

# ABO Wind AG

Deutschland / Cleantech

Börse Hamburg

Bloomberg: AB9 GR

ISIN: DE0005760029

2019 Annual Report

## RATING

### PRICE TARGET

Return Potential

Risk Rating

## BUY

€ 30.00

44.2%

High

## PROFITABLE GROWTH ALSO DURING RECESSION

ABO Wind published its annual report. The net profit was €11.4m and matched the preliminary number. The company exceeded guidance and our forecast of €10m. Despite lower sales, EBIT was higher than expected due to a higher-margin product mix. ABO Wind sold more project rights and fewer turnkey projects. Despite the pandemic and recession, ABO Wind's business continued to develop well into June and we see no signs so far that this will change fundamentally over the next few months. We cannot rule out individual project postponements, but many successful projects in the first half of the year and the well-filled international project pipeline indicate growth even during the crisis. In the current fiscal year, ABO Wind is guiding towards a net profit which is at least as high as the prior year's €11.4m. Our 2020 forecasts are now somewhat more conservative due to lower visibility. An updated DCF model results in a new price target of €30 (previously: €27). We confirm our Buy recommendation.

**Guidance for 2020: net profit ≥€11.4m** In the years 2020-2022, the sale of project rights and portfolios will play an important role. The average annual volume should be at least 150-250 MW. With completed construction services, ABO Wind expects up to 160 MW per year in the same period. Despite largely on-target business development, the company does not rule out pandemic-related project postponements this and next year. With regard to total output, ABO Wind expects - under the "Corona reservation" - a value at least at the level of the two previous years. If the key players in the wind and solar sector quickly return to a largely normal way of working, a significant increase in overall performance is also possible. With regard to the net result, management assumes that it will at least match the level of the previous year.

(p.t.o.)

## FINANCIAL HISTORY & PROJECTIONS

	2017	2018	2019	2020E	2021E	2022E
Revenue (€m)	146.79	150.26	126.27	163.25	190.33	228.39
Y-o-y growth	20.0%	2.4%	-16.0%	29.3%	16.6%	20.0%
EBIT (€m)	24.96	22.22	19.64	21.30	26.60	30.93
EBIT margin	17.0%	14.8%	15.6%	13.0%	14.0%	13.5%
Net income (€m)	17.01	12.74	11.40	13.17	16.48	19.42
EPS (diluted) (€)	2.22	1.67	1.48	1.56	1.95	2.29
DPS (€)	0.40	0.42	0.42	0.42	0.45	0.46
FCF (€m)	29.98	-30.29	-24.42	0.95	6.77	0.34
Net gearing	7.8%	48.5%	63.0%	52.6%	47.5%	47.0%
Liquid assets (€m)	32.34	4.52	9.65	18.73	22.45	21.15

## 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 3,400 MW since its establishment in 1996. The company also offers the management of wind farms, solar and biogas plants. ABO Wind has ca. 640 employees. Its headquarters are in Wiesbaden, Germany.

## MARKET DATA

As of 19 Jun 2020

Closing Price	€ 20.80
Shares outstanding	8.47m
Market Capitalisation	€ 176.19m
52-week Range	€ 13.80 / 21.80
Avg. Volume (12 Months)	2,984

Multiples	2019	2020E	2021E
P/E	15.5	13.4	10.7
EV/Sales	1.9	1.5	1.3
EV/EBIT	12.3	11.3	9.1
Div. Yield	2.0%	2.0%	2.2%

## STOCK OVERVIEW



## COMPANY DATA

As of 31 Dec 2019

Liquid Assets	€ 9.65m
Current Assets	€ 230.56m
Intangible Assets	€ 1.30m
Total Assets	€ 242.56m
Current Liabilities	€ 68.01m
Shareholders' Equity	€ 103.58m

## SHAREHOLDERS

Familie Ahn	28.0%
Familie Bockholt	28.0%
Mainova	10.0%
Free Float	34.0%



**Solid numbers thanks to strong sale of project rights** ABO Wind generated sales of €126m. Sales are 16% below the previous year's value and 15% below our forecast. The main reason for this is a significantly changed product mix. ABO Wind sold fewer turnkey plants and more project rights. The latter achieve a significantly lower turnover per MW, but a much higher net margin. The total output of €149m was at the previous year's level thanks to strong increases in inventories of (un)finished products in the amount of €22.8m, which are to be sold partly in the current year.

The changed product mix led to an absolute and relative reduction in material costs. These fell from just under €71m to around €67m. The material cost ratio (material costs / total output) fell from 47% to 45%.

Personnel costs rose by 11% to €41.4m. In addition to the expansion in personnel, a special payment to employees also contributed to this. The relatively high personnel costs can be explained by the fact that ABO Wind covers many topics by in-house departments that are outsourced in other companies. This includes topics such as grid connection, site assessment and species protection and enables the company to make good estimates of how promising a project development is. Furthermore, the company is able to communicate on a professional level with external experts or grid operators.

Other operating expenses rose by 27% to €13.5m. They include non-period expenses of €2.2m, which mainly result from bad debt.

EBITDA amounted to €27.6m after €32.4m in the previous year (-15% y/y). Depreciation on property, plant and equipment and intangible assets increased only slightly to €1.5m, but depreciation on current assets fell significantly from €8.8m to €6.5m. As a result, EBIT was only 12% below the previous year's value at €19.6m. Lower tax expenses (€6.7m versus €8.5m in the past year) resulted in a nearly 11% lower annual net result of €11.4m.

**Figure 1: Reported figures versus forecasts**

All figures in €m	2019A	2019E	Delta	2018A	Delta
Sales	126.27	148.10	-14.7%	150.26	-16.0%
EBIT	19.64	16.86	16.5%	22.22	-11.6%
margin	15.6%	11.4%		14.8%	
Net income	11.40	10.07	13.2%	12.75	-10.5%
margin	9.0%	6.8%		8.5%	
EPS (diluted)	1.48	1.30	13.2%	1.67	-11.4%

Source: First Berlin Equity Research, ABO Wind AG

### **Balance sheet reflects international expansion and investment in the project pipeline**

Inventories rose 12% y/y to €80m, which is largely due to the expansion of the project pipeline. Receivables from affiliated companies went up 49% to €87m. This balance sheet item is traced mainly to construction and project development activity. German and French projects account for approx. €60m, which were either already in operation as of the balance sheet date, are under construction, or are about to begin building. A Greek project under construction with €6.7m and two meanwhile completed Hungarian projects with a total of €4.9m are further significant items included in the receivables from affiliated companies.

The cash position increased from €4.5m to €9.6m. The extensive financial scope of ABO Wind is evident in the unused credit and guarantee lines. At the end of 2019, these amounted to €94.5m. The company complied with all covenants in the reporting period.

Equity rose 16% y/y from €89m to €104m due to the net profit and a small capital increase. Owing to the balance sheet extension by 25% to €243m, the equity ratio fell from ca. 46% to just under 43% and remains at a high level (see figure 2 overleaf). A small capital increase in January 2020 expanded equity by €6.8m.



ABO Wind took on additional loans from the banks to finance the expansion of the project pipeline. Overall, financial debt was €89m, a rise of 87% over the previous year. Net debt rose by 84% to €79m. Despite the significant expansion in financial debt, the balance sheet remains solid. In view of the very low lending rates and the high equity ratio, stronger loan financing is certainly admissible.

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

in €m	2019A	2018A	Delta
<b>Non-current assets</b>	<b>10.1</b>	<b>10.0</b>	<b>2%</b>
Inventories	80.2	71.5	12%
Trade receivables	20.7	20.2	2%
Receivables from affiliated companies	87.1	58.4	49%
Securities	17.7	18.7	-6%
Liquid funds	9.6	4.5	114%
<b>Current assets</b>	<b>230.6</b>	<b>182.5</b>	<b>26%</b>
Equity	103.6	89.0	16%
<i>Equity ratio</i>	<i>42.7%</i>	<i>45.9%</i>	<i>-3.2 PP</i>
Mezzanine capital	14.4	14.4	0%
Provisions	24.6	21.0	17%
Financial debt, long-term	69.7	46.8	49%
Financial debt, short-term	19.4	0.8	2194%
Total financial debt	89.1	47.7	87%
Net debt	79.4	43.2	84%
<i>Net gearing (Net debt/equity in %)</i>	<i>76.7%</i>	<i>48.5%</i>	<i>+28.2 PP</i>
Trade payables	10.4	11.0	-5%
<b>Balance sheet total</b>	<b>242.6</b>	<b>194.0</b>	<b>25%</b>

Source: First Berlin Equity Research, ABO Wind AG

**Pipeline expansion and construction activity visible in cash outflow from operating activities** The operating cash flow amounted to €-21.8m and is mainly attributable to higher inventories and receivables from realised projects for which payment will be made in 2020. Slightly higher investments (€2.6m) resulted in free cash flow of €-24.4m. The financing cash flow of €29.2m mainly reflects the net borrowing from loans and bonds. The net cash flow was €5.1m.

**Figure 3: Cash flow statement**

in €m	2019A	2018A
Operating cash flow	-21.80	-28.11
CAPEX	-2.63	-2.18
Free cash flow	-24.42	-30.29
Cash flow from investing	-2.25	-3.24
Cash flow from financing	29.16	3.67
Net cash flow	5.13	-27.82

Source: First Berlin Equity Research, ABO Wind AG

**Outstanding sales contribution from planning & rights sales can only partially compensate for lower construction revenues** Sales in the Planning & Rights Sales segment rose by 151% to €86.1m. At the same time, revenues in the construction segment fell by 72% to €29.6m. Service revenues increased slightly by 3% to €10.7m. Overall, sales decreased by 16% to €126.3m (see figure 4 overleaf).



The sharp rise in the contribution from the Planning & Rights Sales segment is due to very extensive sales of project rights. In Spain alone, ABO Wind sold project rights for wind and solar projects with an output of 707 MW. A total of project rights and portfolios with a combined total output of 983 MW were sold. In the previous year, project rights & portfolios with a total output of 350 MW were sold.

The significantly lower contribution from the Construction segment is the result of weaker construction activity. In 2019, wind farms and solar plants with an overall output of only 46 MW were built. In the previous year, the construction of wind farms with a total output of 104 MW was completed.

The service segment was a stable pillar of the business model. ABO Wind currently monitors and supports wind farms and solar parks with more than 1,700 MW in nine countries. At the end of 2019, 495 wind turbines with a total capacity of 1,236 MW were in operation, distributed among Germany (879 MW), France (177 MW), Finland (97 MW) and Ireland (83 MW). Around 100 wind turbines are supported in the service, from pure maintenance to a full maintenance contract. The solar business segment services six plants, three of them in Germany and one each in Greece, Hungary and Iran.

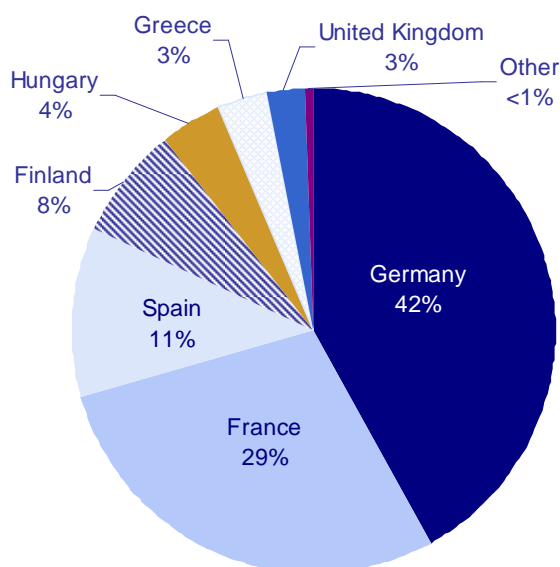
**Figure 4: Segment sales split**

Segment sales in €m	2019A	2018A	Delta
Construction	29.6	105.7	-72%
Planning & Rights' Sales	86.1	34.3	151%
Services	10.7	10.4	3%
<b>Total sales</b>	<b>126.3</b>	<b>150.3</b>	<b>-16%</b>

Source: First Berlin Equity Research, ABO Wind AG

**Foreign countries generate 58% of revenue** The regional sales mix shows the increasing internationalisation of the company (see figure 5 overleaf). Germany contributed only 42% to total sales after nearly 48% in the previous year. The number of national markets contributing to sales rose year-on-year from seven to ten, even though the contributions from Tunisia, Ireland and Argentina were very small and are therefore summarised in the figure under "Other".

Internationalisation has significantly reduced the dependency on individual markets. This is important because the project planning business is volatile and the likelihood of project success in individual countries is subject to changes in regulation or macroeconomic trends. Due to the increasing internationalisation (and the entry into the solar business), ABO Wind has been able to smooth fluctuations over the past few years and to guarantee a continuity of success that is quite atypical for the project planning business.

**Figure 5: Regional sales split**

Source: First Berlin Equity Research, ABO Wind AG

**Very strong new business** In 2019, ABO Wind acquired new projects in Europe with a planned capacity of over two gigawatts. Outside Europe, projects with over five gigawatts were secured. New business in 2019 is 70% wind and 30% solar.

**Risk-adjusted project pipeline at approx. 10 GW** In the case of wind power and solar projects in development, the project pipeline weighted with implementation probabilities as of 31 December 2019 comprised around 10 GW: around 1 GW each in Germany, France, Spain and Greece; Argentina, Finland and South Africa each with at least 1.5 GW and around 1.5 GW combined in the other countries. Figure 6 shows the non-risk-adjusted project pipeline itemised by country.

**Figure 6: Project pipeline per country, not risk-adjusted**

Country	Phase I	Phase II	Phase III	Sum
Germany	1,060	30	50	1,140
France	1,200	50	50	1,300
Finland	1,900	160		2,060
Ireland	180	45		225
Spain	800	600		1,400
Greece	700		38	738
Poland		40		40
Hungary				0
Great Britain	200	20		220
Argentina	800	800		1,600
Colombia	400			400
Canada	500			500
South Africa	1,400	600		2,000
Tanzania	300			300
Tunisia	80	50		130
<b>Sum</b>	<b>9,520</b>	<b>2,395</b>	<b>138</b>	<b>12,053</b>

Source: First Berlin Equity Research, ABO Wind AG



**Successes in the tenders in December 2019 and February 2020** ABO Wind was awarded the Wenzelstein (10 MW) and the Görzig projects (13.5 MW) in the December 2019 onshore wind tender. The latter project had already been sold to Trianel, though ABO Wind continues to work on its development. In the February tender, ABO Wind was awarded the Spreeau (25 MW) and Einöllen (16 MW) projects. This means that ABO Wind can work on the construction of four projects with a total output of approx. 65 MW. In view of the high average awarded prices close to the maximum price of 6.20 €/kWh, we assume that ABO Wind also received awards at high prices, and that the projects will thus generate very attractive margins.

**Successful sales in France and Northern Ireland** At the beginning of June, ABO Wind announced the sale of three French wind farms under construction with a total capacity of almost 22 MW and project rights to a ready-to-build 20 MW Northern Irish wind farm. Another closure is imminent in France. In total, the five projects have an investment volume of more than €100m.

We consider it a very positive sign that wind farm construction is proceeding smoothly despite the difficult environment caused by the pandemic and recession. The supply chains are proving to be stable and progress on the construction sites is on schedule despite strict distancing and hygiene rules. Therefore, commissioning of the wind farms should take place between autumn 2020 and spring 2021, as planned.

**Improved regulation gives hope for increasing new installations in Germany next year**

In May, the government coalition agreed on new distance rules for onshore wind turbines. Instead of the previously considered general 1,000 meter to residential buildings distance, a state opening clause is now to be introduced in the building code. The prevailing distance rules in the federal states are sometimes significantly below the general 1,000 meter rule. The Federal Government also wants to speed up the planning and approval processes. Significantly slower approval procedures had massively reduced the expansion of onshore wind farms in the past two years. After 5.3 GW in 2017, new installations fell to 2.4 GW in 2018 and 1.1 GW last year.

**Share more attractive through inclusion in trading on the Munich Stock Exchange and XETRA**

The ABO Wind share has been trading in the m:access segment of the Munich Stock Exchange since 26 March, and on XETRA since April. This significantly facilitates the tradability of the share, which has only been listed on the open market of the Hamburg Stock Exchange in recent years. As a result, ABO Wind is now subject to higher transparency requirements such as the ad hoc reporting requirement. The higher transparency increases the attractiveness of the share for institutional investors.

**2020E estimates somewhat more conservative**

Despite the pandemic and recession, we expect ABO Wind to grow profitably in 2020. In the course of the year, pandemic- and recession-related project and thus sales and earnings shifts can occur. Based on the previously reported project sales and the overall good project progress to date, we forecast a higher net profit for 2020 compared to the previous year, but have tamped down our estimate to be more conservative and take the lower visibility into account. In view of the very well filled project pipeline, we have raised our estimates for the following years. For 2021E, we assume that a higher proportion of sales of project rights will result in a higher gross margin. The increase of our 2022E revenue forecast is based on our assumption that more turnkey projects will be completed.



Figure 7: Revisions to forecasts

All figures in €m	2020E			2021E			2022E		
	Old	New	Delta	Old	New	Delta	Old	New	Delta
Sales	173.25	163.25	-5.8%	190.33	190.33	0.0%	202.13	228.39	13.0%
EBIT	21.94	21.30	-2.9%	25.05	26.60	6.2%	25.05	26.60	6.2%
<i>margin</i>	12.7%	13.0%		13.2%	14.0%		12.4%	11.6%	
Net income	14.02	13.17	-6.0%	15.89	16.48	3.7%	17.44	19.42	11.4%
<i>margin</i>	8.1%	8.1%		8.3%	8.7%		8.6%	8.5%	
EPS (diluted)	1.66	1.56	-6.0%	1.88	1.95	3.7%	2.06	2.29	11.4%

Source: First Berlin Equity Research

**Buy reiterated with higher price target** The share has completely reversed the pandemic slump and is close to record levels. In view of the good operational development, we continue to see upside potential of more than 25% and therefore confirm our Buy recommendation. An updated DCF model yields a new price target of €30 (previously: €27).



## VALUATION MODEL

DCF valuation model								
All figures in EUR '000								
	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E
Net sales	163,252	190,325	202,125	213,848	225,513	237,035	248,326	259,297
NOPLAT	15,655	19,538	22,326	24,131	25,244	26,326	27,496	28,727
+ depreciation & amortisation	1,679	1,841	2,015	2,287	2,574	2,840	3,088	3,321
Net operating cash flow	17,334	21,379	24,341	26,418	27,818	29,167	30,584	32,048
- total investments (CAPEX and WC)	-16,385	-14,612	-6,743	-10,327	-9,624	-9,610	-9,541	-9,414
Capital expenditures	-2,775	-3,140	-3,234	-3,422	-3,588	-3,749	-3,905	-4,054
Working capital	-13,610	-11,472	-3,509	-6,905	-6,037	-5,861	-5,635	-5,360
Free cash flows (FCF)	949	6,767	17,597	16,091	18,194	19,556	21,044	22,634
<b>PV of FCF's</b>	<b>909</b>	<b>6,000</b>	<b>14,439</b>	<b>12,220</b>	<b>12,785</b>	<b>12,718</b>	<b>12,666</b>	<b>12,608</b>

All figures in thousands	
PV of FCFs in explicit period (2020E-2034E)	160,735
PV of FCFs in terminal period	151,588
Enterprise value (EV)	312,323
+ Net cash / - net debt (pro forma)	-58,361
+ Investments / minority interests	37
Shareholder value	253,999

Fair value per share in EUR	29.98
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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	12.3%	4.1%	74.36	82.43	93.67	110.40	137.91	191.63	343.01
Pre-tax cost of debt	5.5%	5.1%	54.57	58.55	63.65	70.43	79.86	93.89	116.98
Tax rate	30.0%	6.1%	42.03	44.22	46.90	50.24	54.53	60.21	68.13
After-tax cost of debt	3.9%	7.1%	33.41	34.71	36.25	38.09	40.34	43.14	46.73
Share of equity capital	50.0%	8.1%	27.14	27.95	28.89	29.98	31.28	32.82	34.71
Share of debt capital	50.0%	9.1%	22.39	22.92	23.52	24.20	24.99	25.91	26.99
		10.1%	18.69	19.04	19.44	19.88	20.38	20.95	21.61
Fair value per share in EUR	30.00	11.1%	15.72	15.96	16.23	16.52	16.85	17.22	17.64

\* for layout purposes the model shows numbers only to 2027, but runs until 2034





## INCOME STATEMENT

All figures in EUR '000	2017A	2018A	2019A	2020E	2021E	2022E
<b>Revenues</b>	<b>146,786</b>	<b>150,264</b>	<b>126,273</b>	<b>163,252</b>	<b>190,325</b>	<b>228,390</b>
Changes in inventory	29,468	-619	22,752	28,569	32,926	39,511
Own work	0	256	233	0	0	0
<b>Total output</b>	<b>176,254</b>	<b>149,901</b>	<b>149,258</b>	<b>191,821</b>	<b>223,251</b>	<b>267,901</b>
Cost of goods sold	99,298	70,684	66,582	102,849	125,615	159,873
<b>Gross profit</b>	<b>47,488</b>	<b>79,580</b>	<b>59,691</b>	<b>60,403</b>	<b>64,711</b>	<b>68,517</b>
Personnel costs	32,039	36,305	41,361	43,400	45,310	48,045
Other operating income	3,750	2,973	3,451	2,775	3,045	3,654
Other operating expenses	10,926	13,465	17,143	17,000	18,144	21,469
<b>EBITDA</b>	<b>37,741</b>	<b>32,420</b>	<b>27,623</b>	<b>31,348</b>	<b>37,228</b>	<b>42,169</b>
Depreciation and amortisation	1,449	1,438	1,542	1,679	1,841	2,015
Depreciation of current assets	11,328	8,766	6,437	8,368	8,787	9,226
<b>Operating income (EBIT)</b>	<b>24,964</b>	<b>22,216</b>	<b>19,644</b>	<b>21,301</b>	<b>26,601</b>	<b>30,928</b>
Net financial result	-1,489	-918	-1,570	-2,481	-3,060	-3,181
<b>Pre-tax income (EBT)</b>	<b>23,475</b>	<b>21,298</b>	<b>18,074</b>	<b>18,820</b>	<b>23,540</b>	<b>27,747</b>
Income taxes	6,455	8,537	6,668	5,646	7,062	8,324
Minority interests	-9	-17	-4	0	0	0
<b>Net income / loss</b>	<b>17,011</b>	<b>12,745</b>	<b>11,402</b>	<b>13,174</b>	<b>16,478</b>	<b>19,423</b>
<b>Diluted EPS (in €)</b>	<b>2.22</b>	<b>1.67</b>	<b>1.48</b>	<b>1.56</b>	<b>1.95</b>	<b>2.29</b>
<b>Ratios</b>						
Gross margin on total output	26.9%	53.1%	40.0%	31.5%	29.0%	25.6%
Gross margin on revenues	32.4%	53.0%	47.3%	37.0%	34.0%	30.0%
EBITDA margin on revenues	25.7%	21.6%	21.9%	19.2%	19.6%	18.5%
EBIT margin on revenues	17.0%	14.8%	15.6%	13.0%	14.0%	13.5%
EBT margin on revenues	16.0%	14.2%	14.3%	11.5%	12.4%	12.1%
Net margin on revenues	11.6%	8.5%	9.0%	8.1%	8.7%	8.5%
Tax rate	27.5%	40.1%	36.9%	30.0%	30.0%	30.0%
<b>Expenses as % of revenues</b>						
Personnel costs	21.8%	24.2%	32.8%	26.6%	23.8%	21.0%
Depreciation and amortisation	1.0%	1.0%	1.2%	1.0%	1.0%	0.9%
Depreciation of current assets	7.7%	5.8%	5.1%	5.1%	4.6%	4.0%
Other operating expenses	7.4%	9.0%	13.6%	10.4%	9.5%	9.4%
<b>Y-Y Growth</b>						
Revenues	20.0%	2.4%	-16.0%	29.3%	16.6%	20.0%
Operating income	4.5%	-11.0%	-11.6%	8.4%	24.9%	16.3%
Net income/ loss	3.0%	-25.1%	-10.5%	15.5%	25.1%	17.9%



## BALANCE SHEET

All figures in EUR '000	2017A	2018A	2019A	2020E	2021E	2022E
<b>Assets</b>						
<b>Current assets, total</b>	<b>163,462</b>	<b>184,057</b>	<b>232,427</b>	<b>256,010</b>	<b>273,693</b>	<b>297,011</b>
Cash and cash equivalents	32,335	4,517	9,648	18,730	22,447	21,153
Short-term investments	12,500	18,747	17,665	17,665	17,665	17,665
Receivables	24,387	20,231	20,678	22,363	26,072	31,286
Inventories	48,822	71,451	80,171	92,987	103,245	122,642
Other current assets	43,700	67,694	102,749	102,749	102,749	102,749
<b>Non-current assets, total</b>	<b>10,487</b>	<b>9,985</b>	<b>10,132</b>	<b>11,229</b>	<b>12,528</b>	<b>13,939</b>
Property, plant & equipment	4,627	4,553	5,208	5,976	7,016	8,213
Goodwill & other intangibles	293	894	1,298	1,627	1,886	2,100
Financial assets	5,567	4,538	3,626	3,626	3,626	3,626
Other assets	0	33	0	0	0	0
<b>Total assets</b>	<b>173,949</b>	<b>194,042</b>	<b>242,559</b>	<b>267,239</b>	<b>286,222</b>	<b>310,950</b>
<b>Shareholders' equity &amp; debt</b>						
<b>Current liabilities, total</b>	<b>42,615</b>	<b>43,848</b>	<b>69,146</b>	<b>62,425</b>	<b>72,377</b>	<b>82,497</b>
Short-term debt	1,125	844	19,362	11,447	18,636	24,917
Accounts payable	9,914	10,983	10,380	11,271	13,766	17,520
Current provisions	23,881	21,014	24,572	24,572	24,572	24,572
Other current liabilities	7,695	11,007	14,832	15,135	15,403	15,488
<b>Long-term liabilities, total</b>	<b>51,780</b>	<b>61,219</b>	<b>69,837</b>	<b>84,768</b>	<b>81,132</b>	<b>80,215</b>
Long-term debt	37,410	46,837	55,487	70,418	66,782	65,865
Deferred revenue	0	0	0	0	0	0
Other liabilities	14,370	14,382	14,350	14,350	14,350	14,350
<b>Minority interests</b>	<b>42</b>	<b>39</b>	<b>37</b>	<b>37</b>	<b>37</b>	<b>37</b>
<b>Shareholders' equity</b>	<b>79,512</b>	<b>88,937</b>	<b>103,539</b>	<b>120,009</b>	<b>132,675</b>	<b>148,201</b>
Share capital	7,646	7,646	8,071	8,471	8,471	8,471
Capital reserve	13,542	13,542	19,495	25,935	25,935	25,935
Other reserves	0	0	0	0	0	0
Loss carryforward / retained earnings	58,553	68,016	76,213	85,843	98,510	114,036
<b>Total consolidated equity and debt</b>	<b>173,949</b>	<b>194,042</b>	<b>242,559</b>	<b>267,239</b>	<b>286,222</b>	<b>310,950</b>
<b>Ratios</b>						
Current ratio (x)	3.84	4.20	3.36	4.10	3.78	3.60
Quick ratio (x)	2.69	2.57	2.20	2.61	2.35	2.11
Net debt	6,200	43,164	65,201	63,135	62,972	69,629
Net gearing	7.8%	48.5%	63.0%	52.6%	47.5%	47.0%
Book value per share (in €)	10.40	11.63	13.42	14.22	15.66	17.50
Return on equity (ROE)	21.4%	14.3%	11.0%	11.0%	12.4%	13.1%
Return on Assets (ROA)	10.8%	7.5%	5.5%	6.0%	6.9%	7.4%
Return on Investment (ROI)	9.8%	6.6%	4.7%	4.9%	5.8%	6.2%
Return on average capital employed (ROCE)	26.1%	20.6%	13.4%	12.3%	14.3%	15.2%
Days of sales outstanding (DSO)	60.6	49.1	59.8	50.0	50.0	50.0
Days inventory outstanding	179.5	369.0	439.5	330.0	300.0	280.0
Days in payables (DIP)	36.4	56.7	56.9	40.0	40.0	40.0



## CASH FLOW STATEMENT

All figures in EUR '000	2017A	2018A	2019A	2020E	2021E	2022E
<b>EBIT</b>	<b>24,964</b>	<b>22,216</b>	<b>19,644</b>	<b>21,301</b>	<b>26,601</b>	<b>30,928</b>
Depreciation and amortisation	1,449	1,438	1,542	1,679	1,841	2,015
<b>EBITDA</b>	<b>26,413</b>	<b>23,654</b>	<b>21,186</b>	<b>22,980</b>	<b>28,441</b>	<b>32,943</b>
Changes in working capital	2,817	-39,067	-37,895	-13,610	-11,472	-20,858
Other adjustments	2,216	-12,697	-5,086	-5,646	-7,062	-8,324
<b>Operating cash flow</b>	<b>31,446</b>	<b>-28,110</b>	<b>-21,795</b>	<b>3,724</b>	<b>9,907</b>	<b>3,762</b>
Investments in PP&E	-1,257	-1,393	-1,965	-2,122	-2,474	-2,741
Investments in intangibles	-213	-782	-661	-653	-666	-685
<b>Free cash flow</b>	<b>29,976</b>	<b>-30,285</b>	<b>-24,421</b>	<b>949</b>	<b>6,767</b>	<b>336</b>
Acquisitions & disposals, net	169	179	91	0	0	0
Other investments	4	-1,246	282	0	0	0
<b>Investment cash flow</b>	<b>-1,297</b>	<b>-3,242</b>	<b>-2,253</b>	<b>-2,775</b>	<b>-3,140</b>	<b>-3,426</b>
Debt financing, net	4,130	9,120	34,323	7,016	3,553	5,364
Equity financing, net	0	0	0	6,840	0	0
Dividends paid	-3,823	-3,058	-3,211	-3,241	-3,544	-3,812
Other financing	-1,816	-2,389	-1,948	-2,481	-3,060	-3,181
<b>Financing cash flow</b>	<b>-1,508</b>	<b>3,672</b>	<b>29,164</b>	<b>8,134</b>	<b>-3,051</b>	<b>-1,630</b>
FOREX & other effects	-103	-138	15	0	0	0
<b>Net cash flows</b>	<b>28,538</b>	<b>-27,818</b>	<b>5,131</b>	<b>9,082</b>	<b>3,716</b>	<b>-1,294</b>
Cash, start of the year	3,797	32,335	4,517	9,648	18,730	22,447
<b>Cash, end of the year</b>	<b>32,335</b>	<b>4,517</b>	<b>9,648</b>	<b>18,730</b>	<b>22,447</b>	<b>21,153</b>
<b>EBITDA/share (in €)</b>	<b>4.94</b>	<b>4.24</b>	<b>3.58</b>	<b>3.72</b>	<b>4.39</b>	<b>4.98</b>
<b>Y-Y Growth</b>						
Operating cash flow	n.m.	n.m.	n.m.	n.m.	166.0%	-62.0%
Free cash flow	n.m.	n.m.	n.m.	n.m.	613.4%	-95.0%
Financial Cashflow	n.m.	n.m.	694.2%	-72.1%	n.m.	n.m.
EBITDA/share	9.6%	-14.1%	-15.6%	3.8%	18.3%	13.3%

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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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Report No.:	Date of publication	Previous day closing price	Recommendation	Price target
Initial Report	12 April 2017	€7.80	BUY	€14.00
2...12	↓	↓	↓	↓
13	13 June 2019	€14.10	BUY	€22.00
14	5 August 2019	€14.40	BUY	€22.00
15	9 October 2019	€15.30	BUY	€22.50
16	3 February 2020	€18.20	BUY	€27.00
17	27 April 2020	€17.40	BUY	€27.00
18	Today	€20.80	BUY	€30.00

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