

# ABO Wind AG

Deutschland / Cleantech  
 Börse Hamburg  
 Bloomberg: AB9 GR  
 ISIN: DE0005760029

2018  
 Annual Report

**RATING**  
**PRICE TARGET** **BUY**  
 Return Potential **€ 22.00**  
 Risk Rating 56.0%  
 High

## RECORD SALES AND THIRD HIGHEST NET RESULT

ABO Wind reported record sales of €150m in 2018 and posted the third-best net result in its history at €12.7m. This is a remarkably good result, especially given the fact that the German market has literally collapsed. Thanks to strong foreign business, ABO Wind has been able to largely compensate for the market weakness in Germany. The strong growth of the project pipeline indicates that ABO Wind will continue to grow in the coming years. For 2019, however, the company expects a lower net profit of ca. €10m due to further weakening of the German market. However, the medium-term prospects are excellent thanks to internationalisation and the second pillar in solar. The company expects to regularly report annual net income above €20m by 2023 at the latest. An updated DCF model yields a new price target of €22.00 (previously: €21.50). The stock remains attractively valued at a 2020E P/E of 8x. We confirm our Buy recommendation.

**Slight increase in sales and high EBT** ABO Wind increased sales by 2% y/y to €150.3m. Due to a slight inventory reduction, total output amounted to €149.9m (FB: €160.1m) and, as expected, remained well below the previous year's level of €176.3m. A lower proportion of material-intensive construction services led to significantly lower material costs (€70.7m versus €99.3m in 2017). Personnel expenses rose from €32.0m to €36.3m due to a strong increase in staff from 518 to 573. Other operating expenses increased from €10.9m to €13.5m. Although EBT at €21.3m remained below the previous year's level of €23.5m, it clearly exceeded our estimate of €17.4m. The EBT margin remained high at 14.2% (2017: 16.0%). Despite the shrinking German market, ABO Wind has maintained its operating clout. The net result amounted to €12.7m, slightly above the guidance of €12.5m, which was increased during the year, and our estimate (see figure 1 overleaf). The main reason for the reduction compared to the previous year's figure of €17.0m is higher taxes (€8.5m versus €6.5m in 2017).

(p.t.o.)

### FINANCIAL HISTORY & PROJECTIONS

	2016	2017	2018	2019E	2020E	2021E
Revenue (€m)	122.29	146.79	150.26	148.10	173.25	184.69
Y-o-y growth	52.4%	20.0%	2.4%	-1.4%	17.0%	6.6%
EBIT (€m)	23.89	24.96	22.22	16.86	21.94	23.22
EBIT margin	19.5%	17.0%	14.8%	11.4%	12.7%	12.6%
Net income (€m)	16.52	17.01	12.74	10.07	14.02	14.60
EPS (diluted) (€)	2.16	2.22	1.67	1.30	1.67	1.74
DPS (€)	0.50	0.40	0.42	0.42	0.42	0.42
FCF (€m)	-5.81	29.98	-30.29	19.30	2.38	10.71
Net gearing	44.2%	7.8%	48.5%	16.0%	17.0%	11.8%
Liquid assets (€m)	3.80	32.34	4.52	28.17	37.87	44.24

### RISKS

Main risks are project development, currency, interest rate, and regulatory risks.

### COMPANY PROFILE

ABO Wind is a project developer for renewable energies and has developed green power projects with a total capacity of more than 2,300 MW since its establishment in 1996. The company also offers the management of wind farms and biogas plants. ABO Wind has ca. 550 employees. Its headquarters are in Wiesbaden, Germany.

### MARKET DATA

As of 12 Jun 2019

Closing Price	€ 14.10
Shares outstanding	7.65m
Market Capitalisation	€ 107.80m
52-week Range	€ 12.70 / 15.00
Avg. Volume (12 Months)	903

Multiples	2018	2019E	2020E
P/E	8.5	10.7	7.7
EV/Sales	1.0	1.0	0.9
EV/EBIT	6.8	9.0	6.9
Div. Yield	3.0%	3.0%	3.0%

### STOCK OVERVIEW



### COMPANY DATA

As of 31 Dec 2018

Liquid Assets	€ 4.52m
Current Assets	€ 184.09m
Intangible Assets	€ 0.89m
Total Assets	€ 194.04m
Current Liabilities	€ 22.83m
Shareholders' Equity	€ 88.98m

### SHAREHOLDERS

Familie Ahn	30.9%
Familie Bockholt	31.1%
Mainova	10.4%
Baden-Württembergische VK	6.0%
Free Float	21.6%

**Figure 1: Reported figures versus estimates**

All figures in €m	2018A	2018E	Delta	2017A	Delta
Sales	150.26	134.01	12.1%	146.79	2.4%
EBIT	22.22	18.96	17.2%	24.96	-11.0%
margin	14.8%	14.1%		17.0%	
Net income	12.75	12.50	2.0%	17.01	-25.1%
margin	8.5%	9.3%		11.6%	
EPS (diluted)	1.67	1.63	2.0%	2.22	-25.1%

Source: First Berlin Equity Research, ABO Wind AG

**Equity and net debt higher** Equity rose 12% to €89.0m. Due to a similar increase in the balance sheet total, the equity ratio remained at just under 46% (see figure 2). Net debt increased significantly from €6.2m to €43.2m. This was due to the sharp fall in cash and cash equivalents (€4.5m versus €32.3m in 2017) and higher financial debt (€47.7m versus €38.5m in 2017). This increase is due to the issue of a convertible bond. By the end of 2018, €8.8m had been placed.

**Figure 2: Balance sheet – selected items**

in €m	2018A	2017A	Delta
<b>Non-current assets</b>	<b>10.0</b>	<b>10.5</b>	<b>-5%</b>
Inventories	71.5	48.8	46%
Trade receivables	20.2	24.4	-17%
Receivables from affiliated companies	58.4	35.6	64%
Securities	18.7	12.5	50%
Liquid funds	4.5	32.3	-86%
<b>Current assets</b>	<b>182.5</b>	<b>161.6</b>	<b>13%</b>
Equity	89.0	79.6	12%
Equity ratio	45.9%	45.7%	+0.2 PP
Mezzanine capital	14.4	14.4	0%
Provisions	21.0	23.9	-12%
Financial debt, long-term	46.8	37.4	25%
Financial debt, short-term	0.8	1.1	-25%
Total financial debt	47.7	38.5	24%
Net debt	43.2	6.2	596%
Net gearing (Net debt/equity in %)	48.5%	7.8%	+40.7 PP
Trade payables	11.0	9.9	11%
<b>Balance sheet total</b>	<b>194.0</b>	<b>173.9</b>	<b>12%</b>

Source: First Berlin Equity Research, ABO Wind AG

The increase in inventories from €48.8m to €71.5m is due largely to the expansion of the project pipeline and thus the basis for future growth. The rise in receivables from affiliated companies from €35.6m to €58.4m is mainly attributable to a single German project (€40.7m). This project was implemented on ABO Wind's own account and commissioned in 2018. Financing and sales are planned for Q2/19. ABO Wind has used its vast liquid funds for a speedy project completion. Financing and sales should provide the company with significant cash and cash equivalents. Securities increased by 50% to €18.7m, as shares in affiliated companies rose by €6.6m as a result of the acquisition of project companies.

**Negative operating cash flow reflects investments in the project pipeline** The operating cash flow was €-28.1m (see figure 3 overleaf) and is due mainly to the increase in inventories (€22.6m) and the increase in other assets (€21.4m). This increase includes the already mentioned receivables from realised projects.

**Figure 3: Cash flow statement**

in €m	2018A	2017A
Operating cash flow	-28.11	31.45
CAPEX	-2.18	-1.47
Free cash flow	-30.29	29.98
Cash flow from investing	-3.24	-1.30
Cash flow from financing	3.67	-1.51
Net cash flow	-27.82	28.54

Source: First Berlin Equity Research, ABO Wind AG

### Strong revenue growth in planning and services compensates for declining construction revenue

Overall, the two segments Planning and Services more than compensated for the 5% decline in revenue from construction (see figure 4). In 2018, ABO Wind built wind turbines with a nominal capacity of 104 MW (Germany: 49 MW, Finland: 27 MW, France and Ireland 14 MW each) and 2 MW solar plants. The Construction segment thus contributed €105.7m in revenues.

The segment Planning & Rights Sales contributed €34.3m (+24% y/y) to total sales. ABO Wind sold the rights to 14 projects with a total capacity of just below 350 MW, of which ten German with 182 MW, three Spanish ones with 113 MW and a Finnish one with 50 MW. The volume of completed project development amounted to almost 80 MW (Germany: 64 MW, Ireland 11 MW, solar: 3 MW).

The Services division increased its contribution to sales by 25% to €10.4m. The portfolio of wind farms in operation had a total capacity of 1,251 MW as of March 31, 2019 (previous year: 1,221 MW). The solar business area is responsible for five smaller plants. As of 31 March 2019, ABO Wind worked as a service provider for projects sold (698 MW in total) on behalf of the buyers to obtain outstanding rights and contracts or in connection with the construction of the projects.

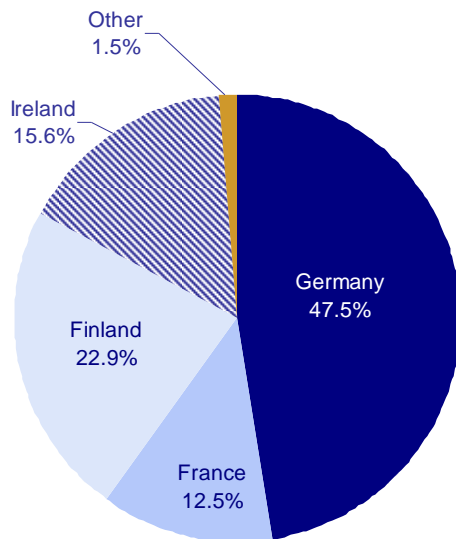
**Figure 4: Segment sales split**

Segment sales in €m	2018A	2017A	Delta
Construction	105.7	110.9	-5%
Planning & Rights' Sales	34.3	27.6	24%
Services	10.4	8.3	25%
<b>Total sales</b>	<b>150.3</b>	<b>146.8</b>	<b>2%</b>

Source: First Berlin Equity Research, ABO Wind AG

### Germany remains the most important single market

In 2018, Germany's sales share was 47.5% (previous year: 44.5%). As in the previous year, more than half of the revenue was generated abroad. Significant foreign markets were Finland with a sales share of 22.9%, Ireland with 15.6% and France with 12.5% (see figure 5 overleaf).

**Figure 5: Geographical sales split**

Source: First Berlin Equity Research, ABO Wind AG

**Extensive project acquisitions lead to a well-filled project pipeline** In Europe, ABO Wind acquired new projects with a total capacity of 510 MW. Beyond Europe, projects with a volume of 2,200 MW were secured, of which around 2/3 wind and 1/3 solar projects. These include projects in Canada, Colombia, South Africa, Tanzania and Tunisia. In total, the company is working on development projects with a total capacity of 6,500 MW in 16 countries on four continents, of which 4,500 MW are wind farms. Geographically, the wind projects are distributed across Germany (1,000 MW), France (700 MW), Finland (600 MW), Spain (500 MW) and the British Isles with 300 MW. Outside Europe, 900 MW are in development in Argentina and around 500 MW in other national markets. In the solar sector, 1,200 MW are in the development phase. Main markets are Argentina, Greece, Spain, and South Africa.

**Dividend increases by 5%** Management will propose a dividend of €0.42 per share (previous year: € 0.40) to the Annual General Meeting. This would correspond to a payout ratio of 25%. The dividend yield is 3%.

**Convertible bond successfully placed** Since April 2018, ABO Wind has offered investors a convertible bond (coupon: 3%, conversion price: €15.00, maturity: May 2020). After a total of ca. €11.5m were subscribed, the company closed the offer early in February 2019. Even though the maximum volume of €15m was not fully utilised, we consider the placement a great success.

**Good start to the year 2019** In Q1/19, ABO Wind secured new projects with a total capacity of 920 MW, of which 660 MW in Europe. During the same period, the company sold 317 MW of project rights in Finland, Spain and France. In addition, the development of a solar project (7 MW) was successfully completed in the first quarter and the construction of a wind farm with 14 MW was billed.

**Weak German market is likely to lead to a lower net profit for ABO Wind this year** The unsatisfactory tender design in 2017, very lengthy approval procedures and a growing frequency of complaints by wind power opponents are likely to lead to even weaker installation figures this year. The German Wind Energy Association (BWE) and the German



Engineering Federation (VDMA) expect new installations of less than 2 GW. This would be a renewed weakening after the already very low 2.4 GW in the previous year. In 2017, new installations amounted to 5.3 GW. According to an analysis by the "Fachagentur Windenergie an Land", the average approval volume remains well below the pre-2017 level (about 120 MW versus 350 MW in 2014-2016). Because of fewer permits, the last three tenders were undersubscribed (see figure 6). An evaluation of the data of the market data register of the German Federal Network Agency by the IWR shows that in the first five months of the year 2019 only 60 wind turbines with a capacity of 196 MW have been commissioned onshore.

**Figure 6: Tender results for onshore wind since 2018**

	Feb-18	May-18	Aug-18	Oct-18	Feb-19	May-19
Tendered volume (MW)	700	670	670	670	700	650
Cap in grid expansion area (MW)	197	232	314	410	155	153
Number of offers	132	111	91	62	72	41
Offered volume (MW)	989	604	709	388	499	295
Awarded projects	83	111	86	57	67	35
Awarded volume (MW)	709	604	667	363	476	270
Highest permissible value (€/kWh)	6.30	6.30	6.30	6.30	6.20	6.20
Average volume-weighted awarded value (€/kWh)	4.73	5.73	6.16	6.26	6.11	6.13
Lowest awarded value (€/kWh)	3.80	4.65	4.00	6.12	5.24	5.40
Highest awarded value (€/kWh)	5.28	6.28	6.30	6.30	6.20	6.20

Source: First Berlin Equity Research, German Federal Network Agency

**From 2020 on, the signs point to growth** In the medium term, the company expects a significant increase in profits. By 2023 at the latest, annual net income is expected to regularly top €20m. We regard ABO Wind as an international developer of wind and solar projects excellently positioned to participate in the global growth of wind and solar power. With the significant increase in the number of employees in recent years, the company has the necessary human resources to advance the international project business. The significant increase in total project pipeline volume is an excellent basis for future growth.

**Estimates revised** ABO Wind's lowered 2019 guidance suggests that the company will have more trouble in shrugging off the German market weakness than last year. While we have reduced our estimates for 2019E accordingly, we have slightly raised our earnings estimates for 2020E & 2021E.

**Figure 7: Revisions to forecasts**

All figures in €m	2019E			2020E			2021E		
	Old	New	Delta	Old	New	Delta	Old	New	Delta
Sales	155.08	148.10	-4.5%	173.25	173.25	0.0%	184.69	184.69	0.0%
EBIT	20.87	16.86	-19.2%	21.50	21.94	2.1%	21.83	23.22	6.3%
margin	13.5%	11.4%		12.4%	12.7%		11.8%	12.6%	
Net income	13.40	10.07	-24.8%	13.85	14.02	1.2%	13.92	14.60	4.9%
margin	8.6%	6.8%		8.0%	8.1%		7.5%	7.9%	
EPS (diluted)	1.72	1.30	-24.8%	1.65	1.67	1.2%	1.66	1.74	4.8%

Source: First Berlin Equity Research, ABO Wind AG

**Buy rating confirmed at a slightly higher price target** An updated DCF model yields a new price target of €22.00 (previously: €21.50). The stock remains attractive with a 2020E P/E ratio of 8x and an EV/EBIT of 7x. We confirm our Buy recommendation. The share price upside potential is 56%.



## VALUATION MODEL

DCF valuation model									
All figures in EUR '000									
	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	
Net sales	148,100	173,252	184,687	196,138	207,549	218,832	229,893	240,636	
<b>NOPLAT</b>	<b>11,667</b>	<b>15,934</b>	<b>16,959</b>	<b>17,961</b>	<b>18,838</b>	<b>19,731</b>	<b>20,649</b>	<b>21,476</b>	
+ depreciation & amortisation	1,811	1,991	2,269	2,566	2,765	3,008	3,249	3,474	
Net operating cash flow	13,478	17,926	19,229	20,527	21,603	22,738	23,898	24,950	
- total investments (CAPEX and WC)	5,819	-15,542	-8,522	-9,680	-9,245	-9,345	-9,390	-9,378	
Capital expenditures	-2,222	-2,945	-3,324	-3,334	-3,491	-3,641	-3,783	-3,916	
Working capital	8,041	-12,597	-5,198	-6,346	-5,754	-5,704	-5,607	-5,462	
Free cash flows (FCF)	19,298	2,383	10,707	10,847	12,358	13,394	14,508	15,573	
<b>PV of FCF's</b>	<b>18,459</b>	<b>2,102</b>	<b>8,709</b>	<b>8,138</b>	<b>8,552</b>	<b>8,546</b>	<b>8,538</b>	<b>8,452</b>	

All figures in thousands	
PV of FCFs in explicit period (2019E-2033E)	124,617
PV of FCFs in terminal period	102,470
Enterprise value (EV)	227,087
+ Net cash / - net debt	-43,164
+ Investments / minority interests	39
Shareholder value	183,962

Fair value per share in EUR	22.00
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WACC		Terminal growth rate							
		0.5%	1.0%	1.5%	2.0%	2.5%	3.0%	3.5%	
Cost of equity	13.0%	4.4%	52.35	56.64	62.39	70.51	82.85	103.85	147.55
Pre-tax cost of debt	5.5%	5.4%	39.37	41.50	44.18	47.63	52.27	58.81	68.76
Tax rate	30.0%	6.4%	30.89	32.05	33.44	35.15	37.30	40.07	43.78
After-tax cost of debt	3.9%	7.4%	24.95	25.61	26.39	27.32	28.43	29.79	31.50
Share of equity capital	50.0%	8.4%	20.57	20.97	21.43	<b>21.96</b>	22.57	23.30	24.18
Share of debt capital	50.0%	9.4%	17.23	17.48	17.75	18.06	18.42	18.84	19.32
		10.4%	14.61	14.76	14.93	15.12	15.33	15.57	15.85
Fair value per share in EUR	22.00	11.4%	12.50	12.60	12.70	12.82	12.95	13.09	13.25

\* for layout purposes the model shows numbers only to 2026, but runs until 2033



## INCOME STATEMENT

All figures in EUR '000	2016A	2017A	2018A	2019E	2020E	2021E
<b>Revenues</b>	<b>122,292</b>	<b>146,786</b>	<b>150,264</b>	<b>148,100</b>	<b>173,252</b>	<b>184,687</b>
Changes in inventory	22,320	29,468	-619	26,214	30,319	31,951
Own work	0	0	256	0	0	0
<b>Total output</b>	<b>144,612</b>	<b>176,254</b>	<b>149,901</b>	<b>174,314</b>	<b>203,571</b>	<b>216,638</b>
Cost of goods sold	76,198	99,298	70,684	96,709	118,418	126,788
<b>Gross profit</b>	<b>46,094</b>	<b>47,488</b>	<b>79,580</b>	<b>51,391</b>	<b>54,834</b>	<b>57,899</b>
Personnel costs	27,095	32,039	36,305	38,050	40,000	42,028
Other operating income	2,495	3,750	2,973	2,518	2,945	2,955
Other operating expenses	9,392	10,926	13,465	14,200	14,500	15,144
<b>EBITDA</b>	<b>34,421</b>	<b>37,741</b>	<b>32,420</b>	<b>27,872</b>	<b>33,599</b>	<b>35,633</b>
Depreciation and amortisation	1,575	1,449	1,438	1,811	1,991	2,269
Depreciation of current assets	8,957	11,328	8,766	9,204	9,665	10,148
<b>Operating income (EBIT)</b>	<b>23,889</b>	<b>24,964</b>	<b>22,216</b>	<b>16,857</b>	<b>21,943</b>	<b>23,216</b>
Net financial result	-1,535	-1,489	-918	-1,594	-1,915	-2,361
<b>Pre-tax income (EBT)</b>	<b>22,354</b>	<b>23,475</b>	<b>21,298</b>	<b>15,263</b>	<b>20,027</b>	<b>20,855</b>
Income taxes	5,810	6,455	8,537	5,189	6,008	6,257
Minority interests	-24	-9	-17	0	0	0
<b>Net income / loss</b>	<b>16,519</b>	<b>17,011</b>	<b>12,745</b>	<b>10,073</b>	<b>14,019</b>	<b>14,599</b>
<b>Diluted EPS (in €)</b>	<b>2.16</b>	<b>2.22</b>	<b>1.67</b>	<b>1.30</b>	<b>1.67</b>	<b>1.74</b>
<b>Ratios</b>						
Gross margin on total output	31.9%	26.9%	53.1%	29.5%	26.9%	26.7%
Gross margin on revenues	37.7%	32.4%	53.0%	34.7%	31.7%	31.4%
EBITDA margin on revenues	28.1%	25.7%	21.6%	18.8%	19.4%	19.3%
EBIT margin on revenues	19.5%	17.0%	14.8%	11.4%	12.7%	12.6%
EBT margin on revenues	18.3%	16.0%	14.2%	10.3%	11.6%	11.3%
Net margin on revenues	13.5%	11.6%	8.5%	6.8%	8.1%	7.9%
Tax rate	26.0%	27.5%	40.1%	34.0%	30.0%	30.0%
<b>Expenses as % of revenues</b>						
Personnel costs	22.2%	21.8%	24.2%	25.7%	23.1%	22.8%
Depreciation and amortisation	1.3%	1.0%	1.0%	1.2%	1.1%	1.2%
Depreciation of current assets	7.3%	7.7%	5.8%	6.2%	5.6%	5.5%
Other operating expenses	7.7%	7.4%	9.0%	9.6%	8.4%	8.2%
<b>Y-Y Growth</b>						
Revenues	52.4%	20.0%	2.4%	-1.4%	17.0%	6.6%
Operating income	68.8%	4.5%	-11.0%	-24.1%	30.2%	5.8%
Net income/ loss	112.5%	3.0%	-25.1%	-21.0%	39.2%	4.1%



## BALANCE SHEET

All figures in EUR '000	2016A	2017A	2018A	2019E	2020E	2021E
<b>Assets</b>						
<b>Current assets, total</b>	<b>136,074</b>	<b>163,462</b>	<b>184,057</b>	<b>201,930</b>	<b>225,582</b>	<b>235,399</b>
Cash and cash equivalents	3,797	32,335	4,517	28,166	37,869	44,235
Short-term investments	7,270	12,500	18,747	18,747	18,747	18,747
Receivables	17,278	24,387	20,231	22,316	28,480	30,360
Inventories	45,883	48,822	71,451	63,590	71,375	72,946
Other current assets	60,181	43,700	67,694	67,694	67,694	67,694
<b>Non-current assets, total</b>	<b>10,478</b>	<b>10,487</b>	<b>9,985</b>	<b>10,395</b>	<b>11,349</b>	<b>12,404</b>
Property, plant & equipment	4,782	4,627	4,553	4,759	5,679	6,859
Goodwill & other intangibles	273	293	894	1,098	1,132	1,007
Financial assets	5,424	5,567	4,538	4,538	4,538	4,538
Other assets	0	0	33	33	33	33
<b>Total assets</b>	<b>146,552</b>	<b>173,949</b>	<b>194,042</b>	<b>212,325</b>	<b>236,931</b>	<b>247,803</b>
<b>Shareholders' equity &amp; debt</b>						
<b>Current liabilities, total</b>	<b>36,271</b>	<b>42,615</b>	<b>43,848</b>	<b>49,322</b>	<b>58,389</b>	<b>66,831</b>
Short-term debt	4,346	1,125	844	4,000	11,447	21,636
Accounts payable	6,864	9,914	10,983	13,248	14,599	12,852
Current provisions	16,151	23,881	21,014	21,014	21,014	21,014
Other current liabilities	8,909	7,695	11,007	11,060	11,329	11,329
<b>Long-term liabilities, total</b>	<b>43,544</b>	<b>51,780</b>	<b>61,219</b>	<b>55,719</b>	<b>60,772</b>	<b>52,136</b>
Long-term debt	28,937	37,410	46,837	41,337	46,390	37,754
Deferred revenue	0	0	0	0	0	0
Other liabilities	14,606	14,370	14,382	14,382	14,382	14,382
<b>Minority interests</b>	<b>32</b>	<b>42</b>	<b>39</b>	<b>39</b>	<b>39</b>	<b>39</b>
<b>Shareholders' equity</b>	<b>66,706</b>	<b>79,512</b>	<b>88,937</b>	<b>107,245</b>	<b>117,731</b>	<b>128,797</b>
Share capital	7,646	7,646	7,646	8,413	8,413	8,413
Capital reserve	13,542	13,542	13,542	24,275	24,275	24,275
Other reserves	0	0	0	0	0	0
Loss carryforward / retained earnings	45,529	58,553	68,016	74,824	85,310	96,376
<b>Total consolidated equity and debt</b>	<b>146,552</b>	<b>173,949</b>	<b>194,042</b>	<b>212,325</b>	<b>236,931</b>	<b>247,803</b>
<b>Ratios</b>						
Current ratio (x)	3.75	3.84	4.20	4.09	3.86	3.52
Quick ratio (x)	2.49	2.69	2.57	2.80	2.64	2.43
Net debt	29,486	6,200	43,164	17,171	19,968	15,155
Net gearing	44.2%	7.8%	48.5%	16.0%	17.0%	11.8%
Book value per share (in €)	8.72	10.40	11.63	13.80	13.99	15.31
Return on equity (ROE)	24.8%	21.4%	14.3%	9.4%	11.9%	11.3%
Return on Assets (ROA)	12.5%	10.8%	7.5%	5.6%	6.8%	7.0%
Return on Investment (ROI)	11.3%	9.8%	6.6%	4.7%	5.9%	5.9%
Return on average capital employed (ROCE)	27.1%	26.1%	20.6%	13.6%	17.3%	17.0%
Days of sales outstanding (DSO)	51.6	60.6	49.1	55.0	60.0	60.0
Days inventory outstanding	219.8	179.5	369.0	240.0	220.0	210.0
Days in payables (DIP)	32.9	36.4	56.7	50.0	45.0	37.0





## CASH FLOW STATEMENT

All figures in EUR '000	2016A	2017A	2018A	2019E	2020E	2021E
<b>EBIT</b>	<b>23,889</b>	<b>24,964</b>	<b>22,216</b>	<b>16,857</b>	<b>21,943</b>	<b>23,216</b>
Depreciation and amortisation	1,575	1,449	1,438	1,811	1,991	2,269
<b>EBITDA</b>	<b>25,464</b>	<b>26,413</b>	<b>23,654</b>	<b>18,668</b>	<b>23,934</b>	<b>25,485</b>
Changes in working capital	-27,327	2,817	-39,067	8,041	-12,597	-5,198
Other adjustments	-1,527	2,216	-12,697	-5,189	-6,008	-6,257
<b>Operating cash flow</b>	<b>-3,390</b>	<b>31,446</b>	<b>-28,110</b>	<b>21,519</b>	<b>5,329</b>	<b>14,031</b>
Investments in PP&E	-2,279	-1,257	-1,393	-1,481	-2,252	-2,770
Investments in intangibles	-145	-213	-782	-741	-693	-554
<b>Free cash flow</b>	<b>-5,814</b>	<b>29,976</b>	<b>-30,285</b>	<b>19,298</b>	<b>2,383</b>	<b>10,707</b>
Acquisitions & disposals, net	340	169	179	0	0	0
Other investments	-377	4	-1,246	0	0	0
<b>Investment cash flow</b>	<b>-2,461</b>	<b>-1,297</b>	<b>-3,242</b>	<b>-2,222</b>	<b>-2,945</b>	<b>-3,324</b>
Debt financing, net	2,069	4,130	9,120	-2,344	12,500	1,553
Equity financing, net	0	0	0	11,500	0	0
Dividends paid	-1,911	-3,823	-3,058	-3,211	-3,265	-3,533
Other financing	-1,766	-1,816	-2,389	-1,594	-1,915	-2,361
<b>Financing cash flow</b>	<b>-1,609</b>	<b>-1,508</b>	<b>3,672</b>	<b>4,351</b>	<b>7,320</b>	<b>-4,340</b>
FOREX & other effects	-16	-103	-138	0	0	0
<b>Net cash flows</b>	<b>-7,475</b>	<b>28,538</b>	<b>-27,818</b>	<b>23,649</b>	<b>9,703</b>	<b>6,366</b>
Cash, start of the year	9,505	3,797	32,335	4,517	28,166	37,869
<b>Cash, end of the year</b>	<b>2,030</b>	<b>32,335</b>	<b>4,517</b>	<b>28,166</b>	<b>37,869</b>	<b>44,235</b>
<b>EBITDA/share (in €)</b>	<b>4.50</b>	<b>4.94</b>	<b>4.24</b>	<b>3.59</b>	<b>3.99</b>	<b>4.24</b>
<b>Y-Y Growth</b>						
Operating cash flow	n.m.	n.m.	n.m.	n.m.	-75.2%	163.3%
Free cash flow	n.m.	n.m.	n.m.	n.m.	-87.6%	349.2%
Financial Cashflow	n.m.	n.m.	n.m.	18.5%	68.2%	n.m.
EBITDA/share	71.2%	9.6%	-14.1%	-15.4%	11.4%	6.1%

**FIRST BERLIN RECOMMENDATION & PRICE TARGET HISTORY**

Report No.:	Date of publication	Previous day closing price	Recommendation	Price target
Initial Report	12 April 2017	€7.80	BUY	€14.00
2...9	↓	↓	↓	↓
10	9 October 2018	€13.90	BUY	€20.00
11	3 December 2018	€13.90	BUY	€20.50
12	20 February 2019	€14.80	BUY	€21.50
13	Today	€14.10	BUY	€22.00

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Category		1	2
Current market capitalisation (in €)		0 - 2 billion	> 2 billion
Strong Buy <sup>1</sup>	An expected favourable price trend of:	> 50%	> 30%
Buy	An expected favourable price trend of:	> 25%	> 15%
Add	An expected favourable price trend of:	0% to 25%	0% to 15%
Reduce	An expected negative price trend of:	0% to -15%	0% to -10%
Sell	An expected negative price trend of:	< -15%	< -10%

<sup>1</sup> The expected price trend is in combination with sizable confidence in the quality and forecast security of management.

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