

Deutsche Rohstoff AG

Germany / Energy
 Frankfurt
 Bloomberg: DR0 GR
 ISIN: DE000A0XYG76

Update

RATING
BUY

PRICE TARGET
€ 28.00

Return Potential 32.7%
 Risk Rating High

DEVELOPING WYOMING/UTAH ASSETS AS POST-2022 GROWTH DRIVERS

Twelve wells, each with a horizontal length of 2.25 miles, are due to start producing from the Knight pad in Colorado in December. At a net cost of USD54m this is the most extensive drilling programme undertaken by DRAG so far. We expect these wells to be the main contributors to the ca. 0.9m BOE increase in annual production from 2.7m BOE to 3.6m BOE which we model for 2022. In recent weeks DRAG has made several announcements regarding the acceleration of the development of its oil and gas business in Wyoming and Utah. The acquisition of existing production and the drilling of new wells in these two states accounts for the balance of the output growth we forecast for next year and we expect operations in Wyoming and Utah to be the main drivers of output growth at DRAG post-2022. In July of last year DRAG's Bright Rock subsidiary acquired 28,000 net acres in Wyoming. The area acquired is over five times the size of the 5,000 net acre land package held by Cub Creek and has five wells producing at an approximate rate of 300 barrels/day. DRAG is currently drilling a two-mile horizontal well in Wyoming's Powder River basin to assess the viability of large scale drilling from this acreage. We expect the first month's production from this well in December to come in at 25,000 BOE. DRAG's management sees potential for a further 100 net two-mile horizontal wells on this land if the first well is successful. Recent newsflow causes us to revise upwards our forecasts for the company's oil and gas output in 2022 and 2023 by 20.0% and 16.8%, respectively. Meanwhile, the average level of the oil futures curve for 2022 and 2023 is now 12.1% and 10.4%, respectively, above its level at the time of our most recent 29 July update. We have raised our price target to €2800 (previously: €24.00) and maintain our Buy recommendation.

Early acquisition of acreage in Uinta Basin is now paying off Bright Rock began to acquire acreage in the Uinta Basin in Utah in 2018, taking the view that the field had high, but not yet fully recognised, potential that was likely to be developed in subsequent years. (p.t.o.)

FINANCIAL HISTORY & PROJECTIONS

	2018	2019	2020	2021E	2022E	2023E
Revenue (€m)	109.05	41.20	38.68	70.87	124.67	74.16
Y-o-y growth	102.9%	-62.2%	-6.1%	83.2%	75.9%	-40.5%
EBITDA (€m)	97.93	22.73	23.93	60.66	88.19	48.05
EBITDA margin	89.8%	55.2%	61.9%	85.6%	70.7%	64.8%
Net income (€m)	13.87	0.31	-15.51	14.18	26.91	10.66
EPS (diluted) (€)	2.81	0.06	-3.13	2.86	5.43	2.15
DPS (€)	0.70	0.10	0.00	0.70	1.00	0.70
FCF (€m)	2.47	-14.79	-22.85	-11.93	43.77	35.70
Net gearing	37.2%	75.9%	202.6%	170.1%	72.0%	34.6%
Liquid assets (€m)	59.99	66.64	22.82	4.27	20.58	40.62

RISKS

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

COMPANY PROFILE

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

MARKET DATA

As of 06 Oct 2021

Closing Price	€ 21.10
Shares outstanding	4.95m
Market Capitalisation	€ 104.53m
52-week Range	€ 6.48 / 21.40
Avg. Volume (12 Months)	9,824

Multiples	2020	2021E	2022E
P/E	n.a.	7.4	3.9
EV/Sales	4.4	2.4	1.4
EV/EBITDA	7.1	2.8	1.9
Div. Yield	0.0%	3.3%	4.7%

STOCK OVERVIEW



COMPANY DATA

As of 30 Jun 2021

Liquid Assets	€ 41.26m
Current Assets	€ 57.69m
Intangible Assets	€ 20.65m
Total Assets	€ 226.62m
Current Liabilities	€ 26.21m
Shareholders' Equity	€ 66.21m

SHAREHOLDERS

Management	10.0%
Institutional shareholders	30.0%
Free float	60.0%



During 2020 Bright Rock continued to expand its acreage in the basin to the current position of ca. 3,000 acres both through strategic acquisitions as well as the company's leasing programme. Current daily production from five net two-mile wells is ca. 350 BOE. At the end of August DRAG announced that Bright Rock will invest a total of USD18m in 2021 (of which USD15.6m will be in H2/21) in 32 two-mile wells with an average working interest of 7.1%. These wells are expected to be completed by the end of this year and management expects daily net production to reach 1,500 BOE during Q1/22.

Latest acquisition looks set to double Wyoming land position In early September, Cub Creek signed a purchase agreement covering ca. 30,000 net leasehold acres in Wyoming. The transaction is expected to close later this month following the completion of due diligence. The purchase agreement also includes working interest in 17 producing wells with approximately 804 BOE of net daily production (as of August 2021). The transaction more than doubles DRAG's land position in Wyoming to nearly 60,000 acres. The negotiated purchase price for the properties is based on the discounted value of existing production and so does not include potential value stemming from further development drilling, which could be substantial.

In response to Bright Rock's acceleration of development work in the Uinta basin, its drilling of a first well in the Powder River basin, as well as the recent Wyoming acquisition (which we assume will be completed), we arrive at the production forecasts for the period 2021-23 shown in figure 1 below. Our full year numbers for 2021, 2022 and 2023 are respectively 1.2%, 20.0% and 16.8% above the forecasts published in our study of 29 July.

Figure 1: 2020 oil and gas output by subsidiary and forecasts for 2021E-2023E

BOE	FY/20A	FY/21E	FY/22E	FY/23E
Cub Creek	807,470	2,174,714	2,860,102	1,820,149
change	0.1%	169.3%	31.5%	-36.4%
of which:				
oil	392,221	1,126,977	1,604,412	794,695
gas + NGL	415,249	1,047,737	1,255,690	1,025,454
gas + NGL as % total	51.4%	48.2%	43.9%	56.3%
Elster	592,187	293,451	224,170	193,832
change	-20.2%	-50.4%	-23.6%	-13.5%
of which:				
oil	198,342	104,560	89,668	77,533
gas + NGL	393,845	188,891	134,502	116,299
gas + NGL as % total	66.5%	64.4%	60.0%	60.0%
Salt Creek	21,688	17,794	15,125	12,856
change	-45.5%	-18.0%	-15.0%	-15.0%
of which:				
oil	16,682	13,346	11,344	9,642
gas + NGL	5,006	4,449	3,781	3,214
gas + NGL as % total	23.1%	25.0%	25.0%	25.0%
Bright Rock	120,729	199,298	475,882	307,214
change	111.7%	65.1%	138.8%	-35.4%
of which:				
oil	96,774	163,716	401,170	255,099
gas + NGL	23,955	35,583	74,713	52,115
gas + NGL as % total	19.8%	17.9%	15.7%	17.0%
Total	1,542,074	2,685,258	3,575,279	2,334,051
change	-6.3%	74.1%	33.1%	-34.7%
of which:				
oil	704,019	1,408,598	2,106,594	1,136,969
gas + NGL	1,100,208	1,276,660	1,468,686	1,197,083
gas + NGL as % total	54.3%	47.5%	41.1%	51.3%
Total BOEPD	4,225	7,357	9,795	6,395
change	-6.3%	74.1%	33.1%	-34.7%

Source: DRAG; First Berlin Equity Research estimates



Our forecasts include only production from existing wells or from wells for which drilling and development have already been announced.

Figure 2: Changes to DRAG guidance and FB forecasts

€m			DRAG Guidance		FB Forecast		New FB forecast vs. DRAG (higher oil/ gas price scenario)
	26.04.21	06.07.21	16.09.21 (base case)	16.09.21 (higher oil/ gas price scenario)	29.07.21	04.10.21	
2021 revenue	57-62	68-73	68-73 (upper end of range)	68-73 (upper end of range)	72	71	0.5%
2021 EBITDA	42-47	57-62	57-62 (upper end of range)	57-62 (upper end of range)	58	61	1.9%
2022 revenue	60-65	70-75	98-106	114-122	89	125	5.7%
2022 EBITDA	40-45	47-52	70-76	85-91	59	88	0.2%
2021 oil price assumption (USD)	60.00	65.00	65.00	65.00	66.00	66.96	3.0%
2021 gas price assumption (USD)	n.a.	3.00	3.00	3.00	3.42	3.87	13.3%
2022 oil price assumption (USD)	60.00	60.00	60.00	70.00	66.00	73.81	5.4%
2022 gas price assumption (USD)	n.a.	2.75	3.00	4.00	3.47	4.53	13.2%

Source: DRAG; First Berlin Equity Research estimates

On 16 September DRAG updated its revenue and EBITDA guidance for 2021 and 2022. DRAG provided a base case scenario and also a higher oil/gas price scenario. The oil and gas futures curves are currently above the levels in DRAG's higher oil/gas price scenario. This explains why our own 2022 forecasts are slightly above DRAG's guidance.

Figure 3: Evolution of DRAG's net debt position

€000's	FY 19	Q1 20	H1 20	9M 20	12M 20	Q1 21	H1 21
Cash at bank	61,281	47,286	13,877	11,150	8,210	16,236	25,559
Securities classified as current assets	5,356	4,639	19,915	15,770	14,606	19,459	15,705
Total liquid assets	66,637	51,925	33,792	26,920	22,816	35,695	41,264
Receivables	11,096	12,112	5,488	12,006	10,832	21,931	16,238
Securities classified as non-current assets	18,189	18,234	12,443	12,443	13,214	13,214	13,770
Total cash, current/non-current securities, receivables	95,922	82,271	51,723	51,369	46,862	70,840	71,272
Total debt	166,016	169,908	143,897	139,316	138,610	140,175	130,073
Equity	71,501	74,826	58,206	52,165	45,589	61,820	66,213
Net debt	54,285	63,006	82,541	91,796	92,351	75,148	65,528
Net gearing	75.9%	84.2%	141.8%	176.0%	202.6%	121.6%	99.0%

Source: DRAG; First Berlin Equity Research estimates

Net gearing set to fall further in 2022 DRAG generated operating cashflow of €36.8m (H1/20: €15.2m) during H1/21. The increase stemmed from a 55% rise in oil and gas output as well as higher commodity prices. H1/21 cashflow also benefitted from €12m in realised gains on the company's equity and bond portfolio. Net gearing halved from 203% at the end of 2020 to 99% by the end of June 2021. We expect net gearing to fall to 72% by the end of 2022 and 35% by the end of 2023.

2022/2023 forecasts revised up on higher volume/price assumptions Figure 4 shows changes to our forecasts since our last study of 29 July. Upward revisions to our 2022 and 2023 forecasts stem from the higher volume and price assumptions detailed in figure 2.



Figure 4: Detailed changes to our forecasts

All figures in € 000s	2021E	2021E	Δ	2022E	2022E	Δ	2023E	2023E	Δ
	New	Old		New	Old		New	Old	
Revenue	70,866	72,409	-2.1%	124,669	88,779	40.4%	74,164	51,574	43.8%
EBITDA	60,660	57,974	4.6%	88,187	59,102	49.2%	48,047	30,408	58.0%
Dep. and amort.	32,375	31,198	3.8%	42,903	35,764	20.0%	28,009	23,977	16.8%
Op. income (EBIT)	28,284	26,775	5.6%	45,283	23,339	94%	20,038	6,431	212%
Net financial result	-6,090	-6,090	n.a.	-6,099	-4,959	n.a.	-4,668	-4,668	n.a.
Pre-tax income (EBT)	22,194	20,685	7.3%	39,185	18,380	113.2%	15,370	1,764	771.5%
Income taxes	-4,661	-4,344	n.a.	-8,229	-3,860	n.a.	-3,228	-370	n.a.
Net before mins.	17,533	16,341	7.3%	30,956	14,520	113.2%	12,143	1,393	771.5%
Minority interests	-3,353	-2,031	n.a.	-4,050	-2,248	n.a.	-1,480	-385	n.a.
Net inc. after mins.	14,180	14,311	-0.9%	26,907	12,273	119.2%	10,663	1,008	n.a.
EPS (€)	2.86	2.89	-0.9%	5.43	2.48	119.2%	2.15	0.20	n.a.

Source: First Berlin Equity Research estimates

VALUATION

Price target raised from €24.00 to €28.00. Buy recommendation maintained Figure 5 shows changes to our valuation model. Recent acquisition activity and the upward shift in the oil and gas futures curves raise our overall valuation of DRAG's oil and gas producing subsidiaries (see figures 6 to 8 for detail). However, following publication of final H1/21 results, we now take a more conservative view of production at the Elster subsidiary. We have raised our aggregate 2021-23 production forecast for Bright Rock by 37%, but a reduction in near-term numbers contributes to a lowering of our valuation of the subsidiary excluding the option value of the potential Powder River basin wells. Higher commodity prices increase the option value of these wells. We have calculated the option value of the potential Powder River basin wells using the Black-Scholes method (see figure 9). The underlying price is calculated using the PV10 of cash inflows based on the current oil and gas futures curves while the exercise price is based on the PV10 of cash outflows. We have used the maturity date of DRAG's 2024 bond as the expiry date for the options. Expected volatility corresponds with the volatility implied by the current pricing of options on oil futures. Our valuations of DRAG's stakes in Almonty and NOG have moved in line with these companies' share prices. The net debt calculation shown in figure 5 is based on cash and cash equivalents held in current assets as we have valued most of the securities held in non-current assets (Almonty, Hammer Metals, NOG) individually. We now see fair value for the DRAG share at €28.00 (previously: €24.00). We maintain our Buy recommendation.



Figure 5: Changes to our valuation model

€m	New	Old	% Δ
DCF valuation Cub Creek Energy (DRAG's stake 88.5%)	107.1	88.9	20.5%
DCF valuation Elster Oil & Gas (DRAG's stake: 93.0%)	14.7	15.4	-4.9%
DCF valuation Salt Creek Oil & Gas/Bright Rock Energy (DRAG's stakes: 100.0%/ 98.4%)	62.3	64.9	-4.0%
of which: option value of production from Wyoming wells	46.7	40.6	
Subtotal: US oil and gas activities	184.1	165.3	11.4%
Almonty (13.7% equity stake plus promissory notes and debentures)	25.0	26.7	
Northern Oil and Gas (DRAG's stake: 1.2%)	14.1	10.0	
Tin International (DRAG's stake: 75.4%)	1.0	1.0	
Rhein Petroleum (DRAG's stake: 10%)	3.0	3.0	
Hammer Metals (DRAG's stake: 3.1%)	0.9	1.3	
Holding company costs	-10.0	-10.0	
Total enterprise value	218.0	188.6	15.6%
Cash and securities held in current assets	41.3	42.1	
Bonds	114.4	114.4	
Other debt	6.1	6.1	
Net debt	79.3	78.4	
Total equity value	138.7	118.9	16.7%
No shares (m)	4.95	4.95	0.0%
Equity value per share (€)	28.00	24.00	16.7%

Source: First Berlin Equity Research estimates

Figure 6: DCF Valuation of Cub Creek Energy*

USD 000s	H2 2021E	2022E	2023E	2024E	2025E
Production (working interest): barrels of oil equivalent (000s)	1,020	2,860	1,820	1,416	1,186
Unhedged average oil price after transport costs (WTI -USD/barrel)	68.95	58.81	62.03	57.22	53.80
Net revenue (working interest after royalty and ad valorem tax)	50,184	113,757	63,489	45,894	36,607
Cash operating costs	12,246	33,749	23,553	18,326	15,343
EBITDA	37,938	80,007	39,936	27,568	21,265
Depreciation	15,307	42,902	27,302	21,244	17,785
EBIT	22,631	37,106	12,634	6,324	3,479
NOPLAT	17,878	29,314	9,981	4,996	2,748
Tax Rate (%)	21.0%	21.0%	21.0%	21.0%	21.0%
CAPEX	-60,000	-6,000	0	0	0
Working capital expenditure	5,227	-7,768	-1,129	-386	-200
Free cashflow	-21,587	58,447	36,154	25,854	20,334
PV free cashflow (10% discount rate)	-21,113	51,967	29,223	18,998	13,583
Sum PV free cashflows	145,229				

Source: DRAG; First Berlin Equity Research estimates

Figure 7: DCF Valuation of Elster Oil & Gas*

USD 000s	H2 2021E	2022E	2023E	2024E	2025E
Production (working interest): barrels of oil equivalent (000s)	127	224	194	172	154
Unhedged average oil price after transport costs (WTI -USD/barrel)	68.95	58.81	62.03	57.22	53.80
Net revenue (working interest after royalty and ad valorem tax)	5,319	8,149	6,491	5,316	4,538
Cash operating costs	1,530	2,645	2,508	2,220	1,997
EBITDA	3,789	5,504	3,983	3,096	2,541
Depreciation	1,402	2,466	2,132	1,887	1,698
EBIT	2,387	3,038	1,851	1,209	843
NOPLAT	1,886	2,400	1,462	955	666
Tax Rate (%)	21.0%	21.0%	21.0%	21.0%	21.0%
CAPEX	0	0	0	0	0
Working capital expenditure	836	-1,051	-168	-70	-36
Free cashflow	4,124	3,815	3,427	2,772	2,327
PV free cashflow (10% discount rate)	4,034	3,392	2,770	2,037	1,555
Sum PV free cashflows	18,904				

Source: DRAG; First Berlin Equity Research estimates

**Figure 8: DCF Valuation of Salt Creek Oil & Gas, Bright Rock Energy***

USD 000s	H2 2021E	2022E	2023E	2024E	2025E
Production (working interest): barrels of oil equivalent (000s)	125	491	320	225	179
Unhedged average oil price after transport costs (WTI -USD/barrel)	68.95	58.81	62.03	57.22	53.80
Net revenue (working interest after royalty and ad valorem tax)	7,270	23,450	15,784	10,108	7,488
EBITDA	5,767	17,656	11,642	7,200	5,176
Depreciation	1,378	5,401	3,521	2,472	1,965
EBIT	4,388	12,255	8,121	4,729	3,212
NOPLAT	3,467	9,682	6,416	3,736	2,537
Tax Rate (%)	21.0%	21.0%	21.0%	21.0%	21.0%
Depreciation	1,378	5,401	3,521	2,472	1,965
CAPEX	-9,000	-17,600	0	0	0
Working capital expenditure	1,673	-1,687	-380	-246	-127
Free cashflow	-2,482	-4,204	9,557	5,962	4,374
PV free cashflow (10% discount rate)	-2,428	-3,738	7,725	4,381	2,922
Sum PV free cashflows	19,031				

Source: DRAG; First Berlin Equity Research estimates

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

Figure 9: Option value of potential Wyoming wells (USDm)**

	New	Old	Δ %
Underlying price (PV10 of cash inflows based on current futures curve)	10.93	10.15	7.7%
Exercise price (PV10 of cash outflows)	11.29	11.14	1.4%
Expiry date	6 Dec 2024	6 Dec 2024	-
Expected volatility	34.00%	34.00%	0.0%
Risk free rate	0.50%	0.50%	-
Call option per well	2.53	2.20	15.1%
Total call option value	56.95	49.48	15.1%

** assumes 100% working interest in 75 2-mile lateral wells with 30% probability of success

Source: First Berlin Equity Research estimates



INCOME STATEMENT

All figures in € 000s	2018A	2019A	2020A	2021E	2022E	2023E
Revenues	109,052	41,204	38,683	70,866	124,669	74,164
Cost of materials	19,019	11,342	11,630	19,979	29,232	20,059
Personnel expenses	3,919	4,489	3,647	4,000	4,250	3,559
Net other operating income	11,819	-2,648	529	13,772	-3,000	-2,500
EBITDA	97,933	22,725	23,935	60,660	88,187	48,047
Depreciation and amortisation	58,037	17,095	40,070	32,375	42,903	28,009
Operating income (EBIT)	39,896	5,630	-16,135	28,284	45,283	20,038
Net financial result	-13,432	-5,368	-6,388	-6,090	-6,099	-4,668
Other financial items	0	0	0	0	0	0
Pre-tax income (EBT)	26,464	262	-22,524	22,194	39,185	15,370
Taxes	-8,520	-76	6,425	-4,661	-8,229	-3,228
Profit before minorities	17,944	186	-16,099	17,533	30,956	12,143
Minority interests	-4,072	122	589	-3,353	-4,050	-1,480
Net income / loss	13,872	308	-15,509	14,180	26,907	10,663
EPS (in €)	2.81	0.06	-3.13	2.86	5.43	2.15
Ratios						
EBITDA margin on revenues	89.8%	55.2%	61.9%	85.6%	70.7%	64.8%
EBIT margin on revenues	36.6%	13.7%	-41.7%	39.9%	36.3%	27.0%
Net margin on revenues	12.7%	0.7%	-40.1%	20.0%	21.6%	14.4%
Tax rate	32.2%	29.1%	28.5%	21.0%	21.0%	21.0%
Y-Y Growth						
Revenues	102.9%	-62.2%	-6.1%	83.2%	75.9%	-40.5%
Operating income	652.2%	-85.9%	n.m.	n.m.	60.1%	-55.8%
Net income/ loss	150.0%	-97.8%	n.m.	n.m.	89.7%	-60.4%



BALANCE SHEET

All figures in € 000s	2018A	2019A	2020A	2021E	2022E	2023E
Assets						
Current assets, total	75,860	80,455	36,354	29,928	64,597	67,407
Cash and cash equivalents	59,990	66,637	22,815	4,268	20,575	40,622
Inventories	156	165	186	341	599	357
Receivables	13,443	9,935	3,505	8,504	14,960	8,900
Prepayments	711	1,156	1,047	1,918	3,374	2,007
Other current assets	337	1,161	7,327	13,423	23,614	14,047
Deferred tax assets	1,223	1,401	1,474	1,474	1,474	1,474
Non-current assets, total	148,985	198,470	170,368	206,993	185,089	160,081
Intangible assets	16,932	22,136	21,892	19,236	16,580	13,924
Land and buildings	0	0	0	0	0	0
Producing oil plants	107,878	138,433	110,203	149,357	130,549	108,707
Exploration and evaluation	2,048	648	2,227	3,018	2,638	2,197
Plant and machinery	36	143	123	167	146	121
Other equipment	91	331	225	305	267	222
Equity investments	14,385	16,688	17,773	16,985	16,985	16,985
Loans to other investors	1,724	1,902	4,711	4,711	4,711	4,711
Securities classified as fixed assets	5,891	18,189	13,214	13,214	13,214	13,214
Total assets	224,845	278,925	206,722	236,921	249,686	227,488
Shareholders' equity & debt						
Current liabilities, total	38,912	26,927	27,077	19,134	25,660	95,961
Bank debt	16,086	22	190	0	0	0
Bond debt	0	0	16,658	0	10,700	87,061
Accounts payable	6,840	17,114	2,901	12,756	3,740	2,225
Other current liabilities	15,986	9,791	7,328	6,378	11,220	6,675
Long-term liabilities, total	77,299	139,089	111,533	121,761	87,061	0
Bond debt	66,599	131,077	97,761	97,761	87,061	0
Bank debt	10,700	8,012	13,772	24,000	0	0
Other long term liabilities	0	0	0	0	0	0
Provisions	19,312	25,222	7,336	17,717	31,167	18,541
Minority interests	8,087	7,184	6,170	9,523	13,573	15,053
Shareholders' equity	65,750	64,317	39,419	51,786	75,225	80,934
Consolidated equity	73,837	71,501	45,589	61,309	88,798	95,986
Deferred tax liabilities	15,485	16,186	15,187	17,000	17,000	17,000
Total consolidated equity and debt	224,845	278,925	206,722	236,921	249,686	227,488
Ratios						
Current ratio (x)	1.95	2.99	1.34	1.56	2.52	0.70
Quick ratio (x)	1.95	2.98	1.34	1.55	2.49	0.70
Financial leverage	37.2%	75.9%	202.6%	170.1%	72.0%	34.6%
Book value per share (€)	13.32	12.98	7.96	10.45	15.18	16.34
Net cash (debt)	-27,504	-54,285	-92,352	-104,279	-63,972	-33,225
Return on equity (ROE)	27.5%	0.3%	-27.5%	0.0%	0.0%	0.0%



CASH FLOW STATEMENT

All figures in € 000s	2018A	2019A	2020A	2021E	2022E	2023E
Net profit before minorities	17,944	186	-16,099	17,533	30,956	12,143
Writedowns/writeups of fixed assets	59,637	16,307	37,702	32,375	42,903	28,009
Increase/decrease in provisions	7,316	17,380	-11,411	0	0	0
Changes in working capital	-889	-9,195	2,712	7,165	-9,085	-1,450
Gains/losses from disposal of fixed assets	-15,132	-31	-286	0	0	0
Interest expense/income	6,227	5,368	6,388	0	0	0
Tax paid/received	8,519	76	-6,425	0	0	0
Income tax payments	218	158	0	0	0	0
Other	-15,166	-16,311	1,410	0	0	0
Operating cash flow	68,674	13,938	13,991	57,073	64,775	38,701
Investment in property, plant equipment	-63,754	-22,513	-30,731	-69,000	-21,000	-3,000
Investment in intangible assets	-2,454	-6,214	-6,110	0	0	0
Free cash flow	2,466	-14,789	-22,850	-11,927	43,775	35,701
Proceeds from disposal of intangible assets	38,391	0	119	0	0	0
Management of short term financial assets, other	-451	-5,511	-12,008	0	0	0
Investing cash flow	-28,268	-34,238	-48,730	-69,000	-21,000	-3,000
Equity financing	-493	-18	-97	0	0	0
Debt financing	15,241	62,000	7,322	0	0	0
Debt repayment	-30,239	-16,115	-16,658	-6,620	-24,000	-10,700
Interest paid	-6,925	-6,638	-7,515	0	0	0
Dividends, share buybacks	-6,210	-3,937	-743	0	-3,468	-4,954
Other	0	0	0	0	0	0
Financing cash flow	-28,626	35,292	-17,691	-6,620	-27,468	-15,654
Other	18,511	1,004	8,608	0	0	0
Change in cash and equivalents	30,291	6,647	-43,822	-18,547	16,307	20,047
FX/consolidation effects	0	0	0	0	0	0
Cash and current cash equivalents, start of the year	29,699	59,990	66,637	22,815	4,268	20,575
Cash and current cash equivalents, end of the year	59,990	66,637	22,815	4,268	20,575	40,622
EBITDA/share (in €)	19.84	4.60	4.83	12.24	17.80	9.70
Y-Y Growth						
Operating cash flow	81.4%	-79.7%	0.4%	307.9%	13.5%	-40.3%
Free cash flow	n.m.	n.m.	n.m.	n.m.	n.m.	-18.4%
EBITDA/share	177.9%	-76.8%	5.1%	153.4%	45.4%	-45.5%

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Anschrift:

First Berlin Equity Research GmbH
Mohrenstr. 34
10117 Berlin
Germany

Vertreten durch den Geschäftsführer: Martin Bailey

Telefon: +49 (0) 30-80 93 9 680

Fax: +49 (0) 30-80 93 9 687

E-Mail: info@firstberlin.com

Amtsgericht Berlin Charlottenburg HR B 103329 B

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First Berlin Equity Research GmbH

Authored by: Simon Scholes, Analyst

All publications of the last 12 months were authored by Simon Scholes.

Company responsible for preparation: First Berlin Equity Research GmbH, Mohrenstraße 34, 10117 Berlin

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

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

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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Report No.:	Date of publication	Previous day closing price	Recommendation	Price target
Initial Report	22 July 2010	€7.45	Buy	€13.20
2...30	↓	↓	↓	↓
31	30 September 2019	€13.85	Buy	€18.10
32	24 March 2020	€6.66	Buy	€8.70
33	15 April 2020	€8.36	Add	€9.50
34	19 October 2020	€7.82	Add	€9.50
35	20 April 2021	€12.05	Buy	€17.00
36	29 July 2021	€15.50	Buy	€24.00
39	Today	€21.10	Buy	€28.00

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