

# PNE AG

Germany / Cleantech  
 Primary exchange: Frankfurt  
 Bloomberg: PNE3 GR  
 ISIN: DE000A0JBPG2

H1 report

## RATING

### PRICE TARGET

Return Potential  
 Risk Rating

## BUY

€ 3.80

25.6%  
 High

## SALE OF LARGE WIND FARMS DRIVES OPERATING EARNINGS

PNE reported strong Q2 figures and held a conference call. The sale of two large wind farm projects in Poland and Sweden with a planned total capacity of 245 MW was the main earnings driver and shows the importance of the international business, especially in times such as now, in which the German market is suffering from low installation figures due to a lack of approvals. Q2 EBIT amounted to €8.6m and was ahead of our forecasts and more than twice as high as the previous year's figure. However, higher interest and similar expenses resulted in lower net income of €1.7m. Given the better than expected Q2 EBIT, we increase our 2019 EBIT forecast. An updated DCF model yields a new price target of €3.80 (previously: €3.60). We reiterate our Buy rating.

**Strong Q2 EBIT** Q2 revenues and EBIT more than doubled y/y to €37.7m and €8.6m respectively. Much higher interest and similar expenses of €4.8m versus €2.3m in Q2/18, however, were the main reason why the net result only amounted to €1.7m (Q2/18: €2.7m, FBe: €1.9m). Management cited one-off costs for swaps as the main reason for the higher interest and similar expenses. Based on the first half-year, figures were even more impressive. Revenues climbed 131% to €65.6m and EBIT more than tripled to €12.9m, which is already close to the lower end of the EBIT guidance for the full year (€15 - €25m). The net result amounted to €3.4m versus €-0.3m in H1/18

**PNE reiterated guidance (EBITDA of €25-30m and EBIT of €15-20m)** Currently, management believes that it is more likely that EBIT will be closer to the upper than the lower end of the guidance.

**Q2 driven by sale of two large wind farm projects** The sale of two large wind farm projects in Poland and Sweden with a total capacity of 245 MW is the main earnings driver in Q2. In April, PNE sold the Polish "Jasna" wind farm project (132 MW) to Stadtwerke München. PNE will be involved in the... (p.t.o.)

## FINANCIAL HISTORY & PROJECTIONS

	2016	2017	2018	2019E	2020E	2021E
Revenue (€m)	248.58	114.08	91.38	118.69	218.10	151.67
Y-o-y growth	127.0%	-54.1%	-19.9%	29.9%	83.8%	-30.5%
EBIT (€m)	97.04	23.13	7.79	18.01	101.97	19.24
EBIT margin	39.0%	20.3%	8.5%	15.2%	46.8%	12.7%
Net income (€m)	68.97	17.08	-1.04	6.79	76.68	11.46
EPS (diluted) (€)	0.88	0.22	-0.01	0.09	1.00	0.15
DPS (€)	0.12	0.04	0.04	0.04	0.13	0.04
FCF (€m)	-44.27	-47.39	-32.80	-85.11	180.43	34.02
Net gearing	-12.6%	-5.8%	14.6%	52.1%	-18.5%	-25.7%
Liquid assets (€m)	147.69	193.98	129.07	84.78	182.14	206.21

## RISKS

Risks to our price target include, but are not limited to: changes in legislation, project financing risks, project delays, and project approval risks.

## COMPANY PROFILE

PNE AG is an international wind energy project developer for on- and offshore wind farms. It has begun to develop into a clean energy solution provider active in wind, PV, storage, power-to-heat, energy supply management, and energy services. The company is based in Cuxhaven, Germany.

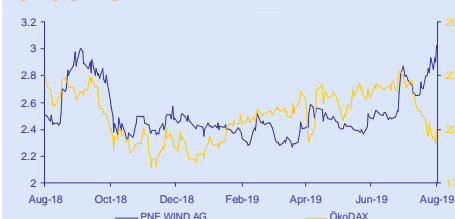
## MARKET DATA

As of 08 Aug 2019

Closing Price	€ 3.02
Shares outstanding	76.56m
Market Capitalisation	€ 231.58m
52-week Range	€ 2.27 / 3.02
Avg. Volume (12 Months)	131,539

Multiples	2018	2019E	2020E
P/E	n.a.	34.1	3.0
EV/Sales	2.9	2.2	1.2
EV/EBIT	34.1	14.7	2.6
Div. Yield	1.3%	1.3%	4.3%

## STOCK OVERVIEW



## COMPANY DATA

As of 30 Jun 2019

Liquid Assets	€ 140.03m
Current Assets	€ 276.14m
Intangible Assets	€ 64.85m
Total Assets	€ 521.85m
Current Liabilities	€ 115.89m
Shareholders' Equity	€ 217.35m

## SHAREHOLDERS

Universal Investment GmbH	12.2%
Active Ownership Fund SCS	5.1%
Axxion S.A.	3.2%
Other investors	6.0%
Free Float	75.6%



...construction phase and will provide technical services to the owner after commissioning. The completion of the wind farm is scheduled for 2020. In May, the Swedish „Målarberget“ wind farm project (113 MW) was sold to Enlight Renewable Energy. PNE will also be involved in the construction phase and will provide technical and commercial services to the owner after commissioning, which is scheduled by the end of 2020.

**Figure 1: Reported figures versus forecasts**

All figures in €m	Q2-19A	Q2-19E	Delta	Q2-18A	Delta	H1 2019	H1 2018	Delta
Sales	37.67	27.13	38.8%	17.47	115.6%	65.64	28.41	131.0%
EBIT	8.62	6.44	33.8%	4.25	102.9%	12.88	4.05	217.8%
margin	22.9%	23.7%		24.3%		19.6%	14.3%	
Net income	1.74	1.91	-8.7%	2.70	-35.5%	3.35	-0.27	-
margin	4.6%	7.0%		15.5%		5.1%	-1.0%	
EPS (diluted) in €	0.02	0.02	-9.1%	0.04	-50.0%	0.04	0.00	-

Source: First Berlin Equity Research, PNE AG

**Balance sheet remains strong** The balance sheet total widened from €452m at the end of 2018 to €522m at end H1/19 due mainly to the adjustment to the new IFRS 16 rule (rights and duties under leases by the lessee). Rights of use amounted to €42m. PP&E increased from €96m to €118m chiefly because the “Gerdau Repowering” wind farm (21.6 MW) was reclassified upon completion and added to the 2020 portfolio. Financial debt rose from €163m at the end of 2018 to €237m due mainly to liabilities from leasing contracts of €43m and additional bank financing of €30m. The cash position increased from €129m at the end of 2018 to €140m. Net debt thus amounted to €97m versus €34m at the end of 2018. Although equity was slightly higher at €217m, the equity ratio declined from 48% at the end of 2018 to 42%.

**Moderate operating cash outflow due to higher working capital** Operating cash flow amounted to €-13.8m due mainly to higher inventories (€8.4m) and receivables/stage of completion accounting (€8.7m). Free cash flow was €14.8m due to CAPEX of €948k. Financial cash inflow amounted to €25.5m due chiefly to additional financial loans of €31.9m.

**Impressive operating activity** As of 30 June, seven wind farms with a total capacity of 331.7 MW were under construction in Germany, Poland, and Sweden. In H1, four wind farm projects in Germany, France, Poland, and Sweden with a total capacity of 72.5 MW were completed. PNE has thus started construction or commissioned projects totalling 404 MW. This is an impressive figure and the highest PNE has ever reported for a half-year.

**Further approvals and tender awards in Germany are decisive for completing the up to 200 MW portfolio in 2020** Currently, the portfolio comprises the operating wind farms Kührstedt-Alfstedt (43.2 MW), Gerdau-Repowering (21.6 MW), and Schlenzer (6.5 MW), in total 71.3 MW. Further wind farms are under construction (Neuenwalde: 7.2 MW, and Kittlitz: 17.2 MW). The portfolio thus comprises 95.7 MW in total. The remaining projects are already identified within the project pipeline. In the conference call, management stated that it is unlikely that any French project will be included in the portfolio. This means that up to 104 MW of German projects have to be added by the end of 2020. At the end of June, PNE had German projects with a planned capacity of 262 MW in phase III. The pipeline is thus well filled, but approval procedures are currently very slow. Given that recent tenders were undersubscribed and that there are plenty of tender opportunities during the remainder of the year, we believe that receiving approvals is the main hurdle. The results of the August tender (650 MW) look set to be published by mid-August. Further 2019 tenders are scheduled for September (500 MW), October (650 MW), and December (500 MW).



**Portfolio development postpones profits into 2020E** Since 2017, PNE has been developing the up to 200 MW portfolio. Cumulative EBT accrued – and not yet realised – in this portfolio amounts to ca. €26.0m. Profits will be realised when the portfolio is sold in 2020E.

**All segments grew and delivered positive EBIT contributions** The Project Development segment was the main sales and earnings driver (see figure 2). The Service segment grew more than 60% y/y, but reported lower EBIT. Growth was partly driven by the acquisitions of MEB in December 2018 and argus in February 2019. Integration and restructuring costs caused the lower segment EBIT. The Electricity Generation segment increased external sales y/y by 15% to €7.7m and segment EBIT by 94% to €2.9m.

**Figure 2: Reported segment figures**

All figures in €m	H1-19A	H1-18A	Delta
<b>Project development</b>			
External sales	50.58	17.13	195.3%
EBIT	12.15	7.39	64.4%
margin	24.0%	43.2%	-
<b>Services</b>			
External sales	7.39	4.61	60.4%
EBIT	0.66	1.61	-59.3%
margin	8.9%	35.0%	-
<b>Electricity generation</b>			
External sales	7.67	6.68	14.8%
EBIT	2.94	1.52	94.2%
margin	38.4%	22.7%	-
<b>Consolidation</b>			
External sales	0.00	0.00	-
EBIT	-2.87	-6.47	-
margin	n.m.	n.m.	-
<b>Group</b>			
Sales	65.64	28.41	131.0%
EBIT	12.88	4.05	217.8%
margin	19.6%	14.3%	-

Source: First Berlin Equity Research, PNE AG

**Management reappointed** Both CEO Markus Lesser and CFO Jörg Klowat were reappointed as members of the management board for a further four years. Given their successful work in recent years (Mr Lesser was COO from 2011-2015 and has been CEO since 2016, and Mr Klowat CFO since 2011), we welcome the reappointment.

**German wind market is suffering from approval delays** In the first half of the year, only 287 MW were built onshore in Germany (H1/18: 1,626 MW, -82% y/y). This is the lowest installation in a half-year since the introduction of the Renewable Energy Act (EEG) in 2000. The very weak first half installation figure prompted the VDMA and BWE industry associations to lower their installation forecasts for 2019 to 1,500 MW (previously: almost 2,000 MW). This means that installations will be significantly below the already weak previous year (2,402 MW). The reasons for this are the unsatisfactory tender design in 2017, very lengthy approval procedures, and the growing number of objections from wind power opponents to planned wind projects. In its survey published in July, the “Fachagentur Windenergie an Land” shows that objections have been received against more than 1,000 MW. Meanwhile, the German Minister of Economic Affairs, Altmaier, has recognised the seriousness of the situation and will invite stakeholders to a crisis meeting in Berlin after the summer break.



**EBIT forecast for 2019E increased** Based on the better than expected H1 EBIT, we increase our 2019 EBIT forecast from €15.8m to €18.0m. We however maintain our net income forecast due to a lower financial result (see figure 3).

**Figure 3: Revisions to forecasts**

All figures in €m	2019E			2020E			2021E		
	Old	New	Delta	Old	New	Delta	Old	New	Delta
Sales	118.69	118.69	0.0%	218.10	218.10	0.0%	151.67	151.67	0.0%
EBIT	15.83	18.01	13.8%	101.97	101.97	0.0%	19.24	19.24	0.0%
margin	13.3%	15.2%		46.8%	46.8%		12.7%	12.7%	
Net income	6.79	6.79	0.0%	76.67	76.68	0.0%	11.46	11.46	0.0%
margin	5.7%	5.7%		35.2%	35.2%		7.6%	7.6%	
EPS (diluted) in €	0.09	0.09	0.0%	1.00	1.00	0.0%	0.15	0.15	0.0%

Source: First Berlin Equity Research

**Buy reiterated at slightly increased price target** An updated DCF model yields a €3.80 price target (previously: €3.60). We reiterate our Buy rating.



## VALUATION MODEL

DCF valuation model								
All figures in EUR '000								
	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E
Net sales	118,686	218,095	151,667	157,127	162,555	167,934	173,247	178,476
<b>NOPLAT</b>	<b>16,511</b>	<b>83,002</b>	<b>16,573</b>	<b>18,012</b>	<b>18,416</b>	<b>18,282</b>	<b>18,348</b>	<b>18,972</b>
+ depreciation & amortisation	11,055	14,781	7,563	7,399	7,553	7,711	7,872	8,034
Net operating cash flow	27,566	97,784	24,136	25,411	25,970	25,993	26,220	27,006
- total investments (CAPEX, WC, other)	-102,150	90,772	16,805	-11,255	-12,518	-12,678	-12,816	-12,930
Capital expenditures	-75,959	65,429	-8,948	-9,113	-9,310	-9,496	-9,670	-9,832
Working capital	-26,191	24,343	24,753	-2,141	-3,208	-3,182	-3,145	-3,098
Free cash flows (FCF)	-74,584	188,556	40,941	14,156	13,451	13,315	13,404	14,076
<b>PV of FCF's</b>	<b>-72,565</b>	<b>171,057</b>	<b>34,639</b>	<b>11,170</b>	<b>9,899</b>	<b>9,136</b>	<b>8,578</b>	<b>8,401</b>

All figures in thousands	
PV of FCFs in explicit period (2019E-2033E)	229,733
PV of FCFs in terminal period	107,835
Enterprise value (EV)	337,569
+ Net cash / - net debt	-33,716
+ Investments / minority interests	-13,938
Shareholder value	289,915
Number of diluted shares	76,558
<b>Fair value per share in EUR</b>	<b>3.79</b>

WACC		Terminal growth rate							
	7.2%	0.5%	1.0%	1.5%	2.0%	2.5%	3.0%	3.5%	
Cost of equity	11.8%	4.2%	6.33	6.67	7.14	7.81	8.88	10.82	15.43
Pre-tax cost of debt	7.0%	5.2%	5.07	5.22	5.41	5.66	6.00	6.50	7.28
Tax rate	25.0%	6.2%	4.25	4.32	4.40	4.51	4.65	4.82	5.07
After-tax cost of debt	5.3%	7.2%	3.66	3.70	3.74	3.79	3.84	3.92	4.01
Share of equity capital	30.0%	8.2%	3.23	3.43	3.26	3.28	3.31	3.34	3.37
Share of debt capital	70.0%	9.2%	2.89	2.90	2.90	2.91	2.92	2.93	2.94
<b>Price target in EUR</b>	<b>3.80</b>	10.2%	2.62	2.62	2.62	2.62	2.62	2.63	2.63

\* 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
<b>Revenues</b>	<b>109,524</b>	<b>248,577</b>	<b>114,076</b>	<b>91,379</b>	<b>118,686</b>	<b>218,095</b>	<b>151,667</b>
Change in inventories	116,096	1,591	63,331	15,056	20,500	0	0
Other operating income	7,707	9,075	9,483	5,348	5,461	7,210	4,550
<b>Total aggregate output</b>	<b>233,327</b>	<b>259,244</b>	<b>186,890</b>	<b>111,782</b>	<b>144,647</b>	<b>225,305</b>	<b>156,217</b>
Cost of goods sold	-154,934	-96,951	-108,381	-36,696	-65,277	-51,252	-74,317
<b>Gross profit</b>	<b>70,686</b>	<b>153,218</b>	<b>5,695</b>	<b>54,683</b>	<b>53,409</b>	<b>166,843</b>	<b>77,350</b>
Personnel costs	-29,254	-25,423	-25,789	-27,780	-29,504	-31,100	-32,600
Other operating expenses	-29,504	-26,946	-24,125	-30,837	-20,802	-26,200	-22,500
<b>EBITDA</b>	<b>19,635</b>	<b>109,924</b>	<b>28,595</b>	<b>16,469</b>	<b>29,064</b>	<b>116,753</b>	<b>26,800</b>
Depreciation and amortisation	-9,870	-12,884	-5,466	-8,680	-11,055	-14,781	-7,563
<b>Operating income (EBIT)</b>	<b>9,765</b>	<b>97,040</b>	<b>23,129</b>	<b>7,789</b>	<b>18,009</b>	<b>101,971</b>	<b>19,237</b>
Interest Expense	-16,381	-17,331	-10,709	-10,593	-10,972	-8,999	-7,599
Interest Income	1,743	1,111	619	787	451	872	683
Income from participations & ass. companies	-86	736	1,022	15	0	1,000	1,000
<b>Pre-tax income (EBT)</b>	<b>-4,959</b>	<b>81,556</b>	<b>14,061</b>	<b>-2,002</b>	<b>7,487</b>	<b>94,844</b>	<b>13,321</b>
Income taxes	3,570	-14,476	174	-403	-1,497	-18,969	-2,664
Minority interests	4,863	1,893	2,840	1,361	800	800	800
<b>Net income / loss</b>	<b>3,474</b>	<b>68,973</b>	<b>17,075</b>	<b>-1,044</b>	<b>6,790</b>	<b>76,675</b>	<b>11,456</b>
<b>Diluted EPS (in €)</b>	<b>0.05</b>	<b>0.88</b>	<b>0.22</b>	<b>-0.01</b>	<b>0.09</b>	<b>1.00</b>	<b>0.15</b>
<b>Ratios</b>							
Gross margin	64.5%	61.6%	5.0%	59.8%	45.0%	76.5%	51.0%
EBITDA margin on revenues	17.9%	44.2%	25.1%	18.0%	24.5%	53.5%	17.7%
EBIT margin on revenues	8.9%	39.0%	20.3%	8.5%	15.2%	46.8%	12.7%
Net margin on revenues	3.2%	27.7%	15.0%	-1.1%	5.7%	35.2%	7.6%
Tax rate	72.0%	17.7%	-1.2%	-20.1%	20.0%	20.0%	20.0%
<b>Expenses as % of revenues</b>							
Personnel costs	26.7%	10.2%	22.6%	30.4%	24.9%	14.3%	21.5%
Depreciation and amortisation	9.0%	5.2%	4.8%	9.5%	9.3%	6.8%	5.0%
Other operating expenses	26.9%	10.8%	21.1%	33.7%	17.5%	12.0%	14.8%
<b>Y-Y Growth</b>							
Revenues	-48.2%	127.0%	-54.1%	-19.9%	29.9%	83.8%	-30.5%
Operating income	264.4%	893.7%	-76.2%	-66.3%	131.2%	466.2%	-81.1%
Net income/ loss	n.m.	1885.4%	-75.2%	n.m.	n.m.	1029.3%	-85.1%



## BALANCE SHEET

All figures in EUR '000	2015A	2016A	2017A	2018A	2019E	2020E	2021E
<b>Assets</b>							
<b>Current assets, total</b>	<b>236,033</b>	<b>289,776</b>	<b>308,379</b>	<b>272,882</b>	<b>257,718</b>	<b>325,494</b>	<b>324,391</b>
Cash and cash equivalents	86,075	147,686	193,984	129,071	84,776	182,143	206,214
Short-term investments	0	0	0	0	0	0	0
Receivables	7,969	13,187	5,119	6,355	9,755	17,926	16,621
Inventories	121,177	112,946	86,361	117,343	143,074	105,313	81,443
Other current assets	20,812	15,957	22,915	20,113	20,113	20,113	20,113
<b>Non-current assets, total</b>	<b>252,231</b>	<b>142,218</b>	<b>184,905</b>	<b>179,724</b>	<b>244,628</b>	<b>164,418</b>	<b>165,803</b>
Property, plant & equipment	167,347	39,230	103,872	96,130	161,034	80,824	82,210
Goodwill & other intangibles	63,105	67,400	66,825	65,053	65,053	65,053	65,053
Long-term investments / ass. companies	0	0	0	0	0	0	0
Other assets	21,779	35,588	14,208	18,541	18,541	18,541	18,541
<b>Total assets</b>	<b>488,264</b>	<b>431,994</b>	<b>493,285</b>	<b>452,606</b>	<b>502,345</b>	<b>489,912</b>	<b>490,195</b>
<b>Shareholders' equity &amp; debt</b>							
<b>Current liabilities, total</b>	<b>84,858</b>	<b>73,922</b>	<b>179,150</b>	<b>94,344</b>	<b>101,156</b>	<b>92,800</b>	<b>85,489</b>
Short-term debt	35,857	2,163	107,109	26,131	30,000	20,000	20,000
Accounts payable	16,852	15,692	25,295	14,945	17,884	12,638	12,216
Current provisions	6,291	3,968	4,858	8,134	8,134	8,134	8,134
Other current liabilities	25,858	52,099	41,888	45,134	45,138	52,028	45,138
<b>Long-term liabilities, total</b>	<b>237,478</b>	<b>128,685</b>	<b>78,915</b>	<b>141,988</b>	<b>181,988</b>	<b>111,988</b>	<b>111,988</b>
Long-term debt	215,975	115,860	72,751	136,656	176,656	106,656	106,656
Deferred revenue	0	0	0	0	0	0	0
Other liabilities	21,503	12,825	6,163	5,332	5,332	5,332	5,332
<b>Minority interests</b>	<b>-3,102</b>	<b>-5,393</b>	<b>-7,679</b>	<b>-13,938</b>	<b>-14,738</b>	<b>-15,538</b>	<b>-16,338</b>
<b>Shareholders' equity</b>	<b>169,030</b>	<b>234,781</b>	<b>242,899</b>	<b>230,212</b>	<b>233,939</b>	<b>300,662</b>	<b>309,056</b>
Share capital	76,555	76,556	76,556	76,558	76,558	76,558	76,558
Capital reserve	82,287	82,288	82,288	82,292	82,292	82,292	82,292
Other reserves	-724	-997	-908	-385	-385	-385	-385
Treasury stock	0	0	0	-5,803	-5,803	-5,803	-5,803
Retained earnings	10,912	76,934	84,962	77,550	81,278	148,000	156,395
<b>Total consolidated equity and debt</b>	<b>488,264</b>	<b>431,994</b>	<b>493,285</b>	<b>452,606</b>	<b>502,345</b>	<b>489,912</b>	<b>490,195</b>
<b>Ratios</b>							
Current ratio (x)	2.78	3.92	1.72	2.89	2.55	3.51	3.79
Quick ratio (x)	1.35	2.39	1.24	1.65	1.13	2.37	2.84
Net cash	-165,757	29,663	14,124	-33,716	-121,880	55,487	79,558
Net gearing	98.1%	-12.6%	-5.8%	14.6%	52.1%	-18.5%	-25.7%
Book value per share (€)	2.16	2.92	2.99	2.83	2.86	3.72	3.82
Tangible book value per share (€)	1.37	2.11	2.18	2.00	2.04	2.90	3.00
Equity ratio (incl. minorities)	34.0%	53.1%	47.7%	47.8%	43.6%	58.2%	59.7%
Return on equity (ROE)	2.1%	29.4%	7.0%	-0.5%	2.9%	25.5%	3.7%
Return on assets (ROA)	4.1%	20.0%	5.6%	2.1%	3.5%	17.5%	3.9%
Return on investment (ROI)	0.7%	16.0%	3.5%	-0.2%	1.4%	15.7%	2.3%
Return on capital employed (ROCE)	3.1%	34.3%	10.5%	3.2%	6.0%	35.1%	8.5%
Days sales outstanding (DSO)	26.6	19.4	16.4	25.4	30.0	30.0	40.0
Days inventory outstanding (DIO)	285.5	425.2	290.8	1,167.2	800.0	750.0	400.0
Days payables outstanding (DPO)	39.7	59.1	85.2	148.7	100.0	90.0	60.0



## CASH FLOW STATEMENT

All figures in EUR '000	2015A	2016A	2017A	2018A	2019E	2020E	2021E
<b>EBIT</b>	<b>9,765</b>	<b>97,040</b>	<b>23,129</b>	<b>7,789</b>	<b>18,009</b>	<b>101,971</b>	<b>19,237</b>
Depreciation and amortisation	9,898	12,884	5,466	8,680	11,055	14,781	7,563
<b>EBITDA</b>	<b>19,663</b>	<b>109,924</b>	<b>28,595</b>	<b>16,469</b>	<b>29,064</b>	<b>116,753</b>	<b>26,800</b>
Changes in working capital	-74,556	58,583	12,292	-49,523	-26,191	24,343	24,753
Other adjustments	-47,582	-104,081	-18,257	4,817	-12,019	-26,096	-8,581
<b>Operating cash flow</b>	<b>-102,475</b>	<b>64,426</b>	<b>22,630</b>	<b>-28,237</b>	<b>-9,147</b>	<b>115,000</b>	<b>42,973</b>
Investments in PP&E	-2,903	-108,699	-70,015	-4,564	-75,959	65,429	-8,948
Investments in intangibles	0	0	0	0	0	0	0
<b>Free cash flow</b>	<b>-105,378</b>	<b>-44,273</b>	<b>-47,385</b>	<b>-32,801</b>	<b>-85,106</b>	<b>180,429</b>	<b>34,024</b>
Acquisitions & disposals, net	23,258	106,876	51,300	756	0	0	0
Other investments	-255	-418	-7,535	0	0	0	0
<b>Cash flow from investing</b>	<b>20,100</b>	<b>-2,241</b>	<b>-26,250</b>	<b>-3,808</b>	<b>-75,959</b>	<b>65,429</b>	<b>-8,948</b>
Debt financing, net	97,715	23,171	59,106	-13,859	43,869	-80,000	0
Equity financing, net	9,454	0	0	-5,803	0	0	0
Dividends paid	-3,062	-3,062	-9,187	-3,062	-3,058	-3,062	-9,953
Other financing	-2,221	0	0	-9,871	0	0	0
<b>Cash flow from financing</b>	<b>101,886</b>	<b>20,109</b>	<b>49,919</b>	<b>-32,595</b>	<b>40,811</b>	<b>-83,062</b>	<b>-9,953</b>
Forex and other changes in cash	-5,611	-20,684	-1	-274	0	0	0
<b>Net cash flows</b>	<b>13,900</b>	<b>61,609</b>	<b>46,298</b>	<b>-64,913</b>	<b>-44,295</b>	<b>97,366</b>	<b>24,072</b>
Cash, start of the year	72,175	86,076	147,686	193,984	129,071	84,776	182,143
<b>Cash, end of the year</b>	<b>86,075</b>	<b>147,686</b>	<b>193,984</b>	<b>129,071</b>	<b>84,776</b>	<b>182,143</b>	<b>206,214</b>
<b>EBITDA/share (in €)</b>	<b>0.26</b>	<b>1.40</b>	<b>0.36</b>	<b>0.21</b>	<b>0.38</b>	<b>1.53</b>	<b>0.35</b>
<b>Operating cashflow/share (in €)</b>	<b>-1.33</b>	<b>0.82</b>	<b>0.29</b>	<b>-0.36</b>	<b>-0.12</b>	<b>1.50</b>	<b>0.56</b>
<b>Y-Y Growth</b>							
Operating cash flow	n.m.	n.m.	-64.9%	n.m.	n.m.	n.m.	-62.6%
Free cash flow	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	-81.1%
EBITDA/share	40.4%	447.5%	-74.0%	-42.4%	81.3%	301.7%	-77.0%



**FIRST BERLIN RECOMMENDATION & PRICE TARGET HISTORY**

Report No.:	Date of publication	Previous day closing price	Recommendation	Price target
Initial Report	31 March 2008	€2.38	Buy	€4.50
2...96	↓	↓	↓	↓
97	13 March 2019	€2.30	Buy	€3.60
98	1 April 2019	€2.29	Buy	€3.60
99	15 May 2019	€2.44	Buy	€3.60
100	Today	€3.02	Buy	€3.80

Authored by: **Dr. Karsten von Blumenthal, Analyst**

Company responsible for preparation:

**First Berlin Equity Research GmbH**

Mohrenstraße 34  
10117 Berlin

Tel. +49 (0)30 - 80 93 96 85 Fax +49 (0)30 - 80 93 96 87

info@firstberlin.com

www.firstberlin.com

Person responsible for forwarding or distributing this financial analysis: **Martin Bailey**

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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.

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