



German Small Caps 2019

When one door closes another one opens

17 January 2019



Bankhaus Lampe

Contents

CONTENTS	2
EXECUTIVE SUMMARY: GERMAN SMALL CAPS 2019	
WHEN ONE DOOR CLOSES ANOTHER ONE OPENS	3
COMPANY PROFILES	7
Akasol AG	8
Amadeus FiRe AG	12
Aumann AG	16
BAUER Aktiengesellschaft	20
BayWa AG	24
Bertrandt AG	28
Borussia Dortmund GmbH & Co. KGaA	32
CEWE Stiftung & Co. KGaA	36
comdirect bank AG	40
CORESTATE Capital Holding S.A.	44
cyan AG	48
DATRON AG	52
Deutsche Beteiligungs AG	56
Deutsche Konsum REIT AG	60
DIC Asset AG	64
ElringKlinger AG	68
euromicron AG	72
Gesco AG	76
Grammer AG	80
Hamburger Hafen und Logistik AG	84
Heidelberger Druckmaschinen AG	88
HelloFresh SE	92
HolidayCheck Group AG	96
Home24 SE	100
JOST Werke AG	104
Leifheit AG	108
Manz AG	112
Masterflex SE	116
MLP AG	120
OHB SE	124
paragon GmbH & Co. KGaA	128
ProCredit Holding AG & Co KGaA	132
QSC AG	136
R. STAHL AG	140
RHÖN-KLINIKUM AG	144
Schaltbau Holding AG	148
SGL CARBON SE	152
SHW AG	156
SÜSS MicroTec AG	160
TAKKT AG	164
technotrans SE	168
Tele Columbus AG	172
VIB Vermögen AG	176
Voltabox AG	180
Wacker Neuson SE	184
Wüstenrot & Württembergische AG	188
SCREENING TABLES	187
DISCLAIMER	195
CONTACTS	211

Executive summary

German Small Caps 2019: When one door closes another one opens

17/01/2018

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All pricing dates are as of close 14/01/2019
unless otherwise stated.

2018 was a difficult year for a lot of small caps. But history shows us that "When one door closes another one opens". We are therefore confident that a lot of small caps have clear upside potential in 2019.

We have selected five small caps for our Top Pick List.

For this selection, we assume that these companies' strategic positioning, strong business models and the company-specific drivers should lead to positive performance – regardless of the fact that global economic growth is likely to be well below the long-term average.

MAIN SMALL-CAP RECOMMENDATIONS

We see significant upside with clear company-specific catalysts at the following companies:

Top BUY recommendations in small-cap sector

1. CEWE has a strong position in its market with high entrance barriers. The company's product mix shift is raising margins and it has a reliable stability in its figures.
2. cyan is a leading European provider of white-label IT security. As cyber security becomes more important, cyan has excellent options to participate in the market growth for security solutions.
3. DIC Asset: Despite returning to growth in the commercial portfolio, the share is trading at a large discount to its NAV and is attractively valued in terms of dividend yield and P/FFO ratio.
4. HolidayCheck: The latest numbers show that the company is able to improve margins and leverage the business. In terms of market structure, 66% of package holidays are still booked offline in Germany and we expect online travel agencies to gain market share.
5. Manz: The company-specific newsflow has been very encouraging, in our view. Even though we see some risk that growth may be held back by cyclical downturn in major end markets, the current valuation is extremely attractive and ignores all the progress that has been made over the past two years.

Company	Bloomberg	Recommendation	Previous recommendation	Price target	Previous price target	Close 14/01/2019	Dividend yield 2019e	P/E 2019e
CEWE Stiftung & Co. KGaA	CWC GY	Buy	Buy	98.00 EUR	98.00 EUR	65.60 EUR	3.0%	12.4
cyan AG	CYR GY	Buy	Buy	47.00 EUR	47.00 EUR	26.00 EUR	0.0%	14.1
DIC Asset AG	DIC GY	Buy	Buy	12.50 EUR	12.50 EUR	9.34 EUR	5.4%	15.4
HolidayCheck Group AG	HOC GY	Buy	Hold	4.00 EUR	3.50 EUR	2.79 EUR	0.0%	38.7
Manz AG	M5Z GY	Buy	Buy	43.00 EUR	43.00 EUR	23.40 EUR	0.0%	9.8

Source: Company information, Bankhaus Lampe Research estimates

OUR STOCK-PICK UNIVERSE

Our universe includes German companies with a free float market capitalisation of less than € 500 m (as per: 01/12/2018) that are included in our coverage.

TOP BUY PICKS

1. CEWE (BUY, € 98.00, upside potential 49%)

We assume that brand and innovation will remain the pillars of strength in the coming years and determine the company's business. We believe that the Photofinishing business offers further margin upside in the medium term (2017 EBIT margin: 11.8%), as value-added high-margin products (such as CEWE Photobooks and gift articles) account for a rising share of the product offering, while the impact of traditional, low-margin digital print is declining. In commercial online print, CEWE has activities in the growing part of the market, and it is gaining market share.

2. cyan (BUY, € 47.00, upside potential 81%)

We believe that cyan has excellent options to participate in the market for security solutions, which we expect to grow quickly. cyan announced just before Christmas that it had won an international tender (against a double-digit number of international competitors) and signed a contract with France Telecom / Orange for at least six years. This agreement is by far the largest and most important contract in the company's history. We expect the license agreement to have a significant impact on future revenues and earnings. Our positive view on the stock is also supported by the fact that we see cyan as a takeover candidate.

3. DIC Asset (BUY, € 12.50, upside potential 34%)

Prospects for rental income growth have improved as DIC achieved a strong reduction in the vacancy rate and acquired six properties. We expect the sale of the stake in TLG to be associated with a high-double digit million gain and help to simplify the structure of the company as also the last opportunistic joint venture property is going to be sold and the WINX tower is close to completion.

4. HolidayCheck (BUY, € 4.00, upside potential 43%)

The latest numbers clearly show that HolidayCheck is able to improve margins and leverage the business. In terms of structure, 66% of package holidays are still booked offline in Germany. We love the traditional travel agent, but it has long been declared a dying breed, and in a digitalised world, online booking is set to gain market share.

5. Manz (BUY, € 43.00, upside potential 84%)

The new management appears to place somewhat more focus on growth again. We see potential for attractive orders in the Energy Storage segment (from various Asian cell manufacturers). In Solar, a follow-order from SEC is due by Q3 2019, but Manz has also an interesting pipeline at other customers. In Energy Storage, we expect an announcement of a joint venture with an established developer of cell technology (probably still during Q1).

Recommendation changes

Company	Bloomberg	Recommendation	Previous recommendation	Price target	Previous price target	Closing price 14.01.2019
HolidayCheck Group AG	HOC GY	Buy	Hold	4.00 EUR	3.50 EUR	2.79 EUR

Price target changes

Company	Bloomberg	Recommendation	Previous recommendation	Price target	Previous price target	Closing price 14.01.2019
Deutsche Beteiligungs AG	DBAN GY	Hold	Hold	33.50 EUR	37.50 EUR	34.45 EUR
Heidelberger Druckmaschinen AG	HDD GY	Buy	Buy	2.90 EUR	3.20 EUR	1.70 EUR
HelloFresh SE	HFG GY	Buy	Buy	14.00 EUR	17.00 EUR	6.96 EUR
Home24 SE	H24 GY	Buy	Buy	21.00 EUR	24.00 EUR	11.30 EUR
Leifheit AG	LEI GY	Hold	Hold	20.50 EUR	17.50 EUR	22.80 EUR
technotrans SE	TTR1 GY	Buy	Buy	38.00 EUR	50.00 EUR	25.30 EUR

Source: Bankhaus Lampe estimates, FactSet

Overview of all companies in this publication

Company	Bloomberg	Recommendation	Previous recommendation	Price target	Previous price target	Closing price 14.01.2019
Akasol AG	ASL GY	Buy	Buy	70.00 EUR	70.00 EUR	34.43 EUR
Amadeus FiRe AG	AAD GY	Hold	Hold	102.00 EUR	102.00 EUR	86.10 EUR
Aumann AG	AAG GY	Buy	Buy	50.00 EUR	50.00 EUR	31.40 EUR
BAUER Aktiengesellschaft	B5A GY	Buy	Buy	20.00 EUR	20.00 EUR	13.26 EUR
BayWa AG	BYW6 GY	Hold	Hold	22.00 EUR	22.00 EUR	22.50 EUR
Bertrandt AG	BDT GY	Hold	Hold	79.00 EUR	79.00 EUR	71.15 EUR
Borussia Dortmund GmbH & Co. KGaA	BVB GY	Buy	Buy	10.00 EUR	10.00 EUR	8.74 EUR
CEWE Stiftung & Co. KGaA	CWC GY	Buy	Buy	98.00 EUR	98.00 EUR	65.60 EUR
comdirect bank AG	COM GR	Buy	Buy	13.00 EUR	13.00 EUR	10.14 EUR
CORESTATE Capital Holding S.A.	CCAP GY	Buy	Buy	57.00 EUR	57.00 EUR	29.40 EUR
cyan AG	CYR GY	Buy	Buy	47.00 EUR	47.00 EUR	26.00 EUR
DATRON AG	DAR GY	Hold	Hold	14.00 EUR	14.00 EUR	12.50 EUR
Deutsche Beteiligungs AG	DBAN GY	Hold	Hold	33.50 EUR	37.50 EUR	34.45 EUR
Deutsche Konsum REIT AG	DKG GY	Buy	Buy	12.50 EUR	12.50 EUR	10.35 EUR
DIC Asset AG	DIC GY	Buy	Buy	12.50 EUR	12.50 EUR	9.34 EUR
ElringKlinger AG	ZIL2 GY	Sell	Sell	6.00 EUR	6.00 EUR	7.65 EUR
euromicron AG	EUCA GY	Hold	Hold	3.50 EUR	3.50 EUR	2.93 EUR
Gesco AG	GSC1 GY	Buy	Buy	33.00 EUR	33.00 EUR	23.40 EUR
Grammer AG	GMM GY	Hold	Hold	40.00 EUR	40.00 EUR	38.50 EUR
Hamburger Hafen und Logistik AG	HHFA GY	Buy	Buy	25.00 EUR	25.00 EUR	18.97 EUR
Heidelberger Druckmaschinen AG	HDD GY	Buy	Buy	2.90 EUR	3.20 EUR	1.70 EUR
HelloFresh SE	HFG GY	Buy	Buy	14.00 EUR	17.00 EUR	6.96 EUR
HolidayCheck Group AG	HOC GY	Buy	Hold	4.00 EUR	3.50 EUR	2.79 EUR
Home24 SE	H24 GY	Buy	Buy	21.00 EUR	24.00 EUR	11.30 EUR
JOST Werke AG	JST GY	Buy	Buy	49.00 EUR	49.00 EUR	28.00 EUR
Leifheit AG	LEI GY	Hold	Hold	20.50 EUR	17.50 EUR	22.80 EUR
Manz AG	M5Z GY	Buy	Buy	43.00 EUR	43.00 EUR	23.40 EUR
Masterflex SE	MZX GR	Hold	Hold	9.00 EUR	9.00 EUR	7.10 EUR
MLP AG	MLP GY	Buy	Buy	6.00 EUR	6.00 EUR	4.34 EUR
OHB SE	OHB GY	Buy	Buy	43.00 EUR	43.00 EUR	31.35 EUR
paragon GmbH & Co. KGaA	PGN GY	Buy	Buy	39.00 EUR	39.00 EUR	19.12 EUR
ProCredit Holding AG & Co KGaA	PCZ GY	Buy	Buy	13.00 EUR	13.00 EUR	10.10 EUR
QSC AG	QSC GR	Buy	Buy	2.00 EUR	2.00 EUR	1.37 EUR
R. STAHL AG	RSL2 GY	Hold	Hold	22.00 EUR	22.00 EUR	22.80 EUR
RHÖN-KLINIKUM AG	RHK GY	Hold	Hold	23.00 EUR	23.00 EUR	22.54 EUR
Schaltbau Holding AG	SLT GR	Hold	Hold	21.50 EUR	21.50 EUR	20.10 EUR
SGL CARBON SE	SGL GY	Buy	Buy	12.00 EUR	12.00 EUR	6.52 EUR
SHW AG	SW1 GY	Hold	Hold	23.00 EUR	23.00 EUR	19.74 EUR
SÜSS MicroTec AG	SMHN GR	Hold	Hold	10.00 EUR	10.00 EUR	8.27 EUR
TAKKT AG	TTK GR	Buy	Buy	20.00 EUR	20.00 EUR	14.04 EUR
technotrans SE	TTR1 GY	Buy	Buy	38.00 EUR	50.00 EUR	25.30 EUR
Tele Columbus AG	TC1 GR	Hold	Hold	4.00 EUR	4.00 EUR	2.80 EUR
VIB Vermögen AG	VIH GY	Hold	Hold	23.00 EUR	23.00 EUR	21.10 EUR
Voltabox AG	VBX GY	Buy	Buy	24.00 EUR	24.00 EUR	11.91 EUR
Wacker Neuson SE	WAC GR	Buy	Buy	23.00 EUR	23.00 EUR	18.58 EUR
Wüstenrot & Württembergische AG	WUW GY	Buy	Buy	23.50 EUR	23.50 EUR	16.38 EUR

Source: Bankhaus Lampe Research estimates, FactSet, closing prices as of 14/01/2019)

Company profiles

Akasol AG

City e-buses are becoming a reality

17/01/2019

Buy (Buy)
70.00 EUR (70.00 EUR)

Close 14/01/2019 34.43 EUR
Bloomberg: ASL GY WKN: A2JNWZ
Sector Technology

Share price performance

52 week high 54.90 EUR
52 week low 31.52 EUR
Compared to SDAX
YTD -3.9%
1 month -2.2%
12 months -



Share data

EV (m EUR; 2019) 160.0
Market Cap (m EUR) 208.6
No. of shares (m) 6.1
Free float 36.0%

Next event

Annual results 2018 15/04/2019

Change in model

	Sales	EBIT	EPS
2018e	-	-	-
2019e	-	-	-
2020e	-	-	-

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See end of document for disclaimer.

Newsflow has been scarce since the IPO, but this should not be taken negatively. 2019 should be a year of very strong growth. Initial indications of the sell-through for Daimler and Volvo e-buses are very positive and may even present upside to our estimates.

INVESTMENT CASE

The start of volume production for Volvo and Daimler should drive very strong growth in 2019. Daimler publicly mentioned that it expects to ship 400 eCitaro buses in 2019. This compares with only 270 units factored into our estimates and the expectations of Akasol at the time of the IPO.

Newsflow with respect to new customers has been slower than previously hoped for, but considering Akasol's existing order backlog and its sole supplier relationship with Daimler and Volvo we are not overly concerned. In this respect, the further development in the relationship between Daimler and Proterra will be important to keep an eye on.

CATALYSTS

- The results for 2018 and the initial guidance for 2019 (due out in March) should be in line with our estimates and the targets given at the time of the IPO.
- We understand the CEO is willing to buy further shares until he has surpassed the 50% threshold.
- The execution of the ramp-up of production in Langen and the preparation for the new site in the US will be important to watch.

VALUATION

With respect to valuation multiples, Akasol is trading roughly in line with the broader peer group. Provided Akasol achieves its growth targets, we regard a premium as justified.

in m EUR	2016	2017	2018e	2019e	2020e
Sales	13.4	14.5	23.6	71.4	154.6
EBIT	1.3	1.1	1.6	6.7	21.3
EBIT margin	9.9%	7.7%	6.6%	9.4%	13.8%
Net financial debt	3.9	5.5	-87.0	-48.6	-23.2
Free cash flow	2.7	-1.6	-9.4	-38.4	-25.5
EPS (in EUR)	0.00	0.15	0.16	0.77	2.46
DPS (in EUR)	0.00	0.00	0.00	0.00	0.00
Dividend yield	-	-	0.0%	0.0%	0.0%
EV/sales	-	-	5.1	2.2	1.2
EV/EBIT	-	-	77.4	23.9	8.7
P/E	-	-	218.7	44.5	14.0

Source: Company information, Bankhaus Lampe Research estimates

Company overview

SWOT

Strengths/Opportunities

- Order backlog provides high visibility as regards very fast growth
- Relationship to key customers protected by strict product qualification process
- Fast growth in markets for electrical buses and trucks
- Profitable for already three years
- Cell technology agnostic

Weaknesses/Threats (Risks)

- Still relative small size of the company
- Customer concentration
- Broad range of competitors (including companies from China)
- Execution risks

MANAGEMENT

- Sven Schulz (CEO)
- Carsten Bovenschen (CFO)
- Stephen Raiser (CTO)

COMPANY BACKGROUND

AKASOL develops and manufactures high-power battery systems. Its key value add is in the area of mechanical and thermal design of the systems as well as in the electronics and software required for the battery management system (BMS) which is crucial for high-power battery systems. Major application of its battery systems are in transport vehicles (buses, trucks and rail). The company's largest customers are Volvo and Daimler and Akasol is their sole supplier for e-buses.

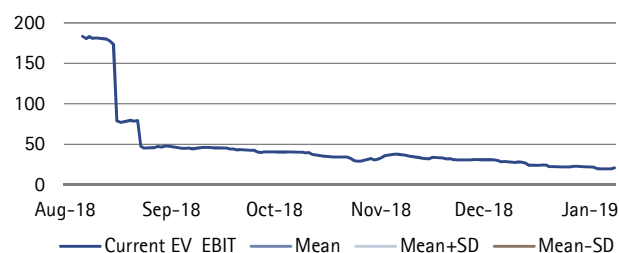
SHORT-TERM GUIDANCE

- Revenues of € 22-24 m in 2018
- EBIT margin of 7% in 2018 (ex IPO costs)

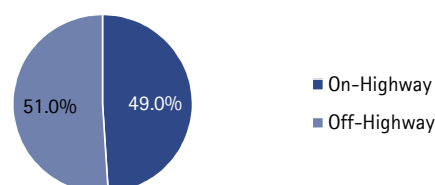
MEDIUM-TERM GUIDANCE

- Revenues to almost triple in 2019
- EBIT margin in the mid-teens by 2020

HISTORICAL EV/EBIT



REVENUE BREAKDOWN (LAST ACTUAL YEAR)



COMPANY EVENTS

Next event: 15/04/2019 Annual results

MAJOR SHAREHOLDERS (%)

Schulz Group GmbH 47.08%

KEY RATIOS

	16	17	18e	19e	20e
R&D/Sales	-	-	-	-	-
Capex/Sales	2.6%	21.9%	31.7%	47.6%	22.0%
Capex/Depreciation	0.5	5.1	11.7	17.6	12.3
ROCE	23.0%	11.2%	1.4%	5.7%	16.1%
Free cash flow yield	-	-	-3.0%	-12.2%	-8.1%
Equity ratio	10.9%	10.8%	87.2%	83.3%	78.7%
Net debt / equity	385%	342%	-83%	-45%	-19%
Net debt / EBITDA	2.0	3.2	-34.8	-5.1	-0.8
Interest cover	4.9	4.5	7.8	0.0	0.0

BHL VS. CONSENSUS

	18e	19e	20e
Sales (in m EUR)			
BHL	23.6	71.4	154.6
Consensus	27.1	76.8	161.0
EBIT (in m EUR)			
BHL	1.6	6.7	21.3
Consensus	1.7	7.8	23.0
EPS (EUR)			
BHL	0.16	0.77	2.46
Consensus	0.17	0.91	2.64

Source: Company information, FactSet, BHL estimates

Key figures

Akasol AG – Income statement

in m EUR	2016	2017	2018e	2019e	2020e
Sales	13.4	14.5	23.6	71.4	154.6
Own work capitalised	0.3	1.0	2.5	10.0	10.0
Total sales	13.8	15.5	26.1	81.4	164.6
Material expenses	-6.2	-6.9	-11.8	-45.7	-106.7
Personnel expenses	-3.8	-4.8	-7.0	-10.7	-15.3
Unusual or infrequent items	0.0	0.0	0.0	0.0	0.0
Other operating result	-1.8	-2.0	-4.8	-15.4	-15.2
EBITDA	2.0	1.7	2.5	9.6	27.5
Depreciation	0.6	0.6	0.6	1.9	2.8
EBITA	1.3	1.1	1.9	7.6	24.7
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.3	0.9	3.4
EBIT	1.3	1.1	1.6	6.7	21.3
Financial result	-0.3	-0.2	-0.2	0.0	0.0
Income on ordinary activities	1.1	0.9	1.4	6.7	21.3
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0
EBT	1.1	0.9	1.4	6.7	21.3
Taxes	-0.3	-0.3	-0.4	-2.0	-6.4
Net income from cont. operations	0.7	0.6	0.9	4.7	14.9
Net income from discount. operations	0.0	0.0	0.0	0.0	0.0
Minority interest	0.0	0.0	0.0	0.0	0.0
Net income (adj.)	0.7	0.6	0.9	4.7	14.9
No. of shares	0.0	4.0	6.1	6.1	6.1
EPS	-	0.15	0.16	0.77	2.46

Source: Company information, Bankhaus Lampe Research estimates

	2016	2017	2018e	2019e	2020e
Gross margin	53.8%	52.5%	50.0%	36.0%	31.0%
EBITDA margin	14.7%	12.0%	10.6%	13.4%	17.8%
EBITA margin	9.9%	7.7%	7.9%	10.7%	16.0%
EBIT margin	9.9%	7.7%	6.6%	9.4%	13.8%
EBT margin	7.8%	6.0%	5.7%	9.4%	13.8%
Net profit margin	5.3%	4.2%	4.0%	6.6%	9.6%
Tax rate	32.2%	30.5%	30.0%	30.0%	30.0%

Source: Company information, Bankhaus Lampe Research estimates

Growth rates yoy	2016	2017	2018e	2019e	2020e
Sales	52.7%	7.7%	63.1%	>100%	>100%
EBITDA	89.1%	-11.5%	43.2%	>100%	>100%
EBIT	>100%	-15.8%	39.1%	>100%	>100%
EBT	>100%	-17.4%	55.5%	>100%	>100%
Net income (adj.)	>100%	-15.4%	56.7%	>100%	>100%
EPS	0,0%	0,0%	3.4%	>100%	>100%

Source: Company information, Bankhaus Lampe Research estimates

Akasol AG – Balance sheet

Assets (in m EUR)	2016	2017	2018e	2019e	2020e
Fixed assets	2.5	4.3	10.9	42.0	69.9
Property, plant and equipment	1.3	3.1	7.2	28.3	46.1
Intangible assets	1.0	1.2	3.7	13.7	23.7
Financial assets	0.0	0.0	0.0	0.0	0.0
Other long-term assets	0.2	0.0	0.0	0.0	0.0
Current assets	6.9	10.7	109.0	89.2	87.8
Inventories	3.9	5.3	3.9	11.9	25.8
Accounts receivable	2.1	2.1	9.2	19.8	30.1
Other current assets	0.2	0.4	0.4	0.4	0.4
Securities	0.0	0.0	0.0	0.0	0.0
Cash	0.8	2.8	95.4	57.0	31.6
Total assets	9.4	15.0	119.9	131.2	157.7
Equity and liabilities in m EUR					
Shareholders' equity	1.0	1.6	104.6	109.3	124.2
Shareholders' equity (before minority)	1.0	1.6	104.6	109.3	124.2
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	5.8	5.9	5.9	5.9	5.9
Pension provisions	0.0	0.0	0.0	0.0	0.0
Other provisions	0.1	0.4	0.4	0.4	0.4
Long-term financial debt	2.9	2.2	2.2	2.2	2.2
Other long-term debt	2.8	3.3	3.3	3.3	3.3
Current liabilities	2.6	7.5	9.5	16.1	27.6
Short-term debt	1.8	6.2	6.2	6.2	6.2
Other accruals short-term	0.0	0.0	0.0	0.0	0.0
Accounts payable	0.7	1.4	3.3	9.9	21.5
Other liabilities	0.0	0.0	0.0	0.0	0.0
Total equity and liabilities	9.4	15.0	119.9	131.2	157.7

Source: Company information, Bankhaus Lampe Research estimates

Akasol AG – Balance sheet structure

Assets	2016	2017	2018e	2019e	2020e
Fixed assets	26.7%	29.0%	9.1%	32.0%	44.3%
Property, plant and equipment	13.9%	20.9%	6.0%	21.6%	29.3%
Intangible assets	10.5%	8.1%	3.1%	10.5%	15.0%
Current assets	73.7%	71.1%	90.9%	68.0%	55.7%
Inventories	41.5%	35.6%	3.3%	9.1%	16.3%
Accounts receivable	22.0%	13.8%	7.7%	15.1%	19.1%
Cash	8.6%	18.9%	79.6%	43.5%	20.0%
Equity and liabilities					
Shareholders' equity	10.9%	10.8%	87.2%	83.3%	78.7%
Non-current liabilities	62.2%	39.1%	4.9%	4.5%	3.7%
Pension provisions	-	-	-	-	-
Long-term financial debt	31.1%	14.7%	1.8%	1.7%	1.4%
Current liabilities	27.3%	50.3%	7.9%	12.3%	17.5%
Short-term debt	19.4%	41.2%	5.2%	4.7%	3.9%
Accounts payable	7.9%	9.1%	2.7%	7.6%	13.6%

Source: Company information, Bankhaus Lampe Research estimates

Amadeus FiRe AG

Two different seasons

17/01/2019

Hold (Hold)
102.00 EUR (102.00 EUR)

Close 14/01/2019 86.10 EUR
Bloomberg: AAD GY WKN: 509310
Sector Industrials

Share price performance

52 week high 104.40 EUR
52 week low 79.00 EUR
Compared to Prime All Share
YTD 2.3%
1 month 1.2%
12 months 24.1%



Share data

EV (m EUR; 2019) 399.5
Market Cap (m EUR) 447.6
No. of shares (m) 5.2
Free float 100.0%

Next event

Annual Results 12/03/2019

Change in model

	Sales	EBIT	EPS
2018e	-	-	-
2019e	-	-	-
2020e	-	-	-

Analyst

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See end of document for disclaimer.

We are still convinced of the business model's quality and the medium-term growth prospects. In the first half of 2019, we anticipate positive newsflow (dividend announcement, new medium-term targets) and the stock should outperform the market. After the AGM, we anticipate rather moderate newsflow and an underperformance of the stock. All in all, we feel comfortable with our HOLD rating.

INVESTMENT CASE

At the beginning of 2015, Amadeus FiRe published medium-term targets and wanted to achieve revenues of € 200 m and an EBITA of € 30 m in the next three to five years. We assume that the 2018 annual report will show that the company has achieved this goal in 2018. Following the changes in the management team, we assume that Amadeus FiRe will announce a new medium-term goal at the start of 2019. Our take is that the company will continue to serve only the German market in future and will mainly grow organically. Smaller acquisitions should only take place in the Training business. We therefore assume that Amadeus FiRe should stay in its profitable niche in future. According to the information available up to now, the effects of the amendments to the German Law on Labour Leasing Act are in line with expectations. The company stated that the higher expenses as a result of the equal-pay regulation have mostly been accepted by customers. The maximum temporary employment period, the effects of which will be starting in Q4 at the earliest, is not expected to have a significant impact.

CATALYSTS

We assume the company will publish new medium-term targets in early 2019. The dividend announcement for 2018 should be positively received by the market.

VALUATION

Our price target is DCF based. Currently, the stock is trading at PER_{2020e} of 17.8x, which is in line with the five-year average. A current dividend yield of 5.4% should be supportive.

in m EUR	2016	2017	2018e	2019e	2020e
Sales	173.3	184.5	202.0	209.6	217.5
EBIT	30.0	32.3	35.6	37.3	38.9
EBIT margin	17.3%	17.5%	17.6%	17.8%	17.9%
Net financial debt	-40.4	-43.4	-47.3	-48.7	-50.4
Free cash flow	17.8	23.3	23.9	23.9	25.3
EPS (in EUR)	3.66	3.96	4.39	4.62	4.82
DPS (in EUR)	3.66	3.96	4.39	4.62	4.82
Dividend yield	5.0%	5.1%	5.4%	5.4%	5.6%
EV/sales	2.0	1.9	1.9	1.9	1.8
EV/EBIT	11.4	11.1	10.6	10.7	10.2
P/E	20.1	19.5	18.6	18.7	17.8

Source: Company information, Bankhaus Lampe Research estimates

Company overview

SWOT

Strengths/Opportunities

- Specialised personnel services provider with a focus on finance and accounting
- Mastering the challenge of consistently recruiting qualified professionals
- High operating margins
- Market leader in the field of finance and accounting in Germany

MANAGEMENT

- Robert von Wülfing (CEO)
- Dennis Gerlitzki (COO)

Weaknesses/Threats (Risks)

- Temporary employment correlates strongly with economic cycle
- Highly dependent on German market
- Negative reputation of temporary employment
- General dependence on changes / regulations

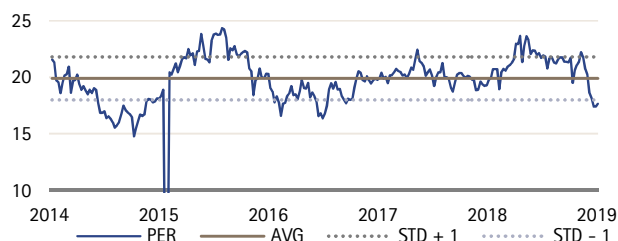
COMPANY BACKGROUND

Amadeus is one of the leading personnel service providers in Germany. At 19 locations across Germany, ADD offers needs-driven and flexible personnel solutions by hiring and placing professionals and executives in the Accounting, Office, Banking and IT Services divisions. By integrating the group subsidiaries Tax College Dr. Endriss, Academy of International Accounting and TaxMaster, the Amadeus supports firms with a broad range of complementary services that can be tailored to individual requirements.

SHORT-TERM GUIDANCE

- 2018: Sales > 2017
- 2018: EBITA at least 10% > 2017

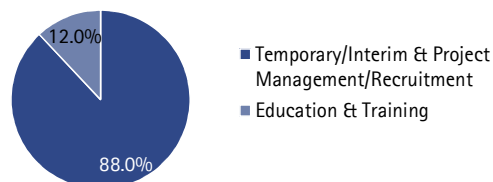
HISTORICAL P/E



MEDIUM-TERM GUIDANCE

- -
- -

REVENUE BREAKDOWN (LAST ACTUAL YEAR)



COMPANY EVENTS

Next event: 12/03/2019 Annual Results

KEY RATIOS

	16	17	18e	19e	20e
R&D/Sales	0.0%	0.0%	0.0%	0.0%	0.0%
Capex/Sales	1.0%	1.2%	1.1%	1.0%	0.6%
Capex/Depreciation	2.1	2.1	1.6	1.6	1.0
ROCE	66.2%	68.6%	72.1%	73.8%	75.3%
Free cash flow yield	4.7%	5.8%	4.7%	4.7%	4.9%
Equity ratio	62.4%	60.4%	59.3%	59.0%	58.5%
Net debt / equity	-89%	-92%	-96%	-96%	-98%
Net debt / EBITDA	-1.3	-1.3	-1.3	-1.3	-1.3
Interest cover	0.0	0.0	0.0	0.0	0.0

MAJOR SHAREHOLDERS (%)

Deutsche Asset & Wealth Management	9.8
MainFirst Bank AG	8.8
Massachusetts Financial Services	3.8

BHL VS. CONSENSUS

	18e	19e	20e
Sales (in m EUR)			
BHL	202.0	209.6	217.5
Consensus	202.6	210.7	218.9
EBIT (in m EUR)			
BHL	35.6	37.3	38.9
Consensus	35.9	38.2	40.2
EPS (EUR)			
BHL	4.39	4.62	4.82
Consensus	4.40	4.68	4.93

Source: Company information, FactSet, BHL estimates

Key figures

Amadeus FiRe AG – Income statement

in m EUR	2016	2017	2018e	2019e	2020e
Sales	173.3	184.5	202.0	209.6	217.5
Cost of sales	-97.5	-102.0	-111.1	-115.3	-119.6
Gross profit	75.8	82.5	90.9	94.3	97.9
Sales and marketing	0.0	-41.6	-45.9	-47.6	-49.4
General and administration	-46.0	-8.8	-9.6	-10.0	-10.4
Research and development	0.0	0.0	0.0	0.0	0.0
Other operating result	0.2	0.2	0.2	0.6	0.8
EBITDA	30.9	33.4	37.0	38.7	40.3
Depreciation	0.9	1.0	1.4	1.4	1.4
EBITA	30.0	32.3	35.6	37.3	38.9
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0
EBIT	30.0	32.3	35.6	37.3	38.9
Financial result	-0.6	-0.6	-0.1	-0.1	-0.1
Income on ordinary activities	29.5	31.7	35.5	37.2	38.8
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0
EBT	29.5	31.7	35.5	37.2	38.8
Taxes	-9.0	-9.6	-11.2	-11.7	-12.2
Net income from cont. operations	20.5	22.1	24.3	25.5	26.6
Net income from disc. operations	0.0	0.0	0.0	0.0	0.0
Minority interest	-1.5	-1.5	-1.5	-1.5	-1.5
Net income (adj.)	19.0	20.6	22.8	24.0	25.1
No. of shares	5.2	5.2	5.2	5.2	5.2
EPS (in EUR)	3.66	3.96	4.39	4.62	4.82

Source: Company information, Bankhaus Lampe Research estimates

	2016	2017	2018e	2019e	2020e
Gross margin	43.8%	44.7%	45.0%	45.0%	45.0%
EBITDA margin	17.8%	18.1%	18.3%	18.5%	18.5%
EBITA margin	17.3%	17.5%	17.6%	17.8%	17.9%
EBIT margin	17.3%	17.5%	17.6%	17.8%	17.9%
EBT margin	17.0%	17.2%	17.6%	17.8%	17.8%
Net profit margin	11.8%	12.0%	12.0%	12.2%	12.2%
Tax rate	30.5%	30.3%	31.5%	31.5%	31.5%

Source: Company information, Bankhaus Lampe Research estimates

Growth rates yoy	2016	2017	2018e	2019e	2020e
Sales	2.1%	6.5%	9.5%	3.8%	3.8%
EBITDA	4.8%	8.0%	10.9%	4.6%	4.1%
EBIT	4.7%	7.6%	10.1%	4.8%	4.2%
EBT	4.6%	7.6%	12.1%	4.8%	4.3%
Net income (adj.)	3.5%	8.3%	10.9%	5.1%	4.5%
EPS	3.5%	8.3%	10.9%	5.1%	4.5%

Source: Company information, Bankhaus Lampe Research estimates

Amadeus FiRe AG – Balance sheet

Assets (in m EUR)	2016	2017	2018e	2019e	2020e
Fixed assets	12.5	13.7	14.3	14.5	14.6
Property, plant and equipment	1.5	1.7	2.2	2.4	2.4
Intangible assets	9.9	10.9	10.9	10.9	10.9
Financial assets	0.0	0.0	0.0	0.0	0.0
Other long-term assets	1.0	1.1	1.2	1.2	1.3
Current assets	60.2	64.4	69.0	71.1	73.7
Inventories	0.0	0.0	0.0	0.0	0.0
Accounts receivable	18.6	20.4	21.0	21.8	22.6
Other current assets	1.2	0.5	0.6	0.6	0.6
Securities	0.0	0.0	0.0	0.0	0.0
Cash	40.4	43.4	47.3	48.7	50.4
Total assets	72.7	78.0	83.2	85.6	88.3
Equity and liabilities (in m EUR)					
Shareholders' equity	45.4	47.1	49.4	50.5	51.6
Shareholders' equity (before minority)	45.0	46.6	48.8	50.0	51.1
Minorities	0.4	0.6	0.6	0.6	0.6
Non-current liabilities	7.3	6.6	7.2	7.5	8.0
Pension provisions	0.0	0.0	0.0	0.0	0.0
Other provisions	0.0	0.0	0.0	0.0	0.0
Long-term financial debt	0.0	0.0	0.0	0.0	0.0
Other long-term debt	7.3	6.6	7.2	7.5	8.0
Current liabilities	20.1	24.3	26.6	27.6	28.6
Short-term debt	0.0	0.0	0.0	0.0	0.0
Other accruals short-term	0.0	0.0	0.0	0.0	0.0
Accounts payable	1.4	1.5	1.7	1.7	1.8
Other liabilities	18.7	22.8	24.9	25.9	26.9
Total equity and liabilities	72.7	78.0	83.2	85.6	88.3

Source: Company information, Bankhaus Lampe Research estimates

Amadeus FiRe AG – Balance sheet structure

Assets	2016	2017	2018e	2019e	2020e
Fixed assets	17.2%	17.5%	17.2%	17.0%	16.5%
Property, plant and equipment	2.1%	2.2%	2.6%	2.8%	2.7%
Intangible assets	13.7%	14.0%	13.1%	12.7%	12.4%
Current assets	82.9%	82.5%	82.9%	83.1%	83.5%
Inventories	0.0%	0.0%	0.0%	0.0%	0.0%
Accounts receivable	25.6%	26.2%	25.3%	25.5%	25.6%
Cash	55.6%	55.6%	56.9%	56.8%	57.1%
Equity and liabilities					
Shareholders' equity	62.4%	60.4%	59.3%	59.0%	58.5%
Non-current liabilities	10.0%	8.5%	8.7%	8.8%	9.1%
Pension provisions	0.0%	0.0%	0.0%	0.0%	0.0%
Long-term financial debt	0.0%	0.0%	0.0%	0.0%	0.0%
Current liabilities	27.6%	31.1%	32.0%	32.2%	32.4%
Short-term debt	0.0%	0.0%	-	-	-
Accounts payable	1.9%	1.9%	2.0%	2.0%	2.0%

Source: Company information, Bankhaus Lampe Research estimates

Aumann AG

Consensus down to a reasonable level

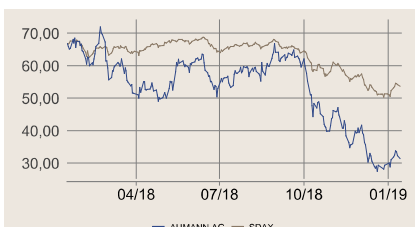
17/01/2019

Buy (Buy)
50.00 EUR (50.00 EUR)

Close 14/01/2019 31.40 EUR
 Bloomberg: AAG GY WKN: A2DAMO
 Sector Engineering

Share price performance

52 week high 71.90 EUR
 52 week low 27.50 EUR
 Compared to SDAX
 YTD 2.4%
 1 month 2.0%
 12 months -35.0%



Share data

EV (m EUR; 2019) 414.3
 Market Cap (m EUR) 478.9
 No. of shares (m) 15.3
 Free float 62.0%

Next event

Preliminary Results 28/02/2019

Change in model

	Sales	EBIT	EPS
2018e	-	-	-
2019e	-	-	-
2020e	-	-	-

Analyst

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See end of document for disclaimer.

After significant consensus downwards revision (source: FactSet) we believe expectations have reached a reasonable level for 2019. In general, we still think Aumann will be a beneficiary of rising volumes in electric car production and forecast double-digit revenue growth for the medium term.

INVESTMENT CASE

In the area of e-mobility, Aumann focuses on machinery and systems for the production of copper coils for electric motors and should therefore benefit from rising volumes in the production of electric cars. However, initial growth expectations preceding the IPO turned out to be exaggerated and have come down significantly meanwhile (FactSet consensus EBIT_{2019e} -25% since the end of 2017). Order intake in Aumann's E-Mobility segment in 9M 2018 was a disappointment. The book-to-bill ratio in 2018 is likely to come to only around 1x. The same goes for the Classic segment, which - unlike E-Mobility - does not benefit from strong structural growth drivers. On the positive side, consensus for 2019 has come down to a realistic level, and due to structurally growing demand, weaker economic prospects should leave Aumann's E-Mobility business unaffected.

CATALYSTS

At the end of February, Aumann is due to release preliminary figures for 2018, which should rather please investors. We expect an adj. EBIT of € 34.6 m, above the upper end of the guidance range (€ 28-31 m). Aumann still has plans to grow by acquisition, and its net cash position supports the strategy without the need of a capital increase.

VALUATION

Aumann shares are now trading at an EV/EBIT_{2019e} of 10.9 and a P/E_{2019e} of 18.1x, which is no longer demanding, in our view. The cash-adjusted P/E_{2019e} stands at 14x.

in m EUR	2016	2017	2018e	2019e	2020e
Sales	156.0	210.4	310.0	340.0	372.5
EBIT	18.4	20.0	32.2	38.2	44.1
EBIT margin	11.8%	9.5%	10.4%	11.2%	11.8%
Net financial debt	-26.5	-83.3	-73.7	-83.1	-94.5
Free cash flow	24.4	-48.8	-10.1	13.6	16.5
EPS (in EUR)	0.91	0.93	1.46	1.74	2.01
DPS (in EUR)	0.36	0.20	0.36	0.43	0.50
Dividend yield	-	0.3%	1.2%	1.4%	1.6%
EV/sales	-	3.9	1.3	1.2	1.1
EV/EBIT	-	41.4	12.2	10.9	9.1
P/E	-	68.6	20.1	18.1	15.6

Source: Company information, Bankhaus Lampe Research estimates

Company overview

SWOT

Strengths/Opportunities

- Technology leader
- Established company with e-mobility exposure
- High margins and ROCE
- Long-standing customer relationships with major OEMs
- Expanding customer base

MANAGEMENT

- Rolf Beckhoff (CEO)
- Sebastian Roll (CFO)

Weaknesses/Threats (Risks)

- Little diversification in client structure
- May not be able to manage rapid growth well
- Declining revenue in the Classic segment
- Risk that high margins are not sustainable
- Exaggerated expectations of growth opportunities

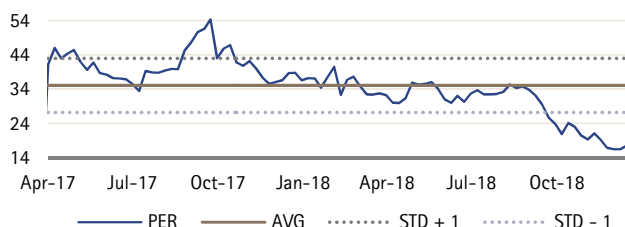
COMPANY BACKGROUND

Aumann AG is primarily known for its machinery and plants, which are used for the production of electric motors. In our view, the company's winding machines are state-of-the-art. In addition, Aumann also builds plants that are used for battery production. The company should benefit from the trend towards the electrification of automotive drivetrains. In addition, components for combustion engines are also manufactured using Aumann machinery.

SHORT-TERM GUIDANCE

- Sales in 2018: > € 300 m
- adj. EBIT in 2018: € 28-31 m

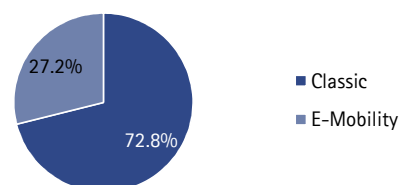
HISTORICAL P/E



MEDIUM-TERM GUIDANCE

- Sales in 2021: roughly € 450 m
- E-Mobility share in 2021: 75%

REVENUE BREAKDOWN (LAST ACTUAL YEAR)



COMPANY EVENTS

Next event: 28/02/2019 Preliminary Results

MAJOR SHAREHOLDERS (%)

MBB SE	38.0
Fidelity FMR	9.0
Ingo Wojtynia	3.4

KEY RATIOS

	16	17	18e	19e	20e
R&D/Sales	-	-	-	-	-
Capex/Sales	2.1%	4.6%	3.2%	3.5%	3.8%
Capex/Depreciation	1.9	3.8	2.8	3.0	2.7
ROCE	23.3%	8.8%	13.2%	14.3%	15.1%
Free cash flow yield	-	-5.4%	-1.3%	1.8%	2.2%
Equity ratio	31.4%	55.3%	61.4%	62.4%	63.5%
Net debt / equity	-64%	-46%	-37%	-37%	-38%
Net debt / EBITDA	-1.3	-3.7	-1.9	-1.9	-1.8
Interest cover	0.0	0.0	0.0	0.0	0.0

BHL VS. CONSENSUS

	18e	19e	20e
Sales (in m EUR)			
BHL	310.0	340.0	372.5
Consensus	304.4	349.3	399.9
EBIT (in m EUR)			
BHL	32.2	38.2	44.1
Consensus	30.7	38.5	47.4
EPS (EUR)			
BHL	1.46	1.74	2.01
Consensus	1.42	1.77	2.16

Source: Company information, FactSet, BHL estimates

Key figures

Aumann AG – Income statement

in m EUR	2016	2017	2018e	2019e	2020e
Sales	156.0	210.4	310.0	340.0	372.5
Own work capitalised	-0.2	0.2	1.0	1.5	1.5
Total sales	155.8	210.5	311.0	341.5	374.0
Material expenses	-90.1	-130.9	-188.7	-202.2	-218.7
Personnel expenses	-39.9	-51.4	-72.5	-82.1	-90.0
Unusual or infrequent items	0.0	0.0	0.0	0.0	0.0
Other operating result	-5.6	-5.6	-12.0	-13.0	-14.0
EBITDA	20.1	22.6	37.8	44.2	51.3
Depreciation	1.7	2.6	3.6	4.0	5.2
EBITA	18.4	20.0	34.2	40.2	46.1
Amortisation of goodwill	0.0	0.0	2.0	2.0	2.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0
EBIT	18.4	20.0	32.2	38.2	44.1
Financial result	-0.6	-0.9	-0.9	-0.9	-0.9
Income on ordinary activities	17.9	19.1	31.3	37.3	43.2
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0
EBT	17.9	19.1	31.3	37.3	43.2
Taxes	-5.1	-6.1	-9.1	-10.8	-12.5
Net income from cont. operations	12.8	13.0	22.2	26.5	30.7
Net income from discount. operations	0.0	0.0	0.0	0.0	0.0
Minority interest	0.0	0.0	0.0	0.0	0.0
Net income (adj.)	12.8	13.0	22.2	26.5	30.7
No. of shares	14.0	14.0	15.3	15.3	15.3
EPS	0.91	0.93	1.46	1.74	2.01

Source: Company information, Bankhaus Lampe Research estimates

	2016	2017	2018e	2019e	2020e
Gross margin	42.2%	37.8%	39.1%	40.5%	41.3%
EBITDA margin	12.9%	10.7%	12.2%	13.0%	13.8%
EBITA margin	11.8%	9.5%	11.0%	11.8%	12.4%
EBIT margin	11.8%	9.5%	10.4%	11.2%	11.8%
EBT margin	11.4%	9.1%	10.1%	11.0%	11.6%
Net profit margin	8.2%	6.2%	7.2%	7.8%	8.2%
Tax rate	28.4%	31.9%	29.0%	29.0%	29.0%

Source: Company information, Bankhaus Lampe Research estimates

Growth rates yoy	2016	2017	2018e	2019e	2020e
Sales	67.0%	34.8%	47.4%	9.7%	9.6%
EBITDA	79.2%	12.1%	67.4%	16.8%	16.1%
EBIT	81.0%	8.6%	60.8%	18.5%	15.5%
EBT	80.8%	7.2%	63.6%	19.0%	15.8%
Net income (adj.)	84.8%	1.9%	70.5%	19.0%	15.8%
EPS	84.8%	1.9%	56.5%	19.0%	15.8%

Source: Company information, Bankhaus Lampe Research estimates

Aumann AG – Balance sheet

Assets (in m EUR)	2016	2017	2018e	2019e	2020e
Fixed assets	26.7	83.0	89.4	97.4	106.2
Property, plant and equipment	15.4	34.1	39.9	47.1	55.0
Intangible assets	10.9	44.8	45.4	46.2	47.1
Financial assets	0.0	2.6	2.6	2.6	2.6
Other long-term assets	0.4	1.5	1.5	1.5	1.5
Current assets	105.3	243.8	237.9	260.9	287.0
Inventories	4.0	9.0	11.1	12.2	13.3
Accounts receivable	53.6	116.7	120.0	131.6	144.2
Other current assets	1.8	7.5	9.2	10.1	11.1
Securities	7.7	3.9	2.9	2.9	2.9
Cash	38.2	106.7	94.7	104.1	115.5
Total assets	132.0	326.8	327.3	358.3	393.2
Equity and liabilities in m EUR					
Shareholders' equity	41.4	180.7	200.8	223.7	249.8
Shareholders' equity (before minority)	41.4	180.7	200.8	223.7	249.8
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	37.7	52.2	54.2	55.7	57.4
Pension provisions	18.5	18.5	18.5	18.5	18.5
Other provisions	1.2	1.0	1.5	1.7	1.8
Long-term financial debt	16.7	23.1	20.0	20.0	20.0
Other long-term debt	1.3	9.6	14.2	15.5	17.0
Current liabilities	52.9	93.9	72.2	78.9	86.0
Short-term debt	2.7	4.3	3.9	3.9	3.9
Other accruals short-term	22.4	31.5	28.0	30.7	33.6
Accounts payable	23.6	49.7	30.0	32.9	36.0
Other liabilities	4.1	8.4	10.3	11.4	12.4
Total equity and liabilities	132.0	326.8	327.3	358.3	393.2

Source: Company information, Bankhaus Lampe Research estimates

Aumann AG – Balance sheet structure

Assets	2016	2017	2018e	2019e	2020e
Fixed assets	20.2%	25.4%	27.3%	27.2%	27.0%
Property, plant and equipment	11.7%	10.4%	12.2%	13.1%	14.0%
Intangible assets	8.3%	13.7%	13.9%	12.9%	12.0%
Current assets	79.8%	74.6%	72.7%	72.8%	73.0%
Inventories	3.1%	2.7%	3.4%	3.4%	3.4%
Accounts receivable	40.6%	35.7%	36.7%	36.7%	36.7%
Cash	28.9%	32.7%	28.9%	29.1%	29.4%
Equity and liabilities					
Shareholders' equity	31.4%	55.3%	61.4%	62.4%	63.5%
Non-current liabilities	28.6%	16.0%	16.6%	15.6%	14.6%
Pension provisions	14.0%	5.7%	5.7%	5.2%	4.7%
Long-term financial debt	12.6%	7.1%	6.1%	5.6%	5.1%
Current liabilities	40.1%	28.7%	22.1%	22.0%	21.9%
Short-term debt	2.1%	1.3%	1.2%	1.1%	1.0%
Accounts payable	17.9%	15.2%	9.2%	9.2%	9.2%

Source: Company information, Bankhaus Lampe Research estimates

BAUER Aktiengesellschaft

Keep on running and meet expectations

17/01/2019

Buy (Buy)
20.00 EUR (20.00 EUR)

Close 14/01/2019 13.26 EUR
Bloomberg: B5A GY WKN: 516810
Sector Construction

Share price performance

52 week high 28.60 EUR
52 week low 12.08 EUR
Compared to Prime All Share
YTD 5.7%
1 month 4.7%
12 months -34.9%



Share data

EV (m EUR; 2019) 940.7
Market Cap (m EUR) 227.2
No. of shares (m) 17.1
Free float 51.8%

Next event

Annual Results 15/04/2019

Change in model

	Sales	EBIT	EPS
2018e	-	-	-
2019e	-	-	-
2020e	-	-	-

Analyst

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See end of document for disclaimer.

We think that FY 2019 EBIT increase should be driven by turn-around in resources and higher yoy EBIT contribution in construction, while our estimates for equipment EBIT are 16% lower yoy (BHL_{2019e} € 61 m) due to global economic uncertainties. A clean book value (excl. intangible assets) of € 24 per share speaks for the stock.

INVESTMENT CASE

Investors often worry about the financial debt of BAUER AG, which we estimate at 3.4x EBITDA. However NFD is covered by working capital and liquidity. BAUER has to pre-finance its construction projects and therefore the financial debt is essential for the future revenues of the group.

After 9M/2018 group sales was 11.3% lower than previous year's sales, mainly due to unusually high sales level at construction segment a year ago. More important in our view is, to deliver EBIT and EAT as promised for FY 2018 (EBIT of ~ € 90 m; significantly higher EAT than 2017 (€ 3.7 m). Both targets should be met, despite more uncertainties in the market environment (trade war, Brexit, possible return of the debt crisis). The group has a new CEO since November 2018. We do not expect any revolutionary changes in the strategy of BAUER. Shares are trading below its IPO (4 July 2006) price of € 16.75, while equity rose at CAGR of 2.4% since 2008 and company did not took any capital injection from its shareholders to grow the business since the IPO.

CATALYSTS

- FY 2018 report with forecast 2019 (BHL_e EBIT guidance: € 90-100 m)

VALUATION

Our price target of € 20.00 includes a 25% risk discount to the fair value, determined by DCF (WACC 6.6%, TG 1%, TV 66% of NPVs) and peer-group analysis. This discount reflects the risks of low stock liquidity and disappointments past forecasts. The P/E_{2019e} of 6.9x is significantly below the 10Y P/E valuation of 11x.

in m EUR	2016	2017	2018e	2019e	2020e
Sales	1,397	1,668	1,619	1,559	1,610
EBIT	70.3	89.6	92.3	96.4	105.6
EBIT margin	5.0%	5.4%	5.7%	6.2%	6.6%
Net financial debt	696.0	623.7	632.0	594.0	563.6
Free cash flow	44.5	122.5	-6.6	40.6	34.7
EPS (in EUR)	0.66	0.16	1.30	1.92	2.42
DPS (in EUR)	0.10	0.10	0.15	0.25	0.35
Dividend yield	0.9%	0.3%	1.2%	1.9%	2.6%
EV/sales	0.7	0.8	0.6	0.6	0.6
EV/EBIT	14.6	14.1	10.4	9.8	8.6
P/E	17.3	187.6	9.4	6.9	5.5

Source: Company information, Bankhaus Lampe Research estimates

Company overview

SWOT

Strengths/Opportunities

- Business model includes three future-oriented segments with strong potential for synergies
- Global market leader for foundations and excavation base sealing for dams
- High demand for infrastructure construction globally (new construction and restoration)
- Broad diversification through roughly 600 construction projects p.a. around the world (volume € 0.1–70 m)

MANAGEMENT

- Michael Stomberg (CEO)
- Hartmut Beutler (CFO)
- Florian Bauer
- Peter Hingott

SHORT-TERM GUIDANCE

- EBIT 2018: Roughly € 90 m – significant improvement in net profit before minorities

HISTORICAL P/E



COMPANY EVENTS

Next event: 15/04/2019 Annual Results

KEY RATIOS

	16	17	18e	19e	20e
R&D/Sales	-	-	-	-	-
Capex/Sales	5.7%	5.3%	5.7%	6.0%	5.8%
Capex/Depreciation	0.9	0.9	1.0	1.0	1.0
ROCE	5.4%	7.4%	7.7%	7.9%	8.4%
Free cash flow yield	22.8%	23.8%	-2.5%	15.6%	13.3%
Equity ratio	25.8%	25.9%	26.9%	28.6%	30.2%
Net debt / equity	160%	149%	144%	126%	111%
Net debt / EBITDA	4.3	3.4	3.4	3.1	2.8
Interest cover	0.9	1.0	1.6	1.7	1.8

Weaknesses/Threats (Risks)

- Production capacity in equipment segment not yet fully utilised outside of Germany
- Higher competition and cost inflation could pressure on margins
- BAUER has failed to meet its earnings forecasts in the last few years
- Net financial debt at 3.75x EBITDA – should decrease in FY 2018

COMPANY BACKGROUND

Bauer AG's activities primarily focus on deep mining as well as on engineering and the construction of machinery and equipment for special foundation construction and resource exploration.

MEDIUM-TERM GUIDANCE

- Revenue growth: 3–8% per year, group EBIT margin 7–9%, equity ratio: >30%

REVENUE BREAKDOWN (LAST ACTUAL YEAR)



MAJOR SHAREHOLDERS (%)

Bauer family	48.2
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BHL VS. CONSENSUS

	18e	19e	20e
Sales (in m EUR)			
BHL	1,619	1,559	1,610
Consensus	1,585	1,572	1,616
EBIT (in m EUR)			
BHL	92.3	96.4	105.6
Consensus	90.1	95.6	104.7
EPS (EUR)			
BHL	1.30	1.92	2.42
Consensus	1.35	1.82	2.27

Source: Company information, FactSet, BHL estimates

Key figures

BAUER Aktiengesellschaft – Income statement

in m EUR	2016	2017	2018e	2019e	2020e
Sales	1,397	1,668	1,619	1,559	1,610
Own work capitalised	28.8	-2.3	46.7	46.7	46.7
Total sales	1,426	1,666	1,665	1,605	1,657
Material expenses	-718.0	-919.6	-874.1	-857.2	-917.9
Personnel expenses	-369.7	-383.5	-372.2	-358.4	-370.3
Unusual or infrequent items	0.0	0.0	0.0	0.0	0.0
Other operating result	-177.7	-179.9	-233.8	-200.3	-170.2
EBITDA	160.3	182.6	185.3	189.3	198.6
Depreciation	90.0	93.0	93.0	93.0	93.0
EBITA	70.3	89.6	92.3	96.4	105.6
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0
EBIT	70.3	89.6	92.3	96.4	105.6
Financial result	-46.2	-54.3	-49.1	-35.9	-35.9
Income on ordinary activities	24.0	35.3	43.3	60.5	69.8
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0
EBT	24.0	35.3	43.3	60.5	69.8
Taxes	-9.6	-31.6	-17.1	-23.6	-24.4
Net income from cont. operations	14.4	3.7	26.2	36.9	45.4
Net income from discount. operations	0.0	0.0	0.0	0.0	0.0
Minority interest	-3.1	-0.9	-3.9	-3.9	-3.9
Net income (adj.)	11.3	2.7	22.2	33.0	41.4
No. of shares	17.1	17.1	17.1	17.1	17.1
EPS	0.66	0.16	1.30	1.92	2.42

Source: Company information, Bankhaus Lampe Research estimates

	2016	2017	2018e	2019e	2020e
Gross margin	48.6%	44.9%	46.0%	45.0%	43.0%
EBITDA margin	11.5%	10.9%	11.4%	12.1%	12.3%
EBITA margin	5.0%	5.4%	5.7%	6.2%	6.6%
EBIT margin	5.0%	5.4%	5.7%	6.2%	6.6%
EBT margin	1.7%	2.1%	2.7%	3.9%	4.3%
Net profit margin	0.8%	0.2%	1.4%	2.1%	2.6%
Tax rate	40.0%	89.6%	39.5%	39.0%	35.0%

Source: Company information, Bankhaus Lampe Research estimates

Growth rates yoy	2016	2017	2018e	2019e	2020e
Sales	1.3%	19.4%	-2.9%	-3.7%	3.3%
EBITDA	-13.4%	13.9%	1.5%	2.2%	4.9%
EBIT	-22.6%	27.5%	3.1%	4.4%	9.6%
EBT	-57.4%	46.9%	22.5%	39.8%	15.3%
Net income (adj.)	-62.0%	-75.8%	>100%	48.2%	25.6%
EPS	-62.0%	-75.8%	>100%	48.2%	25.6%

Source: Company information, Bankhaus Lampe Research estimates

BAUER Aktiengesellschaft – Balance sheet

Assets (in m EUR)	2016	2017	2018e	2019e	2020e
Fixed assets	642.2	629.1	629.1	629.1	629.1
Property, plant and equipment	408.0	407.4	407.4	407.4	407.4
Intangible assets	25.6	21.0	21.0	21.0	21.0
Financial assets	139.0	133.0	133.0	133.0	133.0
Other long-term assets	69.6	67.6	67.6	67.6	67.6
Current assets	1,040	988.6	1,004	1,014	1,052
Inventories	433.4	416.7	410.6	403.0	409.7
Accounts receivable	489.1	465.7	515.7	515.7	515.7
Other current assets	64.1	58.9	58.9	58.9	58.9
Securities	19.6	0.0	0.0	0.0	0.0
Cash	33.5	47.3	18.9	37.0	67.4
Total assets	1,682	1,618	1,633	1,644	1,681
Equity and liabilities in m EUR					
Shareholders' equity	434.1	418.7	439.3	469.7	506.8
Shareholders' equity (before minority)	429.9	415.5	436.0	466.4	503.6
Minorities	4.3	3.2	3.2	3.2	3.2
Non-current liabilities	356.8	334.4	324.4	324.4	354.4
Pension provisions	127.1	126.3	116.3	116.3	116.3
Other provisions	0.0	0.0	0.0	0.0	0.0
Long-term financial debt	195.9	176.0	176.0	176.0	206.0
Other long-term debt	33.8	32.1	32.1	32.1	32.1
Current liabilities	890.9	864.6	869.6	849.6	819.6
Short-term debt	553.2	495.0	475.0	455.0	425.0
Other accruals short-term	15.4	20.2	20.2	20.2	20.2
Accounts payable	202.9	233.5	258.5	258.5	258.5
Other liabilities	119.4	115.9	115.9	115.9	115.9
Total equity and liabilities	1,682	1,618	1,633	1,644	1,681

Source: Company information, Bankhaus Lampe Research estimates

BAUER Aktiengesellschaft – Balance sheet structure

Assets	2016	2017	2018e	2019e	2020e
Fixed assets	38.2%	38.9%	38.5%	38.3%	37.4%
Property, plant and equipment	24.3%	25.2%	24.9%	24.8%	24.2%
Intangible assets	1.5%	1.3%	1.3%	1.3%	1.3%
Current assets	61.8%	61.1%	61.5%	61.7%	62.6%
Inventories	25.8%	25.8%	25.1%	24.5%	24.4%
Accounts receivable	29.1%	28.8%	31.6%	31.4%	30.7%
Cash	2.0%	2.9%	1.2%	2.2%	4.0%
Equity and liabilities					
Shareholders' equity	25.8%	25.9%	26.9%	28.6%	30.2%
Non-current liabilities	21.2%	20.7%	19.9%	19.7%	21.1%
Pension provisions	7.6%	7.8%	7.1%	7.1%	6.9%
Long-term financial debt	11.6%	10.9%	10.8%	10.7%	12.3%
Current liabilities	53.0%	53.4%	53.2%	51.7%	48.8%
Short-term debt	32.9%	30.6%	29.1%	27.7%	25.3%
Accounts payable	12.1%	14.4%	15.8%	15.7%	15.4%

Source: Company information, Bankhaus Lampe Research estimates

BayWa AG

Q4 2018 will have to be great

17/01/2019

Hold (Hold)
22.00 EUR (22.00 EUR)

Close 14/01/2019 22.50 EUR
 Bloomberg: BYW6 GY WKN: 519406
 Sector Food & Beverages

Share price performance

52 week high 32.40 EUR
 52 week low 19.90 EUR
 Compared to SDAX
 YTD 4.7%
 1 month 5.0%
 12 months -11.3%



Share data

EV (m EUR; 2019) 4,121
 Market Cap (m EUR) 786.4
 No. of shares (m) 35.0
 Free float 40.1%

Next event

Annual Results 28/03/2019

Change in model

	Sales	EBIT	EPS
2018e	-	-	-
2019e	-	-	-
2020e	-	-	-

Analyst

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See end of document for disclaimer.

The last quarter of the 2018 fiscal year would have to show an enormous EBIT contribution, as the company had forecast an EBIT of between € 165 m and € 175 m for the full year, while the consolidated EBIT after nine months amounted to only € 28.3 m. This is mainly due to the planned sale of renewable projects, which should contribute some € 96 m in Q4. At >23.5x EV/EBIT_{2018e} (adj. EV/EBIT 17.3x) and an EBIT margin of 1%, the stock's valuation is rich.

INVESTMENT CASE

BayWa is one of the top-agricultural trading companies in the world and has become a leading project developer for renewable energy (solar, wind and bioenergy). Both businesses are seasonal with Q4 as the most important quarter with BayWa r.e. project sales and marketing of agricultural products. BayWa has also activities in building materials and fossil energy.

The group has expanded its Agricultural business with several acquisitions and the successful positioning in the renewables energy sector in the past ten years. This expansion has led to higher financial debt of the group, although a big part of the debt is non-recourse debt and covered by marketable soft commodities.

The higher share of agricultural trading business has diluted the group's EBIT margin from 1.6% (2011) to around 1%. This reflects the higher volatility in trading. Rising soft commodity prices usually increase the potential for higher earnings.

CATALYSTS

The final FY 2018 results are due out at the end of March 2019 – but preliminary results could be expected earlier that month.

VALUATION

Our price target of € 22.00 is based on an SOTP valuation with an average EV/EBIT multiple for the businesses of 12.4x. This is in line with the peer group median of 12.5x. The dividend yield for 2019e comes to 4.2%, which we regard as attractive.

in m EUR	2016	2017	2018e	2019e	2020e
Sales	15,410	16,055	16,445	17,090	17,564
EBIT	122.9	131.4	171.9	186.9	198.7
EBIT margin	0.8%	0.8%	1.0%	1.1%	1.1%
Net financial debt	2,488	2,368	2,359	2,365	2,382
Free cash flow	85.0	-230.6	44.9	31.4	20.4
EPS (in EUR)	0.89	1.13	1.35	1.62	1.73
DPS (in EUR)	0.85	0.90	0.92	0.94	0.94
Dividend yield	2.8%	2.8%	4.5%	4.2%	4.2%
EV/sales	0.3	0.3	0.2	0.2	0.2
EV/EBIT	37.0	33.9	23.5	22.1	20.8
P/E	34.6	28.4	15.2	13.9	13.0

Source: Company information, Bankhaus Lampe Research estimates

Company overview

SWOT

Strengths/Opportunities

- Expansion of the international agricultural business with a trading target of 40 million tonnes of cereals by 2020
- Higher share of services in the agricultural equipment business
- Successful global player in renewable energy, Build-Own-Operate-Transfer strategy
- Renewable energy segment is the major earnings driver of BayWa group

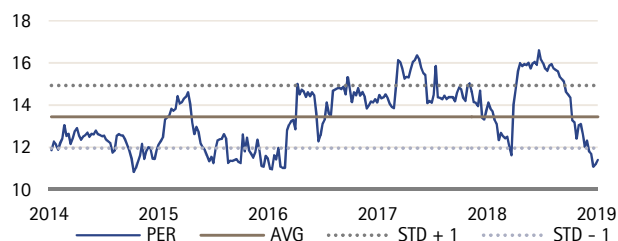
MANAGEMENT

- Prof. Klaus-Josef Lutz (CEO)
- Andreas Helber (CFO)
- Matthias Taft
- Roland Schuler
- Reinhard Wolf

SHORT-TERM GUIDANCE

- EBIT to range between € 165 m and € 175 m

HISTORICAL P/E



COMPANY EVENTS

Next event: 28/03/2019 Annual Results

KEY RATIOS

	16	17	18e	19e	20e
R&D/Sales	-	-	-	-	-
Capex/Sales	1.0%	1.1%	0.7%	0.7%	0.8%
Capex/Depreciation	1.2	1.2	1.0	1.0	1.1
ROCE	2.8%	2.9%	3.7%	4.0%	4.3%
Free cash flow yield	7.9%	-20.6%	5.8%	4.0%	2.6%
Equity ratio	17.0%	22.1%	22.3%	22.6%	22.9%
Net debt / equity	227%	165%	163%	160%	158%
Net debt / EBITDA	9.9	8.5	8.1	7.6	7.4
Interest cover	1.5	1.7	1.8	2.0	2.1

Weaknesses/Threats (Risks)

- Agricultural earnings trend shaped by volatile markets
- Heating oil sales have been falling for years - shrinking business
- Building materials do not really fit into the group
- Anti-trust authorities are investigating allegations regarding price fixing in e.g. agricultural equipment and plant protection

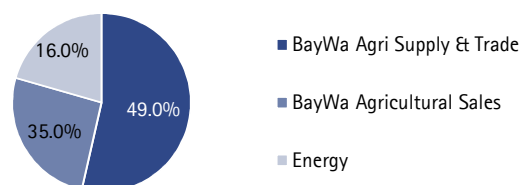
COMPANY BACKGROUND

BayWa AG is an international trading and services group with a focus on three core segments: agriculture, building materials and energy. The company's largest segment, Agriculture, trades in agricultural products and raw materials. The Energy segment is involved in the trade of fossil fuels and builds and operates renewable energy plants. The Building Materials segment mainly trades in building materials. The company was founded in 1923 and is headquartered in Munich, Germany.

MEDIUM-TERM GUIDANCE

- -

REVENUE BREAKDOWN (LAST ACTUAL YEAR)



MAJOR SHAREHOLDERS (%)

Bayerische Raiffeisen-Beteiligungs-AG	34.9
Raiffeisen Agrar Invest AG	25.0

BHL VS. CONSENSUS

	18e	19e	20e
Sales (in m EUR)			
BHL	16,445	17,090	17,564
Consensus	16,488	16,978	17,481
EBIT (in m EUR)			
BHL	171.9	186.9	198.7
Consensus	175.5	204.6	224.6
EPS (EUR)			
BHL	1.35	1.62	1.73
Consensus	1.37	1.84	2.23

Source: Company information, FactSet, BHL estimates

Key figures

BayWa AG – Income statement

in m EUR	2016	2017	2018e	2019e	2020e
Sales	15,410	16,055	16,445	17,090	17,564
Own work capitalised	74.6	-92.8	-92.8	40.0	0.0
Total sales	15,484	15,962	16,352	17,130	17,564
Material expenses	-14,053	-14,384	-14,722	-15,299	-15,724
Personnel expenses	-863.1	-936.2	-958.9	-996.6	-1,024
Unusual or infrequent items	0.0	0.0	0.0	0.0	0.0
Other operating result	-317.9	-363.2	-379.7	-524.0	-494.2
EBITDA	250.8	278.6	291.9	310.4	322.2
Depreciation	127.9	147.2	120.0	123.5	123.5
EBITA	122.9	131.4	171.9	186.9	198.7
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0
EBIT	122.9	131.4	171.9	186.9	198.7
Financial result	-53.3	-29.0	-72.4	-67.7	-68.1
Income on ordinary activities	69.6	102.4	99.5	119.1	130.7
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0
EBT	69.6	102.4	99.5	119.1	130.7
Taxes	-16.9	-35.1	-28.9	-34.5	-40.5
Net income from cont. operations	52.7	67.2	70.7	84.6	90.2
Net income from discount. operations	0.0	0.0	0.0	0.0	0.0
Minority interest	-21.6	-27.9	-23.3	-27.9	-29.8
Net income (adj.)	31.1	39.3	47.3	56.7	60.4
No. of shares	35.0	34.9	35.0	35.0	35.0
EPS	0.89	1.13	1.35	1.62	1.73

Source: Company information, Bankhaus Lampe Research estimates

	2016	2017	2018e	2019e	2020e
Gross margin	8.8%	10.4%	10.5%	10.5%	10.5%
EBITDA margin	1.6%	1.7%	1.8%	1.8%	1.8%
EBITA margin	0.8%	0.8%	1.0%	1.1%	1.1%
EBIT margin	0.8%	0.8%	1.0%	1.1%	1.1%
EBT margin	0.5%	0.6%	0.6%	0.7%	0.7%
Net profit margin	0.2%	0.2%	0.3%	0.3%	0.3%
Tax rate	24.3%	34.3%	29.0%	29.0%	31.0%

Source: Company information, Bankhaus Lampe Research estimates

Growth rates yoy	2016	2017	2018e	2019e	2020e
Sales	3.2%	4.2%	2.4%	3.9%	2.8%
EBITDA	-10.7%	11.1%	4.8%	6.3%	3.8%
EBIT	-18.4%	6.9%	30.8%	8.7%	6.4%
EBT	-20.9%	47.1%	-2.8%	19.7%	9.7%
Net income (adj.)	-35.4%	26.4%	20.3%	19.7%	6.6%
EPS	-35.9%	26.7%	20.1%	19.7%	6.6%

Source: Company information, Bankhaus Lampe Research estimates

BayWa AG – Balance sheet

Assets (in m EUR)	2016	2017	2018e	2019e	2020e
Fixed assets	2,356	2,397	2,395	2,394	2,407
Property, plant and equipment	1,403	1,409	1,409	1,409	1,424
Intangible assets	212.6	230.7	230.7	230.7	230.7
Financial assets	445.8	488.1	488.1	488.1	488.1
Other long-term assets	294.6	269.2	267.6	265.9	264.2
Current assets	4,119	4,091	4,115	4,148	4,170
Inventories	2,380	2,323	2,323	2,346	2,369
Accounts receivable	1,396	1,417	1,427	1,436	1,445
Other current assets	213.6	229.8	229.8	229.8	229.8
Securities	24.9	15.7	15.7	15.7	15.7
Cash	104.4	105.5	120.2	120.9	110.1
Total assets	6,475	6,488	6,510	6,542	6,577
Equity and liabilities in m EUR					
Shareholders' equity	1,098	1,436	1,451	1,476	1,504
Shareholders' equity (before minority)	804.3	1,108	1,124	1,148	1,176
Minorities	294.0	328.0	328.0	328.0	328.0
Non-current liabilities	2,321	2,066	2,074	2,083	2,092
Pension provisions	690.0	635.8	638.8	641.8	644.8
Other provisions	86.3	87.8	87.8	87.8	87.8
Long-term financial debt	1,105	1,042	1,053	1,063	1,074
Other long-term debt	440.0	299.7	295.0	290.3	285.8
Current liabilities	3,055	2,987	2,984	2,982	2,981
Short-term debt	1,512	1,447	1,442	1,438	1,434
Other accruals short-term	180.0	228.0	229.1	230.2	231.4
Accounts payable	894.3	904.0	916.1	928.4	940.9
Other liabilities	468.4	408.0	396.8	385.9	375.3
Total equity and liabilities	6,475	6,488	6,510	6,542	6,577

Source: Company information, Bankhaus Lampe Research estimates

BayWa AG – Balance sheet structure

Assets	2016	2017	2018e	2019e	2020e
Fixed assets	36.4%	36.9%	36.8%	36.6%	36.6%
Property, plant and equipment	21.7%	21.7%	21.6%	21.5%	21.6%
Intangible assets	3.3%	3.6%	3.5%	3.5%	3.5%
Current assets	63.6%	63.1%	63.2%	63.4%	63.4%
Inventories	36.8%	35.8%	35.7%	35.9%	36.0%
Accounts receivable	21.6%	21.8%	21.9%	21.9%	22.0%
Cash	1.6%	1.6%	1.8%	1.8%	1.7%
Equity and liabilities					
Shareholders' equity	17.0%	22.1%	22.3%	22.6%	22.9%
Non-current liabilities	35.9%	31.8%	31.9%	31.8%	31.8%
Pension provisions	10.7%	9.8%	9.8%	9.8%	9.8%
Long-term financial debt	17.1%	16.1%	16.2%	16.3%	16.3%
Current liabilities	47.2%	46.0%	45.8%	45.6%	45.3%
Short-term debt	23.4%	22.3%	22.2%	22.0%	21.8%
Accounts payable	13.8%	13.9%	14.1%	14.2%	14.3%

Source: Company information, Bankhaus Lampe Research estimates

Bertrandt AG

Market environment still tough

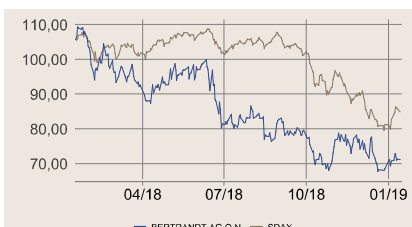
17/01/2019

Hold (Hold)
79.00 EUR (79.00 EUR)

Close 14/01/2019 71.15 EUR
 Bloomberg: BDT GY WKN: 523280
 Sector Automotive

Share price performance

52 week high 109.30 EUR
 52 week low 67.80 EUR
 Compared to SDAX
 YTD -0.8%
 1 month -3.7%
 12 months -13.8%



Share data

EV (m EUR; 2019) 795.0
 Market Cap (m EUR) 716.3
 No. of shares (m) 10.1
 Free float 55.5%

Next event

AGM 20/02/2019

Change in model

	Sales	EBIT	EPS
2017/18e	-	-	-
2018/19e	-	-	-
2019/20e	-	-	-

Analyst

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See end of document for disclaimer.

Bertrandt has had a tough year in 2017/18, with results at the lower end of guidance (revenue growth: 2.9% / EBIT margin: 7.1%). For the first quarters of 2018/19, we do not expect any stock revaluations, as there are persistent issues with Audi and as there is still excess capacity on the market, price pressure is likely to remain. We reiterate our HOLD rating.

INVESTMENT CASE

As the full-year figures on 13 December 2018 have shown, 2017/18 has been a difficult year for Bertrandt. Even though the business with the VW brand is at the level after the sharp decline at the end of last year and the long-term prospects for are promising, there are still problems which will persist at least in the first quarters. The current situation with Audi is still not satisfactory and there is only very limited visibility. The new head of Audi, Bram Schot, may help to stabilise the situation, but for the time being, Audi, which accounts for a large share of the high-margin Electronics business, is still in wait-and-see mode. We do not expect the Audi business to recover quickly because the company continues to have problems and we are not convinced that all of the scandals at Audi can be solved in the near term. In addition, there is still price pressure in the ESP market, which should burden results. However, Bertrandt's performance should improve somewhat and reach the upper half of its guidance (revenue growth: 2-5% / EBIT margin: 7-9%), in our view.

CATALYSTS

- To bring margins back to historical levels (~ 9%), the business with Audi would have to recover.
- Winning new projects in the Electronics segment.

VALUATION

Our DCF model leads us to a fair value of € 79.00. We use a peer-group comparison to support our price target. With a PER_{2018/19e} of 11.7x, Bertrandt is trading above the peer-group average of 11.4x, which indicates limited upside potential.

in m EUR	2015/16	2016/17	2017/18e	2018/19e	2019/20e
Sales	992.0	992.3	1,021	1,071	1,125
EBIT	92.9	62.9	72.1	87.9	98.3
EBIT margin	9.4%	6.3%	7.1%	8.2%	8.7%
Net financial debt	42.2	81.7	71.0	72.2	64.3
Free cash flow	11.0	6.5	35.3	22.9	31.1
EPS (in EUR)	6.32	4.36	4.98	6.07	6.81
DPS (in EUR)	2.50	2.50	2.50	2.40	2.70
Dividend yield	2.6%	2.9%	3.1%	3.4%	3.8%
EV/sales	1.0	1.0	0.9	0.7	0.7
EV/EBIT	11.0	15.0	12.2	9.0	8.0
P/E	15.4	19.5	16.0	11.7	10.5

Source: Company information, Bankhaus Lampe Research estimates

Company overview

SWOT

Strengths/Opportunities

- Biggest engineering service provider in Europe
- Lots of experience and project expertise
- Outsourcing ratio for the car industry could rise from 40% to 50%
- Non-automotive business accounts for 10% of revenues

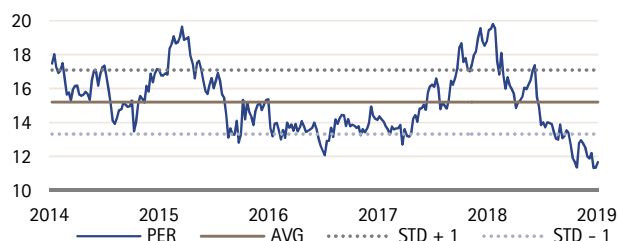
MANAGEMENT

- Dietmar Bichler, CEO
- Markus Ruf, CFO
- Hans-Gerd Klaus, CTO
- Michael Lücke, CMO

SHORT-TERM GUIDANCE

- 2017/18: Sales growth of € 20-50 m
- 2017/18: EBIT margin of 7-9%

HISTORICAL P/E



COMPANY EVENTS

Next event: 20/02/2019 AGM

KEY RATIOS

	15/16	16/17	17/18e	18/19e	19/20e
R&D/Sales	-	-	-	-	-
Capex/Sales	8.3%	3.8%	4.7%	6.1%	5.8%
Capex/Depreciation	2.8	1.1	1.3	1.7	1.7
ROCE	16.4%	10.4%	11.7%	13.4%	14.1%
Free cash flow yield	1.1%	0.8%	4.9%	3.2%	4.3%
Equity ratio	46.9%	48.3%	50.0%	51.6%	53.4%
Net debt / equity	12%	22%	18%	17%	13%
Net debt / EBITDA	0.3	0.8	0.7	0.6	0.5
Interest cover	> 10	> 10	> 10	> 10	> 10

Weaknesses/Threats (Risks)

- Automotive sector accounts for 90% of sales
- High personnel cost ratio of roughly 70%
- Overcapacity at rival companies can lead to price squeeze
- The recovery of the high-margin business with Audi remains unclear

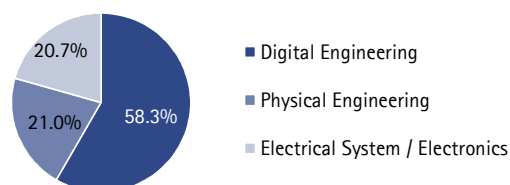
COMPANY BACKGROUND

Bertrandt offers engineering services for manufacturing industry. The automotive sector accounts for 90% of sales and includes the company's biggest customers, followed by the aerospace industry (2%). The remaining 8% is spread among various customers in the manufacturing sector. The company provides comprehensive design and development services for almost all of the major car manufacturers, as well as for key system suppliers. Its services range from developing an entire car to the strength testing of a simple door handle.

MEDIUM-TERM GUIDANCE

- -

REVENUE BREAKDOWN (LAST ACTUAL YEAR)



MAJOR SHAREHOLDERS (%)

Porsche AG	29.0
Boysen	14.9
Management	9.0

BHL VS. CONSENSUS

	17/18e	18/19e	19/20e
Sales (in m EUR)			
BHL	1,021	1,071	1,125
Consensus	1,020	1,073	1,128
EBIT (in m EUR)			
BHL	72.1	87.9	98.3
Consensus	72.1	86.4	97.8
EPS (EUR)			
BHL	4.98	6.07	6.81
Consensus	4.74	5.84	6.68

Source: Company information, FactSet, BHL estimates

Key figures

Bertrandt AG – Income statement

in m EUR	2015/16	2016/17	2017/18e	2018/19e	2019/20e
Sales	992.0	992.3	1,021	1,071	1,125
Own work capitalised	0.7	1.6	1.3	1.0	1.0
Total sales	992.7	993.9	1,022	1,072	1,126
Material expenses	-98.1	-105.6	-97.0	-108.3	-113.6
Personnel expenses	-695.7	-703.6	-723.7	-743.2	-770.6
Unusual or infrequent items	0.0	0.0	0.0	0.0	0.0
Other operating result	-76.3	-88.0	-93.0	-95.0	-104.0
EBITDA	122.6	96.7	108.3	126.0	137.5
Depreciation	29.7	33.9	36.2	38.0	39.2
EBITA	92.9	62.9	72.1	87.9	98.3
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0
EBIT	92.9	62.9	72.1	87.9	98.3
Financial result	-1.4	-2.2	-2.5	-2.5	-2.5
Income on ordinary activities	91.5	60.7	69.6	85.5	95.9
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0
EBT	91.5	60.7	69.6	85.5	95.9
Taxes	-27.9	-16.8	-19.5	-24.4	-27.3
Net income from cont. operations	63.6	43.9	50.1	61.1	68.5
Net income from disc. operations	0.0	0.0	0.0	0.0	0.0
Minority interest	0.0	0.0	0.0	0.0	0.0
Net income (adj.)	63.6	43.9	50.1	61.1	68.5
No. of shares	10.1	10.1	10.1	10.1	10.1
EPS	6.32	4.36	4.98	6.07	6.81

Source: Company information, Bankhaus Lampe Research estimates

	2015/16	2016/17	2017/18e	2018/19e	2019/20e
Gross margin	90.1%	89.4%	90.5%	89.9%	89.9%
EBITDA margin	12.4%	9.7%	10.6%	11.8%	12.2%
EBITA margin	9.4%	6.3%	7.1%	8.2%	8.7%
EBIT margin	9.4%	6.3%	7.1%	8.2%	8.7%
EBT margin	9.2%	6.1%	6.8%	8.0%	8.5%
Net profit margin	6.4%	4.4%	4.9%	5.7%	6.1%
Tax rate	30.5%	27.7%	28.0%	28.5%	28.5%

Source: Company information, Bankhaus Lampe Research estimates

Growth rates yoy	2015/16	2016/17	2017/18e	2018/19e	2019/20e
Sales	6.1%	0.0%	2.9%	5.0%	5.0%
EBITDA	5.0%	-21.1%	11.9%	16.3%	9.2%
EBIT	1.4%	-32.3%	14.6%	22.0%	11.8%
EBT	-0.2%	-33.7%	14.7%	22.8%	12.2%
Net income (adj.)	1.6%	-31.0%	14.2%	21.9%	12.2%
EPS	1.6%	-31.0%	14.2%	21.9%	12.2%

Source: Company information, Bankhaus Lampe Research estimates

Bertrandt AG – Balance sheet

Assets (in m EUR)	2015/16	2016/17	2017/18e	2018/19e	2019/20e
Fixed assets	271.8	301.2	313.9	343.1	371.2
Property, plant and equipment	235.8	264.3	275.5	302.9	328.9
Intangible assets	17.5	15.7	16.6	17.4	18.2
Financial assets	9.3	7.0	7.2	7.5	7.9
Other long-term assets	9.2	14.2	14.6	15.3	16.1
Current assets	491.5	477.6	488.0	504.3	530.8
Inventories	0.9	1.2	1.1	1.2	1.2
Accounts receivable	329.0	333.7	343.9	361.1	379.0
Other current assets	1.8	3.5	3.5	3.7	3.9
Securities	0.0	0.0	0.0	0.0	0.0
Cash	159.8	139.3	139.4	138.4	146.6
Total assets	763.3	778.8	801.9	847.5	901.9
Equity and liabilities in m EUR					
Shareholders' equity	357.9	376.4	401.3	437.2	481.6
Shareholders' equity (before minority)	357.9	376.4	401.3	437.2	481.6
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	237.8	245.4	235.5	236.9	238.4
Pension provisions	6.9	6.1	6.2	6.4	6.6
Other provisions	10.1	3.8	4.0	4.2	4.4
Long-term financial debt	199.7	215.7	205.0	205.0	205.0
Other long-term debt	21.2	19.8	20.4	21.4	22.4
Current liabilities	167.6	157.0	165.1	173.3	181.9
Short-term debt	2.4	5.2	5.3	5.6	5.9
Other accruals short-term	54.1	40.5	41.6	43.7	45.9
Accounts payable	15.1	18.3	22.4	23.5	24.7
Other liabilities	96.0	93.1	95.7	100.5	105.5
Total equity and liabilities	763.3	778.8	801.9	847.5	901.9

Source: Company information, Bankhaus Lampe Research estimates

Bertrandt AG – Balance sheet structure

Assets	2015/16	2016/17	2017/18e	2018/19e	2019/20e
Fixed assets	35.6%	38.7%	39.1%	40.5%	41.2%
Property, plant and equipment	30.9%	33.9%	34.4%	35.7%	36.5%
Intangible assets	2.3%	2.0%	2.1%	2.1%	2.0%
Current assets	64.4%	61.3%	60.9%	59.5%	58.9%
Inventories	0.1%	0.2%	0.1%	0.1%	0.1%
Accounts receivable	43.1%	42.8%	42.9%	42.6%	42.0%
Cash	20.9%	17.9%	17.4%	16.3%	16.3%
Equity and liabilities					
Shareholders' equity	46.9%	48.3%	50.0%	51.6%	53.4%
Non-current liabilities	31.2%	31.5%	29.4%	28.0%	26.4%
Pension provisions	0.9%	0.8%	0.8%	0.8%	0.7%
Long-term financial debt	26.2%	27.7%	25.6%	24.2%	22.7%
Current liabilities	22.0%	20.2%	20.6%	20.4%	20.2%
Short-term debt	0.3%	0.7%	0.7%	0.7%	0.7%
Accounts payable	2.0%	2.3%	2.8%	2.8%	2.7%

Source: Company information, Bankhaus Lampe Research estimates

Borussia Dortmund GmbH & Co. KGaA

Strengthening the brand

17/01/2019

Buy (Buy)
10.00 EUR (10.00 EUR)

Close 14/01/2019 8.74 EUR
 Bloomberg: BVB GY WKN: 549309
 Sector Media

Share price performance

52 week high 10.06 EUR
 52 week low 4.98 EUR
 Compared to Prime All Share
 YTD 6.4%
 1 month 8.7%
 12 months 58.3%



Share data

EV (m EUR; 2019) 778.8
 Market Cap (m EUR) 804.1
 No. of shares (m) 92.0
 Free float 60.8%

Next event

Quarterly Results 28/02/2019

Change in model

	Sales	EBIT	EPS
2018/19e	-	-	2.0%
2019/20e	-	-	1.6%
2020/21e	-	-	1.6%

Analyst

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See end of document for disclaimer.

Following the results of H1 2018/19, we have to recognise that BVB has clearly strengthened the brand. All in all, we maintain our BUY rating for the stock with an unchanged price target of € 10.00.

INVESTMENT CASE

With the current results on the pitch, the club once again has the opportunity to consolidate its standing as one of Europe's top teams. The prestige associated with the UEFA Champions League, the new models for distributing TV marketing income and the significantly higher payouts are what make participating in the competition so lucrative. At the beginning of the year, BVB implemented fundamental changes concerning the team: The club has hired an experienced coach in Lucien Favre. Furthermore, BVB brought club legend Sebastian Kehl back on board. He functions as a link between the team, the coaching staff and the sporting director. Changes to the strategy and the roster were also co-ordinated with Matthias Sammer. Borussia Dortmund also made substantial changes to the roster, infusing a fresh mix of robust, experienced and also young players, with whom the club hopes to return to the top of the table in the current season.

CATALYSTS

The business case needs the team to be successful in the core competitions, including Bundesliga, DFB Cup and Champions League. The outcome of cup competitions (loss/win or elimination/next round) has a rather large impact on all business segments and thus on numbers.

VALUATION

Our valuation is based on an adjusted "net asset value approach". This approach includes the adjusted value of the squad, the net debt development of the group and the brand value. This leads us to a price target of € 10.00 and we therefore confirm our BUY rating. Our model does not include the Pulisic deal as we model all transfers as usual after the end of the current transfer period.

in m EUR	2016/17	2017/18	2018/19e	2019/20e	2020/21e
Sales	405.7	536.0	443.0	462.5	462.8
EBIT	10.7	36.1	29.0	36.3	36.8
EBIT margin	2.6%	6.7%	6.5%	7.8%	8.0%
Net financial debt	13.0	-16.1	-25.3	-55.5	-87.7
Free cash flow	5.8	27.6	13.9	35.7	37.7
EPS (in EUR)	0.09	0.31	0.21	0.27	0.27
DPS (in EUR)	0.06	0.06	0.06	0.06	0.06
Dividend yield	1.1%	0.7%	0.7%	0.7%	0.7%
EV/sales	1.3	1.5	1.8	1.6	1.5
EV/EBIT	47.6	21.8	26.9	20.6	19.5
P/E	60.2	28.3	41.5	33.0	32.5

Source: Company information, Bankhaus Lampe Research estimates

Company overview

SWOT

Strengths/Opportunities

- Sporting success has a leverage effect on the revenue structure
- Continuity in sporting and commercial management
- Improvement of infrastructure

Weaknesses/Threats (Risks)

- Challenge of accommodating both sporting and financial objectives
- Particular need to improve marketing in Asia
- Sporting success cannot be relied upon
- Sporting injuries and periods of weak form are imponderables

MANAGEMENT

- Hans-Joachim Watzke (CEO)
- Thomas Tress (CFO)
- Carsten Cramer

COMPANY BACKGROUND

Borussia Dortmund GmbH & Co. KGaA operates a professional football club. The company generates most of its revenues from ticketing, marketing television broadcast rights, advertising, the sale of merchandise, and transfers. The company was founded in 1909.

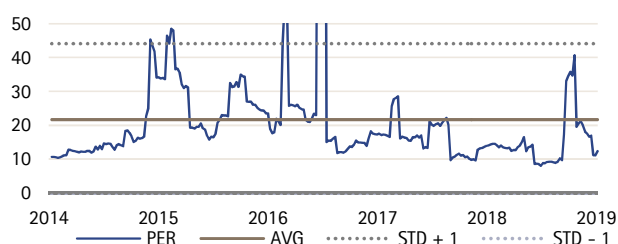
SHORT-TERM GUIDANCE

- 2018/19: Revenue of € 375 m
- 2018/19: low single-digit EBIT
- 2018/19: Free cash flow of around € 10 m

MEDIUM-TERM GUIDANCE

- -

HISTORICAL P/E



REVENUE BREAKDOWN (LAST ACTUAL YEAR)



COMPANY EVENTS

Next event: 28/02/2019 Quarterly Results

MAJOR SHAREHOLDERS (%)

Evonik	14.8
Bernd Geske	9.3
BV Borussia 09 e.V. Dortmund	5.5

KEY RATIOS

	16/17	17/18	18/19e	19/20e	20/21e
R&D/Sales	-	-	-	-	-
Capex/Sales	0.0%	24.4%	13.0%	10.2%	10.2%
Capex/Depreciation	0.0	1.4	0.8	0.7	0.7
ROCE	2.8%	9.5%	7.7%	9.2%	8.9%
Free cash flow yield	1.0%	4.5%	2.3%	5.8%	6.1%
Equity ratio	65.3%	70.3%	74.7%	75.9%	76.8%
Net debt / equity	4%	-5%	-7%	-15%	-23%
Net debt / EBITDA	0.2	-0.1	-0.3	-0.5	-0.8
Interest cover	4.7	7.4	0.0	0.0	0.0

BHL VS. CONSENSUS

	18/19e	19/20e	20/21e
Sales (in m EUR)			
BHL	443.0	462.5	462.8
Consensus	475.0	0.0	0.0
EBIT (in m EUR)			
BHL	29.0	36.3	36.8
Consensus	11.0	0.0	0.0
EPS (EUR)			
BHL	0.21	0.27	0.27
Consensus	0.74	0.00	0.00

Source: Company information, FactSet, BHL estimates

Key figures

Borussia Dortmund GmbH & Co. KGaA – Income statement

in m EUR	2016/17	2017/18	2018/19e	2019/20e	2020/21e
Sales	405.7	536.0	443.0	462.5	462.8
Own work capitalised	0.0	0.0	0.0	0.0	0.0
Total sales	405.7	536.0	443.0	462.5	462.8
Material expenses	-25.9	-20.1	-26.0	-26.5	-27.0
Personnel expenses	-177.9	-186.7	-190.0	-195.7	-196.0
Unusual or infrequent items	0.0	0.0	0.0	0.0	0.0
Other operating result	-127.7	-202.6	-128.0	-134.0	-133.0
EBITDA	74.1	126.6	99.0	106.3	106.8
Depreciation	63.4	90.6	70.0	70.0	70.0
EBITA	10.7	36.1	29.0	36.3	36.8
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0
EBIT	10.7	36.1	29.0	36.3	36.8
Financial result	-1.5	-4.3	-0.9	-0.9	-0.9
Income on ordinary activities	9.1	31.8	28.1	35.4	35.9
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0
EBT	9.1	31.8	28.1	35.4	35.9
Taxes	-0.9	-3.3	-8.7	-11.0	-11.1
Net income from cont. operations	8.2	28.5	19.4	24.4	24.7
Net income from discount. operations	0.0	0.0	0.0	0.0	0.0
Minority interest	0.0	0.0	0.0	0.0	0.0
Net income (adj.)	8.2	28.5	19.4	24.4	24.7
No. of shares	92.0	92.0	92.0	92.0	92.0
EPS	0.09	0.31	0.21	0.27	0.27

Source: Company information, Bankhaus Lampe Research estimates

	2016/17	2017/18	2018/19e	2019/20e	2020/21e
Gross margin	93.6%	96.3%	94.1%	94.3%	94.2%
EBITDA margin	18.3%	23.6%	22.3%	23.0%	23.1%
EBITA margin	2.6%	6.7%	6.5%	7.8%	8.0%
EBIT margin	2.6%	6.7%	6.5%	7.8%	8.0%
EBT margin	2.2%	5.9%	6.3%	7.6%	7.7%
Net profit margin	2.0%	5.3%	4.4%	5.3%	5.3%
Tax rate	10.0%	10.4%	31.0%	31.0%	31.0%

Source: Company information, Bankhaus Lampe Research estimates

Growth rates yoy	2016/17	2017/18	2018/19e	2019/20e	2020/21e
Sales	7.8%	32.1%	-17.4%	4.4%	0.1%
EBITDA	-14.5%	71.0%	-21.8%	7.4%	0.5%
EBIT	-70.7%	>100%	-19.6%	25.2%	1.4%
EBT	-73.4%	>100%	-11.6%	26.0%	1.4%
Net income (adj.)	-72.1%	>100%	-32.0%	26.0%	1.4%
EPS	-72.1%	>100%	-32.0%	26.0%	1.4%

Source: Company information, Bankhaus Lampe Research estimates

Borussia Dortmund GmbH & Co. KGaA – Balance sheet

Assets (in m EUR)	2016/17	2017/18	2018/19e	2019/20e	2020/21e
Fixed assets	354.9	341.9	329.5	306.5	283.5
Property, plant and equipment	184.7	180.7	178.0	175.0	172.0
Intangible assets	141.5	109.7	100.0	80.0	60.0
Financial assets	0.1	0.1	0.1	0.1	0.1
Other long-term assets	28.6	51.5	51.5	51.5	51.5
Current assets	123.7	136.4	139.3	179.5	221.7
Inventories	9.0	5.6	9.0	9.0	9.0
Accounts receivable	48.8	23.0	50.0	60.0	70.0
Other current assets	16.7	48.4	30.0	30.0	30.0
Securities	0.0	0.0	0.0	0.0	0.0
Cash	49.3	59.5	50.3	80.5	112.7
Total assets	478.6	478.3	468.8	486.0	505.3
Equity and liabilities in m EUR					
Shareholders' equity	312.3	336.3	350.1	369.0	388.3
Shareholders' equity (before minority)	312.3	336.3	350.1	369.0	388.3
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	25.4	23.0	17.0	17.0	17.0
Pension provisions	0.0	0.0	0.0	0.0	0.0
Other provisions	0.0	0.0	0.0	0.0	0.0
Long-term financial debt	8.7	6.7	0.0	0.0	0.0
Other long-term debt	16.7	16.3	17.0	17.0	17.0
Current liabilities	140.9	119.0	101.7	100.0	100.0
Short-term debt	53.6	36.6	25.0	25.0	25.0
Other accruals short-term	1.2	1.1	0.0	0.0	0.0
Accounts payable	63.6	54.6	50.0	50.0	50.0
Other liabilities	22.6	26.7	26.7	25.0	25.0
Total equity and liabilities	478.6	478.3	468.8	486.0	505.3

Source: Company information, Bankhaus Lampe Research estimates

Borussia Dortmund GmbH & Co. KGaA – Balance sheet structure

Assets	2016/17	2017/18	2018/19e	2019/20e	2020/21e
Fixed assets	74.1%	71.5%	70.3%	63.1%	56.1%
Property, plant and equipment	38.6%	37.8%	38.0%	36.0%	34.0%
Intangible assets	29.6%	22.9%	21.3%	16.5%	11.9%
Current assets	25.9%	28.5%	29.7%	36.9%	43.9%
Inventories	1.9%	1.2%	1.9%	1.9%	1.8%
Accounts receivable	10.2%	4.8%	10.7%	12.3%	13.9%
Cash	10.3%	12.4%	10.7%	16.6%	22.3%
Equity and liabilities					
Shareholders' equity	65.3%	70.3%	74.7%	75.9%	76.8%
Non-current liabilities	5.3%	4.8%	3.6%	3.5%	3.4%
Pension provisions	0.0%	0.0%	0.0%	0.0%	0.0%
Long-term financial debt	1.8%	1.4%	0.0%	0.0%	0.0%
Current liabilities	29.4%	24.9%	21.7%	20.6%	19.8%
Short-term debt	11.2%	7.7%	5.3%	5.1%	4.9%
Accounts payable	13.3%	11.4%	10.7%	10.3%	9.9%

Source: Company information, Bankhaus Lampe Research estimates

CEWE Stiftung & Co. KGaA

Brand and innovation are pillars of strength

17/01/2019

Buy (Buy)
98.00 EUR (98.00 EUR)

Close 14/01/2019 65.60 EUR
Bloomberg: CWC GY WKN: 540390
Sector Consumer

Share price performance

52 week high 92.40 EUR
52 week low 59.90 EUR
Compared to SDAX
YTD 1.1%
1 month 6.1%
12 months -6.1%



Share data

EV (m EUR; 2019) 468.3
Market Cap (m EUR) 468.6
No. of shares (m) 7.1
Free float 71.0%

Next event

Annual Results 28/03/2019

Change in model

	Sales	EBIT	EPS
2018e	-	-	-
2019e	-	-	-
2020e	-	-	-

Analyst

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See end of document for disclaimer.

After the latest numbers and our subsequent talks to the company, we believe that CEWE has had a good Christmas period and achieved its own targets. We maintain our BUY rating for the stock with an unchanged price target of € 98.00.

INVESTMENT CASE

We assume that brand and innovation will remain the pillars of strength in the coming years and determine the company's business. We believe that the Photofinishing business offers further margin upside in the medium term (2017 EBIT margin: 11.8%), as value-added high-margin products such as CEWE Photobooks and gift articles account for a rising share of the product offering, while the impact of traditional, low-margin digital print is declining. Artificial intelligence based solutions are a major area for CEWE, as they are meant to make photo handling much more convenient for customers. We understand that Cheerz is developing in line with expectations. We expect this acquisition to have positive implications for the internationalisation of the business in the medium term, in particular in targeting more young people.

In commercial online print, CEWE has activities in the growing part of the market, and it is gaining market share. However, investors must consider that the market is affected by price pressure. On the positive side, CEWE is an active consolidator. The performance of Laserline (bought in 2017) is also in line with expectations.

CATALYSTS

As Q4 is an important quarter for CEWE, accounting for nearly all of the expected annual earnings, the release of 2018 preliminary numbers is a clear catalyst for the stock. We expect these numbers to be published in February. Given the healthy balance sheet we expect company also to announce a share buyback programme.

VALUATION

Our price target is based on a DCF model. The stock is trading at a P/E ratio_{2019e} of 12.4x, which is below the 5Y average of 15.2x and the 10Y average of 13.3x.

in m EUR	2016	2017	2018e	2019e	2020e
Sales	593.1	599.4	646.4	662.0	678.1
EBIT	47.0	49.2	50.4	55.1	58.6
EBIT margin	7.9%	8.2%	7.8%	8.3%	8.6%
Net financial debt	-46.7	-35.7	-5.2	-28.4	-54.7
Free cash flow	46.4	2.2	-18.2	36.8	40.2
EPS (in EUR)	4.25	4.70	4.84	5.29	5.63
DPS (in EUR)	1.80	1.85	1.90	1.95	2.00
Dividend yield	2.1%	2.1%	3.1%	3.0%	3.0%
EV/sales	1.0	1.0	0.7	0.7	0.7
EV/EBIT	12.4	12.6	9.3	8.5	7.5
P/E	19.9	18.7	12.8	12.4	11.6

Source: Company information, Bankhaus Lampe Research estimates

Company overview

SWOT

Strengths/Opportunities

- Increasing customer satisfaction
- Large product variety in order to exploit pricing potential
- Growth potential in online print
- Trend points towards value-added products

MANAGEMENT

- Dr. Christian Friege (CEO)
- Dr. Olaf Holzkämper (CFO)
- Patrick Berkhouwer (Member of the Board)
- Frank Zweigle (Member of the Board)
- Dr. Reiner Fageth (Member of the Board)
- Carsten Heitkamp (Member of the Board)
- Thomas Mehls (Member of the Board)

SHORT-TERM GUIDANCE

- 2018: Revenues of between € 630 m and € 665 m
- 2018: EBIT of between € 48 m and € 54 m

HISTORICAL P/E



COMPANY EVENTS

Next event: 28/03/2019 Annual Results

KEY RATIOS

	16	17	18e	19e	20e
R&D/Sales	-	-	-	-	-
Capex/Sales	8.3%	11.8%	13.0%	5.9%	5.9%
Capex/Depreciation	1.1	1.8	2.2	1.0	1.0
ROCE	20.2%	19.1%	16.4%	17.1%	17.3%
Free cash flow yield	7.7%	0.3%	-3.7%	7.5%	8.2%
Equity ratio	53.8%	56.0%	54.9%	58.1%	61.1%
Net debt / equity	-23%	-16%	-2%	-10%	-18%
Net debt / EBITDA	-0.5	-0.4	-0.1	-0.3	-0.6
Interest cover	0.0	0.0	0.0	0.0	0.0

Weaknesses/Threats (Risks)

- Highly dependent on the Christmas business
- P&L structure is changing due to value-added products
- Dependency on the availability and quality of data is potential risk
- The company is subject to volume and price risks

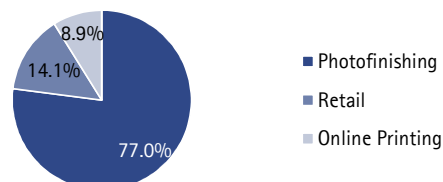
COMPANY BACKGROUND

CEWE Stiftung & Co. KGaA is Europe's leading photofinishing company offering printing services and related products such as photo books, gift articles, cameras and accessories. The company markets its products through both retail stores and e-commerce with more than 30,000 retail partners in 24 European countries. Together with the CEWE Photoworld division, which encompasses photo retail and photo services, CEWE-Print.de, Saxoprint und Viaprinto, CEWE's online printer, represent the core of the family brand "CEWE best in print".

MEDIUM-TERM GUIDANCE

- -

REVENUE BREAKDOWN (LAST ACTUAL YEAR)



MAJOR SHAREHOLDERS (%)

Erbengemeinschaft Neumüller	27.3
Union Investment	5.1

BHL VS. CONSENSUS

	18e	19e	20e
Sales (in m EUR)			
BHL	646.4	662.0	678.1
Consensus	654.1	675.7	697.0
EBIT (in m EUR)			
BHL	50.4	55.1	58.6
Consensus	52.1	57.0	60.6
EPS (EUR)			
BHL	4.84	5.29	5.63
Consensus	5.00	5.44	5.80

Source: Company information, FactSet, BHL estimates

Key figures

CEWE Stiftung & Co. KGaA – Income statement

in m EUR	2016	2017	2018e	2019e	2020e
Sales	593.1	599.4	646.4	662.0	678.1
Own work capitalised	0.3	1.0	0.0	0.0	0.0
Total sales	593.4	600.4	646.4	662.0	678.1
Material expenses	-168.6	-168.4	-195.3	-200.0	-204.9
Personnel expenses	-153.4	-160.3	-173.1	-178.0	-182.3
Unusual or infrequent items	0.0	0.0	0.0	0.0	0.0
Other operating result	-181.1	-182.4	-189.6	-189.9	-192.3
EBITDA	90.3	89.3	88.4	94.1	98.6
Depreciation	43.3	40.1	38.0	39.0	40.0
EBITA	47.0	49.2	50.4	55.1	58.6
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0
EBIT	47.0	49.2	50.4	55.1	58.6
Financial result	-0.8	-0.3	-0.3	-0.3	-0.3
Income on ordinary activities	46.2	48.9	50.1	54.8	58.3
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0
EBT	46.2	48.9	50.1	54.8	58.3
Taxes	-15.8	-15.3	-15.5	-17.0	-18.1
Net income from cont. operations	30.4	33.6	34.6	37.8	40.2
Net income from discount. operations	0.0	0.0	0.0	0.0	0.0
Minority interest	0.0	0.0	0.0	0.0	0.0
Net income (adj.)	30.4	33.6	34.6	37.8	40.2
No. of shares	7.1	7.1	7.1	7.1	7.1
EPS	4.25	4.70	4.84	5.29	5.63

Source: Company information, Bankhaus Lampe Research estimates

	2016	2017	2018e	2019e	2020e
Gross margin	71.6%	71.9%	69.8%	69.8%	69.8%
EBITDA margin	15.2%	14.9%	13.7%	14.2%	14.5%
EBITA margin	7.9%	8.2%	7.8%	8.3%	8.6%
EBIT margin	7.9%	8.2%	7.8%	8.3%	8.6%
EBT margin	7.8%	8.2%	7.8%	8.3%	8.6%
Net profit margin	5.1%	5.6%	5.3%	5.7%	5.9%
Tax rate	34.3%	31.3%	31.0%	31.0%	31.0%

Source: Company information, Bankhaus Lampe Research estimates

Growth rates yoy	2016	2017	2018e	2019e	2020e
Sales	7.0%	1.1%	7.8%	2.4%	2.4%
EBITDA	20.2%	-1.1%	-1.0%	6.4%	4.8%
EBIT	27.8%	4.7%	2.4%	9.3%	6.4%
EBT	27.2%	5.8%	2.5%	9.4%	6.4%
Net income (adj.)	31.5%	10.5%	3.0%	9.4%	6.4%
EPS	31.0%	10.6%	3.0%	9.4%	6.4%

Source: Company information, Bankhaus Lampe Research estimates

CEWE Stiftung & Co. KGaA – Balance sheet

Assets (in m EUR)	2016	2017	2018e	2019e	2020e
Fixed assets	188.6	221.5	267.5	267.5	267.5
Property, plant and equipment	124.5	148.1	155.0	155.0	155.0
Intangible assets	45.1	39.9	79.0	79.0	79.0
Financial assets	11.1	24.7	24.7	24.7	24.7
Other long-term assets	7.9	8.8	8.8	8.8	8.8
Current assets	192.4	184.5	185.2	202.4	221.7
Inventories	49.4	50.3	52.0	55.0	57.0
Accounts receivable	84.2	84.5	85.0	85.0	85.0
Other current assets	10.3	10.9	12.0	13.0	14.0
Securities	0.0	0.0	0.0	0.0	0.0
Cash	48.6	38.8	36.2	49.4	65.7
Total assets	381.0	406.1	452.7	469.9	489.2
Equity and liabilities in m EUR					
Shareholders' equity	204.9	227.2	248.6	272.8	299.1
Shareholders' equity (before minority)	204.9	227.2	248.6	272.8	299.1
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	29.1	29.4	32.1	32.1	32.1
Pension provisions	25.5	27.2	28.1	28.1	28.1
Other provisions	0.0	0.0	0.0	0.0	0.0
Long-term financial debt	0.2	0.1	1.0	1.0	1.0
Other long-term debt	3.4	2.1	3.0	3.0	3.0
Current liabilities	147.0	149.5	172.0	165.0	158.0
Short-term debt	1.7	2.9	30.0	20.0	10.0
Other accruals short-term	14.7	7.4	8.0	8.0	8.0
Accounts payable	96.1	95.9	99.0	102.0	105.0
Other liabilities	34.5	43.3	35.0	35.0	35.0
Total equity and liabilities	381.0	406.1	452.7	469.9	489.2

Source: Company information, Bankhaus Lampe Research estimates

CEWE Stiftung & Co. KGaA – Balance sheet structure

Assets	2016	2017	2018e	2019e	2020e
Fixed assets	49.5%	54.6%	59.1%	56.9%	54.7%
Property, plant and equipment	32.7%	36.5%	34.2%	33.0%	31.7%
Intangible assets	11.8%	9.8%	17.5%	16.8%	16.1%
Current assets	50.5%	45.4%	40.9%	43.1%	45.3%
Inventories	13.0%	12.4%	11.5%	11.7%	11.7%
Accounts receivable	22.1%	20.8%	18.8%	18.1%	17.4%
Cash	12.7%	9.5%	8.0%	10.5%	13.4%
Equity and liabilities					
Shareholders' equity	53.8%	56.0%	54.9%	58.1%	61.1%
Non-current liabilities	7.6%	7.2%	7.1%	6.8%	6.6%
Pension provisions	6.7%	6.7%	6.2%	6.0%	5.7%
Long-term financial debt	0.1%	0.0%	0.2%	0.2%	0.2%
Current liabilities	38.6%	36.8%	38.0%	35.1%	32.3%
Short-term debt	0.4%	0.7%	6.6%	4.3%	2.0%
Accounts payable	25.2%	23.6%	21.9%	21.7%	21.5%

Source: Company information, Bankhaus Lampe Research estimates

comdirect bank AG

Market volatility driving strong trading volumes

17/01/2019

Buy (Buy)
13.00 EUR (13.00 EUR)

Close 14/01/2019 10.14 EUR
Bloomberg: COM GR WKN: 542800
Sector Banks

Share price performance

52 week high 12.92 EUR
52 week low 9.41 EUR
Compared to SDAX
YTD -5.5%
1 month -0.4%
12 months 8.1%



Share data

Market Cap (m EUR) 1,432
No. of shares (m) 141.2
Free float 17.7%

Next event

Quarterly Results 30/01/2019

Change in model

	PBT	EPS	DPS
2018e	-58.4%	-59.2%	-
2019e	97.8%	125.5%	-
2020e	-6.2%	-5.9%	-

Analyst

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See end of document for disclaimer.

Comdirect (COM) suggests that a 2020 PBT of € 115 m is still achievable even without the recently disposed ebase business (via further growth investment). However we believe that this is ambitious given the weakening economic outlook. But we still believe that COM has an above-average sensitivity to yield curve improvement (vs. European banks), and that a higher net interest margin raises the likelihood of a higher free float (CBK placement) and thus a lower share liquidity discount (this accounts for € 3 of our € 13 price target). In the near term, equity market volatility is driving strong growth in trading volumes, which should convert into strong Q4 revenue growth. The ebase disposal should also complete in 2019 (previously 2018).

INVESTMENT CASE

Positive

- ECB: Above-average NIM sensitivity to yield curve improvement (QE tapering)
- Costs: Low costs per customer (~50% of the cost for branch-based retail banks)
- Free float: An increase to 30% (CBK placement) could contribute € 3 to fair value

Negative (risks)

- CET1 ratio (standalone): This is not disclosed, suggesting dividend uncertainty
- Credit risk: The € 13 bn credit exposure to CBK may cause regulatory concern
- Growth: Downside risk due to competition (branch banks investing in online)

CATALYSTS

Q4 results may see further strong growth in revenues (Q3: +11% yoy)

VALUATION

We estimate an intrinsic value (IV) of € 13, which would imply a P/E of 24x (vs. LTA 17x) and a P/TB of 2.7x (vs. LTA 2.3x). We believe that the premia are justified by: (a) above-average sensitivity to yield curve improvements, and (b) a consequently higher probability that CBK (Buy, PT: € 11.00) reduces its 81% stake (leading to a lower liquidity discount). A P/E of 24x is below the price paid by BNP for DAB (25x).

in EUR m	2016	2017	2018e	2019e	2020e
Total income	333.2	289.1	317.8	346.6	376.2
Profit before tax	120.7	81.2	56.3	158.2	91.8
CET1 ratio %	6.4%	5.8%	5.6%	6.3%	6.2%
EPS	0.66	0.51	0.37	0.97	0.49
TNAV per share	4.28	4.18	4.02	4.73	4.97
Dividend per share	0.25	0.25	0.25	0.25	0.25
P/E	14.59	22.61	27.63	10.43	20.55
P/TNAV	2.25	2.74	2.55	2.14	2.04
Dividend yield	2.6%	2.2%	2.4%	2.5%	2.5%

Source: Company information, Bankhaus Lampe Research estimates

Company overview

SWOT

Strengths/Opportunities

- QE: NIM improvement could contribute >5% p.a. to EPS growth
- Free float: An increase to 30% contributes € 3 to the IV
- Costs per customer: ~50% below that for branch based banks

MANAGEMENT

- Arno Walter (CEO)
- Dietmar von Blücher (CFO)

SHORT-TERM GUIDANCE

- NII (2018): Significantly higher (2017: € 94m)
- NCI (2018): Noticeably higher (2017: € 252 m)
- Costs (2018): Tangible increase (2017: € 285 m)

HISTORICAL P/E



COMPANY EVENTS

Next event: 30/01/2019 Quarterly Results

KEY RATIOS

in EUR m	16	17	18e	19e	20e
Total income	333.2	289.1	317.8	346.6	376.2
Profit before tax	120.7	81.2	56.3	158.2	91.8
CET1 ratio %	6.4%	5.8%	5.6%	6.3%	6.2%
EPS	0.66	0.51	0.37	0.97	0.49
TNAV per share	4.28	4.18	4.02	4.73	4.97
Dividend per share	0.25	0.25	0.25	0.25	0.25
P/E	14.59	22.61	27.63	10.43	20.55
P/TNAV	2.25	2.74	2.55	2.14	2.04
Dividend yield	2.6%	2.2%	2.4%	2.5%	2.5%

Weaknesses/Threats (Risks)

- CET1 ratio (standalone): Not disclosed. Suggests risk to dividends
- Credit risk: Significant exposure to CBK debt (€ 13 bn)
- Growth: Downside risk due to competition (most banks now on-line)

COMPANY BACKGROUND

comdirect provides online banking services to private customers in Germany (including securities trading). The bank agreed to dispose its B2B business (completion in 2019)

MEDIUM-TERM GUIDANCE

- 2020 strategy disclosed in 2016, but no measurable targets
- OnVista acqn: PBT contribution € 10 m p.a. by 2019
- PBT (2018): € 60 m excluding disposal gains (2017: € 81 m)

REVENUE BREAKDOWN (LAST ACTUAL YEAR)



MAJOR SHAREHOLDERS (%)

Commerzbank AG	82.3
The Vanguard Group, Inc.	0.5
Norges Bank Investment Management	0.4

BHL VS. CONSENSUS

	18e	19e	20e
PBT (m)			
BHL	56.3	158.2	91.8
Consensus	133.0	91.3	106.3
DPS (EUR)			
BHL	0.25	0.25	0.25
Consensus	0.25	0.24	0.24
EPS (EUR)			
BHL	0.37	0.97	0.49
Consensus	0.74	0.47	0.55

Source: Company information, FactSet, BHL estimates

Key figures

comdirect bank AG – Income statement

EURm	2016	2017	2018e	2019e	2020e
Net interest income	117.8	94.8	116.9	134.5	153.4
Other income	215.4	194.2	200.9	212.1	222.8
Total income	333.2	289.1	317.8	346.6	376.2
Loan loss provisions	1.1	1.4	-1.8	-3.2	-4.6
Costs	-261.0	-239.3	-274.8	-274.3	-288.7
Other income / expense	47.3	30.1	15.2	89.0	9.0
Profit before tax	120.7	81.2	56.3	158.2	91.8
Taxes	-28.2	-18.9	-14.7	-20.8	-22.1
Profit after tax	92.5	62.3	41.6	137.3	69.7
NCI & other (PL)	0.0	9.2	10.5	0.0	0.0
Earnings	92.5	71.5	52.1	137.3	69.7

Source: Company information, Bankhaus Lampe Research estimates

comdirect bank AG – Balance sheet

EURm	2016	2017	2018e	2019e	2020e
Customer loans	375.1	495.2	582.4	626.2	670.1
Intangible assets	24.3	50.1	38.6	40.0	41.4
Other assets	18,874	22,487	25,301	27,202	29,112
Total assets	19,273	23,032	25,922	27,868	29,823
Customer deposits	18,519	22,274	24,730	26,587	28,453
Other liabilities	125.8	119.5	584.8	572.2	627.7
NCI & other (BS)	0.0	0.0	0.0	0.0	0.0
Shareholders' equity	628.2	638.9	606.5	708.5	742.9
Total liabilities	19,273	23,032	25,922	27,868	29,823

Source: Company information, Bankhaus Lampe Research estimates

comdirect bank AG – Balance sheet structure

	2016	2017	2018e	2019e	2020e
Customer loans	1.9%	2.2%	2.2%	2.2%	2.2%
Intangible assets	0.1%	0.2%	0.1%	0.1%	0.1%
Other assets	97.9%	97.6%	97.6%	97.6%	97.6%
Total assets	100.0%	100.0%	100.0%	100.0%	100.0%
Customer deposits	96.1%	96.7%	95.4%	95.4%	95.4%
Other liabilities	0.7%	0.5%	2.3%	2.1%	2.1%
NCI & other (BS)	0.0%	0.0%	0.0%	0.0%	0.0%
Shareholders' equity	3.3%	2.8%	2.3%	2.5%	2.5%
Total liabilities	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Company information, Bankhaus Lampe Research estimates

comdirect bank AG – Ratios

	2016	2017	2018e	2019e	2020e
Per Share Data					
No. of shares (m)	141.2	141.0	141.2	141.2	141.2
Number of shares (Average) (m)	141.2	141.2	141.2	141.2	141.2
EPS	0.66	0.51	0.37	0.97	0.49
TNAV per share	4.28	4.18	4.02	4.73	4.97
Dividend per share	0.25	0.25	0.25	0.25	0.25
Profit & loss data					
CIR	78.3%	82.8%	86.5%	79.1%	76.7%
Tax ratio	23.3%	23.3%	26.1%	13.2%	24.1%
PBT growth	-	-32.7%	-30.7%	180.8%	-41.9%
EPS growth	-	-23.2%	-26.8%	162.3%	-49.2%
ROTE	15.4%	12.1%	9.2%	20.5%	9.9%
Balance sheet data					
RWA (m)	6,746	8,061	9,073	9,754	10,438
CET1 ratio %	6.4%	5.8%	5.6%	6.3%	6.2%
Tier 1 ratio %	6.4%	5.8%	5.6%	6.3%	6.2%
Leverage ratio %	2.2%	2.0%	2.0%	2.3%	2.4%
LCR %	-	-	-	-	-
NSFR %	-	-	-	-	-
Valuation ratios					
P/E	14.6	22.6	27.6	10.4	20.5
P/TNAV	2.3	2.7	2.5	2.1	2.0
Dividend yield	2.6%	2.2%	2.4%	2.5%	2.5%

Source: Company information, Bankhaus Lampe Research estimates

CORESTATE Capital Holding S.A.

High dividends and growth

17/01/2019

Buy (Buy)
57.00 EUR (57.00 EUR)

Close 14/01/2019 29.40 EUR
 Bloomberg: CCAP GY WKN: A141J3
 Sector Real Estate

Share price performance

52 week high 53.50 EUR
 52 week low 28.45 EUR
 Compared to Prime All Share
 YTD -6.3%
 1 month -5.4%
 12 months -28.8%



Share data

EV (m EUR; 2019) 1,010
 Market Cap (m EUR) 627
 No. of shares (m) 21
 Free float 63.6%

Next event

Preliminary Results 14/02/2019

Change in model

	Sales	EBIT	EPS
2018e	-	-	-
2019e	-	-	-
2020e	-	-	-

Analyst

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See end of document for disclaimer.

Corestate Capital offers a rare combination of high dividend yields and good prospects for growth, both organic (strong product pipeline) and by acquisition. The highly profitable mezzanine debt product provides a strong basis for the company. Its platform is highly scalable and, after the sale of warehousing assets, the company has a strong cash pile.

INVESTMENT CASE

Corestate is an asset management company focused on real estate and real estate mezzanine debt products. It has a very strong position in mezzanine debt fund products and in micro living assets. Its mezzanine debt product is highly profitable and provides a strong basis for dividend payments and further business expansion. With AuM of more than € 25 bn, Corestate is one of Europe's top asset managers for real estate and real estate debt products. The company took a giant leap forward with the acquisition of HFS, Hannover Leasing and Atos in 2017. In 2018, it acquired CRM, the UK's largest independent operator of student homes. Not only did it expand its AuM and product range, it also leveraged synergies and created cross-selling opportunities.

Corestate has a broad client base of more than 500 institutional, semi-institutional and HNWI clients and more than 50,000 clients for its retail products.

CATALYSTS

2018 numbers showing further growth in AuM and strong improvement in the adj. net profit (BHLe +46%), guidance for 2019 with further increase despite lower sales gains in warehousing business.

VALUATION

Despite its growth potential, the company is trading at a very high dividend yield and a single-digit P/E. The stock offers a very good risk-return profile, in our view, and we clearly reiterate our BUY rating.

in m EUR	2016	2017	2018e	2019e	2020e
Sales	60	195	287	272	288
EBIT	20	84	141	146	159
EBIT margin	32.9%	43.0%	49.3%	53.6%	55.3%
Net financial debt	-30	520	339	372	399
Free cash flow	8	-130	236	33	45
EPS (in EUR)	1.22	2.62	5.05	5.47	5.97
DPS (in EUR)	1.00	2.00	2.50	2.75	3.00
Dividend yield	3.4%	6.8%	8.5%	9.4%	10.2%
EV/sales	5.7	5.9	3.4	3.7	3.6
EV/EBIT	17.3	13.7	6.9	6.9	6.5
P/E	24.1	11.2	5.8	5.4	4.9

Source: Company information, Bankhaus Lampe Research estimates

Company overview

SWOT

Strengths/Opportunities

- Strong track record for profitability/executed transaction volumes
- Unique sourcing platform with a product pipeline of > € 5.5 bn covering various asset classes and countries
- Strong operational leverage with the existing platform
- Diversified client base
- Unique position in mezzanine lending funds/quality student housing

MANAGEMENT

- Lars Schnidrig (CFO)
- Thomas Landschreiber (CIO)

Weaknesses/Threats (Risks)

- Sharp increase in interest rates could endanger business environment
- Acquisition of HFS comes with high goodwill
- Success in warehousing rests on transaction vol./sustainable margins
- Large revenue share rests on transactions/success of investment products
- More institutional business likely to reduce AuM fee margins

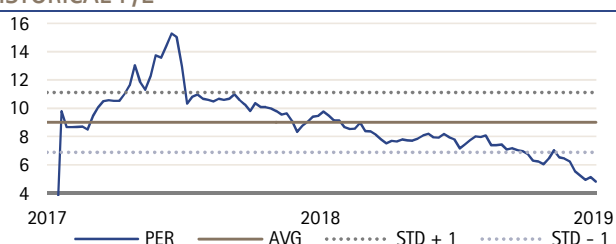
COMPANY BACKGROUND

Corestate Capital Holding S.A. is a real estate investment manager with AuM of > € 25 bn. With more than 560 employees, it manages residential and commercial assets and some alternative assets. Its highly profitable subsidiary HFS offers an investment product providing mezzanine capital to real estate developments in Germany, Switzerland and Austria. The company's investments focus on Germany and Austria. It is actively seeking to widen its investor base abroad (offices in London, Singapore).

SHORT-TERM GUIDANCE

- Revenues and sales gains to increase 2018 to € 270-280 m
- Adj. EBITDA to grow to € 160-170 m in 2018
- Adj. group net profit to increase to € 125-135 m

HISTORICAL P/E



COMPANY EVENTS

Next event: 14/02/2019 Preliminary Results

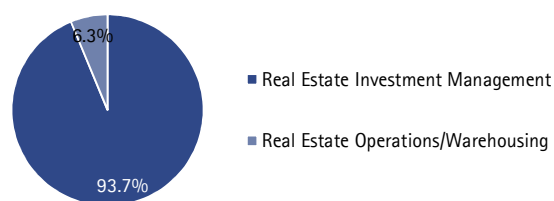
KEY RATIOS

	16	17	18e	19e	20e
R&D/Sales	-	-	-	-	-
Capex/Sales	2.3%	1.2%	2.0%	46.1%	44.3%
Capex/Depreciation	3.6	0.1	0.2	4.8	4.9
ROCE	18.8%	7.1%	10.9%	11.6%	12.0%
Free cash flow yield	2.8%	-11.4%	33.9%	4.7%	6.5%
Equity ratio	66.2%	38.6%	41.8%	47.1%	49.5%
Net debt / equity	-35%	94%	53%	53%	52%
Net debt / EBITDA	-1.5	5.0	2.0	2.2	2.2
Interest cover	5.9	2.8	4.7	9.7	0.0

MEDIUM-TERM GUIDANCE

- -

REVENUE BREAKDOWN (LAST ACTUAL YEAR)



MAJOR SHAREHOLDERS (%)

Ralph Winter	17.8
Norbert Ketterer	9.6
Sandra Ketterer	8.9

BHL VS. CONSENSUS

	18e	19e	20e
Sales (in m EUR)			
BHL	287	272	288
Consensus	245	251	269
EBIT (in m EUR)			
BHL	141	146	159
Consensus	140	149	162
EPS (EUR)			
BHL	5.05	5.47	5.97
Consensus	5.56	5.91	6.46

Source: Company information, FactSet, BHL estimates

Key figures

CORESTATE Capital Holding S.A. – Income statement

in m EUR	2016	2017	2018e	2019e	2020e
Sales	60	195	287	272	288
Cost of sales	-30	-57	-97	-80	-82
Gross profit	30	138	190	192	206
Sales and marketing	0	0	0	0	0
General and administration	-10	-56	-52	-46	-47
Research and development	0	0	0	0	0
Other operating result	0	2	3	0	0
EBITDA	20	105	167	172	185
Depreciation	0	21	26	26	26
EBITA	20	84	141	146	159
Amortisation of goodwill	0	0	0	0	0
Amortisation of intangible assets	0	0	0	0	0
EBIT	20	84	141	146	159
Financial result	-3	-21	-19	-13	-13
Income on ordinary activities	17	63	122	133	146
Extraordinary income/loss	0	0	0	0	0
EBT	17	63	122	133	146
Taxes	-1	-7	-14	-16	-18
Net income from cont. operations	16	56	108	117	128
Net income from discount. operations	0	0	0	0	0
Minority interest	0	-1	0	-1	-1
Net income (adj.)	15	56	108	117	127
No. of shares	13	21	21	21	21
EPS (in EUR)	1.22	2.62	5.05	5.47	5.97

Source: Company information, Bankhaus Lampe Research estimates

	2016	2017	2018e	2019e	2020e
Gross margin	50.0%	70.8%	66.2%	70.6%	71.6%
EBITDA margin	33.6%	53.7%	58.3%	63.2%	64.4%
EBITA margin	32.9%	43.0%	49.3%	53.6%	55.3%
EBIT margin	32.9%	43.0%	49.3%	53.6%	55.3%
EBT margin	28.3%	32.3%	42.5%	48.9%	50.8%
Net profit margin	26.1%	28.9%	37.6%	43.0%	44.5%
Tax rate	7.8%	10.5%	11.5%	12.0%	12.5%

Source: Company information, Bankhaus Lampe Research estimates

Growth rates yoy	2016	2017	2018e	2019e	2020e
Sales	26.7%	>100%	47.2%	-5.1%	5.7%
EBITDA	63.3%	>100%	59.9%	2.8%	7.7%
EBIT	64.9%	>100%	68.7%	3.3%	9.1%
EBT	95.2%	>100%	93.6%	9.1%	10.0%
Net income (adj.)	59.4%	>100%	93.1%	8.3%	9.3%
EPS	9.0%	>100%	92.8%	8.3%	9.3%

Source: Company information, Bankhaus Lampe Research estimates

CORESTATE Capital Holding S.A. – Balance sheet

Assets (in m EUR)	2016	2017	2018e	2019e	2020e
Fixed assets	45	916	944	1,031	1,117
Property, plant and equipment	1	31	29	29	29
Intangible assets	1	698	674	648	622
Financial assets	40	139	170	283	395
Other long-term assets	2	48	72	72	72
Current assets	86	511	579	456	439
Inventories	17	284	170	180	190
Accounts receivable	16	53	58	58	58
Other current assets	4	65	32	32	32
Securities	0	0	0	0	0
Cash	48	110	319	185	159
Total assets	131	1,427	1,524	1,487	1,556
Equity and liabilities (in m EUR)					
Shareholders' equity	86	551	637	701	770
Shareholders' equity (before minority)	86	551	627	690	758
Minorities	0	1	11	11	11
Non-current liabilities	24	542	682	605	605
Pension provisions	0	0	0	0	0
Other provisions	0	6	18	18	18
Long-term financial debt	14	481	589	512	512
Other long-term debt	10	54	75	75	75
Current liabilities	20	334	204	182	182
Short-term debt	4	148	69	46	46
Other accruals short-term	0	43	43	43	43
Accounts payable	7	15	15	15	15
Other liabilities	9	129	78	78	78
Total equity and liabilities	131	1,427	1,524	1,487	1,556

Source: Company information, Bankhaus Lampe Research estimates

CORESTATE Capital Holding S.A. – Balance sheet structure

Assets	2016	2017	2018e	2019e	2020e
Fixed assets	34.4%	64.2%	62.0%	69.3%	71.8%
Property, plant and equipment	0.9%	2.1%	1.9%	1.9%	1.9%
Intangible assets	0.7%	48.9%	44.2%	43.6%	40.0%
Current assets	65.6%	35.8%	38.0%	30.7%	28.2%
Inventories	13.2%	19.9%	11.1%	12.1%	12.2%
Accounts receivable	12.3%	3.7%	3.8%	3.9%	3.8%
Cash	36.9%	7.7%	20.9%	12.5%	10.2%
Equity and liabilities					
Shareholders' equity	66.2%	38.6%	41.8%	47.1%	49.5%
Non-current liabilities	18.3%	38.0%	44.8%	40.7%	38.9%
Pension provisions	0.1%	0.0%	0.0%	0.0%	0.0%
Long-term financial debt	10.8%	33.7%	38.7%	34.4%	32.9%
Current liabilities	15.5%	23.4%	13.4%	12.2%	11.7%
Short-term debt	3.1%	10.4%	4.5%	3.1%	3.0%
Accounts payable	5.6%	1.0%	1.0%	1.0%	1.0%

Source: Company information, Bankhaus Lampe Research estimates

cyan AG

Strong numbers to be expected

17/01/2019

Buy **Buy**
47.00 EUR **47.00 EUR**

Close 14/01/2019 26.00 EUR
 Bloomberg: CYR GY WKN: A2E4SV
 Sector Software

Share price performance

52 week high 28.70 EUR
 52 week low 20.50 EUR
 Compared to SDAX
 YTD -4.5%
 1 month 10.7%
 12 months -



Share data

EV (m EUR; 2019) 224.1
 Market Cap (m EUR) 231.0
 No. of shares (m) 8.9
 Free float 25%

Next event

Analyst conference 13/05/2019

Change in model

	Sales	EBIT	EPS
2020e	-	-	-
2021e	-	-	-
2022e	-	-	-

Analyst

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See end of document for disclaimer.

We assume that cyan has excellent options to participate in the market for security solutions, which we expect to grow strongly. The recently announced win of a tender with France Telecom/Orange for at least six years is a very important validation of the security product portfolio. This agreement is by far the largest and most important contract in the company's history and will lead to strong figures in the coming quarters, in our view.

INVESTMENT CASE

cyan is a leading European provider of white-label IT security solutions. The group has specialised in the protection and optimisation of mobile networks, focuses on the so-called B2B2C business and offers network-integrated security solutions. We believe that cyan has excellent options to participate in the market for security solutions, which we expect to grow quickly. cyan announced in December that it had won an international tender and signed a contract with France Telecom/Orange for at least six years. This agreement is by far the largest and most important contract in the company's history. We expect the license agreement to have a significant impact on future revenues and earnings. Based on existing customers and additional revenues from the partnership with Orange, cyan expects to triple its annual revenue by 2021 from at least € 60 m (BHL: € 61.3 m) in 2018. The EBITDA is supposed to increase even faster due to economies of scale. Our positive view is also supported by the fact that we see cyan as a takeover candidate.

CATALYSTS

New contracts with MNOs, ISPs and MVNOs should lead to upside in the guidance and therefore our estimates.

VALUATION

Our price target is based on a DCF model and backed by a peer-group valuation. This stock is currently trading at a P/E_{2020e} of 10.4x which does not reflect our growth assumptions of more than 25% for the next years.

in m EUR	2018e	2019e	2020e	2021e	2022e
Sales	14.3	37.0	48.1	61.3	76.7
EBIT	4.8	20.5	27.7	35.9	45.1
EBIT margin	33.4%	55.3%	57.6%	58.6%	58.8%
Net financial debt	-0.6	-6.9	-23.2	-44.0	-79.1
Free cash flow	-43.6	6.3	16.2	20.8	35.2
EPS (in EUR)	0.44	1.84	2.49	3.25	3.80
DPS (in EUR)	0.00	0.00	0.00	0.00	0.00
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%
EV/sales	15.9	6.1	4.3	3.1	2.0
EV/EBIT	47.6	11.0	7.5	5.2	3.4
P/E	59.6	14.1	10.4	8.0	6.8

Source: Company information, Bankhaus Lampe Research estimates

Key figures

SWOT

Strengths/Opportunities

- Growth market IT security offers enormous growth potential
- Increasing number of mobile devices offer good framework conditions
- Business model offers additional revenue streams for Telecoms
- I-New acquisition opens up huge opportunities for synergy potentials

Weaknesses/Threats (Risks)

- Relatively small company size
- Low customer diversification (only two sectors: Telecommunication & Financial Services)
- Increased competition could lead to a margin decline
- Technology needs ongoing adequate investments

MANAGEMENT

- Peter Arnoth (CEO)
- Michael Sieghart (CFO)
- Markus Cserna (CTO)

COMPANY BACKGROUND

CYAN AG is a leading global provider of white-label IT security solutions with more than 15 years' experience in the field of IT security. The company's core business areas are mobile security solutions for end customers of mobile and fixed network Internet providers (MNOs, ISPs), virtual mobile communications providers (MVNOs), companies in the finance and insurance industries, and state institutions.

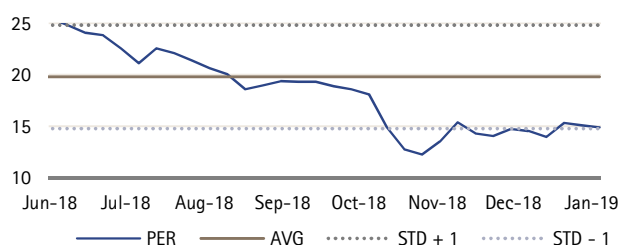
SHORT-TERM GUIDANCE

- 2018: Pro-forma revenue of € 20 m
- 2018: Pro-forma EBITDA of € 7 m

MEDIUM-TERM GUIDANCE

- 2019: Revenue of € 35 m
- 2019: EBITDA of € 20 m

HISTORICAL P/E



REVENUE BREAKDOWN (LAST ACTUAL YEAR)

n.a.

COMPANY EVENTS

Next event: 13/05/2019 Analyst conference

MAJOR SHAREHOLDERS (%)

Alexander Schütz	20.1
Apeiron Investment Group	19.3
Tansanit Stiftung	13.1

KEY RATIOS

	18e	19e	20e	21e	22e
R&D/Sales	-	-	-	-	-
Capex/Sales	2.1%	1.6%	1.5%	1.3%	1.2%
Capex/Depreciation	1.0	1.0	1.0	1.0	1.0
ROCE	11.5%	43.9%	44.5%	44.0%	39.0%
Free cash flow yield	-19.2%	2.7%	6.9%	8.9%	15.0%
Equity ratio	85.5%	68.3%	69.2%	70.2%	73.6%
Net debt / equity	-1%	-15%	-37%	-54%	-68%
Net debt / EBITDA	-0.1	-0.3	-0.8	-1.2	-1.7
Interest cover	0.0	0.0	0.0	0.0	0.0

BHL VS. CONSENSUS

	19e	20e	21e
Sales (in m EUR)			
BHL	37.0	48.1	61.3
Consensus	35.1	48.6	n.a.
EBIT (in m EUR)			
BHL	20.5	27.7	35.9
Consensus	19.4	26.5	n.a.
EPS (EUR)			
BHL	1.84	2.49	3.25
Consensus	1.63	2.39	n.a.

Source: Company information, FactSet, BHL estimates

Key figures

cyan AG – Income statement

in m EUR	2018e	2019e	2020e	2021e	2022e
Sales	14.3	37.0	48.1	61.3	76.7
Own work capitalised	0.0	0.0	0.0	0.0	0.0
Total sales	14.3	37.0	48.1	61.3	76.7
Material expenses	-4.3	-10.2	-12.0	-15.3	-19.2
Personnel expenses	-2.0	-3.3	-4.2	-5.3	-6.6
Unusual or infrequent items	0.0	0.0	0.0	0.0	0.0
Other operating result	-2.9	-2.4	-3.4	-3.9	-4.9
EBITDA	5.1	21.1	28.4	36.7	46.0
Depreciation	0.3	0.6	0.7	0.8	0.9
EBITA	4.8	20.5	27.7	35.9	45.1
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0
EBIT	4.8	20.5	27.7	35.9	45.1
Financial result	0.0	0.0	0.0	0.0	0.0
Income on ordinary activities	4.8	20.5	27.7	35.9	45.1
Extraordinary income/loss	0.0	0.0	0.0	0.1	0.0
EBT	4.8	20.5	27.7	36.1	45.1
Taxes	-1.0	-4.1	-5.5	-7.2	-11.3
Net income from cont. operations	3.8	16.4	22.2	28.8	33.8
Net income from disc. operations	0.0	0.0	0.0	0.0	0.0
Minority interest	0.0	0.0	0.0	0.0	0.0
Net income (adj.)	3.8	16.4	22.2	28.8	33.8
No. of shares	8.8	8.9	8.9	8.9	8.9
EPS	0.44	1.84	2.49	3.25	3.80

Source: Company information, Bankhaus Lampe Research estimates

	2018e	2019e	2020e	2021e	2022e
Gross margin	70.0%	72.5%	75.0%	75.0%	75.0%
EBITDA margin	35.5%	56.9%	59.1%	59.9%	60.0%
EBITA margin	33.4%	55.3%	57.6%	58.6%	58.8%
EBIT margin	33.4%	55.3%	57.6%	58.6%	58.8%
EBT margin	33.4%	55.3%	57.6%	58.8%	58.8%
Net profit margin	26.7%	44.2%	46.1%	47.0%	44.1%
Tax rate	20.0%	20.0%	20.0%	20.0%	25.0%

Source: Company information, Bankhaus Lampe Research estimates

Growth rates yoy	2018e	2019e	2020e	2021e	2022e
Sales	>100%	>100%	30.0%	27.5%	25.0%
EBITDA	>100%	>100%	34.9%	29.3%	25.2%
EBIT	>100%	>100%	35.4%	29.7%	25.4%
EBT	>100%	>100%	35.4%	30.1%	25.0%
Net income (adj.)	>100%	>100%	35.4%	30.1%	17.2%
EPS	>100%	>100%	35.4%	30.1%	17.2%

Source: Company information, Bankhaus Lampe Research estimates

cyan AG – Balance sheet

Assets (in m EUR)	2018e	2019e	2020e	2021e	2022e
Fixed assets	45.6	46.1	46.6	47.1	47.6
Property, plant and equipment	1.0	1.5	2.0	2.5	3.0
Intangible assets	0.1	0.1	0.1	0.1	0.1
Financial assets	44.5	44.5	44.5	44.5	44.5
Other long-term assets	0.0	0.0	0.0	0.0	0.0
Current assets	2.8	22.1	43.4	69.2	109.3
Inventories	0.0	0.0	0.0	0.0	0.0
Accounts receivable	2.0	15.0	20.0	25.0	30.0
Other current assets	0.2	0.2	0.2	0.2	0.2
Securities	0.0	0.0	0.0	0.0	0.0
Cash	0.6	6.9	23.2	44.0	79.1
Total assets	48.4	68.2	90.0	116.3	156.9
Equity and liabilities in m EUR					
Shareholders' equity	41.4	46.6	62.3	81.7	115.5
Shareholders' equity (before minority)	41.4	46.6	62.3	81.7	115.5
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	0.3	0.6	1.2	2.4	3.6
Pension provisions	0.0	0.0	0.0	0.0	0.0
Other provisions	0.3	0.6	1.2	2.4	3.6
Long-term financial debt	0.0	0.0	0.0	0.0	0.0
Other long-term debt	0.0	0.0	0.0	0.0	0.0
Current liabilities	6.7	21.0	26.5	32.2	37.8
Short-term debt	0.0	0.0	0.0	0.0	0.0
Other accruals short-term	0.7	1.0	1.5	2.2	2.8
Accounts payable	6.0	20.0	25.0	30.0	35.0
Other liabilities	0.0	0.0	0.0	0.0	0.0
Total equity and liabilities	48.4	68.2	90.0	116.3	156.9

Source: Company information, Bankhaus Lampe Research estimates

cyan AG – Balance sheet structure

Assets	2018e	2019e	2020e	2021e	2022e
Fixed assets	94.2%	67.6%	51.8%	40.5%	30.3%
Property, plant and equipment	2.1%	2.2%	2.2%	2.1%	1.9%
Intangible assets	0.2%	0.1%	0.1%	0.1%	0.1%
Current assets	5.8%	32.5%	48.2%	59.5%	69.7%
Inventories	0.0%	0.0%	0.0%	0.0%	0.0%
Accounts receivable	4.1%	22.0%	22.2%	21.5%	19.1%
Cash	1.3%	10.2%	25.7%	37.8%	50.4%
Equity and liabilities					
Shareholders' equity	85.5%	68.3%	69.2%	70.2%	73.6%
Non-current liabilities	0.6%	0.9%	1.3%	2.1%	2.3%
Pension provisions	0.0%	0.0%	0.0%	0.0%	0.0%
Long-term financial debt	0.0%	0.0%	0.0%	0.0%	0.0%
Current liabilities	13.7%	30.8%	29.4%	27.7%	24.1%
Short-term debt	0.0%	0.0%	0.0%	0.0%	0.0%
Accounts payable	12.4%	29.3%	27.8%	25.8%	22.3%

Source: Company information, Bankhaus Lampe Research estimates

DATRON AG

Agenda 2025 still valid

17/01/2019

Hold (Hold)
14.00 EUR (14.00 EUR)

Close 14/01/2019 12.50 EUR
Bloomberg: DAR GY WKN: A0V9LA
Sector Engineering

Share price performance

52 week high 13.90 EUR
52 week low 10.80 EUR
Compared to Prime All Share
YTD 9.2%
1 month 11.4%
12 months 9.1%



Share data

EV (m EUR; 2019) 41.1
Market Cap (m EUR) 50.0
No. of shares (m) 4.0
Free float 33.8%

Next event

Preliminary Results 21/02/2019

Change in model

	Sales	EBIT	EPS
2018e	0.1%	-0.5%	0.0%
2019e	0.0%	0.1%	0.5%
2020e	0.0%	-0.1%	0.2%

Analyst

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See end of document for disclaimer.

Based on our latest discussions with management, we still believe that Datron has good growth prospects with around 10% organic growth possible in the next few years. However, the current economic situation represents risk. We therefore confirm our HOLD rating for the stock. Before we adopt a more positive stance, Datron will have to show that it can achieve its double-digit margin target in 2019.

INVESTMENT CASE

Overall, we expect Datron to generate 9% revenue growth in 2018 and improve its operating result. Our sales forecast for 2018 of € 54.6 m compares with the management guidance of around € 55 m. In terms of the EBIT, Datron is targeting € 5.0 m in 2018, which is in line with our expectations.

Datron is optimistic that it can keep up the growth rate laid down in its Agenda 2025 in 2019, not least due to the positive market response especially to its high-performance milling machine MXCube available in 2019. In addition, Datron will host its first TechDay on 24 January 2019 in Traisa, which could positively impact the order intake. Overall, the company is planning organic sales growth in 2019 of between 8% and 10% (BHLe: +9.9%), which should result in consolidated sales of at least € 59 m. On the earnings side, Datron continues to expect an EBIT margin of 10% (BHLe: 10.0%), with the margin increase resulting primarily from the scalability of the business model, in our view.

CATALYSTS

Visibility over FY 2018 should be provided by the preliminary figures to be released in the 8th calendar week of 2019.

VALUATION

Our price target is based on a DCF model and confirmed by a peer-group analysis (P/E_{2019e} 11.7x, peer group 10.7x), although Datron's figures are based on German HBG accounting, while the peer group numbers are based on IFRS.

in m EUR	2016	2017	2018e	2019e	2020e
Sales	45.7	50.2	54.6	60.0	66.0
EBIT	3.0	5.2	5.0	6.0	6.9
EBIT margin	6.5%	10.4%	9.2%	10.0%	10.4%
Net financial debt	-4.7	-7.1	-7.4	-8.9	-16.5
Free cash flow	-0.1	1.6	1.1	2.3	8.9
EPS (in EUR)	0.52	0.99	0.89	1.07	1.22
DPS (in EUR)	0.15	0.20	0.20	0.30	0.40
Dividend yield	1.5%	1.5%	1.8%	2.4%	3.2%
EV/sales	0.8	0.9	0.7	0.7	0.5
EV/EBIT	11.6	8.7	7.4	6.8	4.9
P/E	18.8	13.3	12.4	11.7	10.3

Source: Company information, Bankhaus Lampe Research estimates

Company overview

SWOT

Strengths/Opportunities

- High-tech products for fast-growing markets
- Considerable barriers prevent rivals from entering Datron's market
- Highly innovative
- Large volume of machines installed worldwide (>3,400)
- Using synergy potential for internationalisation

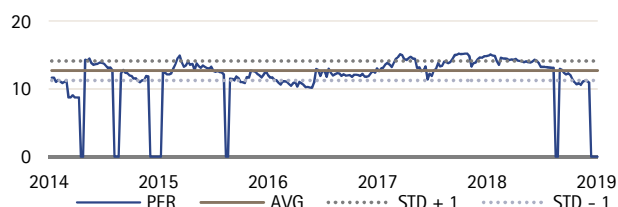
MANAGEMENT

- Dr. Arne Brusch (CEO)
- Michael Daniel (CFO)
- Thorsten Müller (CTO)
- Thomas Frank (CSO)

SHORT-TERM GUIDANCE

- 2018: Revenue € 55 m
- 2018: EBIT around € 5 m
- 2018: EPS of € 0.87

HISTORICAL P/E



COMPANY EVENTS

Next event: 21/02/2019 Preliminary Results

KEY RATIOS

	16	17	18e	19e	20e
R&D/Sales	-	-	-	-	-
Capex/Sales	2.2%	1.0%	3.6%	1.8%	-6.2%
Capex/Depreciation	1.3	0.6	2.2	1.2	-4.6
ROCE	12.5%	19.7%	17.1%	18.4%	18.9%
Free cash flow yield	-0.3%	3.0%	2.0%	4.2%	15.8%
Equity ratio	84.9%	83.5%	84.7%	85.6%	85.9%
Net debt / equity	-20%	-27%	-25%	-27%	-46%
Net debt / EBITDA	-1.3	-1.2	-1.3	-1.3	-2.1
Interest cover	0.0	0.0	0.0	0.0	0.0

Weaknesses/Threats (Risks)

- As SME, reliant upon highly skilled staff
- As engineering company, Datron depends on industry investment activity
- Corporate structure has to be adjusted constantly to meet growth requirements

COMPANY BACKGROUND

Datron develops, produces and sells innovative CNC milling machines for modern materials and composites, dental milling machines for the efficient finishing of all common dentures in dental labs, high-speed milling tools as well as high-performance dosing machines for industrial sealing and adhesive applications.

MEDIUM-TERM GUIDANCE

- 2019: Sales growth 8-10%
- 2019: Double-digit EBIT margin

REVENUE BREAKDOWN (LAST ACTUAL YEAR)



MAJOR SHAREHOLDERS (%)

Dr. Arne Brusch (CEO)	64.6
Kreissparkasse Biberach	3.5
Capricorn	3.0

BHL VS. CONSENSUS

	18e	19e	20e
Sales (in m EUR)			
BHL	54.6	60.0	66.0
Consensus	0.0	0.0	0.0
EBIT (in m EUR)			
BHL	5.0	6.0	6.9
Consensus	0.0	0.0	0.0
EPS (EUR)			
BHL	0.89	1.07	1.22
Consensus	0.00	0.00	0.00

Source: Company information, FactSet, BHL estimates

Key figures

DATRON AG – Income statement

in m EUR	2016	2017	2018e	2019e	2020e
Sales	45.7	50.2	54.6	60.0	66.0
Own work capitalised	0.0	1.1	1.1	1.1	0.0
Total sales	45.7	51.3	55.7	61.1	66.0
Material expenses	-19.9	-22.8	-23.8	-26.0	-28.4
Personnel expenses	-15.1	-16.6	-17.0	-17.4	-17.8
Unusual or infrequent items	0.0	0.0	0.0	0.0	0.0
Other operating result	-7.0	-5.9	-9.0	-10.8	-12.0
EBITDA	3.7	6.0	5.9	6.9	7.8
Depreciation	0.8	0.8	0.9	0.9	0.9
EBITA	3.0	5.2	5.0	6.0	6.9
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0
EBIT	3.0	5.2	5.0	6.0	6.9
Financial result	0.1	0.0	0.1	0.1	0.1
Income on ordinary activities	3.0	5.3	5.1	6.1	6.9
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0
EBT	3.0	5.3	5.1	6.1	6.9
Taxes	-0.9	-1.3	-1.5	-1.8	-2.1
Net income from cont. operations	2.1	4.0	3.6	4.3	4.9
Net income from discount. operations	0.0	0.0	0.0	0.0	0.0
Minority interest	0.0	0.0	0.0	0.0	0.0
Net income (adj.)	2.1	4.0	3.6	4.3	4.9
No. of shares	4.0	4.0	4.0	4.0	4.0
EPS	0.52	0.99	0.89	1.07	1.22

Source: Company information, Bankhaus Lampe Research estimates

	2016	2017	2018e	2019e	2020e
Gross margin	56.5%	54.6%	56.5%	56.6%	56.9%
EBITDA margin	8.2%	12.0%	10.8%	11.5%	11.7%
EBITA margin	6.5%	10.4%	9.2%	10.0%	10.4%
EBIT margin	6.5%	10.4%	9.2%	10.0%	10.4%
EBT margin	6.6%	10.5%	9.3%	10.2%	10.5%
Net profit margin	4.6%	7.9%	6.5%	7.1%	7.4%
Tax rate	30.8%	24.5%	30.0%	30.0%	30.0%

Source: Company information, Bankhaus Lampe Research estimates

Growth rates yoy	2016	2017	2018e	2019e	2020e
Sales	7.3%	9.9%	8.8%	9.9%	10.0%
EBITDA	-5.8%	61.3%	-2.3%	16.9%	12.3%
EBIT	-9.6%	76.9%	-4.1%	19.9%	14.2%
EBT	-8.6%	73.1%	-3.0%	19.5%	14.0%
Net income (adj.)	-6.8%	88.9%	-10.1%	19.5%	14.0%
EPS	-7.7%	90.7%	-10.1%	19.5%	14.0%

Source: Company information, Bankhaus Lampe Research estimates

DATRON AG – Balance sheet

Assets (in m EUR)	2016	2017	2018e	2019e	2020e
Fixed assets	5.6	4.6	5.6	5.8	0.8
Property, plant and equipment	4.2	3.7	4.8	5.0	0.0
Intangible assets	0.1	0.2	0.2	0.2	0.2
Financial assets	1.3	0.6	0.6	0.6	0.6
Other long-term assets	0.0	0.0	0.0	0.0	0.0
Current assets	22.1	27.1	28.9	32.4	41.3
Inventories	9.8	11.9	13.0	14.2	15.7
Accounts receivable	6.4	7.0	7.6	8.3	9.2
Other current assets	1.2	1.2	0.9	0.9	0.0
Securities	0.0	0.0	0.0	0.0	0.0
Cash	4.7	7.1	7.4	8.9	16.5
Total assets	27.7	31.7	34.5	38.2	42.2
Equity and liabilities in m EUR					
Shareholders' equity	23.5	26.5	29.2	32.7	36.3
Shareholders' equity (before minority)	23.5	26.4	29.2	32.7	36.3
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	1.6	2.4	2.2	2.2	2.2
Pension provisions	0.0	0.0	0.0	0.0	0.0
Other provisions	1.6	2.4	2.2	2.2	2.2
Long-term financial debt	0.0	0.0	0.0	0.0	0.0
Other long-term debt	0.0	0.0	0.0	0.0	0.0
Current liabilities	2.6	2.8	3.1	3.4	3.7
Short-term debt	0.0	0.0	0.0	0.0	0.0
Other accruals short-term	0.0	0.0	0.0	0.0	0.0
Accounts payable	2.2	2.8	3.0	3.3	3.7
Other liabilities	0.4	0.0	0.0	0.0	0.0
Total equity and liabilities	27.7	31.7	34.5	38.2	42.2

Source: Company information, Bankhaus Lampe Research estimates

DATRON AG – Balance sheet structure

Assets	2016	2017	2018e	2019e	2020e
Fixed assets	20.2%	14.4%	16.3%	15.2%	1.9%
Property, plant and equipment	15.2%	11.8%	13.9%	13.1%	0.0%
Intangible assets	0.5%	0.5%	0.5%	0.5%	0.4%
Current assets	79.9%	85.6%	83.6%	84.9%	98.0%
Inventories	35.4%	37.6%	37.5%	37.3%	37.1%
Accounts receivable	23.1%	22.0%	21.9%	21.8%	21.7%
Cash	17.0%	22.4%	21.5%	23.4%	39.2%
Equity and liabilities					
Shareholders' equity	84.9%	83.5%	84.7%	85.6%	85.9%
Non-current liabilities	5.7%	7.6%	6.4%	5.8%	5.2%
Pension provisions	0.0%	0.0%	0.0%	0.0%	0.0%
Long-term financial debt	0.0%	0.0%	0.0%	0.0%	0.0%
Current liabilities	9.5%	8.9%	8.8%	8.8%	8.7%
Short-term debt	0.0%	0.0%	0.0%	0.0%	0.0%
Accounts payable	8.0%	8.8%	8.8%	8.8%	8.7%

Source: Company information, Bankhaus Lampe Research estimates

Deutsche Beteiligungs AG

High level of investment activities

17/01/2019

Hold (Hold)
33.50 EUR (37.50 EUR)

Close 14/01/2019 34.45 EUR
Bloomberg: DBAN GY WKN: A1TNUT
Sector Financial Services

Share price performance

52 week high 51.90 EUR
52 week low 31.35 EUR
Compared to SDAX
YTD -1.9%
1 month -1.9%
12 months -14.2%



Share data

EV (m EUR; 2019) 519.9
Market Cap (m EUR) 518.3
No. of shares (m) 15.0
Free float 78.2%

Next event

Quarterly Results 07/02/2019

Change in model

	Sales	EBIT	EPS
2017/18	-	-	-
2018/19e	-38.1%	-81.3%	-82.2%
2019/20e	0.3%	0.5%	0.5%

Analyst

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See end of document for disclaimer.

With an RoE well above the equity capital costs and an attractive dividend yield, we feel the business model appeals to long-term investors. Following the preliminary Q1 numbers we implemented € 30 m valuation losses for the current FY into our model. We now arrive at a price target of € 33.50 and confirm our HOLD rating.

INVESTMENT CASE

When looking at DBAG we want to highlight again that quarterly and yearly numbers can deviate strongly and it is not advisable to make conclusions out of these deviations. This is also reflected by the company's guidance, which compares the current estimates with the average of the last five years. Compared with this figure (€ 48.0 m), net income will be down in 2018/19 24%. The company guidance does not include valuation changes. Over the past FY, DBAG has agreed seven new equity investments. This again shows the good market position, as well as DBAG's ability to identify and evaluate attractive investment opportunities in a demanding competitive environment. Our net income projections are based on current assumptions regarding the holding period and on a standardised annual increase in the value of the investments during this holding period. Investors have to keep in mind that in the past there have been sizeable capital gains when companies were sold off, for example, because industrial buyers were willing to pay premiums on the estimated fair value for strategic reasons or because financial investors paid such premiums after intense competition among bidders. Such events are not predictable.

CATALYSTS

Successful disposals showing that the former valuation approach was often too cautious should always be catalysts, especially when selling to strategic investors.

VALUATION

We still use a two-stage approach to calculate our price target. First, we calculate the net asset value in order to reflect the private equity business, and second, we value the fund investment services business with a DCF model.

in m EUR	2015/16	2016/17	2017/18	2018/19e	2019/20e
Sales	77.8	112.9	62.7	47.8	84.7
EBIT	49.8	82.4	34.0	6.8	40.7
EBIT margin	64.1%	73.0%	54.2%	14.2%	48.1%
Net financial debt	-51.4	-128.0	-23.6	-10.8	-48.5
Free cash flow	1.2	94.7	-83.3	8.9	60.3
EPS (in EUR)	3.61	5.45	2.23	0.42	2.68
DPS (in EUR)	1.20	1.40	1.45	1.50	1.55
Dividend yield	4.1%	3.1%	4.1%	4.4%	4.5%
EV/sales	4.8	5.0	8.3	10.9	5.7
EV/EBIT	7.5	6.9	15.5	81.5	12.0
P/E	8.2	8.4	15.9	81.2	12.9

Source: Company information, Bankhaus Lampe Research estimates

Company overview

SWOT

Strengths/Opportunities

- Broadly diversified portfolio in Germany's "Mittelstand"
- Equity investments with good prospects for growth
- High equity ratio (>90%) gives the company considerable investment resources and strong foundations

MANAGEMENT

- Torsten Grede (CEO)
- Dr. Rolf Scheffels
- Susanne Zeidler (CFO)

Weaknesses/Threats (Risks)

- Business cycle can have major financial impact
- Extended phase of low interest rates is impacting competitive situation
- Number of potential transactions not visible

COMPANY BACKGROUND

Deutsche Beteiligungs AG, a listed private equity company that raises closed-end private equity funds and invests alongside the DBAG funds in well-positioned SMEs with potential for growth. DBAG focuses on industrial sectors in which Germany's Mittelstand is particularly strong in global terms. With its longstanding experience, expertise and equity capital, DBAG helps its portfolio companies to implement corporate strategies that create sustainable value. Its entrepreneurial approach to investing has made DBAG a sought-after investment partner in German-speaking Europe.

SHORT-TERM GUIDANCE

- 2018/19: net income 20-40% below 5-year average of € 48 m
- 2018/19: net income 0-20% above 2017/18
- At least stable dividend for 2018/19 and the coming years

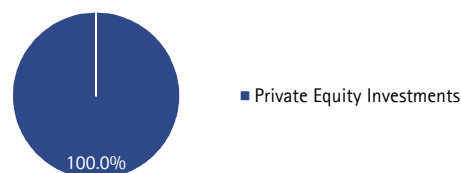
HISTORICAL P/E



MEDIUM-TERM GUIDANCE

- 2020/21: net income Private Equity Investments >20% than in 2018/19
- 2020/21: net income Fund Investment Services >20% than in 2018/19
- 2020/21: net income Group >20% than in 2018/19

REVENUE BREAKDOWN (LAST ACTUAL YEAR)



COMPANY EVENTS

Next event: 07/02/2019 Quarterly Results

KEY RATIOS

	15/16	16/17	17/18	18/19e	19/20e
RtD/Sales	-	-	-	-	-
Capex/Sales	0.0%	0.5%	0.9%	0.0%	0.0%
Capex/Depreciation	-	-	-	-	-
ROCE	13.0%	18.4%	7.4%	1.6%	9.4%
Free cash flow yield	0.3%	13.8%	-15.6%	1.7%	11.8%
Equity ratio	91.5%	94.1%	92.3%	93.8%	94.0%
Net debt / equity	-14%	-29%	-5%	-3%	-12%
Net debt / EBITDA	-1.0	-1.6	-0.7	-1.6	-1.2
Interest cover	0.0	0.0	0.0	0.0	0.0

MAJOR SHAREHOLDERS (%)

Rossmann Beteiligungs GmbH	15.2
Portabella Peralta Ricardo	6.7
Norges Bank	3.1

BHL VS. CONSENSUS

	17/18	18/19e	19/20e
Sales (in m EUR)			
BHL	62.7	47.8	84.7
Consensus	63.8	69.8	82.1
EBIT (in m EUR)			
BHL	34.0	6.8	40.7
Consensus	37.0	39.8	48.0
EPS (EUR)			
BHL	2.23	0.42	2.68
Consensus	2.23	2.44	3.16

Source: Company information, FactSet, BHL estimates

Key figures

Deutscheeteiligungs AG – Income statement

in m EUR	2015/16	2016/17	2017/18	2018/19e	2019/20e
Sales	77.8	112.9	62.7	47.8	84.7
Own work capitalised	0.0	0.0	0.0	0.0	0.0
Total sales	77.8	112.9	62.7	47.8	84.7
Material expenses	0.0	0.0	0.0	0.0	0.0
Personnel expenses	-16.1	-20.7	-16.8	-20.0	-21.0
Unusual or infrequent items	0.0	0.0	0.0	0.0	0.0
Other operating result	-11.9	-9.7	-11.9	-21.0	-23.0
EBITDA	49.8	82.4	34.0	6.8	40.7
Depreciation	0.0	0.0	0.0	0.0	0.0
EBITA	49.8	82.4	34.0	6.8	40.7
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0
EBIT	49.8	82.4	34.0	6.8	40.7
Financial result	-0.5	-0.4	-0.4	-0.4	-0.4
Income on ordinary activities	49.3	82.0	33.6	6.4	40.3
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0
EBT	49.3	82.0	33.6	6.4	40.3
Taxes	0.2	0.0	0.0	0.0	0.0
Net income from cont. operations	49.5	82.0	33.6	6.4	40.3
Net income from discount. operations	0.0	0.0	0.0	0.0	0.0
Minority interest	0.0	0.0	0.0	0.0	0.0
Net income (adj.)	49.5	82.0	33.6	6.4	40.3
No. of shares	13.7	15.0	15.0	15.0	15.0
EPS	3.61	5.45	2.23	0.42	2.68

Source: Company information, Bankhaus Lampe Research estimates

	2015/16	2016/17	2017/18	2018/19e	2019/20e
Gross margin	-	-	-	-	-
EBITDA margin	64.1%	73.0%	54.2%	14.2%	48.1%
EBITA margin	64.1%	73.0%	54.2%	14.2%	48.1%
EBIT margin	64.1%	73.0%	54.2%	14.2%	48.1%
EBT margin	63.4%	72.6%	53.7%	13.4%	47.6%
Net profit margin	63.7%	72.6%	53.6%	13.4%	47.6%
Tax rate	-0.3%	0.0%	0.1%	0.0%	0.0%

Source: Company information, Bankhaus Lampe Research estimates

Growth rates yoy	2015/16	2016/17	2017/18	2018/19e	2019/20e
Sales	60.6%	45.1%	-44.5%	-23.8%	77.3%
EBITDA	86.1%	65.3%	-58.7%	-80.1%	>100%
EBIT	86.1%	65.3%	-58.7%	-80.1%	>100%
EBT	82.2%	66.2%	-59.0%	-81.0%	>100%
Net income (adj.)	83.3%	65.5%	-59.0%	-81.0%	>100%
EPS	82.5%	51.1%	-59.0%	-81.0%	>100%

Source: Company information, Bankhaus Lampe Research estimates

Deutsche Beteiligungs AG – Balance sheet

Assets (in m EUR)	2015/16	2016/17	2017/18	2018/19e	2019/20e
Fixed assets	339.8	289.6	380.0	337.3	337.3
Property, plant and equipment	1.2	1.1	0.8	0.8	0.8
Intangible assets	0.8	0.7	0.4	0.4	0.4
Financial assets	337.7	287.8	378.8	336.0	336.0
Other long-term assets	0.0	0.0	0.0	0.0	0.0
Current assets	64.5	174.3	105.2	91.8	109.6
Inventories	0.0	0.0	0.0	0.0	0.0
Accounts receivable	4.4	3.6	1.1	1.1	1.1
Other current assets	8.7	42.7	80.5	80.0	60.0
Securities	0.0	0.0	0.0	0.0	0.0
Cash	51.4	128.0	23.6	10.8	48.5
Total assets	404.2	464.0	485.2	429.1	446.9
Equity and liabilities in m EUR					
Shareholders' equity	369.6	436.4	447.8	402.3	420.1
Shareholders' equity (before minority)	369.6	436.4	447.8	402.3	420.1
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	15.2	11.5	12.4	12.5	12.5
Pension provisions	15.2	11.5	12.4	12.4	12.4
Other provisions	0.0	0.0	0.0	0.0	0.0
Long-term financial debt	0.0	0.0	0.0	0.0	0.0
Other long-term debt	0.0	0.0	0.0	0.1	0.1
Current liabilities	19.3	16.1	25.1	14.3	14.3
Short-term debt	0.0	0.0	0.0	0.0	0.0
Other accruals short-term	19.3	14.8	9.3	9.3	9.3
Accounts payable	0.0	0.0	0.0	0.0	0.0
Other liabilities	0.0	1.2	15.8	5.0	5.0
Total equity and liabilities	404.2	464.0	485.2	429.1	446.9

Source: Company information, Bankhaus Lampe Research estimates

Deutsche Beteiligungs AG – Balance sheet structure

Assets	2015/16	2016/17	2017/18	2018/19e	2019/20e
Fixed assets	84.1%	62.4%	78.3%	78.6%	75.5%
Property, plant and equipment	0.3%	0.2%	0.2%	0.2%	0.2%
Intangible assets	0.2%	0.1%	0.1%	0.1%	0.1%
Current assets	15.9%	37.6%	21.7%	21.4%	24.5%
Inventories	0.0%	0.0%	0.0%	0.0%	0.0%
Accounts receivable	1.1%	0.8%	0.2%	0.3%	0.2%
Cash	12.7%	27.6%	4.9%	2.5%	10.9%
Equity and liabilities					
Shareholders' equity	91.5%	94.1%	92.3%	93.8%	94.0%
Non-current liabilities	3.8%	2.5%	2.6%	2.9%	2.8%
Pension provisions	3.8%	2.5%	2.6%	2.9%	2.8%
Long-term financial debt	0.0%	0.0%	0.0%	0.0%	0.0%
Current liabilities	4.8%	3.5%	5.2%	3.3%	3.2%
Short-term debt	-	-	0.0%	-	-
Accounts payable	-	-	0.0%	-	-

Source: Company information, Bankhaus Lampe Research estimates

Deutsche Konsum REIT AG

High growth with dividend

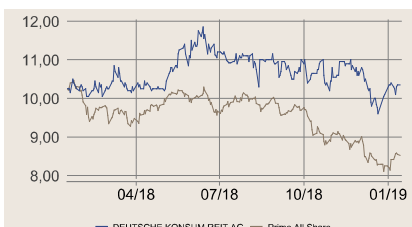
17/01/2019

Buy (Buy)
12.50 EUR (12.50 EUR)

Close 14/01/2019 10.35 EUR
 Bloomberg: DKG GY WKN: A14KRD
 Sector Real Estate

Share price performance

52 week high 11.85 EUR
 52 week low 9.60 EUR
 Compared to Prime All Share
 YTD -0.9%
 1 month 5.4%
 12 months 17.5%



Share data

EV (m EUR; 2019) 568.0
 Market Cap (m EUR) 310.1
 No. of shares (m) 30.0
 Free float 36.8%

Next event

Quarterly Results 14/02/2019

Change in model

	Sales	FFO	EPS
2017/18	-	-	-
2018/19e	-	-	-
2019/20e	-	-	-

Analyst

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See end of document for disclaimer.

Deutsche Konsum REIT AG is a strongly growing property holding company investing in high yield retail properties. It has already achieved a good track record in improving the portfolio by reducing vacancies and increasing rents. The company has also managed interest costs down and with a capital increase raised fresh funds for expansion. The REIT status is associated with a solid balance sheet structure.

INVESTMENT CASE

Deutsche Konsum is a strongly growing property company that invests in high-yield retail properties (initial yield about 10%) with food retailers as main tenants. The portfolio has expanded by 52% in 2017/18 and the FFO has increased even stronger by 61% and still a strong 35% on a per share base. The company guidance indicates that the dividend will double to € 0.40 and the FFO will increase by 57-75% in the current FY. The company was able to reduce the vacancy rate in the portfolio by 500 bp to 9.6% and WALT increased from 4.6 to 5.2 years.

Acquisitions and improvements in the rental income from the existing portfolio are two strong growth drivers. In addition, the full effects from the improvement in the debt profile will become effective in the current business year. The improvement in the portfolio should also be associated with valuation gains and could also provide opportunities for achieving sales gains.

CATALYSTS

- Interim results with strong earnings growth
- Substantial expansion (BHL 2018/19e € 125 m investment volume)

VALUATION

We regard Deutsche Konsum as a growth stock. It will pay its first dividend for the past FY and the guidance suggests it will double the dividend for the current business year. In terms of dividend yield and P/FFO, attractive levels are already within reach for the next fiscal year.

in m EUR	2015/16	2016/17	2017/18	2018/19e	2019/20e
Sales	11.4	19.2	29.3	42.7	52.1
FFO	8.0	10.3	16.5	26.5	32.2
FFO margin	69.9%	53.5%	56.3%	62.0%	61.9%
Net financial debt	80.1	117.6	231.4	257.9	331.4
Net asset value per share	3.87	5.10	5.96	7.66	8.88
FFOPS (in EUR)	0.27	0.28	0.41	0.61	0.73
DPS (in EUR)	0.00	0.00	0.20	0.40	0.55
Dividend yield	0.0%	0.0%	1.8%	3.9%	5.3%
EV/EBITDA	10.2	8.8	14.9	8.0	9.0
P/NAV	2.39	1.97	1.84	1.35	1.17
P/FFO	34.1	36.5	27.1	17.0	14.1

Source: Company information, Bankhaus Lampe Research estimates

Company overview

SWOT

Strengths/Opportunities

- Simple and focused business model in a REIT structure
- Strong growth
- Good track record in reducing vacancies and increasing rents
- High yielding properties
- Experienced management

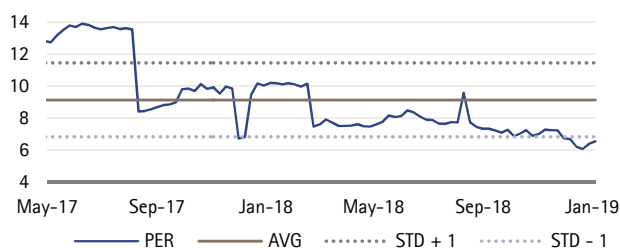
MANAGEMENT

- Rolf Elgeti (CEO)
- Alexander Kroth (CIO)
- Christian Hellmuth (CFO)

SHORT-TERM GUIDANCE

- FFO guidance 2018/19 € 26-29 m
- Dividend 2018/19 of at least € 0.40 based on current no. of shares
- FFO run rate end 2018/19 € 33 m

HISTORICAL P/E



COMPANY EVENTS

Next event: 14/02/2019 Quarterly Results

KEY RATIOS

	15/16	16/17	17/18	18/19e	19/20e
ROCE	14.5%	15.2%	8.1%	12.6%	10.3%
Gross yield	7.7%	7.0%	7.0%	7.8%	7.7%
EBITDA margin	214.8%	216.5%	121.4%	167.0%	136.9%
FFO margin	69.9%	53.5%	56.3%	62.0%	61.9%
FFO yield	7.0%	5.4%	6.8%	8.0%	8.3%
Equity ratio	45.3%	55.1%	46.3%	52.0%	50.4%
Net gearing	1.0	0.8	1.1	0.9	0.9
Net debt / EBITDA	3.3	2.8	6.5	3.6	4.7
Interest cover	6.8	8.9	6.4	> 10	> 10

Weaknesses/Threats (Risks)

- Highly dilutive convertible bonds
- High exposure to areas with less positive demographic prospects
- High yield due to higher vacancies and lower WALTs
- Growth priced in
- More than 40% of rents paid by Edeka, Lidl & Schwarz and Rewe

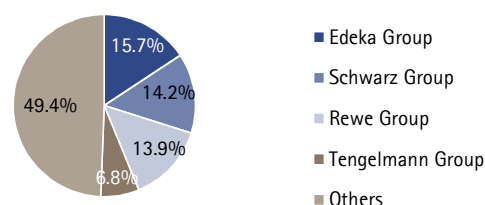
COMPANY BACKGROUND

Deutsche Konsum REIT is a fast-growing property holder focused on retail properties. The majority of the rental income is paid by food retailers. DIY and drugstore chains are also important tenants. The company led by Rolf Elgeti is aiming to achieve high initial yields already at acquisition and already has a good track record in reducing vacancies and increasing rents. The REIT status is associated with a tax privilege and guarantees a certain minimum equity ratio (45%).

MEDIUM-TERM GUIDANCE

- -

MAIN TENANTS (31/12/2018) IN %



MAJOR SHAREHOLDERS (%)

Obotritia Capital	30.2
Number23consulting	13.4
Alexander Samwer	6.0

BHL VS. CONSENSUS

	17/18	18/19e	19/20e
Sales (in m EUR)			
BHL	29.3	42.7	52.1
Consensus	29.9	42.2	52.4
EBITDA (in m EUR)			
BHL	35.6	71.4	71.2
Consensus	25.3	43.3	48.5
EPS (EUR)			
BHL	1.15	2.26	2.19
Consensus	1.16	1.56	1.67

Source: Company information, FactSet, BHL estimates

German Small Caps 2019: When one door closes another one opens

17/01/2019

Key figures

Deutsche Konsum REIT AG – Income statement

in m EUR	2015/16	2016/17	2017/18	2018/19e	2019/20e
Sales	11.4	19.2	29.3	42.7	52.1
Cost of sales	-2.5	-4.7	-7.4	-10.4	-12.3
Gross profit	9.0	14.5	22.0	32.4	39.8
Sales and marketing	0.0	0.0	0.0	0.0	0.0
General and administration	-0.1	-0.2	-0.6	-0.6	-0.7
Research and development	0.0	0.0	0.0	0.0	0.0
Other operating result	15.6	27.4	14.2	39.6	32.2
EBITDA	24.6	41.7	35.6	71.4	71.2
Depreciation	0.0	0.0	0.0	0.0	0.0
EBITA	24.6	41.7	35.6	71.4	71.2
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0
EBIT	24.6	41.7	35.6	71.4	71.2
Financial result	-3.4	-4.3	-5.0	-4.7	-5.7
Income on ordinary activities	21.1	37.4	30.6	66.7	65.6
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0
EBT	21.1	37.4	30.6	66.7	65.6
Taxes	0.9	0.0	0.0	0.0	0.0
Net income from cont. operations	22.0	37.4	30.6	66.7	65.6
Net income from discount. operations	0.0	0.0	0.0	0.0	0.0
Minority interest	0.0	0.0	0.0	0.0	0.0
Net income (adj.)	22.0	37.4	30.6	66.7	65.6
No. of shares	14.9	22.5	26.7	29.5	30.0
EPS (in EUR)	1.48	1.66	1.15	2.26	2.19

Source: Company information, Bankhaus Lampe Research estimates

	2015/16	2016/17	2017/18	2018/19e	2019/20e
Gross margin	78.5%	75.4%	74.9%	75.7%	76.4%
EBITDA margin	214.8%	216.5%	121.4%	167.0%	136.9%
EBITA margin	214.8%	216.5%	121.4%	167.0%	136.9%
EBIT margin	214.8%	216.5%	121.4%	167.0%	136.9%
EBT margin	184.7%	194.4%	104.4%	156.1%	125.9%
Net profit margin	192.3%	194.4%	104.4%	156.1%	125.9%
Tax rate	-4.1%	0.0%	0.0%	0.0%	0.0%

Source: Company information, Bankhaus Lampe Research estimates

Growth rates yoy	2015/16	2016/17	2017/18	2018/19e	2019/20e
Sales	-	68.3%	52.4%	45.7%	21.8%
EBITDA	-	69.7%	-14.6%	>100%	-0.2%
EBIT	-	69.7%	-14.6%	-14.6%	-0.2%
EBT	-	77.1%	-18.1%	>100%	-1.7%
Net income (adj.)	-	70.2%	-18.2%	>100%	-1.7%
EPS	0,0%	12.7%	-31.0%	97.0%	-3.2%

Source: Company information, Bankhaus Lampe Research estimates

Deutsche Konsum REIT AG – Balance sheet

Assets (in m EUR)	2015/16	2016/17	2017/18	2018/19e	2019/20e
Fixed assets	162.5	275.9	437.2	565.7	692.7
Property, plant and equipment	147.8	275.4	418.7	547.2	674.2
Intangible assets	0.0	0.0	0.0	0.0	0.0
Financial assets	14.7	0.4	18.5	18.5	18.5
Other long-term assets	0.0	0.0	0.0	0.0	0.0
Current assets	12.0	4.8	15.4	10.6	7.3
Inventories	0.0	0.0	0.0	0.0	0.0
Accounts receivable	0.2	0.2	0.9	0.9	0.9
Other current assets	1.4	3.4	14.4	2.4	2.4
Securities	0.0	0.0	0.0	0.0	0.0
Cash	10.3	1.2	0.1	7.3	4.0
Total assets	174.5	280.7	452.6	576.3	700.0
Equity and liabilities (in m EUR)					
Shareholders' equity	79.0	154.7	209.5	299.4	353.0
Shareholders' equity (before minority)	79.0	154.7	209.5	299.4	353.0
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	61.1	80.6	230.9	264.6	334.8
Pension provisions	0.0	0.0	0.0	0.0	0.0
Other provisions	0.0	0.0	0.0	0.0	0.0
Long-term financial debt	57.7	76.4	223.0	256.7	326.9
Other long-term debt	3.5	4.2	7.9	7.9	7.9
Current liabilities	34.3	45.3	12.3	12.3	12.3
Short-term debt	32.7	42.3	8.5	8.5	8.5
Other accruals short-term	0.8	1.7	0.9	0.9	0.9
Accounts payable	0.4	1.1	2.1	2.1	2.1
Other liabilities	0.3	0.3	0.7	0.7	0.7
Total equity and liabilities	174.5	280.7	452.6	576.3	700.0

Source: Company information, Bankhaus Lampe Research estimates

Deutsche Konsum REIT AG – Balance sheet structure

Assets	2015/16	2016/17	2017/18	2018/19e	2019/20e
Fixed assets	93.1%	98.3%	96.6%	98.2%	99.0%
Property, plant and equipment	84.7%	98.1%	92.5%	94.9%	96.3%
Intangible assets	0.0%	0.0%	0.0%	0.0%	0.0%
Current assets	6.9%	1.7%	3.4%	1.8%	1.0%
Inventories	0.0%	0.0%	0.0%	0.0%	0.0%
Accounts receivable	0.1%	0.1%	0.2%	0.2%	0.1%
Cash	5.9%	0.4%	0.0%	1.3%	0.6%
Equity and liabilities					
Shareholders' equity	45.3%	55.1%	46.3%	52.0%	50.4%
Non-current liabilities	35.0%	28.7%	51.0%	45.9%	47.8%
Pension provisions	0.0%	0.0%	0.0%	0.0%	0.0%
Long-term financial debt	33.1%	27.2%	49.3%	44.5%	46.7%
Current liabilities	19.7%	16.2%	2.7%	2.1%	1.8%
Short-term debt	18.8%	15.1%	1.9%	1.5%	1.2%
Accounts payable	0.2%	0.4%	0.5%	0.4%	0.3%

Source: Company information, Bankhaus Lampe Research estimates

DIC Asset AG

Commercial portfolio expanding

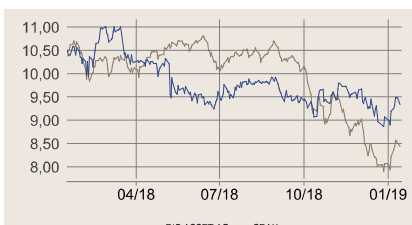
17/01/2019

Buy (Buy)
12.50 EUR (12.50 EUR)

Close 14/01/2019 9.34 EUR
 Bloomberg: DIC GY WKN: A1X3XX
 Sector Real Estate

Share price performance

52 week high 11.00 EUR
 52 week low 8.86 EUR
 Compared to SDAX
 YTD -1.6%
 1 month -
 12 months 8.8%



Share data

EV (m EUR; 2019) 1,961
 Market Cap (m EUR) 658.7
 No. of shares (m) 70.5
 Free float 60.9%

Next event

Annual Results 08/02/2019

Change in model

	Sales	FFO	EPS
2018e	-	-	-
2019e	-	-	-
2020e	-	-	-

Analyst

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See end of document for disclaimer.

DIC Asset's business model is based on a commercial property portfolio that focuses on office properties and a fast-growing fund business. The stake in TLG Immobilien is going to be sold in Q2 2019 and the proceeds should support the commercial portfolio expansion. Despite returning to growth in the commercial portfolio the share is trading at a large discount to the NAV and is attractively valued in terms of dividend yield and P/FFO ratio.

INVESTMENT CASE

In 2018, rental income of the commercial portfolio has started to grow again on significant reduction in vacancy and portfolio additions. Due to high fee income from the fund business expected also for Q4 and the strong improvement in occupancy DIC had raised its guidance for the FFO by about € 5 m to about € 68 m. Prospects for rental income growth have improved as DIC achieved a strong reduction in the vacancy rate (by 330 bp to 8.4%) and the acquisition of six properties. The largest one is a forward deal for the Infinity office in Düsseldorf (€ 164 m), where completion of construction is expected for Q3 2019.

We expect the sale of the stake in TLG to be associated with a high-double digit million gain and help to simplify the structure of the company as also the last opportunistic joint venture property is going to be sold and the WINX tower is close to completion.

CATALYSTS

- High sales gain for the TLG stake
- Expansion of the Commercial Portfolio
- Improved disclosure on the property portfolio

VALUATION

DIC is trading at a high discount to NAV, offers a high dividend (potential for special dividend from the TLG transaction) and is attractively valued regarding P/FFO.

in m EUR	2016	2017	2018e	2019e	2020e
Sales	111.2	109.7	99.3	102.8	111.4
FFO	47.0	60.2	68.1	68.2	80.6
FFO margin	42.3%	54.9%	68.6%	66.3%	72.4%
Net financial debt	1,298	1,251	1,191	1,299	1,281
Net asset value per share	12.83	13.12	13.84	14.30	14.76
FFOPS (in EUR)	0.69	0.88	0.97	0.97	1.14
DPS (in EUR)	0.40	0.64	0.45	0.50	0.55
Dividend yield	4.4%	6.1%	5.0%	5.4%	5.9%
EV/EBITDA	17.1	18.4	17.2	22.1	20.0
P/NAV	0.71	0.80	0.66	0.65	0.63
P/FFO	13.3	12.0	9.3	9.7	8.2

Source: Company information, Bankhaus Lampe Research estimates

Company overview

SWOT

Strengths/Opportunities

- Discount to NAV, low P/FFO ratio
- Strong cash flow
- Reduction of debt and interest burden
- Opportunities for vacancy reduction
- Commercial portfolio growing again

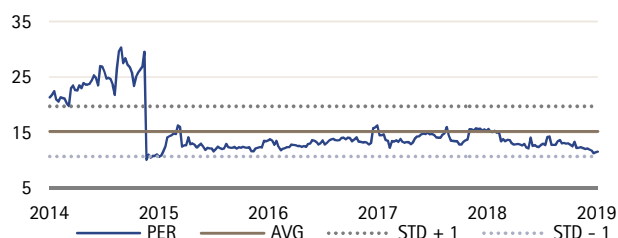
MANAGEMENT

- Sonja Wärntges (CEO)
- Johannes von Mutius (CIO)
- Dirk Hasselbring

SHORT-TERM GUIDANCE

- 2018: FFO of € 68 m, rental income € 98-100 m

HISTORICAL P/E



COMPANY EVENTS

Next event: 08/02/2019 Annual Results

KEY RATIOS

	16	17	18e	19e	20e
ROCE	3.5%	3.4%	3.3%	2.5%	2.8%
Gross yield	7.0%	7.6%	6.7%	5.9%	6.5%
EBITDA margin	101.3%	98.1%	107.3%	86.5%	87.4%
FFO margin	42.3%	54.9%	68.6%	66.3%	72.4%
FFO yield	5.3%	6.7%	7.0%	6.8%	7.7%
Equity ratio	31.6%	35.4%	35.0%	36.4%	36.6%
Net gearing	1.7	1.5	1.4	1.5	1.5
Net debt / EBITDA	11.5	11.6	11.2	14.6	13.2
Interest cover	0.7	1.7	1.7	1.3	1.6

Weaknesses/Threats (Risks)

- Low equity ratio
- Ownership structure
- Complex structure due to fund business and participations
- High share of transaction related fee income in the funds business
- Comparatively short liabilities maturity

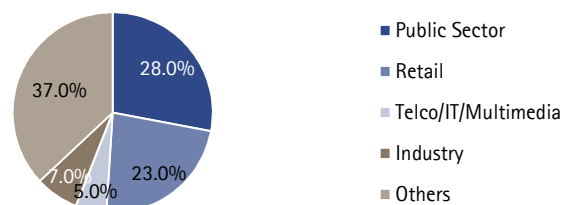
COMPANY BACKGROUND

DIC Asset AG is a German commercial real estate company with property assets worth roughly € 1.6 bn. The company also has activities in the funds business, and it holds participations (i.e. about 15% in TLG Immobilien). Total AuM amount to more than € 5 bn. Office properties account for about two thirds of the company's portfolio. DIC Asset offers property management services (DIC Onsite) via branch offices in Frankfurt, Mannheim, Dusseldorf, Hamburg, Berlin and Munich.

MEDIUM-TERM GUIDANCE

- -

TENANT STRUCTURE (31/12/2017) IN %



MAJOR SHAREHOLDERS (%)

Dt. Imm. Chancen-Group	29.4
RAG Foundation	9.7
Makuria	3.0

BHL VS. CONSENSUS

	18e	19e	20e
Sales (in m EUR)			
BHL	99.3	102.8	111.4
Consensus	109.2	110.2	115.9
EBITDA (in m EUR)			
BHL	106.5	88.9	97.3
Consensus	95.6	90.3	94.6
EPS (EUR)			
BHL	0.69	0.61	0.64
Consensus	0.81	0.79	0.83

Source: Company information, FactSet, BHL estimates

Key figures

DIC Asset AG – Income statement

in m EUR	2016	2017	2018e	2019e	2020e
Sales	111.2	109.7	99.3	102.8	111.4
Own work capitalised	44.0	42.0	52.8	45.9	49.0
Total sales	155.2	151.6	152.0	148.7	160.4
Material expenses	-39.1	-37.7	-33.8	-33.5	-35.5
Personnel expenses	-26.8	-31.8	-30.6	-31.7	-32.9
Unusual or infrequent items	0.0	0.0	0.0	0.0	0.0
Other operating result	23.3	25.5	19.0	5.4	5.4
EBITDA	112.6	107.6	106.5	88.9	97.3
Depreciation	35.2	31.0	29.5	30.5	33.1
EBITA	77.3	76.6	77.0	58.4	64.2
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0
EBIT	77.3	76.6	77.0	58.4	64.2
Financial result	-100.7	-6.1	-20.5	-9.7	-11.2
Income on ordinary activities	-23.4	70.5	56.6	48.7	53.1
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0
EBT	-23.4	70.5	56.6	48.7	53.1
Taxes	-6.0	-6.1	-8.1	-5.7	-7.8
Net income from cont. operations	-29.4	64.4	48.5	42.9	45.2
Net income from disc. operations	0.0	0.0	0.0	0.0	0.0
Minority interest	1.2	-0.8	-0.1	-0.2	-0.2
Net income (adj.)	-28.2	63.6	48.4	42.7	45.0
No. of shares	68.6	68.6	70.5	70.5	70.5
EPS	-0.41	0.93	0.69	0.61	0.64

Source: Company information, Bankhaus Lampe Research estimates

	2016	2017	2018e	2019e	2020e
Gross margin	64.8%	65.6%	65.9%	67.4%	68.1%
EBITDA margin	101.3%	98.1%	107.3%	86.5%	87.4%
EBITA margin	69.6%	69.8%	77.6%	56.8%	57.7%
EBIT margin	69.6%	69.8%	77.6%	56.8%	57.7%
EBT margin	-21.0%	64.3%	57.0%	47.4%	47.6%
Net profit margin	-25.4%	58.0%	48.8%	41.5%	40.4%
Tax rate	-25.6%	8.6%	14.2%	11.8%	14.8%

Source: Company information, Bankhaus Lampe Research estimates

Growth rates yoy	2016	2017	2018e	2019e	2020e
Sales	-18.7%	-1.4%	-9.5%	3.6%	8.3%
EBITDA	-5.4%	-4.4%	-1.0%	-16.5%	9.4%
EBIT	1.4%	-1.0%	0.6%	0.6%	10.0%
EBT	-	-	-19.7%	-14.0%	9.0%
Net income (adj.)	-	-	-23.9%	-11.8%	5.3%
EPS	-	-	-26.0%	-11.8%	5.3%

Source: Company information, Bankhaus Lampe Research estimates

DIC Asset AG – Balance sheet

Assets (in m EUR)	2016	2017	2018e	2019e	2020e
Fixed assets	1,810	1,845	1,873	2,152	2,144
Property, plant and equipment	1,584	1,438	1,471	1,740	1,722
Intangible assets	0.7	0.4	0.3	0.3	0.3
Financial assets	199.2	381.4	372.5	382.5	392.5
Other long-term assets	26.4	25.8	29.1	29.1	29.1
Current assets	585.2	495.9	557.2	214.4	232.0
Inventories	292.5	124.9	78.4	18.4	18.4
Accounts receivable	7.6	18.3	4.5	4.5	4.5
Other current assets	132.9	150.7	158.7	58.7	58.7
Securities	0.0	0.0	0.0	0.0	0.0
Cash	152.3	202.0	315.6	132.8	150.4
Total assets	2,395	2,341	2,430	2,366	2,376
Equity and liabilities in m EUR					
Shareholders' equity	757.0	828.9	849.6	860.8	870.8
Shareholders' equity (before minority)	753.5	825.3	845.9	857.1	867.0
Minorities	3.5	3.6	3.7	3.7	3.7
Non-current liabilities	1,219	1,123	1,226	1,326	1,326
Pension provisions	0.0	0.0	0.0	0.0	0.0
Other provisions	0.0	0.0	0.0	0.0	0.0
Long-term financial debt	1,181	1,110	1,206	1,306	1,306
Other long-term debt	37.3	13.3	20.3	20.3	20.3
Current liabilities	419.8	389.5	354.4	179.4	179.4
Short-term debt	268.9	343.7	300.7	125.7	125.7
Other accruals short-term	0.0	0.0	0.0	0.0	0.0
Accounts payable	1.4	1.2	2.4	2.4	2.4
Other liabilities	149.4	44.5	51.3	51.3	51.3
Total equity and liabilities	2,396	2,341	2,430	2,366	2,376

Source: Company information, Bankhaus Lampe Research estimates

DIC Asset AG – Balance sheet structure

Assets	2016	2017	2018e	2019e	2020e
Fixed assets	75.6%	78.8%	77.1%	90.9%	90.2%
Property, plant and equipment	66.1%	61.4%	60.5%	73.5%	72.5%
Intangible assets	0.0%	0.0%	0.0%	0.0%	0.0%
Current assets	24.4%	21.2%	22.9%	9.1%	9.8%
Inventories	12.2%	5.3%	3.2%	0.8%	0.8%
Accounts receivable	0.3%	0.8%	0.2%	0.2%	0.2%
Cash	6.4%	8.6%	13.0%	5.6%	6.3%
Equity and liabilities					
Shareholders' equity	31.6%	35.4%	35.0%	36.4%	36.6%
Non-current liabilities	50.9%	48.0%	50.5%	56.0%	55.8%
Pension provisions	0.0%	0.0%	0.0%	0.0%	0.0%
Long-term financial debt	49.3%	47.4%	49.6%	55.2%	55.0%
Current liabilities	17.5%	16.6%	14.6%	7.6%	7.5%
Short-term debt	11.2%	14.7%	12.4%	5.3%	5.3%
Accounts payable	0.1%	0.1%	0.1%	0.1%	0.1%

Source: Company information, Bankhaus Lampe Research estimates

ElringKlinger AG

No cash flow, no dividend

17/01/2019

Sell (Sell)
6.00 EUR (6.00 EUR)

Close 14/01/2019 7.65 EUR
Bloomberg: ZIL2 GY WKN: 785602
Sector Automotive

Share price performance

52 week high 19.37 EUR
52 week low 6.76 EUR
Compared to Prime All Share
YTD 9.1%
1 month 3.0%
12 months -42.4%



Share data

EV (m EUR; 2019) 1,376
Market Cap (m EUR) 485
No. of shares (m) 63
Free float 48.0%

Next event

Annual Results 27/03/2019

Change in model

	Sales	EBIT	EPS
2018e	-	-	-
2019e	-	-	-
2020e	-	-	-

Analyst

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See end of document for disclaimer.

ElringKlinger has been reporting growing sales but declining margins for the past three years. The inability to deal with internal inefficiencies and the cash burn has led to a level of indebtedness that is worrying. With another expected profit warning ahead, we recommend investors to SELL the stock.

INVESTMENT CASE

Although ElringKlinger has been facing significant margin pressure for some years now, there is no turnaround in sight. The reasons are:

- The measures meant to improve the Swiss Heatshield operations as well as the troubled US operations have shown only limited results so far. While the company claims to be making progress, nothing is feeding through to the bottom line.
- Operating results this year have been helped by one-off gains from disposals (BHLe € 24 m) and a significant increase in capitalised R&D cost (P&L effect BHLe € 3 m). This does not bode well for the coming fiscal year.

The current guidance (adj. EBIT margin for the group of ~7%) implies a further decline in the operating EBIT margin for the OEM segment from 6.2% in FY 2017 to 3.5% in FY 2018. This seems too optimistic after Q3. We also fear that investment is required in new business fields and the launch of new products will continue to weigh on earnings and limit the generation of free cash flow. The debt situation (EBITDA/net debt ~3.5x) is therefore a factor to watch closely.

CATALYSTS

- We fear a profit warning ahead of the full-year results, which should also trigger a cut in the consensus estimates (BHLe EBIT_{2019e} 17% below FactSet consensus).
- Due to the debt situation, we believe that the dividend payment is at risk.

VALUATION

Our DCF model yields a fair value of € 6.00. Despite the share price decline, the stock is still trading at an EV/EBIT_{2019e} of 13.8x versus 6.6x for the peer group, which seems unjustified at this point.

in m EUR	2016	2017	2018e	2019e	2020e
Sales	1,557	1,664	1,701	1,769	1,829
EBIT	136	137	105	100	113
EBIT margin	8.7%	8.3%	6.1%	5.6%	6.2%
Net financial debt	539	593	699	725	716
Free cash flow	-12	-99	-15	-26	10
EPS (in EUR)	1.24	1.11	0.86	0.83	1.05
DPS (in EUR)	0.50	0.50	0.00	0.00	0.25
Dividend yield	3.1%	2.7%	0.0%	0.0%	3.3%
EV/sales	1.1	1.2	0.8	0.8	0.7
EV/EBIT	12.7	14.1	12.4	13.8	12.1
P/E	12.8	16.8	7.9	9.3	7.3

Source: Company information, Bankhaus Lampe Research estimates

Company overview

SWOT

Strengths/Opportunities

- Oligopoly for cylinder heads and special gaskets
- Manufacturing of own metal processing tools secures technological edge
- Strong industrialisation know-how secures margins
- New products with hydroforming hybrid technology open door to chassis market

MANAGEMENT

- Dr. Stefan Wolf (CEO)
- Thomas Jessulat (CFO)
- Theo Becker

SHORT-TERM GUIDANCE

- 2018 revenue growth: +2-4% organically above market
- 2018 adj. EBIT margin ~7%
- Negative free cash flow

HISTORICAL P/E



COMPANY EVENTS

Next event: 27/03/2019 Annual Results

KEY RATIOS

	16	17	18e	19e	20e
R&D/Sales	4.3%	4.3%	4.6%	5.2%	5.3%
Capex/Sales	11.8%	10.0%	10.4%	10.1%	9.0%
Capex/Depreciation	2.0	1.7	1.8	1.7	1.4
ROCE	8.5%	8.0%	5.7%	5.2%	5.8%
Free cash flow yield	-1.2%	-8.3%	-2.9%	-5.2%	1.9%
Equity ratio	47.2%	44.0%	44.7%	45.5%	47.3%
Net debt / equity	61%	67%	74%	73%	67%
Net debt / EBITDA	2.3	2.5	3.4	3.4	3.1
Interest cover	4.7	2.9	2.6	6.2	7.1

Weaknesses/Threats (Risks)

- ~75% of revenue hinges on the internal combustion engine
- Expansion into new products is time consuming and weighs on margins
- Business model has high capital requirement
- No free cash flow generation in the past five years

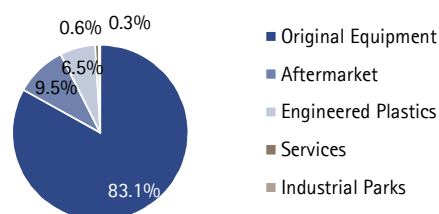
COMPANY BACKGROUND

ElringKlinger AG manufactures and markets cylinder head and special gaskets, heat shields and injection-moulded plastic housing modules for cars and commercial vehicles. Aside from its gasket parts business, the company also produces flexible, Teflon-based plastic products for industrial applications.

MEDIUM-TERM GUIDANCE

- Organic growth 2-4% above market growth
- Adj. EBIT margin to expand
- Capex ratio 9% of revenue

REVENUE BREAKDOWN (LAST ACTUAL YEAR)



MAJOR SHAREHOLDERS (%)

Lechler Stiftung	51.0
Hkl Holding Stiftung	4.9
Capital Guardian Trust Co.	4.7

BHL VS. CONSENSUS

	18e	19e	20e
Sales (in m EUR)			
BHL	1,701	1,769	1,829
Consensus	1,693	1,773	1,847
EBIT (in m EUR)			
BHL	105	100	113
Consensus	108	117	129
EPS (EUR)			
BHL	0.86	0.83	1.05
Consensus	0.86	1.02	1.17

Source: Company information, FactSet, BHL estimates

Key figures

ElringKlinger AG – Income statement

in m EUR	2016	2017	2018e	2019e	2020e
Sales	1,557	1,664	1,701	1,769	1,829
Cost of sales	-1,162	-1,256	-1,323	-1,355	-1,388
Gross profit	396	408	378	414	441
Sales and marketing	-120	-142	-146	-148	-152
General and administration	-74	-77	-80	-84	-88
Research and development	-67	-71	-79	-92	-97
Other operating result	2	19	31	10	9
EBITDA	231	239	208	211	233
Depreciation	91	97	99	107	115
EBITA	140	142	109	104	117
Amortisation of goodwill	5	5	4	5	5
Amortisation of intangible assets	0	0	0	0	0
EBIT	136	137	105	100	113
Financial result	-12	-27	-18	-19	-18
Income on ordinary activities	124	110	87	81	95
Extraordinary income/loss	0	0	0	0	0
EBT	124	110	87	81	95
Taxes	-41	-36	-28	-24	-28
Net income from cont. operations	83	74	59	57	66
Net income from discount. operations	0	0	0	0	0
Minority interest	-4	-4	-4	-5	0
Net income (adj.)	79	70	54	52	66
No. of shares	63	63	63	63	63
EPS (in EUR)	1.24	1.11	0.86	0.83	1.05

Source: Company information, Bankhaus Lampe Research estimates

	2016	2017	2018e	2019e	2020e
Gross margin	25.4%	24.5%	22.2%	23.4%	24.1%
EBITDA margin	14.8%	14.4%	12.2%	11.9%	12.7%
EBITA margin	9.0%	8.5%	6.4%	5.9%	6.4%
EBIT margin	8.7%	8.3%	6.1%	5.6%	6.2%
EBT margin	8.0%	6.6%	5.1%	4.6%	5.2%
Net profit margin	5.3%	4.5%	3.5%	3.2%	3.6%
Tax rate	33.4%	32.8%	32.0%	30.0%	30.0%

Source: Company information, Bankhaus Lampe Research estimates

Growth rates yoy	2016	2017	2018e	2019e	2020e
Sales	3.3%	6.8%	2.2%	4.0%	3.4%
EBITDA	3.8%	3.4%	-13.2%	1.7%	10.3%
EBIT	0.3%	1.2%	-23.9%	-4.7%	13.2%
EBT	-3.6%	-11.0%	-21.7%	-6.2%	16.9%
Net income (adj.)	-14.2%	-10.4%	-22.6%	-3.9%	26.9%
EPS	-14.2%	-10.4%	-22.6%	-3.9%	26.9%

Source: Company information, Bankhaus Lampe Research estimates

ElringKlinger AG – Balance sheet

Assets (in m EUR)	2016	2017	2018e	2019e	2020e
Fixed assets	1,168	1,188	1,265	1,335	1,383
Property, plant and equipment	917	930	1,007	1,079	1,128
Intangible assets	212	191	190	189	188
Financial assets	17	47	47	47	47
Other long-term assets	21	21	21	21	21
Current assets	710	835	843	852	862
Inventories	328	370	410	417	421
Accounts receivable	300	303	326	330	336
Other current assets	43	55	56	56	56
Securities	0	62	0	0	0
Cash	39	46	51	49	49
Total assets	1,878	2,022	2,108	2,187	2,245
Equity and liabilities (in m EUR)					
Shareholders' equity	886	890	942	995	1,061
Shareholders' equity (before minority)	851	852	905	957	1,024
Minorities	35	37	37	37	37
Non-current liabilities	491	635	707	708	689
Pension provisions	137	126	127	129	130
Other provisions	14	12	12	13	13
Long-term financial debt	321	479	550	550	530
Other long-term debt	20	18	17	17	17
Current liabilities	501	498	459	484	495
Short-term debt	257	222	200	225	235
Other accruals short-term	17	23	23	23	23
Accounts payable	103	119	123	126	129
Other liabilities	123	134	113	110	108
Total equity and liabilities	1,878	2,022	2,108	2,187	2,245

Source: Company information, Bankhaus Lampe Research estimates

ElringKlinger AG – Balance sheet structure

Assets	2016	2017	2018e	2019e	2020e
Fixed assets	62.2%	58.7%	60.0%	61.1%	61.6%
Property, plant and equipment	48.8%	46.0%	47.8%	49.3%	50.3%
Intangible assets	11.3%	9.4%	9.0%	8.6%	8.4%
Current assets	37.8%	41.3%	40.0%	39.0%	38.4%
Inventories	17.5%	18.3%	19.5%	19.1%	18.7%
Accounts receivable	15.9%	15.0%	15.5%	15.1%	15.0%
Cash	2.1%	2.3%	2.4%	2.3%	2.2%
Equity and liabilities					
Shareholders' equity	47.2%	44.0%	44.7%	45.5%	47.3%
Non-current liabilities	26.2%	31.4%	33.5%	32.4%	30.7%
Pension provisions	7.3%	6.2%	6.0%	5.9%	5.8%
Long-term financial debt	17.1%	23.7%	26.1%	25.1%	23.6%
Current liabilities	26.7%	24.6%	21.8%	22.1%	22.0%
Short-term debt	13.7%	11.0%	9.5%	10.3%	10.5%
Accounts payable	5.5%	5.9%	5.8%	5.8%	5.8%

Source: Company information, Bankhaus Lampe Research estimates

euromicron AG

Remaining under operational and financial pressure

17/01/2019

Hold (Hold)
3.50 EUR (3.50 EUR)

Close 14/01/2019 2.93 EUR
Bloomberg: EUCA GY WKN: A1K030
Sector Technology

Share price performance

52 week high 8.60 EUR
52 week low 2.55 EUR
Compared to Prime All Share
YTD 8.5%
1 month 3.0%
12 months -49.4%



Share data

EV (m EUR; 2019) 116.8
Market Cap (m EUR) 21.0
No. of shares (m) 7.2
Free float 95.0%

Next event

- -

Change in model

	Sales	EBITDA	EPS
2018e	-	-	-
2019e	-	-	-
2020e	-	-	-

Analyst

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See end of document for disclaimer.

The company needs to make material progress in order to solve FCF and balance sheet issues. Euromicron has already reacted with restructuring measures that are likely to improve its performance in 2019. We maintain our HOLD rating and price target of € 3.50.

INVESTMENT CASE STILL FRAGILE

The company has been undergoing extensive restructuring for several years and various measures have still not been completed. The focus remains on streamlining the organisational structure and pushing business activities in defined growth markets. We are still concerned about the trend in leverage (YE 2018e: 13x EBITDA, up from 9x at the end of 2017). Given the expected slow recovery of free cash flows, we doubt that the € 25 m redemption planned for January 2020 can be carried out without a material sale of assets. Asset sales, however, could harm the future sales and EBITDA performance materially. We therefore do not rule out that a larger capital increase will be needed to bring the balance sheet back in share.

CATALYSTS

- (+/-) Operating trend: Markets are expecting a growing order book, and a sustainable return to positive quarterly EBITDA/FCF. The latter looks ambitious for 2019.(+/-) Guidance: We expect the guidance for 2019 to indicate growth at all levels of the P&L (BHLe: sales € 320-350 m, operating EBITDA margin of 4-6%).
- (+/-) Refinancing/passive M&A: We believe that the company is actively evaluating larger asset sales. Such measures may solve refinancing needs but could also result in lower profitability for the remaining entity.

VALUATION

Our valuation of euromicron is based on a DCF model. We arrive at a fair value of € 3.50 for the share. Our valuation assumes a material swing-back in EBITDA growth in 2019/2020.

in m EUR	2016	2017	2018e	2019e	2020e
Sales	325.3	332.9	324.4	335.8	345.1
EBITDA	7.4	9.5	7.0	15.6	20.0
EBITDA margin	2.3%	2.9%	2.2%	4.6%	5.8%
Net financial debt	74.2	88.9	93.3	93.7	93.6
Free cash flow	-14.9	-15.0	-6.8	-2.6	0.9
EPS (in EUR)	-1.76	-0.53	-0.88	0.04	0.64
DPS (in EUR)	0.00	0.00	0.00	0.00	0.00
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%
EV/sales	0.4	0.4	0.4	0.3	0.3
EV/EBITDA	16.0	15.7	16.3	7.5	5.8
P/E	-3.3	-15.4	-3.0	68.0	4.6

Source: Company information, Bankhaus Lampe Research estimates

Company overview

SWOT

Strengths/Opportunities

- Positioning in structural growth markets
- Options for bolt-on acquisitions
- Potential acquisition target
- Resolving investment backlog at important customers
- New regional market entries

Weaknesses/Threats (Risks)

- Loss of investor confidence after profit warnings in 2014/15/16/18
- Stagnating order book
- Pricing pressure in the high-margin manufacturing business
- Strengthening of equity capital and/or larger asset sales might be necessary
- Resuming of dividend payment not decided yet

MANAGEMENT

- Bettina Meyer
- Jörn Trierweiler

COMPANY BACKGROUND

Frankfurt-based euromicron AG is a provider of complete infrastructure solutions for communications, transport, security and data networks. The company acts as a manufacturer, system integrator and distributor. Its portfolio comprises planning, implementing and maintaining networks, as well as developing, producing and distributing network components based on optical transmission technology.

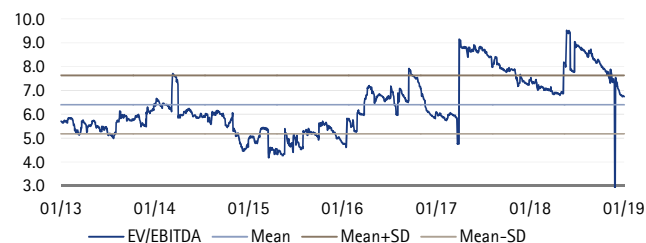
SHORT-TERM GUIDANCE

- 2018: revenue € 310-330 m; operating EBITDA margin 2-4%, Restructuring costs up to € 5 m

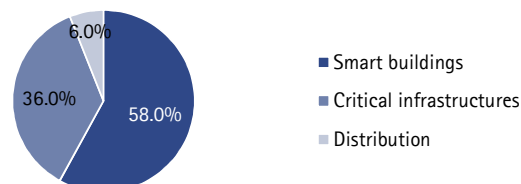
MEDIUM-TERM GUIDANCE

- EBITDA margin 8-11%

HISTORICAL EV/EBITDA



REVENUE BREAKDOWN (LAST ACTUAL YEAR)



COMPANY EVENTS

Next event: - -

MAJOR SHAREHOLDERS (%)

Lazard Freres Gestion SAS	3.5
Bischoff Christian	3.0
Universal-Investment-Gesellschaft mbH (Invt Mgmt)	3.0

KEY RATIOS

	16	17	18e	19e	20e
R&D/Sales	-	-	-	-	-
Capex/Sales	2.2%	4.0%	2.9%	2.9%	3.1%
Capex/Depreciation	0.7	1.6	1.0	1.1	1.4
ROCE	-1.4%	0.6%	-1.4%	4.1%	7.0%
Free cash flow yield	-35.6%	-25.8%	-28.3%	-10.7%	3.7%
Equity ratio	33.7%	31.1%	30.3%	30.5%	31.2%
Net debt / equity	90%	113%	125%	122%	116%
Net debt / EBITDA	10.1	9.4	13.3	6.0	4.7
Interest cover	-0.4	0.2	-0.4	1.2	2.1

BHL VS. CONSENSUS

	18e	19e	20e
Sales (in m EUR)			
BHL	324.4	335.8	345.1
Consensus	321.4	332.1	342.6
EBITDA (in m EUR)			
BHL	7.0	15.6	20.0
Consensus	4.2	14.9	18.2
EPS (EUR)			
BHL	-0.88	0.04	0.64
Consensus	-1.05	0.00	0.37

Source: Company information, FactSet, BHL estimates

Key figures

euromicron AG – Income statement

in m EUR	2016	2017	2018e	2019e	2020e
Sales	325.3	332.9	324.4	335.8	345.1
Own work capitalised	6.4	5.0	4.4	5.2	5.5
Total sales	331.7	337.9	328.8	341.0	350.6
Material expenses	-171.5	-172.4	-166.1	-171.2	-175.3
Personnel expenses	-109.1	-112.6	-113.9	-109.5	-109.7
Unusual or infrequent items	0.0	0.0	0.0	0.0	0.0
Other operating result	-43.8	-43.4	-41.9	-44.7	-45.6
EBITDA	7.4	9.5	7.0	15.6	20.0
Depreciation	9.6	8.4	9.4	8.6	7.7
EBITA	-2.3	1.1	-2.4	7.0	12.3
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0
EBIT	-2.3	1.1	-2.4	7.0	12.3
Financial result	-5.3	-4.6	-5.9	-6.0	-5.9
Income on ordinary activities	-7.6	-3.6	-8.3	1.0	6.4
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0
EBT	-7.6	-3.6	-8.3	1.0	6.4
Taxes	-4.8	0.0	2.4	-0.3	-1.4
Net income from cont. operations	-12.5	-3.5	-5.9	0.7	5.0
Net income from discount. operations	0.0	0.0	0.0	0.0	0.0
Minority interest	-0.2	-0.3	-0.4	-0.4	-0.4
Net income (adj.)	-12.7	-3.8	-6.3	0.3	4.6
No. of shares	7.2	7.2	7.2	7.2	7.2
EPS	-1.76	-0.53	-0.88	0.04	0.64

Source: Company information, Bankhaus Lampe Research estimates

	2016	2017	2018e	2019e	2020e
Gross margin	47.3%	48.2%	48.8%	49.0%	49.2%
EBITDA margin	2.3%	2.9%	2.2%	4.6%	5.8%
EBITA margin	-0.7%	0.3%	-0.7%	2.1%	3.6%
EBIT margin	-0.7%	0.3%	-0.7%	2.1%	3.6%
EBT margin	-2.3%	-1.1%	-2.6%	0.3%	1.9%
Net profit margin	-3.9%	-1.1%	-1.9%	0.1%	1.3%
Tax rate	-63.5%	1.3%	28.9%	29.7%	21.9%

Source: Company information, Bankhaus Lampe Research estimates

Growth rates yoy	2016	2017	2018e	2019e	2020e
Sales	-5.7%	2.3%	-2.5%	3.5%	2.8%
EBITDA	6.5%	28.9%	-26.4%	>100%	28.1%
EBIT	73.7%	-	-	-	75.4%
EBT	40.0%	53.4%	<-100%	-	>100%
Net income (adj.)	4.5%	70.2%	-67.3%	-	>100%
EPS	4.5%	70.2%	-67.3%	-	>100%

Source: Company information, Bankhaus Lampe Research estimates

euromicron AG – Balance sheet

Assets (in m EUR)	2016	2017	2018e	2019e	2020e
Fixed assets	141.2	146.8	146.8	148.0	151.1
Property, plant and equipment	15.6	19.1	19.1	20.3	23.4
Intangible assets	124.7	127.2	127.2	127.2	127.2
Financial assets	0.5	0.2	0.2	0.2	0.2
Other long-term assets	0.4	0.3	0.3	0.3	0.3
Current assets	103.3	105.3	99.8	104.7	107.6
Inventories	28.4	31.5	32.4	35.4	36.4
Accounts receivable	58.9	61.5	59.6	61.6	63.3
Other current assets	9.3	7.4	7.2	7.5	7.7
Securities	0.0	0.0	0.0	0.0	0.0
Cash	6.8	5.0	0.6	0.2	0.2
Total assets	244.6	252.2	246.6	252.7	258.7
Equity and liabilities in m EUR					
Shareholders' equity	82.4	78.5	74.7	77.0	80.6
Shareholders' equity (before minority)	81.9	77.9	74.1	76.4	80.0
Minorities	0.5	0.6	0.6	0.6	0.6
Non-current liabilities	48.2	30.7	30.5	30.8	31.0
Pension provisions	1.4	1.4	1.4	1.4	1.5
Other provisions	1.7	1.8	1.7	1.8	1.8
Long-term financial debt	39.4	21.9	21.9	21.9	21.9
Other long-term debt	5.7	5.6	5.5	5.6	5.8
Current liabilities	114.0	142.9	141.4	144.9	147.1
Short-term debt	41.6	71.9	71.9	71.9	71.9
Other accruals short-term	1.9	2.0	1.9	2.0	2.0
Accounts payable	45.9	49.0	48.0	50.8	52.4
Other liabilities	24.7	20.0	19.5	20.2	20.8
Total equity and liabilities	244.6	252.2	246.6	252.7	258.7

Source: Company information, Bankhaus Lampe Research estimates

euromicron AG – Balance sheet structure

Assets	2016	2017	2018e	2019e	2020e
Fixed assets	57.7%	58.2%	59.5%	58.6%	58.4%
Property, plant and equipment	6.4%	7.6%	7.8%	8.0%	9.1%
Intangible assets	51.0%	50.4%	51.6%	50.3%	49.2%
Current assets	42.3%	41.8%	40.5%	41.4%	41.6%
Inventories	11.6%	12.5%	13.2%	14.0%	14.1%
Accounts receivable	24.1%	24.4%	24.2%	24.4%	24.5%
Cash	2.8%	2.0%	0.2%	0.1%	0.1%
Equity and liabilities					
Shareholders' equity	33.7%	31.1%	30.3%	30.5%	31.2%
Non-current liabilities	19.7%	12.2%	12.4%	12.2%	12.0%
Pension provisions	0.6%	0.6%	0.6%	0.6%	0.6%
Long-term financial debt	16.1%	8.7%	8.9%	8.7%	8.5%
Current liabilities	46.6%	56.7%	57.3%	57.3%	56.9%
Short-term debt	17.0%	28.5%	29.2%	28.5%	27.8%
Accounts payable	18.8%	19.4%	19.5%	20.1%	20.2%

Source: Company information, Bankhaus Lampe Research estimates

Gesco AG

Approaching the next level

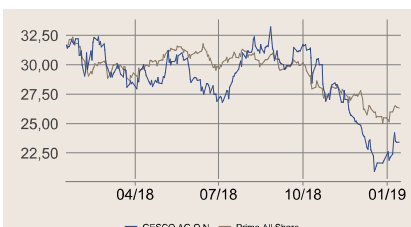
17/01/2019

Buy (Buy)
33.00 EUR (33.00 EUR)

Close 14/01/2019 23.40 EUR
 Bloomberg: GSC1 GY WKN: A1K020
 Sector Industrials

Share price performance

52 week high 33.20 EUR
 52 week low 20.95 EUR
 Compared to Prime All Share
 YTD 4.0%
 1 month 2.6%
 12 months -8.4%



Share data

EV (m EUR; 2019) 357.7
 Market Cap (m EUR) 253.5
 No. of shares (m) 10.8
 Free float 71.9%

Next event

Quarterly Results 14/02/2019

Change in model

	Sales	EBIT	EPS
2018/19e	-	-	-
2019/20e	-	-	-
2020/21e	-	-	-

Analyst

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See end of document for disclaimer.

We clearly maintain our BUY rating with a price target of € 33.00 for the stock, as the current strategy should gradually take Gesco to the next level. A more active investment process and a clear focus on megatrends are the key drivers for ongoing growth and improving margins in future.

INVESTMENT CASE

Gesco's strategy is clearly focused on the development of its portfolio companies. We believe that the key task for management will be to turn potential hidden champions into real hidden champions and thereby build a more balanced, more resilient and a more profitable portfolio.

Consequently, the holding company will have to review its portfolio and redefine its M&A priorities and processes. All in all, we believe that the role of the holding will have to grow into that of an enabler for the portfolio companies. Especially with regard to M&A, we agree with the company's approach to buy bigger firms in order to achieve a more balanced portfolio, and put greater emphasis on bolt-on acquisitions for the portfolio companies.

Aside from the operational development, corporate culture is also an issue that must not be neglected. A strong corporate culture, attracting talents and offering room for development is also part of the strategy. We expect the detailed concept behind this next level approach to be defined in the next twelve months.

CATALYSTS

As the CFO position is currently vacant, any announcement in this respect is set to be taken positively.

VALUATION

Our price target is still based on a DCF model. Our price target values Gesco at a theoretical P/E for 2019/20e of 13.3x. The current dividend yield of >4% also looks attractive.

in m EUR	2016/17	2017/18	2018/19e	2019/20e	2020/21e
Sales	482.5	547.2	570.0	591.2	603.0
EBIT	22.1	33.8	43.3	46.0	49.3
EBIT margin	4.6%	6.2%	7.6%	7.8%	8.2%
Net financial debt	87.3	80.5	92.2	73.5	60.6
Free cash flow	-21.5	14.8	-7.5	29.6	24.8
EPS (in EUR)	0.79	1.49	2.32	2.49	2.70
DPS (in EUR)	0.35	0.60	1.00	1.10	1.20
Dividend yield	1.4%	2.1%	4.3%	4.7%	5.1%
EV/sales	0.8	0.8	0.7	0.6	0.6
EV/EBIT	16.7	12.4	8.7	7.8	6.9
P/E	31.6	19.2	10.1	9.4	8.7

Source: Company information, Bankhaus Lampe Research estimates

Company overview

SWOT

Strengths/Opportunities

- Focused on market-leading niche companies
- More active acquisition strategy ahead
- Solid balance sheet with limited goodwill
- Diversified portfolio reduces earnings volatility
- Attractive and sustainable dividend policy

MANAGEMENT

- Ralph Rumberg (CEO)

SHORT-TERM GUIDANCE

- 2018/19: Revenue at the upper end of € 550-560 m, plus € 6.5. m from Sommer & Strassburger acquisition
- 2018/19: Net profit after minorities slightly below € 26-27 m
- 2018/19: Net profit effect of Sommer & Strassburger is € -0.5 m

HISTORICAL P/E



COMPANY EVENTS

Next event: 14/02/2019 Quarterly Results

KEY RATIOS

	16/17	17/18	18/19e	19/20e	20/21e
R&D/Sales	-	-	-	-	-
Capex/Sales	4.2%	4.2%	3.3%	4.1%	4.1%
Capex/Depreciation	0.7	1.0	0.8	1.0	1.0
ROCE	6.3%	9.4%	10.7%	11.4%	12.1%
Free cash flow yield	-8.6%	4.8%	-2.8%	11.0%	4.1%
Equity ratio	48.7%	49.2%	47.3%	50.1%	52.2%
Net debt / equity	41%	36%	38%	28%	22%
Net debt / EBITDA	1.8	1.4	1.4	1.1	0.8
Interest cover	7.9	0.0	0.0	0.0	0.0

Weaknesses/Threats (Risks)

- Business is based to a notable extent on direct and indirect exports
- Dörrenberg accounts for more than one fifth of revenue
- Holding structure is unpopular with institutional investors

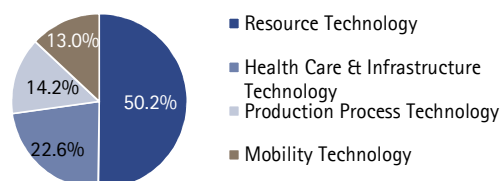
COMPANY BACKGROUND

As a holding company, Gesco AG acquires profitable, strategically interesting German industrial SMEs in order to own them for some time and develop the companies. The takeovers essentially take place when the former owner sells because there is no successor to run the company.

MEDIUM-TERM GUIDANCE

- 2022: EBIT margin of more than 8%

REVENUE BREAKDOWN (LAST ACTUAL YEAR)



MAJOR SHAREHOLDERS (%)

Investmentges. für langfristige Investoren	14.2
Stefan Heimöller	13.7

BHL VS. CONSENSUS

	18/19e	19/20e	20/21e
Sales (in m EUR)			
BHL	570.0	591.2	603.0
Consensus	567.5	585.7	600.2
EBIT (in m EUR)			
BHL	43.3	46.0	49.3
Consensus	44.7	46.9	47.6
EPS (EUR)			
BHL	2.32	2.49	2.70
Consensus	2.36	2.49	2.56

Source: Company information, FactSet, BHL estimates

Key figures

Gesco AG – Income statement

in m EUR	2016/17	2017/18	2018/19e	2019/20e	2020/21e
Sales	482.5	547.2	570.0	591.2	603.0
Own work capitalised	-0.4	3.7	2.0	0.0	0.0
Total sales	482.1	550.9	572.0	591.2	603.0
Material expenses	-233.0	-274.5	-290.5	-293.8	-298.5
Personnel expenses	-143.2	-148.1	-149.9	-160.8	-163.4
Unusual or infrequent items	0.0	0.0	0.0	0.0	0.0
Other operating result	-56.1	-70.9	-65.2	-66.6	-66.8
EBITDA	49.7	57.4	66.3	70.0	74.3
Depreciation	27.6	23.6	23.0	24.0	25.0
EBITA	22.1	33.8	43.3	46.0	49.3
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0
EBIT	22.1	33.8	43.3	46.0	49.3
Financial result	-3.0	-1.9	-1.9	-1.9	-1.9
Income on ordinary activities	19.2	31.9	41.5	44.1	47.4
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0
EBT	19.2	31.9	41.5	44.1	47.4
Taxes	-9.5	-13.7	-13.3	-14.1	-15.2
Net income from cont. operations	9.7	18.2	28.2	30.0	32.2
Net income from discount. operations	0.0	0.0	0.0	0.0	0.0
Minority interest	-1.8	-2.1	-3.0	-3.0	-3.0
Net income (adj.)	7.9	16.1	25.2	27.0	29.2
No. of shares	10.0	10.8	10.8	10.8	10.8
EPS	0.79	1.49	2.32	2.49	2.70

Source: Company information, Bankhaus Lampe Research estimates

	2016/17	2017/18	2018/19e	2019/20e	2020/21e
Gross margin	51.7%	49.8%	49.0%	50.3%	50.5%
EBITDA margin	10.3%	10.5%	11.6%	11.8%	12.3%
EBITA margin	4.6%	6.2%	7.6%	7.8%	8.2%
EBIT margin	4.6%	6.2%	7.6%	7.8%	8.2%
EBT margin	4.0%	5.8%	7.3%	7.5%	7.9%
Net profit margin	1.6%	2.9%	4.4%	4.6%	4.8%
Tax rate	49.3%	43.0%	32.0%	32.0%	32.0%

Source: Company information, Bankhaus Lampe Research estimates

Growth rates yoy	2016/17	2017/18	2018/19e	2019/20e	2020/21e
Sales	-2.3%	13.4%	4.2%	3.7%	2.0%
EBITDA	-6.6%	15.4%	15.6%	5.5%	6.2%
EBIT	-29.6%	52.6%	28.3%	6.1%	7.3%
EBT	-33.4%	66.1%	30.1%	6.3%	7.6%
Net income (adj.)	-51.1%	>100%	56.5%	7.1%	8.4%
EPS	-51.2%	88.1%	56.5%	7.1%	8.4%

Source: Company information, Bankhaus Lampe Research estimates

Gesco AG – Balance sheet

Assets (in m EUR)	2016/17	2017/18	2018/19e	2019/20e	2020/21e
Fixed assets	194.0	193.7	210.0	210.0	210.0
Property, plant and equipment	140.8	146.7	152.0	152.0	152.0
Intangible assets	46.6	40.9	52.0	52.0	52.0
Financial assets	1.5	1.6	1.8	1.8	1.8
Other long-term assets	5.1	4.5	4.2	4.2	4.2
Current assets	245.9	262.5	304.1	307.5	310.0
Inventories	125.2	135.9	150.0	150.0	150.0
Accounts receivable	69.2	73.2	80.0	79.7	79.3
Other current assets	16.4	15.2	21.3	21.3	21.3
Securities	0.0	0.0	0.0	0.0	0.0
Cash	35.1	38.3	52.8	56.5	59.4
Total assets	439.9	456.3	514.1	517.5	520.0
Equity and liabilities in m EUR					
Shareholders' equity	214.1	224.3	243.0	259.1	271.6
Shareholders' equity (before minority)	198.9	209.5	228.1	244.3	261.6
Minorities	15.2	14.8	14.8	14.8	10.0
Non-current liabilities	106.9	101.7	127.5	112.5	102.5
Pension provisions	17.1	16.0	15.9	15.9	15.9
Other provisions	0.6	0.6	0.6	0.6	0.6
Long-term financial debt	81.7	76.2	100.0	85.0	75.0
Other long-term debt	7.5	8.8	11.0	11.0	11.0
Current liabilities	119.0	130.3	143.6	145.9	145.9
Short-term debt	40.8	42.5	45.0	45.0	45.0
Other accruals short-term	11.9	21.1	12.6	12.0	12.0
Accounts payable	30.5	34.0	52.0	53.7	53.7
Other liabilities	35.8	32.8	34.0	35.2	35.2
Total equity and liabilities	439.9	456.3	514.1	517.5	520.0

Source: Company information, Bankhaus Lampe Research estimates

Gesco AG – Balance sheet structure

Assets	2016/17	2017/18	2018/19e	2019/20e	2020/21e
Fixed assets	44.1%	42.5%	40.9%	40.6%	40.4%
Property, plant and equipment	32.0%	32.2%	29.6%	29.4%	29.2%
Intangible assets	10.6%	9.0%	10.1%	10.0%	10.0%
Current assets	55.9%	57.5%	59.1%	59.4%	59.6%
Inventories	28.5%	29.8%	29.2%	29.0%	28.8%
Accounts receivable	15.7%	16.0%	15.6%	15.4%	15.3%
Cash	8.0%	8.4%	10.3%	10.9%	11.4%
Equity and liabilities					
Shareholders' equity	48.7%	49.2%	47.3%	50.1%	52.2%
Non-current liabilities	24.3%	22.3%	24.8%	21.7%	19.7%
Pension provisions	3.9%	3.5%	3.1%	3.1%	3.1%
Long-term financial debt	18.6%	16.7%	19.5%	16.4%	14.4%
Current liabilities	27.0%	28.6%	27.9%	28.2%	28.1%
Short-term debt	9.3%	9.3%	8.8%	8.7%	8.7%
Accounts payable	6.9%	7.4%	10.1%	10.4%	10.3%

Source: Company information, Bankhaus Lampe Research estimates

Grammer AG

New leadership required

17/01/2019

Hold (Hold)
40.00 EUR (40.00 EUR)

Close 14/01/2019 38.50 EUR
Bloomberg: GMM GY WKN: 589540
Sector Automotive

Share price performance

52 week high 67.10 EUR
52 week low 30.02 EUR
Compared to Prime All Share
YTD -1.2%
1 month 7.3%
12 months -12.0%



Share data

EV (m EUR; 2019) 980.7
Market Cap (m EUR) 485.4
No. of shares (m) 12.6
Free float 13.2%

Next event

Annual Results 18/03/2019

Change in model

	Sales	EBIT	EPS
2018e	-	-	-
2019e	-	-	-
2020e	-	-	-

Analyst

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See end of document for disclaimer.

With the sale of the Hastor stake to new Chinese majority owner Ningbo Jifeng, Grammer's business outlook improved significantly last year. But the ensuing departure of the complete management board leaves the company leaderless for the time being. We remain at the sidelines until visibility improves.

INVESTMENT CASE

The successful takeover bid by Ningbo Jifeng (now holding an 86.8% stake) has helped Grammer as the hostile takeover attempt from the Hastor family is off the table. Thus, the business relationship with the German OEM customers should normalise fairly quickly. Also, the closing of the Toledo Molding & Die acquisition should have a positive effect on group margin in future. On the downside: 1) the company had to issue a massive profit warning due to the more difficult end markets in Q4; 2) net debt increased by ~ € 235 m due to the acquisition; and 3) the entire management team left the company with a golden handshake, costing Grammer ~ € 8 m. So far, only a successor to COO Manfred Pretscher has been announced, while he will continue for another six months as interims CEO & CFO until summer. The KUKA example shows how Chinese majority owners behave, which most probably does not seem attractive to many candidates. Visibility is therefore only limited until a new management board is in place.

CATALYSTS

- An announcement with regard to the new management team would help restore some confidence in the company.
- Preliminary results are expected in February and could also be coupled with an outlook for FY2019.

VALUATION

Our DCF-based price target of € 40.00 evaluates the stock at a 2019e P/E ratio of 7.5x and an EV/EBIT of 9.0x. Both are not cheap compared with our Automotive peer group and support our HOLD recommendation.

in m EUR	2016	2017	2018e	2019e	2020e
Sales	1,695	1,786	1,861	2,181	2,239
EBIT	73.0	66.5	49.2	110.1	116.4
EBIT margin	4.3%	3.7%	2.6%	5.0%	5.2%
Net financial debt	139.1	92.2	365.9	347.3	315.4
Free cash flow	33.8	13.5	-263.1	26.5	51.3
EPS (in EUR)	4.05	2.67	2.16	5.31	5.72
DPS (in EUR)	1.30	1.25	1.00	1.60	1.70
Dividend yield	2.7%	2.4%	2.7%	4.2%	4.4%
EV/sales	0.5	0.5	0.5	0.4	0.4
EV/EBIT	11.2	13.3	20.0	8.9	8.2
P/E	11.7	19.4	17.4	7.2	6.7

Source: Company information, Bankhaus Lampe Research estimates

Company overview

SWOT

Strengths/Opportunities

- Numerous new product wins in the automotive business
- Technology leader for suspension seating systems
- Clear focus on premium OEMs in the car industry

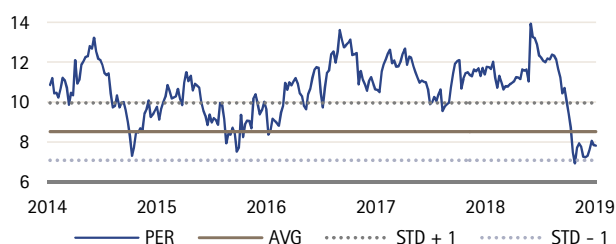
MANAGEMENT

- Hartmut Müller (CEO)
- Gérard Cordonnier (CFO)
- Manfred Pretscher

SHORT-TERM GUIDANCE

- 2018 revenue ~€ 1.85 bn
- EBIT margin ~5%
- Free CF negative due to invest in New R&D centre

HISTORICAL P/E



COMPANY EVENTS

Next event: 18/03/2019 Annual Results

KEY RATIOS

	16	17	18e	19e	20e
R&D/Sales	0.0%	0.0%	0.0%	0.0%	0.0%
Capex/Sales	3.3%	3.3%	4.3%	3.7%	2.7%
Capex/Depreciation	1.6	1.5	2.2	2.1	1.5
ROCE	10.7%	9.3%	4.9%	10.4%	10.6%
Free cash flow yield	6.3%	2.2%	-58.8%	5.9%	11.5%
Equity ratio	25.8%	30.5%	27.6%	29.7%	32.1%
Net debt / equity	51%	27%	92%	76%	62%
Net debt / EBITDA	1.2	0.8	3.7	2.2	1.9
Interest cover	5.4	6.0	4.5	6.9	7.8

Weaknesses/Threats (Risks)

- Automotive products are low-margin commodities
- Somewhat dependent on German OEMs
- Weakness in the Brazilian truck seat market
- Main shareholder not well liked in automotive industry

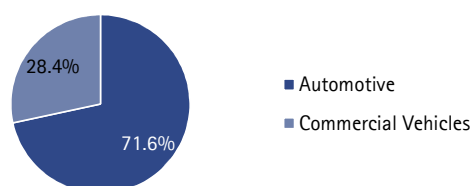
COMPANY BACKGROUND

Grammer AG develops and manufactures innovative suspension seating systems for commercial vehicles. In addition, it supplies seating components and centre consoles for passenger cars.

MEDIUM-TERM GUIDANCE

- 2022 revenue ~€ 2.2 bn
- EBIT margin of 7%

REVENUE BREAKDOWN (LAST ACTUAL YEAR)



MAJOR SHAREHOLDERS (%)

JAP	25.5
Fam. Hastor	22.9
Wynnefield	5.2

BHL VS. CONSENSUS

	18e	19e	20e
Sales (in m EUR)			
BHL	1,861	2,181	2,239
Consensus	1,836	2,090	2,186
EBIT (in m EUR)			
BHL	49.2	110.1	116.4
Consensus	55.5	98.6	110.4
EPS (EUR)			
BHL	2.16	5.31	5.72
Consensus	2.19	4.83	5.41

Source: Company information, FactSet, BHL estimates

Key figures

Grammer AG – Income statement

in m EUR	2016	2017	2018e	2019e	2020e
Sales	1,695	1,786	1,861	2,181	2,239
Cost of sales	-1,497	-1,571	-1,643	-1,914	-1,962
Gross profit	198.7	215.1	217.7	267.4	277.2
Sales and marketing	-35.3	-35.9	-36.0	-40.0	-42.0
General and administration	-102.8	-128.7	-150.0	-135.5	-138.0
Research and development	0.0	0.0	0.0	0.0	0.0
Other operating result	12.5	15.9	17.5	18.2	19.2
EBITDA	120.3	118.4	98.7	161.1	168.8
Depreciation	34.8	39.5	37.0	38.5	40.0
EBITA	85.5	78.9	61.7	122.6	128.8
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	12.5	12.5	12.5	12.5	12.5
EBIT	73.0	66.5	49.2	110.1	116.4
Financial result	-10.3	-10.6	-10.8	-15.8	-14.8
Income on ordinary activities	62.7	55.9	38.4	94.3	101.6
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0
EBT	62.7	55.9	38.4	94.3	101.6
Taxes	-17.5	-23.5	-11.1	-27.4	-29.5
Net income from cont. operations	45.2	32.4	27.3	67.0	72.1
Net income from disc. operations	0.0	0.0	0.0	0.0	0.0
Minority interest	0.2	0.1	0.0	0.0	0.0
Net income (adj.)	45.5	32.5	27.3	67.0	72.1
No. of shares	11.2	12.1	12.6	12.6	12.6
EPS (in EUR)	4.05	2.67	2.16	5.31	5.72

Source: Company information, Bankhaus Lampe Research estimates

	2016	2017	2018e	2019e	2020e
Gross margin	11.7%	12.0%	11.7%	12.3%	12.4%
EBITDA margin	7.1%	6.6%	5.3%	7.4%	7.5%
EBITA margin	5.0%	4.4%	3.3%	5.6%	5.8%
EBIT margin	4.3%	3.7%	2.6%	5.0%	5.2%
EBT margin	3.7%	3.1%	2.1%	4.3%	4.5%
Net profit margin	2.7%	1.8%	1.5%	3.1%	3.2%
Tax rate	27.9%	42.1%	29.0%	29.0%	29.0%

Source: Company information, Bankhaus Lampe Research estimates

Growth rates yoy	2016	2017	2018e	2019e	2020e
Sales	18.9%	5.4%	4.2%	17.2%	2.6%
EBITDA	44.7%	-1.5%	-16.7%	63.3%	4.8%
EBIT	71.2%	-9.0%	-26.0%	>100%	5.7%
EBT	75.6%	-10.9%	-31.3%	>100%	7.7%
Net income (adj.)	89.8%	-28.5%	-16.1%	>100%	7.7%
EPS	89.8%	-34.0%	-19.1%	>100%	7.7%

Source: Company information, Bankhaus Lampe Research estimates

Grammer AG – Balance sheet

Assets (in m EUR)	2016	2017	2018e	2019e	2020e
Fixed assets	379.6	372.3	650.3	690.4	701.2
Property, plant and equipment	230.3	238.9	426.2	455.7	464.7
Intangible assets	85.8	83.6	162.2	162.2	162.2
Financial assets	3.9	3.9	4.1	4.8	4.9
Other long-term assets	59.7	45.9	57.8	67.7	69.5
Current assets	671.0	734.6	796.4	838.4	877.6
Inventories	148.3	158.0	190.0	197.2	202.4
Accounts receivable	352.6	393.1	465.0	484.1	503.0
Other current assets	37.2	37.2	38.8	45.5	46.7
Securities	0.0	0.0	0.0	0.0	0.0
Cash	133.0	146.3	102.6	111.7	125.5
Total assets	1,051	1,107	1,447	1,529	1,579
Equity and liabilities (in m EUR)					
Shareholders' equity	271.3	337.7	399.7	454.1	506.1
Shareholders' equity (before minority)	270.0	337.3	399.4	453.8	505.7
Minorities	1.3	0.3	0.3	0.3	0.3
Non-current liabilities	394.4	357.1	361.7	360.5	347.0
Pension provisions	141.7	140.5	144.1	147.7	151.3
Other provisions	0.0	0.0	0.0	0.0	0.0
Long-term financial debt	216.8	190.3	190.3	180.8	162.7
Other long-term debt	36.0	26.2	27.3	32.1	32.9
Current liabilities	384.9	412.2	685.1	714.3	725.8
Short-term debt	55.3	48.2	278.2	278.2	278.2
Other accruals short-term	23.6	17.5	18.2	21.4	21.9
Accounts payable	222.3	261.3	300.0	310.8	319.0
Other liabilities	83.8	85.2	88.7	104.0	106.8
Total equity and liabilities	1,051	1,107	1,447	1,529	1,579

Source: Company information, Bankhaus Lampe Research estimates

Grammer AG – Balance sheet structure

Assets	2016	2017	2018e	2019e	2020e
Fixed assets	36.1%	33.6%	45.0%	45.2%	44.4%
Property, plant and equipment	21.9%	21.6%	29.5%	29.8%	29.4%
Intangible assets	8.2%	7.6%	11.2%	10.6%	10.3%
Current assets	63.9%	66.4%	55.1%	54.8%	55.6%
Inventories	14.1%	14.3%	13.1%	12.9%	12.8%
Accounts receivable	33.6%	35.5%	32.1%	31.7%	31.9%
Cash	12.7%	13.2%	7.1%	7.3%	7.9%
Equity and liabilities					
Shareholders' equity	25.8%	30.5%	27.6%	29.7%	32.1%
Non-current liabilities	37.5%	32.3%	25.0%	23.6%	22.0%
Pension provisions	13.5%	12.7%	10.0%	9.7%	9.6%
Long-term financial debt	20.6%	17.2%	13.2%	11.8%	10.3%
Current liabilities	36.6%	37.2%	47.4%	46.7%	46.0%
Short-term debt	5.3%	4.4%	19.2%	18.2%	17.6%
Accounts payable	21.2%	23.6%	20.7%	20.3%	20.2%

Source: Company information, Bankhaus Lampe Research estimates

Hamburger Hafen und Logistik AG

Moving more

17/01/2019

Buy (Buy)
25.00 EUR (25.00 EUR)

Close 14/01/2019 18.97 EUR
 Bloomberg: HHFA GY WKN: A0S848
 Sector Transport & Logistics

Share price performance

52 week high 23.76 EUR
 52 week low 17.08 EUR
 Compared to SDAX
 YTD 4.9%
 1 month 3.7%
 12 months -0.7%



Share data

EV (m EUR; 2019) 2,025
 Market Cap (m EUR) 1,329
 No. of shares (m) 70
 Free float 30.4%

Next event

Annual Results 27/03/2019

Change in model

	Sales	EBIT	EPS
2018e	-	-	-
2019e	-	-	-
2020e	-	-	-

Analyst

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See end of document for disclaimer.

HHLA's Container segment should benefit from improving container throughput while at the same time fleet and network expansion in the Intermodal division should pay off.

INVESTMENT CASE

- 2017 seemed to have heralded the start of a period of strong growth in global container throughput from which HHLA should benefit despite the current depth limitations of the River Elbe. Moreover, in 2020 the company should see the first positive effects on volumes from the deepening and widening of the Elbe fairway channel with dredging works set to start in Q2 2019.
- In 2018-20, we expect the underlying EBIT to improve driven by 1) the Container segment, which should benefit from higher margin O&D container throughput, and 2) the Intermodal unit, where besides decent demand growth, fleet expansion and efficiency improvement measures should pay off.
- HHLA is at the start of a larger CAPEX programme with planned investments of € 800 m in the period 2018-22. However, this will curb FCF growth, which HHLA has communicated well. While in the Container business HHLA is somewhat forced to invest in order to remain competitive, the expansion of the Intermodal business should lead to market shares gains and an increase of profitability.

CATALYSTS

We expect the company to post solid results over the next quarters. From 2020 onwards we expect accelerating volume growth due to the widening and deepening of the River Elbe.

VALUATION

Our price target of € 25.00 is based on a DCF model and implies a PER_{2019e} of 16.9x. Moreover, we believe that the high dividend yield should offer downside protection for the share price.

in m EUR	2016	2017	2018e	2019e	2020e
Sales	1,146	1,220	1,240	1,269	1,303
EBIT	148	157	183	188	194
EBIT margin	12.9%	12.8%	14.8%	14.8%	14.9%
Net financial debt	127	77	184	199	214
Free cash flow	171	134	-19	79	87
EPS (in EUR)	0.91	1.02	1.40	1.48	1.54
DPS (in EUR)	0.59	0.67	0.80	0.90	0.95
Dividend yield	3.1%	3.5%	4.2%	4.7%	5.0%
EV/sales	1.7	1.5	1.6	1.6	1.6
EV/EBIT	13.1	12.0	10.9	10.8	10.5
P/E	20.9	18.7	13.6	12.8	12.3

Source: Company information, Bankhaus Lampe Research estimates

Company overview

SWOT

Strengths/Opportunities

- The most eastern port of the North Range
- Positioning deep in the hinterland
- Dense rail and feeder network
- Strong balance sheet
- Potential Elbe dredging should boost container throughput

MANAGEMENT

- Angela Titzrath (CEO)
- Dr. Roland Lappin (CFO)
- Jens Hansen (Operations, IT)
- Heinz Brandt (HR, Legal, Purchasing & Materials Management)

SHORT-TERM GUIDANCE

- 2018: Revenues roughly on a par with 2017 (€ 1,220 m)
- 2018: EBIT significantly above € 156.6 m
- 2018: Container throughput and container transport stable yoy

HISTORICAL P/E



COMPANY EVENTS

Next event: 27/03/2019 Annual Results

KEY RATIOS

	16	17	18e	19e	20e
R&D/Sales	-	-	-	-	-
Capex/Sales	11.2%	10.3%	15.9%	13.8%	13.1%
Capex/Depreciation	1.1	1.1	1.7	1.5	1.4
ROCE	11.5%	12.3%	13.7%	13.5%	13.4%
Free cash flow yield	13.8%	8.1%	-1.3%	5.4%	6.0%
Equity ratio	32.3%	33.5%	35.5%	37.0%	38.4%
Net debt / equity	24%	14%	30%	30%	31%
Net debt / EBITDA	0.5	0.3	0.6	0.6	0.7
Interest cover	5.1	4.8	7.7	7.9	8.2

Weaknesses/Threats (Risks)

- Current depth limitations of the River Elbe
- Severe overcapacities in the market for port services
- Consolidation in the container shipping industry
- Asset-heavy business model

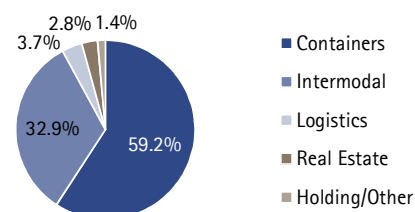
COMPANY BACKGROUND

Hamburger Hafen und Logistik AG (HHLA), via its listed subgroup Port Logistics, is a vertically integrated handling, transport and logistics provider. With a market share of 78% the company is the leading terminal operator in the Port of Hamburg which is Europe's third largest container port with a dense hinterland rail and road network and an optimal link to CEE, Scandinavia and the Baltic region. In addition, HHLA provides seaport hinterland transport and specialist handling services. The Port Logistics subgroup has three divisions, namely Container (61% of EBIT), Intermodal (38% of EBIT) and Logistics (1% of EBIT).

MEDIUM-TERM GUIDANCE

- 2025 EBIT: € 300 m

REVENUE BREAKDOWN (LAST ACTUAL YEAR)



MAJOR SHAREHOLDERS (%)

Freie und Hansestadt Hamburg	68.4
------------------------------	------

BHL VS. CONSENSUS

	18e	19e	20e
Sales (in m EUR)			
BHL	1,240	1,269	1,303
Consensus	1,248	1,277	1,328
EBIT (in m EUR)			
BHL	183	188	194
Consensus	183	186	203
EPS (EUR)			
BHL	1.40	1.48	1.54
Consensus	1.36	1.37	1.53

Source: Company information, FactSet, BHL estimates

Key figures

Hamburger Hafen und Logistik AG – Income statement

in m EUR	2016	2017	2018e	2019e	2020e
Sales	1,146	1,220	1,240	1,269	1,303
Own work capitalised	7	5	6	6	7
Total sales	1,153	1,225	1,246	1,275	1,309
Material expenses	-343	-364	-361	-367	-375
Personnel expenses	-441	-462	-472	-488	-505
Unusual or infrequent items	0	0	0	0	0
Other operating result	-104	-125	-113	-113	-115
EBITDA	265	274	300	307	314
Depreciation	118	118	117	119	120
EBITA	148	157	183	188	194
Amortisation of goodwill	0	0	0	0	0
Amortisation of intangible assets	0	0	0	0	0
EBIT	148	157	183	188	194
Financial result	-15	-23	-17	-17	-16
Income on ordinary activities	133	133	166	172	178
Extraordinary income/loss	0	0	0	0	0
EBT	133	133	166	172	178
Taxes	-37	-37	-46	-46	-48
Net income from cont. operations	96	96	120	125	130
Net income from discount. operations	0	0	0	0	0
Minority interest	-32	-25	-22	-22	-22
Net income (adj.)	64	71	98	104	108
No. of shares	70	70	70	70	70
EPS	0.91	1.02	1.40	1.48	1.54

Source: Company information, Bankhaus Lampe Research estimates

	2016	2017	2018e	2019e	2020e
Gross margin	70.1%	70.2%	70.9%	71.1%	71.2%
EBITDA margin	23.2%	22.5%	24.2%	24.2%	24.1%
EBITA margin	12.9%	12.8%	14.8%	14.8%	14.9%
EBIT margin	12.9%	12.8%	14.8%	14.8%	14.9%
EBT margin	11.6%	10.9%	13.4%	13.5%	13.7%
Net profit margin	5.6%	5.8%	7.9%	8.2%	8.3%
Tax rate	27.8%	27.9%	27.5%	27.0%	27.0%

Source: Company information, Bankhaus Lampe Research estimates

Growth rates yoy	2016	2017	2018e	2019e	2020e
Sales	-7.4%	6.5%	1.6%	2.4%	2.6%
EBITDA	-13.7%	3.5%	9.4%	2.2%	2.4%
EBIT	-19.2%	6.1%	16.9%	2.8%	3.1%
EBT	-16.9%	0.4%	24.6%	3.4%	3.8%
Net income (adj.)	-9.1%	11.7%	37.4%	6.0%	4.0%
EPS	-9.1%	11.7%	37.4%	6.0%	4.0%

Source: Company information, Bankhaus Lampe Research estimates

Hamburger Hafen und Logistik AG – Balance sheet

Assets (in m EUR)	2016	2017	2018e	2019e	2020e
Fixed assets	1,165	1,185	1,338	1,394	1,444
Property, plant and equipment	932	956	1,086	1,142	1,192
Intangible assets	76	70	93	93	93
Financial assets	35	30	30	30	30
Other long-term assets	122	130	130	130	130
Current assets	473	474	374	376	381
Inventories	22	21	22	22	23
Accounts receivable	159	148	151	151	154
Other current assets	118	108	111	127	144
Securities	0	0	0	0	0
Cash	174	197	90	75	61
Total assets	1,638	1,659	1,712	1,770	1,826
Equity and liabilities in m EUR					
Shareholders' equity	529	556	607	655	701
Shareholders' equity (before minority)	497	525	576	624	668
Minorities	32	31	31	32	32
Non-current liabilities	906	873	873	880	887
Pension provisions	453	442	458	465	472
Other provisions	100	111	111	111	111
Long-term financial debt	229	199	199	199	199
Other long-term debt	122	121	105	105	105
Current liabilities	204	230	231	235	238
Short-term debt	71	76	76	76	76
Other accruals short-term	18	35	35	35	35
Accounts payable	66	73	74	77	81
Other liabilities	49	47	47	47	47
Total equity and liabilities	1,638	1,659	1,712	1,770	1,825

Source: Company information, Bankhaus Lampe Research estimates

Hamburger Hafen und Logistik AG – Balance sheet structure

Assets	2016	2017	2018e	2019e	2020e
Fixed assets	71.1%	71.4%	78.1%	78.8%	79.1%
Property, plant and equipment	56.9%	57.6%	63.4%	64.5%	65.3%
Intangible assets	4.6%	4.2%	5.4%	5.2%	5.1%
Current assets	28.9%	28.6%	21.9%	21.2%	20.9%
Inventories	1.3%	1.3%	1.3%	1.3%	1.2%
Accounts receivable	9.7%	8.9%	8.8%	8.5%	8.4%
Cash	10.6%	11.9%	5.3%	4.3%	3.3%
Equity and liabilities					
Shareholders' equity	32.3%	33.5%	35.5%	37.0%	38.4%
Non-current liabilities	55.3%	52.6%	51.0%	49.7%	48.6%
Pension provisions	27.7%	26.6%	26.8%	26.3%	25.9%
Long-term financial debt	14.0%	12.0%	11.6%	11.2%	10.9%
Current liabilities	12.4%	13.9%	13.5%	13.3%	13.0%
Short-term debt	4.3%	4.6%	4.4%	4.3%	4.1%
Accounts payable	4.1%	4.4%	4.3%	4.4%	4.4%

Source: Company information, Bankhaus Lampe Research estimates

Heidelberger Druckmaschinen AG

2019 year of truth – proof of concept for new business model

17/01/2019

Buy (Buy)
2.90 EUR (3.20 EUR)

Close 14/01/2019 1.70 EUR
 Bloomberg: HDD GY WKN: 731400
 Sector Engineering

Share price performance

52 week high 3.26 EUR
 52 week low 1.49 EUR
 Compared to SDAX
 YTD 2.3%
 1 month -0.2%
 12 months -22.3%



Share data

EV (m EUR; 2019) 1,156
 Market Cap (m EUR) 473.9
 No. of shares (m) 278.7
 Free float 90.9%

Next event

Quarterly Results 07/02/2019

Change in model

	Sales	EBIT	EPS
2018/19e	-0.2%	-2.9%	-11.1%
2019/20e	-0.6%	-4.5%	-9.0%
2020/21e	-	0.0%	-1.2%

Analyst

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See end of document for disclaimer.

With the launch of its subscription model, HDD has introduced a revolutionary business model to the printing industry. Customers' interest in this new payment model seems to be high and offers HDD new growth opportunities. FY 2019/20 starts in April and will be decisive as HDD plans to get 70 machines under contract, which corresponds to revenues of € 350 m over a five-year period.

INVESTMENT CASE

The implementation of HDD's subscription model appears to be proceeding well. This pay-per-use payment concept is totally new for the printing industry. The advantages for HDD lie in higher cross-selling effects (consumables and services) and a more gradually earnings flow compared with the classical new machine business. The advantage for the customer is a higher utilisation of contracted machines and accordingly declining costs per printed sheet. This business model offers HDD new growth opportunities in an (at best) only flat end market for new machines. After starting in the current FY with budgeted 30 subscription contracts, the next FY will be decisive in terms of customer acceptance with another planned 70 contracts. HDD's medium-term revenue target of € 3 bn (FY 2021/22) includes 250 contracts. Another pillar for future growth includes the digital printing machine portfolio. The corresponding (adj.) EBITDA margin target stands at up to 10%. We have slightly trimmed down our EBIT forecast, which in connection with a weaker financial result leads to a ~10% cut in EPS for FY 2018/19 and FY 2019/20.

CATALYSTS

- Encouraging update on subscription contracts and guidance with Q3 numbers.
- The weaker economic outlook is certainly negative for HDD, but may stimulate demand for the subscription model as it requires less CAPEX for the printer

VALUATION

We reduce our DCF-based price target from € 3.20 to € 2.90 and confirm our BUY rating. The expected earnings improvement in FY 2019/20 leads to attractive multiples such as a P/E of ~9x.

in m EUR	2016/17	2017/18	2018/19e	2019/20e	2020/21e
Sales	2,524	2,420	2,519	2,583	2,759
EBIT	90.2	87.1	82.5	110.3	150.1
EBIT margin	3.6%	3.6%	3.3%	4.3%	5.4%
Net financial debt	252.4	236.4	225.6	158.5	96.7
Free cash flow	24.3	-7.7	9.3	67.1	61.8
EPS (in EUR)	0.14	0.05	0.10	0.19	0.32
DPS (in EUR)	0.00	0.00	0.00	0.00	0.00
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%
EV/sales	0.5	0.7	0.5	0.4	0.4
EV/EBIT	14.9	18.2	14.8	10.5	7.3
P/E	16.6	60.9	17.8	8.8	5.3

Source: Company information, Bankhaus Lampe Research estimates

Company overview

SWOT

Strengths/Opportunities

- 40% market share in sheet-fed offset print
- Unique, innovative business model (subscription model)
- Growth potential in digital printing through new presses
- Further optimisation of the cost base

Weaknesses/Threats (Risks)

- Weak balance sheet despite improvements; no dividend
- Commercial printing market might decline further
- Weak results in large format presses
- Negative margin impact from growing consumables business
- Failure of subscription model

MANAGEMENT

- Rainer Hundsdörfer (CEO)
- Dirk Kaliebe (CFO)
- Dr. Ulrich Hermann (Heidelberg Services)
- Stephan Plenz (Heidelberg Equipment)

COMPANY BACKGROUND

Heidelberger Druckmaschinen AG is the world's number one printing press manufacturer and provider of solutions for the printing industry. The company specialises in sheet-fed offset printing, but now also offers several digital printing presses. Software solutions, services, consumables and machines for the pre- and post-press process are also part of the portfolio. In October 2013, HDD started a co-operation with Fuji. Together the two companies developed a powerful digital printing press that can also be used in packaging printing.

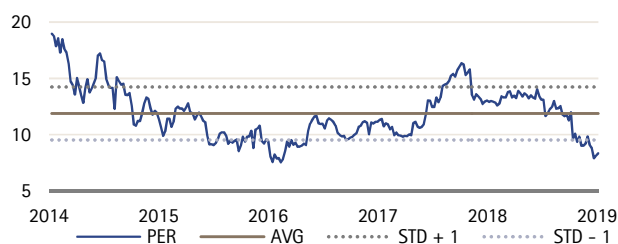
SHORT-TERM GUIDANCE

- FY 2018/19: moderate revenue growth
- FY 2018/19: adj. EBITDA margin of 7.0% to 7.5%

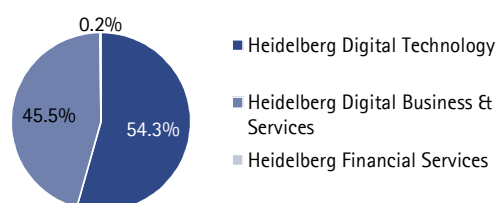
MEDIUM-TERM GUIDANCE

- FY 2021/22: revenues of up to € 3 bn
- FY 2021/22: EBITDA margin of up to 10%

HISTORICAL P/E



REVENUE BREAKDOWN (LAST ACTUAL YEAR)



COMPANY EVENTS

Next event: 07/02/2019 Quarterly Results

MAJOR SHAREHOLDERS (%)

Universal Investment	8.2
UBS	4.0
Dimensional Fund Advisors	3.1

KEY RATIOS

	16/17	17/18	18/19e	19/20e	20/21e
R&D/Sales	-	-	-	-	-
Capex/Sales	4.1%	4.7%	4.0%	3.1%	2.9%
Capex/Depreciation	2.0	2.2	1.9	1.5	1.5
ROCE	6.9%	6.7%	6.5%	8.3%	10.6%
Free cash flow yield	4.0%	-0.9%	2.0%	14.7%	2.2%
Equity ratio	15.3%	15.1%	16.3%	18.1%	20.8%
Net debt / equity	74%	69%	61%	38%	19%
Net debt / EBITDA	1.6	1.5	1.5	0.9	0.4
Interest cover	1.4	1.7	1.6	2.3	3.1

BHL VS. CONSENSUS

	18/19e	19/20e	20/21e
Sales (in m EUR)			
BHL	2,519	2,583	2,759
Consensus	2,523	2,622	2,739
EBIT (in m EUR)			
BHL	82.5	110.3	150.1
Consensus	98.8	119.7	141.5
EPS (EUR)			
BHL	0.10	0.19	0.32
Consensus	0.13	0.21	0.29

Source: Company information, FactSet, BHL estimates

Key figures

Heidelberger Druckmaschinen AG – Income statement

in m EUR	2016/17	2017/18	2018/19e	2019/20e	2020/21e
Sales	2,524	2,420	2,519	2,583	2,759
Own work capitalised	32.4	87.3	30.0	30.0	30.0
Total sales	2,556	2,507	2,549	2,613	2,789
Material expenses	-1,160	-1,128	-1,115	-1,136	-1,222
Personnel expenses	-847.1	-885.5	-943.0	-957.1	-990.9
Unusual or infrequent items	-17.6	0.0	-20.0	-10.0	0.0
Other operating result	-370.9	-338.3	-315.2	-325.1	-352.1
EBITDA	161.3	156.1	155.5	184.3	224.1
Depreciation	51.7	51.4	52.0	53.0	53.0
EBITA	109.6	104.7	103.5	131.3	171.1
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	19.4	17.6	21.0	21.0	21.0
EBIT	90.2	87.1	82.5	110.3	150.1
Financial result	-55.9	-48.0	-50.0	-45.0	-42.0
Income on ordinary activities	34.2	39.1	32.5	65.3	108.1
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0
EBT	34.2	39.1	32.5	65.3	108.1
Taxes	2.0	-25.6	-5.9	-11.8	-19.5
Net income from cont. operations	36.2	13.6	26.6	53.6	88.6
Net income from disc. operations	0.0	0.0	0.0	0.0	0.0
Minority interest	0.0	0.0	0.0	0.0	0.0
Net income (adj.)	36.2	13.6	26.6	53.6	88.6
No. of shares	257.3	271.5	278.7	278.7	278.7
EPS	0.14	0.05	0.10	0.19	0.32

Source: Company information, Bankhaus Lampe Research estimates

	2016/17	2017/18	2018/19e	2019/20e	2020/21e
Gross margin	54.1%	53.4%	55.7%	56.0%	55.7%
EBITDA margin	6.4%	6.4%	6.2%	7.1%	8.1%
EBITA margin	4.3%	4.3%	4.1%	5.1%	6.2%
EBIT margin	3.6%	3.6%	3.3%	4.3%	5.4%
EBT margin	1.4%	1.6%	1.3%	2.5%	3.9%
Net profit margin	1.4%	0.6%	1.1%	2.1%	3.2%
Tax rate	-5.8%	65.3%	18.2%	18.0%	18.0%

Source: Company information, Bankhaus Lampe Research estimates

Growth rates yoy	2016/17	2017/18	2018/19e	2019/20e	2020/21e
Sales	0.5%	-4.1%	4.1%	2.5%	6.8%
EBITDA	-4.4%	-3.2%	-0.4%	18.5%	21.6%
EBIT	-5.8%	-3.4%	-5.3%	33.7%	36.0%
EBT	9.9%	14.3%	-17.0%	>100%	65.5%
Net income (adj.)	29.0%	-62.6%	96.1%	>100%	65.5%
EPS	29.0%	-64.5%	91.0%	>100%	65.5%

Source: Company information, Bankhaus Lampe Research estimates

Heidelberger Druckmaschinen AG – Balance sheet

Assets (in m EUR)	2016/17	2017/18	2018/19e	2019/20e	2020/21e
Fixed assets	907.9	939.2	955.5	952.1	954.7
Property, plant and equipment	487.9	535.1	575.1	595.7	616.3
Intangible assets	239.4	263.2	234.2	206.8	179.4
Financial assets	13.4	12.2	12.2	12.2	12.2
Other long-term assets	167.1	128.8	134.0	137.4	146.8
Current assets	1,311	1,316	1,298	1,373	1,495
Inventories	581.5	622.4	630.0	630.0	662.2
Accounts receivable	399.0	397.8	414.0	420.0	441.5
Other current assets	113.0	94.6	96.1	98.6	105.2
Securities	0.0	0.0	0.0	0.0	0.0
Cash	217.7	201.6	157.4	224.5	286.3
Total assets	2,219	2,256	2,253	2,325	2,450
Equity and liabilities in m EUR					
Shareholders' equity	340.1	340.9	367.5	421.1	509.7
Shareholders' equity (before minority)	340.1	340.9	367.5	421.1	509.7
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	1,075	1,106	1,058	1,062	1,072
Pension provisions	488.3	523.4	523.4	523.4	523.4
Other provisions	170.4	141.7	147.5	151.3	161.6
Long-term financial debt	371.9	403.0	348.0	348.0	348.0
Other long-term debt	44.2	37.6	39.1	39.1	39.1
Current liabilities	804.2	809.0	827.6	842.2	868.1
Short-term debt	98.2	35.0	35.0	35.0	35.0
Other accruals short-term	239.6	212.4	212.4	212.4	212.4
Accounts payable	289.4	382.2	397.8	407.9	435.7
Other liabilities	177.1	179.4	182.4	186.9	185.0
Total equity and liabilities	2,219	2,256	2,253	2,325	2,450

Source: Company information, Bankhaus Lampe Research estimates

Heidelberger Druckmaschinen AG – Balance sheet structure

Assets	2016/17	2017/18	2018/19e	2019/20e	2020/21e
Fixed assets	40.9%	41.6%	42.4%	40.9%	39.0%
Property, plant and equipment	22.0%	23.7%	25.5%	25.6%	25.2%
Intangible assets	10.8%	11.7%	10.4%	8.9%	7.3%
Current assets	59.1%	58.4%	57.6%	59.1%	61.0%
Inventories	26.2%	27.6%	28.0%	27.1%	27.0%
Accounts receivable	18.0%	17.6%	18.4%	18.1%	18.0%
Cash	9.8%	8.9%	7.0%	9.7%	11.7%
Equity and liabilities					
Shareholders' equity	15.3%	15.1%	16.3%	18.1%	20.8%
Non-current liabilities	48.4%	49.0%	47.0%	45.7%	43.8%
Pension provisions	22.0%	23.2%	23.2%	22.5%	21.4%
Long-term financial debt	16.8%	17.9%	15.4%	15.0%	14.2%
Current liabilities	36.2%	35.9%	36.7%	36.2%	35.4%
Short-term debt	4.4%	1.6%	1.6%	1.5%	1.4%
Accounts payable	13.0%	16.9%	17.7%	17.5%	17.8%

Source: Company information, Bankhaus Lampe Research estimates

HelloFresh SE

Investment for Foodies

17/01/2019

Buy (Buy)
14.00 EUR (17.00 EUR)

Close 14/01/2019 6.96 EUR
 Bloomberg: HFG GY WKN: A16140
 Sector Media

Share price performance

52 week high 14.94 EUR
 52 week low 5.97 EUR
 Compared to SDAX
 YTD 9.3%
 1 month -5.2%
 12 months -21.0%



Share data

EV (m EUR; 2019) 1,005
 Market Cap (m EUR) 1,128
 No. of shares (m) 162.1
 Free float 33.0%

Next event

Annual Results 06/03/2019

Change in model

	Sales	EBITDA	EPS
2018e	2.9%	3.5%	2.5%
2019e	3.9%	n.m.	-38.6%
2020e	5.0%	-41.3%	n.m.

Analyst

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See end of document for disclaimer.

With the distribution of recipe boxes and a strong regional focus on North America, HelloFresh is strategically very well positioned to benefit from the structural growth in the online food sector.

INVESTMENT CASE

HelloFresh delivers packages of pre-portioned ingredients and recipes to consumers to cook the meals at home. In our view, this offers a massive growth opportunity. Hence, we expect annual revenue growth of 28% (CAGR_{2017-20e}). Since our initiation of coverage, HelloFresh has increased the product variety, made two acquisitions and finally has become the clear market leader in the US. Furthermore, the company has entered Austria and New Zealand. HelloFresh now even offers ancillary products such as ready-made meals, smart fridges and made meal-kits available for purchase in supermarkets. In addition, it has introduced lower-priced products to increase the total addressable market. These investments result in a short-term EBITDA burden of € 30 m, according to the company. Hence, we raise our revenue forecast due to the M&A but cut our earnings estimates due to temporarily higher investments. On the positive side, we learned at the Capital Market Day that the developed international markets already achieve an adj. EBITDA margin of 4.5%. In our view, this proves that HelloFresh is on the way to profitability and should reach break-even in 2019 on an annual basis.

CATALYSTS

- We expect the International segment to break even in the full year 2018.
- For 2019, we also forecast the group to break even at the adjusted EBITDA level.

VALUATION

Based on our lowered earnings estimates coupled with a higher equity risk premium, we have reduced our DCF-based price target to € 14.00.

in m EUR	2016	2017	2018e	2019e	2020e
Sales	597.0	904.9	1,251	1,595	1,927
EBITDA	-86.2	-80.7	-89.5	-35.4	35.2
EBITDA margin	-14.4%	-8.9%	-7.2%	-2.2%	1.8%
Net financial debt	-11.1	-310.6	-186.1	-122.6	-131.7
Free cash flow	-118.6	-59.0	-125.8	-63.5	9.0
EPS (in EUR)	-0.75	-0.67	-0.71	-0.42	-0.03
DPS (in EUR)	0.00	0.00	0.00	0.00	0.00
Dividend yield	-	0.0%	0.0%	0.0%	0.0%
EV/sales	-	1.5	0.6	0.6	0.5
EV/EBITDA	-	-16.3	-9.0	-28.4	28.3
P/E	-	-17.7	-8.6	-16.7	-200.8

Source: Company information, Bankhaus Lampe Research estimates

Company overview

SWOT

Strengths/Opportunities

- High market potential of food and grocery online sales worldwide
- Market leadership in the US
- Operating performance of HelloFresh much better than Blue Apron
- Additional revenue potential from new products and services

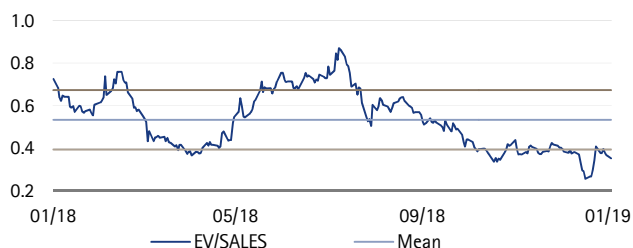
MANAGEMENT

- Dominik Richter (CEO)
- Thomas Griesel (COO)
- Christian Gärtner (CFO)

SHORT-TERM GUIDANCE

- FX adjusted revenue growth of 32-37% (excl. GreenChef)
- Contribution margin above 25% in 2018

HISTORICAL EV/SALES



COMPANY EVENTS

Next event: 06/03/2019 Annual Results

KEY RATIOS

	16	17	18e	19e	20e
R&D/Sales	39.9%	36.7%	35.8%	34.8%	34.1%
Capex/Sales	6.3%	1.5%	3.2%	2.9%	2.3%
Capex/Depreciation	8.7	1.7	3.2	3.0	2.3
ROCE	-	-26.7%	-57.8%	-46.9%	15.4%
Free cash flow yield	-	-3.6%	-12.2%	-6.1%	0.9%
Equity ratio	13.6%	67.0%	52.6%	34.8%	29.0%
Net debt / equity	-54%	-102%	-105%	-113%	-127%
Net debt / EBITDA	0.1	3.8	2.1	3.5	-3.7
Interest cover	< -10	< -10	< -10	-6.4	2.0

Weaknesses/Threats (Risks)

- Due to the subscription model, we regard the churn rate as very high
- Growth in customers strongly dependent on marketing expenditure
- Highly competitive market environment

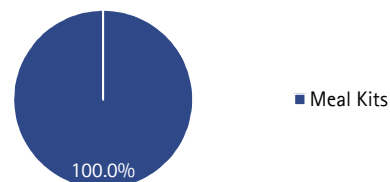
COMPANY BACKGROUND

HelloFresh delivers packages of pre-portioned ingredients and recipes to consumers to cook the meals at home. Parts of the IPO proceeds are used to increase the level of automation in the manufacturing process and thus increase product diversity. This should ultimately lead to an increasing number of orders and a lower cancellation rate.

MEDIUM-TERM GUIDANCE

- Adjusted EBITDA to reach break-even during the course of FY 2019e
- Adjusted EBITDA margin of around 10%

REVENUE BREAKDOWN (LAST ACTUAL YEAR)



MAJOR SHAREHOLDERS (%)

Rocket Internet	36.0
Insight Venture Management LLC	15.3
Union Investment Privatfonds GmbH	5.4

BHL VS. CONSENSUS

	18e	19e	20e
Sales (in m EUR)			
BHL	1,251	1,595	1,927
Consensus	1,241	1,603	1,925
EBITDA (in m EUR)			
BHL	-89.5	-35.4	35.2
Consensus	-80.4	-6.7	67.1
EPS (EUR)			
BHL	-0.71	-0.42	-0.03
Consensus	-0.64	-0.22	0.16

Source: Company information, FactSet, BHL estimates

Key figures

HelloFresh SE – Income statement

in m EUR	2016	2017	2018e	2019e	2020e
Sales	597.0	904.9	1,251	1,595	1,927
Cost of sales	-257.3	-365.8	-475.2	-593.2	-697.5
Gross profit	339.6	539.1	775.4	1,001	1,229
Sales and marketing	-157.4	-239.7	-326.4	-390.3	-442.7
General and administration	-30.7	-51.8	-95.0	-100.0	-105.0
Research and development	-238.4	-332.3	-447.7	-554.9	-656.1
Other operating result	-3.6	-4.1	-8.2	-7.3	-9.6
EBITDA	-86.2	-80.7	-89.5	-35.4	35.2
Depreciation	4.3	8.1	12.5	15.7	19.3
EBITA	-90.5	-88.8	-102.0	-51.1	15.9
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0
EBIT	-90.5	-88.8	-102.0	-51.1	15.9
Financial result	-3.7	-6.3	-6.5	-6.5	-6.5
Income on ordinary activities	-94.1	-95.1	-108.5	-57.6	9.4
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0
EBT	-94.1	-95.1	-108.5	-57.6	9.4
Taxes	0.3	3.1	-7.0	-10.0	-15.0
Net income from cont. operations	-93.9	-92.0	-115.5	-67.6	-5.6
Net income from disc. operations	0.0	0.0	0.0	0.0	0.0
Minority interest	0.0	0.2	0.0	0.0	0.0
Net income (adj.)	-93.9	-91.8	-115.5	-67.6	-5.6
No. of shares	125.5	136.6	162.1	162.1	162.1
EPS (in EUR)	-0.75	-0.67	-0.71	-0.42	-0.03

Source: Company information, Bankhaus Lampe Research estimates

	2016	2017	2018e	2019e	2020e
Gross margin	56.9%	59.6%	62.0%	62.8%	63.8%
EBITDA margin	-14.4%	-8.9%	-7.2%	-2.2%	1.8%
EBITA margin	-15.2%	-9.8%	-8.2%	-3.2%	0.8%
EBIT margin	-15.2%	-9.8%	-8.2%	-3.2%	0.8%
EBT margin	-15.8%	-10.5%	-8.7%	-3.6%	0.5%
Net profit margin	-15.7%	-10.2%	-9.2%	-4.2%	-0.3%
Tax rate	0.3%	3.3%	-6.5%	-17.4%	159.8%

Source: Company information, Bankhaus Lampe Research estimates

Growth rates yoy	2016	2017	2018e	2019e	2020e
Sales	95.8%	51.6%	38.2%	27.5%	20.8%
EBITDA	25.0%	6.3%	-10.9%	60.5%	-
EBIT	21.7%	1.8%	-14.9%	49.9%	-
EBT	19.4%	-1.0%	-14.1%	46.9%	-
Net income (adj.)	17.6%	2.2%	-25.8%	41.5%	91.7%
EPS	0,0%	10.2%	-6.0%	41.5%	91.7%

Source: Company information, Bankhaus Lampe Research estimates

HelloFresh SE – Balance sheet

Assets (in m EUR)	2016	2017	2018e	2019e	2020e
Fixed assets	60.4	66.1	91.6	120.9	144.0
Property, plant and equipment	38.3	37.2	62.7	92.0	115.1
Intangible assets	6.2	9.2	9.2	9.2	9.2
Financial assets	13.9	14.2	14.2	14.2	14.2
Other long-term assets	2.0	5.5	5.5	5.5	5.5
Current assets	91.3	386.8	243.9	192.5	213.1
Inventories	10.1	13.8	18.8	23.9	28.9
Accounts receivable	9.3	14.2	25.0	31.9	38.5
Other current assets	14.4	18.9	14.0	14.0	14.0
Securities	0.0	0.0	0.0	0.0	0.0
Cash	57.5	339.9	186.1	122.6	131.7
Total assets	151.7	452.9	335.5	313.3	357.1
Equity and liabilities (in m EUR)					
Shareholders' equity	20.6	303.3	176.6	109.0	103.4
Shareholders' equity (before minority)	20.6	303.5	176.7	109.1	103.5
Minorities	0.0	-0.2	-0.1	-0.1	-0.1
Non-current liabilities	61.9	41.6	23.2	37.7	57.2
Pension provisions	0.0	0.0	0.0	0.0	0.0
Other provisions	0.0	0.0	0.0	0.0	0.0
Long-term financial debt	46.4	29.3	0.0	0.0	0.0
Other long-term debt	15.5	12.3	23.2	37.7	57.2
Current liabilities	69.2	108.0	135.7	166.6	196.5
Short-term debt	0.0	0.0	0.0	0.0	0.0
Other accruals short-term	0.0	0.0	0.1	0.1	0.1
Accounts payable	43.1	77.1	112.6	143.5	173.4
Other liabilities	26.0	30.9	23.0	23.0	23.0
Total equity and liabilities	151.7	452.9	335.5	313.3	357.1

Source: Company information, Bankhaus Lampe Research estimates

HelloFresh SE – Balance sheet structure

Assets	2016	2017	2018e	2019e	2020e
Fixed assets	39.8%	14.6%	27.3%	38.6%	40.3%
Property, plant and equipment	25.2%	8.2%	18.7%	29.4%	32.2%
Intangible assets	4.1%	2.0%	2.7%	2.9%	2.6%
Current assets	60.2%	85.4%	72.7%	61.4%	59.7%
Inventories	6.7%	3.0%	5.6%	7.6%	8.1%
Accounts receivable	6.1%	3.1%	7.5%	10.2%	10.8%
Cash	37.9%	75.0%	55.5%	39.1%	36.9%
Equity and liabilities					
Shareholders' equity	13.6%	67.0%	52.6%	34.8%	29.0%
Non-current liabilities	40.8%	9.2%	6.9%	12.0%	16.0%
Pension provisions	-	-	-	-	-
Long-term financial debt	30.6%	6.5%	0.0%	0.0%	0.0%
Current liabilities	45.6%	23.8%	40.4%	53.2%	55.0%
Short-term debt	-	-	-	-	-
Accounts payable	28.4%	17.0%	33.5%	45.8%	48.6%

Source: Company information, Bankhaus Lampe Research estimates

HolidayCheck Group AG

Online booking continues to rise, customer experience improving

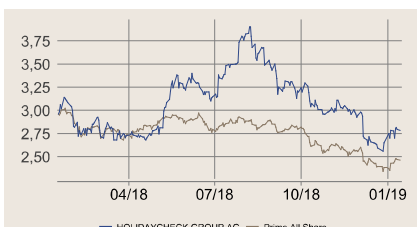
17/01/2019

Buy (Hold)
4.00 EUR (3.50 EUR)

Close 14/01/2019 2.79 EUR
Bloomberg: HOC GY WKN: 549532
Sector Technology

Share price performance

52 week high	3.90 EUR
52 week low	2.56 EUR
Compared to Prime All Share	
YTD	1.7%
1 month	4.5%
12 months	12.5%



Share data

EV (m EUR; 2019)	136.3
Market Cap (m EUR)	161.7
No. of shares (m)	58.1
Free float	38.6%

Next event

Capital Market Day	12/02/2019
--------------------	------------

Change in model

	Sales	EBIT	EPS
2018e	-	33.7%	36.8%
2019e	-	5.6%	5.3%
2020e	-	3.8%	3.4%

Analyst

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See end of document for disclaimer.

The latest numbers clearly show that HolidayCheck is able to improve margins and leverage the business. In terms of structure, 66% of package holidays are still booked offline in Germany. We love the traditional travel agent, but it has long been declared a dying breed, and in a digitalised world, online booking is set to gain market share. We have raised our price target from € 3.50 to € 4.00 and upgrade our rating from Hold to BUY.

INVESTMENT CASE

Booking a package holiday online is still much too complicated today due to a lack of convenience and a lack of trust in online players. HolidayCheck is determined to make its processes more customer-friendly. One of the group's key advantages is the successful combination of platform and pipeline business, and we believe this represents a sustainable competitive edge. The company is continuously improving the booking experience, adding features such as new vacancy checks, a direct flight filter, a passion search and an empty offer list in order to increase the conversion rate. A cruise platform and helping couples to find the perfect vacation are also drivers of growth, and the improved features also include the display of actual prices rather than "starting from" prices. In addition, HolidayCheck is bent on building the best team in the travel industry with the greatest talents ensuring it is always one step ahead.

CATALYSTS

HolidayCheck will host a Capital Market Day on 12 February. Insights into the different areas of business should provide evidence of the company's growth potential.

VALUATION

Our price target is based on a DCF model. The P/E for 2018e and 2019e is not meaningful at this point, in our view, as HolidayCheck is prioritising market share gains – an approach that boosts marketing expenses.

in m EUR	2016	2017	2018e	2019e	2020e
Sales	107.3	121.6	136.2	149.8	164.8
EBIT	-3.0	-5.7	2.8	5.7	11.0
EBIT margin	-2.8%	-4.7%	2.0%	3.8%	6.7%
Net financial debt	-40.0	-26.1	-23.7	-26.8	-33.9
Free cash flow	-3.9	-9.6	-4.5	3.1	7.1
EPS (in EUR)	-0.05	-0.10	0.03	0.07	0.14
DPS (in EUR)	0.00	0.00	0.00	0.00	0.00
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%
EV/sales	0.9	1.1	1.0	0.9	0.8
EV/EBIT	33.9	695.1	14.2	11.0	7.2
P/E	-46.4	-26.8	78.5	38.7	19.7

Source: Company information, Bankhaus Lampe Research estimates

Company overview

SWOT

Strengths/Opportunities

- Following the disposals, the company focuses on travel
- Travel is also undergoing a structural shift from offline to online
- HolidayCheck is posting growth and should be enhanced by further acquisitions
- Comfortable liquidity position

MANAGEMENT

- Georg Hesse (CEO)
- Markus Scheuermann (CFO)
- Nate Glissmeyer (COO)

SHORT-TERM GUIDANCE

- 2018: Sales revenue growth between 10% and 14%
- 2018: operational EBITDA between € 7 m and € 10 m

HISTORICAL P/B



COMPANY EVENTS

Next event: 12/02/2019 Capital Market Day

KEY RATIOS

	16	17	18e	19e	20e
R&D/Sales	-	-	-	-	-
Capex/Sales	7.5%	6.2%	4.6%	4.5%	4.2%
Capex/Depreciation	1.4	1.3	1.0	1.0	1.0
ROCE	0.0%	0.0%	1.9%	3.8%	7.4%
Free cash flow yield	-2.9%	-5.9%	-2.6%	1.8%	4.1%
Equity ratio	86.1%	86.1%	85.0%	84.9%	85.0%
Net debt / equity	-24%	-17%	-15%	-16%	-20%
Net debt / EBITDA	-14.2	-132.6	-2.6	-2.2	-1.9
Interest cover	-8.2	< -10	0.0	0.0	0.0

Weaknesses/Threats (Risks)

- Economic downturn could lead to fewer bookings in Travel business
- Marketing measures must be designed flexibly depending on competition
- Must always have state-of-the-art technology

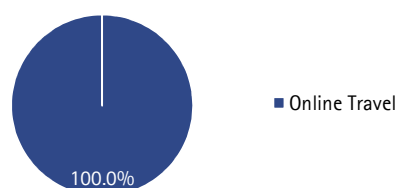
COMPANY BACKGROUND

HolidayCheck Group AG is an online travel business. It engages in the development and operation of systems, content and communication solutions for the travel sector.

MEDIUM-TERM GUIDANCE

- Sustainable double-digit growth
- Operating EBITDA margin of 15% (max.)

REVENUE BREAKDOWN (LAST ACTUAL YEAR)



MAJOR SHAREHOLDERS (%)

Burda	61.9
HolidayCheck Group	2.4
Acatis	1.8

BHL VS. CONSENSUS

	18e	19e	20e
Sales (in m EUR)			
BHL	136.2	149.8	164.8
Consensus	138.6	153.3	169.4
EBIT (in m EUR)			
BHL	2.8	5.7	11.0
Consensus	2.1	4.9	9.6
EPS (EUR)			
BHL	0.03	0.07	0.14
Consensus	0.03	0.07	0.14

Source: Company information, FactSet, BHL estimates

Key figures

HolidayCheck Group AG – Income statement

in m EUR	2016	2017	2018e	2019e	2020e
Sales	107.3	121.6	136.2	149.8	164.8
Own work capitalised	3.9	3.2	3.6	3.6	3.6
Total sales	111.2	124.8	139.8	153.4	168.4
Material expenses	-54.0	-60.7	-65.1	-74.9	-82.4
Personnel expenses	-32.4	-38.0	-39.0	-40.0	-41.0
Unusual or infrequent items	0.0	0.0	0.0	0.0	0.0
Other operating result	-22.0	-25.8	-26.4	-26.1	-27.1
EBITDA	2.8	0.2	9.3	12.4	17.9
Depreciation	5.8	5.9	6.5	6.7	6.9
EBITA	-3.0	-5.7	2.8	5.7	11.0
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0
EBIT	-3.0	-5.7	2.8	5.7	11.0
Financial result	0.2	-0.2	-0.2	-0.2	-0.2
Income on ordinary activities	-2.8	-5.9	2.6	5.5	10.8
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0
EBT	-2.8	-5.9	2.6	5.5	10.8
Taxes	0.3	-0.4	-0.6	-1.4	-2.7
Net income from cont. operations	-2.5	-6.3	1.9	4.1	8.1
Net income from disc. operations	-0.4	0.3	0.0	0.0	0.0
Minority interest	0.0	0.0	0.0	0.0	0.0
Net income (adj.)	-2.9	-5.9	1.9	4.1	8.1
No. of shares	58.3	57.2	57.2	57.2	57.2
EPS	-0.05	-0.10	0.03	0.07	0.14

Source: Company information, Bankhaus Lampe Research estimates

	2016	2017	2018e	2019e	2020e
Gross margin	49.7%	50.0%	52.2%	50.0%	50.0%
EBITDA margin	2.6%	0.2%	6.8%	8.3%	10.9%
EBITA margin	-2.8%	-4.7%	2.0%	3.8%	6.7%
EBIT margin	-2.8%	-4.7%	2.0%	3.8%	6.7%
EBT margin	-2.6%	-4.9%	1.9%	3.7%	6.5%
Net profit margin	-2.7%	-4.9%	1.4%	2.7%	4.9%
Tax rate	9.2%	-6.0%	25.0%	25.0%	25.0%

Source: Company information, Bankhaus Lampe Research estimates

Growth rates yoy	2016	2017	2018e	2019e	2020e
Sales	2.8%	13.3%	12.0%	10.0%	10.0%
EBITDA	75.1%	-93.0%	>100%	33.6%	44.3%
EBIT	79.6%	-94.3%	-	>100%	93.0%
EBT	83.1%	<-100%	-	>100%	96.4%
Net income (adj.)	-	<-100%	-	>100%	96.4%
EPS	-	<-100%	-	>100%	96.4%

Source: Company information, Bankhaus Lampe Research estimates

HolidayCheck Group AG – Balance sheet

Assets (in m EUR)	2016	2017	2018e	2019e	2020e
Fixed assets	133.5	134.5	134.3	134.3	134.3
Property, plant and equipment	2.8	3.0	2.7	2.7	2.7
Intangible assets	129.1	130.1	130.0	130.0	130.0
Financial assets	0.0	0.0	0.0	0.0	0.0
Other long-term assets	1.6	1.5	1.6	1.6	1.6
Current assets	58.9	47.8	52.7	57.8	66.9
Inventories	0.0	0.0	0.0	0.0	0.0
Accounts receivable	15.2	19.5	25.0	27.0	29.0
Other current assets	3.7	2.2	4.0	4.0	4.0
Securities	0.0	0.0	0.0	0.0	0.0
Cash	40.1	26.2	23.7	26.8	33.9
Total assets	192.5	182.3	187.0	192.1	201.2
Equity and liabilities in m EUR					
Shareholders' equity	165.7	157.0	158.9	163.0	171.1
Shareholders' equity (before minority)	165.7	157.0	158.9	163.0	171.1
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	7.8	8.7	10.9	10.9	10.9
Pension provisions	1.4	1.3	1.4	1.4	1.4
Other provisions	0.0	0.0	0.0	0.0	0.0
Long-term financial debt	0.0	0.0	0.0	0.0	0.0
Other long-term debt	6.4	7.4	9.5	9.5	9.5
Current liabilities	19.0	16.7	17.2	18.2	19.2
Short-term debt	0.0	0.0	0.0	0.0	0.0
Other accruals short-term	0.4	0.2	0.2	0.2	0.2
Accounts payable	12.0	11.7	12.0	13.0	14.0
Other liabilities	6.6	4.8	5.0	5.0	5.0
Total equity and liabilities	192.5	182.3	187.0	192.1	201.2

Source: Company information, Bankhaus Lampe Research estimates

HolidayCheck Group AG – Balance sheet structure

Assets	2016	2017	2018e	2019e	2020e
Fixed assets	69.4%	73.8%	71.8%	69.9%	66.7%
Property, plant and equipment	1.4%	1.6%	1.4%	1.4%	1.3%
Intangible assets	67.1%	71.3%	69.5%	67.7%	64.6%
Current assets	30.6%	26.2%	28.2%	30.1%	33.3%
Inventories	0.0%	0.0%	0.0%	0.0%	0.0%
Accounts receivable	7.9%	10.7%	13.4%	14.1%	14.4%
Cash	20.8%	14.3%	12.7%	14.0%	16.9%
Equity and liabilities					
Shareholders' equity	86.1%	86.1%	85.0%	84.9%	85.0%
Non-current liabilities	4.1%	4.8%	5.8%	5.7%	5.4%
Pension provisions	0.7%	0.7%	0.7%	0.7%	0.7%
Long-term financial debt	0.0%	0.0%	0.0%	0.0%	0.0%
Current liabilities	9.9%	9.2%	9.2%	9.5%	9.5%
Short-term debt	0.0%	0.0%	0.0%	0.0%	0.0%
Accounts payable	6.2%	6.4%	6.4%	6.8%	7.0%

Source: Company information, Bankhaus Lampe Research estimates

Home24 SE

Making a home from home

17/01/2019

Buy (Buy)
21.00 EUR (24.00 EUR)

Close 15/01/2019 11.20 EUR
Bloomberg: H24 GY WKN: A14KEB
Sector Retail

Share price performance

52 week high 31.49 EUR
52 week low 10.00 EUR
Compared to SDAX
YTD -5.1%
1 month -19.4%
12 months -



Share data

EV (m EUR; 2019) 248.9
Market Cap (m EUR) 291.2
No. of shares (m) 26.0
Free float 51.3%

Next event

Annual Results 25/04/2019

Change in model

	Sales	EBITDA	EPS
2018e	-2.5%	-8.1%	-5.3%
2019e	-5.8%	n.m.	-4.6%
2020e	-7.0%	n.m.	-0.4%

Analyst

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See end of document for disclaimer.

Home24 is the largest pure-play online retailer for furniture in Europe and Brazil. The company offers exposure to one of the fastest growing e-commerce categories and is on a clear path to profitability. We forecast annual revenue growth of 22% (CAGR_{2017-21e}) and expect it to break even in terms of adjusted EBITDA level in Q4 2019. For the longer term, we forecast an adjusted EBITDA margin of 12%.

INVESTMENT CASE

The combination of the largest product offering compared with stationary retailers and higher-margin private label products puts Home24 in a strong market position. In contrast to apparel (15%) and household goods (20%), online penetration in the German furniture market is still relatively low at only 7%, according to the German E-Commerce and Distance Trade Association (BEVH). However, this trend has changed and furniture and home textiles are now among the fastest growing e-commerce categories in Germany (CAGR₂₀₁₄₋₁₇: 18-20%). Compared with the digital frontrunners USA (14%), United Kingdom (12%) and the Netherlands (12%), online penetration in the Home24 markets of 4.8% also holds enormous catch-up potential according to data from Euromonitor International. Consequently, we see a huge market potential for Home24 in online furniture.

CATALYSTS

- In our view, revenue growth should reaccelerate from 15% in 2018 to 24% in 2019 due to lower comparable numbers in 2018.
- Furthermore, we expect a continuous loss reduction and adjusted EBITDA to break-even in Q4 2019.

VALUATION

Due to the recent adjustment in the management's 2018 revenue guidance we have taken less aggressive growth assumptions and reduced our earnings estimates. Based on our DCF model, we now calculate a new fair value of € 21.00.

in m EUR	2016	2017	2018e	2019e	2020e
Sales	243.7	275.7	315.4	390.3	481.4
EBITDA	-46.4	-33.9	-48.2	-35.1	-14.3
EBITDA margin	-19.0%	-12.3%	-15.3%	-9.0%	-3.0%
Net financial debt	-34.0	-17.9	-74.1	-30.9	-8.5
Free cash flow	-51.8	-40.8	-58.8	-43.3	-22.3
EPS (in EUR)	0.00	0.00	-2.75	-2.33	-1.61
DPS (in EUR)	0.00	0.00	0.00	0.00	0.00
Dividend yield	-	-	0.0%	0.0%	0.0%
EV/sales	-	-	0.6	0.6	0.6
EV/EBITDA	-	-	-4.2	-7.1	-19.0
P/E	-	-	-4.1	-4.8	-7.0

Source: Company information, Bankhaus Lampe Research estimates

Company overview

SWOT

Strengths/Opportunities

- Relative profitability advantage through mix of a large product assortment and high margin private label products
- Strong market position in competitive environment
- Huge catch-up potential in the structural shift from offline to online
- International expansion to new regions

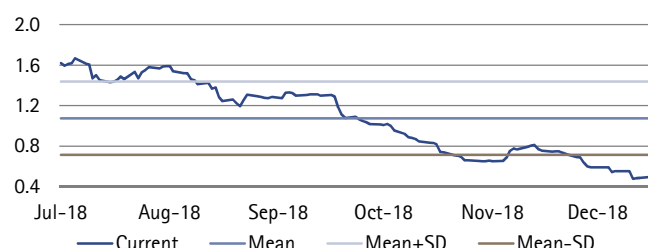
MANAGEMENT

- Marc Appelhoff
- Christoph Cordes
- Philipp Kreibohm
- Johannes Schaback

SHORT-TERM GUIDANCE

- FX-adjusted revenue growth of 20-25% in 2018e

HISTORICAL P/E



COMPANY EVENTS

Next event: 25/04/2019 Annual Results

KEY RATIOS

	16	17	18e	19e	20e
R&D/Sales	-	-	-	-	-
Capex/Sales	6.0%	5.2%	5.7%	4.9%	4.2%
Capex/Depreciation	4.1	4.5	2.0	1.9	1.9
ROCE	-94.6%	-94.9%	-43.3%	-59.2%	-70.1%
Free cash flow yield	-	-	-20.3%	-14.9%	-7.7%
Equity ratio	47.6%	39.0%	48.5%	27.9%	9.0%
Net debt / equity	-56%	-38%	-61%	-51%	-47%
Net debt / EBITDA	0.7	0.5	1.5	0.9	0.6
Interest cover	< -10	< -10	< -10	< -10	-8.2

Weaknesses/Threats (Risks)

- Currency risk from Brazilian real
- Irrational price competition
- Difficulties with warehouses logistics or price increases for delivery
- Share overhang from Rocket Internet and Kinnevik

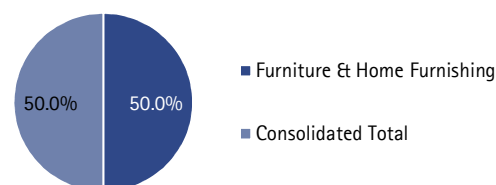
COMPANY BACKGROUND

Founded in 2009, Home24 has evolved to the market leader among European pure-plays for online furniture retail. Including Brazil, Home24 operates in eight countries, has more than one million customers and offers more than 100,000 storage keeping units (SKUs).

MEDIUM-TERM GUIDANCE

- FX-adjusted revenue growth of at least 30%
- Break-even at adjusted EBITDA level by the end of 2019

REVENUE BREAKDOWN (LAST ACTUAL YEAR)



MAJOR SHAREHOLDERS (%)

Rocket Internet	28.8
Kinnevik AB (Investment Company)	11.9
MainFirst Bank AG (Investment Management)	9.5

BHL VS. CONSENSUS

	18e	19e	20e
Sales (in m EUR)			
BHL	315.4	390.3	481.4
Consensus	318.5	398.5	498.9
EBITDA (in m EUR)			
BHL	-48.2	-35.1	-14.3
Consensus	-39.7	-20.1	-0.2
EPS (EUR)			
BHL	-2.75	-2.33	-1.61
Consensus	-2.51	-1.70	-1.03

Source: Company information, FactSet, BHL estimates

Key figures

Home24 SE – Income statement

in m EUR	2016	2017	2018e	2019e	2020e
Sales	243.7	275.7	315.4	390.3	481.4
Cost of sales	-141.7	-152.6	-174.4	-210.7	-253.2
Gross profit	102.0	123.1	141.0	179.6	228.3
Sales and marketing	-114.4	-123.7	-160.4	-183.6	-209.7
General and administration	-44.0	-46.7	-48.4	-52.8	-56.6
Research and development	0.0	0.0	0.0	0.0	0.0
Other operating result	-1.3	0.6	0.6	0.8	1.0
EBITDA	-46.4	-33.9	-48.2	-35.1	-14.3
Depreciation	3.6	3.2	9.0	9.9	10.8
EBITA	-50.0	-37.0	-57.2	-45.0	-25.1
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	7.7	9.8	10.0	11.0	12.0
EBIT	-57.7	-46.8	-67.2	-56.0	-37.1
Financial result	-1.9	-3.2	-4.3	-4.5	-4.7
Income on ordinary activities	-59.6	-50.0	-71.5	-60.5	-41.8
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0
EBT	-59.6	-50.0	-71.5	-60.5	-41.8
Taxes	-0.3	0.2	0.0	0.0	0.0
Net income from cont. operations	-60.0	-49.8	-71.5	-60.5	-41.8
Net income from disc. operations	0.0	0.0	0.0	0.0	0.0
Minority interest	0.0	0.0	0.0	0.0	0.0
Net income (adj.)	-60.0	-49.8	-71.5	-60.5	-41.8
No. of shares	0.0	0.0	26.0	26.0	26.0
EPS (in EUR)	-	-	-2.75	-2.33	-1.61

Source: Company information, Bankhaus Lampe Research estimates

	2016	2017	2018e	2019e	2020e
Gross margin	41.9%	44.6%	44.7%	46.0%	47.4%
EBITDA margin	-19.0%	-12.3%	-15.3%	-9.0%	-3.0%
EBITA margin	-20.5%	-13.4%	-18.1%	-11.5%	-5.2%
EBIT margin	-23.7%	-17.0%	-21.3%	-14.4%	-7.7%
EBT margin	-24.5%	-18.1%	-22.7%	-15.5%	-8.7%
Net profit margin	-24.6%	-18.1%	-22.7%	-15.5%	-8.7%
Tax rate	-0.6%	0.3%	0.0%	0.0%	0.0%

Source: Company information, Bankhaus Lampe Research estimates

Growth rates yoy	2016	2017	2018e	2019e	2020e
Sales	4.3%	13.1%	14.4%	23.7%	23.4%
EBITDA	39.9%	27.0%	-42.3%	27.0%	59.3%
EBIT	29.3%	19.0%	-43.7%	16.6%	33.8%
EBT	29.2%	16.2%	-43.1%	15.3%	31.0%
Net income (adj.)	29.5%	16.9%	-43.5%	15.3%	31.0%
EPS	0,0%	0,0%	0,0%	15.3%	31.0%

Source: Company information, Bankhaus Lampe Research estimates

Home24 SE – Balance sheet

Assets (in m EUR)	2016	2017	2018e	2019e	2020e
Fixed assets	52.7	56.6	88.8	86.9	84.1
Property, plant and equipment	8.3	8.1	1.1	-6.8	-15.6
Intangible assets	38.9	43.5	82.7	88.7	94.7
Financial assets	0.1	0.1	0.1	0.1	0.1
Other long-term assets	5.4	4.9	4.9	4.9	4.9
Current assets	75.6	64.5	159.9	128.3	120.1
Inventories	27.1	29.6	34.7	42.9	53.0
Accounts receivable	10.9	12.8	14.2	17.6	21.7
Other current assets	3.6	2.3	2.4	2.4	2.4
Securities	0.0	0.0	0.0	0.0	0.0
Cash	34.0	19.9	108.6	65.4	43.0
Total assets	128.3	121.1	248.7	215.2	204.2
Equity and liabilities (in m EUR)					
Shareholders' equity	61.0	47.3	120.7	60.1	18.4
Shareholders' equity (before minority)	71.4	58.7	132.1	71.5	29.8
Minorities	-10.4	-11.4	-11.4	-11.4	-11.4
Non-current liabilities	3.9	3.9	29.5	29.5	29.5
Pension provisions	0.0	0.0	0.0	0.0	0.0
Other provisions	0.6	0.9	1.0	1.0	1.0
Long-term financial debt	0.0	0.0	25.5	25.5	25.5
Other long-term debt	3.3	3.0	3.0	3.0	3.0
Current liabilities	63.4	69.9	98.5	125.5	156.3
Short-term debt	0.0	2.0	9.0	9.0	9.0
Other accruals short-term	10.1	14.2	15.8	19.5	24.1
Accounts payable	45.4	45.6	50.5	60.5	72.2
Other liabilities	7.9	8.1	23.3	36.5	51.0
Total equity and liabilities	128.3	121.1	248.7	215.2	204.2

Source: Company information, Bankhaus Lampe Research estimates

Home24 SE – Balance sheet structure

Assets	2016	2017	2018e	2019e	2020e
Fixed assets	41.1%	46.7%	35.7%	40.4%	41.2%
Property, plant and equipment	6.5%	6.7%	0.4%	-3.2%	-7.6%
Intangible assets	30.3%	35.9%	33.3%	41.2%	46.4%
Current assets	58.9%	53.3%	64.3%	59.6%	58.8%
Inventories	21.1%	24.4%	14.0%	19.9%	25.9%
Accounts receivable	8.5%	10.6%	5.7%	8.2%	10.6%
Cash	26.5%	16.4%	43.7%	30.4%	21.1%
Equity and liabilities					
Shareholders' equity	47.6%	39.0%	48.5%	27.9%	9.0%
Non-current liabilities	3.0%	3.2%	11.9%	13.7%	14.4%
Pension provisions	-	-	-	-	-
Long-term financial debt	0.0%	0.0%	10.3%	11.8%	12.5%
Current liabilities	49.4%	57.7%	39.6%	58.3%	76.6%
Short-term debt	0.0%	1.7%	3.6%	4.2%	4.4%
Accounts payable	35.4%	37.7%	20.3%	28.1%	35.4%

Source: Company information, Bankhaus Lampe Research estimates

JOST Werke AG

Full-year results set to be positive, outlook promising

17/01/2019

Buy (Buy)
49.00 EUR (49.00 EUR)

Close 14/01/2019 28.00 EUR
 Bloomberg: JST GY WKN: JST400
 Sector Automotive

Share price performance

52 week high 44.30 EUR
 52 week low 25.10 EUR
 Compared to SDAX
 YTD 1.5%
 1 month 3.3%
 12 months -14.5%



Share data

EV (m EUR; 2019) 507.5
 Market Cap (m EUR) 417.2
 No. of shares (m) 14.9
 Free float 100.0%

Next event

Preliminary Results 28/02/2019

Change in model

	Sales	EBIT	EPS
2018e	-	-	-
2019e	-	-	-
2020e	-	-	-

Analyst

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See end of document for disclaimer.

Jost had a strong 2018, and we see no justification for the recent share price decline. We believe the company gets lumped together with automotive suppliers who are struggling with problems regardless of the fact that it operates in a different industry (trucks & trailers). WLTP, for instance, has no impact on Jost. We expect to see good preliminary full-year figures on 28 February 2019. Consequently, we regard the share price decline as a good buying opportunity.

INVESTMENT CASE

We expect to see strong figures for FY 2018, and the outlook for the current year is also promising, in our view. We see two key factors driving the good performance:

- Jost should continue to benefit from the positive trends in the truck & trailer markets in Europe (Jan-Nov: EU HCV truck registrations +3.2%) and the US. In particular, the growth in the US (Jan-Nov: truck net orders + 85% / trailer net orders + 45%) should help Jost to increase its top-line figure, and we expect the company to gain further market share. The positive trend is set to persist in 2019. Our channel checks indicate that some US truck and trailer OEMs already have full order books for 2019.
- The new regulations in America and China (e.g. overload ban) should lead to increased replacement demand. The trend towards high-value products, especially in Asia, should positively impact Jost's performance. The company is mainly active in the premium segment, which is expected to grow by 15-20% (BHL) in Asia in the coming years.

CATALYSTS

- Positive news about the truck & trailer markets and steel price trends
- We expect good preliminary FY 2018 results on 28 February 2019

VALUATION

Our price target of € 49.00 is based on a DCF model and supported by a cash-flow yield model, with fair values ranging from € 44.91 in 2018 to € 60.03 in 2020.

in m EUR	2016	2017	2018e	2019e	2020e
Sales	633.9	701.3	749.1	785.5	829.0
EBIT	33.1	46.7	55.1	59.5	65.1
EBIT margin	5.2%	6.7%	7.4%	7.6%	7.9%
Net financial debt	272.2	111.6	74.9	23.8	-30.4
Free cash flow	40.5	49.2	40.0	68.5	67.2
EPS (in EUR)	0.00	-4.22	3.19	2.72	2.98
DPS (in EUR)	0.00	0.50	1.30	1.10	1.20
Dividend yield	-	1.2%	4.9%	3.9%	4.3%
EV/sales	-	1.1	0.7	0.6	0.6
EV/EBIT	-	17.1	9.6	8.5	7.0
P/E	-	-10.0	8.3	10.3	9.4

Source: Company information, Bankhaus Lampe Research estimates

Company overview

SWOT

Strengths/Opportunities

- Market leader for fifth wheels (global market share of 54%)
- Market leader for landing gears (global market share of 56%)
- Long-term customer relationships (33 years on average)

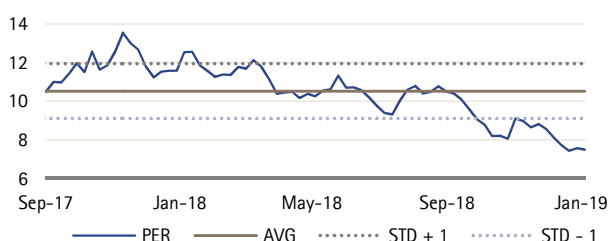
MANAGEMENT

- Lars Brorsen (CEO)
- Christoph Hobo (CFO)
- Dr. Ralf Eichler (COO)

SHORT-TERM GUIDANCE

- High single-digit organic revenue growth
- Mid single-digit adj. EBIT growth / slight adj. EBIT margin increase
- CAPEX: 2.5% of sales

HISTORICAL P/E



COMPANY EVENTS

Next event: 28/02/2019 Preliminary Results

KEY RATIOS

	16	17	18e	19e	20e
R&D/Sales	1.7%	1.5%	1.7%	1.7%	1.6%
Capex/Sales	2.9%	2.7%	2.5%	2.5%	2.5%
Capex/Depreciation	1.8	1.6	1.4	1.4	1.5
ROCE	13.6%	10.4%	11.4%	12.2%	12.6%
Free cash flow yield	-	7.8%	6.4%	10.9%	10.7%
Equity ratio	-22.7%	33.7%	37.8%	40.2%	41.8%
Net debt / equity	-198%	53%	30%	9%	-10%
Net debt / EBITDA	3.7	1.2	0.7	0.2	-0.3
Interest cover	0.8	0.3	4.2	0.0	0.0

Weaknesses/Threats (Risks)

- Dependency on energy and raw material prices
- Risk due to currency effects
- Limited number of suppliers for several products and components

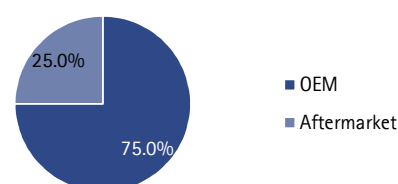
COMPANY BACKGROUND

Jost is one of the world's leading manufacturers and suppliers of safety-relevant systems and components for commercial vehicles (trucks and trailers). Approximately 53% of sales are generated with trailer applications and 47% with truck applications.

MEDIUM-TERM GUIDANCE

- -

REVENUE BREAKDOWN (LAST ACTUAL YEAR)



MAJOR SHAREHOLDERS (%)

Allianz Global Investors GmbH	10.0
Mondrian Investment Partners Ltd.	7.1
Paradice Investment Management Pty Ltd.	5.1

BHL VS. CONSENSUS

	18e	19e	20e
Sales (in m EUR)			
BHL	749.1	785.5	829.0
Consensus	747.2	770.4	789.9
EBIT (in m EUR)			
BHL	55.1	59.5	65.1
Consensus	79.3	85.1	89.5
EPS (EUR)			
BHL	3.19	2.72	2.98
Consensus	3.54	3.47	3.68

Source: Company information, FactSet, BHL estimates

Key figures

JOST Werke AG – Income statement

in m EUR	2016	2017	2018e	2019e	2020e
Sales	633.9	701.3	749.1	785.5	829.0
Cost of sales	-456.1	-508.0	-542.3	-567.9	-599.8
Gross profit	177.8	193.3	206.7	217.6	229.2
Sales and marketing	-82.1	-85.1	-85.5	-89.0	-93.0
General and administration	-54.4	-53.2	-54.5	-57.0	-59.0
Research and development	-10.7	-10.4	-12.5	-13.0	-13.0
Other operating result	2.4	2.1	0.9	0.9	0.9
EBITDA	74.3	90.6	101.1	105.5	111.1
Depreciation	10.3	12.4	13.8	13.8	13.8
EBITA	64.0	78.2	87.3	91.7	97.3
Amortisation of goodwill	25.2	25.6	25.6	25.6	25.6
Amortisation of intangible assets	5.7	5.9	6.6	6.6	6.6
EBIT	33.1	46.7	55.1	59.5	65.1
Financial result	-35.2	-146.7	-10.0	-2.5	-2.5
Income on ordinary activities	-2.2	-100.0	45.1	57.0	62.6
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0
EBT	-2.2	-100.0	45.1	57.0	62.6
Taxes	-13.1	37.1	2.4	-16.5	-18.2
Net income from cont. operations	-15.2	-62.8	47.5	40.5	44.5
Net income from disc. operations	0.0	0.0	0.0	0.0	0.0
Minority interest	0.0	0.0	0.0	0.0	0.0
Net income (adj.)	-15.2	-62.8	47.5	40.5	44.5
No. of shares	0.0	14.9	14.9	14.9	14.9
EPS (in EUR)	-	-4.22	3.19	2.72	2.98

Source: Company information, Bankhaus Lampe Research estimates

	2016	2017	2018e	2019e	2020e
Gross margin	28.1%	27.6%	27.6%	27.7%	27.7%
EBITDA margin	11.7%	12.9%	13.5%	13.4%	13.4%
EBITA margin	10.1%	11.1%	11.7%	11.7%	11.7%
EBIT margin	5.2%	6.7%	7.4%	7.6%	7.9%
EBT margin	-0.3%	-14.3%	6.0%	7.3%	7.6%
Net profit margin	-2.4%	-9.0%	6.3%	5.2%	5.4%
Tax rate	-604.6%	37.1%	-5.3%	29.0%	29.0%

Source: Company information, Bankhaus Lampe Research estimates

Growth rates yoy	2016	2017	2018e	2019e	2020e
Sales	0,0%	10.6%	6.8%	4.9%	5.5%
EBITDA	0,0%	21.9%	11.7%	4.3%	5.3%
EBIT	0,0%	41.3%	18.0%	7.9%	9.5%
EBT	0,0%	<-100%	-	26.2%	9.9%
Net income (adj.)	0,0%	<-100%	-	-14.9%	9.9%
EPS	0,0%	0,0%	-	-14.9%	9.9%

Source: Company information, Bankhaus Lampe Research estimates

JOST Werke AG – Balance sheet

Assets (in m EUR)	2016	2017	2018e	2019e	2020e
Fixed assets	365.9	336.7	326.1	298.7	272.7
Property, plant and equipment	80.1	80.0	85.0	90.8	97.7
Intangible assets	261.5	232.1	199.9	167.7	135.5
Financial assets	0.1	0.0	0.0	0.0	0.0
Other long-term assets	24.1	24.6	41.2	40.2	39.5
Current assets	238.5	285.3	334.6	373.8	441.8
Inventories	90.4	96.9	108.9	116.2	122.6
Accounts receivable	90.1	105.9	113.1	114.1	120.4
Other current assets	9.8	15.5	16.6	17.4	18.3
Securities	1.1	0.7	1.0	0.0	0.0
Cash	47.2	66.3	95.1	126.2	180.4
Total assets	604.4	622.0	660.7	672.6	714.5
Equity and liabilities (in m EUR)					
Shareholders' equity	-137.4	209.3	249.4	270.5	298.6
Shareholders' equity (before minority)	-137.4	209.3	249.4	270.5	298.6
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	641.4	295.8	296.1	282.2	289.5
Pension provisions	60.7	59.3	63.4	66.5	70.2
Other provisions	3.0	2.6	2.7	2.9	3.0
Long-term financial debt	314.0	177.8	170.0	150.0	150.0
Other long-term debt	263.7	56.1	59.9	62.9	66.3
Current liabilities	100.4	116.9	115.2	119.8	126.5
Short-term debt	6.5	0.8	1.0	0.0	0.0
Other accruals short-term	16.7	20.7	22.2	23.2	24.5
Accounts payable	57.7	72.6	67.7	71.0	75.0
Other liabilities	19.5	22.8	24.4	25.6	27.0
Total equity and liabilities	604.4	622.0	660.7	672.5	714.6

Source: Company information, Bankhaus Lampe Research estimates

JOST Werke AG – Balance sheet structure

Assets	2016	2017	2018e	2019e	2020e
Fixed assets	60.5%	54.1%	49.4%	44.4%	38.2%
Property, plant and equipment	13.3%	12.9%	12.9%	13.5%	13.7%
Intangible assets	43.3%	37.3%	30.3%	24.9%	19.0%
Current assets	39.5%	45.9%	50.6%	55.6%	61.8%
Inventories	15.0%	15.6%	16.5%	17.3%	17.2%
Accounts receivable	14.9%	17.0%	17.1%	17.0%	16.8%
Cash	7.8%	10.7%	14.4%	18.8%	25.3%
Equity and liabilities					
Shareholders' equity	-22.7%	33.7%	37.8%	40.2%	41.8%
Non-current liabilities	106.1%	47.6%	44.8%	42.0%	40.5%
Pension provisions	10.0%	9.5%	9.6%	9.9%	9.8%
Long-term financial debt	52.0%	28.6%	25.7%	22.3%	21.0%
Current liabilities	16.6%	18.8%	17.4%	17.8%	17.7%
Short-term debt	1.1%	0.1%	0.2%	-	-
Accounts payable	9.5%	11.7%	10.2%	10.6%	10.5%

Source: Company information, Bankhaus Lampe Research estimates

Leifheit AG

2019 will be a year of transformation

17/01/2019

Hold (Hold)
20.50 EUR (17.50 EUR)

Close 14/01/2019 22.80 EUR
Bloomberg: LEI GY WKN: 646450
Sector Consumer

Share price performance

52 week high 29.60 EUR
52 week low 14.84 EUR
Compared to Prime All Share
YTD 25.0%
1 month 24.5%
12 months -4.5%



Share data

EV (m EUR; 2019) 237.0
Market Cap (m EUR) 216.8
No. of shares (m) 9.5
Free float 76.7%

Next event

Annual Results 28/03/2019

Change in model

	Sales	EBIT	EPS
2018e	-	-	-
2019e	-	-	-
2020e	1.2%	21.1%	22.9%

Analyst

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See end of document for disclaimer.

In our view, 2019 will be a year of transformation for Leifheit, needed to implement the adjusted strategy. We therefore expect additional costs and an EBIT below 2018. Management confirmed again that Leifheit will be a reliable dividend payer. The share is trading at a dividend yield of 4.6%. We therefore see only limited downside risk for the share. Nevertheless, based on our forecasts and our view on the markets, it is too early to re-enter the story. We confirm our HOLD rating for the stock.

INVESTMENT CASE

Product innovations and creating a link between the online and offline sales and distribution channels are essential for a successful business development at Leifheit. The adjusted strategy therefore focuses on four main areas: digitalisation, innovation, internationalisation and efficiency. These efforts are associated with complex processes that will take time.

The market environment offers clear growth opportunities in the medium term. The key drivers include digitalisation, e-commerce, convenience, demographic change, health and/or technological change. We assume that Leifheit is targeting these opportunities but will incur the corresponding costs in particular in 2019, which means EBIT in 2019 could fall below the 2018 figure. It will also be necessary for Leifheit to communicate with the capital market in a more reliable manner.

CATALYSTS

Leifheit is due to report its 2018 figures on 28 March 2019. The guidance for 2019 may be perceived as disappointing by some market participants, but the dividend yield should stabilise the share price.

VALUATION

Our DCF model is still based on the assumption that Leifheit is able to generate a sustainable EBIT margin of 8%. In a blue-sky scenario, a brand like Leifheit should also be able to generate double-digit profitability.

in m EUR	2016	2017	2018e	2019e	2020e
Sales	237.1	236.8	241.5	245.4	252.8
EBIT	22.1	18.8	13.2	12.0	17.0
EBIT margin	9.3%	8.0%	5.5%	4.9%	6.7%
Net financial debt	-69.5	-57.2	-54.2	-51.4	-52.2
Free cash flow	-5.7	-3.5	4.5	7.2	10.8
EPS (in EUR)	1.53	1.35	0.90	0.80	1.17
DPS (in EUR)	1.45	1.05	1.05	1.05	1.05
Dividend yield	5.1%	3.8%	5.9%	4.6%	4.6%
EV/sales	1.1	1.2	0.8	1.0	0.9
EV/EBIT	12.2	14.7	14.1	19.8	13.9
P/E	18.5	20.6	19.8	28.5	19.4

Source: Company information, Bankhaus Lampe Research estimates

Company overview

SWOT

Strengths/Opportunities

- Leading positions in Germany and many Western European markets
- Non-cyclical business with brands for everyday consumer goods
- Strong balance sheet with >€ 50 m in cash permits M&A without dilution

MANAGEMENT

- Ivo Huhmann (CFO/CEO ad interim)
- Igor Iraeta Munduate (COO/CEO ad interim)

SHORT-TERM GUIDANCE

- 2018: Turnover on a par with the previous year
- 2018: EBIT € 13-14 m
- 2018: FCF in a range of between € 5 m and € 6 m

HISTORICAL P/E



COMPANY EVENTS

Next event: 28/03/2019 Annual Results

KEY RATIOS

	16	17	18e	19e	20e
R&D/Sales	2.1%	2.2%	2.3%	2.3%	2.2%
Capex/Sales	3.3%	3.3%	3.4%	3.0%	2.9%
Capex/Depreciation	1.3	1.2	1.2	1.1	1.1
ROCE	12.7%	11.2%	7.9%	7.2%	10.1%
Free cash flow yield	-2.1%	-1.3%	2.6%	3.3%	5.0%
Equity ratio	43.7%	43.8%	42.2%	41.2%	41.2%
Net debt / equity	-66%	-58%	-56%	-54%	-54%
Net debt / EBITDA	-2.5	-2.3	-2.7	-2.7	-2.2
Interest cover	0.0	0.0	0.0	9.4	0.0

Weaknesses/Threats (Risks)

- Expansion of international distribution activities necessary
- Reassessment of kitchen segment necessary
- Soehnle requires new positioning
- Pressure from competition in a lot of relevant markets

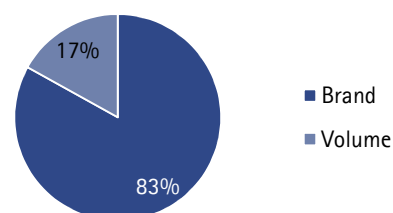
COMPANY BACKGROUND

Leifheit AG is one of Europe's leading producers of household products. Its product portfolio focuses on the core areas of cleaning, laundry care, kitchen products and wellness. Apart from Leifheit, the company's brands also include Soehnle, Birambeau and Herby. The group employs some 1,000 people mostly in Germany, the Czech Republic and France. It was founded in 1959 and is headquartered in Nassau, Germany.

MEDIUM-TERM GUIDANCE

- -

REVENUE BREAKDOWN (LAST ACTUAL YEAR)



MAJOR SHAREHOLDERS (%)

Manuel Knapp Voith	10.0
Alantra	8.2
Nomura	7.3

BHL VS. CONSENSUS

	18e	19e	20e
Sales (in m EUR)			
BHL	241.5	245.4	252.8
Consensus	239.9	244.9	250.2
EBIT (in m EUR)			
BHL	13.2	12.0	17.0
Consensus	13.3	12.7	15.8
EPS (EUR)			
BHL	0.90	0.80	1.17
Consensus	0.90	0.85	1.08

Source: Company information, FactSet, BHL estimates

Key figures

Leifheit AG – Income statement

in m EUR	2016	2017	2018e	2019e	2020e
Sales	237.1	236.8	241.5	245.4	252.8
Cost of sales	-124.5	-126.9	-132.3	-134.0	-136.8
Gross profit	112.6	109.9	109.2	111.4	116.0
Sales and marketing	-70.1	-71.6	-73.7	-74.4	-76.3
General and administration	-16.6	-14.7	-15.3	-15.5	-15.7
Research and development	-5.1	-5.2	-5.6	-5.6	-5.6
Other operating result	1.3	0.5	-1.4	-4.0	-1.4
EBITDA	28.3	25.3	20.0	18.9	24.0
Depreciation	6.2	6.4	6.8	6.9	7.0
EBITA	22.1	18.8	13.2	12.0	17.0
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0
EBIT	22.1	18.8	13.2	12.0	17.0
Financial result	-1.5	-1.2	-1.2	-1.2	-1.2
Income on ordinary activities	20.6	17.7	12.1	10.8	15.8
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0
EBT	20.6	17.7	12.1	10.8	15.8
Taxes	-6.1	-4.8	-3.6	-3.2	-4.7
Net income from cont. operations	14.5	12.9	8.5	7.6	11.2
Net income from discount. operations	0.0	0.0	0.0	0.0	0.0
Minority interest	0.0	0.0	0.0	0.0	0.0
Net income (adj.)	14.5	12.9	8.5	7.6	11.2
No. of shares	9.5	9.5	9.5	9.5	9.5
EPS (in EUR)	1.53	1.35	0.90	0.80	1.17

Source: Company information, Bankhaus Lampe Research estimates

	2016	2017	2018e	2019e	2020e
Gross margin	47.5%	46.4%	45.2%	45.4%	45.9%
EBITDA margin	11.9%	10.7%	8.3%	7.7%	9.5%
EBITA margin	9.3%	8.0%	5.5%	4.9%	6.7%
EBIT margin	9.3%	8.0%	5.5%	4.9%	6.7%
EBT margin	8.7%	7.5%	5.0%	4.4%	6.3%
Net profit margin	6.1%	5.4%	3.5%	3.1%	4.4%
Tax rate	29.4%	27.2%	29.5%	29.5%	29.5%

Source: Company information, Bankhaus Lampe Research estimates

Growth rates yoy	2016	2017	2018e	2019e	2020e
Sales	2.3%	-0.1%	2.0%	1.6%	3.0%
EBITDA	3.3%	-10.8%	-20.6%	-5.9%	27.2%
EBIT	2.2%	-14.8%	-29.7%	-9.7%	42.1%
EBT	1.7%	-14.0%	-31.6%	-10.6%	46.6%
Net income (adj.)	1.4%	-11.4%	-33.8%	-10.6%	46.6%
EPS	1.3%	-11.4%	-33.8%	-10.6%	46.6%

Source: Company information, Bankhaus Lampe Research estimates

Leifheit AG – Balance sheet

Assets (in m EUR)	2016	2017	2018e	2019e	2020e
Fixed assets	68.9	68.3	69.8	70.2	70.6
Property, plant and equipment	36.9	37.8	38.2	38.6	39.0
Intangible assets	19.3	19.6	19.6	19.6	19.6
Financial assets	0.0	0.0	0.0	0.0	0.0
Other long-term assets	12.7	11.0	12.0	12.0	12.0
Current assets	170.6	156.6	160.2	159.4	162.2
Inventories	42.3	44.5	46.0	46.0	46.0
Accounts receivable	48.7	50.8	52.0	54.0	56.0
Other current assets	10.1	4.1	8.0	8.0	8.0
Securities	24.0	29.0	29.0	29.0	29.0
Cash	45.5	28.2	25.2	22.4	23.2
Total assets	239.4	224.9	230.0	229.6	232.8
Equity and liabilities (in m EUR)					
Shareholders' equity	104.6	98.5	97.1	94.7	95.9
Shareholders' equity (before minority)	104.6	98.5	97.1	94.7	95.9
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	76.8	73.3	77.9	77.9	77.9
Pension provisions	70.2	69.5	71.6	71.6	71.6
Other provisions	3.4	2.3	2.3	2.3	2.3
Long-term financial debt	0.0	0.0	0.0	0.0	0.0
Other long-term debt	3.1	1.5	4.0	4.0	4.0
Current liabilities	58.0	53.1	55.0	57.0	59.0
Short-term debt	0.0	0.0	0.0	0.0	0.0
Other accruals short-term	6.5	6.8	7.0	7.0	7.0
Accounts payable	51.2	43.8	45.0	47.0	49.0
Other liabilities	0.3	2.5	3.0	3.0	3.0
Total equity and liabilities	239.4	224.9	230.0	229.6	232.8

Source: Company information, Bankhaus Lampe Research estimates

Leifheit AG – Balance sheet structure

Assets	2016	2017	2018e	2019e	2020e
Fixed assets	28.8%	30.4%	30.3%	30.6%	30.3%
Property, plant and equipment	15.4%	16.8%	16.6%	16.8%	16.8%
Intangible assets	8.0%	8.7%	8.5%	8.5%	8.4%
Current assets	71.2%	69.6%	69.7%	69.4%	69.7%
Inventories	17.7%	19.8%	20.0%	20.0%	19.8%
Accounts receivable	20.3%	22.6%	22.6%	23.5%	24.1%
Cash	19.0%	12.5%	10.9%	9.8%	10.0%
Equity and liabilities					
Shareholders' equity	43.7%	43.8%	42.2%	41.2%	41.2%
Non-current liabilities	32.1%	32.6%	33.9%	33.9%	33.5%
Pension provisions	29.3%	30.9%	31.1%	31.2%	30.8%
Long-term financial debt	0.0%	0.0%	0.0%	0.0%	0.0%
Current liabilities	24.2%	23.6%	23.9%	24.8%	25.3%
Short-term debt	0.0%	0.0%	0.0%	0.0%	0.0%
Accounts payable	21.4%	19.5%	19.6%	20.5%	21.1%

Source: Company information, Bankhaus Lampe Research estimates

Manz AG

Share price ignores fundamental improvements

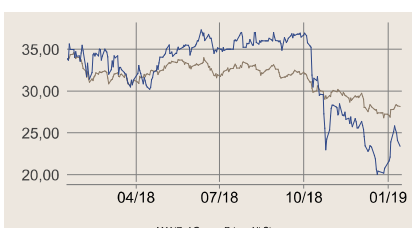
17/01/2019

Buy (Buy)
43.00 EUR (43.00 EUR)

Close 14/01/2019 23.40 EUR
 Bloomberg: M5Z GY WKN: A0JQ5U
 Sector Technology

Share price performance

52 week high 37.30 EUR
 52 week low 20.05 EUR
 Compared to Prime All Share
 YTD 9.4%
 1 month 0.2%
 12 months -16.3%



Share data

EV (m EUR; 2019) 166.6
 Market Cap (m EUR) 181.2
 No. of shares (m) 7.7
 Free float 52.2%

Next event

Annual Results 28/03/2019

Change in model

	Sales	EBIT	EPS
2018e	-	-	-
2019e	-	-	-
2020e	-	-	-

Analyst

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See end of document for disclaimer.

In 2018, the share price was only hit by rising risk aversion among investors. In our view, the company-specific newsflow was very encouraging. In our view. Even though we see some risk that growth may be held back by a cyclical downturn in major end markets, the current valuation is extremely attractive and ignores any progress made over the last two years.

INVESTMENT CASE

After three years of restructuring and clear visibility of profits across all divisions in 2019, the new management appears to place a somewhat stronger focus on growth again. We expect the strongest growth in Energy Storage, albeit from a still low level in 2018. We are confident that the company will exceed the € 40 m revenue threshold required to break even in this division in 2019. In Electronic Devices, the US\$ 90 m display order announced in August and the € 20 m order for battery bus bar assembly equipment announced in May, provide a very comfortable foundation for growth in 2019. In Solar, the company is still working through the order from SEC. In Contract Manufacturing, we are somewhat cautious, as the company's largest customer Lam Research is strongly exposed to the cyclical decline in memory prices.

CATALYSTS

We see potential for attractive orders in the Energy Storage segment (from various Asian cell manufacturers). In Solar, a follow-on order from SEC is due by Q3 2019, but Manz has also an interesting pipeline at other customers. In Energy Storage, we expect an announcement of a joint venture with an established developer of cell technology (probably still during Q1).

VALUATION

Valuation multiples (see below) have become very attractive and are far below historical levels and the peer group. Please note that our estimates for 2019 are based on an EBIT margin of 6.4%, which is still below the company's medium-term targets.

in m EUR	2016	2017	2018e	2019e	2020e
Sales	231.0	325.0	366.7	402.0	412.0
EBIT	-35.9	1.6	6.4	25.8	29.1
EBIT margin	-15.6%	0.5%	1.7%	6.4%	7.1%
Net financial debt	-1.4	-31.9	-32.4	-27.6	-26.6
Free cash flow	-25.8	28.8	0.5	-4.8	-1.0
EPS (in EUR)	-6.21	-0.41	0.52	2.40	2.72
DPS (in EUR)	0.00	0.00	0.00	0.00	0.00
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%
EV/sales	1.0	0.7	0.4	0.4	0.4
EV/EBIT	-6.6	144.8	22.2	6.5	5.8
P/E	-5.3	-77.7	39.9	9.8	8.6

Source: Company information, Bankhaus Lampe Research estimates

Company overview

SWOT

Strengths/Opportunities

- Broad range of products & technologies; diversified end markets
- Flexible business model
- Broadening customer base
- High growth potential in battery business
- Solar option

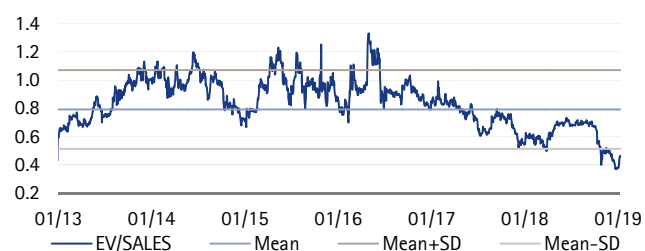
MANAGEMENT

- Martin Drasch (CEO)
- Manfred Hochleitner (CFO)

SHORT-TERM GUIDANCE

- 10-14% revenue growth in 2018
- Slightly positive EBIT in 2018

HISTORICAL EV/SALES



COMPANY EVENTS

Next event: Annual Results 28/03/2019

KEY RATIOS

	16	17	18e	19e	20e
R&D/Sales	-	-	-	-	-
Capex/Sales	3.9%	4.7%	2.7%	3.7%	3.6%
Capex/Depreciation	0.6	1.5	1.0	1.3	1.3
ROCE	-15.8%	0.7%	3.0%	11.0%	11.4%
Free cash flow yield	-9.5%	9.4%	0.2%	-1.6%	-0.3%
Equity ratio	52.9%	44.4%	47.4%	51.6%	55.6%
Net debt / equity	-1%	-20%	-19%	-15%	-13%
Net debt / EBITDA	0.1	-2.8	-2.0	-0.7	-0.7
Interest cover	-9.7	0.9	4.3	0.0	0.0

Weaknesses/Threats (Risks)

- Weak track record with respect to profitability
- Cyclical nature of most end markets

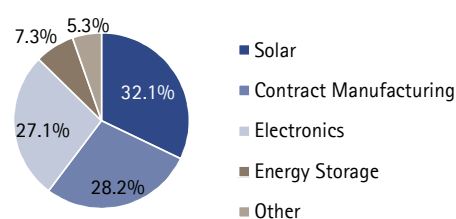
COMPANY BACKGROUND

Manz AG develops and builds machines for the production of displays, batteries, thin-film solar modules, printed circuit boards and other products. Founded in 1987 as a specialist in automation technology, its core competencies today also include laser processes and metrology. The takeover of Taiwan's Intech in 2008 added wet chemical processing equipment to the company's portfolio. More than 70% of its revenues are generated with customers in Asia. Manz' shareholder Shanghai Electric is its first customer for the CIGS thin film solar line.

MEDIUM-TERM GUIDANCE

- -

REVENUE BREAKDOWN (LAST ACTUAL YEAR)



MAJOR SHAREHOLDERS (%)

Dieter Manz	24.7
Ulrike Manz	2.7
Shanghai Electric	19.7

BHL VS. CONSENSUS

	18e	19e	20e
Sales (in m EUR)			
BHL	366.7	402.0	412.0
Consensus	367.0	410.4	460.7
EBIT (in m EUR)			
BHL	6.4	25.8	29.1
Consensus	4.8	23.8	35.8
EPS (EUR)			
BHL	0.52	2.40	2.72
Consensus	0.12	2.14	3.44

Source: Company information, FactSet, BHL estimates

Key figures

Manz AG – Income statement

in m EUR	2016	2017	2018e	2019e	2020e
Sales	231.0	325.0	366.7	402.0	412.0
Own work capitalised	7.9	10.1	8.0	8.0	8.0
Total sales	238.9	335.1	374.7	410.0	420.0
Material expenses	-138.4	-222.6	-248.2	-260.9	-264.6
Personnel expenses	-79.1	-74.5	-80.0	-82.0	-85.0
Unusual or infrequent items	0.0	0.0	0.0	0.0	0.0
Other operating result	-43.1	-26.5	-30.0	-30.0	-30.0
EBITDA	-21.8	11.5	16.5	37.1	40.4
Depreciation	14.2	9.9	10.1	11.3	11.3
EBITA	-35.9	1.6	6.4	25.8	29.1
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0
EBIT	-35.9	1.6	6.4	25.8	29.1
Financial result	-3.7	-1.7	-1.0	-1.0	-1.0
Income on ordinary activities	-39.6	-0.1	5.4	24.8	28.1
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0
EBT	-39.6	-0.1	5.4	24.8	28.1
Taxes	-3.0	-2.7	-1.3	-6.2	-7.0
Net income from cont. operations	-42.6	-2.8	4.0	18.6	21.1
Net income from discount. operations	0.0	0.0	0.0	0.0	0.0
Minority interest	0.1	-0.3	0.0	0.0	0.0
Net income (adj.)	-42.5	-3.1	4.0	18.6	21.1
No. of shares	6.8	7.7	7.7	7.7	7.7
EPS	-6.21	-0.41	0.52	2.40	2.72

Source: Company information, Bankhaus Lampe Research estimates

	2016	2017	2018e	2019e	2020e
Gross margin	40.1%	31.5%	32.3%	35.1%	35.8%
EBITDA margin	-9.4%	3.5%	4.5%	9.2%	9.8%
EBITA margin	-15.6%	0.5%	1.7%	6.4%	7.1%
EBIT margin	-15.6%	0.5%	1.7%	6.4%	7.1%
EBT margin	-17.1%	0.0%	1.5%	6.2%	6.8%
Net profit margin	-18.4%	-1.0%	1.1%	4.6%	5.1%
Tax rate	-7.5%	-2643.1%	25.0%	25.0%	25.0%

Source: Company information, Bankhaus Lampe Research estimates

Growth rates yoy	2016	2017	2018e	2019e	2020e
Sales	4.0%	40.7%	12.8%	9.6%	2.5%
EBITDA	48.0%	-	43.9%	>100%	9.0%
EBIT	38.3%	-	>100%	>100%	13.0%
EBT	35.8%	99.7%	-	>100%	13.5%
Net income (adj.)	33.8%	92.6%	-	>100%	13.5%
EPS	49.2%	93.5%	-	>100%	13.5%

Source: Company information, Bankhaus Lampe Research estimates

Manz AG – Balance sheet

Assets (in m EUR)	2016	2017	2018e	2019e	2020e
Fixed assets	121.4	125.8	125.7	129.4	133.1
Property, plant and equipment	39.4	38.1	38.0	41.7	45.4
Intangible assets	77.8	58.7	58.7	58.7	58.7
Financial assets	0.0	23.6	23.6	23.6	23.6
Other long-term assets	4.2	5.5	5.5	5.5	5.5
Current assets	190.7	242.4	227.7	231.0	239.4
Inventories	49.0	62.2	81.5	83.8	80.1
Accounts receivable	77.7	95.7	61.1	67.0	80.1
Other current assets	8.3	12.3	12.3	12.3	12.3
Securities	0.0	0.0	0.0	0.0	0.0
Cash	55.8	72.2	72.7	67.9	66.9
Total assets	312.2	368.2	353.4	360.4	372.6
Equity and liabilities in m EUR					
Shareholders' equity	165.1	163.4	167.4	186.0	207.0
Shareholders' equity (before minority)	160.6	157.8	161.8	180.4	201.5
Minorities	4.6	5.5	5.5	5.5	5.5
Non-current liabilities	14.7	17.0	17.0	17.0	17.0
Pension provisions	7.7	7.4	7.4	7.4	7.4
Other provisions	2.9	2.7	2.7	2.7	2.7
Long-term financial debt	2.0	3.3	3.3	3.3	3.3
Other long-term debt	2.1	3.5	3.5	3.5	3.5
Current liabilities	132.3	187.9	169.1	157.5	148.6
Short-term debt	52.4	37.0	37.0	37.0	37.0
Other accruals short-term	7.3	5.2	5.2	5.2	5.2
Accounts payable	47.2	117.5	112.0	100.5	91.6
Other liabilities	25.4	28.3	14.9	14.9	14.9
Total equity and liabilities	312.2	368.2	353.4	360.4	372.6

Source: Company information, Bankhaus Lampe Research estimates

Manz AG – Balance sheet structure

Assets	2016	2017	2018e	2019e	2020e
Fixed assets	38.9%	34.2%	35.6%	35.9%	35.7%
Property, plant and equipment	12.6%	10.3%	10.7%	11.6%	12.2%
Intangible assets	24.9%	16.0%	16.6%	16.3%	15.8%
Current assets	61.1%	65.8%	64.4%	64.1%	64.3%
Inventories	15.7%	16.9%	23.1%	23.2%	21.5%
Accounts receivable	24.9%	26.0%	17.3%	18.6%	21.5%
Cash	17.9%	19.6%	20.6%	18.8%	18.0%
Equity and liabilities					
Shareholders' equity	52.9%	44.4%	47.4%	51.6%	55.6%
Non-current liabilities	4.7%	4.6%	4.8%	4.7%	4.6%
Pension provisions	2.5%	2.0%	2.1%	2.1%	2.0%
Long-term financial debt	0.7%	0.9%	0.9%	0.9%	0.9%
Current liabilities	42.4%	51.0%	47.8%	43.7%	39.9%
Short-term debt	16.8%	10.0%	10.5%	10.3%	9.9%
Accounts payable	15.1%	31.9%	31.7%	27.9%	24.6%

Source: Company information, Bankhaus Lampe Research estimates

Masterflex SE

Business deserves higher profitability

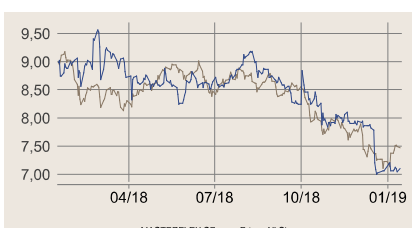
17/01/2019

Hold (Hold)
9.00 EUR (9.00 EUR)

Close 14/01/2019 7.10 EUR
 Bloomberg: MZX GR WKN: 549293
 Sector Industrials

Share price performance

52 week high	9.56 EUR
52 week low	7.00 EUR
Compared to	Prime All Share
YTD	-2.8%
1 month	-9.4%
12 months	-3.9%



Share data

EV (m EUR; 2019)	85.6
Market Cap (m EUR)	68.3
No. of shares (m)	9.6
Free float	45.9%

Next event

Annual Results	29/03/2019
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Change in model

	Sales	EBIT	EPS
2018e	-	-	-
2019e	-	-	-
2020e	-	-	-

Analyst

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See end of document for disclaimer.

We expect Masterflex to benefit from various growth opportunities in the medium term and achieve a sustained double-digit EBIT margin. However, before we adopt more positive stance, the company must demonstrate that it is able to optimise its processes and ensure that its good order intake can be turned into profitability. For the time being we feel comfortable with our HOLD rating for the stock.

INVESTMENT CASE

Our strategic view on Masterflex and our financial and non-financial forecasts are based on four key assumptions. If the company is successful in leveraging these strategic drivers, it should reach an EBIT margin of at least 13% in the medium term.

- Opportunities through research and development: The company's strategic planning is based on cornerstones of innovation, internationalisation, digital transformation and operational excellence. Continued growth will hinge upon continuous innovation.
- Benefits of increasing efficiency: Optimisation of procedures and processes is required to improve efficiency.
- Opportunities through internationalisation: The internationalisation strategy is mainly based on the assumption of higher growth rates in the company's international target markets, namely China and North America.
- Opportunities through digitalisation: Identifying relevant applications will be essential (products, processes, business models).

CATALYSTS

Masterflex will report its 2018 numbers on 29 March. We expect preliminary figures to be issued at the end of February with a neutral reaction in the market.

VALUATION

Our price target is based on a DCF model. A peer-group analysis is not meaningful in this case, in our view, due to a lack of comparable peers.

in m EUR	2016	2017	2018e	2019e	2020e
Sales	66.5	74.7	77.7	81.2	84.4
EBIT	5.9	6.6	6.3	7.3	8.0
EBIT margin	8.9%	8.8%	8.1%	9.0%	9.5%
Net financial debt	19.1	20.4	20.1	17.6	15.4
Free cash flow	-2.4	-5.1	0.8	3.2	3.2
EPS (in EUR)	0.34	0.46	0.38	0.44	0.49
DPS (in EUR)	0.05	0.07	0.07	0.10	0.15
Dividend yield	0.8%	0.8%	1.0%	1.4%	2.1%
EV/sales	1.1	1.4	1.1	1.1	1.0
EV/EBIT	12.9	15.5	14.0	11.7	10.4
P/E	19.6	19.1	18.4	16.0	14.4

Source: Company information, Bankhaus Lampe Research estimates

Company overview

SWOT

Strengths/Opportunities

- Expertise in materials, applications and technology
- Internationalisation and innovation are mainstays of growth
- Room to manoeuvre financially to gain further technological expertise via acquisitions
- High quality of products and good availability are the basis for success

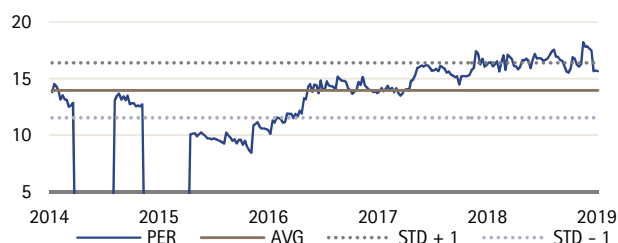
MANAGEMENT

- Dr. Andreas Bastin (CEO)
- Mark Becks (CFO)

SHORT-TERM GUIDANCE

- 2018: Revenue growth in a range between 4-8%
- 2018: EBIT margin 8-9%

HISTORICAL P/E



COMPANY EVENTS

Next event: 29/03/2019 Annual Results

KEY RATIOS

	16	17	18e	19e	20e
R&D/Sales	-	-	-	-	-
Capex/Sales	13.2%	6.3%	5.8%	5.1%	5.7%
Capex/Depreciation	3.2	1.5	1.3	1.1	1.3
ROCE	11.4%	10.5%	9.5%	10.5%	10.9%
Free cash flow yield	-4.3%	-6.1%	0.9%	3.7%	3.7%
Equity ratio	47.5%	51.3%	53.1%	55.1%	57.0%
Net debt / equity	67%	54%	50%	40%	32%
Net debt / EBITDA	2.2	2.1	2.1	1.6	1.3
Interest cover	4.4	5.5	6.3	6.1	6.7

Weaknesses/Threats (Risks)

- Needs to reduce the complexity of the extensive product portfolio
- Needs to improve efficiency by optimising internal processes
- Needs to constantly differentiate itself from the competition

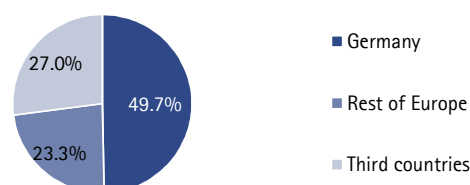
COMPANY BACKGROUND

Masterflex SE is an international group that specialises in hoses manufactured from high-tech plastics. The group employs more than 600 staff in a wide variety of areas worldwide. The umbrella of the Masterflex group covers six specialists as product brands for the widest possible range of requirements.

MEDIUM-TERM GUIDANCE

- Growth through acquisitions

REVENUE BREAKDOWN (LAST ACTUAL YEAR)



MAJOR SHAREHOLDERS (%)

J.F. Müller	15.0
Monolith	13.1
Schmidt Family	12.2

BHL VS. CONSENSUS

	18e	19e	20e
Sales (in m EUR)			
BHL	77.7	81.2	84.4
Consensus	77.9	81.8	86.3
EBIT (in m EUR)			
BHL	6.3	7.3	8.0
Consensus	6.3	7.3	8.1
EPS (EUR)			
BHL	0.38	0.44	0.49
Consensus	0.38	0.45	0.52

Source: Company information, FactSet, BHL estimates

Key figures

Masterflex SE – Income statement

in m EUR	2016	2017	2018e	2019e	2020e
Sales	66.5	74.7	77.7	81.2	84.4
Own work capitalised	0.6	0.8	0.8	0.0	0.0
Total sales	67.1	75.5	78.5	81.2	84.4
Material expenses	-20.8	-24.3	-24.8	-26.5	-27.5
Personnel expenses	-26.5	-28.5	-30.0	-32.0	-33.0
Unusual or infrequent items	0.0	0.0	0.0	0.0	0.0
Other operating result	-11.2	-12.9	-14.0	-11.8	-12.1
EBITDA	8.6	9.8	9.7	10.9	11.8
Depreciation	2.7	3.2	3.4	3.6	3.8
EBITA	5.9	6.6	6.3	7.3	8.0
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0
EBIT	5.9	6.6	6.3	7.3	8.0
Financial result	-1.3	-1.2	-1.0	-1.2	-1.2
Income on ordinary activities	4.6	5.4	5.3	6.1	6.8
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0
EBT	4.6	5.4	5.3	6.1	6.8
Taxes	-1.2	-1.1	-1.6	-1.8	-2.0
Net income from cont. operations	3.4	4.4	3.7	4.3	4.8
Net income from disc. operations	-0.6	-0.1	0.0	0.0	0.0
Minority interest	0.1	0.0	0.0	0.0	0.0
Net income (adj.)	2.9	4.3	3.7	4.3	4.8
No. of shares	8.7	9.4	9.6	9.6	9.6
EPS	0.34	0.46	0.38	0.44	0.49

Source: Company information, Bankhaus Lampe Research estimates

	2016	2017	2018e	2019e	2020e
Gross margin	68.7%	67.4%	68.1%	67.4%	67.4%
EBITDA margin	13.0%	13.1%	12.4%	13.4%	14.0%
EBITA margin	8.9%	8.8%	8.1%	9.0%	9.5%
EBIT margin	8.9%	8.8%	8.1%	9.0%	9.5%
EBT margin	6.9%	7.3%	6.8%	7.5%	8.0%
Net profit margin	4.4%	5.8%	4.7%	5.3%	5.6%
Tax rate	25.3%	19.5%	30.0%	30.0%	30.0%

Source: Company information, Bankhaus Lampe Research estimates

Growth rates yoy	2016	2017	2018e	2019e	2020e
Sales	3.7%	12.3%	4.0%	4.5%	4.0%
EBITDA	12.2%	13.6%	-1.2%	12.8%	8.1%
EBIT	21.1%	11.9%	-5.1%	16.6%	9.4%
EBT	18.1%	18.5%	-2.9%	15.9%	11.3%
Net income (adj.)	50.3%	47.2%	-14.6%	15.9%	11.3%
EPS	50.3%	36.3%	-16.2%	15.9%	11.3%

Source: Company information, Bankhaus Lampe Research estimates

Masterflex SE – Balance sheet

Assets (in m EUR)	2016	2017	2018e	2019e	2020e
Fixed assets	35.2	44.3	45.4	45.9	46.9
Property, plant and equipment	29.0	31.4	32.5	33.0	34.0
Intangible assets	4.5	11.2	11.2	11.2	11.2
Financial assets	0.1	0.1	0.1	0.1	0.1
Other long-term assets	1.5	1.6	1.6	1.6	1.6
Current assets	25.3	28.7	30.7	34.0	37.0
Inventories	13.6	15.2	15.0	15.5	16.0
Accounts receivable	6.2	6.8	8.8	9.1	9.4
Other current assets	1.5	1.3	1.5	1.5	1.5
Securities	0.0	0.0	0.0	0.0	0.0
Cash	4.0	5.3	5.4	7.9	10.1
Total assets	60.4	73.0	76.1	79.9	83.9
Equity and liabilities in m EUR					
Shareholders' equity	28.7	37.4	40.4	44.0	47.8
Shareholders' equity (before minority)	29.0	37.7	40.8	44.4	48.1
Minorities	-0.3	-0.3	-0.3	-0.3	-0.3
Non-current liabilities	22.7	20.4	21.2	21.2	21.2
Pension provisions	0.0	0.0	0.0	0.0	0.0
Other provisions	0.2	0.2	0.2	0.2	0.2
Long-term financial debt	20.7	18.3	19.0	19.0	19.0
Other long-term debt	1.8	1.9	2.0	2.0	2.0
Current liabilities	9.0	15.2	14.4	14.6	14.8
Short-term debt	2.4	7.4	6.5	6.5	6.5
Other accruals short-term	2.1	2.3	2.5	2.5	2.5
Accounts payable	2.2	2.0	1.9	2.1	2.3
Other liabilities	2.2	3.5	3.5	3.5	3.5
Total equity and liabilities	60.4	73.0	76.1	79.9	83.9

Source: Company information, Bankhaus Lampe Research estimates

Masterflex SE – Balance sheet structure

Assets	2016	2017	2018e	2019e	2020e
Fixed assets	58.2%	60.7%	59.7%	57.5%	55.9%
Property, plant and equipment	48.1%	43.1%	42.7%	41.3%	40.5%
Intangible assets	7.4%	15.4%	14.8%	14.1%	13.4%
Current assets	41.8%	39.3%	40.3%	42.5%	44.1%
Inventories	22.4%	20.9%	19.7%	19.4%	19.1%
Accounts receivable	10.3%	9.3%	11.6%	11.4%	11.2%
Cash	6.6%	7.3%	7.1%	9.9%	12.0%
Equity and liabilities					
Shareholders' equity	47.5%	51.3%	53.1%	55.1%	57.0%
Non-current liabilities	37.6%	27.9%	27.9%	26.6%	25.3%
Pension provisions	0.0%	0.0%	0.0%	0.0%	0.0%
Long-term financial debt	34.3%	25.1%	25.0%	23.8%	22.7%
Current liabilities	14.9%	20.8%	19.0%	18.3%	17.7%
Short-term debt	4.0%	10.1%	8.5%	8.1%	7.8%
Accounts payable	3.7%	2.7%	2.5%	2.6%	2.7%

Source: Company information, Bankhaus Lampe Research estimates

MLP AG

Strong commission growth, but regulatory risks remain

17/01/2019

Buy (Buy)
6.00 EUR (6.00 EUR)

Close 14/01/2019 4.34 EUR
 Bloomberg: MLP GY WKN: 656990
 Sector Financial Services

Share price performance

52 week high	5.86 EUR
52 week low	4.20 EUR
Compared to Prime All Share YTD	-4.7%
1 month	0.7%
12 months	-10.0%



Share data

Market Cap (m EUR)	473.1
No. of shares (m)	109.0
Free float	49.8%

Next event

Annual Results	28/02/2019
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Change in model

	PBT	EPS	DPS
2018e	-	-	-
2019e	-	-	-
2020e	-	-	-

Analyst

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See end of document for disclaimer.

MLP showed a solid operating performance in the first 9M of 2018 with strong growth in commissions & fees in all business segments. We put the weak share price performance down to regulatory uncertainty with respect to a potential cap in commissions for old-age provision products. A decision about a potential cap will most likely be made in the first quarter 2019.

INVESTMENT CASE

- After the first nine months, MLP saw a strong increase in commissions and fees by 6.3% driven by Wealth Management (+9.2%) and P&C Insurance (+7.2%).
- The full-year target of an EBIT of at least € 47 m will be reached in our view. Following the strong results after nine months, MLP can afford a decline in operating EBIT of 5% in Q4 yoy and would still reach the full year target. Adjusted EBIT after 9M was up 7% yoy.
- The most important point for the MLP investment case will be a potential introduction of a commission cap for old-age provision products. It is not yet clear whether a cap will be introduced and whether this cap will be 4% of the premiums paid. However, implementation will not take place before 2020.

CATALYSTS

- MLP is due to publish its FY 2018 results on 28 February 2018. In Q4, we expect commissions and fees to increase by only 3.4% driven by a low growth of only 0.8% in Wealth Management due to the decline in equity markets. We expect MLP to have reached the full-year guidance of an EBIT of at least € 47 m.
- Decision about a potential commission cap to be made in 2019.

VALUATION

Based on our estimates, MLP is trading at a 2019e PER of 12x. Taking account of a sustainable payout ratio of 60-70%, the dividend yield is currently ~5%.

in EUR m	2016	2017	2018e	2019e	2020e
Total income	610.4	628.2	655.5	676.1	697.4
Profit before tax	20.4	36.9	47.0	53.0	58.4
CET1 ratio %	14.2%	20.0%	20.0%	21.0%	21.0%
EPS	0.13	0.25	0.32	0.36	0.39
TNAV per share	3.51	3.70	3.92	4.02	4.13
Dividend per share	0.08	0.20	0.22	0.25	0.27
P/E	31.05	22.14	13.85	12.16	11.02
P/TNAV	1.19	1.52	1.12	1.08	1.05
Dividend yield	1.9%	3.6%	5.0%	5.8%	6.2%

Source: Company information, Bankhaus Lampe Research estimates

Company overview

SWOT

Strengths/Opportunities

- One of the leading independent financial advisors in Germany
- Attractive client base with a strong focus on academics

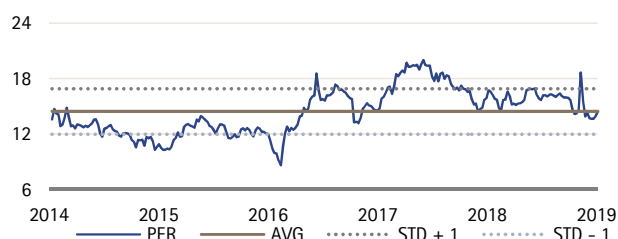
MANAGEMENT

- Dr. Uwe Schroeder-Wildberg (CEO)
- Reinhard Loose (CFO)
- Manfred Bauer

SHORT-TERM GUIDANCE

- Operating EBIT of at least € 46.7 m in 2018

HISTORICAL P/E



COMPANY EVENTS

Next event: 28/02/2019 Annual Results

KEY RATIOS

in EUR m	16	17	18e	19e	20e
Total income	610.4	628.2	655.5	676.1	697.4
Profit before tax	20.4	36.9	47.0	53.0	58.4
CET1 ratio %	14.2%	20.0%	20.0%	21.0%	21.0%
EPS	0.13	0.25	0.32	0.36	0.39
TNAV per share	3.51	3.70	3.92	4.02	4.13
Dividend per share	0.08	0.20	0.22	0.25	0.27
P/E	31.05	22.14	13.85	12.16	11.02
P/TNAV	1.19	1.52	1.12	1.08	1.05
Dividend yield	1.9%	3.6%	5.0%	5.8%	6.2%

Weaknesses/Threats (Risks)

- Environment for old-age provision and health insurance remains difficult
- Regulatory environment still uncertain

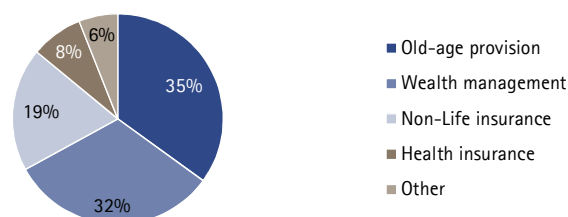
COMPANY BACKGROUND

MLP AG is one of Germany's leading financial consultancy firms, specialising in pension and insurance products. More than 1,800 advisors support around 529,100 private and some 19,800 corporate clients in Germany. MLP also provides asset management solutions to institutional investors and high net worth individuals via its subsidiary Feri. The company was founded in 1971 and is headquartered in Wiesloch, Germany.

MEDIUM-TERM GUIDANCE

- -

REVENUE BREAKDOWN (LAST ACTUAL YEAR)



MAJOR SHAREHOLDERS (%)

Familie Lautenschläger	29.2
Talanx AG	9.4
Allianz SE	6.2

BHL VS. CONSENSUS

	18e	19e	20e
PBT (m)			
BHL	47.0	53.0	58.4
Consensus	46.9	47.1	53.1
DPS (EUR)			
BHL	0.22	0.25	0.27
Consensus	0.20	0.21	0.25
EPS (EUR)			
BHL	0.32	0.36	0.39
Consensus	0.32	0.31	0.35

Source: Company information, FactSet, BHL estimates

Key figures

MLP AG – Income statement

EURm	2016	2017	2018e	2019e	2020e
Net interest income	0.0	0.0	0.0	0.0	0.0
Other income	0.0	0.0	0.0	0.0	0.0
Total income	610.4	628.2	655.5	676.1	697.4
Loan loss provisions	0.0	0.0	0.0	0.0	0.0
Costs	-290.9	-282.1	-280.7	-284.5	-290.8
Other income / expense	-299.1	-309.1	-327.8	-338.6	-348.2
Profit before tax	20.4	36.9	47.0	53.0	58.4
Taxes	-4.1	-8.6	-11.3	-13.0	-14.4
Profit after tax	16.3	28.3	35.7	40.0	44.1
NCI & other (PL)	0.0	0.0	0.0	0.0	0.0
Earnings	16.3	28.3	35.7	40.0	44.1

Source: Company information, Bankhaus Lampe Research estimates

MLP AG – Balance sheet

EURm	2016	2017	2018e	2019e	2020e
Customer loans	1,217	1,336	1,490	1,535	1,581
Intangible assets	168.4	161.8	156.0	152.0	148.0
Other assets	558.2	671.6	686.5	689.4	692.4
Total assets	1,944	2,170	2,332	2,376	2,421
Customer deposits	1,309	1,501	1,641	1,670	1,697
Other liabilities	251.7	263.4	262.8	266.8	271.8
NCI & other (BS)	0.0	0.0	0.0	0.0	0.0
Shareholders' equity	383.6	404.9	429.0	439.0	452.0
Total liabilities	1,944	2,170	2,333	2,376	2,421

Source: Company information, Bankhaus Lampe Research estimates

MLP AG – Balance sheet structure

	2016	2017	2018e	2019e	2020e
Customer loans	62.6%	61.6%	63.9%	64.6%	65.3%
Intangible assets	8.7%	7.5%	6.7%	6.4%	6.1%
Other assets	28.7%	31.0%	29.4%	29.0%	28.6%
Total assets	100.0%	100.0%	100.0%	100.0%	100.0%
Customer deposits	67.3%	69.2%	70.3%	70.3%	70.1%
Other liabilities	12.9%	12.1%	11.3%	11.2%	11.2%
NCI & other (BS)	0.0%	0.0%	0.0%	0.0%	0.0%
Shareholders' equity	19.7%	18.7%	18.4%	18.5%	18.7%
Total liabilities	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Company information, Bankhaus Lampe Research estimates

MLP AG – Ratios

	2016	2017	2018e	2019e	2020e
Per Share Data					
No. of shares (m)	109.3	109.3	109.3	109.3	109.3
Number of shares (Average) (m)	109.3	109.3	109.3	109.3	109.3
EPS	0.13	0.25	0.32	0.36	0.39
TNAV per share	3.51	3.70	3.92	4.02	4.13
Dividend per share	0.08	0.20	0.22	0.25	0.27
Profit & loss data					
CIR	93.8%	88.8%	86.1%	84.8%	83.8%
Tax ratio	19.9%	23.3%	24.0%	24.5%	24.6%
PBT growth	-26.7%	81.1%	27.4%	12.8%	10.2%
EPS growth	-25.7%	89.1%	25.0%	12.3%	10.4%
ROTE	-	-	-	-	-
Balance sheet data					
RWA (m)	0.0	0.0	0.0	0.0	0.0
CET1 ratio %	14.2%	20.0%	20.0%	21.0%	21.0%
Tier 1 ratio %	-	-	-	-	-
Leverage ratio %	-	-	-	-	-
LCR %	-	-	-	-	-
NSFR %	-	-	-	-	-
Valuation ratios					
P/E	31.1	22.1	13.9	12.2	11.0
P/TNAV	1.2	1.5	1.1	1.1	1.0
Dividend yield	1.9%	3.6%	5.0%	5.8%	6.2%

Source: Company information, Bankhaus Lampe Research estimates

OHB SE

Ten months ahead of Sevilla

17/01/2019

Buy (Buy)
43.00 EUR (43.00 EUR)

Close 14/01/2019 31.35 EUR
 Bloomberg: OHB GY WKN: 593612
 Sector Transport & Logistics

Share price performance

52 week high 47.75 EUR
 52 week low 27.75 EUR
 Compared to Prime All Share
 YTD -1.9%
 1 month -2.2%
 12 months -18.4%



Share data

EV (m EUR; 2019) 663.4
 Market Cap (m EUR) 547.6
 No. of shares (m) 17.5
 Free float 29.8%

Next event

Capital Market Day 12/02/2019

Change in model

	Sales	EBITDA	EPS
2018e	-	-	-
2019e	-	-	-
2020e	-	-	-

Analyst

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See end of document for disclaimer.

The latest numbers support our view that OHB is on track to achieve its 2018 EBITDA target of € 65 m. We maintain our BUY rating for the stock as the substantial order book of € 2.4 bn (end of September) offers ample opportunities for growth.

INVESTMENT CASE

Over the last few years, OHB has broadened its geographical footprint within Europe and now has facilities in many important ESA member countries. These strategic decisions on locations allow the group to participate in numerous European programmes and missions.

OHB's activities are rather insusceptible to upturns and downturns in the overall economy, and we believe they are also insensitive to financial crises or business cycles. The space systems market is still driven by 1) growing demand for satellites for new applications and 2) the replacement of satellites in use at the end of their lifespan. We are observing numerous new programmes for earth observation, e.g. programmes focused on climate or CO₂ monitoring. Space applications are also used in other industries and create new businesses such as big data evaluation and autonomous driving. Moreover, the next ESA Conference is taking place on 27-29 November 2019 in Sevilla. We expect potential new solutions, budgets and related issues to be widely discussed ahead of the event.

CATALYSTS

News about new orders should be clear catalysts for the stock in the coming months.

VALUATION

Our current price target is based on a DCF model. A peer-group valuation with multiples is not meaningful currently, in our view, due to a lack of directly comparable peers.

in m EUR	2016	2017	2018e	2019e	2020e
Sales	699.2	825.9	960.0	1,008	1,058
EBITDA	55.1	58.8	65.0	68.3	71.7
EBITDA margin	7.9%	7.1%	6.8%	6.8%	6.8%
Net financial debt	136.9	131.8	113.8	96.1	72.6
Free cash flow	55.7	44.5	15.4	25.1	31.2
EPS (in EUR)	1.28	1.34	1.47	1.55	1.61
DPS (in EUR)	0.40	0.40	0.42	0.44	0.46
Dividend yield	2.2%	0.9%	1.4%	1.4%	1.5%
EV/sales	0.7	1.1	0.7	0.7	0.6
EV/EBITDA	8.6	15.8	10.4	9.7	8.9
P/E	14.5	33.4	21.1	20.2	19.4

Source: Company information, Bankhaus Lampe Research estimates

Company overview

SWOT

Strengths/Opportunities

- One of the top three satellite suppliers in Europe
- Order book is well filled
- High barriers to market entry for competitors
- New applications driving the business

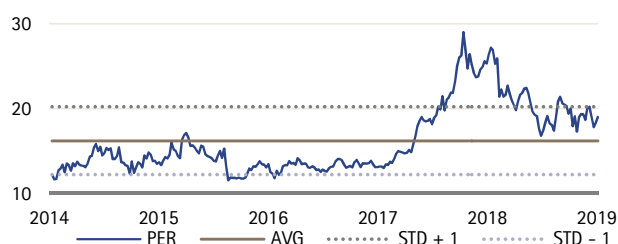
MANAGEMENT

- Marco Fuchs (CEO)
- Kurt Melching (CFO)
- Klaus Hofmann
- Dr. Lutz Bertling

SHORT-TERM GUIDANCE

- 2018: Total consolidated sales of € 1 bn
- 2018: EBITDA of € 65 m
- 2018: EBIT of € 47 m

HISTORICAL P/E



COMPANY EVENTS

Next event: 12/02/2019 Capital Market Day

KEY RATIOS

	16	17	18e	19e	20e
R&D/Sales	-	-	-	-	-
Capex/Sales	2.6%	3.0%	3.2%	1.5%	1.6%
Capex/Depreciation	1.5	1.7	1.8	0.8	0.9
ROCE	11.3%	11.1%	10.6%	11.6%	12.8%
Free cash flow yield	17.2%	5.7%	2.7%	4.3%	5.4%
Equity ratio	26.9%	28.8%	25.6%	28.8%	32.4%
Net debt / equity	75%	64%	55%	43%	29%
Net debt / EBITDA	2.5	2.2	1.8	1.4	1.0
Interest cover	5.7	8.4	8.9	9.2	9.6

Weaknesses/Threats (Risks)

- Limited margin potential in the public sector business
- Significant execution risk in particular for satellite programmes
- Depends on political decisions
- Potential Corporate Governance issues

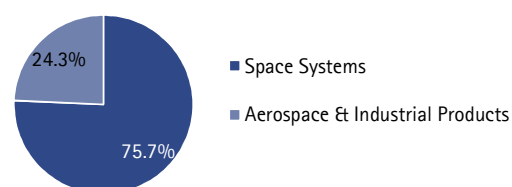
COMPANY BACKGROUND

OHB is an exchange-listed aerospace technology group headquartered in Bremen. The company operates the two business units Space Systems and Aerospace + Industrial Products.

MEDIUM-TERM GUIDANCE

- -

REVENUE BREAKDOWN (LAST ACTUAL YEAR)



MAJOR SHAREHOLDERS (%)

Fuchs Family	69.7
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BHL VS. CONSENSUS

	18e	19e	20e
Sales (in m EUR)			
BHL	960.0	1,008	1,058
Consensus	980.0	1,046	1,124
EBITDA (in m EUR)			
BHL	65.0	68.3	71.7
Consensus	65.9	72.2	79.2
EPS (EUR)			
BHL	1.47	1.55	1.61
Consensus	1.47	1.69	1.92

Source: Company information, FactSet, BHL estimates

Key figures

OHB SE – Income statement

in m EUR	2016	2017	2018e	2019e	2020e
Sales	699.2	825.9	960.0	1,008	1,058
Own work capitalised	19.1	20.7	20.0	20.0	20.0
Total sales	718.3	846.6	980.0	1,028	1,078
Material expenses	-438.4	-542.7	-630.8	-662.0	-687.7
Personnel expenses	-180.2	-196.8	-228.8	-240.1	-252.2
Unusual or infrequent items	0.0	0.0	0.0	0.0	0.0
Other operating result	-44.5	-48.3	-55.4	-57.1	-66.4
EBITDA	55.1	58.8	65.0	68.3	71.7
Depreciation	12.4	14.6	17.0	18.5	20.0
EBITA	42.7	44.2	48.0	49.8	51.7
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0
EBIT	42.7	44.2	48.0	49.8	51.7
Financial result	-4.7	-2.0	-3.8	-3.8	-3.8
Income on ordinary activities	38.0	42.2	44.2	46.0	47.9
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0
EBT	38.0	42.2	44.2	46.0	47.9
Taxes	-12.4	-14.5	-14.6	-14.7	-15.3
Net income from cont. operations	25.6	27.7	29.6	31.3	32.6
Net income from discount. operations	0.0	0.0	0.0	0.0	0.0
Minority interest	-3.4	-4.4	-4.0	-4.2	-4.4
Net income (adj.)	22.2	23.4	25.6	27.1	28.2
No. of shares	17.5	17.5	17.5	17.5	17.5
EPS	1.28	1.34	1.47	1.55	1.61

Source: Company information, Bankhaus Lampe Research estimates

	2016	2017	2018e	2019e	2020e
Gross margin	37.3%	34.3%	34.3%	34.3%	35.0%
EBITDA margin	7.9%	7.1%	6.8%	6.8%	6.8%
EBITA margin	6.1%	5.4%	5.0%	4.9%	4.9%
EBIT margin	6.1%	5.4%	5.0%	4.9%	4.9%
EBT margin	5.4%	5.1%	4.6%	4.6%	4.5%
Net profit margin	3.2%	2.8%	2.7%	2.7%	2.7%
Tax rate	32.7%	34.4%	33.0%	32.0%	32.0%

Source: Company information, Bankhaus Lampe Research estimates

Growth rates yoy	2016	2017	2018e	2019e	2020e
Sales	-2.9%	18.1%	16.2%	4.9%	5.0%
EBITDA	5.7%	6.8%	10.5%	5.0%	5.1%
EBIT	6.2%	3.6%	8.5%	3.7%	3.9%
EBT	3.6%	11.1%	4.6%	4.0%	4.3%
Net income (adj.)	5.9%	5.1%	9.7%	5.6%	4.2%
EPS	6.6%	4.5%	9.7%	5.6%	4.2%

Source: Company information, Bankhaus Lampe Research estimates

OHB SE – Balance sheet

Assets (in m EUR)	2016	2017	2018e	2019e	2020e
Fixed assets	211.4	239.5	256.5	253.5	250.5
Property, plant and equipment	60.6	77.7	85.0	82.0	79.0
Intangible assets	97.5	110.3	117.0	117.0	117.0
Financial assets	31.5	35.0	38.0	38.0	38.0
Other long-term assets	21.7	16.5	16.5	16.5	16.5
Current assets	471.5	480.1	547.8	530.1	508.7
Inventories	50.2	48.8	60.0	50.0	50.0
Accounts receivable	318.8	328.2	310.0	330.0	330.0
Other current assets	45.6	44.0	44.0	44.0	44.0
Securities	0.4	0.5	0.5	0.5	0.5
Cash	56.6	58.6	133.3	105.7	84.2
Total assets	682.9	719.7	804.3	783.7	759.2
Equity and liabilities in m EUR					
Shareholders' equity	183.6	207.3	205.9	225.6	246.1
Shareholders' equity (before minority)	168.6	187.6	186.3	206.0	226.5
Minorities	14.9	19.6	19.6	19.6	19.6
Non-current liabilities	171.4	173.7	184.7	179.3	174.3
Pension provisions	100.4	96.6	97.2	97.2	97.2
Other provisions	1.4	1.9	2.1	2.1	2.1
Long-term financial debt	0.3	30.4	30.4	25.0	20.0
Other long-term debt	69.2	44.8	55.0	55.0	55.0
Current liabilities	327.9	338.7	413.7	378.7	338.7
Short-term debt	93.1	63.9	120.0	80.0	40.0
Other accruals short-term	28.2	28.0	30.0	35.0	35.0
Accounts payable	67.3	83.1	100.0	100.0	100.0
Other liabilities	139.4	163.7	163.7	163.7	163.7
Total equity and liabilities	682.9	719.7	804.3	783.7	759.2

Source: Company information, Bankhaus Lampe Research estimates

OHB SE – Balance sheet structure

Assets	2016	2017	2018e	2019e	2020e
Fixed assets	31.0%	33.3%	31.9%	32.3%	33.0%
Property, plant and equipment	8.9%	10.8%	10.6%	10.5%	10.4%
Intangible assets	14.3%	15.3%	14.5%	14.9%	15.4%
Current assets	69.0%	66.7%	68.1%	67.7%	67.0%
Inventories	7.4%	6.8%	7.5%	6.4%	6.6%
Accounts receivable	46.7%	45.6%	38.5%	42.1%	43.5%
Cash	8.3%	8.1%	16.6%	13.5%	11.1%
Equity and liabilities					
Shareholders' equity	26.9%	28.8%	25.6%	28.8%	32.4%
Non-current liabilities	25.1%	24.1%	23.0%	22.9%	23.0%
Pension provisions	14.7%	13.4%	12.1%	12.4%	12.8%
Long-term financial debt	0.1%	4.2%	3.8%	3.2%	2.6%
Current liabilities	48.0%	47.1%	51.4%	48.3%	44.6%
Short-term debt	13.6%	8.9%	14.9%	10.2%	5.3%
Accounts payable	9.9%	11.6%	12.4%	12.8%	13.2%

Source: Company information, Bankhaus Lampe Research estimates

paragon GmbH & Co. KGaA

Fast moving player in the premium niche

17/01/2019

Buy (Buy)
39.00 EUR (39.00 EUR)

Close 14/01/2019 19.12 EUR
Bloomberg: PGN GY WKN: 555869
Sector Automotive

Share price performance

52 week high 82.90 EUR
52 week low 16.74 EUR
Compared to Prime All Share
YTD 6.0%
1 month 5.2%
12 months -59.7%



Share data

EV (m EUR; 2019) 166.3
Market Cap (m EUR) 86.5
No. of shares (m) 4.5
Free float 50.0%

Next event

Annual Results 01/04/2019

Change in model

	Sales	EBIT	EPS
2018e	-	-	-
2019e	-	-	-
2020e	-	-	-

Analyst

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See end of document for disclaimer.

paragon is well positioned to benefit from disruptive trends in the automotive industry (autonomous driving, connectivity, electrification and shared mobility – "ACES") as an agile player that can react quickly to customers' needs.

INVESTMENT CASE

In a highly competitive automotive supplier market, paragon is able to stand out from its rivals as a result of its high innovation rate (R&D ratio of 12.7% over five years), its very flexible manufacturing approach and its focus on profitable niches (single source for ~ 65% of products). This has led it to steady outperform global car unit growth for the past five years and an EBIT margin that is well above the peer-group average.

With an order backlog of approx. € 2 bn (45% Auto business, 55% Voltabox,) paragon not only has strong growth potential but should also benefit from economies of scale. Expected top-line growth of 23% p.a. for the next three years should therefore be coupled with an EBIT margin expansion as EBIT is set to grow by 72% p.a. And this includes neither ACES activities nor new product developments made possible by acquisitions in the areas of speech processing and loudspeakers.

CATALYSTS

- First guidance for 2019 is due with the publication of the full-year results in March at the latest but may be given earlier. We expect confirmation of the growth targets outlined, in line with our estimates below.
- Announcement of new orders for the Automotive business.

VALUATION

Our valuation of paragon is based on an SOTP model. The 60% stake in Voltabox (Buy, PT € 24.00) at market price is already worth € 112 m standalone. Our price target of € 39.00 evaluates paragon at a P/E ratio_{2020e} of 14x, which is below the three-year historical average of 16x.

in m EUR	2016	2017	2018e	2019e	2020e
Sales	102.8	124.8	180.6	264.5	362.8
EBIT	8.9	7.6	13.3	22.3	31.8
EBIT margin	8.7%	6.1%	7.4%	8.4%	8.8%
Net financial debt	34.9	-59.5	5.3	17.5	14.4
Free cash flow	-6.4	-45.6	-71.7	-23.0	-9.4
EPS (in EUR)	0.79	-0.14	1.42	2.20	2.80
DPS (in EUR)	0.25	0.25	0.30	0.40	0.50
Dividend yield	0.6%	0.3%	1.7%	2.1%	2.6%
EV/sales	2.2	2.9	0.8	0.6	0.5
EV/EBIT	25.2	46.8	11.0	7.4	5.2
P/E	52.9	-551.2	12.3	8.7	6.8

Source: Company information, Bankhaus Lampe Research estimates

Company overview

SWOT

Strengths/Opportunities

- Fast development processes from ideas to products
- Focus on highly profitable niche applications, single source for 65% of products sold
- Highly automated manufacturing on a global scale (USA, China)

MANAGEMENT

- Klaus Dieter Frers (CEO)
- Dr. Stefan Schwehr (CTO)

SHORT-TERM GUIDANCE

- FY 2018 sales of € 175 m
- FY 2018 EBIT margin of approx. 9.0%

HISTORICAL P/E



COMPANY EVENTS

Next event: Annual results 01/04/2019

KEY RATIOS

	16	17	18e	19e	20e
R&D/Sales	-	-	-	-	-
Capex/Sales	21.5%	17.5%	20.5%	13.2%	10.5%
Capex/Depreciation	3.1	2.3	2.9	1.9	1.6
ROCE	10.3%	2.9%	5.0%	8.2%	11.3%
Free cash flow yield	-3.4%	-12.8%	-63.2%	-20.3%	-8.3%
Equity ratio	30.0%	56.8%	55.7%	52.4%	49.1%
Net debt / equity	101%	-34%	3%	9%	7%
Net debt / EBITDA	2.2	-3.5	0.2	0.4	0.3
Interest cover	2.8	1.7	6.6	0.0	0.0

Weaknesses/Threats (Risks)

- Strong dependency on automotive industry (80% of sales)
- Huge order book to be taken care of is a challenge for a relative small company
- Not a clear-cut investment as paragon still owns 60% of Voltabox

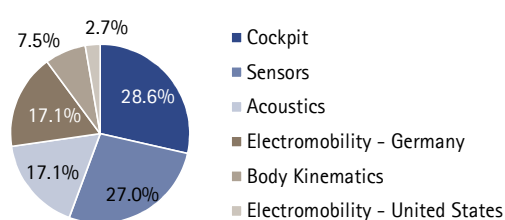
COMPANY BACKGROUND

paragon AG is an Automotive Tier1 supplier that focuses on profitable niche applications both in electronics (air sensors, acoustic products and MMI) and mechanics. In addition, the company owns 60% of the listed e-mobility company Voltabox, a former subsidiary.

MEDIUM-TERM GUIDANCE

- € 500 m in annual sales
- EBIT margin in 13-15% range

REVENUE BREAKDOWN (LAST ACTUAL YEAR)



MAJOR SHAREHOLDERS (%)

Klaus Dieter Frers	50.0
TBF Global AM	3.0
Otus Capital	2.7

BHL VS. CONSENSUS

	18e	19e	20e
Sales (in m EUR)			
BHL	180.6	264.5	362.8
Consensus	188.0	246.9	322.7
EBIT (in m EUR)			
BHL	13.3	22.3	31.8
Consensus	13.6	22.0	32.8
EPS (EUR)			
BHL	1.42	2.20	2.80
Consensus	1.12	2.06	2.80

Source: Company information, FactSet, BHL estimates

Key figures

paragon GmbH & Co. KGaA – Income statement

in m EUR	2016	2017	2018e	2019e	2020e
Sales	102.8	124.8	180.6	264.5	362.8
Own work capitalised	14.4	15.2	22.0	20.0	23.0
Total sales	117.2	140.1	202.6	284.5	385.8
Material expenses	-57.7	-71.2	-100.7	-137.5	-185.6
Personnel expenses	-29.2	-35.3	-50.2	-70.9	-96.5
Unusual or infrequent items	0.0	0.0	0.0	0.0	0.0
Other operating result	-14.1	-16.6	-25.6	-35.8	-48.4
EBITDA	16.1	17.0	26.1	40.3	55.3
Depreciation	7.2	9.4	12.8	18.0	23.5
EBITA	8.9	7.6	13.3	22.3	31.8
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0
EBIT	8.9	7.6	13.3	22.3	31.8
Financial result	-3.2	-4.4	-1.9	-1.7	-1.6
Income on ordinary activities	5.8	3.3	11.4	20.7	30.3
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0
EBT	5.8	3.3	11.4	20.7	30.3
Taxes	-2.2	-3.9	-3.4	-6.2	-9.1
Net income from cont. operations	3.6	-0.6	8.0	14.5	21.2
Net income from discount. operations	0.0	0.0	0.0	0.0	0.0
Minority interest	0.0	0.0	-1.6	-4.5	-8.5
Net income (adj.)	3.6	-0.6	6.4	9.9	12.7
No. of shares	4.5	4.5	4.5	4.5	4.5
EPS	0.79	-0.14	1.42	2.20	2.80

Source: Company information, Bankhaus Lampe Research estimates

	2016	2017	2018e	2019e	2020e
Gross margin	43.8%	42.9%	44.2%	48.0%	48.8%
EBITDA margin	15.7%	13.6%	14.4%	15.2%	15.2%
EBITA margin	8.7%	6.1%	7.4%	8.4%	8.8%
EBIT margin	8.7%	6.1%	7.4%	8.4%	8.8%
EBT margin	5.6%	2.6%	6.3%	7.8%	8.3%
Net profit margin	3.5%	-0.5%	3.6%	3.8%	3.5%
Tax rate	38.2%	119.8%	30.0%	30.0%	30.0%

Source: Company information, Bankhaus Lampe Research estimates

Growth rates yoy	2016	2017	2018e	2019e	2020e
Sales	8.2%	21.4%	44.6%	46.5%	37.2%
EBITDA	13.2%	5.9%	53.1%	54.6%	37.2%
EBIT	14.3%	-14.4%	73.7%	68.1%	42.5%
EBT	14.6%	-43.3%	>100%	80.9%	46.4%
Net income (adj.)	4.5%	-	-	54.5%	27.3%
EPS	-5.0%	-	-	54.5%	27.3%

Source: Company information, Bankhaus Lampe Research estimates

paragon GmbH & Co. KGaA – Balance sheet

Assets (in m EUR)	2016	2017	2018e	2019e	2020e
Fixed assets	75.8	111.8	169.6	192.0	212.9
Property, plant and equipment	37.4	36.4	82.1	93.2	102.7
Intangible assets	38.0	67.4	75.9	81.9	87.0
Financial assets	0.4	8.0	11.6	16.9	23.2
Other long-term assets	0.0	0.0	0.0	0.0	0.0
Current assets	39.7	200.1	157.8	172.6	198.4
Inventories	13.7	17.3	25.2	37.0	50.7
Accounts receivable	8.4	32.7	54.4	68.8	74.5
Other current assets	3.4	4.2	6.1	8.9	12.3
Securities	0.0	0.0	0.0	0.0	0.0
Cash	14.3	145.8	72.0	57.8	60.9
Total assets	115.6	311.8	327.4	364.6	411.2
Equity and liabilities in m EUR					
Shareholders' equity	34.7	177.1	182.4	190.9	201.8
Shareholders' equity (before minority)	34.7	119.1	124.4	133.0	143.9
Minorities	0.0	57.9	57.9	57.9	57.9
Non-current liabilities	44.9	88.4	97.0	109.9	125.0
Pension provisions	2.5	3.0	3.6	4.3	5.2
Other provisions	0.0	0.0	0.0	0.0	0.0
Long-term financial debt	35.8	67.3	67.3	67.3	67.3
Other long-term debt	6.6	18.1	26.1	38.2	52.5
Current liabilities	36.0	46.4	48.1	63.7	84.5
Short-term debt	13.4	19.0	10.0	8.0	8.0
Other accruals short-term	0.1	0.2	0.3	0.5	0.6
Accounts payable	16.4	17.5	23.7	34.8	47.7
Other liabilities	6.1	9.7	14.0	20.5	28.1
Total equity and liabilities	115.6	311.8	327.4	364.6	411.2

Source: Company information, Bankhaus Lampe Research estimates

paragon GmbH & Co. KGaA – Balance sheet structure

Assets	2016	2017	2018e	2019e	2020e
Fixed assets	65.6%	35.9%	51.8%	52.7%	51.8%
Property, plant and equipment	32.3%	11.7%	25.1%	25.6%	25.0%
Intangible assets	32.9%	21.6%	23.2%	22.5%	21.2%
Current assets	34.4%	64.2%	48.2%	47.3%	48.2%
Inventories	11.9%	5.6%	7.7%	10.1%	12.3%
Accounts receivable	7.2%	10.5%	16.6%	18.9%	18.1%
Cash	12.4%	46.8%	22.0%	15.9%	14.8%
Equity and liabilities					
Shareholders' equity	30.0%	56.8%	55.7%	52.4%	49.1%
Non-current liabilities	38.8%	28.3%	29.6%	30.1%	30.4%
Pension provisions	2.2%	1.0%	1.1%	1.2%	1.3%
Long-term financial debt	30.9%	21.6%	20.6%	18.5%	16.4%
Current liabilities	31.2%	14.9%	14.7%	17.5%	20.5%
Short-term debt	11.6%	6.1%	3.1%	2.2%	1.9%
Accounts payable	14.2%	5.6%	7.3%	9.5%	11.6%

Source: Company information, Bankhaus Lampe Research estimates

ProCredit Holding AG & Co KGaA

Metamorphosis

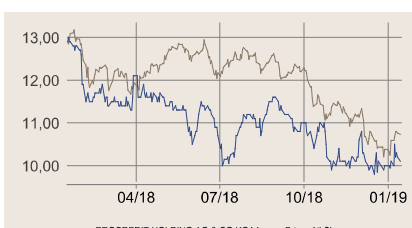
17/01/2019

Buy (Buy)
13.00 EUR (13.00 EUR)

Close 14/01/2019 10.10 EUR
 Bloomberg: PCZ GY WKN: 622340
 Sector Banks

Share price performance

52 week high 13.00 EUR
 52 week low 9.80 EUR
 Compared to Prime All Share
 YTD -2.4%
 1 month 0.8%
 12 months -5.2%



Share data

Market Cap (m EUR) 594.9
 No. of shares (m) 58.9
 Free float 30.4%

Next event

Quarterly Results 25/03/2019

Change in model

	PBT	EPS	DPS
2018e	-	-	-
2019e	-	-	-
2020e	-	-	-

Analyst

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See end of document for disclaimer.

ProCredit (PCH) has almost completed its metamorphosis from a global microfinance bank (Africa, South America, Eastern Europe) to a European SME bank (Eastern Europe) with a much greater geographical focus, and much lower risk profile. We believe that PCH has an above average growth potential (5-10% vs. sector 0%-5%), an ROTE potential (~10%) in line with the sector (post non-core country exits) and support from significant cornerstone investors (e.g. KfW, World Bank, EBRD). The management team has built a strong track record of delivering on its transformation strategy. The greater earnings visibility (post transformation) as well as a potential increase in free float (maybe 2019), should contribute significantly to raising the bank's profile, and supporting the share price.

INVESTMENT CASE

Positive

- Focus on Eastern Europe (exit from Africa and Central America almost complete)
- Focus on SME and green lending (exit from microfinance almost complete)
- Above average growth potential (exposure to EU accession countries)

Negative (risks)

- Low free float (30%) and share velocity (2%)
- High proportion of foreign currency loans (potential impact on capital)
- Exit of remaining non-core countries (cost uncertain)

CATALYSTS

FY 2019 guidance (Q4 results) may include loan growth ~15% (FactSet consensus ~10%)

VALUATION

Our price target implies a ~5% P/E discount to the long term average P/E for the European Bank sector (we believe that the sector is currently undervalued). We believe that this fairly reflects PCH's above average growth potential, offset by an above average risk profile.

in EUR m	2016	2017	2018e	2019e	2020e
Total income	273.8	250.6	242.4	262.2	281.9
Profit before tax	61.1	61.2	69.2	73.4	76.7
CET1 ratio %	12.5%	13.7%	14.1%	13.9%	13.8%
EPS	1.16	0.86	0.90	0.96	0.99
TNAV per share	11.66	11.77	11.81	12.47	13.15
Dividend per share	0.38	0.27	0.27	0.29	0.30
P/E	13.71	14.59	11.16	10.53	10.20
P/TNAV	1.36	1.07	0.85	0.81	0.77
Dividend yield	2.4%	2.2%	2.7%	2.8%	2.9%

Source: Company information, Bankhaus Lampe Research estimates

Company overview

SWOT

Strengths/Opportunities

- Increased focus on Eastern Europe (out of Africa, Americas)
- Increased focus on SME and green lending (out of microfinance)
- Above average growth potential (EU accession countries, EIB)

MANAGEMENT

- Borislav Kostadinov
- Sandrine Massiani
- Dr Gabriel Schor

SHORT-TERM GUIDANCE

- CIR < 70% (2018)
- ROE 7.5% to 8.5% (2018)
- Loan growth 12%-15%, Green loans >15% of total (2018)

HISTORICAL P/E



COMPANY EVENTS

Next event: 25/03/2019 Quarterly Results

KEY RATIOS

in EUR m	16	17	18e	19e	20e
Total income	273.8	250.6	242.4	262.2	281.9
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CET1 ratio %	12.5%	13.7%	14.1%	13.9%	13.8%
EPS	1.16	0.86	0.90	0.96	0.99
TNAV per share	11.66	11.77	11.81	12.47	13.15
Dividend per share	0.38	0.27	0.27	0.29	0.30
P/E	13.71	14.59	11.16	10.53	10.20
P/TNAV	1.36	1.07	0.85	0.81	0.77
Dividend yield	2.4%	2.2%	2.7%	2.8%	2.9%

Weaknesses/Threats (Risks)

- Low free float (30%) and share velocity (2%)
- Foreign currency lending (Basel IV)
- Capital impact of remaining country exits

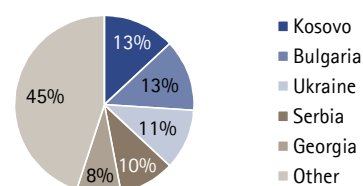
COMPANY BACKGROUND

ProCredit provides banking services primarily to SMEs in Eastern Europe (including Kosovo, Bulgaria, Ukraine, Serbia, Georgia)

MEDIUM-TERM GUIDANCE

- CIR < 60% (mid term)
- Loan growth 10% p.a. (mid term)
- ROE 10%, CET1 ratio >13%, Dividend POR 33% (mid term)

REVENUE BREAKDOWN (LAST ACTUAL YEAR)



MAJOR SHAREHOLDERS (%)

Zeitinger Invest GmbH	16.8
DEG-Deutsche Investitions & Entwicklungsgesellschaft mbH	13.2
Doen Participaties BV	12.5

BHL VS. CONSENSUS

	18e	19e	20e
PBT (m)			
BHL	69.2	73.4	76.7
Consensus	70.6	82.8	93.7
DPS (EUR)			
BHL	0.27	0.29	0.30
Consensus	0.29	0.34	0.39
EPS (EUR)			
BHL	0.90	0.96	0.99
Consensus	0.91	1.05	1.19

Source: Company information, FactSet, BHL estimates

Key figures

ProCredit Holding AG & Co KGaA – Income statement

EURm	2016	2017	2018e	2019e	2020e
Net interest income	230.8	204.8	192.1	209.0	226.1
Other income	43.0	45.8	50.3	53.2	55.8
Total income	273.8	250.6	242.4	262.2	281.9
Loan loss provisions	-18.6	-5.3	-5.2	-11.1	-17.7
Costs	-198.2	-186.8	-169.3	-179.1	-188.5
Other income / expense	4.2	2.7	1.3	1.3	1.0
Profit before tax	61.1	61.2	69.2	73.4	76.7
Taxes	-14.1	-14.6	-16.5	-16.9	-18.4
Profit after tax	47.0	46.6	52.6	56.5	58.3
NCI & other (PL)	-14.0	-1.5	0.0	0.0	0.0
Earnings	33.1	45.2	52.6	56.5	58.3

Source: Company information, Bankhaus Lampe Research estimates

ProCredit Holding AG & Co KGaA – Balance sheet

EURm	2016	2017	2018e	2019e	2020e
Customer loans	3,478	3,781	4,241	4,565	4,884
Intangible assets	21.4	21.2	22.1	23.0	23.8
Other assets	2,168	1,697	1,668	1,797	1,923
Total assets	5,668	5,499	5,931	6,385	6,831
Customer deposits	3,475	3,571	3,730	4,016	4,297
Other liabilities	1,538	1,270	1,476	1,604	1,728
NCI & other (BS)	8.2	7.3	7.2	7.7	8.3
Shareholders' equity	646.0	651.2	717.7	757.2	798.1
Total liabilities	5,668	5,499	5,931	6,385	6,831

Source: Company information, Bankhaus Lampe Research estimates

ProCredit Holding AG & Co KGaA – Balance sheet structure

	2016	2017	2018e	2019e	2020e
Customer loans	61.4%	68.8%	71.5%	71.5%	71.5%
Intangible assets	0.4%	0.4%	0.4%	0.4%	0.3%
Other assets	38.3%	30.9%	28.1%	28.1%	28.2%
Total assets	100.0%	100.0%	100.0%	100.0%	100.0%
Customer deposits	61.3%	64.9%	62.9%	62.9%	62.9%
Other liabilities	27.1%	23.1%	24.9%	25.1%	25.3%
NCI & other (BS)	0.1%	0.1%	0.1%	0.1%	0.1%
Shareholders' equity	11.4%	11.8%	12.1%	11.9%	11.7%
Total liabilities	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Company information, Bankhaus Lampe Research estimates

ProCredit Holding AG & Co KGaA – Ratios

	2016	2017	2018e	2019e	2020e
Per Share Data					
No. of shares (m)	53.5	53.5	58.9	58.9	58.9
Number of shares (Average) (m)	53.5	53.5	58.8	58.9	58.9
EPS	1.16	0.86	0.90	0.96	0.99
TNAV per share	11.66	11.77	11.81	12.47	13.15
Dividend per share	0.38	0.27	0.27	0.29	0.30
Profit & loss data					
CIR	72.4%	74.5%	69.9%	68.3%	66.9%
Tax ratio	23.1%	23.8%	23.9%	23.0%	24.0%
PBT growth	-	0.1%	13.0%	6.1%	4.6%
EPS growth	-	-25.9%	4.2%	7.1%	3.2%
ROTE	9.9%	7.3%	7.6%	7.7%	7.5%
Balance sheet data					
RWA (m)	4,603	4,330	4,649	5,004	5,354
CET1 ratio %	12.5%	13.7%	14.1%	13.9%	13.8%
Tier 1 ratio %	12.5%	13.7%	14.1%	13.9%	13.8%
Leverage ratio %	9.9%	10.5%	10.7%	10.9%	11.1%
LCR %	-	-	-	-	-
NSFR %	-	-	-	-	-
Valuation ratios					
P/E	13.7	14.6	11.2	10.5	10.2
P/TNAV	1.4	1.1	0.8	0.8	0.8
Dividend yield	2.4%	2.2%	2.7%	2.8%	2.9%

Source: Company information, Bankhaus Lampe Research estimates

QSC AG

Sale of Plusnet should trigger a re-valuation

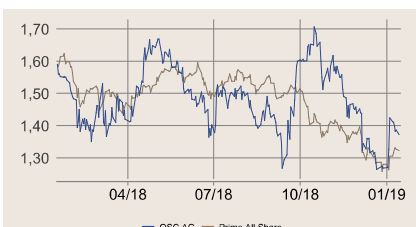
17/01/2019

Buy (Buy)
2.00 EUR (2.00 EUR)

Close 14/01/2019 1.37 EUR
 Bloomberg: QSC GR WKN: 513700
 Sector Technology

Share price performance

52 week high 1.71 EUR
 52 week low 1.26 EUR
 Compared to Prime All Share
 YTD 4.8%
 1 month 4.0%
 12 months 4.0%



Share data

EV (m EUR; 2019) 239.4
 Market Cap (m EUR) 170.7
 No. of shares (m) 124.4
 Free float 75.0%

Next event

Annual Results 29/03/2019

Change in model

	Sales	EBITDA	EPS
2018e	2.0%	0.0%	0.0%
2019e	-	-	-
2020e	-	-	-

Analyst

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See end of document for disclaimer.

While operating performance for 2018 should be in line with market expectations, the probable sale of QSC's telecoms assets (Plusnet) could trigger a revaluation of QSC stock. Selling the assets would completely eliminate the net debt position, bring back financial/strategic flexibility and allow the payment of an extra dividend.

INVESTMENT CASE

We assume that the initiated sale process of Plusnet GmbH will be successfully completed in H1 2019. As the asset is likely to attract the interest of several parties, we expect an achievable valuation range of € 180-210 m (6-7x EBITDA_{2018e}). Although this would result in QSC losing a substantial share of total sales (~60%) and EBITDA (~78%), we believe that such a move should be well received by investors, as the telecoms assets are in danger of facing structural growth problems in the medium term (e.g. the access network will lose its former competitive advantage). Selling Plusnet would completely eliminate the debt positions (FY 2018e: € 71.8 m) and still leave funds to reinvest (e.g. in the development of cloud products and services). In addition, shareholders could receive an extra dividend.

CATALYSTS

- (+) Sales process for Plusnet: We expect a successful sale to be announced in H1 2019 as several parties have shown interest in buying the asset.
- (+) Further streamlining of assets: A successful sale of Plusnet may trigger the spin-off/sale of further assets (colocation, outsourcing).
- (+/-) Progress in the cloud segment: Winning new customers for the PEC/IOT projects could boost confidence in the value of the segment, and vice versa.

VALUATION

Our DCF-based price target remains € 2.00. A sum-of-the-parts approach mirrors the result. The share is trading at a discount of >30% to IT services companies based on multiples for 2018/19.

in m EUR	2016	2017	2018e	2019e	2020e
Sales	386.0	357.9	361.5	339.7	344.4
EBITDA	37.1	38.3	38.5	42.2	43.6
EBITDA margin	9.6%	10.7%	10.6%	12.4%	12.7%
Net financial debt	86.3	78.7	71.8	63.6	55.2
Free cash flow	8.4	12.6	10.5	11.9	13.4
EPS (in EUR)	-0.20	0.04	0.04	0.07	0.10
DPS (in EUR)	0.03	0.03	0.03	0.04	0.04
Dividend yield	1.6%	2.0%	2.4%	2.9%	2.9%
EV/sales	0.9	0.8	0.6	0.7	0.7
EV/EBITDA	8.9	7.1	6.1	5.7	5.3
P/E	-9.5	36.6	30.0	19.2	14.2

Source: Company information, Bankhaus Lampe Research estimates

Company overview

SWOT

Strengths/Opportunities

- Positioning in the synthesis of IT and telecommunications
- Highly innovative in cloud computing
- Growing demand for customer-specific solutions
- Established brand among German SMEs
- Options for asset re-allocation

MANAGEMENT

- Jürgen Hermann (CEO)
- Stefan Baustert (CFO)

SHORT-TERM GUIDANCE

- 2018: Revenues € 345-355 m, EBITDA € 35-40 m, FCF >€ 10 m

HISTORICAL EV/EBITDA



COMPANY EVENTS

Next event: 29/03/2019 Annual Results

KEY RATIOS

	16	17	18e	19e	20e
R&D/Sales	-	-	-	-	-
Capex/Sales	7.4%	5.4%	5.7%	7.3%	7.3%
Capex/Depreciation	0.6	0.6	0.7	0.9	1.0
ROCE	-5.3%	3.0%	4.4%	5.9%	7.1%
Free cash flow yield	3.6%	6.7%	5.3%	6.0%	6.7%
Equity ratio	28.2%	30.1%	30.6%	32.3%	33.7%
Net debt / equity	100%	88%	79%	66%	53%
Net debt / EBITDA	2.3	2.1	1.9	1.5	1.3
Interest cover	-2.2	1.6	2.6	3.8	5.3

Weaknesses/Threats (Risks)

- Declining legacy business
- Established IT providers make the market highly competitive
- Dependent upon regulation in telecoms sector
- Shortage of qualified specialists
- Insourcing trend regarding IOT-solutions

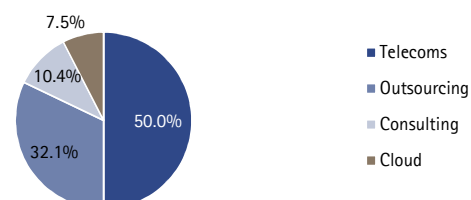
COMPANY BACKGROUND

QSC AG is one of the providers of ICT services in Germany with an extensive offering that ranges from telecoms services, housing, hosting, IT outsourcing, IT consulting and cloud services/products. With its own network infrastructure, as well as TÜV and ISO-certified data centres in Germany, QSC employs around 1,300 people. The company was founded in 1997 and is headquartered in Cologne, Germany.

MEDIUM-TERM GUIDANCE

- -

REVENUE BREAKDOWN (LAST ACTUAL YEAR)



MAJOR SHAREHOLDERS (%)

Gerd Eickers	12.6
Dr. Bernd Schlobohm	12.5
Kempen	4.9

BHL VS. CONSENSUS

	18e	19e	20e
Sales (in m EUR)			
BHL	361.5	339.7	344.4
Consensus	362.5	358.6	364.1
EBITDA (in m EUR)			
BHL	38.5	42.2	43.6
Consensus	37.1	40.0	42.5
EPS (EUR)			
BHL	0.04	0.07	0.10
Consensus	0.03	0.06	0.10

Source: Company information, FactSet, BHL estimates

Key figures

QSC AG – Income statement

in m EUR	2016	2017	2018e	2019e	2020e
Sales	386.0	357.9	361.5	339.7	344.4
Cost of sales	-282.9	-266.1	-270.3	-244.6	-247.8
Gross profit	103.1	91.8	91.3	95.1	96.6
Sales and marketing	-33.0	-27.2	-28.3	-27.2	-27.5
General and administration	-31.8	-27.0	-24.5	-25.3	-25.0
Research and development	0.0	0.0	0.0	0.0	0.0
Other operating result	-1.2	0.7	0.0	-0.4	-0.5
EBITDA	37.1	38.3	38.5	42.2	43.6
Depreciation	50.2	31.1	27.9	27.8	26.0
EBITA	-13.1	7.1	10.6	14.4	17.6
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0
EBIT	-13.1	7.1	10.6	14.4	17.6
Financial result	-5.8	-4.4	-4.1	-3.8	-3.3
Income on ordinary activities	-18.9	2.7	6.5	10.6	14.3
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0
EBT	-18.9	2.7	6.5	10.6	14.3
Taxes	-6.1	2.4	-1.2	-1.7	-2.3
Net income from cont. operations	-25.1	5.1	5.3	8.9	12.0
Net income from discount. operations	0.0	0.0	0.0	0.0	0.0
Minority interest	0.0	0.0	0.0	0.0	0.0
Net income (adj.)	-25.1	5.1	5.3	8.9	12.0
No. of shares	124.2	124.2	124.3	124.4	124.5
EPS (in EUR)	-0.20	0.04	0.04	0.07	0.10

Source: Company information, Bankhaus Lampe Research estimates

	2016	2017	2018e	2019e	2020e
Gross margin	26.7%	25.7%	25.2%	28.0%	28.0%
EBITDA margin	9.6%	10.7%	10.6%	12.4%	12.7%
EBITA margin	-3.4%	2.0%	2.9%	4.2%	5.1%
EBIT margin	-3.4%	2.0%	2.9%	4.2%	5.1%
EBT margin	-4.9%	0.8%	1.8%	3.1%	4.2%
Net profit margin	-6.5%	1.4%	1.5%	2.6%	3.5%
Tax rate	-32.3%	-88.6%	18.6%	16.0%	16.1%

Source: Company information, Bankhaus Lampe Research estimates

Growth rates yoy	2016	2017	2018e	2019e	2020e
Sales	-4.1%	-7.3%	1.0%	-6.0%	1.4%
EBITDA	13.8%	3.2%	0.5%	9.8%	3.3%
EBIT	36.9%	-	48.2%	36.5%	22.2%
EBT	29.1%	-	>100%	64.3%	34.9%
Net income (adj.)	-0.4%	-	2.7%	69.5%	34.8%
EPS	-0.3%	-	2.7%	69.4%	34.7%

Source: Company information, Bankhaus Lampe Research estimates

QSC AG – Balance sheet

Assets (in m EUR)	2016	2017	2018e	2019e	2020e
Fixed assets	179.0	167.1	159.7	156.5	155.6
Property, plant and equipment	86.9	81.0	73.6	70.7	69.7
Intangible assets	86.3	80.9	80.9	80.9	80.9
Financial assets	5.6	5.0	5.1	4.8	4.8
Other long-term assets	0.2	0.2	0.2	0.1	0.2
Current assets	127.0	130.0	137.7	141.8	151.0
Inventories	0.0	0.0	0.0	0.0	0.0
Accounts receivable	45.8	52.3	53.0	49.8	50.5
Other current assets	12.6	15.8	16.0	15.0	15.2
Securities	1.2	0.0	0.0	0.0	0.0
Cash	67.3	61.9	68.7	76.9	85.3
Total assets	306.0	297.1	297.5	298.3	306.6
Equity and liabilities (in m EUR)					
Shareholders' equity	86.3	89.5	91.1	96.2	103.2
Shareholders' equity (before minority)	86.7	90.1	91.6	96.8	103.8
Minorities	-0.3	-0.5	-0.5	-0.5	-0.5
Non-current liabilities	158.5	147.9	148.0	147.5	147.6
Pension provisions	7.1	5.9	6.0	5.6	5.7
Other provisions	3.1	3.0	3.1	2.9	2.9
Long-term financial debt	148.3	139.0	139.0	139.0	139.0
Other long-term debt	0.0	0.0	0.0	0.0	0.0
Current liabilities	61.1	59.6	58.4	54.6	55.8
Short-term debt	6.5	1.6	1.6	1.6	1.6
Other accruals short-term	17.1	11.1	11.2	10.6	10.7
Accounts payable	24.9	46.9	45.6	42.4	43.5
Other liabilities	12.6	0.0	0.0	0.0	0.0
Total equity and liabilities	306.0	297.1	297.5	298.3	306.6

Source: Company information, Bankhaus Lampe Research estimates

QSC AG – Balance sheet structure

Assets	2016	2017	2018e	2019e	2020e
Fixed assets	58.5%	56.2%	53.7%	52.5%	50.7%
Property, plant and equipment	28.4%	27.3%	24.7%	23.7%	22.7%
Intangible assets	28.2%	27.2%	27.2%	27.1%	26.4%
Current assets	41.5%	43.8%	46.3%	47.5%	49.3%
Inventories	0.0%	0.0%	0.0%	0.0%	0.0%
Accounts receivable	15.0%	17.6%	17.8%	16.7%	16.5%
Cash	22.0%	20.8%	23.1%	25.8%	27.8%
Equity and liabilities					
Shareholders' equity	28.2%	30.1%	30.6%	32.3%	33.7%
Non-current liabilities	51.8%	49.8%	49.8%	49.4%	48.1%
Pension provisions	2.3%	2.0%	2.0%	1.9%	1.9%
Long-term financial debt	48.5%	46.8%	46.7%	46.6%	45.3%
Current liabilities	20.0%	20.1%	19.6%	18.3%	18.2%
Short-term debt	2.1%	0.5%	0.5%	0.5%	0.5%
Accounts payable	8.1%	15.8%	15.3%	14.2%	14.2%

Source: Company information, Bankhaus Lampe Research estimates

R. STAHL AG

Three pillars to support growth

17/01/2019

Hold (Hold)
22.00 EUR (22.00 EUR)

Close 14/01/2019 22.80 EUR
 Bloomberg: RSL2 GY WKN: A1PHBB
 Sector Industrials

Share price performance

52 week high 31.00 EUR
 52 week low 20.40 EUR
 Compared to Prime All Share
 YTD 3.2%
 1 month 5.3%
 12 months -7.5%



Share data

EV (m EUR; 2019) 249.6
 Market Cap (m EUR) 146.8
 No. of shares (m) 6.4
 Free float 37.9%

Next event

Preliminary Results 28/02/2019

Change in model

	Sales	EBITDA	EPS
2018e	-	-	-
2019e	-	-	-
2020e	-	-	-

Analyst

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See end of document for disclaimer.

With a structured, targeted package of measures that have been implemented, we expect R. Stahl to return to profitability. The company is set to show positive EPS figures from 2019 onwards. Nevertheless, we maintain our HOLD rating for the stock. We need better visibility over the success of the restructuring before considering an upgrade.

INVESTMENT CASE

The latest numbers exceeded expectations, but R. Stahl still remains a restructuring case. However, the management team has made good progress, in our view. The key tasks for management are to reduce complexity and enhance the efficiency of processes, which it aims to achieve with the global realignment programme "R. Stahl 2020" launched in early 2018. We continue to believe that the company is on track to achieve these targets, although it still has a lot on its agenda. The programme includes three key tasks:

1. Create a global corporate organisation with standardised group-wide processes
2. Optimise the product portfolio
3. Harmonise the global IT landscape

These three measures should allow R. Stahl to create the necessary conditions and provide the scope to fully exploit the opportunities for sustainable and profitable growth arising in its markets.

CATALYSTS

Visibility on the progress made in restructuring should increase investors' awareness and support the share price performance, while any delays on the way back to profitability should have a negative impact on the share price, in our view.

VALUATION

Our current price target is based on a DCF model. A peer-group valuation with multiples is not meaningful while R. Stahl is in restructuring mode, in our view.

in m EUR	2016	2017	2018e	2019e	2020e
Sales	286.6	268.5	276.0	284.3	295.7
EBITDA	22.2	2.3	8.5	18.4	22.3
EBITDA margin	7.7%	0.9%	3.1%	6.5%	7.5%
Net financial debt	21.8	18.1	14.6	11.1	4.2
Free cash flow	-0.3	8.2	4.0	3.5	6.9
EPS (in EUR)	0.63	-3.28	-1.16	0.36	0.78
DPS (in EUR)	0.60	0.00	0.00	0.00	0.00
Dividend yield	2.1%	0.0%	0.0%	0.0%	0.0%
EV/sales	1.1	1.1	0.9	0.9	0.8
EV/EBITDA	34.9	-28.7	-69.7	39.2	23.7
P/E	45.6	-9.2	-18.4	63.2	29.3

Source: Company information, Bankhaus Lampe Research estimates

Company overview

SWOT

Strengths/Opportunities

- Strong market position (global number two)
- High market entry barriers due to tough security requirements
- High percentage of recurring revenues (roughly 30%)
- European ICE standard is gaining market share vs. US NEC standard
- Market share gains from acquisitions

MANAGEMENT

- Dr. Matthias Hallmann (CEO)
- Volker Walprecht (CFO)

SHORT-TERM GUIDANCE

- 2018: EBITDA pre to exceed former guidance high double-digit percentage increase)
- 2018: Net profit in the high single-digit negative millions

HISTORICAL P/E



COMPANY EVENTS

Next event: 28/02/2019 Preliminary Results

KEY RATIOS

	16	17	18e	19e	20e
R&D/Sales	-	-	-	-	-
Capex/Sales	4.4%	3.9%	3.3%	3.2%	3.0%
Capex/Depreciation	1.7	0.8	0.8	0.8	0.8
ROCE	3.8%	-5.4%	-1.9%	3.5%	5.5%
Free cash flow yield	-0.2%	4.2%	3.1%	2.6%	5.2%
Equity ratio	34.0%	27.7%	26.8%	27.7%	29.2%
Net debt / equity	23%	26%	23%	17%	6%
Net debt / EBITDA	1.0	7.9	1.7	0.6	0.2
Interest cover	2.6	-3.4	-0.7	1.4	2.2

Weaknesses/Threats (Risks)

- Margin too low given the strong market position
- Business depends on the investment climate in the clients' sectors
- Many energy companies increase the price pressure on their suppliers

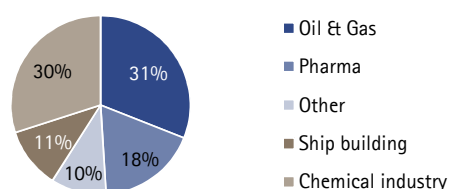
COMPANY BACKGROUND

R. Stahl AG is a leading supplier of products, systems and services for explosion protection. Its products prevent explosions wherever there are explosive gas-air mixtures or dusts (chemical and pharmaceutical industry, food sector, oil and gas industry). As a European company, R. Stahl specialises in products certified according to the European IEC standards.

MEDIUM-TERM GUIDANCE

- -

REVENUE BREAKDOWN (LAST ACTUAL YEAR)



MAJOR SHAREHOLDERS (%)

Familie Stahl	51.0
RAG-Stiftung	11.1
LBBW Asset Management	9.8

BHL VS. CONSENSUS

	18e	19e	20e
Sales (in m EUR)			
BHL	276.0	284.3	295.7
Consensus	276.8	284.1	298.4
EBITDA (in m EUR)			
BHL	8.5	18.4	22.3
Consensus	7.8	18.2	25.2
EPS (EUR)			
BHL	-1.16	0.36	0.78
Consensus	-0.94	0.19	1.17

Source: Company information, FactSet, BHL estimates

Key figures

R. STAHL AG – Income statement

in m EUR	2016	2017	2018e	2019e	2020e
Sales	286.6	268.5	276.0	284.3	295.7
Own work capitalised	-2.3	1.0	1.0	1.0	1.0
Total sales	284.3	269.5	277.0	285.3	296.7
Material expenses	-101.1	-100.1	-101.0	-104.4	-108.3
Personnel expenses	-118.3	-121.1	-120.5	-120.5	-124.1
Unusual or infrequent items	0.0	0.0	0.0	0.0	0.0
Other operating result	-42.7	-46.0	-47.0	-42.0	-42.0
EBITDA	22.2	2.3	8.5	18.4	22.3
Depreciation	7.5	13.0	12.0	12.0	12.0
EBITA	14.7	-10.7	-3.5	6.4	10.3
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	6.0	0.0	0.0	0.0	0.0
EBIT	8.7	-10.7	-3.5	6.4	10.3
Financial result	-3.0	-1.9	-3.0	-3.0	-3.0
Income on ordinary activities	5.7	-12.6	-6.5	3.4	7.3
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0
EBT	5.7	-12.6	-6.5	3.4	7.3
Taxes	-1.6	-8.5	-1.0	-1.0	-2.3
Net income from cont. operations	4.1	-21.2	-7.5	2.3	5.0
Net income from disc. operations	0.0	0.0	0.0	0.0	0.0
Minority interest	-0.1	0.0	0.0	0.0	0.0
Net income (adj.)	4.0	-21.1	-7.5	2.3	5.0
No. of shares	6.4	6.4	6.4	6.4	6.4
EPS	0.63	-3.28	-1.16	0.36	0.78

Source: Company information, Bankhaus Lampe Research estimates

	2016	2017	2018e	2019e	2020e
Gross margin	64.7%	62.7%	63.4%	63.3%	63.4%
EBITDA margin	7.7%	0.9%	3.1%	6.5%	7.5%
EBITA margin	5.1%	-4.0%	-1.3%	2.2%	3.5%
EBIT margin	3.0%	-4.0%	-1.3%	2.2%	3.5%
EBT margin	2.0%	-4.7%	-2.4%	1.2%	2.5%
Net profit margin	1.4%	-7.9%	-2.7%	0.8%	1.7%
Tax rate	27.7%	-67.6%	-15.4%	31.0%	31.0%

Source: Company information, Bankhaus Lampe Research estimates

Growth rates yoy	2016	2017	2018e	2019e	2020e
Sales	-8.4%	-6.3%	2.8%	3.0%	4.0%
EBITDA	27.4%	-89.7%	>100%	>100%	21.2%
EBIT	>100%	-	67.3%	-	61.1%
EBT	>100%	-	48.6%	-	>100%
Net income (adj.)	-	-	64.5%	-	>100%
EPS	-	-	64.5%	-	>100%

Source: Company information, Bankhaus Lampe Research estimates

R. STAHL AG – Balance sheet

Assets (in m EUR)	2016	2017	2018e	2019e	2020e
Fixed assets	139.6	127.3	123.2	121.2	119.2
Property, plant and equipment	62.4	57.2	54.0	52.0	50.0
Intangible assets	40.4	41.8	42.3	42.3	42.3
Financial assets	7.2	7.8	7.9	7.9	7.9
Other long-term assets	29.7	20.5	19.0	19.0	19.0
Current assets	139.0	122.3	114.4	117.9	124.8
Inventories	50.9	45.5	40.0	41.0	42.0
Accounts receivable	60.2	50.0	51.0	52.0	53.0
Other current assets	11.7	10.7	11.0	11.0	11.0
Securities	0.0	0.0	0.0	0.0	0.0
Cash	16.2	16.1	12.4	13.9	18.8
Total assets	278.6	249.6	237.6	239.1	244.0
Equity and liabilities in m EUR					
Shareholders' equity	94.8	69.1	63.8	66.1	71.1
Shareholders' equity (before minority)	94.5	69.0	63.7	66.0	71.0
Minorities	0.2	0.1	0.1	0.1	0.1
Non-current liabilities	112.9	112.2	109.5	109.5	109.5
Pension provisions	96.7	93.7	91.5	91.5	91.5
Other provisions	1.9	1.9	2.0	2.0	2.0
Long-term financial debt	10.4	13.1	13.0	13.0	13.0
Other long-term debt	3.9	3.6	3.0	3.0	3.0
Current liabilities	71.0	68.3	64.3	63.4	63.3
Short-term debt	27.6	21.1	14.0	12.0	10.0
Other accruals short-term	6.3	6.1	5.3	5.1	5.0
Accounts payable	13.4	18.2	15.0	15.4	16.2
Other liabilities	23.6	22.9	30.0	30.9	32.1
Total equity and liabilities	278.6	249.6	237.6	239.1	244.0

Source: Company information, Bankhaus Lampe Research estimates

R. STAHL AG – Balance sheet structure

Assets	2016	2017	2018e	2019e	2020e
Fixed assets	50.1%	51.0%	51.9%	50.7%	48.9%
Property, plant and equipment	22.4%	22.9%	22.7%	21.8%	20.5%
Intangible assets	14.5%	16.7%	17.8%	17.7%	17.3%
Current assets	49.9%	49.0%	48.1%	49.3%	51.1%
Inventories	18.3%	18.2%	16.8%	17.2%	17.2%
Accounts receivable	21.6%	20.0%	21.5%	21.8%	21.7%
Cash	5.8%	6.4%	5.2%	5.8%	7.7%
Equity and liabilities					
Shareholders' equity	34.0%	27.7%	26.8%	27.7%	29.2%
Non-current liabilities	40.5%	45.0%	46.1%	45.8%	44.9%
Pension provisions	34.7%	37.6%	38.5%	38.3%	37.5%
Long-term financial debt	3.7%	5.2%	5.5%	5.4%	5.3%
Current liabilities	25.5%	27.4%	27.1%	26.5%	26.0%
Short-term debt	9.9%	8.4%	5.9%	5.0%	4.1%
Accounts payable	4.8%	7.3%	6.3%	6.5%	6.6%

Source: Company information, Bankhaus Lampe Research estimates

RHÖN-KLINIKUM AG

How to deal with labour scarcity?

17/01/2019

Hold (Hold)
23.00 EUR (23.00 EUR)

Close 14/01/2019 22.54 EUR
 Bloomberg: RHK GY WKN: 704230
 Sector Healthcare/Pharma

Share price performance

52 week high 31.70 EUR
 52 week low 21.18 EUR
 Compared to MDAX
 YTD -2.4%
 1 month 0.2%
 12 months -10.4%



Share data

EV (m EUR; 2019) 1,321
 Market Cap (m EUR) 1,509
 No. of shares (m) 67
 Free float 24.7%

Next event

Preliminary Results 22/02/2019

Change in model

	Sales	EBITDA	EPS
2018e	-	-	-
2019e	-	-	-
2020e	-	-	-

Analyst

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See end of document for disclaimer.

In light of looming regulatory changes in 2019 and with volumes already shifting from inpatient treatments to outpatient treatments, we do not believe that Rhön-Klinikum will be able to compensate for more muted medium-term growth in inpatient treatments and adverse mix effects. We prefer to stay on the sidelines for the time being.

INVESTMENT CASE

Due to regulatory changes in the minimum staffing requirements, a stronger focus on outpatient treatments, and catalogue effects, we do not expect material changes in the company's underlying EBITDA in the foreseeable future. On 17 October 2018, Rhön-Klinikum announced that auditors had validated its agreement with the university hospitals in Giessen and Marburg (UKGM) and the Federal State of Hesse on separate accounting. The company could therefore book a one-off gain of € 20 m. Investors should bear in mind that this gain was included in Rhön-Klinikum's FY 2018 EBITDA guidance (€ 117.5–127.5 m, BHL: € 119 m vs. € 100 m adjusted) from the start. The underlying EBITDA margin is unlikely to exceed 9% any time soon.

CATALYSTS

Preliminary FY 2018 results are due for release on 22 February. Q4 is unlikely to show material sequential deviations from Q3, in our view.

VALUATION

Our DCF-based price target for Rhön-Klinikum stands at € 23.00 per share. Based on this value, the implied EV/EBITDA_{2019e} multiple remains at 13x, a still rather healthy level historically given the rather muted earnings performance and the absence of any significant external growth opportunities.

in m EUR	2016	2017	2018e	2019e	2020e
Sales	1,176	1,211	1,238	1,256	1,304
EBITDA	115	101	100	103	114
EBITDA margin	9.8%	8.3%	8.1%	8.2%	8.8%
Net financial debt	-265	-228	-199	-213	-255
Free cash flow	154	-20	-15	34	64
EPS (in EUR)	0.22	0.57	0.39	0.41	0.54
DPS (in EUR)	0.35	0.22	0.27	0.30	0.32
Dividend yield	1.4%	0.7%	1.2%	1.3%	1.4%
EV/sales	1.3	1.5	1.1	1.1	1.0
EV/EBITDA	12.9	17.8	13.1	12.8	11.2
P/E	119.1	52.4	56.1	55.6	41.9

Source: Company information, Bankhaus Lampe Research estimates

Company overview

SWOT

Strengths/Opportunities

- Strong balance sheet enables substantial pay-out ratios
- USP: University-based top healthcare under private sponsorship
- Potential for increase in efficiency due to collaboration with IBM Watson
- Accelerated growth through selective acquisitions

MANAGEMENT

- Stephan Holzinger (CEO)
- Dr. Gunther Weiß (COO)
- Prof. Dr. Bernd Griewing (CMO)

SHORT-TERM GUIDANCE

- Sales 2018: € 1.24 bn +/- 5%
- Adjusted EBITDA 2018: € 117.5 m to € 127.5 m, incl. € 20 m one-off

HISTORICAL P/E



COMPANY EVENTS

Next event: 22/02/2019 Preliminary Results

KEY RATIOS

	16	17	18e	19e	20e
RtD/Sales	-	-	-	-	-
Capex/Sales	8.3%	8.3%	11.8%	5.6%	3.5%
Capex/Depreciation	1.7	1.7	2.4	1.1	0.7
ROCE	4.8%	3.6%	3.2%	3.1%	3.8%
Free cash flow yield	10.3%	-1.3%	-1.0%	2.3%	4.3%
Equity ratio	76.5%	76.5%	76.5%	76.6%	76.3%
Net debt / equity	-24%	-20%	-17%	-18%	-21%
Net debt / EBITDA	-2.3	-2.3	-2.0	-2.1	-2.2
Interest cover	0.0	0.0	0.0	0.0	0.0

Weaknesses/Threats (Risks)

- Strongly regulated market and influence from politics
- Cost structure of University Hospital Giessen-Marburg (UKGM)
- Capital-intensive business model
- Scarcity of qualified staff

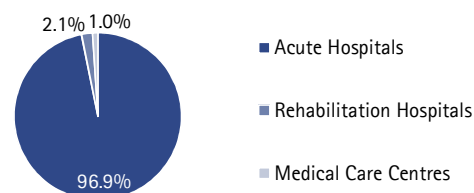
COMPANY BACKGROUND

Rhön-Klinikum AG is a private hospital group, which operates hospitals in the acute care sector with a focus on maximum care. After the sale of 43 hospitals to Fresenius Helios in 2014, Rhön-Klinikum operates 11 facilities at five locations. The company is committed to medical excellency and state-of-the-art medicine.

MEDIUM-TERM GUIDANCE

- UKGM: Reaching EBITDA margin goal of about 10% by 2019

REVENUE BREAKDOWN (LAST ACTUAL YEAR)



MAJOR SHAREHOLDERS (%)

B. Braun Holding	25.0
Familie Münch (inkl. HCM SE)	20.0
Asklepios	25.1

BHL VS. CONSENSUS

	18e	19e	20e
Sales (in m EUR)			
BHL	1,238	1,256	1,304
Consensus	1,269	1,310	1,361
EBITDA (in m EUR)			
BHL	100	103	114
Consensus	111	115	122
EPS (EUR)			
BHL	0.39	0.41	0.54
Consensus	0.60	0.60	0.65

Source: Company information, FactSet, BHL estimates

Key figures

RHÖN-KLINIKUM AG – Income statement

in m EUR	2016	2017	2018e	2019e	2020e
Sales	1,176	1,211	1,238	1,256	1,304
Own work capitalised	0	0	0	0	0
Total sales	1,176	1,211	1,238	1,256	1,304
Material expenses	-330	-348	-365	-364	-377
Personnel expenses	-758	-788	-808	-825	-848
Unusual or infrequent items	42	-3	20	10	0
Other operating result	26	22	35	36	35
EBITDA	115	101	100	103	114
Depreciation	58	59	62	65	68
EBITA	57	42	38	38	46
Amortisation of goodwill	0	0	0	0	0
Amortisation of intangible assets	2	0	0	0	0
EBIT	55	42	38	38	46
Financial result	-36	-2	-1	-1	-1
Income on ordinary activities	19	40	37	37	46
Extraordinary income/loss	0	0	0	0	0
EBT	19	40	37	37	46
Taxes	-2	0	-9	-8	-8
Net income from cont. operations	17	40	28	29	38
Net income from discount. operations	0	0	0	0	0
Minority interest	-2	-2	-2	-2	-2
Net income (adj.)	14	38	26	27	36
No. of shares	67	67	67	67	67
EPS	0.22	0.57	0.39	0.41	0.54

Source: Company information, Bankhaus Lampe Research estimates

	2016	2017	2018e	2019e	2020e
Gross margin	72.0%	71.3%	70.5%	71.0%	71.1%
EBITDA margin	9.8%	8.3%	8.1%	8.2%	8.8%
EBITA margin	4.9%	3.4%	3.1%	3.0%	3.6%
EBIT margin	4.7%	3.4%	3.1%	3.0%	3.6%
EBT margin	1.6%	3.3%	3.0%	2.9%	3.5%
Net profit margin	1.2%	3.2%	2.1%	2.2%	2.8%
Tax rate	11.8%	0.9%	24.5%	21.6%	17.0%

Source: Company information, Bankhaus Lampe Research estimates

Growth rates yoy	2016	2017	2018e	2019e	2020e
Sales	6.2%	3.0%	2.2%	1.5%	3.8%
EBITDA	-0.3%	-12.2%	-1.0%	3.1%	11.1%
EBIT	1.6%	-24.2%	-9.4%	-0.5%	23.6%
EBT	-63.2%	>100%	-7.5%	-0.3%	24.0%
Net income (adj.)	-68.9%	>100%	-31.1%	3.2%	32.8%
EPS	-66.5%	>100%	-31.1%	3.2%	32.8%

Source: Company information, Bankhaus Lampe Research estimates

RHÖN-KLINIKUM AG – Balance sheet

Assets (in m EUR)	2016	2017	2018e	2019e	2020e
Fixed assets	936	969	1,050	1,056	1,034
Property, plant and equipment	701	747	831	837	814
Intangible assets	173	174	174	174	174
Financial assets	62	47	45	45	45
Other long-term assets	0	0	0	0	0
Current assets	520	503	462	478	528
Inventories	25	25	26	27	28
Accounts receivable	191	204	201	204	212
Other current assets	14	11	14	15	15
Securities	210	140	110	110	60
Cash	81	122	111	123	214
Total assets	1,456	1,471	1,513	1,534	1,562
Equity and liabilities in m EUR					
Shareholders' equity	1,113	1,125	1,157	1,176	1,192
Shareholders' equity (before minority)	1,091	1,102	1,134	1,153	1,169
Minorities	23	23	23	23	23
Non-current liabilities	25	25	24	22	22
Pension provisions	2	2	2	2	2
Other provisions	7	8	7	7	8
Long-term financial debt	16	15	14	13	12
Other long-term debt	0	0	0	0	0
Current liabilities	317	321	333	336	348
Short-term debt	10	20	9	8	7
Other accruals short-term	96	93	101	102	106
Accounts payable	95	108	100	101	105
Other liabilities	117	100	123	125	130
Total equity and liabilities	1,456	1,471	1,513	1,534	1,562

Source: Company information, Bankhaus Lampe Research estimates

RHÖN-KLINIKUM AG – Balance sheet structure

Assets	2016	2017	2018e	2019e	2020e
Fixed assets	64.3%	65.8%	69.4%	68.8%	66.2%
Property, plant and equipment	48.1%	50.8%	54.9%	54.5%	52.1%
Intangible assets	11.9%	11.9%	11.5%	11.4%	11.2%
Current assets	35.7%	34.2%	30.6%	31.2%	33.8%
Inventories	1.7%	1.7%	1.7%	1.7%	1.8%
Accounts receivable	13.1%	13.9%	13.3%	13.3%	13.5%
Cash	5.5%	8.3%	7.3%	8.0%	13.7%
Equity and liabilities					
Shareholders' equity	76.5%	76.5%	76.5%	76.6%	76.3%
Non-current liabilities	1.7%	1.7%	1.6%	1.5%	1.4%
Pension provisions	0.2%	0.2%	0.2%	0.2%	0.2%
Long-term financial debt	1.1%	1.0%	0.9%	0.8%	0.8%
Current liabilities	21.8%	21.8%	22.0%	21.9%	22.3%
Short-term debt	0.7%	1.4%	0.6%	0.5%	0.5%
Accounts payable	6.5%	7.4%	6.6%	6.6%	6.7%

Source: Company information, Bankhaus Lampe Research estimates

Schaltbau Holding AG

Additional special items cannot be ruled out

17/01/2019

Hold (Hold)
21.50 EUR (21.50 EUR)

Close 14/01/2019 20.10 EUR
 Bloomberg: SLT GR WKN: A2NBTL
 Sector Transport & Logistics

Share price performance

52 week high	29.20 EUR
52 week low	20.00 EUR
Compared to Prime All Share	
YTD	-3.9%
1 month	-6.3%
12 months	-13.5%



Share data

EV (m EUR; 2019)	312.4
Market Cap (m EUR)	177.9
No. of shares (m)	8.9
Free float	71.0%

Next event

Annual Results	02/04/2019
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Change in model

	Sales	EBIT	EPS
2018e	-	-	-
2019e	-	-	-
2020e	-	-	-

Analyst

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See end of document for disclaimer.

The current newsflow underpins our view that the group made progress in restructuring the business, but the balance sheet still contains risks. Management said that further non-operating special items cannot be ruled out due to write-downs in connection with restructuring measures and possibly further book value adjustments at subsidiaries. This statement is well worth noting, in our view. We maintain our HOLD recommendation for the stock.

INVESTMENT CASE

Based on the weak earnings performance and the resulting lower earnings forecast, Schaltbau booked an impairment of € 12.3 m in Q4 for its subsidiaries Schaltbau Alte, Spain, and Schaltbau Bode, UK. Including this in our model has led to a negative EPS figure for 2018.

On the positive side, however, Schaltbau has confirmed its operating guidance for 2018 at group level, which indicates that some subsidiaries are performing better than expected. Schaltbau forecasts sales in a range of € 480-500 m (BHL: € 498.6 m) and group order intake of € 500-520 m, both excluding the contributions of Sepsa, which has been put up for sale. The same applies to the expected EBIT margin (before exceptional items) for 2018, which is still expected to come in at 3% of sales (BHL: 3.2%).

CATALYSTS

Newsflow showing that Schaltbau is able to generate the necessary cash flow to reduce its financial debt could be a catalyst for the stock, in our view.

VALUATION

Our DCF model leads us to an unchanged price target of € 21.50 at this point. The stock is trading at 22.0x P/E_{2020e} compared with a 17.5x multiple for our peer group.

in m EUR	2016	2017	2018e	2019e	2020e
Sales	509.1	516.5	498.6	513.8	529.1
EBIT	-14.5	-23.0	3.7	18.7	22.8
EBIT margin	-2.8%	-4.4%	0.7%	3.6%	4.3%
Net financial debt	148.0	158.4	81.1	68.8	59.7
Free cash flow	7.6	-23.8	45.0	12.3	9.1
EPS (in EUR)	-2.61	-8.04	-0.60	0.60	0.91
DPS (in EUR)	0.00	0.00	0.00	0.00	0.00
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%
EV/sales	0.8	0.8	0.6	0.6	0.6
EV/EBIT	-28.2	-17.4	86.9	16.7	13.3
P/E	-11.8	-3.4	-33.6	33.7	22.0

Source: Company information, Bankhaus Lampe Research estimates

Company overview

SWOT

Strengths/Opportunities

- Increasing demand for public transport infrastructure
- Sector-specific opportunities as a result of various developments
- M&A should be an option for growth in the medium term

Weaknesses/Threats (Risks)

- Electromechanical products previously sold to customers – such as driver's cab equipment – could be replaced by digital solutions
- The competitive density for digital products is high and may continue to increase as new suppliers enter the market
- Project-related risks
- Number of potential customers in the rail and bus sectors is limited

MANAGEMENT

- Dr. Albrecht Köhler (CEO)
- Thomas Dippolt (CFO)
- Dr. Martin Kleinschmitt (CRO)

SHORT-TERM GUIDANCE

- 2018: revenue € 480-500 m
- 2018: operational EBIT margin around 3%

HISTORICAL P/E



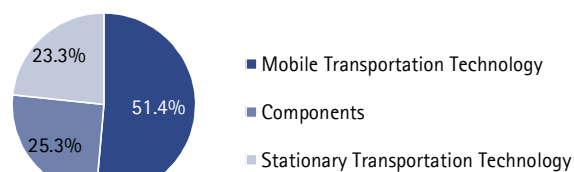
COMPANY BACKGROUND

Schaltbau Holding AG and its subsidiaries develop, manufacture and distribute high quality components and systems for transportation technology and for the investment goods industry.

MEDIUM-TERM GUIDANCE

- -

REVENUE BREAKDOWN (LAST ACTUAL YEAR)



COMPANY EVENTS

Next event: 02/04/2019 Annual Results

MAJOR SHAREHOLDERS (%)

Axxion	7.1
Shareholder Value Management AG	7.0
Luxempart	5.5

KEY RATIOS

	16	17	18e	19e	20e
R&D/Sales	-	-	-	-	-
Capex/Sales	3.8%	3.4%	3.7%	3.7%	3.6%
Capex/Depreciation	0.6	0.4	1.0	1.0	1.0
ROCE	-4.5%	-7.9%	1.4%	6.9%	8.1%
Free cash flow yield	4.1%	-13.7%	25.7%	6.8%	5.0%
Equity ratio	23.3%	15.6%	25.1%	26.0%	27.3%
Net debt / equity	138%	225%	74%	60%	49%
Net debt / EBITDA	9.1	7.9	2.3	1.8	1.4
Interest cover	-2.2	-2.0	0.5	2.9	3.5

BHL VS. CONSENSUS

	18e	19e	20e
Sales (in m EUR)			
BHL	498.6	513.8	529.1
Consensus	496.2	530.4	524.3
EBIT (in m EUR)			
BHL	3.7	18.7	22.8
Consensus	2.4	23.7	26.8
EPS (EUR)			
BHL	-0.60	0.60	0.91
Consensus	-0.43	1.12	1.29

Source: Company information, FactSet, BHL estimates

Key figures

Schaltbau Holding AG – Income statement

in m EUR	2016	2017	2018e	2019e	2020e
Sales	509.1	516.5	498.6	513.8	529.1
Own work capitalised	-2.7	16.8	0.0	0.0	0.0
Total sales	506.4	533.2	498.6	513.8	529.1
Material expenses	-253.9	-275.6	-239.3	-244.1	-249.7
Personnel expenses	-171.3	-186.9	-170.0	-173.0	-183.6
Unusual or infrequent items	0.0	0.0	0.0	0.0	0.0
Other operating result	-64.9	-50.7	-54.3	-59.0	-54.0
EBITDA	16.4	20.1	35.0	37.7	41.8
Depreciation	30.8	43.1	19.0	19.0	19.0
EBITA	-14.5	-23.0	16.0	18.7	22.8
Amortisation of goodwill	0.0	0.0	12.3	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0
EBIT	-14.5	-23.0	3.7	18.7	22.8
Financial result	-1.4	-12.7	-6.0	-6.2	-6.2
Income on ordinary activities	-15.9	-35.7	-2.3	12.5	16.6
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0
EBT	-15.9	-35.7	-2.3	12.5	16.6
Taxes	3.8	-13.9	0.7	-3.8	-5.0
Net income from cont. operations	-12.0	-49.6	-1.6	8.8	11.6
Net income from discount. operations	0.0	0.0	0.0	0.0	0.0
Minority interest	-3.8	-2.2	-3.5	-3.5	-3.5
Net income (adj.)	-15.8	-51.7	-5.1	5.3	8.1
No. of shares	6.1	6.4	8.5	8.9	8.9
EPS	-2.61	-8.04	-0.60	0.60	0.91

Source: Company information, Bankhaus Lampe Research estimates

	2016	2017	2018e	2019e	2020e
Gross margin	50.1%	46.6%	52.0%	52.5%	52.8%
EBITDA margin	3.2%	3.9%	7.0%	7.3%	7.9%
EBITA margin	-2.8%	-4.4%	3.2%	3.6%	4.3%
EBIT margin	-2.8%	-4.4%	0.7%	3.6%	4.3%
EBT margin	-3.1%	-6.9%	-0.5%	2.4%	3.1%
Net profit margin	-3.1%	-10.0%	-1.0%	1.0%	1.5%
Tax rate	24.2%	-38.8%	30.0%	30.0%	30.0%

Source: Company information, Bankhaus Lampe Research estimates

Growth rates yoy	2016	2017	2018e	2019e	2020e
Sales	1.4%	1.4%	-3.5%	3.0%	3.0%
EBITDA	-64.8%	23.1%	73.7%	7.9%	10.7%
EBIT	-	-58.6%	-	>100%	21.5%
EBT	-	<-100%	93.5%	-	32.1%
Net income (adj.)	-	<-100%	90.1%	-	53.3%
EPS	-	<-100%	92.5%	-	53.3%

Source: Company information, Bankhaus Lampe Research estimates

Schaltbau Holding AG – Balance sheet

Assets (in m EUR)	2016	2017	2018e	2019e	2020e
Fixed assets	194.6	154.7	141.4	141.4	141.4
Property, plant and equipment	88.4	72.3	71.2	71.2	71.2
Intangible assets	83.7	67.5	55.2	55.2	55.2
Financial assets	7.2	10.8	10.3	10.3	10.3
Other long-term assets	15.5	4.1	4.7	4.7	4.7
Current assets	264.4	297.3	292.9	298.2	306.3
Inventories	101.4	94.3	118.0	115.0	114.0
Accounts receivable	115.2	91.9	104.0	100.0	100.0
Other current assets	17.8	85.9	32.0	32.0	32.0
Securities	0.0	0.0	0.0	0.0	0.0
Cash	30.0	25.3	38.9	51.2	60.3
Total assets	459.1	452.0	434.3	439.6	447.7
Equity and liabilities in m EUR					
Shareholders' equity	107.1	70.6	109.0	114.3	122.4
Shareholders' equity (before minority)	73.6	39.3	80.7	86.0	94.1
Minorities	33.4	31.3	28.3	28.3	28.3
Non-current liabilities	111.1	182.9	140.3	140.3	140.3
Pension provisions	40.2	37.5	37.3	37.3	37.3
Other provisions	19.5	14.2	5.0	5.0	5.0
Long-term financial debt	43.3	125.2	93.0	93.0	93.0
Other long-term debt	8.1	6.0	5.0	5.0	5.0
Current liabilities	240.9	198.5	185.0	185.0	185.0
Short-term debt	134.7	58.6	27.0	27.0	27.0
Other accruals short-term	29.1	29.6	32.0	32.0	32.0
Accounts payable	42.0	46.4	46.0	46.0	46.0
Other liabilities	35.1	63.9	80.0	80.0	80.0
Total equity and liabilities	459.1	452.0	434.3	439.6	447.7

Source: Company information, Bankhaus Lampe Research estimates

Schaltbau Holding AG – Balance sheet structure

Assets	2016	2017	2018e	2019e	2020e
Fixed assets	42.4%	34.2%	32.6%	32.2%	31.6%
Property, plant and equipment	19.2%	16.0%	16.4%	16.2%	15.9%
Intangible assets	18.2%	14.9%	12.7%	12.6%	12.3%
Current assets	57.6%	65.8%	67.4%	67.8%	68.4%
Inventories	22.1%	20.9%	27.2%	26.2%	25.5%
Accounts receivable	25.1%	20.3%	23.9%	22.8%	22.3%
Cash	6.5%	5.6%	9.0%	11.6%	13.5%
Equity and liabilities					
Shareholders' equity	23.3%	15.6%	25.1%	26.0%	27.3%
Non-current liabilities	24.2%	40.5%	32.3%	31.9%	31.3%
Pension provisions	8.7%	8.3%	8.6%	8.5%	8.3%
Long-term financial debt	9.4%	27.7%	21.4%	21.2%	20.8%
Current liabilities	52.5%	43.9%	42.6%	42.1%	41.3%
Short-term debt	29.3%	13.0%	6.2%	6.1%	6.0%
Accounts payable	9.2%	10.3%	10.6%	10.5%	10.3%

Source: Company information, Bankhaus Lampe Research estimates

SGL CARBON SE

Obligation to deliver as promised

17/01/2019

Buy (Buy)
12.00 EUR (12.00 EUR)

Close 14/01/2019 6.52 EUR
 Bloomberg: SGL GY WKN: 723530
 Sector Chemicals

Share price performance

52 week high	13.37 EUR
52 week low	5.99 EUR
Compared to	SDAX
YTD	2.3%
1 month	1.3%
12 months	-28.2%



Share data

EV (m EUR; 2019)	1,295
Market Cap (m EUR)	797.0
No. of shares (m)	122.3
Free float	46.0%

Next event

Annual Results	27/03/2019
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Change in model

	Sales	EBIT	EPS
2018e	-	-	-
2019e	-	-	-
2020e	-	-	-

Analyst

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See end of document for disclaimer.

The SGL share has come under pressure since the group announced that it would be investing more in capacity expansion. This step came as no surprise, as SGL had repeatedly pointed out that GMS was operating at full capacity. We believe it is good to invest in future growth, but SGL's management also has an obligation to deliver on its promises.

INVESTMENT CASE

SGL offers a wide range of lightweight materials and graphite specialties to a broad customer base (chemicals, semiconductors, solar, wind and energy industries). In the next five years, we see the automotive industry as the key customer industry for SGL (sales CAGR_{2017-20e} of 22.4%) with a potential share of group sales of 26% (2017: 16%) in 2022. Growth in automotive should come from batteries, LED, semiconductors and light-weight materials.

Our top-line growth forecast for FY 2019 of 8% is slightly more cautious after two years of growth in the double digits. The group projected adj. EBIT FY 2019 to be on a par with FY 2018 (BHL 2018e: € 60 m). However, we think that the company should be able to keep the adj. EBIT margin at 5.8% at least stable yoy and thus adj. EBIT should increase to € 65 m.

CATALYSTS

- New orders from the automotive industry will raise confidence in the investment case and restore investors' trust in the stock.
- FY 2018 results due out on 27 March 2019 – EBIT will include non-recurring effects of some € 25 m

VALUATION

Our price target is DCF based (WACC 6.2%, TG 1.3%, TV share: 75% of NPVs) and includes the 2022 goal of more than € 1.3 bn sales and an EBIT margin >10%. A 10% risk discount in the valuation should reflect the current market environment.

in m EUR	2016	2017	2018e	2019e	2020e
Sales	769.8	860.1	1,025	1,107	1,196
EBIT	23.7	49.0	81.2	64.5	102.6
EBIT margin	3.1%	5.7%	7.9%	5.8%	8.6%
Net financial debt	422.4	124.1	159.0	185.1	192.1
Free cash flow	-72.0	319.0	-78.5	-26.1	-0.9
EPS (in EUR)	-1.19	1.14	0.29	0.19	0.39
DPS (in EUR)	0.00	0.00	0.00	0.05	0.10
Dividend yield	0.0%	0.0%	0.0%	0.8%	1.5%
EV/sales	1.3	2.1	1.2	1.2	1.1
EV/EBIT	41.7	36.8	14.9	20.1	12.8
P/E	-7.0	10.0	21.3	34.5	16.8

Source: Company information, Bankhaus Lampe Research estimates

Company overview

SWOT

Strengths/Opportunities

- Strategic realignment completed – focusing now on two growth business units
- Strong market position in Graphite Specialties – e.g. 20% market share in Lithium-ion anode graphites
- Automotive driving growth in Composites-Fibers & Materials (CFM) – lightweight materials demand increases
- Core competency in high-temperature applications for several industries.

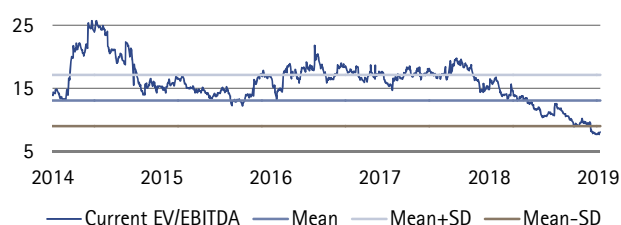
MANAGEMENT

- Dr. Jürgen Köhler (CEO)
- Dr. Michael Majerus (CFO)

SHORT-TERM GUIDANCE

- 2018: ~10% Top-line growth – EBIT to increase faster than sales

HISTORICAL EV/EBITDA



COMPANY EVENTS

Next event: 27/03/2019 Annual Results

KEY RATIOS

	16	17	18e	19e	20e
R&D/Sales	3.9%	3.6%	3.2%	3.3%	3.3%
Capex/Sales	4.5%	6.2%	8.8%	9.0%	8.8%
Capex/Depreciation	0.7	1.1	1.4	1.4	1.4
ROCE	1.7%	3.9%	5.0%	3.9%	6.0%
Free cash flow yield	-9.2%	22.9%	-7.3%	-2.4%	-0.1%
Equity ratio	18.3%	30.4%	31.0%	31.3%	32.2%
Net debt / equity	121%	27%	26%	29%	29%
Net debt / EBITDA	5.8	1.3	1.0	1.3	1.0
Interest cover	0.5	1.1	2.3	1.8	2.8

Weaknesses/Threats (Risks)

- Other lightweight materials (aluminium, steel) might limit the potential of carbon fibre in automotive applications.
- Poor earnings quality in the past few years
- SGL has not yet a significant share in Aerospace and Wind Energy in CFM to diversify its customer base.
- Positioning CFM in broad range of industrial applications could fail

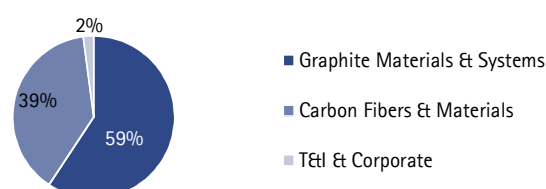
COMPANY BACKGROUND

SGL Carbon SE is the world's leading manufacturer of carbon-based products. The company's product portfolio ranges from carbon and graphite products through to carbon fibres and composite materials.

MEDIUM-TERM GUIDANCE

- 2022: ~€ 1.3 bn sales, at least 10% EBIT margin at group level

REVENUE BREAKDOWN (LAST ACTUAL YEAR)



MAJOR SHAREHOLDERS (%)

Skion	28.5
BMW AG	18.4
Volkswagen AG	7.4

BHL VS. CONSENSUS

	18e	19e	20e
Sales (in m EUR)			
BHL	1,025	1,107	1,196
Consensus	1,015	1,077	1,159
EBIT (in m EUR)			
BHL	81.2	64.5	102.6
Consensus	66.2	67.1	87.7
EPS (EUR)			
BHL	0.29	0.19	0.39
Consensus	0.23	0.21	0.36

Source: Company information, FactSet, BHL estimates

Key figures

SGL CARBON SE – Income statement

in m EUR	2016	2017	2018e	2019e	2020e
Sales	769.8	860.1	1,025	1,107	1,196
Cost of sales	-632.9	-684.0	-811.1	-845.9	-879.9
Gross profit	136.9	176.1	214.0	261.3	315.8
Sales and marketing	-78.9	-91.6	-105.7	-109.1	-117.9
General and administration	-47.4	-46.5	-52.4	-51.6	-55.7
Research and development	-30.3	-30.7	-33.0	-36.3	-39.9
Other operating result	43.4	41.7	58.3	0.3	0.3
EBITDA	72.9	97.0	156.2	144.5	187.6
Depreciation	49.2	48.0	65.0	70.0	75.0
EBITA	23.7	49.0	91.2	74.5	112.6
Amortisation of goodwill	0.0	0.0	10.0	10.0	10.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0
EBIT	23.7	49.0	81.2	64.5	102.6
Financial result	-50.9	-56.8	-36.9	-35.0	-35.9
Income on ordinary activities	-27.2	-7.8	44.3	29.5	66.7
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0
EBT	-27.2	-7.8	44.3	29.5	66.7
Taxes	-6.8	-5.8	-4.9	-5.9	-18.7
Net income from cont. operations	-34.0	-13.6	39.4	23.6	48.0
Net income from discount. operations	-75.7	155.1	-4.0	0.0	0.0
Minority interest	-2.0	-2.6	-0.4	-0.5	-0.5
Net income (adj.)	-111.7	138.9	35.0	23.1	47.5
No. of shares	93.9	122.3	122.3	122.3	122.3
EPS (in EUR)	-1.19	1.14	0.29	0.19	0.39

Source: Company information, Bankhaus Lampe Research estimates

	2016	2017	2018e	2019e	2020e
Gross margin	17.8%	20.5%	20.9%	23.6%	26.4%
EBITDA margin	9.5%	11.3%	15.2%	13.1%	15.7%
EBITA margin	3.1%	5.7%	8.9%	6.7%	9.4%
EBIT margin	3.1%	5.7%	7.9%	5.8%	8.6%
EBT margin	-3.5%	-0.9%	4.3%	2.7%	5.6%
Net profit margin	-14.3%	16.5%	3.5%	2.1%	4.0%
Tax rate	-25.0%	-74.4%	11.0%	20.0%	28.0%

Source: Company information, Bankhaus Lampe Research estimates

Growth rates yoy	2016	2017	2018e	2019e	2020e
Sales	-2.5%	11.7%	19.2%	8.0%	8.0%
EBITDA	-46.4%	33.1%	61.0%	-7.5%	29.8%
EBIT	>100%	>100%	65.7%	-20.6%	59.1%
EBT	40.1%	71.3%	-	-33.5%	>100%
Net income (adj.)	62.1%	-	-74.8%	-34.2%	>100%
EPS	63.0%	-	-74.8%	-34.2%	>100%

Source: Company information, Bankhaus Lampe Research estimates

SGL CARBON SE – Balance sheet

Assets (in m EUR)	2016	2017	2018e	2019e	2020e
Fixed assets	636.2	641.0	817.0	837.0	857.0
Property, plant and equipment	493.0	524.0	650.0	680.0	700.0
Intangible assets	40.6	46.5	96.5	86.5	86.5
Financial assets	39.5	45.1	45.1	45.1	45.1
Other long-term assets	63.1	25.4	25.4	25.4	25.4
Current assets	1,263	900.7	1,137	1,168	1,222
Inventories	268.9	281.4	324.5	355.8	388.6
Accounts receivable	89.2	126.4	224.0	235.2	247.0
Other current assets	34.7	95.7	34.7	34.7	35.0
Securities	540.7	17.9	0.0	0.0	0.0
Cash	329.5	379.3	553.3	542.6	551.3
Total assets	1,899	1,542	1,954	2,005	2,079
Equity and liabilities (in m EUR)					
Shareholders' equity	347.9	468.3	605.3	628.4	669.8
Shareholders' equity (before minority)	331.8	457.0	594.0	617.1	658.5
Minorities	16.1	11.3	11.3	11.3	11.3
Non-current liabilities	1,127	616.0	1,088	1,110	1,133
Pension provisions	306.0	293.0	293.0	301.8	310.8
Other provisions	35.9	37.6	37.6	37.6	37.6
Long-term financial debt	748.8	262.1	669.0	682.4	696.0
Other long-term debt	36.7	23.3	88.3	88.3	88.3
Current liabilities	423.9	457.4	260.3	266.8	276.2
Short-term debt	3.1	241.3	43.3	45.3	47.3
Other accruals short-term	84.3	88.8	89.7	90.6	91.5
Accounts payable	103.9	89.3	89.3	92.9	97.5
Other liabilities	232.6	38.0	38.0	38.0	39.9
Total equity and liabilities	1,899	1,542	1,954	2,005	2,079

Source: Company information, Bankhaus Lampe Research estimates

SGL CARBON SE – Balance sheet structure

Assets	2016	2017	2018e	2019e	2020e
Fixed assets	33.5%	41.6%	41.8%	41.7%	41.2%
Property, plant and equipment	26.0%	34.0%	33.3%	33.9%	33.7%
Intangible assets	2.1%	3.0%	4.9%	4.3%	4.2%
Current assets	66.5%	58.4%	58.2%	58.3%	58.8%
Inventories	14.2%	18.3%	16.6%	17.7%	18.7%
Accounts receivable	4.7%	8.2%	11.5%	11.7%	11.9%
Cash	17.3%	24.6%	28.3%	27.1%	26.5%
Equity and liabilities					
Shareholders' equity	18.3%	30.4%	31.0%	31.3%	32.2%
Non-current liabilities	59.4%	40.0%	55.7%	55.4%	54.5%
Pension provisions	16.1%	19.0%	15.0%	15.1%	15.0%
Long-term financial debt	39.4%	17.0%	34.2%	34.0%	33.5%
Current liabilities	22.3%	29.7%	13.3%	13.3%	13.3%
Short-term debt	0.2%	15.7%	2.2%	2.3%	2.3%
Accounts payable	5.5%	5.8%	4.6%	4.6%	4.7%

Source: Company information, Bankhaus Lampe Research estimates

SHW AG

Operational developments the only potential catalysts

17/01/2019

Hold (Hold)
23.00 EUR (23.00 EUR)

Close 14/01/2019 19.74 EUR
Bloomberg: SW1 GY WKN: A1JBPV
Sector Automotive

Share price performance

52 week high 36.70 EUR
52 week low 18.36 EUR
Compared to Prime All Share
YTD -
1 month -2.7%
12 months -24.9%



Share data

EV (m EUR; 2019) 176.7
Market Cap (m EUR) 127.0
No. of shares (m) 6.4
Free float 40.4%

Next event

Preliminary Results 29/01/2019

Change in model

	Sales	EBIT	EPS
2018e	-	-	-
2019e	-	-	-
2020e	-	-	-

Analyst

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See end of document for disclaimer.

SHW issued a profit warning for FY 2018 in H2 last year and reduced the FY 2019 outlook. The company also said that it will issue new guidance for 2020 with the publication of the preliminary results in January 2019. We confirm our price target of € 23.00 and maintain our HOLD rating for the stock.

INVESTMENT CASE

In the autumn last year SHW confirmed its FY 2018 expectations, which were reduced in July due to weakening demand for diesel vehicles, the shift to the new WLTP exhaust test cycle, and flatter start-up curves for various projects. For the same reasons SHW is now projecting revenues for FY 2019 of between € 440 m and € 480 m (old: € 540-560 m; BHL new: € 455 m, old: € 484.5 m). The adjustment in the sales forecast is solely attributable to the Pumps and Engine Components business segment. The Brake Discs business is expected to keep up its performance, in line with the previous forecasts. The EBITDA margin guidance for the group of 8.5-10% is more realistic, in our view (BHL: 8.8%), than the former profitability target of 11.5-12.5%. SHW indicated that 2020 guidance is also not realistic from today's perspective (sales >€ 600 m; EBITDA margin >12%). SHW said it will issue new guidance for 2020 with the publication of the preliminary results in January 2019. We expect the difference to be similar to the changes we saw for 2019.

CATALYSTS

No capital market event is scheduled currently. We expect the company to report preliminary 2018 numbers at the end of January. For this reason, potential catalysts can only be operational developments, in our view.

VALUATION

Our price target is based on a DCF model. SHW is currently trading at a P/E_{2020e} of 12.3x. The peer group is trading at 6.5x. We conclude that the current share price of SHW still contains a takeover premium.

in m EUR	2016	2017	2018e	2019e	2020e
Sales	405.8	400.6	425.0	455.0	500.5
EBIT	18.9	17.5	5.1	12.1	17.9
EBIT margin	4.7%	4.4%	1.2%	2.7%	3.6%
Net financial debt	-1.6	18.2	14.9	20.4	26.9
Free cash flow	-4.0	-9.9	6.7	-3.6	-3.1
EPS (in EUR)	1.99	1.58	0.27	1.00	1.61
DPS (in EUR)	1.00	0.50	0.25	0.50	1.00
Dividend yield	3.1%	1.5%	1.3%	2.5%	5.1%
EV/sales	0.6	0.7	0.4	0.4	0.4
EV/EBIT	5.4	6.4	5.5	4.4	3.8
P/E	16.4	21.4	73.8	19.7	12.3

Source: Company information, Bankhaus Lampe Research estimates

Company overview

SWOT

Strengths/Opportunities

- SHW products will be needed to comply with emissions regulations
- Production does not tie up much capital
- Efficiency programmes taking effect
- Internationalisation brings top-line potential

Weaknesses/Threats (Risks)

- Internationalisation has to improve
- Competitive environment in Europe
- Large dependency on VW group (>40% of sales)
- Risks related to the planning, calculation, execution and completion of projects

MANAGEMENT

- Wolfgang Plasser (CEO)
- Thomas Karazmann (CFO)
- Andreas Rydzewski

COMPANY BACKGROUND

SHW AG is an automotive supplier and manufacturer of engine components (oil and water pumps, sintered parts) that contribute significantly to the reduction of fuel consumption and therefore CO2 emissions. In addition, the company operates its own foundry, which produces up to 5 million brake discs per year. SHW AG dates back to 1365. The company is headquartered in Aalen, Germany.

SHORT-TERM GUIDANCE

- 2018 sales: € 420-440 m
- 2018 operational EBITDA margin: 9-10%

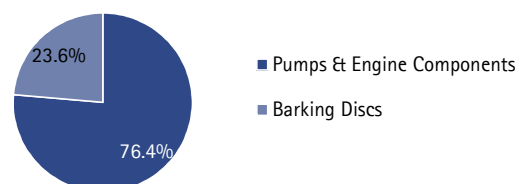
MEDIUM-TERM GUIDANCE

- 2019 sales: € 440-480 m
- 2019 EBITDA margin: 8.5-10%

HISTORICAL P/E



REVENUE BREAKDOWN (LAST ACTUAL YEAR)



COMPANY EVENTS

Next event: 29/01/2019 Preliminary Results

MAJOR SHAREHOLDERS (%)

Pankl SHW Industries GmbH	50.2
Anhui ARN Group	9.4
Dimensional Fund Advisors	3.1

KEY RATIOS

	16	17	18e	19e	20e
R&D/Sales	1.9%	2.8%	2.6%	2.4%	2.2%
Capex/Sales	6.2%	8.0%	8.5%	8.1%	7.6%
Capex/Depreciation	1.0	1.4	1.4	1.3	1.3
ROCE	12.5%	10.0%	2.8%	6.4%	9.0%
Free cash flow yield	-1.9%	-4.7%	3.2%	-1.7%	-1.5%
Equity ratio	53.2%	48.8%	45.7%	45.7%	46.1%
Net debt / equity	-1%	15%	12%	16%	20%
Net debt / EBITDA	0.0	0.4	0.5	0.5	0.6
Interest cover	> 10	> 10	3.2	7.6	> 10

BHL VS. CONSENSUS

	18e	19e	20e
Sales (in m EUR)			
BHL	425.0	455.0	500.5
Consensus	427.3	459.7	509.8
EBIT (in m EUR)			
BHL	5.1	12.1	17.9
Consensus	8.5	13.1	17.6
EPS (EUR)			
BHL	0.27	1.00	1.61
Consensus	0.70	1.09	1.43

Source: Company information, FactSet, BHL estimates

Key figures

SHW AG – Income statement

in m EUR	2016	2017	2018e	2019e	2020e
Sales	405.8	400.6	425.0	455.0	500.5
Cost of sales	-359.9	-351.1	-372.3	-397.2	-436.9
Gross profit	45.9	49.5	52.7	57.8	63.6
Sales and marketing	-8.4	-11.8	-9.2	-10.0	-10.0
General and administration	-13.2	-14.9	-17.0	-17.5	-17.5
Research and development	-7.9	-11.1	-11.0	-11.0	-11.0
Other operating result	2.5	5.8	-10.4	-7.2	-7.2
EBITDA	43.6	41.3	31.1	40.1	47.9
Depreciation	24.6	23.8	26.0	28.0	30.0
EBITA	18.9	17.5	5.1	12.1	17.9
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0
EBIT	18.9	17.5	5.1	12.1	17.9
Financial result	-1.0	-2.4	-2.6	-2.6	-2.6
Income on ordinary activities	18.0	15.1	2.5	9.5	15.3
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0
EBT	18.0	15.1	2.5	9.5	15.3
Taxes	-5.1	-5.0	-0.8	-3.1	-5.0
Net income from cont. operations	12.8	10.2	1.7	6.4	10.3
Net income from discount. operations	0.0	0.0	0.0	0.0	0.0
Minority interest	0.0	0.0	0.0	0.0	0.0
Net income (adj.)	12.8	10.2	1.7	6.4	10.3
No. of shares	6.4	6.4	6.4	6.4	6.4
EPS (in EUR)	1.99	1.58	0.27	1.00	1.61

Source: Company information, Bankhaus Lampe Research estimates

	2016	2017	2018e	2019e	2020e
Gross margin	11.3%	12.4%	12.4%	12.7%	12.7%
EBITDA margin	10.7%	10.3%	7.3%	8.8%	9.6%
EBITA margin	4.7%	4.4%	1.2%	2.7%	3.6%
EBIT margin	4.7%	4.4%	1.2%	2.7%	3.6%
EBT margin	4.4%	3.8%	0.6%	2.1%	3.1%
Net profit margin	3.2%	2.5%	0.4%	1.4%	2.1%
Tax rate	28.6%	32.8%	32.5%	32.5%	32.5%

Source: Company information, Bankhaus Lampe Research estimates

Growth rates yoy	2016	2017	2018e	2019e	2020e
Sales	-12.5%	-1.3%	6.1%	7.1%	10.0%
EBITDA	2.0%	-5.2%	-24.6%	28.9%	19.4%
EBIT	-6.0%	-7.6%	-70.9%	>100%	47.8%
EBT	-11.3%	-15.9%	-83.1%	>100%	60.6%
Net income (adj.)	-10.6%	-20.8%	-83.1%	>100%	60.6%
EPS	-11.6%	-20.9%	-83.1%	>100%	60.6%

Source: Company information, Bankhaus Lampe Research estimates

SHW AG – Balance sheet

Assets (in m EUR)	2016	2017	2018e	2019e	2020e
Fixed assets	136.6	139.2	150.9	160.6	169.6
Property, plant and equipment	96.9	114.2	124.2	133.2	141.2
Intangible assets	16.3	15.9	17.0	17.0	17.0
Financial assets	18.1	3.2	3.4	3.6	4.0
Other long-term assets	5.3	6.0	6.3	6.8	7.5
Current assets	91.3	116.9	119.3	119.8	124.0
Inventories	46.4	45.5	44.2	46.1	50.7
Accounts receivable	38.0	45.8	34.9	37.4	41.1
Other current assets	3.3	21.7	23.0	24.6	27.1
Securities	0.0	0.0	0.0	0.0	0.0
Cash	3.6	3.9	17.1	11.6	5.1
Total assets	227.9	256.1	270.2	280.4	293.7
Equity and liabilities (in m EUR)					
Shareholders' equity	121.3	124.9	123.4	128.2	135.4
Shareholders' equity (before minority)	121.3	124.9	123.4	128.2	135.4
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	36.5	40.3	42.1	43.6	45.6
Pension provisions	28.0	27.9	28.6	29.3	30.1
Other provisions	4.7	5.4	5.7	6.1	6.7
Long-term financial debt	0.1	1.6	2.0	2.0	2.0
Other long-term debt	3.7	5.5	5.8	6.2	6.8
Current liabilities	70.0	90.8	104.7	108.5	112.7
Short-term debt	1.9	20.4	30.0	30.0	30.0
Other accruals short-term	10.5	10.8	11.5	12.3	13.5
Accounts payable	34.8	46.4	50.0	53.0	56.0
Other liabilities	22.8	13.2	13.2	13.2	13.2
Total equity and liabilities	227.9	256.1	270.2	280.4	293.7

Source: Company information, Bankhaus Lampe Research estimates

SHW AG – Balance sheet structure

Assets	2016	2017	2018e	2019e	2020e
Fixed assets	59.9%	54.4%	55.8%	57.3%	57.8%
Property, plant and equipment	42.5%	44.6%	46.0%	47.5%	48.1%
Intangible assets	7.2%	6.2%	6.3%	6.1%	5.8%
Current assets	40.1%	45.6%	44.1%	42.7%	42.2%
Inventories	20.4%	17.8%	16.4%	16.4%	17.3%
Accounts receivable	16.7%	17.9%	12.9%	13.3%	14.0%
Cash	1.6%	1.5%	6.3%	4.2%	1.7%
Equity and liabilities					
Shareholders' equity	53.2%	48.8%	45.7%	45.7%	46.1%
Non-current liabilities	16.0%	15.8%	15.6%	15.6%	15.5%
Pension provisions	12.3%	10.9%	10.6%	10.5%	10.2%
Long-term financial debt	0.0%	0.6%	0.7%	0.7%	0.7%
Current liabilities	30.7%	35.5%	38.8%	38.7%	38.4%
Short-term debt	0.8%	8.0%	11.1%	10.7%	10.2%
Accounts payable	15.3%	18.1%	18.5%	18.9%	19.1%

Source: Company information, Bankhaus Lampe Research estimates

SÜSS MicroTec AG

Moderate downturn now priced in

17/01/2019

Hold (Hold)
10.00 EUR (10.00 EUR)

Close 14/01/2019 8.27 EUR
 Bloomberg: SMHN GR WKN: A1K023
 Sector Technology

Share price performance

52 week high 19.28 EUR
 52 week low 7.95 EUR
 Compared to TecDAX
 YTD -6.1%
 1 month -3.3%
 12 months -48.1%



Share data

EV (m EUR; 2019) 118.8
 Market Cap (m EUR) 158.1
 No. of shares (m) 19.1
 Free float 100.0%

Next event

Annual Results 27/03/2019

Change in model

	Sales	EBIT	EPS
2018e	-	-	-
2019e	-	-	-
2020e	-	-	-

Analyst

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See end of document for disclaimer.

The semiconductor downturn only started in mid-2018 and we see it as too early to bet on a recovery, which is unlikely to come through before H2 2019. Further progress with Scanners will be important to watch and should have an important impact on the share price, in our view.

INVESTMENT CASE

We always expected a semiconductor downturn in H2 2018, which eventually has been coming through. We expect a negative impact on the order rate at Süss during H1 2019. Losses in Scanners (of € 8-10 m p.a.) continued to be a drag on profitability in 2018. With the company's key customer for this tool (TSMC) currently digesting excess capacity, this is unlikely to change meaningfully in 2019. The first evaluation tool was delivered to TSMC only in November (original guidance was Q2). Another OSAT customer was scheduled to receive its first evaluation tool late last year.

CATALYSTS

- The preliminary figures are due out in February and should be in line with BHL estimates and FactSet consensus expectations. The first guidance for 2019 is due out with the final results in March. We expect the company guidance to indicate revenues of at least € 200 m (BHL € 200 m) and an EBIT margin of 9-10% (BHL 9%).
- 2019 should bring the first volume order for the scanner tool. Exact timing is difficult to forecast. Considering the currently low capacity utilisation at TSMC, we would rather expect an order towards H2.

VALUATION

In terms of valuation the share price is starting to become attractive. However, the stock is still trading at a premium to its peer group with respect to earnings multiples. We see hidden value in the SMO division, which could be unlocked via a divestment – but we have no indication that this will happen.

in m EUR	2016	2017	2018e	2019e	2020e
Sales	177.6	166.5	205.0	200.0	215.0
EBIT	11.1	13.9	17.8	18.0	24.7
EBIT margin	6.3%	8.3%	8.7%	9.0%	11.5%
Net financial debt	-31.2	-32.9	-21.0	-44.1	-60.7
Free cash flow	-9.1	2.9	-12.0	23.1	16.7
EPS (in EUR)	0.26	0.35	0.65	0.66	0.90
DPS (in EUR)	0.00	0.00	0.00	0.00	0.00
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%
EV/sales	0.5	1.7	0.7	0.6	0.5
EV/EBIT	8.6	20.9	8.4	6.6	4.1
P/E	24.6	47.4	13.4	12.5	9.1

Source: Company information, Bankhaus Lampe Research estimates

Company overview

SWOT

Strengths/Opportunities

- Niche player with good market position
- Return of the old CEO
- Ongoing growth in MEMS market
- New packaging technology as a growth driver

MANAGEMENT

- Dr. Franz Richter (CEO)
- Robert Leurs (CFO)

SHORT-TERM GUIDANCE

- Revenue of € 195-205 m in 2018
- EBIT margin of 8.3% in 2018

HISTORICAL P/E



COMPANY EVENTS

Next event: Annual Results 27/03/2019

KEY RATIOS

	16	17	18e	19e	20e
R&D/Sales	8.0%	9.1%	9.3%	10.0%	9.3%
Capex/Sales	2.1%	3.9%	3.9%	4.0%	3.7%
Capex/Depreciation	0.9	1.6	1.9	1.9	-
ROCE	8.3%	10.3%	12.0%	11.2%	13.9%
Free cash flow yield	-	-	-6.4%	12.4%	8.9%
Equity ratio	69.2%	62.9%	65.5%	67.4%	69.6%
Net debt / equity	-25%	-26%	-15%	-29%	-36%
Net debt / EBITDA	-2.0	-1.8	-1.0	-2.0	-2.5
Interest cover	< -10	0.0	0.0	0.0	0.0

Weaknesses/Threats (Risks)

- Ongoing losses in Scanner segment
- The company is small compared to most of its customers
- Cyclical semiconductor market

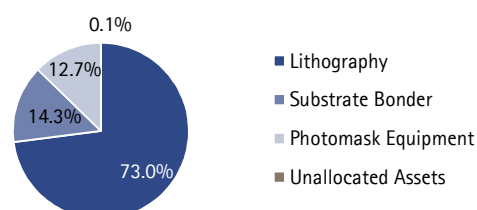
COMPANY BACKGROUND

Süss MicroTec AG makes systems that are used in the production of MEMS sensors and in the packaging of semiconductor chips. The company's biggest customers include packaging foundries, such as Amkor, ASE and SPIL from Asia. The company's biggest competitors are EV Group, Tokyo Electron and Ultratech.

MEDIUM-TERM GUIDANCE

- -

REVENUE BREAKDOWN (LAST ACTUAL YEAR)



MAJOR SHAREHOLDERS (%)

Sycamore Asset Management SA	5.2
Universal-Investment-Gesellschaft mbH (Invst Mgmt)	5.0
Henderson Global Investors Ltd.	4.2

BHL VS. CONSENSUS

	18e	19e	20e
Sales (in m EUR)			
BHL	205.0	200.0	215.0
Consensus	200.0	199.2	213.5
EBIT (in m EUR)			
BHL	17.8	18.0	24.7
Consensus	14.7	17.6	24.8
EPS (EUR)			
BHL	0.65	0.66	0.90
Consensus	0.54	0.64	0.89

Source: Company information, FactSet, BHL estimates

Key figures

SÜSS MicroTec AG – Income statement

in m EUR	2016	2017	2018e	2019e	2020e
Sales	177.6	166.5	205.0	200.0	215.0
Cost of sales	-119.0	-107.0	-132.2	-126.0	-133.3
Gross profit	58.6	59.5	72.8	74.0	81.7
Sales and marketing	-20.5	-19.6	-20.5	-21.0	-22.0
General and administration	-13.6	-13.4	-15.5	-15.0	-15.0
Research and development	-14.1	-15.2	-19.0	-20.0	-20.0
Other operating result	0.8	2.6	0.0	0.0	0.0
EBITDA	15.3	18.0	22.0	22.2	24.7
Depreciation	4.2	4.1	4.2	4.2	0.0
EBITA	11.1	13.9	17.8	18.0	24.7
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0
EBIT	11.1	13.9	17.8	18.0	24.7
Financial result	-0.6	-0.2	0.0	0.0	0.0
Income on ordinary activities	10.5	13.8	17.8	18.0	24.7
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0
EBT	10.5	13.8	17.8	18.0	24.7
Taxes	-5.5	-7.0	-5.3	-5.4	-7.4
Net income from cont. operations	5.0	6.7	12.4	12.6	17.3
Net income from discount. operations	0.0	0.0	0.0	0.0	0.0
Minority interest	0.0	0.0	0.0	0.0	0.0
Net income (adj.)	5.0	6.7	12.4	12.6	17.3
No. of shares	19.1	19.1	19.1	19.1	19.1
EPS (in EUR)	0.26	0.35	0.65	0.66	0.90

Source: Company information, Bankhaus Lampe Research estimates

	2016	2017	2018e	2019e	2020e
Gross margin	33.0%	35.7%	35.5%	37.0%	38.0%
EBITDA margin	8.6%	10.8%	10.7%	11.1%	11.5%
EBITA margin	6.3%	8.3%	8.7%	9.0%	11.5%
EBIT margin	6.3%	8.3%	8.7%	9.0%	11.5%
EBT margin	5.9%	8.3%	8.7%	9.0%	11.5%
Net profit margin	2.8%	4.0%	6.1%	6.3%	8.0%
Tax rate	52.4%	51.2%	30.0%	30.0%	30.0%

Source: Company information, Bankhaus Lampe Research estimates

Growth rates yoy	2016	2017	2018e	2019e	2020e
Sales	19.6%	-6.2%	23.1%	-2.4%	7.5%
EBITDA	47.2%	17.5%	22.2%	1.0%	11.3%
EBIT	>100%	24.7%	27.9%	1.3%	37.2%
EBT	>100%	30.7%	29.2%	1.3%	37.2%
Net income (adj.)	>100%	34.9%	85.5%	1.3%	37.2%
EPS	>100%	34.9%	85.5%	1.3%	37.2%

Source: Company information, Bankhaus Lampe Research estimates

SÜSS MicroTec AG – Balance sheet

Assets (in m EUR)	2016	2017	2018e	2019e	2020e
Fixed assets	42.8	42.7	46.5	50.3	54.1
Property, plant and equipment	20.6	23.3	27.3	31.3	35.3
Intangible assets	19.4	18.2	18.0	17.8	17.6
Financial assets	0.0	0.0	0.0	0.0	0.0
Other long-term assets	2.9	1.2	1.2	1.2	1.2
Current assets	136.9	159.3	166.5	175.2	189.1
Inventories	73.8	97.9	113.9	100.0	95.6
Accounts receivable	24.1	19.7	22.8	22.2	23.9
Other current assets	3.3	5.2	5.2	5.2	5.2
Securities	0.0	0.0	0.0	0.0	0.0
Cash	35.7	36.4	24.6	47.7	64.4
Total assets	179.7	202.0	213.0	225.5	243.2
Equity and liabilities (in m EUR)					
Shareholders' equity	124.4	127.0	139.4	152.0	169.3
Shareholders' equity (before minority)	124.4	127.0	139.4	152.0	169.3
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	8.4	7.3	7.3	7.3	7.3
Pension provisions	4.8	4.7	4.7	4.7	4.7
Other provisions	0.0	0.0	0.0	0.0	0.0
Long-term financial debt	3.5	2.5	2.5	2.5	2.5
Other long-term debt	0.0	0.0	0.0	0.0	0.0
Current liabilities	46.9	67.7	66.3	66.2	66.6
Short-term debt	1.0	1.0	1.2	1.2	1.2
Other accruals short-term	38.7	55.8	55.8	55.8	55.8
Accounts payable	3.4	7.3	5.7	5.6	6.0
Other liabilities	3.8	3.6	3.6	3.6	3.6
Total equity and liabilities	179.7	202.0	213.0	225.5	243.2

Source: Company information, Bankhaus Lampe Research estimates

SÜSS MicroTec AG – Balance sheet structure

Assets	2016	2017	2018e	2019e	2020e
Fixed assets	23.8%	21.1%	21.8%	22.3%	22.2%
Property, plant and equipment	11.4%	11.5%	12.8%	13.9%	14.5%
Intangible assets	10.8%	9.0%	8.4%	7.9%	7.2%
Current assets	76.2%	78.9%	78.2%	77.7%	77.8%
Inventories	41.1%	48.5%	53.5%	44.4%	39.3%
Accounts receivable	13.4%	9.8%	10.7%	9.9%	9.8%
Cash	19.8%	18.0%	11.6%	21.2%	26.5%
Equity and liabilities					
Shareholders' equity	69.2%	62.9%	65.5%	67.4%	69.6%
Non-current liabilities	4.7%	3.6%	3.4%	3.2%	3.0%
Pension provisions	2.7%	2.3%	2.2%	2.1%	2.0%
Long-term financial debt	1.9%	1.2%	1.2%	1.1%	1.0%
Current liabilities	26.1%	33.5%	31.1%	29.3%	27.4%
Short-term debt	0.6%	0.5%	0.6%	0.5%	0.5%
Accounts payable	1.9%	3.6%	2.7%	2.5%	2.5%

Source: Company information, Bankhaus Lampe Research estimates

TAKKT AG

Benefiting from structural shift

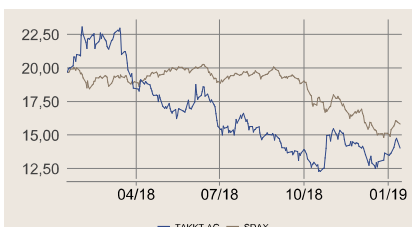
17/01/2019

Buy (Buy)
20.00 EUR (20.00 EUR)

Close 14/01/2019 14.04 EUR
 Bloomberg: TTK GR WKN: 744600
 Sector Retail

Share price performance

52 week high 23.05 EUR
 52 week low 12.30 EUR
 Compared to SDAX
 YTD -1.6%
 1 month 8.2%
 12 months -7.9%



Share data

EV (m EUR; 2019) 1,031
 Market Cap (m EUR) 921
 No. of shares (m) 66
 Free float 49.8%

Next event

Preliminary Results 21/02/2019

Change in model

	Sales	EBITDA	EPS
2018e	-	-	6.5%
2019e	-1.8%	-2.6%	-3.4%
2020e	-1.8%	-3.8%	-4.8%

Analyst

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See end of document for disclaimer.

As part of the digitalisation trend, market structures are likely to shift further in favour of TAKKT and to the disadvantage of local retailers. We project an EBITDA margin for 2018 of 12.9% as the gross profit margin looks weaker than originally expected including structural impacts from acquisitions. In addition, expenses for the digital transformation are weighing on earnings. Nevertheless, we clearly confirm our BUY rating for the stock as we expect Takkt to benefit from the structural shift in the business.

INVESTMENT CASE

As we expected, Takkt confirmed its 2018 guidance along with the 9M report release. Takkt also said that Q4 earnings are likely to have increased yoy. Both the current positive business trend and measures to manage income and costs are set to contribute to this result. As part of this, income was generated from a real estate sale in the US that had been planned for some time (US\$ 5.8 m). The group kept its expected EBITDA margin at the lower end of the initially projected corridor of 13-14%. (BHL: 12.9%). Investors should be aware when buying into Takkt that its business strategy will continue to follow the maxim of risk diversification in the coming years, which means the share is a defensive investment, in our view, despite its rather pro-cyclical character. This diversification is leading to a well-balanced product portfolio, which means that revenues and earnings are generated in various regions and with diverse customer groups.

CATALYSTS

Preliminary 2018 numbers are due out on 21 February 2019. We expect them to show that Takkt is able to achieve the 2018 targets and close the valuation gap.

VALUATION

Our price target is based on an unchanged DCF model. The share is trading at 10.7x P/E_{2019e}, which is below the 5-year median of 13.9x and clearly offers upside. The increase in EPS_{2018e} is linked to the one-off from the real estate sale.

in m EUR	2016	2017	2018e	2019e	2020e
Sales	1,125	1,116	1,149	1,167	1,202
EBITDA	171	150	148	153	159
EBITDA margin	15.2%	13.5%	12.9%	13.1%	13.2%
Net financial debt	178	135	111	52	6
Free cash flow	101	66	47	95	91
EPS (in EUR)	1.39	1.47	1.34	1.31	1.38
DPS (in EUR)	0.55	0.55	0.55	0.55	0.55
Dividend yield	2.6%	2.9%	4.0%	3.9%	3.9%
EV/sales	1.5	1.3	0.9	0.9	0.8
EV/EBITDA	9.6	9.5	7.2	6.8	6.2
P/E	15.4	12.9	10.2	10.7	10.2

Source: Company information, Bankhaus Lampe Research estimates

Company overview

SWOT

Strengths/Opportunities

- Integrated use of various distribution channels
- Sales pitch tailored to customer requirements
- Additional growth through acquisitions
- Business model generates prodigious free cash flows
- Haniel is a majority shareholder that focuses on the long term

Weaknesses/Threats (Risks)

- Customer requirements are constantly changing
- Investing in Digital Agenda weighing on results
- Acquisitions harbour integration risks
- Majority shareholder eliminates takeover speculation

MANAGEMENT

- Dr. Felix A. Zimmermann (CEO)
- Dr. Claude Tomaszewski (CFO)
- Dirk Lessing
- Heiko Hegwein

COMPANY BACKGROUND

Takkt Group is a portfolio of B2B direct marketing specialists for business equipment. The company was founded in 1945 and is the leading B2B-direct marketing specialist in Europe and North America. It has around 2,300 employees and generates revenue worth more than € 1.1 bn p.a. The product range includes more than 500,000 articles from the areas of plant and warehouse equipment, office furniture, transport packaging, display products, equipment for the food service, hotel and retail sectors.

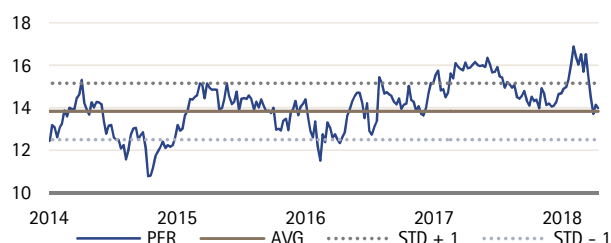
SHORT-TERM GUIDANCE

- 2018: Organic revenue growth of 2–4%
- 2018: EBITDA margin at the lower end of 13% to 14%

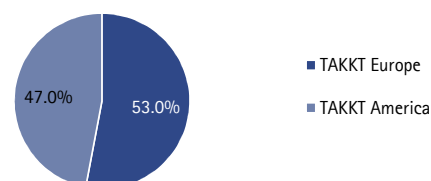
MEDIUM-TERM GUIDANCE

- -

HISTORICAL P/E



REVENUE BREAKDOWN (LAST ACTUAL YEAR)



COMPANY EVENTS

Next event: 21/02/2019 Preliminary Results

MAJOR SHAREHOLDERS (%)

Franz Haniel & Cie. GmbH	50.2
Norges Bank	3.4
Lazard Freres Gestion	3.0

KEY RATIOS

	16	17	18e	19e	20e
R&D/Sales	-	-	-	-	-
Capex/Sales	1.5%	2.5%	2.0%	2.0%	2.0%
Capex/Depreciation	0.6	1.0	0.8	0.8	0.8
ROCE	18.4%	16.1%	14.9%	15.7%	15.4%
Free cash flow yield	7.2%	5.4%	5.3%	11.6%	11.1%
Equity ratio	55.2%	61.2%	63.1%	68.7%	70.8%
Net debt / equity	33%	24%	18%	8%	1%
Net debt / EBITDA	1.0	0.9	0.7	0.3	0.0
Interest cover	0.0	0.0	0.0	0.0	0.0

BHL VS. CONSENSUS

	18e	19e	20e
Sales (in m EUR)			
BHL	1,149	1,167	1,202
Consensus	1,168	1,206	1,237
EBITDA (in m EUR)			
BHL	148	153	159
Consensus	151	158	163
EPS (EUR)			
BHL	1.34	1.31	1.38
Consensus	1.29	1.37	1.42

Source: Company information, FactSet, BHL estimates

Key figures

TAKKT AG – Income statement

in m EUR	2016	2017	2018e	2019e	2020e
Sales	1,125	1,116	1,149	1,167	1,202
Own work capitalised	2	1	2	2	2
Total sales	1,127	1,117	1,151	1,169	1,204
Material expenses	-647	-643	-662	-672	-693
Personnel expenses	-166	-167	-173	-175	-180
Unusual or infrequent items	0	0	0	0	0
Other operating result	-142	-157	-168	-169	-172
EBITDA	171	150	148	153	159
Depreciation	29	27	29	29	29
EBITA	142	123	119	124	130
Amortisation of goodwill	0	0	0	0	0
Amortisation of intangible assets	0	0	0	0	0
EBIT	142	123	119	124	130
Financial result	-10	-8	-6	-6	-6
Income on ordinary activities	133	115	113	118	124
Extraordinary income/loss	0	0	5	0	0
EBT	133	115	118	118	124
Taxes	-41	-19	-31	-32	-34
Net income from cont. operations	91	96	88	86	90
Net income from discount. operations	0	0	0	0	0
Minority interest	0	0	0	0	0
Net income (adj.)	91	96	88	86	90
No. of shares	66	66	66	66	66
EPS	1.39	1.47	1.34	1.31	1.38

Source: Company information, Bankhaus Lampe Research estimates

	2016	2017	2018e	2019e	2020e
Gross margin	42.5%	42.4%	42.4%	42.4%	42.4%
EBITDA margin	15.2%	13.5%	12.9%	13.1%	13.2%
EBITA margin	12.6%	11.0%	10.3%	10.6%	10.8%
EBIT margin	12.6%	11.0%	10.3%	10.6%	10.8%
EBT margin	11.8%	10.3%	10.3%	10.1%	10.3%
Net profit margin	8.1%	8.6%	7.6%	7.3%	7.5%
Tax rate	31.1%	16.4%	25.9%	27.1%	27.1%

Source: Company information, Bankhaus Lampe Research estimates

Growth rates yoy	2016	2017	2018e	2019e	2020e
Sales	5.8%	-0.8%	2.9%	1.6%	3.0%
EBITDA	8.9%	-12.2%	-1.6%	3.1%	4.3%
EBIT	9.8%	-13.3%	-3.5%	3.9%	5.3%
EBT	10.5%	-13.2%	2.9%	-0.6%	5.5%
Net income (adj.)	12.8%	5.2%	-8.8%	-2.2%	5.5%
EPS	12.8%	5.2%	-8.8%	-2.2%	5.5%

Source: Company information, Bankhaus Lampe Research estimates

TAKKT AG – Balance sheet

Assets (in m EUR)	2016	2017	2018e	2019e	2020e
Fixed assets	730	693	727	721	717
Property, plant and equipment	106	101	135	129	124
Intangible assets	620	583	583	583	583
Financial assets	1	1	1	1	1
Other long-term assets	3	8	8	8	8
Current assets	244	236	255	252	304
Inventories	108	102	110	109	112
Accounts receivable	104	103	107	106	109
Other current assets	30	28	29	29	30
Securities	0	0	0	0	0
Cash	2	3	9	8	54
Total assets	974	929	982	973	1,021
Equity and liabilities in m EUR					
Shareholders' equity	538	568	619	669	724
Shareholders' equity (before minority)	538	568	619	669	724
Minorities	0	0	0	0	0
Non-current liabilities	243	223	235	185	175
Pension provisions	55	59	59	59	59
Other provisions	7	6	6	6	6
Long-term financial debt	98	102	100	50	50
Other long-term debt	84	57	70	70	60
Current liabilities	193	138	128	119	123
Short-term debt	82	37	20	10	10
Other accruals short-term	20	18	18	18	19
Accounts payable	34	30	35	35	36
Other liabilities	57	53	55	56	57
Total equity and liabilities	974	929	982	973	1,021

Source: Company information, Bankhaus Lampe Research estimates

TAKKT AG – Balance sheet structure

Assets	2016	2017	2018e	2019e	2020e
Fixed assets	74.9%	74.6%	74.0%	74.1%	70.2%
Property, plant and equipment	10.9%	10.9%	13.7%	13.3%	12.2%
Intangible assets	63.7%	62.8%	59.4%	59.9%	57.1%
Current assets	25.1%	25.4%	26.0%	25.9%	29.8%
Inventories	11.1%	11.0%	11.2%	11.2%	11.0%
Accounts receivable	10.7%	11.1%	10.9%	10.8%	10.6%
Cash	0.2%	0.3%	0.9%	0.9%	5.3%
Equity and liabilities					
Shareholders' equity	55.2%	61.2%	63.1%	68.7%	70.8%
Non-current liabilities	25.0%	24.0%	23.9%	19.0%	17.1%
Pension provisions	5.7%	6.3%	6.0%	6.0%	5.8%
Long-term financial debt	10.1%	10.9%	10.2%	5.1%	4.9%
Current liabilities	19.8%	14.8%	13.0%	12.3%	12.0%
Short-term debt	8.4%	4.0%	2.0%	1.0%	1.0%
Accounts payable	3.5%	3.3%	3.5%	3.6%	3.5%

Source: Company information, Bankhaus Lampe Research estimates

technotrans SE

Train business gaining traction

17/01/2019

Buy (Buy)
38.00 EUR (50.00 EUR)

Close 14/01/2019 25.30 EUR
 Bloomberg: TTR1 GY WKN: A0XYGA
 Sector Engineering

Share price performance

52 week high 45.05 EUR
 52 week low 24.00 EUR
 Compared to Prime All Share
 YTD -0.1%
 1 month -4.7%
 12 months -23.8%



Share data

EV (m EUR; 2019) 180.0
 Market Cap (m EUR) 174.8
 No. of shares (m) 6.9
 Free float 100.0%

Next event

Annual Results 12/03/2019

Change in model

	Sales	EBIT	EPS
2018e	-0.8%	-2.1%	-0.1%
2019e	-2.3%	-3.1%	-1.7%
2020e	-2.2%	-2.9%	-1.6%

Analyst

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See end of document for disclaimer.

Despite no disappointments whatsoever, technotrans' share price has fallen sharply since the start of the year and is thus a good entry point, in our view. For 2019, we expect a sound performance, most pronounced in e-mobility. Even the management has already indicated revenue growth for 2019. Due to the gloomy economic environment, however, we have slightly reduced our forecast.

INVESTMENT CASE

In our view, technotrans closed FY18 as forecast. We also believe that it will continue to grow strongly in 2019 and beyond. Although we have slightly reduced our forecast, we remain positive on all businesses: For 2019, we expect revenue growth of 1.5% in the Print division (~40% share), 9.5% in Plastics Processing (~30% share) - mainly driven by M&A effects - and 3% in Laser (~20% share). The latest comments by laser/semi manufacturers Jenoptik and ASML on current business and prospects were positive. We also remain very upbeat on technotrans' e-mobility business and forecast a revenue increase from ~ € 10 m in 2018 to ~ € 17 m in 2019 driven by a new project for trains and the ramp-up of the charging stations project. The 2019 margin should also improve due to discontinued costs associated with the change of the company's legal form to an SE and with M&A (€ 0.8 m charge in 2018). We assume that FCF will improve strongly after the majority of the capex for the new site in Baden-Baden was booked in 2018. Our forecasts for 2018 and 2019 are in line with the FactSet consensus and exceed it for 2020.

CATALYSTS

- We believe another big acquisition should come in 2019
- We expect the company to introduce measures to realise productivity gains at its largest site at the headquarters and at gwk

VALUATION

We lowered our DCF-based price target to € 38.00 driven by lower estimates and an increased WACC. This price target is fully supported by an SOTP model.

in m EUR	2016	2017	2018e	2019e	2020e
Sales	151.8	205.1	218.9	237.9	266.9
EBIT	9.7	17.4	18.4	21.5	25.7
EBIT margin	6.4%	8.5%	8.4%	9.0%	9.6%
Net financial debt	4.2	8.2	11.6	5.0	-3.6
Free cash flow	-12.7	0.2	2.5	12.9	15.6
EPS (in EUR)	1.09	1.76	1.89	2.16	2.60
DPS (in EUR)	0.55	0.88	0.94	1.08	1.30
Dividend yield	2.4%	2.0%	3.9%	4.3%	5.1%
EV/sales	1.0	1.5	0.8	0.8	0.6
EV/EBIT	15.9	18.0	9.9	8.4	6.7
P/E	21.0	25.1	13.0	11.7	9.7

Source: Company information, Bankhaus Lampe Research estimates

Company overview

SWOT

Strengths/Opportunities

- Sustainable very high market share in print business
- Benefiting from e-mobility trend
- Solid balance sheet (equity ratio >50%)
- Efficiency gains through changes in production setup
- Growth by acquisitions

Weaknesses/Threats (Risks)

- Printing machine manufacturers account for large proportion of revenue; limited growth potential in this segment
- Risk of a holding discount
- Exposed to cyclical markets

MANAGEMENT

- Dirk Engel (CEO/CFO)
- Hendrik Niestert
- Peter Hirsch

COMPANY BACKGROUND

technotrans AG specialises in fluid technologies for temperature control, filtration and separation, measuring and dispensing technology, and process control. The business with customers outside the printing industry has been expanded considerably in recent years and is likely to account for >60% of revenues in 2018. Technologies from the printing industry have been successfully transferred to other industries. The new markets are the laser, plastics, medical and e-mobility industries, which are essentially supplied with cooling systems.

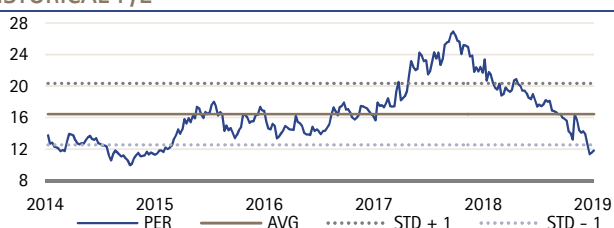
SHORT-TERM GUIDANCE

- 2018: Revenues € 212-220 m (specified to upper end)
- 2018: EBIT € 18-20 m (specified to lower end)

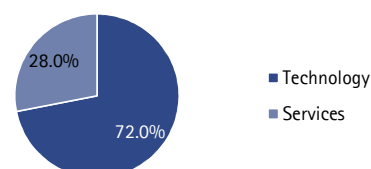
MEDIUM-TERM GUIDANCE

- 2020: organic revenue growth to € 240-250 m
- 2020: additional revenue through M&A of € 50-60 m
- 2020: EBIT margin of 8-10%

HISTORICAL P/E



REVENUE BREAKDOWN (LAST ACTUAL YEAR)



COMPANY EVENTS

Next event: 12/03/2019 Annual Results

MAJOR SHAREHOLDERS (%)

Lazard Feres Gestion	6.3
Mildlin NV	4.9
Gerlin NV	4.8

KEY RATIOS

	16	17	18e	19e	20e
R&D/Sales	3.6%	3.7%	3.6%	3.4%	3.0%
Capex/Sales	1.1%	5.6%	5.3%	2.1%	1.5%
Capex/Depreciation	0.8	4.0	3.6	1.5	1.1
ROCE	10.8%	18.8%	18.4%	19.9%	21.7%
Free cash flow yield	-8.4%	0.0%	1.5%	7.6%	9.2%
Equity ratio	51.0%	55.7%	57.1%	58.4%	59.4%
Net debt / equity	7%	12%	15%	6%	-4%
Net debt / EBITDA	0.3	0.4	0.5	0.2	-0.1
Interest cover	0.0	0.0	0.0	0.0	0.0

BHL VS. CONSENSUS

	18e	19e	20e
Sales (in m EUR)			
BHL	218.9	237.9	266.9
Consensus	220.5	235.8	252.1
EBIT (in m EUR)			
BHL	18.4	21.5	25.7
Consensus	18.7	21.0	23.0
EPS (EUR)			
BHL	1.89	2.16	2.60
Consensus	1.90	2.12	2.33

Source: Company information, FactSet, BHL estimates

Key figures

technotrans SE – Income statement

in m EUR	2016	2017	2018e	2019e	2020e
Sales	151.8	205.1	218.9	237.9	266.9
Cost of sales	-100.6	-136.8	-149.3	-161.3	-180.7
Gross profit	51.2	68.2	69.6	76.6	86.2
Sales and marketing	-21.1	-26.5	-26.3	-28.0	-30.6
General and administration	-16.2	-18.6	-19.3	-21.0	-23.0
Research and development	-5.5	-7.5	-7.8	-8.0	-8.0
Other operating result	1.4	1.8	2.2	1.9	1.1
EBITDA	14.0	22.7	23.5	26.8	31.1
Depreciation	2.0	2.9	3.2	3.4	3.5
EBITA	12.0	19.8	20.3	23.4	27.6
Amortisation of goodwill	1.5	1.6	0.9	0.9	0.9
Amortisation of intangible assets	0.8	0.8	1.0	1.0	1.0
EBIT	9.7	17.4	18.4	21.5	25.7
Financial result	-0.6	-0.5	-0.5	-0.5	-0.5
Income on ordinary activities	9.2	17.0	17.9	21.0	25.3
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0
EBT	9.2	17.0	17.9	21.0	25.3
Taxes	-1.9	-4.7	-4.8	-6.1	-7.3
Net income from cont. operations	7.3	12.3	13.0	14.9	17.9
Net income from discount. operations	0.0	0.0	0.0	0.0	0.0
Minority interest	-0.1	-0.1	0.0	0.0	0.0
Net income (adj.)	7.2	12.2	13.0	14.9	17.9
No. of shares	6.6	6.9	6.9	6.9	6.9
EPS (in EUR)	1.09	1.76	1.89	2.16	2.60

Source: Company information, Bankhaus Lampe Research estimates

	2016	2017	2018e	2019e	2020e
Gross margin	33.7%	33.3%	31.8%	32.2%	32.3%
EBITDA margin	9.3%	11.1%	10.7%	11.3%	11.7%
EBITA margin	7.9%	9.7%	9.3%	9.8%	10.4%
EBIT margin	6.4%	8.5%	8.4%	9.0%	9.6%
EBT margin	6.0%	8.3%	8.2%	8.8%	9.5%
Net profit margin	4.8%	6.0%	6.0%	6.3%	6.7%
Tax rate	20.7%	27.7%	27.0%	29.0%	29.0%

Source: Company information, Bankhaus Lampe Research estimates

Growth rates yoy	2016	2017	2018e	2019e	2020e
Sales	23.6%	35.1%	6.7%	8.7%	12.2%
EBITDA	15.2%	62.0%	3.1%	14.3%	16.2%
EBIT	8.7%	79.2%	5.2%	17.2%	19.7%
EBT	5.4%	85.3%	5.4%	17.6%	20.1%
Net income (adj.)	14.9%	69.5%	7.0%	14.4%	20.1%
EPS	13.2%	61.6%	7.0%	14.4%	20.1%

Source: Company information, Bankhaus Lampe Research estimates

technotrans SE – Balance sheet

Assets (in m EUR)	2016	2017	2018e	2019e	2020e
Fixed assets	52.0	57.8	66.8	66.7	65.7
Property, plant and equipment	17.7	25.5	34.3	35.9	36.4
Intangible assets	31.8	30.0	30.1	28.2	26.3
Financial assets	0.1	0.2	0.2	0.3	0.3
Other long-term assets	2.4	2.0	2.2	2.4	2.6
Current assets	69.4	67.5	67.7	79.2	95.2
Inventories	25.6	26.6	28.4	30.8	34.6
Accounts receivable	17.8	24.2	25.8	28.0	31.5
Other current assets	2.1	2.0	2.1	2.3	2.6
Securities	0.0	0.0	0.0	0.0	0.0
Cash	23.9	14.8	11.4	18.0	26.6
Total assets	121.4	125.3	134.5	145.9	160.9
Equity and liabilities (in m EUR)					
Shareholders' equity	61.9	69.8	76.7	85.1	95.6
Shareholders' equity (before minority)	61.8	69.6	76.5	84.9	95.4
Minorities	0.1	0.2	0.2	0.2	0.2
Non-current liabilities	27.8	23.3	23.6	24.0	24.5
Pension provisions	0.0	0.0	0.0	0.0	0.0
Other provisions	1.2	1.2	1.3	1.4	1.6
Long-term financial debt	23.0	19.2	19.2	19.2	19.2
Other long-term debt	3.6	2.9	3.1	3.4	3.8
Current liabilities	31.8	32.3	34.2	36.8	40.8
Short-term debt	5.1	3.8	3.8	3.8	3.8
Other accruals short-term	8.6	9.8	10.4	11.3	12.7
Accounts payable	11.7	11.9	12.7	13.8	15.4
Other liabilities	6.4	6.8	7.2	7.9	8.8
Total equity and liabilities	121.4	125.3	134.5	145.9	160.9

Source: Company information, Bankhaus Lampe Research estimates

technotrans SE – Balance sheet structure

Assets	2016	2017	2018e	2019e	2020e
Fixed assets	42.9%	46.1%	49.7%	45.7%	40.8%
Property, plant and equipment	14.6%	20.3%	25.5%	24.6%	22.6%
Intangible assets	26.2%	24.0%	22.4%	19.3%	16.4%
Current assets	57.1%	53.9%	50.3%	54.3%	59.2%
Inventories	21.1%	21.2%	21.1%	21.1%	21.5%
Accounts receivable	14.6%	19.3%	19.2%	19.2%	19.6%
Cash	19.7%	11.8%	8.5%	12.3%	16.5%
Equity and liabilities					
Shareholders' equity	51.0%	55.7%	57.1%	58.4%	59.4%
Non-current liabilities	22.9%	18.6%	17.5%	16.4%	15.2%
Pension provisions	0.0%	0.0%	0.0%	0.0%	0.0%
Long-term financial debt	19.0%	15.3%	14.3%	13.2%	11.9%
Current liabilities	26.2%	25.7%	25.4%	25.2%	25.4%
Short-term debt	4.2%	3.1%	2.9%	2.6%	2.4%
Accounts payable	9.7%	9.5%	9.4%	9.4%	9.6%

Source: Company information, Bankhaus Lampe Research estimates

Tele Columbus AG

Expecting a return to profitable growth in 2019

17/01/2019

Hold (Hold)
4.00 EUR (4.00 EUR)

Close 14/01/2019 2.80 EUR
 Bloomberg: TC1 GR WKN: TCAG17
 Sector Telecoms

Share price performance

52 week high 9.51 EUR
 52 week low 2.43 EUR
 Compared to SDAX
 YTD -8.0%
 1 month -11.9%
 12 months -50.6%



Share data

EV (m EUR; 2019) 1,716
 Market Cap (m EUR) 357.2
 No. of shares (m) 127.6
 Free float 71.5%

Next event

Annual Results 30/04/2019

Change in model

	Sales	EBITDA	EPS
2018e	0.0%	-3.0%	-27.5%
2019e	0.0%	-0.5%	-2.6%
2020e	0.3%	0.2%	3.4%

Analyst

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See end of document for disclaimer.

We see a good chance that the management team has solved the most serious problems of the integration phase and see a high probability that the company will return to EBITDA growth in 2019 after an expected stagnation in 2018.

INVESTMENT CASE

In 2018, the company had to admit that integration work will have a more negative impact than previously expected, leading to two profit warnings. However, a doom scenario with e.g. a covenant breach or the necessity of an immediate capital increase has not occurred and the company seems to still have financial leeway. Although the KPIs recovered in Q3 2018, we expect the medium-term growth targets to be lowered with a review in early 2019. The markets are probably still underestimating the need for revision, as the current medium-term targets are ambitious in our view after a longer than originally forecast integration process.

CATALYSTS

- (+) Integration: Integration work expected to be finalised in 2018.
- (+) Capex: Confirmation of peak capex in 2019 should boost confidence in decent FCF growth after an expected FCF breakeven in 2019.
- (+/-) Change of control: Investors could benefit if the shareholder United Internet decides to increase its stake or take control. However, such a step is still unclear or could take some time. We therefore believe that an investment decision must be made solely on the basis of operating performance.
- (+/-) Regulation/remedies: The planned merger of Vodafone and Unitymedia could have both positive (e.g. forced asset sales) and negative (e.g. tenants could opt out of basic TV services) effects for TC1.

VALUATION

We evaluate the share based on a DCF model. Cable peers are trading in a range of 7-8x EBITDA_{2019/20e}. This would represent a valuation range of € 3.80-4.50 per share.

in m EUR	2016	2017	2018e	2019e	2020e
Sales	476.8	496.9	492.9	501.5	503.9
EBITDA	216.5	196.7	193.2	223.7	240.7
EBITDA margin	45.4%	39.6%	39.2%	44.6%	47.8%
Net financial debt	1,206	1,309	1,339	1,341	1,321
Free cash flow	70.5	-38.8	-27.1	-1.6	20.0
EPS (in EUR)	-0.10	-0.15	-0.13	0.09	0.23
DPS (in EUR)	0.00	0.00	0.00	0.00	0.00
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%
EV/sales	4.7	5.0	3.5	3.4	3.4
EV/EBITDA	10.3	12.7	8.9	7.7	7.0
P/E	-76.9	-62.6	-22.7	32.7	12.4

Source: Company information, Bankhaus Lampe Research estimates

Company overview

SWOT

Strengths/Opportunities

- High-performance access network to ~10% of German households
- Customer base offers opportunities for upselling
- Introduction of new services
- Network investments cutting long-term cost base
- Consolidation opportunities

Weaknesses/Threats (Risks)

- Regionally fragmented customer clusters
- New products sometimes coming up against saturated markets
- Investment campaigns mounted by rival firms (e.g. DTE, VOD)
- Possible loss of licensing agreements with housing associations
- Acquisition risks

MANAGEMENT

- Timm Degenhardt (CEO)
- Eike Walters (CFO)
- Stefan Riedel (CCO)
- Stefan Pörtl (CTO)
- Roland Schleicher (COO)
- Richard Fahringer (B2B)
- Jean-Pascal Roux (CSO Housing Industry)

COMPANY BACKGROUND

Tele Columbus is the third largest cable network operator in Germany. Its hybrid fibre-optic network offers modern multimedia and telecoms services (analogue TV, digital TV channels, HDTV channels, analogue/digital radio, phone line, internet access, mobile telephony, carrier services). Roughly 65% of its clientele are in eastern Germany.

SHORT-TERM GUIDANCE

- 2018: Revenue stable, normalised EBITDA \geq € 235 m, CAPEX \leq € 150m

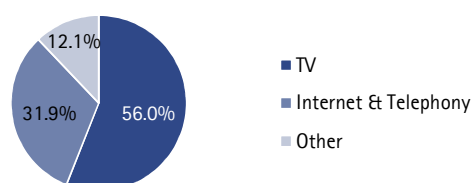
MEDIUM-TERM GUIDANCE

- Stable retail customer base, revenue percentage growth in mid-to-high single digits, normalised EBITDA percentage growth in high single-digits

HISTORICAL P/E



REVENUE BREAKDOWN (LAST ACTUAL YEAR)



COMPANY EVENTS

Next event: Annual Results 30/04/2019

MAJOR SHAREHOLDERS (%)

Union Investment	5.3
Threadneedle	10.5
United Internet	28.5

KEY RATIOS

	16	17	18e	19e	20e
R&D/Sales	0.0%	0.0%	0.0%	0.0%	0.0%
Capex/Sales	29.5%	25.6%	30.0%	30.7%	29.4%
Capex/Depreciation	0.9	0.8	1.0	1.1	1.0
ROCE	3.4%	2.2%	2.5%	4.3%	5.2%
Free cash flow yield	7.2%	-3.3%	-6.3%	-0.4%	4.6%
Equity ratio	24.9%	24.2%	23.3%	23.6%	24.6%
Net debt / equity	225%	253%	269%	263%	245%
Net debt / EBITDA	5.6	6.7	6.9	6.0	5.5
Interest cover	0.8	0.7	0.7	1.2	1.5

BHL VS. CONSENSUS

	18e	19e	20e
Sales (in m EUR)			
BHL	492.9	501.5	503.9
Consensus	504.4	512.3	526.6
EBITDA (in m EUR)			
BHL	193.2	223.7	240.7
Consensus	216.9	237.1	250.3
EPS (EUR)			
BHL	-0.13	0.09	0.23
Consensus	-0.06	0.15	0.26

Source: Company information, FactSet, BHL estimates

Key figures

Tele Columbus AG – Income statement

in m EUR	2016	2017	2018e	2019e	2020e
Sales	476.8	496.9	492.9	501.5	503.9
Cost of sales	-105.6	-118.3	-138.0	-138.7	-139.6
Gross profit	371.2	378.6	354.8	362.8	364.4
Sales and marketing	-8.7	-6.3	0.0	0.0	0.0
General and administration	-73.1	-69.0	-71.8	-72.5	-72.5
Research and development	0.0	0.0	0.0	0.0	0.0
Other operating result	-73.0	-106.6	-89.9	-66.6	-51.1
EBITDA	216.5	196.7	193.2	223.7	240.7
Depreciation	154.7	155.6	145.5	142.6	141.2
EBITA	61.9	41.1	47.7	81.1	99.6
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0
EBIT	61.9	41.1	47.7	81.1	99.6
Financial result	-72.3	-69.5	-68.4	-68.0	-65.0
Income on ordinary activities	-10.4	-28.4	-20.7	13.1	34.6
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0
EBT	-10.4	-28.4	-20.7	13.1	34.6
Taxes	-0.2	12.0	6.8	-1.7	-5.2
Net income from cont. operations	-10.6	-16.4	-13.9	11.4	29.4
Net income from disc. operations	0.0	0.0	0.0	0.0	0.0
Minority interest	-2.5	-2.4	-2.4	-0.5	-0.5
Net income (adj.)	-13.1	-18.8	-16.3	10.9	28.9
No. of shares	127.6	127.6	127.6	127.6	127.6
EPS (in EUR)	-0.10	-0.15	-0.13	0.09	0.23

Source: Company information, Bankhaus Lampe Research estimates

	2016	2017	2018e	2019e	2020e
Gross margin	77.9%	76.2%	72.0%	72.3%	72.3%
EBITDA margin	45.4%	39.6%	39.2%	44.6%	47.8%
EBITA margin	13.0%	8.3%	9.7%	16.2%	19.8%
EBIT margin	13.0%	8.3%	9.7%	16.2%	19.8%
EBT margin	-2.2%	-5.7%	-4.2%	2.6%	6.9%
Net profit margin	-2.2%	-3.3%	-2.8%	2.3%	5.8%
Tax rate	-1.9%	42.2%	33.0%	13.0%	15.0%

Source: Company information, Bankhaus Lampe Research estimates

Growth rates yoy	2016	2017	2018e	2019e	2020e
Sales	70.8%	4.2%	-0.8%	1.8%	0.5%
EBITDA	>100%	-9.2%	-1.8%	15.8%	7.6%
EBIT	-	-33.7%	16.2%	70.1%	22.8%
EBT	84.1%	<-100%	27.2%	-	>100%
Net income (adj.)	80.9%	-43.7%	13.7%	-	>100%
EPS	90.2%	-43.7%	13.7%	-	>100%

Source: Company information, Bankhaus Lampe Research estimates

Tele Columbus AG – Balance sheet

Assets (in m EUR)	2016	2017	2018e	2019e	2020e
Fixed assets	2,020	2,009	2,011	2,023	2,030
Property, plant and equipment	604.7	609.9	612.4	623.8	630.7
Intangible assets	1,402	1,390	1,390	1,390	1,390
Financial assets	0.0	0.0	0.0	0.0	0.0
Other long-term assets	12.7	8.8	8.7	8.9	8.9
Current assets	127.6	124.5	131.9	134.8	156.7
Inventories	4.2	10.9	10.8	11.0	11.0
Accounts receivable	48.3	54.7	62.1	66.0	67.7
Other current assets	19.9	27.2	27.0	27.5	27.6
Securities	0.0	0.0	0.0	0.0	0.0
Cash	55.2	31.7	32.0	30.4	50.4
Total assets	2,147	2,133	2,143	2,158	2,186
Equity and liabilities (in m EUR)					
Shareholders' equity	535.2	517.2	498.4	509.3	538.2
Shareholders' equity (before minority)	527.6	509.2	490.4	501.3	530.2
Minorities	7.6	8.0	8.0	8.0	8.0
Non-current liabilities	1,416	1,400	1,399	1,401	1,401
Pension provisions	9.8	9.8	9.7	9.9	9.9
Other provisions	4.1	0.5	0.5	0.5	0.5
Long-term financial debt	1,235	1,298	1,298	1,298	1,298
Other long-term debt	167.1	91.7	91.0	92.6	93.0
Current liabilities	196.2	216.3	245.8	247.4	246.9
Short-term debt	26.0	43.4	73.4	73.4	73.4
Other accruals short-term	30.1	18.6	18.5	18.8	18.9
Accounts payable	87.3	94.4	94.5	94.8	93.9
Other liabilities	52.8	59.9	59.4	60.5	60.8
Total equity and liabilities	2,147	2,133	2,143	2,158	2,186

Source: Company information, Bankhaus Lampe Research estimates

Tele Columbus AG – Balance sheet structure

Assets	2016	2017	2018e	2019e	2020e
Fixed assets	94.1%	94.2%	93.8%	93.8%	92.8%
Property, plant and equipment	28.2%	28.6%	28.6%	28.9%	28.8%
Intangible assets	65.3%	65.2%	64.9%	64.4%	63.6%
Current assets	5.9%	5.8%	6.2%	6.2%	7.2%
Inventories	0.2%	0.5%	0.5%	0.5%	0.5%
Accounts receivable	2.2%	2.6%	2.9%	3.1%	3.1%
Cash	2.6%	1.5%	1.5%	1.4%	2.3%
Equity and liabilities					
Shareholders' equity	24.9%	24.2%	23.3%	23.6%	24.6%
Non-current liabilities	65.9%	65.6%	65.3%	64.9%	64.1%
Pension provisions	0.5%	0.5%	0.5%	0.5%	0.5%
Long-term financial debt	57.5%	60.8%	60.6%	60.1%	59.4%
Current liabilities	9.1%	10.1%	11.5%	11.5%	11.3%
Short-term debt	1.2%	2.0%	3.4%	3.4%	3.4%
Accounts payable	4.1%	4.4%	4.4%	4.4%	4.3%

Source: Company information, Bankhaus Lampe Research estimates

VIB Vermögen AG

Focus on logistics and Bavaria

17/01/2019

Hold (Hold)
23.00 EUR (23.00 EUR)

Close 14/01/2019 21.10 EUR
Bloomberg: VIH GY WKN: 245751
Sector Real Estate

Share price performance

52 week high 23.40 EUR
52 week low 20.20 EUR
Compared to Prime All Share
YTD -3.8%
1 month -2.1%
12 months 15.1%



Share data

EV (m EUR; 2019) 1,255
Market Cap (m EUR) 581.9
No. of shares (m) 27.6
Free float 80.9%

Next event

Annual Results 30/04/2019

Change in model

	Sales	FFO	EPS
2018e	-	-	-
2019e	-	-	-
2020e	-	-	-

Analyst

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See end of document for disclaimer.

VIB Vermögen is the only listed German commercial property company with great exposure to the booming logistics segment. The company concentrates on Bavaria and focuses on the prosperous region around Ingolstadt. Proprietary developments, expansions and close collaborations with tenants are linked to above-average initial yields.

INVESTMENT CASE

The real estate portfolio with more than 1.1 million m² of rental space is focused on logistics/light industrial real estate (64%) and retail (30%), and exhibits a relatively high yield of more than 7%. The regional focus on the prosperous region around Ingolstadt also has a favourable effect on rent levels and vacancy rates. Thanks to own developments and expansions, VIB achieves comparatively high initial yields of around 8%. In 2018, three properties with an investment volume of € 41.3 m were completed, adding € 3.4 m to annual rental income. The company is currently developing its largest property with 115,000 m² at the Interpark commercial area close to Ingolstadt (expected completion of 27,500 m² in 2019 and the remainder in 2020). It still has a land bank with potential rental space of more than 100,000 m². The expiry of liabilities with high interest rates enhances the potential for higher earnings arising from the expansion of the real estate portfolio until the FY 2020.

CATALYSTS

- Expansion of the real estate portfolio
- Steady improvement of the operating results via portfolio expansion and expiry of loans with high interest rates (>4%)

VALUATION

VIB is trading at a premium to NAV (BHLe 2018) and the dividend yield is below average due to a low payout ratio. However, in terms of P/FFO, it is more attractive than the sector average.

in m EUR	2016	2017	2018e	2019e	2020e
Sales	79.5	83.5	86.6	91.6	98.6
FFO	35.8	41.2	44.5	48.6	54.7
FFO margin	45.0%	49.3%	51.3%	53.1%	55.5%
Net financial debt	574.9	570.4	609.1	645.2	666.0
Net asset value per share	17.05	18.58	20.27	21.69	23.23
FFOPS (in EUR)	1.35	1.49	1.61	1.76	1.98
DPS (in EUR)	0.55	0.60	0.65	0.70	0.75
Dividend yield	2.8%	2.8%	3.1%	3.3%	3.6%
EV/EBITDA	14.4	14.4	14.5	16.1	15.6
P/NAV	1.15	1.14	1.05	0.97	0.91
P/FFO	14.6	14.2	13.1	12.0	10.6

Source: Company information, Bankhaus Lampe Research estimates

Company overview

SWOT

Strengths/Opportunities

- Focus on a prosperous region with above-average growth prospects
- Highly-diversified commercial property portfolio
- High-yielding portfolio reduces risk of valuation losses
- Good network especially in the Ingolstadt region
- Own developments, extensions and early collaboration with tenants offer additional potential

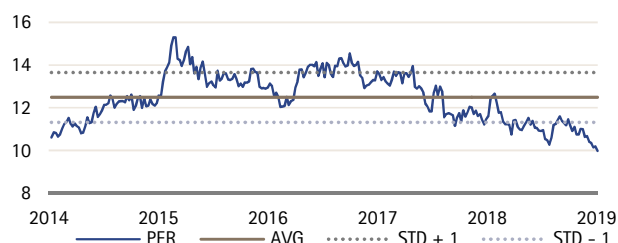
MANAGEMENT

- Martin Pfandzeltner (CEO)
- Holger Pilgenröther (CFO)

SHORT-TERM GUIDANCE

- 2018 operating revenue € 85-89 m
- EBT before valuation € 48-50.5 m
- FFO 2018 to increase to € 32-44.5 m

HISTORICAL P/E



COMPANY EVENTS

Next event: Annual Results 30/04/2019

KEY RATIOS

	16	17	18e	19e	20e
ROCE	7.5%	7.5%	7.3%	6.4%	6.4%
Gross Yield	7.4%	7.6%	7.3%	7.2%	7.4%
EBITDA margin	99.5%	98.3%	97.4%	85.1%	82.9%
FFO margin	45.0%	49.3%	51.3%	53.1%	55.5%
FFO yield	7.9%	8.0%	8.0%	8.1%	8.5%
Equity ratio	39.7%	41.9%	43.0%	43.2%	43.7%
Net gearing	1.3	1.2	1.2	1.2	1.1
Net debt / EBITDA	7.3	6.9	7.2	8.3	8.1
Interest cover	3.9	4.7	5.4	5.3	5.9

Weaknesses/Threats (Risks)

- High share of tenants with exposure to the automotive industry
- Dehner (gardening store chain) accounts for about 9% of rental income
- Equity is needed for stronger growth
- The Ingolstadt region is largely dependent on the performance of Audi

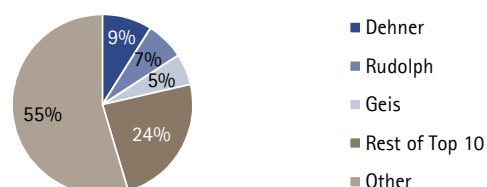
COMPANY BACKGROUND

VIB Vermögen is a property company with a regional focus on Bavaria. Most of its properties are logistics and industrial sites. A significant portion of its portfolio is invested in retail properties (specialty stores and retail parks).

MEDIUM-TERM GUIDANCE

- -

TOP TENANTS (SEPTEMBER 2018) IN %



MAJOR SHAREHOLDERS (%)

Kreissparkasse Biberach	8.6
Raiffeisen-Volksbank Neuburg/Donau eG	4.1
Munich family office	3.7

BHL VS. CONSENSUS

	18e	19e	20e
Sales (in m EUR)			
BHL	86.6	91.6	98.6
Consensus	91.7	97.2	102.2
EBITDA (in m EUR)			
BHL	84.4	77.9	81.7
Consensus	67.4	71.8	75.7
EPS (EUR)			
BHL	1.98	1.82	1.95
Consensus	1.94	2.08	2.20

Source: Company information, FactSet, BHL estimates

Key figures

VIB Vermögen AG – Income statement

in m EUR	2016	2017	2018e	2019e	2020e
Sales	79.5	83.5	86.6	91.6	98.6
Cost of sales	0.0	0.0	0.0	0.0	0.0
Gross profit	79.5	83.5	86.6	91.6	98.6
Sales and marketing	-13.3	-13.8	-14.5	-15.7	-17.0
General and administration	-3.8	-3.6	-3.8	-3.9	-4.0
Research and development	0.0	0.0	0.0	0.0	0.0
Other operating result	16.7	15.9	16.1	6.0	4.2
EBITDA	79.2	82.1	84.4	77.9	81.7
Depreciation	0.1	0.3	0.3	0.3	0.3
EBITA	79.1	81.8	84.1	77.6	81.4
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0
EBIT	79.1	81.8	84.1	77.6	81.4
Financial result	-20.3	-17.4	-15.6	-14.5	-13.7
Income on ordinary activities	58.8	64.5	68.5	63.1	67.8
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0
EBT	58.8	64.5	68.5	63.1	67.8
Taxes	-9.4	-10.5	-11.6	-10.7	-11.5
Net income from cont. operations	49.4	53.9	56.8	52.4	56.2
Net income from discount. operations	0.0	0.0	0.0	0.0	0.0
Minority interest	-2.2	-2.3	-2.2	-2.3	-2.4
Net income (adj.)	47.2	51.6	54.6	50.1	53.8
No. of shares	26.5	27.6	27.6	27.6	27.6
EPS (in EUR)	1.78	1.87	1.98	1.82	1.95

Source: Company information, Bankhaus Lampe Research estimates

	2016	2017	2018e	2019e	2020e
Gross margin	-	-	-	-	-
EBITDA margin	99.5%	98.3%	97.4%	85.1%	82.9%
EBITA margin	99.5%	97.9%	97.0%	84.7%	82.6%
EBIT margin	99.5%	97.9%	97.0%	84.7%	82.6%
EBT margin	73.9%	77.1%	79.0%	68.9%	68.7%
Net profit margin	62.1%	64.6%	65.6%	57.2%	57.0%
Tax rate	16.0%	16.3%	17.0%	17.0%	17.0%

Source: Company information, Bankhaus Lampe Research estimates

Growth rates yoy	2016	2017	2018e	2019e	2020e
Sales	5.9%	5.0%	3.7%	5.7%	7.7%
EBITDA	7.7%	3.7%	2.8%	-7.7%	4.9%
EBIT	7.7%	3.4%	2.7%	2.7%	4.9%
EBT	11.4%	9.6%	6.3%	-7.9%	7.4%
Net income (adj.)	17.7%	9.2%	5.9%	-8.4%	7.5%
EPS	13.9%	5.1%	5.9%	-8.4%	7.5%

Source: Company information, Bankhaus Lampe Research estimates

VIB Vermögen AG – Balance sheet

Assets (in m EUR)	2016	2017	2018e	2019e	2020e
Fixed assets	1,073	1,110	1,198	1,275	1,341
Property, plant and equipment	1,069	1,105	1,193	1,270	1,336
Intangible assets	0.0	0.0	0.0	0.0	0.0
Financial assets	4.7	5.3	5.3	5.3	5.3
Other long-term assets	0.0	0.0	0.0	0.0	0.0
Current assets	43.4	43.4	18.8	16.7	19.9
Inventories	0.0	0.0	0.0	0.0	0.0
Accounts receivable	4.2	5.5	5.5	5.5	5.5
Other current assets	0.0	0.0	0.0	0.0	0.0
Securities	0.0	0.0	0.0	0.0	0.0
Cash	39.2	38.0	13.3	11.3	14.4
Total assets	1,117	1,154	1,217	1,292	1,361
Equity and liabilities (in m EUR)					
Shareholders' equity	443.5	483.4	523.5	557.8	594.5
Shareholders' equity (before minority)	423.8	462.0	500.0	531.9	566.3
Minorities	19.7	21.3	23.5	25.8	28.2
Non-current liabilities	620.7	640.1	662.8	704.1	736.2
Pension provisions	2.0	2.3	2.3	2.4	2.5
Other provisions	0.0	0.0	0.0	0.0	0.0
Long-term financial debt	572.4	587.3	601.3	635.3	659.3
Other long-term debt	46.3	50.5	59.2	66.4	74.4
Current liabilities	52.6	30.3	30.3	30.3	30.3
Short-term debt	41.6	21.1	21.1	21.1	21.1
Other accruals short-term	0.0	0.0	0.0	0.0	0.0
Accounts payable	10.5	8.7	8.7	8.7	8.7
Other liabilities	0.4	0.4	0.4	0.4	0.4
Total equity and liabilities	1,117	1,154	1,217	1,292	1,361

Source: Company information, Bankhaus Lampe Research estimates

VIB Vermögen AG – Balance sheet structure

Assets	2016	2017	2018e	2019e	2020e
Fixed assets	96.1%	96.2%	98.5%	98.7%	98.5%
Property, plant and equipment	95.7%	95.8%	98.0%	98.3%	98.2%
Intangible assets	0.0%	0.0%	0.0%	0.0%	0.0%
Current assets	3.9%	3.8%	1.5%	1.3%	1.5%
Inventories	0.0%	0.0%	0.0%	0.0%	0.0%
Accounts receivable	0.4%	0.5%	0.4%	0.4%	0.4%
Cash	3.5%	3.3%	1.1%	0.9%	1.1%
Equity and liabilities					
Shareholders' equity	39.7%	41.9%	43.0%	43.2%	43.7%
Non-current liabilities	55.6%	55.5%	54.5%	54.5%	54.1%
Pension provisions	0.2%	0.2%	0.2%	0.2%	0.2%
Long-term financial debt	51.3%	50.9%	49.4%	49.2%	48.4%
Current liabilities	4.7%	2.6%	2.5%	2.3%	2.2%
Short-term debt	3.7%	1.8%	1.7%	1.6%	1.6%
Accounts payable	0.9%	0.8%	0.7%	0.7%	0.6%

Source: Company information, Bankhaus Lampe Research estimates

Voltabox AG

Strong growth at a low price

17/01/2019

Buy (Buy)
24.00 EUR (24.00 EUR)

Close 14/01/2019 11.91 EUR
 Bloomberg: VBX GY WKN: A2E4LE
 Sector Technology

Share price performance

52 week high 26.58 EUR
 52 week low 10.40 EUR
 Compared to Prime All Share
 YTD -6.1%
 1 month 10.2%
 12 months -33.8%



Share data

EV (m EUR; 2019) 136.3
 Market Cap (m EUR) 188.5
 No. of shares (m) 15.8
 Free float 45.0%

Next event

Annual Results 01/04/2019

Change in model

	Sales	EBIT	EPS
2018e	-	-	-
2019e	-	-	-
2020e	-	-	-

Analyst

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See end of document for disclaimer.

Despite various negative developments during 2018, the company delivered on the organic revenue growth and margin targets it outlined during the IPO. As long as this continues, we consider the company to be generally being on the right track and regard the current share price as a very attractive entry point.

INVESTMENT CASE

Last year's stock price decline was driven by high cash burn (predominantly caused by the Triathlon renegotiation and increasing working capital), the failed acquisition of Navitas, unfortunate communication and rising risk aversion among investors. However, the past year also witnessed very strong organic growth (mostly driven by Intralogistics), which is not reflected in the share price. Growth should continue in 2019, driven by continued growth in Intralogistics (including new direct customers) and an increasing contribution from the Mining segment. Cash conversion should also improve in 2019. Eventually, this should result in a return of investor confidence.

CATALYSTS

- The first guidance for 2019 is due to be released with the full-year results by March at the latest, but could become available earlier. We expect a confirmation of the growth targets outlined at the time of the IPO, in line with our estimates below.
- After the withdrawal, Voltabox is left with a war chest worth about € 50 m, which could be used for further acquisitions. We would tend to expect further smaller acquisitions because it will be tough to find another target the size of Navitas.

VALUATION

Voltabox is left with net cash of € 52 m (end of Q3 2018). The cash-adjusted P/E_{2019e} now stands at an attractive 12x. Even without adjusting for cash earnings, the multiples are no longer demanding, in our view.

in m EUR	2016	2017	2018e	2019e	2020e
Sales	14.5	27.3	61.5	125.0	211.3
EBIT	-3.7	0.6	3.9	11.3	21.3
EBIT margin	-25.4%	2.1%	6.3%	9.0%	10.1%
Net financial debt	21.4	-98.6	-46.9	-52.2	-63.8
Free cash flow	-0.8	-28.2	-42.7	5.3	13.6
EPS (in EUR)	0.00	-0.02	0.13	0.61	0.98
DPS (in EUR)	0.00	0.00	0.00	0.00	0.00
Dividend yield	-	0.0%	0.0%	0.0%	0.0%
EV/sales	-	10.0	2.4	1.1	0.6
EV/EBIT	-	470.6	37.8	12.1	5.8
P/E	-	-1,482.5	93.4	19.5	12.2

Source: Company information, Bankhaus Lampe Research estimates

Company overview

SWOT

Strengths/Opportunities

- Impressive order book covers >60% of our revenue forecast up to 2022
- Exclusive supplier to most customers (some cases protected by contracts)
- IPO to accelerate internal and external growth
- Fast growth in high-end industrial battery market
- Vertical expansion into power electronics to manifest market position and increase value added

Weaknesses/Threats (Risks)

- Broad range of competitors
- High level of capitalised R&D
- Still relatively small size of the company
- Execution risks

MANAGEMENT

- Jürgen Pampel, CEO
- Klaus Dieter Frers, Chairman of the Supervisory Board

COMPANY BACKGROUND

Voltabox develops, assembles and sells application-specific battery systems (incl. battery packs, battery management systems and thermal management) mainly for industrial e-mobility applications. The systems are based on Li-ion cells from various suppliers. The company's product spectrum essentially covers all major cell form factors (cylindrical, prismatic, pouch) and three major cell chemistries currently (NMC, LFP, LTO). Selling prices vary from application to application but can be as high as € 1 m per system.

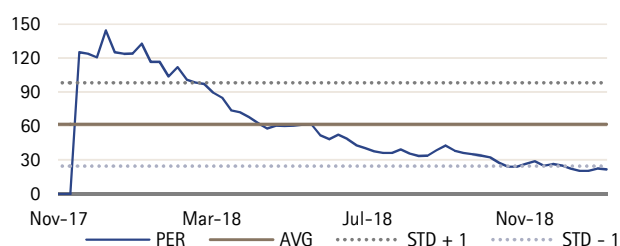
SHORT-TERM GUIDANCE

- Revenues of € 65–70 m in 2018
- EBIT margin of ~7% in 2018

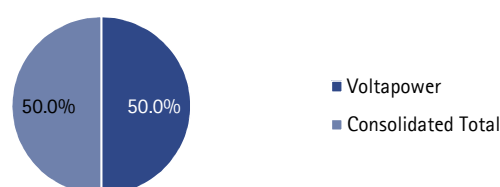
MEDIUM-TERM GUIDANCE

- Revenues of >€ 100 m in 2019

HISTORICAL P/E



REVENUE BREAKDOWN (LAST ACTUAL YEAR)



COMPANY EVENTS

Next event: Annual Results 01/04/2019

MAJOR SHAREHOLDERS (%)

paragon AG	60.0
Allianz Global Investors GmbH	1.2
DJE Kapital AG	1.0

KEY RATIOS

	16	17	18e	19e	20e
R&D/Sales	-	-	-	-	-
Capex/Sales	50.7%	22.9%	23.1%	11.2%	6.6%
Capex/Depreciation	4.8	2.6	3.6	1.5	1.0
ROCE	-13.2%	0.4%	2.4%	6.6%	11.4%
Free cash flow yield	-	-7.6%	-13.7%	1.7%	4.4%
Equity ratio	14.0%	90.7%	88.3%	84.9%	81.4%
Net debt / equity	392%	-64%	-30%	-31%	-35%
Net debt / EBITDA	-10.0	-32.8	-5.9	-2.5	-1.8
Interest cover	-6.9	0.8	4.7	-3.8	< -10

BHL VS. CONSENSUS

	18e	19e	20e
Sales (in m EUR)			
BHL	61.5	125.0	211.3
Consensus	66.5	123.7	195.7
EBIT (in m EUR)			
BHL	3.9	11.3	21.3
Consensus	4.4	11.1	19.6
EPS (EUR)			
BHL	0.13	0.61	0.98
Consensus	0.17	0.55	0.86

Source: Company information, FactSet, BHL estimates

Key figures

Voltabox AG – Income statement

in m EUR	2016	2017	2018e	2019e	2020e
Sales	14.5	27.3	61.5	125.0	211.3
Own work capitalised	5.8	3.8	9.0	9.0	9.0
Total sales	20.3	31.1	70.5	134.0	220.3
Material expenses	-13.4	-16.7	-37.5	-75.0	-126.8
Personnel expenses	-4.1	-6.7	-13.3	-20.0	-27.0
Unusual or infrequent items	0.0	0.0	0.0	0.0	0.0
Other operating result	-4.9	-4.7	-11.8	-18.3	-31.2
EBITDA	-2.1	3.0	7.9	20.8	35.3
Depreciation	1.5	2.4	4.0	9.5	14.0
EBITA	-3.7	0.6	3.9	11.3	21.3
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0
EBIT	-3.7	0.6	3.9	11.3	21.3
Financial result	-0.5	-0.7	-0.8	3.0	1.4
Income on ordinary activities	-4.2	-0.1	3.1	14.2	22.7
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0
EBT	-4.2	-0.1	3.1	14.2	22.7
Taxes	-0.5	-0.1	-1.0	-4.5	-7.3
Net income from cont. operations	-4.7	-0.3	2.1	9.7	15.5
Net income from discount. operations	0.0	0.0	0.0	0.0	0.0
Minority interest	0.0	0.0	0.0	0.0	0.0
Net income (adj.)	-4.7	-0.3	2.1	9.7	15.5
No. of shares	0.0	15.8	15.8	15.8	15.8
EPS	-	-0.02	0.13	0.61	0.98

Source: Company information, Bankhaus Lampe Research estimates

	2016	2017	2018e	2019e	2020e
Gross margin	7.5%	38.9%	39.0%	40.0%	40.0%
EBITDA margin	-14.7%	11.0%	12.8%	16.6%	16.7%
EBITA margin	-25.4%	2.1%	6.3%	9.0%	10.1%
EBIT margin	-25.4%	2.1%	6.3%	9.0%	10.1%
EBT margin	-29.0%	-0.5%	5.0%	11.4%	10.8%
Net profit margin	-32.3%	-0.9%	3.4%	7.7%	7.3%
Tax rate	-11.3%	-90.8%	32.0%	32.0%	32.0%

Source: Company information, Bankhaus Lampe Research estimates

Growth rates yoy	2016	2017	2018e	2019e	2020e
Sales	95.7%	88.2%	>100%	>100%	69.0%
EBITDA	<-100%	-	>100%	>100%	70.2%
EBIT	-96.2%	-	>100%	>100%	89.6%
EBT	-79.9%	96.9%	-	>100%	60.0%
Net income (adj.)	-57.4%	94.7%	-	>100%	60.0%
EPS	0,0%	0,0%	-	>100%	60.0%

Source: Company information, Bankhaus Lampe Research estimates

Voltabox AG – Balance sheet

Assets (in m EUR)	2016	2017	2018e	2019e	2020e
Fixed assets	25.5	31.1	81.3	85.8	87.8
Property, plant and equipment	9.4	8.1	34.9	40.4	48.0
Intangible assets	16.1	19.7	43.1	42.1	36.5
Financial assets	0.0	0.0	0.0	0.0	0.0
Other long-term assets	0.0	3.3	3.3	3.3	3.3
Current assets	13.6	139.6	127.4	141.4	166.9
Inventories	4.0	4.2	11.1	20.8	35.2
Accounts receivable	8.7	32.5	53.1	52.1	51.5
Other current assets	0.0	0.3	12.3	12.3	12.3
Securities	0.0	0.0	0.0	0.0	0.0
Cash	0.9	102.7	51.0	56.3	67.9
Total assets	39.0	170.8	208.8	227.3	254.7
Equity and liabilities in m EUR					
Shareholders' equity	5.5	155.0	157.1	166.7	182.2
Shareholders' equity (before minority)	5.5	155.0	157.1	166.7	182.2
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	30.2	12.2	12.2	12.2	12.2
Pension provisions	0.0	0.0	0.0	0.0	0.0
Other provisions	0.0	0.1	0.1	0.1	0.1
Long-term financial debt	22.3	4.1	4.1	4.1	4.1
Other long-term debt	7.9	8.0	8.0	8.0	8.0
Current liabilities	3.4	3.6	8.5	17.4	29.3
Short-term debt	0.0	0.0	0.0	0.0	0.0
Other accruals short-term	0.0	0.0	0.0	0.0	0.0
Accounts payable	3.4	3.6	8.5	17.4	29.3
Other liabilities	0.0	0.0	0.0	0.0	0.0
Total equity and liabilities	39.0	170.8	177.8	196.3	223.7

Source: Company information, Bankhaus Lampe Research estimates

Voltabox AG – Balance sheet structure

Assets	2016	2017	2018e	2019e	2020e
Fixed assets	65.3%	18.2%	39.0%	37.8%	34.5%
Property, plant and equipment	24.0%	4.8%	16.7%	17.8%	18.9%
Intangible assets	41.3%	11.5%	20.7%	18.5%	14.3%
Current assets	34.8%	81.7%	61.0%	62.2%	65.5%
Inventories	10.1%	2.5%	5.3%	9.2%	13.8%
Accounts receivable	22.2%	19.0%	25.4%	22.9%	20.2%
Cash	2.4%	60.1%	24.4%	24.8%	26.7%
Equity and liabilities					
Shareholders' equity	14.0%	90.7%	88.3%	84.9%	81.4%
Non-current liabilities	77.5%	7.1%	6.8%	6.2%	5.4%
Pension provisions	-	-	-	-	-
Long-term financial debt	57.2%	2.4%	2.3%	2.1%	1.8%
Current liabilities	8.6%	2.1%	4.8%	8.8%	13.1%
Short-term debt	-	-	-	-	-
Accounts payable	8.6%	2.1%	4.8%	8.8%	13.1%

Source: Company information, Bankhaus Lampe Research estimates

Wacker Neuson SE

Minor setbacks do not change the long-term picture

17/01/2019

Buy (Buy)
23.00 EUR (23.00 EUR)

Close 14/01/2019 18.58 EUR
 Bloomberg: WAC GR WKN: WACK01
 Sector Construction

Share price performance

52 week high 33.60 EUR
 52 week low 16.41 EUR
 Compared to SDAX
 YTD 7.9%
 1 month 5.3%
 12 months -23.7%



Share data

EV (m EUR; 2019) 1,489
 Market Cap (m EUR) 1,307
 No. of shares (m) 70.4
 Free float 37.0%

Next event

Annual Results 14/03/2019

Change in model

	Sales	EBIT	EPS
2018e	-	-	-
2019e	-	-	-
2020e	-	-	-

Analyst

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See end of document for disclaimer.

The group was confronted with minor setbacks in 2018, such as supply chain bottlenecks. This should be resolved by the end of H1 2019 and does not change our long-term picture of the investment case for Wacker Neuson.

INVESTMENT CASE

The group is expanding its global presence, e.g. in December it opened a new construction machinery plant in China, which makes a range of mini and compact excavators to larger excavators for the Asia-Pacific region. Today, this region accounts for merely 3% of group revenues, but with the new plant we think that sales CAGR_{2017-20e} could come to 32% leading to 5.5% of group revenues by 2020.

The second big market with growth until 2020 is the Americas (BHLe CAGR_{2017-20e}: 14%). The relocation of skid-steer production in the US should pay off in 2019 after some hiccups in the last two years, and the US market should offer greater potential for further sales of compact equipment. Consequently, Wacker is expanding its dealer network in North America.

The European market remains the most important market for Wacker accounting for almost 75% of revenues and almost 100% of group EBIT. However, the goal to reach more than € 2 bn revenues and an EBIT margin of more than 11% should be achieved with growth from all three regions.

CATALYSTS

- Solving the bottlenecks issues should lead to higher margins in 2019
- John Deere co-operation already exceeds the originally planned volumes
- Catch-up of US skid steer production in FY 2019

VALUATION

Our price target of € 23.00 is based on a DCF model with a WACC of 6.5%, a terminal growth rate of 1%, and TV representing 66% of the NPV. At our price target of € 23.00, the stock would be trading at an EV/EBIT_{2019e} of 8.9x. This is still not expensive, in our view.

in m EUR	2016	2017	2018e	2019e	2020e
Sales	1,361	1,534	1,697	1,805	1,955
EBIT	82.7	131.4	163.4	176.0	199.0
EBIT margin	6.1%	8.6%	9.6%	9.8%	10.2%
Net financial debt	205.8	139.7	152.3	125.3	95.6
Free cash flow	34.4	99.0	35.5	86.8	82.2
EPS (in EUR)	0.75	1.25	2.21	1.78	2.08
DPS (in EUR)	0.50	0.60	0.90	0.80	0.80
Dividend yield	3.2%	2.0%	5.4%	4.3%	4.3%
EV/sales	1.0	1.5	0.8	0.8	0.7
EV/EBIT	16.3	17.5	8.4	8.5	7.3
P/E	20.4	24.1	7.5	10.5	8.9

Source: Company information, Bankhaus Lampe Research estimates

Company overview

SWOT

Strengths/Opportunities

- Premium supplier with >300 products and synergy potential in distribution
- Solid balance sheet of this family-run company allows acquisitions
- Growth drivers: New markets (Americas, Asia) and the service business
- Strong European footprint stabilises business

Weaknesses/Threats (Risks)

- End of strategic alliance with CAT (2019)
- Margins with leasing companies (~20% of business) are less than for direct sales
- Share of cyclical agricultural machinery business still too small (15%)
- Visibility in construction machinery is usually short term and cyclical

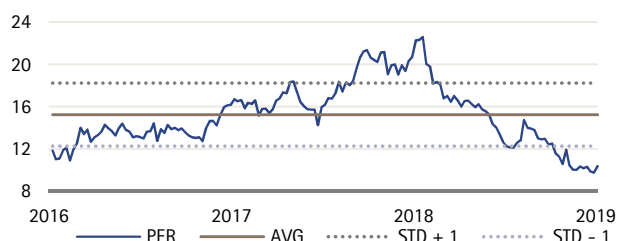
MANAGEMENT

- Martin Lehner (CEO)
- Wilfried Trepels (CFO)
- Alexander Greschner (CSO)

SHORT-TERM GUIDANCE

- 2018: Revenues € 1.65–1.7 bn and EBIT margin of 9–10%

HISTORICAL P/E



COMPANY EVENTS

Next event: 14/03/2019 Annual Results

KEY RATIOS

	16	17	18e	19e	20e
R&D/Sales	2.6%	2.3%	2.2%	2.1%	2.0%
Capex/Sales	3.6%	3.1%	4.4%	6.5%	6.2%
Capex/Depreciation	0.7	0.6	1.0	1.5	1.5
ROCE	6.0%	9.8%	10.4%	10.8%	11.5%
Free cash flow yield	3.2%	4.7%	2.9%	7.0%	6.7%
Equity ratio	69.1%	69.0%	68.3%	68.6%	69.7%
Net debt / equity	19%	13%	12%	9%	7%
Net debt / EBITDA	1.3	0.7	0.6	0.5	0.3
Interest cover	0.0	9.6	9.0	0.0	0.0

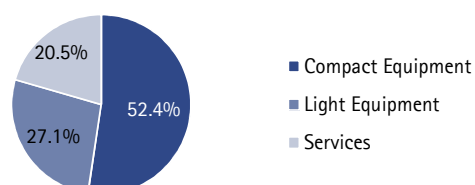
COMPANY BACKGROUND

The Wacker Neuson group manufactures construction machinery (Light Equipment and Compact Equipment) and offers associated services via >140 sales and service stations. The company was founded in 1848. Today it has more than 50 subsidiaries and employs more than 5,500 people. The company is headquartered in Munich, Germany.

MEDIUM-TERM GUIDANCE

- 2022: Revenues >€ 2 bn and EBIT margin >11%

REVENUE BREAKDOWN (LAST ACTUAL YEAR)



MAJOR SHAREHOLDERS (%)

Wacker Family	33.0
Neunteufel Family	

BHL VS. CONSENSUS

	18e	19e	20e
Sales (in m EUR)			
BHL	1,697	1,805	1,955
Consensus	1,675	1,778	1,894
EBIT (in m EUR)			
BHL	163.4	176.0	199.0
Consensus	164.6	174.9	195.5
EPS (EUR)			
BHL	2.21	1.78	2.08
Consensus	1.87	1.68	1.90

Source: Company information, FactSet, BHL estimates

Key figures

Wacker Neuson SE – Income statement

in m EUR	2016	2017	2018e	2019e	2020e
Sales	1,361	1,534	1,697	1,805	1,955
Cost of sales	-997.8	-1,097	-1,214	-1,290	-1,389
Gross profit	363.6	436.5	482.7	515.4	566.2
Sales and marketing	-184.8	-199.1	-220.3	-234.3	-253.8
General and administration	-70.3	-76.6	-84.8	-90.2	-97.6
Research and development	-35.3	-35.8	-36.9	-38.0	-39.1
Other operating result	9.5	6.4	22.5	23.0	23.4
EBITDA	152.7	206.4	240.6	255.6	282.6
Depreciation	70.0	75.0	77.3	79.6	83.5
EBITA	82.7	131.4	163.4	176.0	199.0
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0
EBIT	82.7	131.4	163.4	176.0	199.0
Financial result	-6.2	-6.0	44.3	-9.3	-0.5
Income on ordinary activities	76.5	125.4	207.7	166.7	198.5
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0
EBT	76.5	125.4	207.7	166.7	198.5
Taxes	-23.0	-37.9	-51.9	-41.7	-51.6
Net income from cont. operations	53.6	87.5	155.8	125.0	146.9
Net income from discount. operations	0.0	0.0	0.0	0.0	0.0
Minority interest	-0.5	0.0	0.0	0.0	-0.5
Net income (adj.)	53.1	87.5	155.8	125.0	146.4
No. of shares	70.4	70.0	70.4	70.4	70.4
EPS (in EUR)	0.75	1.25	2.21	1.78	2.08

Source: Company information, Bankhaus Lampe Research estimates

	2016	2017	2018e	2019e	2020e
Gross margin	26.7%	28.5%	28.4%	28.6%	29.0%
EBITDA margin	11.2%	13.5%	14.2%	14.2%	14.5%
EBITA margin	6.1%	8.6%	9.6%	9.8%	10.2%
EBIT margin	6.1%	8.6%	9.6%	9.8%	10.2%
EBT margin	5.6%	8.2%	12.2%	9.2%	10.2%
Net profit margin	3.9%	5.7%	9.2%	6.9%	7.5%
Tax rate	30.0%	30.2%	25.0%	25.0%	26.0%

Source: Company information, Bankhaus Lampe Research estimates

Growth rates yoy	2016	2017	2018e	2019e	2020e
Sales	-1.0%	12.7%	10.6%	6.4%	8.3%
EBITDA	-10.9%	35.2%	16.6%	6.2%	10.6%
EBIT	-20.2%	58.9%	24.3%	7.8%	13.1%
EBT	-21.5%	63.8%	65.6%	-19.7%	19.1%
Net income (adj.)	-19.8%	64.8%	78.0%	-19.7%	17.1%
EPS	-19.8%	65.7%	77.1%	-19.7%	17.1%

Source: Company information, Bankhaus Lampe Research estimates

Wacker Neuson SE – Balance sheet

Assets (in m EUR)	2016	2017	2018e	2019e	2020e
Fixed assets	879.4	757.1	785.6	825.1	864.6
Property, plant and equipment	427.8	292.0	307.1	304.0	301.0
Intangible assets	363.5	363.0	373.9	413.9	453.9
Financial assets	23.2	56.7	57.8	59.0	60.2
Other long-term assets	64.9	45.4	46.8	48.2	49.6
Current assets	701.4	858.8	1,087	1,129	1,189
Inventories	443.1	550.9	663.4	663.4	676.7
Accounts receivable	213.8	235.1	306.9	316.1	325.5
Other current assets	26.9	37.2	38.3	39.5	40.6
Securities	0.0	8.3	0.0	0.0	0.0
Cash	17.6	27.3	78.0	110.3	145.7
Total assets	1,581	1,616	1,872	1,954	2,053
Equity and liabilities (in m EUR)					
Shareholders' equity	1,093	1,115	1,279	1,340	1,430
Shareholders' equity (before minority)	1,087	1,115	1,279	1,340	1,430
Minorities	5.4	0.0	0.0	0.0	0.0
Non-current liabilities	115.1	241.3	301.6	312.5	324.0
Pension provisions	54.2	54.7	55.8	56.9	58.0
Other provisions	0.0	0.0	0.0	0.0	0.0
Long-term financial debt	30.0	155.0	211.0	217.3	223.8
Other long-term debt	30.8	31.6	34.8	38.2	42.1
Current liabilities	373.1	259.8	292.0	301.6	298.8
Short-term debt	193.4	20.3	19.3	18.3	17.4
Other accruals short-term	15.7	16.9	17.7	18.6	19.6
Accounts payable	87.6	128.0	155.7	160.4	152.3
Other liabilities	76.4	94.6	99.3	104.3	109.5
Total equity and liabilities	1,581	1,616	1,872	1,954	2,053

Source: Company information, Bankhaus Lampe Research estimates

Wacker Neuson SE – Balance sheet structure

Assets	2016	2017	2018e	2019e	2020e
Fixed assets	55.6%	46.9%	42.0%	42.2%	42.1%
Property, plant and equipment	27.1%	18.1%	16.4%	15.6%	14.7%
Intangible assets	23.0%	22.5%	20.0%	21.2%	22.1%
Current assets	44.4%	53.1%	58.0%	57.8%	57.9%
Inventories	28.0%	34.1%	35.4%	33.9%	33.0%
Accounts receivable	13.5%	14.5%	16.4%	16.2%	15.9%
Cash	1.1%	1.7%	4.2%	5.6%	7.1%
Equity and liabilities					
Shareholders' equity	69.1%	69.0%	68.3%	68.6%	69.7%
Non-current liabilities	7.3%	14.9%	16.1%	16.0%	15.8%
Pension provisions	3.4%	3.4%	3.0%	2.9%	2.8%
Long-term financial debt	1.9%	9.6%	11.3%	11.1%	10.9%
Current liabilities	23.6%	16.1%	15.6%	15.4%	14.6%
Short-term debt	12.2%	1.3%	1.0%	0.9%	0.8%
Accounts payable	5.5%	7.9%	8.3%	8.2%	7.4%

Source: Company information, Bankhaus Lampe Research estimates

Wüstenrot & Württembergische AG

Safe haven with strong P&C insurance

17/01/2019

Buy (Buy)
23.50 EUR (23.50 EUR)

Close 14/01/2019 16.38 EUR
 Bloomberg: WUW GY WKN: 805100
 Sector Insurance

Share price performance

52 week high 25.05 EUR
 52 week low 15.42 EUR
 Compared to SDAX
 YTD -2.2%
 1 month 0.3%
 12 months -14.2%



Share data

Market Cap (m EUR) 1,532
 No. of shares (m) 94
 Free float 23.6%

Next event

Annual Results 29/03/2019

Change in model

	NEP	EBT	EPS
2018e	-	-	-
2019e	-	-	-
2020e	-	-	-

Analyst

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See end of document for disclaimer.

We reiterate our BUY rating for Wüstenrot & Württembergische (W&W) with an unchanged price target of € 23.50. P&C Insurance continues to perform much better than expected. Despite a low payout ratio of 28%, W&W has a dividend yield of 4%, underlining the extremely low valuation of W&W.

INVESTMENT CASE

- The P&C segment continues to be the company's best performer. Despite relatively high weather-related losses, W&W was able to reduce the combined ratio (gross) to 89.3%, by far the best ratio of all listed German insurers. Premium growth of 5.5% was also the highest of all German insurers, outperforming the market growth of 2.8% by a wide margin.
- Despite the already announced investments in digitalisation, new brands and the new head office, administrative costs grew only by 2% to € 778 m after 9M. Personal expenses even declined by 1.1%.
- Q4 will be impacted by losses on equity investments, which will be booked via P&L, as W&W has already introduced IFRS 9.

CATALYSTS

- W&W is due to release its FY 2018 results on 29/03/2019. We expect to see net profits of € 219 m, clearly above the guidance of at least € 200 m. The dividend should be kept stable at € 0.65.
- We expect for 2019 a guidance of at least € 200 m in net profits. Our forecast remains unchanged at € 230 m.

VALUATION

W&W is trading at a FY 2019 P/E ratio of 6.8x, which corresponds to a discount of 32% to the STOXX Insurance index. The stock offers a dividend yield of 4% with a far below-average payout ratio of only 28%.

in m EUR	2016	2017	2018e	2019e	2020e
NEP	3,933	3,809	3,907	3,979	4,052
Combined ratio	89.6%	89.2%	91.0%	91.0%	91.0%
EBT	292	292	317	333	346
Tax ratio	19.3%	11.8%	31.0%	30.9%	30.9%
EPS (in EUR)	2.49	2.74	2.33	2.45	2.54
DPS (in EUR)	0.60	0.65	0.65	0.70	0.70
Dividend yield	3.2%	2.8%	4.1%	4.3%	4.3%
Return on equity (ROE)	6.3%	6.6%	5.2%	5.2%	5.4%
Return on NAV	6.5%	6.8%	5.4%	5.4%	5.5%
P/E	7.5	8.5	6.9	6.8	6.4

Source: Company information, Bankhaus Lampe Research estimates

Company overview

SWOT

Strengths/Opportunities

- Profitable P&C insurance
- Focus on low-risk clients
- Modest valuation and admission to the SDAX
- Extensive distribution network
- Strong cost control

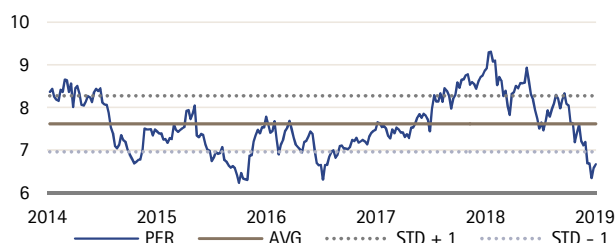
MANAGEMENT

- Jürgen Albert Junker (CEO)
- Dr. Michael Gutjahr (CFO)
- Jens Wieland

SHORT-TERM GUIDANCE

- Combined ratio of not more than 94%
- Net profit of at least € 200 m in 2018

HISTORICAL P/E



COMPANY EVENTS

Next event: 29/03/2019 Annual Results

KEY RATIOS

	16	17	18e	19e	20e
Solvency ratio	142.0%	154.0%	162.0%	167.0%	172.0%
Equity ratio	5.3%	5.5%	6.0%	6.0%	6.0%
Return on investments	5.0%	5.3%	5.1%	4.9%	4.8%
Pay-out ratio	24.1%	23.7%	27.9%	28.6%	27.5%
P/E	7.5	8.5	6.9	6.7	6.4
Combined ratio	89.6%	89.2%	91.0%	91.0%	91.0%
Return on equity (ROE)	6.3%	6.6%	5.2%	5.2%	5.4%
Dividend yield	3.2%	2.8%	4.1%	4.3%	4.3%
Shareholders' equity	3,792	3,944	4,350	4,390	4,430

Weaknesses/Threats (Risks)

- Low free float
- Low interest rates are negative for Life Insurance and Home Loan & Savings Bank
- Return on equity is below average compared with sector
- Relatively low dividend yield

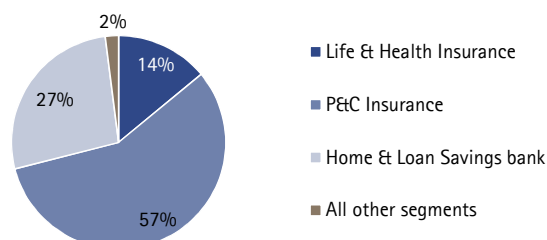
COMPANY BACKGROUND

Wüstenrot & Württembergische AG (W&W) is an independent financial services group based in Stuttgart. It was founded in 1999 when Wüstenrot und Württembergische merged. The three business units are Home Loan and Savings Bank, Life and Health Insurance and Property and Casualty Insurance.

MEDIUM-TERM GUIDANCE

- Combined ratio of not more than 94%
- Net profit of € 220-250 m

REVENUE BREAKDOWN (LAST ACTUAL YEAR)



MAJOR SHAREHOLDERS (%)

Wüstenrot Holding AG	39.9
WS Holding AG	26.4
Horus Finanzholding GmbH	10.0

BHL VS. CONSENSUS

	18e	19e	20e
NEP (in m EUR)			
BHL	3,907	3,979	4,052
Consensus	0	0	0
EBT (in m EUR)			
BHL	317	333	346
Consensus	315	321	339
EPS (EUR)			
BHL	2.33	2.45	2.54
Consensus	2.35	2.43	2.54

Source: Company information, FactSet, BHL estimates

Key figures

Wüstenrot & Württembergische AG – Income statement

in m EUR	2016	2017	2018e	2019e	2020e
Net premiums	3,933	3,809	3,907	3,979	4,052
Regular investment income	1,888	1,935	1,726	1,576	1,573
Net realised capital gains	0	0	0	0	0
Net gains/losses from unit-linked policies	0	0	0	0	0
Commission + fee income	0	0	0	0	0
Other revenues	0	0	0	0	0
Total revenues	5,821	5,744	5,633	5,554	5,625
Expenses for claims and benefits	-4,080	-4,030	-3,834	-3,714	-3,744
Commission expenses	-391	-402	-403	-413	-423
General and administration expenses	-1,075	-1,099	-1,124	-1,141	-1,160
Other expenses	17	80	45	47	49
EBT	292	292	317	333	346
Taxes	-56	-34	-98	-103	-107
Minorities	-2	-1	-2	-2	-2
Net income (adj.)	233	257	218	229	238
No. of shares	94	94	94	94	94
EPS (in EUR)	2.49	2.74	2.33	2.45	2.54

Source: Company information, Bankhaus Lampe Research estimates

Growth rates yoy	2016	2017	2018e	2019e	2020e
NEP	-1.3%	-3.1%	2.6%	1.8%	1.8%
EBT	-9.9%	0.3%	8.5%	5.1%	3.9%
Net income (adj.)	-13.8%	10.2%	-15.2%	-15.2%	4.0%
EPS	-13.6%	10.2%	-15.2%	5.2%	4.0%
Total assets	-2.4%	-0.4%	1.6%	0.7%	1.3%
Shareholders' equity (before minority)	4.6%	4.0%	10.3%	0.9%	0.9%
Book value per share	4.9%	4.0%	10.3%	0.9%	0.9%
DPS	0.0%	8.3%	0.0%	7.7%	0.0%

Source: Company information, Bankhaus Lampe Research estimates

Wüstenrot & Württembergische AG – Balance sheet

Assets in m EUR	2016	2017	2018e	2019e	2020e
Investments	70,628	68,791	71,154	72,087	73,051
Unit-linked investments	0	0	0	0	0
Reinsurance recoverables	313	326	355	313	313
Deferred acquisition costs	0	0	0	0	0
Goodwill	0	0	0	0	0
Intangible assets	101	100	103	100	100
Other assets	1,234	2,801	1,536	1,170	1,160
Total assets	72,276	72,018	73,148	73,670	74,624
Equity and liabilities m EUR					
Shareholders' equity	3,812	3,965	4,379	4,420	4,461
Shareholders' equity (before minority)	3,792	3,944	4,350	4,390	4,430
Minorities	20	21	29	30	31
Technical provisions	33,320	33,816	35,000	35,200	35,500
Financial liabilities	397	451	455	455	455
Other liabilities	34,748	33,787	33,453	33,595	34,207
Total equity and liabilities	72,276	72,018	73,287	73,670	74,624

Source: Company information, Bankhaus Lampe Research estimates

Wüstenrot & Württembergische AG – Balance sheet structure

Assets	2016	2017	2018e	2019e	2020e
Investments	97.7%	95.5%	97.3%	97.9%	97.9%
Unit-linked investments	0.0%	0.0%	0.0%	0.0%	0.0%
Reinsurance recoverables	0.4%	0.5%	0.5%	0.4%	0.4%
Deferred acquisition costs	-	-	-	-	-
Goodwill	0.0%	0.0%	0.0%	0.0%	0.0%
Intangible assets	0.1%	0.1%	0.1%	0.1%	0.1%
Other assets	1.7%	3.9%	2.1%	1.6%	1.6%
Total assets	100.0%	100.0%	100.0%	100.0%	100.0%
Equity and liabilities					
Shareholders' equity	5.3%	5.5%	6.0%	6.0%	6.0%
Shareholders' equity (before minority)	5.2%	5.5%	5.9%	6.0%	5.9%
Minorities	0.0%	0.0%	0.0%	0.0%	0.0%
Technical provisions	46.1%	47.0%	47.8%	47.8%	47.6%
Financial liabilities	0.5%	0.6%	0.6%	0.6%	0.6%
Other liabilities	48.1%	46.9%	45.6%	45.6%	45.8%
Total equity and liabilities	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Company information, Bankhaus Lampe Research estimates

Screening tables

Overview German Small Caps

Company	Analyst	Recommendation	Price Target
Akasol	Karsten Iltgen	Buy	70.00
Amadeus FiRe	Christoph Schlienkamp	Hold	102.00
Aumann	Gordon Schönell	Buy	50.00
Bauer	Marc Gabriel	Buy	20.00
BayWa	Marc Gabriel	Hold	22.00
Bertrandt	David Klus	Hold	79.00
BVB	Christoph Schlienkamp	Buy	10.00
CEWE	Christoph Schlienkamp	Buy	98.00
comdirect	Neil Smith	Buy	13.00
cyan	Christoph Schlienkamp	Buy	47.00
Datron	Christoph Schlienkamp	Hold	14.00
DBAG	Christoph Schlienkamp	Hold	33.50
Deutsche Konsum	Georg Kanders	Buy	12.50
DIC Asset	Georg Kanders	Buy	12.50
ElringKlinger	Christian Ludwig	Sell	6.00
euromicron	Wolfgang Specht	Hold	3.50
Gesco	Christoph Schlienkamp	Buy	33.00
Grammer	Christian Ludwig	Hold	40.00
Heidelberger Druck	Gordon Schönell	Buy	2.90
HelloFresh	Christoph Bast	Buy	14.00
HHLA	Stephan Bauer	Buy	25.00
HolidayCheck	Christoph Schlienkamp	Buy	4.00
Home24	Christoph Bast	Buy	21.00
JOST	David Klus	Buy	49.00
Leifheit	Christoph Schlienkamp	Hold	20.50
Manz	Karsten Iltgen	Buy	43.00
Masterflex	Christoph Schlienkamp	Hold	9.00
MLP	Andreas Schäfer	Buy	6.00
OHB	Christoph Schlienkamp	Buy	43.00
paragon	Christian Ludwig	Buy	39.00
ProCredit	Neil Smith	Buy	13.00
QSC	Wolfgang Specht	Buy	2.00
R. Stahl	Christoph Schlienkamp	Hold	22.00
Rhön-Klinikum	Volker Braun	Hold	23.00
Schaltbau	Christoph Schlienkamp	Hold	21.50
SGL Carbon	Marc Gabriel	Buy	12.00
SHW	Christoph Schlienkamp	Hold	23.00
SÜSS MicroTec	Karsten Iltgen	Hold	10.00
Takkt	Christoph Schlienkamp	Buy	20.00
technotrans	Gordon Schönell	Buy	38.00
Tele Columbus	Wolfgang Specht	Hold	4.00
VIB	Georg Kanders	Hold	23.00
Voltabox	Karsten Iltgen	Buy	24.00
W&W	Andreas Schäfer	Buy	23.50
Wacker Neuson	Marc Gabriel	Buy	23.00

Source: Bankhaus Lampe, FactSet

Performance

Company	Price	Performance						
		YTD	1m	3m	1y	3y	5y	10y
Akasol	34.43	0.7%	-1.6%	-21.5%	-	-	-	-
Amadeus FiRe	86.30	5.9%	1.6%	-1.4%	5.4%	24.4%	39.2%	1000.8%
Aumann	32.00	9.0%	4.6%	-31.9%	-52.8%	-	-	-
Bauer	13.48	10.9%	6.6%	-11.4%	-50.6%	-6.0%	-31.4%	-38.8%
BayWa	22.45	9.0%	5.4%	-15.6%	-31.2%	-15.5%	-43.3%	0.7%
Bertrandt	72.35	5.5%	-1.4%	1.5%	-32.1%	-24.4%	-36.3%	320.4%
BVB	8.82	10.7%	9.8%	10.9%	45.0%	133.5%	141.5%	700.0%
CEWE	66.10	6.4%	7.5%	-0.5%	-23.6%	38.3%	46.9%	408.9%
comdirect	10.02	-2.1%	-1.0%	-2.1%	-13.2%	0.7%	13.0%	61.9%
cyan	26.01	0.1%	11.3%	16.1%	-	-	-	-
Datron	12.50	12.6%	11.6%	6.8%	-6.0%	29.1%	60.3%	-
DBAG	30.60	-8.8%	-12.3%	-10.1%	-41.3%	17.2%	36.8%	133.6%
Deutsche Konsum	10.35	2.5%	5.6%	-2.8%	1.0%	69.4%	-	-
DIC Asset	9.28	2.3%	-0.6%	2.2%	-11.1%	6.0%	35.0%	121.1%
ElringKlinger	7.75	14.0%	4.6%	-7.2%	-58.5%	-62.5%	-75.2%	22.0%
euromicron	2.87	9.5%	1.1%	-50.9%	-65.8%	-60.6%	-81.4%	-73.6%
Gesco	23.50	7.8%	3.3%	-21.5%	-26.6%	5.1%	-9.0%	76.3%
Grammer	38.60	2.4%	7.8%	4.4%	-29.2%	56.7%	3.7%	459.4%
Heidelberger Druck	1.75	10.0%	3.3%	-18.0%	-38.2%	-5.5%	-43.6%	-33.8%
HelloFresh	6.91	13.1%	-5.2%	-33.0%	-40.2%	-	-	-
HHLA	19.05	9.9%	4.8%	0.5%	-19.6%	52.2%	-3.1%	-17.7%
HolidayCheck	2.81	6.0%	5.6%	-7.6%	-3.9%	-13.8%	-35.6%	12.4%
Home24	11.54	3.4%	-15.4%	-41.9%	-	-	-	-
JOST	28.25	7.0%	4.8%	-4.4%	-33.3%	-	-	-
Leifheit	22.95	29.2%	25.5%	49.4%	-21.0%	-1.4%	31.2%	991.0%
Manz	23.15	11.6%	-0.6%	-25.9%	-32.7%	-18.9%	-67.3%	-23.0%
Masterflex	7.16	1.4%	-8.4%	-14.1%	-19.7%	27.0%	-0.6%	37.0%
MLP	4.32	-1.9%	0.3%	-13.9%	-24.7%	34.8%	-24.3%	-40.6%
OHB	31.70	2.6%	-0.9%	3.9%	-34.3%	64.7%	77.1%	356.1%
paragon	19.10	9.3%	5.3%	-36.4%	-76.4%	-33.0%	67.5%	554.1%
ProCredit	10.10	1.0%	1.0%	-5.6%	-21.7%	-	-	-
QSC	1.37	8.0%	4.1%	-17.0%	-16.0%	-3.4%	-70.0%	24.5%
R. Stahl	22.80	6.5%	5.6%	-10.2%	-25.0%	-27.8%	-41.7%	23.2%
Rhön-Klinikum	22.12	0.3%	-0.4%	3.1%	-26.9%	-13.8%	0.3%	42.1%
Schaltbau	19.90	-1.5%	-7.0%	-9.1%	-27.2%	-57.5%	-55.6%	97.6%
SGL Carbon	6.58	7.9%	2.8%	-21.4%	-47.9%	-30.2%	-75.1%	-54.9%
SHW	19.74	0.0%	-2.5%	-22.3%	-41.8%	-8.4%	-60.5%	-
SÜSS MicroTec	8.23	-5.4%	-5.4%	-31.9%	-56.4%	9.0%	13.9%	487.9%
Takkt	13.94	2.2%	8.1%	9.8%	-28.6%	-15.5%	-2.2%	92.7%
technotrans	25.20	2.9%	-4.9%	-16.3%	-41.2%	48.2%	225.2%	652.2%
Tele Columbus	2.78	-4.1%	-11.9%	-17.3%	-70.2%	-69.8%	-	-
VIB	21.10	-0.5%	-1.9%	-2.8%	-1.9%	22.7%	81.9%	506.3%
Voltabox	12.19	-0.5%	13.0%	-28.3%	-49.8%	-	-	-
W&W	16.40	2.5%	1.0%	-11.4%	-34.0%	-13.7%	-4.8%	1.0%
Wacker Neuson	18.52	12.1%	5.6%	-10.1%	-42.9%	55.0%	46.4%	248.1%

Source: Bankhaus Lampe, FactSet, Closing prices as per 14/01/2019

EV/Sales

Company	EV/Sales		
	2018e	2019e	2020e
Akasol	5.1	2.2	1.2
Amadeus FiRe	2.0	1.9	1.8
Aumann	1.4	1.2	1.1
Bauer	0.6	0.6	0.6
BayWa	0.3	0.2	0.2
Bertrandt	0.8	0.7	0.7
BVB	1.5	1.8	1.6
CEWE	0.8	0.7	0.7
comdirect	-	-	-
cyan	15.9	6.0	4.3
Datron	0.8	0.7	0.5
DBAG	8.1	10.9	5.7
Deutsche Konsum	17.5	12.6	11.8
DIC Asset	18.7	19.1	17.5
ElringKlinger	0.8	0.8	0.7
euromicron	0.4	0.3	0.3
Gesco	0.7	0.6	0.6
Grammer	0.5	0.4	0.4
Heidelberger Druck	0.5	0.4	0.4
HelloFresh	0.8	0.6	0.5
HHLA	1.6	1.6	1.6
HolidayCheck	1.0	0.9	0.8
Home24	0.6	0.6	0.5
JOST	0.7	0.6	0.6
Leifheit	1.0	1.0	0.9
Manz	0.4	0.4	0.4
Masterflex	1.1	1.1	1.0
MLP	-	-	-
OHB	0.7	0.7	0.6
paragon	0.8	0.6	0.5
ProCredit	-	-	-
QSC	0.7	0.7	0.7
R. Stahl	0.9	0.9	0.8
Rhön-Klinikum	1.1	1.1	1.0
Schaltbau	0.6	0.6	0.6
SGL Carbon	1.2	1.2	1.1
SHW	0.4	0.4	0.4
SÜSS MicroTec	0.7	0.6	0.5
Takkt	0.9	0.9	0.8
technotrans	0.9	0.8	0.6
Tele Columbus	3.5	3.4	3.4
VIB	14.0	13.7	13.0
Voltabox	2.3	1.1	0.6
W&W	-	-	-
Wacker Neuson	0.9	0.8	0.7

Source: Bankhaus Lampe, FactSet, Closing prices as per 14/01/2019

EV/EBIT

Company	EV/EBIT		
	2018e	2019e	2020e
Akasol	78.2	23.9	8.7
Amadeus FiRe	11.3	10.7	10.2
Aumann	13.2	10.9	9.1
Bauer	10.6	9.8	8.6
BayWa	23.9	22.1	20.8
Bertrandt	11.0	9.0	8.0
BVB	21.8	26.9	20.6
CEWE	9.8	8.5	7.5
comdirect	-	-	-
cyan	47.6	10.8	7.4
Datron	8.5	6.8	4.9
DBAG	14.9	76.7	11.8
Deutsche Konsum	14.4	7.6	8.6
DIC Asset	24.1	33.6	30.3
ElringKlinger	12.9	13.8	12.1
euromicron	-48.4	16.7	9.5
Gesco	8.7	7.8	6.9
Grammer	20.2	8.9	8.2
Heidelberger Druck	14.8	10.5	7.3
HelloFresh	-9.2	-19.7	62.7
HHLA	10.9	10.8	10.5
HolidayCheck	50.2	24.0	11.8
Home24	-3.2	-4.6	-7.2
JOST	10.1	8.5	7.0
Leifheit	17.7	19.8	13.9
Manz	25.4	6.5	5.8
Masterflex	14.1	11.7	10.4
MLP	-	-	-
OHB	14.2	13.3	12.4
paragon	11.5	7.4	5.2
ProCredit	-	-	-
QSC	23.5	16.6	13.1
R. Stahl	-72.3	39.2	23.7
Rhön-Klinikum	35.3	35.1	27.5
Schaltbau	86.7	16.3	13.0
SGL Carbon	15.5	20.1	12.8
SHW	33.4	14.6	10.3
SÜSS MicroTec	8.0	6.6	4.1
Takkt	9.2	8.3	7.6
technotrans	10.2	8.4	6.7
Tele Columbus	35.9	21.2	17.0
VIB	14.5	16.2	15.7
Voltabox	36.4	12.1	5.8
W&W	-	-	-
Wacker Neuson	9.3	8.5	7.3

Source: Bankhaus Lampe, FactSet, Closing prices as per 14/01/2019

Dividend yield

Company	Dividend yield		
	2018e	2019e	2020e
Akasol	0.0%	0.0%	0.0%
Amadeus FiRe	5.1%	5.4%	5.6%
Aumann	1.2%	1.4%	1.6%
Bauer	1.1%	1.9%	2.6%
BayWa	4.1%	4.2%	4.2%
Bertrandt	3.5%	3.4%	3.8%
BVB	0.7%	0.7%	0.7%
CEWE	2.9%	3.0%	3.0%
comdirect	2.5%	2.5%	2.5%
cyan	0.0%	0.0%	0.0%
Datron	1.6%	2.4%	3.2%
DBAG	4.2%	4.4%	4.5%
Deutsche Konsum	1.9%	3.9%	5.3%
DIC Asset	4.8%	5.4%	5.9%
ElringKlinger	0.0%	0.0%	3.3%
euromicron	0.0%	0.0%	0.0%
Gesco	4.3%	4.7%	5.1%
Grammer	2.6%	4.2%	4.4%
Heidelberger Druck	0.0%	0.0%	0.0%
HelloFresh	0.0%	0.0%	0.0%
HHLA	4.2%	4.7%	5.0%
HolidayCheck	0.0%	0.0%	0.0%
Home24	0.0%	0.0%	0.0%
JOST	4.6%	3.9%	4.3%
Leifheit	4.6%	4.6%	4.6%
Manz	0.0%	0.0%	0.0%
Masterflex	1.0%	1.4%	2.1%
MLP	5.1%	5.8%	6.2%
OHB	1.3%	1.4%	1.5%
paragon	1.6%	2.1%	2.6%
ProCredit	2.7%	2.8%	2.9%
QSC	2.2%	2.9%	2.9%
R. Stahl	0.0%	0.0%	0.0%
Rhön-Klinikum	1.2%	1.3%	1.4%
Schaltbau	0.0%	0.0%	0.0%
SGL Carbon	0.0%	0.8%	1.5%
SHW	1.3%	2.5%	5.1%
SÜSS MicroTec	0.0%	0.0%	0.0%
Takkt	3.9%	3.9%	3.9%
technotrans	3.7%	4.3%	5.1%
Tele Columbus	0.0%	0.0%	0.0%
VIB	3.1%	3.3%	3.6%
Voltabox	0.0%	0.0%	0.0%
W&W	4.0%	4.3%	4.3%
Wacker Neuson	4.8%	4.3%	4.3%

Source: Bankhaus Lampe, FactSet, Closing prices as per 14/01/2019

Price/earnings ratio

Company	P/E		
	2018e	2019e	2020e
Akasol	nm	44.5	14.0
Amadeus FiRe	19.6	18.7	17.8
Aumann	21.5	18.1	15.6
Bauer	10.2	6.9	5.5
BayWa	16.6	13.9	13.0
Bertrandt	14.3	11.7	10.5
BVB	28.3	41.5	33.0
CEWE	13.6	12.4	11.6
comdirect	11.2	23.5	19.3
cyan	59.6	14.1	10.4
Datron	14.0	11.7	10.3
DBAG	15.4	81.2	12.9
Deutsche Konsum	9.0	4.6	4.7
DIC Asset	13.6	15.4	14.6
ElringKlinger	8.9	9.3	7.3
euromicron	nm	68.0	4.6
Gesco	10.1	9.4	8.7
Grammer	17.8	7.2	6.7
Heidelberger Druck	17.8	8.8	5.3
HelloFresh	nm	nm	nm
HHLA	13.6	12.8	12.3
HolidayCheck	82.4	38.7	19.7
Home24	nm	nm	nm
JOST	8.8	10.3	9.4
Leifheit	25.4	28.5	19.4
Manz	44.9	9.8	8.6
Masterflex	18.5	16.0	14.4
MLP	13.7	12.2	11.0
OHB	21.4	20.2	19.4
paragon	13.4	8.7	6.8
ProCredit	11.3	10.5	10.2
QSC	32.5	19.2	14.2
R. Stahl	nm	63.2	29.3
Rhön-Klinikum	57.4	55.6	41.9
Schaltbau	nm	33.7	22.0
SGL Carbon	22.7	34.5	16.8
SHW	73.8	19.7	12.3
SÜSS MicroTec	12.7	12.5	9.1
Takkt	10.5	10.7	10.2
technotrans	13.4	11.7	9.7
Tele Columbus	nm	32.7	12.4
VIB	10.6	11.6	10.8
Voltabox	90.8	19.5	12.2
W&W	7.0	6.7	6.4
Wacker Neuson	8.4	10.5	8.9

Source: Bankhaus Lampe, FactSet, Closing prices as per 14/01/2019

Price/book ratio

Company	P/B		
	2018e	2019e	2020e
Akasol	1.99	1.91	1.68
Amadeus FiRe	9.06	8.85	8.67
Aumann	2.38	2.14	1.92
Bauer	0.52	0.49	0.45
BayWa	0.70	0.68	0.67
Bertrandt	1.79	1.64	1.49
BVB	2.39	2.30	2.18
CEWE	1.89	1.72	1.57
comdirect	-	-	-
cyan	5.50	4.96	3.71
Datron	1.71	1.53	1.38
DBAG	1.16	1.29	1.23
Deutsche Konsum	1.32	1.02	0.88
DIC Asset	0.78	0.77	0.76
ElringKlinger	0.51	0.49	0.46
euromicron	0.28	0.27	0.26
Gesco	1.04	0.98	0.93
Grammer	1.21	1.07	0.96
Heidelberger Druck	1.29	1.13	0.93
HelloFresh	6.38	10.34	10.91
HHLA	2.19	2.03	1.90
HolidayCheck	1.00	0.98	0.93
Home24	2.38	4.37	10.73
JOST	1.67	1.54	1.40
Leifheit	2.23	2.29	2.26
Manz	1.08	0.97	0.88
Masterflex	1.69	1.55	1.43
MLP	-	-	-
OHB	2.66	2.43	2.22
paragon	0.47	0.45	0.43
ProCredit	-	-	-
QSC	1.87	1.77	1.66
R. Stahl	2.30	2.22	2.06
Rhön-Klinikum	1.30	1.28	1.27
Schaltbau	1.57	1.56	1.45
SGL Carbon	1.32	1.27	1.19
SHW	1.03	0.99	0.94
SÜSS MicroTec	1.13	1.04	0.93
Takkt	1.49	1.38	1.27
technotrans	2.28	2.05	1.83
Tele Columbus	0.72	0.70	0.66
VIB	1.11	1.04	0.98
Voltabox	1.20	1.13	1.03
W&W	0.35	0.35	0.35
Wacker Neuson	1.02	0.98	0.91

Source: Bankhaus Lampe, FactSet, Closing prices as per 14/01/2019

The author

Equity Research – Small Caps



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Disclaimer

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Analyst declaration

The relevant research analysts, as named on the front cover of this research report, certify that (a) all of the views expressed in this research report accurately reflect their personal views about the securities and companies mentioned in this research report; and (b) that no part of their compensation was, is or will be directly or indirectly related to the specific recommendation(s) or views expressed by them in this research report.

Rating system

Shares are rated based upon analyst forecasts with regard to the performance of the share during a period of twelve months. The rating "Buy" within this general concept means that the share's forecast performance is at least 10%. "Hold" means a price movement in a bandwidth of -10% to 10%. "Sell" means that the share's forecast performance is less than -10%.

Explanation of valuation

Unless shown otherwise, the stated upside targets are based upon either a discounted cash-flow pricing or upon a comparison of the performance ratios of companies that the respective analyst considers to be comparable, or upon a combination of these two analyses. Analysts modify the result of this fundamental assessment to incorporate the potential trend in market sentiment.

Details on the concepts and methods as well as the valuation models employed are available on our website.

Overview of changes in our recommendations/price targets in the previous twelve months for: Akasol AG (ASL GY), Close (14/01/2019): 34.43 EUR, Analyst: Dr. Karsten Iltgen (Analyst).

Date of publication	Price at recommendation	Rating	Price target
20/08/2018	49.53 EUR	Buy	70.00 EUR

Overview of changes in our recommendations/price targets in the previous twelve months for: Amadeus FiRe AG (AAD GY), Close (14/01/2019): 86.10 EUR, Analyst: Christoph Schlienkamp (Investmentanalyst DVFA).

Date of publication	Price at recommendation	Rating	Price target
26/09/2018	97.00 EUR	Hold	102.00 EUR

Overview of changes in our recommendations/price targets in the previous twelve months for: Aumann AG (AAG GY), Close (14/01/2019): 31.40 EUR, Analyst: Gordon Schönell (CIIA, CEFA).

Date of publication	Price at recommendation	Rating	Price target
14/12/2018	32.15 EUR	Buy	50.00 EUR
02/05/2018	50.10 EUR	Buy	100.00 EUR

Overview of changes in our recommendations/price targets in the previous twelve months for: BAUER Aktiengesellschaft (B5A GY), Close (14/01/2019): 13.26 EUR, Analyst: Marc Gabriel (CIIA, CEFA).

Date of publication	Price at recommendation	Rating	Price target
07/11/2018	15.64 EUR	Buy	20.00 EUR
01/08/2018	18.94 EUR	Buy	28.00 EUR
12/04/2018	19.04 EUR	Buy	30.00 EUR
17/01/2018	28.40 EUR	Hold	29.00 EUR

Overview of changes in our recommendations/price targets in the previous twelve months for: BayWa AG (BYW6 GY), Close (14/01/2019): 22.50 EUR, Analyst: Marc Gabriel (CIIA, CEFA).

Date of publication	Price at recommendation	Rating	Price target
13/12/2018	22.55 EUR	Hold	22.00 EUR
09/04/2018	27.65 EUR	Hold	31.00 EUR

Overview of changes in our recommendations/price targets in the previous twelve months for: Bertrandt AG (BDT GY), Close (14/01/2019): 71.15 EUR, Analyst: David Klus (Analyst).

Date of publication	Price at recommendation	Rating	Price target
19/10/2018	71.65 EUR	Hold	79.00 EUR
02/05/2018	92.75 EUR	Hold	95.00 EUR

Overview of changes in our recommendations/price targets in the previous twelve months for: Borussia Dortmund GmbH & Co. KGaA (BVB GY), Close (14/01/2019): 8.74 EUR, Analyst: Christoph Schlienkamp (Investmentanalyst DVFA).

Date of publication	Price at recommendation	Rating	Price target
14/09/2018	6.73 EUR	Buy	10.00 EUR

Overview of changes in our recommendations/price targets in the previous twelve months for: CEWE Stiftung & Co. KGaA (CWC GY), Close (14/01/2019): 65.60 EUR, Analyst: Christoph Schlienkamp (Investmentanalyst DVFA).

Date of publication	Price at recommendation	Rating	Price target
07/11/2018	68.40 EUR	Buy	98.00 EUR
07/03/2018	78.90 EUR	Buy	103.00 EUR

Overview of changes in our recommendations/price targets in the previous twelve months for: CORESTATE Capital Holding S.A. (CCAP GY), Close (14/01/2019): 29.40 EUR, Analyst: Dr. Georg Kanders (Analyst).

Date of publication	Price at recommendation	Rating	Price target
12/12/2018	31.90 EUR	Buy	57.00 EUR
05/07/2018	43.80 EUR	Buy	66.00 EUR

Overview of changes in our recommendations/price targets in the previous twelve months for: cyan AG (CYR GY), Close (14/01/2019): 26.00 EUR, Analyst: Christoph Schlienkamp (Investmentanalyst DVFA).

Date of publication	Price at recommendation	Rating	Price target
16/01/2019	26.10 EUR	Buy	47.00 EUR

Overview of changes in our recommendations/price targets in the previous twelve months for: DATRON AG (DAR GY), Close (14/01/2019): 12.50 EUR, Analyst: Christoph Schlienke (Investmentanalyst DVFA).

Date of publication	Price at recommendation	Rating	Price target
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Overview of changes in our recommendations/price targets in the previous twelve months for: DIC Asset AG (DIC GY), Close (14/01/2019): 9.34 EUR, Analyst: Dr. Georg Kanders (Analyst).

Date of publication	Price at recommendation	Rating	Price target
14/11/2018	9.72 EUR	Buy	12.50 EUR
14/02/2018	10.14 EUR	Buy	12.00 EUR

Overview of changes in our recommendations/price targets in the previous twelve months for: Deutsche Beteiligungs AG (DBAN GY), Close (14/01/2019): 34.45 EUR, Analyst: Christoph Schlienke (Investmentanalyst DVFA).

Date of publication	Price at recommendation	Rating	Price target
18/04/2018	38.00 EUR	Hold	37.50 EUR

Overview of changes in our recommendations/price targets in the previous twelve months for: Deutsche Konsum REIT AG (DKG GY), Close (14/01/2019): 10.35 EUR, Analyst: Dr. Georg Kanders (Analyst).

Date of publication	Price at recommendation	Rating	Price target
20/08/2018	11.00 EUR	Buy	12.50 EUR
21/02/2018	10.40 EUR	Buy	12.00 EUR

Overview of changes in our recommendations/price targets in the previous twelve months for: ElringKlinger AG (ZIL2 GY), Close (14/01/2019): 7.65 EUR, Analyst: Christian Ludwig (CFA).

Date of publication	Price at recommendation	Rating	Price target
21/11/2018	7.48 EUR	Sell	6.00 EUR
27/06/2018	11.50 EUR	Hold	11.50 EUR
11/04/2018	14.01 EUR	Hold	16.00 EUR

Overview of changes in our recommendations/price targets in the previous twelve months for: Gesco AG (GSC1 GY), Close (14/01/2019): 23.40 EUR, Analyst: Christoph Schlienke (Investmentanalyst DVFA).

Date of publication	Price at recommendation	Rating	Price target
06/12/2018	24.15 EUR	Buy	33.00 EUR
04/07/2018	27.30 EUR	Buy	42.00 EUR

Overview of changes in our recommendations/price targets in the previous twelve months for: Grammer AG (GMM GY), Close (14/01/2019): 38.50 EUR, Analyst: Christian Ludwig (CFA).

Date of publication	Price at recommendation	Rating	Price target
13/12/2018	36.02 EUR	Hold	40.00 EUR
01/06/2018	67.10 EUR	Hold	60.00 EUR
13/04/2018	51.90 EUR	Hold	53.00 EUR

Overview of changes in our recommendations/price targets in the previous twelve months for: Hamburger Hafen und Logistik AG (HHFA GY), Close (14/01/2019): 18.97 EUR, Analyst: Stephan Bauer (Analyst).

Date of publication	Price at recommendation	Rating	Price target
11/09/2018	20.04 EUR	Buy	25.00 EUR

Overview of changes in our recommendations/price targets in the previous twelve months for: Heidelberger Druckmaschinen AG (HDD GY), Close (14/01/2019): 1.70 EUR, Analyst: Gordon Schönell (CIIA, CEFA).

Date of publication	Price at recommendation	Rating	Price target
01/08/2018	2.46 EUR	Buy	3.20 EUR
16/04/2018	3.20 EUR	Buy	3.70 EUR

Overview of changes in our recommendations/price targets in the previous twelve months for: HelloFresh SE (HFG GY), Close (14/01/2019): 6.96 EUR, Analyst: Christoph Bast (Analyst).

Date of publication	Price at recommendation	Rating	Price target
17/09/2018	11.14 EUR	Buy	17.00 EUR
19/07/2018	14.09 EUR	Buy	18.00 EUR
13/04/2018	13.07 EUR	Hold	13.50 EUR
13/02/2018	13.40 EUR	Hold	12.00 EUR

Overview of changes in our recommendations/price targets in the previous twelve months for: HolidayCheck Group AG (HOC GY), Close (14/01/2019): 2.79 EUR, Analyst: Christoph Schlienke (Investmentanalyst DVFA).

Date of publication	Price at recommendation	Rating	Price target
14/09/2018	3.24 EUR	Hold	3.50 EUR
02/05/2018	2.80 EUR	Hold	3.00 EUR

Overview of changes in our recommendations/price targets in the previous twelve months for: Home24 SE (H24 GY), Close (14/01/2019): 11.30 EUR, Analyst: Christoph Bast (Analyst).

Date of publication	Price at recommendation	Rating	Price target
14/11/2018	13.68 EUR	Buy	24.00 EUR

Overview of changes in our recommendations/price targets in the previous twelve months for: JOST Werke AG (JST GY), Close (14/01/2019): 28.00 EUR, Analyst: David Klus (Analyst).

Date of publication	Price at recommendation	Rating	Price target
09/08/2018	36.55 EUR	Buy	49.00 EUR
29/05/2018	37.75 EUR	Buy	48.00 EUR

Overview of changes in our recommendations/price targets in the previous twelve months for: Leifheit AG (LEI GY), Close (14/01/2019): 22.80 EUR, Analyst: Christoph Schlienke (Investmentanalyst DVFA).

Date of publication	Price at recommendation	Rating	Price target
04/12/2018	17.98 EUR	Hold	17.50 EUR
21/08/2018	18.56 EUR	Hold	20.00 EUR
05/04/2018	23.65 EUR	Hold	26.00 EUR

Overview of changes in our recommendations/price targets in the previous twelve months for: Masterflex SE (MZX GR), Close (14/01/2019): 7.10 EUR, Analyst: Christoph Schlienkamp (Investmentanalyst DVFA).

Date of publication	Price at recommendation	Rating	Price target
10/10/2018	8.32 EUR	Hold	9.00 EUR
08/06/2018	8.82 EUR	Buy	10.00 EUR

Overview of changes in our recommendations/price targets in the previous twelve months for: MLP AG (MLP GY), Close (14/01/2019): 4.34 EUR, Analyst: Andreas Schäfer (Analyst).

Date of publication	Price at recommendation	Rating	Price target
09/05/2018	5.09 EUR	Buy	6.00 EUR
02/03/2018	5.21 EUR	Hold	5.30 EUR

Overview of changes in our recommendations/price targets in the previous twelve months for: Manz AG (M5Z GY), Close (14/01/2019): 23.40 EUR, Analyst: Dr. Karsten Iltgen (Analyst).

Date of publication	Price at recommendation	Rating	Price target
03/04/2018	31.30 EUR	Buy	43.00 EUR

Overview of changes in our recommendations/price targets in the previous twelve months for: OHB SE (OHB GY), Close (14/01/2019): 31.35 EUR, Analyst: Christoph Schlienkamp (Investmentanalyst DVFA).

Date of publication	Price at recommendation	Rating	Price target
06/12/2018	36.95 EUR	Buy	43.00 EUR
13/04/2018	32.90 EUR	Buy	50.00 EUR

Overview of changes in our recommendations/price targets in the previous twelve months for: ProCredit Holding AG & Co KGaA (PCZ GY), Close (14/01/2019): 10.10 EUR, Analyst: Neil Smith (ACA).

Date of publication	Price at recommendation	Rating	Price target
06/12/2018	10.30 EUR	Buy	13.00 EUR

Overview of changes in our recommendations/price targets in the previous twelve months for: QSC AG (QSC GR), Close (14/01/2019): 1.37 EUR, Analyst: Wolfgang Specht (Analyst).

Date of publication	Price at recommendation	Rating	Price target
20/09/2018	1.38 EUR	Buy	2.00 EUR
04/07/2018	1.40 EUR	Buy	1.90 EUR
02/05/2018	1.64 EUR	Hold	1.60 EUR

Overview of changes in our recommendations/price targets in the previous twelve months for: R. STAHL AG (RSL2 GY), Close (14/01/2019): 22.80 EUR, Analyst: Christoph Schlienkamp (Investmentanalyst DVFA).

Date of publication	Price at recommendation	Rating	Price target
23/11/2018	20.60 EUR	Hold	22.00 EUR
23/08/2018	26.60 EUR	Hold	28.00 EUR
02/05/2018	29.00 EUR	Hold	30.00 EUR

Overview of changes in our recommendations/price targets in the previous twelve months for: RHÖN-KLINIKUM AG (RHK GY), Close (14/01/2019): 22.54 EUR, Analyst: Volker Braun (Analyst).

Date of publication	Price at recommendation	Rating	Price target
05/11/2018	22.16 EUR	Hold	23.00 EUR

Overview of changes in our recommendations/price targets in the previous twelve months for: SGL CARBON SE (SGL GY), Close (14/01/2019): 6.52 EUR, Analyst: Marc Gabriel (CIIA, CEFA).

Date of publication	Price at recommendation	Rating	Price target
07/12/2018	7.10 EUR	Buy	12.00 EUR
27/09/2018	9.57 EUR	Buy	14.00 EUR
27/03/2018	11.32 EUR	Buy	15.00 EUR

Overview of changes in our recommendations/price targets in the previous twelve months for: SHW AG (SW1 GY), Close (14/01/2019): 19.74 EUR, Analyst: Christoph Schlienke (Investmentanalyst DVFA).

Date of publication	Price at recommendation	Rating	Price target
08/11/2018	23.50 EUR	Hold	23.00 EUR
08/08/2018	31.80 EUR	Hold	30.00 EUR
02/05/2018	35.40 EUR	Hold	35.00 EUR

Overview of changes in our recommendations/price targets in the previous twelve months for: Schaltbau Holding AG (SLT GR), Close (14/01/2019): 20.10 EUR, Analyst: Christoph Schlienke (Investmentanalyst DVFA).

Date of publication	Price at recommendation	Rating	Price target
21/12/2018	20.00 EUR	Hold	21.50 EUR
16/08/2018	27.10 EUR	Hold	28.50 EUR
18/04/2018	26.60 EUR	Hold	25.50 EUR

Overview of changes in our recommendations/price targets in the previous twelve months for: SÜSS MicroTec AG (SMHN GR), Close (14/01/2019): 8.27 EUR, Analyst: Dr. Karsten Iltgen (Analyst).

Date of publication	Price at recommendation	Rating	Price target
07/12/2018	9.60 EUR	Hold	10.00 EUR
29/03/2018	12.66 EUR	Hold	14.00 EUR

Overview of changes in our recommendations/price targets in the previous twelve months for: TAKKT AG (TTK GR), Close (14/01/2019): 14.04 EUR, Analyst: Christoph Schlienke (Investmentanalyst DVFA).

Date of publication	Price at recommendation	Rating	Price target
13/09/2018	14.04 EUR	Buy	20.00 EUR
13/04/2018	18.92 EUR	Buy	24.50 EUR
09/04/2018	19.12 EUR	Buy	26.00 EUR
25/01/2018	20.80 EUR	Buy	25.00 EUR

Overview of changes in our recommendations/price targets in the previous twelve months for: Tele Columbus AG (TC1 GR), Close (14/01/2019): 2.80 EUR, Analyst: Wolfgang Specht (Analyst).

Date of publication	Price at recommendation	Rating	Price target
05/12/2018	3.78 EUR	Hold	4.00 EUR
20/09/2018	2.49 EUR	Buy	3.50 EUR
30/08/2018	3.49 EUR	Hold	3.50 EUR
28/05/2018	6.06 EUR	Hold	7.00 EUR
25/04/2018	7.99 EUR	Hold	8.50 EUR

Overview of changes in our recommendations/price targets in the previous twelve months for: TLG Immobilien AG (TLG GY), Close (14/01/2019): 26.02 EUR, Analyst: Dr. Georg Kanders (Analyst).

Date of publication	Price at recommendation	Rating	Price target
18/12/2018	25.52 EUR	Hold	27.00 EUR
17/08/2018	22.74 EUR	Hold	25.00 EUR
17/04/2018	23.06 EUR	Hold	23.00 EUR

Overview of changes in our recommendations/price targets in the previous twelve months for: VIB Vermögen AG (VIH GY), Close (14/01/2019): 21.10 EUR, Analyst: Dr. Georg Kanders (Analyst).

Date of publication	Price at recommendation	Rating	Price target
14/08/2018	22.60 EUR	Hold	23.00 EUR
04/04/2018	21.90 EUR	Hold	22.00 EUR

Overview of changes in our recommendations/price targets in the previous twelve months for: Voltabox AG (VBX GY), Close (14/01/2019): 11.91 EUR, Analyst: Dr. Karsten Iltgen (Analyst).

Date of publication	Price at recommendation	Rating	Price target
16/11/2018	14.43 EUR	Buy	24.00 EUR
16/03/2018	26.58 EUR	Buy	33.00 EUR

Overview of changes in our recommendations/price targets in the previous twelve months for: Wacker Neuson SE (WAC GR), Close (14/01/2019): 18.58 EUR, Analyst: Marc Gabriel (CIIA, CEFA).

Date of publication	Price at recommendation	Rating	Price target
29/11/2018	17.64 EUR	Buy	23.00 EUR
01/08/2018	22.08 EUR	Buy	33.00 EUR
29/01/2018	32.52 EUR	Hold	33.00 EUR

Overview of changes in our recommendations/price targets in the previous twelve months for: Wüstenrot & Württembergische AG (WUW GY), Close (14/01/2019): 16.38 EUR, Analyst: Andreas Schäfer (Analyst).

Date of publication	Price at recommendation	Rating	Price target
15/08/2018	19.06 EUR	Buy	23.50 EUR
03/04/2018	19.18 EUR	Buy	22.50 EUR

Overview of changes in our recommendations/price targets in the previous twelve months for: comdirect bank AG (COM GR), Close (14/01/2019): 10.14 EUR, Analyst: Neil Smith (ACA).

Date of publication	Price at recommendation	Rating	Price target
02/11/2018	10.28 EUR	Buy	13.00 EUR
10/08/2018	11.82 EUR	Buy	14.00 EUR
26/04/2018	12.18 EUR	Buy	15.00 EUR
12/03/2018	11.80 EUR	Buy	14.00 EUR

Overview of changes in our recommendations/price targets in the previous twelve months for: euromicron AG (EUCA GY), Close (14/01/2019): 2.93 EUR, Analyst: Wolfgang Specht (Analyst).

Date of publication	Price at recommendation	Rating	Price target
06/12/2018	3.51 EUR	Hold	3.50 EUR
22/05/2018	7.16 EUR	Hold	7.00 EUR

Overview of changes in our recommendations/price targets in the previous twelve months for: paragon GmbH & Co. KGaA (PGN GY), Close (14/01/2019): 19.12 EUR, Analyst: Christian Ludwig (CFA).

Date of publication	Price at recommendation	Rating	Price target
16/11/2018	23.15 EUR	Buy	39.00 EUR
31/01/2018	81.70 EUR	Buy	105.00 EUR

Overview of changes in our recommendations/price targets in the previous twelve months for: technotrans SE (TTR1 GY), Close (14/01/2019): 25.30 EUR, Analyst: Gordon Schönell (CIIA, CEFA).

Date of publication	Price at recommendation	Rating	Price target
17/09/2018	34.25 EUR	Buy	50.00 EUR
13/04/2018	42.20 EUR	Buy	54.00 EUR

The distribution of recommendations in our investments universe is currently as follows (date: 01/01/2019)

Rating	Basis: all analysed companies	Basis: companies with investment banking relationships
Buy	58.3%	60.0%
Hold	38.1%	40.0%
Sell	3.1%	0.0%
Under Review	0.0%	0.0%

Frequency of updates

The Bank intends to publish at least one research report per year for the aforementioned stock/stocks.

Complete list of recommendations

The complete list of recommendations for each financial instrument of the last twelve months is available on our website.

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Potential conflicts of interests may exist in the following companies named in this research report.

Company	Disclosure
Akasol AG	4
Amadeus FiRe AG	7
Aumann AG	-
BAUER Aktiengesellschaft	7
BayWa AG	-
Bertrandt AG	-
Borussia Dortmund GmbH & Co. KGaA	9
CEWE Stiftung & Co. KGaA	6
CORESTATE Capital Holding S.A.	6
Cyan AG	-
DATRON AG	6
DIC Asset AG	5
Deutsche Beteiligungs AG	6
Deutsche Konsum REIT AG	-
ElringKlinger AG	5, 6
Gesco AG	-
Grammer AG	6
Hamburger Hafen und Logistik AG	-
Heidelberger Druckmaschinen AG	-
HelloFresh SE	6
HolidayCheck Group AG	-
Home24 SE	-
JOST Werke AG	7
Leifheit AG	9
Masterflex SE	-
MLP AG	-
Manz AG	-
OHB SE	-
ProCredit Holding AG & Co KGaA	-
QSC AG	-
R. STAHL AG	6
RHÖN-KLINIKUM AG	-
SGL CARBON SE	-
SHW AG	6
Schaltbau Holding AG	-
SÜSS MicroTec AG	-
TAKKT AG	-
Tele Columbus AG	-
TLG Immobilien AG	-
VIB Vermögen AG	7
Voltabox AG	4, 6
Wacker Neuson SE	6
Wüstenrot & Württembergische AG	-
comdirect bank AG	5, 6, 7
euromicron AG	-
paragon GmbH & Co. KGaA	5
technotrans SE	6

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