

ABO Wind AG

Deutschland / Cleantech
 Börse München
 Bloomberg: AB9 GR
 ISIN: DE0005760029

Sale of 250 MW
 portfolio

RATING
PRICE TARGET
 Return Potential
 Risk Rating

BUY
€ 118.00
 58.2%
 High

HUGE SUCCESS FOR ABO WIND IN THE SPANISH MARKET

ABO Wind has sold five Spanish renewable energy projects with a total capacity of 250 MW to Repsol Renovables. ABO Wind will further develop the five projects, which the company started developing in 2018, until they are ready for construction. Commissioning is planned between 2024 and 2025. The portfolio sale is a major success for ABO Wind in the Spanish market and further evidence of the company's successful international activities. An updated DCF model yields an unchanged price target of €118. We confirm our Buy recommendation. After the recent share price slide of around 20% since the beginning of February, investors can now buy the stock at a significantly lower price.

Strong in Spain The five projects are three wind farms with a total capacity of 150 MW and two solar projects with a total capacity of 100 MW. The projects are located in the province of Palencia in northern Spain and will share grid connection infrastructure with other Repsol projects. All projects are at a very advanced stage of development and have already received a positive environmental impact assessment and most of the required permits. In the Spanish oil company Repsol (2022 revenue: €75bn, net income: €4.2bn), ABO Wind has found a well-capitalised buyer, whom it will help to become more sustainable.

ABO Wind is currently working on specific wind power and PV projects in Spain with 1,100 MW of capacity and early-phase projects with several gigawatts of capacity. In addition to classic wind power and PV projects, the portfolio also includes storage and hybrid projects as well as projects for the production of green hydrogen. 13 projects with a total capacity of 650 MW have already received a positive environmental impact assessment and further milestones are expected to be reached in the coming months.

(p.t.o.)

FINANCIAL HISTORY & PROJECTIONS

	2019	2020	2021	2022E	2023E	2024E
Revenue (€m)	126.27	149.16	127.11	220.39	267.25	304.13
Y-o-y growth	-16.0%	18.1%	-14.8%	73.4%	21.3%	13.8%
EBIT (€m)	19.64	22.46	22.45	37.72	39.60	44.52
EBIT margin	15.6%	15.1%	17.7%	17.1%	14.8%	14.6%
Net income (€m)	11.40	13.12	13.80	23.23	23.95	27.16
EPS (diluted) (€)	1.48	1.54	1.50	2.52	2.60	2.95
DPS (€)	0.42	0.45	0.49	0.49	0.57	0.65
FCF (€m)	-24.42	40.53	-54.05	-11.32	11.47	18.33
Net gearing	63.0%	5.3%	45.0%	51.8%	45.8%	37.7%
Liquid assets (€m)	9.65	52.80	18.47	77.58	62.22	82.57

RISKS

Main risks are project development, supply chain, financing, interest rate, and regulation.

COMPANY PROFILE

ABO Wind is a project developer for renewable energies and has developed green power and storage projects with a total capacity of ca. 5 GW since its establishment in 1996. The company also offers the management of wind farms, solar plants and storages. ABO Wind has ca. 1.000 employees. Its headquarters are in Wiesbaden, Germany.

MARKET DATA

As of 01 Mar 2023

Closing Price	€ 74.60
Shares outstanding	9.22m
Market Capitalisation	€ 687.89m
52-week Range	€ 48.60 / 96.60
Avg. Volume (12 Months)	3,677

Multiples	2021	2022E	2023E
P/E	49.8	29.6	28.7
EV/Sales	5.9	3.4	2.8
EV/EBIT	33.6	20.0	19.1
Div. Yield	0.7%	0.7%	0.8%

STOCK OVERVIEW



COMPANY DATA

As of 30 Jun 2022

Liquid Assets	€ 10.72m
Current Assets	€ 316.70m
Intangible Assets	€ 1.43m
Total Assets	€ 334.71m
Current Liabilities	€ 72.90m
Shareholders' Equity	€ 155.17m

SHAREHOLDERS

Familie Ahn	26.0%
Familie Bockholt	26.0%
Mainova	10.0%
Free Float	38.0%

**Commissioning of the first ABO PV hybrid plant in Rhineland-Palatinate in February**

The project was awarded a contract in the first innovation tender round of the Federal Network Agency in the fall of 2020. The capacity of the photovoltaic plant is 4.3 MWp and that of the battery storage system 1.5 MW (storage capacity: 2.2 MWh). After the commissioning of the first German ABO Wind hybrid project to earn the innovation tariff in July 2022, ABO Wind has thus connected its second German hybrid project to the grid, proving once again that it can bring to market innovative solutions combining green power production and storage.

ABO Wind receives 7 awards (total capacity: 78 MW) in German tender

The Federal Network Agency tendered 3,210 MW of onshore wind power on 1 February. The bid volume amounted to 1,440 MW. All formally correct bids were awarded contracts. At 7.34 €/ct/kWh, the average, volume-weighted bid value is only slightly below the newly defined maximum value of 7.35 €/ct/kWh. This means that the average award values are 25% higher than in the last tender round. We assume that the award values for ABO Wind's projects were also close to the maximum value.

State Secretary Graichen reaffirms ambitious German wind and PV expansion targets at the Federal Congress for the Cooperative Energy Transition

We attended the Federal Congress Cooperative Energy Transition in Berlin on 28 February 2023, and were present for the speech of State Secretary Dr. Graichen, who is the "right hand man" of the Minister for Economic Affairs, Robert Habeck, and responsible for the implementation of the energy transition. After a year of crisis management to deal with the consequences of the energy supply and energy price crisis caused by the Russian invasion of Ukraine, the German government is now devoting its full attention to the energy transition again. Dr. Graichen announced that many hurdles standing in the way of a more rapid expansion of wind and solar would be removed. The goal is to achieve a three- to fivefold increase in annual solar and wind installation volume. We expect the German government to announce a solar strategy before the end of March. The industry is already in the starting blocks, and developers are now moving full speed ahead with land acquisition. ABO Wind is well-equipped for further growth in Germany with its German wind and solar project pipeline of approximately 2,100 MW (as of end H1/22).

Visit to ABO Wind in Wiesbaden During our visit to the company on 21 February, 2023, we discussed ABO Wind's business development and positioning with company founder and board member responsible for business development Jochen Ahn, board spokesman Karsten Schlageter and CFO Alexander Reinicke. We see ABO Wind's

- broad international positioning in 16 markets on four continents,
- extensive development know-how, which is provided by a corresponding number of departments and employees (>1,000) in the company,
- broad technological positioning (wind, PV, batteries, hydrogen), and
- clear focus on project development

as clear competitive advantages over other developers. In particular, the high number of employees ensures that all necessary competencies can be retained in the company in times of a shortage of skilled workers.

Buy confirmed at unchanged price target On the basis of unchanged forecasts, an updated DCF model yields an unchanged price target of €118. The share price decline of around 20% in February now offers a significantly more attractive entry point. On 14 March, ABO Wind will publish its 2022 annual report. In January 2023, the company raised its 2022 net income guidance from €17m to €20m - €25m. The share remains a clear Buy.



VALUATION MODEL

DCF valuation model								
All figures in EUR '000								
	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E
Net sales	220,390	267,249	304,129	343,058	384,069	460,883	508,186	556,048
NOPLAT	27,289	29,339	32,883	37,310	41,387	50,002	55,164	60,199
+ depreciation & amortisation	2,105	2,251	2,529	2,973	3,431	3,906	4,505	5,098
Net operating cash flow	29,393	31,591	35,412	40,284	44,819	53,909	59,668	65,296
- total investments (CAPEX and WC)	-40,713	-20,122	-17,081	-20,776	-29,527	-52,154	-34,128	-34,614
Capital expenditures	-3,085	-3,741	-4,258	-4,803	-5,290	-6,243	-6,768	-7,279
Working capital	-37,627	-16,380	-12,823	-15,973	-24,237	-45,911	-27,360	-27,335
Free cash flows (FCF)	-11,319	11,469	18,331	19,508	15,292	1,754	25,541	30,683
PV of FCF's	-11,319	10,870	16,285	16,247	11,940	1,284	17,524	19,736

All figures in thousands	
PV of FCFs in explicit period (2022E-2036E)	257,483
PV of FCFs in terminal period	900,157
Enterprise value (EV)	1,157,640
+ Net cash / - net debt	-67,475
+ Investments / minority interests	41
Shareholder value	1,090,206
Number of shares (diluted)	9,221
Fair value per share in EUR	118.23

	Terminal growth rate						
	2.0%	2.5%	3.0%	3.5%	4.0%	4.5%	5.0%
Terminal growth						3.5%	
Terminal EBIT margin						13.9%	

WACC		Terminal growth rate							
	6.7%	2.0%	2.5%	3.0%	3.5%	4.0%	4.5%	5.0%	
Cost of equity	10.5%	5.2%	151.77	172.25	202.18	250.07	339.00	561.33	2117.63
Pre-tax cost of debt	4.0%	5.7%	126.08	139.66	158.33	185.63	229.29	310.39	513.13
Tax rate	30.0%	6.2%	106.72	116.13	128.51	145.53	170.40	210.21	284.13
After-tax cost of debt	2.8%	6.7%	91.65	98.38	106.95	118.23	133.74	156.40	192.67
Share of equity capital	50.0%	7.2%	79.61	84.56	90.69	98.50	108.77	122.89	143.53
Share of debt capital	50.0%	7.7%	69.80	73.51	78.01	83.59	90.70	100.05	112.90
Price target in EUR	118.00	8.2%	61.68	64.50	67.87	71.97	77.04	83.50	92.01

* for layout purposes the model shows numbers only to 2029, but runs until 2036



INCOME STATEMENT

All figures in EUR '000	2019A	2020A	2021A	2022E	2023E	2024E
Revenues	126,273	149,155	127,109	220,390	267,249	304,129
Changes in inventory	22,752	20,206	60,346	39,670	46,769	51,702
Own work	233	0	0	0	0	0
Total output	149,258	169,361	187,455	260,060	314,018	355,831
Cost of goods sold	66,582	72,592	78,280	126,063	170,238	198,292
Gross profit	82,676	96,769	109,175	133,997	143,780	157,539
Personnel costs	41,361	50,776	63,397	67,502	72,216	78,932
Other operating income	3,451	6,362	5,141	4,408	5,345	6,083
Other operating expenses	17,143	17,593	20,440	23,141	26,725	28,892
EBITDA	27,623	34,762	30,479	47,762	50,184	55,797
Depreciation and amortisation	1,542	1,649	1,929	2,105	2,251	2,529
Depreciation of current assets	6,437	10,653	6,102	7,933	8,329	8,746
Operating income (EBIT)	19,644	22,460	22,448	37,725	39,604	44,522
Net financial result	-1,570	-1,755	-1,485	-4,060	-5,389	-5,725
Pre-tax income (EBT)	18,074	20,705	20,963	33,665	34,214	38,797
Income taxes	6,668	7,589	7,152	10,436	10,264	11,639
Minority interests	-4	4	-6	0	0	0
Net income / loss	11,402	13,120	13,804	23,229	23,950	27,158
Diluted EPS (in €)	1.48	1.54	1.50	2.52	2.60	2.95
Ratios						
Gross margin on total output	55.4%	57.1%	58.2%	51.5%	45.8%	44.3%
EBITDA margin on revenues	21.9%	23.3%	24.0%	21.7%	18.8%	18.3%
EBIT margin on revenues	15.6%	15.1%	17.7%	17.1%	14.8%	14.6%
EBT margin on revenues	14.3%	13.9%	16.5%	15.3%	12.8%	12.8%
Net margin on revenues	9.0%	8.8%	10.9%	10.5%	9.0%	8.9%
Tax rate	36.9%	36.7%	34.1%	31.0%	30.0%	30.0%
Expenses as % of revenues						
Personnel costs	32.8%	34.0%	49.9%	30.6%	27.0%	26.0%
Depreciation and amortisation	1.2%	1.1%	1.5%	1.0%	0.8%	0.8%
Depreciation of current assets	5.1%	7.1%	4.8%	3.6%	3.1%	2.9%
Other operating expenses	13.6%	11.8%	16.1%	10.5%	10.0%	9.5%
Y-Y Growth						
Revenues	-16.0%	18.1%	-14.8%	73.4%	21.3%	13.8%
Operating income	-11.6%	14.3%	-0.1%	68.1%	5.0%	12.4%
Net income/ loss	-10.5%	15.1%	5.2%	68.3%	3.1%	13.4%



BALANCE SHEET

All figures in EUR '000	2019A	2020A	2021A	2022E	2023E	2024E
Assets						
Current assets, total	232,427	236,761	282,609	382,576	389,652	426,669
Cash and cash equivalents	9,648	52,798	18,472	77,577	62,221	82,572
Short-term investments	17,665	9,331	11,684	11,684	11,684	11,684
Receivables	20,678	34,020	10,860	36,228	43,931	49,994
Inventories	80,171	64,398	133,019	148,513	163,242	173,845
Other current assets	102,749	74,825	105,708	105,708	105,708	105,708
Non-current assets, total	10,132	12,501	14,451	15,432	16,922	18,651
Property, plant & equipment	5,208	5,653	7,234	8,143	9,485	11,029
Goodwill & other intangibles	1,298	1,116	1,474	1,546	1,694	1,879
Financial assets	3,626	5,732	5,743	5,743	5,743	5,743
Other assets	0	0	0	0	0	0
Total assets	242,559	249,262	297,060	398,008	406,574	445,320
Shareholders' equity & debt						
Current liabilities, total	69,146	44,700	56,483	79,638	69,510	84,091
Short-term debt	19,362	8,594	8,997	28,917	12,000	22,000
Accounts payable	10,380	7,081	14,034	17,269	23,320	27,163
Current provisions	24,572	19,634	21,355	21,355	21,355	21,355
Other current liabilities	14,832	9,391	12,097	12,097	12,835	13,572
Long-term liabilities, total	69,837	64,446	90,713	149,796	149,796	152,796
Long-term debt	55,487	51,662	76,950	136,033	136,033	139,033
Deferred revenue	0	0	0	0	0	0
Other liabilities	14,350	12,784	13,763	13,763	13,763	13,763
Minority interests	37	30	41	41	41	41
Shareholders' equity	103,539	140,086	149,823	168,533	187,227	208,392
Share capital	8,071	9,221	9,221	9,221	9,221	9,221
Capital reserve	19,495	45,490	45,490	45,490	45,490	45,490
Other reserves	0	0	0	0	0	0
Loss carryforward / retained earnings	76,213	85,671	95,329	114,039	132,733	153,898
Total consolidated equity and debt	242,559	249,262	297,060	398,008	406,574	445,320
Ratios						
Current ratio (x)	3.36	5.30	5.00	4.80	5.61	5.07
Quick ratio (x)	2.20	3.86	2.65	2.94	3.26	3.01
Net debt	65,201	7,458	67,475	87,373	85,812	78,461
Net gearing	63.0%	5.3%	45.0%	51.8%	45.8%	37.7%
Book value per share (in €)	13.42	16.47	16.25	18.28	20.30	22.60
Equity ratio	42.7%	56.2%	50.4%	42.4%	46.1%	46.8%
Return on equity (ROE)	11.0%	9.4%	9.2%	13.8%	12.8%	13.0%
Return on assets (ROA)	5.5%	6.2%	5.4%	6.9%	7.3%	7.5%
Return on investment (ROI)	4.7%	5.3%	4.6%	5.8%	5.9%	6.1%
Return on average capital employed (ROCE)	13.4%	14.2%	12.1%	15.8%	14.9%	15.8%
Days of sales outstanding (DSO)	59.8	83.3	31.2	60.0	60.0	60.0
Days inventory outstanding (DIO)	439.5	323.8	620.2	430.0	350.0	320.0
Days in payables (DIP)	56.9	35.6	65.4	50.0	50.0	50.0



CASH FLOW STATEMENT

All figures in EUR '000	2019A	2020A	2021A	2022E	2023E	2024E
EBIT	19,644	22,460	22,448	37,725	39,604	44,522
Depreciation and amortisation *	1,542	1,649	1,929	2,105	2,251	2,529
EBITDA	21,186	24,109	24,377	39,829	41,855	47,052
Changes in working capital	-37,895	28,412	-68,555	-37,627	-16,380	-12,823
Other adjustments	-5,086	-10,048	-6,558	-10,436	-10,264	-11,639
Operating cash flow	-21,795	42,473	-50,736	-8,234	15,210	22,589
Investments in PP&E	-1,965	-1,774	-2,941	-2,645	-3,207	-3,650
Investments in intangibles	-661	-173	-375	-441	-534	-608
Free cash flow	-24,421	40,526	-54,052	-11,319	11,469	18,331
Acquisitions & disposals, net	91	7	462	0	0	0
Other investments	282	-1,651	-1,004	0	0	0
Investment cash flow	-2,253	-3,591	-3,858	-3,085	-3,741	-4,258
Debt financing, net	34,323	-16,575	26,764	79,003	-16,917	13,000
Equity financing, net	0	27,145	0	0	0	0
Dividends paid	-3,211	-3,558	-4,149	-4,518	-4,518	-5,256
Other financing	-1,948	-2,573	-2,328	-4,060	-5,389	-5,725
Financing cash flow	29,164	4,438	20,287	70,425	-26,825	2,019
FOREX & other effects	15	-170	19	0	0	0
Net cash flows	5,131	43,150	-34,288	59,105	-15,356	20,350
Cash, start of the year	4,517	9,648	52,798	18,472	77,577	62,221
Cash, end of the year	9,648	52,798	18,510	77,577	62,221	82,572
EBITDA/share (in €)	3.58	4.09	3.31	5.18	5.44	6.05
Y-Y Growth						
Operating cash flow	n.m.	n.m.	n.m.	n.m.	n.m.	48.5%
Free cash flow	n.m.	n.m.	n.m.	n.m.	n.m.	59.8%
Financial cash flow	694.2%	-84.8%	357.1%	247.1%	n.m.	n.m.
EBITDA/share	-15.6%	14.2%	-19.1%	56.7%	5.1%	11.2%

* Depreciation of current assets are booked in "Changes in working capital".

Imprint / Disclaimer

First Berlin Equity Research

First Berlin Equity Research GmbH ist ein von der BaFin betreffend die Einhaltung der Pflichten des §85 Abs. 1 S. 1 WpHG, des Art. 20 Abs. 1 Marktmissbrauchsverordnung (MAR) und der Markets Financial Instruments Directive (MiFID) II, Markets in Financial Instruments Directive (MiFID) II Durchführungsverordnung und der Markets in Financial Instruments Regulations (MiFIR) beaufsichtigtes Unternehmen.

First Berlin Equity Research GmbH is one of the companies monitored by BaFin with regard to its compliance with the requirements of Section 85 (1) sentence 1 of the German Securities Trading Act [WpHG], art. 20 (1) Market Abuse Regulation (MAR) and Markets in Financial Instruments Directive (MiFID) II, Markets in Financial Instruments Directive (MiFID) II Commission Delegated Regulation and Markets in Financial Instruments Regulations (MiFIR).

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

Amtsgericht Berlin Charlottenburg HR B 103329 B

UST-Id.: 251601797

Ggf. Inhaltlich Verantwortlicher gem. § 6 MDStV

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

The production of this recommendation was completed on 2 March 2023 at 14:54

Person responsible for forwarding or distributing this financial analysis: Martin Bailey

Copyright© 2023 First Berlin Equity Research GmbH No part of this financial analysis may be copied, photocopied, duplicated or distributed in any form or media whatsoever without prior written permission from First Berlin Equity Research GmbH. First Berlin Equity Research GmbH shall be identified as the source in the case of quotations. Further information is available on request.

INFORMATION PURSUANT TO SECTION 85 (1) SENTENCE 1 OF THE GERMAN SECURITIES TRADING ACT [WPHG], TO ART. 20 (1) OF REGULATION (EU) NO 596/2014 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF APRIL 16, 2014, ON MARKET ABUSE (MARKET ABUSE REGULATION) AND TO ART. 37 OF COMMISSION DELEGATED REGULATION (EU) NO 2017/565 (MIFID) II.

First Berlin Equity Research GmbH (hereinafter referred to as: "First Berlin") prepares financial analyses while taking the relevant regulatory provisions, in particular section 85 (1) sentence 1 of the German Securities Trading Act [WpHG], art. 20 (1) of Regulation (EU) No 596/2014 of the European Parliament and of the Council of April 16, 2014, on market abuse (market abuse regulation) and art. 37 of Commission Delegated Regulation (EU) no. 2017/565 (MiFID II) into consideration. In the following First Berlin provides investors with information about the statutory provisions that are to be observed in the preparation of financial analyses.

CONFLICTS OF INTEREST

In accordance with art. 37 (1) of Commission Delegated Regulation (EU) no. 2017/565 (MiFID) II and art. 20 (1) of Regulation (EU) No 596/2014 of the European Parliament and of the Council of April 16, 2014, on market abuse (market abuse regulation) investment firms which produce, or arrange for the production of, investment research that is intended or likely to be subsequently disseminated to clients of the firm or to the public, under their own responsibility or that of a member of their group, shall ensure the implementation of all the measures set forth in accordance with Article 34 (2) lit. (b) of Regulation (EU) 2017/565 in relation to the financial analysts involved in the production of the investment research and other relevant persons whose responsibilities or business interests may conflict with the interests of the persons to whom the investment research is disseminated. In accordance with art. 34 (3) of Regulation (EU) 2017/565 the procedures and measures referred to in paragraph 2 lit. (b) of such article shall be designed to ensure that relevant persons engaged in different business activities involving a conflict of interests carry on those activities at a level of independence appropriate to the size and activities of the investment firm and of the group to which it belongs, and to the risk of damage to the interests of clients.

In addition, First Berlin shall pursuant to Article 5 of the Commission Delegated Regulation (EU) 2016/958 disclose in their recommendations all relationships and circumstances that may reasonably be expected to impair the objectivity of the financial analyses, including interests or conflicts of interest, on their part or on the part of any natural or legal person working for them under a contract, including a contract of employment, or otherwise, who was involved in producing financial analyses, concerning any financial instrument or the issuer to which the recommendation directly or indirectly relates.

With regard to the financial analyses of ABO Wind AG the following relationships and circumstances exist which may reasonably be expected to impair the objectivity of the financial analyses: The author, First Berlin, or a company associated with First Berlin reached an agreement with the ABO Wind AG for preparation of a financial analysis for which remuneration is owed.

Furthermore, First Berlin offers a range of services that go beyond the preparation of financial analyses. Although First Berlin strives to avoid conflicts of interest wherever possible, First Berlin may maintain the following relations with the analysed company, which in particular may constitute a potential conflict of interest:

- The author, First Berlin, or a company associated with First Berlin owns a net long or short position exceeding the threshold of 0.5 % of the total issued share capital of the analysed company;
- The author, First Berlin, or a company associated with First Berlin holds an interest of more than five percent in the share capital of the analysed company;

- The author, First Berlin, or a company associated with First Berlin provided investment banking or consulting services for the analysed company within the past twelve months for which remuneration was or was to be paid;
- The author, First Berlin, or a company associated with First Berlin reached an agreement with the analysed company for preparation of a financial analysis for which remuneration is owed;
- The author, First Berlin, or a company associated with First Berlin has other significant financial interests in the analysed company;

First Berlin F.S.B. Investment-Beratungsgesellschaft mbH (hereafter FBIB), a company of the First Berlin Group, holds a stake of under 0.5% of the shares in the company which has been covered in this analysis. The analyst is not subject to any restrictions with regard to his recommendation and is therefore independent, so that we believe there is no conflict of interest.

With regard to the financial analyses of ABO Wind AG the following of the aforementioned potential conflicts of interests or the potential conflicts of interest mentioned in Article 6 paragraph 1 of the Commission Delegated Regulation (EU) 2016/958 exist: The author, First Berlin, or a company associated with First Berlin reached an agreement with the ABO Wind AG for preparation of a financial analysis for which remuneration is owed.

In order to avoid and, if necessary, manage possible conflicts of interest both the author of the financial analysis and First Berlin shall be obliged to neither hold nor in any way trade the securities of the company analyzed. The remuneration of the author of the financial analysis stands in no direct or indirect connection with the recommendations or opinions represented in the financial analysis. Furthermore, the remuneration of the author of the financial analysis is neither coupled directly to financial transactions nor to stock exchange trading volume or asset management fees.

INFORMATION PURSUANT TO SECTION 64 OF THE GERMAN SECURITIES TRADING ACT [WPHG], DIRECTIVE 2014/65/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 15 MAY 2014 ON MARKETS IN FINANCIAL INSTRUMENTS AND AMENDING DIRECTIVE 2002/92/EC AND DIRECTIVE 2011/61/EU, ACCOMPANIED BY THE MARKETS IN FINANCIAL INSTRUMENTS REGULATION (MIFIR, REG. EU NO. 600/2014).

First Berlin notes that it has concluded a contract with the issuer to prepare financial analyses and is paid for that by the issuer. First Berlin makes the financial analysis simultaneously available for all interested security financial services companies. First Berlin thus believes that it fulfils the requirements of section 64 WpHG for minor non-monetary benefits.

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.

ASSET VALUATION SYSTEM

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	12 April 2017	€7.80	BUY	€14.00
2...22	↓	↓	↓	↓
23	4 August 2021	€48.00	BUY	€66.00
24	6 September 2021	€48.10	BUY	€73.00
25	7 December 2021	€57.00	BUY	€79.00
26	29 March 2022	€58.40	BUY	€95.00
27	11 July 2022	€56.20	BUY	€92.00
28	2 September 2022	€56.20	BUY	€109.00
29	5 December 2022	€63.00	BUY	€112.00
30	26 January 2023	€83.00	BUY	€118.00
31	Today	€74.60	BUY	€118.00

INVESTMENT HORIZON

Unless otherwise stated in the financial analysis, the ratings refer to an investment period of twelve months.

UPDATES

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.

SUBJECT TO CHANGE

The opinions contained in the financial analysis reflect the assessment of the author on the day of publication of the financial analysis. The author of the financial analysis reserves the right to change such opinion without prior notification.

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

EXCLUSION OF LIABILITY (DISCLAIMER)

RELIABILITY OF INFORMATION AND SOURCES OF INFORMATION

The information contained in this study is based on sources considered by the author to be reliable. Comprehensive verification of the accuracy and completeness of information and the reliability of sources of information has neither been carried out by the author nor by First Berlin. As a result no warranty of any kind whatsoever shall be assumed for the accuracy and completeness of information and the reliability of sources of information, and neither the author nor First Berlin, nor the person responsible for passing on or distributing the financial analysis shall be liable for any direct or indirect damage incurred through reliance on the accuracy and completeness of information and the reliability of sources of information.

RELIABILITY OF ESTIMATES AND FORECASTS

The author of the financial analysis made estimates and forecasts to the best of the author's knowledge. These estimates and forecasts reflect the author's personal opinion and judgement. The premises for estimates and forecasts as well as the author's perspective on such premises are subject to constant change. Expectations with regard to the future performance of a financial instrument are the result of a measurement at a single point in time and may change at any time. The result of a financial analysis always describes only one possible future development – the one that is most probable from the perspective of the author – of a number of possible future developments.

Any and all market values or target prices indicated for the company analysed in this financial analysis may not be achieved due to various risk factors, including but not limited to market volatility, sector volatility, the actions of the analysed company, economic climate, failure to achieve earnings and/or sales forecasts, unavailability of complete and precise information and/or a subsequently occurring event which affects the underlying assumptions of the author and/or other sources on which the author relies in this document. Past performance is not an indicator of future results; past values cannot be carried over into the future.

Consequently, no warranty of any kind whatsoever shall be assumed for the accuracy of estimates and forecasts, and neither the author nor First Berlin, nor the person responsible for passing on or distributing the financial analysis shall be liable for any direct or indirect damage incurred through reliance on the correctness of estimates and forecasts.

INFORMATION PURPOSES, NO RECOMMENDATION, SOLICITATION, NO OFFER FOR THE PURCHASE OF SECURITIES

The present financial analysis serves information purposes. It is intended to support institutional investors in making their own investment decisions; however in no way provide the investor with investment advice. Neither the author, nor First Berlin, nor the person responsible for passing on or distributing the financial analysis shall be considered to be acting as an investment advisor or portfolio manager vis-à-vis an investor. Each investor must form his own independent opinion with regard to the suitability of an investment in view of his own investment objectives, experience, tax situation, financial position and other circumstances.

The financial analysis does not represent a recommendation or solicitation and is not an offer for the purchase of the security specified in this financial analysis. Consequently, neither the author nor First Berlin, nor the person responsible for passing on or distributing the financial analysis shall as a result be liable for losses incurred through direct or indirect employment or use of any kind whatsoever of information or statements arising out of this financial analysis.

A decision concerning an investment in securities should take place on the basis of independent investment analyses and procedures as well as other studies including, but not limited to, information memoranda, sales or issuing prospectuses and not on the basis of this document.

NO ESTABLISHMENT OF CONTRACTUAL OBLIGATIONS

By taking note of this financial analysis the recipient neither becomes a customer of First Berlin, nor does First Berlin incur any contractual, quasi-contractual or pre-contractual obligations and/or responsibilities toward the recipient. In particular no information contract shall be established between First Berlin and the recipient of this information.

NO OBLIGATION TO UPDATE

First Berlin, the author and/or the person responsible for passing on or distributing the financial analysis shall not be obliged to update the financial analysis. Investors must keep themselves informed about the current course of business and any changes in the current course of business of the analysed company.

DUPLICATION

Dispatch or duplication of this document is not permitted without the prior written consent of First Berlin.

SEVERABILITY

Should any provision of this disclaimer prove to be illegal, invalid or unenforceable under the respectively applicable law, then such provision shall be treated as if it were not an integral component of this disclaimer; in no way shall it affect the legality, validity or enforceability of the remaining provisions.

APPLICABLE LAW, PLACE OF JURISDICTION

The preparation of this financial analysis shall be subject to the law obtaining in the Federal Republic of Germany. The place of jurisdiction for any disputes shall be Berlin (Germany).

NOTICE OF DISCLAIMER

By taking note of this financial analysis the recipient confirms the binding nature of the above explanations.

By using this document or relying on it in any manner whatsoever the recipient accepts the above restrictions as binding for the recipient.

QUALIFIED INSTITUTIONAL INVESTORS

First Berlin financial analyses are intended exclusively for qualified institutional investors.

This report is not intended for distribution in the USA and/or Canada.