

Energiekontor AG

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

2020 results

RATING	ADD
PRICE TARGET	€ 70.00
Return Potential	24.1%
Risk Rating	High

THEY'VE GOT THE POWER

Energiekontor's 2020 annual report not only looks back on the most successful year since 2016, it also guides towards significant growth in coming years (+10-20% p.a.). For the first time, EKT has published a detailed table of its project pipeline. We believe that 2020 was probably Energiekontor's most successful year in terms of pipeline development. The pipeline (without US projects) increased by 44% to 6.0 GW. Late-stage projects (phase 5: financial close / under construction), which are a good indicator for earnings in the current and next year, rose by 80 MW (+229%) to 115 MW. In our view, Energiekontor is at the beginning of a sustained growth phase. The sale of two Scottish wind projects (63 MW) and a German solar park (9 MW) marked an excellent start to the year. We have raised our forecasts and updated our segment DCF models yielding a sum-of-the-parts valuation of €70 (previously: €66). We confirm our **Adc recommendation**.

Guidance: more growth In the Project Development segment EBT is expected to be above the prior year level (2020 EBT: €18.4m). In the Electricity Generation segment EKT is guiding for EBT similar to the 2020 figure of €10.4m. In the Operation & Innovation segment EKT anticipates EBT at the previous year's level of €2.4m. Overall, management expects group EBT growth of 10–20% y/y. As group EBT was €31.2m in 2020, this implies 2021 EBT of between €34.3m and €37.4m. Given the strong increase in projects under construction, we believe that this guidance is conservative and stick to our EBT forecast of €39.2m. By 2023, EKT targets group EBT of at least €55–60m p.a.

Return to growth in 2020 Following a period of declining earnings since 2017, which were mainly caused by the collapsing German onshore wind market, EKT is now back on its growth path. 2020 sales increased 130% to €147m due to much higher project sales. Total output was up 71% at €165m.

(p.t.o.)

FINANCIAL HISTORY & PROJECTIONS

	2018	2019	2020	2021E	2022E	2023E
Total output (€m)	128.70	96.41	165.07	263.17	382.58	465.78
Y-o-y growth	n.a.	-25.1%	71.2%	59.4%	45.4%	21.7%
EBIT (€m)	22.08	16.30	46.00	55.01	80.94	93.36
EBIT margin	17.2%	16.9%	27.9%	20.9%	21.2%	20.0%
Net income (€m)	6.68	0.24	20.43	27.45	43.06	47.54
EPS (diluted) (€)	0.46	0.02	1.43	1.91	3.00	3.31
DPS (€)	0.40	0.40	0.80	0.80	0.80	0.80
FCF (€m)	23.17	5.86	17.09	7.26	-53.50	-72.70
Net gearing	218.6%	378.3%	359.7%	313.5%	300.4%	301.2%
Liquid assets (€m)	73.29	66.99	79.46	82.39	103.51	106.93

RISKS

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

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 20 Apr 2021

Closing Price	€ 56.40
Shares outstanding	14.33m
Market Capitalisation	€ 808.11m
52-week Range	€ 17.95 / 64.60
Avg. Volume (12 Months)	17,044

Multiples	2020	2021E	2022E
P/E	40.4	30.1	19.2
EV/Sales	6.3	3.9	2.7
EV/EBIT	22.5	18.8	12.8
Div. Yield	1.4%	1.4%	1.4%

STOCK OVERVIEW



COMPANY DATA

As of 31 Dec 2020

Liquid Assets	€ 79.46m
Current Assets	€ 247.65m
Intangible Assets	€ 0.89m
Total Assets	€ 448.99m
Current Liabilities	€ 138.50m
Shareholders' Equity	€ 65.55m

SHAREHOLDERS

Dr Bodo Wilkens	26.2%
Günter Lammers	26.2%
Universal Investment Gesellschaft	10.1%
Union Investment Privatfonds	5.1%
Free Float	32.4%

Earnings rose due to strong Project segment performance. Group EBITDA soared 68% to €65m and EBIT 182% to €46m. EBT jumped from less than €1m to more than €31m, and net income from nearly €0 to 20.4m (see figure 1).

Figure 1: Reported group figures versus forecasts

All figures in €m	2020A	2020E	Delta	2019A	Delta
Total output	165.07	152.53	8.2%	96.41	71.2%
EBITDA	65.38	66.10	-1.1%	38.85	68.3%
margin	39.6%	43.3%	-	40.3%	-
EBIT	46.00	42.44	8.4%	16.30	182.2%
margin	27.9%	27.8%	-	16.9%	-
EBT	31.23	27.23	14.7%	0.77	3956.2%
margin	18.9%	17.9%	-	0.8%	-
Net income	20.43	19.06	7.2%	0.24	8270.9%
margin	12.4%	12.5%	-	0.3%	-
EPS in € (diluted)	1.43	1.33	7.5%	0.02	7050.0%

Source: First Berlin Equity Research, Energiekontor AG

Projects segment with a very strong rebound The sale of many more MW, both wind and solar, resulted in segment total output of €108m versus €38m in the prior year. Segment EBIT was 25% ahead of our forecast at €23.6m (see figure 2). The high segment EBIT margin of 21.6% reflects the high margin business environment propelled by high tender award prices and strong demand for green power assets. Segment EBT amounted to €18.4m versus €-9.9m in 2019.

Figure 2: Reported segment figures versus forecasts

All figures in €m	2020A	2020E	Delta	2019A	Delta
Projects					
Total output	107.72	94.16	14.4%	38.12	182.6%
EBIT	23.57	18.80	25.4%	-7.31	-
margin	21.9%	20.0%	-	-19.2%	-
Power Production					
Total output	53.44	54.29	-1.6%	54.25	-1.5%
EBIT	20.00	20.61	-2.9%	20.61	-2.9%
margin	37.4%	38.0%	-	38.0%	-
Operation & Innovation					
Total output	5.96	6.29	-5.2%	6.20	-3.8%
EBIT	2.43	3.03	-19.9%	3.00	-19.2%
margin	40.7%	48.1%	-	48.4%	-
Consolidation					
Total output	-2.07	-2.20	-	-2.16	-
EBIT	0.00	0.00	-	0.00	-
margin	-	-	-	-	-
Group					
Total output	165.07	152.53	8.2%	96.41	71.2%
EBIT	46.00	42.44	8.4%	16.30	182.2%
margin	27.9%	27.8%	-	16.9%	-

Source: First Berlin Equity Research, Energiekontor AG

Power production EBT strongly increased At the end of 2020, EKT's own green power plant portfolio comprised 34 wind farms in three countries (Germany, Portugal, the UK), and one solar plant in Germany. The portfolio capacity declined to 279 MW, of which 10 MW



solar. The reason for the decline is the sale of the Heinsberg wind farm (7 MW). Clearly, the buyer offered a price which made it more attractive for EKT to sell than to hold. Segment total output declined 1.5% to €53.4m due mainly to lower portfolio capacity (see figure 2). EBITDA fell 9% chiefly because of higher other operating costs, but EBIT was only 3% below the prior year figure due to much lower depreciation (€18.3m versus €21.6m in 2019) as some wind farms were fully depreciated. Significantly lower interest expenses (€9.6m versus €12.9m in 2019) led to a 34% EBT increase to €10.7m.

Operation & Innovation below prior year figures and forecasts Lower total segment output (€6.0m versus €6.2m in 2019) and higher costs resulted in 15% lower EBIT (=EBT) of €2.4m.

Balance sheet reflects preparation for stronger project development activity in 2021

The balance sheet total widened 15% to €449m due mainly to much higher inventory (€145m versus €71m in 2019). The higher inventory is the basis for a much stronger project development business in the current year. The book value of the company's wind & solar farms declined 13% to €167m due to depreciation and the sale of the Heinsberg wind farm. Equity increased 17% to €66m, but the equity ratio was largely unchanged (14.6% versus 14.4% in 2019) due to the balance sheet expansion (see figure 3). Net debt rose 11% to €228m chiefly because of the strong rise in short term liabilities from leases (€47m versus €2m in 2019), which is a result of the strong pipeline expansion. IFRS 16 requires the recognition of all future lease payment obligations as liabilities.

Figure 3: Selected balance sheet items

in €m	2020A	2019A	delta
Wind & solar farms	166.9	192.4	-13%
Land, land improvements & buildings	21.1	33.5	-37%
Inventories	144.6	71.2	103%
Cash and cash equivalents incl. securities	79.5	67.0	19%
Equity	65.6	56.2	17%
Equity ratio	14.6%	14.4%	-
Financial debt (long-term) without swaps	82.8	110.9	34%
Financial debt (short-term)	56.2	32.0	76%
Bonds (long-term)	101.5	92.3	-9%
Bonds (short-term)	0.0	3.0	-100%
Liabilities from leases (long-term)	20.4	32.6	-38%
Liabilities from leases (short-term)	46.6	2.4	1825%
Net debt (incl. securities)	228.1	206.1	11%
Net gearing	347.9%	366.8%	-
Balance sheet total	449.0	389.9	15%

Source: First Berlin Equity Research, Energiekontor AG

Free cash flow of €17m Higher operating cash flow (€18m versus €13m in 2019) and lower CAPEX (€1m versus €7m in the prior year) resulted in free cash flow of €17m (see figure 4 overleaf). This is almost three times the 2019 figure. Cash flow from investing activities was positive at €12m due mainly to proceeds from the sale of property, plant & equipment (€15m), which can be traced back to the sale of the Heinsberg wind farm. Cash flow from financing activities was negative (€-18m) because of interest (€12m) dividend (€6m) & share buyback (€5m) payments, while redemption of financial liabilities was below the inflow of funds from new financial debt (net effect: €+4m). Net cash flow was €12.5m.

Figure 4: Cash flow statement

in €m	2020A	2019A
Operating cash flow	17.9	13.3
CAPEX	-0.8	-7.5
Free cash flow	17.1	5.9
Cash flow from investment	11.8	-4.1
Cash flow from financing	-18.0	-14.5
Net cash flow	12.5	-6.3

Source: First Berlin Equity Research, Energiekontor AG

Project development: 2020 was just the warm up In 2020, EKT commissioned two wind farms (Waldfeucht, already sold in 2019, and Beckum) with a total capacity of 22.5 MW and sold three wind farms (Beckum, Boddin and Heinsberg) with a total of 20.8 MW. In the solar sub-segment, four solar parks (Gefrees, Absberg, Karstädt, and Höttingen) with a total of 21.6 MW were commissioned and sold. EKT reached the financial close for seven wind farm projects and one solar project with a total of 90 MW and concluded two PPA's (with Engie for a 41.5 MW solar project in Mecklenburg-West Pomerania, and with Welsh Water for a 4.5 MW wind farm project). Energiekontor was granted construction permits for one solar and four wind projects with a total capacity of ca. 141 MW. Furthermore, the company was awarded wind (101.6 MW) and solar projects (15.9 MW) in various German tender rounds. In the UK, ten building permits totalling just under 350 MW have been granted so far. For the first time, Energiekontor gave a detailed update on the development of its pipeline. This update shows that 2020 was probably the most successful year in terms of pipeline expansion in the history of the company. Overall, Energiekontor expanded its project pipeline by 2.0 GW (+40%) to 6.9 GW. The regional pipeline split was Germany 3.2 GW, UK 2.3 GW, France 0.5 GW, and USA >0.8 GW. Excluding US project rights, which are probably worth just a fraction of European project rights, the pipeline grew by 1.8 GW (+44%) to 6.0 GW, of which 4.65 GW wind and 1.35 GW solar. Compared to 2019, EKT increased its wind project pipeline by 29% and its solar project pipeline by 125%. Except for US solar project rights, EKT could increase its pipeline in every phase. Phase 5 projects (Financial close / under construction), which are a good indicator for earnings in the current and the next year, rose by 80 MW (+129%) to 115 MW (see figure 5).

Figure 5: Pipeline development

Phase	Subject of the development phase	31/12/2020 MW	Increase MW	31/12/2019 MW
Sellable project rights	US solar project rights	500	0	500
Sellable project rights	US wind project rights	344	141	203
Phase 1	Secured areas	2,659	697	1,962
Phase 2	Regional plan procedure / land-use	2,169	571	1,598
Phase 3	Bimsch / building application submitted	705	410	295
Phase 4	Bimsch / building permit obtained	369	69	300
Phase 5	Financial close / under construction	115	80	35
Total without US project rights		6,017	1,827	4,190
Total including US project rights		6,862	1,968	4,893

Source: First Berlin Equity Research, Energiekontor AG

Share buyback programme supported share price In 2020, Energiekontor repurchased 168,454 of its own shares for €4.7m and held 130,823 treasury shares as of 31 December 2020. On 30 September 2020, the Management Board resolved, with the consent of the



Supervisory Board to cancel own shares and thus reduce the share capital of the company from €14,678,160 by EUR 350,000 to €14,328,160.

Dividend to double Due to the positive results of the 2020 financial year, the Supervisory Board and Management Board plan to submit a dividend proposal of €0.80 per share (2020: €0.40 per share). The dividend yield is 1.4%.

Project development off to an excellent start in 2021 Following the sale of the Scottish 50 MW Longhill wind farm project to Capital Dynamics in March, Energiekontor sold the 13 MW Sorbie wind farm project to the same buyer in April. Sorbie is a shovel-ready, subsidy-free onshore wind project located in North Ayrshire, Scotland. In the same month, EKT sold the German solar park Theilenhofen (9 MW), which is scheduled to be commissioned in Q4/21, to 7C Solarparken. In the second half of 2021, Energiekontor plans to start construction of large PV projects with a total volume of at least 170 MW.

Growth strategy confirmed In accordance with Energiekontor's growth strategy, 50% of the completed projects are to be sold and the other 50% are to be transferred to the company's own portfolio over a multi-year period. The 50/50 target does not refer to the MW figures realised, but to the profit contribution of the projects.

Medium-term guidance unchanged EKT plans to increase group EBT to at least €55–60m p.a. by 2023, of which at least €30m EBT will stem from project development, and €25-30m EBT from power production and operation. In the medium term, EKT targets expansion of the own green power plant portfolio to over 500 MW. We forecast group EBT of almost €68m in 2023.

German wind market remains at a low level, but PV market grew almost 1 GW In 2020, wind power plants with a total capacity of 1,431 MW were added in Germany. Although this is a 46% y/y increase, the level remains much too low to reach national CO₂ reduction targets. Compared with the 2017 expansion of ca 5,000 MW the German wind market has experienced a dramatic slump in recent years. For 2021, the German Wind Energy Association (BWE) forecasts new installations of 2.0 - 2.5 GW. The German solar sector recorded a rise in new installations of almost 1 GW y/y (+27%) to 4.9 GW.

UK remains a very lucrative market despite pandemic and Brexit Although the UK has been particularly hard hit by the pandemic, a rapid vaccination campaign looks set to lead to a quicker return to normal business than in the EU. Despite our fear that Brexit will damage the British economy, we do not expect significant detrimental effects for EKT, as the company has priced potential additional customs duties into the profitability calculations for its development projects as a precaution. So far, no additional customs duties have been levied. In the UK, especially in Scotland, wind projects are usually profitable without any subsidies due to the excellent wind conditions.

The UK plans to bring onshore wind back into the Contracts for Difference (CfD) system, which is the country's main mechanism for supporting low-carbon electricity generation. CfDs incentivise renewable energy investment by providing direct protection from volatile wholesale prices to project developers, while protecting consumers from paying higher support costs when electricity prices are high. The CfD system will offer EKT a second route apart from negotiating PPAs and could give the UK business, EKT's most important foreign market, a further boost.

Earnings forecasts slightly increased Based on 2020 segment figures and 2021 guidance, we have moderately increased our EBIT forecasts for 2021E-2023E (see figure 6 overleaf). Given the much higher volume of projects under construction and the excellent pipeline development, we expect EKT to grow strongly in coming years (EPS growth 2021E: +34%, 2022E: +57%).

**Figure 6: Revisions to forecasts**

All figures in €m	2021E			2022E			2023E		
	Old	New	Delta	Old	New	Delta	Old	New	Delta
Total output	264.15	263.17	-0.4%	383.82	382.58	-0.3%	470.10	465.78	-0.9%
EBIT	54.71	55.01	0.6%	78.88	80.94	2.6%	87.84	93.36	6.3%
margin	20.7%	20.9%		20.6%	21.2%		18.7%	20.0%	
Net income	27.34	27.45	0.4%	42.11	43.06	2.3%	44.36	47.54	7.2%
margin	10.4%	10.4%		1.6%	11.3%		9.4%	10.2%	
EPS (diluted)	1.91	1.91	0.2%	2.94	3.00	2.0%	3.10	3.31	7.0%

Source: First Berlin Equity Research

As Energiekontor provides earnings guidance in terms of EBT, we show EBT development and our forecasts at both segment and group level (see figure 7).

Figure 7: EBT development and forecasts

EBT (figures in €m)	2017A	2018A	2019A	2020A	2021E	2022E	2023E
Project Development	5.1	-4.6	-9.9	18.4	24.8	45.8	51.3
Power Production	8.5	11.7	7.8	10.4	11.6	12.1	12.2
Operation & Innovation	3.0	2.6	2.9	2.4	2.8	3.6	4.4
Group	16.7	9.6	0.8	31.2	39.2	61.5	67.9

Source: First Berlin Equity Research, Energiekontor AG

Add confirmed at higher price target We have rolled our segment DCF models one year forward and updated them (see valuation model overleaf). The sum-of-the-parts valuation yields a new price target of €70 (previously: €66). We confirm our Add 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 & Innovation is valued separately using a DCF model.

Sum-of-the-parts valuation suggests further upside We have increased our Project Development segment valuation by 13% as we reflect the better than expected pipeline expansion in our DCF model. The Power Production segment valuation falls by 5% as we have lowered our segment forecast based on weaker than expected 2020 segment figures and weak wind conditions in the first months of the current year. The Operation & Innovation segment valuation remains largely stable.

Sum of the parts valuation

SotP valuation	Fair value in €m	Fair value per share (FVPS) in €	Old FVPS in €	Delta
Project Development	583.13	40.63	35.88	13.2%
Power Production	316.41	22.04	23.26	-5.2%
Operation & Innovation	101.57	7.08	7.05	0.4%
Sum of the parts	1,001.11	69.75	66.19	5.4%
Price target		70.00	66.00	6.1%

DCF model for Project Development segment

DCF valuation model	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E
All figures in EUR '000								
Net sales	126,750	219,950	273,400	298,550	331,933	366,334	401,302	436,325
NOPLAT	23,462	38,411	42,490	42,429	45,194	48,198	51,176	54,073
+ depreciation & amortisation	1,147	1,220	1,224	1,398	1,541	1,663	1,773	1,872
Net operating cash flow	24,608	39,631	43,715	43,826	46,735	49,861	52,949	55,944
- total investments (CAPEX and WC)	9,488	822	-7,371	-4,366	-16,685	-16,903	-16,872	-16,568
Capital expenditures	-887	-1,100	-1,640	-1,737	-1,871	-1,998	-2,116	-2,221
Working capital	10,375	1,921	-5,731	-2,629	-14,814	-14,905	-14,756	-14,347
Free cash flows (FCF)	34,096	40,453	36,344	39,460	30,050	32,958	36,077	39,376
PV of FCF's	32,118	34,985	28,857	28,759	20,107	20,247	20,348	20,385

All figures in thousands	
PV of FCFs in explicit period (2021E-2035E)	341,220
PV of FCFs in terminal period	304,784
Enterprise value (EV)	646,003
+ Net cash / - net debt	-62,878
+ Investments / minority interests	0
Shareholder value	583,125
Number of shares (diluted)	14,353
Fair value per share in EUR	40.63

Terminal growth	3.0%
Terminal EBIT margin	14.9%

WACC		Terminal growth rate						
		1.5%	2.0%	2.5%	3.0%	3.5%	4.0%	4.5%
4.9%	91.82	102.44	117.46	140.30	179.23	260.47	535.13	
5.9%	68.41	73.66	80.45	89.56	102.44	122.03	155.42	
6.9%	53.79	56.72	60.32	64.83	70.66	78.48	89.54	
7.9%	43.85	45.62	47.71	50.23	53.32	57.20	62.21	
8.9%	36.68	37.81	39.11	40.63	42.43	44.60	47.25	
9.9%	31.28	32.03	32.88	33.85	34.97	36.28	37.83	
10.9%	27.09	27.60	28.17	28.81	29.54	30.38	31.35	
11.9%	23.74	24.10	24.50	24.94	25.43	25.99	26.62	

* for layout purposes the model shows numbers only to 2028, but runs until 2035



DCF model for Power Generation segment

DCF valuation model								
All figures in EUR '000	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E
Net sales	54,710	63,593	82,378	111,981	129,654	128,040	127,840	127,640
NOPLAT	17,847	21,567	27,395	37,633	39,515	38,590	38,507	38,485
+ depreciation & amortisation	19,211	22,276	32,634	45,062	57,355	56,964	56,573	56,182
Net operating cash flow	37,058	43,843	60,029	82,695	96,871	95,554	95,080	94,667
- total investments (CAPEX and WC)	-62,663	-140,194	-172,103	-185,677	-60,745	-56,655	-56,535	-56,144
Capital expenditures	-60,000	-138,490	-168,500	-180,000	-57,355	-56,964	-56,573	-56,182
Working capital	-2,663	-1,704	-3,603	-5,677	-3,389	309	38	38
Free cash flows (FCF)	-25,605	-96,351	-112,073	-102,982	36,126	38,899	38,545	38,523
PV of FCF's	-24,986	-90,789	-101,974	-90,473	30,647	31,865	30,489	29,422

All figures in thousands	
PV of FCFs in explicit period (2021E-2035E)	-7,409
PV of FCFs in terminal period	490,592
Enterprise value (EV)	483,183
+ Net cash / - net debt	-166,778
+ Investments / minority interests	0
Shareholder value	316,405
Number of shares (diluted)	14,353
Fair value per share in EUR	22.04

Terminal growth	0.0%
Terminal EBIT margin	33.4%

WACC	3.6%
Cost of equity	6.6%
Pre-tax cost of debt	4.0%
Tax rate	30.0%
After-tax cost of debt	2.8%
Share of equity capital	20.0%
Share of debt capital	80.0%
Fair value per share in EUR	22.04

WACC		Terminal growth rate					
		-0.6%	-0.4%	-0.2%	0.0%	0.2%	0.4%
2.8%	28.61	31.10	33.92	37.13	40.85	45.17	50.28
3.1%	24.23	26.31	28.64	31.27	34.27	37.73	41.74
3.3%	20.42	22.17	24.12	26.30	28.77	31.57	34.79
3.6%	17.08	18.57	20.21	22.04	24.09	26.40	29.02
3.8%	14.13	15.40	16.80	18.35	20.07	21.99	24.15
4.1%	11.50	12.60	13.80	15.12	16.58	18.20	20.00
4.3%	9.15	10.11	11.14	12.28	13.52	14.90	16.42

* for layout purposes the model shows numbers only to 2028, but runs until 2035

DCF model for Operation & Innovation segment

DCF valuation model								
All figures in EUR '000	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E
Net sales	6,202	7,443	8,931	10,664	12,672	14,937	17,429	20,095
NOPLAT	1,929	2,496	3,088	3,746	4,459	5,254	6,118	7,032
+ depreciation & amortisation	12	15	19	24	30	37	44	51
Net operating cash flow	1,941	2,511	3,108	3,770	4,490	5,290	6,162	7,084
- total investments (CAPEX and WC)	44	-145	-114	-155	-290	-341	-388	-432
Capital expenditures	-30	-35	-45	-53	-62	-72	-82	-93
Working capital	74	-109	-69	-102	-228	-269	-306	-339
Free cash flows (FCF)	1,985	2,367	2,994	3,615	4,199	4,949	5,773	6,652
PV of FCF's	1,874	2,057	2,396	2,664	2,849	3,092	3,321	3,523

All figures in thousands	
PV of FCFs in explicit period (2021E-2035E)	47,693
PV of FCFs in terminal period	52,255
Enterprise value (EV)	99,949
+ Net cash / - net debt	1,625
+ Investments / minority interests	0
Shareholder value	101,574
Number of shares (diluted)	14,353
Fair value per share in EUR	7.08

Terminal growth	2.0%
Terminal EBIT margin	47.8%

WACC	8.6%
Cost of equity	8.6%
Pre-tax cost of debt	4.0%
Tax rate	30.0%
After-tax cost of debt	2.8%
Share of equity capital	100.0%
Share of debt capital	0.0%
Fair value per share in EUR	7.08

WACC		Terminal growth rate					
		0.5%	1.0%	1.5%	2.0%	2.5%	3.0%
4.6%	14.89	16.31	18.18	20.78	24.61	30.85	42.74
5.6%	11.45	12.23	13.20	14.43	16.06	18.32	21.66
6.6%	9.18	9.65	10.20	10.88	11.72	12.80	14.22
7.6%	7.58	7.88	8.22	8.63	9.11	9.70	10.44
8.6%	6.40	6.59	6.82	7.08	7.38	7.73	8.16
9.6%	5.49	5.63	5.78	5.95	6.15	6.38	6.64
10.6%	4.78	4.88	4.99	5.10	5.24	5.39	5.56
11.6%	4.22	4.28	4.36	4.44	4.54	4.64	4.76

* for layout purposes the model shows numbers only to 2028, but runs until 2035



INCOME STATEMENT

All figures in EUR '000	2017A	2018A	2019A	2020A	2021E	2022E	2023E
Revenues	149,865	110,186	63,700	146,614	185,491	288,380	361,583
Change in inventory & own work	52,211	18,516	32,708	18,451	77,682	94,195	104,195
Total output	202,076	128,702	96,409	165,065	263,173	382,575	465,778
Cost of goods sold	127,923	60,631	30,501	67,504	152,679	236,956	291,124
Gross profit	74,153	68,071	65,908	97,561	110,495	145,619	174,653
Personnel costs	11,830	13,667	14,679	17,494	19,211	20,837	22,551
Other operating expenses	18,475	17,144	16,362	17,968	20,184	24,925	29,821
Other operating income	5,746	3,363	3,986	3,283	4,269	4,579	4,937
EBITDA	49,593	40,622	38,853	65,382	75,369	104,435	127,218
Depreciation	16,704	18,546	22,551	19,384	20,357	23,496	33,859
Operating income (EBIT)	32,889	22,076	16,302	45,998	55,011	80,939	93,360
Net financial result	-16,224	-12,465	-15,532	-14,765	-15,795	-19,425	-25,452
Non-operating expenses	0	0	0	0	0	0	0
Pre-tax income (EBT)	16,666	9,612	770	31,233	39,216	61,514	67,908
Income taxes	4,778	2,932	526	10,808	11,765	18,454	20,373
Minority interests	0	0	0	0	0	0	0
Net income / loss	11,888	6,680	244	20,425	27,452	43,060	47,536
Diluted EPS (in €)	0.82	0.46	0.02	1.43	1.91	3.00	3.31
Ratios							
Gross margin on total output	36.7%	52.9%	68.4%	59.1%	42.0%	38.1%	37.5%
EBITDA margin on total output	24.5%	31.6%	40.3%	39.6%	28.6%	27.3%	27.3%
EBIT margin on total output	16.3%	17.2%	16.9%	27.9%	20.9%	21.2%	20.0%
Net margin on total output	5.9%	5.2%	0.3%	12.4%	10.4%	11.3%	10.2%
Tax rate	28.7%	30.5%	68.3%	34.6%	30.0%	30.0%	30.0%
Expenses as % of total output							
Personnel costs	5.9%	10.6%	15.2%	10.6%	7.3%	5.4%	4.8%
Depreciation	8.3%	14.4%	23.4%	11.7%	7.7%	6.1%	7.3%
Other operating expenses	9.1%	13.3%	17.0%	10.9%	7.7%	6.5%	6.4%
Y-Y Growth							
Total output	21.2%	-36.3%	-25.1%	71.2%	59.4%	45.4%	21.7%
EBIT	-38.8%	-32.9%	-26.2%	182.2%	19.6%	47.1%	15.3%
Net income/ loss	-53.1%	-43.8%	-96.4%	8284.6%	34.4%	56.9%	10.4%



BALANCE SHEET

All figures in EUR '000	2017A	2018A	2019A	2020A	2021E	2022E	2022E
Assets							
Current assets, total	160,607	137,613	154,284	247,651	249,823	278,960	296,633
Cash and cash equivalents	69,002	73,291	66,989	79,457	82,392	103,506	106,929
Short-term investments	10,159	5,061	36	36	36	36	36
Receivables	26,216	19,123	13,765	20,035	28,280	42,795	53,740
Inventories	47,006	38,481	71,189	144,642	135,634	129,142	132,448
Other current assets	8,225	1,657	2,305	3,481	3,481	3,481	3,481
Non-current assets, total	200,606	210,824	235,615	201,337	241,867	357,961	494,243
Property, plant & equipment	194,558	204,916	226,541	188,806	229,336	345,430	481,712
Goodwill & other intangibles	1	23	766	887	887	887	887
Other assets	6,047	5,885	8,308	11,644	11,644	11,644	11,644
Total assets	361,213	348,437	389,899	448,988	491,690	636,921	790,876
Shareholders' equity & debt							
Current liabilities, total	57,200	44,177	63,616	138,502	74,422	82,553	92,401
Short-term financial debt	24,728	20,639	39,237	102,856	35,000	35,000	40,000
Accounts payable	8,383	5,489	9,785	5,323	9,098	17,230	22,078
Current provisions	14,660	13,504	9,175	13,478	13,478	13,478	13,478
Other current liabilities	9,429	4,545	5,419	16,845	16,845	16,845	16,845
Long-term liabilities, total	233,781	235,861	270,083	244,935	335,695	441,163	549,163
Long-term financial debt	208,961	207,233	240,417	212,420	303,180	408,648	516,648
Deferred revenue	0	0	0	0	0	0	0
Other liabilities	24,820	28,628	29,666	32,515	32,515	32,515	32,515
Minority interests	0	0	0	0	0	0	0
Shareholders' equity	70,232	68,400	56,200	65,551	81,573	113,205	149,312
Share capital	14,578	14,578	14,678	14,328	14,328	14,328	14,328
Capital reserve	40,428	40,458	41,460	41,664	41,664	41,664	41,664
Other reserves	-2,441	-1,835	-4,632	-5,455	-5,455	-5,455	-5,455
Treasury stock	-1	-30	-312	-131	-131	-131	-131
Loss carryforward / retained earnings	39,717	39,344	35,457	31,770	47,792	79,424	115,531
Total consolidated equity and debt	361,213	348,437	389,899	448,988	491,690	636,921	790,876
Ratios							
Current ratio (x)	2.81	3.12	2.43	1.79	3.36	3.38	3.21
Quick ratio (x)	1.99	2.24	1.31	0.74	1.53	1.81	1.78
Net debt	154,528	149,520	212,629	235,783	255,752	340,106	449,683
Net gearing	220%	219%	378%	360%	314%	300%	301%
Book value per share (in €)	4.82	4.69	3.89	4.57	5.68	7.89	10.40
Financial debt/EBITDA (x)	4.7	5.6	7.2	4.8	4.5	4.2	4.4
Equity ratio	19.4%	19.6%	14.4%	14.6%	16.6%	17.8%	18.9%
Return on equity (ROE)	16.9%	9.8%	0.4%	31.2%	33.7%	38.0%	31.8%
Return on investment (ROI)	3.3%	1.9%	0.1%	4.5%	5.6%	6.8%	6.0%
Return on assets (ROA)	7.8%	5.7%	4.1%	7.8%	8.8%	9.8%	9.2%
Return on capital employed (ROCE)	14.8%	8.9%	6.0%	14.5%	15.6%	18.9%	16.7%
Days sales outstanding (DSO)	63.8	63.3	78.9	49.9	55.6	54.2	54.2
Days inventory outstanding (DIO)	134.1	231.7	851.9	782.1	324.3	198.9	166.1
Days payables outstanding (DPO)	23.9	33.0	117.1	28.8	21.8	26.5	27.7



CASH FLOW STATEMENT

All figures in EUR '000	2017A	2018A	2019A	2020A	2021E	2022E	2022E
EBIT	32,889	22,076	16,302	45,998	55,011	80,939	93,360
Depreciation and amortisation	16,704	18,546	22,551	19,384	20,357	23,496	33,859
EBITDA	49,593	40,622	38,853	65,382	75,369	104,435	127,218
Changes in working capital	-28,182	6,310	-24,549	-43,368	4,539	108	-9,402
Other adjustments	-16,973	-1,499	-961	-4,134	-11,765	-18,454	-20,373
Operating cash flow	4,438	45,433	13,343	17,880	68,142	86,089	97,444
CAPEX	-33,707	-22,240	-7,463	-347	-60,887	-139,590	-170,140
Investments in intangibles	-1	-26	-19	-443	0	0	0
Free cash flow	-29,269	23,167	5,861	17,090	7,255	-53,501	-72,697
Acquisitions and disposals, net	0	0	0	15,087	0	0	0
Other investments	-2,277	4,642	3,412	-2,542	0	0	0
Cash flow from investing	-35,984	-17,624	-4,070	11,755	-60,887	-139,590	-170,140
Debt financing, net	5,266	-2,891	9,610	4,254	22,904	105,468	113,000
Equity financing, net	-251	-403	-4,865	-4,734	0	0	0
Dividends paid	-11,670	-8,745	-5,784	-5,720	-11,429	-11,429	-11,429
Other financing	-13,992	-11,577	-13,483	-11,774	-15,795	-19,425	-25,452
Cash flow from financing	-20,646	-23,616	-14,523	-17,974	-4,320	74,614	76,120
Forex & other effects	2,666	96	-1,052	807	0	0	0
Net cash flows	-49,526	4,289	-6,302	12,468	2,935	21,114	3,423
Cash, start of the year	118,528	69,002	73,291	66,989	79,457	82,392	103,506
Cash, end of the year	69,002	73,291	66,989	79,457	82,392	103,506	106,929
EBITDA/share (in €)	3.40	2.79	2.69	4.56	5.25	7.28	8.86
Operating cash flow/share (in €)	0.30	3.12	0.92	1.25	4.75	6.00	6.79
Y-Y Growth							
Operating cash flow	-95.2%	923.6%	-70.6%	34.0%	281.1%	26.3%	13.2%
Free cash flow	n.m.	n.m.	-74.7%	191.6%	-57.5%	n.m.	n.m.
EBITDA/share	-31.1%	-18.0%	-3.5%	69.3%	15.3%	38.6%	21.8%
Operating cash flow/share	-95.2%	924.6%	-70.4%	34.9%	281.1%	26.3%	13.2%

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Anschrift:

First Berlin Equity Research GmbH
Mohrenstr. 34
10117 Berlin
Germany

Vertreten durch den Geschäftsführer: Martin Bailey

Telefon: +49 (0) 30-80 93 9 680

Fax: +49 (0) 30-80 93 9 687

E-Mail: info@firstberlin.com

Amtsgericht Berlin Charlottenburg HR B 103329 B

UST-Id.: 251601797

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First Berlin Equity Research GmbH

Authored by: Dr. Karsten von Blumenthal, Analyst

All publications of the last 12 months were authored by Dr. Karsten von Blumenthal.

Company responsible for preparation: First Berlin Equity Research GmbH, Mohrenstraße 34, 10117 Berlin

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First Berlin's system for asset valuation is divided into an asset recommendation and a risk assessment.

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The recommendations determined in accordance with the share price trend anticipated by First Berlin in the respectively indicated investment period are as follows:

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

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

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

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Report No.:	Date of publication	Previous day closing price	Recommendation	Price target
Initial Report	5 June 2014	€7.70	Buy	€12.20
2...34	↓	↓	↓	↓
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	17 November 2020	€36.80	Add	€43.80
41	3 March 2021	€56.20	Add	€60.00
42	25 March 2021	€56.20	Add	€66.00
43	Today	€56.40	Add	€70.00

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- **key sources of information in the preparation of this research report**
- **valuation methods and principles**
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