

Energiekontor AG

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

H1 figures

RATING
BUY

PRICE TARGET
€ 24.90

Return Potential 43.9%
 Risk Rating High

GOOD H1 FIGURES – BUT CHALLENGES AHEAD

Energiekontor's H1 earnings were slightly below the previous year's numbers but ahead of our estimates. Whereas the Power Production and the Operations & Innovation segments were in line with our forecasts, the Project Development segment's EBIT contribution was significantly higher than expected. The company disclosed that it will add 50% of the current year's project volume to its own wind farm portfolio (FBe: 35 MW). We believe this is a very good strategy. The German wind farm projects that Energiekontor will commission this year still receive high feed-in tariffs and thus look set to generate high cash flows over the 20 year feed-in tariff period. This will, however, result in much lower earnings from the sale of wind farms than in 2016, when all projects were sold. For 2018E, we expect Energiekontor to complete wind farm projects with a total capacity of ca. 70 MW. However, given the result of the second German onshore tender round in August (average volume-weighted awarded value of only 4.28 €Ct/kWh), we anticipate strong competition and low pricing in Germany also in 2018E and thus reduce our forecasts. We continue to believe that 2019E will be a very strong year for the company as international projects (especially Scotland, but also the US) will generate significant additional earnings. An updated DCF model yields a new price target of €2490 (previously: €27.00). We reiterate our Buy rating.

H1 figures above forecasts Revenues of €41.4m were below the previous year's figure (€43.3m) and in line with our forecast (€41.1m). Total output amounted to €82.4m (H1/16: €55.6m, FBe: €67.1m). EBIT declined 7% to €13.2m, but was significantly ahead of our estimate due to a better than expected EBIT contribution from the project business. The net result was slightly below the previous year's figure (€3.2m vs. €3.4m, FBe: €1.0m, see figure ' overleaf).

Guidance adjusted Energiekontor previously said that it expects net income on par with 2016 (€25.3m), if most of the projects that obtained... (p.t.o.)

FINANCIAL HISTORY & PROJECTIONS

	2014	2015	2016	2017E	2018E	2019E
Total output (€m)	160.45	210.14	166.75	174.00	175.49	275.34
Y-o-y growth	-0.1%	31.0%	-20.6%	4.3%	0.9%	56.9%
EBIT (€m)	40.72	49.67	53.75	32.86	26.72	42.20
EBIT margin	25.4%	23.6%	32.2%	18.9%	15.2%	15.3%
Net income (€m)	14.13	20.91	25.34	11.15	5.65	14.63
EPS (diluted) (€)	0.96	1.43	1.74	0.76	0.39	1.00
DPS (€)	0.60	0.80	0.80	0.70	0.70	0.70
FCF (€m)	35.62	51.22	85.99	-3.59	-6.52	-72.54
Net gearing	464.9%	330.0%	146.9%	190.7%	257.7%	389.5%
Liquid assets (€m)	81.59	103.96	118.53	100.89	100.73	88.88

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 07 Sep 2017

Closing Price	€ 17.30
Shares outstanding	14.59m
Market Capitalisation	€ 252.32m
52-week Range	€ 13.86 / 19.25
Avg. Volume (12 Months)	11,339

Multiples	2016	2017E	2018E
P/E	10.0	22.7	44.8
EV/Sales	2.4	2.3	2.3
EV/EBIT	7.5	12.3	15.2
Div. Yield	4.6%	4.0%	4.0%

STOCK OVERVIEW



COMPANY DATA

As of 30 Jun 2017

Liquid Assets	€ 75.84m
Current Assets	€ 176.92m
Intangible Assets	€ 0.00m
Total Assets	€ 348.17m
Current Liabilities	€ 86.06m
Shareholders' Equity	€ 63.23m

SHAREHOLDERS

Dr Bodo Wilkens	25.7%
Günter Lammers	25.6%
Internat. Kapitalanlageges.	5.1%
Free Float	43.7%



...permission in 2016 are commissioned and sold to investors in 2017. The company now expects the result in a similar range to the previous two years (2016: €25.3m, 2015: €20.9m) if all projects currently under construction are commissioned and sold to investors. We now expect that Energiekontor will commission at least 70 MW (previously: 80 MW).

In the H1 report, the company revealed that its wants to add 50% of the current year's project volume to its own plant portfolio. According to our estimates, 35 MW will be added. This means that only ca. 35 MW can be sold resulting in much lower Project Development segment and group sales & earnings.

Figure 1: Reported figures versus forecasts

All figures in €m	H1-17A	H1-17E	Delta	H1-16A	Delta
Total output	82.40	67.05	22.9%	55.65	48.1%
EBIT	13.17	9.09	44.9%	14.19	-7.2%
margin	16.0%	13.6%		25.5%	
Net income	3.18	1.01	214.6%	3.42	-7.0%
margin	3.9%	1.5%		6.1%	
EPS in € (diluted)	0.22	0.07	214.3%	0.23	-4.3%

Source: First Berlin Equity Research, Energiekontor AG

Project business in H1 better than expected Energiekontor transferred four turbines totalling 10.9 MW to the buyers. Three were sold in H1; one had already been sold in 2016. Segment revenues thus increased to €15.2m (H1/16: €13.7m, FBe: €15.0m). Total output (€56.3m) was much stronger than expected (FBe: €41.0m, H1/16: €26.0m) indicating high ongoing construction activity. Despite the upfront cost associated with this high construction activity, the segment generated EBIT of €2.8m (H1/16: €1.5m, FBe: €-1.4m, see figure 2). We see this result as a first hint that the introduction of the agile project development system is bearing fruit.

Figure 2: Reported segment figures versus forecasts

All figures in €m	H1-17A	H1-17E	Delta	H1-16A	Delta
Projects					
Total output	56.27	41.00	37.2%	25.96	116.7%
EBIT	2.81	-1.44	-	1.53	83.2%
margin	5.0%	-3.5%		5.9%	
Power Production					
Total output	24.29	24.50	-0.9%	28.12	-13.6%
EBIT	8.95	9.13	-2.0%	11.27	-20.6%
margin	36.8%	37.3%		40.1%	
Operation & Innovation					
Total output	2.89	2.60	11.3%	2.62	10.5%
EBIT	1.41	1.40	0.7%	1.39	1.4%
margin	48.7%	53.8%		53.1%	
Consolidation					
Total output	-1.05	-1.05	-	-1.05	-
EBIT	0.00	0.00	-	0.00	-
margin	-	-		-	
Group					
Total output	82.40	67.05	22.9%	55.65	48.1%
EBIT	13.17	9.09	44.9%	14.19	-7.2%
margin	16.0%	13.6%		25.5%	

Source: First Berlin Equity Research, Energiekontor AG



Power Production segment in line with estimates Segment sales declined from €28.1m to €24.3m and met our forecast of €24.5m. EBIT fell from €11.3m to €8.9m (FBe: €9.1m). Due to significantly reduced interest expenses (€5.5m vs. €7.1m in H1/16), segment EBT was only €0.7m below the previous year's figure and amounted to €3.5m (FBe: €3.6m, see figure 2 on the previous page). Wind conditions in H1 were slightly below average. Total capacity of the own plant portfolio fell to 238 MW at the beginning of 2017 due to the sale of Gayton le Marsh (16.4 MW) at the end of last year and the partial sale of a few repowering projects. This explains the sales decline. As Energiekontor used the cash inflow from the sold wind farms to reduce segment debt by €20.6m, interest expense dropped.

Operation & Innovation segment on track Segment total output grew almost 11% to €2.9m (FBe: €2.6m). EBIT increased slightly to €1.4m (FBe: €1.4m). Revenue drivers are the operation of wind farms and rotor blade extensions.

Balance sheet reflects high construction activity The high construction activity (currently ca. 61 MW) is reflected in inventory, which more than doubled to €75m, and project financing increasing from €49m at the end of 2016 to €78m. This explains why the group's financial debt increased slightly to €239m from €231m despite the lower debt position of the Power Production segment (€156m vs. €177m at the end of 2016). The group's cash position fell from €119m to €76m, and securities remained at €10m. Net debt thus rose to €153m from €102m at 31/12/2016. At H1/16 – a better comparative figure – net debt was at €190m. Equity fell from €69m to €63m duemainly to the dividend payment of €10m, thus reducing the equity ratio by 1 PP to 18.2% (see figure 3).

Figure 3: Selected balance sheet items

in €m	H1 /17	2016	delta
Inventory	75.31	34.27	120%
Cash and cash equivalents	86.05	128.84	-33%
Equity	63.23	69.48	-9%
Equity ratio	18.2%	19.2%	-
Financial debt (long-term)	177.25	185.18	-4%
Financial debt (short-term)	61.55	45.74	35%
Net debt (incl. securities)	152.75	102.07	50%
<i>Net gearing</i>	<i>242%</i>	<i>147%</i>	<i>-</i>
Balance sheet total	348.17	361.35	-4%

Source: First Berlin Equity Research, Energiekontor AG

High negative operating cash flow due to increased inventories Operating cash flow amounted to €-42m due mainly to an increase in inventories by €41m. Cash flow from investing was negligible (€0.1m). Cash outflow from financing amounted to €2m.

Wind business showing progress In Germany, ca. 61 MW are currently under construction, two projects in Lower Saxony (20.4 MW), three projects in North Rhine-Westphalia (ca. 21 MW), and the Hohengüstrow II project in Brandenburg (19.2 MW). We expect these projects to be commissioned by the end of the year. In H1, four projects with a total volume of 10.9 MW were commissioned. All four projects were sold to investors. In late summer, Energiekontor looks set to start construction of a 5 MW project. However, as some other projects apparently face delays, we now expect commissioning of 70 MW (previously: 80 MW) by year-end. For 2018E, we expect Energiekontor to complete wind farm projects with a total capacity of ca. 70 MW. In contrast to last year, the German projects have to win the tender before they can be built, which lowers visibility.



In the UK, Energiekontor secured sites for more than 250 MW in H1/17 increasing the total project volume to 800 MW. The majority of these sites is in Scotland. The company has permits on hand for Hyndburn II (8 MW) and Withernwick II (8 MW). The Hyndburn project has however been delayed due to air traffic control problems, but the construction start of Withernwick II looks set to be in 2017. Projects with a total capacity of 13 MW are currently in the public consultation process. Furthermore, Energiekontor hopes to receive approval for two Scottish wind farm projects with a total capacity of 73 MW before the end of this year. We expect commissioning of these projects in 2019.

In the Netherlands, Energiekontor has set up a national office and hired a project manager. Suitable projects have been identified and first option agreements signed. Given the long project development phase, we do not however expect a revenue contribution before 2020.

International expansion of the solar business is advancing In France, freelance experts have been commissioned to acquire suitable sites. In the US, Energiekontor founded a subsidiary in H1 and an office will be set up in Texas in H2. The company plans to secure sites for 300 – 400 MW before the end of 2017. First revenue contributions could come in 2018 as Energiekontor expects first planning permissions in the US next year.

Step-up bond X largely placed The step-up bond X, which has a volume of €22.7m, has been largely placed (92%). This shows the continued trust of bond investors in the company. The bond has a term of 18 years, offers a coupon increasing in four steps from 4% to 5%, and will be redeemed in four steps.

Regulatory headwinds in the German state of North Rhine Westphalia The new CDU/FDP government in the German state North Rhine-Westphalia plans to introduce a general minimum distance rule for wind turbines to settlements of 1,500m, which would reduce the area available for wind power by ca. 80%. This could jeopardise a few of the projects in Energiekontor's pipeline in this state. The company plans to realise projects with a total capacity of 50 MW.

German onshore wind tenders put pressure on wind industry The first two onshore wind tenders in Germany were characterised by intense competition and substantial price declines (see figure 4). Both tenders were almost three times oversubscribed. Whereas the first tender's average volume-weighted awarded value of 5.71 €/Ct/kWh was still in the expected range, the second round's value was only 4.28 €/Ct/kWh—much lower than our estimate. We see the main reason for this low value in the competitive advantage of so-called citizens' energy initiatives, as they – in contrast to other players such as Energiekontor – can participate in the tenders with projects that still lack the necessary approval to build the wind farm. As these initiatives have much more time than all other players to install the wind farms (up to 54 months vs. up to 30 months), they participated with very low offers—obviously speculating on much lower turbine prices in coming years. In both tenders, the citizens' energy initiatives won an overwhelming share of the volume (≥95%).

Figure 4: Results of the first two German onshore wind tenders in 2017

	May-17	Aug-17
Tendered volume (MW)	800	1,000
Cap in grid expansion area (MW)	258	322
Number of offers	256	281
Offered volume (MW)	2,137	2,927
Awarded projects	70	67
Awarded volume (MW)	807	1,013
Average volume-weighted awarded value (Ct/kWh)	5.71	4.28
Lowest awarded value (Ct/kWh)	4.20	3.50
Highest awarded value (Ct/kWh)	5.78	4.29

Source: First Berlin Equity Research, Bundesnetzagentur



In June, the German government abolished the exceptions for citizens' energy initiatives for the first two tenders in 2018. Now, all participants will need approval according to the German Immission Control Act to participate in the tender. Given the level playing field for all players, we believe that pricing in 2018 will be higher than in the last tender.

New Management Board member Torben Möller became the third member of the Management Board on 1 July. Mr Möller initially set up the Repowering division and served as the head of department. For more than a year, he has also successfully handled the coordination of innovation and competitive measures and the introduction of an agile project management system. As a member of the Management Board, he will – apart from general tasks – be in charge of project development in the northern part of North Rhine-Westphalia and the rotor blade extension business. We believe that the introduction of the agile project management system will be a key competitive advantage for Energiekontor and will play an important role in reducing the levelized cost of electricity of renewable energy sources.

Forecasts lowered We lower our 2017E forecast as we anticipate a lower total volume of commissioned projects (70 MW, previously: 80 MW). Furthermore, we expect the volume of projects added to the Power Production segment to be higher (35 MW, previous assumption: 25 MW) reducing the volume of projects that can be sold to 35 MW. Given the intense competition in the recent tenders and the new regulatory restrictions in North Rhine-Westphalia, we anticipate a much more difficult 2018E and reduce our estimates accordingly. We continue to believe that the realisation of international projects (especially Scotland) will result in very strong 2019E figures.

Figure 5: Revisions to forecasts

All figures in €m	2017E			2018E			2019E		
	Old	New	Delta	Old	New	Delta	Old	New	Delta
Total output	175.98	174.00	-1.1%	188.40	175.49	-6.9%	249.01	275.34	10.6%
EBIT	37.90	32.86	-13.3%	40.07	26.72	-33.3%	48.60	42.20	-13.2%
margin	21.5%	18.9%		21.3%	15.2%		19.5%	15.3%	
Net income	14.77	11.15	-24.5%	14.77	5.65	-61.7%	18.26	14.63	-19.9%
margin	8.4%	6.4%		7.8%	3.2%		7.3%	5.3%	
EPS (diluted)	1.01	0.76	-24.5%	1.01	0.39	-61.7%	1.25	1.00	-19.8%

Source: First Berlin Equity Research

Buy rating reiterated at lower price target An updated sum of the parts valuation yields a new price target of €24.90 (previously: €27.00). We reiterate our Buy rating.



VALUATION MODEL

Sum of the parts valuation of Energiekontor

SotP valuation	Fair value in €m	Fair value per share in €	old
Project Development	154.58	10.59	11.51
Power Production	162.25	11.11	12.41
Operations & Innovation	46.50	3.18	3.09
Sum of the parts	363.33	24.89	27.02

DCF model for Project Development segment

DCF valuation model								
All figures in EUR '000	2017E	2018E	2019E	2020E	2021E	2022E	2023E	2024E
Net sales	71,200	72,480	143,160	163,600	169,549	175,406	181,147	186,746
NOPLAT	9,869	3,690	12,813	12,273	12,246	12,337	12,763	12,925
+ depreciation & amortisation	82	75	73	122	151	164	172	178
Net operating cash flow	9,952	3,764	12,886	12,395	12,398	12,501	12,935	13,104
- total investments (CAPEX and WC)	12,698	-980	-25,343	-7,582	-2,386	-2,312	-2,277	-2,234
Capital expenditures	-71	-72	-143	-164	-170	-175	-181	-187
Working capital	12,770	-908	-25,200	-7,419	-2,217	-2,137	-2,096	-2,047
Free cash flows (FCF)	22,650	2,784	-12,457	4,813	10,011	10,189	10,658	10,870
PV of FCF's	21,977	2,452	-9,957	3,490	6,590	6,087	5,779	5,348

All figures in thousands	
PV of FCFs in explicit period (2017E-2030E)	65,541
PV of FCFs in terminal period	33,337
Enterprise value (EV)	98,878
+ Net cash / - net debt	55,704
+ Investments / minority interests	0
Shareholder value	154,582

Fair value per share in EUR	10.59
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WACC	10.2%
Cost of equity	13.0%
Pre-tax cost of debt	8.5%
Tax rate	30.0%
After-tax cost of debt	6.0%
Share of equity capital	60.0%
Share of debt capital	40.0%
Fair value per share in EUR	10.59

WACC	Terminal growth rate						
	0.5%	1.0%	1.5%	2.0%	2.5%	3.0%	3.5%
6.2%	15.41	15.78	16.23	16.78	17.49	18.42	19.69
7.2%	13.60	13.80	14.05	14.35	14.70	15.14	15.71
8.2%	12.26	12.38	12.53	12.69	12.88	13.12	13.40
9.2%	11.24	11.31	11.40	11.49	11.60	11.73	11.88
10.2%	10.43	10.48	10.53	10.59	10.65	10.73	10.81
11.2%	9.79	9.81	9.84	9.88	9.92	9.96	10.01
12.2%	9.25	9.27	9.29	9.31	9.33	9.36	9.38
13.2%	8.81	8.82	8.83	8.84	8.85	8.87	8.88

* 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	52,255	58,958	66,213	78,789	88,428	88,428	88,428	88,428
NOPLAT	17,846	19,442	22,611	28,188	28,891	28,566	28,210	27,882
+ depreciation & amortisation	17,334	20,804	22,780	26,535	33,297	33,297	33,297	33,297
Net operating cash flow	35,180	40,246	45,391	54,724	62,188	61,863	61,507	61,179
- total investments (CAPEX and WC)	-61,394	-50,579	-105,709	-110,963	-35,568	-33,297	-33,297	-33,297
Capital expenditures	-56,000	-49,000	-104,000	-108,000	-33,297	-33,297	-33,297	-33,297
Working capital	-5,394	-1,579	-1,709	-2,963	-2,271	0	0	0
Free cash flows (FCF)	-26,215	-10,334	-60,319	-56,239	26,620	28,566	28,210	27,882
PV of FCF's	-25,881	-9,791	-54,848	-49,072	22,291	22,957	21,757	20,635

All figures in thousands	
PV of FCFs in explicit period (2017E-2030E)	51,384
PV of FCFs in terminal period	264,128
Enterprise value (EV)	315,512
+ Net cash / - net debt	-153,261
+ Investments / minority interests	0
Shareholder value	162,251

Fair value per share in EUR	11.11
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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	11.11
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* for layout purposes the model shows numbers only to 2024, but runs until 2030

WACC	Terminal growth rate						
	-0.6%	-0.4%	-0.2%	0.0%	0.2%	0.4%	0.6%
3.5%	14.22	15.33	16.56	17.94	19.48	21.23	23.22
3.7%	12.19	13.14	14.19	15.36	16.65	18.11	19.75
4.0%	10.38	11.20	12.11	13.10	14.20	15.43	16.80
4.2%	8.76	9.47	10.26	11.11	12.06	13.10	14.25
4.5%	7.30	7.93	8.61	9.35	10.16	11.06	12.04
4.7%	5.98	6.53	7.13	7.78	8.48	9.25	10.10
5.0%	4.78	5.27	5.79	6.36	6.98	7.65	8.38

DCF model for Operations & 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	1,614	1,976	1,976	2,034	2,069	2,083	2,074	2,044

All figures in thousands	
PV of FCFs in explicit period (2017E-2030E)	26,461
PV of FCFs in terminal period	19,007
Enterprise value (EV)	45,467
+ Net cash / - net debt	1,029
+ Investments / minority interests	0
Shareholder value	46,496

Fair value per share in EUR	3.18
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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	3.18
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* for layout purposes the model shows numbers only to 2024, but runs until 2030

WACC	Terminal growth rate						
	0.5%	1.0%	1.5%	2.0%	2.5%	3.0%	3.5%
6.0%	5.51	5.82	6.20	6.67	7.29	8.10	9.24
7.0%	4.57	4.77	5.00	5.27	5.61	6.03	6.56
8.0%	3.89	4.02	4.17	4.34	4.54	4.78	5.08
9.0%	3.38	3.47	3.56	3.68	3.81	3.96	4.14
10.0%	2.98	3.04	3.11	3.18	3.27	3.37	3.49
11.0%	2.66	2.70	2.75	2.80	2.86	2.93	3.01
12.0%	2.39	2.43	2.46	2.50	2.55	2.59	2.65
13.0%	2.18	2.20	2.23	2.26	2.29	2.32	2.36



INCOME STATEMENT

All figures in EUR '000	2014A	2015A	2016A	2017E	2018E	2019E
Revenues	153,280	191,329	201,764	125,066	133,591	212,149
Change in inventory & own work	7,172	18,808	-35,015	48,933	41,902	63,195
Total output	160,452	210,137	166,749	173,999	175,493	275,344
Cost of goods sold	82,431	116,590	70,523	98,119	96,633	171,827
Gross profit	78,021	93,547	96,226	75,880	78,860	103,517
Personnel costs	10,043	10,476	10,922	11,492	12,417	14,375
Other operating expenses	16,646	18,553	17,719	19,060	20,897	25,980
Other operating income	3,569	1,574	4,481	4,944	2,066	1,905
EBITDA	54,901	66,092	72,066	50,272	47,610	65,068
Depreciation	14,183	16,424	18,316	17,416	20,887	22,871
Operating income (EBIT)	40,718	49,668	53,750	32,856	26,724	42,197
Net financial result	-18,962	-20,006	-18,253	-16,933	-18,652	-21,293
Non-operating expenses	0	0	0	0	0	0
Pre-tax income (EBT)	21,756	29,662	35,497	15,923	8,072	20,904
Income taxes	7,623	8,751	10,162	4,777	2,422	6,271
Minority interests	0	0	0	0	0	0
Net income / loss	14,133	20,911	25,335	11,146	5,650	14,633
Diluted EPS (in €)	0.96	1.43	1.74	0.76	0.39	1.00
Ratios						
Gross margin on total output	48.6%	44.5%	57.7%	43.6%	44.9%	37.6%
EBITDA margin on total output	34.2%	31.5%	43.2%	28.9%	27.1%	23.6%
EBIT margin on total output	25.4%	23.6%	32.2%	18.9%	15.2%	15.3%
Net margin on total output	8.8%	10.0%	15.2%	6.4%	3.2%	5.3%
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%	6.6%	7.1%	5.2%
Depreciation	8.8%	7.8%	11.0%	10.0%	11.9%	8.3%
Other operating expenses	10.4%	8.8%	10.6%	11.0%	11.9%	9.4%
Y-Y Growth						
Total output	-1.4%	31.0%	-20.6%	4.3%	0.9%	56.9%
EBIT	19.3%	22.0%	8.2%	-38.9%	-18.7%	57.9%
Net income/ loss	4.3%	48.0%	21.2%	-56.0%	-49.3%	159.0%



BALANCE SHEET

All figures in EUR '000	2014A	2015A	2016A	2017E	2018E	2019E
Assets						
Current assets, total	159,888	166,855	181,759	154,081	156,562	174,998
Cash and cash equivalents	81,594	103,957	118,528	100,893	100,729	88,880
Short-term investments	39	10,278	10,305	10,305	10,305	10,305
Receivables	23,781	16,932	17,469	18,659	20,418	28,022
Inventories	50,858	32,871	34,272	23,039	23,925	46,606
Other current assets	3,412	1,192	755	755	755	755
Non-current assets, total	195,310	232,263	179,592	218,367	246,691	328,123
Property, plant & equipment	187,241	223,789	171,747	210,523	238,847	320,279
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	372,449	403,253	503,121
Shareholders' equity & debt						
Current liabilities, total	45,266	76,163	83,551	63,457	68,626	81,875
Short-term financial debt	19,166	31,871	45,735	30,040	35,060	45,060
Accounts payable	5,947	4,480	6,241	3,308	3,457	6,706
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	268,783	350,983
Long-term financial debt	249,136	248,899	185,175	215,435	245,635	327,835
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	70,409	65,845	70,263
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	31,096	26,532	30,950
Total consolidated equity and debt	355,198	399,118	361,351	372,449	403,253	503,121
Ratios						
Current ratio (x)	3.53	2.19	2.18	2.43	2.28	2.14
Quick ratio (x)	2.41	1.76	1.77	2.07	1.93	1.57
Net debt	186,669	166,535	102,077	134,277	169,661	273,710
Net gearing	465%	330%	147%	191%	258%	390%
Book value per share (in €)	2.74	3.45	4.76	4.83	4.51	4.82
Financial debt/EBITDA (x)	4.9	4.2	3.2	4.9	5.9	5.7
Equity ratio	11.3%	12.6%	19.2%	18.9%	16.3%	14.0%
Return on equity (ROE)	35.2%	41.4%	36.5%	15.8%	8.6%	20.8%
Days sales outstanding (DSO)	56.6	32.3	31.6	54.5	55.8	48.2
Days inventory outstanding (DIO)	225.2	102.9	177.4	85.7	90.4	99.0
Days payables outstanding (DPO)	26.3	14.0	32.3	12.3	13.1	14.2



CASH FLOW STATEMENT

All figures in EUR '000	2014A	2015A	2016A	2017E	2018E	2019E
EBIT	40,718	49,668	53,750	32,856	26,724	42,197
Depreciation and amortisation	12,463	16,424	18,316	17,416	20,887	22,871
EBITDA	53,181	66,092	72,066	50,272	47,610	65,068
Changes in working capital	6,445	28,824	24,732	7,110	-2,497	-27,036
Other adjustments	-3,848	-3,490	-3,927	-4,777	-2,422	-6,271
Operating cash flow	55,778	91,426	92,871	52,606	42,692	31,761
CAPEX	-20,149	-40,205	-6,885	-56,192	-49,211	-104,302
Investments in intangibles	-12	0	0	0	0	0
Free cash flow	35,617	51,221	85,986	-3,586	-6,519	-72,542
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	-56,192	-49,211	-104,302
Debt financing, net	-3,708	11,574	-36,444	14,565	35,220	92,200
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	-16,933	-18,652	-21,293
Cash flow from financing	-29,168	-15,967	-71,444	-14,049	6,354	60,693
Forex & other effects	-1,636	-2,048	1,357	0	0	0
Net cash flows	10,181	22,363	14,571	-17,635	-165	-11,849
Cash, start of the year	71,413	81,594	103,957	118,528	100,893	100,729
Cash, end of the year	81,594	103,957	118,528	100,893	100,729	88,880
EBITDA/share (in €)	3.74	4.52	4.94	3.45	3.26	4.46
Operating cash flow/share (in €)	3.80	6.25	6.36	3.61	2.93	2.18
Y-Y Growth						
Operating cash flow	204.9%	63.9%	1.6%	-43.4%	-18.8%	-25.6%
Free cash flow	n.m.	43.8%	67.9%	n.m.	n.m.	n.m.
EBITDA/share	19.1%	20.6%	9.3%	-30.2%	-5.3%	36.7%
Operating cash flow/share	205.7%	64.2%	1.8%	-43.3%	-18.8%	-25.6%

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...18	↓	↓	↓	↓
19	5 January 2017	€15.35	Buy	€19.70
20	20 April 2017	€18.02	Buy	€26.90
21	18 May 2017	€19.00	Buy	€27.00
22	Today	€17.30	Buy	€24.90

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