

Estavis

Add (Remains Unchanged)	€1.90
Target Price:	€2.30
Reuters Code:	E7S.DE
Bloomberg Ticker:	E7S GY
EPS adj.	
Jun 2010A	€0.13
Jun 2011A	€0.07
Jun 2012E	€0.14
Jun 2013E	€0.21
WestLB Research estimates	
Market Cap:	€ 27m
Current recommendation since	07/05/2011
Previous recommendation was	Buy

Share prices are as of market close on
15 November 2011

For disclosures and statements required by
regulatory bodies, please see the last page.

For further information concerning valuation
methods and risks, see this report in the
research archive <https://research.westlb.com>:
Valuation and risk disclosures, 15 November
2011

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Estavis

Q1 2011/12: Profitable on low volume

- **Estavis released preliminary figures for Q1 2011/12. At first glance the revenues (€8m) look very low, but these do not contain a contribution from larger projects expected for the business year. However, the bottom line is marginally positive (€0.03m), which is surprising given the low revenues. The company stated that it expects both revenues and profits to increase in this financial year. As such, we view the Q1 results not as an indication for the full year, and are expecting future quarters with higher revenues and profits.**

Estavis forecasts and multiples

Year End	Sales	EBITDA	EPS adj.	P/E	EV/EBITDA	Yield
Jun	(€m)	(€m)	(€)	(x)	(x)	(%)
2010A	71	5	0.13	14.0	18.2	0.0
2011A	53	5	0.07	36.1	16.8	0.0
2012E	70	7	0.14	13.7	12.0	0.0
2013E	81	9	0.21	9.2	9.6	0.0
Net cash/Share	-€4.0					
NAV/Share	€4.4					

¹ Cash/debt at end of current year

Source Estavis, WestLB Research estimates

- **The high profitability level is attributable to a sale of land for development, which is included in the €8m sales.**
- **The sales figures for Q1 are lower than for the corresponding period of last year. (€8m vs €10.1m).** Despite the lower sales volume, EBIT was marginally higher (€1.1m vs €1m). However, the bulk of the announced revenues from larger projects Kastaniengärten and Glanzfilmfabrik are going to materialise late in the year (probably already a large part in Q2). Thus we are confident that Estavis will arrive at a significantly higher sales volume and profitability than last year.
- **The company has reiterated its guidance that it expects sales and profits to increase in the current business year 2011/12.**

Estavis – Positive and negative points

Positive	Negative
(1) Promising projects	(1) Negative track record on guidance (former management)
(2) Regained profitability on reduced cost base	(2) Difficult refinancing (short term real estate financing)
(3) Improved demand for listed buildings	(3) High volatility in quarterly revenues (Q1 2010/11, Q3 2009/10)
(4) Takeover possibilities due to TAG stake	(4) Portfolio transaction model has collapsed
(5) Rising property prices in Berlin	(5) Highly dependent on success of a few larger projects

Source Company, WestLB Research estimates

Dr Georg Kanders

16 November 2011