ABO Wind AG

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

2020 Annual Report

RATING	**BUY**
PRICE TARGET	**€ 63.00**
Return Potential	38.8%
Risk Rating	High

A GOLDEN DECADE FOR WIND, PHOTOVOLTAICS – AND BATTERIES

ABO Wind has published its 2020 annual report which confirmed the preliminary reported net result of €13.1m. The company also achieved considerable growth in sales and EBIT (sales: +18% y/y, EBIT: +14% y/y). ABO Wind can thus look back on a very successful year despite the pandemic and recession. For 2021, the company expects an increase in total output in an almost double-digit percentage range and a net result at least at the previous year's level. In view of the third wave of the pandemic that is building up across Europe, and a vaccination campaign that is slower than expected, we are setting our estimate for 2021 a little more conservatively, as we cannot rule out project delays. However, we continue to expect a significant increase in net earnings (FBe: €14.9m). Our net earnings forecasts for 2022 & 2023 remain largely unchanged. Overall, we see ABO Wind as being very well positioned to grow strongly over the next few years. Equity and debt capital raises have strengthened the balance sheet so that the company can now execute large projects. The project pipeline grew by 4.3 GW last year and now has a volume of nearly 15 GW. ABO Wind is active in 16 countries on four continents and is therefore broadly positioned internationally in order to participate in the expected strong global growth in renewable energy. We have updated and rolled forward our DCF model by a year and now see fair value of the share at €63 (previously: €55). We confirm our Buy recommendation.

Strong growth despite pandemic ABO Wind's sales increased by 18% to €149m (FBe: €163m). The main drivers of the sales increase were Greece and Ireland. Total output increased by a good 13% to €169m. The gross margin on total output rose from 55.4% to 57.1%, despite a significantly higher sales share for the Construction segment, which is normally lower-margin compared to the sale of rights. This is an indication of how profitable construction currently is. EBIT amounted to €22.5m (+14% y/y) and exceeded our forecast of €21.2m by €1.3m or 6%. (p.t.o.)

FINANCIAL HISTORY & PROJECTIONS

	2018	2019	2020	2021E	2022E	2023E
Revenue (€ m)	150.26	126.27	149.16	169.10	228.39	262.65
Y-o-y growth	2.4%	-16.0%	18.1%	13.4%	35.1%	15.0%
EBIT (€ m)	22.22	19.64	22.46	24.36	30.93	36.35
EBIT margin	14.8%	15.6%	15.1%	14.4%	13.5%	13.8%
Net income (€ m)	12.74	11.40	13.12	14.93	19.36	23.35
EPS (diluted) (€)	1.67	1.48	1.54	1.62	2.10	2.53
DPS (€)	0.42	0.42	0.45	0.45	0.46	1.46
FCF (€m)	-30.29	-24.42	40.53	19.49	-26.54	5.66
Net gearing	48.5%	63.0%	5.3%	-3.8%	16.7%	16.7%
Liquid assets (€ m)	4.52	9.65	52.80	87.47	64.27	61.78

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 3,600 MW since its establishment in 1996. The company also offers the management of wind farms, solar and biogas plants. ABO Wind has ca. 730 employees. Its headquarters are in Wiesbaden, Germany.

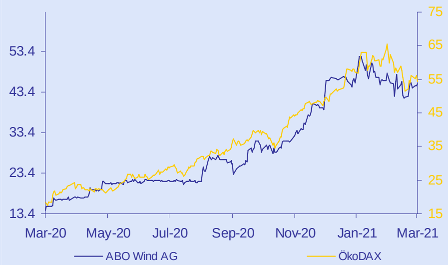
MARKET DATA

As of 17 Mar 2021

Closing Price	€ 45.40
Shares outstanding	9.22m
Market Capitalisation	€ 418.63m
52-week Range	€ 14.20 / 52.00
Avg. Volume (12 Months)	3,110

Multiples	2020	2021E	2022E
P/E	31.9	28.0	21.6
EV/Sales	2.9	2.5	1.9
EV/EBIT	19.0	17.5	13.8
Div. Yield	1.0%	1.0%	1.0%

STOCK OVERVIEW



COMPANY DATA

As of 31 Dec 2020

Liquid Assets	€ 52.80m
Current Assets	€ 234.90m
Intangible Assets	€ 1.12m
Total Assets	€ 249.26m
Current Liabilities	€ 44.70m
Shareholders' Equity	€ 140.12m

SHAREHOLDERS

Familie Ahn	26.0%
Familie Bockholt	26.0%
Mainova	10.0%
Free Float	38.0%

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Higher expenses (personnel: €50.8m versus €41.4m in 2019, +23% y/y; depreciation on unrealised projects: €10.7m versus €6.9m in 2019, +55% y/y) were more than offset by the high gross profit and high other operating income (€6.4m versus €3.5m in 2019). Other operating income included income from other accounting of €3.5m, mainly from the reversal of provisions and reimbursements. The preliminary reported net result of €13.1m was confirmed. Net profit increased by 15% y/y (see figure 1). Despite capital raises which increased the number of shares from an average of 7.7m in the previous year to an average of 8.5m, earnings per share rose by 4% to €1.54.

Figure 1: Reported figures versus forecasts

All figures in €m	2020A	2020E	Delta	2019A	Delta
Sales	149.16	163.25	-8.6%	126.27	18.1%
EBIT	22.46	21.20	5.9%	19.64	14.3%
margin	*15.1%*	*13.0%*		*15.6%*	
Net income	13.12	13.10	0.2%	11.40	15.1%
margin	*8.8%*	*8.0%*		*9.0%*	
EPS (diluted)	1.54	1.54	0.0%	1.48	4.1%

Source: First Berlin Equity Research, ABO Wind AG

Balance sheet strengthened by equity capital raises and debt reduction The balance sheet improvement over the past year can only be described as impressive. Liquid funds increased from almost €10m to almost €53m (see figure 2) and give the company considerable scope for growth investments. Working capital (inventories + trade receivables ./. trade liabilities) remained largely unchanged (€91.3m versus €90.5m in the previous year). In view of the significant increase in sales, the working capital ratio (working capital / revenue) fell by more than 10 percentage points from 71.6% to 61.2%.

Figure 2: Selected balance sheet figures

in €m	2020A	2019A	Delta
Non-current assets	**12.5**	**10.1**	***23%***
Inventories	64.4	80.2	*-20%*
Trade receivables	34.0	20.7	*65%*
Receivables from affiliated companies	62.4	87.1	*-28%*
Securities	9.3	17.7	*-47%*
Liquid funds	52.8	9.6	*447%*
Current assets	**234.9**	**230.6**	***2%***
Equity	140.1	103.6	*35%*
Equity ratio	*56.2%*	*42.7%*	*+14,5 PP*
Mezzanine capital	12.6	14.4	*-12%*
Provisions	19.6	24.6	*-20%*
Financial debt, long-term	51.7	69.7	*-26%*
Financial debt, short-term	8.6	19.4	*-56%*
Total financial debt	60.3	89.1	*-32%*
Net debt	7.5	79.4	*-91%*
Net gearing (Net debt/equity in %)	*5.3%*	*76.7%*	*-71,4 PP*
Trade payables	7.1	10.4	*-32%*
Balance sheet total	**249.3**	**242.6**	***3%***

Source: First Berlin Equity Research, ABO Wind AG

Equity increased as a result of the capital raises and net profit from €104m to €140m (+35% y/y). The equity widened from just under 43% to over 56%. The company is now using its strengthened equity base to issue a subordinated bond (see below). Financial liabilities were reduced significantly from €89m to €60m. Net debt fell by 91% from over €79m to just under €8m. The balance sheet total rose by 3% to €249m.

Very high operating cash flow High operating cash inflow of €42.5m is mainly fed by net profit (€13.1m), a decrease in inventories (€15.8m) and a decrease in other assets (€10.6m). A main factor here was the implementation of numerous projects, which can be seen in the decrease in inventories and the decline in the securities item due to the sale of shares in project companies. Investments of €2.0m in property, plant and equipment and intangible assets resulted in free cash flow of €40.5m (see figure 3). Cash flow from financing activities amounted to €4.4m and was mainly due to the inflow of funds from equity raises (+€27.1m) and the net repayment of financial liabilities (-€16.6m). Net cash flow was €43.3m.

Figure 3: Selected cashflow figures

in €m	2020A	2019A
Operating cash flow	42.47	-21.80
CAPEX	-1.95	-2.63
Free cash flow	40.53	-24.42
Cash flow from investing	-3.59	-2.25
Cash flow from financing	4.44	29.16
Net cash flow	43.32	5.13

Source: First Berlin Equity Research, ABO Wind AG

Increase in sales due to significantly increased construction activity Sales from construction increased by 205% to €90.1m, while revenue from planning & rights sales decreased by 44% to €47.8m (see figure 4). In the construction segment, 116 MW were billed, compared to 46 MW in the previous year. In the Planning & Rights' Sales segment, ABO Wind fell short of the goals it had set itself. Instead of the targeted 150-250 MW, project developments with a total capacity of only 97 MW were completed. Project rights' sales volume was 252 MW (previous year: 983 MW). Project rights' sales were divided into four projects, a Northern Irish wind project (22 MW), a Spanish solar project (210 MW) and two Argentinean solar projects (10 MW each). Service turnover rose by 6% to €11.3m. At the end of 2020, 512 wind turbines with a total capacity of 1,257 MW were under operational management (previous year: 1,236 MW).

Figure 4: Segment sales development

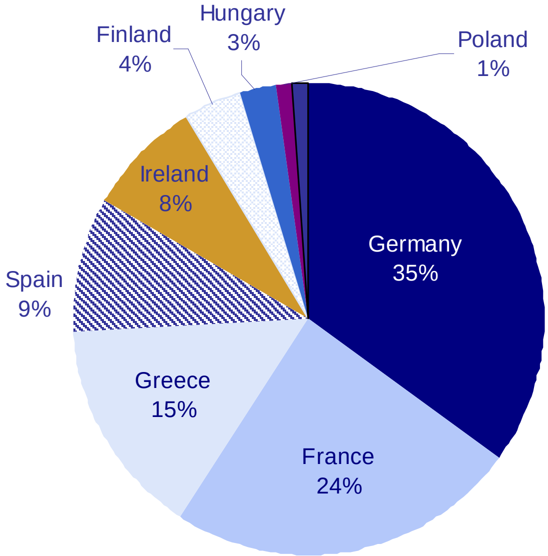
Segment sales in €m	2020A	2019A	Delta
Construction	90.1	29.6	*205%*
Planning & Rights' Sales	47.8	86.1	*-44%*
Services	11.3	10.7	*6%*
Total sales	**149.2**	**126.3**	***18%***

Source: First Berlin Equity Research, ABO Wind AG

Geographical sales mix dominated by Germany and France as in the previous year The sales achieved in Germany remained almost constant at over €52m, although the share of sales fell from 42% to 35% (see figure 5). In France, too, sales of almost €36m nearly reached the previous year's figure, and here, too, the share of sales fell significantly from 29% to 24%. Last year's shooting star was Greece with a sales share of 15% (2019: 3%). ABO Wind connected its largest solar park to date (38 MW) to the grid in Greece in 2020. In

Spain, sales declined slightly y/y to just under €14m (share of sales: 9%). Sales in Ireland, which were insignificant in the previous year, amounted to €12m (sales share: 8%). Poland made its first sales contribution at almost €2m. Overall, there was a broad sales mix from 11 countries, which shows that internationalisation is paying off. While the established markets stagnated in absolute terms, Greece and Ireland provided growth.

Figure 5: Geographical sales mix



Source: First Berlin Equity Research, ABO Wind AG

Construction of wind farms continues to pick up speed Four German wind farms with a total output of 85 MW are currently under construction. Commissioning will take place this year and next. Since the wind farms received high tariffs in the tenders, they should be very profitable and can therefore be sold at attractive margins. ABO Wind has concluded a private power purchase agreement (PPA) for the Finnish wind farm Kokkoneva (40 MW) and has thus reached economic construction maturity. Commissioning is planned for 2022. In Poland, the company won a tariff for its first wind farm (20 MW) and will start construction this year. In Spain and Finland, ABO Wind is setting up wind farms with a capacity of 100 MW for the first time. The company "only" acts as a service provider here, but this does not change the size of the project and the organisational challenges associated with it. Here ABO Wind can "practice" the construction of large wind farms without bearing the full financial risk. In the future, the company will also build wind farms of this size for its own account.

Entry into the solar market in 2016 is increasingly paying off Solar power, once a delicate seedling, has become a veritable pillar of ABO Wind's business model. As of March 2021, the company has built turnkey solar parks with a capacity of 70 MW in five countries and sold a further 325 MW in the development phase. In 2020, the solar sector contributed 19% to sales in the project planning business. In Greece, ABO Wind secured tariffs for five additional 10 MW solar parks that were under construction in spring 2021. The PV project pipeline has grown to more than 5,000 MW. Every second newly acquired project is now a solar project. In the medium term, around a third of the profit is likely to be generated with photovoltaics.

Project pipeline in 2020 expanded significantly to 15 GW Last year, ABO Wind acquired new projects in Europe with a total capacity of 2.7 GW. Outside Europe, 1.6 GW was secured. Project acquisition was extremely successful in 2020. A total of 4.3 GW was added; that is more than twice what the company aims for on average each year. New business in 2020 is divided in MW in two thirds from wind and one third from solar energy. The number of projects split equally between the two technologies. Overall wind and PV pipeline volume has increased to around 15 GW. ABO Wind thus has an impressive project pipeline. In Finland and South Africa, the respective project pipeline amounts to over 3 GW. In Germany, France, Spain and Argentina, the pipelines have a size of around 1.5 GW each. In Greece, Canada, Colombia, the Republic of Ireland and the United Kingdom, three-digit megawatts are on the books, a total of 2.3 GW. In each of the Netherlands, Poland, Tanzania, Tunisia and Hungary, the respective project pipeline is less than 100 MW (together 0.2 GW). A total of 605 MW are in the implementation phase (phase III; this also includes projects whose rights ABO Wind has sold, but on which continues to work as a service provider and from which it derives milestone payments). ABO Wind has obtained approval for 2,590 MW. In phase I there are 11,650 MW (see figure 6).

Figure 6: Project pipeline ABO Wind, March 2021

Country	Phase I	Phase II	Phase III	Sum
Germany	1,365	50	85	1,500
France	1,200	50	40	1,290
Finland	2,700	100	200	3,000
Ireland	290	50	10	350
Spain	950	400	150	1,500
Greece	700		50	750
Poland	30	20	20	70
Hungary	35			35
Great Britain	200		50	250
The Netherlands	30			
Argentina	700	900		1,600
Colombia	400			400
Canada	500			500
South Africa	2,500	1,000		3,500
Tansania	50			50
Tunesia		20		20
Sum	**11,650**	**2,590**	**605**	**14,815**

Source: First Berlin Equity Research, ABO Wind AG

Entry into the storage business Storage systems are a necessary addition to volatile solar or wind power in order to achieve a reliable supply of electricity at all times. Storage systems make the sale of electricity possible when it reaches a higher price. With the increasing share of volatile renewable energy in the overall electricity mix, the importance of storage rises. We therefore consider the expansion of ABO Wind's business model to include energy storage as a logical step. ABO Wind's Department for Hybrid Energy Systems (HES) and Energy Storage has been developing energy storage projects in many markets for a good two years. In 2020, a small energy storage facility was built in Northern Hesse, and this year the company is building a large battery project (50 MW) in Northern Ireland.

In view of the changing electricity market, in which renewable energy sources have outgrown their niche position and are becoming the dominant form of electricity production, we see ABO Wind, with its expertise in offering optimally coordinated combinations of wind and solar parks as well as battery storage systems from a single source, in a strong competitive position.

Equity increase and subordinated bond widen financial leeway In 2019 and 2020, ABO Wind raised its equity capital by €33m by issuing new shares. A subordinated bond will be placed exclusively by GLS Bank by the beginning of 2022 (volume: €30-50m, coupon: 3.5%, term: 9 years). Due to the high demand for the bond, ABO Wind is currently assuming that the issue proceeds will amount to around €50m. The additional equity and the subordinated bond put ABO Wind in a position to finance the construction of large wind farms.

Higher dividend The Management Board and the Supervisory Board will propose an increase in the dividend from €0.42 for 2019 to €0.45 (+7% y/y) to the Annual General Meeting. With an average number of shares of 8.5m as per our calculations, earnings per share in 2020 were €1.54. The payout ratio is 29%. The dividend yield is currently around 1%.

Global wind market at record level despite pandemic According to BloombergNEF (Global Wind Turbine Market Shares - Report 2020), wind turbines with an output of 96.3 GW (2019: 60.7 GW) were commissioned worldwide in 2020. Most of them were on land (94%) as new offshore wind turbine construction decreased to 6.1 GW (-19% y/y). While new annual record values for wind power output were achieved primarily in China (72.5 GW, +35% y/y) and the USA (16.5 GW, + 77% y/y), new installations in Germany declined significantly for the third year in a row, contrary to the general trend. According to the Federal Network Agency, 1.65 GW were put into operation in 2020. Measured against the global market volume, the German market share drops to just under 2%.

A golden decade for wind and solar power The EU Commission raised its climate targets in 2020 and is now proposing a CO_2 reduction of 55% by 2030 compared to 1990 (previously: more than 40%). Climate neutrality is to be achieved by 2050. Both the targets for 2030 and 2050 can only be achieved with considerable additional wind and solar capacity. Under the new administration of President Biden, the USA has rejoined the Paris Agreement on Climate Change. The new government is making the expansion of renewable energy one of its priorities.

Germany will phase out nuclear energy (8 GW) by 2022 and coal power (43 GW) by 2038 at the latest. Intermediate targets for coal are a reduction to 30 GW by 2022 and 17 GW by 2030. The loss of fossil base-load power capacity will increase the pressure to install more green power plants, increase storage and likely drive up electricity prices, which should boost the value of green power systems.

In a study commissioned by the Hydrogen Council and published in January 2021, McKinsey assumes that 90 GW of electrolysis capacity will be installed by 2030. From an ecological point of view, this only makes sense if this additional electricity requirement is provided from green electricity sources. It is already foreseeable that the establishment of a global hydrogen economy will result in an immense need for green electricity.

In June 2020, the German federal government passed its national hydrogen strategy. It predicts domestic hydrogen demand of 90-110 TWh by 2030 (currently: approx. 55 TWh). If this future demand were only covered by domestic wind power on land, assuming 3,000 full load hours, this would correspond to an additional wind power capacity of approx. 30-37 GW.

Company guidance: further growth targeted for 2021 ABO Wind expects an increase in total output in an almost double-digit percentage range for 2021 in view of the numerous projects already under construction or about to start. The gross profit should develop in a similarly positive manner. Consolidated net income should at least reach the previous year's level (€13.1m) in 2021 (see figure 7 overleaf).

Figure 7: 2021 guidance

KPI for 2021	Guidance
Total output	almost double-digit growth
Gross profit	almost double-digit growth
Net profit	≥ €13.1m

Source: First Berlin Equity Research, ABO Wind AG

Medium-term forecast 2021 - 2023 shows great potential up to 2023 and beyond Annual new business averaging 2 GW should allow the project pipeline to grow further. Regarding completed project developments, ABO Wind expects an average volume of 150 to 250 MW p.a. The sale of project rights and portfolios is expected to be in the range of completed project developments or above. Regarding completed construction work, ABO Wind expects up to 200 MW annually (see figure 8).

Figure 8: Guidance 2021 - 2023

2021-23	Ø p.a.	Unit
New business	2,000	MW
Completed project development	150-250	MW
Project rights / portfolio sale	≥ 150-250	MW
Completed construction	≤ 200	MW

Source: First Berlin Equity Research, ABO Wind AG

Estimates for 2021 adjusted to the current pandemic situation, estimates for 2022 and 2023 hardly changed In the light of the third wave of the pandemic that is building up across Europe and a vaccination campaign that is slower than expected, we are making our estimate for 2021 a little more conservative, as we cannot rule out pandemic-related project delays. However, we continue to expect a significant increase in net earnings (FBe: €14.9m). Our net earnings forecasts for 2022 & 2023 remain largely unchanged. For 2021 we assume EPS growth of 5% y/y from €1.54 to €1.62 and for 2022 of 30% y/y. We expect that the company will succeed in setting up some larger projects in 2022 and therefore forecast a surge in sales and earnings for the year.

Figure 9: Revisions to forecasts

		2021E			2022E			2023E	
All figures in €m	Old	New	Delta	Old	New	Delta	Old	New	Delta
Sales	190.33	169.10	-11.2%	228.39	228.39	0.0%	262.65	262.65	0.0%
EBIT	26.60	24.36	-8.4%	30.93	30.93	0.0%	36.83	36.35	-1.3%
margin	*14.0%*	*14.4%*		*13.5%*	*13.5%*		*14.0%*	*13.8%*	
Net income	16.48	14.93	-9.4%	19.42	19.36	-0.3%	23.39	23.35	-0.2%
margin	*8.7%*	*8.8%*		*8.5%*	*8.5%*		*8.9%*	*8.9%*	
EPS (diluted)	1.79	1.62	-9.4%	2.11	2.10	-0.3%	2.54	2.53	-0.2%

Source: First Berlin Equity Research

Buy recommendation confirmed at higher price target We have updated and rolled forward our DCF model by a year. In view of the significantly expanded project pipeline (around 3 GW more than at the end of 2019) and the significantly increased volume of Phase III projects (605 MW versus 138 MW at the end of 2019), we see ABO Wind as very well positioned to continue on its growth path in the short and medium term. Our growth forecast is supported by an improving regulatory environment and very high global demand for green power assets. We increase our price target to €63 (previously: €55). Our recommendation remains Buy.

VALUATION MODEL

DCF valuation model All figures in EUR '000	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E
Net sales	**169,100**	**228,390**	**262,649**	**298,894**	**337,071**	**376,661**	**417,033**	**457,447**
NOPLAT	**17,335**	**22,231**	**26,346**	**28,381**	**31,970**	**35,785**	**39,546**	**43,013**
+ depreciation & amortisation	1,636	1,786	2,157	2,596	3,056	3,545	4,060	4,596
Net operating cash flow	18,971	24,017	28,502	30,977	35,027	39,330	43,606	47,609
- total investments (CAPEX and WC)	522	-50,558	-22,846	-31,741	-27,076	-28,232	-29,000	-29,316
Capital expenditures	-2,790	-3,426	-3,940	-4,454	-4,995	-5,551	-6,111	-6,666
Working capital	3,312	-47,132	-18,906	-27,288	-22,081	-22,681	-22,889	-22,650
Free cash flows (FCF)	19,493	-26,541	5,656	-764	7,951	11,099	14,606	18,293
PV of FCF's	**18,553**	**-23,730**	**4,751**	**-603**	**5,893**	**7,727**	**9,553**	**11,237**

All figures in thousands	
PV of FCFs in explicit period (2021E-2035E)	141,346
PV of FCFs in terminal period	446,835
Enterprise value (EV)	588,180
+ Net cash / - net debt	-7,458
+ Investments / minority interests	30
Shareholder value	580,752
Number of shares (diluted)	9,221
Fair value per share in EUR	62.98

Terminal growth	2.5%
Terminal EBIT margin	11.1%

WACC	6.5%
Cost of equity	10.1%
Pre-tax cost of debt	4.0%
Tax rate	30.0%
After-tax cost of debt	2.8%
Share of equity capital	50.0%
Share of debt capital	50.0%
Fair value per share in EUR	63.00

Terminal growth rate

WACC	1.0%	1.5%	2.0%	2.5%	3.0%	3.5%	4.0%
4.5%	98.54	109.43	124.76	147.95	187.14	267.57	526.73
5.0%	82.60	89.90	99.67	113.42	134.24	169.40	241.58
5.5%	70.39	75.46	82.00	90.76	103.09	121.75	153.27
6.0%	60.78	64.40	68.94	74.80	82.64	93.68	110.38
6.5%	53.04	55.68	58.92	**62.98**	68.22	75.23	85.10
7.0%	46.70	48.66	51.02	53.91	57.54	62.21	68.47
7.5%	41.42	42.90	44.65	46.75	49.33	52.56	56.72
8.0%	36.97	38.10	39.41	40.97	42.84	45.13	48.00

* for layout purposes the model shows numbers only to 2028, but runs until 2035

INCOME STATEMENT

All figures in EUR '000	2018A	2019A	2020A	2021E	2022E	2023E
Revenues	**150,264**	**126,273**	**149,155**	**169,100**	**228,390**	**262,649**
Changes in inventory	-619	22,752	20,206	21,983	39,511	44,650
Own work	256	233	0	0	0	0
Total output	**149,901**	**149,258**	**169,361**	**191,083**	**267,901**	**307,299**
Cost of goods sold	70,684	66,582	72,592	84,550	148,454	175,974
Gross profit	**79,217**	**82,676**	**96,769**	**106,533**	**119,448**	**131,324**
Personnel costs	36,305	41,361	50,776	53,310	56,945	61,046
Other operating income	2,973	3,451	6,362	2,706	3,654	4,202
Other operating expenses	13,465	17,143	17,593	18,744	21,697	23,638
EBITDA	**32,420**	**27,623**	**34,762**	**37,185**	**44,460**	**50,842**
Depreciation and amortisation	1,438	1,542	1,649	1,636	1,786	2,157
Depreciation of current assets	8,766	6,437	10,653	11,186	11,745	12,332
Operating income (EBIT)	**22,216**	**19,644**	**22,460**	**24,363**	**30,929**	**36,353**
Net financial result	-918	-1,570	-1,755	-2,400	-2,871	-2,994
Pre-tax income (EBT)	**21,298**	**18,074**	**20,705**	**21,963**	**28,059**	**33,359**
Income taxes	8,537	6,668	7,589	7,028	8,698	10,008
Minority interests	-17	-4	4	0	0	0
Net income / loss	**12,745**	**11,402**	**13,120**	**14,935**	**19,360**	**23,352**
Diluted EPS (in €)	**1.67**	**1.48**	**1.54**	**1.62**	**2.10**	**2.53**
Ratios						
Gross margin on total output	52.8%	55.4%	57.1%	55.8%	44.6%	42.7%
EBITDA margin on revenues	21.6%	21.9%	23.3%	22.0%	19.5%	19.4%
EBIT margin on revenues	14.8%	15.6%	15.1%	14.4%	13.5%	13.8%
EBT margin on revenues	14.2%	14.3%	13.9%	13.0%	12.3%	12.7%
Net margin on revenues	8.5%	9.0%	8.8%	8.8%	8.5%	8.9%
Tax rate	40.1%	36.9%	36.7%	32.0%	31.0%	30.0%
Expenses as % of revenues						
Personnel costs	24.2%	32.8%	34.0%	31.5%	24.9%	23.2%
Depreciation and amortisation	1.0%	1.2%	1.1%	1.0%	0.8%	0.8%
Depreciation of current assets	5.8%	5.1%	7.1%	6.6%	5.1%	4.7%
Other operating expenses	9.0%	13.6%	11.8%	11.1%	9.5%	9.0%
Y-Y Growth						
Revenues	2.4%	-16.0%	18.1%	13.4%	35.1%	15.0%
Operating income	-11.0%	-11.6%	14.3%	8.5%	27.0%	17.5%
Net income/ loss	-25.1%	-10.5%	15.1%	13.8%	29.6%	20.6%

BALANCE SHEET

All figures in EUR '000	2018A	2019A	2020A	2021E	2022E	2023E
Assets						
Current assets, total	**184,057**	**232,427**	**236,761**	**270,305**	**301,243**	**320,669**
Cash and cash equivalents	4,517	9,648	52,798	87,470	64,272	61,776
Short-term investments	18,747	17,665	9,331	9,331	9,331	9,331
Receivables	20,231	20,678	34,020	27,797	37,544	43,175
Inventories	71,451	80,171	64,398	69,493	113,882	130,173
Other current assets	67,694	102,749	74,825	74,825	74,825	74,825
Non-current assets, total	**9,985**	**10,132**	**12,501**	**13,655**	**15,295**	**17,078**
Property, plant & equipment	4,553	5,208	5,653	6,495	7,806	9,241
Goodwill & other intangibles	894	1,298	1,116	1,429	1,757	2,106
Financial assets	4,538	3,626	5,732	5,732	5,732	5,732
Other assets	33	0	0	0	0	0
Total assets	**194,042**	**242,559**	**249,262**	**283,961**	**316,538**	**337,747**
Shareholders' equity & debt						
Current liabilities, total	**43,848**	**69,146**	**44,700**	**57,250**	**70,626**	**109,413**
Short-term debt	844	19,362	8,594	18,636	24,917	51,468
Accounts payable	10,983	10,380	7,081	9,266	16,269	19,285
Current provisions	21,014	24,572	19,634	19,634	19,634	19,634
Other current liabilities	11,007	14,832	9,391	9,714	9,806	19,027
Long-term liabilities, total	**61,219**	**69,837**	**64,446**	**75,810**	**79,893**	**52,425**
Long-term debt	46,837	55,487	51,662	63,026	67,109	39,641
Deferred revenue	0	0	0	0	0	0
Other liabilities	14,382	14,350	12,784	12,784	12,784	12,784
Minority interests	**39**	**37**	**30**	**30**	**30**	**30**
Shareholders' equity	**88,937**	**103,539**	**140,086**	**150,871**	**165,990**	**175,879**
Share capital	7,646	8,071	9,221	9,221	9,221	9,221
Capital reserve	13,542	19,495	45,490	45,490	45,490	45,490
Other reserves	0	0	0	0	0	0
Loss carryforward / retained earnings	68,016	76,213	85,671	96,456	111,575	121,464
Total consolidated equity and debt	**194,042**	**242,559**	**249,262**	**283,961**	**316,538**	**337,747**

Ratios						
Current ratio (x)	4.20	3.36	5.30	4.72	4.27	2.93
Quick ratio (x)	2.57	2.20	3.86	3.51	2.65	1.74
Net debt	43,164	65,201	7,458	-5,808	27,753	29,333
Net gearing	48.5%	63.0%	5.3%	-3.8%	16.7%	16.7%
Book value per share (in €)	11.63	13.42	16.47	16.36	18.00	19.07
Equity ratio	45.9%	42.7%	56.2%	53.1%	52.4%	52.1%
Return on equity (ROE)	14.3%	11.0%	9.4%	9.9%	11.7%	13.3%
Return on Assets (ROA)	7.5%	5.5%	6.2%	6.2%	7.1%	7.9%
Return on Investment (ROI)	6.6%	4.7%	5.3%	5.3%	6.1%	6.9%
Return on average capital employed (ROCE)	20.6%	13.4%	14.2%	16.3%	17.9%	17.9%
Days of sales outstanding (DSO)	49.1	59.8	83.3	60.0	60.0	60.0
Days inventory outstanding	369.0	439.5	323.8	300.0	280.0	270.0
Days in payables (DIP)	56.7	56.9	35.6	40.0	40.0	40.0

CASH FLOW STATEMENT

All figures in EUR '000	2018A	2019A	2020A	2021E	2022E	2023E
EBIT	**22,216**	**19,644**	**22,460**	**24,363**	**30,929**	**36,353**
Depreciation and amortisation	1,438	1,542	1,649	1,636	1,786	2,157
EBITDA	**23,654**	**21,186**	**24,109**	**25,999**	**32,715**	**38,510**
Changes in working capital	-39,067	-37,895	28,412	3,312	-47,132	-18,906
Other adjustments	-12,697	-5,086	-10,048	-7,028	-8,698	-10,008
Operating cash flow	**-28,110**	**-21,795**	**42,473**	**22,283**	**-23,115**	**9,596**
Investments in PP&E	-1,393	-1,965	-1,774	-2,198	-2,741	-3,152
Investments in intangibles	-782	-661	-173	-592	-685	-788
Free cash flow	**-30,285**	**-24,421**	**40,526**	**19,493**	**-26,541**	**5,656**
Acquisitions & disposals, net	179	91	7	0	0	0
Other investments	-1,246	282	-1,651	0	0	0
Investment cash flow	**-3,242**	**-2,253**	**-3,591**	**-2,790**	**-3,426**	**-3,940**
Debt financing, net	9,120	34,323	-16,575	21,406	10,364	-917
Equity financing, net	0	0	27,145	0	0	0
Dividends paid	-3,058	-3,211	-3,558	-3,827	-4,149	-4,242
Other financing	-2,389	-1,948	-2,573	-2,400	-2,871	-2,994
Financing cash flow	**3,672**	**29,164**	**4,438**	**15,179**	**3,344**	**-8,153**
FOREX & other effects	-138	15	-170	0	0	0
Net cash flows	**-27,818**	**5,131**	**43,150**	**34,672**	**-23,197**	**-2,496**
Cash, start of the year	32,335	4,517	9,648	52,798	87,470	64,272
Cash, end of the year	**4,517**	**9,648**	**52,798**	**87,470**	**64,272**	**61,776**
EBITDA/share (in €)	**4.24**	**3.58**	**4.09**	**4.03**	**4.82**	**5.51**

Y-Y Growth						
Operating cash flow	n.m.	n.m.	n.m.	-47.5%	n.m.	n.m.
Free cash flow	n.m.	n.m.	n.m.	-51.9%	n.m.	n.m.
Financial Cashflow	n.m.	694.2%	-84.8%	242.0%	-78.0%	n.m.
EBITDA/share	-14.1%	-15.6%	14.2%	-1.3%	19.6%	14.4%

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Category		1	2
Current market capitalisation (in €)		0 - 2 billion	> 2 billion
Strong Buy[1]	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%

[1] 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...13	↓	↓	↓	↓
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	22 June 2020	€20.80	BUY	€30.00
19	19 August 2020	€23.40	BUY	€30.50
20	26 November 2020	€34.00	BUY	€54.00
21	24 February 2021	€42.40	BUY	€55.00
22	Today	€45.40	BUY	€63.00

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