

3 November 2020

CLIQ Digital AG

Rating Buy (Buy)
Share price (EUR) 15.40
Target price (EUR) 33.00 (28.70)

Bloomberg CLIQ GY
 Sector Software

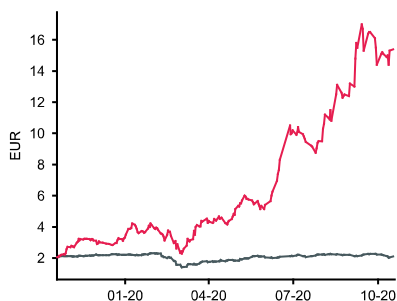
Share data

Shares out (m) 6.2
 Daily volume shs (m) 0.5
 Free float (%) 83.00
 Market cap (EUR m) 95
 EV (EUR m) 94
 DPS (EUR) 0.28
 Dividend yield (%) 9.7
 Payout ratio (%) 40.0

Performance

ytd (%) 431.0
 12 months (%) 636.8
 12 months rel. (%) 633.2
 Index SDAX

Share price performance



— CLIQ Digital
 — Price rel. to SDAX - Price Index

Source: Bloomberg

Next triggers

17-18 November: German Equity Forum

Analysts

Ralf Marinoni – Financial Analyst
 T +49 (0)69 2475049 24
 ralf.marinoni@quirinprivatbank.de

Please see final page for important disclaimers and disclosures

Q3-20: Strong set of figures

CLIQ released convincing figures for Q3-20: The company was able to increase sales by nearly 80% yoy while net profit rose even stronger with 143%. Its FY 2020 outlook therefore looks conservative. Due to its launch of its platform in further countries we believe that CLIQ is able to show high, sustainable growth over the next years. We therefore confirm our Buy recommendation and raise our TP from EUR 28.70 to EUR 33.00 due to higher estimates.

Strong Q3/9M p&t figures...

In Q3-20, CLIQ was able to generate gross revenue of EUR 29.7m (Q3-19: EUR 16.8m) which means an increase of 77% yoy. Its EBITDA grew by 137% to EUR 4.5m (Q3-19: EUR 1.9m). It is worth mentioning that this strong move was realized due to higher marketing expenses – one of CLIQ’s important KPIs for further revenue growth – in the amount of EUR 9.8m (+51% yoy), This demonstrates the impact of a larger share of its direct media buying strategy via marketing of affiliated partners. CLIQ’s net result came in at EUR 2.9m (Q3-19: EUR 1.2m) which means a strong 143% increase.

In the 9M-20 period, gross revenue increased by 71% to EUR 76.8m (9M-19: EUR 45.0m). The share of European and North American revenue was equal at 46% each (9M-19: 81% and 11% respectively). The strong shift in geographic weighting is due to the initial focus by the company’s own media buying team on the North American market.

... lead to improvements of cash flow and balance sheet ratios

The cash flow from operating activities came in at EUR 10.3m as of 30 September 2020 and nearly doubled from H1-20 (EUR 5.7m). As a result, CLIQ was able to reduce its financial liabilities from EUR 10.2m (H1-20) to EUR 6.5m at the end of September. After netting cash and cash equivalents with financial liabilities, net debt decreased to EUR 2.7m compared with EUR 5.3m at the end of June 2020. In our view a net cash position is in sight.

CLIQ’s FY 2020 outlook conservative

CLIQ confirmed its FY 2020 outlook: at least EUR 100m in gross revenue and at least EUR 13m in EBITDA while the marketing spend is expected to amount to around EUR 33m. If CLIQ delivers Q4 results that are on Q3’s level – which is a cautious view as in the fourth quarter its entertainment platform in Germany was launched – EBITDA will surpass its EBITDA guidance. **We therefore confirm our Buy recommendation and increase the TP from EUR 28.70 to EUR 33.00.**

| Key figures | | 2018 | 2019 | 2020e | 2021e | 2022e |
|----------------|-------|-------|------|-------|-------|-------|
| Sales | EUR m | 58 | 63 | 105 | 127 | 140 |
| EBITDA | EUR m | 4 | 6 | 15 | 19 | 22 |
| EBIT | EUR m | 3 | 5 | 14 | 18 | 21 |
| EPS | EUR | 0.35 | 0.36 | 1.12 | 1.58 | 1.89 |
| Sales growth | % | -17.5 | 8.5 | 66.7 | 21.0 | 10.3 |
| EBIT growth | % | -42.3 | 59.9 | 190.9 | 27.7 | 17.7 |
| EPS growth | % | -34.4 | 2.6 | 214.7 | 40.9 | 19.3 |
| EBITDA margin | % | 6.6 | 9.1 | 14.1 | 14.7 | 15.6 |
| EBIT margin | % | 5.1 | 7.6 | 13.2 | 13.9 | 14.8 |
| Net margin | % | 3.7 | 3.5 | 6.6 | 7.7 | 8.3 |
| EV/Sales | ratio | 1.75 | 1.66 | 0.89 | 0.64 | 0.49 |
| EV/EBITDA | ratio | 26.5 | 18.2 | 6.3 | 4.3 | 3.2 |
| EV/EBIT | ratio | 34.2 | 21.9 | 6.8 | 4.6 | 3.3 |
| P/E | ratio | 4.9 | 8.1 | 13.7 | 9.7 | 8.1 |
| P/BV | ratio | 0.2 | 0.4 | 1.8 | 1.6 | 1.4 |
| Dividend yield | % | 0.0 | 9.7 | 2.9 | 4.1 | 4.9 |

Source: Bloomberg, Company data, Quirin Privatbank estimates

Valuation

Peer group

In order to find a fair equity value for CLIQ we use a peer group approach. The peers are active in the field of online entertainment:

The following table shows that CLIQ in terms of multiples is significantly trading below its peers, for example its EV/EBIT multiple for FY 2021 is trading 64% below the peer group:

Peer group

| Company | Ticker | P/E 20e | P/E 21e | EV/S 20e | EV/S 21e | P/B 20e | P/B 21e | EV/EBITDA 20e | EV/EBITDA 21e | EV/EBIT 20e | EV/EBIT 21e | EBIT margin 20e | EBIT margin 21e |
|------------------------------|----------|--------------|--------------|--------------|--------------|-------------|-------------|---------------|---------------|--------------|--------------|-----------------|-----------------|
| IMIMOBILE PLC | IMO LN | 25.8x | 26.0x | 2.18x | 2.04x | 4.4x | 3.7x | 15.8x | 14.7x | 21.5x | 20.9x | 9.2% | 8.6% |
| TREMOR INTERNATIONAL LTD | TRMR LN | 166.2x | 14.0x | 0.86x | 0.7x | n/a | n/a | 8.6x | 8.2x | 33.7x | 14.0x | 2.4% | 0.0x |
| SEGA SAMMY HOLDINGS INC. | 6460 JT | 16.2x | n/a | 0.79x | 0.98x | 1.0x | 1.1x | 6.3x | n/a | 10.5x | n/a | 7.4% | 9.3% |
| NETDRAGON WEBSOFT HOLDINGS L | 777 HK | 9.3x | 7.3x | 0.90x | 0.78x | 1.2x | 1.1x | 3.4x | 2.4x | 5.5x | 4.2x | 14.4% | 12.5% |
| BANDAI NAMCO HOLDINGS INC | 7832 JT | 28.4x | 33.8x | 2.12x | 2.25x | 3.7x | 3.6x | 14.3x | 16.0x | 18.5x | 20.8x | 11.2% | 11.9% |
| NORDIC ENTERTAINMENT GROUP-B | NENTB SS | 26.8x | 18.1x | 1.95x | 1.76x | 5.3x | 4.4x | 12.0x | 14.1x | 9.7x | 17.1x | 22.0% | 19.8% |
| GLU MOBILE INC | GLUU US | 20.6x | 16.4x | 1.81x | 1.67x | 3.1x | 2.7x | 24.9x | 19.3x | 83.1x | 32.5x | 3.2% | 3.0% |
| AVERAGE | | 41.9x | 19.3x | 1.52x | 1.46x | 3.1x | 2.8x | 12.2x | 12.5x | 26.1x | 18.3x | 10.0% | 9.6% |
| CLIQ DIGITAL AG VS. AVG. | | -68% | -50% | -42% | -57% | -42% | -42% | -49% | -65% | -74% | -75% | 32% | 45% |
| MEDIAN | | 25.8x | 17.3x | 1.81x | 1.67x | 3.4x | 3.2x | 12.0x | 14.4x | 18.5x | 19.0x | 9.2% | 9.3% |
| CLIQ DIGITAL AG VS. MEDIAN | | -47% | -44% | -51% | -62% | -46% | -49% | -48% | -70% | -64% | -76% | 43% | 50% |
| Std. dev. | | 51.1x | 8.5x | 0.59x | 0.58x | 1.6x | 1.3x | 6.6x | 5.6x | 24.9x | 8.5x | 6.3% | 5.6% |
| 25th Percentile | | 18.4x | 14.6x | 0.88x | 0.88x | 1.7x | 1.5x | 7.4x | 9.7x | 10.1x | 14.8x | 5.3% | 5.8% |
| 75th Percentile | | 27.6x | 24.0x | 2.03x | 1.90x | 4.2x | 3.7x | 15.1x | 15.7x | 27.6x | 20.9x | 12.8% | 12.2% |
| Min | | 9.3x | 7.3x | 0.79x | 0.72x | 1.0x | 1.1x | 3.4x | 2.4x | 5.5x | 4.2x | 2.4% | 2.0% |
| Max | | 166.2x | 33.8x | 2.18x | 2.25x | 5.3x | 4.4x | 24.9x | 19.3x | 83.1x | 32.5x | 22.0% | 19.8% |

Source: Quirin Privatbank estimates, Bloomberg

Based on our estimates for EBITDA, EBIT and EPS (FY 2020 to FY 2021) we derive a fair value of EUR 34.48 per CLIQ share:

| in EURm | EBITDA | | EBIT | | EPS | |
|-----------------------------|--------|-------|-------|--------------|-------|-------|
| | 2020e | 2021e | 2020e | 2021e | 2020e | 2021e |
| CLIQ Digital QP Estimates | 14.9 | 18.7 | 13.9 | 17.7 | 1.12 | 1.58 |
| Median Peer Group Multiple | 12.0 | 14.4 | 18.5 | 19.0 | 25.8 | 17.3 |
| Enterprise Value | 178.4 | 270.1 | 257.1 | 336.4 | n/a | n/a |
| Net financial debt | | | | 9.2 | | |
| Fair value of equity | 169.2 | 260.9 | 247.9 | 327.2 | 179.0 | 168.8 |
| Median | | | | 213.5 | | |
| Number of shares (m) | | | | 6.2 | | |
| Premium | | | | 0% | | |
| Fair value per share | | | | 34.48 | | |

Source: Quirin Privatbank estimates, Bloomberg

DCF valuation

Our updated DCF model indicates a fair value of EUR 32.34 for a CLIQ share and reflects the long-term perspectives of the company. Our assumptions are as follows:

Phase 1 (2020-22e):

We estimated the free cash flows (FCF) of phase 1 according to our detailed financial forecasts for this period stated in the financials section.

Phase 2 (2023-29e):

For Phase 2, we assumed an initial sales growth of 5% that fades out to 0.2% in 2028e. We conservatively assumed a constant EBIT margin of 13.5%.

Phase 3:

For the calculation of the terminal value, we applied a long-term FCF growth rate of 2.0% to reflect CLIQ's growth perspectives.

Based on these assumptions, we calculated a fair value of the CLIQ's operating business of EUR 209m. We deducted CLIQ's net debt (financial debt minus cash). The resulting fair value of equity is EUR 200m or EUR 32.34 per share.

CLIQ Digital: Discounted Cash Flow Model

| EURm | PHASE 1 | | | PHASE 2 | | | | | | PHASE 3 | |
|------------------------------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|
| | 2020e | 2021e | 2022e | 2023e | 2024e | 2025e | 2026e | 2027e | 2028e | 2029e | ∞ |
| Sales | 105.2 | 127.4 | 140.5 | 147.5 | 151.9 | 154.6 | 156.3 | 157.3 | 157.9 | 158.3 | |
| YoY growth | 66.7% | 21.0% | 10.3% | 5.0% | 3.0% | 1.8% | 1.1% | 0.6% | 0.4% | 0.2% | |
| EBIT | 13.9 | 17.7 | 20.9 | 19.9 | 20.5 | 20.9 | 21.1 | 21.2 | 21.3 | 21.4 | |
| EBIT margin | 13.2% | 13.9% | 14.8% | 13.5% | 13.5% | 13.5% | 13.5% | 13.5% | 13.5% | 13.5% | |
| Income tax on EBIT (cash tax rate) | -3.0 | -4.0 | -4.6 | -6.0 | -6.2 | -6.3 | -6.3 | -6.4 | -6.4 | -6.4 | |
| Depreciation and amortisation | 1.0 | 1.0 | 1.0 | 0.7 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | |
| Change in long-term provisions | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| Other non-cash items | 2.5 | 1.0 | 0.6 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | |
| Change in net working capital | 1.6 | 2.9 | 2.3 | -1.8 | -1.1 | -0.7 | -0.4 | -0.3 | -0.2 | -0.1 | |
| Net capital expenditure | -0.5 | -0.9 | -0.9 | -0.9 | -0.9 | -0.9 | -0.9 | -0.9 | -0.9 | -0.8 | |
| Free cash flow | 15.6 | 17.7 | 19.2 | 12.4 | 13.5 | 14.2 | 14.6 | 14.9 | 15.0 | 15.3 | |
| Present values | 15.3 | 16.0 | 15.9 | 9.4 | 9.4 | 9.0 | 8.5 | 7.9 | 7.4 | 6.9 | 103.6 |
| Present value Phase 1 | 47.2 | | | | | | | | | | |
| Present value Phase 2 | 58.5 | | | | | | | | | | |
| Present value Phase 3 | 103.6 | | | | | | | | | | |
| Total present value | 209.3 | | | | | | | | | | |
| + Excess cash/Non-operating asset | 0.7 | | | | | | | | | | |
| - Financial debt | -9.9 | | | | | | | | | | |
| - Pension provisions | 0.0 | | | | | | | | | | |
| Fair value of equity | 200.1 | | | | | | | | | | |
| Number of shares (m) | 6.2 | | | | | | | | | | |
| Fair value per share (EUR) | 32.34 | | | | | | | | | | |

| | | | |
|---------------------|-------|------------------------|--------------|
| Risk free rate | 2.00% | Target equity ratio | 50.0% |
| Equity risk premium | 7.00% | Beta (fundamental) | 1.7 |
| Debt risk premium | 2.75% | WACC | 8.75% |
| Tax shield | 30.0% | Terminal growth | 2.0% |

| Sensitivity analysis | | | | | | |
|----------------------|------|---------------------------|-------|--------------|-------|-------|
| | | Terminal growth (Phase 3) | | | | |
| | | 1.0% | 1.5% | 2.0% | 2.5% | 3.0% |
| WACC | 7.7% | 34.44 | 35.99 | 37.81 | 39.98 | 42.60 |
| | 8.2% | 32.08 | 33.37 | 34.86 | 36.60 | 38.68 |
| | 8.7% | 30.03 | 31.11 | 32.34 | 33.77 | 35.44 |
| | 9.2% | 28.23 | 29.14 | 30.17 | 31.35 | 32.72 |
| | 9.7% | 26.63 | 27.40 | 28.27 | 29.26 | 30.39 |

Source: Quirin Privatbank

Average of peer group and DCF

We decided to value CLIQ by peer group multiples and DCF model. The average results in a fair value of EUR 33.41 per share:

Fair value calculation

Fair value per QLIQ share

| | |
|-----------------------------|--------------|
| based on peer group: | 34.48 |
| based on DCF: | 32.34 |
| Average | 33.41 |
| Fair value per share | 33.41 |

Source: Quirin Privatbank

Profit & loss statement

| Profit & loss statement (EUR m) | 2018 | YOY | 2019 | YOY | 2020e | YOY | 2021e | YOY | 2022e | YOY |
|---------------------------------|-------|---------|-------|--------|-------|---------|-------|--------|-------|--------|
| Sales | 58.2 | -17.5 % | 63.1 | 8.5 % | 105.2 | 66.7 % | 127.4 | 21.0 % | 140.5 | 10.3 % |
| Cost of sales | 42.1 | | 44.3 | | 73.9 | | 89.4 | | 98.6 | |
| Gross profit | 16.2 | | 18.8 | | 31.3 | | 37.9 | | 41.8 | |
| Personnel expenses | 8.4 | | 8.5 | | 12.0 | | 13.9 | | 14.4 | |
| Other operating income | 0.0 | | 0.0 | | 0.0 | | 0.0 | | 0.0 | |
| Other operating expenses | 3.7 | | 3.9 | | 5.5 | | 6.3 | | 6.6 | |
| EBITDA | 3.9 | -85.3 % | 5.8 | 49.1 % | 14.9 | 158.4 % | 18.7 | 25.9 % | 21.8 | 16.8 % |
| EBITDA margin (%) | 6.62 | | 9.11 | | 14.12 | | 14.69 | | 15.55 | |
| EBIT | 3.0 | -42.3 % | 4.8 | 59.9 % | 13.9 | 190.9 % | 17.7 | 27.7 % | 20.9 | 17.7 % |
| EBIT margin (%) | 5.13 | | 7.56 | | 13.19 | | 13.92 | | 14.85 | |
| Net interest | 0.4 | | -0.9 | | -0.6 | | -0.1 | | 0.1 | |
| Income from Participations | n.a. | | n.a. | | n.a. | | n.a. | | n.a. | |
| Net financial result | 0.4 | | -0.9 | | -0.6 | | -0.1 | | 0.1 | |
| Exceptional items | n.a. | | n.a. | | n.a. | | n.a. | | n.a. | |
| Pretax profit | 3.4 | -25.7 % | 3.9 | 15.0 % | 13.3 | 243.0 % | 17.6 | 33.0 % | 20.9 | 18.7 % |
| Pretax margin (%) | 5.77 | | 6.12 | | 12.59 | | 13.84 | | 14.90 | |
| Taxes | 0.4 | | 0.0 | | 3.0 | | 4.0 | | 4.6 | |
| Tax rate (%) | 10.95 | | -0.71 | | 22.88 | | 22.47 | | 22.06 | |
| Earnings after taxes | 3.0 | | 3.9 | | 10.2 | | 13.7 | | 16.3 | |
| Minorities | 0.8 | | 1.7 | | 3.3 | | 3.9 | | 4.6 | |
| Group attributable income | 2.2 | -34.4 % | 2.2 | 2.6 % | 7.0 | 214.7 % | 9.8 | 40.9 % | 11.7 | 19.3 % |
| No. of shares (m) | 6.2 | | 6.2 | | 6.2 | | 6.2 | | 6.2 | |
| Earnings per share (EUR) | 0.35 | -34.4 % | 0.36 | 2.6 % | 1.12 | 214.7 % | 1.58 | 40.9 % | 1.89 | 19.3 % |

Source: Company data, Quirin Privatbank estimates

Balance sheet

| Balance sheet (EUR m) | 2018 | YOY | 2019 | YOY | 2020e | YOY | 2021e | YOY | 2022e | YOY |
|--|-------------|---------------|-------------|----------------|-------------|----------------|-------------|----------------|-------------|---------------|
| Assets | | | | | | | | | | |
| Cash and cash equivalents | 1.3 | | 0.7 | | 5.3 | | 14.1 | | 25.8 | |
| Accounts receivables | 6.5 | | 8.2 | | 8.7 | | 9.0 | | 9.4 | |
| Inventories | 3.9 | | 5.6 | | 5.8 | | 6.0 | | 6.1 | |
| Other current assets | 0.8 | | 0.6 | | 0.6 | | 0.6 | | 0.6 | |
| Tax claims | 0.4 | | 0.1 | | 0.1 | | 0.1 | | 0.1 | |
| Total current assets | 12.9 | 16.1 % | 15.2 | 17.7 % | 20.4 | 34.3 % | 29.8 | 46.0 % | 42.1 | 41.0 % |
| Fixed assets | 1.3 | | 0.7 | | 0.2 | | 0.1 | | 0.1 | |
| Goodwill | 47.9 | | 48.1 | | 48.1 | | 48.1 | | 48.1 | |
| Other intangible assets | 0.9 | | 0.7 | | 0.7 | | 0.7 | | 0.7 | |
| Financial assets | 0.0 | | 0.0 | | 0.0 | | 0.0 | | 0.0 | |
| Deferred taxes | 1.8 | | 3.1 | | 3.1 | | 3.1 | | 3.1 | |
| Other fixed assets | 1.0 | | 0.3 | | 0.3 | | 0.3 | | 0.3 | |
| Total fixed assets | 52.8 | -3.9 % | 52.9 | 0.2 % | 52.4 | -1.0 % | 52.3 | -0.1 % | 52.3 | -0.1 % |
| Total assets | 65.7 | -0.5 % | 68.1 | 3.6 % | 72.8 | 6.9 % | 82.2 | 12.8 % | 94.3 | 14.8 % |
| Equity & Liabilities | | | | | | | | | | |
| Subscribed capital | 6.2 | | 6.2 | | 6.2 | | 6.2 | | 6.2 | |
| Reserves & other | 46.6 | | 46.6 | | 46.6 | | 46.6 | | 46.6 | |
| Revenue reserves | -5.6 | | -8.2 | | -4.1 | | 1.8 | | 8.8 | |
| Accumulated other comprehensive | -0.2 | | 0.1 | | 1.2 | | 2.3 | | 3.1 | |
| Shareholder's equity | 47.8 | 2.6 % | 46.7 | -2.3 % | 51.9 | 11.2 % | 58.9 | 13.5 % | 66.7 | 13.2 % |
| Minorities | 0.8 | | 2.0 | | 2.0 | | 2.0 | | 2.0 | |
| Shareholder's equity incl. minorities | 47.8 | 2.6 % | 46.7 | 90.7 % | 51.9 | 11.2 % | 58.9 | 13.5 % | 66.7 | 13.2 % |
| Long-term liabilities | | | | | | | | | | |
| Pension provisions | 0.0 | | 0.0 | | 0.0 | | 0.0 | | 0.0 | |
| Financial liabilities | 0.0 | | 9.9 | | 3.8 | | 0.0 | | 0.0 | |
| Tax liabilities | 0.9 | | 1.2 | | 2.1 | | 2.5 | | 2.8 | |
| Other liabilities | 0.9 | | 1.5 | | 2.6 | | 3.1 | | 3.4 | |
| Total long-term debt | 1.8 | 10.4 % | 12.7 | 595.2 % | 8.4 | -33.9 % | 5.6 | -33.2 % | 6.2 | 10.3 % |
| Short-term debt | | | | | | | | | | |
| Other provisions | 0.0 | | 0.0 | | 0.0 | | 0.0 | | 0.0 | |
| Trade payables | 2.3 | | 2.0 | | 4.4 | | 7.8 | | 10.6 | |
| Financial debt | 8.1 | | 0.0 | | 0.0 | | 0.0 | | 0.0 | |
| Other liabilities | 4.6 | | 5.6 | | 5.3 | | 6.5 | | 7.1 | |
| Total short-term debt | 16.1 | -9.7 % | 8.7 | -46.1 % | 12.5 | 43.7 % | 17.6 | 41.0 % | 21.4 | 21.7 % |
| Total equity & liabilities | 65.7 | -0.5 % | 68.1 | 3.6 % | 72.8 | 6.9 % | 82.2 | 12.8 % | 94.3 | 14.8 % |

Source: Company data, Quirin Privatbank estimates

Financial key ratios

| Key ratios | 2018 | 2019 | 2020e | 2021e | 2022e |
|-----------------------------|-------|------|-------|-------|---------|
| Per share data (EUR) | | | | | |
| EPS | 0.35 | 0.36 | 1.12 | 1.58 | 1.89 |
| Book value per share | 7.7 | 7.5 | 8.4 | 9.5 | 10.8 |
| Free cash flow per share | 0.4 | 0.3 | 1.7 | 1.9 | 1.9 |
| Dividend per share | 0.00 | 0.28 | 0.45 | 0.63 | 0.76 |
| Valuation ratios | | | | | |
| EV/Sales | 1.75 | 1.66 | 0.89 | 0.64 | 0.49 |
| EV/EBITDA | 26.5 | 18.2 | 6.3 | 4.3 | 3.2 |
| EV/EBIT | 34.2 | 21.9 | 6.8 | 4.6 | 3.3 |
| P/E | 4.9 | 8.1 | 13.7 | 9.7 | 8.1 |
| P/B | 0.2 | 0.4 | 1.8 | 1.6 | 1.4 |
| Dividend yield (%) | 0.0 | 9.7 | 2.9 | 4.1 | 4.9 |
| Growth | | | | | |
| Sales growth (%) | -17.5 | 8.5 | 66.7 | 21.0 | 10.3 |
| EBITDA growth (%) | -85.3 | 49.1 | 158.4 | 25.9 | 16.8 |
| EBIT growth (%) | -42.3 | 59.9 | 190.9 | 27.7 | 17.7 |
| EPS growth (%) | -34.4 | 2.6 | 214.7 | 40.9 | 19.3 |
| Profitability ratios | | | | | |
| EBITDA margin (%) | 6.6 | 9.1 | 14.1 | 14.7 | 15.6 |
| EBIT margin (%) | 5.1 | 7.6 | 13.2 | 13.9 | 14.8 |
| Net margin (%) | 3.7 | 3.5 | 6.6 | 7.7 | 8.3 |
| ROCE (%) | 6.1 | 6.8 | 14.4 | 22.3 | 24.9 |
| Financial ratios | | | | | |
| Total equity (EUR m) | 47.8 | 46.7 | 51.9 | 58.9 | 66.7 |
| Equity ratio (%) | 72.7 | 68.6 | 71.3 | 71.7 | 70.7 |
| Net financial debt (EUR m) | 6.8 | 9.2 | -1.5 | -14.1 | -25.8 |
| Net debt/Equity | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 |
| Interest cover | 6.9 | 5.3 | 22.2 | 157.5 | 30317.9 |
| Net debt/EBITDA | 1.8 | 1.6 | -0.1 | -0.8 | -1.2 |
| Payout ratio (%) | 0.0 | 78.4 | 40.0 | 40.0 | 40.0 |
| Working Capital (EUR m) | -3.2 | 6.5 | 7.9 | 12.2 | 20.6 |
| Working capital/Sales | -0.05 | 0.10 | 0.08 | 0.10 | 0.15 |

Source: Company data, Quirin Privatbank estimates

Legal Disclaimer

This report was completed 03/11/2020 16:00 CET (Delegierte Verordnung 2016/958, Artikel 3 Absatz 1e)

This document has been prepared by Quirin Privatbank AG (hereinafter referred to as „the Bank“). This document does not claim completeness regarding all the information on the stocks, stock markets or developments referred to in it. On no account should the document be regarded as a substitute for the recipient procuring information for himself/herself or exercising his/her own judgments.

The document has been produced for information purposes for institutional clients or market professionals. Private customers, into whose possession this document comes, should discuss possible investment decisions with their customer service officer as differing views and opinions may exist with regard to the stocks referred to in this document.

This document is not a solicitation or an offer to buy or sell the mentioned stock.

The document may include certain descriptions, statements, estimates, and conclusions underlining potential market and company development. These reflect assumptions, which may turn out to be incorrect. The Bank and/or its employees accept no liability whatsoever for any direct or consequential loss or damages of any kind arising out of the use of this document or any part of its content.

Any forecasts or price targets shown for companies discussed in this document may not be achieved due to multiple risk factors including without limitation market volatility, sector volatility, corporate actions, the unavailability of complete and accurate information. For investments in foreign markets and instruments there are further risks, generally based on changes in economic and political environment, changes in financial conditions of the relevant company, on exchange rate changes, etc.

The Bank and/or its employees may hold, buy or sell positions in any securities mentioned in this document, derivatives thereon or related financial products. The Bank and/or its employees may underwrite issues for any securities mentioned in this document, derivatives thereon or related financial products or seek to perform capital market or underwriting services.

The Bank reserves all the rights in this document.

The preparation of this document is subject to regulation by German Law.

Remarks regarding to U.K. clients: Distribution of this material in the U.K. is governed by the FSA Rules. This Report is intended only for distribution to Professional Clients or Eligible Counterparties (as defined under the rules of the FSA) and is not directed at Retail Clients (as defined under the rules of the FSA).

Disclosures in respect of section 85 of the German Securities Trading Act, the market abuse regulation and the Commission Delegated Regulation (EU) 2016/958

Section 85 of the German Securities Trading Act in combination with the European regulations requires an enterprise preparing a securities analyses to point possible conflicts of interest with respect to the company that is the subject of the analyses. Catalogue of potential conflicts of interest:

1. The Bank and/or its affiliate(s) own a net long or short position exceeding the threshold of 0,5% of the total issued share capital of the company that is the subject of the Research Document, calculated in accordance with Article 3 of regulation (EU) No 236/2012 and with Chapter III and IV of Commission Delegated Regulation (EU) No 918/2012
2. The company that is the subject of the Research Document owns 5% or more in the total issued share capital of the Bank and/or its affiliate(s)
3. The Bank and/or its affiliate(s) was Lead Manager or Co-Lead Manager over the previous 12 months of a public offering of analyzed company
4. The Bank and/or its affiliate(s) act as Market Maker or Designated Sponsor for the analyzed company
5. The Bank and/or its affiliate(s) over the previous 12 months has been providing investment banking services for the analyzed company for which a compensation has been or will be paid
6. The responsible analyst named in this report disclosed a draft of the analysis set forth in this Research Document to the company that is the subject of this Research Document for fact reviewing purposes and changes were made to this Research Document before publication
7. The Bank and/or its affiliate(s) effected an agreement with the analyzed company for the preparation of the financial analysis
8. The Bank and/or its affiliate(s) holds a trading position in shares of the analyzed company
9. The Bank and/or its affiliate(s) has other important financial interests in relation to the analyzed company

In relation to the security or financial instrument discussed in this analyses the following possible conflict of interest exists: (6, 7)

The Bank have set up effective organizational administrative arrangements to prevent and avoid possible conflicts of interest and, where applicable, to disclose them. The Quirin research analysts involved in issuing research reports operate independently of Quirin Investment Banking business. Information barriers and procedures are in place between the research analysts and staff involved in securities trading for the account of Quirin or clients to ensure the price sensitive information is treated according to applicable laws and regulations.

The valuation underlying the rating of the company analyzed in this report is based on generally accepted and widely used methods of fundamental valuation, such as the DCF model, Free Cash Flow Value Potential, peer group comparison and – where applicable – a sum-of-the-parts model.

We do not commit ourselves in advance to whether and in which intervals an update is made. The document and the recommendation and the estimations contained therein are not linked – whether directly or indirectly – to the compensation of the analyst responsible for the document.

All share prices given in this equity analysis are closing prices from the last trading day before the publication date stated, unless another point in time is explicitly stated.

The rating in this report are based on the analyst's expectation of the absolute change in stock price over a period of 6 to 12 months and reflect the analyst's view of the potential for change in stock price as a percentage. The BUY and SELL ratings reflect the analyst's expected high change in the value of the stock.

The levels of change expressed in each rating categories are:

BUY > +10%

HOLD <=-10% and < = +10%

SELL > -10%.

Analyst certification

Ralf Marinoni, financial analyst, hereby certifies that all of the views expressed in this report accurately reflect my personal views about any and all of the subject securities or issuers discussed herein. In addition, I hereby certify that no part of my compensation was, is, or will be, directly or indirectly related to the specific recommendations or views expressed in this research report, nor is it tied to any specific investment banking transaction performed by the Bank or its affiliates.

Price and Rating History (last 12 months)

| Date | Price target-EUR | Rating | Initiation |
|------------|------------------|--------|------------|
| 03.11.2020 | 33.00 | Buy | |
| 24.09.2020 | 28.70 | Buy | |
| 24.08.2020 | 21.00 | Buy | |
| 07.07.2020 | 16.00 | Buy | |
| 26.06.2020 | 10.00 | Buy | |
| 16.06.2020 | 10.00 | Buy | 16.06.2020 |

Bank distribution of ratings and in proportion to investment banking services can be found on the internet at the following address:

<https://www.quirinprivatbank.de/kapitalmarktgeschaeft/institutionelles-research>

Bank disclosures, conflict of interest on complete list of financial analysis on the last 12 month can be found on the internet at the following address:

<https://research.quirinprivatbank.de/content/disclosures>

Competent supervisory authority

Bundesanstalt für Finanzdienstleistungsaufsicht - BaFin – (Federal Financial Supervisory Authority), Graurheindorfer Str. 108 , 53117 Bonn

Contact Quirin Privatbank AG Frankfurt am Main

Schillerhaus / Schillerstraße 20 / 60313 Frankfurt am Main

Management Board: Karl Matthäus Schmidt • Johannes Eismann •

Contact Details

Quirin Privatbank AG

Schillerhaus | Schillerstrasse 20 | 60313 Frankfurt am Main

Tel.: +49 69 2 47 50 49-0 | Fax: +49 69 2 47 50 49-44 | Institutional-Sales-FFM@quirinprivatbank.de

| Equity Research | Tel. | Email |
|------------------|-----------------------|--------------------------------------|
| Klaus Soer | +49 (0) 69 2475049-27 | klaus.soer@quirinprivatbank.de |
| Ralf Marinoni | +49 (0) 69 2475049-24 | ralf.marinoni@quirinprivatbank.de |
| Sebastian Droste | +49 (0) 69 2475049-26 | sebastian.droste@quirinprivatbank.de |
| Daniel Kukalj | +49 (0) 69 2475049-28 | daniel.kukalj@quirinprivatbank.de |
| Jannik Lucas | +49 (0) 69 2475049-29 | jannik.lucas@quirinprivatbank.de |

| Equity Sales | Tel. | Email |
|-----------------------|-----------------------|--|
| Rainer Jell | +49 (0) 69 2475049-45 | rainer.jell@quirinprivatbank.de |
| Klaus Messenzehl | +49 (0) 69 2475049-46 | klaus.messenzehl@quirinprivatbank.de |
| Bruno de Lencquesaing | +49 (0) 69 2475049-81 | bruno.delencquesaing@quirinprivatbank.de |

| Fixed Income Sales | Tel. | Email |
|--------------------|------------------------|--|
| Jürgen Raabe | +49 (0) 69 2475049-41 | juergen.raabe@quirinprivatbank.de |
| Janine Kaiser | +49 (0) 69 24750 49-83 | janine.kaiser@quirinprivatbank.de |
| Stefan Krewinkel | +49 (0) 69 2475049-43 | stefan.krewinkel@quirinprivatbank.de |
| Michael Laufenberg | +49 (0) 69 2475049-48 | michael.laufenberg@quirinprivatbank.de |
| Roman Piroutek | +49 (0) 69 2475049-47 | roman.piroutek@quirinprivatbank.de |

| Trading / Sales Trading | Tel. | Email |
|-------------------------|-----------------------|--|
| Thomas Flügel | +49 (0) 69 2475049-92 | thomas.fluegel@quirinprivatbank.de |
| Jean-Marie Frémion | +49 (0) 69 2475049-90 | jean-marie.fremion@quirinprivatbank.de |
| Peter Rumstich | +49 (0) 69 2475049-65 | peter.rumstich@quirinprivatbank.de |

| Business Support | Tel. | Email |
|-------------------|-----------------------|---------------------------------------|
| Suganya Sutharsan | +49 (0) 69 2475049-88 | suganya.sutharsan@quirinprivatbank.de |