

PSI AG

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

Update

RATING

PRICE TARGET

Return Potential
 Risk Rating

BUY

€ 32.00

27.7%
 Medium

PROFIT WARNING #4 UNLIKELY: BUY FOR RENEWABLES/METALS BOOMS

PSI issued a profit warning on 21 July - six days ahead of the publication of its H1/23 results on 27 July. Management has reduced 2023 EBIT guidance from €25m to €5m-€7m. The €18m-€20m reduction in EBIT guidance originates mainly from the underestimation of the man-hours required by the company's Redispatch 2.0 contracts with German municipal utilities. This underestimation stemmed in large part from over 100 amendments made by the regulator to Redispatch 2.0's configuration. The amendments caused the programming for 60 customer projects (30 of which have still to be completed) to increase threefold. Unfortunately PSI's Redispatch 2.0 contracts have not allowed it to recoup the additional costs incurred. The capacity tied up by Redispatch 2.0 led to delays and losses in other projects. These are also included in the profit warning. The good news is that growth in demand from PSI's customers remains robust and looks set to accelerate further. So far this year new capacity additions (by output) in both solar and onshore wind are running at ca. 50% above the 2022 level. New legislation to accelerate permitting processes suggests that growth will remain very strong for at least the remainder of this decade. The renewables boom is driving growth at the Energy Management segment and the Production Management segment continues to benefit from the positive impact of the US inflation reduction act on US metals manufacturing. The group order intake rose 12.7% in H1/23. Meanwhile, PSI has moved to renew and strengthen its management team to prevent future mishaps. A new CEO, Robert Klaffus, is set to join PSI from Siemens on 1 November and the company has announced that in the near term the management board will for the first time be expanded to three persons. PSI has strained investors' nerves with three profit warnings over the past year. The root of the problem has been the Redispatch 2.0 contracts. As these will be completed by end 2023, we trust management has sufficient oversight to have adequately provisioned for remaining losses and so do not expect a further profit warning this year. We maintain our Buy recommendation with a new price target of €32 (previously: €37) (p.t.o.)

FINANCIAL HISTORY & PROJECTIONS

	2021	2022	2023E	2024E	2025E	2026E
Revenue (€m)	245.49	247.94	270.77	296.66	325.03	356.13
Y-o-y growth	12.7%	1.0%	9.2%	9.6%	9.6%	9.6%
EBIT (€m)	24.96	20.19	5.64	26.37	34.15	42.13
EBIT margin	10.2%	8.1%	2.1%	8.9%	10.5%	11.8%
Net income (€m)	15.84	9.69	-2.12	18.66	24.32	30.14
EPS (diluted) (€)	1.01	0.62	-0.14	1.20	1.57	1.95
DPS (€)	0.40	0.40	0.40	0.40	0.50	0.60
FCF (€m)	33.74	-6.44	2.53	19.66	25.43	31.37
Net gearing	10.0%	22.1%	37.2%	30.6%	14.2%	4.4%
Liquid assets (€m)	65.97	45.44	51.17	56.36	65.01	71.23

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 02 Aug 2023

Closing Price	€ 25.05
Shares outstanding	15.49m
Market Capitalisation	€ 387.97m
52-week Range	€ 18.56 / 34.80
Avg. Volume (12 Months)	7,993

Multiples	2022	2023E	2024E
P/E	40.3	n.a.	20.8
EV/Sales	1.7	1.6	1.4
EV/EBIT	20.9	74.7	16.0
Div. Yield	1.6%	1.6%	1.6%

STOCK OVERVIEW



COMPANY DATA

As of 30 Jun 2023

Liquid Assets	€ 51.50m
Current Assets	€ 165.03m
Intangible Assets	€ 70.17m
Total Assets	€ 276.48m
Current Liabilities	€ 111.11m
Shareholders' Equity	€ 102.29m

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%

Figure 1: Reconciliation of current and previous 2023 EBIT guidance (€m)

Previous 2023 EBIT guidance	25.0
Upward revision of Redispatch 2.0 man-hours	3.0
Redispatch 2.0 impact on four other contracts	4.0
Pay-out on Dr Schrimpf's contract	3.5
Change from AG to SE	0.5
Withdrawal of assumed grant from guidance	4.0
Other	3.0-5.0
Current 2023 EBIT guidance	5.0-7.0

Source: PSI AG

New CEO set to join PSI on 1st November In the 2022 annual report published in March, management guided towards an increase in sales and orders of 10% and a rise in EBIT of around 20% to €25m for 2023. The 21 July profit warning retains the prior guidance for sales and orders but 2023 EBIT guidance is now €5m-7m. Figure 1 above quantifies the individual components of the reduction in 2023 EBIT guidance based on information given by management in the course of the analysts' call on the day of the H1/23 results. In addition to the losses on Redispatch 2.0 and other projects, the profit warning also includes the cost of the departure of former CEO Dr Harald Schrimpf three years ahead of the expiry of his contract in mid-2026. We gather that PSI's Supervisory Board had been looking for a successor for former CEO Dr Schrimpf (born 1964) prior to the expiry of his previous three-year employment contract in late 2022. However, no suitable candidate emerged and so Dr Schrimpf signed another three-year contract in November last year. In mid-May 2023 PSI announced that Robert Klaffus (born 1979) would join the company in the second half and take over the CEO role from Dr Schrimpf towards the end of the year. PSI also announced plans to expand the management board from two to three persons. These arrangements changed somewhat on 28 June when PSI announced that Dr Schrimpf would be relinquishing the CEO position on 30th June. This latter announcement is the reason for the €3.5m expense shown in line 4 of figure 1.

Figure 2: Recent results and FY/23 estimates

€ 000s	H1 22A	H2 22A	FY 22A	H1 23A	H1 23A vs H1 22A %Δ	H2 23E	H2 23E vs H2 22A %Δ	FY 23E	FY 23E vs FY 22A %Δ
Order intake	150,000	103,000	253,000	169,000	12.7%	109,300	6.1%	278,300	10.0%
by segment:									
Energy Management	77,000	50,000	127,000	93,000	20.8%	n.a.	-	n.a.	-
Production Management	73,000	53,000	126,000	76,000	4.1%	n.a.	-	n.a.	-
Order backlog	188,000	155,000	155,000	197,000	4.8%	n.a.	-	n.a.	-
External sales	116,450	131,488	247,938	119,267	2.4%	151,500	15.2%	270,767	9.2%
by segment:									
Energy Management	61,272	69,140	130,412	57,759	-5.7%	80,500	16.4%	138,259	6.0%
Production Management	55,178	62,348	117,526	61,508	11.5%	71,000	13.9%	132,508	12.7%
EBIT	8,179	12,007	20,186	-5,363	n.a.	11,000	-8.4%	5,637	-72.1%
margin	7.0%	9.1%	8.1%	-4.5%	-	7.3%	-	2.1%	-
by segment:									
Energy Management	936	495	1,431	-8,247	n.a.	2,000	304.0%	-6,247	n.a.
margin	1.5%	0.7%	1.1%	-13.1%	-	2.4%	-	n.a.	-
Production Management	7,796	12,443	20,239	8,146	4.5%	10,000	-19.6%	18,146	-10.3%
margin	12.1%	17.7%	15.0%	11.5%	-	12.3%	-	11.9%	-
Reconciliation	-553	-931	-1,484	-5,262	n.a.	-1,000	n.a.	-6,262	n.a.
Net result from continuing businesses	6,166	10,579	16,745	-9,472	n.a.	6,622	-37.4%	-2,850	n.a.
Net result from discontinued businesses	-1,720	-5,331	-7,051	728	n.a.	0	n.a.	728	n.a.
Net result	4,446	5,248	9,694	-8,744	n.a.	6,622	26.2%	-2,122	n.a.
EPS (€)	0.28	0.34	0.62	-0.56	n.a.	0.43	25.8%	-0.14	n.a.

Source: PSI AG, First Berlin Equity Research estimates



PSI AG will become PSI SE from early August At its AGM on 23rd May, PSI obtained approval to change the company's legal form from a German Aktiengesellschaft (stock corporation) to a European company (Societas Europaea, SE). The associated costs are €0.5m. The new legal form is expected to become effective from early August. PSI is following its German software industry peers, SAP and Nemetschek, in becoming an SE. One reason for the move is the modern and European image of the SE. Importantly, the SE legal form also gives PSI's Polish employees, who are becoming increasingly numerous within the company, the right to codetermine employee representatives on the supervisory board.

Energy Management accounted for ca. 80% of H1/23 order intake growth PSI's H1/23 order intake climbed 12.7% to €169m (H1/22: €150m). Energy Management (+20.8% to €93m) accounted for over four fifths of the overall €19m increase. Within Energy Management PSI's South East Asian subsidiary, Incontrol, accounted for over half of segment order growth. The growth at Incontrol was prompted by higher oil and gas prices during H2/22. The electrical network business accounted for the most of the remaining order growth in the segment. Production Management's order intake at €76m was a comparatively modest 4.1% above the prior year figure of €72m but was ca. 20% above H1/21's €60m. The group order backlog rose 4.8% to €197m (H1/22: €150m).

Sales and order intake guidance unchanged on 2022 annual report Management has maintained the guidance given in the annual report for a 10% increase in both full year sales and order intake. A 10% rise in full year sales implies H2/23 sales growth of 16.7% y-o-y compared with the 2.4% achieved at the half year stage. Sales growth is likely to accelerate in H2/23 because during H1/23 PSI's workforce expended significant non-revenue generating man-hours on Redispatch 2.0 projects. As the outstanding Redispatch 2.0 projects are completed, this effect will pass out of the figures. A 10% increase in the full-year 2022 order intake to €278.3m (2022: €253m) implies a sharp reduction in the second half order intake in comparison with the first half. This reflects the usual seasonality in PSI's order intake, in which the first quarter typically accounts for 40% of the full year total.

Our 2023 Production Management EBIT forecast no longer includes €4m grant Both H1/23 sales and EBIT at the Energy Management segment were heavily impacted by the problems originating with the Redispatch 2.0 contracts described above. Segment sales fell 5.7% to €57.8m (H1/22: €61.3m) while EBIT was a loss of €-8.2m (H1/22: €0.9m). However, Production Management sales climbed 11.5% to €61.5m (H1/22: €55.2m) and segment EBIT was up 4.5% at €8.1m (H1/22: €7.8m). The metals, logistics and automotive businesses all saw improved sales and results. In 2022 Production Management's result was boosted by €4m of research grants, which were split between H1/22 and H2/22. So far this year the segment has not received any research grant money. This explains why the segment EBIT margin was lower at the half year stage. Management continue to expect that the Production Management segment will receive the same amount of research grant money in 2023 as in 2022. But for the sake of conservatism and to create a buffer in case other components of guidance do not develop as expected, management has withdrawn the €4m from guidance. Our full year EBIT forecast for Production Management does not include research grant money.

Inclusion of Metals expected to push App Store sales to FY/23 target of €12m-15m Within Production Management we gather that App Store sales jumped 35% to €4.0m (H1/22: €3.0m). The App Store sales target for the full-year remains €12.0m - €15.0m. The software functionality which PSI has up to now moved on to the App Store includes Warehouse Management (logistics), FLS Qualicision (automotive and industrial), ASM Manufacturing (automotive and industrial), PSI Penta (automotive and industrial) and Energy Markets (Energy Management). Warehouse Management has so far been the main driver of App Store sales.



However, the largest and fastest growing business within Production Management is Metals. PSI management expect to move Metals on to the App Store well before the end of the year and that orders from clients in this area will push App Store sales to the targeted €12.0m - €15.0m.

Net gearing of 32.2% at end H1/23 (FY/23: 22.1%) Despite a decrease in pretax profit to €-5.6m (H1/22: €6.5m), net operating cashflow strengthened to €5.5m (H1/22: €-1.8m) due to a swing in cashflow from working capital. Working capital contributed €3.0m in H1/23 whereas in H1/22 it consumed €15.3m. Free cashflow was €1.5m (H1/22: €-6.6m). Net debt including pension and leasing liabilities rose by €6.6m to €33.0m during H1/23 because free cashflow was not sufficient to cover other cash outflows, the largest of which was the dividend payment of €6.2m. The increase in net debt and a decrease in shareholders' equity, due mainly to the H1/23 net loss, meant that net gearing, including pension and leasing liabilities, climbed to 32.2% at end H1/23 (FY/22: 22.1%).

Figure 3: Changes to our forecasts

€m	2023E			2024E			2025E			2026E		
	New	Old	Δ %	New	Old	Δ %	New	Old	Δ %	New	Old	Δ %
External sales	270.8	274.7	-1.4%	296.7	295.8	0.3%	325.0	323.3	0.5%	356.1	353.4	0.8%
by segment:												
Energy Man.	138.3	139.1	-0.6%	152.2	149.4	1.9%	167.6	165.2	1.5%	184.5	182.6	1.0%
Production Man.	132.5	135.6	-2.3%	144.4	146.4	-1.4%	157.4	158.1	-0.4%	171.6	170.8	0.5%
Total EBIT	5.6	28.5	-80.2%	26.4	35.1	-24.9%	34.1	42.9	-20.3%	42.1	48.4	-13.0%
margin (%)	2.1%	10.4%	-	8.9%	11.9%	-	10.5%	13.3%	-	11.8%	13.7%	-
by segment:												
Energy Man.	-6.2	5.7	n.a.	7.8	9.2	-15.2%	10.3	15.2	-32.4%	14.2	18.7	-24.3%
margin (%)	-4.4%	4.0%	-	5.0%	6.0%	-	6.0%	9.0%	-	7.5%	10.0%	-
Production Man.	18.1	24.9	-27.1%	21.6	28.6	-24.3%	27.2	30.8	-11.9%	31.6	33.3	-5.2%
margin (%)	11.9%	15.0%	-	13.0%	17.0%	-	15.0%	17.0%	-	16.0%	17.0%	-
Reconciliation	-6.3	-2.1	n.a.	-3.0	-2.6	n.a.	-3.3	-3.2	n.a.	-3.6	-3.7	n.a.
EPS (€)	-0.14	1.32	-110.4%	1.20	1.63	-26.1%	1.57	1.98	-20.7%	1.95	2.26	-13.9%

Source: First Berlin Equity Research estimates

We maintain Buy recommendation with new €32 price target (previously: €37) Our sales forecasts are very little changed on our most recent note of 1 November 2022. We continue to expect Energy Management's margin to reach double figures in the medium term as management migrates the two thirds of the segment's products which are not yet on the common platform. However, we now expect the 10% threshold to be reached in 2028 rather than 2026. In the H1/23 report PSI guided towards 2023 EBIT of €18m for Production Management. This figure does not include the €4m research grant money which the segment booked in 2022 and may yet be forthcoming in 2023. Our segment forecasts for subsequent years are also net of grant money. However, we continue to expect substantial margin expansion at Production Management as the App Store accounts for a growing proportion of segment revenue. At the 2022 AGM, management held out the prospect of €70m of App Store revenue by 2026. The App Store will substitute revenues currently delivered by traditional channels, but at higher profitability due to the lower level of implementation work required. We have raised our WACC estimate from 7.8% to 8.6% to reflect the increase in the yield on the 10 year German government bond from 2.1% to 2.5% since last November as well as rising interest rates on PSI's debt. We now see fair value for the PSI share at €32 (previously: €37). We maintain our Buy recommendation.



VALUATION MODEL

€000s	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Net sales	270,767	296,657	325,030	356,127	390,208	425,691	462,423	500,266
NOPLAT	4,087	19,117	24,758	30,541	37,211	42,945	46,414	49,874
+ Depreciation and amortisation	14,421	15,800	17,311	18,967	20,783	22,672	24,629	26,644
= net operating cash flow	18,508	34,917	42,069	49,509	57,993	65,617	71,043	76,519
- total investments (Capex and WC)	-17,889	-24,634	-27,055	-29,646	-32,486	-34,857	-37,243	-39,640
Capital expenditure	-16,504	-20,844	-22,901	-25,093	-27,497	-29,663	-31,865	-34,099
w working capital	-1,385	-3,790	-4,154	-4,553	-4,990	-5,195	-5,378	-5,540
= Free cash flow (FCF)	619	10,283	15,015	19,863	25,507	30,760	33,800	36,879
PV of FCFs	599	9,155	12,306	14,988	17,720	19,673	19,902	19,991

€000s	
PVs of FCFs explicit period (2023-35)*	218,235
PVs of FCFs in terminal period	310,345
Enterprise Value (EV)	528,580
Net cash/(net debt)	-32,956
Shareholder value	495,624
No. shares (000s)	15,488
Value per share (€)	32.00

WACC	8.62%
Cost of equity	10.1%
Pre-tax cost of debt	6.0%
Normal tax rate	30.0%
After-tax cost of debt	4.2%
Share of equity	75.0%
Share of debt	25.0%
Terminal growth	2.5%
Terminal EBIT margin	12.0%

Sensitivity analysis

		Terminal growth rate (%)						Fair value per share
		1.0%	1.5%	2.0%	2.5%	3.0%	3.5%	4.0%
WACC	5.62%	54.90	58.98	64.19	71.07	80.58	94.57	117.20
	6.62%	43.07	45.38	48.20	51.69	56.16	62.05	70.19
	7.62%	34.91	36.32	37.98	39.96	42.36	45.36	49.18
	8.62%	28.98	29.87	30.91	32.00	33.53	35.22	37.28
	9.62%	24.48	25.07	25.75	26.52	27.40	28.43	29.64
	10.62%	20.97	21.38	21.83	22.34	22.91	23.57	24.32
11.62%	18.16	18.45	18.76	19.11	19.49	19.93	20.42	
12.62%	15.88	16.08	16.30	16.54	16.81	17.10	17.43	

*for layout purposes the model shows numbers only to 2030 but runs until 2035



INCOME STATEMENT

All figures in €'000	2021	2022	2023E	2024E	2025E	2026E
Revenues	245,493	247,938	270,767	296,657	325,030	356,127
Cost of materials	-35,393	-36,302	-51,446	-41,532	-43,879	-46,296
Gross profit	210,100	211,636	219,321	255,125	281,151	309,830
Total personnel costs	-155,782	-161,551	-181,414	-189,860	-208,019	-227,921
Net other operating costs	-16,382	-16,085	-17,849	-23,096	-21,671	-20,816
Depreciation & amortisation	-12,981	-13,814	-14,421	-15,800	-17,311	-18,967
EBIT	24,955	20,186	5,637	26,369	34,149	42,126
Net interest	-824	-483	-2,739	-1,021	-1,012	-978
Associates	410	221	268	281	295	310
Pretax profit	24,541	19,924	3,166	25,629	33,433	41,459
Income taxes	-7,041	-3,179	-6,016	-6,971	-9,113	-11,316
Net income / loss	15,837	9,694	-2,122	18,659	24,320	30,143
EPS (€)	1.01	0.62	-0.14	1.20	1.57	1.95
EBITDA	37,936	34,000	20,058	42,169	51,460	61,093
Ratios						
Gross margin	85.6%	85.4%	81.0%	86.0%	86.5%	87.0%
EBIT margin	10.2%	8.1%	2.1%	8.9%	10.5%	11.8%
EBITDA margin	15.5%	13.7%	7.4%	14.2%	15.8%	17.2%
Net income margin	6.5%	3.9%	-0.8%	6.3%	7.5%	8.5%
Tax rate	28.7%	16.0%	190.0%	27.2%	27.3%	27.3%
Expenses as % of output						
Personnel	-63.5%	-65.2%	-67.0%	-64.0%	-64.0%	-64.0%
Net other operating income/expenses	-6.7%	-6.5%	-6.6%	-7.8%	-6.7%	-5.8%
Depreciation & amortisation	-5.3%	-5.6%	-5.3%	-5.3%	-5.3%	-5.3%
Y-o-y growth						
Total revenues	12.7%	1.0%	9.2%	9.6%	9.6%	9.6%
EBIT	66.9%	-19.1%	-72.1%	367.8%	29.5%	23.4%
Net income / loss	54.1%	-38.8%	-121.9%	-979.3%	30.3%	23.9%



BALANCE SHEET

All figures in €'000	2021	2022	2023E	2024E	2025E	2026E
Assets						
Current assets, total	165,084	154,233	169,256	185,737	206,752	226,532
Cash and cash equivalents	67,478	45,444	51,175	56,365	65,006	71,225
Trade accounts and notes receivables	35,183	42,031	44,514	48,770	53,435	58,547
Inventories	6,861	8,138	9,666	10,591	11,604	12,714
Receivables relating to long term contracts	48,440	49,915	54,424	59,628	65,331	71,581
Other current assets	6,392	8,705	9,477	10,383	11,376	12,464
Assets held for sale and discontinued operations	730	0	0	0	0	0
Non-current assets, total	119,038	118,365	120,625	126,572	133,138	140,320
Property, plant and equipment	38,027	37,892	41,213	45,092	49,405	54,131
Goodwill	59,697	59,767	59,767	59,767	59,767	59,767
Other intangible assets	10,327	13,423	12,185	13,350	14,626	16,026
Associates	694	694	962	1,243	1,539	1,849
Deferred tax assets	10,293	6,589	6,498	7,120	7,801	8,547
Total assets	284,122	272,598	289,882	312,308	339,889	366,852
Shareholders' equity & debt						
Current liabilities, total	83,826	85,960	110,914	118,248	125,398	126,927
Interest bearing debt	864	4,667	21,000	20,000	18,000	9,500
Leasing liabilities	6,103	6,636	7,200	7,853	8,585	9,387
Trade accounts payable	21,697	23,399	25,452	27,886	30,553	33,476
Liabilities relating to long term contracts	23,692	22,983	25,099	27,499	30,129	33,012
Provisions	2,029	2,308	2,708	2,967	3,250	3,561
Other current liabilities	29,441	23,589	27,077	29,666	32,503	35,613
Liabilities in connection with discontinued assets	0	2,378	2,378	2,378	2,378	2,378
Non-current liabilities, total	82,810	67,599	73,633	76,923	79,953	83,782
Interest bearing debt	106	75	-37	188	-167	-28
Leasing liabilities	18,055	17,798	19,311	21,062	23,025	25,177
Pension provisions	53,123	42,633	42,846	43,060	43,276	43,492
Deferred tax liabilities	8,553	4,892	8,123	8,900	9,751	10,684
Other liabilities	637	562	812	890	975	1,068
Provisions	2,336	1,639	2,576	2,823	3,093	3,389
Consolidated equity	114,717	119,039	105,335	117,138	134,539	156,144
Shareholders' equity	114,717	119,039	105,335	117,138	134,539	156,144
Minorities	0	0	0	0	0	0
Total consolidated equity and debt	281,353	272,598	289,882	312,308	339,889	366,852
Ratios						
Current ratio (x)	1.97	1.79	1.53	1.57	1.65	1.78
Quick ratio (x)	1.89	1.70	1.44	1.48	1.56	1.68
Equity ratio	40.8%	43.7%	36.3%	37.5%	39.6%	42.6%
Net gearing	10.0%	22.1%	37.2%	30.6%	14.2%	4.4%
Equity per share (€)	7.31	7.58	6.71	7.46	8.57	9.95
Interest coverage ratio (x)	30.29	41.79	2.06	25.83	33.75	43.09
Capital employed (CE)	127,103	128,857	147,450	151,546	160,702	170,755
Return on capital employed (ROCE)	14.2%	11.6%	2.8%	12.6%	15.4%	17.9%



CASH FLOW STATEMENT

All figures in €'000	2021	2022	2023E	2024E	2025E	2026E
Pretax result	23,268	12,823	3,166	25,629	33,433	41,459
Depreciation and amortisation	12,981	13,814	14,421	15,800	17,311	18,967
Other	-1,159	-5,521	-6,284	-7,252	-9,408	-11,626
Operating cash flow	35,090	21,116	11,303	34,177	41,336	48,800
Investment in working capital	3,660	-17,754	-1,385	-3,790	-4,154	-4,553
Net operating cash flow	38,750	3,362	9,918	30,387	37,182	44,247
Cashflow from investing	-5,009	-9,799	-7,386	-10,728	-11,754	-12,880
Free cash flow	33,741	-6,437	2,531	19,659	25,427	31,367
Dividend paid	-4,704	-6,264	-6,195	-6,195	-6,195	-7,744
Share buy back	-158	-6,055	0	0	0	0
New share capital	0	0	0	0	0	0
Debt financing	3,506	3,381	16,435	-561	-2,140	-8,145
Lease liabilities	-5,930	-6,550	-7,040	-7,713	-8,451	-9,259
Other	-400	-362	0	0	0	0
Cash flow from financing	-7,686	-15,850	3,199	-14,469	-16,786	-25,148
Other	941	253	0	0	0	0
Change in cash	26,996	-22,034	5,731	5,190	8,641	6,219
Cash, start of the year	40,482	67,478	45,444	51,175	56,365	65,006
Cash, end of the year	67,478	45,444	51,175	56,365	65,006	71,225
Free cash flow per share in €	2.15	-0.41	0.16	1.27	1.64	2.03
Y-o-y growth						
Operating cash flow	39%	-40%	-46%	202%	21%	18%
Net operating cash flow	56%	-91%	195%	206%	22%	19%
Free cash flow	195%	-119%	-139%	677%	29%	23%

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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.

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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Report No.:	Date of publication	Previous day closing price	Recommendation	Price target
Initial Report	15 July 2003	€4.96	Market Perform	€5.00
2...71	↓	↓	↓	↓
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	29 August 2022	€25.00	Buy	€40.00
79	1 November 2022	€22.95	Buy	€37.00
80	Today	€25.05	Buy	€32.00

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