

# OpenLimit Holding AG

Switzerland / Software  
 Primary exchange: Frankfurt  
 Bloomberg: O5H GR  
 ISIN: CH0022237009

H1 figures

**RATING**  
**PRICE TARGET**  
 Return Potential 62.2%  
 Risk Rating High

**BUY**  
**€ 0.48**

## SECOND SMGW CERTIFIED – ROLLOUT TO START IN 2019

OpenLimit reported H1 figures which roughly matched our expectations. Although sales were 8% lower at €4.0m, EBIT increased from 55k to €147k due to strict cost discipline. The repeated postponement of the smart meter gateway (SMGW) rollout has caused the company to reduce guidance. OpenLimit now expects ca. €8m sales in 2019 and has indicated that positive EBIT may be achievable. However, the certification of a second supplier's SMGW at the end of September has increased the likelihood that the rollout will start still by the end of this year. This at least is the expectation of the Federal Office for Information Security (BSI), which is responsible for certification. We now do not expect a relevant revenue contribution from the SMGW rollout in 2019 and lower our forecasts for 2019E and the following years. But we expect the approaching SMGW rollout to drive brisk revenue growth in 2020E and the following years. An updated DCF model yields a new price target of €0.48 (previously: €0.54) We reiterate our Buy rating.

**Lower sales, but higher EBIT** H1 revenue declined 8% y/y to €4.0m (FBe: €4.4m). The main revenue contribution came from the contract with T-Systems for the Medical Access Port development (€2.4m versus €3.3m in H1/18) Despite lower revenues, EBIT increased from €55k to €147k. The main reason for this was strict cost discipline. Other operating expenses fell from €1.4m to €0.8m as legal costs and advertising expenses were significantly reduced. Lower financial (€235k vs. €267k in H1/18) and similar tax expenses led to an improved net result of €-136k versus €-270k in H1/18. Based on a higher average share count of 35.9m (H1/18: 28.7m), EPS amounted to €-0.004 versus €-0.009 in H1/18.

**Guidance lowered** Due to the repeated postponement of the SMGW rollout, OpenLimit has lowered guidance and now expects ca. €8m sales in 2019 and has indicated that positive EBIT may be achievable. The previous guidance was >€10m in revenues, but no EBIT guidance. (p.t.o.)

### FINANCIAL HISTORY & PROJECTIONS

	2016	2017	2018	2019E	2020E	2021E
Revenue (€m)	-0.40	4.94	7.97	8.13	10.16	13.21
Y-o-y growth	n.a.	n.a.	61.5%	2.0%	25.0%	30.0%
EBIT (€m)	-7.85	-3.00	-0.66	-0.07	0.44	1.41
EBIT margin	1971.1%	-60.8%	-8.3%	-0.9%	4.4%	10.7%
Net income (€m)	-8.57	-3.03	-1.30	-0.67	0.09	1.02
EPS (diluted) (€)	-0.39	-0.12	-0.04	-0.02	0.00	0.03
DPS (€)	0.00	0.00	0.00	0.00	0.00	0.00
FCF (€m)	-2.86	-0.54	-0.19	-0.46	0.66	0.78
Net gearing	278.3%	474.0%	704.7%	172.1%	86.4%	44.7%
Liquid assets (€m)	0.02	0.07	0.06	0.05	0.15	0.23

### RISKS

Risks include, but are not limited to: financing, project delays, regulatory delays, erosion of the company's competitive lead, and the failure of the company's products to achieve broad market acceptance.

### COMPANY PROFILE

OpenLimit stands for the secure electronic handshake. Its technologies enable people and machines worldwide to communicate in secure, verifiable and identifiable ways. The company develops base technologies and products in the areas secure data transfer between machines, secure authentication, electronic signatures, and evidentiary value-preserving long-term storage of data and documents.

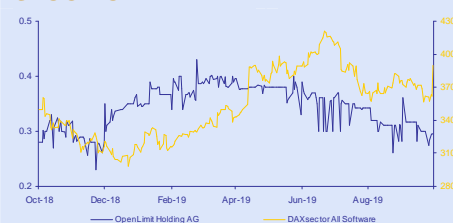
### MARKET DATA

As of 11 Oct 2019

Closing Price	€ 0.30
Shares outstanding	38.17m
Market Capitalisation	€ 11.30m
52-week Range	€ 0.23 / 0.43
Avg. Volume (12 Months)	10,902

Multiples	2018	2019E	2020E
P/E	n.a.	n.a.	119.2
EV/Sales	2.0	2.0	1.6
EV/EBIT	n.a.	n.a.	36.3
Div. Yield	0.0%	0.0%	0.0%

### STOCK OVERVIEW



### COMPANY DATA

As of 30 Jun 2019

Liquid Assets	€ 0.03m
Current Assets	€ 2.85m
Intangible Assets	€ 4.53m
Total Assets	€ 10.39m
Current Liabilities	€ 5.22m
Shareholders' Equity	€ 2.78m

### SHAREHOLDERS

René C. Jäggi	15.4%
Robert E. Züllig	14.3%
WiseKey	5.8%
Other investors	14.9%
Free Float	49.6%

**Figure 1: Reported figures versus forecasts**

All figures in €m	H1-19A	H1-19E	Delta	H1-18A	Delta
Sales	4.00	4.40	-9.1%	4.35	-8.0%
EBIT	0.15	0.02	635.0%	0.06	167.3%
margin	3.7%	0.5%		1.3%	
Net income	-0.14	-0.30	-	-0.27	-
margin	-3.4%	-6.8%		-6.2%	
EPS in € (diluted)	0.00	-0.01	-	-0.01	-

Source: First Berlin Equity Research, OpenLimit Holding AG

**Much improved balance sheet** Equity amounted to €2.8m at the end of H1 versus €0.8m at the end of 2018 due the capital increase in January. OpenLimit raised gross proceeds of €2.1m through the issue of 7.1m shares (see figure 2). The equity ratio was at a much healthier 27% after 10% at end 2018. But liquidity constraints remain an issue. The cash position was again very low (€26k), payables and other short-term liabilities rose from €1.5m to €2.8m, and short-term financial liabilities were at €1.9m. But compared to the short-term financial liabilities at the end of 2018 of €4.6m, this is a significant improvement. Long-term financial debt increased from €0.8m to €1.3m resulting in total financial debt of €4.0m. Leasing liabilities, which have to be recognised since the beginning of the year according to IFRS 16, amounted to €1.4m, and pension liabilities were stable at €246k. The net debt position thus declined to €4.8m versus €55m at the end of 2018. We note that the 2018 balance sheet did not show leasing liabilities.

**Figure 2: Balance sheet, selected items**

All figures in EUR '000	H1/19	2018	delta
Goodwill & other intangibles	4,525	4,889	-7%
Rights of use	1,349	0	n.m.
Receivables & other	2,026	1,278	59%
Cash and cash equivalents	26	56	-54%
<b>Total assets</b>	<b>10,385</b>	<b>8,014</b>	<b>30%</b>
Shareholders' equity	2,782	785	254%
Equity ratio	27%	10%	-
Financial debt, long-term	1,282	773	66%
Leasing liabilities, long-term	831	0	n.m.
Pension liabilities	246	246	0%
Financial debt, short-term	1,911	4,568	-58%
Leasing liabilities, short-term	541	0	n.m.
Accounts payable & other	2,751	1,499	84%
Net debt	4,785	5,531	-13%
Net gearing	172%	705%	-

Source: First Berlin Equity Research, OpenLimit Holding AG

**Slightly negative free cash flow** Operating cash flow amounted to €685k and was 41% below the prior year's figure due mainly to higher receivables and other assets (€-1.4m). Free cash flow was €-162k due to CAPEX of €847k. Financing cash flow amounted to €132k as funds from the convertible loan (€450k) were higher than loan repayments (€318k). Net cash flow was €30k.

**Second SMGW supplier certified** In a press release of 30 September, the Federal Office for Information Security (BSI) announced that a second SMGW supplier has been certified. This supplier is Sagemcom Dr. Neuhaus GmbH. The BSI is confident that the SMGW rollout, which critically depends on three SMGW suppliers being certified, will start by the end of



2019 (previously: Q3/19). The SMGW of OpenLimit and its partner PPC had been certified in December 2018. According to the BSI, seven other applicants are in the certification process (see BSI <https://bit.ly/2JZiEoq>).

Due to the rollout postponement, OpenLimit's SMGW sales were low (low six digit euro sum). Advance orders amount to slightly above 100,000 devices, but shipment will not begin until the rollout starts. The SMGW rollout looks set to be the major revenue driver for OpenLimit in the coming years, as we assume the installation of more than one million SMGW devices per annum from 2020E on. If the official rollout starts in 2019 we believe that OpenLimit / PPC could sell up to 150,000 units next year. In this scenario, the company would generate 2020E SMGW sales of €3m, which assumes an average revenue share of €20 per SMGW unit for OpenLimit. We note that it is difficult to estimate SMGW sales volume and pricing in advance of the start of the rollout.

Given the legal requirement to replace SMGWs after eight years, we expect recurring long term revenues. The company should also generate recurring revenues with software service & maintenance. We welcome the high scalability of the SMGW business as OpenLimit will generate revenues (licence fee) per unit sold, whereas most of the development costs have already been booked.

The SMGW guarantees secure communication between end consumers' meters and utilities and is a decisive element in the digitalisation of the German energy sector. The certification by the German Federal Office for Information Security confirms security aspects such as stringent requirements for cryptography, security modules, smart metering public key infrastructure, and SMGW administration. The "Law to digitalise the energy transition" passed in 2016 stipulates a step-by-step rollout process over eight years. The SMGW market potential is 12-17 million devices. We anticipate extra potential when further metering systems in the areas gas, water, and heat will be introduced. The SMGW enables the implementation of new applications, innovations, and business models and is thus opening up a new era in the energy industry.

**T-Systems contract extended in March** The contract to develop a Medical Access Port for the German health market was extended in March and was the main revenue driver in H1 (revenue contribution: €2.4m). In H2, the contract will also generate significant revenues (FBe: roughly at the same level as in H1/19). Following the approval of the Medical Access Port by gematik in June 2018, the rollout to doctors, dentists, hospitals and pharmacies has started. T-Systems and OpenLimit are now in the service and further development phase. Negotiations between T-Systems and OpenLimit for an extension of the contract beyond January 2020 have started and OpenLimit expects a low to medium single digit million euro sum in 2020 as a result of the negotiations.

**Rising sales in signature technology / Fujitsu SecDocs powered by OpenLimit products** As in 2018, revenue from this area looks set to rise significantly again. The signature technology / SecDocs product portfolio supports companies and administrations in areas such as e-mail storage, e-documents, digitalisation processes, and electronic accounting.

**Authentication and eID look set to benefit from the digitalisation strategy of the federal government and administration** In H1/19, OpenLimit received further orders in this area. One project has an order volume in the lower single digit million euro range. The project implements eIDAS (electronic IDentification, Authentication and trust Services) compliance for a key account. The EU's eIDAS directive lays down common and mandatory rules in the areas "electronic identification" and "electronic trust services". We believe that the planned execution of the federal German digitalisation strategy will boost demand for OpenLimit's eID solutions.



**Order backlog of ca. €5m** The order backlog for Q4/19 and the coming years amounted to €5m. This is a solid basis to reach the lowered 2019 guidance.

**Convertible loans issued** In April, OpenLimit issued convertible loans totalling €550k with a conversion price of €0.38 per share. Conversion (including accrued interest) would result in 1,671,269 new shares. The loans are due on 31 October 2020.

**Forecasts lowered for 2019E and the following years due to postponed start of SMGW rollout** Our estimates are basically pushed back by a full year. We now assume 2020E revenue of €10.2m and EBIT of €440k (see figure 3). The approaching SMGW rollout underpins our growth scenario for 2020E and the following years.

**Figure 3: Revisions to forecasts**

All figures in €m	2019E			2020E			2021E		
	Old	New	Delta	Old	New	Delta	Old	New	Delta
Sales	10.76	8.13	-24.5%	13.99	10.16	-27.4%	16.78	13.21	-21.3%
EBIT	0.87	-0.07	-	2.02	0.44	-78.0%	3.04	1.41	-53.4%
margin	8.1%	-0.9%	-	14.4%	4.4%	-	18.1%	10.7%	-
Net income	0.25	-0.67	-	1.43	0.09	-93.4%	2.39	1.02	-57.3%
margin	5.0%	-8.2%	-	10.2%	0.9%	-	14.2%	7.7%	-
EPS in € (diluted)	0.01	-0.02	-	0.04	0.00	-93.4%	0.06	0.03	-57.3%

Source: First Berlin Equity Research

**Buy reiterated at lower price target** An updated DCF model yields a new price target of €0.48 (previously: €0.54). We reiterate our Buy rating.



## VALUATION MODEL

DCF valuation model								
All figures in EUR '000	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E
Net sales	8,128	10,161	13,209	16,511	20,294	24,519	29,110	33,953
NOPLAT	-133	425	1,219	2,256	2,804	3,438	4,137	4,887
+ depreciation & amortisation	2,821	2,236	1,889	1,931	2,337	2,789	3,275	3,781
Net operating cash flow	2,688	2,662	3,109	4,187	5,141	6,227	7,412	8,668
- total investments (CAPEX and WC)	-2,616	-1,672	-2,127	-2,971	-3,790	-4,479	-5,190	-5,892
Capital expenditures	-1,666	-1,880	-2,312	-2,856	-3,404	-3,983	-4,576	-5,158
Working capital	-950	208	185	-115	-386	-496	-614	-734
Free cash flows (FCF)	72	990	982	1,216	1,352	1,748	2,222	2,776
<b>PV of FCF's</b>	<b>69</b>	<b>837</b>	<b>726</b>	<b>787</b>	<b>765</b>	<b>864</b>	<b>961</b>	<b>1,050</b>

All figures in thousands	
PV of FCFs in explicit period (2019E-2033E)	14,442
PV of FCFs in terminal period	9,508
Enterprise value (EV)	23,949
+ Net cash / - net debt (pro forma)	-4,790
+ Investments / minority interests	0
Shareholder value	19,159
Diluted number of shares	40,222
<b>Fair value per share in EUR</b>	<b>0.48</b>

WACC		Terminal growth rate						
		0.5%	1.0%	1.5%	2.0%	2.5%	3.0%	3.5%
10.3%	15.2%	0.91	0.92	0.94	0.95	0.97	0.98	1.00
11.3%	8.0%	0.77	0.77	0.78	0.79	0.80	0.81	0.82
12.3%	16.0%	0.65	0.65	0.66	0.66	0.67	0.67	0.68
13.3%	6.7%	0.55	0.55	0.56	0.56	0.56	0.56	0.57
14.3%	90.0%	0.47	0.47	0.48	0.48	0.48	0.48	0.48
15.3%	10.0%	0.41	0.41	0.41	0.41	0.41	0.41	0.41
16.3%		0.35	0.35	0.35	0.35	0.35	0.35	0.35
17.3%		0.30	0.30	0.30	0.30	0.30	0.30	0.30
<b>Price target per share in EUR</b>	<b>0.48</b>							

\* For layout reasons, the figure only displays figures until 2026, but the model runs until 2033.



## INCOME STATEMENT

All figures in EUR '000	2016A	2017A	2018A	2019E	2020E	2021E
<b>Revenues</b>	<b>-398</b>	<b>4,935</b>	<b>7,969</b>	<b>8,128</b>	<b>10,161</b>	<b>13,209</b>
Own work	2,426	2,451	1,620	1,552	1,778	2,246
Cost of goods sold	462	293	84	163	1,016	1,717
<b>Gross profit</b>	<b>-860</b>	<b>4,643</b>	<b>7,885</b>	<b>7,965</b>	<b>9,145</b>	<b>11,492</b>
Personnel costs	6,147	4,970	4,819	4,900	5,500	7,000
Other operating income	1,465	0	0	0	0	0
Other operating expenses	2,131	2,487	2,743	1,869	2,743	3,434
<b>EBITDA</b>	<b>-5,247</b>	<b>-363</b>	<b>1,942</b>	<b>2,748</b>	<b>2,680</b>	<b>3,303</b>
Depreciation and amortisation	2,607	2,637	2,603	2,821	2,236	1,889
<b>Operating income (EBIT)</b>	<b>-7,854</b>	<b>-3,000</b>	<b>-660</b>	<b>-73</b>	<b>443</b>	<b>1,414</b>
Net financial result	-508	-410	-614	-534	-331	-198
Non-operating expenses	0	0	0	0	0	0
<b>Pre-tax income (EBT)</b>	<b>-8,362</b>	<b>-3,410</b>	<b>-1,275</b>	<b>-607</b>	<b>113</b>	<b>1,216</b>
Income taxes	-207	382	-21	-61	-18	-195
Minority interests	0	0	0	0	0	0
<b>Net income / loss</b>	<b>-8,569</b>	<b>-3,028</b>	<b>-1,296</b>	<b>-667</b>	<b>95</b>	<b>1,021</b>
<b>Diluted EPS (in €)</b>	<b>-0.39</b>	<b>-0.12</b>	<b>-0.04</b>	<b>-0.02</b>	<b>0.00</b>	<b>0.03</b>
<b>Ratios</b>						
Gross margin	n.m.	94.1%	98.9%	98.0%	90.0%	87.0%
EBIT margin on revenues	n.m.	-60.8%	-8.3%	-0.9%	4.4%	10.7%
EBITDA margin on revenues	n.m.	-7.4%	24.4%	33.8%	26.4%	25.0%
Net margin on revenues	n.m.	-61.4%	-16.3%	-8.2%	0.9%	7.7%
Tax rate	n.m.	11.2%	-1.7%	-10.0%	16.0%	16.0%
<b>Expenses as % of revenues</b>						
Personnel costs	n.m.	100.7%	60.5%	60.3%	54.1%	53.0%
Depreciation and amortisation	n.m.	53.4%	32.7%	34.7%	22.0%	14.3%
Other operating expenses	n.m.	50.4%	34.4%	23.0%	27.0%	26.0%
<b>Y-Y Growth</b>						
Revenues	n.m.	n.m.	61.5%	2.0%	25.0%	30.0%
Operating income	n.m.	n.m.	n.m.	n.m.	n.m.	218.8%
Net income/ loss	n.m.	n.m.	n.m.	n.m.	n.m.	977.4%



## BALANCE SHEET

All figures in EUR '000	2016A	2017A	2018A	2019E	2020E	2021E
<b>Assets</b>						
<b>Current assets, total</b>	<b>4,595</b>	<b>2,895</b>	<b>1,620</b>	<b>1,959</b>	<b>2,347</b>	<b>3,206</b>
Cash and cash equivalents	17	65	56	53	147	231
Short-term investments	0	0	0	0	0	0
Receivables & other	4,577	2,825	1,560	1,893	2,088	2,787
Inventories	0	5	4	13	111	188
Other current assets	0	0	0	0	0	0
<b>Non-current assets, total</b>	<b>6,113</b>	<b>7,271</b>	<b>6,393</b>	<b>5,239</b>	<b>4,882</b>	<b>5,304</b>
Property, plant & equipment	82	80	70	77	91	114
Goodwill & other intangibles	5,207	5,826	4,889	3,728	3,357	3,756
Other assets	823	1,364	1,434	1,434	1,434	1,434
<b>Total assets</b>	<b>10,708</b>	<b>10,166</b>	<b>8,014</b>	<b>7,198</b>	<b>7,229</b>	<b>8,510</b>
<b>Shareholders' equity &amp; debt</b>						
<b>Current liabilities, total</b>	<b>8,257</b>	<b>6,566</b>	<b>6,189</b>	<b>3,913</b>	<b>3,214</b>	<b>3,474</b>
Short-term debt	4,035	1,412	4,568	2,900	1,700	1,000
Accounts payable & other	3,320	4,554	1,499	891	1,392	2,352
Current provisions	900	584	0	0	0	0
Other current liabilities	2	16	122	122	122	122
<b>Long-term liabilities, total</b>	<b>757</b>	<b>2,740</b>	<b>1,039</b>	<b>1,039</b>	<b>1,039</b>	<b>1,039</b>
Long-term debt	382	2,464	773	773	773	773
Deferred revenue	0	0	0	0	0	0
Other liabilities	375	275	267	267	267	267
<b>Minority interests</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Shareholders' equity</b>	<b>1,693</b>	<b>860</b>	<b>785</b>	<b>2,246</b>	<b>2,976</b>	<b>3,997</b>
Share capital	5,354	6,888	7,826	9,954	10,456	10,456
Capital reserve	10,498	11,013	11,157	11,157	11,291	11,291
Other reserves	2,288	2,402	2,500	2,500	2,500	2,500
Treasury stock	0	0	0	0	0	0
Loss carryforward / retained earnings	-16,448	-19,443	-20,698	-21,365	-21,270	-20,249
<b>Total consolidated equity and debt</b>	<b>10,708</b>	<b>10,166</b>	<b>8,014</b>	<b>7,198</b>	<b>7,229</b>	<b>8,510</b>
<b>Ratios</b>						
Current ratio (x)	0.56	0.44	0.26	0.50	0.73	0.92
Quick ratio (x)	0.56	0.44	0.26	0.50	0.70	0.87
Book value per share (€)	0.08	0.03	0.03	0.06	0.07	0.10
Net cash	-4,712	-4,076	-5,531	-3,865	-2,571	-1,787
Net gearing	278.3%	474.0%	704.7%	172.1%	86.4%	44.7%
Equity ratio	15.8%	8.5%	9.8%	31.2%	41.2%	47.0%
Return on equity (ROE)	-506.2%	-352.1%	-165.1%	-29.7%	3.2%	25.6%



## CASH FLOW STATEMENT

All figures in EUR '000	2016A	2017A	2018A	2019E	2020E	2021E
<b>EBIT</b>	<b>-7,854</b>	<b>-3,000</b>	<b>-660</b>	<b>-73</b>	<b>443</b>	<b>1,414</b>
Depreciation and amortisation	2,607	2,637	2,603	2,821	2,236	1,889
<b>EBITDA</b>	<b>-5,247</b>	<b>-363</b>	<b>1,942</b>	<b>2,748</b>	<b>2,680</b>	<b>3,303</b>
Changes in working capital	-2,840	2,995	-293	-950	208	185
Other adjustments	7,679	81	-182	-595	-349	-392
<b>Operating cash flow</b>	<b>-407</b>	<b>2,713</b>	<b>1,467</b>	<b>1,204</b>	<b>2,539</b>	<b>3,096</b>
Investments in PP&E	-26	-41	-36	-41	-51	-66
Investments in intangibles	-2,426	-3,212	-1,620	-1,626	-1,829	-2,246
<b>Free cash flow</b>	<b>-2,859</b>	<b>-541</b>	<b>-189</b>	<b>-463</b>	<b>659</b>	<b>784</b>
Acquisitions & disposals, net	1,465	0	0	0	0	0
Other investments	0	0	0	0	0	0
<b>Cash flow from investing</b>	<b>-987</b>	<b>-3,254</b>	<b>-1,656</b>	<b>-1,666</b>	<b>-1,880</b>	<b>-2,312</b>
Debt financing, net	550	-17	-101	-1,668	-1,200	-700
Equity financing, net	584	605	281	2,128	635	0
Dividends paid	0	0	0	0	0	0
Other financing	0	0	0	0	0	0
<b>Cash flow from financing</b>	<b>1,134</b>	<b>588</b>	<b>179</b>	<b>460</b>	<b>-565</b>	<b>-700</b>
FOREX & other effects	-26	1	0	0	0	0
<b>Net cash flows</b>	<b>-286</b>	<b>48</b>	<b>-9</b>	<b>-3</b>	<b>94</b>	<b>84</b>
Cash, start of the year	303	17	65	56	53	147
<b>Cash, end of the year</b>	<b>17</b>	<b>65</b>	<b>56</b>	<b>53</b>	<b>147</b>	<b>231</b>
<b>EBITDA/share (in €)</b>	<b>-0.24</b>	<b>-0.01</b>	<b>0.06</b>	<b>0.07</b>	<b>0.07</b>	<b>0.08</b>
<b>Y-Y Growth</b>						
Operating cash flow	n.m.	n.m.	-45.9%	-17.9%	111.0%	21.9%
Free cash flow	n.m.	n.m.	n.m.	n.m.	n.m.	18.9%
EBITDA/share	n.m.	n.m.	n.m.	6.6%	-2.5%	23.3%



**FIRST BERLIN RECOMMENDATION & PRICE TARGET HISTORY**

Report No.:	Date of publication	Previous day closing price	Recommendation	Price target
Initial Report	10 October 2005	€4.20	Buy	€5.20
2...56	↓	↓	↓	↓
57	17 December 2018	€0.31	Buy	€0.65
58	7 January 2019	€0.35	Buy	€0.54
59	7 May 2019	€0.38	Buy	€0.54
60	Today	€0.30	Buy	€0.48

**Authored by: Dr. Karsten von Blumenthal, Analyst**

**Company responsible for preparation:**

**First Berlin Equity Research GmbH**

Mohrenstraße 34  
10117 Berlin

Tel. +49 (0)30 - 80 93 96 85 Fax +49 (0)30 - 80 93 96 87

info@firstberlin.com  
www.firstberlin.com

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

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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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