

Estavis	
Buy	€1.88
(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:	€ 18m

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)

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Estavis

Pepper added, TAG raised stake to 20%

- TAG Tegernsee had gained a 15% stake in Estavis via a capital increase in kind. Yesterday Estavis announced that TAG has increased its stake by another 5% to 20.03%. This clearly increases merger speculation for Estavis. Thus we are reiterating our Buy recommendation on the stock, which is also underlined by its return to profitability.

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	8.0	9.8	0.0
2011E	85	9	0.35	5.4	7.8	0.0
2012E	90	10	0.40	4.7	6.7	0.0
Net cash/Share	-€6.9					
NAV/Share	€6.4					

¹ Cash/debt at end of current year

Source Estavis, WestLB Research estimates

- **€2m net profit still achievable.** As the result after nine months was €0.8m and we expect sales to increase to more than €25m for the final quarter we think it is still likely that the company will arrive at the forecast profit level of €2m.
- **Buy recommendation confirmed.** The increased stake of TAG Tegernsee clearly raises merger speculation. We think that our target price of €3 and the Buy recommendation is already justified by the fundamental development of Estavis.

Dr. Georg Kanders

20 May 2010