

THE “ALL GERMAN SHARES SERIES” – INTRO

Posted on [9. September 2019](#) by [memyselfandi007](#) [17 comments](#) [Edit Post](#)

Background:

My roots as an investor are domestic German stocks. For the first 10-15 years of my investing “career” I would only look at German stocks (with minor exceptions during the Dot.com boom), only after some time I moved on to a more international focus. Even at the beginning of this blog in December 2010, **the majority of our shares back then were still German.**

These days, I only have a relatively small domestic stock allocation left (P. Hartmann, Draeger, Innogy) and mostly screen for international stocks.

One interesting thing happened in the meantime: I kind of lost my comprehensive knowledge about German shares. A lot of companies have newly been listed or disappeared and somehow I never ket track of what was happening. Also I didn’t follow the good ones very closely.

Time for change: Looking at every German share

Inspired by **Wexboy’s great Irish Share Valuation series**, I decided to refresh my knowledge on German shares in a new series. As a basis I simply took **this Wikipedia list**, which might not be completely comprehensive but will be a good starting point of 818 listed German companies.

The “analysis” will be a very simple screening process:

- The selection will be based on a random order
- I look at basic information like Market cap, stock price chart etc.
- I will look at the last annual report and at the most comprehensive German stock discussion forum “Wallstreet Online” to get an understanding of the company (by the way, if you digg deep you will find some posts from a guy called memyselfandi007 there, like this one from 16 yearsa ago:

<https://www.wallstreet-online.de/diskussion/788867-1-10/r-stahl-ag-ist-das-der-turnaround>)

- and then subjectively decide if this is a company that is worth going on a watch list or not
 - super nano caps and everything that looks like a pump and dump penny stock will automatically be a “pass” as well as pure shell companies or defaulted ones (there is a surprising amount of crap listed on German exchanges...)
-

There will be no valuation exercise in this first step. Maybe in a second step when I have my watch list.

I will post in “Batches” of 10 to 15 companies in irregular intervals, although I try to do a post at least once a week. This can take some time but on the other hand should also be a fun exercise (for a stock nerd like me at least...).

One final remark: The start of the series does not imply that especially now is a good point in time to invest into German shares.

ALL GERMAN SHARES – PART 2

Posted on 16. September 2019 by memyselfandi007 5 comments Edit Post

This is part 2 of the series with the next batch of 10 stocks.

Nr. 11: Metrci Mobility Solutions AG:

Insolvent Nanocap (40K market cap). “Pass”.

Nr. 12: Stabilus SA – ISIN: LU1066226637

1.1 bn Market cap automobile and industrial supplier specialising in gas springs. Stock has been hard by the automobile industry downturn (-50% from peak stock price in 2018):



The company went public in 2014 and has more than doubled both, sales and profits since then. The company seems to be above average profitable (EBIT margin ~15%) because of a high market share in its niche and the products (gas springs) are not directly tied to combustion engines (electrical cars will have tailgates, too...). Trailing P/E in the low double digits.

This is a stock I didn't have on my radar screen at all, so a clear candidate for my "Watch list".

Nr. 13: Ceotronics AG:

12.5 mn market cap company specializing in communication systems for police, firefighters etc. Declining sales in the past few years and depending on large single contracts. "Pass".

Nr. 14: Agrarius AG:

4 mn market cap “nano cap” stock. The company owns and runs farms in Romania. “Pass”.

Nr. 15. Brüder Mannesmann AG

6 mn Market cap tool importer. Bad reputation, being looted by management since a long time. Could be a good target for an activist, “pass”.

Nr. 16. China Specialty Glass AG

One of the many fraudulent “German Chinese” IPOs from some years ago. “pass”.

Nr. 17: Phoenix Solar AG

Insolvent Solar company. “pass”.

Nr. 18: Niiio Finance Group

12 mn market cap **Reverse Takeover Digital-Blockchain-Robo something** with little sales but big story. “pass”

Nr. 19: Stroeer AG

3.9 bn market cap company. Started as a billboard advertising company and then moved into digital advertising. For me the company was always a potential short candidate (self dealings of founder etc.) but the company managed to grow via a series of M&A transactions and investors seem to love it, even as they reported an actual loss in 2018.

I still think their numbers are mostly creative hot air aggressive (adjustments everywhere) but for this exercise I will simply “pass”.

Nr. 20: Magforce AG

123 mn EUR Nano-Medtech company developing a cancer cure. Sales so far negligible.

To be continued

Not my area of competence, so “pass”.

ALL GERMAN SHARES – PART 3

Posted on [19. September 2019](#) by [memyselfandi007](#) [15 comments](#) [Edit Post](#)

And the next 10 shares in this series:

Nr. 20: Magforce AG

123 mn EUR Nano-Medtech company claiming to develop a cancer cure. Sales so far negligible.
Not my area of competence, so “pass”.

Nr. 21: Bijou Brigitte AG – ISIN: DE0005229504

This used to be actually **one of the first stocks in my portfolio** but luckily I sold out. It used to be a fast growing, super profitable chain of cheap jewelry and accessories. These days, it still has 300 mn EUR market cap but competition and other issues make it a stagnating/shrinking business. Optically the company is quite cheap (high net liquidity) but there is little hope for any changes to the upside although they have started a share repurchase program. The original founder has retired and as often, the second generation doesn't have much to add. Nevertheless I would put them on my extended “watch list” but not with high priority.

Nr. 22: Bremer Lagerhaus Gesellschaft AG – ISIN: DE0005261606

37 mn market cap logistic company (port operator), majority owned by the local City Government. Although the dividend yield (~4%) looks attractive and infrastructure assets are hot, one of my mental models is to never invest in something dominated by a Government owner, so “pass”.

Nr. 23: Novetum AG – ISIN DE000A13SUY8

1.6 mn EUR Nano-cap. Seem to have no sales. “Pass”

Nr. 24. Rocket Internet – ISIN: DE000A12UKK6

3.9 bn market cap interent pioneer. I had written about Rocket **some months ago**. Started as a company builder, now trying to transform into a kind of VC. Rumours on a planned “going private”. “Watch list” as a potential Special Situation

Nr. 25 Expedeon AG (ex Sygnis, ex Lion Bioscience) – ISIN: DE000A1RFM03

Ex “Neuer Markt” company with several name changes. To be honest, **I do not understand what they are doing (something Nano-Medtech) and therefore pass.**

Nr. 26 Aladin Healthcare Technologies SE – ISIN:DE000A12ULL2

This is a 125 mn market cap company which seems to have undergone a few “permutations” from something with new media to Blockchain and now “healthcare Technologies. The company has almost no sales but “Great prospects” in China and India. Thank you & “pass”.

Nr. 27: Fraport AG – ISIN: DE0005773303

7 bn market cap Airport operator. As with Bremer Lagerhaus, the biggest issue is that local Government owns more than 50%, so a clear "pass" for me despite an "ok" valuation and a attractive underlying business.

Nr. 28: Oldenburgische Landesbank – ISIN: DE0008086000

Small regional bank in the process of being squeezed out. "pass".

Nr. 29: Matica Technologies AG – ISIN: DE000A0JELZ5

Company specializing in physically issuing cards. However seems to have somehow delisted and current reports are hard to find. "Pass".

Nr. 30: Centrotec Sustainable AG – ISIN: DE0005407506

A 193 mn EUR market cap company with a very interesting product portfolio, i.e. specializing in energy efficient technologies for buildings. Majority owned by the founder, quite cheap (P/E of 11) and growing. The company unfortunately is not very profitable (EBIT margin ~4-5%) despite the building boom in its core market Germany. Nevertheless one for the "watch list"

ALL GERMAN SHARES – PART 4

Posted on [26. September 2019](#) by [memyselfandi007](#) [4 comments](#) [Edit Post](#)

Post number 4 in this series. This time a quick upfront remark what I do with the "watch list" that I create out of this: The watch list will be used to actually just watch these shares more actively and maybe follow up with a deeper analysis when time allows. In general I do think there is no time pressure with German shares. Germany **has technically entered a recession** and a lot of shares are still not cheap.

Nr. 30: Centrotec Sustainable AG – ISIN: DE0005407506

A 215 mn EUR market cap company with a very interesting product portfolio, i.e. specializing in energy efficient technologies for buildings. Majority owned by the founder, quite cheap (P/E of 12) and growing. Tailwind from new “climate saving” initiative from the German government which bumped the share price in the last few days. The company unfortunately is not very profitable (EBIT margin ~4-5%) despite the construction boom in its core market Germany. I have also doubts how long the current real estate boom in Germany will last. Nevertheless one for the “watch list”

Nr. 31: Bit by bit Holding AG – ISIN: DE000A1RFML1

1 mn market cap nano cap with a restructuring in 2018. “Pass”.

Nr. 32: Paul Hartmann AG – ISIN: DE0007474041

This is one of my few German portfolio holdings. A 1.1 bn market cap “boring” company specializing in health care related products. More [here](#).

Nr. 33: H&K AG – ISIN DE000A11Q133

German Firearm producer (Heckler & Koch), listed in Paris. Loss making but with an impossible valuation of 4 bn EUR or ~14x sales. “Pass” or watch list for short. Would be interested if a reader has more insight into this strange constellation,

Nr. 34: Max21 Management und Beteiligungen AG – ISIN: DE000A0D88T9

7 mn market cap small cap. Something with “e-Post” but loss making and stock price is in a tailspin. “Pass”

Nr. 35: Going Public Media AG – ISIN: DE0007612103

Tiny 2.4 mn market cap publishing company, among others the "Smart Investor" magazine. "Pass"

Nr. 36. Realtech AG – ISIN: DE0007008906

6 mn market cap IT/Software company. in the middle of a pivot from SAP consultant to software company. Net cash > market cap, but company is burning cash. "Watch"

Nr. 37: Ruban AG – ISIN: DE0005120802

Some kind of payment solution software for banks. only 100k sales and 5 mn market cap. "Pass"

Nr. 38: Sparta AG – ISIN: DE000A0NK3W4

Holding company active in special situations. Long term management changed after another HoldCo, Balaton reached >50%. Balaton doesn't have the best reputation in Germany. Current shareprice below NAV. "Watch"

Nr. 39: Schwabenverlag AG – ISIN: DE0007217507

Tiny 0.3 mn market cap publisher majority owned by the church. Structurally unprofitable. "Pass".

Nr. 40: Solutiance AG – ISIN: DE0006926504

Another renamed/reactivated company, now something with real estate management software. 10 mn market cap, around 1 mn sales. "Pass"

ALL GERMAN SHARES – PART 5

Again a quick upfront comment: Why did I start that series right now ? I guess it is a combination of bad experience in some foreign stocks (Cars.com, Silver Chef), the expectation of a more economically difficult situation in Germany (which will probably provide some opportunities later on) and curiosity. So far I have to say it is great fun, at least for me.

Nr. 40: Solutiance AG – ISIN: DE0006926504

Another renamed/reactivated company, now something with real estate management software. 10 mn market cap, around 1 mn sales. “Pass”

Nr. 41: Surteco AG – ISIN: DE0005176903

360 mn market cap “Mittelstand” company producing mostly surface panels for the furniture industry. The company is majority owned by a family and looks relatively cheap. However company is stagnating since a long time and unacceptable low returns on capital (low single digits). The stock price hasn’t moved since 20 years now,

Surteco is also a good example that just family ownership itself does not create superior long term returns. “Pass”

Nr. 42: Klepper Faltbootwerft AG – ISIN: DE0006051949

0,3 mn market cap company that produces foldable boats. Loss making and legal issues. “Pass”.

Nr. 43 Mediclin AG – ISIN: DE0006595101

270 mn market cap Hospital chain which is majority owned by Asklepios. Little free float. Difficult market although company is doing somehow better than in the past, however not my area of expertise. “Pass”.

Nr. 44: Your Family Entertainment AG – ISIN: DE000A161N14

10 mn market cap children TV company owning the rights for “Fix & Foxi”. However in the last few years business seems to be in a steep decline. CEO is one of the heirs of recently deceased Volkswagen honcho Ferdinand Piech. “Pass”

Nr. 45: a.a.a. allgemeine anlageverwaltung ISIN: DE0007228009

45 mn EUR market cap real estate developer. market cap equals NAV, doesn’t look interesting. “Pass”.

Nr. 46: Edding AG – ISIN DE0005647937

80 mn EUR market cap company producing text markers and other equipment for presentations plus office supply. Normally this is a decent business with ~10% EBIT margins and relatively steady growth. At the moment, the Company is struggling with its subsidiary in Argentina and other foreign market like Turkey., whereas the German business is actually doing very well. They just released 6 month report shows a loss and they adjusted downwards their expectations both for 2019 and 2020. Nevertheless in principle interesting.

The company has net cash of around 10 mn. If they would reach their reduced 2020 plan (EBIT of 11-15 mn) , the company would be quite cheap. There is however only thin trading and only the non-voting pref shares are listed. Could be one for the “boring” bucket, “Watch”

Nr. 47: Deutsche Telekom AG – ISIN DE0005557508

72 bn market cap German Telecom leader. As almost all other TelCos struggling. Capital intensive business, especially with the introduction of 5G. Not my expertise. “Pass”.

Nr. 48: SLM Solutions Group – ISIN DE000A111338

3D Printer company with a market cap of 267 mn EUR. Very interesting case, company had a offer of 36 EUR per share from GE in 2018. Hedgefund Elliott took a stake in order to get a better price but then the take over went bust. Plunging sales and big losses these days. still a “watch” for me as a potential special situation at some point in tiem ?

Nr. 49: Freenet AG – ISIN DE000A0Z2ZZ5

2.7 bn Mobile phone service reseller. Highly cash generative and cheap but stagnating market and risky capital allocation decisions (Ceconomy). They are trying a lot of things (online TV, high speed cable networks etc.) but sofar little worked. Somehow charismatic CEO but also a guy who takes a lot of risks. Nevertheless a “watch” candidate as I expect that the company will become active if they thnk that the stock price is too low.

ALL GERMAN SHARES – PART 6

Posted on [17. October 2019](#) by [memyselfandi007](#) [8 comments](#) [Edit Post](#)

ANother upfront remark: I publish these posts with some delays, so not all numbers are real time. Also in some cases some news will have been issued afterwards like with Nordex (see below). Sometimes I might miss that.....

Nr. 50: CD Deutsche Eigenheim AG – ISIN: DE000A168270

Struggling real estate developer with 3 mn market cap. “Pass”

Nr. 51: Nordex AG – ISIN: DE000A0D6554

900 mn market cap Windmill manufacturer. Unprofitable, structural issues. “pass”

Edit: I wrote this a few weeks ago. In the mean time the stock price has recovered a little bit as Spanish company Acciona increased their stake via a capital increase to > 30% and had to issue a fromal takeover offer:



But still not interesting for me.

Nr. 52: Q2M Managment Beratung AG – ISIN: DE000A0HL8J7

0.4 mn nanocap, loss making. Pass.

Nr. 53: Hermle AG – ISIN: DE0006052830

1.3 bn EUR market cap “hidden champion”. Produces precision machinery. Stock price has been running up to 400 EUR and is now back at around 260 EUR. Hermle is ususally a very cyclical stock but a clear candidate to “watch”

Nr. 54: Jost Werke AG – ISIN: DE000JST4000

400 mn market cap supplier for heavy truck and trailer prodcuton. Initially owned by PE Cinven and IPOed in 2017 at EUR 27 per share. Stock went up to 45 EUR in 2018 but is now below IPO price. Clearly a cyclical business but one to “Watch”

Nr. 55: Curasan AG – ISIN: DE0005494538

Loss making health tech company with 10 mn market cap. Not my area of expertise, “pass”.

Nr. 56: Envitec Biogas AG – ISIN: DE000A0MVLS8

170 mn Renewables company, both producing Biogas plants as well as running them. Profitability increased. Nevertheless not my specialty and I also don't fully believe that growing food in order to use it for energy is the best way to use solar energy. “pass”.

Nr. 57: Staatl. Mineralbrunnen Aktiengesellschaft Bad Brückenau – ISIN: DE0007251407

Tiny natural spring water bottling company. Market cap of 49 mn, however sales only 8 mn and no profit. Maybe a real estate play but for me a “pass”.

Nr. 58: Autowerkstatt Group NV – ISIN: NL0006380776

Dutch listed repairshop nano cap. Pass.

Nr. 59: Surikate Mittelstands AG – ISIN: DE000A0LR4W7

9 mn market cap holding company. 2018 loss making, very little investor information. “pass”.

ALL GERMAN SHARES PART 7 (NR. 60-75)

Posted on [28. October 2019](#) by [memyselfandi007](#) [4 comments](#) [Edit Post](#)

Upfront remark:

This time, I increased the number of shares per post to 15. I am making good progress with the underlying analysis so I guess it makes sense to speed up the series somewhat.

Nr. 60: Ludwig Beck AG

Barely profitable retailer with a 110 mn market cap. However "super prime" freehold property in my hometown Munich. The in 2015 acquired retail chain Wormland has been put in run off and led to significant losses in 2018 and 2019. "Pass"

Nr. 61: S&O Agrar AG – ISIN: DE0005236202

Another Biogas penny stock, "pass"

Nr. 62: Cybits AG – ISIN: DE0007240004

Bankrupt penny stock. "Pass".

Nr. 63: Data Modul AG – ISIN: DE0005498901

Specialist for industrial displays with 187 mn market cap. From 2014 to 2017, stock price went up by 6x. However YTD sales are down -20% yoy, business seems to be very cyclical. Another sector that I do not know much about, therefore "Pass"

Nr. 64: Deutsche Grundstücksauktionen AG – ISIN: DE0005533400

26 mn EUR real estate auctioning specialist. Could be more interesting in an economic downturn. However for me a "Pass"

Nr. 65: Aquamondi AG – ISIN: DE000A0KF6W7

4 mn market company with little observable activity "Pass".

Nr. 66: Ferax Capital AG – ISIN: DE000A2LQ710

Tiny 4 mn market cap investment company. "pass"

Nr. 67: Adidas AG – ISIN: DE000A1EWWW0

I looked at Adidas in 2014, didn't like (or understand) it and missed out on the best performing German large cap in the last 5 years. Now it is super expensive, therefore still "Pass".

Nr. 68: Medigene AG – ISIN: DE000A1X3W0

170 mn market cap "Biopharma" company trying to develop a cancer cure. Loss making and not really my area of competence. "pass".

Nr 69: Fintech Group – ISIN: DE000FTG1111

570 mn market Cap Online Brokerage renamed to "Fintech" ("it's a tech company baby...") some time ago, but now being renamed again to "Flatex" as it looks. Phenomenal performance of >800% over the last 3 years. Stock price is very volatile and it looks like that the company is "for sale". "Watch" as potential special situation.

Nr. 70. Franconofurt AG – ISIN: DE0006372626

Small residential real estate (objects around Frankfurt) stock. Rarely traded, 50 mn market cap. Not my area of interest, "pass".

Nr. 71 PEH Wertpapier AG – ISIN: DE0006201403

36 mn EUR market cap asset manager with Flagship fund PEH Empire. Fund is basically flat for the last 5 years. More interesting is the segment fund administration which is listed separately on the stock exchange. "Pass".

Nr. 72: SinnerSchrader AG – ISIN: DE0005141907

"Neuer Markt" survivor, digital marketing agency, however take over from Accenture and officially delisted. "Pass"

Nr. 73: Varengold Bank AG – ISIN: DE0005479307

Small 35 mn market cap bank however **with a BIG tax fraud problem**. "Pass"

Nr. 74 Lang & Schwarz AG – ISIN: DE0006459324

42 mn market cap small brokerage house, however with one interesting business line: Wikifolio, which allows almost anyone to become a fund manager. However, strange tax issues since 2018 (taxes higher than pre tax profits). "Watch".

Nr. 75: Washtec AG – ISIN: DE0007507501

One of the typical "hidden Champions" with a 650 mn EUR market cap. Company designs, manufactures and services car washing facilities. Clear market leader in Germany. After a 8x increase from 2012 to 2018, stock is now consolidating.



The **recently published Q3 numbers** show stagnating sales and decreasing profits, although EBIT margin is still around 10%. For me a clear candidate to "Watch".

ALL GERMAN SHARES PART 8 (NR. 76-100)

Posted on 15. November 2019 by memyselfandi007 11 comments Edit Post

As I am making good progress, I included this time 25 stocks. The first 100 are done, another 700



or so to go

Nr. 76: Uniwheels AG – ISIN DE000A13STW4

Uniwheels is a 800 mn EUR market cap car supplier. Interestingly **the German company floated its shares in Poland in 2015**. Their main products are aluminium rims / wheels for cars. In 2017, the founders of Uniwheels sold their majority to US based Superior. Maybe a squeeze out opportunity, but I know little on how this works in Poland. "Pass"

Nr 77: Foris AG

14 mn EUR market cap litigation finance company. However no growth over the years and loss making in 2018. "Pass".

Nr. 78: KPS AG

280 mn EUR market cap consulting company specialising in "digital transformation". Profit 2017/2018 dropped significantly, however in the 9M of the current year recovered. Stock is not cheap at 11x EV/EBITDA but still a candidate for the "watch" list.

Nr. 79: Ecolutions GmbH & Co KG

Initially French listed but now insolvent renewable energy company. "Pass".

Nr. 80: Spark Networks SE

130 mn EUR market cap provider of specific themed dating sites. Basically a "roll up" of fringe dating sites. Very ambitious targets but business seems to be shrinking and company made significant losses. "Pass".

Nr. 81: Hydrotec AG

Insolvent "water technology" company. "pass".

Nr. 82: GxP German Properties AG

40 mn Office property company. Stock price below NAV but not clear what the controlling shareholder's intentions are. "Pass"

Nr. 83: Softline AG

13 mn market cap IT consulting and support company. Sales are stagnating and company is currently unprofitable. For some reason, despite the small size company expanded unprofitably into other countries. "Pass"

Nr. 84: Wild Bunch AG

Trroubled Media distribution company. Involvement of Lars Windhorst /Sapinda. "pass".

Nr. 85. Wüstenrot und Württembergische AG

1.7 bn market cap insurer and real estate savings player. Optically very cheap but fundamentally impacted by low interest rates. Nevertheless "Watch".

Nr. 86: Global PVQ SE

Eur 1 mn pennystock. "Pass"

Nr. 87: Nebelhornbahn AG

43 mn Cable Railway operator. Stock performed quite well over the past 3 year although I don't really know why because the business is capital intensive and subject to non controllable influences (weather, snow etc.) "Pass"

Nr. 88: MPC Capital AG

Once high flying "alternative" 60 mn market cap asset manager specializing on ships, real estate and infrastructure. However a lot of their projects were total losses and the company is being sued from unhappy investors which creates significant risks. Despite book value of 100 mn EUR a clear "pass".

Nr. 89: Ringmetall AG

77 mn EUR market cap Holding company for several small metal working companies. Good: management owns >50 %, limited leverage; bad: net income declining (lower than 2016 for 2018, further EBITDA decrease despite acquisition 6M 2019). but a “watch” candidate.

Nr. 90 Maier & Partner AG

Insolvent “shell” company. “Pass”.

Nr. 91. HWA AG

Despite a boring name, a 80 mn EUR market cap car racing company working exclusively for Daimler. The founder of HWA had also founded AMG, now Daimler’s own tuning/racing subsidiary. Company is controlled and owned by insiders, only relatively small free float. Topline has been growing nicely, but profitability is lacking. “Pass”.

Nr. 92: GBS AG

Company has been liquidated. “pass”

Nr. 93: SMA Solar AG

Solar technology company (inverters) with 850 mn market cap. Big net cash position but declining sales and low profitability. Not my area of expertise. “Pass”

Nr. 94: Crop Energies

500 mn EUR market cap ethanol producer. 75% of the stocks are owned by Südzucker AG and related parties, only 25% free float. Volatile profits due to high Capex and impact of oil prices. But a “watch”.

Nr. 95: Amalphi AG

5 mn market cap IT services company. According to the website one of Germany's leading IT services company with 2 mn sales, loss making. "Pass"

Nr. 96: BASF AG

60 bn market cap chemical giant, famous for its "Verbund" production site in Ludwigshafen. Currently stagnating top line and significantly shrinking operating results due to overall business climate. Although the company is relatively well run, they were unable to create equity value over the last 7 years or so. "Pass"

Nr. 97: bluepool AG

Insolvent shell company. "Pass"

Nr. 98 Norma Group SE

Norma Group, IPOed in 2011 with a 1.1 bn market cap is somehow similar to Stabilus: A company producing small ticket fasteners etc. for the car industry with relatively healthy margins and historically also good growth. However in the first 6 months 2019, organic sales growth shrank and the profit margins shrank even faster. Similar to Stabilus, the stock price at the time of writing has lost already -50% from the peak in 2018. However leverage is not insignificant (~500mn EUR) and in my understanding, their products are mainly used for combustion engines. Overall not a bad company but at this stage I will "pass".

Nr. 99: Bauer AG

Bauer AG is a combined special construction company and construction equipment manufacturer. I actually owned the shares long time ago after the IPO (2006/2007) and made some profit with it before the stock dropped a lot and then went more or less only sideways for the last 10 years:



The problem with Bauer is that the two segments, construction and machinery is very different. Machinery is actually a nice business with 10% EBIT margins, however construction has been unprofitable for a long time. Additionally, the company is very capital intensive and they finance themselves with a lot of bank debt. Other construction companies have the ability to attract prepayments but somehow Bauer AG does not. After problems rolling over the debt they were able to reduce net debt in 2018 but are in my opinion still vulnerable to a future economic downturn. Therefore I "pass"

Nr. 100: Seven principles AG – ISIN: DE000A2AAA75

Smaller size 50 mn market cap IT consulting company specializing in digitizing business models. However the business is currently in trouble. Sales go down and the company is making significant losses. The CEO left a few months ago. "pass"

ALL GERMAN SHARES – PART 9 (NR. 101-125)

Posted on 25. November 2019 by memyselfandi007 7 comments [Edit Post](#)

And another 25 stock batch with some very interesting companies. At some point in time I will release a table with all the stocks and a link to the respective posts.

Nr. 101: Baumot Group AG

36 mn market cap company that calls itself the “clean air” company. According to the company huge potential if hardware exhaust filtering for problematic Diesel cars would kick in which the company is manufacturing. However, currently the company is in deep trouble, sales tanking and huge losses. Several capital increases and debt equity swap. “pass”.

Nr. 102: BHS Tabletop AG – ISIN: DE0006102007

A traditional B2B tableware manufacturer with a 55 mn EUR market cap, equipping hotels, airlines etc with plates, cups etc. Profitability is declining since 2018 and margins are very small (EBIT margin <5%). “pass”.

Nr. 103: Alstria Office REIT

Alstria is a 2.7 bn office REIT with a rock solid development over the last few years. They offer a decent dividend yield (3,6%) and if someone would force me to invest into Real Estate, Alstria would be one of my prime choices. Especially the REIT structure avoids double taxation of profits as REITS are a “Pass through” structure. However, I guess for many investors, the limit on leverage makes such a REIT less sexy than more highly levered listed real estate plays. As I don’t consider investing into a general real estate vehicle anyway, the result for this exercise is a “pass”.

Nr. 104: Encavis AG (ex Capital Stage)

The 1.1 bn EUR market cap company is a “child” of the Dot.Com boom and was “reverse IPOed in 2001. The company initially was named Capital Stage AG and invested as PE into Solar companies before pivoting into buying solar parks and wind parks and running them. As the stock chart shows, the company performed very well over the past few years but still hasn’t reached its Dot.com hieghts yet:



Looking a little bit into the numbers, one thing stands out: As an asset play, Encavis trades at 2x NAV which is rich. To make things worse, the NAV consists to 100% of Goodwill and the amount of debt matches 1:1 the amount of “real” assets. So there seems to be built in a lot of optimism into the share price of what these windparks and solar parks are worth. As far as I understand, Encavis also doesn’t have the ability to actually develop these assets but buys them from developers. Therefore it is quite interesting how they can justify the Goodwill on their balance sheet. So despite the fact that this sector is “super hot”, I’ll “pass”.

Nr. 105: GAG Immobilien AG

Within the German Small Cap community, GAG is a quite well known “special” company. On the surface, it is an extremely cheap residential real estate company focused on the Cologne area, on the other hand, the company is majority owned (88%) by the City of Cologne. Minority shareholders are not a priority and the City of Cologne is famous for their special version of corruption which has even an own name (“Kölsche Klüngel”). Of course, the company used a weakness in German law to delist the company from the official market in 2016 and the stock now is traded OTC in Hamburg only.

I guess this stock could be interesting for people who like long fights against bureaucracy and corrupt cities, but for me it always has been a “pass”.

Nr. 106: Agennix AG

1.5 mn market cap company which is in liquidation. "Pass"

Nr. 107: M4e AG

Media company, has been squeezed out already. "Pass"

Nr. 108: Itn Nanoinvation AG

7 mn market cap, something with Nano. Insolvent in 2018, management gone and fines from the regulator. "Pass".

Nr. 109: Phicomm AG

1 mn EUR market cap company with 6 (?) name changes in the last few years. "Pass".

Nr. 110: LS Telecom AG

43 mn market cap specialist for technology around radio networks. 2017/2018 loss making, the first 6m 2018/2019 looked like a turnaround. Business seems to depend on large projects but management seems to be confident that the turnaround will last and 5G plus industry 4.0. will create opportunities. "Watch" but with lower priority.

Nr. 111: Brain AG

210 mn market cap "white biotech" company. I do not understand what they are actually doing, but net profit margin is around -30% and reporting is very intransparent. "pass".

Nr. 112: Beta Systems AG

120 mn EUR market cap software company, specializing in Data Center Management software and IT access management. One doesn't need to be a genius that Datacenter management is not such a great business anymore with more and more companies moving into the cloud. Not surprisingly, **the last full year result 2017/2018** showed a -8% decrease in sales and a -50% decrease in net profit. In the first 6 months of the current FY sales rebounded but is not really transparent how much the recent acquisitions contributed. The company has a big cushion of liquidity but with one big caveat: A lot of the liquidity is parked by its majority shareholder Deutsche Balaton. Dt. Balaton is one of these companies in Germany which doesn't have the best reputation, therefore I "pass".

Nr. 113: ThyssenKrupp AG

One of Germany's industrial icons, still 8 bn market cap. However badly managed for a long time. Loss making steel division got cross subsidized by successful divisions like elevators. Large pension liabilities. Currently sale of elevator division under review. nevertheless, life is too short to invest in such a company. "pass".

Nr. 114: Schulte Schlagbaum AG

16 mn market cap small cap, Specialises in certain access solutions (locks) for commercial use. The company is debt free, however looking at the **2018 annual report** shows, that the profitability of the company is deteriorating. Margins were never that big anyway but since 2016 sales have stagnated and the small profit has turned into a loss. The first 5 months of 2019 **didn't show any improvement**. If the company can't make money in a relatively positive economical situation, things will clearly not improve if Germany actually goes into recession. "pass".

Nr. 115 Aurubis AG

Aurubis AG, formerly known as Norddeutsche Affinerie, is a 1.8 bn market cap copper producer. the biggest one in Europe and the second biggest worldwide. The core business is clearly cyclical and margins depend on the mix of copper prices, scrap metal prices and energy cost.

Nevertheless I had a good impression from their financial reports. For instance I liked that management is incentivized by both EBIT and ROCE which for such a capital intensive business

makes sense. Largest shareholder is steel company Salzgitter, but also special Situations fund Silchester owns a 5% position. The company has lost more than -50% from its 2018 top, but also profits are shrinking since a few quarters. Nevertheless an interesting stock that will move on "watch".

116. Va-q-tec AG – ISIN DE0006636681

Va-q-tec is a company that has been spun off from the University Würzburg and IPOed in 2016. The company specializes in insulation technology with the major application of cooling containers for medical purposes that don't need energy to keep the temperature at a constant cool level. It is also one of the German companies that I totally missed and didn't know that they existed. The company ipo'ed at 12,30 EUR per share, increased ~100% until 2018 but then got hammered in 2019:



At 9 EUR per share the company is valued at 117 mn. For this we get annualized sales of around 65 mn EUR, annualized EBITDA of 9 mn and a current growth rate of ~25%. Then however we need to also add around 40 mn gross bank debt to EV.

The company not only produces the boxes but also leases them out which might explain the high bank debt, but which clearly increases the financial and company risk. Nevertheless this company looks somehow interesting, therefore “watch”.

117. MAN SE

MAN SE is a German heavy truck manufacturer, now part of Volkswagen’s heavy truck subsidiary Traton which had recently ipo’ed. I actually **owned MAN SE as a special situation back in 2013-2015** but luckily sold and didn’t become too greedy. What happened was interesting: Volkswagen actually cancelled the profit-and-loss transfer agreement, that guaranteed a fixed dividend and in result, the risk of the security went from more or less fixed income back to full exposure towards the underlying business.

The stock has lost >50% since then as we can see in the chart.



For me, MAN SE is clearly a “watch” and should be looked at together with Traton.

118. Klassik Radio AG

Klassik Radio AG is, as the name indicates a small, 34 mn EUR market cap radio station focusing on classical music. The company went public in 2004 and as the stock chart shows had some rough times:



Recently however, the company shows good growth and profitability. Therefore I will put them on “watch” to look at them at a later point, however not with high priority

119. Nabaltec AG

Nabaltec is another company I never looked at. With 300 mn market cap it is not that small. Nabaltec is a specialty chemicals company, producing among others fire inhibiting materials which they claim are environmental friendly.

Nabaltec went public in December 2006 and after the financial crisis the company had to go through a deep hole but now clearly is on a run as the stock chart shows:



The company has solid double digit EBIT margins, is growing decently and has only a relatively manageable amount of debt (net ~40 mn). However there are some pension liabilities and with an EV/EBIT valuation of currently $(300+40+40)/25 = 15x$ the stock looks fairly priced. Nevertheless a clear "Watch" candidate.

120. Deutz AG

Deutz is a 617 mn EUR marketcap manufacturer of diesel engines that are mostly used for construction machines and other "heavy duty" uses. The company is very cyclical but over the long run hasn't really managed to create value for its shareholders as the long term chart shows:



The stock currently looks cheap with a single digit P/E but orders are already decreasing and the next down cycle is visible. Life is too short for these kind of stocks, so “pass”.

121. 2G Energy AG

2G Energy calls itself “one of the leading manufacturers of decentralised energy generation systems using combined heat and power (CHP)”. This technology according to my limited knowledge is climate friendly as the underlying fuel is used much more effectively than traditional heat or electricity only generating models.

With a 163 mn market cap, the company is not small and the share price has almost doubled YTD 2019. Sales in the first 6 months have increased by +20%, so growth looks good. The balance sheet looks conservative and management owns a significant stake.

However profitability is very low, with gross margins below 30% and EBITDA Margins <10% despite a growing service component. Although it might be a little bit late, I put them on “watch”.

122. Penguin Haustechnik AG

Tiny, 4mn EUR market cap non operative shell company. Some attempts to takeover, no someone seems to have bought a majority. However a clear "pass".

123. Wirecard AG

15 bn EUR market cap payment company, DAX member. Big fight with the Financial Times and short sellers if the company is fraudulent. A few days ago, news surfaced that there problematic Singapore sub didn't receive an audit opinion for 2017 due to lack of information for the auditor. My mental model is to stay away in principle form these kind of situations, no matter what. "pass"

124. Activa Resources AG – ISIN: DE0007471377

0.5 mn market cap Nano stock. "pass".

125. Ernst Russ AG

27 mn market cap Asset manager (Formerly HCI Capital AG) specializing on ship assets and now also real estate. P/B < 0.5 but assets are mostly illiquid shipping assets. Could be an interesting asset/liquidation play but not what I am looking for. "pass".

ALL GERMAN SHARES – PART 10 (NR. 126-150)

Posted on [4. December 2019](#) by [memyselfandi007](#) [3 comments](#) [Edit Post](#)

Another 25er batch with in total 6 candidates for my watch list. Enjoy (and only around 650 or so to go.....)

126. Norddeutsche Steingut AG

18 mn market cap ceramic tile manufacturer. Despite building boom, stagnating/shrinking sales and increasing losses. P/B below 0.5 but high bank debt. "Strong pass".

127. DCI Database AG

IPOed at the peak of the 2000er internet boom, this 2.5 mn EUR market cap company surprisingly still exists. The company creates ~3 mn sales and shows profits of 300k. I guess it is kind of a privet vehicle for the CEO. Instead of dividends, the CEO takes out the money as salary. "Pass".

128. Comdirect AG

1.8 bn listed subsidiary of Comemrzbank. Commerzbank amde an offer to buy out the minorities at 11,44. The current price of 12.80 EUR indicates that shareholders hope for a better offer. "Watch" as special situation.

129. OVB Holding

240 mn market cap insurance distribution company, majority owned by German Insurer Signal Iduna. Free float only 3%. Had a very mixed reputation in the past for extremely aggressive selling especially in Eastern Europe. Company is very cash rich but profitability is surprisingly low for such a kind of business and maybe is driven by the shareholders interests. "pass"

130. RWE AG

17 bn market cap utility. I actually owned the stock once but luckily sold before the structural change kicked in. Overall in my opinion not a good business model for the future. The stock price did recover from its low but long term the company did not create or even retain value. "pass"



131. PWO AG

76 mn EUR market Cap auto supplier. Typical “Mittelstand” company. Very volatile business as depending fully on the business of the major automobile companies as one can see in the chart:



The **2018 annual report** shows the main problem: Sales are increasing every year but profit is lower than 5 years ago. This indicates a lack of pricing power, for whatever reason. Company has significant leverage and returns on capital are very low. "pass".

132. Biotest AG

870 mn market cap company producing pharmaceuticals based on blood plasma. I actually owned the stock once (pre blogging) and made a good cut but back then management was not high quality.

In between, Biotest has been majority acquired by a Chinese investor and had to sell its US subsidiary to competitor Grifols. The current share price at 22,30 EUR is significantly below the 28,50 offer from 2 years ago.

However there seems **to be another complicated 3 party deal going on** including another Chinese company and competitor Grifols.

Could be an interesting situation, but another mental model of mine is to stay away from anything that is owned by Chinese investors. Therefore "pass".

133. BMP Pharam Trading AG

6.5 mn market cap company trading bulk pharmaceutical products. Annual report does not show consolidated numbers "pass".

134. Aovo Touristik AG

5 mn EUR market cap travel company. specializing in "event trips". Losses in 3 out of the last 5 years but profitable in 2017 and 2018. Company is not growing much but has landed an interesting contract for 2020 (Passionsspiele Oberammergau). Nevertheless too small and therefore "pass".

135. Stinag Stuttgart Invest AG

380 mn market cap company that was originally a brewery. However the operating business was sold in 2018 at a loss and the company now only runs a real estate portfolio plus some development activity. Not my area of interest. "pass".

136. Arn. Georg AG

Strange 5 mn market cap company. Almost no information, no homepage. Some information on **W:O**. "pass".

137. Deufol SE – ISIN: DE000A1R1EE6

48 mn EUR market cap logistics/packaging company. Optically cheap ($P/B < 0,5$), but shrinking top line and high debt. Very low profitability. Stock chart indicates terminal decline risk:



Not sure if there is a puff left in this cigar butt. "Pass"

138. Uzin Utz AG

270 mn market cap "Mittelstand" supplier for the construction industry. Currently nice growth and significant non-german business (2/3). OK margins and currently nice growth. Some financial debt but return on capital not so great (below 10%). "pass".

139. EnBW AG

10.7 bn market cap regional utility. Stock price is on a nice recovery since 2 years:



However, company is majority owned by Government entities which for me is a direct reason to "pass".

140. Suess Microtech AG

162 mn EUR market cap supplier to the semiconductor industry. ~68% of the sales are actually in Asia. Profitability is very volatile but on average quite low. (EBIT margin between 5-8%). Financially solid with net cash and high free float make the a potential take over target. However, almost now shareholder value has been created over the last 2 decades:



141. Nynomic (ex M-U-T) AG

97 mn market company active in measuring technology.. 15% EBIT margin in 2018 looks promising. However the first 6 months saw a pretty drastic reduction in sales **without a really good explanation**. All in all still a candidate to “watch”

142. Plenum AG

8 mn EUR market cap consulting company with low profitability (EBIT margin 5%). “pass”

143. OAB Osnabrücker Anlagen- und Beteiligungs-AG Aktie ISIN: DE0006864101

0.5 mn market cap shell company. "pass"

144. Elumeo SE

5 mn market cap company selling (cheap) jewellery. **Scandal stricken company / management.** Maybe some remaining entertainment value but "pass".

145. TAG Immobilien AG

"Legendary" German smallcap. **Initially a tiny regional railway company near the beautiful Tegernsee**, the company morphed into a pretty substantial 3.1 bn EUR market cap real estate company. Run for a long time by financier Rolf Elgeti, who resigned in 2014 **after some shady real estate deals he did on the side**. Elgeti is still Chairman of the supervisory board. However, I am not a big fan of real estate companies and the stock trades 20% above NAV, so for me a "pass".

146. Secunet AG

Secunet is a 764 mn EUR market cap IT/security company focusing on the public sector in Germany. Products include everything from cryptographic encoding to automated border control systems. The company is growing nicely and margins are Ok (15% EBIT margin). The company is conservatively financed (significant net cash). On the downside, >75% of the stock is owned by Gieseke & Devrient since 2009 who might have a limited interest in a higher stock price as they might want to fully own the company at some time and the valuation is clearly not cheap (close to 20x EV/EBIT). The chart shows that up until 2017 not much happened and then the stock quintupled:



Nevertheless a stock to “watch”.

147. InflaRx NV

62 mn biopharma company with a Nasdaq listing only. The company IPOed in 2017. A few months ago it turned out that one of their products didn't work **and the stock dropped -84% on one day**. Cash and securities is significantly higher than market cap but the company has no revenues and burns around 12 mn eqach quarter.

I guess this could be something for an activist but for me it is a “pass”.

148. Zalando SE

Zalanda is with 10.5 bn market cap clearly one of the most successful German “New economy” companies. Part of the Rocket internet story, zalando is still growing at around 20-30% and plasn to do so for some time. Largest shareholder is still Kinnevik with ~26%- Late 2018 I was actually tempted to buy the stock as they suffered during the market downturn:



The stock had dropped more than -50% and looked decently valued. Now however at around 45x EV/EBIT I think the upside for the next few years is pretty much priced in. As in my opinion it is a good company and future opportunities might come, they are for me a stock to “watch”.

149. NanoRepro AG

Tiny 5.7 mn market cap company developing and selling test kits for HIV and other areas. Loss making and decreasing sales, remaining cash will be exhausted soon. Strong “pass”.

150. Verbio AG

560 mn market cap producer of bio fuel (diesel, ethanol, gas). The FY year ending on 30.06.2019 saw a 13% increase in sales and a dramatic increase in profitability (~400%). Based on the last year the stock is moderately priced. The balance sheet is super solid, all equity financed with no debt. This is a company which is a clear “watch” candidate.

ALL GERMAN SHARES – PART 11 (NR. 151-175)

And the next 25 stocks, this time with 5 candidates for the watch list. Enjoy !!!

151. Hesse Newmann AG

Troubled 4 mn EUR market cap asset manager fully depending on major share holder. "pass".

152. Aareal Bank AG

1.8 bn market cap specialized Real estate lender. Significantly below book value of equity (2.8 bn) , however also after tax ROE is only around 5% and the core lending business is struggling, among others with exposure towards UK retail assets. The most interesting part is subsidiary Aareon which is a consulting / software company offering real estate management solutions. Currently **an activist hedge fund tries to push Aareal to sell/monetize this asset**. Therefore a "watch" as special situation.

153. Easy Software AG

48 mn EUR market cap software/consulting company specializing in digital archiving and "content management". Largest shareholder is Deutsche Balaton, a company that I generally try to stay away from when they are invested, The company had problems in the past and is among other things suing its former CEO. For me a "pass".

154. Paragon GmbH & Co KGaA

55 mn EUR market cap car supplier with an "Interesting" past. The company went bankrupt in 2009 but reemerged. The market cap is significantly below book value, but there are large intangibles on the balance sheet which might not be that valuable as the company is loss making. Additionally, there seem to have some **significant accounting errors in the past**. The stock used to be one of the top performers until end of 2017 but lost more than -90% since then. Paragon has a listed subsidiary called "Votabox" which has a market cap of currently 115 mn EUR. **The CEO and majority shareholder also seems to own other companies**, among others an

electric car manufacturer **called Artega** which is a client of Paragon/Voltabox. The CEO also seems to be a **keen fan of driving car races**. Although the stock might be worth a look from an educational point of view (long term performance of stocks run by a car racing CEO), for this purpose it is a strong “pass”.

155. R. Stahl AG

R. Stahl AG is an “Old friend” of mine. I owned the stock in the past as a turn around speculation and even **started a discussion threat in 2003 (!!!) on the stock** in the German forum Wallstreet Online. These days, the 170 mn EUR market cap company is struggling. The company is manufacturing electrical equipment for “dangerous” environment such as the oil and gas industry. As the demand from this industry has weakened significantly over the years, the company has been struggling now for some time as the share price shows:



The spike in 2014 was driven by an (unfriendly) take over offer at EUR 50 that the CEO back then dismissed as “too low”. The CEO was subsequently removed but things went downhill from there.

R .Stahl has little direct debt and if they return to profitability at some time this could become interesting. A stock to “watch”.

156. WEBAC Holding

Tiny, 4 mn market cap company without real operating business. “pass”.

157. Westag & Getalit AG

140 mn market cap supplier to the construction sector. A stock that **I actually owned but sold in 2012**. Despite long running boom in German construction, stagnating top line and decreasing profits. The **main shareholder sold out in 2018** at around 30 EUR/share. In theory there might be a squeeze out at some point in time but for me the stock is a “pass”.

158. Deutsche Forfait AG

19 mn EUR market cap trade financing company Went insolvent but somehow reemerged with a strong stock price performance in 2019. Nevertheless not interesting for me, “pass”

159. Primag AG

4.5 mn market cap residential real estate development company. Loss making for the last 2 years. “pass”.

160. Euwax AG

Euwax is a 317 mn market cap trading/liquidity provider for The regional stock exchange in Stuttgart, I actually owned the stock a long time ago. The majority owner of Euwax is the regional stock exchange and in 2008, the Stuttgart stock exchange implemented a “domination and profit transfer” agreement that allows the majority shareholder to claim all the profit in exchange for a guaranteed dividend. For a long time, the stock climbed steadily to a price of 90 EUR but then last year, for no obvious reason traded down to around 60 EUR per share.



With more than 3 EUR dividend per share, this looks like an interesting high yield bond, however the underlying business deteriorated and it is not guaranteed that the agreement will remain forever.

Nevertheless I will put the stock on “watch” as a special situation but with low priority.

161. Hella Hueck KgaA

Hella Hueck KgaA is a 5.4 bn market cap supplier to the automobile industry. The family controlled company went public in November 2014 but controls the company similar to Henkel wie a “KGaA” structur which is comparable to a GP/LP structure where public shareholders have only very limited governance rights.

As most of the other automobile sector companies, Hella **shows currently** declining revenues (-5% in the last quarter yoy) and even stronger declining profits (-20%).

What is interesting though are the still Ok margins (between 7-8% EBIT margin) and an ROE >20% despite limited net debt.

Hella seems to concentrate on technologically advanced components with the focus on lighting solutions but also offer systems for battery power management. So my first assessment would be that they are less impacted from a switch to electrical cars. The stock price reflects this to a certain extent as the stock performed better than many of its peers:



The Hella stock is not super cheap and the KgaA structure is not my first preference, however the company looks like a quality company and will go onto my “watch” list.

162. CPU Softwarehouse AG

10 mn EUR market cap Consulting / software company specializing in banking projects. One of the big stars of the “Neuer Markt” in the late 90ties / early 2000s, the company almost went under but somehow recovered over the past few years:



The company **recnetly published a 4x increase in profits** for the first 6 months, although publishing 6 months result in November as such is not a sign of a good company. As the topline also has been shrinking in 2018 and I am in general not a fan of small IT consulting companies, I will “pass” on this one.

163. Vivanco AG

Vivanco is a 18.5 mn EUR market cap distributor of electronics supply. The bsuiness in 2019 seems to be in delcine and I see no points that make this one interesting. Plus it seems that **the main shareholder is now a Chinese investor**. “pass”

164. Shareholder Value Beteiligungs AG

Shareholder Value AG is a very unique stock. The compan is run by Frank Fischer, a well respected German Value investor who, among others is running the big Frankfurter Aktienfonds für Stiftungen and he is clearly one of the most known German “value investors”. Despite a week performance in 2019, his long term track record is really good. The listed company is a actually a kind of closed end fund mirroring the other portfolios.

Especially the **presentations for the annual shareholder meeting** gives a nice overview over the past track record and the current portfolio.

Currently, the stock seems to trade at a certain discount to NAV (105 EUR NAV vs. ~92 EUR for the share), but management fees and a “carry” structure justify this to a large extent.

For me a “pass” although I recommend to read the reports.

165. DIC Asset AG

945 mn EUR market cap commercial real estate company. **Company reports an NAV of around 16,33 EUR/share** compared to a share price of 13 EUR. However, as a non-expert in real estate and my dislike for non-REIT structures, DIC Asset is a “pass”.

166. StarDSL AG

0,23 mn EUR nanocap. “pass”.

167. SFC Energy AG

“Clean energy” company with a 104 mn EUR market cap. The company manufactures portable fuel cells. In the first 6M 2019, business has stagnated and losses increased. In November, **they cancelled their 2019 target**. The business looks quite unpredictable and relying on large orders. “pass”.

168. Hamborner REIT AG

Hamborner is a 765 mn EUR market cap German Commercial real estate REIT. Other than the many non-REIT companies, Hamborner has limited possibilities to leverage up and therefore only grows slowly. The NAV is 10,8 at market values vs. ~9,60 for the shares. If I would need to construct a dividend portfolio, Hamborner would be a good choice. However, as I do not require dividend income, the stock is a “Pass”.

169. First Sensor AG

First Sensor AG is as the name says, a 359 mn EUR company specializing in sensors. The company is growing with single digit % and has Ok EBIT margins at currently 8%. SO why ist this company trading >40x Earnings ? The reason is most likely **a take over of the majority by US based TE Communications this summer at a stock price of around 29 EUR**. Investors seem to speculate on some sort of squeeze out. The company seems to be involved in the autonomous driving space, so there might be a bright future.

For the time being I put them on "watch" as a potential special situation.

170. Ecotel AG

23 mn market cap telecom company, IPOed in 2006 at 17 EUR per share, but never reached that value again. Shrinking top line, almost non-existent EBIT margin. Managment celebrates increasing gross results and EBITDA which are driven by IFRS changes. As a special effect. more than 100% of the result is attributed to minorities. "pass".

171. Berentzen Gruppe

Berentzen is a 67 mn EUR market cap beverage company, famous for its apple based "Schnaps". For a couple of years, Berentzen was owned by infamous Aurelius and now seems to be without majority shareholder. According to their last report they seem to have diversified into non-alcoholic beverages which now account for 50% of their sales. The non-alcohol part is growing, alcohol is shrinking. The stock price is quite volatile:



A candidate for my “watch” list, although the balance sheet looks a little bit strange with a high liability for alcohol taxes.

172. Aves One

Aves One is a 158 mn EUR market cap company that I have never heard of. It seems to be a commercial real estate company focusing on logistics assets, mostly rolling stock and container assets. The company has an “interesting” business model: 34 mn equity back 900 mn debt. With ultra low interest rates, this has worked so far quite well:



However such a leveraged business model is not something I want to own as a lot of things can suddenly go wrong (i.e. refinancing). So a clear "pass".

173. Vapiano AG

Vapiano is a 110 mn EUR market cap restaurant chain. The company **IPOed in June 2017** at 23 EUR/per stock but pretty soon ran into troubles. Management changes and losses are piling up. In their **6m report**, the loss increased to -35 mn and equity more or less disappeared. Debt incl. capitalised leases is >500 mn and >20 x EBITDA which is not sustainable. Personally, i never liked the concept anyway. "pass"

174. Deutsche Rohstoff AG

71 mn EUR market cap Oil & Gas company that runs some smaller explorations in Germany and has some producing assets in North America. Company has a lot of leverage. Not really my area of expertise and it looks like a "story stock". "pass".

175. Gateway Real Estate Ag

Another listed Real Estate company with a market cap of 721 mn EUR. Gateway seems to be a developer which **has been growing quickly and has been raising capital recently**. Not sure how a 220 mn equity "new" real estate company can be worth 720 mn. Clearly one sign of the current easy money policy. From me a clear "pass".

ALL GERMAN SHARES – PART 11 (NR. 176-200)

Posted on 2. January 2020 by [memyselfandi007](#) 5 comments [Edit Post](#)

New year, same series. This time the 25 stocks contain 5 watch list candidates. At 200 stocks I have managed now to cover already 25% of the universe.

176. Puma SE

Puma SE, the iconic German sportswear brand founded by the brother of Adi Dassler (Adidas) is a very interesting case. The now 10 bn EUR market company was one of the real hot growth stocks in the 90ies early 2000s, then nothing happened for a long time as we can see in the chart:



Then, suddenly, over the last 2-3 years, the stock suddenly trippled. What happened ? In 2007, Pinault Printemps (PPR now Kering), **the French Luxury company took over the majority for then 330 EUR/share**. That is split adjusted around 33 EUR. However Puma was not a good fit and didn't really develop well under Kering's ownership. In 2018 then, Kering formally spun off the Puma shares to its shareholders and Puma was back on its own. The stock had moved already before this event. The company has been growing nicely in 2018 (Topline plus double digits, net income +30%), but the current valuation is ambitious. Although the first 9 months 2019 have shown even better growth, I would not buy at the current valuation. However Puma is clearly a missed spin-off opportunity. I will keep the stock on "watch".

177. Sendr SE

A 10 mn EUR market cap stock that I have never heard of. The company **IPOed 2015 in Paris** and claims to be a leading "digital music rights" company. **Based on their IR site**, they seemed to have sold their main asset and withdrew from the Paris stock exchange although they remain listed in Germany.

There are no reasonable reports available, the company seems to have gone "dark". Maybe something for specialists, but a "pass" for me.

178. Indus Holding

Indus Holding is one of the "oldest" listed "private equity" holding companies. The 900 mn EUR market company exists since 1995 and invests into majority stakes of typical "German Mittelstand" companies. They run the companies separately, i.e. do not consolidate them operationally into one Group.

Looking at the chart however, the long term value creation doesn't seem to be gigantic:



Q3 2019 showed relatively disappointing results, driven by a weakness in their automotive supplier companies. The 2018 annual report shows that despite increasing top line, margins are in a decline since 2016. The stock is not expensive, but at the moment their portfolio clearly is in some trouble. "Pass".

179. Ming Le sports

0.7 mn market cap fraudulent member of the "german Chinese" IPO bubble some years ago. "Pass".

180. SHW AG

SHW is a 130 mn EUR market cap automotive supplier. The main products seem to be geared to combustion engines which might explain that the stock price **is now below the IPO price from 2011:**



The Austrian Group Pierer seems to own a majority of SHW (75% according to this article). The first 6 months 2019 show a significant improvement against 2018 but that is not reflected in the share price. Nevertheless not interesting for me. "pass"

181. Lanxess AG

Lanxess is a 2005 Spin-off from Bayer AG and has a market cap of ~5.6 bn EUR. If I am not completely wrong, Lanxess is also the only German stock where Warren Buffett owns a sizable stake, in this case 5% that he bought since 2017.

The company is a specialty chemicals producer and the stock price has been doing good from the spin-off but not great:

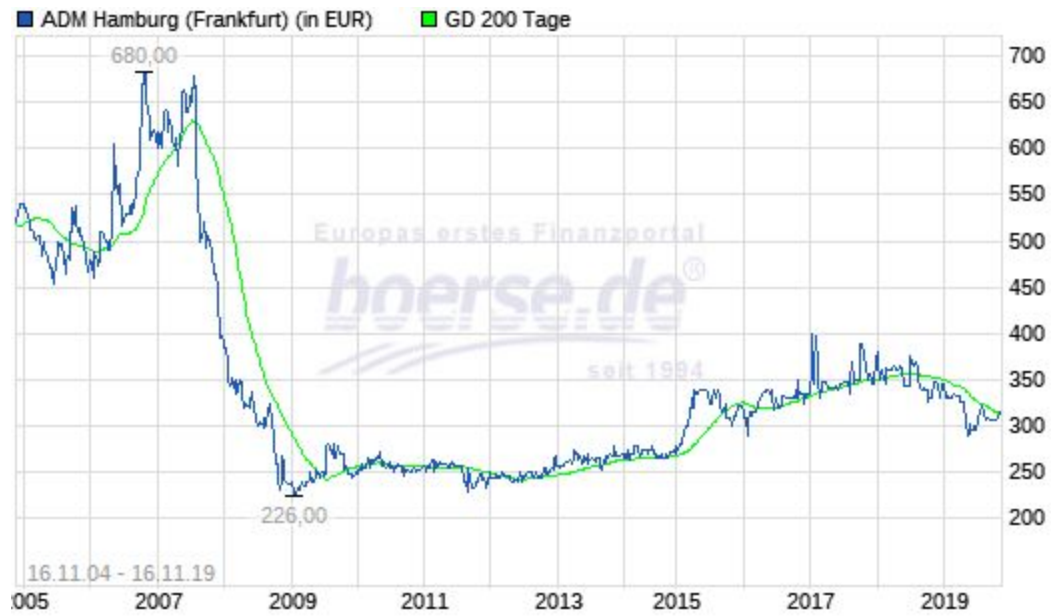


The company is doing Ok at the moment, although their exposure to automotive clearly shows **in the Q3 results**.

So why has Buffett invested ? This is hard to know but Buffett likes specialty chemicals (Lubrizol), the company is buying back stocks on an ongoing basis and the new CEO seems to be an active capital allocator. Although I do not know the business well, I will put Lanxess on "watch".

182. ADM Hamburg (ehem Oelmühle Hamburg) AG

231 mn EUR agricultural company owned 9% by Archer Daniels Midland, US. Stock price trades sideways since a couple of years:



However the stock is in my opinion only interesting for squeeze out specialists. For me it is a "pass".

183. Transtec AG

Insolvent company. Pass.

184. Dr. Höhnle AG

261 EUR market cap technology company. Looking at the stock price one can see a longterm upwards trend, however with a crazy spike in 2018:



I guess this had to do with a very positive development in 2018, where **profits had trippled and top line increased by 30% or so** driven through their industrial glue segment.

The **first 9 months in FY 2019 however show a different picture**. Sales decreased by -9% and profits declined by -30%. Management communication seems to be not great but still the technology seems to be good, otherwise they would not be able to generate 15% EBIT margins. A candidate for my “watch” list.

183. Steico AG

Steico is a 352 mn EUR market cap supplier to the construction sector. The company IPO'ed into the 2007 boom market and then almost went under in 2009 with shareprices below 1 EUR:



Steico specializes in “organic” wood based insulation materials. The company is currently growing with double digits in topline and even +40% in earnings. However I personally feel uneasy about the negative interest rate fueled construction boom especially in Germany and “pass” on this stock.

184. Softing AG

Softing is a 75 mn EUR market cap company specializing in hard and software for communication within production environments. The company has been IPOed during the dotcom boom end 90s early 00s, tanked, hibernated for a long time but then resurfaced as we can see in the chart:



Following the financial crisis, the company could grow strongly from 2011 on and with a small delay, the share price went up significantly. However in 2017, sales and profits dropped again, **before recovering somewhat in 2018**. 2019 seems to be looking OK so far. However margins are relatively small for a “tech” company. Still a candidate to “watch” but with low priority.

185. Sparta Ag

Sparta AG for a long time has been a very smart run “special situations” investor with very good management. For some reasons unknown to me however, Deutsche Balaton, a similar company managed to take over the majority and the old management left. The 69 mn EUR market holding company now has a very different investment style, with the largest positions being rather speculative. For some reason, **the company did a (discounted) capital increase in summer** without actually needing to do so. “Pass” for obvious reasons.

186. RCM Beteiligungsgesellschaft

RCM is a 23 mn EUR market cap holding company that manages a real estate portfolio with the focus on the city Dresden. Market cap pretty much equals book value of equity. “pass”.

187. GBK Beteiligungsgesellschaft

GBK, a 55 mn market cap company, specializes in investing into "Mittelstand" company in the DACH region. The company seems to do only small minority investments (with one exception) and the portfolio is a pretty mixed bag from meat and food producer to automotive suppliers and robotics companies. Market cap seems to be pretty close to NAV. "Pass"

188. Auden AG (ehem Kilian Kerner)

1 mn EUR market cap penny stock. "pass".

189. Munich Re

Munich Re is the 37 bn market cap global leader in reinsurance. After the vicious drop in 2008/2009, the stock has recovered well and especially in the last few month the performance was wvery good:



With a P/E of around 12 and a dividend yield of ~4,6%, the stock still looks cheap and clearly will attract yield hungry investors. For me, the sector and the company is too difficult. "pass".

190. Software AG

Software AG is, as the name indicates a software company with a 2,2 bn EUR market cap. Software AG has a suit of products, among other a database solution called Adabas and other stuff that I don't fully understand.

The long term stock chart shows some volatility. Especially after the IPO in 1999 the chart looks like a typical dotcom chart:



Looking **at the last 9M report**, clearly the high growth times are over, however the company is very profitable (EBIT margin 23%-24%) and the company has net cash. Software AG has a new CEO since a little bit more than one year who seems to try to change the strategy towards more growth. A candidate for my "watch" list.

191. Fresenius SE & Co KGaA

Fresenius is a 27 bn healthcare company, which among others runs the largest private hospital chain in Germany and also is the majority owner of Fresenius Medical Care, one of the world leaders in dialysis. The complicated legal name "SE & Co KGaA" is a specific structure where public shareholders have only very limited rights.

The company is controlled by **the foundation of the founding family**. The 9M report shows a solid development, however little growth and profitability increases only on an adjusted basis after tripling profits between 2010 and 2018. The company carries a significant amount of debt (>20 bn). However for me Fresenius is much too hard to understand, so "pass".

192. Viscom AG

Viscom is a 81 mn EUR technology company that specializes in manufacturing equipment that allows inspection of a diverse range of products via XRay or other technologies (images etc.). The company showed **very nice growth in 2017, ok growth in 2018** but in the first 9 months of 2019 sales have been shrinking and profits disappeared.

EBIT was already in decline in 2018 and evaporated in the first 9M 2019. The stock price mirrors this development:



The company seems to be dependent on the car industry which seems to lower and/or cancel orders. Plus, they seem to have increased production capacity (with debt financing) just as the downturn is hitting them. "Pass".

193. Infas AG

Infas is a 33 mn market cap market research company, similar to GfK (now delisted) or Nielsen, just smaller and focused on Germany. I would say classic market research is clearly in decline as there is now so much information online and calling people for 60 minute interviews is maybe never coming back. Nevertheless Infas has doing relatively Ok over the last few years and sales and profits increased since 2015 when they showed a loss.

However in the first 6 months of 2019 they showed double digit growth but strongly decreasing profits and a negative comprehensive income. Some of this is driven by the pension liabilities, but it is not really clear why the result dropped so much.

However, the company is financially solid (14 mn Cash) so I will put them on "watch".

194. Patrizia Immobilien AG

Patrizia is a 1.6 bn market cap real estate company. The company almost went under in 2009/2010 but recovered nicely and is clearly riding the German real estate boom. Patrizia invests directly into real estate but is also a RE asset manager. The founder and CEO holds 51% of the shares. However the business model **and the financial statements** are much too complex for me. **The 9M 2019 statement for instance** sounds good until you actually reach the bottom line where profit is -23%. "Pass"

195. PublicCapitalPartners AG

4 mn market cap "technology holding" company. "pass".

196. mutares AG

169 mn market cap “Mittelstandsholding” that is pretty actively buying companies. Most of the companies are not very profitable and lead to “bargain purchase” gains on closing. Mutares claims to be a turnaround specialist. With **STS Group AG** they had a partial exit via an IPO last year but since the IPO the stock lost -80%. Competitor Aurelius showed that such a business model can work, however for me this is a company to “Pass” on.

197. Air Berlin AG

Bankrupt airline. Pass.

198. CGift AG

Some kind of Crypto thing with a 5 mn EUR market cap. Pass.

199. Bilfinger SE

Bilfinger is a 1.4 bn market cap company **that I had written about in the blog 5 years ago**. Once, one of the highest regarded companies, the strategy shift under the old CEO led to a pretty hard life since then as a “industrial service company”. The stock price actually hit a new decade low this year:



However, **looking at the 9M presentation**, not a lot has changed. The company continues to struggle and compared to their earnings power, the stock price is still high. "pass".

200. Minaya Capital

Bankrupt (?) nano cap. "pass".

ALL GERMAN SHARES PART 12 (NR. 201-225)

Posted on 21. January 2020 by memyselfandi007 7 comments [Edit Post](#)

The next 25 randomly selected company in my "Grand Tour Germany" project with 6 of them going onto my watch list. Enjoy !!

201. TTL Beteiligungs- und Grundbesitz AG

A 67 mn EUR market cap company that started as tech company in the dot.com boom, went bust and then reemerged as real estate company a few years ago. The company invests into real estate and real estate companies. As mentioned several times, not an area that I am much interested in. "Pass".

202. FinLab AG

Finlab AG is a 78 mn EUR market cap "Fintech investor". The company invests in Fintech company and owns among others a 45% stake in listed Heliad Equity Partners KgAA. Although this is an interesting area and they have some interesting assets (Deposit solutions), the companies' reporting is not very transparent. For instance their claim that Deposit Solutions has reached Unicorn status **is highly debated within start-up circles.**

Nevertheless a candidate to "watch" but mainly out of curiosity.

203. Allgeier AG

Allgeier AG is a 310 mn market cap IT consulting company. Currently the company shows good growth but EBIT margins are at around 4-5%. Interestingly, Allgeier **seems to separate /spin-off its software business in 2020.**

The company however created significant value over the last years although the stock price was extremely volatile in 2019:



A stock to watch, especially regarding the upcoming spin-off.

204. LEG Immobilien AG

LEG is a 6.9 bn EUR residential property company focusing on objects in NRW. The company trades at the calculated NAV which is around 1.5 bn higher than stated equity, earnings are mostly driven by revaluations. Not my area of interest. "pass".

205. Hawesko AG

Hawesko is a 306 ,m EUR market cap wine retailing company, kind of the "Majestic Wine" of Germany. Fortunately, Germany is not leaving the EU, so HAWesko is still doing relatively well with nice top line growth. Bottom line however, things look not so great. A newly acquired subsidiary and a new logistics centre have negatively impacted the 2019 Q3 results.

Despite the recent drop in the shareprice, the stock is not cheap:



Nevertheless it is a “watch” list stock for me as long as I own Naked Wines.

206. Clere AG (ex Balda)

Clere AG, the 67 mn EUR market cap has an interesting history. Initially named Balda AG, the company was on a wild ride especially in the years 2007-2009:



From superstar stock as supplier of Apple Iphone displays to almost bankrupt back to superstar. At some point in time however it became clear that the main shareholders didn't really want to share the remaining assets with minorities and the company officially delisted in a strange transaction in 2017, taking advantage of Germany's week protection against delistings. The stock is now only listed OTC in Hamburg and doesn't publish reports anymore. "Pass"

207. Halloren Schokoladenfabrik AG

Halloren is as the name says, a 20 mn EUR market cap chocolate producer. Similar to Clere AG, the company took advantage of the lax delisting rules in Germany **and delisted in 2016**. The company **still issues an annual report** but for me the stock is a clear "pass" due to Governance issues.

208. RIB Software AG

RIB Software is a 1.24 bn EUR market cap Software company. According to its 9 month report, business is going well. 9 months sales increased by +59% (!!). Profit margin has been decreasing but a 15,6% pre tax margin still looks Ok. Part of that growth seems to come from acquisitions but somewhere they mention that organic growth has been around 25%

RIB specializes on Software around the construction sector, from architects to construction companies.

With an annualized run rate of ~50 mn EBITDA and net cash, RIB's valuation (~20x EV/EBITDA) seems neither cheap nor expensive considering the growth rate.

On the other hand, the company does really strange capital increases and the ratio of shares sold short compared to free float is quite high. It is also interesting, that Ennismore, the guys who identified the Globo Fraud early on, have this as their largest short position. "Pass".

209. DMG MORI AKTIENGESELLSCHAFT (ehemals Gildemeister AG)

DMG Mori is a 3.3 bn specialty machinery manufacturer that used to be named Gildemeister AG but is majority owned by Japanese DMG Mori Seiki since 2015.

Interestingly, DMG Mori as 52% shareholder is only valued at 2 bn EUR market cap. The company is doing relatively well although growth rates are decreasing, however I do think that with 200 mn planned BEIT, the valuation of 16xEBIT is quite high for such a cyclical business. "pass"

210. Symrise AG

Symrise is a 12.9 bn specialty chemical company with a dominating position in fragrances. Longterm shareholders have done very well as the stock chart shows:



The company is a constant grower, currently with around 5-7% p.a. organically plus M&A. With EBIT margins of 14%, the business seems to be very attractive, however a P/E of >40 shows that this is clearly not a secret. Nevertheless a clear candidate for my (long term) watch list.

211. ElringKlinger AG

ElringKlinger is a 500 mn market cap supplier for the automobile industry. From the whole sector, ElringKlinger is maybe the most dependent company on combustion engines. The company is the most important cylinder head gasket globally, with a market share of 80%. However, electric vehicles have no need for these parts. As ElringKlingers revenue still depend mostly on these products it is no wonder that the share price has tanked to a 15 year low after a long climb:



The company itself is clearly trying to establish new product lines in order to lower the dependency on combustion engines **as the last investor presentation shows**. One of the issues however is the large amount of debt (~900 mn gross) that the company has accumulated. Nevertheless, Elring Klinger for me is an interesting candidate to “watch”.

212. Vita34 AG

Vita34 is a 55 mn EUR market cap company that stores umbilical cord blood of newborn babies. The stem cells in the blood are supposed to enable therapies that will help better against illnesses, although to my knowledge, currently not many therapies exist. The business model in principal would be interesting (storing is nice recurring business) but organic growth is low and bottom line profitability is weak. “pass”.

213. Fuchs Petrolub SE

Fuchs, the 5.5 bn lubrication oil specialist, is clearly one of the biggest success stories within the German small cap universe over the last 2 decades or so.

The chart doesn't really show it but Fuchs increased around 50x over the last 20 years or so (I owned the stock several times in the past but always sold quickly after some minor gains....):



Since the peak in 2018 at around 50 EUR/share the stock is however struggling. In 2019, sales are stagnating and profit is down -17% yoy. Although EBIT margins are still decent (~12,6%), the current P/E of >25 looks rich. Nevertheless clearly a quality company to “watch”.

214. Axel Springer SE

Axel Springer, a 6.9 bn media company is most famous through its Tabloid “Bild” which still dominates the German daily press. Although Springer started early with Digital offers, the company is struggling. For the first 9 months, sales were more or less unchanged, but EBITDA dropped by -19%. EBIT dropped even more by -29%.

However Springer surprised the market this year by teaming up with PE shop KKR. KKR made a voluntary offer to the minority shareholders and ended up with around 28% of the shares. In part this was a defensive move as some of the Springer family seemed to have willing to sell anyway and the major shareholders seem to think that partnering with KKR is the lesser evil.

It will be interesting to see how and if the decline in print media can be compensated by online offers, but in my opinion Springer doesn't have many top online assets. For me Springer at the moment is a "pass".

215. The Naga Group

28 mn EUR market cap "Crypto Shit show" that I wrote about 2 years ago. The only surprise here is, that the market cap is still >0. "Pass".

216. Vereinigte Filzfabriken AG

19 mn market cap felt manufacturer. Stock trades rarely and business is struggling operationally. "Pass".

217. Allianz SE

91 bn EUR market cap insurance giant. For me too complex to analyze, therefore "pass".

218. Einhell AG

235 mn EUR market cap company that specializes in importing and distributing mostly DIY tools and materials. Its products are offered mostly in the lower price range. I have looked at and owned Einhell several times in the past as it always looks cheap.

The stock chart looks pretty crazy with wild multi year swings:



In the past they always managed to have good periods and then got hammered either by international expansion gone wrong or trying to create a premium brand. The business model as such doesn't look very attractive but in perfect hindsight one would say that Einhell seems to execute very well in that sector. I am not 100% sure why the stock price exploded as it did in 2018. One thing is interesting: **At least in 2017 and 2018 according to the annual report**, cash generation was really poor, with operating cashflow negative despite the nice increase in profits. Working capital management looks poor. For me still a "pass".

219. Evotec AG

Evotec is an interesting company at least for me. Although it has a market cap of 3,2 bn EUR I never ever looked at the company. It seems to be a kind of R&D service provider for the pharmaceutical industry. After reading **one of the latest IR presentations**, I do not really understand what these guys are doing. However the company is growing quite fast (3x increase Topline from 2015-2018). With an EBIT run rate of around 50 mn and an EV of around 3.6bn, the company trades at ~70xEBIT which might be justified but I am not the one to challenge this. "too hard" and "pass".

220. Vectron Systems AG

Vectron is a 125 mn EUR specialist in Point of Sale (POS) and cash register solutions. Fundamentally, the first 6M 2019 didn't go well with lower sales and a higher loss plus a capital increase in Q1 2019. However the stock price increased significantly over the last few months:



The upside case seems to be a change in regulation for businesses from Jan. 1st 2020 that might trigger a huge wave of orders for them. Too speculative for me, "pass".

221. Hannover Rück

Hannover Rück is the no. 4 Reinsurar globally. For some strange reason I never looked at the company. The 20 bn market cap company has shown an incredible run and is clearly one of the best performing insurance stocks globally:



In the past I had avoided the company because the overall structure is to put it mildly, complex. Hannover is part of the HDI group and its sister company Talanx is also listed. It is pretty hard to understand how the overall group looks like which is key for assessing any financial company. Nevertheless, the company is a clear “watch” candidate.

222. Leoni AG

Leoni AG is a 374 mn EUR market cap automobile supplier who clearly has seen better days looking at the stock chart:



Before 2009, Leoni “conquered” the world, expanding globally together with the big German OEMs. After 2009, the company recovered quickly before then in 2018 hitting the “brick wall”. Some early signs were visible: The fact **that a Romanian subsidiary was able to transfer 40 mn EUR onto a fraudulent account in 2016** was clearly a warning sign that somehow controls within Leoni were not so great.

Looking at the most recent investor presentation provides a pretty depressing picture: Financial debt goes up, cash and still open credit lines go down, losses increase and sales tumble. The company looks very vulnerable to any economic shock, however the stock also looks cheap. The company plans additionally **a spin-off/carve out of its cable business, now for 2020**. For my taste that is maybe not the smartest idea as their resources might be needed elsewhere. Nevertheless for me it is a “pass”.

223. Trade & Value AG

0.9 mn market cap Nano cap. Pass.

224. Ymos AG

Insolvent company with 6,5 mn EUR market cap. “pass”.

225. Pearl Gold AG

Super strange company that claimed to have a 25% interest in a gold mine in Africa. Bankruptcy in 2016, **CEO seems to be a fraudster**. For some reason 6 mn EUR market cap. “pass”.

ALL GERMAN SHARES PART 13 (NR. 226-250)

Posted on [28. January 2020](#) by [memyselfandi007](#) [9 comments](#) [Edit Post](#)

Another week, another 25er batch of “fresh” German companies. Again, there is a lot of “Garbage” but also some interesting “watch” positions. One of the candidates is German Startups Group which, in the meantime made it into my portfolio. I publish the “All German stock” Series with a certain time lag and if time allows, I dive deeper into stocks that really interest me a lot. So It can happen that I decide to invest prior to actually publishing the respective post...

226. SAP AG

With 147 bn EUR the most valuable listed German company, leader in enterprise software with a steady increase in valuation over the last years:



Personally, I don't like SAP that much, **especially the capital allocation** under the old CEO was questionable and the current PE of 42 seems to be rich for a large and mature software company. For me a "pass".

227. VDN VEREINIGTE DEUTSCHE NICKEL-WERKE

Long term insolvent shell company with 20k market cap. Pass.

228. AFKEM AG

1mn EUR market cap nano cap with no observable business. "pass".

229. Hugo Boss AG

Hugo Boss, the iconic German fashion label, currently has a market cap of 2.9 bn EUR. The company has a quite interesting recent past as can be seen in the stock price:



PE company Permira invested in 2007, but never took the company private. They then managed to exit exactly at the peak in 2015. Since then, the stock lost 2/3 of its value. An iconic brand these days is clearly not a guarantee for profits.

The **Q3 report shows** that the main problem at the moment is the US, however the reasons given are not really clear (less tourists...). Anyway, as the stock looks cheap (P/E of ~14), I'll add it to my "watch" list.

230. WKM Terrain und Beteiligungsgesellschaft

1.6 mn market cap company in liquidation. "pass".

231. Grenke Leasing AG

Shame on me on this one. In 2016 I claimed **that I had found the "better Grenke from Australia"**, my painful losses on Silver Chef showed that Grenke is still the best Grenke.

Grenke these days has a market cap of around 3.8 bn EUR, but looking at the stock price, the company seems to be stagnating:



EPS for the first 9 months 2019 is more or less unchanged, for a P/E 30 stock this is maybe not enough. Especially “claims” have risen by almost 50% yoy. Not sure what the reason is but normally this is not a good sign. New business is growing strongly, with solid double digit growth but I guess that Grenke is growing now in riskier areas such as Italy and Spain. I was also surprised that Grenke is now also in the Factoring business and is also financing other equipment than the initial IT assets.

Nevertheless, Grenke is clearly a “watch” list candidate,

232. Horizont Holding AG

1.4 mn EUR nano cap. “pass”.

233. Dt. Konsum REIT

492 mn EUR real estate company specializing in retail real estate. the company run by Mr. Elgeti, a very "resourceful" figure in the German capital market. The company is growing through rapid purchases which turn into valuation gains very soon after acquisition. The stock trades at 1.5x NAV. "pass".

234. OHB

OHB is a 716 mn EUR market cap supplier to the aerospace industry. The company is growing single digits and has EBIT margins of 6-7%. The order book is good for the next 2,5 years or so. ROCE looks okay with 13%, however a PE of ~24 is not so cheap. As I don't understand much about this industry, for me it is a "pass".

235. M1 Kliniken AG

M1 Kliniken is a 233 mn EUR market cap "health care" provider, specializing on beauty treatments (body, laser, face, dental). The half year report is actually an interesting lecture, I didn't know for instance that fat treatment and eye lid corrections are the most common beauty operations done in Germany. The beauty segment within M1 is growing by 40% whereas their "trading" segment is shrinking. Margins are good too, EBIT margins are close to 15%. However reporting is not super transparent. The stock price went up nicely until mid 2018 but is going sideways since then



With a P/E of 25-30, the stock is not cheap but if they would continue to grow by 40%, they would look cheap rather soon. the company seems to belong to the MPH Healthcare "ecosystem" but nevertheless a stock to "watch":

236. Allgäuer Brauhaus AG

Traditional Bavarian brewery with a 99 mn market cap. Stock price increased significantly over the last few years, however this is not really justified by the operating business which only shows a 1 mn EUR profit for 2018. There seems to be a dominating shareholder and trading is super thin, maybe speculation on a squeeze out ? For me a "pass".

237. Westgrund AG

714 mn EUR market cap real estate company that trades ~20% below NAV. Majority owned by another listed real estate company, Adler real estate. "pass".

238. Verianios Real Estate AG

15.7 mn EUR real estate management company. **Issued a profit warning a few weeks ago. "Pass".**

239. Luyanta AG

2 mn EUR market cap company without a functioning website. Pass.

240. Windhoff AG

Another 20k market cap Zombie stock. "pass".

241. Basic Resources AG

1 mn nano cap company, "pass".

242. Con Value AG

0.5 mn EUR market cap "zombie". "pass".

243. German Startups AG

Not a super innovative name for this 16 mn market cap "Listed VC" vehicle. The stock price looks like terminal decline since the company IPOed in 2015 at 2,50 EUR per share.



Initially, the two founders looked like someone I wouldn't want to shake hands with or at least to count my fingers afterward:



In the meantime, the two founders have split **and the remaining one is suing the other.**

Within GSG, a strategic change has taken place. Investments are sold, debt is paid back and the company has acquired among other a majority stake in a Berlin based IT consulting company. The company looks cheap, therefore a candidate for my “watch” list. UPDATE: In the mean time I bought the stock.

244. UMT United Mobility Technology AG

UMT is a 7 mn EUR smallcap that seems to be active in the mobile payment space, haveing somehow acquired the payment part of the major German loyalty program PAYBACK. However EBITDA is “Pumped up”by capitalizing expenses and overall profitability is low. “pass”.

245. Audi AG

Audi AG is the remaining listed part of the Volkswagen subsidiary with a market cap of ~34 bn EUR. As long as I can remember, Audi was always just before being squeezed out at a significantly higher valuation than the one attributed to the tiny free float of 0,34% (the rest is owned by Volkswagen). There is very limited value for minority shareholders as VW has a profit and loss transfer agreement with Audi and Audi shareholders only have the right to a compensation payment of currently 4,80 EUR per share.

Interestingly the stock has shown a fantastic performance over the last years as this chart shows:



My best guess is that the stock is being priced as a bond where 0,5% is still a decent yield these days. However, for me it is a "Pass".

246. Syzygy AG

Syzygy is a 100 mn market cap digital marketing agency that helps its clients to do better advertising or marketing via digital channels.

The company is a “child” of the dot.com boom and ipo’ed at the peak of the mania in 2001. However, unlike others it seems that their business model had legs and they recovered.



In 2015, advertising giant WPP obtained the majority at Sysygy with an offer of 9 EUR per share. However a lot of shareholders thought that this is not enough and WPPP only got ~50,5% of the shares.

Fundamentally, the last years however have not been so good. **In the 9M report** we can see that 2019 9M top line is now only at the level of 2016 and profit has been declining since then. On that basis, and as the stock is still quite expensive, Syzygy is a “pass”.

247. üstra Hannoversche Verkehrsbetriebe Aktiengesellschaft

üstra is a 148 mn market cap transportation company with a tiny free float of 1,62%. I had never heard of that stock before. The stock is rarely traded. The company seems to be structurally loss making and is majority owned by the Government. “pass”.

248. Energiekontor AG

300 mn EUR market cap developer of solar and windparks. Energiekontor was IPOed during the Dotcom boom and as we can see in the chart, only 4 years ago the stock started to climb again and has now increased by around 4 times over the last 4 years:



The company is majority owned by two supervisory board members. From the outside, it is not so clear what exactly is the reason for the increase in the stock price. Based on the 6M 2019 numbers, profit has been stagnating since at least 2 years and the company is pretty significantly leveraged. Maybe their own windparks are revalued following the decrease in interest rates ? For me a "Pass".

249. Fonterelli GmbH & Co KGaA

1.3 mn EUR market cap nano cap active as a "art dealer". Had to restructure their debt in 2019. "pass".

250. Deutsche Post AG

Deutsche Post AG is the 43,5 bn market cap former German postal monopoly that has been privatized in 1995. 20,5% of the shares are still held by a Government owned entity (KfW Bank). As many former monopolists, Deutsche Post combines a highly profitable but shrinking postal business plus a growing parcel delivery business.

The segment reporting doesn't really reflect the reality and is somehow structured differently. The stock has been doing quite well over the last few years as the chart shows:



9M results 2019 saw a nice increase yoy but that was mainly driven by a de-consolidation effect. For me, Deutsche Post is too large to be interesting and I have no special insights into the sector, so I "pass".

ALL GERMAN SHARES PART 14 (NR. 251-275)

Posted on 6. February 2020 by [memyselfandi007](#) 2 comments [Edit Post](#)

This week there are as always a couple of "zombies", some hyped real estate companies but also some interesting watch candidates and two former portfolio companies. Enjoy !!

251. Atoss Software AG

Atoss is a 620 mn market cap Enterprise Software company specializing in HR software solutions. As many Software companies, the stock has performed very well over the past few years:



The company has net cash of around 30 mn and is currently growing at ~15% p.a. and has decent EBIT margins of ~25%. However a lot of that growth seems to be priced in with a P/E >50 and a valuation of around 8-9 times sales that include a significant amount of consulting revenues. For me a "Pass" at these price levels.

252. DEFAM Deutsche Fachmarkt Ag

DEFAMA is an interesting company. It has been founded only a few years ago (2014) and is run by a former stock journalist (or "Blogger") Mathias Schrade. The company specializes in regional small scale shopping centers. The company is valued currently at 66 mn EUR, however book equity is only 25 mn and has significant leverage (Equity before capital raise was less than 20%). To make things worse, the company pays dividends and at the same time is doing regular capital increases. As many other real estate players, DEFAMA aggressively revalues their property and shows "NAVs" significantly above their acquisition price which then enables them to take on

more loans as the banks seem to be willing to play along. As far as I have seen however, they haven't sold anything to justify their valuations. This reminds me a lot to the same game played by open ended real estate funds before the financial crisis. For me the company would be a potential short candidate, however as it is difficult to time the end of the current real estate cycle, I just "Pass" on this one.

253. Pro DV AG

1.3 mn EUR Market cap nano cap, active as IT consultant. Another Hyped Dotcom IPO. Very small business with high personell expense ratio. "pass".

254. GFT Technologies SE

GFT is a 310 mn market cap IT service provider for the financial industry. As far as I understand they specialize in implementing third party software. The P&L looks like a "Normal" IT consulting company with >50% expenses for wages. The company had net debt and topline has been stagnating as they are losing business with their top 2 clients (Barclays, Deutsche Bank). They seem to be able to replace the business with new clients, however the bottom line has been suffering which can be seen in the stock price:



In 2018 they acquired a Canadian company that specializes in implementing Guidewire, the leading standard software for insurance companies.

For me GFT is a “watch” candidate for a later analysis.

255. Aixtron SE

Aixtron SE is a 937 mn EUR market cap machinery company that manufactures machines for the semiconductor industry. As the semiconductor industry, Aixtron is very cyclical which can be seen in the stock chart:



I actually “played” an attempted Chinese take-over attempt in 2016, just before the next up-cycle kicked in. The Q3 2019 numbers showed stable sales, increasing EBIT but drastically falling order backlog, so it seems the next downswing is already underway. Too cyclical for me, pass.

256. Schumag AG

Schumag is a 6,3 mn EUR market cap machinery company. I actually owned the stock a long time ago when the company was in much better shape. As the chart shows, this has been a long way down over the last 25 years or so:



The company went through bad majority shareholders and bad management. In the recent years it looked like a turnaround had finally happened, but the first 6M of the current FY again showed significant losses. A clear "pass" for me.

257. Bertrandt AG

Bertrandt AG is a 600 mn market cap automotive company which has been seen better days:



The company is an Engineering Service/outsourcing partner for mainly German car manufacturers. Looking into their annual report we can see that profitability peaked in 2015/2016. Despite stable topline, profits since then went down more than 1/3, mostly driven by increasing personell costs which account now for around 75% of the top line. My guess is that this is a combination of lower rates that can be charged to the OEMs and the pressure in the current employment sector for skilled engineers.

The French competiros like Akka or Altran seemed to have managed the last few years much better. Nevertheless, I'll put the stock on "watch".

258. Muenchener Tierpark Hellabrunn AG

This is a very interesting case. Although I knew that the local Munich Zooo is stock listed, I never looked at the stock which currently has a market cap of 87 mn EUR

. Interestingly, the stock had a huge run up in 2015/2016 as we can see in the chart:



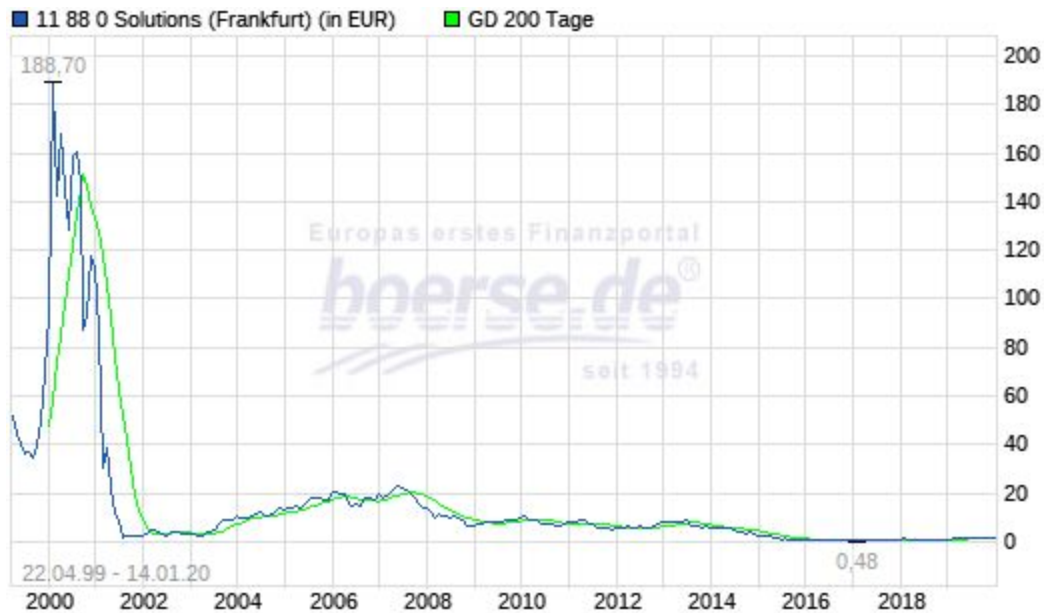
The company is majority owned by the City of Munich (93%). I am not sure what triggered that increase. The company makes a small profit but mainly driven by transfers from the city. Yes, they own ultra prime real estate in Munich, but this will never be used for any other purpose. And if I read **the annual report correctly**, shareholders have no profit participation rights. It used to be that shareholders got free entry but that seems to be over. "Pass".

259. Marna Beteiligungs AG

1.5 mn Nanocap. in its previous life before restructuring, the company used to own and run some ships. "pass".

260. 11880 Solutions AG

A 33 mn EUR market cap company that started its life as a telephone information service under the name "telegate". The stock price chart shows that the company was a brief superstar during the dot.com bubble:



The overview on the company web page shows that the company is burning its cash since years into a shrinking business. In 2019, the business seemed to have stabilized and they actually received a take-over offer from their largest shareholder at 1,87 EUR per share. Subsequent actions (announcement of capital increase) have hurt the share price. Main new business of the company seems to be an online job portal. "pass".

261. GIEAG Immobilien AG

A 85 mn market cap real estate company. Although I had never heard of this company, the company seems to have increased its stock price by 20x over the last 5 years. As a real estate developer, the company seems to have benefited a lot from the recent real estate boom in Germany. Investments into real estate developers are risky and have to be timed perfectly. As I am not an expert in this, I'll "pass".

262. Fleischerei-Bedarf Aktiengesellschaft von 1923

This is one of the oddest companies on German exchanges. There seem to be only 1000 shares, "trading" at 10.000 EUR per share. There is little information available but the published

numbers (profit of ~100k EUR) would not justify a 10 mn valuation. Maybe there is real estate. Not my kind of stock, "pass".

263. MyHammer Holding AG

MyHammer was another one of the dotcom bubble "internet stocks". MyHammer connecting craftsmen with customers over the internet. The 106 mn market company has a pretty interesting journey behind them as the stock chart shows:



The stock has performed well over the last years coming from a low basis. The company is currently growing at ~30% p.a. but a valuation of 6x sales is clearly not a bargain anymore. However still a candidate to "watch".

264. Advantag AG

1.4 mn Nanocap trying to ride the ESG wave. "Pass".

265. HSBC Trinkaus & Burkhardt AG

HSBC Trinkaus is the stock listed German subsidiary of HSBC. The 1,6 bn EUR market cap stock has suffered significantly over the last few years:



The most recent drop was clearly driven by their profit going down -50% yoy in the first 6M 2019. With 2.4 bn in equity, the stock trades at 2/3 of book value but also ROEs don't look good. "Pass".

266. Dorstener Maschinenfabrik

Bankrupt zombie stock. Pass.

267. Bastfaserkontor AG

This is a thinly traded 56 mn EUR stock that I had never heard of despite being in existence for a long time. The stock chart shows an impressive gain over the past few years:



Again, this seems to be one of the many Real Estate stories going on which excludes this from my area of interest. "Pass".

268. Ahlers AG

Ahlers is a 33 mn market cap "men's fashion" company that has always been "cheap" and would often show up in stock screeners. However the company went on a long decline path as it was clearly not able to cope with fundamental changes (online commerce, fast fashion etc.). In theory, the company has a lot of ingredients for success (family owned, family run, some decent brands) but in a fundamentally changing environment this is not enough. Maybe there is a "Last puff" in this share but for me it is a "pass".

269. Palatiumm Real Estate

0.6 mn EUR nanocap. Pass.

270. 1&1 Drillisch

1&1 Drillisch AG is a 75% subsidiary of United Internet. The 4 bn market cap company is a reseller of mobile phone and broadband internet access and has been quite successful in the past. The stock chart however could be described as a “Christmas Tree” chart:



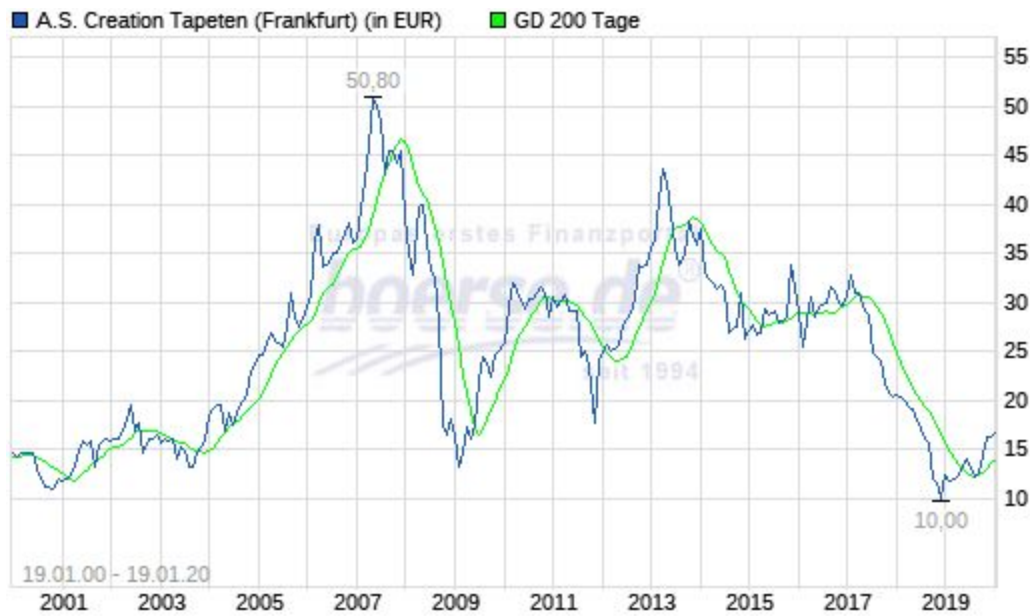
The main reason for this chart are two issues: First, the business has been stagnating lately with more or flat revenues and slightly decreasing margins. Secondly, the company decided to bid for a 4th 5G license and won. The overall case for 1&1 Drillisch of course changes with this significantly. The company will need to spend billions in order to build this network with a very uncertain outcome. A mobile market with 4 networks is usually very competitive. The stock therefore is a lot more risky than it used to be. I will still “watch” it but with low priority.

271. X-FAB Silicon Foundries AG

X-FAB is a 617 mn market cap company that manufactures equipment for the semiconductor industry and **has been IPOed in 2017** at a stock price of 8 EUR. Since then, the stock has lost ~50%. It looks like a well timed IPO in the cyclical semiconductor business, as sales have been shrinking in 2019 more than .10% and the company started making significant losses. “pass”.

272. AS Creation AG

AS creation is a 51 mn EUR market cap wallpaper manufacturer that has actually once been part of the V&O portfolio **but I sold it in 2014**. Although the company seems to have recovered slightly after 2 (deeply) loss making years, sales and profits are still significantly lower than when I owned the shares which is the reason for the very disappointing stock performance:



The reasons for this are in my opinion mostly a failed attempt to enter the Russian market, a huge fine for anti-competition behavior and the hope that a structural decline in product attractiveness can be compensated with international expansion. On the positive side, they seemed to have been able to sell the Russian operation. For me, maybe for sentimental reasons, I will “watch” the stock.

273. SHF Communications Technologies

Tine struggling small cap **that used Germany's lax rules to delist in 2018**. “Pass”.

274. CTS Eventim AG

CTS Eventim is a 5,5 bn market cap “multi-bagger” whose success is quite obvious when seen through the rear view mirror: When recorded music can be accessed anywhere from anyone through streaming, the value of “live” music increases as especially the artists have to concentrate much more on tours to make the “real” money. CTS started out as a normal concert ticket selling shop but morphed successfully into one of the leading live event promotion agencies in Europe. The ticketing business still drives the profitability with EBIT margins of 30%, whereas the lower margin Live event business is growing more. The business as such also provides a decent “float” as people seem to be willing to pay for tickets long before the event.

The stock chart is really impressive:



As always these days, a lot of this is priced into the stock. At around 25 EV/EBIT, there is also a clear downside risk if things don't turn out well at some point. SO for me the stock is a “Pass”.

275. Ganaria AG

Bankrupt “zombie stock”, former “Shopimore”. Pass.

ALL GERMAN SHARES PART 15 (NR. 276-300)

Posted on 12. February 2020 by [memyselfandi007](#) 3 comments [Edit Post](#)

The next 25 stocks. 4 of them made it onto my watch list.

276. Sporttotal AG

Sporttotal is the rebranded “Wige Media” company that changed its name in 2017 and has a market cap of around 20 mn EUR. The positive effect of the rebranding however didn’t last that long if we look at the stock chart.



The company is currently loss making and raised capital in early 2019. Nevertheless, for some strange reason, I put them on my “watch” list.

277. HPI AG

1,8 mn EUR nanocap that went through a restructuring in 2016. “pass”.

278. Amatheon Agri NV

Paris listed company that needed to do a debt/equity swap in 2019. "pass".

279. Deutsche Biotech Innovativ AG

An 87 mn market cap company which is very thinly traded. The company has 2 mn EUR book value and no sales. They seem to play the "biotech story". The company tried to IPO in 2015 already but now seems to have been successful with a kind of "back door" listing. "pass".

280. Hypoport AG

Like CTS Eventim, Hypoport is a big lesson in "Missed Opportunities". If I remember correctly, I looked at the stock in 2010 but didn't find it exciting. Some kind of platform for real estate loans or so. Little did I know that Hypoport morphed into one of the most successful German Fintechs. Their core product is a mortgage loan platform which is used mainly by German Cooperative banking and the dominating Sparkassen.

Back then, the main business of Hypoport was a deposit broking business branded Dr. Klein, but the real growth driver was the credit platform. The stock price chart shows the successful transformation.



These days, the company is valued at 2.2 bn EUR, which represents around 15x sales and 70x EBIT. Although I would not buy at this levels, it is still a stock worth to “watch”.

281. Odeon Film AG

Another “child” of the Dotcom boom that produced a lot of much hyped media rights companies back then. With a 13 mn market cap, the company clearly has seen better days. The company is currently (6M 2019) loss making. “pass”.

282. JDC Group AG

JDC is a 89 mn market cap financial services company which is part (insurance) broker and part “Fintech”. A few month ago, Great West LifcCo, a subsidiary of Canadian Power Financial bought a 28% stake which was sold by management. The fintech part has a lot of traction (topline +30% yoy) but is not yet profitable.

The stock used to be very volatile in the past as we can see in the chart:



Although there are some things that I don't like at first sight, it is still a very interesting stock to "watch" and analyze more deeply.

283. Sixt AG

Sixt AG is a 4 bn car rental company which is currently moving into all kind of new mobility areas (car sharing etc.). It is also one of my biggest "Missed opportunities" blunder. I used to own a participation rights more than 10 years ago, attended annual meetings but didn't follow on when the security expired, despite knowing that the founder/owner Erich Sixt was a uniquely gifted entrepreneur.

The stock was more than a 10 bagger (incl. dividends) over the last 10 years.



The stock now seems to be not too expensive, however sooner or later the second generation will take over and one will need to see how this works out. Still a stock to “watch”.

284. Quirin Privatbank AG

Quirin Privatbank AG was a very early version of a German “challenger bank”. The 67 mn market cap bank was the first bank promising not to take any “Kick backs” or commissions from product providers, but only charge a service fee for managing investments.

However, since going public in 2006, the stock price went nowhere and it is not clear if the business model really works. Interestingly, one big shareholder sold last year (Oddo, 27%) and it looks like that the CEO and the Head of the supervisory board have been buying.

For me a stock at least to “watch”.

285. Value Holdings International AG

This is a 10,5 mn EUR market cap stock that seems to be a kind of closed end trust of traded small cap stocks. The stock seems to trade more or less at NAV. **Reading their 2018 report** it is interesting to read that they were invested in the Greek Fraud Follie Follie which doesn't really create a lot of confidence into their investment process. "Pass".

286. Berliner Effektengesellschaft AG

Berliner Effektengesellschaft is a 256 mn EUR market cap Holding company that owns as its major asset a 56% stake in stock listed Trade Gate AG, a 25% stake in Quirin Banl (bei coincidence number 284.). The trade gate stake is worth around 300 mn, plus around 16 mn for Quirin Bank, so in theory there is a decent discount. However I didn't find quickly the stand alone accounts of the HoldCo and I don't really know much about the major asset, Tradegate. After a quick look, below, it is a "pass"-

287. Tradegate AG

This is actually the exception to my random order as I wanted to tackle Tradegate after Berliner Effektengesellschaft. I found **this interesting story** on Trade Gate where it is explained how 592 mn market cap Trade Gate makes money by market making an alternative stock exchange, especially in off times. However, especially in 2019, business is not doing so well. The company is owner operated, but as the valuation is quite high (PE 20-25), this is a "pass" for me. Fr both stocks, the stock chart looks strangely "managed" in 2019:

288. Arcandor AG

The former Karstadt was one of the biggest insolvency cases in Germany. The market cap is 2 mn, the company is in liquidation and a "pass" for me. Update: Just a few days ago, Scherzer AG, a specialist for "empty shells" on the stock market has bought a controlling stake. Doesn't change my assessment though.

289. Deutsche Effecten- und Wechsel-Beteiligungsgesellschaft AG

This is a 18 mn EUR market cap listed VC/PE company. The company seems to be leveraged, the book value is around 8 mn EUR and the reporting not transparent. The companies in the portfolio look randomly selected. "pass".

290. BayWa AG

Baywa is a 1bn market cap a goods trading / wholesale company, trading all kinds of stuff like agricultural stuff, energy and building supplies. The company just had to pay a 70 mn EUR anti-competition fine and in general looks like a company that is not run for the benefit of shareholders, nor clients. Reporting is not transparent, they run on significant debt plus pension liabilities and I'll "pass".

291. Elanix Biotechnologies

A 5mn EUR market cap "Bio technology" company. Company seems to get repeated fines from German authorities for late filing. "pass".

292. Windeln.de

One of the early E-Commerce "stars" on the German stock market **when IPO'ed in 2015 at 18 EUR per share**. Now, only 5 mn EUR market cap is left. The company was almost down to zero but they claim they have new investors that want to invest at 1,20 EUR/share. Not my kind of stock so "pass".

293. Good Brands AG

A 11 mn EUR market cap company where I couldn't find any recent financial report. "pass".

294. MS Industrie AG

A 59 mn EUR Holding company, activities mostly as supplier in the automotive industry. They sold some activities in 2019 but in general the company doesn't look that interesting to me. "Pass".

295. Froehlich Bau Ag

Company in liquidation. "pass".

296. Frosta AG

Frosta is 378 mn EUR frozen food specialist company that is majority family owned and run. I used to own **Frosta in the blog portfolio** until early 2012. Looking at the chart, it would have better to keep owning the share as the stock went up on its peak to ~90 EUR from 20 EUR back then:



What happened between 2012 and 2018 ? A quick look into the **2011 annual report** shows sales of 385 mn EUR (-2% yoy), EBIT of 14.8 mn EUR and net profit of 8,7 mn EUR (-10% yoy). **In 2018**, Frosta had sales of 510 mn, EBIT of ~30 mn and Net Income of around 20 mn. So yes, profit has

doubled but a significant part of the stock price increase came from multiple expansion. In the first 6M of 2019, profit almost halved, so that the stock now trades most likely at high 20 2019 P/E. On that basis a “pass”.

297. B+S Bankssysteme AG

16 mn market cap service/software company for the banking industry. Business seems to be in decline and company turned into a loss making position in the last financial year. “pass”.

298. AlzChem Group AG

Alzchem is a company I never heard of before. The 212 mn market cap company is a specialty chemicals company **that went (somehow via a reverse IPO via the shell company Softmatic) public in 2017**. Although the stock looks quite cheap (~P/E of 10), the business seems to be very capital intensive and the company has significant debt. “Pass”.

299. Vivoryon Therapeutics AG (ex Probiodrug AG)

Vivoryon Therapeutics is a bio-pharmaceutical company that has been IPOed in 2014 with a current market cap of 137 mn EUR. As many of these companies, the company doesn't have any sales, only costs. As I am not an expert in this field, it is a “pass”.

300. Demapharm AG

Demapharm is a 2 bn market cap pharmaceutical company that went public in February 2018. The company specializes in non-patent pharmaceuticals as well in “parallel import” of pharmaceuticals. The company does a lot of M&A and trades at around 25x earnings and 20x EV/EBIT. “pass”.

ALL GERMAN SHARES PART 16 (NR. 301-325)

Posted on 20. February 2020 by memyselfandi007 9 comments Edit Post

At the moment I can keep the weekly frequency for this series. This time, the random generator only included 2 stocks that in my opinion are worth “watching” but some of the stocks covered have interesting histories.

301. Lotto24 AG

Lotto24 is providing online access to Germany’s state lottery. With a market cap of 353 mn, investors get a run rate of 5mn Profit. The high market cap is mostly a result of a successful take-over event of Zeal Group, which now seems to own 93% of the shares. a “pass” for me.

302. WCM Beteiligungs- und Grundbesitz Aktiengesellschaft

WCM is a company with an interesting past. The vehicle of German Billionaire Karl Ehlerding was one of the high flyers of the Dotcom Boom and even tried to acquire Commerzbank. The company went bankrupt in 2006 but recently reemerged as a real estate company. WCM is now majority owned by another listed real estate company, TLG and currently has a market cap of 700 mn. As all the other real estate companies, this one is a “pass”.

303. HOMAG AG

HOMAG is a 618 mn market cap machinery company that specializes in machinery for wood processing (i.e. furniture industry, etc.). HOMAG is majority owned (64%) by also listed Duerr AG. Duerr has established a “Profit and Loss transfer agreement” with HOMAG which means that HOMAG shareholders are only entitled to a guaranteed dividend dividend of 1,03 EUR per share. Economically, the share is therefore a bond.

I find it therefore super strange how the HOMAG share has moved over the last few years:



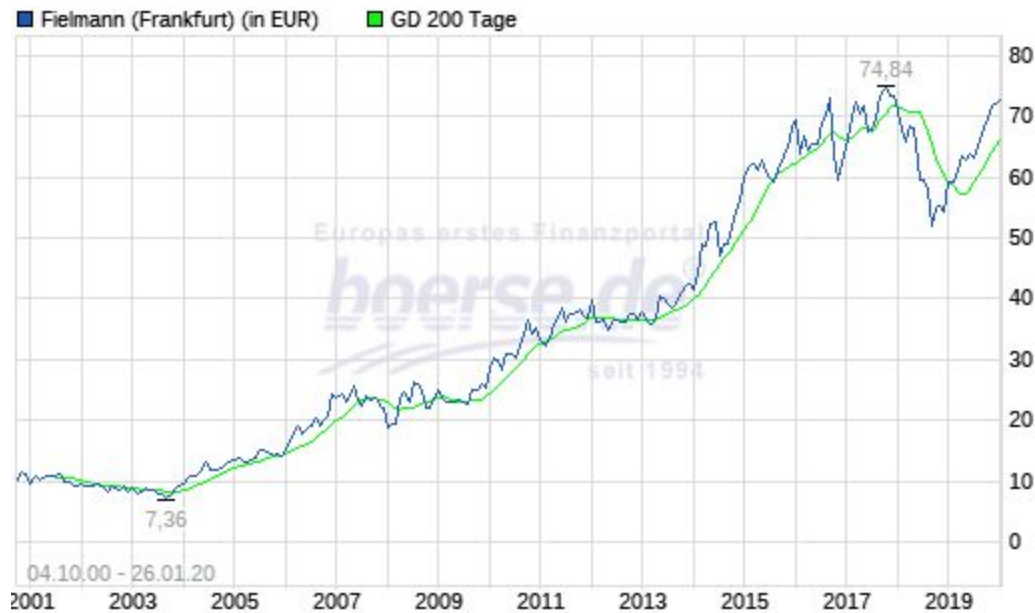
In theory, HOMAG would be an attractive position for a bond portfolio as a perpetual bond with a 2,5% yield, however as I am not in the bond business, I'll "pass".

304. Cash Medien AG

Cash Medien publishes a few investment magazines and has a market cap of 5.8 mn EUR. The company is shrinking as many print publishers. "Pass"

305. Fielmann AG

Fielmann is one of the stocks where I could always hit myself not to have invested despite being a loyal client for a long time. Fielmann with a market cap of ~6 bn is one of the typical family owned and run "hidden champions" dominating the German market for prescription glasses. Fielmann has been a great long term compounder, increasing over 10x over the last 15 years:



These days however, the company trades at a P/E of around 35 and grows only very little (Profit growth ~5%) which in my opinion does not leave a lot of upside for shareholders at current prices. As a quality stock it will however still go on my “watch” list.

306. Global Oil & Gas AG

Big name, little market cap: 1.2 mn. “pass”

307. Formycon AG

321 mn EUR market cap pharmaceutical company specializing in “biosimilars”. In the first 6 months of 2019, sales have gone down by ~1/3 and the company has made a loss. Not sure what justifies the market cap, most likely a lot of hope. “pass”.

308. Ultrasonic AG

For some reasons still listed remainder of a Chinese fraud. “pass”.

309. Böwe Systec AG

Another listed bankrupt shell company. "Pass".

310. H&R GmbH &Co KGaA

A 195 mn market cap chemical company which seems to be in a deep slump. The company trades at ~0.5 x book value, but has a bad reputation from a governance perspective. Maybe a deep value opportunity for specialists, but for me it is a "pass".

311. Alba SE (ex Interseroh)

Alba is a Berlin based, 590 mn market cap company active in waste management and recycling. The stock is 93% majority owned by the holding of the Alba Group and has a "profit & loss transfer agreement" in place. This means a guaranteed gross dividend of ~4 EUR per year which at first sight looks attractive. However the whole Alba Group has very shaky finances and this explains the relatively low share price of this sub. "Pass".

312. PVA Tepla AG

PVA Tepla is a 338 mn EUR market cap technology company that delivers mainly equipment to the semiconductor industry. The company is currently enjoying significant growth (+40%) although order entry grows a lot less and Q3 is already flat yoy. The company seems to trade at around 30-40x 2019 earnings and with EBIT margins of 9% I don't really understand why. "Pass".

313. Interstahl Handels AG

A 1.5 mn market cap company that changes its name frequently. "pass".

314. Backbone Technology AG

Another name changing company with a 5 mn market cap and some “technology assets”. “Pass”.

315. Aktienbrauerei Kaufbeuren AG

23 mn market cap brewery from southern Bavaria. The brewery seems to be loss making, but the listed company only holds a 45% minority stake and is focusing on....Real Estate of course. From the outside, it doesn't look that promising and is maybe mostly interesting for locals. “Pass”.

316. Paion AG

Another “Biopharmaceutical” company worth 160 mn EUR. The company is burning money since a long time. I have no idea if their pipeline is any good, so “Pass”.

317. Publiity AG

One of the many companies riding the real estate wave in Germany. With a 540 mn EUR market cap already a significant player but with a very volatile development in the past months. For me, as in the other cases, a “pass”.

318. Janosch Film & Medien AG

Janosch is a 6 mn market cap media company that shows an incredible performance in the past years:



Over the last 10 years, the stock went up around 20x. Operationally, the company has indeed improved and on top of licensing the famous Janosch Children comics, the company seems to plan to open child care centers. For the time being, I'll keep them on "watch".

319. Munich Brand Hub AG

Munich Brands Hub is a 0.2 mn nano cap who does something with brands but not very successful. "pass".

320. ABO Invest AG

ABO Invest is a 93 mn market cap company that itself invests into wind parks. The company is significantly leveraged (~90% LTV) and therefore a clear "pass" for me.

321. IVU Traffic AG

IVU Traffic is a 233 mn market cap software company that specializes as the name indicates on public transport solutions. As many software companies, the stock enjoyed a decent upwards move in the recent months:



Operationally it is not clear at first sight what exactly has driven this, as Q3 2019 looks a lot weaker than Q3 2018. The company estimates 9 mn EBIT for 2019 which means an EV/EBIT of >20 for a company that is depending on a few large projects. "pass".

322. Deutsche Cannabis

A 5 mn market cap "PE company for Hemp products". A little bit behind on the hype curve, "pass".

323. Black Pearl Digital AG

A 1.2 mn nano cap with frequent name changes, now focusing on "Blockchain". Pass.

324. Datron AG

Datron is a 46 mn EUR market cap machinery company, which has been IPOed in 2011 and is now trading at the same level as back then. The company is majority owned by the founding family and specializes in milling machines.

The first half year 2019 has been disappointing. Overall the company looks conservatively run but somehow vulnerable to macro issues. "pass".

325. Masterflex SE

Masterflex is a 44mn EUR market cap company active in specialty plastics, more precisely plastic tubes/hoses for industrial use.

In 2019, Masterflex announced on 8.11. Q3 numbers and stated that they are "On track" to reach their goals, only to be followed by a profit warning 2 weeks later. The stock is already on a downtrend since the beginning of 2018:



Already in 2018, profitability declined and also in 2018 they came out with a late profit warning, so visibility seems to be an issue. "pass".

ALL GERMAN SHARES PART 17 (NR. 326-350)

Posted on 26. February 2020 by memyselfandi007 [Leave a comment](#) [Edit Post](#)

The next batch of 25 randomly selected German stocks.

In the last post, someone asked why I do not filter out certain stocks (Nanocaps etc.). I have thought of this, but decided against it. The main reason is that some of these “Zombie’s” have really interesting stories that might contain important lessons. Plus there is a VERY small chance that a real gem is hiding somewhere, although I haven’t found one yet.

This time, I only put 3 stocks on my watch list, but some of the “passed” stocks have really interesting stories.

326. United Labels AG

United Labels is another child and survivor of the Dotcom boom. The 8.7 mn market cap company is active in licensing brands to producers of everyday articles like T-Shirts etc. Top line is however shrinking since a few years and this year they had to put their Spanish subsidiary into insolvency. “pass”.

327. Bavaria Venture Capital & Trade AG

0.8 mn market cap investment company. Little information and despite the name the company seems to be located far away from Bavaria in Essen. “pass”.

328. Deutsche Lufthansa AG

At the time of writing, Lufthansa just gt hit by the news of the Corona Virus. The 6.5 bn market cap company looks cheap from a trailing P/E perspective, but under the hood there are a lot of

issues. Personally I would call Lufthansa more a flying pension plan than an airline. Maybe interesting for investors who can time cycles. As I can't, I'll pass.

329. SCI AG

SCI is a 9,5 mn EUR investment company. The company specializes on "special situations", mainly squeeze outs etc. For anyone interested in this area, following the company is recommended. Historic track record is OK, although they have some controversial bets going on (IFA Hotel). "Watch"

330. Deutsche Wohnen AG

One of the Real Estate high flyers of the past few years with a 13,7 bn market cap. Residential property only with a focus on Berlin, might be hit most by the cap on rents. Anyway, not my circle of competence, "pass".

331. Osram SE

Readers of my blog know that I "played" **Osram as a special situation** in 2019, made some money but got out too early. After being majority acquired by Austrian AMS, I do have little insight into the combined business and also don't find it fundamentally attractive, therefore "pass".

332. Delticom AG

At first sight, Delticom looked like a great company. One of the early E-Commerce pioneers, the company quickly gained market share in online tire sales and became one of the dominating players. Helped by a regulation change, the stock price went up to 80 EUR per share in 2012, making the company an "almost unicorn", still majority owned and run by the founders:



However since then, the company rapidly deteriorated, actually turning a loss in 2018. What happened? In this case it was not Amazon, but a combination of bad management and bad economics. The company overpaid for a “built to sell” competitor called “Tirendo” in 2013. Then, they found out that acquiring customers on the web becomes more and more expensive, especially if customers only return every few years. They also might have underestimated the market power of the big suppliers.

Finally, the founders made very strange moves and decided that Food Delivery fits perfectly to their tire business. 2018 and 2019 they increased debt significantly while business deteriorated which is a toxic combination. They managed to renegotiate debt but were forced to focus on the tire business (surprise...). The remaining founder got kicked out of the supervisory board a few days ago. Delticom is a good lesson that not every founder owned/led business will do long over the long term.

Despite rumours on a sale of the company, I'll pass.

333. Metro AG

Metro, the 4.6 bn “cash and Carry” food chain is a stock that I don’t have very fond memories. I invested into it as a “spin-off” opportunity **but found out the hard way** that both parts of the initial Metro (Metro, Ceconomy) were not good business.

Since then, not a lot has changed and I’ll gladly “pass” on Metro.

334. Teleservice Holding AG

0.6 mn Nano cap with no information. “pass”.

335. Gold-Zack AG

Once a star of the “neuer Markt”, now a 0.16 mn insolvent shell company. “Pass”

336. Hoftex AG

Hoftex is a low profile, 62 mn market cap textile company. The company has been transitioning slowly from more genral textiles, where no money can be made to a specialist textile company that is supplying the car industry. This worked well for some time, but with the weakness in the car industry, Hoftex also suffered:



In September, **the company issued a profit warning**. As the business is quite capital intensive, I'll pass.

337. elexxion AG

2.9 mn market cap "hI tech" company with a cool name but only 400K of sales and 500K of losses. Pass.

338. Klöckner & Co SE

Klöckner is a 580 mn market cap steel trading company which stock has been stagnating now for over 10 years:



For Deep Value investors the stock might be interesting (less than 0,5 Price/Book), but the business is volatile and in the first 9 months 2019 they have shown a loss. They try to play the “digital” theme but honestly I don’t see them making more money “digitally”. Pass.

339. Südzucker AG

Südzucker is the 3 bn market cap European leader in refining sugar plus producing some (sugary) ingredients for the food industry. Looking at the chart of Südzucker we can see that they also failed to create any long term value for shareholders despite the occasional spike over the last 20 years:



In general, sugar in the western world is clearly in decline due to the negative health effects. The company has significant debt, a large pension liability and is therefore a "Pass"-.

340. MAX Automation AG

MAX Automation is a 133 mn EUR market cap machinery company. The company is currently making significant losses, which they claim is not a problem as they put all the negative stuff into "discontinued operations". In order to survive, they have to increase debt dramatically. "pass".

341. DG-Gruppe AG

DG-Gruppe AG is a 16 mn market cap company with an in principle interesting business (company sponsored pension plans) but little information available and ambitious valuation (8x sales, only 10% growth). "Pass"

342. Alexanderwerke AG

Alexanderwerke AG is a 31 mn EUR market cap company that originally mainly produced meat grinders. The company for a long time was always close to insolvency until it was revived somehow a few years ago. Although current profitability looks ok, order entry dropped significantly which shows the underlying volatility of the business. "Pass".

343. Volkswagen AG

The largest German car company with an 82 bn market cap. Not only because of the Diesel scandal, I consider the company as badly managed and governed. The company is not necessarily run to the benefit of the shareholders. The structural changes in the car industry create significant risk for the incumbents. The local Government has a share in the company and can block any take over attempt. "pass".

344. GEA Group AG

GEA Group is a 5 bn market cap diversified technology company. Once the pride of the Germany industry, the company has been struggling for some time. That might have attracted some activist investors, among them Paul Singer's Elliott. The company has exchanged management and restructured, however results are still weakening. Nevertheless a "watch" for me but not with high priority.

345. Umweltbank AG

Another company that I didn't hear of before. Umweltbank is a direct bank, attracting deposits by promising only to lend to ecologically responsible projects. The bank is valued at 370 mn EUR. Especially in the first half 2019, the bank was growing strongly. With around 120 mn in equity, this is an ambitious valuation, although their 16 mn in 2018 profit shows that ROE is much better than with the traditional banks. Nevertheless a "pass" due to the high valuation.

346. DEAG AG

DEAG is another former high flying “Neuer Markt” Stock that had a hard decade. The live concert organizer company has now a market cap of 117 mn. Business has not been running that well in the first 9M of 2019, nevertheless the stock has gone up significantly in the last few months:



This seems to be driven by insider buys. However I have no clue about the business, so I'll "Pass".

347. Hanse Yachts AG

Hanse Yachts is a 75 mn EUR sports- and sailing boat manufacturer. Hanse Yacht has a colorful past, having been IPOed in 2007, taken private by listed P/E company Aurelius in 2011 and the IPOed again in 2018. The company is not very profitable and according to the annual report, Aurelius is sucking out money via consulting arrangements. Plus, 30 mn debt for a company with 5 mn EBITDA is too much. "pass".

348. Mountain Alliance AG

A 35 mn listed VC vehicle that I have never heard of before. It is majority owned by VC investor Mountain Partners which has a mixed reputation. It also seems to play the role of an Exit vehicle

for the Mountain Partners incubator. The portfolio as such looks to a large extent like a “spray and pray” approach. The stock trades around -20% below NAV which looks like a justified discount. “Pass”.

349. IBU-tec advanced materials AG

Another company that I never heard of before. IBU-tec, with a 56 mn EUR market cap seems to specialize in some kind of specialty chemical treatments. IBU-Tec went public in 2017, however the stock price since then mostly went south:



In the first 6M 2019, the company showed good growth but very thin margins. On the other hand, Management (CEO) holds significant equity. I'll put IBU-Tec on “watch”.

350. DVS Technology AG

DVS Technology (es Diskuswerke) is a 158 mn market cap machinery group, producing specialty machinery under various brand names. As many automobile related companies, DVS saw rapidly

deteriorating margins in the first 6M 2019. Although still profitable, the resulting profit has now relation to its market cap. The compnny also carries significant bank debt. "pass".

ALL GERMAN SHARES PART 18 (NR. 351-375)

Posted on 2. April 2020 by [memyselfandi007](#) 22 comments [Edit Post](#)

So back to the "new normal" with another episode of my German Stock series. Most of these summaries have been written before the crisis hit, so I just added a few comments here and there and updated the numbers.

351. Rhoen Klinikum AG

Rhoen Klinikum is a 1.1 bn 1.2 bn EUR market cap company owns and runs a series of clinics in Germany. I **used to own the shares some time ago** but more like a "special situation" investment. The company was target of a take-over battle some years ago and sold a large part of its clinics to a competitor and kept the more difficult ones. The stock did quite well for some time but the started to decline with no end in sight:



In 2019, profit went down somewhat but it is still not a real explanation for a more than -50% drop from the 2018 peak. As a previous position, I will put Rhoen on "watch".

Update: Just before the crisis hit, the founder Eugen Münch teamed up with former arch enemy Asklepios and "allowed" them to go for a majority stake. The resulting share transfer triggered a voluntary offer to all shareholders at 18 EUR/share.

352. RIM AG

RIM AG (ex Rücker Immobilien AG) is a 6 mn market cap company owning some real estate. The company is "dark", issuing no financial statements. "Pass".

353. 7C Solarparken AG

A 233 196 mn EUR market cap company that buys and runs solar parks. Looking at the stock chart we can see that the stock developed very nicely over the last years since the low in 2012:



As most of these players, 7C uses significant debt to buy the solar farms but the investors don't seem to have an issue as solar parks are deemed "safe" assets. Personally, I don't see solar parks in Germany as an economic viable business in the long term, but as long the subsidies are flowing people will build these parks. For me it is a "pass".

354. GUB Investment Trust

Another listed VC vehicle with a ~12 mn market cap. At first sight, the stock looks significantly undervalued. The biggest asset is a 6% stake in listed Nexus AG which alone is worth more than 30 mn EUR. However, the history of the company is not great, and the CEO seems to be a "colorful" character. There are better opportunities out there. "Pass".

355. Porsche Holding SE

Porsche Holding, a 20 11.3 bn market cap stock, actually has nothing to do with the actual Porsche cars but is now a holding company, holding Volkswagen shares on behalf of the Porsche family as a result of the failed take over attempt in 2007/2008. I have **written in the blog about Porsche several** times and although a few years have gone by, nothing has changed. As I don't want to own Volkswagen, there is no sense in owning the Porsche shares, independent of any discount (although I haven't checked how much that might be). "Pass".

356. Neschen AG

Insolvent 0.1 mn market cap zombie stock. "pass".

357. Sino AG

Sino AG is a 13.4 15.7 mn market cap "High end" brokerage company that caters to "High end" brokerage clients, i.e. heavy traders. Sino owns 25% of listed "Tick Trading AG" as well as 30% of unlisted "no fee" broker Trade Republic, the German version of Robin Hood. Sino's core business however doesn't look that good. The recent increase in the stock price then might have to do with the positive development at Trade Republic:



Anyway, Sino is for me a stock to “watch”.

358. Tick Trading Software AG

Tick Trading is a 21 18 mn EUR market cap software company that sells trading software to large institutional clients (banks etc.). The company seems to be quite successful, their latest results look good. Topline +10%, EBIT plus 20%. With a P/E of around 16, the company doesn't look that expensive, despite a nice run up of the stock price:



The company distributes 100% of its profits which at the time of writing represents a dividend yield of around 8%. Tick Trading Software is definitely a stock to “watch”.

359. Adler Real Estate AG

Adler Real Estate is a 869 597 mn EUR real estate company owning a portfolio of residential real estate. Adler is currently subject to a take-over attempt by ADO properties SA, a Luxembourg based property company. It seems to be an all share offer. As I have mentioned several times, real estate companies are currently not interesting for me, so “pass”.

360. Hapag Lloyd AG

Hapag Lloyd is a 13,7 11.8 bn EUR market cap transportation and logistics group. The stock price has more than trippled in 2019 as the chart shows:



Looking at some analyst reports, no one seems to know why this happened. There are speculations that somehow the large shareholders fight each other over available shares. For me it's a "Pass".

361. Heidelberger Druckmaschinen AG

Heidelberger Druckmaschinen is a 276 173 mn EUR market cap company that used to be one of Germany's finest "tech" companies when printing was still relevant. A global market leader with exceptional technical capabilities. Unfortunately, print became less important and Heidelberger failed to adapt. The long term chart shows the long term decline:



The company is still burning money, increasing debt and share count and at first sight there is no “silver lining” anywhere. The company still shows “restructuring cost” as one-time item despite restructuring now for more than 10 years. the only surprise for me is that they haven’t filed bankruptcy yet. “Pass”.

362. HMS Bergbau AG

HMS is a 100 98 mn market cap commodity trading company, trading commodities like coal and iron ore. Looking at their numbers, I do not see how a 100 mn market cap can be justified with a run rate of 1.5 mn EBITDA and 10 mn equity. “pass”.

363. Francotyp Postalia

Francotyp is a 59 45 mn EUR market cap stock that was long a “darling” of value investors as the stock always looked cheap. The problem was however, that the core business was facing structural headwinds, as their machines for managing physical post (letter) was clearly in terminal decline. The company tries to reinvent itself somehow to a “internet of Things” player. However the growth in the new segment does not yet compensate for the decline in the core business. Francotyp turned to a loss in 2018. 2019 so far looks okayish, still declining top line

overall but good growth in the new segments. If they manage the transition, the stock would be interesting, but there is significant risk involved. In the meantime, Rolf Elgeti has become the largest shareholders which means for me: "pass".

364. Blue Cap AG

Blue Cap is one of many "listed PE" companies with a market cap of 53 54 mn EUR. Their numbers are hard to read and I do not see a real strategy in their portfolio. "pass".

365. Fast Finance24 AG

A company that has changed its name several times in the last few years and is now a "Fintech". Market cap 3,8 3,4 mn EUR, "pass".

366. Agrob AG

Agrob is a 115 mn commercial real estate company that I had written about as a "special situation". Agrob owns basically one big commercial real estate park near Munich with mostly media companies as tenants. The company for a long time was a subsidiary of Hypovereinsbank (now Unicredit) until they decided to sell their majority stake last year to a PE company at 32 EUR/share. At the current price of <30 EUR per share, the stock is interesting again. "Watch".

367. Xin Rui Ke AG

Some kind of Chinese company with several name changes. For some reason 61 mn EUR market cap. "Pass".

368. Landshuter Kunstmühle AG

23 mn EUR market cap company grain mill that rarely trades and doesn't issue reports. "Pass".

369. Q-Soft Verwaltungs AG

A 3,5 mn market cap company with little useful reporting. Pass.

370. Dt. Balaton AG

A 191 mn EUR holding company that has collected a pretty wild mixture of assets. Based on the mixed reputation of the management (i.e. making really stupid investments into fraudulent German-China companies), I'll happily "pass".

371. MeVis Medical Solutions AG

MeVis is a 57 49 mn EUR market cap software/technology company that offers solution for image based medical diagnosis. The company is highly profitable (EBIT margins of 43% 9M 2019, however the top line is not growing much. The stock price has been a pretty rough roller coaster ride, indicating that the underlying business is maybe not too stable:



Nevertheless, the stock looks quite cheap compared to profitability so it is a clear “watch” candidate.

372. Lena Beteiligungs AG

0.2 mn EUR nanocap. “pass”.

373. Smart Grids AG

0.06 mn EUR nano cap with frequent name changes. “pass”.

374. Vtion Wireless AG

0,85 mn market cap German-Chinese fraud. “Pass”

375. Pilkington Deutschland AG

1.1. bn market cap Glas product producer (for construction and car industry). Stock is thinly traded and has a P&L transfer agreement with the main shareholder, so little or no upside for shareholders which explains that the stock price hasn’t done anything for a long time. Fundamentally the business is not in good shape either (declining top line, strongly declining profits). “Pass”.

ALL GERMAN SHARES PART 19 (NR. 376-400)

Posted on [8. April 2020](#) by [memyselfandi007](#) [3 comments](#) [Edit Post](#)

Halftime !!! I covered now more than 50% of the German stock universe which is around 800 shares. In this post you’ll see still some entries that I have written pre-crisis that I then had to

update significantly. Overall these 25 stocks resulted in 6 watch list candidates which is clearly above average.

376. Instant IPO Holding AG

2.1 mn market cap micro cap with very frequent name changes. "Pass".

377. OTRS AG

16,3 mn EUR market cap IT/Software company. Although top line seems to have grown by more than 10% in the first 6M 2019, the company shows little profitability. Without capitalizing costs, the company would actually make losses. "Pass"-

378. Mologen AG

Old-time Biotech "pump and dump" stock that finally filed for insolvency in December 2019. 2 mn market cap remaining. "pass".

379. Manz AG

Manz AG is a 168 mn EUR market cap equipment/machinery manufacturer that produces equipment for plants that themselves produce solar modules. The once high flying company is struggling, with top line decreasing and making significant losses. They do have a Chinese investor but these days the money in Solar is made by putting solar cells onto an empty field, cashing in subsidies and selling stocks/funds to investors, not in producing solar cells. "Pass".

380. Hamburger Getreide Lagerhaus AG

1.8 mn EUR market cap nano cap with no real business. "Pass".

381. Hello Fresh AG

Hello Fresh, which has been IPOed in November 2017, is with a market cap of 4,5 bn EUR one of the most successful startup stories in Germany. The business model is quite simple: The company delivers boxes with groceries to their customers that are tailored for certain dishes ("meal kits"). The customer saves itself the walk to the super market and can directly start cooking with the recipes provided by Hello Fresh. The model is a subscription model, where the customer can chose how many boxes a week are delivered (min. 3 boxes). Since its IPO, the stock price has done surprisingly well, especially in the last few months, almost quadrupling from a low in early 2019:



Growth is still good: +40% in customers and sales yoy in Q3 2019. Structurally, however, the business doesn't look too attractive. "Contribution margin", which is the pure gross margin of sales minus cost of ingredients minus shipping costs is currently ~27,5%. Marketing costs are eating up this margin almost completely, but yes, the company is growing and adjusted profitability is growing.

However in my opinion there are not that many opportunities for HelloFresh to improve their margins from a structural basis and to me it is open, how sustainable their business model really is. "pass".

COVID-19 Update: It turned out that meal kits are a pretty good idea these days.

382. Bet-at-home AG

Bet-at-home is as the name says, an online sports betting and gambling company, valued at 339 mn EUR market cap. In the first 9 Months 2019, the company had generated EBIT of 26 mn, but had to pay significant back taxes so that net income in total was only a single digit million number, Personally, I do have an issue with the whole online gambling sector, so I "pass".

383. Schaeffler AG

Schaeffler is a 1.0 bn EUR market cap supplier to the automobile industry that went public in September 2015 at a price of 13,5 EUR per share. Schaeffler is still majority owned by the family and became famous for trying to take over bigger rival Continental in 2018 and almost going bankrupt in that process. At the time of writing, the family still owns 46% of Continental.

Looking at the stock chart we can see that Schaeffler got hit in 2018, but somehow recovered from the lows in 2019 recently:



Based on 9M numbers, top line is stagnating, EBIT has decreased by -40% yoy. Schaeffler pointed out that Greater China was one of their bright spots in 2019, which might be an issue now. Schaeffler has around 2,8 bn in debt, the holding company that owns the Continental stake has another 3,5 bn in debt. To me this construct is extremely vulnerable, especially with Conti also having lost more than 50% of its value over the last months. "pass".

COVID-19 Update: The crisis hit Schaeffler hard and the stock is now trading at or below the lows of 2019. They are clearly in trouble.

384. Beate Uhse AG

Bankrupt shell company. "pass".

385. AGIV Real Estate AG

0,3 mn EUR market cap shell company. "Pass".

386. Deutsche Real Estate AG

278 mn EUR market cap company that is active inReal Estate of course. The long term stock chart shows that the stock has done nothing for a long time but then went up like a rocket over the last 2 years (who needs tech stocks if you have German RE):



AT first sight, the company aggressively values its properties upwards. Nothing to see for me, "pass".

387. Deutsche Euroshop AG

Deutsche Euroshop AG is not a "1 Euro Shop" company but a real estate company that has specialized in Shopping malls with a market cap of around 0.8 bn EUR. Other than most Real Estate stocks, Dt. Euroshop's stock is on a tailspin since a few years, most likely because of the perceived threat through online shopping:



Interestingly, current 9M numbers are not so bad. Dt. Euroshop is trading at ~2/3 of book value. This is actually a real estate stock that I out on “watch”.

COVID-19 Update: With all the shopping centers closed, Dt. Euroshop has been hit hard. Although the stock slightly recovered, the stock lost another -50%. For me it is not clear how to value these assets. But still a “watch”.

388. PSI AG

PSI is a 274 mn market cap software company. In comparison to other software stocks, PSI's stock performance has been a “dud” over the last 10 years:



However, Growth also has been low single digits over the last few years and margins are quite low for a software company. Recently top line has been picking up with double digit growth, bottom line however is lagging. Still a candidate to “watch”.

389. Dahlbusch AG

Thinly traded 488 mn EUR market cap company with little free float. The company used to be a coal mine but this days only operates real estate. Reports are very thin. Maybe they have some hidden value to hide, but for me it is a “pass”.

390. Affimed NV

A 165 mn EUR market cap company doing something with immuno/Cancer. The company has some revenues (mostly milestone payments) but burns around 2 mn EUR per month. “Pass”.

391. Allgemeine Gold und Silberscheideanstalt AG

“Agosi” is a 91% subsidiary of Belgian recycling giant Umicore with a market cap of 472 mn EUR. The stock shows a very good recent performance and was mostly unaffected by the Covid-19 turbulence as the chart shows:



With results stagnating or even decreasing over the last 5 years, I do not fully understand what justifies a valuation of around 30x Earnings. Therefore a “Pass” for me.

392. Edel SE

Edel SE is a 33 mn market cap company that mostly represents an independent music label. The company has had a “Mixed” 2019 with net income dropping significantly, although sales remained stable.

However the company has significant bank debt and low operating margins (~3% EBIT margin). Also the company is a KgaA, a German legal construction that restricts the rights of the shareholders significantly. “Pass”.

393. Amadeus Fire AG

Amadeus Fire is a 400 mn EUR market cap temporary work agency with a long successful track record and a focus on Germany. However the Covid-19 crisis hit the company hard, losing >50% from the February top.



At the current valuation, the company trades at ~15xPE. The **recent annual report** shows a nice growing top line, however a lower increase in the bottom line for 2019. Amadeus was very successful because they specialized in the IT and finance area, which are areas that showed a significant demand over the last 10 years.

At the end of 2019, Amadeus Fire made a relatively large acquisition with a company called ComCave that offers training for areas like tax accountants. This acquisition seems to have driven the significant increase in the stock price until the beginning of the crisis. The purchase price seems to have been 200 mn EUR, financed by existing cash and a 170 mn EUR bridge financing. This represents around **13xEV/EBITDA according to German news articles**.

Going into the crisis with 170 mn of short term debt is of course bad luck. The company cancelled the dividend which I think was a wise decision.

With ~40 mn pre acquisition/crisis EBITDA and no previous debt, this won't kill Amadeus Fire, but it needs to be seen how their business is impacted by the crisis.

In any case, it is an interesting case and a stock to "watch" more closely.

394. CompuGroup Medical SE

Compugroup Medical SE is 2.8 bn EUR market cap Software company specializing in the Healthcare sector. The company has been performing well and is one of Germany's few software success stories. The CEO still owns 33% and controls with other related parties slightly more than 50% of the share capital.

As with other software companies, the valuation is quite high (15xEBITDA) but despite some acquisition, business has been stagnating in 2019 with slightly negative organic growth but significantly increased debt. EBIT and Net income decreased significantly, due to partly an impressive EUR 16 mn "broken deal" charge for a M&A transaction that didn't materialize.

The COVID-19 crisis had little impact on the shareprice, but in my opinion the non-existing organic growth does not justify the valuation. "Pass".

395. BBI Buergerliches Brauhaus Immobilien AG

BBI is a 124 mn EUR market cap commercial real estate company, owned itself (95%) by another listed company, VIB AG. The company has a profit and loss transfer agreement with VIB, therefore shareholders, so the 0,54 EUR per share guaranteed dividend is the maximum that a shareholder can expect. "pass"

396. centrotherm International AG

Centrotherm is a 52 mn market cap photovoltaic machinery company. The business seems to be very cyclical and not very profitable. The company was deep in the red for the first 6M 2019. "pass".

397. Eckert & Ziegler AG

Eckert & Ziegler is 688 mn EUR market cap company that according to the web site does the following:

The Eckert & Ziegler Group is one of the world's largest providers of isotope technology for medical, scientific and industrial use. The core businesses of the Group are: cancer therapy, industrial radiometry and nuclear-medical imaging. The three business segments are: Medical and Isotope Products.

The stock price went up five fold from 2017 to 2020:



The question is clearly: why? Looking at their key financials, they were able to more than double EPS from 2016 to 2019. Top line has been growing slower, but EBIT margins has been increasing von 11% to 18% in 2019. The company has net cash.

Nevertheless, a trailing P/E of around 34x is quite steep, but still it is a company to "watch" and dig deeper at some point in time in the future.

398. SNP Schneider-Neureither & Partner

SNP is a 292 mn EUR market cap software / systems integration company. The company has been growing double digit in 2019, with software sales increasing very strongly (+50%). With 15 mn EBITDA, the company trades even after the crisis at around 24 times EV/EBITDA which assumes significant further growth.

As far as I understand it, they are active in the SAP environment, however offering own software tools to automate certain processes.

The stock price has been on a really wild ride recently:



For me it is a stock to "watch", however at the current valuation with limited priority.

399. Scout24 Group

Scout24 is the leading German/European online classifieds player. Up until recently, Scout ran two segments: Auto classifieds and Real Estate. However just a few days ago, the sale of Autoscout24 to former PE owner Hellmann & Friedman closed.

Scout24 is selling Autoscout24 for 2.84 bn EUR. 700 mn will be used to repay debt and ~1.7 bn to repurchase shares.

Based on their 2019 preliminary numbers, ~210 mn EBITDA remain with Scout24. The company has total debt of around 800 mn and a market cap of 5.8 bn ER.

So including the cash received, the "stub" is valued 3.8 bn EUR. Compared to Rightmove in the UK, which trades currently at 18xEV/EBITDA, this looks like a fair valuation. The business as such is to a certain extent counter cyclical, as real estate agents need to put more efforts in promotion when no one wants to buy.

I will put them on "watch" to see if there might be a lower entry point in the future.

400. Murphy & Spitz Green Capital Aktiengesellschaft

Murphy & Spitz is a 6 mn EUR nano cap that specializes in managing "green and sustainable" investments. For the 6 mn market cap, investors get a nice story, 80k sales and 80k losses. "Pass"

ALL GERMAN SHARES PART 20 (NR. 401-425)

Posted on 17. April 2020 by [memyselfandi007](#) 7 comments [Edit Post](#)

Another 25er batch of German stocks based on my random selection criteria. This time the result are 3 new entries into my watch list.

401. Kampa AG

Insolvent “zombie” stock. Pass.

402. Dinkelacker AG

A 480 mn market cap former brewery that transformed into a real estate company focusing on the region around Stuttgart. Very small free float, not my cup of tea, “pass”.

403. Bavaria Industries AG

Bavaria industries Ag is a listed PE company valued at 273 mn EUR_ The company started out as many similar ones with “1 EUR” purchases, i.e. buying quasi insolvent companies for 1 EUR and trying to turn them around. They were lucky with some early successes. More recently however after some exits, the company switched into listed equities and now seems to be more a family office for the founder who controls a large amount of the share capital. The majority of the portfolio was in cash, therefore the stock price only moved a little bit since the beginning of the crisis. Although they showed good foresight with their conservative approach, for me it is still a “pass”.

404. YOC AG

YOC AG is a 9 mn EUR market cap mobile advertising company. The company is however unprofitable and has negative equity. Not a good position to go into a crisis that will see a drastic fall in ad revenues. “pass”.

405. Ad Capital AG

Ad Capital is one of many listed “holding” companies with a market cap of 16.8 mn EUR. The company has seen better days as the stock price shows:



The portfolio didn't perform well in 2019, therefore again, going into a crisis will be very difficult and I guess this is reflected in the current share price. "Pass".

406. Pittler Maschinenfabrik AG

4 mn machinery company which seems to be loss making and reports infrequently. The have been in liquidation (or still are). "pass".

407. HumanOptics AG

HumanOptics AG is a 34.5 mn EUR market cap specialist for eye implants (lenses). That sounds interesting but the company is stagnating and only losses and financial debt are increasing. Nothing to see for me, "pass".

408. Nexus AG

Nexus is a 443 mn EUR market cap software company that specializes in solutions for hospitals. Looking at the history of this very young company, it clearly seems to be some kind of “hidden champion”, showing very nice growth over a long period of time.

Looking at the long term chart we can see that after its IPO in 2001, nothing happened for a long time until the stock started on a pretty impressive growth trajectory after the GFC:



Based in trailing earnings, the stock is not cheap, despite the recent drop: With around 10 mn earnings in 2019, Nexus trades at a trailing PE of 40.

“Under the hood”, things look slightly better; The company produced around 17 mn free CF and has around ~26 mn EBITDA (adjusted for capitalized development). This translates into an EV/EBITDA of ~16 which is not too bad for a good Software company. The company bought the majority of IFA Systems in 2019 which seems to have been a pretty decent acquisition. Interestingly, the company doesn’t seem to have a dominating shareholder. Management owns ~5%.

What I really like about the company is that they have positioned themselves also quite well in the tele medicine area which is of course now booming like crazy.

Nexus is a very interesting candidate. I will “watch” the stock closely and hopefully have a deeper look at it soon.

409. ifa Sytems AG

ifa systems is a 13.9 mn market cap software company that specializes on oculists and has created a specialized health record for their patients. In 2019, Nexus AG acquired around 53% of ifa systems. The company had very rough years esp. in 2016 and 2017. Historically, IFA seems have to capitalized a lot of development costs that then had to be written in off in 2017. The stock price clearly shows the issues:



Interestingly, after the majority acquisition by Nexus (from a company called Topcon), they announced a significant one time licensing agreement for their database which will result in a very good 2019 result. It will be interesting, how the company will perform going forward with the new owner, therefore it will go onto the “watch” list.

410. Philipp Holzmann AG

Many years ago, this was Germany's biggest construction company. Now it is a bankrupt "zombie stock". "Pass".

411. Horus AG

Horus AG is a 1.3 mn EUR Nanocap, majority owned (~80%) by Scherzer AG. "Pass".

412. vpe Wertpapierhandelsbank AG

Munich based "Globally active" bank with a 3.1 mn market cap. Company is loss making and had to raise capital in 2019. "Pass".

413. GTG Dienstleistungsgruppe AG

Another insolvent Zombie stock. "Pass".

414. Takkt AG

Takkt is a 465 mn EUR market cap B2B Distributor of office equipment. The company has been hit super hard by Covid-19 but was already on a downward trend since 2017/2018 as the stock chart shows:



According to the **2019 results presentation**, organic sales decreased by -1.4% in 2019 and net profit by -10%. Especially the Quarter in quarter trend is worry some. From +5% sales growth in Q1, Takkt slipped to -7% in Q4 with no real explanation, other than a strong exposure to German car manufacturers.

The company, which seems to have run their units quite independent now seems to transform into a more centralized structure. In my experience, these kind of restructurings are often a sign of weakness. Takkt is majority owned (50%+) by Haniel, a troubled German conglomerate. Nevertheless I will put Takkt on "watch", as the valuation with an EV/EBITDA of around 5 looks cheap. However it needs to be seen if the home office trend has negative effects.

415. Zoologischer Garten Berlin

This is the second Zoo in Germany (besides Munich) which has a listed stock. The company has a market cap of 28.1 mn EUR and has performed quite well over the last few years. The Belrin Zoo seems to be quite profitable, however based on the articles of association, profits are only allowed to be used for the Zoo and shareholders have no right whatsoever. However, being a shareholder seems to entitle the right to buy a lifelong ticket for a price of 575 which includes 2 relatives. With a regular cost of ~100 EUR per year, Belrin residents need to calculate if this justifies the price of around 700o EUR for the stock. For me it is a "pass".

416. Doccheck AG

Doccheck AG (the former Antwerpes AG) is a 49 mn EUR market cap Healthcare marketing company and healthcare professionals “Community”. The founding family owns 71%, free float is only 20%. The company has net cash and the business as such seems to be quite profitable (EBIT Margins >10%). In 2018, the company stagnated, however in the first 6 months 2019 they returned to growth and preliminary numbers for 2019 looked pretty strong. In the beginning of March, The company announced an official share repurchase tender at 10 EUR per share, but pulled it 2 weeks later due to Covid-19. The stock price reflects this a little bit but other than that remained remarkably stable:



I personally find the company very interesting and put it on “watch”.

417. KHD Humboldt Wedag International AG

KHD Wedag is a 71 mn EUR market cap holding company. The company is popular among “deep value” investors as it has a rather large cash position, however the company is loss making and is part of a Chinese conglomerate which has accessed the cash already via an inter-company loan. “Pass”.

418. ERWE Immobilien AG

55 mn market cap company that started out as a Technology investment company that transformed into a Real Estate company. "Pass".

419. Readcrest Capital AG

1 mn market cap company with frequent name changes. "Pass".

420. Snowbird AG

Defunct former German-Chinese fraud. "Pass".

421. KAP Beteiligungs AG

KAP is a 113 mn market cap holding company with activities in diverse areas. In a surprising move, US PE giant Carlyle bought a majority stake from the founder who wanted to step back. Looking at the stock chart, this might not have been the best investment ever for Carlyle:



The company turned into a loss position in 2019. Carlyle seems to have reduced their stake but still own 45%. The company warned that Covid-19 would be a major issue for them. Overall this looks like a low margin turn-around case which is not my preferred kind of investment and might get into real trouble in 2020. "Pass".

422. Private Assets AG

A 0.4 mn EUR market cap nanocap with little or now active business. "Pass".

423. I:fao AG

I:fao is a 143 mn EUR market cap software company that specializes in procurement of business travel for businesses. The company is 88% owned by Amadeus IT, the Spanish GDS and only has a "pink sheet" listing in Germany. Initially, Amadeus planned to merge with I:fao and squeeze out minorities, but this has been canceled recently. The company doesn't issue reports anymore. As a minority shareholder, i:fao doesn't look very attractive, so "pass".

424. BBS Kraftfahrzeugtechnik AG

Bankrupt company shell. "Pass".

425. McKesson Europe AG

This is the former Celesio, which, after the take over by McKesson has been delisted and now is only traded on the "Pink sheets". The company has a profit transfer agreement with its shareholder, so shareholders only are entitled to 0,83 EUR dividend and maybe some extra money if a squeeze out at some point in the future will happen. This is something for specialists, for me it is a "pass".

ALL GERMAN SHARES PART 21 (NR. 426-450)

Posted on [21. April 2020](#) by [memyselfandi007](#) [2 comments](#) [Edit Post](#)

And the next batch of (mostly) randomly selected German stocks. The only exception I do make for my selection is when one company owns a big stake or is related closely to another listed company. Then I'll try to look at them in sequence. This time, 5 stocks made it onto the watch list.

426. MBB SE

Another listed "Mittelstands" holding company with a 317 mn EUR market cap. Looking at the stock chart we can see, that between 2015 and 2017 the stock price went up significantly, Since then the stock is on a downward trend, despite share repurchases:



The company has significant net liquidity, however the underlying businesses are low margin. The drop in value might be the result of the drop in value of their most successful participation, Aumann AG. As I am not a big fan of this "Mittelstand" Holding Cos, I'll "pass".

427. Aumann AG

Aumann AG is a 131 mn EUR market cap machinery company that was IPOed in 2017 as a "pioneer" to enable E-mobility by its former owner MBB (see above).

The stock chart shows that this seems to have been a quite successful "pump and dump" IPO, as now the stock trades only at a fraction of the IPO price and the stock declined long before the current crisis:



In 2018, **Aumann reported solid numbers** with very impressive growth (top line and Net income +40% yoy), although margins (EBIT margin ~9%) were not too impressive.

However already the 4th quarter seems to have been quite weak as growth and EBIT margins for the first 9 months 2018 had been a lot better. Then 2019 started to look ugly, with a weak first quarter, followed by even worse half year numbers and 9M numbers. Order entry more or less cratered, top line and bottom line shrank even more.

On the plus side, the company still has net cash, but cash has been shrinking fast in the last few months. Overall I do think Aumann is one of the better positioned automobile suppliers but still is in for a very hard time. "Pass".

428. Südwestdeutsche Salzwerte Aktiengesellschaft

Südwestdeutsche Salzwerte is as the name says, a 725 mn EUR salt mining/producer. The company is pretty "boring" which I normally like and the stock price is quite unspectacular but has increased nicely over the past few years:



The company showed a loss in 2019 but this seems to have been a one time effect. Both the core salt business and the second segment “disposal” are quite profitable with double digit EBIT Margins. Disposal, which seems to be a second use for salt mines even has EBIT margins of 20%. However, free float of the stock is only 2% and 98% are owned by Government entities which for me is a direct reason to “pass”.

429. HCI Hammonia Shipping AG

A 3.7 mn EUR nano cap investing in container ship projects. Very thin reporting, “Pass”.

430. Pulsion SE

Pulsion is A med-tech company that has been majority acquired by Swedish competitor Getinge in 2013/2014 at EUR 16,90. The 170 mn EUR market cap company is traded very thinly on the “Pink sheets”. As part of a Profit and loss transfer agreement, minority shareholders do not have the right to participate in any profits but are compensated with a guaranteed dividend of 0,86 EUR per share. Again, this is something for specialists, for me it is a “pass”.

431. Eurokai AG

Eurokai is a company that I had owned at least 2 times in the last 20 years. The 337 mn EUR market cap port operator owns (partially) a wide network of ports and should in theory be a nice and boring “infrastructure” investment. Looking at the stock chart we can see however that the stock price looks more like a tech stock, esp. the spike before the GFC:



The majority of the operated ports are in northern Germany, however they also have some activities in Italy as well as in Algiers and Cyprus. The YTD 2019 numbers look very positive, however there is a one-off gain from a disposal included. In general, due to a lot of minority interests, the accounts are not easy to understand and one really needs to see the annual report to guess how business is really going. The company is dominated by the Eckelmann family which controls 75% of the voting rights. Clearly the business is cyclical, but for me it is worth to “watch” and revisit at a later stage.

432. EcoUnion AG

Insolvent “zombie” stock. “pass”.

433. Aurelius Equity Opportunities SE

Aurelius is one of the larger “listed PE” holding companies in Germany with a market cap of currently 508 mn EUR. To say that the company and its CEO is “controversial” is an understatement. Several international short sellers attacked the stock which was a growth star for the earlier part of last decade. He was part of the quite “infamous” Arques AG which in the early 2000s created the business model of buying 1 EUR companies and show the goodwill as profit which he seems to have perfected with Aurelius. This is a stock I wouldn’t touch even with a 100 foot pole. “pass”.

434. Leifheit AG

Leifheit, a 184 mn market company is also a company that I owned at least once during the last 20 years or so. It is a well known German brand for all kind of household “helpers”. In 2019, the business of Leifheit stagnated and profits declined. The company has significant net cash, (50 mn), however also significant pension liabilities. The business itself is quite low margin. They intend to invest more in advertising but it needs to be seen how effective this is.

For some reason, the stock price went up like crazy in 2017 but since then has lost almost -50% from the top:



There has been some movement in Management and Supervisory board, but overall I do not see that Leifheit is an interesting stock at this level, so I'll "pass".

435. MVV Energie AG

MVV is a 1.8 bn EUR market cap regional utility company. The company has only a very small free float (~5%). In a very interesting move, two shareholders **decided to sell their 45% stake to a UK infrastructure fund**. However, the city of Mannheim still owns 50,1%. As I don't like stocks with the Government as shareholder, I'll pass on MVV.

436. TAG Immobilien AG

TAG is a 2,8 bn market cap real estate company specializing on residential real estate in northern and eastern Germany, mainly in the lower end of the market. The company has a very interesting part, **starting out as a local railway company in the Bavarian mountains** and then transforming itself into a real estate company from the year 2000. TAG was run for some time by the Rolf Elgeti, one of the more controversial persons in the German capital market scene. Elgeti is still Head of the supervisory board.

Optically, TAG looks quite cheap, however the majority of the results are revaluation gains. This leads to the fact that the "EPRA NAV" used to be actually lower than the market cap which is quite unusual. The ongoing revaluation for me is not a good sign as it indicates a very aggressive accounting behavior.

As I am not a fan of real estate companies in general, TAG Immobilien is a clear "pass".

437. Konsortium AG

Konsortium AG is a 1 mn market cap holding company that belongs to a very shady group of players (Reich family) in the German small cap space. "Pass".

438. MLP AG

MLP AG is a 550 EUR market cap financial company that distributes all kind of financial services via an advisor network. The chart shows the quite interesting history:



In the late 90s, early 00s, MLP was “THE” hot financial growth stocks. However the dotcom bust took its toll and the company never fully recovered.

Looking at their 2019 report, it is quite remarkable that for the last 3 or 4 years they managed to grow steadily again. However, they seem to actually run a banking business now on top of the core advisory business and the stock has recovered quite quickly. A candidate to “watch”.

439. Sektkellerei J. Oppmann AG

J. Oppmann is a sparkling wine producer with a 5.6 mn market cap. The company has a strange stock chart:



The stock increased 6x from 2010 to 2013 and then...nothing. Looking back into my blog, I actually had covered them a long time in 2011 ago as a quite well performing spin-off. However the company doesn't publish any reports online and I guess this is only something for “Liebhaber”. For me it is a “pass”.

440. Euromicron AG

Euromicron is a company that I had looked at in the past and always found their accounting extremely questionable. The company survived longer than I thought but then went bankrupt in late 2019. "Pass".

441. Voxeljet AG

Voxeljet AG was one of the big high flyers of the 3D printing craze in early 2014. The company went public in the US and had a market cap of over 1bn USD. These days, the stock has lost more than -96% and the market cap is around 20 mn USD.

The company which produces large, industrial sized 3D printers. However business does not look too good. They broke the loan covenants of an EIB loan which then has been waved **according to an SEC filing**.

However the company has never made a profit and sales are very lumpy. Nevertheless I'll put them on "watch" as I like 3D printing.

442. Adler Modemärkte AG

Adler is a 65 mn market cap clothes retailer specializing on the very cheap end of the market and on people aged 55 and above. However, even before Covid-19 this was a brutal business. Somehow, Adler managed to squeeze out a higher profit in 2019 despite lower top line sales. For a retailer, the balance sheet looks relatively solid, but still the whole sector is for me structurally unattractive. "Pass".

443. DNI Beteiligungen AG

A 2.2 mn EUR market cap holding company. The company invests in listed securities but reports very infrequently. "pass"

444. Continental AG

Continental is one of the largest global automobile suppliers globally with a current market cap of around 14.8 bn EUR. As the chart shows, Conti's problems started long before Covid-19 arrived:



The main reason despite the general weakness of the car industry seems to be that Conti is focused to a large extent on classical combustion engines and is hit by the shift to EVs. Conti tried to IPO their most vulnerable part called "Vitesco" but **then decided to go for a spin-off in late 2019**. Conti is vulnerable because the largest shareholder Schaeffler is in deep trouble itself, so there is little chance of support there. Schaeffler is significantly indebted after the failed take over attempt in 2008/2009.

2019 was already an ugly year for Conti with stagnating sales and negative EBIT plus a significant increase in net debt to 4 bn EUR from 1.6 bn (driven by lease accounting). The loss itself was driven by a significant Goodwill impairment.

Conti still plans to pay a 1 bn dividend which in my opinion is a really bad idea but I guess the main shareholder Schaeffler desperately needs the money. Another interesting aspect is that the boss of the Supervisory board, Wolfgang Reitzle is famous for his gigantic mergers (Linde, Lafarge).

Overall I do think that Conti has a lot of substance (especially the tire business) but I am afraid that the worst is yet to come. Nevertheless it is a stock to “watch”:

445. Clockchain AG (former Uhr.de)

Something with online and watches. 0.1 mn EUR market cap. “Pass”.

446. Dr. Bock Industries AG (listed in Vienna)

Dr. Bock is a men’s clothes producer that I have never heard of and, which despite being in Germany is only listed in Vienna and in theory has a market cap of 72 mn EUR which seems some kind of insider joke when looking at their 2 mn sales in 2018. However I could not see any trading for the last 18 months or so. “pass”.

447. Haemato AG

Haemato is a 45 mn EUR market cap pharmaceutical company that seems to specialize in “grey market” imports of pills within Europe. They seem to have some problems as topline was shrinking dramatically in 2019 and the company went into a loss position. “Pass”.

448. Heidelberg Pharma AG

Heidelberg Pharma AG is a Biotech company with a 147 mn EUR market cap specializing in cancer treatments. The company actually does have sales (7mn), but as most Biotechs is burning money at a current rate of 8-9 mn ER a year.

Interestingly, the stock price jumped in March. The company, backed by SAP Founder Hopp seems to be somehow linked to developing a Covid-19 vaccine/treatment. Not my area of expertise though, “pass”.

449. Renk AG

Renk AG is a 728 mn EUR market cap supplier that was long majority held by Volkswagen. In a surprise move, Volkswagen sold the company in early 2020 to PE investor Triton. Triton had to make an offer to minority shareholders which at the moment would be a little bit above the current share price (106 vs. 104). Plus there could be a chance of a higher price for a subsequent squeeze out. Soemthing for the "special sit" pocket but not a long term watch, rather a "pass" at his stage.

450. Nordwest Handel AG

Nordwest is a 60 mn market cap trading company that wholesales construction equipment and tools to smaller shops. The company is majority held by the Rothenberger Holding, a German/Austrian family company. The company has been doing quite well in the last few years, riding the construction boom in Germany. It will need to be seen how the business is hit by the crisis. Technically, the company looks quite cheap and the first quarter doesn't seem to be impacted by Covid. "Watch".

ALL GERMAN SHARES PART 22 (NR. 451-475)

Posted on [7. May 2020](#) by [memyselfandi007](#) [7 comments](#) [Edit Post](#)

Another batch of 25 randomly selected German stocks. This time I identified 5 candidates for my watch list amongst them.

451. Biofrontera AG

BioFrontera is a 151 mn EUR market cap specialty pharma company in the field of dermatology (skin cancer). The company actually has a product in the market and shows decent growths, especially in Germany and the US. The company is still loss making in the first 9M 2019, but the loss narrowed significantly. The "Corona Crash" pushed the stock price back to before sales went up:



Unfortunately, Dt. Balaton is invested significantly here so a “pass”.

452. Merkur Bank KgaA

Merkur Bank is a small private bank with a 55 mn market cap located in Munich. Unlike all other German listed banks, Merkur has actually created some value since the GFC as can be seen in the stock chart:



Merkur Bank took over another private Bank called “Bank Schilling” in late 2019 which led to somr Badwill which will increase reported profits significantly. Operationally, the bank trades at around 10-11 times PE. However Merkur Bank seems to have been quite active in financing real estate developers. Nevertheless a stock worth to “watch”.

453. Fritz Nols AG

2.7 mn EUR insolvent holding company. “Pass”.

454. Rheinmetall AG

Rheinmetall is a 2.7 bn EUR market cap combined automobile supplier and defense group. Sales wise, in 2019 the two segments were almost half/half. As in other examples, the automobile supplier segment is struggling, but still profitable. On the other hand, the defense segment grew nicely and overcompensated the decline in automobile.

The stock price got hit really hard during the Covid-19 crisis and didn’t recover that much:



The stock looks relatively cheap with a P/E of 8, but clearly the current trend towards ESG investments which mostly excludes defense companies is a long term headwind. The Nevertheless one to “watch”.

455. EQS Group AG

EQS Group AG is a 108 mn EUR market cap company active in the the area of investor relations and compliance as a service for listed companies.

Interestingly, the company is close to an ATH even after the Covid-19 crisis and despite turning a loss in 2019:



The explanation sees that EQS is migrating its offering into a cloud based SaaS product which clearly is still a hit with many investors. EQS sold a subsidiary in 2019 which explains that top line did not grow in aggregate. This also seems to have led to a significant Goodwill writ edown that explains the overall loss in 2019.

A negative factor is for me that they seem to capitalize R&D to a comparably large extent. On the positive side, the CEO owns 20% of the company.

All in all the stock doesn't look cheap but is definitely one to "watch".

456. Müller Lila Logistik

Müller is a 65 mn EUR logistics company. I am not sure why they call themselves "purple". Optically the stock looks cheap (2019 P/E of 9x), but that seems to be a result of a real estate transaction in 2019. The company has significant exposure to the automobile sector which doesn't show so far in the stock price. Overall, I do not think that the company is so interesting, therefore I'll "pass".

457. Turbon AG

Turbon AG is a 7 mn EUR company that used to be a small cpa investor favorite a long time ago. The company produces third party cartridges for Laser printers. However the business seems to be in decline and loss making for some time now. "pass".

458. OekoWorld AG

OekoWorld AG is a 105 mn EUR market cap Asset Manager and Insurance broker specializing on "sustainable" investments and products. The company clearly seems to be one of the pioneers of this kind of investing. Their flagship fund has been started in 1996. On the other hand, as every fund manager now hugging this trend i think it will be more difficult for them going forward.

The company is not very transparent with regard to reporting. They do not show consolidated numbers. It seems that they manage around 1.5 bn, of which 1 bn is in their flagship fund taht charges around 2% fees and seems to be successful.

Despite its limited disclosure policy, I'll put them on "watch".

459. SPOBAG AG

4 mn EUR market cap shell company with no active business. "pass".

460. Daimler AG

Daimler is clearly one of the most famous German brands, especially their iconic Mercedes luxury cars are sought after globally. However, similar to other car makers, Daimler has had a really hard time lately as we can see in the chart:



The market cap now is 30 bn EUR, only 1/3 of the value a few years ago. In 2019, despite a slightly increasing top line, profits fell by 2/3. This seems to have been the result of the Diesel scandals but as well problems in the van segment (X series). Daimler claims that one offs were almost 6 bn in EBIT. However, even before these one-offs, economics had deteriorated in 2019.

Other than Adidas, Daimler announced to increase their “normal” credit lines as a first reaction on the Corona crisis. Due to their financing arm, Daimler has significant debt. As of end of 2019, Daimler had 162 bn financial liabilities. Although they had close to 30 bn EUR in liquidity at year end, in 2020 they had 65 bn maturities which clearly could create a problem if markets freeze.

For me, Daimler is a similar story to GE: Great industrial company but made the mistake to go to deeply into financial services. Daimler is a “pass” for me.

461. Pyrolyx AG

Pyrolyx is a 14.5 mn EUR market cap company that seems to recycle old car tires into a substance that can be used to build new ones. For some reason they IPOed in Australia (!!), but are also listed in Germany. The company doesn't really have an operating business yet but seems to be building a production plant in the US. Not my area of interest, “pass”.

462. Heidelberger Beteiligungsholding AG

Another listed holding company with 15 mn EUR market cap. The company invests in listed German stocks. Nothing to see here. "Pass".

463. Maternus Kliniken AG

Maternus is a 33 mn EUR market cap company that operates 20+ nursing homes in Germany. The company is loss making and has negative equity. Not sure if the real estate value compensates for this. A short research shows, that unfortunately Maternus patients have been victims of Covid-19. All in all nothing for me. "Pass".

464. Nucletron AG

Nucletron is a 17 mn market cap importer and distributor of electronical components. The company hasn't grown much over the last 10-20 years which results in a pretty flat stock price. 2018 looked better, but in the first 6M 2019 business went back to "usual". They seem to occupy a niche which however is not growing. This stock is too boring even for me. "Pass".

465. The Grounds Real Estate Development AG

A 25 mn EUR market cap real estate company with 11 mn EUR equity/NAV. Controlled by Deutsche Balaton. "Pass".

466. Advides AG

0.6 mn EUR nano cap that develops real estate. Last report from 2017. "pass".

467. Sixt Leasing AG

Sixt Leasing is a 382 mn market cap car leasing company that was IPOed from Sixt in 2015. Sixt remained the dominant shareholder until February 2020 **when they luckily sold to a consortium between Hyundai and Santander**. Currently, they is a tender offer outstanding from the consortium at 18,90 EUR but the discount at the time of writing is quite small. "Pass".

468. Adva Optical Networking

Adva used to be one of the superstars in the dot.com boom in the early 2000s. These days, the 270 mn EUR market cap company looks quite boring. The stock has been hammered and almost not recovered by the crisis, but I do not understand enough about the technology in order to determine if the stock is now interesting or not. "Pass".

469. Eyemaxx Real Estate AG

Another 49 mn EUR real estate company with an English name. The company develops real estate. They use significant leverage and create profits by revaluing their projects. Not a great combination going into the crisis. "Pass".

470. Accentro Real Estate AG (Former Estavis)

Accentro is a 279 mn EUR market cap residential real estate company. The company specializes in buying large residential buildings and selling single units to renters or investors. This business will clearly be impacted by the crisis, and has been impacted by rent control measures already. "pass".

471 Hamburger Hafen und Logistik AG

HHLA was IPOed in 2007 at 53 EUR per share and was a big hit at first. However these days, the shares trade around 14 EUR with a market cap of 960 mn EUR:



The city of Hamburg still owns 68% which reinforces my mental model to stay away from stocks with a significant government shareholding. However, based on historical numbers, the stock now really looks cheap, despite the expected effects from the crisis.

Therefore I will put them on the "watch" list together with Eurokai. My feeling says that I would prefer sea ports to air ports.

472. MAK Stoffe AG

0.1 mn EUR company in liquidation. "Pass".

473. Linde Plc

The current Linde is the result of the merger between Linde AG and Praxair in 2018. With 88 bn market cap, the company has surpassed Air Liquide as largest Industrial gas player globally. The company has a dual listing in New York and Frankfurt.

At first sight, the 2 bn net profit for 2019 do not look very attractive based on the current valuation. Maybe they had a lot of integration cost, but for me at this stage, Linde is a "pass".

474. Reederei Herbert Ekkenga AG

Strange stock with no observable trading. "pass".

475. Nexway AG

Nexway is a 4 mn EUR market cap stock that does something with E-Commerce and payments. The business is low margin and the company is loss Making. "Pass".

ALL GERMAN SHARES PART 23 (NR. 476-500)

Posted on [19. May 2020](#) by [memyselfandi007](#) [8 comments](#) [Edit Post](#)

We are getting close to having covered 2/3 of the German stock universe. Among these 25 randomly selected stocks, I have identified 7 which are at least worth watching, although none with high priority.

476. E.On AG

E.on has changed a lot over the last years. **I had written about the company in 2013** and luckily I never invested.



They spun-off the ugly legacy business Uniper, and took over the good part of RWE (Innogy). That makes their numbers very hard to read. Overall at the moment it doesn't look super attractive as the company still has many problems (UK etc.). Therefore a "pass".

477. uptech AG

uptech AG is a 2.7 mn EUR Nanocap with frequent name changes that does something with Crypto/Blockchain/Distributed ledgers. "pass".

478. Elmos Semiconductor AG

Elmos is a 403 mn EUR market cap company that is active in the Semiconductor industry. As far as I understand, they mostly produce for the automobile sector which might be an issue. Compared to other automobile suppliers, the company still grew in 2019 and has double digit EBIT margins. Elmos sold subsidiary SMI late last year which netted them 95 mn USD. As a consequence, the company has net cash.

The stock price has been hit quite hard by the crisis and only partially recovered:



Depending on how to treat restructuring expenses, the company trades at around 9xEV/EBIT based on the continuing part of the business. At first sight this looks interesting, therefore “watch”.

479. Altech Advanced Materials

1.3 mn EUR market cap stock which is the “reincarnation” of a fraudulent German-Chinese eStock (Youbisheng Green Paper). “Pass”.

480. Zooplus AG

Zooplus is a 825 mn Market cap company specializing in E-Commerce for pets. The company has grown into 1.5 bn sales company despite the continuing threat of Amazon. In 2019, the company grew around 15%. The company does around 3/4 of the business in Germany, the rest in Europe.

Looking at the stock price, we can see that Zooplus has seen already better days:



Nevertheless, they could increase gross margins in 2019 to around 30%. What I found interesting is that they show in their annual report target prices of sell side analysts which range from 52 EUR to 185 EUR which is a very unusual wide range.

On the other hand, EBITDA margins are still super low and I do not know how and if they can scale logistics enough to make the business interesting. But still a candidate to “watch”.

481. Trivago NV

Trivago is a 540 mn EUR market cap travel aggregator which **I looked into in detail during my “Travel series” 3 years ago**. Since then the stock has lost more than -90% with a really ugly stock chart:



The business ran already in trouble some time ago when Booking and Expedia (which is still majority shareholder) decided to pay less to Trivago. As in many comparable cases, the opening of their fancy new headquarters in December 2018 indicated the end of the success. At year end 2019, Trivago had ~220 mn EUR cash left on the balance sheet and the next months will be brutal. To me it is not clear if they will survive this and the founder/CEO left at the end of 2019. As I have a soft spot for travel stocks, I will put them still on "watch".

482. adesso AG

Adesso is a 286 mn EUR IT software/systems integration company. The company grew top line in 2019 by 20%, EBITDA by +46%, however without IFRS 16%, EBITDA grew only 10%. Nevertheless, with 12x EV/EBIT the stock is not expensive. The stock chart shows that for a long time the stock did nothing and then "exploded" from 2015-2018.



Adesso's main client groups are banks and Insurance companies. Whereas for banks there seems to be some kind of stagnation (+1%), the insurance part grows very fast (+37%). The former founders own ~45% of the company, but ownership of the current management is relatively small. Nevertheless one to "watch".

483. Talanx AG

Talanx is a 8 bn market cap insurance company active in the insurance and Reinsurance business. Talanx owns 50,2% of Hannover Re which is the 4th (?) largest Reinsurer globally. The freefloat of Talanx is however relatively small, as 79% are owned by HDI, a Mutual Insurance entity.

What I find interesting at first sight is, that the insurance result has been negative over the last 5 years and investment returns are the sole profit source for the company. This is partially driven by life insurance but also the P&C part itself is not really profitable. The "realized" return on investments is 3,5% which in my opinion is not a sustainable level based on their asset allocation (97% fixed income).

The stock got hammered by the crisis but had a great run before:



So basically, the stock is now back on the level of the year before. As I have a soft spot for insurance companies, I'll put them on "watch" although with low priority..

484. Blockchain Infrastructure Group AG

A 2.2 mn market cap company with no business but lofty ambitions. "pass".

485. Heliad Equity Partners AG

Heliad is a 49 mn EUR market cap listed investment holding that invests into Fintech and other "Innovative" businesses. The main asset is a participation in the listed FinTech Group AG. Heliad itself again is owned ~45% by listed FinLab AG. Overall a pretty complicated picture plus the typical "KGaA" structure lead to a clear "pass".

486. Endor AG

Endor is a really interesting company. The 68 mn EUR market cap firm **produces and sells gear** for virtual car racing. As such, the company has gotten a little hyped as “E-Sports” pure play and the stock chart looks “Exciting”:



During the crisis, the stock lost -50% but recovered quickly to new ATH as staying at home in theory might push their business further. For the first quarter 2020, even before Corona, the company saw a sales increase of +90% yoy after growing ~80% in 2019.

The company trades at a P/E of ~17, which is not cheap, but if they continue growing like this it would be Ok. A clear candidate to “Watch”.

487. Panamax AG

0.5 mn EUR market cap “Zombie”. “Pass”.

488. Fernheizwerk Neukölln

Fernheizwerk is a 105 mn EUR market cap local utility company in Berlin. The company is pretty boring but the stock has moved steadily upwards over many years:



80% of the shares belong to Swedish Vattenfall. 2019 9M didn't look too good. For me the company is not so interesting, therefore I'll "pass".

489. Baader Bank

Baader Bank is a 65 mn EUR market cap bank that is active in securities trading and related services. The company made a big loss in 2018. 2019 is better but they are still loss making. The stock is on a downward trend for a long time:



Life is too short for these kind of stocks, therefore “pass”.

490. Daldrup & Soehne

Daldrup is a 15 mn EURmarket cap company that offers drilling services for water wells etc. The company went public in 2007 and was hyped as a “geothermic” alternative nergy play, but the stock price is on a long decline since then. The company is loss making, the CEO from the founding family retired and the head of the supervisory board is a former politician. “Pass”.

491. Beteiligung im Baltikum AG

0.9 mn EUR market cap holding company that has seen better days. The last report is from 2016 and they seem to have issues with law enforcement. “Pass”

492. Commerzbank AG

Commerzbank is Germany’s second largest bank with a market cap of 4 bn EUR. The bank is struggling since the GFC where they we so “smart” to buy Dresdner Bank. The stock looks dirt

cheap but they have structural problems like a much too high cost base and no clear business model. Profit declined by -25% in 2019 and Covid-19 doesn't make things that much better.

Comprehensive income was even lower, as well as in 2018. The high book value per share (22 EUR) doesn't help if they are not able to generate any meaningful returns. Covid-19 will show how resilient the bank is, but I don't want to find this out as a shareholder. "Pass".

493. Zapf Creation AG

Zapf Creation is a 150mn EUR market cap manufacturer of branded baby and children toys with a very interesting history.

Zapf IPOed in 1999 and was a shooting star, expanding quickly international. However in 2006 there was a big scandal and the company got close to bankruptcy.

After some back and forth, the owner of US toy company MGA Entertainment went for Zapf and is now owning the majority. Zapf has been delisted from regulated markets in 2018 and since then is only publishing regulatory required information. I guess Zapf could be interesting for "insiders" and patient special situation guys, but for me it is too cumbersome to dig into this one. "Pass".

494. Verallia Deutschland AG

Verallia is a 482 mn market cap glass producer. It used to belong to the St. Gobain group but the whole division was sold to Apollo a few years ago. Apollo owns ~97% and has exercised a profit transfer agreement with the company. Verallia Shareholders "only" are entitled to a 17,06 EUR per share dividend which translates into a dividend yield of ~3,5%. Could be interesting for someone looking for a relatively safe yield, for me it is a "pass".

495. 3U Holding AG

3U Holding is a 48 mn company that I had looked at in the past (outside the blog). The company originally was active in the TelCo business but then sold the main operating entity. They then decided to become an investment holding and invested in all kind of assets like renewables and cloud computing.

What looked pretty stupid back then looks a lot better now, even with the recent drop:



In 2019 they could increase top line by 10% and doubled their profits. However the profit increase was only driven by selling their own real estate, operationally not much happened. Interestingly they show the result of the property sale in EBITDA which is "a little bit" misleading. Nothing to see here for me at this stage, "Pass".

496. GWB Immobilien AG

Insolvent Real Estate company. "Pass".

497. Entertainment AG

A 4.5 mn EUR market cap company that trades media rights. No observable business, negative equity, "pass".

498. aap implantate AG

15 mn market cap "med tech" company with a long history of losses and no observable improvement. "Pass".

499. Deutsche Beteiligungs AG

DBAG is one of the "original" listed PE companies in Germany with a market cap of 438 mn EUR. As a specialty, the company both, invests from its own balance sheet as well as runs PE funds for 3rd party investors. The company has a decent track record, has returned a lot of cash to investors in the past and, according to their annual report, has outperformed the DAX and SDAX over 1, 3, 5 and 10 years.

They have raised a new 1 bn fund by the end of 2019 which should give them a lot of firepower to do deals in the coming months.

This is one of the very few German listed PE companies that looks interesting, therefore "Watch".

500. 4SC AG

4SC is a 80 mn EUR market cap Biotech company that develops pharmaceuticals against cancer. The company has some sales but, as other Biotech companies, is burning money. The company is able to raise money though, the largest shareholder is Santo Holding, which is the vehicle of the Hexal founders and billionaires, the **Strüngmann twin brother**. As I do not understand these kind of businesses, I'll "pass".

ALL GERMAN SHARES PART 24 (NR. 501-525)

Posted on [29. May 2020](#) by [memyselfandi007](#) [Leave a comment](#) [Edit Post](#)

Another 25 randomly selected German stocks including four stocks this time who made it onto my "watch" list:

501. Fair Value REIT

Fair Value is a listed REIT with 104 mn EUR market cap. The portfolio includes a >50% share of retail objects which will be extremely challenged. The stock price has dropped a little but not much. "pass".

502. Fortec Elektronik AG

Fortec is a 49 mn EUR market cap distributor / developer of electronic components. Sales have been stagnating even before the Covid-19 crisis and EBIT has declined significantly in the first 6M of the current FY. Although the company looks cheap and is relatively solid from a financial point of view, I don't "warm up" to the company and the business model. "Pass".

503. Hasen Immobilien AG

Hasen Immobilien is a 105 mn ER market cap real estate company. The company is a more "old school" real estate company which is not aggressively revaluing its portfolio, profits therefore look modest. 92% of the shares belong to the Inselkammer family who made their money with breweries and still runs a tent on the Oktoberfest. One of the few potentially interesting real estate companies in Germany, but still for me a "pass".

504. GSW Immobilien AG

GSW is a 4.6 bn residential real estate company which is majority owned by Deutsche Wohnen. GSW shareholders only are entitled to a guaranteed gross dividend of 1,60 EUR due to a profit and loss transfer agreement. "Pass".

505. MTU Aero Engines

MTU is a 5.8 bn EUR market cap manufacturer of airplane jet engines. As with many other similar aerospace companies, the story over the last year was always the same: There is only one way demand goes which is up up up. Well, now in a post Covid-19 world, it is pretty clear in hindsight that this was too optimistic and paying very high multiple based on very long term growth projections is risky. The stock chart shows how MTU outperformed and then got hammered:



Part of that outperformance is also clearly driven by the fact that MTU has become part of the DAX in September 2019.

The stock now trades ~13x 2019 P/E. The company enjoyed great EBIT margins (16%) in the past which to my understanding are mostly driven by aftermarket services.

At the moment, no one knows how a “new normal” looks for the Airlines and when this new normal will kick back in. On that basis, I don’t think that MTU looks very attractive at this level, nevertheless it is a stock to “watch”.

506. Valora Effekten Handel

Valora is a 2 mn Nanocap, however in principle the company would be interesting: They specialize in market-making for non-listed stocks (grey market). With the change in regulation, de-listing has become quite easy in Germany, therefore their market should expand. Unfortunately this doesn’t show in the numbers. Additionally, there seems to be a pretty dirty fight ongoing between the company and the infamous “Reich Gruppe”, who are one of the shadiest actors in the German stock market (to put it mildly). therefore I’ll “pass”.

507. Siltronic

Siltronic is a 2.3 bn market cap company that is one of the leading producers of silicon wafers that are used to produce computer chips and processors. The business is capital intensive and volatile which leads to significant fluctuations in the stock price:



Depending on the timing you could realize a 10 bagger from 2016 to 2018 or lose more than -60% even before the crisis. The company was initially a subsidiary of Wacker AG, a German chemicals group but Wacker has sold down and is only keeping 30%.

The stock looks cheap with a P/E of 10, but profits and sales were already on their way down in 2019. Maybe something for traders, but for me it's a "pass".

508. Mainova AG

Mainova is a tiny regional utility with a market cap of 28 mn EUR. Freefloat is super small (0,3%) and the majority is owned by the city of Frankfurt. "Pass".

509. QSC AG

QSC is a 142 mn EUR market cap Telco service company that tries to reinvent itself into a IoT/Cloud/Big Data something. The company sold its core Telco Business in June 2019 and is sitting on significant cash (70mn). The two founders own ~25%

The remaining company has 120 mn EUR in sales. The remaining business is EBITDA negative but should be close to neutral after fully concluding the sale according to Management. Going forward they want to use the cash pile to grow the business including M&A. The stock market doesn't seem to believe the story:



However I find it a potentially interesting situation and put it on my extended “watch” list.

510. Effecten Spiegel AG

Effecten Spiegel AG is a “classic” for any German small cap investor. The company runs a small stock tip magazine and has invested its equity in listed stocks. The founder and former owner was an “eccentric” guy. I didn’t follow the company for a long time but a quick look shows that the capital allocation abilities seem to be “limited” and the current ~20% discount to NAV seems to be justified. For someone with a lot of time this could be an interesting special situation, but for it is a “pass”.

511. Siemens Healthineers

Siemens Healthineers is a 37.6 bn IPO/spin off from Siemens and comprises the healthcare business of Siemens. Siemens still owns ~85% of the company. The stock price has performed Ok but no great since the IPO. The stock had a good run end of 2019 but that was stopped by the crisis:



In 2019 they achieved +6% top line growth and net income growth of +24%. The company trades at around 24x 2019 PE. The major part of the business is medical imaging which I would call “Hardware” healthcare business which I don’t like that much. Personally, I am also not such a big fan of “pseudo” listings within a large conglomerate therefore I’ll “pass”.

512. Sartorius AG

Sartorius is maybe one of the biggest growth stories in the German stock market ever and I have to admit that I never had a look at the company. The 19.2 bn market cap Health Care company. The company is growing nicely. Sales doubled from 2015 to 2019 as well as EBITDA. EBITDA margins are in the high twenties. The long term stock chart looks insane:



On the other side, the current valuation is an implied P/E of 100x which looks “rich”. The value creation seems to have happened in their French listed subsidiary Sartorius Stedim Biotech, in which Sartorius owns 75% and which is valued at 20 bn EUR. Sartorius Stedim was created in a merger in 2007/2008. If I understand correctly, the company offers the “shovels” for Biotech companies which looks like a good business considering the current boom in Biotech. If I would have more time, I would try to dig into old reports to see if there would have been a chance to spot this crazy value creation at some early point in time. Other than that, it is unfortunately a “pass”.

513. Nürnberger Beteiligungsgesellschaft AG

Nürnberger is a regional diversified insurance company with a market cap of ~800 mn EUR. The company always looked cheap but the long term chart shows that they failed to create value over the years:



On the plus side, the stock reacted very little to the crisis. As many other smaller insurance companies, Nürnberger is struggling with diminishing investment returns and increasing costs. The 2019 result for instance is lower than 2001-2013 despite a significant larger balance sheet. A specialty of Nürnberger is that the main shareholders are other insurance companies, among them Munich Re, DaiIchi Life and state owned Bayerische Versicherungskammer. This special construction seems to secure independence but clearly does not create a big incentive to create value on top of dividends. “Pass”.

514. Mensch und Maschine AG

Mensch und Maschine is a software/IT services company active mostly in CAD/CAM tools. The company is one of the few “Neuer Markt” hype companies that did not only survive but especially in the past few years showed impressive growth. The stock price shows that in between there was a long time where nothing happened:



Since 2015, the stock went up by around 10x. Especially 2019 was a blockbuster year with top line +33% and profit +43%. Even Q1 2020 still looked very good. As far as I understood, the switched from selling licenses to SaaS 2 years ago. Software is around 1/3 of the business and of course more profitable.

The clients are mostly industrials (2/3), the rest is construction and landscaping. At first sight this looks like an interesting company. On the other side, their client base will suffer, but automation will clearly continue. I think MuM is worth to put on the "watch" list although the stock doesn't look cheap-

515. Isra Vision Parsytec AG

Isra Vision Parsytec is a 65 mn EUR market cap company that is majority owned by Isra Vision and only has a "pink sheet" listing. The company has gone "dark" and only issues minimal reports. "pass".

516. Isra Vision

Isra Vision itself is a 1.1. bn market cap company that specializes in optical sensors and software for optical quality control. Recently, the company received a take-over offer from Atlas Copco for 50 EUR per share where the stock currently trades and this despite (or because) the company was struggling recently. I never liked the company as earnings quality and cash conversion were not good (main issue aggressive capitalization of R&D). I am not sure why Atlas Copco paid this price but maybe I just don't understand the technology. Anyway, a "pass".

517. Neuhof Textil AG

Neuhof is a 2 mn EUR market cap company with very little information available. The company seems to have been insolvent a few years ago. "Pass".

518. DGH Deutsche Grundwert Holding

A 0.6 mn market cap real estate developer with several prior name changes. "Pass".

519. Alno Aktiengesellschaft

Alno is a 5 mn EUR market cap company that is (still) one of the leading manufacturers of kitchens for residential dwellings. The company however is struggling for many years and the listed entity is insolvent. The operating business these days seems to belong to someone else. "pass".

520. TC Unterhaltungselektronik AG

Another Zombie company with a 0.5 mn market cap. Somehow they are still active and try to do something with Blockchain. "Pass".

521. Varta AG

Varta is an interesting stock. The company used to be a super boring producer of consumer batteries that was taken over in the 2000s and the operating business was sold. Then, in 2017

Varta went public again and became a “Hot” battery play that is now valued at 2.9 bn EUR. there seems to be a project on the way that Varta might benefit from a German/Euopean push to start battery production for EVs in Europe.

The company **could grow top line in 2019** by +30% and EBITDA almost doubled. Despite a -50% setback from the peak, the stock is still up around 4 times since the IPO:



The company is still majority owned by Montana Tech Components, a Swiss conglomerate run and owned by Austrian Billionaire Michael Tojner, who also founded online betting company bwin. He seems to have bought the operating bsuiness in 2007 for 30 mn EUR. In his home country Austria however, he has **a lot of negative publicity** on a few real estate deals and his company seems to have been searched by authorities.

He **seems to be a really “interesting character”**. Although the company trades at 60x earnings, I still think it is a company worth to “watch”, but maybe form a safe distance for some time.

522. Mediqon AG

Mediqon, the former Medical Columbus is 11 mn EUR market company. The company has itself transformed into a holding company that invests in small software companies. Although there were some issues with earn out payments in the recent past, I still think that it is one of the more promising German micro caps and have therefore added it to my "German Basket". "Watch".

523. DLB Anlageservice AG

DLB is a holding company that invests in liquid German small cap stocks. Although the market cap of 3 mn EUR is only 50% of the NAV at year end, it is still a "pass" for me.

524. Pantaflix AG

The 18 mn market cap company was briefly hyped as the German answer on Netflix. The reality is that it is a crappy loss making business. "Pass".

525. Steilmann SE

I am not sure but the insolvent Steilmann SE has maybe set a record from IPO to insolvency in only 4 months from November 2015 to March 2016. As often in Germany, the participating banks (Oddo Seydler, IMI) took no responsibilities and there were no real fines for this. "Pass"

ALL GERMAN SHARES PART 25 (NR. 526-550)

Posted on [15. June 2020](#) by [memyselfandi007](#) [6 comments](#) [Edit Post](#)

Another batch of 25 randomly selected German stocks. This time with some quite interesting or even strange underlying businesses. Five candidates are worth "watching".

526. VTG AG

VTG is a 1.1 bn market cap company that is renting out/ leasing railway cars and was taken over by a Morgan Stanley infrastructure fund in 2018 at 53 EUR/share. The company has been de-listed and is trading only on the “Pink sheets”. Interestingly the stock price suffered after the crisis but has recovered in the past weeks as well:



2019 seems to have been a real great year for VTG. Despite their “Pink sheets” status, I’ll put them on “Watch”.

527. Erlebnis Akademie AG

Erlebnis Akademie is a 29 mn EUR company that I have never heard of. The company IPO ed in 2015 and runs recreational facilities that allow walking through and in tree tops (!!!). The company is expanding internationally.

The company is a growth company. They doubled sales from 2015 to 2018, 2019 only saw a small increase, however they planned to create new parks globally. The stock was hit hard by Corona but had declined already before after a big hype:



Covid-19 will of course hit them, but I think they could recover much faster than other tourist destinations as their concept doesn't rely on packing tourists into one spot and the German locations for instance could benefit from travel restrictions to foreign countries. In the recent weeks, the share price almost recovered to pre-crisis levels, maybe on expectations that "Local" attractions will recover better and faster,

A stock I will "watch" and revisit hopefully soon.

528. Coreo AG

Coreo AG is a 19.7 mn EUR market cap company that is active inReal Estate and used to be called "Nanostart AG" before the current change in business. The stock price indicates that they might not be so successful. "Pass".

529. BHB Brauholding Bayern-Mitte AG

BHB is a 10 mn regional brewery in Bavaria specializing in the popular “Weizenbier” with the local brand Herrnbräu. The company looks very solid with little debt, but as many breweries, the business is capital intensiv and ROE/ROCEs are tiny.

If I would have more time, it would be a nice “hobby” stock, but I’ll “pass”.

530. GBS Software AG

GBS Software is a 4 mn EUR market cap company where I couldn’t actually find the home page or any financial reports. “Pass”.

531. Noratis AG

Noratis is a 69 mn residential real estate company. At first sight it looks as uninteresting as all the other “Newish” real estate companies. “Pass”.

532. Deutsche Pfandbriefbank AG

A looong time ago (2015-2017) I owned this Real Estate financing specialist bank as a “forced IPO” situation. DPB got hit hard by the Corona crisis as the chart shows and now is valued at 930 mn EUR:



The company trades at 7x PE and at around 1/3 of tangible equity. However 2019 profit is lower than 2016 where I was a shareholder despite the German real estate boom,. The Corona crisis will make things tough, especially with interest rates being lower than ever and crowding out by Government backed loans. It could be interesting for a deep value play but nothing that I would want to do at the moment. "pass".

533. Mühl Product and Service

Once a "Neue Markt" high flyer, now a 2 mn market cap insolvent Zombie. "pass".

534. Tiscon AG

0.2 mn market cap Zombie. "Pass".

535. Sunline AG

0.1 mn market cap Zombie. "Pass".

536. Basler AG

Basler is a 441 mn ER market cap company that specializes in optical inspection/digital camera systems, somehow similar as Isar Vision. As the company has mostly the automobile sector as its clients, organic sales have stagnated and operating profits are shrinking. Basler is still relatively profitabel compared to other automobile suppliers with 10% EBIT margins and 14% ROCE in 2019. The stock price has dropped ~40% from its peak in 2018:



The company is majority owned by the founding Basler family and has net cash, however they sold a significant portion of treasury shares recently to bolster their cash reserves. However a P/E of 34 looks quite expensive for a stagnating business but maybe the underlying technology is worth it ? As I cannot judge this, it is a “pass” for me.

537. All for one Steeb

Despite having a curious name “All for one Steeb” is a 174 mn EUR market cap IT consulting company. The stock chart is quite interesting:



After achieving a 50-bagger from 2009 to End of 2015, the stock retreated since then before getting hit hard by the crisis. The company used to be a SAP-centric consultant but seems to have expanded into Microsoft and IBM products as well. Top line is still increasing nicely, but profits are stagnating since 2015 which explains the share price. The company is conservatively financed. 50% of the shares are held by a listed Austrian company called Unternehmens Invest AG, only 4% seems to be owned by management.

Anyway, I think this is one of the more interesting IT service / consulting companies. "Watch".

538. Simona AG

Simona AG is a 276 mn EUR market cap company that is very boring and under the radar, but also very steady. The stock price looks rather like a bond price:



The company produces all kind of plastics products (pipes etc.). The company seems to have grown in 2019 so far but profitability is not following. The company has net cash but a significant pension deficit. However a low oil price might be beneficial. Overall a candidate to “watch”.

539. GESCO AG

GESCO is one of the older and more established “Mittelstandsholdings” in Germany. They try to position themselves as a long term investor compared to more “buy and sell” PE companies. The company has a 159 mn EUR market cap but clearly has seen better days and trades now near the level during the GFC:



Gesco has new management since 2018. The portfolio consist to a large extent of traditional metal working businesses which clearly are in a challenging situation, but personally I like the way GESCO thinks and presents itself. The company doesn't have a dominating shareholder and looks quite cheap. Therefore I put them on "watch".

540. NeXR Technologies AG

NeXR is the old "Staramba AG" **which created a quite entertaining scandal** with regard to faked sales etc. As mentioned already a fe times, the involvement of Mr. Elgeti as majority shareholder doesn't really help either. Not clear why this pile of crap is valued at 12 mn EUR. "Pass".

541. m+s Electronic

Insolvent zombie. "pass".

542. Philion AG

A reverse IPO with 5 mn EUR market cap. I do not fully understand what they do, it has something to do with Telecommunication. "pass".

543. Pro-Credit Holding AG

ProCredit is a 300 mn EUR market cap bank holding company that I have never heard of before. The company seems to have been gone public in 2016 but did not place any shares. They did a capital increase in 2018. They seem to be active mostly in the Balkans and Eastern Europe, but strangely also in Ecuador. Looking at the stock price, they don't seem to be too successful, the stock only went down after the first listing:



This is an odd bank. They do have a large deposit overhang in Germany and are active in super high risk countries like Albania, Kosovo and Ecuador. ROE is only at around 7% which for such a risky set up is not enough. With such a setup, it will be also super difficult for any auditor to find out how the quality of the loan book looks like. Not sure who wants to be invested in something like this. "Pass".

544. Consus Real Estate AG

Consus is a 680 mn EUR property development company that seems to consider a merger with ADO, another listed RE company. Not my area of interest, "pass".

545. Berchtesgadener Bergbahn Aktiengesellschaft

Berchtesgadener is a 12 mn EUR market cap company that operates mountain cable cars in the beautiful Berchtesgaden area. The stock is rarely traded and information is hard to get. Interesting for hobbyists but not for me. "pass".

546. Bitcoin Group SE

As the name says, the company operates in the crypto currency space. The company operates a market place that generated around 2 mn in sales in the first 6M 2019. They also hold themselves some crypto currency. Nevertheless, the company is valued at an astonishing 118 mn EUR. "Pass".

547. Kremlin AG

Zombie stock, victim of the "Reich Familie", "pass".

548. SAF Holland AG

SAF Holland is a 208 mn EUR market cap supplier to the truck industry. The company has an interesting past. They went public in July 2007, were almost bankrupt in 2009 but then took off like a rocket, before coming down from space since end of 2018:



Business at SAF has been in decline already in 2019 and margins have become thin but they were still profitable. The company does have debt and I am not sure if they are a company that will survive. Therefore “pass”.

549. Deutsche Börse AG

Deutsche Börse is the operator of the German Stock exchanges valued at 26.6 bn EUR. That running a stock exchange is good business is not a secret, that’s why Dt. Börse is valued at around 26x trailing earnings and ~8x sales.

The big profit centers however is the Derivative Exchange Eurex and the deposit business Clearstream who account for 2/3 of the operating profit. They managed managed to increase top line by ~7% and bottom line by +20%.

The company made some headlines in the past about the failed merger attempt with LSE and insider issues with the former CEO.

The stock price has dropped a lot less in this crisis than in the GFC:



The stock price is pretty much there where it was in the beginning of 2020. Dt. Boerse is clearly a very good business but clearly there is no bargain to be found her. "pass".

550. Decheng Technology AG

A late comer to the Chines-German fraud wave that IPOed in late 2016 but went pretty straight to zero afterwards. Pass.

ALL GERMAN SHARES PART 26 (NR. 551-575)

Posted on [15. July 2020](#) by [memyselfandi007](#) [4 comments](#) [Edit Post](#)

After a 4 week break, a new batch of 25 randomly selected German shares. Seven of them I found worth “watching”, although none of them with super high priority. And only 200 more

stocks to go



551. Pfeiffer Vacuum AG

Pfeiffer is a 1.7 bn company that specializes in vacuum technology and especially vacuum pumps. the stock price recovered quickly after the crisis despite a pretty disappointing 2019 and is still within the long term growth path:



I guess this is due to a majority share purchase from private company Busch Gruppe in 2018 and a speculation on a going private and/or merger. For me, the current valuation of around 40x earnings doesn't make a lot of sense stand alone in my opinion. “pass”.

552. Fenghua SoleTech AG

2014 IPO, typical German Chinese pump and dump, now a Zombie company. “pass”.

553. Kromi Logistik AG

Kromi is a 19,9 mn EUR market cap company that specializes in logistics and tools management for producing companies, a little bit like a small Fastenal.

The stock price is somehow strange:



So no movement from 2009 to 2017, a short spike and then down. The spike came from a take over offer of a financial investor in 2017. rising as the company actually showed some positive development. The business as such is quite interesting, because it resembles a little bit a razor/Razorblade model. On the other side, gross margins are low and the clients are metal working companies that are overall in some troubles now. The P&L doesn't look great but there are a lot of upfront costs included for new clients and they manage to run the business slightly cash positive. Nevertheless a stock to “watch”.

554. Gigaset AG

Gigaset is a 40 mn EUR market cap company that initially became famous or infamous as Arques AG, a listed PE company that made money by doing "Badwill acquisitions". Gigaset was the home phone business that Arques acquired from Siemens. These days this is a declining and cash burning business with significant pension liabilities. "Pass".

555. USU Software AG

USU is a 160 mn EUR market cap IT Service company. The company had a pretty OK 2019 after turning a loss in 2018. At first sight, the company looks little attractive, as margins are quite low. The company is conservatively financed (net cash), but it is not clear to me why they are not able to earn better margins. As there are so many other IT services companies, I'll "Pass" on USU.

556. Jenoptik AG

Jenoptik is a 1,3 bn EUR market cap technology company specializing in optical tech like lasers, optical measuring etc. The stock chart again is quite "interesting":



The company was IPOed before the dotcom boom, then peaked in 2001 and “hybernated” for 15 years or so before then climbing again in 2017/2018. The last few year until 2019, the company has shown good top line growth although EPS declined significantly in 2019 from 2018. On the plus side, the company has a conservative balance sheet and profitability was decent over the last few years. A stock to “watch” but not with the highest priority.

557. Fresenius Medical Care

Fresenius Medical care is a 22 bn EUR market cap health care company. The main shareholders with 31% of the share capital is Fresenius Group, which itself is also listed.

Fresenius is a leading dialysis provider with the bulk of the business coming from the US. Business seems to stagnate since a few years which can be seen in the share price:



Dialysis is unfortunately a illness that comes with Western lifestyles, so their “customer group” is naturally growing. However there seem to be issues in the US with Medicare and Health plans trying to fight against the high costs of these treatments.

As Fresenius itself, the company has significant leverage. Competitor Davita, a Berkshire Holding seems to struggle as well but has done better recently.

Nevertheless, for me this sector is too difficult for me as I would need to dig into the US health sector, Therefore I’ll pass.

558. Nanogate AG

Nanogate is a 31 mn EUR market cap company that claims to be a technology company, specializing in plastic surfaces, artificial metals and other stuff.

The company lost ~90% of equity value over the last 3 years which is an indicator that things are not great. The company turned into a loss for the first 6M 2019. They managed to do a capital increase mid 2019 at ~22 EUR per share before things really went downhill. They seem to be in the end another automobile supplier with the same problems as anyone else plus very little power to earn margins despite the fancy name. “pass”.

Edit: As mentioned by two friendly readers, Nanogate went into insolvency a few weeks ago.

559. Deutsche Industrie REIT

Deutsche Industrie is a 531 mn REIT specializing in industrial buildings and business parks. For some reason the REIT trades at 2x EPRA NAV. “Pass”.

560. Oppmann Immobilien AG

Oppmann is a 19 mn Real Estate company that was the “Mothership” who spun off the sparkling wine business (#439). The company does not release any reports, therefore it is a “pass” for me.

561. Heliocentris Energy Solutions AG

0.1 mn EUR market cap Zombie. "Pass"

562. InVision AG

InVision is a 47 mn EUR market cap software company that specializes in HR software. In contrast to other software companies, Invision seems to have some issues: Top line is going down and margins are thin, despite an increase in 2019.

Net income in 2019 was positively impacted by a non-cash tax entry which is not very well explained. The stock price reflects the rather bleak development over the last 6 years:



It is not exactly clear why profitability which was ~30% EBIT margin in 2014 disappeared almost completely. Maybe the fact that there are a lot of competing HR solutions out there these days? Anyway, a "pass".

563. Walter Bau AG

Insolvent Zombie. "Pass".

564. Gesundheitswelt Chiemgau AG

Gesundheitswelt Chiemgau is a combined recreational and medical facility located in a very nice setting near the Bavarian mountains with a market cap of 22 mn EUR.

The stock chart is very interesting:



The stock declined over 15 year before 20x bagging between 2017 and 2020. What happened ? As far as I understood, one of the main drivers was the fact that one of the major operating subsidiaries changed its status in 2017 from "non-profit" to profit driven. This seems to have been a major factor in the revaluation. Gesundheitswelt is definitely stock to "watch".

565. SMT Scharf

SMT Scharf is a 38 mn EUR market cap company that produces equipment for the coal mining industry. The company clearly will not be found in any ESG portfolio and also from the business side there were significant headwinds over the last few years:



SMT was a favorite of many German “value investors” because the stock always looked cheap and is now back to levels near the all time low.

SMT Scharf issued a profit warning in 2019 but then ended the year above the initial guidance because of a strong Q4 in their Chinese business. With a PE of 7, the stock is really cheap and the company is still growing. That’s a “watch” for me.

566. Infineon Technologies AG

Infineon is a 26.2 bn market cap computer chip producer which was spun off from Siemens in 1999. The business is capital intensive and cyclical, which can be seen in the pretty crazy stock chart:



From near death in 2009, the stock went up almost 80x before peaking in 2018. During the Covid-19 crisis, the stock lost more than -50%. In 2019, despite slightly better sales, profit went down by -20%. This industry has always been too difficult for me, so I'll "pass".

567. Wacker Chemie AG

Wacker is a 3.7 bn EUR specialty chemical company that produces chemicals mostly for the construction industry and the solar industry. Especially the solar business is very cyclical and Wacker had to suffer steep losses which showed in the share price:



Already 2018 was difficult, although they sold the majority of the equally cyclical Siltronic subsidiary already in 2017. On the plus side, the founding family still owns a significant part of the company. Since its IPO in 2006, Wacker couldn't create long term shareholder value. I guess it could maybe be a very nice cyclical trade, but for me it is a "Pass".

568. Norcom

Norcom is a 22 mn EUR market cap IT company that had specialized on solutions for car manufacturers which of course has been an issue. The company tries to diversify into other areas but in 2019 they realized a loss. The company went public in the dot.com boom and after the initial hype nothing happened until early 2018 as we can see in the chart:



The company tries to reinvent themselves as a “AI Big Data” platform provider.

On the plus side, the founder is still CEO and owns 25%, the company has net cash. On the negative side, 2/3 of sales seem to be with one client and the KgaA structure through which the founder can basically not be removed as CEO despite owning only 25%. as a result, I’ll “pass”.

569. Datagroup SE

Datagroup is a 464 market cap company that I haven’t heard about before. It seems to be a IT service provider / consultant which has grown nicely over the past few years. If I understand the business correctly, they seem to focus on “it infrastructure” and less on application.

The stock price has increased impressively over the last few years and has rebounded already since the crisis :



Part of the growth results from acquisitions which also results in quite some financial debt plus some pension liabilities.

With an EV of ~600 mn, EV/EBIT is close to 30x which is expensive for a company with a reasonable high amount of consulting. On the plus side, the founder and CEO still owns 51% of the company. I'll put them on "watch" but with a lower priority.

570. Rational AG

Wehn speaking of "hidden Champions", Rational AG clearly is one of the best examples. This Bavarian company managed to become the global technology leader in professional kitchen ovens that cook with hot steam (Dampfgarer). The company is valued at 4.8 bn with only 840 mn of sales which has been driven both, by high margins and ROCEs (26,5% EBIT margins) and growth over many years (EPS +9% 2019).

I owned Rational in the past but sold it early as I thought it was too expensive at around 100 EUR/share. That was an expensive mistake.

The stock looked unstoppable until Covid-19:



The stock dropped -40% and didn't rebound. Where is the problem ? Well it is pretty obvious: The customers of Rational are the most hit sectors, restaurants and hotels. When you have no guests, you will not order new equipment. As the stock was superexpensive before, it is still expensive now. Based on 15 EUR/share EPS in 2019, the stock still trades at 28x PE 2019, which is a lot considering the prospects.

Their latest IR release shows that Q1 saw relatively small declines yoy but new orders tanked by -50 to -60%. Of course this could be recovered by a quick reversal, but the risk is clearly significant.

Rational is clearly a "watch", however it still looks too expensive for now.

571. A.I.S. AG

Worthless Zombie stock. "pass".

572. OTI Greentech AG

2.4 mn EUR market cap company that had to do a debt equity swap in late 2019. "Pass".

573. ZhongDe Waste Technology

Another one of the infamous German Chinese fraud IPOs. Surprisingly still listed and a 1 mn EUR market cap. "pass".

574. LKPF Laser & Elektronik AG

LKPF is a 490 mn EUR market cap technology company that focuses as the name says on industrial laser applications. According to their websites, major applications are in the semiconductor industry, automobile and solar. The company had a great year 2019 with top line +18% and EBIT more than doubled. ROCE at 25% looks good as well with 25%. However already end of 2019, new orders shrank significantly. The long term stock price is quite interesting:



A crazy spike during the dotcom crisis, then an uptick in 2014 and once again end of 2019/2020. Short term, the chart looks interesting as well:



The stock went up 4x between August 2019 and February, then lost 2/3 but gained again almost +100% since the low in March. One driver for the run up until February seems to have been that the company was admitted into the SDAX which is the well performing small cap index of the German stock exchanges.

However I do think that the current valuation of 38x 2019 profit is ambitious, especially as they had a horrible Q1 (sales -50%) with only a relatively small Covid-19 impact. Therefore "pass".

575. Albis Leasing

Albis Leasing is a 57 mn EUR market cap leasing company. Looking at the chart, the company seems to have "flatlined" for quite some time before re-emerging in late 2015.



The company seems to have been in deep trouble in 2013 but managed to restructure somehow. In 2019, there was a (surprise) change both, in management and supervisory board. Overall, the company still produces little earnings from their overall leasing portfolio and the Covid-19 crisis might hit them hard. I am not sure why they trade where they trade at the moment (almost 3x NAV). "pass".

ALL GERMAN SHARES PART 27 (NR. 576-600)

Posted on 29. July 2020 by [memyselfandi007](#) [Leave a comment](#) [Edit Post](#)

Another 25 carefully randomly selected German stocks.

576. TDMI AG

Zombie stock, "pass".

577. New Work AG (XING AG)

New Work AG (former XING AG) is a very interesting company. The 1.3 bn market cap company is the German speaking version of LinkedIn. I used to be a (happy) member of XING until they began flooding me with tons of unwanted adverts. I still maintain an account there but since then have moved to LinkedIn. That's maybe one of the reasons why the B2C side seems to be stagnating, but they compensate with increasing B2B revenues. They also run the German version of "Glasdoor" called kununu.

Although the high growth days are over, the company could grow revenues by ~15% and EBITDA margins are at a comfortable 32%. EPS also increased double digits (~12%) in 2019.

On the plus side, the company is financially stable (some net cash), on the negative side, they do capitalize quite a significant portion of their costs. Additionally, it will need to be seen how they can withstand LinkedIn which now belongs to Microsoft in the long term.

Looking at the stock price, we can see that Covid-19 has hit them hard, although the stock stagnated a little bit before:



For me the big question is how the crisis will effect their B2B business. The B2C business should to OK. Q1 was despite high sinlge digit top line growth already a little bit challenging. Valuation wise, they still trade at around 32x 2019 PE which is expensive. But the stock is clearly one to “watch”.

578. Schaltbau AG

Schaltbau is a Munich based company that produces railway equipment with a markt cap of 224 mn EUR. A few months ago I would have said that rail is a sector with a lot of future prospects, but at the moment I am not so sure.

Schaltbau was close to bankruptcy in the early 00's, recovered but is struggling for the 5 years or so which one can see in the chart:



One very interesting aspect is that Active Ownership (Stada, Agfa) has a position in Schaltbau as well as a few other “active” investors such as Monolith NV.

According to the annual report, they have made program since 2016. Although sales stagnated, costs went down and profits went up. Q1 was difficult. However I do think that Schaltbau is worth to “watch”.

579. Bastei Luebbe AG

Bastei Luebbe is a small publishing company famous for its cheap “Groschenromane”. The company has a market cap of 28 mn EUR and went public in 2013.

The company **had repeated issues with their accounts** which for me a a reason to stay away and “pass”.

580. Stratec Biomedical AG

Stratec Biomedical is a 1.05 bn market cap company that at least to my knowledge is pretty much “flying under the radar” despite a nice long term growth path in the stock price:



Another interesting aspect is that the company looks like a Covid-19 winner. Why is that ? Stratec is developing fully automated testing equipment for large players and with Covid-19, testing capacities need to be ramped up substantially.

The company **had a super solid Q1 and revised the guidance upwards**. It looks like that they will easily hit the 20% growth that they achieved last year. However the stock is clearly also very expensive at around 5x sales and something like 40-60x trailing earnings. Still, a very interesting company to “watch”.

581. CR Capital Real Estate AG

CR is a 80 mn EUR Real Estate company with no observable “specifics”. “Pass”.

582. Aldea Assekuranzmakler AG (ehemals Arima Real Estate AG)

A 1.2 mn EUR nano cap with no observable operations “Pass”.

583. Greiffenberger AG

Greiffenberger is a 4 mn EUR market cap company that is struggling since a long time and has went through a couple of restructurings. Not my type of situation, “pass”.

584. GK Software AG

GK is a software company that is specialized in providing solutions for the retail industry. The 121 mn EUR market cap company looks cheap for a software company (valuation ~1,2x sales), but EBITDA margins of only 10% seem to indicate that the business is not so scalable. Growth in 2019 seem to have been OK, but 2020 wil clearly be very challenging. On the plus side, the founders still hold 50%+ and the balance sheet looks Ok with only a relatively small amount of net debt.

The stock price now is roughly where it was 14 years ago:



I would put the stock on “watch” but not with high priority.

585. Sto SE KgAA

Sto is a 600 mn EUR market cap company that produces insulation for buildings that I used to own in “Pre-blogging” times.



The company is majority owned by the founding family and only the non-voting preference shares are listed. The company had a great run for some time, maybe fired up by the increase in building activity in Germany but stagnated over the last few years. Despite top line growth, net income is lower than 5 years ago. The company looks cheap (PE of 10, at book) and has net cash but a growing pension liability of around 130 mn EUR. The company is a solid dividend payer but personally I do not see a long term upside despite the relatively cheap valuation. It seems to be one of the companies that are always “cheap”. Therefore I’ll “pass”.

586. Kabel Deutschland

Kabel Deutschland is the 8.8 bn market leader in German Cable television, which has been taken over by Vodafone. The stock was subject to an “attack” by Elliott who wanted to negotiate a better price but in November 2019 he lost.

The company has been “Gifted” with a profit transfer agreement from Vodafone which extracts all profits and minority shareholders only are entitled to a guaranteed dividend of 3,71 EUR/shares gross. In the current environment this could be a decent alternative to fixed income but for me it is a “pass”.

587. Grammer AG

Grammer is a “typical” automobile supplier (market cap as its fate is depending on the health of the big OEMs with little pricing/negotiation power.

Therefore the stock is almost always cheap and hasn’t created that much shareholder value over the last 10-15 years:



As the company specializes on interior components (seats) it might be less effected from a move towards EVs. The spike in 2018 was driven by a take over battle between a Chines company and the infamous Hastor family. whose business model seems to be to buy into automobile suppliers and then trying to squeeze the OEMs. The Chinese company now seems to own 84%. A reason to stay away and “pass”.

588. Regenbogen AG

Regenbogen AG is a 16 mn EUR market cap company that runs camping facilities on Germany’s coasts. Not sure how this business will perform under Corona,, as it looks at the time of writing

they should do somehow ok. However even 2019 was on a normal basis a pretty bad year and only a special income from an insurance claim seems to have created a profit. Therefore “pass”.

589. Carl Zeiss Meditec AG

Carl Zeiss is a 7.4 bn EUR market cap med tech company, specialized for technologies around eye surgery and eye care.



We can see in the chart that following the IPO in 2000, nothing happened for a long time before the stock took off like a rocket a few years ago.

Without a deep analysis it is interesting to see that EPS increased maybe 50% between 2012 and 2019, but the valuation tripled from a P/E of ~20 to 60 at year end. So this seems to have been a valuation story.

For me, the stock is outside my area of expertise and the valuation looks too rich, so “pass”.

590. Deutsche Geothermische Immobilien AG

A 1,3 mn EUR nanocap with losses and some real estate dealings. “pass”.

591. pferdewetten.de AG

pferdewetten.de is a 43 mn EUR market cap online horse and sports betting service. Despite the total lack of current events to bet on, the stock price barely reacted to the COvid-19 crisis:



As I do not have a lot of knowledge in the sports betting business and I do not know how such a small player can survive in this business, I'll “pass”.

592. Nemetschek SE

Nemetschek is one of the few success stories from the wild “Neuer Markt” era. IPO'ed in 1999, the stock hibernated after the crash until 2014/2104 until it took off like a rocket:



The company is a market leader in software for architects (CAD) and the construction industry. Compared to Carl Zeiss however, Nemetschek actually quadrupled their earnings between 2015 and 2019, so the stock price increase is also driven by earnings growth. Still, with a PE of ~65, the company is far out of my comfort zone with regard to valuation, therefore “pass”.

593. Merck KgAA

Merck is a 13,5 bn EUR market cap company that in my view is also “Flying under the radar”. The company is active in specialty chemicals and pharmaceuticals. Merck KGaA and the US giant Merck used to be owned by the same family, but the US subsidiary was lost after WWI.

The company goes back to the year 1666 and is still majority owned by the heirs of the Merck family. The stock price has a nice long term uptrend but is stagnating since a few years:



The main areas of Merck KGaA are pharmaceuticals, life sciences and performance materials. Especially the pharmaceuticals division is still enjoying double digit growth rates. >The company does have quite some debt due to acquisitions in the past. Merck guides to an "adjusted" PE of ~20 which is not that much, but to be honest I have very little idea how good the pharmaceutical pipeline is. Still I would put them on my "watch" list in order to learn more.

594. Vascory AG

0.2 mn EUR market cap Zombie. "Pass".

595. ADO Properties

ADO is a 1.85 bn real estate company that seems to be only active in Berlin. The company has recently taken over smaller competitor Adler Real Estate. As I am not a fan of real estate stocks, I'll "pass".

596. UNIPROF Real Estate Holding

0.1 mn market cap “Zombie”. “Pass”.

597. Hornbach Baumarkt AG

Hornbach is a 613 mn market cap company that is one of Germany’s leading DIY chains. Hornbach was one of my initial portfolio stocks, **but I sold it a few years ago**. The problem with Hornbach is that the German home market is a brutal “red sea” and the once very profitable Easter European markets became more competitive.



The stock looks quite cheap these days (P/E of 9) but again, the issue is that I don’t see a great future as for most of traditional retail. “Pass”

598. msg life AG

msg life is a 85 mn EUR market cap stock which was “cold” delisted a few years ago when regulation in Germany changed. In principle, the business of software for the insurance industry could be interesting. However the company these days is traded only on the pink sheets. The

company is still issuing reports but for me the whole situation back then was too “Murky” to be interested. “pass”.

599. Medios AG

Medios AG is a 534 mn market cap company that I had never heard of before. It is a pharmaceutical company **that was listed in a very rare “reverse IPO” in 2017.**

The company is growing aggressively (>50% in 2019). However the company seems to be rather a whole seller or distributor than a “true” pharmaceutical company as gross margins are super thin (5%). To be honest, I do not understand why this company trades at 45x earnings. On the plus side, the CEO seems to own ~40% of the shares.

Nevertheless a “pass” for me.

600. Eisen- und Hüttenwerke AG

Eisen- und Hüttenwerke AG is a 176 mn EUR market cap stock that never crossed my radar before. Maybe the reason is that free float is small as 88% of the company is owned by ThyssenKrupp, the struggling steel giant.

To make things more complicated, the company seems to own no operating business on its own but two minority stakes in again majority owned ThyssenKrupp companies.

The long term stock price looks quite depressing:



Nothing motivates me to look at this in more detail, so “pass”.

ALL GERMAN SHARES PART 28 (NR. 601-625)

Posted on 13. August 2020 by [memyselfandi007](#) 6 comments [Edit Post](#)

Another 25 randomly selected German stocks. This time, there is only one “watchlist candidate” among them.

601. Elbstein AG

Elbstein AG is a 29 mn EUR market cap holding company that is majority owned (75%) by the billionaire Ehlerding family. The company invests among others in listed German companies. The stock price is flat over the last 5 years or so which might indicate that the investment success is limited. Nothing to see for me, “Pass”.

602. Rheinland Holding AG

Rheinland Holding is a small German Insurance company with a market cap of 119 mn EUR. The stock chart is “super boring”, although with a small long term uptrend that one rarely sees with insurance companies over this period:



As many other insurers, the stock looks cheap with a trailing single-digit P/E and a P/B of 0.6. The company is majority owned by the billionaire family Werhahn.

What I don't like is that one of their businesses is insuring loans against unemployment/disability and that they only issue reports according to HGB which is extremely non-transparent, even for the standards of insurance. All in all a “pass” for me.

603. Hyrican AG

A long time ago (2003), Hyrican was a shooting star producing cheap PCs and notebooks. Since then, the share price is on a long and painful downtrend. The current market cap is 15 mn EUR and the company has gone pretty “dark”, issuing only a minimum of information. “Pass”.

604. Diebold-Nixdorf AG

Diebold-Nixdorf is a very interesting case. The 324 mn EUR market cap company used to be a part of the Siemens Group but bought in 1999 by KKR. KKR listed the business in 2004 and fully exited the company soon thereafter. In 2015, US group Diebold took over the majority and then merged the company into the new Diebold Nixdorf AG.

Looking at the share price, the new entity doesn't look like a huge success (yet):



Sales in 2019 have declined a second time in a row and the company showed a substantial loss. Diebold-Nixdorf's main product are ATMs, additionally they also offer solutions for retailers. Both product groups were already in trouble before Covid-19 and will clearly not belong to the long term winners.

Cashflow is an issue and the company has (too much) debt. In sum a clear "Pass".

605. MediNavi AG

0.3 mn EUR Nonocap. "Pass".

606. ProSiebenSat1 Media AG

ProSieben with a market cap of ~2.6 bn is one of the market leaders of private “free TV” in Germany. Private TV in Germany had always the issue that TV viewers are obliged to pay for the state owned channels. Therefore ad financed FreeTV was more dominant than US style “cable TV”.

ProSieben has a very volatile history as we can see in the stock chart:



The company got IPOed in 1997, fell hard after the dot.com crash. The US based investor Haim Saban took over the majority cheap but sold out with a nice profit to KKR and Permira in late 2006. Permira and KKR exited in 2013 with a decent profit.

The stock price peaked in 2016. Profits in 2016 were higher than now, meaning that in the last 3 years, ProSieben failed to create much value.

In general I think there is clearly an issue with both, streaming offerings as well as more efficient advertising over the internet compared to “hard to measure” TV ads. ProSieben

expanded significantly into E-Commerce but there are doubts how successful that push really is. A few weeks ago, the controversial CEO had to leave.

I am not sure if ProSieben is “good value” but it is still an interesting case and a stock worth to “Watch”.

607. Wacker Neuson SE

Wacker Neuson is a 818 mn EUR market cap company that produces equipment for the construction industry. The company was IPOed in 2007 and 2/3 of the shares are still family owned. The stock price shows that as of now, the stock price is below the IPO price however with some spectacular rallies in between:



The stock looks cheap based on “traditional” metrics like P/B (0,6) and P/E (~9), margins in 2019 were Ok despite already retreating compared to 2018. However cashflows look bad both in 2018 and 2019 and ROCE really bad. The problem seems that they have huge working capital requirements. Overall nothing that excites me at this stage, “pass”.

608. Co.don AG

Co.don is a 30 mn EUR market cap “Biopharmaceutical” company that has seen better days. The company has little sales but rather large losses. Nothing to see for me here. “Pass”.

609. Uniper SE

Uniper is the “ugly child” of E.ON that was spun-off in 2016 from E.ON. **I looked at Uniper back then and unfortunately did not invest.** The stock since then developed nicely:



Part of that increase in share price is clearly driven by Finish utility Fortum who in the mean time owns 73,4% of E.ON. It is pretty clear that Fortum will try to assume control of E.ON at some point but I guess this is now more a “special situation” play. For me, for the time being a “pass”.

610. Stern Immobilien AG

Stern is a 30 mn EUR real estate company that buys, holds and sells real estate. Nothing of interest for me, “pass”.

611. Plan Optik AG

Plan Optik is a 7 mn EUR market cap company that somehow develops and distributes technical items in the "Optoelectronic" area whatever that means. "Pass".

612. UniDevice AG

UniDevice is a 20 mn EUR market cap B2B distributor of smartphones that somehow went public in 2018. The company has a operating margin of 1% and the balance sheet looks strange. "pass".

613. artec technologies AG

artec does something in the areas of video and "multi media". The company has around 2-3 mn in sales and barely makes a profit. Not sure if the 8 mn EUR market cap is "fair" or not, but I'll "pass".

614. Medion AG

Medion AG was a "red hot" growth stock in the early 2000s when the company provided Aldi with PCs, notebooks and other tech gadgets. When that business shrank, Medion didn't really find a similar opportunity.

These days, the 673 mn EUR market cap company still distributes various gadgets under its brand, however the company has been taken over by Lenovo which implemented a P&L transfer agreement that entitles shareholders only to a guaranteed dividend. "Pass".

615. Innogy SE

Innogy is the better part of former utility giant RWE which got overtaken by E.ON. I "played" Innogy as a special situation a few months ago but didn't make any money on it. For me, the 24.3 bn company is a "pass".

616. Design Hotels AG

Design Hotel is a 32.5 mn EUR market cap hotel consulting company that is majority owned by Starwood Hotels. As far as I understood, there is also a Domination and profit transfer agreement in place which only entitles shareholders to a guaranteed dividends. "pass".

617. NanoFocus AG

Nanofocus is a 5 mn EUR market cap company that is active in optical measurement technology. The companies' stock is on a long decline and business is not really doing well. Plus reports are rare and not transparent. "pass".

618. Gelsenwasser AG

Gelsenwasser is the largest regional water utility in Germany with a market cap of 4.2 bn EUR and is owned with 92% by the municipalities of Bochum and Dortmund. Looking at the chart I might need to drop my avoidance of Government owned stocks:



Operationally, although 2019 was a good year, the development in the last 5-6 years was OK but not that good to justify such an increase in value. The company is conservatively financed and a good proof that local utility business can be profitable, but I am not sure why this should be worth 35x earnings. Maybe I am missing something but it is a "pass".

619. Value Management & Research AG

VMR is a 7,5 mn EUR market cap with some Fintech participations. The first impression is that this is nothing special. "Pass".

620. PNE Wind AG

PNE is a 357 mn EUR Windpark developer **which I had covered briefly as special situation**. Morgan Stanley did make a bid for 4 ER per share but only received 40% of the shares. The Covid-19 crisis had only a short impact on the share price:



Looking back it would have been a good "special situation" investment. Going forward I believe that the upside is limited. "Pass".

621. TUI AG

TUI, the 1.93 bn EUR market cap company is clearly, together with Lufthansa, the company being hit hardest by Covid-19 in the German Mid/Large Cap space.

The stock price somehow indicates “rock bottom”:



On the other hand, TUI clearly is in existential problems. TUI is clearly one of these companies that not just have “a bad quarter or two”. Already the 6 months up to March with only one month of “full Covid” created an additional loss of -1 ER per share which is similar to the max EPS per year in the last few years and net debt has increased dramatically from -1,9 bn to -4,9bn.

For me this is clearly “too hard”. Maybe they survive and current prices represent a bargain but I would prefer less capital intensive models in travel. “pass”.

622. U.C.A. Aktiengesellschaft

UCA is a 10 mn EUR market cap Holding / advisory company that invests somehow in VC like companies. It looks pretty much like a one man show with 60% of the shares owned by the CEO and another family. Reporting is surprisingly transparent However is does not look very successful, as the company didn't manage to increase the NAV over the last few years. "Pass".

623. Pongs & Zahn AG

Insolvent 0.3 mn market cap Zombie. "Pass".

624. Travel24.com

Travel24.com is a 3 mn EUR market cap online travel company. The company made operating losses even before Covid-19, no no real reason for me to look into this. "Pass".

625. artnet AG

artnet AG is a 20 mn EUR market cap online art auctioning service with a colorful history. IPOed into the dot.com boom, since then the company showed little structural growth despite having potentially interesting "assets" such as a pricing database etc.

Competitor Weng Fine Art bought shares last years and is now the second largest shareholder after the founder. However, art auctions are not my circle of competence and the stock doesn't look interesting enough to dig into. "Pass".

ALL GERMAN SHARES PART 29 (NR. 626-650)

Posted on [27. August 2020](#) by [memyselfandi007](#) [5 comments](#) [Edit Post](#)

Another week, another 25 randomly selected German shares. This time, I only found 3 of them to be interesting, however one stock became the biggest position in my German basket yet.

626. Pommersche Provinzial-Zuckersiederei AG

Pommersche is a 2.3 mn market cap company that is very illiquid and only releases very intransparent information. "Pass".

627. Netfonds AG

Netfonds AG is a 63 mn EUR market cap company that could describe itself as a "Fintech" if they wanted. The company listed directly (no IPO) in 2018 and at first struggled:



The company has a somehow similar business model to JDC which I already added to my "German Basket". Whereas JDC mostly focuses on back office solutions for insurance brokers, Netfonds also offers solutions for investment and wealth advisors. This is not yet a big market in Germany but is growing.

Netfonds has been growing at a pace of 15% p.a. over the last few years. Profitability looks low, with stated EBITDA margins in the low single digits, but if they would apply "fintech" measures and split between GMV and "net sales", hings look much better. I also liked their 2019 annual report very much where they nicely explain their business model. At the current valuation,

Netfonds trades north of 25xEV/EBITDA (2019), but I think that EBITDA can grow quicker than top line and that they have some runway for growth.

Other positives are that the founder still runs the company and the founders (incl. family) own more than 50%. By coincidence, just today [the highly recommended Blog "Preis und Wert"](#) released a detailed write-up on Netfonds (German), nicely explaining the business.

Therefore I do not only "watch" Netfonds but actually initiate a 2,5% position for my German basket at around 29,80 EUR/share. I will follow up with a more detailed post soon.

628. Bayer AG

Bayer, a 58 bn EUR market cap company, is one of the big traditional chemical/pharmaceutical companies of Germany with a long, sometimes controversial, but overall successful history.

The long upward trend was stopped by the current CEO and a the very controversial acquisition of Monsanto in 2016:



At the time of writing, Bayer just gained 8% as a settlement for the Monsanto litigation seems to be in reach. The company had a good start into 2020 with EPS up ~10% yoy driven mainly by Crop Science. The 32 bn net debt clearly is an issue-

Bayer had to go through a lot of self-inflicted pain but to me it looks like that they might be only underprorportionally effected by Covid-19. Therefore Bayer is a candidate to "watch".

629. Wasgau Produktions & Handels AG

Wasgua is a 115 mn EUR market cap regional grocery retailer and whole seller. The company was near bankruptcy in the early 2000s but then performed quite well:



The free float is relatively small, the biggest shareholder with 51% is a holding company where grocery giant Rewe is the controlling shareholder, but 25% also belong to competitor Edeka.

The big increase in 2017 seems to have been driven by rumours of a delisting/offer to minorities that didn't happen. Technically the company looks quite expensive these days. MAYbe it could be a real estate play but I'll "pass".

630. Wallstreet Online AG

WO is one of the oldest investor communities in Germany with a 95 mn EUR market cap. I used to read and write there a lot some 10+ years ago as it was the best platform for German small cap. Over time however, the quality decreased in my opinion and the interface became almost unbearable.

The stock chart looks "Interesting":



So after the GFC, the stock did nothing for 8 years or so before exploding by 20-25 times in 2017.

This seems to be a reflection on a change in strategy from 2018 on when WO started to acquire other portals and even move into fund distribution and online brokerage. I think this also explains the quick bounce back after the Covid-19 crisis.

Based on their H1 2019 numbers, the business seems to do quite well, decent growth and quite high profitability and the big move seems to be the entry into the brokerage market. The company is majority owned by the founder Andre Kolbinger who bought back the shares from Springer after the GFC.

Despite my dislike of the W:O portal, the company is one to “watch”.

631. Solvesta AG

Insolvent zombie stock. “Pass”.

632. Beiersdorf AG

Beiersdorf is a 29 bn EUR market cap company that is mostly famous for its iconic “Nivea” skin care brand plus the “Tesa” brand. The company has been on a long term growth path, but I always considered it as “too expensive”:



However in the last 4 years or so the stock price pretty much stagnated. In Q1 2020 sales actually declined by around -4% indicating that Beiersdorf is not immune to COVID-19.

But even in 2019, results already stagnated which is not good for a company trading at a P/E of around 30. As the company is majority owned by the Billionaire Herz family (Tchibo), there will be no activist investors pushing the company to grow more.

For the time being, despite being a good company with great products, I'll "Pass".

633. HeidelbergCement AG

Heidelberg Cement is one of the big global player in the cement market. After a "Near death" experience following the GFC, inflicted by expensive M&A transactions and high debt, the company has stabilized. However a look to the stock chart shows that long term, little value has been created for shareholders:



It rather seem to be a stock where one needs to time the cycles coreectly in order to make money. Structurally, the business has some issues due to the CO2 footprint, on the other hand, with a P/E of 8 the stock looks cheap. However a "pass" for me.

634. Delignit AG

Delignit AG is a 33 mn EUR market cap stock that went public in 2007. The company is a subsidiary of listed "PE" company MBB. The stock has seen better times:



The company specializes in wood based chemical products predominantly to the automobile sector. Although the company managed to grow top line by almost 10% in 2019, bottom line declined by -50%. Overall, the company doesn't look interesting to me. "Pass".

635. Evonik AG

Evonik is an interesting company. The 10.6 bn market cap company **was one of the biggest IPOs in Germany ever in 2013**. The specialty chemicals company had been created from the remains of the former coal monopoly company RAG. 59% of Evonik are owned by the RAG foundation which needs to manage the long term liabilities of the coal mining operations.

Looking at the chart, it is clear that the IPO was not a big success



The year before 2019, Evonil traded more like a bond than a stock for whatever reason.

The problem is clearly that EBIT in 219 is ~10% lower than it was in 2013. Net debt has increased since then despite a sale of a significant business in 2019. The company has a significant pension liability. All in all nothing to see, "pass".

636. Deutsche Börse AG

Deutsche Börse is as its name says the company running most German exchanges. The company has a market cap of 28,5 bn EUR. As a quasi monopolist, the company enjoys great margins with EBITDA margins of ~58%. The biggest profit pools are however not the stock exchanges but the mandatory derivative clearing and securities clearing where Deutsche Börse is one of the dominating European players.

Although the company botched a merger with LSE, the stock price has done quite well and recovered quickly from the Covid 19 crisis to a recent ATH which is very different to what happened after the GFC:



Compared to other “High quality” business models, the 25x PE ratio doesn’t look too expensive. However I do not understand enough of this business, therefore I’ll “Pass”.

637. Signature AG

1.4 mn market cap company with frequent name changes. “Pass”.

638. Villeroy & Boch AG

Villeroy & Boch is a 330 mn market cap company with a long history active in ceramic tableware and bathroom equipment.

The long term stock chart shows that not much value has been created as luxury table ware is clearly not a growth industry:



In 2019, top line decreased slightly, however profits more than doubled. What happened ? This increase was driven by a sale of real estate which clearly is of "Non recurring" character. The traded shares are nonvoting shares, all voting shares belong to the heirs of the founding family. The company has a rather large pension liability and the business is quite capital intensive. overall for me a "pass".

639. Ekotechnika AG

Ekotechnika is a 22mn market cap company that makes its money by selling agricultural equipment(Tractors etc.) in Russia.

The company seems to be the exclusive partner for John Deere in Russia. On paper the company looks super cheap, however the "IPO" in 2015 was a result of a debt restructuring.

One of my mental models is to stay away from everything that has to do with Russia, so "pass".

640. Mynaric AG

Mynaric is another company I never heard about, despite having a 153 mn EUR market cap. The company IPOed in 2017 at a price of 54 EUR/Share but struggled to keep that level since then:



Mynaric develops laser communication for (military) aircraft and satellites, which sound quite High-tech. This sounds great, but unfortunately, the company showed only 400k in sales in 2019 after 1.4 mn in 2018. A lot of the costs are capitalized but the company still managed to lose 8 mn EUR in 2019 and burned ~2x that amount.

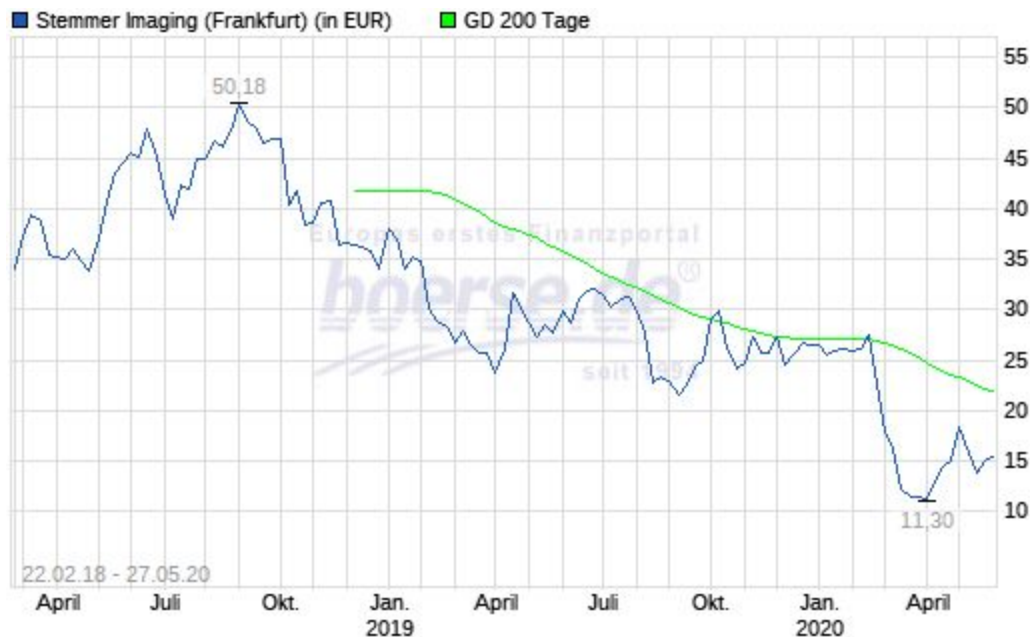
To compensate, the company raises capital frequently. The stock clearly has “venture character” but I cannot judge if what they do is interesting or not, therefore I’ll “pass”.

641. Brilliant AG

Brilliant is a 15 mn EUR market cap company producing lighting fixtures for interior and exterior purposes. 85% of the shares are owned by UK based National Lighting Company Ltd, the stock is thinly traded. Interestingly the company had to issue a profit warning already before Covid-19 hit them. “pass”.

642. Stemmer Imaging AG

Stemmer is a 100 mn market cap company that went public in 2018. As many IPOs from that period, the stock has been struggling since then:



The company is active in “digital imaging” and “smart data” whatever that means. The accounts are hard to read because for whatever reason they had a shortened financial year in 2019. For me this doesn’t look very inspiring, “pass”.

643. Allerthal-Werke AG

Allerthal is a 23.5 mn EUR holding company that is active in the German small cap market and especially in Squeeze-out situations. Unfortunately, the reporting is quite intransparent and the company is run by a single person. “pass”-

644. Dierig Holding AG

Dierig Holding is a 53 mn ER market cap company that has its roots in textile manufacturing. These days the company owns a shrinking textile segment and a growing property business. The property portfolio is concentrated around the company headquarters in Augsburg. The textile business had a bad year in 2019 with significant write offs. The company is majority owned (70%)

and run by the Dierig family. With more time this could maybe be an interesting target to look for “value”, but at the moment it is a “pass”.

645. Mic AG

Mic AG is a 2,7 mn EUR market cap loss making holding company that recently had to do a capital increase. “pass”.

646. Bechtle AG

Bechtle is a 6.6 bn EUR market cap IT service company with a great track record of growth as we can see in the stock chart:

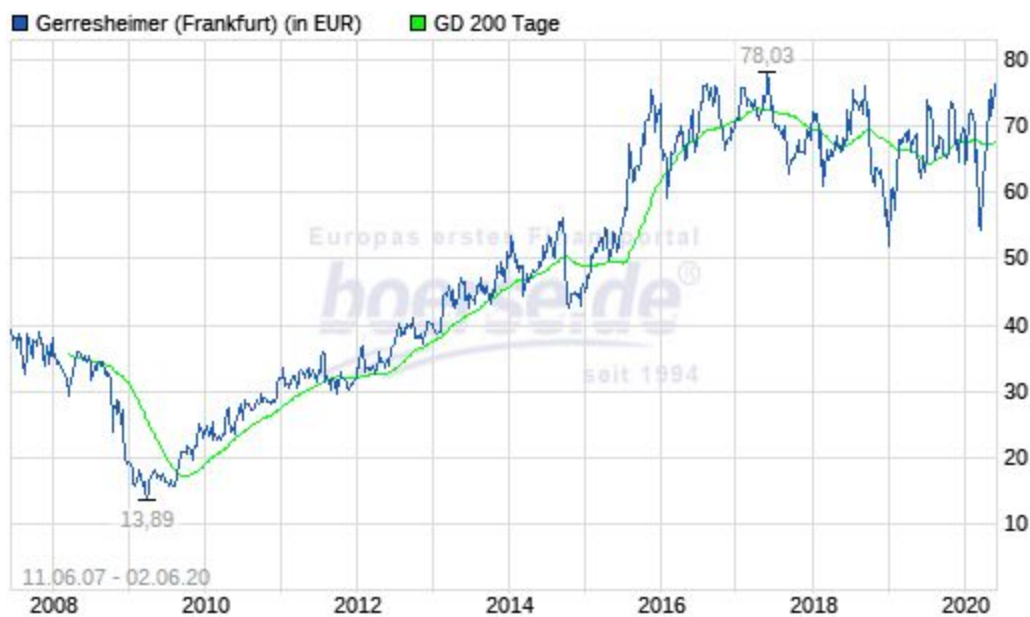


Initially the stock got hammered by COVID-19 but then recovered quickly to new ATH. The company has doubled its sales from 2015-2019 as well as profits. On the minus side, margins are quite low (EBIT Margin ~4,5%) but stable. The Schick family owns 35% of the company but doesn't have any active role.

A significant part of the growth seems to have come from M&A as Bechtle was rolling up smaller player in the IT service business. Another minus is cash conversion which is not so good. The final minus is however the valuation. At a current PE of >35, a lot of future growth seems to be priced in already. Therefore I'll "pass".

647. Gerresheimer AG

Gerresheimer is a 2.36 bn EUR market cap company that produces specialty glass/plastics packaging. The stock looks quite boring and is more or less flat since a few years:



As a company that had been owned by a PE before its IPO, it is no surprise that they employ some leverage. Margins and Returns on capital look quite OK on an adjusted basis, but the company shows hardly any growth for the last 4-5 years which explains the stagnating share price.

On a non-adjusted basis, things look actually quite bad. Overall there is nothing at first sight that makes this attractive, therefore I'll "pass".

648. Stada AG

Stada, a pharmaceutical company, is a company that was subject to one of the most spectacular “activist” campaigns in Germany. At the end of the day, the CEO who ran the company like its own without owning shares was kicked out and PEs took over the majority of the shares after a bidding contest.

. The “Lucky winners” were Bain and Cinven. I actually “played” that special situation as well, however selling much too early at around 65 EUR per share.

Stada is a painful reminder that timing is not exactly my strength. These days, Bain and Cinven have established a domination and p&L transfer agreement, so the remaining Stada shareholders are only entitled to a guaranteed dividend of 3.54 EUR/share. “Pass”.

649. VIB Vermögen AG

VIB Vermögen is one of the more interesting real estate companies that are listed on the German Exchanges. The company specializes on logistics projects and has only little exposure to more problematic sectors.

With 760 mn EUR market cap, the company is actually not that small anymore and has offered its shareholders a nice long term growth story as we can see in the chart:



The stock has been hit hard by Covid-19 but recovered quickly as the market seems to assume little impact on their portfolio. Interestingly the market pays a premium on top of their disclosed EPRA NAV of 22,68 EUR per share at the end of Q1.

However, as I am not a fan of normal listed Real Estate in general, I will “pass” in VIB.

650. Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien

The Business model of Borussia Dortmund doesn’t need a lot of explanation: It is basically Germany’s second famous football club after Bayern Munich.

As a (medium intense) football fan one has to concede that Dortmund, despite losing out to Bayern in most of the last years has done a pretty good job to attract talents and play attractive football.

In the past, Dortmund had big issues with debt and at one point in time had to be bailed out by Bayern Muenchen with a loan but these times seem to be over. The stock has done very well over the last few years:



Even Covid-19 didn't really kill the stock. At 600 mn EUR market cap, the club doesn't seem to be extremely expensive compared for instance with the 3 bn market cap of Manchester United, however I am not 100% sure how football clubs really want to earn money in the long term as they are always depending on expensive individuals.

I know that some very smart investors are quite bullish on sports rights in general, but I don't know enough here so I'll "pass".

ALL GERMAN SHARE PART 30 (NR. 651-675)

Posted on 28. September 2020 by memyselfandi007 19 comments Edit Post

Time flies, it's **more than a month since the last posting of this series**. So another 25 randomly selected German stocks. Despite the usual duds, the dices this time brought up 6 stocks that I found in principle worth watching.

With "only" around 100 stocks left, I need to think about another market/area that I will cover in this systematic way. Suggestions highly welcome !

651. IFA Hotel & Touristik AG

IFA is a 242 mn EUR market cap company that has rarity value: I think it is the only remaining listed German stock that represents a “Hotel pure play”. However there are a few specialties to consider: The company is majority owned by the Spanish Lopesan Group. Lopesan did a lot of related party transactions with other Lopesan entities and IFA did a couple of capital increases without real necessity.

So far, there doesn't seem to be any indication that Lopesan has screwed minorities. Some of the “Trades” were actually quite profitabel. Nevertheless, the stock is on a 2 years downtrend that just accelerated due to Covid-19:



On the other hand, the company has no net debt and trades at less than 50% tangible book value. Therefore I'll put it on my “watch” list as a potential “deep value” play.

652. Henkel KGaA

Henkel is a traditional German chemical company with a market cap of ~35 bn EUR. The main business lines are washing detergent (Persil), glue and beauty products. The company is still family controlled, both via the common shares as well as the KgAA structure.

The stock had a great run from the end of the GFC to around mid 2017 as we can see in the chart:



Since then the stock is in a downward trend, accelerated by Covid 19. One of the reasons is clearly that especially the glue business has a significant automobile component.

Interestingly, at least in Q1, increases in laundry care sales have compensated for declines in glue and beauty.

The decline in the share price and lack of growth might also be due to the former Star CEO Kasper Rorsted leaving in 2016 and applying his growth talent now at Adidas. The question clearly is how sustainable his growth initiatives were.

An interesting aspect of Henkel is that the more illiquid common shares (only the pref shares are in the DAX) are trading at a significant discount (10 EUR or ~-13%). The common shares are comparably cheap at a PE of around 15,5.

I think Henkel is definitely a stock to “watch”.

653. Sino-German United AG

Sino_German has nothing to do with Sino AG nor is it a football club as the name might indicate. Instead it is a tiny, 0,5 mn EUR market cap nanocap with some cash and some sales but always negative results. Somehow they seem to export beer and mineral water to China but on a nano scale. “pass”.

654. RiPAG

A 0,6 mn market cap “zombie” stock. “Pass”.

655. Helma Eigenheimbau AG

Helma is a 142 mn EUR market cap residential real estate development company. Helma went public in 2006, almost went bankrupt in 2009 and then staged a fuminant comeback while riding the German post GFC real estate boom:



The stock peaked in 2016. Business is stagnating to a certain extent since 2016 with little top line growth. I am not sure why, but as I am not a fan of the sector, I'll "pass" anyway-

656. The Social Chain AG

"The Social Chain AG" is a 188 mn EUR market cap company that is the result of a reverse merger with the previous owner of this stock listing called Lumaland Ag.

Luckily it is not another Blockchain company but a "social media" media and D2C marketing company initiated by Georg Kofler, the former CEO of Pro7 and member of the German version of Shark Tank called "Die Höhle der Löwen".

Interestingly so far, there is only an investor presentation available and no annual or quarterly report. When I was still watching DHDL, Georg Kofler was pretty underwhelming to be polite. But somehow the share price managed to come back to the levels of the initial reverse take over.

For me this looks pretty much like a pump and dump, so "Pass".

657. Advanced Blockchain AG (former Brain Cloud AG)

This is a 7,6 mn EUR market cap company doing something with Blockchain. "pass".

658. Solon SE

Bankrupt "solar zombie". Pass.

659. mybet Holding SE

Bankrupt "Betting zombie". Pass.

660. Hochtief AG

Hochtief was the largest German construction company and has a market cap of ~5,8 bn EUR. It is majority owned by Spanish ACS Group. These days, Hochtief seems to be basically an Asia Pacific player plus a partial stake in Abertis, a Spanish toll road operator that Hochtief took over in 2018.

The stock price had a good run until 2018 but then cratered very similar to majority owner ACS:



As I have no idea how to value construction companies, I'll "pass".

661. Aleia Holding AG

Aleia Holding is a 2,4 mn EUR nanocap with frequent name changes. "Pass".

662. Immovaria Real Estate AG

Immovaria is a 43.4 mn EUR market cap real estate company that according to its website is unique as it doesn't use debt to buy real estate but only capital increases. For unknown reasons, the stock trades at 4xNAV. "pass".

663. Cash Life AG

Cash.life is a company that pioneered the secondary market for life insurance policies in Germany. Cash.Life was insitially a “reverse merger” in 2004 and enjoyed a few good years as we can see in the chart:



Then, however the company was for a long time close to bankruptcy. As far as I understand, the German Tax authorities decided that their business was subject to VAT and sent a tax bill over 240 mn EUR in 2013. Interestingly, a few weeks ago, **cash.life won a year long law suite which nullified this treatment** which explains the very positive development of the stock more recently:



At the time of writing, the company is valued at ~14 mn EUR which is slightly below the NAV. 75% of the company **belong to a financial investor called Augur who doesn't seem to be very active.** At the moment it is not clear what happens with cash.life, but for me it is a stock to "watch".

664. Salzgitter AG

Looking at the chart, Slazgitter, a 700 mn market company looks like some kind of "Busted highflyier" stock:



In reality it is one of the remaining German steel companies. As most other steel companies the company is very cyclical and on a long term decline path. Even before Corona, **Salzgitter** showed a loss in Q1.

For a countercyclical "deep value" investor Salzgitter might be interesting, For me however, the 26,5% Government stake (blocking minority) is a clear sign to "pass".

665. Dürr AG

Dürr AG is a 1.5 bn EUR market cap company that is mainly producing paint and assembly facilities for the automotive industry. As such it is no wonder that Dürr faces the same problems as the industry which shows in the share price:



On the plus side, electric vehicles need paint, too but the problems of the legacy OEMs hit Dürr as well. For some reason they bought HOMAG a few years ago which is producing machinery for the furniture industry. They still managed to show a profit in Q1 and are conservatively financed, but for me it is a “pass”.

666. Cewe Stiftung KgAA

Cewe is a very interesting case. The 740 mn EUR mn market company used to be a classic printing company which, among others would take your camera films and print and send you your pictures after a few day.

Somehow they managed to transform into a leading online photo(book) printer. The company according to its presentation is now Europe’s leading “photo finisher” and has steadily increased sales and margins.

The result is a very good share price development:



The stock is effectively a 10-bagger since the GFC. Cewe is one of the very few traditional business that seems to have managed a digital transformation. At the moment, the stock looks very valued a ~23x earnings, but it is definitely a stock to “watch”.

667. Sedlmayr Grund und Immobilien KGaA

Seldmayer is a 2.35 bn ER market cap company is a former brewery that has transformed into a real estate company with holdings in Munich an Stuttgart. With my limited knowledge on real Estate, I'll “pass”.

668. Carpevigo AG

Insolvent 3,8 mn EUR market cap company. “Pass”.

669. Vossloh AG

Vossloh is a 700 mn market cap company that produces equipment for the railway sector. I looked at Vossloh around 6 years ago as a potential “fallen Angel” investment after Karl-Hermann Thiele, the majority owner of Knorr Bremse bought a 30% stake.

Looking at the stock chart, it was a good decision to stay away from Vossloh:



Mr. Thiele has increased his stake to >50%, but somehow this hasn't improved things. 2019 was a really ugly year and maybe Mr. Thiele is occupied with his 10% Lufthansa stake. Anyway, I am not in the “Fallen Angel” business as such, therefore “Pass”.

670. Geratherm AG

Geratherm is a 50 mn EUR market cap “medtech” company that produces what I would say mostly “low tech” appliances like blood pressure measurement or medical thermometers. Geratherm went public in 2000 at 9,50 EUR where now 20 years later the stock price is again:



Looking at their results over the last years doesn't show any kind of trend but rather "random" outcomes. Nothing to see, "pass".

671. De Raj Group AG

De Raj Group is a German company that is listed in Vienna and has market cap of 106 mn EUR. The company is active in the oil & gas industry, renewable energy and water treatment projects mostly in more exotic Emerging markets (Russia, Vietnam etc.)

The company only shows around around 1,9 mn EUR in sales for the first 6M of the FY 2020 (-50%) and is running at a loss. The share seems to be very rarely traded. "Pass".

672. Funkwerk AG

Funkwerk is a 174 mn EUR market cap company that is mainly active in rail related technologies, such as secure train communication, displays and video surveillance.

The company has a colorful past as the stock chart shows:



IPOed into the dot.com boom, the company acquired a lot of other companies and then had to undergo a pretty hard restructuring. Only the last 4-5 years, the company got back on track led by the current CEO.

In 2019, Funkwerk bought a stake in another listed company, Euromicron which became bankrupt a few weeks later. This damaged an otherwise super strong 2019 with EBIT margins >15% and an EBIT increase >+40%.

Despite COvid-19, Funkwerk seems to do well in 2020, as investments into rail is still going strong. The company carries a significant cash balance, which should be a good protection against any future issues.

On the negative side, ~80% of the shares are owned by the Hörmann group which seems to be struggling. So far, no related party issues have arisen, but this needs to be watched.

Overall, Funkwerk is a “watch” candidate with higher priority.,

673. Eifelhöhen Klinik AG

Eifelhöhen Klinik is a 6 mn EUR market cap listed hospital that has seen some better times looking at the chart:



Eifelhöhen was one of these stocks that always looked cheap and I have to admit that I owned them in the past for some time, thinking that nothing can go wrong with a cheap stock and a nice dividend. In between some real money could be made, but now it looks like that we will see soon some kind of “game over” as their most profitable hospital went into bankruptcy due to under investment.

The market they are in is tough and Covid-19 does not help. A good lesson for “value investors” and “pass”.

674. Technotrans AG

Another dot.com IPO, Technotrans, a 105 mn EUR market cap company, again has a very interesting past as can be seen in the chart:



The stock has “oscillated” between 3 and 50 EUR in the past 20 years without any real trend. Initially, Technotrans was mostly active in manufacturing components for high speed printing machines. However with the decline of printing, Technotrans tried to reinvent itself as a broader technology company which looked like a big success in 2017.

2017 looked like a really successful year. Following some acquisitions, they increased BEIT 4x from 2013 to 2017 and EPS reached 1,76 EUR. 2018 they showed a stagnation on high level, however with issues in cash conversion. 2019 showed a decline in top line and a -50% drop in EBIT plus an additional increase in net debt.

The first quarter 2020 didn't look that promising either, EBIT again declined, and net debt increased and this was with only minor Covid-19 impact.

Nevertheless I put the company on “watch” as the valuation seems to be quite low.

675. Epigenomics AG

Epigenomics is a 84 mn EUR market cap company that seems to be active in the cancer detection area. The company is loss making with relatively little sales and frequent capital increases. Not my area of competence, therefore "pass".

ALL GERMAN SHARES PART 31 (NR. 676-700)

Posted on 6. October 2020 by [memyselfandi007](#) 11 comments [Edit Post](#)

And again 25 more randomly selected German shares with short analysis for each one. This time, seven (!!!) candidates were worth "watching".

Maybe one remark: I asked last time for suggestions for the next series. however before I move on, I will also need to thin down the watch list to an amount that I can handle going forward. At the moment, the extended watch list comprises 141 (!!) stocks which I want to slim down to something like 25 or so.

676. mwb fairtrade Wertpapierhandelsbank AG

mwb is a 33 mn EUR market cap securities trading company. For some reasons, the stock price doubled in 2020, maybe a result of overall trading activity. As I do not understand their business model, I'll "pass".

677. Bayerische Motorenwerke AG

BMW is clearly one of the most famous German brands and one of the most successful car manufacturers in the world. With a market cap of ~39 bn USD, it is valued at a fraction of Tesla and the stock price is on a pretty long lasting downtrend:



We can see that the stock peaked already in 2015. BMW did better over the last years than Daimler, although surprisingly worse than Volkswagen.

As the other German car companies, BMW is relying a lot on China these days and the issues, especially the risks inherent in a shift to EVs are pretty clear. On the other hand, I do think that BMW is the best managed German car company and it is no coincidence that BMW didn't get fined in the Diesel scandal. However even 2019 was already challenging and 2020 will be tough for BMW as well.

If someone wants to invest into BMW, the pref shares, that trade at more than 20% discount to the common shares would be the best instrument. as the majority of the votes lie with the Quant family and a take over is unrealistic.

BMW is the only one of the three German car companies that I put on my "watch" list.

678. Schweizer Electronic AG

Schweizer is a 41 mn market cap company that has nothing to do with Switzerland but is a manufacturer of circuit boards. A look at the stock shows that for the last 10 years or so the stock is in a downward trend:



A quick look into the 2019 annual report shows already significant losses in 2019 and the first quarter 2020 looked even worse. Nothing to see, "pass".

679. Solarworld Ag

One of many once high flying, now bankrupt solar stocks. "pass".

680. Muelhan AG

Muelhan AG is a 49 mn EUR market cap company that was IPOed into the pre GFC frenzy and then got hurt significantly:



To its credit, the company somehow survived. The company at its core is providing specialty paint for ships and other high sea going vessels.

They actually had a pretty decent 2019 which was driven by successfully accessing the offshore wind sector. The stock looks cheap, however margins are low and the business is capital intensive. I'll put them on "watch" but with low priority.

681. Brenntag AG

Brenntag is a 8.5 bn EUR MDAX company that has already found its way into the V&O Portfolio during the Covid-19 crisis.

At it's core, Brenntag is a chemicals trading / distribution/ infrastructure company that makes sure that each product reaches its destination. As such, Brenntag benefits from its dominating position in its respective market.

The business is not hit that much by Covid-19, which shows in pretty good Q1 2020 numbers, although the rest of the year will clearly be weaker. What I don't understand is why the share price now is higher than pre-Covid-19:



Unfortunately, I didn't add to the position on its way up, still Brenntag is clearly a candidate to "watch" closely.

682. Kion Group AG

Kion Group used to be part of Linde and is one of the biggest forklift producers globally. The 8 bn EUR market cap company. The largest shareholder is the Chinese Company Weichai Group which has increased the stake over the years to now 45%. The stock has recovered well after the Covid-19 crisis but the stock is volatile:



As I try to avoid companies with significant Chinese influence, I'll "pass".

683. Cyto Tools AG

Cyto Tools AG is a 22 mn EUR market cap company is a loss making Biotech company in the wound care area with relatively frequent capital increases. As Biotech will not be my sweet spot in this investor life, I'll "pass".

684. Vonovia AG

Vonovia is Germany's biggest listed real estate company with a market cap of 29.8 bn EUR. In 2017, **I was actually very briefly a Vonovia shareholder** as result of the Gagfah special situation play, but I sold right after the merger. Looking at the chart, I have missed out quite on the rally:



Vonovia successfully consolidated a lot of players and even Covid-19 could only in the short term negatively impact the stock.

As I don't really understand listed real estate stocks, I'll pass, recognizing however that the residential focused Vonovia has created some value along the way.

685. Buergerliches Brauhaus Ravensburg-Lindau AG

The 24 mn EUR market cap company is not a brewery as the name indicates but as many ex breweries, they only manage real estate. As a specialty, the company also runs a couple of gambling machines. The stock is rarely traded and I would have no idea how to value the company, therefore I'll "pass".

686. Delivery Hero

Delivery Hero, the 19 bn EUR market cap company looks like one of the clear winners of Covid-19.

Ordering food from the safety of the home is really appealing. For myself I have to say that especially when I do home office, I tend to order more than I did pre Covid-19. In 2019, Delivery Hero sold its German business to competitor Takeaway.com/Just Eat and focused on international business. In December **they made a big move in South Korea for instance.**

The stock price has reacted nicely and Delivery Hero can look forward being a **member of the DAX maybe soon following the implosion of Wirecard:**



What I don't like about the presentations of DH is the fact that they do not distinguish between organic growth and M&A. A 100% yoy growth rate is nice, but if the majority would be M&A driven it would be less impressive.

As food delivery is clearly an interesting business, I'll keep them on "watch".

687. Teamviewer AG

Teamviewer AG is a 8.9 bn EUR market cap software company which specializes in solutions that allow secure remote access to computers. The company went public in September 2019 when former owner Permira decided to cash out.

The initial IPO price was 26,25 EUR, but the stock struggled early on. As we can see in the chart, investors now believe that Teamviewer is a Covid-19 winner:



With a lot of people working from home, Teamviewers product clearly have some tailwind.

Based on their Q2 Earnings, the company has a current run rate of 450 mn in sales and a healthy adjusted EBITDA margin of 58%. Permira left them 600 mn financial debt on the balance sheet, so with an EV of ~9,5 bn EUR, the market values Teamviewer at around 38x EV/EBITDA. These days this is not super duper expensive but clearly also not a "steal".

Teamviewer is an interesting company but for me not a priority as I don't understand their products well enough. Therefore I'll "Pass".

688. NABAG Anlage- und Beteiligungs Aktiengesellschaft

NABAG is a 0.8 mn EUR market cap company that somehow manages some securities. "Pass".

689. Telecolumbus AG

Telecolumbus is a 425 mn EUR market cap cable access provider that clearly has seen better days:



The company went public in 2015 at 10 EUR per share and never really managed to surpass this price.

The company is fighting with a high debt load (1.4 bn) and shrinking sales from the traditional Cable TV business. On the shareholder side, The largest shareholder of Telecolumbus is Ralf Dommermuth's United Internet, a big local telecommunication/ISP player who owns 29% which is slightly below the threshold that would trigger a mandatory offer.

In late 2019, Rocket Internet disclosed a 12% position. Both investors **seem to push for changes**. The company owns a fiber network in Germany which could be sold for a significant amount. Despite the issues, the stock is a "watch" candidate.

690. Holidaycheck AG

Holidaycheck as the leading online package holiday company in Germany is an obvious victim of Covid 19. However as we can see in the chart, the stock price was trending down even before:



The company is now valued at 74 mn EUR but had basically zero sales in the first 6 months of 2020 (including negative sales in form of reimbursements). In total, the company booked a loss of around 67 mn EUR in the first 6 months.

As of June 30th, the company had around 28 mn EUR cash that cover 20 mn short term liabilities plus 20 mn bank debt. With a burn of around 15 mn for the first 6 months, the situation doesn't look comfortable. After June 30th, they sold 2 subsidiaries for 14 mn. EUR, giving them around 40 mn EUR to survive. The company is majority owned by publisher Burda (54%).

The key question will be when package holiday rebound. If the rebound comes early next year they could survive, otherwise they are in deep trouble. As I have a weak spot for travel, I'll put them on "watch" with a higher priority.

691. Falkenstein Nebenwerte AG

Falkenstein is a tiny 3 mn EUR market cap holding company that invests into securities. The company used to be owned by Sparta AG but was bought out by its former CEO Christoph Schäfers. The company does very little reporting. "Pass".

692. mVise AG

mVise is a 22 mn EUR market cap IT service company and claims to be an expert in "digitizing" business models. In 2019, sales declined and EBITDA fell by -50%, so they somehow seem not be able to participate in the current digitization boom. They have a subsidiary which is somehow involved in cloud business. The first 6 month were slightly better than 2019 despite Corona, but overall this doesn't look interesting at all. "pass".

693. Cancom SE

Cancom is a 1.8 bn market cap IT service company based in Munich. Looking at the stock chart we can see that anyone who bought the shares like 10 years ago will be a very happy shareholder, although the stock price has now stagnated for 2 years:



The company has a traditional IT service segment which represents maybe 75% of sales and has been struggling in Q2 2020 and a fledgling “cloud solutions” segment which grows nicely even (or because) of Covid-19.

With around 15xEV/EBITDA the company is not cheap but also not excessively expensive. The company has net cash.. The “Old” business is low margin, cloud looks much better. I will keep them on “watch”.

694. Friwo AG

Friwo AG (former CEAG) is a company that manufactures charging equipment for all kind of applications including Electric vehicles. 2019 was a horrible year, with dropping sales and a large loss. 2020 looked better but still loss making. Overall, the company has not managed to create value over the last 20 years as we can see in the chart:



All in all nothing to see here, “pass”.

695. Versandhandelabwicklungsgesellschaft in Neumünster AG

This is an insolvent company that is being liquidated. “Pass”.

696. Hövelrat Holding AG

Hövelrat is a 14 mn ER market cap company that I have never heard of. They are an “independent investment advisor”. The company doesn’t really release useful information, so it is a “pass”.

697. SGL Carbon AG

It’s hard to believe now, but in the mid 90ties, SGL, a 400 mn market cap company, was a hot technology stock. Looking at the chart we can see that since then things didn’t went well although there were some comebacks in between:



The company produces carbon based materials that are used mainly in the automotive industry. The company has been loss making in 2019 and Covid-19 didn't help. The largest shareholder is Germany's richest woman Susanne Klatten (BMW) but somehow this didn't help. I don't see anything here, so "pass".

698. Einbecker Brauhaus AG

Einbecker is a 30 mn market cap company that is actually a brewery in northern Germany. Unlike many other listed breweries they still actively brew beer. The shown results show a very low profitability and stagnating sales and the value of the stock might be in its real estate, but this is hard to figure out for an outsider. Therefore I'll "pass".

699. MPH Health Care AG

MPH is a 113 mn EUR market cap company that invests in health care related companies, holding majority positions. Among them is for instance M1 Kliniken, their most valuable asset, which is a chain of plastic surgery clinics and other health care companies. I had looked at M1 Kliniken earlier and put them on watch, however a quick analysis showed serious issues with accounting. So MPH is a clear "pass".

700. Siemens AG

With a market cap of 100 bn EUR, Siemens is one of the largest German companies. Despite a few spin-offs over the years (infineon etc.) the company is still a pretty diverse conglomerate, offering medical devices (Siemens Healthineers), Windmills (Siemens Gamesa), Powerplants etc.

The stock price has recovered nicely from Covid19, but long term, the stock hasn't really performed well:



Even the German DAX, which is not a super star performer, outperformed Siemens significantly. The company is really hard to understand and doesn't look dirt cheap, so "pass".

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ALL GERMAN SHARES PART 32 – NR. 701-725

Posted on 23. October 2020 by memyselfandi007 4 comments [Edit Post](#)

And another 25 (more or less) randomly selected German stocks. This time, only 3 stocks made it onto my preliminary watch list.

701. Morphosys AG

Morphosys is a 3.4 bn EUR biopharmaceutical company that belongs to the “old school” biotechs. Looking at the chart, it took them 2000 year to get back to the level where the first boom in the late 90s pushed them:



Morphosys does actually have revenues, something like 280 mn in the first 6M of 2020, but that seems to be due to a big one-off in Q1 as they have been successfully licensing one of their products to a US company. Q2 was already (again) negative. Morphosys would be a good starting point to learn more about the sector, but I am not sure if I have ever time for this. Nevertheless I'll put them on “watch”.

702. Mobotix AG

Mobotix is a 84 mn EUR specialist in video surveillance technology. The stock was “hot” some years ago, but is since then on a long decline:



A quick look into the latest 6M report shows that sales are declining and the company capitalized costs to stabilize returns. Without this they would be already loss making pre Covid. Nothing to see, “pass”.

703. Telefonica Deutschland AG

Telefonica Deutschland is the stock listed German subsidiary of Telefonica (69% ownership) with a market cap of 7 bn EUR. The company runs the third German mobile network under the brand O2 and is famous for having the worst quality.

The stock has seen clearly better days:



The company pays relatively high dividends to its mothership in Spain, Topline has been more or less flat, GAAP results are negative due to depreciation. Debt has been increasing in 2020 as they seem to have issues actually earning their dividend payment. I don't see anything that really interests me, therefore "pass".

704. Capsensixx AG

Capsensixx is a 42 mn EUR market cap company that is part of the PEH Wertpapier Group which owns 81% of the company. Capsensixx owns 50,01% of Axxion, Axxion, a "private label" fund boutique itself seems to be stagnating/shrinking. After minorities, earnings for shareholders are limited. The share price doubled from its low in April, but I do not understand why. "Pass".

705. Voltabox AG

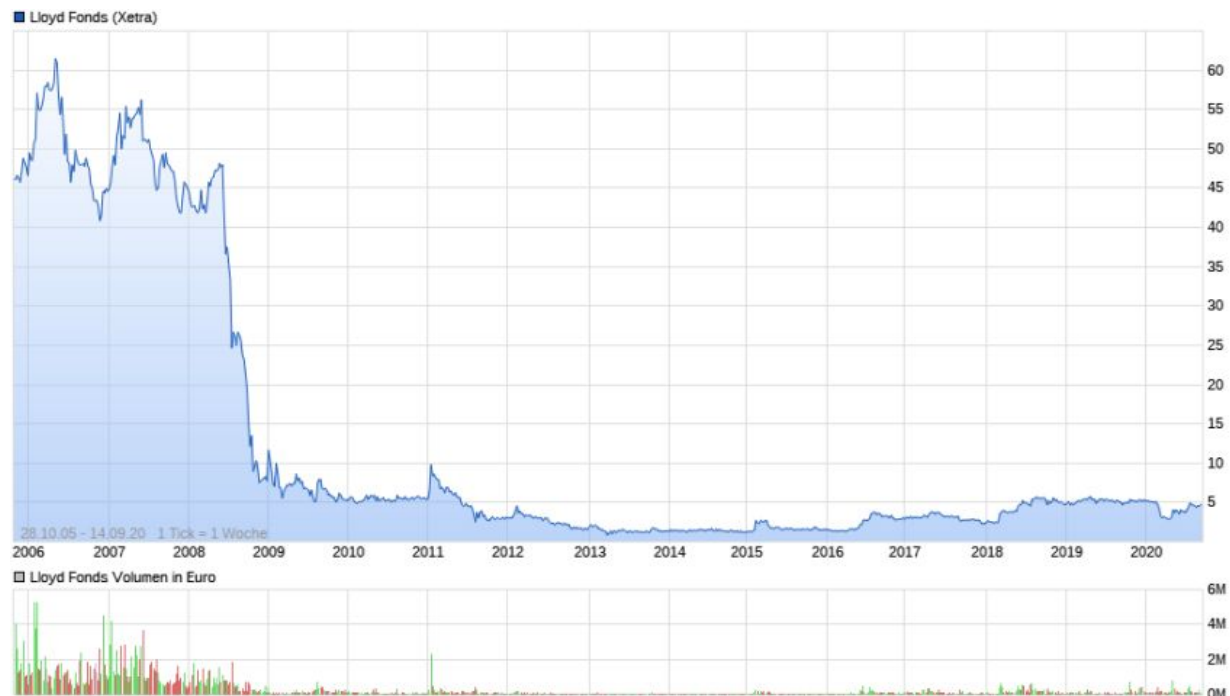
Voltabox, a 53 mn EUR market cap company, should be in theory a red hot stock: They are manufacturing batteries for special purpose vehicles. The stock price however since its IPO in late 2017 knows only one direction: down



The company seems to have struggled before Covid-19 but seems to use this as an excuse now to justify a huge write down. "Pass".

706. Lloyd Fonds AG

Lloyd Fonds is a 62 mn EUR market cap asset manager that was every successful until the GFC with selling participations in ships. As we can see in the chart, the GFC almost killed the company and it only came back very slowly:



As the company didn't disclose some risks in its prospectuses, the company was sued by investors over the last several years and **the courts said that the company needs to compensate investors at least in one case**. The company now seems to reinvent itself as a kind of "private client wealth manager". Top line has been growing in 2020 but that seems to be driven by an acquisition. The company showed a loss in the first 6M and there still seems to be a significant risk of further compensation payments. "Pass".

707. Value Holdings AG

Value Holdings AG is a 7,5 mn EUR market cap company that **according to its homepage** is both an Asset Manager and a holding company for listed stock investments. The company is mostly doing "old school" value investments in German small caps. The performance of the stock compared to the SDAX is however very weak as we can see in the chart;



Nothing to see here, “pass”.

708. InCity Immobilien AG

InCity is a 89 mn EUR market cap real estate company with a relatively unclear focus. The company is loss making and I couldn't see anything there that interests me. “pass”.

709. Mineralbrunnen Überkingen-Teinach AG

Mineralbrunnen Überkingen is a 121 mn EUR market cap beverage company that sells mostly sparkling mineral water. The company has a mixed past but it seems that until 2020, they made good progress over the last few years. The first 6M 2020 saw top line decreasing by -20%, which means that they seem to rely on restaurants and bars to a certain amount. Interestingly, the share price of the more liquid pref shares is pretty much back to pre covid-19 levels:



The company has a 70% majority owner with unknown plans, but I found the stock interesting, so it will go on "watch".

710. Securize IT Solution AG

Securize is a 2,2 mn EUR market cap company that just changed its name and wants to become a "Cloud powerhouse". "Pass".

711. Investunity AG

Investunity is a 0,7 mn EUR market cap shell company somehow associated with Dt. Balaton. "Pass".

712. UET United Electronic Technology AG (ehemals CFC Industriebeteiligungen AG)

UET is a 13 mn EUR market cap company that own a few Telco related businesses. Reporting is super slow (no half year report yet as of Mid Spetmeber) and numbers are unimpressive. "Pass".

713. Tonkens Agrar AG

Tonkens is a 7 mn EUR market cap agricultural stock, The stock looks cheap, however one can see a long downtrend, the company employs significant debt and results are volatile. "pass".

714. Jost AG

Jost AG (not related to Jost Werke AG) is a 3 mn EUR market cap company that somehow is active in the tax advisory area. The stock price has been doing nothing for the last 10 years and there doesn't see anything remarkable that this will change. "pass".

715. Covestro AG

Covestro AG is a 8 bn EUR chemicals company which is a spin out/IPO from its old parent Bayer AG which owns a remaining stake of ~7%.

Ironically, since its spin-out, Covestro has done a lot better than "mothership" Bayer, despite the fact that the stock only trades at around 50% of its peak in 2018:



The stock has recovered the Covid-19 crash already. I do not know a lot about their business but it seems to be volatile and somehow related to the oil price. 2019 was a difficult year, with profit down -70% yoy.

Cyclical stocks should usually be bought when their P/E is high, so now might not be a bad time to do so, but for me it is a "pass".

716. Teles AG

Teles AG is a 5 mn EUR "Dot.com area" star that has not achieved anything since then. The company is majority owned and operationally not doing well. In 2019 they created significant profits from some related party financing actions. All in all nothing to see, "pass".

717. Cliq Digital AG

Cliq Digital is a 76 mn EUR market cap company that has seen its share price sky rocketing since the Covid-19 crisis:



From what I understand, the company offers some second rate streaming offers (Movies, sports, music) which it sells predominantly to mobile users. For some strange reasons they are especially successful in North America, where sales in the first 6M 2020 went up 6x yoy. What I find even more strange is the fact that they don't use the net income after minorities for the EPS calculation but some other random number which is twice as high. All in all I find the company quite strange and I also don't like the look of the management board (sorry, I still use my "face detector"). "Pass".

718. Heroes AG

A 7,5 mn EUR market cap stock with frequent name changes. Currently some kind of Sports right digital something company. "pass".

719. Ceconomy AG

Ceconomy is a 1,4 bn EUR market cap company **that was spun-off from Metro in 2017**. Initially I thought that Ceconomy (Media Markt and Saturn) was the bad part before realizing that there are no really good parts.

The company is an electronics retailer who is struggling among other things with Amazon and an unfortunate shareholder structure, which gives the family of the founder a blocking minority.

The Covid-19 induced boom of buying stuff for the home office helped them a little bit, doubling the stock price from their low:



Nevertheless, their legacy store network with a lot of large mall stores will hurt them for some time and it will really be hard to turn this company around. Nothing to see for me, "Pass".

720. ABO Wind AG

ABO Wind is a 225 mn EUR renewable energy / wind farm company that listed in March 2020, just when Covid-19 really kicked in. As we can see in the chart, Covid-19 did not hurt the stock:



The founders still hold >50%, 10% of the capital is held by utility Mainova. ABO plans, develops and sells wind- and solar mostly in Europe. For the first 6 months, ABO could grow nicely and expects around 11 mn in profits for 2020, resulting in a PE of ~20. Personally, I do not like these kind of project companies that much. However, as the sector as such is interesting, I put them onto the "watch" list.

721. RM Rheiner Management AG

Rheiner is a repurposed company shell that used to be a bankrupt textile company but is now a 7 mn EUR market cap investment company, specializing in squeezing out speculations within the German stock market. The company is part of the "Scherzer family". For me, this is not really interesting, therefore "pass".

722. TLG Immobilien AG

TLG is a 2 bn market cap real estate company that has been taken over by competitor Aroundtown. Both stocks have been hammered due to Covid-19 as we can see in the chart.



With the portfolio consisting out of Office, retail and Hotel objects, the drop in value is not so surprising. Not sure if this is now an opportunity. As I never liked real estate companies, I'll "pass".

723. Hornbach Holding AG

Hornbach Holding is the 1.6 bn EUR market cap listed HoldCo of Hornbach Baumarkt that I covered some weeks ago (Nr. 591) plus a wholesale distribution business and some more real estate. To be honest, I totally underestimated how far the "covid-19 home improvement boom" would move the stock, it is now double the value before the crisis:



I still think that Hornbach and the other big box home improvement stores have structural issues and that the current share price is too high, therefore I'll also pass on the Holding.

724. Solar-Fabrik Aktiengesellschaft für Produktion und Vertrieb von solartechnischen Produkten

Bankrupt 0.3 mn market cap shell company. "Pass".

725. Hensoldt AG

Hensoldt is a 1.3 bn EUR market cap company **that just went public in September 2020**. The previous owner KKR still owns 60% after the IPO, where 3/4 of the placement went to the company. The company specializes in sensors for security and defense purposes.

The IPO was not a success, the shares were placed at the lower end and of the book building range at 12 EUR and dropped after a day. The company has a big order back log, but even

adjusted EBIT margins are only 5%. Es expected with a PE backed company, intangibles are significant and the company carries around 1 bn of debt.

Nothing to see here, "pass".

ALL GERMAN SHARES PART 33 – NR. 726-750

Posted on [28. October 2020](#) by [memyselfandi007](#) [One comment](#) [Edit Post](#)

And another 25 (almost) randomly selected stocks. This time 5 stocks were in my opinion worth "watching". As it looks now, there will be only one more post in this series.

726. Smart Equity AG

A 1.7 mn EUR market cap company that calls itself "Experts on Crypto currencies". **"Pass"**.

727. InnoTec TSS AG

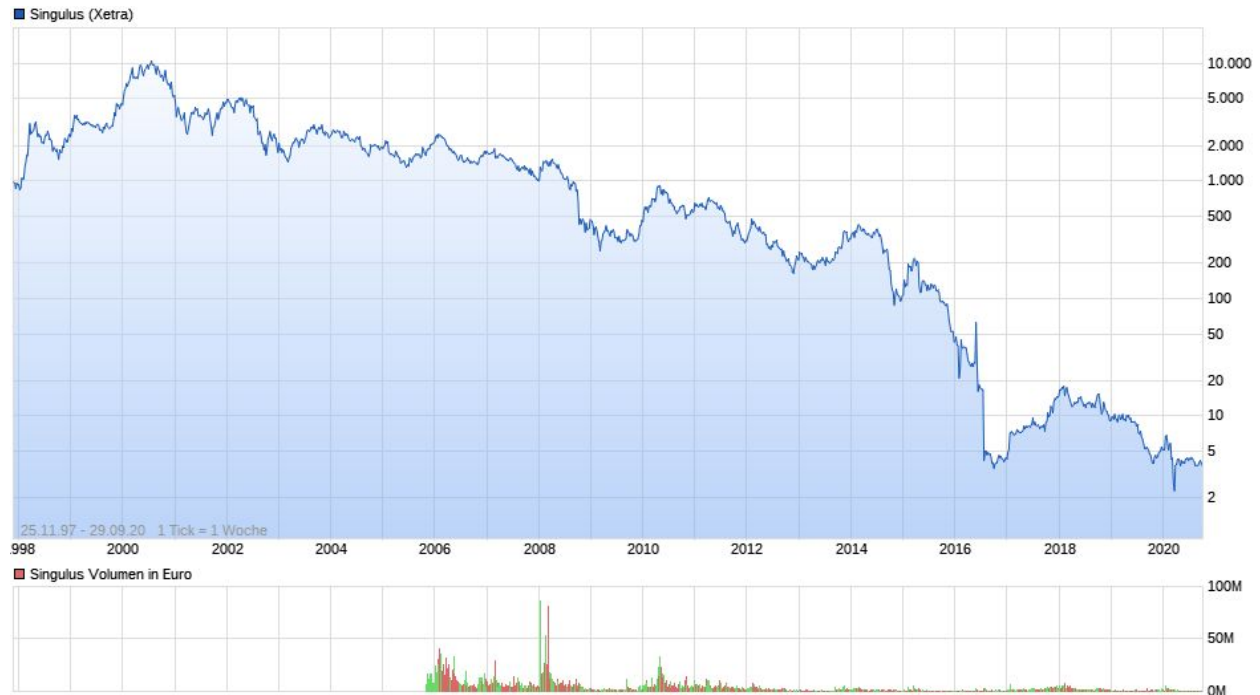
Innotec is an 88 mn EUR market cap supplier to the construction industry. The company had a nice run up, increasing more than 10x from its low in 2009 until early 2017 as we can see in the chart:



Since then, the stock price however went down. Sales are stagnating since 2015 and EBIT has been declining, although the EBIT margin is still double digits. The company has net cash and looks “dirt cheap”, but without growth that might not help much. The first 6M were pretty Ok despite in some of their markets (France, Italy) construction sites were closed. However as a really cheap and solid stock, I’ll put them onto the **“watch”** list.

728. Singulus AG

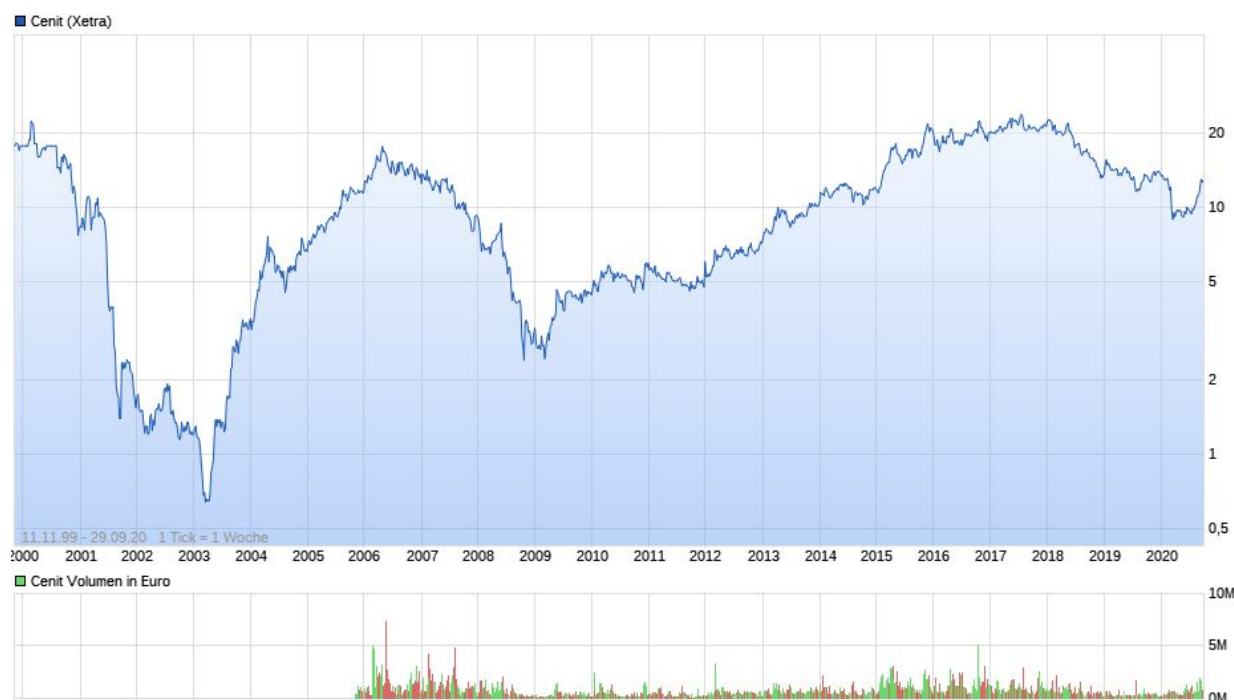
Singulus, a 32 mn EUR market cap company, used to be a “High tech growth star” in the wild “neuer Markt” days, as we can see in the long term stock chart:



Not much is left. The company used to be a world leader in manufacturing machines that could produce CDs and DVDs, which however was a trend that got killed by streaming. They then tried to diversify into Solar which was too late. As already 2019 was a difficult year for them, the company will need to survive 2020. **"pass"**.

729. Cenit AG

Cenit is a 109 mn ER market cap software/ IT consulting company that was IPOed into the dot.com market frenzy in 2000. the stock had its up and downs but never surpassed the initial value much:



Looking at the last annual report, one can see that they managed to increase top line by ~+40% from 2015 to 2019, but earnings per share actually declined slightly.

To my understanding, CENIT mainly is reselling software from French company Dassault systems in the Engineering space. CENIT's first 6 Month do not indicated that they profit directly from Covid-19, so it is interesting to see that the stock recovered most of the drop already. Although the stock doesn't look expensive, for me it is a **"pass"**.

730. United Power Technology AG

0.6 EUR mn market cap German-Chinese "zombie". **"Pass"**.

731. Mühlbauer Holding

Mühlbauer is a 570 mn EUR market cap company with a pretty strange stock chart:

The stock pretty much moved sideways (with some strong ups and downs) since its IPO in 1998. This is surprising as the underlying business (high tech machinery) seems to be quite volatile.

In the last few years, both, the company and the CEO/majority owner have been buying back stock on an ongoing basis. From the initial free float of 20% maybe only half is remaining and I guess it is only a matter of time until they are going to de-list. For me a **"pass"**.

732. A.H.T. Syngas

AHT Syngas is an interesting nano cap company. Domiciled in Germany, the now 3.5 mn EUR market cap company went public in the Netherlands in 2016 at a price of 7 EUR per share. The price of the shares however fell quickly almost to zero when a subsidiary went into insolvency. They only recently recovered to around 1,80 EUR:

The company seems to plan and project installations that produce “synthetic gas” from bio mass. This is a potentially interesting technology with regard to Decarbonization, but the company is still tiny (~1mn in sales), but profitable. On the negative side, the reporting is very slim and the numbers are not really consistent from year to year. Nevertheless, I’ll put them on **“watch”**.

733. SBF AG

SBF AG is an 80 mn ER market cap company that I haven’t heard of before. The stock price has increased 10x in the last 2 years:

The company specializes in interior lighting solutions for trains and other public transport. It looks like that they have executed one of the rare successful turn-arounds, moving from a loss in 2016 to an almost 20% net margin in 2019.

The company has shown resilient 6M 2020 numbers, but is trading at 27x trailing 2019 earnings. Nevertheless a stock to **"watch"**.

734. Lifespot Capital AG

Lifespot seems to be 1 mn EUR market cap "one man show", investing in groundbreaking technology companies. **"pass"**.

735. Independent Capital AG

0.5 mn EUR market cap "investment company" with little reporting. **"Pass"**.

736. Landshuter Privatbrauerei AG

A 16 mn market cap brewery with little or no financial information available. **“Pass”**.

737. init innovation in traffic systems AG

init AG is a 311 mn EUR market cap company that specializes in IT solutions for public transport. The stock was hit hard by Covid, but looking at the chart it looks like that they would actually profit from Covid-19 which is hard to believe when one sees the empty subways:

The 6M numbers were OK, but didn't show any acceleration in growth or profits. With a 30xPE based on 2019 profits, I think the stock is way too expensive, therefore **“pass”**.

738. Intercard AG für Informationssysteme

Intercard is a 6,5 mn EUR market cap company that offers card based access and payments solutions for instance for university canteens or similar uses.

The stock price doesn't really look inspiring:

2019 was one of their better years with some growth, but profitability is weak. Nothing that really interests me, **"Pass"**.

739. J.F. Behrens AG

Behrens is a 3 mn EUR market cap company distributing equipment for fastening to the construction industry. The company was badly managed for some time and is struggling with too much debt. In early September, they announced that they will ask for Government help in order to repay the bond that is due by the end of the year.

In 2020, the company is (again) loss making and it is not that clear if they survive the maturity of the bond. **"pass"**.

740. Intershop Communications AG

Intershop was maybe "THE" star company of the Dot.com/Neue Markt Bubble in the late 90s. Intershop was/is basically Shopify 0.1, a company that promised smaller businesses an easy way into E-Commerce.

Looking at the stock price, very little happened for a long time:

Why they never succeeded is not clear to me. 2018 and 2019, the company showed big losses as they claimed to transform from selling licenses to a "cloud" software model.

And indeed, the 6M 2020 numbers show increasing sales, especially in the cloud area and a small turnaround. However I do not know how sustainable this is. Nevertheless, a stock to **"watch"**.

741. United Internet AG

United Internet is a 6,4 bn EUR ISP and mobile phone reseller. IPOed into the dot.com frenzy, United Internet actually created long term value although they struggled now for the last 2-3 years. Still they outperformed major competitor Dt. Telekom by a wide margin:

United Internet owns a fiber network and runs a lot of successful services like GMX etc, however on the negative side, they are keen to build up an own 5G network which might be the reason for weakness plus problems with cooperation "Partner" O2. United Internet is not easy to understand, but I do think it is worth to **"watch"**.

742. Kuka AG

Kuka, a 1.54 bn EUR market cap company is an interesting but also sad story: The company was once one of the most admired players in the field of robotics. After a bidding war, Chinese investors took over the majority in 2016 which pushed the stock close to 200 EUR in 2017:

In the first 6M 2020, Kuka turned into a loss situation which is clearly also due to the difficult situation in the automobile industry. However, it reinforces my approach to stay away from companies with major Chinese influence, therefore **“pass”**.

743. InTiCa Systems

InTiCa is a 27 mn EUR market cap electronic component manufacturer. The numbers look unimpressive, the company has significant net debt and the stock price has been going nowhere for 15 years. **“Pass”**.

744. Schwälbchen Molkerei AG

Schwälbchen is a 56 mn EUR market cap dairy company, producing mostly yogurt and cheeses. I owned the stock in the past but sold it long time ago and was surprised how well the stock did over the last few years:

Personally I don't fully understand this as already 2019 was difficult and their service business has cratered due to Covid-19. For some reason, the stock is still close to the ATH. **"pass"**.

745. Scherzer & Co AG

Scherzer is a 64 mn ER market cap Holding company that invests primarily in special situations such as squeeze outs. It is always interesting to read their reports to check on new investments, however the long term track record looks only "OK" and the share price is significantly below the 2018 peak:

Overall nothing I am really interested to invest in, therefore **“pass”**.

746. Jungheinrich AG

Jungheinrich is a traditional German manufacturer of forklifts valued at 3.5 bn EUR (including non-listed common shares). The business as such is cyclical which can be seen in the chart:

What I find really interesting is the fact that after Covid-19, the stock not only rebounded but is higher than it was pre-crisis and approaching ATHs. My first thought was: Maybe all the E-Commerce players are ordering forklifts like crazy, but looking at their Half year numbers shows a rather bleak picture. Jungheinrich is currently trading at 20×2019 PE and 2020 earnings are expected to decrease significantly. This is much too rich for conservatively run but cyclical stock, **"pass"**.

747. LEWAG Holding AG

LEWAG is a 60 mn EUR holding company with one big holding, a company called HEGLA that makes equipment around the production and transport of flat glass panels. The company is thinly traded and results are hard to understand. In the 6M 2020, they increased sales by ~+40% but for some reason profit dropped significantly. The company seems to be run by a Father (head of supervisory board) and son (CEO) duo. Free float seems to be super tiny. **"Pass"**.

748. Schloss Wachenheim AG

Wachenheim is a 125 mn EUR market cap company that specializes in sparkling wine. The company is 70% owned by the Reh family. To be honest, I never took the company seriously, I considered it to be a low quality stock, but somehow over the years they managed to do pretty OK:

The company **just issued their annual report** (FY 30.6.) with Ok results. Their “growth engine” is clearly the Polish subsidiary Ambra, which is listed on the Warsaw Exchange and where Wachenheim holds ~60%. The Polish subsidiary is doing really good, which means that the minority share in total profit is significant (5,4 out of 12) and one needs to be cautious with EBITDA multiples. I think if someone is interested in Wachenheim, the subsidiary Ambra is clearly the most attractive part, whereas parts of Wachenheim (France) are really struggling. **“Pass”**.

749. K&S AG

Looking at the 10 year chart of K&S, a 1.4 bn fertilizer company is very depressing:

The stock lost almost -90% from 2011. For long term investors this is especially frustrating as US/Canadian competitor Potash made an offer for 41 EUR per share in 2015. However K&S Management decided that the offer was too low (and that they want to keep their salaries) and since then did everything to sink the company.

Looking at their main numbers one can see that they successfully increased net debt and invested loads of money into a Canadian project. Profit today is at around 60% of 2010/2011 despite billions in investment.

the stock price recently went up a little bit because a sale of the US operation seems more likely. Interestingly, the CEO paid himself a decent 5 mn EUR in 2019. K&S would be a good place for a “Badass activist” but I guess maybe the business as such is not attractive enough. **“Pass”**.

750. Sloman Neptun

Sloman Neptun is a 66 mn EUR market cap shipping company that transports liquefied petroleum gas (LPG) and chemicals. The company is majority owned and reporting is not very transparent. Profits are super volatile and look pretty arbitrary from year to year. I actually owned the stock a long time ago when it was dirt cheap but since 2006 the stock (and the business) is more or less flat. **“pass”**.

ALL GERMAN SHARES PART 34 – NR. 751-775

Posted on [4. November 2020](#) by [memyselfandi007](#) [6 comments](#) [Edit Post](#)

At first some good (or bad) news: By going through the German stock markets once again, I detected that my initial list was already outdated and that I missed quite some new IPOs and listings, so there will be (at least) one more post with German shares after this one before I then can wrap up the series into a condensed watch list.

This time, the 25 (to a certain extent) randomly selected (and US election free) stocks resulted in seven stocks that might be in principal worth watching and/or follow up.

751. L-KONZEPT Holding AG

L-Konzept is a 2.7 mn EUR market cap real estate company that has little business and small but consistent losses. “pass”.

752. Krones AG

Krones, a 1.7 bn market cap company is often considered one of the typical “hidden champions”, being the world leader in manufacturing bottling machinery for the beverage industry. With Covid-19, the whole beverage industry is clearly negatively effected which in turn might make business more difficult for Krones. However if we look at the stock chart, we can see that the stock already peaked in 2018:

2017 was the last year where both, top line and bottom line grew in Tandem by high single digit %. In 2018 already, profitability declined and in 2019 Krones was barely profitable due to significant restructuring charges. 2020 of course was difficult. Top line was down -10% in the first 6 months and order intake almost -30%. Now the big question is: Will Krones become as profitable again as they were in the past and if yes, when ? To my understanding, part of the drop in 2018/2019 was the fact that certain product lines (esp. PET plastic bottling) that was very profitable ran into issues due to environmental considerations. Krones, as a typical family majority owned company runs with little debt. In any case, Krones is clearly a company that merits digging deeper. "Watch".

753. KHD Humboldt Wedag Vermögensverwaltung AG

KHD Vermögensverwaltung is a 3,8 mn EUR market cap company whose sole purpose seems to be to lend money to its "sister" company KHD which in turn is Chinese controlled. "Pass".

754. Compleo Charging Solutions AG

Compleo is a very recent IPO focusing on the very hot sector EV charging stations. The company was IPOed at 49 EUR per share but dropped directly afterwards. The company is (of course) still loss making, for the 169 mn market cap, investors get around 30 mn EUR trailing annual

revenues and 2 mn losses. Although the sector is interesting, the involvement of a certain Mr. Elgeti makes this un-investable for me. "Pass".

755. Senvion SE

Senvion is a 2 mn EUR bankrupt wind energy company. "pass".

756. Knorr Bremse AG

Knorr Bremse is a 16,5 bn EUR market cap company that went public in 2018 and still is majority owned by self-made billionaire Heinz Herrmann Thiele. Thiele is still quite active at 79 years, among others he recently bought >10% of Lufthansa. Despite selling twice significant stakes and firing CEOs quite often, the Knorr Bremse stock has done very well:

The company is a global market leader in braking systems, mostly for trucks and trains. The business is very profitable, however the stock trades close to 30xPE for 2019. I guess it could be interesting at a (much) lower price point. Therefore I'll put them on "Watch".

757. Curevac AG

Curevac is a “super hot” Bio Tech company that **was successfully IPOed at the Nasdaq in August**. From an IPO price of 16 USD/share, the shares went up to around 77 USD before stabilizing at a share price of currently 50 USD, resulting in a market cap of ~7,4 bn EUR. Why is it so hot ? Curevac is developing a vaccine against Covid-19 and seems to be one of the more promising candidates. CureVac is developing the vaccine based on the so called mRNA technology which is different to traditional vaccines. Instead of using somehow defunct viruses, the mRNA technology only requires small RNA samples to be used which in theory should be a lot better especially for older patients. The technology could also be used for other vaccines. The company has some revenues but I guess these are research grants as the most developed projects **according to the IPO prospectus** were in stage 1 clinical trials. For all of us I hope that they are successful with their Covid-19 vaccine, but for me the risk/return profile of such a stock is just too hard to handicap. “Pass”.

758. Schuler AG

Schuler AG is a supplier to the automobile industry with a market cap of 566 mn EUR. Schule is majority owned by Austrian company Andritz which took over the majority already in 2012. This could be something for Squeeze out specialists, however for me this is too difficult. Therefore “pass”.

759. Kur- und Verkehrsbetriebe Aktiengesellschaft Oberstdorf

This 15 mn EUR market cap company runs several ski lifts and recreational facilities around the German mountain town Oberstdorf. The company had a pretty decent stock performance recently, most likely driven to the “vacation in Germany” boom during Covid-19.

The stock however is super illiquid and majority owned by the municipality. Would be a nice "Hobby stock", but for my purpose a "pass".

760. Koenig & Bauer AG

Germany was once the home of the three biggest manufacturers of large scale printing machines and Koenig & Bauer is one of them besides Heidelberg and now bankrupt MAN Roland. Koenig und Bauer, with a 295 mn market cap, did somehow better than the other two, but still was a lousy investment over the past 20 years:

In between there was quite some volatility. The stock increased for instance from +10 EUR per share in 2015 to around 55 EUR in 2019 before dropping back to 20 EUR this year. The company managed to triple profits in 2016 from 2015, then roughly keeping that level in 2017 and 2018 before profits dropped to 35 mn EUR in 2019. The first &M 2020 looked pretty ugly with a significant loss of -44 mn EUR. K&B was always quite conservatively financed which prevents any existential risks but I do not see any reason why the company should be long term attractive. The problems started already in 2019 and Covid-19 just made them worse. "Pass".

761. KSB AG

KSB is a 383 mn EUR market cap company that is majority owned by the founding family and is one of the leading manufacturers of large pumping systems for instance for utilities or the oil and gas industry.

The company profited significantly from the oil and gas and natural resources boom in the mid 2000s as we can see in the long term stock chart:

Since then however, the stock is on a long way down without any clear indicator for a reversal. In the first 6M 2020, sales declined by -8%, profits however declined by -2/3, indicating a large block of fixed costs. The company has a large pension deficit and although it looks cheap on many metrics, I'll "pass".

762. Pacifico Renewables Yield AG

Pacifico Renewables is one of the latest additions to the German stock market. The company **had been listed in November 2019** and buys and operates renewable solar and wind parks in Europe. The company purchases these projects from "Sister" company. Both companies (the listed one by 75%) are owned by "Pelion Green Alpha", a vehicle owned by Alexander Samwer, one of the three brothers who founded Rocket Internet.

So instead of E-Commerce, Alexander now seems to think that renewable energy is the "Hotter" sector. Interesting.

From what I know, Alexander has a better reputation than his brother Oliver, nevertheless the set-up with the non-consolidated feeder vehicle creates significant conflicts of interest. "Pass".

763. KST Beteiligungs AG (ehemals KST Wertpapierhandelsgesellschaft AG)

KST is a 6,75 mn EUR market cap holding company with little activity. "pass".

764. Serviceware AG

Serviceware is a 136 mn ER market cap enterprise software company **that went public in 2018 at a price of 24 EUR per share**. Looking at the chart we can see that anyone who bought at the IPO might not be very happy:

Part of the issue seems to be that the company showed a loss in FY 2018/2019 although growth was pretty OK at ++20% yoy. Growth slowed in the first 9m 2019/2020 but was still +10% yoy, however it is not clear if all of this is organic.

On the plus side, the company seems to be transitioning even faster into a SaaS model from a traditional License/service set up and they are solid from a financial point of view, on the other

hand the show very low margins for a software business and negative cash flow. Nevertheless, in principle this could be worth to “watch”.

765. Kulmbacher Brauerei AG

Kulmbacher is a 207 mn EUR market cap company, that in contrast to many similar stocks is still a very active brewery. The company at first sight is surprisingly profitable.

The stock made a big jump in early 2018 but stagnated since then, although 2019 seems to have been a very good year:

Interestingly, the first 6M 2020 were more or less flat vs. 2019, which is quite a surprise. It looks like that they have little exposure to bars and restaurants. If I would need to invest in a German brewery Kulmbacher would be my first choice, As I don't have to, I'll “pass”.

766. SM Wirtschaftsberatungs Aktiengesellschaft

SM is a 25 mn market cap holding company that mainly invests into real estate. I didn't see anything that is very interesting so "pass".

767. Biontech AG

Biontech went public on the Nasdaq in October 2019 and was struggling in the beginning. The company specializes in antibody treatments initially against cancer. However when Covid-19 hit, the company reacted super fast and is now has one of the most promising vaccines in its pipeline together with US giant Pfizer.

Interestingly, other than German competitor Curevac, BioNtech didn't receive money from the German Government. However the company is backed by the **Billionaire twins Strüngemann**, who made a fortune selling their Pharma company Hexal to Novartis.

I do highly appreciate how BioNtech has moved so fast in developing the vaccine, but for me it is not a company that I understand, therefore "pass".

768. KWS Saat AG

KWS is a 2.1 bn EUR market cap company that is active in agricultural seeds. The company clearly is one of the “hidden Champions” with a long history of growth as we can see in the chart, although there has been some stagnation for the last years:

The business as such has decent margins (13% EBIT margin) and KWS is clearly one of the leading players in their field. In the recent FY 2019/2020, top line growth was good, however EPS shrank due to conservative accounting for an acquisition in vegetable seeds.

The company is majority family owned (~70%). Overall this is clearly a very interesting company and, at the right price a potentially interesting investment. “Watch”.

769. Siemens Energy AG

Siemens Energy is a relatively young addition to the German stock market. The 13.7 bn EUR market cap company was spun off from Siemens in September 2020. The stock traded initially at 22 EUR/share but lost around -15% since then.

The spin-off comprises the traditional gas turbine business but also the stake in the Siemens-Gamesa Wind Turbine JV that is listed separately. This stake is actually worth 11.3 bn ER ($0,67 \times 16,5$). The company also owns other “extra assets” such as a 24% stake in Siemens India worth 1 bn EUR. The company also claims to have 2 bn in cash, so the traditional business is “for free”. On the other hand, according to the most recent reports, this business has been loss making.

Nevertheless, I'll put the stock on “watch” as a potential interesting spin-off situation.

770. Lechwerke AG

Lechwerke is a 3.4 bn ER market cap regional utility, majority owned (90%) by E.ON. Comparing the chart with E.ON shows that regional utilities seem to be good and steady businesses as long as you don't try to do stupid stuff:

The company is relatively conservatively financed and has been able to create reliable earnings over the years, however with little growth. The share price increase in the last few years seems to have been driven mostly by a multiple expansion.

These the company trades at >30x trailing earnings. With a dividend yield of ~3% it could be interesting for some very conservative investors, but for me it is a "pass".

771. 4basebio AG

4basebio is a 91 mn EUR market cap gene therapy / BioTech company. The company does minimal sales (500k in 6M 2020) after selling its main business. The interesting part is however that the company has 85 mn EUR in "hard" cash and another 15 mn in a trust account, so effectively the stock is a cash box.

However this has attracted Dt. Balaton via Sparta, who made a 2 EUR per share offer in September, but only received a few percent so that they currently own ~33%.

On top of this, 4basebio seems to prepare a spin-off of the remaining operating business in December.

Despite the involvement of Dt. Balaton, this might be worth a second look as special situation. "Watch."

772. Akasol AG

Akasol is a 295 mn EUR market cap company that was IPOed in June 2018. The company is active in a super-hot area: battery technology for Trucks, Busses etc.

The company has grown by ~100% in 2019 but was still making loss on an EBITDA basis. However in 6M 2020, growth disappeared and BIT margin was -28,1% of sales.

They claim to have an order book of 2 bn ER, but sales in 6M have been less than 20 mn EUR. The stock however didn't suffer that much:

On the plus side, the separate family business of the CEO still seems to be the dominating shareholder. Nevertheless this doesn't sound like such a great business fundamentally, so I'll "pass".

773. aifinyo AG

aifinyo AG is a 84 mn EUR market cap company that offers financial services to small businesses. They offer all kind of services from factoring, leasing and other financing offerings on a "digital" basis. The company seems to have listed in 2019 (or 2018 ?) but the stock price recently suffered:

I guess investors would have expected sales to go up as small business need financing, but somehow they were very negatively effected by Covid-19.

On the plus side, the founders still own significant stakes in the company, on the minus side, the founder is a former banker and these kind of “start-ups” rarely succeed. For the time being, I’ll “pass”.

773. Aladdin Healthcare Technology

Alladin is a 11 mn EUR market cap AI Healthcare technology company with a lot of professors on its company presentation that seems to be the reincarnation of “Aladdin Blockchain”. The company has no revenues and the “German” MD seems to do this as a side gig from his UK home. “pass”.

774. Beno Holding AG

Beno is a recently listed, 19 mn EUR market cap company that invests in “industrial” real estate. Not my cup of teas, “pass”.

775. Brockhaus Capital Management AG

This is a 309 mn EUR market cap company I had never heard about before. They seem to invest in “Technology companies” . The company IPOed in July 2020 at 32 EUR per share, raising more than 100 mn EUR. For the 309 mn ER, investors get 23 mn 6M sales and around 2 mn EBITDA. I am not sure why exactly this stock is valued as it is, although the stock now trades below the IPO price.

Maybe the management is so excellent, but I will stay away. “pass”.

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Finally !!! This post will cover the remainder of the German stock universe. These remaining “newish” companies only yielded two watch list candidates Overall, I need now to slim down the watch list significantly to maybe 25-30 companies that I want to keep on my radar screen, but that will take some time.

As for the next country series (as time allows): My next target will be **Switzerland**. First, it is a smaller market with only around 240 local stocks according to the SIX, Secondly, I have currently 3 Swiss stocks in my portfolio (Zur Rose, Richemont, Dufry), so I have some hope that there are more interesting stocks on the Swiss market.

So enjoy the last batch of German stocks !!!!

776. Centogene AG

Centogene is a "rare disease" research company that seems to be a mixture of German/Dutch locations. The company went public on the Nasdaq in November 2019 at USD 14/ Share but lost around -30% since then. The market cap seems to be around 250 mn USD. Unfortunately not my area of competence, **"pass"**.

777. Cyan AG

Another company that I have never heard of. Cyan has a market cap 92 mn EUR cap and seems to be a Austrian/German mobile cyber security company. For some reason the long term CEO (since 2011) seems to have resigned by year end. Also Cyan seems to have done business with Wirecard and had to write down a 5 mn receivable.

At a first look, the company looks quite profitable and grows nicely, but a second look shows that operating cash flow is really bad as a lot of work is capitalized. This is really a big red flag and might explain the bad share price development since their listing in 2018.

So nothing to see here, **"pass"**.

778. Homes & Holiday AG

Homes & Holiday has been IPOed in June 2018 and since then the share price only went down and lost more than -80% since IPO. The 4,5 mn EUR market cap company seems to be a broker of holiday homes focused on the Island of Mallorca.

The company seems to have done an emergency capital increase in June and I couldn't locate any reports on their IR page which is a bad sign. **"Pass"**.

779. GORE German Office Real Estate AG

GORE is a real estate company that went public in December 2019 (direct listing, no IPO) and specializes as the name indicates in offices. The company started as a subsidiary of another listed real estate company, Publity AG. The valuation back then at ~90 mn EUR is hard to reconcile with its NAV of 15 mn as per year end 2019.

In June/July, the company bought a real estate portfolio against "in kind" new shares which lead to a nice spike in the share price, before than going back all the way down to the first price when they listed:

The company is now valued at 255 mn EUR, but for me this is clearly one of these very speculative real estate plays where I want to stay away as far as possible. **"Pass"**.

780. FCR Immobilien AG

And yet another newish, 101 mn EUR real estate company that IPOed in 2018. The company trades above NAV and I am not sure if they have any USP. **"Pass"**.

781. fashionette AG

fashionette is a recently IPOed online fashion company that is valued at around 190 mn EUR. According to its website, the company specializes on luxury fashion and had around 70 mn in sales in 2019 and around 7 mn EUR EBITDA.

Sales in the first 6M 2020 increased by ~15%, however profitability didn't scale that much. Not sure why I should pay 20 times EV/EBITDA for them, especially as Amazon tries to break into this market and the majority holder cashed out in the IPO. However a smart move to IPO the company just right now, **"Pass"**

782. Interstahl Holding Handel AG

Bankrupt 0.9 mn EUR market cap company. **"Pass"**.

783. Jumia Tech AG

Jumia is one of the last Rocket Internet incubation stories. The 1.1 bn market cap company is often called the "amazon of Africa". Rocket IPOed Jumia in April 2019 at a stock price of 14,50 USD in the US. From an early high at USD 40/share, the stock dropped to 2 USD in early March, before recovering as potential Covid-19 winner.

Jumia was the target of a short seller attack from Andrew Left who however just recently changed his opinion.

Fundamentally however, the company saw its GMV actually decrease for the first 6M 2020 which doesn't imply such a great recovery. The company barely creates gross profit. So one needs a lot of fantasy to apply a 1.1 bn valuation to them which I am lacking. **"Pass"**.

784. Knaus-Tabbert

Knaus-Tabbert is a leading Caravan manufacturer that has been IPOed in late September in the wake of a Covid-19 driven caravan boom. The stock had been placed at 58 EUR per share at the low end of the communicated range and still trades at that level.

The company has been already public as "TIAG Tabbert" and had been del-listed in 200 and became insolvent in 2008.

The IPO consisted mainly of secondary shares from existing investors. The trailing PE seems to be at a level of 20 and the first 6M 2020 were weaker than the year before. I am not yet sure that this will be a long term growth industry, therefore I'll **"pass"**.

785. PREOS Real Estate AG

PREOS is another Pubility subsidiary with a hefty market cap of 1,62 bn EUR. Again it is not clear to me how this valuation is relating to the reported numbers that showed a NAV of around 300 mn as of year end.

The company has been IPOed in December 2018 and has also executed a few "in kind" capital increases. To me this whole construct looks kind of dodgy. **"Pass"**.

786. Philomaxcap AG

Philomaxcap is a 2,7 mn EUR nano cap that according to its website invests in Fintech, AI, Real Estate and Renewables just to name a few areas. The company is run by 3 Chinese guys and the share price increase by +200% in 2020. Too much for me, **"Pass"**.

787. PharmaSGP AG

This is another 2020 IPO with a market cap of 350 mn EUR. The stock was placed at EUR 31,50 but is now below that level. The company is an OTC pharmaceutical company that offers “chemical free” pills mostly against pain which are distributed exclusively through pharmacies.

The company has annualized revenues of around 65-70mn EUR but is super profitable with EBIT margins >30% with almost no required assets. At first sight, this almost looks too good to be true.

Just out of interest, this might be worth a deeper look. **“Watch”**.

788. Onoff AG

Onoff AG is a 26 mn EUR market cap company that listed in May 2019. The company seems to be active in process automisation in different sectors. The first price back then was 16,50 EUR, a level that they never really managed to surpass before the stock dropped in September to the current level:

This was most likely driven by a not so good 6M 2020 report. The company was still profitable but not much. Overall one of the more interesting IPOs, but nothing that would "Jump at me". **"Pass"**.

789. Northern Data AG

Northern Data is a 507 mn EUR market cap controversial "hot stock" that is active inBitcoin Mining !!! The company has surprisingly little revenues and a hard to understand P&L. The company is loss making and was target of a short attack. The main investor is Christian Angermayer, who among other things invests in Psychadelic mushrooms and of course Space missions.

In between he had time to introduce Wirecard to Softbank which netted him a cool 13 mn EUR from both sides. I agree that I am very jealous here but I'll **"pass"**.

790. Nfon AG

Nfon is a 214 mn EUR market cap company that wen public in 2018 that offers phone services via the cloud for businesses. The company has annualized sales of ~65 mn EUR and could grow ~25% yoy in the first 6M 2020 and replaces fully traditional phone lines.

The company is loss making but has shown at least positive EBITDA in the first 6M 2020. They have quite decent reporting by the way.

Despite some volatility, the stock price is back to the IPO level:

Although I don't fully understand their path to profitability, I think the company is interesting. Therefore **"watch"**.

791. SPVGG Unterhaching AG

Another (for me) surprising addition to the German stock market: SPVGG Unterhaching is a local Munich football club and so the second football stock in Germany. The company IPOed in July 2019 at a price of 8,10 EUR/share. After a brief spike, Covid 19 took its toll and the stock now trades at around 6 EUR, resulting in a market cap of around 24 mn EUR.

The company currently plays in the 3rd division and is rather at the lower end of the league at the moment. Financial reporting is slim to non-existent. Could be a fun hobby stock, but for me it is a **"pass"**.

792. The Grounds Real Estate AG

The Grounds is a 33 mn residential real estate company that went public in 2018 via a reverse IPO. The biggest shareholder being. Dt. Balaton. For some reason, many of the newish real estate companies in Germany now have English names, not sure why. **"Pass"**.

793. Vivoryon Therapeutics AG

Vivoryon is a 89 mn EUR market cap Biotech/gene company that wants to fight Alzheimer's disease. The company has no sales and has been burning ~6 mn in the first 6M 2020. They seem to have around 30 mn of liquidity left, which means their runway is another 2,5 years. I wish them luck but this is not my area of expertise, **"pass"**.

794. Via optronics

Vie Optronics is another 2020 IPO. The German company that produces mobile phone touch screens, **IPOed just a few weeks ago in New York at USD 15 per share**. The company quickly lost ~1/3 of its value, so the IPO was not a big success and the company has a market cap of currently 54 mn EUR. The company announced Q3 number just a few days ago.

Sales increased +40% yoy and they turned in a profit, although margins are super low. I also was not able to locate any "real" financial report. **"Pass"**.

795. Traumhaus AG

Traumhaus AG is a 55 mn ER market cap developer of residential real estate based on standardized designs. More than 87% of the shares seem to be owned by founder/management, free float is very small.

The company is profitable, however not cheap with a trailing 2019 P/E of 18. In general, I think the concept is interesting as the cost of building houses in Germany (apart from buying the ground) is very high.

On the other hand, the business model is capital intensive, the reporting not great (no half year report in the beginning of November, little explanations in the annual report). **"Pass"**.

796. SLEEPZ AG

SLEEPZ is a 1,7 mn EUR market cap stock with frequent name changes. Company seems to have gone "dark" since 2019. **"Pass"**.

797. Tom Tailor AG

Tom Tailor is an insolvent 5,3 mn EUR market cap clothes retailer. **"pass"**.

798. Tuff Group AG

Tuff IPOed in March 2019 and has now a market cap of 7,5 mn EUR. The company is supposed to be domiciled in Frankfurt but is run by some Indian business men from wherever. The company is a offshore service provider to the oil and gas industry which these days is not exactly a high growth business. Reporting is bad, the 6M 2019 report is the most recent report. **"Pass"**.

799. Lehner Investments AG

Lehner Investments is a 65 mn EUR market cap asset manager based in Munich that I have never heard of before. The reporting is almost non-existent. Free float according to their website is only 1,2%. **"Pass"**.

800. Limes Schlossklinik AG

Limes is a 30 mn ER market cap company that listed in 2019 and operates private clinics especially for stress management which seems to be a growth business these days.

The company grew sales by ~+20% in the first 6M 2020, however they had to show a loss as they opened a new clinic. However it is really hard for me to understand how profitable their business could be. My experience so far with clinics is that it is a quite difficult business, therefore I'll **"Pass"**.