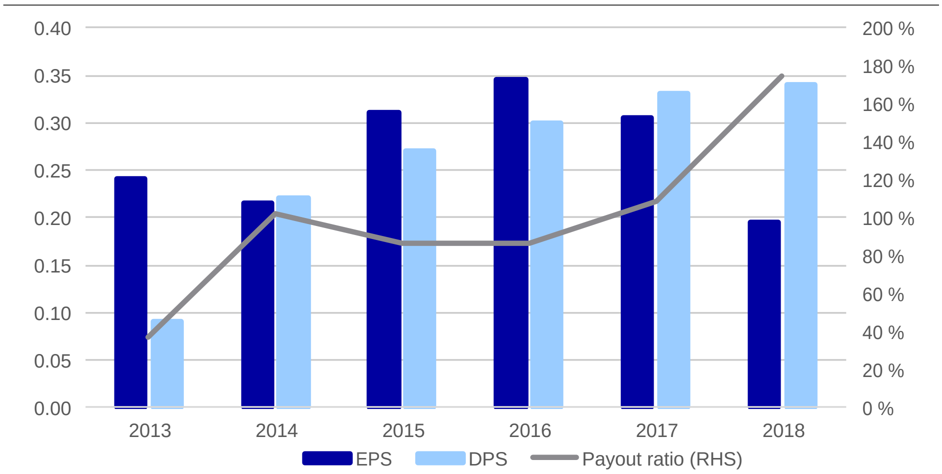
Source: Company data

The average dividend payout ratio in the past six years has been 99% of annual EPS

Earnings per share and dividends

NoHo's dividend has increased every year since its IPO in 2013, while earnings per share (EPS) have been declining since 2016. In 2017, EPS decreased due to adjustments to the additional purchase price, while the decline in 2018 was mostly attributable to decreased profitability in the Restaurant business segment. The average dividend payout ratio in the past six years has been 99% of annual EPS.

EPS AND DPS, EUR AND %



Source: Company data

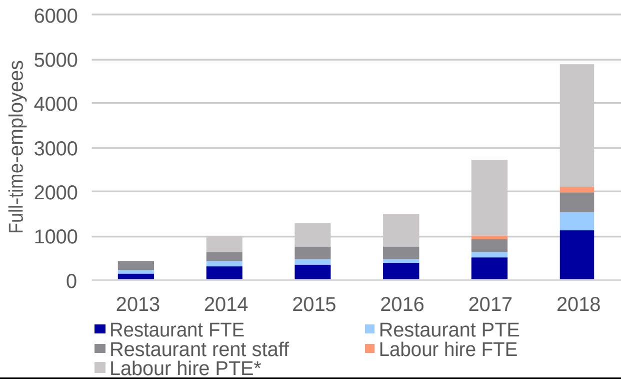
The average number of FTEs has grown by ~50% annually since 2012

Employee base

NoHo has grown its employee base over the years, mainly thanks to acquisitions and the expansion of its Labour hire business segment. In absolute terms, the average number of employees – full-time-employees (FTE) – has grown by ~50% annually since 2012, which is higher than group sales growth in the same period (~32% sales CAGR). The number of FTEs in the Labour hire business segment has grown the most, at ~68% annually from 2014 to 2018 compared with annual FTE growth of ~26% in the Restaurant segment from 2012 to 2018. The largest increase was in 2017 when the number of FTEs in the Labour hire business increased by ~134% following multiple acquisitions. In the Labour hire segment, the majority of staff employed via Smile are part-time-employees (PTE). Smile hires several thousand employees per month on a part-time basis (mostly during the summer and holiday seasons). If these were counted as FTEs (eg two PTEs working half time = one FTE), then the segment employed the equivalent of 2,762 FTEs (PTEs converted into FTEs) and 130 "proper" FTEs in 2018.

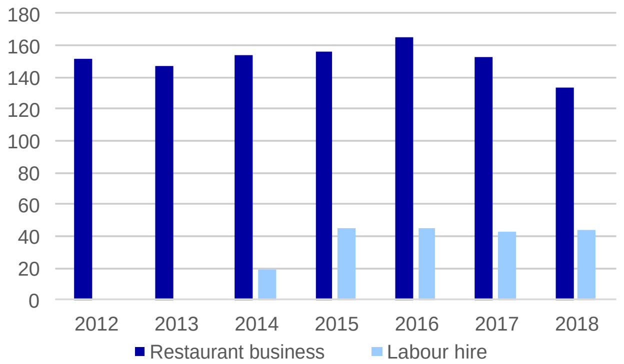
Average sales per FTE in the Labour hire business segment has stabilised at around EUR 40,000, while average sales per FTE in the Restaurant business segment has come down to around EUR 130,000. The decrease in 2018 was mainly the result of the higher number of FTEs in the acquired Royal Ravintolat.

AVERAGE NUMBER OF EMPLOYEES, FTE, THOUSANDS



Source: Company data
**Note: Labour hire PTEs include employees hired via Smile*

AVERAGE SALES PER FTE, EUR THOUSANDS

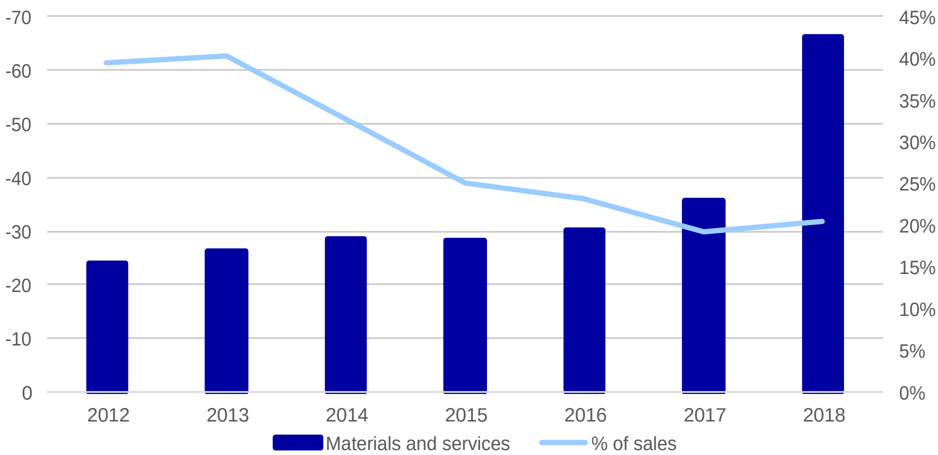


Source: Company data and Nordea estimates

Group cost structure

Materials and services costs relative to sales declined from ~39% in 2012 to ~20% in 2018. In absolute terms, materials and services costs have grown at an annual pace of ~18% over the past six years, which is less than sales growth during the same period.

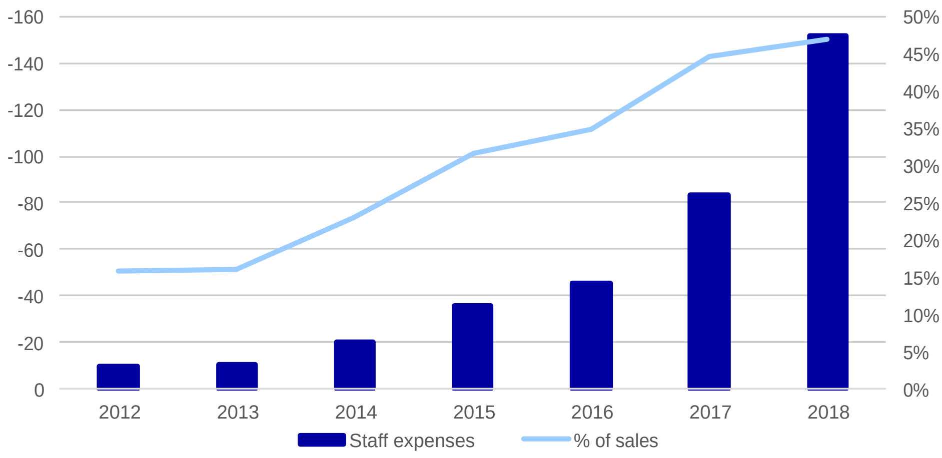
MATERIALS AND SERVICES COSTS, EURm AND %



Source: Company data and Nordea estimates

Staff expenses increased at a CAGR of ~58% during 2012-18, which was above sales growth for the same period. After NoHo entered the Labour hire business in 2014, staff expenses rose in absolute terms and also relative to sales. Costs in the Labour hire business segment relate primarily to personnel expenses, and the relative increase in staff costs is mainly owing to the expansion of this business segment and to a lesser extent to the acquisition of Royal Ravintolat in 2018.

STAFF EXPENSES, EURm AND %



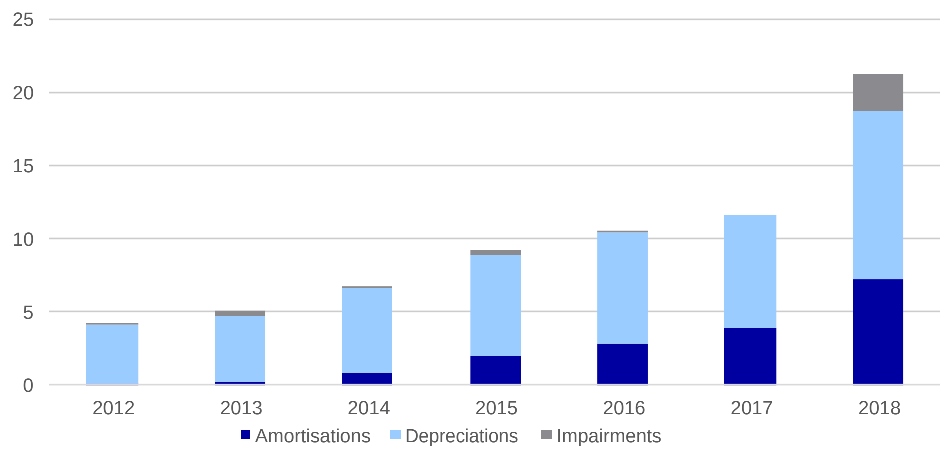
Source: Company data

The Labour hire segment has a far more asset-light operating model than the Restaurant segment

Depreciations and amortisations come primarily from the Restaurant business segment, as the Labour hire business segment has a far more asset-light operating model. NoHo has long rental contracts and it does not own its operating premises. As a consequence, refurbishment costs for rental premises account for the majority of depreciations. Owing to its large base of leased premises, IFRS 16 has a significant effect on the group's figures and depreciations.

In terms of intangible amortisations, the largest line item has been brands and name use rights. Impairments have been small over the past seven years, except in 2018, when the company had a EUR 2.5m impairment for its fixed assets following the closure of some unprofitable restaurants.

DEPRECIATION, AMORTISATION AND IMPAIRMENTS, EURm

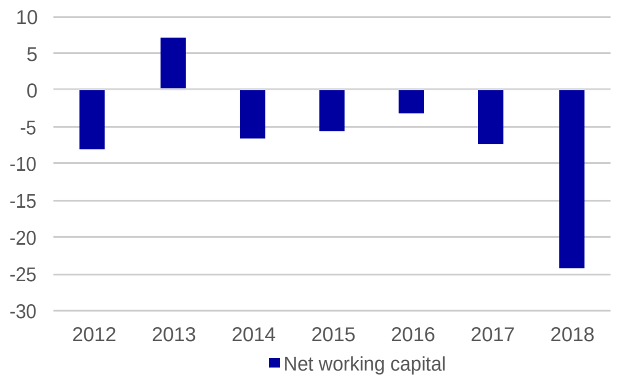


Source: Company data

Balance sheet

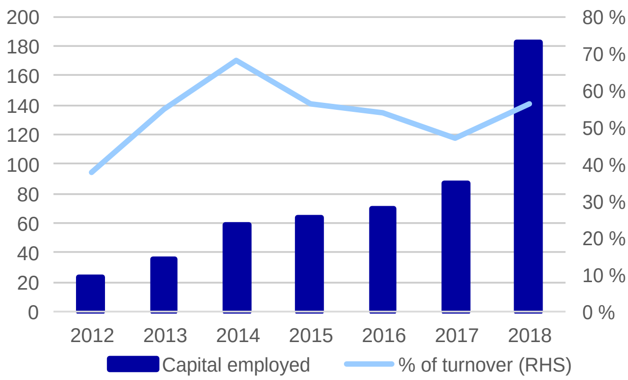
NoHo's business model is capital-light and it has operated with negative net working capital. Inventories have accounted for 1.9% of turnover on average, while accounts receivable and accounts payable were on average 9.8% and 18.3%, respectively, in the period 2012-18. Capital employed increased steadily until 2017, after which the acquisition of Royal Ravintolat pushed capital employed to over EUR 180m at the end of 2018.

NET WORKING CAPITAL, EURm



Source: Company data and Nordea estimates

CAPITAL EMPLOYED, EURm AND %



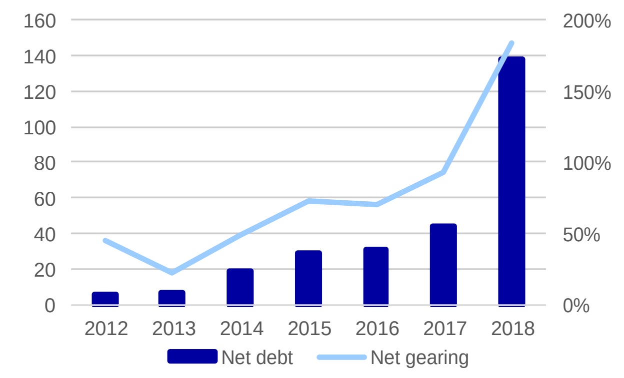
Source: Company data and Nordea estimates

Acquisitions have pushed net debt up substantially since 2012

Net debt has risen substantially since 2012, as the company has made a number of acquisitions, increasing from EUR 6m in 2012 to EUR 139m in 2018 (excluding the IFRS 16 impact). Net debt/EBITDA rose to more than 1.5x in 2014, when NoHo entered the labour hire industry through acquisitions.

The increase in the leverage ratio in 2018 was down to the acquisition of Royal Ravintolat, which pushed year-end net gearing above 184%. Over the past seven years, the average equity ratio has been ~41%, while it was 25% at the end of 2018. The company issued a new EUR 25m hybrid bond in March 2019, with a 9% fixed coupon. The hybrid bond has the first redemption date on 29 March 2022 and is treated as equity, and thus it increases the equity ratio and lowers net gearing.

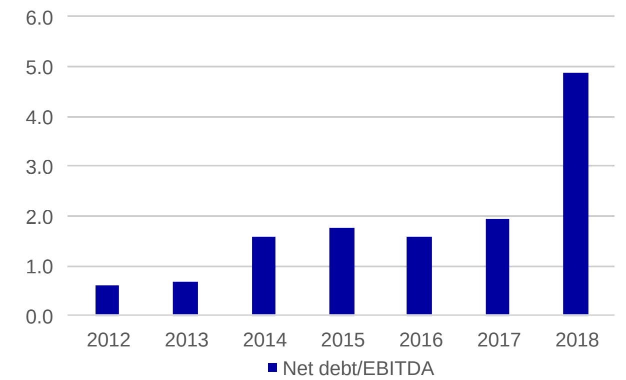
NET DEBT AND GEARING, EURm AND %



Source: Company data and Nordea estimates

Note: Excluding IFRS 16 impact

NET DEBT/EBITDA, EURm



Source: Company data and Nordea estimates

Note: Excluding IFRS 16 impact

IFRS 16

IFRS will significantly boost group EBITDA

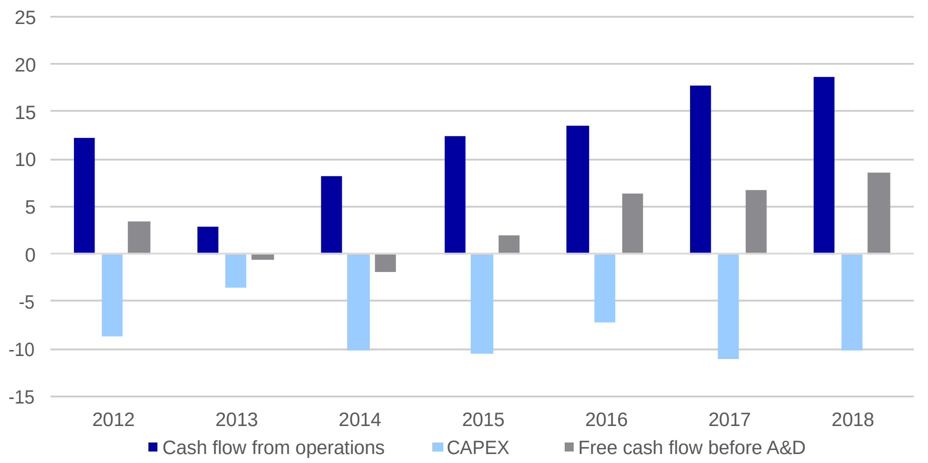
The new IFRS 16 standard introduced at the start of 2019 has a significant impact on NoHo's balance sheet and EBITDA. The company will record around EUR 177m in lease assets and liabilities on its balance sheet, increasing net gearing to about 420% and net debt to EUR 316m, while decreasing the equity ratio to approximately 16%. The company has disclosed that the new standard will significantly boost group EBITDA, although exact numbers and details regarding the split between depreciation and interest costs have not been disclosed.

Although net debt has increased substantially, it is worth noting that for NoHo's restaurant operations, long-term rental contracts are crucial, as customers associate restaurants with location, and relocation may have an adverse impact on customer loyalty and thus on the profitability of the restaurant. In addition, the company states that it has made successful exits from long rental agreements without incurring high exit costs.

Cash flow

NoHo's operating cash flow has remained positive for the past seven years. On average, operating cash flow was EUR 12m, capital expenditure EUR 9m and free cash flow before acquisitions and divestments EUR 3m from 2012 to 2018. The company used EUR 106m in cash for acquisitions in 2012-18, while divestments amounted to EUR 13m.

CASH FLOW FROM OPERATIONS, CAPEX AND FREE CASH FLOW, EURm



Source: Company data and Nordea estimates
Note: Free cash flow before acquisitions and depreciations (A&D)

Risk factors

Below, we list the main risk factors we find relevant for NoHo. The purpose of this is not to provide a comprehensive picture of all of the risks that the company may be subject to, but instead to highlight those that we find most relevant. The main risks we identify relate to the general Finnish economy, the restaurant and construction business, NoHo's international expansions, regulations and alcohol licences.

General Finnish economy

A sluggish Finnish economy could negatively affect turnover in both the restaurant and labour hire segments

The restaurant industry and the labour hire business depend on the general Finnish economy. In times of strong economic activity, people are more inclined to eat out and have more money to spend. Typically, unemployment rates decrease at such times, which increases the need for labour hire services.

In addition to the labour shortages in some segments, there is currently a cultural shift in job markets, as employees expect employers to be more flexible. This cultural shift provides opportunities for labour hire businesses. Currently, the Finnish economy is improving, but if this changes, NoHo could experience a decline in sales.

Restaurant and construction business

The majority of NoHo's labour hire business is in the restaurant and construction businesses

The majority of the group's labour hire sales come from the restaurant and construction businesses. Both the restaurant and construction businesses in Finland are growing at present. However, if markets or employment levels in these segments change, it will affect NoHo's labour hire business and could even result in credit losses for the labour hire business.

Weather

Turnover during the summer months decreases when the weather is cold and wet

During the summer months, turnover in the Restaurant segment increases. NoHo has several summer or terraced restaurants, and these are especially vulnerable to the summer weather. In the event of a cold or rainy summer, turnover in the restaurant business will most likely decrease and thus also reduce demand for hiring restaurant labour. A warm winter could also negatively affect the restaurant business in ski centres.

Alcohol licences and regulations

Both segments have to operate within local regulations and restaurants/clubs depend on alcohol licences

When operating in the restaurant and labour hire business, NoHo has to adhere to local alcohol legislation, food legislation, labour agreements and value-added taxation. In addition to the regulations, a significant share of its business operations are subject to licences and are closely controlled. Amendments to current regulations and legislation will affect NoHo and any unexpected changes may negatively impact operations.

Changes in tourism

Tourists are an important customer group in the restaurant business

Tourists are an important customer group for the Restaurant segment. Over the past 20 years, the number of tourists, especially foreign tourists, has increased in Finland. If this were to change, it would have a negative effect on NoHo's turnover.

Financial position

A stretched balance sheet could lead to equity issues

NoHo Partners has high growth ambitions and with the currently stretched balance sheet, we do not rule out the need for additional equity to support future M&A activity. An equity issue could dilute the current shareholders' ownership.

Risks related to international expansion

Entering new markets has its own set of risks

NoHo's ambitions to grow internationally do not come without costs, investments and risks. New markets, new regulatory environments, local competition (at various levels of consolidation) and risks related to the execution of strategy all affect the company and the success of its ambitions.

Peers

We use restaurant peers and personnel services peers in our peer-group valuation of NoHo.

Restaurant peers

- **Autogrill –** An Italy-based company engaged in the restaurant industry. The company operates mainly in the Food & Beverage business sector, and has four subdivisions: Food & Beverage Italy, Food & Beverage HMS Host, Food & Beverage Others and Food & Beverage Corporate. Its Food & Beverage division provides restaurant supplies and sells daily-use products, such as newspapers and magazines, cigarettes and other products, among others.
- **Ibersol** – A Portugal-based company primarily engaged in the operation of restaurants. It is active in Portugal and Spain and divides its activities into six business areas: Restaurants and Delivery; Counters; Travel; Coffee Kiosks; Catering; and Concessions. In the Restaurants and Delivery area, it is involved in the operation of restaurant chains under brand names like Pizza Hut, Pasta Caffe and Pizza Movil. In the Counters area, it operates restaurant chains under the brands KFC, O Kilo, Burger King and Pans, as well as The Eat-Out Group brand names.
- **J D Wetherspoon** – The company owns and operates pubs throughout the UK and Ireland, offering customers food and beverages. The company operates a trading estate of around 895 pubs and over 40 hotels with approximately 900 rooms. Its hotels include George Hotel, the Shrewsbury Hotel and the Unicorn, Ripon.
- **Kotipizza** – Finland-based company consisting of Kotipizza Oyj, which operates the Kotipizza named pizza chain, a Mexican-style restaurant chain Chalupa Oy, and a logistics company Helsinki Foodstock Oy. The company also has fast-food brands such as Social Burgerjoint, Tasty Market and Kotipizza Go. It has a total of around 260 restaurants in Finland. In November 2018 Orkla (a Norwegian supplier of branded consumer goods to the grocery, pharmacy and bakery segments) made a tender offer for all the shares in Kotipizza, with the intention of taking the company private. Currently Orkla owns more than 99% of Kotipizza.
- **Revolution Bars Group** – A UK-based operator of bars. The company has a trading portfolio of around 60 bars located predominantly in town or city high streets, which operate under the Revolution and Revolucion de Cuba brands. Its bars focus on a drinks and food-led offering, and typically trade from late morning to late evening.
- **Telepizza Group** – Foodco Pastries Spain SA, is a Spain-based company primarily engaged in the operation of quick-service restaurants. The company focuses on developing pizzerias under the Telepizza, Pizza World and Jeno's Pizza brand names.
- **Vapiano** – A Germany-based company, which operates as a restaurant franchise company. It offers Mediterranean cuisine such as pizza, soups, starters, pasta, salads, risotto and desserts, among other dishes. The company operates in 31 countries through around 180 restaurants. It also has a mobile application, the VAPIANO app, which allows its customers to order and pay using their mobiles.
- **Young & Co's Brewery** – A UK-based company engaged in managing pubs. The company operates through three segments: Young's managed houses, Geronimo managed houses and the Ram Pub Company. Both the Young's and Geronimo managed houses operate pubs. In addition to offering food and beverages, they provide accommodation. The company has approximately 250 managed pubs and over 80 tenanted ones, principally located in London and the South East.

Personnel service peers

- **Adecco** – Based in Switzerland, Adecco is the largest staffing company in the world. Its key markets are France (23%); North America, the UK and Ireland (28%); Germany, Austria and Switzerland (9%); it is also present in other European countries and Japan. Adecco has 20 offices in Finland and its broad offering includes personnel rental, recruiting, assessment and relocation services. Given that it is the global leader and that it is present in the Finnish personnel services market, we consider Adecco a relevant peer to Smile despite the size difference.
- **Amadeus Fire** – Based in Germany, Amadeus Fire is a provider of employment services, including temporary staffing, permanent placement and interim management. The company operates in the fields of commerce and IT, such as

accounting, banking, office and information technology services. It is present in approximately 20 locations across Germany.

- **Attendo** – Based in Sweden, Attendo is one of the Nordics' oldest and leading healthcare and care services companies. It operates in Finland, Sweden, Norway and Denmark; in Finland, it has offices in 65 cities. We include Attendo in our peer group, as Smile intends to expand its healthcare segment in the future (doctors currently represent less than 2% of total net sales, in its 'Other' segment).
- **Groupe Crit** – Based in France, Groupe Crit is a holding company that offers services through three divisions: HR services (eg temporary employment and consulting); airport services; and engineering and maintenance (eg services related to engineering, technology consultancy and industrial maintenance).
- **Enersense** – Finland-based company in the professional and business services sector. It specialises in industrial large-scale construction and maintenance projects and operates within the segments Resources; Digital solutions and services; and Design and production. It is primarily present in Finland, Russia and Hungary.
- **Hays** – A multinational recruitment company that has operations in Asia-Pacific, Continental Europe & Rest of World and the UK & Ireland. The company offers temporary and permanent recruitment services to private and public sector markets. It operates in over 30 countries and approximately 20 sectors, including IT & Digital, Accounting & Finance, Construction & Property, Engineering, Office Support, as well as other industries.
- **Impellam Group** – A holding company that provides strategic planning and management services to its portfolio of subsidiaries. The company is engaged in the provision of staffing solutions, human capital management and outsourced people-related services in the UK, Ireland, North America, mainland Europe, Australasia, New Zealand, Singapore and the Middle East. It offers staffing services for sectors such as healthcare, legal, engineering and technical, construction, catering, office and industrial.
- **Kforce** – The company is a provider of professional and technical speciality staffing services and solutions. Kforce operates via offices located throughout the US and has one office in Manila, Philippines.
- **Manpower** – Based in the US, Manpower is a global staffing and employee services company. It is the market leader in the Nordic and Baltic regions, with offices in 80 countries worldwide. In terms of sales, Manpower's largest markets are France (25%), the US (15%) and Great Britain (9%). Manpower has had regional offices in Finland since 1997. As it is a global competitor with a presence in the Finnish personnel services market, we consider Manpower a relevant peer, even though it is vastly larger than Smile.
- **PageGroup** – A company engaged in recruitment consultancy and other ancillary services, mainly in the EMEA, the UK, Asia-Pacific and the Americas.
- **Randstad** – A staffing services provider with service concepts (including recruiting temporary or permanent workers), HR solutions (including payroll and consultancy services) and an in-house services concept that provides on-site workforce solutions for managing employees with specific skills, primarily in the manufacturing and logistics segments. The company operates in the Netherlands, Germany, the UK and the US, among others.
- **Robert Walters** – Robert Walters is a UK-based professional recruitment consultancy offering specialist professional recruitment and recruitment process outsourcing services. The company operates in Asia-Pacific, the UK and Europe, with other international operations in the US, South Africa, the Middle East and Brazil, among others.
- **Synergie** – A France-based company that specialises in HR management. Its activities include recruitment, temporary employment, training and consultancy. The company operates in a range of economic sectors, with the strongest focus on industry. It has operations in France, Canada, the Netherlands, the Czech Republic, Belgium, Switzerland and Luxembourg, among others.
- **Staffline Group** – A holding company engaged in the provision of recruitment and outsourced HR services in two segments: Staffing Services, which includes the provision of temporary staff to customers; and PeoplePlus, which includes the provision of wellbeing solutions to employers and other training services.

PEERS' VALUATION METRICS

		Price	Mcap	EV	EV / EBIT			P/E			Div yield %	
Company Name	**Country**	**EUR**	**EURm**	**EURm**	**2018**	**2019E**	**2020E**	**2018**	**2019E**	**2020E**	**2018**	**2019E**
Restaurant peers					**2018**	**2019E**	**2020E**	**2018**	**2019E**	**2020E**	**2018**	**2019E**
Autogrill Spa	Italy	9.0	2,284	3,017	19.6x	14.1x	12.9x	31.8x	19.5x	17.2x	2.2%	2.6%
Ibersol Sgps Sa	Portugal	8.2	295	382	10.9x	11.2x	9.8x	11.7x	11.7x	10.0x	1.2%	1.2%
J D Wetherspoon Plc	UK	15.0	1,589	2,426	15.8x	15.4x	15.2x	17.5x	17.3x	16.7x	0.9%	0.9%
Kotipizza Group Oyj	Finland	22.5	143	153	32.9x	15.7x	14.0x	40.9x	19.6x	16.9x	0.2%	3.3%
Revolution Bars Group	UK	0.8	39	56	7.7x	8.9x		7.5x	10.7x	9.2x	7.0%	7.1%
Telepizza Group Sa	Spain	6.0	608	748	44.9x	14.7x	12.9x	311.9x	17.7x	14.9x	1.0%	1.2%
Vapiano Se	Germany	6.3	160	333			26.7x			84.5x	0.0%	0.0%
Young & Co'S Brewery	UK	20.9	884	1,076	19.2x	18.5x	17.9x	25.6x	25.4x	24.6x	0.7%	1.2%
Average					**21.6x**	**14.1x**	**15.6x**	**63.9x**	**17.4x**	**24.2x**	**1.7%**	**2.2%**
Median					**19.2x**	**14.7x**	**14.0x**	**25.6x**	**17.7x**	**16.8x**	**0.9%**	**1.2%**
Labour hire peers												
Adecco Group Ag	Switzerland	49.7	8,313	9,417	12.4x	8.8x	8.3x	15.0x	11.5x	10.9x	4.4%	4.4%
Amadeus Fire Ag	Germany	118.0	615	575	15.3x	14.4x	13.3x	25.3x	23.9x	22.2x	3.9%	4.2%
Attendo Ab (Publ)	Sweden	4.7	762	1,786	21.2x	20.4x	17.0x	12.1x	19.7x	15.1x	1.3%	1.1%
Groupe Crit Sa	France	60.2	679	672	5.3x	5.3x	4.9x	7.3x	9.6x	9.1x	1.7%	1.7%
Hays Plc	UK	1.7	2,488	2,452	8.8x	8.2x	7.6x	13.3x	12.3x	11.4x	5.5%	6.2%
Impellam Group Plc	UK	5.2	252	332	8.0x	6.9x	6.5x	9.2x	7.7x	7.1x	2.9%	5.3%
Kforce Inc	USA	32.7	832	907	12.8x	12.8x	11.2x	16.3x	15.4x	12.8x	1.6%	1.9%
Manpowergroup Inc	USA	80.8	4,831	5,334	7.7x	7.8x	7.5x	11.1x	11.6x	10.8x	2.2%	2.3%
Pagegroup Plc	UK	5.9	1,950	1,841	11.6x	10.0x	9.1x	16.3x	14.1x	13.1x	2.5%	5.2%
Randstad Nv	Netherlands	47.9	8,807	10,448	9.5x	9.3x	9.6x	10.6x	11.0x	10.7x	7.1%	4.7%
Robert Walters Plc	UK	7.4	560	478	8.6x	7.6x	7.0x	13.0x	12.6x	11.8x	2.2%	2.6%
Synergie Se	France	31.5	769	786	6.4x	6.1x	5.9x	9.3x	11.4x	9.8x	2.5%	2.5%
Staffline Group Plc	UK	3.2	90	132	3.0x	2.7x	2.7x	2.5x	2.3x	2.2x	9.7%	10.1%
Vmp Oyj	Finland	5.0	74	89	16.7x	22.4x	12.8x	11.8x	7.8x	6.4x	1.6%	4.9%
Average					**10.5x**	**10.2x**	**8.8x**	**12.4x**	**12.2x**	**11.0x**	**3.5%**	**4.1%**
Median					**9.2x**	**8.5x**	**7.9x**	**11.9x**	**11.6x**	**10.9x**	**2.5%**	**4.3%**
Noho Partners Oyj	Finland	8.2	156	285	32.2x	11.2x	9.5x	32.8x	11.2x	10.1x	4.1%	4.6%

Source: Thomson Reuters Note: Data as of market close on 28 May 2019

PEERS' OPERATING METRICS

	Sales Growth				EBIT Margin				ROE			
	2018	**2019E**	**2020E**	**2021E**	**2018**	**2019E**	**2020E**	**2021E**	**2018**	**2019E**	**2020E**	**2021E**
Restaurant peers	**2018**	**2019E**	**2020E**	**2021E**	**2018**	**2019E**	**2020E**	**2021E**	**2018**	**2019E**	**2020E**	**2021E**
Autogrill Spa	2.5%	-2.2%	3.7%	3.8%	3.0%	4.3%	4.5%	4.5%	10.3%	16.2%	17.1%	15.2%
Ibersol Sgps Sa	2.1%	1.7%	7.0%		7.7%	7.3%	7.8%		13.1%	10.6%	11.1%	
J D Wetherspoon Plc	4.3%	6.1%	3.6%	3.5%	7.7%	7.4%	7.3%	7.3%	31.1%	23.3%	19.8%	
Kotipizza Group Oyj	15.0%	18.5%	11.4%	7.5%	4.9%	8.6%	8.7%	8.8%	10.0%	20.7%	22.5%	22.1%
Revolution Bars Group	8.4%	7.7%	3.5%		4.3%	3.5%	0.0%		0.0%	0.0%	0.0%	
Telepizza Group Sa	-5.7%	35.8%	8.0%	8.8%	4.9%	11.0%	11.6%	11.4%	-1.0%	5.2%	5.9%	
Vapiano Se	16.0%	12.6%	10.4%	11.8%	-10.2%	-2.6%	2.7%	3.4%	-5.6%	-13.6%	1.9%	
Young & Co'S Brewery	6.1%	7.6%	3.4%	5.3%	16.6%	16.0%	16.0%	16.1%	5.6%	6.1%	6.2%	6.4%
Average	**6.1%**	**11.0%**	**6.4%**	**6.8%**	**4.9%**	**7.0%**	**7.3%**	**8.6%**	**7.9%**	**8.6%**	**10.6%**	**14.6%**
Median	**5.2%**	**7.6%**	**5.4%**	**6.4%**	**4.9%**	**7.4%**	**7.6%**	**8.0%**	**7.8%**	**8.3%**	**8.6%**	**15.2%**
Labour hire peers												
Adecco Group Ag	0.9%	1.2%	1.3%	2.0%	3.2%	4.4%	4.6%	4.6%	12.8%	18.9%	19.1%	18.9%
Amadeus Fire Ag	11.5%	6.3%	5.8%	11.1%	18.2%	18.3%	18.7%	19.9%	50.1%	54.8%	62.0%	69.5%
Attendo Ab (Publ)	-3.0%	-0.4%	8.5%	6.1%	7.6%	7.9%	8.7%	9.7%	4.4%	6.3%	8.1%	9.6%
Groupe Crit Sa	3.3%	2.4%	2.4%	-1.8%	5.0%	5.0%	5.2%	5.0%	17.2%	12.5%	12.0%	
Hays Plc	12.2%	5.5%	4.1%		4.1%	4.2%	4.3%		25.2%	24.5%	24.5%	
Impellam Group Plc	7.5%	-5.3%	9.4%		1.6%	1.9%	1.9%		5.0%	0.0%	0.0%	
Kforce Inc	5.3%	-0.8%	6.2%		5.8%	5.8%	6.3%		38.3%	28.1%	23.2%	
Manpowergroup Inc	3.9%	1.3%	2.1%	4.5%	3.7%	3.6%	3.7%	3.7%	20.5%	17.2%	17.0%	17.3%
Pagegroup Plc	15.7%	7.2%	5.7%	7.1%	9.0%	9.8%	10.1%	10.3%	35.2%	34.3%	33.0%	28.5%
Randstad Nv	2.3%	1.9%	1.5%	2.7%	4.6%	4.6%	4.4%	4.5%	16.2%	18.4%	17.9%	19.0%
Robert Walters Plc	7.9%	14.0%	5.5%	5.4%	4.0%	3.9%	4.0%	4.0%	25.9%	23.8%	22.7%	22.6%
Synergie Se	9.8%	5.9%	3.4%	-3.6%	4.8%	4.8%	4.8%	5.0%	17.4%	13.4%	13.6%	
Staffline Group Plc	13.2%	15.9%	5.5%		3.6%	3.4%	3.2%		28.1%	26.6%	23.4%	
Vmp Oyj	14.0%	42.1%	3.1%	0.8%	4.3%	2.3%	3.8%	4.1%	-9.4%	2.6%	3.9%	3.5%
Average	**7.5%**	**7.0%**	**4.6%**	**3.4%**	**5.7%**	**5.7%**	**6.0%**	**7.1%**	**20.5%**	**20.1%**	**20.0%**	**23.6%**
Median	**7.7%**	**4.0%**	**4.8%**	**3.6%**	**4.4%**	**4.5%**	**4.5%**	**4.8%**	**19.0%**	**18.7%**	**18.5%**	**18.9%**
Noho Partners Oyj	74.0%	23.6%	5.4%	3.4%	2.7%	6.4%	7.1%	7.2%	6.3%	18.2%	17.4%	16.4%

Source: Thomson Reuters Note: Data as of market close on 28 May 2019

Reported numbers and forecasts

INCOME STATEMENT

EURm	2011	2012	2013	2014	2015	2016	2017	2018	2019E	2020E	2021E
Net revenue	**n.a.**	**61**	**65**	**87**	**114**	**130**	**186**	**323**	**388**	**411**	**430**
Revenue growth	n.a.	n.a.	7.0%	33.2%	31.1%	14.5%	42.9%	73.9%	20.1%	5.8%	4.6%
of which organic	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
of which FX	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EBITDA	0	10	9	12	17	19	22	28	74	80	84
Depreciation and impairments PPE	0	-4	-5	-6	-7	-8	-8	-11	-41	-43	-43
of which leased assets	0	0	0	0	0	0	0	0	-25	-26	-27
EBITA	0	6	5	6	10	12	15	17	33	38	40
Amortisation and impairments	0	0	-1	-1	-2	-3	-4	-10	-10	-11	-11
EBIT	n.a.	6	4	5	7	9	11	7	22	27	29
of which associates	0	0	0	0	0	0	0	0	0	0	0
Associates excluded from EBIT	n.a.	0	0	0	0	0	0	0	0	0	0
Net financials	0	0	0	-1	-1	-1	-3	-2	-7	-9	-9
of which lease interest	0	0	0	0	0	0	0	0	-8	-8	-8
Changes in value, net	0	0	0	0	0	0	0	0	0	0	0
Pre-tax profit	**0**	**5**	**4**	**5**	**6**	**8**	**8**	**6**	**16**	**18**	**20**
Reported taxes	n.a.	-1	-1	-1	-1	-2	-3	-1	-3	-4	-5
Net profit from continued operations	0	4	3	3	5	6	5	4	13	14	16
Discontinued operations	0	0	0	0	0	0	0	0	0	0	0
Minority interests	0	-1	0	0	0	0	0	-1	-1	-1	-1
Net profit to equity	0	3	3	3	5	6	5	3	10	11	13
EPS	**n.a.**	**n.a.**	**0.24**	**0.22**	**0.31**	**0.35**	**0.30**	**0.19**	**0.54**	**0.58**	**0.67**
DPS	0.00	0.14	0.09	0.22	0.27	0.30	0.33	0.34	0.35	0.37	0.39
of which ordinary	0.00	0.14	0.09	0.22	0.27	0.30	0.33	0.34	0.35	0.37	0.39
of which extraordinary	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Profit margin in percent											
EBITDA	n.a.	16.4%	14.1%	13.9%	14.6%	14.9%	12.1%	8.8%	19.0%	19.5%	19.5%
EBITA	n.a.	9.9%	7.0%	7.2%	8.5%	9.1%	7.9%	5.2%	8.4%	9.1%	9.4%
EBIT	n.a.	9.4%	6.2%	6.1%	6.4%	6.9%	5.8%	2.2%	5.8%	6.5%	6.8%
Adjusted earnings											
EBITDA (adj)	0	10	9	12	17	20	23	32	74	80	84
EBITA (adj)	0	6	5	7	10	12	15	20	33	38	40
EBIT (adj)	0	6	4	6	8	9	11	10	22	27	29
EPS (adj)	n.a.	n.a.	0.24	0.24	0.35	0.37	0.43	0.42	0.43	0.58	0.67
Adjusted profit margins in percent											
EBITDA (adj)	n.a.	16.4%	14.1%	14.3%	15.2%	15.2%	12.2%	9.8%	19.0%	19.5%	19.5%
EBITA (adj)	n.a.	9.9%	7.0%	7.7%	9.1%	9.3%	8.0%	6.2%	8.4%	9.1%	9.4%
EBIT (adj)	n.a.	9.4%	6.2%	6.6%	7.0%	7.2%	6.0%	3.2%	5.8%	6.5%	6.8%
Performance metrics											
CAGR last 5 years											
Net revenue	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	25.1%	37.8%	35.0%	29.3%	27.0%
EBITDA	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	17.7%	25.4%	43.8%	37.1%	34.0%
EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	13.5%	12.2%	33.6%	29.9%	26.7%
EPS	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-4.1%	20.3%	13.1%	14.3%
DPS	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	18.7%	30.5%	9.7%	6.5%	5.4%
Average last 5 years											
Average EBIT margin	n.a.	n.a.	n.a.	n.a.	n.a.	6.9%	6.3%	4.7%	5.0%	5.3%	5.6%
Average EBITDA margin	n.a.	n.a.	n.a.	n.a.	n.a.	14.7%	13.7%	11.8%	14.1%	15.6%	16.6%

VALUATION RATIOS - ADJUSTED EARNINGS

EURm	2011	2012	2013	2014	2015	2016	2017	2018	2019E	2020E	2021E
P/E (adj)	n.a.	n.a.	18.2	14.5	14.2	16.4	20.1	20.6	18.6	13.9	11.8
EV/EBITDA (adj)	n.a.	n.a.	7.5	6.2	6.5	6.6	8.3	9.8	5.9	5.2	4.8
EV/EBITA (adj)	n.a.	n.a.	15.2	11.6	10.8	10.8	12.6	15.5	13.4	11.2	10.0
EV/EBIT (adj)	n.a.	n.a.	17.0	13.5	14.1	14.1	17.0	30.1	19.5	15.7	13.7

VALUATION RATIOS - REPORTED EARNINGS

EURm	2011	2012	2013	2014	2015	2016	2017	2018	2019E	2020E	2021E
P/E	n.a.	n.a.	18.2	16.3	16.1	17.4	28.2	44.4	14.7	13.9	11.8
EV/Sales	n.a.	n.a.	1.06	0.89	0.98	1.01	1.01	0.96	1.13	1.02	0.93
EV/EBITDA	n.a.	n.a.	7.5	6.4	6.8	6.8	8.4	10.9	5.9	5.2	4.8
EV/EBITA	n.a.	n.a.	15.2	12.4	11.6	11.1	12.8	18.4	13.4	11.2	10.0
EV/EBIT	n.a.	n.a.	17.0	14.6	15.4	14.6	17.5	43.2	19.5	15.7	13.7
Dividend yield (ord.)	n.a.	n.a.	2.1%	6.3%	5.4%	5.0%	3.9%	3.9%	4.4%	4.6%	4.9%
FCF yield	n.a.	n.a.	-1.3%	-12.0%	-4.1%	3.6%	-3.6%	-35.7%	28.2%	33.7%	35.2%
FCF yield, adjusted for leases	n.a.	n.a.	-1.3%	-12.0%	-4.1%	3.6%	-3.6%	-35.7%	11.6%	16.4%	17.5%
Payout ratio	n.a.	n.a.	37.5%	102.2%	86.7%	86.9%	108.4%	174.4%	64.5%	64.3%	57.9%

Source: Company data and Nordea estimates

BALANCE SHEET

EURm	2011	2012	2013	2014	2015	2016	2017	2018	2019E	2020E	2021E
Intangible assets	0	10	9	40	44	47	66	204	198	191	184
of which R&D	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0
of which other intangibles	n.a.	1	1	10	10	10	14	57	50	44	37
of which goodwill	n.a.	9	9	30	34	38	53	147	147	147	147
Tangible assets	0	20	18	25	29	29	32	46	192	186	180
of which leased assets	0	0	0	0	0	0	0	0	151	150	149
Shares associates	n.a.	0	0	0	1	1	3	0	0	0	0
Interest bearing assets	n.a.	0	0	0	0	0	0	0	0	0	0
Deferred tax assets	n.a.	0	1	0	1	0	1	0	0	0	0
Other non-IB non-current assets	n.a.	0	0	1	1	1	1	4	4	4	4
Other non-current assets	n.a.	0	0	0	1	1	1	0	0	0	0
Total non-current assets	0	31	29	67	77	79	104	255	394	381	369
Inventory	n.a.	1	1	2	2	2	3	5	6	7	7
Accounts receivable	n.a.	4	4	10	10	14	24	40	43	46	48
Short-term leased assets	0	0	0	0	0	0	0	0	26	27	27
Other current assets	n.a.	0	11	0	0	0	0	0	0	0	0
Cash and bank	n.a.	3	3	5	2	2	3	5	42	60	80
Total current assets	0	9	20	17	14	18	29	50	118	140	163
Assets held for sale	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total assets	**0**	**39**	**49**	**84**	**91**	**98**	**133**	**305**	**512**	**521**	**531**
Shareholders equity	n.a.	13	28	39	40	43	45	67	96	100	106
Of which preferred stocks	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0
Of which equity part of hybrid debt	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	25	25	25
Minority interest	n.a.	1	0	0	0	1	2	9	10	11	12
Total Equity	n.a.	14	28	39	40	44	47	76	106	111	118
Deferred tax	n.a.	1	0	1	1	1	2	10	10	10	10
Long term interest bearing debt	n.a.	7	6	17	22	24	35	90	90	90	90
Pension provisions	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0
Other long-term provisions	n.a.	0	0	0	0	0	0	0	0	0	0
Other long-term liabilities	n.a.	2	1	1	1	1	4	6	4	4	4
Non-current lease debt	0	0	0	0	0	0	0	0	151	150	149
Convertible debt	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0
Shareholder debt	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0
Hybrid debt	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0
Total non-current liabilities	0	9	7	19	24	26	40	107	255	255	254
Short-term provisions	n.a.	0	0	0	0	0	0	1	1	1	1
Accounts payable	n.a.	13	9	18	18	19	34	68	71	75	78
Current lease debt	0	0	0	0	0	0	0	0	26	27	27
Other current liabilities	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0
Short term interest bearing debt	n.a.	3	4	7	9	8	12	53	53	53	53
Total current liabilities	0	16	13	25	27	28	46	122	151	156	160
Liabilities for assets held for sale	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total liabilities and equity	**0**	**39**	**49**	**84**	**91**	**98**	**133**	**305**	**512**	**521**	**531**
Balance sheet and debt metrics											
Net debt	0	6	6	19	29	31	44	138	278	259	239
of which lease debt	0	0	0	0	0	0	0	0	177	177	177
Working capital	0	-8	7	-7	-6	-3	-7	-23	-21	-22	-23
Invested capital	0	22	36	61	71	76	96	231	373	359	345
Capital employed	0	23	36	59	64	70	87	183	361	365	371
ROE	n.a.	n.a.	12.6%	10.3%	12.8%	13.5%	11.5%	6.2%	12.6%	11.1%	12.4%
ROIC	n.m.	40.2%	10.9%	9.3%	9.5%	10.0%	10.1%	5.0%	5.9%	5.8%	6.6%
ROCE	n.a.	24.8%	11.3%	8.9%	11.4%	12.9%	12.4%	3.9%	6.2%	7.4%	7.9%
Net debt/EBITDA	n.m.	0.6	0.7	1.6	1.8	1.6	2.0	4.9	3.8	3.2	2.9
Interest coverage	n.a.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Equity ratio	n.a.	32.5%	57.5%	46.4%	43.7%	44.3%	33.8%	22.0%	18.7%	19.2%	19.9%
Net gearing	n.a.	45.2%	22.5%	48.5%	73.1%	69.8%	93.3%	182.0%	263.0%	233.9%	203.6%

Source: Company data and Nordea estimates

CASH FLOW STATEMENT

EURm	2011	2012	2013	2014	2015	2016	2017	2018	2019E	2020E	2021E
EBITDA (adj) for associates	**0**	**10**	**9**	**12**	**17**	**19**	**22**	**28**	**74**	**80**	**84**
Paid taxes	n.a.	-1	-2	-3	0	-3	-3	-4	-3	-4	-5
Net financials	n.a.	0	0	-1	-1	-1	-3	-2	-7	-9	-9
Change in provisions	0	0	0	0	0	0	0	1	0	0	0
Change in other LT non-IB	0	1	-1	0	-1	0	3	1	-2	0	0
Cash flow to/from associates	n.a.	0	0	0	0	0	0	0	0	0	0
Dividends paid to minorities	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0
Other adj to reconcile to cash flow	0	0	0	0	1	-1	-1	-4	0	0	0
Funds from operations (FFO)	**0**	**10**	**5**	**9**	**16**	**15**	**18**	**21**	**60**	**65**	**68**
Change in NWC	n.a.	2	-2	0	-4	-2	0	-2	-2	1	1
Cash flow from operations (CFO)	**n.a.**	**12**	**3**	**8**	**12**	**14**	**18**	**19**	**57**	**66**	**69**
Capital expenditure	n.a.	-9	-4	-10	-10	-7	-11	-10	-15	-15	-16
Free cash flow before A&D	**0**	**3**	**-1**	**-2**	**2**	**6**	**7**	**9**	**43**	**51**	**53**
Proceeds from sale of assets	n.a.	0	0	13	0	0	0	0	0	0	0
Acquisitions	n.a.	-2	0	-18	-5	-3	-12	-67	0	0	0
Free cash flow	0	2	-1	-7	-3	4	-5	-58	43	51	53
Free cash flow, adjusted for leases	0	2	-1	-7	-3	4	-5	-58	18	25	26
Dividends paid	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Equity issues / buybacks	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0
Net change in debt	0	0	0	11	6	1	6	75	0	0	0
Other financing adjustments	0	0	-2	0	0	0	0	0	-24	-26	-26
Other non-cash adjustments	0	1	-11	0	-1	0	5	7	0	0	0
Change in cash	0	3	0	2	-3	0	1	2	37	19	20
Cash flow metrics											
Capex/D&A	n.a.	n.m.	70.9%	n.m.	n.m.	69.2%	95.8%	48.1%	28.9%	28.5%	28.6%
Capex/Sales	n.a.	14.2%	5.6%	11.6%	9.2%	5.5%	6.0%	3.2%	3.8%	3.7%	3.6%
Key information											
Share price year end (/current)	n.a.	n.a.	4	4	5	6	9	9	8	8	8
Market cap.	n.a.	n.a.	62	57	82	100	142	164	151	151	151
Enterprise value	n.a.	n.a.	69	77	112	131	188	310	438	421	402
Diluted no. of shares, year-end (m)	0.0	0.0	14.2	16.4	16.4	16.6	16.6	18.9	18.9	18.9	18.9

Source: Company data and Nordea estimates

Disclaimer and legal disclosures

Origin of the report
This publication or report originates from: Nordea Bank Abp, including its branches Nordea Danmark, Filial af Nordea Bank Abp, Finland, Nordea Bank Abp, filial i Norge and Nordea Bank Abp, filial i Sverige (together "Nordea") acting through their unit Nordea Markets.

Nordea Bank Abp is supervised by the European Central Bank and the Finnish Financial Supervisory Authority and the branches are supervised by the European Central Bank and the Finnish Financial Supervisory Authority and the Financial Supervisory Authorities in their respective countries.

Content of report
This report has been prepared solely by Nordea Markets.

Opinions or suggestions from Nordea Markets credit and equity research may deviate from one another or from opinions presented by other departments in Nordea. This may typically be the result of differing time horizons, methodologies, contexts or other factors.

The information provided herein is not intended to constitute and does not constitute investment advice nor is the information intended as an offer or solicitation for the purchase or sale of any financial instrument. The information contained herein has no regard to the specific investment objectives, the financial situation or particular needs of any particular recipient. Relevant and specific professional advice should always be obtained before making any investment or credit decision

Opinions or ratings are based on one or more methods of valuation, for instance cash flow analysis, use of multiples, behavioural technical analyses of underlying market movements in combination with considerations of the market situation and the time horizon. Key assumptions of forecasts or ratings in research cited or reproduced appear in the research material from the named sources. The date of publication appears from the research material cited or reproduced. Opinions and estimates may be updated in subsequent versions of the report, provided that the relevant company/issuer is treated anew in such later versions of the report.

Validity of the report
All opinions and estimates in this report are, regardless of source, given in good faith, and may only be valid as of the stated date of this report and are subject to change without notice.

No individual investment or tax advice
The report is intended only to provide general and preliminary information to investors and shall not be construed as the basis for any investment decision. This report has been prepared by Nordea Markets as general information for private use of investors to whom the report has been distributed, but it is not intended as a personal recommendation of particular financial instruments or strategies and thus it does not provide individually tailored investment advice, and does not take into account the individual investor's particular financial situation, existing holdings or liabilities, investment knowledge and experience, investment objective and horizon or risk profile and preferences. The investor must particularly ensure the suitability of an investment as regards his/her financial and fiscal situation and investment objectives. The investor bears the risk of losses in connection with an investment.

Before acting on any information in this report, it is recommendable to consult (without being limited to) one's financial, legal, tax, accounting, or regulatory advisor in any relevant jurisdiction.

The information contained in this report does not constitute advice on the tax consequences of making any particular investment decision. Each investor shall make his/her own appraisal of the tax and other financial merits of his/her investment.

Sources
This report may be based on or contain information, such as opinions, estimates and valuations which emanate from: Nordea Markets' analysts or representatives, publicly available information, information from other units of Nordea, or other named sources.

To the extent this publication or report is based on or contain information emanating from other sources ("Other Sources") than Nordea Markets ("External Information"), Nordea Markets has deemed the Other Sources to be reliable but neither Nordea, others associated or affiliated with Nordea nor any other person, do guarantee the accuracy, adequacy or completeness of the External Information.

Limitation of liability
Nordea or other associated and affiliated companies assume no liability as regards to any investment, divestment or retention decision taken by the investor on the basis of this report. In no event will Nordea or other associated and affiliated companies be liable for direct, indirect or incidental, special or consequential damages (regardless of whether being considered as foreseeable or not) resulting from the information in this report.

Risk information
The risk of investing in certain financial instruments, including those mentioned in this report , is generally high, as their market value is exposed to a lot of different factors such as the operational and financial conditions of the relevant company, growth prospects, change in interest rates, the economic and political environment, foreign exchange rates, shifts in market sentiments etc. Where an investment or security is denominated in a different currency to the investor's currency of reference, changes in rates of exchange may have an adverse effect on the value, price or income of or from that investment to the investor. Past performance is not a guide to future performance. Estimates of future performance are based on assumptions that may not be realized. When investing in individual shares, the investor may lose all or part of the investments.

Conflicts of interest
Readers of this document should note that Nordea Markets has received remuneration from the company mentioned in this document for the production of the report. The remuneration is not dependent on the content of the report.

Nordea, affiliates or staff in Nordea, may perform services for, solicit business from, hold long or short positions in, or otherwise be interested in the investments (including derivatives) of any company mentioned in the report.

To limit possible conflicts of interest and counter the abuse of inside knowledge, the analysts of Nordea Markets are subject to internal rules on sound ethical conduct, the management of inside information, handling of unpublished research material, contact with other units of Nordea and personal account dealing. The internal rules have been prepared in accordance with applicable legislation and relevant industry standards. The object of the internal rules is for example to ensure that no analyst will abuse or cause others to abuse confidential information. It is the policy of Nordea Markets that no link exists between revenues from capital markets activities and individual analyst remuneration. Nordea and the branches are members of national stockbrokers' associations in each of the countries in which Nordea has head offices. Internal rules have been developed in accordance with recommendations issued by the stockbrokers associations. This material has been prepared following the Nordea Conflict of Interest Policy, which may be viewed at www.nordea.com/mifid.

Distribution restrictions
The securities referred to in this report may not be eligible for sale in some jurisdictions. This report is not intended for, and must not be distributed to private customers in the UK or the US. This research report is intended only for, and may be distributed only to, accredited investors, expert investors or institutional investors in Singapore who may contact Nordea Bank, Singapore Branch of 138 Market Street, #09-01 CapitaGreen, Singapore 048946.

This report may be distributed by Nordea Bank Luxembourg S.A., 562 rue de Neudorf, L-2015 Luxembourg which is subject to the supervision of the Commission de Surveillance du Secteur Financier.

This publication or report may be distributed by Nordea Bank Abp Singapore Branch, which is subject to the supervision of the European Central Bank, the Finnish Financial Supervisory Authority and the Monetary Authority of Singapore.

This publication or report may be distributed in the UK to institutional investors by Nordea Bank Abp London Branch of 6th Floor, 5 Aldermanbury Square, London, EC2V 7AZ, which is under supervision of the European Central Bank, Finanssivalvonta (Financial Supervisory Authority) in Finland and subject to limited regulation by the Financial Conduct Authority and Prudential Regulation Authority in the United Kingdom. Details about the extent of our regulation by the Financial Conduct Authority and Prudential Regulation Authority are available from us on request.

Analyst Shareholding
Nordea Markets analysts do not hold shares in the companies that they cover.
No holdings or other affiliations by analysts or associates.

Fair value sensitivity
We calculate our fair values by weighting DCF, DDM, SOTP, asset-based and other standard valuation methods. When applicable, we set a 12-month target price by applying an appropriate premium/discount and/or other relevant adjustment to our fair value to reflect the share price potential we see within the coming 12 months. Our fair values are sensitive to changes in valuation assumptions, of which growth, margins, tax rates, working capital ratios, investment-to-sales ratios and cost of capital are typically the most sensitive.
It should be noted that our fair values would change by a disproportionate factor if changes are made to any or all valuation assumptions, owing to the non-linear nature of the standard valuation models applied (mentioned above). As a consequence of the standard valuation models we apply, changes of 1-2 percentage points in any single valuation assumption can change the derived fair value by as much as 30% or more. Dividend payouts are included in the target price. All research is produced on an ad hoc basis and will be updated when the circumstances require it.

Marketing Material
This research report should be considered marketing material, as it has been commissioned and paid for by the subject company, and has not been prepared in accordance with the regulations designed to promote the independence of investment research and it is not subject to any legal prohibition on dealing ahead of the dissemination of the report. However, Nordea Markets analysts are according to internal policies not allowed to hold shares in the companies/sectors that they cover.

Where applicable, recommendation changes are available at: https://research.nordea.com/compliance#equity-changes.

Market-making obligations and other significant financial interest
Nordea Markets has no market-making obligations in NoHo Partners.

Investment banking transactions
Nordea has been lead or co-lead manager in a public disclosed offer of financial instruments issued by NoHo Partners over the previous 12 months.

Issuer Review
This report has been reviewed, for the purpose of verification of fact or sequence of facts, by the Issuer of the relevant financial instruments mentioned in the report prior to publication. No Nordea recommendations or target prices have, however, been disclosed to the issuer. The review has led to changes of facts in the report.

Completion Date
31 May 2019, 22:15 CET

Nordea Bank Abp

Nordea Markets Division, Research
Visiting address:
Aleksis Kiven katu 7, Helsinki
FI-00020 Nordea
Finland

Tel: +358 9 1651
Fax: +358 9 165 59710

Reg.no. 2858394-9
Satamaradankatu 5
Helsinki

Nordea Bank Abp, filial i Sverige

Nordea Markets Division, Research
Visiting address:
Smålandsgatan 17
SE-105 71 Stockholm
Sweden

Tel: +46 8 614 7000
Fax: +46 8 534 911 60

Nordea Danmark, Filial af Nordea Bank Abp, Finland

Nordea Markets Division, Research
Visiting address:
Grønjordsvej 10
DK-2300 Copenhagen S
Denmark

Tel: +45 3333 3333
Fax: +45 3333 1520

Nordea Bank Abp, filial i Norge

Nordea Markets Division, Research
Visiting address:
Essendropsgate 7
N-0107 Oslo
Norway

Tel: +47 2248 5000
Fax: +47 2256 8650