

SFC Energy AG

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

2022 Annual Report &
 Johnson Matthey Deal

RATING

PRICE TARGET

Return Potential
 Risk Rating

BUY

€ 36.00

69.4%
 High

DEAL WITH JM SECURES TECHNOLOGY LEADERSHIP IN DMFC

SFC Energy has acquired Johnson Matthey (JM) assets and technology for the production of Membrane Electrode Assemblies (MEAs) for direct methanol fuel cells (DMFC). We believe that this is a lucky deal for SFC. The company has taken advantage of a very rare opportunity to extend its coverage of the DMFC value chain. This gives SFC key technological know-how and supply security. The integration of MEA production will secure SFC's technology leadership in DMFC and will generate cost savings. SFC Energy's 2022 final figures matched preliminary numbers. 2022 was a very successful year with almost 33% top line growth and adjusted EBITDA rising 31% to €8.2m. For 2023, SFC is guiding towards sales in the range of €103m to €111m and adjusted EBITDA of €8.9m- €14.1m. This implies revenue growth between 21% and 30% and adjusted EBITDA growth between 9% and 73%. We stick to our forecast of €114m (+34% y/y) in revenue and adjusted EBITDA of €12.5m (+52% y/y). SFC's fuel-cell based clean power solutions work anytime & anywhere and meet strongly growing demand, especially in North America and Asia. The US customer LiveView placed a €15m follow-up order in November 2022, the largest order in the company's history. In March 2023, SFC and its Indian partner received a €16m order from the Indian Defence Forces to supply 450 portable methanol fuel cell systems. The order backlog amounted to €74m at the end of 2022 (+142% y/y). We see SFC well positioned for further strong and profitable growth. We have slightly adjusted our forecasts and incorporated the JM deal (higher 2023 CapEx, higher gross margin, more personnel) into our model. We increase our price target to €36 (previously: €35) and confirm the Buy rating.

Lucky deal for SFC The acquisition of Johnson Matthey's (JM) assets and technology for the production of Membrane Electrode Assemblies (MEAs) for direct methanol fuel cells (DMFC) is a lucky deal for SFC. In the future, SFC will produce the essential fuel cell components itself, has secured a stable supply...
 (p.t.o.)

FINANCIAL HISTORY & PROJECTIONS

	2020	2021	2022	2023E	2024E	2025E
Revenue (€ m)	53.22	64.32	85.23	114.17	165.55	240.04
Y-o-y growth	-9.1%	20.9%	32.5%	34.0%	45.0%	45.0%
EBIT (€ m)	-4.50	-5.11	3.60	6.96	16.55	27.85
EBIT margin	-8.5%	-7.9%	4.2%	6.1%	10.0%	11.6%
Net income (€ m)	-5.18	-5.83	2.02	4.67	11.71	20.01
EPS (diluted) (€)	-0.39	-0.40	0.13	0.27	0.67	1.15
DPS (€)	0.00	0.00	0.00	0.00	0.00	0.00
FCF (€ m)	-4.87	-2.70	-9.96	-5.04	-5.22	-5.97
Net gearing	-37.7%	-34.8%	-50.8%	-43.4%	-34.3%	-24.8%
Liquid assets (€ m)	31.75	24.62	64.80	58.04	52.30	45.90

RISKS

The main risks are internationalisation, 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 18 Apr 2023

Closing Price	€ 21.25
Shares outstanding	17.36m
Market Capitalisation	€ 368.98m
52-week Range	€ 15.76 / 26.80
Avg. Volume (12 Months)	64,948

Multiples	2022	2023E	2024E
P/E	182.6	78.9	31.5
EV/Sales	3.7	2.8	1.9
EV/EBIT	88.6	45.8	19.3
Div. Yield	0.0%	0.0%	0.0%

STOCK OVERVIEW



COMPANY DATA

As of 31 Dec 2022

Liquid Assets	€ 64.80m
Current Assets	€ 113.15m
Intangible Assets	€ 18.58m
Total Assets	€ 147.17m
Current Liabilities	€ 26.59m
Shareholders' Equity	€ 103.44m

SHAREHOLDERS

Acatis	4.7%
Hansainvest	2.5%
DWS	4.9%
Conduit Ventures	2.0%
Free Float	86.0%

...chain and will significantly increase the value-added share in methanol fuel cell manufacturing by integrating component production. SFC Energy will also take over the upcoming developments of the DMFC MEA to make processes more efficient and implement material cost savings.

SFC plans to start its own MEA series production for DMFCs in the fourth quarter of 2023. SFC's new development and production site is near Swindon in the UK. In addition, SFC and JM have entered into a long-term supply agreement in which JM will supply catalysts for DMFC fuel cells to SFC Energy for at least five years. The agreement creates cost stability for SFC Energy and secures its high quality standards over a long-term period.

Furthermore, both companies have extended their strategic hydrogen partnership with the aim of accelerating joint value creation in the fast-growing hydrogen fuel cell market. Under this partnership, JM commits to developing and supplying proton exchange membrane components (PEMs) for the hydrogen PEM stack developed by SFC Energy, the core of the SFC hydrogen fuel cell. Both companies have also signed an MoU detailing their intention to work together in the field of hydrogen fuel cells for stationary applications, where PEM components will be developed under a Joint Development Agreement (JDA) with the intent that JM supplies these components for at least five years.

Johnson Matthey is a global leader in sustainable technologies with core competencies in catalysis, electro chemistry, and surface chemistry & coatings. JM has 13,000+ employees, sites and locations in 30+ countries and generated GBP 16bn in revenue in FY22.

We believe that SFC has secured its market leadership in direct methanol fuel cell technology for years with this deal. The company has taken advantage of a very rare opportunity to extend its coverage of the DMFC value chain. This gives SFC supply security, cost savings, and key technological know-how. Furthermore, SFC will benefit from the long-term cooperation with JM in the area of hydrogen fuel cells.

2023 guidance on the conservative side We believe that SFC's guidance is rather conservative. Our revenue forecast is 3% above the upper guidance end and our adjusted EBITDA estimate of €12.5m is within the upper third of the guided range. Regarding adjusted EBIT, SFC is guiding towards €3.4m to €8.6m (see figure 1). Compared to 2022 adjusted EBIT of €3.2m this would be an increase between 8% and 73%. We stick to our €7.0m EBIT forecast.

Figure 1: SFC's 2023 guidance and FB forecasts

in €m	Guidance	FBe
Sales	103 - 111	114.2
Adjusted EBITDA	8.9 - 14.1	12.5
Adjusted EBIT	3.4 - 8.6	7.0

Source: First Berlin Equity Research, SFC Energy AG

Strong & profitable growth Revenue rose 33% to €85m, mainly driven by the Clean Energy segment (+36% y/y), but also by the Clean Power Management segment (+26% y/y). Gross profit was up 39% to €31.4m (see figure 2 overleaf). The gross profit margin rose 1.6 PP to 36.8%, which is an indication of SFC's pricing power, particularly in a year marked by supply chain hiccups and high inflation. Adjusted group EBITDA rose 31% y/y to €8.2m, and adjusted EBIT was up 64% at €3.2m. 2022 EBITDA was positively affected by the long-term incentive (LTI) program. The net result amounted to €2.0m. SFC is now a profitable growth company.

**Figure 2: Selected income statement figures**

in €m	2022A	2021A	Delta
Sales	85.2	64.3	33%
Gross profit	31.4	22.6	39%
<i>Margin</i>	36.8%	35.2%	-
EBITDA	8.6	-0.8	n.m.
<i>Margin</i>	10.1%	-1.2%	-
Adjusted EBITDA	8.2	6.2	31%
<i>Margin</i>	9.6%	9.7%	-
EBIT	3.6	-5.1	n.m.
<i>Margin</i>	4.2%	-7.9%	-
Adjusted EBIT	3.2	1.9	64%
<i>Margin</i>	0.0%	3.0%	-
Net result	2.0	-5.8	n.m.
<i>Margin</i>	2.4%	-9.1%	-
EPS (diluted, in €)	0.13	-0.40	n.m.

Source: First Berlin Equity Research, SFC Energy AG

Balance sheet ready for strong growth A net cash position of €50m gives management sufficient financial leeway to drive growth including possible M&A activities. Equity more than doubled due mainly to the large capital increase (+€56m), while the equity ratio increased 13 PP y/y to 70% (see figure 3).

Figure 3: Selected balance sheet items

in €m	2022A	2021A	delta
Property, plant & equipment	13.4	8.9	51%
Goodwill	8.4	8.4	0%
Other intangibles	10.2	9.3	10%
Cash and cash equivalents	64.8	24.6	163%
Equity	103.4	50.0	107%
<i>Equity ratio</i>	70%	57%	+13 PP
Liabilities to banks	4.1	2.7	49%
Liabilities under finance leases	10.6	6.8	56%
Net cash	50.2	15.1	231%
Balance sheet total	147.2	87.4	68%

Source: First Berlin Equity Research, SFC Energy AG

Negative free cash flow due to investment in working capital and PP&E Operating cash flow amounted to €-4.8m due mainly to higher working capital requirements. Capital expenditure of €5.2m, chiefly to increase production capacity, resulted in free cash flow of €-10m. Financing cash flow was €50m owing chiefly to the €56m capital increase. As a result, net cash flow amounted to €40.2m (see figure 4 overleaf).

**Figure 4: Selected cash flow figures**

in €m	2022A	2021A
Operating cash flow	-4.8	1.1
CAPEX	-5.2	-3.8
Free cash flow	-10.0	-2.7
Cash flow investing activities	-5.2	-3.9
Cash flow financing activities	50.2	-4.0
Net cash flow	40.2	-6.8

Source: First Berlin Equity Research, SFC Energy AG

Order intake and backlog skyrocketing in 2022 The order entry in 2022 rose from €89m to €127m (+43% y/y). The order backlog was up 142% to €74m from €31m at the beginning of the year despite the sales increase by 33%.

Production capacity update In Q1, SFC concluded the doubling of fuel cell production capacity in Germany to ca. 13k units p.a. The start of the first production line in Romania (ca. 7k units p.a., one shift) is now expected in Q2/23. According to management, SFC will begin the transition from manual assembly to automated production processes at the end of 2023. SFC is thus well prepared to increase output significantly.

Risks for 2023 Apart from geostrategic risks such as the Russian invasion of Ukraine and China's threats to reunite with Taiwan by force, supply chain risks remain relevant, but have started to ease. Inflation is driving costs and hampering consumer demand. The main bottleneck for growth is human resources. SFC has ca. 100 open positions, which have to be filled. SFC's advantage is that, as a company contributing to a cleaner energy supply, it can offer what especially young people are looking for: purpose.

Forecasts revised Based on the deal with Johnson Matthey and the information from the annual report & conference call, we have revised our forecasts (operating cost projections, depreciation schedule, interest and similar expenses, capital expenditures, gross margin). We stick to our 2023 adjusted EBITDA forecast of €12.5m, and adjusted EBIT estimate to €7.0m. Assumed higher interest and similar expenses result in a 7% lower net result forecast (see figure 5).

Figure 5: Revisions to forecasts

All figures in €m	2023E			2024E			2025E		
	Old	New	Delta	Old	New	Delta	Old	New	Delta
Sales	114.2	114.2	0%	165.5	165.5	0%	240.0	240.0	0%
Adjusted EBIT	7.0	7.0	0%	16.6	16.6	0%	27.1	27.8	3%
margin	6.1%	6.1%		10.0%	10.0%		11.3%	11.6%	
Net income	5.0	4.7	-7%	12.1	11.7	-3%	19.8	20.0	1%
margin	4.4%	4.1%		7.3%	7.1%		8.3%	8.3%	
EPS (diluted) in €	0.29	0.27	-7%	0.69	0.67	-3%	1.14	1.15	1%

Source: First Berlin Equity Research

Buy confirmed at slightly higher price target An updated DCF model yields a new price target of €36 (previously: €35). We confirm our Buyrating.



VALUATION MODEL

DCF valuation model								
All figures in EUR '000	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Net sales	114,171	165,548	240,045	294,295	355,562	423,248	496,278	573,065
NOPLAT	5,348	12,223	20,270	25,611	30,935	36,434	42,265	48,246
+ depreciation & amortisation	5,485	6,791	7,539	7,988	8,450	9,176	10,117	11,219
Net operating cash flow	10,833	19,014	27,809	33,598	39,385	45,610	52,382	59,466
- total investments (CAPEX and WC)	-15,869	-24,372	-34,012	-27,782	-31,818	-35,639	-39,100	-41,968
Capital expenditures	-11,645	-9,602	-9,602	-10,006	-11,637	-13,313	-14,979	-16,567
Working capital	-4,224	-14,770	-24,410	-17,776	-20,182	-22,326	-24,122	-25,401
Free cash flows (FCF)	-5,036	-5,358	-6,203	5,816	7,567	9,972	13,282	17,498
PV of FCF's	-4,773	-4,703	-5,045	4,382	5,282	6,447	7,955	9,709

All figures in thousands		
PV of FCFs in explicit period (2023E-2037E)	138,055	
PV of FCFs in terminal period	443,300	
Enterprise value (EV)	581,354	
+ Net cash / - net debt (pro forma)	50,365	
+ Investments / minority interests	0	
Shareholder value	631,719	
Diluted number of shares	17,524	
Fair value per share in EUR	36.05	
		Terminal growth rate: 3.0%
		Terminal EBIT margin: 11.0%

WACC		Terminal growth rate							
		1.5%	2.0%	2.5%	3.0%	3.5%	4.0%	4.5%	
Cost of equity	10.9%	6.4%	45.46	48.39	52.06	56.79	63.14	72.08	85.64
Pre-tax cost of debt	5.0%	6.9%	39.89	42.05	44.71	48.03	52.33	58.08	66.19
Tax rate	30.0%	7.4%	35.33	36.96	38.92	41.33	44.34	48.24	53.45
After-tax cost of debt	3.5%	7.9%	31.55	32.79	34.27	36.05	38.23	40.96	44.48
Share of equity capital	60.0%	8.4%	28.36	29.33	30.46	31.80	33.41	35.38	37.85
Share of debt capital	40.0%	8.9%	25.66	26.42	27.29	28.31	29.52	30.98	32.76
Price target in EUR	36.00	9.4%	23.34	23.94	24.62	25.42	26.34	27.43	28.75

* for layout purposes the model shows numbers only to 2030, but runs until 2037



INCOME STATEMENT

All figures in EUR '000	2020A	2021A	2022A	2023E	2024E	2025E
Revenues	53,223	64,320	85,229	114,171	165,548	240,045
Cost of goods sold	35,307	41,682	53,823	75,353	108,434	157,229
Gross profit	17,915	22,638	31,406	38,818	57,114	82,816
S&M	12,122	15,051	14,187	15,641	20,528	30,726
G&A	7,125	10,292	10,293	10,960	12,747	15,123
R&D	2,843	3,257	4,441	5,252	7,284	9,122
Other operating income	157	904	2,521	343	497	720
Other operating expenses	483	48	1,407	343	497	720
Operating income (EBIT)	-4,501	-5,105	3,599	6,964	16,555	27,845
Net financial result	-443	-410	-609	-674	-513	-438
Non-operating expenses	0	0	0	0	0	0
Pre-tax income (EBT)	-4,945	-5,515	2,990	6,291	16,042	27,407
Income taxes	239	315	970	1,617	4,331	7,400
Minority interests	0	0	0	0	0	0
Net income / loss	-5,184	-5,829	2,020	4,674	11,711	20,007
Diluted EPS (in €)	-0.39	-0.40	0.13	0.27	0.67	1.15
Adjusted EBITDA (AEBITDA)	2,936	6,233	8,150	12,450	23,346	35,384
One-off costs / earnings (-/+)	-3,922	-7,030	443	0	0	0
EBITDA	-986	-797	8,593	12,450	23,346	35,384
Adjusted EBIT (AEBIT)	-579	1,925	3,156	6,964	16,555	27,845
Ratios						
Gross margin	33.7%	35.2%	36.8%	34.0%	34.5%	34.5%
EBITDA margin on revenues	-1.9%	-1.2%	10.1%	10.9%	14.1%	14.7%
Adjusted EBITDA margin on revenues	5.5%	9.7%	9.6%	10.9%	14.1%	14.7%
EBIT margin on revenues	-8.5%	-7.9%	4.2%	6.1%	10.0%	11.6%
Adjusted EBIT margin on revenues	-1.1%	3.0%	3.7%	6.1%	10.0%	11.6%
Net margin on revenues	-9.7%	-9.1%	2.4%	4.1%	7.1%	8.3%
Tax rate	-4.8%	-5.7%	32.4%	25.7%	27.0%	27.0%
Expenses as % of revenues						
S&M	22.8%	23.4%	16.6%	13.7%	12.4%	12.8%
G&A	13.4%	16.0%	12.1%	9.6%	7.7%	6.3%
R&D	5.3%	5.1%	5.2%	4.6%	4.4%	3.8%
Other operating expenses	0.9%	0.1%	1.7%	0.3%	0.3%	0.3%
Y-Y Growth						
Revenues	-9.1%	20.9%	32.5%	34.0%	45.0%	45.0%
Operating income	n.m.	n.m.	n.m.	93.5%	137.7%	68.2%
Net income/ loss	n.m.	n.m.	n.m.	131.4%	150.6%	70.8%



BALANCE SHEET

All figures in EUR '000	2020A	2021A	2022A	2023E	2024E	2025E
Assets						
Current assets, total	58,447	58,724	113,146	113,946	128,283	154,249
Cash and cash equivalents	31,750	24,623	64,803	58,038	52,304	45,899
Short-term investments	0	385	385	385	385	385
Receivables	13,031	17,851	19,376	25,024	36,285	52,613
Inventories	12,617	14,185	24,921	26,838	35,650	51,692
Other current assets	1,049	1,680	3,661	3,661	3,661	3,661
Non-current assets, total	27,882	28,641	34,025	40,185	42,996	45,059
Property, plant & equipment	9,985	8,887	13,396	16,897	17,639	18,030
Goodwill & other intangibles	15,999	17,698	18,576	21,235	23,304	24,975
Other assets	1,898	2,056	2,053	2,053	2,053	2,053
Total assets	86,330	87,365	147,171	154,131	171,279	199,308
Shareholders' equity & debt						
Current liabilities, total	18,780	20,998	26,591	28,877	34,315	42,337
Short-term debt	4,340	2,735	4,055	3,000	3,000	3,000
Accounts payable	4,742	7,642	9,046	12,387	17,825	25,846
Current provisions	1,583	2,020	2,064	2,064	2,064	2,064
Liabilities under finance leases	1,353	1,860	2,009	2,009	2,009	2,009
Other current liabilities	6,762	6,741	9,417	9,417	9,417	9,417
Long-term liabilities, total	12,711	16,348	17,143	17,143	17,143	17,143
Long-term debt	209	0	0	0	0	0
Liabilities under finance leases	6,548	4,891	8,552	8,552	8,552	8,552
Other liabilities	5,954	11,458	8,591	8,591	8,591	8,591
Minority interests	0	0	0	0	0	0
Shareholders' equity	54,838	50,018	103,437	108,111	119,822	139,829
Share capital	14,470	14,470	17,364	17,364	17,364	17,364
Capital reserve	119,118	119,637	168,262	168,262	168,262	168,262
Other reserves	0	0	0	0	0	0
Treasury stock	0	0	0	0	0	0
Loss carryforward / retained earnings	-77,631	-83,461	-81,441	-76,767	-65,056	-45,049
Total consolidated equity and debt	86,330	87,365	147,171	154,131	171,279	199,308
Ratios						
Current ratio (x)	3.11	2.80	4.25	3.95	3.74	3.64
Quick ratio (x)	2.44	2.12	3.32	3.02	2.70	2.42
Net cash	20,653	17,382	52,581	46,871	41,137	34,732
Net gearing	-37.7%	-34.8%	-50.8%	-43.4%	-34.3%	-24.8%
Book value per share (€)	4.14	3.46	6.60	6.23	6.90	8.05
Equity ratio	63.5%	57.3%	70.3%	70.1%	70.0%	70.2%
Return on equity (ROE)	-9.5%	-11.7%	2.0%	4.3%	9.8%	14.3%
Return on investment (ROI)	-6.0%	-6.7%	1.4%	3.0%	6.8%	10.0%
Return on assets (ROA)	-5.5%	-6.2%	1.8%	3.5%	7.2%	10.4%
Return on capital employed (ROCE)	-11.2%	-11.6%	6.7%	10.4%	20.5%	27.1%
Days of sales outstanding (DSO)	89	101	83	80	80	80
Days of inventory turnover	130	124	169	130	120	120
Days in payables (DIP)	49	67	61	60	60	60



CASH FLOW STATEMENT

All figures in EUR '000	2020A	2021A	2022A	2023E	2024E	2025E
EBIT	-4,501	-5,105	3,599	6,964	16,555	27,845
Depreciation and amortisation	3,516	4,308	4,993	5,485	6,791	7,539
EBITDA	-986	-797	8,593	12,450	23,346	35,384
Changes in working capital	-4,300	-5,086	-13,135	-4,224	-14,634	-24,349
Other adjustments	4,691	6,961	-219	-1,617	-4,331	-7,400
Operating cash flow	-595	1,078	-4,761	6,609	4,380	3,635
Investments in PP&E	-943	-1,021	-2,146	-6,850	-4,966	-4,801
Investments in intangibles	-3,336	-2,762	-3,056	-4,795	-4,635	-4,801
Free cash flow	-4,874	-2,705	-9,963	-5,036	-5,222	-5,967
Acquisitions & disposals, net	0	9	0	0	0	0
Other investments	0	-99	0	0	0	0
Investing cash flow	-4,279	-3,873	-5,202	-11,645	-9,602	-9,602
Debt financing, net	-2,953	-654	-239	-1,055	0	0
Equity financing, net	19,665	0	56,432	0	0	0
Dividend paid	0	0	0	0	0	0
Other financing	-1,280	-3,392	-6,017	-674	-513	-438
Financing cash flow	15,432	-4,046	50,176	-1,729	-513	-438
Forex & other effects	0	0	-32	0	0	0
Net cash flows	10,558	-6,842	40,181	-6,765	-5,734	-6,405
Cash, start of the year	21,192	31,750	24,623	64,803	58,038	52,304
Cash, end of the year	31,464	24,908	64,803	58,038	52,304	45,899
EBITDA/share (in €)	-0.07	-0.06	0.55	0.72	1.34	2.04
Y-Y Growth						
Operating cash flow	n.m.	n.m.	n.m.	n.m.	-33.7%	-17.0%
Free cash flow	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
EBITDA/share	n.m.	n.m.	n.m.	30.8%	87.5%	51.6%

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Anschrift:

First Berlin Equity Research GmbH
Friedrichstr. 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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First Berlin Equity Research GmbH

Authored by: Dr. Karsten von Blumenthal, Analyst

All publications of the last 12 months were authored by Dr. Karsten von Blumenthal.

Company responsible for preparation: First Berlin Equity Research GmbH, Friedrichstraße 69, 10117 Berlin

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PRICE TARGET DATES

Unless otherwise indicated, current prices refer to the closing prices of the previous trading day.

AGREEMENT WITH THE ANALYSED COMPANY AND MAINTENANCE OF OBJECTIVITY

The present financial analysis is based on the author's own knowledge and research. The author prepared this study without any direct or indirect influence exerted on the part of the analysed company. Parts of the financial analysis were possibly provided to the analysed company prior to publication in order to avoid inaccuracies in the representation of facts. However, no substantial changes were made at the request of the analysed company following any such provision.

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First Berlin's system for asset valuation is divided into an asset recommendation and a risk assessment.

ASSET RECOMMENDATION

The recommendations determined in accordance with the share price trend anticipated by First Berlin in the respectively indicated investment period are as follows:

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.

RISK ASSESSMENT

The First Berlin categories for risk assessment are low, average, high and speculative. They are determined by ten factors: Corporate governance, quality of earnings, management strength, balance sheet and financial risk, competitive position, standard of financial disclosure, regulatory and political uncertainty, strength of brandname, market capitalisation and free float. These risk factors are incorporated into the First Berlin valuation models and are thus included in the target prices. First Berlin customers may request the models.

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...52	↓	↓	↓	↓
53	16 November 2021	€33.00	Buy	€44.00
54	15 February 2022	€20.80	Buy	€44.00
55	31 March 2022	€26.80	Buy	€44.00
56	19 May 2022	€25.10	Buy	€41.00
57	2 August 2022	€19.74	Buy	€37.00
58	1 September 2022	€21.75	Buy	€37.00
59	18 November 2022	€20.15	Buy	€35.00
60	17 February 2023	€21.90	Buy	€35.00
61	Today	€21.25	Buy	€36.00

INVESTMENT HORIZON

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At the time of publication of this financial analysis it is not certain whether, when and on what occasion an update will be provided. In general First Berlin strives to review the financial analysis for its topicality and, if required, to update it in a very timely manner in connection with the reporting obligations of the analysed company or on the occasion of ad hoc notifications.

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Legally required information regarding

- key sources of information in the preparation of this research report
- valuation methods and principles
- sensitivity of valuation parameters

can be accessed through the following internet link: <https://firstberlin.com/disclaimer-english-link/>

SUPERVISORY AUTHORITY: Bundesanstalt für Finanzdienstleistungsaufsicht (German Federal Financial Supervisory Authority) [BaFin], Graurheindorferstraße 108, 53117 Bonn and Marie-Curie-Straße 24-28, 60439 Frankfurt am Main

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