

MPH Health Care AG

Germany / Healthcare
 Frankfurt
 Bloomberg: 93M1 GR
 ISIN: DE000A289V03

H1 results

RATING
BUY

PRICE TARGET
€ 58.00

Return Potential 506.7%
 Risk Rating High

NAV HIT IN MARKET DOWNDRAFT

Six month reporting reflected the poor share price performances of the two listed holdings through the end of June. CR Capital AG shares slumped 10%, while M1 Kliniken stock fell some 31% during H1/22. This triggered a 19% H1 decline in the MPH NAVPS to €36.5. Despite the disappointing stock performances, operations at M1 and CR Capital have remained resilient YTD. M1 reported good treatment numbers in H1, while CRC delivered strong H1 results and rewarded shareholders with an upped dividend payout. We maintain our Buy rating but lower our TP to €58 (old: €67) to account for updated valuation models for M1 and CR Capital.

CR Capital developments The investment holding reported six month EBITDA of €67.7m vs €62.4m in the prior year period (+8.5%) with net income approaching €67m (H1/21: €62m). The performance owes mainly to Terrabau GmbH holding, which secured the needed materials and hands for the upcoming projects through 2023, whereas many rivals are handcuffed by material and labour shortages as well as rising interest rates. CRC announced two investments in sustainable technologies in Q1 including an 80% stake in Solartec GmbH. The company operates as a system integrator specialising in rooftop solar rigs combined with hydrogen technology to allow homeowners to store excess electricity produced during the sunshine months for winter usage.

M1 Kliniken developments M1 has opened five new clinics YTD with a further two centres slated for the fall. The company reported EBITDA of €7.6m, which translated into €10.2m in operating cash flow for the period. The Beauty segment contributed €2.6m to the group EBIT result, while Trade (Haemato) added €1.9m. We recently lowered our Trade targets to account for building regulatory headwinds faced by Haemato's Specialty Pharma business but left Beauty estimates unchanged. Despite tightening household budgets, we reckon most patients will not want to compromise their appearance by skipping treatments to save a few bucks next year.

(p.t.o.)

FINANCIAL HISTORY & PROJECTIONS

	2018	2019	2020	2021	2022E	2023E
Operating rev. (€m)	39.53	41.22	3.43	13.55	13.93	28.49
Y/Y growth	0.2%	0.0%	-0.9%	2.9%	0.0%	1.0%
EBIT (€m)	37.64	11.58	-71.02	-9.07	-28.89	24.09
EBT (€m)	37.3%	11.0%	-71.5%	-9.2%	-28.9%	24.1%
Net income (€m)	37.03	11.08	-70.38	-8.96	-28.31	23.61
EPS (diluted) (€)	8.65	2.59	-16.44	-2.09	-6.61	5.51
DPS (€)	2.00	0.00	0.00	0.00	0.00	1.60
NAVPS (€)	62.87	63.45	47.01	44.92	38.30	43.82
Net gearing	4.8%	6.1%	1.7%	-0.2%	-3.9%	-6.2%
Liquid assets (€m)	1.02	1.80	0.37	1.84	3.79	8.98

RISKS

Regulatory changes in healthcare systems, homogenization of pharmaceutical prices within the EU, and prolonged macro economic downturns that limit private healthcare spend.

COMPANY PROFILE

MPH Health Care AG is a Berlin-based investment company focused on the purchase and further development of companies positioned chiefly in growth segments of the healthcare market. These primarily entail specialty pharmaceuticals for chronic diseases and lifestyle and beauty treatments. The company also holds a stake in a residential property developer.

MARKET DATA

As of 03 Oct 2022

Closing Price	€ 9.56
Shares outstanding	4.28m
Market Capitalisation	€ 40.93m
52-week Range	€ 9.40 / 25.60
Avg. Volume (12 Months)	2,182

Multiples	2021	2022E	2023E
P/E	n.a.	n.a.	1.7
EV/EBIT	0.0	0.0	1.8
P/NAV	0.2	0.2	0.2
Div. Yield	0.0%	0.0%	16.7%

STOCK OVERVIEW



COMPANY DATA

As of 30 Jun 2022

Liquid Assets	€ 1.49m
Current Assets	€ 4.23m
Financial Assets	€ 157.17m
Total Assets	€ 161.43m
Current Liabilities	€ 4.18m
Shareholders' Equity	€ 156.31m

SHAREHOLDERS

Magnum	60.0%
Baring Fund Managers	1.7%
KBC Asset Management SA	1.3%
Free Float	37.0%



M1 KLINIKEN SIX MONTH REPORTING

Group revenue 16% lower Y/Y This owes to the absence of non-recurring antigen test kit sales (~25m) that inflated Haemato's H1/21 performance. Adjusted for the €25m in one-off sales, group revenue was in line with the prior year comp. H1/22 EBITDA tallied €7.4m but undershot the prior year figure by 24%, due to missing test kit sales.

Table 1: Second quarter vs FBe and prior year

In EURm	Q2/22	Q2/22E	Variance	Q2/21	Variance	H1/22	H1/21	Variance
Sales	75.2	74.3	1%	84.2	-11%	138.7	165.0	-16%
EBITDA	3.2	3.6	-11%	5.9	-46%	7.4	9.9	-25%
Margin	4.3%	4.8%	-	5.9%	-	5.3%	6.0%	-
EBIT	1.7	1.9	-11%	4.5	-62%	4.5	7.1	-37%
Margin	2.3%	2.6%	-	3.9%	-	3.2%	4.3%	-

Source: First Berlin Equity Research; M1 Kliniken

Beauty segment turnover up 16% year over year The €27.9m notched in H1/22 was spearheaded by a 32% increase in international clinic turnover. Beauty EBIT fell some 12%, due chiefly to the performance of the international component that includes high start-up costs for the new facilities. Treatment figures totalled 190k in H1 vs 163k in the prior year period led by a 50% rise across international centres with the UK in particular prospering from an aggressive pricing strategy. Germany notched a 10% Y/Y increase in treatments. As we wrote in our last M1 update (18 August 2022), we believe the Beauty business will remain resilient despite the impact of mounting economic turbulence on household wallets.

Table 2: Six month Beauty segment performance

In EURm	H1/22		H1/21		Variance	
	Germany	International	Germany	International	Germany	International
Sales	24.0	3.8	21.1	2.9	14%	32%
EBIT	3.7	-1.2	3.3	-0.4	14%	n.m.
Margin	16%	-30%	16%	-12%	-	-

Source: First Berlin Equity Research; M1 Kliniken

Haemato shows good profitability The Lifestyle & Aesthetics (L&A) segment led Haemato's H1/22 profitability contributing a 29% gross margin (GM) on €24m in turnover for the period. Meanwhile, the optimised Specialty Pharma portfolio helped boost segment GM to 6.1% for the reporting period. This is a vast improvement over the ~4% GM normally booked by this business. Specialty Pharma turnover tallied €97m for the period.

L&A chiefly markets self-payer products for use in aesthetic medicine and for treatments but also includes diagnostic and Corona prevention products. Last year, Haemato recorded some €25m in antigen test kit sales at a 33.7% GM, but changing market conditions meant that this performance could not be repeated.

Table 3: Segment breakdown of Haemato (Trade) performance

EURm	Specialty Pharma	Lifestyle & Aesthetics
Revenue	97.1	23.9
Gross profit	5.9	6.2
Margin	6.1%	26.1%

Source: First Berlin Equity Research; Haemato AG

CR CAPITAL DEVELOPMENTS

Strong start to the year Six month results (table 4) were close to FBe. Portfolio revaluations accounted for the bulk of the €69m in investment revenue, which flowed abundantly to the bottom line, thanks to low operating costs and no interest expense. Net income tallied €67m for the period topping the prior year total (€62m). CRC also rewarded investors with a hefty increase in its dividend to €2.5 per share dividend (2020: €1.5ps; +67%), thanks to the good 2021 earnings performance.

Table 4: Six month results vs prior year and FBe

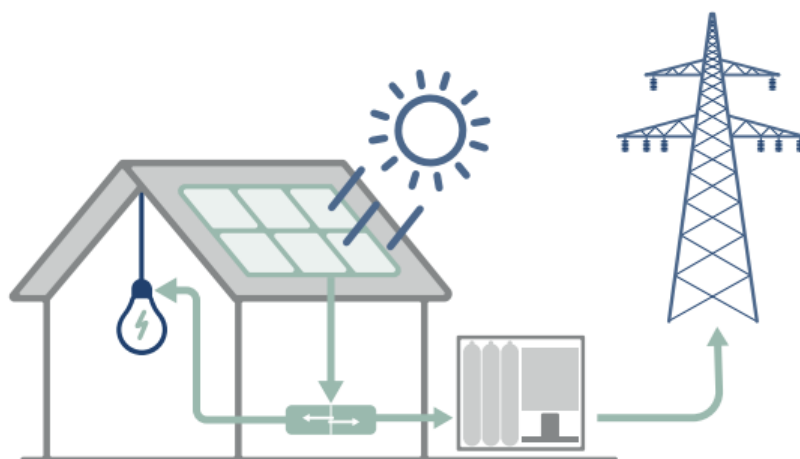
All figures in EUR '000	H1/22	H1/22E	Variance	H1/21	Variance
Investment revenue	68,997	67,500	2.2%	63,688	8.3%
EBITDA	67,708	66,146	2.4%	62,447	8.4%
Margin (%)	98%	98%	-	98%	-
Net income	66,796	65,347	2.2%	61,636	8.4%
EPS diluted (€)	16.5	16.2	2.2%	16.5	0.3%

Source: First Berlin Equity Research; CR Capital

Climate neutral electrification solutions Meanwhile, earlier this year, CR Capital took an 80% stake in Solartec GmbH. The company designs and installs climate-neutral energy systems, which combine rooftop solar PV rigs with hydrogen technology for year-round electrification of private homes.

The green-home boom is gaining steam, thanks to rising energy prices, new green commitments by policy makers, and improved technologies. Many of these technologies have been around for a while, but they are now ready for mainstream applications. The case for homeowners to put solar panels on their roofs looks increasingly compelling because: (1) panels do not belch carbon dioxide; (2) electricity is generated where it is consumed and can ease the strain on transmission lines and power plants; and (3) the average price of residential solar systems is less than half its level in 2010.

Figure 1: Grid independence for homeowners



Source: First Berlin Equity Research; CR Capital

The rub with solar panels is they provide too much electricity in the summer and too little in wintertime, while efficient and / or economically feasible storage solutions are hard to come by. Solartec wants to solve this problem with electrolyzers to produce clean hydrogen made by solar energy and with intelligent energy management systems.

Solartec contends that the pairing of solar panels with electrolyzers can make homeowners grid-independent by converting surplus power produced by solar in the sunny summer months into hydrogen and storing it for winter usage rather than selling it back to utilities.

Clean hydrogen Currently, most hydrogen is produced from fossil fuels, specifically natural gas, that emit a lot of CO₂ unless coupled with technologies that capture and sequester carbon. The cleaner way is to use zero-carbon electricity to run electrolyzers that split water into hydrogen and oxygen. But this is a power-hungry process—50 to 60 kWh are required for every kilogram of hydrogen produced.

Figure 2: Electrolyser technology for clean hydrogen



Source: First Berlin Equity Research; Enapter S.r.l.

Solar can substitute for dirty fossil fuels to produce green hydrogen in two ways. The first is via a photochemical process that uses solar energy directly to split water into hydrogen and O₂. While direct hydrogen production is attractive, the method must still undergo significant innovation to reach scalability.

The second is solar powered electrolysis, which uses solar cells to generate electricity and tear water molecules apart, thereby liberating their constituent hydrogen and oxygen. Given the reliance on established technologies, this method is better suited to produce sufficient amounts of green hydrogen in sunny regions.

Putting it all together Solartec will source solar panels from US and German manufacturers and avoid dependency on Chinese modules. Large order volumes should mitigate delivery issues. The company also has an agreement in place with a German maker of electrolyzers—the key component for year round electrification solutions.

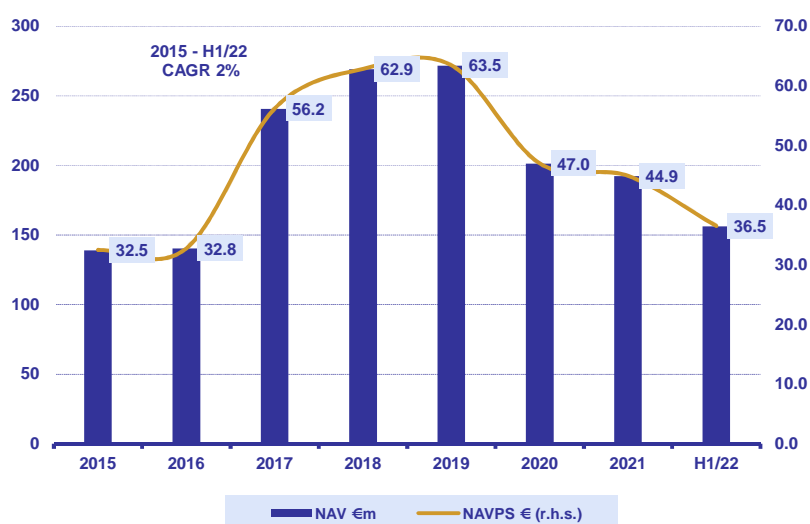
Solartec will work closely with Terrabau GmbH and plans to connect multiple homes to a single system to divvy up the investment costs among multiple homeowners. Aside from the residential business, Solartec plans to roll out a B2B model to commercial landlords. The company reckons these channels will lead to a €20m market opportunity over the near term. With key components secured and a ready-made customer in Terrabau, we think Solartec should have a strong operational start. The system integrator recently completed realising its first pilot project in Ludwigsfelde.



MPH SIX MONTH RESULT HIGHLIGHTS

NAVPS down 19% YTD NAV declined to €156m (YE21: €192m) at the 6M mark corresponding to NAVPS of €36.5. The performance owes to €-36.0m in net income traced primarily to non-cash fair value write-downs of €-36.3m plus €0.3m in profit from the net sales of participations.

Figure 3: NAV and NAVPS developments



Source: First Berlin Equity Research; MPH Health Care AG

The weak portfolio showing owes mainly to the retreat in the M1 share price, which has tumbled some 41% YTD on recession worries. However, we reckon most patients will not want to compromise their public appearance—anti-aging effects from injectables stop if treatments are skipped—to save a few bucks.

Women in particular prioritise their beauty regimens and will generally make their budgets fit—even it means turning the heat down over the winter. Injectable treatments are really quite affordable (especially at M1) at roughly €100 to €150 every 4-6 months. German households are also flush with cash after having socked away >15% of their earnings the past two years with fewer options to splurge.

Table 5: MPH Financial highlights

All figures in EUR '000	H1/22	2021	variance
Cash	1,495	1,843	-19%
Financial assets	157,169	193,502	-19%
Financial debt (short- and long-term)	4,031	4,028	0%
Net debt	2,536	2,185	16%
Total assets	161,430	197,996	-18%
Shareholders' equity	156,312	192,306	-19%
Equity ratio	97%	97%	-
NAV	156,312	192,306	-19%
NAVPS (€)	36.5	44.9	-19%

Source: First Berlin Equity Research; MPH Health Care AG



VALUATION MODEL

We use a sum-of-the-parts valuation methodology to value MPH. Value is driven by the projected fair value of M1 Kliniken and CR Capital, which we have valued separately on a DCF and DDM basis (overleaf). Shareholdings reflect six month reporting.

Table 6: MPH SotP model

Unit	Shareholdings '000	SO '000	MPH stake %	Share price* €	Fair value per share ¹ €	Projected value €m
M1 Kliniken AG	12,241	19,643	62%	3.9	11.7	143
CR Capital Real Estate AG	2,328	4,051	57%	24.3	53.0	123
Haemato AG	12	5,229	0.2%	13.9	35.0	0.4
Projected value of listed holdings						267

* Source: Bloomberg (Previous day's closing price)

	Unit	Value
Fair value of listed portfolio	€m	267
Non-listed investment (book value)	€m	24
Net debt (2021)	€m	0
Present value of holding costs	€m	43
Total fair value	€m	248
MPH shares outstanding	m	4
Fair value per share	€	58

¹ First Berlin Equity Research covers CR Capital (Buy / PT: €53); M1 (Buy / PT: €11.7); HAE (Buy / PT: €35)

	Unit	New	Old	Variance
Fair value of listed portfolio	€m	267	306	-13%
Non-listed investment (book value)	€m	24	24	0%
Net debt	€m	0	0	-
Present value of holding costs	€m	43	43	-1%
Total fair value	€m	248	287	-14%
MPH shares outstanding	m	4	4	0%
Fair value per share	€	58	67	-13%

Source: First Berlin Equity Research estimates



We recently revised our M1 Kliniken forecasts to reflect pricing pressure from health insurance funds and manufacturers impacting Haemato's insurance-financed Specialty Pharma operations that are booked in M1's Trade segment. This results in fair value / share of €11.7 (old: €14) for M1.

Table 7: M1 Kliniken DCF

All figures in EUR '000	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E
Sales	286,507	315,088	351,703	387,362	418,791	444,738	463,104	477,275
NOPLAT	7,918	9,830	13,516	18,305	22,175	26,073	29,049	30,743
(+) depreciation & amortisation	6,560	7,084	8,234	8,049	8,188	7,955	7,117	6,992
(=) Net operating cash flow	14,478	16,914	21,750	26,355	30,363	34,027	36,165	37,735
(-) Total investments (CapEx and WC)	-911	-11,437	-12,700	-12,097	-11,716	-10,392	-10,061	-9,691
(-) Capital expenditures	-7,782	-8,417	-9,287	-8,792	-8,712	-7,916	-8,174	-8,225
(-) Working capital	6,871	-3,019	-3,414	-3,305	-3,004	-2,477	-1,887	-1,466
(=) Free cash flows (FCF)	13,567	5,477	9,050	14,258	18,647	23,635	26,104	28,044
PV of FCFs	13,243	4,836	7,228	10,300	12,185	13,970	13,957	13,563

All figures in EUR '000		Terminal EBIT margin							
		6.7%	7.2%	7.7%	8.2%	8.7%	9.2%	9.7%	
PV of FCFs in explicit period	135,996	7.5%	16.60	17.67	18.75	19.82	20.90	21.97	23.04
PV of FCFs in terminal period	120,983	8.5%	13.83	14.65	15.47	16.29	17.11	17.93	18.75
Enterprise value (EV)	256,979	9.5%	11.79	12.43	13.07	13.72	14.36	15.00	15.64
+ Net cash / - net debt	15,061	10.5%	10.22	10.73	11.24	11.75	12.26	12.78	13.29
+ Investments / minority interests	-41,497	11.5%	8.97	9.38	9.80	10.21	10.62	11.04	11.45
Shareholder value	230,543	12.5%	7.95	8.29	8.63	8.97	9.31	9.65	9.99
Fair value per share in EUR	11.70	13.5%	7.11	7.39	7.67	7.95	8.23	8.51	8.79

	WACC	Terminal growth rate							
		0.5%	1.0%	1.5%	2.0%	2.5%	3.0%	3.5%	
Cost of equity	11.4%	7.5%	16.91	17.73	18.69	19.82	21.18	22.83	24.89
Pre-tax cost of debt	4.5%	8.5%	14.33	14.90	15.55	16.29	17.17	18.19	19.43
Tax rate	25.0%	9.5%	12.34	12.74	13.20	13.72	14.31	14.99	15.78
After-tax cost of debt	3.4%	10.5%	10.75	11.05	11.38	11.75	12.17	12.64	13.18
Share of equity capital	90.0%	11.5%	9.47	9.69	9.94	10.21	10.51	10.85	11.23
Share of debt capital	10.0%	12.5%	8.41	8.58	8.77	8.97	9.19	9.44	9.72
WACC	10.6%	13.5%	7.52	7.65	7.80	7.95	8.12	8.31	8.51

*Please note our model runs through 2030 and we have only shown the abbreviated version for formatting purposes

Meanwhile, our target price for CR Capital is now €53 (old: €58) after rolling our model forward and factoring in the scrip dividend dilutive effects from 2021 earnings. The combined changes point to a €58 target price for MPH (old: €67). Our rating remains Buy.

Table 8: CR Capital discounted dividend model

	Unit	2022E	2023E	2024E	2025E	2026E	2027E	2028E	TV
EPS	€	17.0	17.0	19.1	21.1	23.2	25.1	26.4	30.1
Payout ratio	%	15	16	15	15	15	15	15	15
Dividend (DPS)	€	2.6	2.7	2.9	3.2	3.5	3.8	4.0	4.5
Y/Y	%	4.0	3.8	7.4	10.3	9.4	8.6	5.3	-
NPV	€	2.5	2.4	2.4	2.4	2.4	2.4	2.4	26.0
CAGR 2022 -2026	%	7.0							
Terminal growth rate	%	2.0							
Discount factor	%	8.8							
NPV of dividends	€	27							
Terminal value (TV)	€	26							
Fair value per share	€	53.0							

*Our model runs through 2033 and we have only shown the abbreviated version for formatting purposes

Cost of equity	8.8%	After-tax cost of debt	4.9%
Pre-tax cost of debt	5.0%	Share of equity capital	100.0%
Tax rate	2.0%	Share of debt capital	0.0%
WACC	8.8%		



INCOME STATEMENT

All figures in EUR '000	2018	2019	2020	2021	2022E	2023E
Fair value gains on financial assets	31,019	33,747	0	9,185	9,675	23,877
Income from participations	170	780	0	766	400	400
Investment income	8,317	6,651	3,385	3,561	3,820	4,175
Other operating income	28	43	48	35	37	38
Operating revenue	39,534	41,221	3,433	13,547	13,932	28,490
SG&A	-1,146	-934	-841	-923	-969	-1,018
Other OpEx	-703	-330	-417	-328	-344	-362
Net loss from investments	0	-1,164	-12,453	0	0	0
Fair value loss on financial assets	0	-27,207	-60,720	-21,350	-41,500	-3,000
Depreciation & amortisation	-45	-11	-17	-20	-7	-18
EBIT	37,640	11,575	-71,015	-9,075	-28,889	24,093
Interest expense	-507	-540	-510	-194	0	0
Interest income	209	15	75	80	0	0
EBT	37,342	11,050	-71,450	-9,189	-28,889	24,093
Income taxes	-317	27	1,071	233	578	-482
Net income / loss	37,025	11,076	-70,379	-8,956	-28,311	23,611
Minority interests	0	0	0	0	0	0
Net income after minorities	37,025	11,076	-70,379	-8,956	-28,311	23,611
EPS (in €)	8.6	2.6	-16.4	-2.1	-6.6	5.5



BALANCE SHEET

All figures in EUR '000	2018	2019	2020	2021	2022E	2023E
Assets						
Current assets, total	1,152	2,237	4,318	4,453	6,449	11,694
Cash and equivalents	1,018	1,797	369	1,843	3,786	8,977
ST financial assets	64	305	3,865	2,599	2,651	2,704
Trade receivables	3	4	0	0	0	0
Inventories	7	0	0	0	0	0
Other ST assets	60	131	84	11	12	13
Non-current assets, total	285,101	290,908	206,390	193,543	159,219	177,597
Property, plant & equipment	2	56	43	41	42	43
Goodwill & other intangibles	1	1	0	0	0	0
Financial assets	285,098	290,851	206,346	193,502	159,177	177,554
Total assets	286,253	293,144	210,707	197,996	165,668	189,290
Shareholders' equity & debt						
Current liabilities, total	327	15,724	4,742	4,200	176	180
Trade payables	28	24	36	51	51	51
Provisions	99	91	74	101	104	107
Other ST financial liabilities	87	15,578	4,613	4,028	0	0
Other current liabilities	113	31	19	20	21	22
Long-term liabilities, total	16,798	5,779	4,703	1,490	1,497	1,504
Long-term debt	14,000	3,000	3,000	0	0	0
Deferred tax liabilities & others	2,798	2,779	1,703	1,490	1,497	1,504
Shareholders' equity	269,127	271,641	201,262	192,306	163,995	187,606
Minority interests	0	0	0	0	0	0
Total equity	269,128	271,641	201,262	192,306	163,995	187,606
Total consolidated equity and debt	286,253	293,144	210,707	197,996	165,668	189,290
NAV	269,128	271,641	201,262	192,306	163,995	187,606
NAVPS (€)	62.9	63.5	47.0	44.9	38.3	43.8



CASH FLOW STATEMENT

All figures in EUR '000	2018	2019	2020	2021	2022E	2023E
Net income	37,025	11,076	-70,379	-8,956	-28,311	23,611
Depreciation and amortisation	45	11	17	20	7	18
Revaluation gains	-30,360	-6,540	60,720	12,165	31,825	-20,877
Changes in working capital	7,058	-93	-3,581	1,619	-42	-43
Other adjustments	-830	384	12,453	-761	0	0
Net financial result	299	526	510	195	0	0
Tax expense	317	-26	-1,071	-233	-578	482
Operating cash flow	13,554	5,337	-1,331	4,049	2,901	3,191
Investment income	-8,317	-6,651	-1,500	-5,173	-3,820	-4,175
Tax paid	-41	-38	41	38	578	-482
Net operating cash flow	5,196	-1,352	-2,790	-1,086	-341	-1,465
CapEx	-11	-52	-4	-2	-8	-19
Payments from acquisitions of consolidated companies & other business units	0	1,856	0	0	0	0
Proceeds from disposal of fixed assets	11,783	17,661	11,332	6,248	2,500	2,500
Payments for investment in financial assets	-16,644	-19,116	0	-4,780	0	0
Investment income	8,317	6,378	1,500	4,901	3,820	4,175
Interest income	208	15	0	0	0	0
Cash flow from investing	3,653	6,742	12,828	6,366	6,312	6,656
Equity inflow, net	0	-1	-4	0	0	0
Debt inflow, net	0	4,492	-11,000	-12	-4,028	0
Dividend paid to shareholders	-8,563	-8,562	0	0	0	0
Interest expense	-507	-540	-462	-194	0	0
Cash flow from financing	-9,070	-4,611	-11,466	-206	-4,028	0
Liabilities due at beginning of the period	0	0	0	-3,600	0	0
Net cash flows	-221	779	-1,428	5,075	1,943	5,190
Cash, start of the year	1,239	1,018	1,797	369	1,843	3,786
Cash, end of the year	1,018	1,797	369	1,843	3,786	8,977
Free cash flow (FCF)	8,849	5,390	10,038	5,280	5,971	5,190
Y-Y Growth						
Operating cash flow	415.0%	n.m.	n.m.	n.m.	n.m.	n.m.
Free cash flow	50.2%	-39.1%	86.2%	-47.4%	13.1%	-13.1%

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UST-Id.: 251601797

Ggf. Inhaltlich Verantwortlicher gem. § 6 MDStV

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The production of this recommendation was completed on 4 October 2022 at 12:45

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First Berlin's system for asset valuation is divided into an asset recommendation and a risk assessment.

ASSET RECOMMENDATION

The recommendations determined in accordance with the share price trend anticipated by First Berlin in the respectively indicated investment period are as follows:

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.

Our recommendation system places each company into one of two market capitalisation categories. Category 1 companies have a market capitalisation of €0 – €2 billion, and Category 2 companies have a market capitalisation of > €2 billion. The expected return thresholds underlying our recommendation system are lower for Category 2 companies than for Category 1 companies. This reflects the generally lower level of risk associated with higher market capitalisation companies.

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RECOMMENDATION & PRICE TARGET HISTORY

Report No.:	Date of publication	Previous day closing price	Recommendation	Price target
Initial Report	29 October 2012	€24.55	Buy	€55.00
2...20	↓	↓	↓	↓
21	16 September 2020	€26.00	Buy	€75.00
22	7 December 2020	€22.20	Buy	€75.00
23	6 May 2021	€27.40	Buy	€75.00
24	11 June 2021	€28.50	Buy	€75.00
25	20 September 2021	€23.30	Buy	€75.00
26	24 February 2022	€21.20	Buy	€67.00
27	2 May 2022	€22.30	Buy	€67.00
28	22 September 2022	€16.95	Buy	€67.00
29	Today	€9.56	Buy	€58.00

INVESTMENT HORIZON

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- key sources of information in the preparation of this research report
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- sensitivity of valuation parameters

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