

Deutsche Rohstoff AG

Germany / Energy
 Frankfurt
 Bloomberg: DR0 GR
 ISIN: DE000A0XYG76

Preliminary 2023
 results

RATING
PRICE TARGET **BUY**
 € 46.00
 Return Potential 30.5%
 Risk Rating High

WE EXPECT WYOMING WELLS TO DRIVE FURTHER OUTPERFORMANCE

2023 sales of €196.5m and EBITDA of €158.2m both came in towards the top end of guidance. Meanwhile, 2023 production rose 32.4% to 12,700 barrels of oil equivalent per day and was above company guidance of 12,000-12,500 boepd. Q4/23 production of 15,300 boepd (the highest in DRAG's history) benefitted from significantly-above-type curve output at nine new wells in the Niobrara formation in Wyoming, which came on stream last autumn. Net CAPEX also set a new company record €145m in 2023, but thanks to the impact of high net profitability on equity, net gearing remained constant at 42%. Management is guiding towards investment spending of €108m for 2024, but it is possible that this figure will rise if the oil price remains near the current USD80. The mid-point of management EBITDA guidance of €130m-145m is ca. €21m below the 2023 number. However, we note that 2023 EBITDA benefitted from €17m in gains on the disposal of assets in Utah in December and also that DRAG's current results are an order of magnitude higher than the average EBITDA of €38m booked during 2019-21. Results from wells drilled by DRAG in Wyoming since the company acquired its first acreage in the state in 2020 have been very encouraging. Output from the 16 wells with six month+ production history DRAG and its JV partner, Occidental Petroleum (Oxy), have so far drilled into the Niobrara formation in Wyoming has averaged 15% above type curve six months after the start of production. DRAG/Oxy have sufficient acreage in Wyoming to drill over 200 wells. Over 90% of these potential wells are in the Niobrara formation. Since DRAG announced the acquisition of its first acreage in Wyoming in July 2020, the DRAG share has outperformed the S&P500 Energy Index by over 150%. DRAG's increasingly impressive track record in Wyoming suggests that this outperformance will continue. We maintain our Buy recommendation, but lower the price target from €47.0 to €46.0 to reflect the ca. 30% decline in the 2024 US natural gas futures strip since our last note of 9 November (gas accounted for ca. 10% of revenue at 9M/23 and ca. 10% of DRAG's gas production is hedged).

FINANCIAL HISTORY & PROJECTIONS

| | 2019 | 2020 | 2021 | 2022 | 2023P | 2024E |
|--------------------|--------|--------|--------|--------|--------|--------|
| Revenue (€m) | 41.20 | 38.68 | 73.32 | 165.44 | 196.50 | 180.46 |
| Y-o-y growth | -62.2% | -6.1% | 89.5% | 125.6% | 18.8% | -8.2% |
| EBITDA (€m) | 22.73 | 23.93 | 66.06 | 139.09 | 158.20 | 132.94 |
| EBITDA margin | 55.2% | 61.9% | 90.1% | 84.1% | 80.5% | 73.7% |
| Net income (€m) | 0.31 | -15.51 | 24.79 | 60.77 | 65.10 | 51.65 |
| EPS (diluted) (€) | 0.06 | -3.13 | 5.00 | 12.15 | 13.01 | 10.32 |
| DPS (€) | 0.10 | 0.00 | 0.60 | 1.30 | 1.30 | 1.30 |
| FCF (€m) | -14.79 | -22.73 | 0.63 | 60.27 | -10.00 | -1.85 |
| Net gearing | 101.4% | 231.6% | 117.3% | 42.1% | 42.2% | 33.5% |
| Liquid assets (€m) | 66.64 | 22.82 | 23.49 | 54.20 | 82.20 | 12.45 |

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 15 Mar 2024

| | |
|-------------------------|-----------------|
| Closing Price | € 35.25 |
| Shares outstanding | 5.00m |
| Market Capitalisation | € 176.37m |
| 52-week Range | € 24.50 / 35.25 |
| Avg. Volume (12 Months) | 7,458 |

| Multiples | 2022 | 2023P | 2024E |
|------------|------|-------|-------|
| P/E | 2.9 | 2.7 | 3.4 |
| EV/Sales | 1.5 | 1.3 | 1.4 |
| EV/EBITDA | 1.8 | 1.6 | 1.9 |
| Div. Yield | 3.7% | 3.7% | 3.7% |

STOCK OVERVIEW



COMPANY DATA

As of 30 Sep 2023

| | |
|----------------------|-----------|
| Liquid Assets | € 76.15m |
| Current Assets | € 115.86m |
| Intangible Assets | € 31.79m |
| Total Assets | € 472.56m |
| Current Liabilities | € 72.80m |
| Shareholders' Equity | € 167.23m |

SHAREHOLDERS

| | |
|----------------------------|-------|
| Management | 10.0% |
| Institutional shareholders | 19.0% |
| Free float | 71.0% |



2023 volume up 32%, but lower commodity prices crimped sales and EBITDA development

DRAG's preliminary 2023 results showed an 18.8% increase in sales to €196.5m (guidance: €188m - €198m, 2022: €165.4m), while EBITDA rose 13.7% to €158.2m (guidance: €152m - €162m, 2022: €139.1m). Production rose 32.4% to 12,700 boepd (2022: 9,594 boepd). The increase in output was driven by new production in Wyoming at DRAG's 1876 Resources subsidiary and at the JV with Occidental Petroleum (Oxy). Last year, seven new wells came online at 1876 Resources and six new wells at the Oxy JV. The 2023 product mix was approximately 55% oil, 27% gas, 18% NGLs (2022: 53% oil, 30% gas, 17% NGLs). New wells produce a higher proportion of more valuable oil than mature wells, whose output is more heavily weighted to less valuable gas. DRAG's product mix shifted towards oil last year, but sales underperformed volume, and EBITDA rose less than sales because of lower commodity prices. The average price realised by DRAG for oil after hedging fell 3.4% to USD74.0/bbl (2022: USD76.6/bbl). Prices for gas and NGLs were respectively 32% and 43% lower.

Net gearing unchanged at 42% despite record net CAPEX Preliminary operating cashflow came in at €135m (2022: €143m). Investments in drilling and pipeline infrastructure jumped to €200m (2022: €89m), but asset disposals of €55m pared the cash outflow from investing to €145m (2022: €72m). Free cashflow thus came in at €-10m (2022: €60.3m). The 2023 asset disposals split roughly as follows: €42m from the sale of the company's Utah assets, €8m from the sale of Northern Oil & Gas shares, and €5m from the liquidation of mining investments. Cash and cash equivalents amounted to €82.2m at year-end 2023 (2022: €54.2 million). Net debt (bond and bank liabilities less cash and cash equivalents) increased to €79.1m (2022: €55.7m). Equity jumped to €187.3m (2022: €132.4m). Net gearing was almost unchanged at 42.2% (2022: 42.1%).

2023 results included €17m gain on sale of Utah assets In mid-November 2023, DRAG announced that it had sold all of its Utah assets in two transactions. The Utah assets comprised around 250 non-operated wells with an average working interest of 2.3% and accounted for around 10% of DRAG's production in 2023. The proceeds were around €42m and DRAG recorded a €17m gain on the sale of which €8m was booked in sales and €9m in other income. The transaction closed in later December. At the time of the announcement of the sale in November, DRAG adjusted its 2024 guidance, as shown in figure 2, to reflect the absence this year of the Utah assets.

We expect production to be flat in 2024 DRAG has announced that it plans to bring another 17 wells online in 2024. Adding this new production capacity will entail CAPEX of €108m. We expect the net impact of the addition of these new wells, the disposal of the Utah assets and declining production at existing wells to be flat production in 2024.

Figure 1: Changes to our forecasts

| All figures in € 000s | 2024E | 2024E | Δ |
|-----------------------------|----------------|----------------|---------------|
| | New | Old | |
| Volume (boepd) | 12,884 | 13,403 | -3.9% |
| Revenue | 180,463 | 201,751 | -10.6% |
| EBITDA | 132,942 | 151,145 | -12.0% |
| Dep. and amort. | 56,586 | 56,415 | 0.3% |
| Op. income (EBIT) | 76,356 | 94,730 | -19% |
| Net financial result | -9,438 | -8,450 | n.a. |
| Pre-tax income (EBT) | 66,918 | 86,280 | -22.4% |
| Income taxes | -14,053 | -18,119 | n.a. |
| Net before mins. | 52,865 | 68,161 | -22.4% |
| Minority interests | -1,211 | -1,293 | n.a. |
| Net inc. after mins. | 51,655 | 66,868 | -22.8% |
| EPS (€) | 10.32 | 13.36 | -22.7% |

Source: First Berlin Equity Research estimates

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

| €m | DRAG 27.09.23 (base case) | DRAG 14.11.23 (base case) | DRAG Nov. vs. DRAG Sep. base case | FB forecast 18.03.24 | FB f/cast vs. DRAG Nov base case |
|---------------------------------|---------------------------------|---------------------------------|---|-------------------------|--|
| 2024 volume (boepd) | n.a. | n.a. | n.a. | 12,884 | n.a. |
| 2024 revenue | 190-210 | 175-195 | -7.5% | 180 | -2.5% |
| 2024 EBITDA | 145-160 | 130-145 | -9.8% | 133 | -3.3% |
| 2024 oil price assumption (USD) | 75.00 | 75.00 | 0.0% | 77.03 | 2.7% |
| 2024 gas price assumption (USD) | 3.00 | 3.00 | 0.0% | 2.36 | -21.3% |
| 2024 EURUSD exchange rate | 1.12 | 1.12 | 0.0% | 1.09 | -2.5% |

Source: DRAG; First Berlin Equity Research estimates

Buy recommendation maintained, but price target lowered to €46.0 (previously: €47.0)

Changes to our forecasts in figure 1 above reflect the disposal of the Utah assets announced on 14 November (we published our most recent note on 9 November) and also the ca. 30% decline in the 2024 US natural gas futures strip over the past four months. Natural gas accounted for ca. 10% of revenue at 9M/23, and ca. 10% of DRAG's gas production is hedged).

Figure 3: Changes to our valuation model

| €m | New | Old | % Δ |
|---|--------------|--------------|---------------|
| PV11 1876 Resources (DRAG's stake 96.09%) | 159.5 | 170.5 | -6.4% |
| PV11 Elster Oil & Gas (DRAG's stake: 93.0%) | 13.5 | 13.9 | -3.1% |
| PV11 Salt Creek Oil & Gas/Bright Rock Energy (DRAG's stakes: 100.0%/ 98.49%) | 62.3 | 66.6 | -6.4% |
| PV11 other proven reserves (DRAG's stake:100%) | 56.9 | 61.9 | -8.0% |
| PV11 hedging gains/(losses) | -1.9 | -0.3 | 538.9% |
| Subtotal: US oil and gas activities | 290.4 | 312.5 | -7.1% |
| Almonty (12.65% equity stake plus promissory notes and debentures) | 23.5 | 21.3 | 10.1% |
| Ceritech (DRAG's stake: 72.46%) | 0.4 | 0.4 | -6.0% |
| Northern Oil and Gas (DRAG's stake: 0.0%) | 0.0 | 2.7 | -100.0% |
| Total enterprise value | 314.2 | 336.9 | -6.7% |
| Cash and securities held in current assets | 82.2 | 76.1 | 8.0% |
| Proceeds from option exercise | 5.8 | 5.8 | 0.5% |
| Bonds | 120.5 | 141.0 | -14.5% |
| Bank debt | 40.8 | 30.8 | |
| Net debt | 73.3 | 89.9 | -18.5% |
| Equity value | 240.9 | 247.1 | -2.5% |
| No. shares outstanding (m) | 5.00 | 5.00 | 0.0% |
| Fully diluted no shares | 5.29 | 5.29 | 0.0% |
| Equity value per share (€) | 45.50 | 46.66 | -2.5% |

Source: First Berlin Equity Research estimates



INCOME STATEMENT

| All figures in € 000s | 2019A | 2020A | 2021A | 2022A | 2023P | 2024E |
|--------------------------------|---------------|----------------|---------------|----------------|----------------|----------------|
| Revenues | 41,204 | 38,683 | 73,321 | 165,439 | 196,500 | 180,463 |
| Cost of materials | 11,342 | 11,630 | 18,106 | 30,343 | 34,300 | 34,500 |
| Personnel/G&A expenses | 11,559 | 12,118 | 12,118 | 21,719 | 24,700 | 25,935 |
| Other operating income | 4,422 | 8,999 | 22,962 | 25,710 | 20,700 | 12,914 |
| EBITDA | 22,725 | 23,935 | 66,058 | 139,088 | 158,200 | 132,942 |
| Depreciation and amortisation | 17,095 | 40,070 | 33,469 | 47,656 | 65,100 | 56,586 |
| Operating income (EBIT) | 5,630 | -16,135 | 32,590 | 91,431 | 93,100 | 76,356 |
| Net financial result | -5,368 | -6,388 | 96 | -5,493 | -9,700 | -9,438 |
| Other financial items | 0 | 0 | 0 | 0 | 0 | 0 |
| Pre-tax income (EBT) | 262 | -22,524 | 27,056 | 85,938 | 83,400 | 66,918 |
| Taxes | -76 | 6,425 | -699 | -19,752 | -15,900 | -14,053 |
| Profit before minorities | 186 | -16,099 | 26,357 | 66,186 | 67,500 | 52,865 |
| Minority interests | 122 | 589 | -1,563 | -5,420 | -2,400 | -1,211 |
| Net income / loss | 308 | -15,510 | 24,794 | 60,766 | 65,100 | 51,655 |
| EPS (in €) | 0.06 | -3.13 | 5.00 | 12.15 | 13.01 | 10.32 |
| Ratios | | | | | | |
| EBITDA margin on revenues | 55.2% | 61.9% | 90.1% | 84.1% | 80.5% | 73.7% |
| EBIT margin on revenues | 13.7% | -41.7% | 44.4% | 55.3% | 47.4% | 42.3% |
| Net margin on revenues | 0.7% | -40.1% | 33.8% | 36.7% | 33.1% | 28.6% |
| Tax rate | 29.0% | -28.5% | 2.6% | 23.0% | 19.1% | 21.0% |
| Y-Y Growth | | | | | | |
| Revenues | -62.2% | -6.1% | 89.5% | 125.6% | 18.8% | -8.2% |
| Operating income | -85.9% | n.m. | n.m. | 180.6% | 1.8% | -18.0% |
| Net income/ loss | -97.8% | n.m. | n.m. | 145.1% | 7.1% | -20.7% |



BALANCE SHEET

| All figures in € 000s | 2019A | 2020A | 2021A | 2022A | 2023P | 2024E |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| Assets | | | | | | |
| Current assets, total | 80,455 | 36,354 | 53,151 | 89,814 | 124,549 | 51,423 |
| Cash and cash equivalents | 66,637 | 22,815 | 23,492 | 54,196 | 82,200 | 12,448 |
| Inventories | 165 | 186 | 175 | 130 | 469 | 431 |
| Receivables | 9,935 | 3,505 | 17,898 | 28,733 | 35,960 | 33,025 |
| Prepayments | 1,156 | 1,047 | 893 | 863 | 1,965 | 1,805 |
| Other current assets | 1,161 | 7,327 | 8,529 | 4,884 | 2,948 | 2,707 |
| 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 | 368,960 | 420,374 |
| 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 | 232,789 | 274,029 |
| Exploration and evaluation | 648 | 2,227 | 5,225 | 30,357 | 43,650 | 51,383 |
| Plant and machinery | 143 | 123 | 111 | 276 | 397 | 467 |
| Other equipment | 331 | 225 | 107 | 109 | 157 | 184 |
| Equity investments | 16,688 | 17,773 | 14,552 | 15,407 | 37,157 | 37,157 |
| 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 | 493,509 | 471,797 |
| Shareholders' equity & debt | | | | | | |
| Current liabilities, total | 26,927 | 27,077 | 31,790 | 49,865 | 55,174 | 31,852 |
| Bank debt | 22 | 190 | 1,089 | 0 | 0 | 0 |
| Bond debt | 0 | 16,658 | 0 | 9,815 | 20,500 | 0 |
| Accounts payable | 17,114 | 2,901 | 20,764 | 11,376 | 5,895 | 5,414 |
| Other current liabilities | 9,791 | 7,328 | 9,937 | 28,674 | 28,779 | 26,438 |
| Long-term liabilities, total | 139,089 | 111,533 | 116,303 | 100,077 | 140,800 | 100,000 |
| Bond debt | 131,077 | 97,761 | 97,761 | 100,000 | 100,000 | 100,000 |
| Bank debt | 8,012 | 13,772 | 18,542 | 77 | 40,800 | 0 |
| Other long term liabilities | 0 | 0 | 0 | 0 | 0 | 0 |
| Provisions | 25,222 | 7,336 | 18,842 | 32,653 | 75,060 | 43,311 |
| Minority interests | 7,184 | 6,170 | 7,351 | 3,403 | 5,803 | 7,014 |
| Shareholders' equity | 64,317 | 39,419 | 72,723 | 128,962 | 181,498 | 254,447 |
| Consolidated equity | 71,501 | 45,589 | 80,074 | 132,365 | 187,301 | 261,460 |
| 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 | 493,509 | 471,797 |
| Ratios | | | | | | |
| Current ratio (x) | 2.99 | 1.34 | 1.67 | 1.80 | 2.26 | 1.61 |
| Quick ratio (x) | 2.98 | 1.34 | 1.67 | 1.80 | 2.25 | 1.60 |
| Financial leverage | 101.4% | 231.6% | 117.3% | 42.1% | 42.2% | 33.5% |
| Book value per share (€) | 12.98 | 7.96 | 14.68 | 25.78 | 36.27 | 50.85 |
| Net cash (debt) | -72,474 | -105,566 | -93,900 | -55,696 | -79,100 | -87,552 |
| Return on equity (ROE) | 0.3% | -27.5% | 41.9% | 62.3% | 42.2% | 23.6% |



CASH FLOW STATEMENT

| All figures in € 000s | 2019A | 2020A | 2021A | 2022A | 2023P | 2024E |
|---|----------------|----------------|----------------|----------------|-----------------|-----------------|
| Net profit before minorities | 186 | -16,099 | 26,357 | 66,186 | 67,500 | 52,865 |
| Writedowns/w riteups of fixed assets | 16,307 | 37,702 | 32,805 | 39,790 | 65,100 | 56,586 |
| 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 | 2,400 | -3,297 |
| 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 | 267 | 0 | 0 |
| Operating cash flow | 13,938 | 13,991 | 51,822 | 142,732 | 135,000 | 106,154 |
| Investment in property, plant equipment | -22,513 | -30,731 | -41,876 | -82,915 | -195,000 | -103,000 |
| 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 | 55,000 | 0 |
| Free cash flow | -14,789 | -22,731 | 626 | 60,273 | -10,000 | -1,846 |
| 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 | -145,000 | -108,000 |
| Equity financing | -18 | -97 | 0 | -16,173 | 0 | 0 |
| Debt financing | 62,000 | 7,322 | 19,006 | 21334 | 51,408 | 0 |
| Debt repayment | -16,115 | -16,658 | -31,729 | -29,439 | 0 | -61,300 |
| Interest paid | -6,638 | -7,515 | -6,515 | -6,725 | 0 | 0 |
| Dividends, share buybacks | -3,937 | -743 | -328 | -3,728 | -6,606 | -6,606 |
| Other | 0 | 0 | -145 | 0 | 0 | 0 |
| Financing cash flow | 35,292 | -17,691 | -19,711 | -34,732 | 44,802 | -67,906 |
| Other | 1,004 | 8,608 | -2,088 | -5,132 | -6,798 | 0 |
| Change in cash and equivalents | 6,647 | -43,822 | 677 | 30,704 | 28,004 | -69,752 |
| FX/consolidation effects | 0 | 0 | 0 | 0 | 0 | 0 |
| Cash and current cash equivalents, start of the year | 59,990 | 66,637 | 22,815 | 23,492 | 54,196 | 82,200 |
| Cash and current cash equivalents, end of the year | 66,637 | 22,815 | 23,492 | 54,196 | 82,200 | 12,448 |
| EBITDA/share (in €) | 4.60 | 4.83 | 13.33 | 27.80 | 31.62 | 26.57 |
| Y-Y Growth | | | | | | |
| Operating cash flow | -79.7% | 0.4% | 270.4% | 175.4% | -5.4% | -21.4% |
| 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% | 13.7% | -16.0% |

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PRICE TARGET DATES

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

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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 | 22 July 2010 | €7.45 | Buy | €13.20 |
| 2...39 | ↓ | ↓ | ↓ | ↓ |
| 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 2023 | €25.70 | Buy | €38.00 |
| 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 | 8 November 2023 | €31.25 | Buy | €47.00 |
| 48 | Today | €35.25 | Buy | €46.00 |

INVESTMENT HORIZON

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

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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/>

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