

Deutsche Rohstoff AG

Germany / Energy
 Frankfurt
 Bloomberg: DR0 GR
 ISIN: DE000A0XYG76

Update

RATING
BUY

PRICE TARGET
€ 24.00

Return Potential 54.8%
 Risk Rating High

OIL/GAS PRICE RALLY COINCIDES WITH NEAR DOUBLING OF OUTPUT

Oil and gas prices have continued to rise since our last update of 20 April. The NYMEX oil futures curve for September 2021 to end 2023 has climbed by an average of USD7.50 or 13% from USD56.80/barrel to USD64.30/barrel while the NYMEX gas strip for the same period has jumped 22% from USD2.70/MMBtu to USD3.30/MMBtu. The commodity price rally coincides with a near doubling of oil and gas output at DRAG over the period 2020-2022 driven by production from recently started and new wells at its Cub Creek subsidiary. In July last year DRAG's Bright Rock subsidiary acquired 28,000 net acres in Wyoming. The area acquired is over five times the size of the 5,000 net acre land package held by Cub Creek. Five wells are currently producing on this land at an approximate rate of 300 barrels/day but there is potential for up to a further 100 wells. DRAG plans to confirm the viability of large scale drilling from this acreage later this quarter by drilling at least one additional well. Meanwhile, strong cashflow and profit generation during H1/21 halved net gearing from ca. 200% at end 2020 to below 100% at the end of June. DRAG has paid back further debt since the beginning of July. €98m of bond liabilities account for almost all of the group's currently outstanding debt (as of end-July 2021) of which ca. 90% does not mature until December 2024. On our numbers net gearing falls to 49% by the end of 2022. In our view, the share price does not reflect the recent further upward shift in commodity pricing. We maintain our Buy recommendation and raise the price target to €24.00 (previously: €17.00).

Revenue ex hedging gains/losses up 161% in H1/21 Preliminary H1/21 results showed a 46.6% increase in revenue to €38.8m (H1/20A: €26.1m) and a 153% jump in EBITDA to €39.9m (H1/20A: €15.8m). During Q2/20, in response to the collapse in the oil price caused by the COVID-19 pandemic, DRAG shut in production at Cub Creek's Olander pad and also reduced output at the subsidiary's older legacy drilling pads (Vail, Markham, Haley, Litzenberger) by a third. (p.t.o.)

FINANCIAL HISTORY & PROJECTIONS

	2018	2019	2020E	2021E	2022E	2023E
Revenue (€m)	109.05	41.20	38.68	72.41	88.78	51.57
Y-o-y growth	102.9%	-62.2%	-6.1%	87.2%	22.6%	-41.9%
EBITDA (€m)	97.93	22.73	23.93	57.97	59.10	30.41
EBITDA margin	89.8%	55.2%	61.9%	80.1%	66.6%	59.0%
Net income (€m)	13.87	0.31	-15.51	14.31	12.27	1.01
EPS (diluted) (€)	2.81	0.06	-3.13	2.89	2.48	0.20
DPS (€)	0.70	0.10	0.10	0.50	0.50	0.10
FCF (€m)	2.47	-14.79	-22.85	24.36	36.15	13.90
Net gearing	37.2%	75.9%	202.6%	114.9%	48.6%	33.1%
Liquid assets (€m)	59.99	66.64	22.82	16.06	49.73	50.46

RISKS

Risks include negative movements in the oil price and other raw materials prices, dry well risk, mechanical failure, loss of key personnel.

COMPANY PROFILE

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

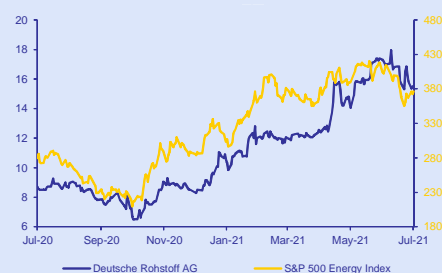
MARKET DATA

As of 28 Jul 2021

Closing Price	€ 15.50
Shares outstanding	4.95m
Market Capitalisation	€ 76.79m
52-week Range	€ 6.48 / 17.95
Avg. Volume (12 Months)	8,249

Multiples	2019	2020E	2021E
P/E	249.0	n.a.	5.4
EV/Sales	3.4	3.7	2.0
EV/EBITDA	6.2	5.9	2.4
Div. Yield	0.6%	0.6%	3.2%

STOCK OVERVIEW



COMPANY DATA

As of 31 Mar 2021

Liquid Assets	€ 35.70m
Current Assets	€ 57.81m
Intangible Assets	€ 22.53m
Total Assets	€ 231.80m
Current Liabilities	€ 39.78m
Shareholders' Equity	€ 61.82m

SHAREHOLDERS

Management	10.0%
Institutional shareholders	30.0%
Free float	60.0%

**Figure 1: Preliminary H1/21 results**

€000's	H1 21P	H1 20A	% Δ
Revenue	38,300	26,100	46.7%
EBITDA	39,900	15,800	152.5%
Net profit before minorities	17,500	-13,400	n.a.
Revenue ex hedging gains/losses	42,052	16,100	161.2%
EBITDA ex hedging/gains on securities	32,052	5,800	452.6%
Net profit before minorities ex hedging/gains on securities/writedowns	9,652	3,800	154.0%

Source: DRAG; First Berlin Equity Research estimates

As the recovery in the oil price gathered pace during the autumn, DRAG raised output from Cub Creek's older pads from October 2020 and restarted production at Olander. Q1/21 production was flat at 579,000 BOE because the prior year quarter included the first months of production from the Olander pad and also because maintenance work during the early part of this year curtailed production at the Elster subsidiary. H1/21 production figures will not be available until the full half-year report is published in mid-August. However, we estimate that output rose by over 20%. Meanwhile, the price of West Texas Intermediate averaged USD62/barrel during H1/21 (H1/20: USD36.70). We estimate that H1/21 revenue was impacted by €3-4m in hedging losses (published Q1/21 hedging loss: €1.6m) whereas H1/20 revenue included €10m of hedging gains. As figure 1 shows, we estimate that H1/21 revenue ex hedging gains and losses rose by over 160%.

Underlying EBITDA up more than five-fold in H1/21 DRAG exploited the weakness of resource sector share prices in Q2/20 by investing €19.1m in gold exploration/mining and oil & gas shares and bonds. Q1/21 EBITDA of €21.3m was impacted by the hedging loss but also by realised gains on shares and bonds of €8.5m. Unrealised gains on securities amounted to €2.9m at the end of the quarter. We assume that DRAG realised gains of over €3m in Q2/21. Stripping out gains/losses on hedging and securities, we estimate that underlying EBITDA multiplied more than fivefold to €32.1m. H1/20 net profit before minorities included extraordinary writedowns of €17.2m. The €17.2m comprised a €10.7m writedown taken against the assets of Elster Oil & Gas as a consequence of low commodity prices and a €6.5m writedown on DRAG's holding in Northern Oil & Gas (NOG) shares to ca. €6.6m. We calculate that the NOG shares are currently worth €3.4m more than their written down value. Excluding gains/losses on hedging and securities as well as the writedowns, we estimate underlying H1/21 net profit before minorities was €9.7m (H1/20: €3.8m).

Figure 2: Evolution of DRAG's net debt position

€000's	FY 19	Q1 20	H1 20	9M 20	12M 20	Q1 21	Q2 21P
Cash at bank	61,281	47,286	13,877	11,150	8,210	16,236	
Securities classified as current assets	5,356	4,639	19,915	15,770	14,606	19,459	
Total liquid assets	66,637	51,925	33,792	26,920	22,816	35,695	42,100
Receivables	11,096	12,112	5,488	12,006	10,832	21,931	15,586
Securities classified as non-current assets	18,189	18,234	12,443	12,443	13,214	13,214	13,214
Total cash, current/non-current securities, receivables	95,922	82,271	51,723	51,369	46,862	70,840	70,900
Total debt	166,016	169,908	143,897	139,316	138,610	140,175	133,900
Equity	71,501	74,826	58,206	52,165	45,589	61,820	66,000
Net debt (DRAG calculation method)	70,094	87,637	92,174	87,947	91,748	69,335	63,000
Net gearing (DRAG calculation method)	98.0%	117.1%	158.4%	168.6%	201.3%	112.2%	95.5%
Net debt (FB calculation method)	54,285	63,006	82,541	91,796	92,351	75,148	65,205
Net gearing (FB calculation method)	75.9%	84.2%	141.8%	176.0%	202.6%	121.6%	98.8%

Source: DRAG; First Berlin Equity Research estimates



Deleveraging proceeding apace In its Q1/21 report, DRAG reported cash and cash equivalents (bank balances and securities held as current and non-current assets) of €48.9m (FY/20: €36.0m). The increase of nearly €13m compared with the FY/20 figure reflected strong Q1/21 cashflow. DRAG also repaid over €4m of bank debt during the quarter. Securities classified as non-current assets include the NOG shares as well as promissory notes and convertible debentures issued to Almonty. These were booked at €13.2m in the Q1/21 report. We expect a similar figure at the half-year stage as there were no writedowns during the second quarter. DRAG had bond debt of €114.4m at the end of H1/21. €16.7m of this was repaid on 20 July. Of the remaining €97.8m, €10.7m (3.625% coupon) is due in March 2023 and the balance of €87.1m (5.25% coupon) is due in December 2024. DRAG announced on 20 July that its outstanding bank debt was €3.4m and that it expects to repay this sum over the next few weeks. In its press release of 20 July, DRAG also cited an H1/21 net debt figure of €63m (FY/20: €92m) However, these figures include receivables and non-interest bearing liabilities. On the basis of our calculation method, which includes only liquid assets, securities classified as non-current assets and interest bearing debt, we arrive at a net debt figure of €65.2m for H1/21 (FY/20: €92.4m). On our numbers net debt falls to €34.8m by the end of 2022 (equivalent to net gearing of 49%).

We expect a full year of production from the Olander pad and the December start of production at the Knight pad to be the main drivers of a 72% increase in oil, gas and NGL output at DRAG this year. In addition DRAG's subsidiary, Bright Rock, expects to be involved in 10 to 15 new wells in the Uinta Basin in Utah. We expect these new wells to be instrumental in doubling the subsidiary's output this year.

Figure 3: 2020 oil and gas output by subsidiary and forecasts for 2020E-2023E

BOE	FY/20A	FY/21E	FY/22E	FY/23E
Cub Creek	807,470	2,063,684	2,441,947	1,540,675
change (%)	0.1%	155.6%	18.3%	-36.9%
of which:				
oil	392,221	990,568	1,098,876	647,083
gas + NGL	415,249	1,073,116	1,343,071	893,591
gas + NGL as % total	51.4%	52.0%	55.0%	58.0%
Elster	592,187	328,083	267,720	227,344
change (%)	-20.2%	-44.6%	-18.4%	-15.1%
of which:				
oil	198,342	108,267	88,348	75,023
gas + NGL	393,845	219,816	179,373	152,320
gas + NGL as % total	66.5%	67.0%	67.0%	67.0%
Salt Creek	21,688	17,794	15,125	12,856
change (%)	-45.5%	-18.0%	-15.0%	-15.0%
of which:				
oil	16,682	13,346	11,344	9,642
gas + NGL	5,006	4,449	3,781	3,214
gas + NGL as % total	23.1%	25.0%	25.0%	25.0%
Bright Rock	120,729	243,333	255,500	217,175
change (%)	111.7%	101.6%	5.0%	-15.0%
of which:				
oil	96,774	182,500	191,625	162,881
gas + NGL	23,955	60,833	63,875	54,294
gas + NGL as % total	19.8%	25.0%	25.0%	25.0%
Total	1,542,074	2,652,895	2,980,293	1,998,050
change (%)	-6.3%	72.0%	12.3%	-33.0%

Source: DRAG; First Berlin Equity Research estimates



Figure 4 below shows changes made by DRAG on 6 July to the sales and EBITDA guidance originally issued on 26 April with the publication of the 2020 annual report. The upward revisions reflect higher commodity price assumptions. Figures 4 and 5 also show changes to our sales and EBITDA forecasts since our last note of 20 April. Our forecasts are based on the current futures curves. As these have moved up since 6 July, our forecasts are higher than DRAG's guidance. We also gather that DRAG's 2021 guidance incorporates two months of production from the Knight pad this year, whereas our forecast only incorporates one month. This tends to depress our 2021 forecasts versus DRAG's guidance while having the opposite effect on 2022 numbers. Lastly, our 2021 and 2022 output forecasts are respectively 2% and 9% higher than the figure published in our study of 20 April.

Figure 4: Changes to DRAG and FB guidance/forecasts

€m	DRAG Guidance		FB Forecast		New DRAG guidance vs. new FB forecast Δ
	New	Old	New	Old	
2021 sales	68-73	57-62	72	62	-2.1%
2021 EBITDA	57-62	42-47	58	56	2.6%
2022 sales	70-75	60-65	89	68	-18.5%
2022 EBITDA	47-52	40-45	59	48	-16.1%
2021 oil price assumption (USD)	65.00	60.00	66.00	62.00	-1.5%
2021 gas price assumption (USD)	3.00	n.a.	3.42	2.58	-12.3%
2022 oil price assumption (USD)	60.00	60.00	66.00	59.00	-9.1%
2022 gas price assumption (USD)	2.75	n.a.	3.47	2.46	-20.7%

Source: DRAG, First Berlin Equity Research estimates

Figure 5: Detailed changes to our forecasts

All figures in € 000s	2021E			2022E			2023E		
	New	Old	Δ	New	Old	Δ	New	Old	Δ
Revenue	72,409	62,493	15.9%	88,779	67,692	31.2%	51,574	46,530	10.8%
EBITDA	57,974	56,096	3.3%	59,102	47,779	23.7%	30,408	30,315	0.3%
Dep. and amort.	31,198	30,072	3.7%	35,764	32,028	11.7%	23,977	24,532	-2.3%
Op. income (EBIT)	26,775	26,024	2.9%	23,339	15,751	48%	6,431	5,783	11%
Net financial result	-6,090	-6,426	n.a.	-4,959	-5,624	n.a.	-4,668	-5,333	n.a.
Pre-tax income (EBT)	20,685	19,597	5.6%	18,380	10,128	81.5%	1,764	451	291.0%
Income taxes	-4,344	-4,115	n.a.	-3,860	-2,127	n.a.	-370	-95	n.a.
Net before mins.	16,341	15,482	5.6%	14,520	8,001	81.5%	1,393	356	291.4%
Minority interests	-2,031	-1,800	n.a.	-2,248	-1,319	n.a.	-385	-336	n.a.
Net inc. after mins.	14,311	13,681	4.6%	12,273	6,682	83.7%	1,008	20	n.a.
EPS (€)	2.89	2.76	4.6%	2.48	1.35	83.7%	0.20	0.00	n.a.

Source: First Berlin Equity Research estimates

VALUATION

Price target raised from €17.00 to €24.00. Buy recommendation maintained Figure 6 overleaf shows changes to our valuation model. The upwards shift in the oil and gas futures curves raises our valuation of all four of DRAG's major oil and gas producing subsidiaries (see figures 7 to 9 for detail) with the exception of Elster Oil & Gas. The lowering of our valuation of Elster is the result of a reduction in our output forecast for the subsidiary. Higher commodity prices also increase the option value of the Wyoming assets held by Bright Rock Energy. We have calculated the option value of Bright Rock's undrilled Wyoming wells using the Black-Scholes method (see figure 10). The underlying price is based on the PV10 of cash inflows based on the current oil and gas futures curves while the exercise price is based on the PV10 of cash outflows. We have used the maturity date of DRAG's 2024 bond as the expiry date for the options. Expected volatility corresponds with the volatility implied by the current pricing of options on oil futures. Our valuations of DRAG's stakes in Almonty and NOG have risen in line with these companies' share prices.



The net debt calculation shown in figure 6 is based on cash and cash equivalents held in current assets as we have valued most of the securities held in non-current assets (Almonty, Hammer Metals, NOG) individually. We now see fair value for the DRAG share at €24.00 (previously: €17.00). We maintain our Buy recommendation.

Figure 6: Changes to our valuation model

€m	New	Old	% Δ
DCF valuation Cub Creek Energy (DRAG's stake 88.5%)	92.9	84.7	9.7%
DCF valuation Elster Oil & Gas (DRAG's stake: 93.0%)	15.4	22.6	-31.9%
DCF valuation Salt Creek Oil & Gas/Bright Rock Energy (DRAG's stakes: 100.0%/ 98.4%)	64.9	59.1	9.8%
of which: option value of production from Wyoming wells	40.6	36.7	
Unrealised oil hedging gains/losses	-7.9	-4.0	
Subtotal: US oil and gas activities	165.3	162.4	1.8%
Almonty (13.7% equity stake plus promissory notes and debentures)	26.7	22.8	
Northern Oil and Gas (DRAG's stake: 1.2%)	10.0	7.8	
Tin International (DRAG's stake: 75.4%)	1.0	1.0	
Rhein Petroleum (DRAG's stake: 10%)	3.0	3.0	
Hammer Metals (DRAG's stake: 3.1%)	1.3	1.6	
Holding company costs	-10.0	-10.0	
Total enterprise value	197.3	188.6	4.6%
Cash and securities held in current assets	42.1	31.1	
Bonds	114.4	114.4	
Other debt	6.1	21.0	
Net debt	78.4	104.4	
Total equity value	118.9	84.2	41.2%
No shares (m)	4.95	4.95	0.0%
Equity value per share (€)	24.00	17.00	78.8%

Source: First Berlin Equity Research estimates

Figure 7: DCF Valuation of Cub Creek Energy*

USD 000s	2021E	2022E	2023E	2024E	2025E
Production (working interest): barrels of oil equivalent (000s)	2,064	2,442	1,541	1,199	1,009
Unhedged average oil price after transport costs (WTI -USD/barrel)	61.00	60.83	55.73	52.16	49.83
Net revenue (working interest after royalty and ad valorem tax)	74,248	86,172	45,397	32,892	26,490
Cash operating costs	24,764	28,693	19,258	14,991	12,613
EBITDA	49,483	57,479	26,138	17,900	13,877
Depreciation	30,955	36,629	23,110	17,990	15,136
EBIT	18,528	20,850	3,028	-89	-1,260
NOPLAT	14,637	16,472	2,392	-89	-1,260
Tax Rate (%)	21.0%	21.0%	21.0%	21.0%	21.0%
CAPEX	-45,600	0	0	0	0
Working capital expenditure	15,000	-25,926	6,116	1,876	960
Free cashflow	14,992	27,175	31,619	19,776	14,837
PV free cashflow (10% discount rate)	14,398	23,725	25,095	14,269	9,732
Sum PV free cashflows	126,012				

Source: DRAG; First Berlin Equity Research estimates



Figure 8: DCF Valuation of Elster Oil & Gas*

USD 000s	2021E	2022E	2023E	2024E	2025E
Production (working interest): barrels of oil equivalent (000s)	328	268	227	201	182
Unhedged average oil price after transport costs (WTI -USD/barrel)	61.00	60.83	55.73	52.16	49.83
Net revenue (working interest after royalty and ad valorem tax)	9,964	8,234	5,967	4,949	4,314
Cash operating costs	3,937	3,146	2,842	2,517	2,271
EBITDA	6,027	5,089	3,125	2,433	2,043
Depreciation	3,609	2,945	2,501	2,215	1,999
EBIT	2,418	2,144	624	218	44
NOPLAT	1,911	1,694	493	172	35
Tax Rate (%)	21.0%	21.0%	21.0%	21.0%	21.0%
CAPEX	0	0	0	0	0
Working capital expenditure	115	259	340	153	95
Free cashflow	5,635	4,898	3,334	2,539	2,129
PV free cashflow (10% discount rate)	5,411	4,276	2,646	1,832	1,396
Sum PV free cashflows	19,850				

Source: DRAG; First Berlin Equity Research estimates

Figure 9: DCF Valuation of Salt Creek Oil & Gas, Bright Rock Energy*

USD 000s	2021E	2022E	2023E	2024E	2025E
Production (working interest): barrels of oil equivalent (000s)	261	271	230	205	187
Unhedged average oil price after transport costs (WTI -USD/barrel)	61.00	60.83	55.73	52.16	49.83
Net revenue (working interest after royalty and ad valorem tax)	12,030	12,615	9,493	7,891	6,850
Cash operating costs	3,134	3,180	2,875	2,565	2,340
EBITDA	8,897	9,436	6,618	5,326	4,510
Depreciation	2,872	2,977	2,530	2,257	2,059
EBIT	6,024	6,459	4,088	3,070	2,451
NOPLAT	4,759	5,102	3,229	2,425	1,936
Tax Rate (%)	21.0%	21.0%	21.0%	21.0%	21.0%
Depreciation	2,872	2,977	2,530	2,257	2,059
CAPEX	-4,000	-4,000	0	0	0
Working capital expenditure	-945	-88	468	240	156
Free cashflow	2,686	3,991	6,228	4,922	4,151
PV free cashflow (10% discount rate)	2,580	3,485	4,943	3,551	2,723
Sum PV free cashflows	29,601				

Source: DRAG; First Berlin Equity Research estimates

* our valuation models for CCE, EOG, SCOG and BRE extend to 2039 but for reasons of space we show numbers only out to 2025

Figure 10: option value of undrilled Wyoming wells (USDm)**

	New	Old	Δ %
Underlying price (PV10 of cash inflows based on current futures curve)	10.15	9.27	9.5%
Exercise price (PV10 of cash outflows)	11.14	10.96	1.6%
Expiry date	6 Dec 2024	6 Dec 2024	-
Expected volatility	34.00%	34.00%	0.0%
Risk free rate	0.50%	0.50%	-
Call option per well	2.20	1.87	17.6%
Total call option value	49.48	44.78	10.5%

** assumes 100% working interest in 75 (previously: 80) 2-mile lateral wells with 30% probability of success

Source: First Berlin Equity Research estimates



INCOME STATEMENT

All figures in € 000s	2018A	2019A	2020A	2021E	2022E	2023E
Revenues	109,052	41,204	38,683	72,409	88,779	51,574
Cost of materials	19,019	11,342	11,630	19,979	22,427	15,692
Personnel expenses	3,919	4,489	3,647	4,000	4,250	2,974
Net other operating income	11,819	-2,648	529	9,543	-3,000	-2,500
EBITDA	97,933	22,725	23,935	57,974	59,102	30,408
Depreciation and amortisation	58,037	17,095	40,070	31,198	35,764	23,977
Operating income (EBIT)	39,896	5,630	-16,135	26,775	23,339	6,431
Net financial result	-13,432	-5,368	-6,388	-6,090	-4,959	-4,668
Other financial items	0	0	0	0	0	0
Pre-tax income (EBT)	26,464	262	-22,524	20,685	18,380	1,764
Taxes	-8,520	-76	6,425	-4,344	-3,860	-370
Profit before minorities	17,944	186	-16,099	16,341	14,520	1,393
Minority interests	-4,072	122	589	-2,031	-2,248	-385
Net income / loss	13,872	308	-15,509	14,311	12,273	1,008
EPS (in €)	2.81	0.06	-3.13	2.89	2.48	0.20
Ratios						
EBITDA margin on revenues	89.8%	55.2%	61.9%	80.1%	66.6%	59.0%
EBIT margin on revenues	36.6%	13.7%	-41.7%	37.0%	26.3%	12.5%
Net margin on revenues	12.7%	0.7%	-40.1%	19.8%	13.8%	2.0%
Tax rate	32.2%	29.1%	28.5%	21.0%	21.0%	21.0%
Y-Y Growth						
Revenues	102.9%	-62.2%	-6.1%	87.2%	22.6%	-41.9%
Operating income	652.2%	-85.9%	n.m.	n.m.	-12.8%	-72.4%
Net income/ loss	150.0%	-97.8%	n.m.	n.m.	-14.2%	-91.8%



BALANCE SHEET

All figures in € 000s	2018A	2019A	2020A	2021E	2022E	2023E
Assets						
Current assets, total	75,860	80,455	36,354	40,118	78,894	68,017
Cash and cash equivalents	59,990	66,637	22,815	16,060	49,730	50,457
Inventories	156	165	186	348	427	248
Receivables	13,443	9,935	3,505	6,561	8,044	4,673
Prepayments	711	1,156	1,047	1,960	2,403	1,396
Other current assets	337	1,161	7,327	13,715	16,816	9,769
Deferred tax assets	1,223	1,401	1,474	1,474	1,474	1,474
Non-current assets, total	148,985	198,470	170,368	184,187	155,423	134,447
Intangible assets	16,932	22,136	21,892	19,236	16,580	13,924
Land and buildings	0	0	0	0	0	0
Producing oil plants	107,878	138,433	110,203	126,500	100,989	83,087
Exploration and evaluation	2,048	648	2,227	2,556	2,041	1,679
Plant and machinery	36	143	123	141	113	93
Other equipment	91	331	225	258	206	170
Equity investments	14,385	16,688	17,773	17,570	17,570	17,570
Loans to other investors	1,724	1,902	4,711	4,711	4,711	4,711
Securities classified as fixed assets	5,891	18,189	13,214	13,214	13,214	13,214
Total assets	224,845	278,925	206,722	224,305	234,317	202,463
Shareholders' equity & debt						
Current liabilities, total	38,912	26,927	27,077	31,819	36,396	101,988
Bank debt	16,086	22	190	0	0	0
Bond debt	0	0	16,658	0	10,700	87,061
Accounts payable	6,840	17,114	2,901	18,102	8,878	5,157
Other current liabilities	15,986	9,791	7,328	13,717	16,818	9,770
Long-term liabilities, total	77,299	139,089	111,533	97,761	87,061	0
Bond debt	66,599	131,077	97,761	97,761	87,061	0
Bank debt	10,700	8,012	13,772	0	0	0
Other long term liabilities	0	0	0	0	0	0
Provisions	19,312	25,222	7,336	18,102	22,195	12,893
Minority interests	8,087	7,184	6,170	8,201	10,448	10,833
Shareholders' equity	65,750	64,317	39,419	51,421	61,217	59,748
Consolidated equity	73,837	71,501	45,589	59,622	71,665	70,582
Deferred tax liabilities	15,485	16,186	15,187	17,000	17,000	17,000
Total consolidated equity and debt	224,845	278,925	206,722	224,305	234,317	202,463
Ratios						
Current ratio (x)	1.95	2.99	1.34	1.26	2.17	0.67
Quick ratio (x)	1.95	2.98	1.34	1.25	2.16	0.66
Financial leverage	37.2%	75.9%	202.6%	114.9%	48.6%	33.1%
Book value per share (€)	13.32	12.98	7.96	10.38	12.36	12.06
Net cash (debt)	-27,504	-54,285	-92,352	-68,487	-34,817	-23,390
Return on equity (ROE)	27.5%	0.3%	-27.5%	0.0%	0.0%	0.0%



CASH FLOW STATEMENT

All figures in € 000s	2018A	2019A	2020A	2021E	2022E	2023E
Net profit before minorities	17,944	186	-16,099	16,341	14,520	1,393
Writedowns/writeups of fixed assets	59,637	16,307	37,702	31,198	35,764	23,977
Increase/decrease in provisions	7,316	17,380	-11,411	0	0	0
Changes in working capital	-889	-9,195	2,712	21,838	-7,137	-8,466
Gains/losses from disposal of fixed assets	-15,132	-31	-286	0	0	0
Interest expense/income	6,227	5,368	6,388	0	0	0
Tax paid/received	8,519	76	-6,425	0	0	0
Income tax payments	218	158	0	0	0	0
Other	-15,166	-16,311	1,410	0	0	0
Operating cash flow	68,674	13,938	13,991	69,377	43,147	16,904
Investment in property, plant equipment	-63,754	-22,513	-30,731	-45,017	-7,000	-3,000
Investment in intangible assets	-2,454	-6,214	-6,110	0	0	0
Free cash flow	2,466	-14,789	-22,850	24,360	36,147	13,904
Proceeds from disposal of intangible assets	38,391	0	119	0	0	0
Management of short term financial assets, other	-451	-5,511	-12,008	0	0	0
Investing cash flow	-28,268	-34,238	-48,730	-45,017	-7,000	-3,000
Equity financing	-493	-18	-97	0	0	0
Debt financing	15,241	62,000	7,322	0	0	0
Debt repayment	-30,239	-16,115	-16,658	-30,620	0	-10,700
Interest paid	-6,925	-6,638	-7,515	0	0	0
Dividends, share buybacks	-6,210	-3,937	-743	-495	-2,477	-2,477
Other	0	0	0	0	0	0
Financing cash flow	-28,626	35,292	-17,691	-31,115	-2,477	-13,177
Other	18,511	1,004	8,608	0	0	0
Change in cash and equivalents	30,291	6,647	-43,822	-6,755	33,670	727
FX/consolidation effects	0	0	0	0	0	0
Cash and current cash equivalents, start of the year	29,699	59,990	66,637	22,815	16,060	49,730
Cash and current cash equivalents, end of the year	59,990	66,637	22,815	16,060	49,730	50,457
EBITDA/share (in €)	19.84	4.60	4.83	11.70	11.93	6.14
Y-Y Growth						
Operating cash flow	81.4%	-79.7%	0.4%	395.9%	-37.8%	-60.8%
Free cash flow	n.m.	n.m.	n.m.	n.m.	48.4%	-61.5%
EBITDA/share	177.9%	-76.8%	5.1%	142.2%	1.9%	-48.6%

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Category		1	2
Current market capitalisation (in €)		0 - 2 billion	> 2 billion
Strong Buy ¹	An expected favourable price trend of:	> 50%	> 30%
Buy	An expected favourable price trend of:	> 25%	> 15%
Add	An expected favourable price trend of:	0% to 25%	0% to 15%
Reduce	An expected negative price trend of:	0% to -15%	0% to -10%
Sell	An expected negative price trend of:	< -15%	< -10%

¹ The expected price trend is in combination with sizable confidence in the quality and forecast security of management.

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Report No.:	Date of publication	Previous day closing price	Recommendation	Price target
Initial Report	22 July 2010	€7.45	Buy	€13.20
2...30	↓	↓	↓	↓
31	30 September 2019	€13.85	Buy	€18.10
32	24 March 2020	€6.66	Buy	€8.70
33	15 April 2020	€8.36	Add	€9.50
34	19 October 2020	€7.82	Add	€9.50
35	20 April 2021	€12.05	Buy	€17.00
39	Today	€15.50	Buy	€24.00

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