

Hold EUR 5.50 (EUR 5.90) Price EUR 5.14 Upside 7.0 %	Value Indicators: EUR DCF: 5.50 FCF-Value Potential 16e: 1.50	Share data: Bloomberg: F3C GR Reuters: F3CG ISIN: DE0007568578	Description: Solutions for off-grid and stationary power generation + distribution
	Market Snapshot: EUR m Market cap: 44.3 No. of shares (m): 8.6 EV: 43.2 Freefloat MC: 23.4 Ø Trad. Vol. (30d; EUR): 31.34 th	Shareholders: Freefloat 52.9 % HPE 24.1 % Havensight 9.6 % Conduit Ventures 9.5 % DWS (in freefloat) 6.8 %	Risk Profile (WRe): 2014e Beta: 1.6 Price / Book: 1.6 x Equity Ratio: 59 %

As expected, strong finish in 2014 - but oil price weighs on 2015

Figures Q4/2014: FY End: 31.12. in EUR m					Comment on Figures: <ul style="list-style-type: none"> Q4, as expected, strongest quarter in FY 2014, shortfall at revenue level in comparison to WR estimates - a result of push out in defence project Q4 adj. EBITDA + EBIT figures ahead of estimates Reported full-year EBIT of -4.3m "only" in line with expectations, as some one off items (mostly non-cash) occurred in Q4 				
	Q4	Q4	Q4						
	14	14e	13	yoy	14	14e	13	yoy	
Sales	16.3	17.1	11.8	38 %	53.6	54.5	32.4	65 %	
EBITDA adj.	1.6	1.3	-0.3	n.a.	0.4	0.1	-2.2	n.a.	
EBIT adj.	1.2	0.6	-0.9	n.a.	-1.3	-1.8	-4.2	n.a.	

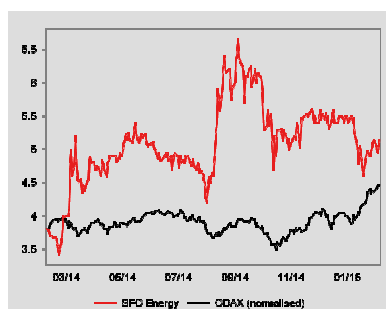
SCF has released preliminary results for FY 2014. As expected, SFC has achieved a record quarter in terms of both revenues and profitability. Q4 sales reached EUR 16.3m, which was mostly driven by strong contributions by Simark (c. 20% organic growth here) and higher sales in the Defence business. The company registered some push outs in the Leisure and Defence business, which explains the slight shortfall in comparison to the WR estimate. In contrast, a quarterly adj. EBITDA of EUR 1.6m came in better than expected (WRe EUR 1.3m) which is a result of a presumably somewhat better costs development.

Oil price impact: SFC's management stressed that **Simark is mostly supplying existing projects and is less exposed to new exploring activities.** Nevertheless, the **company expects to be affected by push outs in a magnitude of 20-25%**, which would imply a revenue decline of Simark by up to c. EUR 7m. **On the positive side, Simark is expected to stay profitable** despite the significantly lower sales level. This is a result of the fact that Simark began as early as January to adopt its costs base. It was said that the company had experienced similar situations in the past and always managed to stay profitable. WR expects Simark to return to the favourable 2014 sales level within 18-24 months.

Sales in the fuel cell and power electronics (PBF) business should, in contrast, rise in 2015. Most prominent growth drivers are expected to be the defence business (after a larger contract with the German Bundeswehr slipped into 2015), PBF and fuel cells in industrial and security applications. In total, group sales should develop almost flatly, as the other business should nearly offset the stronger decline at Simark. At broadly stable revenues, SFC should achieve a slight improvement in profitability (adj. EBITDA). The reasons for this are a higher gross margin, owing to the better product mix (less weaker margin contributions by Simark) and the expected costs cuts at Simark.

The expected push outs at Simark lead to a deferment of the WR growth target by c. one year. The new **PT is EUR 5.50** based on an updated DCF model. The **hold rating remains in place** reflecting the only slight upside and existing uncertainties caused by the weak oil price.

Changes in Estimates: FY End: 31.12. in EUR m							Comment on Changes: <ul style="list-style-type: none"> New estimates reflect push outs at Simark caused by the weak oil price, which leads to a deferment of the former WR growth targets by c. 1 year. Profitability expected to improve in 2015, despite only stable sales. Break even at EBIT adj. level now expected in FY 2016. 		
	2014e	+ / -	2015e	+ / -	2016e	+ / -			
	(old)		(old)		(old)				
Sales	54.5	-1.5 %	61.6	-13.7 %	68.2	-9.6 %			
EBITDA adj.	0.0	983.0 %	1.0	-29.2 %	2.2	-32.9 %			
EBIT adj.	-1.8	n.m.	-0.7	n.m.	0.7	n.m.			
EPS	-0.56	n.m.	-0.41	n.m.	-0.28	n.m.			

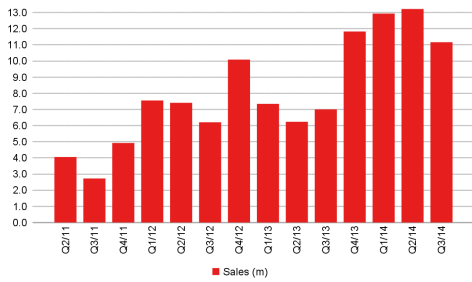


Rel. Performance vs CDAX:	
1 month:	-21.4 %
6 months:	-8.2 %
Year to date:	-17.9 %
Trailing 12 months:	17.5 %

Company events:	
26.03.15	FY 2014
05.05.15	Q1
07.05.15	AGM
03.08.15	Q2

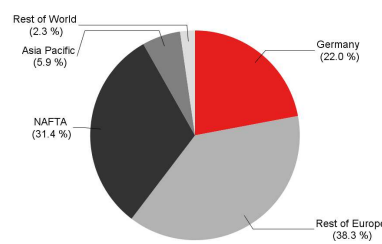
FY End: 31.12. in EUR m	CAGR (13-16e)	2010	2011	2012	2013	2014e	2015e	2016e
Sales	23.9 %	13.3	15.4	31.3	32.4	53.6	53.1	61.7
Change Sales yoy		14.1 %	15.7 %	102.6 %	3.7 %	65.4 %	-0.9 %	16.0 %
Gross profit margin		30.3 %	34.8 %	40.8 %	32.8 %	30.7 %	32.3 %	31.9 %
EBITDA	-	-3.5	-4.6	0.7	-4.5	-1.2	-0.5	0.2
Margin		-26.2 %	-30.1 %	2.3 %	-13.8 %	-2.2 %	-1.0 %	0.4 %
EBIT	-	-4.5	-6.6	-0.5	-8.8	-4.3	-3.4	-2.5
EBIT adj.	-	-4.5	-4.1	-1.0	-4.2	-1.3	-1.0	-0.1
Margin		-33.8 %	-26.8 %	-3.2 %	-12.9 %	-2.4 %	-1.8 %	-0.2 %
Net income	-	-4.1	-6.2	-0.4	-8.9	-4.7	-3.9	-3.1
EPS	-	-0.58	-0.87	-0.06	-1.16	-0.59	-0.45	-0.36
EPS adj.	-	-0.58	-0.52	-0.12	-0.56	-0.21	-0.17	-0.08
FCFPS	-	-0.91	-0.82	0.08	-1.07	-0.16	-0.08	-0.32
EV / Sales		0.4 x	0.7 x	0.6 x	1.1 x	0.8 x	0.8 x	0.7 x
EV / EBITDA		n.a.	n.a.	25.1 x	n.a.	n.a.	n.a.	207.8 x
EV / EBIT adj.		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
P / E		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
P / E adj.		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
FCF Yield Potential		-74.5 %	-52.9 %	0.3 %	-1.4 %	2.0 %	1.8 %	3.1 %
Net Debt		-34.1	-22.0	-22.5	-2.9	-2.8	-1.0	1.8
ROE		-9.4 %	-15.9 %	-1.2 %	-27.2 %	-16.8 %	-15.1 %	-14.0 %
ROCE (NOPAT)		-70.2 %	-59.1 %	-3.5 %	-43.9 %	-17.6 %	-15.0 %	-12.3 %
Guidance:		2014: Revenues EUR 55 - 60m, positive underlying EBITDA						

Sales development
in EUR m



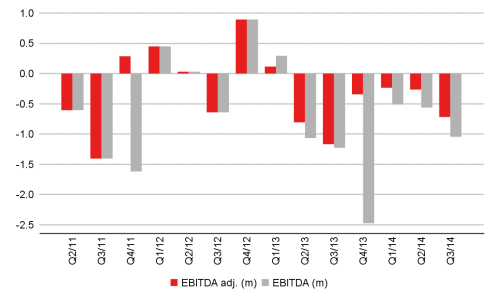
Source: Warburg Research

Sales by regions
2013; in %



Source: Warburg Research

EBITDA development
in EUR m



Source: Warburg Research

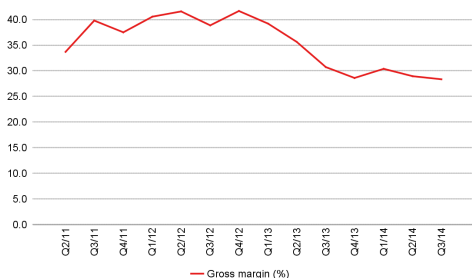
Company Background

- SFC was the first company to develop fuel cells to market maturity. It has sold more than 22,000 fuel cells so far.
- The company's products (direct methanol fuel cells) address the leisure, industry and defence markets.
- While the leisure and industry segments focus on the sale of commercial products, the defence segment mainly generates sales from development collaborations, prototypes and the first small series.
- The acquisition of PBF added customised high-tech power solutions for industrial applications to the product portfolio
- The acquisition of Simark (Canada) allows for a forward integration towards a system supplier and strengthens the activities in the attractive oil + gas industry

Competitive Quality

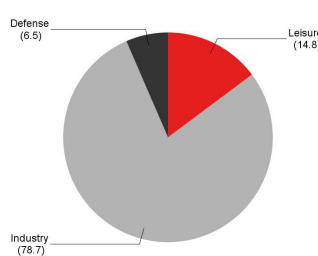
- SFC focuses on the DMFC fuel cell technology, which is superior to the other fuel cell technologies (esp. to hydrogen) in mobile applications with low to medium performance standards.
- SFC's products thus mainly compete with established technologies. The products are not sold on price but rather on the specific advantages offered by the fuel cell technology in the relevant fields of application.
- The leisure and industry markets focus on an energy supply independent of the grid and the weather conditions. The fuel cells in the defence segment allow for weight reduction of ca. 80%
- The major barriers to market entry are the technological lead, secured by a large patent portfolio, and the established sales structures (leisure market).
- A solid balance sheet with a large cash position enables SFC to scale the fuel cell technology and to address new applications

Gross margin development
in % of sales



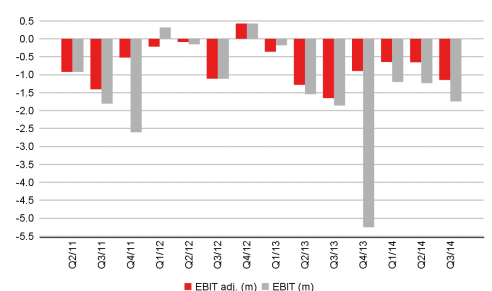
Source: Warburg Research

Sales by segments
2013; in %



Source: Warburg Research

EBIT development
in EUR m



Source: Warburg Research

DCF model

Figures in EUR m	Detailed forecast period			Transitional period										Term. Value
	2014e	2015e	2016e	2017e	2018e	2019e	2020e	2021e	2022e	2023e	2024e	2025e	2026e	
Sales	53.6	53.1	61.7	67.8	73.9	79.5	84.6	89.7	94.2	98.0	100.9	104.0	106.0	
Sales change	65.4 %	-0.9 %	16.0 %	10.0 %	9.0 %	7.5 %	6.5 %	6.0 %	5.0 %	4.0 %	3.0 %	3.0 %	2.0 %	2.0 %
EBIT	-4.3	-3.4	-2.5	0.7	2.2	4.0	5.9	8.1	8.5	8.8	9.1	9.4	9.5	
EBIT-margin	-8.1 %	-6.3 %	-4.1 %	1.0 %	3.0 %	5.0 %	7.0 %	9.0 %	9.0 %	9.0 %	9.0 %	9.0 %	9.0 %	
Tax rate (EBT)	-15.4 %	-16.1 %	-26.9 %	49.8 %	25.6 %	20.5 %	18.3 %	17.1 %	17.1 %	17.2 %	17.2 %	17.2 %	17.2 %	
NOPAT	-5.0	-3.9	-3.2	0.3	1.7	3.2	4.8	6.7	7.0	7.3	7.5	7.7	7.9	
Depreciation	3.2	2.9	2.8	2.7	3.0	3.2	3.4	3.6	3.8	3.9	4.0	4.2	4.2	
in % of Sales	5.9 %	5.4 %	4.5 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	
Changes in provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Change in Liquidity from														
- Working Capital	-0.2	-0.3	1.8	1.4	1.2	1.1	1.0	1.0	0.9	0.8	0.6	0.6	0.4	
- Capex	1.0	1.1	1.1	2.8	3.0	3.3	3.5	3.7	3.9	4.0	4.1	4.3	4.3	
Capex in % of Sales	1.9 %	2.1 %	1.8 %	4.1 %	4.1 %	4.1 %	4.1 %	4.1 %	4.1 %	4.1 %	4.1 %	4.1 %	4.1 %	
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Free Cash Flow (WACC Model)	-2.6	-1.9	-3.4	-1.1	0.4	2.0	3.7	5.6	6.0	6.5	6.8	7.0	7.4	6
PV of FCF	-2.7	-1.7	-2.8	-0.8	0.2	1.3	2.2	3.0	2.9	2.9	2.8	2.6	2.5	28
share of PVs	-18.18 %			48.87 %										69.32 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	7.50 %	Financial Strength	1.45
Cost of debt (after tax)	4.4 %	Liquidity (share)	1.75
Market return	7.00 %	Cyclicality	1.50
Risk free rate	1.50 %	Transparency	1.50
		Others	1.60
WACC	9.65 %	Beta	1.56

Valuation (m)

Present values 2026e	12		
Terminal Value	28		
Financial liabilities	5		
Pension liabilities	0		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	3		
Liquidity	10	No. of shares (m)	8.6
Equity Value	48	Value per share (EUR)	5.55

Sensitivity Value per Share (EUR)

Beta	WACC	Terminal Growth							Beta	WACC	Delta EBIT-margin						
		1.25 %	1.50 %	1.75 %	2.00 %	2.25 %	2.50 %	2.75 %			-1.5 pp	-1.0 pp	-0.5 pp	+0.0 pp	+0.5 pp	+1.0 pp	+1.5 pp
1.76	10.7 %	4.52	4.59	4.66	4.73	4.80	4.88	4.97	1.76	10.7 %	3.37	3.82	4.27	4.73	5.18	5.63	6.09
1.66	10.2 %	4.87	4.95	5.03	5.11	5.20	5.30	5.40	1.66	10.2 %	3.68	4.16	4.63	5.11	5.59	6.07	6.55
1.61	9.9 %	5.06	5.15	5.23	5.33	5.42	5.53	5.64	1.61	9.9 %	3.85	4.34	4.83	5.33	5.82	6.31	6.80
1.56	9.7 %	5.27	5.36	5.45	5.55	5.66	5.78	5.90	1.56	9.7 %	4.03	4.54	5.05	5.55	6.06	6.57	7.07
1.51	9.4 %	5.48	5.58	5.68	5.80	5.91	6.04	6.18	1.51	9.4 %	4.23	4.75	5.27	5.80	6.32	6.84	7.36
1.46	9.2 %	5.71	5.82	5.93	6.06	6.19	6.33	6.48	1.46	9.2 %	4.44	4.98	5.52	6.06	6.60	7.13	7.67
1.36	8.7 %	6.22	6.35	6.49	6.64	6.80	6.97	7.16	1.36	8.7 %	4.91	5.49	6.06	6.64	7.22	7.79	8.37

- Disproportionate growth in industrial applications should result in c. 10% growth rates in the next three years
- The additional revenues and better cost coverage should result in an improving earnings quality
- High tax loss carry-forwards reduce the cash-effective tax rate significantly in the coming years
- EBIT margin displays reported margin until 2015 including transaction-related costs

Free Cash Flow Value Potential

Warburg Research's valuation tool "FCF Value Potential" reflects the ability of the company to generate sustainable free cash flows. It is based on the "FCF potential" - a FCF "ex growth" figure - which assumes unchanged working capital and pure maintenance capex. A value indication is derived by discounting the "FCF potential" of a given year with the weighted costs of capital. The fluctuating value indications over time add a timing element to the DCF model (our preferred valuation tool).

in EUR m	2010	2011	2012	2013	2014e	2015e	2016e	
Net Income before minorities	-4.1	-6.2	-0.4	-8.9	-4.7	-3.9	-3.1	
+ Depreciation + Amortisation	1.0	2.0	1.3	4.4	3.2	2.9	2.8	
- Net Interest Income	0.4	0.4	0.1	-0.1	-0.3	-0.3	-0.3	
- Maintenance Capex	0.7	0.7	0.7	0.7	0.9	0.9	0.9	
+ Other	0.0	0.0	0.0	4.6	3.1	2.4	2.4	
= Free Cash Flow Potential	-4.2	-5.4	0.0	-0.5	0.8	0.8	1.4	
Free Cash Flow Yield Potential	-74.5 %	-52.9 %	0.3 %	-1.4 %	2.0 %	1.8 %	3.1 %	
WACC	9.65 %	9.65 %	9.65 %	9.65 %	9.65 %	9.65 %	9.65 %	
= Enterprise Value (EV)	5.6	10.1	18.3	34.5	41.4	43.2	46.0	
= Fair Enterprise Value	n.a.	n.a.	0.5	n.a.	8.4	8.1	14.7	
- Net Debt (Cash)	-2.9	-2.9	-2.9	-2.9	-2.8	-1.0	1.8	
- Pension Liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Market value of minorities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
+ Market value of investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
= Fair Market Capitalisation	n.a.	n.a.	3.4	n.a.	11.2	9.1	13.0	
No. of shares (total) (m)	8.6	8.6	8.6	8.6	8.6	8.6	8.6	
= Fair value per share (EUR)	n.a.	n.a.	0.40	n.a.	1.30	1.06	1.50	
premium (-) / discount (+) in %					-74.6 %	-79.3 %	-70.7 %	
Sensitivity Fair value per Share (EUR)								
	12.65 %	n.a.	n.a.	0.39	n.a.	1.07	0.84	1.10
	11.65 %	n.a.	n.a.	0.39	n.a.	1.14	0.90	1.21
	10.65 %	n.a.	n.a.	0.39	n.a.	1.21	0.97	1.34
WACC	9.65 %	n.a.	n.a.	0.40	n.a.	1.30	1.06	1.50
	8.65 %	n.a.	n.a.	0.41	n.a.	1.42	1.17	1.70
	7.65 %	n.a.	n.a.	0.41	n.a.	1.56	1.31	1.95
	6.65 %	n.a.	n.a.	0.43	n.a.	1.74	1.49	2.28

- A rising earnings generation is reflected in an increasing value indication
- D&A above maintenance capex owing to R&D- and PPA-amortisation

Valuation							
	2010	2011	2012	2013	2014e	2015e	2016e
Price / Book	1.0 x	0.9 x	1.1 x	1.3 x	1.6 x	1.9 x	2.1 x
Book value per share ex intangibles	5.42	3.62	3.38	1.30	1.25	0.90	0.77
EV / Sales	0.4 x	0.7 x	0.6 x	1.1 x	0.8 x	0.8 x	0.7 x
EV / EBITDA	n.a.	n.a.	25.1 x	n.a.	n.a.	n.a.	207.8 x
EV / EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EV / EBIT adj.*	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
P / FCF	n.a.	n.a.	70.5 x	n.a.	n.a.	n.a.	n.a.
P / E	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
P / E adj.*	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Dividend Yield	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Free Cash Flow Yield Potential	-74.5 %	-52.9 %	0.3 %	-1.4 %	2.0 %	1.8 %	3.1 %

*Adjustments made for: Adjusted for acquisitions + transaction related costs, PPA amortizations

Consolidated profit and loss

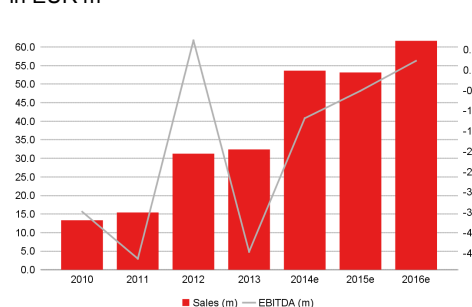
In EUR m	2010	2011	2012	2013	2014e	2015e	2016e
Sales	13.3	15.4	31.3	32.4	53.6	53.1	61.7
Change Sales yoy	14.1 %	15.7 %	102.6 %	3.7 %	65.4 %	-0.9 %	16.0 %
COGS	9.3	10.1	18.5	21.8	37.2	36.0	42.0
Gross profit	4.0	5.4	12.8	10.6	16.5	17.2	19.7
<i>Gross margin</i>	<i>30.3 %</i>	<i>34.8 %</i>	<i>40.8 %</i>	<i>32.8 %</i>	<i>30.7 %</i>	<i>32.3 %</i>	<i>31.9 %</i>
Research and development	1.9	2.5	4.3	6.1	5.0	5.1	5.5
Sales and marketing	4.8	4.9	5.9	8.2	8.2	8.2	8.8
Administration expenses	2.1	2.7	3.6	3.9	5.0	5.1	5.4
Other operating expenses	0.0	2.1	0.4	2.3	2.9	2.3	2.7
Other operating income	0.1	0.2	0.7	1.0	0.3	0.2	0.2
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	-3.5	-4.6	0.7	-4.5	-1.2	-0.5	0.2
<i>Margin</i>	<i>-26.2 %</i>	<i>-30.1 %</i>	<i>2.3 %</i>	<i>-13.8 %</i>	<i>-2.2 %</i>	<i>-1.0 %</i>	<i>0.4 %</i>
Depreciation of fixed assets	0.4	0.5	0.7	0.8	1.1	0.8	0.7
EBITA	-3.9	-5.2	0.1	-5.2	-2.3	-1.3	-0.5
Amortisation of intangible fixed assets	0.6	1.5	0.6	2.1	2.1	2.1	2.1
Goodwill amortization	0.0	0.0	0.0	1.5	0.0	0.0	0.0
EBIT	-4.5	-6.6	-0.5	-8.8	-4.3	-3.4	-2.5
<i>Margin</i>	<i>-33.8 %</i>	<i>-42.9 %</i>	<i>-1.7 %</i>	<i>-27.3 %</i>	<i>-8.1 %</i>	<i>-6.3 %</i>	<i>-4.1 %</i>
EBIT adj.	-4.5	-4.1	-1.0	-4.2	-1.3	-1.0	-0.1
Interest income	0.4	0.4	0.2	0.1	0.0	0.0	0.0
Interest expenses	0.0	0.0	0.1	0.2	0.3	0.3	0.3
Other financial income (loss)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBT	-4.1	-6.2	-0.4	-9.0	-4.6	-3.7	-2.8
<i>Margin</i>	<i>-30.9 %</i>	<i>-40.4 %</i>	<i>-1.4 %</i>	<i>-27.7 %</i>	<i>-8.6 %</i>	<i>-6.9 %</i>	<i>-4.6 %</i>
Total taxes	0.0	0.0	0.0	-0.1	0.2	0.2	0.3
Net income from continuing operations	-4.1	-6.2	-0.4	-8.9	-4.7	-3.9	-3.1
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income before minorities	-4.1	-6.2	-0.4	-8.9	-4.7	-3.9	-3.1
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	-4.1	-6.2	-0.4	-8.9	-4.7	-3.9	-3.1
<i>Margin</i>	<i>-30.9 %</i>	<i>-40.4 %</i>	<i>-1.4 %</i>	<i>-27.5 %</i>	<i>-8.9 %</i>	<i>-7.3 %</i>	<i>-5.1 %</i>
Number of shares, average	7.2	7.2	7.5	7.7	8.1	8.6	8.6
EPS	-0.58	-0.87	-0.06	-1.16	-0.59	-0.45	-0.36
EPS adj.	-0.58	-0.52	-0.12	-0.56	-0.21	-0.17	-0.08

*Adjustments made for: Adjusted for acquisitions + transaction related costs, PPA amortizations

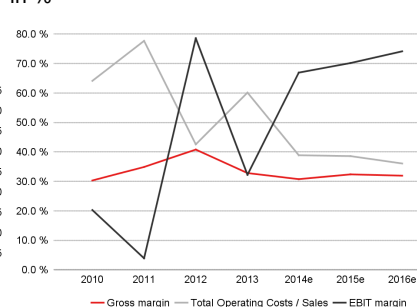
Guidance: 2014: Revenues EUR 55 - 60m, positive underlying EBITDA

Financial Ratios

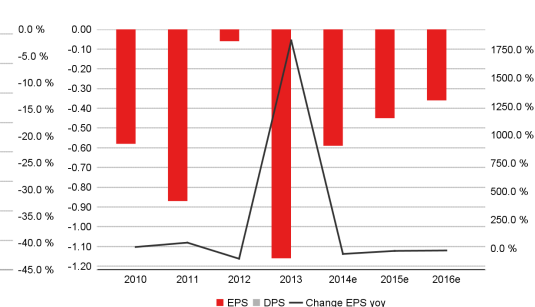
	2010	2011	2012	2013	2014e	2015e	2016e
Total Operating Costs / Sales	64.2 %	77.7 %	42.5 %	60.1 %	38.8 %	38.6 %	36.0 %
Operating Leverage	0.0 x	3.0 x	-0.9 x	429.4 x	-0.8 x	25.2 x	-1.5 x
EBITDA / Interest expenses	n.m.	n.m.	5.5 x	n.m.	n.m.	n.m.	0.7 x
Tax rate (EBT)	0.0 %	-0.1 %	4.3 %	0.6 %	-3.3 %	-5.5 %	-10.6 %
Dividend Payout Ratio	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Sales per Employee	133,291	145,525	168,062	146,665	206,243	196,833	228,394

Sales, EBITDA
in EUR m


Source: Warburg Research

Operating Performance
in %


Source: Warburg Research

Performance per Share


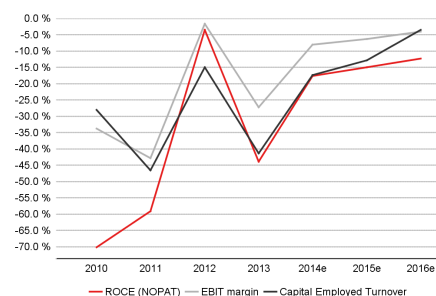
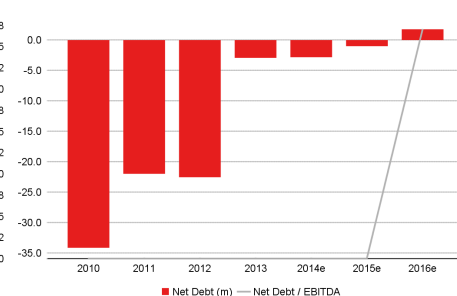
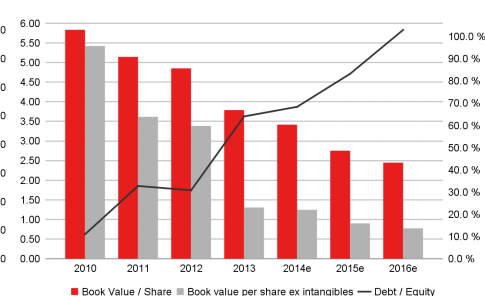
Source: Warburg Research

Consolidated balance sheet

In EUR m	2010	2011	2012	2013	2014e	2015e	2016e
Assets							
Goodwill and other intangible assets	3.0	10.9	11.0	19.1	17.5	16.0	14.4
thereof other intangible assets	3.0	3.1	2.8	6.0	4.4	2.9	1.3
thereof Goodwill	0.0	6.1	6.1	11.8	11.8	11.8	11.8
Property, plant and equipment	2.3	2.7	2.4	2.3	1.7	1.5	1.4
Financial assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other long-term assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fixed assets	5.3	13.7	13.4	21.3	19.2	17.4	15.8
Inventories	1.9	4.9	5.8	7.7	8.6	8.6	9.9
Accounts receivable	2.7	5.0	3.7	9.5	9.3	9.0	10.5
Liquid assets	34.1	22.7	22.9	7.4	7.5	6.6	4.8
Other short-term assets	2.3	2.5	1.7	1.7	1.8	1.8	1.8
Current assets	41.1	35.2	34.2	26.3	27.3	26.0	27.0
Total Assets	46.4	48.8	47.6	47.7	46.4	43.4	42.8
Liabilities and shareholders' equity							
Subscribed capital	7.2	7.5	7.5	8.0	8.6	8.6	8.6
Capital reserve	66.9	67.9	67.9	69.6	72.2	72.2	72.2
Retained earnings	0.0	0.0	0.0	0.0	-4.7	-8.6	-11.7
Other equity components	-32.3	-38.6	-39.0	-48.5	-48.5	-48.5	-48.0
Shareholder's equity	41.7	36.8	36.4	29.1	27.6	23.7	21.1
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total equity	41.7	36.8	36.4	29.1	27.6	23.7	21.1
Provisions	1.0	2.3	2.4	2.6	2.6	2.6	2.6
thereof provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial liabilities (total)	0.0	0.8	0.4	4.5	4.7	5.6	6.6
thereof short-term financial liabilities	0.0	0.6	0.4	2.1	2.1	3.0	4.0
Accounts payable	1.4	3.2	3.0	6.3	6.6	6.6	7.6
Other liabilities	2.2	5.8	5.4	5.3	4.9	4.9	4.9
Liabilities	4.6	12.0	11.2	18.6	18.9	19.7	21.7
Total liabilities and shareholders' equity	46.4	48.8	47.6	47.7	46.4	43.4	42.8

Financial Ratios

	2010	2011	2012	2013	2014e	2015e	2016e
Efficiency of Capital Employment							
Operating Assets Turnover	2.4 x	1.7 x	3.5 x	2.5 x	4.3 x	4.5 x	4.5 x
Capital Employed Turnover	1.8 x	1.0 x	2.3 x	1.2 x	2.2 x	2.3 x	2.7 x
ROA	-78.0 %	-45.6 %	-3.2 %	-41.8 %	-24.7 %	-22.1 %	-19.8 %
Return on Capital							
ROCE (NOPAT)	-70.2 %	-59.1 %	-3.5 %	-43.9 %	-17.6 %	-15.0 %	-12.3 %
ROE	-9.4 %	-15.9 %	-1.2 %	-27.2 %	-16.8 %	-15.1 %	-14.0 %
Adj. ROE	-9.4 %	-9.4 %	-2.5 %	-13.1 %	-6.0 %	-5.7 %	-3.3 %
Balance sheet quality							
Net Debt	-34.1	-22.0	-22.5	-2.9	-2.8	-1.0	1.8
Net Financial Debt	-34.1	-22.0	-22.5	-2.9	-2.8	-1.0	1.8
Net Gearing	-81.8 %	-59.7 %	-61.9 %	-10.1 %	-10.2 %	-4.2 %	8.4 %
Net Fin. Debt / EBITDA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	800.5 %
Book Value / Share	5.8	5.1	4.9	3.8	3.4	2.8	2.4
Book value per share ex intangibles	5.4	3.6	3.4	1.3	1.2	0.9	0.8

ROCE Development

Net debt in EUR m

Book Value per Share in EUR


Source: Warburg Research

Source: Warburg Research

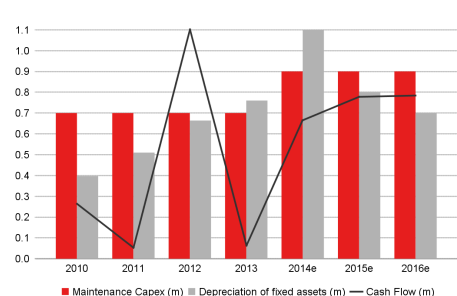
Source: Warburg Research

Consolidated cash flow statement

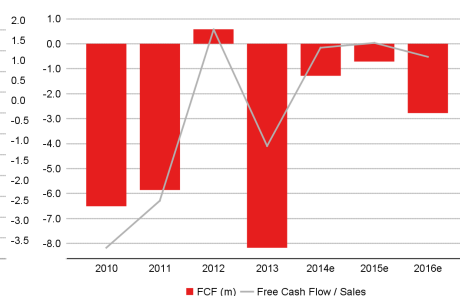
In EUR m	2010	2011	2012	2013	2014e	2015e	2016e
Net income	-4.1	-6.2	-0.4	-9.0	-4.7	-3.9	-3.1
Depreciation of fixed assets	0.4	0.5	0.7	0.8	1.1	0.8	0.7
Amortisation of goodwill	0.0	0.0	0.0	1.5	0.0	0.0	0.0
Amortisation of intangible assets	0.6	1.5	0.6	2.1	2.1	2.1	2.1
Increase/decrease in long-term provisions	0.2	0.0	-0.6	0.0	0.0	0.0	0.0
Other non-cash income and expenses	0.3	0.6	1.6	1.0	1.1	1.1	0.5
Cash Flow	-2.6	-3.7	1.8	-3.6	-0.5	0.1	0.1
Increase / decrease in inventory	-0.6	-1.0	-1.0	0.3	-0.9	0.0	-1.3
Increase / decrease in accounts receivable	-0.5	-0.3	0.8	-2.1	0.2	0.3	-1.5
Increase / decrease in accounts payable	-0.6	0.3	-0.1	-2.0	0.9	0.0	1.0
Increase / decrease in other working capital positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increase / decrease in working capital (total)	-1.7	-1.0	-0.3	-3.8	0.2	0.3	-1.8
Net cash provided by operating activities	-4.3	-4.7	1.5	-7.4	-0.3	0.4	-1.7
Investments in intangible assets	-1.2	-0.7	-0.6	-0.3	-0.5	-0.5	-0.5
Investments in property, plant and equipment	-1.1	-0.4	-0.3	-0.4	-0.5	-0.6	-0.6
Payments for acquisitions	0.0	-6.0	0.0	-6.0	-2.0	-1.1	0.0
Financial investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	0.0	0.3	0.0	0.1	0.0	0.0	0.0
Net cash provided by investing activities	-2.2	-6.8	-0.9	-6.7	-3.0	-2.2	-1.1
Change in financial liabilities	0.0	-0.4	-0.4	-1.5	0.2	0.9	1.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	0.0	0.0	3.2	0.0	0.0
Other	0.0	-0.1	0.0	-0.1	0.0	0.0	0.0
Net cash provided by financing activities	0.0	-0.4	-0.4	-1.6	3.4	0.9	1.0
Change in liquid funds	-6.5	-12.0	0.2	-15.7	0.1	-1.0	-1.8
Effects of exchange-rate changes on cash	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash and cash equivalent at end of period	34.1	22.2	22.9	7.2	7.5	6.6	4.8

Financial Ratios

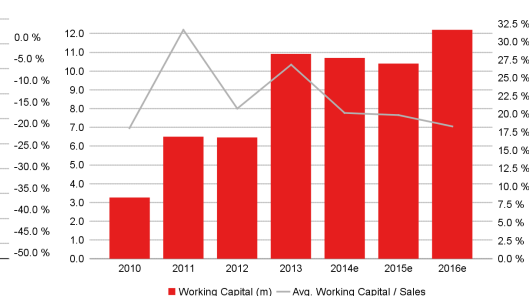
	2010	2011	2012	2013	2014e	2015e	2016e
Cash Flow							
FCF	-6.5	-5.9	0.6	-8.2	-1.3	-0.7	-2.8
Free Cash Flow / Sales	-48.8 %	-38.0 %	1.9 %	-25.2 %	-2.4 %	-1.3 %	-4.5 %
Free Cash Flow Potential	-4.2	-5.4	0.0	-0.5	0.8	0.8	1.4
Free Cash Flow / Sales	-48.8 %	-38.0 %	1.9 %	-25.2 %	-2.4 %	-1.3 %	-4.5 %
Free Cash Flow / Net Profit	157.8 %	94.0 %	-136.3 %	91.7 %	27.0 %	18.5 %	88.8 %
Interest Received / Avg. Cash	1.1 %	1.5 %	0.9 %	0.4 %	0.5 %	0.0 %	0.0 %
Interest Paid / Avg. Debt	n.a.	9.7 %	23.7 %	8.0 %	6.5 %	5.8 %	4.9 %
Management of Funds							
Investment ratio	16.7 %	7.3 %	2.8 %	2.3 %	1.9 %	2.1 %	1.8 %
Maint. Capex / Sales	5.3 %	4.5 %	2.2 %	2.2 %	1.7 %	1.7 %	1.5 %
Capex / Dep	217.8 %	57.3 %	70.0 %	17.4 %	31.7 %	38.6 %	40.0 %
Avg. Working Capital / Sales	18.1 %	31.7 %	20.7 %	26.8 %	20.2 %	19.9 %	18.3 %
Trade Debtors / Trade Creditors	196.0 %	156.0 %	121.9 %	151.4 %	140.9 %	136.4 %	138.2 %
Inventory Turnover	4.8 x	2.0 x	3.2 x	2.8 x	4.3 x	4.2 x	4.2 x
Receivables collection period (days)	74	119	43	107	63	62	62
Payables payment period (days)	54	117	60	105	65	67	66
Cash conversion cycle (Days)	37	112	68	62	28	29	29

CAPEX and Cash Flow
in EUR m


Source: Warburg Research

Free Cash Flow Generation


Source: Warburg Research

Working Capital


Source: Warburg Research

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Company	Disclosure	Link to the historical price targets and rating changes (last 12 months)
SFC Energy	1, 3, 4, 5	http://www.mmwarburg.com/disclaimer/disclaimer_en/DE0007568578.htm

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Investment recommendation: expected direction of the share price development of the financial instrument up to the given price target in the opinion of the analyst who covers this financial instrument.

-B-	Buy:	The price of the analysed financial instrument is expected to rise over the next 12 months.
-H-	Hold:	The price of the analysed financial instrument is expected to remain mostly flat over the next 12 months.
-S-	Sell:	The price of the analysed financial instrument is expected to fall over the next 12 months.
“-“	Rating suspended:	The available information currently does not permit an evaluation of the company.

WARBURG RESEARCH GMBH – RESEARCH UNIVERSE BY RATING

Rating	Number of stocks	% of Universe
Buy	108	57
Hold	68	36
Sell	8	4
Rating suspended	4	2
Total	188	100

WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING ...

... Looking only at companies for which a disclosure according to § 34b of the Germany Securities Trading Act and the FinAnV has to be made.

Rating	Number of stocks	% of Universe
Buy	84	59
Hold	51	36
Sell	4	3
Rating suspended	3	2
Total	142	100

PRICE AND RATING HISTORY SFC ENERGY AS OF 06.02.2015


The chart has markings if Warburg Research GmbH changed its rating in the last 12 months. Every marking represents the date and closing price on the day of the rating change.

EQUITIES

Roland Rapelius +49 40 3282-2673
Head of Equities rrapelius@mmwarburg.com

RESEARCH

Henner Rüschemier +49 40 309537-270
Head of Research hrueschmeier@warburg-research.com

Christian Cohrs +49 40 309537-175
Engineering, Logistics ccohrs@warburg-research.com

Felix Ellmann +49 40 309537-120
Software, IT fellmann@warburg-research.com

Jörg Philipp Frey +49 40 309537-258
Retail, Consumer Goods jfrey@warburg-research.com

Harald Hof +49 40 309537-125
Medtech hhof@warburg-research.com

Ulrich Huwald +49 40 309537-255
Health Care, Pharma uhuwald@warburg-research.com

Thilo Kleibauer +49 40 309537-257
Retail, Consumer Goods tkleibauer@warburg-research.com

Eggert Kuls +49 40 309537-256
Engineering ekuls@warburg-research.com

Frank Laser +49 40 309537-235
Construction, Industrials flaser@warburg-research.com

Andreas Pläsier +49 40 309537-246
Banks, Financial Services aplaesier@warburg-research.com

Malte Räther +49 40 309537-185
Technology, Telco, Internet mraether@warburg-research.com

Jochen Reichert +49 40 309537-130
Telco, Internet, Media jreichert@warburg-research.com

Christopher Rodler +49 40 309537-290
Utilities crodler@warburg-research.com

Arash Roshan Zamir +49 40 309537-155
Engineering, Logistics aroshanzamir@warburg-research.com

Malte Schaumann +49 40 309537-170
Technology mschaumann@warburg-research.com

Oliver Schwarz +49 40 309537-250
Chemicals, Agriculture oschwarz@warburg-research.com

Marc-René Tonn +49 40 309537-259
Automobiles, Car Suppliers mtonn@warburg-research.com

Björn Voss +49 40 309537-254
Steel, Car Suppliers bvoss@warburg-research.com

Andreas Wolf +49 40 309537-140
Software, IT awolf@warburg-research.com

Stephan Wulf +49 40 309537-150
Utilities swulf@warburg-research.com

INSTITUTIONAL EQUITY SALES

Holger Nass +49 40 3282-2669
Head of Equity Sales, USA hnass@mmwarburg.com

Klaus Schilling +49 40 3282-2664
Dep. Head of Equity Sales, GER kschilling@mmwarburg.com

Christian Alisch +49 40 3282-2667
Scandinavia, Spain calisch@mmwarburg.com

Tim Beckmann +49 40 3282-2665
United Kingdom tbeckmann@mmwarburg.com

Matthias Fritsch +49 40 3282-2696
United Kingdom mfritsch@mmwarburg.com

Marie-Therese Grübner +49 40 3282-2630
France mgruebner@mmwarburg.com

Ömer Güven +49 40 3282-2633
USA, Germany ogueven@mmwarburg.com

Michael Kriszun +49 40 3282-2695
United Kingdom mkriszun@mmwarburg.com

Marc Niemann +49 40 3282-2660
Germany mniemann@mmwarburg.com

Sanjay Oberoi +49 69 5050-7410
United Kingdom soberoi@mmwarburg.com

Philipp Stumpfegger +49 40 3282-2635
Australia, United Kingdom pstumpfegger@mmwarburg.com

Juliane Willenbruch +49 40 3282-2694
Roadshow/Marketing jwillenbruch@mmwarburg.com

SALES TRADING

Oliver Merkel +49 40 3282-2634
Head of Sales Trading omerckel@mmwarburg.com

Thekla Struve +49 40 3282-2668
Dep. Head of Sales Trading tstruve@mmwarburg.com

Gudrun Bolsen +49 40 3282-2679
Sales Trading gbolsen@mmwarburg.com

Michael Ilgenstein +49 40 3282-2700
Sales Trading milgenstein@mmwarburg.com

Bastian Quast +49 40 3282-2701
Sales Trading bquast@mmwarburg.com

Jörg Treptow +49 40 3262-2658
Sales Trading jtreptow@mmwarburg.com

Jan Walter +49 40 3262-2662
Sales Trading jwalter@mmwarburg.com

MACRO RESEARCH

Carsten Klude +49 40 3282-2572
Macro Research cklude@mmwarburg.com

Matthias Thiel +49 40 3282-2401
Macro Research mthiel@mmwarburg.com

Dr. Christian Jasperneite +49 40 3282-2439
Investment Strategy cjasperneite@mmwarburg.com

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For access please contact:

Andrea Schaper +49 40 3282-2632
Sales Assistance aschaper@mmwarburg.com

Kerstin Muthig +49 40 3282-2703
Sales Assistance kmuthig@mmwarburg.com