

MVV Energie

Utilities

2008-11-07

Applied disclosures can be found in the appendix

Reduce

Fair Value EUR29.00

Price EUR30.89 (Closing price as of 2008-11-06)

KEY DATA			
	2007	2008e	2009e
Sales m	2,405.22	2,594.54	2,778.53
Net Profit m	109.23	112.68	131.66
adj. EPS	1.14	1.75	2.00
PER	23.6	18.0	15.5
EV/EBITDA	9.3	8.3	7.6
EBIT margin %	8.4	9.4	9.6
Yield %	3.0	2.5	3.2
EPS CAGR: 07-2010			21.0

PRELIMINARIES 2007/08

MVV will release preliminaries for FY 2007/08 on November 20, 2008, and host a conference call at 2:00pm CET (+49 6103 485 3001). We continue to expect an over-delivery on management's EBIT target of ">€240m" pre IAS 39 effects, although our estimates might be marginally too high. Reported EPS (+42%e) should substantially benefit from IAS 39. The full set of figures will be released on January 27, 2009. The stock still trades at a small premium on our fair value, so we reaffirm our reduce rating.

€240M EBIT TARGET SHOULD BE SURPASSED

MVV will not publish a divisional breakdown yet. On the group level, our estimate of €255m EBIT pre IAS 39 (+28% e) might be only marginally too high but should surpass MVV's outlook of ">€240m". EBIT pre IAS39. Including IAS 39 (we expect effects of +€95m compared to €188m at June 30), might even rise as much as 63% to €350m. IAS 39 would also have a substantial impact on EPS. We continue to expect €1.75/share pre IAS 39 and even €2.79/share including IAS 39.

NO DIVIDEND GUIDANCE YET – WAITING FOR DR. MÜLLER

The new CEO Dr. Müller will start in January 2009, so we don't expect major strategic comments or dividend proposals at the conference call. The later should be announced after the supervisory board meeting mid of December.

MARKET DATA

Reuters	MVVGn.DE
Bloomberg	MVV GR
Market cap EURm	2,035.9
EV EURm	3,248.4
Free float %	18.7

NEXT EVENTS

Prel. full year results	2008-11-20
Full year results	2009-01-27

(In EUR m)	FY 2006/07	FY 2007/08e	+/- %
Sales	2,259	2,595	15%
EBITDA (incl. IAS 39)	359	498	39%
EBIT (incl. IAS 39)	215	350	63%
EBIT (pre IAS 39)	199	255	28%
Net profit (incl. IAS 39)	109	179	64%
Net profit (pre IAS 39)		113	
EPS (incl. IAS 39)	1.96	2.79	42%
EPS (pre IAS 39)		1.75	

Source: Oppenheim Research

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