

# MPH Mittelstaendische Pharma Holding AG

Germany / Healthcare  
 Frankfurt  
 Bloomberg: 93M GR  
 ISIN: DE000A0NF697

Q1/16 Update

**RATING**  
**BUY**

**PRICE TARGET**  
**€4.90**

Return Potential 85.3%  
 Risk Rating High

## ATTRACTIVE HEALTHCARE PORTFOLIO

**Preliminary Q1/16 results were driven by rises in the share prices of MPH's core holdings. As of 31 December 2015, the company reports as an investment entity according to IFRS 10 as investors can now track the publicly listed M1 Beauty. Net income for the first three months amounted to €8.7m, which spurred an increase in equity to €148m. Given the change in accounting, we have retired our DCF model and adopted a sum-of-the-parts valuation method to better reflect the portfolio developments. We now see fair value at €4.90 per share (previously: €5.10) and maintain our Buy rating.**

**Positive share price developments of holdings drive bottom line** As of 31 December 2015, MPH reports as an investment entity according to IFRS 10, whereas the company previously fully consolidated the majority stakes of its primary holdings. Consequently, earnings will now be chiefly driven by the share price developments of the publicly traded core holdings. The largest items on the balance sheet will be the financial assets position, which amounted to €154m at the end of Q1/16, and shareholder equity of €148m. This compares to the balance sheet total of €159m at the end of the first quarter. The equity ratio thus totalled 92% at the end of the period.

**Positive share price developments of holdings drive bottom line** MPH is an investment entity primarily focused on growth companies positioned in the German healthcare industry. The three key core holdings are the listed HAEMATO AG, M1 Beauty AG, and CR Capital Real Estate AG. Driven mainly by the positive share price developments of the holdings, the revaluation result totalled €11m in Q1/16. This led to net income of €8.7m for the period. Given the aforementioned change in accounting, Q1/15 figures do not provide any comparative value. We also note the company no longer generates operating revenues after the deconsolidation. Financial assets for the period climbed to €154m equal to a 2.6% increase since the end of 2015. The company exited the first quarter with cash and cash equivalents of some €2m. (p.t.o.)

### FINANCIAL HISTORY & PROJECTIONS<sup>1</sup>

	2014	2015	2016E	2017E	2018E	2019E
Revenue (€m)	219.25	262.89	5.17	4.39	3.74	3.18
Pro-forma Rev. (€m) <sup>2</sup>	219.25	262.89	322.06	346.98	398.24	426.50
EBT (€m)	9.31	87.30	31.13	36.31	35.69	30.34
EBT margin	4.2%	33.2%	602.2%	826.3%	955.4%	955.4%
Net income (€m)	8.45	84.10	30.51	35.59	34.97	29.73
EPS (diluted) (€)	0.20	1.96	0.71	0.83	0.82	0.69
DPS (€)	0.19	0.12	0.12	0.12	0.12	0.12
FCF (€m)	2.98	-7.85	8.73	9.62	9.11	8.76
Net gearing	29.1%	6.8%	3.6%	0.7%	-1.1%	-2.4%
Liquid assets (€m)	17.70	0.53	4.06	8.54	12.51	16.03

<sup>1</sup> Please note the company changed to IFRS 10 reporting as of 31 December 2015 and deconsolidated its core holdings.

<sup>2</sup> We provide pro-forma revenue of M1 Beauty, 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 is a German based healthcare company specializing in the fields of pharmaceuticals, patient care, and cosmetic surgeries with a strategic focus on therapeutic areas of chronic diseases and lifestyle beautification. Rising healthcare costs in Germany are expected to continue driving demand for the inexpensive solutions provided by the company's core healthcare activities.

### MARKET DATA

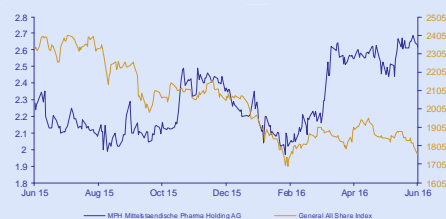
As of 15 Jun 2016

Closing Price € 2.64  
 Shares outstanding 42.80m  
 Market Capitalisation € 113.16m  
 52-week Range € 1.97 / 2.69  
 Avg. Volume (12 Months) 23,467

Multiples <sup>1</sup>	2015	2016E	2017E
P/E	1.3	3.7	3.2
EV/Sales	0.5	23.7	27.9
EV/EBT	1.4	3.9	3.4
Div. Yield	4.5%	4.5%	4.5%

<sup>1</sup> 2016 & 2017 reflect the change to IFRS 10 accounting

### STOCK OVERVIEW



### COMPANY DATA

As of 31 Dec 2015

Liquid Assets € 0.53m  
 Current Assets € 0.68m  
 Financial Assets € 150.36m  
 Total Assets € 151.10m  
 Current Liabilities € 0.97m  
 Shareholders' Equity € 139.00m

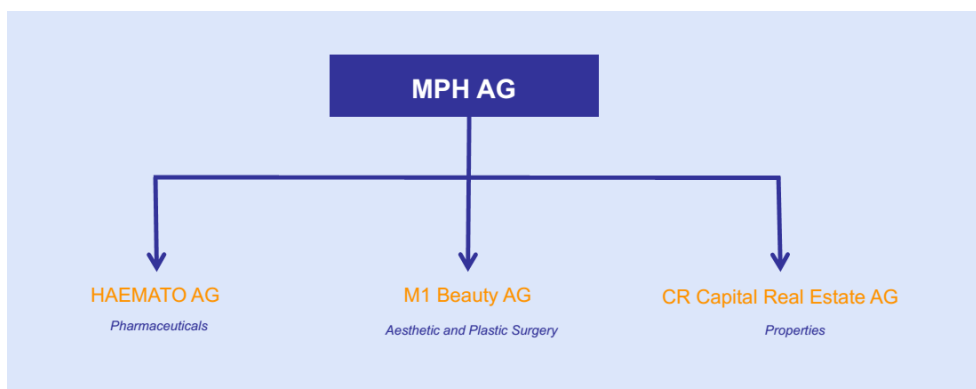
### SHAREHOLDERS

Magnum 63.5%  
 Free Float 36.5%

## KEY PORTFOLIO HOLDINGS

The 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. With public medical costs strongly on the rise, HAEMATO is well positioned with its parallel import business, which is strongly supported by the German regulator. Lifestyle beautification treatment is also a fast growing segment. In 2014, some 0.5m aesthetic medical treatments were performed in Germany with over 50% being cosmetic surgeries according to data from *Deutsche Gesellschaft für Ästhetisch-Plastische Chirurgie*.

Figure 1: Company structure



Source: First Berlin Equity Research, MPH

**HAEMATO AG: Combating rising healthcare costs** HAEMATO is a pharmaceutical company focused on the sale of generics and parallel imports. The company sells patented and patent free medical products to pharmacies, doctors, and hospitals with the goal of reducing healthcare costs. HAEMATO focuses chiefly on high priced pharmaceuticals for the treatment of cancer, HIV, rheumatism, and other chronic diseases. The product portfolio also now includes botulinum toxin and hyaluronic acid used for lifestyle aesthetic treatments. The company is headquartered in Schönefeld, located outside of Berlin, and employs a staff of 170. HAEMATO generated revenues of €230m in 2015 with net income of €5.5m and realised a strong uptick in Q1/16 sales with revenues growing some 50% Y/Y to €68m. The company paid a €0.30 dividend for 2015. HAEMATO is listed on the Open Market segment of the Frankfurt Stock Exchange, and MPH holds a 50% stake in the company.

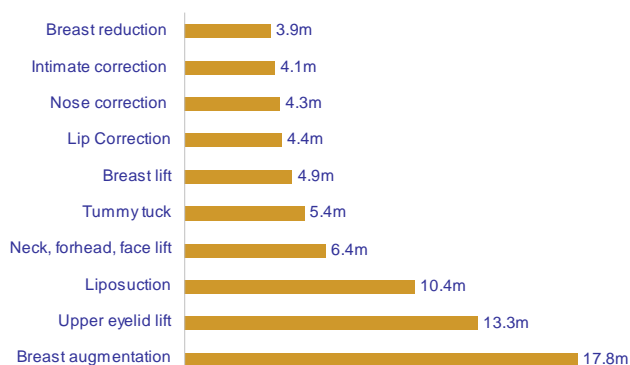
Table 1: HAEMATO KPIs

All figures in EUR '000	FY 2013	FY 2014	FY 2015
Revenue	173,566	202,674	229,727
Y/Y	-	16.8%	13.3%
Gross Profit	11,721	16,298	15,273
Margin (%)	6.8%	8.0%	6.6%
EBIT	9,934	8,233	8,225
Margin (%)	5.7%	4.1%	3.6%
Cash	3,316	2,424	2,449
Net Debt	13,737	23,346	28,586

Source: First Berlin Equity Research, Company

**M1 Beauty AG: “Medical care for a better life”** M1 Beauty ranks among the top healthcare providers in Germany. The company specialises in lifestyle beauty treatments that include a wide range of cosmetic and reconstructive surgical procedures and aesthetic medicine. The strategy is to offer affordable procedures and services that are normally reserved for the affluent. The company also offers a line of “Made in Germany” drugs and medical devices for cosmetic treatments.

**Figure 2: Most common aesthetic surgical procedures in Germany in 2015**



Source: First Berlin Equity Research; Deutsche Gesellschaft für Ästhetisch-Plastische Chirurgie

M1 is headquartered in Berlin, Germany and employed a staff of 27 in 2015. The company generated revenues of €35m in 2015 (2014: €23m) corresponding to 52% Y/Y growth. NI reached €6.6m last year compared to €4.6m in the prior year. Management have also proposed a €0.30 dividend for 2015. M1 is listed in the Entry Standard segment of the Frankfurt Stock Exchange, and MPH holds an 86% stake in the company.

**Table 2: M1 Beauty KPIs**

All figures in EUR '000	FY 2013	FY 2014	FY 2015
Revenue	6,081	23,017	34,926
Y/Y	-	278.5%	51.7%
Gross Profit	1,039	6,845	10,782
Margin (%)	17.1%	29.7%	30.9%
EBIT	8	5,016	7,015
Margin (%)	0.1%	21.8%	20.1%
Cash	609	2,398	413
Net Debt	-606	-377	-396

Source: First Berlin Equity Research, Company

**CR Capital Real Estate AG:** CR Capital is a Berlin based real estate project developer. Having previously been focused on a vibrant Berlin market, the company acquired an attractive project pipeline in Leipzig in 2015. Leipzig is regarded by many real estate participants as an up and coming marketplace in Germany, due to population growth that outpaces Berlin and falling vacancy rates. These factors are driving strong demand for new residential units. The project gives CR Capital access to some 60,000m<sup>2</sup> of sellable space and provides much improved visibility beyond 2016. Moreover, the company now aims to exploit opportunities with medical clinics and the pharmaceutical industry and already enjoys synergies with HAEMATO and M1. CR Capital generated revenues of €9.0m (2014: €18.4m), driven mainly by the handover of apartment units from the Hohenzollerndamm project. The company is listed in the Entry Standard segment of the Frankfurt Stock Exchange, and MPH holds a 54% stake.

**Table 3: CR Capital KPIs**

All figures in EUR '000	FY 2013	FY 2014	FY 2015
Revenue	13,506	18,337	8,970
Y/Y	-	35.8%	-51.1%
Gross Profit	1,130	10,220	5,231
Margin (%)	8.4%	55.7%	58.3%
EBIT	-629	7,287	2,717
Margin (%)	-4.7%	39.7%	30.3%
Cash	417	2,965	1,947
Net Debt	4,253	626	374

Source: First Berlin Equity Research, Company



## REVISED PROJECTIONS IN LINE WITH NEW IFRS 10 REPORTING

**Table 4: Estimate revisions**

All figures in € '000	2016E			2017E		
	old	new	% delta	old	new	% delta
Revenue	270,140	7,170	-97.3%	299,860	8,030	-97.3%
EBT	10,720	31,275	191.7%	12,750	38,411	201.3%
Margin (%)	4.0%	436.2%	-	4.3%	478.3%	-
Net income	9,120	30,650	236.1%	10,620	37,643	254.5%
EPS (€)	0.21	0.72	240.9%	0.25	0.88	251.7%

Source: First Berlin Equity Research

With the deconsolidation of its majority stakes, MPH will no longer generate operating results. Revenues will be limited to the sale of shares. Net income will be driven primarily by the share price development of the three listed participations. MPH will receive dividends from both HAEMATO and M1 Beauty, which we have accounted for in "other financial result." We expect HAEMATO to continue to distribute €0.30/share going forward whereas M1 plans to pay out €0.30/share as well. This should lead to dividend income of some €7.0m per annum over the mid-term. Revaluation results will generate further non-cash hidden reserves for MPH and are also accounted for in the financial result. We have presently modelled value accretion of some €30m–€32m per annum over the mid-term. The balance will also be stripped down with long term financial assets and shareholders' equity being the dominant line items.

**Table 5: Key changes to balance sheet**

All figures in EUR '000	FY 2015	FY 2014	% delta
Cash	528	10,117	-94.8%
Long-term investments	150,360	12,371	1115.4%
Financial debt (short- and long-term)	10,049	32,506	-69.1%
Equity	139,020	68,771	102.1%
Total assets	151,104	150,201	0.6%
Equity ratio	92.0%	45.8%	-

Source: First Berlin Equity Research, Company



## SUM-OF-THE-PARTS VALUATION

We now use to a sum-of-the-parts valuation methodology. Following the flotation of M1 Beauty AG in 2015, investors can now track the performance of all three core holdings via their respective stock quotes. Given the change in accounting to IFRS 10 and the deconsolidation of the core holdings, MPH will no longer generate revenues from operations making our prior DCF methodology unsuitable. 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 €209m for the listed holdings. We add the book value of the non-listed holdings to this figure and subtract the Q1/16 net debt. Given the 42.8m shares outstanding (SO), we now see fair value for MPH at €4.90 per share (previously: €5.10) corresponding to a Buy rating.

in € '000	Shareholdings	SO	MPH stake	Share price	Fair value <sup>1</sup>	Projected value
HAEMATO AG	10,418	20,780	50%	5.35	6.10	63,550
M1 Beauty AG	12,807	15,000	85%	7.30	9.00	115,263
CR Capital Real Estate AG	10,848	18,780	58%	1.23	2.80	30,374
<b>Projected value of listed hldings</b>						<b>209,187</b>

<b>Fair value of listed portfolio</b>	<b>209,187</b>
Non-listed investment (book value)	7,600
Net debt (31 December 2015)	8,200
<b>Total fair value</b>	<b>208,587</b>
MPH SO	42,800
<b>Fair value per share (€)</b>	<b>4.87</b>

<sup>1</sup> First Berlin Equity Research currently covers HAEMATO AG (Buy / PT EUR6.10) and CR Capital (Buy / PT: EUR2.80)

## HAEMATO VALUATION<sup>1</sup>

All figures in EUR '000	2016E	2017E	2018E	2019E	2020E	2021E	2022E	2023E
<b>Sales</b>	<b>248,105</b>	<b>275,396</b>	<b>305,690</b>	<b>334,730</b>	<b>364,856</b>	<b>395,869</b>	<b>425,559</b>	<b>453,220</b>
<b>NOPLAT</b>	<b>6,321</b>	<b>7,306</b>	<b>8,478</b>	<b>9,630</b>	<b>10,983</b>	<b>12,204</b>	<b>13,435</b>	<b>14,657</b>
+ depreciation & amortisation	1,608	1,281	1,072	929	839	785	754	735
Net operating cash flow	7,928	8,587	9,550	10,559	11,823	12,989	14,189	15,392
- total investments (CAPEX and WC)	4,310	-4,466	-4,902	-2,991	-4,771	1,146	-3,218	1,782
Capital expenditures	-496	-535	-577	-547	-576	-603	-624	-640
Working capital	4,806	-3,930	-4,325	-2,444	-4,195	1,749	-2,594	2,422
Free cash flows (FCF)	12,238	4,122	4,648	7,568	7,052	14,135	10,971	17,174
<b>PV of FCF's</b>	<b>11,599</b>	<b>3,547</b>	<b>3,632</b>	<b>5,370</b>	<b>4,543</b>	<b>8,269</b>	<b>5,827</b>	<b>8,283</b>

All figures in thousands	
PV of FCFs in explicit period	94,217
PV of FCFs in terminal period	58,605
Enterprise value (EV)	152,823
+ Net cash / - net debt	-26,167
+ Investments / minority interests	0
Shareholder value	126,656
<b>Fair value per share (€)</b>	<b>6.10</b>

		Terminal growth rate						
		0.0%	0.5%	1.0%	1.5%	2.0%	2.5%	3.0%
WACC	7.1%	9.38	9.79	10.26	10.81	11.48	12.29	13.29
	8.1%	7.81	8.08	8.39	8.75	9.17	9.66	10.24
	9.1%	6.60	6.79	7.00	7.24	7.52	7.83	8.20
	10.1%	5.64	5.78	5.93	6.10	6.28	6.50	6.74
	11.1%	4.87	4.97	5.08	5.20	5.33	5.48	5.65
	12.1%	4.24	4.31	4.39	4.48	4.58	4.68	4.80
	13.1%	3.71	3.77	3.83	3.89	3.96	4.04	4.13
Cost of equity	15.0%							
Pre-tax cost of debt	5.5%							
Tax rate	24.0%							
After-tax cost of debt	10.0%							
Share of equity capital	55.0%							
Share of debt capital	45.0%							
<b>WACC</b>	<b>10.1%</b>							

<sup>1</sup> Please note our model runs through 2028 and we have only shown the abbreviated version for formatting purposes

<sup>1</sup> First Berlin currently rates HAEMATO AG with Buy and price target of €6.10



## M1 BEAUTY VALUATION

All figures in EUR '000	2016E	2017E	2018E	2019E	2020E	2021E	2022E	2023E
<b>Net sales</b>	<b>40,165</b>	<b>45,788</b>	<b>51,740</b>	<b>57,949</b>	<b>64,324</b>	<b>70,756</b>	<b>77,124</b>	<b>84,065</b>
<b>NOPLAT</b>	<b>5,813</b>	<b>6,692</b>	<b>7,637</b>	<b>8,637</b>	<b>9,679</b>	<b>10,647</b>	<b>11,606</b>	<b>12,650</b>
+ depreciation & amortisation	201	229	259	290	322	354	386	420
Net operating cash flow	6,013	6,921	7,896	8,927	10,001	11,001	11,991	13,070
- total investments (CAPEX and WC)	12,082	-859	-934	-1,004	-1,067	-1,121	-1,162	-1,267
Capital expenditures	-301	-343	-388	-435	-482	-531	-578	-630
Working capital	12,383	-516	-546	-569	-585	-590	-584	-636
Free cash flows (FCF)	18,095	6,062	6,962	7,923	8,934	9,881	10,829	11,803
<b>PV of FCF's</b>	<b>17,105</b>	<b>5,179</b>	<b>5,375</b>	<b>5,528</b>	<b>5,634</b>	<b>5,632</b>	<b>5,578</b>	<b>5,495</b>

All figures in EUR '000	
PV of FCFs in explicit period	88,540
PV of FCFs in terminal period	45,366
Enterprise value (EV)	133,906
+ Net cash / - net debt	396
+ Investments / minority interests	0
Shareholder value	134,302

**Fair value per share in EUR 8.95**

		WACC	Terminal growth rate						
			0.5%	1.0%	1.5%	2.0%	2.5%	3.0%	3.5%
Cost of equity	11.0%	7.6%	12.48	12.92	13.42	14.01	14.72	15.58	16.65
Pre-tax cost of debt	5.5%	8.6%	10.80	11.09	11.42	11.80	12.25	12.77	13.40
Tax rate	28.0%	9.6%	9.50	9.70	9.93	10.19	10.48	10.82	11.21
After-tax cost of debt	4.0%	10.6%	8.47	8.61	8.77	8.95	9.15	9.38	9.64
Share of equity capital	95.0%	11.6%	7.63	7.74	7.86	7.99	8.13	8.29	8.46
Share of debt capital	5.0%	12.6%	6.95	7.03	7.11	7.21	7.31	7.42	7.55
<b>WACC</b>	<b>10.6%</b>	<b>13.6%</b>	<b>6.37</b>	<b>6.43</b>	<b>6.50</b>	<b>6.57</b>	<b>6.64</b>	<b>6.73</b>	<b>6.82</b>

\*Please note our model runs through 2030 and we have only shown the abbreviated version for formatting purposes

## CR CAPITAL REAL ESTATE VALUATION<sup>1</sup>

All figures in EUR '000	2016E	2017E	2018E	2019E	2020E	2021E	2022E	2023E
<b>Net sales</b>	<b>33,792</b>	<b>27,800</b>	<b>31,810</b>	<b>33,818</b>	<b>35,823</b>	<b>36,755</b>	<b>37,673</b>	<b>38,578</b>
<b>NOPLAT</b>	<b>3,953</b>	<b>3,530</b>	<b>3,951</b>	<b>4,164</b>	<b>4,381</b>	<b>4,465</b>	<b>4,548</b>	<b>4,628</b>
+ depreciation & amortisation	38	61	66	73	79	84	88	91
Net operating cash flow	3,991	3,591	4,017	4,236	4,460	4,550	4,636	4,720
- total investments (CAPEX and WC)	-8,363	2,774	-3,526	-1,842	-1,851	-943	-938	-930
Capital expenditures	-84	-69	-80	-85	-90	-92	-94	-96
Working capital	-8,278	2,844	-3,447	-1,757	-1,761	-851	-844	-834
Free cash flows (FCF)	-4,372	6,365	490	2,395	2,609	3,606	3,699	3,789
<b>PV of FCF's</b>	<b>-4,192</b>	<b>5,659</b>	<b>404</b>	<b>1,831</b>	<b>1,849</b>	<b>2,371</b>	<b>2,255</b>	<b>2,142</b>

All figures in thousands	
PV of FCFs in explicit period	21,471
PV of FCFs in terminal period	28,390
Enterprise value (EV)	49,861
+ Net cash / - net debt	-992
+ Investments / minority interests	19
Shareholder value	48,889

**Fair value per share in EUR 2.80**

		WACC	Terminal growth rate						
			0.5%	1.0%	1.5%	2.0%	2.5%	3.0%	3.5%
Cost of equity	15.9%	3.8%	6.86	7.55	8.55	10.08	12.76	18.65	42.04
Pre-tax cost of debt	5.0%	4.8%	5.07	5.39	5.80	6.35	7.15	8.37	10.51
Tax rate	30.0%	5.8%	3.97	4.13	4.32	4.57	4.90	5.34	5.96
After-tax cost of debt	3.5%	6.8%	3.22	3.30	3.41	3.53	3.69	3.88	4.13
Share of equity capital	35.0%	7.8%	2.68	2.73	2.78	2.80	2.93	3.03	3.14
Share of debt capital	65.0%	8.8%	2.27	2.30	2.33	2.37	2.41	2.46	2.52
		9.8%	1.96	1.97	1.99	2.01	2.04	2.06	2.09
<b>Fair value per share in EUR</b>	<b>2.80</b>	<b>10.8%</b>	<b>1.71</b>	<b>1.72</b>	<b>1.73</b>	<b>1.74</b>	<b>1.75</b>	<b>1.76</b>	<b>1.78</b>

\* please note our model runs though 2028 and we have shown only the abbreviated version for formatting purposes

<sup>1</sup> First Berlin Equity Research currently rates CR Capital with Buy and price target of €2.80



## INCOME STATEMENT<sup>1</sup>

All figures in EUR '000	2014	2015	2016E	2017E	2018E
<b>Revenues</b>	<b>219,249</b>	<b>262,887</b>	<b>5,170</b>	<b>4,395</b>	<b>3,735</b>
Change in inventories	-27	-3,720	0	0	0
Cost of goods sold	-197,433	-231,703	-5,842	-3,779	-3,212
<b>Gross profit</b>	<b>21,789</b>	<b>27,464</b>	<b>-672</b>	<b>615</b>	<b>523</b>
Personnel expenses	-6,479	-8,326	-414	-334	-278
Other OpEx	-8,006	-10,771	-517	-417	-348
Other income	5,442	9,978	20	20	20
Depreciation & amortisation	-1,829	-5,193	-4	-3	-3
<b>Operating income (EBIT)</b>	<b>10,917</b>	<b>13,152</b>	<b>-1,587</b>	<b>-120</b>	<b>-86</b>
Net financial result	-1,604	-2,001	-300	-300	-300
Other financial result	0	7,860	6,968	6,968	6,968
Depreciation of financial assets	0	-6,417	-4,234	0	0
Revaluation result	0	74,707	30,287	29,765	29,104
<b>Pre-tax income (EBT)</b>	<b>9,313</b>	<b>87,301</b>	<b>31,135</b>	<b>36,313</b>	<b>35,686</b>
Income taxes	-860	-3,200	-623	-726	-714
<b>Net income / loss</b>	<b>8,453</b>	<b>84,101</b>	<b>30,512</b>	<b>35,587</b>	<b>34,972</b>
Minority interests	3,503	1,513	0	0	0
<b>Net income after minorities</b>	<b>4,950</b>	<b>82,588</b>	<b>30,512</b>	<b>35,587</b>	<b>34,972</b>
<b>EPS (in €)</b>	<b>0.20</b>	<b>1.96</b>	<b>0.71</b>	<b>0.83</b>	<b>0.82</b>
<b>Ratios</b>					
EBT margin on revenues	4.2%	33.2%	602.2%	826.3%	955.4%
Net margin on revenues	3.9%	32.0%	590.2%	809.8%	936.2%
Tax rate	9.2%	3.7%	2.0%	2.0%	2.0%
<b>Expenses as % of revenues</b>					
Personnel expenses	-3.0%	-3.2%	-8.0%	-7.6%	-7.4%
Other OpEx	-3.7%	-4.1%	-10.0%	-9.5%	-9.3%
Depreciation & amortisation	-0.8%	-2.0%	-0.1%	-0.1%	-0.1%
<b>Y-Y Growth</b>					
Revenues	26.3%	19.9%	-98.0%	-15.0%	-15.0%
Pre-tax income	-17.4%	837.4%	-64.3%	16.6%	-1.7%
Net income/ loss	-42.5%	894.9%	-63.7%	16.6%	-1.7%

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





## BALANCESHEET<sup>1</sup>

All figures in EUR '000	2014	2015	2016E	2017E	2018E
<b>Assets</b>					
<b>Current assets, total</b>	<b>68,150</b>	<b>685</b>	<b>4,101</b>	<b>8,580</b>	<b>12,545</b>
Cash and equivalents	10,117	528	4,056	8,541	12,512
ST financial assets	7,581	0	0	0	0
Trade receivables	11,523	8	14	12	10
Inventories	35,401	0	0	0	0
Other ST assets	3,528	149	31	26	22
<b>Non-current assets, total</b>	<b>82,051</b>	<b>150,419</b>	<b>170,616</b>	<b>196,602</b>	<b>222,493</b>
Property, plant & equipment	2,406	14	14	15	16
Goodwill & other intangibles	53,562	24	25	25	25
Investment properties	13,436	0	0	0	0
Financial assets	12,371	150,360	170,572	196,557	222,449
Deferred taxes	276	21	5	4	4
<b>Total assets</b>	<b>150,201</b>	<b>151,104</b>	<b>174,718</b>	<b>205,182</b>	<b>235,038</b>
<b>Shareholders' equity &amp; debt</b>					
<b>Current liabilities, total</b>	<b>28,645</b>	<b>967</b>	<b>308</b>	<b>327</b>	<b>352</b>
Trade payables	7,210	638	16	10	9
ST debt	14,359	60	0	0	0
Provisions	3,820	54	56	57	59
Other ST financial liabilities	510	205	226	248	273
Other current liabilities	2,746	10	11	11	12
<b>Long-term liabilities, total</b>	<b>26,826</b>	<b>11,117</b>	<b>10,016</b>	<b>10,012</b>	<b>10,009</b>
Long-term debt	23,356	9,990	9,990	9,990	9,990
LT provisions	27	0	0	0	0
Deferred tax liabilities	3,443	1,127	26	22	19
<b>Shareholders' equity</b>	<b>68,771</b>	<b>139,020</b>	<b>164,394</b>	<b>194,843</b>	<b>224,677</b>
Minority interests	25,959	0	0	0	0
<b>Total equity</b>	<b>94,730</b>	<b>139,020</b>	<b>164,394</b>	<b>194,843</b>	<b>224,677</b>
<b>Total consolidated equity and debt</b>	<b>124,242</b>	<b>151,104</b>	<b>174,718</b>	<b>205,182</b>	<b>235,038</b>
<b>Ratios</b>					
Current ratio (x)	2.4	0.7	13.3	26.3	35.6
Quick ratio (x)	1.1	0.7	13.3	26.3	35.6
Net debt	20,017	9,522	5,934	1,449	-2,522
Net gearing	29%	7%	4%	1%	-1%
Equity ratio	45.8%	92.0%	94.1%	95.0%	95.6%

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



## CASH FLOW STATEMENT<sup>1</sup>

All figures in EUR '000	2014	2015	2016E	2017E	2018E
<b>Pre-tax income</b>	<b>9,308</b>	<b>87,279</b>	<b>31,135</b>	<b>36,313</b>	<b>35,686</b>
Depreciation and amortisation	1,829	10,896	4,238	3	3
Revaluation gains	-4,953	-81,551	-30,287	-29,765	-29,104
Changes in working capital	-9	-533	-1,573	23	29
Other adjustments	-5,055	-15,342	5,842	3,779	3,212
Net financial result	1,604	2,000	300	300	300
<b>Operating cash flow</b>	<b>2,724</b>	<b>2,749</b>	<b>9,654</b>	<b>10,653</b>	<b>10,126</b>
Interest income	158	223	0	0	0
Interest expense paid	-1,779	-2,223	-300	-300	-300
Tax paid	-1,594	-406	-623	-726	-714
<b>Net operating cash flow</b>	<b>-491</b>	<b>343</b>	<b>8,732</b>	<b>9,627</b>	<b>9,112</b>
CapEx	-9,913	-26,814	-5	-4	-4
Proceeds from disposal of fixed assets	13,387	18,623	0	0	0
<b>Cash flow from investing</b>	<b>3,474</b>	<b>-8,191</b>	<b>-5</b>	<b>-4</b>	<b>-4</b>
<b>Free cash flow (FCF)</b>	<b>2,983</b>	<b>-7,848</b>	<b>8,726</b>	<b>9,623</b>	<b>9,108</b>
Equity inflow, net	2,485	3,652	0	0	0
Debt inflow, net	5,880	6,741	-60	0	0
Dividend paid to shareholders	-7,086	-8,223	-5,138	-5,138	-5,138
<b>Cash flow from financing</b>	<b>1,279</b>	<b>2,170</b>	<b>-5,198</b>	<b>-5,138</b>	<b>-5,138</b>
<b>Net cash flows</b>	<b>4,262</b>	<b>-9,590</b>	<b>3,528</b>	<b>4,485</b>	<b>3,971</b>
Cash, start of the year	5,855	10,117	528	4,056	8,541
<b>Cash, end of the year</b>	<b>10,117</b>	<b>528</b>	<b>4,056</b>	<b>8,541</b>	<b>12,512</b>
<b>EBITDA/share (in €)</b>	<b>0.30</b>	<b>0.56</b>	<b>0.06</b>	<b>0.00</b>	<b>0.00</b>
<b>Y-Y Growth</b>					
Operating cash flow	n.m.	n.m.	2445.7%	10.3%	-5.4%
Free cash flow	n.m.	n.m.	n.m.	10.3%	-5.3%
EBITDA/share	-50.4%	88.7%	-89.0%	n.m.	n.m.

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

### FIRST BERLIN RECOMMENDATION & PRICE TARGET HISTORY

Report No.:	Date of publication	Previous day closing price	Recommendation	Price target
Initial Report	29 October 2012	€2.45	Buy	€5.50
2...9	↓	↓	↓	↓
10	2 December 2014	€2.36	Buy	€6.10
11	18 May 2015	€2.44	Buy	€5.00
12	4 September 2015	€2.02	Buy	€5.10
13	Today	€2.64	Buy	€4.90

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- sensitivity of valuation parameters

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