

Aroundtown SA

Germany / Real Estate
 Frankfurt Stock Exchange
 Bloomberg: AT1 GR
 ISIN: LU1673108939

Q1/24
 Results

RATING
PRICE TARGET

Return Potential
 Risk Rating

BUY
€ 3.50
 69.7%
 Medium

EMERGING FROM ROUGH WATERS

Q1 reporting again featured a solid operating performance led by 2.8% LFL rental growth, while the rise in financing costs is tailing off. We expect operations to remain steady with good tailwinds for the resi and hotel segments offsetting the still challenging office sector. The capital structure has been revamped over the past year by deleveraging measures, increased secured debt, and, most recently, the successful perpetual note exchange offer. The latter will be FFO accretive starting in 2025 owing to ~€35m in coupon savings. We think the landlord has cleared a number of major hurdles over the past quarters and remain Buy-rated on AT with a €3.5 target price (old: €3.).

Emerging from rough waters AT spent much of 2023 at “red alert”, whiplashed by various market headwinds, needing to deleverage, firm up balance sheet KPIs, and take measures to deal with upcoming corporate debt maturities and a slew of perpetual note first call dates. After selling non-core and mature properties, boosting secured debt volumes, and buying back bonds at discounts, we reckon the recently reshuffled perpetual note portfolio (table 3 overleaf) is the final key piece of the financial puzzle that will help protect the company from any future macro turbulence. Management can now refocus on extracting AT’s portfolio value.

Conference call takeaways Operational themes from prior quarters recurred in Q1. Balance sheet metrics mirrored the prior quarter with perpetual note exchanges occurring post reporting. Germany appears to have dodged a severe recession, which AT believes will prod the ECB to lower rates in the coming months, and management sounded confident that cuts will finally unshackle a still stagnate transaction market. Lower Y/Y disposals (€200m signed YTD) are more a function of AT being selective—mainly on price—rather than a lack of buyer interest. We interpret this as a further signal that the landlord is emerging from the roughest waters. Nor does AT have any . . . (p.t.o.)

FINANCIAL HISTORY & PROJECTIONS

	2020	2021	2022	2023	2024E	2025E
Rental income (€m)	1,003.0	1,085.7	1,222.1	1,192.8	1,198.8	1,218.6
Y/Y growth	31.0%	8.2%	12.6%	-2.4%	0.5%	1.7%
Adj. EBITDA (€m)	944.1	974.9	1,002.3	1,002.9	1,023.8	1,048.7
Net income (€m)	906.4	1,078.1	-457.1	-2,426.4	084.0	981.9
EPRA NTA (€m)	11,186.9	11,564.0	10,135.2	8,058.7	7,872.7	8,283.3
EPRA NTAPS (€)	9.5	10.2	9.3	7.4	7.2	7.6
DPS (€)	0.22	0.23	0.00	0.00	0.20	0.18
FFO 1 (€m)	357.8	353.2	362.7	330.6	294.5	272.2
FFOPS 1 (€)	0.27	0.30	0.33	0.30	0.26	0.24
Liquid assets (€m)	3,260.7	3,240.3	2,709.4	3,026.0	3,578.6	2,317.9

RISKS

Risks include, but are not limited to, unfavourable interest rate developments, unfavourable macroeconomic developments, and the departure of key personnel.

COMPANY PROFILE

Aroundtown SA is a specialist real estate company focused on investing in and managing value-add properties primarily located in the German/ Netherlands real estate markets.

MARKET DATA

As of 29 May 2024

Closing Price	€ 2.06
Shares outstanding	1537.02m
Market Capitalisation	€ 3,169.34m
52-week Range	€ 0.90 / 2.48
Avg. Volume (12 Months)	5,907,147

Multiples	2023	2024E	2025E
P/FFO 1	6.8	7.8	8.5
P/NTA	3.0	4.0	5.0
FFO 1 Yield	14.7%	12.7%	11.8%
Div. Yield	0.0%	9.6%	8.8%

STOCK OVERVIEW



COMPANY DATA

As of 31 Mar 2024

Liquid Assets	€ 2,923.6m
Current Assets	€ 4,589.9m
EPRA NTA	€ 8,135.1m
Investment Properties	€ 24,787.9m
Current Liabilities	€ 2,247.3m
Total Equity	€ 15,201.1m

SHAREHOLDERS

Treasury shares*	29.0%
Avisco Group / Vergepoint	15.0%
Stumpf Capital	10.0%
Free Float	46.0%

* 12% held through TLG Immo AG, voting rights suspended



. . . great cash needs or plans to tap the bond market despite narrowing secured / unsecured debt spreads. Office demand remains tough (see below), but CPI-indexation and reversionary effects are helping combat headwinds. Plus, resi also offsets this spurred by an acute supply / demand gap that is only getting a lot worse (see our GCP note of 17 May 2024). Hotels closed for refurbishment are coming back online just in time to catch the upswing in hospitality with a full slate of major events on the horizon. These openings will boost hotel rents. All in all there is plenty to like about the start to 2024 (yellow alert).

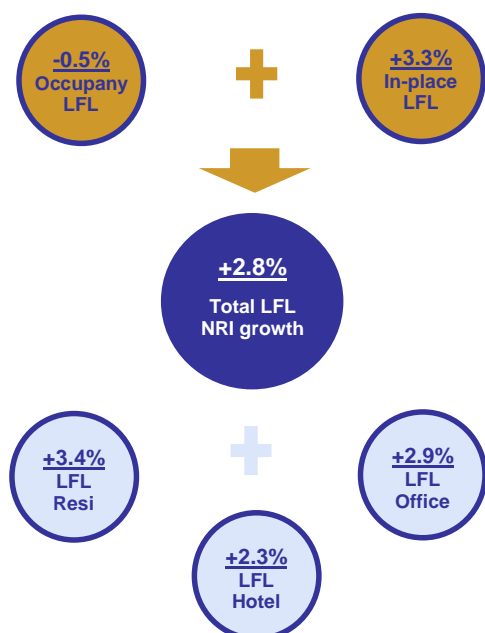
Office remains hard With the hospitality / hotels sector virtually back to pre-covid levels, office is now the underperforming asset class. Letting activity remains subdued. Occupiers are standing pat on their square footage and working to accommodate remote workers. AT inked 20k m² in new lettings in the January-to-March period, while another 85k m² of workspace was prolonged. Corporates point to Germany's sagging economy, not WFH trends, as the reason for postponing workspace decisions.

AT's office vacancy again crept higher to 13.0% (YE23: 12.8%; Q1/23: 11.5%) and outpaces overall German market comps, but AT brass reminded call participants that its value-add strategy meant the landlord acquired properties with high vacancy rates to begin with and said they are not concerned about the gap to market levels. They also remain convinced of the mid- and long-term reversionary potential of the portfolio and believe indexation and step-up adjustments will persist throughout 2024 to help offset rising vacancy rates.

The upshot We do not think office stock will become obsolete or that we will see the virtual workspace apocalypse witnessed across a number of US and EU hubs. Remember, German office rent comprises a small portion of corporate overheads vs other EU metropolises.

Q1 REPORTING HIGHLIGHTS

Figure 1: Like-for-like Q1 breakdown



Source: First Berlin Equity Research; Aroundtown

Net rental income like-for-like (LFL) was +2.8%—in-place rent +3.3%; occupancy minus 0.5%—at the end of the period. The residential segment led LFL performance at +3.4% followed by office at +2.9%. Office continued to benefit in Q1 from CPI-indexation as well as step-up rent adjustments, whereas the systemic residential supply and demand imbalance kept resi vacancies within spitting distance of historical lows at 3.7% (YE23: 3.6%; Q1/23: 4.0%) and provides good operational tailwinds.

Table 1: First quarter results vs FBe and prior year comp

All figures in EURm	Q1/24	Q1/24E	variance	Q1/23	variance
Rental income	386	394	-2%	403	-4%
Net rent	293	296	-1%	297	-1%
AEBITDA	247	251	-1%	246	1%
Margin	84%	85%	-	83%	-
FFO 1	76	75	2%	85	-10%
FFOPS 1 (€)	0.07	0.07	2%	0.08	-9%

Source: First Berlin Equity Research; Aroundtown

First quarter FFO 1 as expected AT closed some €1.3bn in property disposals since the start of 2023, which partially offset the good Q1 LFL performance. The net effects led to a 1% decline in Q1 rental income (NRI), while AEBITDA was steady on the prior year (+1%), thanks to lower operating expenses that compensated for disposals. As expected, bottom line FFO 1 was down 10% Y/Y. This is occasioned by the higher financing costs and perpetual note attributions after management decided not to call the 2023 notes (overleaf). But the KPI beat our number on the higher 'contribution of JV's FFO 1' line item.

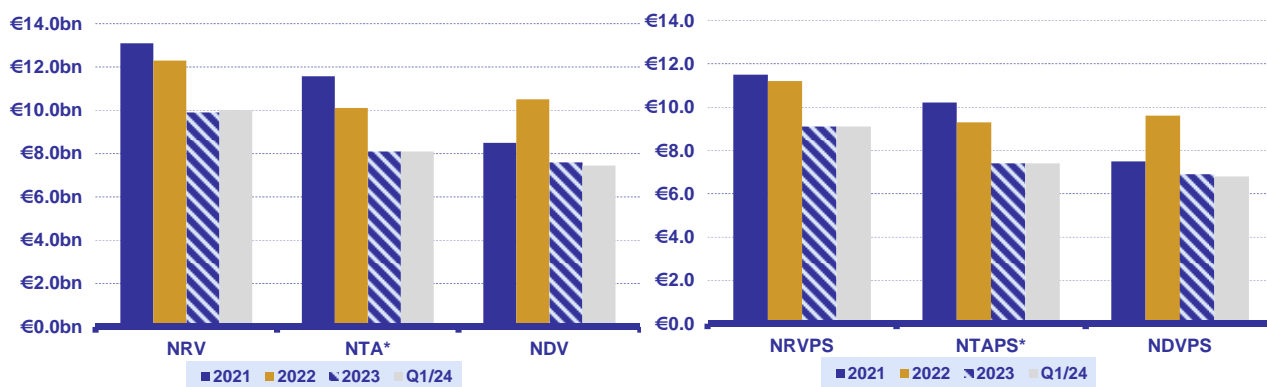


Portfolio value unchanged Q/Q AT completed about €110m in disposals of non-core and mature assets in the January-to-March period at a premium of 2% above BV, resulting in a capital gain of €2m. A total of €200m in disposals have been signed YTD, and management are open to selling further properties at the right price.

As of Q1, the portfolio averaged €2,437 / m² at a net rental yield of 5%. Q1 in-place rent stood at €10.8 / m² vs €10.7 / m² at the end of 2023, while the portfolio vacancy rate was 8.0% vs 7.9% at the end of 2023. Annualised net rent tallied €1,152m at the end of the reporting period compared to €1,142m at end of 2023.

Net asset value KPIs stable as revaluations loom Aroundtown did not book any revaluation results in Q1 but plans to have a large portion of the portfolio assessed for six month reporting in August. Management continue to caution that there could be further yield expansion in H1 but at a lesser magnitude than witnessed in 2023. The idling revaluation KPI meant that NAV metrics were unchanged vs YE23 comps.

Figure 2: EPRA BPR reporting



*Reclassified in Dec. 2022 to exclude real estate transfer tax (RETT)

Source: First Berlin Equity Research; Aroundtown

**Table 2: Financial highlights**

All figures in EURm	Q1/24	2023	variance
Cash and liquid assets	2,924	3,026	-3%
Investment property	24,788	24,632	1%
Total assets	33,542	33,559	0%
Total financial debt	14,160	14,242	-1%
Total equity	15,201	15,150	0%
Equity ratio	45%	45%	-
EPRA NTA	8,135	8,059	1%
Unencumbered asset ratio	74%	74%	-
Loan-to-Value (LTV)	43%	43%	-

Source: First Berlin Equity Research; Aroundtown

The LTV was unchanged Q/Q at 43% and remains below the targeted 45% level set by AT brass. The net debt / EBITDA and interest coverage (ICR) ratios stood at 11.3x and 3.9x respectively at the end of Q1 vs 11.8x and 4.8x in the prior year period. The €3.8bn liquidity runway continues to cover maturing debts through H1/26, and the company still has ~€18bn in unencumbered assets in its financial tool pouch, if it needs to swap out further unsecured debt with bank loans.

Positive FFO 1 impact of ~€35m starting in 2025 Post reporting AT and GCP successfully completed exchange offers including tender options for all perpetual notes with expired first call dates and first call dates looming in the coming 12 months. Roughly 80% of holders accepted the exchange offer, and around half of these opted to participate in the tender. This allowed the landlords to buy back notes at an average discount to nominal value of over 30%.

Table 3: Perpetual note overview pre- and post-exchange

Fx	Pre-exchange		Post-exchange			
	Amount (m)	Coupon	Amount (m)	Coupon	Next reset date	Reset rate
EUR	369	7.078%	107	7.078%	20-Jan-2028	4.625% + 5Y MS
EUR	200	6.332%	48	6.332%	22-Jan-2028	3.887% + 5Y MS
USD	642	7.747%	88	5.756%	21-Jul-2028	3.796% + 5Y MS
EUR	350	5.901%	53	5.901%	24-Oct-2028	2.682% + 5Y MS
EUR	400	4.542%	118	4.542%	17-Jan-2029	2.250% + 5Y MS
GBP	400	4.377% + 5Y MS*	20	4.377% + 5Y MS*	25-Jun-2024	4.377% + 5Y MS
EUR	600	3.980% + 5Y MS*	209	3.980% + 5Y MS*	23-Dec-2024	3.980% + 5Y MS
EUR	500	3.460% + 5Y MS*	101	3.460% + 5Y MS*	12-Jan-2025	3.460% + 5Y MS
EUR	700	1.500%	700	1.500%	09-Jun-2026	2.184% + 5Y MS
EUR	600	1.625%	600	1.625%	15-Jul-2026	2.419% + 5Y MS
EUR	-	-	607	7.125%	16-Apr-2030	4.508% + 5Y MS
EUR	-	-	618	5.000%	16-Jul-2029	2.349% + 5Y MS
EUR	-	-	410	6.125%	16-Apr-2030	3.508% + 5Y MS
USD	-	-	494	5.836%	07-Nov-2029	3.163% + 5Y MS
GBP	-	-	345	6.950%	07-Aug-2029	4.493% + 5Y MS

* Will reset at call date within 12 months; **MS = Mid-Swap

Source: First Berlin Equity Research; Aroundtown

Aside from shoring up the S&P metrics—the ratings agency regards perpetual notes as 50% equity / 50% debt until the first call date—the reshuffled perpetual portfolio pares down the outstanding note value to €4.5bn (old: €4.8bn) and reduces coupon payments by €35m starting in 2025. In our view, the successful exchange means the landlord has checked one of the last major boxes in adjusting its balance sheet to the world of expensive money.



VALUATION MODEL

Buy-rated with €3.5 target price (old: €3.4) Management have had to steer AT through some rough waters over the past year, but we think the landlord is emerging in good shape. If rates do indeed come down in the coming months, we see no reason for the latest upswing in AT shares to tail off.

Table 4: DCF model

All figures in EURm	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E
AEBITDA	1,024	1,049	1,089	1,130	1,168	1,210	1,252	1,296
(-) Tax	-123	-126	-131	-136	-140	-145	-150	-156
(=) Net operating cash flow	901	923	959	994	1,028	1,064	1,102	1,140
(-) Total investments (CapEx and WC)	-30	-592	-532	-416	-432	-451	-455	-475
(-) Capital expenditures	99	-581	-514	-398	-415	-433	-436	-455
(-) Working capital	-128	-11	-19	-18	-18	-19	-19	-20
(=) Free cash flows (FCF)	871	331	426	578	596	613	646	666
PV of FCFs	846	307	376	485	476	467	468	459

All figures in EUR '000		Terminal growth rate							
		-0.5%	0.0%	0.5%	2.0%	1.5%	2.0%	2.5%	
PV of FCFs in explicit period	4,777	4.4%	-1.4	-0.4	0.9	8.0	4.8	8.0	12.8
PV of FCFs in terminal period	14,973	4.6%	-2.0	-1.0	0.1	6.3	3.6	6.3	10.3
Enterprise value (EV)	19,750	4.8%	-2.4	-1.6	-0.6	4.8	2.5	4.8	8.1
+ Net cash / - net debt (2023)	-15,923	5.0%	-2.9	-2.1	-1.2	3.5	1.5	3.5	6.3
+ Investments / minority interests	0	5.2%	-3.3	-2.6	-1.8	2.4	0.6	2.4	4.8
Shareholder value	3,827	5.4%	-3.7	-3.1	-2.3	1.4	-0.2	1.4	3.5
Fair value per share in EUR	3.5	5.6%	-4.1	-3.5	-2.8	0.5	-0.9	0.5	2.3

		Terminal AEBITDA margin							
		87.6%	88.6%	89.6%	90.6%	91.6%	92.6%	93.6%	
Cost of equity	7.0%	4.4%	6.8	7.2	7.6	8.0	8.4	8.8	9.2
Pre-tax cost of debt	3.0%	4.6%	5.2	5.6	5.9	6.3	6.6	7.0	7.3
Tax rate	12.0%	4.8%	3.8	4.1	4.5	4.8	5.1	5.4	5.8
After-tax cost of debt	2.6%	5.0%	2.6	2.9	3.2	3.5	3.8	4.1	4.4
Share of equity capital	45.0%	5.2%	1.6	1.8	2.1	2.4	2.7	2.9	3.2
Share of debt capital	55.0%	5.4%	0.6	0.9	1.1	1.4	1.6	1.9	2.1
WACC	5.0%	5.6%	-0.2	0.0	0.3	0.5	0.7	1.0	1.2

*Please note our model runs through 2033 and we have only shown the abbreviated version for formatting purposes; perpetual notes included in net debt for DCF purposes



INCOME STATEMENT

All figures in EURm	2020	2021	2022	2023	2024E	2025E
Net rent	1,003	1,086	1,222	1,193	1,199	1,219
Operating and other income	177	238	388	410	400	406
Rental and operating income (RI)	1,180	1,323	1,610	1,603	1,598	1,625
Capital gains, property revaluations & other	769	810	-497	-3,218	-449	494
Result from equity-accounted investees	196	193	6	-150	6	6
Property OpEx	-443	-533	-695	-638	-583	-588
Other income	0	0	0	0	0	0
Administration & other OpEx	-51	-57	-63	-65	-64	-64
Operating income (EBIT)	1,652	1,737	361	-2,468	509	1,473
Net financial result	-201	-180	-185	-230	-253	-286
Other financial expenses	-168	-162	-194	-14	-121	0
Impairment of goodwill	0	0	-404	-137	0	0
Pre-tax income (EBT)	1,283	1,394	-422	-2,849	135	1,187
Tax expense	-89	-100	-117	-120	-123	-126
Deferred tax	-287	-216	82	543	72	-79
Tax result	-377	-316	-35	423	-51	-205
Comprehensive net income	906	1,078	-457	-2,426	84	982
Minority interests	165	330	70	-592	-84	191
Perpetual notes	90	106	118	153	214	220
Net income to owners	652	642	-645	-1,988	-46	571
Basic EPS (€)	0.50	0.55	-0.58	-1.82	-0.04	0.51
AEBITDA	944	975	1,002	1,003	1,024	1,049
Ratios						
AEBITDA before JV contributions (NRI)	77.5%	80.2%	77.2%	79.3%	80.4%	80.9%
FFO 1 margin (NRI)	35.7%	32.5%	29.7%	27.7%	24.6%	22.3%
Expenses as % of revenues						
Property OpEx	37.5%	40.3%	43.2%	39.8%	36.5%	36.2%
Administration & other OpEx	4.3%	4.3%	3.9%	4.0%	4.0%	3.9%
Y/Y Growth						
Net rent	31.0%	8.2%	12.6%	-2.4%	0.5%	1.7%
Operating income	-23.4%	5.1%	-79.2%	n.m.	n.m.	189.6%
Adjusted EBITDA	22.2%	3.3%	2.8%	0.1%	2.1%	2.4%
Net income/ loss	-50.2%	-1.5%	n.m.	n.m.	n.m.	n.m.
Funds from Operations (FFO)						
AEBITDA before JV contribution	777	871	944	946	964	986
Finance expense	-201	-180	-185	-230	-253	-286
Tax expense	-89	-100	-117	-120	-123	-126
Minority adjustment	-36	-82	-136	-126	-129	-131
Other adjustments	9	7	5	5	5	5
Perpetual attribution	-90	-106	-118	-153	-214	-220
FFO 1 before JV contribution	371	409	392	320	250	227
JV FFO 1 contributions	107	69	46	43	44	45
Extraordinary provision for uncollected rents	-120	-125	-75	-33	0	0
FFO 1	358	353	363	331	295	272
FFOPS 1 (€)	0.27	0.30	0.33	0.30	0.26	0.24



BALANCE SHEET

All figures in EURm	2020	2021	2022	2023	2024E	2025E
Assets						
Current assets, total	4,781	5,529	4,856	4,692	5,268	3,928
Cash and cash equivalents	2,692	2,873	2,305	2,641	3,190	1,925
Short-term investments	454	376	313	506	508	511
Receivables	617	1,219	1,168	1,008	1,139	1,157
Other current assets	141	28	138	127	131	135
Assets held for sale	877	1,033	931	410	300	200
Non-current assets, total	26,241	33,854	32,492	28,868	28,360	29,476
Property, plant & equipment	877	1,849	1,508	1,379	1,383	1,387
Investment properties	21,172	29,116	27,981	24,632	24,193	25,368
Equity accounted investees	3,177	1,223	1,292	1,087	1,093	1,018
Other LT assets	1,014	1,667	1,711	1,769	1,691	1,703
Total assets	31,022	39,383	37,347	33,559	33,628	33,404
Shareholders' equity & debt						
Current liabilities, total	1,074	1,607	1,289	1,539	3,069	3,769
Short-term debt	181	544	123	420	1,929	2,604
Accounts payable	435	621	666	672	673	681
Provisions & other current liabilities	458	442	500	448	466	485
Long-term liabilities, total	14,364	18,620	18,235	16,870	15,515	14,038
Long-term debt	11,680	15,026	14,573	13,822	12,510	10,925
Deferred tax liabilities	2,026	2,766	2,662	2,107	2,035	2,114
Other LT liabilities	659	828	999	942	970	999
Minority interests	2,025	3,875	3,490	2,750	2,665	2,856
Shareholders' equity	13,558	15,281	14,333	12,400	12,380	12,741
Total consolidated equity and debt	31,022	39,383	37,347	33,559	33,628	33,404
Ratios						
ICR (x)	4.3	4.9	4.9	4.0	3.4	3.2
Net debt / adj. EBITDA (x)	11.1	14.2	12.8	11.9	11.3	11.4
Equity ratio	50.2%	48.6%	47.7%	45.1%	44.7%	46.7%
Financial leverage	63.4%	80.8%	84.3%	90.5%	87.7%	88.0%
EPRA NTA	11,187	11,564	10,135	8,059	7,873	8,283
EPRA NTAPS (€)	9.5	10.2	9.3	7.4	7.2	7.6
Net debt	8,598	12,344	12,087	11,216	10,861	11,211
Return on equity (ROE)	6.7%	7.1%	-3.2%	-19.6%	0.7%	7.7%
Loan-to-value (LTV)	34%	39%	40%	43%	43%	43%



CASH FLOW STATEMENT

All figures in EURm	2020	2021	2022	2023	2024E	2025E
Net income	906	1,078	-457	-2,426	84	982
Depreciation & amortisation	4	16	21	18	18	18
Capital gains, property revaluations & other	-769	-810	497	3,218	449	-494
Profit share from equity accounted investees	-196	-193	-6	150	-6	-6
Goodwill impairment	0	0	404	137	0	0
Shared based payment in a subsidiary	3	6	5	5	0	0
Net finance expenses	369	343	379	245	374	286
Tax result	377	316	35	-423	51	205
Operating cash flow	694	755	879	923	969	991
Changes in working capital	-36	-57	-27	-54	-170	-22
Provisions for other liabilities	-3	-4	-2	-5	26	27
Dividend received	43	24	35	19	0	81
Tax paid	-83	-93	-97	-111	-123	-126
Net operating cash flow	616	626	788	772	702	951
CapEx/ intangibles	-36	23	-26	-16	-22	-22
Disposal / investment in investment properties, net	1,427	1,179	556	575	99	-581
Acquisition / disposals of subsidiaries	0	0	0	0	0	0
Proceeds from investments in financial assets	-377	-124	-121	50	13	14
Cash flow from investing	1,014	1,078	409	608	90	-589
Debt financing, net	-493	-1,320	-629	-338	198	-911
Equity financing, net	0	0	0	0	0	0
Payments for own shares	-1,001	-444	-255	0	0	0
Share buy-back in a subsidiary	0	-270	0	0	0	0
Dividends paid	-22	-252	-169	0	0	-215
Other financing activities	94	-120	-506	-499	-188	-214
Net paid financing expenses	-212	-201	-204	-214	-253	-286
Cash flow from financing	-1,634	-2,607	-1,764	-1,052	-243	-1,626
Net cash flows	-5	-903	-567	329	549	-1,265
Assets held for sale - cash	-3	-2	-6	9	0	0
Fx effects	-1	16	5	-2	0	0
Cash & equivalents from TLG	509	1070	0	0	0	0
Cash, start of the year	2,192	2,692	2,873	2,305	2,641	3,190
Cash, end of the year	2,692	2,873	2,305	2,641	3,190	1,925
FFO 1 before JV contribution	371	409	392	320	250	227
FFO 1	358	353	363	331	295	272
FFOPS 1 (€)	0.27	0.30	0.33	0.30	0.26	0.24

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Unless otherwise indicated, current prices refer to the closing prices of the previous trading day.

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The present financial analysis is based on the author's own knowledge and research. The author prepared this study without any direct or indirect influence exerted on the part of the analysed company. Parts of the financial analysis were possibly provided to the analysed company prior to publication in order to avoid inaccuracies in the representation of facts. However, no substantial changes were made at the request of the analysed company following any such provision.

ASSET VALUATION SYSTEM

First Berlin's system for asset valuation is divided into an asset recommendation and a risk assessment.

ASSET RECOMMENDATION

The recommendations determined in accordance with the share price trend anticipated by First Berlin in the respectively indicated investment period are as follows:

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.

RISK ASSESSMENT

The First Berlin categories for risk assessment are low, average, high and speculative. They are determined by ten factors: Corporate governance, quality of earnings, management strength, balance sheet and financial risk, competitive position, standard of financial disclosure, regulatory and political uncertainty, strength of brandname, market capitalisation and free float. These risk factors are incorporated into the First Berlin valuation models and are thus included in the target prices. First Berlin customers may request the models.

RECOMMENDATION & PRICE TARGET HISTORY

Report No.:	Date of publication	Previous day closing price	Recommendation	Price target
Initial Report	29 September 2015	€3.40	Buy	€5.70
2...53	↓	↓	↓	↓
54	2 November 2022	€2.02	Buy	€5.10
55	7 December 2022	€2.32	Buy	€4.60
56	5 April 2023	€1.25	Buy	€3.50
57	2 June 2023	€0.96	Buy	€3.50
58	4 September 2023	€1.51	Buy	€3.50
59	4 December 2023	€2.24	Buy	€3.30
60	4 April 2024	€1.88	Buy	€3.40
61	12 April 2024	€1.79	Buy	€3.40
62	Today	€2.06	Buy	€3.50

INVESTMENT HORIZON

Unless otherwise stated in the financial analysis, the ratings refer to an investment period of twelve months.

UPDATES

At the time of publication of this financial analysis it is not certain whether, when and on what occasion an update will be provided. In general First Berlin strives to review the financial analysis for its topicality and, if required, to update it in a very timely manner in connection with the reporting obligations of the analysed company or on the occasion of ad hoc notifications.

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- key sources of information in the preparation of this research report
- valuation methods and principles
- sensitivity of valuation parameters

can be accessed through the following internet link: <https://firstberlin.com/disclaimer-english-link/>

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