

# PSI AG

Germany / Software  
 Primary exchange: Frankfurt  
 Bloomberg: PSAN GR  
 ISIN: DE000A0Z1JH9

Update

## RATING

### PRICE TARGET

Return Potential  
 Risk Rating

## ADD

€ 49.00

12.6%  
 Medium

## NEW GOVERNMENT'S PLANS ADD FURTHER FUEL TO GROWTH

The parties comprising Germany's new government (SPD, Greens and Free Democrats) have agreed that renewable energy should account for 80% of gross electricity generation in the country by 2030. The previous target was 65%. Planned capacity additions are based on a 2030 gross electricity consumption forecast of 680-750 TWh. The mid-point of this forecast implies annual electricity generation from renewables will rise 125% vs. 2020 to 572TWh. Calculated using the old 65% target, growth is only 83%. In 2020 Deloitte estimated the investment required in the German power distribution grid during the period 2020-2030 at €104bn. However, this figure was based on net new renewables capacity of 89GW by 2030. Working from the new coalition's targets, we expect a net new capacity addition of over 200GW with photovoltaic alone contributing over 140GW to this figure. We further assume investment in the power distribution grid of €150bn by 2030. This implies that annual investment during the rest of this decade will be over twice the level seen during the five years ending December 2020. The increase in investment in network "smartification," which is the relevant metric for PSI, is likely to be even higher. The build-out of renewables makes grid management more complex because power generation becomes both less centralised and more volatile, thereby raising the demand for PSI's Energy Management software. The new government intends to quicken the pace of investment in renewable energy by "considerably accelerating planning and approval processes." The price received by German electricity generators is currently over twice the H1/21 level. The price may decline in the spring but the ongoing exit from coal and nuclear suggests that pricing will remain well above historic average levels. This provides a strong additional incentive for investment in new renewables capacity. We now model a 10-year sales CAGR for the period 2020-2030 of 10.0% (previously: 8.5%). We have also lowered our WACC estimate from 7.7% to 6.8% to reflect PSI crossing the €600m market cap. threshold. We now see fair value for the share at €49 (previously: €33). We maintain our Add recommendation.

(p.t.o.)

## FINANCIAL HISTORY & PROJECTIONS

	2018	2019	2020	2021E	2022E	2023E
Revenue (€m)	199.16	225.18	217.79	241.23	270.19	297.97
Y-o-y growth	7.0%	13.1%	-3.3%	10.8%	12.0%	10.3%
EBIT (€m)	15.45	17.20	14.95	22.16	26.71	31.41
EBIT margin	7.8%	7.6%	6.9%	9.2%	9.9%	10.5%
Net income (€m)	10.59	14.26	10.28	15.72	19.46	22.41
EPS (diluted) (€)	0.68	0.91	0.66	1.00	1.24	1.43
DPS (€)	0.25	0.05	0.30	0.35	0.45	0.50
FCF (€m)	11.57	3.75	11.43	24.15	6.24	15.58
Net gearing	9.8%	42.0%	40.7%	19.8%	16.8%	8.8%
Liquid assets (€m)	44.58	38.66	40.48	60.31	67.55	74.49

## RISKS

Risks include a renewed downturn in the prices of oil, gas and steel.

## COMPANY PROFILE

PSI makes software control systems, primarily for energy, utility companies and metals producers. Customers also include manufacturers and the operators of transportation networks. The company's control system products are widespread in its core German market.

## MARKET DATA

As of 03 Dec 2021

Closing Price	€ 43.50
Shares outstanding	15.70m
Market Capitalisation	€ 682.84m
52-week Range	€ 22.60 / 46.20
Avg. Volume (12 Months)	14,242

Multiples	2020	2021E	2022E
P/E	66.4	43.4	35.0
EV/Sales	3.3	3.0	2.7
EV/EBIT	48.0	32.4	26.9
Div. Yield	0.7%	0.8%	1.0%

## STOCK OVERVIEW



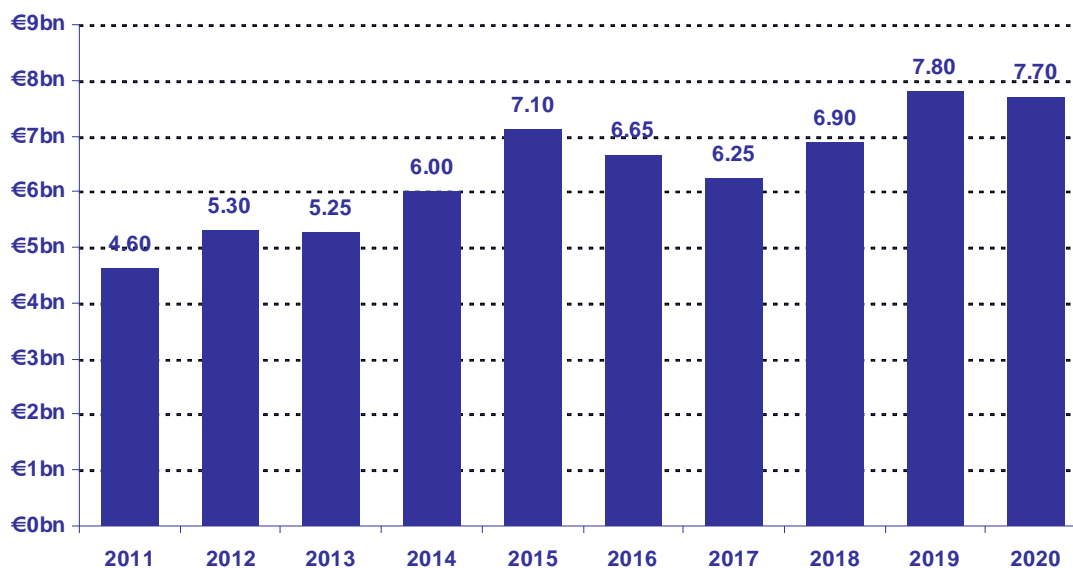
## COMPANY DATA

As of 30 Sep 2021

Liquid Assets	€ 47.34m
Current Assets	€ 154.64m
Intangible Assets	€ 69.71m
Total Assets	€ 275.03m
Current Liabilities	€ 79.77m
Shareholders' Equity	€ 107.36m

## SHAREHOLDERS

InvAG für langfristige Investoren TGV	20.7%
Innogy SE	17.8%
Management and employees	15.0%
Harvinder Singh	8.1%
Free float and other	38.4%

**Figure 1: German electricity utilities' investments in transmission and distribution networks 2011-2020\***

\* investment in new networks, network expansion and network maintenance. Figures for 2019 and 2020 based on investments planned as of summer 2019.

Source: Bundesverband der Energie und Wasserwirtschaft

**Average annual 2021-30 network spend set to exceed 2016-2020 level by over 100%** German electricity utilities' investments in transmission and distribution networks averaged €7.06bn annually during the five year period from January 2016. Our forecast for the ten-year period to end 2030 implies average annual investment spending of €15bn - an increase of 112% over the 2016-2020 period. Growth in investment in network "smartification", which is the relevant metric for PSI's Energy Management Software business, is likely to be higher still.

**Figure 2: Development of German electricity market price and prices for onshore wind and solar**

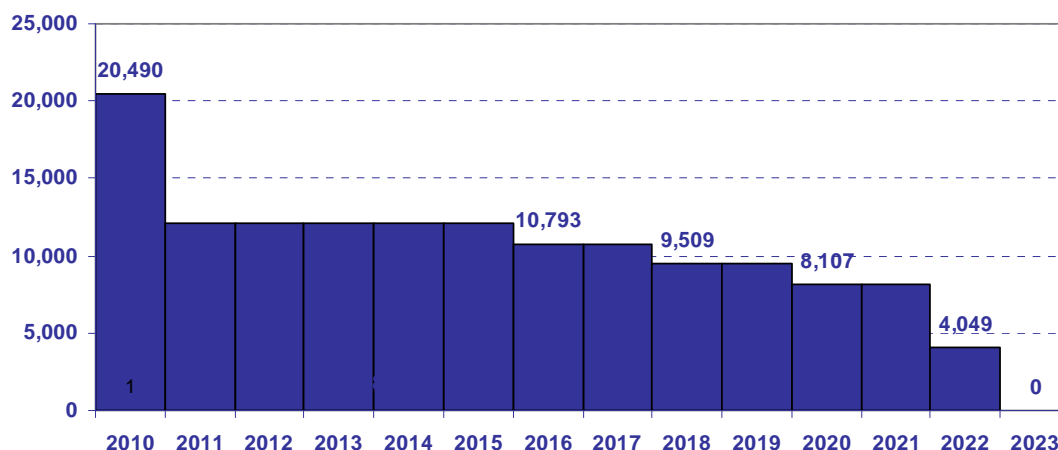
All values in €/ct/kWh	2016	2017	2018	2019	2020	H1/21	Jul-Oct 21
Period average one-hour contract EPEX Spot	2.90	3.42	4.28	3.77	3.04	5.49	10.80
Period average onshore wind	2.49	2.77	3.86	3.18	2.43	4.54	9.20
Period average solar	2.95	3.47	4.52	3.78	2.88	4.96	9.90

Source: First Berlin Equity Research, <https://www.netztransparenz.de/EEG/Marktpraemie/Marktwerte>

**High electricity prices are a great revenue lever for green power producers** In Germany, green electricity is marketed directly through the electricity exchange. As figure 2 shows, the electricity price has risen sharply in 2021 compared with previous years and is now well above the government-set feed-in tariffs which in recent months have averaged €ct6/kWh for wind and €ct5/kWh for solar. As long as the price of green electricity sold on the electricity exchange is below the feed-in tariff applicable to the wind farm/PV installation, the green electricity producer receives a market premium that raises his remuneration to the level set by the regulator. If the feed-in tariff is 6 €/ct/kWh and the value on the electricity exchange is 4 €/ct/kWh, the green electricity provider receives a market premium of 2 €/ct/kWh. The system operator's revenue is 6 €/ct/kWh. If the market monthly value is 10 €/ct/kWh and the feed-in tariff is 6 €/ct/kWh, the system operator does not receive a market premium, but of course receives the revenue of 10 €/ct/kWh generated on the exchange. The system operator thus receives extra revenue of 4 €/ct/kWh, which corresponds to a plus of 67% compared to the feed-in tariff. The example shows what a great revenue lever high electricity prices are for green power producers.

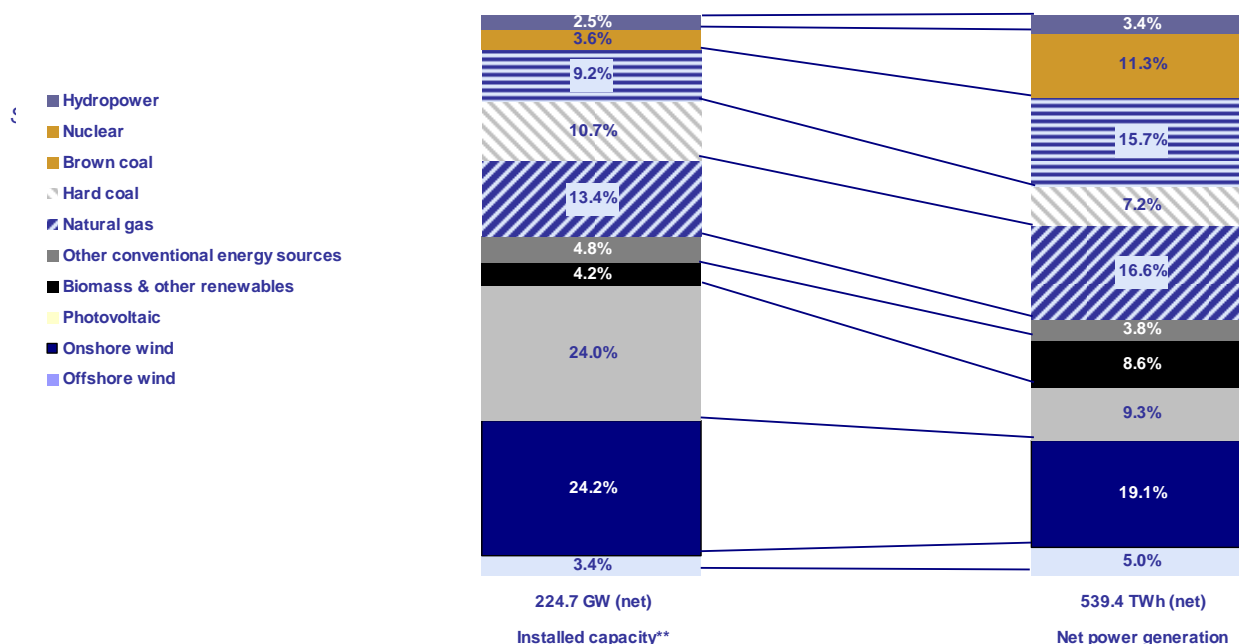
**Phase-out of nuclear/coal-based capacity suggests electricity prices will remain high** Germany's remaining 8.1GW of atomic energy capacity is scheduled to close down by the end of 2022. As figure 3 shows, 4.1GW of capacity will close down at the end of this year and the closure of a further 4.0GW is slated for the end of 2022. In mid-2020 the German government passed a law committing the country to the cessation of coal-fired power generation by the end of 2038. The incoming coalition government has stated that it wants to phase out coal, "ideally by 2030". As figure 4 shows, nuclear and coal respectively accounted for 3.6% and 19.9% of installed electricity generation capacity in 2020. As electricity from both these fuel types is in principle always available, their contribution to 2020 net power generation was 11.3% and 22.9% respectively.

**Figure 3: Development of installed German atomic energy capacity (MW)**



Source: Atomgesetz (AtG) §7

**Fig. 4: Net installed 2020 German electricity generating capacity and power generation by energy source**



Source: Bundesverband der Energie und Wasserwirtschaft

According to the German government, the electricity production lost as a result of the nuclear and coal phase-out is to be offset by higher utilisation of existing capacity and the construction of new capacity. However, the planned addition (mainly gas-fired power plants) by 2023 is only 2.4GW. Doubts are certainly warranted as to whether the power plant capacity that will be in principle always available will be sufficient to guarantee security of supply at all times. This in turn suggests that electricity prices are likely to remain high, thereby raising the incentive for investment in renewable energies and demand for PSI's Energy Management software.

**We model 163% increase in renewable energy generating capacity by 2030** The incoming coalition government's raising of the 2030 target for renewable energies' share of German electricity generation from 65% to 80% will require a much more rapid expansion of wind and photovoltaic capacity than previously planned. The coalition's 2030 targets for installed capacity by renewable energy type are summarised below:

- Photovoltaic: 200GW (previous target: 100GW; current installed capacity: 54GW)
- Onshore wind: 2% of German land area to be set aside for onshore wind (currently 0.9%). Quicker approval procedures, easier repowering.
- Offshore wind: 30GW by 2030, 40GW by 2035 (current capacity: 8GW)

In our forecasts and valuation, we assume that the coalition's targets will be reached with the exception of that for onshore wind. 0.9% of Germany's land area or 3,100km<sup>2</sup> is currently occupied by windpower installations. However, opposition to the installation of new windmills is often strong, and we doubt whether the new government will be able to more than double the land area allocated to windpower. Average windpower capacity per installed km<sup>2</sup> is currently 17MW. Recent studies assume capacity of over 40MW/km<sup>2</sup> for modern windpower installations, and this is the number we use in our own forecast. Using this number, we assume a relatively modest increase in the land area allocated to windpower which would take installed capacity to 100GW (see figure 5). This number could also be reached with no allocation of additional land by repowering existing installations.

**Figure 5: Forecast net installed renewable energy generating capacity by type (MW)**

	2020A	2030E	% Δ
Onshore wind	54,420	100,000	83.8%
Offshore wind	7,747	30,000	287.2%
Hydropower	5,606	5,606	0.0%
Biomass	9,301	9,301	0.0%
Photovoltaic	53,848	200,000	271.4%
Geothermal	47	47	0.0%
<b>Total</b>	<b>130,969</b>	<b>344,954</b>	<b>163.4%</b>
<b>Capacity added 2021-30E</b>		<b>213,985</b>	

Source: Bundesverband der Energie and Wasserwirtschaft; coalition agreement between SPD, Greens, FDP; First Berlin Equity Research estimates

**Figure 6: 9M/21 results versus our forecasts**

€ 000s	9M 21A	9M 21E	Δ 9M 21A vs. 9M 21E	9M 20A	Δ 9M 21A vs. 9M 20A
<b>External sales</b>	<b>177,569</b>	<b>176,117</b>	<b>0.8%</b>	<b>158,139</b>	<b>12.3%</b>
<i>by division:</i>					
Energy Management	98,137	98,114	0.0%	85,033	15.4%
Production Management	79,432	78,003	1.8%	73,106	8.7%
<b>EBIT</b>	<b>15,710</b>	<b>15,500</b>	<b>1.4%</b>	<b>8,874</b>	<b>77.0%</b>
<b>margin</b>	<b>8.8%</b>	<b>9.0%</b>	<b>-</b>	<b>5.6%</b>	<b>-</b>
<i>by division:</i>					
Energy Management	6,041	5,900	2.4%	3,975	52.0%
<b>margin</b>	<b>6.0%</b>	<b>6.4%</b>	<b>-</b>	<b>4.6%</b>	<b>-</b>
Production Management	10,425	10,300	1.2%	6,211	67.8%
<b>margin</b>	<b>11.5%</b>	<b>11.1%</b>	<b>-</b>	<b>7.5%</b>	<b>-</b>
Reconciliation	-756	-700	n.a.	-1,312	n.a.
<b>EPS (€)</b>	<b>0.71</b>	<b>0.70</b>	<b>1.4%</b>	<b>0.38</b>	<b>86.8%</b>

Source: PSI AG; First Berlin Equity Research estimates

**Sales rose 12.3% and the EBIT margin widened from 5.6% to 8.8% during 9M/21** 9M/21 results were close to our expectations showing a 12.3% increase in sales to €177.6m (FBe: €176.2m; 9M/20: €158.1m) and a 77.0% jump in EBIT to €15.7m (FBe: €15.5m; 9M/20: €8.9m). The order intake increased by 10.1% to €196m (9M/20: €178m) while the order backlog was 3.8% above the prior year level at €165m (9M/20: €159m). The increase in the order intake was driven by the Energy Management business. As it did last year, the PSI Metals business within the Production Management segment received a large order from the United States. However this year's order was not as valuable as the one received in 9M/20 and the segment's overall intake fell.

Within Energy Management both orders and sales at the electrical networks business benefitted from a boom in redispatch infrastructure. By law, all German utilities were required to have installed redispatch software by October. In the gas grids business stronger order intake in Germany outweighed weak new business in Russia. Ongoing climate-protection investments also boosted orders and sales at the public transport business. The order intake at the energy trading business was flat at the nine months stage but is currently up on the prior year due to new business won since the end of September. Increased sales, which rose 15.4% to €98.1m (FBe: €98.1m; 9M/20: €85.0m), and the absence of last year's charge in connection with the restructuring of the Malaysian subsidiary, PSI Incontrol, pushed segment EBIT up by 52.0% to €6.0m (FBe: €5.9m; 9M/20: €4.0m).

The overall order intake at Production Management fell, but ordering at the automotive and industry business recovered driven by stronger activity from industrial clients. Orders from the logistics business' industrial clients also rose. Production Management segment sales rose 8.7% to €79.4m (FBe: €78.0m; 9M/20: €73.1m) and EBIT jumped 67.8% to €10.4m (FBe: €10.3m; 9M/20: €6.2m). The segment margin of 11.5% (9M/20: 7.5%) was a record for the first nine months of the year. Profitability was helped by PSI's success in allowing local partners to take over an increasing share of customisation work, thereby raising the proportion of license income in PSI's own sales.

**9M/21 net gearing at 32.6% (9M/20: 35.4%)** Improved profitability meant that free cashflow jumped 25.4% to €12.6m (9M/20: €10.1m). At end 9M/21 net debt including pension liabilities and leasing liabilities of €35.0m (net gearing of 32.6%) was down €5.8m on the end December figure of €40.8m (net gearing of 40.7%). At end 9M/20 net debt including pension liabilities and leasing liabilities was €34.8m (net gearing of 35.4%).



Figure 7: Changes to our forecasts

€m	2021E			2022E			2023E
	New	Old	Δ %	New	Old	Δ %	New
<b>External sales</b>	<b>241.2</b>	<b>236.4</b>	<b>2.0%</b>	<b>270.2</b>	<b>262.4</b>	<b>3.0%</b>	<b>298.0</b>
by division:							
Energy Man.	134.4	126.6	6.1%	151.6	140.5	7.8%	171.0
Production Man.	106.9	109.8	-2.7%	118.6	121.9	-2.7%	126.9
<b>Total EBIT</b>	<b>22.2</b>	<b>21.9</b>	<b>1.3%</b>	<b>26.7</b>	<b>25.5</b>	<b>4.8%</b>	<b>31.4</b>
<b>margin (%)</b>	<b>9.2%</b>	<b>9.3%</b>	<b>-</b>	<b>9.9%</b>	<b>9.7%</b>	<b>-</b>	<b>10.5%</b>
by division:							
Energy Man.	9.0	10.4	-13.7%	11.2	12.3	-8.6%	14.4
margin (%)	6.5%	8.0%	-	7.2%	8.5%	-	8.2%
Production Man.	15.6	15.0	4.0%	18.4	17.3	6.1%	20.4
margin (%)	12.7%	12.0%	-	13.5%	12.5%	-	14.0%
Reconciliation	-2.4	-3.5	n.a.	-2.9	-4.1	n.a.	-3.4
<b>EPS (€)</b>	<b>1.00</b>	<b>0.99</b>	<b>1.3%</b>	<b>1.24</b>	<b>1.18</b>	<b>5.2%</b>	<b>1.43</b>

Source: First Berlin Equity Research estimates

**Price target raised from €33 to €49. Add recommendatøn maintained** We have adjusted our 2021 and 2022 forecasts in the light of the nine months results and also to reflect current management guidance for 2021 which is for sales growth of at "least 10%" and for "a clear exceeding of the EBIT target of more than €20m announced in March." We also show detailed 2023 forecasts for the first time. In the light of the new government's plans to accelerate the build-out of renewable energies and the likelihood of a protracted period of high electricity prices, we now model a 10-year sales CAGR for the period 2020-2030 of 10.0% (previously: 8.5%). We have also lowered our WACC estimate from 7.7% to 6.8% to reflect PSI crossing the €600m market cap. threshold. We now see fair value for the share at €49 (previously: €33). We maintain our Add recommendation.

## VALUATION MODEL

€000s	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E
Net sales	241,234	270,188	297,969	328,918	363,428	398,164	435,055	474,276
NOPLAT	16,064	19,817	22,774	27,261	31,407	37,399	40,744	44,268
+ Depreciation and amortisation	13,331	14,931	16,466	18,176	20,083	22,003	24,041	26,209
= net operating cash flow	29,395	34,748	39,240	45,437	51,490	59,401	64,785	70,477
- total investments (Capex and WC)	-4,587	-27,824	-22,949	-26,904	-29,815	-40,000	-35,204	-38,077
Capital expenditure	-12,290	-20,606	-21,911	-24,242	-26,847	-28,811	-31,272	-33,896
working capital	7,702	-7,218	-1,038	-2,662	-2,968	-11,190	-3,932	-4,181
= Free cash flow (FCF)	24,807	6,924	16,291	18,533	21,675	19,401	29,581	32,400
PV of FCF's	24,705	6,455	14,218	15,143	16,581	13,893	19,831	20,335

€000s	
PVs of FCFs explicit period (2021-35)*	292,888
PVs of FCFs in terminal period	506,436
Enterprise Value (EV)	799,325
Net cash/(net debt)	-30,225
Shareholder value	769,100

Value per share (€) 49.00

WACC	6.82%
Cost of equity	8.4%
Pre-tax cost of debt	3.0%
Normal tax rate	30.0%
After-tax cost of debt	2.1%
Share of equity	75.0%
Share of debt	25.0%
Terminal growth	2.5%
Terminal EBIT margin	11.0%

Sensitivity analysis

Fair value per share

		Terminal growth rate (%)						
		1.0%	1.5%	2.0%	2.5%	3.0%	3.5%	4.0%
WACC	3.82%	98.90	114.16	137.82	179.45	272.01	656.44	-1061.61
	4.82%	69.65	76.30	85.31	98.21	118.20	153.38	231.60
	5.82%	52.75	56.17	60.49	66.11	73.72	84.62	101.52
	6.82%	41.81	43.76	46.10	49.00	52.65	57.40	63.83
	7.82%	34.20	35.38	36.76	38.41	40.39	42.84	45.92
	8.82%	28.63	29.38	30.24	31.24	32.41	33.80	35.47
		9.82%	24.40	24.90	25.45	26.09	26.81	27.66
		10.82%	21.09	21.43	21.80	22.22	22.69	23.24

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



## INCOME STATEMENT

All figures in €'000	2018	2019	2020	2021E	2022E	2023E
<b>Revenues</b>	<b>199,156</b>	<b>225,180</b>	<b>217,795</b>	<b>241,234</b>	<b>270,188</b>	<b>297,969</b>
Cost of materials	-28,919	-32,259	-29,734	-32,567	-35,124	-43,205
<b>Gross profit</b>	<b>170,237</b>	<b>192,921</b>	<b>188,061</b>	<b>208,667</b>	<b>235,064</b>	<b>254,763</b>
Total personnel costs	-121,279	-137,795	-141,377	-156,592	-161,000	-175,802
Net other operating costs	-28,897	-27,089	-19,516	-16,587	-32,426	-31,084
Depreciation & amortisation	-4,611	-10,832	-12,220	-13,331	-14,931	-16,466
<b>EBIT</b>	<b>15,450</b>	<b>17,205</b>	<b>14,948</b>	<b>22,158</b>	<b>26,707</b>	<b>31,412</b>
Net interest	-1,061	-1,053	-1,586	-906	-921	-978
Associates	134	288	300	315	331	347
<b>Pretax profit</b>	<b>14,523</b>	<b>16,440</b>	<b>13,662</b>	<b>21,566</b>	<b>26,117</b>	<b>30,781</b>
Income taxes	-3,938	-2,178	-3,382	-5,844	-6,653	-8,369
<b>Net income / loss</b>	<b>10,585</b>	<b>14,262</b>	<b>10,280</b>	<b>15,722</b>	<b>19,464</b>	<b>22,412</b>
<b>EPS (€)</b>	<b>0.68</b>	<b>0.91</b>	<b>0.66</b>	<b>1.00</b>	<b>1.24</b>	<b>1.43</b>
<b>EBITDA</b>	<b>20,061</b>	<b>28,037</b>	<b>27,168</b>	<b>35,488</b>	<b>41,638</b>	<b>47,878</b>
<b>Ratios</b>						
Gross margin	85.5%	85.7%	86.3%	86.5%	87.0%	85.5%
EBIT margin	7.8%	7.6%	6.9%	9.2%	9.9%	10.5%
EBITDA margin	10.1%	12.5%	12.5%	14.7%	15.4%	16.1%
Net income margin	5.3%	6.3%	4.7%	6.5%	7.2%	7.5%
Tax rate	27.1%	13.2%	24.8%	27.1%	25.5%	27.2%
<b>Expenses as % of output</b>						
Personnel	-60.9%	-61.2%	-64.9%	-64.9%	-59.6%	-59.0%
Net other operating income/expenses	-14.5%	-12.0%	-9.0%	-6.9%	-12.0%	-10.4%
Depreciation & amortisation	-2.3%	-4.8%	-5.6%	-5.5%	-5.5%	-5.5%
<b>Y-o-y growth</b>						
Total revenues	7.0%	13.1%	-3.3%	10.8%	12.0%	10.3%
EBIT	15.6%	11.4%	-13.1%	48.2%	20.5%	17.6%
Net income / loss	11.5%	34.7%	-27.9%	52.9%	23.8%	15.1%



## BALANCE SHEET

All figures in €'000	2018	2019	2020	2021E	2022E	2023E
<b>Assets</b>						
<b>Current assets, total</b>	<b>127,787</b>	<b>136,310</b>	<b>134,624</b>	<b>155,596</b>	<b>174,271</b>	<b>192,190</b>
Cash and cash equivalents	44,579	38,656	40,482	60,309	67,547	74,492
Trade accounts and notes receivables	34,407	38,455	29,209	33,773	37,826	41,716
Inventories	8,712	10,612	8,661	9,649	10,808	11,919
Receivables relating to long term contracts	34,367	40,725	47,705	43,422	48,634	53,634
Other current assets	5,722	7,862	8,567	8,443	9,457	10,429
<b>Non-current assets, total</b>	<b>80,884</b>	<b>112,527</b>	<b>124,775</b>	<b>121,626</b>	<b>129,167</b>	<b>136,431</b>
Property, plant and equipment	13,592	37,039	38,928	38,597	43,230	47,675
Goodwill	49,417	54,892	60,804	60,804	60,804	60,804
Other intangible assets	9,468	9,531	9,395	8,684	9,727	10,727
Associates	440	440	440	755	1,086	1,433
Deferred tax assets	7,967	10,625	15,208	12,785	14,320	15,792
Other non-current assets	0	0	0	0	0	0
<b>Total assets</b>	<b>208,671</b>	<b>248,837</b>	<b>259,399</b>	<b>277,222</b>	<b>303,438</b>	<b>328,621</b>
<b>Shareholders' equity &amp; debt</b>						
<b>Current liabilities, total</b>	<b>65,960</b>	<b>74,706</b>	<b>72,079</b>	<b>81,055</b>	<b>85,650</b>	<b>95,946</b>
Interest bearing debt	1,795	1,112	65	0	0	0
Leasing liabilities	0	5,606	5,498	6,031	6,755	7,449
Trade accounts payable	16,440	17,454	17,977	17,369	19,454	21,454
Liabilities relating to long term contracts	16,531	17,212	13,930	10,856	13,509	16,388
Provisions	0	0	0	0	0	0
Other current liabilities	31,194	33,322	34,609	46,799	45,932	50,655
<b>Non-current liabilities, total</b>	<b>56,081</b>	<b>79,592</b>	<b>86,997</b>	<b>88,178</b>	<b>95,451</b>	<b>94,629</b>
Interest bearing debt	0	0	168	843	4,156	1,010
Leasing liabilities	0	16,917	19,132	18,093	20,264	20,858
Pension provisions	51,284	54,737	56,416	56,698	56,982	57,266
Deferred tax liabilities	4,797	6,328	8,726	9,649	10,808	11,919
Other liabilities	0	1,610	2,555	2,895	3,242	3,576
<b>Consolidated equity</b>	<b>86,630</b>	<b>94,539</b>	<b>100,323</b>	<b>107,990</b>	<b>122,337</b>	<b>138,046</b>
Shareholders' equity	86,630	94,539	100,323	107,990	122,337	138,046
Minorities	0	0	0	0	0	0
<b>Total consolidated equity and debt</b>	<b>208,671</b>	<b>248,837</b>	<b>259,399</b>	<b>277,222</b>	<b>303,438</b>	<b>328,621</b>
<b>Ratios</b>						
Current ratio (x)	1.94	1.82	1.87	1.92	2.03	2.00
Quick ratio (x)	1.81	1.68	1.75	1.80	1.91	1.88
Equity ratio	41.5%	38.0%	38.7%	39.0%	40.3%	42.0%
Net gearing	9.8%	42.0%	40.7%	19.8%	16.8%	8.8%
Equity per share (€)	5.52	6.02	6.39	6.88	7.79	#DIV/0!
Interest coverage ratio (x)	14.56	16.34	9.42	24.45	29.01	32.11
Capital employed (CE)	95,229	114,693	137,688	135,233	136,146	146,542
Return on capital employed (ROCE)	11.4%	10.5%	7.6%	11.9%	14.6%	15.5%





## CASH FLOW STATEMENT

All figures in €'000	2018	2019	2020	2021E	2022E	2023E
<b>Pretax result</b>	<b>14,523</b>	<b>16,440</b>	<b>13,662</b>	<b>21,566</b>	<b>26,117</b>	<b>30,781</b>
Depreciation and amortisation	4,611	10,832	12,220	13,331	14,931	16,466
Other	-94	-1,030	-558	-6,159	-6,984	-8,717
<b>Operating cash flow</b>	<b>19,040</b>	<b>26,242</b>	<b>25,324</b>	<b>28,738</b>	<b>34,064</b>	<b>38,530</b>
Investment in working capital	-51	-13,764	-492	7,702	-7,218	-1,038
<b>Net operating cash flow</b>	<b>18,989</b>	<b>12,478</b>	<b>24,832</b>	<b>36,440</b>	<b>26,846</b>	<b>37,492</b>
Cashflow from investing	-7,424	-8,729	-13,403	-12,290	-20,606	-21,911
<b>Free cash flow</b>	<b>11,565</b>	<b>3,749</b>	<b>11,429</b>	<b>24,150</b>	<b>6,240</b>	<b>15,581</b>
Dividend paid	-3,596	-3,919	-784	-4,709	-5,494	-7,064
Share buy back	-422	-275	-9	0	0	0
New share capital	0	0	0	0	0	0
Debt financing	-827	-683	-1,057	892	3,597	-2,861
Lease liabilities	0	-4,759	-5,560	-507	2,895	1,288
Other	0	-544	-491	0	0	0
<b>Cash flow from financing</b>	<b>-4,845</b>	<b>-10,180</b>	<b>-7,901</b>	<b>-4,324</b>	<b>998</b>	<b>-8,636</b>
<b>Other</b>	<b>-273</b>	<b>508</b>	<b>-1,702</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Change in cash</b>	<b>6,447</b>	<b>-5,923</b>	<b>1,826</b>	<b>19,827</b>	<b>7,239</b>	<b>6,945</b>
Cash, start of the year	38,132	44,579	38,656	40,482	60,309	67,547
Cash, end of the year	44,579	38,656	40,482	60,309	67,547	74,492
<b>Free cash flow per share in €</b>	<b>0.74</b>	<b>0.24</b>	<b>0.73</b>	<b>1.54</b>	<b>0.40</b>	<b>0.99</b>
<b>Y-o-y growth</b>						
Operating cash flow	21%	38%	-3%	13%	19%	13%
Net operating cash flow	1526%	-34%	99%	47%	-26%	40%
Free cash flow	n.m.	-68%	205%	111%	-74%	150%

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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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Report No.:	Date of publication	Previous day closing price	Recommendation	Price target
Initial Report	15 July 2003	€4.96	Market Perform	€5.00
2...67	↓	↓	↓	↓
68	2 April 2019	€17.00	Add	€19.00
69	2 May 2019	€18.45	Add	€19.00
69	6 November 2019	€19.10	Add	€22.40
71	6 April 2020	€16.50	Buy	€21.20
71	2 November 2020	€23.80	Add	€26.00
72	30 March 2021	€26.50	Add	€31.00
73	3 May 2021	€31.70	Add	€33.00
74	Today	€43.50	Add	€49.00

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