

ad pepper media International N.V.

The Netherlands / Internet Services
 Frankfurt
 Bloomberg: APM GR
 ISIN: NL0000238145

Final
 2019 figures

RATING
PRICE TARGET
 Return Potential 34.9%
 Risk Rating High

BUY
€ 3.40

BENEFITING FROM PANDEMIC-INDUCED DIGITISATION PUSH

ad pepper media International reported final 2019 results which matched the preliminary numbers. P&L, balance sheet, and cash flow statement send the same clear message: strength. ad pepper is highly profitable (EBIT margin: 12%, net margin: 6%), has a very strong balance sheet (net cash position: €23m, no liabilities to banks), and is generating strong free cash flow (€6m). The Sars-CoV-2 pandemic will of course hit the company, but the forced closure of many businesses will accelerate the trend towards selling online resulting in higher digital ad spend, which should cushion the negative effects. We have lowered our forecasts for 2020E and the following years, but believe that ad pepper will significantly benefit from the pandemic-induced digitisation push. An updated DCF model yields a new price target of €3.40 (previously: €3.90). We confirm our Buy recommendation.

2019 was an excellent year Revenue topped the prior year level by 7.5%, mainly driven by 19% growth in the ad agents segment. Group EBITDA was up 159% y/y at €3.5m, and EBIT increased 145% to €2.5m. The main EBIT contributor was the ad pepper media segment (€2.0m), followed by Webgains (€1.3m), and ad agents (€0.6m). Holding costs resulted in Admin EBITDA of €-1.4m. Lower than expected taxes and minorities resulted in net income of €1.4m, which was more than five times higher than in the prior year (see figure 1 overleaf).

No guidance due to Sars-CoV-2 pandemic ad pepper has not given guidance for 2020 due to the very high uncertainty regarding the development of the pandemic and the severity of the global recession. While the company observes significant negative effects in sectors such as travel, transport, and tourism, a large number of clients may accelerate selling their products and services online, resulting in higher digital ad spend and thus higher revenues for ad pepper.

(p.t.o.)

FINANCIAL HISTORY & PROJECTIONS

	2017	2018	2019	2020E	2021E	2022E
Revenue (€m)	18.72	20.27	21.79	20.75	23.02	25.32
Y-o-y growth	n.m.	8.3%	7.5%	-4.8%	10.9%	10.0%
EBIT (€m)	1.82	1.03	2.52	1.21	2.62	3.14
EBIT margin	9.7%	5.1%	11.6%	5.8%	11.4%	12.4%
Net income (€m)	0.58	0.25	1.35	0.51	1.30	1.52
EPS (diluted) (€)	0.03	0.01	0.06	0.02	0.06	0.07
DPS (€)	0.00	0.00	0.00	0.00	0.00	0.00
FCF (€m)	2.67	-1.62	5.96	1.07	1.22	3.34
Net gearing	-127.9%	-116.4%	-134.4%	-133.3%	-127.0%	-130.6%
Liquid assets (€m)	20.13	18.23	25.23	25.61	26.16	28.82

RISKS

The main risks beyond covid-19 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 30 Mar 2020

Closing Price	€ 2.52
Shares outstanding	21.50m
Market Capitalisation	€ 54.18m
52-week Range	€ 2.18 / 3.17
Avg. Volume (12 Months)	7,560

Multiples	2019	2020E	2021E
P/E	38.2	100.3	39.7
EV/Sales	1.3	1.4	1.2
EV/EBIT	11.4	23.6	10.9
Div. Yield	0.0%	0.0%	0.0%

STOCK OVERVIEW



COMPANY DATA

As of 31 Dec 2019

Liquid Assets	€ 25.23m
Current Assets	€ 40.73m
Intangible Assets	€ 0.36m
Total Assets	€ 44.05m
Current Liabilities	€ 24.30m
Shareholders' Equity	€ 18.04m

SHAREHOLDERS

EMA B.V.	44.1%
Dieter Koppitz	3.8%
Treasury shares	2.3%
Euro Serve Media GmbH	2.6%
Free Float	47.1%



Figure 1: Reported final figures versus forecasts

All figures in €m	Q4-19A	Q4-19E	Delta	Q4-18A	Delta	2019A	2018A	Delta
Gross sales	24.12	24.12	0.0%	24.74	-2.5%	83.77	82.65	1.4%
Net revenues	5.97	5.97	0.0%	5.47	9.1%	21.79	20.27	7.5%
Gross profit	5.73	5.78	-1.0%	5.26	8.8%	20.97	19.55	7.3%
<i>margin</i>	96.0%	96.9%		96.2%		96.2%	96.4%	-
EBITDA	1.36	1.36	0.0%	0.43	216.6%	3.51	1.35	159.4%
<i>margin</i>	22.7%	22.7%	-	7.8%	-	16.1%	6.7%	-
EBIT	1.10	1.13	-3.2%	0.35	218.0%	2.52	1.03	145.3%
<i>margin</i>	18.4%	19.0%		6.3%		11.6%	5.1%	-
EBT	1.07	1.20	-10.7%	0.11	918.1%	2.31	0.84	176.0%
<i>margin</i>	17.9%	20.1%	-	1.9%	-	10.6%	4.1%	-
Net result	0.77	0.40	93.0%	-0.05	-	1.35	0.25	447.4%
<i>margin</i>	12.9%	6.7%	-	-0.9%	-	6.2%	1.2%	-
EPS (diluted)	0.04	0.02	94.2%	0.00	-	0.06	0.01	450.8%

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

Excellent results in all segments The ad agents segment showed a perfect turnaround following the restructuring in 2018. Segment revenue jumped by 19% y/y to almost €6m, and segment EBITDA was up from break-even at €0.8m (see figure 2). The segment EBITDA margin amounted to 13.6% versus 0.8% in 2018. Even compared to the 2017 segment EBITDA margin of 7.3%, the 2019 EBITDA margin is striking.

Figure 2: Final segment figures

All figures in €m	2019A	2018A	Delta
ad pepper media			
Revenue	5.51	5.11	7.8%
EBITDA	2.06	1.62	27.1%
<i>margin</i>	37.4%	31.7%	-
Webgains			
Revenue	10.33	10.15	1.8%
EBITDA	1.86	0.63	194.3%
<i>margin</i>	18.0%	6.2%	-
ad agents			
Revenue	5.95	5.01	18.7%
EBITDA	0.81	0.04	1927.5%
<i>margin</i>	13.6%	0.8%	-
Admin			
Revenue	0.00	0.00	-
EBITDA	-1.20	-0.93	-
Intersegment elimination			
Revenue	0.00	0.00	-
EBITDA	-0.02	0.00	-
Group			
Revenue	21.79	20.27	7.5%
EBITDA	3.51	1.35	159.4%
<i>margin</i>	16.1%	6.7%	-

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



Despite the loss of a large client, the Webgains segment grew 2% y/y. Profitability was much higher due to cost savings. Segment EBITDA rose €1.2m to €1.9m. This corresponds to an increase in the EBITDA margin from 6.2% to 18.0%.

The ad pepper media segment topped its very good 2018 results and grew 8% y/y. The segment remains a profit machine and increased its EBITDA contribution to €2m (+27% y/y). The EBITDA margin rose to a stunning 37.4% (2018: 31.6%). Holding costs resulted in Admin EBITDA of €-1.2m versus €-0.9m in 2018.

Strong balance sheet assures maintenance of going concern status even in a severe recession ad pepper had a cash position of €25m (=57% of the balance sheet total) and a net cash position of €23m at the end of 2019 (see figure 3). The company did not have any liabilities to banks. The equity ratio was 41%. Excellent working capital management resulted in negative working capital (€-3.7m) as payables were higher than receivables. We believe that the strong balance sheet is a major competitive advantage in times of crisis as clients shy away from weak service providers because they fear potential insolvency.

Figure 3: Selected balance sheet positions

in €m	2019A	2018A	Delta
Intangible goods & Goodwill	0.36	0.22	65%
Property, plant & equipment	0.39	0.33	18%
Right-of-use assets	2.13	0.00	n.m.
Financial assets	0.44	2.72	-84%
Non-current assets, total	3.32	3.26	2%
Receivables	14.90	17.63	-15%
Cash and cash equivalents	25.23	18.23	38%
Current assets, total	40.73	36.35	12%
Equity	18.04	16.51	9%
<i>Equity ratio</i>	41.0%	41.7%	-
Financial debt (long-term)	0.00	0.00	n.m.
Financial debt (short-term)	0.00	0.00	n.m.
Lease liabilities	2.25	0.00	n.m.
Net debt	-22.98	-18.23	26%
<i>Net Gearing</i>	-127.4%	-110.4%	-
Payables	18.59	18.97	-2%
Balance sheet total	44.05	39.61	11%

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

Very high free cash flow High net income and a lower working capital requirement led to operating cash flow of €6.5m. Free cash flow amounted to €6.0m due to CAPEX of €0.5m. This represents the highest free cash flow in the history of the company. Cash flow from investing was €1.6m due to proceeds from the sale of securities (€2.2m). Financing cash flow amounted to €-1.2m due to payments for lease liabilities (€0.7m) and dividends to non-controlling interests (€0.5m). Net cash flow was €7.0m (see figure 4).

Figure 4: Selected cash flow positions

in €m	2019A	2018A
Operating cash flow	6.48	-1.52
CAPEX	-0.52	-0.10
Free cash flow	5.96	-1.62
Cash flow investing	1.64	-0.06
Cash flow financing	-1.17	-0.30
Net cash flow	7.00	-1.89

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



Business model easily adaptable to pandemic-related restrictions ad pepper's employees are used to digital processes, as the company's business is online marketing. Almost all employees can work from home. As business processes are already digitalised, we believe that the company will function very well during restrictions caused by government measures against the pandemic. So far, no employee has tested Sars-CoV-2-positive.

Forecasts adjusted to likely impact of global recession In 2009, during the global financial crisis, ad pepper's revenue declined 11% y/y. We believe that the revenue loss will not be as high as in 2009 for three reasons:

- 1) ad pepper is in a much stronger competitive position than 11 years ago with a broad client base.
- 2) ad pepper's financial strength offers the opportunity to gain customers from weaker competitors
- 3) The forced closure of many businesses will give the digitisation trend a push resulting in more online shopping. This will shift ad budgets towards a much higher online marketing share. ad pepper, as a pure online performance marketing player, will benefit from this shift.

We therefore forecast a y/y revenue decline of just 5%. We believe that the ad pepper media segment will be hit hardest due to its exposure to Spain, which is particularly badly affected by the pandemic (2019 segment revenue in Spain: €2.3m, or 41% of total segment revenues). The impact on Webgains and ad agents should be less severe. We model a 3% revenue decline for both segments (see figure 5). Given the high operating leverage of ad pepper's business model, revenue declines translate into strong earnings declines. On the group level, we model a 36% EBITDA decline. We note that our estimates contain a high level of uncertainty, as we cannot forecast the further development of the Sars-CoV-2 pandemic and the severity of the global recession. Our forecasts assume containment of the pandemic and a return to something approaching normal economic activity in ad pepper's key markets during Q2.

Figure 5: Segment and group revenue and EBITDA forecasts

ad agents	2019A	2020E	Delta
ad pepper media			
Revenue	5.51	4.96	-10.0%
EBITDA	2.06	1.39	-32.4%
margin	37.4%	28.1%	-
Webgains			
Revenue	10.33	10.02	-3.0%
EBITDA	1.86	1.50	-19.2%
margin	18.0%	15.0%	-
ad agents			
Revenue	5.95	5.77	-3.0%
EBITDA	0.81	0.58	-28.9%
margin	13.6%	10.0%	-
Admin & Consolidation			
Revenue	0.00	0.00	-
EBITDA	-1.22	-1.21	-
Group			
Revenue	21.79	20.75	-4.8%
EBITDA	3.51	2.26	-35.6%
margin	16.1%	10.9%	-

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



Figure 6 shows the revisions to our forecasts.

Figure 6: Revisions to forecasts

All figures in €m	2020E			2021E			2022E		
	Old	New	Delta	Old	New	Delta	Old	New	Delta
Revenue	23.73	20.75	-12.6%	26.10	23.02	-11.8%	28.97	25.32	-12.6%
EBIT	3.05	1.21	-60.2%	3.39	2.62	-22.6%	4.03	3.14	-22.1%
<i>margin</i>	12.9%	5.8%		13.0%	11.4%		13.9%	12.4%	
Net income	1.75	0.51	-70.6%	1.84	1.30	-29.3%	1.94	1.52	-21.9%
<i>margin</i>	7.4%	2.5%		7.1%	5.7%		6.7%	6.0%	
EPS (diluted)	0.08	0.02	-70.6%	0.09	0.06	-29.3%	0.09	0.07	-21.9%

Source: First Berlin Equity Research

Buy rating confirmed at lower price target An updated DCF model incorporating our adjusted forecasts yields a new price target of €3.40 (previously: €3.90). We confirm our Buy recommendation.



VALUATION MODEL

DCF valuation model								
All figures in EUR '000	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E
Net revenue	20,748	23,018	25,320	27,852	30,636	33,691	37,025	40,626
NOPLAT	842	1,830	2,190	2,604	2,870	3,163	3,483	3,830
+ depreciation & amortisation	1,048	1,033	1,061	1,096	1,110	1,133	1,162	1,195
Net operating cash flow	1,891	2,863	3,251	3,700	3,980	4,296	4,645	5,025
- total investments (CAPEX and WC)	-847	-1,663	68	-196	-265	-286	-310	-338
Capital expenditures	-373	-414	-456	-446	-479	-515	-552	-591
Working capital	-474	-1,248	523	250	214	228	242	253
Free cash flows (FCF)	1,044	1,200	3,319	3,504	3,715	4,010	4,335	4,687
PV of FCF's	969	1,011	2,537	2,429	2,335	2,286	2,242	2,198

All figures in thousands	
PV of FCFs in explicit period (2020E-2034E)	29,415
PV of FCFs in terminal period	19,626
Enterprise value (EV)	49,041
+ Net cash / - net debt	22,983
+ Investments / minority interests	935
Shareholder value	72,959
Number of shares (diluted)	21,470
Fair value per share in EUR	3.40

WACC		Terminal growth rate							
		0.5%	1.0%	1.5%	2.0%	2.5%	3.0%	3.5%	
Cost of equity	10.3%	6.3%	5.03	5.30	5.63	6.03	6.53	7.19	8.10
Pre-tax cost of debt	6.0%	7.3%	4.36	4.54	4.74	4.98	5.28	5.64	6.10
Tax rate	30.0%	8.3%	3.87	3.99	4.12	4.28	4.47	4.69	4.96
After-tax cost of debt	4.2%	9.3%	3.49	3.57	3.67	3.78	3.90	4.04	4.21
Share of equity capital	100.0%	10.3%	3.19	3.25	3.32	3.40	3.48	3.58	3.70
Share of debt capital	0.0%	11.3%	2.95	3.00	3.05	3.10	3.17	3.24	3.32
		12.3%	2.76	2.79	2.83	2.87	2.92	2.97	3.02
		13.3%	2.60	2.62	2.65	2.68	2.72	2.75	2.80
Price target in EUR	3.40								

* 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
Gross sales	75,563	82,653	83,774	79,779	88,507	97,358
Media costs	56,839	62,381	61,987	59,031	65,489	72,038
Revenues	18,724	20,272	21,787	20,748	23,018	25,320
Cost of sales	376	726	820	1,398	1,341	1,013
Gross profit	18,348	19,546	20,967	19,350	21,677	24,307
S&M	10,771	12,621	12,225	11,950	12,488	14,078
G&A	6,087	5,925	6,853	6,410	6,680	7,216
Other operating income	723	494	943	704	545	608
Other operating expenses	396	467	313	481	430	481
EBITDA	2,209	1,354	3,512	2,261	3,657	4,201
Depreciation and amortisation	391	327	993	1,048	1,033	1,061
Operating income (EBIT)	1,818	1,027	2,519	1,213	2,624	3,140
Net financial result	-17	-190	-209	23	23	25
Non-operating expenses	0	0	0	0	0	0
Pre-tax income (EBT)	1,801	837	2,310	1,236	2,647	3,165
Income taxes	664	302	390	371	794	949
Minority interests	-556	-288	-568	-350	-550	-700
Net income / loss	581	247	1,352	515	1,303	1,515
Diluted EPS (in €)	0.03	0.01	0.06	0.02	0.06	0.07

Ratios

Gross margin in % of gross sales	24.3%	23.6%	25.0%	24.3%	24.5%	25.0%
Gross margin in % of revenues	98.0%	96.4%	96.2%	93.3%	94.2%	96.0%
EBITDA margin in % of revenues	11.8%	6.7%	16.1%	10.9%	15.9%	16.6%
EBIT margin	9.7%	5.1%	11.6%	5.8%	11.4%	12.4%
Net margin	3.1%	1.2%	6.2%	2.5%	5.7%	6.0%
Tax rate	36.9%	36.1%	16.9%	30.0%	30.0%	30.0%

Expenses as % of sales or revenues

Media costs (as % of gross sales)	75.2%	75.5%	74.0%	74.0%	74.0%	74.0%
S&M (as % of revenues)	57.5%	62.3%	56.1%	57.6%	54.3%	55.6%
G&A (as % of revenues)	32.5%	29.2%	31.5%	30.9%	29.0%	28.5%
Depreciation and amortisation	2.1%	1.6%	4.6%	5.1%	4.5%	4.2%
Other operating expenses	2.1%	2.3%	1.4%	2.3%	1.9%	1.9%

Y-Y Growth

Gross sales	23.5%	9.4%	1.4%	-4.8%	10.9%	10.0%
Net revenues	n.a.	8.3%	7.5%	-4.8%	10.9%	10.0%
Operating income	13.0%	-43.5%	145.3%	-51.8%	116.3%	19.7%
Net income/ loss	-7.7%	-57.5%	447.4%	-61.9%	153.0%	16.3%



BALANCE SHEET

All figures in EUR '000	2017A	2018A	2019A	2020E	2021E	2022E
Assets						
Current assets, total	34,896	36,346	40,731	40,998	43,157	47,460
Cash and cash equivalents	20,127	18,233	25,229	25,614	26,156	28,819
Short-term investments	27	55	47	47	47	47
Receivables	14,129	17,629	14,897	14,779	16,396	18,036
Inventories	0	0	0	0	0	0
Other current assets	613	429	558	558	558	558
Non-current assets, total	3,719	3,264	3,321	3,210	3,273	3,349
Property, plant & equipment	424	330	391	369	376	398
Goodwill & other intangibles	362	218	359	387	443	497
Right-of-use assets	0	0	2,129	2,129	2,129	2,129
Financial assets	2,933	2,716	442	325	325	325
Other assets	0	0	0	0	0	0
Total assets	38,615	39,610	44,052	44,209	46,430	50,809
Shareholders' equity & debt						
Current liabilities, total	21,696	22,560	24,299	23,708	24,076	26,239
Short-term debt	0	0	0	0	0	0
Accounts payable	17,838	18,967	18,593	18,002	18,370	20,533
Current provisions	0	0	0	0	0	0
Other current liabilities	3,858	3,593	4,907	4,907	4,907	4,907
Lease liabilities	0	0	799	799	799	799
Long-term liabilities, total	402	538	1,713	1,596	1,596	1,596
Long-term debt	0	0	0	0	0	0
Lease liabilities	0	0	1,447	1,330	1,330	1,330
Other liabilities	402	538	266	266	266	266
Minority interests	779	853	935	1,285	1,835	2,535
Shareholders' equity	15,738	15,659	17,105	17,620	18,923	20,438
Share capital	1,150	1,150	1,075	1,075	1,075	1,075
Capital reserve	61,312	60,999	63,782	63,782	63,782	63,782
Other reserves	-1,683	-1,208	0	0	0	0
Loss carryforward / retained earnings	-45,041	-45,281	-47,752	-47,237	-45,934	-44,419
Total consolidated equity and debt	38,615	39,610	44,052	44,209	46,430	50,809
Ratios						
Current ratio (x)	1.61	1.61	1.68	1.73	1.79	1.81
Quick ratio (x)	1.61	1.61	1.68	1.73	1.79	1.81
Net debt	-20,127	-18,233	-22,983	-23,485	-24,027	-26,690
Net gearing	-127.9%	-116.4%	-134.4%	-133.3%	-127.0%	-130.6%
Equity ratio	42.8%	41.7%	41.0%	42.8%	44.7%	45.2%
Book value per share (in €)	0.74	0.74	0.81	0.83	0.89	0.97
Return on equity (ROE)	3.7%	1.6%	7.9%	2.9%	6.9%	7.4%
Return on investment (ROI)	1.5%	0.6%	3.1%	1.2%	2.8%	3.0%
Return on assets (ROA)	1.5%	0.6%	3.1%	1.2%	2.8%	3.0%



CASH FLOW STATEMENT

All figures in EUR '000	2017A	2018A	2019A	2020E	2021E	2022E
EBIT	1,818	1,027	2,519	1,213	2,624	3,140
Depreciation and amortisation	391	327	993	1,048	1,033	1,061
EBITDA	2,209	1,354	3,512	2,261	3,657	4,201
Changes in working capital	3,095	-2,192	4,352	-474	-1,248	523
Other adjustments	-2,203	-684	-1,382	-348	-771	-924
Operating cash flow	3,101	-1,522	6,482	1,440	1,637	3,800
Investments in PP&E	-378	-51	-221	-166	-184	-203
Investments in intangibles	-55	-44	-303	-207	-230	-253
Free cash flow	2,667	-1,617	5,958	1,066	1,223	3,344
Acquisitions & disposals, net	3	66	8	0	0	0
Other investments	0	-35	2,152	0	0	0
Investment cash flow	-431	-64	1,636	-373	-414	-456
Debt financing, net	0	0	0	0	0	0
Equity financing, net	105	0	0	0	0	0
Dividends paid	0	0	0	0	0	0
Other financing	-467	-296	-1,173	-681	-681	-681
Financing cash flow	-362	-296	-1,173	-681	-681	-681
FOREX & other effects	-39	-12	51	0	0	0
Net cash flows	2,269	-1,894	6,996	385	542	2,663
Cash, start of the year	17,859	20,127	18,233	25,229	25,614	26,156
Cash, end of the year	20,128	18,233	25,229	25,614	26,156	28,819
EBITDA/share (in €)	0.10	0.06	0.17	0.11	0.17	0.20
Y-Y Growth						
Operating cash flow	13381.7%	n.m.	n.m.	-77.8%	13.7%	132.1%
Free cash flow	n.m.	n.m.	n.m.	-82.1%	14.7%	173.5%
EBITDA/share	26.3%	-39.0%	161.0%	-35.6%	61.7%	14.9%

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...15	↓	↓	↓	↓
16	18 October 2019	€2.82	Add	€3.30
17	20 November 2019	€2.59	Buy	€3.30
18	6 February 2020	€2.86	Buy	€3.90
19	Today	€2.52	Buy	€3.40

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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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Legally required information regarding

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

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