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Research update

SMC Research

Small and Mid Cap Research



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3U Holding AG

Confirmed forecast for 2023 and ambitious growth plans for the future

Rating: Buy (unchanged) | **Price:** 2.50 € | **Price target:** 3.00 € (prev.: 3.30 €)

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Current development



Basic data

Based in:	Marburg
Sector:	Investments
Headcount:	127
Accounting:	IFRS
ISIN:	DE0005167902
Ticker:	UUU:GR
Price:	2.50 Euro
Market segment:	Prime Standard
Number of shares:	36.7 m
Market Cap:	91.8 m Euro
Enterprise Value:	43.1 m Euro
Free Float:	74.0 %
Price high/low (12M):	5.86 / 2.17 Euro
Ø turnover (Xetra,12M):	372,000 Euro / Tag

Sales decline in Q2

After the moderate increase in revenue in the first quarter (+2.5 percent on the basis of continued operations, excluding weclapp in the previous year), 3U suffered falling sales in the months April to June. They fell by almost 5 percent to EUR 11.8 m, so that a minimal decline in sales of 1 percent to EUR 25.1 m was also recorded in total in the first half of the year.

SHAC segment weak

The reason for this development was a weakness in the SHAC segment. While the other two segments were able to continue their growth in the second quarter and thus also achieved sales above the previous year for the entire first half-year (ITC: +4.2 percent to EUR 6.3 m, Renewable Energies: +4.6 percent to EUR 4.3 m), the largest segment experienced a decline of EUR 11.3 percent to just under EUR 7.0 m in the second quarter and of 4.4 percent to EUR 14.7 m for the entire half-year. 3U explains this primarily with the economic weakness of the construction sector, which has had a particularly negative impact on Selfio's classic product range (including underfloor heating). In addition, the political discussion about the Building Energy Act caused a great deal of uncer-

FY ends: 31.12.	2020	2021	2022	2023e	2024e	2025e
Sales (m Euro)	61.1	55.9	62.7	54.0	59.1	70.8
EBIT (m Euro)	5.9	6.8	161.1	2.6	0.9	5.3
Net Profit	3.3	2.9	159.0	3.0	1.2	2.7
EPS	0.09	0.08	4.33	0.08	0.03	0.07
Dividend per share	0.05	0.05	3.20	0.10	0.07	0.09
Sales growth	18.7%	-8.4%	12.0%	-13.7%	9.4%	19.7%
Profit growth	-20.2%	-10.7%	5.350.4%	-98.1%	-61.0%	128.7%
PSR	1.50	1.64	1.46	1.70	1.55	1.30
PER	28.1	31.5	0.6	30.2	77.4	33.8
PCR	19.2	-	5.5	30.9	19.3	11.2
EV / EBIT	7.2	6.4	0.3	16.6	46.2	8.2
Dividend yield	1.9%	1.9%	128.0%	4.0%	3.0%	3.5%

tainty among customers and, in particular, an abrupt slump in demand for heat pumps, the sales driver of the first quarter.

Gross operating profit increased

At the gross profit level, the SHAC segment's decline was -17.1 percent in the second quarter and -4.9 percent in the first half of the year, which means that the gross margin fell again, albeit only slightly. On the other hand, the gross margin of the ITC segment improved significantly, where the revenue growth was mainly achieved in areas with a lower material intensity (Voice Business and Data Centre & Managed Services). In the latter, growth was as high as 46 percent to EUR 1.1 m. As a result, the segment's gross profit increased by 9.4 percent to EUR 3.6 m, equivalent to an increase in the gross margin of 2.6 percentage points to 56.2 percent. Finally, in the third segment, the repair of a turbine at the Roge wind farm (in the first quarter) resulted in a slightly higher cost of materials, although the gross margin remained at a very high level of 98.3 percent. In absolute figures, the gross profit of the segment increased slightly from EUR 4.2 m to EUR 4.3 m in the first half of the year. In total, the operating segments were able to slightly increase gross profit by 2 percent despite the decline in the SHAC division. The fact that a decrease of 44 percent to EUR 10.4 m is nevertheless reported at group level is due to the high contribution to earnings from the property development business in the last year, which had been reflected in the other operating income of the "Other Activities" segment with EUR 8.4 m. In the reporting period, however, this item only amounted to just under EUR 0.2 m.

Personnel expense ratio slightly increased

The strong change in other operating income as a result of last year's income from the property development project is reflected on the expense side in other operating expenses, which have correspondingly decreased from EUR 8.4 m to EUR 3.6 m due to the discontinuation of the expenses associated with the property development project. Based solely on the three operating segments, and thus excluding the holding company's other operating expenses, there was an 8 percent increase in other operating expenses

in the first half of the year. Personnel expenses also increased further, rising year-on-year by almost 4 percent to EUR 4.2 m at group level, with a slight increase in the number of employees.

Business figures	HY 22	HY 23	Change
Sales	25.36	25.09	-1.1%
ITC	6.08	6.33	+4.2%
Renewable Energies	4.15	4.34	+4.6%
SHAC	15.40	14.72	-4.4%
EBITDA	5.99	2.59	-56.8%
ITC	1.58	1.80	+13.8%
Renewable Energies	3.27	3.21	-1.8%
SHAC	-0.06	-0.44	-
EBITDA margin	23.6%	10.3%	
ITC	26.1%	28.5%	
Renewable Energies	78.8%	73.9%	
SHAC	-0.4%	-3.0%	
EBIT	4.32	0.89	-79.3%
ITC	1.35	1.58	+17.2%
Renewable Energies	2.29	2.19	-4.5%
SHAC	-0.41	-0.80	-
EBIT margin	17.0%	3.6%	
Pre-tax result	4.18	2.33	-44.2%
Pre-tax margin	16.5%	9.3%	
Net profit	2.47	1.60	-35.1%
Net margin	9.7%	6.4%	
Free cash flow	-1.35	-3.71	-

m Euro and percent, source: Company

Group EBITDA down 57 percent

The lack of contributions from the property development project compared to the previous year and the higher personnel costs are responsible for the fact that the group EBITDA for the first half of the year, at EUR 2.6 m, was 57 percent lower year-on-year. At the level of the operating segments, however, the picture is much more differentiated. The largest EBITDA contribution continues to come from the segment Renewable Energies, whose operating result in the reporting period was, however, burdened by the repair

costs for a wind turbine and consequently fell by almost 2 percent to EUR 3.2 m. In addition, the segment's revenue and earnings development was held back by lower wind and solar availability as well as lower electricity prices achieved with the largest wind farm, Langendorf. The result of the SHAC segment also deteriorated, with its EBITDA deficit increasing from EUR -58,000 in the previous year to over EUR -0.4 m. In contrast, the EBITDA growth in the ITC segment was disproportionately high compared to sales and gross profit growth at almost 14 percent to EUR 1.8 m, resulting in a margin of 28.5 percent.

High positive interest result

After depreciation, which increased only slightly to EUR 1.7 m, an EBIT of EUR 0.9 m remained, almost 80 percent less than a year ago. At the level of pre-tax result, the decrease was limited to 44 percent (to EUR 2.3 m) because 3U generated high interest income on the very high liquidity (EUR 189.7 m at the turn of the year), which led to a financial result of EUR +1.4 m (previous year: EUR -0.1 m). After income taxes (EUR 0.4 m) and minority interests (EUR 0.3 m), a profit of EUR 1.6 m was achieved in the first half of the year, about 35 percent less than last year.

Opportunity used for property purchase

In step with the lower result, the operating cash flow for the first six months also fell significantly year-on-year, to only EUR +34,000 (previous year: EUR +2.2 m). Other reasons for this were a slower build-up of trade payables and a significant decrease in other liabilities, which alone burdened the cash flow statement with EUR 3.6 m. This included, among other things, payments of the payroll tax liabilities that arose because of the exercised share options. The investment cash flow, on the other hand, changed only insignificantly, with a balance of EUR -3.7 m (previous year: EUR -3.5 m). Almost the entire sum (EUR 3.5 m) is attributable to the repurchase of 1,200 sqm of space in the InnoHubs project in Würzburg. 3U says that the transaction was a good opportunity that arose from weclapp's decision not to retain this space, contrary to its original plans, and sees lucrative letting potential for it. Accumulated over the two partial balances, the free cash flow of the first six months thus

amounted to EUR -3.7 m, after EUR -1.3 m in the previous year.

Record dividend paid

As expected and announced, there was a very high outflow of funds in the financing cash flow because a total of EUR 117.7 m was paid out through the distribution of the record dividend of EUR 3.20 per share. This led to a financing cash flow of EUR -118.0 m, so that the balance sheet liquidity decreased from EUR 189.7 m at the turn of the year to EUR 68.0 m (including the change in restricted funds).

Very high net liquidity...

Despite this decline, liquidity still represented 54 percent of all assets at the end of June. Less financial liabilities of EUR 18.5 m (including leasing liabilities), net liquidity was EUR 49.5 m at mid-year.

...and equity ratio

The dividend payment also caused a significant decrease in the balance sheet total (-48 percent to EUR 125.5 m) and equity (-54 percent to EUR 96.4 m), so that the equity ratio has decreased by almost 10 percentage points to a still very comfortable 76.9 percent. Compared to the previous year's balance sheet, which had been heavily affected by the borrowing for the InnoHubs project, equity increased by 54 percent and the equity ratio by 31 percentage points.

Forecast confirmed

On the basis of the half-year figures, management has confirmed the forecast for the current year and intends to increase sales from continued operations to EUR 55 to 60 m. Based on that, EBITDA is expected to be in the range of EUR 6.0 to 8.0 m and net profit between EUR 2.5 and 3.5 m. The fact that the group's profit will be below the – continued – comparative figure from 2022 is due to the absence of income from the property development business, which contributed EUR 6.4 m to the result last year through the sale of the InnoHubs project.



ThermCube Source: Selfio

Market launch of ThermCube

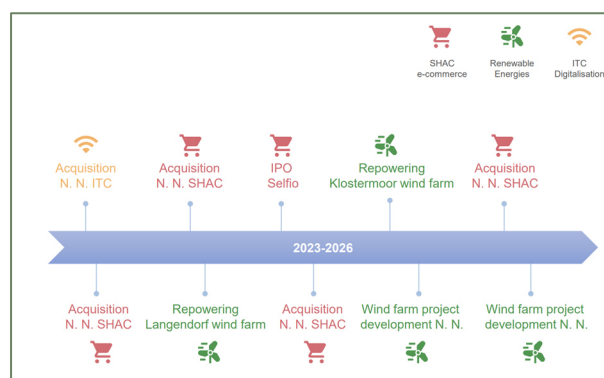
In order to achieve the sales targets, a revival of the SHAC segment's business is necessary. To this end, Selfio has, among other things, added classic heat generators (gas boilers) to its range, which have recently enjoyed increased demand. However, management has much higher expectations for solutions that are compatible with the government's climate goals. This includes above all the self-developed ThermCube, whose official market launch took place on 16 August. The system consists of a heat pump (currently, 3U uses Innotec systems) and the complete electrical and hydraulic installation. 3U sees the advantage of the ThermCube, which comes in a compact cabinet format (see illustration) and is currently offered for EUR 17,000 to 19,500 depending on the version (incl. outdoor unit, without buffer tank), primarily in the significant savings in planning and installation costs as well as in the avoidance of costly installation errors. Pre-assembly simplifies the installation process to such an extent that it can also be carried out by the user or by craftsmen who are not experts in the field.

Strategy Mission 2026 presented

Also in the medium term, great hopes for the SHAC business are pinned on the business around the transition of the heat generation sector, as 3U explained in the context of the presentation of its "Mission 2026" growth programme in mid-July. Strong organic growth and acquisitions are expected to increase segment sales to EUR 150 m by 2026 and improve the segment's EBITDA margin to up to 8 percent. Overall, 3U has set itself the goal of increasing the value of the company to between EUR 510 and 620 m by 2026, of which EUR 300 to 350 m are to come from the SHAC segment, EUR 60 to 70 m from the ITC segment and EUR 150 to 200 m from the Renewable Energies segment. To achieve this, investments of more than EUR 220 m (incl. acquisitions) are planned. In addition, a Selfio IPO (or a (partial) exit in another form) is targeted for 2025.

First acquisition possible soon

As can be seen in the figure below, most of the acquisitions are to be made in the SHAC segment. With these, 3U intends to expand its geographical presence, product range and customer base. However, the most advanced preparations are for an acquisition for the ITC segment, which will decisively improve the positioning as a provider of managed services and digitisation services. According to the company, the deal could be closed this year if things go as planned.



Source: 3U

Repowering and project development

The growth of the segment Renewable Energies, on the other hand, is to be massively pushed through the

repowering of existing wind farms and the development of new ones. In addition to the repowering of the largest wind farm Langendorf, which has already been planned and is in the approval process, 3U also intends to increase capacity at the Klostermoor site from the current 6.0 MW to 21.0 MW by 2026; the third wind farm (Roge) could follow later. Together with the construction of at least 15 new wind turbines (each with 6 to 7 MW) as part of the wind farm development projects, the generation capacity is to be increased from the current 53 MW to between 150 and 200 MW by 2026.

Conservative model design

Despite the publication of the goals and measures of “Mission 2026”, we are leaving our model unchanged in its basic structure. In this way, we remain true to our policy of reflecting only organic development and, if necessary, concretely planned and easily assessable acquisitions. Accordingly, our estimates do not yet include any of the targeted acquisitions, and of the capacity expansions in the Renewable Energies Segment, only the repowering in Langendorf is included for the time being. In this respect, we see our estimate as a conservative forward projection of the organic development of the current portfolio, which we believe should represent a baseline scenario of future performance. This is all the more so as this estimate does not include any value contribution from the holding company, whose activities have repeatedly contributed significantly to the group's profits in the past and who, with the construction of the new group headquarters and the repurchase of office space in Würzburg, once again has two interesting real estate projects in its portfolio.

Revenue estimate for 2023 reduced...

In detail, however, we have adjusted our estimates to the results of the first half of the year, which – in terms of sales development – remained below our expectations. This is especially true for the SHAC segment, but the revenue from electricity sales also remained below our original assumptions due to the weather, but above all due to the sharp drop in the electricity exchange quotation relevant for the Langendorf wind farm. For the SHAC segment in particular, we believe

a recovery is likely, but in our opinion, this could be delayed until the fourth quarter due to the still unclear political framework conditions for the heating market. Instead of sales of EUR 59.1 m, we now only expect EUR 54.0 m, which is slightly below the company's target range. Due to the lower base and the expected catch-up effects, we have raised the assumed growth of the SHAC segment next year by 5 percentage points to 20 percent, but at the same time revised the assumptions regarding the achievable electricity price downwards. In total, the sales estimate for 2024, at EUR 59.1 m, is now EUR 4.3 m below the old figure. The changes continue in the following years, so that the target revenue for 2030 is now EUR 108.5 m (previously: EUR 114.9 m).

...but earnings estimate stable

As a large part of the revenue reduction occurred in the business with a low gross profit contribution, and at the same time the cost development in the first half of the year was flatter than we had assumed, the effect of the changed estimates on the EBITDA of 2023 remained only moderate: Instead of EUR 6.6 m, we now expect EUR 6.2 m, which is within the 3U guidance. The EBIT estimate is even unchanged at EUR 2.6 m because we have reduced the estimate for depreciation. The expected net profit after taxes and minority interests for the current year also remained unchanged at EUR 3.0 m or EUR 0.08 per share, because the slight changes in the financial result (positive) and the minority interests (negative) cancelled each other out.

Target margin slightly lower

In contrast, the margin and profit assumptions for subsequent years are now somewhat lower, which is mainly due to two effects: On the one hand, the lower level of sales in the SHAC segment means that the economies of scale in this division are being utilised more slowly, and on the other hand, the reduction in the assumed electricity prices for the entire wind farm portfolio from 2024 onwards has reduced the margin. With regard to the last year of the detailed forecast period (2030), this results in a target EBIT margin of 13.6 percent (previously: 15.6 percent). Another change relates to the consideration of the repurchase

m Euro	12 2023	12 2024	12 2025	12 2026	12 2027	12 2028	12 2029	12 2030
Sales	54.0	59.1	70.8	79.2	85.2	92.1	99.9	108.5
Sales growth		9.4%	19.7%	11.9%	7.5%	8.2%	8.4%	8.7%
EBIT margin	4.8%	1.6%	7.4%	10.1%	10.6%	11.3%	12.0%	13.6%
EBIT	2.6	0.9	5.3	8.0	9.0	10.4	12.0	14.8
Tax rate	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
Adjusted tax payments	0.8	0.3	1.6	2.4	2.7	3.1	3.6	4.4
NOPAT	1.8	0.7	3.7	5.6	6.3	7.3	8.4	10.3
+ Depreciation & Amortisation	2.8	2.8	4.8	4.9	4.9	5.0	5.1	4.4
+ Increase long-term accruals	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
+ Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Gross operating Cash Flows	4.8	3.7	8.8	10.8	11.5	12.6	13.8	15.0
- Increase Net Working Capital	-4.5	-0.5	-0.6	-0.7	-0.8	-0.8	-0.9	-1.0
- Investments in fixed assets	-4.5	-41.4	-11.1	-1.2	-1.3	-1.4	-1.5	-1.6
Free Cash Flows	-4.1	-38.2	-2.9	8.9	9.5	10.4	11.4	12.5

SMC estimation model

of the office space in Würzburg, which results in increased investment payments for 2023 and rental income from 2024. The table above shows the overall model business development resulting from our assumptions for the years 2023 to 2030; detailed overviews of the estimates for balance sheet, income statement and cash flows statement can be found in the Annex.

Debt ratio increased

The capital structure within the model has also shifted somewhat due to the consideration of the balance sheet and cash flow data of the first half of the year as well as the changes in our estimates. We now calculate with a target debt ratio of 37.5 percent (previously: 30.0 percent), which, with unchanged assumptions regarding the cost of capital (interest rate on debt capital: 5.0 percent, equity cost according to CAPM: 8.9 percent) and the tax rate for the tax shield (30.0 percent), results in a weighted average cost of capital

(WACC) of 6.9 percent (previously: 7.3 percent). On the other hand, the basic parameters for determining the terminal value, which continues to be based on EBIT at the end of the detailed forecast period less a safety margin of 25 percent and on a “perpetual” cash flow growth rate of 1.0 percent, have remained unchanged.

New price target: EUR 3.00

Based on these assumptions, the model yields a fair value of equity of EUR 109.5 m or EUR 2.98 per share, from which we derive the new price target of EUR 3.00 (previously: EUR 3.30; a sensitivity analysis for determining the price target can be found in the Annex). Finally, the assessment of the forecast risk of our estimates remains unchanged, and we continue to rate it as slightly above average, as reflected in the award of four points (on a scale of 1 (low) to 6 (high)).

Conclusion

With its half-year report, 3U has presented mixed figures. While the revenue and above all the profit of the ITC segment were increased, the profit contributions of the other two divisions declined. The performance of the SHAC segment was particularly weak, suffering both from the weakness of the construction sector and from the uncertainty about the future shape of the Building Energy Act. At group level, this resulted in a slight decline in sales to EUR 25.1 m. At EUR 0.9 m, the half-year EBIT was even 79 percent below the previous year's figure, although most of this is due to the high one-off income that 3U generated last year in connection with the completion of the InnoHubs property development project.

In operating terms, 3U sees itself on track with the half-year figures to increase the sales (from continued operations) to between EUR 55 and 60 m and to achieve EBITDA in the range between EUR 6.0 and 8.0 m. Regarding sales, we are somewhat more sceptical and have lowered our estimate to EUR 54 m, while

our EBITDA estimate of EUR 6.2 m remains within the forecast corridor.

With regard to the next few years, however, we continue to expect a dynamic upward trend in revenue and profits, to which the heating system for detached and semi-detached houses recently introduced under the name ThermCube could make an important contribution.

Not yet included in our estimates are the acquisitions announced as part of the “Mission 2026” strategy and – with one exception – capacity expansions for power generation, with the help of which 3U aims to increase the enterprise value to between EUR 510 and 620 m by 2026. We will successively incorporate the elements of this strategy into our model as the degree of concretisation increases.

Until then, we see the fair value at EUR 3.00 per share and confirm the “Buy” rating on this basis.

Annex I: SWOT analysis

Strengths

- The 3U Group has been profitable since 2016, and revenue has grown organically every year since 2017.
- With the weclapp sale, a major engagement was concluded with a very high profit far above market expectations.
- This was a continuation of the long series of successfully completed investments.
- Last year was closed with a very high profit of EUR 159 m.
- The three-segment structure provides diversification against short-term fluctuations and flexibility in the timing of growth initiatives.
- An excellent balance sheet with very high net liquidity and a high equity ratio.

Opportunities

- Selfio should continue to benefit from the trend towards e-commerce, and the ITC activities are also targeting an attractive market.
- Growth is also to be accelerated through acquisitions, for which a very large capital cushion is available.
- With the recently introduced ThermCube product, 3U has an innovative solution for some key obstacles of the desired transition of the heat generation sector and could benefit significantly from it.
- The repowering of the wind farms promises further earnings potential.
- The finished development of some wind farm projects offers potential for high value creation and for additional generation capacities.
- The energy, transport and heating transition could lead to rising electricity prices and significantly increase the profitability of wind farms.

Weaknesses

- Margins in the e-commerce segment are very low and have even deteriorated recently. In the first half of the year, a significant decline in sales and a widened loss were recorded here.
- The share of repeat purchases is still very low at Selfio due to the business model.
- Adverse weather conditions can reduce earnings in the Renewable Energies segment.
- With the exception of one wind farm, all projects to expand capacity in the Renewable Energies segment are still in an early planning phase.
- The telephony business, still the largest part of the ITC segment, is weak in growth.

Threats

- Efforts to improve Selfio's profitability could fail given the intense price competition in e-commerce.
- The weak performance of online trade and the SHAC market could continue.
- Expectations for the ThermCube business may be missed.
- Persistently low prices on the electricity exchange could reduce the profitability of wind farms outside the Renewable Energy Act.
- The planned strong growth in Managed Services could fall short of expectations.
- Experience shows that the planned acquisition course entails risks such as the misjudgement of a target or integration problems.
- The high pressure to reinvest could further increase the risks of acquisitions.

Annex II: Balance sheet and P&L estimation

Balance sheet estimation

m Euro	2022 act.	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e
ASSETS									
I. Total non-current assets	34.1	35.0	72.7	78.1	73.5	69.0	64.5	60.0	56.3
1. Intangible assets	2.3	2.1	1.8	1.7	1.5	1.4	1.3	1.2	1.1
2. Tangible assets	31.0	28.6	66.5	72.1	67.7	63.3	58.9	54.5	50.9
II. Total current assets	209.5	93.4	98.8	94.7	99.0	102.7	106.3	109.9	113.2
LIABILITIES									
I. Equity	211.2	99.1	96.5	96.6	98.0	98.8	100.0	101.4	103.5
II. Accruals	2.0	2.3	2.5	2.8	3.1	3.3	3.6	3.9	4.2
III. Liabilities									
1. Long-term liabilities	18.5	18.8	60.1	60.8	58.6	56.2	53.6	50.6	47.4
2. Short-term liabilities	11.9	8.2	12.3	12.6	12.9	13.3	13.6	14.0	14.5
TOTAL	243.6	128.4	171.5	172.8	172.5	171.6	170.8	169.9	169.5

P&L estimation

m Euro	2022 act.	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e
Sales	62.7	54.0	59.1	70.8	79.2	85.2	92.1	99.9	108.5
Gross profit	30.9	20.5	20.7	28.4	32.8	35.4	38.5	42.1	46.2
EBITDA	165.6	6.2	4.6	11.0	13.8	14.8	16.3	18.0	20.1
EBIT	161.1	2.6	0.9	5.3	8.0	9.0	10.4	12.0	14.8
EBT	161.0	5.1	1.9	4.1	6.7	7.9	9.4	11.3	14.2
EAT (before minorities)	159.4	3.5	1.3	2.9	4.7	5.5	6.6	7.9	10.0
EAT	159.0	3.0	1.2	2.7	4.5	5.4	6.5	7.7	9.8
EPS	4.33	0.08	0.03	0.07	0.12	0.15	0.18	0.21	0.27

Annex III: Cash flows estimation and key figures

Cash flows estimation

m Euro	2022 act.	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e
CF operating	16.5	3.0	4.8	8.2	10.0	10.8	12.0	13.3	14.6
CF from investments	147.8	-4.5	-41.4	-11.1	-1.2	-1.3	-1.4	-1.5	-1.6
CF financing	12.6	-115.2	41.3	-2.1	-5.5	-7.0	-8.1	-9.5	-11.0
Liquidity beginning of year	12.7	189.7	72.9	77.6	72.6	75.9	78.4	80.9	83.3
Liquidity end of year	189.7	72.9	77.6	72.6	75.9	78.4	80.9	83.3	85.2

Key figures

Percent	2022 act.	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e
Sales growth	12.0%	-13.7%	9.4%	19.7%	11.9%	7.5%	8.2%	8.4%	8.7%
Gross margin	49.4%	38.0%	35.0%	40.2%	41.4%	41.5%	41.8%	42.1%	42.5%
EBITDA margin	264.3%	11.6%	7.8%	15.5%	17.4%	17.4%	17.7%	18.0%	18.5%
EBIT margin	257.1%	4.8%	1.6%	7.4%	10.1%	10.6%	11.3%	12.0%	13.6%
EBT margin	256.9%	9.4%	3.2%	5.8%	8.5%	9.2%	10.2%	11.3%	13.1%
Net margin (after minorities)	253.8%	5.6%	2.0%	3.8%	5.7%	6.3%	7.0%	7.7%	9.0%

Annex IV: Sensitivity analysis

WACC	Perpetual cash flows growth				
	2.0%	1.5%	1.0%	0.5%	0.0%
5.9%	4.35	3.96	3.64	3.38	3.17
6.4%	3.83	3.53	3.28	3.08	2.90
6.9%	3.42	3.18	2.98	2.82	2.67
7.4%	3.08	2.89	2.73	2.59	2.47
7.9%	2.81	2.65	2.52	2.40	2.30

Disclaimer

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Charts

The charts were made with Tai-Pan (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 18.08.2023 at 11:15 and published on 18.08.2023 at 11:30.

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In the past 24 months, sc-consult GmbH has published the following financial analyses for the company:

Date	Investment recomm.	Price target	Conflict of interests
01.06.2023	Buy	3.30 Euro	1), 3), 4)
02.05.2023	Buy	6.20 Euro / 3.00* Euro	1), 3)
15.03.2023	Buy	5.70 Euro	1), 3)
02.03.2023	Buy	5.50 Euro	1), 3), 4)
15.11.2022	Buy	5.60 Euro	1), 3), 4)
12.09.2022	Buy	5.50 Euro	1), 3), 4)
18.08.2022	Buy	3.60 Euro	1), 3), 4)
16.05.2022	Buy	3.70 Euro	1), 3)
13.04.2022	Buy	3.70 Euro	1), 3), 4)
17.11.2021	Hold	4.40 Euro	1), 3), 4)
31.08.2021	Buy	3.80 Euro	1), 3), 4)

*ex dividend

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