

December 7th, 2021  
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**

# Accentro Real Estate AG

Strong sales figures and  
a promising cooperation

**Rating:** Buy (unchanged) | **Price:** 6.70 € | **Price target:** 14.60 € (prev.: 13.20 €)

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## Recent business development



### Basic data

Based in:	Berlin
Sector:	Residential properties
Headcount:	approx. 100
Accounting:	IFRS
ISIN:	DE000A0KFKB3
Ticker:	A4Y:GR
Price:	6.70 Euro
Market segment:	Prime Standard
Number of shares:	32.4 m
Market Cap:	217.3 m Euro
Enterprise Value:	780.0 m Euro
Free Float:	12.1 %
Price high/low (12M):	9.20 / 6.00 Euro
Ø turnover (Xetra, 12 M):	32,300 Euro / day

As announced, sales activities at Accentro intensified further in the third quarter, so that after nine months there is a volume of notarised property sales of EUR 188.6 m on the books. Due to the usual delays between the conclusion and execution of contracts, EUR 96.4 m of this amount have not yet had any impact on revenues; nevertheless, revenues from the sale of inventory properties increased by 95 percent to EUR 108.4 m in the reporting period. In total, Accentro turned over EUR 125.4 m between January and September and was able to more than quintuple EBIT to EUR 31.0 m on this basis. In addition to the higher revenues and the significantly improved sales margin, EBIT also benefited from the valuation result, which increased year-on-year from EUR 2 m to EUR 16 m. Looking ahead to the entire year, Accentro continues to target revenues of between EUR 170 m and EUR 200 m and EBIT of between EUR 45 m and EUR 50 m, which seems well founded given the nine-month figures and the large backlog of notarised contracts. With regard to the coming years, the partnership with ImmoScout24 agreed in November also promises very great potential.

FY ends: 31.12.	2018	2019	2020	2021e	2022e	2023e
Sales (m Euro)	205.6	143.3	125.2	198.1	224.2	261.6
EBIT (m Euro)*	32.9	39.8	34.8	48.3	30.8	44.0
Net profit*	18.2	26.5	16.6	15.5	10.6	18.7
EpS*	0.56	0.82	0.51	0.48	0.33	0.58
Dividend per share	0.16	0.00	0.00	0.10	0.20	0.25
Sales growth	39.5%	-30.3%	-12.6%	58.3%	13.2%	16.7%
Profit growth	-9.7%	45.4%	-37.4%	-6.7%	-31.3%	76.2%
PSR	1.06	1.52	1.74	1.10	0.97	0.83
PER	11.9	8.2	13.1	14.1	20.5	11.6
PCR	23.7	19.6	22.4	16.1	25.3	17.7
EV / EBIT	2.4%	0.0%	0.0%	1.5%	3.0%	3.7%

\* up to and including 2021 with valuation result, from 2022 without

## Strong sales momentum increases further

After Accentro had already reported strong sales figures for the first half of the year (+122 percent in the number of units sold and +155 percent in the notarised sales volume), the momentum was further increased in the months of July to September. After nine months, there is an increase in property sales of 133 percent to 614 units and in the notarised sales volume of 155 percent to EUR 188.6 m. For comparison: In the first half of the year, there were only 360 units worth EUR 116 m. For almost half of this high sales volume, however, the transfer of benefits and burdens had not yet been completed as of 30 September, which is why sales with a volume of EUR 96.4 m were not yet reflected in the revenues of the first nine months. This means that the backlog of notarised but not yet completed sales has almost tripled since the turn of the year.

## Revenues from sales almost doubled

Despite this, Accentro was able to increase its revenues from the sale of inventory properties by 95 percent to EUR 108.4 m in the reporting period, of which 44 percent or EUR 47.4 m were generated in the third quarter alone. Rental revenues did not increase quite as strongly, but also very significantly by 86 percent (to EUR 15.3 m). This reflects, on the one hand, the 37 percent year-on-year growth in property assets (as an average figure for the respective nine-month period) and, on the other hand, its slightly higher rental yield. However, the figures for rental revenues during the year are still subject to strong fluctuations due to the large number of acquisitions and sales, and lagging utility bills limit the comparability of the figures during the year as well. For example, reported third quarter letting revenues of EUR 4.5 m were more than 40 percent lower than April to June (but still 68 percent higher than Q3 2020), although the balance sheet property assets remained stable between Q2 and Q3. Upon enquiry, the company explains this primarily with delays in booking the rental revenues of the East German portfolio acquired at the end of 2020, which is why it was only recorded retrospectively in the second quarter, as a result of which the rental revenues of the first quarter was reported too low and that of the

second too high. The figure for the third quarter (EUR 4.5 m) was accordingly between the two.

Business figures	9M 20	9M 21	Change
Revenues	65.29	125.36	+92.0%
Of which sales	55.70	108.38	+94.6%
Of which lettings	8.24	15.30	+85.8%
Of which brokerage	1.36	1.68	+23.7%
Gross profit	14.94	33.44	+123.9%
Gross margin	22.9%	26.7%	
Valuation result	2.01	16.34	+712.9%
EBIT	5.60	31.02	+454.3%
EBIT margin	8.6%	24.7%	
EBT	-8.02	14.35	-
EBT margin	-12.3%	11.4%	
Net profit	-11.96	8.09	-
Net margin	-18.3%	6.4%	
Free cash flow	-107.62	-20.11	-

*In m Euro and percent; source: Company*

## Group revenues increase by 92 percent

Service revenues, the smallest source of income, decreased slightly (-12 percent) in the third quarter compared to the previous year, but increased by 24 percent to EUR 1.7 m in total for the nine months. These fluctuations are typical of the business, but overall, the service revenues remain at a low level. This should change significantly next year thanks to a sales cooperation with ImmoScout24 announced at the beginning of November (see below). Cumulatively across all three types of income, nine-month revenues increased by 92 percent to EUR 125.4 m.

## Sales margin at multi-year high

The sales margin showed a strong improvement in the first nine months of the year, at 26.5 percent, surpassing the previous year's figure by 8.5 percent and reaching the highest level since 2016. This was made possible primarily by the very high profitability of sales in the third quarter, which more than made up for the somewhat weaker margin in the first half of the

year. Upon enquiry, Accentro explains the development with several aspects. On the one hand, the company points to the usual fluctuation of the margin depending on the composition of the flats sold. For example, several units of the very high-priced Riehmers Hofgarten ensemble were included in the summer property sales figures. In addition, a change in the accounting of brokerage costs (after notarisation instead of, as previously, after the transfer of benefits and burdens) led to a pull-forward effect of costs from the third to the second quarter, which further increased the volatility of the margin between these two quarters. Finally, Accentro also admits that the increase in construction costs has temporarily had a negative impact on the margins of some properties, to which the company responded with a noticeable increase in sales prices at the beginning of August. On average across the privatisation portfolio, Accentro is talking about a high single-digit percentage increase, which the company says has remained without any noticeable effect on demand and has contributed to the margin increase in the summer months.

### Rental income weaker

In contrast, profitability in the rental business deteriorated significantly compared to the previous year. Despite the strong growth in letting revenues, the rental income for the first nine months fell by 20 percent to EUR 3.1 m and was even slightly negative in the third quarter. The most important cause of this development is the high vacancy rate in the portfolio, which increased noticeably, especially with last year's purchase of the large portfolio in eastern Germany, and which results not only in lost rents but also in lower revenues from the proportionate apportionable utilities costs. In addition, there were also high out-of-period expenses from utility bills, which contributed significantly to an increase in expenses from letting by 180 percent to EUR 12.23 m. In addition, Accentro reports increased letting costs, which the company says are already starting to pay off in improved occupancy rates, although the planned investments to upgrade the East German portfolio have only just begun. Accordingly, Accentro reaffirms its goal of halving the vacancy rate of this portfolio, which stood at 40 percent at the time of purchase, within two years. Espe-

cially with regard to the very weak letting result in the third quarter, modernisation measures also had a negative impact, which can most likely still be capitalised in the course of the work on the annual financial statements. In this respect, the deterioration in the quality of earnings in the letting business visible during the year is probably somewhat overstated.

### Group gross margin improved

In the sum of all revenue types, however, the significantly improved profitability in the privatisation business prevailed anyway, so that the group gross margin for the first nine months increased by 3.8 percentage points to 26.7 percent. In absolute figures, the group's gross profit even improved by 124 percent to EUR 33.4 m.

### Cost increase disproportionately low

Costs have also increased significantly in the year to date, but their growth has nevertheless remained below the increase in gross profit. Personnel expenses, for example, increased by 27 percent to EUR 7.7 m, but this clearly understates the actual dynamics. The previous year's figure still included a high one-off effect in connection with the change in the Executive Board at that time, while the current figure primarily reflects the increased headcount. Accordingly, the growth rates of personnel expenses have gradually increased between Q1 and Q3, to most recently 40 percent in the summer months. As mentioned, this is due to the strong growth in personnel, which Accentro explains with a capacity build-up in many areas. At the end of September, the group employed about 100 of staff, which was about one third more than a year ago. The increase in other operating expenses, which rose by 130 percent to EUR 10.4 m, was even higher than the increase in gross profit. Accentro explains this upon inquiry with several developments that are largely due to the high pace of expansion. These include, in particular, high costs for staff recruitment and legal and consultancy costs (including initiation costs of transactions that have been considered but not carried out). In addition, there are costs for the introduction of a new risk management system, for the new website and, last but not least, for the digitisation of internal processes.

## EBIT grows by 454 percent

In terms of earnings, the development of the first three quarters resulted in an EBIT of EUR 31.0 m, which thus exceeded the previous year's figure by 454 percent. Of this amount, EUR 16.3 m (previous year: EUR 2.0 m) were due to the valuation result, which primarily reflects the great value potential that the appraisers attribute to the East German portfolio on the basis of the Accentro plans (in particular a strong reduction in vacancy). But even adjusted for the valuation effects, the EBIT increased by more than 300 percent (to EUR 14.7 m), which was mainly made possible by the high and profitable property sales in the third quarter. In these three months alone, in the absence of valuation effects, EBIT of almost EUR 12.0 m was generated.

After deducting the negative financial result of EUR -5.5 m and income taxes, a net profit of EUR 4.7 m remained in the third quarter. Cumulatively over the first nine months, a net profit for the period of EUR 8.1 m was reported, compared to EUR -12.0 m in the previous year. However, it should be borne in mind that the previous year's figure was shaped by extensive one-off costs, while the result for the first nine months of 2021 benefited strongly from the high valuation gain, without which it would (yet) have remained in the red.

## Operating cash flow with a turnaround

Thanks to the improved EBIT, significantly higher customer prepayments and a sharp increase in non-cash expenses (including effective interest from bonds and financing, deferred taxes) from EUR 6.9 m in the previous year to EUR 18.4 m, operating cash flow before changes in inventories improved significantly from EUR -6.3 m to EUR +23.7 m. As the expansion of the portfolio has shifted mainly to fixed assets since last year, the cash-relevant change in inventories in the first nine months was also clearly positive at EUR +23.4 m, while in the previous year the increase in inventories had been responsible for a cash outflow of almost EUR 41 m. Overall, the operating cash flow turned positive from EUR -47.1 m to EUR +47.2 m. Accentro did not report a major acquisition for its inventory again until December, when it purchased 73

units in attractive Berlin locations that are ready for privatisation (already legally subdivided).

## Further portfolio expansion

While inventories fell by 6 percent to EUR 384.9 m in the nine-month period, the stronger focus on expanding the investment portfolio was reflected in its increase by 40 percent to over EUR 300 m. The disbursements for these investments (EUR 58.5 m), together with the granting of loans to joint ventures (EUR 13.5 m) and less interest received from such loans (EUR 5.0 m), led substantially to a cash outflow from investing activities of EUR 67.3 m, so that the free cash flow showed a negative balance of EUR 20.1 m, in line with the plan and strategy. This was financed by further borrowing, which consisted primarily of the issue of a bond with a volume of EUR 100 m. After deducting other repayments, interest payments, etc., the net inflow from financing activities amounted to EUR 34.2 m, as a result of which liquidity rose from EUR 56.5 m to EUR 72.4 m.

## Balance sheet total just under EUR 1 billion

As a result of the investments in real estate assets and the liquidity build-up, the balance sheet total also increased further to EUR 957.8 m, which means that the target figure of just under EUR 1.0 billion set for the entire year has already been reached. Equity also increased by 5 percent to EUR 260.5 m thanks to the positive result and the slightly higher equity share of minority shareholders, which in relation to the balance sheet total corresponds to a slightly reduced equity ratio of 27.2 percent (beginning of the year: 28.7 percent). In contrast, the LTV shows a slightly reduced debt: compared to the turn of the year the ratio has slightly decreased from 57.1 to 56.5 percent.

## Forecast well secured

Based on the nine-month figures, Accentro confirmed its forecasts for the entire year. According to this, revenues are expected to increase significantly this year to between EUR 170 and 200 m and EBIT to between EUR 45 and 50 m. For the current fourth quarter, this leads to revenue expectation of EUR 45 to 75 m and



an EBIT target of EUR 14 to 19 m. In view of the high backlog of sales already notarised but – by the end of September – not yet having an impact on revenues (EUR 96.4 m) and the large block sale reported in November (see below), the forecast appears well founded, especially as further positive valuation effects are to be expected.

### EUR 100 m transaction

These effects are likely to result from the purchase of a further 470 units in eastern Germany, which Accentro announced in mid-November. The acquired units are located in south-western Saxony, have a lettable area of around 27,000 square metres and, according to the company, offer considerable value-add potential. The purchase of these flats was part of an overall transaction with a private investor, in the context of which Accentro also sold several portfolios totalling 260 units. Accentro puts the total amount of the transaction at around EUR 100 m, of which the larger part is likely to be attributable to the sale. According to the company, both the purchases and the sales will be included in the current year's figures and are expected to contribute significantly to the achievement of the revenue and, above all, the profit targets.

### Marketing partnership with very high potential

On the other hand, the cooperation with ImmoScout24 agreed at the beginning of November will not yet have an impact on this year's income statement. The core of the agreement is the joint marketing of new-build flats, for which the reach and marketing expertise of ImmoScout24 is to be combined with the market access and processing expertise of Accentro. The concept is to identify high-potential new-build projects and offer owners guaranteed purchasing agreements for marketing and sale, with Accentro taking the residuals on its own books after a transition period. By assuming the marketing risk, the partners can expect attractive conditions, and at the same time, thanks to their combined market knowledge and sales power, they see themselves in a position to keep this marketing risk very low. According to Accentro, the

first projects within the framework of the cooperation can be expected soon.

### Revenue estimate for 2021 unchanged

Against the backdrop of the strong nine-month figures, the large backlog of sales not yet recognised in revenue and the large transaction announced in November, we also believe that both the Executive Board's revenue forecast and our revenue estimate for 2021 are well founded and have therefore left our estimate largely unchanged. The minimal increase to EUR 198.1 m (previously: EUR 197.2 m) is due to the slightly higher rental revenues.

### Portfolio expansion path adjusted

In contrast, the revenue figures for the following years have changed significantly in some cases, which can be attributed to several causes. The most important of those are the slightly changed assumptions regarding the portfolio development, as a consequence of which the estimates of property sales and letting revenues have changed. Despite the recent acquisition in Berlin, we have modelled the development of inventories somewhat more cautiously, so that we now expect EUR 491 m at the end of the detailed forecast period, whereas we had previously assumed an increase to EUR 507 m. For the current year, we now expect a decrease in inventories by EUR 35 m to EUR 375 m (previously: unchanged). On the other hand, we have made the estimate for the growth of the investment portfolio much more dynamic for 2021 as well as for the next few years, so that we now expect EUR 328 m for 2021 and EUR 385 m for 2028 (previously: EUR 288 m and EUR 295 m, respectively). In addition, from 2022 we have included commissions from the marketing cooperation with ImmoScout24, although we have proceeded very carefully here in our opinion. We have put the additional revenues for 2022 at only EUR 2.5 m, taking into account only the commissions attributable to Accentro. For 2023, we have assumed a further jump of EUR 5 m, after which we calculate with growth rates of initially 15 and then 10 percent. Should the cooperation develop roughly according to plan, income of a completely different order of magnitude would certainly be conceivable. Overall, the aforementioned changes have resulted in

a slightly higher revenue projection; we now see the target revenues for 2028 at EUR 385 m and thus EUR 18 m above the old estimate.

### Expense ratios adjusted

At the same time, we have adjusted the margins and expense ratios to the development in the year to date, with the changes having different signs with regard to the model result. Thus, we have slightly reduced the imputed personnel expenses, while we have significantly increased the figure for other operating expenses. We increased the interest and tax expenses as well as the minority interest in the profit, which resulted from the high valuation gain on the East German portfolio, around 10 percent of which is owned by third parties.

### Margin for 2021 and target margin increased

The changes in gross margins also have different signs. While we have raised the margin on the sale of inventories to 25 percent for 2021 (previously: 21 percent) due to the very satisfactory development in the third

quarter (and thus also in total for the first nine months), the profitability of the rental business is far below our previous expectations. Even though part of the effect is due to the modernisation costs, which will probably still be capitalised at the end of the year, we have nevertheless taken this as an opportunity to reduce both the rental yield (as a ratio of rental revenue to portfolio value) and the letting margin (as a ratio of rental income to letting revenues) for the investment portfolio. This is where we see the most important challenge for Accentro in the coming quarters, with the central determining factor being a reduction in the vacancy rate, which is very high in parts of the portfolio. Especially with regard to the large East German portfolio, Accentro has set itself the goal of halving the vacancy rate, which initially stood at 40 percent, within two years. Overall, however, the shift in revenue shares and the changes in gross margins and expense ratios have nevertheless resulted in an increase in the EBIT margin assumed in the model, which we now expect to be 18.2 percent in 2028 (previously: 17.1 percent).

m Euro	12 2021	12 2022	12 2023	12 2024	12 2025	12 2026	12 2027	12 2028
Sales	198.1	224.2	261.6	293.5	322.9	355.1	374.4	384.8
Sales growth		13.2%	16.7%	12.2%	10.0%	10.0%	5.4%	2.8%
EBIT margin	24.4%	13.7%	16.8%	18.3%	18.0%	18.6%	18.6%	18.2%
<b>EBIT*</b>	<b>48.3</b>	<b>30.8</b>	<b>44.0</b>	<b>53.6</b>	<b>58.2</b>	<b>66.0</b>	<b>69.5</b>	<b>70.2</b>
Tax rate	25.0%	26.0%	27.0%	27.5%	27.5%	27.5%	27.5%	27.5%
Adjusted tax payments	12.1	8.0	11.9	14.7	16.0	18.2	19.1	19.3
<b>NOPAT</b>	<b>36.3</b>	<b>22.8</b>	<b>32.1</b>	<b>38.9</b>	<b>42.2</b>	<b>47.9</b>	<b>50.4</b>	<b>50.9</b>
+ Depreciation & Amortisation	0.8	0.9	1.0	1.0	1.0	1.0	1.0	1.0
+ Increase long-term accruals	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
+ Others*	-22.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Gross operating cash flows</b>	<b>15.0</b>	<b>23.7</b>	<b>33.1</b>	<b>39.9</b>	<b>43.2</b>	<b>48.9</b>	<b>51.4</b>	<b>51.9</b>
- Increase Net Working Capital	16.1	-16.2	-12.0	-13.6	-15.1	-16.7	-17.6	-18.2
- Investments in fixed assets	-77.7	-54.0	-4.1	-0.8	-0.9	-0.9	-0.9	-1.0
<b>Free cash flows</b>	<b>-46.5</b>	<b>-46.5</b>	<b>17.0</b>	<b>25.4</b>	<b>27.3</b>	<b>31.3</b>	<b>32.8</b>	<b>32.8</b>

*SMC estimation model*

*\*2021 with valuation result, from 2022 without*

## Valuation gain increased

The fact that the target EBIT margin is thus below last year's figure (27.8 percent) as well as below the estimate for 2021 (24.4 percent) is due to the fact that, as before, we do not apply any valuation effects, with the exception of the current year, because these are insignificant for the result of our cash flow-based model. However, specifically for 2021, we have increased the valuation gain estimate. We had previously assessed it at EUR 17 m, which was almost completely achieved already in the first nine months. As Accentro confirmed upon inquiry that a significant valuation gain is also expected for the fourth quarter (due, among other things, to the recently reported acquisition), we have increased this estimate to EUR 22 m. We thus assume that a valuation result of EUR 5.7 m will be posted in the fourth quarter. At the same time, we expect a cash-relevant EBIT of EUR 11.6 m for the last three months (resulting largely from the EUR 100 m transaction), resulting in an EBIT estimate for the year of EUR 48.3 m (previously: EUR 47.3 m). We now estimate this year's net profit at EUR 15.5 m, below the previous estimate of EUR 20.5 m. This is due to the assumptions regarding interest and tax expenses, both of which we raised after the nine-month figures. The table above summarizes the model business development for the next eight years resulting from our assumptions. Further details are to be found in the Annex.

## Framework data unchanged

The basic data of the model remain unchanged. We discount the cash flows resulting from our estimates at a WACC rate of 4.9 percent, based on a cost of eq-

uity of 8.5 percent (consisting of: risk-free interest rate: 1.0 percent, risk premium 5.8 percent, beta factor: 1.3), borrowing costs of 4.0 percent, a target debt ratio of 65 percent and a tax rate for the tax shield of 27.5 percent.

## Price target: EUR 14.60 per share

The model results in a fair value of equity of EUR 474.9 m or EUR 14.64 per share, from which we derive the increased price target of €14.60. The increase is mainly due to the slightly higher margin from the sale of inventory properties and the integration of the expected income from the cooperation with ImmoScout24. We have left the rating of the estimation risk unchanged, for which we continue to assign four points on a scale of 1 (low) to 6 (high).

## Sensitivity analysis

When the input parameters are varied for our sensitivity analysis (WACC between 3.9 and 5.9 percent and perpetual cash flows growth between 0 and 2 percent), the fair value of the share lies between EUR 3.32 and EUR 50.28.

Sensitivity analysis	Perpetual cash flows growth				
WACC	2.0%	1.5%	1.0%	0.5%	0.0%
3.9%	50.28	36.61	27.72	21.48	16.86
4.4%	34.82	26.23	20.20	15.73	12.28
4.9%	24.80	18.96	14.64	11.31	8.66
5.4%	17.77	13.59	10.37	7.82	5.74
5.9%	12.59	9.47	7.00	4.99	3.32



## Conclusion

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Accentro has reported very strong sales figures for the first nine months of the current year. This applies to the property sales volume, which to a large extent has not yet been reflected in revenues, the revenues from the sales and – fortunately – the sales margin, which has turned out to be far above the level of the last few years. Together with the also significantly increased letting revenues, this led to a 92 percent increase in revenues to EUR 125 m. EBIT, which additionally benefited from a high valuation gain, even increased by 454 percent to EUR 31.0 m.

On this basis, the management has confirmed the forecast for the full year, which foresees revenues between EUR 170 and 200 m and EBIT between EUR 45 and 50 m. Since further property sales with a volume of almost EUR 100 m had already been notarised but not yet completed by the end of September, and since Accentro reported a large block sale in November, the forecast should be very well founded by now, especially since further valuation gains are to be expected with regard to earnings.

Accentro also caused quite a stir when it announced a partnership with ImmoScout24 to market new-build flats on behalf of third parties. If successful, this should take Accentro's service business into a new dimension.

However, we have only reflected this very cautiously in our estimates and want to wait and see how the co-operation develops. It also remains to be seen how well and how quickly it will be possible to increase the low profitability of the investment portfolio to a satisfactory level. Accentro is very confident in this regard and, relying on its own asset management, is deliberately focusing acquisitions on properties with noticeable management deficits. In our estimates, we also assume a gradual improvement in the rental income.

On this basis, we now see the fair value at EUR 14.60 per share and thus very far above the current price. Our rating is therefore unchanged “Buy”.

# Annex I: Balance sheet and P&L estimation

## Balance sheet estimation

m Euro	2020 act.	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e
<b>ASSETS</b>									
I. Total non-current assets	311.3	415.2	468.4	471.5	471.3	471.2	471.1	471.0	471.0
1. Intangible assets	17.8	18.1	18.4	18.5	18.6	18.7	18.7	18.8	18.8
2. Tangible assets	26.2	25.6	25.1	24.6	24.1	23.7	23.3	22.9	22.5
II. Total current assets	217.8	328.0	381.3	384.5	384.5	384.5	384.5	384.5	384.5
1. Inventories	550.6	521.2	505.3	520.1	542.4	561.1	579.8	599.6	619.3
<b>LIABILITIES</b>	409.5	374.5	391.7	404.8	419.5	435.6	453.4	472.1	491.4
I. Equity									
II. Accruals	247.1	269.4	274.5	290.1	309.6	330.6	356.4	383.1	409.7
III. Liabilities	2.0	2.0	2.1	2.2	2.3	2.3	2.4	2.5	2.5
1. Long-term liabilities									
2. Short-term liabilities	402.4	502.4	532.4	532.4	532.4	529.4	523.4	518.4	513.4
<b>TOTAL</b>	210.5	162.5	164.6	166.9	169.4	170.0	168.8	166.7	164.6
m Euro	<b>862.0</b>	<b>936.4</b>	<b>973.6</b>	<b>991.6</b>	<b>1,013.7</b>	<b>1,032.4</b>	<b>1,050.9</b>	<b>1,070.6</b>	<b>1,090.3</b>

## P&L estimation

m Euro	2020 act.	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e
Sales	125.2	198.1	224.2	261.6	293.5	322.9	355.1	374.4	384.8
Gross profit	25.4	50.2	55.6	69.8	80.3	85.9	94.7	99.2	100.6
EBITDA*	7.3	27.1	31.7	45.0	54.6	59.2	67.0	70.5	71.2
EBIT*	34.8	48.3	30.8	44.0	53.6	58.2	66.0	69.5	70.2
EBT*	24.3	23.4	14.4	25.7	34.8	39.4	47.3	51.1	52.1
EAT (before minorities)*	18.1	17.3	10.6	18.8	25.2	28.5	34.3	37.1	37.8
EAT*	16.6	15.5	10.6	18.7	25.2	28.5	34.2	37.0	37.7
EPS*	0.51	0.48	0.33	0.58	0.78	0.88	1.06	1.14	1.16

\*2020 and 2021 with valuation result, from 2022 without

## Annex II: Cash flows estimation and key figures

### Cash flows estimation

m Euro	2020 act.	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e
CF operating	-32.7	40.1	13.8	27.1	32.0	33.8	37.9	39.3	39.2
CF from investments	-99.6	-77.7	-54.0	-4.1	-0.8	-0.9	-0.9	-0.9	-1.0
CF financing	163.7	22.0	6.0	-22.6	-25.0	-31.9	-37.8	-39.2	-39.8
Liquidity beginning of year	24.2	56.5	41.1	6.8	7.3	13.4	14.4	13.6	12.7
Liquidity end of year	56.5	41.1	6.8	7.3	13.4	14.4	13.6	12.7	11.3

### Key figures

percent	2020 act.	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e
Sales growth	-12.6%	58.3%	13.2%	16.7%	12.2%	10.0%	10.0%	5.4%	2.8%
Gross margin	20.3%	25.4%	24.8%	26.7%	27.4%	26.6%	26.7%	26.5%	26.1%
EBITDA margin	5.8%	13.7%	14.1%	17.2%	18.6%	18.3%	18.9%	18.8%	18.5%
EBIT margin	27.8%	24.4%	13.7%	16.8%	18.3%	18.0%	18.6%	18.6%	18.2%
EBT margin	19.4%	11.8%	6.4%	9.8%	11.9%	12.2%	13.3%	13.7%	13.5%
Net margin (after minorities)	13.2%	7.8%	4.7%	7.1%	8.6%	8.8%	9.6%	9.9%	9.8%

# Disclaimer

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## *Charts*

The charts were made with Tai-Pan ([www.lp-software.de](http://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 07.12.2021 at 6:30 and published on 07.12.2021 at 8:15.

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

Date	Rating	Price target	Conflict of interests
16.06.2021	Buy	13.20 Euro	1), 3)
25.05.2021	Buy	13.20 Euro	1), 3), 4)
13.01.2021	Buy	15.00 Euro	1), 3)
19.11.2020	Buy	13.30 Euro	1), 3), 4)
17.08.2020	Buy	13.30 Euro	1), 3)
08.06.2020	Hold	11.00 Euro	1), 3)
17.08.2020	Buy	13.30 Euro	1), 3)
08.06.2020	Hold	11.00 Euro	1), 3)
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13.02.2020	Buy	11.10 Euro	1), 3)

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