

June 2<sup>nd</sup>, 2021

Europe | Hungary | Realstate

DR. KALLIWODA  
RESEARCH GmbH

## Initiating Coverage

BUY

Target price: 970 HUF

Industry: Investment Company  
 Country: Hungary  
 ISIN: HU0000170824  
 Reuters: 8PL2-FF:Frankfurt Stock Exchange  
 Bloomberg: 8PL1:GR  
 Website: www.akkoinvest.hu  
 Number of employees: 550

Last price HUF: 440.00  
 High Low  
 Price 52 W.: 481.00 369.00  
 Market cap. (HUF '000) 14,676,288.00  
 Number of shares (thousands) 33,355.20

## Shareholders

MEVINVEST Vagyonkezelő Kft. 30.1%  
 Chantili Invest Zrt. 11.0%  
 Minority shareholders 0.0%  
 Freefloat 58.9%

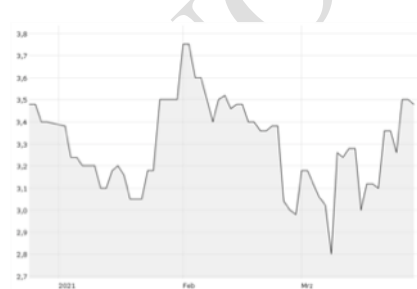
## Performance

4 weeks -5.80%  
 24 weeks 5.47%  
 52 weeks -0.84%

## Dividend

	in EUR	#NV	in %
2016	0.00	#NV	
2017	0.00	#NV	
2018	0.00	#NV	
2019	0.00	#NV	
2020	0.00	#NV	

## Chart: 3 months

DR. KALLIWODA RESEARCH on  
Bloomberg Page: KALL

## AKKO Invest Nyrt.

- AKKO has invested proprietary funds only, its main goal is not to buy and sell companies
- The value of property managed by AKKO in December 2020 was HUF 7 billion, and the value of NEO Property Services cPlc was 19 billion and the value of the companies in its portfolio increase continuously
- AKKO invests into opportunities in the real economy with rock-bottom pricing and/or very high yield capacity accompanied by high risk
- In 2020 AKKO Invest purchased NEO Property Services, one of the main property management companies is Hungary,. Its operations include facility management and property management, as well as the project management related to real estate investments
- Balance sheet of NEO Property Services Plc has a total of HUF 9,558,481 thousand, with an own equity of HUF 2,720,096 thousand, with a pre-tax profit of HUF 1,710,894 thousand. This is the highest pre-tax profit ever in the life of the Company

## Key Figures

	in '000 HUF	2020 *)	2021E	2022E	2023E	2024E	2025E
Net sales	23,685,406	24,200,000	25,410,000	27,442,800	30,187,080	33,809,530	
EBITDA	2,156,170	2,382,315	2,532,743	2,769,639	3,181,698	3,812,915	
EBIT	2,156,170	1,777,315	1,948,313	2,138,455	2,487,396	3,035,296	
Net income	1,546,024	1,576,000	1,721,998	1,888,912	2,191,659	2,703,614	

EPS	1.56	65.00	71.02	77.91	90.39	111.51
BVPS	399.23	401.00	406.95	413.77	426.19	447.23

RoE	18.79%	19.07%	20.53%	22.15%	24.95%	29.33%
EBIT margin	9.10%	7.34%	7.67%	7.79%	8.24%	8.98%
P/E	621.34	14.92	13.66	12.45	10.73	8.70
P/BVPS	2.43x	2.42x	2.38x	2.34x	2.28x	2.17x
EV/EBITDA	16.40x	15.22x	14.49x	13.41x	11.83x	10.05x

Source: Dr. Kalliwoda Research GmbH © 2021 & Akko Invest  
) proforma consolidation: inclusive NEO

## Content

---

<b>1. Company Profile .....</b>	<b>3</b>
<b>2. NEO Property Services .....</b>	<b>6</b>
<b>3. SWOT-Analysis.....</b>	<b>8</b>
<b>4. Industry Overview.....</b>	<b>9</b>
<b>5. Valuation .....</b>	<b>11</b>
<b>6. Profit and Loss Statement .....</b>	<b>12</b>
<b>7. Balance Sheet .....</b>	<b>13</b>
<b>8. Financial Ratios.....</b>	<b>14</b>
<b>9. Contacts.....</b>	<b>15</b>
<b>10. Disclaimer: Material information, disclosures and disclaimers .....</b>	<b>17</b>

## 1. Company Profile

AKKO Invest Nyrt. is a company involved in asset management and shares holding. AKKO was established in 2019 with the transformation of Plotinus Nyrt. (its legal predecessor). It has been listed on the stock exchange since 2011 and currently is in the Premium category of the Budapest Stock Exchange. AKKO Invest Nyrt. is interested in real economy investments, with the main focus on purchasing company shares and properties that are promising in terms of profitability and growth. The company aims to become a major asset manager company of the Hungarian capital market. There are two main owners of AKKO Invest – MEVINVEST Vagyonkezelő Kft. (owned by Tibor Veres) with 30,1% of the shares and Chantili Invest Zrt. (owned by György Ádámosi) with 11.00% (June 2021) of the shares, Free float is at 58,1%. The main goal of AKKO is not to buy and sell companies but to increase the value of the companies already owned. AKKO's aims to manage assets of clear and visible value. To achieve all the above goals ACCO purchases shares of companies with rock-bottom prices and high yield capacity, which is accompanied correspondingly by high risk. The company has over 550 employees.

### Investment portfolio of AKKO Invest

Vár-Logisztika Zrt. is a real estate with approximately 600 square meters warehouse and hundreds of square meters of buildings. The area was used as a truck service station and currently is leased by a logistic company in a 10 years agreement. The estate is based in the area of Nagykanizsa, which is close to the city gate and the highway exit. This fantastic location, with low industrial utilization, allows access by large sized vehicles and may be used commercially in many different ways. The plot size is 8.223 m<sup>2</sup> and contains buildings of 2064 m<sup>2</sup>.



**Moon Facility Zrt.** is a real estate suitable to be utilized in multiple ways. It is currently leased by several tenants, but its location on the South-West side of the city Szolnok, in an industrial area, allows further prosperous development. The estate is connected to the industrial railway track and the country's network. The plot size is 48.627 m<sup>2</sup> and contains buildings of 3330 m<sup>2</sup>.



**Cyrano Hotel (ALQ SAS)** is a 3-star hotel located in the city Antibes in France. The five-storey building is 1200 m<sup>2</sup> and has 36 rooms and 2 external parking lots. It is located 50 meters from beaches of Juan-Les Pins, which is one of the most popular cities in this part of France. To grant adequate profit for the company and the shareholders the hotel requires to be refurbished.





**4 Stripe Zrt.** is an industrial estate in Budaörs, which is one of the most important areas of Budapest. Since Budaörs is considered Hungary's most popular industrial and trade centers the estate holds many opportunities. It is currently leased with 100% lease rate. The plot size is 3.932 m<sup>2</sup> and contains buildings of 3.904 m<sup>2</sup>.



**A Plus Invest Zrt.** is a villa in the prime location of Budapest. It is currently under reconstruction and modernization to luxury level. The property will be rented after its improvement. The plot size is 2269 m<sup>2</sup> and the building is 438 m<sup>2</sup>.



**Kárpát street office** is an office space of 121 m<sup>2</sup> located on the ground floor of a nine-storey block of flats. The property is currently leased on a long-term agreement.



In February 2021 AKKO Invest Nyrt. has purchased one of the leading property services and facility management companies in Hungary – NEO Property Services Zrt. This company was previously called STRABAG Property and Facility. NEO Property Services has been founded in 1999 and since then it has been one of the leading property management companies in Hungary. It has over 170 clients and on behalf of them manages more than 3 million m<sup>2</sup> of real estate areas and is responsible for more than 10 million m<sup>2</sup> of outskirts areas. NEO's clients include: Corvinus University of Budapest, ELMÜ-ÉMÁSZ, Magyar Telekom, MÁV, STRABAG, and WING. It provides jobs for more than 650 employees. In 2019 NEO Property Services Zrt. Achieved a HUF 23.3 billion revenue, while its earnings before interest, tax, depreciation and amortization (EBITDA) reached a HUF 1.5 billion (increase by 19%). Preliminary data show continuous growth of NEO's revenue in 2020 as well. The NEO's objective is to reach a revenue of HUF 29 billion and an EBITIDA of HUF 2.1 billion by the year 2025. This significant transaction was financed by AKKO's own resources as well as the 15-year loan of HUF 12 billion by OTP Bank Nyrt.

## 2. NEO Property Services



NEO Property Services is one of the main property management companies in Hungary, which is distinguished by substantial national coverage and effective operational structure. It deals with facility management, property management and management of projects related to real estate investments.

NEO Property has established solid partnership with its key co-operators thanks to its national coverage, great operational organization, as well as its complex services, which are tailored to client needs specifically and are based on effective, well-measured synergies.

NEO Property has expanded rapidly in recent times and its dynamic growth is easily seen – its revenue has nearly doubled over the past 5 years. NEO Property plans for the future involve acquisitions of new prosperous estates and introduction of new effectual services – all besides the very stable and consistent organic growth.

### 3. SWOT-Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• <b>Growth:</b> Position on the market: AKKO aims to become one of the leading companies in the Hungarian real estate market while continuously growing its portfolio. Further acquisitions are planned in the near future.</li> <li>• <b>Accountability:</b> Independent Auditor's Report regarding financial position of the company issued in December 2020 has revealed an opinion that all financial statements give true and fair view of the AKKO's financial performance, additionally it claims that the business reports for 2020 were consistent with all the above financial statements.</li> <li>• <b>Environmental protection:</b> There are no risks related to the environmental degradation due to the Company's activities. Most of the actions of AKKO are not dangerous for the environment hence there is no risk that environmental issues may affect the financial situation of the Company.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Geographical diversification:</b> The company is focused mainly on regional expansion. Most of the real estate owned by AKKO is located in Hungary. This represents a considerable exposure to domestic conditions however it is fair to say that the local real estate market has always been very resilient to crisis.</li> <li>• <b>Expenditures:</b> To increase profits many of the AKKO's estates require renovation and refurbishment.</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• <b>Expansion:</b> With the entry into the property and facility management business by the acquisition of NEO Akko's business became very well diversified by an activity that is actually benefiting greatly by the overall situation caused by the crisis. Hygienic and health related services, facility modifications to increase safety in office buildings increase the revenues of Akko.</li> <li>• <b>Further acquisitions:</b> Acquisitions in real estates and in the facility management area can bring additional synergies and thus improve Akko's profitability and shareholder value.</li> </ul> <p>Source: Company, Dr. Kalliwoda Research GmbH © Copyright 2021</p>	<ul style="list-style-type: none"> <li>• <b>Market risk 1:</b> The Company partially uses foreign currencies for its activities. This carries the risk coming from the change in foreign exchange rates. One of the Company's subsidiaries, ALQ SAS, uses euro as its functional currency.</li> <li>• <b>Market risk 2:</b> Due to the changes in market interest rates the Company is exposed to unexpected loss - the Company analyses interest rates fluctuations and calculates possible impact of it by simulating different scenarios. This statement is not necessarily true because 99% of our debts are at fixed interest rates.</li> <li>• <b>Prices of shares:</b> There is a chance for capital loss at any time due to the changes of the assets of the Company, which may show notable variations although real estate prices have a lower chance to move downwards rather than upwards.</li> </ul>



## 4. Industry Overview

A holding company provides owners with a way to manage multiple investments using one name. For real estate investors, personal loss can be an issue if a purchased property underperforms. Liability, personal or corporate, is a separate issue that can be a negative for some people who own real property. There are advantages to holding companies when compared to a sole proprietorship or a limited liability company. During the year to Q1 2020, the price index for second-hand homes in Hungary has plunged 18.3% - in sharp contrast to the previous year's 14.5% price rises and the first y-o-y property price decline in seven years, according to the [Hungarian Central Statistical Office \(KSH\)](#). In the same time

**Hungary's property investment volume is expected to expand dynamically in 2021, since a significant amount of capital is looking for its place in the market. Offices with high levels of occupancy and logistics assets will be in the focus of investors.**

### Offices

Last year, in 2020, in line with international trends, Hungary's total office rental transactions decreased. By the end of the year, however, it became apparent that along the positive change affecting the market, the reorganization could start in 2021, albeit in a much more nuanced way than predicted by many market participants in the first half of the year. After the initial difficulty, tenants appear to be settling their office operations, and with the advent of hybrid office use, they will settle into this form of operation in the longer run, too. However, it is essential to note where more emphasis is placed on communal areas and meeting rooms, the proportions of office space will not decrease because a denser seating plan will be considered. We are facing a year of change, as taking into account our employees' needs will largely depend on how flexible the company allowed working from home during the past year. We see that after the epidemic, a more extended test period will begin, where employers will decide for decades whether flexible working is an excellent alternative to keep the employer's interest and sustain working efficiency.

Demand continues to be strong in the market of development lots, however, some projects will probably be repositioned maybe with a complete change of function. In 2021 expects rising rental fees and decreasing office market yields – with further lessening dynamics. Property investors' activity is probably going to increase since a big volume of capital is looking for its place in the market.

### Industrial and logistics

The recent period's uncertainty has not been able to shake up the industrial and logistics real estate market, but on the contrary, more intense competition has begun, where e-commerce actors have experienced explosive growth. Record low vacancy and high stabilizing rents characterize the entire sector. We expect the expansion of demand and tight supply caused by changing consumer habits to keep this segment in focus for developers and investors in the coming years. We can already see those already launched investments, which are larger than ever before, will not necessarily satisfy all the needs, so no stagnation or decrease in rents is expected.

As a result of the strengthening and expanding demand, the low vacancy rate, the barriers set by the building industry's capacity and the increase of implementation costs the continuing increase of rental fees can be predicted. According to estimates, demand will remain strong in 2021 too, whereas the

vacancy rate is going to increase as a result of the ongoing constructions. In the logistics market, we forecast stabilization of investment yields.

### Investments

With the persistence of travel restrictions, a market favourable to domestic investors with strong purchasing power may emerge. Hungarian players' success with a market share of almost 50% so far may depend on the price sensitivity of the sellers, which is not a negligible aspect in the light of the current and expected economic outlook. Simultaneously, the border closure did not act as a barrier to international acquisitions: for domestic players to have a more diversified and saturated portfolio, the business for them continued at a breathtaking pace in Poland, Romania, Bulgaria, Greece, Spain, and Malta. In listed countries, they can realize higher returns, so spectators and players will likely witness exciting events in the next period.

Although the year 2020 slowed down investors' activity everywhere, it did not derive from financing difficulties, rather the insecurity of business planning. When the virus situation is successfully controlled, investment volume is expected to expand dynamically in 2021, since a significant amount of capital is looking for its place in the market. The ongoing constructions in the domestic office- and logistic property market ensure the expansion of high-quality supply, therefore at top category properties, the decrease of yields will start again. We expect the biggest turnover in the segment of offices with high levels of occupancy, at the same time investments in the logistics property market can also take up. The hotel sector will probably not get back on track in 2021, but a wave of forced sales is not very probable.

## 5. Valuation

For the valuation of AKKO Invest Nyrt., we use a traditional DCF model, from which a 12-month price target for the share of **HUF 970** is derived. Compared to the current market level, this corresponds to **an upside of around 120%**.

### Discounted Cash Flow Model (2021), calculated on the 2nd of June 2021

in HUF '000	2021E	2022E	2023E	2024E	2025E
<b>Net sales</b>	<b>24,200,000.00</b>	<b>25,410,000.00</b>	<b>27,442,800.00</b>	<b>30,187,080.00</b>	<b>33,809,529.60</b>
(y-o-y change)	2.2%	5.0%	8.0%	10.0%	12.0%
<b>EBIT</b>	<b>1,777,314.80</b>	<b>1,948,312.80</b>	<b>2,138,454.76</b>	<b>2,487,395.66</b>	<b>3,035,295.76</b>
EBIT margin	7.3%	7.7%	7.8%	8.2%	9.0%
<b>NOPLAT</b>	<b>1,492,344.91</b>	<b>1,635,925.55</b>	<b>1,795,580.66</b>	<b>2,088,573.31</b>	<b>2,548,624.58</b>
+ Depreciation	605,000.00	584,430.00	631,184.40	694,302.84	777,619.18
= Net operating cash flow	2,097,344.91	2,220,355.55	2,426,765.06	2,782,876.15	3,326,243.76
- Total investments (Capex and WC)	- 67,590.51	- 442,181.95	- 410,439.59	- 356,654.64	- 219,881.37
Capital expenditure	229,043.50	336,693.95	257,330.37	270,196.89	283,706.74
Working capital	- 296,634.01	105,488.00	153,109.21	86,457.75	- 63,825.36
= Free Cash Flow (FCF)	2,164,935.43	1,778,173.61	2,016,325.48	2,426,221.51	3,106,362.39
<b>PV of FCFs</b>	<b>2,164,935.43</b>	<b>1,608,015.53</b>	<b>1,648,894.22</b>	<b>1,794,232.36</b>	<b>2,077,382.33</b>
<b>Terminal Value</b>					<b>30,965,434.75</b>
Source: Dr. Kalliwoda Research GmbH © 2021					
PV of FCFs in explicit period	9,293,459.87				
PV of terminal period	20,708,159.28				
<b>Implied Enterprise value (EV)</b>	<b>30,001,619.15</b>				
- Net debt	742,654.00				
+ Investments / - Minorities	-121.40				
<b>Shareholder value</b>	<b>29,258,843.76</b>				
Number of shares outstanding (thousands)					
	33,355.20				
WACC	10.58%				
Equity costs	19.1%				
Debt costs before tax	2.0%				
Tax rate	16.0%				
Debt costs after tax	1.7%				
Equity ratio	51.1%				
Debt ratio	48.9%				
<b>Fair value per share in EUR/HUF today</b>	<b>877.19</b>				
<b>Fair value per share in EUR/HUF in 12 months</b>	<b>970.01</b>				
				Upside	120%
Source: Dr. Kalliwoda Research GmbH © 2021					

### WACC assumptions

#### Growth assumptions

Long-term growth rate 0.5%

#### Equity

Risk-free rate 1.8%

Market risk premium 8.7%

Beta 2.00

**Equity costs 19.11%**

#### Debt costs

Debt costs (before tax) 2.00%

Tax rate on interest 16.03%

**Debt costs (after tax) 1.68%**

Equity 51%

Debt 49%

**WACC 10.58%**

## 6. Profit and Loss Statement

Profit and Loss Statement - Akko Invest									
all figures in '000 HUF unless otherwise indicated	2019	Fiscal Year			2021E	2022E	2023E	2024E	2025E
		2020 AKKO alone	2020 ProForma Akko + Neo						
Revenue	37,835.00	189,826.00	23,685,406.00	24,200,000.00	25,410,000.00	27,442,800.00	30,187,080.00	33,809,529.60	
Materials and Services Used	- 77,084.00	- 208,605.00	- 17,534,255.00	- 17,545,000.00	- 18,422,250.00	- 19,896,030.00	- 21,885,633.00	- 24,511,908.96	
<b>Gross Profit</b>	<b>- 39,249.00</b>	<b>- 18,779.00</b>	<b>6,151,151.00</b>	<b>6,655,000.00</b>	<b>6,987,750.00</b>	<b>7,546,770.00</b>	<b>8,301,447.00</b>	<b>9,297,620.64</b>	
Administrative and sales expenditures	- 66,883.00	- 49,860.00	- 4,114,520.00	- 4,320,246.00	- 4,493,055.84	- 4,807,569.75	- 5,144,099.63	- 5,504,186.61	
Negative goodwill	- 228,761.00	-	-	-	-	-	-	-	
Goodwill impairment	- 382,158.00	-	-	-	-	-	-	-	
Other operating income (expense)	- 8,033.00	- 17,252.00	59,567.00	47,560.80	38,048.64	30,438.91	24,351.13	19,480.90	
Income from the sale of subsidiaries	-	59,972.00	59,972.00	-	-	-	-	-	
<b>EBITDA</b>	<b>- 114,165.00</b>	<b>- 25,919.00</b>	<b>2,156,170.00</b>	<b>2,382,314.80</b>	<b>2,532,742.80</b>	<b>2,769,639.16</b>	<b>3,181,698.50</b>	<b>3,812,914.94</b>	
Depreciation, Amortization and Impairment	- 153,397.00	-	-	- 605,000.00	- 584,430.00	- 631,184.40	- 694,302.84	- 777,619.18	
<b>EBIT</b>	<b>- 267,562.00</b>	<b>- 25,919.00</b>	<b>2,156,170.00</b>	<b>1,777,314.80</b>	<b>1,948,312.80</b>	<b>2,138,454.76</b>	<b>2,487,395.66</b>	<b>3,035,295.76</b>	
Interest Received	-	7,453.00	7,453.00	12,335.36	12,897.92	13,669.75	14,308.45	14,993.25	
Interest Paid	- 2,055.00	- 5,732.00	- 5,732.00	- 20,849.71	- 21,800.58	- 23,105.15	- 24,184.71	- 25,342.18	
Other Financial income (expense)	- 11,787.00	78,568.00	102,707.00	108,547.50	111,359.85	120,522.33	132,574.57	194,990.12	
Profit and Loss Attributable to Associates	-	-	-	403.30	50.86	65.92	72.51	55.32	
<b>EBT</b>	<b>- 281,404.00</b>	<b>54,370.00</b>	<b>2,260,598.00</b>	<b>1,876,944.65</b>	<b>2,050,820.86</b>	<b>2,249,607.61</b>	<b>2,610,166.47</b>	<b>3,219,881.62</b>	
Income Tax	- 411,554.00	- 3,915.00	- 3,915.00	- 300,944.27	- 328,823.11	- 360,696.05	- 418,507.09	- 516,267.18	
<b>Net Income</b>	<b>- 692,958.00</b>	<b>50,453.00</b>	<b>1,546,023.68</b>	<b>1,576,000.38</b>	<b>1,721,997.74</b>	<b>1,888,911.56</b>	<b>2,191,659.38</b>	<b>2,703,614.44</b>	
Profit Attr. to Parent Company Shareholders	- 690,367.00	52,065.00	52,065.00	1,339,600.33	1,463,698.08	1,605,574.83	1,862,910.48	2,298,072.27	
Profit Attr. to Non-Controlling Interests	- 2,591.00	1,612.00	1,493,958.68	236,400.06	258,299.66	283,336.73	328,748.91	405,542.17	
Earnings per Share (continued operations)	- 70.67	1.56	1.56	65.00	71.02	77.91	90.39	111.51	
Diluted Earnings per Share (continued operations)	- 70.67	1.56	1.56	65.00	71.02	77.91	90.39	111.51	
Price/Earnings (X)	-	621.80	621.34	14.92	13.66	12.45	10.73	8.70	
Net interest coverage	-	15.06	1,252.86	208.74	218.85	226.64	251.86	293.30	

Source: Dr. Kalliwoda Research GmbH © 2021

## 7. Balance Sheet

## Balance Sheet - Akko Invest

all figures in '000 HUF unless otherwise indicated

	2019	2020 Proforma AKKO+NEO	2021E	2022E	2023E	2024E	2025E
<b>Non Current Assets</b>							
Investment properties	4,887,023.00	4,580,870.00	5,018,114.40	5,369,382.40	5,637,851.52	5,919,744.10	6,215,731.31
Goodwill	1,068,044.00	292,919.00	295,848.19	298,806.67	301,794.74	304,812.69	307,860.81
PPE	-	49,811.00	52,301.55	55,962.66	58,760.79	61,698.83	64,783.77
Others	-	-	15,790.71	16,896.06	17,740.86	18,627.90	19,559.30
<b>Total Non-Current Assets</b>	<b>5,955,067.00</b>	<b>4,923,600.00</b>	<b>5,382,054.84</b>	<b>5,741,047.79</b>	<b>6,016,147.91</b>	<b>6,304,883.52</b>	<b>6,607,935.19</b>
<b>Current Assets</b>							
Inventories	-	4,586.48	4,815.80	5,056.59	5,309.42	5,574.90	5,853.64
Trade accounts receivable	51,153.00	5,503,446.00	5,778,618.30	6,067,549.22	6,370,926.68	6,689,473.01	7,023,946.66
Receivables from other companies	-	3,162,590.00	3,320,719.50	3,486,755.48	3,661,093.25	3,844,147.91	4,036,355.31
Other receivables and prepayments and accrued income	706,715.00	738,976.00	775,924.80	814,721.04	855,457.09	898,229.95	943,141.44
Other current assets	-	-	-	244,785.80	257,025.09	269,876.35	-
Cash and Cash Equivalents	80,881.00	1,776,115.00	927,805.28	989,631.11	1,037,052.36	1,086,824.07	1,139,063.55
<b>Total Current Assets</b>	<b>838,749.00</b>	<b>11,185,713.48</b>	<b>10,807,883.68</b>	<b>11,608,499.24</b>	<b>12,186,863.89</b>	<b>12,794,126.17</b>	<b>13,148,360.60</b>
<b>Total Assets</b>	<b>6,793,816.00</b>	<b>16,109,313.48</b>	<b>16,189,938.52</b>	<b>17,349,547.03</b>	<b>18,203,011.81</b>	<b>19,099,009.69</b>	<b>19,756,295.78</b>
<b>Equity</b>							
Share Capital	833,880.00	833,880.00	833,880.00	833,880.00	833,880.00	833,880.00	833,880.00
Share Premium	5,479,954.00	5,479,954.00	5,479,954.00	5,479,954.00	5,479,954.00	5,479,954.00	5,479,954.00
Retained earnings / Scumulated deficit	-	451,044.00	680,890.00	680,890.00	680,890.00	680,890.00	680,890.00
Reserves	-	-	65.26	69.93	73.37	76.98	79.63
Redeemed Treasury Shares	-	-	70,300.00	71,771.28	73,206.71	74,670.84	76,164.26
Parent Company's Share of the Profit or Loss	-	-	1,543,767.00	1,339,551.85	1,463,597.77	1,605,469.50	1,862,799.88
Proprietary transactions	82,017.00	-	240,514.00	-	-	-	-
Accumulated exchange difference	-	76.00	6.52	-	-	-	-
<b>Equity Attributable to Parent Company's Shareholders</b>	<b>5,944,731.00</b>	<b>8,227,670.48</b>	<b>8,262,569.82</b>	<b>8,385,184.99</b>	<b>8,525,596.03</b>	<b>8,781,436.61</b>	<b>9,215,128.33</b>
Non-Controlling Interests	25,551.00	-	1,530.88	1,638.05	1,719.95	1,805.95	1,896.24
<b>Total Equity</b>	<b>5,970,282.00</b>	<b>8,227,670.48</b>	<b>8,264,100.708</b>	<b>8,386,823.041</b>	<b>8,527,315.979</b>	<b>8,783,242.553</b>	<b>9,217,024.573</b>
<b>Long-Term Liabilities</b>							
Long-Term Loans	228,945.00	462,246.00	485,358.30	519,333.38	545,300.05	572,565.05	601,193.31
Liabilities from Issued Bonds	-	-	-	-	-	-	-
Deferred Tax liabilities and subsequently payable tax	309,270.00	449,045.00	546,374.52	585,508.73	614,311.28	644,549.22	666,731.17
Deferred Income	-	-	18,685.73	1,770.01	13,911.62	12,102.78	11,355.11
Other Long-Term Liabilities	-	-	383.28	625.61	196.03	1,008.79	1,871.44
<b>Total Non-Current Liabilities</b>	<b>538,215.00</b>	<b>911,291.00</b>	<b>1,050,801.83</b>	<b>1,107,237.74</b>	<b>1,173,326.91</b>	<b>1,228,208.25</b>	<b>1,277,408.14</b>
<b>Current Liabilities</b>							
Short-Term Loans	45,052.00	54,311.00	57,026.55	61,018.41	64,069.33	67,272.80	70,636.44
Trade Payables & Creditors	38,088.00	1,826,896.00	2,066,945.21	2,195,528.42	2,343,915.86	2,560,319.26	2,921,282.30
Short Term Financial Leasing Liabilities	-	-	27.78	29.77	31.23	32.77	33.89
Other Current Financial Liabilities and accruals	50,581.00	1,524,265.00	1,061,805.57	1,137,857.67	1,193,831.55	1,252,594.93	1,295,702.57
Income Taxes liabilities	151,599.00	2,965.00	169,380.51	185,065.58	203,004.64	235,542.95	290,573.66
Current Part of Deferred Income, Accrued Expenses	-	2,981,940.00	3,131,037.00	3,350,209.59	3,517,720.07	3,693,606.07	3,878,286.38
Provisions	-	114,946.00	77,015.30	82,531.54	86,591.46	90,853.71	93,980.41
Other Current Liabilities	-	465,029.00	311,798.07	843,245.27	1,093,204.78	1,187,336.41	711,367.42
<b>Total Current Liabilities</b>	<b>285,320.00</b>	<b>6,970,352.00</b>	<b>6,875,035.98</b>	<b>7,855,486.25</b>	<b>8,502,368.92</b>	<b>9,087,558.89</b>	<b>9,261,863.06</b>
<b>Total Liabilities</b>	<b>823,535.00</b>	<b>7,881,643.00</b>	<b>7,925,837.81</b>	<b>8,962,723.99</b>	<b>9,675,695.83</b>	<b>10,315,767.14</b>	<b>10,539,271.21</b>
<b>Equity and Liabilities</b>	<b>6,793,816.00</b>	<b>16,109,313.48</b>	<b>16,189,938.52</b>	<b>17,349,547.03</b>	<b>18,203,011.81</b>	<b>19,099,009.69</b>	<b>19,756,295.78</b>

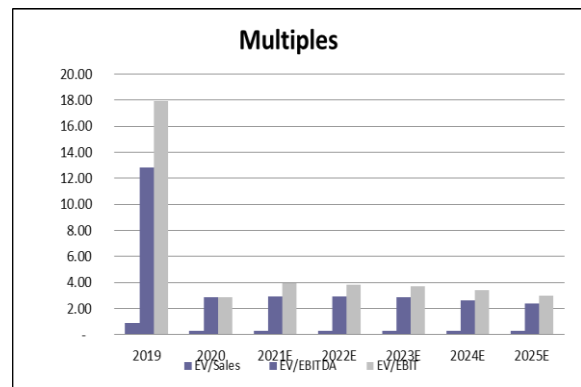
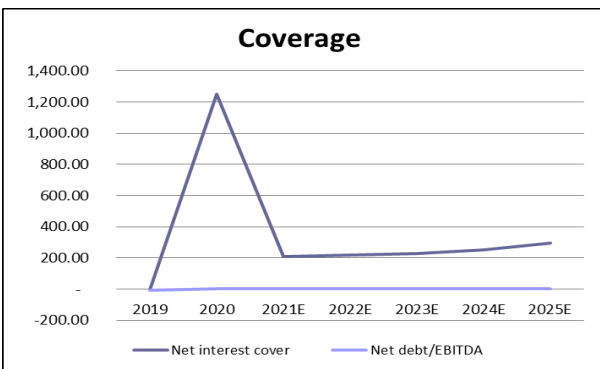
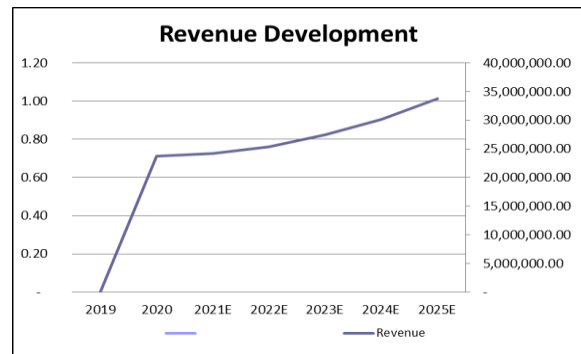
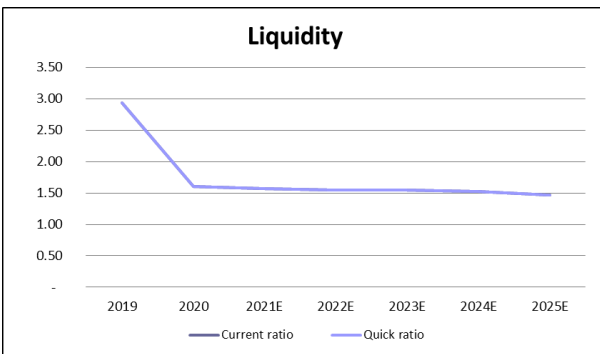
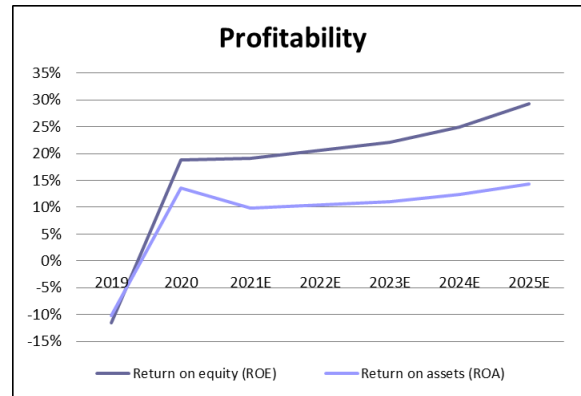
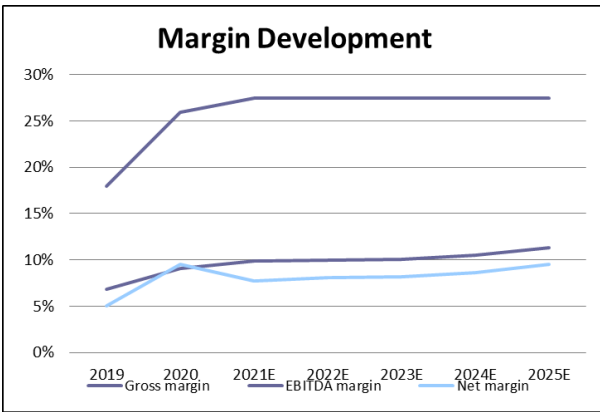
Source: Dr. Kalliwoda Research GmbH © 2021



## 8. Financial Ratios

Fiscal year	2019	2020	2021E	2022E	2023E	2024E	2025E
Gross margin	18%	26%	28%	28%	28%	28%	28%
EBITDA margin	7%	9%	10%	10%	10%	11%	11%
EBIT margin	5%	9%	7%	8%	8%	8%	9%
Net margin	5%	10%	8%	8%	8%	9%	10%
Return on equity (ROE)	-12%	19%	19%	21%	22%	25%	29%
Return on assets (ROA)	-10%	14%	10%	10%	11%	12%	14%
Return on capital employed (ROCE)	-4.11%	23.59%	19.10%	20.56%	22.09%	24.89%	28.95%
Net debt (€ '000)	742,654.00	6,105,528.00	7,003,836.25	7,439,895.85	7,870,719.48	8,382,878.94	9,076,449.18
Net gearing	12%	74%	85%	89%	92%	95%	98%
Equity ratio	88%	51%	51%	50%	49%	48%	48%
Current ratio	2.94	1.60	1.57	1.55	1.54	1.52	1.47
Quick ratio	2.94	1.60	1.57	1.55	1.54	1.52	1.47
Net interest cover	-	1,252.86	208.74	218.85	226.64	251.86	293.30
Net debt/EBITDA	-	6.51	2.94	2.94	2.84	2.63	2.38
Tangible BVPS	237.87	385.02	386.64	392.45	399.13	411.40	432.30
Capex/Sales	12843%	-1%	1%	4%	3%	3%	3%
Working capital/Sales	1463%	18%	16%	16%	15%	14%	12%

Source: Dr. Kalliwoda Research GmbH © 2021



## 9. Contacts

Primary Research   Fair Value Analysis   International Roadshows		Dr. Kalliwoda Research GmbH, Steinstraße 24, D-64839 Münster, office Frankfurt Arndtstr. 47, 60325 Frankfurt Tel.: 069-97 20 58 53
Head: <b>Dr. Norbert Kalliwoda</b> E-Mail: <a href="mailto:nk@kalliwoda.com">nk@kalliwoda.com</a>	CEFA-Analyst; University of Frankfurt/Main; PhD in Economics; Dipl.-Kfm., Dipl.-Hdl.	<u>Sectors:</u> IT, Software, Electricals & Electronics, Mechanical Engineering, Logistics, Laser, Technology, Raw Materials
<b>Lukas Ankelmann</b> E-Mail: <a href="mailto:la@kalliwoda.com">la@kalliwoda.com</a>	Junior-Analyst; University Nuremberg	<u>Sectors:</u> Technology, New Media, Food & Beverage
<b>Noah Barnekow</b> E-Mail: <a href="mailto:nb@kalliwoda.com">nb@kalliwoda.com</a>	Frankfurt School of Finance & Management	<u>Sectors:</u> Aviation, Automotive, Technology, Sustainability Approach
<b>Ilias Chahboune</b> E-Mail: <a href="mailto:ic@kalliwoda.com">ic@kalliwoda.com</a>	Junior-Analyst (Frankfurt School of Finance & Management))	<u>Sectors:</u> Consumer, Retail, Real Estate
<b>Alejandro Cuadros</b> E-Mail: <a href="mailto:ac@kalliwoda.com">ac@kalliwoda.com</a>	Junior-Analyst; University of Frankfurt/Main, Economics	<u>Sectors:</u> Technology, Video Games, Real Estate
<b>Robi Kilian Dreher</b> E-Mail: <a href="mailto:kd@kalliwoda.com">kd@kalliwoda.com</a>	Junior-Analyst; University of Frankfurt/Main	<u>Sectors:</u> Consumer, Retail, Food & Beverages, Fashion
<b>Leander Groß</b> E-Mail: <a href="mailto:lg@kalliwoda.com">lg@kalliwoda.com</a>	Junior-Analyst (University Rotterdam)	<u>Sectors:</u> eSports, Gaming, Consumer, Retail, Fashion
<b>Giuseppe Inserra</b> E-Mail: <a href="mailto:gi@kalliwoda.com">gi@kalliwoda.com</a>	Junior-Analyst (Università degli Studi di Catania, Economics)	<u>Sectors:</u> Gaming Entertainment, Fintech, Financial Markets, Commodities, Real Estate
<b>Michael John</b> E-Mail: <a href="mailto:mj@kalliwoda.com">mj@kalliwoda.com</a>	Dipl.-Ing. (Aachen)	<u>Sectors:</u> Chemicals, Chemical Engineering, Basic Metals, Renewable Energies, Laser/Physics
<b>Ignacio Klimowitz Gumpert</b> E-Mail: <a href="mailto:ik@kalliwoda.com">ik@kalliwoda.com</a>	Analyst (Pforzheim University of Applied Sciences)	<u>Sectors:</u> Gaming Entertainment, Fintech, Financial Markets, Commodities, Real Estate
<b>Witold Konrad Kosinski</b> E-Mail: <a href="mailto:wk@kalliwoda.com">wk@kalliwoda.com</a>	Finance & Banking Warsaw School of Econ, Master of Science; postgrad. Managem. Studies, Prepar. CFA Lev. 2	<u>Sectors:</u> Consumer Goods, Trading Companies, Food & Beverages, Technology
<b>Olaf Köster</b> E-Mail: <a href="mailto:ok@kalliwoda.com">ok@kalliwoda.com</a>	Dipl.-Betriebswirt, EBS	<u>Sectors:</u> Renewable Energy/Technology
<b>Sebastian Krawczyk</b> E-Mail: <a href="mailto:sk@kalliwoda.com">sk@kalliwoda.com</a>	Bachelor Management, Quant. Meth. in Economics & Inf. Systems at Warsaw School/Mannheim, CFA Can.	<u>Sectors:</u> Quantitative Methods, Automotive, Technology
<b>Dr. Heinz Müller</b> E-Mail: <a href="mailto:hm@kalliwoda.com">hm@kalliwoda.com</a>	Dr. agr, Dipl.-agr. (Agrarökonomie)	<u>Sectors:</u> Agrochemicals, Consumer Chemicals, Chemicals
<b>Vittoria Lou D. Mawis</b> E-Mail: <a href="mailto:cl@kalliwoda.com">cl@kalliwoda.com</a>	Architect; University Barcelona	<u>Sectors:</u> Assistant Office & Real Estate Research

<b>Dr. Christoph Piechaczek</b> E-Mail: <a href="mailto:cp@kalliwoda.com">cp@kalliwoda.com</a>	Dipl.-Biologist; Technical University Darmstadt; Univ. Witten-Herdecke.	<u>Sectors:</u> Biotech & Healthcare; Medical Technology Pharmaceutical
<b>Nele Rave</b> E-Mail: <a href="mailto:nr@kalliwoda.com">nr@kalliwoda.com</a>	Lawyer; Native Speaker, German School London,	Legal adviser
<b>Hellmut Schaarschmidt;</b> E-Mail: <a href="mailto:hs@kalliwoda.com">hs@kalliwoda.com</a>	Dipl.-Geophysicists; University of Frankfurt/Main.	<u>Sectors:</u> Oil, Regenerative Energies, Specialities Chemicals, Utilities
<b>Dr. Erik Schneider</b> E-Mail: <a href="mailto:es@kalliwoda.com">es@kalliwoda.com</a>	Dipl.-Biologist; Technical University Darmstadt; Univ. Hamburg.	<u>Sectors:</u> Biotech & Healthcare; Medical Technology Pharmaceutical
<b>Leonard Schüppler</b> E-Mail: <a href="mailto:ls@kalliwoda.com">ls@kalliwoda.com</a>	Junior-Analyst; WHU - Otto Beish. School of Management Vallendar	<u>Sectors:</u> Luxury Goods, Consumers, digital businesses.
<b>Hans-Georg Sutter</b> E-Mail: <a href="mailto:hsu@kalliwoda.com">hsu@kalliwoda.com</a>	Dipl.-Wirtschaftsingenieur University Kaiserslautern	<u>Sectors:</u> IT/e-commerce
<b>Lukas Thiele</b> E-Mail: <a href="mailto:lt@kalliwoda.com">lt@kalliwoda.com</a>	Bachelor Business Administration, Univers. Frankfurt am Main	<u>Sector:</u> Automotive, Technology, IT
<b>Beata Wiendl</b> E-Mail: <a href="mailto:bw@kalliwoda.com">bw@kalliwoda.com</a>	Dipl.-Ökonomin (Hochsch. für Handel & Wirtschaft, Szolnok, Ungarn)	Office-Manager, native polish, fluent Hungarian and German.
<b>Also view Sales and Earnings Estimates:</b>  <b>DR. KALLIWODA   RESEARCH on Terminals of Bloomberg, Thomson Reuters, vwd group and Factset</b>	Analyst of this research:  Dr. Norbert Kalliwoda, CEFA	

## 10. Disclaimer: Material information, disclosures and disclaimers

### A. Material information

Investment in financial instruments and securities (e.g. shares, bonds) is generally associated with high risks. It is possible that the investors lose some or all of the invested money. Potential investors should be aware of the fact that the prices of securities could fall and rise. The income from such an investment might be considerable fluctuations. Investment strategies are not appropriate at all times and past results are not a guarantee for the future performance. Investors should make their own and independent decisions as to whether a risky investment.

B. Disclosures according to Section 34b of the German Securities Trading Act (WpHG) and to the German Regulation governing the Analysis of Financial Instruments (FinAnV).

#### I. Information about author, company held accountable, regulatory authority:

Company responsible for the content of this document: DR. KALLIWODA RESEARCH GmbH, Frankfurt am Main, Germany.

Regulatory authority for DR. KALLIWODA RESEARCH GmbH is the Federal Financial Supervisory Authority (BaFin), Graurheindorfer Straße 108, 53117 Bonn, Germany and Lurgiallee 12, 60439 Frankfurt am Main, Germany.

Author of this research: Dr. Norbert Kalliwoda, Analyst, CEO and founder of DR. KALLIWODA RESEARCH GmbH.

#### II. Additional Information:

##### 1. Sources of information:

Essential sources of information for the compilation of this document are publications from domestic and international information services and media (e.g. Bloomberg, dpa-AFX, Reuters, VWD, among others), financial press (e.g. *Allgemeine Zeitung Frankfurter*, *Börsenzeitung*, *Financial Times Handelsblatt and others*), specialized trade press, published statistics, rating agencies as well as publications by peer group companies and the company itself. Additionally, conservation has been held with the management of the company. This document was made available to the company before publishing to ensure the correctness of the information provided.

2. Summary of the basis of valuation principles and methods used to prepare this document:

Within the scope of the evaluation of companies the following valuation methods are applied: Multiple-based models (Price/Earnings, Price/Cash-flow, Price/Book value, EV/Sales, EV/EBIT, EV/EBITDA), peer group comparisons, historic valuation methods, discounting models, sum-of-the-parts-approaches, substance-valuation methods and swot-analyses. The valuation principles and models are dependent on macroeconomic factors, such as interest rates, exchange rates, raw materials and on basic assumptions about the economy. Besides, the market moods and market sentiment affect the valuation of enterprises. The approaches are based on expectations that could change rapidly and without advance warning according on developments specific to individual branch. The valuation results and fair values derived from the models might therefore change accordingly. The ratings are the evaluation results and refer to a fair value pricing reflecting a time-horizon of up general relate to a twelve-months. Nevertheless, evaluation results are subject to changing market conditions and constitute merely a snapshot. The evaluation results and fair values may be reached faster or slower than expected by the analysts. The results and fair values may to be scale upwards or downwards.

DR. KALLIWODA RESEARCH GmbH uses the following rating model:

BUY:	Based on our analysis, we expect the stock to appreciate and produce a total return of at least 10% over the next twelve months
ACCUMULATE:	Based on our analysis, we expect the stock to appreciate and produce a total return between 5% - 10% over the next twelve months
HOLD:	Based on our analysis, we expect the stock to produce a total return between -5% and +5% over the next twelve months
REDUCE:	Based on our analysis, we expect the stock to cause a negative return between -5% and -10% over the next twelve months
SELL:	Based on our analysis, we expect the stock to cause a negative return exceeding -10% over the next twelve months

For the sustainability ranking DR. KALLIWODA RESEARCH GmbH uses the 17 United Nations Sustainable Development Goals, where each goal is classified as follows:



-1	The company negatively contributes to the goal.
0	The company does not contribute to the goal at all.
1	The company positively contributes to the goal.
2	The company profoundly contributes to the goal.
3	The company significantly contributes to the goal.

From adding up the given numbers, it is being set in a ratio to the maximum points (e.g. 51). The following model shows the note procurement:

A	100% - 70%	The company exceptionally contributes to the goal.
B	70% - 50%	The company promotes the transition to sustainability.
C	50% - 30%	The company is on the way to sustainability.
D	30% - 10%	The company minimizes its negative impact.
E	10% - 0%	The company is not sustainable.

Date of first publication of this document: 2nd of June 2021.

#### 4. Updates:

A specific update of this document has currently not been set. The research reflects the author's judgement on the date of this publication and is subject to change without any notice. The document might be incomplete or reduced and it may not contain all information concerning the company covered. It is in the sole decision of DR. KALLIWODA RESEARCH GmbH whether and when a potential update of this research is made.

### III. Disclosures about potential conflicts of interest:

The business model of DR. KALLIWODA RESEARCH GmbH is based on economic relationships with issuer company and equity transactions to be performed relating to the issuer's stock. Dr. Kalliwoda Research has entered into an agreement about the creation of this document with the company which is, or whose financial instruments are the issue of this research.

Conflicts of interest may be in existence with employees of DR. KALLIWODA| RESEARCH GmbH who are the authors of this document as well as other persons that were involved in the preparation of this research or related parties.

---

Following conflicts of interest might exist:

---

1. DR. KALLIWODA RESEARCH GmbH employees or other persons that were involved in the preparation of this document or related parties are possibly holders of instruments that are mentioned in this research (or that are linked to these instruments) or might become holders and could regularly trade the emitter's securities or securities based on these issues as principal or agent.
  2. DR. KALLIWODA RESEARCH GmbH employees or other persons that were involved in the preparation of this document or related parties could have participated in leading a consortium for the emitter via a public offering of the financial instruments that are the subject of this research.
  3. DR. KALLIWODA RESEARCH GmbH employees or other persons that were involved in the preparation of this document or related parties might have been party to an agreement on the provision of investment banking services with the emitter which is the subject of this research, or have received services or a pledge to perform under the terms of such an arrangement during the same period.
  4. DR. KALLIWODA RESEARCH GmbH employees or other persons that were involved in the preparation of this document or related parties may have other substantial economic interests concerning to the emitter which is the subject of this research.
  5. DR. KALLIWODA RESEARCH GmbH employees or other persons that were involved in the preparation of this document or related parties might have been party to an agreement with the company, which is the subject of this research, resulting in receiving the compensation for preparation of this research.
  6. DR. KALLIWODA RESEARCH GmbH employees or other persons that were involved in the preparation of this document or related parties received the feedback concerning the company profile and SWOT from the company, which is the subject of this research, before publishing this report to the public.
- 

**Important: Please get familiar with possible risks and possible conflicts of interest in the disclosure and disclaimer at the end of this report, especially for this report: 6. and 7.**

The analysts have limited access to gain information that possibly could constitute a conflict of interest for the institution DR. KALLIWODA RESEARCH GmbH keeps insider registers appropriate to sec. 15 WpHG for assignees that normally have approach to inside information. Insiders' dealings appropriate to sec. 14 WpHG categorically are prohibited.

The analysts that composed this research did not receive or acquire shares in the emitter that is the subject of this document at any time. The analysts mentioned above hereby certify that all of the views expressed accurately reflect the individual views about the emitter. No part of the indemnity was, is or will be, directly or indirectly, linked to the evaluation result or views expressed by the analyst in this research.

### C. Disclaimer:

This document is published and being distributed by DR. KALLIWODA RESEARCH GmbH solely for informational purposes and for the personal use by persons in Germany. This research is not intended to be in any form an offer or advice to buy or sell the securities referred to herein. This research is intended to provide information to assist investors in making their own investment decisions. Any decision to purchase any securities of the emitter must be made solely on the basis of the information contained in the offering documents from the emitter relating to such securities and not on the contents hereof. Furthermore, our recommendation may not be fully suitable to every investor, depending on their investment objective, individual financial situation or targeted holding period.

Potential investors should seek professional and individual information and advice before making their investment decisions. This document neither constitutes a contract or any kind of obligation.

Neither this document nor any copy, in whole or in part, thereof may be distributed in any other jurisdiction where its distribution might be restricted by law, and person into whose published this document comes should inform and observe themselves about any such restrictions.

The information within this document has been obtained from sources believed by DR. KALLIWODA RESEARCH GmbH to be reliable. DR. KALLIWODA RESEARCH GmbH does not examine the information to be verify and complete, nor warrants its correctness and completeness. Although due attention has been taken in compilation this document, it cannot be excluded that the information given is not complete or the document contains mistakes.

The liability of DR. KALLIWODA RESEARCH GmbH shall be restricted to gross negligence and willful misconduct. All aspects penned in this document are those of DR. KALLIWODA RESEARCH GmbH respectively the authors and subject to modify without notice. Possible faults or incompleteness of this document may be reformed by DR. KALLIWODA RESEARCH GmbH and do not constitute reasons for liability, neither with regard to indirect nor to direct or consequential losses.

Moreover, DR. KALLIWODA RESEARCH GmbH does not accept any responsibility and liability for any damage arising from using of this research or its contents or otherwise arising in relation herewith. In each case, the liability and responsibility of DR. KALLIWODA RESEARCH GmbH is limited to typical, predictable damages and the liability for any direct or indirect losses is excluded.

This document is subject to the laws of the Federal Republic of Germany. Place of jurisdiction is Frankfurt am Main, Germany.

This document or any copy, in whole or in part thereof, may not be distributed in any other jurisdiction where its distribution might be restricted by law and persons who have access to this document have to inform and observe themselves about any such restrictions.

In the United Kingdom this document is to be distributed only to persons who are described in Section 11 (3) of the Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1996 (as amended). This research may not be distributed and forwarded directly or indirectly to any other group of individuals. The distribution of this document in other international jurisdictions may be restricted by law and individuals who possess this study should inform themselves of any existing restrictions and comply with them.

Neither this document nor any copy of it may be taken or transmitted into the United States of America, Canada, Japan or Australia or distributed, directly or indirectly, in the United States of America, Canada, Japan or Australia or to any resident thereof. Any Failure to comply with these restrictions may constitute a violation of United States, Canadian, Japanese or Australian securities laws or the law of any other jurisdiction.

By confirming this document, the reader or user agrees and accepts to be bound by all of the foregoing provisions and this disclaimer. Besides, the user accepts not to distribute this document to unauthorized persons. The user of this document compensated DR. KALLIWODA RESEARCH GmbH for any disadvantages, damages, claims and losses resulting from or in relation with the unauthorized use of this document.

© 2021 DR. KALLIWODA RESEARCH GmbH, Arndtstraße 47, D-60325 Frankfurt am Main. All rights reserved.

