

SFC Energy AG

Germany / Energy
 Primary exchange: Frankfurt
 Bloomberg: F3C GR
 ISIN: DE0007568578

Final 2015 figures

RATING
PRICE TARGET **BUY**
 Return Potential 34.9%
 Risk Rating High

BACK ON THE GROWTH PATH IN 2016

On 28 April, SFC Energy reported final 2015 figures which corresponded to preliminary numbers. Revenues (€47.3m) and EBIT (€10.6m) were below the previous year's figures. The main reasons were the weak oil & gas market and a postponed large defence project. For 2016, SFC is guiding towards increased sales (€50-52m) and significantly improved earnings. The main growth and earnings drivers are regional expansion, new products, and cost reductions. We stick to our 2016E forecast and reiterate our Buy rating. The price target remains at €5.30.

2015 figures burdened by oil price and defence business Revenues amounted to €47.3m (2014: €53.6m, -12% y/y, FBe: €47.3m). The main reasons for the decline were lower revenues in the Oil & Gas segment (€26.0m vs. €29.3m) and in the Security and Industry segment (€17.6m vs. €20.2m). The declining oil price resulted in reduced CAPEX budgets of the oil & gas industry. In the Security and Industry segment, a large defence project was postponed into 2016.

EBIT fell from €-4.3m to €10.6m. All segments delivered negative EBIT contributions and the subsidiary PBF had an impairment loss of €3.5m. The underlying EBIT (adjusted for one-off costs) amounted to €-4.4m vs. €-1.2m in 2014. Despite the revenue decline in the oil & gas business the segment's adjusted EBIT remained slightly positive. The net result came in at €-10.7m vs. €-4.8m in the previous year. EPS were €-1.24 vs. €-0.60 in 2014.

Guidance for 2016 suggests growth SFC is guiding towards sales of €50-52m and significantly improved earnings. Growth will be driven by regional expansion and new products. Cost reductions and the large defence contract postponed into 2016 will support earnings.

Increased order backlog a promising sign The order backlog increased 11% y/y to €11.8m from €10.6m. We expect strong demand for SFC's...

(p.t.o.)

FINANCIAL HISTORY & PROJECTIONS

| | 2013 | 2014 | 2015 | 2016E | 2017E | 2018E |
|--------------------|--------|-------|--------|-------|-------|-------|
| Revenue (€m) | 32.41 | 53.63 | 47.31 | 52.03 | 60.98 | 70.00 |
| Y-o-y growth | 3.7% | 65.5% | -11.8% | 10.0% | 17.2% | 14.8% |
| EBIT (€m) | -8.84 | -4.27 | -10.64 | -1.02 | 0.45 | 2.45 |
| EBIT margin | -27.3% | -8.0% | -22.5% | -2.0% | 0.7% | 3.5% |
| Net income (€m) | -8.91 | -4.83 | -10.67 | -1.40 | 0.06 | 1.96 |
| EPS (diluted) (€) | -1.16 | -0.60 | -1.24 | -0.16 | 0.01 | 0.22 |
| DPS (€) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| FCF (€m) | -7.98 | -4.19 | -3.21 | -2.29 | -2.69 | -1.26 |
| Net gearing | -10.3% | -4.9% | 3.0% | 18.4% | 36.0% | 27.0% |
| Liquid assets (€m) | 7.43 | 6.41 | 3.71 | 3.71 | 3.02 | 3.05 |

RISKS

The main risks are financing, internationalisation, unfavourable EUR/CAD exchange rate changes, technological innovations, and increasing competition.

COMPANY PROFILE

SFC Energy AG is a leading provider of integrated power solutions for mobile and stationary off-grid applications. The company is a pioneer in developing and commercialising fuel cells which provide reliable, efficient, and clean power for its energy solutions. Main markets are oil & gas, security & industry, and leisure. SFC is headquartered near Munich in Germany.

MARKET DATA

As of 02 May 2016

| | |
|-------------------------|---------------|
| Closing Price | € 3.93 |
| Shares outstanding | 8.61m |
| Market Capitalisation | € 33.84m |
| 52-week Range | € 3.47 / 5.19 |
| Avg. Volume (12 Months) | 3,403 |

| Multiples | 2015 | 2016E | 2017E |
|------------|------|-------|-------|
| P/E | n.a. | n.a. | 578.1 |
| EV/Sales | 0.7 | 0.7 | 0.6 |
| EV/EBIT | n.a. | n.a. | 77.9 |
| Div. Yield | 0.0% | 0.0% | 0.0% |

STOCK OVERVIEW



COMPANY DATA

As of 31 Dec 2015

| | |
|----------------------|----------|
| Liquid Assets | € 3.71m |
| Current Assets | € 21.15m |
| Intangible Assets | € 12.77m |
| Total Assets | € 35.89m |
| Current Liabilities | € 13.04m |
| Shareholders' Equity | € 16.56m |

SHAREHOLDERS

| | |
|------------|-------|
| HPE | 24.5% |
| DWS | 9.2% |
| Havensight | 8.9% |
| Other | 17.6% |
| Free Float | 39.8% |



... new products, such as the large 500W fuel cell EFOY Pro 12000, and the JENNY 1200.

Oil & Gas segment still profitable on adjusted basis Despite the revenue decline of more than 11% y/y (see figure 2 overleaf), adjusted segment EBIT was €+0.1m. SFC's subsidiary Simark thus continued its history of profitability. Further cost reduction rounds in January and March 2016 have adjusted the cost level to the new low oil price environment. We expect another weak year with a slight decline in revenues, but believe that oil & gas companies will have to increase spending towards the end of the year. During the year, "de-bottlenecking" of existing production sites, i.e. the increase of efficiency and reduction of production costs, looks set to support SFC's Canadian business.

Security & Industry suffered from postponement of large defence project Segment revenues declined to €17.6m from €20.2m (-13% y/y) as a large defence project was postponed into 2016 and industry demand was weak. Due to an improved product mix (more defence business) the segment gross margin increased to 36.8% from 35.1% in 2015. Adjusted EBIT amounted to €-3.1m vs. €-1.8m in 2015. The figures however hide strategic successes which will spur future growth. A new partnership agreement with Toyota Tsusho Corporation is a key to growth in Japan and a breakthrough for the internationalisation of the business and brand awareness in Asia. Furthermore, SFC launched the EFOY Pro 12000, a 500W fuel cell. This new product is the most powerful fuel cell in SFC's portfolio and looks set to open up new markets such as the telecom power backup business. Although the large defence project was postponed into 2016, the defence business has significantly picked up again. SFC delivered the EMILY fuel cell to the German army and received two further orders from an international defence force. The order volume of the three contracts was €3.2m. Thanks to the postponed large defence project we expect another revenue jump in the defence business in 2016E to ca. €8-9m. Due to the high gross margins of the defence business this will have a very positive effect on the group's gross margin (FBe: 35.6%). Growing defence budgets in many countries are a very good basis for further increases in SFC's defence business.

Consumer business stabilising at higher gross margin Although segment sales slid to €3.8m vs. €4.1m (-8.5% y/y), the segment gross margin increased from 22.6% to 25.8%. This resulted in a slightly higher gross profit of €0.97m vs. €0.93m in 2014. We believe that SFC's new mobile power outlet EFOY GO! will support revenues and margins in 2016E. The company expects sales at least on the previous year's level.

Balance sheet strained by impairment loss Due mainly to an impairment loss of €3.5m at the Dutch subsidiary PBF and scheduled depreciation of €2.0m, intangible assets declined from €17.8m to €12.8m. An extremely efficient working capital management resulted in a working capital requirement of only €9.0m vs. €13.5m in 2014. The main driver was lower trade receivables (€6.8m vs. €11.5m in 2014). The cash position declined to €3.7m vs. €6.4m in 2014. As a result of these effects the balance sheet total fell to €35.9m vs. €47.3m in the previous year.

The net loss of €10.7m burdened equity which fell to €16.6m vs. €27.6m in 2014. The equity ratio declined to 46.1% from 58.8% in the previous year. SFC lowered long-term financial debt to €2.2m (2014: €3.0m). Short-term financial debt remained stable at €2.0m. Due to the lower cash position SFC now has a net debt position of €0.6m. At the end of 2014, the company had a net cash position of €1.2m.

Improved operating cash flow Despite the high net loss SFC managed to improve its operating cash flow to €-1.9m (2014: €-3.6m). The main reason was the significantly lower working capital requirement. The cash outflow from investment activity increased €1.5m from €0.6m in 2014. The main reason is higher CAPEX (€1.3m vs. €0.5m in 2014) for the new products EFOY Pro 12000 and JENNY 1200. Negative operating and investing cash



flows were financed with cash (the cash position declined by €2.8m) and by the issue of a convertible bond (€1.5m).

Estimates largely unchanged The 2016E guidance increases the visibility for the current year and supports our almost unchanged forecast. We expect sales growth, significant gross margin improvement and improved EBIT of €-1.0m. We anticipate a strong H2 due to the expected large defence contract and a recovering oil & gas business.

Buy reiterated at unchanged price target An updated DCF model still yields a price target of €5.30. We reiterate our Buy rating.

Figure 1: Reported figures versus forecasts

| All figures in €m | Q4-15A | Q4-15E | Delta | Q4-14 | Delta | 2015 | 2014 | Delta |
|-------------------|--------|--------|-------|-------|--------|--------|-------|--------|
| Sales | 10.97 | 10.97 | 0.0% | 16.31 | -32.7% | 47.31 | 53.63 | -11.8% |
| EBITDA | -1.05 | -1.14 | - | 0.97 | - | -4.65 | -1.18 | - |
| margin | -9.6% | -10.4% | - | 5.9% | - | -9.8% | -2.2% | - |
| EBITDA adjusted | -0.40 | -0.50 | - | 1.64 | - | -2.98 | 0.38 | - |
| margin | -3.6% | -4.6% | - | 10.1% | - | -6.3% | 0.7% | - |
| EBIT | -5.19 | -1.95 | - | -0.09 | - | -10.64 | -4.27 | - |
| margin | -47.3% | -17.8% | - | -0.6% | - | -22.5% | -8.0% | - |
| EBIT adjusted | -0.98 | -1.10 | - | 1.23 | - | -4.39 | -1.22 | - |
| margin | -8.9% | -10.0% | - | 7.5% | - | -9.3% | -2.3% | - |
| Net income | -5.16 | -2.08 | - | -0.30 | - | -10.67 | -4.83 | - |
| margin | -47.0% | -19.0% | - | -1.8% | - | -22.6% | -9.0% | - |
| EPS (diluted) | -0.60 | -0.24 | - | -0.04 | - | -1.24 | -0.60 | - |

Source: First Berlin Equity Research, SFC Energy AG

Figure 2: Reported segment figures versus segment forecasts

| All figures in €m | Q4-15A | Q4-15E | Delta | Q4-14 | Delta | 2015 | 2014 | Delta |
|--------------------------------|--------|--------|--------|-------|--------|-------|-------|--------|
| Oil & Gas | | | | | | | | |
| Sales | 5.91 | 6.23 | -5.2% | 8.62 | -31.4% | 25.98 | 29.34 | -11.5% |
| Gross profit | 1.31 | 1.95 | -32.8% | 2.49 | -47.4% | 5.80 | 7.64 | -24.1% |
| margin | 22.2% | 31.3% | - | 28.9% | - | 22.3% | 26.0% | - |
| Security & Industry | | | | | | | | |
| Sales | 4.31 | 3.84 | 12.2% | 6.78 | -36.4% | 17.57 | 20.19 | -13.0% |
| Gross profit | 1.59 | 1.78 | -10.7% | 2.30 | -30.9% | 6.46 | 7.09 | -8.9% |
| margin | 36.9% | 46.4% | - | 33.9% | - | 36.8% | 35.1% | - |
| Consumer | | | | | | | | |
| Sales | 0.76 | 0.90 | -15.6% | 0.92 | -17.4% | 3.76 | 4.11 | -8.5% |
| Gross profit | 0.21 | 0.23 | -8.7% | 0.04 | 425.0% | 0.97 | 0.93 | 4.3% |
| margin | 27.6% | 25.6% | - | 4.3% | - | 25.8% | 22.6% | - |
| Group | | | | | | | | |
| Sales | 10.97 | 10.97 | 0.0% | 16.31 | -32.7% | 47.30 | 53.63 | -11.8% |
| Gross profit | 3.11 | 3.96 | -21.5% | 4.83 | -35.6% | 13.23 | 15.66 | -15.5% |
| margin | 28.3% | 36.1% | - | 29.6% | - | 28.0% | 29.2% | - |

Source: First Berlin Equity Research, SFC Energy AG



VALUATION MODEL

| DCF valuation model | | | | | | | | |
|------------------------------------|---------------|---------------|-------------|------------|--------------|--------------|--------------|--------------|
| All figures in EUR '000 | | | | | | | | |
| | 2016E | 2017E | 2018E | 2019E | 2020E | 2021E | 2022E | 2023E |
| Net sales | 52,030 | 60,979 | 70,004 | 79,595 | 89,725 | 100,272 | 111,083 | 121,979 |
| NOPLAT | -1,021 | 450 | 2,347 | 4,364 | 5,923 | 6,747 | 7,511 | 8,239 |
| + depreciation & amortisation | 1,591 | 762 | 478 | 526 | 582 | 643 | 709 | 779 |
| Net operating cash flow | 569 | 1,212 | 2,825 | 4,890 | 6,505 | 7,389 | 8,219 | 9,018 |
| - total investments (CAPEX and WC) | -2,472 | -3,511 | -3,691 | -4,290 | -3,578 | -3,798 | -3,982 | -4,120 |
| Capital expenditures | -676 | -793 | -840 | -955 | -1,069 | -1,185 | -1,303 | -1,419 |
| Working capital | -1,796 | -2,718 | -2,851 | -3,335 | -2,510 | -2,613 | -2,679 | -2,700 |
| Free cash flows (FCF) | -1,903 | -2,298 | -865 | 600 | 2,927 | 3,591 | 4,238 | 4,898 |
| PV of FCF's | -1,775 | -1,929 | -653 | 408 | 1,789 | 1,976 | 2,098 | 2,182 |

| All figures in thousands | |
|---|--------|
| PV of FCFs in explicit period (2016E-2030E) | 19,979 |
| PV of FCFs in terminal period | 27,438 |
| Enterprise value (EV) | 47,417 |
| + Net cash / - net debt | -593 |
| + Investments / minority interests | 0 |
| Shareholder value | 46,824 |

Fair value per share in EUR 5.30

| WACC | | Terminal growth rate | | | | | | |
|-------|-------|----------------------|-------|-------|-------|-------|-------|------|
| | | 1.5% | 2.0% | 2.5% | 3.0% | 3.5% | 4.0% | 4.5% |
| 7.1% | 11.71 | 12.29 | 13.00 | 13.88 | 15.00 | 16.49 | 18.54 | |
| 8.1% | 9.20 | 9.54 | 9.94 | 10.41 | 10.98 | 11.70 | 12.61 | |
| 9.1% | 7.41 | 7.61 | 7.84 | 8.11 | 8.43 | 8.82 | 9.28 | |
| 10.1% | 6.07 | 6.20 | 6.34 | 6.50 | 6.69 | 6.91 | 7.16 | |
| 11.1% | 5.04 | 5.12 | 5.21 | 5.31 | 5.43 | 5.56 | 5.70 | |
| 12.1% | 4.23 | 4.29 | 4.34 | 4.41 | 4.48 | 4.56 | 4.65 | |
| 13.1% | 3.59 | 3.62 | 3.66 | 3.70 | 3.74 | 3.79 | 3.85 | |
| 14.1% | 3.06 | 3.08 | 3.11 | 3.13 | 3.16 | 3.19 | 3.23 | |

* for layout purposes the model shows numbers only to 2023, but runs until 2030



INCOME STATEMENT

| All figures in EUR '000 | 2012A | 2013A | 2014A | 2015A | 2016E | 2017E | 2018E |
|----------------------------------|---------------|---------------|---------------|----------------|---------------|---------------|---------------|
| Revenues | 31,260 | 32,413 | 53,631 | 47,310 | 52,030 | 60,979 | 70,004 |
| Cost of goods sold | 18,497 | 21,773 | 37,970 | 34,083 | 33,507 | 40,246 | 46,973 |
| Gross profit | 12,763 | 10,640 | 15,661 | 13,227 | 18,523 | 20,733 | 23,031 |
| S&M | 5,862 | 8,233 | 10,540 | 12,499 | 10,720 | 11,010 | 11,201 |
| G&A | 3,555 | 3,860 | 4,872 | 5,806 | 4,820 | 5,020 | 5,040 |
| R&D | 4,257 | 6,149 | 4,530 | 5,546 | 3,900 | 4,130 | 4,200 |
| Other operating income | 749 | 1,041 | 170 | 142 | 156 | 183 | 210 |
| Other operating expenses | 362 | 2,275 | 159 | 161 | 260 | 305 | 350 |
| Operating income (EBIT) | -524 | -8,836 | -4,269 | -10,645 | -1,021 | 451 | 2,450 |
| Net financial result | 80 | -128 | -298 | -315 | -397 | -391 | -390 |
| Non-operating expenses | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Pre-tax income (EBT) | -445 | -8,964 | -4,567 | -10,959 | -1,418 | 60 | 2,060 |
| Income taxes | -19 | -52 | 259 | -290 | -14 | 1 | 103 |
| Minority interests | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net income / loss | -426 | -8,912 | -4,826 | -10,669 | -1,404 | 60 | 1,957 |
| Diluted EPS (in €) | -0.06 | -1.16 | -0.60 | -1.24 | -0.16 | 0.01 | 0.22 |
| EBITDA | 730 | -4,474 | -1,177 | -4,651 | 569 | 1,213 | 2,928 |
| Ratios | | | | | | | |
| Gross margin | 40.8% | 32.8% | 29.2% | 28.0% | 35.6% | 34.0% | 32.9% |
| EBIT margin on revenues | -1.7% | -27.3% | -8.0% | -22.5% | -2.0% | 0.7% | 3.5% |
| EBITDA margin on revenues | 2.3% | -13.8% | -2.2% | -9.8% | 1.1% | 2.0% | 4.2% |
| Net margin on revenues | -1.4% | -27.5% | -9.0% | -22.6% | -2.7% | 0.1% | 2.8% |
| Tax rate | 4.3% | 0.6% | -5.7% | 2.6% | 1.0% | 1.0% | 5.0% |
| Expenses as % of revenues | | | | | | | |
| S&M | 18.8% | 25.4% | 19.7% | 26.4% | 20.6% | 18.1% | 16.0% |
| G&A | 11.4% | 11.9% | 9.1% | 12.3% | 9.3% | 8.2% | 7.2% |
| R&D | 13.6% | 19.0% | 8.4% | 11.7% | 7.5% | 6.8% | 6.0% |
| Other operating expenses | 1.2% | 7.0% | 0.3% | 0.3% | 0.5% | 0.5% | 0.5% |
| Y-Y Growth | | | | | | | |
| Revenues | n.a. | 3.7% | 65.5% | -11.8% | 10.0% | 17.2% | 14.8% |
| Operating income | n.a. | n.m. | n.m. | n.m. | n.m. | n.m. | 443.3% |
| Net income/ loss | n.a. | n.m. | n.m. | n.m. | n.m. | n.m. | 3173.7% |



BALANCE SHEET

| All figures in EUR '000 | 2012A | 2013A | 2014A | 2015A | 2016E | 2017E | 2018E |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Assets | | | | | | | |
| Current assets, total | 33,598 | 25,934 | 27,542 | 21,154 | 21,746 | 24,994 | 29,084 |
| Cash and cash equivalents | 22,911 | 7,428 | 6,407 | 3,712 | 3,713 | 3,024 | 3,047 |
| Short-term investments | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Receivables | 3,696 | 9,258 | 12,766 | 7,490 | 9,978 | 12,530 | 15,343 |
| Inventories | 5,815 | 7,713 | 7,653 | 8,782 | 6,885 | 8,270 | 9,523 |
| Other current assets | 1,118 | 1,426 | 711 | 742 | 742 | 742 | 742 |
| Non-current assets, total | 14,020 | 21,715 | 19,714 | 14,736 | 13,821 | 13,852 | 14,214 |
| Property, plant & equipment | 2,400 | 2,296 | 1,601 | 1,390 | 1,285 | 1,455 | 1,654 |
| Goodwill & other intangibles | 11,000 | 19,054 | 17,813 | 12,768 | 11,958 | 11,819 | 11,982 |
| Other assets | 619 | 365 | 300 | 578 | 578 | 578 | 578 |
| Total assets | 47,617 | 47,650 | 47,256 | 35,889 | 35,568 | 38,846 | 43,298 |
| Shareholders' equity & debt | | | | | | | |
| Current liabilities, total | 7,662 | 12,669 | 13,371 | 13,041 | 13,123 | 15,712 | 14,558 |
| Short-term debt | 372 | 2,139 | 2,013 | 2,014 | 3,300 | 4,671 | 2,300 |
| Accounts payable | 3,033 | 5,087 | 6,872 | 7,263 | 6,059 | 7,277 | 8,494 |
| Current provisions | 999 | 802 | 686 | 667 | 667 | 667 | 667 |
| Other current liabilities | 3,258 | 4,641 | 3,800 | 3,097 | 3,097 | 3,097 | 3,097 |
| Long-term liabilities, total | 3,562 | 5,918 | 6,296 | 6,291 | 7,291 | 7,920 | 9,920 |
| Long-term debt | 0 | 2,282 | 3,045 | 2,203 | 3,203 | 3,832 | 5,832 |
| Deferred revenue | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other liabilities | 3,562 | 3,636 | 3,251 | 4,088 | 4,088 | 4,088 | 4,088 |
| Minority interests | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Shareholders' equity | 36,394 | 29,063 | 27,589 | 16,558 | 15,154 | 15,214 | 18,821 |
| Share capital | 7,503 | 8,020 | 8,611 | 8,611 | 8,611 | 8,611 | 8,882 |
| Capital reserve | 67,879 | 69,570 | 71,955 | 72,017 | 72,017 | 72,017 | 73,397 |
| Other reserves | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Treasury stock | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Loss carryforward / retained earnings | -38,951 | -47,863 | -52,689 | -63,358 | -64,762 | -64,702 | -62,745 |
| Total consolidated equity and debt | 47,617 | 47,650 | 47,256 | 35,889 | 35,568 | 38,846 | 43,298 |
| Ratios | | | | | | | |
| Current ratio (x) | 4.39 | 2.05 | 2.06 | 1.62 | 1.66 | 1.59 | 2.00 |
| Quick ratio (x) | 3.63 | 1.44 | 1.49 | 0.95 | 1.13 | 1.06 | 1.34 |
| Net cash | 22,539 | 3,007 | 1,349 | -505 | -2,790 | -5,479 | -5,084 |
| Net gearing | -61.9% | -10.3% | -4.9% | 3.0% | 18.4% | 36.0% | 0.0% |
| Book value per share (€) | 4.85 | 3.79 | 3.44 | 1.92 | 1.76 | 1.77 | 2.12 |
| Return on equity (ROE) | -1.2% | -30.7% | -17.5% | -64.4% | -9.3% | 0.4% | 10.4% |
| Days of sales outstanding (DSO) | 43.2 | 104.3 | 86.9 | 57.8 | 70.0 | 75.0 | 80.0 |
| Days of inventory turnover | 114.7 | 129.3 | 73.6 | 94.0 | 75.0 | 75.0 | 74.0 |
| Days in payables (DIP) | 59.9 | 85.3 | 66.1 | 77.8 | 66.0 | 66.0 | 66.0 |



CASH FLOW STATEMENT

| All figures in EUR '000 | 2012A | 2013A | 2014A | 2015A | 2016E | 2017E | 2018E |
|-------------------------------|--------------|----------------|---------------|----------------|---------------|---------------|---------------|
| EBIT | -524 | -8,836 | -4,269 | -10,645 | -1,021 | 451 | 2,450 |
| Depreciation and amortisation | 1,255 | 4,362 | 3,093 | 5,994 | 1,591 | 762 | 478 |
| EBITDA | 730 | -4,474 | -1,177 | -4,651 | 569 | 1,213 | 2,928 |
| Changes in working capital | 85 | -2,188 | -2,015 | 3,216 | -1,796 | -2,718 | -2,851 |
| Other adjustments | 443 | -649 | -361 | -429 | -383 | -391 | -493 |
| Operating cash flow | 1,258 | -7,311 | -3,553 | -1,864 | -1,609 | -1,896 | -415 |
| CAPEX | -561 | -345 | -181 | -294 | -312 | -427 | -490 |
| Investments in intangibles | -318 | -327 | -452 | -1,055 | -364 | -366 | -350 |
| Free cash flow | 380 | -7,984 | -4,186 | -3,213 | -2,286 | -2,689 | -1,255 |
| Debt financing, net | -388 | -1,469 | 826 | 699 | 2,286 | 2,000 | -371 |
| Equity financing, net | 0 | 0 | 3,263 | 0 | 0 | 0 | 1,650 |
| Other changes in cash | 191 | -6,029 | -923 | -332 | 0 | 0 | 0 |
| Net cash flows | 183 | -15,482 | -1,020 | -2,845 | 0 | -689 | 24 |
| Cash, start of the year | 0 | 22,911 | 7,143 | 6,407 | 3,712 | 3,713 | 3,024 |
| Cash, end of the year | 183 | 7,428 | 6,123 | 3,562 | 3,713 | 3,024 | 3,047 |
| EBITDA/share (in €) | 0.10 | -0.58 | -0.15 | -0.54 | 0.07 | 0.14 | 0.33 |
| Y-Y Growth | | | | | | | |
| Operating cash flow | n.a. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. |
| Free cash flow | n.a. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. |
| EBITDA/share | n.a. | n.m. | n.m. | n.m. | n.m. | 113.1% | 134.1% |

FIRST BERLIN RECOMMENDATION & PRICE TARGET HISTORY

| Report No.: | Date of publication | Previous day closing price | Recommendation | Price target |
|----------------|---------------------|----------------------------|----------------|--------------|
| Initial Report | 23 June 2014 | €4.84 | Buy | €7.40 |
| 2...11 | ↓ | ↓ | ↓ | ↓ |
| 12 | 13 November 2015 | €4.60 | Buy | €6.10 |
| 13 | 21 December 2015 | €4.60 | Buy | €6.10 |
| 14 | 8 March 2016 | €3.53 | Buy | €5.30 |
| 15 | Today | €3.93 | Buy | €5.30 |

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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