

# MPH Health Care AG

Germany / Healthcare  
 Frankfurt  
 Bloomberg: 93M GR  
 ISIN: DE000A0L1H32

2017  
 Results

**RATING**  
**BUY**

**PRICE TARGET**  
**€ 7.10**

Return Potential 40.3%  
 Risk Rating High

## NAVPS UP 12.5% Y/Y; DIVIDEND RAISED TO €0.20 / SHARE

Full year reporting confirmed prelims and the company's strategic focus on the strong health care sector. MPH Health Care reported net income of €32m for the year. NAVPS climbed to €5.6 compared to €4.8 in H1/17 and €5.0 YE16. The performance was driven by the core listed holdings: HAEMATO AG, M1 Kliniken AG and CR Capital Real Estate AG. Management will propose a €0.20 / share dividend to the AGM on 11 July. This is a significant increase on the €0.12 dividend paid out the past years and corresponds to a 4.6% yield. Our updated sum-of-the-parts model yields a €7.10 price target (old: €6.90). We maintain our Buy rating.

**Core holdings spur bottom line and NAV accretion** After a sluggish H1/17 in which MPH reported a net loss of €-2.2m, the company booked profits of €34m in the final six months to exit the year with €32m in net income. The bottom line was also ahead of our projection (FBe: €27m). NAV climbed to €241m (2016: €214m) corresponding to NAVPS of €5.6 (+12.5%). More recently, MPH also reported KPIs for the three month period. Q1/18 net income totalled €27m and NAV reached €267m. NAVPS was €6.3 (+11% YTD) and represents a 21% premium to the share price. The strong start to 2018 owes chiefly to positive share price developments for HAEMATO (+15% YTD) and M1 Kliniken (+12% YTD) spurred by their respective boosted positive full year results (see overleaf).

**Dividend boosted 67% Y/Y to €0.20 / share** The financial assets position entailing the three listed holdings remains the dominant line item on the balance sheet and rose to €249m in 2017 (2016: €220m; +13%). Shareholders' equity of €241m compares to a balance sheet total of €257m at year end. The 94% equity ratio matched the prior year level. MPH exited the year with cash and cash equivalents of €1.2m. Given the expected dividend payouts from the three listed holdings, MPH plans to pay out an increased dividend of €0.20 / share to shareholders. This is a 67% increase on the prior two years (€0.12 /share) and equates to an attractive 4.6% yield. Although MPH has no firm dividend policy, we expect the DPS to remain around the €0.20 level, assuming the portfolio performance remains steady. (p.t.o.)

### FINANCIAL HISTORY & PROJECTIONS

|                                  | 2014   | 2015   | 2016   | 2017   | 2018E  | 2019E  |
|----------------------------------|--------|--------|--------|--------|--------|--------|
| Pro-forma Rev. (€m) <sup>1</sup> | 219.25 | 262.89 | 329.07 | 347.12 | 394.34 | 456.59 |
| Y/Y growth                       | 7.6%   | 12.1%  | 20.3%  | 5.5%   | 13.6%  | 15.8%  |
| EBIT (€m)                        | 10.92  | 13.15  | 7.89   | -0.68  | -0.22  | -0.24  |
| EBT (€m)                         | 9.3    | 87.3   | 81.2   | 32.1   | 22.0   | 23.3   |
| Net income (€m)                  | 8.45   | 84.10  | 80.06  | 31.86  | 21.99  | 23.23  |
| EPS (diluted) (€)                | 0.20   | 1.96   | 1.87   | 0.74   | 0.51   | 0.54   |
| DPS (€)                          | 0.19   | 0.12   | 0.12   | 0.20   | 0.20   | 0.20   |
| NAV (€m)                         | 94.73  | 139.02 | 213.95 | 240.67 | 254.10 | 268.76 |
| Net gearing                      | 29.1%  | 6.8%   | 1.7%   | 3.0%   | 2.7%   | 2.9%   |
| Liquid assets (€m)               | 17.70  | 0.53   | 10.45  | 6.76   | 7.26   | 6.20   |

\* Please note the company changed to IFRS 10 reporting and deconsolidated its core holdings as of 31 December 2015.

<sup>1</sup> We provide pro-forma revenue of M1 Kliniken, HAEMATO and CR Capital as a reference.

### RISKS

Regulatory changes in healthcare systems, spending cuts in healthcare systems, homogenization of pharmaceutical prices within the European Union.

### COMPANY PROFILE

MPH Health Care AG is a Berlin based investment company focused on the purchase and further development of companies positioned chiefly in growth segments of the healthcare market. These primarily entail specialty pharmaceuticals for chronic diseases and lifestyle and beauty treatments.

### MARKET DATA

As of 12 Jun 2018

|                         |               |
|-------------------------|---------------|
| Closing Price           | € 5.06        |
| Shares outstanding      | 42.81m        |
| Market Capitalisation   | € 216.64m     |
| 52-week Range           | € 3.18 / 5.13 |
| Avg. Volume (12 Months) | 35,597        |

| Multiples  | 2017 | 2018E | 2019E |
|------------|------|-------|-------|
| P/E        | 6.8  | 9.9   | 9.3   |
| EV/EBT     | 7.1  | 10.4  | 9.9   |
| P/NAV      | 0.9  | 0.9   | 0.8   |
| Div. Yield | 4.0% | 4.0%  | 4.0%  |

### STOCK OVERVIEW



### COMPANY DATA

As of 31 Dec 2017

|                      |           |
|----------------------|-----------|
| Liquid Assets        | € 1.20m   |
| Current Assets       | € 8.30m   |
| Intangible Assets    | € 294.00m |
| Total Assets         | € 228.18m |
| Current Liabilities  | € 230.40m |
| Shareholders' Equity | € 240.70m |

### SHAREHOLDERS

|                      |       |
|----------------------|-------|
| Magnum               | 60.0% |
| Argenta Asset Mngt   | 2.1%  |
| Baring Fund Managers | 1.9%  |
| Free Float           | 36.0% |



## PORTFOLIO DEVELOPMENTS

**Table 1: Listed holdings share price developments**

|                           | FY/16          |                 |                | FY/17          |                 |                |              |
|---------------------------|----------------|-----------------|----------------|----------------|-----------------|----------------|--------------|
|                           | MPH shares (k) | Share price (€) | Value (€k)     | MPH shares (k) | Share price (€) | Value (€k)     | Variance     |
| HAEMATO AG                | 10,392         | 6.44            | 66,924         | 11,011         | 5.08            | 55,936         | -16.4%       |
| M1 Kliniken AG            | 12,734         | 9.94            | 126,576        | 12,371         | 13.18           | 163,050        | 28.8%        |
| CR Capital Real Estate AG | 1,151          | 18.77           | 21,604         | 1,151          | 20.31           | 23,377         | 8.2%         |
| <b>Total</b>              |                |                 | <b>215,105</b> |                |                 | <b>242,362</b> | <b>12.7%</b> |

\* Bloomberg closing prices from 30 December 2016 and 30 December 2017

Source: First Berlin Equity Research; MPH; Bloomberg

The business focus of MPH is to take majority stakes in companies well positioned in growing segments of the German healthcare industry and create value for investors with these holdings. These are exposed to both the insurance- and privately-financed health care segments. Each participation benefits from strong market trends including concerns over rising healthcare costs, beauty and lifestyle trends, and a fundamentally attractive residential property market. MPH is likewise exposed to strong trends in the real estate sector with its stake in CR Capital AG—a developer affordable residential housing.

As in the prior years, the portfolio remains dominated by HAEMATO AG, M1 Kliniken AG and CR Capital AG—which realised aggregate share price appreciation of 12.7% last year and will all distribute dividends. In 2017, dividends received by MPH totalled €7.4m. We expect this to top €8m this year with the first time CR Capital payout. We expect do not expect any asset rotation or portfolio additions in the term, given the attractive upside of the existing constituents to drive value creation.

**Positive impulses from the healthcare and beauty-lifestyle sectors** HAEMATO presently benefits from favourable market conditions for cancer therapy and oncology products, where it traditionally generates some 60% of its turnover. Operations are prospering from improved sourcing, higher margin products in the sales mix, and improved production and logistics at the Berlin distribution facility. We believe the launch of its own branded hyaluronic acid products is a pivotal step in the evolution of HAEMATO's operations. Traction with high margin proprietary medical products can potentially offset some of the sourcing fluctuations associated with core operations.

M1 is likewise thriving from strong market tailwinds with beauty-lifestyle services becoming more and more popular supported by greater prosperity to afford vanity treatments. Management guide for double digit revenue and earnings growth in 2018, driven by newly added surgical capacity—including the recently opened Essen facility—and ongoing expansion. With a broad regional footprint on its home turf, M1 plans to take more of a pan-European growth approach in the future. We believe the company will look to initially branch out into the Austrian and Swiss markets late in the year.



**Meanwhile, property market fundamentals are healthier than most think** A “rates tantrum” weighed heavily on sentiment for real estate sector early in Q1/18, as investors sold positions fearing rate hikes and a major sector collapse. However, we believe the worst of the storm has passed and think the German residential housing sector remains fundamentally attractive for property developers. The sector continues to be characterised by low levels of supply, and new-build completions are unable to keep pace with demand and migration to urban German hubs.

Apartment prices continue to climb thanks to the persistent housing shortages, which were estimated at some one million residential units in 2017. Although 2018 is the tenth year of the current cycle, we expect housing prices and rental growth to remain ascendant across metropolitan hubs in the coming years until: (1) supply substantially rises; (2) occupancy rates move higher; (3) demand for housing abates; and (4) interest rates rise significantly.

We expect this environment to persist, which should provide good opportunities for CR Capital. Operationally, CR Capital’s core project development activities are currently centred on the Schkeuditz project in Leipzig. The Leipzig construction pipeline has a total volume of €150m, which we expect the company to realise over the next five years providing excellent visibility. CR Capital has also secured another project pipeline in Dresden, Germany to further boost mid-term visibility.



## HAEMATO 2017 REPORTING

**Table 2: HAEMATO profit and loss highlights**

| All figures in EUR '000 | 2017    | 2016    | % delta | H2/17   | H2/16   | % delta |
|-------------------------|---------|---------|---------|---------|---------|---------|
| Revenue                 | 289,862 | 275,614 | 5.2%    | 151,048 | 133,340 | 13.3%   |
| Gross profit            | 19,951  | 19,469  | 2.5%    | 10,763  | 9,689   | 11.1%   |
| Margin (%)              | 6.9%    | 7.1%    | -       | 7.1%    | 7.3%    | -       |
| EBIT                    | 9,416   | 13,441  | -29.9%  | 6,234   | 7,585   | -17.8%  |
| Margin (%)              | 3.2%    | 4.9%    | -       | 4.1%    | 5.7%    | -       |
| Net Income              | 6,983   | 11,037  | -36.7%  | 4,819   | 6,622   | -27.2%  |
| Margin (%)              | 2.4%    | 4.0%    | -       | 3.2%    | 5.0%    | -       |

Source: First Berlin Equity Research; HAEMATO AG

**HEMATO offsets lacklustre H1 with strong H2** HAEMATO reported solid full year revenue and earnings after a sluggish H1. Revenue (€289m) set the second consecutive high water mark in the company's brief history, as HAEMATO continued to gain market share as a supplier of specialty pharmaceuticals. H2 sales rose some 13% H/H to €151m. Net income of €7.0m was off the 2016 level (€11.0m) which benefited strongly from higher other income (€10.4m).

**Table 3: HAEMATO balance sheet developments**

| All figures in EUR '000               | 2017    | 2016    | Delta  |
|---------------------------------------|---------|---------|--------|
| Cash                                  | 6,470   | 9,790   | -33.9% |
| Short-term financial assets           | 9,236   | 7,084   | 30.4%  |
| Financial debt (short- and long-term) | 28,050  | 26,925  | 4.2%   |
| Net debt                              | 12,344  | 10,052  | 22.8%  |
| Total assets                          | 122,028 | 116,774 | 4.5%   |
| Shareholders' equity                  | 70,927  | 63,091  | 12.4%  |
| Equity ratio                          | 58.1%   | 54.0%   | -      |

Source: First Berlin Equity Research; HAEMATO AG

The company prospered from its position as specialist in the therapeutic areas of oncology, HIV / AIDS and other chronic diseases as well as operational improvements implemented early in 2017. HAEMATO also shipped its first branded Hyaluronic acid (HA) based creams in December as it awaits approval on further HA products. The process is in the advanced stages, and we expect CE Marking (European Conformity) by the end of the year. This will open the door for HAEMATO to sell high margin injectables. Based on the strong 2017 performance, HAEMATO management will propose a €0.30 dividend (5% yield) to shareholders at the 4 July AGM.



## M1 KLINIKEN 2017 REPORTING

**Table 4: M1 profit and loss highlights**

| All figures in EUR '000 | 2017   | 2016   | % delta | H2/17  | H2/16  | % delta |
|-------------------------|--------|--------|---------|--------|--------|---------|
| Revenue                 | 47,194 | 35,955 | 31.3%   | 24,937 | 17,457 | 42.8%   |
| Gross profit            | 18,757 | 13,444 | 39.5%   | 8,621  | 7,145  | 20.7%   |
| Margin (%)              | 39.7%  | 37.4%  | -       | 34.6%  | 40.9%  | -       |
| EBIT                    | 5,715  | 4,364  | 31.0%   | 1,558  | 1,318  | 18.2%   |
| Margin (%)              | 12.1%  | 12.1%  | -       | 6.2%   | 7.5%   | -       |
| Net Income              | 5,778  | 5,007  | 15.4%   | 2,090  | 2,114  | -1.1%   |
| Margin (%)              | 12.2%  | 13.9%  | -       | 8.4%   | 12.1%  | -       |

Source: First Berlin Equity Research; M1 Kliniken

**Lifestyle and beauty specialist doubles treatment facilities in 2017** M1 revenues surged some 31% Y/Y to €47m, thanks to aggressive operational expansion. This included an increase in the number of outpatient clinics to 17 in 2017 (2016: 11; +54%). The new facilities are well located across Leipzig, Wiesbaden, Münster, Berlin (2x) and Mannheim, which benefit from good economic fundamentals. The number of treatments last year also climbed 50% from 100k to 150k. Gross profit grew 40% Y/Y to €18.8m (2016: €13.4m), thanks to the strong top line performance, while EBIT of €5.7m topped the prior year result by 31%. Despite the strong expansion, the EBIT margin remained a solid 12.1%.

**Table 5: M1 balance sheet developments**

| All figures in EUR '000               | 2017    | 2016   | Delta  |
|---------------------------------------|---------|--------|--------|
| Cash                                  | 14,687  | 5,812  | 152.7% |
| Financial debt (short- and long-term) | 214     | 0      | -      |
| Net debt                              | -14,473 | -5,812 | 149.0% |
| Total assets                          | 50,569  | 32,186 | 57.1%  |
| Shareholders' equity                  | 47,280  | 30,257 | 56.3%  |
| Equity ratio                          | 93.5%   | 94.0%  | -      |

Source: First Berlin Equity Research; M1 Kliniken

The balance sheet total rose significantly to €50.6m (2015: €32.2m) owing mainly to positive net results and the October cap hike resulting in gross proceeds of €16.5m. Net cash thus climbed to €14.5m vs €5.8m in 2016. Shareholders' equity rose to €47.3m (2015: €30.3m), and the equity ratio remained at a stout 94%. M1 plans a dividend of €0.30 / share corresponding to a payout of €5.0m.



## CR CAPITAL REAL ESTATE 2017 REPORTING

**Table 6: CR Capital profit and loss highlights**

| All figures in EUR '000 | 2017   | 2016   | Variance | H2 / 17 | H2 / 16 | Variance |
|-------------------------|--------|--------|----------|---------|---------|----------|
| Revenue                 | 10,409 | 17,499 | -40.5%   | 10,097  | 9,060   | 11.4%    |
| EBIT                    | 3,994  | 2,377  | 68.0%    | 3,020   | 2,791   | 8.2%     |
| Margin (%)              | 38.4%  | 13.6%  | -        | 29.9%   | 30.8%   | -        |
| Net income              | 5,767  | 2,167  | 166.1%   | 4,661   | 1,994   | 133.8%   |
| EPS diluted (€)         | 3.14   | 1.22   | 157.4%   | 2.54    | 1.12    | 126.1%   |

Source: First Berlin Equity Research; CR Capital

**CR Capital doubles bottom line** The German residential property developer reported 2017 net income of €5.8m compared to €2.2m in the prior year and targets a first-time dividend payment to shareholders of €1 / share. Sales were reported at €10.4m (2017: €17.5m). The company also announced the handover of the first flats from its Leipzig project and expects to transfer 96 terraced homes by the end of 9M/18, while starting phase II (200 units) construction in H2/18. Meanwhile, the balance sheet was impacted by the November takeover of KENT Immobilienmanagement GmbH. Total asset thus rose 54% to €42m causing the dip in the equity ratio, which remained a stout 68%. CR Capital will hold its AGM in July.

**Table 7: CR Capital balance sheet developments**

| All figures in EUR '000               | 2017   | 2016   | Delta  |
|---------------------------------------|--------|--------|--------|
| Cash                                  | 1,984  | 5,441  | -63.5% |
| Assets held for sale                  | 9,381  | 5,277  | 77.8%  |
| Investment properties                 | 10,852 | 9,175  | 18.3%  |
| Total assets                          | 42,066 | 27,378 | 53.6%  |
| Financial debt (short- and long-term) | 9,016  | 2,116  | 326.1% |
| Net debt                              | 7,032  | -3,325 | -      |
| Shareholders' equity                  | 28,388 | 22,705 | 25.0%  |
| Equity ratio                          | 67.5%  | 82.9%  | -      |

Source: First Berlin Equity Research; CR Capital AG



## SUM-OF-THE-PARTS MODEL

We use a sum-of-the-parts valuation methodology to value MPH. Value is driven by the projected fair value of HAEMATO, M1 Beauty, and CR Capital, which we have valued separately on a DCF basis. Based on the current stakes, we derive a fair value of €321m for the listed holdings. We add the book value of the non-listed holdings to this figure and subtract the 2017 net debt and holding costs. Given the 42.8m shares outstanding (SO), we now see fair value for MPH at €7.10 per share (previously: €6.90) corresponding to a Buy rating. We regard MPH as an attractive opportunity for investors seeking exposure to the growing affordable health care and housing segments with shares currently trading some 25% below NAVPS of €6.3.

**Table 8: Sum-of-the-parts valuation**

| in € '000                                 | Shareholdings | SO     | MPH stake | Share price* | Fair value <sup>1</sup> | Projected value |
|---|---------------|--------|-----------|--------------|-------------------------|-----------------|
| HAEMATO AG                                | 11,012        | 21,980 | 50.1%     | 5.94         | 7.70                    | 84,792          |
| M1 Kliniken AG                            | 12,371        | 16,500 | 75.0%     | 17.10        | 16.50                   | 204,122         |
| CR Capital Real Estate AG                 | 1,151         | 1,878  | 61.3%     | 20.20        | 28.00                   | 32,228          |
| <b>Projected value of listed holdings</b> |               |        |           |              |                         | <b>321,142</b>  |

\* Source: Bloomberg (Previous day's closing price)

|                                       |                |
|---------------------------------------|----------------|
| <b>Fair value of listed portfolio</b> | <b>321,142</b> |
| Non-listed investment (book value)    | 6,734          |
| Net debt                              | 7,242          |
| Present value of holding costs        | -18,516        |
| <b>Total fair value</b>               | <b>302,117</b> |
| MPH Shares outstanding                | 42,814         |
| <b>Fair value per share (€)</b>       | <b>7.10</b>    |

<sup>1</sup> First Berlin Equity Research currently covers HAEMATO AG (Buy / PT: EUR7.70), M1 Kliniken AG (Buy / PT: EUR16.50) and CR Capital (Buy / PT: EUR28)



## INCOME STATEMENT

| All figures in EUR '000               | 2014           | 2015           | 2016           | 2017           | 2018E          | 2019E          |
|---------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Pro-forma revenues<sup>1</sup></b> | <b>219,249</b> | <b>262,887</b> | <b>329,067</b> | <b>347,117</b> | <b>394,337</b> | <b>456,588</b> |
| <b>Revenues</b>                       | <b>219,249</b> | <b>262,887</b> | <b>47</b>      | <b>66</b>      | <b>50</b>      | <b>50</b>      |
| Change in inventories                 | -27            | -3,720         | 0              | -17            | 0              | 0              |
| Cost of goods sold                    | -197,433       | -231,703       | 17             | 17             | -10            | -10            |
| Personnel expenses                    | -6,479         | -8,326         | -559           | -498           | -505           | -513           |
| Other OpEx                            | -8,006         | -10,771        | -432           | -1,447         | -1,251         | -1,270         |
| Other income                          | 5,442          | 9,978          | 8,843          | 1,225          | 1,500          | 1,500          |
| Depreciation & amortisation           | -1,829         | -5,193         | -24            | -22            | 0              | 0              |
| <b>Operating income (EBIT)</b>        | <b>10,917</b>  | <b>13,152</b>  | <b>7,892</b>   | <b>-676</b>    | <b>-217</b>    | <b>-243</b>    |
| Net financial result                  | -1,604         | -2,001         | -445           | -167           | -420           | -420           |
| Other financial result                | 0              | 7,860          | 7,482          | 7,380          | 8,166          | 8,166          |
| Depreciation of financial assets      | 0              | -6,417         | -5,995         | -14,825        | 0              | 0              |
| Revaluation result                    | 0              | 74,707         | 72,220         | 40,408         | 14,494         | 15,761         |
| <b>Pre-tax income (EBT)</b>           | <b>9,313</b>   | <b>87,301</b>  | <b>81,154</b>  | <b>32,120</b>  | <b>22,023</b>  | <b>23,264</b>  |
| Income taxes                          | -860           | -3,200         | -1,090         | -265           | -30            | -34            |
| <b>Net income / loss</b>              | <b>8,453</b>   | <b>84,101</b>  | <b>80,064</b>  | <b>31,855</b>  | <b>21,993</b>  | <b>23,230</b>  |
| Minority interests                    | 3,503          | 1,513          | 0              | 0              | 0              | 0              |
| <b>Net income after minorities</b>    | <b>4,950</b>   | <b>82,588</b>  | <b>80,064</b>  | <b>31,855</b>  | <b>21,993</b>  | <b>23,230</b>  |
| <b>EPS (in €)</b>                     | <b>0.20</b>    | <b>1.96</b>    | <b>1.87</b>    | <b>0.74</b>    | <b>0.51</b>    | <b>0.54</b>    |

\* Please note the change to IFRS 10 accounting as of 31 December 2015, <sup>1</sup>Pro-forma revenue of M1 Beauty, HAEMATO and CR Capital as a reference.



## BALANCE SHEET

| All figures in EUR '000                   | 2014           | 2015           | 2016           | 2017           | 2018E          | 2019E          |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Assets</b>                             |                |                |                |                |                |                |
| <b>Current assets, total</b>              | <b>68,150</b>  | <b>685</b>     | <b>10,452</b>  | <b>8,288</b>   | <b>7,259</b>   | <b>6,201</b>   |
| Cash and equivalents                      | 10,117         | 528            | 983            | 1,239          | 7,259          | 6,201          |
| ST financial assets                       | 7,581          | 0              | 9,466          | 5,519          | 0              | 0              |
| Trade receivables                         | 11,523         | 8              | 0              | 0              | 0              | 0              |
| Inventories                               | 35,401         | 0              | 0              | 0              | 0              | 0              |
| Other ST assets                           | 3,528          | 149            | 3              | 1,530          | 0              | 0              |
| <b>Non-current assets, total</b>          | <b>82,051</b>  | <b>150,419</b> | <b>219,878</b> | <b>249,089</b> | <b>263,573</b> | <b>279,324</b> |
| Property, plant & equipment               | 2,406          | 14             | 6              | 4              | 4              | 4              |
| Goodwill & other intangibles              | 53,562         | 24             | 26             | 18             | 18             | 18             |
| Investment properties                     | 13,436         | 0              | 0              | 0              | 0              | 0              |
| Financial assets                          | 12,371         | 150,360        | 219,824        | 249,047        | 263,531        | 279,282        |
| Deferred taxes                            | 276            | 21             | 22             | 20             | 20             | 20             |
| <b>Total assets</b>                       | <b>150,201</b> | <b>151,104</b> | <b>230,330</b> | <b>257,377</b> | <b>270,832</b> | <b>285,525</b> |
| <b>Shareholders' equity &amp; debt</b>    |                |                |                |                |                |                |
| <b>Current liabilities, total</b>         | <b>28,645</b>  | <b>967</b>     | <b>165</b>     | <b>229</b>     | <b>242</b>     | <b>255</b>     |
| Trade payables                            | 7,210          | 638            | 15             | 37             | 37             | 37             |
| ST debt                                   | 14,359         | 60             | 0              | 0              | 0              | 0              |
| Provisions                                | 3,820          | 54             | 42             | 70             | 72             | 74             |
| Other ST financial liabilities            | 510            | 205            | 87             | 90             | 99             | 109            |
| Other current liabilities                 | 2,746          | 10             | 21             | 32             | 34             | 35             |
| <b>Long-term liabilities, total</b>       | <b>26,826</b>  | <b>11,117</b>  | <b>16,217</b>  | <b>16,483</b>  | <b>16,495</b>  | <b>16,507</b>  |
| Long-term debt                            | 23,356         | 9,990          | 14,000         | 14,000         | 14,000         | 14,000         |
| LT provisions                             | 27             | 0              | 0              | 0              | 0              | 0              |
| Deferred tax liabilities                  | 3,443          | 1,127          | 2,217          | 2,483          | 2,495          | 2,507          |
| <b>Shareholders' equity</b>               | <b>68,771</b>  | <b>139,020</b> | <b>213,948</b> | <b>240,665</b> | <b>254,095</b> | <b>268,762</b> |
| Minority interests                        | 25,959         | 0              | 0              | 0              | 0              | 0              |
| <b>Total equity</b>                       | <b>94,730</b>  | <b>139,020</b> | <b>213,948</b> | <b>240,665</b> | <b>254,095</b> | <b>268,762</b> |
| <b>Total consolidated equity and debt</b> | <b>150,201</b> | <b>151,104</b> | <b>230,330</b> | <b>257,377</b> | <b>270,832</b> | <b>285,525</b> |

<sup>1</sup> Please note the change to IFRS 10 accounting as of 31 December 2015



## CASH FLOW STATEMENT

| All figures in EUR '000                | 2014          | 2015          | 2016          | 2017          | 2018E         | 2019E         |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Pre-tax income</b>                  | <b>9,308</b>  | <b>87,279</b> | <b>81,154</b> | <b>32,120</b> | <b>22,023</b> | <b>23,264</b> |
| Depreciation and amortisation          | 1,829         | 10,896        | 6,020         | 21            | 0             | 0             |
| Revaluation gains                      | -4,953        | -81,551       | -81,438       | -25,946       | -8,975        | -15,761       |
| Changes in working capital             | -9            | -533          | -13,606       | 2,484         | 1,555         | 26            |
| Other adjustments                      | -5,055        | -15,342       | 396           | -457          | 10            | 10            |
| Net financial result                   | 1,604         | 2,000         | 445           | 167           | 420           | 420           |
| <b>Operating cash flow</b>             | <b>2,724</b>  | <b>2,749</b>  | <b>-7,029</b> | <b>8,389</b>  | <b>15,033</b> | <b>7,959</b>  |
| Investment income                      | 158           | 223           | 2,922         | -7,380        | 0             | 0             |
| Interest expense paid                  | -1,779        | -2,223        | -660          | -498          | -420          | -420          |
| Tax paid                               | -1,594        | -406          | 0             | 264           | -30           | -34           |
| <b>Net operating cash flow</b>         | <b>-491</b>   | <b>343</b>    | <b>-4,767</b> | <b>775</b>    | <b>14,583</b> | <b>7,505</b>  |
| CapEx                                  | -9,913        | -26,814       | -2,006        | -15,919       | 0             | 0             |
| Proceeds from disposal of fixed assets | 13,387        | 18,623        | 7,570         | 13,159        | 0             | 0             |
| Investment income                      | 0             | 0             | 0             | 7,380         | 0             | 0             |
| <b>Cash flow from investing</b>        | <b>3,474</b>  | <b>-8,191</b> | <b>5,564</b>  | <b>4,620</b>  | <b>0</b>      | <b>0</b>      |
| <b>Free cash flow (FCF)</b>            | <b>2,983</b>  | <b>-7,848</b> | <b>797</b>    | <b>5,395</b>  | <b>14,583</b> | <b>7,505</b>  |
| Equity inflow, net                     | 2,485         | 3,652         | 0             | 0             | 0             | 0             |
| Debt inflow, net                       | 5,880         | 6,741         | 3,950         | 0             | 0             | 0             |
| Dividend paid to shareholders          | -7,086        | -8,223        | -4,293        | -5,138        | -8,563        | -8,563        |
| <b>Cash flow from financing</b>        | <b>1,279</b>  | <b>2,170</b>  | <b>-343</b>   | <b>-5,138</b> | <b>-8,563</b> | <b>-8,563</b> |
| <b>Net cash flows</b>                  | <b>4,262</b>  | <b>-9,590</b> | <b>454</b>    | <b>257</b>    | <b>6,020</b>  | <b>-1,058</b> |
| Cash, start of the year                | 5,855         | 10,117        | 528           | 982           | 1,239         | 7,259         |
| <b>Cash, end of the year</b>           | <b>10,117</b> | <b>528</b>    | <b>982</b>    | <b>1,239</b>  | <b>7,259</b>  | <b>6,201</b>  |
| <b>Y-Y Growth</b>                      |               |               |               |               |               |               |
| Operating cash flow                    | n.m.          | n.m.          | n.m.          | n.m.          | 1781.2%       | -48.5%        |
| Free cash flow                         | n.m.          | n.m.          | n.m.          | 576.9%        | 170.3%        | -48.5%        |

<sup>1</sup> Please note the change to IFRS 10 accounting as of 31 December 2015

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| Report No.:    | Date of publication | Previous day closing price | Recommendation | Price target |
|----------------|---------------------|----------------------------|----------------|--------------|
| Initial Report | 29 October 2012     | €2.45                      | Buy            | €5.50        |
| 2...14         | ↓                   | ↓                          | ↓              | ↓            |
| 15             | 20 March 2017       | €4.08                      | Buy            | €5.50        |
| 16             | 30 May 2017         | €3.62                      | Buy            | €5.80        |
| 17             | 23 November 2017    | €3.54                      | Buy            | €6.90        |
| 18             | Today               | €5.06                      | Buy            | €7.10        |

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