WOLFTANK-ADISA HOLDING AG

montega

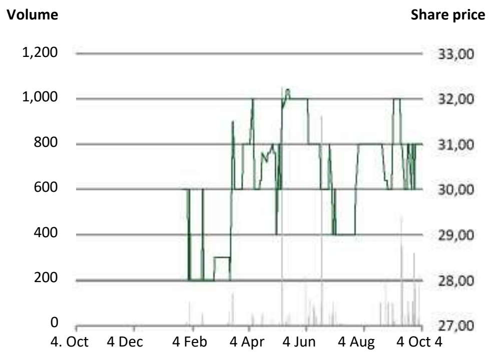
Recommendation:	**Buy**
Target:	**EUR 42.00**
Price potential:	**+35 percent**

Share data

Price (closing price previous day)	EUR 31.00 (Munich Stock)
Number of shares (in millions)	1.17
Market cap. (in millions of EUR)	36.3
Enterprise value (in millions of EUR)	44.7
Ticker	WBAG:WOLF
ISIN	AT0000A25NJ6

Price performance

52 week high (in EUR)	32.20
52 week low (in EUR)	28.00
3 M relative to CDAX	+6.9%
6 M relative to CDAX	+3.3%



(grey) Volume in thousands (geen) Share price in EUR

Source: comdirect, Montega

Shareholder structure

Management	22.8%
MuM Beteiligung	12.9%
Mäder AG	6.7%
Dr. A. Aufschnaiter	8.4%
Free float	49.3%

Dates

FY 2019	March 2020

Forecast adjustment

	2019e	2020e	2021e
Revenue (old)	**51.4**	**58.9**	**66.6**
Δ in %	-	-	-
EBIT (old)	**3.3**	**4.8**	**6.2**
Δ in %	-	-	-
EPS (old)	**1.74**	**2.68**	**3.51**
Δ in %	-	-	-

Analyst

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Publication

Comment	7 October 2019

Dynamic revenue and profit growth in H1 leads to increase in annual targets

Wolftank-Adisa published its H1 report last week and raised its annual targets in view of strong revenue and earnings growth. The pleasing figures thus confirm our positive view of the investment case and our assumption that the Management Board has so far positioned itself far too conservatively with regard to this year's operating performance.

Dynamic growth in all business areas: Thanks to unbroken strong demand in all three business segments, consolidated revenue rose by 61.5% to around EUR 26.3 million in the first half of the year. Particularly noteworthy in this context is the disproportionately high growth in the tank refurbishment segment, which contributed EUR 15.7 million, or around 58% of total performance, and thus accounted for a significantly higher portion than in the previous 2018 financial year (53%). On a geographical level, business in China in particular is likely to have recorded substantial growth, which according to management was significantly above plan in H1 2019.

Significantly improved margin level: Driven by the strong increase in revenue and the initial economies of scale resulting from rising project volumes, Wolftank-Adisa was also able to noticeably increase its profitability despite a significantly increased personnel base. EBITDA of around EUR 2.9 million and EBIT of around EUR 2.1 million imply corresponding margins of 11.1% and 9.4%, respectively, with the margin level showing significant improvement over the recently published results from the previous year (7.6% EBITDA margin and 3.7% EBIT margin in 2018). In our view, the pleasing rise in profits provides evidence of the company's promising profitable growth potential, although we assume that the margin level in the second half of the year will again be somewhat lower due to a changed product mix with a higher portion of comparatively low-margin business in the area of full-service provision for (LNG) filling stations.

Guidance raised in line with our expectations: As a result of the above-average business development, the Management Board has raised its annual targets and now expects revenue of at least EUR 50 million (previously: EUR 45 million) with EBITDA of EUR 4.7 million (previously: EUR 4.4 million) and EBIT of EUR 3.2 million (previously: EUR 2.9 million). The new forecasts are thus largely in line with our previous estimates, where we see further upside potential in view of the strong start to the year and the updated guidance.

Summary: Wolftank-Adisa has presented strong H1 figures that illustrate the company's attractive potential and, given the structural growth outlook, should only be the beginning of a positive flow of news expected in the future. We are encouraged in our positive opinion and confirm our buy recommendation with an unchanged price target of EUR 42.00.

End of financial year: 12/31	2018	2019e	2020e	2021e
Revenue	44.5	51.4	58.9	66.6
Change yoy	37.0%	15.5%	14.4%	13.1%
EBITDA	3.4	4.8	6.5	8.0
EBIT	1.7	3.3	4.8	6.2
Net income	0.7	2.0	3.1	4.1
Gross profit margin	19.5%	24.9%	21.0%	21.2%
EBITDA margin	7.6%	9.4%	11.0%	12.0%
EBITDA margin	3.7%	6.4%	8.1%	9.3%
Net debt	12.3	6.8	4.0	0.4
Net debt / EBITDA	3.6	1.4	0.6	0.1
ROCE	8.0%	20.9%	28.6%	34.7%
EPS	0.63	1.74	2.68	3.51
FCF per share	0.69	0.89	1.84	2.66
Dividend	0.00	0.00	0.00	0.00
Dividend yield	0.0%	0.0%	0.0%	0.0%
EV/revenue	1.0	0.9	0.8	0.7
EV/EBITDA	13.3	9.2	6.9	5.6
EBIT	27.0	13.6	9.3	7.2
P/E ratio	49.2	17.8	11.6	8.8
P/B	11.3	3.8	2.7	2.0

Source: Company, Montega, CapitalIQ   Figures in millions of EUR, EPS in EUR Price: 31.00

CORPORATE PROFILE

Wolftank-Adisa Holding AG has been active in the petrochemical industry and environmental technology for over 30 years. With innovative products and application processes as well as high quality standards including the highest (ex-)certification level, the Wolftank Group has achieved a market-leading position in the field of double-wall refurbishment and maintenance (including leak protection) of tank facilities and filling stations, refineries and chemical tanks on the European market. Patented application technologies and the use of high-performance epoxy resins developed in-house enable cost-effective and efficient repair of tank installations in need of refurbishment, including upgrades to the high-quality double-wall standard. In addition, the added value chain will be extended to include a specific service with continuous remote monitoring of rehabilitated plants. The buy and build strategy successfully implemented in recent years enables the company to work as a provider in all European member states with locally authorised personnel and the same quality standards. In addition, Wolftank-Adisa is the only company in the world that has access to ExxonMobil's underground tank facilities via individual access. As part of its internationalisation strategy, the company intends to increasingly address customers in new end markets such as Asia or Africa in the future, where growth prospects are particularly high, especially in the construction of LNG plants, for which the company has extensive expertise. With an average of 169 employees, the company generated consolidated revenue of EUR 44.5 million and EBIT of EUR 1.66 million in financial year 2018.

Key milestones in the company's history:

1987 Foundation of the tank refurbisher Wolf Tankschutz KG (today “Wolftank Systems S.p.A.”) in Italy

2000 Introduction of the DOPA technology for the inner lining and conversion of tanks into a double-walled structure for continuous monitoring of the containers and redundant technical design

2012 Exclusive contract for the restoration of underground tanks with ExxonMobil, one of the world's largest oil companies

2014 15,000 successfully implemented DOPA applications in Europe

2014 MBO of the Italian Wolftank Systems S.p.A. and the Swiss Adisa Service- und Entwicklungs AG (high-performance epoxy resins) with the resulting emergence of the Wolftank-Adisa brand

2015 Framework agreement with ENI for area-wide in-situ soil remediation, one of the world's leading oil companies

2015 Acquisition of a majority shareholding in Maremmana Ecologia, an Italian environmental rehabilitation specialist (90.23%)

2016 Development of a robot for the unmanned cleaning and internal coating of tanks

2018 Acquisition of DRK 32, a German supplier of double-pipe system and tank inner shell technology (95%)

2018 Acquisition of a majority stake in Spanish tank farm renovation company Alternativas Ecologicas (AlterEco; 60%)

2019 Listing on the Vienna Stock Exchange and the Munich Stock Exchange (m:access)

2019 Execution of two capital increases to finance further growth with total gross issue proceeds of around EUR 3.8 million

2019 Major contract for the construction of LNG filling stations worth around EUR 4.0 million by the Italian state-owned natural gas supplier and a consortium of transport companies

The Group's international presence is reflected in the current organisational structure of numerous subsidiaries. The number of Group companies increased to a total of 8 units in 2018, mainly as a result of the takeover of the largest competitor Maremmana Ecologia and the acquisitions of AlterEco and DRK 32.

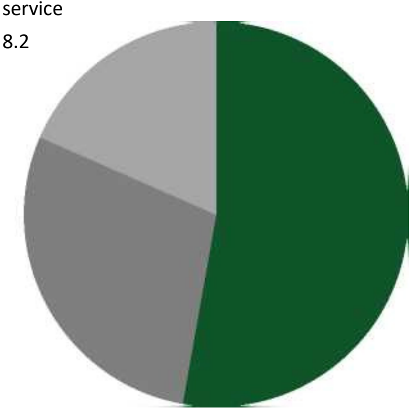
Worldwide network of Wolftank-Adisa Holding AG

Source: Company

Segment breakdown

The Group's operating activities are divided into three segments, which focus on innovative solutions to protect air, soil and groundwater. A look at revenue distribution for 2018 shows that the core business of tank refurbishment provides the largest contribution with a 53% share of revenue. This will be followed by soil remediation at around 29% and the fast-growing segment of (LNG) services with 18% of revenue, which is to become the company's largest division in the medium term.

Revenue by business segment (2018)
(in millions of EUR)



Source: Company

Tank refurbishment (53%): The tank refurbishment segment is the original and still the largest business segment of the company. The patented DOPA process is used to refurbish large tanks and storage tanks and repair faulty areas. The installation of a double-walled floor can prevent future leakage of toxic and other sensitive substances and consequently potential soil contamination. This segment is therefore primarily aimed at refineries, tank terminals and companies in the chemical and food industries. Worldwide, there are more than 1,000 storage terminals with numerous industrial tanks, so that sufficient refurbishment targets are offered by the existing market structure. For a large number of these terminals, there is now an urgent need for refurbishment due to the advanced age or poor condition of the tanks. Processing is possible quickly and cost-effectively through one of the many local companies and partner companies of the Wolftank Group. By taking over major competitors in recent years, the company has positioned itself as a European market leader, while potential new competitors face high entry barriers due to security requirements and a large number of required certifications. Furthermore, Wolftank-Adisa possesses numerous exclusive rights to work for the world's leading oil companies, making tank climbing and interior refurbishment only possible through Wolftank employees. In the tank refurbishment business, the company generated revenue of around EUR 23.5 million in 2018.

Environmental remediation (29%): Growing environmental awareness and stricter government regulations for industry are key growth drivers for the second business segment, soil and water remediation. In the expanded added value chain, Wolftank carries out the cleaning of contaminated soil and drinking water in the vicinity of tanks primarily directly on site (in situ). Soil preparation takes place on a mechanical, biological and chemical basis with subsequent approval by the competent authority. In combination with the tank refurbishment segment, the business segments intermesh and enable synergy effects to be realised. In addition to oil companies, target customers include municipalities and government organizations. The environmental and soil remediation segment generated revenue of EUR 12.8 million in the past financial year.

Full (LNG) service (18%): As a full engineering service provider, Wolftank-Adisa acts as a one-stop shop for the turnkey construction of filling stations and supports companies from planning to commissioning and supervision. In addition to the relevant expertise in conventional systems, the company also has special expertise in LNG filling stations. LNG is liquefied natural gas and has so far been used as a fuel mainly in heavy goods vehicles. However, the increasing decoupling of the price of natural gas from crude oil and stricter requirements on pollutant emissions are likely to gradually increase the importance of LNG as a driving force on the world market in the future. In addition, LNG in its liquid state is more than 600 times smaller in volume than natural gas and can therefore be stored more efficiently and transported over longer distances in tanks. Wolftank-Adisa supports companies in the planning, construction, refurbishment, expansion and dismantling of (LNG) sites and corresponding terminals. It also includes remote tank monitoring and maintenance, as LNG is highly explosive and harmful in contact with oxygen. Revenue in this still young segment amounted to EUR 8.2 million in 2018.

Core products

Wolftank-Adisa's product portfolio encompasses specified system solutions for technically demanding projects in the field of tank refurbishment and maintenance in the oil and chemical industries. The rehabilitation of damaged tanks is usually the more cost-effective alternative compared to a new acquisition and can lead to savings of up to 50%. By using DOPA technology and a patented high-tech epoxy resin, endangered tanks are rehabilitated and sealed with a special coating. Critical points, for example, are the floor and roof of tanks and the protective walls of power plant towers. The successful development of a completely hydraulically operated cleaning robot also enables the company to enter underground tanks unmanned, guaranteeing maximum safety during operations with hazardous substances. This automation and simplification of the cleaning process can also increase efficiency compared to the processes of any competitors. All of the company's remediation procedures are certified and comply with national and international product standards. The two core elements are explained in more detail below.

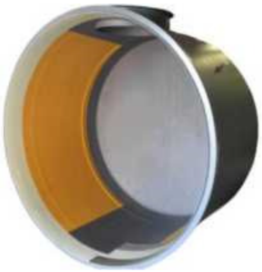
In-house developed cleaning robot "TCR 15" from Wolftank-Adisa

Source: Company

DOPA technology: Storage tanks for potentially environmentally harmful liquids require heavy initial investments and are exposed to severe environmental influences (weather, aggressive chemicals) during operation. The specially developed DOPA technology is mainly used for underground tanks and offers protection against contamination of the surrounding soil through a double coating of the wall. Through a combination of steel, epoxy resins, aluminium and a conductive coating, a total of six different layers are applied to the original tank bottom. The coating offers complete resistance to a wide range of toxic and contaminating substances such as bioethanol, biodiesel and other chemicals, mainly through the use of the patented epoxy resin. When refining the entire surface, a vacuum technology is used to create a kind of raised floor that guarantees leak protection through continuous remote monitoring of the interior. A major advantage of the raised floor is also the creation of an intermediate space, making it no longer necessary to exchange tanks and significantly extending the service life. Furthermore, the downtime during repair and the associated maintenance costs are significantly reduced compared to other methods. The remote monitoring systems for the tank interior and leakage warning devices, which are automated and active around the clock, expand the company's complete range accordingly. The DOPA technology complies with the highest environmental safety standards according to EN 13160 Class 1 and has numerous other certifications (including DiBt, MIL-PRF-4556F) as well as TÜV approval. In total, the technology has been tried and tested throughout the industry for more than 30 years and has been used in more than 25,000 tanks.

Epoxy resin: Particularly aggressive substances such as ethanol and methanol and other chemically hazardous substances often accumulate at the bottom of tanks, making the bottom the most vulnerable area for material fatigue, stress corrosion cracking and static load fractures. This significantly increases the risk of contamination by environmentally hazardous liquids. A remote monitoring system allows damage or endangered areas in the tank to be detected and repaired by the local use of epoxy resins. The patented formula of the resin completely seals the affected area and protects the tank from further damage. In contrast to conventional resins, Wolftank-Adisa's epoxy resin has been specially developed for petrochemical applications and guarantees protection against highly sensitive and harmful liquids. Due to its liquid state, the resin can be used universally, has a short processing time, opens up the possibility of local repair and offers long-lasting protection. Moreover, thanks to its solvent-free nature, the resin does not pose any risk of explosion during use and can be easily used as a preventive measure for water protection, efficiently preventing environmental pollution.

Coating applications for the conversion from single- to double-walled tanks

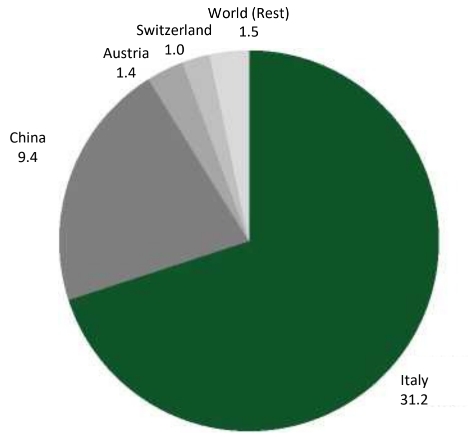


Source: Company

Key sales regions

In the 2018 financial year, Wolftank-Adisa generated around 70.0% of its revenue in Italy and 21.1% in China. The remainder (3.2%) was attributable to Austria, 2.4% to Switzerland and 16 other countries in the rest of Europe, Asia and Africa. In our opinion, however, it can be assumed that the share of revenue outside Europe will increase significantly in the coming years, particularly as a result of the planned internationalisation and intensified addressing of the market potential in China and Africa.

Revenue by region (2018)
(in millions of EUR)



Source: Company

The efforts to develop the Asian and African markets are primarily attributable to the substantial growth opportunities of the LNG market in these regions. The conversion of energy supply to sustainable sources and stricter regulatory requirements to reduce emissions of pollutants should significantly boost LNG demand in the coming years. Especially in the large cities of the APAC region, there is a high level of air pollution, so that the need to switch to alternative forms of energy supply for vehicles is becoming ever greater. LNG can be used as a propulsion agent in both land and water vehicles and significantly reduces exhaust emissions. In addition, retrofitting is much cheaper than the purchase, operation and maintenance of electric vehicles.

While China in particular now has a particularly strict approach to handling exhaust gases and is pushing for a switch to alternative fuels, the infrastructure of filling stations for such refuelling is currently still inadequate. This inadequate infrastructure network of LNG filling stations opens up promising medium-term growth opportunities for Wolftank-Adisa. However, there is also additional growth potential in developing these regions by refurbishing existing tanks with the company's own epoxy resins.

Management

The operative business is currently managed solely by CEO **Dr. Peter Werth**.

Dr. Peter Werth was appointed CEO within the framework of the MBO in 2014. In addition to the Group's strategic orientation, his main tasks include the operational management of the subsidiaries. Until the MBO, the graduate engineer worked for several years as COO of the predecessor company Wolftank Systems GmbH in Bolzano. Before joining the company, Dr. Werth was active for many years in various management positions at hofer AG and therefore has extensive experience in the management of international, technology-oriented companies. As Managing Director of Wolftank-Adisa Holding AG, he is also one of the company's largest individual shareholders.

Listing and shareholder structure

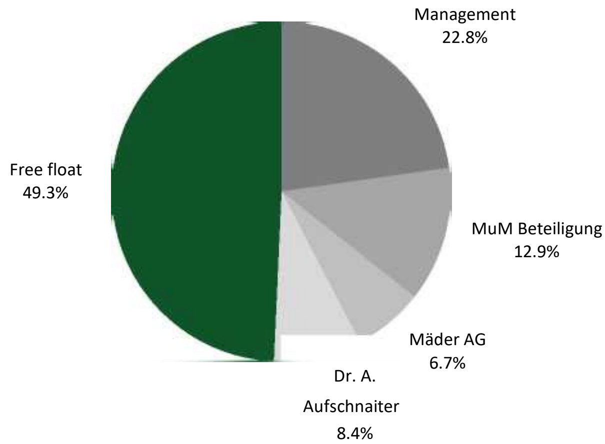
Wolftank-Adisa Holding AG has been listed on the stock exchange since January 2019. The listing both in Vienna and in the "m:access" segment in Munich was a strategically important growth decision for the company. The almost simultaneous listing in Germany and Austria gives the company access to a large number of investors and supports the planned international expansion. The listing in the newly created "direct market plus" segment of the Vienna Stock Exchange is subject to lower admission requirements and subsequent obligations. Merely the publication of the semi-annual figures and the annual financial statements within a period of a few weeks is prescribed. Furthermore, a company calendar must be kept. The listing in the "m:access" segment is also associated with lower requirements than the Regulated Market. In addition to the Austrian requirements, the main requirements here are a share capital of at least EUR 1.0 million, annual financial statements and approval of the securities prospectus by BaFin.

A cash capital increase was carried out on 25 January 2019 in order to finance growth. As part of the associated private placement, 76,579 shares of the company were placed with institutional investors at an issue price of EUR 26.58 per share, resulting in gross proceeds of approximately EUR 2.0 million for the company. A further capital measure involving the issue of 60,000 shares at a placement price of EUR 30.00 and the resulting proceeds of EUR 1.8 million was announced on 24 June 2019 and successfully completed on 8 August 2019. The share capital of Wolftank-Adisa Holding AG has since amounted to EUR 1.171 million, divided into the same number of ordinary bearer shares.

Following the two capital increases in January and August, approximately 50.7% of the shares are currently held by members of management and anchor investors, of which the current management headed by CEO Dr. Peter Werth holds the largest share with a percentage of approximately 22.8%. Further significant interests are held by MuM Industriebeteiligungen GmbH (12.9%), Mäder AG (6.7%) and Dr. A. von

Aufschnaiter (8.4%), who acts as Vice Chairman of the Supervisory Board of Volftank-Adisa. The remaining 49.3% are currently in free float.

Shareholder structure



Source: Company

Appendix

DCF Model

Figures in millions of EUR	2019e	2020e	2021e	2022e	2023e	2024e	2025e	Terminal value
Revenue	**51.4**	**58.9**	**66.6**	**74.9**	**80.9**	**85.7**	**89.2**	**91.0**
Change	*15.5%*	*14.4%*	*13.1%*	*12.4%*	*8.0%*	*6.0%*	*4.0%*	*2.0%*
EBIT	**3.3**	**4.8**	**6.2**	**7.6**	**7.6**	**7.7**	**7.6**	**7.3**
EBIT margin	6.4%	8.1%	9.3%	10.2%	9.4%	9.0%	8.5%	8.0%
NOPAT	**2.3**	**3.6**	**4.6**	**5.7**	**5.7**	**5.8**	**5.7**	**5.5**
Depreciation, amortisation and write-offs	**1.5**	**1.7**	**1.8**	**2.0**	**1.9**	**1.8**	**1.7**	**1.6**
As % of revenue	*3.0%*	*2.9%*	*2.7%*	*2.6%*	*2.3%*	*2.1%*	*1.9%*	*1.7%*
Liquidity change								
- Working capital	-1.0	-1.1	-1.2	-1.2	-0.9	-0.7	-0.5	-0.3
- Investments	-1.4	-1.6	-1.8	-1.9	-2.1	-2.0	-2.0	-1.6
Investment rate	*2.5%*	*2.7%*	*2.6%*	*2.6%*	*2.6%*	*2.3%*	*2.2%*	*1.7%*
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Free cash flow (WACC model)	**1.5**	**2.6**	**3.5**	**4.6**	**4.6**	**4.9**	**4.9**	**5.2**
WACC	9.2%	9.2%	9.2%	9.2%	9.2%	9.2%	9.2%	9.2%
Present value	1,4	2,4	2,9	3,5	3,2	3,1	2,9	38,3
Accumulated	**1,4**	**3,8**	**6,7**	**10,2**	**13,4**	**16,5**	**19,4**	**57,7**

Valuation (millions of EUR)	
Total present value (Tpv)	57.7
Terminal value	38.3
Percentage of Tpv	66%
Liabilities	15.5
Liquid assets	7.1
Equity value	**49.2**
Number of shares (millions)	1.17
Value per share (EUR)	**42.03**
+Upside / -Downside	**36%**
Share price (EUR)	31.00

Model parameters	
Debt ratio	30.0%
Interest on borrowed capital	5.0%
Market return	9.0%
Risk-free return	2.50%
Beta	1.40
WACC	9.2%
Perpetual growth	2.0%

Source: Montega

Assumptions: Revenue growth rates and margin expectations		
Short-term revenue growth	2019-2022	13.3%
Medium-term revenue growth	2019-2025	9.6%
Long-term revenue growth	as of 2026	2.0%
EBIT margin	2019-2022	8.5%
EBIT margin	2019-2025	8.7%
Long-term EBIT margin	as of 2026	8.0%

Sensitivity value per share (EUR)			Perpetual growth		
WACC	1.25%	1.75%	**2.00%**	2.25%	2.75%
9.75%	36.08	37.77	38.70	39.68	41.87
9.50%	37.48	39.30	40.31	41.38	43.77
9.25%	38.97	40.94	**42.03**	43.20	45.81
9.00%	40.55	42.70	43.89	45.16	48.02
8.75%	42.25	44.58	45.88	47.28	50.42

Sensitivity value per share (EUR)			EBIT margin as of 2026e		
WACC	7.50%	7.75%	**8.00%**	8.25%	8.50%
9.75%	36.75	37.72	38.70	39.67	40.64
9.50%	38.26	39.29	40.31	41.33	42.35
9.25%	39.89	40.96	**42.03**	43.11	44.18
9.00%	41.63	42.76	43.89	45.02	46.15
8.75%	43.50	44.69	45.88	47.07	48.26

P&L (in millions of EUR) Wolftank-Adisa Holding AG	2018	2019e	2020e	2021e
Revenue	**44.5**	**51.4**	**58.9**	**66.6**
Change in inventories	-0.5	0.4	0.0	0.0
Own work capitalized	0.4	0.2	0.0	0.0
Total performance	**44.4**	**52.1**	**58.9**	**66.6**
Cost of materials	35.7	39.2	46.5	52.5
Gross profit	**8.7**	**12.8**	**12.4**	**14.1**
Personnel expenses	4.7	5.1	5.1	5.3
Other operating expenses	2.0	3.9	2.0	2.1
Other operating income	1.4	1.0	1.2	1.3
EBITDA	**3.4**	**4.8**	**6.5**	**8.0**
Depreciation, amortization and write-offs on property, plant and equipment	0.8	0.6	0.7	0.8
EBITA	**2.6**	**4.3**	**5.8**	**7.2**
Amortisation of intangible assets	0.4	0.5	0.5	0.5
Impairment charges and amortisation of goodwill	0.5	0.5	0.5	0.5
EBIT	**1.7**	**3.3**	**4.8**	**6.2**
Financial result	-0.8	-0.7	-0.6	-0.5
Result from ordinary operations	**0.8**	**2.6**	**4.2**	**5.7**
Extraordinary result	0.0	0.0	0.0	0.0
EBT	**0.9**	**2.6**	**4.2**	**5.7**
Taxes on income	0.4	0.8	1.1	1.4
Net income from ongoing business activities	0.4	1.8	3.1	4.2
Income (loss) from discontinued business activities (net)	0.0	0.0	0.0	0.0
Net income before minority interests	**0.4**	**1.8**	**3.1**	**4.2**
Minority interests	-0.2	-0.1	0.0	0.1
Net income	**0.7**	**2.0**	**3.1**	**4.1**

Source: Company (reported data), Montega (forecasts)

P&L (as a % of revenue) Wolftank-Adisa Holding AG	2018	2019e	2020e	2021e
Revenue	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Change in inventories	-1.2%	0.8%	0.0%	0.0%
Own work capitalized	0.8%	0.4%	0.0%	0.0%
Total performance	**99.6%**	**101.2%**	**100.0%**	**100.0%**
Cost of materials	80.1%	76.3%	79.0%	78.8%
Gross profit	**19.5%**	**24.9%**	**21.0%**	**21.2%**
Personnel expenses	10.6%	10.0%	8.6%	8.0%
Other operating expenses	4.5%	7.5%	3.4%	3.2%
Other operating income	3.2%	2.0%	2.0%	2.0%
EBITDA	**7.6%**	**9.4%**	**11.0%**	**12.0%**
Depreciation, amortization and write-offs on property, plant and equipment	1.8%	1.2%	1.2%	1.2%
EBITA	**5.8%**	**8.3%**	**9.8%**	**10.8%**
Amortisation of intangible assets	1.0%	0.9%	0.9%	0.8%
Impairment charges and amortisation of goodwill	1.1%	1.0%	0.8%	0.7%
EBIT	**3.7%**	**6.4%**	**8.1%**	**9.3%**
Financial result	-1.9%	-1.3%	-1.0%	-0.8%
Result from ordinary operations	**1.9%**	**5.1%**	**7.1%**	**8.5%**
Extraordinary result	0.1%	0.0%	0.0%	0.0%
EBT	**2.0%**	**5.1%**	**7.1%**	**8.5%**
Taxes on income	1.0%	1.5%	1.8%	2.1%
Net income from ongoing business activity	1.0%	3.6%	5.3%	6.4%
Income (loss) from discontinued business activities (net)	0.0%	0.0%	0.0%	0.0%
Net income before minority interests	**1.0%**	**3.6%**	**5.3%**	**6.4%**
Minority interests	-0.5%	-0.2%	0.0%	0.2%
Net income	**1.5%**	**3.8%**	**5.3%**	**6.2%**

Source: Company (reported data), Montega (forecasts)

Balance sheet (in millions of EUR) Wolftank-Adisa Holding AG	2018	2019e	2020e	2021e
ASSETS				
Intangible assets	4.8	4.4	4.1	3.7
Property, plant and equipment	6.3	6.6	6.8	7.2
Financial assets	0.3	0.3	0.3	0.4
Fixed assets	**11.5**	**11.3**	**11.2**	**11.2**
Inventories	5.5	6.4	7.3	8.2
Trade receivables	17.8	20.4	23.2	26.1
Liquid assets	3.4	7.6	9.1	11.5
Other assets	2.8	2.8	2.8	2.8
Current assets	**29.6**	**37.3**	**42.4**	**48.6**
Total assets	**41.1**	**48.6**	**53.7**	**59.8**
SHAREHOLDER'S EQUITY AND LIABILITIES				
Shareholders' equity	**3.2**	**9.6**	**13.3**	**18.1**
Minority interests	**-0.1**	**-0.1**	**-0.1**	**-0.1**
Provisions and accrued liabilities	1.6	1.6	1.6	1.6
Interest-bearing liabilities	15.5	14.2	13.0	11.7
Trade payables	15.5	17.9	20.5	23.1
Other liabilities	5.4	5.4	5.4	5.4
Liabilities	**38.0**	**39.2**	**40.5**	**41.9**
Total shareholder's equity and liabilities	**41.1**	**48.6**	**53.7**	**59.8**

Source: Company (reported data), Montega (forecasts)

Balance sheet (as a % of total assets) Wolftank-Adisa Holding AG	2018	2019e	2020e	2021e
ASSETS				
Intangible assets	11.8%	9.1%	7.5%	6.1%
Property, plant and equipment	15.4%	13.5%	12.7%	12.0%
Financial assets	0.8%	0.7%	0.6%	0.6%
Fixed assets	**28.0%**	**23.3%**	**20.9%**	**18.7%**
Inventories	13.4%	13.2%	13.6%	13.7%
Trade receivables	43.4%	42.0%	43.2%	43.6%
Liquid assets	8.3%	15.7%	17.0%	19.2%
Other assets	6.9%	5.8%	5.3%	4.7%
Current assets	**72.0%**	**76.7%**	**79.0%**	**81.3%**
Total assets	**100.0%**	**100.0%**	**100.0%**	**100.0%**
SHAREHOLDER'S EQUITY AND LIABILITIES				
Shareholders' equity	**7.8%**	**19.8%**	**24.9%**	**30.2%**
Minority interests	**-0.3%**	**-0.3%**	**-0.2%**	**-0.2%**
Provisions and accrued liabilities	3.9%	3.3%	3.0%	2.7%
Interest-bearing liabilities	37.7%	29.3%	24.2%	19.6%
Trade payables	37.7%	36.8%	38.2%	38.6%
Other liabilities	13.2%	11.2%	10.1%	9.1%
Liabilities	**92.5%**	**80.6%**	**75.4%**	**70.0%**
Total shareholder's equity and liabilities	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Source: Company (reported data), Montega (forecasts)

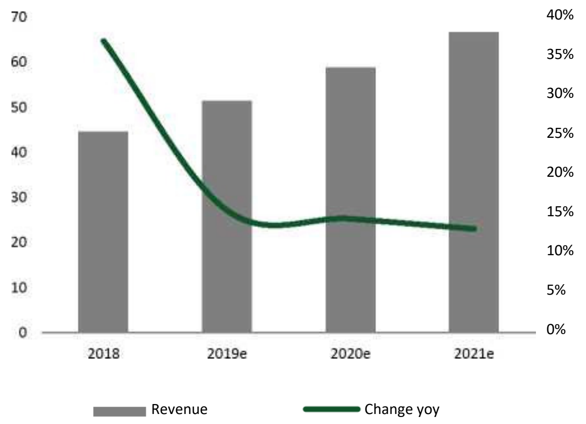
Cash flow statement (in millions of EUR) Wolftank-Adisa Holding AG	2018	2019e	2020e	2021e
Net income/loss	0.4	1.8	3.1	4.2
Depreciation of fixed assets	0.8	0.6	0.7	0.8
Amortisation of tangible assets	0.9	1.0	1.0	1.0
Change in provisions and accrued liabilities	0.3	0.0	0.0	0.0
Other non-cash income/expenses	0.2	0.0	0.0	0.0
Cash flow	**2.7**	**3.4**	**4.8**	**6.1**
Change in working capital	-0.7	-1.0	-1.1	-1.2
Cash flow from operating activities	**2.0**	**2.4**	**3.7**	**4.9**
CAPEX	-1.3	-1.4	-1.6	-1.8
Other	0.4	0.0	0.0	0.0
Cash flow from investing activities	**-0.9**	**-1.4**	**-1.6**	**-1.8**
Dividend payment	0.0	0.0	0.0	0.0
Change in financial liabilities	-2.3	-1.3	-1.3	-1.3
Other	0.1	4.5	0.6	0.5
Cash flow from financing activities	**-2.2**	**3.2**	**-0.7**	**-0.7**
Effects of exchange rate changes	0.0	0.0	0.0	0.0
Change in liquid assets	**-1.1**	**4.2**	**1.5**	**2.4**
Liquid assets at end of period	**3.4**	**7.6**	**9.1**	**11.5**

Source: Company (reported data), Montega (forecasts)

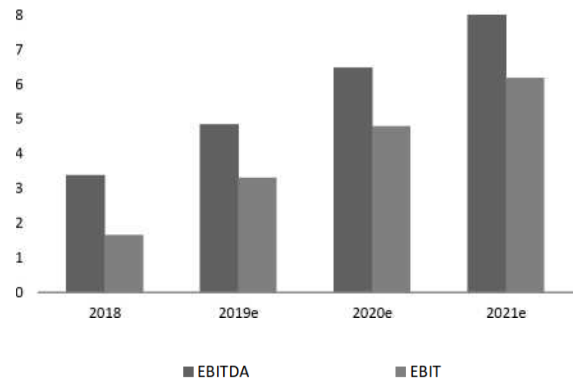
Indicators Wolftank-Adisa Holding AG	2018	2019e	2020e	2021e
Profit margins				
Gross profit margin (%)	19.5%	24.9%	21.0%	21.2%
EBITDA margin (%)	7.6%	9.4%	11.0%	12.0%
EBIT margin (%)	3.7%	6.4%	8.1%	9.3%
EBT margin (%)	2.0%	5.1%	7.1%	8.5%
Net return on revenue (%)	1.0%	3.6%	5.3%	6.4%
Return on capital				
ROCE (%)	8.0%	20.9%	28.6%	34.7%
ROE (%)	54.7%	63.2%	33.1%	31.1%
ROA (%)	1.6%	4.0%	5.8%	6.9%
Solvency				
Net debt at end of year (millions of EUR)	12.3	6.8	4.0	0.4
Net debt / EBITDA	3.6	1.4	0.6	0.1
Net debt	4.0	0.7	0.3	0.0
Cash flow				
Free cash flow (millions of EUR)	0.7	1.0	2.1	3.1
Capex / revenue (%)	3%	3%	3%	3%
Working capital / revenue (%)	15%	14%	14%	14%
Rating				
EV/revenue	1.0	0.9	0.8	0.7
EV/EBITDA	13.3	9.2	6.9	5.6
EV/EBIT	27.0	13.6	9.3	7.2
EV/FCF	62.6	45.1	20.8	14.4
P/E RATIO	49.2	17.8	11.6	8.8
P/B	11.3	3.8	2.7	2.0
Dividend yield	0.0%	0.0%	0.0%	0.0%

Source: Company (reported data), Montega (forecasts)

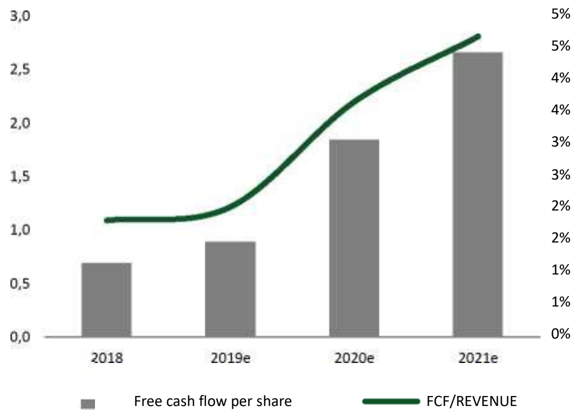
Revenue trend



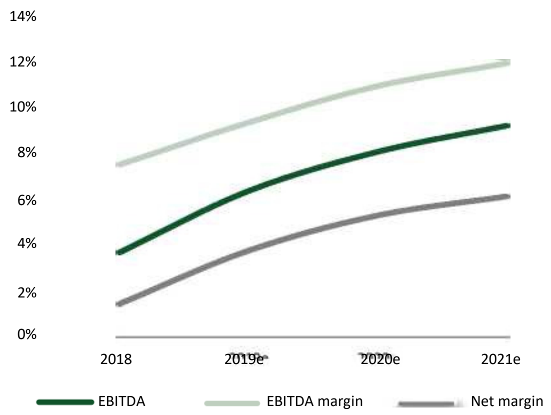
Earnings performance



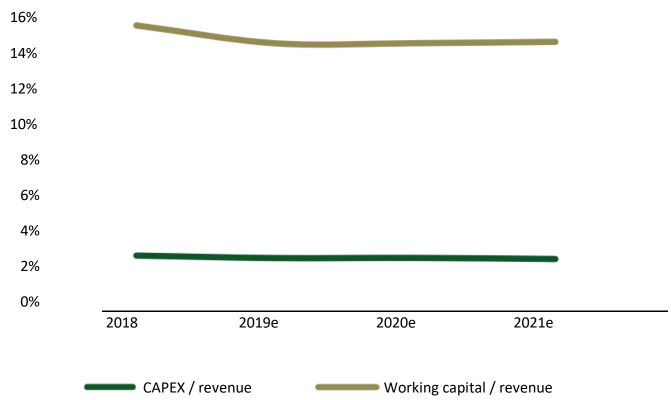
Free cash flow development



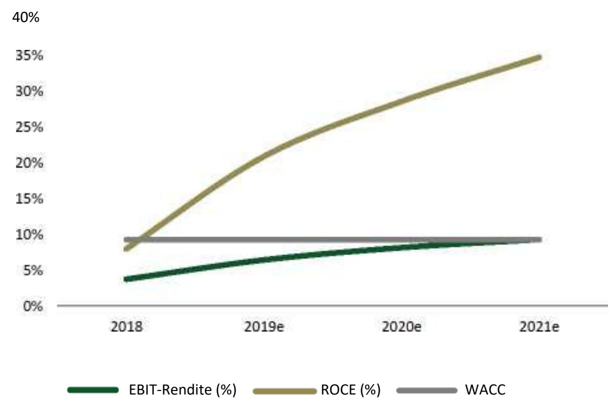
Margin development



Investments / working capital



EBIT margin / ROCE



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Course and recommendation history

Recommendation	Date	Price	Price target	Potential
Buy (first study)	9/26/2019	31.00	42.00	+35%
Buy	10/7/2019	31.00	42.00	+35%