

# PNE AG

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

Update

## RATING

### PRICE TARGET

Return Potential  
 Risk Rating

## BUY

€ 26.00

65.2%  
 High

## MORGAN STANLEY HALTS TALKS ON SALE OF PNE STAKE

Morgan Stanley Infrastructure/Photon Management are no longer pursuing talks with potentially interested parties regarding an acquisition of the entire stake in PNE AG held by Photon Management. In a voting rights announcement of 19 January, PNE stated that Morgan Stanley/Photon have increased their stake from 39.8% to 44.2%. We believe that potential investors were unwilling to pay the then prevailing market price (market cap: >€1.5bn). However, we argue that the high valuation is justified and see further upside potential as we believe that PNE will successfully execute its accelerated growth strategy "Scale up 2.0", which it first presented in November 2022. By 2027, the strategy's main targets are to (1) increase EBITDA to >€150m (2021: €33m), (2) expand the own green power plant portfolio from 319 MW (end 2022) to up to 1,500 MW/MWp (planned CapEx: €1.6bn), (3) expand the project pipeline to >20 GW/GWp (9M/22: 11.4 GW/GWp) and sell an average of ~600 MW of projects p.a., and (4) expand the Service segment's wind and PV projects management capacity from 2,200 MW to more than 3,500 MW. An updated sum-of-the-parts valuation yields an unchanged €26 price target. Due to the share price slump following Morgan Stanley's announcement, we upgrade our rating from Add to Buy, as the upside potential is now >25%.

**No talks, no sale** Morgan Stanley/Photon have stopped talks to sell their PNE stake without giving a reason. Given the consensus 2023 EV/EBITDA multiple of 30x, potential investors may have decided that the valuation is too rich. However, we contend that near-term multiples do not reflect the long-term value proposition of PNE's business model. The expansion of the power production capacity to up to 1,500 MW by 2027 will transform PNE into a green power producer of medium size, and green power will remain in high demand in this decade due to the energy transition. E-mobility, heat pumps to substitute natural gas heating, and the build-up of a hydrogen economy will require huge amounts of green power. PNE will benefit from this development.

(p.t.o.)

## FINANCIAL HISTORY & PROJECTIONS

	2019	2020	2021	2022E	2023E	2024E
Revenue (€m)	132.80	109.69	117.73	109.61	117.44	150.55
Y-o-y growth	45.3%	-17.4%	7.3%	-6.9%	7.1%	28.2%
EBITDA (€m)	28.71	26.35	32.65	32.96	44.48	59.50
EBITDA margin	21.6%	24.0%	27.7%	30.1%	37.9%	39.5%
Net income (€m)	-0.77	1.62	25.13	10.47	-7.99	-5.47
EPS (diluted) (€)	-0.01	0.02	0.33	0.14	-0.10	-0.07
DPS (€)	0.04	0.04	0.04	0.04	0.04	0.04
FCF (€m)	-42.56	-83.03	-89.05	-133.44	-162.25	-148.90
Net gearing	62.9%	129.9%	166.3%	220.9%	308.6%	394.9%
Liquid assets (€m)	111.94	111.62	149.63	135.59	107.28	84.32

## RISKS

Risks to our price target include, but are not limited to: changes in legislation, project delays, project approval risks, project financing risks, tender awards, award prices, and interest rate changes.

## COMPANY PROFILE

PNE AG is a clean energy solution provider active in wind & PV project development, green power production, and energy services. Currently, the company had an international wind and PV project pipeline of ca. 11.4 GW and an own wind power plant portfolio with a capacity of ca. 319 MW. PNE is based in Cuxhaven, Germany.

## MARKET DATA

As of 01 Feb 2023

Closing Price	€ 15.74
Shares outstanding	76.34m
Market Capitalisation	€ 1201.53m
52-week Range	€ 7.93 / 24.05
Avg. Volume (12 Months)	149,653

Multiples	2021	2022E	2023E
P/E	47.8	114.7	n.a.
EV/Sales	13.4	14.4	13.4
EV/EBITDA	48.2	47.8	35.4
Div. Yield	0.3%	0.3%	0.3%

## STOCK OVERVIEW



## COMPANY DATA

As of 30 Sep 2022

Liquid Assets	€ 115.65m
Current Assets	€ 351.65m
Intangible Assets	€ 63.69m
Total Assets	€ 894.59m
Current Liabilities	€ 123.64m
Shareholders' Equity	€ 222.71m

## SHAREHOLDERS

Morgan Stanley Infrastructure Partners	44.2%
Active Ownership Fund SCS	12.0%
Enkraft	5.0%
Samson Rock Capital LLP	3.0%
Free Float	35.8%



**Own wind farm portfolio expanded to 319 MW by the end of 2022** In Q4/22, PNE commissioned two further wind farms in Lower Saxony (Groß Oesingen: 32.4 MW, Adensen 6.9 MW, of which one turbine (3.4 MW) will be owned by PNE). PNE has thus expanded its own wind farm portfolio from 283 MW to 319 MW.

**Onshore project development under full steam** Since the start of 2023, a further eight wind farms with a capacity of 167.8 MW have been under construction. Of these, five wind farms with a capacity of 88 MW are planned for own operation. Shortly before Christmas, PNE also received approval for two further wind farms in Lower Saxony (Papenrode (55.8 MW) and Bokel (25.2 MW)).

**Offshore project development scaling up business in Baltic Sea** Eolus and PNE have created a joint venture for developing the Kurzéme offshore wind project in Latvia. The wind farm will have ca. 1,000 MW installed capacity with planned commercial operation to start before 2030. The project area is located in the Baltic Sea of the coast of Latvia, and the wind farm will have potential to generate 4,5 TWh renewable electricity per year. Eolus has conducted initial studies and developed the project since 2020 and is now adding resources and competence to the project through the cooperation with PNE. As of 18 January, PNE had acquired 50% of the shares in the project company SIA Kurzéme Offshore, which is now owned 50/50 by Eolus and PNE. The project approval application has been submitted and surveys for the Environmental Impact Assessment (EIA) will be conducted once a research license is obtained. The area is subject to an upcoming tender process.

**MoU to evaluate the onsite production of green hydrogen and ammonia in South Africa** PNE and Omnia, a South African chemicals group with ca. \$1.4 bn revenue in FY 2022 and listed on the Johannesburg Stock Exchange, have signed a Memorandum of Understanding (MoU) to evaluate the onsite production of green hydrogen and ammonia in South Africa. The ammonia production will be powered by renewable energy and PNE is to develop the necessary equipment to combine energy generation from wind and solar with ammonia production. The projected output is up to 100,000 tonnes p.a. For PNE, such a project would be an important step in the implementation of its accelerated growth strategy "Scale up 2.0", in which Power-to-X solutions play a significant role. At the end of Q3/22, PNE's South African project pipeline amounted to >1,500 MW wind and >800 MW solar. At COP26 in November 2021, South Africa, with France, Germany, the EU, UK, and US, launched a long-term Just Energy Transition Partnership (JETP) to accelerate the country's energy transition. Germany is contributing \$800m to the initial \$8.5 bn, which are to be invested in the power sector, green hydrogen projects, and electric vehicles by 2027. We believe that JETP will support the PNE/Omnia project.

**Improving German regulation will support PNE's growth strategy** We believe that the German wind market is at the beginning of a long-term growth phase, and the German solar market will continue to boom. Last year, the German wind market continued to recover. New installations of onshore wind turbines increased 25% y/y to 2.4 GW. However, this figure is far below what is feasible and necessary to meet the climate targets. For 2023, the associations BWE and VDMA forecast an expansion to 2.7 GW - 3.2 GW (+13% to +33% y/y), assuming an unchanged realisation rate. The increase in the maximum permissible value in the tenders from 5.88 €/ct/kWh to 7.35 €/ct/kWh (+25% y/y) should mitigate recent cost inflation (higher steel, concrete and turbine prices). The German solar market is booming. The German Federal Network Agency has put new PV installations at ca. 7.2 GW in 2022, an increase of 28% compared to the previous year. For 2023, the transmission grid operators expect a net addition of 8.5 GW of EEG-supported PV plants. The improvements decided by the federal government for the approval and tendering of wind power plants should lead to a noticeable increase in new construction from 2024. The 2023 onshore wind tender volume is much larger than in 2022: 12,840 MW versus 5,189 MW (+147%). The Federal Cabinet recently approved the draft formulation guide for the



implementation of the so-called EU Emergency Regulation (Regulation EU 2022/2577), which should act as an accelerator for new wind and solar installations.

At the end of 9M/22, PNE's German project pipeline amounted to 2,445 MW, of which 2,004 MW onshore wind and 441 MW PV. Of the German onshore wind pipeline, 102 MW were under construction and 572 MW in the planning phase, while the German PV pipeline is still at an earlier development stage. PNE is thus well positioned to participate in the growing German wind and PV market.

**Upgrade to Buy at unchanged price target** An updated sum-of-the-parts valuation still yields a €26.00 price target. Following the recent share price slump, we upgrade our rating from Add to Buy, as the upside potential to our price target is now >25%.



## VALUATION MODEL

### SUM-OF-THE-PARTS VALUATION

We use a sum-of-the-parts (SotP) analysis to model PNE's fair value. Each of the three segments

- Project Development,
- Electricity Generation, and
- Services

is valued individually using a discounted cash flow (DCF) model.

#### Sum-of-the-parts valuation

SotP valuation	Fair value in €m	Fair value per share in €	FVPS in € old	Delta
Project Development	688.42	9.02	8.94	1%
Electricity Generation	1,163.52	15.24	15.12	1%
Services	135.80	1.78	1.76	1%
<b>Sum of the parts</b>	<b>1,987.74</b>	<b>26.04</b>	<b>25.82</b>	<b>1%</b>
<b>Price target</b>		<b>26.00</b>	<b>26.00</b>	<b>0%</b>

The segment DCF models are shown and explained on the following pages.



## PROJECT DEVELOPMENT

The Project Development segment includes onshore and offshore wind farm and solar plant development on an international scale. Projects that are not sold but added to the own plant portfolio incur development and construction costs but no external segment sales. PNE accounts for this in its Consolidation segment. For simplicity, we integrate Consolidation into the Project Development segment. Our DCF model thus shows only external sales.

Our DCF model assumptions are:

- Weighted average cost of capital (WACC) of 7.8%; (cost of equity: 11.3%, pre-tax cost of debt: 5.0%, tax rate: 30%, debt share: 45%, equity share: 55%);
- Terminal growth rate of 3.0%;
- Terminal EBITDA margin (including consolidation) of 13.5%.
- That a major share of the commissioned turnkey projects is transferred to the Electricity Generation segment by the end of 2028E. These projects do not generate a segment profit, as they are not sold. From 2029E on, we model that PNE sells all turnkey projects. This explains the jump in sales and earnings in 2029E.

### DCF model for Project Development segment

All figures in €'000 *	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E
Net sales	21,800	33,900	48,600	61,000	85,000	175,800	177,100	653,600
NOPLAT	-33,025	-17,314	-14,755	-11,564	-6,351	11,433	9,953	82,118
+ depreciation & amortisation	2,507	2,451	2,309	2,198	2,087	2,037	2,229	2,400
Net operating cash flow	-30,518	-14,863	-12,446	-9,366	-4,264	13,470	12,182	84,517
- total investments (CAPEX and WC)	-19,430	-12,540	-3,610	-34,886	-27,655	-6,782	-5,060	-11,525
Capital expenditures	-1,308	-1,356	-1,458	-1,342	-1,700	-3,516	-3,542	-1,961
Working capital	-18,122	-11,184	-2,152	-33,544	-25,955	-3,266	-1,518	-9,564
Free cash flows (FCF)	-49,948	-27,403	-16,056	-44,252	-31,919	6,688	7,122	72,992
PV of FCF's	-49,948	-25,582	-13,903	-35,549	-23,788	4,624	4,568	43,427

All figures in thousands	
PV of FCFs in explicit period (2022E-2036E)	129,953
PV of FCFs in terminal period	498,349
Enterprise value (EV)	628,302
+ Net cash / - net debt	60,579
+ Investments / minority interests	-463
Shareholder value	688,418
Number of shares (diluted)	76,337
Fair value per share in EUR	9.02

WACC		Terminal growth rate							
		1.5%	2.0%	2.5%	3.0%	3.5%	4.0%	4.5%	
Cost of equity	11.3%	4.8%	18.33	20.71	24.13	29.45	38.90	60.32	155.58
Pre-tax cost of debt	5.0%	5.8%	13.09	14.23	15.71	17.72	20.61	25.12	33.11
Tax rate	30.0%	6.8%	9.87	10.48	11.24	12.20	13.46	15.16	17.60
After-tax cost of debt	3.5%	7.8%	7.70	8.07	8.50	9.02	9.66	10.47	11.53
Share of equity capital	55.0%	8.8%	6.16	6.38	6.65	6.95	7.32	7.76	8.30
Share of debt capital	45.0%	9.8%	5.01	5.16	5.32	5.51	5.74	5.99	6.30
Fair value per share in EUR	9.02	10.8%	4.13	4.13	4.13	4.13	4.13	4.13	4.13

\* for layout purposes the model shows numbers only to 2029, but runs until 2036



## ELECTRICITY GENERATION

The Electricity Generation segment includes power production from green power plants. Currently, the portfolio combines its own 21 wind farms with a total capacity of 319 MW, and the Silbitz biomass power plant with a capacity of 5.6 MW. PNE plans to build up a wind & solar power production portfolio of up to 1,500 MW (1,000 wind, 500 MWp solar) by year-end 2027 (including secured projects that will be built in 2028). The following table shows our assumptions for the expansion of this portfolio.

### Expansion of the green power portfolio by 2027

Wind & solar power portfolio	2019A	2020A	2021A	2022E	2023E	2024E	2025E	2026E	2027E
Wind power capacity (MW), year start	55.3	130.1	134.8	233.2	319.2	419.2	519.2	619.2	719.2
Additional capacity (MW)	74.8	4.7	98.4	86.0	100.0	100.0	100.0	100.0	120.0
Wind power capacity (MW), year end	130.1	134.8	233.2	319.2	419.2	519.2	619.2	719.2	839.2
Solar power capacity (MW), year start	0.0	0.0	0.0	0.0	0.0	0.0	0.0	120.0	240.0
Additional capacity (MW)	0.0	0.0	0.0	0.0	0.0	0.0	120.0	120.0	120.0
Solar power capacity (MW), year end	0.0	0.0	0.0	0.0	0.0	0.0	120.0	240.0	360.0
<b>Portfolio capacity (wind &amp; PV), year start</b>	<b>55.3</b>	<b>130.1</b>	<b>134.8</b>	<b>233.2</b>	<b>319.2</b>	<b>419.2</b>	<b>519.2</b>	<b>739.2</b>	959.2
<b>Additional capacity (MW)</b>	<b>74.8</b>	<b>4.7</b>	<b>98.4</b>	<b>86.0</b>	<b>100.0</b>	<b>100.0</b>	<b>220.0</b>	<b>220.0</b>	240.0
<b>Portfolio capacity (wind &amp; PV), year end</b>	<b>130.1</b>	<b>134.8</b>	<b>233.2</b>	<b>319.2</b>	<b>419.2</b>	<b>519.2</b>	<b>739.2</b>	<b>959.2</b>	1,199.2

Our segment DCF model assumes:

- CapEx of almost €1.6bn from 2023E - 2028E;
- Maintenance CapEx (including repowering) of ca. €41m p.a. starting in 2029E in order to keep the portfolio at the 1,500 MW/MWp level;
- Weighted average cost of capital (WACC) of 4.4%; (cost of equity: 7.3%, pre-tax cost of debt: 4.5%, tax rate: 30%, debt share: 70%, equity share: 30%);
- Terminal growth rate of 1.0%;
- Terminal EBITDA margin of 78.0%.

### DCF model for Electricity Generation segment

All figures in EUR'000 *	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E
<b>Net sales</b>	<b>69,635</b>	<b>64,249</b>	<b>80,529</b>	<b>95,299</b>	<b>125,456</b>	<b>156,413</b>	<b>184,653</b>	<b>226,037</b>
<b>NOPLAT</b>	<b>19,439</b>	<b>20,854</b>	<b>26,253</b>	<b>31,475</b>	<b>50,158</b>	<b>55,389</b>	<b>66,109</b>	<b>80,131</b>
+ depreciation & amortisation	23,960	30,357	36,630	44,171	44,977	65,941	77,589	92,581
Net operating cash flow	43,399	51,211	62,883	75,646	95,135	121,330	143,698	172,712
- total investments (CAPEX and WC)	-153,484	-173,967	-178,122	-267,833	-270,783	-305,937	-392,166	-48,542
Capital expenditures	-146,200	-175,000	-175,000	-265,000	-265,000	-300,000	-386,750	-40,606
Working capital	-7,284	1,033	-3,122	-2,833	-5,783	-5,937	-5,416	-7,937
Free cash flows (FCF)	-110,085	-122,756	-115,239	-192,187	-175,648	-184,607	-248,468	124,170
<b>PV of FCF's</b>	<b>-110,085</b>	<b>-118,011</b>	<b>-106,107</b>	<b>-169,508</b>	<b>-148,399</b>	<b>-149,402</b>	<b>-192,596</b>	<b>92,196</b>

All figures in thousands	
PV of FCFs in explicit period (2022E-2036E)	-325,027
PV of FCFs in terminal period	1,905,751
Enterprise value (EV)	1,580,724
+ Net cash / - net debt	-417,200
+ Investments / minority interests	0
Shareholder value	1,163,524
Number of shares (diluted)	76,337
<b>Fair value per share in EUR</b>	<b>15.24</b>

WACC		Terminal growth rate							
		0.4%	0.6%	0.8%	1.0%	1.2%	1.4%	1.6%	
Cost of equity	7.3%	3.6%	12.95	16.75	21.08	26.06	31.87	38.70	46.88
Pre-tax cost of debt	4.5%	3.9%	10.54	13.84	17.57	21.81	26.68	32.34	38.97
Tax rate	30.0%	4.1%	8.47	11.36	14.60	18.26	22.40	27.16	32.66
After-tax cost of debt	3.2%	4.4%	6.67	9.23	12.07	15.24	18.82	22.87	27.50
Share of equity capital	30.0%	4.6%	5.09	7.36	9.87	12.66	15.77	19.26	23.21
Share of debt capital	70.0%	4.9%	3.69	5.73	7.96	10.42	13.15	16.19	19.60
<b>Fair value per share in EUR</b>	<b>15.24</b>	<b>5.1%</b>	2.45	4.28	6.28	8.47	10.88	13.55	16.52

\* for layout purposes the model shows numbers only to 2029, but runs until 2036



## SERVICES

The Services segment includes technical and commercial operations management of green power plants, construction management, transformer station services, wind measurement, financing, and electricity marketing services.

Our DCF model assumptions are:

- Weighted average cost of capital (WACC) of 7.4% (cost of equity: 8.8%, pre-tax cost of debt: 4.5%, tax rate: 30%, debt share: 30%, equity share: 70%);
- Terminal growth rate of 2.5%;
- Terminal EBITDA margin of 28.2%.

### DCF model for Services segment

All figures in €'000 *	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E
Sales (external and inter- segment)	24,239	25,727	28,557	31,698	34,940	38,244	41,564	44,851
<b>NOPLAT</b>	<b>2,027</b>	<b>2,719</b>	<b>3,917</b>	<b>5,232</b>	<b>5,970</b>	<b>6,688</b>	<b>7,383</b>	<b>8,051</b>
+ depreciation & amortisation	3,589	3,546	3,235	3,253	3,356	3,498	3,669	3,858
Net operating cash flow	5,617	6,266	7,152	8,485	9,326	10,186	11,051	11,909
- total investments (CAPEX and WC)	-3,493	-3,651	-3,416	-3,875	-4,172	-4,458	-4,727	-4,972
Capital expenditures	-3,393	-3,602	-3,323	-3,772	-4,066	-4,349	-4,617	-4,864
Working capital	-99	-49	-93	-103	-107	-109	-109	-108
Free cash flows (FCF)	2,124	2,615	3,736	4,609	5,154	5,728	6,325	6,936
<b>PV of FCF's</b>	<b>2,124</b>	<b>2,450</b>	<b>3,258</b>	<b>3,743</b>	<b>3,898</b>	<b>4,034</b>	<b>4,147</b>	<b>4,235</b>

All figures in thousands	
PV of FCFs in explicit period (2022E-2036E)	57,458
PV of FCFs in terminal period	83,841
Enterprise value (EV)	141,299
+ Net cash / - net debt	-5,500
+ Investments / minority interests	0
Shareholder value	135,799
Number of shares (diluted)	76,337
<b>Fair value per share in EUR</b>	<b>1.78</b>

WACC		Terminal growth rate						
		1.0%	1.5%	2.0%	2.5%	3.0%	3.5%	4.0%
4.4%	Cost of equity	3.25	3.65	4.22	5.08	6.57	9.74	21.07
5.4%	Pre-tax cost of debt	2.41	2.61	2.87	3.21	3.70	4.45	5.75
6.4%	Tax rate	1.89	2.00	2.14	2.31	2.53	2.83	3.26
7.4%	After-tax cost of debt	1.53	1.60	1.68	<b>1.78</b>	1.90	2.05	2.24
8.4%	Share of equity capital	1.28	1.32	1.37	1.43	1.50	1.59	1.69
9.4%	Share of debt capital	1.09	1.12	1.15	1.19	1.23	1.28	1.34
10.4%	<b>Fair value per share in EUR</b>	0.94	0.96	0.98	1.01	1.04	1.07	1.11

\* for layout purposes the model shows numbers only to 2029, but runs until 2036



## INCOME STATEMENT

All figures in EUR '000	2019A	2020A	2021A	2022E	2023E	2024E
<b>Revenues</b>	<b>132,796</b>	<b>109,689</b>	<b>117,728</b>	<b>109,614</b>	<b>117,444</b>	<b>150,547</b>
Change in inventories	33,723	38,204	129,819	0	0	0
Own work	0	0	0	151,360	184,000	184,000
Other operating income	4,659	3,819	4,480	5,023	6,933	6,974
<b>Total aggregate output</b>	<b>171,179</b>	<b>151,711</b>	<b>252,027</b>	<b>265,997</b>	<b>308,377</b>	<b>341,521</b>
Cost of goods sold	-92,961	-72,729	-161,554	-161,327	-186,516	-193,722
<b>Gross profit (total aggr. output / . COGS)</b>	<b>78,218</b>	<b>78,982</b>	<b>90,473</b>	<b>104,670</b>	<b>121,862</b>	<b>147,798</b>
Personnel costs	-30,600	-35,054	-38,499	-43,956	-47,183	-51,276
Other operating expenses	-18,911	-17,580	-19,320	-27,753	-30,194	-37,026
<b>EBITDA</b>	<b>28,707</b>	<b>26,348</b>	<b>32,654</b>	<b>32,961</b>	<b>44,484</b>	<b>59,496</b>
Depreciation and amortisation	-12,597	-18,177	-23,389	-30,056	-36,355	-42,174
<b>Operating income (EBIT)</b>	<b>16,110</b>	<b>8,170</b>	<b>9,265</b>	<b>2,905</b>	<b>8,130</b>	<b>17,322</b>
Interest Expense	-10,890	-11,182	-10,790	-14,627	-20,202	-25,793
Interest Income	582	251	4,414	26,020	0	0
Other financial income / expenses	32	52	138	0	0	0
<b>Pre-tax income (EBT)</b>	<b>5,835</b>	<b>-2,708</b>	<b>3,028</b>	<b>14,299</b>	<b>-12,072</b>	<b>-8,471</b>
Income taxes	-5,946	3,611	21,636	-4,290	3,622	2,541
Minority interests	-655	717	463	463	463	463
<b>Net income / loss</b>	<b>-765</b>	<b>1,621</b>	<b>25,127</b>	<b>10,472</b>	<b>-7,987</b>	<b>-5,467</b>
<b>Diluted EPS (in €)</b>	<b>-0.01</b>	<b>0.02</b>	<b>0.33</b>	<b>0.14</b>	<b>-0.10</b>	<b>-0.07</b>

### Ratios

Gross margin (gross profit/total aggr. output)	45.7%	52.1%	35.9%	39.4%	39.5%	43.3%
EBITDA margin on revenues	21.6%	24.0%	27.7%	30.1%	37.9%	39.5%
EBIT margin on revenues	12.1%	7.4%	7.9%	2.7%	6.9%	11.5%
Net margin on revenues	-0.6%	1.5%	21.3%	9.6%	-6.8%	-3.6%
Tax rate	101.9%	133.4%	-714.6%	-30.0%	-30.0%	-30.0%

### Expenses as % of revenues

Personnel costs	23.0%	32.0%	32.7%	40.1%	40.2%	34.1%
Depreciation and amortisation	9.5%	16.6%	19.9%	27.4%	31.0%	28.0%
Other operating expenses	14.2%	16.0%	16.4%	25.3%	25.7%	24.6%

### Y-Y Growth

Revenues	45.3%	-17.4%	7.3%	-6.9%	7.1%	28.2%
Operating income	106.8%	-49.3%	13.4%	-68.6%	179.8%	113.1%
Net income/ loss	n.m.	n.m.	1450.5%	-58.3%	n.m.	n.m.





## BALANCE SHEET

All figures in EUR '000	2019A	2020A	2021A	2022E	2023E	2024E
<b>Assets</b>						
<b>Current assets, total</b>	<b>250,445</b>	<b>346,594</b>	<b>363,469</b>	<b>373,978</b>	<b>347,335</b>	<b>332,226</b>
Cash and cash equivalents	111,935	111,617	149,625	135,586	107,279	84,322
Short-term investments	0	0	0	0	0	0
Receivables	34,251	40,171	29,492	38,573	39,737	46,302
Inventories	84,807	174,003	163,711	179,178	179,678	180,961
Other current assets	19,452	20,803	20,641	20,641	20,641	20,641
<b>Non-current assets, total</b>	<b>299,571</b>	<b>317,215</b>	<b>463,531</b>	<b>584,376</b>	<b>727,979</b>	<b>865,586</b>
Property, plant & equipment	174,081	176,341	273,523	394,368	537,972	675,578
Goodwill & other intangibles	64,719	64,330	63,964	63,964	63,964	63,964
Rights-of-use assets	39,376	39,125	64,732	64,732	64,732	64,732
Other assets	60,771	76,544	126,044	126,044	126,044	126,044
<b>Total assets</b>	<b>550,016</b>	<b>663,809</b>	<b>827,000</b>	<b>958,354</b>	<b>1,075,315</b>	<b>1,197,812</b>
<b>Shareholders' equity &amp; debt</b>						
<b>Current liabilities, total</b>	<b>113,636</b>	<b>108,209</b>	<b>109,302</b>	<b>113,490</b>	<b>101,954</b>	<b>93,434</b>
Short-term financial debt	11,705	24,223	22,758	25,000	22,000	11,000
Liabilities from leases (ST)	3,057	4,626	6,862	6,862	6,862	6,862
Accounts payable	35,276	31,364	34,398	33,381	24,845	27,325
Current provisions	8,381	4,617	6,747	6,747	6,747	6,747
Other current liabilities	58,275	48,005	45,399	48,362	48,362	48,362
<b>Long-term liabilities, total</b>	<b>231,260</b>	<b>355,038</b>	<b>495,905</b>	<b>616,116</b>	<b>756,116</b>	<b>896,116</b>
Long-term financial debt	188,953	272,887	385,066	503,081	643,081	783,081
Liabilities from leases (LT)	37,207	70,388	103,719	105,858	105,858	105,858
Other liabilities	5,100	11,763	7,120	7,177	7,177	7,177
<b>Minority interests</b>	<b>-13,283</b>	<b>-7,070</b>	<b>-7,382</b>	<b>-7,845</b>	<b>-8,308</b>	<b>-8,771</b>
<b>Shareholders' equity</b>	<b>218,402</b>	<b>207,633</b>	<b>229,175</b>	<b>236,594</b>	<b>225,553</b>	<b>217,033</b>
Share capital	76,603	76,603	76,603	76,603	76,603	76,603
Capital reserve	82,953	82,953	82,953	82,953	82,953	82,953
Other reserves	-819	-2,692	-3,109	-3,109	-3,109	-3,109
Treasury stock	-707	-707	-707	-707	-707	-707
Retained earnings	60,372	51,476	73,435	80,854	69,813	61,293
<b>Total consolidated equity and debt</b>	<b>550,016</b>	<b>663,809</b>	<b>827,000</b>	<b>958,354</b>	<b>1,075,315</b>	<b>1,197,812</b>
<b>Ratios</b>						
Current ratio (x)	2.20	3.20	3.33	3.30	3.41	3.56
Quick ratio (x)	1.46	1.59	1.83	1.72	1.64	1.62
Net cash	-128,987	-260,507	-368,779	-505,214	-670,521	-822,479
Net gearing	59.1%	125.5%	160.9%	213.5%	297.3%	379.0%
Book value per share (€)	2.74	2.63	2.91	3.00	2.85	2.73
Tangible book value per share (€)	1.89	1.80	2.08	2.17	2.02	1.90
Equity ratio (incl. minorities)	37.3%	30.2%	26.8%	23.9%	20.2%	17.4%
Return on equity (ROE)	-0.4%	0.8%	11.0%	4.4%	-3.5%	-2.5%
Return on assets (ROA)	1.8%	1.9%	4.3%	2.6%	1.1%	1.7%
Return on investment (ROI)	-0.1%	0.2%	3.0%	1.1%	-0.7%	-0.5%
Return on capital employed (ROCE)	5.4%	2.0%	1.7%	0.4%	1.0%	1.8%



## CASH FLOW STATEMENT

All figures in EUR '000	2019A	2020A	2021A	2022E	2023E	2024E
<b>EBIT</b>	<b>16,110</b>	<b>8,170</b>	<b>9,265</b>	<b>2,905</b>	<b>8,130</b>	<b>17,322</b>
Depreciation and amortisation	12,597	18,177	23,389	30,056	36,355	42,174
<b>EBITDA</b>	<b>28,707</b>	<b>26,348</b>	<b>32,654</b>	<b>32,961</b>	<b>44,484</b>	<b>59,496</b>
Changes in working capital	19,031	-75,310	217	-22,603	-10,200	-5,368
Other adjustments	-12,331	-19,538	-9,093	7,104	-16,580	-23,252
<b>Operating cash flow</b>	<b>35,407</b>	<b>-68,500</b>	<b>23,778</b>	<b>17,462</b>	<b>17,705</b>	<b>30,877</b>
Investments in PP&E	-77,966	-14,450	-112,828	-150,901	-179,958	-179,781
Investments in intangibles	0	-81	0	0	0	0
<b>Free cash flow</b>	<b>-42,559</b>	<b>-83,031</b>	<b>-89,050</b>	<b>-133,439</b>	<b>-162,253</b>	<b>-148,904</b>
Acquisitions & disposals, net	85	104	30,976	0	0	0
Other investments	0	0	-139	0	0	0
<b>Cash flow from investing</b>	<b>-77,882</b>	<b>-14,427</b>	<b>-81,991</b>	<b>-150,901</b>	<b>-179,958</b>	<b>-179,781</b>
Debt financing, net	37,555	86,483	122,179	119,202	137,000	129,000
Equity financing, net	5,669	0	0	0	0	0
Dividends paid	-2,975	-3,053	-3,053	-3,053	-3,053	-3,053
Other financing	0	-573	-7,152	0	0	0
<b>Cash flow from financing</b>	<b>40,249</b>	<b>82,857</b>	<b>111,974</b>	<b>116,149</b>	<b>133,947</b>	<b>125,947</b>
Forex and other changes in cash	-14,911	-248	-15,754	0	0	0
<b>Net cash flows</b>	<b>-17,135</b>	<b>-318</b>	<b>38,008</b>	<b>-17,290</b>	<b>-28,306</b>	<b>-22,958</b>
Cash, start of the year	129,071	111,935	111,617	149,625	135,586	107,279
<b>Cash, end of the year</b>	<b>111,936</b>	<b>111,617</b>	<b>149,625</b>	<b>132,335</b>	<b>107,279</b>	<b>84,322</b>
<b>EBITDA/share (in €)</b>	<b>0.38</b>	<b>0.35</b>	<b>0.43</b>	<b>0.43</b>	<b>0.58</b>	<b>0.78</b>
<b>Operating cashflow/share (in €)</b>	<b>0.47</b>	<b>-0.90</b>	<b>0.31</b>	<b>0.23</b>	<b>0.23</b>	<b>0.40</b>
<b>Y-Y Growth</b>						
Operating cash flow	n.m.	n.m.	n.m.	-26.6%	1.4%	74.4%
Free cash flow	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
EBITDA/share	83.1%	-10.0%	23.9%	0.9%	35.0%	33.7%

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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	31 March 2008	€2.38	Buy	€4.50
2...111	↓	↓	↓	↓
112	12 August 2021	€7.27	Add	€7.90
113	11 November 2021	€8.26	Add	€8.80
114	18 March 2022	€9.49	Add	€10.00
115	19 April 2022	€12.12	Reduce	€11.50
116	12 May 2022	€12.42	Reduce	€12.00
117	11 August 2022	€15.90	Reduce	€15.20
118	10 November 2022	€21.30	Reduce	€18.10
119	15 December 2022	€22.30	Add	€26.00
120	Today	€15.74	Buy	€26.00

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