

Energiekontor AG

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

9M report

RATING**PRICE TARGET**

Return Potential
 Risk Rating

BUY**€ 23.30**

77.9%
 High

BACK TO GROWTH IN 2019E

Energiekontor's 9M report gives a qualitative update on developments in the first nine months but does not contain explicit figures. In Q3, the company officially inaugurated four German wind farms. Two German wind farms with a total capacity of 23 MW were sold to investors. In the UK, two sites are under construction and approval of a 48 MW project in Scotland bodes well for 2019E. Given the somewhat slower project development and the low visibility for the 2019 tenders in Germany, we have lowered our forecasts for 2018E & 2019E. Our sum-of-the-parts model yields a new price target of €23.30 (previously: €23.70). The stock remains very attractively valued. We reiterate our Buy rating.

German project business: harvest Apart from the official inauguration of four wind farms in September and October, Energiekontor sold two farms (total capacity: 23 MW) in Q3. After the reporting period, the Debstedt II project (4.5 MW), which had been sold in 2016, was completed. For November, Energiekontor expects the financial close for a wind farm which was awarded in the May 2018 tender.

UK project business: showing competitive strength Following the conclusion of a Power Purchase Agreement (PPA) with a consumer goods company, the Withernwick II project (8.2 MW) achieved financial close in May. We expect commissioning in Q1/19. It looks set to be the first subsidy-free wind farm in the UK. Energiekontor is a pioneer in developing wind farms at power production costs so low that they can compete for power customers without any financial support from the state. The Kent wind farm (9 MW) looks set to be commissioned before the end of 2018. Energiekontor has two permitted Scottish projects with a total capacity of up to 60 MW to be constructed in 2019. PPA negotiations with an international company are in advanced stages. At the end of Q3, the UK project pipeline (including secured sites) had a volume of 1,200 MW. Six sites (90 MW) are approved for construction and seven sites (262 MW) are in the development stage.

(p.t.o.)

FINANCIAL HISTORY & PROJECTIONS

	2015	2016	2017	2018E	2019E	2020E
Total output (€m)	210.14	166.75	202.08	137.73	265.08	336.36
Y-o-y growth	31.0%	-20.6%	21.2%	-31.8%	92.5%	26.9%
EBIT (€m)	49.67	53.75	32.89	20.42	43.66	56.79
EBIT margin	23.6%	32.2%	16.3%	14.8%	16.5%	16.9%
Net income (€m)	20.91	25.34	11.89	2.50	16.95	22.74
EPS (diluted) (€)	1.43	1.74	0.82	0.17	1.16	1.56
DPS (€)	0.80	0.80	0.60	0.50	0.70	0.70
FCF (€m)	51.22	85.99	-29.27	45.76	-62.16	-60.05
Net gearing	330.0%	146.9%	220.0%	205.3%	309.3%	375.2%
Liquid assets (€m)	103.96	118.53	69.00	129.63	132.93	114.77

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 21 Nov 2018

Closing Price	€ 13.10
Shares outstanding	14.58m
Market Capitalisation	€ 190.94m
52-week Range	€ 12.85 / 15.45
Avg. Volume (12 Months)	7,205

Multiples	2017	2018E	2019E
P/E	16.1	76.8	11.3
EV/Sales	1.7	2.5	1.3
EV/EBIT	10.4	16.8	7.8
Div. Yield	4.6%	3.8%	5.3%

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%

New wind markets on track, but no sales expected in 2019E In the US, Energiekontor opened an office in Rapid City, South Dakota, which will coordinate US project development, in August 2018. The first agreements concerning the use of land for wind farm development are to be concluded before the end of this year. High wind speeds (8 - 10 m/s at a height of 80 metres) offer wind power production conditions which are vastly superior to those in most European regions. Energiekontor US Inc is developing a pipeline of utility scale wind projects in the Dakotas ranging from 75 MW to 200 MW.

In France, Energiekontor is in talks with landowners about onshore wind power usage rights in north-western France. Several municipalities have expressed interest with regard to cooperating in the development of wind farms in Normandy. Concrete contract negotiations are underway for some sites, and first contracts have already been concluded. Energiekontor will soon open a regional office in Rouen to drive local project development. In the Netherlands, a project in the south-east is being developed in cooperation with a community cooperative, which will comprise up to eight turbines.

Figure 1: Project overview

Wind farm / solar park	MW	Approval/ award	Under construction	Com- missioning	Sale
Hammelwarder Moor (Lower Saxony)	10.2	2016	completed	2/2018	sold in H2
Bremen-Hemelingen (Bremen)	12.8	2016	completed	7/2018	sold in Oct
Debstedt II (Lower Saxony)	4.5	2016	completed	10/2018	sold in 2016
New project 1 (Germany)	3.4	4/2018	soon	2019E	n.a.
Pencarreg (Wales)	5.0	3/2018	no	2019E	n.a.
Kent (England)	9.0	3/2018*	yes	2018E	n.a.
Withernwick II (England)	8.2	5/2018*	yes	Q1/2019	n.a.
Hyndburn II (England)	8.0	6/2015	no	2019E	n.a.
Project 1 (Scotland)	48.0	8/2018	in 2019E	2019E	n.a.
Project 2 (Scotland)	12.0	n.a.	in 2019E	2019E	n.a.
Total wind	121.1				
Garzau-Garzin (PV, Brandenburg)	10.0	4/2016	completed	3/2018	own plant portfolio
Unnamed PV project (Mecklenburg-W. P.)	6.3	2/2017	yes	Q1/2019E	n.a.
Unnamed PV project (Bavaria)	5.0	5/2018	in 2019E	2019E	n.a.
Total PV	21.3				

* financial close

Source: First Berlin Equity Research, Energiekontor AG

Solar: sunshine reggae In Germany, the solar business is advancing. In March, the Garzau-Garzin plant (10 MW) was commissioned and transferred to Energiekontor's own power plant portfolio. Following the financial close for a 6.3 MW solar park in Mecklenburg-West Pomerania, the plant is now being built and is set to be commissioned in Q1/19E. In the June 2018 tender, Energiekontor was awarded a 5 MW project in Bavaria. Besides Bavaria, the company is now also targeting Baden-Wuerttemberg, as both states have extended the areas eligible for solar projects. In addition, Energiekontor is also currently reviewing opportunities in northern Germany to expand its coverage to already secured areas to be developed based on direct PPAs. The company is in negotiations with a large industry partner regarding a first project.

In the US, Energiekontor US Inc is developing a pipeline of utility scale solar projects in Texas. Currently, six projects are being developed, each covering an area that allows for a PV capacity of about 100 MWp. Furthermore, the company plans to procure the land use rights for another two to three projects by the end of the year. The team in the Austin office was joined by an experienced project developer and now consists of three full-time employees. The first projects could reach financial close this year and be commissioned in 2019E.

In France, the solar activities in the south of the country are being driven forward by a new office in Toulouse, supported by freelance consultants. The new office is already working on projects with a total capacity of several 100 MW.

**Project development: so far somewhat slower than expected, non-participation in last onshore wind tender rounds in Germany lowers visibility for 2019E**

Overall, three wind farms and one solar park with a total capacity of ca. 38 MW have been commissioned so far in 2018. About 23 MW are currently under construction. Additional projects with a total capacity of ca. 150 MW have either achieved approval or have been submitted for / prepared for approval. And projects with a total capacity of ca. 1,200 MW are in the development stage. Furthermore, sites for about 2,200 MW were secured. The total pipeline of the Energiekontor Group thus amounts to ca. 3,600 MW.

Energiekontor only participated with one project (3.4 MW) in the second of the four 2018 tenders in Germany and received an award for the project. The lack of awarded onshore wind projects in Germany may postpone the completion of some German wind farms into 2020E, depending on when the projects will be awarded in the tenders (February, May, August, October 2019, each 700 MW). The exact timing of the extra tender (1.0 GW) is not yet fixed.

Power production generates stable cash flows, but Q3 power generation below average

Energiekontor's power plant portfolio comprises 269 MW, of which 10 MW is solar. In Q3, power production was below the long-term average, especially in Germany, but also slightly in the UK, and Portugal. The fourth quarter, together with Q1, is usually much stronger than the summer quarters, and will thus be decisive for the H2 power production performance. This means that the long-term average can still be reached. We have thus kept our segment forecasts largely unchanged for the full year, but lowered our 2019E & 2020E segment estimates as we expect that capacity added is lower.

Operations & Innovation This segment contains all activities aimed at improving the operating profit margins of the wind farms and solar parks in operation. This includes the technical and commercial management of wind farms as well as all measures to reduce costs, extend service life and increase yields to optimise the revenue generated by wind turbines, e.g. through:

- implementing rotor blade extensions and improving blade aerodynamics
- introducing system control updates or replacing old controls with new, state-of-the-art control systems
- refining yawing controls and increasing generator output
- reducing downtime rates based on preventive maintenance
- reducing downtimes through conversion of all wind farms to permanent real-time data monitoring with automated fault clearance workflow
- consistently reducing the levelised cost of electricity in Energiekontor's own portfolio.

In the 9M report, Energiekontor did not comment in detail on the segment's business development in Q3. As this is generally steady, we maintain our segment forecasts for 2018E.

Extra tenders in Germany The German government has agreed on extra tenders as stipulated in the coalition treaty. However, the extra 4 GW are now distributed over three instead of the two years originally planned: 1.0 GW in 2019, 1.4 GW in 2020, and 1.6 GW in 2021. These extra tenders come on top of the normal tenders (2.8 GW in 2019 and 2.9 GW both in 2020 & 2021). Total tender volume will thus amount to 3.8 GW in 2019, 4.3 GW in 2020, and 4.5 GW in 2021. This could give the German market a push in coming years provided that approval procedures are accelerated again, and enough projects receive approval.



Guidance reiterated Management confirmed full-year guidance (EBT below the 2017 level of €16.7m). Management expects the company to resume its 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).

Forecasts for 2018E & 2019E lowered Given that progress in the development segment is somewhat slower than expected and that visibility for project development in Germany in 2019E is lower as Energiekontor was only awarded one project this year, we have lowered our Project Development segment forecast for 2018E and 2019E. As the Power Production segment growth is linked to the activity in the project development business (Energiekontor plans to transfer ca. 50% of the projects it has developed p.a. to the Power Production segment), we have also lowered our forecasts for this segment. This results in lower group forecasts (see figure 2).

Despite the lower forecasts we anticipate strong growth in 2019E. Both the German and the UK pipeline are well-filled. We believe that Energiekontor is one of the most competitive project developers as it is developing the first subsidy-free wind farms in the UK and is in negotiations with a large German end consumer for a PPA for a solar park in Germany. A purely PPA-based solar park in Germany would underline Energiekontor's pioneering role in the German green power market.

Figure 2: Revisions to forecasts

All figures in €m	2018E			2019E			2020E		
	Old	New	Delta	Old	New	Delta	Old	New	Delta
Total output	147.67	137.73	-6.7%	281.89	265.08	-6.0%	338.04	336.36	-0.5%
EBIT	26.28	20.42	-22.3%	47.07	43.66	-7.2%	56.38	56.79	0.7%
margin	17.8%	14.8%		16.7%	16.5%		16.7%	16.9%	
Net income	6.49	2.50	-61.5%	18.90	16.95	-10.3%	21.81	22.74	4.2%
margin	4.4%	1.8%		6.7%	6.4%		6.5%	6.8%	
EPS (diluted)	0.44	0.17	-61.5%	1.30	1.16	-10.4%	1.50	1.56	4.3%

Source: First Berlin Equity Research

Stock attractively valued According to our sum-of-the-parts valuation, Energiekontor's current share price roughly only reflects the value of the Power Production and the Operation & Innovation segments. Given Energiekontor's strong project pipeline, we believe the Project Development segment is certainly worth much more than nothing.

Buy reiterated at slightly lower price target An updated sum-of-the-parts analysis yields a new price target of €23.30 (previously: €23.70). We reiterate 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 Operation & 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	143.52	9.85	10.23
Power Production	150.24	10.31	10.39
Operations & Innovation	46.22	3.17	3.05
Sum of the parts	339.98	23.32	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	52,660	126,852	165,240	171,249	177,165	182,963	188,618	194,105
NOPLAT	-4,399	12,600	18,722	15,003	14,894	15,111	15,303	15,135
+ depreciation & amortisation	45	38	48	71	81	88	93	97
Net operating cash flow	-4,354	12,639	18,769	15,074	14,975	15,198	15,396	15,232
- total investments (CAPEX and WC)	30,634	-25,643	-13,352	-3,682	-2,501	-2,470	-2,428	-2,376
Capital expenditures	-26	-63	-83	-86	-89	-91	-94	-97
Working capital	30,661	-25,580	-13,269	-3,596	-2,413	-2,378	-2,334	-2,279
Free cash flows (FCF)	26,281	-13,004	5,417	11,392	12,473	12,729	12,968	12,855
PV of FCF's	25,993	-11,674	4,412	8,422	8,369	7,751	7,165	6,447

All figures in thousands	
PV of FCFs in explicit period (2018E-2030E)	80,517
PV of FCFs in terminal period	38,889
Enterprise value (EV)	119,406
+ Net cash / - net debt	24,120
+ Investments / minority interests	0
Shareholder value	143,526
Number of shares (diluted)	14,575
Fair value per share in EUR	9.85

		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%	15.17	15.55	16.02	16.60	17.34	18.31	19.64
Pre-tax cost of debt	8.5%	7.2%	13.19	13.41	13.66	13.96	14.33	14.79	15.37
Tax rate	30.0%	8.2%	11.73	11.85	11.99	12.16	12.36	12.59	12.87
After-tax cost of debt	6.0%	9.2%	10.60	10.67	10.75	10.85	10.95	11.08	11.23
Share of equity capital	60.0%	10.2%	9.70	9.75	9.79	9.85	9.91	9.97	10.05
Share of debt capital	40.0%	11.2%	8.98	9.00	9.03	9.05	9.09	9.12	9.16
		12.2%	8.37	8.39	8.40	8.41	8.43	8.45	8.47
Fair value per share in EUR	9.85	13.2%	7.87	7.87	7.88	7.88	7.89	7.90	7.91

* 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	56,858	61,681	73,683	82,915	82,715	82,515	82,315	82,115
NOPLAT	18,742	21,409	25,579	26,475	26,093	25,680	25,297	24,910
+ depreciation & amortisation	19,248	19,392	24,359	29,758	29,758	29,758	29,758	29,758
Net operating cash flow	37,991	40,801	49,939	56,233	55,850	55,437	55,055	54,668
- total investments (CAPEX and WC)	-22,355	-92,336	-118,028	-31,933	-29,711	-29,711	-29,711	-29,711
Capital expenditures	-20,700	-91,200	-115,200	-29,758	-29,758	-29,758	-29,758	-29,758
Working capital	-1,655	-1,136	-2,828	-2,175	47	47	47	47
Free cash flows (FCF)	15,636	-51,536	-68,089	24,300	26,140	25,727	25,344	24,957
PV of FCF's	15,561	-49,169	-62,270	21,305	21,970	20,729	19,574	18,479

All figures in thousands	
PV of FCFs in explicit period (2018E-2030E)	85,569
PV of FCFs in terminal period	241,685
Enterprise value (EV)	327,254
+ Net cash / - net debt	-177,017
+ Investments / minority interests	0
Shareholder value	150,237
Number of shares (diluted)	14,575
Fair value per share in EUR	10.31

WACC	4.3%
Cost of equity	7.0%
Pre-tax cost of debt	5.2%
Tax rate	30.0%
After-tax cost of debt	3.6%
Share of equity capital	20.0%
Share of debt capital	80.0%
Fair value per share in EUR	10.31

WACC	Terminal growth rate						
	-0.6%	-0.4%	-0.2%	0.0%	0.2%	0.4%	0.6%
	3.6%	13.06	14.00	15.05	16.21	17.51	18.97
	3.8%	11.29	12.10	13.00	13.98	15.08	16.31
	4.1%	9.71	10.41	11.19	12.03	12.97	14.00
	4.3%	8.29	8.90	9.57	10.31	11.11	11.99
	4.6%	7.00	7.54	8.13	8.77	9.46	10.22
	4.8%	5.84	6.31	6.83	7.39	7.99	8.65
	5.1%	4.77	5.20	5.65	6.14	6.67	7.25

* 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 FCF's	2,126	2,144	2,146	2,073	2,110	2,099	2,066	2,012

All figures in thousands	
PV of FCFs in explicit period (2018E-2030E)	25,432
PV of FCFs in terminal period	19,124
Enterprise value (EV)	44,556
+ Net cash / - net debt	1,668
+ Investments / minority interests	0
Shareholder value	46,224
Number of shares (diluted)	14,575
Fair value per share in EUR	3.17

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	3.17

WACC	Terminal growth rate						
	0.5%	1.0%	1.5%	2.0%	2.5%	3.0%	3.5%
	6.0%	5.32	5.61	5.96	6.40	6.97	7.73
	7.0%	4.46	4.64	4.85	5.11	5.42	5.81
	8.0%	3.83	3.95	4.08	4.24	4.43	4.66
	9.0%	3.35	3.43	3.52	3.63	3.75	3.89
	10.0%	2.98	3.03	3.10	3.17	3.25	3.35
	11.0%	2.68	2.72	2.77	2.82	2.87	2.94
	12.0%	2.43	2.46	2.50	2.53	2.57	2.62

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



INCOME STATEMENT

All figures in EUR '000	2014A	2015A	2016A	2017A	2018E	2019E	2020E
Revenues	153,280	191,329	201,764	149,865	113,165	192,545	243,536
Change in inventory & own work	7,172	18,808	-35,015	52,211	24,570	72,535	92,826
Total output	160,452	210,137	166,749	202,076	137,734	265,080	336,362
Cost of goods sold	82,431	116,590	70,523	127,923	67,911	165,458	213,197
Gross profit	78,021	93,547	96,226	74,153	69,824	99,622	123,165
Personnel costs	10,043	10,476	10,922	11,830	12,033	13,491	15,617
Other operating expenses	16,646	18,553	17,719	18,475	19,997	24,783	28,485
Other operating income	3,569	1,574	4,481	5,746	1,922	1,748	2,142
EBITDA	54,901	66,092	72,066	49,593	39,716	63,095	81,205
Depreciation	14,183	16,424	18,316	16,704	19,294	19,434	24,416
Operating income (EBIT)	40,718	49,668	53,750	32,889	20,423	43,660	56,789
Net financial result	-18,962	-20,006	-18,253	-16,224	-16,855	-19,451	-24,309
Non-operating expenses	0	0	0	0	0	0	0
Pre-tax income (EBT)	21,756	29,662	35,497	16,666	3,567	24,209	32,481
Income taxes	7,623	8,751	10,162	4,778	1,070	7,263	9,744
Minority interests	0	0	0	0	0	0	0
Net income / loss	14,133	20,911	25,335	11,888	2,497	16,946	22,736
Diluted EPS (in €)	0.96	1.43	1.74	0.82	0.17	1.16	1.56
Ratios							
Gross margin on total output	48.6%	44.5%	57.7%	36.7%	50.7%	37.6%	36.6%
EBITDA margin on total output	34.2%	31.5%	43.2%	24.5%	28.8%	23.8%	24.1%
EBIT margin on total output	25.4%	23.6%	32.2%	16.3%	14.8%	16.5%	16.9%
Net margin on total output	8.8%	10.0%	15.2%	5.9%	1.8%	6.4%	6.8%
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%	8.7%	5.1%	4.6%
Depreciation	8.8%	7.8%	11.0%	8.3%	14.0%	7.3%	7.3%
Other operating expenses	10.4%	8.8%	10.6%	9.1%	14.5%	9.3%	8.5%
Y-Y Growth							
Total output	-1.4%	31.0%	-20.6%	21.2%	-31.8%	92.5%	26.9%
EBIT	19.3%	22.0%	8.2%	-38.8%	-37.9%	113.8%	30.1%
Net income/ loss	4.3%	48.0%	21.2%	-53.1%	-79.0%	578.6%	34.2%



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	187,617	220,739	220,260
Cash and cash equivalents	81,594	103,957	118,528	69,002	129,628	132,932	114,772
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	20,860	28,709	35,785
Inventories	50,858	32,871	34,272	47,006	18,745	40,713	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	202,099	273,995	364,939
Property, plant & equipment	187,241	223,789	171,747	194,558	196,052	267,948	358,891
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	389,716	494,734	585,199
Shareholders' equity & debt							
Current liabilities, total	45,266	76,163	83,551	57,200	60,295	76,371	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	2,668	5,828	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	65,440	72,182	84,714
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	34,925	41,667	54,198
Total consolidated equity and debt	355,198	399,118	361,351	361,213	389,716	494,734	585,199
Ratios							
Current ratio (x)	3.53	2.19	2.18	2.81	3.11	2.89	2.83
Quick ratio (x)	2.41	1.76	1.77	1.99	2.80	2.36	2.17
Net debt	186,669	166,535	102,077	154,528	134,374	223,270	317,830
Net gearing	465%	330%	147%	220%	205%	309%	375%
Book value per share (in €)	2.74	3.45	4.76	4.82	4.49	4.95	5.81
Financial debt/EBITDA (x)	4.9	4.2	3.2	4.7	6.9	5.8	5.5
Equity ratio	11.3%	12.6%	19.2%	19.4%	16.8%	14.6%	14.5%
Return on equity (ROE)	35.2%	41.4%	36.5%	16.9%	3.8%	23.5%	26.8%
Return on investment (ROI)	4.0%	5.2%	7.0%	3.3%	0.6%	3.4%	3.9%
Return on assets (ROA)	9.6%	10.4%	12.1%	7.8%	5.0%	7.4%	8.1%
Return on capital employed (ROCE)	16.3%	20.4%	24.7%	14.8%	8.6%	16.0%	15.2%
Days sales outstanding (DSO)	56.6	32.3	31.6	63.8	67.3	54.4	53.6
Days inventory outstanding (DIO)	225.2	102.9	177.4	134.1	100.7	89.8	87.9
Days payables outstanding (DPO)	26.3	14.0	32.3	23.9	14.3	12.9	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	20,423	43,660	56,789
Depreciation and amortisation	12,463	16,424	18,316	16,704	19,294	19,434	24,416
EBITDA	53,181	66,092	72,066	49,593	39,716	63,095	81,205
Changes in working capital	6,445	28,824	24,732	-28,182	27,901	-26,658	-16,148
Other adjustments	-3,848	-3,490	-3,927	-16,973	-1,070	-7,263	-9,744
Operating cash flow	55,778	91,426	92,871	4,438	66,547	29,175	55,313
CAPEX	-20,149	-40,205	-6,885	-33,707	-20,787	-91,330	-115,360
Investments in intangibles	-12	0	0	-1	0	0	0
Free cash flow	35,617	51,221	85,986	-29,269	45,760	-62,156	-60,046
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	-20,787	-91,330	-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	-16,855	-19,451	-24,309
Cash flow from financing	-29,168	-15,967	-71,444	-20,646	14,866	65,459	41,887
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	60,626	3,304	-18,159
Cash, start of the year	71,413	81,594	103,957	118,528	69,002	129,628	132,932
Cash, end of the year	81,594	103,957	118,528	69,002	129,628	132,932	114,772
EBITDA/share (in €)	3.74	4.52	4.94	3.40	2.72	4.33	5.57
Operating cash flow/share (in €)	3.80	6.25	6.36	0.30	4.56	2.00	3.79
Y-Y Growth							
Operating cash flow	204.9%	63.9%	1.6%	-95.2%	1399.3%	-56.2%	89.6%
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%	-19.9%	58.9%	28.7%
Operating cash flow/share	205.7%	64.2%	1.8%	-95.2%	1400.0%	-56.2%	89.6%

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...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	€13.10	Buy	€23.30

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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.

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