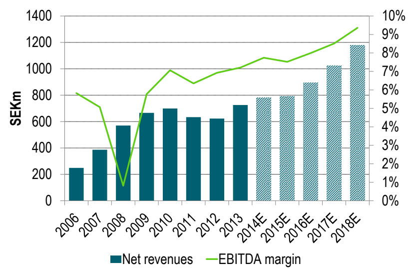
NOT FOR DISTRIBUTION IN THE US, CANADA, AUSTRALIA OR JAPAN OR IN ANY OTHER JURISDICTION WHERE TO DO SO WOULD BE UNLAWFUL. SEB IS ACTING AS MANAGER OF THE PROPOSED BOND ISSUE OF NSP. PLEASE READ THE STATEMENTS AT THE REAR OF THIS REPORT WHICH ARE IMPORTANT AND AFFECT YOUR RIGHTS.

NSP

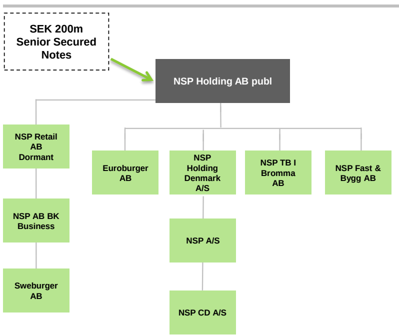
Corporate rating:	**B+/Stable**
Public ratings	
Moody's:	N.R.
S&P:	N.R.
Fitch:	N.R.
Market cap (SEKm)	193

Sales and EBITDA margin – base case



Source: SEB

Transaction structure



Source: NSP and SEB

Analyst
Ebba Lindahl
(46) 8 5062 3208
ebba.lindahl@seb.se

A whopping future

- **B+ corporate rating reflecting leading positions and expansionary strategy**
  We assign a B+ corporate credit rating to NSP Holding AB publ ("NSP") with a Stable outlook. We rate the contemplated bond in line with the corporate rating at B+. The corporate rating reflects the company's scale benefits as Sweden's largest restaurant company, strong brand names in its franchise operations, and solid cash flows. It also takes into consideration the intensely competitive landscape, profitability issues in Denmark (30% of sales) and high adjusted leverage due to the use of long-term operating leases to secure restaurant locations.

- **New franchise agreements offer upside but visibility is clouded**
  NSP is one of Sweden's largest restaurant companies, operating 59 Burger King restaurants in Sweden and Denmark under franchise agreements. Furthermore, the company has recently signed agreements to launch KFC (Kentucky Fried Chicken) in Sweden and TGI Friday's in Denmark. We expect these agreements to result in higher sales and improving profitability as NSP applies its scalable business model to these operations. However, execution risks related to successfully launching these new concepts should not be ignored and uncertainty related to the size and pace of expansion reduces our visibility of future earnings. In 2013 NSP had around 1,900 employees, sales of SEK 776m and an EBITDA margin of 7.2%. The company has been listed on Nasdaq OMX Stockholm since 2008 and its market capitalisation on 10 June 2014 was SEK 193m.

- **Key terms and structure**
  NSP is looking to issue a five year SEK 200m bond with proceeds applied towards the refinancing SEK 109m senior and junior debt with the remaining SEK 91m used for investments in new restaurants, acquisitions of brand related restaurants, and general corporate purposes. Total senior debt to EBITDA LTM Q1 2014 will be 4.96x and net debt to EBITDA LTM Q1 2014 2.72x. Overall we are comfortable with the terms and note the inclusion of both a maintenance covenant and an incurrence test, set at 4.0x net debt to EBITDA. Permitted debt will include a SEK 120m carve-out for financial leasing, a SEK 14m overdraft facility, and a SEK 10m general carve-out. At the time of writing, the terms are still subject to change but we do not expect them to deviate materially from the above.

Key credit metrics & ratios

	2010	**2011**	**2012**	**2013**	**2014E**	**2015E**	**2016E**
Revenue (SEKm)	634	623	725	781	794	896	1,024
Revenue growth	-9.3%	-1.7%	16.4%	7.6%	1.7%	12.9%	14.2%
EBITDA	45	40	50	56	61	67	82
EBITDA margin	7.1%	6.4%	6.9%	7.2%	7.7%	7.5%	8.0%
Adjusted EBITDA margin	16.8%	16.5%	17.1%	17.8%	18.4%	18.2%	18.8%
Net debt to EBITDA	2.9	3.7	3.2	3.0	2.3	2.0	1.5
Adjusted net debt to EBITDA (x)	5.3	5.7	5.5	5.4	5.0	4.9	4.6
Adjusted EBITDA net int. cover. (x)	3.8	3.4	3.5	3.7	3.5	3.4	3.7

Source: SEB

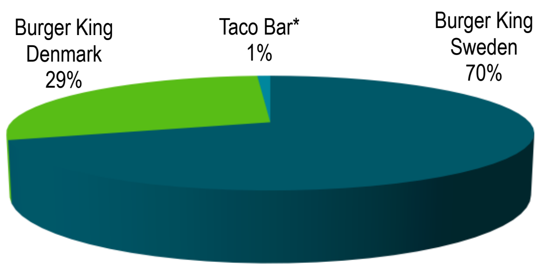
Credit strengths

- As the largest restaurant company in Sweden, NSP enjoys significant economies of scale.
- The 59 franchise contracts with an average remaining maturity of 11.5 years provide revenue visibility.
- The cost base is relatively flexible as staffing can be adjusted to demand peaks.
- New agreements provide growth prospects and improve diversification.
- Strong historical and projected cash flows supported by low working capital. requirements due to very low receivables and high inventory turnover.

Credit concerns

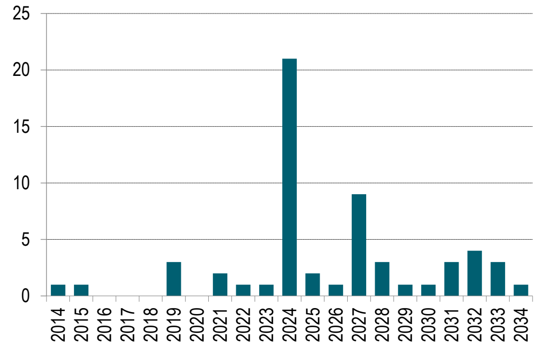
- The launch of new brands will involve execution risks and reduces future earnings visibility.
- Fierce competition in the fast food industry.
- Highly leveraged on an adjusted basis with an expected net debt/EBITDA ratio of 4.9x Y/E 2014.
- A change of government after the elections in September 2014 could lead to higher costs.
- Dependence on brand names exposes NSP to reputational risks.

Sales by type 2013



Source: SEB and NSP *Divested in January 2014 and reported as Discontinued operations in the 2013 accounts.

NSP's Burger King franchise contract maturities



Source: SEB and NSP

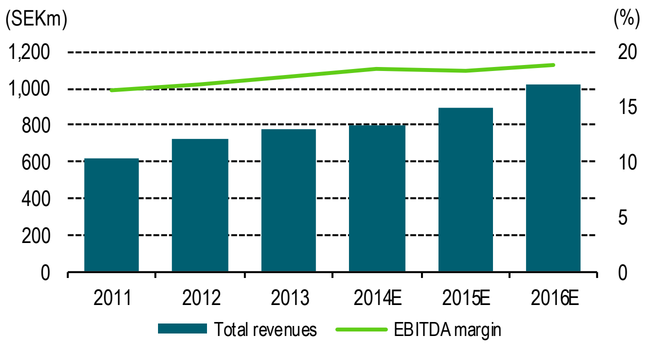
Financial statement summary (SEKm)

Income statement	2012	2013	2014E	2015E
Revenues	725.3	780.6	793.7	895.9
EBITDA	50.2	56.3	61.4	67.4
Adjusted EBITDA*	124.1	138.7	146.0	163.4
Cash flow statement	**2012**	**2013**	**2014E**	**2015E**
Funds from operations (FFO)	33.8	47.9	45.0	48.1
Change in working capital	4.1	3.8	1.9	3.6
Operating Cash Flow	37.9	51.8	46.9	51.8
Free Operating cash flow	19.5	33.6	37.9	39.8
Balance sheet	**2012**	**2013**	**2014E**	**2015E**
Cash (and equivalents)	38.0	32.4	140.4	154.6
Total debt	200.0	201.0	280.0	286.0
Net debt	132.4	123.7	97.2	87.5
Adjsuted net debt*	678.8	745.7	731.6	803.9
Key credit metrics & ratios	**2012**	**2013**	**2014E**	**2015E**
Total debt to EBITDA	4.0	3.6	4.6	4.2
Net debt to EBITDA	3.2	3.0	2.3	2.0
Adjusted net debt to EBITDA (x)	5.5	5.4	5.0	4.9
Adjusted FFO / Net debt	12%	14%	14%	14%
Equity ratio	27%	30%	27%	27%

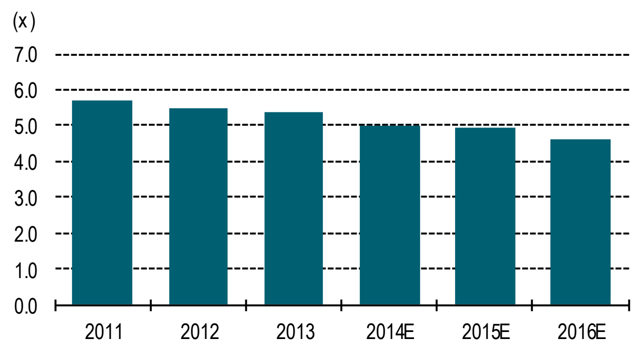
Source: SEB and NSP financial reports

*Adjusted for operating leases related to rental agreements for restaurant locations

Revenues and EBITDA margin



Adjusted net debt / EBITDA

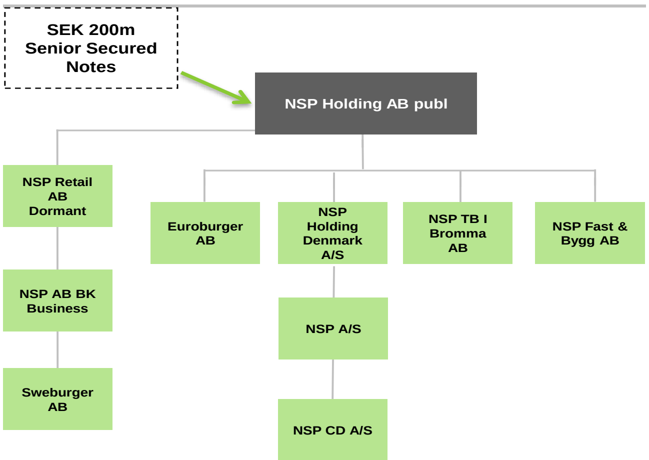


Source: SEB and NSP financial reports

Transaction overview

NSP Holding AB (publ) is contemplating issuing a five year senior secured SEK 200m bond, as indicated in the transaction structure below. The bond proceeds will be used towards repayment of SEK 109m senior and junior debt with the remaining SEK 91m used for investments in new restaurants, acquisitions of brand related restaurants, and general corporate purposes. The debt structure after the transaction will also include financial leasing of SEK 82.9m. Total senior debt to EBITDA LTM Q1 2014 will be 4.96x and net debt to EBITDA LTM Q1 2014 will be 2.72x. NSP also has convertible debt outstanding amounting to SEK 9m.

Transaction structure



Source: NSP

Sources and uses (SEKm)

	Sources	Uses
Senior Secured bond	200.0	
Repayment of senior debt		40.9
Repayment of junior debt		68.3
Investment and general corp. purposes		90.8
Total	**200.0**	**200.0**

Overall we are comfortable with the terms. We note the inclusion of a 4.0x net debt to EBITDA maintenance covenant and two incurrence tests; net debt to EBITDA of 4.0x and interest coverage of 3.0x. Permitted debt will include a SEK 120m carve-out for financial leasing, a SEK 14m overdraft facility and a SEK 10m general carve-out. Subject to the maintenance covenant and incurrence tests being met the company is free to pay dividends to an amount corresponding to 60% of net income and has no limit on debt incurrence. Subsequent bond issues will however be subject to the terms and conditions of the first issue, including ISIN, interest rate, final maturity etc. (the price of the bonds excepted). Operating leases can be incurred without restrictions. We note the voluntary annual redemptions of SEK 20m during the first three years. At the time of writing, the terms are still subject to change but we do not expect them to deviate materially from the above.

Key terms and conditions

Issuer:	NSP Holding AB (publ)
Volume:	SEK 200m
Status:	Senior Secured
Tenor:	5 year
Security:	Pledge of shares in operating company and all material subsidiaries
Call options:	Make-whole during first 2.5 years and thereafter;
	103% 36-42 months after the issue date, 102"% 42-48 months after the issue date
	101% 48-54 months after the issue date, 100% 54 months until final redemption
	Voluntary partial redemptions not to exceed SEK 20m in first 3 years at premium
Noteholder's put:	Price of 101% at change of control or if the bonds are not listed within 60 days after the issue
Covenants and restrictions:	Maintenance covenant: Net debt /EBITDA not greater than 4.0x
	Incurrence test for new debt:
	Net debt/EBITDA not greater than 4.0x
	Interest coverage ratio exceeds 3x
	Dividend restriction: Not to exceed 60% of group's consolidated net profit
Lising:	NASDAQ OMX Stockholm

Source: SEB/NSP

Credit summary

We assign a B+ corporate credit rating to NSP with a Stable outlook. We rate the contemplated bond in line with the corporate rating at B+ on the basis of adequate recovery in a default scenario. The corporate rating reflects NSP's fairly strong business risk profile based on its position as the largest franchisee of Burger King in the Nordic region and the associated strong brand name recognition. It also reflects its scalable business model and relatively flexible cost structure. The financial risk profile involves profitability issues in Denmark (30% of sales) and high adjusted leverage due to the practice of using long-term operating leases to secure restaurant locations. Cash flow generation is however strong and sufficient to service debt.

The greatest uncertainty with regards to our credit assessment relates to the recently announced agreements to launch KFC (Kentucky Fried Chicken) in Sweden and TGI Friday's in Denmark. General execution risks related to large strategic changes as well as the lack of detailed information regarding for instance the number and pace of establishments make forecasting future financial performance difficult and we have had to make a number of assumptions which may prove wrong.

Credit positives

- The position as Sweden's largest restaurant company and the largest franchisee of Burger King in the Nordic region provides scale benefits in operations and is an advantage when competing for attractive locations. The portfolio of 59 Burger King franchise contracts with an average remaining maturity of 11.5 years also provides some revenue visibility and a stable foundation from which to expand.
- NSP operates under some of the industry's best known brands which is a key competitive advantage in the fast food industry.
- If successfully launched, KFC and TGI Friday's should improve diversification of earnings and enhance profitability due to NSP's scalable business model.
- The restaurant markets in Sweden and Denmark are growing faster than the economy driven by changing customer behaviours and attitudes. With three of the strongest brands in the restaurant industry, NSP has a competitive advantage.
- Historical and forecast cash flow generation is strong, supported by low working capital requirements and is sufficient for debt service
- Committed and experienced management team, which, together with certain board members, control roughly 60% of votes and capital in the company

Credit concerns

- The launch of KFC and TGI Friday's will involve execution risks including the favourable reception of the brands in the respective markets as well as finding the right locations and staff etc. It also reduces visibility and complicates forecasting.
- Competition in the fast food industry, and the hamburger segment in particular, is intense and the only way to expand is to open new restaurants.
- We estimate that leverage will be rather high. Initial net debt to EBITDA after the bond issue will be 2.7x, or 5.2x adjusted for operational leasing related to rent of restaurant locations. We estimate 2.1x and 4.9x by year-end 2014 respectively.
- If Sweden has a change of government after the elections in September 2014, it is possible that VAT on food served in restaurants will be raised from 12% to 25% and that employer contributions for young people will be increased, resulting in higher costs for NSP.
- Due to its dependence on brand names, NSP's operations are subject to reputational risk, health alarms and ethical issues with high media impact.

Company introduction and history

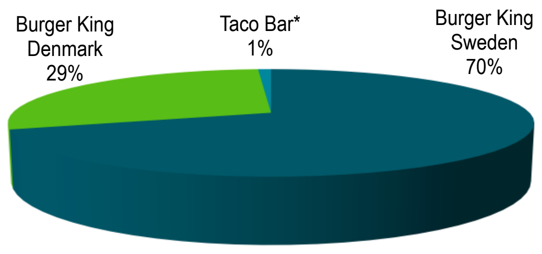
Founded in 2004, Nordic Service Partners ("NSP") is today one of Sweden's largest restaurant companies operating 59 Burger King restaurants in Sweden and Denmark under franchise agreements. Furthermore, the company has recently signed agreements to launch KFC in Sweden and TGI Friday's in Denmark. In 2013 NSP had around 1,900 employees, sales of SEK 776m and an EBITDA margin of 7.2%. The company has been listed on Nasdaq OMX Stockholm since 2008 and its market capitalisation on 10 June 2014 was SEK 193m.

With its 10 year history, NSP is a fairly young company with an eventful past. After acquiring 21 Burger King restaurants from Burger King Corporation in 2004 the company entered an expansionary phase. In addition to establishing and acquiring more Burger King restaurants it also tried its luck with other brands. In 2006 it acquired the Taco Bar franchise chain and began establishing so-called food courts. In 2007 it acquired a Tasty Thai restaurant and the rights to that concept in Sweden. It also signed an agreement to operate Sandys restaurants in some of its food courts.

The fast expansion and large investments resulted in a loss of management focus, accelerating G&A costs and inefficiencies as the company failed to realise the expected synergies. Large losses in 2007 and 2008 resulted in a financial position that required a new equity issue in 2008. In 2008 and 2009 new management, including the CEO Morgan Jallinder were appointed as well as a new COB, Jaan Kaber. Morgan Jallinder and Jaan Kaber had together sold Cresco Foods (the origins of NSP's Danish operations) to NSP in 2006 and had through the sale become NSP's largest shareholders. Morgan Jallinder and Jaan Kaber remain in their respective positions today.

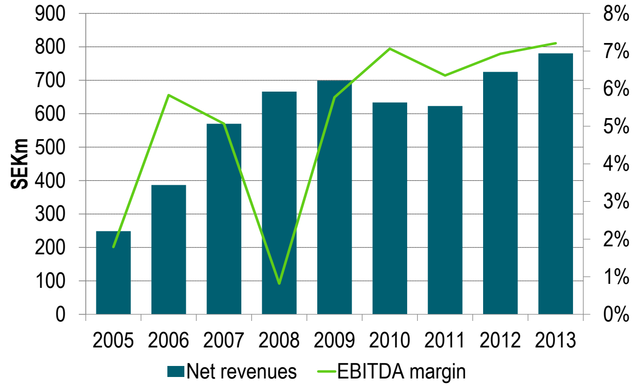
A streamlining of the company was initiated in 2009, with the focus returned to operating profitable Burger King restaurants and developing Taco Bar through a master franchise model. The food court operations and the franchise rights for Tasty Thai were sold. After a few years of focusing on restoring profitability in the remaining core operations, attention has recently turned towards expansion again with the announcement in February this year that NSP has signed agreements with Yum! Brands and Carlson Companies for the launch of KFC in Sweden and TGI Friday's in Denmark. In January 2014 NSP also sold the remaining franchise rights for Taco Bar to the master franchise holder.

Sales by type, 2013



*Divested in January 2014 and reported as Discontinued operations in the 2013 accounts.

Sales and EBITDA margin

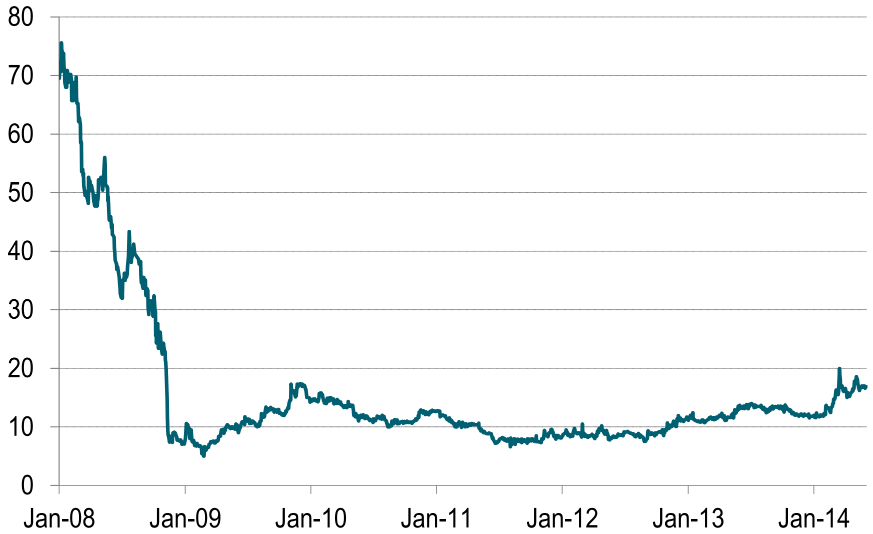


Source: SEB and NSP

Ownership structure

NSP was first listed on NGM Equity in 2005 and in 2006 trading in NSP's share was moved to First North. In 2008 the company was listed on Nasdaq OMX Stockholm. Despite being a listed company, the ownership structure remains concentrated, with the five largest owners together controlling around 70% of capital and votes. We note that both management and board members are large shareholders in NSP, both directly and indirectly. We note that the bond terms and conditions contain a change of control clause which is triggered if anyone gains control of more than 50% of the votes.

NSP share price 1 Jan 2008 – 22 May 2014



Source: Bloomberg

The table below shows the shareholder structure as of 31 December 2013. Since then we note that according to a disclosure notice, Jeppe Droop (and related companies) has increased his stake to 29.99%.

Ownership structure, 31 December 2013

Owner	# of shares	% of capital	% of votes	Note
Danske Koncept Restauranger Holding	2,523,089	21.67	21.67	1
Bohus Enskilda	2,142,992	18.41	18.41	2
Abrinvest AB	1,290,000	11.08	11.08	
Long Term AB	1,166,678	10.02	10.02	3
Svenska Handelsbanken AB For PB	1,096,868	9.42	9.42	
Other	3,419,789	29.40	29.40	
Total	11,639,416	100	100	

Notes: 1. Board member Jeppe Droop, possession via Danske Konceptrestauranger Holding and JE D APS 2. Bohus Enskilda is owned in equal parts by COB Jaan Kaber and CEO Morgan Jallinder. 3. Board member Anders Wehtje has through Long Term AB a controlling interest.

Source: NSP annual report.

Strategy

KFC and TGI Friday's launch in focus

NSP's strategy over the short to medium term appears fairly clear cut. The focus will be on launching KFC in Sweden and TGI Friday's in Denmark. At the same time the company will continue to run its Burger King operations according to the same model as before, including the opening of new restaurants if and when attractive locations are procured. Geographically, we expect the focus to remain on Sweden and Denmark, although in a longer-term perspective expansion to other Nordic countries could be possible.

Improved diversification with potential for synergies

In our view, KFC and TGI Friday's will provide a welcome degree of diversification to NSP's operations. At the same time it should be possible to generate synergies, particularly with KFC whose concept share many similarities with Burger King. KFC and Burger King restaurants are about the same size, target the same type of customer, and require the same type of location, equipment and staff. Assuming NSP is able to apply its infrastructure platform for operations, marketing, HR and SG&A to KFC restaurants it should be able to secure benefits of scale.

We also believe that expansion through a fast food chain focused on chicken is strategically sound given the intense competition in the hamburger segment of the fast food industry. With chicken as a food source growing in popularity there may be a demand to fill for KFC. Also, given the abundance of hamburger restaurants the fact that NSP can offer a chicken based restaurant may prove to be an advantage when competing for attractive locations.

Execution risks should not be ignored

At the same time we believe the strategy entails certain execution risks. These relate to finding and securing attractive locations for new restaurants at acceptable cost and attracting, as well as educating and maintaining the right staff. With regards to the launch of KFC in Sweden we also believe that the KFC brand will need some repositioning efforts. While there are currently no KFC restaurants in Sweden the brand is nonetheless often associated with deep fried and unhealthy food. Given the strong and increasing health awareness among people in Sweden, we believe successfully communicating KFC's broader menu with for instance grilled chicken menus will be important.

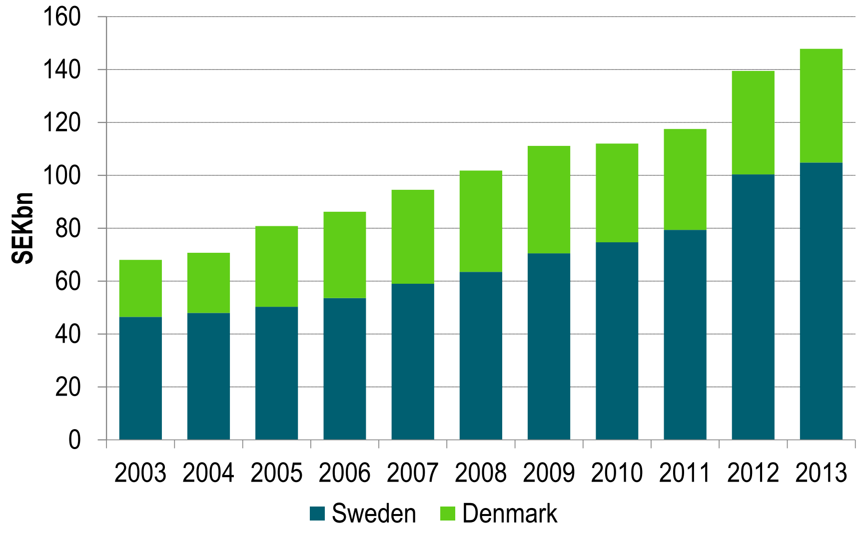
The launch of TGI Friday's in Denmark will face slightly different risks. NSP today is active in the segment of the restaurant business referred to as QSR, Quick Service Restaurants, while TGI Friday's belongs in the category Casual Dining which is a slightly different type of concept and may prove to have other competitive characteristics than anticipated.

Industry and growth drivers

Cyclical industry with structural growth

The restaurant industry is cyclical and largely dependent on GDP growth and private consumption. However, over the past decade growth has been supported by structural changes in the market such as growing population, urbanisation, changing demographics and customer behaviors and the market has grown faster than GDP. Overall, the industry has grown since the 1990s even though the financial crisis temporarily slowed the development. In 2013 there were approximately 23,000 restaurants in Sweden with sales of around SEK 105bn and in Denmark there were 15,000 restaurants with sales of approximately DKK 35bn. The Swedish market has grown at a CAGR of 7.7% since 2003 and the Danish market at 6.5%. The strong growth in Sweden in 2012 is likely explained by the reduced VAT on food served in restaurants.

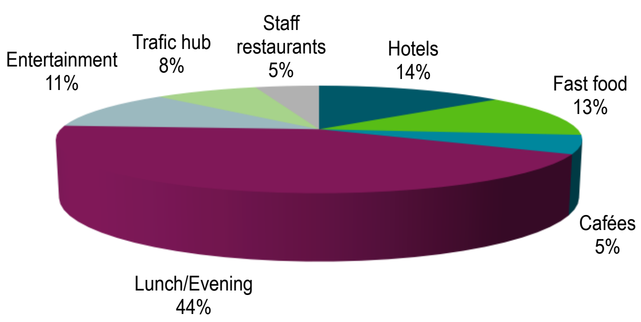
Restaurant market in Sweden and Denmark



Source: Statistiska Centralbyrån and Danmarks Statistik

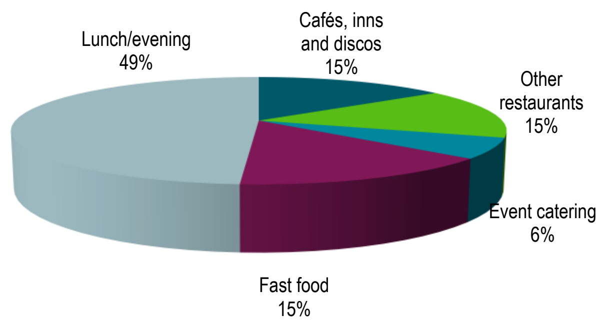
The fast food segment includes many different types of food and restaurants, for example hamburger restaurants, sushi bars, salad bars, sandwich bars, snack bars such as Sibylla and more recently so-called food trucks. Depending on how exactly the segment is defined, its share of the total restaurant market in Sweden in 2013 was between 13% (as defined by Statistiska Centralbyrån) and 20% (as defined by Delfi). The hamburger market is the largest fast food segment accounting for 36% of the fast food market (as defined by Delfi) and was worth around SEK 7.5bn in 2013.

Swedish restaurant market



Source: Statistiska Centralbyrån

Danish restaurant market

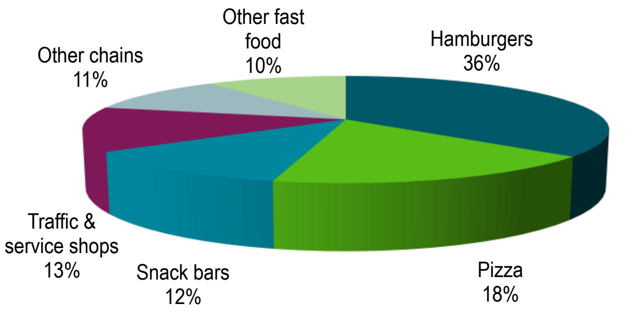


Souce: Danmarks Statistik 2013

Intense competition in fast food, and hamburgers in particular

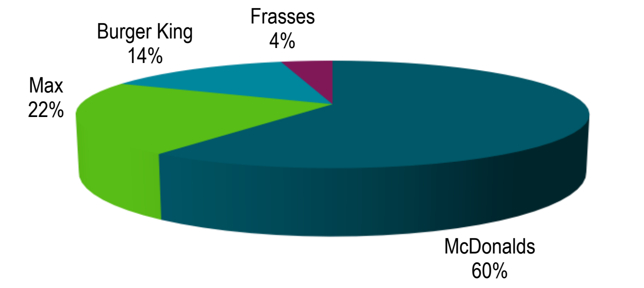
The hamburger sub-segment of the fast food industry is characterised by intense competition and opening new restaurants in attractive locations is currently the only way to expand. Competition for such locations is tough and costs related to new establishments are high. The hamburger market is dominated by McDonalds in both Sweden and Denmark. The chain has 225 restaurants in Sweden and 86 in Denmark. This can be compared to Burger King, ranked number three in Sweden with 90 restaurants and number two in Denmark with 31 restaurants. In Sweden other large competitors include Max with 96 restaurants and Frasses with 40 restaurants. In Denmark, there are no other large pure hamburger chains but Sunset Boulevard, which serves made-to-order sandwiches, salads and hamburgers and has 45 restaurants, is a close competitor.

Swedish fast food market by type



Source: Delfi Foodserviceguide 2012

Swedish hamburger chains market shares



Source: Delfi Foodserviceguide 2014

Economic signals are supportive of growth

Economic signals for Sweden and Denmark are supportive of growth. Despite some mixed signals lately, SEB's macro analysts believe that Swedish GDP will grow by 2.7% in 2014 and 3.1% in 2015. Growth will be driven primarily by rising consumption and residential construction, while the export outlook is more mixed. The Danish recovery is on track and SEB is sticking to its forecast of 2% growth for 2014 despite significant disappointments in the fourth quarter 2013 numbers, both for overall GDP and consumption. Most of the Q4 weakness was explained by the effects of big autumn storms and the way insurance payments are handled in the national accounts. Leaving out such effects, SEB sees little to suggest that forecasts for 2014 should be at risk. SEB also leaves its GDP growth forecast for 2015 unrevised at 2.5%.

The fast food market is slightly less sensitive to economic conditions than traditional restaurants, which was evident in the last economic downturn. In addition to fast food being a cheaper alternative, its growth is probably also a result of demographic changes with an increasing number single households. The large number of shopping malls that have opened (and are still being opened) during the past decade has also resulted in many new fast food restaurants.

Changing consumer behaviours and attitudes is driving growth

The strongest trend in the restaurant business in the Nordic region is that it is becoming an everyday behavior to eat and socialize outside the home, preferably in combination with shopping or other activities. It is also becoming more common to eat snacks on the go. The average Swede and Dane spends less and less time cooking; men less than women and single-households less than families/couples. This trend is even stronger among younger people.

Another strong trend is that people's attitudes toward ready-to-eat food are changing. This is illustrated by fine dining restaurants adding deli corners and take away menus, while fast food restaurants are refining their product offerings and repackaging fast food as "tasty and affordable". The whole market is changing and the distinction between traditional restaurants, casual dining restaurants, quick service restaurants and home meal replacement (HMR) is slowly becoming blurred.

Restaurant retail chains positioned to benefit from changing behaviours

Restaurant retail chains are at the forefront of the development of the restaurant industry, in the Nordic region as well as in the rest of Europe. Retail chains in the restaurant industry are being developed and internationalised in the same way that retail chains in the clothing and home electronics have been over the past few decades. The drivers are the same: the more core competencies and process that can be centralised and rationalised, the greater the potential for scale benefits and reduced costs. Retail chains also create value as brands are often associated with safety, quality and professional staff. Retail chains are not limited to the fast food segment but are increasingly common within the so-called casual dining segment. Casual dining is a hybrid between fast food and fine dining restaurants. Examples of casual dining chains in the Nordic countries are TGI Friday's, Pizza Hut, Jensen's Bøfhaus, Vapiano, O'learys and Grekiska Kolgrillen.

The importance of health awareness and ethics is growing

The awareness among the public regarding the health and nutritional aspects of food has increased, and is still increasing, rapidly. In fact, demand for food that is healthy from both a nutritional as well as an ecological point of view can no longer be considered to be just a trend. Restaurants in all segments are developing menus to cater to this demand and the absence of such alternatives may become a serious impediment. There is also certain event risk in this area due to the constant flow of new research on the health aspects of different types of food and ingredients, which often receives wide attention in the media. Another issue related to these concerns is ethical considerations, primarily regarding the sourcing of raw materials. This relates primarily to animal welfare in the countries from where meat and fish is sourced. These types of issues also tend to receive large media attention from time to time.

Potential regulatory and legislative challenges ahead

In 2012 VAT on food served in restaurants in Sweden was reduced from 25% to 12%. This has made it possible for primarily the larger chains to hire more staff and increase the pace of establishing new restaurants. In some cases, prices have been reduced as well. However, a change of government after the Swedish elections in September this year may well lead to the VAT being increased to 25% again.

The current government has also reduced the employer contributions for employees that are 25 years or younger in an attempt to reduce unemployment among young people. For the staff-intense restaurant industry, and the fast food segment in particular, this has had significant positive impact on costs. It is widely expected that a change in government (which according to recent polls must be deemed the most likely outcome) would result in a reversal of this policy.

The franchise business model

With 59 restaurants, NSP is Burger King's largest franchisee in the Nordic region and one of the largest in Europe. Of NSP's 59 restaurants, 41 are located in Sweden and 18 in Denmark. In total there are 90 Burger King restaurants in Sweden and 30 in Denmark and those not under NSP's management are typically run by smaller franchisees, which manage one to three restaurants.

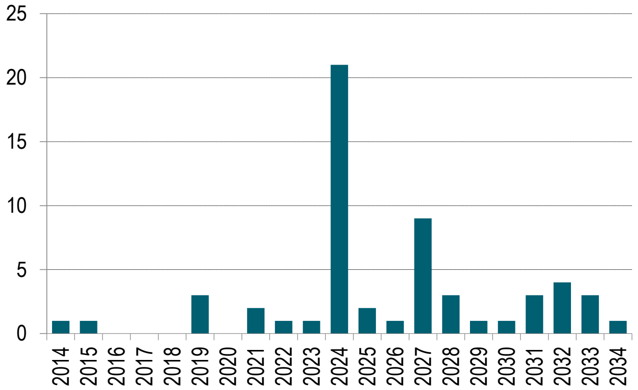
Under the franchise agreements NSP has the right to use the Burger King brand and concept and benefits from significant scale benefits such as national marketing campaigns, product development and centralised purchasing from suppliers that conform to Burger King's high quality standards at competitive prices. As a franchisee, NSP is responsible for establishing restaurants, planning, development and operation of restaurants and local marketing.

Burger King contracts run for 20 years

NSP's Burger King franchise contracts provide a stable base for the company's operations and offer a degree of future revenue visibility. The contracts, which typically run for 20 years, are signed for each individual restaurant and relate to a specific address. A contract can only be terminated by the franchisor if there is a continual breach of conditions (such as hygiene standards or sourcing of raw materials) and these are not cured by franchisee despite repeated notifications. We note that Burger King has never terminated a contract with NSP. It is also possible for NSP to terminate contracts prematurely if for instance the circumstances upon which the decision to establish a restaurant change. This reduces the risk of getting stuck with loss-making contracts for long periods of time.

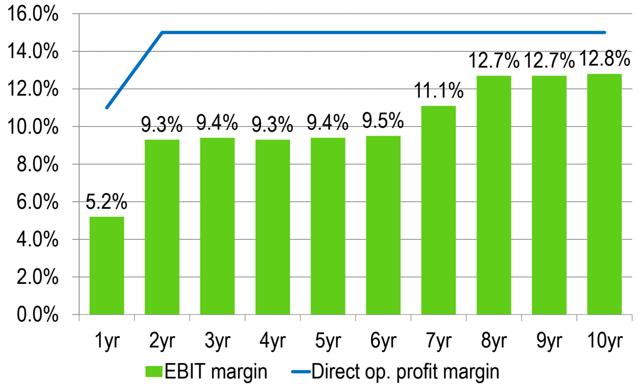
The average remaining length of NSP's Burger King franchise agreements is 11.9 years and notably 91% of the existing contracts mature after the contemplated senior secured bond. The contracts for the original 21 restaurants acquired from Burger King Corporation in 2004 terminate in 2024, while the contracts for the four newest restaurants established in 2013 and 2014 terminate in 2033 and 2034. When NSP acquires existing restaurants, it does not sign new franchise contracts but takes over the agreement with its remaining duration.

NSP's Burger King contract maturities



Source: NSP

Typical contract profitability development



Source: NSP

New franchise agreements for KFC and TGI Fridays signed in 2014

In February 2014 NSP signed an agreement with Yum! Brands to launch KFC in Sweden. The agreement gives NSP the right, but notably not the obligation, to open KFC restaurants in Sweden. The contract is not exclusive, but NSP is so far the only company to have a contract with Yum! Brands for KFC restaurants in Sweden. Given the uncertainties related to launching a new concept, we regard it as positive that NSP will have the unilateral right to close the first three restaurants it opens if the concept fails. There is also a separate agreement between Yum! Brands and some of NSP's largest shareholders that they will maintain a certain minimum ownership stake in NSP during the first three years of the co-operation.

The franchise agreement with TGI Friday's is an exclusive agreement to open five TGI Friday's restaurants in Denmark during a five year period. It is worth noting that this agreement gives NSP the right but not the obligation to open restaurants. Should NSP fail to open restaurants within the stipulated time period there is a small penalty fee.

Franchise fees are linked to restaurant turnover

When opening a Burger King restaurant, NSP pays a USD 50,000 opening fee to the franchisor. Thereafter it pays an annual royalty fee of 6.25% of the restaurant's turnover and an annual 3.75% ad-fund fee. The ad-fund is used for marketing. The KFC franchise agreements are priced similarly to the Burger King agreements with an annual royalty fee of 6% and an ad-fund fee of 5% (4% during the first three years) and opening fee of USD 45,000. The annual royalty fee for a TGI Fridays restaurant is 4% and opening fee 75,000.

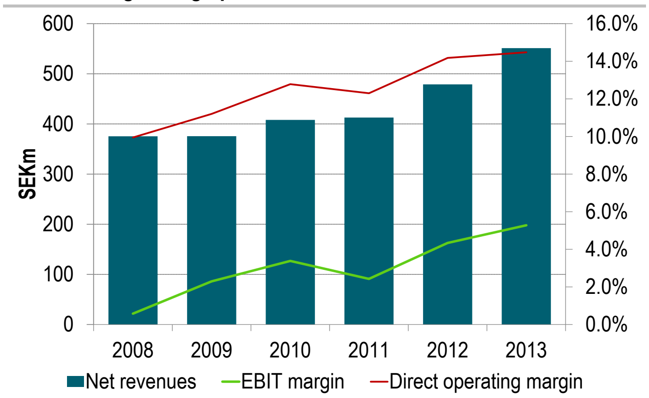
Contract profitability development

A new Burger King restaurant typically needs 12 to 18 months to reach its full sales and earnings potential as it takes time to establish a customer base and there are costs for marketing and training. The size of the initial investment is typically around SEK 6m and is depreciated over six years (IT over three years, furniture over five years and kitchen equipment over seven years). Reinvestment needs are limited so depreciation reduces after year six. The chart on the previous page illustrates the expected profitability development of a typical Burger King restaurant.

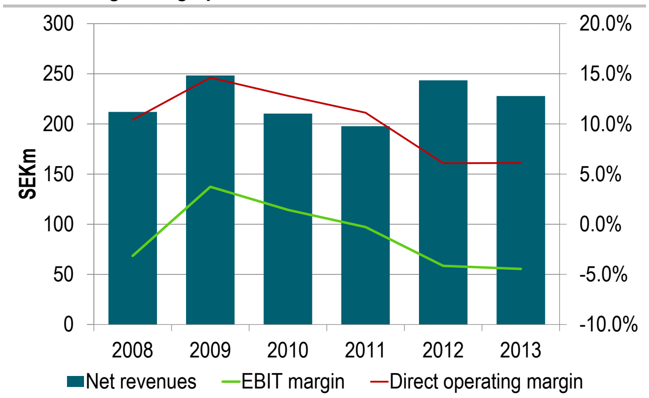
We would expect KFC restaurants to have a similar development given that the concept and size of initial investment of the restaurants are very similar to Burger King. We would however expect initial profitability to be weaker due to higher start-up costs as it is a new concept and it will take time to reach the same level of efficiency as the Burger King operations. Higher initial costs are also expected for the first few TGI Friday's restaurants for the same reasons. For these restaurants, the initial investment is also larger, an estimated SEK 8m. Profitability potential could possibly be higher as these restaurants also have a bar concept and serve alcohol.

Danish Burger King operations are less profitable than the Swedish ones
NSP's Danish Burger King operations are notably less profitable than the Swedish ones (see charts on next page). This is partly explained by the Danish economy being hit considerably harder by the financial crisis with an ensuing real estate crisis and recession. Furthermore, since 2010 the flow of customers at NSP's two largest restaurants in central Copenhagen has been seriously inhibited by ongoing infrastructure construction works. The strong sales growth in 2012 is primarily the result of the addition of five restaurants in October 2011. While economic conditions in Denmark are now improving, the construction works are not expected to be completed until 2017.

Swedish Burger King operations



Danish Burger King operations



Source: NSP and SEB

Profitability in the Swedish operations has improved gradually since 2008 as the result of improved management focus after the streamlining of the company and cost cutting. The strategy of adding restaurants with good volume without increasing costs for administration has also been successful. The strong sales growth in 2012 is partly due to the addition of six restaurants and partly by the reduced VAT on food served in restaurants. In 2013 three more restaurants were added, explaining some of the growth.

Brand name is the key to success

In the fast food market, customer decisions are often random and the result of coincidences. The target group typically has a short amount of time to eat and appreciates well-known brands. A strong brand name, associated with tasty food, quality, safety and affordability is therefore a key competitive advantage. NSP operates under some of the best-known restaurant brands in the world.

NSP's franchise brands

Source: NSP annual report

Burger King is one of the largest fast food chains in the world, ranked number two in the hamburger category. The group has 14,000 restaurants in over 95 countries and 11 million customers daily. In Sweden Burger King is the third largest hamburger chain with 90 restaurants (of which NSP operates 41). In Denmark there are 31 (of which NSP operates 18).

Kentucky Fried Chicken (KFC) is an American fast food restaurant that primarily sells chicken. It is one of the world's largest fast food chains with 18,000 restaurants in 120 countries. KFC is part of the Yum! Brands group, which also owns brands such as Pizza Hut and Taco Bell.

TGI Friday's operates in the 'casual dining' concept which is hybrid between fast food restaurants and fine dining and is one of the fastest growing segments in the restaurant industry. TGI Friday's has been owned by Sentinel Capital Partners and TriArtisan Capital Partners since May 2014.

Risks related to brand dependence
As a franchisee, NSP is highly dependent on the brands under which it operates. Any damage to the public's confidence in one or more of its brands, and in particular the Burger King brand, could seriously impact NSP's earnings. Such damage could occur from for example the violation of food safety regulations or other unethical behavior. Franchisors such as Burger King work hard to limit such risks through creating processes and routines to insure high quality in the production process as the brand name is the core of their operations. Nevertheless, risks related to the brand are not entirely under NSP's or the franchisors' control as there are several franchisees operating under the same brand.

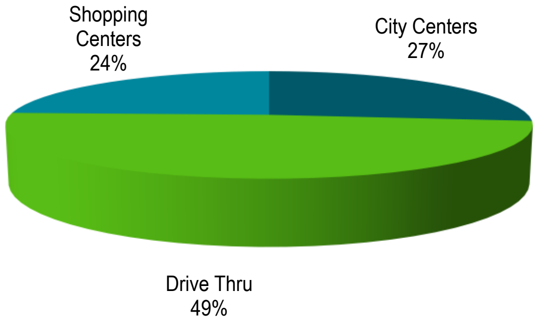
Location, location, location!

Just as important as having a strong brand when operating fast food restaurants is having the right location. A restaurant's revenue potential is determined by the population size in the surrounding area, traffic flow, local competition and how established the restaurant is in the area. Identifying and establishing restaurants in attractive locations is one of NSP's greatest challenges as competition and rental cost for such locations is significant. Misjudging the attractiveness of a location is also the single greatest risk NSP faces when establishing a new restaurant as it would not only risk the cost of establishing the restaurant but it could also mean getting stuck with a long-term rental contract for an unattractive location. For its Burger King operations, NSP focuses on three clearly defined types of location:

- **City centres:** In the most central part of the city and in the most commercial part of the street, walkway or city square (so called A locations). Locations should be visible and easily accessible and there should be offices, shops and hotels in the immediate area.
- **Traffic hubs/Drive Thru:** Characterised by large traffic flow generated by people passing on their way to and from work, school, activities and shopping. It can also be a hub between two larger roads or a natural need for a stop between two larger cities.
- **Shopping centre**. The number of shopping malls and competition between malls has grown rapidly in Scandinavia. NSP primarily prioritises shopping malls that are stand-alone from the shopping mall building itself, which enables drive-thru restaurants.

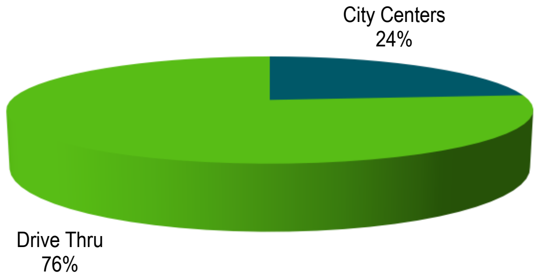
Rental contract structure
NSP signs long-term leases for its locations. In Sweden rental contracts are typically three to five years and automatically extended on a three year basis if neither party terminates the contract. The tenure may vary considerably, however and is often significantly longer for restaurants in newly constructed stand-alone buildings (drive-thrus). Rent is often indexed and in a few cases tied to restaurant turnover. In Denmark rental contract durations are indefinite. Contracts can typically not be terminated during certain periods, which in some cases are up to 20 years. Rent is indexed. Security of tenure is strong in both Sweden and Denmark and a landlord can become liable to pay damages if a location has to be vacated during the course of the contract.

NSP's Burger King locations Sweden



Source: SEB and NSP

NSP's Burger King locations Denmark



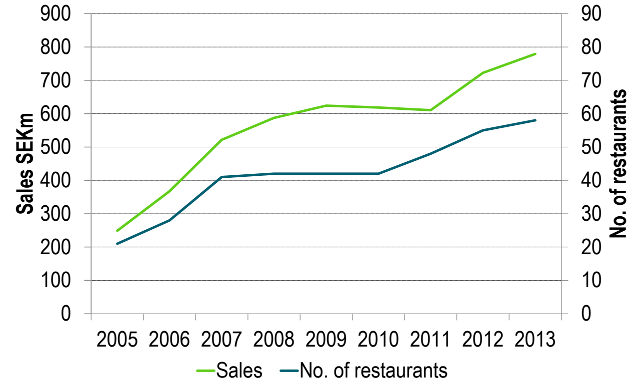
Source: SEB and NSP

Financial risk profile

Sales

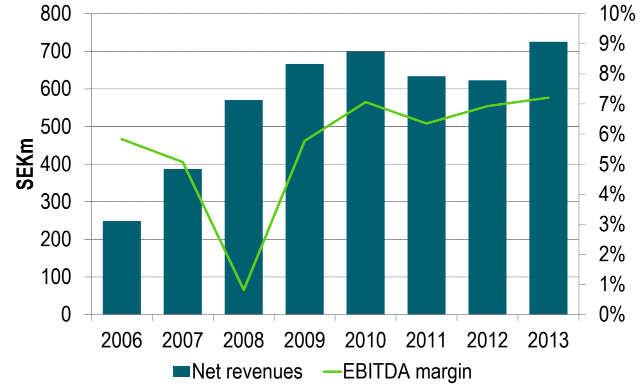
Group sales grew strongly during the company's first five years in business as the number of Burger King restaurants increased from 21 to 42 and Taco Bar, Tasty Thai and food courts were added to the operations. The streamlining of the portfolio that followed in 2008 and 2009 in combination with weakening economic conditions, particularly in Denmark, resulted in lower sales. Market conditions remained difficult in 2011, with weak economic conditions exacerbated by an extremely cold winter, health alarms in Denmark, intensifying competition and a weaker Danish krone versus the Swedish krona. Growth returned in 2012 driven mainly by the addition of new restaurants in late 2011 and during 2012, a development which continued in 2013.

Burger King sales and number of restaurants



Source: NSP and SEB

Group sales and EBITDA margin

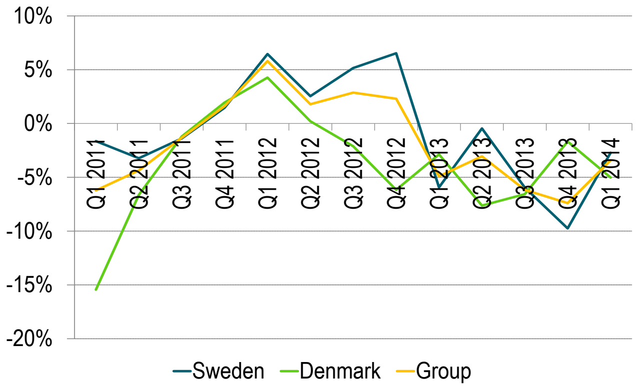


Source: NSP and SEB

NSP's profitability took a hit in 2007 and 2008, when the fast expansion and in particular the investment in food courts resulted in inefficiencies and accelerating G&A costs and the EBITDA margin dropped from 5.8% in 2006 to 0.8% in 2008. Margins recovered relatively quickly, however, due to streamlining and cost cutting measures taken by the new management and have hovered around 6% to 7% since then, with the dip in 2011 explained by the lower sales.

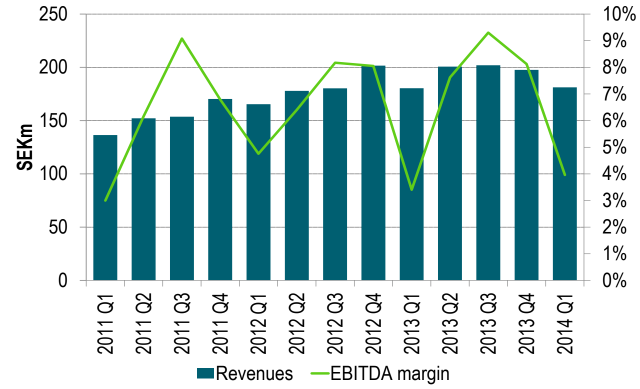
Sales and earnings at NSP's Burger King restaurants also follow a clear seasonal pattern. The first quarter of the year is by far the weakest as potential customers have less money to spend after the holiday season. Restaurant sales are also impacted by weather conditions. Extreme cold inhibits mobility while extreme heat reduces demand for warm food such as hamburgers.

Sales at comparable units (Burger King)



Source: NSP and SEB

Quarterly sales and EBITDA margin



Source: NSP and SEB

Looking at sales growth for comparable units, it is evident that while economic conditions are important, other factors play a role as well. In 2013, for instance, sales growth was clearly negative every quarter in both Sweden and Denmark despite GDP growth of 1.3% in Sweden and 0.4% in Denmark. Part of the explanation could be the sales pattern, with new restaurants typically reporting strong sales during the first few months, which results in a difficult comparison the following year. Other possible explanations are intensifying competition and/or changing customer preferences.

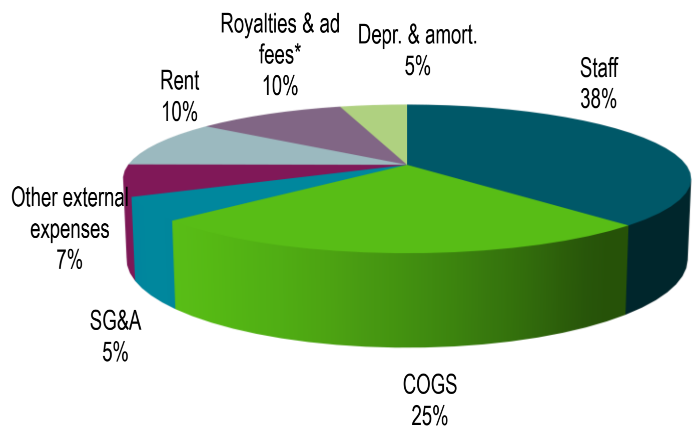
Cost structure

The restaurant industry is personnel intense and staff is NSP's single largest cost item comprising some 38% of the cost base. Staff are employed both on an hourly and on a full time basis. Restaurant's plan their staffing based on the minimum number of employees required to have the restaurant open and then staffs up with hourly employees during peak days and hours. This means that there is flexibility in adjusting staff costs to changing demand. Approximately 80% of the employees are 25 years or younger, which means that NSP benefits from the current government's policy of reduced employer contributions for young people. It also means that if Sweden, after the elections in September 2014, has a change of government staff costs could increase. As this would affect the whole industry, it would not however affect competitiveness.

Raw materials and supplies, i.e. the ingredients that go into producing the food served at the restaurants comprise 25% of costs and are naturally fully variable. Ingredients are purchased from suppliers that have been approved by the franchisor. While this reduces the ability for the individual restaurants to negotiate prices and use alternative suppliers, the approved suppliers typically offer very competitive prices.

Royalties and ad-fund fees to the franchisor are linked to restaurant turnover and thus fully variable. The total amount paid is not specified in the accounts, but based on the information that royalties and ad-fund fees are 6.75% and 3.25% of restaurant sales we estimate that they comprised 10% of total costs in 2013.

Cost structure



Source: SEB and NSP

Expansion plans add forecasting uncertainty

Looking ahead, NSP is set to enter an expansionary phase with the launch of KFC in Sweden and TGI Friday's in Denmark. The company has not provided any guidance on how many restaurants it intends to establish, so we have made a number of assumptions for our base case:

- **Number of restaurants**. No new Burger King restaurants are opened and organic growth is set at 1% for existing restaurants. 15 KFCs and three TGI Friday's restaurants are added over a three year period. We assume average annual sales of SEK 15m per KFC restaurant (in line with NSP's Burger King restaurants) and SEK 50m per restaurant for TFI Friday's (in line with TGI Friday's in Sweden operated by another franchisee).
- **Profitability, Burger King.** Burger King Sweden's direct operating margin to reach 15.5% as recently established restaurants mature and no new ones are added. Burger King Denmark's margin remains hampered by weaker, albeit improving, economic conditions and infrastructure projects in Copenhagen.
- **Profitability, KFC and TGI Friday's.** We assume an 11% direct operating margin excluding start-up costs in year 1 for each restaurant. The margin then improves to 13% in year 2 where it stabilises. Including start-up costs the margin is 5.7% in year 1. As openings are spread over the year, margin impact is greater at the beginning, before sales accumulate.

Sales and profitability forecast (SEKm)

		2011	2012	2013	2014E	2015E	2016E	2017E	2018E
Burger King, SWE	Sales Sweden	413	479	551	557	562	568	574	579
	Direct operating profitSweden	51	68	80	84	87	88	89	90
	Margin, Sweden (%)	12.3	14.2	14.5	15.0	15.5	15.5	15.5	15.5
Burger King, DK	Sales Denmark	198	244	228	237	246	248	251	253
	Direct operating profit Denmark	22	15	14	15	16	16	18	18
	Margin, Denmark (%)	11.1	6.0	6.1	6.3	6.5	6.5	7.0	7.0
	G&A and other items	34	32	37	37	37	37	37	37
	Buger King EBITDA	**39**	**50**	**56**	**61**	**66**	**67**	**69**	**71**
	Burger King EBITDA margin (%)	**6.3**	**7.0**	**7.2**	**7.7**	**8.2**	**8.2**	**8.4**	**8.5**
KFC	Sales					38	106	201	205
	Direct operating profit (excl. start-up costs)					4	12	24	26
	Direct operating profit (incl. Start-up costs)					1	8	19	26
	Margin excl start-up					11.0	11.6	11.9	12.5
	Margin incl. start-up					2.5	7.8	9.5	12.5
TGI Friday's	Sales					50	101	152	153
	Direct operating profit (excl. start-up costs)					5.5	12	19	20
	Direct operating profit (incl. Start-up costs)					3.1	10	16	20
	Margin excl start-up (%)					11.0	11.9	12.2	13.0
	Margin incl. start-up (%)					6.2	9.5	10.6	13.0
	KFC & TGIF G&A and other items					2.8	3.3	4.6	4.6
	KFC and TGIF EBITDA incl. start up					**1.2**	**14.6**	**30.7**	**40.9**
	KFC and TGIF EBITDA margin (%)					**1.4**	**7.1**	**8.7**	**11.4**
	Group sales	611	722	779	794	896	1024	1177	1191
	Group EBITDA incl. start-up costs	39	50	56	61	67	82	100	111
	Group EBITDA margin incl. start-up costs (%)	6.3	7.0	7.2	7.7	7.5	8.0	8.5	9.4

Source: SEB

Cash generation

After the streamlining of the group in 2008, operating cash flow generation has been positive, supported by the improving profitability. Our base case estimate, which takes into account the opening of 15 KFCs and three TGI Friday's, indicates that NSP should be able to continue to generate a positive operating cash flow.

As is typical for the restaurant industry, working capital requirements are very small. The majority of transactions with customers are settled with either cash or credit card in the restaurant at the time of purchase, resulting in very modest accounts receivable. Due to the perishable nature of food, inventory turnover is very high, on average three days, and inventory changes are thus marginal. Accounts payable are typically settled within 30 days. This means that working capital changes should be positive as the company grows.

Maintenance capex for Burger King is expected to decline after a few years of upgrading and remodelling the majority of the restaurants. Furthermore, as far as we understand, capex for the potential establishment of KFC and TGI Friday's restaurants will to a large extent be funded with financial leasing. This means that cash outflow is relatively small when the restaurant is established and instead a future liability is created through the signing of a financial lease, which is reported as interest bearing debt. The leases are amortised over five years, which shows up in the cash flow statement under financing activities.

For the first time in its history, NSP will be paying a dividend for 2013. The dividend amounts to SEK 2.9m and corresponds to 39% of net profit in 2013. We factor in a dividend of 60% of net profit for the coming years, which is the maximum allowed under the bond covenants. We assume cash taxes at 22%.

Cash flow forecast (SEKm) – Base case

	2011	2012	2013	2014E	2015E	2016E	2017E	2018E
EBITDA	**40**	**50**	**56**	**61**	**67**	**82**	**100**	**111**
Net financials	-11	-16	-11	-14	-16	-16	-16	-15
Cash tax	-0.4	0.1	-0.5	-3	-4	-6	-8	-9
Other adjustments	0	-1	3	0	0	0	0	0
FFO	**28**	**34**	**48**	**45**	**48**	**60**	**76**	**88**
Change in net working capital	5	4	4	2	4	5	5	0
Operating cash flow	**33**	**38**	**52**	**47**	**52**	**65**	**82**	**88**
Net maintenance capex	-34	-18	-18	-9	-12	-14	-16	-17
Extraordinary capex	-1	-18	0	0	0	0	0	0
FOCF	**-2**	**2**	**34**	**38**	**40**	**51**	**65**	**71**
Dividends	0	0	0	-3	-6	-8	-12	-17
Discretionary cash flow	**-2**	**2**	**34**	**35**	**34**	**43**	**53**	**54**
Amortization financial leasing and loans	-83	-30	-35	-16	-19	-25	-33	-34
Bond				200				
Net other debt	132	34	0	-111	0	0	0	0
Other	-28	0	-5	0	0	0	0	0
Net cash flow	**20**	**6**	**-6**	**108**	**14**	**18**	**21**	**19**
Total CAPEX								
Cash capex				9	12	14	16	17
New financial leasing				6	26	31	36	0
Total investments				**15**	**38**	**45**	**52**	**17**

Source: SEB

Below we present a cash flow scenario under the assumptions that NSP does not make any investments in KFC and TGI Friday's. Under this scenario, net cash flow is largely the same as in our base case. While EBITDA is lower, so are interest payments, investments and dividend payments.

Cash flow forecast (SEKm) - Case without investments

	2011	2012	2013	2014E	2015E	2016E	2017E	2018E
EBITDA	**40**	**50**	**56**	**61**	**66**	**67**	**69**	**71**
Net financials	-11	-16	-11	-14	-14	-13	-12	-11
Cash tax	0	0	0	-3	-4	-4	-5	-5
Other adjustments	0	-1	3					
FFO	**28**	**34**	**48**	**45**	**48**	**50**	**53**	**54**
Change in net working capital	5	4	4	2	1	0	0	0
Operating cash flow	**33**	**38**	**52**	**47**	**49**	**50**	**53**	**55**
Net maintenance capex	-34	-18	-18	-9	-7	-7	-7	-7
Extraordinary capex	-1	-18	0	0	0	0	0	0
FOCF	**-2**	**2**	**34**	**38**	**42**	**43**	**46**	**48**
Dividends	0	0	0	-3	-6	-7	-9	-10
Discretionary cash flow	**-2**	**2**	**34**	**35**	**36**	**36**	**37**	**38**
Amortization financial leasing	-83	-30	-35	-16	-16	-16	-16	-16
Bond	0	0	0	200	0	0	0	0
Net other debt	132	34	0	-111	0	0	0	0
Other	-28	0	-5	0	0	0	0	0
Net cash flow	**20**	**6**	**-6**	**108**	**20**	**20**	**21**	**22**
Total CAPEX								
Cash capex				9	7	7	7	7
Financial leasing				0	0	0	0	0
Total investments				**9**	**7**	**7**	**7**	**7**

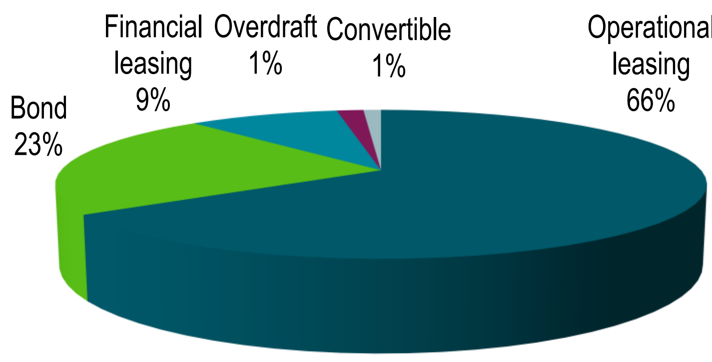
Source: SEB

Capital structure and leverage

The contemplated SEK 200m bond will refinance the existing bank debt of SEK 109m with the remaining bond proceeds, SEK 91m, to be used for investments in new restaurants, acquisitions and general corporate purposes. At the time of issuance the capital structure will also include financial leasing of SEK 82.9m. NSP will have access to a SEK 14m overdraft facility. Total debt will thus increase from SEK 194m to SEK 292m.

NSP also has long-term rental contracts for its restaurant locations which are classified as operational leasing. We have assumed a multiple of seven times on annual operating lease expenses to capitalize this liability when calculating adjusted debt. In 2013 operating lease expenses amounted to SEK 82.5m, and our capitalised lease liability to SEK 735m.

Debt break down post refinancing



Assumed multiple of 7x on annual operating lease expenses

Source: SEB and NSP

To our understanding, the majority of the investments related to the launch of KFC and TGI Friday's are to be funded with financial leasing (our model assumes that around 80% of new restaurant investments is funded with financial leasing). This suggests that such investment activity will not be the main use of the bond proceeds. Since our cash flow forecast indicates that NSP will be cash flow positive, the excess bond proceeds are for modelling purposes held as cash on balance sheet. So, while we expect total debt to increase at the time of issuance, net debt will initially be largely unchanged.

Since we expect investments in KFC and TGI Friday's restaurants to start in 2015, we forecast a slight decline in total debt in 2014 as existing financial leases are amortised. Total debt then increases during 2015-16 as NSP signs financial leasing agreements for investments in new restaurants. As both the existing and new leases are amortised over five years and the company's cash flow is positive also after amortisations, the increase in debt is however only gradual and when investments cease in 2018E, debt begins to decline. We assume operating leases to increase in line with sales as new rental agreements are signed for the new restaurants. Net debt on the other hand will decline during our forecast scenario as our cash flow forecast points to a positive free operating cash flow.

Acquisitions and other investments likely to limit leverage reduction

While the use of financial leases and our forecast positive net cash flow would allow NSP to build a significant cash position over time, we believe that it is more likely that excess cash will be used for acquisitions, other investments or faster than anticipated expansion of KFC and TGI Friday's. However, due to the difficulties in predicting the size and timing of such investments we have let cash accumulate on the balance sheet in the leverage scenario below. The development of net leverage is thus likely too optimistic.

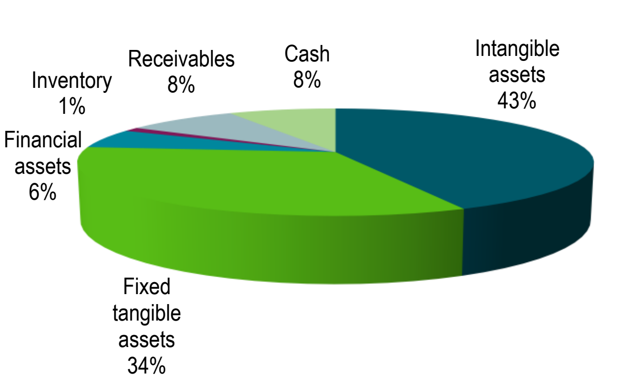
Leverage scenario

	Actual	Pro forma	2014E	2015E	2016E	2017E	2018E
Bank/bond	102	200	200	200	200	200	200
Overdraft (undrawn at issuance)		0	0	0	0	0	0
Fin. Leasing	83	83	70	77	83	86	52
Convertible	9	9	9	9	9	9	9
Total debt	**194**	**292**	**280**	**286**	**292**	**295**	**261**
Operational leasing	577	577	587	663	757	870	880
Adjusted total debt	**771**	**869**	**867**	**949**	**1049**	**1166**	**1142**
Cash	36	127	140	155	172	193	212
Net debt	158	165	139	132	120	103	49
Adjusted net debt	735	742	726	794	877	973	929
Total debt/EBITDA	3.4	5.1	4.6	4.2	3.6	2.9	2.3
Net debt/EBITDA	2.8	2.9	2.3	2.0	1.5	1.0	0.4
Adjusted net debt/EBITDA	5.3	5.3	5.0	4.9	4.6	4.3	3.9
FFO/net debt (%)	29	29	34	39	55	82	198
Adjusted FFO/net debt (%)	12	12	14	14	16	17	19

Source: SEB

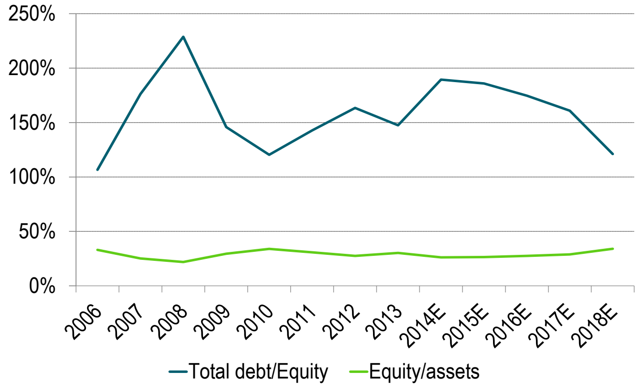
The practice of using long term operating leases to secure desirable locations versus purchasing real estate outright has led to relatively low tangible asset value. Tangible fixed assets (SEK 147m) mainly comprise inventory, equipment and installations. Intangible assets (SEK 190m) comprise 42% of assets and are primarily related to the Burger King operations in Sweden and Denmark.

Assets



Source: SEB, NSP

Total debt/equity and equity/asset ratios



Source: SEB, NSP

Profit & loss statement

(SEKm)	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014E	2015E	2016E
Total revenues	249	387	570	666	699	634	623	725	781	794	896	1,024
Total expenses	-244	-364	-541	-661	-663	-589	-583	-675	-724	-732	-829	-942
EBITDA	**4**	**23**	**29**	**5**	**36**	**45**	**40**	**50**	**56**	**61**	**67**	**82**
Depreciation	-13	-8	-18	-30	-33	-30	-29	-34	-35	-35	-35	-40
Intangibles amortisation	0	0	0	0	0	0	0	0	0	0	0	0
EBIT	**-9**	**14**	**10**	**-25**	**4**	**15**	**11**	**16**	**21**	**27**	**33**	**42**
Net interest expenses	0	-4	-9	-15	-12	-7	-9	-11	-10	-14	-16	-16
Value changes	0	0	0	0	0	0	0	0	0	0	0	0
Other financial items	0	0	2	5	-1	0	-2	-2	-1	0	0	0
Reported pre-tax profit	**-9**	**11**	**3**	**-35**	**-10**	**7**	**0**	**4**	**10**	**13**	**17**	**26**
Minority interests	0	0	0	0	0	0	0	0	0	0	0	0
Total taxes	1	11	-4	0	1	4	2	-2	-3	-3	-4	-6
Net profit	**-8**	**22**	**-2**	**-35**	**-9**	**11**	**2**	**2**	**7**	**10**	**13**	**20**
EBITDA margin	1.8	5.8	5.1	0.8	5.2	7.1	6.4	6.9	7.2	7.7	7.5	8.0
EBIT margin (%)	(3.6)	3.7	1.9	(3.7)	0.5	2.4	1.7	2.2	2.7	3.4	3.6	4.1
Tax rate (%)	7.7	(105.6)	159.7	0.8	12.3	(48.8)	658.2	61.6	27.6	22.0	22.0	22.0
Growth rates y-o-y (%)												
Total revenues	0.0	55.4	46.5	16.6	5.5	(9.3)	(2.4)	16.5	8.6	1.7	12.9	14.2
EBITDA	n.a.	405.8	28.2	(81.2)	567.3	23.3	(11.6)	27.0	12.0	9.2	9.7	21.4
EBIT	0.0	0.0	(26.7)	0.0	0.0	312.0	(29.5)	50.2	34.8	24.1	22.3	28.1
Pre-tax profit	0.0	0.0	(74.8)	0.0	0.0	0.0	0.0	0.0	177.0	27.5	30.4	52.4

Cash flow

(SEKm)	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014E	2015E	2016E
FFO	5	18	20	-15	30	35	28	34	48	45	48	60
Changes in working capital	7	5	12	5	-3	-13	5	4	4	2	4	5
Operating cash flow	**11**	**23**	**32**	**-11**	**27**	**23**	**33**	**38**	**52**	**47**	**52**	**65**
Net capital expenditures	-4	-15	-33	-37	-23	-26	-34	-18	-18	-9	-12	-14
Free operating cash flow	**7**	**8**	**-1**	**-47**	**4**	**-4**	**-1**	**19**	**34**	**38**	**40**	**51**
Dividend paid	0	0	0	0	0	0	0	0	0	-3	-6	-8
Acquisitions, divestments net	-8	-96	-43	20	-2	0	-1	-17	0	0	0	0
Pre-financing cash flow	**-1**	**-88**	**-45**	**-27**	**2**	**-3**	**-2**	**2**	**34**	**35**	**34**	**43**
Net loan proceeds	-2	85	39	21	-49	-29	50	4	-35	73	-19	-25
Share issue	1	22	0	17	36	0	0	0	0	0	0	0
Other	0	-11	0	-4	3	20	-28	0	-5	0	0	0
Net change in cash	**-2**	**8**	**-5**	**7**	**-8**	**-12**	**20**	**6**	**-6**	**108**	**14**	**18**
Capex/sales (%)	1.6	3.8	5.8	5.5	3.2	4.2	5.5	2.6	2.3	1.1	1.3	1.4

Balance sheet

(SEKm)	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014E	2015E	2016E
Cash and liquid assets	23	31	25	32	25	12	32	38	32	140	155	172
Other current assets	11	22	49	44	35	28	41	48	58	57	58	60
Long-term financial assets	0	4	6	6	6	11	11	10	10	10	10	10
Fixed tangible assets	27	81	121	133	114	103	134	145	160	140	144	149
Intangibles	0	147	202	220	205	188	187	203	190	190	190	190
Total assets	**61**	**284**	**403**	**435**	**385**	**342**	**405**	**445**	**450**	**538**	**557**	**581**
Interest bearing debt	14	100	179	218	166	140	178	200	201	280	286	292
Other liabilities	41	90	122	121	106	86	103	123	113	115	119	125
Minority interests	0	0	0	0	0	0	0	0	0	0	0	0
Shareholders' equity	5	94	102	95	114	116	125	122	136	144	151	163
Total liabilities and equity	**61**	**284**	**403**	**435**	**385**	**342**	**405**	**445**	**450**	**538**	**557**	**581**
Net debt (m)	-9	70	154	186	141	128	146	162	169	139	132	120
Net debt/equity (%)	(170.2)	74.0	151.4	194.9	124.3	110.0	117.0	132.4	123.7	97.2	87.5	73.7
Equity/total assets (%)	8.6	33.1	25.2	21.9	29.5	34.0	30.8	27.5	30.2	26.7	27.1	28.1
Net debt/EBITDA (x)	(2.0)	3.1	5.3	34.2	3.9	2.9	3.7	3.2	3.0	2.3	2.0	1.5
EBITDA Interest cover	18.7	6.0	3.0	0.4	3.0	5.8	4.0	4.6	5.3	4.3	4.0	4.7

Main shareholders

Name	(%) Votes	Capital
Danske Koncept Restauranger Holding	21.7	21.7
Bohus Enskilda	18.4	18.4
Abrinvest AB	11.1	11.1

Management

Title	Name
COB	Jaan Kaber
CEO	Morgan Jallinder
CFO	Johan Wedin

Company information

Contact	
Internet	www.nordicservicepartners.com
Phone number	+46 8 410 189 50

Company description: Founded in 2004, Nordic Service Partners is today one of Sweden's largest restaurant companies operating 59 Burger King restaurants in Sweden and Denmark under franchise agreements. Furthermore, the company has recently signed agreements to launch Kentucky Fried Chicken (KFC) in Sweden and TGI Friday's in Denmark. In 2013 NSP had around 1,900 employees, sales of SEK 776m and an EBITDA margin of 7.2%. The company has been listed on Nasdaq OMX Stockholm since 2008.

Please note: The data in several tables and charts in this document have been adjusted in line with common practice in the field of credit research. This mainly refers to adjustments of operating leases, pensions, derivatives and other contingent liabilities. For a detailed breakdown of the adjustments, please contact the author of this report.

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Copenhagen
Bernstorffsgade 50
DK-1577 Copenhagen
Telephone: +45 3336 8500
Capital Markets Sales
Telephone: +45 3317 7720
Treasury Sales
Telephone: +45 3315 8065

Frankfurt
Stephanstrasse 14-16
DE-60313 Frankfurt am Main
Telephone: +49 69 258 5190
Capital Markets Sales
Telephone: +49 69 9727 1145

Gothenburg
Östra Hamngatan 24
SE-405 04 Göteborg
Telephone: +46 31 62 10 00
Treasury Sales
Telephone: +46 31 774 91 10

Helsinki
Unioninkatu 30
FI-00100 Helsinki
Telephone: +358 9 616 280 00
Capital Markets Sales
Telephone: +358 9 616 285 60

Hong Kong
17/F Jardine House
1 Connaught Place, Central
Hong Kong
Telephone: +852 31592888

London
2 Cannon Street
GB-London EC4M 6XX
Telephone: +44 20 7246 4000
Forex & Money Market
Telephone: +44 20 7246 4282
Treasury Sales
Telephone: +44 20 7236 0593

Malmö
Östergatan 39
SE-205 20 Malmö
Telephone: +46 40 667 6910
Treasury Sales
Telephone: +46 40 667 6910

Oslo
Filipstad Brygge 1
NO-0123 Oslo
Telephone: +47 22 82 70 00
Capital Markets Sales
Telephone: +47 22 82 72 68
Treasury Sales
Telephone: +47 22 82 72 30

Stockholm
Kungsträdgårdsgatan 8
SE-106 40 Stockholm
Telephone: +46 8 763 80 00
Capital Markets Sales
Telephone: +46 8 506 232 18