

# Kleinkraftwerk Birseck AG

Switzerland / Renewable Energy  
 Berner Börse  
 Bloomberg: KKBN SW  
 ISIN: CH0023777235

Accelerated growth  
 strategy

**RATING**  
**BUY**

**PRICE TARGET**  
**CHF13.30**

Return Potential 52.9%  
 Risk Rating medium

## KKB UNVEILS NEW TARGET: 500 MW BY 2020

In December, Kleinkraftwerk Birseck (KKB) acquired a portfolio of Norwegian hydropower stakes from Alpiq Ecopower Scandinavia, which could increase KKB's capacity by ca. 17 MW. At the end of 2015, we expect KKB to have 157 MW (pro rata) of hydro-, wind and solar power plants under management, which is very close to our initial forecast of 158 MW. On its 10th anniversary, KKB announced an accelerated growth strategy. KKB now plans to grow the green asset portfolio to 500 MW by 2020 (previously: 300 MW). Furthermore, the company will change its name at the beginning of 2016 to Aventron, which suits its international business much better than the current name. We have incorporated the recent acquisitions and the accelerated growth strategy into our forecasts. Our new price target is CHF 13.30 (previously: CHF 10.70). Buy confirmed.

**Norwegian hydropower plants acquired** KKB purchased stakes in five Norwegian hydropower plants from Alpiq Ecopower Scandinavia. The portfolio contains the 4.8 MW Sevre power plant, a minority stake in the 5.2 MW Stolsdalselva power plant, and three projects in the development stage with a total capacity of 11.5 MW. The purchase could increase the Norwegian hydropower plant capacity from 5.4 MW to ca. 23 MW and is an important milestone towards KKB's target of at least 40 MW Norwegian hydropower capacity by 2020. The CEO sees 80 MW of Norwegian hydropower as the upper limit for 2020. We believe that around 60 MW is a likely scenario for KKB's Norwegian hydropower capacity in 2020.

**Accelerated growth strategy** On its 10<sup>th</sup> anniversary, KKB presented its accelerated growth strategy. The company now aims at a total capacity of 500 MW and power production of 1,000 GWh by 2020 (previously: 300 MW and 720 GWh). The new capacity target exceeds the former one by 67%. The new power production target is 39% higher than the former one. Given the green asset portfolio will amount to ca. 157 MW at the end of 2015, this implies a capacity growth of 218% within the next 5 years or a CAGR more than 26%. (p.t.o.)

### FINANCIAL HISTORY & PROJECTIONS

	2013	2014	2015E	2016E	2017E	2018E
Revenue (CHFm)	11.10	14.75	24.12	41.91	57.94	70.46
Y-o-y growth	n.a.	32.9%	63.6%	73.7%	38.3%	21.6%
EBIT (CHFm)	3.89	3.86	6.81	12.85	17.90	21.98
EBIT margin	35.1%	26.2%	28.2%	30.7%	30.9%	31.2%
Net income (CHFm)	0.93	0.73	1.64	4.53	5.98	7.77
EPS (diluted) (CHF)	0.16	0.06	0.09	0.20	0.20	0.24
DPS (CHF)	0.20	0.20	0.20	0.20	0.20	0.21
FCF (CHFm)	-16.51	-25.69	-87.83	-156.60	-60.96	-52.64
Net gearing	148.1%	107.9%	158.1%	131.4%	129.2%	124.2%
Liquid assets (CHFm)	6.67	16.41	7.20	13.99	20.40	19.44

### RISKS

The main risks are technological risks, regulatory risks, financing risks, acquisition risks, and currency risks.

### COMPANY PROFILE

Kleinkraftwerk Birseck AG is owner and operator of small hydro power, wind power, and solar power plants. The portfolio comprises 104 MW (end 2014) and is geographically diversified over Switzerland, France, Italy, Germany, and Norway. The company is located in Switzerland near Basel and is listed on the BX Berne eXchange.

### MARKET DATA

As of 14 Dec 2015

Closing Price	CHF 8.70
Shares outstanding	19.45m
Market Capitalisation	CHF 169.22m
52-week Range	CHF 7.50 / 8.95
Avg. Volume (12 Months)	973

Multiples	2014	2015E	2016E
P/E	139.3	96.0	44.5
EV/Sales	18.7	11.4	6.6
EV/EBIT	71.4	40.5	21.5
Div. Yield	2.3%	2.3%	2.3%

### STOCK OVERVIEW



### COMPANY DATA

As of 30 Jun 2015

Liquid Assets	CHF 22.95m
Current Assets	CHF 37.13m
Intangible Assets	CHF 4.09m
Total Assets	CHF 210.19m
Current Liabilities	CHF 29.31m
Shareholders' Equity	CHF 63.25m

### SHAREHOLDERS

EBM Trirhena AG	49.8%
Energie Wasser Bern	20.2%
Stadtwerk Winterthur	11.7%
Gebäudeversicherung Kanton Bern	3.6%
Free Float	14.7%



**Regional portfolio extension** In recent years, KKB focused on the 5 countries France, Germany, Italy, Norway, and Switzerland. In 2016, KKB plans to add Spain to its country portfolio, which will increase the number of countries KKB is active in to six and underline its position as a well-diversified European supplier of green power.

**Main shareholder gradually integrates its green power assets (148 MW) into KKB** Regional Swiss utility EBM, which has a 49.8% stake in KKB and is its largest shareholder, has decided to gradually integrate its green power assets into KKB. EBM's wind farms with a capacity of 148 MW will be added step by step to KKB's portfolio via contributions in kind. We assume that by 2020, ca. 2/3 or 100 MW will have been transferred to KKB. We view this agreement with EBM as beneficial for KKB as it has a secure large wind farm pipeline for the coming years.

**New growth scenario** In our previous growth scenario we forecast an increase from 104 MW at the end of 2014 to 300 MW at the end of 2020E. KKB's targeted 2020 asset split (MW capacity in percent) hydro/wind/solar was 33/40/27. Our 2020E capacity forecast was 99 MW hydro, 119 MW wind, and 82 MW solar (see figure 1).

**Figure 1: Old capacity expansion scenario: 300 MW by 2020E**

Old scenario: 300 MW by 2020E	2012A	2013A	2014A	2015E	2016E	2017E	2018E	2019E	2020E
Hydropower	31	32	49	49	69	79	89	94	99
Wind	1	13	29	72	91	100	110	114	119
Solar	4	12	26	37	55	64	73	78	82
<b>Sum</b>	<b>36</b>	<b>57</b>	<b>104</b>	<b>158</b>	<b>215</b>	<b>243</b>	<b>272</b>	<b>286</b>	<b>300</b>

Source: First Berlin Equity Research, Kleinkraftwerk Birseck AG

In our new growth scenario we assume a total capacity of 500 MW (pro rata) by 2020. We forecast a technology split hydro/wind/solar of 29%/39%/32%. This translates into 144 MW hydro, 193 MW wind, and 163 MW solar. Assuming a total capacity of 157 MW at the end of 2015, an average annual capacity expansion of 68.6 MW would be necessary to achieve 500 MW at the end of 2020 (see figure 2).

**Figure 2: New capacity expansion scenario: 500 MW in 2020E**

New scenario: 500 MW by 2020E	2012A	2013A	2014A	2015E	2016E	2017E	2018E	2019E	2020E
Hydropower	31	32	49	55	73	91	109	127	144
Wind	1	13	29	64	140	153	166	179	193
Solar	4	12	26	38	58	84	110	136	163
<b>Sum</b>	<b>36</b>	<b>57</b>	<b>104</b>	<b>157</b>	<b>271</b>	<b>328</b>	<b>385</b>	<b>442</b>	<b>500</b>

Source: First Berlin Equity Research, Kleinkraftwerk Birseck AG

We assume a large jump in capacity in 2016E as we believe that KKB takes over a large chunk (ca. 70 MW) of the wind farm assets from its main shareholder EBM in Q4 2016. We have distributed the remaining capacity additions rather equally over the years (see figure 3).

**Figure 3: Forecast additional annual capacity in MW until 2020**

Additional capacity y/y	2013A	2014A	2015E	2016E	2017E	2018E	2019E	2020E
Hydropower	1	17	6	18	18	18	18	17
Wind	12	16	35	76	13	13	13	14
Solar	8	14	12	20	26	26	26	27
<b>Sum</b>	<b>21</b>	<b>47</b>	<b>53</b>	<b>114</b>	<b>57</b>	<b>57</b>	<b>57</b>	<b>58</b>

Source: First Berlin Equity Research, Kleinkraftwerk Birseck AG



Based on our updated MWh/MW yield forecast for the three different technologies (see figure 4) we calculate the GWh power produced per technology (see figure 5). Due to the drought in H1/15 we only assume 2,850 MWh/MW for hydropower for 2015E. From 2015E-2020E we assume a gradual increase in specific yields due to technological progress, improved asset mix, and plant optimisation.

**Figure 4: Specific yield per technology in MWh/MW 2015E-2020E**

Average MWh/MW	2015E	2016E	2017E	2018E	2019E	2020E
Hydropower	2,850	3,000	3,000	3,050	3,100	3,100
Wind	2,200	2,250	2,250	2,250	2,300	2,300
Solar	1,000	1,050	1,050	1,100	1,100	1,100

Source: First Berlin Equity Research

In 2014, KKB produced 190.3 GWh power. In H1/15, it produced 129 GWh, which corresponds to 46.3% of our annual GWh forecast of 278.9 GWh and reflects the below average hydropower production in H1. For 2016E, we estimate a power production of 464.9 GWh (+66% y/y). For new capacity, we generally assume a 50% contribution to power production in the first year compared with the following years, which implies a takeover of the new capacity in the middle of the year.

**Figure 5: Power produced in GWh per technology 2015E-2020E**

Power produced (GWh)	2015E	2016E	2017E	2018E	2019E	2020E
Hydropower	151.6	197.9	246.0	305.0	365.8	420.1
Wind	94.6	212.4	329.6	358.9	396.8	427.8
Solar	32.7	54.6	74.6	106.7	135.3	164.5
<b>Sum</b>	<b>278.9</b>	<b>464.9</b>	<b>650.2</b>	<b>770.6</b>	<b>897.9</b>	<b>1012.3</b>

Source: First Berlin Equity Research

Average selling prices (ASP) for power depend on feed-in tariffs (FIT), market prices for electricity of green power assets which do not receive FIT, the CHF/EUR and CHF/NOK exchange rates. Most FIT-based power plants receive FIT in EUR, Norwegian hydropower plants in NOK, while KKB reports in CHF. We assume an increasing ASP for hydropower as we believe that KKB's exposure to (Norwegian) hydropower plants selling at market prices will increase, and higher exports of Norwegian hydropower will result in higher prices in coming years. Furthermore, we assume a slightly lower ASP for wind as governments look set to continue reducing FITs for power from newly constructed wind power plants. We forecast higher decreases in future solar FIT which is reflected in our declining ASP for solar power (see figure 6).

**Figure 6: Average selling prices per technology in CHF/MWh 2015E-2020E**

Average Selling Price (CHF/MWh)	2015E	2016E	2017E	2018E	2019E	2020E
Hydropower	52.5	55.0	57.0	61.0	65.0	69.0
Wind	90.0	89.0	88.0	88.0	88.0	88.0
Solar	234.0	222.0	200.0	190.0	185.0	180.0

Source: First Berlin Equity Research



Our revenue forecast is a function of power produced and ASP (see figure 7).

**Figure 7: Revenues per technology 2015E-2020E**

Revenues in CHFk	2015E	2016E	2017E	2018E	2019E	2020E
Hydropower	7,960	10,882	14,022	18,605	23,777	28,983
Wind	8,514	18,904	29,007	31,581	34,914	37,646
Solar	7,646	12,121	14,910	20,273	25,031	29,601
<b>Sum</b>	<b>24,120</b>	<b>41,907</b>	<b>57,939</b>	<b>70,459</b>	<b>83,722</b>	<b>96,231</b>

Source: First Berlin Equity Research

**Additional CAPEX and debt & equity financing incorporated into the model** We expect KKB to invest more than CHF 500m from 2016E to 2020E to reach its 500 MW target. In addition to the already incorporated capital increase of CHF 80m in 2016E, we have pencilled in further capital increases of CHF 30m in 2017E and 2018E respectively, and CHF 22m in 2019E. The remaining part of the investment will be debt financed.

**Stadtwerk Winterthur plans participation in next capital increase** Stadtwerk Winterthur, which has an 11.5% stake in KKB, plans to invest CHF 10m in the next capital increase which is scheduled for 2016.

**Purchase of two French wind farms** KKB has acquired two French wind farms with a total capacity of 12 MW. The “Ger” wind farm (8 MW) was commissioned in 2010, and the construction of the “Saint-Thégonnec” wind farm (4 MW) will start in spring 2016.

**New company name in 2016** Kleinkraftwerk Birseck will change its name at the beginning of 2016 to Aventron, which suits its international business much better than the current name. Aventron is a combination of “avenir” (French: future) and “electron”.

**Estimates adjusted to new growth scenario** As the strong capacity increase in the wind farm portfolio looks set to happen in late 2016, we stick to our 2016E revenue forecast. We have lowered our 2016E EBIT margin forecast as gross margins for those of KKB’s hydropower plants which sell power at market prices are currently under pressure due to low power prices across Europe. Furthermore, we have adjusted our depreciation schedule to reflect the accelerated capacity expansion and changed asset mix (more wind capacity in the short term, less hydropower). This results in higher depreciation in absolute and relative terms, and so lower EBIT margins. The 2016E net result is only slightly lower due to more favourable financing conditions (see figure 8). For 2017E, we have pencilled in a 14.3% increase in sales and 9% EBIT growth. Due to higher interest expenses and the higher average number of shares, EPS remain at CHF 0.20.

**Buy reiterated at increased price target** An updated DCF model, which reflects our adjusted forecasts and the (discounted) higher number of shares, yields a new price target of CHF 13.30 (previously: CHF 10.70) We confirm our Buy rating.

**Figure 8: Revisions to forecasts**

All figures in CHFm	2015E			2016E			2017E		
	Old	New	Delta	Old	New	Delta	Old	New	Delta
Sales	24.12	24.12	0.0%	41.91	41.91	0.0%	50.68	57.94	14.3%
EBIT	6.81	6.81	0.0%	14.12	12.85	-9.0%	16.42	17.90	9.0%
margin	28.2%	28.2%		33.7%	30.7%		32.4%	30.9%	
Net income	1.64	1.64	0.0%	4.76	4.53	-4.8%	5.73	5.98	4.4%
margin	6.8%	6.8%		11.3%	10.8%		11.3%	10.3%	
EPS (diluted, in CHF)	0.09	0.09	0.0%	0.21	0.20	-4.8%	0.20	0.20	0.1%

Source: First Berlin Equity Research



## DCF MODEL

DCF valuation model								
All figures in CHF '000	2015E	2016E	2017E	2018E	2019E	2020E	2021E	2022E
Net sales	24,120	41,907	57,939	70,459	83,722	96,231	97,193	98,165
NOPLAT	5,935	10,740	15,168	18,473	21,602	24,596	25,174	25,458
+ depreciation & amortisation	6,337	12,292	18,020	22,061	26,050	29,981	30,332	30,388
Net operating cash flow	12,272	23,032	33,188	40,534	47,652	54,576	55,506	55,846
- total investments (CAPEX and WC)	-96,200	-173,819	-85,357	-82,875	-80,809	-79,727	-30,169	-30,221
Capital expenditures	-95,000	-172,200	-84,840	-82,630	-80,940	-79,900	-30,332	-30,388
Working capital	-1,200	-1,619	-517	-245	131	173	163	167
Free cash flows (FCF)	-83,928	-150,786	-52,169	-42,341	-33,157	-25,151	25,337	25,624
PV of FCF's	-83,822	-145,528	-48,660	-38,167	-28,885	-21,172	20,613	20,147

All figures in thousands	
PV of FCFs in explicit period (2015E-2029E)	-198,557
PV of FCFs in terminal period	594,174
Enterprise value (EV)	395,617
+ Net cash / - net debt (pro forma)	66,158
+ Investments / minority interests	6,458
Shareholder value	468,234

Fair value per share in EUR	13.30
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WACC		Terminal growth rate							
		0.4%	0.6%	0.8%	1.0%	1.2%	1.4%	1.6%	
Cost of equity	5.7%	2.7%	16.89	18.92	21.39	24.44	28.32	33.42	40.42
Pre-tax cost of debt	3.5%	2.9%	14.69	16.36	18.34	20.56	23.72	27.51	32.49
Tax rate	30.0%	3.1%	12.83	14.21	15.83	17.77	20.12	23.03	26.73
After-tax cost of debt	2.5%	3.3%	11.23	12.39	13.74	15.32	17.21	19.50	22.35
Share of equity capital	31.5%	3.5%	9.84	10.83	11.96	13.27	14.82	16.67	18.91
Share of debt capital	68.5%	3.7%	8.63	9.47	10.43	11.54	12.82	14.34	16.14
		3.9%	7.56	8.29	9.11	10.05	11.13	12.39	13.86
Fair value per share in EUR	13.30	4.1%	6.61	7.24	7.96	8.76	9.68	10.73	11.96

\* for layout purposes the model shows numbers only to 2022, but runs until 2029



## INCOME STATEMENT

All figures in CHF '000	2013A	2014A	2015E	2016E	2017E
<b>Revenues</b>	<b>11,098</b>	<b>14,746</b>	<b>24,120</b>	<b>41,907</b>	<b>57,939</b>
Cost of goods sold	3,149	3,243	4,703	6,286	8,691
<b>Gross profit</b>	<b>7,949</b>	<b>11,503</b>	<b>19,417</b>	<b>35,621</b>	<b>49,248</b>
Personnel costs	90	681	2,171	3,772	4,635
Depreciation and amortisation	2,189	4,272	6,337	12,292	18,020
Other operating income	199	543	241	419	579
Other operating expenses	1,979	3,229	4,342	7,124	9,270
<b>Operating income (EBIT)</b>	<b>3,890</b>	<b>3,864</b>	<b>6,809</b>	<b>12,852</b>	<b>17,903</b>
Net financial result	-1,803	-2,026	-3,898	-5,812	-8,787
Non-operating expenses	-94	129	0	0	0
<b>Pre-tax income (EBT)</b>	<b>1,993</b>	<b>1,967</b>	<b>2,910</b>	<b>7,040</b>	<b>9,115</b>
Income taxes	-56	817	873	2,112	2,735
Minority interests	-1,116	-418	-400	-400	-400
<b>Net income / loss</b>	<b>933</b>	<b>732</b>	<b>1,637</b>	<b>4,528</b>	<b>5,981</b>
<b>EPS (diluted, in CHF)</b>	<b>0.16</b>	<b>0.06</b>	<b>0.09</b>	<b>0.20</b>	<b>0.20</b>
<b>EBITDA</b>	<b>6,079</b>	<b>8,136</b>	<b>13,145</b>	<b>25,144</b>	<b>35,922</b>
<b>Ratios</b>					
Gross margin	71.6%	78.0%	80.5%	85.0%	85.0%
EBITDA margin on revenues	54.8%	55.2%	54.5%	60.0%	62.0%
EBIT margin on revenues	35.1%	26.2%	28.2%	30.7%	30.9%
Net margin on revenues	8.4%	5.0%	6.8%	10.8%	10.3%
Tax rate	-2.8%	41.5%	30.0%	30.0%	30.0%
<b>Expenses as % of revenues</b>					
Personnel costs	0.8%	4.6%	9.0%	9.0%	8.0%
Depreciation and amortisation	19.7%	29.0%	26.3%	29.3%	31.1%
Other operating expenses	17.8%	21.9%	18.0%	17.0%	16.0%
<b>Y-Y Growth</b>					
Revenues	n.a.	32.9%	63.6%	73.7%	38.3%
Operating income	n.a.	-0.7%	76.2%	88.8%	39.3%
Net income/ loss	n.a.	-21.5%	123.7%	176.5%	32.1%



## BALANCE SHEET

All figures in CHF '000	2013A	2014A	2015E	2016E	2017E
<b>Assets</b>					
<b>Current assets, total</b>	<b>14,112</b>	<b>30,056</b>	<b>22,868</b>	<b>31,292</b>	<b>38,806</b>
Cash and cash equivalents	6,673	16,413	7,201	13,989	20,401
Short-term investments	949	1,177	1,177	1,177	1,177
Receivables	1,506	3,294	5,287	6,889	7,937
Inventories	73	72	103	138	190
Other current assets	4,911	9,100	9,100	9,100	9,100
<b>Non-current assets, total</b>	<b>93,885</b>	<b>166,122</b>	<b>254,785</b>	<b>414,693</b>	<b>481,514</b>
Property, plant & equipment	65,646	134,825	223,488	383,396	450,217
Goodwill & other intangibles	1,001	3,117	3,117	3,117	3,117
Other assets	27,238	28,180	28,180	28,180	28,180
<b>Total assets</b>	<b>107,997</b>	<b>196,178</b>	<b>277,653</b>	<b>445,986</b>	<b>520,319</b>
<b>Shareholders' equity &amp; debt</b>					
<b>Current liabilities, total</b>	<b>11,002</b>	<b>21,907</b>	<b>34,839</b>	<b>27,874</b>	<b>31,745</b>
Short-term debt	66	2,162	13,000	5,000	7,000
Accounts payable	6,215	6,908	7,732	7,750	8,334
Current provisions	0	0	0	0	0
Other current liabilities	4,721	12,837	14,107	15,124	16,411
<b>Long-term liabilities, total</b>	<b>61,363</b>	<b>99,186</b>	<b>147,986</b>	<b>242,986</b>	<b>282,986</b>
Long-term debt	59,392	95,292	144,092	239,092	279,092
Deferred revenue	0	0	0	0	0
Other liabilities	1,971	3,894	3,894	3,894	3,894
<b>Minority interests</b>	<b>11,529</b>	<b>6,466</b>	<b>6,866</b>	<b>7,266</b>	<b>7,666</b>
<b>Shareholders' equity</b>	<b>24,103</b>	<b>68,619</b>	<b>87,963</b>	<b>167,860</b>	<b>197,922</b>
Share capital	7,889	17,082	19,451	28,340	31,340
Capital reserve	55,661	106,174	125,125	196,236	223,236
Other reserves	0	0	0	0	0
Treasury stock	0	-56	-56	-56	-56
Loss carryforward / retained earnings	-39,447	-54,581	-56,557	-56,660	-56,598
<b>Total consolidated equity and debt</b>	<b>107,997</b>	<b>196,178</b>	<b>277,653</b>	<b>445,986</b>	<b>520,319</b>
<b>Ratios</b>					
Current ratio (x)	1.28	1.37	0.66	1.12	1.22
Quick ratio (x)	1.28	1.37	0.65	1.12	1.22
Net debt	52,785	81,041	149,891	230,103	265,691
Net gearing	148.1%	107.9%	158.1%	131.4%	129.2%
Net debt/EBITDA	8.7	10.0	11.4	9.2	7.4
Book value per share (in CHF)	4.18	5.86	4.87	7.25	6.69
Return on equity (ROE)	3.9%	1.1%	1.9%	2.7%	3.0%



## CASH FLOW STATEMENT

All figures in CHF '000	2013A	2014A	2015E	2016E	2017E
<b>EBIT</b>	<b>3,890</b>	<b>3,864</b>	<b>6,809</b>	<b>12,852</b>	<b>17,903</b>
Depreciation and amortisation	2,189	4,272	6,337	12,292	18,020
<b>EBITDA</b>	<b>6,079</b>	<b>8,136</b>	<b>13,145</b>	<b>25,144</b>	<b>35,922</b>
Changes in working capital	3,610	-4,170	-1,200	-1,619	-517
Other adjustments	-2,049	-2,828	-4,771	-7,924	-11,522
<b>Operating cash flow</b>	<b>7,640</b>	<b>1,138</b>	<b>7,174</b>	<b>15,601</b>	<b>23,883</b>
CAPEX	-23,152	-25,965	-95,000	-172,200	-84,840
Investments in intangibles	-1,000	-861	0	0	0
<b>Free cash flow</b>	<b>-16,512</b>	<b>-25,688</b>	<b>-87,826</b>	<b>-156,599</b>	<b>-60,957</b>
Acquisitions & Disposals, net	864	464	0	0	0
Other Investments	-5,054	-7,579	0	0	0
<b>Cash flow from investing</b>	<b>-28,342</b>	<b>-33,941</b>	<b>-95,000</b>	<b>-172,200</b>	<b>-84,840</b>
Debt financing, net	8,173	27,937	59,638	87,000	42,000
Equity financing, net	15,048	16,371	21,320	80,000	30,000
Other financing	-797	-1,624	-2,344	-3,614	-4,631
<b>Cash flow from financing</b>	<b>22,424</b>	<b>42,684</b>	<b>78,614</b>	<b>163,386</b>	<b>67,369</b>
Forex & other effects	78	-141	0	0	0
<b>Net cash flows</b>	<b>1,800</b>	<b>9,740</b>	<b>-9,212</b>	<b>6,787</b>	<b>6,412</b>
Cash, start of the year	4,873	6,673	16,413	7,201	13,989
<b>Cash, end of the year</b>	<b>6,673</b>	<b>16,413</b>	<b>7,201</b>	<b>13,989</b>	<b>20,401</b>
<b>EBITDA/share (in CHF)</b>	<b>1.06</b>	<b>0.69</b>	<b>0.73</b>	<b>1.09</b>	<b>1.21</b>

### Y-Y Growth

Operating cash flow	n.a.	-85.1%	530.4%	117.5%	53.1%
Free cash flow	n.a.	n.m.	n.m.	n.m.	n.m.
EBITDA/share	n.a.	-34.2%	4.8%	49.3%	11.8%



### FIRST BERLIN RECOMMENDATION & PRICE TARGET HISTORY

Report No.:	Date of publication	Previous day closing price	Recommendation	Price target
Initial Report	20 May 2015	CHF8.00	Buy	CHF10.50
2...1	↓	↓	↓	↓
2	6 July 2015	CHF8.40	Buy	CHF10.50
3	24 August 2015	CHF8.45	Buy	CHF10.70
4	6 October 2015	CHF8.00	Buy	CHF10.70
5	Today	CHF8.70	Buy	CHF13.30

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BUY: Expected return greater than 25%

ADD: Expected return between 0% and 25%

REDUCE: Expected negative return between 0% and -15%

SELL: Expected negative return greater than -15%

Our risk ratings are Low, Medium, High and Speculative and are determined by ten factors: corporate governance, quality of earnings, management strength, balance sheet and financing risk, competitive position, standard of financial disclosure, regulatory and political uncertainty, company size, free float and other company specific risks. These risk factors are incorporated into our valuation models and are therefore reflected in our price targets. Our models are available upon request to First Berlin clients.

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