10 August 2021

Commissioned research: NoHo Partners – Expects positive cash flow to stay

Marketing material commissioned by NoHo Partners

NoHo Partners reported Q2 EBIT of EUR -1.8m, +51% versus Refinitiv consensus. Q2 net sales were EUR 34.5m, fairly in line with pre-released sales figures. Operating cash flow was EUR +0.7m in Q2, while cash position was EUR 7.6m at the end of June. Government grants were EUR 4.5m in Q2 (we had expected EUR 4.9m). July sales exceeded EUR 25m and were nearly on a par with 2019 level, while the company expects August and September sales to exceed EUR 14m (We have modelled EUR 69m sales for Q3). July cash flow was EUR +4.5m, while the company expects positive cash flow in August and September. Relative profitability was substantially higher in July compared to 2019 and 2020. The company does not issue guidance due to uncertain market environment and continues with monthly sales reporting.

NOHO PARTNERS: DEVIATION TABLE

EURm	Actual Q2 2021	NDA est. Q2 2021E	Deviation vs. actual		Consensus Q2 2021E	Deviation vs. actual		Actual Q1 2021	q/q	Actual Q2 2020	y/y
Sales	**34.5**	**33.7**	**0.8**	**2%**	**32.7**	**1.8**	**6%**	**20**	**71%**	**19**	**81%**
EBIT	**(1.8)**	**(0.4)**	**-1.4**	**373%**	**(3.7)**	**1.9**	**-51%**	**(9.7)**	**-81%**	**(8.4)**	**-79%**
Adj. EBIT	**(6.3)**	**(5.2)**	**-1.1**	**21%**	**(4.9)**	**-1.4**	**29%**	**(13.7)**	**-54%**	**(11.2)**	**-44%**
Adj. EBIT margin	-18.4%	-15.5%		-2.9pp	-15.0%		5.1pp	-67.9%	49.5pp	-59.0%	40.6pp
EPS	**(0.18)**	**(0.10)**	**-0.08**	**74%**	**(0.13)**	**-0.05**	38%	**(0.49)**	-63%	**(0.46)**	-61%

Source: Company data, Refinitiv and Nordea estimates

Q2 operating cash flow was EUR 0.7m

- Q2 net sales were EUR 34.5m, fairly in line with pre-released sales figures (Refinitiv consensus EUR 32.7m).
- Q2 EBIT was EUR -1.8m (consensus at EUR -3.7m). Government grants were EUR 4.5m in Q2 (we had modelled EUR 4.9m). Associated company Eezy contribution to Q2 EBIT was EUR 0.3m in Q2.
- Operating cash flow was EUR +0.7m in Q2 (EUR -0.2m in Q2 2020). July operating cash flow was EUR 4.5m, while August and September cash flow is expected to be positive.
- July sales were above EUR 25m, almost at a par with 2019 level. The company expects August and September sales above EUR 14m. We have modelled EUR 69m sales in Q3 and note high uncertainty over sales development.
- Q2 EPS was EUR -0.18, below consensus expectation of EUR -0.13.

No guidance for 2021 – net debt declining

Amid the volatile market environment, NoHo does not provide guidance for 2021. Infront consensus is expecting EUR 183m (Nordea EUR 189m) sales and EUR -4.3m EBIT (Nordea EUR

0.2m) in 2021. Net debt excluding IFRS16 declined to below EUR 160m in July. The company targets EUR 40m operating cash flow for 2022 and is targeting below 3x net debt to operating cash flow during the 2022-24 strategy period.

SUMMARY TABLE - KEY FIGURES

EURm	2018	2019	2020	2021E	2022E	2023E
Total revenue	323	273	157	189	288	325
EBITDA (adj)	34	76	21	37	70	76
EBIT (adj)	12	31	-31	-9	26	36
EBIT (adj) margin	3.9%	11.4%	-19.6%	-4.6%	9.1%	11.1%
EPS (adj, EUR)	0.54	2.27	-1.66	-0.87	0.65	1.03
EPS (adj) growth	27.4%	318.9%	-173.3%	47.6%	174.7%	58.5%
DPS (ord, EUR)	0.34	0.00	0.00	0.00	0.30	0.40
EV/Sales	1.0	1.7	3.0	2.5	1.6	1.4
EV/EBIT (adj)	24.9	15.6	n.m.	n.m.	20.1	14.0
P/E (adj)	16.0	4.5	n.m.	n.m.	12.4	7.8
P/BV	2.4	1.5	2.0	2.3	1.9	1.6
Dividend yield (ord)	3.9%	0.0%	0.0%	0.0%	3.7%	4.9%
FCF Yield bef A&D, lease adj	5.2%	9.9%	-18.3%	-1.0%	13.2%	12.3%
Net debt	138	268	318	322	303	292
Net debt/EBITDA	4.9	3.6	11.3	7.0	4.3	3.8
ROIC after tax	6.0%	7.9%	-6.3%	-1.8%	5.5%	7.6%

Source: Company data and Nordea estimates

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Nordea analyst: Joni Sandvall

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