

NoHo Partners

Consumer Goods
Finland

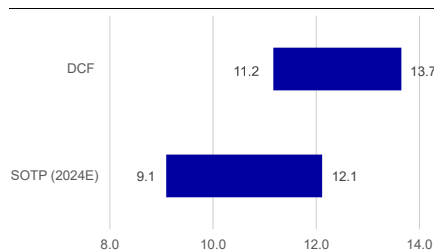
KEY DATA

Stock country	Finland
Bloomberg	NOHO FH
Reuters	NOHOP.HE
Share price (close)	EUR 8.24
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	1%	1%	1%
EBIT (adj)	1%	1%	1%

Source: Nordea estimates

Nordea IB & Equity - Analysts

Sanna Perälä
Analyst

Solid results in still-shaky markets

NoHo Partners' Q1 2024 results were largely in line with Vara Research consensus expectations. Net sales were up by 23% y/y and EBIT rose by 17%, mainly driven by the international operations and the acquisition of Holy Cow!, while in Finland the market was more muted. H1 is still characterised by an uncertain market development, but we believe H2 sales growth should be supported by improving consumer purchasing power, especially in the domestic market. NoHo will introduce new targets up until 2027 at its CMD on 22 May, and we believe it will focus on international growth. We argue that Q1 offered a solid start to the year and derive a higher fair value range of EUR 10.1-12.9 (9.7-12.4) per share.

Q1 largely as expected, driven by International business

NoHo Partners reported Q1 2024 EBIT of EUR 6.9m and net sales of EUR 93.5m, roughly in line with Vara Research consensus. With the uncertain market, the EBIT margin was 7.4%, versus 7.8% in the comparison period. Weak consumer purchasing power dampened Finland's profitability (the EBIT margin was down 1.4pp y/y to 6.8%), while performance for the International business improved clearly, driven by the Holy Cow! business in Switzerland. Q1 EPS of EUR -0.03 was burdened by a EUR 1.2m negative fair value change from the Eezy shareholding; excluding this impact, EPS would have been EUR 0.03. Net debt/operational EBITDA stood at 2.8x, below the targeted level of 3.0x, and we think NoHo expects to be below 2.9x by the end of 2024. In addition, we believe NoHo will resume its M&A agenda later this year, while keeping leverage a focus point.

Q1 was a solid start to the year

As the results were largely as expected, we nudge up our top-line and EBIT estimates by 1%. We now model net sales of EUR 435m and an adjusted EBIT margin of 9.7%, against the company's rather conservative guidance of around EUR 430m and 9.5%, respectively. We regard Q1 as marking a solid start to the year, which will be back-end loaded with a possible consumer purchasing power improvement supporting sales in H2. In addition, we expect headwinds from raw material prices to gradually ease.

We turn our focus towards new financial targets

NoHo will host a CMD on 22 May, at which time we expect it to update its strategy and financial targets up until 2027. Based on our estimate changes and higher DCF value, we derive a higher fair value range of EUR 10.1-12.9 (9.7-12.4), 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	435	452	470
EBITDA (adj)	21	34	73	85	101	105	109
EBIT (adj)	-31	-13	25	37	42	45	47
EBIT (adj) margin	-19.6%	-6.7%	7.9%	10.0%	9.7%	9.9%	10.0%
EPS (adj, EUR)	-1.66	-1.16	-0.27	0.44	0.77	0.86	0.93
EPS (adj) growth	-173.3%	30.1%	76.8%	261.4%	76.6%	11.5%	8.1%
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	12.5	11.7	10.9
P/E (adj)	n.m.	n.m.	n.m.	20.3	10.7	9.6	8.9
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	-15.1%	2.4%	21.8%	2.9%	13.1%	11.1%	12.7%
Net debt	318	322	290	349	328	319	308
Net debt/EBITDA	11.3	7.0	3.7	4.2	3.2	3.0	2.8
ROIC after tax	-6.3%	-2.8%	5.8%	7.7%	7.8%	8.4%	8.9%

Source: Company data and Nordea estimates

Q1 results and deviation

NoHo Partners reported Q1 2024 EBIT of EUR 6.9m, 2% above Vara Research consensus and our estimate. Net sales were up 23% y/y, at EUR 93.5m, fairly in line with consensus and our estimate. Finland profitability was 16% below our forecast for Q1, while International was clearly above. The strong profitability development (EBIT: +17% y/y) was mainly thanks to the Holy Cow! business and stable profitability in Norway and Denmark. In the CEO comments, the company notes that the market is expected to continue to fluctuate in Q2, while a possible interest rate cut should boost demand in H2. We believe this is especially true for Finland. Guidance for 2024 was reiterated: NoHo expects about EUR 430m in sales and around a 9.5% EBIT margin from the restaurant business, implying 15% y/y sales growth and slight pressure on EBIT. Pre-Q1 Vara consensus was for EUR 433m in sales and an 9.5% EBIT margin for 2024.

Q1 EBIT came in slightly below consensus expectations

Main takeaways from Q1

- Q1 net sales were EUR 93.5m (in line with Vara consensus). EBIT was EUR 6.9m (2% above consensus of EUR 6.8m).
- Sales from Finnish operations were EUR 65.7m in Q1, with EBIT of EUR 4.5m (6.8% margin). We had expected EUR 66.8m and EUR 5.3m (8.0% margin), respectively.
- International reported sales of EUR 27.8m and EBIT of EUR 2.3m (8.3% margin). We had expected EUR 25.3m and EUR 1.4m (5.5% margin), respectively, driven by Holy Cow!.
- Operational EBITDA (operating cash flow) was EUR 9.1m in Q1 (EUR 8.1m in Q1 2023). We had expected EUR 8.5m.
- The material margin of 74.3% was slightly lower y/y, while personnel expenses were fairly in line with the comparison period, at 33.0%.
- Q1 EPS was EUR -0.03, below LSEG Data & Analytics consensus of EUR 0.03. NoHo recorded EUR 1.2m in negative fair value changes from its Eezy shareholding (we had expected EUR -1.2m). Excluding fair value changes, EPS for Q1 would have been EUR 0.03. The non-controlling interest was EUR 0.5m, while we had anticipated EUR 0.5m.
- Net debt excluding IFRS 16 lease liabilities was EUR 126m in Q1 (EUR 135m at the end of 2023). Net debt/operational EBITDA (excluding IFRS 16) was 2.8x in Q1 (3.0x at the end of 2023) and was affected by the divestment of Eezy.

Guidance for 2024 reiterated – suggests growth of 15%

- NoHo's reiterated its guidance for 2024. The company expects around EUR 430m in sales, with a ~9.5% EBIT margin in the restaurant business. Vara consensus forecasts EUR 433m in sales and a 9.5% EBIT margin for 2024, while we model EUR 432m in sales with a 9.7% 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 boosting the comparison period in Q2.

Q1 DEVIATION TABLE (EURm; EPS IN EUR)

EURm	Actual Q1 2024	NDA est. Q1 2024E	Deviation vs. actual		Consensus Q1 2024E	Deviation vs. actual		Actual Q4 2023	q/q	Actual Q1 2023	y/y
Sales	93.5	92.1	1.4	1%	92.7	0.8	1%	107.1	-13%	75.9	23%
Adj. operational EBITDA	9.1	8.5	0.6	8%				13.5	-33%	8.1	12%
EBIT	6.9	6.7	0.2	2%	6.8	0.1	2%	10.6	-35%	5.9	17%
EBIT margin	7.4%	7.3%		0.1pp	7.3%		0.1pp	9.9%	-2.5pp	7.8%	-0.4pp
PTP	0.3	1.0	-0.7	-71%	1.0	-0.7	-70%	4.30	-93%	2.9	-90%
EPS	-0.03	0.05	-0.08	-160%	0.03	-0.06	-200%	0.15	-120%	0.09	-132%

Geographical estimates**Sales by geography**

Finland	65.7	66.8	-1.1	-2%				78.2	-16%	61.5	7%
International	27.8	25.3	2.5	10%				28.9	-4%	14.4	93%

EBIT by geography

Finland	4.5	5.3	-0.8	-16%				8.3	-46%	5.1	-12%
International	2.3	1.4	0.9	65%				2.3	0%	0.8	188%

EBIT margin by geography

Finland	6.8%	8.0%		-1.2pp				10.6%	-3.8pp	8.3%	-1.4pp
International	8.3%	5.5%		2.8pp				8.0%	0.3pp	5.6%	2.7pp

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

Estimate revisions

Estimate revisions

Following the Q1 report, we lift our net sales and EBIT estimates for 2024-26 only slightly. We now model EUR 435m in net sales with a 9.7% EBIT margin for 2024, while NoHo guides for approximately EUR 430m in sales and a 9.5% EBIT margin.

ESTIMATE REVISIONS (EPS AND DPS IN EUR)

EURm	New estimates				Old estimates				Difference %			
	Q2 2024E	2024E	2025E	2026E	Q2 2024E	2024E	2025E	2026E	Q2 2024E	2024E	2025E	2026E
Sales	112.4	435	452	470	110.1	432	449	467	2%	1%	1%	1%
Operational EBITDA	13.8	44.8	50.1	52.1	13.5	44.8	48.7	51.3	3%	0%	3%	2%
Adj. EBIT	11.9	42.3	44.6	46.8	11.6	41.9	44.2	46.4	2%	1%	1%	1%
Adj. EBIT margin	10.6%	9.7%	9.9%	10.0%	10.6%	9.7%	9.8%	9.9%	0.0pp	0.0pp	0.0pp	0.0pp
EBIT	11.9	42.3	44.6	46.8	11.6	41.9	44.2	46.4	2%	1%	1%	1%
EBIT margin	10.6%	9.7%	9.9%	10.0%	10.6%	9.7%	9.8%	9.9%	0.0pp	0.0pp	0.0pp	0.0pp
Adj. EPS	0.35	0.77	0.86	0.93	0.33	0.75	0.83	0.89	6%	3%	4%	4%
EPS	0.35	0.77	0.86	0.93	0.33	0.75	0.83	0.89	6%	3%	4%	4%
DPS		0.47	0.51	0.55		0.47	0.51	0.55		0%	0%	0%
Sales by geography												
Finland	65.6	303	312	322	66.8	306	316	325	-2%	-1%	-1%	-1%
International	27.8	132	140	148	25.3	126	134	142	10%	5%	5%	4%
Group total	112.4	435	452	470	110.1	432	449	467	2%	1%	1%	1%
Adj. EBIT by geography												
Finland	4.5	30.7	32.8	33.8	5.3	32.1	33.1	34.2	-15%	-4%	-1%	-1%
International	2.3	11.5	11.8	13.0	1.4	9.8	11.0	12.3	68%	17%	7%	6%
Group total	11.9	42.3	44.6	46.8	11.6	41.9	44.2	46.4	2%	1%	1%	1%
Adj. EBIT margin by geography												
Finland	6.9%	10.1%	10.5%	10.5%	8.0%	10.5%	10.5%	10.5%	-1.1pp	-0.3pp	0.0pp	0.0pp
International	8.4%	8.8%	8.4%	8.8%	5.5%	7.8%	8.3%	8.7%	2.9pp	1.0pp	0.2pp	0.1pp
Group total	10.6%	9.7%	9.9%	10.0%	10.6%	9.7%	9.8%	9.9%	0.0pp	0.0pp	0.0pp	0.0pp

Source: Nordea estimates

Valuation

We derive a higher fair value range of EUR 10.1-12.9 (9.7-12.4) by equally weighting our DCF and SOTP valuations.

DCF valuation yields EUR 11.2-13.7 per share

The outcome of our DCF valuation is EUR 11.2-13.7 (10.6-13.0). 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

WACC components	
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%
WACC	7.5-7.9%

Source: Nordea estimates

DCF VALUE (EURm AND EUR)

DCF value	Value	Per share
NPV FCFF	592-643	28.9-31.3
(Net debt)	-349	-17.0
Market value of associates	7	0.3
(Market value of minorities)	-31	-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	10	0.5
DCF Value	229-280	11.2-13.7

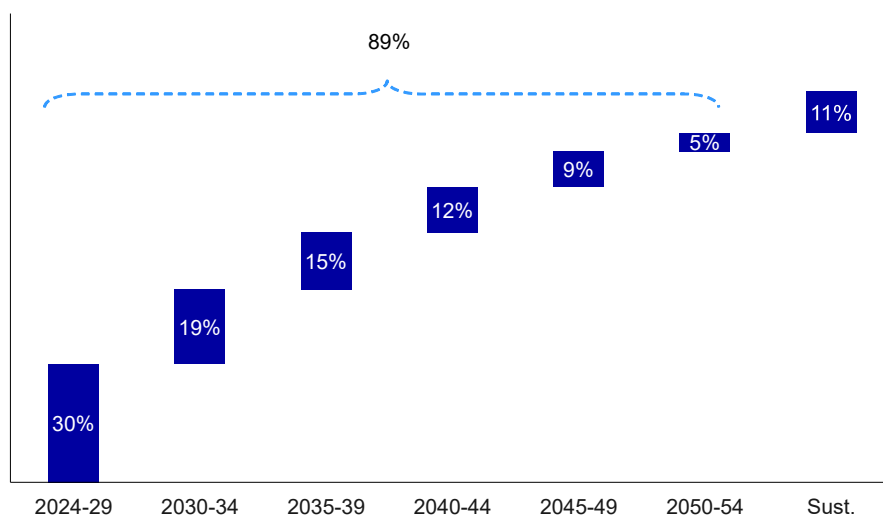
Source: Nordea estimates

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%	4.0%	
Capex/depreciation, x	1.0	1.0	1.0	1.0	1.0	1.0	
Capex/sales	13.2%	13.2%	13.2%	13.2%	13.2%	13.2%	
NWC/sales	-9.8%	-9.3%	-8.8%	-8.3%	-7.8%	-7.3%	
FCFF, CAGR	1.6%	3.5%	4.7%	4.3%	4.3%	-13.5%	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 ± 0.5 pp for WACC, ± 0.5 pp for sales growth and ± 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 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 9.1-12.1 per share

Applying 2024E EV/EBIT multiples of 13.0-14.5x for the restaurant business, then deducting 2024E net debt (including IFRS 16 debt of EUR 174m) and current minority holdings, we derive an SOTP fair value range of EUR 9.1-12.1 (8.8-11.8) per NoHo share.

SOTP VALUATION (EUR; EURm)

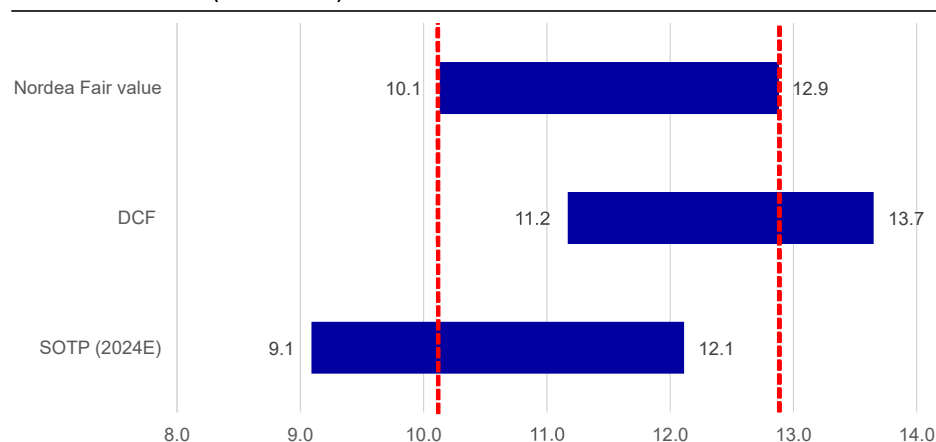
Business	EV/EBIT 13x	Per share, 13x	EV/EBIT 14.5x	Per share, 14.5x	% of EV	EBIT '24E
Restaurant	549	26.2	613	29.2	100-100%	42.3
EV from own operations	549	26.2	613	29.2	100-100%	
Other sellable securitites (Q3 2023)	0.3	0.0	0.3	0.0	0-0%	
Total EV with market prices	550	26.2	613	29.2		
Net debt 2024E	328	15.6	328	15.6		
Equity value	221	10.6	285	13.6		
Minorities	-31	-1.5	-31	-1.5		
Number of shares, million	21.0		21.0			
Equity per share, EUR	9.1		12.1			

Source: Company data and Nordea estimates

Fair value range of EUR 10.1-12.9

Our fair value range for NoHo is EUR 10.1-12.9 (9.7-12.4) 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 8.2 as of 7 May 2024) and our fair value range (EUR 10.1-12.9). 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 10.1-12.9 corresponds to 2024E-25E EV/EBIT of 11.8-14.0x and a P/E of 11.8-16.7x. Based on our estimates, the share offers a 5.8-6.8% increasing dividend yield.

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

	Current share price EUR 8.2			Fair value EUR 10.1			Fair value EUR 12.9		
	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E
EV/EBITDA (adj.)	4.9x	4.6x	4.3x	5.3x	5.0x	4.7x	5.9x	5.5x	5.2x
EVEBIT (adj.)	11.7x	10.9x	10.1x	12.7x	11.8x	11.0x	14.0x	13.1x	12.2x
P/E (adj.)	10.6x	9.5x	8.8x	13.2x	11.8x	10.9x	16.7x	15.0x	13.9x
FCF yield	13.3%	11.3%	12.9%	10.7%	9.0%	10.3%	8.4%	7.1%	8.1%
Dividend yield	5.8%	6.3%	6.8%	4.6%	5.0%	5.4%	3.6%	4.0%	4.3%

Source: 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
Total revenue	130	186	323	273	157	186	313	372	435	452	470
Revenue growth	14.5%	42.9%	73.9%	-15.6%	-42.5%	18.7%	68.1%	19.0%	16.8%	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	101	105	109
Depreciation and impairments PPE	-8	-8	-11	-36	-42	-38	-38	-38	-48	-52	-53
of which leased assets	0	0	0	-22	-31	-30	-33	-33	-42	-43	-45
EBITA	12	15	17	39	-13	9	41	45	53	54	56
Amortisation and impairments	-3	-4	-10	-9	-10	-9	-10	-10	-11	-9	-9
EBIT	9	11	7	31	-24	-1	32	36	42	45	47
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	-18	-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
Pre-tax profit	8	8	6	25	-35	-13	9	13	25	28	30
Reported taxes	-2	-3	-1	-1	5	2	-4	-3	-4	-6	-6
Net profit from continued operations	6	5	4	24	-29	-10	5	10	20	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	16	18	19
EPS, EUR	0.35	0.30	0.19	2.36	-1.40	-0.55	0.07	0.36	0.77	0.86	0.93
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%	23.3%	23.3%	23.3%
EBITA	9.1%	7.9%	5.2%	14.5%	-8.6%	4.6%	13.2%	12.2%	12.2%	11.9%	12.0%
EBIT	6.9%	5.8%	2.2%	11.2%	-15.2%	-0.5%	10.1%	9.6%	9.7%	9.9%	10.0%

Adjusted earnings

EBITDA (adj)	20	23	34	76	21	34	73	85	101	105	109
EBITA (adj)	12	15	22	40	-20	-3	34	47	53	54	56
EBIT (adj)	9	11	12	31	-31	-13	25	37	42	45	47
EPS (adj, EUR)	0.37	0.43	0.54	2.27	-1.66	-1.16	-0.27	0.44	0.77	0.86	0.93

Adjusted profit margins in percent

EBITDA (adj)	15.2%	12.2%	10.4%	27.7%	13.6%	18.5%	23.2%	22.9%	23.3%	23.3%	23.3%
EBITA (adj)	9.3%	8.0%	6.9%	14.7%	-12.9%	-1.7%	11.0%	12.6%	12.2%	11.9%	12.0%
EBIT (adj)	7.2%	6.0%	3.9%	11.4%	-19.6%	-6.7%	7.9%	10.0%	9.7%	9.9%	10.0%

Performance metrics

CAGR last 5 years											
Net revenue	n.a.	25.1%	37.8%	25.8%	6.7%	7.4%	11.0%	2.9%	9.8%	23.6%	20.4%
EBITDA	n.m.	17.7%	25.4%	44.3%	11.2%	18.9%	28.8%	24.1%	6.2%	30.3%	18.8%
EBIT	n.a.	13.5%	12.2%	42.1%	n.m.	n.m.	24.1%	37.9%	6.7%	n.m.	n.m.
EPS	n.a.	n.a.	-4.1%	61.4%	n.m.	n.m.	-24.4%	13.3%	-20.1%	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%	9.9%
Average EBITDA margin	14.7%	13.7%	11.8%	15.8%	16.2%	17.8%	20.6%	24.0%	23.2%	23.7%	23.5%

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	10.7	9.6	8.9
EV/EBITDA (adj)	6.6	8.3	9.2	6.2	22.4	13.7	6.0	6.6	5.2	4.9	4.7
EV/EBITA (adj)	10.8	12.6	14.0	11.8	n.m.	n.m.	12.7	12.0	10.0	9.7	9.1
EV/EBIT (adj)	14.1	17.0	24.9	15.6	n.m.	n.m.	17.6	15.1	12.5	11.7	10.9

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	10.7	9.6	8.9
EV/Sales	1.01	1.01	0.96	1.73	3.05	2.54	1.40	1.51	1.21	1.15	1.09
EV/EBITDA	6.8	8.4	10.9	6.3	17.3	10.3	5.5	6.7	5.2	4.9	4.7
EV/EBITA	11.1	12.8	18.4	12.2	n.m.	57.4	10.6	12.4	10.0	9.7	9.1
EV/EBIT	14.6	17.5	43.2	15.8	n.m.	n.m.	13.8	15.7	12.5	11.7	10.9
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%	39.1%	37.9%	40.2%
FCF Yield bef A&D, lease adj	6.3%	4.7%	5.2%	9.9%	-15.1%	2.4%	21.8%	2.9%	13.1%	11.1%	12.7%
Payout ratio	81.9%	77.6%	62.7%	0.0%	0.0%	0.0%	n.m.	98.7%	61.1%	59.5%	59.3%

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	221	216	210
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	40	35	29
of which goodwill	38	53	147	129	135	137	141	181	181	181	181
Tangible assets	29	32	46	186	166	176	177	224	229	231	234
of which leased assets	0	0	0	128	118	129	126	161	161	162	163
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	468	467	464	461
Inventory	2	3	5	6	4	5	6	8	8	8	8
Accounts receivable	14	24	40	24	14	17	23	40	35	36	38
Short-term leased assets	0	0	0	31	30	33	33	42	43	45	46
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	20	23
Total current assets	18	29	50	64	51	61	66	101	105	109	115
Assets held for sale	n.a.	n.a.	n.a.	n.a.	n.a.	30	16	8	0	n.a.	n.a.
Total assets	98	133	305	471	448	459	453	577	572	573	577
Shareholders equity	43	45	67	129	76	64	75	78	85	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	126	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	173	173	174
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	284	272	259
Short-term provisions	0	0	1	0	0	0	0	0	0	0	0
Accounts payable	19	34	68	48	35	52	58	81	83	85	88
Current lease debt	0	0	0	27	27	29	31	39	43	45	46
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	172	175	180
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.
Total liabilities and equity	98	133	305	471	448	459	453	577	572	573	577
Balance sheet and debt metrics											
Net debt	31	44	138	268	318	322	290	349	328	319	308
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	-44	-44	-46
Invested capital	76	96	231	388	380	337	339	431	423	420	415
Capital employed	77	93	219	409	402	398	378	467	463	466	469
ROE	13.5%	11.5%	6.2%	45.6%	-26.1%	-15.1%	2.2%	9.9%	19.6%	19.8%	19.6%
ROIC	9.8%	10.2%	6.0%	7.9%	-6.3%	-2.8%	5.8%	7.7%	7.8%	8.4%	8.9%
ROCE	12.7%	13.2%	9.3%	10.6%	-7.5%	-2.8%	6.9%	9.7%	9.9%	10.4%	10.8%
Net debt/EBITDA	1.6	2.0	4.9	3.6	11.3	7.0	3.7	4.2	3.2	3.0	2.8
Interest coverage	8.1	3.8	2.6	13.4	-3.7	0.1	2.0	2.2	4.0	4.8	5.1
Equity ratio	44.3%	33.8%	22.0%	27.5%	17.0%	14.0%	16.5%	13.5%	14.9%	16.2%	17.6%
Net gearing	69.8%	93.3%	182.0%	195.3%	392.2%	463.5%	354.1%	326.9%	283.3%	252.9%	224.5%

Source: Company data and Nordea estimates

CASH FLOW STATEMENT

EURm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
EBITDA (adj) for associates	19	22	28	74	28	46	80	84	101	105	109
Paid taxes	-3	-3	-4	-3	-3	-1	-2	-1	-4	-6	-6
Net financials	-1	-3	-2	-7	-11	-12	-23	-24	-18	-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	-2
Other adj to reconcile to cash flow	-1	-1	-4	0	14	0	10	12	0	0	0
Funds from operations (FFO)	15	18	21	62	16	33	66	76	74	78	81
Change in NWC	-2	0	-2	-5	-8	12	4	7	7	0	2
Cash flow from operations (CFO)	14	18	19	57	8	45	71	84	81	78	83
Capital expenditure	-7	-11	-10	-16	-6	-9	-5	0	-15	-14	-15
Free cash flow before A&D	6	7	9	41	2	36	66	83	66	64	68
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	66	64	68
Free cash flow bef A&D, lease adj	6	7	9	19	-23	4	30	5	22	19	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	-34	-43	-45
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	1	3
Cash flow metrics											
Capex/D&A	69.2%	95.8%	48.1%	36.3%	11.7%	19.6%	10.9%	0.6%	25.4%	23.1%	23.7%
Capex/Sales	5.5%	6.0%	3.2%	5.9%	3.9%	5.0%	1.7%	0.1%	3.5%	3.1%	3.2%
Key information											
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	169	169	169
Enterprise value	131	188	310	471	477	473	437	563	528	521	513
Diluted no. of shares, year-end (m)	16.6	16.6	18.9	19.0	19.2	19.2	20.8	21.0	20.5	20.5	20.5

Source: Company data and Nordea estimates

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