PNE WIND AG

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

FY 2016 figures

RATING	**BUY**
PRICE TARGET	**€ 3.40**
Return Potential	32.3%
Risk Rating	High

RECORD RESULT AND STRONG BALANCE SHEET

On 30 March, PNE Wind published its 2016 Annual Report and held a conference call. Final figures confirmed the preliminary KPIs. Due mainly to the sale of a 142.5 MW wind farm portfolio to an Allianz subsidiary, PNE posted a record EBIT of €97m and will propose a total dividend of €0.12 per share. Following the successful large portfolio sale, the company will again build up a large wind farm portfolio (>200 MW) by 2019/20. This means that a large part of this and next year's earnings will be postponed to 2019/20. As a consequence, EBIT guidance for 2017 only amounts to €0-15m. We have adjusted our forecasts to reflect the company's plan and expect the sale of a 200 MW portfolio in 2020E. We upgrade the stock from Add to Buy and increase price target to €3.40 (previously: €3.10).

Sale of large portfolio main 2016 earnings driver From 2014, PNE built up a portfolio of seven German wind farms with a total capacity of 142.5 MW. At the end of 2016, PNE was rewarded for taking the risk of the portfolio build-up (increasing net debt position, lower equity ratio, postponed earnings) as it sold 80% of the portfolio to a subsidiary of Allianz for €103m. The enterprise value (EV) of the portfolio exceeded €330m suggesting an EV/MW of more than €2.3m. Given that single new wind farms in Germany are usually sold at ca. €1.6-1.9m/MW, PNE received the expected premium for selling a large and diversified portfolio. The sale was the key earnings driver and contributed ca. €80m.

Record EBIT in 2016 Total output increased 11% y/y to €259.2m. EBITDA amounted to €109.9m (2015: €19.6m). Due mainly to the portfolio increase during 2016, depreciation & amortisation rose to €12.9m (2015: €9.9m). EBIT climbed almost tenfold to €97.0m (2015: €9.8m). PNE lowered both personnel costs and other operating expenses. Personnel costs fell from €29.3m to €25.4m as the average number of employees was reduced to 356 in 2016 (2015: 390). Furthermore, in 2015, personnel costs were burdened by a severance payment for the previous CEO. Other operating expenses declined from €29.3m…(p.t.o.)

FINANCIAL HISTORY & PROJECTIONS

	2014	2015	2016	2017E	2018E	2019E
Revenue (€ m)	211.27	109.52	248.58	170.40	180.62	198.69
Y-o-y growth	46.7%	-48.2%	127.0%	-31.4%	6.0%	10.0%
EBIT (€ m)	2.68	9.77	97.04	7.48	16.64	18.78
EBIT margin	1.3%	8.9%	39.0%	4.4%	9.2%	9.5%
Net income (€ m)	-12.99	3.47	68.97	3.05	9.43	9.03
EPS (diluted) (€)	-0.21	0.05	0.88	0.04	0.12	0.11
DPS (€)	0.04	0.04	0.12	0.04	0.04	0.04
FCF (€m)	-34.33	-105.38	-44.27	-58.25	-55.43	-99.23
Net gearing	64.9%	98.1%	-12.6%	16.1%	39.9%	80.4%
Liquid assets (€ m)	72.18	86.08	147.69	88.09	64.59	67.30

RISKS

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

COMPANY PROFILE

PNE WIND AG is an international wind energy project developer for on- and offshore wind farms. The company is based in Cuxhaven, Germany.

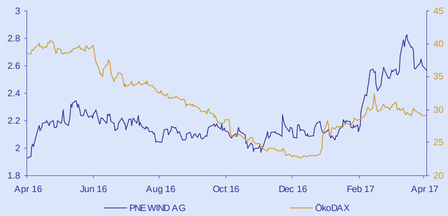
MARKET DATA

As of 10 Apr 2017

Closing Price	€ 2.57
Shares outstanding	76.56m
Market Capitalisation	€ 196.75m
52-week Range	€ 1.93 / 2.82
Avg. Volume (12 Months)	156,985

Multiples	2016	2017E	2018E
P/E	2.9	62.6	21.0
EV/Sales	0.7	1.0	1.0
EV/EBIT	1.8	23.6	10.6
Div. Yield	4.7%	1.6%	1.6%

STOCK OVERVIEW



COMPANY DATA

As of 31 Dec 2016

Liquid Assets	€ 147.69m
Current Assets	€ 289.78m
Intangible Assets	€ 67.40m
Total Assets	€ 431.99m
Current Liabilities	€ 73.92m
Shareholders' Equity	€ 229.39m

SHAREHOLDERS

Internat. Kapitalanlageges. mbH	9.9%
Active Ownership Fund SCS	5.1%
LRI Invest S.A.	3.6%
Axxion S.A.	3.2%
Free Float	78.3%

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…to €26.9m due mainly to lower impairment losses on receivables and other assets (€2.3m vs. €3.8m in 2015) and lower advertising and travelling costs (€2.4m vs. €3.2m in 2015).
The financial result was driven by high interest payments of €16.4m and amounted to €-14.7m. Apart from interest payments for bank loans, mainly to finance the build-up of the large portfolio, PNE has a €100m bond outstanding with a coupon of 8%. This bond is due in June 2018. EBT amounted to €81.6m (2015: €-5.0m). Taxes of €14.5m and minorities of €1.9m led to a net result of €69.0m (2015: €3.5m). Based on an average number of shares of 76.556m, EPS amounted to €0.90 (2015: €0.05). The diluted number of shares amounted to 78.615m resulting in diluted EPS of €0.88 (2015: €0.05).

Figure 1: Reported figures versus forecasts

All figures in €m	Q4-16A	Q4-16E	Delta	Q4-15	Delta	2016	2015	Delta
Total output	157.30	157.33	0.0%	43.78	259.3%	259.24	233.32	11%
EBIT	89.86	89.82	0.0%	-6.94	-	97.04	9.77	894%
margin	*57.1%*	*57.1%*		*-15.8%*		*37.4%*	*4.2%*	
Net income	71.73	71.96	-0.3%	-6.30	-	68.97	3.47	1885%
margin	*45.6%*	*45.7%*		*-14.4%*		*26.6%*	*1.5%*	
EPS (diluted) in €	0.91	0.91	0.0%	-0.08	-	0.88	0.05	1660%

Source: First Berlin Equity Research, PNE WIND AG

High EBIT contribution of the Electricity Generation segment Thanks to the growing portfolio the Electricity Generation segment contributed €25.5m to sales (2015: €17.3m) and €18.7m to EBITDA (2015: €13.9m). The EBITDA margin amounted to 73.3%. Segment EBIT was €8.7m (2015: €7.6m).

Very strong balance sheet following portfolio sale The cash position rose to €147.7m (2015: €86.1m). Financial debt roughly halved to €127.6m (2015: €260.3m). As a result, PNE had a net cash position of €20.1m. This represents an enormous swing compared to the net debt position of €174.2m at the end of 2015. Equity increased to €229.4m from €165.9m at the end of 2015. This corresponds to a jump in the equity ratio from 34% to 53%. Due to the portfolio sale, the PP&E position “Technical equipment and machinery” fell from €145.0m to €21.7m. PNE’s remaining 20% stake in the portfolio is accounted for in the item “Shares in associates”, which increased to €27.2m from €0.7m. The value roughly corresponds to 20% of the equity value of the complete portfolio of ca. €129m, which can be derived from Allianz paying €103m for 80%.
The improved balance sheet has resulted in an upgraded corporate rating for PNE by Creditreform. The rating agency upgraded the rating from BB- to BB.

Very strong operating and free cash flow Based on the high net result (€69.0m) operating cash flow amounted to €64.4m. Cash flow from investing activities amounted to €-2.2m and was driven by two countervailing cash flows—a cash outflow of €108.7m for investments in PP&E and an inflow of €103.3m from the disposal of consolidated units. If all items of the cash flow from investing activities are considered in the free cash flow, we arrive at €62.2m. Cash flow from financing activities amounted to €20.1m resulting in net cash flow of €82.3m.

Both onshore and offshore business successful In 2016, PNE completed, sold, or constructed 135.7 MW onshore. In the offshore business, DONG decided to build the offshore project Borkum Riffgrund II, which was developed by PNE. The decision resulted in a €3.2m milestone payment. Furthermore, PNE obtained planning permission for Gode Wind 3 in December 2016 which triggered a milestone payment of €5m.

High dividend proposal Based on the high result, Management will propose a dividend of €0.04 per share and a special dividend of €0.08 per share to the AGM on 31 May 2017. This corresponds to a high dividend yield of more than 4%.

Guidance for 2017: EBIT of €0-15m PNE plans to develop a European wind farm portfolio of ca. 200 MW by 2019/20. This means that a substantial part of the earnings in 2017, 2018 and maybe 2019 will be postponed until the new portfolio is sold. This explains why the 2017 EBIT guidance is below our previous estimate of €22.9m, and does not correspond to the high level of onshore and offshore business activity. PNE has German wind farm projects with a total capacity of 64 MW which were approved before the end of 2016 and can thus be safely built this year as they do not have to participate in the tenders. Furthermore, PNE is constructing two wind farms with a total capacity of 32 MW in France which have been sold to John Laing.

Following the sale of the offshore wind farm Atlantis I to Vattenfall in January 2017, the wind farm will be part of the 2017 offshore auction, in which 1,550 MW will be tendered. The North Sea, where Atlantis I is situated, will receive a volume of 1,050 MW, the balance of 500 MW is reserved for the Baltic Sea. We expect strong tender competition as up to 15 North Sea projects could participate in the tender and we expect only 2-3 projects to win. If Atlantis I is among the winners we expect another milestone payment.

How the new portfolio could develop We model a build-up of a 200 MW portfolio which will be completed and sold in 2020. We assume that the gradual build-up will require Capex of ca. €253m (see figure 2).

Figure 2: Model of the 200 MW portfolio build-up

	2017	2018	2019	2020	sum
MW	50.0	50.0	80.0	20.0	200.0
Cost in €m per MW	1.4	1.3	1.2	1.1	-
Capex in €m	70.0	65.0	96.0	22.0	253.0

Source: First Berlin Equity Research

Further offshore milestone payments We expect further milestone payments for the offshore projects Borkum Riffgrund II (€4.1m in 2019E) and for Gode Wind 3 and 4 (ca. €20m in total). PNE received a lower double digit Euro million amount for the sale of Atlantis I in January 2017. If the project is one of the winners of the tender we expect further milestones until the project is completed, which, in total, could be higher than the selling price. At the end of 2016, the book value of Atlantis I was €21.9m.

France and the US to drive future earnings In both countries, market conditions improved significantly. In 2016, France set specific targets for the expansion of wind power. The country wants to increase wind power capacity to 15.0 GW by 2018 and 21.8 GW by 2023. At the end of 2016, French wind power capacity amounted to 12.1 GW. To reach the 2018 target, a total new installation volume of almost 3 GW is necessary in 2017 & 2018, or 1.5 GW p.a. This corresponds to the 2016 level of new installations (1,561 MW). In France, PNE's project pipeline amounts to 436 MW. As mentioned, 32 MW are currently under construction, and 91 MW are in the planning phase.

In the US, Production Tax Credits and Investment Tax Credits (PTC & ITC) support renewable energy projects. The current regulation, which was passed in December 2015, provides certainty until 2019. In 2016, the US tax authority extended the period during which a project can be put into operation after the qualification milestone from two to four years. PNE's US project pipeline amounts to 617 MW, of which 280 are already in the planning phase. The Chilocco project in Oklahoma was expanded from 50 to 200 MW. Construction started already in 2013 to secure the PTC. In Montana, PNE signed a power purchase agreement with a local utility for the first part (80 MW) of a wind farm project. As construction was started at the end of 2016 the tax advantages were secured.

Risks in many markets are still high or have increased From 2017 on, onshore projects in Germany will be tendered. From 2017-19, the annual tender volume will be 2,800 MW, which is far below the annual installation volumes in recent years (2016: 4,625 MW). The capped installation volume and the competitive tender process will put pressure on prices and margins in Germany.

In the UK, there is currently no financial support for onshore wind, and the country has decided to leave the EU. However, due to the very good wind conditions, especially in Scotland, Northern Ireland, and Wales, some projects are already competitive without any financial support. PNE sold its UK pipeline to Brookfield in 2015 and will receive milestone payments of up to GBP 63m depending on the further pipeline development. In 2016, Brookfield received approval for a 20 MW project. We do not expect further milestone payments until 2019E.

In Italy, two PNE projects participated in the tender without success. Of the almost 2,000 MW participating only 800 MW were awarded. As competition in future tenders looks set to remain fierce, PNE reduced the Italian pipeline for unprofitable projects and wrote off €7.3m in inventories.

In Eastern Europe, regulatory conditions have deteriorated in recent years. In Hungary, the government has continued to block wind energy expansion. PNE has a 42 MW project with a planning permission there. In Poland, a small tender (150 MW) is expected to take place this year in which PNE plans to participate with a 40 MW project. Very strict zoning regulations impede further wind power developments. PNE discontinued projects, which have become unprofitable. This reduced PNE's Polish pipeline and resulted in a €1.3m write-off in inventories. In Romania, regulatory uncertainty has made it difficult to sell projects. PNE has projects with a total capacity of 102 MW, which already have planning permission. Adverse political and economic conditions in Bulgaria make it difficult to profitably construct wind farms there. PNE has a pipeline of early stage projects with a total capacity of 121 MW.

In Turkey, political uncertainty may delay the development of the project pipeline. Together with STEAG, PNE has a 700 MW pipeline and has applied for pre-licences for six projects with a total capacity of 230 MW.

In 2015, the German Federal Maritime and Hydrographic Agency (BSH) suspended plan approval procedures for offshore projects in zones 3-5 in the North Sea as the German government slowed down the offshore expansion path. The Offshore Wind Energy Act (WindSeeG) and the new EEG, which have been valid since 1 January 2017, have significantly increased the risks for projects in zones 3-5. The realisation of these projects looks set to be considerably delayed or even completely shelved. PNE has a pipeline of 5 own projects in these zones, which had a total book value of €23.2m at the end of 2016. The company is preparing a constitutional complaint and hopes to be at least compensated for the costs already incurred. Furthermore, PNE has been developing alternative options (power to gas) for the offshore projects.

Estimates adjusted to development of new portfolio In our previous forecast model we assumed a cumulative EBIT of €110.3m for 2017E-20E. In our new model we have increased our cumulative EBIT forecast for the period by 45% to €159.6m. The overwhelming part (€116.7m) will be realised in 2020E; the assumed year of the sale of the new portfolio (see also figure 3 overleaf).

Figure 3: Revisions to forecasts

	2017E			2018E			2019E		
All figures in €m	**Old**	**New**	**Delta**	**Old**	**New**	**Delta**	**Old**	**New**	**Delta**
Sales	216.78	170.40	-21.4%	260.30	180.62	-30.6%	265.50	198.69	-25.2%
EBIT	22.90	7.48	-67.4%	29.21	16.64	-43.0%	31.84	18.78	-41.0%
margin	*10.6%*	*4.4%*		*11.2%*	*9.2%*		*12.0%*	*9.5%*	
Net income	9.96	3.05	-69.3%	14.50	9.43	-34.9%	22.26	9.03	-59.4%
margin	*4.6%*	*1.8%*		*5.6%*	*5.2%*		*8.4%*	*4.5%*	
EPS (diluted) in €	0.13	0.04	-68.2%	0.19	0.12	-34.6%	0.29	0.11	-59.8%

Source: First Berlin Equity Research

Upgrade to Buy at increased price target An updated DCF model yields a new price target of €3.40 (previously: €3.10). We upgrade the stock from Add to Buy.

VALUATION MODEL

DCF valuation model All figures in EUR '000	2017E	2018E	2019E	2020E	2021E	2022E	2023E	2024E
Net sales	**170,400**	**180,624**	**198,686**	**288,095**	**201,667**	**205,700**	**209,814**	**214,010**
NOPLAT	**7,185**	**14,754**	**16,940**	**94,036**	**14,748**	**13,928**	**13,134**	**13,100**
+ depreciation & amortisation	3,727	8,566	13,371	19,282	5,845	6,384	6,851	7,252
Net operating cash flow	10,912	23,319	30,311	113,317	20,594	20,312	19,985	20,352
- total investments (CAPEX, WC, other)	-64,044	-72,351	-120,446	187,831	13,691	-11,468	-11,004	-10,513
Capital expenditures	-71,568	-68,637	-103,317	172,857	-11,825	-11,575	-11,311	-11,031
Working capital	8,434	-2,904	-16,424	15,568	23,995	-1,635	-1,668	-1,702
Free cash flows (FCF)	-53,132	-49,032	-90,135	301,148	34,284	8,844	8,981	9,839
PV of FCF's	**-50,568**	**-43,574**	**-74,798**	**233,308**	**24,802**	**5,974**	**5,665**	**5,794**

All figures in thousands	
PV of FCFs in explicit period (2017E-2031E)	148,406
PV of FCFs in terminal period	104,042
Enterprise value (EV)	252,448
+ Net cash / - net debt	20,063
+ Investments / minority interests	-5,393
Shareholder value	267,118
Fair value per share in EUR	3.40

WACC	7.1%
Cost of equity	11.8%
Pre-tax cost of debt	7.0%
Tax rate	25.0%
After-tax cost of debt	5.3%
Share of equity capital	28.0%
Share of debt capital	72.0%
Fair value per share in EUR	3.40

WACC \ Terminal growth rate	0.5%	1.0%	1.5%	2.0%	2.5%	3.0%	3.5%
4.1%	5.82	6.10	6.66	7.49	8.83	11.41	18.32
5.1%	4.64	4.71	4.95	5.28	5.73	6.40	7.49
6.1%	3.86	3.84	3.97	4.12	4.32	4.59	4.95
7.1%	3.30	3.25	3.32	3.40	3.50	3.62	3.78
8.1%	2.88	2.87	2.85	2.89	2.95	3.01	3.09
9.1%	2.54	2.47	2.49	2.52	2.55	2.59	2.63
10.1%	2.26	2.19	2.21	2.22	2.24	2.26	2.29

* for layout purposes the model shows numbers only to 2024, but runs until 2031

INCOME STATEMENT

All figures in EUR '000	2014A	2015A	2016A	2017E	2018E	2019E
Revenues	**211,268**	**109,524**	**248,577**	**170,400**	**180,624**	**198,686**
Change in inventories	19,078	116,096	1,591	0	0	0
Other operating income	3,603	7,707	9,075	5,112	5,419	5,961
Total aggregate output	**233,949**	**233,327**	**259,244**	**175,512**	**186,043**	**204,647**
Cost of goods sold	170,496	154,934	96,951	110,760	106,568	117,225
Gross profit	**59,850**	**70,686**	**153,218**	**59,640**	**74,056**	**81,461**
Personnel costs	27,041	29,254	25,423	26,550	26,870	27,270
Other operating expenses (-)	-25,206	-29,504	-26,946	-27,000	-27,400	-28,000
EBITDA	**11,206**	**19,635**	**109,924**	**11,202**	**25,205**	**32,152**
Depreciation and amortisation	8,526	9,870	12,884	3,727	8,566	13,371
Operating income (EBIT)	**2,680**	**9,765**	**97,040**	**7,475**	**16,639**	**18,781**
Interest Expense	-14,934	-16,381	-17,331	-8,536	-10,035	-12,802
Interest Income	2,422	1,743	1,111	511	722	795
Income from participations & ass. companies	-5,334	-86	736	2,000	2,100	2,205
Pre-tax income (EBT)	**-15,166**	**-4,959**	**81,556**	**1,450**	**9,426**	**8,979**
Income taxes	-3,131	3,570	-14,476	-290	-1,885	-1,841
Minority interests	5,305	4,863	1,893	1,893	1,893	1,893
Net income / loss	**-12,992**	**3,474**	**68,973**	**3,053**	**9,434**	**9,031**
Diluted EPS (in €)	**-0.21**	**0.05**	**0.88**	**0.04**	**0.12**	**0.11**

Ratios						
Gross margin	28.3%	64.5%	61.6%	35.0%	41.0%	41.0%
EBITDA margin on revenues	5.3%	17.9%	44.2%	6.6%	14.0%	16.2%
EBIT margin on revenues	1.3%	8.9%	39.0%	4.4%	9.2%	9.5%
Net margin on revenues	-6.1%	3.2%	27.7%	1.8%	5.2%	4.5%
Tax rate	-20.6%	72.0%	17.7%	20.0%	20.0%	20.5%
Expenses as % of revenues						
Personnel costs	12.8%	26.7%	10.2%	15.6%	14.9%	13.7%
Depreciation and amortisation	4.0%	9.0%	5.2%	2.2%	4.7%	6.7%
Other operating expenses	11.9%	26.9%	10.8%	15.8%	15.2%	14.1%
Y-Y Growth						
Revenues	46.7%	-48.2%	127.0%	-31.4%	6.0%	10.0%
Operating income	-93.8%	264.4%	893.7%	-92.3%	122.6%	12.9%
Net income/ loss	n.m.	n.m.	1885.4%	-95.6%	209.0%	-4.3%

BALANCE SHEET

All figures in EUR '000	2014A	2015A	2016A	2017E	2018E	2019E
Assets						
Current assets, total	**265,935**	**236,033**	**289,776**	**224,261**	**202,979**	**223,861**
Cash and cash equivalents	72,175	86,075	147,686	88,090	64,593	67,299
Short-term investments	0	0	0	0	0	0
Receivables	20,098	7,969	13,187	14,005	17,320	21,774
Inventories	152,389	121,177	112,946	106,208	105,108	118,831
Other current assets	20,075	19,332	15,203	15,203	15,203	15,203
Non-current assets, total	**150,900**	**252,231**	**142,218**	**210,059**	**270,131**	**360,076**
Property, plant & equipment	73,655	167,347	39,230	107,071	167,143	257,088
Goodwill & other intangibles	63,926	63,105	67,400	67,400	67,400	67,400
Long-term investments / ass. companies	0	0	0	0	0	0
Other assets	13,319	21,779	35,588	35,588	35,588	35,588
Total assets	**416,835**	**488,264**	**431,994**	**434,320**	**473,109**	**583,937**
Shareholders' equity & debt						
Current liabilities, total	**95,034**	**84,858**	**73,922**	**78,149**	**82,460**	**205,370**
Short-term debt	34,940	35,857	2,163	10,000	15,000	136,158
Accounts payable	21,476	16,852	15,692	18,207	17,518	19,270
Current provisions	3,908	6,291	3,968	3,968	3,968	3,968
Other current liabilities	34,710	25,858	52,099	45,974	45,974	45,974
Long-term liabilities, total	**161,606**	**237,478**	**128,685**	**128,685**	**158,685**	**142,527**
Long-term debt	141,207	215,975	115,860	115,860	145,860	129,702
Deferred revenue	0	0	0	0	0	0
Other liabilities	20,399	21,503	12,825	12,825	12,825	12,825
Minority interests	**33**	**-3,102**	**-5,393**	**-7,286**	**-9,179**	**-11,072**
Shareholders' equity	**160,162**	**169,030**	**234,781**	**234,772**	**241,144**	**247,112**
Share capital	71,975	76,555	76,556	76,556	76,556	76,556
Capital reserve	77,803	82,287	82,288	82,288	82,288	82,288
Other reserves	-296	-724	-997	-997	-997	-997
Treasury stock	0	0	0	0	0	0
Retained earnings	10,680	10,912	76,934	76,925	83,297	89,266
Total consolidated equity and debt	**416,835**	**488,264**	**431,994**	**434,320**	**473,109**	**583,937**
Ratios						
Current ratio (x)	2.80	2.78	3.92	2.87	2.46	1.09
Quick ratio (x)	1.19	1.35	2.39	1.51	1.19	0.51
Net cash	-103,972	-165,757	29,663	-37,770	-96,267	-198,561
Net gearing	64.9%	98.1%	-12.6%	16.1%	39.9%	80.4%
Book value per share (€)	2.60	2.20	2.99	2.99	3.07	3.14
Tangible book value per share (€)	1.62	1.41	2.18	2.18	2.26	2.34
Equity ratio (incl. minorities)	38.4%	34.0%	53.1%	52.4%	49.0%	40.4%
Return on equity (ROE)	-8.1%	2.1%	29.4%	1.3%	3.9%	3.7%
Days of sales outstanding (DSO)	34.7	26.6	19.4	30.0	35.0	40.0
Days of inventory turnover	326.2	285.5	425.2	350.0	360.0	370.0
Days in payables	46.0	39.7	59.1	60.0	60.0	60.0

CASH FLOW STATEMENT

All figures in EUR '000	2014A	2015A	2016A	2017E	2018E	2019E
EBIT	**2,681**	**9,765**	**97,040**	**7,475**	**16,639**	**18,781**
Depreciation and amortisation	8,554	9,898	12,884	3,727	8,566	13,371
EBITDA	**11,235**	**19,663**	**109,924**	**11,202**	**25,205**	**32,152**
Changes in working capital	-28,886	-74,556	58,583	8,434	-2,904	-16,424
Other adjustments	-11,845	-47,582	-104,081	-6,315	-9,098	-11,642
Operating cash flow	**-29,496**	**-102,475**	**64,426**	**13,322**	**13,203**	**4,085**
Investments in PP&E	-4,829	-2,903	-108,699	-71,568	-68,637	-103,317
Investments in intangibles	0	0	0	0	0	0
Free cash flow	**-34,325**	**-105,378**	**-44,273**	**-58,246**	**-55,434**	**-99,232**
Acquisitions & disposals, net	-81	23,258	106,876	0	0	0
Other investments	0	-255	-418	0	0	0
Cash flow from investing	**-4,910**	**20,100**	**-2,241**	**-71,568**	**-68,637**	**-103,317**
Debt financing, net	11,137	97,715	23,171	7,837	35,000	105,000
Equity financing, net	33,435	9,454	0	0	0	0
Dividends paid	-8,229	-3,062	-3,062	-9,187	-3,062	-3,062
Other financing	-2,302	-2,221	0	0	0	0
Cash flow from financing	**34,041**	**101,886**	**20,109**	**-1,350**	**31,938**	**101,938**
Forex and other changes in cash	-4,862	-5,611	-20,684	0	0	0
Net cash flows	**-5,227**	**13,900**	**61,609**	**-59,596**	**-23,497**	**2,706**
Cash, start of the year	77,402	72,175	86,076	147,686	88,090	64,593
Cash, end of the year	**72,175**	**86,075**	**147,686**	**88,090**	**64,593**	**67,299**
EBITDA/share (in €)	**0.18**	**0.26**	**1.40**	**0.14**	**0.32**	**0.41**
Operating cashflow/share (in €)	**-0.48**	**-1.33**	**0.82**	**0.17**	**0.17**	**0.05**
Y-Y Growth						
Operating cash flow	n.m.	n.m.	n.m.	-79.3%	-0.9%	-69.1%
Free cash flow	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
EBITDA/share	-81.2%	40.4%	447.5%	-89.8%	125.0%	27.6%

FIRST BERLIN RECOMMENDATION & PRICE TARGET HISTORY

Report No.:	Date of publication	Previous day closing price	Recommendation	Price target
Initial Report	31 March 2008	€2.38	Buy	€4.50
2...82	↓	↓	↓	↓
83	13 December 2016	€2.11	Buy	€3.00
84	19 January 2017	€2.09	Buy	€3.00
85	27 March 2017	€2.79	Add	€3.10
86	Today	€2.57	Buy	€3.40

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- **valuation methods and principles**
- **sensitivity of valuation parameters**

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