

Energiekontor AG

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

H1 2022 results

RATING **ADD**
PRICE TARGET **€ 109.00**
 Return Potential 14.0%
 Risk Rating High

STRONG EARNINGS GROWTH DUE TO POWER PRODUCTION

Energiekontor (EKT) increased sales and earnings significantly in H1. Sales rose 30% y/y to €52.4m and EBT by 52% to €12.2m. The strong EBT is attributable to the excellent Power Production segment contribution of €13.5m, which benefited from good wind conditions and much higher power prices. EKT has expanded its project pipeline by ca. 0.5 GW to ca. 9 GW. In July, EKT added a 27 MW wind farm to the own plant portfolio increasing capacity to ca. 360 MW. Management confirmed 2022 guidance of 10% - 20% EBT growth y/y. We have increased our price target from €103 to €109 to reflect the larger project pipeline and the higher profitability of the Power Generation segment. As the upside potential is now below 25%, we downgrade the stock from Buy to Add.

Guidance confirmed Management believes that 2022 guidance of 10% - 20% EBT growth y/y is still achievable if business develops according to plan. But management hints at significantly increased risks and uncertainties (pandemic, Russian invasion of Ukraine, turbine and module delivery time & reliability, price increases for turbines & modules). In the Project segment, EBT is expected to be at or slightly above the level of the previous year if business develops as planned. In the Power Generation segment, EBT is expected to be significantly higher than in the previous year, assuming that wind conditions continue to be good and significantly above the previous year. In the Operation & Innovation segment, EBT is projected to be slightly to significantly above the level of the previous year.

Strong H1 figures due to excellent performance of Power Generation segment Sales rose 30% y/y to €52.4m owing chiefly to the power generation contribution. Total output fell 21% y/y as the comparison figure in 2021 was particularly high because the large Hanstedt-Wriedel wind farm was an inventory addition (ca. €40m). EBITDA rose 17% y/y to €30.7m.

(p.t.o.)

FINANCIAL HISTORY & PROJECTIONS

	2019	2020	2021	2022E	2023E	2024E
Revenue (€m)	63.70	146.61	156.52	183.08	292.35	423.90
Y-o-y growth	n.a.	130.2%	6.8%	17.0%	59.7%	45.0%
EBIT (€m)	16.30	46.00	61.68	70.41	82.92	103.31
EBIT margin	25.6%	31.4%	39.4%	38.5%	28.4%	24.4%
Net income (€m)	0.24	20.43	36.21	36.22	43.62	56.58
EPS (diluted) (€)	0.02	1.43	2.52	2.59	3.12	4.05
DPS (€)	0.40	0.80	0.90	0.90	0.90	1.00
FCF (€m)	5.86	17.09	-19.47	1.30	-46.37	-67.74
Net gearing	378.3%	359.7%	357.6%	306.8%	295.4%	282.6%
Liquid assets (€m)	66.99	79.46	99.95	79.30	112.73	102.93

RISKS

Main risks include changes in the regulatory support for wind and solar energy, project development risks, approval procedures, tender results, and wind farm operation risks.

COMPANY PROFILE

Energiekontor is a wind and solar project developer and an operator of a large portfolio of own wind farms and solar parks (ca.360 MW). The company is active in onshore wind and solar project development in Germany, the UK, the US, and France. Energiekontor is headquartered in Bremen, Germany.

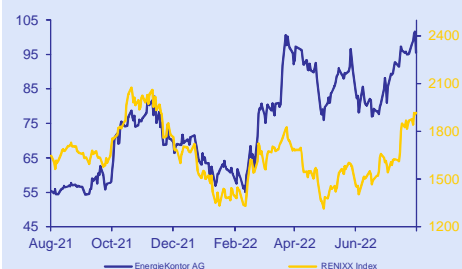
MARKET DATA

As of 12 Aug 2022

Closing Price	€ 95.60
Shares outstanding	13.99m
Market Capitalisation	€ 1337.16m
52-week Range	€ 54.30 / 101.60
Avg. Volume (12 Months)	20,259

Multiples	2021	2022E	2023E
P/E	38.6	38.6	32.1
EV/Sales	10.6	9.0	5.7
EV/EBIT	26.8	23.5	19.9
Div. Yield	0.9%	0.9%	0.9%

STOCK OVERVIEW



COMPANY DATA

As of 30 Jun 2022

Liquid Assets	€ 86.44m
Current Assets	€ 307.00m
Intangible Assets	€ 0.41m
Total Assets	€ 565.20m
Current Liabilities	€ 210.91m
Shareholders' Equity	€ 84.94m

SHAREHOLDERS

Dr Bodo Wilkens	25.5%
Günter Lammers	25.4%
Universal Investment Gesellschaft	5.0%
Union Investment Privatfonds	5.2%
Free Float	39.0%



As depreciation was only slightly higher y/y, EBIT increased 24% y/y to €20.5m (see figure 1 overleaf). Slightly lower interest expenses led to EBT of €12.2m versus €8.0m in H1/21. The strong group earnings were achieved thanks to very strong Power Production earnings which more than compensated for weaker Project development numbers.

Figure 1: Reported group figures versus forecasts

All figures in €m	H1-22A	H1-22E	Delta	H1-21A	Delta
Total output	88.0	91.8	-4%	111.8	-21%
EBIT	20.5	19.8	3%	16.5	24%
margin	23.3%	21.6%		14.8%	
Net income	8.5	8.2	5%	5.7	51%
margin	9.7%	8.9%		5.1%	
EPS in € (diluted)	0.61	0.58	5%	0.40	53%

Source: First Berlin Equity Research, Energiekontor AG

Challenging project business Project sales declined 16% to €13m and segment total output fell 44% to €48m. In H1, EKT concluded sales agreements for two wind projects in Germany and Scotland with a total capacity of 41 MW. The 3.6 MW wind farm Elstorf (already sold) was commissioned. Despite lower sales and total output figures, business activity was high with 16 wind and solar park projects (total capacity of ca. 215 MW) under construction by the end of H1. Segment EBIT fell from €10.9m to €-0.8m and segment EBT was down from €6.7m to €-3.5m (see figure 2 overleaf). At the end of H1, EKT had building permits with a total capacity of ca. 500 MW (465 MW wind and 35 MW PV) on hand. The company was awarded wind projects with a capacity of 25 MW in German tenders in H1. The project business faces increased risks and uncertainty. Apart from the pandemic and the ongoing war between Russia and Ukraine, the delivery time for turbines and modules has increased and supply chain problems have lowered delivery reliability. Furthermore, prices for turbines and modules have significantly increased. This results in longer realisation periods and higher project development costs. In addition, the commissioning, implementation and sale of some projects and project rights are likely to be delayed and their realisation will be more difficult until the end of 2022.

Power Production segment with record results Segment total output rose 61% y/y from €23m to €37m. The reasons for this are higher wind yields and much higher power prices. Monthly market values for onshore wind ranged from 108 to 197 €/MWh in H1. In the prior year period, monthly market values for onshore wind ranged from 34 to 63 €/MWh, which was usually below the minimum price set by the feed-in tariffs. Segment EBITDA more than doubled y/y to €28.9m, resulting in an EBITDA margin increase from 59% to 79%. Segment EBIT more than quadrupled from €4.4m to €19.1m (see figure 2 overleaf). While segment EBT was close to zero in H1/21, it contributed €13.5m in H1/22.

In the reporting period, EKT secured PPAs and fixed direct marketing prices at the current attractive market level for 2023 for a total of 22 wind farms with a total generation capacity of almost 150 MW. Negotiations are also currently underway for further wind farms whose current remuneration agreements expire by the end of 2022.

In July, the Alfstedt wind farm (27 MW) was commissioned and transferred to the own portfolio. Soon, the Garzau-Garzin 2 solar park (ca. 5 MW) will be added to the own portfolio, which will thus reach a total generation capacity of ca. 360 MW.

Operation & Innovation segment benefitted from above average wind generation Segment total output increased 41% to €4.0m. Segment EBIT & EBT were up 70% y/y at €2.2m (see figure 2 overleaf). As management fees are largely dependent on the energy generated in the managed wind farms and solar parks, the above-average wind generation in H1 was the reason for the improved numbers.

**Figure 2: Reported segment figures versus forecasts**

All figures in €m	H1-22A	H1-22E	Delta	H1-21A	Delta
Projects					
Total output	48.5	57.0	-15%	87.0	-44%
EBIT	-0.8	2.1	-	10.9	-
margin	-1.6%	3.7%		12.5%	
Power Production					
Total output	36.8	32.4	14%	22.8	61%
EBIT	19.1	15.9	20%	4.4	339%
margin	51.9%	49.1%		19.1%	
Operation & Innovation					
Total output	4.0	3.6	11%	2.9	38%
EBIT	2.2	1.8	21%	1.3	70%
margin	54.5%	50.0%		44.1%	
Consolidation					
Total output	-1.4	-1.2	-	-1.0	-
EBIT	0.0	0.0	-	0.0	-
margin	-	-		-	
Group					
Total output	88.0	91.8	-4%	111.8	-21%
EBIT	20.5	19.8	3%	16.5	24%
margin	23.3%	21.6%		14.8%	

Source: First Berlin Equity Research, Energiekontor AG

Balance sheet remains largely unchanged The book value of wind farms & solar parks declined 4% to €238m due to depreciation. Slightly higher equity of €84.9m resulted in a slightly increased equity ratio of 15.0% versus 14.6% at the end of 2021. A lower cash position and higher financial debt led to net debt of €314m, which was 7% above the figure at the end of 2021 (see figure 3).

Figure 3: Selected balance sheet items

in €m	H1/22A	2021A	delta
Wind farms & solar parks	237.8	247.6	-4%
Cash and cash equivalents incl. securities	86.4	100.0	-14%
Equity	84.9	82.2	3%
Equity ratio	15.0%	14.6%	-
Financial debt (long-term)	231.2	263.3	-12%
Financial debt (short-term)	169.3	130.8	29%
Net debt (incl. securities)	314.1	294.2	7%
Net gearing	370%	358%	-
Balance sheet total	565.2	562.0	1%

Source: First Berlin Equity Research, Energiekontor AG

Negative free cash flow in H1 Operating cash flow was €-4.7m due mainly to higher inventory. Negligible capital expenditure led to free cash flow of the same amount. Financing cash flow of €-8.4m resulted in net cash flow of €-13.2m (see figure 4 overleaf).

Figure 4: Cash flow statement

in €m	H1/22A	H1/21A
Operating cash flow	-4.7	11.3
CAPEX	0.0	-39.4
Free cash flow	-4.7	-28.1
Cash flow from investment	0.0	-39.4
Cash flow from financing	-8.5	40.7
Net cash flow	-13.2	12.6

Source: First Berlin Equity Research, Energiekontor AG

Project pipeline expanded by 500 MW to 9.1 GW Since the end of 2021, EKT expanded its project pipeline by 0.5 GW or 9% to 9.1 GW including US project rights (more than 8.4 GW excluding US project rights). The country split shows the strongest expansion (+16%) in Germany, which is by far EKT's most important market with 5.1 GW (56% of total pipeline in MW terms, see figure 5).

Figure 5: Development pipeline split by country

Country	30/06/2022	31/01/2021	Delta
	MW	MW	
Germany	5,115	4,413	16%
UK	2,563	2,605	-2%
France	743	685	8%
Sum	8,421	7,703	9%
USA	644	844	-24%
Sum	9,065	8,547	6%

Source: First Berlin Equity Research, Energiekontor AG

The pipeline split by technology shows 5% growth in wind projects and 21% in PV projects since the end of 2021 (see figure 6). The PV pipeline now has a share of almost 30% of the total pipeline in terms of MW.

Figure 6: Development pipeline split by technology

Technology	30/06/2022	31/12/2021	Delta
	MW	MW	
Wind	5,934	5,642	5%
PV	2,486	2,060	21%
Sum	8,420	7,702	9%

Source: First Berlin Equity Research, Energiekontor AG

The pipeline split by phase (see figure 7 overleaf) shows that phase 3 & 4 projects grew strongly in H1 (phase 3: +42%, phase 4: +14%). In these two project phases, value creation is highest (phase 3: 35% - 40%, phase 4: 45% - 50% of total value creation).

Figure 7: Project pipeline split by phase

Phase	Subject of the development phase	30/06/2022 MW	Increase MW	31/12/2021 MW
Sellable project rights	US solar project rights	300	-200	500
Sellable project rights	US wind project rights	344	0	344
Phase 1	Secured areas	4,467	599	3,868
Phase 2	Regional plan procedure / land-use	2,234	-280	2,514
Phase 3	Bimsch / building application submitted	989	295	694
Phase 4	Bimsch / building permit obtained	516	62	454
Phase 5	Financial close / under construction	214	41	173
Total without US project rights		8,420	717	7,703
Total including US project rights		9,064	517	8,547

Source: First Berlin Equity Research, Energiekontor AG

Forecasts adjusted to strong Power Generation and weaker Project segment figures

Given the weaker H1 Project segment figures and the possibility of project delays in H2, we have lowered our Project segment forecast. This is by and large compensated by higher forecasts for the Power Generation segment. Our 2022E group earnings forecast has thus hardly changed. Given that Energiekontor also has fixed PPAs for almost 150 MW at the current high power price level for 2023, we have increased our 2023E Power Generation segment and group forecasts despite a more cautious stance on project development (see figures 8 & 9).

Figure 8: Revisions to forecasts

All figures in €m	2022E			2023E			2024E		
	Old	New	Delta	Old	New	Delta	Old	New	Delta
Total output	298.2	273.3	-8%	406.2	392.5	-3%	538.6	534.1	-1%
EBIT	70.6	70.4	0%	78.5	82.9	6%	104.6	103.3	-1%
margin	23.7%	25.8%		19.3%	21.1%		19.4%	19.3%	
Net income	36.3	36.2	0%	40.0	43.6	9%	56.9	56.6	-1%
margin	12.2%	13.3%		1.6%	11.1%		10.6%	10.6%	
EPS (diluted)	2.59	2.59	0%	2.86	3.12	9%	4.06	4.05	0%

Source: First Berlin Equity Research

Figure 9: EBT forecasts (segments & group)

EBT (figures in €m)	2019A	2020A	2021A	2022E	2023E	2024E
Project Development	-9.9	18.4	41.9	21.9	33.6	53.2
Power Production	7.8	10.4	1.1	26.7	24.8	22.7
Operation & Innovation	2.9	2.4	1.8	3.1	3.9	4.9
Group	0.8	31.2	44.9	51.7	62.3	80.8

Source: First Berlin Equity Research

Sum-of-the-parts Valuation increased due to larger project pipeline and higher Power Production segment earnings

The larger project pipeline is reflected in our segment DCF model. Significantly higher Power Production segment earnings forecasts result in a higher segment valuation. Our sum-of-the-parts valuation yields a new price target of €109 (previously: €103). Given the share price appreciation in recent weeks, we downgrade the stock from Buy to Add, as the upside potential is now below 25%.



VALUATION MODEL

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

Sum of the parts valuation

SotP valuation	Fair value in €m	Fair value per share (FVPS) in €	Old FVPS in €	Delta
Project Development	967.90	69.21	65.26	6%
Power Production	411.40	29.42	28.01	5%
Operation & Innovation	146.96	10.51	9.60	9%
Sum of the parts	1,526.25	109.14	102.87	6%
Price target		109.00	103.00	6%

DCF model for Project Development segment

DCF valuation model								
All figures in EUR '000	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E
Net sales	99,780	200,000	321,000	369,150	420,831	475,539	532,604	591,190
NOPLAT	20,634	28,208	41,878	49,432	55,212	61,317	67,680	74,214
+ depreciation & amortisation	843	657	803	963	1,007	1,073	1,145	1,215
Net operating cash flow	21,477	28,865	42,681	50,395	56,220	62,389	68,825	75,429
- total investments (CAPEX and WC)	18,524	-12,630	-3,236	-14,714	-23,946	-24,656	-24,957	-24,790
Capital expenditures	-399	-700	-1,124	-1,107	-1,205	-1,297	-1,380	-1,451
Working capital	18,923	-11,930	-2,113	-13,606	-22,741	-23,359	-23,577	-23,339
Free cash flows (FCF)	40,001	16,234	39,445	35,682	32,274	37,733	43,868	50,640
PV of FCF's	38,708	14,399	32,057	26,579	22,034	23,612	25,153	26,613

All figures in thousands

PV of FCFs in explicit period (2022E-2036E)	418,622		
PV of FCFs in terminal period	613,264		
Enterprise value (EV)	1,031,887	Terminal growth	4.0%
+ Net cash / - net debt	-63,988	Terminal EBIT margin	17.0%
+ Investments / minority interests	0		
Shareholder value	967,899		
Number of shares (diluted)	13,984		
Fair value per share in EUR	69.21		

WACC		Terminal growth rate						
		2.5%	3.0%	3.5%	4.0%	4.5%	5.0%	5.5%
6.1%	126.50	141.19	161.53	191.52	240.20	332.92	578.76	
7.1%	94.15	101.70	111.33	124.08	141.71	167.72	209.92	
8.1%	73.67	78.00	83.27	89.82	98.18	109.24	124.55	
9.1%	59.64	62.31	65.45	69.21	73.79	79.49	86.76	
10.1%	49.49	51.22	53.22	55.54	58.28	61.55	65.53	
11.1%	41.85	43.02	44.34	45.85	47.59	49.61	52.00	
12.1%	35.92	36.74	37.64	38.66	39.82	41.13	42.65	

* for layout purposes the model shows numbers only to 2029, but runs until 2036



DCF model for Power Production segment

DCF valuation model								
All figures in EUR '000	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E
Net sales	78,800	86,852	96,309	124,673	138,251	138,942	139,637	140,335
NOPLAT	32,078	33,303	33,745	42,431	41,143	41,407	41,719	42,082
+ depreciation & amortisation	21,793	27,453	35,050	47,158	60,724	60,724	60,724	60,724
Net operating cash flow	53,871	60,756	68,795	89,589	101,867	102,130	102,443	102,805
- total investments (CAPEX and WC)	-93,112	-125,794	-179,314	-212,190	-63,328	-60,856	-60,857	-60,857
Capital expenditures	-89,700	-124,250	-177,500	-206,750	-60,724	-60,724	-60,724	-60,724
Working capital	-3,412	-1,544	-1,814	-5,440	-2,604	-133	-133	-134
Free cash flows (FCF)	-39,241	-65,038	-110,519	-122,601	38,539	41,274	41,586	41,948
PV of FCF's	-38,678	-61,690	-100,872	-107,687	32,577	33,575	32,551	31,598

All figures in thousands	
PV of FCFs in explicit period (2022E-2036E)	14,948
PV of FCFs in terminal period	622,434
Enterprise value (EV)	637,381
+ Net cash / - net debt	-225,985
+ Investments / minority interests	0
Shareholder value	411,396
Number of shares (diluted)	13,984
Fair value per share in EUR	29.42

Terminal growth	0.5%
Terminal EBIT margin	36.2%

WACC	3.9%
Cost of equity	7.3%
Pre-tax cost of debt	4.0%
Tax rate	30.0%
After-tax cost of debt	2.8%
Share of equity capital	25.0%
Share of debt capital	75.0%
Fair value per share in EUR	29.42

WACC	Terminal growth rate						
	-0.1%	0.1%	0.3%	0.5%	0.7%	0.9%	1.1%
3.2%	37.72	41.11	44.98	49.44	54.61	60.70	67.97
3.4%	31.99	34.81	37.99	41.60	45.75	50.57	56.21
3.7%	27.03	29.40	32.04	35.02	38.41	42.28	46.75
3.9%	22.71	24.71	26.93	29.42	32.21	35.38	38.99
4.2%	18.90	20.61	22.50	24.59	26.93	29.55	32.51
4.4%	15.53	17.00	18.62	20.40	22.37	24.56	27.02
4.7%	12.53	13.80	15.19	16.71	18.39	20.25	22.31

* for layout purposes the model shows numbers only to 2029, but runs until 2036

DCF model for Operation & Innovation segment

DCF valuation model								
All figures in EUR '000	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E
Net sales	6,928	8,452	10,143	12,171	14,536	17,220	20,194	23,399
NOPLAT	2,169	2,711	3,430	4,201	5,037	5,975	7,007	8,109
+ depreciation & amortisation	4	6	8	11	13	16	19	22
Net operating cash flow	2,173	2,717	3,439	4,212	5,050	5,991	7,026	8,132
- total investments (CAPEX and WC)	15	-301	-120	-155	-325	-384	-440	-491
Capital expenditures	-14	-17	-20	-24	-28	-31	-35	-38
Working capital	28	-284	-99	-130	-297	-353	-405	-453
Free cash flows (FCF)	2,188	2,416	3,319	4,057	4,725	5,607	6,586	7,641
PV of FCF's	2,126	2,175	2,768	3,136	3,384	3,720	4,048	4,352

All figures in thousands	
PV of FCFs in explicit period (2022E-2036E)	59,485
PV of FCFs in terminal period	86,785
Enterprise value (EV)	146,270
+ Net cash / - net debt	688
+ Investments / minority interests	0
Shareholder value	146,958
Number of shares (diluted)	13,984
Fair value per share in EUR	10.51

Terminal growth	2.5%
Terminal EBIT margin	48.0%

WACC	7.9%
Cost of equity	7.9%
Pre-tax cost of debt	4.0%
Tax rate	30.0%
After-tax cost of debt	2.8%
Share of equity capital	100.0%
Share of debt capital	0.0%
Fair value per share in EUR	10.51

WACC	Terminal growth rate						
	1.0%	1.5%	2.0%	2.5%	3.0%	3.5%	4.0%
4.9%	18.30	20.19	22.72	26.31	31.76	41.03	60.35
5.9%	13.96	14.98	16.25	17.91	20.13	23.26	28.02
6.9%	11.13	11.73	12.46	13.35	14.47	15.92	17.86
7.9%	9.15	9.53	9.98	10.51	11.15	11.93	12.91
8.9%	7.70	7.95	8.24	8.58	8.97	9.44	10.00
9.9%	6.59	6.77	6.96	7.19	7.44	7.74	8.08
10.9%	5.73	5.85	5.99	6.14	6.32	6.51	6.74

* for layout purposes the model shows numbers only to 2029, but runs until 2036



INCOME STATEMENT

All figures in EUR '000	2019A	2020A	2021A	2022E	2023E	2024E
Revenues	63,700	146,614	156,516	183,083	292,346	423,902
Change in inventory & own work	32,708	18,451	109,740	90,179	100,179	110,179
Total output	96,409	165,065	266,256	273,262	392,525	534,080
Cost of goods sold	30,501	67,504	144,020	136,125	237,350	338,471
Gross profit	65,908	97,561	122,236	137,137	155,175	195,610
Personnel costs	14,679	17,494	19,504	21,047	20,535	26,301
Other operating expenses	16,362	17,968	23,214	26,128	27,755	35,615
Other operating income	3,986	3,283	2,191	3,080	4,145	5,467
EBITDA	38,853	65,382	81,709	93,042	111,030	139,161
Depreciation	22,551	19,384	20,034	22,636	28,110	35,853
Operating income (EBIT)	16,302	45,998	61,675	70,405	82,920	103,308
Net financial result	-15,532	-14,765	-16,753	-18,667	-20,605	-22,478
Non-operating expenses	0	0	0	0	0	0
Pre-tax income (EBT)	770	31,233	44,922	51,739	62,315	80,829
Income taxes	526	10,808	8,717	15,522	18,694	24,249
Minority interests	0	0	0	0	0	0
Net income / loss	244	20,425	36,205	36,217	43,620	56,581
Diluted EPS (in €)	0.02	1.43	2.52	2.59	3.12	4.05
Ratios						
Gross margin on total output	68.4%	59.1%	45.9%	50.2%	39.5%	36.6%
EBITDA margin on total output	40.3%	39.6%	30.7%	34.0%	28.3%	26.1%
EBIT margin on total output	16.9%	27.9%	23.2%	25.8%	21.1%	19.3%
Net margin on total output	0.3%	12.4%	13.6%	13.3%	11.1%	10.6%
Tax rate	68.3%	34.6%	19.4%	30.0%	30.0%	30.0%
Expenses as % of total output						
Personnel costs	15.2%	10.6%	7.3%	7.7%	5.2%	4.9%
Depreciation	23.4%	11.7%	7.5%	8.3%	7.2%	6.7%
Other operating expenses	17.0%	10.9%	8.7%	9.6%	7.1%	6.7%
Y-Y Growth						
Total output	-25.1%	71.2%	61.3%	2.6%	43.6%	36.1%
EBIT	-26.2%	182.2%	34.1%	14.2%	17.8%	24.6%
Net income/ loss	-96.4%	8284.6%	77.3%	0.0%	20.4%	29.7%



BALANCE SHEET

All figures in EUR '000	2019A	2020A	2021A	2022E	2023E	2024E
Assets						
Current assets, total	154,284	247,651	299,831	264,814	322,019	326,241
Cash and cash equivalents	66,989	79,457	99,950	79,298	112,735	102,934
Short-term investments	36	36	36	36	36	36
Receivables	13,765	20,035	35,874	29,160	44,517	62,999
Inventories	71,189	144,642	160,856	153,204	161,617	157,158
Other current assets	2,305	3,481	3,115	3,115	3,115	3,115
Non-current assets, total	235,615	201,337	262,163	329,626	426,466	569,236
Property, plant & equipment	226,541	188,806	249,704	317,167	414,007	556,777
Goodwill & other intangibles	766	887	551	551	551	551
Other assets	8,308	11,644	11,908	11,908	11,908	11,908
Total assets	389,899	448,988	561,994	594,439	748,485	895,477
Shareholders' equity & debt						
Current liabilities, total	63,616	138,502	180,886	84,370	99,381	110,776
Short-term financial debt	39,237	102,856	130,759	35,000	40,000	40,000
Accounts payable	9,785	5,323	6,655	6,169	16,180	26,177
Current provisions	9,175	13,478	25,182	25,182	25,182	25,182
Other current liabilities	5,419	16,845	18,291	18,019	18,019	19,417
Long-term liabilities, total	270,083	244,935	298,886	404,354	512,354	605,354
Long-term financial debt	240,417	212,420	263,251	368,719	476,719	569,719
Deferred revenue	0	0	0	0	0	0
Other liabilities	29,666	32,515	35,635	35,635	35,635	35,635
Minority interests	0	0	0	0	0	0
Shareholders' equity	56,200	65,551	82,222	105,716	136,750	179,347
Share capital	14,678	14,328	14,125	13,987	13,987	13,987
Capital reserve	41,460	41,664	41,867	41,867	41,867	41,867
Other reserves	-4,632	-5,455	-3,369	-3,369	-3,369	-3,369
Treasury stock	-312	-131	-107	-107	-107	-107
Loss carryforward / retained earnings	35,457	31,770	31,679	55,311	86,345	128,942
Total consolidated equity and debt	389,899	448,988	561,994	594,439	748,485	895,477
Ratios						
Current ratio (x)	2.43	1.79	1.66	3.14	3.24	2.95
Quick ratio (x)	1.31	0.74	0.77	1.32	1.61	1.53
Net debt	212,629	235,783	294,024	324,385	403,948	506,749
Net gearing	378%	360%	358%	307%	295%	283%
Book value per share (in €)	3.89	4.57	5.72	7.56	9.78	12.83
Financial debt/EBITDA (x)	7.2	4.8	4.8	4.3	4.7	4.4
Equity ratio	14.4%	14.6%	14.6%	17.8%	18.3%	20.0%
Return on equity (ROE)	0.4%	31.2%	44.0%	34.3%	31.9%	31.5%
Return on investment (ROI)	0.1%	4.5%	6.4%	6.1%	5.8%	6.3%
Return on assets (ROA)	4.1%	7.8%	9.4%	9.2%	8.6%	8.8%
Return on capital employed (ROCE)	6.0%	14.5%	16.5%	16.0%	15.9%	15.9%
Days sales outstanding (DSO)	78.9	49.9	83.7	58.1	55.6	54.2
Days inventory outstanding (DIO)	851.9	782.1	407.7	410.8	248.5	169.5
Days payables outstanding (DPO)	117.1	28.8	16.9	16.5	24.9	28.2



CASH FLOW STATEMENT

All figures in EUR '000	2019A	2020A	2021A	2022E	2023E	2024E
EBIT	16,302	45,998	61,675	70,405	82,920	103,308
Depreciation and amortisation	22,551	19,384	20,034	22,636	28,110	35,853
EBITDA	38,853	65,382	81,709	93,042	111,030	139,161
Changes in working capital	-24,549	-43,368	10,205	13,880	-13,758	-4,026
Other adjustments	-961	-4,134	-29,922	-15,522	-18,694	-24,249
Operating cash flow	13,343	17,880	61,992	91,400	78,578	110,886
CAPEX	-7,463	-347	-81,443	-90,099	-124,950	-178,624
Investments in intangibles	-19	-443	-19	0	0	0
Free cash flow	5,861	17,090	-19,471	1,301	-46,372	-67,737
Acquisitions and disposals, net	0	15,087	0	0	0	0
Other investments	3,412	-2,542	-3,548	0	0	0
Cash flow from investing	-4,070	11,755	-85,011	-90,099	-124,950	-178,624
Debt financing, net	9,610	4,254	79,814	9,709	113,000	93,000
Equity financing, net	-4,865	-4,734	-10,524	-138	0	0
Dividends paid	-5,784	-5,720	-11,300	-12,857	-12,586	-12,586
Other financing	-13,483	-11,774	-12,733	-18,667	-20,605	-22,478
Cash flow from financing	-14,523	-17,974	45,256	-21,953	79,809	57,936
Forex & other effects	-1,052	807	-1,744	0	0	0
Net cash flows	-6,302	12,468	20,493	-20,652	33,437	-9,801
Cash, start of the year	73,291	66,989	79,457	99,950	79,298	112,735
Cash, end of the year	66,989	79,457	99,950	79,298	112,735	102,934
EBITDA/share (in €)	2.69	4.56	5.69	6.65	7.94	9.95
Operating cash flow/share (in €)	0.92	1.25	4.31	6.54	5.62	7.93
Y-Y Growth						
Operating cash flow	-70.6%	34.0%	246.7%	47.4%	-14.0%	41.1%
Free cash flow	-74.7%	191.6%	n.m.	n.m.	n.m.	n.m.
EBITDA/share	-3.5%	69.3%	24.8%	17.0%	19.3%	25.3%
Operating cash flow/share	-70.4%	34.9%	246.4%	51.5%	-14.0%	41.1%

Imprint / Disclaimer

First Berlin Equity Research

First Berlin Equity Research GmbH ist ein von der BaFin betreffend die Einhaltung der Pflichten des §85 Abs. 1 S. 1 WpHG, des Art. 20 Abs. 1 Marktmissbrauchsverordnung (MAR) und der Markets Financial Instruments Directive (MiFID) II, Markets in Financial Instruments Directive (MiFID) II Durchführungsverordnung und der Markets in Financial Instruments Regulations (MiFIR) beaufsichtigtes Unternehmen.

First Berlin Equity Research GmbH is one of the companies monitored by BaFin with regard to its compliance with the requirements of Section 85 (1) sentence 1 of the German Securities Trading Act [WpHG], art. 20 (1) Market Abuse Regulation (MAR) and Markets in Financial Instruments Directive (MiFID) II, Markets in Financial Instruments Directive (MiFID) II Commission Delegated Regulation and Markets in Financial Instruments Regulations (MiFIR).

Anschrift:

First Berlin Equity Research GmbH
Mohrenstr. 34
10117 Berlin
Germany

Vertreten durch den Geschäftsführer: Martin Bailey

Telefon: +49 (0) 30-80 93 9 680

Fax: +49 (0) 30-80 93 9 687

E-Mail: info@firstberlin.com

Amtsgericht Berlin Charlottenburg HR B 103329 B

UST-Id.: 251601797

Ggf. Inhaltlich Verantwortlicher gem. § 6 MDStV

First Berlin Equity Research GmbH

Authored by: Dr. Karsten von Blumenthal, Analyst

All publications of the last 12 months were authored by Dr. Karsten von Blumenthal.

Company responsible for preparation: First Berlin Equity Research GmbH, Mohrenstraße 34, 10117 Berlin

The production of this recommendation was completed on 15 August 2022 at 13:40

Person responsible for forwarding or distributing this financial analysis: Martin Bailey

Copyright© 2022 First Berlin Equity Research GmbH No part of this financial analysis may be copied, photocopied, duplicated or distributed in any form or media whatsoever without prior written permission from First Berlin Equity Research GmbH. First Berlin Equity Research GmbH shall be identified as the source in the case of quotations. Further information is available on request.

INFORMATION PURSUANT TO SECTION 85 (1) SENTENCE 1 OF THE GERMAN SECURITIES TRADING ACT [WPHG], TO ART. 20 (1) OF REGULATION (EU) NO 596/2014 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF APRIL 16, 2014, ON MARKET ABUSE (MARKET ABUSE REGULATION) AND TO ART. 37 OF COMMISSION DELEGATED REGULATION (EU) NO 2017/565 (MIFID) II.

First Berlin Equity Research GmbH (hereinafter referred to as: "First Berlin") prepares financial analyses while taking the relevant regulatory provisions, in particular section 85 (1) sentence 1 of the German Securities Trading Act [WpHG], art. 20 (1) of Regulation (EU) No 596/2014 of the European Parliament and of the Council of April 16, 2014, on market abuse (market abuse regulation) and art. 37 of Commission Delegated Regulation (EU) no. 2017/565 (MiFID II) into consideration. In the following First Berlin provides investors with information about the statutory provisions that are to be observed in the preparation of financial analyses.

CONFLICTS OF INTEREST

In accordance with art. 37 (1) of Commission Delegated Regulation (EU) no. 2017/565 (MiFID) II and art. 20 (1) of Regulation (EU) No 596/2014 of the European Parliament and of the Council of April 16, 2014, on market abuse (market abuse regulation) investment firms which produce, or arrange for the production of, investment research that is intended or likely to be subsequently disseminated to clients of the firm or to the public, under their own responsibility or that of a member of their group, shall ensure the implementation of all the measures set forth in accordance with Article 34 (2) lit. (b) of Regulation (EU) 2017/565 in relation to the financial analysts involved in the production of the investment research and other relevant persons whose responsibilities or business interests may conflict with the interests of the persons to whom the investment research is disseminated. In accordance with art. 34 (3) of Regulation (EU) 2017/565 the procedures and measures referred to in paragraph 2 lit. (b) of such article shall be designed to ensure that relevant persons engaged in different business activities involving a conflict of interests carry on those activities at a level of independence appropriate to the size and activities of the investment firm and of the group to which it belongs, and to the risk of damage to the interests of clients.

In addition, First Berlin shall pursuant to Article 5 of the Commission Delegated Regulation (EU) 2016/958 disclose in their recommendations all relationships and circumstances that may reasonably be expected to impair the objectivity of the financial analyses, including interests or conflicts of interest, on their part or on the part of any natural or legal person working for them under a contract, including a contract of employment, or otherwise, who was involved in producing financial analyses, concerning any financial instrument or the issuer to which the recommendation directly or indirectly relates.

With regard to the financial analyses of Energiekontor AG the following relationships and circumstances exist which may reasonably be expected to impair the objectivity of the financial analyses: The author, First Berlin, or a company associated with First Berlin reached an agreement with the Energiekontor AG for preparation of a financial analysis for which remuneration is owed.

Furthermore, First Berlin offers a range of services that go beyond the preparation of financial analyses. Although First Berlin strives to avoid conflicts of interest wherever possible, First Berlin may maintain the following relations with the analysed company, which in particular may constitute a potential conflict of interest:

- The author, First Berlin, or a company associated with First Berlin owns a net long or short position exceeding the threshold of 0.5 % of the total issued share capital of the analysed company;
- The author, First Berlin, or a company associated with First Berlin holds an interest of more than five percent in the share capital of the analysed company;

- The author, First Berlin, or a company associated with First Berlin provided investment banking or consulting services for the analysed company within the past twelve months for which remuneration was or was to be paid;
- The author, First Berlin, or a company associated with First Berlin reached an agreement with the analysed company for preparation of a financial analysis for which remuneration is owed;
- The author, First Berlin, or a company associated with First Berlin has other significant financial interests in the analysed company;

First Berlin F.S.B. Investment-Beratungsgesellschaft mbH (hereafter FBIB), a company of the First Berlin Group, holds a stake of under 0.5% of the shares in the company which has been covered in this analysis. The analyst is not subject to any restrictions with regard to his recommendation and is therefore independent, so that we believe there is no conflict of interest.

With regard to the financial analyses of Energiekontor AG the following of the aforementioned potential conflicts of interests or the potential conflicts of interest mentioned in Article 6 paragraph 1 of the Commission Delegated Regulation (EU) 2016/958 exist: The author, First Berlin, or a company associated with First Berlin reached an agreement with the Energiekontor AG for preparation of a financial analysis for which remuneration is owed.

In order to avoid and, if necessary, manage possible conflicts of interest both the author of the financial analysis and First Berlin shall be obliged to neither hold nor in any way trade the securities of the company analyzed. The remuneration of the author of the financial analysis stands in no direct or indirect connection with the recommendations or opinions represented in the financial analysis. Furthermore, the remuneration of the author of the financial analysis is neither coupled directly to financial transactions nor to stock exchange trading volume or asset management fees.

INFORMATION PURSUANT TO SECTION 64 OF THE GERMAN SECURITIES TRADING ACT [WPHG], DIRECTIVE 2014/65/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 15 MAY 2014 ON MARKETS IN FINANCIAL INSTRUMENTS AND AMENDING DIRECTIVE 2002/92/EC AND DIRECTIVE 2011/61/EU, ACCOMPANIED BY THE MARKETS IN FINANCIAL INSTRUMENTS REGULATION (MIFIR, REG. EU NO. 600/2014).

First Berlin notes that it has concluded a contract with the issuer to prepare financial analyses and is paid for that by the issuer. First Berlin makes the financial analysis simultaneously available for all interested security financial services companies. First Berlin thus believes that it fulfils the requirements of section 64 WpHG for minor non-monetary benefits.

PRICE TARGET DATES

Unless otherwise indicated, current prices refer to the closing prices of the previous trading day.

AGREEMENT WITH THE ANALYSED COMPANY AND MAINTENANCE OF OBJECTIVITY

The present financial analysis is based on the author's own knowledge and research. The author prepared this study without any direct or indirect influence exerted on the part of the analysed company. Parts of the financial analysis were possibly provided to the analysed company prior to publication in order to avoid inaccuracies in the representation of facts. However, no substantial changes were made at the request of the analysed company following any such provision.

ASSET VALUATION SYSTEM

First Berlin's system for asset valuation is divided into an asset recommendation and a risk assessment.

ASSET RECOMMENDATION

The recommendations determined in accordance with the share price trend anticipated by First Berlin in the respectively indicated investment period are as follows:

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.

Our recommendation system places each company into one of two market capitalisation categories. Category 1 companies have a market capitalisation of €0 – €2 billion, and Category 2 companies have a market capitalisation of > €2 billion. The expected return thresholds underlying our recommendation system are lower for Category 2 companies than for Category 1 companies. This reflects the generally lower level of risk associated with higher market capitalisation companies.

RISK ASSESSMENT

The First Berlin categories for risk assessment are low, average, high and speculative. They are determined by ten factors: Corporate governance, quality of earnings, management strength, balance sheet and financial risk, competitive position, standard of financial disclosure, regulatory and political uncertainty, strength of brandname, market capitalisation and free float. These risk factors are incorporated into the First Berlin valuation models and are thus included in the target prices. First Berlin customers may request the models.

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...40	↓	↓	↓	↓
41	3 March 2021	€56.20	Add	€60.00
42	25 March 2021	€56.20	Add	€66.00
43	21 April 2021	€56.40	Add	€70.00
44	14 May 2021	€56.00	Buy	€71.00
45	16 August 2021	€55.40	Buy	€72.00
46	17 November 2021	€78.00	Add	€89.00
47	5 April 2022	€93.20	Add	€105.00
48	16 May 2022	€79.60	Buy	€103.00
49	Today	€95.60	Add	€109.00

INVESTMENT HORIZON

Unless otherwise stated in the financial analysis, the ratings refer to an investment period of twelve months.

UPDATES

At the time of publication of this financial analysis it is not certain whether, when and on what occasion an update will be provided. In general First Berlin strives to review the financial analysis for its topicality and, if required, to update it in a very timely manner in connection with the reporting obligations of the analysed company or on the occasion of ad hoc notifications.

SUBJECT TO CHANGE

The opinions contained in the financial analysis reflect the assessment of the author on the day of publication of the financial analysis. The author of the financial analysis reserves the right to change such opinion without prior notification.

Legally required information regarding

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

can be accessed through the following internet link: <https://firstberlin.com/disclaimer-english-link/>

SUPERVISORY AUTHORITY: Bundesanstalt für Finanzdienstleistungsaufsicht (German Federal Financial Supervisory Authority) [BaFin], Graurheindorferstraße 108, 53117 Bonn and Marie-Curie-Straße 24-28, 60439 Frankfurt am Main

EXCLUSION OF LIABILITY (DISCLAIMER)

RELIABILITY OF INFORMATION AND SOURCES OF INFORMATION

The information contained in this study is based on sources considered by the author to be reliable. Comprehensive verification of the accuracy and completeness of information and the reliability of sources of information has neither been carried out by the author nor by First Berlin. As a result no warranty of any kind whatsoever shall be assumed for the accuracy and completeness of information and the reliability of sources of information, and neither the author nor First Berlin, nor the person responsible for passing on or distributing the financial analysis shall be liable for any direct or indirect damage incurred through reliance on the accuracy and completeness of information and the reliability of sources of information.

RELIABILITY OF ESTIMATES AND FORECASTS

The author of the financial analysis made estimates and forecasts to the best of the author's knowledge. These estimates and forecasts reflect the author's personal opinion and judgement. The premises for estimates and forecasts as well as the author's perspective on such premises are subject to constant change. Expectations with regard to the future performance of a financial instrument are the result of a measurement at a single point in time and may change at any time. The result of a financial analysis always describes only one possible future development – the one that is most probable from the perspective of the author – of a number of possible future developments.

Any and all market values or target prices indicated for the company analysed in this financial analysis may not be achieved due to various risk factors, including but not limited to market volatility, sector volatility, the actions of the analysed company, economic climate, failure to achieve earnings and/or sales forecasts, unavailability of complete and precise information and/or a subsequently occurring event which affects the underlying assumptions of the author and/or other sources on which the author relies in this document. Past performance is not an indicator of future results; past values cannot be carried over into the future.

Consequently, no warranty of any kind whatsoever shall be assumed for the accuracy of estimates and forecasts, and neither the author nor First Berlin, nor the person responsible for passing on or distributing the financial analysis shall be liable for any direct or indirect damage incurred through reliance on the correctness of estimates and forecasts.

INFORMATION PURPOSES, NO RECOMMENDATION, SOLICITATION, NO OFFER FOR THE PURCHASE OF SECURITIES

The present financial analysis serves information purposes. It is intended to support institutional investors in making their own investment decisions; however in no way provide the investor with investment advice. Neither the author, nor First Berlin, nor the person responsible for passing on or distributing the financial analysis shall be considered to be acting as an investment advisor or portfolio manager vis-à-vis an investor. Each investor must form his own independent opinion with regard to the suitability of an investment in view of his own investment objectives, experience, tax situation, financial position and other circumstances.

The financial analysis does not represent a recommendation or solicitation and is not an offer for the purchase of the security specified in this financial analysis. Consequently, neither the author nor First Berlin, nor the person responsible for passing on or distributing the financial analysis shall as a result be liable for losses incurred through direct or indirect employment or use of any kind whatsoever of information or statements arising out of this financial analysis.

A decision concerning an investment in securities should take place on the basis of independent investment analyses and procedures as well as other studies including, but not limited to, information memoranda, sales or issuing prospectuses and not on the basis of this document.

NO ESTABLISHMENT OF CONTRACTUAL OBLIGATIONS

By taking note of this financial analysis the recipient neither becomes a customer of First Berlin, nor does First Berlin incur any contractual, quasi-contractual or pre-contractual obligations and/or responsibilities toward the recipient. In particular no information contract shall be established between First Berlin and the recipient of this information.

NO OBLIGATION TO UPDATE

First Berlin, the author and/or the person responsible for passing on or distributing the financial analysis shall not be obliged to update the financial analysis. Investors must keep themselves informed about the current course of business and any changes in the current course of business of the analysed company.

DUPLICATION

Dispatch or duplication of this document is not permitted without the prior written consent of First Berlin.

SEVERABILITY

Should any provision of this disclaimer prove to be illegal, invalid or unenforceable under the respectively applicable law, then such provision shall be treated as if it were not an integral component of this disclaimer; in no way shall it affect the legality, validity or enforceability of the remaining provisions.

APPLICABLE LAW, PLACE OF JURISDICTION

The preparation of this financial analysis shall be subject to the law obtaining in the Federal Republic of Germany. The place of jurisdiction for any disputes shall be Berlin (Germany).

NOTICE OF DISCLAIMER

By taking note of this financial analysis the recipient confirms the binding nature of the above explanations.

By using this document or relying on it in any manner whatsoever the recipient accepts the above restrictions as binding for the recipient.

QUALIFIED INSTITUTIONAL INVESTORS

First Berlin financial analyses are intended exclusively for qualified institutional investors.

This report is not intended for distribution in the USA and/or Canada.