

Deutsche Rohstoff AG

Germany / Raw materials
 Frankfurt
 Bloomberg: DR0 GR
 ISIN: DE000A0XYG76

Update

RATING
BUY

PRICE TARGET
€31.00

Return Potential 29.7%
 Risk Rating High

ACQUISITION OF HIGH QUALITY OIL/GAS ACREAGE IN NORTH DAKOTA

DRAG is to purchase new oil and gas assets in the Williston Basin in North Dakota. The acquisition comprises 60 producing wells and 90 development wells. On the assumption that all the development wells come on stream as expected over the next five years, we expect the acquisition to boost DRAG's net revenues during 2017-2022 by 29% while boosting free cash flow over the same period by 51%. Meanwhile, Almonty has agreed subordinated debt financing and an off-take agreement with a tungsten industry participant. This news makes it increasingly likely that Almonty will be able to secure the financing from the Korean Development Bank necessary to proceed with the development and construction of the Sangdong tungsten project in South Korea. Sangdong is projected to account for ca. 10% of worldwide non-Chinese tungsten output when it goes into production. The increase in our price target from €27.0 to €310 mainly reflects the accretive impact of the Williston Basin acquisition on free cash flow and the rise in the oil price since our last note of 5 October. We maintain our Buy recommendation.

Acquisition of 60 producing and 90 development wells in Williston Basin
 DRAG is to acquire oil and gas assets in North Dakota. The new assets comprise 1,795 net mineral acres in the Bakken and Three Forks plays of the Williston Basin. DRAG's subsidiary, Salt Creek Oil & Gas (Salt Creek), will acquire a working interest of ca. 8% in 60 producing wells and 90 infill development wells which are expected to be drilled within the next 3 to 5 years. The new wells will not be operated by DRAG/Salt Creek but by large well-known companies including Hess, EOG Resources, Statoil, Whiting and XTO.

Acquisition to boost 2017-2022 free cash flow by 51% The new acreage complements DRAG's existing oil and gas assets in the Wattenberg field in Colorado. We expect the acquisition to boost DRAG's net revenues during 2017-2022 by 29% while boosting free cash flow over the same period by 51%. The Wattenberg assets include 2,300 acres... (p.t.o.)

FINANCIAL HISTORY & PROJECTIONS

	2013	2014	2015	2016E	2017E	2018E
Revenue (€m)	17.76	22.87	1.90	12.82	99.16	156.12
Y-o-y growth	473.9%	28.8%	-91.7%	576.0%	673.3%	1117.5%
EBIT (€m)	-5.40	88.73	3.36	-0.07	61.30	93.41
EBIT margin	-30.4%	387.9%	176.9%	-0.6%	61.8%	59.8%
Net income (€m)	-8.31	25.17	1.16	7.46	30.91	48.14
EPS (diluted) (€)	-1.56	4.80	0.23	1.47	6.11	9.51
DPS (€)	0.00	0.50	0.55	0.60	1.00	1.00
FCF (€m)	-35.07	82.10	-12.11	-93.56	-23.76	-3.34
Net gearing	54.1%	-63.7%	-40.5%	105.9%	96.9%	69.0%
Liquid assets (€m)	46.06	92.82	71.04	3.01	6.47	2.27

RISKS

Risks include negative movements in the oil price and other raw materials prices, dry well risk, mechanical failure, loss of key personnel.

COMPANY PROFILE

Deutsche Rohstoff AG (DRAG) is a resources company with a portfolio of properties in oil/gas, so-called high tech metals such as tin and tungsten, base metals and rare earths. The business model is based on production in well explored areas in politically stable countries. DRAG is based in Mannheim, Germany.

MARKET DATA

As of 09 Dec 2016

Closing Price	€ 23.91
Shares outstanding	5.06m
Market Capitalisation	€ 121.06m
52-week Range	€ 12.29 / 24.24
Avg. Volume (12 Months)	5,532

Multiples	2015	2016E	2017E
P/E	104.8	16.2	3.9
EV/Sales	101.4	15.0	1.9
EV/EBIT	39.0	59.8	2.3
Div. Yield	2.3%	2.5%	4.2%

STOCK OVERVIEW



COMPANY DATA

As of 30 Jun 2016

Liquid Assets	€ 65.01m
Current Assets	€ 73.34m
Intangible Assets	€ 21.83m
Total Assets	€ 129.15m
Current Liabilities	€ 2.77m
Shareholders' Equity	€ 55.28m

SHAREHOLDERS

Management	9.7%
BASF-VC	6.3%
Free float	84.0%



...acquired in the north eastern part of the field in 2015, which DRAG holds through its 79.9% owned subsidiary Cub Creek Energy (CCE), and a further 800 acres acquired in 2013 and held through the 93% owned subsidiary, Elster Oil and Gas (Elster). DRAG/CCE is the operator of the Cub Creek acreage but the operator at Elster is Extraction Oil and Gas. In August, CCE acquired an additional 1,500 acres in the Wattenberg field. CCE expects to be able to drill up to 50 horizontal wells on this acreage. These wells will feature two mile lateral sections, whereas the other ca. 180 wells in DRAG's inventory of producing and prospective wells at Wattenberg are one mile lateral wells. As we noted in our update of 5 October, many aspects of the future development of the tenement acquired in August still have to be clarified. Drilling permits have to be obtained and given the potential investment volume, partners may have to be found. For this reason, we are not yet including it in our valuation.

Figure 1: Key data for constituents of DRAG's oil and gas portfolio

Project	Year end no. wells							1 mile or 2 mile laterals	EUR per well	average working interest	DRAG's share of CAPEX (USDm)
	2016E	2017E	2018E	2019E	2020E	2021E	2022E				
CCE, NE Wattenberg	21	56	100	120	120	120	120	1 mile	330MBOE	70.8%	225
CCE, west Wattenberg	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	2 mile	n.a.	n.a.	n.a.
Elster, Wattenberg	11	18	42	62	62	62	62	1 mile	330MBOE	29.1%	47
Williston Basin	60	70	85	105	130	140	150	2 mile	870MBOE	8.0%	53

Source: DRAG

We expect a further 150 horizontal wells on DRAG's Wattenberg acreage by end 2019

The first nine horizontal wells at CCE's north east Wattenberg project began producing on 10 November. A further 12 horizontal wells are expected to come on line in December. 11 horizontal wells are currently producing at Elster. Provided that the oil price remains around the current level or better, we expect DRAG/CCE to drill around a further 100 horizontal wells at north east Wattenberg over the next three years. The drilling outlook at Elster is harder to gauge because DRAG is not the operator of this acreage, but we have pencilled in a further 51 horizontal wells by the end of 2019. Figure 1 above summarises key data of the various constituents of DRAG's oil and gas portfolio including the newly acquired Williston Basin assets.

Production figures for Williston Basin wells substantially above Wattenberg numbers

EUR (estimated ultimate recovery) figures for horizontal wells tend to be higher in the Williston Basin than in the Wattenberg Field. In the Williston Basin, EURs typically range between 700MBOE and 1500MBOE (thousand barrels of oil equivalent). For the Wattenberg field this figure averages 300MBOE. There also tends to be less variability in well output in the Williston Basin relative to the Wattenberg field. Larger well size and relative stability of wellbore economics have attracted a higher number of major oil companies to the Williston Basin than is present in the Wattenberg field.

The existing and planned horizontal wells on the acreage acquired by DRAG/Salt Creek in the Williston Basin incorporate two mile lateral sections while the horizontal wells drilled and planned in the Wattenberg field have one mile lateral sections. We assume drilling costs of USD7.3m for a horizontal well with a two mile lateral in the Williston Basin. We model USD2.7m for a horizontal well with a one mile lateral in the Wattenberg field. Figures 2, 3 and 4 below show our DCF valuations for the CCE, Elster and Williston Basin projects, while figure 5 shows changes to our oil and gas price assumptions based on movements in the NYMEX futures strip.



Figure 2: DCF Valuation of CCE*

USD 000s	2016E	2017E	2018E	2019E	2020E	2021E	2022E	2023E	2024E
Production: barrels of oil equivalent (000s)	263	3,320	5,807	5,929	3,956	3,123	2,637	2,302	2,047
Oil price period end (WTI -USD/barrel)	51.68	53.84	53.93	54.08	54.61	57.50	58.00	58.00	58.00
No. 1 mile-lateral equivalent wells period end	21.0	56.0	100.0	120.0	120.0	120.0	120.0	120.0	120.0
Net revenue (working interest after royalty)	5,919	80,219	124,930	119,156	80,086	66,632	56,796	49,588	44,096
EBITDA	3,886	68,971	106,608	101,802	65,980	53,871	45,018	38,531	33,589
Depreciation	-1,425	-17,999	-31,488	-32,146	-21,451	-16,931	-14,298	-12,483	-11,101
EBIT	2,461	50,972	75,120	69,656	44,529	36,940	30,721	26,048	22,488
NOPLAT	1,600	33,131	48,828	45,277	28,944	24,011	19,969	16,931	14,618
Tax Rate (%)	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%
Depreciation	1,425	17,999	31,488	32,146	21,451	16,931	14,298	12,483	11,101
CAPEX	-45,954	-80,077	-66,420	-32,400	0	0	0	0	0
Working capital expenditure	-888	-11,145	-6,707	866	5,860	2,018	1,475	1,081	824
Tax refund	0	12,568	0	0	0	0	0	0	0
Free cashflow	-43,817	-27,522	7,189	45,888	56,255	42,960	35,742	30,496	26,542
PV free cashflow (10% discount rate)	-43,601	-24,896	5,912	34,306	38,233	26,543	20,075	15,572	12,321
Sum PV free cashflows	174,962								

Source: DRAG; First Berlin Equity Research estimates

Figure 3: DCF Valuation of Elster*

USD 000s	2016E	2017E	2018E	2019E	2020E	2021E	2022E	2023E	2024E
Production: barrels of oil equivalent (000s)	553	1,382	2,057	3,812	2,168	1,569	1,276	1,086	951
Oil price period end (WTI -USD/barrel)	51.68	53.84	53.93	54.08	54.61	57.50	58.00	58.00	58.00
No. 1 mile-lateral equivalent wells period end	11.0	18.0	42.0	62.0	62.0	62.0	62.0	62.0	62.0
Net revenue (working interest after royalty)	5,758	12,505	20,772	34,734	19,959	15,220	12,482	10,625	9,307
EBITDA	4,306	10,378	17,206	28,738	15,100	10,834	8,371	6,700	5,513
Depreciation	-1,226	-2,283	-4,564	-8,457	-4,811	-3,481	-2,831	-2,410	-2,111
EBIT	3,080	8,095	12,641	20,281	10,289	7,353	5,540	4,290	3,403
NOPLAT	2,002	5,262	8,217	13,182	6,688	4,780	3,601	2,789	2,212
Tax Rate (%)	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%
Depreciation	1,226	2,283	4,564	8,457	4,811	3,481	2,831	2,410	2,111
CAPEX	-8,100	-5,330	-11,421	-15,989	0	0	0	0	0
Working capital expenditure	-438	-1,012	-1,240	-2,094	2,216	711	411	279	198
Tax refund	0	2,430							
Free cashflow	-5,310	3,633	120	3,556	13,715	8,972	6,842	5,477	4,520
PV free cashflow (10% discount rate)	-5,284	3,286	99	2,658	9,321	5,543	3,843	2,796	2,098
Sum PV free cashflows	36,210								

Source: DRAG; First Berlin Equity Research estimates

Figure 4: DCF Valuation of Salt Creek*

USD 000s	2016E	2017E	2018E	2019E	2020E	2021E	2022E	2023E	2024E
Production: barrels of oil equivalent (000s)	838	5,518	8,964	12,248	16,389	16,323	14,909	12,198	9,547
Oil price period end (WTI -USD/barrel)	51.68	53.84	53.93	54.08	54.61	57.50	58.00	58.00	58.00
No. 2 mile-lateral equivalent wells period end	60.0	70.0	85.0	105.0	130.0	140.0	150.0	150.0	150.0
Net revenue (working interest after royalty)	1,993	12,981	20,725	28,158	37,610	37,631	34,435	28,256	22,213
EBITDA	568	9,672	16,400	22,717	30,852	30,611	27,511	21,950	16,511
Depreciation	705	3,097	4,285	5,499	7,139	7,108	6,532	5,434	4,360
EBIT	-138	6,575	12,115	17,218	23,713	23,503	20,979	16,516	12,152
NOPLAT	-90	4,274	7,875	11,192	15,414	15,277	13,636	10,735	7,899
Tax Rate (%)	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%
Depreciation	705	3,097	4,285	5,499	7,139	7,108	6,532	5,434	4,360
CAPEX	0	-4,380	-18,980	-14,600	-8,760	-5,840	0	0	0
Working capital expenditure	0	-1,917	-1,351	-1,296	-1,649	-4	557	1,078	1,054
Tax refund	0	0	0	0	0	0	0	0	0
Free cashflow	616	1,074	-8,171	794	12,144	16,541	20,726	17,247	13,312
PV free cashflow (10% discount rate)	613	971	-6,720	594	8,253	10,220	11,641	8,807	6,179
Sum PV free cashflows	59,856								

Source: DRAG; First Berlin Equity Research estimates

* our valuation models for CCE, Elster and Salt Creek extend to 2034 but for reasons of space we show numbers only out to 2024

**Figure 5: Changes to our oil and gas price assumptions (based on NYMEX futures)**

	to end 2016E	2017E	2018E	2019E	2020E	from 2021E
October assumptions						
WTI oil price (USD/barrel)	48.74	51.51	53.63	54.81	55.94	57.20
Henry Hub gas price (USD/MMBTU)	3.01	3.11	2.92	2.81	2.83	2.93
December assumptions						
WTI oil price (USD/barrel)	51.68	53.84	53.93	54.08	54.61	57.50
Henry Hub gas price (USD/MMBTU)	3.41	3.38	3.04	2.90	2.91	2.94
Oil price Δ Dec. vs. Oct.	6.0%	4.5%	0.6%	-1.3%	-2.4%	0.5%
Gas price Δ Dec vs. Oct	13.3%	8.8%	4.0%	3.2%	2.7%	0.4%

Source: CME/NYMEX

ALMONTY INDUSTRIES (DRAG'S STAKE: 12.58% PLUS CAD10.0M CONVERTIBLE)

The Sangdong project in South Korea accounts for 63% of Almonty's reserve base. At the end of July, Almonty announced a binding letter of commitment with the Korea Development Bank (KDB) for a term loan of KRW50bn (USD42.6m) to be used for underground mine development and construction of processing plant and infrastructure at Sangdong. An NI 43-101 technical report published in August put total mine development costs at USD66m. According to the management discussion and analysis report published by Almonty for the nine months ending 30 June, the definitive loan agreement is likely to include conditions under which the loan may be drawn down. These include the execution of an engineering, procurement and construction (EPC) contract, an off-take agreement and Almonty raising equity to cover the balance of the development cost. In late November Almonty stated that it had received a letter of commitment from a tungsten industry participant with regard to the equity component of the Sangdong development cost. The nature and terms of the commitment are currently being finalised but are expected to entail 100% debt financing of the development and construction at Sangdong. It is likely that the debt to the tungsten industry participant will be subordinate to the KDB debt. Almonty is also currently talking with the same industry participant about an off-take agreement covering 100% of the initial planned production of the Sangdong mine. Almonty believes that the successful conclusion of the negotiations with the tungsten industry participant will satisfy the requirements of the KDB Letter of Commitment for up to KRW50bn (USD42.6m) of debt financing.

FINANCIAL POSITION

Figure 6: H1/16A and FY16E net liquid assets (net debt) positions

€m	H1/16A	FY 16E
Cash	55.7	2.0
Securities	9.4	1.0
Total cash and securities	65.0	3.0
Securities classed as fixed assets	9.6	0.0
Convertible bonds	51.4	58.5
Liabilities to banks	6.4	15.8
Net liquid assets (debt)	16.8	-71.3

Source: DRAG; First Berlin Equity Research estimates

As figure 6 shows, DRAG had net liquid assets of €16.8m on its balance sheet at the end of June. We expect a net cash outflow of €88.1m during H2/16 caused mainly by expenditure of USD45m (€40.9m) on the drilling of 22 horizontal wells at Cub Creek's north east Wattenberg project and the USD38.1m (€35.9m) acquisition of the Williston basin project. Management tells us that USD10m of the Williston Basin project's purchase price will be financed through reserve-based debt financing and the balance from DRAG's cash position. We expect DRAG to end 2016 with net debt of €71.3m, equivalent to net gearing of 105.9%.



P&L FORECAST

Figure 7: Changes to forecasts

All figures in € 000s	2016E New	2016E Old	Δ	2017E New	2017E Old	Δ	2018E New	2018E Old	Δ
Revenues	12,823	13,440	-4.6%	99,160	93,445	6.1%	156,123	126,517	23.4%
EBITDA	3,217	4,975		83,509	80,871		131,532	107,810	
Depreciation and amortisation	3,288	3,417		22,211	22,112		38,120	32,157	
Operating income (EBIT)	-71	1,558	-104.6%	61,298	58,758	4.3%	93,413	75,653	23.5%
Net financial result	-5,437	-5,555		-3,676	-2,927		-3,951	-4,428	
Pre-tax income (EBT)	-5,508	-3,997		57,621	55,781		89,462	71,424	
Income taxes	14,070	12,543		-20,167	-19,523		-31,312	-24,999	
Net before minorities	8,562	8,546		37,454	36,258		58,150	46,426	
Minority interests	-1,104	-1,268		-6,544	-6,561		-10,012	-8,340	
Net income after mins.	7,458	7,277		30,910	29,697		48,139	38,086	
EPS (€)	1.47	1.44	2.3%	6.11	5.87	4.0%	9.51	7.52	26.4%

Source: First Berlin Equity Research estimates

Figure 7 above shows changes to our forecasts in comparison with our previous report of 5 October. We have reduced our 2016 sales and EBIT numbers mainly because we previously modelled that the next twelve wells at Cub Creek (in ten of which CCE has a 100% working interest) would come on stream in November. We now expect production to begin later this month. Our forecasts are higher for both 2017 and 2018 because of higher volumes stemming from the acquisition of the Williston Basin project (which will be consolidated from 1 September 2016) and because of the higher NYMEX oil and gas futures prices (see figure 5). As we pointed out above, the timing of drilling at Elster is made more difficult to predict because CCE is not the operator. Against this background, and for the sake of conservatism, we have moved the production start for eight Elster wells from April 2017 to early 2019. We now expect seven new horizontal wells to come on stream at Elster next year compared with 15 previously. The increase in our 2017 numbers would have been greater if we had not put back the production start of these wells.

VALUATION SUMMARY

We see fair value for the DRAG share at €31.0 (previously: €27.0) Figure 8 summarises the changes to our sum of the parts model discussed in the text above. Given that CCE, Elster and Salt Creek account for 90% of our enterprise valuation of DRAG we have concentrated on recent developments at these assets in the foregoing text. As figure 8 indicates, we now see fair value for the DRAG share at €31.0 (previously: €27.0).

Figure 8: Sum of the parts model

€m	New	Old
Cub Creek Energy (DRAG's stake 79.9%)	131.1	87.7
Elster Oil & Gas (DRAG's stake: 93%)	32.0	18.1
Salt Creek Oil & Gas (DRAG's stake: 90%)	50.5	0.0
Almonty (DRAG's stake: 12.58% plus CAD 10.0m in convertibles)	9.6	9.2
Tin International (DRAG's stake: 61.5%)	0.2	0.2
Rhein Petroleum (DRAG's stake: 10%)	2.0	2.0
Ceritech (DRAG's stake: 67.9%)	1.0	1.0
Devonian Metals (DRAG's stake: 47%)	0.0	0.0
Hammer Metals (DRAG's stake: 17.9%)	1.1	1.4
Total enterprise value	227.6	119.6
Cash and financial assets	3.0	74.6
Debt	74.3	57.8
Net cash and financial assets (31.12.2016E)	-71.3	16.8
Total equity value	156.3	136.4
No shares (m)	5.06	5.06
Equity value per share (€)	30.9	27.0

Source: First Berlin Equity Research estimates



INCOME STATEMENT

All figures in € 000s	2013A	2014A	2015A	2016E	2017E	2018E
Revenues	17,762	22,871	1,897	12,823	99,160	156,123
EBITDA	1,907	114,160	4,933	3,217	83,509	131,532
Depreciation and amortisation	7,302	25,434	1,578	3,288	22,211	38,120
Operating income (EBIT)	-5,395	88,726	3,355	-71	61,298	93,413
Net financial result	-2,414	-4,065	-3,912	-5,437	-3,676	-3,951
Non-operating expenses	0	0	0	0	0	0
Pre-tax income (EBT)	-7,809	84,661	-557	-5,508	57,621	89,462
Taxes	154	-30,645	1,086	14,070	-20,167	-31,312
Minority interests	-650	-28,845	626	-1,104	-6,544	-10,012
Net income / loss	-8,305	25,171	1,155	7,458	30,910	48,139
EPS (in €)	-1.56	4.80	0.23	1.47	6.11	9.51
Ratios						
EBIT margin on revenues	-30.4%	387.9%	176.9%	-0.6%	61.8%	59.8%
EBITDA margin on revenues	10.7%	499.1%	260.0%	25.1%	84.2%	84.2%
Net margin on revenues	-46.8%	110.1%	60.9%	58.2%	31.2%	30.8%
Tax rate	2.0%	36.2%	195.0%	255.4%	35.0%	35.0%
Y-Y Growth						
Revenues	473.9%	28.8%	-91.7%	576.0%	673.3%	57.4%
Operating income	n.m.	n.m.	-96.2%	n.m.	n.m.	52.4%
Net income/ loss	n.m.	n.m.	-95.4%	545.7%	314.5%	55.7%



BALANCE SHEET

All figures in € 000s	2013A	2014A	2015A	2016E	2017E	2018E
Assets						
Current assets, total	60,998	98,203	79,267	25,829	29,261	35,356
Cash and cash equivalents	46,063	92,821	71,041	3,014	6,472	2,266
Inventories	3,763	38	55	437	5,697	8,272
Receivables	1,319	106	2,831	1,749	6,837	9,927
Prepayments	137	190	276	437	1,139	1,654
Tax credit	0	0	0	14,070	0	0
Other current assets	5,559	726	4,530	6,122	9,116	13,236
Deferred tax assets	4,157	4,322	534	0	0	0
Non-current assets, total	70,535	36,493	48,786	123,393	185,409	238,116
Intangible assets	4,541	12,279	17,501	36,861	36,581	36,301
Land and buildings	1,856	0	0	400	600	800
Producing oil plants	32,802	0	5,314	52,715	96,871	134,407
Exploration and evaluation	20,153	1,647	1,596	15,832	29,094	40,368
Plant and machinery	2,873	513	444	4,404	8,094	11,230
Other equipment	209	94	119	1,180	2,169	3,010
Equity investments	3,703	11,456	11,822	12,000	12,000	12,000
Securities classified as fixed assets	4,398	10,504	11,990	0	0	0
Total assets	131,533	134,696	128,053	149,222	214,670	273,472
Shareholders' equity & debt						
Current liabilities, total	18,221	4,675	4,230	3,645	20,224	15,319
Bank debt	3,256	414	7	0	0	9,381
Bond debt	0	0	0	0	15,800	0
Accounts payable	13,928	217	957	1,093	1,327	1,782
Other current liabilities	1,037	4,044	3,266	2,551	3,097	4,157
Long-term liabilities, total	72,021	63,147	57,955	74,288	88,488	99,107
Bond debt	62,237	57,111	51,555	58,500	42,700	42,700
Bank debt	5,993	5,993	6,400	15,788	45,788	56,407
Other long term liabilities	3,791	43	0	0	0	0
Provisions	1,993	1,540	1,089	2,000	2,000	2,000
Minority interests	9,723	2,331	2,566	3,670	10,214	20,225
Shareholders' equity	29,171	60,157	59,274	63,619	90,744	133,820
Consolidated equity	38,894	62,488	61,840	67,289	100,958	154,045
Deferred tax liabilities	404	2,846	2,939	2,000	3,000	3,000
Total consolidated equity and debt	131,533	134,696	128,053	149,222	214,670	273,472
Ratios						
Current ratio (x)	3.35	21.01	18.74	7.09	1.45	2.31
Quick ratio (x)	3.14	21.00	18.73	6.97	1.17	1.77
Financial leverage	54.1%	-63.7%	-40.5%	105.9%	96.9%	69.0%
Book value per share (€)	5.48	11.94	11.77	12.63	18.02	26.57
Net cash (debt)	-21,025	39,807	25,069	-71,274	-97,816	-106,221
Return on equity (ROE)	-17.4%	106.6%	0.9%	13.3%	44.5%	45.6%



CASH FLOW STATEMENT

All figures in € 000s	2013A	2014A	2015A	2016E	2017E	2018E
EBIT	-5,395	88,726	3,355	-71	61,298	93,413
Depreciation and amortisation	7,302	25,434	1,578	3,288	22,211	38,120
EBITDA	1,907	114,160	4,933	3,217	83,509	131,532
Changes in working capital	-2,546	1,524	-4,625	-1,631	-13,265	-8,786
Interest paid	-35	-4,263	-3,912	-5,437	-3,676	-3,951
Tax paid	154	-29,091	1,086	0	-6,097	-31,312
Profit/loss from sale of Tekton Energy	0	-103,605	0	0	0	0
Other adjustments	-1,248	2,299	3,712	0	0	0
Operating cash flow	-1,768	-18,976	1,194	-3,851	60,470	87,484
Investing cash flow	-33,304	101,073	-13,307	-89,707	-84,227	-90,826
Free cash flow	-35,072	82,097	-12,113	-93,558	-23,757	-3,342
Dividends, share buybacks	-2,661	-38,929	-3,100	-2,785	-2,785	-5,063
Equity financing	4,558	0	0	0	0	0
Debt financing	67,600	0	0	16,326	30,000	20,000
Debt repayment	-2,749	-8,540	-6,182	0	0	-15,800
Other	2,128	999	-2,712	11,990	0	0
Financing cash flow	68,876	-46,470	-11,994	25,531	27,215	-863
Change in cash and equivalents	33,804	35,627	-24,107	-68,027	3,458	-4,205
Other	0	11,131	2,327	0	0	0
Cash and cash equivalents, start of the year	12,259	46,063	92,821	71,041	3,014	6,472
Cash and cash equivalents, end of the year	46,063	92,821	71,041	3,014	6,472	2,266
EBITDA/share (in €)	0.36	21.70	0.97	0.64	16.50	25.99
Y-Y Growth						
Operating cash flow	n.m.	n.m.	n.m.	n.m.	n.m.	44.7%
Free cash flow	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
EBITDA/share	-19.4%	5954.7%	-95.5%	-34.8%	2496.0%	57.5%

FIRST BERLIN RECOMMENDATION & PRICE TARGET HISTORY

Report No.:	Date of publication	Previous day closing price	Recommendation	Price target
Initial Report	22 July 2010	€7.45	Buy	€13.20
2...22	↓	↓	↓	↓
23	16 November 2015	€17.01	Buy	€23.00
24	8 July 2016	€15.72	Buy	€24.00
25	5 October 2016	€21.40	Buy	€27.00
26	Today	€23.91	Buy	€31.00

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- key sources of information in the preparation of this research report
- valuation methods and principles
- sensitivity of valuation parameters

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