

14 June 2023

**The Grounds AG**

Rating	Hold
Share price (EUR)	1.25
Target price (EUR)	1.27 (2.60)
Bloomberg Sector	AMMN GY Real Estate

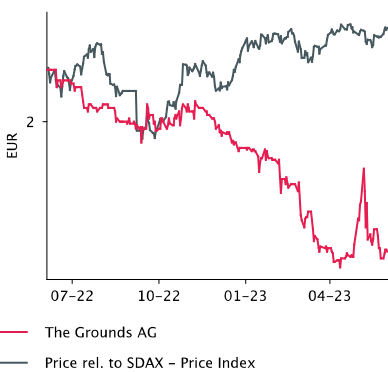
**Share data**

Shares out (m)	17.8
Daily volume shs (m)	0.0
Free float (%)	27.00
Market cap (EUR m)	35
EV (EUR m)	101
DPS (EUR)	0.00
Dividend yield (%)	0.0
Payout ratio (%)	0.0

**Performance**

ytd (%)	-32.0
12 months (%)	-42.1
12 months rel. (%)	-38.3
Index	SDAX

**Share price performance**



Source: Bloomberg

**Next triggers**

22.09.23: Semiannual report (H1 23)

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# Solid outlook but burdening macro environment

The Grounds reported mixed FY 22 results. FY22 revenue was in line with the company's guidance, increasing 16.24% YoY to 36.8m EUR. Sales of property contributed 34.6m EUR to overall revenue, and grew 18.24% compared to the previous year. Rental income on the other hand grew 18.33%, contributing ~1.9m EUR to total revenue (services and other contributed ~0.3m EUR). Nevertheless, EBIT decreased to ~3.4m EUR (vs. ~9.2m EUR in FY21) missing the company's expectation of 8-9m EUR. Main drivers of FY 23 revenues, which is expected to be in the range of 40-45m EUR will be the rental income from the property portfolio as well as profits from the sale of properties from its development portfolio. However, macro-economic developments such as the interest rate hikes by the ECB and the resulting tighter financing environment both for companies and for investors/buyers may weight on The Grounds future business activities. We have updated our valuation model and included the higher interest rate environment. Given lower peer group multiples we have derived a new TP of EUR 1.27 and change our rating from Buy to Hold. The TP is calculated from the average of the peer group analysis and the DCF model.

**Guidance for FY 2023**

The Grounds forecast for the FY23 is as follows: The company expects revenue in the range of 40m EUR to 45m EUR and EBIT is expected to be in the range of 4m EUR – 5m EUR (excluding the valuation increase/decrease of its existing property). Furthermore, the company estimates that it will realize a small amount of money from its outstanding debtor warrant from the logistics property in Hagelsberg in H2/23 (full amount: 9.75m EUR). However, this inflow should not be expected with certainty, as some administrative circumstances still need to be clarified by the German authorities for this debtor warrant to take effect. The main contributor for FY23 revenue increase will be sales of properties from the company's property development segment as the main business segment. Rental income which made up only ~5% of revenue in FY22 will continue to contribute only slightly to overall revenue growth.

Key figures		2022	2023e	2024e	2025e	2026e
Sales	EUR m	36.8	42.5	40.4	41.6	43.3
EBITDA	EUR m	3.6	4.6	4.6	5.5	5.7
EBIT	EUR m	3.4	4.3	4.4	5.4	5.6
EPS	EUR	0.07	0.10	0.12	0.14	0.17
Sales growth	%	16.3	15.5	-5	3	4.2
EBIT growth	%	-63.4	26.5	4.5	21.7	4.2
EPS growth	%	-76	59	15	13	26
EBITDA margin	%	9.7	10.8	11.4	13.1	13.1
EBIT margin	%	9	10	11	13	13
Net margin	%	3.2	3.6	4	5.3	5.5
EV/Sales	ratio	2.8	2.4	2.5	2.4	2.3
EV/EBITDA	ratio	28.4	22.0	22.0	18.6	17.8
EV/EBIT	ratio	30.1	23.8	22.8	18.7	17.9
P/E	ratio	19.9	15.3	14.7	10.6	9.9
P/BV	ratio	0.7	0.7	0.6	0.6	0.6
Dividend yield	%	0	0	0	0	0

Source: Bloomberg, Company data, Quirin Bank estimates

## FY2022 results

The Grounds reported mixed FY 22 numbers. FY22 revenue was in line with the company's guidance, increasing 16.24% YoY to 36.8m EUR. Sales of property contributed 34.6m EUR to overall revenue, and grew 18.24% compared to the previous year. 33.3m EUR were hereby achieved with the sale of inventory properties (newly developed properties), while 1.3m EUR was contributed by the sales of some properties from the company's investment properties.

Rental income on the other hand grew 18.33%, contributing 1.9m EUR to total revenue (services and other contributed 0.3m EUR). EBIT decreased to 3.4m EUR (vs. 9.2m EUR in FY21) missing the company's expectation of 8-9m EUR. Hereby, especially higher material costs, higher personnel costs and a lower increase in the valuation of existing properties weighted on EBIT. Interest expenses were flat YoY (2.5m EUR). Interest income on the other hand increased to 0.71m EUR (up from 0.15m EUR in FY21) bringing the overall interest charge to 1.8m EUR, which corresponds to an interest coverage ratio of only ~1.9x (FY21: ~4x). Ultimately, The Grounds ended the FY22 with a profit of 1.2m EUR down from 4.9m EUR in FY21 or -75.82%.

*Company missed EBIT guidance despite strong revenue increase*

### FY 22 results

(EUR m)*	FY21	FY22	yoy %
<b>Revenue</b>	<b>31.6</b>	<b>36.8</b>	<b>16.3%</b>
Sales of property	29.3	34.6	18.23%
Rental income	1.6	1.9	18.33%
Services & Other	0.7	0.3	-63.51%
<b>Valuation results</b>	<b>2.2</b>	<b>0.9</b>	<b>-61.4%</b>
<b>EBIT</b>	<b>9.2</b>	<b>3.4</b>	<b>-63.4%</b>
EBIT margin	29.0%	9.1%	
<b>Net Profit</b>	<b>4.9</b>	<b>1.2</b>	<b>-76.3%</b>
Profit margin	15.6%	3.2%	
<b>EPS</b>	<b>0.28</b>	<b>0.07</b>	<b>-75.8%</b>

\* Except EPS

Source: Company data

In FY22 The Grounds increased its balance sheet sum by 35.4m EUR, ending the fiscal year with a total balance sheet sum of 138.3m EUR (FY21: 102.9m EUR). This increase was mainly driven by further borrowings of ~19.4m EUR and an increase of equity by ~7.2m EUR. As a consequence, the company's equity ratio fell from 24.6% to 23.6%.

On the assets side, inventory, and here especially real estate under construction as well as existing property increased the most, amounting to 82.8m EUR (FY21: 37.9m EUR) and 35.8m EUR (FY21: 31.1m) at the end of FY22, respectively.

The strong increase in inventory which was mostly fuelled by several acquisitions and was financed mostly by debt, underlines the company's ambition to further expand in its core business segment, namely property development in the residential real estate segment. Nevertheless, while until now the broader real estate market and here especially commercial real estate felt the impact of the changing macro environment the most, the new circumstances also had a noticeable impact on residential real estate and thus also on The Grounds' business activities. For example, higher inflation and input prices led to increased material and construction costs, as well as personnel costs, which, as mentioned above, depressed the company's EBIT margin. Furthermore, the worsening financing conditions led to restraint on the part of investors and buyers, which in turn had a negative impact on sales margins and the time to sales closure.

### Portfolio Changes

Over the course of FY22 some changes happened within the company's portfolio. While the company strongly ramped up its property development portfolio, the portfolio development properties were reduced. This underlines The Grounds' ambition to further concentrate and boost its core business. While projects like Property Garden or Terra Homes are already sold, The Grounds still has several projects within its pipeline both in its own portfolio and via Joint Ventures. The company plans to realize the outstanding projects over the next quarters.

*Concentration on property development*

### Portfolio

(m2)	FY20	FY21	FY22
Investment Properties	16,914	26,263	27,319
Portfolio Development	4,704	7,027	3,024
Property Development	70,782	30,168	138,611
Joint Ventures	7,588	79,244	11,187

Source: Company data

### Management Change: Departure of Arndt Krienen

At the beginning of May, The Grounds announced that the Executive Board member Arndt Krienen, under whose leadership the successful adaptation to the current business model has taken place, will resign with immediate effect. While Mr. Krienen will for now remain with the company as managing director, Mr. Mingazzini will have sole responsibility at the level of the Management Board.

### Refinancing of convertible bond

The refinancing of the convertible bond which is due to April 2024 is still pending. Yet, the company's management is quite confident that the refinancing will proceed without any problems. The company aims at a refinancing solution according to market conditions.

### Outlook

For FY23e and maybe even FY24e, it can be assumed that the difficult market environment for the real estate industry in general and especially for residential real estate and thus also for The Grounds will remain tense. Even if inflation and input costs will ease, reducing material and personal costs, the financing conditions will stay tight, due to the ECB keeping interest rates higher for longer or even increasing them further. This will not only lead to continued restraint on the part of (institutional) investors, keeping time to sales closure higher than in previous years, it will also make it more difficult for The Grounds to further borrow money at attractive rates, limiting their ability to grow their property development portfolio. Nevertheless, in the near past the Grounds bought several plots to develop and engaged in joint ventures, equipping the company's development pipeline with enough projects to work off over the next 1 to 1 1/2 years. The portfolio consists of some potentially very valuable opportunities. The settling of companies such as Tesla in Brandenburg and Intel in Magdeburg, will increase the prices of residential real estate in the mediate and immediate vicinity, exactly where The Grounds is currently developing some projects. These projects could present valuable opportunities in the coming years.

In addition, despite the aforementioned, rents should stay relatively stable or may even increase due to the fact that fewer people are willing to buy houses/apartments due to increased financing costs. In addition, a further shortage of apartments in metropolitan areas and especially the respective surroundings, where most of The Grounds rental properties are located, will see a further diverge of supply and demand, increasing prices. QB's assessment is as follows:

It is likely that The Grounds will reach its revenue guidance for FY23. While the contribution of property sales to revenue will probably be a bit lower in comparison to previous years (percentage wise), rental income may be able to offset this. The EBIT guidance may be realistic, especially if the company decreases the acquisitions of new development objects etc. which is likely due to the aforementioned. Yet, if inflation and input prices won't decline and will rather stay at elevated levels, further pressure on EBIT is possible.

*Solid project pipeline, nevertheless, challenging macro environment*

## Valuation

Our valuation is based upon a peer group analysis and a DCF model. While we have derived a fair value of EUR 1.10 from the peer group analysis, we have calculated a fair value of EUR 1.44 from the DCF model. Our target price of EUR 1.27 (old: EUR 2.60) is derived from the average of the calculated two fair values. Given a downside of around 3.1% we recommend holding the shares.

### Peer Group Analysis

Our Peer Group Analysis is based upon a multiple's comparison of The Grounds with other companies with a similar business focus, taking into account P/E multiples as well as EV multiples (EV/Sales and EV/EBIT). Our peer group consists of, Helma Eigenheimbau, Instone Real Estate, Noratis, Traumhaus and UBM Development. Amongst the listed companies in the real estate sector there is no company with the same business model as The Grounds business activities consist of portfolio management, development and privatization. Note that most of the peers are active as pure project developers or are also holding and managing a property portfolio.

In terms of EV/EBIT, The Grounds trades with a discount between 34% and 65% to the median on the remaining selected 2023e, 2024e and 2025e multiples to its peer group.

In order to arrive at a fair equity value for The Grounds we used the mean valuation based on the three most important ratios P/E, EV/Sales and EV/EBIT. These ratios were weighted equally and multiplied with the company's individual prospected figures for 2023e, 2024e and 2025e. To obtain a fair value of equity using the enterprise value, net debt has to be subtracted. Dividing by the number of shares and computing the median results in the fair equity value per share of EUR 1.10.

### Peer Group Valuation for The Grounds

Company	Price	Market Cap (EUR m)	P/E 23e	P/E 24e	P/E 25e	EV/Sales 23e	EV/Sales 24e	EV/Sales 25e	EV/EBIT 23e	EV/EBIT 24e	EV/EBIT 25e
TRAUMHAUS AG	7.4	36.2	26.3x	9.4x	-	0.8x	0.7x	-	19.5x	16.1x	-
HELMA EIGENHEIMBAU AG	13.2	52.8	16.4x	6.6x	3.7x	0.9x	0.9x	0.7x	38.2x	15.4x	8.0x
INSTONE REAL ESTATE GROUP SE	5.0	233.8	5.2x	4.6x	3.4x	1.0x	0.7x	0.6x	5.6x	5.3x	4.8x
NORATIS AG	10.1	48.7	-	20.3x	7.1x	6.2x	4.2x	3.6x	36.9x	21.4x	-
UBM DEVELOPMENT AG	27.6	206.2	10.0x	6.6x	3.1x	4.9x	4.0x	3.5x	18.2x	14.5x	10.0x
Median			13.2x	6.6x	3.5x	1.0x	0.9x	2.1x	19.5x	15.4x	8.0x
GROUND'S REAL ESTATE DEV/THE	1.3	22.6	7.8x	2.9x	3.1x	0.7x	0.7x	0.7x	6.8x	6.5x	5.3x
Relative to median			-41%	-57%	-12%	-29%	-21%	-68%	-65%	-58%	-34%
Implied EV			38.5	52.3	25.6	40.7	36.5	89.1	82.8	68.4	43.2
Net debt						63.1	56.0	53.0	63.1	56.0	53.0
Fair equity value			38.5	52.3	25.6	-22.4	-19.5	36.1	19.6	12.4	-9.8
<b>Fair value per share</b>			<b>2.2</b>	<b>2.9</b>	<b>1.4</b>	<b>-1.3</b>	<b>-1.1</b>	<b>2.0</b>	<b>1.1</b>	<b>0.7</b>	<b>-0.6</b>
<b>Target price</b>			<b>1.10</b>								

Source: Quirin Bank, Bloomberg

### DCF Model

We have derived a target price of EUR 1.44 from a DCF model valuation. The key parameters of the model are as follows:

- We expect high sales growth in 2023e due to forward sales and finished projects.
- EBIT margin should normalize in the long run, increasing to c. 14% in 2032e.
- As we do not expect the project pipeline to be quickly refilled by new projects sales growth should slow down.
- As we do not anticipate further major acquisitions for the property portfolio, we assume only a small amount of CAPEX from 2023e onwards.
- Tax rate of 30%
- Out terminal value is based on the assumption of a growth rate of 0.5% consistently.
- We calculated a WACC of around 7.43% (Equity ratio: 45%; risk free rate: 3.5% and company beta: 1.1. The model results to an equity value of c. 26m (EUR 1.44 per share).

### DCF model for The Grounds

(EUR m)	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	TV
<b>Years</b>											
<b>Sales</b>	42.5	40.4	41.6	43.3	44.8	45.8	46.7	47.2	47.7	48.2	
growth yoy		-5.0%	3.0%	4.2%	3.5%	2.0%	2.0%	1.0%	1.0%	1.0%	
<b>EBIT</b>	4.3	4.4	5.4	5.6	5.8	5.9	6.5	6.6	6.7	6.7	
EBIT margin	10.0%	11.0%	13.0%	13.0%	13.0%	13.0%	14.0%	14.0%	14.0%	14.0%	
<b>Taxes</b>	-0.65	-0.67	-0.93	-1.00	-1.03	-1.05	-1.07	-1.09	-1.10	-1.11	
Tax rate	25%	30%	30%	30%	30%	30%	30%	30%	30%	30%	
<b>Depreciation</b>	0.34	0.16	0.04	0.04	0.02	0.02	0.02	0.02	0.02	0.01	
% of sales	0.80%	0.40%	0.10%	0.10%	0.05%	0.05%	0.05%	0.05%	0.04%	0.03%	
<b>Capex</b>	0.04	0.04	0.02	0.02	0.01	0.01	0.01	0.01	0.00	0.00	
% of sales	0.09%	0.10%	0.05%	0.04%	0.03%	0.03%	0.02%	0.02%	0.01%	0.01%	
<b>Δ NWC</b>	2.0	2.0	2.0	1.9	1.7	1.6	1.6	1.2	1.2	1.2	
% of sales	4.7%	5.0%	4.8%	4.4%	3.8%	3.5%	3.4%	2.5%	2.5%	2.5%	
<b>FCF</b>	6.0	6.0	6.5	6.6	6.5	6.5	7.1	6.8	6.8	6.9	99.5
growth yoy		-0.2%	9.5%	0.9%	-1.0%	0.0%	8.6%	-4.8%	0.7%	0.8%	0.5%
<b>PV FCF</b>	5.8	5.4	5.6	5.3	4.9	4.6	4.7	4.2	4.0	3.8	55.1

PV Forecast Period	48
PV Terminal Value	55

Enterprise value	104
- Net Debt / Net Cash	78
- Pension Provisions	0
Equity value	26
Number of shares	17.8
Value per share (€)	1.44

Sensitivity Analysis	Terminal growth rate				
	-0.5%	0.0%	0.5%	1.0%	1.5%
6.68%	1.19	1.42	1.69	2.01	2.38
7.06%	0.92	1.12	1.35	1.63	1.95
WACC 7.43%	0.67	0.85	1.05	1.29	1.56
7.80%	0.45	0.60	0.78	0.99	1.22
8.17%	0.24	0.38	0.54	0.72	0.92

Risk free rate	3.50%	Equity ratio	45%
Cost of debt	6.20%	Company beta	1.1
Market Premium	7.00%	WACC	7.43%

Source: Quirin Bank

## Profit &amp; loss statement

Profit & loss statement (EUR m)	2022	YOY	2023e	YOY	2024e	YOY	2025e	YOY	2026e	YOY
Sales	36.8	16.3%	42.5	15.5%	40.4	-5%	41.6	3%	43.3	4.2%
Unfinished Goods	0.0		0.0		0.0		0.0		0.0	
Other own work capitalized	0.0		0.0		0.0		0.0		0.0	
Other operating earnings	0.9		0.8		0.8		0.8		0.8	
Personnel expenses	-2.1		-2.2		-2.2		-2.3		-2.2	
Depreciation	-0.2		-0.3		-0.16		-0.04		-0.04	
Other operating expenses	-1.9		-2.0		-2.0		-2.0		-2.0	
EBITDA	3.6	-62%	4.6	29%	4.6	0.28%	5.5	18.4%	5.7	4.2%
EBITDA margin (%)	9.7		10.8		11.4		13.1		13.1	
EBIT	3.4		4.3		4.4		5.4		5.6	
EBIT margin (%)	9		10		11		13		13	
Net interest	-2.5		-2.5		-2.6		-2.6		-2.7	
Income from Participations	0.6		0.4		0.4		0.3		0.4	
Net financial result	-1.9		-2.1		-2.2		-2.3		-2.3	
Exceptional items	0.0		0.0		0.0		0.0		0.0	
Pretax profit	1.6	-77%	2.2	35.7%	2.2	4.2%	3.1	38.6%	3.3	7.3%
Pretax margin (%)	4.3		5		5.5		7.47		7.69	
Taxes	-0.4		-0.65		-0.67		-0.93		-1.0	
Tax rate (%)	25.00		30.00		30.00		30.00		30.00	
Earnings after taxes	1.19		1.5		1.6		2.2		2.3	
Minorities	-0.02		0.02		0.02		0.02		0.03	
Group attributable income	1.17	-76.3%	1.5	30.3%	1.6	4.2%	2.2	38.1%	2.4	7.7%
No. of shares (m)	17.8		17.8		17.8		17.8		17.8	
Earnings per share (EUR)	0.07	-76%	0.09	30.3%	0.09	4.2%	0.12	38.1%	0.13	7.7%

Source: Company data, Quirin Privatbank estimates

## Balance sheet

Balance sheet (EUR m)	2022	YOY	2023e	YOY	2024e	YOY	2025e	YOY	2026e	YOY
<b>Assets</b>										
Cash and cash equivalents	2.3		5.8		6.7		7.2		10.7	
Accounts receivables	1.8		1.8		1.8		1.8		1.8	
Inventories	82.9		72.8		52.8		48.9		51.5	
Tax claims	0.0		0.0		0.0		0.0		0.0	
<b>Total current assets</b>	<b>95.1</b>	<b>53.8 %</b>	<b>98.2</b>	<b>3.4 %</b>	<b>85.0</b>	<b>-13.5 %</b>	<b>99.0</b>	<b>16.5 %</b>	<b>98.7</b>	<b>-0.3 %</b>
Fixed assets	0.2		0.3		0.3		0.3		0.3	
Goodwill	1.9		1.9		1.9		1.9		1.9	
Other intangible assets	0.0		0.0		0.0		0.0		0.0	
Financial assets	35.8		36.1		37.0		37.0		38.4	
Deferred taxes	2.5		2.5		2.5		2.5		2.5	
<b>Total fixed assets</b>	<b>43.2</b>	<b>5.2 %</b>	<b>44.7</b>	<b>3.4 %</b>	<b>38.7</b>	<b>13.5 %</b>	<b>45.0</b>	<b>-16.5 %</b>	<b>44.9</b>	<b>-0.3 %</b>
<b>Total assets</b>	<b>138.3</b>	<b>34.4 %</b>	<b>142.9</b>	<b>3.4 %</b>	<b>123.7</b>	<b>-13.5 %</b>	<b>143.9</b>	<b>16.5 %</b>	<b>143.5</b>	<b>-0.3 %</b>
<b>Equity &amp; Liabilities</b>										
Subscribed capital	17.8		17.8		17.8		23.1		23.1	
Reserves & other	3.1		3.4		4.4		4.4		4.4	
Revenue reserves	0.2		0.2		0.2		0.2		0.2	
Accumulated other comprehensive	17.6		19.1		20.1		22.9		25.2	
<b>Shareholder's equity</b>	<b>26.2</b>	<b>7.1 %</b>	<b>28.0</b>	<b>8.7 %</b>	<b>30.1</b>	<b>8.3 %</b>	<b>32.8</b>	<b>10.6 %</b>	<b>35.1</b>	<b>10.3 %</b>
Minorities	6.4		6.4		6.4		6.4		6.4	
<b>Shareholder's equity incl. minorities</b>	<b>32.6</b>	<b>28.5 %</b>	<b>34.4</b>	<b>5.5 %</b>	<b>37.0</b>	<b>7.5 %</b>	<b>39.2</b>	<b>5.9 %</b>	<b>41.5</b>	<b>6.0 %</b>
<b>Long-term liabilities</b>										
Pension provisions	0.0		0.0		0.0		0.0		0.0	
Financial liabilities	44.0		42.1		42.1		42.1		40.6	
Other liabilities	0.2		0.3		0.3		0.3		0.3	
<b>Total long-term debt</b>	<b>50.9</b>	<b>10.3 %</b>	<b>52.6</b>	<b>3.3 %</b>	<b>39.3</b>	<b>-25.2 %</b>	<b>49.8</b>	<b>26.6 %</b>	<b>49.3</b>	<b>-1 %</b>
<b>Short-term debt</b>										
Trade payables	1.7		1.7		1.7		1.7		1.7	
Financial debt	35.1		24.5		22.0		18.1		16.0	
Other liabilities	8.9		5.6		5.6		5.6		5.6	
<b>Total short-term debt</b>	<b>54.8</b>	<b>74.6 %</b>	<b>56.0</b>	<b>2.1 %</b>	<b>47.3</b>	<b>-15.3 %</b>	<b>55.0</b>	<b>16.2 %</b>	<b>52.7</b>	<b>-4.2 %</b>
<b>Total equity &amp; liabilities</b>	<b>138.3</b>	<b>34.4 %</b>	<b>142.9</b>	<b>3.4 %</b>	<b>123.7</b>	<b>-13.5 %</b>	<b>143.9</b>	<b>16.5 %</b>	<b>143.5</b>	<b>-0.3 %</b>

Source: Company data, Quirin Privatbank estimates

## Financial key ratios

Key ratios	2022	2023e	2024e	2025e	2026e
<b>Per share data (EUR)</b>					
EPS	0.07	0.09	0.09	0.12	0.13
Book value per share	1.8	1.9	2.1	2.2	2.3
Dividend per share	0.00	0.00	0.00	0.00	0.00
<b>Valuation ratios</b>					
EV/Sales	2.8	2.4	2.5	2.4	2.3
EV/EBITDA	28.4	22.0	22.0	18.6	17.8
EV/EBIT	30.1	23.8	22.8	18.7	17.9
P/E	19.9	15.3	14.7	10.6	9.9
P/B	0.7	0.7	0.6	0.6	0.6
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0
<b>Growth</b>					
Sales growth (%)	16.5	15.5	-5.0	3.0	4.2
EBITDA growth (%)	-62	29	0.3	18.4	4.2
EBIT growth (%)	-63.4	26.5	4.5	21.7	4.2
EPS growth (%)	-76.3	30.3	4.2	38.1	7.7
<b>Profitability ratios</b>					
EBITDA margin (%)	9.7	10.8	11.4	13.1	13.1
EBIT margin (%)	9.1	10.0	11.0	13.0	13.0
Net margin (%)	3.2	3.6	4	5.3	5.5
ROCE (%)	12.8	4.0	5.0	6.1	6.2
<b>Financial ratios</b>					
Total equity (EUR m)	32.6	34.4	37.0	39.2	41.5
Equity ratio (%)	23.6	24.1	29.9	27.2	29.0
Net financial debt (EUR m)	77.8	63.1	56.0	53.0	45.1
Net debt/Equity	2.4	1.8	1.5	1.3	1.1
Interest cover	1.9	2.0	2.0	2.4	2.4
Net debt/EBITDA	21.9	13.8	12.0	9.3	7.9
Payout ratio (%)	0.0	0.0	0.0	0.0	0
Working Capital (EUR m)	40.3	42.3	37.7	44.0	44.0
Working capital/Sales	1.09	1.00	0.93	1.06	1.06

Source: Company data, Quirin Privatbank estimates



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Date	Price target-EUR	Rating	Initiation
14.06.2023	1.27	Hold	25.08.2021

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