

20 August 2020

**Accentro Real Estate AG**

**Rating** Buy (Hold)  
**Share price (EUR)** 9.30  
**Target price (EUR)** 12.00 (10.50)

Bloomberg A4Y GY  
 Sector Real Estate

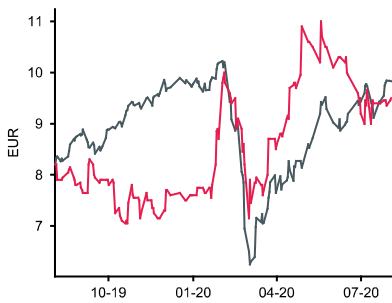
**Share data**

Shares out (m) 32.4  
 Daily volume shs (m) 0.0  
 Free float (%) 12.10  
 Market cap (EUR m) 308  
 EV (EUR m) 664  
 DPS (EUR) 0.00  
 Dividend yield (%) 0.0  
 Payout ratio (%) 10.0

**Performance**

ytd (%) 24.3  
 12 months (%) 13.9  
 12 months rel. (%) -9.4  
 Index SDAX

**Share price performance**



— Accentro Real Estate AG  
 — Price rel. to SDAX - Price Index

Source: Bloomberg

**Next triggers**

12 November – 9M interim report

**Analysts**

Klaus Soer – Financial Analyst  
 +49 (0)69 2475049 27  
 klaus.soer@quirinprivatbank.de

Jannik Lucas – Financial Analyst  
 T +49 (0) 69 2475049 29  
 jannik.lucas@quirinprivatbank.de

Please see final page for important disclaimers and disclosures

**Sales momentum to accelerate in H2/20e**

Despite ongoing difficult market conditions regarding the Covid-19 pandemic, Accentro achieved to increase Q2 FY20 revenues to EUR 22.5m (+13.6% yoy) – in line with our expectations. Thus, demand for owner-occupied flats remains sufficient reaffirming the FY20 guidance (revenue at least EUR 143m) which is why we expect a further rise in property sales in H2 FY20e. In spite of rather disappointing Q2 earnings (EBIT: EUR 0.8m, -82.6% yoy) that remain to strain on FY20, we stress Accentro's strong privatization pipeline and growth perspectives beyond FY20. As a result, we lift our rating to BUY (prev.: Hold) with a DCF-derived TP of EUR 12.00.

**Reasonable Q2 FY20 performance in light of coronavirus crisis**

After an already stable Q1/20 development total revenues increased in Q2 FY20 to EUR 22.5m - mainly driven by rising property sales (EUR 19.3m, +10.1% yoy) and positive contributions from letting- and service revenues. Considering disrupting lockdown measures this hike was yet possible due to high stock overhang of property sales in Q1 affecting revenue in Q2 FY20. However, margins for sold condominiums dropped remarkably in Q2 FY20 to a markup earned on the book value of property sales of only 17.2% (Q2 FY19: 22.4%). Total Q2 FY20 group gross profit amounted to EUR 4.2m (margin: 18.8%, -17.9pp yoy). Q2 FY20 EBIT decreased significantly to EUR 0.8m (-82.6% yoy) corresponding to an EBIT margin of just 3.5% (-19.6pp yoy), burdened by higher personnel costs that almost double in the first two quarters of FY20 and are related to the change in management board (Q2 FY20: EUR 2.1m). In addition, other higher one-off expenses related to delays of sales in light of Covid-19, strained on operating profit. Implied by the 250m bond issuance in February 2020, higher interest expenses as well as shifted tax burdens yield a Q2 FY20 net loss of -3.7m (Q2 FY19: EUR 2.7m).

**Confident FY20e guidance reaffirmation leads to slight estimates increase**

In occasion of the publication of the H1 FY20 figures, Accentro confirmed its earlier full FY20 guidance targeting sales above FY19's level (>EUR 143.3m) and EBIT on prior year's level (EUR 39.8m). While we were more cautious in the early stage of the pandemic's impact we now raise our sales- and EBIT forecast towards management guidance to EUR 143.3m (prev.: EUR 123m) and EUR 39.4m (prev.: EUR 27m) respectively.

Key figures		2018	2019	2020e	2021e	2022e
Sales	EUR m	206	143	143	185	225
EBITDA	EUR m	33	39	40	43	55
EBIT	EUR m	33	39	39	43	54
EPS	EUR	0.56	0.82	0.60	0.76	1.02
Sales growth	%	39.5	-30.3	0.0	29.1	21.6
EBIT growth	%	-9.8	17.3	2.2	8.0	26.9
EPS growth	%	-10.4	45.5	-26.9	27.7	33.4
EBITDA margin	%	16.2	27.4	28.0	23.4	24.3
EBIT margin	%	16.0	26.9	27.5	23.0	24.0
Net margin	%	8.8	18.5	13.5	13.4	14.6
EV/Sales	ratio	2.54	4.19	4.63	3.68	3.09
EV/EBITDA	ratio	15.7	15.3	16.5	15.7	12.7
EV/EBIT	ratio	15.9	15.6	16.8	16.0	12.9
P/E	ratio	17.1	9.9	15.9	12.5	9.3
P/BV	ratio	1.6	1.2	1.3	1.2	1.1
Dividend yield	%	1.7	0.0	0.6	2.0	2.7

Source: Bloomberg, Company data, Quirin Privatbank estimates

### Strong and high margin sales expected H2 FY 20

#### Strong H2 FY 20 expected – Block trades and high margin sales likely

Despite the challenging proposition of realizing sales of more than EUR 100m in H2 FY20e in order to reach our revenue expectations of EUR 143m for FY20e, we expect Accentro to be able to do so. This confidence stems from the fact that several projects with high revenue and income contribution are largely sold into the market and will start to be settled in the further course of H2/20. This includes the project Berlin "Riehmers Hofgarten" comprising the sale of almost 100 high end luxury condominiums with a total sales volume of more than EUR 100m.

We also expect several block trades with a sales volume of > EUR 50m out of the property portfolio. The first transaction has already been realized in August 2020 with the sale of 43 flats of a project in the Rostock region. We assume a sales volume of this transaction according to market values of slightly below EUR 10m. Furthermore Accentro still owns an overhang of unsettled transactions with a sales volume of around EUR 27m as of end of June 2020. Those depend on the land register entry before the transaction is translated into the sales line. We assume that expected H2/20 property sales will be achieved with normalized gross margins in the 30% region and thus close to historical margin levels.

As in previous years we expect the financial performance to be back-end loaded with the largest contribution in Q4 FY20e. With expected revenue of EUR 143m (company guidance: above prior year's level of EUR 143.3m) and an expected EBIT of EUR 39.4m (company guidance: on prior year's level of EUR 39.8m), we basically match company's projections. On the EBIT level this includes already the artificially high cost base of H1 FY 20 due to one off effects like higher personnel costs (EUR 1.3m Management change) and increased marketing costs due to a higher number of new projects transferred into sales. Declining expected FY 20e net profits of EUR 19.4m (-26.9% yoy.) anticipate especially one off higher financing costs of EUR 4.1m due to the refinancing of the EUR 100 m straight bond by a new EUR 250 m bond. The new financial resources (Net cash inflow EUR 150m) have largely extended the ability of Accentro to grow the privatization portfolio.

#### Accentro: quarterly results

EUR m	FY19	yoy %	Q1/20	yoy %	Q2/20	yoy %	H1/20	yoy %	H2/20e	yoy %	FY20e	yoy %
<b>Total revenues</b>	<b>143.3</b>	<b>-30.3</b>	<b>14.9</b>	<b>0.8</b>	<b>22.5</b>	<b>13.6</b>	<b>37.4</b>	<b>8.1</b>	<b>105.9</b>	<b>-2.6</b>	<b>143.3</b>	<b>0.0</b>
Gross profit	41.2	-31.0	4.5	0.8	4.2	-41.8	8.7	-26.4	30.0	2.3	38.7	1418.9
Gross profit margin %	28.7		30.0		18.8		23.3		28.4		27.0	
<b>EBIT</b>	<b>39.8</b>	<b>21.1</b>	<b>0.4</b>	<b>-79.0</b>	<b>0.8</b>	<b>-82.6</b>	<b>1.2</b>	<b>-81.5</b>	<b>38.2</b>	<b>15.0</b>	<b>39.4</b>	<b>-1.0</b>
EBIT margin %	27.8		2.8		3.5		3.3		36.0		27.5	
Financial result	-7.3	-17.7	-6.4	n.m.	-3.5	106.1	-10.0	224.3	-2.5	-40.0	-12.5	71.1
<b>EBT</b>	<b>32.5</b>	<b>35.5</b>	<b>-6.0</b>	<b>n.m.</b>	<b>-2.7</b>	<b>-196.0</b>	<b>-8.8</b>	<b>-349.3</b>	<b>35.6</b>	<b>23.0</b>	<b>26.9</b>	<b>-17.2</b>
EBT margin %	22.7				-12.2		-23.4		33.6		18.8	
Taxes	6.2	9.1	1.9	9.1	0.9	0.0	2.8	652.5	4.7	-16.1	7.5	21.6
Tax rate %					-33.5		-32.1		13.2		28.0	
<b>EAT</b>	<b>26.3</b>	<b>43.7</b>	<b>-7.9</b>	<b>n.m.</b>	<b>-3.7</b>	<b>-233.9</b>	<b>-11.6</b>	<b>-493.6</b>	<b>30.9</b>	<b>132.4</b>	<b>19.4</b>	<b>-26.4</b>
Number of shares m (fully diluted)	32.4		32.4		32.4		32.4		32.4		32.4	
<b>EPS in EUR</b>	<b>0.82</b>		<b>-0.24</b>		<b>-0.12</b>		<b>-0.36</b>		<b>0.95</b>		<b>0.60</b>	

Source: Quirin Privatbank estimates

### Diversified privatization portfolio to target even higher growth

#### Growth to be continued after FY20

Given the ongoing tightness of the German residential markets in general and the focus on markets in larger German cities in specific, we stick to the view that Accentro will continue its growth path. Even the political discussions of rent caps should not destroy the business success of the company. This is backed by the strong and selected privatization portfolio but also by the fact that the number of new build housing in residential is still lacking behind demand patterns. The Accentro management targets total assets to grow to around EUR 1bn (EUR 719m as of June 30 2020).

#### Inventory privatization portfolio will grow to EUR 500 in FY 2020

While the inventory portfolio has already grown by 20.9% yoy to EUR 470xm by end of June 2020 we expect it to be kept on that level even by the end of FY 20. Despite expected property sales of up to EUR 130 m in FY 2020e the pipeline might be refilled by further acquisitions in H2/20 (Acquisition into the inventory portfolio H1 FY 20: EUR 58m (H1 FY 19: EUR 2.2m). Taking into account the new and accelerated growth strategy of the new management led by CEO Lars Schriewer we would not rule out further larger acquisitions into the privatization portfolio.

## Valuation

Our valuation model for Accentro is first and foremost based on a capital-market consideration even as the free float accounts for only around 12% of the share capital. We largely rely on our DCF model, which takes into account the company's above average profitability as well as the positive prospects in a still growing German residential property market.

We have adjusted our DCF Model by the improved perspective of total 2020. We also anticipated a somewhat faster growth in the upcoming years. We stick to our continuously high margin assumptions.

We finally derive an equity value of EUR 390m or EUR 12.04 per share. Therefore the TP is lifted to EUR 12.00 and the rating to Buy (prev. Hold).

**Increased estimates uncover more than 25% upside**

### DCF valuation

DCF model (EUR m)	2020e	2021e	2022e	2023e	2024e	TV
Sales	143	185	225	240	243	250
YOY change (%)	0.0	29.1	21.6	6.7	1.3	2.9
EBIT	39	43	54	60	62	65
EBIT margin (%)	27.5	23.0	24.0	25.0	25.5	26.0
Depreciation	1	1	1	1	1	10
Net working capital	504	556	607	632	657	676
Taxes	8	10	13	14	15	16
Tax rate (%)	28.0	28.0	28.0	28.0	28.0	25.0
Free cash flow	-55	-20	-12	18	19	943
WACC	4.1%	4.1%	4.1%	4.1%	4.2%	5.2%
Discounted FCF	-53	-19	-11	15	16	733
Contribution to EV	-7.7%	-2.8%	-1.6%	2.2%	2.4%	107.4%
<b>Discounted EV</b>	<b>682.2</b>					
Net Financial debt	291.9					
Minorities	0.0					
<b>Shareholder value</b>	<b>390.3</b>					
<b>Fair value per share</b>	<b>12.04</b>					

Source: Quirin Privatbank estimates

### WACC calculation

TV growth rate	1.1%
Risk free interest rate	1.5%
Risk premium	6.0%
Beta	0.6
Company interest rate	3.5%
Company tax rate	28.0%
Cost of equity	4.9%
Cost of debt	2.5%
<b>WACC</b>	<b>4.1%</b>

Source: Company data, Quirin Privatbank estimates

## Profit &amp; loss statement

Profit & loss statement (EUR m)	2018	YOY	2019	YOY	2020e	YOY	2021e	YOY	2022e	YOY
Sales	205.6	39.5 %	143.3	-30.3 %	143.3	0.0 %	185.0	29.1 %	225.0	21.6 %
Unfinished Goods	0.0		0.0		0.0		0.0		0.0	
Other own work capitalized	0.0		0.0		0.0		0.0		0.0	
Other operating earnings	1.7		1.2		-1.8		-0.2		-0.7	
Cost of goods	164.1		104.6		104.6		135.0		164.2	
Gross profit	43.2		39.9		37.0		49.8		60.1	
Personnel expenses	4.6		5.8		5.8		7.5		9.2	
Depreciation	0.3		0.7		0.8		0.8		0.8	
Other operating expenses	5.3		6.2		-9.0		-1.0		-3.9	
EBITDA	33.2	-9.1 %	39.3	18.3 %	40.2	2.2 %	43.3	7.8 %	54.8	26.4 %
EBITDA margin (%)	16.15		27.42		28.02		23.41		24.33	
EBIT	32.9	-9.8 %	38.6	17.3 %	39.4	2.2 %	42.6	8.0 %	54.0	26.9 %
EBIT margin (%)	15.98		26.91		27.50		23.00		24.00	
Net interest	-8.9		-7.4		-13.8		-9.5		-9.5	
Income from Participations	0.0		1.3		1.3		1.3		1.3	
Net financial result	-8.9		-6.1		-12.5		-8.2		-8.2	
Exceptional items	0.0		0.0		0.0		0.0		0.0	
Pretax profit	24.0	-13.2 %	32.5	35.5 %	26.9	-17.2 %	34.3	27.7 %	45.8	33.4 %
Pretax margin (%)	11.66		22.68		18.76		18.56		20.35	
Taxes	5.7		6.2		7.5		9.6		12.8	
Tax rate (%)	23.67		19.05		28.00		28.00		28.00	
Earnings after taxes	18.3		26.3		19.4		24.7		33.0	
Minorities	0.1		-0.2		0.0		0.0		0.0	
Group attributable income	18.2	-10.4 %	26.5	45.5 %	19.4	-26.9 %	24.7	27.7 %	33.0	33.4 %
No. of shares (m)	32.4		32.4		32.4		32.4		32.4	
Earnings per share (EUR)	0.56	-10.4 %	0.82	45.5 %	0.60	-26.9 %	0.76	27.7 %	1.02	33.4 %

Source: Company data, Quirin Privatbank estimates

## Balance sheet

Balance sheet (EUR m)	2018	YOY	2019	YOY	2020e	YOY	2021e	YOY	2022e	YOY
<b>Assets</b>										
Cash and cash equivalents	15.5		24.2		17.1		5.6		6.8	
Accounts receivables	18.6		10.6		10.6		13.6		16.6	
Inventories	345.2		416.6		500.0		550.0		600.0	
Other current assets	12.7		26.1		26.1		26.1		26.1	
Tax claims	1.1		0.9		0.9		0.9		0.9	
<b>Total current assets</b>	<b>393.1</b>	<b>20.7 %</b>	<b>478.3</b>	<b>21.7 %</b>	<b>554.6</b>	<b>16.0 %</b>	<b>596.1</b>	<b>7.5 %</b>	<b>650.3</b>	<b>9.1 %</b>
Fixed assets	23.7		25.0		24.8		24.5		24.3	
Goodwill	17.8		17.8		17.8		17.8		17.8	
Other intangible assets	0.0		0.0		0.0		0.0		0.0	
Financial assets	0.0		34.5		34.5		34.5		34.5	
Deferred taxes	0.7		1.3		1.3		1.3		1.3	
Other fixed assets	38.9		24.0		24.0		24.0		24.0	
<b>Total fixed assets</b>	<b>81.1</b>	<b>265.7 %</b>	<b>102.5</b>	<b>26.4 %</b>	<b>102.3</b>	<b>-0.2 %</b>	<b>102.0</b>	<b>-0.2 %</b>	<b>101.8</b>	<b>-0.2 %</b>
<b>Total assets</b>	<b>474.2</b>	<b>36.3 %</b>	<b>580.8</b>	<b>22.5 %</b>	<b>656.8</b>	<b>13.1 %</b>	<b>698.1</b>	<b>6.3 %</b>	<b>752.0</b>	<b>7.7 %</b>
<b>Equity &amp; Liabilities</b>										
Subscribed capital	32.4		32.4		32.4		32.4		32.4	
Reserves & other	78.4		78.7		78.7		78.7		78.7	
Revenue reserves	86.3		107.6		125.0		143.5		168.2	
Accumulated other comprehensive	0.0		0.0		1.9		6.2		8.2	
<b>Shareholder's equity</b>	<b>199.1</b>	<b>29.5 %</b>	<b>220.8</b>	<b>10.9 %</b>	<b>240.2</b>	<b>8.8 %</b>	<b>263.0</b>	<b>9.5 %</b>	<b>289.7</b>	<b>10.2 %</b>
Minorities	2.0		2.1		2.1		2.1		2.1	
<b>Shareholder's equity incl. minorities</b>	<b>199.1</b>	<b>29.5 %</b>	<b>220.8</b>	<b>10.9 %</b>	<b>240.2</b>	<b>8.8 %</b>	<b>263.0</b>	<b>9.5 %</b>	<b>289.7</b>	<b>10.2 %</b>
<b>Long-term liabilities</b>										
Pension provisions	0.0		0.0		0.0		0.0		0.0	
Financial liabilities	76.8		114.5		114.5		114.5		114.5	
Tax liabilities	1.1		2.2		2.2		2.8		3.4	
Other liabilities	0.0		0.0		0.0		0.0		0.0	
<b>Total long-term debt</b>	<b>176.4</b>	<b>306.3 %</b>	<b>215.9</b>	<b>22.4 %</b>	<b>365.9</b>	<b>69.5 %</b>	<b>366.6</b>	<b>0.2 %</b>	<b>367.2</b>	<b>0.2 %</b>
<b>Short-term debt</b>										
Other provisions	0.8		0.9		0.9		1.1		1.4	
Trade payables	4.8		6.2		6.2		8.0		9.7	
Financial debt	54.4		102.4		9.1		14.8		29.7	
Other liabilities	18.4		14.7		14.7		19.0		23.1	
<b>Total short-term debt</b>	<b>98.7</b>	<b>-34.5 %</b>	<b>144.0</b>	<b>46.0 %</b>	<b>50.7</b>	<b>-64.8 %</b>	<b>68.6</b>	<b>35.3 %</b>	<b>95.1</b>	<b>38.6 %</b>
<b>Total equity &amp; liabilities</b>	<b>474.2</b>	<b>36.4 %</b>	<b>580.8</b>	<b>22.5 %</b>	<b>656.8</b>	<b>13.1 %</b>	<b>698.1</b>	<b>6.3 %</b>	<b>752.0</b>	<b>7.7 %</b>

Source: Company data, Quirin Privatbank estimates

## Financial key ratios

Key ratios	2018	2019	2020e	2021e	2022e
<b>Per share data (EUR)</b>					
EPS	0.56	0.82	0.60	0.76	1.02
Book value per share	6.1	6.8	7.4	8.1	8.9
Free cash flow per share	-1.4	-1.2	-2.2	-1.0	-0.8
Dividend per share	0.16	0.00	0.06	0.19	0.25
<b>Valuation ratios</b>					
EV/Sales	2.54	4.19	4.63	3.68	3.09
EV/EBITDA	15.7	15.3	16.5	15.7	12.7
EV/EBIT	15.9	15.6	16.8	16.0	12.9
P/E	17.1	9.9	15.9	12.5	9.3
P/B	1.6	1.2	1.3	1.2	1.1
Dividend yield (%)	1.7	0.0	0.6	2.0	2.7
<b>Growth</b>					
Sales growth (%)	39.5	-30.3	0.0	29.1	21.6
EBITDA growth (%)	-9.1	18.3	2.2	7.8	26.4
EBIT growth (%)	-9.8	17.3	2.2	8.0	26.9
EPS growth (%)	-10.4	45.5	-26.9	27.7	33.4
<b>Profitability ratios</b>					
EBITDA margin (%)	16.2	27.4	28.0	23.4	24.3
EBIT margin (%)	16.0	26.9	27.5	23.0	24.0
Net margin (%)	8.8	18.5	13.5	13.4	14.6
ROCE (%)	n.a.	n.a.	n.a.	n.a.	n.a.
<b>Financial ratios</b>					
Total equity (EUR m)	199.1	220.8	240.2	263.0	289.7
Equity ratio (%)	42.0	38.0	36.6	37.7	38.5
Net financial debt (EUR m)	214.2	291.9	355.7	373.0	386.7
Net debt/Equity	0.0	0.0	1.5	0.4	0.4
Interest cover	3.3	3.2	2.8	4.3	5.4
Net debt/EBITDA	6.5	7.4	8.9	8.6	7.1
Payout ratio (%)	28.5	0.0	10.0	25.0	25.0
Working Capital (EUR m)	294.4	334.2	503.8	527.5	555.2
Working capital/Sales	1.43	2.33	3.52	2.85	2.47

Source: Company data, Quirin Privatbank estimates

## Legal Disclaimer

This report was completed 20/08/2020 16:42 CEST (Delegierte Verordnung 2016/958, Artikel 3 Absatz 1e)

This document has been prepared by Quirin Privatbank AG (hereinafter referred to as „the Bank“). This document does not claim completeness regarding all the information on the stocks, stock markets or developments referred to in it. On no account should the document be regarded as a substitute for the recipient procuring information for himself/herself or exercising his/her own judgments.

The document has been produced for information purposes for institutional clients or market professionals. Private customers, into whose possession this document comes, should discuss possible investment decisions with their customer service officer as differing views and opinions may exist with regard to the stocks referred to in this document.

This document is not a solicitation or an offer to buy or sell the mentioned stock.

The document may include certain descriptions, statements, estimates, and conclusions underlining potential market and company development. These reflect assumptions, which may turn out to be incorrect. The Bank and/or its employees accept no liability whatsoever for any direct or consequential loss or damages of any kind arising out of the use of this document or any part of its content.

Any forecasts or price targets shown for companies discussed in this document may not be achieved due to multiple risk factors including without limitation market volatility, sector volatility, corporate actions, the unavailability of complete and accurate information. For investments in foreign markets and instruments there are further risks, generally based on changes in economic and political environment, changes in financial conditions of the relevant company, on exchange rate changes, etc.

The Bank and/or its employees may hold, buy or sell positions in any securities mentioned in this document, derivatives thereon or related financial products. The Bank and/or its employees may underwrite issues for any securities mentioned in this document, derivatives thereon or related financial products or seek to perform capital market or underwriting services.

The Bank reserves all the rights in this document.

The preparation of this document is subject to regulation by German Law.

Remarks regarding to U.K. clients: Distribution of this material in the U.K. is governed by the FSA Rules. This Report is intended only for distribution to Professional Clients or Eligible Counterparties (as defined under the rules of the FSA) and is not directed at Retail Clients (as defined under the rules of the FSA).

### **Disclosures in respect of section 85 of the German Securities Trading Act, the market abuse regulation and the Commission Delegated Regulation (EU) 2016/958**

Section 85 of the German Securities Trading Act in combination with the European regulations requires an enterprise preparing a securities analyses to point possible conflicts of interest with respect to the company that is the subject of the analyses. Catalogue of potential conflicts of interest:

1. The Bank and/or its affiliate(s) own a net long or short position exceeding the threshold of 0,5% of the total issued share capital of the company that is the subject of the Research Document, calculated in accordance with Article 3 of regulation (EU) No 236/2012 and with Chapter III and IV of Commission Delegated Regulation (EU) No 918/2012
2. The company that is the subject of the Research Document owns 5% or more in the total issued share capital of the Bank and/or its affiliate(s)
3. The Bank and/or its affiliate(s) was Lead Manager or Co-Lead Manager over the previous 12 months of a public offering of analyzed company
4. The Bank and/or its affiliate(s) act as Market Maker or Designated Sponsor for the analyzed company
5. The Bank and/or its affiliate(s) over the previous 12 months has been providing investment banking services for the analyzed company for which a compensation has been or will be paid
6. The responsible analyst named in this report disclosed a draft of the analysis set forth in this Research Document to the company that is the subject of this Research Document for fact reviewing purposes and changes were made to this Research Document before publication
7. The Bank and/or its affiliate(s) effected an agreement with the analyzed company for the preparation of the financial analysis
8. The Bank and/or its affiliate(s) holds a trading position in shares of the analyzed company
9. The Bank and/or its affiliate(s) has other important financial interests in relation to the analyzed company

In relation to the security or financial instrument discussed in this analyses the following possible conflict of interest exists: (6,7,8)

The Bank have set up effective organizational administrative arrangements to prevent and avoid possible conflicts of interest and, where applicable, to disclose them. The Quirin research analysts involved in issuing research reports operate independently of Quirin Investment Banking business. Information barriers and procedures are in place between the research analysts and staff involved in securities trading for the account of Quirin or clients to ensure the price sensitive information is treated according to applicable laws and regulations.

The valuation underlying the rating of the company analyzed in this report is based on generally accepted and widely used methods of fundamental valuation, such as the DCF model, Free Cash Flow Value Potential, peer group comparison and – where applicable – a sum-of-the-parts model.

We do not commit ourselves in advance to whether and in which intervals an update is made. The document and the recommendation and the estimations contained therein are not linked – whether directly or indirectly – to the compensation of the analyst responsible for the document.

All share prices given in this equity analysis are closing prices from the last trading day before the publication date stated, unless another point in time is explicitly stated.

The rating in this report are based on the analyst's expectation of the absolute change in stock price over a period of 6 to 12 months and reflect the analyst's view of the potential for change in stock price as a percentage. The BUY and SELL ratings reflect the analyst's expected high change in the value of the stock.

The levels of change expressed in each rating categories are:

BUY > +10%

HOLD <=-10% and < = +10%

SELL > -10%.

#### Analyst certification

Klaus Soer, financial analyst, hereby certifies that all of the views expressed in this report accurately reflect my personal views about any and all of the subject securities or issuers discussed herein. In addition, I hereby certify that no part of my compensation was, is, or will be, directly or indirectly related to the specific recommendations or views expressed in this research report, nor is it tied to any specific investment banking transaction performed by the Bank or its affiliates.

#### Price and Rating History (last 12 months)

Date	Price target-EUR	Rating	Initiation
20.08.2020	12.00	Buy	
05.06.2020	10.50	Hold	
14.11.2019	10.50	Buy	09.05.2018

Bank distribution of ratings and in proportion to investment banking services can be found on the internet at the following address:

<https://www.quirinprivatbank.de/kapitalmarktgeschaeft/institutionelles-research>

Bank disclosures, conflict of interest on complete list of financial analysis on the last 12 month can be found on the internet at the following address:

<https://research.quirinprivatbank.de/content/disclosures>

#### Competent supervisory authority

Bundesanstalt für Finanzdienstleistungsaufsicht - BaFin – (Federal Financial Supervisory Authority), Graurheindorfer Str. 108 , 53117 Bonn

#### Contact Quirin Privatbank AG Frankfurt am Main

Schillerhaus / Schillerstraße 20 / 60313 Frankfurt am Main

Management Board: Karl Matthäus Schmidt • Johannes Eismann •



## Contact Details

### Quirin Privatbank AG

Schillerhaus | Schillerstrasse 20 | 60313 Frankfurt am Main

Tel.: +49 69 2 47 50 49-0 | Fax: +49 69 2 47 50 49-44 | Institutional-Sales-FFM@quirinprivatbank.de

Equity Research	Tel.	Email
Klaus Soer	+49 (0) 69 2475049-27	klaus.soer@quirinprivatbank.de
Ralf Marinoni	+49 (0) 69 2475049-24	ralf.marinoni@quirinprivatbank.de
Sebastian Droste	+49 (0) 69 2475049-26	sebastian.droste@quirinprivatbank.de
Daniel Kukalj	+49 (0) 69 2475049-28	daniel.kukalj@quirinprivatbank.de
Jannik Lucas	+49 (0) 69 2475049-29	jannik.lucas@quirinprivatbank.de

Equity Sales	Tel.	Email
Rainer Jell	+49 (0) 69 2475049-45	rainer.jell@quirinprivatbank.de
Klaus Messenzehl	+49 (0) 69 2475049-46	klaus.messenzehl@quirinprivatbank.de
Bruno de Lencquesaing	+49 (0) 69 2475049-81	bruno.delencquesaing@quirinprivatbank.de

Fixed Income Sales	Tel.	Email
Jürgen Raabe	+49 (0) 69 2475049-41	juergen.raabe@quirinprivatbank.de
Janine Kaiser	+49 (0) 69 24750 49-83	janine.kaiser@quirinprivatbank.de
Stefan Krewinkel	+49 (0) 69 2475049-43	stefan.krewinkel@quirinprivatbank.de
Michael Laufenberg	+49 (0) 69 2475049-48	michael.laufenberg@quirinprivatbank.de
Roman Piroutek	+49 (0) 69 2475049-47	roman.piroutek@quirinprivatbank.de

Trading / Sales Trading	Tel.	Email
Thomas Flügel	+49 (0) 69 2475049-92	thomas.fluegel@quirinprivatbank.de
Jean-Marie Frémion	+49 (0) 69 2475049-90	jean-marie.fremion@quirinprivatbank.de
Peter Rumstich	+49 (0) 69 2475049-65	peter.rumstich@quirinprivatbank.de

Business Support	Tel.	Email
Suganya Sutharsan	+49 (0) 69 2475049-88	suganya.sutharsan@quirinprivatbank.de