

Energiekontor AG

Germany / Cleantech
 Frankfurt Stock Exchange
 Bloomberg: EKT GR
 ISIN: DE0005313506

First Scottish wind
 project sold

RATING
PRICE TARGET **ADD**
€ 60.00
 Return Potential 6.8%
 Risk Rating High

SCOTTISH WIND PROJECT PIPELINE STARTS TO PAY OFF

Energiekontor has sold the Longhill wind farm (50 MW) in Scotland to the private asset firm Capital Dynamics. In recent years, Energiekontor has developed a large pipeline of wind farm projects in Scotland (>2,000 MW) which is now beginning to pay off. Eight projects (ca. 280 MW) already have permits. We believe that the Scottish pipeline will be a major sales and earnings driver in the coming years. Construction of the Longhill wind farm will begin in April 2021 and commissioning is scheduled for the second half of 2022. With increasing global efforts to address climate change, we see the 2020s as a golden decade for renewable energies. We assume that the electrification of mobility and the hydrogen strategies of many countries will significantly increase the demand for green power in the coming years. We have increased our forecasts for 2022 and the following years. An updated sum-of-the-parts valuation yields a new price target of €60 (previously: €43.80). We confirm our Add recommendation.

Scottish pipeline a major earnings driver in coming years The sale of the Longhill wind farm project is just the beginning of a cascade of wind farm project sales in Scotland. Energiekontor has permits for eight projects with a total capacity of ca. 280 MW, which look set to be constructed in coming years. The Scottish projects do not receive subsidies and are based on power purchase agreements (PPAs). Wind conditions in Scotland are so good that they are not far away from offshore wind conditions, but construction costs are, of course, typical for onshore wind farms and thus much lower than for offshore wind farms. This makes these projects very profitable. The capacity of each turbine is high (6.25 MW). This is not much below the average capacity of the offshore wind turbines commissioned in 2020 in the German North Sea (6.84 MW).

Another solar PPA concluded with utility EnBW in Germany in February The PPA was concluded for a large solar park in northeastern Germany. The park will have a capacity of 52.3 MW and a power output of 55.2 GWh p.a. (p.t.o.)

FINANCIAL HISTORY & PROJECTIONS

	2017	2018	2019	2020E	2021E	2022E
Total Output (€m)	202.08	128.70	96.41	152.53	309.42	383.16
Y-o-y growth	21.2%	-36.3%	-25.1%	58.2%	102.9%	23.8%
EBIT (€m)	32.89	22.08	16.30	42.44	55.30	69.44
EBIT margin	16.3%	17.2%	16.9%	27.8%	17.9%	18.1%
Net income (€m)	11.89	6.68	0.24	19.06	27.17	34.54
EPS (diluted) (€)	0.82	0.46	0.02	1.33	1.90	2.41
DPS (€)	0.60	0.40	0.40	0.50	0.70	0.70
FCF (€m)	-29.27	23.17	5.86	65.79	-58.40	-52.08
Net gearing	220.0%	218.6%	378.3%	246.5%	293.2%	302.6%
Liquid assets (€m)	69.00	73.29	66.99	80.12	98.83	122.09

RISKS

Main risks include changes in the regulatory support for wind and solar energy, project development risks, approval procedures, tender results, wind farm operation risks, and Brexit.

COMPANY PROFILE

Energiekontor is a wind and solar project developer and an operator of a large portfolio of own wind farms and solar parks (279 MW). The company is active in onshore wind and solar project development in Germany, the UK, the US, and France. Energiekontor is headquartered in Bremen, Germany.

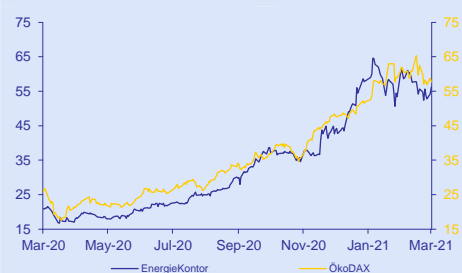
MARKET DATA

As of 02 Mar 2021

Closing Price	€ 56.20
Shares outstanding	14.37m
Market Capitalisation	€ 807.36m
52-week Range	€ 16.65 / 64.60
Avg. Volume (12 Months)	16,475

Multiples	2019	2020E	2021E
P/E	3375.7	43.1	30.3
EV/Sales	10.5	6.6	3.3
EV/EBIT	62.0	23.8	18.3
Div. Yield	0.7%	0.9%	1.2%

STOCK OVERVIEW



COMPANY DATA

As of 30 Jun 2020

Liquid Assets	€ 67.09m
Current Assets	€ 169.81m
Intangible Assets	€ 0.91m
Total Assets	€ 395.17m
Current Liabilities	€ 79.07m
Shareholders' Equity	€ 59.06m

SHAREHOLDERS

Dr Bodo Wilkens	26.2%
Günter Lammers	26.2%
Universal Investment Gesellschaft	9.9%
Union Investment Privatfonds	5.1%
Free Float	32.7%



Construction is scheduled to begin in autumn 2021, and commissioning is planned for the second quarter of 2022. The PPA allows Energiekontor to build and operate the solar park without feed-in tariffs from the German Renewable Energy Act (EEG). EnBW will purchase 100% of the electricity at a fixed price. Within the agreed contract period of 15 years, the two companies assume a total produced electricity volume of ca. 830 GWh.

A golden decade for wind and solar power The EU Commission tightened its climate targets in 2020 and is now proposing a CO₂ reduction of 55% by 2030 compared to 1990 (previously: more than 40%). Climate neutrality is to be achieved by 2050. Both the targets for 2030 and 2050 can only be achieved with considerable additional wind and solar capacity.

Under the new administration of President Biden, the USA has rejoined the Paris Agreement on Climate Change. The new government is making the expansion of renewable energies one of its priorities. Energiekontor is developing a pipeline of wind and solar projects in the US. The company has offices in Austin, Texas (solar) and Rapid City, South Dakota (wind). Germany will phase out nuclear power (8 GW) by 2022 and coal power (43 GW) by 2038 at the latest. Intermediate targets for coal are a reduction to 30 GW by 2022 and 17 GW by 2030. The loss of fossil base-load power capacity will increase the pressure to install more green power plants, increase storage and likely drive up electricity prices, which should boost the value of green power systems.

In a study commissioned by the Hydrogen Council and published in January 2021, McKinsey assumes that 90 GW of electrolysis capacity will be installed by 2030. According to the study, there are 228 hydrogen projects along the value chain worldwide, 17 of which are already announced production projects on a GW scale (i.e. with a green power requirement of more than 1 GW). The International Energy Agency (IEA) considers annual green electricity production of around 3,600 TWh to be necessary to replace the current fossil hydrogen production with greenhouse gas-free water electrolysis. This is more than the EU's total annual electricity production. In July 2020, the EU Commission presented its plan, "A hydrogen strategy for a climate-neutral Europe", which envisions the installation of 6 GW of green hydrogen electrolyzers by 2024 and 40 GW by 2030. In June, the German federal government passed its national hydrogen strategy, which forecasts domestic hydrogen demand of 90-110 TWh by 2030 (currently: approx. 55 TWh). If this future demand were only covered by domestic wind power onshore, assuming 3,000 full load hours, this would correspond to additional wind power capacity of approx. 30-37 GW. It is already foreseeable that the establishment of a global hydrogen economy will result in an immense need for green power.

Forecasts increased Given the recent news flow, we have increased our forecasts for 2022 and subsequent years. We anticipate strong EPS growth both in 2021 (+43% y/y to €1.90) and in 2022 (+27% y/y to €2.41).

Figure 1: Revisions to forecasts

All figures in €m	2020E			2021E			2022E		
	Old	New	Delta	Old	New	Delta	Old	New	Delta
Total output	152.53	152.53	0.0%	309.42	309.42	0.0%	366.63	383.16	4.5%
EBIT	42.44	42.44	0.0%	55.30	55.30	0.0%	65.19	69.44	6.5%
margin	27.8%	27.8%		17.9%	17.9%		17.8%	18.1%	
Net income	19.06	19.06	0.0%	27.17	27.17	0.0%	31.64	34.54	9.2%
margin	12.5%	12.5%		1.6%	8.8%		8.6%	9.0%	
EPS (diluted)	1.33	1.33	0.0%	1.90	1.90	0.0%	2.21	2.41	9.1%

Source: First Berlin Equity Research

Add reiterated at higher price target An updated sum-of-the-parts valuation yields a new price target of €60 (previously: €43.80). We reiterate our Add recommendation.



VALUATION MODEL

We value Energiekontor based on a sum-of-the-parts analysis. Each of Energiekontor's segments, Project Development, Power Production, and Operation & Innovation is valued separately using a DCF model.

Sum of the parts valuation

SotP valuation	Fair value in €m	Fair value per share in €	old	delta
Project Development	496.32	34.64	23.97	44.5%
Power Production	288.94	20.17	15.56	29.6%
Operation & Innovation	70.86	4.95	4.30	15.0%
Sum of the parts	856.12	59.75	43.83	36.3%
Price target		60.00	43.80	37.0%

DCF model for Project Development segment

DCF valuation model								
All figures in EUR '000	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E
Net sales	91,150	170,875	217,750	249,100	275,250	306,028	337,465	369,064
NOPLAT	14,909	24,529	30,447	32,013	34,417	37,124	39,913	42,739
+ depreciation & amortisation	1,184	1,263	1,163	1,118	1,293	1,413	1,521	1,619
Net operating cash flow	16,093	25,792	31,609	33,132	35,710	38,538	41,434	44,358
- total investments (CAPEX and WC)	-13,230	-11,717	-9,726	-11,074	-12,711	-14,796	-15,172	-15,324
Capital expenditures	-1,367	-1,196	-1,089	-1,495	-1,601	-1,725	-1,841	-1,946
Working capital	-11,863	-10,521	-8,637	-9,579	-11,109	-13,071	-13,331	-13,378
Free cash flows (FCF)	2,863	14,075	21,884	22,058	23,000	23,742	26,263	29,034
PV of FCF's	2,863	13,103	18,694	17,290	16,539	15,666	15,901	16,131

All figures in thousands	
PV of FCFs in explicit period (2020E-2034E)	231,260
PV of FCFs in terminal period	265,832
Enterprise value (EV)	497,093
+ Net cash / - net debt	-796
+ Investments / minority interests	0
Shareholder value	496,297
Number of shares (diluted)	14,328
Fair value per share in EUR	34.64

WACC		Terminal growth rate							
		1.5%	2.0%	2.5%	3.0%	3.5%	4.0%	4.5%	
Cost of equity	11.7%	5.0%	77.59	85.96	97.71	115.40	145.03	204.91	389.53
Pre-tax cost of debt	7.0%	6.0%	58.14	62.26	67.56	74.64	84.57	99.52	124.57
Tax rate	30.0%	7.0%	45.96	48.23	51.01	54.49	58.97	64.95	73.34
After-tax cost of debt	4.9%	8.0%	37.66	39.01	40.61	42.53	44.88	47.82	51.60
Share of equity capital	60.0%	9.0%	31.67	32.52	33.50	34.64	35.99	37.61	39.59
Share of debt capital	40.0%	10.0%	27.17	27.72	28.35	29.07	29.89	30.85	31.99
		11.0%	23.68	24.05	24.47	24.93	25.46	26.06	26.76
Fair value per share in EUR	34.64	12.0%	20.91	21.16	21.45	21.76	22.10	22.50	22.94

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



DCF model for Power Generation segment

DCF valuation model								
All figures in EUR '000	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E
Net sales	54,286	54,480	67,011	87,179	109,651	127,696	128,851	128,651
NOPLAT	17,228	16,941	21,865	28,131	34,375	37,284	37,871	37,796
+ depreciation & amortisation	22,472	23,259	27,258	36,113	46,832	57,571	57,124	56,676
Net operating cash flow	39,700	40,199	49,123	64,244	81,206	94,855	94,995	94,472
- total investments (CAPEX and WC)	-741	-99,187	-131,653	-156,618	-169,810	-61,032	-57,345	-56,638
Capital expenditures	0	-99,150	-129,250	-152,750	-165,500	-57,571	-57,124	-56,676
Working capital	-741	-37	-2,403	-3,868	-4,310	-3,461	-222	38
Free cash flows (FCF)	38,959	-58,988	-82,531	-92,374	-88,603	33,823	37,650	37,834
PV of FCF's	38,959	-57,296	-77,408	-83,662	-77,481	28,561	30,699	29,789

All figures in thousands	
PV of FCFs in explicit period (2020E-2034E)	12,138
PV of FCFs in terminal period	481,133
Enterprise value (EV)	493,271
+ Net cash / - net debt	-204,343
+ Investments / minority interests	0
Shareholder value	288,928
Number of shares (diluted)	14,328
Fair value per share in EUR	20.17

WACC	3.6%
Cost of equity	6.6%
Pre-tax cost of debt	4.0%
Tax rate	30.0%
After-tax cost of debt	2.8%
Share of equity capital	20.0%
Share of debt capital	80.0%
Fair value per share in EUR	20.17

WACC	Terminal growth rate						
	-0.6%	-0.4%	-0.2%	0.0%	0.2%	0.4%	0.6%
2.8%	26.23	28.66	31.41	34.55	38.16	42.38	47.37
3.1%	22.08	24.11	26.38	28.96	31.89	35.27	39.19
3.3%	18.47	20.18	22.09	24.22	26.64	29.38	32.53
3.6%	15.30	16.76	18.37	20.17	22.17	24.44	27.01
3.8%	12.50	13.75	15.13	16.65	18.34	20.23	22.35
4.1%	10.00	11.09	12.27	13.57	15.01	16.60	18.37
4.3%	7.77	8.71	9.74	10.86	12.09	13.44	14.94

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

DCF model for Operation & Innovation segment

DCF valuation model								
All figures in EUR '000	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E
Net sales	6,293	6,859	7,751	8,836	10,038	11,338	12,713	14,133
NOPLAT	2,139	2,329	2,682	3,053	3,480	3,935	4,410	4,896
+ depreciation & amortisation	0	0	3	6	9	13	17	21
Net operating cash flow	2,139	2,329	2,685	3,058	3,489	3,947	4,427	4,917
- total investments (CAPEX and WC)	210	-11	-46	-172	-181	-207	-232	-255
Capital expenditures	0	-34	-39	-44	-50	-57	-64	-71
Working capital	210	23	-7	-128	-131	-151	-168	-184
Free cash flows (FCF)	2,348	2,318	2,639	2,887	3,308	3,740	4,195	4,663
PV of FCF's	2,348	2,165	2,269	2,285	2,411	2,510	2,592	2,653

All figures in thousands	
PV of FCFs in explicit period (2020E-2034E)	37,051
PV of FCFs in terminal period	34,632
Enterprise value (EV)	71,682
+ Net cash / - net debt	-828
+ Investments / minority interests	0
Shareholder value	70,854
Number of shares (diluted)	14,328
Fair value per share in EUR	4.95

WACC	8.6%
Cost of equity	8.6%
Pre-tax cost of debt	4.0%
Tax rate	30.0%
After-tax cost of debt	2.8%
Share of equity capital	100.0%
Share of debt capital	0.0%
Fair value per share in EUR	4.95

WACC	Terminal growth rate						
	0.5%	1.0%	1.5%	2.0%	2.5%	3.0%	3.5%
4.6%	9.92	10.82	12.01	13.66	16.09	20.04	27.59
5.6%	7.74	8.24	8.85	9.64	10.68	12.12	14.24
6.6%	6.29	6.59	6.95	7.38	7.92	8.61	9.52
7.6%	5.27	5.46	5.68	5.94	6.25	6.63	7.10
8.6%	4.51	4.63	4.78	4.95	5.14	5.37	5.64
9.6%	3.92	4.01	4.11	4.22	4.35	4.49	4.66
10.6%	3.46	3.52	3.59	3.67	3.75	3.85	3.96
11.6%	3.09	3.13	3.18	3.23	3.30	3.36	3.44

* 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	149,865	110,186	63,700	149,527	229,813	289,799
Change in inventory & own work	52,211	18,516	32,708	3,006	79,603	93,360
Total output	202,076	128,702	96,409	152,533	309,416	383,159
Cost of goods sold	127,923	60,631	30,501	57,344	195,636	245,555
Gross profit	74,153	68,071	65,908	95,189	113,780	137,604
Personnel costs	11,830	13,667	14,679	15,405	16,486	17,697
Other operating expenses	18,475	17,144	16,362	17,511	20,614	25,570
Other operating income	5,746	3,363	3,986	3,827	3,147	3,525
EBITDA	49,593	40,622	38,853	66,100	79,826	97,862
Depreciation	16,704	18,546	22,551	23,656	24,521	28,423
Operating income (EBIT)	32,889	22,076	16,302	42,444	55,305	69,439
Net financial result	-16,224	-12,465	-15,532	-15,216	-16,491	-20,097
Non-operating expenses	0	0	0	0	0	0
Pre-tax income (EBT)	16,666	9,612	770	27,229	38,814	49,341
Income taxes	4,778	2,932	526	8,169	11,644	14,802
Minority interests	0	0	0	0	0	0
Net income / loss	11,888	6,680	244	19,060	27,170	34,539
Diluted EPS (in €)	0.82	0.46	0.02	1.33	1.90	2.41
Ratios						
Gross margin on total output	36.7%	52.9%	68.4%	62.4%	36.8%	35.9%
EBITDA margin on total output	24.5%	31.6%	40.3%	43.3%	25.8%	25.5%
EBIT margin on total output	16.3%	17.2%	16.9%	27.8%	17.9%	18.1%
Net margin on total output	5.9%	5.2%	0.3%	12.5%	8.8%	9.0%
Tax rate	28.7%	30.5%	68.3%	30.0%	30.0%	30.0%
Expenses as % of total output						
Personnel costs	5.9%	10.6%	15.2%	10.1%	5.3%	4.6%
Depreciation	8.3%	14.4%	23.4%	15.5%	7.9%	7.4%
Other operating expenses	9.1%	13.3%	17.0%	11.5%	6.7%	6.7%
Y-Y Growth						
Total output	21.2%	-36.3%	-25.1%	58.2%	102.9%	23.8%
EBIT	-38.8%	-32.9%	-26.2%	160.4%	30.3%	25.6%
Net income/ loss	-53.1%	-43.8%	-96.4%	7724.4%	42.5%	27.1%



BALANCE SHEET

All figures in EUR '000	2017A	2018A	2019A	2020E	2021E	2022E
Assets						
Current assets, total	160,607	137,613	154,284	161,174	212,155	240,406
Cash and cash equivalents	69,002	73,291	66,989	80,122	98,828	122,089
Short-term investments	10,159	5,061	36	36	36	36
Receivables	26,216	19,123	13,765	22,917	40,354	44,425
Inventories	47,006	38,481	71,189	55,794	70,632	71,551
Other current assets	8,225	1,657	2,305	2,305	2,305	2,305
Non-current assets, total	200,606	210,824	235,615	213,326	289,185	391,140
Property, plant & equipment	194,558	204,916	226,541	204,253	280,112	382,066
Goodwill & other intangibles	1	23	766	766	766	766
Other assets	6,047	5,885	8,308	8,308	8,308	8,308
Total assets	361,213	348,437	389,899	374,500	501,340	631,546
Shareholders' equity & debt						
Current liabilities, total	57,200	44,177	63,616	53,747	72,687	72,915
Short-term financial debt	24,728	20,639	39,237	25,000	35,000	35,000
Accounts payable	8,383	5,489	9,785	12,766	18,840	19,069
Current provisions	14,660	13,504	9,175	9,175	9,175	9,175
Other current liabilities	9,429	4,545	5,419	6,806	9,671	9,671
Long-term liabilities, total	233,781	235,861	270,083	252,658	343,418	448,886
Long-term financial debt	208,961	207,233	240,417	222,992	313,752	419,220
Deferred revenue	0	0	0	0	0	0
Other liabilities	24,820	28,628	29,666	29,666	29,666	29,666
Minority interests	0	0	0	0	0	0
Shareholders' equity	70,232	68,400	56,200	68,096	85,236	109,745
Share capital	14,578	14,578	14,678	14,678	14,678	14,678
Capital reserve	40,428	40,458	41,460	41,460	41,460	41,460
Other reserves	-2,441	-1,835	-4,632	-4,632	-4,632	-4,632
Treasury stock	-1	-30	-312	-312	-312	-312
Loss carryforward / retained earnings	39,717	39,344	35,457	47,353	64,493	89,003
Total consolidated equity and debt	361,213	348,437	389,899	374,500	501,340	631,546
Ratios						
Current ratio (x)	2.81	3.12	2.43	3.00	2.92	3.30
Quick ratio (x)	1.99	2.24	1.31	1.96	1.95	2.32
Net debt	154,528	149,520	212,629	167,834	249,888	332,094
Net gearing	220%	219%	378%	246%	293%	303%
Book value per share (in €)	4.82	4.69	3.89	4.75	5.95	7.66
Financial debt/EBITDA (x)	4.7	5.6	7.2	3.8	4.4	4.6
Equity ratio	19.4%	19.6%	14.4%	18.2%	17.0%	17.4%
Return on equity (ROE)	16.9%	9.8%	0.4%	28.0%	31.9%	31.5%
Return on investment (ROI)	3.3%	1.9%	0.1%	5.1%	5.4%	5.5%
Return on assets (ROA)	7.8%	5.7%	4.1%	9.2%	8.7%	8.7%
Return on capital employed (ROCE)	14.8%	8.9%	6.0%	15.0%	17.5%	16.6%
Days sales outstanding (DSO)	63.8	63.3	78.9	55.9	64.1	56.0
Days inventory outstanding (DIO)	134.1	231.7	851.9	355.1	131.8	106.4
Days payables outstanding (DPO)	23.9	33.0	117.1	81.3	35.2	28.3



CASH FLOW STATEMENT

All figures in EUR '000	2017A	2018A	2019A	2020E	2021E	2022E
EBIT	32,889	22,076	16,302	42,444	55,305	69,439
Depreciation and amortisation	16,704	18,546	22,551	23,656	24,521	28,423
EBITDA	49,593	40,622	38,853	66,100	79,826	97,862
Changes in working capital	-28,182	6,310	-24,549	9,224	-26,200	-4,762
Other adjustments	-16,973	-1,499	-961	-8,169	-11,644	-14,802
Operating cash flow	4,438	45,433	13,343	67,155	41,981	78,298
CAPEX	-33,707	-22,240	-7,463	-1,367	-100,380	-130,378
Investments in intangibles	-1	-26	-19	0	0	0
Free cash flow	-29,269	23,167	5,861	65,788	-58,399	-52,080
Acquisitions and disposals, net	0	0	0	0	0	0
Other investments	-2,277	4,642	3,412	0	0	0
Cash flow from investing	-35,984	-17,624	-4,070	-1,367	-100,380	-130,378
Debt financing, net	5,266	-2,891	9,610	-31,662	100,760	105,468
Equity financing, net	-251	-403	-4,865	0	0	0
Dividends paid	-11,670	-8,745	-5,784	-5,778	-7,164	-10,030
Other financing	-13,992	-11,577	-13,483	-15,216	-16,491	-20,097
Cash flow from financing	-20,646	-23,616	-14,523	-52,655	77,105	75,341
Forex & other effects	2,666	96	-1,052	0	0	0
Net cash flows	-49,526	4,289	-6,302	13,133	18,706	23,261
Cash, start of the year	118,528	69,002	73,291	66,989	80,122	98,828
Cash, end of the year	69,002	73,291	66,989	80,122	98,828	122,089
EBITDA/share (in €)	3.40	2.79	2.69	4.61	5.57	6.83
Operating cash flow/share (in €)	0.30	3.12	0.92	4.69	2.93	5.46
Y-Y Growth						
Operating cash flow	-95.2%	923.6%	-70.6%	403.3%	-37.5%	86.5%
Free cash flow	n.m.	n.m.	-74.7%	1022.5%	n.m.	n.m.
EBITDA/share	-31.1%	-18.0%	-3.5%	71.5%	20.8%	22.6%
Operating cash flow/share	-95.2%	924.6%	-70.4%	407.4%	-37.5%	86.5%

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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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RECOMMENDATION & PRICE TARGET HISTORY

Report No.:	Date of publication	Previous day closing price	Recommendation	Price target
Initial Report	5 June 2014	€7.70	Buy	€12.20
2...32	↓	↓	↓	↓
33	19 November 2019	€20.40	Add	€22.50
34	19 December 2019	€20.50	Add	€22.30
35	13 March 2020	€18.85	Buy	€26.00
36	20 April 2020	€19.40	Buy	€26.00
37	7 May 2020	€18.35	Buy	€26.30
38	19 May 2020	€18.75	Buy	€26.30
39	31 August 2020	€29.60	Add	€36.40
40	17 November 2020	€36.80	Add	€43.80
41	Today	€56.20	Add	€60.00

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