

16 May 2022

Commissioned research: NoHo Partners – EUR 10m convertible bond converted into new shares

Marketing material commissioned by NoHo Partners

On Friday 13 May, NoHo Partners announced that the management and domestic investors have acquired the majority of the EUR 10m convertible capital loan granted to the company by Finnish Industry investment and converted their purchase into new shares in the company. The company repaid the remaining portion of the loan principal and interest, approximately one sixth, to Tesi using its cash assets. The company's equity is strengthening and its net debt decreases by more than EUR 10m following the transactions. Subscription price of shares was EUR 8.03 and the company will issue a total of 1.27m new shares. We view conversion positively as it will increase low equity ratio. In Q1, equity ratio was 14.4% and we calculate around 17% equity ratio after subscriptions. In addition, arrangement releases future cash flow to growth investments, although we believe the company will concentrate on lowering its net debt level in 2022. We have a fair value range of EUR 10.0-12.4 per NoHo share.

Management and domestic investors behind the arrangement

The arrangement included investments from the Chairman of the Board of Directors Timo Laine (through Laine Capital Oy) and new board members Kai Seikku (through Seico Investments Ltd) and Vice-Chairman Yrjö Närhinen. Of the company's management, CEO Aku Vikström, Deputy to the CEO Jarno Suominen and CFO Jarno Vilponen invested in the company as part of the arrangement. New investors include Länsiauto Oy and AH Capital Oy. Additionally, the current shareholders Mika Ihamuotila (through PowerBank Ventures Ltd) and Veikko Laine Oy increased their holding in the company as part of the arrangement, the latter significantly.

SUMMARY TABLE - KEY FIGURES

EURm	2019	2020	2021	2022E	2023E	2024E
Total revenue	273	157	186	301	337	362
EBITDA (adj)	76	21	34	67	79	86
EBIT (adj)	31	-31	-13	21	30	36
EBIT (adj) margin	11.4%	-19.6%	-6.7%	6.9%	8.9%	9.8%
EPS (adj, EUR)	2.27	-1.66	-1.16	0.30	0.69	0.92
EPS (adj) growth	318.9%	-173.3%	30.1%	125.4%	135.1%	33.1%
DPS (ord, EUR)	0.00	0.00	0.00	0.00	0.40	0.45
EV/Sales	1.7	3.0	2.5	1.5	1.3	1.2
EV/EBIT (adj)	15.6	n.m.	n.m.	21.3	14.4	11.8
P/E (adj)	4.5	n.m.	n.m.	27.1	11.5	8.7
P/BV	1.5	2.0	2.3	2.1	1.8	1.6
Dividend yield (ord)	0.0%	0.0%	0.0%	0.0%	5.0%	5.6%
FCF Yield bef A&D, lease adj	9.9%	-18.3%	3.8%	7.1%	12.1%	13.4%
Net debt	268	318	322	283	266	255
Net debt/EBITDA	3.6	11.3	7.0	4.0	3.4	3.0
ROIC after tax	7.9%	-6.3%	-2.8%	4.8%	7.0%	8.4%

Source: Company data and Nordea estimates

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