April 10th, 2024
Research update

SMC Research
Small and Mid Cap Research

Platz 1 Europe Industrials (2018) | Platz 2 German Software & IT (2018) | Platz 1 German Software & IT (2017)
Mehrfacher Gewinner der renommierten Refinitiv Analyst Awards

3U Holding AG

Repowering the growth potential

Rating: Buy (unchanged) | **Price:** 1.85 € | **Price target:** 3.50 € (prev.: 3.30 €)

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Current development

Basic data

Based in:	Marburg
Sector:	Investments
Headcount:	164
Accounting:	IFRS
ISIN:	DE0005167902
Ticker:	UUU:GR
Price:	1.85 Euro
Market segment:	Prime Standard
Number of shares:	33.6 m
Market Cap:	62.1 m Euro
Enterprise Value:	26.0 m Euro
Free Float:	65.6 %
Price high/low (12M):	5.66 / 1.68 Euro
Ø turnover (Xetra,12M):	225,000 Euro / day

Preliminary figures confirmed

With the publication of the 2023 Annual Report, 3U Holding has confirmed the preliminary figures reported at the beginning of March. Accordingly, sales (from continued operations) grew by 4 percent to EUR 52.4 m, although the three segments have developed differently: While sales in the ITC and Renewable Energies segments rose by 26 percent to EUR 15.3 m and 12 percent to almost EUR 8.1 m respectively, the SHAC business declined by 6 percent to EUR 29.6 m due to the weak market environment.

SHAC segment in the red

As the high-margin underfloor heating business, which is highly dependent on new construction activities, was particularly affected by the weakness, the gross margin of the SHAC segment also deteriorated from 20.2 to 19.1 percent, meaning that the segment gross profit fell by as much as 11 percent to EUR 5.6 m. At the same time, the segment's personnel expenses and other operating expenses each increased by around 10 percent. This combination of reduced gross profit and higher costs was reflected in a deterioration in EBITDA from EUR +0.1 m to EUR -1.2 m. One important reason for the rise in costs, in ad-

FY ends: 31.12.	2021	2022	2023	2024e	2025e	2026e
Sales (m Euro)	55.9	62.7	52.4	58.2	71.5	80.2
EBIT (m Euro)	6.8	161.1	1.6	0.1	4.4	6.4
Net Profit	2.9	159.0	2.6	0.3	3.3	3.1
EPS	0.08	4.33	0.08	0.01	0.10	0.09
Dividend per share	0.05	3.20	0.05	0.05	0.06	0.07
Sales growth	-8.4%	12.0%	-16.4%	11.1%	22.8%	12.2%
Profit growth	-10.7%	5,350.4%	-98.4%	-87.5%	932.4%	-7.1%
PSR	1.11	0.99	1.19	1.07	0.87	0.77
PER	21.3	0.4	24.3	194.3	18.8	20.2
PCR	-	3.8	133.6	15.3	6.9	7.1
EV / EBIT	3.8	0.2	15.8	392.4	5.8	4.0
Dividend yield	2.5%	173.0%	2.7%	2.7%	3.2%	3.7%

dition to the general inflationary trends, was the development and market launch of the ThermCube system (this is the indoor unit of a heat pump together with the necessary electrical and hydraulic installation, which is meant to significantly reduce on-site installation work), the sales of which have not yet met expectations due to the long political impasse regarding the Building Energy Act and the crisis in housing construction. However, 3U has already been able to use the initial market feedback to develop a new, improved version of the system, which distinguishes itself not least by its small external dimensions and is therefore better suited for use in existing buildings.

Operating EBITDA higher than 2022

As already preliminarily reported, the EBITDA contributions of the two other segments improved significantly, in contrast to the SHAC segment. While EBITDA in the Renewable Energies segment improved by almost 72 percent to EUR 5.8 m, the operating result in the ITC segment climbed by 25 percent to EUR 3.9 m. In total, the three operating segments were thus able to improve EBITDA by EUR 1.9 m or 29 percent to EUR 8.6 m.

High other operating income in the previous year

The fact that group EBITDA nevertheless fell from EUR 8.5 m to EUR 5.2 m is due to the high contributions from the property development project, which were recognised under other operating income in 2022 and therefore made a significant contribution to earnings. Their absence in 2023 reduced other operating income from EUR 13.2 m to EUR 2.4 m. Although other operating expenses also fell significantly (-48 percent to EUR 7.6 m) due to the costs of the project, which were recognised here in 2022, the total balance of other operating income and expenses deteriorated by EUR 3.8 m. Personnel expenses at group level also increased significantly, by 12 percent to EUR 9.2 m, to which all three segments contributed. In the ITC segment, this was primarily due to the acquisition of cs communication Systems GmbH, while in the Renewable Energies segment the resumption of wind farm development required the building of new capacities.

Business figures	FY 2022	FY 2023	*Change*
Sales	50,32	52,35	*+4,0%*
ITC	12,1	15,3	*+26,3%*
Renewable Energies	7,2	8,1	*+11,9%*
SHAC	31,5	29,6	*-6,0%*
EBITDA	8,50	5,23	*-38,4%*
ITC	3,1	3,9	*+24,7%*
Renewable Energies	3,4	5,8	*+71,6%*
SHAC	0,1	-1,2	-
EBITDA margin	*16,9%*	*10,0%*	
ITC	*25,8%*	*25,5%*	
Renewable Energies	*47,2%*	*72,4%*	
SHAC	*0,4%*	*-4,0%*	
EBIT	5,09	1,64	*-67,8%*
ITC*	2,67	3,38	*+26,5%*
Renewable Energies	1,40	3,79	*+170,2%*
SHAC	-0,60	-1,92	-
EBIT margin	*10,1%*	*3,1%*	
EBT	5,15	3,69	*-28,3%*
EBT margin	*10,2%*	*7,0%*	
Net profit	3,20	2,55	*-20,3%*
Net margin	*6,4%*	*4,9%*	
Free cash flow	164,36	-7,28	-

m Euro and percent, source: Company; **continued activities*

High net interest income

With depreciation increasing by 6 percent to EUR 3.6 m, consolidated EBIT fell by 68 percent to EUR 1.6 m, which equates to a margin of 3.1 percent, compared to 10.1 percent in the previous year. Broken down by segment, however, the picture was very different. While the loss in the SHAC segment more than tripled from EUR -0.6 to -1.9 m, the EBIT of the ITC segment improved by 27 percent to EUR 3.4 m (margin: 22.1 percent) and that of the Renewable Energies segment by as much as 170 percent to EUR 3.8 m (margin: 47.1 percent). Finally, there was also a significant shift in the "Other activities" segment, in which the profit from the property development business had generated EBIT of EUR 1.7 m in 2022, which has now turned into a negative earnings contribution of EUR -3.5 m. Group EBT was much more stable than EBIT in 2023, benefiting from an improvement in the financial result from EUR +0.05 m to EUR +2.0 m due to interest income from the investment of the high liquidity and therefore falling "only" by 28 percent to EUR 3.7 m. After taxes and minority interests, a profit of EUR 2.6 m was generated in 2023. This means that 3U has slightly exceeded the target range reduced in November (EUR 1.5 to 2.5 m) and achieved the original corridor after all (EUR 2.5 to 3.5 m). Compared to the continued operations in the previous year, profit has thus fallen by 24 percent; including the very high profit from the sale of the weclapp subgroup, as a result of which profit had shot up to EUR 159.0 m in 2022, net profit in 2023 fell by 98 percent.

Free cash flow shaped by investments

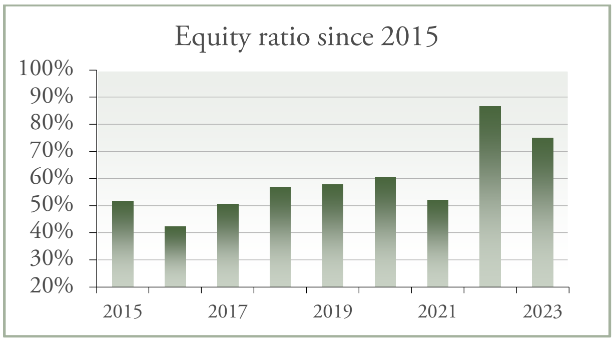
The cash flow statement shows very clear differences compared to the previous year, in which it was characterised by the sale of the InnoHubs real estate project and the weclapp subgroup. Operating cash flow fell therefore from EUR +16.5 m to EUR +0.5 m but remained positive. In addition to the result and depreciation and amortisation, the increases in inventories and receivables, which led to a cash outflow of EUR -1.9 m, were important items. Moreover, other liabilities and tax liabilities decreased with a cumulative cash effect of EUR -5.8 m (this included, among other things, payments of wage tax obligations that arose due to the exercising of share options). The slightly positive operating cash flow was offset by investment-related payments of EUR -7.7 m in 2023, of which EUR -3.6 m was used for the repurchase of 1,200 square metres of space at the InnoHubs project in Würzburg and a further EUR -3.0 m for the cs acquisition. In total, the free cash flow, which had totalled EUR +164.4 m in 2022 due to the cash inflow primarily as a result of the weclapp sale, now turned negative at EUR -7.3 m.

Cash outflow for dividend and share buy-back

There was a very high cash outflow in the financing cash flow in 2023, as the distribution of the record dividend of EUR 3.20 per share and the share buy-back in autumn resulted in an outflow of EUR 125.9 m. Together with payments for leasing and repayments, this led to a financing cash flow of EUR -127.0 m, so that the balance sheet liquidity decreased from EUR 189.7 m at the end of 2022 to EUR 55.4 m (including a moderate change in restricted funds).

Balance sheet shaped by liquidity

At the end of the year, however, it still accounted for 46 percent of total assets, which also fell significantly (by 51 percent) to EUR 119.3 m. Even after deducting the financial liabilities of EUR 15.6 m still recognised in the balance sheet (including lease liabilities), net liquidity amounted to EUR 39.8 m. The second and third largest items on the assets side are property, plant and equipment worth EUR 27.0 m, which includes in particular the wind farms and the solar park, and inventories of EUR 13.7 m, which include in particular the SHAC segment's merchandise and the capitalised wind farm projects.



Source: Company

Equity ratio of 75 percent

The dividend payment and the share buy-back also resulted in a significant reduction in equity by 58 percent to EUR 89.5 m, so that the equity ratio fell by almost 12 percentage points to a still very comfortable 75.1 percent. On this basis, the management board intends to propose a dividend of 5 cents per share to the Annual General Meeting, which would currently correspond to a dividend yield of 2.7 percent.

Forecast for 2024 confirmed

For the current year, as already communicated when the preliminary figures were published, 3U is planning further sales growth to between EUR 58.0 and 62.0 m and an EBITDA margin of 7 to 8 percent. The sales corridor corresponds to growth of 10 to 18 percent, and the lower end of this range should already be reached through the first-time consolidation of cs communication Systems GmbH over a full twelve-months-period. In operating terms, however, this year is burdened by the still ongoing weakness of the SHAC segment. Although the company reports a good market response to the expanded range in the PV area, the business with underfloor heating systems, heat pumps and, in particular, the ThermCube is still lacking the hoped-for momentum.

Repowering approval granted

In addition, the repowering project in Langendorf, as part of which seven old turbines are being replaced by five larger ones and for which approval was granted at the end of March, will lead to a temporary reduction in generation capacity. Finally, the weak electricity price trend in the year to date makes falling electricity revenue not unlikely, although the weather at the 3U locations was favourable in the first two months of the year according to the management board.

MISSION 2026 objectives confirmed

The repowering in Langendorf, which is expected to almost double the capacity of the wind farm from the current 22.5 MW to 43 MW and triple the expected electricity yield to 108,000 MWh, is an important component of the MISSION 2026 growth and value enhancement strategy, which aims to increase the value of the company to between EUR 510 and 620 m by 2026, with further capacity expansions in the Renewable Energies and acquisitions in the SHAC segment contributing to this. The capacity at the Klostermoor site is to be increased from the current 6.0 MW to 21.0 MW, while 3U is currently examining the possibility of becoming involved in the field of agrivoltaics, in which PV areas are simultaneously used for agricultural purposes. However, the central tasks of MISSION 2026 remain growth and increasing profitability in the SHAC segment. To this end, several measures will be implemented there in 2024, which, together with a possible acquisition, should lead to significantly higher sales and earnings momentum from 2025. The measures include further adjustments to the product range, optimising distribution channels by reducing the presence on third-party platforms, expanding sales and marketing and further improving the ThermCube.

Sales doubling in eight years

Having already adjusted our estimates to a lesser extent in March in response to the preliminary figures and the forecast for 2024, further changes have now resulted from the integration of the detailed information from the annual report. These relate, among other things, to the development of the expense ratios in the individual segments; in addition, we have updated the assumptions regarding the repowering model in Langendorf in terms of timing (slightly postponed) and content (slightly higher investment volume). Together with the more cautious assumptions regarding the period of recovery in the SHAC segment and the expected development of the electricity price on the one hand and the increase in growth expectations for the ITC segment on the other, this has changed the sales weightings (see table on the previous page) and therefore also the margin trends. On balance, however, this has reduced the sales estimate

Revenue model (m Euro)	2024	2025	2026	2027	2028	2029	2030	2031
ITC	21.0	23.1	25.4	28.1	31.1	34.5	38.5	43.0
Renewable Energies	6.0	10.7	12.5	12.7	12.9	13.1	13.4	13.6
SHAC	31.0	37.5	42.0	46.3	50.5	55.2	60.3	65.9
Total sales	**58.2**	**71.5**	**80.2**	**87.2**	**94.8**	**103.1**	**112.4**	**122.7**

Estimates SMC-Research

slightly; we now expect sales of EUR 58.2 m for 2024, which is at the lower end of the forecast range (previously: EUR 59.3 m). Due to the postponement of the repowering project to 2025, the expected sales growth in 2025 is also somewhat weaker than before, but we are still forecasting a strong jump of 22.8 percent. Subsequently, the growth rates are higher than the previous estimates, which is due not least to the base effects and the assumed increase in electricity prices. In absolute figures, sales will increase to EUR 123 m by 2031, which corresponds to a doubling of the estimated figure for 2024.

Target margin at 14.3 percent

We are now also slightly more cautious with regard to EBITDA for 2024 and are expecting EUR 4.1 m, which corresponds to an EBITDA margin of 7.0 percent. Hitherto, we had estimated 7.6 percent. This corresponds to an EBIT of EUR 0.1 m and a net profit of EUR 0.3 m. Subsequently, we expect margins to gradually increase significantly, which should be supported by the repowering in Langendorf (higher electricity production at an attractive feed-in tariff), the assumption of rising electricity prices and significant growth in the ITC segment as well as the assumed improved profitability in the SHAC segment over time. At the end of the detailed forecast period in 2031, the model's target EBIT margin is 14.3 percent, which is slightly lower than hitherto (14.7 percent). The table below shows the overall model business development resulting from our assumptions for the years 2024 to 2031; detailed overviews of the estimates for balance sheet, income statement and cash flows statement can be found in the Annex.

Capital structure adjusted

We have also made a change to the weighted average cost of capital (WACC) by shifting the target capital structure by 2.5 percentage points (to 40 percent) towards debt, primarily in response to the larger investment volume in Langendorf. With unchanged borrowing costs of 5.0 percent and cost of equity of 8.9 percent (consisting of: risk-free interest rate: 2.5 percent, risk premium 5.8 percent, beta factor: 1.1) and a tax rate for the tax shield of 30.0 percent, this adjustment was reflected in a slight reduction in the WACC rate from 6.9 percent to 6.7 percent. However, 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

m Euro	12 2024	12 2025	12 2026	12 2027	12 2028	12 2029	12 2030	12 2031
Sales	58.2	71.5	80.2	87.2	94.8	103.1	112.4	122.7
Sales growth		22.8%	12.2%	8.8%	8.6%	8.8%	9.0%	9.2%
EBIT margin	0.1%	6.2%	8.0%	9.2%	10.4%	11.7%	14.0%	14.3%
EBIT	**0.1**	**4.4**	**6.4**	**8.0**	**9.9**	**12.0**	**15.7**	**17.6**
Tax rate	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
Adjusted tax payments	0.0	1.3	1.9	2.4	3.0	3.6	4.7	5.3
NOPAT	**0.0**	**3.1**	**4.5**	**5.6**	**6.9**	**8.4**	**11.0**	**12.3**
+ Depreciation & Amortisation	3.3	5.4	5.5	5.6	5.7	5.8	4.8	5.0
+ 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
Gross operating Cash Flows	3.5	8.6	10.1	11.3	12.7	14.4	15.9	17.4
- Increase Net Working Capital	-0.5	-0.6	-0.7	-0.8	-0.8	-0.9	-1.0	-1.1
- Investments in fixed assets	-6.4	-51.1	-1.2	-1.4	-1.5	-1.6	-1.7	-1.9
Free Cash Flows	**-3.5**	**-43.2**	**8.1**	**9.2**	**10.4**	**11.9**	**13.2**	**14.5**

SMC estimation model

of 25 percent and on a "perpetual" cash flow growth rate of 1.0 percent, have remained unchanged.

New price target: EUR 3.50

Based on these assumptions, the model results in a fair value of equity of EUR 117.8 m or EUR 3.51 per share, from which we derive the new price target of EUR 3.50 (previously: EUR 3.30; a sensitivity analysis of the price target can be found in the Annex). The slight increase in the price target is primarily due to the effect from the model's roll-over to the new base year 2024, while the changes in estimates have tended to have a dampening effect on the price target. 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 the publication of the annual report for 2023, 3U Holding AG has confirmed the previously communicated preliminary figures. Accordingly, consolidated sales increased by 4 percent (compared to continued operations in 2022) to EUR 52.4 m, while EBITDA fell by almost 40 percent to EUR 5.2 m, with the decline being exclusively due to the absence of income from a property development project, which had made a significant contribution to earnings in 2022.

The outlook for 2024 was also confirmed, which envisages sales growth to between EUR 58 m and EUR 62 m and an EBITDA margin of between 7 and 8 percent. At the lower end, which we consider more likely, this forecast implies a decline in earnings, which appears possible due to several negative factors. These include the ongoing crisis in the construction sector, which is hampering the development of the SHAC segment, the measures taken there to optimise the product range, sales and marketing, the repowering project in Langendorf and the low prices on the electricity exchange.

Against this backdrop, we have placed our estimates for 2024 at the lower end of the company's guidance out of caution, but still see good opportunities for highly dynamic and profitable growth over the next few years as part of the 2026 growth strategy. 3U has already achieved three important milestones in this strategy with last year's cs takeover, the market launch of the ThermCube and the recently obtained approval for the repowering project in Langendorf. The main challenge remains to increase the growth momentum and profitability of the SHAC segment, for which 3U has already initiated several measures.

We assume that these will ultimately be successful and have modelled a scenario with strong organic sales growth and rising margins on this basis. We are adhering to this model and have made adjustments only in detail in response to the publication of the annual report. Our price target is now EUR 3.50, signalling almost doubling potential for the share. In combination with the management's very convincing track record and the very sound balance sheet situation, this continues to justify the "Buy" rating.

Annex I: SWOT analysis

Strengths

- The 3U Group has been consistently profitable since 2016.
- The three-segment structure provides diversification against short-term fluctuations and flexibility in the timing of growth initiatives.
- In addition, the activities in the investment and property sector continue to generate additional income.
- The sale of weclapp concluded a major investment with a very high profit and continued the long series of successfully completed investments.
- An excellent balance sheet with very high net liquidity and a high equity ratio.

Weaknesses

- Margins in the e-commerce sector are very low and have even deteriorated recently. A significant decline in sales and a high loss were recorded here in 2023.
- The original forecast for 2023 had to be revised due to the weak economy.
- At best, only moderate organic growth is likely to be achieved in 2024 as well, and profit could even decline, according to the forecast.
- 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.

Opportunities

- 3U addresses attractive markets with foreseeable high growth potential.
- Growth is also to be accelerated through acquisitions, for which a very large capital cushion is available.
- The cs acquisition could offer a wide range of potential synergies.
- With the new ThermCube product, 3U has an innovative solution for some key obstacles of the desired transition of the heat generation sector.
- The repowering of the wind farms promises further earnings potential.
- The completion of some wind farm development 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.

Threats

- Efforts to improve profitability in the SHAC segment could fail given the intense price competition in e-commerce.
- The uneasy situation 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	2023 act.	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e
ASSETS									
I. Total non-current assets	39.6	42.5	87.6	82.7	77.8	72.9	67.9	64.1	60.3
1. Intangible assets	5.5	5.2	5.0	4.8	4.6	4.5	4.3	4.2	4.1
2. Tangible assets	33.4	36.1	81.4	76.7	72.0	67.2	62.4	58.7	55.0
II. Total current assets	79.7	77.0	85.8	84.8	90.0	95.5	99.8	103.6	106.0
LIABILITIES									
I. Equity	89.5	87.5	90.5	86.0	88.0	90.6	92.3	95.1	96.7
II. Accruals	2.0	2.1	2.2	2.3	2.4	2.5	2.6	2.7	2.8
III. Liabilities									
1. Long-term liabilities	17.5	18.0	63.8	62.1	60.0	57.5	54.6	51.3	47.7
2. Short-term liabilities	10.3	10.6	15.6	15.7	16.1	16.5	16.9	17.3	17.8
TOTAL	**119.3**	**118.1**	**172.1**	**166.2**	**166.4**	**167.0**	**166.4**	**166.4**	**165.0**

P&L estimation

m Euro	2023 act.	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e
Sales	52.4	58.2	71.5	80.2	87.2	94.8	103.1	112.4	122.7
Gross profit	19.6	24.2	32.4	36.2	39.6	43.5	47.8	52.7	57.3
EBITDA	5.2	4.1	10.5	12.6	14.3	16.2	18.5	21.2	23.3
EBIT	1.6	0.1	4.4	6.4	8.0	9.9	12.0	15.7	17.6
EBT	3.7	0.7	4.9	4.6	6.2	8.3	10.7	14.5	16.7
EAT (before minorities)	3.1	0.5	3.5	3.2	4.4	5.8	7.5	10.2	11.7
EAT	2.6	0.3	3.3	3.1	4.2	5.7	7.3	10.0	11.5
EPS	0.08	0.01	0.10	0.09	0.13	0.17	0.22	0.30	0.34

Annex III: Cash flows estimation and key figures

Cash flows estimation

m Euro	2023 act.	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e
CF operating	0.5	4.1	9.0	8.8	9.9	11.4	13.2	14.8	16.4
CF from investments	-7.7	-6.4	-51.1	-1.2	-1.4	-1.5	-1.6	-1.7	-1.9
CF financing	-127.0	-1.1	50.1	-9.5	-4.5	-5.7	-8.6	-10.7	-13.7
Liquidity beginning of year	189.7	55.4	52.0	59.9	57.9	62.0	66.2	69.2	71.6
Liquidity end of year	55.4	52.0	59.9	57.9	62.0	66.2	69.2	71.6	72.4

Key figures

Percent	2023 act.	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e
Sales growth	-16.4%	11.1%	22.8%	12.2%	8.8%	8.6%	8.8%	9.0%	9.2%
Gross margin	37.5%	41.7%	45.3%	45.1%	45.4%	45.9%	46.4%	46.9%	46.7%
EBITDA margin	10.0%	7.0%	14.7%	15.7%	16.4%	17.1%	18.0%	18.9%	19.0%
EBIT margin	3.1%	0.1%	6.2%	8.0%	9.2%	10.4%	11.7%	14.0%	14.3%
EBT margin	7.0%	1.2%	6.9%	5.7%	7.1%	8.7%	10.3%	12.9%	13.6%
Net margin (after minorities)	4.9%	0.5%	4.6%	3.8%	4.8%	6.0%	7.1%	8.9%	9.4%

Annex IV: Sensitivity analysis

	Perpetual cash flows growth				
WACC	**2.0%**	**1.5%**	**1.0%**	**0.5%**	**0.0%**
5.7%	5.40	4.85	4.42	4.06	3.77
6.2%	4.68	4.26	3.92	3.64	3.40
6.7%	4.11	3.78	**3.51**	3.28	3.09
7.2%	3.64	3.38	3.16	2.98	2.82
7.7%	3.26	3.05	2.87	2.72	2.58

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 10.04.2024 at 7:30 and published on10.04.2024 at 8:00.

For the preparation of its financial analyses, the sc-consult GmbH uses a five-tier rating scheme with regard to price expectation in the next twelve months. Additionally, estimation risk is quantified on a scale from 1 (low) to 6 (high). The ratings are as follows:

Strong Buy	We expect an increase in price for the analysed financial instrument by at least 10 percent. We assess the estimation risk as below average (1 to 2 points).
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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.

The price targets published within the assessment are calculated with common methods of financial mathematics, especially with the DCF (discounted cash flow) method, the sum of the parts valuation and a peer group analysis. The valuation methods are affected by economic framework conditions, especially by the development of the interest rates.

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An overview of the recommendations prepared and distributed by SMC Research in the last 12 months can be found at: http://www.smc-research.com/publikationsuebersicht

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
15.03.2024	Buy	3.30 Euro	1), 3)
13.11.2023	Buy	3.40 Euro	1), 3)
18.08.2023	Buy	3.00 Euro	1), 3), 4)
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)

**ex-dividend*

In the course of the next twelve months, sc-consult GmbH will presumably prepare the following financial analyses for the company: one report, one update and two comments.

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

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