

# Energiekontor AG

Germany / Cleantech  
 Frankfurt Stock Exchange  
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 ISIN: DE0005313506

9M 2020  
 interim report

<b>RATING</b>	<b>ADD</b>
<b>PRICE TARGET</b>	<b>€ 43.80</b>
Return Potential	19.0%
Risk Rating	High

## SUCCESSFUL IN TENDERS – PRICE TARGET RAISED

Energiekontor has published its interim status report for 9M/20, which gives a qualitative update on business development. In Germany, wind farms with capacity of 63 MW and an 8.4 MW solar park are currently under construction. So far in 2020, Energiekontor has been very successful in wind and solar tenders: (wind: 98 MW, solar: 16 MWp). The project pipeline has grown to approx. 4,800 MW. Recent wind farm sales, including Beckum (9 MW), Boddin (4.2 MW) and Heinsberg (7.3 MW), total 20.5 MW. Below average wind yields resulted in a weak quarter for the Power Generation segment. Management reiterated guidance and expects consolidated EBT for the 2020 financial year to be in the double digit million range. Given the excellent medium and long term prospects for wind and solar power (higher EU CO<sub>2</sub> reduction targets, global electrolyser capacity ramp-up resulting in high green power demand), we have increased our valuation of the Project segment. An updated sum of the parts valuation results in a new price target of €43.80 (previously: €36.40). We confirm our Add recommendation.

**2020 guidance confirmed** Energiekontor's FY/20 guidance is for double-digit million EBT which is well above the 2019 figure of €0.8m. Project segment EBT is expected to be significantly higher than the prior year figure of €9.9m. Power Generation segment EBT looks set to be burdened by one-time costs in the UK and might thus be lower than the €7.8m booked in 2019. In the Operation & Innovation segment, a slightly higher EBT than the €2.9m in 2019 is expected. In the future, Energiekontor expects significantly better results with average earnings growth of ca. 20% p.a.

**Very successful in 2020 wind and solar tender rounds** So far in 2020, Energiekontor has won various contracts in both the wind and solar tenders – five contracts in the wind segment (97.9 MW) and two in the solar segment (15.9 MWp). We see the high volume of awarded projects as a very good basis for higher construction activity in 2021E. (p.t.o.)

### FINANCIAL HISTORY & PROJECTIONS

	2017	2018	2019	2020E	2021E	2022E
Revenue (€m)	202.08	128.70	96.41	152.53	309.42	366.63
Y-o-y growth	21.2%	-36.3%	-25.1%	58.2%	102.9%	18.5%
EBIT (€m)	32.89	22.08	16.30	42.44	55.30	65.19
EBIT margin	16.3%	17.2%	16.9%	27.8%	17.9%	17.8%
Net income (€m)	11.89	6.68	0.24	19.06	27.17	31.64
EPS (diluted) (€)	0.82	0.46	0.02	1.33	1.90	2.21
DPS (€)	0.60	0.40	0.40	0.50	0.70	0.70
FCF (€m)	-29.27	23.17	5.86	65.79	-58.40	-49.51
Net gearing	220.0%	218.6%	378.3%	246.5%	293.2%	308.3%
Liquid assets (€m)	69.00	73.29	66.99	80.12	98.83	124.77

### RISKS

Main risks include changes in the regulatory support for wind and solar 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 (279 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 16 Nov 2020

Closing Price	€ 36.80
Shares outstanding	14.37m
Market Capitalisation	€ 528.66m
52-week Range	€ 16.65 / 38.70
Avg. Volume (12 Months)	10,800

Multiples	2019	2020E	2021E
P/E	2210.4	28.3	19.8
EV/Sales	7.6	4.8	2.4
EV/EBIT	44.9	17.2	13.2
Div. Yield	1.1%	1.4%	1.9%

### STOCK OVERVIEW



### COMPANY DATA

As of 30 Jun 2020

Liquid Assets	€ 67.09m
Current Assets	€ 169.81m
Intangible Assets	€ 0.91m
Total Assets	€ 395.17m
Current Liabilities	€ 79.07m
Shareholders' Equity	€ 59.06m

### SHAREHOLDERS

Dr Bodo Wilkens	26.2%
Günter Lammers	26.2%
Universal Investment Gesellschaft	9.9%
Alexander Samwer	3.0%
Free Float	34.7%

**Three wind farms sold (in total: 20.5 MW)** From September to November 2020, Energiekontor sold three wind farms with a total capacity of 20.5 MW. In November, Commerz Real bought the Heinsberg wind farm (7.3 MW) in North Rhine-Westphalia. The Heinsberg wind farm has been part of Energiekontor's own plant portfolio since 2017. Total portfolio capacity thus drops to 279.4 MW. We were surprised by the sale and believe that the reason is a very attractive margin for Energiekontor, as prices for wind farm assets are currently very high. In September, the same client acquired the Beckum wind farm (9 MW). Energiekontor AG also sold the Boddin wind farm (4.2 MW), which was awarded a contract at the maximum price of 6.20 ct/kWh in the October 2019 tender. The wind farm will be erected in Brandenburg and is currently scheduled to go into operation at the end of September 2021. This sale therefore has no impact on the business figures for 2020, but will be recognised in income in 2021. The buyer is the Swiss InvestInvent AG with its special fund for renewable energies.

**Low power prices prevent closure of further solar PPAs** In May, Energiekontor concluded a long-term PPA (power purchase agreement) with the French electricity supplier ENGIE for the Wöpkendorf solar park (41.5 MW). As a result of the recession the electricity price has dropped significantly. Energiekontor has thus not concluded further PPAs as originally planned. The company expects the conclusion of further PPAs as soon as electricity prices pick up again.

**Project pipeline expanded** In Q3, Energiekontor expanded its project pipeline q/q by ca. 200 MW to 4,800 MW. Energiekontor is active in Germany, France, the UK, and the US.

**Power Production segment suffered from low wind yield and one-off in the UK** Wind yields in the third quarter were below the long-term average. While the yield shortfall of Energiekontor's German wind farms was 5%, and 2% in the UK, the yields in Portugal were down by ca. 15%. We note that the summer quarter is one of the two seasonally weak quarters. Annual wind yield thus largely depends on Q1 and Q4. A negative one-off effect in the UK looks set to result in segment EBT below the prior year figure.

**Excellent medium-term prospects for wind and solar** The European Green Deal presented by the EU Commission in 2019 aims at a climate neutral EU by 2050. The interim target is a 55% CO<sub>2</sub> reduction by 2030 compared to the 1990 level (previously: more than 40%). Both the 2030 and the 2050 targets are only reachable with significant additional wind and solar capacity. In a recent study (Towards a climate-neutral Germany, October 2020) the Think Tank Agora Energiewende proposes a rapid expansion of renewable energies in Germany by 2030 to reach the Green Deal target. The study proposes that onshore wind should grow to 80 GW (end 2019: 54 GW) and PV to 150 GW (end 2019: 49 GW).

Furthermore, Germany will phase out nuclear power (9 GW) by 2022 and coal power (45 GW) by 2038 at the latest. Interim targets are a reduction to 30 GW coal by 2022 and to 17 GW by 2030. The loss of fossil base-load power will increase the pressure to install more green power plants and will probably drive up power prices, which will increase the attractiveness of operating green power assets.

International green hydrogen production ramp-up strategies need very large amounts of green power. According to the Hydrogen Council study "Path to Hydrogen Competitiveness", 18 governments, whose economies represent 70% of the world's gross domestic product, have developed detailed strategies for the development of hydrogen-based energy solutions. The International Energy Agency (IEA) has calculated that renewable power of ca. 3,600 TWh would be required annually to replace current fossil-based hydrogen production with water electrolysis. This is more than the EU's annual total power production. In July 2020 the EU Commission presented its plan "A Hydrogen Strategy for a Climate-Neutral Europe", which envisages the installation of 6 GW of green hydrogen electrolyzers by 2024 and 40

GW by 2030. In June the German federal government adopted its national hydrogen strategy. It predicts domestic hydrogen demand of 90-110 TWh by 2030 (currently: approx. 55 TWh).

**Forecasts adjusted** We have adjusted our forecasts for the unexpected sale of the Heinsberg wind farm (higher Project Development, permanently lower Power Generation segment sales & EBIT). We have also taken the one-off burden in the Power Generation segment this year into account. The net effect should lead to higher sales and earnings in 2020E. We have increased our margin assumptions for the following years based on the high prices for green power assets.

**Figure 1: Revisions to forecasts**

All figures in €m	2020E			2021E			2022E		
	Old	New	Delta	Old	New	Delta	Old	New	Delta
Total output	138.47	152.53	10.2%	314.42	309.42	-1.6%	397.57	366.63	-7.8%
EBIT	37.69	42.44	12.6%	50.01	55.30	10.6%	60.41	65.19	7.9%
margin	27.2%	27.8%		15.9%	17.9%		15.2%	17.8%	
Net income	15.73	19.06	21.2%	23.46	27.17	15.8%	28.20	31.64	12.2%
margin	11.4%	12.5%		1.6%	8.8%		7.1%	8.6%	
EPS (diluted)	1.10	1.33	20.9%	1.64	1.90	15.6%	1.97	2.21	12.1%

Source: First Berlin Equity Research

**Figure 2: Segment and group EBT forecasts**

EBT (figures in €m)	2017A	2018A	2019A	2020E	2021E	2022E
Project Development	5.12	-4.64	-9.93	16.54	29.22	32.61
Power Production	8.50	11.70	7.76	7.73	6.56	9.36
Operation & Innovation	3.05	2.55	2.94	2.96	3.23	3.73
<b>Group</b>	<b>16.67</b>	<b>9.61</b>	<b>0.77</b>	<b>27.23</b>	<b>39.01</b>	<b>45.70</b>

Source: First Berlin Equity Research, Energiekontor AG

**Sum of the parts valuation model yields higher price target** Given the improved medium to long term prospects, we have increased our Project Development valuation. The capacity reduction in the own green power plant portfolio results in a slightly lower Power Generation segment valuation. An updated sum of the parts valuation results in a new price target of €43.80 (previously: €36.40). We confirm our Add 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 & Innovation is valued separately using a DCF model.

### Sum of the parts valuation

SotP valuation	Fair value in €m	Fair value per share in €	old	delta
Project Development	343.50	23.97	16.02	49.7%
Power Production	222.88	15.56	16.16	-3.7%
Operation & Innovation	61.56	4.30	4.22	1.8%
<b>Sum of the parts</b>	<b>627.95</b>	<b>43.83</b>	<b>36.40</b>	<b>20.4%</b>

### DCF model for Project Development segment

DCF valuation model								
All figures in EUR '000	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E
Net sales	91,150	170,875	202,050	211,000	226,729	242,394	257,819	272,819
NOPLAT	14,909	24,529	27,558	26,747	28,140	29,386	30,622	31,830
+ depreciation & amortisation	1,184	1,263	1,163	1,071	1,143	1,196	1,237	1,270
Net operating cash flow	16,093	25,792	28,721	27,818	29,283	30,582	31,859	33,101
- total investments (CAPEX and WC)	-13,230	-11,717	-2,757	-2,219	-8,032	-8,039	-7,964	-7,801
Capital expenditures	-1,367	-1,196	-1,010	-1,266	-1,319	-1,366	-1,406	-1,439
Working capital	-11,863	-10,521	-1,747	-953	-6,713	-6,673	-6,557	-6,362
Free cash flows (FCF)	2,863	14,075	25,964	25,599	21,252	22,543	23,895	25,300
PV of FCF's	2,831	12,772	21,619	19,559	14,896	14,499	14,102	13,701

All figures in thousands	
PV of FCFs in explicit period (2020E-2034E)	198,033
PV of FCFs in terminal period	146,162
Enterprise value (EV)	344,195
+ Net cash / - net debt	-796
+ Investments / minority interests	0
Shareholder value	343,399
Number of shares (diluted)	14,328
Fair value per share in EUR	23.97

WACC	9.0%
Cost of equity	11.7%
Pre-tax cost of debt	7.0%
Tax rate	30.0%
After-tax cost of debt	4.9%
Share of equity capital	60.0%
Share of debt capital	40.0%
Fair value per share in EUR	23.97

	Terminal growth rate						
	0.5%	1.0%	1.5%	2.0%	2.5%	3.0%	3.5%
5.0%	46.34	49.40	53.33	58.58	65.95	77.04	95.63
6.0%	37.04	38.72	40.78	43.36	46.67	51.09	57.30
7.0%	30.68	31.68	32.86	34.27	36.00	38.17	40.96
8.0%	26.06	26.69	27.41	28.25	29.24	30.43	31.89
9.0%	22.58	22.98	23.44	23.97	24.57	25.28	26.12
10.0%	19.86	20.13	20.43	20.77	21.16	21.60	22.11
11.0%	17.68	17.87	18.07	18.30	18.56	18.84	19.17
12.0%	15.91	16.04	16.18	16.33	16.51	16.70	16.91

\* for layout purposes the model shows numbers only to 2027, but runs until 2034



## DCF model for Power Generation segment

DCF valuation model								
All figures in EUR '000								
	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E
Net sales	54,286	54,480	66,861	85,906	106,100	121,511	122,456	122,256
NOPLAT	17,228	16,941	21,751	27,664	33,215	36,480	36,941	36,853
+ depreciation & amortisation	22,472	23,259	27,258	35,590	45,161	53,099	52,686	52,274
Net operating cash flow	39,700	40,199	49,008	63,254	78,375	89,580	89,628	89,126
- total investments (CAPEX and WC)	-741	-99,187	-126,124	-143,653	-137,623	-56,055	-52,868	-52,235
Capital expenditures	0	-99,150	-123,750	-140,000	-133,750	-53,099	-52,686	-52,274
Working capital	-741	-37	-2,374	-3,653	-3,873	-2,956	-181	38
Free cash flows (FCF)	38,959	-58,988	-77,116	-80,399	-59,248	33,525	36,760	36,891
PV of FCF's	38,759	-56,405	-70,873	-71,018	-50,295	27,353	28,827	27,805

All figures in thousands	
PV of FCFs in explicit period (2020E-2034E)	39,419
PV of FCFs in terminal period	387,803
Enterprise value (EV)	427,222
+ Net cash / - net debt	-204,343
+ Investments / minority interests	0
Shareholder value	222,879
Number of shares (diluted)	14,328
Fair value per share in EUR	15.56

WACC	4.0%
Cost of equity	6.7%
Pre-tax cost of debt	5.0%
Tax rate	30.0%
After-tax cost of debt	3.5%
Share of equity capital	17.0%
Share of debt capital	83.0%
Fair value per share in EUR	15.56

	Terminal growth rate						
	-0.6%	-0.4%	-0.2%	0.0%	0.2%	0.4%	0.6%
3.3%	20.49	22.18	24.07	26.19	28.58	31.31	34.43
3.5%	17.32	18.76	20.36	22.14	24.13	26.37	28.92
3.8%	14.52	15.76	17.12	18.63	20.30	22.17	24.27
4.0%	12.03	13.10	14.27	15.56	16.97	18.55	20.30
4.3%	9.81	10.74	11.75	12.85	14.06	15.40	16.88
4.5%	7.80	8.62	9.49	10.45	11.50	12.64	13.90
4.8%	5.99	6.71	7.48	8.31	9.21	10.20	11.28

\* for layout purposes the model shows numbers only to 2027, but runs until 2034

## DCF model for Operation & Innovation segment

DCF valuation model								
All figures in EUR '000								
	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E
Net sales	6,293	6,859	7,730	8,658	9,668	10,744	11,865	13,010
NOPLAT	2,139	2,329	2,675	2,992	3,352	3,729	4,117	4,508
+ depreciation & amortisation	0	0	3	6	9	12	16	20
Net operating cash flow	2,139	2,329	2,678	2,997	3,361	3,742	4,133	4,528
- total investments (CAPEX and WC)	210	-11	-44	-155	-160	-181	-200	-217
Capital expenditures	0	-34	-39	-43	-48	-54	-59	-65
Working capital	210	23	-5	-112	-111	-127	-141	-152
Free cash flows (FCF)	2,348	2,318	2,634	2,842	3,202	3,561	3,933	4,311
PV of FCF's	2,323	2,110	2,205	2,189	2,268	2,321	2,358	2,378

All figures in thousands	
PV of FCFs in explicit period (2020E-2034E)	33,507
PV of FCFs in terminal period	28,886
Enterprise value (EV)	62,393
+ Net cash / - net debt	-828
+ Investments / minority interests	0
Shareholder value	61,565
Number of shares (diluted)	14,328
Fair value per share in EUR	4.30

WACC	8.7%
Cost of equity	8.7%
Pre-tax cost of debt	5.0%
Tax rate	30.0%
After-tax cost of debt	3.5%
Share of equity capital	100.0%
Share of debt capital	0.0%
Fair value per share in EUR	4.30

	Terminal growth rate						
	0.5%	1.0%	1.5%	2.0%	2.5%	3.0%	3.5%
4.7%	8.52	9.25	10.21	11.53	13.44	16.48	22.05
5.7%	6.69	7.09	7.59	8.23	9.07	10.22	11.88
6.7%	5.46	5.71	6.00	6.35	6.79	7.35	8.08
7.7%	4.59	4.74	4.93	5.14	5.40	5.70	6.09
8.7%	3.94	4.04	4.16	4.30	4.46	4.64	4.87
9.7%	3.43	3.51	3.59	3.68	3.78	3.90	4.04
10.7%	3.03	3.09	3.14	3.21	3.28	3.36	3.45
11.7%	2.71	2.75	2.79	2.83	2.88	2.94	3.00

\* for layout purposes the model shows numbers only to 2027, but runs until 2034



## INCOME STATEMENT

All figures in EUR '000	2017A	2018A	2019A	2020E	2021E	2022E
<b>Revenues</b>	<b>149,865</b>	<b>110,186</b>	<b>63,700</b>	<b>149,527</b>	<b>229,813</b>	<b>273,935</b>
Change in inventory & own work	52,211	18,516	32,708	3,006	79,603	92,692
<b>Total output</b>	<b>202,076</b>	<b>128,702</b>	<b>96,409</b>	<b>152,533</b>	<b>309,416</b>	<b>366,627</b>
Cost of goods sold	127,923	60,631	30,501	57,344	195,636	233,943
<b>Gross profit</b>	<b>74,153</b>	<b>68,071</b>	<b>65,908</b>	<b>95,189</b>	<b>113,780</b>	<b>132,684</b>
Personnel costs	11,830	13,667	14,679	15,405	16,486	17,690
Other operating expenses	18,475	17,144	16,362	17,511	20,614	24,747
Other operating income	5,746	3,363	3,986	3,827	3,147	3,365
<b>EBITDA</b>	<b>49,593</b>	<b>40,622</b>	<b>38,853</b>	<b>66,100</b>	<b>79,826</b>	<b>93,613</b>
Depreciation	16,704	18,546	22,551	23,656	24,521	28,423
<b>Operating income (EBIT)</b>	<b>32,889</b>	<b>22,076</b>	<b>16,302</b>	<b>42,444</b>	<b>55,305</b>	<b>65,189</b>
Net financial result	-16,224	-12,465	-15,532	-15,216	-16,491	-19,995
Non-operating expenses	0	0	0	0	0	0
<b>Pre-tax income (EBT)</b>	<b>16,666</b>	<b>9,612</b>	<b>770</b>	<b>27,229</b>	<b>38,814</b>	<b>45,194</b>
Income taxes	4,778	2,932	526	8,169	11,644	13,558
Minority interests	0	0	0	0	0	0
<b>Net income / loss</b>	<b>11,888</b>	<b>6,680</b>	<b>244</b>	<b>19,060</b>	<b>27,170</b>	<b>31,636</b>
<b>Diluted EPS (in €)</b>	<b>0.82</b>	<b>0.46</b>	<b>0.02</b>	<b>1.33</b>	<b>1.90</b>	<b>2.21</b>
<b>Ratios</b>						
Gross margin on total output	36.7%	52.9%	68.4%	62.4%	36.8%	36.2%
EBITDA margin on total output	24.5%	31.6%	40.3%	43.3%	25.8%	25.5%
EBIT margin on total output	16.3%	17.2%	16.9%	27.8%	17.9%	17.8%
Net margin on total output	5.9%	5.2%	0.3%	12.5%	8.8%	8.6%
Tax rate	28.7%	30.5%	68.3%	30.0%	30.0%	30.0%
<b>Expenses as % of total output</b>						
Personnel costs	5.9%	10.6%	15.2%	10.1%	5.3%	4.8%
Depreciation	8.3%	14.4%	23.4%	15.5%	7.9%	7.8%
Other operating expenses	9.1%	13.3%	17.0%	11.5%	6.7%	6.7%
<b>Y-Y Growth</b>						
Total output	21.2%	-36.3%	-25.1%	58.2%	102.9%	18.5%
EBIT	-38.8%	-32.9%	-26.2%	160.4%	30.3%	17.9%
Net income/ loss	-53.1%	-43.8%	-96.4%	7724.4%	42.5%	16.4%



## BALANCE SHEET

All figures in EUR '000	2017A	2018A	2019A	2020E	2021E	2022E
<b>Assets</b>						
<b>Current assets, total</b>	<b>160,607</b>	<b>137,613</b>	<b>154,284</b>	<b>161,174</b>	<b>212,155</b>	<b>243,082</b>
Cash and cash equivalents	69,002	73,291	66,989	80,122	98,828	124,765
Short-term investments	10,159	5,061	36	36	36	36
Receivables	26,216	19,123	13,765	22,917	40,354	44,425
Inventories	47,006	38,481	71,189	55,794	70,632	71,551
Other current assets	8,225	1,657	2,305	2,305	2,305	2,305
<b>Non-current assets, total</b>	<b>200,606</b>	<b>210,824</b>	<b>235,615</b>	<b>213,326</b>	<b>289,185</b>	<b>385,561</b>
Property, plant & equipment	194,558	204,916	226,541	204,253	280,112	376,487
Goodwill & other intangibles	1	23	766	766	766	766
Other assets	6,047	5,885	8,308	8,308	8,308	8,308
<b>Total assets</b>	<b>361,213</b>	<b>348,437</b>	<b>389,899</b>	<b>374,500</b>	<b>501,340</b>	<b>628,643</b>
<b>Shareholders' equity &amp; debt</b>						
<b>Current liabilities, total</b>	<b>57,200</b>	<b>44,177</b>	<b>63,616</b>	<b>53,747</b>	<b>72,687</b>	<b>72,915</b>
Short-term financial debt	24,728	20,639	39,237	25,000	35,000	35,000
Accounts payable	8,383	5,489	9,785	12,766	18,840	19,069
Current provisions	14,660	13,504	9,175	9,175	9,175	9,175
Other current liabilities	9,429	4,545	5,419	6,806	9,671	9,671
<b>Long-term liabilities, total</b>	<b>233,781</b>	<b>235,861</b>	<b>270,083</b>	<b>252,658</b>	<b>343,418</b>	<b>448,886</b>
Long-term financial debt	208,961	207,233	240,417	222,992	313,752	419,220
Deferred revenue	0	0	0	0	0	0
Other liabilities	24,820	28,628	29,666	29,666	29,666	29,666
<b>Minority interests</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Shareholders' equity</b>	<b>70,232</b>	<b>68,400</b>	<b>56,200</b>	<b>68,096</b>	<b>85,236</b>	<b>106,842</b>
Share capital	14,578	14,578	14,678	14,678	14,678	14,678
Capital reserve	40,428	40,458	41,460	41,460	41,460	41,460
Other reserves	-2,441	-1,835	-4,632	-4,632	-4,632	-4,632
Treasury stock	-1	-30	-312	-312	-312	-312
Loss carryforward / retained earnings	39,717	39,344	35,457	47,353	64,493	86,100
<b>Total consolidated equity and debt</b>	<b>361,213</b>	<b>348,437</b>	<b>389,899</b>	<b>374,500</b>	<b>501,340</b>	<b>628,643</b>
<b>Ratios</b>						
Current ratio (x)	2.81	3.12	2.43	3.00	2.92	3.33
Quick ratio (x)	1.99	2.24	1.31	1.96	1.95	2.35
Net debt	154,528	149,520	212,629	167,834	249,888	329,419
Net gearing	220%	219%	378%	246%	293%	308%
Book value per share (in €)	4.82	4.69	3.89	4.75	5.95	7.46
Financial debt/EBITDA (x)	4.7	5.6	7.2	3.8	4.4	4.9
Equity ratio	19.4%	19.6%	14.4%	18.2%	17.0%	17.0%
Return on equity (ROE)	16.9%	9.8%	0.4%	28.0%	31.9%	29.6%
Return on investment (ROI)	3.3%	1.9%	0.1%	5.1%	5.4%	5.0%
Return on assets (ROA)	7.8%	5.7%	4.1%	9.2%	8.7%	8.2%
Return on capital employed (ROCE)	14.8%	8.9%	6.0%	15.0%	17.5%	15.7%
Days sales outstanding (DSO)	63.8	63.3	78.9	55.9	64.1	59.2
Days inventory outstanding (DIO)	134.1	231.7	851.9	355.1	131.8	111.6
Days payables outstanding (DPO)	23.9	33.0	117.1	81.3	35.2	29.8



## CASH FLOW STATEMENT

All figures in EUR '000	2017A	2018A	2019A	2020E	2021E	2022E
<b>EBIT</b>	<b>32,889</b>	<b>22,076</b>	<b>16,302</b>	<b>42,444</b>	<b>55,305</b>	<b>65,189</b>
Depreciation and amortisation	16,704	18,546	22,551	23,656	24,521	28,423
<b>EBITDA</b>	<b>49,593</b>	<b>40,622</b>	<b>38,853</b>	<b>66,100</b>	<b>79,826</b>	<b>93,613</b>
Changes in working capital	-28,182	6,310	-24,549	9,224	-26,200	-4,762
Other adjustments	-16,973	-1,499	-961	-8,169	-11,644	-13,558
<b>Operating cash flow</b>	<b>4,438</b>	<b>45,433</b>	<b>13,343</b>	<b>67,155</b>	<b>41,981</b>	<b>75,293</b>
CAPEX	-33,707	-22,240	-7,463	-1,367	-100,380	-124,799
Investments in intangibles	-1	-26	-19	0	0	0
<b>Free cash flow</b>	<b>-29,269</b>	<b>23,167</b>	<b>5,861</b>	<b>65,788</b>	<b>-58,399</b>	<b>-49,506</b>
Acquisitions and disposals, net	0	0	0	0	0	0
Other investments	-2,277	4,642	3,412	0	0	0
<b>Cash flow from investing</b>	<b>-35,984</b>	<b>-17,624</b>	<b>-4,070</b>	<b>-1,367</b>	<b>-100,380</b>	<b>-124,799</b>
Debt financing, net	5,266	-2,891	9,610	-31,662	100,760	105,468
Equity financing, net	-251	-403	-4,865	0	0	0
Dividends paid	-11,670	-8,745	-5,784	-5,778	-7,164	-10,030
Other financing	-13,992	-11,577	-13,483	-15,216	-16,491	-19,995
<b>Cash flow from financing</b>	<b>-20,646</b>	<b>-23,616</b>	<b>-14,523</b>	<b>-52,655</b>	<b>77,105</b>	<b>75,443</b>
Forex & other effects	2,666	96	-1,052	0	0	0
<b>Net cash flows</b>	<b>-49,526</b>	<b>4,289</b>	<b>-6,302</b>	<b>13,133</b>	<b>18,706</b>	<b>25,937</b>
Cash, start of the year	118,528	69,002	73,291	66,989	80,122	98,828
<b>Cash, end of the year</b>	<b>69,002</b>	<b>73,291</b>	<b>66,989</b>	<b>80,122</b>	<b>98,828</b>	<b>124,765</b>
<b>EBITDA/share (in €)</b>	<b>3.40</b>	<b>2.79</b>	<b>2.69</b>	<b>4.61</b>	<b>5.57</b>	<b>6.53</b>
<b>Operating cash flow/share (in €)</b>	<b>0.30</b>	<b>3.12</b>	<b>0.92</b>	<b>4.69</b>	<b>2.93</b>	<b>5.25</b>
<b>Y-Y Growth</b>						
Operating cash flow	-95.2%	923.6%	-70.6%	403.3%	-37.5%	79.3%
Free cash flow	n.m.	n.m.	-74.7%	1022.5%	n.m.	n.m.
EBITDA/share	-31.1%	-18.0%	-3.5%	71.5%	20.8%	17.3%
Operating cash flow/share	-95.2%	924.6%	-70.4%	407.4%	-37.5%	79.3%



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Category		1	2
Current market capitalisation (in €)		0 - 2 billion	> 2 billion
Strong Buy <sup>1</sup>	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%

<sup>1</sup> 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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Report No.:	Date of publication	Previous day closing price	Recommendation	Price target
Initial Report	5 June 2014	€7.70	Buy	€12.20
2...31	↓	↓	↓	↓
32	3 September 2019	€17.30	Buy	€22.60
33	19 November 2019	€20.40	Add	€22.50
34	19 December 2019	€20.50	Add	€22.30
35	13 March 2020	€18.85	Buy	€26.00
36	20 April 2020	€19.40	Buy	€26.00
37	7 May 2020	€18.35	Buy	€26.30
38	19 May 2020	€18.75	Buy	€26.30
39	31 August 2020	€29.60	Add	€36.40
40	Today	€36.80	Add	€43.80

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