

# Deutsche Rohstoff AG

Germany / Energy  
 Frankfurt  
 Bloomberg: DR0 GR  
 ISIN: DE000A0XYG76

Update

**RATING**  
**BUY**

**PRICE TARGET**  
**€ 48.00**

Return Potential 46.8%  
 Risk Rating High

## EBITDA TO REMAIN AT HIGH LEVEL DESPITE RECENT OIL PRICE DECLINE

Oil accounted for 58% of DRAG's volume in H1/24 and 87% of its revenue. Since our most recent note of 2 August the average levels of the Q4/24 and FY/25 oil futures strips have fallen by 10% and 9% respectively. DRAG has been guiding towards investment of €100m-€110m for 2025 (2024: €145-€165m) since April. Our recent discussions with management indicate that the €100m-€110m investment plan for 2025 remains in place at the current oil price. DRAG have stated that this money will be invested mainly in 11 Niobrara wells in Wyoming. We continue to model annual investment of €100m-€110m for the two years after 2025, but now forecast volume increases of 3.6% in 2026 and 2.9% in 2027 (previously: -0.9% and +0.9%) as the rate of decline in existing production eases. On the basis of current commodity futures strips, a very strong execution record (production has more than doubled since 2021), and an ample reserves base, we expect DRAG to continue to show stable to growing profits. After reworking our forecasts, we see EBITDA averaging €150m during the three-year period 2025-2027, corresponding to an EV/EBITDA ratio of only 1.9x. By comparison, EBITDA averaged €132m during 2021-24. We now see fair value for the DRAG share at €48 (previously: €51). We maintain our Buy recommendation.

**Very strong execution record** As figure 1 overleaf shows, DRAG's production has more than doubled since 2021 as net investment in property, plant and equipment (PPE) has climbed from €40m to over €150m and the oil price has recovered from its pandemic lows. At the same time net gearing has fallen from 117% at end 2021 to 59% at end H1/24. We expect CAPEX of €151m to push production ahead by a further 18% this year. However, production is likely to decline in 2025 (we model -4.6%) as investment in PPE is reduced to ca. €100m.

**Growing experience in Wyoming is reducing investment costs** The share of DRAG's production generated in Wyoming rose from 25% in H1/23 to 73% in H1/24. (p.t.o.)

### FINANCIAL HISTORY & PROJECTIONS

	2022	2023	2024E	2025E	2026E	2027E
Revenue (€m)	165.4	196.7	219.7	200.5	211.0	217.3
Y-o-y growth	125.6%	18.9%	11.7%	-8.7%	5.3%	3.0%
EBITDA (€m)	139.1	158.3	165.2	143.1	151.6	156.1
EBITDA margin	84.1%	80.5%	75.2%	71.4%	71.8%	71.9%
Net income (€m)	60.8	65.2	47.5	40.1	43.3	45.9
EPS (diluted) (€)	12.15	13.02	9.49	8.17	8.81	9.34
DPS (€)	1.30	1.75	1.75	1.75	1.75	1.75
FCF (€m)	60.3	-21.5	-5.5	16.1	29.9	32.8
Net gearing	42.1%	42.2%	42.1%	34.9%	23.4%	13.4%
Liquid assets (€m)	54.2	82.2	4.6	10.0	31.1	55.1

### 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 17 Sep 2024

Closing Price	€ 32.70
Shares outstanding	4.97m
Market Capitalisation	€ 162.66m
52-week Range	€ 29.05 / 45.00
Avg. Volume (12 Months)	9,537

Multiples	2023	2024E	2025E
P/E	2.5	3.4	4.0
EV/Sales	1.5	1.3	1.4
EV/EBITDA	1.8	1.7	2.0
Div. Yield	5.4%	5.4%	5.4%

### STOCK OVERVIEW



### COMPANY DATA

As of 30 Jun 2024

Liquid Assets	€ 33.44m
Current Assets	€ 65.43m
Intangible Assets	€ 23.04m
Total Assets	€ 511.88m
Current Liabilities	€ 69.66m
Shareholders' Equity	€ 212.52m

### SHAREHOLDERS

Management	10.0%
Institutional shareholders	19.0%
Free float	71.0%



The company's growing experience in Wyoming is pushing down well investment costs. In the current price environment, DRAG estimates that a 2-mile lateral Niobrara well in Wyoming will cost USD10m in 2025 compared with USD11m in 2023. At the current EURUSD exchange rate of 1.11, 11 Niobrara wells will cost under €100m. We estimate the production-weighted average age of DRAG's wells at just over three years. The type-curve for a typical horizontal well shows a 25% decline in production in year 4. Meanwhile, year 1 production for 11 Niobrara wells is 1.97m boe. Our 2025 forecast of ca 5.2m boe derives from a 25% reduction in our 2024 forecasts of 5.48mboe plus 1.1m boe from the Niobrara wells (assuming an average production start date of 1 August).

**Figure 1: Volume, P&L and balance sheet evolution at DRAG 2019-2027**

	2019	2020	2021	2022	H1 23	2023	H1 24	2024E	2025E	2026E	2027E
Volume (boe)	1,645,818	1,542,074	2,589,273	3,501,826	1,906,521	4,658,130	2,672,096	5,480,369	5,227,152	5,413,519	5,570,619
boepd	4,509	4,213	7,094	9,594	10,533	12,762	14,682	14,974	14,321	14,832	15,262
Δ %	-52.9%	-6.3%	67.9%	35.2%	12.2%	144.3%	40.2%	17.7%	-4.6%	3.6%	2.9%
Oil as % volume	43.2%	45.7%	44.8%	53.2%	48.2%	54.9%	58.4%	55.1%	61.4%	62.1%	63.0%
Oil price (USD/bbl)	57.03	39.24	68.13	94.90	74.73	77.58	79.70	75.22	66.29	65.07	64.39
Δ %	-12.4%	-31.2%	73.6%	39.3%	-26.4%	-18.3%	21.0%	-3.0%	-11.9%	-1.9%	-1.0%
Sales €000s	41,204	38,603	73,321	165,439	75,183	196,651	112,180	219,697	200,487	211,022	217,294
Δ %	-62.2%	-6.3%	89.9%	125.6%	4.1%	18.9%	49.2%	11.7%	-8.7%	5.3%	3.0%
EBITDA €000s	22,725	23,935	66,058	139,088	56,019	158,258	83,804	165,177	143,094	151,583	156,131
margin (%)	55.2%	62.0%	90.1%	84.1%	74.5%	80.5%	74.7%	75.2%	71.4%	71.8%	71.9%
EPS (diluted) (€)	0.06	-3.13	5.00	12.15	4.28	13.02	4.96	9.49	8.17	8.81	9.34
Δ %	-97.8%	n.a.	n.a.	142.7%	-26.2%	7.2%	15.9%	-27.1%	-13.9%	7.9%	6.0%
Net investment in PPE € 000s	-22,513	-30,612	-40,243	-76,425	-103,354	-160,510	-117,395	-151,100	-99,323	-99,323	-99,323
Net debt €000s	72,474	105,565	93,900	55,696	88,249	79,137	126,007	95,402	90,035	68,929	44,875
Equity €000s	71,501	45,589	80,074	132,365	152,043	187,481	212,522	226,542	257,864	294,504	333,851
Net gearing	101.4%	231.6%	117.3%	42.1%	58.0%	42.2%	59.3%	42.1%	34.9%	23.4%	13.4%
Production share by state:											
Colorado	n.a.	n.a.	87%	75%	59%	42%	27%	n.a.	n.a.	n.a.	n.a.
Utah	n.a.	n.a.	6%	12%	15%	12%	0%	n.a.	n.a.	n.a.	n.a.
Wyoming	n.a.	n.a.	6%	13%	25%	46%	73%	n.a.	n.a.	n.a.	n.a.
North Dakota	n.a.	n.a.	1%	0%	0%	0%	0%	n.a.	n.a.	n.a.	n.a.

Source: DRAG

**Option to return to 2023/24 investment levels if oil price strengthens** Because the decline rate of the type curve flattens out to 19% in year 5 and 15% in year 6, we expect that CAPEX at the 2025 level will be sufficient to generate modest increases in production in 2026 (+3.6%) and 2027 (+2.9%). Under this scenario sales stabilise at around €200m with an EBITDA margin around 72%, while net gearing falls to 13.4%. Alternatively, if the oil price strengthens, DRAG will have the option to return to the investment levels of 2023 and 2024.

**Figure 2: DRAG 2024 and 2025 guidance and First Berlin forecasts**

€m	DRAG 23.04.24 (base case)	vs. prior year reported figure/ guidance	FBe* 02.08.24	FBe* 18.09.24	Fbe 18.09.24 vs Fbe 02.08.24	Fbe 18.09.24 vs. DRAG base case
2024 volume (boepd)	14,700-15700	19.1%	14,974	14,974	0.0%	-1.5%
2025 volume (boepd)	n.a.	n.a.	13,789	14,321	3.9%	n.a.
2024 investments	145-165	7.4%	152	151	-0.8%	-2.5%
2025 investments	100-110	-32.3%	101	99	-2.0%	-5.4%
2024 revenue	210-230	11.9%	240	220	-8.3%	-0.1%
2025 revenue	180-200	-13.6%	198	200	1.4%	5.5%
2024 EBITDA	160-180	7.4%	180	165	-8.0%	-2.8%
2025 EBITDA	125-145	-20.6%	141	143	1.2%	6.0%
2024 oil price assumption (USD/bbl)	75.00	-3.3%	78.32	75.22	-4.0%	0.3%
2025 oil price assumption (USD/bbl)	75.00	0.0%	72.57	66.29	-8.7%	-11.6%
2024 gas price assumption (USD/MMBtu)	2.00	-20.9%	2.26	2.23	-1.4%	11.5%
2025 gas price assumption (USD/MMBtu)	2.00	0.0%	3.23	3.14	-2.8%	57.0%
2024 EURUSD exchange rate	1.12	3.6%	1.08	1.09	0.8%	-2.5%
2025 EURUSD exchange rate	1.12	0.0%	1.09	1.11	2.0%	-1.1%

\* our forecasts based on current commodity futures strips and exchange rates

Source: DRAG; First Berlin Equity Research estimates



**DRAG has ample reserves in Niobrara formation in Wyoming...** DRAG's reserve report shows that it has the potential to drill 100 additional wells on its existing Wyoming acreage in the Niobrara formation. This spring, DRAG drilled a hole into the Mowry formation in Wyoming, which is situated at a depth of 13,500 feet compared with 11,800 feet for the Niobrara formation. The most successful well drilled by DRAG to date has been the Buster well drilled into the Niobrara formation in 2021. Cumulated output after twelve months of production was over 30% above the Niobrara type curve.

**...meanwhile the Mowry formation is nearing proof of concept** The Mowry well, which came on stream in June, performed even more strongly than Buster during its first 60 days, producing just under 800 boepd. Following excellent performance from the Mowry well, DRAG is now nearing proof of concept for the Mowry formation. DRAG has not signalled its intention to drill any further wells into the Mowry formation in the near term. The 11 wells planned for 2025 are all in the Niobrara formation. However, these plans could change. Management has indicated that proof of concept for the Mowry formation could add up a further 60 potential wells to the 100 based on existing identified reserves.

**Figure 3: H1/24 results and quarterly breakdowns**

	Q1 23	Q2 23	H1 23	Q1 24A	Q2 24	H1 24
Oil price (USD/bbl)	75.93	73.53	74.73	77.50	81.90	79.70
Volume (boepd)	10,854	10,216	10,533	14,747	14,616	14,763
% change	37.7%	-6.2%	13.5%	35.9%	43.1%	40.2%
Revenue	42,682	32,501	75,183	55,594	56,586	112,180
% change	52.0%	-26.4%	4.1%	30.3%	74.1%	49.2%
Other operating income	2,273	1,555	3,828	1,254	1,278	2,532
% sales	5.3%	4.8%	5.1%	2.3%	2.3%	2.3%
Cost of materials	-8,345	-6,275	-14,620	-10,549	-9,083	-19,632
% sales	-19.6%	-19.3%	-19.4%	-19.0%	-16.1%	-17.5%
Personnel expenses	-1,276	-1,469	-2,745	-1,925	-2,904	-4,829
% sales	-3.0%	-4.5%	-3.7%	-3.5%	-5.1%	-4.3%
Other operating expenses	-3,036	-2,591	-5,627	-2,711	-3,736	-6,447
% sales	-7.1%	-8.0%	-7.5%	-4.9%	-6.6%	-5.7%
<b>EBITDA</b>	<b>32,297</b>	<b>23,722</b>	<b>56,019</b>	<b>41,664</b>	<b>42,140</b>	<b>83,804</b>
<b>margin (%)</b>	<b>75.7%</b>	<b>73.0%</b>	<b>74.5%</b>	<b>74.9%</b>	<b>74.5%</b>	<b>74.7%</b>
Total depreciation	-11,693	-11,748	-23,441	-19,528	-25,255	-44,784
Depletion per barrel	-11.97	-12.64	-12.30	-14.55	-18.99	-16.67
EBIT	20,604	11,974	32,578	22,135	16,885	39,020
margin (%)	48.3%	36.8%	43.3%	39.8%	29.8%	34.8%
Net interest	-1,441	-1,456	-2,897	-2,556	-2,765	-5,321
Pretax	19,163	10,518	29,681	19,579	14,120	33,699
Tax	-4,558	-3,203	-7,762	-3,898	-3,836	-7,735
Tax rate (%)	23.8%	30.5%	26.2%	19.9%	27.2%	23.0%
Net profit before minorities	14,605	7,314	21,919	15,680	10,284	25,964
Minorities	-299	-217	-516	-723	-482	-1,205
<b>Net profit after minorities</b>	<b>14,306</b>	<b>7,098</b>	<b>21,404</b>	<b>14,957</b>	<b>9,802</b>	<b>24,759</b>
<b>EPS (€)</b>	<b>2.86</b>	<b>1.42</b>	<b>4.28</b>	<b>3.00</b>	<b>1.96</b>	<b>4.96</b>

Source: DRAG

**DRAG maintained FY/24 guidance in H1/24 report** Q2/24 production on a boepd basis was ca. 1% below the Q1/24 level. The Q2/24 number benefitted from the mid-March production start of 10 (4.5 net) two-mile lateral wells at Salt Creek Oil & Gas' JV with Occidental in Wyoming. However, production potential was not realised in Q2/24 in part because unscheduled maintenance work was required to raise the pressure on gas lines at some of the new wells. In addition, technical difficulties at one of three Bright Rock Energy wells which started production in June meant that a lateral of only 1 mile was drilled instead of the originally planned 2 miles. The volume of lost production is to some extent mitigated by Bright Rock's working interest of only 50% in the well. DRAG's working interest in the other two wells is 100% and 90% respectively.



We gather that without these problems Q2/24 production would have been above the Q1/24 level. Nevertheless, DRAG is sticking to its FY/24 guidance of 14,700-15,700 boepd. The mid-point of this guidance implies a 19% increase on 2023 production of 12,762 boepd and also a 5.9% increase for H2/24 vs H1/24. As figure 3 above shows, the H1/24 EBITDA margin at 74.7% was little changed on the prior year figure of 74.5%. DRAG also left FY/24 and FY/25 guidance as shown in figure 2 unchanged.

**Figure 4: Changes to our forecasts**

All figures in € 000s	2024E	2024E	Δ	2025E	2025E	Δ	2026E	2026E	Δ	2027E	2027E	Δ
	New	Old		New	Old		New	Old		New	Old	
Volume (boepd)	14,974	14,974	0.0%	14,321	13,789	3.9%	14,832	13,662	8.6%	15,262	13,788	10.7%
Oil price/oil futures price (USD/bbl)	75.22	78.32	-4.0%	66.29	72.57	-8.6%	65.07	69.15	-5.9%	64.39	66.95	-3.8%
Gas price/gas futures price (USD/MMBtu)	2.23	2.26	-1.3%	3.14	3.23	-2.8%	3.52	3.60	-2.2%	3.55	3.66	-3.0%
EUR/USD exchange rate	1.09	1.08	1.1%	1.11	1.09	1.6%	1.11	1.09	1.6%	1.11	1.09	1.6%
Revenue	219,697	239,507	-8.3%	200,487	197,800	1.4%	211,022	205,744	2.6%	217,294	205,963	5.5%
EBITDA	165,177	179,509	-8.0%	143,094	141,424	1.2%	151,583	149,887	1.1%	156,131	149,593	4.4%
Dep. and amort.	91,914	82,207	11.8%	82,328	70,462	16.8%	86,616	62,334	39.0%	87,737	62,906	39.5%
Op. income (EBIT)	73,263	97,302	-25%	60,766	70,962	-14%	64,967	87,553	-26%	68,394	86,687	-21%
Net financial result	-10,221	-9,438	n.a.	-7,500	-7,500	n.a.	-7,500	-7,500	n.a.	-7,500	-7,500	n.a.
Pre-tax income (EBT)	63,042	87,864	-28.3%	53,266	63,462	-16.1%	57,467	80,053	-28.2%	60,894	79,187	-23.1%
Income taxes	-13,222	-18,451	n.a.	-11,186	-13,327	n.a.	-12,068	-16,811	n.a.	-12,788	-16,629	n.a.
Net before mins.	49,820	69,413	-28.2%	42,081	50,135	-16.1%	45,399	63,242	-28.2%	48,106	62,558	-23.1%
Minority interests	-2,323	-2,677	n.a.	-1,962	-1,933	n.a.	-2,117	-2,439	n.a.	-2,243	-2,413	n.a.
Net inc. after mins.	47,497	66,736	-28.8%	40,118	48,202	-16.8%	43,282	60,803	-28.8%	45,863	60,145	-23.7%
EPS (€)	9.49	13.33	-28.8%	8.17	9.81	-16.8%	8.81	12.38	-28.8%	9.34	12.24	-23.7%

Source: First Berlin Equity Research estimates

**We maintain our Buy recommendation but lower the price target from €51 to €48** The reduction in our 2024 EBITDA forecast reflects unchanged volume but lower pricing assumptions. Another important change to our forecasts is higher depreciation due to the recent start of production at the new wells in Wyoming. From 2025 higher volume outweighs lower commodity price forecasts and we now see the fair enterprise value for DRAG's US oil and gas activities at €341m (previously: €320m). However, net debt increased from €87m at end Q1/24 to €120m at end H1/24, and so we reduce our price target from €51 to €48.

**Figure 5: Changes to our valuation model**

€m	New	Old	% Δ
<b>US oil and gas activities</b>	<b>341.0</b>	<b>320.2</b>	<b>6.5%</b>
Almonty (13.11% equity stake plus promissory notes and debentures)	27.7	24.5	13.1%
Ceritech (DRAG's stake: 72.46%)	0.5	0.4	21.3%
Premier1 Lithium	0.2	0.3	n.a.
<b>Total enterprise value</b>	<b>369.4</b>	<b>345.4</b>	<b>7.0%</b>
Cash and securities held in current assets	33.4	63.2	-47.1%
Proceeds from option exercise	0.0	5.8	-100.0%
Bonds	120.5	120.5	0.0%
Bank debt	38.9	35.3	
<b>Net debt</b>	<b>126.0</b>	<b>86.8</b>	<b>45.1%</b>
<b>Equity value</b>	<b>243.4</b>	<b>258.6</b>	<b>-5.9%</b>
No. shares outstanding (m)	4.97	4.97	0.1%
Fully diluted no shares	5.07	5.07	0.0%
<b>Equity value per share (€)</b>	<b>48.00</b>	<b>51.00</b>	<b>-5.9%</b>

Source: First Berlin Equity Research estimates



## INCOME STATEMENT

All figures in € 000s	2022A	2023A	2024E	2025E	2026E	2027E
<b>Revenues</b>	<b>165,439</b>	<b>196,651</b>	<b>219,697</b>	<b>200,487</b>	<b>211,022</b>	<b>217,294</b>
Cost of materials	30,343	34,294	37,891	40,118	41,548	42,754
Personnel expenses	6,458	10,275	9,629	10,110	10,616	11,147
Net other operating income	10,449	6,176	-7,000	-7,164	-7,274	-7,263
<b>EBITDA</b>	<b>139,088</b>	<b>158,258</b>	<b>165,177</b>	<b>143,094</b>	<b>151,583</b>	<b>156,131</b>
Depreciation and amortisation	47,656	63,619	91,914	82,328	86,616	87,737
<b>Operating income (EBIT)</b>	<b>91,431</b>	<b>94,639</b>	<b>73,263</b>	<b>60,766</b>	<b>64,967</b>	<b>68,394</b>
Net financial result	-5,493	-8,900	-10,221	-7,500	-7,500	-7,500
Other financial items	0	0	0	0	0	0
<b>Pre-tax income (EBT)</b>	<b>85,938</b>	<b>85,739</b>	<b>63,042</b>	<b>53,266</b>	<b>57,467</b>	<b>60,894</b>
Taxes	-19,752	-18,255	-13,222	-11,186	-12,068	-12,788
Profit before minorities	66,186	67,484	49,820	42,081	45,399	48,106
Minority interests	-5,420	-2,308	-2,323	-1,962	-2,117	-2,243
<b>Net income / loss</b>	<b>60,766</b>	<b>65,175</b>	<b>47,497</b>	<b>40,118</b>	<b>43,282</b>	<b>45,863</b>
<b>EPS (in €)</b>	<b>12.15</b>	<b>13.02</b>	<b>9.49</b>	<b>8.17</b>	<b>8.81</b>	<b>9.34</b>
<b>Ratios</b>						
EBITDA margin on revenues	84.1%	80.5%	75.2%	71.4%	71.8%	71.9%
EBIT margin on revenues	55.3%	48.1%	33.3%	30.3%	30.8%	31.5%
Net margin on revenues	36.7%	33.1%	21.6%	20.0%	20.5%	21.1%
Tax rate	23.0%	21.3%	21.0%	21.0%	21.0%	21.0%
<b>Y-Y Growth</b>						
Revenues	125.6%	18.9%	11.7%	-8.7%	5.3%	3.0%
Operating income	180.6%	3.5%	-22.6%	-17.1%	6.9%	5.3%
Net income/ loss	145.1%	7.3%	-27.1%	-15.5%	7.9%	6.0%



## BALANCE SHEET

All figures in € 000s	2022A	2023A	2024E	2025E	2026E	2027E
<b>Assets</b>						
<b>Current assets, total</b>	<b>89,814</b>	<b>122,032</b>	<b>52,053</b>	<b>53,378</b>	<b>76,700</b>	<b>102,074</b>
Cash and cash equivalents	54,196	82,187	4,598	9,965	31,071	55,125
Inventories	130	1,521	524	479	504	519
Receivables	28,733	29,603	40,205	36,689	38,617	39,765
Prepayments	863	2,066	2,197	2,005	2,110	2,173
Other current assets	4,884	5,422	3,295	3,007	3,165	3,259
Deferred tax assets	1,008	1,233	1,233	1,233	1,233	1,233
<b>Non-current assets, total</b>	<b>260,512</b>	<b>371,733</b>	<b>418,913</b>	<b>440,909</b>	<b>458,615</b>	<b>475,201</b>
Intangible assets	33,652	23,148	25,492	27,836	30,180	32,524
Advanced payments	277	399	399	399	399	399
Advances to suppliers/ assets under construction	0	17,006	0	0	0	0
Producing oil plants	161,897	255,063	307,536	324,209	337,244	349,328
Exploration and evaluation	30,357	24,389	29,406	31,001	32,247	33,403
Plant and machinery	276	19,544	23,565	24,842	25,841	26,767
Other equipment	109	1,613	1,945	2,050	2,133	2,209
Equity investments	15,407	15,407	15,407	15,407	15,407	15,407
Loans to other investors	6,489	6,824	6,824	6,824	6,824	6,824
Securities classified as fixed assets	12,048	8,340	8,340	8,340	8,340	8,340
<b>Total assets</b>	<b>350,326</b>	<b>493,765</b>	<b>470,966</b>	<b>494,287</b>	<b>535,315</b>	<b>577,274</b>
<b>Shareholders' equity &amp; debt</b>						
<b>Current liabilities, total</b>	<b>49,865</b>	<b>104,850</b>	<b>38,777</b>	<b>35,386</b>	<b>37,245</b>	<b>138,352</b>
Bank debt	0	40,807	0	0	0	0
Bond debt	9,815	20,517	0	0	0	100,000
Accounts payable	11,376	26,551	6,591	6,015	6,331	6,519
Other current liabilities	28,674	16,975	32,186	29,371	30,915	31,834
<b>Long-term liabilities, total</b>	<b>100,077</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>0</b>
Bond debt	100,000	100,000	100,000	100,000	100,000	0
Bank debt	77	0	0	0	0	0
Other long term liabilities	0	0	0	0	0	0
Provisions	32,653	48,514	52,727	48,117	50,645	52,151
Minority interests	3,403	7,109	9,432	11,395	13,512	15,755
Shareholders' equity	128,962	180,372	217,110	246,469	280,992	318,096
<b>Consolidated equity</b>	<b>132,365</b>	<b>187,481</b>	<b>226,542</b>	<b>257,864</b>	<b>294,504</b>	<b>333,851</b>
Accruals and deferrals	174	83	83	83	83	83
Deferred tax liabilities	35,192	52,837	52,837	52,837	52,837	52,837
<b>Total consolidated equity and debt</b>	<b>350,326</b>	<b>493,765</b>	<b>470,966</b>	<b>494,287</b>	<b>535,315</b>	<b>577,274</b>
<b>Ratios</b>						
Current ratio (x)	1.80	1.16	1.34	1.51	2.06	0.74
Quick ratio (x)	1.80	1.15	1.33	1.49	2.05	0.73
Financial leverage	42.1%	42.2%	42.1%	34.9%	23.4%	13.4%
Book value per share (€)	25.78	36.04	43.37	50.17	57.20	64.75
Net cash (debt)	-55,696	-79,137	-95,402	-90,035	-68,929	-44,875
Return on equity (ROE)	62.3%	42.2%	24.1%	17.4%	16.4%	15.3%



## CASH FLOW STATEMENT

All figures in € 000s	2022A	2023A	2024E	2025E	2026E	2027E
<b>Net profit before minorities</b>	<b>66,186</b>	<b>67,484</b>	<b>49,820</b>	<b>42,081</b>	<b>45,399</b>	<b>48,106</b>
Writedowns/writeups of fixed assets	39,790	63,384	91,914	82,328	86,616	87,737
Increase/decrease in provisions	18,882	-5	0	0	0	0
Changes in working capital	2,527	-2,007	8,861	-3,960	2,171	1,293
Gains/losses from disposal of fixed assets	-10,145	-14,388	0	0	0	0
Gains/losses from disposal of securities	1,868	-2,884	0	0	0	0
Income taxes paid/received	5,493	8,229	0	0	0	0
Income tax payments	17,863	17,420	0	0	0	0
Other	267	2,028	0	0	0	0
<b>Operating cash flow</b>	<b>142,732</b>	<b>139,260</b>	<b>150,594</b>	<b>120,449</b>	<b>134,187</b>	<b>137,136</b>
Investment in property, plant equipment	-82,915	-198,443	-151,100	-99,323	-99,323	-99,323
Investment in intangible assets	-6,034	-295	-5,000	-5,000	-5,000	-5,000
Proceeds from disposal of tangible/intangible assets	6,490	37,933	0	0	0	0
<b>Free cash flow</b>	<b>60,273</b>	<b>-21,545</b>	<b>-5,506</b>	<b>16,126</b>	<b>29,864</b>	<b>32,813</b>
Management of short term financial assets, other	10,295	11,439	0	0	0	0
<b>Investing cash flow</b>	<b>-72,164</b>	<b>-149,366</b>	<b>-156,100</b>	<b>-104,323</b>	<b>-104,323</b>	<b>-104,323</b>
Equity financing	-16,173	1,967	0	0	0	0
Debt financing	21,334	82,567	0	0	0	0
Debt repayment	-29,439	-30,322	-61,324	0	0	0
Interest paid	-6,725	-7,939	0	0	0	0
Dividends, share buybacks	-3,728	-6,712	-10,759	-10,759	-8,759	-8,759
Cash settlement of options	0	0	0	0	0	0
Other	0	0	0	0	0	0
<b>Financing cash flow</b>	<b>-34,732</b>	<b>39,561</b>	<b>-72,083</b>	<b>-10,759</b>	<b>-8,759</b>	<b>-8,759</b>
Other	-5,132	-1,464	0	0	0	0
<b>Change in cash and equivalents</b>	<b>30,704</b>	<b>27,991</b>	<b>-77,589</b>	<b>5,367</b>	<b>21,105</b>	<b>24,054</b>
FX/consolidation effects	0	0	0	0	0	0
<b>Cash and current cash equivalents, start of the year</b>	<b>23,492</b>	<b>54,196</b>	<b>82,187</b>	<b>4,598</b>	<b>9,965</b>	<b>31,071</b>
<b>Cash and current cash equivalents, end of the year</b>	<b>54,196</b>	<b>82,187</b>	<b>4,598</b>	<b>9,965</b>	<b>31,071</b>	<b>55,125</b>
<b>EBITDA/share (in €)</b>	<b>27.80</b>	<b>31.62</b>	<b>33.00</b>	<b>29.13</b>	<b>30.86</b>	<b>31.78</b>
<b>Y-Y Growth</b>						
Operating cash flow	175.4%	-2.4%	8.1%	-20.0%	11.4%	2.2%
Free cash flow	9528.3%	n.m.	n.m.	n.m.	85.2%	9.9%
EBITDA/share	108.5%	13.7%	4.4%	-11.7%	5.9%	3.0%

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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](mailto:info@firstberlin.com)

Amtsgericht Berlin Charlottenburg HR B 103329 B

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First Berlin Equity Research GmbH

**Authored by: Simon Scholes, Analyst**

**All publications of the last 12 months were authored by Simon Scholes.**

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

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Category		1	2
Current market capitalisation (in €)		0 - 2 billion	> 2 billion
Strong Buy <sup>1</sup>	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%

<sup>1</sup> 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...43	↓	↓	↓	↓
44	4 May 2023	€27.20	Buy	€40.00
45	25 August 2023	€26.15	Buy	€44.00
46	25 October 2023	€32.00	Buy	€50.00
47	28 November 2023	€31.25	Buy	€47.00
48	18 March 2024	€35.25	Buy	€46.00
49	16 April 2024	€40.50	Buy	€54.00
50	8 May 2024	€43.10	Add	€51.00
51	2 August 2024	€38.40	Buy	€51.00
52	Today	€32.70	Buy	€48.00

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