PSI AG

Germany / Software
Primary exchange: Frankfurt
Bloomberg: PSAN GR
ISIN: DE000A0Z1JH9

Update

RATING	**BUY**
PRICE TARGET	**€ 40.00**
Return Potential	60.0%
Risk Rating	Medium

Q2 WAS EARNINGS LOWPOINT. BUY FOR RENEWABLES/METALS BOOM

H1/22 results were below our forecast because of a dip in profitability in the Energy Management business in Q2/22. Some contracts in this segment are fixed-price and in some cases PSI was unable to pass increased costs on to customers. Passing on higher costs was made more difficult because some customers have their own fixed price contracts and were unable to pass on higher energy purchase prices to their own customers. EBIT at Energy Management was negative in Q2/22 but we expect results to be back in the black from the current quarter. As CEO Schrimpf explained in a radio interview given shortly after publication of the H1/22 results, three municipal utilities (Stadtwerke) accounted for most of Energy Management's Q2/22 losses. H1/22 results included not only losses actually incurred in Q2/22, but provisions for estimated future losses on the contracts with the three municipal utilities. We believe that this provisioning is on the conservative side. Over the coming quarters pressure on those PSI Energy Management customers currently experiencing financial difficulties is likely to ease as they pass on higher energy prices (cf. consumer gas price rise sanctioned by the German state from 1 October). Meanwhile, new Energy Management contracts will of course reflect PSI's higher costs. In early July the German Bundestag passed the "Easter Package" which sets the framework for accelerated expansion of wind and solar power in Germany. We continue to assume investment in the German power distribution grid of €150bn by 2030. This implies annual investment during the rest of this decade at over twice the level seen during the five years ending December 2020. The increase in investment in network "smartification," which is the relevant metric for PSI, is likely to be even higher. PSI Metals is the world's leading metals production software business. Its order intake doubled during H1/22 as steel producers started or continued multi-year, multi-country rollouts of PSI software. Following the group's light Q2/22 numbers we have lowered our price target to €40.00 (previously: €52.00) but maintain our Buy recommendation. **(p.t.o.)**

FINANCIAL HISTORY & PROJECTIONS

	2018	2019	2020	2021	2022E	2023E
Revenue (€ m)	199.16	225.18	217.79	248.39	260.85	284.59
Y-o-y growth	7.0%	13.1%	-3.3%	14.0%	5.0%	9.1%
EBIT (€ m)	15.45	17.20	14.95	23.81	25.05	32.48
EBIT margin	7.8%	7.6%	6.9%	9.6%	9.6%	11.4%
Net income (€ m)	10.59	14.26	10.28	15.84	18.38	23.37
EPS (diluted) (€)	0.68	0.91	0.66	1.01	1.18	1.50
DPS (€)	0.25	0.05	0.30	0.40	0.45	0.50
FCF (€m)	11.57	3.75	11.43	33.74	11.30	16.32
Net gearing	9.8%	42.0%	40.7%	10.0%	4.9%	-1.9%
Liquid assets (€ m)	44.58	38.66	40.48	65.97	70.43	82.53

RISKS

Risks include slower than expected margin expansion than we currently model.

COMPANY PROFILE

PSI makes software control systems, primarily for energy, utility companies and metals producers. Customers also include manufacturers and the operators of transportation networks. The company's control system products are widespread in its core German market.

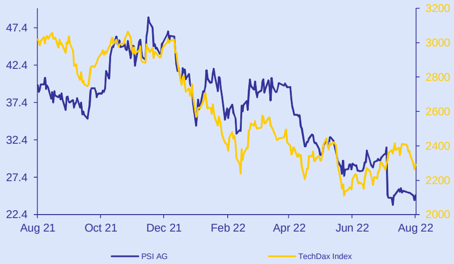
MARKET DATA

As of 24 Aug 2022

Closing Price	€ 25.00
Shares outstanding	15.70m
Market Capitalisation	€ 392.43m
52-week Range	€ 23.70 / 48.80
Avg. Volume (12 Months)	12,020

Multiples	2021	2022E	2023E
P/E	24.7	21.3	16.7
EV/Sales	1.7	1.6	1.5
EV/EBIT	17.4	16.5	12.7
Div. Yield	1.6%	1.8%	2.0%

STOCK OVERVIEW



COMPANY DATA

As of 30 Jun 2022

Liquid Assets	€ 50.52m
Current Assets	€ 166.83m
Intangible Assets	€ 71.16m
Total Assets	€ 282.29m
Current Liabilities	€ 95.91m
Shareholders' Equity	€ 109.54m

SHAREHOLDERS

InvAG für langfristige Investoren TGV	20.7%
Innogy SE	17.8%
Management and employees	15.0%
Harvinder Singh	8.1%
Free float and other	38.4%

Analyst: Simon Scholes, Tel. +49 (0)30 - 80 93 96 94

Figure 1: H1/22 results versus our forecasts

€ 000s	H1 22A	H1 22E	Δ H1 22A vs. H1 22E	H1 21A	Δ H1 22A vs. H1 21A
External sales	**116,450**	**122,395**	**-4.9%**	**115,532**	**0.8%**
by division:					
Energy Management	61,272	65,856	-7.0%	63,123	-2.9%
Production Management	55,178	55,125	0.1%	52,409	5.3%
Other	0	1,414		0	
EBIT	**8,179**	**8,775**	**-6.8%**	**11,377**	-28.1%
margin	**7.0%**	**9.2%**	**-**	**9.8%**	**-**
by division:					
Energy Management	936	3,400	-72.5%	4,670	-80.0%
margin	*1.5%*	*5.0%*	-	*7.2%*	-
Production Management	7,796	6,164	26.5%	7,150	9.0%
margin	*12.1%*	*9.7%*	-	*11.9%*	-
Reconciliation	-553	-789	n.a.	-443	n.a.
EPS (€)	**0.28**	**0.29**	**-3.4%**	**0.45**	**-37.8%**

Source: PSI AG; First Berlin Equity Research estimates

We estimate Q2/22 Energy Management segment loss at ca. €1m Figure 1 above shows H1/22 results compared with our forecasts. At the beginning of this year, management created a discrete segment containing the group's Russian business. In Q2/22 PSI decided to classify the Russian business as a discontinued operation and show its results separately. Discontinued operations reduced PSI's net result by €1.7m in H1/22 (H1/21: a reduction of €1.1m). PSI does not show segment numbers for Q2/22 and the adjustments to the P&L account stemming from the allocation of revenues between continuing and discontinued operations mean that these cannot be precisely calculated using the H1 and Q1 numbers. However, we estimate the Q2/22 loss in the Energy Management division at ca. €1m. As outlined above, the segment loss arose in large part because PSI was unable to pass increased costs on to some of its customers. The loss was exacerbated by increased R&D expenditure in connection with the migration of Energy Management product lines to the PSI platform.

Doubling of PSI Metals order intake kept overall order intake moving ahead The H1/22 order intake came in at €150m (H1/21: €146m). A doubling in the order intake at PSI Metals and higher orders from the automotive and mechanical engineering and PSI Poland businesses outweighed sharply lower order intake from the Electrical Grids business within Energy Management. Energy Management also received an unusually large order from Schweizerische Bundesbahnen (Swiss Federal Railways) in H1/21. Elsewhere within Energy Management, the order intake at the Gas Grids business was lower as PSI is no longer accepting orders from Russia. However, the company reports that during H1/22 Gas Grids received advanced inquiries and orders from gas export regions such as Malaysia, Norway, Kazakhstan, North America and the Middle East as well as numerous system renewal inquiries and orders to increase supply security and for conversion to hydrogen.

Completed platform rationalisation a factor behind higher profitability at Production Management H1/22 profitability at Energy Management was adversely affected by declining order intake and problems in passing costs on to customers. But as the H1/21 results suggest, profitability at Production Management is in general higher than at Energy Management. The main reason for the higher profitability of the Production Management segment is that all its products currently run on the company's common platform. This is currently true of only a third of Energy Management products. As mentioned above, R&D costs at Energy Management have risen as a percentage of sales so far this year as PSI continues the process of migrating its products to the common platform.

App Store facilitates higher profitability and faster growth at Production Management
Completion of platform rationalisation at Production Management allowed PSI to introduce an App Store for delivery of the segment's products last year. The App Store substitutes revenues currently delivered by traditional channels, but at higher profitability due to the lower level of implementation work required from PSI's own staff. It generated €1.9m of revenue in 2021 and PSI targets at least €5m this year. We expect this figure to grow to €70m by 2026. An important benefit of platform harmonisation at Production Management and increased use of the App Store is that PSI can outsource a large part of the installation work to partners and the IT departments of its customers, thereby raising its own profitability. The App Store also enables PSI to grow the business more rapidly. This is currently particularly important as PSI Metals is receiving a large volume of new orders.

Figure 2: Forecast net installed renewable energy generating capacity by type (MW)

	2020A	2030E	% Δ
Onshore wind	54,420	100,000	83.8%
Offshore wind	7,747	30,000	287.2%
Hydropower	5,606	5,606	0.0%
Biomass	9,301	8,400	-9.7%
Photovoltaic	53,848	200,000	271.4%
Geothermal	47	47	0.0%
Total	**130,969**	**344,053**	162.7%
Capacity added 2021-30E		**213,084**	

Source: Bundesverband der Energie and Wasserwirtschaft; coalition agreement between SPD, Greens, FDP; Deutscher Bundestag Drucksache 20/1630; First Berlin Equity Research estimates

Net gearing of 21.4% at end H1/22 Net operating cashflow was €-3.0m in H1/22 (H1/21: €11.3m). An €11.7m increase in working capital cash consumption accounted for most of the €14.3m difference between the two numbers and a €3.1m decline in pretax profit to €6.5m (H1/21: €9.6m) the remainder. PSI paid out €6.3m in dividends (€0.40 per share) and bought back shares for an additional €1.9m. Net debt, including pension and leasing liabilities, was €23.4m at the end of H1/22 equivalent to net gearing of 21.4%. The corresponding figures for FY21 were €11.4m and 10.0% respectively.

Russian assets are matched with Russian liabilities The H1/22 balance sheet showed "Assets held for sale and discontinued operations" of €9.0m and "Liabilities in connection with discontinued assets" of €10.7m. Nearly all these assets and liabilities relate to the discontinued Russian business. Management pointed out in the H1/22 report that the risk of a total loss of the net assets held by the group in Russia is very high. However, the liabilities with respect to the Russian assets are to Russian creditors and so it is likely that the net loss would be small.

New guidance implies 10% y-o-y increase in H2/22 sales In the H1/22 report management reduced guidance for FY sales and EBIT to 5% and 5-10% respectively (previously: sales growth of more than 10% and EBIT growth of just under 20%). The new numbers imply FY22 sales and EBIT of €261m and €25m-€26.2m respectively. FY/sales guidance in turn implies H2/22 sales of €144m, which is 10% above the H2/21 number of €131.3m. We think this figure is achievable for several reasons: First, the H1/22 order backlog of €188m was 8% above the H1/21 figure of €174m. Second, CEO Schrimpf indicated during his end-July interview with *Börsenradio* that the doubling of orders at PSI Metals in H1/22 was just the beginning of a boom in new contracts. Third, we think it likely that ordering from Energy Management customers will pick up as their financial position stabilises following the implementation of customer price rises this autumn. Fourth, during periods of high commodity prices, PSI customarily experiences rising orders from, commodity producing countries.

The most important of these countries up until early 2022 was Russia. PSI has withdrawn from Russia since the start of the war with Ukraine. But, as indicated above, PSI received advanced inquiries from several gas producing countries outside Russia during H1/22. We think it likely that some of these inquiries will turn into orders in H2/22. H1/22 EBIT was €8.2m. PSI needs to generate EBIT of €16.9m to €18.0m in H2/22 to meet its FY22 guidance of €25m-€26.2m. We think the achievement of these numbers is possible on the basis of higher revenue in H2 than in H1 and the likelihood that some of the H1/22 provisions in Energy Management will be dissolved in H2/22.

Figure 3: Changes to our forecasts

		2022E			2023E	
€m	New	Old	Δ %	New	Old	Δ %
External sales	**260.9**	**275.0**	**-5.1%**	**284.6**	**304.3**	**-6.5%**
by division:						
Energy Man.	135.3	157.2	-13.9%	149.0	178.3	-16.5%
Production Man.	125.6	117.7	6.7%	135.6	126.0	7.6%
Total EBIT	**25.0**	**28.3**	**-11.5%**	**32.5**	**34.0**	**-4.5%**
margin (%)	***9.6%***	***10.3%***	**-**	***11.4%***	***11.2%***	**-**
by division:						
Energy Man.	4.4	10.1	-56.1%	10.7	13.3	-19.4%
margin (%)	*3.2%*	*7.2%*	-	*7.0%*	*8.2%*	-
Production Man.	22.2	19.6	13.2%	23.8	22.4	6.3%
margin (%)	*15.1%*	*13.5%*	-	*15.0%*	*14.0%*	-
Reconciliation	-1.6	-1.5	n.a.	-2.1	-1.7	n.a.
EPS (€)	**1.18**	**1.34**	**-12.3%**	**1.50**	**1.62**	**-7.5%**

Source: PSI AG; First Berlin Equity Research estimates

Availability of both metals and logistics software through App Store will boost profitability Figure 3 above shows changes to our forecasts. Following strong H1/22 performance, we have raised our numbers for the Production Management business. PSI Metals is currently earning EBIT margins in the 20-25% range on larger projects. This level of profitability reflects the completion of the migration of the business area's products to the group's common platform as well as its status as market leader on all the world's major markets except China. We expect overall margins at PSI Metals to widen further as deployment of the App Store increases. Importantly, PSI Logistics solutions have also recently become available through the App Store. PSI Metals customers frequently order logistics and metals software solutions together. The availability of both products through the App Store will also raise profitability.

Completion of Energy Management software platform rationalisation is precondition for realisation of management's "Vision 2026" We have reduced our forecast for Energy Management to reflect weak H1/22 performance. However, we model a rebound in sales of over 10% in 2023 on the view that the improving financial health of PSI's customers will prompt them to implement investment plans held over from 2022. In 2020 Deloitte estimated the investment required in the German power distribution grid during the period 2020-2030 at €104bn. However, this figure was based on net new renewables capacity of 89GW by 2030. The "Easter Package" passed by the German Bundestag in early July largely confirmed the targets set out in last autumn's coalition agreement between the parties (SPD, Greens, FDP) comprising the current German government. Both the coalition agreement and the "Easter Package" stipulate a net new renewables capacity addition of over 200GW by 2030. We continue to assume investment in the power distribution grid of €150bn by 2030. This implies that annual investment during the rest of this decade will be over twice the level seen during the five years ending December 2020.

The increase in investment in network “smartification,” which is the relevant metric for PSI, is likely to be even higher. We assume a CAGR of 10.4% for Energy Management sales over the period 2022-30. A high level of functionality has enabled the segment to achieve domestic market shares in software for control of electrical and gas networks of 85% and >90% respectively. However, the segment’s EBIT margin remains in single digits because productivity is poor, which in turn is a consequence of the fact that only a third of the segment’s products have migrated to the company’s common platform. Completing this process is currently management’s top strategic priority. It is also the precondition for the realisation of PSI’s “Vision 2026”, which calls for 2026 sales and EBIT of €400m and €54m respectively (13.5% margin). “Vision 2026” assumes the acquisition of €20m of sales. Our own 2026 forecasts, which do not assume M&A activity, are for sales and EBIT of €366m and €49.4m respectively (13.5% margin). On these numbers 2022-26 sales and EBIT CAGRs are 8.8% and 18.5% respectively.

We maintain our Buy recommendation but lower the price target from €52.00 to €40.00
We have lowered our price target on the basis of the reduction in our earnings forecasts and also an increase in our WACC estimate from 6.82% to 7.35%. Our new WACC estimate incorporates a risk-free rate of 1.5% (previously: 1.0%) to reflect the increase in the 10-year German government bond yield from 0.79% at the time of our most recent study of 12 April to 1.35% currently. In view of the 60% upside to our price target, we maintain our Buy recommendation.

VALUATION MODEL

€000s	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E
Net sales	260,850	284,593	309,901	337,421	365,934	395,391	425,779	458,950
NOPLAT	18,584	23,547	27,297	30,780	35,806	38,411	41,011	43,830
+ Depreciation and amortisation	14,415	15,727	17,125	18,646	20,222	21,849	23,529	25,362
= net operating cash flow	32,999	39,273	44,422	49,426	56,028	60,260	64,540	69,191
- total investments (Capex and WC)	-21,068	-22,324	-29,525	-26,770	-28,639	-30,545	-32,499	-35,154
Capital expenditure	-14,498	-20,119	-21,807	-23,737	-25,497	-27,299	-29,150	-31,498
working capital	-6,570	-2,205	-7,718	-3,033	-3,142	-3,246	-3,349	-3,655
= Free cash flow (FCF)	11,931	16,949	14,897	22,656	27,389	29,715	32,041	34,038
PV of FCF's	11,642	15,408	12,616	17,873	20,129	20,344	20,435	20,223

€000s	
PVs of FCFs explicit period (2021-35)*	264,880
PVs of FCFs in terminal period	382,264
Enterprise Value (EV)	647,144
Net cash/(net debt)	-23,447
Shareholder value	623,697
Value per share (€)	40.00

WACC	7.35%
Cost of equity	9.1%
Pre-tax cost of debt	3.0%
Normal tax rate	30.0%
After-tax cost of debt	2.1%
Share of equity	75.0%
Share of debt	25.0%
Terminal growth	2.5%
Terminal EBIT margin	11.0%

Sensitivity analysis

Fair value per share

Terminal growth rate (%)

WACC	1.0%	1.5%	2.0%	2.5%	3.0%	3.5%	4.0%
4.35%	0.07	0.08	0.09	0.11	0.15	0.22	0.50
5.35%	0.05	0.06	0.06	0.07	0.08	0.10	0.13
6.35%	0.04	0.05	0.05	0.05	0.06	0.06	0.07
7.35%	0.04	0.04	0.04	40.00	0.04	0.05	0.05
8.35%	0.03	0.03	0.03	0.03	0.03	0.04	0.04
9.35%	0.02	0.03	0.03	0.03	0.03	0.03	0.03
10.35%	0.02	0.02	0.02	0.02	0.02	0.02	0.02
11.35%	0.02	0.02	0.02	0.02	0.02	0.02	0.02

*for layout purposes the model shows numbers only to 2028 but runs until 2035

INCOME STATEMENT

All figures in €'000	2018	2019	2020	2021	2022E	2023E
Revenues	**199,156**	**225,180**	**217,795**	**248,389**	**260,850**	**284,593**
Cost of materials	-28,919	-32,259	-29,734	-35,761	-36,519	-36,997
Gross profit	**170,237**	**192,921**	**188,061**	**212,628**	**224,331**	**247,596**
Total personnel costs	-121,279	-137,795	-141,377	-158,709	-164,336	-177,870
Net other operating costs	-28,897	-27,089	-19,516	-17,063	-20,535	-21,520
Depreciation & amortisation	-4,611	-10,832	-12,220	-13,047	-14,415	-15,727
EBIT	**15,450**	**17,205**	**14,948**	**23,809**	**25,046**	**32,478**
Net interest	-1,061	-1,053	-1,586	-951	-852	-871
Associates	134	288	300	410	431	452
Pretax profit	**14,523**	**16,440**	**13,662**	**23,268**	**24,624**	**32,060**
Income taxes	-3,938	-2,178	-3,382	-7,431	-6,242	-8,692
Net income / loss	**10,585**	**14,262**	**10,280**	**15,837**	**18,382**	**23,368**
EPS (€)	**0.68**	**0.91**	**0.66**	**1.01**	**1.18**	**1.50**
EBITDA	**20,061**	**28,037**	**27,168**	**36,856**	**39,460**	**48,205**
Ratios						
Gross margin	85.5%	85.7%	86.3%	85.6%	86.0%	87.0%
EBIT margin	7.8%	7.6%	6.9%	9.6%	9.6%	11.4%
EBITDA margin	10.1%	12.5%	12.5%	14.8%	15.1%	16.9%
Net income margin	5.3%	6.3%	4.7%	6.4%	7.0%	8.2%
Tax rate	27.1%	13.2%	24.8%	31.9%	25.3%	27.1%
Expenses as % of output						
Personnel	-60.9%	-61.2%	-64.9%	-63.9%	-63.0%	-62.5%
Net other operating income/expenses	-14.5%	-12.0%	-9.0%	-6.9%	-7.9%	-7.6%
Depreciation & amortisation	-2.3%	-4.8%	-5.6%	-5.3%	-5.5%	-5.5%
Y-o-y growth						
Total revenues	7.0%	13.1%	-3.3%	14.0%	5.0%	9.1%
EBIT	15.6%	11.4%	-13.1%	59.3%	5.2%	29.7%
Net income / loss	11.5%	34.7%	-27.9%	54.1%	16.1%	27.1%

BALANCE SHEET

All figures in €'000	2018	2019	2020	2021	2022E	2023E
Assets						
Current assets, total	**127,787**	**136,310**	**134,624**	**166,035**	**176,874**	**197,948**
Cash and cash equivalents	44,579	38,656	40,482	65,971	70,430	82,532
Trade accounts and notes receivables	34,407	38,455	29,209	32,261	33,879	36,963
Inventories	8,712	10,612	8,661	6,847	8,608	9,392
Receivables relating to long term contracts	34,367	40,725	47,705	47,533	46,953	51,227
Other current assets	5,722	7,862	8,567	5,549	9,130	9,961
Assets held for sale and discontinued operations	0	0	0	7,874	7,874	7,874
Non-current assets, total	**80,884**	**112,527**	**124,775**	**118,087**	**122,904**	**129,007**
Property, plant and equipment	13,592	37,039	38,928	37,925	36,519	39,843
Goodw ill	49,417	54,892	60,804	59,697	59,697	59,697
Other intangible assets	9,468	9,531	9,395	10,249	11,738	12,807
Associates	440	440	440	694	1,125	1,577
Deferred tax assets	7,967	10,625	15,208	9,522	13,825	15,083
Total assets	**208,671**	**248,837**	**259,399**	**284,122**	**299,778**	**326,954**
Shareholders' equity & debt						
Current liabilities, total	**65,960**	**74,706**	**72,215**	**88,083**	**88,498**	**96,004**
Interest bearing debt	1,795	1,112	65	31	0	0
Leasing liabilities	0	5,606	5,498	6,103	6,782	7,399
Trade accounts payable	16,440	17,454	17,977	18,238	18,781	20,491
Liabilities relating to long term contracts	16,531	17,212	20,814	23,371	28,694	31,305
Provisions	0	0	3,085	2,029	2,131	2,325
Other current liabilities	31,194	33,322	24,776	32,286	26,085	28,459
Liabilities in connection w ith discontinued assets	0	0	0	6,025	6,025	6,025
Non-current liabilities, total	**56,081**	**79,592**	**86,861**	**81,322**	**81,121**	**84,359**
Interest bearing debt	0	0	168	106	1,020	1,560
Leasing liabilities	0	16,917	19,132	18,055	15,651	17,076
Pension provisons	51,284	54,737	56,416	53,123	53,389	53,656
Deferred tax liabilities	4,797	6,328	8,726	7,065	7,826	8,538
Other liabilities	0	1,610	582	637	783	854
Provisions	0	0	1,837	2,336	2,453	2,676
Consolidated equity	**86,630**	**94,539**	**100,323**	**114,717**	**130,159**	**146,592**
Shareholders' equity	86,630	94,539	100,323	114,717	130,159	146,592
Minorities	0	0	0	0	0	0
Total consolidated equity and debt	**208,671**	**248,837**	**259,399**	**284,122**	**299,778**	**326,954**

Ratios						
Current ratio (x)	1.94	1.82	1.86	1.88	2.00	2.06
Quick ratio (x)	1.81	1.68	1.74	1.81	1.90	1.96
Equity ratio	41.5%	38.0%	38.7%	40.4%	43.4%	44.8%
Net gearing	9.8%	42.0%	40.7%	10.0%	4.9%	-1.9%
Equity per share (€)	5.52	6.02	6.39	7.31	8.29	#DIV/0!
Interest coverage ratio (x)	14.56	16.34	9.42	25.04	29.39	37.31
Capital employed (CE)	95,229	114,693	139,230	127,103	124,352	142,388
Return on capital employed (ROCE)	11.4%	10.5%	7.5%	13.6%	14.9%	16.5%

CASH FLOW STATEMENT

All figures in €'000	2018	2019	2020	2021	2022E	2023E
Pretax result	**14,523**	**16,440**	**13,662**	**23,268**	**24,624**	**32,060**
Depreciation and amortisation	4,611	10,832	12,220	13,047	14,415	15,727
Other	-94	-1,030	-558	-1,225	-6,672	-9,144
Operating cash flow	**19,040**	**26,242**	**25,324**	**35,090**	**32,366**	**38,642**
Investment in working capital	-51	-13,764	-492	3,660	-6,570	-2,205
Net operating cash flow	**18,989**	**12,478**	**24,832**	**38,750**	**25,796**	**36,437**
Cashflow from investing	-7,424	-8,729	-13,403	-5,009	-14,498	-20,119
Free cash flow	**11,565**	**3,749**	**11,429**	**33,741**	**11,298**	**16,318**
Dividend paid	-3,596	-3,919	-784	-4,704	-6,264	-7,064
Share buy back	-422	-275	-9	-158	0	0
New share capital	0	0	0	0	0	0
Debt financing	-827	-683	-1,057	3,506	1,149	806
Lease liabilities	0	-4,759	-5,560	-5,930	-1,725	2,042
Other	0	-544	-491	-400	0	0
Cash flow from financing	**-4,845**	**-10,180**	**-7,901**	**-7,686**	**-6,840**	**-4,216**
Other	**-273**	**508**	**-1,702**	**-566**	**0**	**0**
Change in cash	**6,447**	**-5,923**	**1,826**	**25,489**	**4,459**	**12,102**
Cash, start of the year	38,132	44,579	38,656	40,482	65,971	70,430
Cash, end of the year	44,579	38,656	40,482	65,971	70,430	82,532
Free cash flow per share in €	**0.74**	**0.24**	**0.73**	**2.15**	**0.72**	**1.05**

Y-o-y growth						
Operating cash flow	21%	38%	-3%	39%	-8%	19%
Net operating cash flow	1526%	-34%	99%	56%	-33%	41%
Free cash flow	n.m.	-68%	205%	195%	-67%	44%

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Anschrift:
First Berlin Equity Research GmbH
Mohrenstr. 34
10117 Berlin
Germany

Vertreten durch den Geschäftsführer: Martin Bailey

Telefon: +49 (0) 30-80 93 9 680
Fax: +49 (0) 30-80 93 9 687
E-Mail: info@firstberlin.com

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Authored by: Simon Scholes, Analyst
All publications of the last 12 months were authored by Simon Scholes.

Company responsible for preparation: First Berlin Equity Research GmbH, Mohrenstraße 34, 10117 Berlin

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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.

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Report No.:	Date of publication	Previous day closing price	Recommendation	Price target
Initial Report	15 July 2003	€4.96	Market Perform	€5.00
2...69	↓	↓	↓	↓
70	2 May 2019	€18.45	Add	€19.00
71	6 November 2019	€19.10	Add	€22.40
72	6 April 2020	€16.50	Buy	€21.20
73	2 November 2020	€23.80	Add	€26.00
74	30 March 2021	€26.50	Add	€31.00
75	3 May 2021	€31.70	Add	€33.00
76	6 December 2021	€43.50	Add	€49.00
77	12 April 2022	€38.75	Buy	€52.00
78	Today	€25.00	Buy	€40.00

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