

14 May 2010

Estavis

Buy	€2.06
(Remains Unchanged)	
Target Price:	€3.00
Reuters Code:	E7S.DE
Bloomberg Ticker:	E7S GY
EPS adj.	
Jun 2009A	€-2.42
Jun 2010E	€0.23
Jun 2011E	€0.35
Jun 2012E	€0.40
WestLB Research estimates	
Market Cap:	€ 20m
Current recommendation since	23/11/2009
Previous recommendation was	Neutral

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Estavis

Recovery in spring expected

- Estavis suffered from the strong winter and thus was not able to sell sufficient number of flats to arrive in positive territory for its third quarter 2009/10. However, at least part of this delay is very likely to be recovered in the final quarter. Sales were just below €9m vs. about €20m for a normalized quarter. We think that in Q4 sales should reach thus more than €25m and reach our estimate of €75m for the full year. Thus we are sticking to our estimates and the BUY recommendation.

Estavis forecasts and multiples

Year End	Sales	EBITDA	EPS adj.	P/E	EV/EBITDA	Yield
Jun	(€m)	(€m)	(€)	(x)	(x)	(%)
2009A	71	-23	-2.42	nm	nm	0.0
2010E	75	8	0.23	8.8	10.0	0.0
2011E	85	9	0.35	6.0	8.0	0.0
2012E	90	10	0.40	5.1	6.9	0.0
Net cash/Share	-€6.9					
NAV/Share	€6.4					

¹ Cash/debt at end of current year

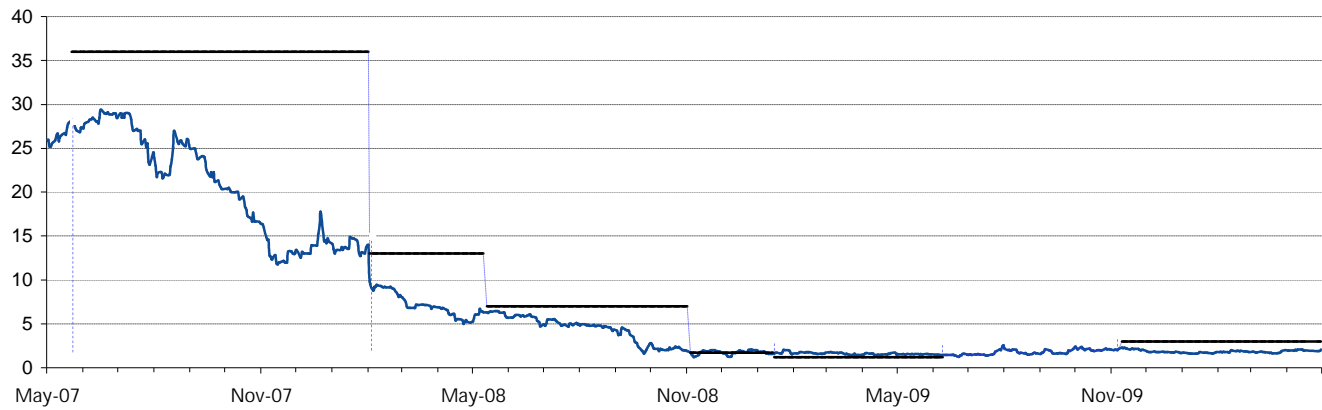
Source Estavis, WestLB Research estimates

- Hard winter. Sales were just below €9m (vs. an average of slightly above €20m for the first two quarters) and thus EBIT was already slightly negative (-€0.147m). Financing cost were comparatively low and thus the pretax loss for Q3 was just below €1m. The net result benefited from a recovery on sold activities and thus was €0.6m.
- €2m net profit still achievable. As the result after 9 months was €0.8m and we expect sales to increase to more than €25m we think it is still likely that the company arrives at the forecasted profit level of €2m.
- BUY recommendation confirmed. As we think that there will be a good final quarter we are confirming our target price of €3 and the BUY recommendation.

Dr. Georg Kanders

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Estavis E7S.DE



Date	Price	Changed to...	Date	Price	Changed to...	Date	Price	Changed to...
23-Nov-09	2.29	Buy	28-Jan-09	1.60	Sell	04-Jun-07	28.20	Buy
23-Jun-09	1.44	Neutral	15-Feb-08	9.85	Hold			

Coverage History No Rating as of 14/05/2007 Source FactSet/JCF, WestLB Research
 Change of analyst as of 16 Jan 2009
 Initiation of coverage as of 4 June 2007

Since 30/1/2009 the rating Hold is replaced by Neutral. When the rating is Neutral the target price is equal to the actual share price.

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Neutral	72	38	Neutral	17	31
Sell/Reduce	23	12	Sell/Reduce	2	4

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