

Enapter AG

Germany / Cleantech
 Primary exchange: Frankfurt
 Bloomberg: BUF1 GR
 ISIN: DE000A255G02

Update

RATING	ADD
PRICE TARGET	€ 41.70
Return Potential	16.5%
Risk Rating	High

FIRST STEPS SUCCESSFULLY COMPLETED

Enapter AG made a very successful debut on the stock market. While the share price stood at around €6 at the end of September 2020, it peaked at over €50 (October 20, 2020). After very strong fluctuations in the following months, the price has recently hovered around the €40 mark. With a share capital of approx. 22.3m shares, this corresponds to a market capitalisation of approx. €890m. Both the capital increase against contribution-in-kind in October and the capital increase for cash in early November 2020 were successfully completed. In October 2020, Enapter selected Saerbeck in North Rhine-Westphalia, Germany, as the future site for its electrolyser mass production. Manufacturing is scheduled to begin in 2022, with a production capacity of 100,000 units per year. We continue to value Enapter based equally on a DCF model and a peer group analysis. The very strong rise of the peer group EV/sales multiple in particular leads to a significant increase in our price target from €8.90 to €41.70. Following the strong share price increase, the upside potential is now less than 25%. We thus downgrade the stock from Buy to Add.

Successful completion of a capital increase against contribution-in-kind and a cash capital increase With the registration of the capital increase against contribution-in-kind (20,000,000 new shares) and the capital increase for cash (1,031,500 new shares) in the commercial register at the beginning of December, Enapter successfully completed both transactions. The number of shares is now 22,269,300. As early as November 2020, Enapter reported that the cash capital increase (new shares at €6.00 per share) had been completely placed and the company had received funds of around €6.2m.

(p.t.o.)

FINANCIAL HISTORY & PROJECTIONS

	2018	2019	2020E	2021E	2022E	2023E
Revenue (€m)	0.71	0.93	2.75	9.25	34.84	68.31
Y-o-y growth	n.a.	30.8%	196.2%	236.2%	276.5%	96.1%
EBIT (€m)	-1.09	-1.88	-5.37	-6.72	-9.93	-2.52
EBIT margin	-152.8%	-202.8%	-195.3%	-72.6%	-28.5%	-3.7%
Net income (€m)	-1.09	-1.88	-5.37	-6.72	-10.28	-3.24
EPS (diluted) (€)	0.00	0.00	-0.24	-0.23	-0.35	-0.11
DPS (€)	0.00	0.00	0.00	0.00	0.00	0.00
FCF (€m)	-0.98	-0.32	-6.14	-42.22	-68.45	-4.07
Net gearing	-144.7%	-15.8%	-6.3%	-23.6%	22.2%	29.6%
Liquid assets (€m)	0.75	0.42	1.61	18.39	4.94	1.87

RISKS

The main risks are: financing risk, technological risk, production risk, increasing competition, innovations.

COMPANY PROFILE

Enapter produces standardised electrolysers, which are scalable to larger units based on a modular approach. Enapter's patent protected AEM technology offers high cost reduction potential. Enapter has a production site in Pisa, Italy, and ca. 100 employees.

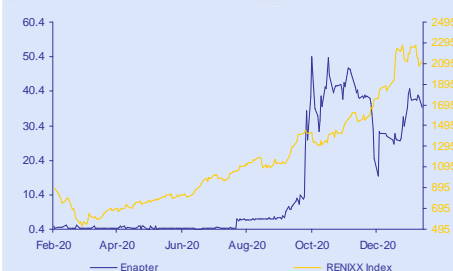
MARKET DATA

As of 01 Feb 2021

Closing Price	€ 35.80
Shares outstanding	22.27m
Market Capitalisation	€ 797.23m
52-week Range	€ 0.50 / 50.50
Avg. Volume (12 Months)	4,132

Multiples	2020E	2021E	2022E
P/E	n.a.	n.a.	n.a.
EV/Sales	267.1	79.4	21.1
EV/EBIT	n.a.	n.a.	n.a.
Div. Yield	0.0%	0.0%	0.0%

STOCK OVERVIEW



COMPANY DATA

As of 31 Dec 2019

Liquid Assets	€ 0.42m
Current Assets	€ 2.29m
Intangible Assets	€ 2.49m
Total Assets	€ 6.03m
Current Liabilities	€ 3.23m
Shareholders' Equity	€ 2.80m

SHAREHOLDERS

BluGreen	93.2%
Deutsche Balaton AG	3.0%
Free Float	3.8%

**Electrolyser mass production site will be built in Saerbeck near Münster in North Rhine-Westphalia, Germany**

The planned production facility is expected to produce more than 100,000 electrolyser units per year and create up to 300 jobs. The series production that currently exists in Pisa, Italy, is being expanded further and complements the production capacity. Automated mass production in Saerbeck is the central requirement for Enapter to make green hydrogen competitive with fossil fuels and to provide it in the quantities required worldwide. In order to make the mass production climate-neutral, the modern company premises will be operated entirely with renewable energy from the Saerbeck solar, wind and biomass systems, as well as from their own solar and hydrogen storage systems. Construction on the 76,000 m² site is scheduled to commence in early 2021. Completion and start of production are scheduled for 2022.

Australian company relies on Enapter's electrolysers

The Australian company LAVO reported in an October 20, 2020 press release that it is beginning to market the LAVO system, a hydrogen energy storage system for everyday use in private homes and office buildings, and is assessing the globally addressable market at \$40bn. LAVO is targeting the Australian residential, office, off-grid power and telecom markets first, which, according to the company, together form an addressable market of \$2bn. The electrolyser for the system comes from Enapter. LAVO aims to sell 10,000 systems per year by the end of 2022. We consider this goal to be very ambitious. If LAVO succeeds and Enapter supplies the electrolyser for each device, this would mean that LAVO's annual orders alone would utilise 10% of the capacity of the new production facility in Saerbeck.

The LAVO system consists of a hydrogen storage system developed by LAVO itself, a fuel cell, an electrolyser, a small battery, a DC-DC converter and a water purifier that ensures the quality of the tap water for the electrolysis.

LAVO was founded by the University of New South Wales (UNSW) Sydney and the Providence Asset Group (PAG) as a university-industry partnership to commercialise hydrogen research results. In 2020, LAVO received start-up funding of \$5m from PAG (see LAVO press release of June 29, 2020). On January 21, LAVO announced that the family-run Australian investment company Gowings had acquired a stake in LAVO and ordered 200 LAVO systems to supply its properties.

Enapter becomes part of the EU Clean Hydrogen Alliance Roundtable

The EU Commission has appointed Enapter's Head of Energy Policy & Government Affairs, Philip Hainbach, to the EU Clean Hydrogen Alliance Roundtable. The European Clean Hydrogen Alliance was launched in 2020 by the EU Commission to significantly advance the decarbonisation of European industry by 2030. It acts as an intermediary between producers of green hydrogen on the one hand and industry, the mobility sector, and other potential users of renewable hydrogen on the other hand. Together with other representatives from industry, politics, and civil society, Enapter will develop concepts for scaling the production of green hydrogen and the associated investment strategies. We view the appointment as proof that Enapter is already perceived at the EU level as a relevant player in the market for green hydrogen. Participation in the round table offers Enapter a variety of opportunities to expand its networks and to shape the rapidly growing hydrogen market.

Enapter H2 Valley selected for EU hydrogen platform

In January, the EU launched the "Mission Innovation" platform which brings together 32 hydrogen flagship projects from around the world. The projects known as "Hydrogen Valleys" are intended to promote collaboration between project developers from the hydrogen industry and to raise awareness of the topic among political decision-makers.

One of these projects is the Phi Suea House in Thailand developed by Enapter. In 2015, it became the world's first energy self-sufficient residence: The entire site is supplied with a decentralised, renewable energy system that uses a hydrogen-based energy storage system. The selection of Enapter is further evidence that Enapter is one of the pioneers of green hydrogen and that this is recognised at EU level.

**Increased international efforts to establish a global hydrogen economy in politics and business**

In January, the funding guideline “Decarbonisation in Industry” by the German Federal Environment Ministry took effect. The funding program is intended to help energy-intensive industries such as steel, cement, lime, chemicals and non-ferrous metals to largely and permanently reduce process-related greenhouse gas emissions that are normally difficult to avoid, by using innovative climate protection technologies. A total of around €3bn will be available for the program by 2024. The German Environment Minister has clearly outlined the goal: The German economy should be climate-neutral by 2050 at the latest.

According to Graham Cooley, member of the British Hydrogen Advisory Council and CEO of ITM Power, the UK will present a hydrogen strategy in the first quarter of 2021 that formulates a clear vision for the use of hydrogen in the UK.

The Fuel Cells and Hydrogen Joint Undertaking (FCH2-JU) organisation, which works under the aegis of the EU Commission, is funding the OYSTER project with €5m. This project is a joint venture with Ørsted, the world market leader in the operation of offshore wind farms; Siemens Gamesa, a leader in the construction of offshore wind turbines; and ITM Power, a leading supplier of electrolyzers. The aim of the project is to demonstrate and investigate the operation of a maritime wind turbine and electrolyser system. The idea of the OYSTER project is to combine an offshore wind turbine directly with an electrolyser and to transport the renewable hydrogen to shore. In addition, the electrolyser system will integrate desalination and water treatment processes, making it possible to use seawater as a feedstock for the electrolysis process. The project is scheduled to start this year and run to the end of 2024.

Linde recently announced that it would build the world's largest PEM electrolysis plant in the chemical complex in Leuna, Germany, by the end of 2022. The green hydrogen will be delivered to Linde's local customers via a pipeline and sold in liquid form to hydrogen filling stations and customers in the region.

Estimates remain unchanged Although we cannot rule out delays caused by the pandemic, overall both production in Italy and the expansion of the company are largely going according to plan. We are therefore leaving our estimates unchanged for the time being.

Valuation based on the DCF model rises significantly In our Initiating coverage study, our DCF model resulted in a fair value of €7.51. We have fundamentally revised our model and incorporated the all-round positive development since our last publication on 20 September, 2020 into the valuation.

Regarding the capital increase we anticipate for the current year, we had previously assumed an amount of €59m at a price of €8.00 per share. This would have corresponded to an additional 7,375,000 shares. After the strong share price increase, we are now assuming a price of €32 per share. This would mean that the number of shares would only increase by 1,843,750, which would make the dilution effect much smaller.

After the stock market debut and the successful completion of the capital increase against contribution-in-kind and the cash capital increase, the business risk has decreased significantly. The company's financial basis has meaningfully strengthened, and the refinancing option on the capital market gives Enapter significantly greater financial leeway. The listing increased the company's international visibility and made customer access easier. In addition, Enapter's transparency has increased due to the corresponding transparency requirements for listed companies. We take this into account in a lower cost of equity, which drops from 11.2% to 10.1%. We have reduced the risk-free interest rate from 0.2% to 0.1%. For comparison: the 10-year federal German bond yields -0.5%. Overall, the WACC has declined from 10.8% to 9.7%. The model changes yield a new fair value of €11.94 (previously: €7.51).



Enapter's peer group valuation rises due to soaring prices of most peers and the elimination of the 50% discount In our coverage initiation report, our peer group valuation resulted in a fair value of €10.19 for the Enapter share. In the study, due to Enapter's state of development at that point in time and its comparatively low transparency, we discounted the Enapter valuation by 50%. After the successful debut on the stock market, including the capital increase against contribution-in-kind and the cash capital increase, we now see no more reason for a discount. The 2022E EV/sales multiplier increased from 15.1 to 47.4. The updated peer group valuation leads to a fair value of €71.50 (previously: €10.19).

Price target rises sharply, rating downgrade from Buy to Add We derive our price target from both our DCF model-based and our peer group-based valuation and weight both with 50%. This yields a price target of €41.70 (previously: €8.90). Following the sharp rise in the share price, the upside potential to our price target is now below 25%. We therefore downgrade our recommendation from Buy to Add.



VALUATION MODEL

We calculate the fair value of Enapter on the basis of a DCF model and a peer group analysis. We weigh both valuation models at 50%.

DCF MODEL

The DCF model discounts free cash flows generated in the future to the present value (PV). We use a three-phase model that estimates phase 1 up to and including 2026E in detail. For phase 2 from 2027E to 2034E, free cash flows are determined based on assumptions about the most important model-relevant parameters (sales, EBIT, depreciation, CAPEX, working capital). The third phase calculates the terminal value.

Figure 1: DCF model

DCF valuation model								
All figures in EUR '000	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E
Net sales	2,752	9,253	34,838	68,305	94,154	118,311	146,862	182,109
NOPLAT	-5,373	-6,715	-9,935	-2,524	4,056	9,593	16,470	17,603
+ depreciation & amortisation	258	986	6,788	6,734	6,630	6,615	6,667	6,788
Net operating cash flow	-5,115	-5,729	-3,147	4,211	10,686	16,208	23,136	24,391
- total investments (CAPEX, WC, Other)	-1,027	-36,487	-29,956	-7,560	-7,697	-8,847	-10,569	-12,699
Capital expenditures	-686	-36,116	-64,097	-4,098	-5,324	-6,281	-7,290	-8,410
Working capital	-341	-372	-859	-3,461	-2,373	-2,565	-3,279	-4,289
Other	0	0	35,000	0	0	0	0	0
Free cash flows (FCF)	-6,142	-42,217	-33,103	-3,349	2,989	7,361	12,568	11,692
PV of FCF's	-6,142	-38,805	-27,733	-2,557	2,080	4,668	7,264	6,159

All figures in thousands	
PV of FCFs in explicit period (2020E-2034E)	13,379
PV of FCFs in terminal period	210,525
Enterprise value (EV)	223,904
+ Net cash / - net debt (pro forma)	62,180
+ Investments / minority interests	0
Shareholder value	286,084
Diluted number of shares	23,964
Fair value in EUR	11.94

WACC		WACC	Terminal growth rate						
			2.5%	3.0%	3.5%	4.0%	4.5%	5.0%	5.5%
Cost of equity	10.1%	5.7%	32.00	36.58	43.22	53.73	72.88	118.71	375.24
Pre-tax cost of debt	3.5%	6.7%	22.51	24.68	27.53	31.42	37.08	46.02	62.31
Tax rate	30.0%	7.7%	16.80	17.98	19.44	21.29	23.71	27.02	31.83
After-tax cost of debt	2.5%	8.7%	13.04	13.74	14.56	15.57	16.81	18.38	20.44
Share of equity capital	95.0%	9.7%	10.41	10.84	11.35	11.94	12.64	13.49	14.55
Share of debt capital	5.0%	10.7%	8.49	8.77	9.09	9.46	9.89	10.39	10.99
		11.7%	7.04	7.23	7.44	7.68	7.95	8.26	8.63
		12.7%	5.91	6.04	6.19	6.35	6.53	6.73	6.97

* for layout purposes the model shows numbers only to 2027, but runs until 2034

Source: First Berlin Equity Research

PEER GROUP ANALYSIS

For the peer group analysis, we select the most important listed companies with a clear focus on the production of electrolyzers. These include ITM Power Plc, McPhy Energy S.A., and Nel ASA.

We also take the most important fuel cell manufacturers into account, as they are likely to benefit from the trend towards (green) hydrogen in the same way as the electrolysis providers. Fuel cell technology is the reverse of electrolysis technology. Hydrogen is converted into electricity and water in an electrochemical reaction in the fuel cell. Fuel cells are used for stationary and mobile power supply and to power vehicles (forklifts, cars, buses,



trucks, trains, ships, and in the future: planes). The most important listed fuel cell manufacturers are Ballard Power, Plug Power, FuelCell Energy, Ceres Power, PowerCell Sweden, and SFC Energy.

Since Bloomberg does not currently offer complete estimates for PowerCell Sweden, we replace the company with Hexagon Purus. The Norwegian company, a subsidiary of Hexagon Composites, went public in December 2020 and manufactures hydrogen storage systems for electric vehicles.

The peer group comparison is based on analyst consensus estimates for the years 2021-2023 (source: Bloomberg).

Figure 2: Peer group analysis

Peergroup - Key Figures																
Company	LC	Price in LC	MC in LC m	EV in LC m	EPS			Sales			EBITDA			EBIT		
					21e	22e	23e	21e	22e	23e	21e	22e	23e	21e	22e	23e
ITM Power	GBP	5.74	3,160.8	3,141.3	-0.04	-0.03	0.00	6.1	30.9	75.1	-17.8	-9.6	6.5	-20.2	-25.0	-1.4
McPhy Energy	EUR	31.50	877.5	861.6	-0.26	-0.16	n.a.	30.4	44.1	n.a.	-4.4	-1.1	n.a.	-6.5	-3.3	n.a.
NEL	NOK	30.79	43,346.1	40,926.8	-0.14	-0.08	0.09	1,034.4	1,646.5	2,850.0	-148.9	-24.8	221.5	-292.1	-166.5	24.8
Ballard Power Systems	USD	35.53	10,022.2	9,678.1	-0.13	-0.07	-0.01	126.8	179.0	253.9	-23.9	-6.5	15.5	-28.1	-24.2	-20.5
Plug Power	USD	63.85	31,750.5	32,003.5	-0.20	-0.12	0.03	446.2	675.2	1,027.7	50.5	105.7	184.1	-28.6	47.2	105.8
FuelCell Energy	USD	21.88	7,054.4	7,151.3	-0.18	-0.15	-0.13	89.8	122.0	168.8	-19.6	-4.4	7.9	-44.2	-33.6	-27.9
Ceres Power	GBP	13.68	2,355.3	2,252.2	-0.05	-0.02	-0.03	29.1	36.6	25.5	-7.3	-5.9	2.2	-11.0	-9.8	-26.0
Hexagon Purus	NOK	62.00	14,203.7	15,061.1	0.36	0.48	-1.30	1,617.3	1,910.0	1,574.0	372.0	429.0	-157.0	216.7	263.3	-326.0
SFC Energy	EUR	23.60	341.5	345.0	0.09	0.29	0.37	70.3	84.2	90.6	6.2	10.4	n.a.	2.1	5.8	7.9

Source: Bloomberg

Peergroup - Valuation Multiples																
Company	LC	Price in LC	MC in LC m	EV in LC m	P / E			EV / Sales			EV / EBITDA			EV / EBIT		
					21e	22e	23e	21e	22e	23e	21e	22e	23e	21e	22e	23e
ITM Power	GBP	5.74	3,160.8	3,141.3	neg.	neg.	n.a.	514.13	101.76	41.85	neg.	neg.	481.80	neg.	neg.	neg.
McPhy Energy	EUR	31.50	877.5	861.6	neg.	neg.	n.a.	28.34	19.55	n.a.	neg.	neg.	n.a.	neg.	neg.	n.a.
NEL	NOK	30.79	43,346.1	40,926.8	neg.	neg.	353.91	39.57	24.86	14.36	neg.	neg.	184.77	neg.	neg.	1,653.61
Ballard Power Systems	USD	35.53	10,022.2	9,678.1	neg.	neg.	neg.	76.33	54.07	38.12	neg.	neg.	625.88	neg.	neg.	neg.
Plug Power	USD	63.85	31,750.5	32,003.5	neg.	neg.	1,995.31	71.73	47.40	31.14	633.46	302.78	173.80	neg.	678.04	302.49
FuelCell Energy	USD	21.88	7,054.4	7,151.3	neg.	neg.	neg.	79.68	58.62	42.38	neg.	neg.	900.78	neg.	neg.	neg.
Ceres Power	GBP	13.68	2,355.3	2,252.2	neg.	neg.	neg.	77.35	61.60	88.44	neg.	neg.	1,013.12	neg.	neg.	neg.
Hexagon Purus	NOK	62.00	14,203.7	15,061.1	173.67	129.98	neg.	9.31	7.89	9.57	40.49	35.11	neg.	69.51	57.19	neg.
SFC Energy	EUR	23.60	341.5	345.0	274.42	82.52	63.78	4.91	4.10	3.81	56.07	33.32	n.a.	116.82	59.26	43.86
Average					224.04	106.25	804.33	100.15	42.20	33.71	243.34	123.73	563.36	116.67	264.83	666.65
Median					224.04	106.25	353.91	71.73	47.40	34.63	56.07	35.11	553.84	116.67	59.26	302.49

Source: First Berlin Equity Research

Since the consensus estimates 2021E-2023E for EBITDA, EBIT and EPS of most peer group companies are negative, a valuation of Enapter on the basis of multipliers such as EV/EBITDA, EV/EBIT and P/E is not possible. The only multiplier available is EV/sales. The peer group's median 2022E EV/sales value is 47.4 (see figure 2). Based on our Enapter sales estimate for 2022 of €34.8m and the median sales multiplier for 2022E of 47.4 the result would be a fair EV of €34.8m * 47.4 = €1,651.3m. According to our model, Enapter's pro forma net cash position is €62.2m resulting in a fair shareholder value of €1,713.5m. Based on our calculated diluted and discounted number of shares of 23.96m, the peer group based fair value per share would be €71.50 (see figure 3).

Figure 3: Peer group based valuation of Enapter

Peer group-based fair value		
EV/sales multiplier 2022E		47.4
Enapter's sales 2022E	€m	34.8
Fair EV	€m	1,651.3
Net cash position (pro forma)	€m	62.2
Fair shareholder value	€m	1,713.5
Diluted number of shares, discounted	m	23.96
Fair value per share	€	71.50

Source: First Berlin Equity Research



FAIR VALUE AND PRICE TARGET

We derive our price target from both our DCF-based and our peer group-based valuation and weigh both at 50%. This yields a price target of €41.70 (previously: €8.90).

Figure 4: Price target calculation

in €	new	old
Fair value DCF model	11.94	7.51
Fair value peer group	71.50	10.19
Mean	41.72	8.85
Price target	41.70	8.90

Source: First Berlin Equity Research



INCOME STATEMENT

All figures in EUR '000	2018A*	2019A*	2020E	2021E	2022E	2023E	2024E	2025E	2026E
Revenues	710	929	2,752	9,253	34,838	68,305	94,154	118,311	146,862
Cost of goods sold	1,020	2,869	1,563	5,681	21,739	39,275	53,291	67,201	82,830
Gross profit	-310	-1,940	1,189	3,572	13,099	29,030	40,863	51,110	64,032
Personnel costs	877	1,533	4,698	6,612	10,343	15,219	17,299	18,899	20,434
Other operating income	0	0	0	0	0	0	0	0	0
Other operating expenses	186	99	1,606	2,689	5,903	9,600	12,701	15,529	18,682
EBITDA	-976	-1,689	-5,115	-5,729	-3,147	4,211	10,863	16,682	24,916
Depreciation and amortisation	109	195	258	986	6,788	6,734	6,630	6,615	6,667
Operating income (EBIT)	-1,085	-1,884	-5,373	-6,715	-9,935	-2,524	4,233	10,068	18,249
Net financial result	0	0	0	0	-350	-718	-700	-578	-455
Non-operating expenses	0	0	0	0	0	0	0	0	0
Pre-tax income (EBT)	-1,085	-1,884	-5,373	-6,715	-10,285	-3,241	3,533	9,490	17,794
Income taxes	0	0	0	0	0	0	177	475	1,779
Minority interests	0	0	0	0	0	0	0	0	0
Net income / loss	-1,085	-1,884	-5,373	-6,715	-10,285	-3,241	3,356	9,016	16,015
Ratios									
Gross margin	-43.7%	-208.8%	43.2%	38.6%	37.6%	42.5%	43.4%	43.2%	43.6%
EBITDA margin on revenues	-137.5%	-181.8%	-185.9%	-61.9%	-9.0%	6.2%	11.5%	14.1%	17.0%
EBIT margin on revenues	-152.8%	-202.8%	-195.3%	-72.6%	-28.5%	-3.7%	4.5%	8.5%	12.4%
Net margin on revenues	-152.8%	-202.8%	-195.3%	-72.6%	-29.5%	-4.7%	3.6%	7.6%	10.9%
Tax rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.0%	5.0%	10.0%
Expenses as % of revenues									
Personnel costs	123.5%	165.0%	170.7%	71.5%	29.7%	22.3%	18.4%	16.0%	13.9%
Depreciation and amortisation	15.4%	21.0%	9.4%	10.7%	19.5%	9.9%	7.0%	5.6%	4.5%
Other operating expenses	26.2%	10.7%	58.4%	29.1%	16.9%	14.1%	13.5%	13.1%	12.7%
Y-Y Growth									
Revenues	n.a.	30.8%	196.2%	236.2%	276.5%	96.1%	37.8%	25.7%	24.1%
Operating income	n.a.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	137.8%	81.3%
Net income/ loss	n.a.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	168.6%	77.6%

* 2018 and 2019 figures: Enapter S.r.l.



BALANCE SHEET

All figures in EUR '000	2018A*	2019A*	H1/20**	2020E	2021E	2022E	2023E	2024E	2025E	2026E
Assets										
Current assets, total	1,699	2,285	1,057	3,831	21,744	10,801	12,887	17,588	23,820	39,212
Cash and cash equivalents	748	424	584	1,609	18,392	4,940	1,873	2,162	3,946	14,058
Short-term investments	0	20	457	20	20	20	20	20	20	20
Receivables	555	979	0	1,131	1,775	2,863	5,614	7,973	10,314	13,168
Inventories	396	862	0	1,071	1,557	2,978	5,380	7,433	9,540	11,966
Other current assets	0	0	16	0	0	0	0	0	0	0
Non-current assets, total	1,273	3,745	0	25,208	60,338	117,647	115,011	113,705	113,372	113,994
Property, plant & equipment	961	1,209	0	1,758	36,937	94,038	90,870	88,878	87,765	87,523
Goodwill & other intangibles	300	2,492	0	23,406	23,356	23,565	24,097	24,783	25,563	26,427
Other assets	12	44	0	44	44	44	44	44	44	44
Total assets	2,972	6,030	1,057	29,039	82,081	128,448	127,898	131,293	137,191	153,207
Shareholders' equity & debt										
Current liabilities, total	2,455	3,228	312	3,247	4,005	5,657	10,348	12,387	11,269	13,270
Short-term debt	0	0	0	0	0	0	3,000	3,000	0	0
Accounts payable	2,283	2,336	125	2,355	3,113	4,765	6,456	8,495	10,377	12,378
Current provisions	112	158	57	158	158	158	158	158	158	158
Other current liabilities	60	734	131	734	734	734	734	734	734	734
Long-term liabilities, total	0	0	0	0	0	55,000	53,000	51,000	49,000	47,000
Long-term debt	0	0	0	0	0	20,000	18,000	16,000	14,000	12,000
Deferred revenue	0	0	0	0	0	0	0	0	0	0
Other liabilities	0	0	0	0	0	35,000	35,000	35,000	35,000	35,000
Minority interests	0	0	0	0	0	0	0	0	0	0
Shareholders' equity	517	2,802	745	25,792	78,076	67,791	64,550	67,906	76,922	92,936
Share capital	10	100	1,238	22,269	24,113	24,113	24,113	24,113	24,113	24,113
Capital reserve	0	0	0	5,158	62,314	62,314	62,314	62,314	62,314	62,314
Other reserves	1,591	4,231	0	4,231	4,231	4,231	4,231	4,231	4,231	4,231
Treasury stock	0	0	0	0	0	0	0	0	0	0
Loss carryforward / retained earnings	-1,085	-1,529	-493	-5,866	-12,582	-22,867	-26,108	-22,752	-13,736	2,278
Total consolidated equity and debt	2,972	6,030	1,057	29,039	82,081	128,448	127,898	131,293	137,191	153,207
Ratios										
Current ratio (x)	0.69	0.71	n.m.	1.18	5.43	1.91	1.25	1.42	2.11	2.95
Quick ratio (x)	0.53	0.44	n.m.	0.85	5.04	1.38	0.73	0.82	1.27	2.05
Net debt	-748	-444	n.m.	-1,629	-18,412	15,040	19,107	16,818	10,034	-2,078
Net gearing	-144.7%	-15.8%	n.m.	-6.3%	-23.6%	22.2%	29.6%	24.8%	13.0%	-2.2%
Return on equity (ROE)	-209.9%	-67.2%	n.m.	-20.8%	-8.6%	-15.2%	-5.0%	4.9%	11.7%	17.2%
Days of sales outstanding (DSO)	285.3	384.6	n.m.	150.0	70.0	30.0	30.0	30.9	31.8	32.7
Days inventory outstanding	141.7	109.7	n.m.	250.0	100.0	50.0	50.0	50.9	51.8	52.7
Days in payables (DIP)	817.0	297.2	n.m.	550.0	200.0	80.0	60.0	58.2	56.4	54.5

* 2018 und 2019 figures: Enapter S.r.l., ** H1/20-balance sheet: S&O Beteiligungen AG, acquired by BluGreen



CASH FLOW STATEMENT

All figures in EUR '000	2018A*	2019A*	2020E	2021E	2022E	2023E	2024E	2025E	2026E
EBIT	-1,085	-1,528	-5,373	-6,715	-9,935	-2,524	4,233	10,068	18,249
Depreciation and amortisation	109	195	258	986	6,788	6,734	6,630	6,615	6,667
EBITDA	-976	-1,333	-5,115	-5,729	-3,147	4,211	10,863	16,682	24,916
Changes in working capital	0	1,009	-341	-372	-859	-3,461	-2,373	-2,565	-3,279
Other adjustments	0	0	0	0	-350	-718	-877	-1,052	-2,234
Operating cash flow	-976	-324	-5,456	-6,101	-4,356	32	7,613	13,065	19,403
Investments in PP&E	0	0	-658	-36,023	-63,749	-3,415	-4,451	-5,270	-6,142
Investments in intangibles	0	0	-28	-93	-348	-683	-873	-1,011	-1,148
Free cash flow	-976	-324	-6,142	-42,217	-68,453	-4,067	2,289	6,784	12,113
Acquisitions & disposals, net	0	0	0	0	0	0	0	0	0
Other investments	0	0	0	0	0	0	0	0	0
Investment cash flow	0	0	-686	-36,116	-64,097	-4,098	-5,324	-6,281	-7,290
Debt financing, net	0	0	0	0	20,000	1,000	-2,000	-5,000	-2,000
Equity financing, net	0	0	6,189	59,000	0	0	0	0	0
Dividends paid	0	0	0	0	0	0	0	0	0
Other financing	0	0	0	0	35,000	0	0	0	0
Financing cash flow	0	0	6,189	59,000	55,000	1,000	-2,000	-5,000	-2,000
FOREX & other effects	0	0	0	0	0	0	0	0	0
Net cash flows	-976	-324	47	16,783	-13,453	-3,067	289	1,784	10,113
Cash, start of the year	0	748	424	1,609	18,392	4,940	1,873	2,162	3,946
Cash, end of the year	-976	424	471	18,392	4,940	1,873	2,162	3,946	14,058
Y-Y Growth									
Operating cash flow	n.a.	n.m.	n.m.	n.m.	n.m.	n.m.	23922.7%	71.6%	48.5%
Free cash flow	n.a.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	196.4%	78.6%
Financial cash flow			n.m.	853.3%	-6.8%	-98.2%	n.m.	n.m.	n.m.

* 2018 und 2019 figures: Enapter S.r.l.

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UST-Id.: 251601797

Ggf. Inhaltlich Verantwortlicher gem. § 6 MDStV

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The production of this recommendation was completed on 2 February 2021 at 15:06

Person responsible for forwarding or distributing this financial analysis: Martin Bailey

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Category		1	2
Current market capitalisation (in €)		0 - 2 billion	> 2 billion
Strong Buy ¹	An expected favourable price trend of:	> 50%	> 30%
Buy	An expected favourable price trend of:	> 25%	> 15%
Add	An expected favourable price trend of:	0% to 25%	0% to 15%
Reduce	An expected negative price trend of:	0% to -15%	0% to -10%
Sell	An expected negative price trend of:	< -15%	< -10%

¹ The expected price trend is in combination with sizable confidence in the quality and forecast security of management.

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Report No.:	Date of publication	Previous day closing price	Recommendation	Price target
Initial Report	21 September 2020	€6.50	Buy	€8.90
2...1	↓	↓	↓	↓
2	Today	€35.80	Add	€41.70

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