

25 September 2023

Commissioned research: NoHo Partners – Acquires three restaurants in Norway

Marketing material commissioned by NoHo Partners

NoHo acquires three restaurant in Oslo, Norway. Aggregated purchase price for all businesses is EUR 4.9m, of which approximately EUR 2m is paid in cash and EUR 1.4m remains as an interest bearing debt which shall be paid after six years. The rest of the purchase price is paid with new shares (169k with EUR 8.75 subscription price). We view acquisition to be in line with NoHo strategy and the company has noted its willingness to increase its Norwegian exposure through acquisitions. Based on earlier transactions, we believe EV/EBITDA multiple of the transaction to be between 4-5x which could indicate above EUR 10m positive top line (~2% of 2024E sales) and above EUR 1m positive EBITDA (~2% of 2024 operational EBITDA) impact on group level. In addition, NoHo is likely benefiting from rolling in its sourcing deals, which have traditionally lowered realized acquisition multiples by 1-2x. NoHo will report its Q3 on 7 November. We are 2% below post-Q2 Vara consensus on top line and 10% below on reported EBIT. However, we note our assumption of EUR 2m non-recurring costs related to incorporation of Better Burger Society and the acquisition of Holy Cow!, while we do not know how much of this is taken into consideration in consensus estimate. For 2024E-25E, we are 6-7% above consensus on EBIT.

NOHO PARTNERS: OUR ESTIMATES VS. CONSENSUS

EURm	Nordea estimates				Consensus estimates				Difference %			
	Q3 2023E	2023E	2024E	2025E	Q3 2023E	2023E	2024E	2025E	Q3 2023E	2023E	2024E	2025E
Sales	98.0	376	439	457	99.6	378	431	451	-2%	0%	2%	1%
Oper. EBITDA	12.5	45	54	56	12.5	45	54	56	0%	0%	0%	0%
Adj. EBIT	10.7	37.5	45.1	47.3	9.6	36.9	42.0	44.7	11%	2%	7%	6%
Adj. EBIT margin	10.9%	10.0%	10.3%	10.4%	9.6%	9.8%	9.7%	9.9%	1.2pp	0.2pp	0.5pp	0.5pp
EBIT	8.7	35.5	45.1	47.3	9.6	36.9	42.0	44.7	-10%	-4%	7%	6%
EBIT margin	8.8%	9.4%	10.3%	10.4%	9.6%	9.8%	9.7%	9.9%	-0.8pp	-0.3pp	0.5pp	0.5pp
PTP	2.3	16.3	30.4	32.6	2.1	17.3	28.2	31.4	8%	-5%	8%	4%
EPS	0.05	0.49	0.95	0.98	0.04	0.50	0.85	0.94	48%	-1%	12%	5%
DPS		0.42	0.46	0.50		0.44	0.48	0.53		-3%	-4%	-5%

Geographical estimates

Sales by geography

Finland	78.2	297	315	325
International	19.8	80	124	132

EBIT by geography

Finland	8.6	32.0	34.0	35.1
International	0.1	3.6	11.1	12.3

EBIT margin by geography

Finland	11.0%	10.8%	10.8%	10.8%
International	0.3%	4.5%	8.9%	9.3%

Source: Vara Research and Nordea estimates

SUMMARY TABLE - KEY FIGURES

EURm	2020	2021	2022	2023E	2024E	2025E
Total revenue	157	186	313	376	439	457
EBITDA (adj)	21	34	73	89	103	107
EBIT (adj)	-31	-13	25	38	45	47
EBIT (adj) margin	-19.6%	-6.7%	7.9%	10.0%	10.3%	10.4%
EPS (adj, EUR)	-1.66	-1.16	-0.27	0.59	0.95	0.98
EPS (adj) growth	-173.3%	30.1%	76.8%	318.6%	61.0%	3.3%
DPS (ord, EUR)	0.00	0.00	0.40	0.42	0.46	0.50
EV/Sales	3.0	2.5	1.4	1.2	1.0	1.0
EV/EBIT (adj)	n.m.	n.m.	17.6	12.5	10.1	9.2
P/E (adj)	n.m.	n.m.	n.m.	13.7	8.5	8.2
P/BV	2.0	2.3	1.9	2.2	1.7	1.5
Dividend yield (ord)	0.0%	0.0%	6.0%	5.2%	5.7%	6.2%
FCF Yield bef A&D, lease adj	-18.3%	3.8%	23.2%	15.8%	16.1%	12.3%
Net debt	318	322	290	280	264	243
Net debt/EBITDA	11.3	7.0	3.7	3.2	2.6	2.3
ROIC after tax	-6.3%	-2.8%	5.8%	8.7%	10.2%	10.6%

Source: Company data and Nordea estimates

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