

# NOHO PARTNERS

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Arttu Heikura  
358400828098  
arttu.heikura@inderes.fi



Sauli Vilén  
+358440258908  
sauli.vilen@inderes.fi

INDERES CORPORATE CUSTOMER  
**COMPANY REPORT**



# Good prospects for earnings growth

Each one of NoHo's main row was growth-filled in Q4. The guidance for the financial year promises earnings growth and possible M&A transactions on an international front. We believe the company has clear prerequisites for earnings growth, and feel the related uncertainty has decreased materially during 2024. Thus, we raise our target price to EUR 10.5 (was EUR 9.0). We reiterate our Buy recommendation as the stock's return expectation is still delectable.

## An excellent quarter

In Q4, NoHo's revenue increased by 12% to 120 MEUR. Revenue grew by 8% in Finland, mainly driven by Events and Fast food restaurants. The international business (+20%) was driven by the Triple Trading acquisition and HolyCow's strong organic development. Growth in Fast food concepts continued driven by new units and good comparable revenue development. We consider Fast food concepts and their growth essential components for NoHo's value creation, as their ROCEs are among the best in the group. The strong growth was also reflected in profitability, which in Q4 reached a very high level of 12.6%. Earnings growth was supported by higher volumes, an improved material margin in Finland and increased efficiency in both business areas (incl. BBS synergies). Improved profitability and strong cash flow enable a higher profit distribution than last year (2024 EUR 0.46 vs. 2023 EUR 0.43 per share).

## The year will bring earnings growth and M&As

The main message of the 2025 guidance was in line with expectations, indicating that profitability in Finland will remain at its current good level and that the Group's EPS will improve. In our view, the removal of the revenue guidance signals upcoming M&A transactions in international business, especially concerning BBS' expansion and/or potential exits or mergers in other highly scalable restaurant concepts. BBS' value creation is based on buying and scaling local burger concepts that have crossed the death valley and ultimately selling them at high multiples. In other

scalable restaurant concepts, the aim is to create shareholder value either by selling well-developed businesses at higher multiples than at the time of purchase or, alternatively, finding ways to improve business efficiency, e.g., through purchasing operations. Our forecasts do not consider future transactions because of their poor predictability, but we find their expected value positive for investors.

## Growth conditions have improved significantly

In our view, NoHo's prospects for EPS growth have improved and the related uncertainty has also clearly decreased. The main factors behind this are the exit from Eezy in Q1'24 and the reduced financing costs due to new financing agreements, which in recent years have been the reasons for the weak EPS growth compared to EBIT development. In addition, the company has proven in 2022-2024 that it can generate a high ~10% margin even in a difficult market. Further impetus for growth is provided by the expected improvement in the Nordic market environment, which should also support NoHo's industry. Even though the nightclub market seems to remain rather weak throughout this year, NoHo's diversified restaurant portfolio and completed acquisitions will support the company's growth throughout the year. We expect a brisk annual EPS growth of over 20% from NoHo in the coming years.

## The stock's expected return is attractive

The key driver of NoHo's stock in the medium term is the correction of the valuation level from the current relatively low levels. An adjustment of the 2025 P/E ratio (12x) towards our fair value of ~14x would in itself offer a 15% expected return. In our view, the multiples have been limited partly by the lack of EPS growth and the general low valuation of Nasdaq Helsinki. The upside in the multiples combined with a dividend yield of some 6% raises the stock's expected return to a good level, especially relative to the lower risk level.

## Recommendation

**Buy**

(was Buy)

## Target price:

**EUR 10.50**

(was EUR 9.00)

## Share price:

8.80

## Business risk



## Valuation risk



	2024	2025e	2026e	2027e
<b>Revenue</b>	427	467	510	545
<b>growth-%</b>	15%	9%	9%	7%
<b>EBIT adj.</b>	41.6	43.9	48.4	51.7
<b>EBIT-% adj.</b>	9.7 %	9.4 %	9.5 %	9.5 %
<b>Net Income</b>	11.3	15.0	18.1	20.4
<b>EPS (reported)</b>	0.54	0.71	0.85	0.96
<b>P/E</b>	14.8	12.4	10.3	9.2
<b>P/B</b>	2.1	2.2	2.0	1.8
<b>Dividend yield-%</b>	5.8 %	5.7 %	6.2 %	6.5 %
<b>EV/S</b>	1.3	1.2	1.1	1.0

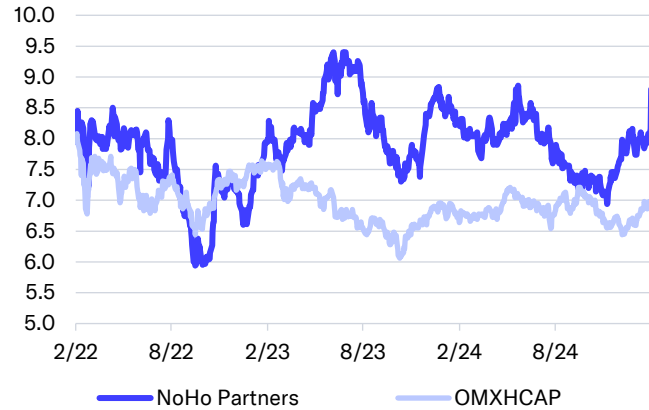
Source: Inderes

## Guidance

(New guidance)

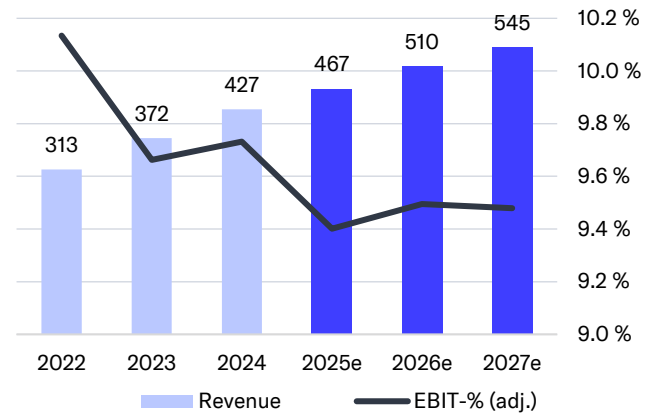
NoHo Partners estimates that, during the financial year 2025, the profitability of Finnish operations will remain at the current good level (2024 EBIT %: 10.4%) and the Group's earnings per share (2024 EPS: EUR 0.54) will grow.

## Share price



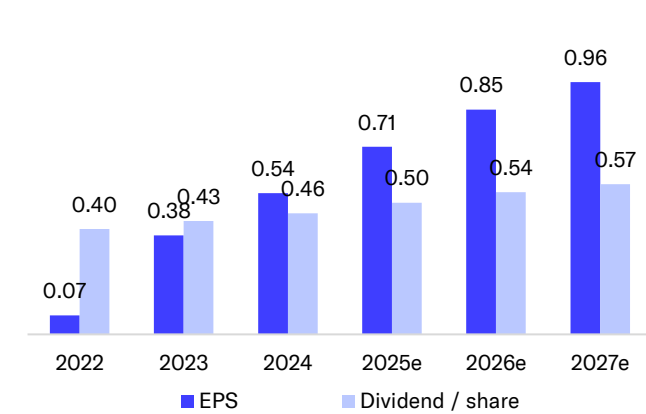
Source: Millistream Market Data AB

## Revenue and EBIT-%



Source: Inderes

## EPS and dividend



Source: Inderes

## Value drivers

- Profitable growth in Norway and Denmark
- Large urban projects in Finland
- Scaling of replicable restaurant concepts
- Increasing the value of BBS and exiting from it

## Risk factors

- Significant goodwill on the balance sheet
- Failure in acquisitions
- Failure in the BBS expansion

Valuation	2025e	2026e	2027e
Share price	8.80	8.80	8.80
Market cap	186	186	186
EV	541	536	532
P/E (adj.)	12.4	10.3	9.2
P/E	12.4	10.3	9.2
P/B	2.2	2.0	1.8
P/S	0.4	0.4	0.3
EV/EBITDA	5.2	5.0	4.7
EV/EBIT (adj.)	12.3	11.1	10.3
Payout ratio (%)	70.2 %	63.3 %	59.5 %
Dividend yield-%	5.7 %	6.2 %	6.5 %

Source: Inderes

# Excellent profitability pushed the result to strong growth

## Strong growth despite a challenging market

NoHo's revenue increased by 12% year-on-year to 120 MEUR in Q4. The Group's growth was driven by the Finnish business (+8%) and especially the international business (+22%). Within Finland, Restaurants (11%) and Fast Food restaurants (18%) developed favorably, while the restaurant-specific performance of Entertainment restaurants was weaker than expected due to the lagging market and partial renovation debt. For international restaurants, the development in Switzerland was very strong (+20%) thanks to healthy consumer purchasing power and the proven HolyCow concept. The Danish figures (+76%) reflected the Triple Trading acquisition. Revenue in Norway decreased by 7%, due to a challenging nightclub market. Market weakness had little effect on NoHo's figures.

## Volume growth and efficiency was visible in the lower rows

The company's profitability was once again at an excellent level, reflecting NoHo's operational capabilities to adapt to fluctuating demand situations without sacrificing its margins. Q4's EBIT improved to 15.1 MEUR (12.6% of revenue) due to higher revenue and efficiency. The profitability of the Finnish business was staggering at 13.7%, which in our view was supported by the improved material margin and excellent operational efficiency, as well as successful events sales. Profitability abroad (9.7% of revenue) was, in turn, supported by increased efficiency and HolyCow synergies. We believe the profitability challenges abroad are now over, and NoHo has demonstrated the ability to generate a relative EBIT margin of around 9% also outside Finland. Thanks to excellent profitability, the EPS adjusted for one-off items (EUR 0.34) improved by good 20% from the comparison period. NoHo's Board of Directors proposes a dividend of EUR 0.46 per share to the AGM, as expected.

## Cash flow and balance sheet in a better position

Operating cash flow for the financial year 2024 improved from the comparison period to 75 MEUR (2023: 71 MEUR) thanks to the higher result. After deducting organic investments (CAPEX), acquisitions/divestments and lease payments, free cash flow stood at just over 20 MEUR. Thanks to the free cash flow and higher result, the company's balance sheet position also improved. The net debt/EBITDA (excl. IFRS 16 items) ratio fell close to the company's target level of 2x (2024: 2.4 vs. 2023: 3x). This, together with an easing loan repayment program, provides the company with the firepower to execute acquisitions in the near future, the first taste of which was seen in December with the H5 Ravintolat acquisition. We would also point out that BBS' debt position is examined separately from NoHo. Thus, we believe BBS' debt ratio of approximately 1x offers NoHo over 30 MEUR in additional capacity for potential geographical expansion, which the company expects to undertake in the near future.

Estimates MEUR / EUR	Q4'23	Q4'24	Q4'24e	Q4'24e	Consensus		Difference (%)	2024
	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Actualized
Revenue	107	120	118	119	-	-	2%	427
EBIT	10.6	15.1	12.3	12.7	-	-	23%	41.5
PTP	4.3	8.8	6.8	7.8	-	-	29%	17.9
EPS (reported)	0.15	0.32	0.19	0.19	-	-	68%	0.54
DPS	0.43	0.46	0.47	0.47	-	-	-2%	0.46
Revenue growth-%	21.6 %	12.0 %	9.7 %	11.5 %	-	-	2.3 pp	14.7 %
EBIT-%	9.9 %	12.6 %	10.5 %	10.6 %	-	-	2.1 pp	9.7 %

Source: Inderes & Vara & Bloomberg  
(consensus, 4 estimates)



# Minor estimate changes

## The wording of the guidance changed, but growth will continue

NoHo estimates that in the financial year 2025, the profitability of Finnish operations will remain at the current good level (2024 EBIT %: 10.2%) and the Group's earnings per share (2024: EUR 0.54) will grow. We do not feel excluding revenue and international business guidance means that growth ambitions in these areas have disappeared, but the change in the wording is purely due to upcoming M&A transactions. The guidance seems realistic to us and we see clear drivers for earnings growth, as financing costs that consumed part of the EPS growth will decrease significantly in 2025 (~5 MEUR).

## Restructuring on the horizon

The broad guidance indicates that the probability of international M&As during 2025 is quite high, in which case part of NoHo's consolidated revenue might fall outside of

the consolidated reporting (but the minority share belonging to NoHo's owners would still be visible in the net profit). We believe the arrangements could be made as follows: 1) BBS expanding into a third country (reducing NoHo's voting power in BBS to under 50%) or 2) arrangements in other scalable concepts (Camping, Triple Trading, Hook, Hanko Asia, etc.) to create shareholder value (divestments/mergers). We believe the probability of divestments is lowered by the tight financing markets, which have lowered acceptable valuation multiples in recent years. In other words, in a better environment, NoHo could sell businesses at higher valuation levels. Reflecting this overall situation, we believe mergers, where the company acquires greater scale in purchasing volumes by merging with a similar player, are more likely. Another way to achieve synergy from larger volumes in purchasing could be purchasing consortia seen in retail.

## Marginal estimate changes

We fine-tuned our forecasts mainly based on the Q4 results and the content of the report. We expect the Group's growth to continue briskly, supported by completed acquisitions and the expansion of Fast food concepts. We forecast that NoHo's profitability will remain around 10%, which the company has proven to be a very sustainable level over the past few years.

Estimate revisions	2024	2024e	Change	2025e	2025e	Change	2026e	2026e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	425	427	1%	464	467	1%	503	510	1%
EBIT	38.8	41.6	7%	42.6	43.9	3%	47.8	48.4	1%
PTP	15.9	18.0	13%	26.0	25.4	-2%	31.8	30.5	-4%
EPS (adj.)	0.41	0.54	30%	0.71	0.71	0%	0.87	0.85	-2%
DPS	0.47	0.46	-2%	0.50	0.50	0%	0.53	0.54	2%

Source: Inderes

# Expected return remains attractive

## In absolute terms, pricing seems quite attractive

NoHo's P/E ratio calculated from 2025 earnings adjusted for the Eezy write-down is 15x and for the next few years, the P/E is around 10x. We believe the forward-looking levels can be considered attractive, given the company's good earnings growth outlook, reduced operating risk level and decreased uncertainty related to earnings growth. The earnings growth-adjusted PEG ratio (0.7x in 2024) is below 1x, meaning the stock's earnings growth potential is not fully reflected in the share price.

Investors should also note that due to long IFRS 16 liabilities, NoHo's depreciation and amortization are higher than actual cash flow-based rental expenses, and this has a negative impact of around EUR 0.15 on EPS. Considering this, the company's P/E multiples will fall clearly below 10x in the next few years, which can be considered a very attractive level for NoHo in its current form.

We feel that in a normal environment, NoHo's acceptable valuation level should be in line with the historical averages of Nasdaq Helsinki (14-16x). We note, however, that currently the entire Nasdaq Helsinki is priced below its historical levels due to elevated interest rates and the recession. It is clear that this also depresses NoHo's acceptable valuation levels. In any case, we believe that there is clear upside in the earnings-based multiples in the medium term. In our view, multiple expansion in the short term is clearly curbed by the uncertainty related to the general economic situation and consumer behavior. Although NoHo has proven its operational capabilities and the restaurant market has historically been quite non-cyclical, we do not believe the market will accept

significantly higher valuation multiples for the company before the economic picture becomes clearer. At the moment, it seems that the economic recovery could start this year.

## The expected return is excellent for a patient investor

We believe the key driver of NoHo's stock is EPS growth. Should our earnings growth forecast materialize, the share should offer a good expected return, as forward-looking valuation multiples are low. However, multiple adjustment likely requires an improvement in the economic environment (which would have a direct positive impact on Nasdaq Helsinki valuation levels) and continued earnings growth. Without earnings growth, we find the stock correctly priced.

In addition to the upside potential in multiples, the dividend yield is around 6%, which combined raises the total expected return for the stock above 20%. This clearly exceeds our required return, meaning the risk-adjusted expected return for the stock can be considered very attractive, which also justifies the positive view on the stock.

An integral part of NoHo's business model is investing in growth, e.g., through acquisitions and selected expansions. In the long term, capital allocation and its success are key to the company's value creation, as the company continuously invests significant amounts of capital back into its business. Thus, ultimately, the achieved return on capital determines the development of the stock's value. One key value driver is naturally also BBS, which will be separated from the group within 2-4 years in connection with the exit by private equity investors.

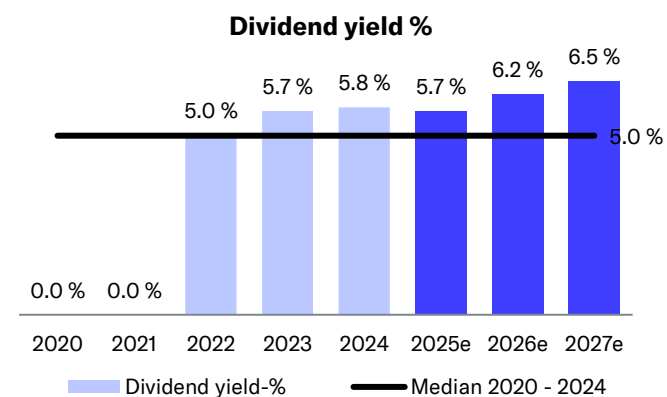
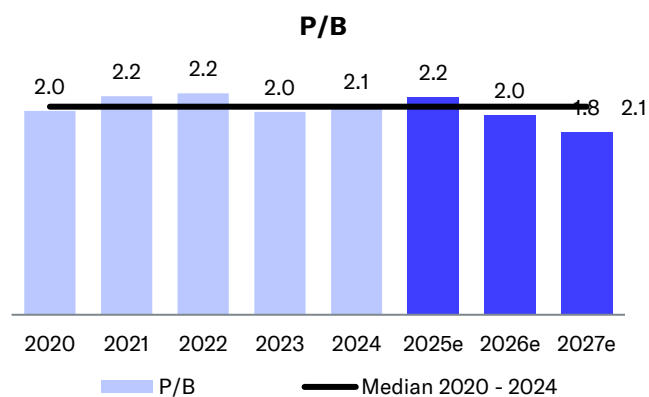
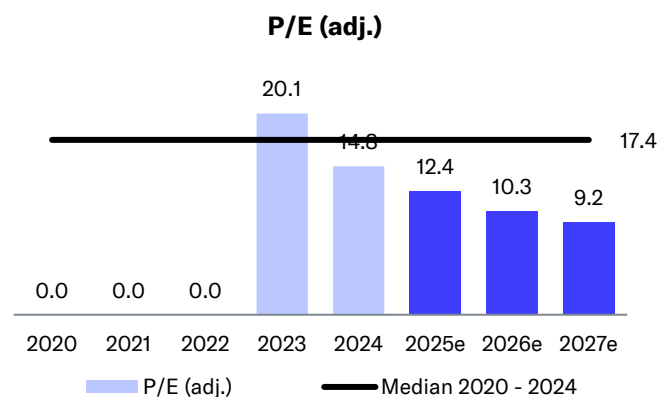
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P/E	12.4	10.3	9.2
P/B	2.2	2.0	1.8
P/S	0.4	0.4	0.3
EV/EBITDA	5.2	5.0	4.7
EV/EBIT (adj.)	12.3	11.1	10.3
Payout ratio (%)	70.2 %	63.3 %	59.5 %
Dividend yield-%	5.7 %	6.2 %	6.5 %

Source: Inderes

# Valuation table

Valuation	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price	8.06	7.29	7.99	7.54	7.94	<b>8.80</b>	<b>8.80</b>	<b>8.80</b>	<b>8.80</b>
Market cap	155	140	165	158	167	<b>186</b>	<b>186</b>	<b>186</b>	<b>186</b>
EV	478	436	445	536	537	<b>541</b>	<b>536</b>	<b>532</b>	<b>525</b>
P/E (adj.)	neg.	neg.	>100	20.1	14.8	<b>12.4</b>	<b>10.3</b>	<b>9.2</b>	<b>8.3</b>
P/E	neg.	neg.	>100	20.1	14.8	<b>12.4</b>	<b>10.3</b>	<b>9.2</b>	<b>8.3</b>
P/B	2.0	2.2	2.2	2.0	2.1	<b>2.2</b>	<b>2.0</b>	<b>1.8</b>	<b>1.6</b>
P/S	1.0	0.8	0.5	0.4	0.4	<b>0.4</b>	<b>0.4</b>	<b>0.3</b>	<b>0.3</b>
EV/EBITDA	17.1	9.4	5.6	6.0	5.3	<b>5.2</b>	<b>5.0</b>	<b>4.7</b>	<b>4.4</b>
EV/EBIT (adj.)	neg.	neg.	14.0	14.9	12.9	<b>12.3</b>	<b>11.1</b>	<b>10.3</b>	<b>9.5</b>
Payout ratio (%)	0.0 %	0.0 %	552.0 %	114.6 %	85.7 %	<b>70.2 %</b>	<b>63.3 %</b>	<b>59.5 %</b>	<b>60.0 %</b>
Dividend yield-%	0.0 %	0.0 %	5.0 %	5.7 %	5.8 %	<b>5.7 %</b>	<b>6.2 %</b>	<b>6.5 %</b>	<b>7.3 %</b>

Source: Inderes



# Peer group valuation

Peer group valuation Company	Market cap MEUR	EV MEUR	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B 2025e
			2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	
J D Weatherspoon	876	2171	12.4	11.9	7.2	6.9	0.9	0.8	12.1	10.7	2.0	2.0	1.6
BJ's Restaurants	762	825	21.8	20.0	6.9	6.7	0.6	0.6	23.5	21.0	0.8	0.8	2.0
Ibersol	334	474	13.8	11.7	4.3	3.9	1.0	0.9	18.8	14.6	2.7	6.2	0.9
Bloomin' Brands	945	1927	8.9	8.6	4.9	4.7	0.5	0.5	6.5	5.7	9.0	9.8	2.4
Berjaya Food	155	313		48.6	38.4	23.5	2.4	2.1			54.8	54.8	2.2
Mitchells & Butlers	1661	3370	8.9	8.7	6.2	6.1	1.0	1.0	8.3	7.9			0.5
Young & Co's Brewery	528	946	11.2	11.2	7.0	7.0	1.6	1.6	12.5	12.4	2.9	3.0	61.3
<b>NoHo Partners (Inderes)</b>	<b>186</b>	<b>541</b>	<b>12.3</b>	<b>11.1</b>	<b>5.2</b>	<b>5.0</b>	<b>1.2</b>	<b>1.1</b>	<b>12.4</b>	<b>10.3</b>	<b>5.7</b>	<b>6.2</b>	<b>2.2</b>
<b>Average</b>	<b>607</b>	<b>1152</b>	<b>12.0</b>	<b>19.4</b>	<b>9.6</b>	<b>7.5</b>	<b>1.0</b>	<b>0.9</b>	<b>12.9</b>	<b>11.4</b>	<b>11.1</b>	<b>11.8</b>	<b>9.6</b>
<b>Median</b>	<b>528</b>	<b>825</b>	<b>11.2</b>	<b>11.7</b>	<b>6.2</b>	<b>6.1</b>	<b>0.9</b>	<b>0.8</b>	<b>12.1</b>	<b>10.7</b>	<b>2.9</b>	<b>6.2</b>	<b>2.1</b>
<b>Diff-% to median</b>			<b>11%</b>	<b>-5%</b>	<b>-16%</b>	<b>-18%</b>	<b>35%</b>	<b>28%</b>	<b>2%</b>	<b>-4%</b>	<b>98%</b>	<b>-1%</b>	<b>5%</b>

Source: Refinitiv / Inderes



# Income statement

Income statement	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25e	Q2'25e	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
<b>Revenue</b>	<b>372</b>	<b>93.5</b>	<b>107</b>	<b>107</b>	<b>120</b>	<b>427</b>	<b>103</b>	<b>118</b>	<b>116</b>	<b>130</b>	<b>467</b>	<b>510</b>	<b>545</b>	<b>580</b>
Finnish business	293	65.7	73.6	74.2	84.8	298	69.3	78.4	79.5	89.7	317	338	356	374
International business	79.7	27.8	33.4	32.4	35.2	129	33.3	39.4	36.6	40.3	150	172	190	206
<b>EBITDA</b>	<b>89.1</b>	<b>21.5</b>	<b>24.5</b>	<b>24.7</b>	<b>30.6</b>	<b>101</b>	<b>23.0</b>	<b>26.4</b>	<b>25.3</b>	<b>29.1</b>	<b>104</b>	<b>108</b>	<b>113</b>	<b>119</b>
Depreciation	-53.1	-14.6	-14.8	-14.8	-15.6	-59.8	-15.0	-15.0	-15.0	-15.0	-60.0	-59.4	-61.4	-63.7
<b>EBIT (excl. NRI)</b>	<b>36.0</b>	<b>6.9</b>	<b>9.7</b>	<b>9.9</b>	<b>15.0</b>	<b>41.6</b>	<b>8.0</b>	<b>11.4</b>	<b>10.3</b>	<b>14.1</b>	<b>43.9</b>	<b>48.4</b>	<b>51.7</b>	<b>55.0</b>
<b>EBIT</b>	<b>36.0</b>	<b>6.9</b>	<b>9.7</b>	<b>9.9</b>	<b>15.0</b>	<b>41.6</b>	<b>8.0</b>	<b>11.4</b>	<b>10.3</b>	<b>14.1</b>	<b>43.9</b>	<b>48.4</b>	<b>51.7</b>	<b>55.0</b>
Finnish business	30.7	4.5	6.7	7.6	11.6	30.4	5.2	7.8	7.6	10.3	30.9	33.8	35.6	37.4
International business	5.3	2.4	3.0	2.4	3.4	11.1	2.8	3.5	2.7	3.8	13.0	14.6	16.1	17.5
Net financial items	-23.0	-6.5	-5.4	-5.5	-6.2	-23.6	-4.6	-4.6	-4.6	-4.6	-18.5	-17.9	-17.2	-16.8
<b>PTP</b>	<b>13.0</b>	<b>0.4</b>	<b>4.3</b>	<b>4.4</b>	<b>8.8</b>	<b>18.0</b>	<b>3.4</b>	<b>6.8</b>	<b>5.7</b>	<b>9.5</b>	<b>25.4</b>	<b>30.5</b>	<b>34.4</b>	<b>38.2</b>
Taxes	-2.6	-0.4	-0.9	-0.9	-0.8	-3.0	-0.7	-1.4	-1.2	-2.0	-5.3	-6.4	-7.2	-8.0
Minority interest	-2.5	-0.5	-1.2	-0.6	-1.4	-3.7	-0.7	-1.3	-1.1	-1.9	-5.0	-6.0	-6.8	-7.5
<b>Net earnings</b>	<b>7.9</b>	<b>-0.5</b>	<b>2.3</b>	<b>2.9</b>	<b>6.6</b>	<b>11.3</b>	<b>2.0</b>	<b>4.0</b>	<b>3.4</b>	<b>5.6</b>	<b>15.0</b>	<b>18.1</b>	<b>20.4</b>	<b>22.6</b>
<b>EPS (adj.)</b>	<b>0.38</b>	<b>-0.03</b>	<b>0.11</b>	<b>0.14</b>	<b>0.32</b>	<b>0.54</b>	<b>0.10</b>	<b>0.19</b>	<b>0.16</b>	<b>0.27</b>	<b>0.71</b>	<b>0.85</b>	<b>0.96</b>	<b>1.06</b>
<b>EPS (rep.)</b>	<b>0.38</b>	<b>-0.03</b>	<b>0.11</b>	<b>0.14</b>	<b>0.32</b>	<b>0.54</b>	<b>0.10</b>	<b>0.19</b>	<b>0.16</b>	<b>0.27</b>	<b>0.71</b>	<b>0.85</b>	<b>0.96</b>	<b>1.06</b>

Key figures	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25e	Q2'25e	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
<b>Revenue growth-%</b>	19.0 %	23.2 %	14.7 %	11.0 %	12.0 %	14.7 %	9.7 %	10.1 %	8.9 %	8.4 %	9.2 %	9.3 %	7.0 %	6.4 %
<b>Adjusted EBIT growth-%</b>	13.5 %	16.9 %	-9.8 %	13.7 %	42.2 %	15.5 %	16.4 %	17.3 %	3.7 %	-5.9 %	5.5 %	10%	6.8 %	6.3 %
<b>EBITDA-%</b>	23.9 %	23.0 %	22.9 %	23.2 %	25.5 %	23.7 %	22.4 %	22.4 %	21.8 %	22.4 %	22.3 %	21.1%	20.7 %	20.4 %
<b>Adjusted EBIT-%</b>	9.7 %	7.4 %	9.1 %	9.3 %	12.5 %	9.7 %	7.8 %	9.7 %	8.9 %	10.9 %	9.4 %	9.5 %	9.5 %	9.5 %
<b>Net earnings-%</b>	2.1 %	-0.6 %	2.1 %	2.8 %	5.5 %	2.6 %	2.0 %	3.4 %	2.9 %	4.3 %	3.2 %	3.5 %	3.7 %	3.9 %

Source: Inderes

# Balance sheet

Assets	2023	2024	2025e	2026e	2027e
<b>Non-current assets</b>	<b>517</b>	<b>524</b>	<b>520</b>	<b>528</b>	<b>537</b>
Goodwill	181	193	193	193	193
Intangible assets	46.3	48.2	44.7	41.5	38.5
Tangible assets	265	264	262	273	285
Associated companies	0.0	0.1	0.1	0.1	0.1
Other investments	0.3	0.4	0.4	0.4	0.4
Other non-current assets	10.6	2.2	2.2	2.2	2.2
Deferred tax assets	14.1	16.3	16.8	17.3	17.8
<b>Current assets</b>	<b>59.1</b>	<b>58.6</b>	<b>63.9</b>	<b>69.8</b>	<b>74.6</b>
Inventories	7.7	11.9	13.0	14.2	15.2
Other current assets	0.6	0.9	0.9	0.9	0.9
Receivables	39.5	31.0	33.9	37.0	39.6
Cash and equivalents	11.3	14.8	16.2	17.7	18.9
<b>Balance sheet total</b>	<b>576</b>	<b>583</b>	<b>584</b>	<b>597</b>	<b>612</b>

Source: Inderes

Liabilities & equity	2023	2024	2025e	2026e	2027e
<b>Equity</b>	<b>107</b>	<b>103</b>	<b>108</b>	<b>116</b>	<b>125</b>
Share capital	0.2	0.2	0.2	0.2	0.2
Retained earnings	6.8	8.4	13.8	21.3	30.2
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	71.1	71.7	71.7	71.7	71.7
Other equity	0.0	0.0	0.0	0.0	0.0
Minorities	28.7	22.5	22.5	22.5	22.5
<b>Non-current liabilities</b>	<b>304</b>	<b>318</b>	<b>307</b>	<b>305</b>	<b>303</b>
Deferred tax liabilities	10.9	12.6	13.1	13.6	14.1
Provisions	0.0	0.1	0.1	0.1	0.1
Interest bearing debt	279	293	282	278	276
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	14.1	12.7	12.7	12.7	12.7
<b>Current liabilities</b>	<b>165</b>	<b>162</b>	<b>168</b>	<b>177</b>	<b>184</b>
Interest bearing debt	81.0	63.8	61.3	60.7	60.1
Payables	82.0	94.0	103	112	120
Other current liabilities	2.3	4.0	4.0	4.0	4.0
<b>Balance sheet total</b>	<b>577</b>	<b>583</b>	<b>584</b>	<b>597</b>	<b>612</b>

# DCF-calculation

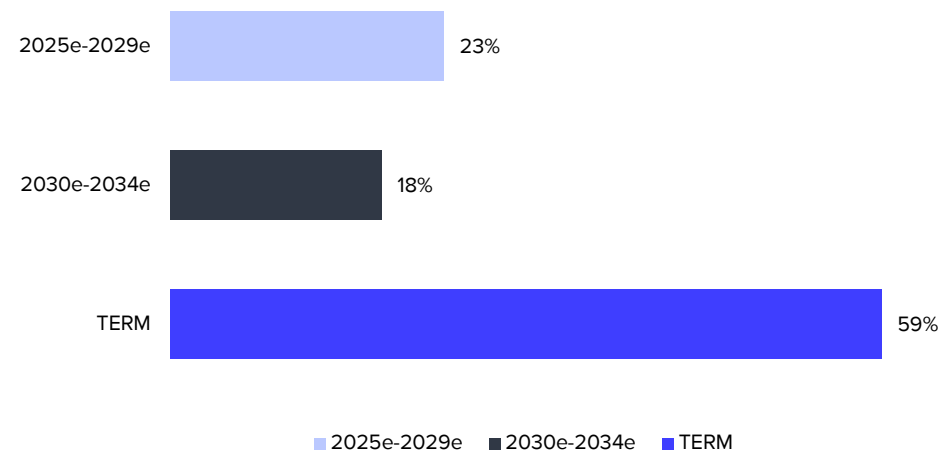
DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	14.7 %	9.2 %	9.3 %	7.0 %	6.4 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	1.5 %	1.5 %
EBIT-%	9.7 %	9.4 %	9.5 %	9.5 %	9.5 %	9.0 %	9.0 %	8.5 %	8.5 %	8.5 %	8.5 %	8.5 %
<b>EBIT (operating profit)</b>	<b>41.6</b>	<b>43.9</b>	<b>48.4</b>	<b>51.7</b>	<b>55.0</b>	<b>53.8</b>	<b>55.4</b>	<b>53.9</b>	<b>55.5</b>	<b>57.2</b>	<b>58.1</b>	
+ Depreciation	59.8	60.0	59.4	61.4	63.7	65.8	69.2	70.3	71.9	73.5	75.3	
- Paid taxes	-3.5	-5.3	-6.4	-7.2	-7.5	-7.9	-8.2	-7.9	-8.3	-8.6	-8.1	
- Tax, financial expenses	-4.0	-3.9	-3.8	-3.7	-3.6	-3.4	-3.4	-3.4	-3.4	-3.4	-4.1	
+ Tax, financial income	0.0	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Change in working capital	17.8	4.7	5.2	4.3	4.2	2.1	2.1	2.2	2.3	2.3	1.2	
<b>Operating cash flow</b>	<b>112</b>	<b>99.4</b>	<b>103</b>	<b>106</b>	<b>112</b>	<b>110</b>	<b>115</b>	<b>115</b>	<b>118</b>	<b>121</b>	<b>122</b>	
+ Change in other long-term liabilities	-1.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-64.4	-55.0	-66.8	-70.5	-71.8	-80.4	-72.9	-76.8	-78.4	-80.5	-82.8	
<b>Free operating cash flow</b>	<b>46.0</b>	<b>44.4</b>	<b>36.0</b>	<b>36.0</b>	<b>40.0</b>	<b>30.0</b>	<b>42.2</b>	<b>38.2</b>	<b>39.7</b>	<b>40.5</b>	<b>39.5</b>	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	46.0	44.4	36.0	36.0	40.0	30.0	42.2	38.2	39.7	40.5	39.5	772
<b>Discounted FCFF</b>		<b>42.0</b>	<b>31.9</b>	<b>29.9</b>	<b>31.1</b>	<b>21.8</b>	<b>28.8</b>	<b>24.5</b>	<b>23.8</b>	<b>22.8</b>	<b>20.8</b>	<b>407</b>
Sum of FCFF present value		685	643	611	581	550	528	499	475	451	428	407
<b>Enterprise value DCF</b>		<b>685</b>										
- Interest bearing debt		-357										
+ Cash and cash equivalents		14.8										
-Minorities		-28.7										
-Dividend/capital return		0.0										
<b>Equity value DCF</b>		<b>314</b>										
<b>Equity value DCF per share</b>		<b>14.9</b>										

## WACC

Tax-% (WACC)	21.5 %
Target debt ratio (D/(D+E))	60.0 %
Cost of debt	6.0 %
Equity Beta	1.30
Market risk premium	4.75%
Liquidity premium	1.00%
Risk free interest rate	2.5 %
<b>Cost of equity</b>	<b>9.7 %</b>
<b>Weighted average cost of capital (WACC)</b>	<b>6.7 %</b>

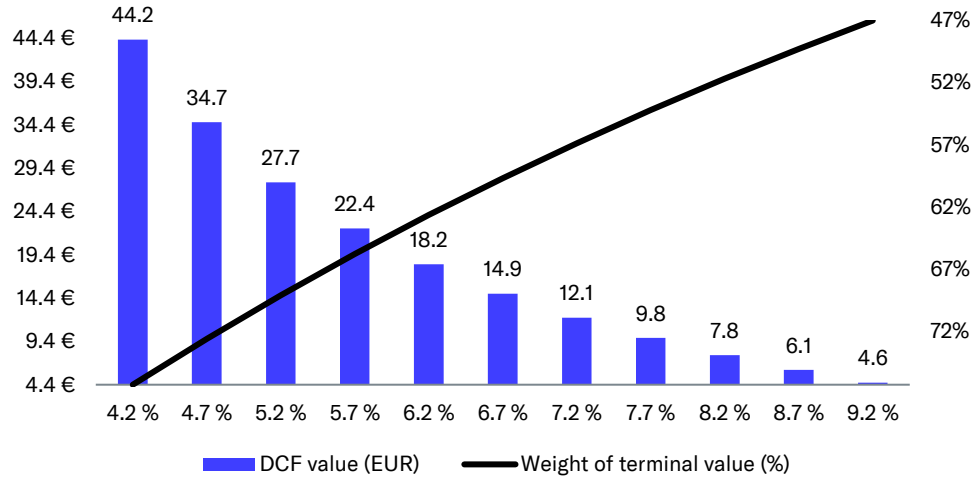
Source: Inderes

## Cash flow distribution

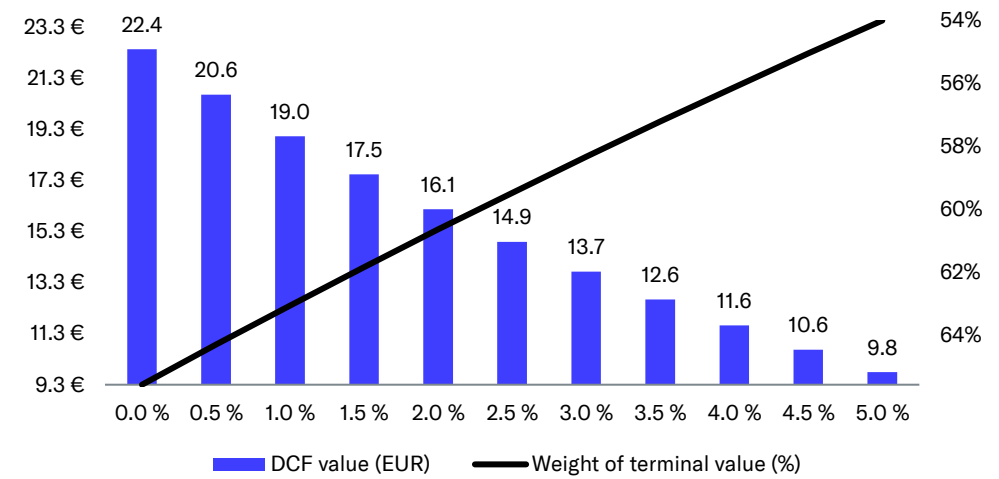


# DCF sensitivity calculations and key assumptions in graphs

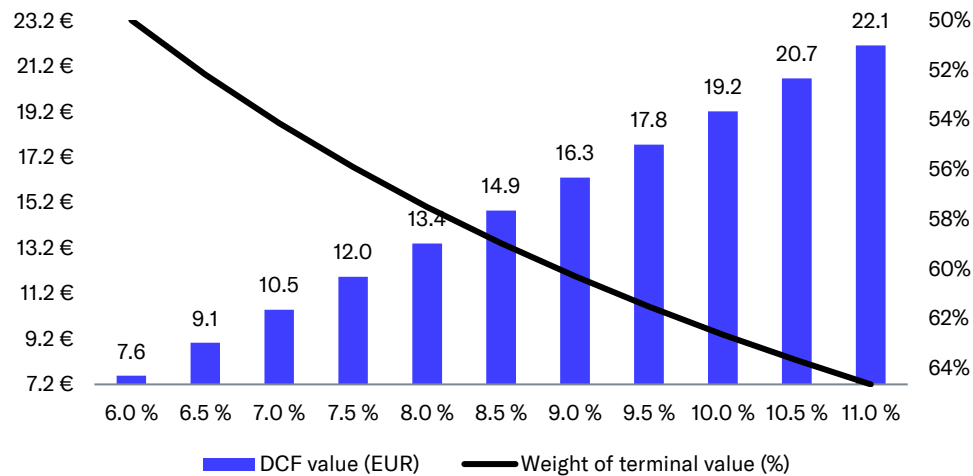
Sensitivity of DCF to changes in the WACC-%



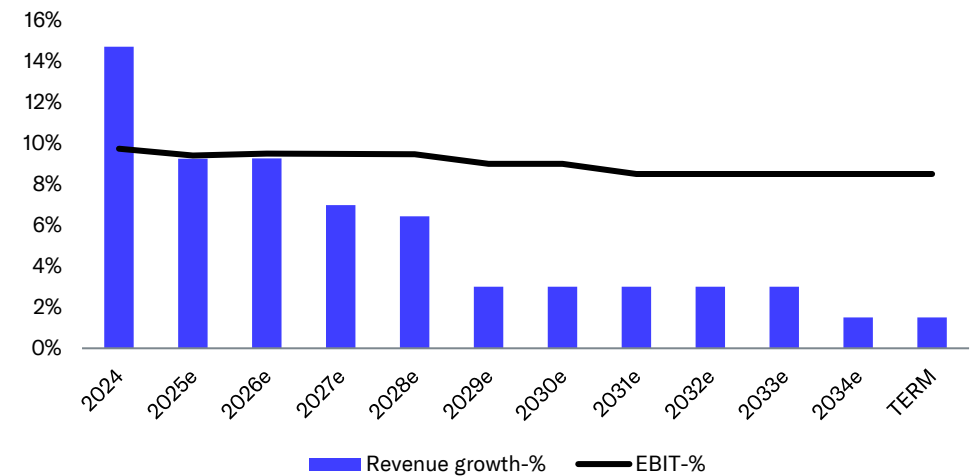
Sensitivity of DCF to changes in the risk-free rate



Sensitivity of DCF to changes in the terminal EBIT margin



Growth and profitability assumptions in the DCF calculation



Lähde: Inderes. Huomaa, että terminaaliarvon paino (%) on esitetty käännteisellä asteikolla selkeyden vuoksi.

# Summary

Income statement	2022	2023	2024	2025e	2026e	Per share data	2022	2023	2024	2025e	2026e
Revenue	312.8	372.3	427.1	<b>466.5</b>	<b>509.8</b>	EPS (reported)	0.07	0.38	0.54	<b>0.71</b>	<b>0.85</b>
EBITDA	79.5	89.1	101.4	<b>103.9</b>	<b>107.8</b>	EPS (adj.)	0.07	0.38	0.54	<b>0.71</b>	<b>0.85</b>
EBIT	31.7	36.0	41.6	<b>43.9</b>	<b>48.4</b>	OCF / share	3.54	4.14	5.32	<b>4.71</b>	<b>4.85</b>
PTP	9.2	13.0	18.0	<b>25.4</b>	<b>30.5</b>	FCF / share	1.03	-2.60	2.19	<b>2.10</b>	<b>1.70</b>
Net Income	1.5	7.9	11.3	<b>15.0</b>	<b>18.1</b>	Book value / share	3.61	3.72	3.82	<b>4.06</b>	<b>4.39</b>
Extraordinary items	0.0	0.0	0.0	<b>0.0</b>	<b>0.0</b>	Dividend / share	0.40	0.43	0.46	<b>0.50</b>	<b>0.54</b>
Balance sheet	2022	2023	2024	2025e	2026e	Growth and profitability	2022	2023	2024	2025e	2026e
Balance sheet total	453.3	576.5	582.9	<b>583.7</b>	<b>597.4</b>	Revenue growth-%	68%	19%	15%	<b>9%</b>	<b>9%</b>
Equity capital	82.0	106.8	102.8	<b>108.2</b>	<b>115.7</b>	EBITDA growth-%	72%	12%	14%	<b>2%</b>	<b>4%</b>
Goodwill	141.0	181.3	193.4	<b>193.4</b>	<b>193.4</b>	EBIT (adj.) growth-%	-3622%	13%	16%	<b>6%</b>	<b>10%</b>
Net debt	290.6	349.2	341.8	<b>326.7</b>	<b>321.4</b>	EPS (adj.) growth-%	-113%	418%	43%	<b>33%</b>	<b>20%</b>
						EBITDA-%	25.4 %	23.9 %	23.7 %	<b>22.3 %</b>	<b>21.1 %</b>
Cash flow	2022	2023	2024	2025e	2026e	EBIT (adj.)-%	10.1 %	9.7 %	9.7 %	<b>9.4 %</b>	<b>9.5 %</b>
EBITDA	79.5	89.1	101.4	<b>103.9</b>	<b>107.8</b>	EBIT-%	10.1 %	9.7 %	9.7 %	<b>9.4 %</b>	<b>9.5 %</b>
Change in working capital	1.8	4.5	17.8	<b>4.7</b>	<b>5.2</b>	ROE-%	2.2 %	10.3 %	14.2 %	<b>18.1 %</b>	<b>20.2 %</b>
Operating cash flow	73.3	86.9	111.7	<b>99.4</b>	<b>102.8</b>	ROI-%	8.6 %	9.3 %	9.0 %	<b>9.7 %</b>	<b>10.8 %</b>
CAPEX	-64.4	-149.4	-64.4	<b>-55.0</b>	<b>-66.8</b>	Equity ratio	18.1 %	18.5 %	17.6 %	<b>18.5 %</b>	<b>19.4 %</b>
Free cash flow	21.3	-54.5	46.0	<b>44.4</b>	<b>36.0</b>	Gearing	354.4 %	326.9 %	332.5 %	<b>302.0 %</b>	<b>277.8 %</b>
Valuation multiples	2022	2023	2024	2025e	2026e						
EV/S	1.4	1.4	1.3	<b>1.2</b>	<b>1.1</b>						
EV/EBITDA	5.6	6.0	5.3	<b>5.2</b>	<b>5.0</b>						
EV/EBIT (adj.)	14.0	14.9	12.9	<b>12.3</b>	<b>11.1</b>						
P/E (adj.)	>100	20.1	14.8	<b>12.4</b>	<b>10.3</b>						
P/B	2.2	2.0	2.1	<b>2.2</b>	<b>2.0</b>						
Dividend-%	5.0 %	5.7 %	5.8 %	<b>5.7 %</b>	<b>6.2 %</b>						

Source: Inderes

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Accumulate	The 12-month risk-adjusted expected shareholder return of the share is attractive
Reduce	The 12-month risk-adjusted expected shareholder return of the share is weak
Sell	The 12-month risk-adjusted expected shareholder return of the share is very weak

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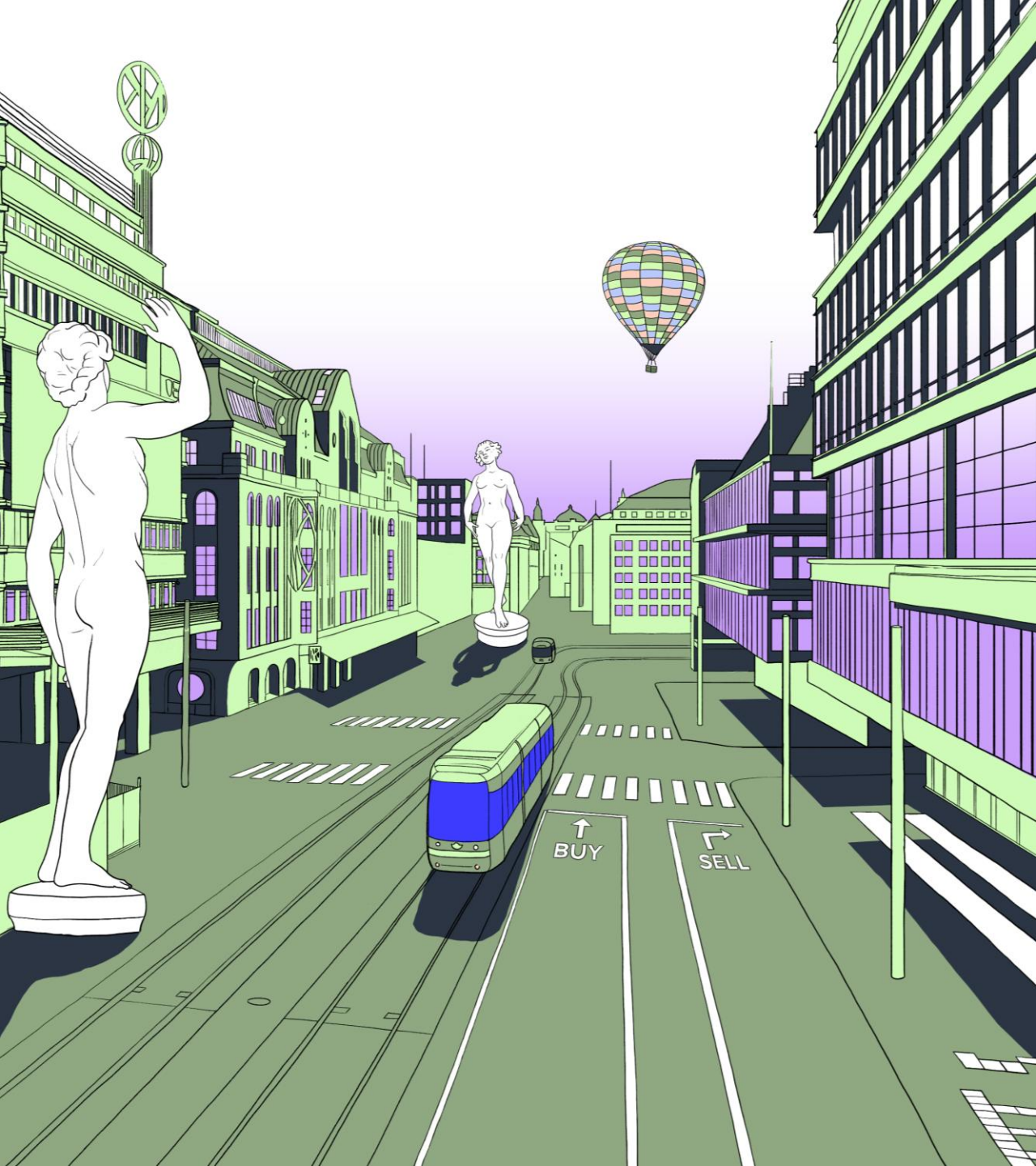
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## Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
4/3/2020	Reduce	5.20 €	5.18 €
5/28/2020	Reduce	6.00 €	5.70 €
6/10/2020	Reduce	6.50 €	6.26 €
7/7/2020	Reduce	7.00 €	6.84 €
8/12/2020	Reduce	6.50 €	6.12 €
10/5/2020	Accumulate	6.00 €	4.85 €
11/11/2020	Accumulate	7.50 €	6.86 €
1/12/2021	Reduce	7.50 €	7.70 €
2/19/2021	Reduce	7.50 €	7.10 €
4/9/2021	Reduce	8.50 €	8.94 €
5/12/2021	Reduce	8.50 €	8.27 €
6/14/2021	Accumulate	10.00 €	9.05 €
8/11/2021	Accumulate	10.00 €	8.57 €
8/18/2021	Accumulate	10.00 €	8.34 €
11/10/2021	Accumulate	10.00 €	9.24 €
11/26/2021	Accumulate	9.00 €	8.12 €
12/23/2021	Reduce	8.00 €	7.29 €
2/18/2022	Reduce	9.00 €	8.46 €
4/19/2022	Accumulate	9.00 €	7.90 €
5/11/2022	Accumulate	9.00 €	7.82 €
6/23/2022	Accumulate	9.00 €	8.00 €
8/10/2022	Buy	10.00 €	8.30 €
11/9/2022	Buy	9.50 €	7.34 €
2/17/2023	Buy	9.50 €	8.29 €
5/10/2023	Buy	10.00 €	8.32 €
8/9/2023	Accumulate	10.00 €	9.14 €
11/7/2023	Buy	9.50 €	7.54 €
2/16/2024	Buy	10.00 €	8.20 €
4/2/2024	Buy	10.00 €	7.94 €
5/8/2024	Buy	10.00 €	8.24 €
8/7/2024	Accumulate	9.00 €	7.78 €
10/30/2024	Buy	9.00 €	7.14 €
11/6/2024	Buy	9.00 €	7.38 €
2/13/2025	Buy	10.50 €	8.80 €





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## **Inderes Ab**

Vattugatan 17, 5tr  
Stockholm  
+46 8 411 43 80

## **Inderes Oyj**

Porkkalankatu 5  
00180 Helsinki  
+358 10 219 4690

[inderes.se](https://www.inderes.se)

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