

SFC Energy AG

Germany / Energy
 Primary exchange: Frankfurt
 Bloomberg: F3C GR
 ISIN: DE0007568578

Profit warning
 & Q3 figures

RATING	ADD
PRICE TARGET	€ 10.00
Return Potential	8.5%
Risk Rating	High

POSTPONED DEFENCE ORDER CAUSES PROFIT WARNING

Following the postponement of a large German defence order, SFC Energy gave a profit warning. The new 2019 guidance is €58-62m in sales (previously: €67-74m) and underlying EBIT of €-0.5m to €1.5m (previously: €3.5m to €6.0m). 2019 figures will also be burdened by a weak oil & gas business due to subdued investment activity in Canada. Q3 sales were down 5% y/y, and EBIT was slightly negative. We have lowered our forecasts for 2019E and the following years. Despite the guidance adjustment, we believe that the business model is intact and forecast a return to the growth path in 2020E. SFC confirmed its medium-term outlook with sales of over €100m and an underlying EBITDA margin clearly above 10% in the next three to four years. An updated DCF model yields a new price target of €10.00 (previously: €11.90). We reiterate our Add recommendation.

Guidance lowered The lowered guidance was caused by the postponement of a large German defence order (FBE: €6m) and a weaker oil & gas business (FBE revenue delta versus previous forecast: €3m). SFC is now guiding towards €58-62m in sales (previously: €67-74m), underlying EBITDA of €0.5m to €2.5m (previously: €4.5 to €7.0m), and underlying EBIT of €-0.5m to €1.5m before IFRS 16 adjustment (previously: €3.5m to €6.0m).

Although the postponement of the defence order is a severe disappointment, we are convinced that it is only a postponement and that SFC will receive the order in 2020. Contrary to our assumption, the oil & gas business has not stabilised in H2/19, but the slowdown has intensified due to subdued investment activity in Canada caused by a lack of pipeline capacity.

SFC reiterated its medium-term outlook with sales of over €100m and an underlying EBITDA margin clearly above 10% in the next three to four years.

Weak Q3 due to slump in oil & gas business Q3 sales were down 5% to €12.7m (FBE: €14.0m) due mainly to a 28% slump in the oil & gas business.
 (p.t.o.)

FINANCIAL HISTORY & PROJECTIONS

	2016	2017	2018	2019E	2020E	2021E
Revenue (€m)	44.04	54.29	61.70	58.00	69.90	81.20
Y-o-y growth	-6.9%	23.3%	13.7%	-6.0%	20.5%	16.2%
EBIT (€m)	-4.90	-0.88	1.33	-3.35	1.37	3.26
EBIT margin	-11.1%	-1.6%	2.1%	-5.8%	2.0%	4.0%
Net income (€m)	-4.99	-2.07	0.00	-3.70	0.70	2.33
EPS (diluted) (€)	-0.58	-0.23	0.00	-0.31	0.05	0.18
DPS (€)	0.00	0.00	0.00	0.00	0.00	0.00
FCF (€m)	-6.15	0.36	-0.37	-1.67	-2.42	0.13
Net gearing	53.5%	37.7%	13.5%	-53.3%	-45.5%	-42.7%
Liquid assets (€m)	2.04	4.69	7.81	29.18	24.26	28.09

RISKS

The main risks are internationalisation, unfavourable exchange rate changes, technological innovations, and increasing competition.

COMPANY PROFILE

SFC Energy AG is a leading provider of integrated power solutions for mobile and stationary off-grid applications. The company is a pioneer in developing and commercialising fuel cells which provide reliable, efficient, and clean power for its energy solutions. Main markets are oil & gas, defence & security, industry, and clean energy & mobility. SFC is headquartered near Munich in Germany.

MARKET DATA

As of 15 Nov 2019

Closing Price	€ 9.22
Shares outstanding	12.95m
Market Capitalisation	€ 119.40m
52-week Range	€ 6.84 / 13.91
Avg. Volume (12 Months)	33,137

Multiples	2018	2019E	2020E
P/E	n.a.	n.a.	170.6
EV/Sales	2.0	2.1	1.7
EV/EBIT	92.2	n.a.	89.3
Div. Yield	0.0%	0.0%	0.0%

STOCK OVERVIEW



COMPANY DATA

As of 30 Sep 2019

Liquid Assets	€ 23.04m
Current Assets	€ 47.01m
Intangible Assets	€ 13.19m
Total Assets	€ 71.38m
Current Liabilities	€ 18.79m
Shareholders' Equity	€ 39.29m

SHAREHOLDERS

HPE	21.3%
Havensight	5.9%
Conduit Ventures	5.7%
Management	1.8%
Free Float	65.3%



Despite lower sales, gross profit remained stable at €4.1m due to a more favourable product mix and gross margin increases in the Clean Energy & Mobility and the Oil & Gas segments. The group gross margin increased from 30.5% to 32.3%. EBIT improved slightly from €-394k to €-250k. As SAR (stock appreciation rights) costs were negative in Q3 (€-570k), adjusted EBIT was lower than EBIT and amounted to €-817k (FBe: €-680k). Net income improved slightly from €-643k in Q3/18 to €-420k (see figure 1).

On a nine month basis, revenues were down 1% at €43.8m, and EBIT fell from €0.1m to €-2.2m. The main reason for the lower EBIT is increased SAR costs (€2m versus €1.1m in 9M/18). Adjusted EBIT amounted to €-0.2m versus €1.2m in 9M/18. This €1.4m swing is attributable to a higher cost basis in preparation for higher growth. The number of permanent employees was 8% higher y/y at 286 (+20 staff).

Figure 1: Reported group figures versus forecasts

All figures in €m	Q3-19A	Q3-19E	Delta	Q3-18A	Delta	9M/19	9M/18	Delta
Sales	12.71	13.97	-9.1%	13.41	-5.2%	43.78	44.27	-1.1%
EBITDA	0.57	-0.18	-	-0.12	-	0.20	0.94	-79.2%
margin	4.5%	-1.3%	-	-0.9%	-	0.4%	2.1%	-
Adjusted EBITDA	0.00	0.22	-	-0.12	-	2.20	2.02	9.1%
margin	0.0%	1.6%	-	-0.9%	-	5.0%	4.6%	-
EBIT	-0.25	-1.08	-	-0.39	-	-2.24	0.10	-
margin	-2.0%	-7.7%	-	-2.9%	-	-5.1%	0.2%	-
Adjusted EBIT	-0.82	-0.68	-	-0.39	-	-0.23	1.18	-
margin	-6.4%	-4.9%	-	-2.9%	-	-0.5%	2.7%	-
Net income	-0.42	-1.32	-	-0.64	-	-2.98	-0.79	-
margin	-3.3%	-9.5%	-	-4.8%	-	-6.8%	-1.8%	-
EPS (diluted, in €)	-0.02	-0.18	-	-0.06	-	-0.27	-0.08	-

Source: First Berlin Equity Research, SFC Energy AG

Very weak oil & gas business A lack of transport capacity resulted in lower drilling activity and thus reducing investment activity by SFC's customers. Q3 segment sales slumped 28% to €4.7m. Nevertheless, the segment gross margin increased from 25.9% to 28.6% due mainly to continuous growth in the high margin fuel cell applications business. Gross profit thus declined only 20% to €1.3m (see figure 2 overleaf).

Defence & security sales almost doubled In Q3, Defence & Security segment sales increased 93% to €1.6m due to strong international demand. However, an increased consultancy services share (gross margin: ca. 22-25%) led to a drop in the segment gross margin from 57% to 36% (see figure 2 overleaf). Gross profit thus increased only 21% to €0.6m. On a nine month basis, the international share of total segment revenues amounted to 68%, which means that the international business soared by 81% y/y. This is clear proof that the internationalisation strategy is bearing fruit.

Clean Energy & Mobility segment shows double-digit growth and gross margin expansion Q3 Clean Energy & Mobility segment sales rose 13% y/y to €2.5m. The main growth driver was the industry sub-segment (+22%), especially surveillance and wind energy. The consumer sub-segment grew by 4%. Gross profit even jumped from €0.8m to €1.1m, which represents a gross margin expansion from 36% to 42% (see figure 2 overleaf).

Industry segment growth halted In Q3, Industry segment revenue was up just 1% y/y to €3.9m. Increased sales in the laser platform area compensated for lower revenues in the semiconductor area. Gross profit was stable at €1.1m and the gross margin slightly lower at 29.0% (see figure 2 overleaf).

**Figure 2: Reported segment figures versus forecasts**

All figures in €m	Q3-19A	Q3-19E	Delta	Q3-18A	Delta	9M-19A	9M-18A	Delta
Oil & Gas								
Sales	4.66	5.24	-11.0%	6.45	-27.7%	16.57	18.63	-11.0%
Gross profit	1.34	1.34	-0.2%	1.67	-20.1%	4.66	5.28	-11.8%
margin	28.6%	25.5%		25.9%		28.1%	28.4%	
Defence & Security								
Sales	1.62	1.97	-17.9%	0.84	92.7%	6.25	6.49	-3.7%
Gross profit	0.58	0.90	-35.9%	0.48	20.9%	2.61	3.12	-16.4%
margin	35.9%	45.9%		57.2%		41.8%	48.2%	
Clean Energy & Mobility								
Sales	2.48	2.51	-1.1%	2.21	12.6%	8.02	6.94	15.6%
Gross profit	1.05	0.98	7.3%	0.79	32.0%	3.45	2.67	29.4%
margin	42.1%	38.9%		35.9%		43.0%	38.4%	
Industry								
Sales	3.95	4.25	-7.2%	3.91	0.9%	12.94	12.22	5.9%
Gross profit	1.15	1.29	-10.8%	1.15	-0.3%	3.78	3.59	5.4%
margin	29.0%	30.2%		29.4%		29.2%	29.4%	
Group								
Sales	12.71	13.97	-9.1%	13.41	-5.2%	43.78	44.27	-1.1%
Gross profit	4.11	4.50	-8.8%	4.09	0.3%	14.51	14.66	-1.1%
margin	32.3%	32.2%		30.5%		33.1%	33.1%	

Source: First Berlin Equity Research, SFC Energy AG

Much improved balance sheet due to capital increase The €27m capital increase bolstered equity, which now amounts to €39m versus €18m at the end of 2018. The equity ratio increased from 43% to 55%. Freely available cash soared from €7.5m in December 2018 to €23.0m.

Moderate operating cash outflow Operating cash flow amounted to €-1.5m. Free cash flow was €-3.8m due to CAPEX of €2.3m. Financing cashflow of €19.2m stemmed largely from the €27m capital increase. Net cash flow amounted to €15.5m.

Decline in order backlog due to postponed German army order The order backlog fell from €17.3m at the end of Q3/18 to €10.3m (-40% y/y). The reason for this is mainly the postponement of the German army order (FBe: ca. €6m).

Hydrogen fuel cells drive growth SFC and its partner adKor have concluded a first framework agreement for hydrogen fuel cells for a German government digital radio program. The first products will be produced in the current quarter. The agreement runs until the end of 2021 and covers a range of at least 200 up to 650 systems with an order volume of approximately €1.8 to €5.3m.

2019 forecast lowered We have lowered our 2019 revenue forecast from €68m to €58m. Our EBITDA forecast is €-0.04m. Under the assumption of SAR costs of €2.0m in 2019, adjusted EBITDA would amount to €1.96m (new guidance: €0.5m to €2.5m). Our new EBIT forecast is €-3.35m. Adjusted for SAR costs (€2.0m) and an IFRS 16-related rise in depreciation (FBe: €2m), we arrive at adjusted EBIT of €0.65m (guidance: €-0.5m to €1.5m before IFRS 16 adjustment, see figure 3 overleaf).

**Figure 3: Reconciliation of EBITDA and adjusted EBIT forecasts before IFRS 16**

All figures in €m	2019E	guidance
EBITDA	-0.04	-
SAR costs	2.00	-
adjusted EBITDA	1.96	0.5 to 2.5
D&A	3.32	-
EBIT	-3.35	-
SAR costs	2.00	-
adjusted EBIT	-1.35	-
Delta IFRS 16	2.00	-
adj. EBIT before IFRS 16	0.65	-0.5 to 1.5

Source: First Berlin Equity Research, SFC Energy

Return to growth in 2020E We forecast 21% revenue growth in 2020E to €69.9m (see figure 4). We expect 5% sales growth in the oil and gas segment due to regional expansion into the US and a further increase in fuel cell sales. The main growth driver will be the Defence & Security segment (+90% y/y) based on stronger international business and large German army contracts. First hydrogen fuel cell sales should push Clean Energy & Mobility segment revenues to €13m (+19% y/y). In the Industry segment, we assume 12% growth, which is mainly supported by scaling sales based on the high power standard platform technology.

Figure 4: Segment and group forecast for 2019E and 2020E

All figures in €m	2019E	2020E	delta
Oil & Gas			
Sales	22.40	23.50	5%
Gross profit	6.29	6.58	5%
margin	28.1%	28.0%	-
Defence & Security			
Sales	7.35	14.00	90%
Gross profit	3.11	6.44	107%
margin	42.3%	46.0%	-
Clean Energy & Mobility			
Sales	10.90	13.00	19%
Gross profit	4.58	5.30	16%
margin	42.0%	40.8%	-
Industry			
Sales	17.35	19.40	12%
Gross profit	5.07	5.82	15%
margin	29.2%	30.0%	-
Group			
Sales	58.00	69.90	21%
Gross profit	19.05	24.14	27%
margin	32.8%	34.5%	-

Source: First Berlin Equity Research



Although we have also lowered our forecasts for 2020E and the following years (see figure 5), we still believe that SFC's business model is intact and expect a return to growth in 2020E and a positive net result. Despite the defence order postponement, the Defence & Security segment is poised for growth. German army five year framework contracts alone may add up to a sales volume of up to €50m. The new hydrogen fuel cell business has had a very promising start and looks set to be a major growth driver in coming years. We therefore believe that SFC will pass the €100m revenue mark in 2023E at an EBITDA margin of 10.8%.

Figure 5: Revisions to forecasts

All figures in €m	2019E			2020E			2021E		
	Old	New	Delta	Old	New	Delta	Old	New	Delta
Sales	68.00	58.00	-14.7%	77.50	69.90	-9.8%	90.01	81.20	-9.8%
EBIT	-0.67	-3.35	-	4.21	1.37	-67.5%	7.48	3.26	-56.4%
margin	-1.0%	-5.8%	-	5.4%	2.0%	-	8.3%	4.0%	-
Net income	-1.03	-3.70	-	3.06	0.70	-77.1%	5.72	2.33	-59.3%
margin	-1.5%	-6.4%	-	3.9%	1.0%	-	6.4%	2.9%	-
EPS (diluted) in €	-0.09	-0.31	-	0.23	0.05	-77.1%	0.44	0.18	-59.3%

Source: First Berlin Equity Research

Add rating reiterated at lower price target An updated DCF model yields a new price target of €10.00 (previously: €11.90). We maintain our Add rating.



VALUATION MODEL

DCF valuation model								
All figures in EUR '000								
	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E
Net sales	58,000	69,900	81,200	93,810	107,711	122,399	137,643	153,159
NOPLAT	-3,354	1,194	2,633	4,880	6,608	7,851	9,080	10,308
+ depreciation & amortisation	3,318	3,425	3,509	3,127	2,844	2,697	2,646	2,662
Net operating cash flow	-36	4,619	6,142	8,007	9,452	10,548	11,726	12,970
- total investments (CAPEX and WC)	-2,042	-7,040	-6,017	-4,875	-5,279	-5,662	-5,983	-6,224
Capital expenditures	-2,552	-2,377	-1,868	-2,064	-2,282	-2,492	-2,690	-2,868
Working capital	510	-4,663	-4,149	-2,811	-2,997	-3,170	-3,293	-3,356
Free cash flows (FCF)	-2,078	-2,421	125	3,132	4,174	4,885	5,743	6,746
PV of FCF's	-2,056	-2,199	104	2,398	2,933	3,152	3,401	3,668

All figures in thousands	
PV of FCFs in explicit period (2019E-2033E)	42,339
PV of FCFs in terminal period	80,966
Enterprise value (EV)	123,305
+ Net cash / - net debt (pro forma)	8,555
+ Investments / minority interests	0
Shareholder value	131,861
Diluted number of shares	13,152
Fair value per share in EUR	10.03

WACC		Terminal growth rate							
		1.5%	2.0%	2.5%	3.0%	3.5%	4.0%	4.5%	
Cost of equity	10.6%	4.9%	24.03	26.99	31.18	37.56	48.41	71.03	147.30
Pre-tax cost of debt	7.0%	5.9%	17.56	19.02	20.91	23.44	27.03	32.47	41.75
Tax rate	30.0%	6.9%	13.56	14.37	15.36	16.62	18.23	20.40	23.47
After-tax cost of debt	4.9%	7.9%	10.86	11.35	11.93	12.62	13.48	14.55	15.93
Share of equity capital	70.0%	8.9%	8.94	9.25	9.61	10.03	10.52	11.12	11.85
Share of debt capital	30.0%	9.9%	7.51	7.72	7.95	8.21	8.52	8.88	9.30
		10.9%	6.42	6.56	6.71	6.89	7.09	7.32	7.58
Price target in EUR	10.00	11.9%	5.56	5.66	5.76	5.88	6.02	6.17	6.34

* for layout purposes the model shows numbers only to 2026, but runs until 2033



INCOME STATEMENT

All figures in EUR '000	2016A	2017A	2018A	2019E	2020E	2021E
Revenues	44,041	54,292	61,704	58,000	69,900	81,200
Cost of goods sold	30,795	36,566	40,623	38,928	45,761	53,668
Gross profit	13,247	17,726	21,082	19,072	24,139	27,532
S&M	9,126	9,786	10,792	12,900	12,200	13,000
G&A	4,883	5,016	5,230	6,300	5,700	6,400
R&D	4,148	3,892	3,525	3,400	4,870	4,872
Other operating income	96	277	320	232	210	244
Other operating expenses	83	194	529	58	210	244
Operating income (EBIT)	-4,898	-885	1,325	-3,354	1,369	3,260
Net financial result	-475	-1,150	-737	-762	-494	-303
Non-operating expenses	0	0	0	0	0	0
Pre-tax income (EBT)	-5,373	-2,035	588	-4,116	875	2,956
Income taxes	-380	37	589	-412	175	627
Minority interests	0	0	0	0	0	0
Net income / loss	-4,993	-2,072	-1	-3,704	700	2,330
Diluted EPS (in €)	-0.58	-0.23	0.00	-0.31	0.05	0.18
EBITDA	-2,508	862	2,478	-36	4,793	6,769
Ratios						
Gross margin	30.1%	32.6%	34.2%	32.9%	34.5%	33.9%
EBITDA margin on revenues	-5.7%	1.6%	4.0%	-0.1%	6.9%	8.3%
EBIT margin on revenues	-11.1%	-1.6%	2.1%	-5.8%	2.0%	4.0%
Net margin on revenues	-11.3%	-3.8%	0.0%	-6.4%	1.0%	2.9%
Tax rate	7.1%	-1.8%	100.1%	10.0%	20.0%	21.2%
Expenses as % of revenues						
S&M	20.7%	18.0%	17.5%	22.2%	17.5%	16.0%
G&A	11.1%	9.2%	8.5%	10.9%	8.2%	7.9%
R&D	9.4%	7.2%	5.7%	5.9%	7.0%	6.0%
Other operating expenses	0.2%	0.4%	0.9%	0.1%	0.3%	0.3%
Y-Y Growth						
Revenues	-6.9%	23.3%	13.7%	-6.0%	20.5%	16.2%
Operating income	n.m.	n.m.	n.m.	n.m.	n.m.	138.2%
Net income/ loss	n.m.	n.m.	n.m.	n.m.	n.m.	232.9%



BALANCE SHEET

All figures in EUR '000	2016A	2017A	2018A	2019E	2020E	2021E
Assets						
Current assets, total	20,056	21,849	28,289	48,352	46,607	54,470
Cash and cash equivalents	2,041	4,694	7,805	29,179	24,264	28,086
Short-term investments	0	0	0	0	0	0
Receivables	9,253	8,712	10,158	9,534	11,490	13,348
Inventories	7,718	7,939	9,753	9,066	10,281	12,057
Other current assets	1,044	504	573	573	573	980
Non-current assets, total	13,737	12,684	13,776	22,532	21,484	19,842
Property, plant & equipment	1,205	1,197	1,596	9,057	7,743	6,619
Goodwill & other intangibles	11,855	10,950	11,497	12,791	13,057	12,539
Other assets	678	537	684	684	684	684
Total assets	33,793	34,534	42,065	70,883	68,091	74,312
Shareholders' equity & debt						
Current liabilities, total	13,335	18,563	18,865	14,866	11,374	16,166
Short-term debt	4,317	9,410	7,198	4,000	2,000	6,900
Accounts payable	5,790	5,520	7,093	6,293	6,896	8,087
Current provisions	646	800	972	972	972	972
Other current liabilities	2,583	2,833	3,602	3,602	1,507	207
Long-term liabilities, total	7,119	2,076	4,996	14,517	14,517	13,617
Long-term debt	4,860	529	3,056	3,056	3,056	2,156
Liabilities under finance leases	0	0	0	7,517	7,517	7,517
Other liabilities	2,259	1,547	1,940	3,944	3,944	3,944
Minority interests	0	0	0	0	0	0
Shareholders' equity	13,339	13,895	18,204	41,500	42,200	44,529
Share capital	9,047	9,659	10,250	12,950	12,950	12,950
Capital reserve	73,132	75,475	79,498	103,798	103,798	103,798
Other reserves	0	0	0	0	0	0
Treasury stock	0	0	0	0	0	0
Loss carryforward / retained earnings	-68,351	-70,423	-70,520	-74,225	-73,525	-71,195
Total consolidated equity and debt	33,793	34,534	42,065	70,883	68,091	74,312
Ratios						
Current ratio (x)	1.50	1.18	1.50	3.25	4.10	3.37
Quick ratio (x)	0.93	0.75	0.98	2.64	3.19	2.62
Net cash	-7,135	-5,245	-2,449	22,123	19,207	19,029
Net gearing	53.5%	37.7%	13.5%	-53.3%	-45.5%	-42.7%
Book value per share (€)	1.54	1.51	1.79	3.52	3.21	3.39
Equity ratio	39.5%	40.2%	43.3%	58.5%	62.0%	59.9%
Return on equity (ROE)	-37.4%	-14.9%	0.0%	-8.9%	1.7%	5.2%
Return on investment (ROI)	-14.8%	-6.0%	0.0%	-5.2%	1.0%	3.1%
Return on assets (ROA)	-12.7%	-2.6%	1.8%	-4.2%	1.8%	3.5%
Return on capital employed (ROCE)	-22.3%	-4.1%	6.1%	-12.6%	4.2%	9.1%
Days of sales outstanding (DSO)	76.7	58.6	60.1	60.0	60.0	60.0
Days of inventory turnover	91.5	79.3	87.6	85.0	82.0	82.0
Days in payables (DIP)	68.6	55.1	63.7	59.0	55.0	55.0



CASH FLOW STATEMENT

All figures in EUR '000	2016A	2017A	2018A	2019E	2020E	2021E
EBIT	-4,898	-885	1,325	-3,354	1,369	3,260
Depreciation and amortisation	2,390	1,747	1,153	3,318	3,425	3,509
EBITDA	-2,508	862	2,478	-36	4,793	6,769
Changes in working capital	-3,541	1,362	-1,417	510	-4,663	-4,149
Other adjustments	818	-519	945	412	-175	-627
Operating cash flow	-5,231	1,704	2,005	885	-45	1,993
CAPEX	-301	-497	-928	-812	-769	-812
Investments in intangibles	-619	-844	-1,445	-1,740	-1,608	-1,056
Free cash flow	-6,151	363	-368	-1,667	-2,421	125
Acquisitions & disposals, net	205	33	0	0	0	0
Other investments	150	0	0	0	0	0
Investing cash flow	-565	-1,308	-2,373	-2,552	-2,377	-1,868
Debt financing, net	2,834	2,252	-1,786	-3,198	-2,000	4,000
Equity financing, net	1,500	400	4,220	27,000	0	0
Dividend paid	0	0	0	0	0	0
Other financing	-60	-394	1,045	-762	-494	-303
Financing cash flow	4,274	2,258	3,479	23,041	-2,494	3,697
Forex & other effects	1	-2	0	0	0	0
Net cash flows	-1,521	2,653	3,111	21,374	-4,915	3,822
Cash, start of the year	3,277	1,756	4,409	7,805	29,179	24,264
Cash, end of the year	1,756	4,409	7,520	29,179	24,264	28,086
EBITDA/share (in €)	-0.29	0.09	0.24	0.00	0.36	0.51

Y-Y Growth

Operating cash flow	n.m.	n.m.	17.7%	-55.9%	n.m.	n.m.
Free cash flow	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
EBITDA/share	n.m.	n.m.	160.5%	n.m.	n.m.	41.2%

FIRST BERLIN RECOMMENDATION & PRICE TARGET HISTORY

Report No.:	Date of publication	Previous day closing price	Recommendation	Price target
Initial Report	23 June 2014	€4.84	Buy	€7.40
2...36	↓	↓	↓	↓
37	24 May 2019	€14.50	Sell	€11.30
38	16 July 2019	€12.50	Add	€12.60
39	29 August 2019	€10.10	Add	€11.90
40	Today	€9.22	Add	€10.00

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