

Energiekontor AG

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

Exploring
 new horizons

RATING
PRICE TARGET

Return Potential
 Risk Rating

BUY
€ 23.00

50.3%
 High

PPA SIGNED WITH ENBW FOR 85 MW SOLAR PARK IN GERMANY

Energiekontor and the large German utility EnBW have signed a power purchase agreement (PPA) for an 85 MW solar park, which Energiekontor will construct in 2020 in eastern Germany. This news has not had much impact on the share price, but we believe it should. Energiekontor is a pioneer in developing renewable power projects which are cost-competitive and thus do not require any subsidies. In the UK, the first subsidy-free wind farm looks set to be commissioned in Q1/19. The first pure PPA-based solar park in Germany is the largest project in the history of the company and will be one of the largest solar parks in Germany. It clearly demonstrates Energiekontor's competitive edge. We are thus very optimistic regarding the medium-term development of the company. However, Brexit uncertainty (Energiekontor is to start building wind farms in Scotland this year) and very slow wind project approval procedures in Germany (in 2018, Energiekontor only won 3.4 MW in the German tenders and in February 2019 13.5 MW) cause us to reduce our 2019E forecasts. Our sum of the parts valuation yields a new price target of €23.00 (previously: €23.30). We reiterate our Buy rating.

85 MW solar park explores new horizons The planned solar park is huge (120 ha) and competitive. It will get no feed-in tariffs based on the German renewable energy act (EEG) and is thus not restricted by EEG regulation (no tender, no area restriction, no size restriction). It will be built and operated by Energiekontor and should produce ca. 88 GWh of power p.a. The PPA with EnBW has a term of 15 years and assumes cumulative power production of 1.3 TWh. EnBW will purchase 100% of the electricity at a fixed price. We believe that a large utility such as EnBW is the ideal customer due to its financial strength, its excellent energy trading expertise, and large customer base. This deal opens a new chapter in Energiekontor's history. We are convinced that PPA-based wind farms and solar parks will be the main element in Germany's drive towards a 65% renewable power share in 2030 and an 80% share in 2050 (2018: 38%).

(p.t.o.)

FINANCIAL HISTORY & PROJECTIONS

	2015	2016	2017	2018E	2019E	2020E
Total output (€m)	210.14	166.75	202.08	131.42	138.31	321.85
Y-o-y growth	31.0%	-20.6%	21.2%	-35.0%	5.2%	132.7%
EBIT (€m)	49.67	53.75	32.89	22.12	27.95	46.29
EBIT margin	23.6%	32.2%	16.3%	16.8%	20.2%	14.4%
Net income (€m)	20.91	25.34	11.89	3.89	8.10	19.89
EPS (diluted) (€)	1.43	1.74	0.82	0.27	0.56	1.36
DPS (€)	0.80	0.80	0.60	0.30	0.35	0.60
FCF (€m)	51.22	85.99	-29.27	58.23	29.33	-96.51
Net gearing	330.0%	146.9%	220.0%	174.3%	155.4%	277.2%
Liquid assets (€m)	103.96	118.53	69.00	117.19	135.77	102.67

RISKS

Main risks include changes in the regulatory support for wind energy, tender results, project development risks, wind farm operation risks, Brexit, 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 01 Mar 2019

Closing Price	€ 15.30
Shares outstanding	14.58m
Market Capitalisation	€ 223.00m
52-week Range	€ 12.85 / 15.45
Avg. Volume (12 Months)	6,564

Multiples	2017	2018E	2019E
P/E	18.8	57.5	27.7
EV/Sales	1.9	2.9	2.7
EV/EBIT	11.4	16.9	13.4
Div. Yield	3.9%	2.0%	2.3%

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	25.8%
Günter Lammers	25.7%
Internat. Kapitalanlageges.	5.1%
Free Float	43.4%

Energiekontor is at the forefront of this development and has the opportunity to roll out this PPA-based business model on a global scale. Others will certainly follow, but the market is huge and in coming years, Energiekontor can capitalise on its competitive advantage.

Projects awarded in first German 2019 wind and solar tenders In the February onshore wind tender, Energiekontor was awarded one project (planned capacity: 13.5 MW). Given the high average volume-weighted price of 6.11 €/kWh, we believe that it is very likely that the project will receive an attractive tariff. In the February solar tender, a Bavarian project (ca. 5 MW) was awarded.

2018 was a transition year In 2018, Energiekontor commissioned three wind farms, one individual turbine, and one solar park with a total capacity of ca. 47 MW. The wind farms Hammelwarder Moor (10.2 MW) and Bremen-Hemelingen (12.8 MW) were sold to investors, and the Garzau-Garzin solar park (10 MW) was included in its own portfolio. Energiekontor has not yet announced whether the UK wind farm New Rides (9 MW), which was commissioned in December 2018, will be sold to investors or included in its own plant portfolio. The main reasons for the lower installation volumes y/y (2017: 67 MW) were low onshore wind tender prices and fewer approvals in Germany. A poorly designed auction process resulted in a sharp fall in prices in the German 2017 auctions (see figure 1). In 2017, Energiekontor was awarded no project and in 2018 only one project (3.4 MW).

Figure 1: Onshore wind tender results in Germany

	May-17	Aug-17	Nov-17	Feb-18	May-18	Aug-18	Oct-18	Feb-19
Tendered volume (MW)	800	1,000	1,000	700	670	670	670	700
Cap in grid expansion area (MW)	258	322	431	197	232	314	410	155
Number of offers	256	281	210	132	111	91	62	72
Offered volume (MW)	2,137	2,927	2,591	989	604	709	388	499
Awarded projects	70	67	61	83	111	86	57	67
Awarded volume (MW)	807	1,013	1,000	709	604	667	363	476
Highest permissible value (€/kWh)	7.00	7.00	7.00	6.30	6.30	6.30	6.30	6.20
Average volume-weighted awarded value (€/kWh)	5.71	4.28	3.82	4.73	5.73	6.16	6.26	6.11
Lowest awarded value (€/kWh)	4.20	3.50	2.20	3.80	4.65	4.00	6.12	5.24
Highest awarded value (€/kWh)	5.78	4.29	3.82	5.28	6.28	6.30	6.30	6.20

Source: First Berlin Equity Research, Bundesnetzagentur

Weak 2019 outlook for German onshore wind market Low German tender prices in 2017 and slow permission procedures look set to result in a weak German market in 2019E. The German wind association (BWE) and the association of the German engineering industry (VDMA Power Systems) expect new installations of below 2 GW. This is even lower than the meagre 2.4 GW in 2018. According to an analysis by the "Fachagentur Windenergie an Land", monthly approval volumes have on average remained significantly below pre-2017 levels (ca. 120 MW versus 350 MW in 2014-2016). Fewer approvals resulted in the last three tenders being undersubscribed (see figure 1).

Extra tenders in Germany In 2018, the German government has agreed on extra tenders as stipulated in the coalition treaty. The extra 4 GW are distributed over three years: 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 should give the German market a push from 2020E on, provided that approval procedures are accelerated again, and enough projects receive approval.



Energiekontor affected by weak German onshore wind market In 2019, Energiekontor will build the Bultensee turbine (3.4 MW) and the project awarded in the February 2019 tender (see figure 2). Three solar projects also look set to be built. The solar park Zapel (6.3 MW) is under construction and is to be commissioned in Q1/19. We also expect the commissioning of two Bavarian solar projects in 2019E.

Promising UK pipeline, but Brexit uncertainty In 2019E, Energiekontor plans to begin construction of purely PPA-based projects in Scotland. Furthermore, the first purely PPA-based UK wind farm Witherwick II (8.2 MW), which is under construction, is slated to be commissioned in Q1/19 (see figure 2). Given Brexit uncertainty (orderly or no-deal Brexit), visibility regarding the UK business is still low. In a worst case scenario, import tariffs could be established, which could hamper Energiekontor's construction activity in the UK, as the turbines have to be imported from Europe. Despite temporary Brexit uncertainty, we believe that the Scottish pipeline will be a relevant sales and margin driver in coming years. As the projects are large, turbines are high, and wind conditions are excellent (almost as good as offshore) the levelised cost of electricity should be low.

Figure 2: Project overview

Wind farm / solar park	MW	Approval / award / PPA	Under construction	Commissioning	Sale / own portfolio
Bultensee (Germany)	3.4	5/2018	soon	2019E	n.a.
Waldfeucht (Germany)	13.5	2/2019	H2/19E	2019E	n.a.
Pencarreg (Wales)	5.0	3/2018	no	2020E	n.a.
Witherwick II (England)	8.2	5/2018*	yes	Q1/2019	n.a.
Hyndburn II (England)	8.0	6/2015	no	2020E	n.a.
Project 1 (Scotland)	48.0	8/2018	no	2021E	n.a.
Project 2 (Scotland)	12.0	n.a.	H2/19E	2020E	n.a.
Total wind	98.1				
Zapel (Mecklenburg-W. P.)	6.3	2/2017	yes	Q1/2019E	n.a.
Absberg (Bavaria)	5.0	5/2018	2019E	2019E	n.a.
Gefrees (Bavaria)	4.8	2/2019	2019E	2019E	n.a.
Dettmannsdorf (Mecklenburg-W. P.)	85.0	2/2019	2020E	2020E	n.a.
Total PV	96.3				

* financial close

Source: First Berlin Equity Research, Energiekontor AG

Forecasts for project development in 2019E reduced We have slightly increased our 2018E earnings figures as we believe that margins in the project development segment were slightly higher than previously expected as the total MW volume offered for sale was very low while demand remained strong. However, we have significantly reduced our 2019E forecasts for two reasons. First, Energiekontor's volume of awarded onshore wind projects in Germany is much lower than previously expected. Secondly, we now expect the two Scottish projects to be commissioned in 2020E/2021E (previously: 2019E). As a corollary, our forecasts for the power production segment are also lower, as lower construction activity results in slower capacity growth of the power production segment. It is Energiekontor's general target of keeping ca. 50% of the newly installed capacity in the own plant portfolio and selling the remainder to investors. Our confidence in our 2020E figures has risen given the latest company news. We believe that 2020E is very likely to be a very strong year for Energiekontor. As Energiekontor's guidance refers to EBT, our segment and group EBT forecasts for 2018E-2020E are shown in figure 3 overleaf. Figure 4 overleaf shows the revisions to our forecasts.

**Figure 3: EBT forecasts for segments and group**

EBT (figures in €m)	2018E	2019E	2020E
Project Development	-7.77	-2.81	12.34
Power Production	10.26	11.12	12.49
Operation & Innovation	3.08	3.26	3.58
Group	5.56	11.56	28.41

Source: First Berlin Equity Research

Figure 4: Revisions to forecasts

All figures in €m	2018E			2019E			2020E		
	Old	New	Delta	Old	New	Delta	Old	New	Delta
Total output	137.73	131.42	-4.6%	281.89	138.31	-50.9%	338.04	321.85	-4.8%
EBIT	20.42	22.12	8.3%	47.07	27.95	-40.6%	56.38	46.29	-17.9%
margin	14.8%	16.8%		16.7%	20.2%		16.7%	14.4%	
Net income	2.50	3.89	55.7%	18.90	8.10	-57.2%	21.81	19.89	-8.8%
margin	1.8%	3.0%		6.7%	5.9%		6.5%	6.2%	
EPS (diluted)	0.17	0.27	57.1%	1.30	0.56	-57.2%	1.50	1.36	-8.8%

Source: First Berlin Equity Research

Buy reiterated at lower price target Our sum of the parts valuation yields a new price target of €23.00 (previously: €23.30). We confirm our Buy recommendation.



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	142.62	9.78	9.85
Power Production	145.97	10.01	10.31
Operations & Innovation	46.28	3.17	3.17
Sum of the parts	334.86	22.97	23.33

DCF model for Project Development segment

DCF valuation model								
All figures in EUR '000								
	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E
Net sales	50,400	58,932	166,750	167,250	168,050	179,966	191,419	202,208
NOPLAT	-2,652	2,302	13,944	14,985	14,850	15,463	16,034	16,220
+ depreciation & amortisation	45	38	35	62	75	82	89	96
Net operating cash flow	-2,606	2,340	13,979	15,048	14,924	15,545	16,123	16,315
- total investments (CAPEX and WC)	30,288	1,131	-46,233	398	-508	-5,025	-4,856	-4,605
Capital expenditures	-25	-29	-83	-84	-84	-90	-96	-101
Working capital	30,313	1,161	-46,150	482	-424	-4,935	-4,760	-4,504
Free cash flows (FCF)	27,682	3,471	-32,254	15,446	14,416	10,521	11,267	11,710
PV of FCF's	27,682	3,200	-26,979	11,726	9,933	6,579	6,393	6,031

All figures in thousands	
PV of FCFs in explicit period (2018E-2030E)	70,088
PV of FCFs in terminal period	48,411
Enterprise value (EV)	118,498
+ Net cash / - net debt	24,120
+ Investments / minority interests	0
Shareholder value	142,618
Number of shares (diluted)	14,575
Fair value per share in EUR	9.78

WACC		Terminal growth rate							
			0.5%	1.0%	1.5%	2.0%	2.5%	3.0%	3.5%
Cost of equity	13.0%	6.2%	15.83	16.33	16.93	17.68	18.63	19.88	21.60
Pre-tax cost of debt	8.5%	7.2%	13.54	13.82	14.16	14.55	15.04	15.64	16.40
Tax rate	30.0%	8.2%	11.86	12.03	12.22	12.44	12.71	13.02	13.41
After-tax cost of debt	6.0%	9.2%	10.58	10.68	10.80	10.93	11.08	11.25	11.46
Share of equity capital	60.0%	10.2%	9.58	9.64	9.71	9.78	9.87	9.97	10.08
Share of debt capital	40.0%	11.2%	8.77	8.81	8.85	8.89	8.94	9.00	9.06
		12.2%	8.11	8.13	8.15	8.18	8.21	8.24	8.28
Fair value per share in EUR	9.78	13.2%	7.56	7.57	7.58	7.60	7.61	7.63	7.65

* 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	56,791	57,672	60,864	73,715	87,131	98,751	100,156	101,353
NOPLAT	18,620	19,057	21,321	24,768	27,709	28,143	27,060	26,494
+ depreciation & amortisation	19,248	18,786	18,687	23,221	29,858	36,888	36,888	36,888
Net operating cash flow	37,868	37,843	40,008	47,988	57,567	65,031	63,947	63,382
- total investments (CAPEX and WC)	-10,639	-15,133	-106,691	-102,684	-113,964	-39,753	-37,234	-37,183
Capital expenditures	-9,000	-14,293	-105,904	-99,516	-110,656	-36,888	-36,888	-36,888
Working capital	-1,639	-840	-787	-3,169	-3,308	-2,865	-346	-295
Free cash flows (FCF)	27,229	22,711	-66,683	-54,696	-56,397	25,278	26,713	26,199
PV of FCFs	27,229	21,920	-61,694	-48,512	-47,953	20,605	20,872	19,624

All figures in thousands	
PV of FCFs in explicit period (2018E-2030E)	34,902
PV of FCFs in terminal period	288,084
Enterprise value (EV)	322,986
+ Net cash / - net debt	-177,017
+ Investments / minority interests	0
Shareholder value	145,969
Number of shares (diluted)	14,575
Fair value per share in EUR	10.01

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	10.01

		Terminal growth rate						
WACC		-0.6%	-0.4%	-0.2%	0.0%	0.2%	0.4%	0.6%
	3.6%	12.96	14.08	15.32	16.70	18.24	19.97	21.94
	3.8%	10.97	11.94	13.00	14.17	15.47	16.92	18.56
	4.1%	9.20	10.04	10.95	11.96	13.07	14.30	15.67
	4.3%	7.62	8.35	9.14	10.01	10.97	12.02	13.18
	4.6%	6.19	6.83	7.53	8.29	9.11	10.02	11.01
	4.8%	4.91	5.47	6.08	6.75	7.47	8.25	9.11
	5.1%	3.74	4.24	4.78	5.36	5.99	6.68	7.42

* 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	6,382	7,020	8,051	9,120	10,202	11,268	12,287
NOPLAT	2,153	2,280	2,505	2,814	3,153	3,488	3,810	4,108
+ depreciation & amortisation	0	4	9	14	19	26	33	41
Net operating cash flow	2,153	2,284	2,514	2,828	3,172	3,514	3,843	4,149
- total investments (CAPEX and WC)	-4	26	-88	-252	-244	-266	-285	-299
Capital expenditures	-61	-64	-70	-81	-91	-102	-113	-123
Working capital	57	90	-17	-171	-153	-164	-172	-176
Free cash flows (FCF)	2,149	2,310	2,426	2,576	2,928	3,248	3,559	3,851
PV of FCFs	2,149	2,129	2,032	1,962	2,027	2,044	2,035	2,002

All figures in thousands	
PV of FCFs in explicit period (2018E-2030E)	25,130
PV of FCFs in terminal period	19,410
Enterprise value (EV)	44,540
+ Net cash / - net debt	1,668
+ Investments / minority interests	0
Shareholder value	46,208
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

		Terminal growth rate						
		0.5%	1.0%	1.5%	2.0%	2.5%	3.0%	3.5%
WACC	6.0%	5.30	5.59	5.94	6.39	6.95	7.71	8.78
	7.0%	4.44	4.62	4.84	5.09	5.41	5.80	6.30
	8.0%	3.82	3.94	4.07	4.23	4.42	4.65	4.93
	9.0%	3.34	3.43	3.52	3.62	3.75	3.89	4.06
	10.0%	2.97	3.03	3.10	3.17	3.25	3.35	3.45
	11.0%	2.68	2.72	2.77	2.82	2.87	2.94	3.01
	12.0%	2.44	2.47	2.50	2.54	2.58	2.62	2.68
	13.0%	2.23	2.26	2.28	2.31	2.34	2.37	2.41

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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	110,838	120,434	231,827
Change in inventory & own work	7,172	18,808	-35,015	52,211	20,584	17,878	90,020
Total output	160,452	210,137	166,749	202,076	131,422	138,312	321,847
Cost of goods sold	82,431	116,590	70,523	127,923	59,909	57,881	218,463
Gross profit	78,021	93,547	96,226	74,153	71,513	80,431	103,384
Personnel costs	10,043	10,476	10,922	11,830	12,032	13,363	15,278
Other operating expenses	16,646	18,553	17,719	18,475	19,977	21,685	24,972
Other operating income	3,569	1,574	4,481	5,746	1,911	1,396	1,891
EBITDA	54,901	66,092	72,066	49,593	41,416	46,779	65,025
Depreciation	14,183	16,424	18,316	16,704	19,294	18,828	18,731
Operating income (EBIT)	40,718	49,668	53,750	32,889	22,122	27,951	46,295
Net financial result	-18,962	-20,006	-18,253	-16,224	-16,562	-16,386	-17,880
Non-operating expenses	0	0	0	0	0	0	0
Pre-tax income (EBT)	21,756	29,662	35,497	16,666	5,560	11,564	28,415
Income taxes	7,623	8,751	10,162	4,778	1,668	3,469	8,524
Minority interests	0	0	0	0	0	0	0
Net income / loss	14,133	20,911	25,335	11,888	3,892	8,095	19,890
Diluted EPS (in €)	0.96	1.43	1.74	0.82	0.27	0.56	1.36
Ratios							
Gross margin on total output	48.6%	44.5%	57.7%	36.7%	54.4%	58.2%	32.1%
EBITDA margin on total output	34.2%	31.5%	43.2%	24.5%	31.5%	33.8%	20.2%
EBIT margin on total output	25.4%	23.6%	32.2%	16.3%	16.8%	20.2%	14.4%
Net margin on total output	8.8%	10.0%	15.2%	5.9%	3.0%	5.9%	6.2%
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%	9.2%	9.7%	4.7%
Depreciation	8.8%	7.8%	11.0%	8.3%	14.7%	13.6%	5.8%
Other operating expenses	10.4%	8.8%	10.6%	9.1%	15.2%	15.7%	7.8%
Y-Y Growth							
Total output	-1.4%	31.0%	-20.6%	21.2%	-35.0%	5.2%	132.7%
EBIT	19.3%	22.0%	8.2%	-38.8%	-32.7%	26.3%	65.6%
Net income/ loss	4.3%	48.0%	21.2%	-53.1%	-67.3%	108.0%	145.7%



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	175,623	193,406	212,515
Cash and cash equivalents	81,594	103,957	118,528	69,002	117,193	135,767	102,673
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	20,535	22,556	38,139
Inventories	50,858	32,871	34,272	47,006	19,511	16,699	53,318
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	190,398	185,956	273,283
Property, plant & equipment	187,241	223,789	171,747	194,558	184,351	179,909	267,236
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	366,021	379,362	485,798
Shareholders' equity & debt							
Current liabilities, total	45,266	76,163	83,551	57,200	57,489	57,837	76,729
Short-term financial debt	19,166	31,871	45,735	24,728	35,000	35,000	45,000
Accounts payable	5,947	4,480	6,241	8,383	2,777	2,397	7,644
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	5,051	5,780	9,425
Long-term liabilities, total	269,777	272,495	208,323	233,781	238,781	248,781	325,181
Long-term financial debt	249,136	248,899	185,175	208,961	213,961	223,961	300,361
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	69,751	72,744	83,887
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	39,236	42,229	53,372
Total consolidated equity and debt	355,198	399,118	361,351	361,213	366,021	379,362	485,798
Ratios							
Current ratio (x)	3.53	2.19	2.18	2.81	3.05	3.34	2.77
Quick ratio (x)	2.41	1.76	1.77	1.99	2.72	3.06	2.07
Net debt	186,669	166,535	102,077	154,528	121,609	113,035	232,529
Net gearing	465%	330%	147%	220%	174%	155%	277%
Book value per share (in €)	2.74	3.45	4.76	4.82	4.78	4.99	5.75
Financial debt/EBITDA (x)	4.9	4.2	3.2	4.7	6.0	5.5	5.3
Equity ratio	11.3%	12.6%	19.2%	19.4%	19.1%	19.2%	17.3%
Return on equity (ROE)	35.2%	41.4%	36.5%	16.9%	5.6%	11.1%	23.7%
Return on investment (ROI)	4.0%	5.2%	7.0%	3.3%	1.1%	2.1%	4.1%
Return on assets (ROA)	9.6%	10.4%	12.1%	7.8%	5.6%	6.5%	7.8%
Return on capital employed (ROCE)	16.3%	20.4%	24.7%	14.8%	9.5%	13.1%	16.8%
Days sales outstanding (DSO)	56.6	32.3	31.6	63.8	67.6	68.4	60.0
Days inventory outstanding (DIO)	225.2	102.9	177.4	134.1	118.9	105.3	89.1
Days payables outstanding (DPO)	26.3	14.0	32.3	23.9	16.9	15.1	12.8



CASH FLOW STATEMENT

All figures in EUR '000	2014A	2015A	2016A	2017A	2018E	2019E	2020E
EBIT	40,718	49,668	53,750	32,889	22,122	27,951	46,295
Depreciation and amortisation	12,463	16,424	18,316	16,704	19,294	18,828	18,731
EBITDA	53,181	66,092	72,066	49,593	41,416	46,779	65,025
Changes in working capital	6,445	28,824	24,732	-28,182	27,570	411	-46,954
Other adjustments	-3,848	-3,490	-3,927	-16,973	-1,668	-3,469	-8,524
Operating cash flow	55,778	91,426	92,871	4,438	67,317	43,720	9,547
CAPEX	-20,149	-40,205	-6,885	-33,707	-9,086	-14,386	-106,058
Investments in intangibles	-12	0	0	-1	0	0	0
Free cash flow	35,617	51,221	85,986	-29,269	58,231	29,334	-96,511
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	-9,086	-14,386	-106,058
Debt financing, net	-3,708	11,574	-36,444	5,266	15,272	10,000	86,400
Equity financing, net	0	0	-278	-251	0	0	0
Dividends paid	-7,331	-8,781	-11,682	-11,670	-8,751	-4,373	-5,102
Other financing	-18,129	-18,759	-23,041	-13,992	-16,562	-16,386	-17,880
Cash flow from financing	-29,168	-15,967	-71,444	-20,646	-10,040	-10,760	63,418
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	48,191	18,574	-33,094
Cash, start of the year	71,413	81,594	103,957	118,528	69,002	117,193	135,767
Cash, end of the year	81,594	103,957	118,528	69,002	117,193	135,767	102,673
EBITDA/share (in €)	3.74	4.52	4.94	3.40	2.84	3.21	4.46
Operating cash flow/share (in €)	3.80	6.25	6.36	0.30	4.62	3.00	0.65
Y-Y Growth							
Operating cash flow	204.9%	63.9%	1.6%	-95.2%	1416.7%	-35.1%	-78.2%
Free cash flow	n.m.	43.8%	67.9%	n.m.	n.m.	-49.6%	n.m.
EBITDA/share	19.1%	20.6%	9.3%	-31.1%	-16.5%	13.0%	39.0%
Operating cash flow/share	205.7%	64.2%	1.8%	-95.2%	1417.4%	-35.1%	-78.2%

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...25	↓	↓	↓	↓
26	18 May 2018	€15.25	Buy	€23.70
27	5 September 2018	€14.84	Buy	€23.70
28	22 November 2018	€13.10	Buy	€23.30
29	Today	€15.30	Buy	€23.00

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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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