Nordea

Commissioned Equity Research

Flash comment

09 November 2021

Commissioned research: NoHo Partners – Strong Q3 and introducing guidance for 2021

Marketing material commissioned by NoHo Partners

NoHo Partners reported Q3 EBIT of EUR 3.9m, +71% (EUR 1.6m) versus Infront consensus. Q3 net sales were EUR 61.9m, in line with pre-released sales figures and 1% above consensus. Operating cash flow was EUR +7.5m in Q3, while cash position was EUR 10.9m at the end of Q3. Government grants were EUR 0.7m in Q3. October sales of EUR 24m were 10% above 2019 level, while the company expects November and December sales to exceed EUR 23m. NoHo issued a guidance for Q4 and 2021: Q4 sales are guided to be around EUR 70m (We have modelled EUR 68m) while the company expects around EUR 190m sales in 2021 with around EUR 12m operating cash flow. At the beginning of November, bookings for high season are at 76% level compared to 2019. International operations are performing well and the company has reached turnaround in Denmark with second consecutive quarter with good EBITDA level. We expect slightly positive consensus estimate revisions on the back of Q3 numbers and note that guidance for 2021 can be viewed as a slight relief.

NOHO PARTNERS: DEVIATION TABLE

EURm	Actual Q3 2021	NDA est. Q3 2021E	Deviation vs. actual		Consensus Q3 2021E	Deviation vs. actual		Actual Q2 2021	q/q	Actual Q3 2020	y/y
Sales	**61.9**	**61.6**	**0.3**	**0%**	**61.3**	**0.6**	**1%**	**34**	**79%**	**56**	**10%**
EBIT	**3.9**	**1.7**	**2.2**	**130%**	**2.3**	**1.6**	**71%**	**(1.8)**	**-318%**	**2.9**	**34%**
Adj. EBIT	**3.3**	**1.7**	**1.6**	**95%**	**2.3**	**1.0**	**45%**	**(6.3)**	**-153%**	**1.2**	**176%**
Adj. EBIT margin	5.4%	2.8%		2.6pp	3.8%		5.1pp	-18.4%	23.8pp	2.2%	3.2pp
EPS	**0.04**	**(0.04)**	**0.08**	**-206%**	**0.00**	**0.04**	1100%	**(0.18)**	-122%	**0.01**	341%

Source: Company data, Refinitiv and Nordea estimates

Q3 operating cash flow was EUR 7.5m – debt level continues to decline after Q3

- Q3 net sales were EUR 61.9m, in line with pre-released sales figures (Infront consensus EUR 61.3m).
- Q3 EBIT was EUR 3.9m (consensus at EUR 2.3m). Government grants were EUR 0.7m in Q3. Q3 EBIT was supported by EUR 0.6m positive gain from sale of Eezy shares.
- Operating cash flow was EUR 7.5m in Q3 (EUR 5.5m in Q3 2020). In October, operating cash flow was above EUR 3m, while November and December cash flow is expected to be above EUR 3m.
- October sales were around EUR 24m, 10% above 2019 level. The company expects Q4 sales of around EUR 70m. We have modelled EUR 68m sales in Q4.
- Q3 EPS was EUR 0.04, above consensus expectation of EUR 0.00.

- The company has made additional debt repayment of EUR 8.7m after Q3 and is progressing ahead of its loan amortisation program.

Guidance for 2021 issued

NoHo issued a guidance for 2021. The company expect around EUR 70m sales and above EUR 10m operating cash flow in Q4, and around EUR 190m sales and around EUR 12m operating cash flow in 2021. Infront consensus is expecting EUR 187m (Nordea EUR 184m) sales in 2021. We have modelled around EUR 10m operating cash flow in 2021. Net debt excluding IFRS16 declined to below EUR 160m in Q3.

SUMMARY TABLE - KEY FIGURES

EURm	2018	2019	2020	2021E	2022E	2023E
Total revenue	323	273	157	184	290	328
EBITDA (adj)	34	76	21	33	71	77
EBIT (adj)	12	31	-31	-13	27	37
EBIT (adj) margin	3.9%	11.4%	-19.6%	-6.8%	9.1%	11.1%
EPS (adj, EUR)	0.54	2.27	-1.66	-1.06	0.60	1.00
EPS (adj) growth	27.4%	318.9%	-173.3%	36.6%	156.6%	67.4%
DPS (ord, EUR)	0.34	0.00	0.00	0.00	0.30	0.40
EV/Sales	1.0	1.7	3.0	2.7	1.7	1.4
EV/EBIT (adj)	24.9	15.6	n.m.	n.m.	20.4	14.3
P/E (adj)	16.0	4.5	n.m.	n.m.	15.4	9.2
P/BV	2.4	1.5	2.0	2.6	2.3	1.9
Dividend yield (ord)	3.9%	0.0%	0.0%	0.0%	3.3%	4.3%
FCF Yield bef A&D, lease adj	5.2%	9.9%	-18.3%	2.1%	7.0%	10.4%
Net debt	138	268	318	310	299	289
Net debt/EBITDA	4.9	3.6	11.3	7.4	4.2	3.8
ROIC after tax	6.0%	7.9%	-6.3%	-2.7%	5.7%	7.9%

Source: Company data and Nordea estimates

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