

Estavis	
Buy	€1.95
(Remains Unchanged)	
Target Price:	€2.80
Reuters Code:	E7S.DE
Bloomberg Ticker:	E7S GY
EPS adj.	
Jun 2009A	€-2.42
Jun 2010A	€0.13
Jun 2011E	€0.20 (0.22)
Jun 2012E	€0.34
WestLB Research estimates	
Market Cap:	€ 19m

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

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

Research analyst(s)

Dr. Georg Kanders +49(0)211 826 5912
 georg.kanders@westlb.de

Estavis

Q1 2010/11: Disappointing start but promising order backlog

- Estavis reported for the first quarter of its business year (3M to 30 September) sales of just €10m and earnings at break-even. This was probably due to a sales gain on a commercial property. The company was also a little bit more cautious than in its previous guidance and said that while it is still possible to beat the last business year's sales and profit, this depends on the sale of assets from its own holding. The order backlog (notarised sales) was at a good level of €53m, of which €8m relates to sales probably realised in the next business year. We reduce our estimates for the current business year on the shortfall of sales and earnings in Q1. However, given the order backlog, we leave our estimates for the remaining quarters at the same level. We also maintain our target price, which is based on a 50% discount to FY 2011E NAV.

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
2010A	71	5	0.13	14.3	18.3	0.0
2011E	71	6	0.20	9.6	14.2	0.0
2012E	84	8	0.34	5.7	11.3	0.0
Net cash/Share	-€7.5					
NAV/Share	€5.7					

¹ Cash/debt at end of current year

Source Estavis, WestLB Research estimates

- Q1 revenues were quite disappointing and only about half the level we had forecast. With the help of a sales gain on a commercial property, Estavis was able to avoid a loss for the quarter.

Changes in estimates

€m	2010/11E			2011/12E			2012/13E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Sales	70.5	75.5	-6.6	84.0	84.0	0.0	88.0	88.0	0.0
Gross operating profit	77.4	81.4	-4.9	87.0	87.0	0.0	90.0	90.0	0.0
EBIT	6.3	6.2	1.6	7.7	7.7	0.0	8.5	8.5	0.0
PBT	2.6	2.8	-7.1	4.3	4.3	0.0	5.1	5.1	0.0
Net attributable profit	1.9	2.1	-9.5	3.3	3.3	0.0	3.8	3.8	0.0
EPS (€)	0.20	0.22	-9.1	0.34	0.34	0.0	0.40	0.40	0.0
NAV per share (€)	5.68	5.70	-0.4	6.04	6.04	0.0	6.44	6.44	0.0

Source WestLB Research estimates

- Order backlog (notarised sales) was at a good level of €53m, of which €8m relates to sales probably realised in the next business year.
- Reduced estimates for 2010/11E. Due to the shortfall to our estimates for Q1, we are reducing our estimates for the current year. However, due to the order backlog (notarised sales), we have not changed our estimates for the following quarters and business years.

- **The target price remains unchanged at €2.80** based on a 50% discount to FY 2011E NAV, which we estimate at €5.68. As the deviation from our target is more than 20% and we expect improved results for the next few quarters, we maintain our Buy recommendation.

Dr. Georg Kanders

15 November 2010