

# NoHo Partners

## Company report

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Inderes Corporate customer

This report is a summary translation of the report “Kohti normaalia” published on 8/10/2021 at 6:55 pm

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# Toward normal

We reiterate our EUR 10.0 target price and Accumulate recommendation for NoHo. We haven't made significant changes after the positive Q2 report and we still expect a significant earnings improvement, once the COVID situation finally subsides. The risks related to the balance sheet have decreased significantly after the cash flow turned positive and thanks to the improved liquidity position. This makes the stock's risk/return ratio better. With the earnings estimations that look past COVID in mind, the stock is not expensive and if the earnings improve at the level we estimate, the return expectation is strong.

## Q2 report first proof of the company's profitability potential

NoHo's turnover was in line with the preliminary data, but operating loss was sizably smaller than expected. The latter is mostly due to a better-than-expected cost structure and partially due to better than expected volume. The brutal cost savings that the company made during the COVID crisis are starting to bear fruit and the Q2 report was very encouraging in terms of profitability. Against our expectations, the company didn't write-up its Eezy position and because of this, EPS was EUR -0.18 when our EPS estimate was EUR 0.00. As expected, the company's cash flow was negative due to investments and increased financing costs. At the end of Q2, net debt was EUR 164 million, which was slightly higher than our estimation of EUR 160 million. This difference is explained by investments, which were relatively high in Q2 (UROS LIVE and rest of F&B purchase price).

## July brings hopes up

The most important information of the report was the preliminary data concerning July's development. In July, the company's turnover reached the level of July 2019 at EUR 25 million. As a result of strong turnover, the company's operational cash flow grew to EUR 4.5 million and net debt decreased to below EUR 160 million. Unexpectedly, the company also offered an outlook for the rest of Q3. The company expects that the cash flow remains positive in August and September, given that the restaurant restrictions don't meaningfully tighten. This is in line with our own estimate and supports our view that the company's cash flow will remain positive in H2.

## No changes in estimates, earnings pick up quickly after COVID

We haven't made significant changes to our estimates after the Q2 report. When looking at the income statement, we expect the company to pick up gradually during H2'21 and in 2022, the company has good preconditions to return to the normal level of earnings growth as the COVID crisis subsides. The operating profit of 2022 and particularly 2023 reflects NoHo's current earnings potential quite well. We expect that NoHo's cash flow remains positive through H2 and that the sales of Eezy during the next 12 months improve it significantly. The balance sheet's risk level has decreased significantly and we don't see it meaningfully raising NoHo's risk level anymore.

## 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 12x) 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**

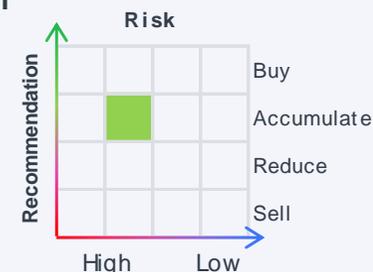
(previous Accumulate)

**EUR 10.00**

(previous EUR 10.00)

**Share price:**

8.57



## Key indicators

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

<b>P/E</b>	neg.	neg.	14.8	11.6
<b>P/B</b>	2.0	2.4	2.0	1.8
<b>Dividend yield %</b>	0.0%	0.0%	3.5%	4.7%
<b>EV/Sales</b>	3.0	2.5	1.5	1.3

Source: Inderes

## Guidance

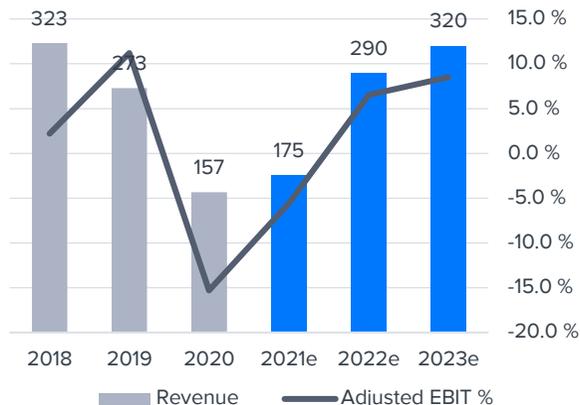
(No guidance)

### Share price



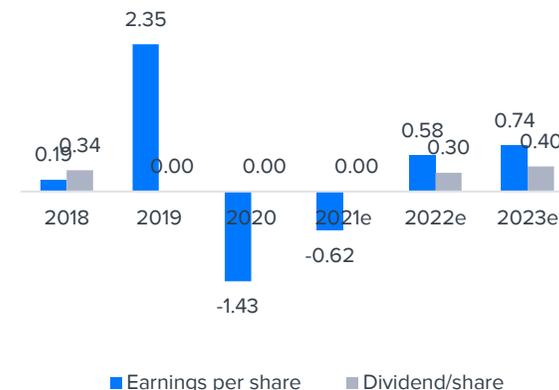
Source: Thomson Reuters

### 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
- High debt level
- Considerable goodwill in the balance sheet
- Materializing earnings improvement on the lowest line
- Unsuccessful internationalization

Valuation level	2021e	2022e	2023e
Share price	8.58	8.58	8.58
Number of shares, million	19.2	19.2	19.2
Market value	165	165	165
EV	429	422	414
P/E (adj.)	neg.	14.8	11.6
P/E	neg.	10.6	11.6
P/B	2.4	2.0	1.8
P/S	0.9	0.6	0.5
EV/Sales	2.5	1.5	1.3
EV/EBITDA (adj.)	10.3	5.9	5.8
Dividend/earnings (%)	0.0%	37.0%	54.3%
Dividend yield %	0.0%	3.5%	4.7%

Source: Inderes

# Takeaway from the report tilts to the positive

## Cost savings more visible in the numbers than we expected

NoHo's turnover was EUR 34.5 million, slightly surpassing the estimate of EUR 32.7 million. We estimate that the difference is explained by the inspection of accounts that occurs between the preliminary data and the official report. The operating loss was EUR 1.8 million, which is significantly lower than our estimated EUR 5.3 million. This is mostly due to a better-than-expected cost structure and partially due to better than expected volume. The brutal cost savings that the company made during the COVID crisis are starting to bear fruit and the Q2 report was very encouraging in terms of profitability. Against our expectations, the company didn't write-up its Eezy position and because of this, EPS was EUR -0.18 when our estimate was EUR 0.00 per share. The write-up would've been purely accounting-based and

it wouldn't have any real impact on investors. Eezy has been classified an item available for sale and we expect that the company sells more shares during H2.

## Net debt finally started to decrease

As expected, the company's cash flow was negative due to investments and increased financing costs. At the end of Q2, net debt was EUR 164 million, which is slightly higher than our estimation of EUR 160 million. This difference is explained by investments, which were relatively high in Q2 (UROS LIVE and rest of F&B purchase price). The trajectory of net debt has finally turned downward, when the operational cash flow has become positive and the working capital has begun to normalize.

## July numbers are impressive

The most important information of the report was the preliminary data concerning July's development. In July, the company's turnover reached the level of July 2019 at EUR 25 million. As a result of strong turnover the company's operational cash flow grew to EUR 4.5 million and net debt decreased to EUR 160 million. Unexpectedly, the company also offered an outlook for the rest of Q3. The company expects that the cash flow remains positive in August and September, given that the restaurant restrictions don't meaningfully tighten. This is in line with our own estimate and supports our view that the company's cash flow will remain positive in H2.

Estimates MEUR / EUR	Q2'20	Q2'21	Q2'21e	Q2'21e	Consensus		Difference (%)	2021e
	Comparator	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Inderes
Revenue	19.0	34.5	32.7				5%	175
EBIT	-8.4	-1.8	-5.3				-66%	-5.3
PTP	-10.7	-5.5	-7.7				-28%	-16.3
EPS (reported)	-0.46	-0.18	0.00					-0.39
Revenue growth-%	-71.9 %	81.1 %	71.7 %				9.4 pp	11.7 %
EBIT-% (adj.)	-44.3 %	-5.2 %	-10.0 %				4.7 pp	-5.6 %

Source: Inderes

# Estimate changes

## Estimate changes and estimates 2021e

- We have only made slight revisions to our estimates.
- Eezy's effect on the result is not included in our estimates, because its weight is marginal and it mainly complicates the company's numbers. Furthermore, we estimate that NoHo breaks away from Eezy completely in the next 12 months.
- For 2021, a major decrease in our EPS estimate comes from losing the Eezy write-up.
- For H2'2021, we expect the operating profit to be positive and we don't expect that the restaurant restrictions tighten significantly.
- We expect that the pre-Christmas party season will be moderate.
- The operational cash flow of H2'2021 will be strong and we expect that NoHo sells 50% of its Eezy shares during H2. Because of this, net debt will go down significantly (IFRS16 adjusted net debt 2021e: EUR 134 million)

## Estimates 2022-2023e

- The estimates for 2021 rely on the assumption that COVID doesn't hinder the company's business significantly anymore.
- Our turnover estimate for 2022 is conservative and if COVID doesn't hinder the company's business and the company moves forward with growth investments, turnover will be over EUR 300 million.
- In 2022, the company has good preconditions to reach strong performance capacity and our estimated operating profit margin of 8% is really strong.
- We expect NoHo to sell the rest of the Eezy shares during H1'22.
- In 2022, the company will likely renegotiate its financing.
- In 2023, EPS increases significantly when financing costs come down, profitability improves slightly and turnover grows.

Estimate revisions	2021e			2022e			2023e		
	Old	New	Change %	Old	New	Change %	Old	New	Change %
MEUR / EUR									
Revenue	169	175	3%	290	290	0%	320	320	0%
EBIT	-5.6	-5.3	-6%	23.2	23.4	1%	27.2	27.2	0%
PTP	-15.2	-16.3	8%	15.2	14.9	-2%	20.2	20.2	0%
EPS (reported)	-0.32	-0.62	91%	0.59	0.58	-2%	0.74	0.74	0%
DPS	0.00	0.00		0.30	0.30	0%	0.40	0.40	0%

Source: Inderes

# Return expectation is on a good level

## COVID crisis damage smaller than expected

Given the improved visibility on the turnaround of NoHo's cash flow and end of the COVID crisis, we can better evaluate the damage that the crisis dealt to NoHo. Because of the crisis, NoHo's debt load will grow by slightly over EUR 30 million and this is the worst individual damage. The company has had to sell a part of its Eezy position for ca. EUR 6 million and this brings the earnings potential down slightly. Furthermore, the company has built a moderate amount of investment debt, when the investment level has been at minimum for over a year. Given the circumstances, NoHo has survived the COVID crisis with surprisingly minor damages and in our view, significantly greater damages were not far (e.g. a large share issue at the depths of the COVID crisis)

## Return expectation is sufficient for patient investors

NoHo's risk level has decreased significantly during the last few months, as the operational cash flow has turned positive and vaccinations have progressed quickly. As there isn't a meaningful risk related to the balance sheet anymore, investors may start to value NoHo based on its earnings potential. 2021 will be weak in light of results and operating profit will be negative, but H2 should bring the company's earnings up to speed. With our 2022 estimate, the adjusted P/E ratio is 15x (Eezy sales gain increases earnings), which we think is a neutral level for NoHo. With 2023 estimates, NoHo's P/E ratio goes down to 12x, which is, in our view, favorable and if it materializes, offers clear upside for the stock.

Even though COVID brings uncertainty to NoHo's short-term outlook, the next steps for earnings improvement in 2022-2023 are very clear and our

trust in them is high. For patient investors, the stock offers a good return expectation. If our estimates become reality, the company could easily be valued at P/E ratio 15x, which, in turn, brings the annual return expectation to ca. 15%, which is absolutely a great level. The return expectation relies mainly on a share price rise, as we don't expect NoHo to start paying dividend again before the spring of 2023.

However, we want to highlight that in order to realize the return expectation, the company has to succeed in its strategy very well and in this sense, the return expectation should be high.

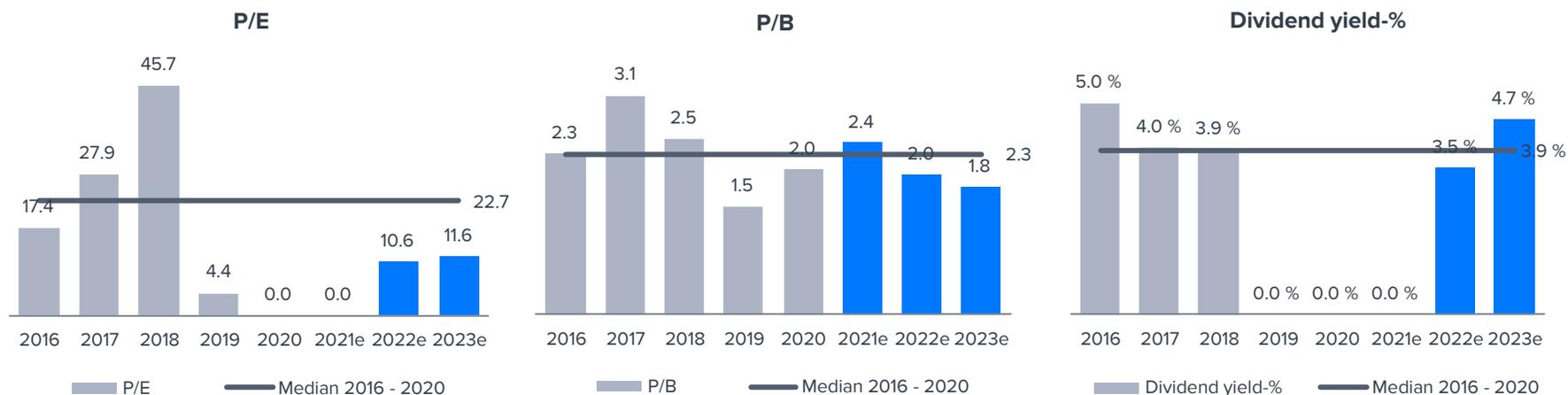
Valuation level	2021e	2022e	2023e
Share price	8.58	8.58	8.58
Number of shares, million	19.2	19.2	19.2
Market value	165	165	165
EV	429	422	414
P/E (adj.)	neg.	14.8	11.6
P/E	neg.	10.6	11.6
P/B	2.4	2.0	1.8
P/S	0.9	0.6	0.5
EV/Sales	2.5	1.5	1.3
EV/EBITDA (adj.)	10.3	5.9	5.8
Dividend/earnings (%)	0.0%	37.0%	54.3%
Dividend yield %	0.0%	3.5%	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	<b>8.58</b>	<b>8.58</b>	<b>8.58</b>	<b>8.58</b>
Number of shares, millions	16.4	16.6	18.9	19.0	19.2	<b>19.2</b>	<b>19.2</b>	<b>19.2</b>	<b>19.2</b>
Market cap	97	138	164	196	155	<b>165</b>	<b>165</b>	<b>165</b>	<b>165</b>
EV	126	184	324	472	478	<b>429</b>	<b>422</b>	<b>414</b>	<b>402</b>
P/E (adj.)	17.4	27.9	45.7	4.4	neg.	neg.	<b>14.8</b>	<b>11.6</b>	<b>9.5</b>
P/E	17.4	27.9	45.7	4.4	neg.	neg.	<b>10.6</b>	<b>11.6</b>	<b>9.5</b>
P/B	2.3	3.1	2.5	1.5	2.0	<b>2.4</b>	<b>2.0</b>	<b>1.8</b>	<b>1.6</b>
P/S	0.7	0.7	0.5	0.7	1.0	<b>0.9</b>	<b>0.6</b>	<b>0.5</b>	<b>0.5</b>
EV/Sales	1.0	1.0	1.0	1.7	3.0	<b>2.5</b>	<b>1.5</b>	<b>1.3</b>	<b>1.1</b>
EV/EBITDA	6.5	8.2	11.4	6.3	17.1	<b>10.3</b>	<b>5.9</b>	<b>5.8</b>	<b>5.3</b>
Payout ratio (%)	87.9 %	111.0 %	179.4 %	0.0 %	0.0 %	<b>0.0 %</b>	<b>37.0 %</b>	<b>54.3 %</b>	<b>50.0 %</b>
Dividend yield-%	5.0 %	4.0 %	3.9 %	0.0 %	0.0 %	<b>0.0 %</b>	<b>3.5 %</b>	<b>4.7 %</b>	<b>5.3 %</b>

Source: Inderes



# Peer group valuation

Peer group valuation Company	Share price	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
		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
<b>NoHo Partners (Inderes)</b>	<b>8.58</b>	<b>165</b>	<b>429</b>	<b>-44.1</b>	<b>22.3</b>	<b>10.3</b>	<b>5.9</b>	<b>2.5</b>	<b>1.5</b>	<b>-13.8</b>	<b>14.8</b>	<b>0.0</b>	<b>3.5</b>	<b>2.4</b>
<b>Average</b>		<b>1247</b>	<b>1626</b>	<b>24.2</b>	<b>18.2</b>	<b>137.6</b>	<b>8.6</b>	<b>2.3</b>	<b>1.4</b>	<b>107.6</b>	<b>29.2</b>	<b>1.1</b>	<b>1.6</b>	<b>10.3</b>
<b>Median</b>		<b>823</b>	<b>740</b>	<b>16.4</b>	<b>15.4</b>	<b>9.6</b>	<b>8.1</b>	<b>1.8</b>	<b>1.5</b>	<b>17.7</b>	<b>16.4</b>	<b>1.2</b>	<b>1.8</b>	<b>2.3</b>
<b>Diff-% to median</b>				<b>-370%</b>	<b>45%</b>	<b>7%</b>	<b>-27%</b>	<b>39%</b>	<b>-4%</b>	<b>-178%</b>	<b>-10%</b>	<b>-100%</b>	<b>90%</b>	<b>3%</b>

Source: Thomson Reuters / Inderes. Inderes has made an agreement with the issuer and target of this report, which entails compiling a research report.

# 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
<b>Revenue</b>	<b>273</b>	<b>50.1</b>	<b>19.0</b>	<b>56.0</b>	<b>31.6</b>	<b>157</b>	<b>20.2</b>	<b>34.5</b>	<b>56.5</b>	<b>64.0</b>	<b>175</b>	<b>290</b>	<b>320</b>	<b>350</b>
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
<b>EBITDA</b>	<b>75.1</b>	<b>4.4</b>	<b>7.7</b>	<b>14.1</b>	<b>1.7</b>	<b>28.0</b>	<b>1.7</b>	<b>9.7</b>	<b>14.4</b>	<b>15.8</b>	<b>41.6</b>	<b>71.4</b>	<b>71.6</b>	<b>76.3</b>
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
<b>EBIT (excl. NRI)</b>	<b>30.6</b>	<b>-6.6</b>	<b>-8.4</b>	<b>2.9</b>	<b>-11.9</b>	<b>-24.0</b>	<b>-9.7</b>	<b>-1.8</b>	<b>0.2</b>	<b>1.6</b>	<b>-9.7</b>	<b>19.0</b>	<b>27.2</b>	<b>31.5</b>
<b>EBIT</b>	<b>30.6</b>	<b>-6.6</b>	<b>-8.4</b>	<b>2.9</b>	<b>-11.9</b>	<b>-24.0</b>	<b>-9.7</b>	<b>-1.8</b>	<b>2.4</b>	<b>3.8</b>	<b>-5.3</b>	<b>23.4</b>	<b>27.2</b>	<b>31.5</b>
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
<b>PTP</b>	<b>25.3</b>	<b>-9.9</b>	<b>-10.7</b>	<b>0.3</b>	<b>-14.6</b>	<b>-34.9</b>	<b>-12.1</b>	<b>-5.5</b>	<b>-0.1</b>	<b>1.3</b>	<b>-16.3</b>	<b>14.9</b>	<b>20.2</b>	<b>24.5</b>
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
<b>Net earnings</b>	<b>20.8</b>	<b>-7.9</b>	<b>-8.8</b>	<b>0.2</b>	<b>-10.3</b>	<b>-26.9</b>	<b>-9.4</b>	<b>-3.5</b>	<b>-0.1</b>	<b>1.1</b>	<b>-11.9</b>	<b>11.1</b>	<b>14.2</b>	<b>17.4</b>
<b>EPS (adj.)</b>	<b>2.35</b>	<b>-0.45</b>	<b>-0.46</b>	<b>0.01</b>	<b>-0.54</b>	<b>-1.43</b>	<b>-0.49</b>	<b>-0.18</b>	<b>0.00</b>	<b>0.06</b>	<b>-0.62</b>	<b>0.58</b>	<b>0.74</b>	<b>0.90</b>
<b>EPS (rep.)</b>	<b>2.35</b>	<b>-0.45</b>	<b>-0.46</b>	<b>0.01</b>	<b>-0.54</b>	<b>-1.43</b>	<b>-0.49</b>	<b>-0.18</b>	<b>0.11</b>	<b>0.17</b>	<b>-0.39</b>	<b>0.81</b>	<b>0.74</b>	<b>0.90</b>

Key figures	2019	Q1'20	Q2'20	Q3'20	Q4'20	2020	Q1'21	Q2'21	Q3'21e	Q4'21e	2021e	2022e	2023e	2024e
<b>Revenue growth-%</b>	-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 %
<b>Adjusted EBIT growth-%</b>	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 %
<b>EBITDA-%</b>	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 %
<b>Adjusted EBIT-%</b>	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 %
<b>Net earnings-%</b>	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
<b>Non-current assets</b>	<b>437</b>	<b>428</b>	<b>402</b>	<b>379</b>	<b>381</b>
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
<b>Current assets</b>	<b>33.7</b>	<b>20.7</b>	<b>28.3</b>	<b>38.0</b>	<b>41.9</b>
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
<b>Balance sheet total</b>	<b>471</b>	<b>448</b>	<b>431</b>	<b>417</b>	<b>423</b>

Source: Inderes

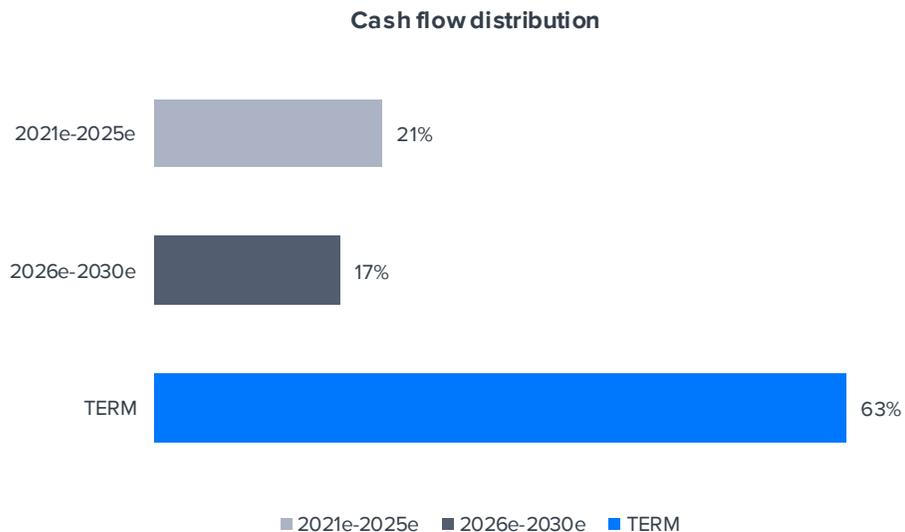
Liabilities & equity	2019	2020	2021e	2022e	2023e
<b>Equity</b>	<b>137</b>	<b>81.0</b>	<b>71.5</b>	<b>87.1</b>	<b>95.4</b>
Share capital	0.2	0.2	0.2	0.2	0.2
Retained earnings	46.4	17.6	10.1	25.7	34.1
Hybrid bonds	25.0	0.0	0.0	0.0	0.0
Revaluation reserve	57.7	58.4	58.4	58.4	58.4
Other equity	0.0	0.0	0.0	0.0	0.0
Minorities	7.8	4.8	2.8	2.8	2.8
<b>Non-current liabilities</b>	<b>221</b>	<b>232</b>	<b>219</b>	<b>193</b>	<b>188</b>
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
<b>Current liabilities</b>	<b>113</b>	<b>135</b>	<b>140</b>	<b>136</b>	<b>140</b>
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
<b>Balance sheet total</b>	<b>471</b>	<b>448</b>	<b>431</b>	<b>417</b>	<b>423</b>

# DCF calculation

DCF model	2020	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	TERM
<b>EBIT (operating profit)</b>	<b>-24.0</b>	<b>-5.3</b>	<b>23.4</b>	<b>27.2</b>	<b>31.5</b>	<b>30.6</b>	<b>31.6</b>	<b>30.6</b>	<b>29.5</b>	<b>30.4</b>	<b>30.9</b>	
+ 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	
<b>Operating cash flow</b>	<b>24.1</b>	<b>48.5</b>	<b>67.0</b>	<b>68.6</b>	<b>72.4</b>	<b>70.0</b>	<b>70.8</b>	<b>70.1</b>	<b>69.4</b>	<b>70.1</b>	<b>70.0</b>	
+ 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	
<b>Free operating cash flow</b>	<b>-14.1</b>	<b>9.5</b>	<b>23.0</b>	<b>21.6</b>	<b>27.4</b>	<b>25.0</b>	<b>25.8</b>	<b>25.1</b>	<b>24.4</b>	<b>25.1</b>	<b>22.7</b>	
+/- 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
<b>Discounted FCFF</b>		<b>13.6</b>	<b>25.4</b>	<b>18.8</b>	<b>22.5</b>	<b>19.4</b>	<b>18.9</b>	<b>17.4</b>	<b>15.9</b>	<b>15.5</b>	<b>13.2</b>	<b>302</b>
Sum of FCFF present value		482	469	443	424	402	382	364	346	330	315	302
<b>Enterprise value DCF</b>		<b>482</b>										
- Interesting bearing debt		-321										
+ Cash and cash equivalents		3.12										
-Minorities		-2.8										
-Dividend/capital return		0.00										
<b>Equity value DCF</b>		<b>194</b>										
<b>Equity value DCF per share</b>		<b>10.08</b>										

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 %
<b>Cost of equity</b>	<b>10.7 %</b>
<b>Weighted average cost of capital (WACC)</b>	<b>6.0 %</b>

Source: Inderes



# Summary

Income statement	2018	2019	2020	2021e	2022e	Per share data	2018	2019	2020	2021e	2022e
Revenue	323.2	272.8	156.8	175.2	290.0	EPS (reported)	0.19	2.35	-1.43	-0.39	0.81
EBITDA	28.4	75.1	28.0	41.6	71.4	EPS (adj.)	0.19	2.35	-1.43	-0.62	0.58
EBIT	7.2	30.6	-24.0	-5.3	23.4	OCF / share	2.76	3.29	1.25	2.52	3.49
PTP	5.6	25.3	-34.9	-16.3	14.9	FCF / share	-6.37	-5.23	-0.77	0.72	1.43
Net Income	3.6	44.6	-27.5	-7.5	15.6	Book value / share	3.51	6.80	3.96	3.57	4.38
Extraordinary items	0.0	0.0	0.0	4.5	4.5	Dividend / share	0.34	0.00	0.00	0.00	0.30
Balance sheet	2018	2019	2020	2021e	2022e	Growth and profitability	2018	2019	2020	2021e	2022e
Balance sheet total	305.7	470.8	448.3	430.5	416.6	Revenue growth-%	74%	-16%	-43%	12%	66%
Equity capital	75.1	137.0	81.0	71.5	87.1	EBITDA growth-%	27%	164%	-63%	49%	72%
Goodwill	147.4	128.8	135.2	136.2	136.2	EBIT (adj.) growth-%	-33%	326%	-178%	-59%	-295%
Net debt	138.7	268.0	317.8	293.7	254.7	EPS (adj.) growth-%	-36%	1139%	-161%	-57%	-193%
Cash flow	2018	2019	2020	2021e	2022e	EBITDA-%	8.8 %	27.5 %	17.8 %	23.8 %	24.6 %
EBITDA	28.4	75.1	28.0	41.6	71.4	EBIT (adj.)-%	2.2 %	11.2 %	-15.3 %	-5.6 %	6.5 %
Change in working capital	16.8	-6.2	-0.8	8.7	-0.2	EBIT-%	2.2 %	11.2 %	-15.3 %	-3.0 %	8.1 %
Operating cash flow	52.1	62.6	24.1	48.5	67.0	ROE-%	6.4 %	45.6 %	-26.8 %	-10.3 %	20.4 %
CAPEX	-176.2	-186.3	-34.6	-39.0	-44.0	ROI-%	4.6 %	9.7 %	-5.9 %	-1.4 %	6.5 %
Free cash flow	-120.4	-99.4	-14.8	13.9	27.5	Equity ratio	24.6 %	29.1 %	18.1 %	16.6 %	20.9 %
						Gearing	184.5 %	195.6 %	392.4 %	411.1 %	292.6 %
Valuation multiples	2018	2019	2020	2021e	2022e						
EV/S	1.0	1.7	3.0	2.5	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

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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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