

Energiekontor AG

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

Q1 report

RATING BUY
PRICE TARGET € 22.90
 Return Potential 45.9%
 Risk Rating High

ON TRACK IN Q1

On 15 May, Energiekontor published its interim status report for Q1/19, which gives a qualitative update on business development. The most spectacular Q1 event was the signature of a power purchase agreement (PPA) with EnBW for an 85 MW solar park to be built in 2020 in eastern Germany. Both power production and project development have developed as scheduled. The in-house power production portfolio increased to 287 MW thanks to the addition of an 8 MW wind farm in the UK. Energiekontor participated in the first four German wind and solar tenders and was awarded projects with a total planned capacity of ca. 34 MW (two wind projects totalling 22.5 MW and two solar projects totalling 11.1 MW). Management reiterated 2019 guidance (group EBT moderately above the 2018 level of €9.6m). An updated sum of the parts valuation yields a slightly higher price target of €22.90 (previously: €22.70). We confirm our Buy recommendation.

First solar PPA signed in Germany for 85 MW project in February...

Energiekontor and the large German utility EnBW signed a PPA for an 85 MW solar park, which Energiekontor will construct in 2020 in eastern Germany. 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. This deal opens a new chapter in Energiekontor's history.

...and second solar PPA in May

Energiekontor signed another PPA for a 4 MW solar plant with another large German utility, innogy SE. The Absberg (Bavaria) solar park is to be built this year and is to produce around 5 million kWh of electricity per year. The solar park will not receive feed-in tariffs during the PPA agreement. This is the second PPA contract Energiekontor has closed with a large German utility this year. In our view, this contract demonstrates Energiekontor's pioneering position and competitive edge. We are thus very optimistic regarding the medium-term development of the company, as we expect very strong growth in the PPA-based green power business. (p.t.o.)

FINANCIAL HISTORY & PROJECTIONS

	2016	2017	2018	2019E	2020E	2021E
Total output (€m)	166.75	202.08	128.70	134.35	316.79	334.38
Y-o-y growth	-20.6%	21.2%	-36.3%	4.4%	135.8%	5.6%
EBIT (€m)	53.75	32.89	22.08	24.66	43.29	47.83
EBIT margin	32.2%	16.3%	17.2%	18.4%	13.7%	14.3%
Net income (€m)	25.34	11.89	6.68	7.87	19.48	20.02
EPS (diluted) (€)	1.74	0.82	0.46	0.54	1.34	1.37
DPS (€)	0.80	0.60	0.40	0.40	0.60	0.70
FCF (€m)	85.99	-29.27	23.17	19.13	-85.51	-34.18
Net gearing	146.9%	220.0%	218.6%	212.4%	315.9%	350.1%
Liquid assets (€m)	118.53	69.00	73.29	77.54	57.13	69.98

RISKS

Main risks include changes in the regulatory support for wind energy, project development risks, approval procedures, tender results, wind farm operation risks, and Brexit.

COMPANY PROFILE

Energiekontor is a wind and solar project developer and an operator of a large portfolio of own wind farms and solar parks (287 MW). The company is active in onshore wind and solar project development in Germany, the UK, the US, and France. Energiekontor is headquartered in Bremen, Germany.

MARKET DATA

As of 17 May 2019

Closing Price	€ 15.70
Shares outstanding	14.58m
Market Capitalisation	€ 228.83m
52-week Range	€ 12.85 / 16.00
Avg. Volume (12 Months)	6,016

Multiples	2018	2019E	2020E
P/E	33.8	28.7	11.6
EV/Sales	2.9	2.8	1.2
EV/EBIT	16.9	15.1	8.6
Div. Yield	2.5%	2.5%	3.8%

STOCK OVERVIEW



COMPANY DATA

As of 31 Dec 2018

Liquid Assets	€ 73.29m
Current Assets	€ 137.61m
Intangible Assets	€ 0.02m
Total Assets	€ 348.44m
Current Liabilities	€ 44.18m
Shareholders' Equity	€ 68.40m

SHAREHOLDERS

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



Energiekontor successful in both 2019 onshore wind and both solar tenders in Germany

In the February onshore wind tender, Energiekontor was awarded the Waldfeucht project (13.5 MW) and in the May tender the Beckum repowering project (9 MW). Commissioning of these two projects with a combined capacity of 22.5 MW is scheduled for 2019. The solar business was also successful in the tenders. In February, Energiekontor was awarded the 4.8 MW Gefrees solar project, and the Karstädt project (6.3 MW) in the March tender.

Construction activity on schedule Energiekontor is currently constructing two wind farms with a total capacity of 17 MW in Germany. We also expect the 9 MW Beckum repowering project to be completed this year increasing 2019E volume of commissioned projects to 26 MW. The focus of future project development is Scotland, where large-scale wind farms are to be realised without subsidies based on excellent wind conditions. Building permits are currently available for four major projects in Scotland, construction of which is scheduled to begin in 2019. In the solar segment, we expect construction of three German solar parks with a total capacity of 15 MW (see figure 1).

Figure 1: Project overview

Wind farm / solar park	MW	Approval / award / PPA	Under construction	Commissioning	Sale / own portfolio
Bultensee (Germany)	3.4	5/2018	yes	2019E	n.a.
Waldfeucht (Germany)	13.5	2/2019	yes	2019E	n.a.
Beckum (Germany)	9.0	5/2019	H2/19E	2019E	n.a.
Pencarreg (Wales)	5.0	3/2018	no	2020E	n.a.
Withernwick II (England)	8.3	5/2018*	completed	Q2/2019	own portf.
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	107.2				
Zapel (Mecklenburg-W. P.)	6.3	2/2017	yes	Q2/2019E	n.a.
Absberg (Bavaria)	4.0	6/2018	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.
Karstädt (Brandenburg)	6.3	3/2019	2020E	2020E	n.a.
Total PV	106.4				

* financial close

Source: First Berlin Equity Research, Energiekontor AG

First purely PPA-based wind farm commissioned in the UK In April, Energiekontor commissioned the British wind farm Withernwick II (8.3 MW). This is the first Energiekontor wind farm to have been built without subsidies with a power purchase agreement (PPA) only. As far as we can ascertain, it is the first wind farm of its kind in the UK. Energiekontor is thus a pioneer in developing competitive wind farms.

Power production capacity increased to 287 MW The British Withernwick II wind farm was added to the company's own plant portfolio, which now comprises 287 MW (277 MW wind and 10 MW solar; Germany: 178.1 MW, UK: 60.4 MW, Portugal: 38.0 MW). In Q1, the portfolio's wind yield was slightly above budget. While wind yields in Germany were above the long-term average (coastal locations: +10%, inland locations: +5% to 8%), UK and Portugal wind yields matched forecast values.



Only small impact by Senvion insolvency The fallout from the Senvion insolvency looks set to have only minor negative effects on Energiekontor. We are sure that Senvion's profitable wind farm maintenance business will be continued. We thus do not expect any lasting negative effect on Energiekontor's own wind farm portfolio. In the development business, there is a high probability that the company will have to carry out new planning only in the case of a single turbine. Energiekontor does not plan to use Senvion systems in other new projects.

Second disastrous onshore wind tender result in Germany in 2019 The first 2019 onshore wind tender was very disappointing as the awarded volume only amounted to 476 MW, just 68% of the offered volume (see figure 2). The result of the second tender in May was even worse. Only 270 MW out of 650 MW were awarded (42%). This demonstrates that the number of wind farm project approvals is far too low and that approval procedures take too much time. The lack of competition in the tenders results in high prices for the awarded projects. The average volume-weighted awarded value increased from 6.11 €/kWh in February 2019 to 6.13 €/kWh in May and was thus only slightly below the highest permissible value of €6.20. Projects that receive an award should thus generate attractive margins.

Figure 2: Onshore wind tender results 2018 – today in Germany

	Feb 18	May 18	Aug 18	Oct 18	Feb 19	May 19
Tendered volume (MW)	700	670	670	670	700	650
Cap in grid expansion area (MW)	197	232	314	410	155	153
Number of offers	132	111	91	62	72	41
Offered volume (MW)	989	604	709	388	499	295
Awarded projects	83	111	86	57	67	35
Awarded volume (MW)	709	604	667	363	476	270
Highest permissible value (€/kWh)	6.30	6.30	6.30	6.30	6.20	6.20
Average volume-weighted awarded value (€/kWh)	4.73	5.73	6.16	6.26	6.11	6.13
Lowest awarded value (€/kWh)	3.80	4.65	4.00	6.12	5.24	5.40
Highest awarded value (€/kWh)	5.28	6.28	6.30	6.30	6.20	6.20

Source: First Berlin Equity Research, Bundesnetzagentur

German energy transition is a long-run growth driver for wind and solar Wind and solar will receive a further push in Germany as the German coal commission has decided to phase out coal by 2038. We assume that the federal government will codify the coal compromise in a similar form. This means that more than 40 GW of power capacity will gradually be withdrawn from the market and have to be replaced. In addition, more than 9 GW of capacity will be lost due to the phasing out of nuclear power by the end of 2022. 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%).

Guidance reiterated Energiekontor is guiding towards a group EBT moderately above the 2018 EBT of €9.6m. The Project Development segment EBT is projected to roughly match the previous year's level of €-4.6m. Given normal wind conditions, the Power Generation segment should generate an EBT which is slightly higher than the 2018 segment EBT of €11.7m. The Operation and Innovation segment EBT looks set to rise slightly y/y. In 2018, it amounted to €2.6m. From 2020, management expects significantly better results again and average increases in earnings as in the years 2011 to 2016.

Buy confirmed at slightly increased price target Based on unchanged forecasts, an updated sum of the parts valuation yields a slightly higher price target of €22.90 (previously: €22.70). 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	142.62	9.78	9.72
Power Production	145.73	10.00	9.92
Operation & Innovation	45.13	3.10	3.07
Sum of the parts	333.48	22.88	22.71

DCF model for Project Development segment

DCF valuation model	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E
All figures in EUR '000								
Net sales	48,720	163,150	167,250	168,050	183,633	199,325	214,909	230,148
NOPLAT	-605	13,234	14,515	15,514	16,287	17,041	17,435	17,797
+ depreciation & amortisation	51	41	61	70	79	88	97	106
Net operating cash flow	-554	13,275	14,576	15,584	16,366	17,129	17,532	17,903
- total investments (CAPEX and WC)	7,841	-36,205	-2,007	4,062	-6,514	-6,585	-6,567	-6,453
Capital expenditures	-24	-82	-84	-84	-92	-100	-107	-115
Working capital	7,865	-36,123	-1,923	4,146	-6,422	-6,485	-6,460	-6,338
Free cash flows (FCF)	7,286	-22,930	12,569	19,646	9,852	10,544	10,965	11,450
PV of FCF's	6,858	-19,581	9,742	13,820	6,290	6,108	5,765	5,464

All figures in thousands	
PV of FCFs in explicit period (2019E-2033E)	66,318
PV of FCFs in terminal period	43,494
Enterprise value (EV)	109,812
+ Net cash / - net debt	32,809
+ Investments / minority interests	0
Shareholder value	142,621
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%
6.2%	16.74	17.22	17.81	18.53	19.46	20.67	22.34	
7.2%	14.11	14.38	14.69	15.07	15.52	16.08	16.80	
8.2%	12.20	12.35	12.53	12.73	12.97	13.25	13.60	
9.2%	10.75	10.84	10.93	11.05	11.18	11.33	11.51	
10.2%	9.61	9.66	9.72	9.78	9.86	9.94	10.03	
11.2%	8.70	8.73	8.76	8.80	8.84	8.88	8.93	
12.2%	7.96	7.98	7.99	8.01	8.03	8.06	8.08	
13.2%	7.34	7.35	7.36	7.37	7.38	7.39	7.40	

* for layout purposes the model shows numbers only to 2026, but runs until 2033



DCF model for Power Production segment

DCF valuation model								
All figures in EUR '000	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E
Net sales	56,630	60,717	71,323	84,889	96,178	97,764	99,112	95,178
NOPLAT	18,793	19,491	22,186	26,401	28,133	28,964	29,660	27,521
+ depreciation & amortisation	20,064	22,907	29,057	35,492	42,144	41,710	41,275	40,841
Net operating cash flow	38,857	42,397	51,243	61,892	70,278	70,674	70,935	68,362
- total investments (CAPEX and WC)	-28,907	-107,263	-100,328	-111,154	-44,928	-42,101	-41,608	-39,871
Capital expenditures	-25,483	-106,255	-97,713	-107,809	-42,144	-41,710	-41,275	-40,841
Working capital	-3,424	-1,008	-2,615	-3,345	-2,783	-391	-332	970
Free cash flows (FCF)	9,950	-64,865	-49,085	-49,262	25,350	28,573	29,328	28,491
PV of FCF's	9,690	-60,556	-43,930	-42,266	20,851	22,528	22,167	20,644

All figures in thousands	
PV of FCFs in explicit period (2019E-2033E)	66,247
PV of FCFs in terminal period	260,078
Enterprise value (EV)	326,325
+ Net cash / - net debt	-180,592
+ Investments / minority interests	0
Shareholder value	145,733
Number of shares (diluted)	14,575
Fair value per share in EUR	10.00

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	10.00

WACC	Terminal growth rate							
	-0.6%	-0.4%	-0.2%	0.0%	0.2%	0.4%	0.6%	
3.6%	13.49	14.52	15.67	16.94	18.36	19.96	21.78	
3.8%	11.39	12.27	13.24	14.32	15.51	16.84	18.34	
4.1%	9.51	10.27	11.11	12.02	13.03	14.15	15.41	
4.3%	7.83	8.49	9.21	10.00	10.86	11.81	12.87	
4.6%	6.31	6.89	7.52	8.20	8.94	9.75	10.65	
4.8%	4.94	5.45	5.99	6.58	7.23	7.93	8.69	
5.1%	3.69	4.14	4.62	5.13	5.69	6.30	6.96	

* for layout purposes the model shows numbers only to 2026, but runs until 2033

DCF model for Operation & Innovation segment

DCF valuation model								
All figures in EUR '000	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E
Net sales	6,019	6,501	7,411	8,374	9,379	10,411	11,452	12,483
NOPLAT	1,928	2,218	2,553	2,882	3,208	3,538	3,867	4,189
+ depreciation & amortisation	0	0	0	3	6	10	13	17
Net operating cash flow	1,928	2,218	2,553	2,885	3,214	3,548	3,881	4,206
- total investments (CAPEX and WC)	-28	65	-213	-199	-196	-211	-223	-233
Capital expenditures	0	0	-37	-42	-47	-52	-57	-62
Working capital	-28	65	-176	-157	-149	-159	-166	-171
Free cash flows (FCF)	1,900	2,283	2,340	2,687	3,018	3,337	3,658	3,973
PV of FCF's	1,790	1,955	1,822	1,901	1,941	1,951	1,944	1,920

All figures in thousands	
PV of FCFs in explicit period (2019E-2033E)	26,747
PV of FCFs in terminal period	17,330
Enterprise value (EV)	44,077
+ Net cash / - net debt	1,050
+ Investments / minority interests	0
Shareholder value	45,127
Number of shares (diluted)	14,575
Fair value per share in EUR	3.10

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	3.10

WACC	Terminal growth rate						
	0.5%	1.0%	1.5%	2.0%	2.5%	3.0%	3.5%
6.0%	5.49	5.79	6.14	6.59	7.17	7.94	9.02
7.0%	4.53	4.71	4.93	5.18	5.50	5.89	6.39
8.0%	3.84	3.96	4.09	4.25	4.43	4.66	4.93
9.0%	3.32	3.40	3.49	3.59	3.70	3.84	4.00
10.0%	2.91	2.97	3.03	3.10	3.17	3.26	3.36
11.0%	2.59	2.63	2.67	2.72	2.77	2.83	2.90
12.0%	2.32	2.35	2.38	2.42	2.45	2.49	2.54
13.0%	2.10	2.13	2.15	2.17	2.20	2.23	2.26

* for layout purposes the model shows numbers only to 2026, but runs until 2033



INCOME STATEMENT

All figures in EUR '000	2015A	2016A	2017A	2018A	2019E	2020E	2021E
Revenues	191,329	201,764	149,865	110,186	108,961	227,768	243,020
Change in inventory & own work	18,808	-35,015	52,211	18,516	25,386	89,018	91,356
Total output	210,137	166,749	202,076	128,702	134,348	316,786	334,376
Cost of goods sold	116,590	70,523	127,923	60,631	58,450	215,208	219,260
Gross profit	93,547	96,226	74,153	68,071	75,898	101,578	115,116
Personnel costs	10,476	10,922	11,830	13,667	14,294	15,306	16,126
Other operating expenses	18,553	17,719	18,475	17,144	18,454	22,886	25,144
Other operating income	1,574	4,481	5,746	3,363	1,626	2,852	3,106
EBITDA	66,092	72,066	49,593	40,622	44,776	66,238	76,952
Depreciation	16,424	18,316	16,704	18,546	20,115	22,948	29,117
Operating income (EBIT)	49,668	53,750	32,889	22,076	24,661	43,290	47,834
Net financial result	-20,006	-18,253	-16,224	-12,465	-13,418	-15,464	-19,236
Non-operating expenses	0	0	0	0	0	0	0
Pre-tax income (EBT)	29,662	35,497	16,666	9,612	11,243	27,826	28,598
Income taxes	8,751	10,162	4,778	2,932	3,373	8,348	8,580
Minority interests	0	0	0	0	0	0	0
Net income / loss	20,911	25,335	11,888	6,680	7,870	19,478	20,019
Diluted EPS (in €)	1.43	1.74	0.82	0.46	0.54	1.34	1.37
Ratios							
Gross margin on total output	44.5%	57.7%	36.7%	52.9%	56.5%	32.1%	34.4%
EBITDA margin on total output	31.5%	43.2%	24.5%	31.6%	33.3%	20.9%	23.0%
EBIT margin on total output	23.6%	32.2%	16.3%	17.2%	18.4%	13.7%	14.3%
Net margin on total output	10.0%	15.2%	5.9%	5.2%	5.9%	6.1%	6.0%
Tax rate	29.5%	28.6%	28.7%	30.5%	30.0%	30.0%	30.0%
Expenses as % of total output							
Personnel costs	5.0%	6.5%	5.9%	10.6%	10.6%	4.8%	4.8%
Depreciation	7.8%	11.0%	8.3%	14.4%	15.0%	7.2%	8.7%
Other operating expenses	8.8%	10.6%	9.1%	13.3%	13.7%	7.2%	7.5%
Y-Y Growth							
Total output	31.0%	-20.6%	21.2%	-36.3%	4.4%	135.8%	5.6%
EBIT	22.0%	8.2%	-38.8%	-32.9%	11.7%	75.5%	10.5%
Net income/ loss	48.0%	21.2%	-53.1%	-43.8%	17.8%	147.5%	2.8%



BALANCE SHEET

All figures in EUR '000	2015A	2016A	2017A	2018A	2019E	2020E	2021E
Assets							
Current assets, total	166,855	181,759	160,607	137,613	135,180	157,251	175,052
Cash and cash equivalents	103,957	118,528	69,002	73,291	77,536	57,131	69,976
Short-term investments	10,278	10,305	10,159	5,061	5,061	5,061	5,061
Receivables	16,932	17,469	26,216	19,123	20,967	37,677	40,904
Inventories	32,871	34,272	47,006	38,481	29,959	55,725	57,454
Other current assets	2,817	1,185	8,225	1,657	1,657	1,657	1,657
Non-current assets, total	232,263	179,592	200,606	210,824	216,217	299,606	368,322
Property, plant & equipment	223,789	171,747	194,558	204,916	210,309	293,698	362,414
Goodwill & other intangibles	23	10	1	23	23	23	23
Other assets	8,451	7,834	6,047	5,885	5,885	5,885	5,885
Total assets	399,118	361,351	361,213	348,437	351,398	456,857	543,374
Shareholders' equity & debt							
Current liabilities, total	76,163	83,551	57,200	44,177	35,096	53,420	70,118
Short-term financial debt	31,871	45,735	24,728	20,639	15,000	25,000	40,000
Accounts payable	4,480	6,241	8,383	5,489	2,047	7,457	7,698
Current provisions	16,282	12,656	14,660	13,504	13,504	13,504	13,504
Other current liabilities	23,530	18,919	9,429	4,545	4,545	7,459	8,916
Long-term liabilities, total	272,495	208,323	233,781	235,861	245,861	322,261	382,261
Long-term financial debt	248,899	185,175	208,961	207,233	217,233	293,633	353,633
Deferred revenue	0	0	0	0	0	0	0
Other liabilities	23,596	23,148	24,820	28,628	28,628	28,628	28,628
Minority interests	0	0	0	0	0	0	0
Shareholders' equity	50,460	69,477	70,232	68,400	70,441	81,176	90,995
Share capital	14,653	14,653	14,578	14,578	14,578	14,578	14,578
Capital reserve	40,308	40,323	40,428	40,458	40,458	40,458	40,458
Other reserves	-8,751	-3,125	-2,441	-1,835	-1,835	-1,835	-1,835
Treasury stock	-41	-61	-1	-30	-30	-30	-30
Loss carryforward / retained earnings	16,421	30,164	39,717	39,344	41,385	52,121	61,939
Total consolidated equity and debt	399,118	361,351	361,213	348,437	351,398	456,857	543,374
Ratios							
Current ratio (x)	2.19	2.18	2.81	3.12	3.85	2.94	2.50
Quick ratio (x)	1.76	1.77	1.99	2.24	3.00	1.90	1.68
Net debt	166,535	102,077	154,528	149,520	149,636	256,441	318,596
Net gearing	330%	147%	220%	219%	212%	316%	350%
Book value per share (in €)	3.45	4.76	4.82	4.69	4.83	5.57	6.24
Financial debt/EBITDA (x)	4.2	3.2	4.7	5.6	5.2	4.8	5.1
Equity ratio	12.6%	19.2%	19.4%	19.6%	20.0%	17.8%	16.7%
Return on equity (ROE)	41.4%	36.5%	16.9%	9.8%	11.2%	24.0%	22.0%
Return on investment (ROI)	5.2%	7.0%	3.3%	1.9%	2.2%	4.3%	3.7%
Return on assets (ROA)	10.4%	12.1%	7.8%	5.7%	6.1%	7.7%	7.2%
Return on capital employed (ROCE)	20.4%	24.7%	14.8%	8.9%	10.0%	14.1%	11.9%
Days sales outstanding (DSO)	32.3	31.6	63.8	63.3	70.2	60.4	61.4
Days inventory outstanding (DIO)	102.9	177.4	134.1	231.7	187.1	94.5	95.6
Days payables outstanding (DPO)	14.0	32.3	23.9	33.0	12.8	12.6	12.8



CASH FLOW STATEMENT

All figures in EUR '000	2015A	2016A	2017A	2018A	2019E	2020E	2021E
EBIT	49,668	53,750	32,889	22,076	24,661	43,290	47,834
Depreciation and amortisation	16,424	18,316	16,704	18,546	20,115	22,948	29,117
EBITDA	66,092	72,066	49,593	40,622	44,776	66,238	76,952
Changes in working capital	28,824	24,732	-28,182	6,310	3,236	-37,066	-4,714
Other adjustments	-3,490	-3,927	-16,973	-1,499	-3,373	-8,348	-8,580
Operating cash flow	91,426	92,871	4,438	45,433	44,639	20,824	63,658
CAPEX	-40,205	-6,885	-33,707	-22,240	-25,508	-106,337	-97,834
Investments in intangibles	0	0	-1	-26	0	0	0
Free cash flow	51,221	85,986	-29,269	23,167	19,131	-85,512	-34,176
Acquisitions and disposals, net	300	0	0	0	0	0	0
Other investments	-11,143	-1,327	-2,277	4,642	0	0	0
Cash flow from investing	-51,048	-8,212	-35,984	-17,624	-25,508	-106,337	-97,834
Debt financing, net	11,574	-36,444	5,266	-2,891	4,361	86,400	75,000
Equity financing, net	0	-278	-251	-403	0	0	0
Dividends paid	-8,781	-11,682	-11,670	-8,745	-5,829	-5,829	-8,743
Other financing	-18,759	-23,041	-13,992	-11,577	-13,418	-15,464	-19,236
Cash flow from financing	-15,967	-71,444	-20,646	-23,616	-14,886	65,107	47,021
Forex & other effects	-2,048	1,357	2,666	96	0	0	0
Net cash flows	22,363	14,571	-49,526	4,289	4,245	-20,405	12,845
Cash, start of the year	81,594	103,957	118,528	69,002	73,291	77,536	57,131
Cash, end of the year	103,957	118,528	69,002	73,291	77,536	57,131	69,976
EBITDA/share (in €)	4.52	4.94	3.40	2.79	3.07	4.55	5.28
Operating cash flow/share (in €)	6.25	6.36	0.30	3.12	3.06	1.43	4.37
Y-Y Growth							
Operating cash flow	63.9%	1.6%	-95.2%	923.6%	-1.7%	-53.3%	205.7%
Free cash flow	43.8%	67.9%	n.m.	n.m.	-17.4%	n.m.	n.m.
EBITDA/share	20.6%	9.3%	-31.1%	-18.0%	10.2%	47.9%	16.2%
Operating cash flow/share	64.2%	1.8%	-95.2%	924.6%	-1.7%	-53.3%	205.7%

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...27	↓	↓	↓	↓
28	22 November 2018	€13.10	Buy	€23.30
29	4 March 2019	€15.30	Buy	€23.00
30	17 April 2019	€15.20	Buy	€22.70
31	Today	€15.70	Buy	€22.90

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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
- valuation methods and principles
- sensitivity of valuation parameters

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