

## NoHo Partners

Consumer Goods  
Finland

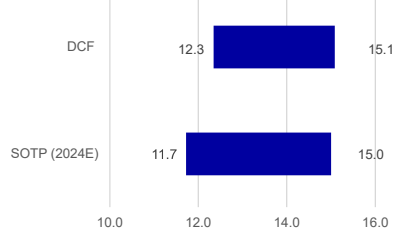
## KEY DATA

Stock country	Finland
Bloomberg	NOHO FH
Reuters	NOHOP.HE
Share price (close)	EUR 7.52
Free float	64%
Market cap. (bn)	EUR 0.16/EUR 0.16
Website	http://www.noho.fi/
Next report date	07 May 2024

## PERFORMANCE



## VALUATION APPROACH (EUR/SHARE)



Source: Nordea estimates

## ESTIMATE CHANGES

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

Source: Nordea estimates

## Nordea IB &amp; Equity - Analysts

Joni Sandvall  
AnalystSanna Perälä  
Analyst

## Solid performance in a stable market

NoHo's Q3 EBIT of EUR 8.7m was in line with our estimate but 5% short of Vara consensus expectations. Net sales increased by 12% y/y in Q3, supported by acquisitions. The rainy end to the summer affected sales growth negatively, especially within entertainment venues. The company kept its guidance intact, while we continue to see a possible guidance upgrade in December. The company expects the solid demand situation to continue in Q4, which likely supports deleveraging following the Better Burger Society transaction. Our DCF- and multiples-based fair value range is EUR 12.0-15.0 (12.4-15.5).

## Profitability remained above the target level in Q3

NoHo's Q3 net sales of EUR 96m were up 12% y/y and came in 3% below Vara consensus. The rainy end to the summer had an adverse impact on sales, especially within entertainment venues. Q3 EBIT of EUR 8.7m was burdened by EUR 1.5m in transaction costs related to Better Burger Society and was 5% below consensus expectations. In addition, NoHo reported transaction costs of EUR 1m in its financial expenses. For Finland, the adjusted EBIT margin of 11.4% was slightly ahead of our expectation of 11%, while the EBIT margin for International fell slightly short of our estimate. Given the temporarily elevated leverage (3.3x net debt/operational EBITDA, excluding IFRS 16), NoHo is concentrating on the integration process over the near term. Q3 EPS was burdened by the Eezy shareholding, while adjusted EPS of EUR 0.18 was above consensus of EUR 0.15.

## We make only minor estimate revisions – new targets in H1 2024

We make only minor estimate revisions following the Q3 report. NoHo kept its guidance intact and expects EUR ~380m sales and a ~9% EBIT margin for 2023. We model EUR 377m in sales with a 9.5% EBIT margin (9.9% adjusted EBIT margin) and believe the company could upgrade its margin guidance to ~9.5% in December. We note solid booking rates for November (+38% compared to actual visits in November 2022) and December (-25% versus actual visits in December 2022). In addition, NoHo noted that Holy Cow! surpassed its expectations during the first two months. We believe that end-market demand will remain solid despite continued uncertainty related to consumer purchasing power. Focus is likely shifting towards the new strategy period and financial targets for 2024-26, which the company aims to release during H1 2024. We believe that the new targets will likely focus on NoHo's growth ambitions following a pickup in M&A activity.

## SUMMARY TABLE - KEY FIGURES

EURm	2019	2020	2021	2022	2023E	2024E	2025E
Total revenue	273	157	186	313	377	449	466
EBITDA (adj)	76	21	34	73	89	103	107
EBIT (adj)	31	-31	-13	25	37	46	48
EBIT (adj) margin	11.4%	-19.6%	-6.7%	7.9%	9.9%	10.2%	10.3%
EPS (adj, EUR)	2.27	-1.66	-1.16	-0.27	0.47	0.90	0.93
EPS (adj) growth	318.9%	-173.3%	30.1%	76.8%	273.9%	90.8%	3.7%
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	1.4	1.1	1.0
EV/EBIT (adj)	15.6	n.m.	n.m.	17.6	13.6	10.8	9.9
P/E (adj)	4.5	n.m.	n.m.	n.m.	16.0	8.4	8.1
P/BV	1.5	2.0	2.3	1.9	1.4	1.3	1.2
Dividend yield (ord)	0.0%	0.0%	0.0%	6.0%	5.6%	6.1%	6.6%
FCF Yield bef A&D, lease	9.9%	-18.3%	3.8%	23.2%	11.9%	17.6%	13.4%
Net debt	268	318	322	290	332	315	295
Net debt/EBITDA	3.6	11.3	7.0	3.7	3.8	3.1	2.8
ROIC after tax	7.9%	-6.3%	-2.8%	5.8%	7.6%	8.4%	8.9%

Source: Company data and Nordea estimates

## Q3 results and deviation

NoHo Partners reported Q3 EBIT of EUR 8.7m, 5% below Vara consensus and 1% above our estimate. Q3 net sales were up 12% y/y at EUR 96m, 3% below consensus and 2% below our estimate. Operational EBITDA (operating cash flow) was EUR 10.6m in Q3 (EUR 10.7m a year ago). Adjusted for a EUR 1.5m impact from Better Burger Society (BBS) transaction costs, operational EBITDA came in 3% below our estimate. Finland profitability was slightly below our estimate, while International beat our expectation, with the deviation due to BBS transaction costs. In addition, rainy weather late in the summer affected the high season for terrace sales. The company recorded a EUR 3.6m negative fair value change in its financing costs due to the Eezy shareholding (we anticipated EUR -2.4m). Adjusted EPS was EUR 0.18 in Q3, while consensus was EUR 0.15. Leverage (net debt/operational EBITDA ex-IFRS 16) was 3.3x and increased due to the acquisition of Holy Cow!. October sales were up 19% y/y to EUR 31.7m. The Holy Cow! integration is progressing well, with KPIs developing above NoHo's expectations. In the CEO comments, the company noted that underlying restaurant demand has remained stable. The guidance was kept intact for 2023; NoHo expects around EUR 380m in sales and ~9% EBIT margin from the restaurant business. Pre-Q3 Vara consensus was for EUR 379m in sales and a 9.8% EBIT margin in 2023.

Q3 EBIT came in slightly below consensus expectations

### Main takeaways from Q3

- Q3 net sales were EUR 96m (3% below Vara consensus).
- Q3 EBIT was EUR 8.7m (5% below consensus of EUR 9.2m), burdened by EUR 1.5m in Holy Cow! acquisition costs. In total, the company recorded EUR 2.5m in transaction costs from the transaction (EUR 1m in financial costs).
- Sales from the Finnish operations were EUR 75.5m in Q3 and EBIT was EUR 7.8m with a 10.3% EBIT margin. We had expected sales of EUR 78.2m, EBIT of EUR 8.6m and a margin of 11% from Finland. The deviation in Finnish profitability was explained by BBS transaction costs, as the adjusted EBIT margin was 11.4% in Q3. International sales were EUR 20.5m with EBIT of EUR 0.9m (4.5% margin). We had expected EUR 19.8m in sales and EUR 0.1m in EBIT (0.3% margin), burdened by acquisition costs for Holy Cow!. The adjusted EBIT margin for the International business was 7.7% in Q3, while we had anticipated 10.4%.
- Operational EBITDA (operating cash flow) was EUR 10.6m in Q3 (EUR 10.7m in Q3 2022). Adjusted for EUR 1.5m in transaction costs, operational EBITDA was EUR 12.1m and was 3% below our estimate.
- The margin for the material business was up 10bp y/y to 75.0%, while personnel expenses were down 100bp y/y to 31.4%.
- Q3 EPS was EUR -0.03, below consensus of EUR 0.02. NoHo recorded EUR 3.6m in negative fair value changes from its Eezy shareholding (we had expected EUR -2.4m). Excluding fair value changes and BBS transaction costs (EUR 2.5m), Q3 EPS would have been EUR 0.18, above consensus of EUR 0.15 (we expected EUR 0.17). Non-controlling interest was EUR 0.4m, while we had anticipated EUR 0.6m.
- Net debt excluding IFRS 16 lease liabilities was EUR 140m in Q3 (EUR 121m in 2022 and EUR 127m a year ago). Net debt/operational EBITDA (excluding IFRS 16) was 3.3x in Q3 (2.9x in 2022) and was affected by the acquisition of Holy Cow!.

### Guidance for 2023 intact – October sales up 19% y/y

NoHo's unchanged guidance for 2023 is for around EUR 380m in sales with around a 9% EBIT margin in the restaurant business. Vara consensus has been for EUR 379m in sales and a 9.8% EBIT margin for 2023.

October sales were up 19% y/y to EUR 31.7m. We anticipate 27% y/y growth in Q4, driven mainly by acquisitions.

**Q3 DEVIATION TABLE (EURm; EPS IN EUR)**

EURm	Actual Q3 2023	NDA est. Q3 2023E	Deviation vs. actual		Consensus Q3 2023E	Deviation vs. actual		Actual Q2 2023	q/q	Actual Q3 2022	y/y
Sales	96.0	98.0	-2.0	-2%	99.0	-3.0	-3%	93	3%	86	12%
Adj. operational EBITDA	12.1	12.5	-0.4	-3%	17.1	-5.0	-29%	12.6	-4%	10.7	13%
EBIT	8.7	8.7	0.0	1%	9.2	-0.5	-5%	10.7	-19%	8.4	4%
EBIT margin	9.1%	8.8%		0.2pp	9.3%		-0.2pp	11.5%	-2.4pp	9.8%	-0.7pp
Adj. EBIT	10.2	10.7	-0.5	-4%	9.2	1.0	11%	10.7	-5%	8.4	21%
Adj. EBIT margin	10.6%	10.9%		-0.3pp	9.3%		1.3pp	11.5%	-0.8pp	9.8%	0.9pp
PTP	0.4	2.3	-1.9	-83%	1.8	-1.4	-77%	5.2	-92%	(1.3)	-131%
EPS	(0.03)	0.05	-0.08	-158%	0.02	-0.05	-294%	0.17	-117%	(0.19)	-84%

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

Finland	75.5	78.2	-3	-3%			77.4	-2%	69.7	8%
International	20.5	19.8	1	4%			15.9	29%	16.3	26%

**EBIT by geography**

Finland	7.8	8.6	-0.8	-9%			9.5	-18%	7.7	1%
International	0.9	0.1	0.8	1475%			1.2	-25%	0.7	29%

**EBIT margin by geography**

Finland	10.3%	11.0%		-0.7pp			12.3%	-1.9pp	11.0%	-1pp
International	4.4%	0.3%		4.1pp			7.5%	-3.2pp	4.3%	0pp

Source: Company data, Vara Research and Nordea estimates

**Impressions from the analyst meeting**

We note the following after the analyst meeting:

- The company appeared satisfied with its performance in Q3 and expects solid performance in Q4 too.
- Booking rates in the events business (~10% of Finland sales) point to a good demand situation with November bookings 38% above November 2022 visits. For December, bookings are still 25% below December 2022 visits, while the situation is likely to improve when the offering for the period is released.
- Finnish operations: The 11.4% adjusted EBIT margin in Q3 was viewed as strong and the company noted that it aims to maintain high margins, although is not aiming to increase them. Hence, we believe the company targets higher market shares going forward.
- International: The 7.7% adjusted EBIT margin was viewed as good, especially considering it does not yet include material scale synergies. The company aims to open at least six new Holy Cow! restaurants during 2024. NoHo's internal estimates for Holy Cow! sales and EBITDA have increased during the past two months.
- Leverage is temporarily above the targeted 3x, while the company expects to deleverage during Q4. We were left with the impression that there might not be many growth investments during the next six months, and we believe investment levels will remain low until H2 2024.
- In conjunction with the BBS transaction, NoHo agreed on a contingent consideration acquisition price of a maximum EUR 15m concerning Friends & Brgrs. Based on management's EBITDA estimate, the company has recognised a EUR 9.9m contingent consideration in equity and in receivables.

Supportive booking rates ahead of the high season

NoHo aims to deleverage its balance sheet following the acquisitions

# Estimate revisions

## Estimate revisions

Following the Q3 report, we make only minor estimate revisions. For 2023E, we trim EPS by 28%, due to the weak share price performance of Eezy. We expect a EUR -1.6m impact from the Eezy shareholding on Q4 net financials. While the company is favouring profitability, we expect it to aim for accelerated growth as long as the EBIT margin remains around 10%.

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

EURm	Q4 2023E	New estimates				Old estimates				Difference %			
		2023E	2024E	2025E	Q4 2023E	2023E	2024E	2025E	Q4 2023E	2023E	2024E	2025E	
<b>Sales</b>	<b>112.0</b>	<b>377</b>	<b>449</b>	<b>466</b>	<b>112.0</b>	<b>379</b>	<b>451</b>	<b>469</b>	<b>0%</b>	<b>-1%</b>	<b>0%</b>	<b>0%</b>	
Operational EBITDA	11.9	43.2	52.3	54.9	12.3	45.4	54.7	57.3	-3%	-5%	-4%	-4%	
Adj. EBIT	10.6	37.4	45.8	48.1	10.6	37.8	46.3	48.5	0%	-1%	-1%	-1%	
Adj. EBIT margin	9.4%	9.9%	10.2%	10.3%	9.4%	10.0%	10.3%	10.4%	0.0pp	-0.1pp	0.0pp	0.0pp	
<b>EBIT</b>	<b>10.6</b>	<b>35.9</b>	<b>45.8</b>	<b>48.1</b>	<b>10.6</b>	<b>35.8</b>	<b>46.3</b>	<b>48.5</b>	<b>0%</b>	<b>0%</b>	<b>-1%</b>	<b>-1%</b>	
EBIT margin	9.4%	9.5%	10.2%	10.3%	9.4%	9.4%	10.3%	10.4%	0.0pp	0.1pp	0.0pp	0.0pp	
<b>Adj. EPS</b>	<b>0.14</b>	<b>0.47</b>	<b>0.90</b>	<b>0.93</b>	<b>0.20</b>	<b>0.58</b>	<b>0.96</b>	<b>0.99</b>	<b>-28%</b>	<b>-19%</b>	<b>-7%</b>	<b>-6%</b>	
EPS	0.14	0.35	0.90	0.93	0.20	0.48	0.96	0.99	-28%	-28%	-7%	-6%	
<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	81.5	296	314	324	79.7	297	315	325	2%	0%	0%	0%	
International	30.5	81	134	143	32.3	82	136	144	-6%	-1%	-1%	-1%	
<b>Group total</b>	<b>112.0</b>	<b>377</b>	<b>449</b>	<b>466</b>	<b>112</b>	<b>379</b>	<b>451</b>	<b>469</b>	<b>0%</b>	<b>-1%</b>	<b>0%</b>	<b>0%</b>	
<b>Adj. EBIT by geography</b>													
Finland	9.0	32.3	33.9	35.0	8.8	32.0	34.0	35.1	2%	1%	0%	0%	
International	1.6	5.2	11.9	13.2	1.8	5.9	12.2	13.5	-11%	-11%	-3%	-2%	
<b>Group total</b>	<b>10.6</b>	<b>37.4</b>	<b>45.8</b>	<b>48.1</b>	<b>10.6</b>	<b>37.8</b>	<b>46.3</b>	<b>48.5</b>	<b>0%</b>	<b>-1%</b>	<b>-1%</b>	<b>-1%</b>	
<b>Adj. EBIT margin by geography</b>													
Finland	11.0%	10.9%	10.8%	10.8%	11.0%	10.8%	10.8%	10.8%	0.0pp	0.1pp	0.0pp	0.0pp	
International	5.3%	6.4%	8.9%	9.2%	5.6%	7.1%	9.0%	9.4%	-0.3pp	-0.7pp	-0.2pp	-0.1pp	
<b>Group total</b>	<b>9.4%</b>	<b>9.9%</b>	<b>10.2%</b>	<b>10.3%</b>	<b>9.4%</b>	<b>10.0%</b>	<b>10.3%</b>	<b>10.4%</b>	<b>0.0pp</b>	<b>-0.1pp</b>	<b>0.0pp</b>	<b>0.0pp</b>	

Source: Nordea estimates

# Valuation

We derive a fair value range of EUR 12.0-15.0 (12.4-15.5) by equally weighting our DCF and SOTP valuations.

## DCF valuation yields EUR 12.3-15.1 per share

The outcome of our DCF valuation is EUR 12.3-15.1 (12.7-15.6). We use a WACC of 7.5-7.9%, 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	4.5%
Tax-rate used in WACC	21%
Equity weight	55%
<b>WACC</b>	<b>7.5-7.9%</b>

Source: Nordea estimates

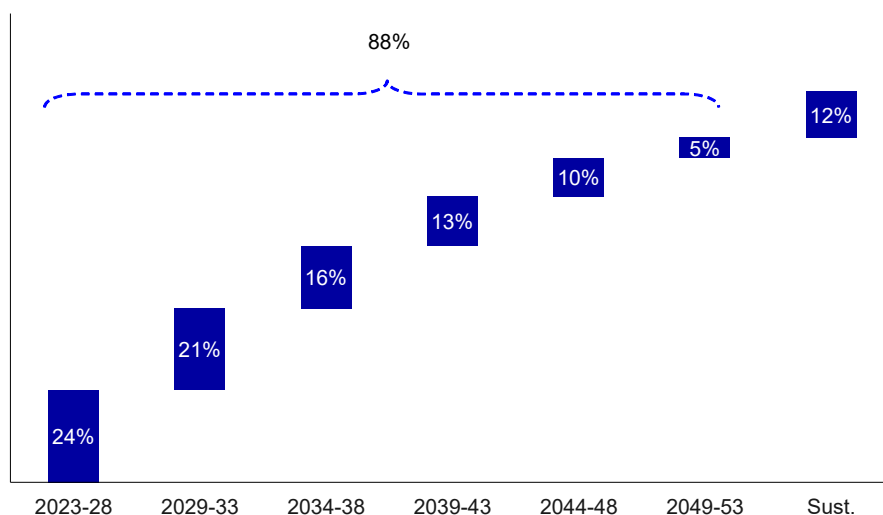
DCF VALUE (EURm AND EUR)		
<b>DCF value</b>	<b>Value</b>	<b>Per share</b>
NPV FCFF	536-594	25.6-28.3
(Net debt)	-290	-13.8
Market value of associates	11	0.5
(Market value of minorities)	-23	-1.1
Surplus values	0	0.0
(Market value preference shares)	0	0.0
Share based adjustments	0	0.0
Other adjustments	0	0.0
Time value	26	1.2
<b>DCF Value</b>	<b>259-316</b>	<b>12.3-15.1</b>

Source: Nordea estimates

DCF ASSUMPTIONS							
<b>Averages and assumptions</b>	<b>2023-28</b>	<b>2029-33</b>	<b>2034-38</b>	<b>2039-43</b>	<b>2044-48</b>	<b>2049-53</b>	<b>Sust.</b>
Sales growth, CAGR	6.7%	3.0%	3.0%	2.5%	2.5%	2.5%	
EBIT-margin, excluding associates	10.2%	9.5%	9.5%	9.5%	9.5%	4.1%	
Capex/depreciation, x	1.2	1.0	1.0	1.0	1.0	1.0	
Capex/sales	14.6%	14.6%	14.6%	14.6%	14.6%	14.6%	
NWC/sales	-10.3%	-9.8%	-9.3%	-8.8%	-8.3%	-7.8%	
FCFF, CAGR	-215.7%	2.7%	4.7%	4.3%	4.3%	-13.0%	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  $\pm 0.5$ 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 10.4-17.8 per share.

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

		WACC				
		7.2%	7.5%	7.7%	8.0%	8.2%
EBIT marg. change	0.5pp	17.8	16.4	15.1	13.9	12.8
	0.3pp	17.0	15.6	14.4	13.2	12.2
	0.0pp	16.2	14.9	13.7	12.6	11.6
	-0.3pp	15.4	14.2	13.0	12.0	11.0
	-0.5pp	14.7	13.5	12.4	11.3	10.4

- A +/-0.5pp sales growth change translates to a change of +/-9% in the fair value

**Sensitivity analysis: WACC vs Sales growth**

		WACC				
		7.2%	7.5%	7.7%	8.0%	8.2%
Sales growth change	0.5pp	17.7	16.3	15.0	13.8	12.7
	0.3pp	17.0	15.6	14.3	13.2	12.1
	0.0pp	16.2	14.9	13.7	12.6	11.6
	-0.3pp	15.5	14.3	13.1	12.0	11.0
	-0.5pp	14.9	13.6	12.5	11.5	10.5

- A +/-0.5pp EBIT margin change translates into a change of +/-10% 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	13.8	14.4	15.1	15.7	16.5
	0.3pp	13.2	13.8	14.4	15.0	15.7
	0.0pp	12.5	13.1	13.7	14.3	15.0
	-0.3pp	11.9	12.5	13.0	13.6	14.3
	-0.5pp	11.3	11.8	12.4	12.9	13.5

Source: Nordea estimates

**SOTP valuation yields EUR 11.7-15.0 per share**

Applying 2024E EV/EBIT multiples of 12.5-14.0x for the restaurant segment, and the market valuation of the Eezy stake (20.2% of the company) as of 6 November, 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 11.7-15.0 (12.2-15.5) per NoHo share.

**SOTP VALUATION**

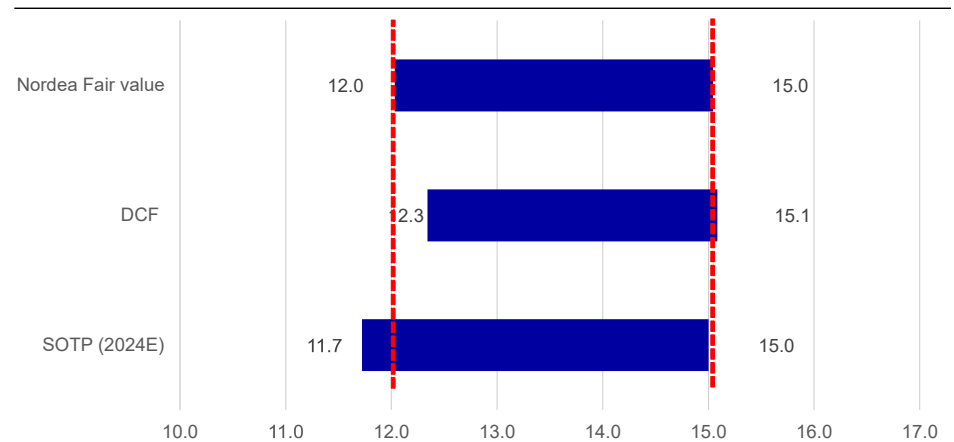
Business	EV/EBIT 12.5x	Per share, 12.5x	EV/EBIT 14x	Per share, 14x	% of EV	EBIT '24E
Restaurant	573	27.3	642	30.6	98-98%	45.8
<b>EV from own operations</b>	<b>573</b>	<b>27.3</b>	<b>642</b>	<b>30.6</b>	<b>98-98%</b>	
EEZY stake (20.2%) as of 6.11.2023	11	0.5	11	0.5	2-2%	
Other sellable securities (Q3 2023)	0.3	0.0	0.3	0.0	0-0%	
<b>EV from holdings</b>	<b>11</b>	<b>0.5</b>	<b>11</b>	<b>0.5</b>	<b>2-2%</b>	
<b>Total EV with market prices</b>	<b>584</b>	<b>27.8</b>	<b>653</b>	<b>31.1</b>		
Net debt 2024E	315	15.0	315	15.0		
<b>Equity value</b>	<b>269</b>	<b>12.8</b>	<b>338</b>	<b>16.1</b>		
Minorities	-23	-1.1	-23	-1.1		
Number of shares, million	21.0		21.0			
<b>Equity per share, EUR</b>	<b>11.7</b>		<b>15.0</b>			

Source: Company data and Nordea estimates

### Fair value range of EUR 12.0-15.0

Our fair value range for NoHo is EUR 12.0-15.0 (12.4-15.5) 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 7.5 as of 6 November 2023) and our fair value range (EUR 12.1-15.1). Given the increasing share of minority interests and more normalised market conditions, investors will likely focus on P/E multiples.

Our fair value range of EUR 12.1-15.1 corresponds to 2024E-25E EV/EBIT of 11.5-13.8x and a P/E of 13.0-16.8x. Based on our estimates, the share offers a ~6% increasing dividend yield.

#### NOHO: DERIVED VALUATION MULTIPLES USING OUR FAIR VALUE RANGE AND THE CURRENT SHARE PRICE (AS OF 6 NOVEMBER)

	Current share price EUR 7.5			Fair value EUR 12			Fair value EUR 15		
	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E
EV/EBITDA (adj.)	5.5x	4.6x	4.3x	6.6x	5.5x	5.1x	7.3x	6.1x	5.7x
EVEBIT (adj.)	13.2x	10.4x	9.5x	15.6x	12.4x	11.4x	17.3x	13.8x	12.7x
P/E (adj.)	16.3x	8.6x	8.2x	25.6x	13.4x	13.0x	32.1x	16.8x	16.2x
FCF yield	11.6%	17.3%	13.1%	7.4%	11.0%	8.4%	5.9%	8.8%	6.7%
Dividend yield	5.5%	6.0%	6.5%	3.5%	3.8%	4.2%	2.8%	3.1%	3.3%

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>377</b>	<b>449</b>	<b>466</b>
growth %	-16%	-43%	19%	68%	21%	19%	4%
Other operating income	6	17	17	13	8	8	8
Materials and services	-85	-58	-64	-106	-125	-148	-154
Staff expenses	-63	-48	-53	-78	-94	-112	-116
Other operating expenses	-56	-41	-41	-63	-78	-93	-97
<b>EBITDA</b>	<b>74.3</b>	<b>27.6</b>	<b>45.9</b>	<b>79.5</b>	<b>87.7</b>	<b>102.8</b>	<b>106.9</b>
EBITDA margin %	27.2%	17.6%	24.7%	25.4%	23.2%	22.9%	22.9%
<b>Operational EBITDA</b>	<b>30.4</b>	<b>-5.2</b>	<b>11.3</b>	<b>41.6</b>	<b>43.2</b>	<b>52.3</b>	<b>54.9</b>
Operational EBITDA margin %	11.1%	-3.3%	6.1%	13.3%	11.4%	11.7%	11.8%
<b>D&amp;A</b>	<b>-45</b>	<b>-52</b>	<b>-47</b>	<b>-48</b>	<b>-52</b>	<b>-57</b>	<b>-59</b>
IFRS 16 depreciation	-22	-31	-30	-33	-37	-41	-42
<b>EBIT adjusted</b>	<b>31.1</b>	<b>-30.7</b>	<b>-12.6</b>	<b>24.8</b>	<b>37.4</b>	<b>45.8</b>	<b>48.1</b>
EBIT adj. margin %	11.4 %	-19.6 %	-6.7 %	7.9 %	9.9 %	10.2 %	10.3 %
<b>NRI</b>	<b>-0.5</b>	<b>6.8</b>	<b>11.7</b>	<b>6.9</b>	<b>-1.5</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>35.9</b>	<b>45.8</b>	<b>48.1</b>
EBIT margin %	11.2 %	-15.2 %	-0.5 %	10.1 %	9.5 %	10.2 %	10.3 %
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	-22.9	-16.1	-16.1
of which IFRS 16	-5.0	-5.0	-5.9	-7.5	-8.6	-9.8	-10.0
of which NRI	2.1	-1.7	0.0	0.0	-1.0	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>13.0</b>	<b>29.8</b>	<b>32.0</b>
Reported taxes	-1.5	5.4	2.4	-4.3	-3.1	-5.4	-6.7
<b>Net profit</b>	<b>23.8</b>	<b>-29.5</b>	<b>-10.3</b>	<b>4.9</b>	<b>9.9</b>	<b>24.4</b>	<b>25.3</b>
Minorities	1.5	-2.6	0.3	3.4	2.6	5.6	5.8
<b>Profit to equity holders</b>	<b>22.3</b>	<b>-26.8</b>	<b>-10.6</b>	<b>1.5</b>	<b>7.3</b>	<b>18.8</b>	<b>19.5</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>0.35</b>	<b>0.90</b>	<b>0.93</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	296	314	324
International	44	24	28	62	81	134	143
<b>Sales growth, y/y</b>							
Finland		-42%	19%	59%	18%	6%	3%
International		-46%	18%	120%	32%	65%	6%
<b>EBIT</b>							
Finland			1.0	30.7	31.4	33.9	35.0
International			-1.9	2.3	4.5	11.9	13.2
<b>EBIT margin</b>							
Finland			0.6%	12.2%	10.6%	10.8%	10.8%
International			-6.8%	3.7%	5.5%	8.9%	9.2%

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	Q3/23	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>96</b>	<b>112</b>
growth %	-60%	81%	10%	120%	141%	162%	39%	27%	56%	3%	12%	27%
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	-32	-37
Staff expenses	-9	-10	-15	-19	-15	-21	-20	-22	-20	-23	-23	-28
Other operating expenses	-7	-8	-12	-14	-10	-17	-17	-19	-15	-18	-21	-25
<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>22.0</b>	<b>24.5</b>
EBITDA margin %	8.9%	27.0%	26.2%	26.7%	21.4%	30.7%	23.5%	24.1%	23.7%	24.9%	22.9%	21.8%
<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>10.6</b>	<b>11.9</b>
Operational EBITDA margin %	-33.2%	2.0%	12.1%	14.1%	2.3%	20.3%	12.4%	13.1%	10.7%	13.5%	11.0%	10.6%
<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	-10	-10
EBIT adjusted	-13.7	-6.3	3.2	4.3	-3.4	11.3	8.4	8.5	5.9	10.7	10.2	10.6
EBIT adj. margin %	-68%	-18.4%	5.2%	6.1%	-7.0%	12.5%	9.8%	9.6%	7.8%	11.5%	10.6%	9.4%
NRI	4.0	4.5	0.7	2.5	2.1	4.8	0.0	0.0	0.0	0.0	-1.5	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>10.6</b>
EBIT margin %	-48%	-5.2%	6.4%	9.6%	-2.7%	17.8%	9.8%	9.6%	7.8%	11.5%	9.1%	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	-8.3	-6.1
of which IFRS 16	-1.5	-1.5	-1.5	-1.5	-1.8	-1.9	-1.9	-1.9	-1.9	-1.9	-2.3	-2.5
of which NRI	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	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>0.4</b>	<b>4.5</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	-0.7
<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>-0.3</b>	<b>3.8</b>
Minorities	-1.3	-0.7	0.6	1.8	-0.1	1.6	1.0	0.9	0.5	0.7	0.4	1.0
<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>-0.7</b>	<b>2.8</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>-0.03</b>	<b>0.13</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	Q3/23	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	75.4	81.5
International	0.1	4.6	10.0	13.3	11.2	17.3	16.3	16.7	14.4	15.9	20.5	30.5
<b>Sales growth, y/y</b>												
Finland	-50%	91%	6%	99%	86%	144%	34%	27%	65%	6%	8%	14%
International	-99%	36%	42%	298%	7998%	275%	63%	26%	29%	-8%	26%	83%
<b>EBIT</b>												
Finland	-7.6	14.6	3.6	5.2	-2.4	14.6	7.7	8.4	5.1	9.5	7.8	9.0
International	-2.1	-1.6	0.4	1.5	1.1	1.5	0.7	0.1	0.8	1.2	0.9	1.6
<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%	10.3%	11.0%
International	-1518%	-34.7%	4.0%	11.3%	9.8%	8.7%	4.3%	0.6%	5.6%	7.5%	4.4%	5.3%

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 3.3x net debt/operational EBITDA excluding IFRS 16). The company has EUR 27m of debt maturing during the next 12 months, of which EUR 6m relates to the commercial paper programme. In addition, Better Burger Society has EUR 1.6m of debt maturing during the next 12 months.

## 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>377</b>	<b>449</b>	<b>466</b>
Revenue growth	31.1%	14.5%	42.9%	73.9%	-15.6%	-42.5%	18.7%	68.1%	20.6%	18.9%	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	88	103	107
Depreciation and impairments PPE	-7	-8	-8	-11	-36	-42	-38	-38	-42	-48	-50
of which leased assets	0	0	0	0	-22	-31	-30	-33	-37	-41	-42
EBITA	10	12	15	17	39	-13	9	41	45	54	57
Amortisation and impairments	-2	-3	-4	-10	-9	-10	-9	-10	-9	-9	-9
EBIT	7	9	11	7	31	-24	-1	32	36	46	48
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	-23	-16	-16
of which lease interest	0	0	0	0	-5	-5	-6	-8	-9	-10	-10
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>13</b>	<b>30</b>	<b>32</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	10	24	25
Discontinued operations	0	0	0	0	24	0	0	0	0	0	0
Minority interests	0	0	0	-1	-2	3	0	-3	-3	-6	-6
Net profit to equity	5	6	5	3	45	-27	-11	2	7	19	19
<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>0.35</b>	<b>0.90</b>	<b>0.93</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%	23.2%	22.9%	22.9%
EBITA	8.5%	9.1%	7.9%	5.2%	14.5%	-8.6%	4.6%	13.2%	12.0%	12.1%	12.2%
EBIT	6.4%	6.9%	5.8%	2.2%	11.2%	-15.2%	-0.5%	10.1%	9.5%	10.2%	10.3%

## 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	57
EBIT (adj)	8	9	11	12	31	-31	-13	25	37	46	48
EPS (adj, EUR)	0.35	0.37	0.43	0.54	2.27	-1.66	-1.16	-0.27	0.47	0.90	0.93

## 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%	22.9%	22.9%
EBITA (adj)	9.1%	9.3%	8.0%	6.9%	14.7%	-12.9%	-1.7%	11.0%	12.4%	12.1%	12.2%
EBIT (adj)	7.0%	7.2%	6.0%	3.9%	11.4%	-19.6%	-6.7%	7.9%	9.9%	10.2%	10.3%

## 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%	10.5%	24.4%
EBITDA	n.m.	n.m.	17.7%	25.4%	44.3%	11.2%	18.9%	28.8%	25.3%	6.5%	30.6%
EBIT	n.a.	n.a.	13.5%	12.2%	42.1%	n.m.	n.m.	24.1%	37.9%	8.5%	n.m.
EPS	n.a.	n.a.	n.a.	-4.1%	61.4%	n.m.	n.m.	-24.4%	12.4%	-17.6%	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%	23.2%	23.6%

## 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.	16.0	8.4	8.1
EV/EBITDA (adj)	6.5	6.6	8.3	9.2	6.2	22.4	13.7	6.0	5.7	4.8	4.5
EV/EBITA (adj)	10.8	10.8	12.6	14.0	11.8	n.m.	n.m.	12.7	10.9	9.1	8.4
EV/EBIT (adj)	14.1	14.1	17.0	24.9	15.6	n.m.	n.m.	17.6	13.6	10.8	9.9

## 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	21.5	8.4	8.1
EV/Sales	0.98	1.01	1.01	0.96	1.73	3.05	2.54	1.40	1.35	1.11	1.03
EV/EBITDA	6.8	6.8	8.4	10.9	6.3	17.3	10.3	5.5	5.8	4.8	4.5
EV/EBITA	11.6	11.1	12.8	18.4	12.2	n.m.	57.4	10.6	11.3	9.1	8.4
EV/EBIT	15.4	14.6	17.5	43.2	15.8	n.m.	n.m.	13.8	14.2	10.8	9.9
Dividend yield (ord.)	5.4%	5.0%	3.9%	3.9%	0.0%	0.0%	0.0%	6.0%	5.6%	6.1%	6.6%
FCF yield	-4.1%	3.6%	-3.6%	-35.7%	12.2%	1.7%	24.6%	40.2%	27.0%	43.4%	40.0%
FCF Yield bef A&D, lease adj	2.3%	6.3%	4.7%	5.2%	9.9%	-18.3%	3.8%	23.2%	11.9%	17.6%	13.4%
Payout ratio	76.4%	81.9%	77.6%	62.7%	0.0%	0.0%	0.0%	n.m.	89.5%	51.4%	53.8%

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	227	222	217
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	46	41	36
of which goodwill	34	38	53	147	129	135	137	141	181	181	181
Tangible assets	29	29	32	46	186	166	176	173	233	237	242
of which leased assets	0	0	0	0	128	118	129	122	164	164	165
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	3	3	3
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	367	477	476	476
Inventory	2	2	3	5	6	4	5	6	7	8	8
Accounts receivable	10	14	24	40	24	14	17	23	30	36	37
Short-term leased assets	0	0	0	0	31	30	33	37	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	9	13	25
Total current assets	14	18	29	50	64	51	61	71	87	98	113
Assets held for sale	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	30	16	11	11	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>574</b>	<b>585</b>	<b>589</b>
Shareholders equity	40	43	45	67	129	76	64	75	113	123	133
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	133	146	159
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	98	83	73
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	173	174	174
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.	0	0	0	0	0	0	0
Total non-current liabilities	24	26	40	107	221	232	262	251	294	277	265
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	87	89
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	162	165
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>574</b>	<b>585</b>	<b>589</b>
<b>Balance sheet and debt metrics</b>											
Net debt	29	31	44	138	268	318	322	290	332	315	295
of which lease debt	0	0	0	0	161	153	169	169	214	216	218
Working capital	-6	-3	-7	-23	-18	-17	-30	-32	-39	-47	-48
Invested capital	71	76	96	231	388	380	337	335	437	429	428
Capital employed	71	77	93	219	409	402	398	378	474	474	479
ROE	12.8%	13.5%	11.5%	6.2%	45.6%	-26.1%	-15.1%	2.2%	7.8%	15.9%	15.2%
ROIC	9.5%	9.8%	10.2%	6.0%	7.9%	-6.3%	-2.8%	5.8%	7.6%	8.4%	8.9%
ROCE	11.8%	12.7%	13.2%	9.3%	10.6%	-7.5%	-2.8%	6.9%	9.2%	10.1%	10.5%
Net debt/EBITDA	1.8	1.6	2.0	4.9	3.6	11.3	7.0	3.7	3.8	3.1	2.8
Interest coverage	5.9	8.1	3.8	2.6	13.4	-3.7	0.1	2.0	2.3	5.8	6.2
Equity ratio	43.7%	44.3%	33.8%	22.0%	27.5%	17.0%	14.0%	16.5%	19.7%	21.0%	22.5%
Net gearing	73.1%	69.8%	93.3%	182.0%	195.3%	392.2%	463.5%	354.1%	248.6%	215.3%	185.3%

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>88</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	-23	-16	-16
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	7	-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>67</b>	<b>76</b>	<b>78</b>
Change in NWC	-4	-2	0	-2	-5	-8	12	4	7	8	0
<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>75</b>	<b>84</b>	<b>79</b>
Capital expenditure	-10	-7	-11	-10	-16	-6	-9	-5	-19	-15	-16
<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>56</b>	<b>69</b>	<b>63</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	-13	0	0
Free cash flow	-3	4	-5	-58	24	3	36	56	43	69	63
Free cash flow bef A&D, lease adj	2	6	7	9	19	-28	6	32	19	28	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	0	-15	-10
Other financing adjustments	0	0	0	0	-28	-25	-27	-32	-31	-41	-31
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	4	4	12
<b>Cash flow metrics</b>											
Capex/D&A	n.m.	69.2%	95.8%	48.1%	36.3%	11.7%	19.6%	10.9%	35.9%	26.3%	26.4%
Capex/Sales	9.2%	5.5%	6.0%	3.2%	5.9%	3.9%	5.0%	1.7%	4.9%	3.3%	3.3%
<b>Key information</b>											
Share price year end (/current)	5	6	9	9	10	8	8	7	8	8	8
Market cap.	82	100	142	164	196	155	146	140	158	158	158
Enterprise value	112	131	188	310	471	477	473	437	510	496	479
Diluted no. of shares, year-end (m)	16.4	16.6	16.6	18.9	19.0	19.2	19.2	20.8	21.0	21.0	21.0

Source: Company data and Nordea estimates

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