

27 March 2023

Commissioned research: NoHo Partners – Becomes market leader in the Helsinki entertainment and nightclub market through acquisition

Marketing material commissioned by NoHo Partners

NoHo Partners has signed an agreement in which ownership of three nightclubs in Helsinki downtown will be transferred under the ownership of group's subsidiary. After the transaction, NoHo will hold 60% stake in the subsidiary (Stadin Night Oy). According to the company, following the acquisition, it becomes market leader in the Helsinki entertainment and nightclub market with around EUR 25m annual sales. Historically, NoHo's market share has been smaller in Helsinki entertainment and nightclub market when compared to other student cities. Transaction price or top line impact is not disclosed, while we believe three nightclubs (Apollo Live Club, Maxine and Kaivohuone) to command around EUR 10m annual sales as a combined entity. Good to note that nightclubs have traditionally been the most profitable restaurant type. We believe that 2024 targets (EUR 400m net sales with 10% EBIT margin) start to look more achievable through the transaction. We have modelled EUR 378m sales with 10% EBIT margin for 2024E.

Three classic nightclubs

After the transaction, NoHo's subsidiary, Stadin Night Oy, will own Apollo Live Club, Maxine and Kaivohuone. All three all located in Helsinki downtown. Ownership in Stadin Night Oy after the transaction: NoHo Partners 60%, Raimo Sarajärvi 35%, M.R. Capital 5%.

SUMMARY TABLE - KEY FIGURES

EURm	2020	2021	2022	2023E	2024E	2025E
Total revenue	157	186	313	351	378	389
EBITDA (adj)	21	34	73	80	88	90
EBIT (adj)	-31	-13	25	32	38	39
EBIT (adj) margin	-19.6%	-6.7%	7.9%	9.1%	10.0%	10.1%
EPS (adj, EUR)	-1.66	-1.16	-0.18	0.59	0.80	0.82
EPS (adj) growth	-173.3%	30.1%	84.4%	425.5%	35.9%	1.8%
DPS (ord, EUR)	0.00	0.00	0.40	0.42	0.46	0.50
EV/Sales	3.0	2.5	1.4	1.3	1.1	1.1
EV/EBIT (adj)	n.m.	n.m.	17.6	13.8	11.4	10.7
P/E (adj)	n.m.	n.m.	n.m.	13.4	9.9	9.7
P/BV	2.0	2.3	1.9	2.1	1.9	1.7
Dividend yield (ord)	0.0%	0.0%	6.0%	5.3%	5.8%	6.3%
FCF Yield bef A&D, lease adj	-18.3%	3.8%	23.3%	9.8%	14.2%	13.4%
Net debt	318	322	290	269	256	246
Net debt/EBITDA	11.3	7.0	3.7	3.3	2.9	2.7
ROIC after tax	-6.3%	-2.8%	5.8%	7.5%	8.9%	9.3%

Source: Company data and Nordea estimates

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Nordea analyst: Joni Sandvall

Joni Sandvall

Analyst, Consumer Goods and Retail, Food and Beverages, Healthcare, Investment companies

Nordea | Investment Banking & Equities | Equity Research FI

Visit me: Aleksis Kiven katu 7, 00500 HELSINKI, Finland

Write to me: Fleminginkatu 27, 00020 Nordea, Finland

Tel: +358 9 5300 5484 | Mob: +358 445460855

E-mail: joni.sandvall@nordea.com

Web: nordeamarkets.com

Nordea Bank Abp, Satamaradankatu 5, FI-00020 NORDEA, Finland, domicile Helsinki, Business ID 2858394-9

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