



Research study (Update)

euromicron

Relatively solid revenue development and significant improvement in earnings in HY1 2019

-

Improvement in revenue and earnings expected in financial year 2019

-

Successfully implemented capital measures to accelerate the further development of the business model; dilution effect reduces the stock price target

Stock price target: € 6.35 (previously: € 6.90)

Rating: BUY

IMPORTANT INFORMATION:

Please note the disclaimer/risk notice

as well as the disclosure of any possible conflicts of interest according to Section 85 of the German Securities Trading Act (WpHG) and Art. 20 MAR, starting on page 14

Note on research as a “minor non-monetary benefit” in accordance with the MiFID II regulation: This research meets the requirements for being classified as a “minor non-monetary benefit”. For more information, see the disclosure under “I. Research under MiFID II”

English version

Date and time of completion of the report: 07/10/2019 (18:16 pm)

Date and time of the first distribution: 08/10/2019 (10:00 am)

Validity of the price target: until max. 31/12/2020

German version

Date and time of completion of the report: 12/09/2019 (15:25 pm)

Date and time of the first distribution: 13/09/2019 (10:00 am)

Validity of the price target: until max. 31/12/2020

euromicron AG^{*5a,5b,7,11}

Rating: Buy

Stock price target:

€ 6.35

(previously: € 6.90)

Current price: 4.81

11/09/2019 / ETR

(closing price)

Currency: EUR

Master data:

ISIN: DE000A1K0300

WKN: A1K030

Ticker symbol: EUCA

Number of shares³: 10.05

Marketcap³: 48.34

Enterprise value³: 140.58

³ in m / in mEUR

Free float: 80.0%

Transparency level:

Prime Standard

Market segment:

Regulated market

Accounting:

IFRS

Financial year: 31/12/

Designated sponsor:

Pareto Securities AS

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* Catalogue of potential conflicts of interest on page 15

General profile

Segment: Technology

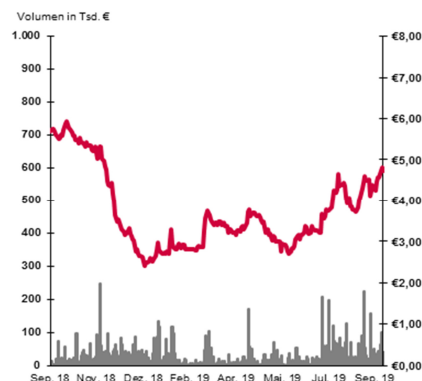
Focus: Digitalisation of infrastructures and connection of IT structures

Employees: 1,846 (ø FY 2018)

Founded: 1998

Company head office: Frankfurt am Main

Management Board: Bettina Meyer, Dr Frank Schmitt



euromicron AG (euromicron) unites medium-sized high-tech companies from the “Digital Buildings”, “Industry 4.0” and “Critical Infrastructures” sectors. euromicron has its roots in Germany, but is active at 40 locations around the world. With its expertise in sensors, end devices, infrastructures, platforms, software and services, euromicron can offer its customers integral solutions from a single source. In this way, euromicron supports medium-sized businesses, large companies and public sector organisations in increasing flexibility and efficiency, preventing security risks, and developing new business models. As a German specialist in the Internet of Things (IoT), euromicron enables its customers to link up business and production processes and to successfully embark on the path of digitisation.

P&L in EUR million \ FY end	31/12/2018	31/12/2019e	31/12/2020e	31/12/2021e
Revenue	318.01	329.45	340.54	353.01
EBITDA (before IFRS 16)	n.A.	11.18	13.81	17.88
EBITDA	1.87	18.62	21.25	25.32
EBIT	-7.75	2.20	4.83	8.90
Consolidated result	-11.47	-3.81	-1.68	3.14

Key figures in EUR

Profit per share	-1.60	-0.38	-0.17	0.31
Dividend per share	0.00	0.00	0.00	0.00

Key figures

EV/revenue	0.44	0.43	0.41	0.40
EV/EBITDA	75.18	7.55	6.62	5.55
EV/EBIT	neg.	63.90	29.11	15.80
P/E ratio	neg.	neg.	neg.	15.40
P/B ratio	0.73			

Financial dates

29/08/2019: General Meeting

07/11/2019: Publication of 9M report

**Most recent research by GBC:

Date: Publication / target price in € / rating

12/06/2019: RS / 6.90 / BUY

08/01/2019: RS / 6.90 / BUY

20/08/2018: RS / 11.45 / BUY

02/07/2018: RS / 11.45 / BUY

14/11/2017: RS / 10.50 / BUY

** The research reports listed above can be viewed at www.gbc-ag.de or requested from GBC AG, Halderstr. 27, 86150 Augsburg, Germany

EXECUTIVE SUMMARY

- In the first half of 2019, the euromicron Group generated revenue of EUR 146.73 million, down slightly on the previous year's amount of EUR 150.65 million. This development was mainly attributable to the seasonality of revenues in "Critical Infrastructures" – the second largest segment – which changed compared to the previous year. These year-on-year changes should however be offset by the company's data during the course of the year. As in the past, domestic sales accounted for around 82.0% (previous year: 84.7%), so the majority of the Group's semi-annual revenue was generated in Germany.
- The solid Group revenue development, and the optimisation measures implemented in individual business units, were also reflected in the key earnings figures. For example, the EBITDA (before IFRS 16) at the end of the first half of 2019 – despite lower revenue compared to the same period in the previous year – significantly increased by EUR 3.76 million to EUR 2.07 million (previous year: EUR -1.67 million). Even at net level, the consolidated result (before IFRS 16) also increased, compared to the previous year's balance sheet date, by EUR 2.31 million to EUR -4.64 million (previous year: EUR -6.95 million).
- In the summer of the current financial year, euromicron successfully placed a cash capital increase in two tranches. As a result, it acquired Funkwerk AG as a strategic anchor investor with a current participation rate of around 15.4%. This capital measure allowed the technology company to record a total of EUR 9.76 million in liquid assets (gross issue proceeds). The funds raised are intended to be used to accelerate the implementation of the strategic development of the euromicron Group, as well as for general corporate financing. This should accelerate future investments in areas such as the digitalisation of service processes or the further development of digital business models for customers.
- For the current financial year 2019, we are making a conservative forecast for EBITDA of EUR 18.62 million, which equates to an EBITDA margin of 5.7%. Adjusted for the expected IFRS 16 effects, EBITDA (before IFRS 16) should reach EUR 11.18 million. In the coming financial years 2020 and 2021, we anticipate a further increase in earnings due to the expected further rise in Group revenues, developing economies of scale, greater synergy effects, as well as the planned expansion and improvement of the range of services. In terms of our range of services, we are particularly anticipating a gradual increase in software and service revenues in the coming years. These typically high-margin business areas should boost the Group's profitability. As a result, the Group EBITDA (before IFRS 16) should continue to increase to EUR 13.81 million (2020) and then to EUR 17.88 million (2021).
- **Against the backdrop of the relatively solid current corporate performance and the positive order situation, we have left our forecasts for the current financial year 2019 and the following years unchanged. Despite our unchanged estimates, we have lowered our stock price target to EUR 6.35 per share due to the recently implemented capital measures and the strong dilution effect this has caused (previously: EUR 6.90 per share). Based on the current share price, this results in an unchanged BUY rating. Overall, the technology group should benefit from the increasing capital expenditures of companies in the fields of "digitalisation" and "IoT", as well as "Industry 4.0", due to its broad range of services. In addition, we expect that the planned increase in capital expenditure with which to improve and expand the range offered in the digitalisation solutions segment will pay off in the future.**

TABLE OF CONTENTS

Executive Summary 2

COMPANY 4

 Shareholder structure 4

 Group overview 4

 Business performance HY1 2019 5

 Revenue development 5

 Earnings development..... 6

 Forecasts and model assumptions 9

 Revenue forecasts 9

 Earnings forecasts..... 10

Valuation 12

 Model assumptions 12

 Determining capital costs 12

 Valuation result 12

 DCF Model..... 13

Annex 14

COMPANY

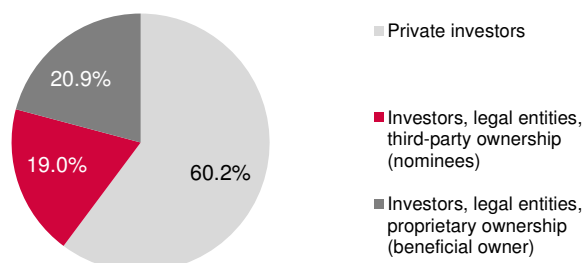
Shareholder structure

Shareholders in %	23/08/2019
Private investors	60.19%
Investors, legal entities, third-party ownership (nominees)	18.96%
Investors, legal entities, proprietary ownership (beneficial owner)	20.85%

Sources: euromicron AG; GBC AG

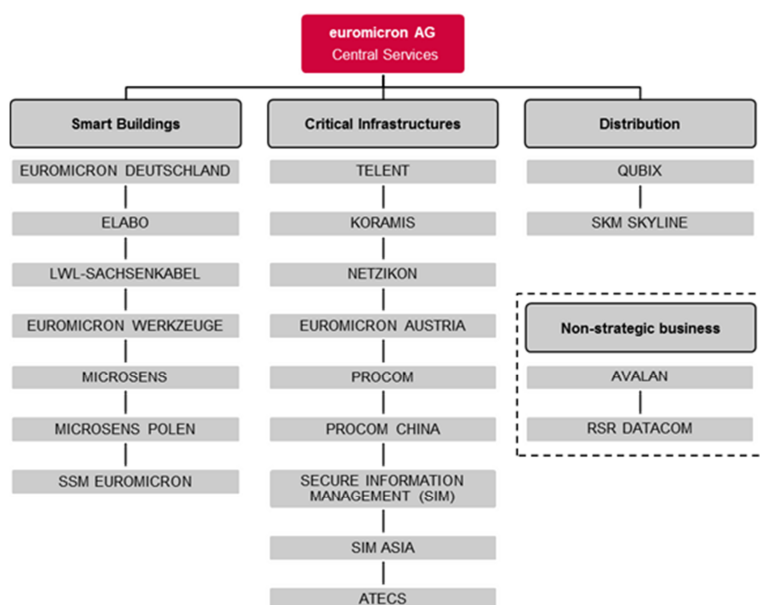
Shareholders with a shareholding of up to 3.00%	23/08/2019
Funkwerk AG	15.36%
Carl Ernst Veit Paas	5.00%
LAZARD FRERES GESTION S.A.S.	3.47%

Sources: euromicron AG; GBC AG



Group overview

Together with its subsidiaries, the euromicron Group addresses the “Digital Buildings”, “Industry 4.0” and “Critical Infrastructures” target markets. To this end, the Group is subdivided into the three segments “Smart Buildings”, “Critical Infrastructures” and “Distribution”, through which the target markets are addressed. The two large systems houses, euromicron Deutschland in the “Smart Buildings” segment and telent in the “Critical Infrastructures” segment, are supplemented by various technology companies, enabling them to offer integral solutions. By combining system integration and technology expertise, the euromicron Group differentiates itself from the competition. euromicron AG functions as a strategic management holding company and is therefore responsible for management and cross-departmental functions within the Group.



Sources: euromicron AG; GBC AG

Business performance HY1 2019

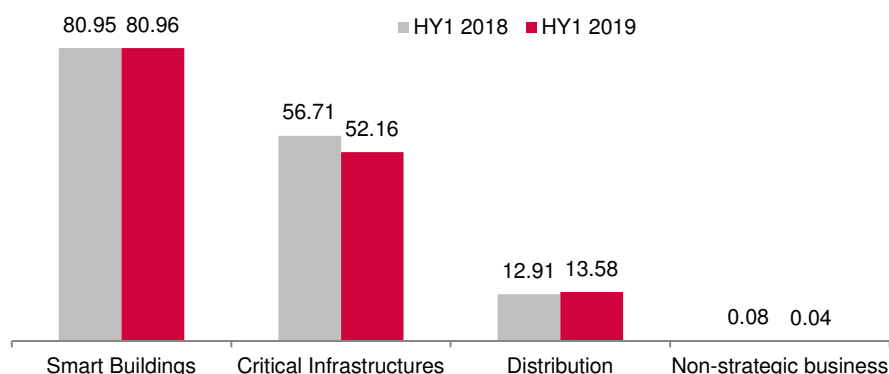
P&L (in € m)	HY1 2018	Δ on PY	HY1 2019
Revenue	150.65	-2.6%	146.73
EBITDA (<i>margin</i>)	-1.69 (-1.1%)	n.A.	5.77 (3.9%)
EBITDA before IFRS 16 (<i>margin</i>)	-1.69 (-1.1%)	n.A.	2.07 (1.4%)
EBIT (<i>margin</i>)	-6.50 (neg.)	n.A.	-2.43 (neg.)
EBIT before IFRS 16 (<i>margin</i>)	-6.50 (neg.)	n.A.	-2.70 (neg.)
Consolidated result	-6.95	n.A.	-4.76

Source: euromicron AG

Revenue development

In the first six months of the current financial year 2019, the euromicron Group recorded revenue of EUR 146.73 million. As a result, the business volume was slightly below the previous year's level (previous year: EUR 150.65 million). This development was mainly attributable to the seasonality of revenues in "Critical Infrastructures" – the second largest segment – which changed compared to the previous year. These year-on-year changes should however be offset by the company's data during the course of the year. As in the past, domestic sales accounted for around 82.0% (previous year: 84.7%), so the majority of the Group's semi-annual revenue was generated in Germany.

Development of external revenues by segments (in € million)



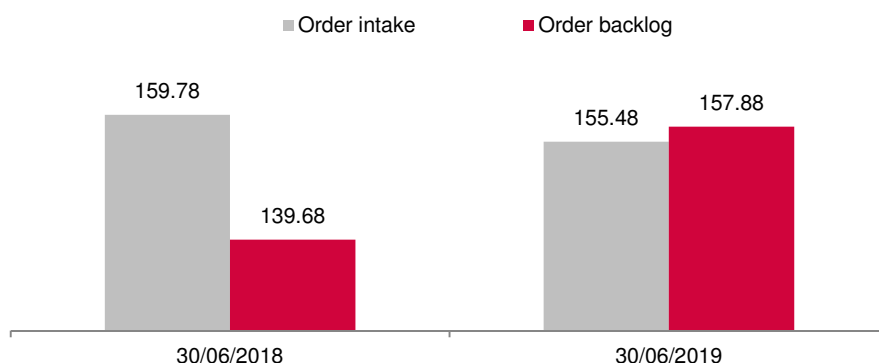
Source: euromicron AG; GBC AG

In particular, the "Smart Buildings" and "Distribution" business units contributed to the Group's relatively solid revenue development. With revenue from external revenues reaching EUR 80.96 million in the largest segment, "Smart Buildings", the level of the same period in the previous year (previous year: EUR 80.95 million) was reached.

In addition, "Distribution" – the smallest segment in terms of volume – recorded a moderate increase in revenues, compared to the previous year, of EUR 0.70 to EUR 13.58 million (previous year: EUR 12.91 million).

The order situation of the euromicron Group in the first six months of the current financial year was equally positive. Despite seeing a slight decline in its order intake at the end of the first half of 2019, down 2.7% on the equivalent period in the previous year to EUR 155.48 million (previous year: EUR 159.78 million), the technology company still has a high order backlog. As at the balance sheet date (30/06/2019), this had significantly increased, up 13.0% on the previous year to EUR 157.88 million (previous year: EUR 139.68 million), laying a sound foundation for further business development in the current financial year 2019.

Development of the Group's order intake and backlog (in € millions)



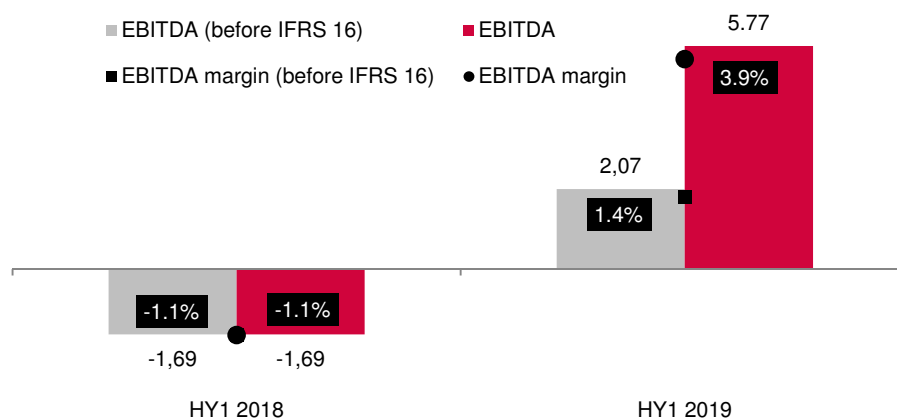
Source: euromicron AG

Overall, it should be noted that the revenue performance of the euromicron Group in the first half of 2019 was satisfactory, given the relatively solid business performance and the ongoing transformation phase. The “Smart Buildings” and “Distribution” business units have contributed significantly to the relatively stable business development. The transformation phase, which is already underway, aims to further develop the technology company’s core business areas, thereby continuing to gradually increase the Group’s profitability in the future.

Earnings development

The solid Group revenue performance and the optimisation measures implemented in individual business units are also reflected in the operating earnings performance of euromicron AG. For example, EBITDA (before IFRS 16) in the first half of 2019 significantly increased by EUR 3.76 million to EUR 2.07 million (previous year: EUR -1.69 million). This development was mainly due to the significantly improved earnings development in the “Smart Buildings” segment, which in turn was triggered by structural measures implemented in the previous financial year.

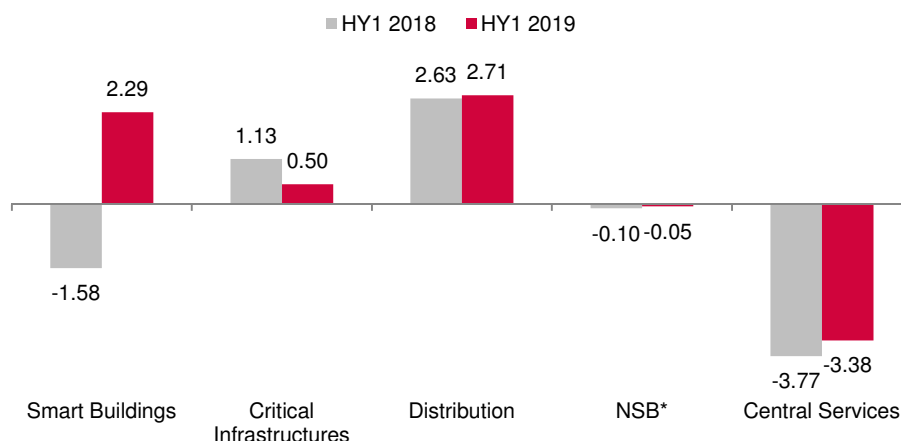
Overview of the EBITDA (before IFRS 16) and the reported EBITDA (in m €)



Sources: euromicron AG; GBC AG

For example, despite a stable revenue level compared to the previous year, the EBITDA (before IFRS 16) in the largest segment, “Smart Buildings”, increased by EUR 3.87 million to EUR 2.29 million (previous year: EUR -1.58 million).

Development of EBITDA (before IFRS 16) by segment (in € millions)



Sources: euromicron AG; GBC AG

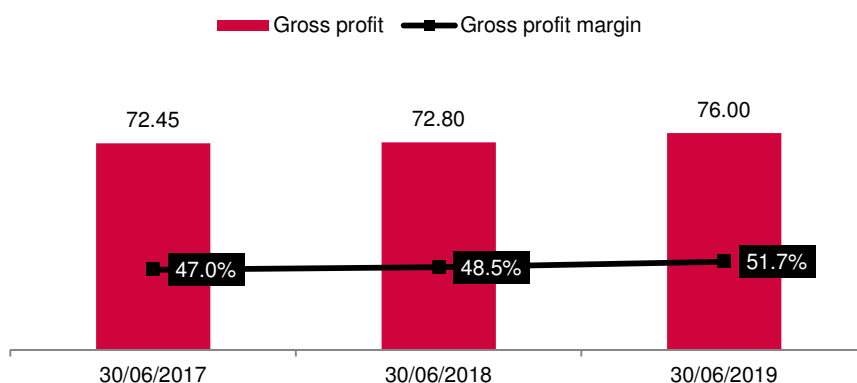
*NSB = Non-strategic business

The “Distribution” business unit recorded an equally positive earnings development. In parallel with the moderate increase in business volume, the EBITDA was also slightly up on the previous year, increasing by EUR 0.08 million to EUR 2.71 million (previous year: EUR 2.63 million). A lower gross profit margin in the discontinued product mix was countered by an even stronger increase in earnings compared to the previous year.

However, the “Critical Infrastructures” segment recorded a significant fall in EBITDA (before IFRS 16) compared to the equivalent period in the previous year, down 56.1% to EUR 0.50 million (previous year: EUR 1.13 million). The main reason for this development was the seasonal decrease in segment turnover, which was expected by the management.

In the “Central Services” (holding/Group administrative costs) segment, earnings improvements were achieved due to lower consulting costs and savings on material costs. For example, the negative EBITDA (before IFRS 16) was down EUR 0.39 million on the equivalent period in the previous year, falling to EUR 3.38 million (previous year: EUR 3.77 million).

Development of gross profit (in € million) and gross profit margin (in %)



Source: euromicron AG

The technology group also recorded improvements in the gross profit margin (gross profit/total output). Due to a lower material cost ratio, the gross profit margin at the end of the first half of 2019 was above the level of the previous year, at 51.7% (previous year: 48.5%), and also above the average level across recent years.

As a result of increased credit liabilities compared to the equivalent period in the previous year, the financial result increased by EUR -0.44 million to EUR -3.70 million (previous year: EUR -3.26 million). Overall, the Group's net income (before IFRS 16) increased, compared to the previous year's balance sheet date, by EUR 2.31 million to EUR -4.64 million (previous year: EUR -6.95 million).

In addition, the operating cash flow (before IFRS 16) has been strengthened in the last six months. This improved significantly by EUR 1.54 million to EUR -7.28 million compared to the previous year (previous year: EUR -8.82 million). This is a result of the higher cash effects of the EBITDA (before IFRS 16), the effects of changes to the remaining balance sheet items, and lower interest and tax payments.

The operating earnings performance of euromicron AG in the first half of 2019 was satisfactory. The significant improvement in the earnings of the largest segment, "Smart Buildings", made a particularly significant contribution to the improved operating Group performance. It is also worth noting the renewed increase in the gross profit margin and the improvement in operating cash flow (before IFRS 16).

Forecasts and model assumptions

P&L (in m €)	FY 2018	IFRS 16 effect	FY 2019e	FY 2020e	FY 2021e
Revenue	318.01		329.45	340.54	353.01
EBITDA before IFRS 16 (margin)	n.A.		11.18 (3.4%)	13.81 (4.1%)	17.88 (5.1%)
EBITDA (margin)	1.87 (0.60%)	+7.44	18.62 (5.7%)	21.25 (6.2%)	25.32 (7.2%)
EBIT (margin)	-7.75 (neg.)	+0.52	2.20 (0.7%)	4.83 (1.4%)	8.90 (2.5%)
Consolidated result	-11.47	-0.29	-3.81	-1.68	3.14
EPS in €	-1.60		-0.38	-0.17	0.31

Sources: euromicron; GBC AG

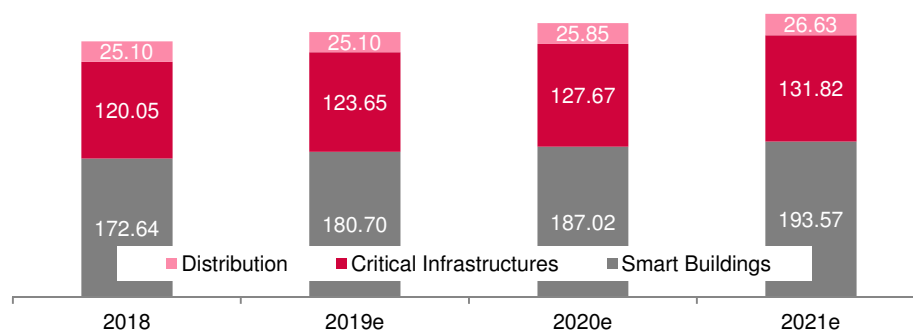
Revenue forecasts

Against the backdrop of the solid business development recorded in the first six months of the current financial year 2019, the euromicron Group has confirmed its issued guidance for 2019. For the current financial year, the Management Board still expects Group revenue of between EUR 325.00 million and EUR 345.00 million, and an EBITDA margin (before IFRS 16) of between 4.0% and 5.5%.

Based on the revenue in the first half of 2019 in line with our expectations and the last published high order backlog of EUR 157.88 million (as at 30/06/19), we can also confirm our expectations for the current financial year. For the current financial year 2019, we expect consolidated revenues amounting to EUR 329.45 million, which would equate to reaching the lower range of the published sales guidance.

Around 45.0% of the expected revenue volume has already been generated in the first six months of the current financial year, and the technology company typically records higher business volumes in the second half of the year. We expect euromicron's revenue volume to increase significantly in the second half of the year.

Expected development of revenue by segments (in € millions)



Source: GBC AG

Furthermore, we expect that "Smart Buildings" – the largest segment – to post particularly significant growth. Specifically, we calculate that as compared to the previous year, the largest segment will record revenue growth of 4.7% to reach EUR 180.70 million (previous year: EUR 172.64 million).

For the second-largest segment, "Critical Infrastructures", we expect a moderate increase in revenue of 3.0% compared to the previous year, to EUR 123.65 million (previous year: EUR 120.05 million). In view of the half-year sales of around EUR 52.16 million, which currently represents around 42.0% of our segment forecast, we expect a significant upturn in business within the second half of 2019. After the first half of the year

was marked by a change in the seasonal nature of segment turnover, we expect this seasonal fluctuation to be offset in the second half of 2019.

In relation to “Distribution” – the smallest segment – we expect stable revenue development for the current business period compared to the previous year. Since this business unit has shown very strong development in the past, we now only have a conservative estimate, compared to the previous year, of a steady revenue level of EUR 25.10 million (previous year: EUR 25.10 million).

In addition, in the summer of the current financial year, the euromicron Group successfully placed a cash capital increase in two tranches. As a result, it acquired Funkwerk AG as a strategic anchor investor with a current participation rate of around 15.4%.

According to the company’s information, euromicron and Funkwerk AG are using this strategic and long-term investment to establish a strong partnership that will strengthen the technological solution skills of both companies and expand market access. The participation and/or anchor investment is intended to open up the common potential of both technology companies in terms of critical infrastructures and synergies in the areas of smart building solutions and IoT solutions.

The capital measure, which was successfully completed in mid-August, raised a total of EUR 9.76 million in liquid assets (gross issue proceeds) for the technology company. The funds raised are intended to be used to accelerate the implementation of the strategic development of the euromicron Group, as well as for general corporate financing. This should accelerate future investments in areas such as the digitalisation of service processes or the further development of digital business models for customers.

For the financial years 2020 and 2021, we expect the pursued growth course to continue, and anticipate further increases in Group revenue to EUR 340.54 million and EUR 353.01 million respectively. The technology company’s even stronger positioning in the “IoT” and “Industry 4.0” growth markets and the further expansion of the innovation business (smart services, etc.) should contribute to achieving this objective. We are also positive that the technology company’s growth path is further supported by the targeted closer cooperation with Funkwerk AG (opening of cross-selling potential), and the proceeds from the capital increase for financing increased investments in growth-prone business units.

Earnings forecasts

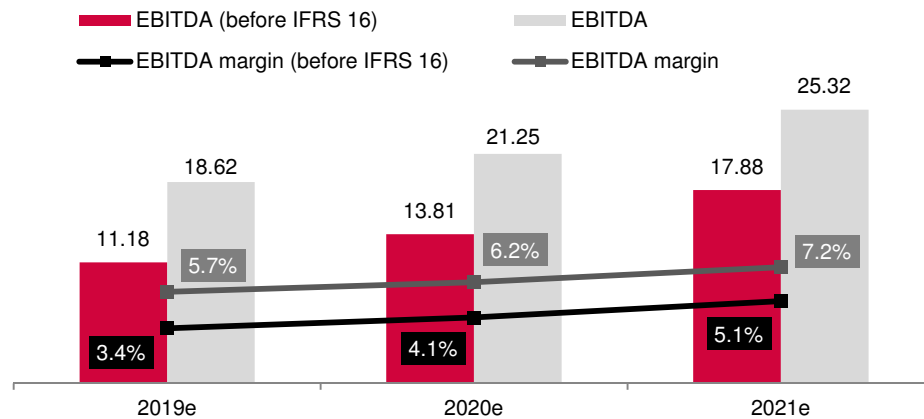
On the basis of the revenue guidance issued, euromicron AG is predicting an EBITDA margin (before IFRS 16) of between 4.0% and 5.0% for the current financial year 2019 and therefore an EBITDA (before IFRS 16), in conjunction with the published revenue forecast, in the range of EUR 13.00 million to EUR 17.25 million. Since we estimate the IFRS 16 effect on the EBITDA to be up by approx. EUR 7.50 million, we assume that the euromicron Group anticipates an EBITDA in the range of approx. EUR 20.50 million to EUR 24.75 million for the current business period – this would represent an EBITDA margin of between 6.3% and 7.2%.

For the current financial year 2019, we are making a conservative forecast for EBITDA of EUR 18.62 million, which equates to an EBITDA margin of 5.7%. Adjusted for the expected IFRS 16 effects, EBITDA (before IFRS 16) should reach EUR 11.18 million.

In the coming financial years 2020 and 2021, we anticipate a further increase in earnings due to the expected further rise in Group revenues, developing economies of scale, greater synergy effects, as well as the planned expansion and improvement of the range

of services. In terms of our range of services, we are particularly anticipating a gradual increase in software and service revenues in the coming years. These typically high-margin business areas should boost the Group's profitability. As a result, the Group EBITDA (before IFRS 16) should continue to increase to EUR 13.81 million and then to EUR 17.88 million.

Expected development of the EBITDA and the EBITDA margin (in € million / in %)



Source: GBC AG

Overall, the technology group should benefit from the increasing capital expenditures of companies in the fields of “digitalisation” and “IoT”, as well as “Industry 4.0”, due to its broad range of services. In addition, we expect that the planned increase in capital expenditure with which to improve and expand the range offered in the digitalisation solutions segment will pay off in the future.

VALUATION

Model assumptions

We rated euromicron AG using a three-stage DCF model. Beginning with the specific estimates for 2019-2021 during the first phase, the forecast for the value drivers will be made in the second phase from 2022-2026. We expect increases in revenue of 3.00%. We have set 8.00% as the target EBITDA margin. We have included the tax rate in phase 2 at 30.00%. Additionally, a residual value is determined in the third phase by using the perpetual annuity by the end of the forecast horizon. As the final value, we assume a growth rate of 2.00%.

Determining capital costs

The weighted average cost of capital (WACC) of euromicron AG is calculated from the equity costs and the borrowing costs. The market premium, the company-specific beta and the risk-free interest rate have to be determined in order to determine the equity cost.

The risk-free interest rate is derived from the current structured interest rate curves for risk-free bonds in accordance with the recommendations of the German Special Committee for Business Valuation and Business Management (Fachausschuss für Unternehmensbewertungen und Betriebswirtschaft, FAUB) of the Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer in Deutschland e.V.). This is based on the zero bond interest rate calculated using the Svensson Method published by the German Bundesbank. In order to compensate for short-term market fluctuations, average returns for the previous three months are used and earnings are rounded up to the nearest 0.25 basis points. **The value currently used for the risk-free interest rate is 1.00%.**

We set the historical market premium of 5.50% as a reasonable expectation of the market premium. This is supported by historical analyses of stock market returns. The market premium reflects as a percentage the improved return expected from stock markets relative to low-risk government bonds.

According to GBC estimation methods, a beta of 1.79 is currently determined.

The cost of equity of 10.82% (beta multiplied by the risk premium plus risk-free interest rate) was calculated using the assumptions made. Since we are assuming a sustainable weighting of the cost of equity of 35.00%, the resulting weighted average cost of capital (WACC) amounts to 7.52%.

Valuation result

Discounting of future cash flows is based on the entity approach. We have calculated the corresponding weighted average cost of capital (WACC) to be 7.52%. The resulting fair value per share at the end of the 2020 financial year corresponds to the stock price target of EUR 6.35 (previously: EUR 6.90).

Note: Despite maintaining our previous forecasts, our stock price target reduction is due to the significant increase in the number of shares as a result of the recent capital measure (the 'dilution effect'). In addition, the regular inclusion of the next estimation period in our valuation model has counteracted an even greater dilution effect.

DCF Model

euromicron AG - Discounted Cashflow (DCF) model

Value driver used in the DCF-model's estimate phase:

consistency - phase		final - phase	
Revenue growth	3.0%	Perpetual growth rate	2.0%
EBITDA margin	8.0%	Perpetual EBITA margin	4.4%
Depreciation on fixed assets	11.0%	Effective tax rate in terminal value (TV)	30.0%
Working capital to revenue	10.0%		

Three-phase DCF - model:

phase in mEUR	estimate			consistency					final TV
	FY 19e	FY 20e	FY 21e	FY 22e	FY 23e	FY 24e	FY 25e	FY 26e	
Revenue	329.45	340.54	353.01	363.60	374.51	385.74	397.32	409.24	
Revenue change	3.6%	3.4%	3.7%	3.0%	3.0%	3.0%	3.0%	3.0%	2.0%
Revenue to fixed assets	2.08	2.26	2.48	2.70	2.93	3.17	3.42	3.67	
EBITDA	18.62	21.25	25.32	29.09	29.96	30.86	31.79	32.74	
EBITDA margin	5.7%	6.2%	7.2%	8.0%	8.0%	8.0%	8.0%	8.0%	
EBITA	2.20	4.83	8.90	13.45	15.16	16.81	18.40	19.95	
EBITA margin	0.7%	1.4%	2.5%	3.7%	4.0%	4.4%	4.6%	4.9%	4.4%
Taxes on EBITA	-0.66	-1.45	-2.67	-4.03	-4.55	-5.04	-5.52	-5.98	
Tax rate	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
EBI (NOPLAT)	1.54	3.38	6.23	9.41	10.61	11.77	12.88	13.96	
Return on capital	0.9%	1.7%	3.3%	5.3%	6.2%	7.1%	8.0%	8.9%	8.5%
Working Capital (WC)	36.24	35.76	37.07	36.36	37.45	38.57	39.73	40.92	
WC to Revenue	11.0%	10.5%	10.5%	10.0%	10.0%	10.0%	10.0%	10.0%	
Investment in WC	-9.82	0.48	-1.31	0.71	-1.09	-1.12	-1.16	-1.19	
Operating fixed assets (OFA)	158.52	150.60	142.18	134.54	127.74	121.69	116.30	111.51	
Depreciation on OFA	-16.42	-16.42	-16.42	-15.64	-14.80	-14.05	-13.39	-12.79	
Depreciation to OFA	10.4%	10.9%	11.5%	11.0%	11.0%	11.0%	11.0%	11.0%	
CAPEX	-29.50	-8.50	-8.00	-8.00	-8.00	-8.00	-8.00	-8.00	
Capital employed	194.76	186.36	179.25	170.90	165.19	160.26	156.04	152.43	
EBITDA	18.62	21.25	25.32	29.09	29.96	30.86	31.79	32.74	
Taxes on EBITA	-0.66	-1.45	-2.67	-4.03	-4.55	-5.04	-5.52	-5.98	
Total investment	-18.92	-15.46	-16.75	-14.73	-16.53	-16.56	-16.60	-16.63	
Investment in OFA	-29.50	-8.50	-8.00	-8.00	-8.00	-8.00	-8.00	-8.00	
Investment in WC	-9.82	0.48	-1.31	0.71	-1.09	-1.12	-1.16	-1.19	
Adjustment IFRS 16	20.40	-7.44	-7.44	-7.44	-7.44	-7.44	-7.44	-7.44	
Investment in Goodwill	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Free Cashflows (FCF)	-0.96	4.34	5.90	10.32	8.88	9.25	9.67	10.12	179.78

Value operating business (due date)	151.10	158.12
Net present value explicit FCFs	42.88	41.76
Net present value Terminal Value	108.22	116.36
Net debt	90.69	93.22
Value of equity	60.41	64.90
Minority interests	-1.01	-1.09
Value of share capital	59.40	63.82
Shares outstanding in million	10.05	10.05
Fair value per share in €	5.91	6.35

Cost of capital:

Risk free rate	1.0%
Market risk premium	5.5%
Beta	1.79
Cost of equity	10.8%
Target weight	35.0%
Cost of debt	6.7%
Target weight	65.0%
Taxshield	14.3%
WACC	7.5%

Return on Capital	WACC				
	6.9%	7.2%	7.5%	7.8%	8.1%
8.0%	7.18	6.27	5.46	4.74	4.10
8.3%	7.69	6.75	5.91	5.16	4.49
8.5%	8.21	7.23	6.35	5.57	4.87
8.8%	8.72	7.70	6.80	5.99	5.26
9.0%	9.24	8.18	7.24	6.40	5.65

ANNEX

I.

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2. The research report is simultaneously made available to all interested investment services companies.

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