

Deutsche Rohstoff AG

Germany / Energy
 Frankfurt
 Bloomberg: DR0 GR
 ISIN: DE000A0XYG76

H1 2023 results

RATING **BUY**
PRICE TARGET **€ 44.00**
 Return Potential 68.3%
 Risk Rating High

2024 EBITDA AT OR NEAR RECORD WHILE BALANCE SHEET STRENGTHENS

H1/23 sales came in at €75.1m (H1/22: €72.2m) while EBITDA was €56.0m (H1/22: €64.0m). H1/23 EBITDA was down on the prior year period because a 12.8% volume increase and an improved hedging result (€1.3m vs €-26.8m) could not fully compensate for lower commodity prices (oil -26.5%, gas -60%). Other operating income was also lower (€3.8m vs. €9.4m) due mainly to lower gains on securities. Management has maintained FY/23 guidance given with the annual report in April for sales of €150-€170m and EBITDA of €115-€130m. The guidance is based on new wells which are expected to raise H2/23 production ca. 20% above the H1/23 level. 2024 sales and EBITDA guidance of €170m-€190m and €130-€145m is also unchanged. 2024 guidance is also based primarily on increased volume (+10-15%) as DRAG's commodity price assumptions (oil: USD75/barrel; gas USD3.00/MMBtu) are the same for both 2023 and 2024. DRAG's guidance and our forecasts imply that 2024 EBITDA will either exceed or near the record 2022 level of €139m. At the same time we expect cashflow and net profits to be strong enough to halve net gearing from the end June 2023 level of 50% to 26% by end 2024. We maintain our Buy recommendation and have raised our price target to €44 (previously: €40 on the basis of higher forecasts which reflect a rise in the average level of the oil futures strip (+USD10 for H2/23 and +USD5.90 for January 2024 – December 2028) since our last note of 4 May.

Oxy JV to start production from a further five wells in early Q4/23 The main drivers of the 12.8% H1/23 volume increase were the first six Occidental JV wells which came on line in Q4/22 as well as better than expected production from the Knight pad. Production at the second Oxy JV pad (ten wells) did not start until May and 1876 Resources' three new wells did not come on line until June. 1876 Resources has drilled an additional six wells since the beginning of July. The wells are scheduled to come on line in late 2023 or H1/24. 1876 Resources plans to drill a further two wells in Q4/23. (p.t.o.)

FINANCIAL HISTORY & PROJECTIONS

	2019	2020	2021	2022	2023E	2024E
Revenue (€m)	41.20	38.68	73.32	165.44	168.37	190.22
Y-o-y growth	-62.2%	-6.1%	89.5%	125.6%	1.8%	13.0%
EBITDA (€m)	22.73	23.93	66.06	139.09	126.43	146.44
EBITDA margin	55.2%	61.9%	90.1%	84.1%	75.1%	77.0%
Net income (€m)	0.31	-15.51	24.79	60.77	56.13	65.78
EPS (diluted) (€)	0.06	-3.13	5.00	12.15	11.22	13.15
DPS (€)	0.10	0.00	0.60	1.30	1.30	1.30
FCF (€m)	-14.79	-22.73	0.63	60.27	-36.62	30.29
Net gearing	75.9%	202.6%	100.2%	33.0%	47.4%	25.8%
Liquid assets (€m)	66.64	22.82	23.49	54.20	21.18	44.96

RISKS

Risks include negative movements in the oil price and other raw materials prices, dry well risk, mechanical failure, loss of key personnel.

COMPANY PROFILE

Deutsche Rohstoff AG (DRAG) is a fast-growing oil and gas producer with 100% of its production in the United States. Critical metals such as tungsten account for around 10% of the company's assets. DRAG is based in Mannheim, Germany.

MARKET DATA

As of 24 Aug 2023

Closing Price	€ 26.15
Shares outstanding	5.00m
Market Capitalisation	€ 130.84m
52-week Range	€ 20.10 / 29.05
Avg. Volume (12 Months)	8,487

Multiples	2022	2023E	2024E
P/E	2.2	2.3	2.0
EV/Sales	1.3	1.2	1.1
EV/EBITDA	1.5	1.6	1.4
Div. Yield	5.0%	5.0%	5.0%

STOCK OVERVIEW



COMPANY DATA

As of 30 Jun 2023

Liquid Assets	€ 28.04m
Current Assets	€ 52.14m
Intangible Assets	€ 30.37m
Total Assets	€ 389.85m
Current Liabilities	€ 58.49m
Shareholders' Equity	€ 147.00m

SHAREHOLDERS

Management	10.0%
Institutional shareholders	19.0%
Free float	71.0%



Figure 1: H1/23 volume development and DRAG FY/23 and FY/24 guidance*

	Q1 23	Q2 23	H1 23	H2 23E	FY 23E	FY 24E
Total BOEPD	10,854	10,216	10,533	12,451	11,500	12,902
Total BOE	976,832	929,690	1,906,522	2,290,978	4,197,500	4,722,188
yoy % chng.	37.7%	-5.1%	12.8%	26.4%	19.9%	12.5%
sequential chng.	2.6%	-4.8%	5.2%	20.2%	19.9%	12.5%
of which:						
Oil (barrels)	477,191	442,627	919,818	1,270,182	2,190,000	n.a.
yoy % chng	25.3%	-19.5%	-1.2%	36.5%	17.7%	n.a.
sequential chng.	-6.4%	-7.2%	-1.2%	38.1%	17.7%	n.a.
% total	48.9%	47.6%	48.2%	55.4%	52.2%	n.a.
Gas & NGL (BOE)	499,641	487,063	986,704	1,020,796	2,007,500	n.a.
yoy % chng	52.0%	13.2%	30.0%	15.8%	22.4%	n.a.
sequential chng.	13.0%	-2.5%	11.9%	3.5%	22.4%	n.a.
% total	51.1%	52.4%	51.8%	44.6%	47.8%	n.a.
Revenue	42,682	32,501	75,183	84,817	160,000	180,000
yoy % chng.	52.0%	-26.4%	4.1%	-9.0%	-3.3%	12.5%
sequential chng.	-9.7%	-23.9%	-19.3%	12.8%	-3.3%	12.5%
EBITDA	32,297	23,721	56,018	66,482	122,500	137,500
yoy % chng.	28.1%	-38.9%	-12.5%	-11.5%	-11.9%	12.2%
sequential chng.	-12.1%	-26.6%	-25.4%	18.7%	-11.9%	12.2%
margin	75.7%	73.0%	74.5%	78.4%	76.6%	76.4%

*Volume, revenue and EBITDA numbers based on mid-point of DRAG guidance

Source: DRAG; First Berlin Equity Research estimates

Basis of 2023 and 2024 volume guidance We assume that production at these wells will start in 2024. The Oxy JV will start production from a further five wells in early Q4/23 and a further 10 wells in H1/24. The ca. 20% sequential increase in production which DRAG is guiding for in H2/23 is thus based primarily on production from the two new Oxy well sites (one beginning production in May, the other in early Q4/23) as well as the three 1876 Resources wells which came on line in June. DRAG's guidance for a 10-15% increase in volume in 2024 is based primarily on the ten new Oxy wells due to begin production in H1/24 and the eight 1876 Resources wells.

Lower unit costs, higher oil share to boost H2/23 margins vs H1/23 The mid-point of DRAG's FY/23 guidance implies sequential increases in revenue and EBITDA of 12.8% and 18.7% respectively in H2/23. The sequential widening in the margin from 74.5% to 78.4% derives from lower unit costs due to the volume increase as well as a shift in the product mix to higher value oil. The share of oil in a well's output is typically highest when the well starts production. The midpoint of DRAG's FY/23 oil output guidance of 5,500-6,500 barrels/day implies that oil will account for ca. 55% of H2/23 production compared with 48% in H1/23. As figure 1 indicates, DRAG's guidance for 2024 implies stable realised pricing and margins.

H2/23 CAPEX on PPE less than half the H1/23 level Investment in property, plant and equipment (PPE) totalled €103.4m in H1/23 of which 1876 Resources and Salt Creek Oil & Gas (mainly the Oxy JV) respectively accounted for €51.5m and €51.8m. As described in our update of 4 May, 1876 Resources acquired midstream assets (59.3 kilometers of gas pipeline and surface tanks on its Powder River Basin acreage in Wyoming) for USD14m (€13m) in early May 2023. Total downstream CAPEX was therefore ca. €90m. DRAG is guiding towards downstream CAPEX of €110m-€130m for 2023 and €70m-€90m for 2024. Our 2023 downstream CAPEX forecast of €121.8m (see figure 2 below) is roughly in the middle of guidance, while our 2024 number is at the upper end of guidance.



We expect net gearing to halve by end 2024 while 2024 EBITDA exceeds or nears 2022 record

Operating cashflow before working capital expenditure fell 23.1% y-o-y to €59.1m (H1/22: €76.1m) in H1/23. However, a positive €26.2m swing in cashflow from working capital meant that operating cashflow after working capital expenditure climbed 13.5% to €71.1m (H1/22: €62.6m). Despite CAPEX on PPE of over €129m during the 12-month period to end June 2023, net debt fell by €1.8m to €76.4m and net gearing improved to 50.3% (H1/22: 62.7%). DRAG's guidance and our forecasts imply that 2024 EBITDA will either exceed or near the record 2022 level of €139m. At the same time we expect cashflow and net profits to be strong enough to halve net gearing from the end June 2023 level of 50% to 26% by end 2024.

Figure 2: Evolution of DRAG's net debt position

€000's	FY/21	H1/22	FY/22	H1/23	FY/23E	FY/24E
Cash at bank	12,700	36,048	47,479	20,823	14,459	38,246
Securities classified as current assets	10,792	10,017	6,717	7,217	6,717	6,717
Total liquid assets	23,492	46,065	54,196	28,040	21,176	44,963
Securities classified as non-current assets	13,630	10,032	12,048	11,839	12,048	12,048
Total cash, current/non-current securities	37,122	56,097	66,244	39,879	33,224	57,011
Bonds	97,761	109,815	109,815	100,000	100,000	100,000
Bank liabilities	19,631	24,472	77	16,289	20,000	20,000
Total interest bearing debt	117,392	134,287	109,892	116,289	120,000	120,000
Equity	80,074	124,663	132,365	152,043	183,186	243,761
Net interest-bearing debt	80,270	78,190	43,648	76,410	86,776	62,989
Net gearing	100.2%	62.7%	33.0%	50.3%	47.4%	25.8%
Op. cashflow before working cap. expenditure	44,915	76,886	140,205	59,121	105,991	121,657
Cash inflow/(outflow) from working capital	6,907	-14,287	2,527	11,948	-2,800	4,579
Op. cashflow after working cap. expenditure	51,822	62,599	142,732	71,069	103,191	126,236
Investments in intangibles	-10,953	-1,926	-6,034	-900	-5,000	-5,000
Investments in PPE	-41,876	-56,920	-82,915	-103,354	-134,815	-90,945
Other cashflow from investing	23,483	6,156	16,785	2,550	0	0
Cashflow from investing activities	-29,346	-52,690	-72,164	-101,704	-139,815	-95,945
Cashflow after investing	22,477	9,909	70,568	-30,635	-36,624	30,292
EBITDA	66,058	64,008	139,088	56,018	126,428	146,439

Source: DRAG; First Berlin Equity Research estimates

Near-term refinancing of December 2024 €100m bond in prospect The largest element of DRAG's debt position is the five-year 5.25% coupon €100m bond maturing on 4 December 2024. In the H1/23 report DRAG signalled that the refinancing of this bond is possible in the coming months.

Figure 3: Changes in average NYMEX oil/gas strip levels since our study of 4 May

	H2/23	2024	Jan 2024 to Dec 2028
Oil (USD/Barrel)			
Old	69.18	66.69	63.04
New	79.36	76.14	68.94
chn g %	14.7%	14.2%	9.4%
Gas (USD/MMBtu)			
Old	2.77	3.52	4.11
New	2.81	3.49	3.86
chn g %	1.7%	-1.0%	-6.1%

Source: New York Mercantile Exchange



Figure 3 above shows changes to the average level of the NYMEX oil and gas strips since our last note of 4 May. DRAG has published base case guidance and elevated case guidance for both 2023 and 2024 (see figure 4). The difference between the two cases is that the base case assumes USD75 oil and the elevated case USD85 oil in both years. Other parameters (volume, the gas price, the US Dollar Euro exchange rate) are identical.

Price target raised to €44 (previously: €40). Buy recommendation maintained The 14.7% increase in the H2/23 oil strip has caused us to raise our 2023 sales and EBITDA forecasts towards the upper end of the DRAG base case guidance range. For 2024 the average levels of both the oil and gas futures strips are now above DRAG's base case guidance. Our 2024 sales forecast is at the upper end of DRAG's base case guidance and our 2024 EBITDA forecast is €1m above base case guidance. Oil accounted for 75% of DRAG's H1 sales. For the period January 2024 to December 2028, the average level of the NYMEX oil futures strip is 9.4% above the level of 4 May when we published our most recent update. We have raised our price target to €44 from €40 to reflect this. We maintain our Buy recommendation.

Figure 4: DRAG guidance and First Berlin forecasts

€m	DRAG	DRAG	FB Forecast		New FB f/cast vs.	New vs. Old
	26.04.23 (base case)	26.04.23 (elevated case)	04.05.23	25.08.23	DRAG base case	FB f/cast
2023 volume (boepd)	11,000-12,000	11,000-12,000	11,640	11,640	0.0%	0.0%
2024 volume (boepd)	+10-15% vs 2023	+10-15% vs 2023	12,967	12,967	0.0%	0.0%
2023 revenue	150-170	165-185	164	168	2.7%	2.7%
2023 EBITDA	115-130	125-140	122	126	3.7%	3.7%
2024 revenue	170-190	190-210	170	190	11.6%	11.6%
2024 EBITDA	130-145	155-170	127	146	15.1%	15.1%
2023 oil price assumption (USD)	75.00	85.00	72.01	77.15	7.1%	7.1%
2023 gas price assumption (USD)	3.00	3.00	2.79	2.79	-0.1%	-0.1%
2024 oil price assumption (USD)	75.00	85.00	66.69	76.14	14.2%	14.2%
2024 gas price assumption (USD)	3.00	3.00	3.52	3.49	-0.9%	-0.9%
2023 USDEUR exchange rate	0.89	0.89	0.92	0.92	-0.5%	-0.5%
2024 USDEUR exchange rate	0.89	0.89	0.91	0.92	1.1%	1.1%

Source: DRAG; First Berlin Equity Research estimates

Figure 5: Changes to our forecasts

All figures in € 000s	2023E	2023E	Δ	2024E	2024E	Δ
	New	Old		New	Old	
Volume (boepd)	11,640	11,640	0.0%	12,967	12,967	0.0%
Revenue	168,372	163,927	2.7%	190,217	170,405	11.6%
EBITDA	126,428	121,893	3.7%	146,439	127,206	15.1%
Dep. and amort.	48,857	48,857	0.0%	54,578	54,578	0.0%
Op. income (EBIT)	77,571	73,125	6%	91,861	72,628	26%
Net financial result	-5,250	-5,250	n.a.	-6,950	-6,950	n.a.
Pre-tax income (EBT)	72,321	67,875	6.5%	84,911	65,678	29.3%
Income taxes	-15,187	-14,254	n.a.	-17,831	-13,792	n.a.
Net before mins.	57,133	53,621	6.6%	67,079	51,886	29.3%
Minority interests	-1,007	-912	n.a.	-1,299	-995	n.a.
Net inc. after mins.	56,126	52,709	6.5%	65,781	50,891	29.3%
EPS (€)	11.22	10.53	6.5%	13.15	10.17	29.3%

Source: First Berlin Equity Research estimates

**Figure 6: Changes to our valuation model**

€m	New	Old	% Δ
DCF valuation 1876 Resources (DRAG's stake 96.09%)	157.9	136.5	15.7%
DCF valuation Elster Oil & Gas (DRAG's stake: 93.0%)	15.9	14.5	9.8%
DCF valuation Salt Creek Oil & Gas/Bright Rock Energy (DRAG's stakes: 100.0%/ 98.49%)	59.6	46.5	28.1%
Other proven reserves (DRAG's stake:100%)	48.5	36.0	34.6%
PV11 hedging gains/(losses)	-2.1	4.3	-148.1%
Subtotal: US oil and gas activities	279.8	237.7	17.7%
Almonty (14.07% equity stake plus promissory notes and debentures)	20.4	23.4	-12.7%
Ceritech (DRAG's stake: 72.46%)	0.7	1.2	-42.0%
Northern Oil and Gas (DRAG's stake: 0.26%)	8.1	6.6	22.1%
Holding company costs	-10.0	-10.0	0.0%
Total enterprise value	298.9	259.0	15.4%
Cash and securities held in current assets	28.0	54.2	-48.3%
Proceeds from option exercise	5.8	5.8	0.5%
Bonds	100.0	109.8	-8.9%
Proforma net debt	66.1	49.8	32.8%
Proforma equity value	232.8	209.2	11.3%
No. shares outstanding (m)	5.00	5.00	0.1%
Fully diluted no shares	5.29	5.29	0.1%
Proforma equity value per share (€)	43.97	39.52	11.3%

Source: First Berlin Equity Research estimates



INCOME STATEMENT

All figures in € 000s	2019A	2020A	2021A	2022A	2023E	2024E
Revenues	41,204	38,683	73,321	165,439	168,372	190,217
Cost of materials	11,342	11,630	18,106	30,343	34,415	36,136
Personnel/G&A expenses	11,559	12,118	12,118	21,719	23,239	24,401
Net other operating income	4,422	8,999	22,962	25,710	15,710	16,759
EBITDA	22,725	23,935	66,058	139,088	126,428	146,439
Depreciation and amortisation	17,095	40,070	33,469	47,656	48,857	54,578
Operating income (EBIT)	5,630	-16,135	32,590	91,431	77,571	91,861
Net financial result	-5,368	-6,388	96	-5,493	-5,250	-6,950
Other financial items	0	0	0	0	0	0
Pre-tax income (EBT)	262	-22,524	27,056	85,938	72,321	84,911
Taxes	-76	6,425	-699	-19,752	-15,187	-17,831
Profit before minorities	186	-16,099	26,357	66,186	57,133	67,079
Minority interests	122	589	-1,563	-5,420	-1,007	-1,299
Net income / loss	308	-15,510	24,794	60,766	56,126	65,781
EPS (in €)	0.06	-3.13	5.00	12.15	11.22	13.15

Ratios

EBITDA margin on revenues	55.2%	61.9%	90.1%	84.1%	75.1%	77.0%
EBIT margin on revenues	13.7%	-41.7%	44.4%	55.3%	46.1%	48.3%
Net margin on revenues	0.7%	-40.1%	33.8%	36.7%	33.3%	34.6%
Tax rate	29.0%	-28.5%	2.6%	23.0%	21.0%	21.0%

Y-Y Growth

Revenues	-62.2%	-6.1%	89.5%	125.6%	1.8%	13.0%
Operating income	-85.9%	n.m.	n.m.	180.6%	-15.2%	18.4%
Net income/ loss	-97.8%	n.m.	n.m.	145.1%	-7.6%	17.2%



BALANCE SHEET

All figures in € 000s	2019A	2020A	2021A	2022A	2023E	2024E
Assets						
Current assets, total	80,455	36,354	53,151	89,814	57,102	85,420
Cash and cash equivalents	66,637	22,815	23,492	54,196	21,176	44,963
Inventories	165	186	175	130	402	454
Receivables	9,935	3,505	17,898	28,733	30,307	34,239
Prepayments	1,156	1,047	893	863	1,684	1,902
Other current assets	1,161	7,327	8,529	4,884	2,526	2,853
Deferred tax assets	1,401	1,474	2,164	1,008	1,008	1,008
Non-current assets, total	198,470	170,368	211,840	260,512	351,469	392,836
Intangible assets	22,136	21,892	29,821	33,652	35,996	38,340
Advanced payments	0	0	0	277	277	277
Producing oil plants	138,433	110,203	143,612	161,897	236,369	269,164
Exploration and evaluation	648	2,227	5,225	30,357	44,321	50,470
Plant and machinery	143	123	111	276	403	459
Other equipment	331	225	107	109	159	181
Equity investments	16,688	17,773	14,552	15,407	15,407	15,407
Loans to other investors	1,902	4,711	4,782	6,489	6,489	6,489
Securities classified as fixed assets	18,189	13,214	13,630	12,048	12,048	12,048
Total assets	278,925	206,722	264,991	350,326	408,571	478,256
Shareholders' equity & debt						
Current liabilities, total	26,927	27,077	31,790	49,942	136,537	41,277
Bank debt	22	190	1,089	77	0	0
Bond debt	0	16,658	0	9,815	100,000	0
Accounts payable	17,114	2,901	20,764	11,376	5,051	5,707
Other current liabilities	9,791	7,328	9,937	28,674	31,486	35,571
Long-term liabilities, total	139,089	111,533	116,303	100,000	20,000	120,000
Bond debt	131,077	97,761	97,761	100,000	0	100,000
Bank debt	8,012	13,772	18,542	0	20,000	20,000
Other long term liabilities	0	0	0	0	0	0
Provisions	25,222	7,336	18,842	32,653	33,674	38,043
Minority interests	7,184	6,170	7,351	3,403	4,410	5,709
Shareholders' equity	64,317	39,419	72,723	128,962	178,776	238,052
Consolidated equity	71,501	45,589	80,074	132,365	183,186	243,761
Accruals and deferrals	0	0	0	174	174	174
Deferred tax liabilities	16,186	15,187	17,982	35,192	35,000	35,000
Total consolidated equity and debt	278,925	206,722	264,991	350,326	408,571	478,256
Ratios						
Current ratio (x)	2.99	1.34	1.67	1.80	0.42	2.07
Quick ratio (x)	2.98	1.34	1.67	1.80	0.42	2.06
Financial leverage	75.9%	202.6%	100.2%	33.0%	47.4%	25.8%
Book value per share (€)	12.98	7.96	14.68	25.78	35.73	47.58
Net cash (debt)	-54,285	-92,352	-80,270	-43,648	-86,776	-62,989
Return on equity (ROE)	0.3%	-27.5%	41.9%	62.3%	36.2%	31.4%



CASH FLOW STATEMENT

All figures in € 000s	2019A	2020A	2021A	2022A	2023E	2024E
Net profit before minorities	186	-16,099	26,357	66,186	57,133	67,079
Writedowns/w riteups of fixed assets	16,307	37,702	32,805	39,790	48,857	54,578
Increase/decrease in provisions	17,380	-11,411	-927	18,882	0	0
Changes in working capital	-9,195	2,712	6,907	2,527	-2,800	4,579
Gains/losses from disposal of fixed assets	-31	-286	-736	-10,145	0	0
Gains/losses from disposal of securities	0	-1,433	-18,093	1,868	0	0
Interest expense/income	5,368	6,388	5,533	5,493	0	0
Tax paid/received	76	-6,425	792	17,863	0	0
Income tax payments	158	0	0	0	0	0
Other	-16,311	2,843	-816	0	0	0
Operating cash flow	13,938	13,991	51,822	142,732	103,191	126,236
Investment in property, plant equipment	-22,513	-30,731	-41,876	-82,915	-134,815	-90,945
Investment in intangible assets	-6,214	-6,110	-10,953	-6,034	-5,000	-5,000
Proceeds from disposal of tangible/intangible assets	0	119	1,633	6,490	0	0
Free cash flow	-14,789	-22,731	626	60,273	-36,624	30,292
Management of short term financial assets, other	-5,511	-12,008	21,850	10,295	0	0
Investing cash flow	-34,238	-48,730	-29,346	-72,164	-139,815	-95,945
Equity financing	-18	-97	0	-16,173	0	0
Debt financing	62,000	7,322	19,006	21334	10,108	0
Debt repayment	-16,115	-16,658	-31,729	-29,439	0	0
Interest paid	-6,638	-7,515	-6,515	-6,725	0	0
Dividends, share buybacks	-3,937	-743	-328	-3,728	-6,504	-6,504
Other	0	0	-145	0	0	0
Financing cash flow	35,292	-17,691	-19,711	-34,732	3,604	-6,504
Other	1,004	8,608	-2,088	-5,132	0	0
Change in cash and equivalents	6,647	-43,822	677	30,704	-33,020	23,787
FX/consolidation effects	0	0	0	0	0	0
Cash and current cash equivs., start of the year	59,990	66,637	22,815	23,492	54,196	21,176
Cash and current cash equivs., end of the year	66,637	22,815	23,492	54,196	21,176	44,963
EBITDA/share (in €)	4.60	4.83	13.33	27.80	25.27	29.27
Y-Y Growth						
Operating cash flow	-79.7%	0.4%	270.4%	175.4%	-27.7%	22.3%
Free cash flow	n.m.	n.m.	n.m.	9528.3%	n.m.	n.m.
EBITDA/share	-76.8%	5.1%	176.0%	108.5%	-9.1%	15.8%

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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.

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Report No.:	Date of publication	Previous day closing price	Recommendation	Price target
Initial Report	22 July 2010	€7.45	Buy	€13.20
2...36	↓	↓	↓	↓
37	7 October 2021	€21.10	Buy	€28.00
38	13 December 2021	€20.50	Buy	€31.00
39	9 June 2022	€32.00	Buy	€43.00
40	13 July 2022	€27.40	Buy	€36.00
41	11 November 2022	€26.20	Buy	€38.00
42	19 December 2022	€25.10	Buy	€34.00
43	23 March 2022	€25.70	Buy	€38.00
44	4 May 2023	€27.20	Buy	€40.00
45	Today	€26.15	Buy	€44.00

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