

## NoHo Partners

Consumer Goods  
Finland

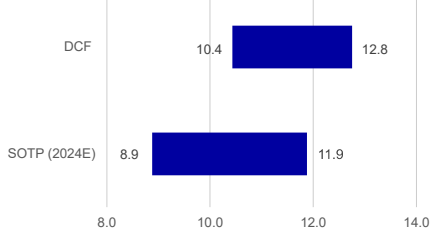
## KEY DATA

Stock country	Finland
Bloomberg	NOHO FH
Reuters	NOHOP.HE
Share price (close)	EUR 8.20
Free float	64%
Market cap. (bn)	EUR 0.17/EUR 0.17
Website	http://www.noho.fi/
Next report date	07 May 2024

## PERFORMANCE



## VALUATION APPROACH



## ESTIMATE CHANGES

Year	2024E	2025E	2026E
Sales	-2%	-2%	-2%
EBIT (adj)	-7%	-7%	-7%

Source: Nordea estimates

## Nordea IB &amp; Equity - Analysts

Sanna Perälä  
Analyst

## Guidance points towards another year of growth

NoHo Partners' Q4 2023 EBIT fell 5% short of Vara Research consensus but grew by 25% y/y, with sales up by 22%. More importantly, despite the gloomy outlook for the Finnish economy in H1 2024, NoHo guides for sales of approximately EUR 430m with an EBIT margin of around 9.5%, indicating growth of 15%. Leverage is now at the company's target of 3.0x, and we believe it will continue with its M&A agenda later this year as deleveraging continues. NoHo will host a CMD in May, at which time we expect it to release new financial targets and strategy. We expect to see another strong year for the company and we derive a DCF- and SOTP-based fair value range of EUR 9.7-12.3 (11.7-14.7) per NoHo share.

## Q4 EBIT fell slightly short of high expectations

NoHo reported Q4 EBIT of EUR 10.6m, 5% below consensus, while sales of EUR 107m were in line. The Finnish operations' performance was stable, while the EBIT margin declined to 10.6% (11.5% in Q4 2022), mainly due to slightly weaker demand and ramp-up costs related to the Helsinki Expo and Convention Centre. International operations, however, performed above company expectations with a 7.4pp margin improvement to 8.3%. The dividend proposal was EUR 0.43, roughly in line with LSEG Data & Analytics consensus at EUR 0.44. Net debt/operational EBITDA stood at the 3.0x target level, and NoHo expects to be below 2.0x by the end of 2024.

## 2024 guidance might be on the conservative side

NoHo introduced new guidance for 2024 – it expects sales of approximately EUR 430m with a ~9.5% EBIT margin, implying strong sales growth of 15% and adjusted EBIT growth of 14%. The company notes that low consumer purchasing power in Finland will burden H1 – based on Nordea card data, spending in restaurants was down by almost 10% y/y at the end of January. International operations, especially Switzerland, are expected to post strong growth. Our previous estimates were above the new guidance, so we trim 2024E-26E net sales by 2% and EBIT by 7%. For 2024, we now model EUR 432m in net sales (up 16% y/y) with an EBIT margin of 9.7%. We believe NoHo will continue on its M&A agenda later in the year, which would provide upside to the guidance, in our view. NoHo will host a CMD on 22 May, at which time it will update its financial targets and strategy through 2026, and possibly shed more light on financing and business restructuring. Based on our estimate changes and slightly higher net debt assumptions, we derive a lower fair value range of EUR 9.7-12.3, equally weighting our DCF- and SOTP-based valuation methods.

## SUMMARY TABLE - KEY FIGURES

EURm	2020	2021	2022	2023	2024E	2025E	2026E
Total revenue	157	186	313	372	432	450	468
EBITDA (adj)	21	34	73	85	83	86	90
EBIT (adj)	-31	-13	25	37	42	44	46
EBIT (adj) margin	-19.6%	-6.7%	7.9%	10.0%	9.7%	9.8%	9.9%
EPS (adj, EUR)	-1.66	-1.16	-0.27	0.44	0.79	0.84	0.91
EPS (adj) growth	-173.3%	30.1%	76.8%	261.4%	80.6%	6.7%	8.0%
DPS (ord, EUR)	0.00	0.00	0.40	0.43	0.47	0.51	0.55
EV/Sales	3.0	2.5	1.4	1.5	1.2	1.2	1.1
EV/EBIT (adj)	n.m.	n.m.	17.6	15.1	12.7	11.9	11.2
P/E (adj)	n.m.	n.m.	n.m.	20.3	10.4	9.8	9.0
P/BV	2.0	2.3	1.9	2.4	2.0	1.8	1.7
Dividend yield (ord)	0.0%	0.0%	6.0%	4.9%	5.7%	6.2%	6.7%
FCF Yield bef A&D, lease	-18.3%	3.8%	23.2%	27.1%	14.0%	10.5%	12.0%
Net debt	318	322	290	349	328	322	314
Net debt/EBITDA	11.3	7.0	3.7	4.2	4.0	3.7	3.5
ROIC after tax	-6.3%	-2.8%	5.8%	7.5%	7.4%	7.9%	8.3%

Source: Company data and Nordea estimates

# Q4 results and deviation

NoHo Partners reported Q4 EBIT of EUR 10.6m, 5% below Vara Research consensus and 6% below our estimate. Q4 net sales were up 22% y/y, at EUR 107m, in line with consensus and our estimate. Operational EBITDA (operating cash flow) was EUR 13.5m in Q4 (EUR 11.5m a year ago). Finland profitability came in 7% below our expectations, and International was 4% below. The company recorded the expected EUR 2.7m negative fair value change to its financing costs due to the Eezy shareholding, while EUR 1.2m will be recorded in 2024. Adjusted EPS was EUR 0.28. Leverage (net debt/operational EBITDA excluding IFRS 16) was 3.0x and decreased due to the completion of the Eezy divestment. The strong profitability performance (EBIT up 25% y/y) was mainly thanks to the Holy Cow! business, for which the integration is progressing well, with KPIs developing above NoHo's expectations. In the CEO's comments, the company noted that the weak outlook for the Finnish economy and consumer purchasing power point to uncertainty, especially during H1, but the restaurant market should continue to move in the right direction. NoHo released new guidance for 2024; NoHo now expects around EUR 430m in sales and around a 9.5% EBIT margin from the restaurant business, implying 15% sales growth and slight pressure on EBIT. Pre-Q4 Vara consensus expected EUR 438m in sales and a 9.7% EBIT margin for 2024.

Q4 EBIT came in slightly below consensus expectations

## Main takeaways from Q4

- Q4 net sales were EUR 107.1m (in line with Vara consensus).
- Q4 EBIT was EUR 10.6m (5% below consensus, at EUR 11.1m).
- Sales from Finnish operations were EUR 78.2m in Q4, with EUR 8.3m in EBIT (10.6% margin). We had expected EUR 77.6m in sales and EUR 8.9m in EBIT (11.5% margin) from Finland. The International business top line was EUR 28.9m, with EUR 2.3m in EBIT (8.0% margin). We had expected EUR 29.1m for the top line and EUR 2.4m in EBIT (8.3% margin) from the International business, driven by Holy Cow!.
- Operational EBITDA (operating cash flow) was EUR 13.5m in Q4 (EUR 11.5m in Q4 2022). We had expected EUR 12.6m.
- The material margin of 75.2% was slightly lower y/y, while personnel expenses were in line with the comparison period, at 32.8%.
- Q4 EPS was EUR 0.15, slightly below LSEG Data & Analytics consensus, at EUR 0.16. NoHo recorded EUR 2.7m in negative fair value changes from its Eezy shareholding (we had expected EUR 2.7m). Excluding fair value changes, Q4 EPS would have been EUR 0.28. Non-controlling interest was EUR 0.9m, while we had anticipated EUR 1.0m.
- DPS was EUR 0.43 below LSEG Data & Analytics consensus, at EUR 0.44, but above our estimate of EUR 0.42.
- Net debt excluding IFRS 16 lease liabilities was EUR 135m in Q4 (EUR 121m in 2022). Net debt/operational EBITDA (excluding IFRS 16) was 3.0x in Q4 (2.9x in 2022) and was affected by the divestment of Eezy.

## Guidance for 2024 introduced – suggests growth of 15%

- NoHo's new guidance for 2024 expects around EUR 430m in sales, with a ~9.5% EBIT margin in the restaurant business. Vara Research consensus has been expecting EUR 438m in sales and a 9.7% EBIT margin for 2024 (we model EUR 443m in sales, with a 10.2% EBIT margin).
- We expect 2024 to be back-end-loaded due to weak consumer purchasing power in H1 and the IIHF ice hockey championship games, which boosted results during the comparison period.

**Q4 DEVIATION TABLE (EURm; EPS IN EUR)**

EURm	Actual Q4 2023	NDA est. Q4 2023E	Deviation vs. actual		Consensus Q4 2023E	Deviation vs. actual		Actual Q3 2023	q/q	Actual Q4 2022	y/y
Sales	107.1	106.7	0.4	0%	106.8	0.3	0%	96.0	12%	88.1	22%
Adj. operational EBITDA	13.5	12.6	0.9	7%				10.6	27%	11.5	17%
EBIT	10.6	11.3	-0.7	-6%	11.1	-0.5	-5%	8.7	22%	8.5	25%
EBIT margin	9.9%	10.6%		-0.7pp	10.4%		-0.5pp	9.1%	0.8pp	9.6%	0.2pp
PTP	4.3	4.2	0.1	4%	5.5	-1.2	-21%	0.40	975%	2.1	105%
EPS	0.15	0.12	0.03	25%	0.16	-0.01	-3%	-0.03	-546%	-0.01	-1131%
DPS	0.43	0.42	0.01	2%	0.44	-0.01	-1%			-	

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

Finland	78.2	77.6	0.6	1%				75.4	4%	71.4	10%
International	28.9	29.1	-0.2	-1%				20.5	41%	16.7	73%

**EBIT by geography**

Finland	8.3	8.9	-0.6	-7%				7.8	6%	8.4	-1%
International	2.3	2.4	-0.1	-4%				0.9	156%	0.1	2200%

**EBIT margin by geography**

Finland	10.6%	11.5%		-0.9pp				10.3%	0.3pp	11.8%	-1pp
International	8.0%	8.3%		-0.3pp				4.4%	3.6pp	0.6%	7pp

Source: Company data, Vara Research, LSEG Data & Analytics and Nordea estimates

**Impressions from the analyst meeting**

We note the following after the analyst meeting:

Weak consumer purchasing power is pressuring H1

NoHo aims to deleverage its balance sheet following the acquisitions

- The company appeared satisfied with its performance in Q4 and expects profitability to remain at solid levels, going forward.
- Finnish operations: The 10.6% adjusted EBIT margin in Q4 was viewed as slightly disappointing, after 11.8% in Q4 2022. The margin was affected by weak October sales, weak demand in night clubs, as well as some ramp-up costs related to the Helsinki Expo and Convention Centre. Weak consumer purchasing power is expected to burden the Finnish operations, in particular, during H1.
- International: All of the three markets (Norway, Denmark and Switzerland) are performing well and at the desired level. Switzerland, in particular, with the Holy Cow! business, is developing above expectations. We believe the 7.4pp margin improvement y/y stems mainly from Holy Cow!.
- Leverage is now at the targeted 3x, while the company expects to deleverage to below 2x by the end of the year. New financing operations (both debt and equity) are being negotiated during the year to support growth efforts.
- In conjunction with the BBS transaction, NoHo agreed on a contingent consideration acquisition price of a maximum EUR 15m concerning Friends & Brgrs. The company has now recognised a EUR 10.6m contingent consideration in equity and in receivables, and no further impact is expected.
- Overall, we were left with the impression that despite the slightly weaker market outlook, NoHo is well equipped to operate in such a market, too. All of the other markets besides Finland are already past the low cycle.
- NoHo will host a Capital Markets Day on 22 May, when it will update its financial targets and strategy through 2026, as well as shed some more light on financing and possible restructuring.

# Estimate revisions

## Estimate revisions

Following the Q4 report and new guidance, we trim net sales by 2% and EBIT by 7% for 2024-26. We now model EUR 432m in net sales with a 9.7% EBIT margin for 2024E, while NoHo guides for approximately EUR 430m and 9.5%, respectively.

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

EURm	New estimates				Old estimates				Difference %			
	Q1 2024E	2024E	2025E	2026E	Q1 2024E	2024E	2025E	2026E	Q1 2024E	2024E	2025E	2026E
<b>Sales</b>	<b>92.1</b>	<b>432</b>	<b>450</b>	<b>468</b>	n.a.	<b>443</b>	<b>461</b>	<b>479</b>	n.a.	<b>-2%</b>	<b>-2%</b>	<b>-2%</b>
Operational EBITDA	13.5	44.8	48.7	51.3	n.a.	51.6	54.2	56.8	n.a.	-13%	-10%	-10%
Adj. EBIT	6.7	41.9	44.2	46.5	n.a.	45.2	47.6	49.9	n.a.	-7%	-7%	-7%
Adj. EBIT margin	7.3%	9.7%	9.8%	9.9%	n.a.	10.2%	10.3%	10.4%	n.a.	-0.5pp	-0.5pp	-0.5pp
<b>EBIT</b>	<b>6.7</b>	<b>41.9</b>	<b>44.2</b>	<b>46.5</b>	n.a.	<b>45.2</b>	<b>47.6</b>	<b>49.9</b>	n.a.	<b>-7%</b>	<b>-7%</b>	<b>-7%</b>
EBIT margin	7.3%	9.7%	9.8%	9.9%	n.a.	10.2%	10.3%	10.4%	n.a.	-0.5pp	-0.5pp	-0.5pp
<b>Adj. EPS</b>	<b>0.05</b>	<b>0.79</b>	<b>0.84</b>	<b>0.91</b>	n.a.	<b>0.83</b>	<b>0.88</b>	<b>0.95</b>	n.a.	<b>-6%</b>	<b>-5%</b>	<b>-4%</b>
EPS	0.05	0.79	0.84	0.91	n.a.	0.83	0.88	0.95	n.a.	-6%	-5%	-4%
<b>DPS</b>		<b>0.47</b>	<b>0.51</b>	<b>0.55</b>	n.a.	<b>0.46</b>	<b>0.50</b>	<b>0.54</b>	n.a.	<b>2%</b>	<b>2%</b>	<b>2%</b>
<b>Sales by geography</b>												
Finland	78.2	306	316	325	n.a.	310	319	329	n.a.	-1%	-1%	-1%
International	28.9	126	134	142	n.a.	133	141	150	n.a.	-5%	-5%	-5%
<b>Group total</b>	<b>92.1</b>	<b>432</b>	<b>450</b>	<b>468</b>	n.a.	<b>443</b>	<b>461</b>	<b>479</b>	n.a.	<b>-2%</b>	<b>-2%</b>	<b>-2%</b>
<b>Adj. EBIT by geography</b>												
Finland	8.3	32.1	33.1	34.2	n.a.	33.5	34.5	35.6	n.a.	-4%	-4%	-4%
International	2.3	9.9	11.1	12.3	n.a.	11.7	13.1	14.3	n.a.	-16%	-15%	-14%
<b>Group total</b>	<b>6.7</b>	<b>41.9</b>	<b>44.2</b>	<b>46.5</b>	n.a.	<b>45.2</b>	<b>47.6</b>	<b>49.9</b>	n.a.	<b>-7%</b>	<b>-7%</b>	<b>-7%</b>
<b>Adj. EBIT margin by geography</b>												
Finland	10.6%	10.5%	10.5%	10.5%	n.a.	10.8%	10.8%	10.8%	n.a.	-0.3pp	-0.3pp	-0.3pp
International	8.0%	7.8%	8.3%	8.7%	n.a.	8.8%	9.3%	9.5%	n.a.	-1.0pp	-1.0pp	-0.9pp
<b>Group total</b>	<b>7.3%</b>	<b>9.7%</b>	<b>9.8%</b>	<b>9.9%</b>	n.a.	<b>10.2%</b>	<b>10.3%</b>	<b>10.4%</b>	n.a.	<b>-0.5pp</b>	<b>-0.5pp</b>	<b>-0.5pp</b>

Source: Nordea estimates

# Valuation

We derive a fair value range of EUR 9.7-12.3 (11.7-14.7) by equally weighting our DCF and SOTP valuations.

## DCF valuation yields EUR 10.5-12.8 per share

The outcome of our DCF valuation is EUR 10.5-12.8 (12.2-14.9). 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

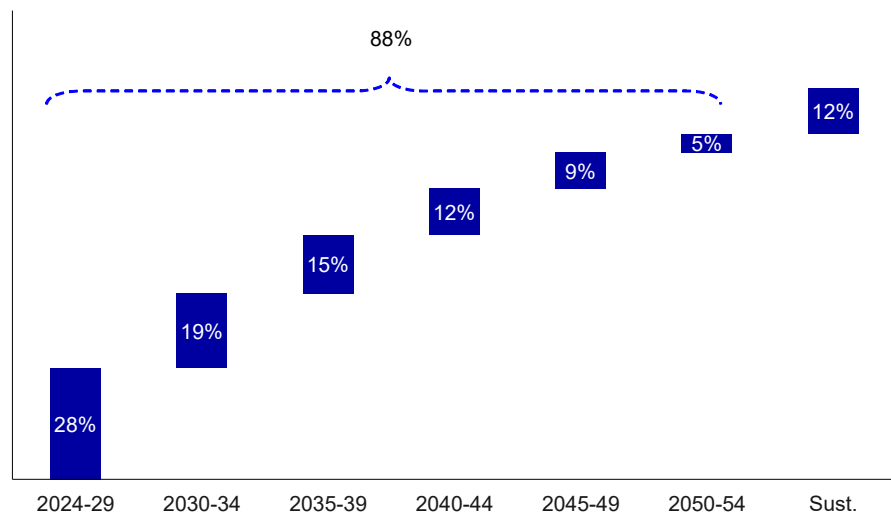
DCF VALUE (EURm AND EUR)		
<b>DCF value</b>	<b>Value</b>	<b>Per share</b>
NPV FCFF	588-637	28-30.3
(Net debt)	-349	-16.6
Market value of associates	8	0.4
(Market value of minorities)	-30	-1.5
Surplus values	0	0.0
(Market value preference shares)	0	0.0
Share based adjustments	0	0.0
Other adjustments	0	0.0
Time value	4	0.2
<b>DCF Value</b>	<b>220-268</b>	<b>10.5-12.8</b>

Source: Nordea estimates

DCF ASSUMPTIONS							
Averages and assumptions	2024-29	2030-34	2035-39	2040-44	2045-49	2050-54	Sust.
Sales growth, CAGR	3.8%	3.0%	3.0%	2.5%	2.5%	2.5%	
EBIT-margin, excluding associates	9.9%	9.5%	9.5%	9.5%	9.5%	9.5%	4.3%
Capex/depreciation, x	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Capex/sales	9.7%	9.7%	9.7%	9.7%	9.7%	9.7%	9.7%
NWC/sales	-9.8%	-9.3%	-8.8%	-8.3%	-7.8%	-7.3%	
FCFF, CAGR	0.6%	3.6%	4.7%	4.3%	4.2%	-12.0%	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)**

		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 to a +/-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 8.9-11.9 per share**

Applying 2024E EV/EBIT multiples of 13.0-14.5x for the restaurant segment, then deducting 2024E net debt (including IFRS 16 debt of EUR 174m) and current minority holdings, we derive a SOTP fair value range of EUR 8.9-11.9 (11.2-14.5) per NoHo share.

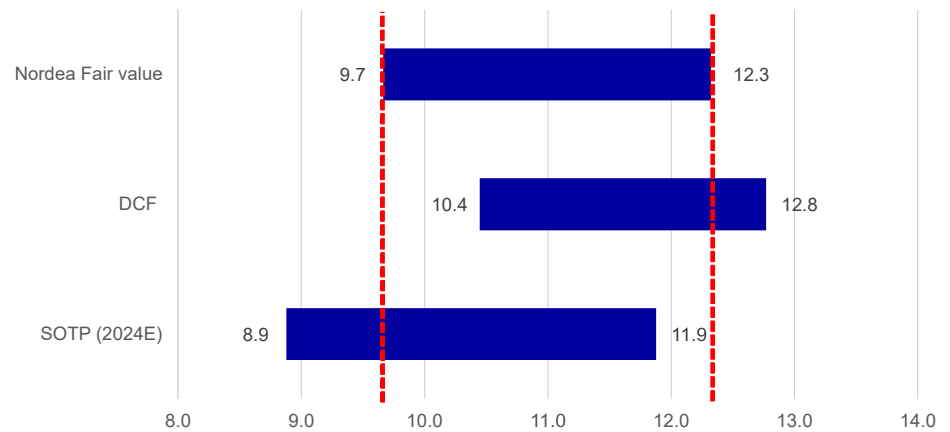
**SOTP VALUATION (EUR; EURm)**

Business	EV/EBIT 13x	Per share, 13x	EV/EBIT 14.5x	Per share, 14.5x	% of EV	EBIT '24E
Restaurant	545	26.0	608	29.0	100-100%	41.9
<b>EV from own operations</b>	<b>545</b>	<b>26.0</b>	<b>608</b>	<b>29.0</b>	<b>100-100%</b>	
Other sellable securitites (Q3 2023)	0.3	0.0	0.3	0.0	0-0%	
<b>Total EV with market prices</b>	<b>545</b>	<b>26.0</b>	<b>608</b>	<b>29.0</b>		
Net debt 2024E	328	15.6	328	15.6		
<b>Equity value</b>	<b>217</b>	<b>10.4</b>	<b>280</b>	<b>13.3</b>		
Minorities	-31	-1.5	-31	-1.5		
Number of shares, million	21.0		21.0			
<b>Equity per share, EUR</b>	<b>8.9</b>		<b>11.9</b>			

Source: Company data and Nordea estimates

**Fair value range of EUR 9.7-12.3**

Our fair value range for NoHo is EUR 9.7-12.3 (11.7-14.7) 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 8.5 as of 15 February 2024) and our fair value range (EUR 9.7-12.3). 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 9.7-12.3 corresponds to 2024E-25E EV/EBIT of 11.9-14.0x and a P/E of 12.3-16.6x. Based on our estimates, the share offers a 5.5-6.4% increasing dividend yield.

**NOHO: DERIVED VALUATION MULTIPLES USING OUR FAIR VALUE RANGE AND THE CURRENT SHARE PRICE (AS OF 15 FEBRUARY)**

	Current share price EUR 8.5			Fair value EUR 9.7			Fair value EUR 12.3		
	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E
EV/EBITDA (adj.)	6.1x	5.8x	5.5x	6.4x	6.1x	5.7x	7.1x	6.7x	6.4x
EVEBIT (adj.)	12.1x	11.3x	10.6x	12.7x	11.9x	11.1x	14.0x	13.1x	12.3x
P/E (adj.)	10.9x	11.5x	9.4x	12.3x	13.0x	10.7x	15.7x	16.6x	13.6x
FCF yield	13.5%	10.1%	11.5%	11.9%	8.9%	10.2%	9.3%	7.0%	8.0%
Dividend yield	5.5%	6.0%	6.4%	4.9%	5.3%	5.7%	3.8%	4.1%	4.5%

Source: Nordea estimates

# Detailed estimates

## ANNUAL GROUP ESTIMATES (EURm)

	2020	2021	2022	2023	2024E	2025E	2026E
<b>Turnover</b>	<b>157</b>	<b>186</b>	<b>313</b>	<b>372</b>	<b>432</b>	<b>450</b>	<b>468</b>
growth %	-43%	19%	68%	19%	16%	4%	4%
Other operating income	17	17	13	8	8	8	8
Materials and services	-58	-64	-106	-122	-139	-145	-151
Staff expenses	-48	-53	-78	-94	-109	-113	-118
Other operating expenses	-41	-41	-63	-80	-109	-113	-117
<b>EBITDA</b>	<b>27.6</b>	<b>45.9</b>	<b>79.5</b>	<b>83.7</b>	<b>82.9</b>	<b>86.4</b>	<b>90.0</b>
EBITDA margin %	17.6%	24.7%	25.4%	22.5%	19.2%	19.2%	19.2%
<b>Operational EBITDA</b>	<b>-5.2</b>	<b>11.3</b>	<b>41.6</b>	<b>44.8</b>	<b>48.7</b>	<b>51.3</b>	<b>53.9</b>
Operational EBITDA margin %	-3.3%	6.1%	13.3%	12.0%	11.3%	11.4%	11.5%
<b>D&amp;A</b>	<b>-52</b>	<b>-47</b>	<b>-48</b>	<b>-48</b>	<b>-41</b>	<b>-42</b>	<b>-43</b>
IFRS 16 depreciation	-31	-30	-33	-33	-24	-25	-26
<b>EBIT adjusted</b>	<b>-30.7</b>	<b>-12.6</b>	<b>24.8</b>	<b>37.4</b>	<b>41.9</b>	<b>44.2</b>	<b>46.5</b>
EBIT adj. margin %	-19.6 %	-6.7 %	7.9 %	10.0 %	9.7 %	9.8 %	9.9 %
<b>NRI</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>0.0</b>
<b>EBIT</b>	<b>-23.9</b>	<b>-0.9</b>	<b>31.7</b>	<b>35.9</b>	<b>41.9</b>	<b>44.2</b>	<b>46.5</b>
EBIT margin %	-15.2 %	-0.5 %	10.1 %	9.6 %	9.7 %	9.8 %	9.9 %
Associate income	0.5	0.3	0.0	0.0	0.0	0.0	0.0
Net financial expenses	-11.0	-11.9	-22.5	-23.1	-16.5	-16.0	-16.0
of which IFRS 16	-5.0	-5.9	-7.5	-8.6	-9.8	-10.0	-10.2
of which NRI	-1.7	0.0	0.0	0.0	0.0	0.0	0.0
<b>Profit before taxes</b>	<b>-34.8</b>	<b>-12.8</b>	<b>9.2</b>	<b>12.8</b>	<b>25.4</b>	<b>28.2</b>	<b>30.4</b>
Reported taxes	5.4	2.4	-4.3	-2.7	-4.6	-5.9	-6.4
<b>Net profit</b>	<b>-29.5</b>	<b>-10.3</b>	<b>4.9</b>	<b>10.1</b>	<b>20.9</b>	<b>22.3</b>	<b>24.0</b>
Minorities	-2.6	0.3	3.4	2.5	4.4	4.7	5.0
<b>Profit to equity holders</b>	<b>-26.8</b>	<b>-10.6</b>	<b>1.5</b>	<b>7.6</b>	<b>16.5</b>	<b>17.6</b>	<b>19.0</b>
Hybrid interest incl tax shield	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EPS, EUR (continued op)</b>	<b>-1.40</b>	<b>-0.55</b>	<b>0.07</b>	<b>0.36</b>	<b>0.79</b>	<b>0.84</b>	<b>0.91</b>

Source: Company data and Nordea estimates

## ANNUAL ESTIMATES BY GEOGRAPHY (EURm)

	2020	2021	2022	2023	2024E	2025E	2026E
<b>Turnover</b>							
Finland	133	158	251	293	306	316	325
International	24	28	62	80	126	134	142
<b>Sales growth, y/y</b>							
Finland	-42%	19%	59%	16%	5%	3%	3%
International	-46%	18%	120%	30%	58%	6%	6%
<b>EBIT</b>							
Finland		1.0	30.7	30.7	32.1	33.1	34.2
International		-1.9	2.3	5.2	9.9	11.1	12.3
<b>EBIT margin</b>							
Finland		0.6%	12.2%	10.5%	10.5%	10.5%	10.5%
International		-6.8%	3.7%	6.5%	7.8%	8.3%	8.7%

Source: Company data and Nordea estimates

**QUARTERLY GROUP ESTIMATES (EURm)**

	Q1/22	Q2/22	Q3/22	Q4/22	Q1/23	Q2/23	Q3/23	Q4/23	Q1/24E	Q2/24E	Q3/24E	Q4/24E
<b>Turnover</b>	<b>49</b>	<b>90</b>	<b>86</b>	<b>88</b>	<b>76</b>	<b>93</b>	<b>96</b>	<b>107</b>	<b>92</b>	<b>110</b>	<b>115</b>	<b>116</b>
growth %	141%	162%	39%	27%	56%	3%	12%	22%	21%	18%	19%	8%
Other operating income	4	6	2	2	2	2	2	2	1	2	3	2
Materials and services	-16	-31	-30	-29	-25	-31	-32	-34	-30	-35	-37	-37
Staff expenses	-15	-21	-20	-22	-20	-23	-23	-28	-24	-27	-27	-30
Other operating expenses	-10	-17	-17	-19	-15	-18	-21	-26	-23	-27	-31	-28
<b>EBITDA</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>20.5</b>	<b>16.8</b>	<b>21.8</b>	<b>22.2</b>	<b>22.0</b>
EBITDA margin %	21.4%	30.7%	23.5%	24.1%	23.7%	24.9%	22.9%	19.1%	18.3%	19.8%	19.4%	19.1%
<b>Operational EBITDA</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>13.5</b>	<b>8.5</b>	<b>13.5</b>	<b>13.3</b>	<b>13.5</b>
Operational EBITDA margin %	2.3%	20.3%	12.4%	13.1%	10.7%	13.5%	11.0%	12.6%	9.2%	12.2%	11.7%	11.6%
<b>D&amp;A</b>	<b>-12</b>	<b>-12</b>	<b>-12</b>	<b>-13</b>	<b>-12</b>	<b>-13</b>	<b>-13</b>	<b>-10</b>	<b>-10</b>	<b>-10</b>	<b>-10</b>	<b>-10</b>
IFRS 16 depreciation	-8	-8	-8	-9	-9	-9	-10	-6	-6	-6	-6	-6
EBIT adjusted	-3.4	11.3	8.4	8.5	5.9	10.7	10.2	10.6	6.7	11.6	11.9	11.6
EBIT adj. margin %	-7.0 %	12.5 %	9.8 %	9.6 %	7.8 %	11.5 %	10.6 %	9.9 %	7.3 %	10.6 %	10.4 %	10.1 %
NRI	2.1	4.8	0.0	0.0	0.0	0.0	-1.5	0.0	0.0	0.0	0.0	0.0
<b>EBIT</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>	<b>6.7</b>	<b>11.6</b>	<b>11.9</b>	<b>11.6</b>
EBIT margin %	-2.7 %	17.8 %	9.8 %	9.6 %	7.8 %	11.5 %	9.1 %	9.9 %	7.3 %	10.6 %	10.4 %	10.1 %
Associate income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net financial expenses	-3.0	-3.4	-9.7	-6.4	-3.0	-5.5	-8.3	-6.3	-5.7	-2.7	-4.5	-3.6
of which IFRS 16	-1.8	-1.9	-1.9	-1.9	-1.9	-1.9	-2.3	-2.5	-2.3	-2.3	-2.8	-2.5
of which NRI	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	0.0	0.0	0.0	0.0	0.0
<b>Profit before taxes</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>4.3</b>	<b>1.0</b>	<b>8.9</b>	<b>7.4</b>	<b>8.1</b>
Reported taxes	0.7	-2.1	-1.4	-1.5	-0.5	-1.2	-0.7	-0.3	0.5	-1.2	-0.7	-3.2
<b>Net profit</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>4.0</b>	<b>1.5</b>	<b>7.7</b>	<b>6.7</b>	<b>4.9</b>
Minorities	-0.1	1.6	1.0	0.9	0.5	0.7	0.4	0.9	0.5	0.7	0.4	2.8
<b>Profit to equity holders</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>3.1</b>	<b>1.0</b>	<b>7.0</b>	<b>6.3</b>	<b>2.1</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>-0.18</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>0.15</b>	<b>0.05</b>	<b>0.34</b>	<b>0.31</b>	<b>0.10</b>

Source: Company data and Nordea estimates

**QUARTERLY ESTIMATES BY GEOGRAPHY (EURm)**

	Q1/22	Q2/22	Q3/22	Q4/22	Q1/23	Q2/23	Q3/23	Q4/23	Q1/24E	Q2/24E	Q3/24E	Q4/24E
<b>Turnover</b>												
Finland	37.2	72.9	69.7	71.4	61.5	77.4	75.4	78.2	66.8	79.6	78.0	81.8
International	11.2	17.3	16.3	16.7	14.4	15.9	20.5	28.9	25.3	30.4	36.6	33.9
<b>Sales growth, y/y</b>												
Finland	86%	144%	34%	27%	65%	6%	8%	10%	9%	3%	3%	5%
International	7998%	275%	63%	26%	29%	-8%	26%	73%	76%	91%	78%	17%
<b>EBIT</b>												
Finland	-2.4	14.6	7.7	8.4	5.1	9.5	7.8	8.3	5.3	9.6	8.6	8.6
International	1.1	1.5	0.7	0.1	0.8	1.2	0.9	2.3	1.4	2.1	3.3	3.1
<b>EBIT margin</b>												
Finland	-6.5%	20.0%	11.0%	11.8%	8.3%	12.3%	10.3%	10.6%	8.0%	12.0%	11.0%	10.5%
International	9.8%	8.7%	4.3%	0.6%	5.6%	7.5%	4.4%	8.0%	5.5%	6.8%	9.1%	9.0%

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 section is not to provide a comprehensive picture of every risk that the company may face, but rather 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 have more money to spend and are more inclined to eat out.

## 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 is also subject to licences and is 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, this 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. We also note that geopolitical tensions could have an adverse impact on tourism.

## Financial position

While NoHo's financial situation has clearly improved during the past year, we still believe it aims to maintain leverage closer to 2x (currently 3.0x net debt/operational EBITDA excluding IFRS 16). The company has EUR 27m of debt maturing during the next 12 months, EUR 6m of which relates to the commercial paper programme. Better Burger Society also has EUR 1.6m of debt maturing in 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	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
<b>Total revenue</b>	<b>130</b>	<b>186</b>	<b>323</b>	<b>273</b>	<b>157</b>	<b>186</b>	<b>313</b>	<b>372</b>	<b>432</b>	<b>450</b>	<b>468</b>
Revenue growth	14.5%	42.9%	73.9%	-15.6%	-42.5%	18.7%	68.1%	19.0%	16.1%	4.0%	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	19	22	28	75	28	46	80	84	83	86	90
Depreciation and impairments PPE	-8	-8	-11	-36	-42	-38	-38	-38	-34	-36	-37
of which leased assets	0	0	0	-22	-31	-30	-33	-33	-24	-25	-26
EBITA	12	15	17	39	-13	9	41	45	49	51	53
Amortisation and impairments	-3	-4	-10	-9	-10	-9	-10	-10	-7	-6	-7
EBIT	9	11	7	31	-24	-1	32	36	42	44	46
of which associates	0	0	0	1	1	0	0	0	0	0	0
Associates excluded from EBIT	0	0	0	0	0	0	0	0	0	0	0
Net financials	-1	-3	-2	-5	-11	-12	-23	-23	-16	-16	-16
of which lease interest	0	0	0	-5	-5	-6	-8	-9	-10	-10	-10
Changes in value, net	0	0	0	0	0	0	0	0	0	0	0
<b>Pre-tax profit</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>25</b>	<b>28</b>	<b>30</b>
Reported taxes	-2	-3	-1	-1	5	2	-4	-3	-5	-6	-6
Net profit from continued operations	6	5	4	24	-29	-10	5	10	21	22	24
Discontinued operations	0	0	0	24	0	0	0	0	0	0	0
Minority interests	0	0	-1	-2	3	0	-3	-3	-4	-5	-5
Net profit to equity	6	5	3	45	-27	-11	2	8	17	18	19
<b>EPS, EUR</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>0.36</b>	<b>0.79</b>	<b>0.84</b>	<b>0.91</b>
DPS, EUR	0.30	0.33	0.34	0.00	0.00	0.00	0.40	0.43	0.47	0.51	0.55
of which ordinary	0.30	0.33	0.34	0.00	0.00	0.00	0.40	0.43	0.47	0.51	0.55
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	14.9%	12.1%	8.8%	27.5%	17.9%	24.8%	25.4%	22.5%	19.2%	19.2%	19.2%
EBITA	9.1%	7.9%	5.2%	14.5%	-8.6%	4.6%	13.2%	12.2%	11.4%	11.2%	11.3%
EBIT	6.9%	5.8%	2.2%	11.2%	-15.2%	-0.5%	10.1%	9.6%	9.7%	9.8%	9.9%

## Adjusted earnings

EBITDA (adj)	20	23	34	76	21	34	73	85	83	86	90
EBITA (adj)	12	15	22	40	-20	-3	34	47	49	51	53
EBIT (adj)	9	11	12	31	-31	-13	25	37	42	44	46
EPS (adj, EUR)	0.37	0.43	0.54	2.27	-1.66	-1.16	-0.27	0.44	0.79	0.84	0.91

## Adjusted profit margins in percent

EBITDA (adj)	15.2%	12.2%	10.4%	27.7%	13.6%	18.5%	23.2%	22.9%	19.2%	19.2%	19.2%
EBITA (adj)	9.3%	8.0%	6.9%	14.7%	-12.9%	-1.7%	11.0%	12.6%	11.4%	11.2%	11.3%
EBIT (adj)	7.2%	6.0%	3.9%	11.4%	-19.6%	-6.7%	7.9%	10.0%	9.7%	9.8%	9.9%

## Performance metrics

CAGR last 5 years											
Net revenue	n.a.	25.1%	37.8%	25.8%	6.7%	7.4%	11.0%	2.9%	9.6%	23.5%	20.2%
EBITDA	n.m.	17.7%	25.4%	44.3%	11.2%	18.9%	28.8%	24.1%	2.0%	25.2%	14.3%
EBIT	n.a.	13.5%	12.2%	42.1%	n.m.	n.m.	24.1%	37.9%	6.5%	n.m.	n.m.
EPS	n.a.	n.a.	-4.1%	61.4%	n.m.	n.m.	-24.4%	13.3%	-19.7%	n.m.	n.m.
DPS	n.m.	18.7%	30.5%	n.m.	n.m.	n.m.	3.9%	4.8%	n.m.	n.m.	n.m.
Average last 5 years											
Average EBIT margin	6.9%	6.3%	4.7%	6.3%	3.1%	2.1%	3.6%	5.6%	5.8%	8.7%	9.8%
Average EBITDA margin	14.7%	13.7%	11.8%	15.8%	16.2%	17.8%	20.6%	24.0%	21.9%	21.6%	20.8%

## VALUATION RATIOS - ADJUSTED EARNINGS

EURm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
P/E (adj)	16.4	20.1	16.0	4.5	n.m.	n.m.	n.m.	20.3	10.4	9.8	9.0
EV/EBITDA (adj)	6.6	8.3	9.2	6.2	22.4	13.7	6.0	6.6	6.4	6.1	5.8
EV/EBITA (adj)	10.8	12.6	14.0	11.8	n.m.	n.m.	12.7	12.0	10.8	10.4	9.8
EV/EBIT (adj)	14.1	17.0	24.9	15.6	n.m.	n.m.	17.6	15.1	12.7	11.9	11.2

## VALUATION RATIOS - REPORTED EARNINGS

EURm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
P/E	17.4	28.2	44.4	4.4	n.m.	n.m.	89.5	24.3	10.4	9.8	9.0
EV/Sales	1.01	1.01	0.96	1.73	3.05	2.54	1.40	1.51	1.23	1.17	1.12
EV/EBITDA	6.8	8.4	10.9	6.3	17.3	10.3	5.5	6.7	6.4	6.1	5.8
EV/EBITA	11.1	12.8	18.4	12.2	n.m.	57.4	10.6	12.4	10.8	10.4	9.8
EV/EBIT	14.6	17.5	43.2	15.8	n.m.	n.m.	13.8	15.7	12.7	11.9	11.2
Dividend yield (ord.)	5.0%	3.9%	3.9%	0.0%	0.0%	0.0%	6.0%	4.9%	5.7%	6.2%	6.7%
FCF yield	3.6%	-3.6%	-35.7%	12.2%	1.7%	24.6%	40.2%	38.9%	28.2%	25.1%	27.0%
FCF Yield bef A&D, lease adj	6.3%	4.7%	5.2%	9.9%	-18.3%	3.8%	23.2%	27.1%	14.0%	10.5%	12.0%
Payout ratio	81.9%	77.6%	62.7%	0.0%	0.0%	0.0%	n.m.	98.7%	59.7%	60.8%	60.7%

Source: Company data and Nordea estimates

**BALANCE SHEET**

EURm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
Intangible assets	47	66	204	177	180	178	179	228	224	222	219
of which R&D	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0	0
of which other intangibles	10	14	57	48	45	40	38	46	43	41	38
of which goodwill	38	53	147	129	135	137	141	181	181	181	181
Tangible assets	29	32	46	186	166	176	177	241	244	247	251
of which leased assets	0	0	0	128	118	129	126	178	179	181	182
Shares associates	1	3	0	39	39	0	0	0	0	0	0
Interest bearing assets	0	0	0	0	0	1	0	0	0	0	0
Deferred tax assets	0	1	0	1	9	10	13	14	14	14	14
Other non-IB non-current assets	1	1	4	3	3	3	2	2	2	2	2
Other non-current assets	1	1	0	0	0	0	0	0	0	0	0
Total non-current assets	79	104	255	406	397	368	371	485	485	486	486
Inventory	2	3	5	6	4	5	6	8	8	8	8
Accounts receivable	14	24	40	24	14	17	23	40	35	36	37
Short-term leased assets	0	0	0	31	30	33	33	24	25	26	27
Other current assets	0	0	0	0	0	0	0	0	0	0	0
Cash and bank	2	3	5	4	3	6	5	11	19	17	17
Total current assets	18	29	50	64	51	61	66	84	87	87	90
Assets held for sale	n.a.	n.a.	n.a.	n.a.	n.a.	30	16	8	0	n.a.	n.a.
<b>Total assets</b>	<b>98</b>	<b>133</b>	<b>305</b>	<b>471</b>	<b>448</b>	<b>459</b>	<b>453</b>	<b>577</b>	<b>572</b>	<b>573</b>	<b>576</b>
Shareholders equity	43	45	67	129	76	64	75	78	86	93	102
Of which preferred stocks	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0	0
Of which equity part of hybrid debt	n.a.	n.a.	n.a.	25	0	0	0	0	0	0	0
Minority interest	1	2	9	8	5	5	7	29	31	33	36
Total Equity	44	47	76	137	81	69	82	107	116	127	137
Deferred tax	1	2	10	6	8	5	9	11	11	11	11
Long term interest bearing debt	24	35	90	73	94	113	98	104	89	79	69
Pension provisions	n.a.	n.a.	n.a.	n.a.	0	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	4	6	8	4	4	6	14	11	8	5
Non-current lease debt	0	0	0	134	126	140	138	175	191	192	193
Convertible debt	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0	0
Shareholder debt	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0	0
Hybrid debt	n.a.	n.a.	n.a.	0	0	0	0	0	0	0	0
Total non-current liabilities	26	40	107	221	232	262	251	305	302	290	278
Short-term provisions	0	0	1	0	0	0	0	0	0	0	0
Accounts payable	19	34	68	48	35	52	58	81	82	84	87
Current lease debt	0	0	0	27	27	29	31	39	25	26	27
Other current liabilities	n.a.	n.a.	n.a.	n.a.	0	0	2	3	4	4	4
Short term interest bearing debt	8	12	53	38	74	46	29	43	43	43	43
Total current liabilities	28	46	122	113	135	128	120	165	153	156	161
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>98</b>	<b>133</b>	<b>305</b>	<b>471</b>	<b>448</b>	<b>459</b>	<b>453</b>	<b>577</b>	<b>572</b>	<b>573</b>	<b>576</b>
<b>Balance sheet and debt metrics</b>											
Net debt	31	44	138	268	318	322	290	349	328	322	314
of which lease debt	0	0	0	161	153	169	169	214	216	218	220
Working capital	-3	-7	-23	-18	-17	-30	-32	-37	-43	-44	-46
Invested capital	76	96	231	388	380	337	339	449	442	442	441
Capital employed	77	93	219	409	402	398	378	467	464	466	469
ROE	13.5%	11.5%	6.2%	45.6%	-26.1%	-15.1%	2.2%	9.9%	20.2%	19.7%	19.5%
ROIC	9.8%	10.2%	6.0%	7.9%	-6.3%	-2.8%	5.8%	7.5%	7.4%	7.9%	8.3%
ROCE	12.7%	13.2%	9.3%	10.6%	-7.5%	-2.8%	6.9%	9.7%	9.8%	10.3%	10.7%
Net debt/EBITDA	1.6	2.0	4.9	3.6	11.3	7.0	3.7	4.2	4.0	3.7	3.5
Interest coverage	8.1	3.8	2.6	13.4	-3.7	0.1	2.0	2.2	4.4	4.9	5.3
Equity ratio	44.3%	33.8%	22.0%	27.5%	17.0%	14.0%	16.5%	13.5%	15.0%	16.3%	17.6%
Net gearing	69.8%	93.3%	182.0%	195.3%	392.2%	463.5%	354.1%	326.9%	281.8%	254.4%	228.6%

Source: Company data and Nordea estimates

**CASH FLOW STATEMENT**

EURm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
<b>EBITDA (adj) for associates</b>	<b>19</b>	<b>22</b>	<b>28</b>	<b>74</b>	<b>28</b>	<b>46</b>	<b>80</b>	<b>84</b>	<b>83</b>	<b>86</b>	<b>90</b>
Paid taxes	-3	-3	-4	-3	-3	-1	-2	-1	-5	-6	-6
Net financials	-1	-3	-2	-7	-11	-12	-23	-24	-16	-16	-16
Change in provisions	0	0	1	-1	0	0	0	0	0	0	0
Change in other LT non-IB	0	3	1	2	-12	-1	1	7	-3	-3	-3
Cash flow to/from associates	0	0	0	0	1	1	1	0	0	0	0
Dividends paid to minorities	n.a.	n.a.	n.a.	0	0	0	0	-1	-2	-2	-3
Other adj to reconcile to cash flow	-1	-1	-4	0	14	0	10	12	0	0	0
<b>Funds from operations (FFO)</b>	<b>15</b>	<b>18</b>	<b>21</b>	<b>62</b>	<b>16</b>	<b>33</b>	<b>66</b>	<b>76</b>	<b>57</b>	<b>59</b>	<b>62</b>
Change in NWC	-2	0	-2	-5	-8	12	4	7	7	0	2
<b>Cash flow from operations (CFO)</b>	<b>14</b>	<b>18</b>	<b>19</b>	<b>57</b>	<b>8</b>	<b>45</b>	<b>71</b>	<b>84</b>	<b>64</b>	<b>60</b>	<b>64</b>
Capital expenditure	-7	-11	-10	-16	-6	-9	-5	0	-15	-16	-17
<b>Free cash flow before A&amp;D</b>	<b>6</b>	<b>7</b>	<b>9</b>	<b>41</b>	<b>2</b>	<b>36</b>	<b>66</b>	<b>83</b>	<b>49</b>	<b>43</b>	<b>47</b>
Proceeds from sale of assets	0	0	0	2	0	0	0	2	0	0	0
Acquisitions	-3	-12	-67	-19	0	0	-10	-13	0	0	0
Free cash flow	4	-5	-58	24	3	36	56	72	49	43	47
Free cash flow bef A&D, lease adj	6	7	9	19	-28	6	32	50	24	18	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.	0	0	0	0	0	0	0	0
Net change in debt	1	6	75	-13	55	-10	-23	-21	-15	-10	-10
Other financing adjustments	0	0	0	-28	-25	-27	-32	-30	-17	-25	-26
Other non-cash adjustments	0	5	7	0	-7	4	-2	-61	0	0	0
Change in cash	0	1	2	-1	0	3	-1	6	8	-2	0
<b>Cash flow metrics</b>											
Capex/D&A	69.2%	95.8%	48.1%	36.3%	11.7%	19.6%	10.9%	0.6%	36.6%	38.8%	39.7%
Capex/Sales	5.5%	6.0%	3.2%	5.9%	3.9%	5.0%	1.7%	0.1%	3.5%	3.6%	3.7%
<b>Key information</b>											
Share price year end (/current)	6	9	9	10	8	8	7	9	8	8	8
Market cap.	100	142	164	196	155	146	140	185	172	172	172
Enterprise value	131	188	310	471	477	473	437	563	531	527	522
Diluted no. of shares, year-end (m)	16.6	16.6	18.9	19.0	19.2	19.2	20.8	21.0	21.0	21.0	21.0

Source: Company data and Nordea estimates

# Disclaimer and legal disclosures

## Origin of the report

This publication or report originates from: Nordea Bank Abp, including its branches Nordea Danmark, Filial af Nordea Bank Abp, Finland, Nordea Bank Abp, filial i Norge and Nordea Bank Abp, filial i Sverige (together "Nordea") acting through their units Nordea Markets and Equity Sales & Research.

Nordea Bank Abp is supervised by the European Central Bank and the Finnish Financial Supervisory Authority and the branches are supervised by the European Central Bank and the Finnish Financial Supervisory Authority and the Financial Supervisory Authorities in their respective countries.

## Content of report

This report has been prepared solely by Nordea Markets or Equity Sales & Research.

Opinions or suggestions from Nordea Markets credit and equity research may deviate from one another or from opinions presented by other departments in Nordea. This may typically be the result of differing time horizons, methodologies, contexts or other factors.

The information provided herein is not intended to constitute and does not constitute investment advice nor is the information intended as an offer or solicitation for the purchase or sale of any financial instrument. The information contained herein has no regard to the specific investment objectives, the financial situation or particular needs of any particular recipient. Relevant and specific professional advice should always be obtained before making any investment or credit decision.

Opinions or ratings are based on one or more methods of valuation, for instance cash flow analysis, use of multiples, behavioural technical analyses of underlying market movements in combination with considerations of the market situation and the time horizon. Key assumptions of forecasts or ratings in research cited or reproduced appear in the research material from the named sources. The date of publication appears from the research material cited or reproduced. Opinions and estimates may be updated in subsequent versions of the report, provided that the relevant company/issuer is treated anew in such later versions of the report.

## Validity of the report

All opinions and estimates in this report are, regardless of source, given in good faith, and may only be valid as of the stated date of this report and are subject to change without notice.

## No individual investment or tax advice

The report is intended only to provide general and preliminary information to investors and shall not be construed as the basis for any investment decision. This report has been prepared by Nordea Markets or Equity Sales & Research as general information for private use of investors to whom the report has been distributed, but it is not intended as a personal recommendation of particular financial instruments or strategies and thus it does not provide individually tailored investment advice, and does not take into account the individual investor's particular financial situation, existing holdings or liabilities, investment knowledge and experience, investment objective and horizon or risk profile and preferences. The investor must particularly ensure the suitability of an investment as regards his/her financial and fiscal situation and investment objectives. The investor bears the risk of losses in connection with an investment.

Before acting on any information in this report, it is recommendable to consult (without being limited to) one's financial, legal, tax, accounting, or regulatory advisor in any relevant jurisdiction.

The information contained in this report does not constitute advice on the tax consequences of making any particular investment decision. Each investor shall make his/her own appraisal of the tax and other financial merits of his/her investment.

## Sources

This report may be based on or contain information, such as opinions, estimates and valuations which emanate from: Nordea Markets' or Equity Sales & Research analysts or representatives, publicly available information, information from other units of Nordea, or other named sources.

To the extent this publication or report is based on or contain information emanating from other sources ("Other Sources") than Nordea Markets or Equity Sales & Research ("External Information"), Nordea Markets or Equity Sales & Research has deemed the Other Sources to be reliable but neither Nordea, others associated or affiliated with Nordea nor any other person, do guarantee the accuracy, adequacy or completeness of the External Information.

## Limitation of liability

Nordea or other associated and affiliated companies assume no liability as regards to any investment, divestment or retention decision taken by the investor on the basis of this report. In no event will Nordea or other associated and affiliated companies be liable for direct, indirect or incidental, special or consequential damages (regardless of whether being considered as foreseeable or not) resulting from the information in this report.

## Risk information

The risk of investing in certain financial instruments, including those mentioned in this report, is generally high, as their market value is exposed to a lot of different factors such as the operational and financial conditions of the relevant company, growth prospects, change in interest rates, the economic and political environment, foreign exchange rates, shifts in market sentiments etc. Where an investment or security is denominated in a different currency to the investor's currency of reference, changes in rates of exchange may have an adverse effect on the value, price or income of or from that investment to the investor. Past performance is not a guide to future performance. Estimates of future performance are based on assumptions that may not be realized. When investing in individual shares, the investor may lose all or part of the investments.

## Conflicts of interest

Readers of this document should note that Nordea Markets or Equity Sales & Research has received remuneration from the company mentioned in this document for the production of the report. The remuneration is not dependent on the content of the report. Nordea, affiliates or staff in Nordea, may perform services for, solicit business from, hold long or short positions in, or otherwise be interested in the investments (including derivatives) of any company mentioned in the report.

To limit possible conflicts of interest and counter the abuse of inside knowledge, the analysts of Nordea Markets and Equity Sales & Research are subject to internal rules on sound ethical conduct, the management of inside information, handling of unpublished research material, contact with other units of Nordea and personal account dealing. The internal rules have been prepared in accordance with applicable legislation and relevant industry standards. The object of the internal rules is for example to ensure that no analyst will abuse or cause others to abuse confidential information. It is the policy of Nordea that no link exists between revenues from capital markets activities and individual analyst remuneration. Nordea and the branches are members of national stockbrokers' associations in each of the countries in which Nordea has head offices. Internal rules have been developed in accordance with recommendations issued by the stockbrokers associations. This material has been prepared following the Nordea Conflict of Interest Policy, which may be viewed at [www.nordea.com/mifid](http://www.nordea.com/mifid).

Please find a list of all recommendations disseminated by Nordea Equities during the preceding 12-month period here: <https://research.nordea.com/compliance>

## Distribution restrictions

The securities referred to in this report may not be eligible for sale in some jurisdictions. This report is not intended for, and must not be distributed to private customers in the UK or the US or to customers in any other jurisdiction where restrictions may apply.

This research report has not been prepared for distribution outside the EU, the UK or the US. The content of this research report is not a product disclosure statement or other regulated document for the purposes of the Australian Corporations Act 2001 (CTH). The distribution of this research report in Australia has not been authorised by any regulatory authority in Australia, and Nordea bank Abp is not licensed by the Australian Securities and Investment Commission to provide financial services in Australia.

This publication or report may be distributed in the UK to institutional investors by Nordea Bank Abp London Branch of 6th Floor, 5 Aldermanbury Square, London, EC2V 7AZ, which is under supervision of the European Central Bank, Finanssivalvonta (Financial Supervisory Authority) in Finland and subject to limited regulation by the Financial Conduct Authority and Prudential Regulation Authority in the United Kingdom. Details about the extent of our regulation by the Financial Conduct Authority and Prudential Regulation Authority are available upon request.

Nordea Bank Abp ("Nordea") research is not "globally branded" research. Nordea research reports are intended for distribution in the United States solely to "major U.S. institutional investors," as defined in Rule 15a-6 under the Securities Exchange Act of 1934. Any transactions in securities discussed within the research reports will be chaperoned by Nordea Securities LLC ("Nordea Securities"), an affiliate of Nordea and a SEC registered broker dealer and member of FINRA. Nordea Securities does not employ research analysts and has no contractual relationship with Nordea that is reasonably likely to inform the content of Nordea research reports. Nordea makes all research content determinations without any input from Nordea Securities.

The research analyst(s) named on this report are not registered/qualified as research analysts with FINRA. Such research analyst(s) are also not registered with Nordea Securities and therefore may not be subject to FINRA Rule 2241 or FINRA Rule 2242 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account.

This report may not be mechanically duplicated, photocopied or otherwise reproduced, in full or in part, under applicable copyright laws.

**Analyst Shareholding**

Nordea analysts do not hold shares in the companies that they cover. No holdings or other affiliations by analysts or associates.

**Fair value and sensitivity**

We calculate our fair values by weighting DCF, DDM, SOTP, asset-based and other standard valuation methods. Our fair values are sensitive to changes in valuation assumptions, of which growth, margins, tax rates, working capital ratios, investment-to-sales ratios and cost of capital are typically the most sensitive. It should be noted that our fair values would change by a disproportionate factor if changes are made to any or all valuation assumptions, owing to the non-linear nature of the standard valuation models applied (mentioned above). As a consequence of the standard valuation models we apply, changes of 1-2 percentage points in any single valuation assumption can change the derived fair value by as much as 30% or more. All research is produced on an ad hoc basis and will be updated when the circumstances require it.

**Marketing Material**

This research report should be considered marketing material, as it has been commissioned and paid for by the subject company, and has not been prepared in accordance with the regulations designed to promote the independence of investment research and it is not subject to any legal prohibition on dealing ahead of the dissemination of the report. However, Nordea Markets analysts are according to internal policies not allowed to hold shares in the companies/sectors that they cover.

**Market-making obligations and other significant financial interest**

Nordea has no market-making obligations in NoHo Partners shares.

As of 15/02/2024, Nordea Abp holds no positions of 0.5% or more of shares issued by NoHo Partners.

As of the publication of this report, the issuer does not hold a position exceeding 5% of the total shares issued in Nordea Abp.

**Investment banking transactions and/or services**

In view of Nordea's position in its markets, readers should assume that the bank may currently or may in the coming three months and beyond be providing or seeking to provide confidential investment banking and/or ancillary services to the company/ companies.

**Issuer Review**

*This report has not been reviewed by the Issuer prior to publication.*

**Completion Date**

16 Feb 2024, 00:19 CET

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: Grønjordsvej 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			