August 17th, 2022
Research update

STS Group AG

Earnings development may have bottomed out

Rating: Hold (prev.: Speculative Buy) | **Price:** 4.77 € | **Price target:** 11.80 € (prev.: 12.90 €)

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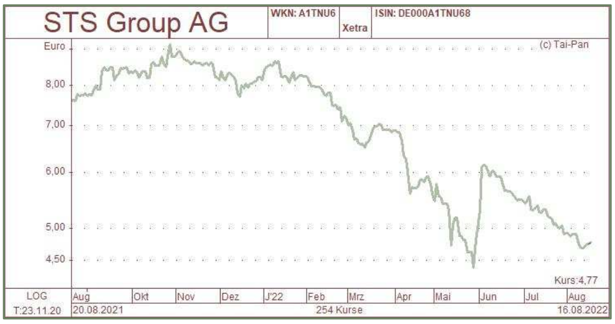
Recent business development



Basic data

Based in:	Hagen
Sector:	Automotive supplier
Headcount:	>1,500
Accounting:	IFRS
ISIN:	DE000A1TNU68
Ticker:	SF3:GR
Price:	4.77 Euro
Market segment:	General Standard
Number of shares:	6.5 m
Market Cap:	31.0 m Euro
Enterprise Value:	45.9 m Euro
Free Float:	23.3 %
Price high/low (12 M):	9.20 / 4.37 Euro
Øturnover (12 M Xetra):	53,200 Euro

In the first half of 2022, STS's consolidated revenues fell by 12.9 percent to EUR 117.4 m. This was due to a sharp decline in China (-70.6 percent), which was triggered by a slump in the market for heavy commercial vehicles there. The two other STS divisions, Plastics (+25.0 percent) and Materials (+27.8 percent), on the other hand, were able to increase sales significantly and also improve their EBITDA. However, as the China business – which had hitherto been an essential pillar of operating profit – slipped into the red with a 6M EBITDA of EUR -0.2 m, the group's operating profit also fell from EUR 13.8 m to EUR 2.9 m, resulting in a net loss of EUR 6.3 m. For the second half of the year, STS expects a recovery in China, which is why only a slight decline in revenues is expected for the entire year – provided that the general conditions do not deteriorate significantly. EBITDA is expected to follow the revenue trend.

Despite the current situation, the growth strategy is still being pursued, with new plants in China and the USA as key milestones, which are scheduled to start production in 2023.

FY ends: 31.12.	2019	2020	2021	2022e	2023e	2024e
Sales (m Euro)	362.8	235.0*	242.0	232.5	249.3	276.0
EBIT (m Euro)	-6.5	-1.4*	3.7	-8.5	-2.3	5.9
Net profit	-12.1	-15.9	1.8	-11.9	-3.0	2.5
EpS	-2.03	-2.60	0.28	-1.83	-0.47	0.38
Dividend per share	0.00	0.00	0.04	0.04	0.04	0.04
Sales growth	-9.6%	-35.2%	3.0%	-3.9%	7.2%	10.7%
Profit growth	-	-	-	-	-	-
PSR	0.09	0.13	0.13	0.13	0.12	0.11
PER	-	-	17.2	-	-	12.5
PCR	0.8	-	0.9	2.2	2.4	2.2
EV / EBIT	-	-	12.4	-	-	7.8
Dividend yield	0.0%	0.0%	0.8%	0.8%	0.8%	0.8%

**without the sold Acoustics division*

Opposing trends

In the first half of 2022, STS figures were characterised by strongly opposing trends. Thanks to a positive development in the core markets of Germany and France, revenues in the Plastics segment increased by a quarter compared to the previous year to EUR 89.6 m. The Materials division (which also produces intermediate products for the Plastics activities) benefited from this as well, with revenues (before consolidation) rising by 27.8 percent to EUR 18.4 m. In contrast, the Chinese business declined sharply. In the course of the last year, a special boom had come to an end there (stricter controls on truck loading and a tightening of the exhaust gas standards had triggered high investments in fleet renewal), and the market trend, which had already declined significantly as a result, was exacerbated by corona lockdowns. In the heavy-duty-vehicle segment, the Chinese market has therefore shrunk by more than 60 percent in the first five months of 2022, resulting in a 70.6 percent drop in revenue (in the China segment) for STS to EUR 15.4 m. In the first half of the year, group sales across all divisions also fell by 12.9 percent to EUR 117.4 m.

EBITDA significantly below previous year

The China business had been the most important earnings pillar of STS in the phase of the special boom, but now the segment's EBITDA is even slightly negative at EUR -0.2 m (previous year: EUR +13.4 m). This is also due to the fact that capacities have been largely maintained in order to be able to deliver directly when the market recovers as expected. Then the margin would probably recover quickly. Such an effect was already seen in the Plastics segment in the first six months, where the revenue growth generated under the improved general conditions − together with efforts to increase cost efficiency − led to a multiplication of EBITDA from EUR 0.3 m to EUR 3.5 m. Nevertheless, the EBITDA margin (measured against revenue) is still at a comparatively low level of 3.9 percent; an even more pronounced improvement was prevented by sharply rising material costs. These also made themselves felt in the Materials division, whose EBITDA nevertheless increased from EUR -0.1 m to EUR +0.3 m. Taking into account the effects of consolidation, the group EBITDA fell overall from EUR 13.8 m to EUR 2.9 m, equivalent to a margin decrease from 10.2 to 2.4 percent. Excluding the minor one-off effects, EBITDA of EUR 3.1 m was achieved (after EUR 13.9 m in the first half of 2021).

Business figures	6M 21	6M 22	*Change*
Sales	134.8	117.4	*-12.9%*
- Plastics	*71.7*	*89.6*	*+25.0%*
- China	*52.3*	*15.4*	*-70.6%*
- Materials	*14.4*	*18.4*	*+27.8%*
- consolidation	*-3.7*	*-6.0*	*-*
EBITDA	13.8	2.9	*-79.0%*
- Plastics	*0.3*	*3.5*	*+1.067%*
- China	*13.4*	*-0.2*	*-*
- Materials	*-0.1*	*0.3*	*-*
- consolidation	*0.1*	*-0.7*	*-*
EBIT	6.4	-4.9	-
Period result	3.8	-6.3	-

In m Euro and percent; source: Company

Material costs burden margin

A comparison of the first half of 2022 with the second half of 2021 (which was already significantly weaker than the first six months of last year) reveals that the margin was particularly burdened by the sharp rise in material costs. Revenues increased (from EUR 107.2 m to EUR 117.4 m) and at the same time, personnel expense ratio (in relation to total output excluding other operating income) was reduced from 27.2 to 24.7 percent and the share of other operating expenses also decreased (from 12.7 to 10.8 percent), while the material expense ratio shot up from 56.9 to 63.6 percent.

Deficit extended

With depreciation and amortisation of EUR 7.7 m, the significantly lower EBITDA resulted in an EBIT loss of EUR -4.9 m. Had the first half of 2021 closed with a surplus of EUR 6.4 m, in the second half of

2021 there was already a deficit of EUR -2.8 m. Taking into account the negative financial result (EUR -1.4 m), which remained unchanged year-on-year, and a balanced tax result, this led to a net loss of EUR -6.3 m (previous year: EUR +3.8 m).

Free cash flow slightly negative

The significant decline in earnings was also reflected in the operating cash flow, which, although clearly positive at EUR 7.4 m, was far below the previous year's figure (+EUR 17.1 m). The deterioration in earnings and a strong increase in net working capital (effect: EUR -16.7 m, mainly due to inventories and receivables; previous year: EUR -8.7 m) were only partially offset by an increase in other debts and liabilities (balance: EUR +21.5 m, previous year: EUR 12.6 m), which reflected, among other things, the first effects of the expansion of production in the USA (purchase of the required tools). After deducting the slightly higher cash outflows from investing activities (from EUR -6.9 m to EUR -8.2 m), free cash flow in the first half of the year was now negative at EUR -0.8 m (previous year: EUR +10.2 m). The fact that liquidity nevertheless increased from EUR 28.3 m to EUR 30.5 m is due to net borrowing (in particular through a loan in China), which ensured the positive financing cash flow of EUR 3.7 m (previous year: EUR -8.1 m).

Equity ratio now 24.0 percent

The negative free cash flow and the net borrowing led to an increase in net financial debt from EUR 12.2 m to EUR 15.2 m in the first half of the year. The total volume of provisions and liabilities amounted to EUR 170.2 m as at the reporting date of 30 June. This was offset by a reduction in equity to EUR 53.7 m due to the net loss for the period (end of 2021: EUR 58.3 m), resulting in an equity ratio of 24.0 percent (end of 2021: 29.2 percent).

Forecast unchanged

STS's business development in the first half of the year was largely in line with its own expectations. However, the market environment for the company remains very challenging. A number of suppliers from the automotive industry continue to struggle with material bottlenecks (especially for semiconductors) and the economic downturn is clouding the overall market outlook in Europe. By contrast, demand in China is likely to pick up again in the second half of the year, also due to easing of corona restrictions and government stimulus measures. Overall, management continues to expect a slight decline in revenues for the full year − provided there is no further drastic deterioration in the market environment − which will be similarly reflected in EBITDA.

Light and shadow

From our point of view, the half-year results are mixed. The Plastics and Materials divisions performed considerably better than we expected under difficult conditions. Even though the economic environment has cooled further recently, our previous estimates for 2022 are therefore likely to be significantly too low. We are therefore increasing them to EUR 173 m (previously: EUR 147.1 m) for Plastics and EUR 35.5 m for Materials (previously: EUR 24.4 m) and consequently expect the second half of the year to be somewhat weaker than the first six months. Our assessment of China is diametrically opposed. After the surprisingly high market contraction in the first half of the year, which weighed heavily on STS revenues, we expect a recovery in the second half of the year, but it is unlikely to reach the previously expected level. We now estimate sales in China for the full year at EUR 35 m, which is far below our previous expectation (EUR 63.9 m). Overall, we now expect group sales (after consolidation) of EUR 232.5 m for 2022 (previously: EUR 229.1 m), which corresponds to a decline of 3.9 percent compared to the previous year.

Bottom possibly over

With the recovery in China, segment EBITDA should turn positive again in the second half of the year. For the other two segments, however, we expect a moderate decline compared to the first six months. Overall, this results in the expectation of group EBITDA of EUR 4.4 m for the period July to December, which would bring the annual figure for 2022 to EUR 7.3 m (previous estimate: EUR 11.9 m). As a result, EBIT will also be clearly negative for the full year; we now expect EUR -8.5 m (previously: EUR -3.9 m).

Sales projection adjusted

We have adapted our estimation framework for the following years in a similar way: We have raised the sales projection for Plastics and Materials and lowered it for China, reflecting the pronounced base effect from 2022. Nevertheless, we continue to expect significantly above-average growth in China from 2023 onwards (CAGR to 2029: 11.6 percent), which is not least due to the planned opening of another plant in China that is still being pursued (see our comment of 2 June 2022 on this topic). In contrast, we see the average growth rates of the Plastics and Materials segments at only 2.4 percent each. The other key growth driver besides China will be the US market instead. There, too, the company is currently working on the construction of a new plant that is expected to start production as early as 2023 (which would start the processing of a major order won in 2019). We have left our US sales projection unchanged. The revenue model resulting from these assumptions is shown at the bottom of this page.

Target margins almost unchanged

Despite the start-up costs for new plants, the increase in high-margin revenues in China and further efficiency-enhancing measures should enable group EBITDA to recover to EUR 14.2 m next year. Due to the pronounced current earnings dip, however, we remain below our previous estimate (EUR 16.9 m), which also leads to a slightly negative EBIT in 2023 (EUR -2.3 m, previously: EUR +0.4 m). Only from 2024 onwards are both EBITDA and EBIT positive in our projection. However, we have adjusted the target margins at the end of the detailed forecast period only very slightly, and they remain almost unchanged at 8.9 and 4.8 percent (previously 8.9 and 4.9 percent). This expresses our view that STS's growth strategy with its focus on the Chinese and American markets is fundamentally promising and that, also thanks to the support of the strong parent company Adler Pelzer, the generation of such a margin level should at least be possible in the medium term. The table at the top of the next page shows the development of the most important cash flow data resulting from these premises in the detailed forecast period until 2029. Further details on the balance sheet, income statement and cash flow statement can be found in the Annex.

Framework data updated

There has also been a change in the framework data of the model. Due to the rise in interest rates on the markets, we adjust the long-term average value for the German current yield (as an assumed safe interest rate) from 1.0 to 1.5 percent. In combination with unchanged values for the market risk premium (5.8 percent) and the beta factor (1.5), this results in a cost of equity according to CAPM of 10.2 percent. Together with an debt interest rate of 6.0 percent, a target capital structure with 60 percent debt capital and a tax rate for the tax shield of 29.0 percent, this results in a discount rate (WACC) of 6.6 percent (previously: 6.4 percent). The basic parameters for determining the terminal value, on the other hand, have remained the same: we continue to apply a safety margin of 25 percent to the EBIT at the end of the detailed forecast period and have subsequently assumed perpetual cash flow growth of 1 percent p.a. on the basis of this operating surplus.

Revenue model (m Euro)	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**
Plastics	173.0	174.7	176.5	181.8	187.2	192.8	198.6	203.6
China	35.0	45.0	55.0	60.5	64.1	68.0	72.1	75.7
Materials	35.5	35.9	36.2	37.3	38.4	39.6	40.8	41.8
USA		5.0	20.0	26.0	31.2	36.0	37.8	39.7
consolidation	-11.0	-11.3	-11.7	-12.0	-12.4	-12.8	-13.1	-13.5
Revenues	**232.5**	**249.3**	**276.0**	**293.6**	**308.6**	**323.6**	**336.1**	**347.2**

Estimates SMC-Research

m Euro	12 2022	12 2023	12 2024	12 2025	12 2026	12 2027	12 2028	12 2029
Sales	232.5	249.3	276.0	293.6	308.6	323.6	336.1	347.2
Sales growth		7.2%	10.7%	6.4%	5.1%	4.9%	3.9%	3.3%
EBIT margin	-3.6%	-0.9%	2.1%	2.9%	3.6%	4.2%	4.6%	4.8%
EBIT	**-8.5**	**-2.3**	**5.9**	**8.5**	**11.3**	**13.7**	**15.3**	**16.7**
Tax rate	0.0%	0.0%	20.0%	29.0%	29.0%	29.0%	29.0%	29.0%
Adjusted tax payments	0.0	0.0	1.2	2.5	3.3	4.0	4.5	4.8
NOPAT	**-8.5**	**-2.3**	**4.7**	**6.0**	**8.0**	**9.7**	**10.9**	**11.9**
+ Depreciation & Amortisation	15.8	16.5	16.5	16.4	15.9	15.1	14.6	14.2
+ Increase long-term accruals	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
+ Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Gross operating cash flows	7.8	14.7	21.6	22.9	24.3	25.3	25.9	26.5
- Increase Net Working Capital	7.0	-3.7	-8.3	-5.9	-4.9	-4.5	-4.0	-4.2
- Investments in fixed assets	-16.1	-18.3	-14.3	-12.1	-11.9	-12.4	-12.7	-13.0
Free cash flow	**-1.4**	**-7.3**	**-1.0**	**4.9**	**7.5**	**8.4**	**9.2**	**9.3**

SMC estimation model

Price target: EUR 11,80

The update of the model results in a new fair value of EUR 76.4 m or EUR 11.75 per share, from which we derive a new price target of EUR 11.80. The reduction compared to our last estimate in June (EUR 12.90) is mainly based on the more cautious estimate of earnings development in 2022 and 2023 as well as on the increase in the discount rate. Nevertheless, the company's promising expansion strategy is still resulting in high price potential for the share. On a scale of 1 (low) to 6 (high), we continue to rate the forecast risk at 5 points and thus above average, since the development of the important US business is still under way and, in addition, the terminal value has a comparatively high share in the company value. A sensitivity analysis for the price target determination can be found in the Annex.

Conclusion

STS has presented a mixed half-year balance sheet. Especially the business in China has suffered greatly, as the market for heavy commercial vehicles there has slumped massively following the end of a special boom. In contrast, the other two divisions, Plastics and Materials, whose focus is on Europe, were able to grow significantly and also improve EBITDA. Overall, STS suffered a decrease in revenues of 12.9 percent to EUR 117.4 m in the first six months, which led to an EBITDA decline from EUR 13.8 m to EUR 2.9 m. For the entire year, STS management nevertheless continues to expect only a slight decline in sales (with a corresponding impact on EBITDA), implying a market recovery in China.

Beyond the current market turbulences, the group's medium-term growth prospects remain promising. Together with the major shareholder Adler Pelzer, the expansion in China and the USA is being driven forward with the construction of further plants. We see a good chance that the company will strongly increase revenues in these markets in the future, which should also ensure significantly higher margins at group level.

Although we have made our estimates somewhat more cautious overall in response to the pronounced dip in earnings in the first half of the year, and an increased discount rate (in response to capital market developments) has also had a dampening effect on the valuation, our price target of EUR 11.80 (previously: EUR 12.90) reflects the company's promising expansion strategy and is thus far above the current price.

With the return to growth and, above all, better margins, we therefore expect a strong recovery in the STS share price. Until this is definitely reflected in the business figures, our verdict is now "Hold" (previously: "Speculative Buy").

Annex I: SWOT analysis

Strengths

- STS has established itself as a global tier-one truck supplier for plastic parts.
- The company has expertise and flexibility in the application of a wide range of manufacturing techniques (SMC, thermocompression and injection moulding), materials and batch sizes and is increasingly becoming a system supplier.
- Successful international expansion with strong growth in China and the acquisition of a major order from the USA.
- Proven competence in acquisition and integration of companies as well as in the implementation of efficiency enhancement measures.
- With Adler Pelzer, the company has a strong parent company.

Weaknesses

- Following a significant decline in revenues in China, STS is currently operating at a considerable loss.
- The Materials division has been suffering from low profitability for some time.
- Due to the long lead time from order placement to revenue generation, sales initiatives only show up in group revenues with a significant delay.
- Structural growth dynamics in the still important European commercial vehicle market are low.
- In the wake of the takeover by Adler Pelzer, the liquidity of the share has decreased.

Opportunities

- With the new major shareholder at its side, STS's chances for further market share gains in China and a successful market entry in the USA have increased significantly.
- The establishment of new plants in China and the USA creates high growth potential in the medium term.
- Electromobility and new emission regulations (Europe, China) act as growth drivers.
- Adler Pelzer could transfer its hard-trim activities to STS; further acquisitions to strengthen its market position are conceivable.
- If STS establishes a growth path with rising margins, the share could be revalued.

Threats

- The Covid-19 policy in China and the consequences of the Ukraine war in Europe (especially a possible gas shortage) continue to pose high economic risks.
- The Chinese commercial vehicle market is undergoing a consolidation that may take longer than expected.
- The pressure on margins due to high raw material prices and material bottlenecks could persist for even longer.
- The costs of building the new plants in the USA and China could exceed the budget.
- Adler Pelzer could decide to delist the share.

Annex II: Balance sheet and P&L estimation

Balance sheet estimation

m Euro	2021 act.	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e
ASSETS									
I. Total non-current	92.7	93.0	94.8	92.6	88.3	84.3	81.5	79.7	78.5
1. Intangible assets	20.4	20.3	20.3	20.2	20.2	20.2	20.1	20.1	20.1
2. Tangible assets	67.1	67.5	69.3	67.2	62.9	58.9	56.2	54.4	53.2
II. Total current assets	106.6	119.4	123.6	131.4	140.0	149.3	158.8	168.6	178.9
LIABILITIES									
I. Equity	58.3	46.2	42.9	45.1	49.0	54.9	62.6	71.7	81.8
II. Accruals	14.1	14.5	15.0	15.4	15.9	16.3	16.7	17.2	17.6
III. Liabilities									
1. Long-term liabilities	30.8	44.0	45.1	45.1	43.9	42.2	40.3	38.3	36.2
2. Short-term liabilities	96.2	107.8	115.5	118.4	119.6	120.3	120.8	121.3	121.8
TOTAL	**199.4**	**212.5**	**218.5**	**224.0**	**228.4**	**233.7**	**240.5**	**248.4**	**257.5**

P&L estimation

m Euro	2021 act.	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e
Sales	242.0	232.5	249.3	276.0	293.6	308.6	323.6	336.1	347.2
Total operating revenues	247.5	239.0	252.3	276.0	293.6	308.6	323.6	336.1	347.2
Gross profit	102.8	91.7	100.2	113.7	121.2	127.8	134.0	139.1	143.7
EBITDA	19.2	7.3	14.2	22.4	25.0	27.2	28.8	29.9	30.9
EBIT	3.7	-8.5	-2.3	5.9	8.5	11.3	13.7	15.3	16.7
EBT	1.1	-11.3	-5.0	3.1	5.8	8.7	11.3	13.1	14.7
EAT (before minorities)	1.8	-11.9	-3.0	2.5	4.1	6.2	8.0	9.3	10.4
EAT	1.8	-11.9	-3.0	2.5	4.1	6.2	8.0	9.3	10.4
EPS	0.28	-1.83	-0.47	0.38	0.64	0.95	1.23	1.43	1.61

Annex III: Cash flows estimation and key figures

Cash flows estimation

m Euro	2021 act.	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e
CF operating	36.1	14.2	13.1	14.0	17.9	20.2	21.5	22.6	23.0
CF from investments	-16.8	-16.1	-18.3	-14.3	-12.1	-11.9	-12.4	-12.7	-13.0
CF financing	-10.3	0.7	-0.6	-2.9	-6.0	-7.1	-7.4	-7.5	-7.4
Liquidity beginning of year	20.0	28.3	27.1	21.4	18.1	18.0	19.2	21.0	23.4
Liquidity end of year	28.3	27.1	21.4	18.1	18.0	19.2	21.0	23.4	26.0

Key figures

percent	2021 act.	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e
Sales growth	3.0%	-3.9%	7.2%	10.7%	6.4%	5.1%	4.9%	3.9%	3.3%
Gross margin	42.5%	39.4%	40.2%	41.2%	41.3%	41.4%	41.4%	41.4%	41.4%
EBITDA margin	7.9%	3.1%	5.7%	8.1%	8.5%	8.8%	8.9%	8.9%	8.9%
EBIT margin	1.5%	-3.6%	-0.9%	2.1%	2.9%	3.6%	4.2%	4.6%	4.8%
EBT margin	0.5%	-4.9%	-2.0%	1.1%	2.0%	2.8%	3.5%	3.9%	4.2%
Net margin (after minorities)	0.7%	-5.1%	-1.2%	0.9%	1.4%	2.0%	2.5%	2.8%	3.0%

Annex IV: Sensitivity analysis

	Perpetual cash flow growth				
WACC	**2.0%**	**1.5%**	**1.0%**	**0.5%**	**0.0%**
5.6%	21.95	18.92	16.54	14.63	13.05
6.1%	18.05	15.76	13.91	12.39	11.12
6.6%	15.00	13.22	**11.75**	10.52	9.48
7.1%	12.56	11.14	9.95	8.94	8.08
7.6%	10.55	9.40	8.43	7.59	6.86

Disclaimer

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9) At the time of the publication of the report, the issuer holds holdings exceeding 5 % of its total issued share capital in the sc-consult GmbH

10) sc-consult GmbH has included the company's shares in a virtual portfolio managed by sc-consult GmbH

Following conflicts of interests occurred in this report: 1), 3), 10)

Within the framework of compliance regulations, sc-consult GmbH has established structures and processes for the identification and disclosure of conflicts of interests. The responsible compliance representative is currently managing director Dipl.-Kfm. Holger Steffen (e-mail: holger.steffen@sc-consult.com).

II) Preparation and updating

The present financial analysis was prepared by: Dipl.-Kfm. Holger Steffen

Participants in the preparation of the present financial analysis: -

The present analysis was finished on 17.08.2022 at 7:10 and published on 17.08.2022 at 8:20.

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

Strong Buy	We expect an increase in price for the analysed financial instrument by at least 10 percent. We assess the estimation risk as below average (1 to 2 points).
Buy	We expect an increase in price for the analysed financial instrument by at least 10 percent. We assess the estimation risk as average (3 to 4 points).
Speculative Buy	We expect an increase in price for the analysed financial instrument by at least 10 percent. We assess the estimation risk as above average (5 to 6 points).
Hold	We expect that the price of the analysed financial instrument will remain stable (between -10 and +10 percent). The forecast risk (1 to 6 points) has no further impact on the

	rating. The rating "hold" is also used in cases where we perceive a price potential of more than 10 percent, but explicitly mentioned temporary factors prevent a short-term realization of the price potential.
Sell	We expect that the price of the analysed financial instrument will drop by at least 10 percent. The forecast risk (1 to 6 points) has no further impact on the rating.

The expected change in price refers to the current share price of the analysed company. This price and any other share prices used in this analysis are XETRA closing prices as of the last trading day before publication. If the share is not traded on XETRA, the closing price of another public stock exchange is used with a separate note to that effect.

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

The rating resulting from these methods reflects current expectations and can change anytime subject to company-specific or economic changes.

More detailed explanations of the models used by SMC Research can be found at:
http://www.smc-research.com/impressum/modellerlaeuterungen

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

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

Date	Investment recomm.	Target price	Conflict of interests
02.06.2022	Speculative Buy	12.90 Euro	1), 3), 10)
19.04.2022	Speculative Buy	10.90 Euro	1), 3), 10)
20.04.2021	Buy	11.60 Euro	1), 3), 4), 10)
17.03.2021	Speculative Buy	10.60 Euro	1), 3), 4)
23.11.2020	Speculative Buy	7.20 Euro	1), 3), 4)
10.11.2020	Speculative Buy	5.70 Euro	1), 3), 4)

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

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

Exclusion of liability

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