NoHo Partners

Extensive report

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This report is a summary translation of the report "Sakkokierroksen kautta takaisin kasvupolulle" published on 8/17/2021 at 7:55 pm

Back to action after COVID cooldown

We reiterate our EUR 10.0 target price and Accumulate recommendation for NoHo. We expect NoHo to be back on a strong growth track from 2022 onward, and the company's strategic decisions for the next few years are chiefly right. As the business gradually recovers, the company's risk level decreases when cash flow improves and the debt burden in the balance sheet decreases. In our view, the stock's return/risk ratio remains sufficiently attractive, because if our earnings estimates are realized, the valuation level is not high. If the strategy is successful, the long-term earnings potential is also significant.

Finland's leading restaurant companies

NoHo Partners (prev. Restamax) is a restaurant company that was founded in 1996 and listed in 2013. The company operates ca. 250 bars, restaurants, entertainment centers and nightclubs. NoHo is one of Finland's leading restaurant companies and it also has operations in Norway and Denmark. In addition to the restaurant business, NoHo owns a significant position (~25%) in the staff leasing company Eezy that came into being in 2019 from the fusion of NoHo owned Smile and VMP. Eezy is a financial investment for NoHo and NoHo aims to sell its position during the current strategy period.

Historical growth has been strong

NoHo' investment profile is one of a growth company and it has been growing quickly throughout its stock market history (Restaurants segment's 2013-2019: CAGR +30%). Acquisitions have played a significant role in the growth and the largest acquisitions have been Royal Ravintolat (2018), Rengasravintolat (2014), Denmark (2018), Norway (2019) and Friends & Brgrs (2020). Historically, the company's profitability has varied and NoHo has had problems with converting strong EBITDA numbers to bottom line. In 2018, after a major restructure the company improved its earnings significantly and proved that the growth had been mostly profitable. In 2020, however, the COVID crisis pulled the rug from under NoHo's feet and for the last 18 months, the company has battled for survival. Given the circumstances, the company has survived the crisis very well and the permanent damage caused by the crisis is limited to increased debt burden.

Back to profitable growth after the COVID crisis

In summer of 2021, NoHo released a strategy update in which growth is still the central theme, but with clearer focus than before. Furthermore, the company aims to raise its profitability to the level of the top companies of the sector. We expect NoHo's business to recover gradually during H2'21, even though the COVID crisis creates doubt on the short-term outlook. In 2022, the company should get to operate in a rather normal market. We expect that turnover recovers quickly and that also profitability increases at a fast pace thanks to serious savings measures that took place during the crisis. Given the strong cash flow and selling Eezy, indebtedness also decreases quickly and the company gets to funnel money to growth investments already in 2022.

Earnings expectation attractive as long as earnings improvement materializes

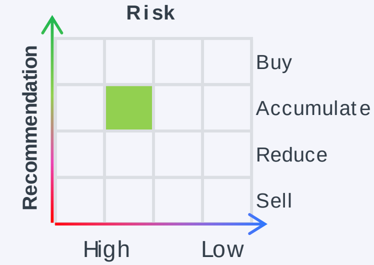
As the company is gradually returning to its normal performance capacity and the balance sheet's risk level is decreasing, investors can turn to the earnings potential of the next few years. The stock's multiples (adj. P/E 2022 15x and 2023 11x) aren't high and they still offer an attractive return expectation (~15% p.a.) for patient investors. We want to underline to investors that the return expectation relies on the earnings improvement materializing (COVID subsides + company's excellent operational performance) and because of this, the return expectation should be higher than normal.

Recommendation

Accumulate
(previous Accumulate)

EUR 10.00
(previous EUR 10.00)

Share price:
8.43



Key indicators

	2020	2021e	2022e	2023e
Net sales	157	175	290	320
growth %	-43%	12%	66%	10%
EBIT adj.	-24.0	-9.7	19.0	27.2
EBIT % adj.	-15.3%	-5.6%	6.5%	8.5%
Net profit	-26.9	-11.9	11.1	14.2
EPS (reported)	-1.43	-0.62	0.58	0.74

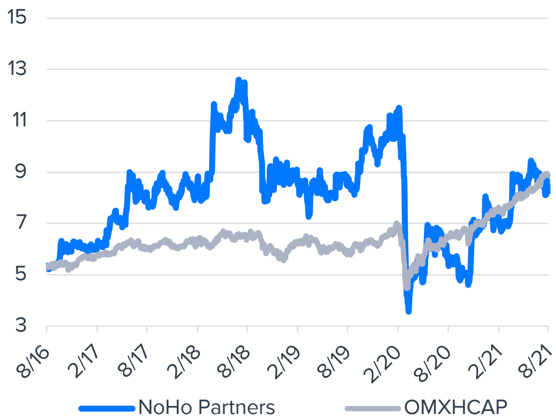
P/E	neg.	neg.	14.5	11.4
P/B	2.0	2.4	1.9	1.7
Dividend yield %	0.0%	0.0%	3.6%	4.7%
EV/Sales	3.0	2.4	1.4	1.3

Source: Inderes

Guidance

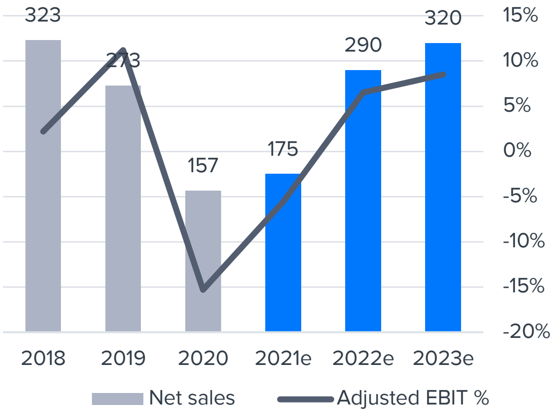
(No guidance)

Share price



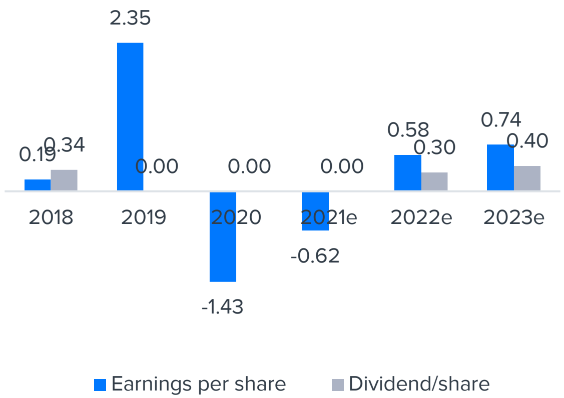
Source: Thomson Reuters

Revenue and EBIT %



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

- Overcoming the COVID pandemic and market normalization
- Turnaround in Denmark
- Norway's profitable growth
- Big projects in Finland
- Associated company Eezy's share price growth

Risk factors

- Prolongation of the COVID pandemic and new restaurant restrictions
- High debt level
- Considerable goodwill in the balance sheet
- Materializing earnings improvement on the bottom line
- Failure in international growth

Valuation level	2021e	2022e	2023e
Share price	8.43	8.43	8.43
Number of shares, million	19.2	19.2	19.2
Market value	162	162	162
EV	426	420	411
P/E (adj.)	neg.	14.5	11.4
P/E	neg.	10.4	11.4
P/B	2.4	1.9	1.7
P/S	0.9	0.6	0.5
EV/Sales	2.4	1.4	1.3
EV/EBITDA (adj.)	10.2	5.9	5.7
Dividend/earnings (%)	0.0%	37.0%	54.3%
Dividend yield %	0.0%	3.6%	4.7%

Source: Inderes

Contents

NoHo Partners in brief

NoHo Partners (founded in 1996) is a Finnish company that specializes in restaurant sector services. The company operates ca. 250 restaurants in Finland, Denmark and Norway.

1996
Year of establishment

2013
Listing

EUR 156.8 million **(-43% vs. 2019)**
Revenue 2020

EUR -24,5 million
Operating loss 2020

13% **(CAGR-% 2013-2020)**
Growth of restaurant business

250
Number of restaurants Q2'21

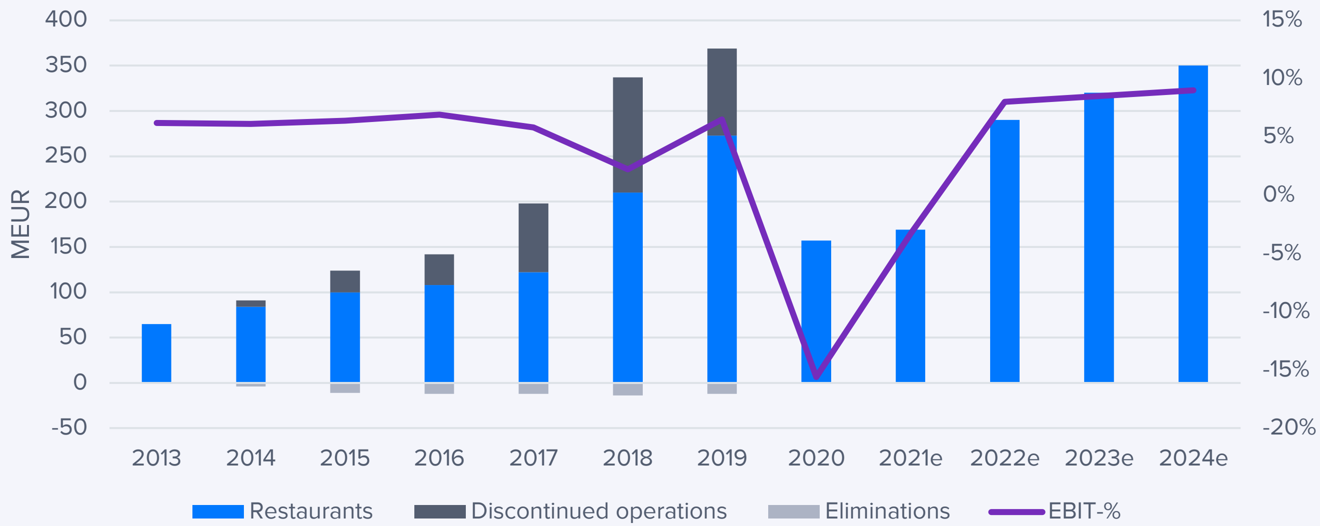
Source: NoHo Partners / Inderes

- Restamax is listed on the stock exchange 2013
- Growth in Finland through new restaurants and acquisitions
- Rengasravintolat acquisition and expanding to staff leasing 2014

- Acquisition of Royal Ravintolat and expanding to Denmark in 2018
- Expanding to Norway 2019
- Fusion of Smile to VMP 2019
- RR integration and cleaning up restaurant portfolio 2019
- Company reaches good earnings performance level 2019

- COVID-19 and restaurant restrictions collapse customer demand
- Significant adjustment measures to minimize losses and to protect liquidity
- In summer of 2021, new strategy and next steps to move from COVID to growth path

- International growth from Norway through acquisitions
- Growth from city projects and from expanding the F&B chain in Finland
- Goal is to improve profitability considerably
- Selling Eezy and strengthening the balance sheet
- Back to paying dividends



Company description and business model 1/5

NoHo Partners in brief

NoHo Partners (prev. Restamax) is a restaurant company that was listed in 2013. The company practices restaurant business in Finland, Denmark and Norway and has ca. 250 restaurants. NoHo's well-known restaurants concepts include: Elite, Savoy, Teatteri, Palace, Löyly and Friends & Brgrs. In addition to the restaurant business, NoHo owns ca. 25% of the staff leasing company Eezy (8/2021).

Current form of the company is a result of several M&A transactions

NoHo's (prev. Restamax) history begins in 1996, when the company's current major owners Timo Laine (Laine Capital Oy) and Mikko Aartio (Pimu Capital Oy) founded Mr Max Oy, which is the predecessor of Restamax. During the early stages, the focus was on pubs and entertainment restaurants. In 2005, the company expanded to sit down restaurants and, in 2008, the business was further grown to entertainment restaurants and bars with an M&A transaction.

The company's ownership structure faced change during 2010-2011, when the ownership base was expanded with a directed share issue in 2010 and capital investor Tamares became one of the major shareholders in 2011. In 2013, Restamax was listed on the Helsinki stock exchange and the following year, the company made its largest M&A transaction by acquiring Rengasravintolat Group. In 2014, the company expanded to staff leasing as well.

After 2014, Restamax continued its acquisition-driven growth and made several M&A transactions between 2015 and 2020. In 2018, the most significant M&A was related to expanding to Denmark and acquiring Royal Ravintolat. With the Royal Ravintolat acquisition, Restamax changed its name to the current NoHo Partners. In 2019, the company focused on integrating Royal Ravintolat, carried out a considerable restaurant portfolio clean-up and improved the business' earnings potential. Furthermore, the company continued its internationalization process with an acquisition in Norway and focused solely on the restaurant business by merging Smile into VMP.

COVID crisis tore a big hole in the growth story

In 2020, NoHo faced significant challenges, when COVID that had become a global pandemic took away the preconditions for the company to practice normal business. Because of the COVID crisis, last year, NoHo's turnover decreased 43% to EUR 156.8 million and the company made an operating loss of EUR 24.5 million. Significant losses in combination with already high indebtedness caused problems with the company's balance sheet position. However, the company was able to defend its liquidity through e.g., decisive adjustments and financing arrangements. Generally, NoHo has survived the COVID crisis with surprisingly small damages.

In June 2021, the company published its updated strategy which outlined the roadmap back to track of growth. The strategy day underlined that NoHo wants to be a growth company in the future as well, but the focus is more on Norway, Finland's large projects and scaling F&B than before.

NoHo

NORDIC HOSPITALITY PARTNERS

NoHo Partners in brief

- Restaurant company founded in 1996 which operates in Finland, Denmark and Norway.
- Restaurant portfolio comprised 250 restaurants at the end of Q2'21.
- In addition to the restaurant business, NoHo owns 25% of staff leasing company Eezy.
- NoHo asserts itself as a growth company and M&A transactions have been pivotal in the company's history.
- NoHo's founders and leadership have significant ownership in the company.

Largest shareholders	7/2021
Laine Capital Oy	27%
Niemi Mika Rainer	12%
Pimu Capital Oy	11%
Veikko Laine Oy	6%
Evli Finnish Small Cap equity fund	4%
Mutual Pension Insurance Company Ilmarinen	2%
Sign Systems Finland Oy	2%
Mutual Pension Insurance Company Elo	1%
Mutual Pension Insurance Company Varma	1%
Evli Finnish Select equity fund	1%
10 largest total	**68%**

Source: NoHo Partners

Company description and business model 2/5

Concept-based approach in center of the business model

NoHo's business model revolves around a concept-based approach which helps it to avoid a chain-like operating model. NoHo has over 100 restaurant concepts, of which ca. 20 are reproducible Stefan's Steakhouse, Viihdemaailma Ilona and Friends & Brgrs are examples of reproducible concepts. Savoy and Löyly are examples of local and non-reproducible concepts.

The largest benefit of the concept-based approach is that the company can be present at all stages of the restaurant/entertainment experience, which enables a larger market share in a specific market area. For example, in Helsinki and Tampere, NoHo has lunch restaurants, sit down restaurants, pubs, bars and nightclubs. The company can also increase its market share by offering several competing concepts in different categories. Reproducible concepts operate under their own brands and, therefore, customers aren't aware that they visit restaurants of the same owner.

Furthermore, the concept model enables fast reactions for the company. If need be, NoHo can answer changing customer preferences quickly and introduce a new restaurant concept that supplies the current demand in a specific market area. A new restaurant concept can be rapidly shut down, if it proves unprofitable.

One of the weaknesses of the concept-based business model is the lack of certain scale benefits. The concept-based model doesn't, for example, enable nationwide marketing, as each concept must be marketed individually. The model has a neutral effect on, for example, brewery and wholesale contracts, since the company receives the same benefits with either concept-based or chain-based approach. In our estimate, most of the purchases of the restaurants go through the same purchasing pipeline. Personnel resource efficiency depends more on the local scale than the number of concepts.

In the concept model, managing the restaurants is more difficult than in a more traditional chain model. The company's restaurant concepts are led with a so called "partner model". In the partner model, the responsibility to develop the restaurants is on partners, i.e., restaurant entrepreneurs, who have strong local knowledge and experience. In the model, the restaurant entrepreneurs are responsible for business results and the Group helps with developing the restaurant concept, if set objectives aren't met. In the partner model, NoHo handles required support functions.

Differences of chain model and concept model

	Chain model	Concept model
Scale benefits in purchases	Significant	Depend on the size of the parent company
Marketing	Can be done on a national level with more resources	Local with limited resources
Ability to react	Major changes take long time	Single restaurant can be changed quickly
Reputation risk	Whole chain is susceptible to reputation risks	Risk is always related to single concepts
Expenses	Cost structure is fundamentally lower	Single restaurants are relatively more expensive than a chain
Market share potential	Limited	Enables a rather high market share
Profitability potential	When successful, chain business is more profitable than concept business	Possible to reach good profitability through scale
Risk profile	Moderate	Lower than chain business

Company description and business model 3/5

Four business areas

NoHo's restaurant business is organized to four business areas: 1) Restaurants, 2) Entertainment venues, 3) Fast casual restaurants and 4) International restaurants. We want to point out that the turnover shares below don't reflect the shares in a normal market situation.

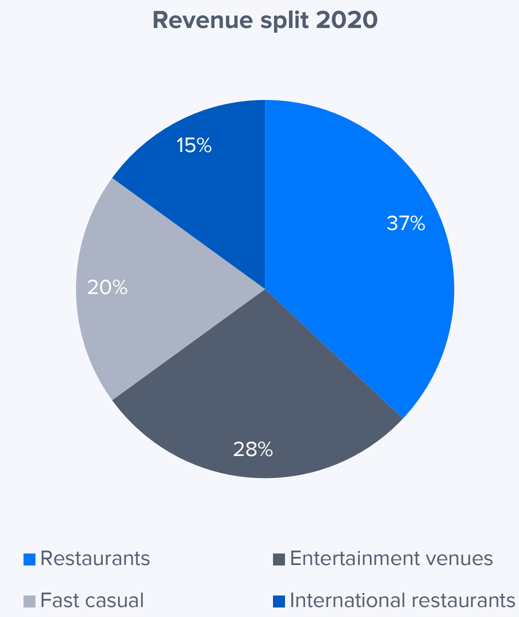
Restaurants is NoHo's largest business area when it comes to turnover. Its share of the restaurant business turnover was ca. 37% in 2020. NoHo has more than 70 restaurants of this business area in Finland. The range of restaurants is wide and it includes both fine dining restaurants with a higher price point and lower-price-point lunch restaurants and cafés.

NoHo's brands in this business area are, for example, Savoy, Palace, Stefan's Steakhouse, Sandro, and Elite. The restaurants of this business area are commonly open for most of the week and on a daily level, from lunch time to late. Thus, the capacity utilization of these restaurants is typically quite high. The restaurants of this business area tie more personnel resources and their material margin is lower than that of nightclubs and entertainment restaurants. Thus, their operating profit margins are commonly lower than nightclub and entertainment restaurant businesses'. The lower profitability level of the restaurants of this business area is counterpoised by the lower risk profile compared to nightclub business. In this business area, the profits of the market area are more evenly distributed between several parties.

Entertainment venues is the company's second largest business area (2020: 28% of turnover). In Finland, NoHo has more than 70 nightclubs and entertainment venues and, like restaurants, they are located all over Finland. Entertainment venues business area features nightclubs, sport bars, pubs, pool halls and escape rooms. Löyly, Teatteri, Viihdemaailma Ilona and Mattolaituri are examples of this business area's brand.

There is a significant difference in profitability between good and bad nightclubs. Commonly, nightclubs are only open a few nights a week and majority of their sales occur during a few hours each night. Given the limited opening hours of nightclubs, the capacity utilization is low and, therefore, the business is susceptible to changes in customer demand. In the best case, nightclub business is very profitable because of a high material margin and fixed costs that scale with growing demand. Typically, the few most popular nightclubs of a city are generally very profitable, after which profitability weakens quickly. Nightclubs that aren't among the most popular ones have a hard time finding a good profitability level without specializing (barring Helsinki where the market is really large).

Entertainment venues are typically open almost every day of the week from early morning to late and, thus, their capacity utilization is higher than that of nightclubs. The average purchase of customers is low, but this is counterpoised by the limited amount of required personnel resources. In our estimate, the risk profile of entertainment venues is the lowest of all the restaurant types and their profitability is between restaurants and nightclubs.



Brands

Company description and business model 4/5

The third largest of NoHo's business areas is Fast Casual Restaurants. Last year, the turnover of Fast Casual Restaurants was EUR 31 million and its share of turnover ca. 20%. Brands of this business area include Pizzeria Luca, Hanko Sushi, Friends & Brgrs, Hook Restaurant, Classic American Diner and Sticky Wingers. NoHo has over 50 Fast Casual restaurants. Fast Casual brands are reproducible concepts and the nature of the business is scalable. Average purchases are typically low in Fast Casual restaurants. However, the capacity utilization of the restaurants is high, as they are open almost every day of the week from lunch time to late.

International restaurants consists of NoHo's restaurant business in Norway and Denmark, which brought 15% of turnover last year. This business area features sit down, fast casual and entertainment restaurants, pubs, and gin and craft beer bars. Cock's and Cows and Ruby are examples of brands of the business area.

Cost structure

In the restaurant business, material margin % and personnel cost % are key ratios. Material margin denotes the sales margin for the goods the company purchases, and the company's size, sales mix and general business conditions affect it. Last year, the material margin of Restaurant business weakened 2 PPT to 72%. In the long term, the development of the material margin has been steady and in 2013-2020 it has been 73.9% on average.

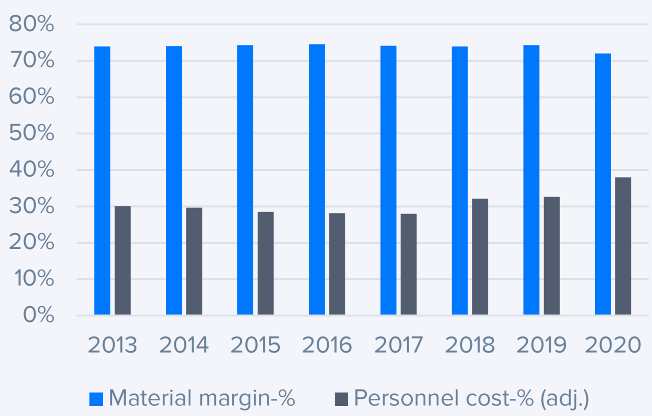
NoHo's personnel costs were 38% of turnover in 2020. Last year, the relative share of personnel costs increased because of the significant decrease in turnover (-25%) as a result of the COVID pandemic and restaurant restrictions and to which the personnel cost level couldn't be fully adapted. Historically, the relative share of personnel cost has been 31% on average, which is a better indicator of the business' normal level.

Minorities

At the end of 2020, NoHo had over 30 subsidiaries in the restaurants business, in which it has a minority holding. The holdings vary from small positions of a few percent to ones with dozens of percent. Typically, minority holders own ca. 30% of the restaurants. Operatively, the most notable minority holdings are in subsidiaries in Norway and Denmark.

These minorities are mostly from M&A transactions and the aim is to commit the old owners to NoHo's business. Our overall view on the minority holding structure is positive, because it decreases the need for operative leadership from NoHo. Problems may arise, if the operation of a restaurant unit doesn't meet expectations, which leads to major disputes between NoHo and the minority owner.

Material margin and personnel cost-%



Most significant minorities (2020 & 2019)	Minority holding		Share of result (EUR million)	
Company	2020	2019	2020	2019
Northmax Oy	30%	30%	0.1	0.2
Suomen Siipiravintolat Oy	30%	30%	0.3	0.3
NoHo Norway As sub-group	20%	20%	-0.8	0.3
Nordic Hospitability Partners Denmark A/S sub-group	25%	25%	-0.5	-0.3

Company description and business model 5/5

Associated company Eezy

NoHo owns ca. 25% of the staff leasing company Eezy. Measured by turnover, Eezy is the second largest personnel service company, whose income comes from staff leasing, light entrepreneurship, and different specialist services. In 2020, the company's turnover was EUR 190.6 million and EBITA EUR 13.5 million. Staff leasing generated 88% of the company's turnover in 2019 and Eezy practices it through both its own offices and a franchise model.

Eezy became an associated company for NoHo in 2019, when NoHo's subsidiary Smile merged with VMP. Before that, Smile was NoHo's Staff Leasing segment, which offered staff leasing to e.g., the HoReCa sector, events and promotions, construction and industry, logistics, medical services and direct recruitment services.

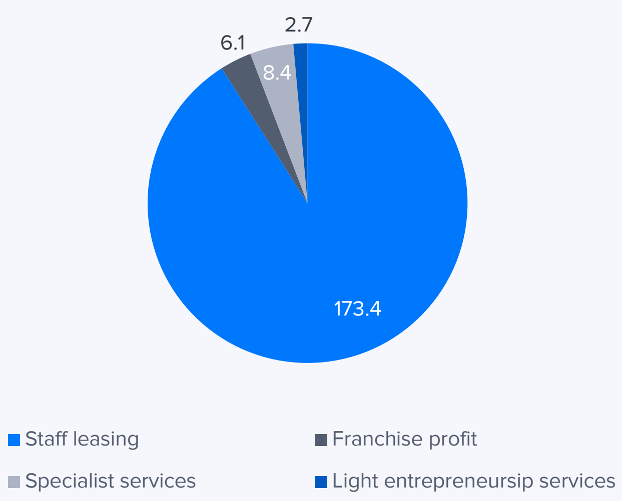
Eezy position will be sold during this strategy period

This spring, NoHo sold Eezy shares for EUR 6.2 million and made further sales in August (EUR 0.6 million). Behind these sales were improving the liquidity situation and preparing for the potential prolongation of the COVID crisis. In the June 2021 strategy info, the company said that it will sell the rest of its Eezy position during the current 2022-2024 strategy period. The decision wasn't a surprise, since Eezy isn't a core business for NoHo. Furthermore, with the COVID crisis, the company has to be more selective in its strategic decisions than before. In our estimate, NoHo will sell the rest of its Eezy position during the next 12 months, given that the stock price remains at its current level.

Healthier balance sheet after selling Eezy position

At the end of Q2, NoHo's net debt without IFRS-16 liabilities was EUR 164 million. In our view, Eezy should be considered as cash from now on, as the company will sell its position relatively soon. Adjusted with the ca. EUR 40 million Eezy position, net debt would be ca. EUR 120 million. EUR 120 million level is quite close to the company's own comfort zone, since with our 2022 estimates the net debt/EBITDA ratio decreases to 3x, which is a level that the company seeks. The sale of improves the company's balance sheet quickly and as a result, the company has considerably better conditions to implement its growth strategy, when the strong operational cash flow doesn't have to go to debt repayments. We will go over NoHo's balance sheet position in more detail on page 21.

Eezy's revenue split 2020



Eezy's financial development 2019-2023e

Past development 1/2

Acquisitions are a significant part of the growth strategy

Growth has been a pivotal factor in NoHo's strategy and the company has historically grown much faster than the sector average (restaurants 2013-2019 CAGR: +30%). Acquisitions have played a significant role in growth. For investors, the important question is "has the restaurant business growth been profitable and has NoHo generated value through its acquisition-heavy growth?" The evaluation of this is made difficult by Smile's temporary presence in the Group figures and the COVID crisis that ruined 2020.

After becoming listed, NoHo has made large investments to growing the business and, in our calculations, the company has spent ca. EUR 230 million in investments in 2013-2020 (incl. own shares used in the deals). Of these investments, the Smile acquisition was according to our calculations ca. EUR 45 million and restaurant investments were, thus, EUR 185 million.

In our view, the most meaningful approach to the rate of return of the Restaurant business investments is through our 2022e estimates, as they offer the clearest picture of the normal earnings potential of the Restaurant business. When comparing our 2022e estimates to the starting point in 2013, when NoHo became listed, we expect that through acquisitions, the company has been able to generate EUR 225 million in turnover and ca. EUR 27 million in operating profit (adjusted from IFRS16 depreciations and minorities' share of earnings).

Given the volume of investments, this means that with each invested Euro in the restaurant business NoHo has generated EUR 1.2 in new turnover (roughly the same as EV/turnover ratio 0.8x), and that with our 2022 earnings estimates the investments have a ca. 15% rate of return.

We want to point out that the calculation is very simplified, as it doesn't take e.g., the cash flow of the review period and the time value of money into account. Furthermore, the calculation doesn't consider how the growth is financed. The calculation reveals that the acquisition-driven growth of the last few years can in our opinion be considered profitable in general, even though the company made many bad investments, especially in 2015-2017.

Similarly, the transactions in Staff leasing generated great amounts of value in our view. The debt-free value of Smile amounted to EUR 82 million in the 2019 fusion of Smile and VMP (NoHo's share was at the time ca. 75%). Given the amount of capital invested in Smile, the sale price can be considered excellent. According to our calculations, NoHo got an annual 17% return on its invested capital during the Smile ownership (annual return calculated as a weighted average by proportionating the acquisition investments to when they were made). Therefore, the development and value creation of Smile can be considered excellent.

Acquisitions of the last few years in Restaurant business

In the last few years, NoHo as made several acquisitions, most notable of which are the Rengasravintolat acquisition (2014), Royal Ravintolat acquisition (2018), expanding to Denmark (2018) and the Norway acquisition (2019).

The Rengasravintolat acquisition in 2014 came with clear synergies and through it, NoHo expanded its business to Pori and strengthened its position in the restaurant markets of Helsinki and Jyväskylä. The total purchase price for the acquisition was EUR 17.5 million and the valuation multiples for the deal can be considered low (EV/EBITDA 3.9x and EV/EBIT 4.3x). These favorable multiples are diluted by the fact that the company financed the deal mostly with its own shares, which were at the time undervalued.

NoHo's 2018 acquisition of Royal Ravintolat was the largest-ever acquisition in the Finnish restaurant sector. The acquisition was strategically excellent, as Royal's restaurant portfolio that was focused on the Helsinki area supplemented NoHo's own portfolio, for that was the very area where NoHo had had problems. Furthermore, the acquisition brought significant synergy benefits (EUR +6 million) and considering those, the debt-free sale price of EUR 90 million was, in our view, favorable (EV/EBITDA <7).

NoHo's 2018 acquisition in Denmark (Cock's and Cows and The Bird companies) was in our view a significant failure. The sale price was very high to start with and, furthermore, the earnings level has been far from expectations. At the time of the purchase, NoHo estimated that the acquisition target's EBITDA would increase to EUR 2.0 million (2017: EUR 0.8 million), but so far the business has been in red.

Past development 2/2

Contrastively, the 2019 M&A transaction in Norway was a success in our view, and unlike the Denmark acquisition the deal was made with favorable valuation multiples (EV/EBITDA < 5x). Additionally, the operational development in Norway has been strong.

In the spring of 2020, NoHo acquired the Friends and Brgrs chain for a purchase price that was very high given F&B's earnings capacity at the time (EV/EBIT in our estimate 15-23x). The success of the acquisitions depends on how profitably NoHo can scale the chain on a national level.

NoHo's challenge has been how to translate operating profit to the bottom lines

Historically, NoHo has faced challenges in converting strong operating profit to the bottom lines of the income statement, which is another factor that makes evaluating the profitability of NoHo's growth difficult.

In practice, this means that a large portion of the company's operating profit has been eaten away by depreciations, occasionally by high financing cost (e.g. 2019 expensive hybrid loan) and high tax rates. Furthermore, the earnings share of minorities has chomped a large portion of the company's operating profit in certain years.

Because NoHo's good operating profit has historically been buried under aforementioned items, the earnings share that belongs to the shareholders of the parent company has been thin, which is visible in the net profit margin (2013-2019 avg. 4.1%).

In our view, after the COVID crisis, in addition to improving operating profit, NoHo should focus on making sure that the improved result is realized on the bottom lines of the income statement as well.

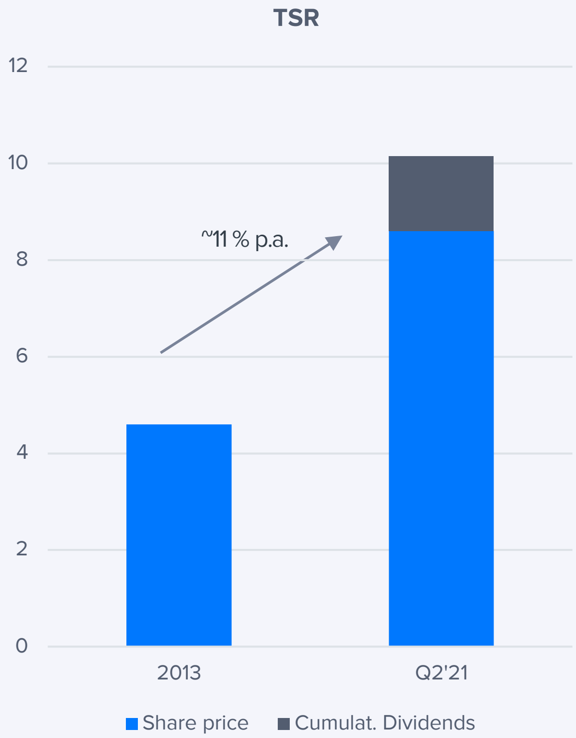
IFRS-16 standard shifts the focus from EBITDA to operating profit

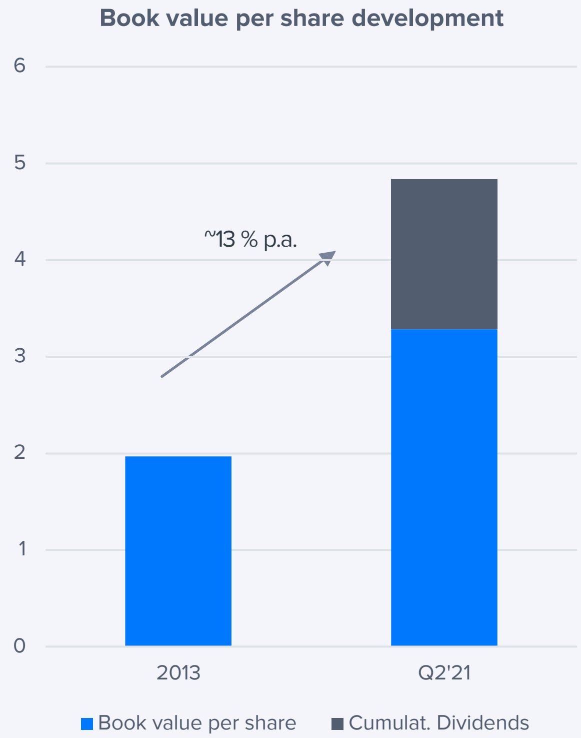
Until 2018, EBITDA was a good indicator of NoHo's operational cash flow, but irrelevant with 2019 and the IFRS-16 standard, when rental costs were moved from other business costs to depreciations and financing costs. After the changed accounting standard, the company has shifted its communication from EBITDA to operating profit and the financial objectives related to profitability are tied to the operating profit margin.

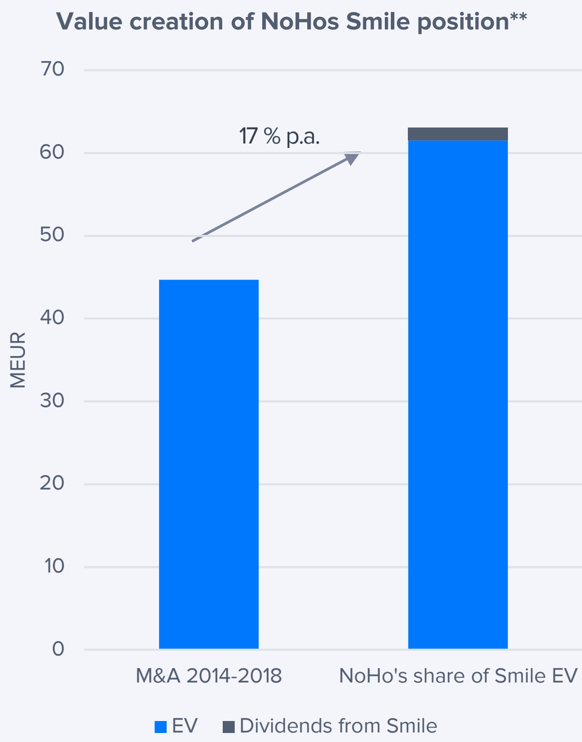
Group income statement	2013	2014	2015	2016	2017	2018	2019	2020
Net sales	**65.0**	**86.7**	**113.6**	**130.1**	**185.9**	**323.2**	**272.8**	**156.8**
EBITDA	**9.1**	**12.0**	**16.5**	**19.4**	**22.4**	**28.4**	**74.3**	**27.6**
EBITDA %	*14%*	*14%*	*15%*	*15%*	*12%*	*9%*	*27%*	*18%*
Depreciation and impairment	-5.1	-6.7	-9.3	-10.4	-11.6	-21.2	-44.5	-52.0
Operating profit	**4.1**	**5.3**	**7.3**	**9.0**	**10.8**	**7.2**	**29.8**	**-24.4**
EBIT %	*6%*	*6%*	*6%*	*7%*	*6%*	*2%*	*11%*	*-16%*
Shares in associated companies	0.0	0.0	0.0	-0.2	0.1	0.0	0.8	0.5
Net financing costs	-0.5	-0.5	-1.2	-1.0	-2.8	-1.6	-5.2	-11.0
Profit before taxes	**3.6**	**4.7**	**6.1**	**7.9**	**8.0**	**5.6**	**25.3**	**-34.8**
Taxes	-0.7	-1.4	-1.3	-2.0	-2.5	-1.4	-1.5	5.4
Minorities	-0.3	0.1	0.2	-0.3	-0.4	-0.7	-1.5	2.6
Profit for the review period to shareholders	**2.6**	**3.5**	**5.0**	**5.6**	**5.1**	**3.5**	**22.3**	**-26.8**
Net profit %	*4%*	*4%*	*4%*	*4%*	*3%*	*1%*	*8%*	*-17%*

NB: 2019-2020 continuing operations, associated companies line reorganized in the table below 2019-2020 operating profit. IFRS-16 effects since 2019 2019 includes Smile sales gain.

Summary of M&A transaction and shareholder value





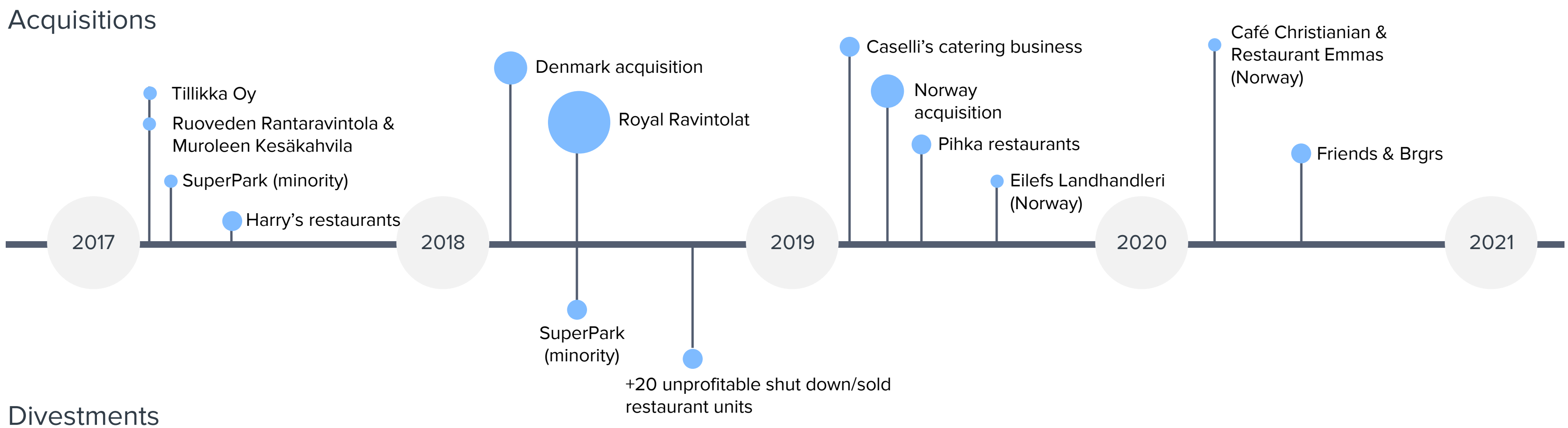


* Minorities adjusted from own capital

** Acquisitions 2014-2018 Inderes' estimate. Annual rate of return calculated as a weighted average.

M&A history of NoHo's restaurant business

Acquisitions and divestments in restaurant business 2017-2020



Most significant acquisitions in restaurant business

Date	Acquisition target	EV	Net sales	EBITDA	EBIT	EV/Sales	EV/EBITDA	EV/EBIT
2/2020	Friends & Brgrs*	10-15	10	n.a.	0.7	1.1-1,6x	n.a.	15-23x
4/2019	Norway acquisition*	14	20-30	~3- 4	n.a.	0.5-0,7x	<5x	n.a.
4/2018	Royal Ravintolat**	90	106	13.0	9.6	0.9x	6.9x	9.4x
3/2018	Denmark acquisition (Cock's & Cows and The Bird restaurants)	22	9	0.8	n.a.	2.4x	27.5x	n.a.
3/2014	Rengasravintolat Group	18	22	4.5	4.1	0.8x	3.9x	4.3x

* Inderes' estimate, ** post-synergies

Source: NoHo Partners, Inderes

Strategy and financial objectives 1/2

NoHo's updated strategy published in June 2021

In June 2021, NoHo published its updated strategy and financial objectives for the 2022-2024 strategy period. The updated strategy indicates the company's objective to be a growth company also in the future. The key areas of the strategy are related to growth, profitability and net debt. In June, the company also said that the position in the associated company Eezy will be sold during the strategy period.

EUR 400 million turnover objective by 2024

With the strategy update, NoHo announced that it seeks EUR 400 million turnover level by 2024. The company estimates that the turnover potential of its current restaurant portfolio's is ca. EUR 280 million and, therefore, additional EUR 120 million of turnover is required to reach the objective. The strategic focus areas to reach the turnover objective are profitable growth in Norway's restaurant market, scaling F&B chain in Finland and large city projects.

In Norway, NoHo seeks growth mainly through acquisitions. During this strategy period, the company is seeking EUR 50 million in additional turnover in Norway, where the turnover potential of the current 18 restaurant units is ca. EUR 30 million. NoHo's acquisition-driven growth strategy is supported by Norway's fragmented restaurant market and the low valuation of acquisition targets (EV/EBITDA multiples in sales/deals commonly 3-5x). NoHo has also said that it's ready to finance acquisitions with its own shares. In addition to acquisition-driven growth, NoHo also seeks organic growth in Norway e.g., by scaling existing restaurant concepts (e.g. Campingen).

Another pivotal factor in reaching the turnover objective is scaling the Friends & Brgrs chain, which was acquired in early 2020. At the moment, the F&B chain has 15 restaurants in 12 cities and the company's objective is to scale the chain to a national level. With new restaurants and improving digital sales channels and brand communication, NoHo estimates that the chain's turnover increases from the current EUR 20 million to ca. EUR 50 million.

NoHo also seeks a EUR 30 million turnover increase through large and profitable city projects. The company has mentioned Tampere Uros Arena, Allas Sea Pool and Kino Helsinki as examples of large projects. The company estimates the turnover potential of large projects to be ca. EUR 26 million. In large city projects, the company has potential to reach good profitability levels and, for example, the company has estimated that EBITBA of the aforementioned three projects is 14-22%.

Profitability objective at ca. 10% operating profit in 2024

NoHo's profitability objective is at ca. 10% operating profit margin by 2024. This objective is backed by portfolio restructuring and significant cost savings made during the COVID crisis. Furthermore, the company aims to improve profitability with an earnings turnaround in Denmark and by increasing cost-efficiency.

Focal areas and financial objectives of the strategy period

Growth

- Acquisition-driven growth in Norway
- Scaling F&B chain
- Large city projects
- EUR 400 million turnover by 2024

Profitability

- Restructuring the portfolio
- Cost savings and improving general cost-efficiency
- Earnings turnaround in Denmark
- Ca. 10% operating profit margin in 2024

Balance sheet

- Net debt to operational cash flow ratio < 3x
- Objective is to pay dividends again

Strategy and financial objectives 2/2

NoHo's margin objective is ambitious, when we consider the fact that NoHo's Restaurant business' operating profit margin was ca. 6.7% in 2019 and in the record year of 2016 ca. 6.9%. The profitability objective is very ambitious also when compared to the long-term profitability level of the sector (pp. 19-20).

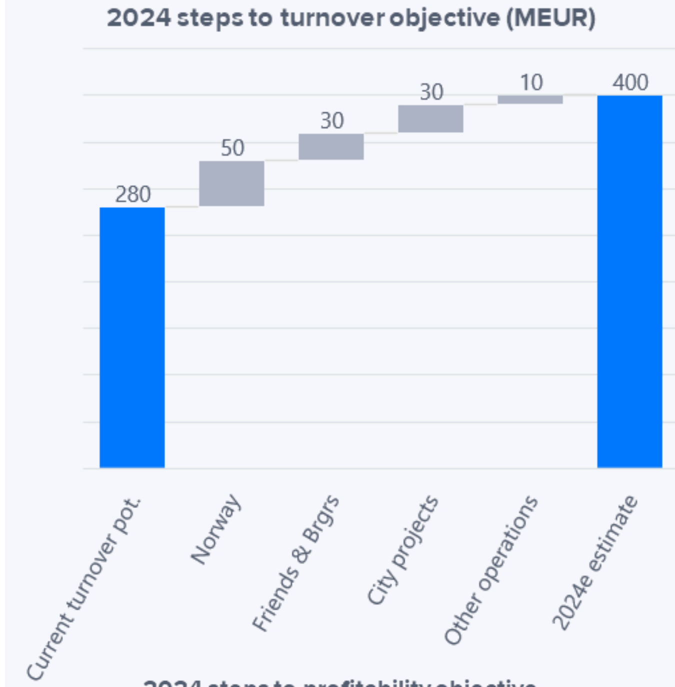
We think it's very unlikely that the company would reach the sought 10% level, while seeking fast growth at the same time. We estimate that the operating profit margin increases to 9% by 2024. We want to point out that 9% is extraordinarily good in this sector and significantly higher than we projected NoHo's earnings potential to be before the COVID crisis. In practice, reaching 9% requires almost perfect performance from the company and upcoming growth investments must be very profitable. The starting point for a profitability increase is good, because the company has gone through a brutal restructuring during COVID and the restaurant portfolio is in good shape.

Debt burden in the balance sheet decreases quickly

NoHo's financial objective related to the balance sheet is that the ratio of interest-bearing net debt to operational cash flow is less than 3x. The company's net debt (excl. IFRS-16) were EUR 164 million at the end of Q2'21 and adjusted with the Eezy position ca. EUR 120 million. Including the Eezy position the absolute level is quite close to the company's own comfort zone, since with our 2022 estimates the net debt/EBITDA ratio decreases to a level that the company seeks. During this strategic period, the Eezy divestment quickly improves the company's balance sheet and as a result, the company has considerably better conditions to implement its growth strategy, when the strong operational cash flow doesn't have to go to debt repayments. The company will be able to finance its upcoming growth investments in full with its own cash flow.

COVID caused a considerable decrease in own capital and as a result, the net debt ratio is very high 230% IFRS16 adjusted and 170% adjusted with the Eezy position. It is of paramount importance for NoHo that from H2 onward the company won't destroy own capital and the cash flow remains positive. We will further discuss the balance sheet position in the following section.

When it comes to profit distribution, the company said that it aims to start paying dividends again during the current strategy period.



Investment profile

1. **Acquisition-driven growth and strong track record for growth**
2. **Profitability potential is partially a question mark**
3. **Negative working capital and strong operational cash flow**
4. **High indebtedness**
5. **The pace and rate of recovery from COVID not in NoHo's control**

Potential

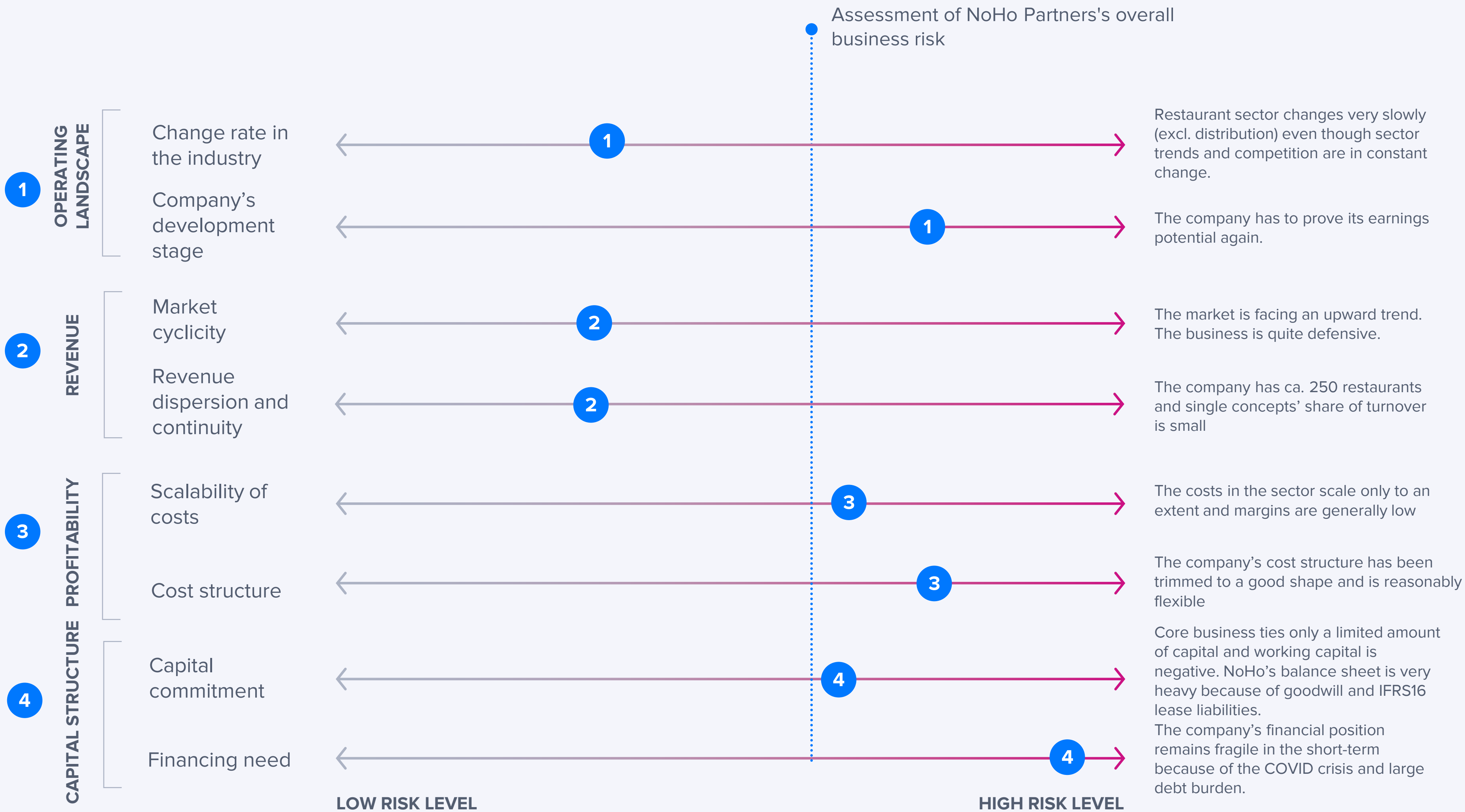
- Overcoming the COVID pandemic and market normalization
- Turnaround in Denmark
- Norway's profitable growth
- Big projects in Finland
- Associated company Eezy's share price growth

Risks

- Prolongation of the COVID pandemic and new restaurant restrictions
- High debt level
- Considerable goodwill in the balance sheet
- Materializing earnings improvement on the bottom line
- Failure in international growth

Source: Inderes

Risk profile of the business model



Source: Inderes

Restaurant market 1/2

Market size doesn't limit growth

NoHo became an international restaurant company in 2018, when the company expanded to Denmark. The internationalization process continued in 2019, when the company launched a joint venture in Norway and acquired 15 restaurants with local partners. Through internationalization, NoHo examines market potential in North Europe's restaurant market, which the company estimates to be ca. EUR 100 billion. To our understanding, the company's definition of North Europe's market consists of the restaurant markets of the Nordic countries (excluding Iceland), Germany, Poland and The Netherlands. NoHo examines Germany's restaurant markets by city and not as a whole.

The large market potential can be explained with the target markets' bigger population and differences in restaurant service consumption. The company has estimated that other Nordic citizens consume restaurant services 1.5 to 2.5 time more than Finns. When examining NoHo's target markets, it's relevant for investors to note that the market size doesn't meaningfully limit the company's growth, barring specific cities in Finland.

Finland's restaurant market

In our estimate, the size of Finland's restaurant market was EUR 4.4 billion in 2020. The turnover of the sector decreased significantly (-24%) last year, when the COVID pandemic and strict restaurant restrictions collapsed customer demand. In 2021, the restaurant business' outlook is still very uncertain due to the COVID pandemic and the recovery of customer demand is completely dependent of how the pandemic progresses.

We think it's likely that the market will temporarily lose restaurant capacity due to the COVID crisis, but we expect this to be a brief state and that new supply will enter the market relatively quickly. So far, the COVID crisis hasn't been visible in bankruptcy statistics, as the temporary bankruptcy law has hindered debtors' ability to file companies for bankruptcy. Moreover, the bankruptcy statistics don't show businesses that have been shut down.

In the long term, the sales of the restaurant sector have increased in Finland, similar to other Nordic countries, faster than general economic growth and the average annual growth in 2007-2019 was in our estimate ca. 2.8%. Key factors that have affected the market's growth are e.g., GDP growth, increase in consumers' disposable income and the business confidence indicator, which affects the sales of company events. In bigger cities, customer demand is affected by the development of tourist streams.

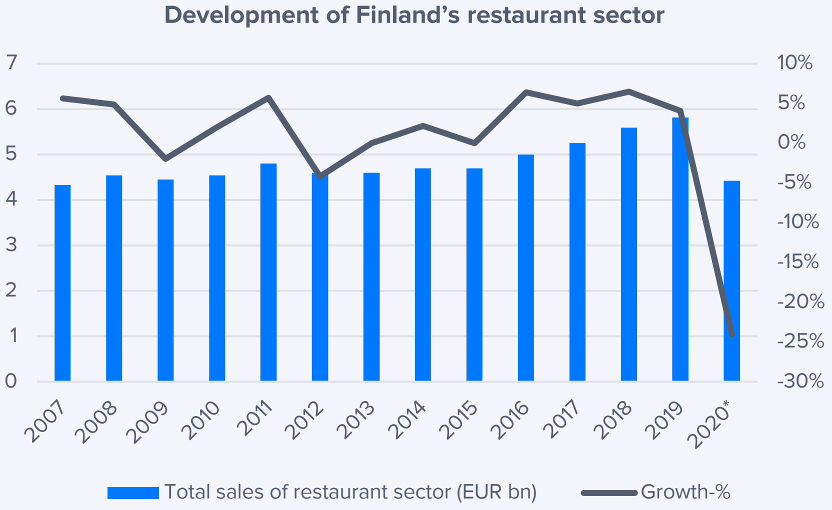
Competitive edges are rare in the sector

Because the restaurant business doesn't have significant threshold to enter the market, reaching sustainable competitive edges is virtually impossible in the sector. The lack of barriers to entry is visible in the general profitability level, which when analyzed over a longer period than a business cycle is rather modest (the sector's average operating profit margin in 2007-2019 is 2.4%). In our view, reaching higher than sector average profitability practically requires economies of scale, which are mostly related to purchases and marketing. Another possible competitive edge is a concept or brand, but these are usually temporary and a long-term concept-based competitive edge such as Savoy is extremely rare. In our estimate, economies of scale are mostly behind NoHo's better-than-average margin level.

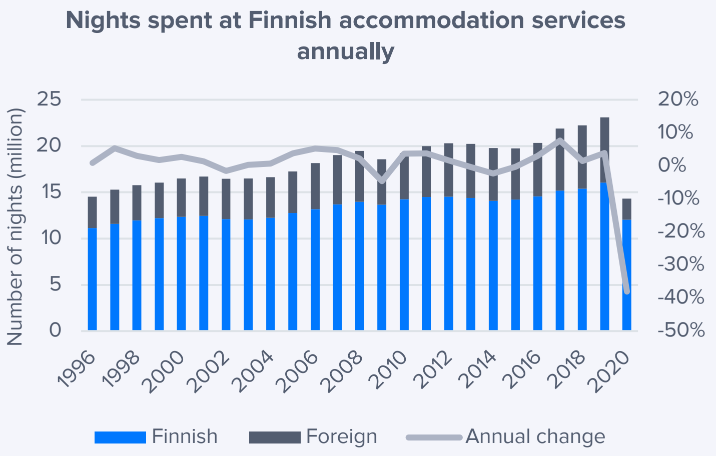
The capital requirements in the restaurant business are reasonable, because even though keeping up the competitiveness of a restaurant portfolio requires fixed investments, the companies of the sector commonly operate with negative working capital, which improves capital efficiency. Thus, in our view, it is possible to reach reasonably good ROE despite of relatively low margin levels.

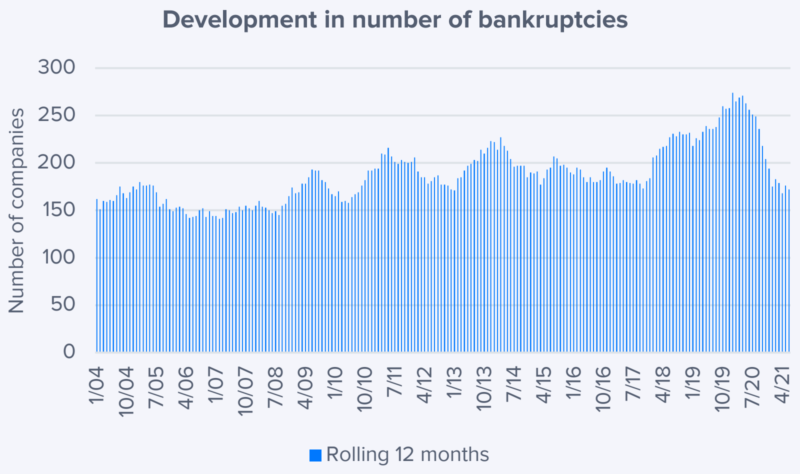
Source: NoHo Partners, MaRa, Statistics Finland, Inderes

Restaurant market 2/2



* 2020 market size Inderes' estimate





Source: NoHo Partners, MaRa, Statistics Finland, Inderes

Financial position 1/3

King-size balance sheet

Even though NoHo's business ties a limited amount of fixed assets, the company's balance sheet is very heavy. At the end of Q2'21, the balance sheet amounted to EUR 450 million, which is very high relative to the size of the business.

The gargantuan size of the balance sheet is largely explained with IFRS16 lease liabilities and intangible assets. Furthermore, the company holds a significant position in Eezy Oyj, which does not belong to the core business of the company. Adjusted from these, the balance sheet would amount to ca. EUR 80 million, which would be considerably closer to the actual capital requirements of the business.

At the end of Q2'21, the company had ca. EUR 180 million in intangible assets in the balance sheet. Intangible assets consist of goodwill from M&A and other intangible goods. Other intangible goods include e.g., trademarks and non-competition agreements and client contracts.

At the end of Q2'21, the company had in its balance sheet ca. EUR 150 million in fixed asset items which correspond to IFRS16 lease liabilities. At the end of Q2'21, the company had EUR 45 million in fixed assets. This consists of assets related to restaurants (machinery & equipment).

8/2021, NoHo owned ca. 25% of Eezy Plc and the value of this position was at EUR 6.6 share price ca. EUR 40 million.

NoHo's current assets consist mainly of sales receivables and inventory ties only little capital. Additionally, the company has recorded ca. EUR 12 million in tax receivables from the COVID crisis.

At the end of Q2'21, NoHo had ca. EUR 66 million in capital and of this the minorities share was EUR 2.8 million.

At the end of Q2'21, the company had ca. EUR 160 million in loans. Furthermore, the company had ca. EUR 160 million in debt related to IFRS16 lease liabilities. It's important for investors to note that even though IFRS16 liabilities are classified as debt in the books, they differ significantly from actual debt capital (e.g. bank loan). Leases are constantly being renegotiated and, for example, during the COVID crisis, NoHo renegotiated a significant portion of its leases and received sizable rent cuts. Therefore, IFRS16 liabilities shouldn't be considered as financial debt and NoHo's indebtedness should be examined with IFRS16 adjusted figures.

Goodwill risk under control for now

NoHo's intangible assets consists of EUR 136 million of goodwill and EUR 43 million of intangible rights. The amount of goodwill is quite high and the COVID crisis has brought up worries regarding the marketability of the goodwill. In the company's own calculations, cash streams exceed the goodwill-based book value by EUR 36 million (12/20: EUR 20 million). The buffer isn't very large but, at the same time, the background expectations that the company uses aren't particularly aggressive (operating profit margin 7.4%, terminal growth 1% & discount interest 8.3%). We don't see a need for write-down in the goodwill, if the company's earnings performance recovers as we expect during the next 18 months. If the company's performance should prove to be weaker than we expect, writing down the goodwill would a relevant risk to NoHo.

Even though a goodwill write-down wouldn't affect cash flow, it would be a major problem to the company, especially due to thin own capital. In practice, a significant write-down in goodwill would most likely lead to acquiring more own capital. In the short term, we don't consider this a significant risk to investors.

Negative working capital enables capital efficient growth

Given the nature of the restaurant business, NoHo's working capital is clearly negative. Usually, customers pay the restaurants immediately and supply terms are good. Thanks to negative working capital, growing the business ties less capital, which enables more capital efficient growth.

Investors should keep in mind that working capital can work the other way around, if turnover decreases. The COVID crisis has been a tough reminder of this for NoHo, when a sudden decline in turnover tied approximately EUR 15 million of extra capital at the worst possible moment. However, the COVID crisis is a completely extraordinary event and in a normal setting, NoHo's turnover and, thus, working capital are rather stable. In a normal setting, the company's net working capital is in our estimate ca. EUR -20 million.

Financial position 2/3

Balance sheet took a hit in the COVID crisis

NoHo's balance sheet has weakened significantly during the COVID crisis, when turnover and cash flow have been badly in red. At the end of Q2'21, NoHo's IFRS16 adjusted net debt ratio was 230%, which is a weak level both absolutely and relatively. However, these figures don't consider the company's EUR 42 million position in Eezy and adjusted from this, net debt would be ca. EUR 12 million and the net debt ratio ca. 170%. In our view, this level isn't too far from NoHo's comfort zone, as the company wants to use significant leverage in its business.

NoHo has stated that it seeks a 3x net debt/EBITDA ratio. Our 2022 EBITDA estimate (IFRS adjusted) is ca. EUR 40 million and with net debt adjusted from Eezy and IFRS16 liabilities (ca. EUR 120 million), the ratio will be ca. 3x. During 2022, this ratio will drop below 3x, when the net debt level starts to decrease through earnings improvement. Therefore, the company doesn't need to meaningfully repay the debt from its current level.

In our view, NoHo's own capital that has decreased significantly due to COVID losses is a bigger challenge than the absolute net debt. Due to the decrease in own capital, the balance sheet figures seem weak and the balance sheet can only take a limited amount of losses. In this sense, it would be of paramount importance for the company not to destroy more own capital during H2.

Cash flow is strong

It's important for investors to recognize that NoHo's business generates very strong operational cash flow in a normal setting. The company's IRFS16 adjusted depreciations are very high (ca. EUR 15 million) and, naturally, these have no effect on cash flow. According to our estimates, NoHo's operational cash flow in 2022-2024 will be EUR 40-50 million annually and ca. EUR 130 million in total. This figure doesn't take investments, financing costs, taxes or minorities' earnings shares into account.

The upcoming sale of Eezy will change NoHo's cash flow profile considerably. Because the company doesn't have to direct its cash flow to debt repayments after the sale of Eezy, this capital can be allocated to growth investments and dividends. The company has stated that it aims to grow its turnover with the help of F&B, Norway and large projects by ca. EUR 120 million. When we apply the company's historical price for growth (p.11), this would mean ca. EUR 100 million in investments between 2022 and 2024. Our estimate of the size of investments is likely much too large, since from now on the company seeks growth that is less capital-heavy than historically. Furthermore, the investment needs of F&B and large projects are very moderate. However, we will use the EUR 100 million level in our illustrative calculations for the sake of the prudence principle and simplicity. NoHo estimated in its June strategy info that the cash flow for 2022-2024 would be ca. EUR 140 million in total. Of this, ca. EUR 40 million goes to compulsory expenditures (interests, tax, minorities and upkeep investments). The company's own cash flow projections are slightly more aggressive than our estimates, yet in the same ballpark. NoHo should be able to finance the required investments of this strategy period with its operational cash flow and, in our view, the company doesn't have to take additional debt to reach the EUR 400 million turnover objective.

Back to paying dividends after Eezy sale

NoHo has stated that it aims to return to the pre-COVID upward dividend trajectory during the current strategy period (2019: EUR 0.34/share). In our estimate, the company could start paying dividends again as early as the spring of 2022, given that the Eezy sale realizes before this. However, our assumptions is that Eezy will be sold during 2021-2022 and the first EUR 0.30 dividend will be paid in the spring of 2023. We expect that the 2023 dividend falls slightly short of the 2019 level, but that in 2024 the dividend (EUR 0.40) should surpass the 2019 level. In our estimate, the dividends for 2021-2024 are ca. EUR 14 million and the company won't have problems paying these, as the working capital that comes from growth is in the same ballpark with this figure.

Financial position 3/3

Liquidity position is reasonable

NoHo's liquidity position is currently reasonable. At the end of July, we estimate that the company had ca. EUR 10 million in liquid assets and EUR 6 million in unused credit limit. Furthermore, the cash flow is positive at the moment and cash position remains stable for now.

In H2, the company has an EUR 4 million commercial paper program and EUR 6.7 million bank loan upcoming. In Q1'22, an EUR 2 million bank loan is due and in Q2'22, an EUR 11 million convertible capital loan from Tesi and an EUR 9 million bank loan are due.

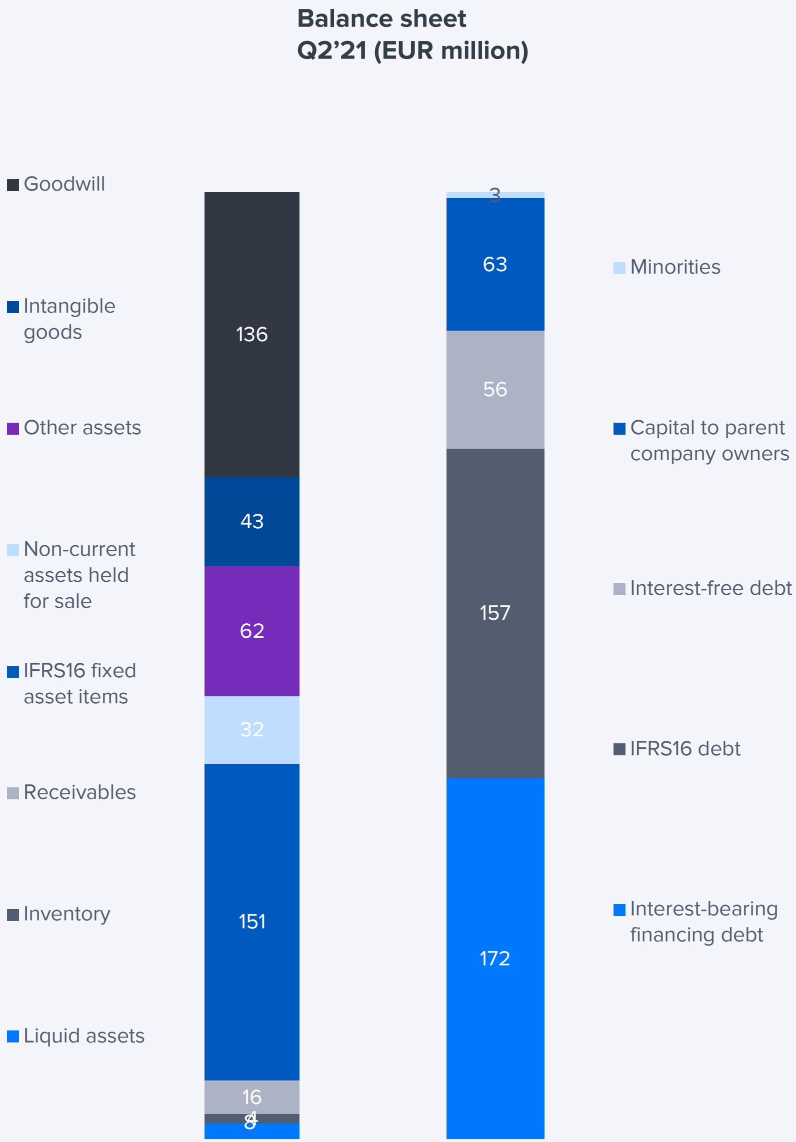
If new significantly stricter restaurant restrictions aren't imposed, NoHo's cash flow will remain positive throughout H2 and, thus, it won't have any problems with loan repayments. If the restrictions were to tighten from their current state and the company's cash flow turned negative again, NoHo would likely have to accelerate the sale of Eezy to finance loan repayments. In our view, this is not a major problem, as the company is already planning to sell Eezy at the current share price.

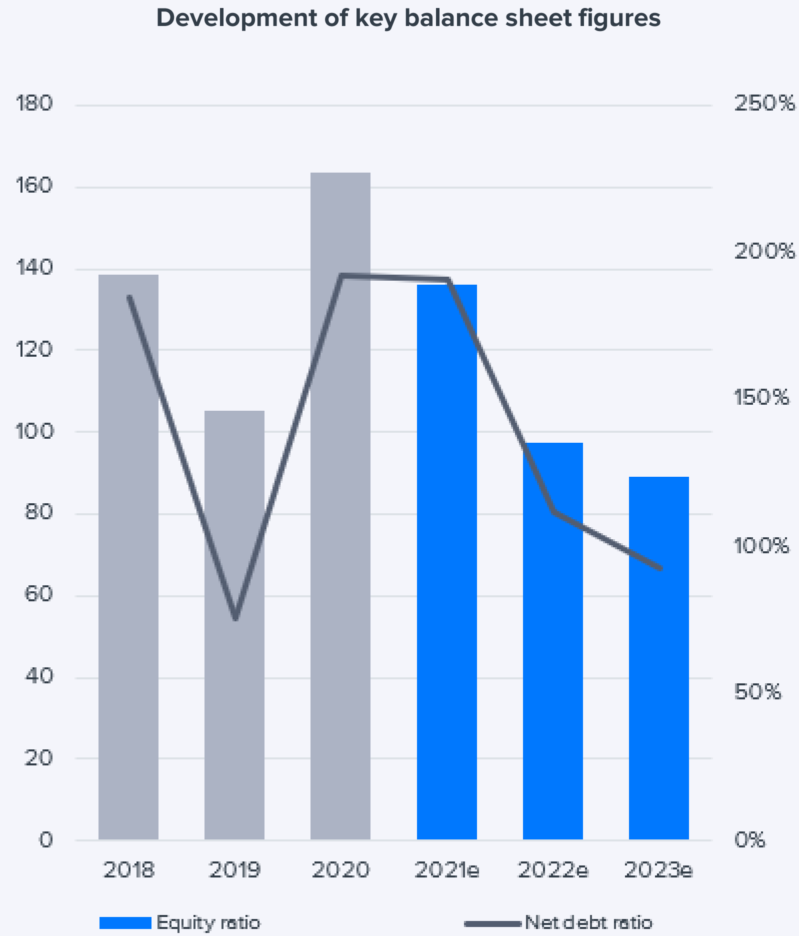
In the worst-case scenario, restaurants would temporarily close down, which would lead to a considerable decrease in working capital similar to 2020 and the spring of 2021. In this scenario, the company's liquidity wouldn't be sufficient without additional Eezy sales. However, we think that a total restaurant shutdown is very unlikely. Furthermore, selling Eezy will be considerably easier than during the previous shutdowns, even though the sale price would be clearly under the current stock price.

In Q2'22, the loan payments of over EUR 20 million that are due will be financed mostly with the Eezy sale and we estimate that NoHo will sell all of its shares by this point. Additionally, we expect that the company renegotiates its financing at latest during Q2, when the COVID crisis has been left behind and the Eezy sale has decreased the debt burden in the balance sheet.

We want to point out that following the company's liquidity position is only relevant for investors during the COVID crisis. Once the crisis subsides, NoHo's cash flow will become strongly positive and liquidity ceases to be a relevant risk.

Financial position 3/3





Net debt ratio excluding IFRS 16-leases

Estimates 1/3

Background for estimates

NoHo's estimate model can be divided to two parts. In the short term (next 12 months), the focus is purely on the COVID crisis, cash flow and the pace of ramping up the business. In the long term (+12 months), the focus is on the profitability potential and growth of the business. We have included F&B and large projects in our estimate model, since we can model them at a reasonable level. We don't find modeling acquisitions meaningful, as upcoming M&A transactions always come with uncertainty.

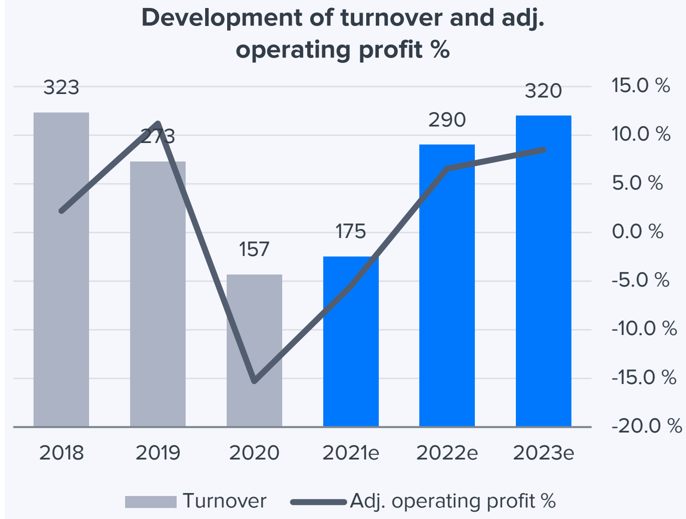
We have adjusted our estimate from Eezy's earnings, since we expect NoHo to sell its Eezy position by the end of H1'22. The impact of Eezy's earnings on the figures is very limited and, in our view, it mainly complicates the company's figures, when it's in the process of being sold. The sales gain from Eezy is naturally included in our estimates.

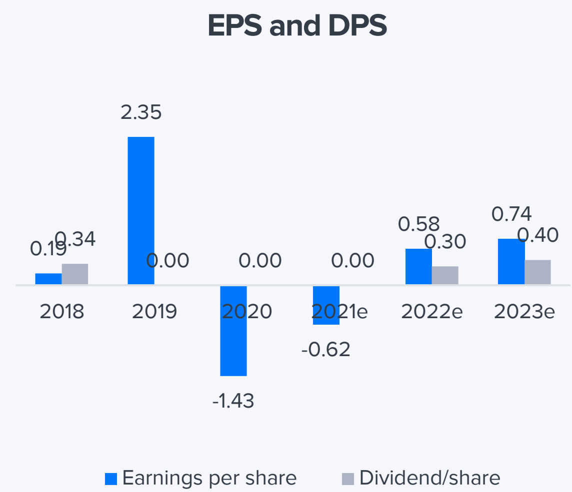
2021 – final battle with the COVID crisis

NoHo's H1 has been very weak because of the COVID crisis. Restrictions have lowered the company's turnover and despite of state subsidies, operating profit has been significantly in red. In June, when the restrictions in Finland eased, the company's cash flow finally turned meaningfully positive. Furthermore, the balance sheet position has clearly improved during the summer, when working capital has moved in the right direction and the increased stock price of Eezy has increased the value of NoHo's position.

For H2, the most relevant uncertainty is related to potential new restaurant restrictions. The COVID crisis has clearly worsened and the infection rates have increased drastically. For NoHo, the most relevant restrictions are related to the opening hours in Uusimaa and Pirkanmaa (~80% of Finland's turnover). According to the company's own estimates, its cash flow breaks even when alcohol serving ends at 9 pm. In light of current information, we think it's quite unlikely that the restrictions would tighten this much, since the hospital capacity situation is reasonably good and, moreover, the comments of authorities haven't indicated that the restrictions would tighten considerably. Therefore, we expect NoHo's cash flow to remain positive throughout H2, even though single months can be negative. We analyzed the company's liquidity position in more detail on page 23.

We expect that the volume of the business increases gradually when the vaccinations progress and the COVID crisis slowly subsides. However, the pre-Christmas party season that is important for NoHo will likely be moderate at best. We expect that the company makes a small operating profit. Also, cash flow will remain positive and we expect that the company's debt burden decreases from Q2. In H2, the net debt ratio will mainly decrease through our projected Eezy sales (EUR +20 million).





Source: Inderes

Estimates 2/3

Profitability remains a question mark in 2022

In our estimates, our initial assumption is that 2022 will be a normal year for NoHo. Even though the COVID crisis may hinder the seasonally quiet development of the start of the year, it doesn't have meaningful impact on our FY'2022 estimates.

NoHo's guidance for 2022 turnover is EUR 280 million. The company admitted in the strategy info that the objective is quite prudent because of the uncertainty regarding events, lunch restaurants and night club market caused by the COVID crisis. We estimate that turnover amounts to EUR 290 million and if COVID doesn't affect the company's business negatively in 2022, the conditions to reach EUR 300 million in turnover are good. In an overall sense, there are relatively few risks related to the turnover estimate.

However, there's much more uncertainty related to profitability. During the COVID crisis, NoHo has gone through brutal cost saving programs and the company has evaluated that their effect on operating profit was ca. 1%. Furthermore, the company has closed restaurants with weak profitability and the margin effect of these should be ca. 1%. Because the position of Finnish consumers has remained very good throughout the COVID crisis (good employment rate etc.) the market situation should be similar to that of 2019. Therefore, the operating profit margin of 6.7% reached in 2019 offers a good foundation for evaluating the profitability level of 2022. We start out with the assumption that profitability improves significantly from the 2019 level thanks to savings and restructuring. Even though the company faces some pressure regarding growing costs as the COVID crisis subsides, the benefits from savings and restructuring are mainly permanent.

We estimate that the operating profit margin is 8%, which would be a record for the company and also very good in relative terms. We want to point out that the 8% operating profit margin requires that 1) Finland's economic traction remains good and 2) the COVID crisis doesn't cause problems. In our estimate, operating profit grows to EUR 23,4 million.

In the lower lines of the income statement, financing costs will decrease during 2022 from the 2021 level due to decreasing debt burden and renegotiation of financing deals after the Eezy sale. After the COVID crisis, the company still has some unutilized tax losses and the tax level will be lower than the normal level. There's significant uncertainty related to the earnings share of minorities and in our conservative estimate, it will be EUR 1.1 million. Ultimately, EPS in our estimate is EUR 0.58, when Eezy's non-recurring sales profits aren't considered (reported EPS EUR 0.81).

Development of key balance sheet figures

Net debt ratio excluding IFRS 16-leases

Estimates 3/3

Balance sheet in shape after 2022

The balance sheet strengthens significantly during 2022, when NoHo sells the rest of its Eezy shares and cash flow remains clearly greater than investments. In our calculations, net debt will be under EUR 100 million at the end of 2022 and the net debt/EBITDA ratio (IFRS16 adjusted) is ca. 2.5x. The corresponding net debt ratio would be ca. 120%. At this point, the balance sheet can be considered very healthy and, in our view, the company has no reason to further strengthen it. We expect that NoHo starts paying dividends again at EUR 0.30/share. If our estimate is realized, the company could easily rise its dividend above the 2019 level (EUR 0.34), but given the COVID crisis and the uncertainty regarding the company's earnings level, we think that our conservative estimate is justified.

Profitability continues improving in 2023-2024

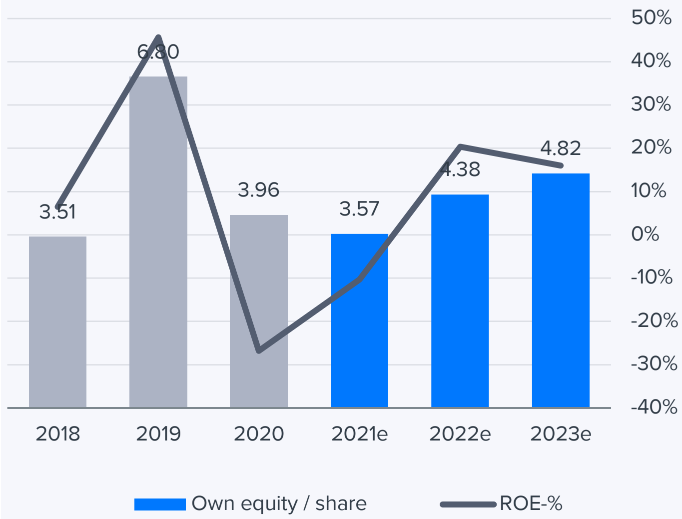
We estimate that in 2023-2024 turnover increases ca. 10% annually. Large projects, F&B and a slight recovery of the market are driving the growth. In our 2024 estimate, EUR 350 million in turnover is under the company's own EUR 400 million due to lack of acquisitions. NoHo has stated that it seeks EUR 50 million growth in Norway through acquisitions and with this in mind, our estimate is in line with the company's own objectives.

We expect that the operating profit margin continues improving and reaches 9% by 2024. Even though this level is under the company's own objective of 10%, the level is very good and, in our opinion, reaching this requires almost perfect performance from the company. Additionally, we remain very cautious of the turnaround in Denmark and we don't think it would be reasonable to include it in our estimates (margin effect ~0.5%).

In the lower lines of the income statement, efficiency should improve, when financing costs continue going down and the relative share of minorities decreases. We expect that EPS rises to EUR 0.90.

Our estimated EPS for 2024 is exactly the same as the level we estimated for 2021 before the COVID crisis. The focus of the result has shifted, since Eezy's effect on the result has decreased to zero and contrastively, the effect of the Restaurants segment has significantly increased. Given the current capacity and organic growth, we have a hard time seeing how NoHo's earnings potential would be considerably higher than this. Thus, the next level of earnings growth increasingly comes from increased turnover and potential M&A transactions.

Own equity / share and ROE-%



Valuation 1/2

Valuation methods

At the moment, it's exceptionally difficult to value NoHo. Due to the COVID crisis, the historical earnings level doesn't support the valuation at all. Moreover, future estimates contain an exceptional amount of uncertainty again (what is the company's earnings potential and when will the COVID crisis no longer hinder the business). Furthermore, it's hard to find support from the peer group, since peer companies have been bruised by the COVID crisis just like NoHo. A DCF model suits NoHo quite poorly, as given the huge IFRS16 deprecations, the DCF method is very sensitive to marginal changes in the estimate parameters.

Therefore, at the moment, we rely exceptionally heavily on the stock's return expectation for the next few years when valuing NoHo. All in all, we still see the stock's total return expectation as attractive, if the earnings improvement materializes.

Share's expected total return

In the accompanying matrices, we have demonstrated the effect of the operating profit margin and valuation level on the share price. In the upper graph, we have reflected the company's current situation. In our estimate, the company's current turnover potential is ca. EUR 300 million and, additionally, financing costs are relatively high. Given the current volume, we don't see the company's objective of 10% operating profit margin being realistic. At this stage, it's hard to justify a valuation higher than the historical average of the stock exchange (P/E 14-16x), given the uncertainty related to earnings improvement.

As the matrix shows, it's extremely sensitive to the company's operating profit margin. With our estimated 8-9% strong margin and a neutral valuation level, the fair value of the company would be EUR 8-11 per share. This is also in line with our 12-month target price, since, in our view, after a year the market will have a quite good understanding of NoHo's current earnings potential.

In the lower matrix, in turn, we have outlined the potential of the latter half of the company's strategy period. In our view, the turnover objective of EUR 400 million by 2024 is very realistic, but we remain skeptical of the 10% operating profit objective. However, increasing operating profit is very effectively reflected in the result, since most of the items under operating profit scale well. Furthermore, in 2024, it would be reasonable to utilize a higher valuation for NoHo, when the company can showcase a solid track record of several years of profitable growth. Calculated with 8-9% operating profit and 16-18x P/E ratio, the fair value would be EUR 14-19 per share. In practice, this would mean that the share price would double in three years. This would mean a really strong 25% annual return. The return expectation relies virtually completely on a share price rise, as we don't expect NoHo to start paying dividend again before the spring of 2023. We want to point out to investors that NoHo's annual return expectation should be relatively high, given the elevated risk level.

Short-term share price potential

		Operating profit-%						
		5 %	6 %	7 %	8 %	9 %	10 %	11 %
P/E	10	1,9	3,1	4,4	5,6	6,8	8,1	9,3
	12	2,3	3,7	5,2	6,7	8,2	9,7	11,1
	14	2,6	4,4	6,1	7,8	9,6	11,3	13,0
	16	3,0	5,0	7,0	8,9	10,9	12,9	14,9
	18	3,4	5,6	7,8	10,1	12,3	14,5	16,7
	20	3,8	6,2	8,7	11,2	13,6	16,1	18,6

Assumptions

EUR 300 million turnover

Current financing costs adjusted with Eezy position

Estimate of normal earnings share of minorities

21% tax rate

Longer-term share price potential

		Operating profit-%						
		5 %	6 %	7 %	8 %	9 %	10 %	11 %
P/E	10	4,0	5,7	7,3	9,0	10,6	12,3	13,9
	12	4,9	6,8	8,8	10,8	12,7	14,7	16,7
	14	5,7	8,0	10,3	12,6	14,9	17,2	19,5
	16	6,5	9,1	11,7	14,4	17,0	19,6	22,2
	18	7,3	10,2	13,2	16,2	19,1	22,1	25,0
	20	8,1	11,4	14,7	17,9	21,2	24,5	27,8

Assumptions

EUR 400 million turnover

Financing costs after renegotiation and Eezy sale

Estimate of normal earnings share of minorities

21% tax rate

Valuation 2/2

Peer group valuation

The peer group for NoHo is rather weak in quality (p.30), as a majority of the companies are significantly larger than NoHo and listed in the US or the UK. Furthermore, most of the peers operate with a chain model and, thus, comparability of individual peers is low. However, the peer group is very vast and in a normal setting, it would give a reasonable indication of NoHo's acceptable valuation level. Similar to NoHo, the COVID crisis has caused problems for most of the peer companies, which weakens the usability of the peer group considerably.

When examining the peer group's valuation, we give the most weight to P/E ratios due to the weak usability of EV-based multiples (e.g. IFRS16 treated). 2021 should be forgotten (various COVID support, restrictions, etc.) and the focus should be on 2022 figures. In 2022, the rather scattered median P/E ratio is 16x, which is, in fact, surprisingly well in line with the sector's valuation level of the past few years (P/E 16-18x).

The historical ratios of the peer group are generally very high and, in our view, the high ratios reflect the concentration of the peer group in the US, where the stock market valuations are clearly higher than in Europe, and the quite defensive nature of the business.

In our view, it's reasonable to value NoHo at a discount in comparison to the peer group due to its smaller size and the difference in valuation between the US and Europe. Furthermore, NoHo's risk profile is currently higher than the peer group's because of uncertainty around earnings improvement and high debt burden. If the company's earnings improvement materializes as planned, the balance sheet's risk level decreases and the company's returns to the track of profitable growth, the valuation level of the peer group could gradually become justifiable for NoHo.

DCF valuation

The applicability of the DCF model has weakened clearly with the IFRS16 changes. Due to a large leverage and negative working capital NoHo's DCF model is very sensitive to small changes in estimate assumptions. An adjustment of one percentage point in the long-term profitability expectations or investment levels swings the estimate with several Euros and, therefore, we consider the value from the DCF mainly indicative and give it no meaningful weight in our analysis.

In our DCF calculation, we expect that after 2024 the company's growth slows down significantly and that profitability starts to slowly decrease. The profitability of the terminal period is 7.5% which is clearly under the company's own objective, but simultaneously a company record level. We apply a ROE requirement of 10.7%, but due to the significant leverage WACC-% goes to a quite low 6.0%. The ROE requirement is high and considerably higher than the company's normal level due to the COVID crisis and the high debt burden in the balance sheet. The value from the DCF model is slightly above EUR 10 in our calculation and in line with our target price. For a more detailed DCF model, see appendices (p. 32).

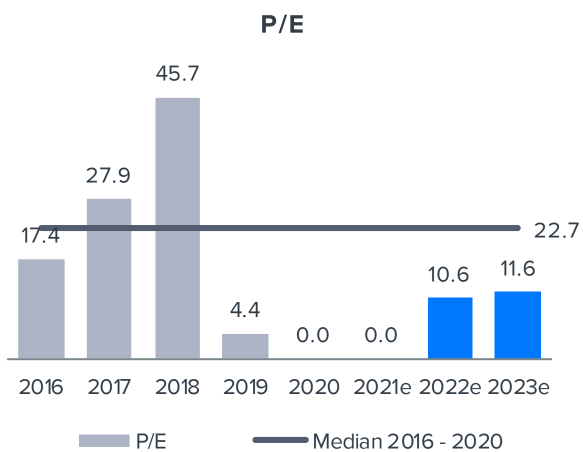
Valuation level	2021e	2022e	2023e
Share price	8.43	8.43	8.43
Number of shares, million	19.2	19.2	19.2
Market value	162	162	162
EV	426	420	411
P/E (adj.)	neg.	14.5	11.4
P/E	neg.	10.4	11.4
P/B	2.4	1.9	1.7
P/S	0.9	0.6	0.5
EV/Sales	2.4	1.4	1.3
EV/EBITDA (adj.)	10.2	5.9	5.7
Dividend/earnings (%)	0.0%	37.0%	54.3%
Dividend yield %	0.0%	3.6%	4.7%

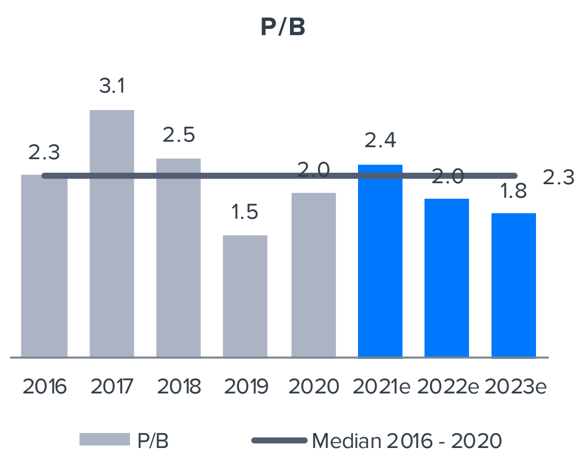
Source: Inderes

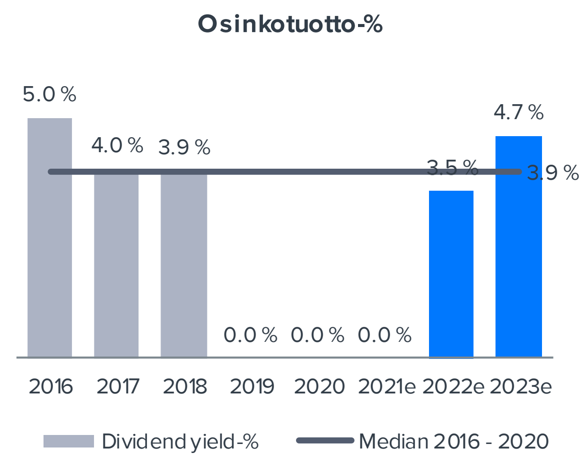
Valuation table

Valuation	2016	2017	2018	2019	2020	2021e	2022e	2023e	2024e
Share price	5.95	8.30	8.66	10.3	8.06	**8.57**	**8.57**	**8.57**	**8.57**
Number of shares, millions	16.4	16.6	18.9	19.0	19.2	**19.2**	**19.2**	**19.2**	**19.2**
Market cap	97	138	164	196	155	**165**	**165**	**165**	**165**
EV	126	184	324	472	478	**429**	**422**	**414**	**402**
P/E (adj.)	17.4	27.9	45.7	4.4	neg.	**neg.**	**14.8**	**11.6**	**9.5**
P/E	17.4	27.9	45.7	4.4	neg.	**neg.**	**10.6**	**11.6**	**9.5**
P/B	2.3	3.1	2.5	1.5	2.0	**2.4**	**2.0**	**1.8**	**1.6**
P/S	0.7	0.7	0.5	0.7	1.0	**0.9**	**0.6**	**0.5**	**0.5**
EV/Sales	1.0	1.0	1.0	1.7	3.0	**2.4**	**1.5**	**1.3**	**1.1**
EV/EBITDA	6.5	8.2	11.4	6.3	17.1	**10.3**	**5.9**	**5.8**	**5.3**
Payout ratio (%)	87.9 %	111.0 %	179.4 %	0.0 %	0.0 %	**0.0 %**	**37.0 %**	**54.3 %**	**50.0 %**
Dividend yield-%	5.0 %	4.0 %	3.9 %	0.0 %	0.0 %	**0.0 %**	**3.5 %**	**4.7 %**	**5.3 %**

Source: Inderes







Peer group valuation

Peer group valuation	**Share price**	**Market cap**	**EV**	**EV/EBIT**		**EV/EBITDA**		**EV/S**		**P/E**		**Dividend yield-%**		**P/B**
Company		**MEUR**	**MEUR**	**2021e**	**2022e**	**2021e**	**2022e**	**2021e**	**2022e**	**2021e**	**2022e**	**2021e**	**2022e**	**2021e**
Jack in the Box	99.76	1842	2855	11.6	12.2	9.9	10.2	2.9	2.9	13.8	13.6	1.7	1.9	
Cheesecake Factory	42.50	1889	2148	16.8	12.7	10.4	8.4	0.9	0.8	17.5	12.8	0.0	2.2	2.8
Restaurant Group	118.20	1061	2032		24.6	39.2	14.5	3.2	2.2		24.7			2.0
J D Weatherspoon	1139.00	1745	3385		22.0	62.3	12.0	3.7	1.6		23.2		0.8	4.9
BJ's Restaurants	37.54	745	740	58.0	15.4	9.6	6.1	0.8	0.7	64.3	16.6	0.7	1.2	2.7
Ibersol	6.04	218	675		40.9	8.8	6.3	1.8	1.5		29.5	0.8	0.8	1.7
Shepherd Neame	990.00	174	283				9.9	2.6	1.6		16.2		2.4	
Bloomin' Brands	24.98	1899	2543	7.8	8.3	5.4	5.5	0.7	0.7	9.0	9.0		1.7	95.2
Ruth's Hospitality Group	19.45	577	579	15.9	12.0	9.3	7.8	1.6	1.4	17.5	13.2			
Berjaya Food	1.91	148	269	14.6	13.2	6.5	6.4	1.8	1.6	17.7	16.1	1.5	1.9	2.0
Red Robin Gourmet Burgers	24.93	333	464	59.6	24.0	5.6	4.9	0.5	0.4		24.3			3.1
Mitchells & Butlers	274.60	1955	4361		13.0	41.2	8.5	3.4	1.7		12.1			0.9
Texas Roadhouse	89.52	5326	5090	19.1	17.2	13.5	12.2	1.7	1.6	24.2	21.5	1.3	1.9	5.4
Young & Co's Brewery	1580.00	901	1193		21.3	1829.9	12.1	9.3	3.3		29.5	1.0	1.2	
Del Taco Restaurants	8.58	266	354	15.4	13.5	7.2	6.6	0.8	0.8	17.9	15.6	1.8	1.8	1.4
Carrols Restaurant Group	4.72	207	563	23.0	22.5	5.9	5.5	0.4	0.4	786.7	188.8			1.1
NoHo Partners (Inderes)	**8.57**	**165**	**429**	**-44.1**	**22.3**	**10.3**	**5.9**	**2.4**	**1.5**	**-13.8**	**14.8**	**0.0**	**3.5**	**2.4**
Average		**1247**	**1626**	**24.2**	**18.2**	**137.6**	**8.6**	**2.3**	**1.4**	**107.6**	**29.2**	**1.1**	**1.6**	**10.3**
Median		**823**	**740**	**16.4**	**15.4**	**9.6**	**8.1**	**1.8**	**1.5**	**17.7**	**16.4**	**1.2**	**1.8**	**2.3**
Diff-% to median				***-369%***	***45%***	***7%***	***-27%***	***39%***	***-4%***	***-178%***	***-10%***	***-100%***	***90%***	***3%***

Source: Thomson Reuters / Inderes. NB: The market cap Inderes uses does not consider own shares held by the company

Income statement

Income statement	2019	Q1'20	Q2'20	Q3'20	Q4'20	2020	Q1'21	Q2'21	Q3'21e	Q4'21e	2021e	2022e	2023e	2024e
Revenue	**273**	**50.1**	**19.0**	**56.0**	**31.6**	**157**	**20.2**	**34.5**	**56.5**	**64.0**	**175**	**290**	**320**	**350**
Restaurants	273	50.1	19.0	56.0	31.6	157	20.2	34.5	56.5	64.0	175	290	320	350
Eezy (prev. Staff leasing)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Eliminations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	**75.1**	**4.4**	**7.7**	**14.1**	**1.7**	**28.0**	**1.7**	**9.7**	**14.4**	**15.8**	**41.6**	**71.4**	**71.6**	**76.3**
Depreciation	-44.5	-11.0	-16.2	-11.2	-13.6	-52.0	-11.4	-11.5	-12.0	-12.0	-46.9	-48.0	-44.4	-44.8
EBIT (excl. NRI)	**30.6**	**-6.6**	**-8.4**	**2.9**	**-11.9**	**-24.0**	**-9.7**	**-1.8**	**0.2**	**1.6**	**-9.7**	**19.0**	**27.2**	**31.5**
EBIT	**30.6**	**-6.6**	**-8.4**	**2.9**	**-11.9**	**-24.0**	**-9.7**	**-1.8**	**2.4**	**3.8**	**-5.3**	**23.4**	**27.2**	**31.5**
Restaurants	18.5	-6.7	-8.1	2.2	-11.9	-24.5	-9.7	-1.8	2.4	3.8	-5.3	23.4	27.2	31.5
Eezy (prev. Staff leasing)	0.6	0.1	-0.3	0.7	0.1	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Eliminations	11.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net financial items	-5.2	-3.3	-2.3	-2.6	-2.7	-11.0	-2.3	-3.7	-2.5	-2.5	-11.0	-8.5	-7.0	-7.0
PTP	**25.3**	**-9.9**	**-10.7**	**0.3**	**-14.6**	**-34.9**	**-12.1**	**-5.5**	**-0.1**	**1.3**	**-16.3**	**14.9**	**20.2**	**24.5**
Taxes	-1.5	1.0	1.6	0.2	2.6	5.4	1.3	1.3	0.0	-0.1	2.5	-2.7	-4.2	-5.1
Minority interest	-3.0	0.9	0.4	-0.3	1.7	2.6	1.3	0.8	0.0	-0.2	1.9	-1.1	-1.8	-2.0
Net earnings	**20.8**	**-7.9**	**-8.8**	**0.2**	**-10.3**	**-26.9**	**-9.4**	**-3.5**	**-0.1**	**1.1**	**-11.9**	**11.1**	**14.2**	**17.4**
EPS (adj.)	**2.35**	**-0.45**	**-0.46**	**0.01**	**-0.54**	**-1.43**	**-0.49**	**-0.18**	**0.00**	**0.06**	**-0.62**	**0.58**	**0.74**	**0.90**
EPS (rep.)	**2.35**	**-0.45**	**-0.46**	**0.01**	**-0.54**	**-1.43**	**-0.49**	**-0.18**	**0.11**	**0.17**	**-0.39**	**0.81**	**0.74**	**0.90**

Key figures	2019	Q1'20	Q2'20	Q3'20	Q4'20	2020	Q1'21	Q2'21	Q3'21e	Q4'21e	2021e	2022e	2023e	2024e
Revenue growth-%	-15.6 %	-6.0 %	-71.9 %	-27.0 %	-57.9 %	-42.5 %	-59.8 %	81.1 %	0.8 %	102.4 %	11.7 %	65.6 %	10.3 %	9.4 %
Adjusted EBIT growth-%	325.9 %	-227.7 %	-202.0 %	-71.1 %	-269.8 %	-178.5 %	47.5 %	-78.6 %	-93.3 %	-113.6 %	-59.4 %	-295%	43.3 %	15.8 %
EBITDA-%	27.5 %	8.8 %	40.6 %	25.2 %	5.4 %	17.8 %	8.3 %	28.1 %	25.5 %	24.8 %	23.8 %	24.6 %	22.4 %	21.8 %
Adjusted EBIT-%	11.2 %	-13.2 %	-44.3 %	5.2 %	-37.5 %	-15.3 %	-48.3 %	-5.2 %	0.3 %	2.5 %	-5.6 %	6.5 %	8.5 %	9.0 %
Net earnings-%	16.4 %	-17.1 %	-46.3 %	0.3 %	-32.6 %	-17.6 %	-46.9 %	-10.1 %	3.8 %	5.2 %	-4.3 %	5.4 %	4.4 %	5.0 %

Source: Inderes

Balance sheet

Assets	2019	2020	2021e	2022e	2023e
Non-current assets	**437**	**428**	**402**	**379**	**381**
Goodwill	129	135	136	136	136
Intangible assets	48.5	44.6	42.8	41.8	43.6
Tangible assets	216	197	189	186	187
Associated companies	39.4	39.2	19.6	0.0	0.0
Other investments	0.0	0.1	0.1	0.1	0.1
Other non-current assets	3.4	3.0	3.0	3.0	3.0
Deferred tax assets	0.9	8.9	11.0	11.0	11.0
Current assets	**33.7**	**20.7**	**28.3**	**38.0**	**41.9**
Inventories	5.9	3.7	5.3	5.8	6.4
Other current assets	0.0	0.3	0.3	0.3	0.3
Receivables	24.1	13.5	19.3	26.1	28.8
Cash and equivalents	3.6	3.1	3.5	5.8	6.4
Balance sheet total	**471**	**448**	**431**	**417**	**423**

Source: Inderes

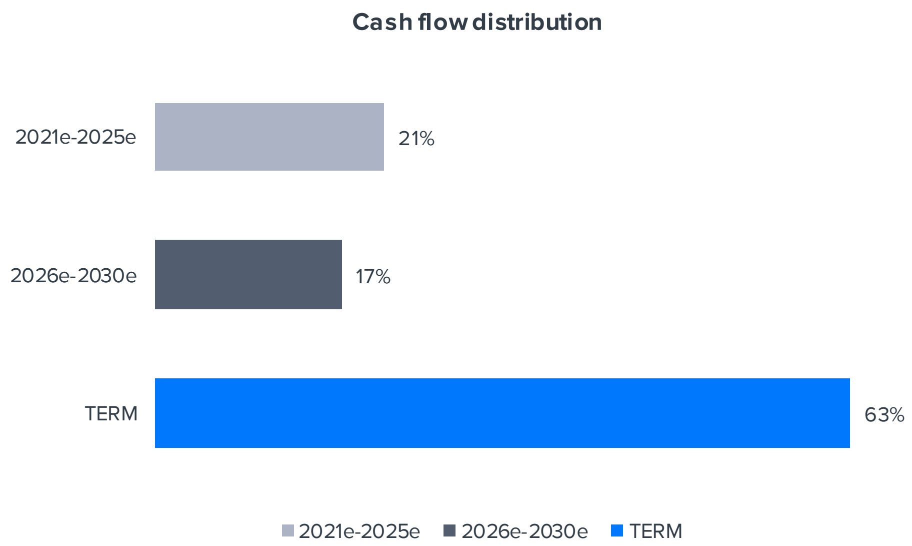
Liabilities & equity	2019	2020	2021e	2022e	2023e
Equity	**137**	**81.0**	**71.5**	**87.1**	**95.4**
Share capital	0.2	0.2	0.2	0.2	0.2
Retained earnings	46.4	17.6	10.1	25.7	34.1
Hybrid bonds	25.0	0.0	0.0	0.0	0.0
Revaluation reserve	57.7	58.4	58.4	58.4	58.4
Other equity	0.0	0.0	0.0	0.0	0.0
Minorities	7.8	4.8	2.8	2.8	2.8
Non-current liabilities	**221**	**232**	**219**	**193**	**188**
Deferred tax liabilities	6.3	7.6	7.0	7.0	7.0
Provisions	0.0	0.4	0.4	0.4	0.4
Long term debt	207	220	208	182	177
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	7.7	3.7	3.7	3.7	3.7
Current liabilities	**113**	**135**	**140**	**136**	**140**
Short term debt	64.9	101	89.2	78.1	75.8
Payables	48.1	34.8	50.8	58.0	64.0
Other current liabilities	0.0	0.0	0.0	0.0	0.0
Balance sheet total	**471**	**448**	**431**	**417**	**423**

DCF calculation

DCF model	2020	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	TERM
EBIT (operating profit)	**-24.0**	**-5.3**	**23.4**	**27.2**	**31.5**	**30.6**	**31.6**	**30.6**	**29.5**	**30.4**	**30.9**	
+ Depreciation	52.0	46.9	48.0	44.4	44.8	44.9	44.9	45.0	45.0	45.0	45.0	
- Paid taxes	-1.3	-0.2	-2.7	-4.2	-5.1	-5.0	-5.2	-5.0	-4.7	-4.9	-5.0	
- Tax, financial expenses	-1.8	-1.7	-1.5	-1.5	-1.5	-1.5	-1.5	-1.5	-1.5	-1.5	-1.4	
+ Tax, financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Change in working capital	-0.8	8.7	-0.2	2.7	2.7	0.9	1.0	1.0	1.0	1.1	0.5	
Operating cash flow	**24.1**	**48.5**	**67.0**	**68.6**	**72.4**	**70.0**	**70.8**	**70.1**	**69.4**	**70.1**	**70.0**	
+ Change in other long-term liabilities	-3.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-34.6	-39.0	-44.0	-47.0	-45.0	-45.0	-45.0	-45.0	-45.0	-45.0	-47.2	
Free operating cash flow	**-14.1**	**9.5**	**23.0**	**21.6**	**27.4**	**25.0**	**25.8**	**25.1**	**24.4**	**25.1**	**22.7**	
+/- Other	-0.6	4.5	4.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	-14.8	13.9	27.5	21.6	27.4	25.0	25.8	25.1	24.4	25.1	22.7	519
Discounted FCFF		**13.6**	**25.4**	**18.8**	**22.5**	**19.5**	**19.0**	**17.4**	**15.9**	**15.5**	**13.2**	**302**
Sum of FCFF present value		483	469	444	425	403	383	364	347	331	315	302
Enterprise value DCF		**483**										
- Interesting bearing debt		-321										
+ Cash and cash equivalents		3.12										
-Minorities		-2.8										
-Dividend/capital return		0.00										
Equity value DCF		**195**										
Equity value DCF per share		**10.13**										

Wacc	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E)	60.0 %
Cost of debt	3.5 %
Equity Beta	1.30
Market risk premium	4.75%
Liquidity premium	2.50%
Risk free interest rate	2.0 %
Cost of equity	**10.7 %**
Weighted average cost of capital (WACC)	**6.0 %**

Source: Inderes



Summary

Income statement	2018	2019	2020	2021e	2022e
Revenue	323.2	272.8	156.8	**175.2**	**290.0**
EBITDA	28.4	75.1	28.0	**41.6**	**71.4**
EBIT	7.2	30.6	-24.0	**-5.3**	**23.4**
PTP	5.6	25.3	-34.9	**-16.3**	**14.9**
Net Income	3.6	44.6	-27.5	**-7.5**	**15.6**
Extraordinary items	0.0	0.0	0.0	**4.5**	**4.5**

Balance sheet	2018	2019	2020	2021e	2022e
Balance sheet total	305.7	470.8	448.3	**430.5**	**416.6**
Equity capital	75.1	137.0	81.0	**71.5**	**87.1**
Goodwill	147.4	128.8	135.2	**136.2**	**136.2**
Net debt	138.7	268.0	317.8	**293.7**	**254.7**

Cash flow	2018	2019	2020	2021e	2022e
EBITDA	28.4	75.1	28.0	**41.6**	**71.4**
Change in working capital	16.8	-6.2	-0.8	**8.7**	**-0.2**
Operating cash flow	52.1	62.6	24.1	**48.5**	**67.0**
CAPEX	-176.2	-186.3	-34.6	**-39.0**	**-44.0**
Free cash flow	-120.4	-99.4	-14.8	**13.9**	**27.5**

Valuation multiples	2018	2019	2020	2021e	2022e
EV/S	1.0	1.7	3.0	**2.4**	**1.5**
EV/EBITDA (adj.)	11.4	6.3	17.1	**10.3**	**5.9**
EV/EBIT (adj.)	45.1	15.4	neg.	**neg.**	**22.3**
P/E (adj.)	45.7	4.4	neg.	**neg.**	**14.8**
P/E	2.5	1.5	2.0	**2.4**	**2.0**
Dividend-%	3.9 %	0.0 %	0.0 %	**0.0 %**	**3.5 %**

Source: Inderes

Per share data	2018	2019	2020	2021e	2022e
EPS (reported)	0.19	2.35	-1.43	**-0.39**	**0.81**
EPS (adj.)	0.19	2.35	-1.43	**-0.62**	**0.58**
OCF / share	2.76	3.29	1.25	**2.52**	**3.49**
FCF / share	-6.37	-5.23	-0.77	**0.72**	**1.43**
Book value / share	3.51	6.80	3.96	**3.57**	**4.38**
Dividend / share	0.34	0.00	0.00	**0.00**	**0.30**

Growth and profitability	2018	2019	2020	2021e	2022e
Revenue growth-%	74%	-16%	-43%	**12%**	**66%**
EBITDA growth-%	27%	164%	-63%	**49%**	**72%**
EBIT (adj.) growth-%	-33%	326%	-178%	**-59%**	**-295%**
EPS (adj.) growth-%	-36%	1139%	-161%	**-57%**	**-193%**
EBITDA-%	8.8 %	27.5 %	17.8 %	**23.8 %**	**24.6 %**
EBIT (adj.)-%	2.2 %	11.2 %	-15.3 %	**-5.6 %**	**6.5 %**
EBIT-%	2.2 %	11.2 %	-15.3 %	**-3.0 %**	**8.1 %**
ROE-%	6.4 %	45.6 %	-26.8 %	**-10.3 %**	**20.4 %**
ROI-%	4.6 %	9.7 %	-5.9 %	**-1.4 %**	**6.5 %**
Equity ratio	24.6 %	29.1 %	18.1 %	**16.6 %**	**20.9 %**
Gearing	184.5 %	195.6 %	392.4 %	**411.1 %**	**292.6 %**

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Reduce The 12-month risk-adjusted expected shareholder return of the share is weak

Sell The 12-month risk-adjusted expected shareholder return of the share is very weak

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Recommendation history (>12 mo)

Date	Recommendation	Target price	Share price
10/12/2018	Buy	10.00 €	7.99 €
11/7/2018	Buy	10.00 €	8.60 €
11/28/2018	Accumulate	10.00 €	9.10 €
2/15/2019	Accumulate	10.00 €	8.54 €
3/25/2019	Accumulate	9.00 €	8.00 €
4/4/2019	Accumulate	9.00 €	7.80 €
5/8/2019	Accumulate	10.00 €	8.90 €
8/7/2019	Accumulate	10.00 €	8.82 €
9/23/2019	Accumulate	10.00 €	8.40 €
11/13/2019	Accumulate	11.00 €	10.30 €
12/5/2019	Buy	11.00 €	9.34 €
3/5/2020	Accumulate	11.00 €	10.20 €
3/12/2020	Accumulate	7.50 €	7.10 €
3/18/2020	Reduce	4.50 €	4.44 €
4/3/2020	Reduce	5.20 €	5.18 €
5/28/2020	Reduce	6.00 €	5.70 €
6/10/2020	Reduce	6.50 €	6.26 €
7/7/2020	Reduce	7.00 €	6.84 €
8/12/2020	Reduce	6.50 €	6.12 €
10/5/2020	Accumulate	6.00 €	4.85 €
11/11/2020	Accumulate	7.50 €	6.86 €
1/12/2021	Reduce	7.50 €	7.70 €
2/19/2021	Reduce	7.50 €	7.10 €
4/9/2021	Reduce	8.50 €	8.94 €
5/12/2021	Reduce	8.50 €	8.27 €
6/14/2021	Accumulate	10.00 €	9.05 €
8/11/2021	Accumulate	10.00 €	8.57 €

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