



Investment Research

Reason: Company Newsflow

8 February 2017

Buy

from Accumulate

Share price: EUR 7.97

closing price as of 07/02/2017

Target price: EUR 9.50

from Target Price: EUR **15.00**

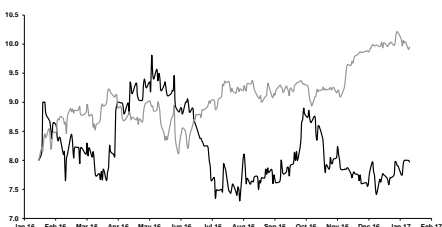
Reuters/Bloomberg

4DSG.DE/4DS GR

Daily avg. no. trad. sh. 12 mth	2
Daily avg. trad. vol. 12 mth (m)	0.00
Price high 12 mth (EUR)	9.81
Price low 12 mth (EUR)	7.32
Abs. perf. 1 mth	7.5%
Abs. perf. 3 mth	-8.9%
Abs. perf. 12 mth	-3.6%

Market capitalisation (EURm)	43
Current N° of shares (m)	5
Free float	35%

Key financials (EUR)	12/15	12/16e	12/17e
Sales (m)	17	31	40
EBITDA (m)	5	5	5
EBITDA margin	26.1%	15.2%	11.6%
EBIT (m)	1	1	1
EBIT margin	4.6%	2.3%	3.3%
Net Profit (adj.)(m)	0	0	0
ROCE	1.3%	1.2%	2.2%
Net debt/(cash) (m)	9	7	8
Net Debt Equity	0.2	0.1	0.2
Net Debt/EBITDA	1.9	1.4	1.8
Int. cover(EBITDA/Fin.int)	5.8	6.0	5.8
EV/Sales	3.2	1.6	1.3
EV/EBITDA	12.3	10.6	11.5
EV/EBITDA (adj.)	12.3	10.6	11.5
EV/EBIT	68.9	69.8	40.6
P/E (adj.)	nm	nm	nm
P/BV	1.0	0.9	0.9
OpFCF yield	-39.9%	4.9%	-3.3%
Dividend yield	0.0%	0.0%	0.0%
EPS (adj.)	0.07	0.01	0.08
BVPS	8.44	8.45	8.53
DPS	0.00	0.00	0.00



Source: Factset —DALDRUP & SOEHNE — CDAX (Rebased)

Shareholders: DALDRUP Family 65%;

For company description please see summary table footnote

Shift in company strategy – upgrade to BUY

Daldrup & Söhne continues its shift in the overall group strategy. Within the next years the group will continue to move from being a specialist geothermal drilling project company towards a mid-sized energy supplier. Daldrup will continue to cover the full value-added chain from first feasibility studies up to complete turnkey projects including energy supply. Being successful on this way the risk profile of Daldrup will change and will lead to more steady revenues and cash-flows.

- ✓ **Full-year 2016e financial guidance can be reached:** Daldrup plans to achieve 2016e a total operating output (TOO) of €33m and an EBIT-margin in the range of 2% to 5%. Given the solid growth in TOO in H1 2016e with a plus of 89% to EUR21m the second half has to deliver some EUR12m in order to reach the own guidance what is justified in our view based on the improved project situation. We are looking for a full-year EBIT of EUR0.72m which equals to a margin of 2.2% based of TOO and 2.3% based on group sales.
- ✓ **Project update: Taufkirchen (Daldrup share: 38.6%):** Since end of 2015 district heating supply is in operation and the start of electricity production is expected for mid-year 2017e according to the company. **Landau (Daldrup share: 40%):** The State Agency for Geology and Mining of Rhineland-Palatinate has prolonged the main factory qualification. Following both several final technical checks and a testing phase Landau could start regular production in the course of 2017e. **Neuried (Daldrup share: 100%):** Law suit of the town of Kehl in opposition to the existing drill permit is still pending and so far no news.
- ✓ **New orders:** Daldrup group is engaged in the bidding process for various new geothermal projects in Germany and abroad (e.g. Bemried, Netherlands, Belgium, France). Total project volume could go up to more than €50m and if Daldrup would be successful capacity utilisation is secured up into FY2018e in our view.
- ✓ **EEG 2017 news:** The updated rules have confirmed the fixed funding rates of €25.2 cents/kW/h for current and planned projects until 2021. It is worth to mention that prices for geothermal energy will not be fixed in a bidding process which gives a much better basis for the entire calculation process and thus makes it more attractive for potential investors.
- ✓ **Upgrade to BUY:** Following two difficult years the business outlook for Daldrup will improve in our view. The project pipeline is promising and gives a better visibility up to FY2018e. Based on our DCF-model we arrive at an updated target price of rounded €9.50 per share. Based on the current share price of €7.97 it will give Daldrup shares an upside potential of 19%. Therefore we upgrade the shares to BUY (old: Accumulate). **Key risks** comprise e.g. 1) General risks coming from the project business. 2) Further delays in the key projects.
- ✓ **With this note coverage is transferred to Winfried Becker.**

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For important disclosure information, please refer to the disclaimer page of this report

Valuation Update

We continue to evaluate the price target for Daldrup with our DCF-model. An adequate peer group is not available in our view due to the fact that there is no other listed European company covering the complete value-added chain as Daldrup does. Given the promising project pipeline we expect substantial growth in revenues, TOO and EBIT up to FY2019e. It will also lead to higher capex needs in the next years to come. The foreseeable regular electricity production at the powerplants in Taufkirchen and Landau will generate more steady revenues and cash flows.

As a result of these base assumptions we arrive at an enterprise value of €61.8m or €9.52 per share. Rounded down we fix our new target price at €9.50 per share which gives Daldrup an upside potential of rounded 19%.

Exhibit 1: Daldrup – DCF-model

EUR m	Phase I					Phase II					Phase III
	2016e	2017e	2018e	2019e	2020e	2021e	2022e	2023e	2024e	2025e	
Revenues	31.0	39.5	47.0	55.5	58.8	61.9	64.8	67.3	69.6	71.4	
growth rate	79.7%	27.4%	19.0%	18.1%	5.9%	5.3%	4.6%	4.0%	3.3%	2.7%	
EBIT	0.7	1.3	2.1	4.2	4.7	4.7	4.8	4.8	4.7	4.6	
EBIT margin	2.3%	3.3%	4.5%	7.6%	7.9%	7.6%	7.3%	7.1%	6.8%	6.5%	
Tax	-0.2	-0.4	-0.6	-1.3	-1.4	-1.4	-1.4	-1.4	-1.4	-1.4	
Tax rate	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	
Depr. & Amort.	4.0	3.3	2.8	2.2	2.4	1.9	1.6	1.5	1.4	1.4	
% of sales	12.9%	8.4%	6.0%	4.0%	4.1%	3.0%	2.4%	2.2%	2.0%	1.9%	
Capex	-1.4	-2.4	-1.9	-1.6	-1.8	-1.5	-1.5	-1.4	-1.4	-1.4	
% of sales	4.5%	6.0%	4.0%	2.8%	3.0%	2.5%	2.3%	2.1%	2.1%	2.0%	
Change in WC & P	-1.5	-1.1	0.1	-0.2	0.6	0.7	0.7	0.7	0.8	0.8	
% of sales	4.9%	2.8%	-0.3%	0.4%	-1.1%	-1.1%	-1.1%	-1.1%	-1.1%	-1.1%	
Free Cash Flow	1.6	0.8	2.5	3.4	4.5	4.3	4.2	4.1	4.1	4.0	73.4
growth rate	nm	-53.2%	nm	33.8%	34.0%	-5.4%	-2.8%	-1.6%	-1.3%	-2.1%	2.0%
Present Value FCF	1.6	0.7	2.2	2.7	3.4	3.0	2.7	2.5	2.3	2.1	38.6

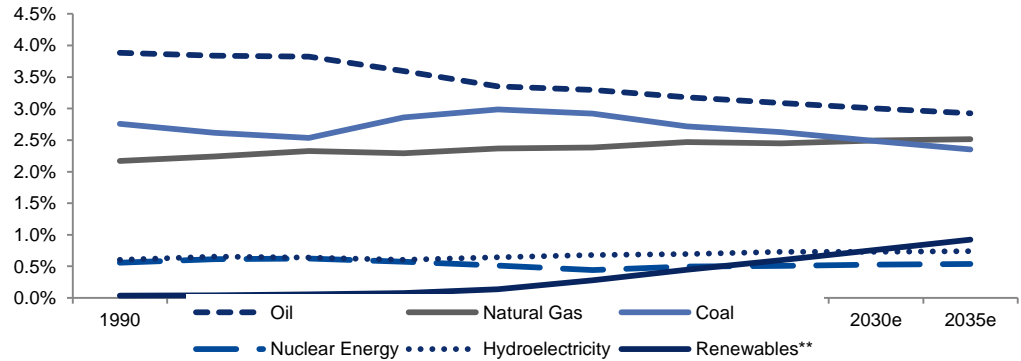
PV Phase I	10.7	Risk free rate	3.50%	Targ. equity ratio	55%		
PV Phase II	12.6	Premium Equity	5.00%	Beta	1.40		
PV Phase III	38.6	Premium Debt	2.00%	WACC	7.51%		
Enterprise value	61.8	Sensitivity	Growth in phase III				
- Net Debt (Cash)	8.8		1.0%	1.5%	2.0%	2.5%	3.0%
- Pension Provisions	0.8	6.76%	9.7	10.4	11.3	12.4	13.7
- Minorities & Peripherals	0.5	7.13%	9.0	9.6	10.4	11.2	12.3
+ MV of financial assets		WACC	7.51%	8.4	8.9	9.5	10.3
- Paid-out dividends for last FY	0.0	7.88%	7.8	8.3	8.8	9.4	10.2
+/- Other EV items		8.26%	7.3	7.7	8.2	8.7	9.3
Equity value	51.8						
Number of shares	5.4410						
Value per share (€)	9.52						
Current Price (€)	7.97						
Upside	19%						

Source: equinet Research

Renewables will gain in importance

According to the latest energy outlook from BP the subsector of renewables (wind, solar, **geothermal**, biomass and biofuels) will gain in importance. Global energy consumption by fuel type for 2015 shows a share of total of 2.8% for all the renewables. This has doubled since 2010 and no other energy type is growing faster but still on an absolute low level.

Exhibit 2: Energy consumption by fuel – Renewables will gain in importance



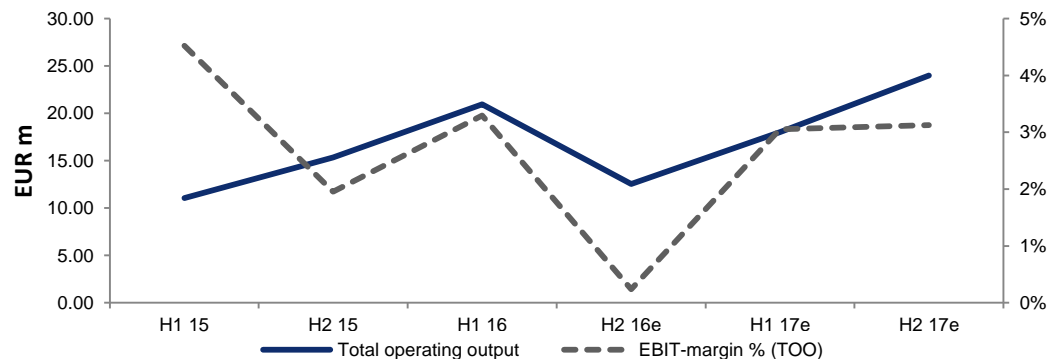
Source: BP – Energy report 2017

As the chart shows there is a further strong growth expected until 2035. According to the BP scenario renewables are expected to reach a share of 9.2% in 2035. Despite the uncertainties inherent in such forecasts it will reflect the efforts of a lot of countries to produce more “green energy” as the problem of CO₂-emissions is growing.

As far as Germany is concerned 2015 electricity production from renewables has reached 195.9bn kWh (+20%) of which a minor 0.1% was generated by geothermal energy. The geothermal subsector reported a favourable growth of 33% to 130m kWh. Looking to continental Europe other countries with strong growth in 2015 in geothermal are Finland (+81% yoy), France (+74% yoy) and Switzerland (+63% yoy). Among these countries the Daldrup group is in several bidding processes as outlined below and so far will have a good chance to participate in the expected growth in Europe.

H2 2016e and project outlook

Exhibit 3: Daldrup: Total operating output and EBIT-margin by half-year



Source: Daldrup, equinet Research



Following its H1 2016 reporting Daldrup has confirmed its full-year 2016e financial guidance. Total operating output (which is the more useful financial item for project companies) should reach €33m. H1 2016 came out at €21m (+89%) so that in order to reach the full year target the second half has to deliver €12m in TOO what is justified in our view. The Geothermal Energy division 2016e will deliver ~50% of the group's total. Daldrup is engaged in some bidding processes for new geothermal projects e.g. in the Netherlands (e.g. energy supply for green houses), Belgium and France. Project volume is higher than €50m in our view and in case of a successful bidding process it will utilise Daldrup's drilling capacity until FY2018e. In addition at the Taufkirchen plant regular production of electricity could start by mid-year 2017 and then will deliver a steady revenue stream of some hundred thousand EUR per months. Technical problems with damaged heat exchangers have been solved in that way, that new aggregates were ordered at a different supplier company and delivery is expected to take place in the first quarter 2017e. The Landau plant is in preparation to start regular production in the course of the year 2017e. Full available technical capacity is up to 3.6 MW for electricity and 7 MW for thermal energy.

Daldrup & Soehne: Summary tables

PROFIT & LOSS (EURm)	12/2013	12/2014	12/2015	12/2016e	12/2017e	12/2018e
Sales	60.8	52.3	17.3	31.0	39.5	47.0
Cost of Sales & Operating Costs	-55.6	-58.6	-12.8	-26.3	-34.9	-42.1
Non Recurrent Expenses/Income	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	5.2	-6.3	4.5	4.7	4.6	4.9
EBITDA (adj.)*	5.2	-6.3	4.5	4.7	4.6	4.9
Depreciation	-4.0	-12.1	-3.7	-4.0	-3.3	-2.8
EBITA	1.2	-18.4	0.8	0.7	1.3	2.1
EBITA (adj)*	1.2	-18.4	0.8	0.7	1.3	2.1
Amortisations and Write Downs of which PPA amortisation	0.0 0.0	0.0 0.0	0.0 0.0	0.0 0.0	0.0 0.0	0.0 0.0
EBIT	1.2	-18.4	0.8	0.7	1.3	2.1
EBIT (adj.)*	1.2	-18.4	0.8	0.7	1.3	2.1
Net Financial Interest	-0.5	-0.5	-0.8	-0.8	-0.8	-0.6
Other Financials	0.0	0.0	0.0	0.0	0.0	0.0
Associates	0.0	0.0	0.0	0.1	0.1	0.1
Other Non Recurrent Items	0.0	0.0	0.0	0.0	0.0	0.0
Earnings Before Tax (EBT)	0.6	-18.9	0.0	0.0	0.6	1.6
Tax	-0.5	-0.1	0.1	0.0	-0.2	-0.5
<i>Tax rate</i>	<i>85.6%</i>	<i>n.m.</i>	<i>n.m.</i>	<i>30.0%</i>	<i>30.0%</i>	<i>30.0%</i>
Discontinued Operations	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	0.1	2.7	0.2	0.0	0.0	0.0
Net Profit (reported)	0.2	-16.3	0.4	0.0	0.4	1.1
Net Profit (adj.)	0.2	-16.3	0.4	0.0	0.4	1.1
CASH FLOW (EURm)	12/2013	12/2014	12/2015	12/2016e	12/2017e	12/2018e
Cash Flow from Operations before change in NWC	-0.9	1.1	-7.0	5.0	2.0	5.4
Change in Net Working Capital	1.6	2.4	-10.4	-1.5	-1.1	0.1
Cash Flow from Operations	0.7	3.5	-17.4	3.5	0.9	5.5
Capex	-2.0	-1.3	-0.6	-1.4	-2.4	-1.9
Net Financial Investments	0.1	0.0	0.0	0.0	0.0	0.0
Free Cash Flow	-1.2	2.2	-18.0	2.1	-1.4	3.7
Dividends	0.0	0.0	0.0	0.0	0.0	0.0
Other (incl. Capital Increase & share buy backs)	0.0	0.0	0.0	0.0	0.0	0.0
Change in Net Debt	-1.2	2.2	-18.0	2.1	-1.4	3.7
NOPLAT	0.8	-12.9	0.6	0.5	0.9	1.5
BALANCE SHEET & OTHER ITEMS (EURm)	12/2013	12/2014	12/2015	12/2016e	12/2017e	12/2018e
Net Tangible Assets	40.0	28.9	26.5	24.1	23.2	22.4
Net Intangible Assets (incl. Goodwill)	3.3	2.7	2.0	1.8	1.8	1.7
Net Financial Assets & Other	19.7	24.4	22.7	22.7	22.7	22.7
Total Fixed Assets	63.0	55.9	51.3	48.7	47.7	46.8
Inventories	1.2	2.1	12.5	13.9	14.9	14.7
Trade receivables	14.0	6.5	5.7	6.3	6.7	6.7
Other current assets	14.5	10.0	16.2	14.0	15.0	15.3
Cash (-)	-5.0	-4.5	-3.2	-4.4	-2.4	-5.0
Total Current Assets	34.7	23.1	37.6	38.5	39.0	41.6
Total Assets	97.7	79.0	88.9	87.2	86.7	88.5
Shareholders Equity	62.5	45.6	45.9	46.0	46.4	47.5
Minority	3.5	0.8	0.5	0.5	0.5	0.5
Total Equity	66.0	46.4	46.5	46.5	46.9	48.0
Long term interest bearing debt	-2.8	-1.6	-0.1	-1.9	-3.5	-5.6
Provisions	2.5	3.8	3.1	3.2	3.5	3.3
Other long term liabilities	12.4	13.7	22.6	21.1	20.1	22.1
Total Long Term Liabilities	12.0	15.9	25.6	22.4	20.2	19.9
Short term interest bearing debt	10.0	11.0	12.0	13.0	14.0	15.0
Trade payables	9.2	5.0	4.2	4.7	5.0	5.0
Other current liabilities	0.5	0.8	0.6	0.6	0.6	0.6
Total Current Liabilities	19.7	16.7	16.8	18.3	19.6	20.6
Total Liabilities and Shareholders' Equity	97.7	79.0	88.9	87.2	86.7	88.5
Net Capital Employed	83.0	68.7	80.9	77.5	78.7	77.9
Net Working Capital	6.0	3.6	14.0	15.5	16.6	16.5
GROWTH & MARGINS	12/2013	12/2014	12/2015	12/2016e	12/2017e	12/2018e
<i>Sales growth</i>	<i>168.1%</i>	<i>-14.0%</i>	<i>-67.0%</i>	<i>79.7%</i>	<i>27.4%</i>	<i>19.0%</i>
EBITDA (adj.)* growth	687.6%	n.m.	n.m.	4.9%	-2.5%	6.5%
<i>EBITA (adj.)* growth</i>	<i>-49.8%</i>	<i>n.m.</i>	<i>n.m.</i>	<i>-10.0%</i>	<i>80.6%</i>	<i>61.5%</i>
<i>EBIT (adj)* growth</i>	<i>-49.8%</i>	<i>n.m.</i>	<i>n.m.</i>	<i>-10.0%</i>	<i>80.6%</i>	<i>61.5%</i>



Daldrup & Soehne: Summary tables

GROWTH & MARGINS	12/2013	12/2014	12/2015	12/2016e	12/2017e	12/2018e
Net Profit growth	-86.6%	n.m.	n.m.	-86.9%	799.1%	153.0%
EPS adj. growth	-86.6%	n.m.	n.m.	-86.9%	799.1%	153.0%
DPS adj. growth						
EBITDA (adj)* margin	8.5%	n.m.	26.1%	15.2%	11.6%	10.4%
EBITA (adj)* margin	1.9%	-35.2%	4.6%	2.3%	3.3%	4.5%
EBIT (adj)* margin	1.9%	n.m.	4.6%	2.3%	3.3%	4.5%
RATIOS	12/2013	12/2014	12/2015	12/2016e	12/2017e	12/2018e
Net Debt/Equity	0.0	0.1	0.2	0.1	0.2	0.1
Net Debt/EBITDA	0.4	-0.8	1.9	1.4	1.8	0.9
Interest cover (EBITDA/Fin.interest)	9.7	n.m.	5.8	6.0	5.8	7.8
Capex/D&A	49.5%	10.6%	16.6%	34.9%	71.8%	67.1%
Capex/Sales	3.3%	2.5%	3.6%	4.5%	6.0%	4.0%
NWC/Sales	9.9%	7.0%	81.1%	50.0%	42.0%	35.0%
ROE (average)	0.4%	-30.1%	0.8%	0.1%	0.9%	2.4%
ROCE (adj.)	1.6%	-36.6%	1.3%	1.2%	2.2%	3.6%
WACC	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%
ROCE (adj.)/WACC	0.2	-4.9	0.2	0.2	0.3	0.5
PER SHARE DATA (EUR)***	12/2013	12/2014	12/2015	12/2016e	12/2017e	12/2018e
Average diluted number of shares	5.4	5.4	5.4	5.4	5.4	5.4
EPS (reported)	0.04	-2.99	0.07	0.01	0.08	0.20
EPS (adj.)	0.04	-2.99	0.07	0.01	0.08	0.20
BVPS	11.48	8.38	8.44	8.45	8.53	8.74
DPS	0.00	0.00	0.00	0.00	0.00	0.00
VALUATION	12/2013	12/2014	12/2015	12/2016e	12/2017e	12/2018e
EV/Sales	1.2	1.4	3.2	1.6	1.3	1.0
EV/EBITDA	14.1	n.m.	12.3	10.6	11.5	10.0
EV/EBITDA (adj.)*	14.1	n.m.	12.3	10.6	11.5	10.0
EV/EBITA	63.5	-3.9	68.9	69.8	40.6	23.4
EV/EBITA (adj.)*	63.5	-3.9	68.9	69.8	40.6	23.4
EV/EBIT	63.5	n.m.	68.9	69.8	40.6	23.4
EV/EBIT (adj.)*	63.5	n.m.	68.9	69.8	40.6	23.4
P/E (adj.)	n.m.	n.m.	n.m.	n.m.	n.m.	39.1
P/BV	1.1	1.4	1.0	0.9	0.9	0.9
Total Yield Ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EV/CE	1.5	2.0	1.3	1.2	1.3	1.2
OpFCF yield	-1.9%	3.4%	-39.9%	4.9%	-3.3%	8.5%
OpFCF/EV	-1.7%	3.1%	-32.7%	4.1%	-2.7%	7.5%
Payout ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Dividend yield (gross)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EV AND MKT CAP (EURm)	12/2013	12/2014	12/2015	12/2016e	12/2017e	12/2018e
Price** (EUR)	12.35	12.05	8.29	7.77	7.97	7.97
Outstanding number of shares for main stock	5.4	5.4	5.4	5.4	5.4	5.4
Total Market Cap	67	66	45	42	43	43
Net Debt	2	5	9	7	8	4
<i>o/w Cash & Marketable Securities (-)</i>	-5	-5	-3	-4	-2	-5
<i>o/w Gross Debt (+)</i>	7	9	12	11	11	9
Other EV components	4	1	1	1	1	1
Enterprise Value (EV adj.)	73	72	55	50	53	49

Source: Company, equinet Bank estimates.

Notes

* Where EBITDA (adj.) or EBITA (adj.) = EBITDA (or EBITA) +/- Non Recurrent Expenses/Income and where EBIT (adj.) = EBIT +/- Non Recurrent Expenses/Income - PPA amortisation

**Price (in local currency): Fiscal year end price for Historical Years and Current Price for current and forecasted years

Sector: Alternative Energy/Renewable Energy Equipment

Company Description: Daldrup & Söhne AG engages in the provision of drilling and environmental services. It operates through the following business area: Geothermics, Water Procurement, Environment, Development, and Services and Raw Materials and Exploration. The Geothermics business area provides drilling services for near-surface and deep geothermics. The Water Procurement business area processes dry, direct circulation, airlift, and hammer drilling of wells for the procurement of drinking, service, medicinal, mineral, boiler-feed, and cooling water. The Environment, Development, and Services business area comprises of hydraulic clean-up of contaminated sites, drilling of gas extraction wells for recovering waste dump gas, groundwater quality measuring points and water cleansing plants and mobile environmental analysis. The Raw Materials and Exploration business area includes exploratory and test drilling to discover deposits of fossil fuels and gas extraction wells for



Recommendations and Disclosures

Coverage	Analyst	Target	Rating	Disc.	Coverage	Analyst	Target	Rating	Disc.
2GEnergy	Rüzgar	24.00	Buy	2/3/5	PSI	Droste	13.00	Accumulate	2/3
4SC	Miemietz	3.50	Buy	7	RIB Software	Droste	18.00	Buy	2/3
Aareal Bank	Häßler	37.00	Neutral		RTL Group	Josefson	81.00	Accumulate	
Adpepper	Heilmann	3.00	Buy	2/3	SAF-Holland	Schuldt	15.50	Accumulate	7
adidas	Josefson	139.00	Neutral		Siegfried Holding AG	Miemietz	220.00	Accumulate	
Adler Modemaerkte	Josefson	8.90	Buy	7	SLM Solutions	Sen	27.50	Neutral	
ADLER Real Estate	Häßler	16.00	Buy		SMT Scharf AG	Rüzgar	14.50	Neutral	2/3
Aixtron	Sen	4.00	Neutral	2/3	Software AG	Droste	30.00	Neutral	
Allianz	Häßler	175.00	Buy		Suedzucker	Bruns	25.00	Buy	
Axel Springer	Josefson	51.00	Neutral		SuessMicroTec	Sen	7.00	Neutral	2/3
Bayer	Miemietz	118.00	Buy		Surteco	Mildner	27.00	Buy	2/3
BB Biotech	Miemietz	52.00	Buy	7	Szyggy AG	Heilmann	13.00	Neutral	2/3
Biotest	Miemietz	18.00	Buy	2/3	Talanx Group	Häßler	32.00	Accumulate	
BMW	Schuldt	96.00	Accumulate		Technotrans	Becker	24.00	Accumulate	2/3
Cenit	Droste	22.50	Buy		TELECOLUMBUS	Sen	10.00	Buy	
comdirect	Häßler	10.00	Neutral		Telefonica Deutschland	Sen	3.70	Neutral	
Commerzbank	Häßler	7.50	Neutral		United Internet	Sen	55.00	Buy	
Continental	Schuldt	225.00	Buy		va-Q-tec	Sen	17.00	Buy	2/3/5
CTS Eventim	Josefson	33.00	Accumulate		VB Vermoegen	Rothenbacher	22.00	Buy	
Cytotools AG	Heilmann	11.50	Accumulate	2/3	Viscom	Rüzgar	14.50	Accumulate	2/3
Daimler AG	Schuldt	83.00	Buy		Volkswagen	Schuldt	166.00	Buy	
Daldrup & Soehne	Becker	9.50	Buy	2/3/5	WCM AG	Mayer	3.25	Buy	2/3
Demire	Mayer	4.50	Buy		Wifex	Miemietz	4.00	Buy	2/3
Deutsche Bank	Häßler	22.00	Buy		Wincor Nixdorf	Sen	50.00	Accumulate	
Deutsche Boerse	Häßler	79.00	Neutral		windeln.de	Josefson	5.00	Buy	2
Deutsche EuroShop	Mayer	42.00	Accumulate						
Deutsche Pfandbriefbank	Häßler	11.30	Accumulate						
Deutsche Telekom	Sen	15.50	Neutral						
Drillisch	Sen	41.00	Neutral						
EringKlinger	Schuldt	17.00	Neutral						
elumeo SE	Josefson	9.60	Buy						
Epigenomics AG	Miemietz	4.81	Neutral	2/3					
Euromicron AG	Droste	13.00	Buy	2/3/5					
Ferratum	Häßler	20.00	Buy						
Fielmann	Heilmann	58.00	Reduce						
Freenet	Sen	36.00	Buy	2					
FuchsPetrolub	Hinkel	47.00	Accumulate						
Gerry Weber	Josefson	9.50	Reduce						
Gesco	Becker	21.67	Neutral	2/3/5					
GFT Technologies	Droste	28.00	Buy	2/3/5					
Gigaset	Sen	0.65	Accumulate	2/3					
Grand City Properties	Häßler	16.00	Neutral						
Grenke	Häßler	200.00	Buy						
Hannover Re	Häßler	100.00	Neutral						
Hugo Boss	Josefson	72.00	Buy						
Hypoport AG	Häßler	100.00	Buy	7					
Kontron	Sen	3.60	Buy						
KWS	Hinkel	346.00	Buy						
Leoni	Schuldt	35.00	Neutral						
Linde	Hinkel	160.00	Neutral						
Logwin	Mildner	2.56	Accumulate	2/3/5					
Manz AG	Rüzgar	42.50	Accumulate	2/3/5					
MAXAutomation AG	Becker	7.00	Accumulate	2/3/5					
Merck	Miemietz	91.00	Neutral						
Merkur Bank	Häßler	8.80	Buy	2/7					
Metro	Bruns	38.00	Buy						
MLP	Häßler	4.30	Accumulate	2/3					
Munich Re	Häßler	180.00	Neutral						
Nemetschek SE	Droste	47.00	Reduce	5					
Nexus AG	Droste	20.00	Buy						
Norma Group	Schuldt	48.00	Buy						
OHB SE	Rüzgar	20.00	Neutral	7					
OVH Holding AG	Häßler	20.00	Buy	2/5/7					
Patrizia	Häßler	22.00	Accumulate						
Pfeiffer Vacuum	Sen	92.00	Buy						

* =Coverage suspended

Source: equinet Recommendations



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- Buy - The stock is expected to generate a total return of over 15% during the next 12 months time horizon.
- Accumulate - The stock is expected to generate a total return of 5% to 15% during the next 12 months time horizon.
- Neutral - The stock is expected to generate a total return of -5% to 5% during the next 12 months time horizon
- Reduce - The stock is expected to generate a total return of -15% to -5% during the next 12 months time horizon
- Sell - The stock is expected to generate a total return below -15% during the next 12 months time horizon

Basis of Valuation

equinet Bank uses for valuation purposes primarily DCF-Valuations and Sum-Of-The-Parts-Valuations as well as peer group comparisons.

Share prices

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Sources

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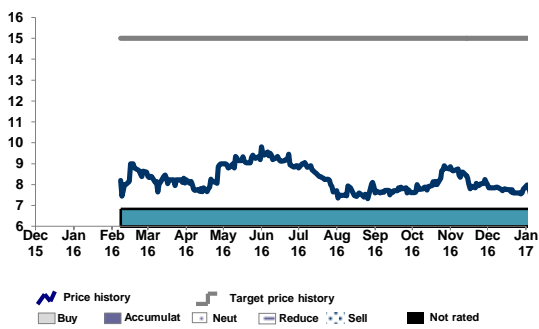


Recommendation history for DALDRUP & SOEHNE

Date	Recommendation	Target price	Price at change date
08-Feb-17	Buy	9.50	7.97

Source: Factset & ESN, price data adjusted for stock splits.

This chart shows equinet Bank continuing coverage of this stock; the current analyst may or may not have covered it over the entire period. Current analyst: Winfried Becker (since 11/01/2017)



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The ESN Recommendation System is **Absolute**. It means that each stock is rated on the basis of a **total return**, measured by the upside potential (including dividends and capital reimbursement) over a **12 month time horizon**.



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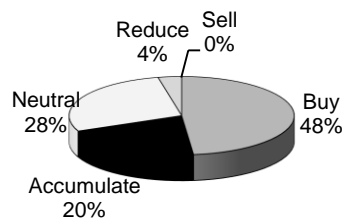
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- **Accumulate:** the stock is expected to generate total return of **5% to 15%** during the next 12 months time horizon
- **Neutral:** the stock is expected to generate total return of **-5% to +5%** during the next 12 months time horizon
- **Reduce:** the stock is expected to generate total return of **-5% to -15%** during the next 12 months time horizon
- **Sell:** the stock is expected to generate total return **under -15%** during the next 12 months time horizon
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Certain flexibility on the limits of total return bands is permitted especially during higher phases of volatility on the markets

Equinet Ratings Breakdown



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