

ABO Wind AG

Deutschland / Cleantech
 Börse Hamburg
 Bloomberg: AB9 GR
 ISIN: DE0005760029

H1 figures

RATING
BUY

PRICE TARGET
€ 30.50

Return Potential 30.3%
 Risk Rating High

GROWTH DESPITE PANDEMIC AND RECESSION

ABO Wind has published H1 figures which have exceeded both the previous year's figures and our forecasts. Sales rose by 5% to €59.3m and EBIT increased by 3% to €9.0m. Net profit was even up by 20%. We believe that the numbers are excellent given pandemic-related project delays and the severe global recession. Once again, the broad positioning of the group with a strong home base and sales contributions from seven other European countries is paying off. Management has confirmed 2020 guidance and expects to exceed the previous year's net profit of €11.4m. Following the convincing half-year results, we stick to our forecasts. We confirm our Buy recommendation and slightly bump up our price target to €30.50 (previously: € 30.00)

H1 net profit rises by 20% Thanks to significantly expanded sales from the construction of wind farms and solar systems, ABO Wind achieved a sales increase of 5% y/y. Due to higher inventory (€11.6m versus €2.6m in H1/19) total output rose sharply by almost 20% to €70.9m. The higher inventory could reflect the project postponements and at the same time indicate a sales impulse for H2. The higher share of sales in the comparatively low-margin construction segment explains the relatively lower increase in EBIT by 3% to €9.0m (FBe: €8.4m). ABO Wind was still able to keep the EBIT margin above 15%. The net result went up significantly by 20% y/y to €6.3m (FBe: €5.3m) due to lower taxes. The increase in earnings per share was lower at +10% y/y, as the number of shares rose by ca. 825k since the end of H1/19 to a total of approx. 8,471k at the end of H1/20. This was due to the conversion of the bond last year and the small capital increase in February.

(p.t.o.)

FINANCIAL HISTORY & PROJECTIONS

| | 2017 | 2018 | 2019 | 2020E | 2021E | 2022E |
|--------------------|--------|--------|--------|--------|--------|--------|
| Revenue (€m) | 146.79 | 150.26 | 126.27 | 163.25 | 190.33 | 228.39 |
| Y-o-y growth | 20.0% | 2.4% | -16.0% | 29.3% | 16.6% | 20.0% |
| EBIT (€m) | 24.96 | 22.22 | 19.64 | 21.30 | 26.60 | 30.93 |
| EBIT margin | 17.0% | 14.8% | 15.6% | 13.0% | 14.0% | 13.5% |
| Net income (€m) | 17.01 | 12.74 | 11.40 | 13.17 | 16.48 | 19.42 |
| EPS (diluted) (€) | 2.22 | 1.67 | 1.48 | 1.55 | 1.90 | 2.24 |
| DPS (€) | 0.40 | 0.42 | 0.42 | 0.42 | 0.45 | 0.46 |
| FCF (€m) | 29.98 | -30.29 | -24.42 | 0.95 | 6.77 | 0.34 |
| Net gearing | 7.8% | 48.5% | 63.0% | 47.6% | 43.1% | 43.2% |
| Liquid assets (€m) | 32.34 | 4.52 | 9.65 | 22.81 | 26.50 | 25.11 |

RISKS

Main risks are project development, currency, interest rate, and regulatory risks.

COMPANY PROFILE

ABO Wind is a project developer for renewable energies and has developed green power projects with a total capacity of more than 3,400 MW since its establishment in 1996. The company also offers the management of wind farms, solar and biogas plants. ABO Wind has ca. 640 employees. Its headquarters are in Wiesbaden, Germany.

MARKET DATA

As of 18 Aug 2020

| | |
|-------------------------|-----------------|
| Closing Price | € 23.40 |
| Shares outstanding | 8.67m |
| Market Capitalisation | € 202.90m |
| 52-week Range | € 13.80 / 23.40 |
| Avg. Volume (12 Months) | 2,904 |

| Multiples | 2019 | 2020E | 2021E |
|------------|------|-------|-------|
| P/E | 17.8 | 15.4 | 12.3 |
| EV/Sales | 2.1 | 1.6 | 1.4 |
| EV/EBIT | 13.4 | 12.4 | 9.9 |
| Div. Yield | 1.8% | 1.8% | 1.9% |

STOCK OVERVIEW



COMPANY DATA

As of 30 Jun 2020

| | |
|----------------------|-----------|
| Liquid Assets | € 16.40m |
| Current Assets | € 246.36m |
| Intangible Assets | € 1.18m |
| Total Assets | € 256.43m |
| Current Liabilities | € 65.69m |
| Shareholders' Equity | € 116.62m |

SHAREHOLDERS

| | |
|------------------|-------|
| Familie Ahn | 28.0% |
| Familie Bockholt | 28.0% |
| Mainova | 10.0% |
| Free Float | 34.0% |



Guidance confirmed and specified Management confirmed and specified the guidance published in the spring (net profit of more than €11.4m). ABO Wind expects a net profit of around €12m. We believe that this is a conservative estimate. Given that ABO Wind reached a net profit of €6.3m and thus more than half of the planned net profit for the full year in the usually weaker first half of the year, we still see potential for our net profit estimate of €13.1m to be achieved. However, due to the pandemic and the associated restrictions, visibility is likely to remain low.

Figure 1: Reported figures versus forecasts

| All figures in €m | H1-20A | H1-20E | Delta | H1-19A | Delta |
|-------------------|--------|--------|-------|--------|-------|
| Sales | 59.30 | 58.00 | 2.2% | 56.61 | 4.8% |
| EBIT | 8.98 | 8.38 | 7.1% | 8.71 | 3.1% |
| margin | 15.1% | 14.4% | | 15.4% | |
| Net income | 6.26 | 5.26 | 19.0% | 5.23 | 19.7% |
| margin | 10.6% | 9.1% | | 9.2% | |
| EPS (diluted) | 0.74 | 0.63 | 17.5% | 0.67 | 10.0% |

Source: First Berlin Equity Research, ABO Wind AG

Balance sheet strengthened by capital increase Equity went up by 13% YTD from €104m at the end of 2019 to €117m. In addition to the net profit of €6.3m, this is also mainly due to the small capital increase in January when ABO Wind successfully placed 400.000 shares at €17.10 per share, raising €6.8m. The equity ratio rose from 42.7% to 45.4% and therefore remains at a high level. The financial liabilities (bond and bank liabilities) remained stable in the first half of the year at just under €75m. The company's financial scope is reflected in the amount of unused credit and guaranteed lines of €65m.

The items on the assets side remained mostly stable, only trade receivables climbed significantly from just under €21m to €39m. We assume that this increase is only temporary and will be reduced to the usual level during the remainder of the year. The cash position expanded from just under €10m to €16m. The report does not contain a cash flow statement.

High revenue from construction, low revenue from planning & rights sales The project business is inherently volatile. ABO Wind increased construction sales from a low level by 125% to €30.8m (see figure 2). In the first half of the year, the company billed the construction of four wind farms with a total of 21 MW and five solar projects with a total of 5 MW.

Figure 2: Segment sales development

| Segment sales in €m | H1-20A | H1-19A | Delta |
|--------------------------|--------------|--------------|-------------|
| Construction | 30.77 | 13.69 | 124.8% |
| Planning & Rights' Sales | 23.47 | 38.46 | -39.0% |
| Services | 5.07 | 4.47 | 13.5% |
| Total sales | 59.30 | 56.61 | 4.8% |

Source: First Berlin Equity Research, ABO Wind AG

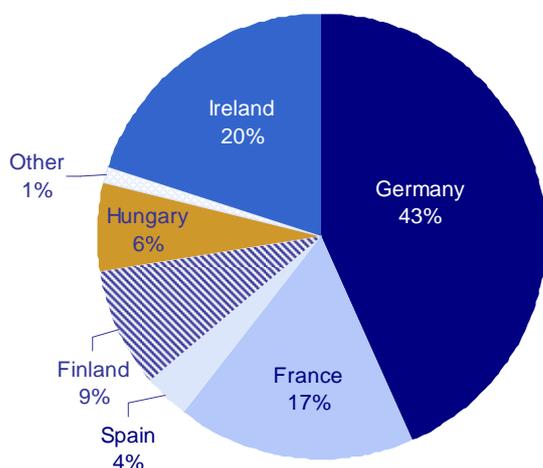
In the planning & rights sales segment, however, sales fell by 39% to €23.5m. In the first half of the year, project development for four wind farm projects with a total capacity of 34 MW was completed and project rights for a Northern Irish wind farm with 22 MW were sold. In the same period of the previous year project rights for 317 MW were sold. Overall, the construction segment could more than compensate for the lower sales in the planning & rights sale segment.

The services segment grew strongly by more than 13% to €5.1m. This turnover was generated almost exclusively with operations management and service contracts (€5.0m),

the remaining €0.1m were generated with the portfolio and project rights management, management activities and other services. In the wind sector, ABO Wind had a total of 1,418 MW in operational management after 1,230 MW in H1/19 (+15% y/y).

Regional sales distribution proves the importance of the broad international positioning ABO Wind develops wind and solar parks in 16 countries on four continents. Eight European markets including Germany contributed to sales in the first half of the year. Sales in the home market grew strongly from €14.3m to €25.7m and more than compensated for the generally weaker international business. Despite the overall lower foreign business, the share of foreign sales was 57%, well above the 50% mark. A significantly weaker French sales contribution compared to the previous year (€10.1m versus €26.0m in H1/19) was largely offset by the Irish contribution (€11.9m). Overall, the country contributions fluctuated very strongly, but the overall result was quite stable sales.

Figure 3: Geographical sales split in % in H1/20



Source: First Berlin Equity Research, ABO Wind AG

Successful tenders in Germany In the first onshore wind tender round of 2020, ABO Wind received awards for wind farms in Einöllen (Rhineland-Palatinate, 15.9 MW) and Spreeau (Brandenburg, 25.2 MW). The average award value of the tender was 6.18 €/cents/kWh. In the June tender, the company was successful with the Gielert (9 MW) and Spreeau (8.4 MW) projects. The average award value of the June tender was 6.14 €/cents/kWh. We assume that ABO Wind has received the contracts at a similarly high remuneration and will therefore sell the projects at very reasonable margins after completion. In total, ABO Wind has received awards for 58.5 MW this year.

Project pipeline at 12 GW As of 30 June 2020, ABO Wind was working on the development of wind power and solar projects with an output of around 12 GW. Of these, there are projects with ca. 1 GW each in Germany and France, with 1.5 GW each in Spain and Argentina and 2 GW each in Finland and South Africa. The company is working on a total of 3 GW in Greece, the Republic of Ireland, the United Kingdom, Hungary, Poland, Canada, Colombia, Tunisia, and Tanzania. ABO Wind thus has a large and internationally very well diversified project pipeline. New business remains dynamic. In the first half of 2020, new projects across the group and across technologies with around 1,300 MW were secured, 830 MW of which in Europe.



Positive newsflow is continuing in H2 The company's latest news show that business continues to develop well nationally and internationally. In July, ABO Wind sold the Wadern-Wenzelstein wind farm (9.9 MW), which is under construction, to the Bavarian Energy Alliance.

The small capital increase in August shows the confidence of institutional investors. ABO Wind placed 200,000 shares at €20.40 per share and thus strengthened equity by €4.1m. The majority of the new shares were subscribed by two equity funds controlled by the Belgian investment manager Capricorn Partners. The number of shares thus rises to 8,670,893. The funds raised will be used to finance international growth.

Most recently, the company secured feed-in tariffs in Ireland and Greece. In Ireland, ABO Wind received long-term feed-in tariffs for two Irish wind farms (16.8 and 10.8 MW) that were ready for construction. Commissioning is planned for the end of 2021 and the year 2023. ABO Wind was also successful at the tariff auction in Greece and secured tariffs for five planned solar parks with a capacity of 10 MW each. Commissioning of the 50 MW is planned for the first half of 2022. ABO Wind received more than a third of the contracts in the Greek tender and thus proves its competitive strength in the Greek market.

Share more attractive through inclusion in trading on the Munich Stock Exchange and XETRA The ABO Wind share has been trading in the m:access segment of the Munich Stock Exchange since 26 March and on XETRA since April. This significantly facilitates the tradability of the share, which has only been listed on the open market of the Hamburg Stock Exchange in recent years. As a result, ABO Wind is now subject to higher transparency requirements such as the ad hoc reporting requirement. The higher transparency increases the attractiveness of the share for institutional investors.

Buy confirmed at higher price target After the good half-year results as well as the confirmation and specification of the guidance, we assume that neither the pandemic nor the recession will affect ABO Wind's good business development in H2. The supply chains are stable and construction is progressing largely according to plan, despite strict distancing and hygiene rules. We continue to see price potential of more than 25% and therefore confirm our Buy recommendation. An updated DCF model results in a new price target of €30.50 (previously: €30.00).



VALUATION MODEL

| DCF valuation model | | | | | | | | |
|------------------------------------|------------|--------------|------------|---------------|---------------|---------------|---------------|---------------|
| All figures in EUR '000 | | | | | | | | |
| | 2020E | 2021E | 2022E | 2023E | 2024E | 2025E | 2026E | 2027E |
| Net sales | 163,252 | 190,325 | 228,390 | 245,519 | 262,706 | 279,781 | 296,568 | 312,880 |
| NOPLAT | 15,655 | 19,538 | 22,604 | 24,759 | 26,371 | 27,953 | 29,613 | 31,253 |
| + depreciation & amortisation | 1,679 | 1,841 | 2,015 | 2,332 | 2,669 | 2,991 | 3,299 | 3,593 |
| Net operating cash flow | 17,334 | 21,379 | 24,619 | 27,090 | 29,041 | 30,944 | 32,912 | 34,846 |
| - total investments (CAPEX and WC) | -16,385 | -14,612 | -24,283 | -9,205 | -13,394 | -13,500 | -13,496 | -13,378 |
| Capital expenditures | -2,775 | -3,140 | -3,426 | -3,683 | -3,917 | -4,146 | -4,368 | -4,579 |
| Working capital | -13,610 | -11,472 | -20,858 | -5,522 | -9,477 | -9,354 | -9,129 | -8,798 |
| Free cash flows (FCF) | 949 | 6,767 | 336 | 17,886 | 15,647 | 17,445 | 19,416 | 21,468 |
| PV of FCF's | 922 | 6,090 | 280 | 13,793 | 11,168 | 11,526 | 11,875 | 12,155 |

| All figures in thousands | |
|---|---------|
| PV of FCFs in explicit period (2020E-2034E) | 148,167 |
| PV of FCFs in terminal period | 170,680 |
| Enterprise value (EV) | 318,847 |
| + Net cash / - net debt (pro forma) | -54,281 |
| + Investments / minority interests | 37 |
| Shareholder value | 264,603 |

Fair value per share in EUR 30.52

| WACC | | Terminal growth rate | | | | | | | |
|------------------------------------|--------------|----------------------|-------|-------|--------|--------|--------|--------|--------|
| | | 0.5% | 1.0% | 1.5% | 2.0% | 2.5% | 3.0% | 3.5% | |
| Cost of equity | 12.2% | 4.0% | 80.00 | 88.51 | 100.38 | 118.12 | 147.49 | 205.50 | 374.03 |
| Pre-tax cost of debt | 5.5% | 5.0% | 57.99 | 62.06 | 67.29 | 74.25 | 83.96 | 98.46 | 122.48 |
| Tax rate | 30.0% | 6.0% | 44.15 | 46.33 | 48.99 | 52.31 | 56.57 | 62.24 | 70.16 |
| After-tax cost of debt | 3.9% | 7.0% | 34.70 | 35.95 | 37.43 | 39.20 | 41.36 | 44.06 | 47.52 |
| Share of equity capital | 50.0% | 8.0% | 27.89 | 28.64 | 29.51 | 30.52 | 31.71 | 33.14 | 34.89 |
| Share of debt capital | 50.0% | 9.0% | 22.76 | 23.23 | 23.76 | 24.37 | 25.06 | 25.88 | 26.84 |
| | | 10.0% | 18.79 | 19.09 | 19.42 | 19.80 | 20.22 | 20.70 | 21.26 |
| | | 11.0% | 15.64 | 15.83 | 16.04 | 16.28 | 16.54 | 16.84 | 17.17 |
| Fair value per share in EUR | 30.50 | | | | | | | | |

* for layout purposes the model shows numbers only to 2027, but runs until 2034



INCOME STATEMENT

| All figures in EUR '000 | 2017A | 2018A | 2019A | 2020E | 2021E | 2022E |
|----------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Revenues | 146,786 | 150,264 | 126,273 | 163,252 | 190,325 | 228,390 |
| Changes in inventory | 29,468 | -619 | 22,752 | 28,569 | 32,926 | 39,511 |
| Own work | 0 | 256 | 233 | 0 | 0 | 0 |
| Total output | 176,254 | 149,901 | 149,258 | 191,821 | 223,251 | 267,901 |
| Cost of goods sold | 99,298 | 70,684 | 66,582 | 102,849 | 125,615 | 159,873 |
| Gross profit | 47,488 | 79,580 | 59,691 | 60,403 | 64,711 | 68,517 |
| Personnel costs | 32,039 | 36,305 | 41,361 | 43,400 | 45,310 | 48,045 |
| Other operating income | 3,750 | 2,973 | 3,451 | 2,775 | 3,045 | 3,654 |
| Other operating expenses | 10,926 | 13,465 | 17,143 | 17,000 | 18,144 | 21,469 |
| EBITDA | 37,741 | 32,420 | 27,623 | 31,348 | 37,228 | 42,169 |
| Depreciation and amortisation | 1,449 | 1,438 | 1,542 | 1,679 | 1,841 | 2,015 |
| Depreciation of current assets | 11,328 | 8,766 | 6,437 | 8,368 | 8,787 | 9,226 |
| Operating income (EBIT) | 24,964 | 22,216 | 19,644 | 21,301 | 26,601 | 30,928 |
| Net financial result | -1,489 | -918 | -1,570 | -2,481 | -3,060 | -3,181 |
| Pre-tax income (EBT) | 23,475 | 21,298 | 18,074 | 18,820 | 23,540 | 27,747 |
| Income taxes | 6,455 | 8,537 | 6,668 | 5,646 | 7,062 | 8,324 |
| Minority interests | -9 | -17 | -4 | 0 | 0 | 0 |
| Net income / loss | 17,011 | 12,745 | 11,402 | 13,174 | 16,478 | 19,423 |
| Diluted EPS (in €) | 2.22 | 1.67 | 1.48 | 1.55 | 1.90 | 2.24 |
| Ratios | | | | | | |
| Gross margin on total output | 26.9% | 53.1% | 40.0% | 31.5% | 29.0% | 25.6% |
| Gross margin on revenues | 32.4% | 53.0% | 47.3% | 37.0% | 34.0% | 30.0% |
| EBITDA margin on revenues | 25.7% | 21.6% | 21.9% | 19.2% | 19.6% | 18.5% |
| EBIT margin on revenues | 17.0% | 14.8% | 15.6% | 13.0% | 14.0% | 13.5% |
| EBT margin on revenues | 16.0% | 14.2% | 14.3% | 11.5% | 12.4% | 12.1% |
| Net margin on revenues | 11.6% | 8.5% | 9.0% | 8.1% | 8.7% | 8.5% |
| Tax rate | 27.5% | 40.1% | 36.9% | 30.0% | 30.0% | 30.0% |
| Expenses as % of revenues | | | | | | |
| Personnel costs | 21.8% | 24.2% | 32.8% | 26.6% | 23.8% | 21.0% |
| Depreciation and amortisation | 1.0% | 1.0% | 1.2% | 1.0% | 1.0% | 0.9% |
| Depreciation of current assets | 7.7% | 5.8% | 5.1% | 5.1% | 4.6% | 4.0% |
| Other operating expenses | 7.4% | 9.0% | 13.6% | 10.4% | 9.5% | 9.4% |
| Y-Y Growth | | | | | | |
| Revenues | 20.0% | 2.4% | -16.0% | 29.3% | 16.6% | 20.0% |
| Operating income | 4.5% | -11.0% | -11.6% | 8.4% | 24.9% | 16.3% |
| Net income/ loss | 3.0% | -25.1% | -10.5% | 15.5% | 25.1% | 17.9% |



BALANCE SHEET

| All figures in EUR '000 | 2017A | 2018A | 2019A | 2020E | 2021E | 2022E |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| Assets | | | | | | |
| Current assets, total | 163,462 | 184,057 | 232,427 | 260,090 | 277,745 | 300,973 |
| Cash and cash equivalents | 32,335 | 4,517 | 9,648 | 22,810 | 26,499 | 25,115 |
| Short-term investments | 12,500 | 18,747 | 17,665 | 17,665 | 17,665 | 17,665 |
| Receivables | 24,387 | 20,231 | 20,678 | 22,363 | 26,072 | 31,286 |
| Inventories | 48,822 | 71,451 | 80,171 | 92,987 | 103,245 | 122,642 |
| Other current assets | 43,700 | 67,694 | 102,749 | 102,749 | 102,749 | 102,749 |
| Non-current assets, total | 10,487 | 9,985 | 10,132 | 11,229 | 12,528 | 13,939 |
| Property, plant & equipment | 4,627 | 4,553 | 5,208 | 5,976 | 7,016 | 8,213 |
| Goodwill & other intangibles | 293 | 894 | 1,298 | 1,627 | 1,886 | 2,100 |
| Financial assets | 5,567 | 4,538 | 3,626 | 3,626 | 3,626 | 3,626 |
| Other assets | 0 | 33 | 0 | 0 | 0 | 0 |
| Total assets | 173,949 | 194,042 | 242,559 | 271,319 | 290,274 | 314,912 |
| Shareholders' equity & debt | | | | | | |
| Current liabilities, total | 42,615 | 43,848 | 69,146 | 62,453 | 72,467 | 82,589 |
| Short-term debt | 1,125 | 844 | 19,362 | 11,447 | 18,636 | 24,917 |
| Accounts payable | 9,914 | 10,983 | 10,380 | 11,271 | 13,766 | 17,520 |
| Current provisions | 23,881 | 21,014 | 24,572 | 24,572 | 24,572 | 24,572 |
| Other current liabilities | 7,695 | 11,007 | 14,832 | 15,163 | 15,493 | 15,580 |
| Long-term liabilities, total | 51,780 | 61,219 | 69,837 | 84,768 | 81,132 | 80,215 |
| Long-term debt | 37,410 | 46,837 | 55,487 | 70,418 | 66,782 | 65,865 |
| Deferred revenue | 0 | 0 | 0 | 0 | 0 | 0 |
| Other liabilities | 14,370 | 14,382 | 14,350 | 14,350 | 14,350 | 14,350 |
| Minority interests | 42 | 39 | 37 | 37 | 37 | 37 |
| Shareholders' equity | 79,512 | 88,937 | 103,539 | 124,061 | 136,637 | 152,071 |
| Share capital | 7,646 | 7,646 | 8,071 | 8,671 | 8,671 | 8,671 |
| Capital reserve | 13,542 | 13,542 | 19,495 | 29,815 | 29,815 | 29,815 |
| Other reserves | 0 | 0 | 0 | 0 | 0 | 0 |
| Loss carryforward / retained earnings | 58,553 | 68,016 | 76,213 | 85,815 | 98,392 | 113,826 |
| Total consolidated equity and debt | 173,949 | 194,042 | 242,559 | 271,319 | 290,274 | 314,912 |
| Ratios | | | | | | |
| Current ratio (x) | 3.84 | 4.20 | 3.36 | 4.16 | 3.83 | 3.64 |
| Quick ratio (x) | 2.69 | 2.57 | 2.20 | 2.68 | 2.41 | 2.16 |
| Net debt | 6,200 | 43,164 | 65,201 | 59,055 | 58,920 | 65,667 |
| Net gearing | 7.8% | 48.5% | 63.0% | 47.6% | 43.1% | 43.2% |
| Book value per share (in €) | 10.40 | 11.63 | 13.42 | 14.59 | 15.76 | 17.54 |
| Return on equity (ROE) | 21.4% | 14.3% | 11.0% | 10.6% | 12.1% | 12.8% |
| Return on Assets (ROA) | 10.8% | 7.5% | 5.5% | 5.9% | 6.8% | 7.3% |
| Return on Investment (ROI) | 9.8% | 6.6% | 4.7% | 4.9% | 5.7% | 6.2% |
| Return on average capital employed (ROCE) | 26.1% | 20.6% | 13.4% | 12.3% | 14.3% | 15.2% |
| Days of sales outstanding (DSO) | 60.6 | 49.1 | 59.8 | 50.0 | 50.0 | 50.0 |
| Days inventory outstanding | 179.5 | 369.0 | 439.5 | 330.0 | 300.0 | 280.0 |
| Days in payables (DIP) | 36.4 | 56.7 | 56.9 | 40.0 | 40.0 | 40.0 |



CASH FLOW STATEMENT

| All figures in EUR '000 | 2017A | 2018A | 2019A | 2020E | 2021E | 2022E |
|-------------------------------|---------------|----------------|----------------|---------------|---------------|---------------|
| EBIT | 24,964 | 22,216 | 19,644 | 21,301 | 26,601 | 30,928 |
| Depreciation and amortisation | 1,449 | 1,438 | 1,542 | 1,679 | 1,841 | 2,015 |
| EBITDA | 26,413 | 23,654 | 21,186 | 22,980 | 28,441 | 32,943 |
| Changes in working capital | 2,817 | -39,067 | -37,895 | -13,610 | -11,472 | -20,858 |
| Other adjustments | 2,216 | -12,697 | -5,086 | -5,646 | -7,062 | -8,324 |
| Operating cash flow | 31,446 | -28,110 | -21,795 | 3,724 | 9,907 | 3,762 |
| Investments in PP&E | -1,257 | -1,393 | -1,965 | -2,122 | -2,474 | -2,741 |
| Investments in intangibles | -213 | -782 | -661 | -653 | -666 | -685 |
| Free cash flow | 29,976 | -30,285 | -24,421 | 949 | 6,767 | 336 |
| Acquisitions & disposals, net | 169 | 179 | 91 | 0 | 0 | 0 |
| Other investments | 4 | -1,246 | 282 | 0 | 0 | 0 |
| Investment cash flow | -1,297 | -3,242 | -2,253 | -2,775 | -3,140 | -3,426 |
| Debt financing, net | 4,130 | 9,120 | 34,323 | 7,016 | 3,553 | 5,364 |
| Equity financing, net | 0 | 0 | 0 | 10,920 | 0 | 0 |
| Dividends paid | -3,823 | -3,058 | -3,211 | -3,241 | -3,572 | -3,902 |
| Other financing | -1,816 | -2,389 | -1,948 | -2,481 | -3,060 | -3,181 |
| Financing cash flow | -1,508 | 3,672 | 29,164 | 12,214 | -3,079 | -1,720 |
| FOREX & other effects | -103 | -138 | 15 | 0 | 0 | 0 |
| Net cash flows | 28,538 | -27,818 | 5,131 | 13,162 | 3,688 | -1,384 |
| Cash, start of the year | 3,797 | 32,335 | 4,517 | 9,648 | 22,810 | 26,499 |
| Cash, end of the year | 32,335 | 4,517 | 9,648 | 22,810 | 26,499 | 25,115 |
| EBITDA/share (in €) | 4.94 | 4.24 | 3.58 | 3.69 | 4.29 | 4.86 |

Y-Y Growth

| | | | | | | |
|---------------------|------|--------|--------|--------|--------|--------|
| Operating cash flow | n.m. | n.m. | n.m. | n.m. | 166.0% | -62.0% |
| Free cash flow | n.m. | n.m. | n.m. | n.m. | 613.4% | -95.0% |
| Financial Cashflow | n.m. | n.m. | 694.2% | -58.1% | n.m. | n.m. |
| EBITDA/share | 9.6% | -14.1% | -15.6% | 3.0% | 16.5% | 13.3% |

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ASSET RECOMMENDATION

The recommendations determined in accordance with the share price trend anticipated by First Berlin in the respectively indicated investment period are as follows:

| Category | | 1 | 2 |
|--------------------------------------|--|---------------|-------------|
| Current market capitalisation (in €) | | 0 - 2 billion | > 2 billion |
| Strong Buy ¹ | An expected favourable price trend of: | > 50% | > 30% |
| Buy | An expected favourable price trend of: | > 25% | > 15% |
| Add | An expected favourable price trend of: | 0% to 25% | 0% to 15% |
| Reduce | An expected negative price trend of: | 0% to -15% | 0% to -10% |
| Sell | An expected negative price trend of: | < -15% | < -10% |

¹ The expected price trend is in combination with sizable confidence in the quality and forecast security of management.

Our recommendation system places each company into one of two market capitalisation categories. Category 1 companies have a market capitalisation of €0 – €2 billion, and Category 2 companies have a market capitalisation of > €2 billion. The expected return thresholds underlying our recommendation system are lower for Category 2 companies than for Category 1 companies. This reflects the generally lower level of risk associated with higher market capitalisation companies.

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The First Berlin categories for risk assessment are low, average, high and speculative. They are determined by ten factors: Corporate governance, quality of earnings, management strength, balance sheet and financial risk, competitive position, standard of financial disclosure, regulatory and political uncertainty, strength of brandname, market capitalisation and free float. These risk factors are incorporated into the First Berlin valuation models and are thus included in the target prices. First Berlin customers may request the models.

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| Report No.: | Date of publication | Previous day closing price | Recommendation | Price target |
|----------------|---------------------|----------------------------|----------------|--------------|
| Initial Report | 12 April 2017 | €7.80 | BUY | €14.00 |
| 2...12 | ↓ | ↓ | ↓ | ↓ |
| 13 | 13 June 2019 | €14.10 | BUY | €22.00 |
| 14 | 5 August 2019 | €14.40 | BUY | €22.00 |
| 15 | 9 October 2019 | €15.30 | BUY | €22.50 |
| 16 | 3 February 2020 | €18.20 | BUY | €27.00 |
| 17 | 27 April 2020 | €17.40 | BUY | €27.00 |
| 18 | 22 June 2020 | €20.80 | BUY | €30.00 |
| 19 | Today | €23.40 | BUY | €30.50 |

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- key sources of information in the preparation of this research report
- valuation methods and principles
- sensitivity of valuation parameters

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