

Energiekontor AG

Germany / Cleantech
 Frankfurt Stock Exchange
 Bloomberg: EKT GR
 ISIN: DE0005313506

Annual results

RATING
PRICE TARGET
 Return Potential 49.3%
 Risk Rating High

BUY
€ 26.90

RECORD EARNINGS IN 2016 – INCREASING PRICE TARGET

On 11 April, Energiekontor published its 2016 Annual Report. EBIT increased 8% y/y to a record level of €53.8m thanks to very strong project development. EPS jumped by 22% y/y to €1.74. For 2017, the company is guiding towards a net income on par with 2016 (€25m), if all projects are commissioned as planned and sold to investors. We, however, assume that Energiekontor will expand its own plant portfolio by 25 MW 2017E and 50 MW in 2018E, which results in lower forecasts. We increase our price target to €26.90 (previously: €19.70), based on an updated sum of the parts valuation, which takes the strong project pipeline and the improved net debt position into consideration. We confirm our Buy rating.

Another record year Revenues increased 6% y/y to €202m due to a strong project development. EBITDA reached a record level at €72.1m (FBe: €70.0m, 2015: €66.1m) for the second consecutive year. EBIT increased 8% y/y to €53.8m (FBe: €51.5m, 2015: €49.7m). Energiekontor was able to lower other operating expenses from €18.6m to €17.7m and personnel costs increased by only 4% to €10.9m. Lower interest expenses (€18.4m vs. €20.5m in 2015) resulted in a significant EBT improvement (€35.5m vs. €29.7m in 2015, +20% y/y). Net income amounted to €25.3m (FBe: €21.9m, 2015: €20.9m). EPS increased to €1.74 from €1.43 in 2015 (see also figure 5 on page 5), based on a slightly lower average share count of 14.601m.

Guidance suggests a strong 2017 For 2017, the company is guiding towards a net income level on par with 2016, if all projects are commissioned as planned and sold to investors.

Much stronger balance sheet Equity increased to €69.5m from €50.5m. The equity ratio improved significantly to 19.2% from 12.6%. Financial debt (excluding negative market values of derivatives) declined to €226m from €268m. The cash position (including short-term securities) increased to €129m from €114m. Net debt thus declined to €97m from €154m (-37% y/y). (p.t.o.)

FINANCIAL HISTORY & PROJECTIONS

	2014	2015	2016	2017E	2018E	2019E
Total output (€m)	160.45	210.14	166.75	175.98	188.40	249.01
Y-o-y growth	-0.1%	31.0%	-20.6%	5.5%	7.1%	32.2%
EBIT (€m)	40.72	49.67	53.75	37.91	40.07	48.60
EBIT margin	25.4%	23.6%	32.2%	21.5%	21.3%	19.5%
Net income (€m)	14.13	20.91	25.34	14.77	14.77	18.26
EPS (diluted) (€)	0.96	1.43	1.74	1.01	1.01	1.25
DPS (€)	0.60	0.80	0.80	0.70	0.70	0.70
FCF (€m)	35.62	51.22	85.99	-4.65	-25.01	-75.87
Net gearing	464.9%	330.0%	146.9%	182.6%	241.0%	344.0%
Liquid assets (€m)	81.59	103.96	118.53	99.95	95.99	89.58

RISKS

Main risks include changes in the regulatory support for wind energy, tender results, project development risks, wind farm operation risks, and low stock liquidity.

COMPANY PROFILE

Energiekontor is a wind and solar project developer and an operator of a large own wind farm portfolio (238 MW). The company is active in onshore wind and solar project development mainly in Germany and the UK. Energiekontor is headquartered in Bremen, Germany.

MARKET DATA

As of 19 Apr 2017

Closing Price € 18.02
 Shares outstanding 14.60m
 Market Capitalisation € 263.00m
 52-week Range € 11.55 / 18.02
 Avg. Volume (12 Months) 10,032

Multiples	2016	2017E	2018E
P/E	10.4	17.8	17.8
EV/Sales	2.2	2.0	1.9
EV/EBIT	6.7	9.5	9.0
Div. Yield	4.4%	3.9%	3.9%

STOCK OVERVIEW



COMPANY DATA

As of 31 Dec 2016

Liquid Assets € 118.53m
 Current Assets € 181.53m
 Intangible Assets € 0.01m
 Total Assets € 361.35m
 Current Liabilities € 83.55m
 Shareholders' Equity € 69.48m

SHAREHOLDERS

Dr Bodo Wilkens 28.6%
 Günter Lammers 28.6%
 Free Float 42.9%

Net gearing benefited both from lower net debt and higher equity and fell to 140% from 305% in 2015. The main reasons for the improved balance sheet are the strong net result and the sale of the British wind farm Gayton le Marsh (16.4 MW). Energiekontor used the proceeds from the sale to prematurely repay loans for group-owned wind farms. Furthermore, on 31 March 2017, the step-up bonds II and III were completely repaid and the step-up bonds I and IV partly repaid. The total amount of the step-up bond repayment was €18.5m. Working capital remained largely stable at €45.5m (2015: €45.3m). The balance sheet item "Plant and equipment (wind farms)" fell to €171m from €223m in 2015 due mainly to the sale of Gayton le Marsh (€36.4m) and depreciation for own wind farms (€18.3m).

Figure 1: Comparison of selected balance sheet items

in €m	2015A	2016A	Delta
Property, plant & equipment	223.79	171.75	-23.3%
Non-current assets, total	232.26	179.59	-22.7%
Inventories	32.87	34.27	4.3%
Receivables	16.93	17.47	3.2%
Securities	10.28	10.31	0.3%
Cash and cash equivalents	103.96	118.53	14.0%
Current assets, total	166.85	181.76	8.9%
Equity	50.46	69.48	37.7%
Equity ratio	12.6%	19.2%	-
Financial debt (long-term)	236.46	180.66	-23.6%
Financial debt (short-term)	31.87	45.74	43.5%
Net debt	154.10	97.56	-36.7%
Net Gearing	305.4%	140.4%	-
Payables	4.48	6.24	39.3%
Balance sheet total	399.12	361.35	-9.5%

Source: First Berlin Equity Research, Energiekontor AG

Strong free cash flow Operating cash flow amounted to €93m. CAPEX of €7m led to free cash flow of €86m. Cash flow from financing activities was €-71m due mainly to the repayment of debt (€78m). Net cash flow amounted to €15m (see figure 2).

Figure 2: Cash flow statement – selected items

in €m	2015A	2016A	Delta
Operating cash flow	91.43	92.87	1.6%
CAPEX	-40.21	-6.89	-
Free cash flow	51.22	85.99	67.9%
Cash flow investing	-51.05	-8.21	-
Cash flow financing	-15.97	-71.44	-
Net cash flow	22.36	14.57	-34.8%

Source: First Berlin Equity Research, Energiekontor AG

Very strong project development In 2016, Energiekontor sold five wind farms and one solar park with a total capacity of 62 MW. Project Development segment revenue increased 12% y/y to €149m. Total segment output was lower (€14m vs. €152m in 2015), as the Gayton le Marsh wind farm was previously accounted for in the Power Generation segment and reduced inventories by €35m. Segment EBIT soared 56% to €33.1m from €21.3m in 2015. Main earnings driver was the sale of Gayton le Marsh. Segment EBT amounted to €28.3m (2015: €16.1m).

Power Production segment burdened by weak wind supply and by GBP depreciation

Segment revenues declined 10% y/y from €55.4m to €50.1m. The main reasons are weak wind supply (Germany: ca. -20%) and the ca. 12% depreciation of the GBP against the Euro. In Euro terms, the UK contributed ca. 41% to the total electricity revenues. Segment EBITDA fell 14% from €42.1m to €36.3m. Higher depreciation (€18.3m vs. €16.4m in 2015) led to EBIT of €18.0m vs. €25.7m in 2015. Thanks to lower interest expenses (€13.4m vs. €14.8m in 2015) the segment EBT was €4.7m (2015: €10.9m).

At the beginning of 2016, Energiekontor purchased the Portuguese wind farm Mafomedes (4.2 MW). At the end of the year, the company sold the British wind farm Gayton le Marsh (16.4 MW). After the repowering of the German wind farms Debstedt and Breitendeich, 9 MW remain in Energiekontor's portfolio (previously: 18.5 MW). This resulted in a total wind farm capacity of 238.2 MW (end 2015: 269 MW). Energiekontor's wind farm portfolio comprises of 31 wind farms in the three countries Germany, Portugal, and the UK. The 25 German wind farms have a total capacity of 157.1 MW, the 4 Portuguese wind farms 38.0 MW, and the 2 British wind farms 43.1 MW. Due to the sale of Gayton le Marsh, Energiekontor reduced its exposure to the British Pound. The regional split from electricity income was Germany €21.4m (2015: €26.0m), Portugal €8.1m (2015: €7.8m), and the UK €20.4m (2015: €21.4m). The split shows that the lower segment revenue was mainly caused by weak wind supply in Germany.

Operation Development & Innovation segment largely stable The segment's total output was marginally up at €5.3m (FBe: €5.8m), and segment EBIT was slightly down at €2.6m (FBe: €3.0m). EBT amounted to €2.6m (2015: €2.7m). The segment's growth halted in 2016 due mainly to the weak wind conditions across Europe. The innovative rotor blade extension has gained in importance within the segment. In Portugal, 10 turbines of Energiekontor's own wind farm Penedo Ruivo were equipped with the rotor blade extension in autumn.

Figure 3: Reported segment figures vs. forecasts

	2016A	2016E	Delta	2015	Delta
Projects Onshore					
Total output	113.55	160.10	-29.1%	151.77	-25.2%
EBIT	33.13	24.42	35.7%	21.29	55.6%
margin	29.2%	15.3%		14.0%	
Power Production					
Total output	50.06	56.09	-10.7%	55.38	-9.6%
EBIT	18.04	24.11	-25.2%	25.72	-29.9%
margin	36.0%	43.0%		46.4%	
Operation & Innovation					
Total output	5.31	5.82	-8.6%	5.27	0.9%
EBIT	2.58	2.97	-12.9%	2.66	-2.9%
margin	48.6%	51.0%		50.4%	
Consolidation					
Total output	-2.18	-2.37	-	-2.28	-
EBIT	0.00	0.00	-	0.00	-
margin	-	-		-	
Group					
Total output	166.75	219.63	-24.1%	210.14	-20.6%
EBIT	53.75	51.49	4.4%	49.67	8.2%
margin	32.2%	23.4%		23.6%	

Source: First Berlin Equity Research, Energiekontor AG

Strong project pipeline with a total capacity of ca. 100 MW good basis for 2017 results

Energiekontor's pipeline of approved wind farm projects amounts to ca. 100 MW, of which ca. 80 MW are German projects with an approval date before the end of 2016, which means that Energiekontor can safely build these projects this year without having to participate in the newly introduced tender process. In Q1/17, the company achieved the financial closing for the wind farms Niederzier (8.25 MW), Hammelwarder Moor (10.2 MW), and Luckow-Petershagen (2.75 MW). All three wind farms are currently under construction. Furthermore, the wind plant Klein Woltersdorf (2.4 MW) was commissioned in Q1/17. Including repowering projects, Energiekontor secured areas for a total of 240 MW in Germany in 2016. The company's German project pipeline comprises 1,200 MW. In the UK, the company secured areas for ca. 200 MW increasing the total number to ca. 600 MW. In the solar sector, the 10 MW project Garzau-Garzin was under area development planning in December 2016 and looks set to be built in 2017E. In February 2017, an Energiekontor PV project (5.5 MW), for the third time, won a German tender round.

Power Production poised to resume growth We assume that Energiekontor will increase its own plant capacity by 25 MW this year. This capacity increase and expected normal wind conditions look set to increase segment sales and earnings. In addition, Energiekontor has initiated several measures to maximise earnings from power generation. These are:

- repowering,
- technical innovations (rotor blade enlargement & blade aerodynamics optimisation),
- reduction of operating expenses per kilowatt hour through efficiency measures,
- extension of suitable wind farm life beyond guaranteed state support,
- refinancing and repayment of loans to lower interest burden.

For 2018E, we model an increase of the own plant capacity by 50 MW, and for 2019E by 90 MW. In general, Energiekontor plans to transfer up to 50% of its developed projects to its Power Production segment.

Medium-term guidance reiterated In the medium term, Energiekontor targets a Project Development segment EBT of €30m (2016: €28.3m). This figure already accounts for the elimination of profit from the construction of wind farms intended for Group ownership. By increasing the own wind farm portfolio, Energiekontor wants to become a medium-sized green power producer and to minimise the volatility effects of the project business via stable cash flows from power generation. Energiekontor targets EBT of €25-30m from power generation and operation development (2016: Power Generation EBT: €4.7m, Operation Development EBT: €2.6m, sum: €7.3m).

Intense preparation for more competitive environment looks set to pay off We believe that Energiekontor is well prepared for a more competitive environment. Strict cost control, deleveraging of the balance sheet, refinancing of wind farms at lower interest rates, the implementation of efficiency measures, process optimisation in project development and power generation, the tapping of new markets (Netherlands, France, USA) and tender experience in PV (three successful participations) are a very good basis for further success.

Forecasts adjusted to own plant portfolio increase and strong project pipeline

Following the reduction of its own plant capacity in 2016, we expect Energiekontor to substantially increase its own plant portfolio in 2017E and the following years (2017E: 25 MW, 2018E: 50 MW, 2019E: 90 MW). This means that earnings from the sale of projects will be lower than previously assumed. We have adjusted our forecasts accordingly (see figure 4 overleaf). Given the very good development of the project pipeline, we have increased our growth assumptions for this segment.

Valuation model refined In the past, we used a sum of the parts valuation based on two DCF models; one for the project development segment and one for the other two segments. As even the smallest segment (Operation Development & Innovation) is a relevant value contributor, we have decided to model it separately from the Power Generation segment. As a result, we now employ three DCF models. Based on the very good pipeline development we increase our Project Development segment valuation from €10.30 to €11.46 per share. For the Power Production segment, we increase our valuation to €12.35 from €9.40 per share. The huge reduction of segment net debt by €59m (or €4.04 per share) was the main value driver. Our valuation of the third segment, Operation Development & Innovation, amounts to €3.07 per share.

Buy reiterated at increased price target Our updated sum of the parts valuation yields a new price target of €26.90 (previously: €19.70). Wereiterate our Buy rating.

Figure 4: Revisions to forecasts

All figures in €m	2017E			2018E			2019E		
	Old	New	Delta	Old	New	Delta	Old	New	Delta
Total output	230.86	175.98	-23.8%	239.65	188.40	-21.4%	238.94	249.01	4.2%
EBIT	51.79	37.91	-26.8%	51.41	40.07	-22.1%	51.81	48.60	-6.2%
margin	22.4%	21.5%		21.5%	21.3%		21.7%	19.5%	
Net income	22.81	14.77	-35.3%	22.72	14.77	-35.0%	22.02	18.26	-17.1%
margin	9.9%	8.4%		9.5%	7.8%		9.2%	7.3%	
EPS (diluted)	1.56	1.01	-35.1%	1.56	1.01	-35.1%	1.51	1.25	-17.1%

Source: First Berlin Equity Research

Figure 5: Reported figures vs. forecasts

	2016A	2016E	Delta	2015	Delta
Total output	166.75	219.63	-24.1%	210.14	-20.6%
EBITDA	72.07	70.01	2.9%	66.09	9.0%
margin	43.2%	31.9%	-	31.5%	-
EBIT	53.75	51.49	4.4%	49.67	8.2%
margin	32.2%	23.4%	-	23.6%	-
EBT	35.50	31.33	13.3%	29.66	19.7%
margin	21.3%	14.3%	-	14.1%	-
Net income	25.33	21.93	15.5%	20.91	21.2%
margin	15.2%	10.0%	-	10.0%	-
EPS in € (diluted)	1.74	1.50	16.0%	1.43	21.7%

Source: First Berlin Equity Research, Energiekontor AG



VALUATION MODEL

Sum of the parts valuation of Energiekontor

SotP valuation	Fair value in €m	Fair value per share in €	old
Project Development	167.31	11.46	10.30
Power Production	180.26	12.35	9.40
Operations & Innovation	44.85	3.07	./.
Sum of the parts	392.43	26.88	19.70

DCF model for Project Development segment

DCF valuation model								
All figures in EUR '000								
	2017E	2018E	2019E	2020E	2021E	2022E	2023E	2024E
Net sales	107,300	111,348	157,680	167,650	173,746	179,749	185,631	191,369
NOPLAT	13,307	11,729	14,713	13,079	13,160	13,277	13,727	13,911
+ depreciation & amortisation	82	100	108	143	160	170	177	183
Net operating cash flow	13,390	11,829	14,821	13,221	13,320	13,446	13,903	14,094
- total investments (CAPEX and WC)	82	-1,947	-16,790	-3,864	-2,399	-2,359	-2,324	-2,280
Capital expenditures	-107	-111	-158	-168	-174	-180	-186	-191
Working capital	189	-1,836	-16,632	-3,696	-2,225	-2,180	-2,138	-2,088
Free cash flows (FCF)	13,471	9,882	-1,968	9,358	10,921	11,087	11,579	11,815
PV of FCFs	12,591	8,382	-1,516	6,537	6,924	6,380	6,048	5,599

All figures in thousands	
PV of FCFs in explicit period (2017E-2030E)	75,935
PV of FCFs in terminal period	35,669
Enterprise value (EV)	111,604
+ Net cash / - net debt	55,704
+ Investments / minority interests	0
Shareholder value	167,308

Fair value per share in EUR	11.46
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		Terminal growth rate						
		0.5%	1.0%	1.5%	2.0%	2.5%	3.0%	3.5%
WACC	6.2%	16.82	17.23	17.74	18.36	19.16	20.20	21.64
	7.2%	14.80	15.04	15.32	15.66	16.06	16.56	17.20
	8.2%	13.32	13.46	13.62	13.81	14.04	14.30	14.63
	9.2%	12.18	12.26	12.36	12.48	12.61	12.76	12.93
	10.2%	11.28	11.33	11.39	11.46	11.54	11.62	11.73
	11.2%	10.55	10.58	10.62	10.66	10.71	10.76	10.82
	12.2%	9.94	9.97	9.99	10.02	10.04	10.08	10.11
	13.2%	9.44	9.45	9.47	9.48	9.50	9.52	9.54
Fair value per share in EUR		11.46						

* for layout purposes the model shows numbers only to 2024, but runs until 2030



DCF model for Power Production segment

DCF valuation model								
All figures in EUR '000								
	2017E	2018E	2019E	2020E	2021E	2022E	2023E	2024E
Net sales	52,570	59,990	71,714	87,590	97,310	97,310	97,310	97,310
NOPLAT	17,904	21,566	25,564	29,555	30,634	30,230	29,794	29,386
+ depreciation & amortisation	17,464	19,999	24,564	32,609	38,867	38,867	38,867	38,867
Net operating cash flow	35,368	41,565	50,128	62,164	69,501	69,097	68,660	68,253
- total investments (CAPEX and WC)	-53,468	-76,748	-124,262	-111,741	-41,157	-38,867	-38,867	-38,867
Capital expenditures	-48,000	-75,000	-121,500	-108,000	-38,867	-38,867	-38,867	-38,867
Working capital	-5,468	-1,748	-2,762	-3,741	-2,290	0	0	0
Free cash flows (FCF)	-18,100	-35,184	-74,135	-49,576	28,344	30,230	29,794	29,386
PV of FCF's	-17,588	-32,811	-66,349	-42,576	23,361	23,911	22,616	21,405

All figures in thousands	
PV of FCFs in explicit period (2017E-2030E)	37,673
PV of FCFs in terminal period	295,851
Enterprise value (EV)	333,524
+ Net cash / - net debt	-153,261
+ Investments / minority interests	0
Shareholder value	180,263

Fair value per share in EUR	12.35
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WACC	4.2%
Cost of equity	7.0%
Pre-tax cost of debt	5.0%
Tax rate	30.0%
After-tax cost of debt	3.5%
Share of equity capital	20.0%
Share of debt capital	80.0%

Fair value per share in EUR	12.35
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WACC	Terminal growth rate							
		-0.6%	-0.4%	-0.2%	0.0%	0.2%	0.4%	0.6%
	3.5%	15.83	17.08	18.46	20.00	21.74	23.70	25.93
	3.7%	13.55	14.62	15.79	17.10	18.56	20.19	22.03
	4.0%	11.52	12.44	13.46	14.57	15.81	17.18	18.72
	4.2%	9.71	10.51	11.39	12.35	13.40	14.57	15.87
	4.5%	8.08	8.78	9.54	10.38	11.29	12.29	13.39
	4.7%	6.61	7.23	7.89	8.62	9.41	10.27	11.22
	5.0%	5.27	5.82	6.41	7.04	7.73	8.48	9.30

* for layout purposes the model shows numbers only to 2024, but runs until 2030

DCF model for Operation Development & Innovation segment

DCF valuation model								
All figures in EUR '000								
	2017E	2018E	2019E	2020E	2021E	2022E	2023E	2024E
Net sales	6,019	6,922	7,960	9,060	10,205	11,374	12,542	13,683
NOPLAT	2,049	2,379	2,731	3,066	3,408	3,747	4,074	4,385
+ depreciation & amortisation	0	8	18	29	40	53	67	81
Net operating cash flow	2,049	2,387	2,749	3,095	3,448	3,800	4,141	4,466
- total investments (CAPEX and WC)	-386	-148	-286	-306	-326	-343	-355	-361
Capital expenditures	-120	-138	-159	-173	-186	-196	-205	-211
Working capital	-266	-9	-126	-133	-141	-147	-150	-150
Free cash flows (FCF)	1,663	2,239	2,463	2,789	3,122	3,457	3,786	4,104
PV of FCF's	1,556	1,905	1,905	1,960	1,995	2,008	1,999	1,970

All figures in thousands	
PV of FCFs in explicit period (2017E-2030E)	25,504
PV of FCFs in terminal period	18,320
Enterprise value (EV)	43,824
+ Net cash / - net debt	1,029
+ Investments / minority interests	0
Shareholder value	44,853

Fair value per share in EUR	3.07
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WACC	10.0%
Cost of equity	10.0%
Pre-tax cost of debt	6.0%
Tax rate	30.0%
After-tax cost of debt	4.2%
Share of equity capital	100.0%
Share of debt capital	0.0%

Fair value per share in EUR	3.07
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WACC	Terminal growth rate							
		0.5%	1.0%	1.5%	2.0%	2.5%	3.0%	3.5%
	6.0%	5.39	5.69	6.06	6.53	7.13	7.92	9.04
	7.0%	4.46	4.65	4.87	5.14	5.46	5.87	6.40
	8.0%	3.78	3.90	4.05	4.21	4.41	4.65	4.93
	9.0%	3.27	3.36	3.45	3.56	3.68	3.83	4.00
	10.0%	2.87	2.93	3.00	3.07	3.16	3.25	3.36
	11.0%	2.55	2.60	2.64	2.70	2.75	2.82	2.89
	12.0%	2.30	2.33	2.36	2.40	2.44	2.49	2.54
	13.0%	2.08	2.10	2.13	2.16	2.19	2.22	2.26

* for layout purposes the model shows numbers only to 2024, but runs until 2030



INCOME STATEMENT

All figures in EUR '000	2014A	2015A	2016A	2017E	2018E	2019E
Revenues	153,280	191,329	201,764	163,481	175,491	234,170
Change in inventory & own work	7,172	18,808	-35,015	12,494	12,908	14,844
Total output	160,452	210,137	166,749	175,976	188,399	249,014
Cost of goods sold	82,431	116,590	70,523	89,255	94,005	133,225
Gross profit	78,021	93,547	96,226	86,721	94,394	115,789
Personnel costs	10,043	10,476	10,922	11,498	13,435	15,668
Other operating expenses	16,646	18,553	17,719	21,258	22,437	28,902
Other operating income	3,569	1,574	4,481	1,487	1,652	2,073
EBITDA	54,901	66,092	72,066	55,451	60,174	73,292
Depreciation	14,183	16,424	18,316	17,546	20,107	24,689
Operating income (EBIT)	40,718	49,668	53,750	37,905	40,068	48,603
Net financial result	-18,962	-20,006	-18,253	-16,808	-18,961	-22,524
Non-operating expenses	0	0	0	0	0	0
Pre-tax income (EBT)	21,756	29,662	35,497	21,097	21,106	26,079
Income taxes	7,623	8,751	10,162	6,329	6,332	7,824
Minority interests	0	0	0	0	0	0
Net income / loss	14,133	20,911	25,335	14,768	14,774	18,255
Diluted EPS (in €)	0.96	1.43	1.74	1.01	1.01	1.25
Ratios						
Gross margin on total output	48.6%	44.5%	57.7%	49.3%	50.1%	46.5%
EBITDA margin on total output	34.2%	31.5%	43.2%	31.5%	31.9%	29.4%
EBIT margin on total output	25.4%	23.6%	32.2%	21.5%	21.3%	19.5%
Net margin on total output	8.8%	10.0%	15.2%	8.4%	7.8%	7.3%
Tax rate	35.0%	29.5%	28.6%	30.0%	30.0%	30.0%
Expenses as % of total output						
Personnel costs	6.3%	5.0%	6.5%	6.5%	7.1%	6.3%
Depreciation	8.8%	7.8%	11.0%	10.0%	10.7%	9.9%
Other operating expenses	10.4%	8.8%	10.6%	12.1%	11.9%	11.6%
Y-Y Growth						
Total output	-1.4%	31.0%	-20.6%	5.5%	7.1%	32.2%
EBIT	19.3%	22.0%	8.2%	-29.5%	5.7%	21.3%
Net income/ loss	4.3%	48.0%	21.2%	-41.7%	0.0%	23.6%



BALANCE SHEET

All figures in EUR '000	2014A	2015A	2016A	2017E	2018E	2019E
Assets						
Current assets, total	159,888	166,855	181,759	167,400	167,290	182,558
Cash and cash equivalents	81,594	103,957	118,528	99,955	95,987	89,579
Short-term investments	39	10,278	10,305	10,305	10,305	10,305
Receivables	23,781	16,932	17,469	21,700	23,855	30,511
Inventories	50,858	32,871	34,272	34,255	35,958	50,978
Other current assets	3,412	1,192	755	755	755	755
Non-current assets, total	195,310	232,263	179,592	210,273	265,428	362,556
Property, plant & equipment	187,241	223,789	171,747	202,429	257,583	354,711
Goodwill & other intangibles	37	23	10	10	10	10
Other assets	8,032	8,451	7,834	7,834	7,834	7,834
Total assets	355,198	399,118	361,351	377,673	432,718	545,114
Shareholders' equity & debt						
Current liabilities, total	45,266	76,163	83,551	65,059	70,345	82,500
Short-term financial debt	19,166	31,871	45,735	30,040	35,060	45,060
Accounts payable	5,947	4,480	6,241	4,910	5,176	7,331
Current provisions	11,342	16,282	12,656	12,656	12,656	12,656
Other current liabilities	8,811	23,530	18,919	17,453	17,453	17,453
Long-term liabilities, total	269,777	272,495	208,323	238,583	283,783	375,983
Long-term financial debt	249,136	248,899	185,175	215,435	260,635	352,835
Deferred revenue	0	0	0	0	0	0
Other liabilities	20,641	23,596	23,148	23,148	23,148	23,148
Minority interests	0	0	0	0	0	0
Shareholders' equity	40,155	50,460	69,477	74,031	78,591	86,632
Share capital	14,653	14,653	14,653	14,653	14,653	14,653
Capital reserve	40,293	40,308	40,323	40,323	40,323	40,323
Other reserves	-7,388	-8,751	-3,125	-3,125	-3,125	-3,125
Treasury stock	-4	-41	-61	-61	-61	-61
Loss carryforward / retained earnings	10,112	16,421	30,164	34,718	39,278	47,319
Total consolidated equity and debt	355,198	399,118	361,351	377,673	432,718	545,114
Ratios						
Current ratio (x)	3.53	2.19	2.18	2.57	2.38	2.21
Quick ratio (x)	2.41	1.76	1.77	2.05	1.87	1.59
Net debt	186,669	166,535	102,077	135,215	189,403	298,011
Net gearing	465%	330%	147%	183%	241%	344%
Book value per share (in €)	2.74	3.45	4.76	5.07	5.39	5.94
Financial debt/EBITDA (x)	4.9	4.2	3.2	4.4	4.9	5.4
Equity ratio	11.3%	12.6%	19.2%	19.6%	18.2%	15.9%
Return on equity (ROE)	35.2%	41.4%	36.5%	19.9%	18.8%	21.1%
Days sales outstanding (DSO)	56.6	32.3	31.6	48.4	49.6	47.6
Days inventory outstanding (DIO)	225.2	102.9	177.4	140.1	139.6	139.7
Days payables outstanding (DPO)	26.3	14.0	32.3	20.1	20.1	20.1



CASH FLOW STATEMENT

All figures in EUR '000	2014A	2015A	2016A	2017E	2018E	2019E
EBIT	40,718	49,668	53,750	37,905	40,068	48,603
Depreciation and amortisation	12,463	16,424	18,316	17,546	20,107	24,689
EBITDA	53,181	66,092	72,066	55,451	60,174	73,292
Changes in working capital	6,445	28,824	24,732	-5,544	-3,594	-19,521
Other adjustments	-3,848	-3,490	-3,927	-6,329	-6,332	-7,824
Operating cash flow	55,778	91,426	92,871	43,578	50,249	45,948
CAPEX	-20,149	-40,205	-6,885	-48,228	-75,261	-121,817
Investments in intangibles	-12	0	0	0	0	0
Free cash flow	35,617	51,221	85,986	-4,650	-25,012	-75,869
Acquisitions and disposals, net	5,062	300	0	0	0	0
Other investments	307	-11,143	-1,327	0	0	0
Cash flow from investing	-14,792	-51,048	-8,212	-48,228	-75,261	-121,817
Debt financing, net	-3,708	11,574	-36,444	14,565	50,220	102,200
Equity financing, net	0	0	-278	0	0	0
Dividends paid	-7,331	-8,781	-11,682	-11,680	-10,214	-10,214
Other financing	-18,129	-18,759	-23,041	-16,808	-18,961	-22,524
Cash flow from financing	-29,168	-15,967	-71,444	-13,923	21,044	69,461
Forex & other effects	-1,636	-2,048	1,357	0	0	0
Net cash flows	10,181	22,363	14,571	-18,573	-3,968	-6,408
Cash, start of the year	71,413	81,594	103,957	118,528	99,955	95,987
Cash, end of the year	81,594	103,957	118,528	99,955	95,987	89,579
EBITDA/share (in €)	3.74	4.52	4.94	3.80	4.12	5.02
Operating cash flow/share (in €)	3.80	6.25	6.36	2.99	3.44	3.15
Y-Y Growth						
Operating cash flow	204.9%	63.9%	1.6%	-53.1%	15.3%	-8.6%
Free cash flow	n.m.	43.8%	67.9%	n.m.	n.m.	n.m.
EBITDA/share	19.1%	20.6%	9.3%	-23.0%	8.5%	21.8%
Operating cash flow/share	205.7%	64.2%	1.8%	-53.0%	15.3%	-8.6%

FIRST BERLIN RECOMMENDATION & PRICE TARGET HISTORY

Report No.:	Date of publication	Previous day closing price	Recommendation	Price target
Initial Report	5 June 2014	€7.70	Buy	€12.20
2...16	↓	↓	↓	↓
17	7 October 2016	€15.07	Buy	€19.60
18	18 November 2016	€15.00	Buy	€19.70
19	5 January 2017	€15.35	Buy	€19.70
20	Today	€18.02	Buy	€26.90

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- key sources of information in the preparation of this research report
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