

Schloss Wachenheim AG

Germany / Food & beverages
 Primary exchange: Frankfurt
 Bloomberg: SWA GR
 ISIN: DE0007229007

2021/22 Annual
 Report

RATING
BUY

PRICE TARGET
€ 22.00

Return Potential 31.7%
 Risk Rating Medium

BUY FOR IMPROVEMENT IN CONSUMER SENTIMENT FROM 2023

Final 2021/22 results were in line with the preliminary figures Schloss Wachenheim (SWA) published on 22 August, but above the numbers published in our most recent study of 17 May. Sales rose 8.3% to €384.0m (FBe May 22: €372.7m; 2020/21: €354.6m;) while EBIT jumped 19.5% to €29.2m (FBe May 22: €26.0m; 2020/21: €24.4m). The results were above our forecast because of stronger performance in all three geographic segments than we had modelled. Germany and East Central Europe developed particularly strongly in the final quarter of the financial year (ends 30 June). Both segments grew at double digit percentage rates in Q4 after declines in Q3. The dividend proposal for 2021/22 of €0.60 (FBe May 22: €0.50; 2020/21: €0.50), if approved at the AGM on 3 November, will be 20% above last year's payout. SWA raised prices to cover increased raw material costs in 2021/22 and expect to continue to do so in 2022/23. Given that inflation is also reducing consumer purchasing power, SWA is guiding towards slight volume declines in all geographic segments in 2022/23. Management expects the price rises to result in slight sales growth, but is guiding towards a decline in EBIT and net profit before minorities to €25m-€27m and €18m-€20m respectively due to higher costs. These numbers are above our previous forecasts (€24.2m and €17.3m respectively), but we have reduced our price target from €25.00 to €22.00 to reflect an increase in our WACC estimate. We have raised this figure from 7.9% to 9.1% due to a doubling in the 10 year German government bond yield to 2.0% since our last study in May. In addition, we expect SWA's cost of debt to increase in 2022/23. However, we expect inflation to begin declining in 2023 and advise investors to buy SWA shares up to our new price target of €22.00 in anticipation of a corresponding improvement in consumer sentiment.

Sales and EBIT growth outpaced volume Volume growth accelerated to 6.7% in 2021/22 (2020/21: 2.9%) as SWA's business recovered from the pandemic. The number of bottles sold was 234.8m (2020/21: 220.2m bottles). (p.t.o.)

FINANCIAL HISTORY & PROJECTIONS

| | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23E | 2023/24E |
|--------------------|---------|---------|---------|---------|----------|----------|
| Revenue (€m) | 337.16 | 338.21 | 354.58 | 383.98 | 394.98 | 411.47 |
| Y-o-y growth | 3.9% | 0.3% | 4.8% | 8.3% | 2.9% | 4.2% |
| EBIT (€m) | 22.98 | 18.97 | 24.42 | 29.19 | 25.56 | 29.85 |
| EBIT margin | 6.8% | 5.6% | 6.9% | 7.6% | 6.5% | 7.3% |
| Net income (€m) | 10.89 | 7.62 | 10.43 | 13.73 | 11.60 | 13.30 |
| EPS (diluted) (€) | 1.38 | 0.96 | 1.32 | 1.73 | 1.46 | 1.68 |
| DPS (€) | 0.50 | 0.40 | 0.50 | 0.60 | 0.60 | 0.60 |
| FCF (€m) | 9.27 | 0.23 | 27.35 | 4.03 | 17.38 | 19.39 |
| Net gearing | 20.9% | 35.9% | 26.8% | 29.2% | 23.5% | 18.0% |
| Liquid assets (€m) | 9.53 | 6.02 | 7.68 | 7.13 | 3.95 | 4.11 |

RISKS

Risks to our price target include, but are not limited to: intensification of price pressure in Germany; currency volatility on the group's East Central Europe markets.

COMPANY PROFILE

Schloss Wachenheim AG is one of the world's largest producers of sparkling wine. The company is the number three producer in its home market of Germany (34% of 2021/22 group sales) and number one in France with a 40% market share. Some 44% of group sales are generated in East Central Europe through the 61%-owned subsidiary, Ambra.

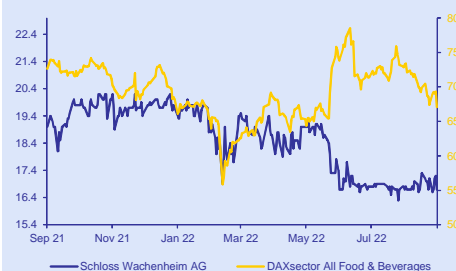
MARKET DATA

As of 23 Sep 2022

| | |
|-------------------------|-----------------|
| Closing Price | € 16.70 |
| Shares outstanding | 7.92m |
| Market Capitalisation | € 132.26m |
| 52-week Range | € 16.30 / 20.20 |
| Avg. Volume (12 Months) | 1,375 |

| Multiples | 2021/22 | 2022/23E | 2023/24E |
|------------|---------|----------|----------|
| P/E | 9.6 | 11.4 | 9.9 |
| EV/Sales | 0.5 | 0.5 | 0.5 |
| EV/EBIT | 6.8 | 7.8 | 6.6 |
| Div. Yield | 3.6% | 3.6% | 3.6% |

STOCK OVERVIEW



COMPANY DATA

As of 30 Jun 2022

| | |
|----------------------|-----------|
| Liquid Assets | € 7.13m |
| Current Assets | € 203.78m |
| Intangible Assets | € 95.23m |
| Total Assets | € 408.62m |
| Current Liabilities | € 132.50m |
| Shareholders' Equity | € 183.48m |

SHAREHOLDERS

| | |
|----------------|-------|
| Günther Reh AG | 70.1% |
| Free float | 29.9% |



Figure 1: FY 21/22 results versus our forecasts

| €m | FY 21/22A | FY 21/22E | Δ | FY 20/21A | Δ |
|------------------------------|---------------|---------------|--------------|---------------|--------------|
| Sales | 383.98 | 372.73 | 3.0% | 354.58 | 8.3% |
| by region | | | | | |
| Germany | 136.17 | 132.08 | 3.1% | 132.47 | 2.8% |
| France | 89.66 | 86.77 | 3.3% | 80.98 | 10.7% |
| East Central Europe | 167.77 | 162.30 | 3.4% | 149.14 | 12.5% |
| Eliminations | -9.63 | -8.41 | n.a. | -8.00 | n.a. |
| EBIT | 29.19 | 26.03 | 12.1% | 24.42 | 19.5% |
| <i>margin (%)</i> | <i>7.6%</i> | <i>7.0%</i> | - | <i>1.6%</i> | - |
| by region | | | | | |
| Germany | 4.00 | 2.57 | 55.6% | 3.24 | 23.5% |
| <i>margin (%)</i> | <i>2.9%</i> | <i>1.9%</i> | - | <i>2.4%</i> | - |
| France | 6.76 | 5.74 | 17.8% | 4.01 | 68.7% |
| <i>margin (%)</i> | <i>7.5%</i> | <i>6.6%</i> | - | <i>5.0%</i> | - |
| East Central Europe | 18.58 | 17.82 | 4.3% | 17.26 | 7.7% |
| <i>margin (%)</i> | <i>11.1%</i> | <i>11.0%</i> | - | <i>11.6%</i> | - |
| Other/eliminations | -0.16 | -0.10 | n.a. | -0.08 | n.a. |
| Net profit before minorities | 21.22 | 18.89 | 12.3% | 17.65 | 20.2% |
| Net profit after minorities | 13.73 | 11.66 | 17.7% | 10.43 | 31.7% |
| EPS (€) | 1.73 | 1.47 | 17.7% | 1.32 | 31.7% |
| DPS (€) | 0.60 | 0.50 | 20.0% | 0.50 | 20.0% |

Source: SWA; First Berlin Equity Research estimates

Volume grew by 5.6% in Germany, by 7.7% in France and by 8.2% in East Central Europe. Group sales (+8.3%) and EBIT (+19.5%) outpaced volumes as SWA implemented price rises to compensate for higher raw material and energy costs.

German volume growth driven by sparkling wine exports Volume in Germany climbed 5.6% to 88.9m bottles (2020/21: 84.2m bottles). Both domestic and export volume grew. The main volume growth driver was sparkling wine, which climbed 12.3%, with most of the increase attributable to export business.

De-alcoholised drinks volume up slightly in 2021/22 SWA's second most important product area in Germany is de-alcoholised drinks. SWA is the market leader in alcohol-free sparklings and wines on its home market. The company's leading product in this area is Light Live, which is available in both sparkling and still variants and is supported with extensive marketing campaigns. Eisberg, one of the leading UK alcohol-free wine brands, which was acquired in February 2021, contributed volume of ca. 2 million bottles in 2021/22.

Robby Bubble volume climbed 5.2% The children's party drink Robby Bubble retains a dominant position in its category. Volume increased by 5.2% due mainly to growth on the domestic market. SWA continued to support the product with extensive advertising.

Still wine volume down 9.0% The development of the German still wine business in 2021/22 was the mirror image of the previous year in which volume rose 9.6%. In 2020/21 COVID-19-related lockdowns crimped wine consumption in restaurants and hotels and drove strong volume growth through SWA's wine shops and e-commerce channels. In 2021/22 these trends reversed. B2B volume grew slightly but could not compensate for the decline in retail volume.



Sales underperformed volume in Germany due to mix shift away from still wine Sales in Germany climbed 2.8% to €136.2m (2020/21: €132.5m). Despite price rises implemented in response to higher raw material and energy costs, sales underperformed volume growth due mainly to the shift in the product mix away from higher priced still wine. Segment gross profit increased 1.8% to €58.6m (2020/21: €57.5m), equivalent to a margin of 43.0% (2020/21: 43.4%). The margin narrowed slightly due to higher raw material costs as well as changes in the product mix. Freight, energy and building expenses all increased but personnel costs declined because the prior year figure included costs in connection with the departure of a member of the management board before the expiry of his contract. Segment EBIT came in at €4.0m (2020/21: €3.2m) equivalent to a margin of 2.9% (2020/21: 2.4%).

In France export markets drove 7.7% increase in volume France segment volume increased 7.7% to 57.1m bottles (2020/21: 53.0m bottles). Around one third of bottles are exported to markets including Russia, the US and Japan as well as certain African countries. Exports accounted for around 80% of volume growth in 2021/22. The segment's most important export market is Russia. Business on this market fell sharply after the invasion of the Ukraine, but the decline was largely compensated for by growth in other markets. On the domestic market, volume of private label products increased while volumes of SWA's own brands fell slightly.

Charles Volner remains clear market leader in its category on French sparkling wine market SWA's most important French own-brand product, Charles Volner, is the undisputed leader in its category. Volume of this product was flat in 2021/22. SWA's two other most important French sparkling wine brands are Opéra and Muscador. Opéra's volume fell 8.4% but it retained its no. 3 ranking in the "Blancs de Blancs" segment. In volume terms Muscador is one of the leading sparkling wines in France. The number of bottles sold fell 1.6% due mainly to a decline in exports, which account for around 25% of the product's volume. Volume in France was flat.

France segment sales and EBIT outpaced volume growth France segment sales growth of 10.7% outpaced volume growth of 7.7% due to price rises made by SWA to cover higher raw material costs as well as changes in the product mix. Gross profit increased 12.4% to €37.6m (2020/21: €33.4m) while EBIT was 69.1% higher at €6.8m (2020/21: €4.0m).

East Central Europe continues to benefit from shift in demand towards wine Volume in East Central Europe climbed 8.2% to 97.6m bottles (2020/21: 90.2m bottles). The main markets served by SWA in East Central Europe are Poland, Romania and Czech Republic/Slovakia which respectively account for around 72%, 15% and 13% of segment sales. In 2021/22 volume growth was 6.0% in Poland, 13.1% in Romania and 14.1% in Czech Republic/Slovakia. Sparkling wine, still wine, cider and children's party drinks were the main drivers of volume growth in Poland. Local currency sales outpaced volume, climbing 12.6%, due mainly to price rises. In Romania local currency sales rose 21.4%. Sparkling wine, cocktail drinks, spirits and children's party drinks were the main growth drivers. Zarea, which is the biggest selling brand in SWA's Romanian portfolio, remains market leader on the local sparkling wine market. However, still wine volume fell 8.3% after rising ca. 60% in the prior year. In Czech Republic/Slovakia local currency sales rose 24.4% due mainly to growth in sparkling sales. Sales of de-alcoholised drinks, which were launched on this market in 2020/21, and children's party drinks also grew.

Segment sales grew 15.1% on a constant currency basis but local currency depreciation restricted reported sales growth to 12.5% to €167.8m (2020/21: €149.1m). Gross profit increased by 11.9% to €70.5m (2020/21: €62.9m) while EBIT climbed 11.1% to €18.6m (2020/21: €17.3m). The EBIT margin narrowed to 11.1% (2020/21: 11.6%) mainly because of wage and salary rises as well as higher freight, energy, building and advertising costs.



Net gearing is manageable 29.2% Cashflow before changes in net working capital climbed 14.3% to €36.3m (2020/21: €31.8m). In 2020/21 working capital yielded €10.9m, whereas in 2021/22 it consumed €14.4m. The main cause of the higher working capital requirement in 2021/22 was a €20.1m increase in inventories. The rise was due to higher wine and raw material prices as well as changes in the company's purchasing strategies due to the tight situation on the relevant procurement markets. The swing in working capital pushed operating cashflow down 48.6% to €21.9m (2020/21: €42.7m). Investment in tangible, intangible assets and acquisitions was little changed at €18.4m (2020/21: €18.2m). Dividends to Schloss Wachenheim shareholders and minority shareholders in SWA's group companies in East Central Europe consumed €8.3m of cash (2020/21: €6.2m). Cashflow after investing and dividend payments was €-4.3m (2020/21: €21.1m). Net debt including lease and pension liabilities rose during the year by €8.4m to €66.1m, equivalent to net gearing of 29.2% (2020/21: net debt including leasing and pension liabilities of €57.7m and net gearing of 26.8%).

Figure 2: Changes to our forecasts

| All figures in €m | 2022/23E | | | 2023/24E | | |
|-------------------------------------|---------------|---------------|--------------|---------------|---------------|-------------|
| | old | new | Δ | old | new | Δ |
| Sales | 385.69 | 394.98 | 2.4% | 406.89 | 411.47 | 1.1% |
| by region: | | | | | | |
| Germany | 134.72 | 138.89 | 3.1% | 137.41 | 141.67 | 3.1% |
| France | 87.63 | 89.83 | 2.5% | 91.14 | 91.63 | 0.5% |
| East Central Europe | 172.04 | 176.16 | 2.4% | 187.52 | 188.49 | 0.5% |
| Eliminations | -9.38 | -9.91 | - | -9.18 | -10.32 | - |
| EBIT | 24.19 | 25.56 | 5.6% | 29.64 | 29.85 | 0.7% |
| Margin | 6.3% | 6.5% | - | 7.3% | 7.3% | - |
| by region: | | | | | | |
| Germany | 2.69 | 4.05 | 50.5% | 2.75 | 2.83 | 3.0% |
| margin (%) | 2.0% | 2.9% | - | 2.0% | - | - |
| France | 4.38 | 5.50 | 25.6% | 6.38 | 6.41 | 0.5% |
| margin (%) | 7.0% | 6.1% | - | 7.0% | - | - |
| East Central Europe | 17.20 | 16.12 | -6.3% | 20.62 | 20.73 | 0.6% |
| margin (%) | 11.2% | 9.2% | - | 11.0% | - | - |
| Eliminations | -0.11 | -0.13 | n.a. | -0.11 | -0.14 | n.a. |
| Net profit before minorities | 17.27 | 18.14 | 5.1% | 21.47 | 21.72 | 1.1% |
| Net profit after minorities | 10.29 | 11.60 | 12.8% | 13.11 | 13.30 | 1.5% |
| EPS € | 1.30 | 1.47 | 12.7% | 1.65 | 1.68 | 1.8% |

Source: First Berlin Equity Research estimates

Buy recommendation maintained but price target lowered to €22.00 (previously: €25.00) On a group basis SWA expect 2022/23 sales to rise slightly as price increases outweigh volume declines. Management expect higher sales in Germany and East Central Europe and a flat development in France. In Germany EBIT is expected to be stable as lower profitability at Schloss Wachenheim AG is balanced by improved results from the wine retail business, in which the opening of new shops is planned. EBIT is expected to decline in both East Central Europe and France. As noted above, management guidance for 2022/23 EBIT and net profit before minorities of €25m-€27m and €18m-€20m respectively is above our previous forecasts (€24.2m and €17.3m respectively). We have moved our numbers into line with guidance as shown in figure 2. However, we have reduced our price target from €25.00 to €22.00 to reflect an increase in our WACC estimate. We have raised this figure from 7.9% to 9.1% due to a doubling in the 10 year German government bond yield to 2.0% since our last study in May. In addition, we expect SWA's cost of debt to increase from ca. 2.9% in 2021/22 to well over 3.0% in 2022/23. Nevertheless, we expect inflation to begin declining in 2023 and advise investors to buy SWA shares up to our new price target of €22.00 in anticipation of a corresponding improvement in consumer sentiment.



DCF MODEL

| All figures in EUR 000s | 2022/23E | 2023/24E | 2024/25E | 2025/26E | 2026/27E | 2027/28E | 2028/29E | 2029/30E | 2030/31E | 2031/32E | 2032/33E |
|------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Net sales | 394,976 | 411,468 | 433,462 | 457,082 | 482,464 | 509,759 | 536,533 | 565,119 | 595,654 | 628,284 | 659,638 |
| NOPLAT | 19,600 | 22,884 | 24,854 | 26,608 | 28,508 | 28,147 | 29,979 | 31,948 | 34,062 | 34,955 | 37,024 |
| + depreciation & amortisation | -16,620 | -17,314 | -18,239 | -19,233 | -20,301 | -21,449 | -22,576 | -23,779 | -25,064 | -26,437 | -27,756 |
| Net operating cash flow | 36,220 | 40,197 | 43,093 | 45,841 | 48,809 | 49,596 | 52,555 | 55,726 | 59,125 | 61,392 | 64,780 |
| - total investments (CAPEX and WC) | -17,512 | -19,780 | -36,935 | -34,042 | -36,132 | -38,382 | -38,869 | -41,070 | -43,421 | -36,508 | -45,582 |
| Capital expenditures | -15,029 | -17,395 | -22,891 | -27,246 | -28,828 | -30,528 | -31,165 | -32,845 | -34,635 | -27,119 | -36,560 |
| Working capital | -2,483 | -2,385 | -14,044 | -6,796 | -7,303 | -7,854 | -7,704 | -8,225 | -8,786 | -9,389 | -9,022 |
| Free cash flows (FCF) | 18,708 | 20,418 | 6,158 | 11,799 | 12,677 | 11,214 | 13,686 | 14,656 | 15,704 | 24,884 | 19,198 |
| PV of FCF's | 17,510 | 17,514 | 4,841 | 8,502 | 8,371 | 6,787 | 7,591 | 7,450 | 7,317 | 10,625 | 7,513 |

| All figures in EUR 000s | |
|--|---------|
| PV of FCFs in explicit period (2022/23-2034/35)* | 119,992 |
| PV of FCFs in terminal period | 155,156 |
| Enterprise value (EV) | 275,148 |
| Average net debt (most recent four quarters) | -63,063 |
| Investments / minority interests | -37,858 |
| Shareholder value | 174,227 |

| | |
|------------------------------------|--------------|
| Fair value per share in EUR | 22.00 |
|------------------------------------|--------------|

| WACC | 9.1% |
|-------------------------|-------|
| Cost of equity | 11.3% |
| Pre-tax cost of debt | 3.5% |
| Tax rate | 23.0% |
| After-tax cost of debt | 2.7% |
| Share of equity capital | 70.0% |
| Share of debt capital | 30.0% |

| | |
|----------------------------|--------------|
| Price target in EUR | 22.00 |
|----------------------------|--------------|

| WACC | Terminal growth rate | | | | | | |
|-------|----------------------|-------|-------|-------|-------|-------|-------|
| | 0.5% | 1.0% | 1.5% | 2.0% | 2.5% | 3.0% | 3.5% |
| 7.6% | 31.65 | 32.24 | 32.92 | 33.72 | 34.67 | 35.84 | 37.28 |
| 8.1% | 27.90 | 28.29 | 28.74 | 29.26 | 29.88 | 30.62 | 31.52 |
| 8.6% | 24.65 | 24.91 | 25.19 | 25.52 | 25.91 | 26.36 | 26.90 |
| 9.1% | 21.83 | 21.98 | 22.15 | 22.00 | 22.57 | 22.83 | 23.13 |
| 9.6% | 19.35 | 19.43 | 19.51 | 19.61 | 19.72 | 19.85 | 20.00 |
| 10.1% | 17.17 | 17.19 | 17.21 | 17.24 | 17.27 | 17.31 | 17.35 |
| 10.6% | 15.23 | 15.21 | 15.19 | 15.17 | 15.15 | 15.12 | 15.09 |

*for layout purposes the model shows numbers only to 2032/33 but runs until 2034/35



INCOME STATEMENT

| All figures in €000s | FY 18/19 | FY 19/20 | FY 20/21 | FY 21/22 | FY 22/23E | FY 23/24E |
|----------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Revenues | 337,159 | 338,212 | 354,584 | 383,975 | 394,976 | 411,468 |
| Change in inventories | 107 | 240 | -1,959 | 3,307 | 0 | 0 |
| Cost of materials | -191,505 | -192,653 | -198,789 | -220,798 | -227,506 | -232,479 |
| Gross Profit | 145,761 | 145,799 | 153,836 | 166,484 | 167,470 | 178,988 |
| Other operating income | 3,981 | 5,117 | 4,323 | 4,027 | 4,142 | 4,315 |
| Personnel expenses | -53,303 | -56,274 | -60,225 | -61,505 | -65,171 | -67,892 |
| Depreciation | -9,447 | -14,401 | -15,151 | -15,841 | -16,620 | -17,314 |
| Other operating expenses | -64,016 | -61,272 | -58,359 | -63,980 | -64,266 | -68,249 |
| Operating Income (EBIT) | 22,976 | 18,969 | 24,424 | 29,185 | 25,555 | 29,849 |
| Associates | -27 | 0 | 77 | 317 | 200 | 200 |
| Net interest income | -1,291 | -1,818 | -1,509 | -1,807 | -2,098 | -1,722 |
| Pretax profit (EBT) | 21,658 | 17,151 | 22,992 | 27,695 | 23,657 | 28,326 |
| Taxes | -5,657 | -4,160 | -5,339 | -6,480 | -5,512 | -6,610 |
| Net profit before minorities | 16,001 | 12,991 | 17,653 | 21,215 | 18,144 | 21,717 |
| Minorities | -5,111 | -5,376 | -7,227 | -7,484 | -6,541 | -8,412 |
| Net attributable profit | 10,890 | 7,615 | 10,426 | 13,731 | 11,604 | 13,305 |
| EPS (€) | 1.38 | 0.96 | 1.32 | 1.73 | 1.46 | 1.68 |
| EBITDA | 32,423 | 33,370 | 39,575 | 45,026 | 42,175 | 47,162 |
| Ratios | | | | | | |
| Gross margin | 43.2% | 43.1% | 43.4% | 43.4% | 42.4% | 43.5% |
| EBITDA margin on revenues | 9.6% | 9.9% | 11.2% | 11.7% | 10.7% | 11.5% |
| EBIT margin on revenues | 6.8% | 5.6% | 6.9% | 7.6% | 6.5% | 7.3% |
| Net margin on revenues | 4.7% | 3.8% | 5.0% | 5.5% | 4.6% | 5.3% |
| Tax rate | 26.1% | 24.3% | 23.2% | 23.4% | 23.3% | 23.3% |
| Expenses as % of revenues | | | | | | |
| Personnel costs | -15.8% | -16.6% | -17.0% | -16.0% | -16.5% | -16.5% |
| Depreciation | -2.8% | -4.3% | -4.3% | -4.1% | -4.2% | -4.2% |
| Other operating expenses | -19.0% | -18.1% | -16.5% | -16.7% | -16.3% | -16.6% |
| Y-Y Growth | | | | | | |
| Revenues | 3.9% | 0.3% | 4.8% | 8.3% | 2.9% | 4.2% |
| Operating income | -3.6% | -17.4% | 28.8% | 19.5% | -12.4% | 16.8% |
| Net profit before minorities | -2.3% | -18.8% | 35.9% | 20.2% | -14.5% | 19.7% |



BALANCE SHEET

| All figures in €000s | FY 18/19 | FY 19/20 | FY 20/21 | FY 21/22 | FY 22/23E | FY 23/24E |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| Assets | | | | | | |
| Current assets, total | 175,357 | 179,512 | 179,147 | 203,784 | 206,235 | 212,709 |
| Cash and cash equivalents | 9,531 | 6,015 | 7,680 | 7,133 | 3,950 | 4,115 |
| Other receivables and short-term assets | 7,861 | 6,854 | 9,093 | 8,610 | 8,857 | 9,226 |
| Trade accounts and notes receivables | 53,563 | 51,427 | 53,753 | 59,335 | 61,035 | 63,583 |
| Inventories | 104,402 | 115,216 | 108,621 | 128,706 | 132,393 | 135,784 |
| Non-Current Assets, total | 170,751 | 193,261 | 198,884 | 204,833 | 202,753 | 203,084 |
| Property, plant and equipment | 75,744 | 92,659 | 97,513 | 103,845 | 101,311 | 101,221 |
| Goodwill + intangible assets | 88,862 | 93,469 | 96,082 | 95,225 | 96,168 | 96,339 |
| Other financial assets | 5,051 | 3,795 | 3,709 | 3,889 | 4,089 | 4,289 |
| Deferred taxes + prepaid expenses | 1,094 | 1,822 | 1,580 | 1,874 | 1,185 | 1,234 |
| Long term assets for sale | 0 | 1,516 | 0 | 0 | 0 | 0 |
| Total Assets | 346,108 | 372,773 | 378,031 | 408,617 | 408,988 | 415,793 |
| Shareholders' equity & debt | | | | | | |
| Current Liabilities, total | 109,987 | 117,850 | 115,034 | 132,501 | 129,588 | 127,334 |
| Current provisions | 4,425 | 5,661 | 7,422 | 6,562 | 8,103 | 8,357 |
| Short-term financial debt | 28,099 | 40,319 | 28,849 | 36,238 | 28,716 | 22,334 |
| Trade payables | 44,185 | 41,498 | 44,734 | 55,158 | 56,738 | 59,107 |
| Prepayments, deferred charges & other liabilities | 33,278 | 30,372 | 34,029 | 34,543 | 36,032 | 37,536 |
| Long term liabilities, total | 34,197 | 50,704 | 48,003 | 49,715 | 40,062 | 35,805 |
| Long-term financial debt | 20,886 | 36,705 | 34,121 | 34,849 | 29,319 | 24,722 |
| Pension accruals and similar liabilities | 2,763 | 2,396 | 2,405 | 2,150 | 2,279 | 2,416 |
| Other long-term debt | 1,063 | 1,590 | 1,095 | 1,138 | 1,220 | 1,271 |
| Deferred taxes | 9,485 | 10,013 | 10,382 | 11,578 | 7,245 | 7,396 |
| Shareholders' equity | 165,950 | 167,773 | 174,547 | 183,479 | 189,874 | 194,779 |
| Minority interests | 35,974 | 36,446 | 40,447 | 42,922 | 49,463 | 57,875 |
| Total shareholders' equity & debt | 346,108 | 372,773 | 378,031 | 408,617 | 408,988 | 415,793 |
| Ratios | | | | | | |
| Current ratio (x) | 1.59 | 1.52 | 1.56 | 1.54 | 1.59 | 1.67 |
| Quick ratio (x) | 0.65 | 0.55 | 0.61 | 0.57 | 0.57 | 0.60 |
| Financial leverage (including pension liabilities) | 20.9% | 35.9% | 26.8% | 29.2% | 23.5% | 18.0% |
| Book value per share (€) | 20.95 | 21.18 | 22.04 | 23.16 | 23.97 | 24.58 |
| Net debt (including pension liabilities) | 42,217 | 73,405 | 57,695 | 66,104 | 56,364 | 45,357 |
| Return on equity (ROE) | 5.5% | 3.7% | 5.0% | 6.2% | 5.0% | 5.4% |



CASH FLOW STATEMENT

| All figures in €000s | FY 18/19 | FY 19/20 | FY 20/21 | FY 21/22 | FY 22/23E | FY 23/24E |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| Net profit before minorities | 16,001 | 12,991 | 17,653 | 21,215 | 18,144 | 21,717 |
| Depreciation and amortisation | 9,447 | 14,401 | 15,151 | 15,841 | 16,620 | 17,314 |
| Change in working capital | 1,230 | -13,229 | 10,867 | -14,422 | -2,483 | -2,385 |
| Other | 345 | -1,204 | -1,015 | -716 | -71 | -63 |
| Operating cash flow | 27,023 | 12,959 | 42,656 | 21,918 | 32,210 | 36,582 |
| CAPEX | -18,092 | -13,183 | -18,165 | -18,389 | -15,029 | -17,395 |
| Fixed asset sales | 337 | 458 | 2,862 | 500 | 0 | 0 |
| Investing cash flow | -17,755 | -12,725 | -15,303 | -17,889 | -15,029 | -17,395 |
| Free cash flow | 9,268 | 234 | 27,353 | 4,029 | 17,181 | 19,187 |
| Change in financial liabilities | -750 | 2,883 | -19,377 | 3,603 | -13,053 | -10,979 |
| Dividends to shareholders | -3,960 | -3,960 | -3,168 | -3,960 | -4,752 | -4,752 |
| Dividends to subsidiaries of minorities | -2,601 | -2,950 | -3,048 | -4,382 | -2,559 | -3,292 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 |
| Financing cash flow | -7,311 | -4,027 | -25,593 | -4,739 | -20,364 | -19,022 |
| Change in cash | 1,957 | -3,793 | 1,760 | -710 | -3,183 | 165 |
| Consolidation; exchange rate effects | -186 | 277 | -95 | 163 | 0 | 0 |
| Liquid funds, start of the year | 7,760 | 9,531 | 6,015 | 7,680 | 7,133 | 3,950 |
| Liquid funds, end of the year | 9,531 | 6,015 | 7,680 | 7,133 | 3,950 | 4,115 |
| Free cash flow per share (€) | 1.17 | 0.03 | 3.45 | 0.51 | 2.17 | 2.42 |
| <hr/> | | | | | | |
| Y-Y growth | | | | | | |
| Operating cash flow | 30.2% | -52.0% | 229.2% | -48.6% | 47.0% | 13.6% |
| Free cash flow | 5.3% | -97.5% | 11589.3% | -85.3% | 326.4% | 11.7% |
| Financial cash flow | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |

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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 | 19 July 2007 | €10.00 | Hold | €10.75 |
| 2...48 | ↓ | ↓ | ↓ | ↓ |
| 49 | 28 September 2020 | €15.70 | Buy | €20.00 |
| 50 | 18 November 2020 | €15.30 | Buy | €20.00 |
| 51 | 19 February 2021 | €14.80 | Buy | €21.00 |
| 52 | 17 May 2021 | €16.60 | Buy | €22.00 |
| 53 | 28 September 2021 | €19.40 | Buy | €25.00 |
| 54 | 15 November 2021 | €20.20 | Buy | €26.00 |
| 55 | 25 February 2022 | €18.80 | Buy | €27.00 |
| 56 | 17 May 2022 | €18.50 | Buy | €25.00 |
| 57 | Today | €16.70 | Buy | €22.00 |

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