

Diversified Energy PLC

United States / Energy
 London Stock Exchange
 Bloomberg: DEC LN
 ISIN: GB00BYX7JT74

Update

RATING **BUY**
PRICE TARGET **GBp180.00**
 Return Potential 151.2%
 Risk Rating Medium

YIELDING >20% ON THE BRINK OF A MULTI-YEAR GAS PRICE BOOM

DEC's share price has been hit hard during the recent period of market volatility. Yesterday morning management commented that they are unaware of any operational or company-specific reason for the share price decline. In particular, we gather that UK-based income-focused funds are experiencing increased redemptions in this higher interest rate environment, which is causing them to sell shares, including those of DEC. Meanwhile DEC's business continues to perform well. Q3/23 production is expected in the range of 134kboepd – 138kboepd, which is in line with our forecast and reflects the sale of non-operated assets during Q2/23. DEC also noted the recent USD50m increase in its revolving credit facility to USD425m (announced 26 September) resulting in current liquidity of ca. USD120m with 100% approval from the 14-bank lending syndicate. The end H1/23 proforma net debt/adjusted EBITDA ratio of 2.4x was within the 2.0x to 2.5x range targeted by the company and 80% of debt is fixed rate. The current average cost of debt is 6.2%. Meanwhile, the H1/23 adjusted EBITDA margin of 52.2% suggests that the company is well on track to report a full-year hedged adjusted EBITDA margin of $\geq 50\%$ for the sixth year in a row. As we have pointed out in recent updates, DEC looks set to be a prime beneficiary of multi-year growth in US LNG exports. LNG export growth is the main reason for the current upward slope in the gas futures curve to an average of USD3.88/MMBtu over the five year period January 2024 to December 2028. The futures strip indicates an average gas price of USD2.80/MMBtu for 2023 while 85% of DEC's gas production for this year is hedged at USD3.54/MMBtu. Given that 2023 will be another very successful year for DEC, and that the outlook is for rising gas prices, we see the current yield of 20.1% and upside potential to our unchanged share price target of GBp180 as very attractive. We maintain our Buy recommendation.

Fixed interest rate debt accounts for over 80% of the total At the end of H1/23 DEC had net debt of USD1,510m (gross debt of USD1,555m) and cash and restricted cash of USD45m. (p.t.o.)

FINANCIAL HISTORY & PROJECTIONS

	2018	2019	2020	2021	2022	2023E
Revenue (\$ m)	289.77	462.26	408.69	1007.56	1919.35	892.74
Y-o-y growth	593.6%	59.5%	-11.6%	146.5%	90.5%	-53.5%
Adj: EBITDA (hedged) (\$ m)	146.22	273.27	300.59	343.15	503.42	547.88
Adj EBITDA margin (hedged)	53.3%	53.4%	54.3%	50.0%	49.2%	51.7%
Net income (\$ m)	201.12	99.40	-23.47	-325.21	-620.60	557.54
EPS (diluted) (\$)	0.52	0.15	-0.03	-0.41	-0.74	0.58
DPS (\$c)	11.23	13.92	15.25	16.50	17.25	17.50
FCF (\$m)	68.05	246.84	219.76	270.01	301.69	390.39
Net gearing	66.0%	67.7%	81.7%	152.1%	n.a.	362.4%
Liquid assets (\$ m)	1.37	1.66	1.38	12.56	7.33	4.73

RISKS

Acquisitions are a vital part of DEC's strategy for protecting and growing its cashflow. There can be no guarantee that the group will be able to continue to source acquisitions at attractive valuations.

COMPANY PROFILE

Diversified Energy PLC is an established, independent owner and operator of producing natural gas & oil wells in the United States. Natural gas accounts for ca. 85% of total production. Ca. 60% of total production derive from the Appalachian Basin and the balance from the "Central Region" (Arkansas, Louisiana, Oklahoma, Texas) which DEC entered in 2021.

MARKET DATA

As of 05 Oct 2023

Closing Price	GBp 71.65
Shares outstanding	969.05m
Market Capitalisation	GBP694m
52-week Range	GBp 67.10 / 136.30
Avg. Volume (12 Mths)	2,250,546

Multiples	2021	2022	2023E
P/E	n.a.	n.a.	1.5
EV/Sales	2.3	1.2	2.6
EV/EBIT	6.9	4.7	4.3
Div. Yield	19.0%	19.9%	20.1%

STOCK OVERVIEW



COMPANY DATA

As of 30 Jun 2023

Liquid Assets	\$ 4.21m
Current Assets	\$ 338.71m
Intangible Assets	\$ 20.80m
Total Assets	\$ 3,763.01m
Current Liabilities	\$ 713.08m
Shareholders' Equity	\$ 547.95m

SHAREHOLDERS

Hargreaves Lansdown	5.0%
Vanguard Group Inc	4.8%
Blackrock Inc.	4.4%
Ameriprise Financial Inc.	4.0%
Free float and other	81.8%



Amortising asset-backed securities (secured against production from the company’s wells) accounted for 75% of gross debt. The interest on this debt is fixed and averages 5.6% Total fixed rate debt accounted for 83% of gross debt at an average interest rate of 5.7%. We calculate the overall interest rate, including the floating rate revolving loan facility, at 6.2% currently. DEC is thus very well placed to ride out any further rises in interest rates.

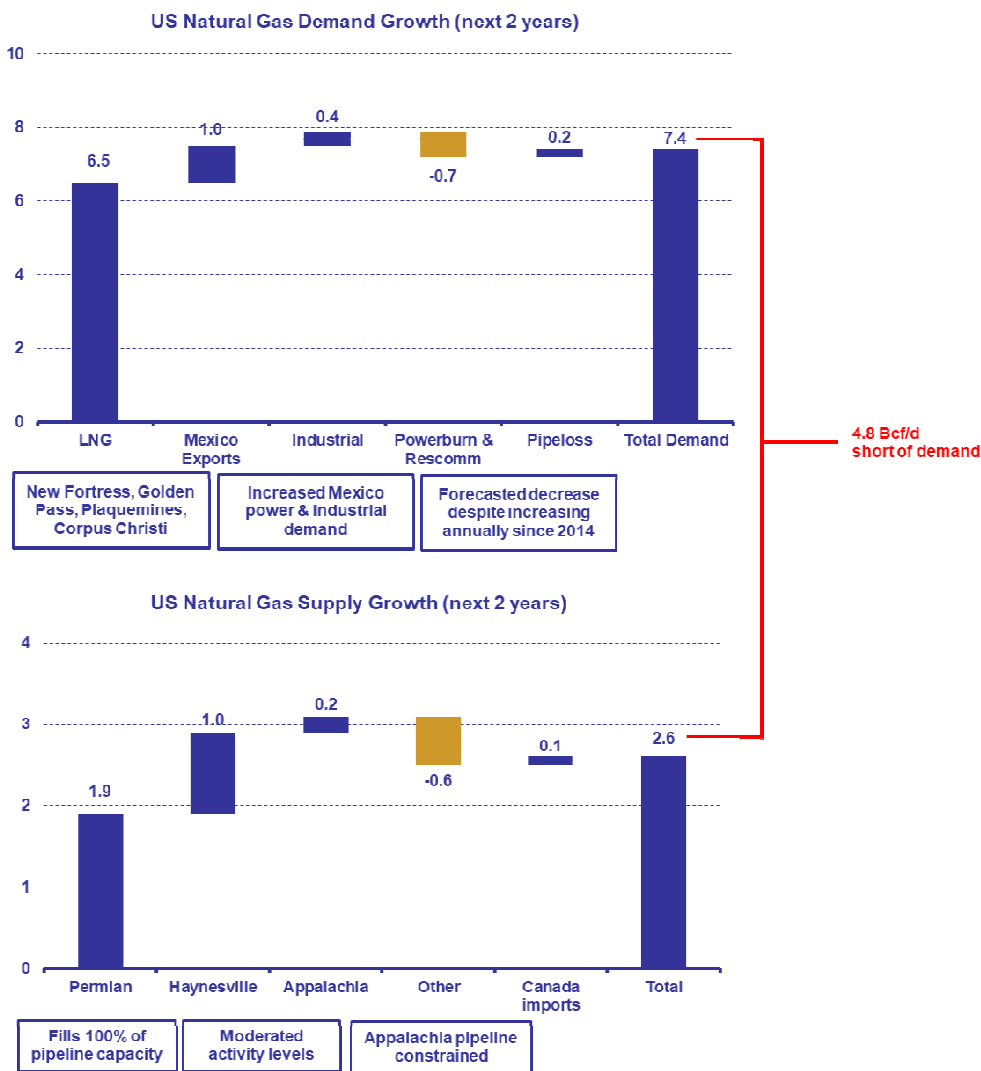
Figure 1: DEC’s gross debt at 30.06.2023

Debt instrument	Principal	Interest rate	Fixed/floating	Maturity*
Revolving loan facility	265,000	SOFR + 2.75% to 3.75%	Floating	n.a.
ABS I	111,007	5.000%	Fixed	AM = Dec 2029; LM = Jan 2037
ABS II	136,550	5.250%	Fixed	AM = Sep 2028; LM = July 2037
ABS III	295,151	4.875%	Fixed	AM = Nov 2030; LM = April 2039
ABS IV	113,609	4.950%	Fixed	AM = Sep 2030; LM = Feb 2037
ABS V	329,381	5.780%	Fixed	AM = Dec 2030; LM = May 2039
ABS VI	183,758	7.500%	Fixed	AM = Oct 2031; LM = Nov 2039
Term loan I	112,433	6.500%	Fixed	May 2030
Other	8,319	n.a.	Fixed	n.a.
Total	1,555,208	6.179%		

*AM = amortising maturity, LM = legal maturity

Source: DEC

Figure 2: Next 2 years U.S. natural gas supply/demand growth*



* Demand change assumes LNG utilisation rate of 90% through 2025

Source: S&P Global Platts



U.S. natural gas demand forecast to exceed supply by 4.8bcf/d during next two years

As figure 2 above shows, the consultancy S&P Global Platts forecasts that growing LNG exports will push demand 4.8bcf/d ahead of supply over the next two years. The expectation of brisk LNG-driven demand growth is the main reason for the current upward slope in the gas futures curve to an average of USD3.88/MMBtu over the five year period January 2024 to December 2028. 85% of DEC's 2023 gas production is hedged at USD3.54/MMBtu.

Figure 3: Changes to our forecasts

USD 000s	2022A		2023E	New vs. Old	2023 New vs. 2022
	Actual	FBe Old	FBe New	% Δ	% Δ
Mboe	49,355	51,013	51,013	0.0%	3.4%
Total revenue (unhedged)	1,910,140	884,586	892,743	0.9%	-53.3%
Natural gas	1,544,658	562,040	579,935	3.2%	-62.5%
NGLs	188,733	129,819	121,593	-6.3%	-35.6%
Oil	139,620	134,218	132,706	-1.1%	-5.0%
Total commodity revenue	1,873,011	826,078	834,235	1.0%	-55.5%
Midstream revenue	32,798	31,906	31,906	0.0%	-2.7%
Other	4,331	26,602	26,602	0.0%	514.2%
Base lease operating expenses	173,140	221,732	221,732	0.0%	28.1%
Gathering & compression, owned	71,154	70,244	70,244	0.0%	-1.3%
Gathering & transportation, 3rd party	118,073	100,260	100,260	0.0%	-15.1%
Production taxes	73,849	64,625	64,625	0.0%	-12.5%
Recurring admin. expenses	77,172	77,120	77,120	0.0%	-0.1%
Total recurring expenses	513,388	533,980	533,980	0.0%	4.0%
Gain on disposals	2,472	22,830	22,830	n.a	823.5%
Adjusted EBITDA (unhedged)	1,399,224	373,435	381,592	2.2%	-72.7%
Settled hedges	-895,802	166,781	166,285	-0.3%	-118.6%
Natural gas	-782,525	167,452	159,319	-4.9%	-120.4%
NGLs	-85,549	7,466	14,434	93.3%	-116.9%
Oil	-27,728	-8,137	-7,469	-8.2%	-73.1%
Total revenue (hedged)	1,014,338	1,051,367	1,059,027	0.7%	4.4%
Adjusted EBITDA (hedged)	503,422	540,217	547,877	1.4%	8.8%
margin (%)	49.6%	51.4%	51.7%	0.7%	4.2%
per BOE (USD)					
Total revenue (unhedged)	38.70	17.34	17.50	0.9%	-15.85
Settled hedges	-18.15	3.27	3.26	-0.3%	n.a.
Total revenue (hedged)	20.55	20.61	20.76	0.7%	1.0%
Total recurring expenses	10.40	10.47	10.47	0.0%	0.6%
of which:					
Base LOE	3.51	4.35	4.35	0.0%	23.9%
Gathering & compression, owned	1.44	1.38	1.38	0.0%	-4.5%
Gathering & transportation, 3rd party	2.39	1.97	1.97	0.0%	-17.8%
Production taxes	1.50	1.27	1.27	0.0%	-15.3%
Recurring admin. expenses	1.56	1.51	1.51	0.0%	-3.3%
Adjusted EBITDA (hedged)	10.20	10.14	10.29	1.5%	0.9%
margin (%)	49.6%	49.2%	49.6%	-	-
Av. no shares (000s)	849,145	953,141	953,141	0.0%	12.2%
Adj EBITDA (hedged) per share (USD)	0.59	0.57	0.57	1.4%	-3.0%

Source: First Berlin Equity Research forecasts

Changes to our forecasts since our last study of 19 September relate mainly to a 4.9% increase in the level of the Q4/23 gas futures strip.



VALUATION MODEL

Figure 4: Dividend payout and return on capital employed

USD 000s	2019A	2020A	2021A	2022A	2023E
Adjusted EBITDA (hedged)	273,266	300,590	343,145	503,422	547,877
Recurring capital expenditures	-17,255	-15,981	-35,490	-60,000	-64,332
Cash interest expenses	-32,715	-34,335	-41,623	-82,936	-137,300
Asset retirement (plugging)	-2,541	-2,442	-2,879	-4,889	-5,476
Cash paid for income taxes	-1,989	-5,850	-10,880	-26,314	-15,000
Free cashflow (adjusted)	218,766	241,982	252,273	329,283	325,769
Net fixed assets	1,816,982	2,137,188	2,944,058	3,018,668	3,046,808
Net working capital	-18,573	-42,499	-135,110	-247,162	-211,677
Total capital employed	1,798,409	2,094,689	2,808,948	2,771,506	2,835,131
Average capital employed	1,614,279	1,946,549	2,451,819	2,790,227	2,803,318
Free cashflow (adjusted) ROCE	13.6%	12.4%	10.3%	11.8%	11.6%
Dividends paid and declared	86,605	104,305	132,333	150,541	169,997
as % free cashflow (adjusted)	39.6%	43.1%	52.5%	45.7%	52.2%
Dividends paid and declared per share (USD)	0.1382	0.1475	0.1558	0.1772	0.1750
Dividends declared per share (USD)	0.1392	0.1525	0.1650	0.1725	0.1750

Source: First Berlin Equity Research estimates

We have updated our dividend discount valuation of DEC which is based on the formula:

$$p^0 = d^1 / (r - g) \text{ where:}$$

p^0 is our assessment of the fair value of the DEC share today

d^1 is the value of dividends over the next year

r is the required rate of return

g is the expected long term organic growth rate

GBP180 price target unchanged. Buy rating maintained We derive g from ROCE adjusted for the production decline rate and payout ratio. Adjusting our average return on capital employed forecast for 2022-23 of 11.7% by our assumed medium-term 8.0% production decline rate gives a return of 2.8%. If we then reduce this number by 30% to reflect the dividend payout, we arrive at a sustainable growth rate in free cashflow (adjusted) of 1.9%. Our valuation also takes into account the ca. 50 undeveloped locations with a PV10 of USD280m acquired through the Tanos II acquisition. We value these assets on a PV11 basis (in keeping with our estimated return requirement) at USD268m or USD0.28/GBP0.22 per share. Plugging our estimates for d^1 (USD0.175), r (11.0%) and g (1.9%) into the formula above produces a valuation (see figures 5 and 6 below) for the DEC share of GBP178 (previously: GBP177). We maintain our Buy recommendation and price target of GBP180.

Figure 5: Sensitivity of valuation to growth rates and return requirements (GBP)

		return requirement						
		8.0%	9.0%	10.0%	11.0%	12.0%	13.0%	14.0%
growth rate	-0.1%	198	178	163	150	139	131	123
	0.9%	222	198	178	163	150	139	131
	1.9%	256	222	198	178	163	150	139
	2.9%	302	256	222	198	178	163	150
	3.9%	370	302	256	222	198	178	163
	4.9%	484	370	302	256	222	198	178

Source: First Berlin Equity Research



Figure 6: Sensitivity of valuation to growth rates and return requirements (USc)

		return requirement						
		8.0%	9.0%	10.0%	11.0%	12.0%	13.0%	14.0%
growth rate	-0.1%	245	221	202	186	173	162	152
	0.9%	276	245	221	202	186	173	162
	1.9%	317	276	245	221	202	186	173
	2.9%	374	317	276	245	221	202	186
	3.9%	459	374	317	276	245	221	202
	4.9%	600	459	374	317	276	245	221

Source: First Berlin Equity Research



INCOME STATEMENT

All figures in USD '000	2018A	2019A	2020A	2021A	2022A	2023E
Revenues	289,769	462,256	408,693	1,007,561	1,910,140	892,743
Operating expense	-107,793	-202,385	-203,963	-291,213	-445,893	-456,861
Depreciation and depletion	-41,988	-98,139	-117,290	-167,644	-222,257	-242,826
Gross profit	139,988	161,732	87,440	548,704	1,241,990	193,056
Administrative expenses	-40,524	-55,889	-77,234	-102,326	-170,735	-99,158
Allowance for expected credit losses	0	-730	-8,490	4,265	0	0
Gain on oil/gas programme and equipment	4,079	0	-2,059	-901	2,379	0
Gain (loss) on derivative financial instruments	17,981	73,854	-94,397	-974,878	-1,758,693	882,091
Gain on bargain purchase	173,473	1,540	17,172	58,072	4,447	0
Operating income (EBIT)	294,997	180,507	-77,568	-467,064	-680,612	975,989
Finance costs	-17,743	-36,667	-43,327	-50,628	-100,799	-137,300
Loss on early retirement of debt	-8,358	0	0	0	0	0
Accretion of asset retirement obligation	-7,101	-12,349	-15,424	-24,396	-27,569	-27,153
Other income (expense)	0	0	-421	-8,812	269	0
Income before taxation	261,795	131,491	-136,740	-550,900	-808,711	811,535
Taxation on income	-60,676	-32,091	113,266	225,694	178,904	-254,000
Net income / loss	201,119	99,400	-23,474	-325,206	-629,807	557,535
Diluted EPS (in USD)	0.52	0.15	-0.03	-0.41	-0.74	0.58
Adjusted EBITDA (hedged)*	146,217	273,266	300,590	343,145	503,422	547,877
Ratios						
Gross margin	48.3%	35.0%	21.4%	54.5%	65.0%	21.6%
Adjusted EBITDA margin (hedged)	53.3%	53.4%	54.3%	50.0%	49.6%	51.7%
Net margin	69.4%	21.5%	-5.7%	-32.3%	-33.0%	62.5%
Tax rate	23.2%	24.4%	82.8%	41.0%	22.1%	31.3%
Expenses as % of revenues						
Y-Y Growth						
Revenues	593.6%	59.5%	-11.6%	146.5%	89.6%	-53.3%
Adjusted EBITDA (hedged)	734.9%	86.9%	10.0%	14.2%	46.7%	8.8%
Net income/ loss	632.6%	-50.6%	n.m.	n.m.	n.m.	n.m.

* adjusted for non-recurring items such as gain on the sale of assets, acquisition-related expenses and integration costs, mark-to-market adjustments related to the company's hedge portfolio, non-cash equity compensation charges and items of a similar nature.



BALANCE SHEET

All figures in USD '000	2018A	2019A	2020A	2021A	2022A	2023E
Assets						
Current assets, total	111,596	160,360	94,474	337,139	354,222	290,205
Cash and cash equivalents	1,372	1,661	1,379	12,558	7,329	4,729
Restricted cash	1,730	1,207	250	1,033	7,891	5,091
Receivables	78,451	73,924	66,991	282,922	296,781	241,041
Derivative financial instruments	17,573	73,705	17,858	1,052	27,739	27,739
Other current assets	12,470	9,863	7,996	39,574	14,482	11,606
Non-current assets, total	1,445,376	1,845,580	2,196,208	3,157,070	3,476,706	3,219,361
Oil and gas properties, net	1,092,951	1,496,029	1,755,085	2,530,078	2,555,808	2,545,562
Property, plant & equipment, net	327,749	320,953	382,103	413,980	462,860	501,246
Intangible assets		15,981	19,213	14,134	21,098	22,171
Restricted cash	0	6,505	20,100	18,069	47,497	16,069
Indemnification receivable	2,133	2,133	1,837	0	0	0
Derivative financial instruments	21,745	3,803	717	219	13,936	13,936
Deferred tax asset		0	14,777	176,955	371,156	117,156
Other non-current assets	798	176	2,376	3,635	4,351	3,221
Total assets	1,556,972	2,005,940	2,290,682	3,494,209	3,830,928	3,509,566
Shareholders' equity & debt						
Current liabilities, total	84,471	126,855	196,506	773,600	1,131,630	877,502
Short-term debt	286	23,723	64,959	58,820	271,096	254,980
Accounts payable	9,383	17,053	19,366	62,418	93,764	76,776
Capital lease	842	798	5,013	9,627	9,293	10,950
Derivative financial instruments	0	0	15,858	251,687	293,840	150,916
Other current liabilities	73,960	85,281	91,310	391,048	463,637	383,879
Long-term liabilities, total	723,638	940,950	1,207,518	2,056,659	2,837,022	2,252,023
Long-term debt	482,528	598,778	652,281	951,535	1,169,233	1,099,727
Capital lease	2,694	1,015	13,865	18,177	19,569	26,782
Asset retirement obligation	140,190	196,871	344,242	522,190	452,554	513,706
Deferred tax liability	95,033	124,112	15,746	0	12,490	0
Uncertain tax position	2,133	2,133	1,837	0	0	0
Derivative financial instruments	0	15,706	168,524	556,982	1,177,801	604,919
Other non-current liabilities	1,060	2,335	11,023	7,775	5,375	6,889
Shareholders' equity	748,863	938,135	886,658	663,950	-137,724	380,041
Total consolidated equity and debt	1,556,972	2,005,940	2,290,682	3,494,209	3,830,928	3,509,566
Ratios						
Current ratio (x)	1.32	1.26	0.48	0.44	0.31	0.33
Quick ratio (x)	1.32	1.26	0.48	0.44	0.31	0.33
Net debt	493,998	635,039	724,757	1,010,005	1,435,449	1,377,225
Net gearing	66.0%	67.7%	81.7%	152.1%	n.a.	362.4%
Book value per share (in GBP)	1.08	1.09	1.04	0.63	-0.13	0.31
Return on equity (ROE)	46.9%	11.8%	-2.6%	-41.9%	n.a.	460.2%



CASH FLOW STATEMENT

All figures in USD '000	2018A	2019A	2020A	2021A	2022A	2023E
Net profit	201,119	99,400	-23,474	-325,206	-620,598	557,535
Depreciation and depletion	41,988	98,139	117,290	167,644	222,257	242,826
Accretion of asset retirement obligation	7,101	12,349	15,424	24,396	27,569	27,153
Deferred income taxes	60,676	32,091	-113,266	-225,694	-178,904	254,000
(Gain)/loss on derivative financial instruments	-32,768	-20,270	238,795	652,465	861,457	-715,806
Asset retirement, plugging	-1,171	-2,541	-2,442	-2,879	-4,889	-2,800
Gain on oil/gas properties and equipment	-4,079	0	1,356	901	-2,379	0
Gain on bargain purchase	-173,473	-1,540	-17,172	-58,072	-4,447	0
Finance costs	17,743	36,677	43,327	50,628	100,799	137,300
Revaluation of contingent consideration	0	0	0	8,963	0	0
Hedge modifications	0	0	0	-10,164	-133,573	0
Cancellation/retirement of debt	8,358	0	0	0	0	0
Changes in working capital	-39,713	21,786	-10,129	40,680	138,735	-35,485
Non cash equity compensation	783	3,065	5,007	7,400	8,051	0
Cash paid for income taxes	0	-1,989	-5,850	-10,880	-26,314	0
Other adjustments	0	1,989	-7,156	0	0	0
Operating cash flow	86,564	279,156	241,710	320,182	387,764	464,724
Oil and gas properties and equipment	-18,515	-32,313	-21,947	-50,175	-86,079	-74,332
Free cash flow	68,049	246,843	219,763	270,007	301,685	390,392
Acquisitions	-750,256	-439,272	-223,091	-574,134	-276,571	-251,000
Increase in restricted cash	-986	-5,302	-12,637	1,838	0	34,227
Proceeds from disposal of assets	4,079	10,000	3,712	88,887	0	62,164
Other acquired intangibles	0	0	-2,900	0	0	0
Contingent consideration payments	0	0	-893	-10,822	-23,807	0
Payments associated with potential acquisitions	0	0	0	-25,002	0	0
Acquisition-related debt and hedge extinguishment	0	0	0	-56,466	0	0
Investment cash flow	-765,678	-466,887	-257,756	-627,712	-386,457	-228,941
Repayment of borrowings	-280,890	-618,010	-705,314	-1,432,566	-2,139,686	-85,622
Proceeds of borrowings	581,221	765,236	799,650	1,727,745	2,587,554	0
Financing expense	-15,433	-32,715	-34,335	-41,623	-82,936	-137,300
Cost incurred to secure financing	-17,176	-11,574	-7,799	-10,255	-34,234	0
(Increase) decrease in restricted cash	0	0	0	1,838	-36,287	0
ABS note hedge modifications	0	0	0	0	-105,316	0
Proceeds from capital lease	4,401	0	0	0	0	0
Principal element of lease payments	-1,093	-1,724	-3,684	-8,606	-11,233	0
Proceeds from equity issuance, net	425,601	221,860	81,407	213,844	0	156,400
Cancellation of warrants	0	0	0	-1,429	137	0
Dividends to shareholders	-31,313	-82,151	-98,527	-130,239	-143,455	-169,997
Distributions to non-controlling interest owners	0	0	0	0	-6,389	0
Repurchase of shares	0	-52,902	-15,634	0	-34,691	-1,865
Financing cash flow	665,318	188,020	15,764	318,709	-6,536	-238,383
Other	0	0	0	0	0	0
Net cash flows	-13,796	289	-282	11,179	-5,229	-2,600
Cash, start of the year	15,168	1,372	1,661	1,379	12,558	7,329
Cash, end of the year	1,372	1,661	1,379	12,558	7,329	4,729

Y-Y Growth

Operating cash flow	1164.8%	222.5%	-13.4%	32.5%	21.1%	19.8%
Free cash flow	1776.3%	362.7%	89.0%	122.9%	111.7%	129.4%
EBITDA/share	159.5%	12.6%	3.0%	-1.4%	37.1%	-3.0%

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UST-Id.: 251601797

Ggf. Inhaltlich Verantwortlicher gem. § 6 MDStV

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The production of this recommendation was completed on 6 October 2023 at 12:26

Person responsible for forwarding or distributing this financial analysis: Martin Bailey

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First Berlin's system for asset valuation is divided into an asset recommendation and a risk assessment.

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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RECOMMENDATION & PRICE TARGET HISTORY

Report No.:	Date of publication	Previous day closing price	Recommendation	Price target
Initial Report	30 June 2020	GBp94.40	Buy	GBp130.00
2...9	↓	↓	↓	↓
10	15 February 2022	GBp113.80	Buy	GBp150.00
11	1 April 2022	GBp118.60	Buy	GBp150.00
12	5 May 2022	GBp125.00	Buy	GBp150.00
13	25 May 2022	GBp123.30	Buy	GBp160.00
14	11 October 2022	GBp131.10	Buy	GBp180.00
15	20 February 2023	GBp104.10	Buy	GBp180.00
16	12 July 2023	GBp86.65	Buy	GBp180.00
17	19 September 2023	GBp83.05	Buy	GBp180.00
18	Today	GBp71.65	Buy	GBp180.00

INVESTMENT HORIZON

Unless otherwise stated in the financial analysis, the ratings refer to an investment period of twelve months.

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- key sources of information in the preparation of this research report
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