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Research update

**SMC** Research  
Small and Mid Cap Research



# 3U Holding AG

Strong half-year figures support  
optimistic outlook for the year

**Rating:** Buy (unchanged) | **Price:** 1.72 € | **Price target:** 2.40 € (prev.: 2.05 €)

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## Recent business development



### Basic data

|                                  |                       |
|----------------------------------|-----------------------|
| <b>Based in:</b>                 | Marburg               |
| <b>Sector:</b>                   | Software / E-Commerce |
| <b>Headcount:</b>                | 202                   |
| <b>Accounting:</b>               | IFRS                  |
| <b>ISIN:</b>                     | DE0005167902          |
| <b>Ticker:</b>                   | UUU:GR                |
| <b>Price:</b>                    | 1.72 Euro             |
| <b>Market segment:</b>           | Prime Standard        |
| <b>Number of shares:</b>         | 35.3 m                |
| <b>Market Cap:</b>               | 60.7 m Euro           |
| <b>Enterprise Value:</b>         | 63.7 m Euro           |
| <b>Free Float:</b>               | 67.0 %                |
| <b>Price high/low (12M):</b>     | 1.84 / 0.85 Euro      |
| <b>Ø turnover (Xetra, 12 M):</b> | 36,400 Euro / day     |

In the first half of the year, 3U increased sales by 19 percent, almost doubled EBIT and improved pre-tax profit by 150 percent. The company is thus showing a satisfactory resistance to the current crisis in the key areas, and it can even benefit directly from it in some areas, such as telephony business. It is therefore hardly surprising that 3U has confirmed its own forecast for the year as a whole, which includes significant sales growth and EBITDA at least at the previous year's level. All the more so, as a first asset sale (a property) with a profit effect of EUR 1.5 m was achieved in the middle of the year that is not yet included in the half-year figures. As we have been much more cautious with regard to the current year so far, we have taken the strong half-year figures as an opportunity to raise our estimates, especially because important projects, regardless of the crisis, are also progressing according to plan. These include in particular the construction of the new logistics centre near Koblenz, which is intended to decisively improve the lack of profitability in the SHAC segment, currently the Group's biggest weakness.

| FY ends: 31.12.    | 2017  | 2018  | 2019   | 2020e  | 2021e  | 2022e |
|--------------------|-------|-------|--------|--------|--------|-------|
| Sales (m Euro)     | 46.9  | 48.0  | 51.4   | 59.7   | 68.2   | 78.9  |
| EBIT (m Euro)      | 3.0   | 2.7   | 5.5    | 4.1    | 6.8    | 7.5   |
| Net Profit         | 1.1   | 1.9   | 4.1    | 1.7    | 3.6    | 3.8   |
| EPS                | 0.03  | 0.05  | 0.12   | 0.05   | 0.11   | 0.11  |
| Dividend per share | 0.02  | 0.03  | 0.04   | 0.04   | 0.04   | 0.04  |
| Sales growth       | 7.2%  | 2.3%  | 7.2%   | 16.1%  | 14.2%  | 15.7% |
| Profit growth      | 65.4% | 81.5% | 111.7% | -57.6% | 110.0% | 5.1%  |
| PSR                | 1.25  | 1.22  | 1.14   | 0.98   | 0.86   | 0.74  |
| PER                | 55.1  | 30.4  | 14.3   | 33.8   | 16.1   | 15.3  |
| PCR                | 8.8   | 98.7  | 12.5   | 11.7   | 4.6    | 5.7   |
| EV / EBIT          | 20.6  | 22.8  | 11.2   | 15.0   | 9.0    | 8.2   |
| Dividend yield     | 1.2%  | 1.7%  | 2.3%   | 2.3%   | 2.3%   | 2.3%  |

## Sales growth continued

After the dynamic start of the year, the 3U Group continued its sales growth in the months April to June and thus successfully defied the Covid-19 crisis. Quarterly growth amounted to 17 percent, and in the first half of the year consolidated sales increased by 19 percent to EUR 30.4 m. The cloud software specialist weclapp showed again the highest dynamics, increasing its revenues by 52 percent from EUR 3.2 m to EUR 4.6 m. However, the telecommunications business also benefited from the noticeably higher demand as a result of the contact and travel restrictions and, contrary to the declining trend of previous years, grew by 24 percent, so that the ITC segment as a whole increased by a third to EUR 8.5 m. Revenue in the Renewable Energies segment rose even more strongly (+34 percent to EUR 5.5 m), although this was largely due to the initial consolidation of the Røge wind farm (effect: EUR 1.2 m). Organic growth was just under 4 percent, with opposite trends in each quarter due to weather conditions. While organic growth of almost 10 percent was achieved in the first quarter thanks to favourable sun and, above all, wind conditions, organic revenue in the following three months was down 5 percent year-on-year. The third segment also lost momentum in the second quarter (+8 percent after +13 percent), but in total of the first half-year, sales increased by almost 11 percent to EUR 16.1 m. Almost the entire growth of the segments revenues was attributable to the e-commerce subsidiary Selfio, whose sales increased by 14 percent to EUR 11.4 m.

## Group gross margin increased

The shift in the sales structure towards the higher-margin segments ICT and Renewable Energies, and within the former towards weclapp, was reflected in a slight increase in the Group gross margin of 0.4 percentage points to 50.5 percent, which is why gross profit grew by one percentage point faster than revenues at 20.4 percent to EUR 15.4 m. This also compensated at group level for a decline in margins in the SHAC segment (from 23.4 to 22.0 percent), which the company is explaining upon enquiry with a changed sales mix and which it intends to counteract primarily by further expanding its product range and especially its business with own brands. In this regard,

a cooperation with WOLF, a leading supplier of heating and air-conditioning systems, was agreed in June, in which Selfio will distribute selected WOLF products under the brand "Selfio powered by WOLF". Upon enquiry, the company cites the further optimisation of purchasing and sales prices as a further adjustment to improve the gross margin.

| Business figures   | HY 2019 | HY 2020 | Change  |
|--------------------|---------|---------|---------|
| Sales              | 25.46   | 30.41   | +19.4%  |
| ITC                | 6.42    | 8.50    | +32.3%  |
| Renewable Energies | 4.09    | 5.48    | +34.0%  |
| SHAC               | 14.57   | 16.11   | +10.6%  |
| Gross profit*      | 12.75   | 15.35   | +20.4%  |
| Gross margin*      | 50.1%   | 50.5%   |         |
| EBITDA             | 3.47    | 4.69    | +35.2%  |
| ITC                | 1.40    | 2.38    | +69.9%  |
| Renewable Energies | 3.26    | 4.52    | +38.8%  |
| SHAC               | -0.10   | -0.56   | -       |
| EBITDA margin      | 13.6%   | 15.4%   |         |
| ITC                | 21.9%   | 28.1%   |         |
| Renewable Energies | 79.7%   | 82.5%   |         |
| SHAC               | -0.7%   | -3.4%   |         |
| EBIT               | 1.13    | 2.15    | +90.9%  |
| ITC                | 1.11    | 2.00    | +80.6%  |
| Renewable Energies | 1.74    | 2.79    | +60.0%  |
| SHAC               | -0.24   | -0.76   | -       |
| EBIT margin        | 4.4%    | 7.1%    |         |
| Pre-tax result     | 0.74    | 1.83    | +146.5% |
| Pre-tax margin     | 2.9%    | 6.0%    |         |
| Net profit         | 0.46    | 0.74    | +58.6%  |
| Net margin         | 1.8%    | 2.4%    |         |

m Euro and percent, source: Company; \* incl. other operating income

## All expense ratios reduced

Compared to sales and gross profit growth, all types of expenses rose at a disproportionately low rate, which is why the respective expense ratios all de-

creased: the personnel expense ratio fell from 21.8 to 21.2 percent, the ratio of other operating expenses from 14.6 to 13.9 percent and that of depreciation and amortisation from 9.2 to 8.4 percent. However, progress was unevenly distributed across the segments; in the SHAC segment, 3U even had to accept an above-average increase in costs, which was due to the mixture of an unfavourable sales composition (above-average number of small and very small orders with correspondingly high logistics costs) and Covid-19-related costs. These resulted mainly from the introduction of two-shift operation at the logistics site in Montabaur to reduce the risk of infection, which required additional staff to cope. Accordingly, personnel expenses in the SHAC segment rose by 17 percent in the first half of the year, while the increase in other operating expenses was only slightly lower at 16 percent.

### Group EBT increases by 150 percent

Accordingly, the result of the SHAC segment, which had already been negative in the previous year, slipped deeper into the red. EBITDA deteriorated from EUR -0.1 to -0.6 m and EBIT from EUR -0.2 to -0.8 m. However, thanks to the positive earnings development in the two other segments, this was more than compensated for at Group level, so that the 3U Group was able to present very satisfactory profit figures for the first half of the year. EBITDA rose by more than a third to EUR 4.7 m, EBIT increased by 90 percent to EUR 2.2 m and pre-tax earnings of EUR 1.8 m exceeded the previous year's figure by almost 150 percent. Just as consolidated sales, EBITDA also benefited from the initial consolidation of the Roge wind farm, whose EBITDA contribution the company puts at around EUR 1 m. After deducting the depreciation and amortisation increased due to consolidation (effect: approx. EUR 0.2 m), the EBIT contribution was around EUR 0.8 m, which means that organic EBIT growth was likely around 20 percent. Finally, the initial consolidation of the new wind farm also resulted in a significantly higher profit share for minority shareholders, which almost tripled to EUR 0.6 m. Together with the increased tax expense (there had been a tax refund in the ITC segment in the previous year), this curbed the increase in net profit somewhat, which was nevertheless remarkable at almost 60 percent (to

EUR 0.7 m), especially given the adverse general conditions.

### Adjusted cash flow at record level

The operating cash flow also developed very positively, although this only becomes apparent at second glance. The reported figure fell from EUR 2.0 m in the previous year to EUR 0.9 m, despite the increase in earnings. This is due to the increase in other receivables in the amount of EUR 3.1 m. However, this increase was only caused by the purchase of gold holdings worth EUR 3 m, with which 3U wants to avoid negative interest rates and hedge against possible distortions on the financial markets. Including this item, which is not considered liquidity under IFRS, the operating cash flow would have almost doubled to EUR 3.9 m. There was also a significant change in the investment cash flow, the negative balance of which rose from EUR -0.8 m to EUR -1.7 m, primarily due to the payment for the purchase of land at the site of the new logistics centre in Koblenz. Together with the payments from financing activities amounting to EUR 2.9 m (of which EUR 1.4 m for the dividend and EUR 0.7 m each for loan repayments and lease payments) and plus a consolidation-related liquidity inflow of EUR 0.5 m, balance sheet liquidity (excluding gold holdings) fell by EUR 3.1 m to EUR 17.4 m in the first half of the year.

### Comfortable balance sheet ratios

Even without considering the gold holdings, liquidity thus exceeds bank loans by EUR 0.4 m. The equity base also remains extremely solid. Thanks to the half-year profit and the consolidation of the Roge wind farm, group equity rose slightly (+1 percent) compared with the turn of the year despite the dividend payment, while the equity ratio fell by 1.1 percentage points to a still very comfortable 57.6 percent due to the somewhat stronger increase in total assets.

### Forecast confirmed

Against the backdrop of the good half-year figures, 3U has confirmed its own forecast for the entire year and continues to aim for sales growth to EUR 58 m to 63 m (previous year: EUR 51.4 m), at least stable

EBITDA of between EUR 10 m and 12 m and net profit of EUR 2 m to 3 m. The latter would be thus below the previous year's figure (EUR 4.1 m), which is due to the expected higher depreciation, taxes and minority interests. The earnings target includes income in the low single-digit million range, which is to be realised from the disposal of assets. In addition to individual wind farms, this could include further properties and advance sales of parts of the real estate project in Würzburg.

### First M&A activities

3U already reported a first disposal at the end of June. It sold the externally leased parts of the Adelebsen site, where the solar park of the Renewable Energies segment is located. The company puts the contribution to earnings from the sale at EUR 1.5 m and the net cash inflow at around EUR 5.0 m. In return, after the transaction is completed, which the company expects to take place at the end of the third or in the fourth quarter, 3U will lease back the roof area of the building now sold, on which part of the solar park is located. A further transaction, also agreed at the end of June, concerns an increase of 10 percentage points (to 50 percent) in the limited partner's shares in the Roge wind farm. As a result of the purchase, the price of which, according to the company, corresponds to the valuation of the first 40 percent, the share of minority interests in consolidated net profit is likely to decline again somewhat in the second half of the year.

### Scheduled progress in Koblenz

3U also reports that the two major investment projects, the construction of the new distribution centre near Koblenz and the development of the "Innovation Hub" in Würzburg, are still on schedule. Especially for Koblenz, where 3U intends to invest a total of EUR 11 m by 2021, tangible progress has already been reported and the symbolic "ground-breaking ceremony" was celebrated in August.

### Estimates raised

We had previously expected the Covid-19 pandemic to have more serious consequences for the business development of 3U and had therefore assumed figures

for 2020 that were at the lower end (sales) or even completely below the company guidance (earnings). This pronounced caution proved to be exaggerated, at least with regard to the second quarter (the presumed low point of this year's business development). Since we assume that the economic situation will gradually improve, we have adjusted our estimates in several places. In particular, we have raised our sales estimates for weclapp, Selfio and the telephony business. Moreover, following the property sale in Adelebsen, we have increased the profit contribution from asset sales, previously estimated at EUR 2 m, to EUR 3 m. Further adjustments affected the increase in the stake in the Roge wind farm and slightly higher depreciation.

### Sales nearly EUR 60 m

In terms of consolidated sales, we now expect EUR 59.7 m instead of EUR 58.1 m and are thus in the middle of the management's forecast range. Since we have not adjusted the growth rates for the following years, the entire sales projection has increased slightly as a result. At the end of the detailed forecast period in 2027, we now expect consolidated sales of EUR 163 m (previously: EUR 158 m).

### Profit expectation significantly higher

Higher sales and the higher contribution from asset disposals have led to an above-average increase in earnings estimates. We now expect EBITDA to be EUR 10.2 m, which is on a par with the previous year and within the target range that 3U has set itself. The EBIT estimate now stands at EUR 4.1 m and the net profit expectation at EUR 1.7 m or 5 cents per share (previously: EUR 3.2 m, EUR 1.5 m). Since the strongest increase in sales was assumed for weclapp and thus for the unit with the highest margins in the group, the composition of group sales also changed favourably in subsequent years and caused an increase in group margins, which resulted in slightly higher earnings estimates for the entire estimation period. The target EBIT margin is now 11.2 percent (previously: 10.8 percent). The table on the next page shows the model business development resulting from our assumptions for the years 2020 to 2027; detailed over-

| m Euro                            | 12 2020     | 12 2021     | 12 2022     | 12 2023     | 12 2024     | 12 2025     | 12 2026     | 12 2027     |
|-----------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Sales                             | 59.7        | 68.2        | 78.9        | 89.7        | 105.0       | 122.3       | 142.4       | 163.1       |
| Sales growth                      |             | 14.2%       | 15.7%       | 13.7%       | 17.1%       | 16.5%       | 16.4%       | 14.5%       |
| EBIT margin                       | 6.9%        | 10.0%       | 9.5%        | 8.9%        | 8.1%        | 9.0%        | 10.2%       | 11.2%       |
| <b>EBIT</b>                       | <b>4.1</b>  | <b>6.8</b>  | <b>7.5</b>  | <b>8.0</b>  | <b>8.5</b>  | <b>11.0</b> | <b>14.6</b> | <b>18.3</b> |
| Tax rate                          | 29.8%       | 29.8%       | 29.8%       | 29.8%       | 29.8%       | 29.8%       | 29.8%       | 29.8%       |
| Adjusted tax payments             | 1.2         | 2.0         | 2.2         | 2.4         | 2.5         | 3.3         | 4.3         | 5.4         |
| <b>NOPAT</b>                      | <b>2.9</b>  | <b>4.8</b>  | <b>5.3</b>  | <b>5.6</b>  | <b>5.9</b>  | <b>7.7</b>  | <b>10.2</b> | <b>12.8</b> |
| + Depreciation & Amortisation     | 6.1         | 6.2         | 6.1         | 5.1         | 4.6         | 4.1         | 4.1         | 3.9         |
| + Increase long-term accruals     | 0.1         | 0.1         | 0.1         | 0.1         | 0.1         | 0.1         | 0.1         | 0.1         |
| + Others                          | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         |
| <b>Gross operating Cash Flows</b> | <b>9.1</b>  | <b>11.1</b> | <b>11.5</b> | <b>10.8</b> | <b>10.6</b> | <b>11.9</b> | <b>14.5</b> | <b>16.8</b> |
| - Increase Net Working Capital    | -3.3        | 2.6         | -0.5        | -0.5        | -0.6        | -0.7        | -0.8        | -0.9        |
| - Investments in fixed assets     | -8.3        | -13.6       | -2.7        | -2.7        | -2.8        | -2.8        | -2.9        | -3.0        |
| <b>Free Cash Flows</b>            | <b>-2.5</b> | <b>0.1</b>  | <b>8.4</b>  | <b>7.5</b>  | <b>7.2</b>  | <b>8.3</b>  | <b>10.7</b> | <b>12.9</b> |

views of the estimates for balance sheet, income statement and cash flows statement can be found in the Annex.

### Framework data unchanged

We have left the basic data of the model unchanged. We continue to discount the cash flows resulting from our estimates at a WACC rate of 7.5 percent, based on a cost of equity of 9.5 percent (consisting of: beta factor: 1.3, risk-free interest rate: 1.0 percent, risk premium 6.5 percent), borrowing costs of 4.0 percent and a target debt ratio of 30 percent. The assumptions used to determine the terminal value have also remained the same: In order to reduce risk, we continue to use a 30 percent safety margin discount on the target EBIT margin for 2027 and, subsequently, a "perpetual" growth rate of 1 percent.

### Target price: EUR 2.40 per share

The model results in a market value of equity after minority interests of EUR 82.0 m or EUR 2.40 per share, from which we derive the identical new price target (previously: EUR 2.05). The significant increase is due to the now more optimistic assessment of this year's business performance, which has brought

us closer to the company's guidance. We therefore see further price potential of almost 40 percent for the 3U share, which has developed a dynamic upward trend in recent weeks and reached a new multi-year high. We continue to rate the estimation risk as slightly above average, awarding four out of six possible points.

### Sensitivity analysis

When the input parameters are varied for our sensitivity analysis (WACC between 6.5 and 8.5 percent and perpetual cash flows growth between 0 and 2 percent), the fair value of the share lies between EUR 1.83 and EUR 3.47.

| Sensitivity analysis<br>WACC | Perpetual cash flows growth |      |             |      |      |
|------------------------------|-----------------------------|------|-------------|------|------|
|                              | 2.0%                        | 1.5% | 1.0%        | 0.5% | 0.0% |
| 6.5%                         | 3.47                        | 3.18 | 2.94        | 2.74 | 2.58 |
| 7.0%                         | 3.07                        | 2.84 | 2.65        | 2.49 | 2.35 |
| 7.5%                         | 2.74                        | 2.56 | <b>2.40</b> | 2.27 | 2.15 |
| 8.0%                         | 2.47                        | 2.32 | 2.19        | 2.08 | 1.98 |
| 8.5%                         | 2.24                        | 2.12 | 2.01        | 1.91 | 1.83 |

## Conclusion

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3U has presented very good figures for the first half year and reported continued growth and increasing profits. The two central subsidiaries weclapp and Selfio, as well as the telephony business and the renewable energies segment, were all able to increase their revenues significantly, which was translated into a clearly disproportionately high profit growth at group level. Even though the earnings situation in the SHAC segment has deteriorated due to the ongoing inefficiencies in the logistics sector and Covid-19-related additional costs, the half-year EBIT was almost doubled, while before taxes the increase even amounted to nearly 150 percent.

In this respect, we attach great importance to the progress of the construction of the new logistics centre that is progressing according to plan despite the pandemic. From the new centre, 3U expects a strong improvement in logistics efficiency.

Overall, the negative effects of the crisis on the development of the 3U Group have so far been much milder than we feared. Against this background, we have slightly increased our estimates that have so far been significantly more cautious than the company guidance, especially in terms of earnings.

The resulting new price target of EUR 2.40 signals further upside potential for the share, which is why we confirm our "Buy" rating. Despite the economic crisis, 3U appears to be able to continue the previous years' positive trend in this year as well and could even benefit permanently from the pandemic with its focus on cloud computing and e-commerce.

# Annex I: Balance sheet and P&L estimation

## Balance sheet estimation

| m Euro                      | 12 2019     | 12 2020     | 12 2021     | 12 2022     | 12 2023     | 12 2024     | 12 2025      | 12 2026      | 12 2027      |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|
| <b>ASSETS</b>               |             |             |             |             |             |             |              |              |              |
| I. Total non-current assets | 45.7        | 47.8        | 55.2        | 51.7        | 49.4        | 47.5        | 46.3         | 45.1         | 44.2         |
| 1. Intangible assets        | 2.6         | 3.0         | 3.3         | 3.6         | 3.9         | 4.1         | 4.4          | 4.6          | 4.8          |
| 2. Tangible assets          | 38.7        | 39.1        | 44.9        | 39.7        | 35.6        | 32.1        | 29.2         | 26.3         | 23.8         |
| II. Total current assets    | 34.8        | 38.8        | 40.2        | 44.6        | 48.3        | 51.8        | 56.1         | 61.5         | 67.5         |
| <b>LIABILITIES</b>          |             |             |             |             |             |             |              |              |              |
| I. Equity                   | 46.5        | 46.5        | 48.8        | 51.2        | 53.8        | 56.5        | 60.9         | 66.9         | 74.4         |
| II. Accruals                | 1.5         | 1.5         | 1.6         | 1.7         | 1.8         | 1.9         | 2.0          | 2.0          | 2.1          |
| III. Liabilities            |             |             |             |             |             |             |              |              |              |
| 1. Long-term liabilities    | 21.5        | 26.8        | 32.5        | 30.8        | 29.2        | 27.7        | 25.8         | 23.4         | 20.3         |
| 2. Short-term liabilities   | 11.0        | 11.7        | 12.5        | 12.7        | 12.9        | 13.2        | 13.7         | 14.2         | 14.9         |
| <b>TOTAL</b>                | <b>80.5</b> | <b>86.6</b> | <b>95.4</b> | <b>96.3</b> | <b>97.7</b> | <b>99.3</b> | <b>102.3</b> | <b>106.5</b> | <b>111.7</b> |

## P&L estimation

| m Euro                  | 12 2019 | 12 2020 | 12 2021 | 12 2022 | 12 2023 | 12 2024 | 12 2025 | 12 2026 | 12 2027 |
|-------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Sales                   | 51.4    | 59.7    | 68.2    | 78.9    | 89.7    | 105.0   | 122.3   | 142.4   | 163.1   |
| Gross profit            | 22.6    | 28.8    | 32.1    | 36.2    | 40.4    | 48.8    | 59.5    | 71.9    | 84.6    |
| EBITDA                  | 10.1    | 10.2    | 13.0    | 13.6    | 13.0    | 13.1    | 15.1    | 18.7    | 22.1    |
| EBIT                    | 5.5     | 4.1     | 6.8     | 7.5     | 8.0     | 8.5     | 11.0    | 14.6    | 18.3    |
| EBT                     | 4.7     | 3.1     | 5.7     | 6.3     | 6.9     | 7.4     | 9.9     | 13.5    | 17.4    |
| EAT (before minorities) | 4.4     | 2.2     | 4.0     | 4.4     | 4.8     | 5.2     | 6.9     | 9.4     | 12.2    |
| EAT                     | 4.1     | 1.7     | 3.6     | 3.8     | 3.9     | 3.8     | 5.1     | 7.0     | 9.1     |
| EPS                     | 0.12    | 0.05    | 0.11    | 0.11    | 0.12    | 0.11    | 0.15    | 0.21    | 0.27    |



## Annex II: Cash flows estimation and key figures

### Cash flows estimation

| m Euro                      | 12 2019 | 12 2020 | 12 2021 | 12 2022 | 12 2023 | 12 2024 | 12 2025 | 12 2026 | 12 2027 |
|-----------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| CF operating                | 4.7     | 5.0     | 12.9    | 10.2    | 9.5     | 9.2     | 10.4    | 12.8    | 15.2    |
| CF from investments         | 9.2     | -8.3    | -13.6   | -2.7    | -2.7    | -2.8    | -2.8    | -2.9    | -3.0    |
| CF financing                | -5.6    | 3.6     | 4.4     | -3.9    | -3.9    | -4.0    | -4.5    | -5.9    | -7.8    |
| Liquidity beginning of year | 12.3    | 20.6    | 20.9    | 24.6    | 28.3    | 31.2    | 33.6    | 36.7    | 40.7    |
| Liquidity end of year       | 20.6    | 20.9    | 24.6    | 28.3    | 31.2    | 33.6    | 36.7    | 40.7    | 45.1    |

### Key figures

| Percent                       | 12 2019 | 12 2020 | 12 2021 | 12 2022 | 12 2023 | 12 2024 | 12 2025 | 12 2026 | 12 2027 |
|-------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Sales growth                  | 7.2%    | 16.1%   | 14.2%   | 15.7%   | 13.7%   | 17.1%   | 16.5%   | 16.4%   | 14.5%   |
| Gross margin                  | 44.0%   | 48.3%   | 47.0%   | 45.9%   | 45.1%   | 46.5%   | 48.6%   | 50.5%   | 51.9%   |
| EBITDA margin                 | 19.6%   | 17.1%   | 19.1%   | 17.3%   | 14.6%   | 12.4%   | 12.3%   | 13.1%   | 13.6%   |
| EBIT margin                   | 10.7%   | 6.9%    | 10.0%   | 9.5%    | 8.9%    | 8.1%    | 9.0%    | 10.2%   | 11.2%   |
| EBT margin                    | 9.0%    | 5.1%    | 8.4%    | 8.0%    | 7.7%    | 7.0%    | 8.1%    | 9.5%    | 10.7%   |
| Net margin (after minorities) | 8.0%    | 2.9%    | 5.3%    | 4.9%    | 4.4%    | 3.6%    | 4.2%    | 4.9%    | 5.6%    |

# Disclaimer

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## *Charts*

The charts were made with Tai-Pan ([www.lp-software.de](http://www.lp-software.de)).

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## *II) Preparation and updating*

The present financial analysis was prepared by: Dipl. Volkswirt Dr. Adam Jakubowski

Participants in the preparation of the present financial analysis: -

The present analysis was finished on 18.08.2020 at 8:00 and published on 18.08.2020 at 8:30.

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|                 |  |
|-----------------|--|
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| Buy             | We expect an increase in price for the analysed financial instrument by at least 10 percent. We assess the estimation risk as average (3 to 4 points).                         |
| Speculative Buy | We expect an increase in price for the analysed financial instrument by at least 10 percent. We assess the estimation risk as above average (5 to 6 points).                   |
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|      |  |
|------|--|
|      | rating. The rating “hold” is also used in cases where we perceive a price potential of more than 10 percent, but explicitly mentioned temporary factors prevent a short-term realization of the price potential. |
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The expected change in price refers to the current share price of the analysed company. This price and any other share prices used in this analysis are XETRA closing prices as of the last trading day before publication. If the share is not traded on XETRA, the closing price of another public stock exchange is used with a separate note to that effect.

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| Date       | Rating | Target price | Conflict of interests |
|------------|--------|--------------|-----------------------|
| 14.05.2020 | Buy    | 2.05 Euro    | 1), 3)                |
| 31.03.2020 | Buy    | 1.90 Euro    | 1), 3)                |
| 17.02.2020 | Buy    | 2.40 Euro    | 1), 3), 4)            |
| 13.11.2019 | Buy    | 2.10 Euro    | 1), 3), 4)            |
| 19.09.2019 | Buy    | 2.10 Euro    | 1), 3), 4)            |

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The publishing dates for the financial analyses are not yet fixed at the present moment.

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