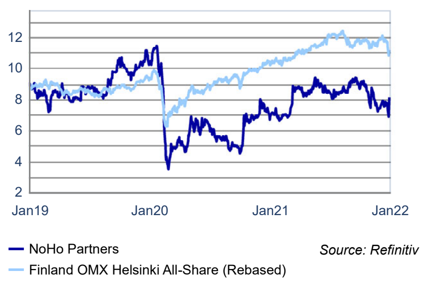
# NoHo Partners

**Consumer Goods**
Finland

### KEY DATA

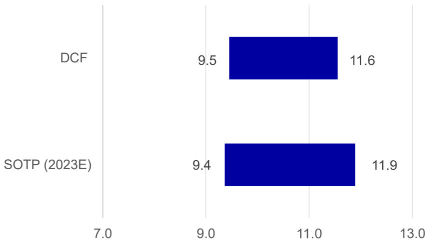
| | |
|---|---|
| Stock country | Finland |
| Bloomberg | NOHO FH |
| Reuters | NOHOP.HE |
| Share price (close) | EUR 8.19 |
| Free Float | 50% |
| Market cap. (bn) | EUR 0.16/EUR 0.16 |
| Website | http://www.noho.fi/ |
| Next report date | 17 Feb 2022 |

### PERFORMANCE




*Source: Refinitiv*

### VALUATION APPROACH (EUR PER SHARE)




*Source: Nordea estimates*

### ESTIMATE CHANGES

| Year | 2021E | 2022E | 2023E |
|---|---|---|---|
| Sales | -2% | -10% | 0% |
| EBIT (adj) | -4% | -29% | -2% |

*Source: Nordea estimates*

**Nordea Markets - Analysts**
**Joni Sandvall**
Analyst

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Director

## Easing of restrictions in sight

NoHo will report its Q4 figures on 17 February. The company was forced to lower its 2021 guidance on 21 December after more stringent restaurant restrictions were implemented in Finland. We believe these restrictions will be eased in February, however, bringing them more in line with its Nordic neighbours. We therefore believe NoHo will manage to achieve positive operating cash flow by March. The restaurant market is poised for a rapid recovery once restrictions are eased, thanks to significant pent-up demand. NoHo will likely seek to reduce its debt levels, which should have a slight impact on its expansion timetable. We derive a fair value range of EUR 9.4-11.7 per NoHo share.

### Restrictions to be felt mostly in Q1

Despite tighter restrictions since December, NoHo's Q4 looks set to be decent, with clear positive operating cash flow. Restrictions will have a major lingering impact on Q1 2022 and the company has been forced to furlough the majority of its Finnish workforce. Owing to the two-week collective negotiations at a time when the majority of restaurants were forced to close, Q1 EBIT will likely be negative, despite potential government aid. We believe most of NoHo's current revenue stems from Denmark and Norway. Given recent articles in the Finnish media, it seems as though Finnish restaurant restrictions could be relaxed in February. Thanks to this, we foresee positive operating cash flow for NoHo by March.

### We cut 2021-22 estimates – 2024 targets appear realistic

We trim our top-line estimates by 2% for 2021, 10% for 2022 and leave 2023 intact. We cut 2022E adjusted EBIT by 29% (excluding possible government assistance) and trim 2023E EBIT by 2%. NoHo announced 2024 targets of EUR 400m for the top line and an EBIT margin of 10% in conjunction with its strategy update (June 2021). We regard these as achievable, although we argue it will require roughly EUR 50m in acquired sales. We forecast EUR 353m net sales and a 9.9% EBIT margin in 2024.

### Fair value range intact at EUR 9.4-11.7

We derive a fair value range of EUR 9.4-11.7 by giving equal weight to our DCF and SOTP valuations. NoHo's low equity ratio (14.6% in Q3) could affect growth ambitions. NoHo issued a EUR 25m hybrid bond for expansion purposes in 2019-20. The company has also continued selling off its Eezy stake, which is reported as assets held for sale. NoHo's Eezy stake is currently worth around EUR 30m, with a book value of EUR ~26m.

### SUMMARY TABLE - KEY FIGURES

| EURm | 2017 | 2018 | 2019 | 2020 | 2021E | 2022E | 2023E |
|---|---|---|---|---|---|---|---|
| Total revenue | 186 | 323 | 273 | 157 | 185 | 263 | 329 |
| EBITDA (adj) | 23 | 34 | 76 | 21 | 35 | 62 | 74 |
| EBIT (adj) | 11 | 12 | 31 | -31 | -11 | 17 | 32 |
| EBIT (adj) margin | 6.0% | 3.9% | 11.4% | -19.6% | -5.9% | 6.5% | 9.9% |
| EPS (adj, EUR) | 0.43 | 0.54 | 2.27 | -1.66 | -1.02 | 0.14 | 0.81 |
| EPS (adj) growth | 16.1% | 27.4% | 318.9% | -173.3% | 38.8% | 113.3% | 496.3% |
| DPS (ord, EUR) | 0.33 | 0.34 | 0.00 | 0.00 | 0.00 | 0.15 | 0.40 |
| EV/Sales | 1.0 | 1.0 | 1.7 | 3.0 | 2.5 | 1.7 | 1.3 |
| EV/EBIT (adj) | 17.0 | 24.9 | 15.6 | n.m. | n.m. | 26.8 | 13.6 |
| P/E (adj) | 20.1 | 16.0 | 4.5 | n.m. | n.m. | 60.4 | 10.1 |
| P/BV | 3.2 | 2.4 | 1.5 | 2.0 | 2.3 | 2.1 | 1.8 |
| Dividend yield (ord) | 3.9% | 3.9% | 0.0% | 0.0% | 0.0% | 1.8% | 4.9% |
| FCF Yield bef A&D, lease | 4.7% | 5.2% | 9.9% | -18.3% | 3.9% | 6.6% | 12.6% |
| Net debt | 44 | 138 | 268 | 318 | 307 | 295 | 280 |
| Net debt/EBITDA | 2.0 | 4.9 | 3.6 | 11.3 | 6.9 | 4.5 | 3.8 |
| ROIC after tax | 10.2% | 6.0% | 7.9% | -6.3% | -2.3% | 3.7% | 7.2% |

*Source: Company data and Nordea estimates*

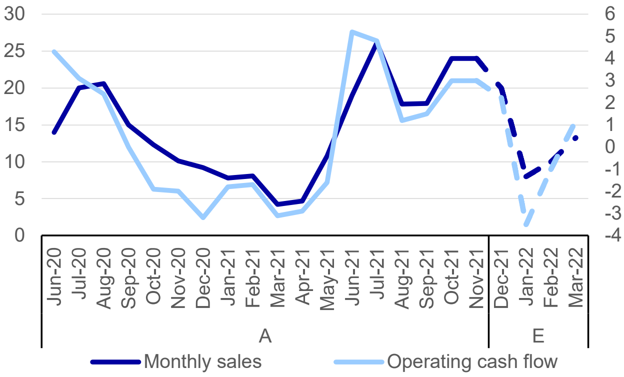
# Expectations ahead of the Q4 results

## Weak year-end for restaurants

According to the latest card payment data from Nordea (until the end of 2021), card payments in Nordic restaurants plummeted after the tightening of restrictions. Given recent articles in the Finnish media, we believe restrictions will be eased in Finland, most likely in February. We believe restaurants will be allowed to remain open until 11pm, which should allow NoHo to operate again with positive operating cash flow.

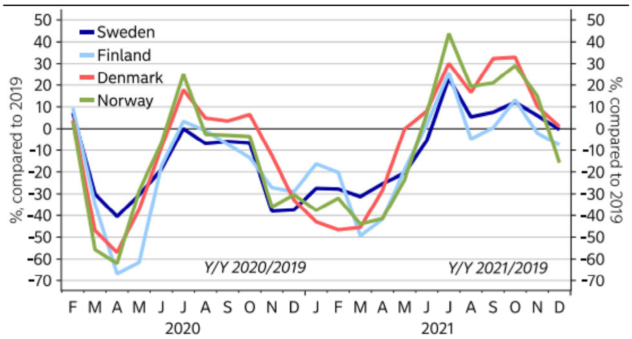
We also note that Denmark is abolishing COVID-19-related restrictions from the beginning of February, which should allow fairly normal business conditions for NoHo there. In Norway, restaurants are currently allowed to serve customers until 11pm.

**NOHO: MONTHLY SALES AND OPERATING CASH FLOW (EURm)**




*Source: Company data and Nordea estimates*

**NORDIC CARD PAYMENTS IN RESTAURANTS VS 2019 LEVEL: TWO-WEEK MOVING AVERAGE**

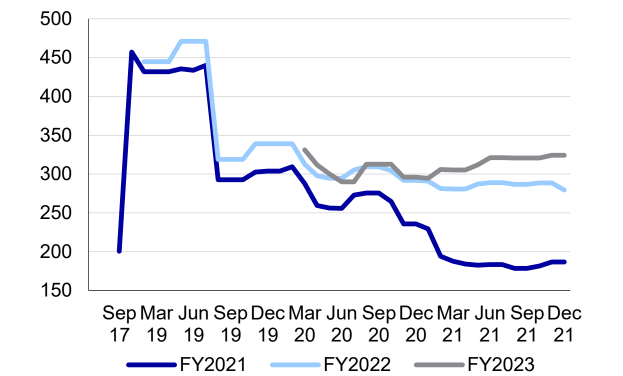



*Source: Nordea and Macrobond*

## Expectations ahead of the Q4 report

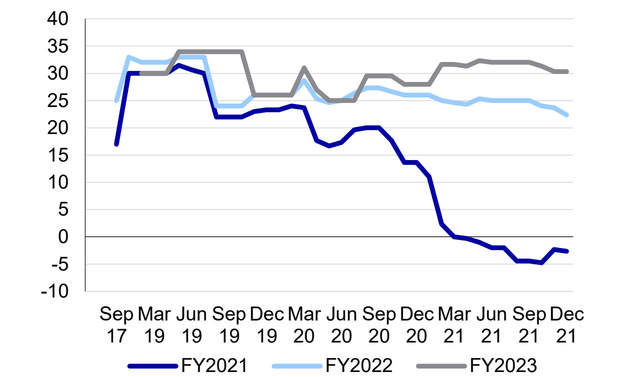
NoHo will release its Q4 2021 report on Thursday, 17 February at 08.15 EET.

**CONSENSUS SALES ESTIMATES (EURm)**



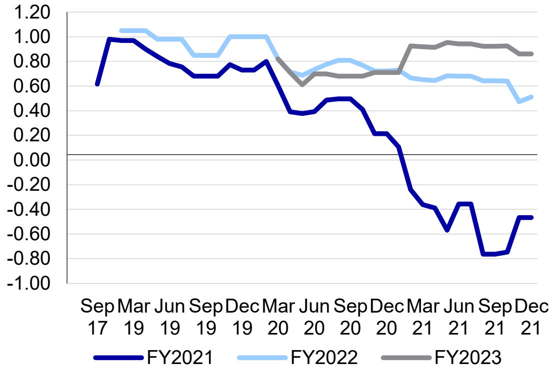

*Source: Refinitiv*

**CONSENSUS EBIT ESTIMATES (EURm)**



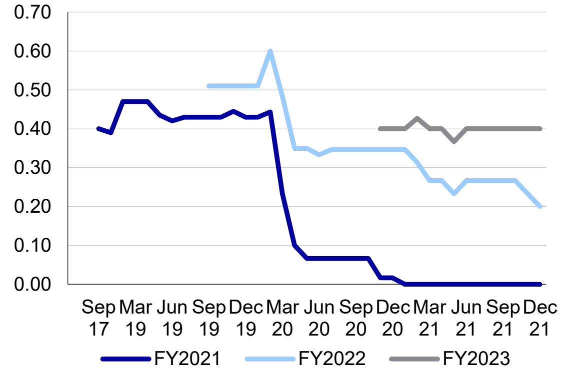

*Source: Refinitiv*

**CONSENSUS EPS ESTIMATES (EUR)**




*Source: Refinitiv*

**CONSENSUS DPS ESTIMATES (EUR)**




*Source: Refinitiv*

## We forecast 7% above consensus on adjusted EBIT for 2023E

For 2021E, we forecast 1% below Refinitiv consensus on sales, although consensus might not fully reflect the announced profit warning and current restrictions in the market. For 2023E, we are 1% ahead of consensus on sales and 7% ahead on adjusted EBIT. On dividends, our forecast is 25% below for 2022E and in line for 2023E.

**OUR ESTIMATES VS CONSENSUS (EPS AND DPS IN EUR)**

| | Nordea estimates | | | | Consensus estimates | | | | Difference % | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **EURm** | **Q4 2021E** | **2021E** | **2022E** | **2023E** | **Q4 2021E** | **2021E** | **2022E** | **2023E** | **Q4 2021E** | **2021E** | **2022E** | **2023E** |
| **Sales** | **68.0** | **185** | **263** | **329** | **70.0** | **187** | **280** | **324** | **-3%** | **-1%** | **-6%** | **1%** |
| **Adj. EBIT** | **5.9** | **-10.9** | **17.0** | **32.4** | **4.7** | **-2.7** | **22.3** | **30.3** | **27%** | **309%** | **-24%** | **7%** |
| Adj. EBIT margin | 8.7% | -5.9% | 6.5% | 9.9% | 6.7% | -1.4% | 8.0% | 9.4% | 2.0pp | -4.5pp | -1.5pp | 0.5pp |
| EBIT | 5.9 | -1.7 | 20.5 | 32.4 | 5.9 | -1.4 | 22.2 | 29.4 | 0% | 19% | -8% | 10% |
| EBIT margin | 8.7% | -0.9% | 7.8% | 9.9% | 8.4% | -0.8% | 7.9% | 9.1% | 0.3pp | -0.2pp | -0.1pp | 0.8pp |
| EPS | 0.10 | -0.54 | 0.32 | 0.81 | 0.18 | -0.47 | 0.51 | 0.86 | -46% | 16% | -38% | -6% |
| DPS | | 0.00 | 0.15 | 0.40 | | 0.00 | 0.20 | 0.40 | n.m. | n.m. | -25% | 0% |

*Source: Nordea estimates and Refinitiv*

# Revisions

### Estimate revisions

We trim the 2021E top line by 2% while we lower adjusted EBIT by 4%. For 2022, we cut our sales estimate by 10%, while we slash adjusted EBIT by 29%. Given the restrictions, we now expect NoHo to receive EUR 3.5m in government support in 2022 and cut our reported EBIT estimate by 15%. We make only minor adjustments to our 2023 estimates.

We do not include the sale of the Eezy stake in our model because of the uncertainty over timing. However, we note that NoHo's capital gain from a sale of its 5.1 million shares (a 20.5% stake) based on the 25 January Eezy valuation would be roughly EUR 4m.

**ESTIMATE REVISIONS (EPS/DPS IN EUR)**

| | New estimates | | | | Old estimates | | | | Difference % | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **EURm** | **Q4 2021E** | **2021E** | **2022E** | **2023E** | **Q4 2021E** | **2021E** | **2022E** | **2023E** | **Q4 2021E** | **2021E** | **2022E** | **2023E** |
| **Sales** | **68.0** | **185** | **263** | **329** | **71.1** | **188** | **291** | **329** | **-4%** | **-2%** | **-10%** | **0%** |
| **Adj. EBIT** | **5.9** | **-10.9** | **17.0** | **32.4** | **6.3** | **-10.5** | **24.1** | **33.2** | **-7%** | **4%** | **-29%** | **-2%** |
| Adj. EBIT margin | 8.7% | -5.9% | 6.5% | 9.9% | 8.9% | -5.6% | 8.3% | 10.1% | -0.2pp | -0.3pp | -1.8pp | -0.2pp |
| EBIT | 5.9 | -1.7 | 20.5 | 32.4 | 6.3 | -1.3 | 24.1 | 33.2 | -7% | 32% | -15% | -2% |
| EBIT margin | 8.7% | -0.9% | 7.8% | 9.9% | 8.9% | -0.7% | 8.3% | 10.1% | -0.2pp | -0.2pp | -0.5pp | -0.2pp |
| **Adj. EPS** | **0.10** | **-1.02** | **0.14** | **0.81** | **0.12** | **-1.00** | **0.47** | **0.84** | **-16%** | **2%** | **-71%** | **-4%** |
| EPS | 0.10 | -0.54 | 0.32 | 0.81 | 0.12 | -0.52 | 0.47 | 0.84 | -16% | 4% | -32% | -4% |
| **DPS** | | **0.00** | **0.15** | **0.40** | | **0.00** | **0.25** | **0.40** | | | **-40%** | **0%** |
| **Sales by division** | | | | | | | | | | | | |
| Restaurant | 68 | 185 | 263 | 329 | 71 | 188 | 291 | 329 | -4% | -2% | -10% | 0% |
| **Group total** | **68** | **185** | **263** | **329** | **71** | **188** | **291** | **329** | **-4%** | **-2%** | **-10%** | **0%** |
| **Adj. EBIT by division** | | | | | | | | | | | | |
| Restaurant | 5.9 | -11.1 | 17.0 | 32.4 | 6.3 | -10.7 | 24.1 | 33.2 | -7% | 4% | -29% | -2% |
| **Group total** | **5.9** | **-10.9** | **17.0** | **32.4** | **6.3** | **-10.5** | **24.1** | **33.2** | **-7%** | **4%** | **-29%** | **-2%** |
| **Adj. EBIT margin by division** | | | | | | | | | | | | |
| Restaurant | 8.7% | -6.0% | 6.5% | 9.9% | 8.9% | -5.7% | 8.3% | 10.1% | -0.2pp | -0.3pp | -1.8pp | -0.2pp |
| **Group total** | **8.7%** | **-5.9%** | **6.5%** | **9.9%** | **8.9%** | **-5.6%** | **8.3%** | **10.1%** | -0.2pp | -0.3pp | -1.8pp | -0.2pp |

*Source: Nordea estimates*

# Valuation

We derive a fair value range of EUR 9.4-11.7 by equally weighting our DCF and SOTP valuations.

### DCF valuation yields EUR 9.5-11.6 per share

The outcome of our DCF valuation is EUR 9.5-11.6 (9.7-11.8) per share. We use a WACC of 7.2-7.6%, assuming a terminal growth rate of 2.5% with the EBIT margin gradually rising to 10%.

**WACC COMPONENTS**

| **WACC components** | |
|---|---|
| Risk-free interest rate | 2.0% |
| Market risk premium | 4.5% |
| Equity beta | 1.8-2.0 |
| Cost of equity | 10.1-11% |
| Cost of debt | 4.0% |
| Tax-rate used in WACC | 21% |
| Equity weight | 55% |
| **WACC** | **7.0-7.5%** |

*Source: Nordea estimates*

**DCF VALUE (EURm AND EUR)**

| **DCF value** | **Value** | **Per share** |
|---|---|---|
| NPV FCFF | 444-485 | 23.1-25.2 |
| (Net debt) | -318 | -16.5 |
| Market value of associates | 43 | 2.2 |
| (Market value of minorities) | -5 | -0.3 |
| Surplus values | 0 | 0.0 |
| (Market value preference shares) | 0 | 0.0 |
| Share based adjustments | 0 | 0.0 |
| Other adjustments | 0 | 0.0 |
| Time value | 17 | 0.9 |
| **DCF Value** | **182-222** | **9.5-11.6** |

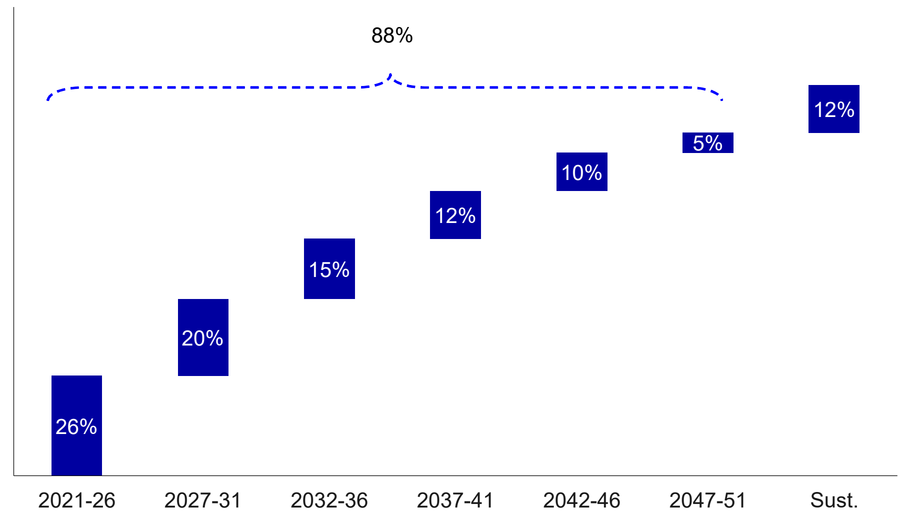
*Source: Nordea estimates*

**DCF ASSUMPTIONS**

| **Averages and assumptions** | **2021-26** | **2027-31** | **2032-36** | **2037-41** | **2042-46** | **2047-51** | **Sust.** |
|---|---|---|---|---|---|---|---|
| Sales growth, CAGR | 15.5% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% | |
| EBIT-margin, excluding associates | 8.7% | 10.0% | 10.0% | 10.0% | 10.0% | 4.0% | |
| Capex/depreciation, x | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | |
| Capex/sales | 14.7% | 14.7% | 14.7% | 14.7% | 14.7% | 14.7% | |
| NWC/sales | -9.3% | -9.3% | -9.3% | -9.3% | -9.3% | -9.3% | |
| FCFF, CAGR | 7.3% | 0.9% | 2.5% | 2.5% | 2.5% | -16.0% | 2.5% |

*Source: Nordea estimates*

**DCF VALUATION COMPOSITION**




*Source: Nordea estimates*

### DCF valuation sensitivity

To highlight the sensitivity of our DCF valuation, we provide sensitivity matrices that model variations in revenue growth, margin assumptions and cost of capital. The sensitivities in our WACC are outlined in the following table. Using changes of ±0.5 pp for WACC, ±0.5 pp for sales growth, and ±0.5 pp for the EBIT margin, our DCF model yields a value range of EUR 8.9-12.2 per share.

- +/-0.5 pp sales growth change translates to a change of +11/-10% in the fair value
- +/-0.5 pp EBIT margin change translates into a change of +/-11% change in the fair value

**SENSITIVITY OF OUR DCF MODEL (EUR)**

**Sensitivity analysis: WACC vs EBIT margin**

| | | WACC | | | | |
|---|---|---|---|---|---|---|
| | | **6.7%** | **7.0%** | **7.2%** | **7.5%** | **7.7%** |
| **EBIT marg. change** | **0.5pp** | 14.2 | 12.9 | 11.7 | 10.6 | 9.6 |
| | **0.3pp** | 13.5 | 12.2 | 11.1 | 10.0 | 9.1 |
| | **0.0pp** | 12.8 | 11.6 | 10.5 | 9.5 | 8.5 |
| | **-0.3pp** | 12.1 | 11.0 | 9.9 | 8.9 | 8.0 |
| | **-0.5pp** | 11.5 | 10.3 | 9.3 | 8.4 | 7.5 |

**Sensitivity analysis: WACC vs Sales growth**

| | | WACC | | | | |
|---|---|---|---|---|---|---|
| | | **6.7%** | **7.0%** | **7.2%** | **7.5%** | **7.7%** |
| **Sales growth change** | **0.5pp** | 14.2 | 12.9 | 11.7 | 10.6 | 9.6 |
| | **0.3pp** | 13.5 | 12.2 | 11.1 | 10.0 | 9.0 |
| | **0.0pp** | 12.8 | 11.6 | 10.5 | 9.5 | 8.5 |
| | **-0.3pp** | 12.2 | 11.0 | 10.0 | 9.0 | 8.1 |
| | **-0.5pp** | 11.6 | 10.5 | 9.4 | 8.5 | 7.6 |

**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** | 10.5 | 11.1 | 11.7 | 12.3 | 12.9 |
| | **0.3pp** | 10.0 | 10.5 | 11.1 | 11.7 | 12.3 |
| | **0.0pp** | 9.4 | 10.0 | 10.5 | 11.1 | 11.7 |
| | **-0.3pp** | 8.9 | 9.4 | 9.9 | 10.5 | 11.0 |
| | **-0.5pp** | 8.3 | 8.8 | 9.3 | 9.8 | 10.4 |

*Source: Nordea estimates*

## SOTP valuation yields EUR 9.4-11.9 per share

When we apply 2023E EV/EBIT multiples of 9-10.5x for the Restaurant segment, the market valuation of the Eezy stake (20.5% of the company) as of 25 January, and then deduct 2022E net debt and current minority holdings, we derive an SOTP fair value range of EUR 9.4-11.9 (9.1-11.6) per NoHo share.

**SOTP VALUATION**

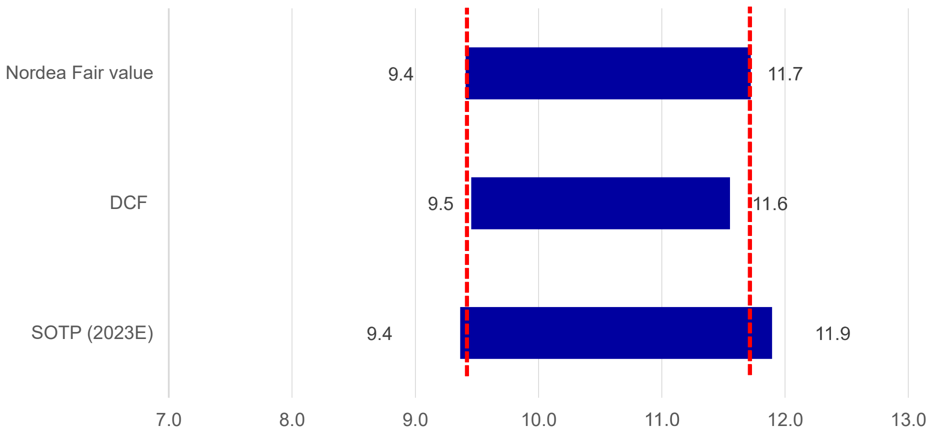
| **Business** | **EV/EBIT 9x** | **Per share, 9x** | **EV/EBIT 10.5x** | **Per share, 10.5x** | **% of EV** | **EBIT '23E** |
|---|---|---|---|---|---|---|
| Restaurant | 292 | 15.2 | 340 | 17.7 | 90-92% | 32.4 |
| **EV from own operations** | **292** | 15.2 | **340** | 17.7 | **90-92%** | |
| EEZY stake (20.5%) as of 25.1.2022 | 30 | 1.6 | 30 | 1.6 | 9-8% | |
| Other sellable securitites (Q3 2021) | 0.3 | 0.0 | 0.3 | 0.0 | 0-0% | |
| **EV from holdings** | **31** | 1.6 | **31** | 1.6 | **10-8%** | |
| **Total EV with market prices** | **322** | 16.8 | **371** | 19.3 | | |
| Net debt 2022E (excl IFRS 16) | 137 | 7.1 | 137 | 7.1 | | |
| **Equity value** | **185** | **9.6** | **233** | **12.1** | | |
| Minorities | -5 | -0.3 | -5 | -0.3 | | |
| Number of shares, million | 19.2 | | 19.2 | | | |
| **Equity per share, EUR** | 9.4 | | 11.9 | | | |

*Source: Company data and Nordea estimates*

## Fair value range EUR 9.4-11.7

Our fair value range for NoHo is EUR 9.4-11.7 per share, as indicated by the red lines in the chart below.

**FAIR VALUE RANGE (EUR/SHARE)**




*Source: Nordea estimates*

# Detailed estimates

### COVID-19 will be a major swing factor for estimates

Given the abnormal situation caused by COVID-19, NoHo's earnings and balance sheet are subject to a large swing factor. We assume a gradual recovery in the situation, but government actions and consumer behaviour are difficult to predict under these unusual circumstances.

**ANNUAL ESTIMATES (EURm)**

| | 2017 | 2018 | 2019 | 2020 | 2021E | 2022E | 2023E |
|---|---|---|---|---|---|---|---|
| **Turnover** | **186** | **323** | **273** | **157** | **185** | **263** | **329** |
| growth % | 43% | 74% | -16% | -43% | 18% | 43% | 25% |
| | | | | | | | |
| Other operating income | 2 | 7 | 6 | 17 | 14 | 6 | 6 |
| Materials and services | -36 | -66 | -85 | -58 | -64 | -91 | -114 |
| Staff expenses | -83 | -151 | -63 | -48 | -53 | -72 | -87 |
| Other operating expenses | -47 | -84 | -56 | -41 | -37 | -40 | -60 |
| | | | | | | | |
| EBITDA | 22.4 | 28.4 | 74.3 | 27.6 | 44.5 | 65.4 | 73.5 |
| EBITDA margin % | 12.1% | 8.8% | 27.2% | 17.6% | 24.1% | 24.9% | 22.4% |
| | | | | | | | |
| **D&A** | **-12** | **-21** | **-45** | **-52** | **-46** | **-45** | **-41** |
| IFRS 16 depreciation | 0 | 0 | -22 | -31 | -30 | -29 | -28 |
| | | | | | | | |
| **EBIT adjusted** | **11.1** | **12.5** | **31.1** | **-30.7** | **-10.9** | **17.0** | **32.4** |
| EBIT adj. margin % | 6.0 % | 3.9 % | 11.4 % | -19.6 % | -5.9 % | 6.5 % | 9.9 % |
| | | | | | | | |
| NRI | -0.3 | -5.3 | -0.5 | 6.8 | 9.2 | 3.5 | 0.0 |
| | | | | | | | |
| **EBIT** | **10.8** | **7.2** | **30.6** | **-23.9** | **-1.7** | **20.5** | **32.4** |
| EBIT margin % | 5.8 % | 2.2 % | 11.2 % | -15.2 % | -0.9 % | 7.8 % | 9.9 % |
| | | | | | | | |
| Associate income | 0.1 | 0.0 | 0.8 | 0.5 | 0.2 | 0.0 | 0.0 |
| Net financial expenses | -2.8 | -1.6 | -5.2 | -11.0 | -12.1 | -11.5 | -10.9 |
| of which IFRS 16 | 0.0 | 0.0 | -5.0 | -5.0 | -5.0 | -5.1 | -5.1 |
| of which NRI | -1.7 | -0.9 | 2.1 | -1.7 | 0.0 | 0.0 | 0.0 |
| | | | | | | | |
| **Profit before taxes** | **8.0** | **5.6** | **25.3** | **-34.8** | **-13.8** | **9.0** | **21.5** |
| | | | | | | | |
| Reported taxes | -2.5 | -1.4 | -1.5 | 5.4 | 2.4 | -1.9 | -4.5 |
| | | | | | | | |
| **Net profit** | **5.5** | **4.2** | **23.8** | **-29.5** | **-11.4** | **7.1** | **17.0** |
| Minorities | 0.4 | 0.7 | 1.5 | -2.6 | -1.1 | 1.0 | 1.5 |
| | | | | | | | |
| **Profit to equity holders** | **5.1** | **3.5** | **22.3** | **-26.8** | **-10.3** | **6.1** | **15.5** |
| Hybrid interest incl tax shield | 0.0 | 0.0 | -1.4 | 0.0 | 0.0 | 0.0 | 0.0 |
| | | | | | | | |
| **EPS, EUR (continued op)** | **0.30** | **0.19** | **1.10** | **-1.40** | **-0.54** | **0.32** | **0.81** |

*Source: Company data and Nordea estimates*

**QUARTERLY ESTIMATES (EURm)**

| | Q1/19 | Q2/19 | Q3/19 | Q4/19 | Q1/20 | Q2/20 | Q3/20 | Q4/20 | Q1/21 | Q2/21 | Q3/21 | Q4/21E |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Turnover** | **80** | **100** | **77** | **75** | **50** | **19** | **56** | **32** | **20** | **34** | **62** | **68** |
| growth % | 62% | 37% | -25% | -24% | -38% | -81% | -27% | -58% | -60% | 81% | 10% | 115% |
| | | | | | | | | | | | | |
| Other operating income | 2 | 2 | 1 | 2 | 2 | 8 | 3 | 3 | 5 | 5 | 2 | 1 |
| Materials and services | -16 | -21 | -24 | -25 | -19 | -6 | -20 | -12 | -7 | -12 | -22 | -23 |
| Staff expenses | -39 | -48 | -16 | -18 | -15 | -8 | -13 | -11 | -9 | -10 | -15 | -19 |
| Other operating expenses | -12 | -16 | -17 | -16 | -14 | -5 | -12 | -10 | -7 | -8 | -12 | -10 |
| | | | | | | | | | | | | |
| EBITDA | 15.2 | 17.5 | 20.8 | 18.8 | 4.4 | 8.1 | 13.5 | 1.5 | 1.8 | 9.3 | 16.2 | 17.2 |
| EBITDA margin % | 18.9% | 17.5% | 27.1% | 25.0% | 8.8% | 42.5% | 24.1% | 4.9% | 8.9% | 27.0% | 26.2% | 25.3% |
| | | | | | | | | | | | | |
| **D&A** | **-12** | **-12** | **-11** | **-12** | **-11** | **-16** | **-11** | **-14** | **-11** | **-11** | **-12** | **-11** |
| IFRS 16 depreciation | -5 | -5 | -5 | -5 | -8 | -8 | -8 | -8 | -8 | -8 | -8 | -8 |
| | | | | | | | | | | | | |
| **EBIT adjusted** | **2.7** | **5.8** | **10.0** | **7.3** | **-6.6** | **-11.2** | **1.2** | **-14.0** | **-13.7** | **-6.3** | **3.2** | **5.9** |
| EBIT adj. margin % | 3.4 % | 5.8 % | 13.1 % | 9.7 % | -13 % | -59% | 2.2 % | -44 % | -68 % | -18.4 % | 5.2 % | 8.7 % |
| | | | | | | | | | | | | |
| NRI | 0.0 | 0.0 | -0.2 | -0.3 | 0.0 | 2.8 | 1.7 | 2.3 | 4.0 | 4.5 | 0.7 | 0.0 |
| | | | | | | | | | | | | |
| **EBIT** | **2.7** | **5.8** | **9.8** | **7.0** | **-6.6** | **-8.4** | **2.9** | **-11.8** | **-9.7** | **-1.8** | **3.9** | **5.9** |
| EBIT margin % | 3.4 % | 5.8 % | 12.8 % | 9.3 % | -13 % | -44% | 5.2 % | -37 % | -48 % | -5.2 % | 6.4 % | 8.7 % |
| | | | | | | | | | | | | |
| Associate income | 0.0 | -0.1 | 0.3 | 0.6 | 0.0 | -0.4 | 0.6 | 0.3 | -0.1 | 0.4 | 0.0 | 0.0 |
| Net financial expenses | 0.1 | -2.3 | -1.4 | -2.0 | -3.3 | -2.3 | -2.6 | -2.7 | -2.3 | -3.7 | -3.1 | -3.0 |
| of which IFRS 16 | -1.3 | -1.3 | -1.3 | -1.3 | -1.3 | -1.3 | -1.3 | -1.3 | -1.3 | -1.3 | -1.3 | -1.3 |
| of which NRI | 2.1 | 0.0 | 0.0 | 0.0 | -1.5 | -0.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | | | | | | | | | | | | |
| **Profit before taxes** | **2.8** | **3.4** | **8.6** | **5.0** | **-9.9** | **-10.7** | **0.3** | **-14.5** | **-12.1** | **-5.5** | **0.9** | **2.9** |
| | | | | | | | | | | | | |
| Reported taxes | 0.0 | -0.9 | -0.9 | -0.2 | 1.0 | 1.6 | 0.2 | 2.6 | 1.3 | 1.3 | 0.5 | -0.6 |
| | | | | | | | | | | | | |
| **Net profit** | **2.8** | **2.5** | **7.7** | **4.9** | **-8.9** | **-9.2** | **0.4** | **-11.9** | **-10.8** | **-4.3** | **1.3** | **2.3** |
| Minorities | 0.2 | 1.0 | 0.6 | 0.7 | -0.9 | -0.4 | 0.3 | -1.7 | -1.3 | -0.7 | 0.6 | 0.4 |
| | | | | | | | | | | | | |
| **Profit to equity holders** | **2.7** | **1.6** | **7.2** | **4.2** | **-8.0** | **-8.8** | **0.2** | **-10.2** | **-9.4** | **-3.5** | **0.7** | **1.9** |
| Hybrid interest incl tax shield | 0.0 | -0.5 | -0.5 | -0.5 | -0.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | | | | | | | | | | | | |
| **EPS, EUR (continued op)** | **0.14** | **0.06** | **0.35** | **0.20** | **-0.44** | **-0.46** | **0.01** | **-0.53** | **-0.49** | **-0.18** | **0.04** | **0.10** |

*Source: Company data and Nordea estimates*

# Risk factors

Below we list the main risk factors that we find relevant for NoHo. The purpose of this is not to provide a comprehensive picture of every risk that the company may be facing, but instead to highlight those that we find most relevant. In normal circumstances, the main risks relate to the Finnish economy, the restaurant business, NoHo's international expansion efforts, regulations and alcohol licences. COVID-19 is still a current risk – and its development is hard to predict – so it could affect NoHo's business for longer than anticipated.

### General Finnish economy

The restaurant industry depends on the general health of the Finnish economy. In times of strong economic activity, people are more inclined to eat out and they have more money to spend.

### COVID-19

COVID-19 has a negative impact on sales and earnings

The COVID-19 pandemic creates a high swing factor for NoHo Partners' earnings and balance sheets. While the company has flexible staffing, rental agreements are harder to adjust. The company is fully dependent on customers visiting its restaurants and venues, hence any drop in demand has a negative impact on sales and earnings. Currently, restaurant restrictions are still burdening sales and profitability, but we expect gradual recovery in H1 2022. There is also high uncertainty as to when tourism and business spending will recover.

### Weather

Unfavourable weather conditions hurt restaurant sales

Restaurant revenue increases during the summer months. NoHo has several summer or terraced restaurants, and these are especially vulnerable to summer weather. In the event of a cold or rainy summer, sales in the restaurant business would likely decrease. Mild winters can also negatively affect the restaurant business at ski resorts.

### Alcohol licences and regulations

The restaurant business has to operate under local regulations; restaurants/clubs depend on alcohol licences

When operating in the restaurant business, NoHo has to adhere to local alcohol legislation, food legislation, labour agreements and value-added taxation. A significant share of its business operations are also subject to licences and are closely controlled. Amendments to current regulations and legislation would affect NoHo, and unexpected changes to them could 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 tourism were to abate, it would have a negative effect on NoHo's business. COVID-19 has caused a severe drop in the number of tourists visiting Finland; although we expect a gradual recovery, revenues from foreign tourists might remain at a lower level until at least the end of 2022.

### Financial position

A dilutive rights issue or a hybrid bond are still possible given the current situation

Given NoHo's current financial situation, we consider a hybrid bond or a rights issue possible, which would dilute earnings per share or the current shareholders' ownership. The company was able to negotiate a new funding package in February 2021, which should secure funding for the coming years. Our main concern relates to the currently low equity ratio. In a worst-case scenario where the company cannot secure additional funding, there is a risk that the equity value would be zero.

### 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, investment needs and risks. New markets, new regulatory environments, local competition (at various levels of consolidation) and risks related to the execution of strategy can all affect the company and the success of its ambitions.

# Reported numbers and forecasts

**INCOME STATEMENT**

| EURm | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021E | 2022E | 2023E |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Total revenue** | **65** | **87** | **114** | **130** | **186** | **323** | **273** | **157** | **185** | **263** | **329** |
| Revenue growth | 7.0% | 33.2% | 31.1% | 14.5% | 42.9% | 73.9% | -15.6% | -42.5% | 17.7% | 42.5% | 25.0% |
| 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 | 9 | 12 | 17 | 19 | 22 | 28 | 75 | 28 | 45 | 65 | 74 |
| Depreciation and impairments PPE | -5 | -6 | -7 | -8 | -8 | -11 | -36 | -42 | -37 | -36 | -33 |
| of which leased assets | 0 | 0 | 0 | 0 | 0 | 0 | -22 | -31 | -30 | -29 | -28 |
| EBITA | 5 | 6 | 10 | 12 | 15 | 17 | 39 | -13 | 8 | 29 | 41 |
| Amortisation and impairments | -1 | -1 | -2 | -3 | -4 | -10 | -9 | -10 | -9 | -9 | -8 |
| EBIT | 4 | 5 | 7 | 9 | 11 | 7 | 31 | -24 | -2 | 20 | 32 |
| of which associates | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 | 0 | 0 | 0 |
| Associates excluded from EBIT | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net financials | 0 | -1 | -1 | -1 | -3 | -2 | -5 | -11 | -12 | -12 | -11 |
| of which lease interest | 0 | 0 | 0 | 0 | 0 | 0 | -5 | -5 | -5 | -5 | -5 |
| Changes in value, net | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Pre-tax profit** | **4** | **5** | **6** | **8** | **8** | **6** | **25** | **-35** | **-14** | **9** | **22** |
| Reported taxes | -1 | -1 | -1 | -2 | -3 | -1 | -1 | 5 | 2 | -2 | -5 |
| Net profit from continued operations | 3 | 3 | 5 | 6 | 5 | 4 | 24 | -29 | -11 | 7 | 17 |
| Discontinued operations | 0 | 0 | 0 | 0 | 0 | 0 | 24 | 0 | 0 | 0 | 0 |
| Minority interests | 0 | 0 | 0 | 0 | 0 | -1 | -2 | 3 | 1 | -1 | -2 |
| Net profit to equity | 3 | 3 | 5 | 6 | 5 | 3 | 45 | -27 | -10 | 6 | 15 |
| **EPS, EUR** | **0.24** | **0.22** | **0.31** | **0.35** | **0.30** | **0.19** | **2.36** | **-1.40** | **-0.54** | **0.32** | **0.81** |
| DPS, EUR | 0.09 | 0.22 | 0.27 | 0.30 | 0.33 | 0.34 | 0.00 | 0.00 | 0.00 | 0.15 | 0.40 |
| of which ordinary | 0.09 | 0.22 | 0.27 | 0.30 | 0.33 | 0.34 | 0.00 | 0.00 | 0.00 | 0.15 | 0.40 |
| 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 | 14.1% | 13.9% | 14.6% | 14.9% | 12.1% | 8.8% | 27.5% | 17.9% | 24.2% | 24.9% | 22.4% |
| EBITA | 7.0% | 7.2% | 8.5% | 9.1% | 7.9% | 5.2% | 14.5% | -8.6% | 4.1% | 11.2% | 12.4% |
| EBIT | 6.2% | 6.1% | 6.4% | 6.9% | 5.8% | 2.2% | 11.2% | -15.2% | -0.9% | 7.8% | 9.9% |
| | | | | | | | | | | | |
| **Adjusted earnings** | | | | | | | | | | | |
| EBITDA (adj) | 9 | 12 | 17 | 20 | 23 | 34 | 76 | 21 | 35 | 62 | 74 |
| EBITA (adj) | 5 | 7 | 10 | 12 | 15 | 22 | 40 | -20 | -2 | 26 | 41 |
| EBIT (adj) | 4 | 6 | 8 | 9 | 11 | 12 | 31 | -31 | -11 | 17 | 32 |
| EPS (adj, EUR) | 0.24 | 0.24 | 0.35 | 0.37 | 0.43 | 0.54 | 2.27 | -1.66 | -1.02 | 0.14 | 0.81 |
| | | | | | | | | | | | |
| **Adjusted profit margins in percent** | | | | | | | | | | | |
| EBITDA (adj) | 14.1% | 14.3% | 15.2% | 15.2% | 12.2% | 10.4% | 27.7% | 13.6% | 19.2% | 23.5% | 22.4% |
| EBITA (adj) | 7.0% | 7.7% | 9.1% | 9.3% | 8.0% | 6.9% | 14.7% | -12.9% | -0.9% | 9.9% | 12.4% |
| EBIT (adj) | 6.2% | 6.6% | 7.0% | 7.2% | 6.0% | 3.9% | 11.4% | -19.6% | -5.9% | 6.5% | 9.9% |
| | | | | | | | | | | | |
| **Performance metrics** | | | | | | | | | | | |
| CAGR last 5 years | | | | | | | | | | | |
| Net revenue | n.a. | n.a. | n.a. | n.a. | 25.1% | 37.8% | 25.8% | 6.7% | 7.2% | 7.2% | 0.3% |
| EBITDA | n.m. | n.m. | n.m. | n.m. | 17.7% | 25.4% | 44.3% | 11.2% | 18.2% | 23.9% | 20.9% |
| EBIT | n.a. | n.a. | n.a. | n.a. | 13.5% | 12.2% | 42.1% | n.m. | n.m. | 13.7% | 35.1% |
| EPS | n.a. | n.a. | n.a. | n.a. | n.a. | -4.1% | 61.4% | n.m. | n.m. | 0.9% | 32.9% |
| DPS | n.m. | n.m. | n.m. | n.m. | 18.7% | 30.5% | n.m. | n.m. | n.m. | -14.6% | 3.3% |
| Average last 5 years | | | | | | | | | | | |
| Average EBIT margin | n.a. | n.a. | n.a. | 6.9% | 6.3% | 4.7% | 6.3% | 3.1% | 2.0% | 2.7% | 4.8% |
| Average EBITDA margin | n.a. | n.a. | n.a. | 14.7% | 13.7% | 11.8% | 15.8% | 16.2% | 17.7% | 20.1% | 23.8% |

**VALUATION RATIOS - ADJUSTED EARNINGS**

| EURm | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021E | 2022E | 2023E |
|---|---|---|---|---|---|---|---|---|---|---|---|
| P/E (adj) | 18.2 | 14.5 | 14.2 | 16.4 | 20.1 | 16.0 | 4.5 | n.m. | n.m. | 60.4 | 10.1 |
| EV/EBITDA (adj) | 7.5 | 6.2 | 6.5 | 6.6 | 8.3 | 9.2 | 6.2 | 22.4 | 13.2 | 7.4 | 6.0 |
| EV/EBITA (adj) | 15.2 | 11.6 | 10.8 | 10.8 | 12.6 | 14.0 | 11.8 | n.m. | n.m. | 17.6 | 10.9 |
| EV/EBIT (adj) | 17.0 | 13.5 | 14.1 | 14.1 | 17.0 | 24.9 | 15.6 | n.m. | n.m. | 26.8 | 13.6 |

**VALUATION RATIOS - REPORTED EARNINGS**

| EURm | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021E | 2022E | 2023E |
|---|---|---|---|---|---|---|---|---|---|---|---|
| P/E | 18.2 | 16.3 | 16.1 | 17.4 | 28.2 | 44.4 | 4.4 | n.m. | n.m. | 25.7 | 10.1 |
| EV/Sales | 1.06 | 0.89 | 0.98 | 1.01 | 1.01 | 0.96 | 1.73 | 3.05 | 2.54 | 1.74 | 1.35 |
| EV/EBITDA | 7.5 | 6.4 | 6.8 | 6.8 | 8.4 | 10.9 | 6.3 | 17.3 | 10.5 | 7.0 | 6.0 |
| EV/EBITA | 15.2 | 12.4 | 11.6 | 11.1 | 12.8 | 18.4 | 12.2 | n.m. | 63.5 | 15.5 | 10.9 |
| EV/EBIT | 17.0 | 14.6 | 15.4 | 14.6 | 17.5 | 43.2 | 15.8 | n.m. | n.m. | 22.3 | 13.6 |
| Dividend yield (ord.) | 2.1% | 6.3% | 5.4% | 5.0% | 3.9% | 3.9% | 0.0% | 0.0% | 0.0% | 1.8% | 4.9% |
| FCF yield | -1.3% | -12.0% | -4.1% | 3.6% | -3.6% | -35.7% | 12.2% | 1.7% | 27.4% | 27.9% | 30.1% |
| FCF Yield bef A&D, lease adj | -1.1% | -3.3% | 2.3% | 6.3% | 4.7% | 5.2% | 9.9% | -18.3% | 3.9% | 6.6% | 12.6% |
| Payout ratio | 37.5% | 91.0% | 76.4% | 81.9% | 77.6% | 62.7% | 0.0% | 0.0% | 0.0% | 110.7% | 49.5% |

*Source: Company data and Nordea estimates*

## BALANCE SHEET

| EURm | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021E | 2022E | 2023E |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Intangible assets | 9 | 40 | 44 | 47 | 66 | 204 | 177 | 180 | 174 | 169 | 165 |
| of which R&D | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 0 | 0 | 0 | 0 |
| of which other intangibles | 1 | 10 | 10 | 10 | 14 | 57 | 48 | 45 | 37 | 32 | 28 |
| of which goodwill | 9 | 30 | 34 | 38 | 53 | 147 | 129 | 135 | 137 | 137 | 137 |
| Tangible assets | 18 | 25 | 29 | 29 | 32 | 46 | 186 | 166 | 167 | 175 | 183 |
| of which leased assets | 0 | 0 | 0 | 0 | 0 | 0 | 128 | 118 | 121 | 124 | 126 |
| Shares associates | 0 | 0 | 1 | 1 | 3 | 0 | 39 | 39 | 30 | 25 | 25 |
| Interest bearing assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Deferred tax assets | 1 | 0 | 1 | 0 | 1 | 0 | 1 | 9 | 9 | 9 | 9 |
| Other non-IB non-current assets | 0 | 1 | 1 | 1 | 1 | 4 | 3 | 3 | 3 | 3 | 3 |
| Other non-current assets | 0 | 0 | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total non-current assets | 29 | 67 | 77 | 79 | 104 | 255 | 406 | 397 | 384 | 381 | 385 |
| Inventory | 1 | 2 | 2 | 2 | 3 | 5 | 6 | 4 | 4 | 5 | 7 |
| Accounts receivable | 4 | 10 | 10 | 14 | 24 | 40 | 24 | 14 | 18 | 24 | 30 |
| Short-term leased assets | 0 | 0 | 0 | 0 | 0 | 0 | 31 | 30 | 29 | 28 | 28 |
| Other current assets | 11 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Cash and bank | 3 | 5 | 2 | 2 | 3 | 5 | 4 | 3 | 11 | 10 | 12 |
| Total current assets | 20 | 17 | 14 | 18 | 29 | 50 | 64 | 51 | 62 | 67 | 77 |
| 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** | **49** | **84** | **91** | **98** | **133** | **305** | **471** | **448** | **446** | **448** | **461** |
| | | | | | | | | | | | |
| Shareholders equity | 28 | 39 | 40 | 43 | 45 | 67 | 129 | 76 | 69 | 75 | 87 |
| Of which preferred stocks | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 0 | 0 | 0 | 0 |
| Of which equity part of hybrid debt | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 25 | 0 | 0 | 0 | 0 |
| Minority interest | 0 | 0 | 0 | 1 | 2 | 9 | 8 | 5 | 4 | 4 | 5 |
| Total Equity | 28 | 39 | 40 | 44 | 47 | 76 | 137 | 81 | 72 | 79 | 92 |
| Deferred tax | 0 | 1 | 1 | 1 | 2 | 10 | 6 | 8 | 8 | 8 | 8 |
| Long term interest bearing debt | 6 | 17 | 22 | 24 | 35 | 90 | 73 | 94 | 139 | 124 | 109 |
| Pension provisions | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 0 | 0 | 0 | 0 |
| Other long-term provisions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other long-term liabilities | 1 | 1 | 1 | 1 | 4 | 6 | 8 | 4 | 4 | 4 | 4 |
| Non-current lease debt | 0 | 0 | 0 | 0 | 0 | 0 | 134 | 126 | 126 | 130 | 131 |
| Convertible debt | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 0 | 0 | 0 | 0 |
| Shareholder debt | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 0 | 0 | 0 | 0 |
| Hybrid debt | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 0 | 0 | 0 | 0 | 0 |
| Total non-current liabilities | 7 | 19 | 24 | 26 | 40 | 107 | 221 | 232 | 276 | 265 | 251 |
| Short-term provisions | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 |
| Accounts payable | 9 | 18 | 18 | 19 | 34 | 68 | 48 | 35 | 44 | 53 | 66 |
| Current lease debt | 0 | 0 | 0 | 0 | 0 | 0 | 27 | 27 | 29 | 28 | 28 |
| Other current liabilities | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 0 | 0 | 0 | 0 |
| Short term interest bearing debt | 4 | 7 | 9 | 8 | 12 | 53 | 38 | 74 | 24 | 24 | 24 |
| Total current liabilities | 13 | 25 | 27 | 28 | 46 | 122 | 113 | 135 | 97 | 104 | 118 |
| 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** | **49** | **84** | **91** | **98** | **133** | **305** | **471** | **448** | **446** | **448** | **461** |
| | | | | | | | | | | | |
| **Balance sheet and debt metrics** | | | | | | | | | | | |
| Net debt | 6 | 19 | 29 | 31 | 44 | 138 | 268 | 318 | 307 | 295 | 280 |
| of which lease debt | 0 | 0 | 0 | 0 | 0 | 0 | 161 | 153 | 155 | 157 | 159 |
| Working capital | 7 | -7 | -6 | -3 | -7 | -23 | -18 | -17 | -22 | -24 | -30 |
| Invested capital | 36 | 61 | 71 | 76 | 96 | 231 | 388 | 380 | 362 | 357 | 355 |
| Capital employed | 38 | 64 | 71 | 77 | 93 | 219 | 409 | 402 | 390 | 384 | 384 |
| ROE | 12.6% | 10.3% | 12.8% | 13.5% | 11.5% | 6.2% | 45.6% | -26.1% | -14.2% | 8.5% | 19.1% |
| ROIC | 10.8% | 9.3% | 9.5% | 9.8% | 10.2% | 6.0% | 7.9% | -6.3% | -2.3% | 3.7% | 7.2% |
| ROCE | 13.3% | 11.4% | 11.8% | 12.7% | 13.2% | 9.3% | 10.6% | -7.5% | -2.5% | 4.6% | 8.7% |
| | | | | | | | | | | | |
| Net debt/EBITDA | 0.7 | 1.6 | 1.8 | 1.6 | 2.0 | 4.9 | 3.6 | 11.3 | 6.9 | 4.5 | 3.8 |
| Interest coverage | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | -0.1 | n.m. | n.m. |
| Equity ratio | 57.5% | 46.4% | 43.7% | 44.3% | 33.8% | 22.0% | 27.5% | 17.0% | 15.4% | 16.7% | 18.9% |
| Net gearing | 22.5% | 48.5% | 73.1% | 69.8% | 93.3% | 182.0% | 195.3% | 392.2% | 424.3% | 373.0% | 302.9% |

*Source: Company data and Nordea estimates*

| CASH FLOW STATEMENT | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **EURm** | **2013** | **2014** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** | **2021E** | **2022E** | **2023E** |
| **EBITDA (adj) for associates** | **9** | **12** | **17** | **19** | **22** | **28** | **74** | **28** | **44** | **65** | **74** |
| Paid taxes | -2 | -3 | 0 | -3 | -3 | -4 | -3 | -3 | 2 | -2 | -5 |
| Net financials | 0 | -1 | -1 | -1 | -3 | -2 | -7 | -11 | -12 | -12 | -11 |
| Change in provisions | 0 | 0 | 0 | 0 | 0 | 1 | -1 | 0 | 0 | 0 | 0 |
| Change in other LT non-IB | -1 | 0 | -1 | 0 | 3 | 1 | 2 | -12 | 0 | 0 | 0 |
| Cash flow to/from associates | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 | 1 | 0 |
| Dividends paid to minorities | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 0 | 0 | 0 | -1 | -1 |
| Other adj to reconcile to cash flow | 0 | 0 | 1 | -1 | -1 | -4 | 0 | 14 | 3 | 0 | 0 |
| **Funds from operations (FFO)** | **5** | **9** | **16** | **15** | **18** | **21** | **62** | **16** | **39** | **52** | **57** |
| Change in NWC | -2 | 0 | -4 | -2 | 0 | -2 | -5 | -8 | 5 | 2 | 6 |
| **Cash flow from operations (CFO)** | **3** | **8** | **12** | **14** | **18** | **19** | **57** | **8** | **43** | **54** | **63** |
| Capital expenditure | -4 | -10 | -10 | -7 | -11 | -10 | -16 | -6 | -7 | -14 | -16 |
| **Free cash flow before A&D** | **-1** | **-2** | **2** | **6** | **7** | **9** | **41** | **2** | **36** | **40** | **47** |
| Proceeds from sale of assets | 0 | 13 | 0 | 0 | 0 | 0 | 2 | 0 | 9 | 4 | 0 |
| Acquisitions | 0 | -18 | -5 | -3 | -12 | -67 | -19 | 0 | -2 | 0 | 0 |
| Free cash flow | -1 | -7 | -3 | 4 | -5 | -58 | 24 | 3 | 43 | 44 | 47 |
| Free cash flow bef A&D, lease adj | -1 | -2 | 2 | 6 | 7 | 9 | 19 | -28 | 6 | 10 | 20 |
| | | | | | | | | | | | |
| 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. | 0 | 0 | 0 | 0 | 0 |
| Net change in debt | 0 | 11 | 6 | 1 | 6 | 75 | -13 | 55 | -5 | -15 | -15 |
| Other financing adjustments | -2 | 0 | 0 | 0 | 0 | 0 | -28 | -25 | -31 | -29 | -28 |
| Other non-cash adjustments | -11 | 0 | -1 | 0 | 5 | 7 | 0 | -2 | 0 | 0 | 0 |
| Change in cash | 0 | 2 | -3 | 0 | 1 | 2 | -1 | 0 | 7 | 0 | 2 |
| | | | | | | | | | | | |
| **Cash flow metrics** | | | | | | | | | | | |
| Capex/D&A | 70.9% | n.m. | n.m. | 69.2% | 95.8% | 48.1% | 36.3% | 11.7% | 15.1% | 31.5% | 38.7% |
| Capex/Sales | 5.6% | 11.6% | 9.2% | 5.5% | 6.0% | 3.2% | 5.9% | 3.9% | 3.8% | 5.4% | 4.8% |
| | | | | | | | | | | | |
| **Key information** | | | | | | | | | | | |
| Share price year end (/current) | 4 | 4 | 5 | 6 | 9 | 9 | 10 | 8 | 8 | 8 | 8 |
| Market cap. | 62 | 57 | 82 | 100 | 142 | 164 | 196 | 155 | 157 | 157 | 157 |
| Enterprise value | 69 | 77 | 112 | 131 | 188 | 310 | 471 | 477 | 468 | 456 | 442 |
| Diluted no. of shares, year-end (m) | 14.2 | 16.4 | 16.4 | 16.6 | 16.6 | 18.9 | 19.0 | 19.2 | 19.2 | 19.2 | 19.2 |

*Source: Company data and Nordea estimates*

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