3U HOLDING AG

montega

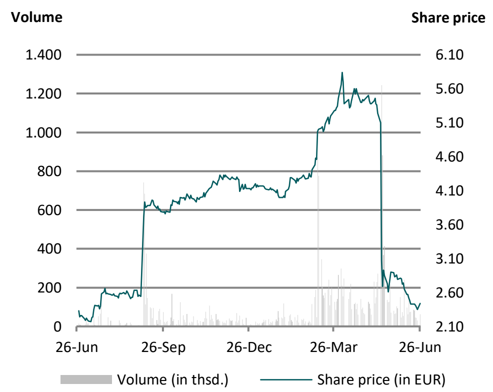
Recommendation:	Hold (prev: Buy)
Price target:	2.20 Euro (prev: 5.50 Euro)
Upside potential:	-10 percent

Share data

Share price	2.44 Euro (XETRA)
Number of shares (in m)	36.7
Market cap. (in EUR m)	89.5
Enterprise Value (in EUR m)	33.2
Code	UUU
ISIN	DE0005167902

Performance

52 week high (in EUR)	5.86
52 week low (in EUR)	2.08
3 m relative to CDAX	-53.9%
6 m relative to CDAX	-49.8%



Source: Capital IQ

Shareholder structure

free float	74.0%
Michael Schmidt	25.0%
Management & other Board member	1.0%

Calendar

H1 results	14 August 2023
Hamburger Investorentage	23 August 2023

Changes in estimates

	2023e	2024e	2025e
Sales (old)	**54.4**	**56.3**	**56.3**
Δ in %	-	-	*5.5%*
EBIT (old)	**2.2**	**2.1**	**1.9**
Δ in %	-	-	*64.1%*
EPS (old)	**0.06**	**0.04**	**0.04**
Δ in %	-	-	-

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The value potential that wind farm repowering can offer – Recommendation adjusted on the back of strong price increase

3U HOLDING AG recently has announced details on two growth initiatives, paid a dividend of EUR 3.20 per share and published solid Q1 results which were in line with our expectations in terms of sales and earnings.

Successful repowering visible: In our initial research of 20 March, we have already pointed out the great potential in the repowering measure of the Langendorf wind farm, which can be implemented in the short term. We have carried out a dedicated assessment of the investment plans and made predictions on the sales and earnings prospects. Overall, we anticipate capital requirements of some EUR 40m, with the debt component amounting to 80%. We expect 3U to secure funding at a rate of 4.5% based on its excellent balance sheet quality and the recent rating of Deutsche Bundesbank ("eligible", corresponding to an investment grade rating). The new turbines are likely to generate 85 GWh of electricity p.a. (net: c. 70 GWh p.a.), as seven of the fifteen old turbines (cumulated electricity yield of some 15 GWh p.a.) will be dismantled to make way for the five new, much more efficient wind turbines. According to the current feed-in tariffs for onshore wind farms of 7.35 cents per KWh, the repowering would yield an annual revenue contribution of EUR 6.2m.

Repowering Langendorf KPIs	
Price (per MWh in EUR)	*73.50*
Energy production (in MWh)	*85,000*
Revenue	**6.2**
Operating expense ratio	30%
EBITDA	**4.4**
Depreciation	2.0
Depreciation period	*20 years*
EBIT	**2.4**
Interest rate	*4.5%*
Debt	*32*
Interest expenses	1.4
EBT	**1.0**
Tax rate (30%)	0.3
EAT	**0.7**

Source: Montega — Figures in EUR m

Based on the historic EBITDA margin of the Renewables segment of c. 60–70%, we believe a margin level of 70% is realistic. Given an assumed depreciation period of 20 years (annual depreciation of EUR 2.0m) this would result in EBIT of EUR 2.4m. When deducting the interest costs of EUR 1.4m and a tax burden of 30%, we arrive at an annual profit of some EUR 0.7m. The wind farm is to be put into operation in Q2/2025 according to the company.

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FYend: 31.12.	2021	2022	2023e	2024e	2025e
Sales	55.9	62.7	54.4	56.3	59.5
Growth yoy	-8.4%	12.0%	-13.2%	3.5%	5.5%
EBITDA	11.3	165.6	5.4	5.3	7.5
EBIT	6.8	161.1	2.2	2.1	3.1
Net income	2.9	159.0	2.1	1.6	1.4
Gross profit margin	52.5%	49.4%	35.0%	32.9%	35.8%
EBITDA margin	20.1%	264.3%	9.9%	9.5%	12.7%
EBIT margin	12.1%	257.1%	4.0%	3.8%	5.2%
Net Debt	23.6	-168.8	-54.1	-30.8	-14.5
Net Debt/EBITDA	2.1	-1.0	-10.1	-5.8	-1.9
ROCE	10.2%	251.5%	5.1%	3.9%	4.1%
EPS	0.08	4.44	0.06	0.04	0.04
FCF per share	-0.43	0.15	0.07	-0.60	-0.42
Dividend	0.05	3.20	0.03	0.02	0.02
Dividend yield	2.0%	131.1%	1.2%	0.8%	0.8%
EV/Sales	0.6	0.5	0.6	0.6	0.6
EV/EBITDA	3.0	0.2	6.2	6.2	4.4
EV/EBIT	4.9	0.2	15.4	15.6	10.8
PER	30.5	0.5	40.7	61.0	61.0
P/B	1.6	0.4	0.9	0.9	0.9

Source: Company data, Montega, Capital IQ — Figures in EUR m, EPS in EUR, Price: 2.44 EUR

As we consider it highly probable that the approval will be obtained within the next few months, we have included the repowering measure in our model.

Furthermore, 3U gave an update on its development pipeline (four wind park projects in Brandenburg) which, given a successful implementation, are expected to generate a nominal capacity of 84.0 MW according to a business plan from 2018. This would result in c. 200.0 GWh of electricity per year, in our view, corresponding to three times the current electricity yields. Whilst there are signs for an acceleration of the lengthy regulatory procedures at federal level, such a development has not materialised at national level yet according to the company. Overall, we believe 3U is still well positioned in the field of renewable energies to benefit from the positive market development and create values both in the short and in the long term thanks to the repowering measure in Langendorf and the company's development pipeline.

Product launch of the ThermCub planned for H2/23: As for online retail, the company plans to accelerate growth with the ThermCube, a heat pump system that is largely pre-assembled. 3U takes on electrical wiring, hydraulic connection, and installation of the components of the heating system (patent pending), allowing to reduce the assembly time by up to 80% according to the company. This product addresses the existing core customers, namely private do-it-yourselfers and professional handicraft businesses, but also construction companies with whom 3U is already engaged in negotiations. The product is planned to be launched still in the second half of 2023.

Quarterly results - 3U HOLDING KPIs	Q1/23	Q1/22	yoy
Group sales	13.3	13.0	*2.5%*
Group EBITDA	1.9	3.6	*-48.7%*
Sales ITC	3.1	3.1	*0.2%*
EBITDA ITC	0.9	0.8	*9.1%*
Sales renewable energies	2.5	2.4	*5.4%*
EBITDA renewable energies	1.9	2.0	*-5.6%*
Sales SHAC	7.8	7.5	*2.7%*
EBITDA SHAC	-0.1	-0.2	*n.m.*

Source: Company; previous year's figures adjusted for weclapp — Figures in EUR m

Q1 results in line with expectations, slight increase in revenues across all areas: In the past quarter, 3U has raised its group revenues by 2.5% yoy to EUR 13.3m. In the ITC segment, 3U again succeeded in compensating for the decline in the Voice Retail business line (ITC sales: +0.2% yoy) by acquiring new customers in Voice Business and Data Center Services. Revenues in the Renewable Energies segment grew by 5.4% yoy to EUR 2.5m despite adverse weather conditions, which is due to a significant increase in sales prices thanks to improved PPA conditions. The SHAC business has also grown by 2.7% yoy. However, the management alluded to a difficult market environment which was primarily burdened by the low level of new construction.

Solid profitability level in ITC and Renewables; losses reduced in online retail: With EBITDA of EUR 1.9m in Q1, a quarter which traditionally is disproportionately strong, 3U has already generated a significant chunk of EBITDA targeted for the full year 2023. This development was primarily driven by the operated wind parks, where electricity yields are highest in Q1 and which have a very high margin since the cost basis is largely fixed. Whilst EBITDA in the Renewables segment was burdened by non-recurring higher repair costs (-5.6% yoy), we mainly view the continuing increase in margins in the ITC segment as a positive (EBITDA margin: +2.7pp yoy to 29.7%). Thanks to a strict cost discipline, the management has reduced the negative EBITDA contribution in the SHAC segment to EUR -0.1m. After deducting the holding costs, the group EBITDA amounted to EUR 1.9m versus EUR 3.6m in the previous year. The difference is mainly attributable to a positive one-off of a EUR 1.8m real estate business transaction in 2022.

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Construction of new headquarters financed from own resources: At the end of April, 3U announced the acquisition of land in Marburg, where the new, leaner headquarters are planned to be set up by the end of 2024. We assume that total costs will add up to a medium seven-digit amount (MONe: EUR 5.0m), which is planned to be paid with existing equity capital resources according to the company. In turn, rental costs are seen to be reduced (savings MONe: c. EUR 0.25m p.a.).

Management confirms guidance; mid- to long-term forecasts increased: 3U has confirmed its current annual guidance during the last earnings call. Accordingly, revenues are expected to amount to EUR 55.0–60.0m, EBITDA to EUR 6.0–8.0m and net income to EUR 2.5–3.5m. Our estimates for 2023 and 2024 are left unchanged, and we remain conservative because of the difficult market environment in the SHAC segment. We currently see no indications for a significant revival of the construction industry nor for a reduced interest level. Even though we believe that the second quarter will produce growth rates in the SHAC segment that are similar to Q1 (+2.7% yoy in Q1/23), we continue to expect a SHAC sales growth of +8.2% yoy on a full-year basis, which is well above the most recent growth rate in the market and should be driven by the market launch of the innovative heating systems. In the mid to long term, our forecasts include both the construction of the new headquarters and the higher free cash flows due to the repowering project, as we consider it highly probable that the approval will be obtained in the near future. As we expect the target debt level to increase and the company's risk profile to significantly decrease as a result of the stable cash flows from the repowering project, we have lowered the beta from 1.1 to 1.0 and raised the debt ratio from 20.0% to 30.0%.

Conclusion: As expected, 3U has closed the first quarter with solid results and paid an extraordinarily high dividend of EUR 3.20 per share. Even though our positive view on the operational development and strategic growth initiatives has not changed, we believe the fair value of 3U is fully reflected in the current valuation. We therefore downgrade the stock to "hold" on the back of the strong price increase (YTD: +34%, adjusted for dividend payment) and since the fair value has been reached in our view.

COMPANY BACKGROUND

3U HOLDING AG is a German investment company, whose current operational activities comprise the fields of renewable energies (RE; wind and solar), information and telecommunications technology (ITC) as well as online retail in sanitary, heating and air conditioning technology (SHAC). The company also pursues opportunistic investment strategies in the real estate sector. Following the disposal of weclapp for some EUR 161m in 2022, 3U has liquid assets at record levels and currently is primarily examining add-on acquisitions across the three defined core markets.

Key Facts

Ticker	UUU	**Revenue** (cont. activities)	EUR 50.3m
Sector	Investment company	**EBITDA** (cont. activities)	EUR 8.5m
Employees	128 (FTEs)	**EBITDA margin** (cont. activities)	16.9%
Core competence	• ITC: Provision of high-quality, secure ITC services • RE: Development and operation of wind and solar farms • SHAC: Operation of an online store for complex products in the DIY sector		
Locations	Marburg (headquarters), Hannover, Berlin, Koblenz, Bad Honnef, Langendorf, Roge, Klostermoor, Adelebsen		
Customer structure	• ITC (B2C & B2B): Companies from a wide range of industries as well as end consumers • RE (B2B): Individual contracts with few companies or fixed government allowance • SHAC (B2C & B2B): End users and craft businesses		

Source: Company — As of FY 2022

Major events in the company's history

1997 Foundation of the company as 3U Telekommunikation GmbH, a carrier network operator

1999 Change of name into a stock corporation and initial listing at the Frankfurt stock exchange

2003 Acquisition of OneTel, a network operator for voice telephony

2004 Acquisition of LambdaNet Communications Deutschland

2007 Change of name into 3U HOLDING AG and strategic positioning as management and investment holding

2008 Foundation of the predecessor company of weclapp

2009 Entry into renewable energies

2011 Foundation of Selfio GmbH, an online retailer for sanitary, heating and air conditioning technology

2013 Expansion of data centre business through acquisition of additional capacities in Berlin and Hanover

2014 Expansion of Renewable Energies segment through the acquisition of a wind farm project developer with a pipeline of eight projects and the acquisition of the Langendorf wind farm

2015 Investment in Selfio gmbH increased to 100%

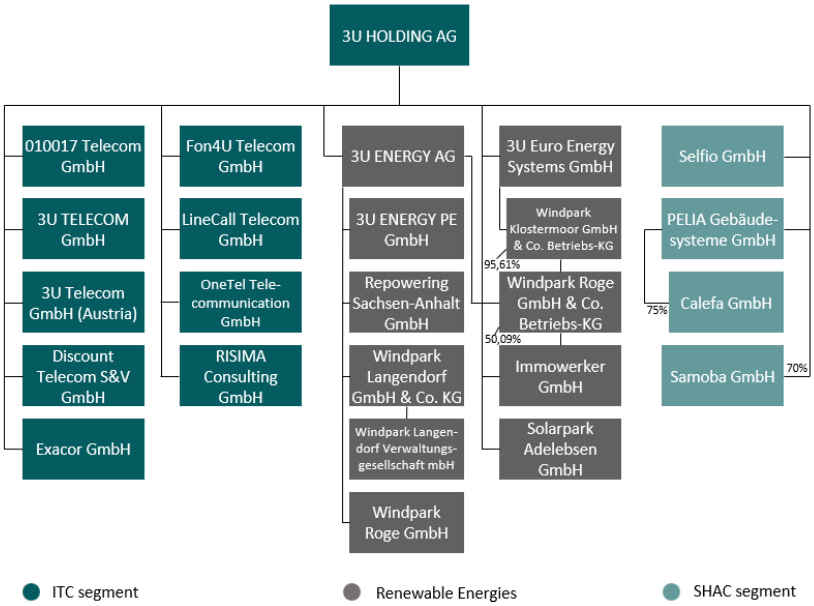
2021 Move into the new distribution centre for the online retail segment

2022 Disposal of the investment in weclapp SE (70.95% stake) for EUR 161.6m

Organisational structure

3U HOLDING AG acts as the holding company in the group's organisational structure. The ITC segment comprises nine different operational companies. The Renewable Energies segment is also managed by several companies. As is usual in the industry, the group's own wind farms and solar parks are managed by a management company as well as a GmbH & Co. KG. The business activities of the online retail segment are primarily bundled in Selfio and PELIA. In addition to the companies above, 3U operates another 14 companies such as project development companies which currently are of negligible relevance.

Organizational structure of 3U HOLDING AG



Source: Company

Business model and individual segments

3U divides its business activities in three segments. To show the relevant sales relations, the figures below include pro-forma sales in 2022 which are essentially adjusted for the revenue contributions of the sold investment in weclapp.

The services provided in the **Information and Telecommunications Technology segment (pro-forma revenue share in 2022: 24%)** are again divided in four business lines:

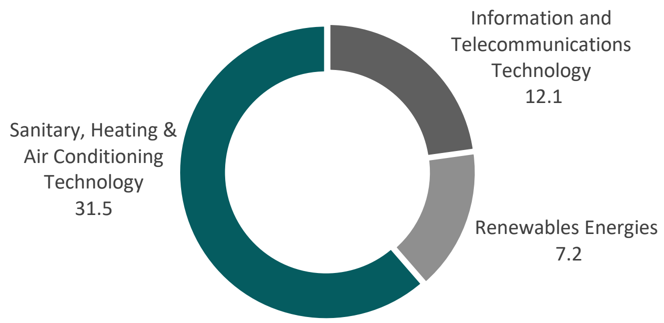
- *Data Centre Services & Operation* (20% of segment sales) bundles all services around the three own data centres. Corporate customers can choose between renting space to set up their own servers (colocation) or computing capacities provided by 3U (Infrastructure-as-a-Service). Active support and operation of IT landscapes for corporate customers (managed services) complete the company's services.
- The *Voice Retail* business line (13% of segment sales) offers cost-effective telephone connections for end customers and mainly includes call-by-call and pre-selection calls.
- The *Voice Business* business line, whose core business is voice termination, generates the majority of segment sales (60% of segment sales). As a subscriber and carrier network operator, 3U has its own internet-based telephone network and acts as an intermediary for telephone calls across the networks (voice termination). Services cover connections in fixed line and mobile networks, international connections as well as special and service numbers.
- To a lesser extent (7% of segment sales), 3U is also *trading software licences*. In this respect, the company is exclusively focused on the sale of the Litera document management software.

The **Renewable Energies segment (pro-forma revenue share in 2022: 14%)** includes three wind farms with a nominal capacity of 42.9 MW and a solar park with a capacity of 10.1 MW. Earnings are subject to volatility which is typical for the industry and can be put down to changing weather conditions, on the one hand, and fluctuating electricity prices, on the other hand. 3U has already sold most of the electricity yields in 2023 in the form of Power Purchase Agreements (PPA) at fixed conditions. Additionally, the company is planning comprehensive repowering measures at the Langendorf site, which would almost double output from 22.5 MW to 43.0 MW and are expected to triple electricity yields from the start of operations in mid-2025.

The **Sanitary, Heating and Air Conditioning Technology (SHAC) segment (pro-forma revenue share in 2022: 62%)** mainly bundles the activities of the Selfio portfolio company (c. 80% of segment sales). This is a B2C online shop which distributes e.g. underfloor heating or ventilation and water treatment systems of own and third-party brands (e.g. Buderus, Grundfos, Viessmann, Wolf) to handymen and do-it-yourselfers. Customers benefit from extensive assistance in the form of videos or detailed assembly instructions. Additionally, 3U operates PELIA (c. 20% of segment sales), a company which acts as a SHAC wholesaler with customers mainly including handicraft businesses. The company also handles all logistics processes of the segment and is responsible for the still small production of in-house brands.

Pro-forma revenue split 2022 by segment

(in EUR m)



Source: Company

Target markets, sales regions and sales structure

In regional terms, 3U is mainly focused on the German market but also offers its telecommunications services in Austria, for instance, and delivers customers in more than 30 countries with its Selfio online shop. In the past, roughly 10% of group revenues were generated abroad. The most important sales markets are Austria and Switzerland, which already account for more than half of the foreign revenues. Most of the remaining revenues are generated in other neighbouring European countries.

M&A history

The tables below show the company’s exits in chronological order. This illustrates both 3U’s long-term investment approach and the opportunistic real estate strategy given that six of the ten transactions are related to real estate. Two transactions are related to self-developed wind farms and an investment in the SHAC sector, respectively, as well as to ERP software provider weclapp. All in all, we believe that 3U has a good track record and a shareholder-friendly dividend policy since the shareholders participate in successful exits in the form dividend payments.

Historical exits				
Asset	Purchase price/investment	Year	Disposal value	Year
weclapp	EUR 24.0m	2008	EUR 161m	2022
InnoHubs	EUR 3.7m	2019	EUR 10.1m	2022
Property Adelebsen	EUR 4.3m	2011	EUR 5.1m	2021
ClimaLevel energy systems	EUR 1.0m	2012	EUR 2.3m	2021
Wind farm Lüdersdorf	EUR 3.6m	2016	EUR 4.0m	2021
Linz real estate	EUR 0.8m	2012	EUR 0.7m	2020
Montabaur real estate	EUR 1.9m	2012	EUR 1.7m	2019
Marburg real estate	EUR 8.6m	2009	EUR 11.8m	2019
DC-Property Hannover	EUR 8.4m	2013	EUR 10.2m	2018
Wind farm Schlenzer	EUR 4.4m	2017	EUR 7.5m	2017
Total	EUR 60.7m		EUR 215.0m	

Source: Company

Management

The company is currently run by a management board consisting of three members.

Uwe Knoke has been a member of the management board since November 2021 and is responsible for strategy and business development. The chartered engineer (Diplom-Ingenieur) has a long-standing experience and profound expertise in the area of telecommunications, working for LambdaNet Communications Deutschland AG amongst others, followed by a Managing Director role at 3U TELECOM GmbH.

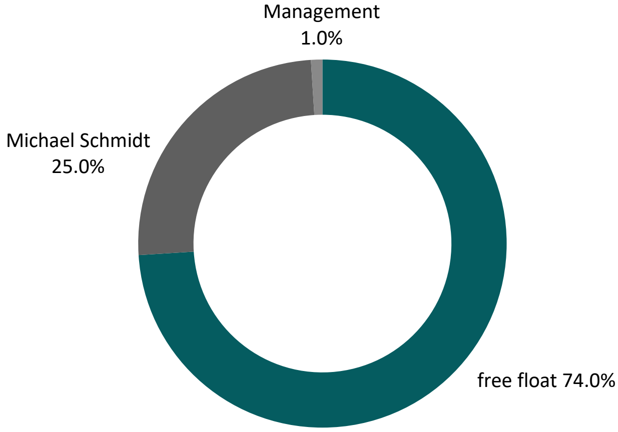
Christoph Hellrung (CFO) joined 3U in 2009, when he was Chief Financial Officer of subsidiary LambdaNet Communications Deutschland AG. In March 2012, he was appointed to the group's board of directors. Following almost 10 years in this function, he became CFO of weclapp SE in October 2021 before he was appointed CFO of 3U HOLDING in May 2022. Prior to joining the 3U group, the business graduate had worked for a leading auditor and was a Management Board member at ENRO AG, which is specialised in renewable energies.

Andreas Odenbreit has joined the group as early as 2005 and, in his role as Management Board member, is in charge of legal and human resources. Prior to this, the lawyer had worked for the legal departments of Volkswagen and Deutsche Telekom.

Shareholder structure

3U HOLDING AG has issued 36,617,014 bearer shares. The shareholder structure is dominated by the stake of founder and current CEO Michael Schmidt, who holds 25.0% of the shares. Furthermore, the other members of the Management and Supervisory Board account for another 1.0% of the shares. The remaining 74.0% are free float.

Shareholder structure



Source: Company

APPENDIX

DCF Model

Figures in m	2023e	2024e	2025e	2026e	2027e	2028e	2029e	Terminal Value
Sales	**54.4**	**56.3**	**59.5**	**64.8**	**67.2**	**65.4**	**67.9**	**69.3**
Change yoy	*-13.2%*	*3.5%*	*5.5%*	*9.0%*	*3.6%*	*-2.7%*	*3.9%*	*2.0%*
EBIT	**2.2**	**2.1**	**3.1**	**4.7**	**6.0**	**4.6**	**4.9**	**4.8**
EBIT margin	*4.0%*	*3.8%*	*5.2%*	*7.3%*	*9.0%*	*7.0%*	*7.1%*	*7.0%*
NOPAT	**1.5**	**1.5**	**2.2**	**3.3**	**4.2**	**3.2**	**3.4**	**3.4**
Depreciation	**3.2**	**3.2**	**4.5**	**5.5**	**4.5**	**4.3**	**4.3**	**2.7**
in % of Sales	*5.9%*	*5.7%*	*7.5%*	*8.4%*	*6.7%*	*6.6%*	*6.3%*	*3.9%*
Change in Liquidity from								
- Working Capital	-2.2	-1.5	-0.8	-0.6	-0.4	0.4	-0.6	-0.3
- Capex	-0.7	-25.7	-20.7	-0.7	-0.7	-0.7	-0.7	-2.7
Capex in % of Sales	1.3%	45.6%	34.8%	1.1%	1.0%	1.1%	1.0%	3.9%
Other	-0.3	-0.2	-0.1	-0.1	-0.1	0.0	0.0	0.0
Free Cash Flow (WACC model)	**1.6**	**-22.7**	**-15.0**	**7.4**	**7.5**	**7.2**	**6.4**	**3.1**
WACC	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%
Present value	1.5	-20.5	-12.6	5.8	5.5	5.0	4.1	35.8
Total present value	**1.5**	**-19.0**	**-31.6**	**-25.8**	**-20.3**	**-15.3**	**-11.2**	**24.5**

Valuation	
Total present value (Tpv)	24.5
Terminal Value	35.8
Share of TV on Tpv	146%
Liabilities	18.7
Liquidity	75.0
Equity value	**80.8**
Number of shares (mln)	36.70
Value per share (EUR)	**2.20**
+Upside / -Downside	**-10%**
Share price	2.44

Model parameter	
Debt ratio	30.0%
Costs of Debt	4.0%
Market return	9.0%
Risk free rate	2.50%
Beta	1.00
WACC	7.14%
Terminal Growth	2.0%

Growth: sales and margin		
Short term: Sales growth	2023-2026	6.0%
Mid term: Sales growth	2023-2029	3.8%
Long term: Sales growth	from 2030	2.0%
EBIT margin	2023-2026	5.0%
EBIT margin	2023-2029	6.2%
Long term EBIT margin	from 2030	7.0%

Sensitivity Value per Share (EUR)			Terminal Growth		
WACC	1.25%	1.75%	**2.00%**	2.25%	2.75%
7.64%	1.98	2.04	2.08	2.12	2.21
7.39%	2.03	2.10	2.14	2.18	2.29
7.14%	2.08	2.16	**2.20**	2.25	2.37
6.89%	2.13	2.22	2.27	2.33	2.46
6.64%	2.20	2.29	2.35	2.41	2.57

Sensitivity Value per Share (EUR)			EBIT margin from 2030e		
WACC	6.50%	6.75%	**7.00%**	7.25%	7.50%
7.64%	2.01	2.05	2.08	2.11	2.15
7.39%	2.07	2.10	2.14	2.17	2.21
7.14%	2.13	2.16	**2.20**	2.24	2.28
6.89%	2.19	2.23	2.27	2.31	2.35
6.64%	2.26	2.31	2.35	2.39	2.44

Source: Montega

P&L (in Euro m) 3U HOLDING AG	2020	2021	2022	2023e	2024e	2025e
Sales	**61.1**	**55.9**	**62.7**	**54.4**	**56.3**	**59.5**
Increase / decrease in inventory	-0.4	2.0	0.4	0.0	0.0	0.0
Own work capitalised	0.2	0.8	0.8	0.0	0.0	0.0
Total sales	**60.8**	**58.7**	**63.9**	**54.4**	**56.3**	**59.5**
Material Expenses	33.2	29.3	32.9	35.4	37.8	38.2
Gross profit	**27.6**	**29.4**	**30.9**	**19.0**	**18.5**	**21.3**
Personnel expenses	13.1	15.0	19.6	8.0	7.2	7.2
Other operating expenses	8.3	10.0	21.4	6.6	6.9	7.6
Other operating income	5.3	6.9	175.7	1.0	1.0	1.0
EBITDA	**11.6**	**11.3**	**165.6**	**5.4**	**5.3**	**7.5**
Depreciation on fixed assets	4.3	3.1	3.5	3.0	3.0	4.3
EBITA	**7.2**	**8.1**	**162.1**	**2.4**	**2.3**	**3.3**
Amortisation of intangible assets	1.3	1.4	1.1	0.2	0.2	0.2
Impairment charges and Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	**5.9**	**6.8**	**161.1**	**2.2**	**2.1**	**3.1**
Financial result	-0.7	-0.5	-0.1	1.3	0.5	-1.0
Result from ordinary operations	**5.3**	**6.3**	**161.0**	**3.4**	**2.6**	**2.1**
Extraordinary result	0.0	0.0	0.0	0.0	0.0	0.0
EBT	**5.3**	**6.3**	**161.0**	**3.4**	**2.6**	**2.1**
Taxes	1.3	2.2	1.6	1.0	0.8	0.6
Net Profit of continued operations	4.0	4.0	159.4	2.4	1.8	1.5
Net Profit of discontinued operations	0.0	0.0	0.0	0.0	0.0	0.0
Net profit before minorities	**4.0**	**4.0**	**159.4**	**2.4**	**1.8**	**1.5**
Minority interests	0.7	1.1	0.4	0.3	0.2	0.1
Net profit	**3.3**	**2.9**	**159.0**	**2.1**	**1.6**	**1.4**

Source: Company (reported results), Montega (forecast)

P&L (in % of Sales) 3U HOLDING AG	2020	2021	2022	2023e	2024e	2025e
Sales	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Increase / decrease in inventory	-0.7%	3.5%	0.6%	0.0%	0.0%	0.0%
Own work capitalised	0.3%	1.4%	1.3%	0.0%	0.0%	0.0%
Total sales	**99.6%**	**104.8%**	**102.0%**	**100.0%**	**100.0%**	**100.0%**
Material Expenses	54.4%	52.3%	52.6%	65.0%	67.1%	64.2%
Gross profit	**45.3%**	**52.5%**	**49.4%**	**35.0%**	**32.9%**	**35.8%**
Personnel expenses	21.5%	26.8%	31.3%	14.8%	12.9%	12.0%
Other operating expenses	13.6%	17.8%	34.2%	12.2%	12.3%	12.7%
Other operating income	8.7%	12.3%	280.4%	1.8%	1.8%	1.7%
EBITDA	**18.9%**	**20.1%**	**264.3%**	**9.9%**	**9.5%**	**12.7%**
Depreciation on fixed assets	7.1%	5.6%	5.5%	5.5%	5.4%	7.2%
EBITA	**11.8%**	**14.5%**	**258.8%**	**4.3%**	**4.1%**	**5.5%**
Amortisation of intangible assets	2.1%	2.4%	1.7%	0.4%	0.4%	0.3%
Impairment charges and Amortisation of goodwill	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EBIT	**9.7%**	**12.1%**	**257.1%**	**4.0%**	**3.8%**	**5.2%**
Financial result	-1.1%	-0.8%	-0.2%	2.3%	0.8%	-1.7%
Result from ordinary operations	**8.6%**	**11.2%**	**256.9%**	**6.3%**	**4.6%**	**3.5%**
Extraordinary result	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EBT	**8.6%**	**11.2%**	**256.9%**	**6.3%**	**4.6%**	**3.5%**
Taxes	2.1%	4.0%	2.5%	1.9%	1.4%	1.1%
Net Profit of continued operations	6.5%	7.2%	254.4%	4.4%	3.2%	2.5%
Net Profit of discontinued operations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net profit before minorities	**6.5%**	**7.2%**	**254.4%**	**4.4%**	**3.2%**	**2.5%**
Minority interests	1.1%	2.0%	0.7%	0.6%	0.4%	0.2%
Net profit	**5.4%**	**5.2%**	**253.7%**	**3.8%**	**2.9%**	**2.3%**

Source: Company (reported results), Montega (forecast)

Balance sheet (in Euro m) 3U HOLDING AG	2020	2021	2022	2023e	2024e	2025e
ASSETS						
Intangible assets	4.9	34.3	4.9	4.9	4.9	4.9
Property, plant & equipment	32.3	33.5	28.4	25.9	48.4	64.6
Financial assets	0.2	0.2	0.2	0.2	0.2	0.2
Fixed assets	**37.3**	**68.0**	**33.5**	**31.0**	**53.5**	**69.7**
Inventories	8.6	13.6	10.8	13.6	15.0	15.8
Accounts receivable	3.8	16.0	3.6	3.7	3.9	4.1
Liquid assets	26.4	12.7	189.7	75.0	51.7	67.4
Other assets	9.8	8.7	6.0	6.0	6.0	6.0
Current assets	**48.5**	**51.0**	**210.1**	**98.3**	**76.6**	**93.3**
Total assets	**85.9**	**119.0**	**243.6**	**129.3**	**130.1**	**163.0**
LIABILITIES AND SHAREHOLDERS' EQUITY						
Shareholders' equity	**51.1**	**55.2**	**210.4**	**95.3**	**96.0**	**96.7**
Minority Interest	**0.8**	**6.9**	**0.8**	**0.8**	**0.8**	**0.8**
Provisions	2.6	2.3	2.8	2.8	2.8	2.8
Financial liabilities	20.1	35.0	19.5	19.5	19.5	51.5
Accounts payable	3.2	3.9	3.0	3.8	3.9	4.1
Other liabilities	8.0	15.7	7.1	7.1	7.1	7.1
Liabilities	**33.9**	**56.9**	**32.4**	**33.2**	**33.3**	**65.5**
Total liabilities and shareholders' equity	**85.9**	**119.0**	**243.6**	**129.3**	**130.1**	**163.0**

Source: Company (reported results), Montega (forecast)

Balance sheet (in %) 3U HOLDING AG	2020	2021	2022	2023e	2024e	2025e
ASSETS						
Intangible assets	5.7%	28.8%	2.0%	3.8%	3.8%	3.0%
Property, plant & equipment	37.6%	28.2%	11.7%	20.0%	37.2%	39.6%
Financial assets	0.2%	0.2%	0.1%	0.2%	0.2%	0.1%
Fixed assets	**43.5%**	**57.2%**	**13.8%**	**24.0%**	**41.1%**	**42.8%**
Inventories	10.0%	11.4%	4.4%	10.5%	11.5%	9.7%
Accounts receivable	4.4%	13.5%	1.5%	2.9%	3.0%	2.5%
Liquid assets	30.8%	10.7%	77.9%	58.0%	39.7%	41.4%
Other assets	11.4%	7.3%	2.5%	4.6%	4.6%	3.7%
Current assets	**56.5%**	**42.9%**	**86.2%**	**76.0%**	**58.9%**	**57.2%**
Total Assets	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
LIABILITIES AND SHAREHOLDERS' EQUITY						
Shareholders' equity	**59.5%**	**46.4%**	**86.4%**	**73.7%**	**73.8%**	**59.3%**
Minority Interest	**1.0%**	**5.8%**	**0.3%**	**0.6%**	**0.6%**	**0.5%**
Provisions	3.1%	1.9%	1.2%	2.2%	2.2%	1.7%
Financial liabilities	23.4%	29.4%	8.0%	15.1%	15.0%	31.6%
Accounts payable	3.7%	3.3%	1.2%	2.9%	3.0%	2.5%
Other liabilities	9.3%	13.2%	2.9%	5.5%	5.4%	4.3%
Total Liabilities	**39.5%**	**47.8%**	**13.3%**	**25.7%**	**25.6%**	**40.2%**
Total Liabilites and Shareholders' Equity	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Source: Company (reported results), Montega (forecast)

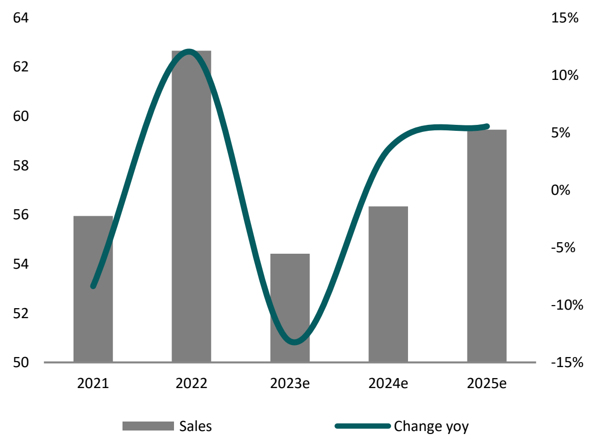
Statement of cash flows (in Euro m) 3U HOLDING AG	2020	2021	2022	2023e	2024e	2025e
Net income	4.0	4.0	159.4	2.4	1.8	1.5
Depreciation of fixed assets	4.3	3.1	3.5	3.0	3.0	4.3
Amortisation of intangible assets	1.3	1.4	1.1	0.2	0.2	0.2
Increase/decrease in long-term provisions	0.2	0.0	0.2	0.0	0.0	0.0
Other non-cash related payments	-4.5	-1.4	-162.0	0.0	0.0	0.0
Cash flow	**5.3**	**7.1**	**2.1**	**5.6**	**5.0**	**5.9**
Increase / decrease in working capital	-0.5	-16.6	14.4	-2.2	-1.5	-0.8
Cash flow from operating activities	**4.8**	**-9.5**	**16.5**	**3.4**	**3.5**	**5.1**
CAPEX	-10.4	-5.6	-11.0	-0.7	-25.7	-20.7
Other	5.6	-8.1	158.8	0.0	0.0	0.0
Cash flow from investing activities	**-4.8**	**-13.8**	**147.8**	**-0.7**	**-25.7**	**-20.7**
Dividends paid	-2.0	-2.0	-2.0	-117.4	-1.1	-0.7
Change in financial liabilities	6.4	12.2	15.0	0.0	0.0	32.0
Other	0.8	-1.0	-0.4	0.0	0.0	0.0
Cash flow from financing activities	**5.3**	**9.2**	**12.6**	**-117.4**	**-1.1**	**31.3**
Effects of exchange rate changes on cash	0.5	0.3	0.0	0.0	0.0	0.0
Change in liquid funds	**5.3**	**-14.0**	**177.0**	**-114.7**	**-23.3**	**15.7**
Liquid assets at end of period	**26.4**	**12.7**	**189.7**	**75.0**	**51.7**	**67.4**

Source: Company (reported results), Montega (forecast)

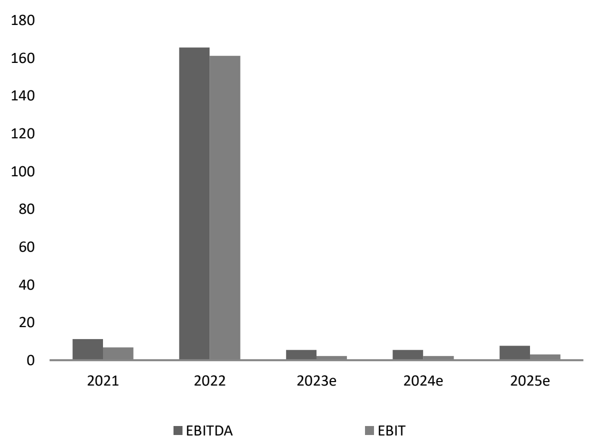
Key figures 3U HOLDING AG	2020	2021	2022	2023e	2024e	2025e
Earnings margins						
Gross margin (%)	45.3%	52.5%	49.4%	35.0%	32.9%	35.8%
EBITDA margin (%)	18.9%	20.1%	264.3%	9.9%	9.5%	12.7%
EBIT margin (%)	9.7%	12.1%	257.1%	4.0%	3.8%	5.2%
EBT margin (%)	8.6%	11.2%	256.9%	6.3%	4.6%	3.5%
Net income margin (%)	6.5%	7.2%	254.4%	4.4%	3.2%	2.5%
Return on capital						
ROCE (%)	12.4%	10.2%	251.5%	5.1%	3.9%	4.1%
ROE (%)	7.0%	5.6%	256.0%	1.0%	1.7%	1.4%
ROA (%)	3.8%	2.5%	65.3%	1.6%	1.2%	0.8%
Solvency						
YE net debt (in EUR)	-5.0	23.6	-168.8	-54.1	-30.8	-14.5
Net debt / EBITDA	-0.4	2.1	-1.0	-10.1	-5.8	-1.9
Net gearing (Net debt/equity)	-0.1	0.4	-0.8	-0.6	-0.3	-0.1
Cash Flow						
Free cash flow (EUR m)	-5.6	-15.1	5.5	2.7	-22.2	-15.6
Capex / sales (%)	17.0%	10.1%	17.6%	1.3%	45.6%	34.8%
Working capital / sales (%)	15%	31%	30%	23%	25%	26%
Valuation						
EV/Sales	0.5	0.6	0.5	0.6	0.6	0.6
EV/EBITDA	2.9	3.0	0.2	6.2	6.2	4.4
EV/EBIT	5.6	4.9	0.2	15.4	15.6	10.8
EV/FCF	-	-	6.0	12.1	-	-
PE	27.1	30.5	0.5	40.7	61.0	61.0
P/B	1.8	1.6	0.4	0.9	0.9	0.9
Dividend yield	2.0%	2.0%	131.1%	1.2%	0.8%	0.8%

Source: Company (reported results), Montega (forecast)

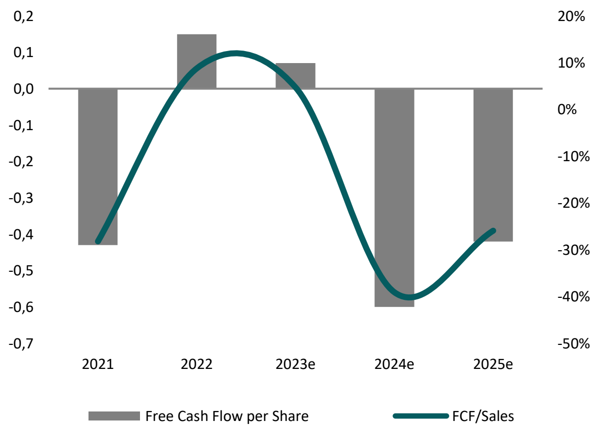
Sales development



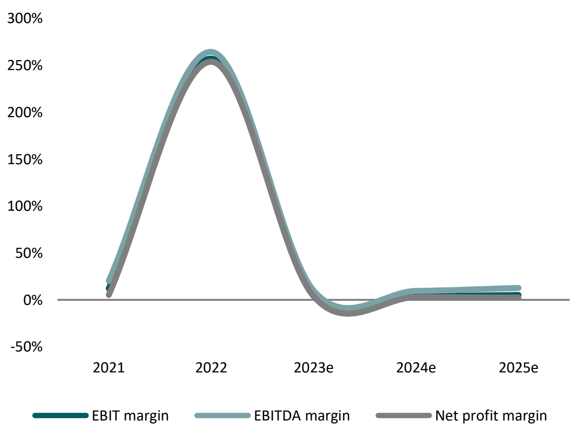
Earnings development



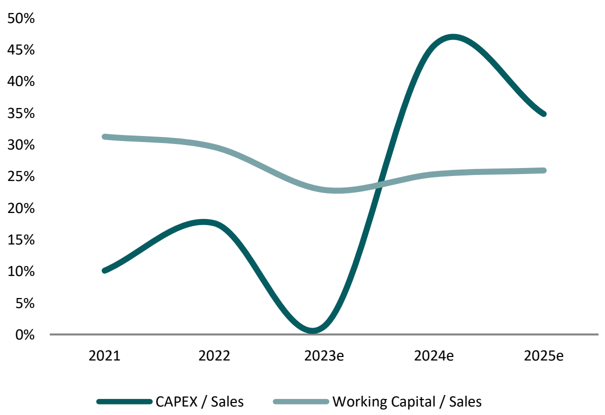
Free-Cash-Flow development



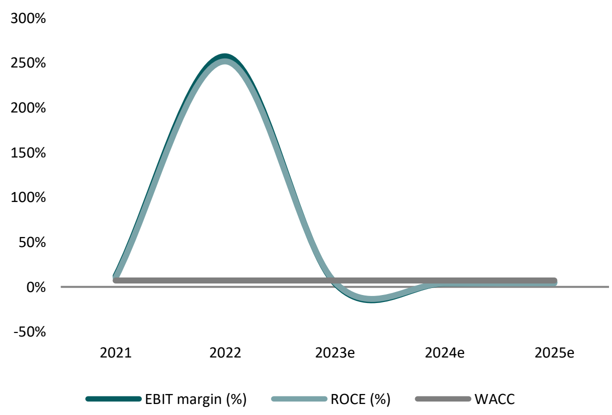
Margin development



Capex / Working Capital



EBIT-Yield / ROCE



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Our ratings:
Buy: The analysts at Montega AG believe the share price will rise during the next twelve months.
Hold: Upside/downside potential limited. No immediate catalyst visible.
Sell: The analysts at Montega AG believe the share price will fall during the next twelve months.

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Share price and recommendation history

Recommendation	Date	Price (EUR)	Price target (EUR)	Potential
Buy (Initiation)	20.03.2023	5.08	5.50	+8%
Hold	27.06.2023	2.44	2.20	-10%