

Deutsche Rohstoff AG

Germany / Energy
 Frankfurt
 Bloomberg: DR0 GR
 ISIN: DE000A0XYG76

Preliminary Q2/22
 results

RATING **BUY**
PRICE TARGET **€ 36.00**
 Return Potential 31.4%
 Risk Rating High

ON TRACK FOR 2022 AND 2023 “HIGH-PRICE SCENARIO” GUIDANCE

Preliminary Q2/22 results showed an 83.4% increase in EBITDA to €36.8m (Q2/21: €18.6m) while the H1/22 number was up 88.6% at €64.0m (H1/21: €39.9m). The jump in profits was occasioned by higher volume, higher commodity pricing and a shift in the volume mix towards oil, which is more profitable than gas. The current futures strip indicates an 8.3% decline in the oil price in H2/22 versus H1/22 and a 16.5% drop in 2023 vs. 2022. However, we expect EBITDA to climb further during the second half of the year and fall by only 2.2% in 2023 due mainly to better realised pricing as a result of lower hedging cover. The dip in both the oil and gas futures curves since our most recent note of 9 June causes us to reduce our EBITDA forecast for 2022 by 6.3% to €131.6m and for 2023 by 13.6% to €128.7m. But both numbers are still above the higher oil/gas price scenario guidance given by management on 25 April. We maintain our Buy recommendation but lower the price target from €43.00 to €36.00.

Q2/22 results benefitted from positive trends in volume, price and mix. Q2/22 production climbed 19% to 991k barrels of oil equivalent (BOE) (Q2/21: 833k BOE). Q2/22 production figures were boosted by the coming on stream of the Cub Creek subsidiary's Knight pad and the Bright Rock subsidiary's Buster well. Production at the Knight pad began slowly in November last year, but exceeded 100,000 barrels of oil in March and peaked at over 150,000 barrels oil/month in Q2/22. The Buster well was drilled on acreage acquired in Wyoming in 2020 and came on stream in October last year. Q2/22 revenue before hedging gains/losses jumped 157% due to higher commodity prices and also a shift in the production mix to oil. In Q2/22 oil accounted for 56% of production compared with 40% in Q2/21. Oil's share of production typically rises when new wells come on stream. At current spot prices one BOE of oil is worth 150% more than a BOE of gas. Around 56% of DRAG's oil production was hedged in Q2/22 at USD64.11. The gap between the hedging price and the average oil price accounted for ca. of 85% of the Q2/22 hedging loss of €15m (Q2/21: a loss of €2.2m). (p.t.o.)

FINANCIAL HISTORY & PROJECTIONS

	2018	2019	2020	2021	2022E	2023E
Revenue (€m)	109.05	41.20	38.68	73.32	157.34	156.31
Y-o-y growth	102.9%	-62.2%	-6.1%	89.5%	114.6%	-0.7%
EBITDA (€m)	97.93	22.73	23.93	66.06	131.62	128.72
EBITDA margin	89.8%	55.2%	61.9%	90.1%	83.7%	82.3%
Net income (€m)	13.87	0.31	-15.51	24.79	54.03	60.74
EPS (diluted) (€)	2.81	0.06	-3.13	5.00	10.91	12.26
DPS (€)	0.70	0.10	0.00	0.60	0.80	1.00
FCF (€m)	2.47	-14.79	-22.85	-1.01	34.18	48.54
Net gearing	37.2%	75.9%	202.6%	100.2%	31.7%	0.5%
Liquid assets (€m)	59.99	66.64	22.82	23.49	71.22	105.10

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 resources company with a portfolio of properties in oil/gas and so-called high tech metals such as tin and tungsten. The business model is based on production in well-explored areas in politically stable countries. DRAG is based in Mannheim, Germany.

MARKET DATA

As of 12 Jul 2022

Closing Price	€ 27.40
Shares outstanding	4.95m
Market Capitalisation	€ 135.74m
52-week Range	€ 15.05 / 33.10
Avg. Volume (12 Months)	19,610

Multiples	2021	2022E	2023E
P/E	5.5	2.5	2.2
EV/Sales	3.1	1.4	1.4
EV/EBITDA	3.4	1.7	1.7
Div. Yield	2.2%	2.9%	3.6%

STOCK OVERVIEW



COMPANY DATA

As of 31 Mar 2022

Liquid Assets	€ 30.01m
Current Assets	€ 66.57m
Intangible Assets	€ 31.36m
Total Assets	€ 293.58m
Current Liabilities	€ 24.58m
Shareholders' Equity	€ 95.20m

SHAREHOLDERS

Management	10.0%
Institutional shareholders	30.0%
Free float	60.0%



The Q2/21 hedging loss of €2.2m was much smaller than the Q2/22 figure because production was lower, a lower proportion of production was hedged, and the gap between the market price and the hedge price was smaller.

Figure 1: Recent results/forecasts to end 2023E

	Q2 21A	H1 21A	FY 21A	Q2 22A	H1 22A	H2 22E	FY 22E	FY 23E
Production (BOE)	833,107	1,412,019	2,589,189	990,991	1,700,502	1,784,456	3,484,958	3,118,203
change y-o-y (%)	n.a.	n.a.	67.9%	19.0%	20.4%	55.6%	34.6%	-10.5%
of which:								
Oil (BOE)	331,373	660,682	1,159,088	554,189	934,984	853,283	1,788,267	1,814,588
change y-o-y (%)	n.a.	n.a.	64.6%	67.2%	41.5%	71.2%	54.3%	1.5%
Oil as % total production	39.8%	46.8%	44.8%	55.9%	55.0%	47.8%	51.3%	58.2%
Gas & NGLs (BOE)	501,734	751,337	1,435,947	436,802	765,518	931,173	1,696,691	1,303,615
change y-o-y (%)	n.a.	n.a.	71.3%	-12.9%	1.9%	43.6%	18.2%	-23.2%
Gas & NGLs as % total production	60.2%	53.2%	55.5%	44.1%	45.0%	52.2%	48.7%	41.8%
Market price/NYMEX strip price barrel West Texas Intermediate oil (USD)	66.19	62.22	68.09	108.77	101.97	93.56	97.54	81.48
change y-o-y (%)	n.a.	n.a.	73.5%	64.3%	63.9%	26.6%	43.2%	-16.5%
Revenue before hedging gains/losses	23,042	42,566	87,621	59,117	97,700	101,712	199,412	159,453
change y-o-y (%)	n.a.	n.a.	255.0%	156.6%	129.5%	125.8%	127.6%	-20.0%
Hedging gains/(losses)	-2,152	-3,752	-14,300	-15,000	-25,500	-16,572	-42,072	-3,141
Revenue after hedging gains/(losses)	20,890	38,814	73,321	44,117	72,200	85,140	157,340	156,311
change y-o-y (%)	n.a.	n.a.	99.9%	111.2%	86.0%	146.7%	114.6%	-0.7%
EBITDA	18,638	39,931	66,058	36,788	64,000	67,624	131,624	128,715
margin on revenues after hedging (%)	89.2%	102.9%	90.1%	83.4%	88.6%	79.4%	83.7%	82.3%
Net profit before minorities	5,877	17,558	26,357	19,732	32,500	33,091	65,591	67,238
margin on revenues after hedging (%)	28.1%	45.2%	35.9%	44.7%	45.0%	38.9%	41.7%	43.0%

Source: DRAG; First Berlin Equity Research estimates

Participation in Occidental wells should push H2/22 production above H1/22 level

We expect volume to receive a further boost in Q4/22, when production from Salt Creek's ca. 40% participation in the first six of eighteen two-mile wells to be drilled in Wyoming by Occidental Petroleum is expected to come on stream. We expect these wells to drive a 4.9% increase in volume in H2/22 compared with H1/22. The oil price averaged USD101.97 in H1/22. The current futures strip indicates an 8.3% decline to USD93.56 for H2/22. However, the proportion of hedged oil production will fall from 68% in H1/22 to 35% in H2/22. The H2/22 futures strip is far above the H2/22 hedge price of USD64.11, and we expect the average oil price realised by DRAG in H2/22 to be USD83 compared with USD74 in H1/22. The increase in the average realised oil price is the main reason we expect H2/22 EBITDA to exceed the H1/22 figure.

Figure 2: FBe oil and gas prices realised by DRAG 2022 and 2023

	FY/22E	FY/23E
Oil		
Hedged barrels (000s)	923	143
% FBe production	52%	8%
Av. hedging price/barrel (USD)	62.24	69.72
Mkt. price/NYMEX futures strip (USD)	98.46	81.48
Average realised price before transport costs (USD)	79.56	80.55
% chng.	n.a.	1.2%
EUR hedging gain/(loss) (m)	-32.28	-1.68
USD hedging gain/(loss) (m)	-34.40	-1.68
Gas		
Hedged mcf (000s)	3,884	1,220
% FBe production	55%	23%
Av hedging price/mcf (USD)	2.92	3.65
Mkt. price/NYMEX futures strip (USD/mcf)	6.19	5.02
Average realised price before transport costs (USD)	4.40	4.71
% chng.	n.a.	7.1%
EUR hedging gain/(loss) (m)	-9.79	-1.46
USD hedging gain/(loss) (m)	-10.03	-1.46
Total hedging gain (loss) (m)		
EUR hedging gain/(loss) (m)	-42.07	-3.14
USD hedging gain/(loss) (m)	-44.42	-3.14

Source: First Berlin Equity research forecasts



Higher realised pricing to limit the y-o-y-decline in 2023 EBITDA to 2.2% 2023 output will be boosted by the 18 Occidental wells and also the start of production at midyear from five new Cub Creek wells in Wyoming (working interest: 80%). However, we do not expect new production so far scheduled for 2023 to stop overall output falling. Once again however, on the basis of current futures strips, reduced hedging cover will lead to improved realised pricing. As figure 2 shows, we expect realised oil and gas prices before transport costs to be respectively 1.2% and 7.1% higher in 2023 than in 2022. We also expect profitability to benefit from a further shift in the product mix towards oil (58.2% in 2023 compared with 51.3% in 2022) and the stronger USDEUR exchange rate (2023 average 1.00 vs. 0.95 in 2022).

Our 2022 and 2023 EBITDA forecasts are still above management's high-price scenario guidance We have lowered our forecasts (see figure 3) to account for the dip in the oil and gas futures strips since our most recent note of 9 June. However, as we have already indicated, we expect H2/22 EBITDA to be above the H1/22 level and fall by only 2% in 2023 due mainly to better realised pricing as a result of lower hedging cover. As figure 4 shows, our 2022 and 2023 EBITDA forecasts are still above the guidance given by management as part of their most recent high-price scenario on 25 April.

Figure 3: Changes to our forecasts

All figures in € 000s	2022E	2022E	Δ	2023E	2023E	Δ
	New	Old		New	Old	
Revenue	157,340	165,298	-4.8%	156,311	174,669	-10.5%
EBITDA	131,624	140,544	-6.3%	128,715	148,914	-13.6%
Dep. and amort.	41,819	41,818	0.0%	37,418	37,418	0.0%
Op. income (EBIT)	89,804	98,725	-9%	91,297	111,496	-18%
Net financial result	-6,778	-6,778	n.a.	-6,186	-6,186	n.a.
Pre-tax income (EBT)	83,026	91,947	-9.7%	85,111	105,310	-19.2%
Income taxes	-17,436	-19,309	n.a.	-17,873	-22,115	n.a.
Net before mins.	65,591	72,638	-9.7%	67,238	83,195	-19.2%
Minority interests	-11,565	-13,796	n.a.	-6,493	-8,562	n.a.
Net inc. after mins.	54,026	58,842	-8.2%	60,745	74,633	-18.6%
EPS (€)	10.91	11.88	-8.2%	12.26	15.07	-18.6%

Source: First Berlin Equity Research estimates

Figure 4: DRAG guidance and FB forecasts

€m	25.04.22	25.04.22	FB Forecast		New FB forecast vs. (DRAG higher oil/gas price scenario)
	(base case)	(higher oil/gas price scenario)	09.06.22	13.07.22	
2022 volume (mBOE)	3.40-3.65	3.40-3.65	3.48	3.48	-1.1%
2023 volume (mBOE)	n.a.	n.a.	3.12	3.12	n.a.
2022 revenue	130-140	140-150	166	157	8.5%
2022 EBITDA	110-120	120-130	146	132	5.3%
2023 revenue	125-135	140-150	176	156	7.8%
2023 EBITDA	100-110	115-125	151	129	7.3%
2022 oil price assumption (USD)*	85.00	92.00	111.45	98.56	7.1%
2022 gas price assumption (USD)*	4.00	4.00	9.03	6.75	68.9%
2023 oil price assumption (USD)	75.00	85.00	96.61	81.48	-4.1%
2023 gas price assumption (USD)	4.00	4.00	6.05	4.60	14.9%
2022 USDEUR exchange rate*	0.89	0.89	0.95	0.99	10.9%

*2022 oil price assumption from 1 April, 2022 gas price and USDEUR assumptions from 1 May

Source: DRAG; First Berlin Equity Research estimates



VALUATION

Price target lowered from €43.00 to €36.00. Buy recommendation maintained Figure 5 shows changes to our valuation model. The downward shift in the oil and gas futures curves lowers our valuation of the oil and gas producing subsidiaries, Cub Creek, Elster, Salt Creek and Bright Rock. Our valuations of DRAG's stakes in Almonty and Northern Oil and Gas (NOG) have moved in line with these companies' share prices. The valuation of the Almonty stake is also influenced by DRAG's participation in a placement of Almonty shares in June. The net debt calculation shown in figure 5 is based on cash and cash equivalents held in current assets, as we have valued most of the securities held in non-current assets (Almonty, NOG) individually. We now see fair value for the DRAG share at €36.00 (previously: €43.00). We maintain our Buy recommendation.

Figure 5: Changes to our valuation model

€m	New	Old	% Δ
DCF valuation Cub Creek Energy (DRAG's stake 88.5%)	188.1	249.1	-24.5%
DCF valuation Elster Oil & Gas (DRAG's stake: 93.0%)	21.8	29.2	-25.3%
DCF valuation Salt Creek Oil & Gas/Bright Rock Energy (DRAG's stakes: 100.0%/ 98.86%)	42.9	43.8	-2.0%
PV10 hedging gains/(losses)	-30.2	-45.4	n.a.
Subtotal: US oil and gas activities	222.7	276.6	-19.5%
Almonty (12.18% equity stake plus promissory notes and debentures)	30.0	27.2	10.3%
Ceritech (DRAG's stake: 72.46%)	2.0	2.0	-2.2%
Northern Oil and Gas (DRAG's stake: 0.56%)	9.8	14.7	-33.2%
Rhein Petroleum (DRAG's stake: 10%)	2.5	2.5	0.0%
Tin International (DRAG's stake: 94.4%)	0.2	0.3	-17.2%
Holding company costs	-10.0	-10.0	0.0%
Total enterprise value	257.2	313.4	-17.9%
Cash and securities held in current assets	51.6	30.0	71.9%
Bonds	110.7	110.7	0.0%
Other debt	19.7	19.7	0.0%
Net debt	78.8	100.4	-21.5%
Total equity value	178.4	213.0	-16.3%
No shares (m)	4.95	4.95	0.0%
Equity value per share (€)	36.00	43.00	-16.3%

Source: First Berlin Equity Research estimates



INCOME STATEMENT

All figures in € 000s	2018A	2019A	2020A	2021A	2022E	2023E
Revenues	109,052	41,204	38,683	73,321	157,340	156,311
Cost of materials	19,019	11,342	11,630	18,106	19,633	18,709
Personnel/G&A expenses	12,378	11,559	10,832	12,118	9,484	8,887
Net other operating income	20,278	4,422	7,713	22,962	3,400	0
EBITDA	97,933	22,725	23,935	66,058	131,624	128,715
Depreciation and amortisation	58,037	17,095	40,070	33,469	41,819	37,418
Operating income (EBIT)	39,896	5,630	-16,135	32,590	89,804	91,297
Net financial result	-13,432	-5,368	-6,388	-5,533	-6,778	-6,186
Other financial items	0	0	0	0	0	0
Pre-tax income (EBT)	26,464	262	-22,524	27,056	83,026	85,111
Taxes	-8,520	-76	6,425	-699	-17,436	-17,873
Profit before minorities	17,944	186	-16,099	26,357	65,591	67,238
Minority interests	-4,072	122	589	-1,563	-11,565	-6,493
Net income / loss	13,872	308	-15,509	24,794	54,026	60,745
EPS (in €)	2.81	0.06	-3.13	5.00	10.91	12.26
Ratios						
EBITDA margin on revenues	89.8%	55.2%	61.9%	90.1%	83.7%	82.3%
EBIT margin on revenues	36.6%	13.7%	-41.7%	44.4%	57.1%	58.4%
Net margin on revenues	12.7%	0.7%	-40.1%	33.8%	34.3%	38.9%
Tax rate	32.2%	29.0%	-28.5%	2.6%	21.0%	21.0%
Y-Y Growth						
Revenues	102.9%	-62.2%	-6.1%	89.5%	114.6%	-0.7%
Operating income	652.2%	-85.9%	n.m.	n.m.	175.6%	1.7%
Net income/ loss	150.0%	-97.8%	n.m.	n.m.	117.9%	12.4%



BALANCE SHEET

All figures in € 000s	2018A	2019A	2020A	2021A	2022E	2023E
Assets						
Current assets, total	75,860	80,455	36,354	53,151	106,400	140,064
Cash and cash equivalents	59,990	66,637	22,815	23,492	71,225	105,104
Inventories	156	165	186	175	757	752
Receivables	13,443	9,935	3,505	17,898	23,601	23,447
Prepayments	711	1,156	1,047	893	1,573	1,563
Other current assets	337	1,161	7,327	8,529	7,080	7,034
Deferred tax assets	1,223	1,401	1,474	2,164	2,164	2,164
Non-current assets, total	148,985	198,470	170,368	211,840	235,021	253,602
Intangible assets	16,932	22,136	21,892	29,821	32,165	34,509
Land and buildings	0	0	0	0	0	0
Producing oil plants	107,878	138,433	110,203	143,612	163,688	179,332
Exploration and evaluation	2,048	648	2,227	5,225	5,955	6,525
Plant and machinery	36	143	123	111	127	139
Other equipment	91	331	225	107	122	134
Equity investments	14,385	16,688	17,773	14,552	14,552	14,552
Loans to other investors	1,724	1,902	4,711	4,782	4,782	4,782
Securities classified as fixed assets	5,891	18,189	13,214	13,630	13,630	13,630
Total assets	224,845	278,925	206,722	264,991	341,420	393,666
Shareholders' equity & debt						
Current liabilities, total	38,912	26,927	27,077	31,790	21,714	110,942
Bank debt	16,086	22	190	1,089	0	0
Bond debt	0	0	16,658	0	10,700	100,000
Accounts payable	6,840	17,114	2,901	20,764	4,720	4,689
Other current liabilities	15,986	9,791	7,328	9,937	6,294	6,252
Long-term liabilities, total	77,299	139,089	111,533	116,303	119,697	19,697
Bond debt	66,599	131,077	97,761	97,761	100,000	0
Bank debt	10,700	8,012	13,772	18,542	19,697	19,697
Other long term liabilities	0	0	0	0	0	0
Provisions	19,312	25,222	7,336	18,842	39,335	39,078
Minority interests	8,087	7,184	6,170	7,351	18,916	25,409
Shareholders' equity	65,750	64,317	39,419	72,723	124,758	181,540
Consolidated equity	73,837	71,501	45,589	80,074	143,675	206,949
Deferred tax liabilities	15,485	16,186	15,187	17,982	17,000	17,000
Total consolidated equity and debt	224,845	278,925	206,722	264,991	341,420	393,666
Ratios						
Current ratio (x)	1.95	2.99	1.34	1.67	4.90	1.26
Quick ratio (x)	1.95	2.98	1.34	1.67	4.87	1.26
Financial leverage	37.2%	75.9%	202.6%	100.2%	31.7%	0.5%
Book value per share (€)	13.32	12.98	7.96	14.68	25.18	36.65
Net cash (debt)	-27,504	-54,285	-92,352	-80,270	-45,542	-963
Return on equity (ROE)	27.5%	0.3%	-27.5%	41.9%	58.6%	38.4%



CASH FLOW STATEMENT

All figures in € 000s	2018A	2019A	2020A	2021A	2022E	2023E
Net profit before minorities	17,944	186	-16,099	26,357	65,591	67,238
Writedowns/writeups of fixed assets	59,637	16,307	37,702	32,805	41,819	37,418
Increase/decrease in provisions	7,316	17,380	-11,411	-927	0	0
Changes in working capital	-889	-9,195	2,712	6,907	-4,710	-113
Gains/losses from disposal of fixed assets	-15,132	-31	-286	-736	0	0
Gains/losses from disposal of securities	0	0	-1,433	-18,093	-3,524	0
Interest expense/income	6,227	5,368	6,388	5,533	0	0
Tax paid/received	8,519	76	-6,425	792	0	0
Income tax payments	218	158	0	0	0	0
Other	-15,166	-16,311	2,843	-816	0	0
Operating cash flow	68,674	13,938	13,991	51,822	99,176	104,543
Investment in property, plant equipment	-63,754	-22,513	-30,731	-41,876	-60,000	-51,000
Investment in intangible assets	-2,454	-6,214	-6,110	-10,953	-5,000	-5,000
Free cash flow	2,466	-14,789	-22,850	-1,007	34,176	48,543
Proceeds from disposal of intangible assets	38,391	0	119	1,633	0	0
Management of short term financial assets, other	-451	-5,511	-12,008	21,850	3,524	0
Investing cash flow	-28,268	-34,238	-48,730	-29,346	-61,476	-56,000
Equity financing	-493	-18	-97	0	0	0
Debt financing	15,241	62,000	7,322	19,006	14,094	0
Debt repayment	-30,239	-16,115	-16,658	-31,729	-1,089	-10,700
Interest paid	-6,925	-6,638	-7,515	-6,515	0	0
Dividends, share buybacks	-6,210	-3,937	-743	-328	-2,972	-3,963
Other	0	0	0	-145	3,524	0
Financing cash flow	-28,626	35,292	-17,691	-19,711	13,557	-14,663
Other	18,511	1,004	8,608	-2,088	-3,524	0
Change in cash and equivalents	30,291	6,647	-43,822	677	47,733	33,880
FX/consolidation effects	0	0	0	0	0	0
Cash and current cash equivs., start of the year	29,699	59,990	66,637	22,815	23,492	71,225
Cash and current cash equivs., end of the year	59,990	66,637	22,815	23,492	71,225	105,104
EBITDA/share (in €)	19.84	4.60	4.83	13.33	26.57	25.98
Y-Y Growth						
Operating cash flow	81.4%	-79.7%	0.4%	270.4%	91.4%	5.4%
Free cash flow	n.m.	n.m.	n.m.	n.m.	n.m.	42.0%
EBITDA/share	177.9%	-76.8%	5.1%	176.0%	99.3%	-2.2%

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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	22 July 2010	€7.45	Buy	€13.20
2...31	↓	↓	↓	↓
32	24 March 2020	€6.66	Buy	€8.70
33	15 April 2020	€8.36	Add	€9.50
34	19 October 2020	€7.82	Add	€9.50
35	20 April 2021	€12.05	Buy	€17.00
36	29 July 2021	€15.50	Buy	€24.00
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	Today	€27.40	Buy	€36.00

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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