

## NoHo Partners

Consumer Goods  
Finland

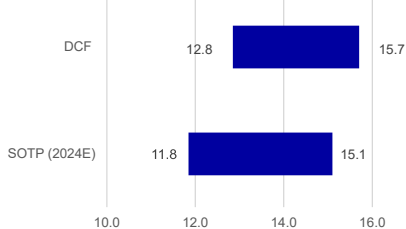
## KEY DATA

Stock country	Finland
Bloomberg	NOHO FH
Reuters	NOHOP.HE
Share price (close)	EUR 9.18
Free float	49%
Market cap. (bn)	EUR 0.19/EUR 0.19
Website	http://www.noho.fi/
Next report date	07 Nov 2023

## PERFORMANCE



## VALUATION APPROACH (EUR/SHARE)



Source: Nordea estimates

## ESTIMATE CHANGES

Year	2023E	2024E	2025E
Sales	-3%	-1%	0%
EBIT (adj)	2%	1%	2%

Source: Nordea estimates

## Nordea IB &amp; Equity - Analysts

Joni Sandvall  
AnalystSanna Perälä  
Analyst

## In good shape for international expansion

NoHo reported Q2 EBIT 13% above Vara consensus, despite 4% lower sales. Operations in Finland are performing strongly, and the company improved its International operations despite the growth phase. Customer visits were down from the y/y comparison period when there was a lot of pent-up demand, while price increases, new openings and M&A supported growth. The company aims to accelerate its M&A pace, and the recent acquisition in Switzerland, combined with Friends & Brgrs, offers a good platform for international growth. Owing to the strong start to 2023, we believe that another guidance raise is plausible during Q4. We derive an unchanged DCF- and SOTP-based fair value range of EUR 12.3-15.4.

## Q2 EBIT 13% above consensus expectations

NoHo's Q2 sales of EUR 93m were 4% short of Vara consensus, while EBIT of EUR 10.7m beat expectations by 13%. The company trimmed its operating costs during the COVID-19 pandemic and has been able to improve its material margins despite cost inflation. Finnish revenue was in line with our expectations in Q2, while EBIT beat by 18%. International suffered from a weak NOK, and the top line and EBIT were 16% and 33%, below our expectations in Q2, respectively. Customer visits declined y/y in Q2 and the company saw similar patterns during July (sales up 4% y/y). Holy Cow! will be consolidated from the beginning of September and the company expects M&A activity to pick up in Norway during H2. We expect the relatively stable demand to continue in H2, while sales growth will be supported by announced acquisitions, new openings, Helsinki Expo and Convention Centre (from 1 July), and Kulttuurikasarmi (from November).

## Minor estimate revisions – new financial targets in H1 2024

We trim 2023E-24E revenue by 1-3% (mainly due to FX), while we leave 2025E intact, due to expected new fast food openings. We raise 2023E-25E EBIT by 1-2% and expect the company to raise its profitability guidance at a later stage, most likely during Q4. We model a 9.4% EBIT margin for 2023 (10% if adjusting for EUR 2m in one-off costs related to the acquisition of Holy Cow!). The company is preparing for a new strategy cycle and will announce new financial targets during H1 2024. We expect the company to maintain its 10% EBIT margin target and to concentrate on the top line.

## Fair value range of EUR 12.3-15.4 intact

We derive an unchanged fair value range of EUR 12.3-15.4, equally weighting our DCF- and SOTP-based valuations.

## SUMMARY TABLE - KEY FIGURES

EURm	2019	2020	2021	2022	2023E	2024E	2025E
Total revenue	273	157	186	313	376	439	457
EBITDA (adj)	76	21	34	73	89	103	107
EBIT (adj)	31	-31	-13	25	38	45	47
EBIT (adj) margin	11.4%	-19.6%	-6.7%	7.9%	10.0%	10.3%	10.4%
EPS (adj, EUR)	2.27	-1.66	-1.16	-0.27	0.59	0.95	0.98
EPS (adj) growth	318.9%	-173.3%	30.1%	76.8%	318.6%	61.0%	3.3%
DPS (ord, EUR)	0.00	0.00	0.00	0.40	0.42	0.46	0.50
EV/Sales	1.7	3.0	2.5	1.4	1.3	1.1	1.0
EV/EBIT (adj)	15.6	n.m.	n.m.	17.6	13.1	10.6	9.7
P/E (adj)	4.5	n.m.	n.m.	n.m.	15.6	9.7	9.4
P/BV	1.5	2.0	2.3	1.9	2.5	2.0	1.8
Dividend yield (ord)	0.0%	0.0%	0.0%	6.0%	4.6%	5.0%	5.4%
FCF Yield bef A&D, lease	9.9%	-18.3%	3.8%	23.2%	13.9%	14.1%	10.8%
Net debt	268	318	322	290	280	264	243
Net debt/EBITDA	3.6	11.3	7.0	3.7	3.2	2.6	2.3
ROIC after tax	7.9%	-6.3%	-2.8%	5.8%	8.7%	10.2%	10.6%

Source: Company data and Nordea estimates

## Q2 2023 results and deviation

NoHo Partners reported Q2 EBIT of EUR 10.7m, 13% above Vara consensus and 9% above our estimate. Q2 net sales were EUR 93.3m, 4% below both consensus and our estimates. Operational EBITDA (operating cash flow) was EUR 12.6m in Q2 (EUR 18.3m a year ago, including EUR 4.8m government grants), 9% above our estimate. Finland profitability came in above our expectations, while International fell short of our forecast. The company recorded a EUR 1.7m negative fair value change due to Eezy shareholdings being posted to its financing costs (in line with our expectation). Leverage (net debt/operational EBITDA excluding IFRS 16) was 2.9x and should increase in Q3 following the acquisition of Holy Cow! during Q3, we believe. July sales were up 4% y/y to EUR 30.4m. Among the CEO comments, the company notes that ASP has increased in restaurants due to inflation, while there has been a slight decline in consumer spending in entertainment venues and night clubs. Guidance was kept intact (upgraded on 6 July after Holy Cow! acquisition) for 2023; NoHo expects around EUR 380m in sales and around a 9% EBIT margin from its restaurant business. Pre-Q2 Vara consensus had expected EUR 383m in sales and a 9.2% EBIT margin for 2023. Long-term financial targets will be updated during H1 2024 and the company notes it will reach previous targets ahead of time. We continue to view a guidance raise as possible later this year.

Q2 EBIT came in above expectations

### Main takeaways from Q2

- Q2 net sales were EUR 93.3m (4% below Vara consensus).
- Q2 EBIT was EUR 10.7m (13% above consensus of EUR 9.4m).
- Finnish operation's top line was EUR 77.4m in Q2 with EUR 9.5m EBIT (12.3% margin). We had expected EUR 78.0m in sales and EUR 8.0m in EBIT (10.3% margin) from Finland. International business' top line was EUR 15.9m with EUR 1.2m EBIT (7.8% margin). We had expected a EUR 19.0m top line and EUR 1.8m EBIT (9.4% margin) from the International business.
- Operational EBITDA (operating cash flow) was EUR 12.6m in Q2 (EUR 18.3m in Q2 2022, including EUR 4.8m of government grants) and came in 9% above our estimate.
- The material margin was up 30 bp y/y, to 75.4%, while personnel expenses were up 80 bp y/y, to 32.7%.
- Q2 EPS was EUR 0.17, 15% above consensus at EUR 0.15. NoHo recorded EUR 1.7m in negative fair value changes from its Eezy shareholding (we had expected EUR -1.75m). Excluding fair value changes, Q2 EPS would have been EUR 0.25 (we expected EUR 0.24). Non-controlling interest was EUR 0.7m, while we had anticipated EUR 1.0m.
- Net debt, excluding IFRS 16 lease liabilities, was EUR 123m in Q2 (EUR 121m in 2022 and EUR 127m a year ago). Net debt/operational EBITDA (excluding IFRS 16) was 2.9x in Q2 (2.9x in 2022).

### Guidance for 2023 intact – July sales up 4% y/y

NoHo's unchanged guidance (since 6 July) for 2023 expects around EUR 380m in sales, with around a 9% EBIT margin in the restaurant business. Pre-Q2 Vara consensus had been expecting EUR 383m in sales and a 9.2% EBIT margin for 2023. The company notes that ASP has increased in restaurants due to inflation, with a stable number of customers, while in entertainment and nightclubs, consumer spending has declined slightly.

July sales were up 4% y/y, to EUR 30.4m.

**Q2 DEVIATION TABLE (EURm; EPS IN EUR)**

EURm	Actual Q2 2023	NDA est. Q2 2023E	Deviation vs. actual		Consensus Q2 2023E	Deviation vs. actual		Actual Q1 2023	q/q	Actual Q2 2022	y/y
<b>Sales</b>	<b>93.3</b>	<b>97.1</b>	<b>-3.8</b>	<b>-4%</b>	<b>97.5</b>	<b>-4.2</b>	<b>-4%</b>	<b>76</b>	<b>23%</b>	<b>90</b>	<b>3%</b>
<b>Operational EBITDA</b>	<b>12.6</b>	<b>11.6</b>	<b>1.0</b>	<b>9%</b>	<b>14.9</b>	<b>-2.3</b>	<b>-15%</b>	<b>8.1</b>	<b>56%</b>	<b>18.3</b>	<b>-31%</b>
<b>EBIT</b>	<b>10.7</b>	<b>9.8</b>	<b>0.9</b>	<b>9%</b>	<b>9.4</b>	<b>1.3</b>	<b>13%</b>	<b>5.9</b>	<b>81%</b>	<b>16.1</b>	<b>-34%</b>
<b>EBIT margin</b>	<b>11.5%</b>	<b>10.1%</b>			<b>9.7%</b>			<b>7.8%</b>	<b>3.7pp</b>	<b>17.8%</b>	<b>-6.4pp</b>
Adj. EBIT	10.7	9.8	0.9	9%	9.4	1.3	13%	5.9	81%	11.3	-5%
Adj. EBIT margin	11.5%	10.1%			9.7%			7.8%	3.7pp	12.5%	-1.1pp
PTP	5.3	4.6	0.7	14%	4.8	0.5	11%	2.9	83%	12.7	-58%
<b>EPS</b>	<b>0.17</b>	<b>0.15</b>	<b>0.02</b>	<b>11%</b>	<b>0.15</b>	<b>0.02</b>	<b>15%</b>	<b>0.10</b>	<b>72%</b>	<b>0.47</b>	<b>-64%</b>

**Geographical estimates****Sales by geography**

Finland	77.4	78.0	-1	-1%				61.5	26%	72.9	6%
International	15.9	19.0	-3	-16%				14.4	10%	17.3	-8%

**EBIT by geography**

Finland	9.5	8.0	1.5	18%				5.1	86%	14.6	-35%
International	1.2	1.8	-0.6	-33%				0.8	50%	1.5	-20%

**EBIT margin by geography**

Finland	12.3%	10.3%		2.0pp				8.3%	4.0pp	20.0%	-8pp
International	7.5%	9.4%		-1.9pp				5.6%	2.0pp	8.7%	-1pp

Source: Company data, Vara Research and Nordea estimates

**Impressions from the analyst meeting**

We note the following after the analyst meeting:

Price increases supporting the top line...

- In Q2, customer visits were down 6% y/y at food restaurants, down 10% y/y in entertainment venues and nightclubs, and down 7% y/y in fast food (due to Hanko Sushi). Average spend was up 3% y/y in food restaurants, up 6% y/y in entertainment venues and nightclubs, and up 10% y/y in fast food.
- The decline in International sales was due to a weak NOK (EUR 1.4m negative impact)
- The company was satisfied with its profitability, both in Finland and International. We were left with the impression that margin improvement from the current level is difficult to achieve, especially given growth intentions. However, the company noted that it aims to maintain its current EBIT margin level (~10%) and favours profitability over growth, if needed.
- Regarding investments and M&A, the company requires over 10% ROIC.
- The acquisition of Holy Cow! will be consolidated from the beginning of September.
- The company has screened over 100 companies from Nordic and Central European markets during the past year. There appears to be a clear roadmap as to how to expand in the European premium burger market. In addition, we note the company's plans to expand its entertainment venue business in the Nordics with its Camping brand.
- Friends & Brgrs and Holy Cow! should be able to open roughly ten new restaurants on an annual basis, going forward.
- M&A activity in Norway is likely to pick up in H2, with multiple recognised targets.
- Regarding 2023 guidance, the EBIT margin target of 9% appears to be soft, and we would not be surprised if the company were to increase it to 9.5% at a later stage, most likely during Q4,

...while new openings and M&A are likely to pick up in H2

# Estimate revisions

## Estimate revisions

We lower our 2023E top line by 3%, driven by FX and slightly later consolidation than earlier anticipated (from mid-August to 1 September). For 2024E, we trim the top line by 1% and leave 2025E intact, supported by expected new fast food openings. On adjusted EBIT, we nudge up EBIT by 1-2% for 2023E-25E. While the company is favouring profitability, we expect it to aim for accelerated growth as long as the EBIT margin remains around 10%. We trim 2023E EPS by 16% due to the weak share price performance of Eezy (EUR -2.4m impact on financial costs QTD).

### ESTIMATE REVISIONS (EPS AND DPS IN EUR)

EURm	Q3 2023E	New estimates			Old estimates				Difference %			
		2023E	2024E	2025E	Q3 2023E	2023E	2024E	2025E	Q3 2023E	2023E	2024E	2025E
<b>Sales</b>	<b>98.0</b>	<b>376</b>	<b>439</b>	<b>457</b>	<b>102.3</b>	<b>386</b>	<b>444</b>	<b>457</b>	<b>-4%</b>	<b>-3%</b>	<b>-1%</b>	<b>0%</b>
Operational EBITDA	12.5	45.1	53.5	56.1	12.2	44.7	53.7	55.9	2%	1%	0%	0%
Adj. EBIT	10.7	37.5	45.1	47.3	10.3	36.7	44.7	46.5	3%	2%	1%	2%
Adj. EBIT margin	10.9%	10.0%	10.3%	10.4%	10.1%	9.5%	10.1%	10.2%	0.8pp	0.5pp	0.2pp	0.2pp
<b>EBIT</b>	<b>8.7</b>	<b>35.5</b>	<b>45.1</b>	<b>47.3</b>	<b>8.3</b>	<b>34.7</b>	<b>44.7</b>	<b>46.5</b>	<b>4%</b>	<b>2%</b>	<b>1%</b>	<b>2%</b>
EBIT margin	8.8%	9.4%	10.3%	10.4%	8.1%	9.0%	10.1%	10.2%	0.7pp	0.5pp	0.2pp	0.2pp
<b>Adj. EPS</b>	<b>0.16</b>	<b>0.59</b>	<b>0.95</b>	<b>0.98</b>	<b>0.25</b>	<b>0.68</b>	<b>0.91</b>	<b>0.93</b>	<b>-37%</b>	<b>-13%</b>	<b>4%</b>	<b>5%</b>
EPS	0.05	0.49	0.95	0.98	0.14	0.58	0.91	0.93	-64%	-16%	4%	5%
<b>DPS</b>		<b>0.42</b>	<b>0.46</b>	<b>0.50</b>		<b>0.42</b>	<b>0.46</b>	<b>0.50</b>		<b>0%</b>	<b>0%</b>	<b>0%</b>
<b>Sales by geography</b>												
Finland	78.2	297	315	325	78.7	299	318	328	-1%	-1%	-1%	-1%
International	19.8	80	124	132	23.5	87	126	130	-16%	-8%	-2%	2%
<b>Group total</b>	<b>98.0</b>	<b>376</b>	<b>439</b>	<b>457</b>	<b>102</b>	<b>386</b>	<b>444</b>	<b>457</b>	<b>-4%</b>	<b>-3%</b>	<b>-1%</b>	<b>0%</b>
<b>Adj. EBIT by geography</b>												
Finland	8.6	32.0	34.0	35.1	8.3	29.9	33.4	34.4	4%	7%	2%	2%
International	2.1	5.6	11.1	12.3	2.0	6.8	11.4	12.1	1%	-18%	-2%	1%
<b>Group total</b>	<b>10.7</b>	<b>37.5</b>	<b>45.1</b>	<b>47.3</b>	<b>10.3</b>	<b>36.7</b>	<b>44.7</b>	<b>46.5</b>	<b>3%</b>	<b>2%</b>	<b>1%</b>	<b>2%</b>
<b>Adj. EBIT margin by geography</b>												
Finland	11.0%	10.8%	10.8%	10.8%	10.5%	10.0%	10.5%	10.5%	0.5pp	0.8pp	0.3pp	0.3pp
International	10.4%	7.0%	8.9%	9.3%	8.6%	7.9%	9.0%	9.4%	1.8pp	-0.8pp	0.0pp	-0.1pp
<b>Group total</b>	<b>10.9%</b>	<b>10.0%</b>	<b>10.3%</b>	<b>10.4%</b>	<b>10.1%</b>	<b>9.5%</b>	<b>10.1%</b>	<b>10.2%</b>	<b>0.8pp</b>	<b>0.5pp</b>	<b>0.2pp</b>	<b>0.2pp</b>

Source: Nordea estimates

# Valuation

We derive an unchanged fair value range of EUR 12.3-15.4 by equally weighting our DCF and SOTP valuations.

## DCF valuation yields EUR 12.8-15.7 per share

The outcome of our DCF valuation is EUR 12.8-15.7 (12.8-15.6). We use a WACC of 7.3-7.7%, assuming a terminal growth rate of 2.5% with an EBIT margin of 9.5%.

WACC COMPONENTS	
<b>WACC components</b>	
Risk-free interest rate	3.5%
Market risk premium	4.0%
Equity beta	1.8-2.0
Cost of equity	10.7-11.5%
Cost of debt	4.0%
Tax-rate used in WACC	21%
Equity weight	55%
<b>WACC</b>	<b>7.3-7.7%</b>

Source: Nordea estimates

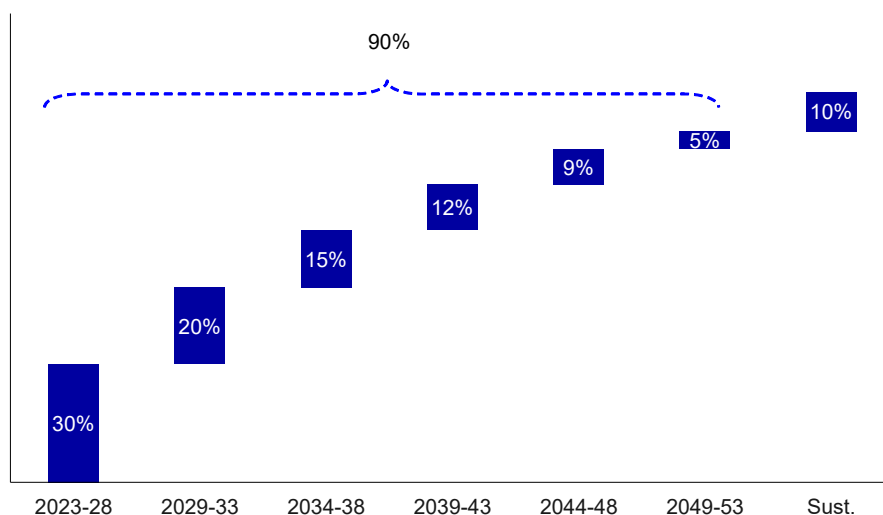
DCF VALUE (EURm AND EUR)		
DCF value	Value	Per share
NPV FCFF	547-607	26.3-29.2
(Net debt)	-290	-14.0
Market value of associates	12	0.6
(Market value of minorities)	-21	-1.0
Surplus values	0	0.0
(Market value preference shares)	0	0.0
Share based adjustments	0	0.0
Other adjustments	0	0.0
Time value	19	0.9
<b>DCF Value</b>	<b>267-327</b>	<b>12.8-15.7</b>

Source: Nordea estimates

DCF ASSUMPTIONS							
Averages and assumptions	2023-28	2029-33	2034-38	2039-43	2044-48	2049-53	Sust.
Sales growth, CAGR	6.3%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
EBIT-margin, excluding associates	10.2%	9.5%	9.5%	9.5%	9.5%	9.5%	3.9%
Capex/depreciation, x	1.1	1.0	1.0	1.0	1.0	1.0	1.0
Capex/sales	13.7%	13.7%	13.7%	13.7%	13.7%	13.7%	13.7%
NWC/sales	-11.1%	-10.6%	-10.1%	-9.6%	-9.1%	-8.6%	-8.6%
FCFF, CAGR	4.8%	2.2%	4.3%	4.3%	4.3%	-15.1%	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  $\pm 0.5$  pp for WACC,  $\pm 0.5$  pp for sales growth, and  $\pm 0.5$  pp for the EBIT margin, our DCF model yields a value range of EUR 11.2-18.1 per share.

**SENSITIVITY OF OUR DCF MODEL (EUR)****Sensitivity analysis: WACC vs EBIT margin**

		WACC				
		7.0%	7.3%	7.5%	7.8%	8.0%
EBIT marg. change	0.5pp	18.1	16.8	15.6	14.5	13.5
	0.3pp	17.3	16.1	14.9	13.9	12.9
	0.0pp	16.6	15.4	14.3	13.3	12.3
	-0.3pp	15.8	14.7	13.6	12.6	11.7
	-0.5pp	15.0	14.0	13.0	12.0	11.2

- A +/-0.5 pp sales growth change translates to a change of +/-8% in the fair value

**Sensitivity analysis: WACC vs Sales growth**

		WACC				
		7.0%	7.3%	7.5%	7.8%	8.0%
Sales growth change	0.5pp	17.9	16.6	15.4	14.4	13.3
	0.3pp	17.2	16.0	14.8	13.8	12.8
	0.0pp	16.6	15.4	14.3	13.3	12.3
	-0.3pp	15.9	14.8	13.7	12.7	11.8
	-0.5pp	15.3	14.2	13.2	12.2	11.4

- A +/-0.5 pp EBIT margin change translates into a change of +/-9% change in the fair value

**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	14.4	15.0	15.6	16.2	16.9
	0.3pp	13.8	14.4	14.9	15.5	16.2
	0.0pp	13.2	13.7	14.3	14.8	15.4
	-0.3pp	12.6	13.1	13.6	14.2	14.7
	-0.5pp	12.0	12.5	13.0	13.5	14.0

Source: Nordea estimates

**SOTP valuation yields EUR 11.8-15.1 per share**

Applying 2024E EV/EBIT multiples of 11.5-13.0x for the restaurant segment, and the market valuation of the Eezy stake (20.5% of the company) as of 7 August, and then deducting 2024E net debt (including IFRS 16 debt of EUR 173m) and current minority holdings, we derive a SOTP fair value range of EUR 11.8-15.1 per NoHo share.

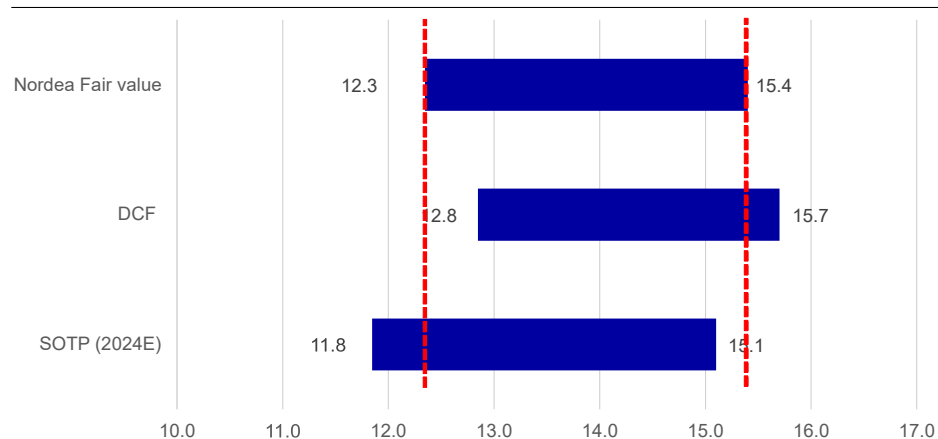
**SOTP VALUATION**

Business	EV/EBIT 11.5x	Per share, 11.5x	EV/EBIT 13x	Per share, 13x	% of EV	EBIT '24E
Restaurant	519	24.9	587	28.2	98-98%	45.1
<b>EV from own operations</b>	<b>519</b>	<b>24.9</b>	<b>587</b>	<b>28.2</b>	<b>98-98%</b>	
EEZY stake (20.5%) as of 7.8.2023	12	0.6	12	0.6	2-2%	
Other sellable securities (Q2 2023)	0.3	0.0	0.3	0.0	0-0%	
<b>EV from holdings</b>	<b>12</b>	<b>0.6</b>	<b>12</b>	<b>0.6</b>	<b>2-2%</b>	
<b>Total EV with market prices</b>	<b>531</b>	<b>25.5</b>	<b>599</b>	<b>28.8</b>		
Net debt 2024E	264	12.7	264	12.7		
<b>Equity value</b>	<b>267</b>	<b>12.8</b>	<b>335</b>	<b>16.1</b>		
Minorities	-21	-1.0	-21	-1.0		
Number of shares, million	20.8		20.8			
<b>Equity per share, EUR</b>	<b>11.8</b>		<b>15.1</b>			

Source: Company data and Nordea estimates

**Fair value range of EUR 12.3-15.4**

Our fair value range for NoHo is EUR 12.3-15.4 per share, as indicated by the red lines in the chart below.

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

Source: Nordea estimates

The table below illustrates the valuation multiples that we derive for NoHo based on the current share price (EUR 9.20 as of 7 August 2023) and our fair value range (EUR 12.3-15.4). Given the increasing share of minority interest and more normalised market conditions, investors will likely focus on P/E multiples.

Our fair value range of EUR 12.3-15.4 corresponds to 2024E-25E EV/EBIT of 10.6x-13.0x and a P/E of 12.6x-16.2x. Based on our estimates, the share offers ~5% increasing dividend yield.

**NOHO: DERIVED VALUATION MULTIPLES USING OUR FAIR VALUE RANGE AND THE CURRENT SHARE PRICE (AS OF 7 AUGUST)**

	Current share price EUR 9.2			Fair value EUR 12.3			Fair value EUR 15.4		
	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E
EV/EBITDA (adj.)	5.3x	4.4x	4.1x	6.0x	5.1x	4.7x	6.8x	5.7x	5.3x
EVEBIT (adj.)	12.6x	10.1x	9.2x	14.3x	11.5x	10.6x	16.0x	13.0x	11.9x
P/E (adj.)	15.6x	9.7x	9.4x	20.9x	13.0x	12.6x	26.1x	16.2x	15.7x
FCF yield	13.9%	14.1%	10.8%	10.3%	10.5%	8.0%	8.3%	8.4%	6.5%
Dividend yield	4.6%	5.0%	5.4%	3.4%	3.7%	4.0%	2.7%	3.0%	3.2%

Source: Nordea estimates

# Detailed estimates

## ANNUAL GROUP ESTIMATES (EURm)

	2019	2020	2021	2022	2023E	2024E	2025E
<b>Turnover</b>	<b>273</b>	<b>157</b>	<b>186</b>	<b>313</b>	<b>376</b>	<b>439</b>	<b>457</b>
growth %	-16%	-43%	19%	68%	20%	17%	4%
Other operating income	6	17	17	13	7	7	7
Materials and services	-85	-58	-64	-106	-125	-146	-152
Staff expenses	-63	-48	-53	-78	-97	-113	-117
Other operating expenses	-56	-41	-41	-63	-75	-84	-88
<b>EBITDA</b>	<b>74.3</b>	<b>27.6</b>	<b>45.9</b>	<b>79.5</b>	<b>86.9</b>	<b>102.7</b>	<b>106.7</b>
EBITDA margin %	27.2%	17.6%	24.7%	25.4%	23.1%	23.4%	23.4%
<b>Operational EBITDA</b>	<b>30.4</b>	<b>-5.2</b>	<b>11.3</b>	<b>41.6</b>	<b>45.1</b>	<b>53.5</b>	<b>56.1</b>
Operational EBITDA margin %	11.1%	-3.3%	6.1%	13.3%	12.0%	12.2%	12.3%
<b>D&amp;A</b>	<b>-45</b>	<b>-52</b>	<b>-47</b>	<b>-48</b>	<b>-51</b>	<b>-58</b>	<b>-59</b>
IFRS 16 depreciation	-22	-31	-30	-33	-36	-41	-42
<b>EBIT adjusted</b>	<b>31.1</b>	<b>-30.7</b>	<b>-12.6</b>	<b>24.8</b>	<b>37.5</b>	<b>45.1</b>	<b>47.3</b>
EBIT adj. margin %	11.4 %	-19.6 %	-6.7 %	7.9 %	10.0 %	10.3 %	10.4 %
<b>NRI</b>	<b>-0.5</b>	<b>6.8</b>	<b>11.7</b>	<b>6.9</b>	<b>-2.0</b>	<b>0.0</b>	<b>0.0</b>
<b>EBIT</b>	<b>30.6</b>	<b>-23.9</b>	<b>-0.9</b>	<b>31.7</b>	<b>35.5</b>	<b>45.1</b>	<b>47.3</b>
EBIT margin %	11.2 %	-15.2 %	-0.5 %	10.1 %	9.4 %	10.3 %	10.4 %
Associate income	0.8	0.5	0.3	0.0	0.0	0.0	0.0
Net financial expenses	-5.2	-11.0	-11.9	-22.5	-19.2	-14.7	-14.7
of which IFRS 16	-5.0	-5.0	-5.9	-7.5	-8.2	-8.7	-8.8
of which NRI	2.1	-1.7	0.0	0.0	0.0	0.0	0.0
<b>Profit before taxes</b>	<b>25.3</b>	<b>-34.8</b>	<b>-12.8</b>	<b>9.2</b>	<b>16.3</b>	<b>30.4</b>	<b>32.6</b>
Reported taxes	-1.5	5.4	2.4	-4.3	-3.2	-5.5	-6.9
<b>Net profit</b>	<b>23.8</b>	<b>-29.5</b>	<b>-10.3</b>	<b>4.9</b>	<b>13.2</b>	<b>25.0</b>	<b>25.8</b>
Minorities	1.5	-2.6	0.3	3.4	2.9	5.2	5.4
<b>Profit to equity holders</b>	<b>22.3</b>	<b>-26.8</b>	<b>-10.6</b>	<b>1.5</b>	<b>10.3</b>	<b>19.8</b>	<b>20.4</b>
Hybrid interest incl tax shield	-1.4	0.0	0.0	0.0	0.0	0.0	0.0
<b>EPS, EUR (continued op)</b>	<b>1.10</b>	<b>-1.40</b>	<b>-0.55</b>	<b>0.07</b>	<b>0.49</b>	<b>0.95</b>	<b>0.98</b>

Source: Company data and Nordea estimates

## ANNUAL ESTIMATES BY GEOGRAPHY (EURm)

	2019	2020	2021	2022	2023E	2024E	2025E
<b>Turnover</b>							
Finland	229	133	158	251	297	315	325
International	44	24	28	62	80	124	132
<b>Sales growth, y/y</b>							
Finland		-42%	19%	59%	18%	6%	3%
International		-46%	18%	120%	29%	56%	6%
<b>EBIT</b>							
Finland			1.0	30.7	32.0	34.0	35.1
International			-1.9	2.3	3.6	11.1	12.3
<b>EBIT margin</b>							
Finland			0.6%	12.2%	10.8%	10.8%	10.8%
International			-6.8%	3.7%	4.5%	8.9%	9.3%

Source: Company data and Nordea estimates



**QUARTERLY GROUP ESTIMATES (EURm)**

	Q1/21	Q2/21	Q3/21	Q4/21	Q1/22	Q2/22	Q3/22	Q4/22	Q1/23	Q2/23	Q3/23E	Q4/23E
<b>Turnover</b>	<b>20</b>	<b>34</b>	<b>62</b>	<b>70</b>	<b>49</b>	<b>90</b>	<b>86</b>	<b>88</b>	<b>76</b>	<b>93</b>	<b>98</b>	<b>109</b>
growth %	-60%	81%	10%	120%	141%	162%	39%	27%	56%	3%	14%	24%
Other operating income	5	5	2	5	4	6	2	2	2	2	2	2
Materials and services	-7	-12	-22	-23	-16	-31	-30	-29	-25	-31	-33	-36
Staff expenses	-9	-10	-15	-19	-15	-21	-20	-22	-20	-23	-25	-29
Other operating expenses	-7	-8	-12	-14	-10	-17	-17	-19	-15	-18	-19	-22
<b>EBITDA</b>	<b>1.8</b>	<b>9.3</b>	<b>16.2</b>	<b>18.6</b>	<b>10.4</b>	<b>27.7</b>	<b>20.2</b>	<b>21.2</b>	<b>18.0</b>	<b>23.2</b>	<b>21.7</b>	<b>24.0</b>
EBITDA margin %	8.9%	27.0%	26.2%	26.7%	21.4%	30.7%	23.5%	24.1%	23.7%	24.9%	22.2%	22.0%
<b>Operational EBITDA</b>	<b>-6.7</b>	<b>0.7</b>	<b>7.5</b>	<b>9.8</b>	<b>1.1</b>	<b>18.3</b>	<b>10.7</b>	<b>11.5</b>	<b>8.1</b>	<b>12.6</b>	<b>12.5</b>	<b>12.0</b>
Operational EBITDA margin %	-33.2%	2.0%	12.1%	14.1%	2.3%	20.3%	12.4%	13.1%	10.7%	13.5%	12.7%	11.0%
<b>D&amp;A</b>	<b>-11</b>	<b>-11</b>	<b>-12</b>	<b>-12</b>	<b>-12</b>	<b>-12</b>	<b>-12</b>	<b>-13</b>	<b>-12</b>	<b>-13</b>	<b>-13</b>	<b>-14</b>
IFRS 16 depreciation	-8	-8	-8	-8	-8	-8	-8	-9	-9	-9	-9	-10
EBIT adjusted	-13.7	-6.3	3.2	4.3	-3.4	11.3	8.4	8.5	5.9	10.7	10.7	10.3
EBIT adj. margin %	-68%	-18.4%	5.2%	6.1%	-7.0%	12.5%	9.8%	9.6%	7.8%	11.5%	10.9%	9.4%
NRI	4.0	4.5	0.7	2.5	2.1	4.8	0.0	0.0	0.0	0.0	-2.0	0.0
<b>EBIT</b>	<b>-9.7</b>	<b>-1.8</b>	<b>3.9</b>	<b>6.7</b>	<b>-1.3</b>	<b>16.1</b>	<b>8.4</b>	<b>8.5</b>	<b>5.9</b>	<b>10.7</b>	<b>8.7</b>	<b>10.3</b>
EBIT margin %	-48%	-5.2%	6.4%	9.6%	-2.7%	17.8%	9.8%	9.6%	7.8%	11.5%	8.8%	9.4%
Associate income	-0.1	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net financial expenses	-2.3	-3.7	-3.1	-2.8	-3.0	-3.4	-9.7	-6.4	-3.0	-5.5	-6.4	-4.4
of which IFRS 16	-1.5	-1.5	-1.5	-1.5	-1.8	-1.9	-1.9	-1.9	-1.9	-1.9	-2.0	-2.4
of which NRI	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Profit before taxes</b>	<b>-12.1</b>	<b>-5.5</b>	<b>0.9</b>	<b>3.9</b>	<b>-4.3</b>	<b>12.7</b>	<b>-1.3</b>	<b>2.1</b>	<b>2.9</b>	<b>5.2</b>	<b>2.3</b>	<b>5.9</b>
Reported taxes	1.3	1.3	0.5	-0.6	0.7	-2.1	-1.4	-1.5	-0.5	-1.2	-0.7	-0.8
<b>Net profit</b>	<b>-10.8</b>	<b>-4.3</b>	<b>1.3</b>	<b>3.3</b>	<b>-3.6</b>	<b>10.6</b>	<b>-2.7</b>	<b>0.6</b>	<b>2.4</b>	<b>4.0</b>	<b>1.6</b>	<b>5.2</b>
Minorities	-1.3	-0.7	0.6	1.8	-0.1	1.6	1.0	0.9	0.5	0.7	0.6	1.1
<b>Profit to equity holders</b>	<b>-9.4</b>	<b>-3.5</b>	<b>0.7</b>	<b>1.6</b>	<b>-3.5</b>	<b>9.0</b>	<b>-3.7</b>	<b>-0.3</b>	<b>1.9</b>	<b>3.3</b>	<b>1.0</b>	<b>4.1</b>
Hybrid interest incl tax shield	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EPS, EUR (continued op)</b>	<b>-0.49</b>	<b>-0.18</b>	<b>0.04</b>	<b>0.08</b>	<b>-0.18</b>	<b>0.45</b>	<b>-0.18</b>	<b>-0.01</b>	<b>0.09</b>	<b>0.16</b>	<b>0.05</b>	<b>0.20</b>

Source: Company data and Nordea estimates

**QUARTERLY ESTIMATES BY GEOGRAPHY (EURm)**

	Q1/21	Q2/21	Q3/21	Q4/21	Q1/22	Q2/22	Q3/22	Q4/22	Q1/23	Q2/23	Q3/23E	Q4/23E
<b>Turnover</b>												
Finland	20.0	29.9	51.9	56.2	37.2	72.9	69.7	71.4	61.5	77.4	78.2	79.7
International	0.1	4.6	10.0	13.3	11.2	17.3	16.3	16.7	14.4	15.9	19.8	29.5
<b>Sales growth, y/y</b>												
Finland	-50%	91%	6%	99%	86%	144%	34%	27%	65%	6%	12%	12%
International	-99%	36%	42%	298%	7998%	275%	63%	26%	29%	-8%	21%	77%
<b>EBIT</b>												
Finland	-7.6	14.6	3.6	5.2	-2.4	14.6	7.7	8.4	5.1	9.5	8.6	8.8
International	-2.1	-1.6	0.4	1.5	1.1	1.5	0.7	0.1	0.8	1.2	0.1	1.5
<b>EBIT margin</b>												
Finland	-38.0%	48.9%	6.9%	9.2%	-6.5%	20.0%	11.0%	11.8%	8.3%	12.3%	11.0%	11.0%
International	-1518%	-34.7%	4.0%	11.3%	9.8%	8.7%	4.3%	0.6%	5.6%	7.5%	0.3%	5.2%

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.

## 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.

## 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 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 than seen before the pandemic. In addition, geopolitical tensions could have an adverse impact on tourism, we note.

## Financial position

While the financial situation of the company has clearly improved during the past year, we still believe it is aiming to maintain its leverage closer to 2x (currently 2.4x net debt/operational EBITDA excluding IFRS 16). The company has EUR 19m of maturing debt during the next 12 months, of which EUR 2m relates to the commercial paper programme.

## 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	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
<b>Total revenue</b>	<b>114</b>	<b>130</b>	<b>186</b>	<b>323</b>	<b>273</b>	<b>157</b>	<b>186</b>	<b>313</b>	<b>376</b>	<b>439</b>	<b>457</b>
Revenue growth	31.1%	14.5%	42.9%	73.9%	-15.6%	-42.5%	18.7%	68.1%	20.3%	16.7%	4.0%
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	17	19	22	28	75	28	46	80	87	103	107
Depreciation and impairments PPE	-7	-8	-8	-11	-36	-42	-38	-38	-42	-49	-50
of which leased assets	0	0	0	0	-22	-31	-30	-33	-36	-41	-42
EBITA	10	12	15	17	39	-13	9	41	45	54	56
Amortisation and impairments	-2	-3	-4	-10	-9	-10	-9	-10	-9	-9	-9
EBIT	7	9	11	7	31	-24	-1	32	36	45	47
of which associates	0	0	0	0	1	1	0	0	0	0	0
Associates excluded from EBIT	0	0	0	0	0	0	0	0	0	0	0
Net financials	-1	-1	-3	-2	-5	-11	-12	-23	-19	-15	-15
of which lease interest	0	0	0	0	-5	-5	-6	-8	-8	-9	-9
Changes in value, net	0	0	0	0	0	0	0	0	0	0	0
<b>Pre-tax profit</b>	<b>6</b>	<b>8</b>	<b>8</b>	<b>6</b>	<b>25</b>	<b>-35</b>	<b>-13</b>	<b>9</b>	<b>16</b>	<b>30</b>	<b>33</b>
Reported taxes	-1	-2	-3	-1	-1	5	2	-4	-3	-5	-7
Net profit from continued operations	5	6	5	4	24	-29	-10	5	13	25	26
Discontinued operations	0	0	0	0	24	0	0	0	0	0	0
Minority interests	0	0	0	-1	-2	3	0	-3	-3	-5	-5
Net profit to equity	5	6	5	3	45	-27	-11	2	10	20	20
<b>EPS, EUR</b>	<b>0.31</b>	<b>0.35</b>	<b>0.30</b>	<b>0.19</b>	<b>2.36</b>	<b>-1.40</b>	<b>-0.55</b>	<b>0.07</b>	<b>0.49</b>	<b>0.95</b>	<b>0.98</b>
DPS, EUR	0.27	0.30	0.33	0.34	0.00	0.00	0.00	0.40	0.42	0.46	0.50
of which ordinary	0.27	0.30	0.33	0.34	0.00	0.00	0.00	0.40	0.42	0.46	0.50
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	14.6%	14.9%	12.1%	8.8%	27.5%	17.9%	24.8%	25.4%	23.1%	23.4%	23.4%
EBITA	8.5%	9.1%	7.9%	5.2%	14.5%	-8.6%	4.6%	13.2%	11.9%	12.2%	12.3%
EBIT	6.4%	6.9%	5.8%	2.2%	11.2%	-15.2%	-0.5%	10.1%	9.4%	10.3%	10.4%

## Adjusted earnings

EBITDA (adj)	17	20	23	34	76	21	34	73	89	103	107
EBITA (adj)	10	12	15	22	40	-20	-3	34	47	54	56
EBIT (adj)	8	9	11	12	31	-31	-13	25	38	45	47
EPS (adj, EUR)	0.35	0.37	0.43	0.54	2.27	-1.66	-1.16	-0.27	0.59	0.95	0.98

## Adjusted profit margins in percent

EBITDA (adj)	15.2%	15.2%	12.2%	10.4%	27.7%	13.6%	18.5%	23.2%	23.6%	23.4%	23.4%
EBITA (adj)	9.1%	9.3%	8.0%	6.9%	14.7%	-12.9%	-1.7%	11.0%	12.4%	12.2%	12.3%
EBIT (adj)	7.0%	7.2%	6.0%	3.9%	11.4%	-19.6%	-6.7%	7.9%	10.0%	10.3%	10.4%

## Performance metrics

CAGR last 5 years											
Net revenue	n.a.	n.a.	25.1%	37.8%	25.8%	6.7%	7.4%	11.0%	3.1%	10.0%	23.8%
EBITDA	n.m.	n.m.	17.7%	25.4%	44.3%	11.2%	18.9%	28.8%	25.1%	6.5%	30.6%
EBIT	n.a.	n.a.	13.5%	12.2%	42.1%	n.m.	n.m.	24.1%	37.7%	8.1%	n.m.
EPS	n.a.	n.a.	n.a.	-4.1%	61.4%	n.m.	n.m.	-24.4%	20.4%	-16.6%	n.m.
DPS	n.m.	n.m.	18.7%	30.5%	n.m.	n.m.	n.m.	3.9%	4.3%	n.m.	n.m.
Average last 5 years											
Average EBIT margin	n.a.	6.9%	6.3%	4.7%	6.3%	3.1%	2.1%	3.6%	5.6%	6.0%	9.0%
Average EBITDA margin	n.a.	14.7%	13.7%	11.8%	15.8%	16.2%	17.8%	20.6%	24.2%	23.3%	23.8%

## VALUATION RATIOS - ADJUSTED EARNINGS

EURm	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
P/E (adj)	14.2	16.4	20.1	16.0	4.5	n.m.	n.m.	n.m.	15.6	9.7	9.4
EV/EBITDA (adj)	6.5	6.6	8.3	9.2	6.2	22.4	13.7	6.0	5.5	4.7	4.3
EV/EBITA (adj)	10.8	10.8	12.6	14.0	11.8	n.m.	n.m.	12.7	10.5	8.9	8.2
EV/EBIT (adj)	14.1	14.1	17.0	24.9	15.6	n.m.	n.m.	17.6	13.1	10.6	9.7

## VALUATION RATIOS - REPORTED EARNINGS

EURm	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
P/E	16.1	17.4	28.2	44.4	4.4	n.m.	n.m.	89.5	18.6	9.7	9.4
EV/Sales	0.98	1.01	1.01	0.96	1.73	3.05	2.54	1.40	1.31	1.09	1.01
EV/EBITDA	6.8	6.8	8.4	10.9	6.3	17.3	10.3	5.5	5.7	4.7	4.3
EV/EBITA	11.6	11.1	12.8	18.4	12.2	n.m.	57.4	10.6	11.0	8.9	8.2
EV/EBIT	15.4	14.6	17.5	43.2	15.8	n.m.	n.m.	13.8	13.8	10.6	9.7
Dividend yield (ord.)	5.4%	5.0%	3.9%	3.9%	0.0%	0.0%	0.0%	6.0%	4.6%	5.0%	5.4%
FCF yield	-4.1%	3.6%	-3.6%	-35.7%	12.2%	1.7%	24.6%	40.2%	27.6%	35.3%	32.7%
FCF Yield bef A&D, lease adj	2.3%	6.3%	4.7%	5.2%	9.9%	-18.3%	3.8%	23.2%	13.9%	14.1%	10.8%
Payout ratio	76.4%	81.9%	77.6%	62.7%	0.0%	0.0%	0.0%	n.m.	71.2%	48.4%	51.0%

Source: Company data and Nordea estimates

**BALANCE SHEET**

EURm	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
Intangible assets	44	47	66	204	177	180	178	179	196	201	196
of which R&D	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0
of which other intangibles	10	10	14	57	48	45	40	38	33	38	33
of which goodwill	34	38	53	147	129	135	137	141	163	163	163
Tangible assets	29	29	32	46	186	166	176	173	180	185	191
of which leased assets	0	0	0	0	128	118	129	123	121	122	122
Shares associates	1	1	3	0	39	39	0	0	0	0	0
Interest bearing assets	0	0	0	0	0	0	1	0	0	0	0
Deferred tax assets	1	0	1	0	1	9	10	13	13	13	13
Other non-IB non-current assets	1	1	1	4	3	3	3	2	2	2	2
Other non-current assets	1	1	1	0	0	0	0	0	0	0	0
Total non-current assets	77	79	104	255	406	397	368	368	391	402	402
Inventory	2	2	3	5	6	4	5	6	7	7	8
Accounts receivable	10	14	24	40	24	14	17	23	27	32	33
Short-term leased assets	0	0	0	0	31	30	33	36	41	42	43
Other current assets	0	0	0	0	0	0	0	0	0	0	0
Cash and bank	2	2	3	5	4	3	6	5	2	5	19
Total current assets	14	18	29	50	64	51	61	70	77	86	102
Assets held for sale	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	30	16	12	12	n.a.
<b>Total assets</b>	<b>91</b>	<b>98</b>	<b>133</b>	<b>305</b>	<b>471</b>	<b>448</b>	<b>459</b>	<b>453</b>	<b>480</b>	<b>500</b>	<b>505</b>
Shareholders equity	40	43	45	67	129	76	64	75	77	98	109
Of which preferred stocks	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0
Of which equity part of hybrid debt	n.a.	n.a.	n.a.	n.a.	25	0	0	0	0	0	0
Minority interest	0	1	2	9	8	5	5	7	21	23	26
Total Equity	40	44	47	76	137	81	69	82	97	121	135
Deferred tax	1	1	2	10	6	8	5	9	9	9	9
Long term interest bearing debt	22	24	35	90	73	94	113	98	83	68	58
Pension provisions	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	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	4	6	8	4	4	6	14	11	8
Non-current lease debt	0	0	0	0	134	126	140	138	130	131	132
Convertible debt	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0
Shareholder debt	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0
Hybrid debt	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0
Total non-current liabilities	24	26	40	107	221	232	262	251	236	219	207
Short-term provisions	0	0	0	1	0	0	0	0	0	0	0
Accounts payable	18	19	34	68	48	35	52	58	73	86	88
Current lease debt	0	0	0	0	27	27	29	31	41	42	43
Other current liabilities	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	2	3	3	3
Short term interest bearing debt	9	8	12	53	38	74	46	29	29	29	29
Total current liabilities	27	28	46	122	113	135	128	120	146	160	163
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.
<b>Total liabilities and equity</b>	<b>91</b>	<b>98</b>	<b>133</b>	<b>305</b>	<b>471</b>	<b>448</b>	<b>459</b>	<b>453</b>	<b>480</b>	<b>500</b>	<b>505</b>
<b>Balance sheet and debt metrics</b>											
Net debt	29	31	44	138	268	318	322	290	280	264	243
of which lease debt	0	0	0	0	161	153	169	169	171	173	175
Working capital	-6	-3	-7	-23	-18	-17	-30	-32	-42	-50	-50
Invested capital	71	76	96	231	388	380	337	336	349	352	352
Capital employed	71	77	93	219	409	402	398	378	380	391	396
ROE	12.8%	13.5%	11.5%	6.2%	45.6%	-26.1%	-15.1%	2.2%	13.6%	22.6%	19.8%
ROIC	9.5%	9.8%	10.2%	6.0%	7.9%	-6.3%	-2.8%	5.8%	8.7%	10.2%	10.6%
ROCE	11.8%	12.7%	13.2%	9.3%	10.6%	-7.5%	-2.8%	6.9%	10.4%	12.2%	12.5%
Net debt/EBITDA	1.8	1.6	2.0	4.9	3.6	11.3	7.0	3.7	3.2	2.6	2.3
Interest coverage	5.9	8.1	3.8	2.6	13.4	-3.7	0.1	2.0	2.9	5.9	6.3
Equity ratio	43.7%	44.3%	33.8%	22.0%	27.5%	17.0%	14.0%	16.5%	16.0%	19.6%	21.5%
Net gearing	73.1%	69.8%	93.3%	182.0%	195.3%	392.2%	463.5%	354.1%	287.8%	218.3%	180.6%

Source: Company data and Nordea estimates

**CASH FLOW STATEMENT**

EURm	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
<b>EBITDA (adj) for associates</b>	<b>17</b>	<b>19</b>	<b>22</b>	<b>28</b>	<b>74</b>	<b>28</b>	<b>46</b>	<b>80</b>	<b>87</b>	<b>103</b>	<b>107</b>
Paid taxes	0	-3	-3	-4	-3	-3	-1	-2	-3	-5	-7
Net financials	-1	-1	-3	-2	-7	-11	-12	-23	-19	-15	-15
Change in provisions	0	0	0	1	-1	0	0	0	0	0	0
Change in other LT non-IB	-1	0	3	1	2	-12	-1	1	8	-3	-3
Cash flow to/from associates	0	0	0	0	0	1	1	1	0	0	0
Dividends paid to minorities	n.a.	n.a.	n.a.	n.a.	0	0	0	0	-1	-3	-3
Other adj to reconcile to cash flow	1	-1	-1	-4	0	14	0	10	0	0	0
<b>Funds from operations (FFO)</b>	<b>16</b>	<b>15</b>	<b>18</b>	<b>21</b>	<b>62</b>	<b>16</b>	<b>33</b>	<b>66</b>	<b>71</b>	<b>77</b>	<b>79</b>
Change in NWC	-4	-2	0	-2	-5	-8	12	4	10	7	1
<b>Cash flow from operations (CFO)</b>	<b>12</b>	<b>14</b>	<b>18</b>	<b>19</b>	<b>57</b>	<b>8</b>	<b>45</b>	<b>71</b>	<b>81</b>	<b>84</b>	<b>80</b>
Capital expenditure	-10	-7	-11	-10	-16	-6	-9	-5	-19	-17	-18
<b>Free cash flow before A&amp;D</b>	<b>2</b>	<b>6</b>	<b>7</b>	<b>9</b>	<b>41</b>	<b>2</b>	<b>36</b>	<b>66</b>	<b>63</b>	<b>67</b>	<b>62</b>
Proceeds from sale of assets	0	0	0	0	2	0	0	0	0	0	0
Acquisitions	-5	-3	-12	-67	-19	0	0	-10	-10	0	0
Free cash flow	-3	4	-5	-58	24	3	36	56	53	67	62
Free cash flow bef A&D, lease adj	2	6	7	9	19	-28	6	32	27	27	21
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.	0	0	0	0	0	0	0
Net change in debt	6	1	6	75	-13	55	-10	-23	-15	-15	-10
Other financing adjustments	0	0	0	0	-28	-25	-27	-32	-32	-41	-30
Other non-cash adjustments	-1	0	5	7	0	-7	4	-2	0	0	0
Change in cash	-3	0	1	2	-1	0	3	-1	-3	3	13
<b>Cash flow metrics</b>											
Capex/D&A	n.m.	69.2%	95.8%	48.1%	36.3%	11.7%	19.6%	10.9%	36.2%	29.5%	29.7%
Capex/Sales	9.2%	5.5%	6.0%	3.2%	5.9%	3.9%	5.0%	1.7%	4.9%	3.9%	3.9%
<b>Key information</b>											
Share price year end (/current)	5	6	9	9	10	8	8	7	9	9	9
Market cap.	82	100	142	164	196	155	146	140	191	191	191
Enterprise value	112	131	188	310	471	477	473	437	492	478	460
Diluted no. of shares, year-end (m)	16.4	16.6	16.6	18.9	19.0	19.2	19.2	20.8	20.8	20.8	20.8

Source: Company data and Nordea estimates

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Nordea Bank Abp	Nordea Bank Abp, filial i Sverige	Nordea Danmark, Filial af Nordea Bank Abp, Finland	Nordea Bank Abp, filial i Norge
<b>Nordea IB &amp; Equity Division, Equity Research</b> Visiting address: Aleksis Kiven katu 7, Helsinki FI-00020 Nordea Finland	<b>Nordea IB &amp; Equity Division, Equity Research</b> Visiting address: Smålandsgatan 17 SE-105 71 Stockholm Sweden	<b>Nordea IB &amp; Equity Division, Equity Research</b> Visiting address: Grønjørdsvej 10 DK-2300 Copenhagen S Denmark	<b>Nordea IB &amp; Equity Division, Equity Research</b> Visiting address: Essendropsgate 7 N-0107 Oslo Norway
Tel: +358 9 1651 Fax: +358 9 165 59710	Tel: +46 8 614 7000 Fax: +46 8 534 911 60	Tel: +45 3333 3333 Fax: +45 3333 1520	Tel: +47 2248 5000 Fax: +47 2256 8650
Reg.no. 2858394-9 Satamaradankatu 5 Helsinki			