

Energiekontor AG

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

H1 figures

RATING

PRICE TARGET

Return Potential
 Risk Rating

BUY

€ 23.70

59.6%
 High

H1 RESULTS CONFIRM ADVANTAGES OF THE BUSINESS MODEL

Energiekontor reported H1 EBIT ahead of our forecast and only slightly below the previous year's level. Energiekontor's business model combines the volatile project business with the steady power production business. Thanks to improved wind conditions the latter contributed significantly to group EBIT in H1/18. Management reiterated guidance (lower EBT than in the previous year). Energiekontor recently received approval for a large (up to 48 MW) Scottish wind farm. This supports our view that business will pick up significantly next year. We stick to our full-year forecast and confirm our Buy rating and €23.70 price target.

Solid H1 EBIT despite lower sales Revenues declined 20% to €32.9m due to lower project sales. Total output amounted to €58.7m (FBe: €55.5m). This is a 29% decline y/y and reflects the subdued German project business following the introduction of the poorly designed tender procedures in 2017. EBIT came in at €12.4m (FBe: €6.4m, H1/17: €13.2m). Despite the strong decline in revenues and total output, EBIT was only 6% below the previous year's value, which underlines the strength of Energiekontor's business model. Group EBIT benefited from a very strong contribution from the Power Production segment which largely compensated for the weaker Project Development segment EBIT. Due to lower interest and similar expenses (€7.7m vs. €8.8m in H1/17), EBT was slightly up (€4.7m versus €4.4m in H1/17, +6% y/y). Net income edged higher to €3.4m from €3.2m in H1/17 resulting in slightly higher EPS of €0.23 (H1/17: €0.22).

Guidance reiterated Management confirmed full-year guidance (EBT below the 2017 level of €16.7m). Given the better than expected H1 figures we see Energiekontor well on track to reach our full-year EBT forecast of €9.3m. Management expects a return to the growth path in 2019E due to a well-filled international project pipeline and the company's progress in realising projects based only on power purchase agreements (PPA), i.e. without government subsidies. The recent approval of a large (up to 48 MW) Scottish... (p.t.o.)

FINANCIAL HISTORY & PROJECTIONS

	2015	2016	2017	2018E	2019E	2020E
Total output (€m)	210.14	166.75	202.08	147.67	281.89	338.04
Y-o-y growth	31.0%	-20.6%	21.2%	-26.9%	90.9%	19.9%
EBIT (€m)	49.67	53.75	32.89	26.28	47.07	56.38
EBIT margin	23.6%	32.2%	16.3%	17.8%	16.7%	16.7%
Net income (€m)	20.91	25.34	11.89	6.49	18.90	21.81
EPS (diluted) (€)	1.43	1.74	0.82	0.44	1.30	1.50
DPS (€)	0.80	0.80	0.60	0.50	0.70	0.70
FCF (€m)	51.22	85.99	-29.27	40.82	-74.26	-52.93
Net gearing	330.0%	146.9%	220.0%	200.9%	308.6%	367.2%
Liquid assets (€m)	103.96	118.53	69.00	124.52	115.11	103.15

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 portfolio of own wind farms and solar parks (269 MW). The company is active in onshore wind and solar project development in Germany, the UK, the US, France, and the Netherlands. Energiekontor is headquartered in Bremen, Germany.

MARKET DATA

As of 04 Sep 2018

Closing Price	€ 14.85
Shares outstanding	14.58m
Market Capitalisation	€ 216.44m
52-week Range	€ 13.45 / 17.41
Avg. Volume (12 Months)	9,648

Multiples	2017	2018E	2019E
P/E	18.3	33.5	11.5
EV/Sales	1.8	2.5	1.3
EV/EBIT	11.2	14.0	7.8
Div. Yield	4.0%	3.4%	4.7%

STOCK OVERVIEW



COMPANY DATA

As of 30 Jun 2018

Liquid Assets	€ 66.20m
Current Assets	€ 157.72m
Intangible Assets	€ 0.02m
Total Assets	€ 356.92m
Current Liabilities	€ 62.16m
Shareholders' Equity	€ 65.21m

SHAREHOLDERS

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



...wind farm indicates that Energiekontor's strategy will pay off in 2019E. We therefore anticipate a strong pick-up in business activity next year and maintain our 2019E forecast.

Figure 1: Reported figures versus forecasts

All figures in €m	H1-18A	H1-18E	Delta	H1-17A	Delta
Total output	58.67	55.51	5.7%	82.40	-28.8%
EBIT	12.35	6.44	91.8%	13.17	-6.2%
margin	21.1%	11.6%		16.0%	
Net income	3.37	-1.32	-	3.18	5.8%
margin	5.7%	-2.4%		3.9%	
EPS in € (diluted)	0.23	-0.09	-	0.22	4.5%

Source: First Berlin Equity Research, Energiekontor AG

Power Production segment with strong EBIT contribution Total segment output increased by almost 22% y/y to €29.5m (FBe: €26.7m) due to better wind conditions and increased capacity. At the end of H1, total capacity amounted to 269 MW (H1/17: 238 MW, +13%). In H1, Energiekontor added its first solar park (Garzau-Garzin, 10 MW) to the portfolio. Segment EBITDA climbed 32% y/y to €22.5m. The EBITDA margin (EBITDA / total output) increased more than 6 PP from 70.0% to 76.2%. Segment depreciation was up €1.0m at €9.1m. Segment EBIT thus rose from €8.9m to €13.4m (+50% y/y, FBe: €10.2m). The EBIT margin increased from 36.8% to 45.5% (see figure 2). The high EBIT contribution of the Power Production segment resulted in the solid group EBIT and shows how well fluctuations in the project business can be balanced by the steady power production.

Figure 2: Reported segment figures versus forecasts

All figures in €m	H1-18A	H1-18E	Delta	H1-17A	Delta
Projects					
Total output	27.46	26.79	2.5%	56.27	-51.2%
EBIT	-2.52	-5.27	-	2.81	-
margin	-9.2%	-19.7%		5.0%	
Power Production					
Total output	29.53	26.72	10.5%	24.29	21.6%
EBIT	13.45	10.24	31.3%	8.95	50.3%
margin	45.5%	38.3%		36.8%	
Operation & Innovation					
Total output	2.82	3.00	-6.0%	2.89	-2.5%
EBIT	1.42	1.47	-3.3%	1.41	0.8%
margin	50.4%	49.0%		48.7%	
Consolidation					
Total output	-1.14	-1.00	-	-1.05	-
EBIT	0.00	0.00	-	0.00	-
margin	-	-		-	
Group					
Total output	58.67	55.51	5.7%	82.40	-28.8%
EBIT	12.35	6.44	91.8%	13.17	-6.2%
margin	21.1%	11.6%		16.0%	

Source: First Berlin Equity Research, Energiekontor AG

Project Development segment coping well with lower activity Given that sales fell from €15.3m to just €1.4m and total output from €56.3m to €27.5m (-51% y/y), the operating loss of €-2.5m (H1/17: €+2.8m) was moderate (FB: €-5.3m). As interest and similar expenses were lower (€1.9m vs. €3.3m in H1/17), EBT declined from €-0.5m to €-4.4m (see figure 2).

Operation & Innovation in line with estimates Energiekontor's smallest segment remained largely stable y/y. The segment generated total output of €2.8m (H1/17: €2.9m) and, as in H1/17, contributed €1.4m to group EBIT.

Stable balance sheet The balance sheet total declined slightly from €362m at the end of 2017 to €357m at the end of June (see figure 3). Equity amounted to €65.2m vs. €70.2m at the end of 2017 (-7%). The equity ratio was slightly down at 18.3% versus 19.4% at the end of 2017. Financial liabilities increased from €234m to €249m. The cash position including securities declined from €79m to €74m. Net debt thus rose from €155m to €175m. Property, plant and equipment (mainly wind and solar farms) remained largely stable at €193m. Inventory rose from €47m at the end of 2017 to €65m at the end of H1. This is a clear sign that construction activity will pick up in H2.

Figure 3: Selected balance sheet items

in €m	H1 /18	2017	delta
Inventory	65.25	47.00	39%
Cash and cash equivalents incl. securities	74.31	79.16	-6%
Equity	65.21	70.23	-7%
Equity ratio	18.3%	19.4%	-
Financial debt (long-term)	204.85	209.46	-2%
Financial debt (short-term)	44.00	24.73	78%
Net debt (incl. securities)	174.54	155.03	13%
Net gearing	268%	221%	-
Balance sheet total	356.92	361.35	-1%

Source: First Berlin Equity Research, Energiekontor AG

Operating cash flow only slightly negative Operating cash flow amounted to €-3.1m due mainly to increased inventory (€-18.2m). Free cash flow was €-10.6m due to CAPEX of €7.5m. Cash flow from investment activities totalled €-5.5m. Cash flow from financing activities was €5.9m as the cash inflow from additional current external funds (€19.3m) topped cash outflows for dividends (€8.7m) and net repayment of non-current financial liabilities (€4.6m). Net cash outflow amounted to €2.7m.

UK/Scottish wind market will be an important growth driver in 2019E Energiekontor currently has five approved UK projects with a total capacity of up to ca. 78 MW, some of which look set to be commissioned in 2019. The recent planning permission for a large (up to 48 MW) Scottish wind farm is a great success for the company, and Energiekontor is in advanced PPA negotiations with a major international company. We expect construction start in 2019E. Like the Witherwick II wind farm, which is already under construction in England, the Scottish wind farm is to be realised without state subsidies. Further wind farms, almost all in Scotland, with a total capacity of more than 200 MW are in the development process. The UK project pipeline including secured sites totals ca. 900 MW.

German onshore wind market declined by 29% in H1/18 In H1, gross capacity addition amounted to 1,626 MW (H1/17: 2,281 MW, -29% y/y). The number of turbines erected fell from 790 to 497 y/y. The introduction of tenders in 2017 capping annual capacity additions to 2,800 MW has thus resulted in the expected market decline.

Whereas the tenders in 2017 showed a strong decline in the average awarded value from 5.71 €/ct/kWh to 4.28 €/ct/kWh and then to 3.82 €/ct/kWh, the pricing trend completely reversed in 2018. Average pricing increased from 4.73 €/ct/kWh in February to 5.73 €/ct/kWh in May to 6.16 €/ct/kWh in August. We see two reasons for the trend reversal.

- 1) Since 2018, only approved projects can participate in the tenders. In 2017, citizens' energy societies could participate in the tenders without a project approval. Since 2018, this exemption has been abolished as almost all projects were awarded to citizens' energy societies in 2017. Competition has thus declined significantly. Whereas the first tender in 2018 was slightly oversubscribed, the May tender was undersubscribed and the August tender was de facto undersubscribed as only 667 MW were allowed to participate (tender volume: 670 MW).
- 2) In H1/18, the number of new approvals was low.

Figure 4: Results of the onshore wind tenders in 2017 and 2018

	May-17	Aug-17	Nov-17	Feb-18	May-18	Aug-18
Tendered volume (MW)	800	1,000	1,000	700	670	670
Cap in grid expansion area (MW)	258	322	431	197	232	314
Number of offers	256	281	210	132	111	91
Offered volume (MW)	2,137	2,927	2,591	989	604	709
Awarded projects	70	67	61	83	111	86
Awarded volume (MW)	807	1,013	1,000	709	604	667
Highest permissible value (€/ct/kWh)	7.00	7.00	7.00	6.30	6.30	6.30
Average volume-weighted awarded value (€/ct/kWh)	5.71	4.28	3.82	4.73	5.73	6.16
Lowest awarded value (€/ct/kWh)	4.20	3.50	2.20	3.80	4.65	4.00
Highest awarded value (€/ct/kWh)	5.78	4.29	3.82	5.28	6.28	6.30

Source: First Berlin Equity Research, Bundesnetzagentur

Average tender prices are currently at the highest level since the introduction of the tender system and offer sufficient margin for project developers. However, approval processes have been slow in H1 and the approval numbers and volumes have been low.

UK onshore wind market collapsed – but will see a revival In the UK, Energiekontor's second important market, installation almost came to a standstill. According to WindEurope, a mere 13 MW were connected to the grid in H1 compared to 1,195 MW in H1/17. The UK market has been suffering from the end of subsidies for onshore wind. But frequently excellent wind conditions offer attractive business opportunities in a purely competitive market. We therefore believe that the UK market will see a revival in coming years.

Power purchase agreements (PPA) are gaining traction Recently closed PPAs between operators of onshore wind farms and large mostly industrial consumers (Norway: Green Investment Group – Norsk Hydro, Black Rock Real Assets – Alcoa; Poland: VSB Energie Odnawialne Polska – Mercedes Benz; UK: Energiekontor – unnamed leading British consumer goods brand) show that PPAs are gaining momentum on more and more markets. In 2017 there was a 130% increase in the volume of wind capacity contracted through PPAs. In the last five years, more than 3.4 GW of wind capacity have been contracted through PPA deals in Europe.

Forecasts for 2018E & 2019E confirmed Following the better than expected H1 results we remain confident that Energiekontor will reach our 2018E forecasts (see figure 5 overleaf) despite the current challenging business environment in Germany. The recent planning permission for a large (up to 48 MW) Scottish wind farm supports our view that the UK wind market will return Energiekontor to a growth trajectory in 2019E.

**Figure 5: Sales, EBIT and EBT forecasts for 2018E**

Segment (figures in €m)	Sales	EBIT	EBT
Project Development	61.67	1.45	-3.67
Power Production	56.87	21.75	9.86
Operation & Innovation	6.08	3.08	3.08
Consolidation	-2.43	0.00	0.00
Group	122.19	26.28	9.27

Buy rating confirmed at unchanged price target An updated sum of the parts valuation still yields a €23.70 price target. We confirm our Buy rating.



VALUATION MODEL

We value Energiekontor based on a sum of the parts analysis. Each of Energiekontor's segments, Project Development, Power Production, and Operations & Maintenance is valued separately based on a DCF model.

Sum of the parts valuation

SotP valuation	Fair value in €m	Fair value per share in €	old
Project Development	148.08	10.16	10.23
Power Production	151.72	10.41	10.39
Operations & Innovation	45.27	3.11	3.05
Sum of the parts	345.07	23.67	23.67

DCF model for Project Development segment

DCF valuation model								
All figures in EUR '000								
	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E
Net sales	61,672	141,372	165,240	171,249	177,165	182,963	188,618	194,105
NOPLAT	1,452	15,114	18,719	15,001	14,893	15,110	15,302	15,134
+ depreciation & amortisation	45	40	51	74	82	89	93	97
Net operating cash flow	1,497	15,153	18,770	15,075	14,975	15,199	15,396	15,232
- total investments (CAPEX and WC)	28,044	-28,809	-7,608	-3,682	-2,501	-2,470	-2,428	-2,376
Capital expenditures	-31	-71	-83	-86	-89	-91	-94	-97
Working capital	28,075	-28,738	-7,525	-3,596	-2,413	-2,378	-2,334	-2,279
Free cash flows (FCF)	29,541	-13,655	11,163	11,393	12,474	12,729	12,968	12,856
PV of FCF's	28,580	-11,990	8,894	8,238	8,187	7,582	7,009	6,306

All figures in thousands	
PV of FCFs in explicit period (2018E-2030E)	85,920
PV of FCFs in terminal period	38,040
Enterprise value (EV)	123,959
+ Net cash / - net debt	24,120
+ Investments / minority interests	0
Shareholder value	148,079
Number of shares (diluted)	14,578
Fair value per share in EUR	10.16

Fair value per share in EUR		Terminal growth rate								
WACC	10.2%		0.5%	1.0%	1.5%	2.0%	2.5%	3.0%	3.5%	
Cost of equity	13.0%	6.2%	15.51	15.89	16.35	16.92	17.65	18.61	19.92	
Pre-tax cost of debt	8.5%	7.2%	13.52	13.73	13.98	14.28	14.64	15.09	15.66	
Tax rate	30.0%	8.2%	12.05	12.17	12.32	12.48	12.67	12.90	13.18	
After-tax cost of debt	6.0%	9.2%	10.92	10.99	11.07	11.16	11.27	11.39	11.54	
Share of equity capital	60.0%	10.2%	10.02	10.06	10.11	10.16	10.22	10.28	10.36	
Share of debt capital	40.0%	11.2%	9.29	9.31	9.33	9.36	9.39	9.43	9.47	
		12.2%	8.68	8.69	8.70	8.72	8.73	8.75	8.77	
		13.2%	8.17	8.17	8.18	8.18	8.19	8.20	8.20	
Fair value per share in EUR	10.16									

* for layout purposes the model shows numbers only to 2025, but runs until 2030



DCF model for Power Production segment

DCF valuation model								
All figures in EUR '000								
	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E
Net sales	56,868	62,320	75,357	85,136	84,936	84,736	84,536	84,336
NOPLAT	18,796	21,464	25,569	27,650	27,336	26,991	26,676	26,357
+ depreciation & amortisation	19,248	20,035	25,984	31,105	31,105	31,105	31,105	31,105
Net operating cash flow	38,045	41,499	51,554	58,755	58,441	58,096	57,781	57,462
- total investments (CAPEX and WC)	-28,857	-104,485	-118,272	-33,409	-31,058	-31,058	-31,058	-31,058
Capital expenditures	-27,200	-103,200	-115,200	-31,105	-31,105	-31,105	-31,105	-31,105
Working capital	-1,657	-1,285	-3,072	-2,304	47	47	47	47
Free cash flows (FCF)	9,187	-62,986	-66,718	25,346	27,383	27,038	26,723	26,404
PV of FCFs	9,056	-59,518	-60,432	22,009	22,795	21,577	20,442	19,363

All figures in thousands	
PV of FCFs in explicit period (2018E-2030E)	79,742
PV of FCFs in terminal period	248,995
Enterprise value (EV)	328,737
+ Net cash / - net debt	-177,017
+ Investments / minority interests	0
Shareholder value	151,720
Number of shares (diluted)	14,578
Fair value per share in EUR	10.41

WACC		4.3%		Terminal growth rate							
Cost of equity	7.0%	WACC		-0.6%	-0.4%	-0.2%	0.0%	0.2%	0.4%	0.6%	
Pre-tax cost of debt	5.2%		3.6%	13.30	14.28	15.35	16.55	17.89	19.40	21.11	
Tax rate	30.0%		3.8%	11.46	12.30	13.22	14.24	15.37	16.63	18.05	
After-tax cost of debt	3.6%		4.1%	9.81	10.54	11.33	12.21	13.17	14.24	15.43	
Share of equity capital	20.0%		4.3%	8.33	8.96	9.65	10.41	11.24	12.15	13.16	
Share of debt capital	80.0%		4.6%	6.99	7.55	8.15	8.81	9.52	10.31	11.17	
			4.8%	5.77	6.27	6.79	7.37	7.99	8.67	9.41	
Fair value per share in EUR	10.41	5.1%	4.67	5.10	5.57	6.07	6.62	7.21	7.85		

* for layout purposes the model shows numbers only to 2025, but runs until 2030

DCF model for Operation & Innovation segment

DCF valuation model								
All figures in EUR '000								
	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E
Net sales	6,078	6,686	7,689	8,661	9,653	10,644	11,612	12,530
NOPLAT	2,153	2,389	2,744	3,033	3,346	3,653	3,944	4,213
+ depreciation & amortisation	0	4	9	14	21	27	35	43
Net operating cash flow	2,153	2,393	2,753	3,047	3,367	3,680	3,979	4,256
- total investments (CAPEX and WC)	-4	-9	-127	-257	-244	-263	-278	-290
Capital expenditures	-61	-67	-77	-87	-97	-106	-116	-125
Working capital	57	58	-50	-171	-147	-156	-162	-165
Free cash flows (FCF)	2,149	2,384	2,626	2,790	3,123	3,418	3,701	3,966
PV of FCFs	2,080	2,098	2,100	2,028	2,064	2,054	2,021	1,969

All figures in thousands	
PV of FCFs in explicit period (2018E-2030E)	24,886
PV of FCFs in terminal period	18,714
Enterprise value (EV)	43,600
+ Net cash / - net debt	1,668
+ Investments / minority interests	0
Shareholder value	45,268
Number of shares (diluted)	14,578
Fair value per share in EUR	3.11

Fair value per share in EUR		3.11		Terminal growth rate							
WACC	10.0%			0.5%	1.0%	1.5%	2.0%	2.5%	3.0%	3.5%	
Cost of equity	10.0%	WACC	6.0%	5.25	5.54	5.89	6.32	6.88	7.63	8.67	
Pre-tax cost of debt	6.0%		7.0%	4.39	4.57	4.78	5.03	5.34	5.72	6.21	
Tax rate	30.0%		8.0%	3.76	3.88	4.01	4.17	4.36	4.58	4.85	
After-tax cost of debt	4.2%		9.0%	3.29	3.37	3.46	3.56	3.68	3.82	3.98	
Share of equity capital	100.0%		10.0%	2.92	2.97	3.03	3.11	3.18	3.28	3.38	
Share of debt capital	0.0%		11.0%	2.62	2.66	2.70	2.75	2.81	2.87	2.94	
			12.0%	2.37	2.40	2.44	2.47	2.51	2.56	2.60	
			13.0%	2.17	2.19	2.22	2.24	2.27	2.30	2.34	
Fair value per share in EUR	3.11										

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INCOME STATEMENT

All figures in EUR '000	2014A	2015A	2016A	2017A	2018E	2019E	2020E
Revenues	153,280	191,329	201,764	149,865	122,186	207,704	245,210
Change in inventory & own work	7,172	18,808	-35,015	52,211	25,484	74,184	92,826
Total output	160,452	210,137	166,749	202,076	147,670	281,888	338,036
Cost of goods sold	82,431	116,590	70,523	127,923	72,021	178,090	213,190
Gross profit	78,021	93,547	96,226	74,153	75,649	103,797	124,846
Personnel costs	10,043	10,476	10,922	11,830	12,033	13,501	15,637
Other operating expenses	16,646	18,553	17,719	18,475	19,999	24,969	28,962
Other operating income	3,569	1,574	4,481	5,746	1,959	1,819	2,176
EBITDA	54,901	66,092	72,066	49,593	45,574	67,146	82,423
Depreciation	14,183	16,424	18,316	16,704	19,294	20,080	26,045
Operating income (EBIT)	40,718	49,668	53,750	32,889	26,281	47,067	56,378
Net financial result	-18,962	-20,006	-18,253	-16,224	-17,015	-20,064	-25,226
Non-operating expenses	0	0	0	0	0	0	0
Pre-tax income (EBT)	21,756	29,662	35,497	16,666	9,266	27,002	31,152
Income taxes	7,623	8,751	10,162	4,778	2,780	8,101	9,345
Minority interests	0	0	0	0	0	0	0
Net income / loss	14,133	20,911	25,335	11,888	6,486	18,902	21,806
Diluted EPS (in €)	0.96	1.43	1.74	0.82	0.44	1.30	1.50
Ratios							
Gross margin on total output	48.6%	44.5%	57.7%	36.7%	51.2%	36.8%	36.9%
EBITDA margin on total output	34.2%	31.5%	43.2%	24.5%	30.9%	23.8%	24.4%
EBIT margin on total output	25.4%	23.6%	32.2%	16.3%	17.8%	16.7%	16.7%
Net margin on total output	8.8%	10.0%	15.2%	5.9%	4.4%	6.7%	6.5%
Tax rate	35.0%	29.5%	28.6%	28.7%	30.0%	30.0%	30.0%
Expenses as % of total output							
Personnel costs	6.3%	5.0%	6.5%	5.9%	8.1%	4.8%	4.6%
Depreciation	8.8%	7.8%	11.0%	8.3%	13.1%	7.1%	7.7%
Other operating expenses	10.4%	8.8%	10.6%	9.1%	13.5%	8.9%	8.6%
Y-Y Growth							
Total output	-1.4%	31.0%	-20.6%	21.2%	-26.9%	90.9%	19.9%
EBIT	19.3%	22.0%	8.2%	-38.8%	-20.1%	79.1%	19.8%
Net income/ loss	4.3%	48.0%	21.2%	-53.1%	-45.4%	191.4%	15.4%



BALANCE SHEET

All figures in EUR '000	2014A	2015A	2016A	2017A	2018E	2019E	2020E
Assets							
Current assets, total	159,888	166,855	181,759	160,607	185,327	209,509	209,037
Cash and cash equivalents	81,594	103,957	118,528	69,002	124,524	115,115	103,154
Short-term investments	39	10,278	10,305	10,159	10,159	10,159	10,159
Receivables	23,781	16,932	17,469	26,216	22,097	30,451	36,180
Inventories	50,858	32,871	34,272	47,006	20,321	45,559	51,318
Other current assets	3,616	2,817	1,185	8,225	8,225	8,225	8,225
Non-current assets, total	195,310	232,263	179,592	200,606	208,604	291,862	381,177
Property, plant & equipment	187,241	223,789	171,747	194,558	202,556	285,814	375,129
Goodwill & other intangibles	37	23	10	1	1	1	1
Other assets	8,032	8,451	7,834	6,047	6,047	6,047	6,047
Total assets	355,198	399,118	361,351	361,213	393,931	501,371	590,213
Shareholders' equity & debt							
Current liabilities, total	45,266	76,163	83,551	57,200	60,520	77,063	77,904
Short-term financial debt	19,166	31,871	45,735	24,728	35,000	45,000	45,000
Accounts payable	5,947	4,480	6,241	8,383	2,893	6,520	7,361
Current provisions	11,342	16,282	12,656	14,660	14,660	14,660	14,660
Other current liabilities	8,811	23,530	18,919	9,429	7,967	10,883	10,883
Long-term liabilities, total	269,777	272,495	208,323	233,781	263,981	346,181	422,581
Long-term financial debt	249,136	248,899	185,175	208,961	239,161	321,361	397,761
Deferred revenue	0	0	0	0	0	0	0
Other liabilities	20,641	23,596	23,148	24,820	24,820	24,820	24,820
Minority interests	0	0	0	0	0	0	0
Shareholders' equity	40,155	50,460	69,477	70,232	69,430	78,127	89,728
Share capital	14,653	14,653	14,653	14,578	14,578	14,578	14,578
Capital reserve	40,293	40,308	40,323	40,428	40,428	40,428	40,428
Other reserves	-7,388	-8,751	-3,125	-2,441	-2,441	-2,441	-2,441
Treasury stock	-4	-41	-61	-1	-1	-1	-1
Loss carryforward / retained earnings	10,112	16,421	30,164	39,717	38,914	47,611	59,213
Total consolidated equity and debt	355,198	399,118	361,351	361,213	393,931	501,371	590,213
Ratios							
Current ratio (x)	3.53	2.19	2.18	2.81	3.06	2.72	2.68
Quick ratio (x)	2.41	1.76	1.77	1.99	2.73	2.13	2.02
Net debt	186,669	166,535	102,077	154,528	139,478	241,087	329,448
Net gearing	465%	330%	147%	220%	201%	309%	367%
Book value per share (in €)	2.74	3.45	4.76	4.82	4.76	5.36	6.15
Financial debt/EBITDA (x)	4.9	4.2	3.2	4.7	6.0	5.5	5.4
Equity ratio	11.3%	12.6%	19.2%	19.4%	17.6%	15.6%	15.2%
Return on equity (ROE)	35.2%	41.4%	36.5%	16.9%	9.3%	24.2%	24.3%
Return on investment (ROI)	4.0%	5.2%	7.0%	3.3%	1.6%	3.8%	3.7%
Return on assets (ROA)	9.6%	10.4%	12.1%	7.8%	6.0%	7.8%	8.0%
Return on capital employed (ROCE)	16.3%	20.4%	24.7%	14.8%	10.9%	16.3%	14.3%
Days sales outstanding (DSO)	56.6	32.3	31.6	63.8	66.0	53.5	53.9
Days inventory outstanding (DIO)	225.2	102.9	177.4	134.1	103.0	93.4	87.9
Days payables outstanding (DPO)	26.3	14.0	32.3	23.9	14.7	13.4	12.6



CASH FLOW STATEMENT

All figures in EUR '000	2014A	2015A	2016A	2017A	2018E	2019E	2020E
EBIT	40,718	49,668	53,750	32,889	26,281	47,067	56,378
Depreciation and amortisation	12,463	16,424	18,316	16,704	19,294	20,080	26,045
EBITDA	53,181	66,092	72,066	49,593	45,574	67,146	82,423
Changes in working capital	6,445	28,824	24,732	-28,182	25,313	-29,964	-10,647
Other adjustments	-3,848	-3,490	-3,927	-16,973	-2,780	-8,101	-9,345
Operating cash flow	55,778	91,426	92,871	4,438	68,107	29,081	62,430
CAPEX	-20,149	-40,205	-6,885	-33,707	-27,292	-103,338	-115,360
Investments in intangibles	-12	0	0	-1	0	0	0
Free cash flow	35,617	51,221	85,986	-29,269	40,816	-74,256	-52,930
Acquisitions and disposals, net	5,062	300	0	0	0	0	0
Other investments	307	-11,143	-1,327	-2,277	0	0	0
Cash flow from investing	-14,792	-51,048	-8,212	-35,984	-27,292	-103,338	-115,360
Debt financing, net	-3,708	11,574	-36,444	5,266	40,472	92,200	76,400
Equity financing, net	0	0	-278	-251	0	0	0
Dividends paid	-7,331	-8,781	-11,682	-11,670	-8,751	-7,289	-10,205
Other financing	-18,129	-18,759	-23,041	-13,992	-17,015	-20,064	-25,226
Cash flow from financing	-29,168	-15,967	-71,444	-20,646	14,707	64,847	40,969
Forex & other effects	-1,636	-2,048	1,357	2,666	0	0	0
Net cash flows	10,181	22,363	14,571	-49,526	55,522	-9,410	-11,961
Cash, start of the year	71,413	81,594	103,957	118,528	69,002	124,524	115,115
Cash, end of the year	81,594	103,957	118,528	69,002	124,524	115,115	103,154
EBITDA/share (in €)	3.74	4.52	4.94	3.40	3.13	4.61	5.65
Operating cash flow/share (in €)	3.80	6.25	6.36	0.30	4.67	1.99	4.28
Y-Y Growth							
Operating cash flow	204.9%	63.9%	1.6%	-95.2%	1434.5%	-57.3%	114.7%
Free cash flow	n.m.	43.8%	67.9%	n.m.	n.m.	n.m.	n.m.
EBITDA/share	19.1%	20.6%	9.3%	-31.1%	-8.1%	47.3%	22.8%
Operating cash flow/share	205.7%	64.2%	1.8%	-95.2%	1435.2%	-57.3%	114.7%

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...23	↓	↓	↓	↓
24	22 November 2017	€14.17	Buy	€24.80
25	20 April 2018	€13.65	Buy	€23.50
26	18 May 2018	€15.25	Buy	€23.70
27	Today	€14.85	Buy	€23.70

Authored by: Dr. Karsten von Blumenthal, Analyst

Company responsible for preparation:

First Berlin Equity Research GmbH
 Mohrenstraße 34
 10117 Berlin

Tel. +49 (0)30 - 80 93 96 85 Fax +49 (0)30 - 80 93 96 87

info@firstberlin.com
 www.firstberlin.com

Person responsible for forwarding or distributing this financial analysis: Martin Bailey

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Category		1	2
Current market capitalisation (in €)		0 - 2 billion	> 2 billion
Strong Buy ¹	An expected favourable price trend of:	> 50%	> 30%
Buy	An expected favourable price trend of:	> 25%	> 15%
Add	An expected favourable price trend of:	0% to 25%	0% to 15%
Reduce	An expected negative price trend of:	0% to -15%	0% to -10%
Sell	An expected negative price trend of:	< -15%	< -10%

¹ The expected price trend is in combination with sizable confidence in the quality and forecast security of management.

Our recommendation system places each company into one of two market capitalisation categories. Category 1 companies have a market capitalisation of €0 – €2 billion, and Category 2 companies have a market capitalisation of > €2 billion. The expected return thresholds underlying our recommendation system are lower for Category 2 companies than for Category 1 companies. This reflects the generally lower level of risk associated with higher market capitalisation companies.

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