

Energiekontor AG

Germany / Cleantech
 Frankfurt Stock Exchange
 Bloomberg: EKT GR
 ISIN: DE0005313506

2017 final figures

RATING
BUY

PRICE TARGET
€ 23.50

Return Potential 72.2%
 Risk Rating High

2017 NET RESULT 10% ABOVE FORECAST

Energiekontor's 2017 net result was 10% above our forecast and reached almost €12m. Earnings were significantly below the previous year's figures. This is because the company added ca. half the projects developed to its own plant portfolio, whereas in 2016 all projects were sold to investors. The 31 MW increase in the own plant portfolio will contribute stable and high cash flows for at least 20 years. Management proposed a €0.60 per share dividend equating to a yield of 4.4%. The company is guiding towards 2018 EBT below the 2017 figure of €16.7m due to the difficult competitive environment in Germany in 2018 following the poorly designed 2017 onshore wind tenders. Based on updated project pipeline data, we have increased our earnings forecasts for 2018E & 2019E. Our updated sum-of-the-parts analysis shows that Energiekontor remains very attractively valued. We lower our price target to €23.50 (previously: €24.80) due mainly to a higher net debt position and confirm our Buy rating.

2017 figures above forecasts Total output grew 21% to €202m (FBe: €163m). Earnings were significantly below the previous year's figures as Energiekontor increased its own plant portfolio by 31 MW instead of selling the wind farms, which postpones profits into the future. EBITDA fell 31% and met our €49.6m estimate. EBIT declined 39% to €32.9m (FBe: €32.2m). EBT more than halved to €16.7m but was 8% ahead of our forecast. Main EBT contributor was the Power Generation segment (€8.5m), followed by the Project Development segment (€5.1m), and the Operation & Innovation segment (€3.0m). The net result amounted to €11.9m versus €25.3m in 2016 (FBe: €10.8m). EPS fell from €1.74 in 2017 to €0.82 (see figure 1 overleaf).

2018 guidance: transition year Management is guiding towards EBT below the 2017 EBT of €16.7m, due primarily to the poorly designed tender process in Germany in 2017. The German government has since removed...

(p.t.o.)

FINANCIAL HISTORY & PROJECTIONS

	2015	2016	2017	2018E	2019E	2020E
Total output (€m)	210.14	166.75	202.08	147.67	281.89	338.04
Y-o-y growth	31.0%	-20.6%	21.2%	-26.9%	90.9%	19.9%
EBIT (€m)	49.67	53.75	32.89	26.28	47.07	56.38
EBIT margin	23.6%	32.2%	16.3%	17.8%	16.7%	16.7%
Net income (€m)	20.91	25.34	11.89	6.49	18.90	21.81
EPS (diluted) (€)	1.43	1.74	0.82	0.44	1.30	1.50
DPS (€)	0.80	0.80	0.60	0.50	0.70	0.70
FCF (€m)	51.22	85.99	-29.27	40.82	-74.26	-50.67
Net gearing	330.0%	146.9%	220.0%	200.9%	308.6%	364.6%
Liquid assets (€m)	103.96	118.53	69.00	124.52	115.11	105.42

RISKS

Main risks include changes in the regulatory support for wind energy, tender results, project development risks, wind farm operation risks, and low stock liquidity.

COMPANY PROFILE

Energiekontor is a wind and solar project developer and an operator of a large portfolio of own wind farms and solar parks (269 MW). The company is active in onshore wind and solar project development in Germany, the UK, the US, France, and the Netherlands. Energiekontor is headquartered in Bremen, Germany.

MARKET DATA

As of 19 Apr 2018

Closing Price	€ 13.65
Shares outstanding	14.58m
Market Capitalisation	€ 198.99m
52-week Range	€ 13.45 / 19.25
Avg. Volume (12 Months)	13,705

Multiples	2017	2018E	2019E
P/E	16.8	30.8	10.6
EV/Sales	1.7	2.4	1.2
EV/EBIT	10.7	13.3	7.4
Div. Yield	4.4%	3.7%	5.1%

STOCK OVERVIEW



COMPANY DATA

As of 31 Dec 2017

Liquid Assets	€ 69.00m
Current Assets	€ 160.61m
Intangible Assets	€ 0.00m
Total Assets	€ 361.71m
Current Liabilities	€ 57.20m
Shareholders' Equity	€ 70.23m

SHAREHOLDERS

Dr Bodo Wilkens	25.7%
Günter Lammers	25.6%
Internat. Kapitalanlageges.	5.1%
Free Float	43.7%



...competitive distortions, and we thus believe that Energiekontor's German development business will resume its growth path in 2019. Energiekontor's medium-term target (€30m EBT from project development and €25-30 EBT from power production and operation & innovation) remains valid. The expansion of the own plant portfolio will establish Energiekontor as a green power producer and guarantee a high degree of independence from general market conditions.

Figure 1: Reported figures versus forecasts

	2017A	2017E	Delta	2016	Delta
Total output	202.08	163.07	23.9%	166.75	21.2%
EBITDA	49.59	49.62	-0.1%	72.07	-31.2%
margin	24.5%	30.4%	-	43.2%	-
EBIT	32.89	32.20	2.1%	53.75	-38.8%
margin	16.3%	19.7%	-	32.2%	-
EBT	16.67	15.42	8.1%	35.50	-53.0%
margin	8.2%	9.5%	-	21.3%	-
Net income	11.89	10.80	10.1%	25.33	-53.1%
margin	5.9%	6.6%	-	15.2%	-
EPS in € (diluted)	0.82	0.74	10.8%	1.74	-52.9%

Source: First Berlin Equity Research, Energiekontor AG

Balance sheet: stable equity ratio, higher net debt Financial debt (without swaps) increased from €225.9m to €230.6m. The cash position including securities declined from €128.8m to €79.2m resulting in a net debt position of €151.6m versus €97.1m at the end of 2016. Equity edged higher to €70.2m versus €69.5m in 2016. The equity ratio was slightly up at 19.4%. Net gearing increased y/y from 140% to 216%. The book value of the wind farms rose from €171m to €194m due mainly to the wind farms added to the own plant portfolio (see figure 2).

Figure 2: Key balance sheet metrics

in €m	2016A	2017A	delta
Wind farms	170.93	193.69	13%
Cash and cash equivalents incl. securities	128.83	79.16	-39%
Equity	69.48	70.23	1%
Equity ratio	19.2%	19.4%	-
Financial debt (long-term)	180.15	206.01	14%
Financial debt (short-term)	45.74	24.73	-46%
Net debt (incl. securities)	97.05	151.57	56%
Net gearing	140%	216%	-
Balance sheet total	361.35	361.21	0%

Source: First Berlin Equity Research, Energiekontor AG

Only small positive operating cash flow Lower net income and higher working capital requirements resulted in only a small positive operating cash flow of €4.4m (2016: €92.9m). Free cash flow was €-29.3m due to CAPEX of €33.7m for the 31 MW wind farms added to the own plant portfolio. Financial cash flow amounted to €-20.6m resulting in net cash flow of €-52.2m.



Project development EBIT higher than expected Segment total output increased 31% to €149m, but segment EBIT was 70% lower y/y at €10m since 31 MW (= ca. half the commissioned projects) were transferred to the Power Production segment. The earnings margins of these projects were thus not accounted for in the Project Development segment, but remain as hidden reserves in Property, plant & equipment. Segment EBIT was 16% higher than expected (FBe: €8.7m, see figure 3).

Segment financial liabilities declined from €48.5m to €44.7m. The segment's securities position remained at the same level (€10.2m), while the cash position fell from €93.9m to €59.6m. The net cash position thus fell from €55.7m to €25.1m.

Figure 3: Segment figures and forecasts

	2017A	2017E	Delta	2016	Delta
Projects					
Total output	149.04	107.44	38.7%	113.55	31.3%
EBIT	10.04	8.69	15.5%	33.13	-69.7%
margin	6.7%	8.1%		29.2%	
Power Production					
Total output	49.16	52.01	-5.5%	50.06	-1.8%
EBIT	19.81	20.58	-3.8%	18.04	9.8%
margin	40.3%	39.6%		36.0%	
Operation & Innovation					
Total output	5.90	6.02	-2.0%	5.31	11.0%
EBIT	3.05	2.93	4.2%	2.58	18.0%
margin	51.7%	48.6%		48.6%	
Consolidation					
Total output	-2.02	-2.41	-	-2.18	-
EBIT	0.00	0.00	-	0.00	-
margin	-	-		-	
Group					
Total output	202.08	163.07	23.9%	166.75	21.2%
EBIT	32.89	32.20	2.1%	53.75	-38.8%
margin	16.3%	19.7%		32.2%	

Source: First Berlin Equity Research, Energiekontor AG

Power Production segment with 10% EBIT increase Segment total output was down 2% at €49.2m (FBe: €52.1m). EBITDA remained at the previous year's level and reached €36.4m, but EBIT was 10% higher y/y at €19.8m (FBe: €20.6m, see figure 3) due to lower depreciation (€16.7m versus €18.3m in 2016). The EBIT margin increased from 36.0% to 40.3%. EBIT was 83% higher y/y at €8.5m due to more than €2m saved in interest expenses (€11.3m vs. €13.4m in 2016). The optimisation of the segment's financing structure was thus the main earnings driver.

Segment financial liabilities were up €7.8m at €184.7m. Given the 31 MW increase in the own plant portfolio, this is a very moderate increase. The cash position declined from €23.6m to €7.7m resulting in a net debt position of €177.0m (2016: €153.3m).

Operation & Innovation with 18% EBIT increase Segment total output grew 11% to €5.9m (FBe: €6.0m), as the number of wind farms under operation increased. EBIT was 18% higher at €3.05m (FBe: €2.93m). The EBIT margin increased more than 3 PP from 48.6% to 51.7% (see figure 3). The segment is debt-free and has a cash/net cash position of €1.7m (2016: €1.0m).



€0.60 per share dividend offers attractive yield Management proposed a €0.60 per share dividend equating to an attractive 4.4% dividend yield. The proposed dividend is €0.20 per share below the previous year's dividend and €0.10 below our estimate. Given the lower EPS y/y (€0.82 versus €1.74 in 21016) the lower dividend is reasonable. The payout ratio has increased y/y from 46% to 73%.

2018 segment contributions forecast overview For 2018, we forecast increasing revenues and earnings for the Power Production segment and the Operation & Innovation segment. A weaker project development business will however result in lower group earnings y/y.

Power production will benefit from capacity expansion The Power Production segment appears set to generate EBT of €9.9m (2016: €8.5m) due to the increased capacity basis. At the beginning of 2018, total capacity was up 31 MW y/y at 259.2 MW. The portfolio comprises 34 wind farms in the three countries Germany (178.1 MW), the UK (43.1 MW), and Portugal (38 MW). Furthermore, Energiekontor added the 10 MW Garzau-Garzin solar plant to its own plant portfolio in Q1/18 increasing total capacity to 269 MW. As the company will continue its strategy to transfer ca. 50% of the wind and solar farms developed to its Power Production segment, further expansion will also contribute to the segment revenues this year.

A transition year for Project development We view the international project pipeline of almost 3,000 MW as a solid basis for resuming the growth path in 2019E after the weaker transition year in 2018 which will be burdened by the poorly designed 2017 German onshore wind tenders. In the UK, we expect Energiekontor to commission its first wind farm without public financial support this year. The project will be economically viable due to a long-term power purchase agreement (PPA) with a large company as end user. Energiekontor has many years of experience with designing PPAs and we believe that this crucial knowledge will give the company a competitive edge not only in Scotland, where Energiekontor will realise large wind farms in regions with excellent wind conditions (first revenues in 2019), but also in other countries such as the US. There, Energiekontor has secured sites for solar plants with a total capacity of 600 MW. We expect the company to sell project rights for 100 MW this year. For 2018, we forecast EBT of €-3.7m (2017: €5.1m). Given the promising project pipeline for 2019, we expect a strong turnaround with segment EBT at €13.6m.

Operation & Innovation with slower growth in 2018E Rotor blade extension remains the key innovation activity. Energiekontor now has certifications for the extension of 1.0 MW and 1.3 MW turbines and has equipped six 1.3 MW turbines with the extensions in Portugal. The company is developing extensions for 1.5 MW and 2.0 MW turbines, which will enter the prototype stage soon. As the rotor blade extension results in a ca. 7% higher power output, the application of the technology to more and larger turbines will increase the profitability of more and more turbines in the future.

Another innovation is the extended operation of wind farms. Usually, the wind farm operation cycle is 20-25 years. Energiekontor's team "Continued operation – 20 years plus" has already reached approvals for 17 wind farms to operate up to 35 years. Innovation and efficiency measures secure a profitable operation even without feed-in tariffs. Energiekontor aims at operating its wind farms 30-35 years.

For 2018E, Energiekontor expects increasing segment earnings due mainly to the continually rising number of wind farms under operational management as the company operates all wind farms it sells (FBe: segment EBT of €3.1m versus €3.0m in 2017).



Forecasts for Energiekontor group increased Our segment forecasts underpin our aggregated group forecast. We still expect significantly lower group earnings y/y in 2018E, but have slightly raised our estimates (2018E EPS estimates rise 11% from €0.40 to €0.44). For 2019E, we forecast a strong EPS increase to €1.30 (previous est.: €1.00, see figure 4).

Figure 4: Revisions to forecasts

All figures in €m	2018E			2019E			2020E		
	Old	New	Delta	Old	New	Delta	Old	New	Delta
Total output	174.69	147.67	-15.5%	274.47	281.89	2.7%	338.04	338.04	0.0%
EBIT	26.71	26.28	-1.6%	41.74	47.07	12.8%	56.38	56.38	0.0%
margin	15.3%	17.8%		15.2%	16.7%		16.7%	16.7%	
Net income	5.86	6.49	10.7%	14.53	18.90	30.1%	21.81	21.81	0.0%
margin	3.4%	4.4%		5.3%	6.7%		6.5%	6.5%	
EPS (diluted)	0.40	0.44	11.2%	1.00	1.30	29.7%	1.50	1.50	0.0%

Source: First Berlin Equity Research

Buy reiterated at slightly lower price target An updated sum-of-the-parts analysis results in a new price target of €23.50 (previously: €24.80). The main reason for the lower price target is the higher net debt position (€151.6m versus €97.1m in 2016).



VALUATION MODEL

We value Energiekontor based on a sum of the parts analysis. Each of Energiekontor's segments, Project Development, Power Production, and Operations & Innovation is separately valued based on a DCF model.

Sum of the parts valuation

SotP valuation	Fair value in €m	Fair value per share in €	old
Project Development	148.32	10.17	10.62
Power Production	150.41	10.32	10.96
Operations & Innovation	44.08	3.02	3.24
Sum of the parts	342.82	23.52	24.83

DCF model for Project Development segment

DCF valuation model								
All figures in EUR '000	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E
Net sales	61,672	141,372	165,240	171,249	177,165	182,963	188,618	194,105
NOPLAT	1,452	15,114	18,719	15,001	14,893	15,110	15,302	15,134
+ depreciation & amortisation	45	40	51	74	82	89	93	97
Net operating cash flow	1,497	15,153	18,770	15,075	14,975	15,199	15,396	15,232
- total investments (CAPEX and WC)	28,044	-28,809	-5,344	-1,254	-2,339	-2,311	-2,273	-2,226
Capital expenditures	-31	-71	-83	-86	-89	-91	-94	-97
Working capital	28,075	-28,738	-5,262	-1,168	-2,251	-2,219	-2,179	-2,129
Free cash flows (FCF)	29,541	-13,655	13,426	13,821	12,636	12,888	13,123	13,006
PV of FCF's	27,610	-11,583	10,334	9,655	8,012	7,416	6,852	6,163

All figures in thousands	
PV of FCFs in explicit period (2018E-2030E)	87,027
PV of FCFs in terminal period	37,175
Enterprise value (EV)	124,202
+ Net cash / - net debt	24,120
+ Investments / minority interests	0
Shareholder value	148,322

Fair value per share in EUR	10.17
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WACC	10.2%
Cost of equity	13.0%
Pre-tax cost of debt	8.5%
Tax rate	30.0%
After-tax cost of debt	6.0%
Share of equity capital	60.0%
Share of debt capital	40.0%
Fair value per share in EUR	10.17

WACC	Terminal growth rate						
	0.5%	1.0%	1.5%	2.0%	2.5%	3.0%	3.5%
6.2%	15.55	15.94	16.42	17.01	17.76	18.75	20.10
7.2%	13.55	13.77	14.04	14.35	14.73	15.19	15.79
8.2%	12.07	12.20	12.35	12.53	12.73	12.97	13.27
9.2%	10.93	11.01	11.09	11.19	11.31	11.44	11.60
10.2%	10.02	10.06	10.12	10.17	10.24	10.32	10.40
11.2%	9.27	9.30	9.33	9.37	9.41	9.45	9.50
12.2%	8.66	8.67	8.69	8.71	8.73	8.76	8.78
13.2%	8.14	8.15	8.16	8.17	8.18	8.19	8.20

* for layout purposes the model shows numbers only to 2025, but runs until 2030



DCF model for Power Production segment

DCF valuation model								
All figures in EUR '000	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E
Net sales	56,868	62,320	75,357	85,136	84,936	84,736	84,536	84,336
NOPLAT	18,796	21,464	25,569	27,650	27,336	26,991	26,676	26,357
+ depreciation & amortisation	19,248	20,035	25,984	31,105	31,105	31,105	31,105	31,105
Net operating cash flow	38,045	41,499	51,554	58,755	58,441	58,096	57,781	57,462
- total investments (CAPEX and WC)	-28,857	-104,485	-118,272	-33,409	-31,058	-31,058	-31,058	-31,058
Capital expenditures	-27,200	-103,200	-115,200	-31,105	-31,105	-31,105	-31,105	-31,105
Working capital	-1,657	-1,285	-3,072	-2,304	47	47	47	47
Free cash flows (FCF)	9,187	-62,986	-66,718	25,346	27,383	27,038	26,723	26,404
PV of FCF's	8,917	-58,605	-59,504	21,671	22,445	21,246	20,128	19,066

All figures in thousands	
PV of FCFs in explicit period (2018E-2030E)	79,311
PV of FCFs in terminal period	248,116
Enterprise value (EV)	327,427
+ Net cash / - net debt	-177,017
+ Investments / minority interests	0
Shareholder value	150,410

Fair value per share in EUR	10.32
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WACC	4.3%
Cost of equity	7.0%
Pre-tax cost of debt	5.2%
Tax rate	30.0%
After-tax cost of debt	3.6%
Share of equity capital	20.0%
Share of debt capital	80.0%
Fair value per share in EUR	10.32

WACC	Terminal growth rate							
	-0.6%	-0.4%	-0.2%	0.0%	0.2%	0.4%	0.6%	
3.6%	13.14	14.15	15.27	16.51	17.90	19.47	21.25	
3.8%	11.29	12.16	13.12	14.18	15.35	16.67	18.15	
4.1%	9.63	10.39	11.22	12.13	13.13	14.25	15.49	
4.3%	8.15	8.81	9.53	10.32	11.18	12.13	13.19	
4.6%	6.81	7.39	8.02	8.70	9.45	10.27	11.17	
4.8%	5.59	6.10	6.66	7.26	7.91	8.62	9.40	
5.1%	4.48	4.93	5.42	5.95	6.52	7.14	7.82	

* for layout purposes the model shows numbers only to 2025, but runs until 2030

DCF model for Operation & Innovation segment

DCF valuation model								
All figures in EUR '000	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E
Net sales	6,078	6,686	7,689	8,661	9,653	10,644	11,612	12,530
NOPLAT	2,153	2,389	2,744	3,033	3,346	3,653	3,944	4,213
+ depreciation & amortisation	0	4	9	14	21	27	35	43
Net operating cash flow	2,153	2,393	2,753	3,047	3,367	3,680	3,979	4,256
- total investments (CAPEX and WC)	-4	-9	-127	-119	-217	-234	-248	-258
Capital expenditures	-61	-67	-77	-87	-97	-106	-116	-125
Working capital	57	58	-50	-33	-121	-127	-132	-133
Free cash flows (FCF)	2,149	2,384	2,626	2,928	3,150	3,446	3,732	3,997
PV of FCF's	2,009	2,026	2,028	2,056	2,010	2,000	1,968	1,917

All figures in thousands	
PV of FCFs in explicit period (2018E-2030E)	24,248
PV of FCFs in terminal period	18,166
Enterprise value (EV)	42,414
+ Net cash / - net debt	1,668
+ Investments / minority interests	0
Shareholder value	44,082

Fair value per share in EUR	3.02
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WACC	10.0%
Cost of equity	10.0%
Pre-tax cost of debt	6.0%
Tax rate	30.0%
After-tax cost of debt	4.2%
Share of equity capital	100.0%
Share of debt capital	0.0%
Fair value per share in EUR	3.02

WACC	Terminal growth rate						
	0.5%	1.0%	1.5%	2.0%	2.5%	3.0%	3.5%
6.0%	5.17	5.45	5.80	6.23	6.79	7.53	8.57
7.0%	4.31	4.48	4.69	4.94	5.25	5.63	6.12
8.0%	3.68	3.80	3.93	4.09	4.27	4.49	4.76
9.0%	3.21	3.29	3.38	3.48	3.60	3.73	3.90
10.0%	2.84	2.89	2.95	3.02	3.10	3.19	3.30
11.0%	2.54	2.58	2.62	2.67	2.73	2.79	2.86
12.0%	2.30	2.33	2.36	2.39	2.43	2.48	2.53
13.0%	2.09	2.12	2.14	2.17	2.20	2.23	2.26

* for layout purposes the model shows numbers only to 2025, but runs until 2030



INCOME STATEMENT

All figures in EUR '000	2014A	2015A	2016A	2017A	2018E	2019E	2020E
Revenues	153,280	191,329	201,764	149,865	122,186	207,704	245,210
Change in inventory & own work	7,172	18,808	-35,015	52,211	25,484	74,184	92,826
Total output	160,452	210,137	166,749	202,076	147,670	281,888	338,036
Cost of goods sold	82,431	116,590	70,523	127,923	72,021	178,090	213,190
Gross profit	78,021	93,547	96,226	74,153	75,649	103,797	124,846
Personnel costs	10,043	10,476	10,922	11,830	12,033	13,501	15,637
Other operating expenses	16,646	18,553	17,719	18,475	19,999	24,969	28,962
Other operating income	3,569	1,574	4,481	5,746	1,959	1,819	2,176
EBITDA	54,901	66,092	72,066	49,593	45,574	67,146	82,423
Depreciation	14,183	16,424	18,316	16,704	19,294	20,080	26,045
Operating income (EBIT)	40,718	49,668	53,750	32,889	26,281	47,067	56,378
Net financial result	-18,962	-20,006	-18,253	-16,224	-17,015	-20,064	-25,226
Non-operating expenses	0	0	0	0	0	0	0
Pre-tax income (EBT)	21,756	29,662	35,497	16,666	9,266	27,002	31,152
Income taxes	7,623	8,751	10,162	4,778	2,780	8,101	9,345
Minority interests	0	0	0	0	0	0	0
Net income / loss	14,133	20,911	25,335	11,888	6,486	18,902	21,806
Diluted EPS (in €)	0.96	1.43	1.74	0.82	0.44	1.30	1.50
Ratios							
Gross margin on total output	48.6%	44.5%	57.7%	36.7%	51.2%	36.8%	36.9%
EBITDA margin on total output	34.2%	31.5%	43.2%	24.5%	30.9%	23.8%	24.4%
EBIT margin on total output	25.4%	23.6%	32.2%	16.3%	17.8%	16.7%	16.7%
Net margin on total output	8.8%	10.0%	15.2%	5.9%	4.4%	6.7%	6.5%
Tax rate	35.0%	29.5%	28.6%	28.7%	30.0%	30.0%	30.0%
Expenses as % of total output							
Personnel costs	6.3%	5.0%	6.5%	5.9%	8.1%	4.8%	4.6%
Depreciation	8.8%	7.8%	11.0%	8.3%	13.1%	7.1%	7.7%
Other operating expenses	10.4%	8.8%	10.6%	9.1%	13.5%	8.9%	8.6%
Y-Y Growth							
Total output	-1.4%	31.0%	-20.6%	21.2%	-26.9%	90.9%	19.9%
EBIT	19.3%	22.0%	8.2%	-38.8%	-20.1%	79.1%	19.8%
Net income/ loss	4.3%	48.0%	21.2%	-53.1%	-45.4%	191.4%	15.4%



BALANCE SHEET

All figures in EUR '000	2014A	2015A	2016A	2017A	2018E	2019E	2020E
Assets							
Current assets, total	159,888	166,855	181,759	160,607	185,327	209,509	209,037
Cash and cash equivalents	81,594	103,957	118,528	69,002	124,524	115,115	105,418
Short-term investments	39	10,278	10,305	10,159	10,159	10,159	10,159
Receivables	23,781	16,932	17,469	26,216	22,097	30,451	33,916
Inventories	50,858	32,871	34,272	47,006	20,321	45,559	51,318
Other current assets	3,616	2,817	1,185	8,225	8,225	8,225	8,225
Non-current assets, total	195,310	232,263	179,592	200,606	208,604	291,862	381,177
Property, plant & equipment	187,241	223,789	171,747	194,558	202,556	285,814	375,129
Goodwill & other intangibles	37	23	10	1	1	1	1
Other assets	8,032	8,451	7,834	6,047	6,047	6,047	6,047
Total assets	355,198	399,118	361,351	361,213	393,931	501,371	590,213
Shareholders' equity & debt							
Current liabilities, total	45,266	76,163	83,551	57,200	60,520	77,063	77,904
Short-term financial debt	19,166	31,871	45,735	24,728	35,000	45,000	45,000
Accounts payable	5,947	4,480	6,241	8,383	2,893	6,520	7,361
Current provisions	11,342	16,282	12,656	14,660	14,660	14,660	14,660
Other current liabilities	8,811	23,530	18,919	9,429	7,967	10,883	10,883
Long-term liabilities, total	269,777	272,495	208,323	233,781	263,981	346,181	422,581
Long-term financial debt	249,136	248,899	185,175	208,961	239,161	321,361	397,761
Deferred revenue	0	0	0	0	0	0	0
Other liabilities	20,641	23,596	23,148	24,820	24,820	24,820	24,820
Minority interests	0	0	0	0	0	0	0
Shareholders' equity	40,155	50,460	69,477	70,232	69,430	78,127	89,728
Share capital	14,653	14,653	14,653	14,578	14,578	14,578	14,578
Capital reserve	40,293	40,308	40,323	40,428	40,428	40,428	40,428
Other reserves	-7,388	-8,751	-3,125	-2,441	-2,441	-2,441	-2,441
Treasury stock	-4	-41	-61	-1	-1	-1	-1
Loss carryforward / retained earnings	10,112	16,421	30,164	39,717	38,914	47,611	59,213
Total consolidated equity and debt	355,198	399,118	361,351	361,213	393,931	501,371	590,213
Ratios							
Current ratio (x)	3.53	2.19	2.18	2.81	3.06	2.72	2.68
Quick ratio (x)	2.41	1.76	1.77	1.99	2.73	2.13	2.02
Net debt	186,669	166,535	102,077	154,528	139,478	241,087	327,184
Net gearing	465%	330%	147%	220%	201%	309%	365%
Book value per share (in €)	2.74	3.45	4.76	4.82	4.76	5.36	6.15
Financial debt/EBITDA (x)	4.9	4.2	3.2	4.7	6.0	5.5	5.4
Equity ratio	11.3%	12.6%	19.2%	19.4%	17.6%	15.6%	15.2%
Return on equity (ROE)	35.2%	41.4%	36.5%	16.9%	9.3%	24.2%	24.3%
Return on investment (ROI)	4.0%	5.2%	7.0%	3.3%	1.6%	3.8%	3.7%
Return on assets (ROA)	9.6%	10.4%	12.1%	7.8%	6.0%	7.8%	8.0%
Return on capital employed (ROCE)	16.3%	20.4%	24.7%	14.8%	10.9%	16.3%	14.3%
Days sales outstanding (DSO)	56.6	32.3	31.6	63.8	66.0	53.5	50.5
Days inventory outstanding (DIO)	225.2	102.9	177.4	134.1	103.0	93.4	87.9
Days payables outstanding (DPO)	26.3	14.0	32.3	23.9	14.7	13.4	12.6



CASH FLOW STATEMENT

All figures in EUR '000	2014A	2015A	2016A	2017A	2018E	2019E	2020E
EBIT	40,718	49,668	53,750	32,889	26,281	47,067	56,378
Depreciation and amortisation	12,463	16,424	18,316	16,704	19,294	20,080	26,045
EBITDA	53,181	66,092	72,066	49,593	45,574	67,146	82,423
Changes in working capital	6,445	28,824	24,732	-28,182	25,313	-29,964	-8,384
Other adjustments	-3,848	-3,490	-3,927	-16,973	-2,780	-8,101	-9,345
Operating cash flow	55,778	91,426	92,871	4,438	68,107	29,081	64,693
CAPEX	-20,149	-40,205	-6,885	-33,707	-27,292	-103,338	-115,360
Investments in intangibles	-12	0	0	-1	0	0	0
Free cash flow	35,617	51,221	85,986	-29,269	40,816	-74,256	-50,666
Acquisitions and disposals, net	5,062	300	0	0	0	0	0
Other investments	307	-11,143	-1,327	-2,277	0	0	0
Cash flow from investing	-14,792	-51,048	-8,212	-35,984	-27,292	-103,338	-115,360
Debt financing, net	-3,708	11,574	-36,444	5,266	40,472	92,200	76,400
Equity financing, net	0	0	-278	-251	0	0	0
Dividends paid	-7,331	-8,781	-11,682	-11,670	-8,751	-7,289	-10,205
Other financing	-18,129	-18,759	-23,041	-13,992	-17,015	-20,064	-25,226
Cash flow from financing	-29,168	-15,967	-71,444	-20,646	14,707	64,847	40,969
Forex & other effects	-1,636	-2,048	1,357	2,666	0	0	0
Net cash flows	10,181	22,363	14,571	-49,526	55,522	-9,410	-9,697
Cash, start of the year	71,413	81,594	103,957	118,528	69,002	124,524	115,115
Cash, end of the year	81,594	103,957	118,528	69,002	124,524	115,115	105,418
EBITDA/share (in €)	3.74	4.52	4.94	3.40	3.13	4.61	5.65
Operating cash flow/share (in €)	3.80	6.25	6.36	0.30	4.67	1.99	4.44
Y-Y Growth							
Operating cash flow	204.9%	63.9%	1.6%	-95.2%	1434.5%	-57.3%	122.5%
Free cash flow	n.m.	43.8%	67.9%	n.m.	n.m.	n.m.	n.m.
EBITDA/share	19.1%	20.6%	9.3%	-31.1%	-8.1%	47.3%	22.8%
Operating cash flow/share	205.7%	64.2%	1.8%	-95.2%	1435.2%	-57.3%	122.5%

FIRST BERLIN RECOMMENDATION & PRICE TARGET HISTORY

Report No.:	Date of publication	Previous day closing price	Recommendation	Price target
Initial Report	5 June 2014	€7.70	Buy	€12.20
2...21	↓	↓	↓	↓
22	8 September 2017	€17.30	Buy	€24.90
23	1 November 2017	€15.15	Buy	€25.00
24	22 November 2017	€14.17	Buy	€24.80
25	Today	€13.65	Buy	€23.50

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- key sources of information in the preparation of this research report
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