

# aventron AG

Switzerland / Renewable Energy

Berner Börse

Bloomberg: AVEN SW

ISIN: CH0023777235

2016 annual figures

**RATING****PRICE TARGET**

Return Potential

Risk Rating

**BUY****CHF 13.00**

42.9%

low

## A GREAT STEP FORWARD

2016 was an exceptionally successful year for aventron. Building on the largest capital increase in the company's history (CHF 132m), aventron raised its green power capacity from 160 MW to 351 MW. Revenues more than doubled and balance sheet assets increased to CHF 577m. Despite the poor wind harvest throughout Europe, EBIT rose by almost 97% to nearly CHF 14m. EPS was affected by the new shares created by the capital increase and grew by 9% to CHF 0.12. We expect aventron to remain on its growth track and reach its target of expanding its green power portfolio to 500 MW by 2020. We confirm our Buy rating and CHF 13.00 price target.

**Strong growth in sales and earnings** The capacity expansion led to a significantly higher power production (453 GWh vs. 251 GWh in 2015, +80%). Revenue increased by 103% to CHF 48.5m (FBe: €48.7m). The low wind levels throughout Europe prevented aventron from reaching its original target of CHF 50m revenue. EBITDA increased from CHF 15.0m to CHF 32.1m. The EBITDA margin was significantly higher at 66.2% (2015: 62.7%). Because of higher depreciation (CHF 18.3m vs. CHF 7.9m in 2015) EBIT rose only to CHF 13.8m (FBe: CHF 14.0m). This corresponds to an increase of almost 97% y/y. The EBIT margin declined from 29.4% to 28.4% due to a lower margin in the wind segment. The net result increased by 53% to CHF 3.0m (FBe: CHF 3.1m). The reason for the disproportionately low growth of the net result is the rise in interest expenses to CHF 9.8m (2015: CHF 4.4m). All in all, aventron succeeded in lowering the average cost of debt from 3.1% to 2.8%. Despite the increase in the number of shares by 14.7m to 34.1m, earnings per share gained 9% from CHF 0.11 to CHF 0.12 (see figure 1 overleaf).

(p.t.o.)

### FINANCIAL HISTORY & PROJECTIONS

	2014	2015	2016	2017E	2018E	2019E
Revenue (CHF m)	14.75	23.85	48.46	73.47	80.39	88.35
Y-o-y growth	32.9%	61.7%	103.2%	51.6%	9.4%	9.9%
EBIT (CHF m)	3.86	7.01	13.77	20.53	23.15	25.89
EBIT margin	26.2%	29.4%	28.4%	27.9%	28.8%	29.3%
Net income (CHFm)	0.73	1.94	2.97	5.82	7.12	8.11
EPS (diluted) (CHF)	0.06	0.11	0.12	0.17	0.21	0.22
DPS (CHF)	0.20	0.21	0.21	0.21	0.22	0.23
FCF (CHFm)	-25.69	-27.56	7.38	-31.80	-29.80	-27.48
Net gearing	107.9%	251.5%	170.8%	190.6%	209.2%	192.7%
Liquid assets (CHF m)	16.41	19.29	33.54	23.30	13.94	37.45

### RISKS

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

### COMPANY PROFILE

aventron AG is an owner and operator of small hydro power, wind power, and solar power plants. The portfolio comprises ca. 350 MW and is geographically diversified over Switzerland, France, Italy, Germany, Norway, and Spain. The company is located in Switzerland near Basel and is listed on the BX Berne eXchange.

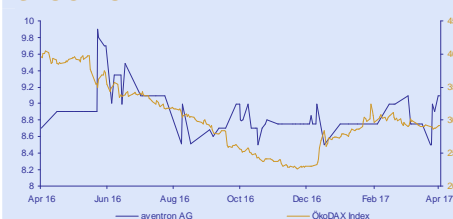
### MARKET DATA

As of 12 Apr 2017

Closing Price	CHF 9.10
Shares outstanding	34.10m
Market Capitalisation	CHF 310.36m
52-week Range	CHF 8.50 / 9.90
Avg. Volume (12 Months)	1,383

Multiples	2016	2017E	2018E
P/E	76.3	53.3	43.6
EV/Sales	7.6	5.0	4.6
EV/EBIT	26.7	17.9	15.9
Div. Yield	2.3%	2.3%	2.4%

### STOCK OVERVIEW



### COMPANY DATA

As of 31 Dec 2016

Liquid Assets	CHF 33.54m
Current Assets	CHF 62.99m
Intangible Assets	CHF 6.05m
Total Assets	CHF 577.39m
Current Liabilities	CHF 40.68m
Shareholders' Equity	CHF 189.12m

### SHAREHOLDERS

EBM-Gruppe	46.0%
ewb-Gruppe	15.0%
Stadtwerk Winterthur	10.0%
Other investors	10.0%
Free Float	19.0%

**Figure 1: Reported figures versus forecasts**

All figures in CHFm	2016A	2016E	Delta	2015	Delta
Sales	48.46	48.71	-0.5%	23.85	103.2%
EBIT	13.77	13.99	-1.6%	7.01	96.5%
margin	28.4%	28.7%	-	29.4%	-
Net income	2.97	3.09	-3.9%	1.94	53.4%
margin	6.1%	6.3%	-	8.1%	-
EPS (diluted, in CHF)	0.12	0.12	-3.5%	0.11	9.1%

Source: First Berlin Equity Research, aventron AG

**aventron predicts continued strong growth in 2017** Management expects power production of more than 700 GWh in 2017. That would correspond to growth of at least 55% y/y. On the revenue side, aventron is expecting more than CHF 74m in 2017 and assumes EBITDA of about CHF 50m. This would raise the EBITDA margin from 66% to ca. 67%. The targeted EPS is ca. CHF 0.17.

**Medium-term guidance maintained** aventron targets an installed capacity of 500 MW and a power production of ca. 1,050 GWh by 2020. With well-balanced contributions from the three technologies wind power, hydro power and solar power (wind power: 40%, hydro power: 30-40%, solar power: 20-30%), the company expects revenue significantly higher than €100m. aventron generates the predominant part of its revenue in Euro. For each country, the company strives for a critical mass of at least 30 MW capacity; typically 7 to 8 power plants. To minimise the individual country risks, no country should contribute a revenue share of more than 40%.

**Strengthened balance sheet through capital increase** A capital increase of CHF 132m, thereof CHF 58m in cash, led to equity after minorities of CHF 189m (2015: CHF 76m). The equity ratio thus rose from 25% to 33%. Goodwill from acquisitions is directly offset against equity. This conservative accounting method explains the high negative retained earnings of CHF -103m. Financial debt increased from CHF 209m to CHF 357m. The predominant part of the financial debt is long-term (CHF 336m). Net debt grew from CHF 190m in the previous year to CHF 323m despite the improved cash position (CHF 34m vs. CHF 19m in 2015). Net gearing dropped from 252% to 171% y/y.

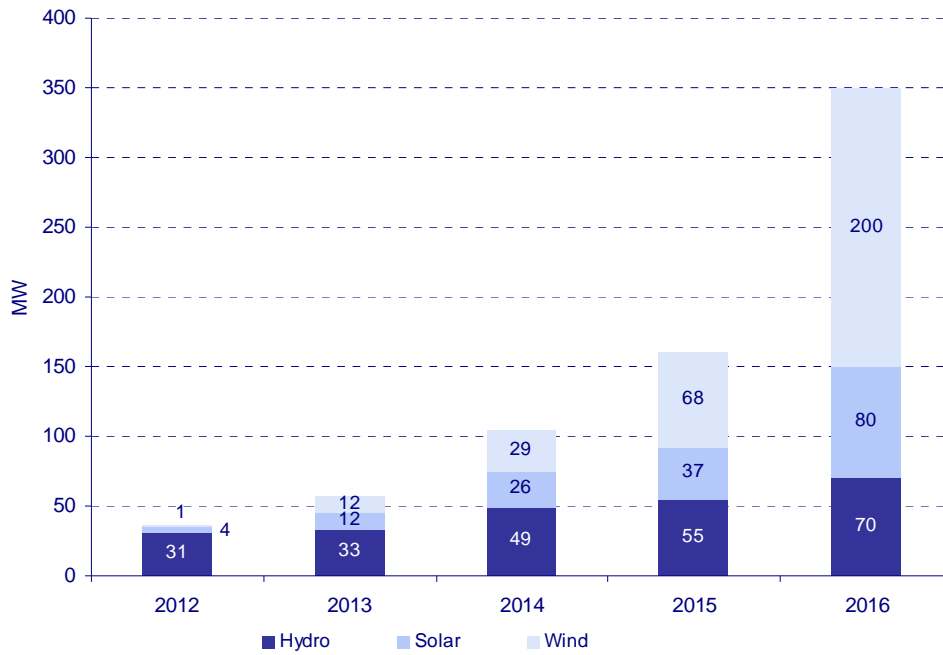
The asset side of the balance sheet is mainly determined by fixed assets, which increased from CHF 269m to CHF 514m (+91% y/y). Wind power has the largest share at CHF 274m (2015: CHF 94m), followed by solar at CHF 137m (2015: CHF 98m) and hydro power at CHF 51m (2015: CHF 41m). The differences to the previous year show that the wind power technology saw the largest expansion.

**Sharp rise in operating cash flow** Operating cash flow rose from CHF 13.9m to CHF 29.8m and is evidence of the cash flow strength the company has already reached. Cash outflow from investing activities amounted to CHF 53.6m (essentially CHF 20.9m for investments in PP&E and CHF 32.4m for the acquisition of consolidated subsidiaries). Cash inflow from financing activities amounted to CHF 38.4m and was largely traced to the cash inflow from the capital increase of CHF 55.1m. Net cash flow amounted to CHF 14.6m.

**Impressive capacity growth in 2016** In 2016, aventron raised its green power capacity from 160 MW to approximately 350 MW (+119%). Wind power was the main contributor here (see figure 2 overleaf) with a capacity increase of 68 MW to 200 MW.



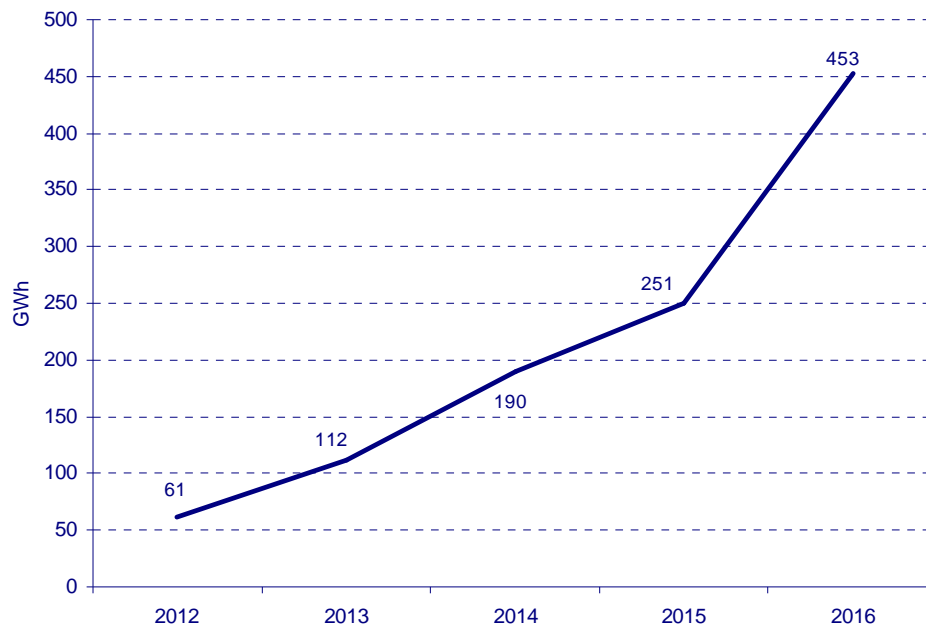
**Figure 2: Development of green power capacity in MW, 2012-2016**



Source: First Berlin Equity Research, aventron AG

**Large expansion of power production** aventron raised its green power production from 251 GWh to 453 GWh, corresponding to a rise of almost 81% y/y (see figure 3).

**Figure 3: Development of power production in GWh, 2012-2016**

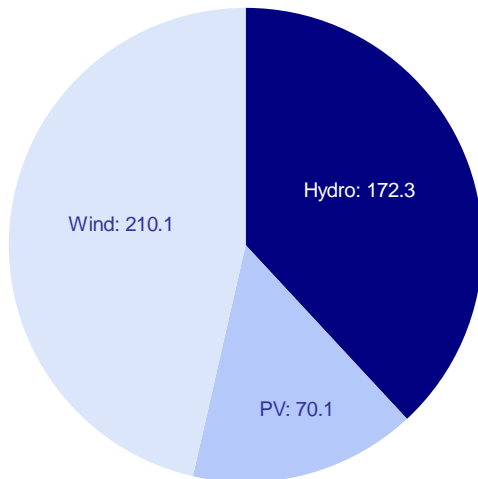


Source: First Berlin Equity Research, aventron AG



**Wind power production exceeds hydro power production** Wind power contributed 210 GWh or 46% of total power production (see figure 4), followed by 172 GWh (38%) from hydropower and 70 GWh (16%) from solar power. In 2015, hydro power was still the main power contributor with 133.5 GWh.

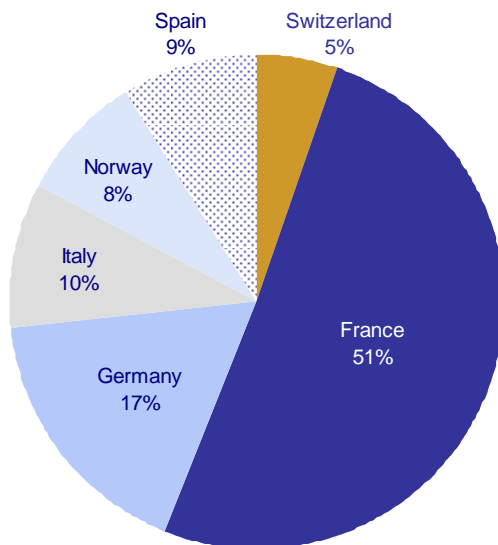
**Figure 4: Power production per technology in GWh in 2016**



Source: First Berlin Equity Research, aventron AG

**Regional diversification extended in 2016** Since the acquisition of wind farms in Spain, aventron has been active in six European countries. Figure 5 presents the regional distribution of power production.

**Figure 5: Regional power production split in 2016**

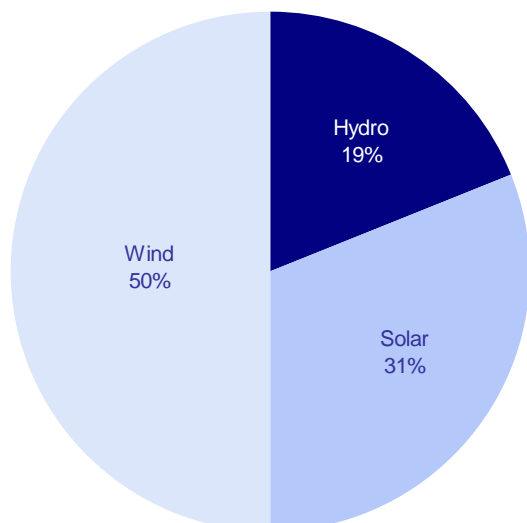


Source: First Berlin Equity Research, aventron AG



**Sales distribution dominated by wind for now** The revenue split of the three segments in 2016 was dominated by wind power, which accounted for half of the revenues, followed by 31% solar and 19% hydropower (see figure 6). We assume that aventron will gradually reduce the large proportion of wind revenues during the next few years to reach its medium term target (40% wind power) and reduce sales volatility. Of the three segments, the Wind segment is most prone to fluctuations. Hydropower may also be subject to significant variations, but solar is a natural hedge—a lot of rain means less sunlight.

**Figure 6: Revenue distribution by segment in 2016**



Source: First Berlin Equity Research, aventron AG

**Wind segment is the largest earnings contributor despite poor wind conditions**

Thanks to the significant increase in wind power capacity from 68 MW to 200 MW, wind power production rose from 93.0 GWh to 210.1 GWh (+126%), resulting in a revenue increase from CHF 8.9m to CHF 24.0m y/y (+170%). Compared to the previous year, the poor wind conditions throughout Europe caused a decrease of the segment EBITDA margin by 1.9 percentage points to 73.1% in 2016. The segment EBITDA amounted to CHF 17.5m (2015: CHF 6.6m).

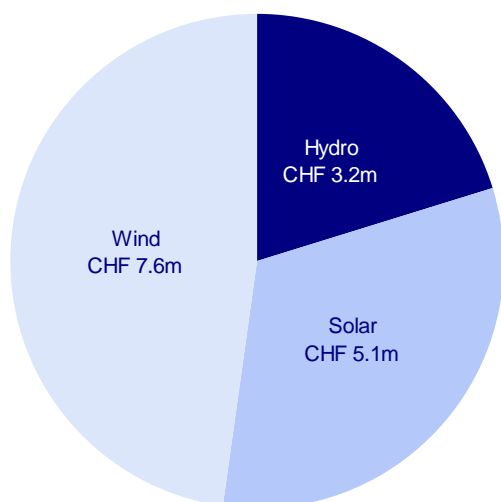
**Hydropower production recovered significantly** After a revenue drop in 2015 caused by months of drought, the hydropower segment recovered considerably in 2016. Revenue increased from CHF 6.7m to CHF 9.1m (+35% y/y). The segment EBITDA margin increased by 1.5 percentage points from 54.7% to 56.2%. The segment thus reached an EBITDA contribution of CHF 5.1m (2015: CHF 3.7m).

**Solar benefits from capacity expansion** Solar capacity more than doubled in 2016 from 37 MW to 80 MW. Power production increased from 24.1 GWh to 70.1 GWh, resulting in an increase in segment revenue from CHF 8.2m to CHF 14.9m (+81%). The EBITDA margin rose slightly from 75.8% to 76.4%. Segment EBITDA was at CHF 11.4m compared to CHF 6.2m in 2015 (see figure 9 on page 7).

**Operational profit led by wind and solar power** The wind segment contributed CHF 7.6m to EBIT, the solar segment CHF 5.1m, and the hydro segment CHF 3.2m (see figure 7 overleaf). Operating expenses at the holding level amounted to CHF 4.4m. Given the strong growth, this is a moderate increase by 20% y/y (2015: CHF 3.7m). Due to revenues of CHF 2.1m at the holding level, holding EBIT amounted to CHF -2.1m.



**Figure 7: EBIT distribution by segment in 2016**



Source: First Berlin Equity Research, aventron AG

**“Digitalisation dividend” through optimised asset management** A cloud-based control and monitoring system of the power production provides the management with direct data access and data administration via a secure internet connection, thus allowing a closer supervision and maintenance of the technical management. It should also increase the availability of the green power plants, resulting in a positive effect on revenue and income.

**Slightly increased forecasts** We have slightly raised our earnings forecasts for 2017E & 2018E (see figure 8), as we believe that scale and synergy effects will be realised slightly quicker through the capacity jump in 2016. We assume a stronger fix cost depression as well as declining operating costs of power plants per unit of revenue via pooling effects and optimised asset management. Furthermore, we believe that aventron’s cost of debt will be slightly lower than previously assumed.

**Figure 8: Revised forecasts for 2017E and 2018E**

All figures in CHFm	2017E			2018E			2019E		
	Old	New	Delta	Old	New	Delta	Old	New	Delta
Sales	73.47	73.47	0.0%	80.39	80.39	0.0%	88.35	88.35	0.0%
EBIT	20.37	20.53	0.8%	22.94	23.15	0.9%	25.89	25.89	0.0%
margin	27.7%	27.9%		28.5%	28.8%		29.3%	29.3%	
Net income	5.57	5.82	4.5%	6.62	7.12	7.6%	8.11	8.11	0.0%
margin	7.6%	7.9%		8.2%	8.9%		9.2%	9.2%	
EPS (diluted, in CHF)	0.16	0.17	4.5%	0.19	0.21	7.6%	0.22	0.22	0.0%

Source: First Berlin Equity Research

**Valuation model adjusted** The risk has increased due to the higher wind power exposure. We have accounted for this with a higher cost of equity (increase from 5.7% to 6.4%). Due to the lower cost of debt, the WACC remains at 3.5%.

**Buy reiterated at unchanged price target** An updated DCF model still yields a CHF 13.00 price target. We confirm our Buy rating.



Figure 9: Overview of segment figures

All figures in CHFm	2016A	2016E	delta	2015	delta
<b>Hydropower</b>					
Sales	9.12	10.00	-8.8%	6.76	34.9%
EBITDA	5.12	5.40	-5.1%	3.70	38.6%
<i>margin</i>	56.2%	54.0%	-	54.7%	-
<b>Wind</b>					
Sales	23.98	21.50	11.5%	8.86	170.5%
EBITDA	17.52	15.00	16.8%	6.65	163.5%
<i>margin</i>	73.1%	69.8%	-	75.0%	-
<b>Solar</b>					
Sales	14.87	17.20	-13.5%	8.23	80.8%
EBITDA	11.36	12.80	-11.3%	6.24	82.1%
<i>margin</i>	76.4%	74.4%	-	75.8%	-
<b>Holding</b>					
Sales	2.13	0.00	n.m.	0.93	129.0%
EBITDA	-1.95	-3.64	n.m.	-1.63	n.m.
<i>margin</i>	<i>n.m.</i>	<i>n.m.</i>	-	<i>n.m.</i>	-
<b>Consolidation</b>					
Sales	-1.64	0.00	-	-0.93	-
EBITDA	0.00	0.00	-	0.00	-
<i>margin</i>	-	-	-	-	-
<b>Group</b>					
Sales	48.46	48.70	-0.5%	23.85	103.2%
EBITDA	32.05	29.56	8.4%	14.95	114.4%
<i>margin</i>	66.1%	60.7%		62.7%	

Source: First Berlin Equity Research, aventron AG



## VALUATION MODEL

DCF valuation model								
All figures in CHF '000	2017E	2018E	2019E	2020E	2021E	2022E	2023E	2024E
Net sales	73,473	80,392	88,350	95,658	99,348	100,341	101,344	102,358
<b>NOPLAT</b>	<b>17,478</b>	<b>19,544</b>	<b>21,858</b>	<b>24,343</b>	<b>24,885</b>	<b>25,375</b>	<b>25,823</b>	<b>26,309</b>
+ depreciation & amortisation	27,926	29,860	31,007	32,520	34,157	33,865	33,571	33,276
Net operating cash flow	45,404	49,404	52,865	56,863	59,041	59,239	59,394	59,586
- total investments (CAPEX and WC)	-66,845	-68,080	-67,899	-67,866	-34,928	-34,537	-34,222	-33,905
Capital expenditures	-67,547	-67,602	-67,666	-67,724	-34,924	-34,613	-34,299	-33,984
Working capital	702	-478	-233	-142	-3	75	77	79
Free cash flows (FCF)	-21,440	-18,676	-15,034	-11,003	24,113	24,702	25,172	25,681
<b>PV of FCF's</b>	<b>-20,944</b>	<b>-17,630</b>	<b>-13,713</b>	<b>-9,698</b>	<b>20,536</b>	<b>20,329</b>	<b>20,018</b>	<b>19,733</b>

All figures in thousands	
PV of FCFs in explicit period (2017E-2031E)	149,242
PV of FCFs in terminal period	634,530
Enterprise value (EV)	783,772
+ Net cash / - net debt (pro forma)	-323,081
+ Investments / minority interests	6,983
Shareholder value	467,674

Fair value per share in CHF	13.00
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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	6.4%	2.7%	17.41	19.45	21.91	24.97	28.85	33.93	40.89
Pre-tax cost of debt	3.0%	2.9%	15.00	16.66	18.63	20.83	23.99	27.76	32.69
Tax rate	28.5%	3.1%	12.95	14.32	15.93	17.84	20.17	23.05	26.70
After-tax cost of debt	2.1%	3.3%	11.18	12.33	13.66	15.22	17.08	19.34	22.13
Share of equity capital	31.5%	3.5%	9.65	10.61	11.73	13.02	14.53	16.34	18.53
Share of debt capital	68.5%	3.7%	8.30	9.13	10.06	11.14	12.40	13.87	15.62
		3.9%	7.11	7.82	8.62	9.53	10.58	11.79	13.22
Fair value per share in CHF	13.00	4.1%	6.05	6.66	7.35	8.13	9.01	10.03	11.21

\* for layout purposes the model shows numbers only to 2024, but runs until 2031





## INCOME STATEMENT

All figures in CHF '000	2013A	2014A	2015A	2016A	2017E	2018E	2019E
<b>Revenues</b>	<b>11,098</b>	<b>14,746</b>	<b>23,849</b>	<b>48,457</b>	<b>73,473</b>	<b>80,392</b>	<b>88,350</b>
Cost of goods sold	3,149	3,243	4,603	9,184	13,593	14,471	15,903
<b>Gross profit</b>	<b>7,949</b>	<b>11,503</b>	<b>19,246</b>	<b>39,273</b>	<b>59,880</b>	<b>65,921</b>	<b>72,447</b>
Personnel costs	90	681	1,145	1,750	2,656	2,975	3,357
Other operating income	199	543	897	1,000	1,469	1,608	1,767
Other operating expenses	1,979	3,229	4,047	6,469	10,239	11,541	13,959
<b>EBITDA</b>	<b>6,079</b>	<b>8,136</b>	<b>14,951</b>	<b>32,054</b>	<b>48,455</b>	<b>53,014</b>	<b>56,897</b>
Depreciation and amortisation	2,189	4,272	7,946	18,289	27,926	29,860	31,007
<b>Operating income (EBIT)</b>	<b>3,890</b>	<b>3,864</b>	<b>7,005</b>	<b>13,765</b>	<b>20,529</b>	<b>23,154</b>	<b>25,890</b>
Net financial result	-1,803	-2,026	-3,381	-9,036	-10,360	-11,122	-12,448
Non-operating expenses	-94	129	321	-25	0	0	0
<b>Pre-tax income (EBT)</b>	<b>1,993</b>	<b>1,967</b>	<b>3,945</b>	<b>4,704</b>	<b>10,169</b>	<b>12,032</b>	<b>13,442</b>
Income taxes	-56	817	1,052	759	3,051	3,610	4,032
Minority interests	-1,116	-418	-957	-976	-1,300	-1,300	-1,300
<b>Net income / loss</b>	<b>933</b>	<b>732</b>	<b>1,936</b>	<b>2,969</b>	<b>5,818</b>	<b>7,123</b>	<b>8,109</b>
<b>EPS (diluted, in CHF)</b>	<b>0.16</b>	<b>0.06</b>	<b>0.11</b>	<b>0.12</b>	<b>0.17</b>	<b>0.21</b>	<b>0.22</b>
<b>Ratios</b>							
Gross margin on revenues	71.6%	78.0%	80.7%	81.0%	81.5%	82.0%	82.0%
EBITDA margin on revenues	54.8%	55.2%	62.7%	66.1%	65.9%	65.9%	64.4%
EBIT margin on revenues	35.1%	26.2%	29.4%	28.4%	27.9%	28.8%	29.3%
Net margin on revenues	8.4%	5.0%	8.1%	6.1%	7.9%	8.9%	9.2%
Tax rate	-2.8%	41.5%	26.7%	16.1%	30.0%	30.0%	30.0%
<b>Expenses as % of revenues</b>							
Personnel costs	0.8%	4.6%	4.8%	3.6%	3.6%	3.7%	3.8%
Depreciation and amortisation	19.7%	29.0%	33.3%	37.7%	38.0%	37.1%	35.1%
Other operating expenses	17.8%	21.9%	17.0%	13.3%	13.9%	14.4%	15.8%
<b>Y-Y Growth</b>							
Revenues	n.a.	32.9%	61.7%	103.2%	51.6%	9.4%	9.9%
Operating income	n.a.	-0.7%	81.3%	96.5%	49.1%	12.8%	11.8%
Net income/ loss	n.a.	-21.5%	164.5%	53.4%	96.0%	22.4%	13.8%



## BALANCE SHEET

All figures in CHF '000	2013A	2014A	2015A	2016A	2017E	2018E	2019E
<b>Assets</b>							
<b>Current assets, total</b>	<b>14,112</b>	<b>30,056</b>	<b>39,070</b>	<b>62,993</b>	<b>55,876</b>	<b>47,667</b>	<b>72,514</b>
Cash and cash equivalents	6,673	16,413	19,293	33,538	23,299	13,938	37,453
Short-term investments	949	1,177	845	663	663	663	663
Receivables	1,506	3,294	2,400	9,096	12,078	13,215	14,523
Inventories	73	72	87	83	223	238	261
Other current assets	4,911	9,100	16,445	19,613	19,613	19,613	19,613
<b>Non-current assets, total</b>	<b>93,885</b>	<b>166,122</b>	<b>268,546</b>	<b>514,393</b>	<b>553,904</b>	<b>591,536</b>	<b>628,085</b>
Property, plant & equipment	65,646	134,825	232,392	461,399	500,674	538,093	574,381
Goodwill & other intangibles	1,001	3,117	3,602	6,052	6,398	6,721	7,092
Other assets	27,238	28,180	32,552	46,942	46,832	46,722	46,612
<b>Total assets</b>	<b>107,997</b>	<b>196,178</b>	<b>307,616</b>	<b>577,386</b>	<b>609,780</b>	<b>639,204</b>	<b>700,598</b>
<b>Shareholders' equity &amp; debt</b>							
<b>Current liabilities, total</b>	<b>11,002</b>	<b>21,907</b>	<b>32,068</b>	<b>40,676</b>	<b>33,224</b>	<b>36,238</b>	<b>48,138</b>
Short-term debt	66	2,162	14,996	20,211	7,000	9,000	19,000
Accounts payable	6,215	6,908	4,493	6,603	10,427	11,101	12,200
Current provisions	0	0	0	0	0	0	0
Other current liabilities	4,721	12,837	12,579	13,862	15,797	16,138	16,939
<b>Long-term liabilities, total</b>	<b>61,363</b>	<b>99,186</b>	<b>199,994</b>	<b>347,595</b>	<b>387,595</b>	<b>413,195</b>	<b>439,695</b>
Long-term debt	59,392	95,292	194,333	336,408	376,408	402,008	428,508
Deferred revenue	0	0	0	0	0	0	0
Other liabilities	1,971	3,894	5,661	11,187	11,187	11,187	11,187
<b>Minority interests</b>	<b>11,529</b>	<b>6,466</b>	<b>6,983</b>	<b>26,008</b>	<b>27,308</b>	<b>28,608</b>	<b>29,908</b>
<b>Shareholders' equity</b>	<b>24,103</b>	<b>68,619</b>	<b>68,571</b>	<b>163,107</b>	<b>161,653</b>	<b>161,162</b>	<b>182,857</b>
Share capital	7,889	17,082	19,451	34,105	34,105	34,105	36,105
Capital reserve	55,661	106,174	120,015	229,732	229,732	229,732	249,732
Other reserves	0	0	0	0	0	0	0
Treasury stock	0	-56	-100	-204	-204	-204	-204
Loss carryforward / retained earnings	-39,447	-54,581	-70,795	-100,526	-101,870	-102,251	-102,446
<b>Total consolidated equity and debt</b>	<b>107,997</b>	<b>196,178</b>	<b>307,616</b>	<b>577,386</b>	<b>609,780</b>	<b>639,204</b>	<b>700,598</b>
<b>Ratios</b>							
Current ratio (x)	1.28	1.37	1.22	1.55	1.68	1.32	1.51
Quick ratio (x)	1.28	1.37	1.22	1.55	1.68	1.31	1.50
Net debt	52,785	81,041	190,036	323,081	360,109	397,070	410,055
Net gearing	148.1%	107.9%	251.5%	170.8%	190.6%	209.2%	192.7%
Net debt/EBITDA	8.7	10.0	12.7	10.1	7.4	7.5	7.2
Book value per share (in CHF)	3.06	4.02	3.53	4.78	4.74	4.73	5.06
Return on equity (ROE)	3.9%	1.1%	2.8%	1.8%	3.6%	4.4%	4.4%
Days sales outstanding (DSO)	49.5	81.5	36.7	68.5	60.0	60.0	60.0
Days inventory outstanding (DIO)	8.5	8.1	6.9	3.3	6.0	6.0	6.0
Days payables outstanding (DPO)	720.4	777.5	356.3	262.4	280.0	280.0	280.0



## CASH FLOW STATEMENT

All figures in CHF '000	2013A	2014A	2015A	2016A	2017E	2018E	2019E
<b>EBIT</b>	<b>3,890</b>	<b>3,864</b>	<b>7,326</b>	<b>13,765</b>	<b>20,529</b>	<b>23,154</b>	<b>25,890</b>
Depreciation and amortisation	2,189	4,272	7,946	18,289	27,926	29,860	31,007
<b>EBITDA</b>	<b>6,079</b>	<b>8,136</b>	<b>15,272</b>	<b>32,054</b>	<b>48,455</b>	<b>53,014</b>	<b>56,897</b>
Changes in working capital	3,610	-4,170	-1,392	-1,928	702	-478	-233
Other adjustments	-2,049	-2,828	-3,982	-350	-13,411	-14,732	-16,481
<b>Operating cash flow</b>	<b>7,640</b>	<b>1,138</b>	<b>9,898</b>	<b>29,776</b>	<b>35,746</b>	<b>37,804</b>	<b>40,184</b>
CAPEX	-23,152	-25,965	-36,838	-20,854	-66,959	-66,959	-66,959
Investments in intangibles	-1,000	-861	-619	-1,542	-588	-643	-707
<b>Free cash flow</b>	<b>-16,512</b>	<b>-25,688</b>	<b>-27,558</b>	<b>7,380</b>	<b>-31,801</b>	<b>-29,798</b>	<b>-27,482</b>
Acquisitions & Disposals, net	864	464	-13,539	-31,348	0	0	0
Other Investments	-5,054	-7,579	-5,203	110	0	0	0
<b>Cash flow from investing</b>	<b>-28,342</b>	<b>-33,941</b>	<b>-56,198</b>	<b>-53,634</b>	<b>-67,547</b>	<b>-67,602</b>	<b>-67,666</b>
Debt financing, net	8,173	27,937	46,118	-2,742	26,789	27,600	36,500
Equity financing, net	15,048	16,371	5,837	55,004	0	0	22,000
Other financing	-797	-1,624	-2,089	-4,790	-5,227	-7,162	-7,503
<b>Cash flow from financing</b>	<b>22,424</b>	<b>42,684</b>	<b>49,866</b>	<b>38,420</b>	<b>21,562</b>	<b>20,438</b>	<b>50,997</b>
Forex & other effects	78	-141	-686	-317	0	0	0
<b>Net cash flows</b>	<b>1,800</b>	<b>9,740</b>	<b>2,880</b>	<b>14,245</b>	<b>-10,239</b>	<b>-9,360</b>	<b>23,515</b>
Cash, start of the year	4,873	6,673	16,413	19,293	33,538	23,299	13,938
<b>Cash, end of the year</b>	<b>6,673</b>	<b>16,413</b>	<b>19,293</b>	<b>33,538</b>	<b>23,299</b>	<b>13,938</b>	<b>37,453</b>
<b>EBITDA/share (in CHF)</b>	<b>1.06</b>	<b>0.69</b>	<b>0.83</b>	<b>1.29</b>	<b>1.42</b>	<b>1.55</b>	<b>1.58</b>
<b>Y-Y Growth</b>							
Operating cash flow	n.a.	-85.1%	769.8%	200.8%	20.0%	5.8%	6.3%
Free cash flow	n.a.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
EBITDA/share	n.a.	-34.2%	19.8%	54.8%	10.3%	9.4%	1.4%

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Report No.:	Date of publication	Previous day closing price	Recommendation	Price target
Initial Report	20 May 2015	CHF8.00	Buy	CHF10.50
2...6	↓	↓	↓	↓
7	6 September 2016	CHF8.51	Buy	CHF13.00
8	18 October 2016	CHF8.80	Buy	CHF13.00
9	16 January 2017	CHF8.75	Buy	CHF13.00
10	Today	CHF9.10	Buy	CHF13.00

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