

<b>Buy</b>  <b>EUR 3.20</b> (EUR 3.00)  Price <b>EUR 2.58</b> <b>Upside 24.0 %</b>	<b>Value Indicators:</b> EUR		<b>Share data:</b>		<b>Description:</b>
	DCF:	3.24	Bloomberg:	HRPK GR	
			Reuters:	HRPKk.DE	7C Solarparken is an independent operator of photovoltaic power plants
			ISIN:	DE000A11QW68	
<b>Market Snapshot:</b> EUR m		<b>Shareholders:</b>		<b>Risk Profile (WRe):</b> 2018e	
Market cap:	120.7	Freefloat	73.7 %	Beta:	1.1
No. of shares (m):	46.8	Steven De Proost	5.6 %	Price / Book:	1.4 x
EV:	270.2	Librae Holdings Limited	11.0 %	Equity Ratio:	29 %
Freefloat MC:	88.9	Rodolphe de Spoelberch	9.7 %	Net Fin. Debt / EBITDA:	4.9 x
Ø Trad. Vol. (30d):	79.19 th			Net Debt / EBITDA:	4.9 x

## All set to deliver on FY 2018 growth plan

7C Solarparken released FY 2017 figures, which were better than expected.

**Strong performance in FY 2017:** Sales came in at EUR 33.0m (WRe EUR 31.9m) up 8.9% yoy driven by portfolio extensions. Adj. EBITDA was up 12% to EUR 28.2m (WRe EUR 27.1m) driven by portfolio extension and optimization. Reported EBITDA (incl. one-off effects, such as bad will) came in at EUR 29.9m, above the guided EUR 28.5m. Net cash flow per share (i.e. EBITDA less net interest and tax payments) was at EUR 0.49 (WRe EUR 0.46). In addition, the company announced a dividend of EUR 0.10 (WRe EUR 0.10) which implies a yield of 3.9% at current share price levels.

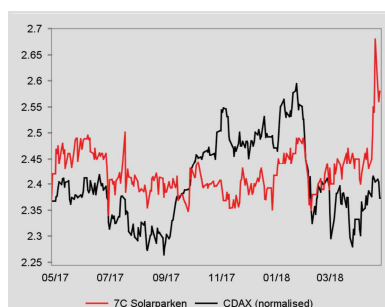
**Solid outlook for FY 2018:** 7C targets an EBITDA of EUR 29.6m (our previous estimate was EUR 28.7m) and a net cash flow per share of EUR 0.49 (our previous estimate was EUR 0.50). The guidance is based on the existing portfolio, as are our estimates, and also reflects the adverse weather conditions in Q1 2018.

**Company is well on track with its FY 2018 game-plan:** Following the Amatec deal and the issuance of promissory notes with a total volume of EUR 25m (see our Comment dated 28.03.2018 "*Roadshow Feedback: Promising project pipeline*"), 7C is now working at full speed to execute the current pipeline. One large rooftop PV portfolio (total capacity 8.9MWp) in Eastern Germany is already operating and is likely to be consolidated in Q2 2018. Two further PV parks (one freefield and one rooftop) are currently under construction but could also become operational in the course of Q2. These two would each add 0.7MWp to the portfolio. In sum, the three parks could boost the current portfolio with a total capacity of c. 124MW to about 134MWp. Hence 7C is already making strong progress to reach the FY target of 150MWp. To close the remaining gap, 7C has a promising pipeline of another 16MWp, thereof 6MWp are expected to be consolidated in Q3 and 10MWp in Q4 2018.

**PT up to EUR 3.20:** Following the release of the annual report, we rolled forward and fine-tuned our model, which leads to a new PT of EUR 3.20. A 15% FCF yield in connection with a dividend yield of c. 4% is seen as appealing and sustainable as operating risks are considered to be low. We reiterate our Buy recommendation.

Changes in Estimates:				Comment on Changes:		
FY End: 31.12. in EUR m	2018e (old)	+ / -	2019e (old)	+ / -	2020e (old)	+ / -
<b>Sales</b>	34.6	1.7 %	34.6	4.0 %	n.a.	n.m.
<b>EBITDA adj.</b>	28.7	4.8 %	28.7	7.2 %	n.a.	n.m.

■ Changes reflect recent portfolio changes

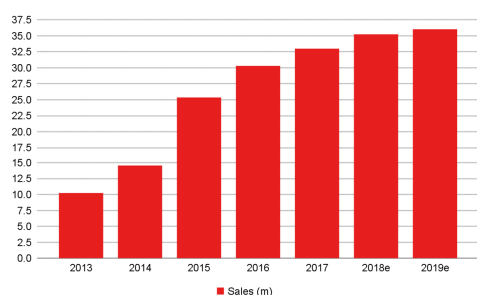


Rel. Performance vs CDAX:	
1 month:	0.8 %
6 months:	12.2 %
Year to date:	10.7 %
Trailing 12 months:	8.7 %

Company events:	
28.05.18	RS FFM
31.05.18	Q1
01.06.18	AGM
26.09.18	Q2

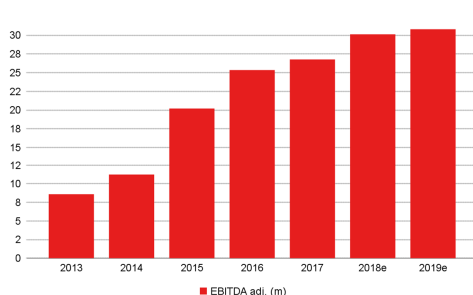
FY End: 31.12. in EUR m	CAGR (17-20e)	2014	2015	2016	2017	2018e	2019e	2020e
<b>Sales</b>	3.0 %	14.6	25.4	30.3	33.0	35.2	36.0	36.0
Change Sales yoy		42.2 %	74.3 %	19.4 %	8.9 %	6.8 %	2.3 %	0.0 %
Gross profit margin		100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
<b>EBITDA adj.</b>		11.2	20.2	25.3	26.8	30.1	30.8	30.8
<b>EBITDA</b>	1.0 %	16.7	24.9	27.9	29.9	30.1	30.8	30.8
Margin		115.0 %	98.2 %	92.3 %	90.5 %	85.5 %	85.5 %	85.5 %
<b>EBIT</b>	0.6 %	10.1	11.6	12.0	12.6	12.5	12.8	12.8
Margin		69.7 %	45.7 %	39.6 %	38.1 %	35.5 %	35.5 %	35.5 %
<b>Net income</b>	-1.6 %	7.4	5.5	4.7	6.0	5.5	5.7	5.7
<b>EPS</b>	-2.6 %	0.27	0.16	0.11	0.13	0.12	0.12	0.12
<b>EPS adj.</b>	-2.6 %	0.27	0.16	0.11	0.13	0.12	0.12	0.12
<b>DPS</b>	0.0 %	0.00	0.00	0.00	0.10	0.10	0.10	0.10
Dividend Yield		n.a.	n.a.	n.a.	4.2 %	3.9 %	3.9 %	3.9 %
<b>FCFPS</b>		0.25	0.39	0.35	0.16	0.05	0.46	0.47
<b>FCF / Market cap</b>		18.1 %	19.8 %	15.0 %	6.7 %	1.9 %	18.0 %	18.0 %
<b>EV / Sales</b>		11.7 x	8.8 x	8.4 x	7.9 x	7.7 x	7.0 x	6.6 x
<b>EV / EBITDA</b>		10.2 x	8.9 x	9.1 x	8.7 x	9.0 x	8.2 x	7.7 x
<b>EV / EBIT</b>		16.8 x	19.1 x	21.3 x	20.6 x	21.6 x	19.8 x	18.5 x
<b>P / E</b>		5.1 x	12.4 x	21.2 x	18.5 x	21.5 x	21.5 x	21.5 x
<b>FCF Potential Yield</b>		9.8 %	10.8 %	10.4 %	11.0 %	10.6 %	11.6 %	12.4 %
<b>Net Debt</b>		132.1	154.2	156.7	146.6	149.0	132.0	115.9
<b>ROCE (NOPAT)</b>		7.6 %	5.2 %	4.1 %	4.4 %	4.3 %	4.5 %	4.8 %
<b>Guidance:</b>	EBITDA > EUR 29.6m; Net CF per share EUR 0.49							

**Sales development**  
in EUR m



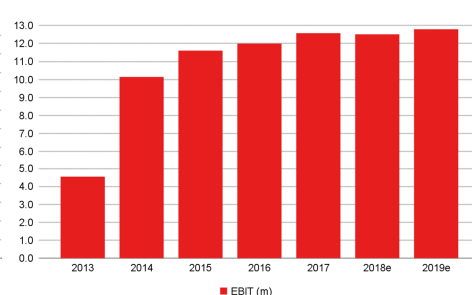
Source: Warburg Research

**Adj. EBITDA development**  
in EUR m



Source: Warburg Research

**EBIT development**  
in EUR m



Source: Warburg Research

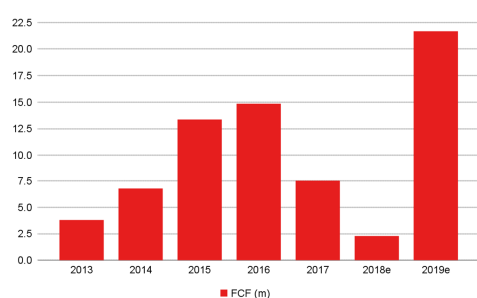
## Company Background

- 7C Solarparken is an independent operator of photovoltaic power plants in Germany. The company has a portfolio of 76 PV parks with a total capacity of about 134MWp.
- The parks in the portfolio have a strong geographic focus on Germany, i.e. almost 100% of the total portfolio capacity is installed in Germany.
- The portfolio includes rooftop plants (57MWp) as well as ground-mounted plants (75MWp).
- Beside the portfolio expansion through new acquisitions of parks with a preferred target size of up to 5MWp, the company is also focusing on the optimisation of parks in the current portfolio.

## Competitive Quality

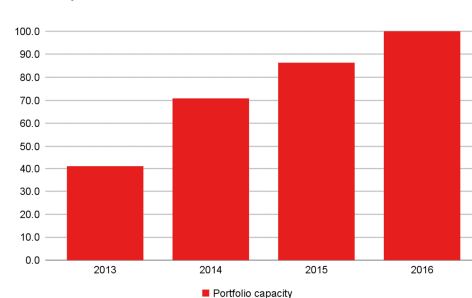
- By focusing on rather small photovoltaic plants the company is facing less competition and has the opportunity to increase yields on the back of park optimisation practices.
- As 7C Solarparken has a strong focus on Germany with respect to the portfolio parks, the company benefits from a stable and reliable political environment.
- Owning PV estate of certain portfolio parks provides the company with planning flexibility for the time when subsidies expire.

**FCF development**  
in EUR m



Source: Warburg Research

**Portfolio capacity**  
in MWp



Source: Warburg Research

**DCF model**

Figures in EUR m	Detailed forecast period			Transitional period										Term. Value
	2018e	2019e	2020e	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	
Sales	35.2	36.0	36.0	36.0	36.0	36.0	36.0	36.0	36.0	36.0	36.0	36.0	36.0	0.0 %
Sales change	6.8 %	2.3 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	
EBIT	12.5	12.8	12.8	12.6	12.6	12.6	12.6	12.6	12.6	12.6	12.6	12.6	12.6	35.0 %
EBIT-margin	35.5 %	35.5 %	35.5 %	35.0 %	35.0 %	35.0 %	35.0 %	35.0 %	35.0 %	35.0 %	35.0 %	35.0 %	35.0 %	
Tax rate (EBT)	20.0 %	20.0 %	20.0 %	22.0 %	24.0 %	24.0 %	26.0 %	28.0 %	29.0 %	29.0 %	29.0 %	29.0 %	29.0 %	9.0
NOPAT	10.0	10.2	10.2	9.8	9.6	9.6	9.3	9.1	9.0	9.0	9.0	9.0	9.0	
Depreciation	17.6	18.0	18.0	17.8	17.8	17.8	17.8	17.8	17.8	17.8	17.8	17.8	17.8	49.5 %
in % of Sales	50.0 %	50.0 %	50.0 %	49.5 %	49.5 %	49.5 %	49.5 %	49.5 %	49.5 %	49.5 %	49.5 %	49.5 %	49.5 %	
Changes in provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	10.0 %
Change in Liquidity from														
- Working Capital	-0.2	0.1	0.0	-4.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	106.0 %
- Capex	21.1	2.0	2.0	1.1	1.1	1.1	1.1	1.1	1.1	3.6	45.0	38.2	37.7	
Capex in % of Sales	59.9 %	5.6 %	5.6 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	10.0 %	125.0 %	106.0 %	104.5 %	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Free Cash Flow (WACC Model)	6.8	26.1	26.2	30.7	26.3	26.3	26.1	25.8	25.7	23.2	-18.3	-11.4	-10.9	9
PV of FCF	6.6	24.6	23.7	26.7	22.0	21.1	20.1	19.1	18.3	15.9	-12.0	-7.2	-6.6	
share of PVs	17.85 %			38.19 %										43.96 %

**Model parameter**

Derivation of WACC:		Derivation of Beta:	
Debt ratio	75.00 %	Financial Strength	1.30
Cost of debt (after tax)	2.8 %	Liquidity (share)	1.30
Market return	7.00 %	Cyclicality	0.90
Risk free rate	1.50 %	Transparency	1.00
		Others	1.10
<b>WACC</b>	<b>4.03 %</b>	<b>Beta</b>	<b>1.12</b>

**Valuation (m)**

Present values 2030e	172		
Terminal Value	135		
Financial liabilities	181		
Pension liabilities	8		
Hybrid capital	0		
Minority interest	1		
Market val. of investments	0		
Liquidity	34	No. of shares (m)	46.8
<b>Equity Value</b>	<b>152</b>	<b>Value per share (EUR)</b>	<b>3.24</b>

**Sensitivity Value per Share (EUR)**

		Terminal Growth									Delta EBIT-margin						
Beta	WACC	-0.75 %	-0.50 %	-0.25 %	0.00 %	0.25 %	0.50 %	0.75 %	Beta	WACC	-1.5 pp	-1.0 pp	-0.5 pp	+0.0 pp	+0.5 pp	+1.0 pp	+1.5 pp
1.85	5.0 %	2.00	2.08	2.17	2.26	2.37	2.49	2.62	1.85	5.0 %	2.09	2.15	2.21	2.26	2.32	2.38	2.44
1.48	4.5 %	2.36	2.46	2.58	2.70	2.84	3.00	3.18	1.48	4.5 %	2.51	2.58	2.64	2.70	2.76	2.83	2.89
1.30	4.3 %	2.56	2.68	2.81	2.96	3.12	3.31	3.52	1.30	4.3 %	2.76	2.82	2.89	2.96	3.02	3.09	3.16
1.12	4.0 %	2.79	2.92	3.07	3.24	3.43	3.65	3.90	1.12	4.0 %	3.03	3.10	3.17	3.24	3.31	3.38	3.45
0.94	3.8 %	3.04	3.19	3.37	3.57	3.79	4.05	4.35	0.94	3.8 %	3.34	3.42	3.49	3.57	3.64	3.72	3.79
0.76	3.5 %	3.32	3.50	3.70	3.93	4.20	4.51	4.88	0.76	3.5 %	3.69	3.77	3.85	3.93	4.01	4.09	4.17
0.39	3.0 %	3.98	4.23	4.51	4.84	5.23	5.70	6.27	0.39	3.0 %	4.56	4.66	4.75	4.84	4.94	5.03	5.12

- Increasing capex reflect need for investments due to expiring subsidy contracts as of 2027

Valuation	2014	2015	2016	2017	2018e	2019e	2020e
Price / Book	1.0 x	1.1 x	1.4 x	1.3 x	1.4 x	1.4 x	1.4 x
Book value per share ex intangibles	1.37	1.81	1.66	1.83	1.85	1.87	1.90
EV / Sales	11.7 x	8.8 x	8.4 x	7.9 x	7.7 x	7.0 x	6.6 x
EV / EBITDA	10.2 x	8.9 x	9.1 x	8.7 x	9.0 x	8.2 x	7.7 x
EV / EBIT	16.8 x	19.1 x	21.3 x	20.6 x	21.6 x	19.8 x	18.5 x
EV / EBIT adj.*	16.8 x	19.1 x	21.3 x	20.6 x	21.6 x	19.8 x	18.5 x
P / FCF	5.5 x	5.0 x	6.7 x	14.9 x	52.8 x	5.6 x	5.5 x
P / E	5.1 x	12.4 x	21.2 x	18.5 x	21.5 x	21.5 x	21.5 x
P / E adj.*	5.1 x	12.4 x	21.2 x	18.5 x	21.5 x	21.5 x	21.5 x
Dividend Yield	n.a.	n.a.	n.a.	4.2 %	3.9 %	3.9 %	3.9 %
FCF Potential Yield (on market EV)	9.8 %	10.8 %	10.4 %	11.0 %	10.6 %	11.6 %	12.4 %

\*Adjustments made for: non-cash effects resulting from acquisitions/disposals of installations and other non operational one-off effects

Company Specific Items	2014	2015	2016	2017	2018e	2019e	2020e
Portfolio capacity	70.9	86.3	100.0	117.8	n.a.	n.a.	n.a.

**Consolidated profit & loss**

In EUR m	2014	2015	2016	2017	2018e	2019e	2020e
<b>Sales</b>	<b>14.6</b>	<b>25.4</b>	<b>30.3</b>	<b>33.0</b>	<b>35.2</b>	<b>36.0</b>	<b>36.0</b>
Change Sales yoy	42.2 %	74.3 %	19.4 %	8.9 %	6.8 %	2.3 %	0.0 %
Increase / decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Own work capitalised	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Sales</b>	<b>14.6</b>	<b>25.4</b>	<b>30.3</b>	<b>33.0</b>	<b>35.2</b>	<b>36.0</b>	<b>36.0</b>
Material expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Gross profit</b>	<b>14.6</b>	<b>25.4</b>	<b>30.3</b>	<b>33.0</b>	<b>35.2</b>	<b>36.0</b>	<b>36.0</b>
<b>Gross profit margin</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>
Personnel expenses	0.5	1.3	1.2	1.2	1.9	2.0	2.0
Other operating income	6.5	5.7	4.6	3.3	1.4	1.4	1.4
Other operating expenses	3.7	4.9	5.8	5.2	4.6	4.7	4.7
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBITDA</b>	<b>16.7</b>	<b>24.9</b>	<b>27.9</b>	<b>29.9</b>	<b>30.1</b>	<b>30.8</b>	<b>30.8</b>
<b>Margin</b>	<b>115.0 %</b>	<b>98.2 %</b>	<b>92.3 %</b>	<b>90.5 %</b>	<b>85.5 %</b>	<b>85.5 %</b>	<b>85.5 %</b>
Depreciation of fixed assets	6.6	11.7	16.0	17.3	17.6	18.0	18.0
<b>EBITA</b>	<b>10.1</b>	<b>13.2</b>	<b>12.0</b>	<b>12.6</b>	<b>12.5</b>	<b>12.8</b>	<b>12.8</b>
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Goodwill amortisation	0.0	1.6	0.0	0.0	0.0	0.0	0.0
<b>EBIT</b>	<b>10.1</b>	<b>11.6</b>	<b>12.0</b>	<b>12.6</b>	<b>12.5</b>	<b>12.8</b>	<b>12.8</b>
<b>Margin</b>	<b>69.7 %</b>	<b>45.7 %</b>	<b>39.6 %</b>	<b>38.1 %</b>	<b>35.5 %</b>	<b>35.5 %</b>	<b>35.5 %</b>
<b>EBIT adj.</b>	<b>10.1</b>	<b>11.6</b>	<b>12.0</b>	<b>12.6</b>	<b>12.5</b>	<b>12.8</b>	<b>12.8</b>
Interest income	2.0	0.7	0.1	1.0	0.5	0.5	0.5
Interest expenses	4.3	6.0	6.6	6.1	6.1	6.1	6.1
Other financial income (loss)	-0.3	0.1	-0.7	0.0	0.0	0.0	0.0
<b>EBT</b>	<b>7.5</b>	<b>6.4</b>	<b>6.2</b>	<b>7.5</b>	<b>6.9</b>	<b>7.2</b>	<b>7.2</b>
<b>Margin</b>	<b>51.6 %</b>	<b>25.2 %</b>	<b>20.6 %</b>	<b>22.6 %</b>	<b>19.6 %</b>	<b>20.0 %</b>	<b>20.0 %</b>
Total taxes	0.1	0.8	1.5	1.4	1.4	1.4	1.4
<b>Net income from continuing operations</b>	<b>7.4</b>	<b>5.5</b>	<b>4.7</b>	<b>6.0</b>	<b>5.5</b>	<b>5.8</b>	<b>5.8</b>
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income before minorities</b>	<b>7.4</b>	<b>5.5</b>	<b>4.7</b>	<b>6.0</b>	<b>5.5</b>	<b>5.8</b>	<b>5.8</b>
Minority interest	0.1	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income</b>	<b>7.4</b>	<b>5.5</b>	<b>4.7</b>	<b>6.0</b>	<b>5.5</b>	<b>5.7</b>	<b>5.7</b>
<b>Margin</b>	<b>50.7 %</b>	<b>21.7 %</b>	<b>15.5 %</b>	<b>18.2 %</b>	<b>15.7 %</b>	<b>15.9 %</b>	<b>15.9 %</b>
Number of shares, average	27.5	34.1	42.1	46.8	46.8	46.8	46.8
<b>EPS</b>	<b>0.27</b>	<b>0.16</b>	<b>0.11</b>	<b>0.13</b>	<b>0.12</b>	<b>0.12</b>	<b>0.12</b>
EPS adj.	0.27	0.16	0.11	0.13	0.12	0.12	0.12

\*Adjustments made for: non-cash effects resulting from acquisitions/disposals of installations and other non operational one-off effects

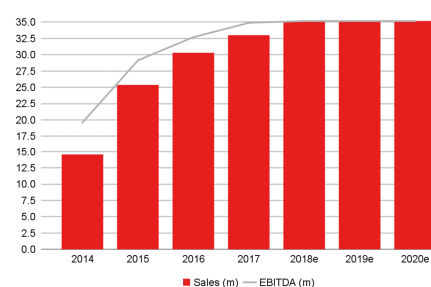
**Guidance: EBITDA > EUR 29.6m; Net CF per share EUR 0.49**

**Financial Ratios**

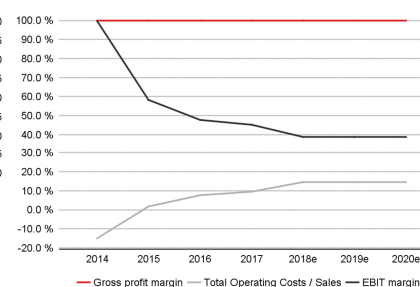
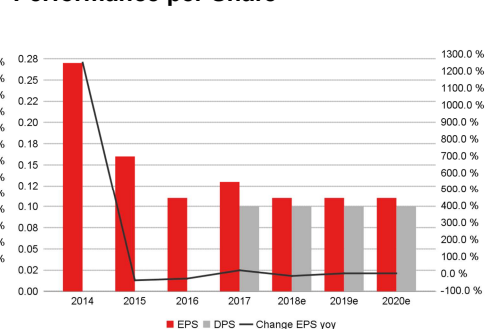
	2014	2015	2016	2017	2018e	2019e	2020e
Total Operating Costs / Sales	-15.0 %	1.8 %	7.7 %	9.5 %	14.5 %	14.5 %	14.5 %
Operating Leverage	2.9 x	0.2 x	0.2 x	0.5 x	-0.1 x	1.0 x	n.a.
EBITDA / Interest expenses	3.9 x	4.2 x	4.2 x	4.9 x	4.9 x	5.1 x	5.1 x
Tax rate (EBT)	1.0 %	13.2 %	24.4 %	19.1 %	20.0 %	20.0 %	20.0 %
Dividend Payout Ratio	0.0 %	0.0 %	0.0 %	77.5 %	84.6 %	81.3 %	81.3 %
Sales per Employee	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

**Sales, EBITDA**

in EUR m

**Operating Performance**

in %

**Performance per Share**

Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

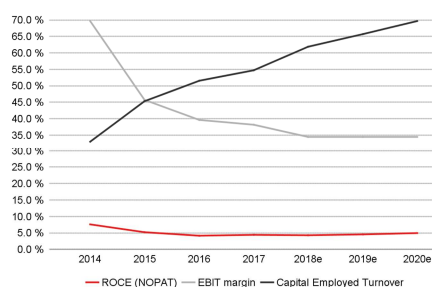
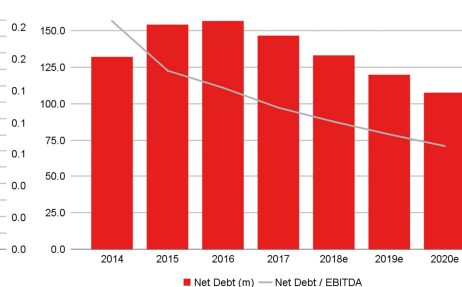
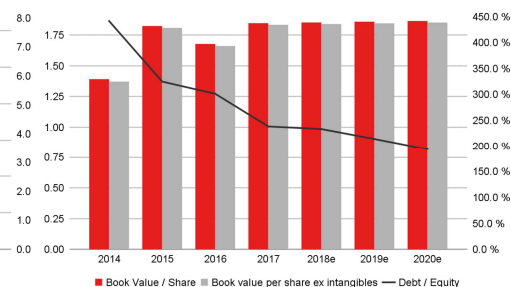
## Consolidated balance sheet

In EUR m	2014	2015	2016	2017	2018e	2019e	2020e
<b>Assets</b>							
Goodwill and other intangible assets	0.5	0.5	0.7	0.6	0.6	0.6	0.6
thereof other intangible assets	0.0	0.5	0.7	0.6	0.6	0.6	0.6
thereof Goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Property, plant and equipment	175.7	227.3	242.1	249.0	252.5	236.4	221.4
Financial assets	1.4	0.0	0.2	0.0	0.0	0.0	0.0
Other long-term assets	0.5	0.5	0.6	0.5	0.5	0.5	0.5
<b>Fixed assets</b>	<b>178.1</b>	<b>228.4</b>	<b>243.6</b>	<b>250.1</b>	<b>253.6</b>	<b>237.6</b>	<b>222.6</b>
Inventories	0.2	0.2	0.4	1.6	1.7	1.8	1.8
Accounts receivable	1.3	1.4	1.3	0.8	0.8	0.9	0.9
Liquid assets	20.4	27.3	29.9	34.1	38.5	38.9	38.2
Other short-term assets	7.8	7.5	9.8	7.8	7.8	7.8	7.8
<b>Current assets</b>	<b>29.7</b>	<b>36.4</b>	<b>41.5</b>	<b>44.3</b>	<b>48.8</b>	<b>49.5</b>	<b>48.8</b>
<b>Total Assets</b>	<b>207.8</b>	<b>264.7</b>	<b>285.1</b>	<b>294.4</b>	<b>302.4</b>	<b>287.0</b>	<b>271.3</b>
<b>Liabilities and shareholders' equity</b>							
Subscribed capital	34.0	40.5	42.5	46.8	46.8	46.8	46.8
Capital reserve	0.3	10.1	11.9	16.5	16.5	16.5	16.5
Retained earnings	4.0	11.7	16.3	23.1	24.0	25.0	26.1
Other equity components	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
Shareholders' equity	38.3	62.2	70.6	86.4	87.2	88.3	89.4
Minority interest	0.1	0.1	0.4	0.5	0.5	0.5	0.5
<b>Total equity</b>	<b>38.4</b>	<b>62.3</b>	<b>71.0</b>	<b>86.9</b>	<b>87.7</b>	<b>88.8</b>	<b>89.9</b>
Provisions	10.1	7.5	8.0	8.9	8.9	8.9	8.9
thereof provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial liabilities (total)	152.6	181.5	186.5	180.7	187.5	171.0	154.2
thereof short-term financial liabilities	14.3	16.5	17.9	19.0	16.5	16.8	16.8
Accounts payable	2.2	1.7	7.6	5.0	5.3	5.4	5.4
Other liabilities	4.6	11.8	11.8	12.9	12.9	12.9	12.9
<b>Liabilities</b>	<b>169.4</b>	<b>202.4</b>	<b>214.0</b>	<b>207.5</b>	<b>214.6</b>	<b>198.2</b>	<b>181.4</b>
<b>Total liabilities and shareholders' equity</b>	<b>207.8</b>	<b>264.7</b>	<b>285.1</b>	<b>294.4</b>	<b>302.4</b>	<b>287.0</b>	<b>271.3</b>

## Financial Ratios

	2014	2015	2016	2017	2018e	2019e	2020e
<b>Efficiency of Capital Employment</b>							
Operating Assets Turnover	0.1 x	0.1 x	0.1 x	0.1 x	0.1 x	0.2 x	0.2 x
Capital Employed Turnover	0.1 x	0.1 x	0.1 x	0.1 x	0.1 x	0.2 x	0.2 x
ROA	4.1 %	2.4 %	1.9 %	2.4 %	2.2 %	2.4 %	2.6 %
<b>Return on Capital</b>							
ROCE (NOPAT)	7.6 %	5.2 %	4.1 %	4.4 %	4.3 %	4.5 %	4.8 %
ROE	24.3 %	11.0 %	7.1 %	7.7 %	6.4 %	6.5 %	6.5 %
Adj. ROE	24.3 %	11.0 %	7.1 %	7.7 %	6.4 %	6.5 %	6.5 %
<b>Balance sheet quality</b>							
Net Debt	132.1	154.2	156.7	146.6	149.0	132.0	115.9
Net Financial Debt	132.1	154.2	156.7	146.6	149.0	132.0	115.9
Net Gearing	344.4 %	247.5 %	220.6 %	168.8 %	169.9 %	148.7 %	129.0 %
Net Fin. Debt / EBITDA	789.5 %	619.0 %	560.5 %	491.1 %	494.7 %	428.6 %	376.4 %
Book Value / Share	1.4	1.8	1.7	1.8	1.9	1.9	1.9
Book value per share ex intangibles	1.4	1.8	1.7	1.8	1.9	1.9	1.9

## ROCE Development

Net debt  
in EUR mBook Value per Share  
in EUR

Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

## Consolidated cash flow statement

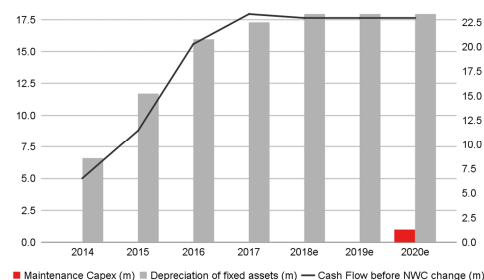
In EUR m	2014	2015	2016	2017	2018e	2019e	2020e
Net income	7.4	5.5	4.7	6.0	5.5	5.8	5.8
Depreciation of fixed assets	6.6	11.7	16.0	17.3	17.6	18.0	18.0
Amortisation of goodwill	0.0	1.6	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in long-term provisions	0.2	-3.7	0.0	0.0	0.0	0.0	0.0
Other non-cash income and expenses	-7.8	-3.7	-0.4	0.0	0.0	0.0	0.0
<b>Cash Flow before NWC change</b>	<b>6.5</b>	<b>11.5</b>	<b>20.3</b>	<b>23.3</b>	<b>23.2</b>	<b>23.8</b>	<b>23.8</b>
Increase / decrease in inventory	0.1	0.0	-0.2	-1.2	-0.1	-0.1	0.0
Increase / decrease in accounts receivable	1.3	0.5	0.0	0.5	0.0	-0.1	0.0
Increase / decrease in accounts payable	-1.1	1.4	5.9	-2.6	0.3	0.1	0.0
Increase / decrease in other working capital positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increase / decrease in working capital (total)	0.3	1.9	5.8	-3.3	0.2	-0.1	0.0
<b>Net cash provided by operating activities [1]</b>	<b>6.8</b>	<b>13.4</b>	<b>19.7</b>	<b>20.0</b>	<b>23.4</b>	<b>23.7</b>	<b>23.8</b>
Investments in intangible assets	0.0	0.0	-0.2	-5.9	0.0	0.0	0.0
Investments in property, plant and equipment	0.0	0.0	-4.9	-6.6	-21.1	-2.0	-2.0
Payments for acquisitions	0.0	0.0	-14.6	0.0	0.0	0.0	-2.0
Financial investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	0.0	0.0	1.8	1.0	0.0	0.0	1.0
<b>Net cash provided by investing activities [2]</b>	<b>8.4</b>	<b>3.3</b>	<b>-17.7</b>	<b>-11.6</b>	<b>-21.1</b>	<b>-2.0</b>	<b>-3.0</b>
Change in financial liabilities	-4.5	-13.5	-5.2	-5.8	6.8	-16.5	-16.8
Dividends paid	0.0	0.0	0.0	0.0	-4.7	-4.7	-4.7
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	1.5	4.6	9.8	0.0	0.0	0.0
Other	0.3	2.2	1.2	-8.3	0.0	0.0	0.0
<b>Net cash provided by financing activities [3]</b>	<b>-4.1</b>	<b>-9.8</b>	<b>0.5</b>	<b>-4.3</b>	<b>2.1</b>	<b>-21.2</b>	<b>-21.5</b>
<b>Change in liquid funds [1]+[2]+[3]</b>	<b>11.1</b>	<b>6.9</b>	<b>2.6</b>	<b>4.2</b>	<b>4.4</b>	<b>0.5</b>	<b>-0.7</b>
Effects of exchange-rate changes on cash	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash and cash equivalent at end of period	20.5	27.3	29.9	34.1	38.5	38.9	38.2

## Financial Ratios

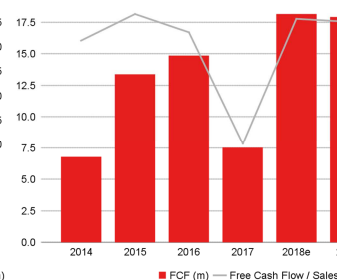
	2014	2015	2016	2017	2018e	2019e	2020e
<b>Cash Flow</b>							
FCF	6.8	13.4	14.9	7.5	2.3	21.7	21.8
Free Cash Flow / Sales	46.6 %	52.7 %	48.5 %	22.8 %	6.5 %	60.2 %	60.4 %
Free Cash Flow Potential	16.7	24.1	26.4	28.4	28.7	29.4	29.4
Free Cash Flow / Net Profit	91.8 %	243.1 %	312.3 %	124.9 %	41.5 %	377.4 %	379.2 %
Interest Received / Avg. Cash	13.4 %	2.9 %	0.3 %	3.1 %	1.4 %	1.3 %	1.3 %
Interest Paid / Avg. Debt	3.7 %	3.6 %	3.6 %	3.3 %	3.3 %	3.4 %	3.7 %
<b>Management of Funds</b>							
Investment ratio	0.0 %	0.0 %	16.6 %	37.9 %	59.9 %	5.6 %	5.6 %
Maint. Capex / Sales	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Capex / Dep	0.0 %	0.0 %	31.6 %	72.3 %	119.8 %	11.1 %	11.1 %
Avg. Working Capital / Sales	-1.6 %	-1.5 %	-9.9 %	-12.8 %	-7.6 %	-7.6 %	-7.5 %
Trade Debtors / Trade Creditors	58.5 %	80.6 %	17.5 %	15.8 %	15.1 %	16.7 %	16.7 %
Inventory Turnover	0.0 x	0.0 x	0.0 x	0.0 x	0.0 x	0.0 x	0.0 x
Receivables collection period (days)	32	19	16	9	8	9	9
Payables payment period (days)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Cash conversion cycle (Days)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

## CAPEX and Cash Flow

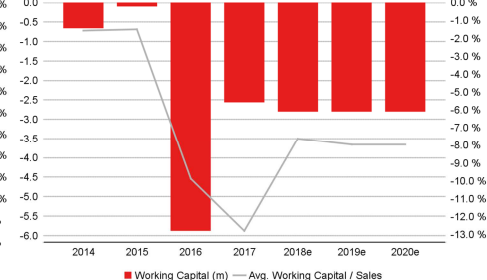
in EUR m



## Free Cash Flow Generation



## Working Capital



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research



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Company	Disclosure	Link to the historical price targets and rating changes (last 12 months)
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Investment recommendation: expected direction of the share price development of the financial instrument up to the given price target in the opinion of the analyst who covers this financial instrument.

-B-	<b>Buy:</b>	The price of the analysed financial instrument is expected to rise over the next 12 months.
-H-	<b>Hold:</b>	The price of the analysed financial instrument is expected to remain mostly flat over the next 12 months.
-S-	<b>Sell:</b>	The price of the analysed financial instrument is expected to fall over the next 12 months.
“-“	<b>Rating suspended:</b>	The available information currently does not permit an evaluation of the company.

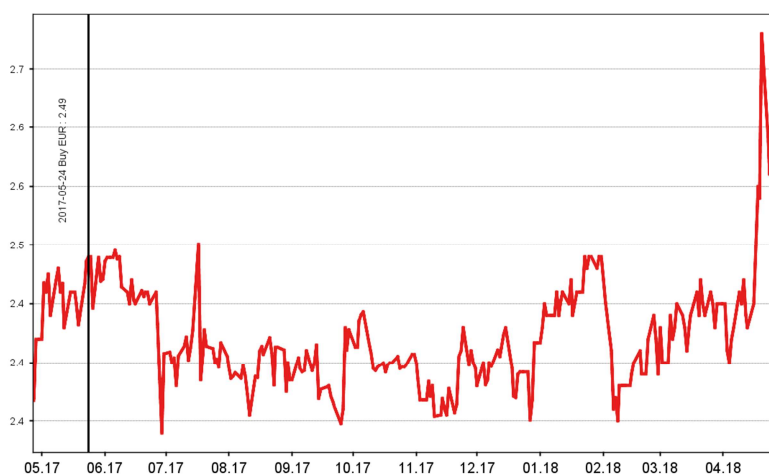
**WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING**

Rating	Number of stocks	% of Universe
Buy	110	53
Hold	92	45
Sell	4	2
Rating suspended	0	0
<b>Total</b>	<b>206</b>	<b>100</b>

**WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING ...**

... taking into account only those companies which were provided with major investment services in the last twelve months.

Rating	Number of stocks	% of Universe
Buy	32	73
Hold	12	27
Sell	0	0
Rating suspended	0	0
<b>Total</b>	<b>44</b>	<b>100</b>

**PRICE AND RATING HISTORY 7C SOLARPARKEN AS OF 26.04.2018**

Markings in the chart show rating changes by Warburg Research GmbH in the last 12 months. Every marking details the date and closing price on the day of the rating change.

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