

08 December 2022

Commissioned research: NoHo Partners – Good demand situation has continued – third positive profit warning in 2022

Marketing material commissioned by NoHo Partners

NoHo issued today a positive profit warning, which was anticipated by consensus and Nordea. The company is now expecting EBIT margin to be over 9.5% (earlier: above 8.5%) with net sales of over EUR 300m (intact). NoHo is benefiting from actions implemented during COVID-19 pandemic (lower cost base), committed employees and good customer demand. Refinitiv consensus has been expecting 10.1% EBIT margin with EUR 312m sales in 2022, while we have modelled 10% EBIT margin with EUR 310m sales. Hence, we do not expect consensus to revise its estimates based on the profit warning. However, the company notes that balance sheet has recovered after the pandemic beyond company's expectations, which bodes well when thinking possible dividend payments from 2022. In addition, we note that improved profitability levels and more agile operating structure could mitigate possible headwinds in 2023.

NOHO PARTNERS: OUR ESTIMATES VS. CONSENSUS

EURm	Nordea estimates				Consensus estimates				Difference %			
	Q4 2022E	2022E	2023E	2024E	Q4 2022E	2022E	2023E	2024E	Q4 2022E	2022E	2023E	2024E
Sales	85.2	310	341	366	87.0	312	340	361	-2%	-1%	0%	1%
EBIT	7.8	31.0	29.3	37.0	8.0	31.3	29.7	34.7	-3%	-1%	-1%	7%
EBIT margin	9.1%	10.0%	8.6%	10.1%	9.2%	10.1%	8.7%	9.6%	-0.1pp	-0.1pp	-0.1pp	0.5pp
EPS	0.18	0.27	0.56	0.83	0.21	0.28	0.58	0.75	-12%	-5%	-3%	11%
DPS		0.20	0.40	0.45		0.20	0.36	0.41		3%	11%	10%

Source: Refinitiv and Nordea estimates

SUMMARY TABLE - KEY FIGURES

EURm	2019	2020	2021	2022E	2023E	2024E
Total revenue	273	157	186	310	341	366
EBITDA (adj)	76	21	34	71	79	88
EBIT (adj)	31	-31	-13	24	29	37
EBIT (adj) margin	11.4%	-19.6%	-6.7%	7.8%	8.6%	10.1%
EPS (adj, EUR)	2.27	-1.66	-1.16	-0.08	0.56	0.83
EPS (adj) growth	318.9%	-173.3%	30.1%	93.4%	830.1%	47.5%
DPS (ord, EUR)	0.00	0.00	0.00	0.20	0.40	0.45
EV/Sales	1.7	3.0	2.5	1.5	1.3	1.1
EV/EBIT (adj)	15.6	n.m.	n.m.	19.4	14.6	11.3
P/E (adj)	4.5	n.m.	n.m.	n.m.	13.0	8.8
P/BV	1.5	2.0	2.3	1.9	1.7	1.6
Dividend yield (ord)	0.0%	0.0%	0.0%	2.7%	5.5%	6.2%
FCF Yield bef A&D, lease adj	9.9%	-18.3%	3.8%	7.9%	11.7%	16.0%
Net debt	268	318	322	307	266	252
Net debt/EBITDA	3.6	11.3	7.0	3.9	3.4	2.9
ROIC after tax	7.9%	-6.3%	-2.8%	5.6%	6.8%	8.7%

Source: Company data and Nordea estimates

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