

7C Solarparken AG

Date: 12/05/2017

Recommendation	Buy
before:	Buy
Target price (EUR)	3.60 (before: 3.40)
Price (Xetra) (EUR)	2.40
12/04/17 5:36 PM	
Share price potential	50%

Company data	
Sector	Energy
Market segment	General Standard
ISIN	DE000A11QW68
Reuters	HRPKK.DE
Bloomberg	HRPK

Share data	
Shares (m)	46.792
Free float	44.2%
Market cap. (EURm)	112.3
∅ Trading volume (number of shares)	34,471
52W High	12/16/16 EUR2.65
52W Low	11/06/16 EUR2.15

Events	
Q4 figures	April 2018
Q1 figures	May 2018

Performance		
	absolute	relative to DAX
1 month	1.1%	4.7%
3 months	0.0%	-6.9%
6 months	-4.4%	-5.8%
12 months	4.6%	-14.1%

Index weighting

No index membership



Source: 7C Solarparken AG; Bloomberg

Contact


 Independent Research GmbH

 Friedrich-Ebert-Anlage 36
 60325 Frankfurt am Main, Germany

Telephone: +49 (69) 971490-0

Telefax: +49 (69) 971490-90

Internet: www.irffm.de

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Author: Stefan Röhle, CFA (analyst)

E-mail: sroehle@irffm.de

Dual track strategy to reach capacity target of 200 MWp

- ⇒ At its Capital Markets Day the management reiterated its target to develop 7C Solarparken into a Tier 2 player with a capacity of >200 (currently: 119) MWp. We think this transformation remains the main driver for the share price as larger players tend to trade at higher multiples (EV / EBITDA: >10; 7C Solarparken 2017E: 8.6). The planned cooperation with a project developer offers access to new projects and allows to insource margins. With respect to earnings, a M&A or co-investor deal is important, too. Due to the planned higher leverage (equity ratio: 28%) we expect growth to be immediately CFPS accretive.
- ⇒ Following the release of the 9M 2017 figures (adjusted EBITDA: EUR25.4m (22.9; our forecast: 25.5) 7C Solarparken has raised its guidance for 2017E. Since the company also surpassed its capacity targets (119 (planned: 115) MWp) we have increased our EBITDA forecasts for 2017E and 2018E by 2% and 3%.
- ⇒ Given the also confirmed first payment of a dividend (DPS 2017E: EUR0.10) we confirm our Buy recommendation with a price target of EUR3.60 (before: 3.40)).

	2013*	2014**	2015	2016	2017E	2018E
Revenues	10.2	14.6	25.4	30.3	32.9	34.9
EBITDA	9.6	16.7	24.9	27.9	29.0	29.9
EBITDA margin	93.7%	115.0%	98.2%	92.3%	87.9%	85.7%
Net income	0.4	7.4	5.5	4.7	6.2	6.4
Net margin	3.9%	50.7%	21.7%	15.5%	18.7%	18.5%
Earnings per share	0.02	0.28	0.16	0.11	0.14	0.14
Dividend per share	0.00	0.00	0.00	0.00	0.10	0.11
Equity ratio	21.0%	18.5%	23.5%	24.9%	30.1%	32.4%
Net financial debt / EBITDA	6.3	6.0	5.7	5.6	5.4	4.9
Net gearing	3.1	3.4	2.5	2.2	1.8	1.6
FFO	5.1	7.0	14.1	19.0	21.9	24.8
Cash earnings	5.2	6.4	13.9	14.8	19.6	24.5
FFO per share	0.24	0.26	0.41	0.45	0.49	0.53
FFO yield	20.7%	19.7%	21.3%	19.3%	20.4%	22.1%
Cash earnings yield	20.8%	18.1%	21.1%	15.0%	18.3%	21.8%
EV / EBITDA	11.3	10.6	9.1	9.1	8.6	8.3
P / E ratio	62.7	4.8	12.0	20.9	17.4	17.4
P / CF ratio	6.6	5.3	4.9	5.0	7.4	4.5
Dividend yield	0.0%	0.0%	0.0%	0.0%	4.2%	4.6%

Figures in EURm except EPS, DPS and FFO per share (EUR), Source: Independent Research; 7C Solarparken AG

* 7C Solarparken NV (without COLEXON) ** COLEXON consolidated since September 9, 2014

Please take note of the information concerning the preparation of this document, the information concerning potential conflicts of interest, the compulsory information required by Section 34b WpHG (Wertpapierhandelsgesetz - German Securities Trading Act), and the liability statement at the end of this document. This financial analysis in the meaning of Section 34b WpHG shall only be distributed to professional clients or eligible counterparties according to Section 31a WpHG.

Valuation

Valuation summary

*Fair value of EUR3.65
(before: 3.46) per share*

We value the share of 7C Solarparken with a DCF model and a peer group analysis. Our valuation models and forecasts are based on the current IPP portfolio of 119 MWp. The DCF model considers the guaranteed feed-in tariffs for 20 years and the achievable market price for electricity thereafter. 7C Solarparken has a cash flow driven business model. That is why we use cash flow based multiples in our peer group analysis. For 7C Solarparken, we derive an average fair value of EUR170.9 (before: 155.6) or EUR3.65 (before: 3.46) per share (the value of the PV real estate of EUR7.8m is included). On the one hand, the higher fair value reflects the higher peer group multiples. On the other hand, our calculation is now based on 46.792m (before: 44.998) shares. This is due to the recent capital increase (+1.970m shares) and only some additional shares from the conversion of the convertible bond 2016/17 (previous assumption: +0.200m new shares). We think the fair value is justified given the strong cash flow of 7C Solarparken (implied EV / EBITDA 2018E: 10.3 (peer group median: 11.1); implied P / CF ratio 2018E: 6.9 (peer group median: 7.1)).

7C Solarparken AG		
Valuation summary		
in EUR		
	Fair value	Weighting
Discounted cash flow model	3.12	50%
Peer group analysis	4.19	50%
Weighted fair value	3.65	
Price target		3.60
Source: Independent Research		

DCF model

*Sale of electricity at market
prices after expiry of feed-
in tariffs after 20 years*

The German Renewable Energy Act guarantees feed-in tariffs for 20 years. The average feed-in tariff of the IPP portfolio of 7C Solarparken is about EUR310/MWh. However, solar parks can be operated also after 20 years (fully depreciated, all debt is repaid, low operating costs). We suppose the solar parks to be run for 30 years (7C Solarparken owns about one third of the PV real estate allowing for the operation of the solar parks for 30 years; there are options for currently about 50% of the remaining PV real estate to renew the land lease contracts). After expiry of the guaranteed feed-in tariffs we estimate the price for electricity at EUR70/MWh. This is based on electricity peak price forward contracts of about EUR35/MWh plus grid fees of about EUR35/MWh (average of several German grid operators; 7C Solarparken can directly supply the medium-voltage power grid). Until 2026E we expect EBITDA margins of over 80% (all solar parks with guaranteed feed-in tariffs). In 2038E all solar parks will provide electricity at market prices. The EBITDA margin will drop to about 40%. The last solar park is to cease operations in 2047E. We calculate a WACC of 4.9% with a beta of 1.0. Altogether, we compute a fair value of equity of EUR145.8m (before: 132.0) or EUR3.12 (before: 2.93) per share. The terminal value (period in which solar parks successively cease operations) only makes up 2% of the total value.

*DCF model: fair value of
EUR3.12 per share*

Peer group analysis: fair value of EUR4.19 per share

The peer group consists of renewable energy companies operating solar, wind or hydrogen parks. Since both 7C Solarparken and the peer group companies have cash flow driven business models we use the cash flow based multiples EV / EBITDA and P / CF ratio. Compared to the peer group 7C Solarparken excels with a lean cost structure and an above-average cash flow generation (2018E: 71% of revenues vs. peer group median of 45%). Also, the leverage is lower (net financial debt / EBITDA 2018E: 4.9 vs. peer group median of 6.7). We calculate a fair value of equity of EUR195.9m (before: 179.2) or EUR4.19 (before: 3.98) per share. This reflects the higher multiples of the peer group and our slightly increased forecasts.

12/05/2017

7C Solarparken AG

Peer group analysis

	Renewable Energy	Countries	EV / EBITDA		P / CF ratio	
			2017E	2018E	2017E	2018E
8Point3 Energy Partners	Solar	USA	20.8	20.6	23.8	26.4
ABO Invest	Wind	Germany, France, Ireland	9.1	6.9	3.9	2.8
Algonquin Power & Utilities	Wind, solar, water	Canada, USA	13.5	12.0	10.0	8.9
Arise	Wind	Sweden	11.3	9.9	6.0	3.3
Atlantica Yield	Solar, wind, water	USA, Spain, South America	10.0	9.2	5.9	5.1
aventron	Wind, solar, water, etc.	Germany, France, Switzerland	13.4	12.7	8.3	8.6
Boralex	Wind, water	Canada, USA, France	13.7	11.5	8.8	7.1
Brookfield Renewable Partner	Water, wind, thermal	Canada, USA, South America etc.	15.7	13.7	18.6	16.0
Capital Stage	Solar, wind	Germany, Italy, France	11.6	11.1	6.9	6.4
Etrion	Solar	Italy, Chile, Japan	27.9	13.9	-	-
Falck Renewables	Wind, biomass, solar	UK, Italy, Spain, France	6.9	6.6	5.1	5.0
Greentech Energy Systems	Wind, solar	Italy, Spain, Denmark, Germany	6.2	6.1	3.5	3.2
Innervest Renewable Energy	Wind, water	Canada, USA	16.7	12.9	10.0	7.8
Northland Power	Wind, solar, water	Canada, Europe	16.3	13.0	9.2	7.4
Pattern Energy Group	Particularly wind, solar	USA, Canada, South America	15.2	13.2	10.7	7.2
Saeta Yield	Wind, solar	Spain	9.6	9.2	4.7	4.4
Scatec Solar	Solar	South Africa, Czech, Brazil, USA	7.4	7.6	8.2	6.4
Terna Energy	Wind, water	Greece, Poland, USA	7.9	6.6	5.5	-
Terraform Power	Solar	USA, Chile	15.0	14.1	10.5	8.8
Transalta Renewables	Water, wind	Canada	10.6	10.3	9.5	9.6
Voltaia	Wind, solar, water, etc.	France, Morocco, Greece etc.	14.7	8.8	9.3	5.8
Median			13.4	11.1	8.6	7.1
Average			13.0	10.9	8.9	7.9
Standard deviation			5.1	3.4	4.8	5.4
7C Solarparken AG	Solar	Germany	8.6	8.3	7.4	4.5

in EURm, OCFPS in EUR	EBITDA		Op. cash flow per share	
	2017E	2018E	2017E	2018E
7C Solarparken AG	29.0	29.9	0.32	0.53
Fair enterprise value (EV) (EURm)	388.7	331.4		
Fair value per share (EUR)			2.78	3.76
Cash and cash equivalents (EURm)	44.3			
Financial debt (EURm)	-181.4			
Fair market value (EURm)	251.6	194.3		
PV real estate (EURm and EUR per share)	7.8	7.8	0.17	0.17
Fair market value incl. PV real estate	259.4	202.1		
Number of shares outstanding (m)	46.792			
Fair market value per share	5.54	4.32	2.95	3.93
Average	4.93		3.44	
Weighting	50%		50%	
Weighted fair market value per share (EUR)			4.19	

Source: Independent Research; Bloomberg

Closing share price as of 12/04/17

Financial, balance sheet and income analysis

Portfolio expansion and higher solar radiation

Reduction of net debt demonstrates strength of cash flow generation

Good performance despite poor weather conditions - increased guidance for 2017E

7C Solarparken has published solid figures for 9M 2017. Adjusted EBITDA improved to EUR25.4m (22.9; our forecast: 25.5) thanks to the expansion of the IPP portfolio (average installed capacity: +17%; new solar parks in Leipzig (+1.5 MWp) and Großfurra (+4.1 MWp); acquisition of Swan Energy (+1.2 MWp)) as well as a higher solar radiation in the first six months of the year. However, in Q3 2017 adjusted EBITDA fell to EUR9.8m (10.2) because of poor weather conditions particularly in September. We want to stress the decline of net debt to EUR141.6 (as of December 31, 2016: 156.7) until the end of Q3 2017. This demonstrates the high cash flow generation - also given a capex for acquisitions and new builds of EUR8.5m vs. proceeds from two capital increases of EUR5.2m. With the recent portfolio additions in Bitterfeld (+4.6 MWp; EBITDA contribution: EUR0.3m p.a.) and Rüsselsheim (+6.7 MWp; EBITDA contribution: EUR1.5m p.a.) 7C Solarparken has increased its installation base to 118.8 (as of December 31, 2016: 100.5) MWp thus exceeding the target of 115 MWp. Also, the management has increased its guidance for 2017E now expecting EBITDA of EUR28.5m (before: >27.0). For this reason, we have raised our EBITDA forecasts for 2017E and 2018E to EUR29.0m (before: 28.5) and EUR29.9m (before: 29.1).

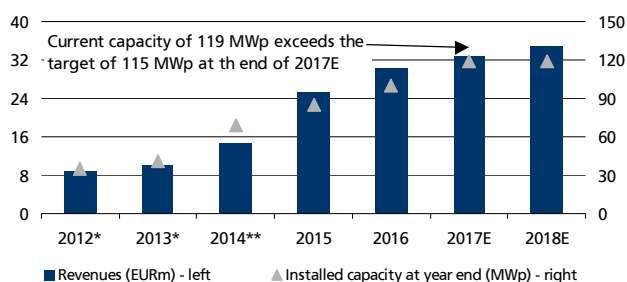
7C Solarparken AG

Ausgewählte Kennziffern der Gewinn- und Verlustrechnung

in Mio. Euro	Q3 2016 reported	Q3 2017 reported	9M 2016 reported	9M 2017 reported	9M 2017 IR estimates
Average capacity (MWp)	90.0	106.0	88.0	103.0	-
Production (GWh)	33.0	36.0	76.0	92.0	-
Revenues	11.3	11.3	26.5	29.4	29.5
Change y/y	-	0.1%	-	11.0%	93.5%
Reported EBITDA	11.5	10.1	24.9	26.9	26.7
Adjusted EBITDA	10.2	9.8	22.9	25.4	25.5
Adjusted EBITDA margin	90.6%	87.0%	86.4%	86.4%	86.4%
Net financial debt (end of period)	151.4	141.6	151.4	141.6	142.0
Net financial debt / EBITDA	5.0	5.0	5.0	5.0	3.4

Source: Independent Research; 7C Solarparken AG

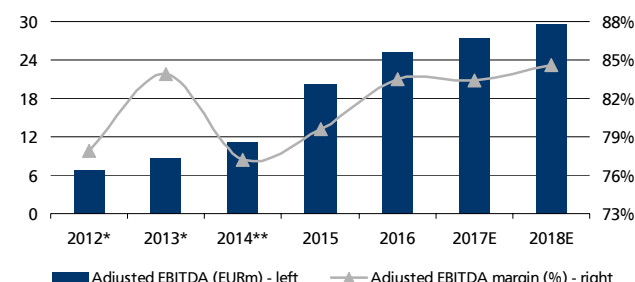
Installed capacity and revenue



Source: Independent Research;
7C Solarparken AG

* 7C Solarparken NV (excl. COLEXON)
** COLEXON consolidated as of 09/09/14

Adjusted EBITDA and EBITDA margin

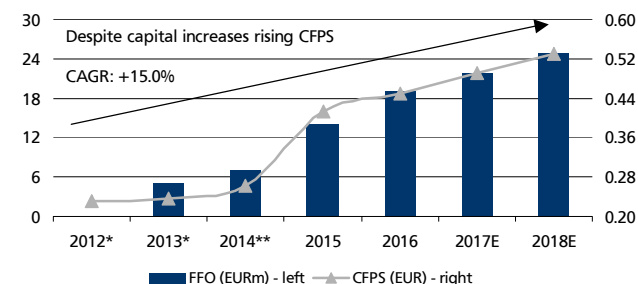


Source: Independent Research;
7C Solarparken AG

* 7C Solarparken NV (excl. COLEXON)
** COLEXON consolidated as of 09/09/14

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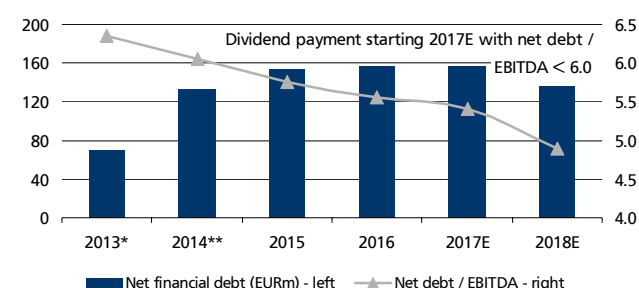
FFO and cash flow per share



Source: Independent Research;
7C Solarparken AG

* 7C Solarparken NV (excl. COLEXON)
** COLEXON consolidated as of 09/09/14

Net financial debt



Source: Independent Research;
7C Solarparken AG

* 7C Solarparken NV (excl. COLEXON)
** COLEXON consolidated as of 09/09/14

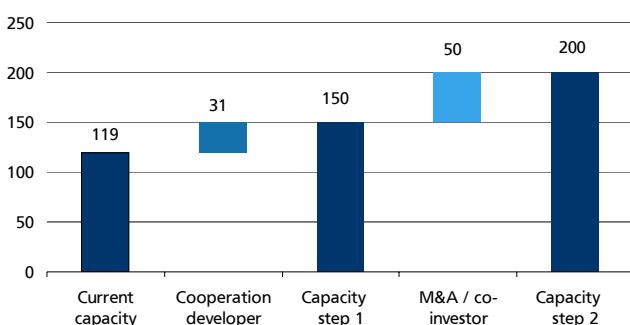
Extension of value chain with insourcing of margins

Cooperation with project developers and M&A to boost IPP portfolio to 200 MWp

From our point of view the plan to transform 7C Solarparken into a Tier 2 player (installed capacity: >200 MWp) remains the main driver for the share. We feel the dual track strategy (1. cooperation with a project developer; 2. M&A or co-investor model) presented at the Capital Markets Day (November 24, 2017) offers 7C Solarparken more flexibility. Due to the scarcity of existing IPP portfolios and the sharp decrease in feed-in tariffs in Germany it makes sense to "insource margins" by agreeing to buy pre-defined capacities directly from a project developer. This extension of the value chain also observed at other players (Capital Stage cooperates with Solarcentury and gets access to projects with up to 1,100 MWp) could increase the project IRR by 2 to 4 percentage points (at somewhat higher risk). With a cooperation 7C Solarparken wants to grow its IPP portfolio to 150 MWp and the EBITDA by EUR2.0m. Given the deteriorating currently unprofitable feed-in tariffs for large solar plants (average price at the auction in October: EUR49/MWh) the strategy to mainly construct plants with a capacity <750 kWp (feed-in tariff: EUR88/MWh) makes sense. However, the potential to build small plants is limited. That is why we feel that the second pillar - M&A deal or co-investor model (build up and manage an IPP portfolio for institutional investors) - is necessary to bring the installed capacity to 200 MWp. Due to the low feed-in tariffs for new plants a M&A or co-investor deal could have the most important impact on EBITDA.

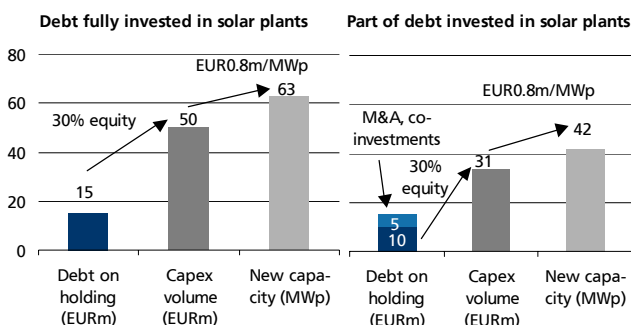
M&A and co-investor deal as important EBITDA drivers

Business plan 2017E to 2019E: Capacity (MWp)



Source: 7C Solarparken AG

Business plan 2017E to 2019E: Financing



Source: Independent Research; 7C Solarparken AG

7C Solarparken AG**Income statement**

in EURm	2013*	2014**	2015	2016	2017E	2018E
Revenues	10.2	14.6	25.4	30.3	32.9	34.9
Change in inventory	0.0	0.0	0.0	0.0	0.0	0.0
Total operating performance	10.2	14.6	25.4	30.3	32.9	34.9
Cost of materials	-2.4	-3.7	-4.9	-5.8	-4.7	-5.6
Gross profit	7.9	10.8	20.5	24.5	28.2	29.3
Other operating income	1.9	6.5	5.7	4.6	2.0	2.0
Personnel expenses	-0.1	-0.5	-1.3	-1.2	-1.3	-1.4
Other operating expenses	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	9.6	16.7	24.9	27.9	29.0	29.9
Depreciation and amortisation	-5.0	-6.6	-13.3	-16.0	-17.1	-17.7
EBIT	4.5	10.1	11.6	12.0	11.8	12.2
Financial result	-4.1	-2.6	-5.2	-5.8	-4.7	-4.7
EBT	0.4	7.5	6.4	6.2	7.2	7.5
Income taxes	0.0	-0.1	-0.8	-1.5	-1.0	-1.1
Net income before minority interests	0.4	7.4	5.5	4.7	6.2	6.4
Minority interests	0.0	-0.1	0.0	0.0	0.0	0.0
Net income	0.4	7.4	5.5	4.7	6.2	6.4
Average number of shares outstanding (m)	21.820	26.641	34.066	42.270	44.631	46.792
Earnings per share (EUR)	0.02	0.28	0.16	0.11	0.14	0.14
Dividend per share (EUR)	0.00	0.00	0.00	0.00	0.10	0.11

Source: Independent Research; 7C Solarparken AG

* 7C Solarparken NV (without COLEXON) ** COLEXON consolidated since September 9, 2014

7C Solarparken AG**Income statement (positionen in % of revenues)**

	2013*	2014**	2015	2016	2017E	2018E
Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Change in inventory	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total operating performance	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of materials	-23.0%	-25.7%	-19.1%	-19.2%	-14.3%	-16.0%
Gross profit	77.0%	74.3%	80.9%	80.8%	85.7%	84.0%
Other operating income	18.1%	44.4%	22.4%	15.3%	6.1%	5.7%
Personnel expenses	-1.4%	-3.7%	-5.0%	-3.9%	-3.9%	-3.9%
Other operating expenses	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EBITDA	93.7%	115.0%	98.2%	92.3%	87.9%	85.7%
Depreciation and amortisation	-49.3%	-45.3%	-52.5%	-52.7%	-52.1%	-50.8%
EBIT	44.4%	69.7%	45.7%	39.6%	35.9%	34.9%
Financial result	-40.3%	-18.1%	-20.6%	-19.0%	-14.2%	-13.4%
EBT	4.2%	51.6%	25.2%	20.6%	21.7%	21.5%
Income taxes	-0.3%	-0.5%	-3.3%	-5.0%	-3.0%	-3.1%
Net income before minority interests	3.8%	51.1%	21.8%	15.5%	18.7%	18.4%
Minority interests	0.1%	-0.4%	-0.2%	0.0%	0.0%	0.0%
Net income	3.9%	50.7%	21.7%	15.5%	18.7%	18.5%

Source: Independent Research; 7C Solarparken AG

* 7C Solarparken NV (without COLEXON) ** COLEXON consolidated since September 9, 2014

7C Solarparken AG**Balance sheet**

in EURm	2013*	2014**	2015	2016	2017E	2018E
Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Other intangible assets	0.6	0.5	0.5	0.7	0.7	0.7
Property, plant and equipment	92.9	175.7	227.3	242.1	251.3	234.2
Financial assets	2.0	1.4	0.0	0.2	0.0	0.0
Other non-current assets	0.0	0.5	0.5	0.6	0.6	0.7
Deferred tax assets	0.8	5.9	5.0	5.3	4.5	3.8
Non-current assets	96.2	184.0	233.4	248.9	257.2	239.3
Inventories	0.2	0.2	0.2	0.4	0.3	0.4
Account receivables	0.7	1.3	1.4	2.2	1.5	1.5
Other current assets	0.7	1.9	2.4	3.6	3.0	3.1
Cash and cash equivalents	9.4	20.4	27.3	29.9	23.9	27.0
Current assets	11.0	23.8	31.4	36.1	28.7	32.0
Total assets	107.2	207.8	264.7	285.1	285.8	271.4
Subscribed capital	8.7	34.0	40.5	42.5	46.8	46.8
Capital reserve	10.6	0.3	10.1	11.9	17.5	17.5
Retained earnings	2.7	4.0	11.7	16.3	21.5	23.3
Reserves for at-equity results	0.5	0.0	0.0	0.0	0.0	0.0
Reserves for foreign exchange	0.0	0.0	0.0	0.0	0.0	0.0
Reserves for derivative instruments	0.0	0.0	-0.1	-0.1	-0.1	-0.1
Treasury shares	0.0	0.0	0.0	0.0	0.0	0.0
Minority interests	0.0	0.1	0.1	0.4	0.4	0.4
Equity	22.5	38.4	62.3	71.0	86.1	87.8
Non-current financial liabilities	72.4	138.3	165.0	168.6	166.6	153.5
Other non-current provisions	2.3	10.1	7.8	7.9	6.0	6.6
Deferred tax liabilities	1.4	4.0	9.0	11.0	10.6	10.3
Non-current liabilities	76.1	152.3	181.8	187.5	183.1	170.4
Short-term financial liabilities	7.3	14.3	16.5	17.9	13.9	9.9
Account payables	0.7	2.2	1.7	7.6	1.7	2.0
Advanced payments received	0.0	0.0	0.0	0.0	0.0	0.0
Tax provisions	0.0	0.2	0.1	0.3	0.2	0.3
Other current provisions	0.0	0.0	0.0	0.0	0.0	0.0
Other current liabilities	0.6	0.4	2.4	0.7	0.8	0.8
Current liabilities	8.6	17.1	20.6	26.6	16.6	13.1
Total equity and liabilities	107.2	207.8	264.7	285.1	285.8	271.4

Source: Independent Research; 7C Solarparken AG

* 7C Solarparken NV (without COLEXON) ** COLEXON consolidated since September 9, 2014

7C Solarparken AG**Balance sheet (positions in % of balance sheet total)**

	2013*	2014**	2015	2016	2017E	2018E
Goodwill	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other intangible assets	0.5%	0.3%	0.2%	0.2%	0.2%	0.3%
Property, plant and equipment	86.6%	84.5%	85.8%	84.9%	87.9%	86.3%
Financial assets	1.8%	0.7%	0.0%	0.1%	0.0%	0.0%
Other non-current assets	0.0%	0.2%	0.2%	0.2%	0.2%	0.2%
Deferred tax assets	0.7%	2.8%	1.9%	1.9%	1.6%	1.4%
Non-current assets	89.7%	88.5%	88.2%	87.3%	90.0%	88.2%
Inventories	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%
Account receivables	0.6%	0.6%	0.5%	0.8%	0.5%	0.6%
Other current assets	0.7%	0.9%	0.9%	1.3%	1.0%	1.2%
Cash and cash equivalents	8.8%	9.8%	10.3%	10.5%	8.4%	9.9%
Current assets	10.3%	11.5%	11.8%	12.7%	10.0%	11.8%
Total assets	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Subscribed capital	8.1%	16.4%	15.3%	14.9%	16.4%	17.2%
Capital reserve	9.9%	0.1%	3.8%	4.2%	6.1%	6.4%
Retained earnings	2.5%	1.9%	4.4%	5.7%	7.5%	8.6%
Reserves for at-equity results	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%
Reserves for foreign exchange	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Reserves for derivative instruments	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Treasury shares	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Minority interests	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%
Equity	21.0%	18.5%	23.5%	24.9%	30.1%	32.4%
Non-current financial liabilities	67.5%	66.5%	62.3%	59.2%	58.3%	56.6%
Other non-current provisions	2.1%	4.8%	2.9%	2.8%	2.1%	2.4%
Deferred tax liabilities	1.3%	1.9%	3.4%	3.8%	3.7%	3.8%
Non-current liabilities	71.0%	73.3%	68.7%	65.8%	64.1%	62.8%
Short-term financial liabilities	6.8%	6.9%	6.2%	6.3%	4.9%	3.7%
Account payables	0.6%	1.0%	0.6%	2.7%	0.6%	0.7%
Advanced payments received	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Tax provisions	0.0%	0.1%	0.0%	0.1%	0.1%	0.1%
Other current provisions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other current liabilities	0.6%	0.2%	0.9%	0.3%	0.3%	0.3%
Current liabilities	8.0%	8.2%	7.8%	9.3%	5.8%	4.8%
Total equity and liabilities	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Independent Research; 7C Solarparken AG

* 7C Solarparken NV (without COLEXON) ** COLEXON consolidated since September 9, 2014

7C Solarparken AG**Cash flow statement**

in EURm	2013*	2014**	2015	2016	2017E	2018E
Net income before minority interests	0.4	7.4	5.5	4.7	6.2	6.4
Depreciation and amortisation	5.0	6.6	13.3	16.0	17.1	17.7
Book profits/losses	-0.1	-0.3	0.3	1.1	-0.5	-0.4
Income from at-equity method	0.6	0.3	-0.1	0.0	0.0	0.0
Increase/decrease of provisions	0.1	0.2	-3.7	0.1	-1.9	0.8
Net financial result	3.6	4.3	5.4	5.8	4.7	4.7
Interest paid	-3.4	-4.7	-6.5	-8.1	-7.0	-5.1
Income taxes paid	0.0	0.0	0.0	-0.2	0.0	0.0
Other non-cash income/expenses	-1.0	-7.4	-2.9	-1.8	0.0	0.0
Increase/decrease of account receivables and other assets	0.3	1.4	0.6	-1.8	2.2	0.4
Increase/decrease of account payables and other liabilities	-1.7	-1.1	1.4	3.9	-6.3	0.1
Change in working capital	-1.4	0.3	-0.6	5.0	-5.2	0.2
Cash earnings	5.2	6.4	13.9	14.8	19.6	24.5
Cash flow from operating activities	3.8	6.8	13.4	19.7	14.5	24.7
Investments in intangible and tangible assets	-3.2	-1.8	-2.4	-16.1	-25.7	-0.2
Income from sale of assets	0.4	0.1	1.5	0.1	0.0	0.0
Sale of consolidated entities (net)	0.0	0.3	1.1	1.6	0.0	0.0
Acquisition of consolidated entities (net)	-0.5	9.8	3.1	-3.3	0.0	0.0
Interest received	0.0	0.0	0.0	0.1	0.4	0.4
Cash flow from investing activities	-3.3	8.4	3.3	-17.7	-25.3	0.1
Proceeds from capital increase	9.7	0.7	6.0	6.1	9.8	0.0
Sale/purchase of treasury shares	0.0	0.0	0.7	0.0	0.0	0.0
Dividend payment	0.0	0.0	0.0	0.0	0.0	-4.7
Proceeds/repayment of financial liabilities	-7.8	-4.9	-16.4	-5.5	-5.1	-17.1
Cash flow from financing activities	2.0	-4.1	-9.8	0.5	4.8	-21.7
Change in cash and cash equivalents	2.4	11.0	6.9	2.6	-6.0	3.1
Exchange rate and consolidation effects	0.0	0.0	0.0	0.0	0.0	0.0
Cash and cash equivalents at the beginning of the period	7.0	9.4	20.4	27.3	29.9	23.9
Cash and cash equivalents at the end of the period	9.4	20.4	27.3	29.9	23.9	27.0

Source: Independent Research; 7C Solarparken AG

* 7C Solarparken NV (without COLEXON) ** COLEXON consolidated since September 9, 2014

7C Solarparken AG**Key figures**

	2013*	2014**	2015	2016	2017E	2018E
Growth analysis						
Revenue growth	17.5%	42.2%	74.3%	19.4%	8.7%	6.0%
EBITDA growth	41.3%	74.5%	48.8%	12.2%	3.6%	3.4%
EBIT growth	55.0%	123.0%	14.4%	3.4%	-1.5%	3.3%
EPS growth	-0.5%	1457.8%	-41.7%	-31.6%	23.9%	-0.2%
Margin analysis						
EBITDA margin	93.7%	115.0%	98.2%	92.3%	87.9%	85.7%
EBIT margin	44.4%	69.7%	45.7%	39.6%	35.9%	34.9%
Net margin	3.9%	50.7%	21.7%	15.5%	18.7%	18.5%
Yield analysis						
ROI	0.4%	4.7%	2.3%	1.7%	2.2%	2.3%
ROCE	5.2%	7.2%	4.8%	3.8%	4.1%	4.2%
ROE	2.3%	24.3%	10.9%	7.1%	7.9%	7.4%
ROIC	4.8%	6.6%	4.4%	3.5%	3.8%	3.9%
Balance sheet analysis						
Equity ratio	21.0%	18.5%	23.5%	24.9%	30.1%	32.4%
Equity / non-current assets ratio	23.4%	20.9%	26.7%	28.5%	33.5%	36.7%
Equity + non-current liabilities / non-current assets ratio	102.5%	103.6%	104.6%	103.8%	104.7%	107.9%
Asset intensity	89.7%	88.5%	88.2%	87.3%	90.0%	88.2%
Working capital / revenues	-0.5%	-1.5%	-1.4%	-8.4%	-7.4%	0.0%
Debt ratios						
Total financial debt (EURm)	79.7	152.6	181.5	186.5	180.5	163.5
Net financial debt (EURm)	70.3	132.1	154.2	156.7	156.6	136.5
Net financial debt / EBITDA	6.3	6.0	5.7	5.6	5.4	4.9
Net gearing	3.1	3.4	2.5	2.2	1.8	1.6
EBITDA interest coverage	2.7	3.9	4.2	4.2	4.9	5.9
EBIT interest coverage	1.3	2.3	1.9	1.8	2.0	2.4
Cash flow analysis						
FFO (EURm)	5.1	7.0	14.1	19.0	21.9	24.8
Cash earnings (EURm)	5.2	6.4	13.9	14.8	19.6	24.5
Free cash flow (FCF) (EURm)	0.6	4.9	11.0	3.6	-11.2	24.5
Cash flow per share (CFPS; FFO per share) (EUR)	0.24	0.26	0.41	0.45	0.49	0.53
Cash earnings per share (EUR)	0.24	0.24	0.41	0.35	0.44	0.52
FCF per share (EUR)	0.03	0.19	0.32	0.08	-0.25	0.52
FFO yield	20.7%	19.7%	21.3%	19.3%	20.4%	22.1%
Cash earnings yield	20.8%	18.1%	21.1%	15.0%	18.3%	21.8%
FCF yield	2.4%	13.9%	16.6%	3.7%	-10.4%	21.8%
Capex (EURm)	3.2	1.8	2.4	16.1	25.7	0.2
Valuation multiples						
Book value per share (EUR)	0.67	1.14	1.68	1.67	1.84	1.88
EV / EBITDA	11.3	10.6	9.1	9.1	8.6	8.3
EV / CF ratio	28.7	26.2	16.9	12.9	17.2	10.1
EV / FCF ratio	185.3	35.8	20.6	71.2	neg.	10.2
P / E ratio	62.7	4.8	12.0	20.9	17.4	17.4
P / B ratio	1.7	1.2	1.2	1.4	1.3	1.3
P / CF ratio	6.6	5.3	4.9	5.0	7.4	4.5
Dividend yield	0.0%	0.0%	0.0%	0.0%	4.2%	4.6%

Source: Independent Research; 7C Solarparken AG

* 7C Solarparken NV (without COLEXON) ** COLEXON consolidated since September 9, 2014

Please notice the advice regarding possible conflicts of interests as well as the disclaimer at the end of this document

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Recommendations concerning particular shares (since December 18, 2009)

- Buy: According to our assessment, the stock will rise by at least 15% in absolute terms within a 6-month period.
- Hold: According to our assessment, the stock will rise by between 0% and 15% in absolute terms within a 6-month period.
- Sell: According to our assessment, the stock will decline in absolute terms within a 6-month period.

Recommendations concerning particular shares (until December 17, 2009)

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- Accumulate: According to our assessment, the stock will rise by between 0% and 15% in absolute terms within a 6-month period.
- Reduce: According to our assessment, the stock will decline by between 0% and 15% in absolute terms within a 6-month period.
- Sell: According to our assessment, the stock will decline by least 15% in absolute terms within a 6-month period.

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Analyses of shares:

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Emittent	Conflicts of interest
7C Solarparken AG	5, 6

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Independent Research GmbH
Friedrich-Ebert-Anlage 36
60325 Frankfurt am Main, Germany

Responsible supervisory authority:
Federal Financial Supervisory Authority
(Bundesanstalt für Finanzdienstleistungsaufsicht)
Graurheindorfer Str. 108, 53117 Bonn, Germany
and
Marie-Curie-Straße 24-28, 60439 Frankfurt am Main, Germany