

12 January 2023

## Commissioned research: NoHo Partners – Nordic restaurant market remained robust during Q4

*Marketing material commissioned by NoHo Partners*

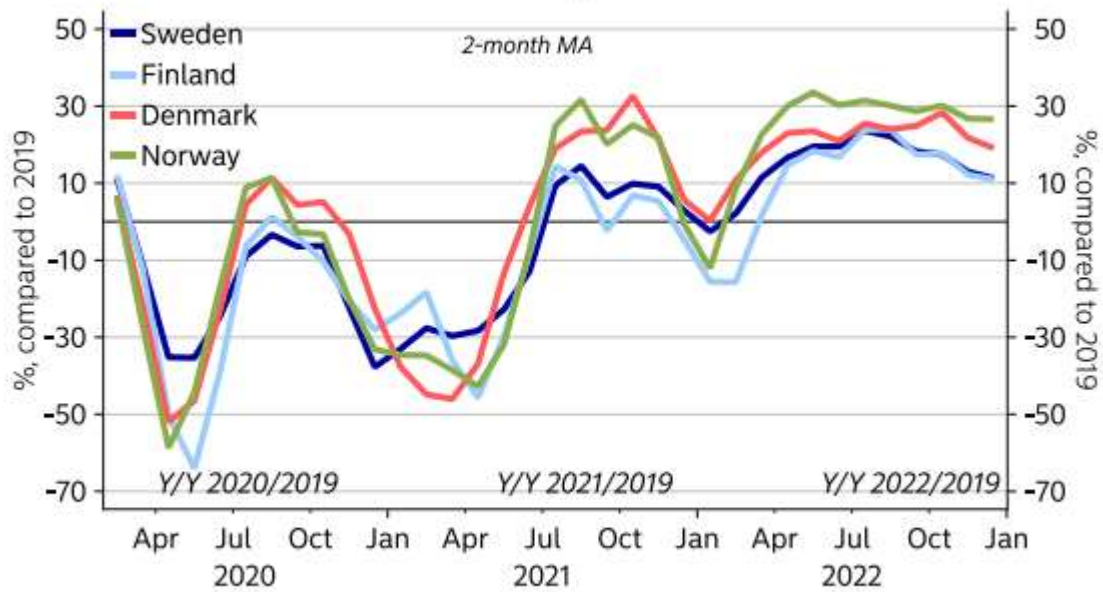
Based on Nordea card data, the Nordic restaurant market has remained robust in Q4. When comparing to 2019 level, market growth appears to be strongest in Norway with close to 30% higher card spend in restaurants on nominal terms. In Finland, the most important market for NoHo, nominal growth was, on average, 13% when comparing to 2019 level. In real terms, growth was, on average, around 2%. We model NoHo's Q4 sales up 13% from Q4 2019, 3% below Refinitiv consensus. Similarly, we are 3% below consensus on EBIT for Q4. We expect Finland sales to be up 12% from Q4 2019 level, while we model International sales to be up 19% from Q4 2019. Owing to robust market demand and NoHo's growth ambitions, we believe the company will continue with its growth investments (e.g. scaling up Friends & Brgrs and M&A especially in Norway). We have a fair value range of EUR 10-12.5 per NoHo share.

### **NoHo's guidance is for above EUR 300m sales and above 9.5% EBIT margin**

NoHo upgraded its guidance on 8 December and expects above EUR 300m sales with above 9.5% EBIT margin in 2022. We model EUR 310m sales, while Refinitiv consensus expects EUR 312m. We expect 10% EBIT margin, 10 bps below consensus at 10.1%. Given robust market situation in December, we believe the company will reach 10% EBIT margin level in 2022.

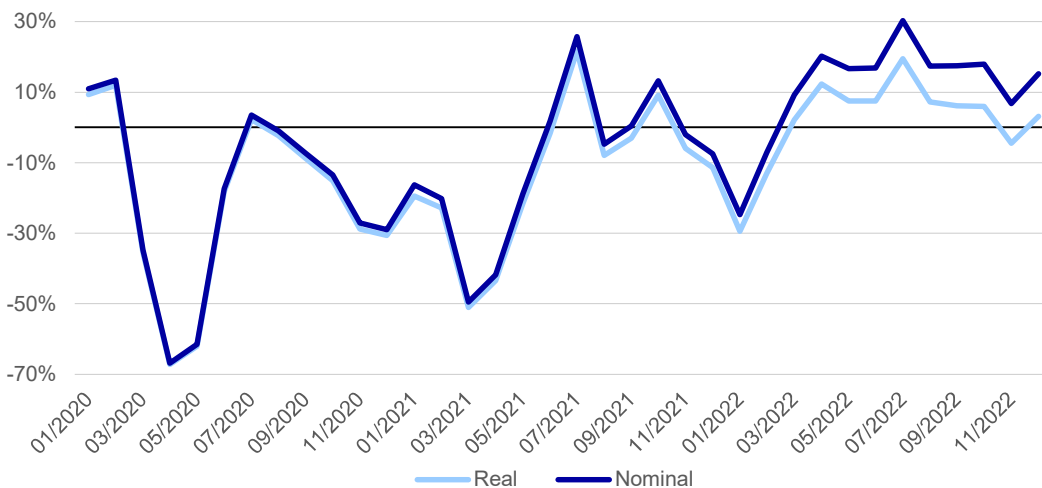
NoHo's long-term target is to reach EUR 400m sales with 10% EBIT margin by 2024. We believe the company can reach the targeted profitability level with the current structure, while top line target likely requires M&A actions. We model EUR 366m (1% above consensus) net sales and 10.1% EBIT margin in 2024E (consensus 9.6%).

## Restaurants, nominal



Source: Nordea and Macrobond

## Card spend in Finnish restaurants versus 2019 level



Source: Nordea and Macrobond

## 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	87.7	312	340	361	-3%	-1%	0%	1%
Adj. EBIT	7.8	24.1	29.3	37.0	8.0	31.3	29.7	34.7	-3%	-23%	-1%	7%
Adj. EBIT margin	9.1%	7.8%	8.6%	10.1%	9.1%	10.1%	8.7%	9.6%	0.0pp	-2.3pp	-0.1pp	0.5pp
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%	9.1%	10.1%	8.7%	9.6%	0.0pp	-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	1.2	1.1
EV/EBIT (adj)	15.6	n.m.	n.m.	19.0	14.3	11.0
P/E (adj)	4.5	n.m.	n.m.	n.m.	12.2	8.3
P/BV	1.5	2.0	2.3	1.8	1.6	1.5
Dividend yield (ord)	0.0%	0.0%	0.0%	2.9%	5.8%	6.5%
FCF Yield bef A&D, lease adj	9.9%	-18.3%	3.8%	8.4%	12.4%	16.9%
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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