

# Schloss Wachenheim AG

Germany / Food & beverages  
 Primary exchange: Frankfurt  
 Bloomberg: SWA GR  
 ISIN: DE0007229007

2020/21 Annual  
 Report

**RATING**  
**BUY**

**PRICE TARGET**  
**€ 25.00**

Return Potential 28.9%  
 Risk Rating Medium

## BUY FOR POST-PANDEMIC RECOVERY

Schloss Wachenheim's final 2020/21 results were in line with the preliminary figures the company published on 18 August but above the numbers published in our most recent note of 17 May. Sales rose 4.8% to €354.6m (2019/20: €338.2m; FBe May 21: €347.3m) while EBIT jumped 28.8% to €24.4m (2019/20: €19.0m; FBe May 21: €23.0m). The results were above our forecast because of stronger performance in East Central Europe and France in the final quarter of the financial year (ends 30 June) than we had modelled. France in particular saw a strong turnaround in the final quarter with a 23.4% y-o-y jump in volume following a 15.0% y-o-y decline after nine months. The dividend proposal for 2020/21 of €0.50 (FBe May 21: €0.40) represents a return to the level of the 2018/19 payout one year ahead of our forecast. For 2021/22 management expects an overall rise in profits with higher results in Germany and France outweighing a slight decline in East Central Europe due to rising advertising expenditure as well as higher personnel and material costs. This guidance assumes that rising vaccination rates will limit the need for further drastic measures to control the pandemic. A return to conditions approaching normality should allow a resurgence in the gastronomy and hospitality sectors as well as in private parties. These are important sources of business for SWA and all three have been subdued over the past eighteen months. We think SWA's assumptions are reasonable, and following the strong Q4 results have moved our own forecasts into line with management guidance. We now see fair value for the SWA share at €25.00 (previously: €22.00) and continue to recommend investors to buy the stock for post-pandemic recovery.

**Sales and EBIT growth outpaced volume** SWA reported a 2.9% increase in volume to 220.2m bottles (2019/20: 214.0m bottles) as gains in Germany (5.1%) and East Central Europe (9.3%) outweighed a decline in France (-7.7%). Group sales (+4.8%) and EBIT (+28.8%) outpaced volumes due mainly to positive product mix shifts in all three geographic segments. (p.t.o.)

### FINANCIAL HISTORY & PROJECTIONS

	2017/18	2018/19	2019/20	2020/21	2021/22E	2022/23E
Revenue (€m)	324.53	337.16	338.21	354.58	377.00	402.99
Y-o-y growth	9.6%	3.9%	0.3%	4.8%	6.3%	6.9%
EBIT (€m)	23.83	22.98	18.97	24.42	24.62	27.96
EBIT margin	7.3%	6.8%	5.6%	6.9%	6.5%	6.9%
Net income (€m)	11.12	10.89	7.62	10.43	11.25	12.99
EPS (diluted) (€)	1.40	1.38	0.96	1.32	1.42	1.64
DPS (€)	0.50	0.50	0.40	0.50	0.50	0.50
FCF (€m)	8.80	9.27	0.23	27.35	12.46	3.07
Net gearing	23.3%	20.9%	35.9%	26.8%	22.9%	23.5%
Liquid assets (€m)	7.76	9.53	6.02	7.68	3.77	4.03

### RISKS

Risks to our price target include, but are not limited to: intensification of price pressure in Germany; currency volatility on the group's East Central Europe markets.

### COMPANY PROFILE

Schloss Wachenheim AG is one of the world's largest producers of sparkling wine. The company is the number three producer in its home market of Germany (37% of 2020/21 group sales) and number one in France with a 40% market share. Some 41% of group sales are generated in East Central Europe through the 61%-owned subsidiary, Ambra.

### MARKET DATA

As of 27 Sep 2021

Closing Price	€ 19.40
Shares outstanding	7.92m
Market Capitalisation	€ 153.65m
52-week Range	€ 13.90 / 19.50
Avg. Volume (12 Months)	2,691

Multiples	2020/21	2021/22E	2022/23E
P/E	14.7	13.7	11.8
EV/Sales	0.6	0.6	0.5
EV/EBIT	8.9	8.8	7.8
Div. Yield	2.6%	2.6%	2.6%

### STOCK OVERVIEW



### COMPANY DATA

As of 30 Jun 2021

Liquid Assets	€ 7.68m
Current Assets	€ 179.15m
Intangible Assets	€ 96.08m
Total Assets	€ 378.03m
Current Liabilities	€ 115.03m
Shareholders' Equity	€ 214.99m

### SHAREHOLDERS

Günther Reh AG	70.1%
Free float	29.9%

**Figure 1: Full year 2020/21 results versus our forecasts**

€m	FY 20/21A	FY 20/21E	Δ	FY 19/20A	Δ
<b>Sales</b>	<b>354.6</b>	<b>347.3</b>	<b>2.1%</b>	<b>338.2</b>	<b>4.8%</b>
by region					
Germany	132.5	135.8	-2.5%	122.8	7.9%
France	81.0	75.1	7.8%	85.9	-5.7%
East Central Europe	149.1	144.1	3.5%	135.9	9.7%
Eliminations	-8.0	-7.8	n.a.	-6.4	n.a.
<b>EBIT</b>	<b>24.4</b>	<b>23.0</b>	<b>6.3%</b>	<b>19.0</b>	<b>28.8%</b>
<i>margin (%)</i>	<i>6.9%</i>	<i>6.6%</i>	<i>-</i>	<i>5.6%</i>	<i>-</i>
by region					
Germany	3.2	5.2	-37.1%	1.8	78.0%
<i>margin (%)</i>	<i>2.4%</i>	<i>3.8%</i>	<i>-</i>	<i>1.5%</i>	<i>-</i>
France	4.0	1.4	190.7%	3.5	16.3%
<i>margin (%)</i>	<i>5.0%</i>	<i>1.8%</i>	<i>-</i>	<i>4.0%</i>	<i>-</i>
East Central Europe	17.3	16.5	4.6%	13.7	25.6%
<i>margin (%)</i>	<i>11.6%</i>	<i>11.5%</i>	<i>-</i>	<i>10.1%</i>	<i>-</i>
Other/eliminations	-0.1	-0.1	n.a.	0.0	n.a.
Net profit before minorities	17.7	16.3	8.0%	13.0	35.9%
Net profit after minorities	10.4	9.2	12.9%	7.6	36.9%
<b>EPS (€)</b>	<b>1.32</b>	<b>1.17</b>	<b>12.9%</b>	<b>0.96</b>	<b>36.9%</b>
<b>DPS (€)</b>	<b>0.50</b>	<b>0.40</b>	<b>25.0%</b>	<b>0.40</b>	<b>25.0%</b>

Source: SWA; First Berlin Equity Research estimates

**German volume growth driven by alcohol-free drinks and still wine** Volume in Germany climbed 5.1% to 84.2m bottles (2019/20: 80.1m bottles). Both domestic and export volume (export markets include the UK, Portugal, China, the Benelux countries and Switzerland) grew. The increase was nearly all organic, as the wine merchant, VINO Weinhandels GmbH, was consolidated for 11 months of the prior business year (from 2 August 2019). De-alcoholised drinks and still wine were the main growth drivers. The alcohol-containing sparkling category, which accounts for nearly 60% of total segment volume, was down 3.8%, due mainly to lower private label business.

**De-alcoholised drinks volume up 10.8% in 2020/21** SWA's second most important product area in Germany is de-alcoholised drinks. SWA is the market leader in alcohol-free sparklings and wines on its home market. The company's leading product in this area is Light Live, which is available in both sparkling and still variants and is supported with extensive marketing campaigns. SWA's de-alcoholised drinks business has grown briskly in recent years and volume rose 10.8% in 2020/21.

**Robby Bubble volume jumped 24.4%** The children's party drink Robby Bubble retains a dominant position in its category. The product achieved strong volume growth in 2020/21 supported by advertising such as the campaign on the children's TV talent show, "Voice Kids".

**Still wine volume up 9.6%** Retail and e-commerce channels were the drivers of strong volume growth in the still wine category. However covid-19-related lockdowns meant that business with the gastronomy and hotel trades was well below the prior year level.

Sales in Germany climbed 7.9% to €132.5m (2019/20: €122.8m). Sales outpaced volume growth due mainly to the positive development of SWA's wine retail businesses - Rindchen's Weinkontor & Co. KG and VINO Weinhandels GmbH. The pricing of these two companies' products is well above the German segment average and in 2020/21 they accounted for over half of segment sales growth. Segment gross profit increased 10.7% to €57.5m (2019/20: €52.0m), equivalent to a margin of 43.4% (2019/20: 42.3%) due to operational leverage, a positive shift in the product mix and the positive impact of lower raw wine prices. Despite rising packaging material costs, segment EBIT came in at €3.2m (2019/20: €1.8m) equivalent to a margin of 2.4% (2019/20: 1.5%).

**Full-year France segment volume down 7.7% but recovered strongly in final quarter**

France segment volume retreated 7.7% to 53.0m bottles (2019/20: 57.4m bottles) over the twelve months ending June 2021. Around 30% of bottles are exported to markets including Russia, the US and Japan. The covid-19 pandemic negatively impacted business both in France and on export markets whose contribution to the 2020/21 decline in the number of bottles sold was in line with their share of volume. Export markets were primarily responsible for the 23.4% rebound in volume during the final quarter but domestic volume also moved ahead despite a third lockdown from early April to early May 2021.

**Charles Volner remains clear market leader in its category on French sparkling wine market**

Volume of SWA's most important French own-brand product, Charles Volner, fell by 14.3%, but remains the undisputed leader in its category. SWA's two other most important French sparkling wine brands are Opéra and Muscador. Opéra's volume was almost at the prior year level and the product retained its no. 3 ranking in the "Blancs de Blancs" segment. In volume terms Muscador is one of the leading sparkling wines in France and the number of bottles sold rose 3.1%. The pandemic and French legislation to restrict discounting campaigns by retailers led to a slight decline in domestic volume. However exports, which account for around 25% of Muscador volume, jumped 50% due to the growing popularity of the product in several African countries.

**France segment EBIT climbed 16.4% despite 5.7% sales decline** France segment sales fell 5.7% to €81.0m (2019/20: €85.9m) while gross profit was 6.4% lower at €33.4m (2019/20: €35.7m). Sales and gross profit fell less than volume because of a favourable shift in the product mix. EBIT was 16.4% higher at €4.0m (2019/20: €3.4m) due mainly to a temporary reduction in advertising spending due to the pandemic.

**In East Central Europe Romania and Czech Republic/Slovakia saw >20% volume growth**

Volume in East Central Europe climbed 9.3% to 90.2m bottles (2019/20: 82.5m bottles). The main markets served by SWA in East Central Europe are Poland, Romania and Czech Republic/Slovakia which account for around 75%, 15% and 10% of segment volume and sales respectively. In 2020/21 volume growth was 4.4% in Poland, 20.1% in Romania and 27.4% in Czech Republic/Slovakia. Still wine was the main driver of volume growth in Poland, but the relatively new product categories of de-alcoholised sparklings and wines also generated notable growth. 60% growth in the still wine brand Sange de Taur was the main contributor to the volume increase recorded in Romania. In Czech Republic/Slovakia sparklings and children's party drinks were the main drivers of volume growth. De-alcoholised drinks, which were launched on this market in 2020/21, also made a notable contribution.

Sales grew 14.2% on a constant currency basis but local currency depreciation restricted reported sales growth to 9.7% to €149.1m (2019/20: €135.9m). Negative currency effects and a shift in the product mix meant that gross profit increased by 8.3% to €62.9m (2019/20: €58.1m) and so did not keep pace with sales. However, EBIT climbed 25.6% to €17.3m (2019/20: €13.7m) mainly because of a pandemic-related reduction in advertising spending.

**Operating cashflow benefitted from unwinding of prior year inventory position**

Cashflow before changes in net working capital climbed 21.4% to €31.8m (2019/20: €26.2m). In 2019/20 working capital consumed €13.2m, whereas in 2020/21 it yielded €10.9m. The main cause of the higher working capital requirement in 2019/20 was a €10.8m rise in inventories. The first-time consolidation of Vino Weinhandels GmbH pushed inventories up by ca. €3m while SWA also built up stock in East Central Europe to ensure reliability of supply. The unwinding of inventories after the 2019/20 build-up helped push operating cashflow up by 229% to €42.7m (2019/20: €13.0m). Net investing cashflow was €-15.3m (2019/20: €-12.7m).



Investment in tangible and intangible assets amounted to €18.1m (2019/20: €11.6m). A key project started in 2020/21 was the installation of a new production line at the Trier site in Germany. 2019/20 saw the modernisation of production equipment at Bilgoraj in Poland. Acquisition activity was insignificant in 2020/21, while 2019/20 saw the acquisition of VINO Weinhandels GmbH and acquisitions of three wine merchants in the Czech Republic for €1.6m. Proceeds from asset disposals, including the sale of a property at Böchingen in Germany, amounted to €2.9m (2019/20: €0.5m). Dividends to Schloss Wachenheim shareholders and minority shareholders in SWA's group companies in East Central Europe consumed €6.2m of cash (2019/20: €6.9m). Cashflow after investing and dividend payments was €21.1m (2019/20: €-6.7m). Net debt including lease and pension liabilities fell during the year by €15.7m to €57.7m, equivalent to net gearing of 26.8% (2019/20: net debt including pension liabilities of €73.4m and net gearing of 35.9%).

### Buy recommendation maintained; price target raised to €25.00 (previously: €22.00)

Management guidance for 2021/22 is for a slight rise in volume and sales with all three geographic segments contributing to the increase. Group EBIT is expected in the range €24.0m - €26.0m (2020/21: €24.4m) and net profit before minorities in the range €17.0m - €19.0m (2019/20: €17.7m). Management expects profits to rise in Germany and France, but in East Central Europe sees rising advertising costs as well as higher personnel and material costs leading to a slight decline in results. This guidance assumes that rising vaccination rates will limit the need for further drastic measures to control the pandemic. A return to conditions approaching normality should allow a resurgence in the gastronomy and hospitality sectors as well as in private parties. These are important sources of business for SWA and all three have been subdued over the past eighteen months. We think SWA's assumptions are reasonable, and following the stronger than expected Q4 results have moved our own forecasts into line with management guidance. We now see fair value for the SWA share at €25.00 (previously: €22.00) and continue to recommend investors to buy the stock for post-pandemic recovery.

Figure 2: Changes to our forecasts

All figures in €m	2021/22E			2022/23E		
	old	new	Δ	old	new	Δ
<b>Sales</b>	<b>361.83</b>	<b>377.00</b>	<b>4.2%</b>	<b>380.08</b>	<b>402.99</b>	<b>6.0%</b>
by region:						
Germany	141.96	136.00	-4.2%	146.22	142.80	-2.3%
France	78.09	89.21	14.2%	82.00	94.57	15.3%
East Central Europe	149.86	160.31	7.0%	160.35	174.74	9.0%
Eliminations	-8.08	-8.52	-	-8.49	-9.11	-
<b>EBIT</b>	<b>21.51</b>	<b>24.62</b>	<b>14.4%</b>	<b>25.26</b>	<b>27.96</b>	<b>10.7%</b>
Margin	5.9%	6.5%	-	6.6%	6.9%	-
by region:						
Germany	3.55	3.24	-8.7%	3.66	3.57	-2.3%
margin (%)	2.5%	2.4%	-	2.5%	2.5%	-
France	2.58	5.23	103.0%	4.51	6.15	36.3%
margin (%)	3.3%	5.9%	-	5.5%	6.5%	-
East Central Europe	15.44	16.24	5.2%	17.16	18.35	6.9%
margin (%)	10.3%	10.1%	-	10.7%	10.5%	-
Eliminations	-0.05	-0.09	n.a.	-0.06	-0.11	n.a.
<b>Net profit before minorities</b>	<b>15.48</b>	<b>17.84</b>	<b>15.3%</b>	<b>18.48</b>	<b>20.43</b>	<b>10.6%</b>
<b>Net profit after minorities</b>	<b>8.83</b>	<b>11.25</b>	<b>27.5%</b>	<b>11.09</b>	<b>12.99</b>	<b>17.1%</b>
<b>EPS €</b>	<b>1.11</b>	<b>1.42</b>	<b>27.5%</b>	<b>1.40</b>	<b>1.64</b>	<b>17.1%</b>

Source: First Berlin Equity Research estimates



## DCF MODEL

All figures in EUR 000s	2021/22E	2022/23E	2023/24E	2024/25E	2025/26E	2026/27E	2027/28E	2028/29E	2029/30E	FY 30/31E	FY 31/32E
Net sales	377,001	402,994	424,865	447,362	471,510	497,451	525,335	552,699	581,904	613,091	646,407
NOPLAT	18,954	21,531	24,149	26,198	28,007	29,964	32,082	34,149	36,368	38,750	41,310
+ depreciation & amortisation	-15,863	-16,957	-17,877	-18,824	-19,840	-20,931	-22,105	-23,256	-24,485	-25,797	-27,199
Net operating cash flow	34,818	38,488	42,026	45,022	47,847	50,895	54,187	57,405	60,853	64,548	68,509
- total investments (CAPEX and WC)	-21,387	-34,474	-30,276	-34,830	-37,295	-39,682	-42,260	-43,036	-45,596	-48,339	-51,281
Capital expenditures	-17,267	-27,874	-26,207	-29,196	-31,248	-33,186	-35,277	-36,183	-38,282	-40,530	-42,938
Working capital	-4,120	-6,600	-4,069	-5,634	-6,048	-6,496	-6,983	-6,853	-7,314	-7,810	-8,343
Free cash flows (FCF)	13,431	4,014	11,750	10,192	10,552	11,213	11,927	14,370	15,257	16,208	17,228
PV of FCF's	12,686	3,515	9,538	7,670	7,361	7,252	7,151	7,987	7,861	7,742	7,629

All figures in EUR 000s	
PV of FCFs in explicit period (2020/21-2034/35)*	113,071
PV of FCFs in terminal period	197,766
Enterprise value (EV)	310,837
Average net debt (most recent four quarters)	-63,073
Investments / minority interests	-49,726
Shareholder value	198,038

Fair value per share in EUR	25.00
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WACC	7.9%
Cost of equity	9.7%
Pre-tax cost of debt	3.0%
Tax rate	23.0%
After-tax cost of debt	2.3%
Share of equity capital	70.0%
Share of debt capital	30.0%

Price target in EUR	25.00
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\*for layout purposes the model shows numbers only to 2031/32 but runs until 2034/35

WACC		Terminal growth rate						
		0.5%	1.0%	1.5%	2.0%	2.5%	3.0%	3.5%
5.9%	45.41	46.93	48.81	51.17	54.23	58.36	64.22	
6.4%	38.67	39.64	40.82	42.26	44.08	46.44	49.62	
6.9%	33.08	33.68	34.40	35.26	36.32	37.66	39.39	
7.4%	28.38	28.73	29.14	29.63	30.21	30.93	31.84	
7.9%	24.39	24.56	24.77	25.00	25.29	25.63	26.05	
8.4%	20.96	21.02	21.08	21.16	21.24	21.34	21.47	
8.9%	18.00	17.97	17.94	17.91	17.87	17.82	17.76	
9.4%	15.42	15.34	15.24	15.14	15.01	14.87	14.70	



## INCOME STATEMENT

All figures in €000s	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22E	FY 22/23E
<b>Revenues</b>	<b>296,062</b>	<b>324,527</b>	<b>337,159</b>	<b>338,212</b>	<b>354,584</b>	<b>377,001</b>	<b>402,994</b>
Change in inventories	257	3,341	107	240	-1,959	0	0
Cost of materials	-169,778	-190,920	-191,505	-192,653	-198,789	-212,629	-229,707
<b>Gross Profit</b>	<b>126,541</b>	<b>136,948</b>	<b>145,761</b>	<b>145,799</b>	<b>153,836</b>	<b>164,372</b>	<b>173,288</b>
Other operating income	4,582	7,994	3,981	5,117	4,323	4,596	4,913
Personnel expenses	-43,593	-50,249	-53,303	-56,274	-60,225	-65,000	-68,500
Depreciation	-7,844	-9,171	-9,447	-14,401	-15,151	-15,863	-16,957
Other operating expenses	-57,505	-61,694	-64,016	-61,272	-58,359	-63,489	-64,782
<b>Operating Income (EBIT)</b>	<b>22,181</b>	<b>23,828</b>	<b>22,976</b>	<b>18,969</b>	<b>24,424</b>	<b>24,616</b>	<b>27,962</b>
Associates	-6	-1	-27	0	77	0	0
Net interest income	-1,102	-1,554	-1,291	-1,818	-1,509	-1,445	-1,426
<b>Pretax profit (EBT)</b>	<b>21,073</b>	<b>22,273</b>	<b>21,658</b>	<b>17,151</b>	<b>22,992</b>	<b>23,171</b>	<b>26,536</b>
Taxes	-5,361	-5,900	-5,657	-4,160	-5,339	-5,329	-6,103
Net profit before minorities	15,712	16,373	16,001	12,991	17,653	17,842	20,433
Minorities	-4,211	-5,258	-5,111	-5,376	-7,227	-6,587	-7,444
<b>Net attributable profit</b>	<b>11,501</b>	<b>11,115</b>	<b>10,890</b>	<b>7,615</b>	<b>10,426</b>	<b>11,255</b>	<b>12,989</b>
<b>EPS (€)</b>	<b>1.45</b>	<b>1.40</b>	<b>1.38</b>	<b>0.96</b>	<b>1.32</b>	<b>1.42</b>	<b>1.64</b>
<b>EBITDA</b>	<b>30,025</b>	<b>32,999</b>	<b>32,423</b>	<b>33,370</b>	<b>39,575</b>	<b>40,479</b>	<b>44,919</b>
<b>Ratios</b>							
Gross margin	42.7%	42.2%	43.2%	43.1%	43.4%	43.6%	43.0%
EBITDA margin on revenues	10.1%	10.2%	9.6%	9.9%	11.2%	10.7%	11.1%
EBIT margin on revenues	7.5%	7.3%	6.8%	5.6%	6.9%	6.5%	6.9%
Net margin on revenues	5.3%	5.0%	4.7%	3.8%	5.0%	4.7%	5.1%
Tax rate	25.4%	26.5%	26.1%	24.3%	23.2%	23.0%	23.0%
<b>Expenses as % of revenues</b>							
Personnel costs	-14.7%	-15.5%	-15.8%	-16.6%	-17.0%	-17.2%	-17.0%
Depreciation	-2.6%	-2.8%	-2.8%	-4.3%	-4.3%	-4.2%	-4.2%
Other operating expenses	-19.4%	-19.0%	-19.0%	-18.1%	-16.5%	-16.8%	-16.1%
<b>Y-Y Growth</b>							
Revenues	1.0%	9.6%	3.9%	0.3%	4.8%	6.3%	6.9%
Operating income	9.1%	7.4%	-3.6%	-17.4%	28.8%	0.8%	13.6%
Net profit before minorities	16.0%	-100.0%	-2.3%	-18.8%	35.9%	1.1%	14.5%



## BALANCE SHEET

All figures in €000s	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22E	FY 22/23E
<b>Assets</b>							
<b>Current assets, total</b>	<b>155,088</b>	<b>172,510</b>	<b>175,357</b>	<b>179,512</b>	<b>179,147</b>	<b>184,406</b>	<b>197,120</b>
Cash and cash equivalents	5,700	7,760	9,531	6,015	7,680	3,770	4,030
Other receivables and short-term assets	5,508	7,349	7,861	6,854	9,093	9,668	10,334
Trade accounts and notes receivables	56,362	58,697	53,563	51,427	53,753	57,151	61,092
Inventories	87,518	98,704	104,402	115,216	108,621	113,817	121,664
<b>Non-Current Assets, total</b>	<b>158,818</b>	<b>165,328</b>	<b>170,751</b>	<b>193,261</b>	<b>198,884</b>	<b>199,839</b>	<b>210,833</b>
Property, plant and equipment	72,431	70,292	75,744	92,659	97,513	97,266	103,973
Goodwill + intangible assets	78,557	89,145	88,862	93,469	96,082	97,732	101,943
Other financial assets	5,654	5,403	5,051	3,795	3,709	3,709	3,709
Deferred taxes + prepaid expenses	481	488	1,094	1,822	1,580	1,131	1,209
Long term assets for sale	1,695	0	0	1,516	0	0	0
<b>Total Assets</b>	<b>313,906</b>	<b>337,838</b>	<b>346,108</b>	<b>372,773</b>	<b>378,031</b>	<b>384,244</b>	<b>407,953</b>
<b>Shareholders' equity &amp; debt</b>							
<b>Current Liabilities, total</b>	<b>97,782</b>	<b>104,645</b>	<b>109,987</b>	<b>117,850</b>	<b>115,034</b>	<b>115,585</b>	<b>123,875</b>
Current provisions	3,020	3,846	4,425	5,661	7,422	7,812	8,267
Short-term financial debt	28,221	25,265	28,099	40,319	28,849	24,030	26,092
Trade payables	37,434	41,423	44,185	41,498	44,734	47,562	50,841
Prepayments, deferred charges & other liabilities	29,107	34,111	33,278	30,372	34,029	36,180	38,675
<b>Long term liabilities, total</b>	<b>32,443</b>	<b>41,626</b>	<b>34,197</b>	<b>50,704</b>	<b>48,003</b>	<b>40,247</b>	<b>43,239</b>
Long-term financial debt	20,982	24,470	20,886	36,705	34,121	29,477	31,901
Pension accruals and similar liabilities	2,970	2,750	2,763	2,396	2,405	2,549	2,702
Other long-term debt	804	4,919	1,063	1,590	1,095	1,164	1,244
Deferred taxes	7,687	9,487	9,485	10,013	10,382	7,056	7,392
<b>Shareholders' equity</b>	<b>152,431</b>	<b>158,571</b>	<b>165,950</b>	<b>167,773</b>	<b>174,547</b>	<b>181,378</b>	<b>186,361</b>
Minority interests	31,250	32,996	35,974	36,446	40,447	47,034	54,478
<b>Total shareholders' equity &amp; debt</b>	<b>313,906</b>	<b>337,838</b>	<b>346,108</b>	<b>372,773</b>	<b>378,031</b>	<b>384,244</b>	<b>407,953</b>
<b>Ratios</b>							
Current ratio (x)	1.59	1.65	1.59	1.52	1.56	1.60	1.59
Quick ratio (x)	0.69	0.71	0.65	0.55	0.61	0.61	0.61
Financial leverage (including pension liabilities)	25.3%	23.3%	20.9%	35.9%	26.8%	22.9%	23.5%
Book value per share (€)	19.25	20.02	20.95	21.18	22.04	22.90	23.52
Net debt (including pension liabilities)	46,473	44,725	42,217	73,405	57,695	52,287	56,665
Return on equity (ROE)	6.5%	5.9%	5.5%	3.7%	5.0%	5.1%	5.5%



## CASH FLOW STATEMENT

All figures in €000s	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22E	FY 22/23E
<b>Net profit before minorities</b>	<b>15,712</b>	<b>16,373</b>	<b>16,001</b>	<b>12,991</b>	<b>17,653</b>	<b>17,842</b>	<b>20,433</b>
Depreciation and amortisation	7,844	9,171	9,447	14,401	15,151	15,863	16,957
Change in working capital	-662	-3,128	1,230	-13,229	10,867	-4,120	-6,600
Other	1,775	-1,659	345	-1,204	-1,015	144	153
<b>Operating cash flow</b>	<b>24,669</b>	<b>20,757</b>	<b>27,023</b>	<b>12,959</b>	<b>42,656</b>	<b>29,729</b>	<b>30,943</b>
CAPEX	-14,838	-15,049	-18,092	-13,183	-18,165	-17,267	-27,874
Fixed asset sales	565	3,095	337	458	2,862	0	0
<b>Investing cash flow</b>	<b>-14,273</b>	<b>-11,954</b>	<b>-17,755</b>	<b>-12,725</b>	<b>-15,303</b>	<b>-17,267</b>	<b>-27,874</b>
<b>Free cash flow</b>	<b>10,396</b>	<b>8,803</b>	<b>9,268</b>	<b>234</b>	<b>27,353</b>	<b>12,462</b>	<b>3,069</b>
Change in financial liabilities	-1,602	-479	-750	2,883	-19,377	-9,462	4,485
Dividends to shareholders	-3,406	-3,802	-3,960	-3,960	-3,168	-3,960	-3,960
Dividends to subsidiaries of minorities	-2,657	-2,920	-2,601	-2,950	-3,048	-2,950	-3,334
Other	0	209	0	0	0	0	0
<b>Financing cash flow</b>	<b>-7,665</b>	<b>-6,992</b>	<b>-7,311</b>	<b>-4,027</b>	<b>-25,593</b>	<b>-16,372</b>	<b>-2,809</b>
Change in cash	2,731	1,811	1,957	-3,793	1,760	-3,910	260
Consolidation; exchange rate effects	-173	249	-186	277	-95	0	0
<b>Liquid funds, start of the year</b>	<b>3,142</b>	<b>5,700</b>	<b>7,760</b>	<b>9,531</b>	<b>6,015</b>	<b>7,680</b>	<b>3,770</b>
<b>Liquid funds, end of the year</b>	<b>5,700</b>	<b>7,760</b>	<b>9,531</b>	<b>6,015</b>	<b>7,680</b>	<b>3,770</b>	<b>4,030</b>
<b>Free cash flow per share (€)</b>	<b>1.31</b>	<b>1.11</b>	<b>1.17</b>	<b>0.03</b>	<b>3.45</b>	<b>1.57</b>	<b>0.39</b>
<b>Y-Y growth</b>							
Operating cash flow	58.1%	-15.9%	30.2%	-52.0%	229.2%	-30.3%	4.1%
Free cash flow	322.6%	-15.3%	5.3%	-97.5%	11589.3%	-54.4%	-75.4%
Financial cash flow	n.a.						

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Category		1	2
Current market capitalisation (in €)		0 - 2 billion	> 2 billion
Strong Buy <sup>1</sup>	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%

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

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Report No.:	Date of publication	Previous day closing price	Recommendation	Price target
Initial Report	19 July 2007	€10.00	Hold	€10.75
2...45	↓	↓	↓	↓
46	24 September 2019	€16.55	Add	€22.30
47	19 November 2019	€17.75	Add	€22.20
48	27 February 2020	€15.55	Buy	€20.30
49	15 May 2020	€12.40	Buy	€18.90
50	29 September 2020	€15.70	Buy	€20.00
51	18 November 2020	€15.30	Buy	€20.00
52	19 February 2021	€14.80	Buy	€21.00
53	17 May 2021	€16.60	Buy	€22.00
54	Today	€19.40	Buy	€25.00

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