

# ad pepper media International N.V.

The Netherlands / Internet Services

Frankfurt

Bloomberg: APM GR

ISIN: NL0000238145

Final Q2 figures

**RATING****PRICE TARGET**

Return Potential

Risk Rating

**BUY****€ 3.30**

26.9%

High

## Q2 EBIT TRIPLED Y/Y – UPGRADE TO BUY

ad pepper media International reported final Q2 figures which matched preliminaries. The high operating leverage of the business model transformed strong revenue growth (+17%) into very strong earnings growth (EBIT: +205%). The company posted a net result of €314k, which corresponds to a net margin of 5.5%. ad pepper reiterated 2019 EBITDA guidance of €2.5m, which it had increased from €2.0m on publication of the preliminary figures. Given that H1 EBITDA amounted to €1.6m and H2 is usually the stronger half due to the Christmas business, we view the increased guidance as conservative and expect EBITDA of €2.8m. Our updated DCF model still yields a €3.30 price target. Following the recent share price decline we upgrade the stock from Add to Buy (upside >25%).

**Very strong Q2 figures** Q2 gross sales increased 8% y/y to €20.1m. Revenue was up 17% at €5.7m. All segments contributed to the revenue growth, especially the ad pepper media segment (+30% y/y). EBITDA more than tripled from €290k to €883k (see figure 1 overleaf). All segments delivered positive EBITDA contributions. The strongest EBITDA contribution came from the ad pepper media segment (€859k). Higher holding costs resulted in lower Admin EBITDA (€-522k versus €352k in Q2/18). The strong increase in group EBITDA shows the strong operating leverage of the business model. Group EBIT tripled from €208k to €635k resulting in an EBIT margin increase from 4.2% to 11.1%. EBT increased from €81k to €598k, driven by a much improved financial result (€-37k versus €-128k). The net income amounted to €14k (Q2/18: €-45k). The KPIs were also very convincing on a half-year basis. In H1, revenue grew almost 11% y/y to €10.8m, and EBITDA was up 165% at €1.6m. The H1 EBITDA margin increased from 6.2% to 14.8%. EPS rose from €0.01 to €0.03. ad pepper continues to benefit from the strong growth of the digital advertising market.

**Balance sheet remains strong** Liquid funds, including securities, remained stable at €20.4m versus €20.5m at the end of 2018. ad pepper does not have any liabilities to banks and thus maintains its high net cash position. (p.t.o.)

### FINANCIAL HISTORY & PROJECTIONS

	2016	2017	2018	2019E	2020E	2021E
Revenue (€m)	61.16	18.72	20.27	21.80	23.73	26.10
Y-o-y growth	9.2%	-69.4%	8.3%	7.5%	8.9%	10.0%
EBIT (€m)	1.61	1.82	1.03	2.23	2.85	3.26
EBIT margin	2.6%	9.7%	5.1%	10.3%	12.0%	12.5%
Net income (€m)	0.63	0.58	0.25	0.76	1.21	1.50
EPS (diluted) (€)	0.03	0.03	0.01	0.04	0.06	0.07
DPS (€)	0.00	0.00	0.00	0.00	0.00	0.00
FCF (€m)	-0.54	2.67	-1.62	1.60	4.55	2.75
Net gearing	-126.0%	-128.1%	-116.8%	-121.1%	-138.6%	-142.1%
Liquid assets (€m)	17.86	20.13	18.23	19.83	24.39	27.14

### RISKS

The main risks are regulatory changes, technological innovations, dependence on key customers, and intense competition.

### COMPANY PROFILE

ad pepper media International N.V. is an international digital performance marketing company, which acts as a holding for its three operating units ad pepper media (lead generation & audience targeting), Webgains (affiliate network), and ad agents (full service agency). The company is headquartered in Nuremberg, Germany.

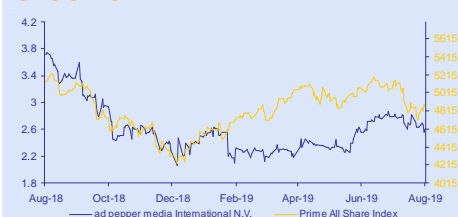
### MARKET DATA

As of 22 Aug 2019

Closing Price	€ 2.60
Shares outstanding	21.00m
Market Capitalisation	€ 54.60m
52-week Range	€ 2.06 / 3.74
Avg. Volume (12 Months)	6,998

Multiples	2018	2019E	2020E
P/E	221.1	71.7	45.1
EV/Sales	1.8	1.7	1.5
EV/EBIT	35.4	16.3	12.8
Div. Yield	0.0%	0.0%	0.0%

### STOCK OVERVIEW



### COMPANY DATA

As of 30 Jun 2019

Liquid Assets	€ 19.66m
Current Assets	€ 34.56m
Intangible Assets	€ 0.22m
Total Assets	€ 38.41m
Current Liabilities	€ 18.75m
Shareholders' Equity	€ 17.13m

### SHAREHOLDERS

EMA B.V.	44.1%
Axxion S.A.	5.4%
Dieter Koppitz	3.8%
Treasury shares	2.3%
Free Float	44.3%



Total equity edged higher from €16.5m at the end of 2018 to €17.1m. The equity ratio climbed from 41.7% to 44.6%. Working capital remained negative as trade payables (€14.9m) were again higher than trade receivables (€14.3m). If working capital remains negative, growth will not result in higher working capital requirements and will drive free cash flow generation.

**Figure 1: Reported figures**

All figures in €m	Q2-19A	Q2-18A	Delta	H1-19A	H1-18A	Delta
Gross sales	20.17	18.72	7.8%	40.82	37.72	8.2%
Revenue	5.74	4.90	17.1%	10.79	9.77	10.5%
EBITDA	0.88	0.29	204.5%	1.59	0.60	164.5%
<i>margin on revenues</i>	15.4%	5.9%		14.8%	6.2%	
EBIT	0.64	0.21	205.3%	1.11	0.44	152.4%
<i>margin</i>	11.1%	4.2%		10.3%	4.5%	
EBT	0.60	0.08	638.3%	0.93	0.45	105.3%
<i>margin</i>	10.4%	1.7%		8.6%	4.6%	
Net income	0.31	-0.05	-	0.60	0.16	269.8%
<i>margin</i>	5.5%	-0.9%		5.6%	1.7%	
EPS (diluted)	0.01	0.00	-	0.03	0.01	200.0%

Source: First Berlin Equity Research, ad pepper media International N.V.

**Positive free cash flow** Operating cash flow amounted to €763k. Free cash flow was €626k due to CAPEX of €137k. Proceeds from the sale/maturity of securities to the amount of €1.4m resulted in cash flow from investment of €1.3m. Financing cash outflow was €652k due to the payment of lease liabilities (€366k) and dividends to non-controlling interests (€268k). Net cash flow amounted to €1.4m.

**Another outstanding quarter from ad pepper media segment** The subsidiary increased Q2 revenue by 30% y/y to €1.8m. Segment gross profit climbed from €1.2 to €1.6m (+36% y/y). Segment EBITDA was up 63% y/y at €859k. Advisory-related projects drove revenue and EBITDA to a new high (see figure 2 overleaf). The segment EBITDA margin climbed from 38% to 47%. ad pepper media's lead generation and audience targeting products remain in high demand. The subsidiary continues to exploit its unique and proprietary platform iLead. This helps to generate customised campaigns which are rapidly adapted to customers' markets. Based on iLead, ad pepper media has successfully launched and managed more than 30,000 campaigns worldwide and generated millions of qualified leads.

**Webgains shows strong operating leverage** Segment revenue and gross profit grew 11% y/y to €2.5m and €2.4m respectively. The gross margin of more than 97% means that revenue basically matches gross profit. EBITDA more than tripled to €388k (see figure 2 overleaf). The jump in EBITDA demonstrates the enormous operating leverage of the affiliate marketing business model. Webgains is one of the leading affiliate marketing networks with more than 250,000 publishers and has more than 1,750 customers in 14 countries.

Brexit may burden Webgains in the second-half of the year. The next possible Brexit date is 31 October. Boris Johnson, the U.K.'s new prime minister, does explicitly not rule out a disorderly Brexit. This may have a negative effect on the UK economy resulting in lower advertising budgets. In H1/19, Webgains' UK revenue share was 61%.

**ad agents' turnaround successful** The subsidiary ad agents increased Q2 revenue by 13% y/y to €1.4m. Segment gross profit was up 11% at €1.3m. Segment EBITDA was back in positive territory at €158k versus €-3k in Q2/18 (see figure 2 overleaf). On a q/q basis, segment EBITDA doubled (Q1/19: 74k). The subsidiary has digested the loss of three important clients last year and is back on a profitable growth path. ad agents is a full-service



performance marketing agency with thorough knowledge of the entire digital advertising market. It offers a comprehensive service portfolio and has positioned itself as an early mover in the segment for Amazon SEO and SEA (search engine optimisation and search engine advertising) services.

**Higher holding costs** Increased holding costs, which we partly attribute to a higher headcount (+2 employees), led to a lower segment EBITDA (€-522k versus €-353k in Q2/18).

**Figure 2: Reported segment figures**

All figures in €m	Q2-19A	Q2-18A	Delta	H1-19A	H1-18A	Delta
<b>ad pepper media</b>						
Revenue	1.83	1.40	30.1%	3.00	2.55	17.6%
EBITDA	0.86	0.53	62.7%	1.39	1.01	37.5%
margin	47.1%	37.6%	-	46.3%	39.5%	-
<b>Webgains</b>						
Revenue	2.49	2.24	11.2%	5.09	4.57	11.3%
EBITDA	0.39	0.12	231.6%	0.81	0.17	376.3%
margin	15.6%	5.2%	-	15.8%	3.7%	-
<b>ad agents</b>						
Revenue	1.43	1.26	13.3%	2.70	2.64	2.1%
EBITDA	0.16	0.00	-	0.23	0.16	49.7%
margin	11.1%	-0.2%	-	8.6%	5.9%	-
<b>Admin</b>						
Revenue	0.00	0.00	-	0.00	0.00	-
EBITDA	-0.52	-0.35	-	-0.83	-0.73	-
<b>Intersegment elimination</b>						
Revenue	0.00	0.00	-	0.00	0.00	-
EBITDA	0.00	0.00	-	-0.01	0.00	-
<b>Group</b>						
Revenue	5.74	4.90	17.1%	10.79	9.77	10.5%
EBITDA	0.88	0.29	204.8%	1.59	0.60	164.9%
margin	15.4%	5.9%	-	14.7%	6.1%	-

Source: First Berlin Equity Research, ad pepper media International N.V.

**Forecasts unchanged** We leave our forecasts for 2019E unchanged. Figure 3 overleaf gives a detailed picture of our revenue and EBITDA estimates both for the group and segments. The H1/H2E split shows that our H2 EBITDA forecast for the group amounts to just €1.2m and thus remains below the H1 figure (€1.6m), although H2 is usually stronger than H1 due to the Christmas business. Despite this rather cautious assumption, we arrive at a 2019E EBITDA of €2.8m, which is €0.3m above guidance.

**Figure 3: H1 figures, H2 and 2019E forecasts**

All figures in €m	H1-19A	H2-19E	2019E
<b>ad pepper media</b>			
Revenue	3.01	2.66	5.67
EBITDA	1.39	0.62	2.01
<i>margin</i>	46.3%	23.4%	35.5%
<b>Webgains</b>			
Revenue	5.09	5.72	10.81
EBITDA	0.81	0.80	1.60
<i>margin</i>	15.8%	13.9%	14.8%
<b>ad agents</b>			
Revenue	2.70	2.61	5.31
EBITDA	0.23	0.33	0.56
<i>margin</i>	8.6%	12.6%	10.6%
<b>Admin &amp; Consolidation</b>			
Revenue	0.00	0.00	0.00
EBITDA	-0.84	-0.56	-1.40
<b>Group</b>			
Revenue	10.80	11.00	21.80
EBITDA	1.59	1.19	2.77
<i>margin</i>	14.7%	10.8%	12.7%

\* We note that the ad pepper media segment usually posts a lower H2 EBITDA due to licence payments to the Admin segment in Q4.

Source: First Berlin Equity Research, ad pepper media International N.V.

**Upgrade to Buy at unchanged price target** An updated DCF model still yields a €3.30 price target. Following the share price decline in recent weeks, we upgrade the stock from Add to Buy, as the upside potential to our price target is now >25%.



## VALUATION MODEL

DCF valuation model								
All figures in EUR '000	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E
Net revenue	21,795	23,729	26,102	28,973	32,159	35,687	39,570	43,801
<b>NOPLAT</b>	<b>1,578</b>	<b>1,984</b>	<b>2,276</b>	<b>2,547</b>	<b>2,837</b>	<b>3,160</b>	<b>3,516</b>	<b>3,906</b>
+ depreciation & amortisation	540	115	171	207	237	263	289	315
Net operating cash flow	2,119	2,099	2,447	2,753	3,074	3,423	3,805	4,221
- total investments (CAPEX and WC)	-400	2,428	280	211	280	321	363	403
Capital expenditures	-196	-214	-235	-261	-284	-308	-335	-362
Working capital	-203	2,641	515	472	564	629	697	766
Free cash flows (FCF)	1,719	4,527	2,727	2,965	3,354	3,743	4,167	4,624
<b>PV of FCF's</b>	<b>1,656</b>	<b>3,928</b>	<b>2,131</b>	<b>2,088</b>	<b>2,128</b>	<b>2,139</b>	<b>2,145</b>	<b>2,144</b>

All figures in thousands	
PV of FCFs in explicit period (2019E-2033E)	31,714
PV of FCFs in terminal period	17,239
Enterprise value (EV)	48,953
+ Net cash / - net debt	19,663
+ Investments / minority interests	1,529
Shareholder value	70,145
Number of shares (diluted)	21,555
<b>Fair value per share in EUR</b>	<b>3.25</b>

WACC		Terminal growth rate						
		0.5%	1.0%	1.5%	2.0%	2.5%	3.0%	3.5%
7.0%	Cost of equity	4.68	4.86	5.08	5.34	5.65	6.05	6.56
8.0%	Pre-tax cost of debt	4.12	4.24	4.38	4.55	4.74	4.98	5.26
9.0%	Tax rate	3.70	3.78	3.88	3.99	4.12	4.26	4.44
10.0%	After-tax cost of debt	3.37	3.43	3.50	3.57	3.66	3.76	3.87
11.0%	Share of equity capital	3.11	3.15	3.20	3.25	3.32	3.38	3.46
12.0%	Share of debt capital	2.89	2.92	2.96	3.00	3.04	3.09	3.15
13.0%		2.71	2.74	2.77	2.80	2.83	2.86	2.90
14.0%		2.56	2.58	2.60	2.63	2.65	2.68	2.71

\* for layout purposes the model shows numbers only to 2026, but runs until 2033



## INCOME STATEMENT

All figures in EUR '000	2015A	2016A	2017A	2018A	2019E	2020E	2021E
<b>Gross sales</b>	<b>56,009</b>	<b>61,164</b>	<b>75,563</b>	<b>82,653</b>	<b>88,607</b>	<b>96,470</b>	<b>106,117</b>
Media costs	n.a.	n.a.	56,839	62,381	66,812	72,741	80,015
<b>Revenues</b>	<b>n.a.</b>	<b>n.a.</b>	<b>18,724</b>	<b>20,272</b>	<b>21,795</b>	<b>23,729</b>	<b>26,102</b>
Cost of sales	40,165	45,076	376	726	741	935	1,044
<b>Gross profit</b>	<b>15,844</b>	<b>16,088</b>	<b>18,348</b>	<b>19,546</b>	<b>21,054</b>	<b>22,794</b>	<b>25,058</b>
S&M	10,575	9,055	10,771	12,621	12,980	13,866	14,930
G&A	6,382	6,155	6,087	5,925	6,009	6,306	6,995
Other operating income	1,406	1,059	723	494	623	704	392
Other operating expenses	49	329	396	467	453	481	261
<b>EBITDA</b>	<b>540</b>	<b>1,748</b>	<b>2,209</b>	<b>1,354</b>	<b>2,775</b>	<b>2,960</b>	<b>3,433</b>
Depreciation and amortisation	296	140	391	327	540	115	171
<b>Operating income (EBIT)</b>	<b>244</b>	<b>1,608</b>	<b>1,818</b>	<b>1,027</b>	<b>2,235</b>	<b>2,845</b>	<b>3,263</b>
Net financial result	199	82	-17	-190	-117	26	26
Non-operating expenses	0	0	0	0	0	0	0
<b>Pre-tax income (EBT)</b>	<b>443</b>	<b>1,690</b>	<b>1,801</b>	<b>837</b>	<b>2,118</b>	<b>2,871</b>	<b>3,289</b>
Income taxes	308	594	664	302	656	861	987
Minority interests	-168	-467	-556	-288	-700	-800	-800
<b>Net income / loss</b>	<b>-33</b>	<b>629</b>	<b>581</b>	<b>247</b>	<b>761</b>	<b>1,210</b>	<b>1,502</b>
<b>Diluted EPS (in €)</b>	<b>0.00</b>	<b>0.03</b>	<b>0.03</b>	<b>0.01</b>	<b>0.04</b>	<b>0.06</b>	<b>0.07</b>
<b>Ratios</b>							
Gross margin in % of gross sales	28.3%	26.3%	24.3%	23.6%	23.8%	23.6%	23.6%
Gross margin in % of revenues	n.a.	n.a.	98.0%	96.4%	96.6%	96.1%	96.0%
EBITDA margin in % of revenues	1.0%	2.9%	11.8%	6.7%	12.7%	12.5%	13.2%
EBIT margin	0.4%	2.6%	9.7%	5.1%	10.3%	12.0%	12.5%
Net margin	-0.1%	1.0%	3.1%	1.2%	3.5%	5.1%	5.8%
Tax rate	69.5%	35.1%	36.9%	36.1%	31.0%	30.0%	30.0%
<b>Expenses as % of sales or revenues</b>							
Media costs (as % of gross sales)	n.a.	n.a.	75.2%	75.5%	75.4%	75.4%	75.4%
S&M (as % of revenues)	18.9%	14.8%	57.5%	62.3%	59.6%	58.4%	57.2%
G&A (as % of revenues)	11.4%	10.1%	32.5%	29.2%	27.6%	26.6%	26.8%
Depreciation and amortisation	0.5%	0.2%	2.1%	1.6%	2.5%	0.5%	0.7%
Other operating expenses	0.1%	0.5%	2.1%	2.3%	2.1%	2.0%	1.0%
<b>Y-Y Growth</b>							
Gross sales	n.a.	9.2%	23.5%	9.4%	7.2%	8.9%	10.0%
Net revenues	n.a.	n.a.	n.a.	8.3%	7.5%	8.9%	10.0%
Operating income	n.a.	559.0%	13.0%	-43.5%	117.6%	27.3%	14.7%
Net income/ loss	n.a.	n.m.	-7.7%	-57.5%	208.2%	58.9%	24.2%



## BALANCE SHEET

All figures in EUR '000	2015A	2016A	2017A	2018A	2019E	2020E	2021E
<b>Assets</b>							
<b>Current assets, total</b>	<b>27,726</b>	<b>28,672</b>	<b>34,896</b>	<b>36,346</b>	<b>36,441</b>	<b>42,100</b>	<b>46,218</b>
Cash and cash equivalents	16,932	17,859	20,127	18,233	19,835	24,388	27,140
Short-term investments	297	138	27	55	55	55	55
Receivables	9,983	10,116	14,129	17,629	16,122	17,228	18,593
Inventories	0	0	0	0	0	0	0
Other current assets	514	559	613	429	429	429	429
<b>Non-current assets, total</b>	<b>6,314</b>	<b>2,706</b>	<b>3,719</b>	<b>3,264</b>	<b>2,919</b>	<b>3,018</b>	<b>3,082</b>
Property, plant & equipment	150	212	424	330	134	196	235
Goodwill & other intangibles	349	572	362	218	70	106	131
Financial assets	5,815	1,922	2,933	2,716	2,716	2,716	2,716
Other assets	0	0	0	0	0	0	0
<b>Total assets</b>	<b>34,040</b>	<b>31,378</b>	<b>38,615</b>	<b>39,610</b>	<b>39,361</b>	<b>45,117</b>	<b>49,300</b>
<b>Shareholders' equity &amp; debt</b>							
<b>Current liabilities, total</b>	<b>17,436</b>	<b>16,282</b>	<b>21,696</b>	<b>22,560</b>	<b>20,850</b>	<b>24,597</b>	<b>26,477</b>
Short-term debt	0	0	0	0	0	0	0
Accounts payable	13,618	12,357	17,838	18,967	17,257	21,004	22,884
Current provisions	0	0	0	0	0	0	0
Other current liabilities	3,818	3,925	3,858	3,593	3,593	3,593	3,593
<b>Long-term liabilities, total</b>	<b>96</b>	<b>117</b>	<b>402</b>	<b>538</b>	<b>538</b>	<b>538</b>	<b>538</b>
Long-term debt	0	0	0	0	0	0	0
Deferred revenue	0	0	0	0	0	0	0
Other liabilities	96	117	402	538	538	538	538
<b>Minority interests</b>	<b>503</b>	<b>690</b>	<b>779</b>	<b>853</b>	<b>1,553</b>	<b>2,353</b>	<b>3,153</b>
<b>Shareholders' equity</b>	<b>16,005</b>	<b>14,289</b>	<b>15,738</b>	<b>15,659</b>	<b>16,420</b>	<b>17,629</b>	<b>19,132</b>
Share capital	1,150	1,150	1,150	1,150	1,150	1,150	1,150
Capital reserve	63,305	61,116	61,312	60,999	60,999	60,999	60,999
Other reserves	-2,199	-2,356	-1,683	-1,208	-1,208	-1,208	-1,208
Loss carryforward / retained earnings	-46,250	-45,621	-45,041	-45,281	-44,520	-43,311	-41,808
<b>Total consolidated equity and debt</b>	<b>34,040</b>	<b>31,378</b>	<b>38,615</b>	<b>39,610</b>	<b>39,361</b>	<b>45,117</b>	<b>49,300</b>
<b>Ratios</b>							
Current ratio (x)	1.59	1.76	1.61	1.61	1.75	1.71	1.75
Quick ratio (x)	1.59	1.76	1.61	1.61	1.75	1.71	1.75
Net debt	-17,229	-17,997	-20,154	-18,288	-19,890	-24,443	-27,195
Net gearing	-107.6%	-126.0%	-128.1%	-116.8%	-121.1%	-138.6%	-142.1%
Equity ratio	48.5%	47.7%	42.8%	41.7%	45.7%	44.3%	45.2%
Book value per share (in €)	0.75	0.67	0.74	0.74	0.77	0.83	0.90
Return on equity (ROE)	-0.2%	4.4%	3.7%	1.6%	4.6%	6.9%	7.9%
Return on investment (ROI)	-0.1%	2.0%	1.5%	0.6%	1.9%	2.7%	3.0%
Return on assets (ROA)	0.1%	2.2%	1.5%	0.6%	1.9%	2.7%	3.0%



## CASH FLOW STATEMENT

All figures in EUR '000	2015A	2016A	2017A	2018A	2019E	2020E	2021E
<b>EBIT</b>	<b>244</b>	<b>1,608</b>	<b>1,818</b>	<b>1,027</b>	<b>2,235</b>	<b>2,845</b>	<b>3,263</b>
Depreciation and amortisation	296	140	391	327	540	115	171
<b>EBITDA</b>	<b>540</b>	<b>1,748</b>	<b>2,209</b>	<b>1,354</b>	<b>2,775</b>	<b>2,960</b>	<b>3,433</b>
Changes in working capital	2,257	-1,164	3,095	-2,192	-203	2,641	515
Other adjustments	-1,014	-561	-2,203	-684	-774	-835	-961
<b>Operating cash flow</b>	<b>1,783</b>	<b>23</b>	<b>3,101</b>	<b>-1,522</b>	<b>1,798</b>	<b>4,766</b>	<b>2,988</b>
Investments in PP&E	-67	-144	-378	-51	-131	-142	-157
Investments in intangibles	-118	-417	-55	-44	-65	-71	-78
<b>Free cash flow</b>	<b>1,598</b>	<b>-538</b>	<b>2,667</b>	<b>-1,617</b>	<b>1,602</b>	<b>4,553</b>	<b>2,753</b>
Acquisitions & disposals, net	3,363	3,920	3	66	0	0	0
Other investments	16	209	0	-35	0	0	0
<b>Investment cash flow</b>	<b>3,194</b>	<b>3,568</b>	<b>-431</b>	<b>-64</b>	<b>-196</b>	<b>-214</b>	<b>-235</b>
Debt financing, net	0	0	0	0	0	0	0
Equity financing, net	176	-2,217	105	0	0	0	0
Dividends paid	0	0	0	0	0	0	0
Other financing	0	-280	-467	-296	0	0	0
<b>Financing cash flow</b>	<b>176</b>	<b>-2,497</b>	<b>-362</b>	<b>-296</b>	<b>0</b>	<b>0</b>	<b>0</b>
FOREX & other effects	8	-167	-39	-12	0	0	0
<b>Net cash flows</b>	<b>5,162</b>	<b>927</b>	<b>2,269</b>	<b>-1,894</b>	<b>1,602</b>	<b>4,553</b>	<b>2,753</b>
Cash, start of the year	11,926	16,932	17,859	20,127	18,233	19,835	24,388
<b>Cash, end of the year</b>	<b>17,088</b>	<b>17,859</b>	<b>20,128</b>	<b>18,233</b>	<b>19,835</b>	<b>24,388</b>	<b>27,140</b>
<b>EBITDA/share (in €)</b>	<b>0.03</b>	<b>0.08</b>	<b>0.10</b>	<b>0.06</b>	<b>0.13</b>	<b>0.14</b>	<b>0.16</b>
<b>Y-Y Growth</b>							
Operating cash flow	n.a.	-98.7%	13381.7%	n.m.	n.m.	165.1%	-37.3%
Free cash flow	n.a.	n.m.	n.m.	n.m.	n.m.	184.2%	-39.5%
EBITDA/share	n.a.	227.8%	26.3%	-39.0%	105.0%	6.7%	16.0%



**FIRST BERLIN RECOMMENDATION & PRICE TARGET HISTORY**

Report No.:	Date of publication	Previous day closing price	Recommendation	Price target
Initial Report	9 January 2018	€4.06	Add	€4.30
2...11	↓	↓	↓	↓
12	23 April 2019	€2.18	Buy	€3.20
13	27 May 2019	€2.33	Buy	€3.20
14	19 July 2019	€2.87	Add	€3.30
15	Today	€2.60	Buy	€3.30

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Category		1	2
Current market capitalisation (in €)		0 - 2 billion	> 2 billion
Strong Buy <sup>1</sup>	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%

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

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