

aventron AG

Switzerland / Renewable Energy

Berner Börse

Bloomberg: AVEN SW

ISIN: CH0023777235

Final H1 figures

RATING**PRICE TARGET**

Return Potential

Risk Rating

BUY**CHF 13.50**

37.8%

low

GUIDANCE INCREASED AFTER STRONG H1 NUMBERS

aventron's final H1 numbers confirm the preliminary figures. Sales and EBIT grew by 26% y/y. Net profit doubled to CHF 6.4m. Following the very strong H1 figures, the company increased guidance for the current year to CHF 90m (previously: CHF 85m) and continues to expect an EBIT margin of 30%. We have raised our estimates again. An updated DCF model results in a new price target of CHF 13.50 (previously: CHF 13.00). We confirm our Buy recommendation.

Excellent H1 figures The 26% y/y increase in turnover to CHF 46.5m was based on very good conditions for hydro and wind power in Q1 and a high level of irradiation in Q2, as well as capacity expansions. At the end of the first half of the year the green power portfolio had a capacity of 414 MW (end of H1/17: 362 MW, +14% y/y). The appreciation of the euro by almost 9% also drove Swiss franc revenues. aventron generates about 90% of its turnover in the eurozone. Electricity production increased from 360 GWh to 410 GWh (+14% y/y). EBITDA rose by 28% to CHF 32.7m. The EBITDA margin increased by one percentage point from 69.2% to 70.2%. EBIT amounted to CHF 15.6m (+26% y/y). As a result, the EBIT margin remained at a high level (33.5% versus 33.7% in H1/17). As the financial result remained stable (CHF -6.7m) and income taxes only increased by CHF 0.2m to CHF 1.8m, net income doubled from CHF 3.2m to CHF 6.4m. Earnings per share were CHF 0.19 after CHF 0.09 in H1/17 (see figure 1 overleaf).

Guidance raised Following the strong H1 figures aventron has raised its guidance for the current year. The company now expects sales of CHF 90m and an EBIT margin of 30% (previously: CHF 85m and a 30% EBIT margin).

(p.t.o.)

FINANCIAL HISTORY & PROJECTIONS

	2015	2016	2017	2018E	2019E	2020E
Revenue (CHF m)	23.85	48.46	77.14	90.34	100.52	108.14
Y-o-y growth	61.7%	103.2%	59.2%	17.1%	11.3%	7.6%
EBIT (CHF m)	7.01	13.77	23.92	27.30	30.35	32.77
EBIT margin	29.4%	28.4%	31.0%	30.2%	30.2%	30.3%
Net income (CHF m)	1.94	2.97	8.34	10.31	11.49	12.28
EPS (diluted) (CHF)	0.11	0.12	0.25	0.27	0.26	0.28
DPS (CHF)	0.21	0.21	0.23	0.23	0.24	0.25
FCF (CHFm)	-27.56	7.38	25.35	-67.82	-70.34	-61.10
Net gearing	251.5%	170.8%	227.5%	143.3%	170.6%	194.7%
Liquid assets (CHF m)	19.29	33.54	39.43	96.13	76.95	60.35

RISKS

The main risks are technological risks, regulatory risks, financing risks, acquisition risks, and currency risks.

COMPANY PROFILE

aventron AG is an owner and operator of small hydro power, wind power, and solar power plants. The portfolio comprises ca. 465 MW and is geographically diversified over Switzerland, France, Italy, Germany, Norway, and Spain. The company is located in Switzerland near Basel and is listed on the BX Berne eXchange.

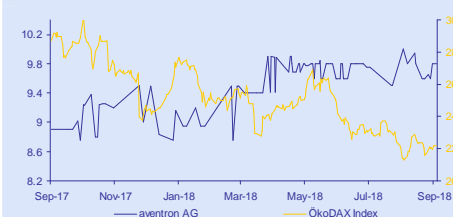
MARKET DATA

As of 11 Sep 2018

Closing Price	CHF 9.80
Shares outstanding	43.73m
Market Capitalisation	CHF 428.54m
52-week Range	CHF 8.75 / 10.00
Avg. Volume (12 Months)	1,647

Multiples	2017	2018E	2019E
P/E	40.0	36.5	37.3
EV/Sales	9.7	8.3	7.5
EV/EBIT	31.4	27.5	24.7
Div. Yield	2.3%	2.3%	2.4%

STOCK OVERVIEW



COMPANY DATA

As of 30 Jun 2018

Liquid Assets	CHF 50.77m
Current Assets	CHF 85.38m
Intangible Assets	CHF 9.70m
Total Assets	CHF 719.22m
Current Liabilities	CHF 86.24m
Shareholders' Equity	CHF 179.61m

SHAREHOLDERS

aventron Holding AG	61.9%
Stadtwerk Winterthur	7.7%
UBS Clean Energy Infrastructure	6.3%
Other investors	9.6%
Free Float	14.4%

**Figure 1: Final H1 figures**

All figures in CHF m	H1-18A	H1-17A	Delta
Sales	46.54	36.81	26.4%
EBIT	15.61	12.39	26.0%
Margin	33.5%	33.7%	
Net result	6.37	3.17	101.1%
Margin	13.7%	8.6%	
EPS (diluted, in CHF)	0.19	0.09	101.1%

Source: First Berlin Equity Research, aventron AG

Hydropower benefits from favourable environment in Q1 The hydropower segment increased sales by 70% y/y to CHF 7.1m (see figure 2 overleaf). The increase was well above our expectations. On the one hand, the segment benefited from the rainy weather especially in the first quarter, and, on the other hand higher electricity prices in France and Norway had a positive effect. In addition, capacity expansions contributed to higher segment sales. At the end of H1, the capacity was 88.3 MW after 73.1 MW in H1/17 (+21% y/y). EBITDA rose even more strongly by 125% to CHF 4.2m. The EBITDA margin increased from 44.5% to 59.1%. In addition to improved capacity utilisation higher electricity prices were the main margin driver. EBIT amounted to CHF 3.0m after CHF 1.0m in H1/17. The EBIT margin increased from 25.0% to 42.7%. Having repeatedly suffered from a lack of precipitation over the past two years the segment has been able to demonstrate its strength over the past six months.

Wind segment remains clearly on growth trajectory Segment sales grew by almost 23% to CHF 25.8m (see figure 2 overleaf), driven by very good wind conditions in Q1 and a capacity increase from 201 MW to 228 MW (+13% y/y). The EBITDA rose by 25% resulting in an EBITDA contribution of CHF 19.6m. The EBITDA margin increased by 2.6 PP to an excellent 76.1%. EBIT rose from CHF 7.5m to CHF 9.6m (+27% y/y). The EBIT margin increased from 35.8% to 37.2%.

Solar segment shows double-digit sales growth Segment sales increased by almost 18% to CHF 13.3m and thus remained below our expectations as irradiation was only average (see figure 2 overleaf). Solar power plant capacity increased by 10% y/y from 88 MW to 97 MW. EBITDA amounted to CHF 10.0m after CHF 9.1m in H1/17 (+9% y/y). The EBITDA margin dropped from 80.4% to 74.9%. The segment EBIT contribution was CHF 4.2m, after CHF 5.1m in H1/17. The reason for the decline is significantly higher depreciation (CHF 5.8m versus CHF 4.0m in H1/17). As a result, the EBIT margin dropped significantly from 44.8% to 31.5%.

Holding costs increase only moderately Operating expenses of the holding company amounted to CHF 2.7m after CHF 2.4m in H1/17 (+13% y/y). Due to slightly higher sales posted in the segment, EBIT even improved slightly from CHF -1.25m to CHF -1.18m.

**Figure 2: Segment Sales and EBITDA**

All figures in CHFm	H1-18A	H1-18E	Delta	H1-17A	Delta
Hydropower					
Sales	7.07	4.40	60.7%	4.17	69.7%
EBITDA	4.18	1.95	114.1%	1.85	125.4%
<i>margin</i>	59.1%	44.3%		44.5%	
Wind					
Sales	25.78	22.40	15.1%	21.04	22.5%
EBITDA	19.62	16.60	18.2%	15.67	25.2%
<i>margin</i>	76.1%	74.1%		74.5%	
Solar					
Sales	13.31	14.50	-8.2%	11.34	17.5%
EBITDA	9.97	11.72	-14.9%	9.11	9.4%
<i>margin</i>	74.9%	80.8%		80.4%	
Holding					
Sales	1.58	1.00	57.8%	1.24	27.8%
EBITDA	-1.10	-1.60	n.m.	-1.18	n.m.
<i>margin</i>	n.m.	n.m.		n.m.	
Consolidation					
Sales	-1.20	-1.00	n.m.	-0.98	n.m.
EBITDA	0.00	0.00	n.m.	0.00	n.m.
<i>margin</i>	0.0%	n.m.		0.0%	
Group					
Sales	46.54	41.30	12.7%	36.81	26.4%
EBITDA	32.66	28.67	13.9%	25.46	28.3%
<i>margin</i>	70.2%	69.4%		69.2%	

Source: First Berlin Equity Research, aventron AG

Balance sheet reflects growth and remains fundamentally solid after capital increase

Total assets in H1 increased by 5% to CHF 719m owing to two significant changes on the asset side compared to the end of 2017. Cash and cash equivalents increased from CHF 39m to CHF 51m and property, plant & equipment increased from CHF 545m to CHF 571m. On the liabilities side current financial liabilities rose from CHF 42m to CHF 60m and non-current financial liabilities from CHF 420m to CHF 440m (see figure 3 overleaf). This brings the total financial debt to CHF 499m after CHF 462m at the end of 2017. Net debt stood at CHF 448m (H1/17: CHF 423m). Despite net income of CHF 6.4m, equity after minority interests declined by 3% or CHF 6m respectively in H1 to CHF 180m due to currency-related valuation differences (CHF -2.5m) and the dividend payment (CHF 7.8m). The equity ratio fell from 27.0% to 25.0%. As a result of the capital increase in August (see our report of 8 August) the equity ratio rose to ca. 30%.

**Figure 3: Selected balance sheet figures**

in CHFm	H1/18	2017	Delta
Property, plant & equipment	571.4	544.5	5%
Non-current assets, total	633.8	607.6	4%
Cash	50.8	39.4	29%
Current assets, total	85.4	79.4	8%
Equity incl. minorities	179.6	186.0	-3%
<i>Equity ratio</i>	<i>25%</i>	<i>27%</i>	-
Financial debt (short-term)	59.6	42.0	42%
Financial debt (long-term)	439.6	420.5	5%
Net debt	448.4	423.0	6%
<i>Net gearing</i>	<i>250%</i>	<i>227%</i>	-
Balance sheet total	719.2	686.9	5%

Source: First Berlin Equity Research, aventron AG

Cash flow statement again shows operating profitability Cash flow from operating activities amounted to CHF 37.6m. Due to investments in property, plant and equipment of CHF 18.0m, free cash flow amounted to CHF 19.6m. Cash flow from investing activities was CHF -17.6m. Cash flow from financing activities amounted to CHF -8.4m and resulted in a net cash flow of CHF 11.6m (see figure 4).

Figure 4: Cashflow statement overview

in CHFm	H1/18	H1/17
Operating cash flow	37.65	28.94
CAPEX	-18.02	-15.54
Free cash flow	19.63	13.40
Cash flow financing activities	-8.43	19.96
Net cash flow	11.65	8.35

Source: First Berlin Equity Research, aventron AG

Capacity expansion advances towards 500 MW target At the end of June 2018, the capacity of the green power portfolio amounted to 413.6 MW of installed capacity. At the end of June 2017, capacity was at 362.2 MW (+14%) and at 386.1 MW (+7%) at the end of December 2017. The contribution in kind (42 MW of wind and almost 1 MW of solar) brought in through the capital increase in August and the Norwegian hydropower plant (9 MW) under construction will increase capacity to 465 MW. The target of a portfolio capacity of 500 MW originally planned for 2020 should already be reached in 2019, given the well-filled project pipeline. We assume that aventron will have a green power portfolio of 600 MW by the end of 2020.

Estimates increased Following the presentation of the final H1 figures and the guidance increase, we have increased our estimates for 2018E and beyond. We are planning higher sales growth and assume an EBIT margin of at least 30% (see figure 5 overleaf).

**Figure 5: Revisions to forecasts**

All figures in CHFm	2018E			2019E			2020E		
	Old	New	Delta	Old	New	Delta	Old	New	Delta
Sales	87.69	90.34	3.0%	93.90	100.52	7.1%	101.67	108.14	6.4%
EBIT	26.39	27.30	3.4%	27.85	30.35	9.0%	29.91	32.77	9.5%
margin	30.1%	30.2%		29.7%	30.2%		29.4%	30.3%	
Net income	9.62	10.31	7.2%	10.41	11.49	10.3%	10.86	12.28	13.1%
margin	11.0%	11.4%		11.1%	11.4%		10.7%	11.4%	
EPS (diluted, in CHF)	0.25	0.27	7.2%	0.24	0.26	10.4%	0.25	0.28	13.1%

Source: First Berlin Equity Research, aventron AG

Buy recommendation confirmed at higher price target An updated DCF model that takes into account the higher forecasts yields a new price target of CHF 13.50 (previously: CHF 13.00). We confirm our Buy recommendation.



VALUATION MODEL

DCF valuation model								
All figures in CHF '000	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E
Net sales	90,340	100,523	108,140	113,714	117,024	124,368	127,578	130,795
NOPLAT	24,594	27,414	29,632	30,697	31,083	33,696	34,069	34,471
+ depreciation & amortisation	35,996	39,488	42,146	44,916	46,129	47,237	48,236	49,120
Net operating cash flow	60,591	66,902	71,778	75,613	77,211	80,933	82,305	83,591
- total investments (CAPEX and WC)	-114,625	-121,564	-115,776	-72,044	-70,750	-70,353	-69,387	-68,482
Capital expenditures	-113,648	-121,432	-115,439	-71,298	-71,012	-70,472	-69,716	-68,834
Working capital	-977	-132	-337	-745	262	119	328	351
Free cash flows (FCF)	-54,034	-54,663	-43,998	3,570	6,461	10,580	12,918	15,109
PV of FCF's	-53,487	-52,198	-40,527	3,172	5,538	8,749	10,304	11,626

All figures in thousands	
PV of FCFs in explicit period (2018E-2032E)	38,586
PV of FCFs in terminal period	935,080
Enterprise value (EV)	973,666
+ Net cash / - net debt (pro forma)	-412,963
+ Investments / minority interests	30,134
Shareholder value	590,837
Diluted number of shares	43,729
Fair value per share in CHF	13.51

WACC		Terminal growth rate							
		0.4%	0.6%	0.8%	1.0%	1.2%	1.4%	1.6%	
Cost of equity	6.4%	2.9%	17.95	20.33	23.17	26.62	30.90	36.35	43.54
Pre-tax cost of debt	3.0%	3.1%	15.30	17.28	19.60	21.68	25.74	29.92	35.25
Tax rate	20.0%	3.3%	13.03	14.69	16.62	18.89	21.59	24.88	28.97
After-tax cost of debt	2.4%	3.5%	11.07	12.48	14.09	15.98	18.19	20.84	24.05
Share of equity capital	31.5%	3.7%	9.35	10.56	11.93	13.51	15.35	17.51	20.10
Share of debt capital	68.5%	3.9%	7.84	8.88	10.06	11.40	12.94	14.74	16.85
		4.1%	6.50	7.40	8.42	9.57	10.88	12.39	14.14
Price target in CHF	13.50	4.3%	5.30	6.09	6.98	7.97	9.09	10.37	11.85

* for layout purposes the model shows numbers only to 2025, but runs until 2032



INCOME STATEMENT

All figures in CHF '000	2014A	2015A	2016A	2017A	2018E	2019E	2020E
Revenues	14,746	23,849	48,457	77,144	90,340	100,523	108,140
Cost of goods sold	3,243	4,603	9,184	11,759	14,030	16,084	17,302
Gross profit	11,503	19,246	39,273	65,385	76,310	84,440	90,837
Personnel costs	681	1,145	1,750	2,161	2,832	3,144	3,490
Other operating income	543	897	1,000	1,653	1,807	2,010	2,163
Other operating expenses	3,229	4,047	6,469	10,317	11,991	13,470	14,599
EBITDA	8,136	14,951	32,054	54,787	63,294	69,836	74,911
Depreciation and amortisation	4,272	7,946	18,289	30,869	35,996	39,488	42,146
Operating income (EBIT)	3,864	7,005	13,765	23,918	27,298	30,348	32,766
Net financial result	-2,026	-3,381	-9,036	-12,937	-13,781	-15,677	-17,099
Non-operating expenses	129	321	-25	-361	0	0	0
Pre-tax income (EBT)	1,967	3,945	4,704	10,620	13,516	14,671	15,667
Income taxes	817	1,052	759	1,937	2,703	2,934	3,133
Minority interests	-418	-957	-976	-342	-500	-250	-250
Net income / loss	732	1,936	2,969	8,341	10,313	11,487	12,284
EPS (diluted, in CHF)	0.06	0.11	0.12	0.25	0.27	0.26	0.28
Ratios							
Gross margin on revenues	78.0%	80.7%	81.0%	84.8%	84.5%	84.0%	84.0%
EBITDA margin on revenues	55.2%	62.7%	66.1%	71.0%	70.1%	69.5%	69.3%
EBIT margin on revenues	26.2%	29.4%	28.4%	31.0%	30.2%	30.2%	30.3%
Net margin on revenues	5.0%	8.1%	6.1%	10.8%	11.4%	11.4%	11.4%
Tax rate	41.5%	26.7%	16.1%	18.2%	20.0%	20.0%	20.0%
Expenses as % of revenues							
Personnel costs	4.6%	4.8%	3.6%	2.8%	3.1%	3.1%	3.2%
Depreciation and amortisation	29.0%	33.3%	37.7%	40.0%	39.8%	39.3%	39.0%
Other operating expenses	21.9%	17.0%	13.3%	13.4%	13.3%	13.4%	13.5%
Y-Y Growth							
Revenues	32.9%	61.7%	103.2%	59.2%	17.1%	11.3%	7.6%
Operating income	-0.7%	81.3%	96.5%	73.8%	14.1%	11.2%	8.0%
Net income/ loss	-21.5%	164.5%	53.4%	180.9%	23.6%	11.4%	6.9%



BALANCE SHEET

All figures in CHF '000	2014A	2015A	2016A	2017A	2018E	2019E	2020E
Assets							
Current assets, total	30,056	39,070	62,993	79,354	140,021	122,548	107,228
Cash and cash equivalents	16,413	19,293	33,538	39,433	96,126	76,945	60,353
Short-term investments	1,177	845	663	463	463	463	463
Receivables	3,294	2,400	9,096	10,998	14,850	16,524	17,776
Inventories	72	87	83	109	231	264	284
Other current assets	9,100	16,445	19,613	28,351	28,351	28,351	28,351
Non-current assets, total	166,122	268,546	514,393	607,562	685,213	767,157	840,451
Property, plant & equipment	134,825	232,392	461,399	544,538	622,068	703,817	776,920
Goodwill & other intangibles	3,117	3,602	6,052	10,024	10,145	10,341	10,531
Other assets	28,180	32,552	46,942	53,000	53,000	53,000	53,000
Total assets	196,178	307,616	577,386	686,916	825,234	889,706	947,679
Shareholders' equity & debt							
Current liabilities, total	21,907	32,068	40,676	67,040	59,079	72,308	73,681
Short-term debt	2,162	14,996	20,211	41,972	30,000	40,000	40,000
Accounts payable	6,908	4,493	6,603	7,766	10,763	12,338	13,273
Current provisions	0	0	0	0	0	0	0
Other current liabilities	12,837	12,579	13,862	17,302	18,316	19,970	20,407
Long-term liabilities, total	99,186	199,994	347,595	433,908	483,908	533,908	588,908
Long-term debt	95,292	194,333	336,408	420,479	470,479	520,479	575,479
Deferred revenue	0	0	0	0	0	0	0
Other liabilities	3,894	5,661	11,187	13,429	13,429	13,429	13,429
Minority interests	6,466	6,983	26,008	29,671	30,171	30,421	30,671
Shareholders' equity	68,619	68,571	163,107	156,297	252,076	253,068	254,420
Share capital	17,082	19,451	34,105	34,105	43,728	43,728	43,728
Capital reserve	106,174	120,015	229,732	216,912	301,596	301,596	301,596
Other reserves	0	0	0	0	0	0	0
Treasury stock	-56	-100	-204	-622	-622	-622	-622
Loss carryforward / retained earnings	-54,581	-70,795	-100,526	-94,098	-92,626	-91,634	-90,283
Total consolidated equity and debt	196,178	307,616	577,386	686,916	825,234	889,706	947,679
Ratios							
Current ratio (x)	1.37	1.22	1.55	1.18	2.37	1.69	1.46
Quick ratio (x)	1.37	1.22	1.55	1.18	2.37	1.69	1.45
Net debt	81,041	190,036	323,081	423,018	404,353	483,534	555,126
Net gearing	107.9%	251.5%	170.8%	227.5%	143.3%	170.6%	194.7%
Net debt/EBITDA	10.0	12.7	10.1	7.7	6.4	6.9	7.4
Book value per share (in CHF)	4.02	3.53	4.78	4.58	5.76	5.79	5.82
Return on equity (ROE)	1.1%	2.8%	1.8%	5.3%	4.1%	4.5%	4.8%
Return on investment (ROI)	0.4%	0.6%	0.5%	1.2%	1.2%	1.3%	1.3%
Return on assets (ROA)	1.5%	2.1%	2.2%	3.3%	3.0%	3.1%	3.2%
Return on capital employed (ROCE)	3.1%	3.3%	3.5%	4.2%	4.1%	4.1%	4.0%
Days sales outstanding (DSO)	81.5	36.7	68.5	52.0	60.0	60.0	60.0
Days inventory outstanding (DIO)	8.1	6.9	3.3	3.4	6.0	6.0	6.0
Days payables outstanding (DPO)	777.5	356.3	262.4	241.1	280.0	280.0	280.0



CASH FLOW STATEMENT

All figures in CHF '000	2014A	2015A	2016A	2017A	2018E	2019E	2020E
EBIT	3,864	7,326	13,765	23,918	27,298	30,348	32,766
Depreciation and amortisation	4,272	7,946	18,289	30,869	35,996	39,488	42,146
EBITDA	8,136	15,272	32,054	54,787	63,294	69,836	74,911
Changes in working capital	-4,170	-1,392	-1,928	-3,461	-977	-132	-337
Other adjustments	-2,828	-3,982	-350	-742	-16,485	-18,611	-20,232
Operating cash flow	1,138	9,898	29,776	50,584	45,832	51,093	54,342
CAPEX	-25,965	-36,838	-20,854	-25,216	-112,925	-120,628	-114,628
Investments in intangibles	-861	-619	-1,542	-19	-723	-804	-811
Free cash flow	-25,688	-27,558	7,380	25,349	-67,816	-70,340	-61,097
Acquisitions & Disposals, net	464	-13,539	-31,348	-40,511	0	0	0
Other Investments	-7,579	-5,203	110	-1,999	0	0	0
Cash flow from investing	-33,941	-56,198	-53,634	-67,745	-113,648	-121,432	-115,439
Debt financing, net	27,937	46,118	-2,742	37,428	38,028	60,000	55,000
Equity financing, net	16,371	5,837	55,004	2,463	94,307	0	0
Other financing	-1,624	-2,089	-4,790	-7,185	-7,827	-8,841	-10,495
Cash flow from financing	42,684	49,866	38,420	20,696	124,509	51,159	44,505
Forex & other effects	-141	-686	-317	2,360	0	0	0
Net cash flows	9,740	2,880	14,245	5,895	56,693	-19,181	-16,592
Cash, start of the year	6,673	16,413	19,293	33,538	39,433	96,126	76,945
Cash, end of the year	16,413	19,293	33,538	39,433	96,126	76,945	60,353
EBITDA/share (in CHF)	0.69	0.83	1.29	1.61	1.65	1.60	1.71
Y-Y Growth							
Operating cash flow	-85.1%	769.8%	200.8%	69.9%	-9.4%	11.5%	6.4%
Free cash flow	n.m.	n.m.	n.m.	243.5%	n.m.	n.m.	n.m.
EBITDA/share	-34.2%	19.8%	54.8%	25.0%	2.3%	-3.0%	7.3%

FIRST BERLIN RECOMMENDATION & PRICE TARGET HISTORY

Report No.:	Date of publication	Previous day closing price	Recommendation	Price target
Initial Report	20 May 2015	CHF8.00	Buy	CHF10.50
2...12	↓	↓	↓	↓
13	9 April 2018	CHF9.90	Buy	CHF13.00
14	8 August 2018	CHF9.50	Buy	CHF13.00
15	22 August 2018	CHF9.95	Buy	CHF13.00
16	Today	CHF9.80	Buy	CHF13.50

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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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Legally required information regarding

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

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