

15 February 2024

**Commissioned research: NoHo Partners – Solid Q4 results largely in line with expectations, 2024 outlook suggest 15% growth***Marketing material commissioned by NoHo Partners*

NoHo Partners reported Q4 EBIT of EUR 10.6m, -5% versus Vara consensus and -6% versus our estimate. Q4 net sales were up 22% y/y at EUR 107m, in line with consensus and our estimates. Operational EBITDA (operating cash flow) was EUR 13.5m in Q4 (EUR 11.5m a year ago). Finland profitability came 7% below our expectations and International 4% below. The company recorded the expected EUR 2.7m negative fair value change due to Eezy shareholding to its financing costs, while EUR 1.2m will be recorded in 2024. Adjusted EPS was EUR 0.28. Leverage (net debt/operational EBITDA ex-IFRS 16) was 3.0x and decreased due to the completion of the Eezy divestment. The strong profitability development (EBIT +25% y/y) was mainly thanks to the Holy Cow! business, where integration is progressing well with KPIs developing above NoHo's expectations. In CEO comments, the company notes that the weak outlook of the Finnish economy and consumer purchasing power creates uncertainty especially during H1, but a positive development of the restaurant market continues. A new guidance for 2024 was introduced; NoHo expects around EUR 430m sales and around 9.5% EBIT margin from restaurant business, implying a 15% sales growth and slight pressure on EBIT. Pre-Q4 Vara consensus has expected EUR 438m sales and an 9.7% EBIT margin in 2024. We expect consensus to slightly trim the top-line and EBIT estimates for 2024, while we expect 2025 estimates to remain largely intact.

**Main takeaways from Q4**

- Q4 net sales were EUR 107m (in line versus Vara consensus).
- Q4 EBIT was EUR 10.6m (5% below consensus at EUR 11.1m).
- Finnish operations top line was 78.2m in Q4 with EUR 8.3m EBIT (10.6% margin). We had expected EUR 77.6m sales and EUR 8.9m EBIT (11.5% margin) from Finland. International business top line was EUR 28.9m with EUR 2.3m EBIT (8.0% margin). We had expected EUR 29.1m top line and EUR 2.4m EBIT (8.3% margin) from International business, driven by the business of Holy Cow!.
- Operational EBITDA (operating cash flow) was EUR 13.5m in Q4 (EUR 11.5m in Q4 2022). We had expected EUR 12.6m.
- Material margin of 75.2% was slightly lower y/y, while personnel expenses were in line with the comparison period at 32.8%.

- Q4 EPS was EUR 0.015, slightly below LSEG consensus at EUR 0.16. NoHo recorded EUR 2.7m negative fair value changes from its Eezy shareholding (we had expected EUR -2.7m). Excluding fair value changes, Q4 EPS would have been EUR 0.28. Non-controlling interest was EUR 0.9m, while we had anticipated EUR 1.0m.
- DPS was EUR 0.403 below LSEG consensus at EUR 0.44 but above our estimate of EUR 0.42.
- Net debt, excluding IFRS 16 lease liabilities was EUR 135m in Q4 (EUR 121m in 2022). Net debt/operational EBITDA (excluding IFRS 16) was 3.0x in Q4 (2.9x in 2022) and was affected by the divestment of Eezy.

### Guidance for 2024 introduced – suggest growth of 15%

- NoHo's new guidance for 2024 expects around EUR 430m sales with around 9.5% EBIT margin in restaurant business. Vara consensus has been expecting EUR 438m sales and an 9.7% EBIT margin in 2024 (we have modelled EUR 443m sales with 10.2% EBIT margin).
- We expect consensus to slightly trim its top line and EBIT for 2023E, while we expect fairly neutral consensus revisions for 2025E. We expect 2024 development to be back-end loaded on the back of weak consumer purchasing power in H1 and the IIHF ice hockey championship games boosting the comparison period.

#### NOHO PARTNERS: DEVIATION TABLE

EURm	Actual Q4 2023	NDA est. Q4 2023E	Deviation vs. actual	Consensus Q4 2023E	Deviation vs. actual	Actual Q3 2023	q/q	Actual Q4 2022	y/y
Sales	107.1	106.7	0.4	106.8	0.3	96.0	12%	88.1	22%
Adj. operational EBITDA	13.5	12.6	0.9			10.6	27%	11.5	17%
EBIT	10.6	11.3	-0.7	11.1	-0.5	8.7	22%	8.5	25%
EBIT margin	9.9%	10.6%	-0.7pp	10.4%	-0.5pp	9.1%	0.8pp	9.6%	0.2pp
PTP	4.3	4.2	0.1	5.5	-1.2	0.40	975%	2.1	105%
EPS	0.15	0.12	0.03	0.16	-0.01	-0.03	-546%	-0.01	-1131%
DPS	0.43	0.42	0.01	0.44	-0.01			-	

#### Geographical estimates

##### Sales by geography

Finland	78.2	77.6	0.6	1%	75.4	4%	71.4	10%
International	28.9	29.1	-0.2	-1%	20.5	41%	16.7	73%

##### EBIT by geography

Finland	8.3	8.9	-0.6	-7%	7.8	6%	8.4	-1%
International	2.3	2.4	-0.1	-4%	0.9	156%	0.1	2200%

##### EBIT margin by geography

Finland	10.6%	11.5%	-0.9pp		10.3%	0.3pp	11.8%	-1pp
International	8.0%	8.3%	-0.3pp		4.4%	3.6pp	0.6%	7pp

Source: Company data, Vara Research and Nordea estimates

## SUMMARY TABLE - KEY FIGURES

EURm	2020	2021	2022	2023E	2024E	2025E
Total revenue	157	186	313	372	443	461
EBITDA (adj)	21	34	73	90	102	106
EBIT (adj)	-31	-13	25	38	45	48
EBIT (adj) margin	-19.6%	-6.7%	7.9%	10.3%	10.2%	10.3%
EPS (adj, EUR)	-1.66	-1.16	-0.27	0.46	0.83	0.88
EPS (adj) growth	-173.3%	30.1%	76.8%	269.2%	82.5%	5.9%
DPS (ord, EUR)	0.00	0.00	0.40	0.42	0.46	0.50
EV/Sales	3.0	2.5	1.4	1.4	1.1	1.1
EV/EBIT (adj)	n.m.	n.m.	17.6	13.7	11.1	10.5
P/E (adj)	n.m.	n.m.	n.m.	18.1	9.9	9.4
P/BV	2.0	2.3	1.9	1.5	1.4	1.3
Dividend yield (ord)	0.0%	0.0%	6.0%	5.1%	5.6%	6.1%
FCF Yield bef A&D, lease adj	-18.3%	3.8%	23.2%	10.4%	15.2%	11.6%
Net debt	318	322	290	330	306	298
Net debt/EBITDA	11.3	7.0	3.7	3.7	3.0	2.8
ROIC after tax	-6.3%	-2.8%	5.8%	7.8%	8.2%	8.8%

Source: Company data and Nordea estimates

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