

Estavis	
Buy	€1.70
(Remains Unchanged)	
Target Price:	€3.00
Reuters Code:	E7S.DE
Bloomberg Ticker:	E7S GR
EPS adj.	
Jun 2008A	€0.86
Jun 2009A	€-2.42
Jun 2010E	€0.25
Jun 2011E	€0.36
WestLB Research estimates	
Market Cap:	€ 14m

Current recommendation since 23/11/2009
 Previous recommendation was Neutral

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

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Estavis

Solid in Q2 and a tax gain

- On an operating basis Estavis was again profitable in Q2, and benefited in addition from a tax benefit of €0.6m. With EPS of 0.17 after H1 the company is very well on track to reach our forecast EPS of 0.25 for the whole business year. Estavis confirmed its outlook of reaching sales between €75m and €85m. A reduction in the balance sheet and the profit of €1.4m for H1 improved the equity ratio to 36% (was 24% at the end of 2008/09). The figures clearly confirm our Buy case.

Estavis forecasts and multiples

Year End	Sales	EBITDA	EPS adj.	P/E	EV/EBITDA	Yield
Jun	(€m)	(€m)	(€)	(x)	(x)	(%)
2008A	147	2	0.86	6.9	76.4	0.0
2009A	71	-23	-2.42	nm	nm	0.0
2010E	75	8	0.25	6.8	9.5	0.0
2011E	80	9	0.36	4.8	7.9	0.0
Net cash/Share	-€7.3					
NAV/Share	€6.3					

¹ Cash/debt at end of current year

Source Estavis, WestLB Research estimates

- Estavis was able to sell 400 units in H1, of which 182 were sold in Q2. Against Q1 there is thus a reduction in the sales volume and the operating profitability. The targeted sales volume of €75-85m is suggesting that at least the same amount of units has to be sold as in H1, as the Q1 figures still contained some revenues from the portfolio trading business.

Q2 results

€m	Q2 2009/10A	Q2 2009/10	deviation	H1 2009/10	H1 2008/09	deviation
Sales	18.3	22.1	-17.3%	40.3	45.6	-11.6%
Material costs	8.2	7.6	8.9%	15.8	30.3	-47.9%
Personnel costs	0.7	0.7	6.0%	1.4	1.7	-16.7%
EBIT	1.3	2.1	-39.7%	3.4	-3.0	
Financial result	-0.9	-0.9	0.6%	-1.8	-2.3	-23.6%
Pretax profit	0.4	1.2	-69.1%	1.6	-5.4	
Net attributable	0.9	0.5	70.1%	1.4	-5.7	

Source Estavis, WestLB Research estimates

- Q2 benefited from a tax gain of €561.000. This is thus the only reason for the improved net profit against Q1. However, it has to be taken into account, that the tax burden in Q1 was quite high (58%).
- We are confirming our Buy recommendation for the stock as our EPS estimates for the whole year (€0.25) now look conservative. The equity ratio has improved due to the execution of the sale of the remaining assets and liabilities of HAG. Our sales estimates are at the low end of the range targeted by the company.

Dr. Georg Kanders

12 February 2010