

# MPH Health Care AG

Germany / Healthcare  
Frankfurt  
Bloomberg: 93M1 GR  
ISIN: DE000A289V03

2021 results &  
Q1 update

<b>RATING</b>	<b>BUY</b>
<b>PRICE TARGET</b>	<b>€ 67.00</b>
Return Potential	295.3%
Risk Rating	High

## ECONOMIC STORM HURTING NAV PERFORMANCE

Full year reporting reflected the mixed share price performance of the two listed holdings. CR Capital AG shares recorded a 10% annualised gain in 2021, while M1 Kliniken stock fell some 19% during the year. This led to a 4.4% Y/Y decline in the MPH NAVPS to €44.9, which edged lower to €44.0 at the end of Q1/22 on similar market developments. While the stock performance of M1 remains disappointing in the wake of macroeconomic uncertainties and continues to hurt the MPH's NAV, operations at the Beauty specialist were still running well into Q1/22. CR Capital meanwhile is getting into the green-steel and solar businesses with its latest investments. Our rating remains Buy with an unchanged €67 price target.

**CR Capital developments** The investment holding reported 2021 results close to our targets. Net income tallied €65m for the year (FBe: €68m), and the NAV climbed 35% Y/Y to €241m. The company announced two investments into sustainable technologies in Q1 (page 4 overleaf) to tackle green construction materials for private town homes and renewable power systems for year-round home electrification. Both Greentec GmbH and Solartec GmbH are rolling out proof of concept projects in cooperation with CR Capital's Terrabau GmbH.

**M1's injectables business looks resilient in building economic storm** The company continues to see strong pent up demand for beauty treatments after another winter of pandemic restrictions and hassles. Plus, the injections business should remain resilient in the face of high inflation and tighter consumer budgets. Germans are increasingly obsessed with their appearance and willing to shell out a portion of their budget for prejuvination work. By comparison, Brazilians, who are much poorer but renowned for beauty-obsession, subject themselves to around 500k injectable treatments per annum. Although we see some risk of shrinking wallets in M1's core markets compromising treatment growth, there is evidence to support optimism. (p.t.o.)

## FINANCIAL HISTORY & PROJECTIONS

	2018	2019	2020	2021	2022E	2023E
Operating rev. (€m)	39.53	41.22	3.43	13.55	23.61	35.72
Y/Y growth	0.2%	0.0%	-0.9%	2.9%	0.7%	0.5%
EBIT (€m)	37.64	11.58	-71.02	-9.07	19.28	31.31
EBT (€m)	37.34	11.05	-71.55	-9.29	19.38	31.31
Net income (€m)	37.03	11.08	-70.38	-8.96	18.89	30.69
EPS (diluted) (€)	8.65	2.59	-16.44	-2.09	4.41	7.17
DPS (€)	2.00	0.00	0.00	0.00	0.00	1.60
NAVPS (€)	62.87	63.45	47.01	44.92	49.33	56.50
Net gearing	4.8%	6.1%	1.7%	-0.2%	-2.6%	-4.4%
Liquid assets (€m)	1.02	1.80	0.37	1.84	2.82	7.86

## RISKS

Regulatory changes in healthcare systems, homogenization of pharmaceutical prices within the EU, and prolonged macro economic downturns that limit private healthcare spend.

## COMPANY PROFILE

MPH Health Care AG is a Berlin-based investment company focused on the purchase and further development of companies positioned chiefly in growth segments of the healthcare market. These primarily entail specialty pharmaceuticals for chronic diseases and lifestyle and beauty treatments. The company also holds a stake in a residential property developer.

## MARKET DATA

As of 24 Jun 2022

Closing Price	€ 16.95		
Shares outstanding	4.28m		
Market Capitalisation	€ 72.56m		
52-week Range	€ 16.80 / 29.90		
Avg. Volume (12 Months)	2,307		
<b>Multiples</b>	<b>2021</b>	<b>2022E</b>	<b>2023E</b>
P/E	n.a.	3.8	2.4
EV/EBIT	n.a.	3.9	2.4
P/NAV	0.4	0.3	0.3
Div. Yield	0.0%	0.0%	9.4%

## STOCK OVERVIEW



## COMPANY DATA

As of 31 Dec 2021

Liquid Assets	€ 1.84m
Current Assets	€ 4.45m
Financial Assets	€ 193.50m
Total Assets	€ 198.00m
Current Liabilities	€ 4.20m
Shareholders' Equity	€ 192.31m

## SHAREHOLDERS

Magnum	60.0%
Baring Fund Managers	1.7%
KBC Asset Management SA	1.3%
Free Float	37.0%

## M1 KLINIKEN UPDATE

**Clinic expansion on track** M1 has opened another four M1 Beauty centres YTD with new premises in London-Westfield and Glasgow in the UK, Brisbane in Australia, and one in its home market in Wolfsburg. We reckon the company can push the number to 58 by YE22.

**Table 1: First quarter segment performance**

	Unit	Beauty	Trade*	M1 Kliniken
Revenue	€m	13.8	49.7	63.5
EBIT	€m	1.7	1.1	2.8
Margin	%	12.3	2.2	4.4

\*Haemato results adjusted for eliminations

Source: First Berlin Equity Research; M1 Kliniken

The Beauty segment, which accounts for M1's injectables business and other minimally invasive procedures showed 6% Y/Y topline growth to €13.8m in the three month period (Q1/21: €13.0m); Beauty EBIT tallied €1.7m including €2.1m from the mature German facilities and €-0.4m for the international centres with the loss owing to the expected start-up costs.

**Trade segment** We have reset our Haemato forecasts that drive M1's Trade segment to reflect the company's portfolio optimisation that now emphasises the higher margin Lifestyle & Aesthetics (L&A) business. Specialty Pharma wholesale historically contributed high sales volumes but low gross margins, and growth has been quite choppy over the years. We have therefore stripped out planned growth for Specialty Pharma from our model and increased our growth targets for the L&A segment, which greatly outperformed our 2021 targets. These adjustments result in near-term reductions in turnover and profit from Haemato, but this downside is more than compensated with a higher margin structure that kicks in around 2024 / 2025.

Against this backdrop, Haemato's Q1/22 earnings KPIs were encouraging with EBIT of €2.0m (Q1/21: €2.4m) accompanied by a 37 basis point Y/Y uptick in margin to 3.6%. The company did not break out results for its Lifestyle & Aesthetics segment but the high margin suggests the business contributed strongly to the overall Haemato performance. We expect six month reporting to provide deeper insight into segment performance.

## ANNUAL REPORT HIGHLIGHTS

**Table 2: M1 2021 results vs FBe and prior year**

EURm	2021	2021E	Variance	2020	Variance
Revenue	315	314	0%	160	97%
Beauty	53	50	6%	37	41%
Trade <sup>1</sup>	262	264	-1%	122	114%
EBITDA	18	16	10%	9	100%
Margin	5.7%	5.2%	-	5.6%	-
EBIT	12	11	10%	4	n.a.
Margin	3.8%	3.5%	-	2.8%	-
Beauty	7	6	18%	3	118%
Trade <sup>1</sup>	5	5	1%	1	329%

\*Haemato results adjusted for eliminations

Source: First Berlin Equity Research; M1 Kliniken

**Beauty segment** After a slow start to 2021 when pandemic countermeasures prompted M1 to limit bookings for vaccinated clients at its German clinics, booking momentum accelerated in H2 resulting in record treatment numbers. A strong Q4 showed the resiliency of the injectables business during the Omicron wave. Performance at the international centres was hampered by stricter lockdowns through April—particularly in the UK and Australia—but showed a strong pick-up later in 2021.

**Trade segment** Haemato reported 20% annualised sales growth to €285m (2020: €238m) including a €220m contribution from the insurance-financed Specialty Pharma operations and €65m from the self-paid Lifestyle & Aesthetics (L&A) activities. The latter is significant given its higher profitability. Gross profit totalled €30.7m for the year and beat our target by 7%, thanks to the higher than expected €22m contribution (34% margin) from the L&A segment.

**Table 3: 2021 M1 financial highlights**

in EURm	2021	2020	Variance
Liquid assets	37.9	22.0	73%
Interest bearing debt	22.9	27.3	-16%
Net debt / (net cash)	-15.0	5.3	-
Intangible assets	60.4	38.3	58%
Total assets	198.1	188.7	5%
Shareholders' equity	139.9	115.3	21%
Equity ratio	71%	61%	-

Source: First Berlin Equity Research; M1 Kliniken

**Capital structure with high equity component** The balance sheet total climbed to €198m (2020: €189m). M1 exited the year with a net cash position after Haemato issued shares for €14.5m in proceeds. The equity ratio climbed to 71% on the back of the positive net income result for the year and the new Haemato equity. Lower working capital requirements also allowed the company to pare down debt last year.

**Table 4: M1 cash flow development**

in EURm	2021	2020	Variance
Operating cash flow	15.7	9.5	65%
Cash flow from investments	0.2	3.1	-94%
Free cash flow	15.9	12.6	-
Conversion rate	89%	142%	-
Cash flow from financing	4.0	0.4	961%
Net cash flow	19.9	13.0	54%

Source: First Berlin Equity Research; M1 Kliniken

Net operating cash flow tallied ~€15.7m, thanks to the positive net result and good working capital management. Investments remained low and were offset by the partial sale of a subsidiary, meaning FCF amounted to €15.9m leading to an 89% EBITDA conversion ratio.

**Upshot** A booming injectable-cosmetics industry underpins our optimism for continued strong business momentum at M1. While we are not bold enough to call the company's Beauty operations *recession-proof*, we do think the business is resilient and will benefit from pent up demand that should be able to weather some of the macroeconomic storm.

## CR CAPITAL UPDATE

**Portfolio developments** CR Capital announced new stakes in Solartec GmbH and Greentec GmbH in Q1/21 and recently published further details surrounding the operations of these latest additions.

**Solartec** designs and installs climate-neutral energy systems, which combine hydrogen technology with rooftop solar PV rigs for year-round electrification of private homes. Solartec believes its systems can make homeowners grid independent by converting surplus power produced by solar in the sunny summer months into hydrogen and store it for winter usage.

The company is in the process of realising its first pilot project of a dozen town homes on behalf of Terrabau GmbH and sees a €20m revenue opportunity over the near term. We expect CR Capital to update the market with further progress of the pilot project in the coming months.

**Greentec** is positioning itself in the emerging green-steel industry as a supplier to the home construction sector. The steel industry is responsible for around 7% of the global CO<sub>2</sub> emissions. To make steel, iron ore must be melted at high temperatures and reduced from iron oxide to iron. The process typically involves burning fossil fuels, releasing large amounts of carbon dioxide. Replacing them with hydrogen as a reducing agent eliminates more than 98% of the CO<sub>2</sub> normally released.

We reckon it will take several years for large green steel capacities to come online and thus regard Greentec as an early stage operation. At the time of writing, Terrabau is building the first concept house in Ludwigsfelde with green steel but wants to fully transition to this material in the future.

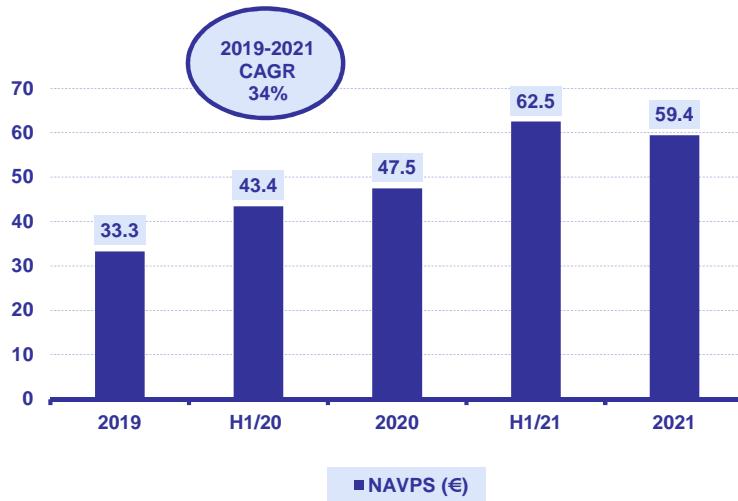
**Approved dividend on 2021 earnings includes scrip option** The AGM recently authorised CR Capital to distribute a €2.5 per share dividend (2020: €1.5; +67%). Shareholders again have the option to receive their tax-free payout through a scrip dividend at a ~50% discount to the share price at €17.5. The subscription period runs until 14 September 2022.

**Table 5: CRC 2021 results vs FBe and prior year**

All figures in EUR '000	2021	2021E	Variance	2020	Variance
Operating revenue	69,856	72,197	-3%	64,534	8%
EBITDA	66,488	69,465	-4%	51,190	30%
Margin (%)	95%	96%	-	79%	-
Net income	65,391	68,423	-4%	51,265	28%
EPS diluted (€)	17.1	18.0	-5%	13.6	25%

Source: First Berlin Equity Research; CR Capital AG

Full year results showcased the performance potential of the holdings with CR Opportunities contributing to the mix with Terrabau. Net income tallied €65m with operating revenue flowing abundantly to the bottom line, thanks to low operating costs and no interest expense. NAVPS reached €59.4 (figure 1 overleaf).

**Figure 1: CRC NAVPS development**

Source: First Berlin Equity Research; CR Capital AG

**Two year NAVPS CAGR of 34%** The KPI climbed 25% on an annualised basis to €59.4. The slight dip in H2/21 owes to the higher share count traced to the scrip dividend. Some 80% of CRC investors opted for discounted shares vs cash payment.

**Table 6: CR Capital YE financial highlights**

All figures in EUR '000	2021	2020	Variance
Cash & equivalents	1,486	841	77%
Current assets	2,241	18,888	-88%
Financial assets	229,468	169,476	35%
Total assets	248,020	188,465	32%
Financial debt (short- and long-term)	0	0	-
Shareholders' equity	240,784	177,977	35%
Equity ratio	97%	94%	-

Source: First Berlin Equity Research; CR Capital AG

## MPH ANNUAL RESULTS

MPH also published audited figures since our last update confirming prelims (see note of 2 May 2021). The dip in total assets owes to the non-cash write downs of the investments, particularly the stake in M1 Kliniken.

**Table 7: MPH financial highlights**

All figures in EUR '000	2021	2020	variance
Cash	1,843	369	399%
Financial assets	193,502	206,346	-6%
Financial debt (short- and long-term)	4,028	7,613	-47%
Net debt	2,185	7,244	-70%
Total assets	197,996	210,707	-6%
Shareholders' equity	192,306	201,262	-4%
Equity ratio	97%	96%	-
NAV	192,306	201,262	-4%
NAVPS (€)	44.9	47.0	-4%

Source: First Berlin Equity Research; MPH Health Care AG

**Economic storm hurting NAV performance** NAV declined to €192m (2020: €201m) at YE21 corresponding to NAVPS of €44.9. The performance owes to the €-9m net loss traced to €-21m in non-cash fair value write-downs partially offset by plus €14m in operating revenue.

Although MPH's net loss narrowed significantly (2021: €-70m), the 10% annualised increase in CR Capital's value could not compensate for the 19% decline in M1's share price last year leading to further non-cash write-downs of financial assets.

**Figure 2: MPH NAV and NAVPS developments**



Source: First Berlin Equity Research; MPH Health Care AG

**Balance sheet in good shape with 97% equity ratio** MPH management will propose to the 21 July AGM not to distribute a dividend on 2021 results to preserve liquidity in the face of the macroeconomic uncertainties.

**Table 8: YE21 Financial highlights**

All figures in EUR '000	2021	2020	variance
Cash	1,843	369	399%
Financial assets	193,502	206,346	-6%
Financial debt (short- and long-term)	4,028	7,613	-47%
Net debt	2,185	7,244	-70%
Total assets	197,996	210,707	-6%
Shareholders' equity	192,306	201,262	-4%
Equity ratio	97%	96%	-
NAV	192,306	201,262	-4%
NAVPS (€)	44.9	47.0	-4%

Source: First Berlin Equity Research; MPH Health Care AG

## VALUATION MODEL

	Shareholdings '000	SO '000	MPH stake %	Share price* €	Fair value per share <sup>1</sup> €	Projected value €m
Unit						
M1 Kliniken AG	12,241	19,643	62%	5.1	14.0	171
CR Capital Real Estate AG	2,328	4,051	57%	30.3	58.0	135
<b>Projected value of listed holdings</b>						<b>306</b>

\*Source: Bloomberg (Previous day's closing price)

	Unit	Value
Fair value of listed portfolio	€m	306
Non-listed investment (book value)	€m	24
Net debt	€m	0
Present value of holding costs	€m	-42
<b>Total fair value</b>	<b>€m</b>	<b>289</b>
MPH shares outstanding	m	4
<b>Fair value per share</b>	<b>€</b>	<b>67</b>

<sup>1</sup>First Berlin Equity Research covers CR Capital (Buy/ PT: €58); M1(Buy/ PT: €4)

	Unit	New	Old	Variance
Fair value of listed portfolio	€m	306	300	2%
Non-listed investment (book value)	€m	24	24	0%
Net debt	€m	0	3	-112%
Present value of holding costs	€m	-42	-35	20%
<b>Total fair value</b>	<b>€m</b>	<b>289</b>	<b>285</b>	<b>1%</b>
MPH shares outstanding	m	4	4	0%
<b>Fair value per share</b>	<b>€</b>	<b>67</b>	<b>67</b>	<b>1%</b>

## INCOME STATEMENT

All figures in EUR '000	2018	2019	2020	2021	2022E	2023E
Fair value gains on financial assets	31,019	33,747	0	9,185	19,350	31,103
Income from participations	170	780	0	766	400	400
Investment income	8,317	6,651	3,385	3,561	3,820	4,175
Other operating income	28	43	48	35	37	38
<b>Operating revenue</b>	<b>39,534</b>	<b>41,221</b>	<b>3,433</b>	<b>13,547</b>	<b>23,607</b>	<b>35,716</b>
SG&A	-1,146	-934	-841	-923	-969	-1,018
Other OpEx	-703	-330	-417	-328	-344	-362
Net loss from investments	0	-1,164	-12,453	0	0	0
Fair value loss on financial assets	0	-27,207	-60,720	-21,350	-3,000	-3,000
Depreciation & amortisation	-45	-11	-17	-20	-15	-23
<b>EBIT</b>	<b>37,640</b>	<b>11,575</b>	<b>-71,015</b>	<b>-9,075</b>	<b>19,279</b>	<b>31,314</b>
Interest expense	-507	-540	-510	-194	0	0
Interest income	209	15	75	80	0	0
<b>EBT</b>	<b>37,342</b>	<b>11,050</b>	<b>-71,450</b>	<b>-9,189</b>	<b>19,279</b>	<b>31,314</b>
Income taxes	-317	27	1,071	233	-386	-626
<b>Net income / loss</b>	<b>37,025</b>	<b>11,076</b>	<b>-70,379</b>	<b>-8,956</b>	<b>18,893</b>	<b>30,687</b>
Minority interests	0	0	0	0	0	0
<b>Net income after minorities</b>	<b>37,025</b>	<b>11,076</b>	<b>-70,379</b>	<b>-8,956</b>	<b>18,893</b>	<b>30,687</b>
<b>EPS (in €)</b>	<b>8.6</b>	<b>2.6</b>	<b>-16.4</b>	<b>-2.1</b>	<b>4.4</b>	<b>7.2</b>

## BALANCE SHEET

All figures in EUR '000	2018	2019	2020	2021	2022E	2023E
<b>Assets</b>						
<b>Current assets, total</b>	<b>1,152</b>	<b>2,237</b>	<b>4,318</b>	<b>4,453</b>	<b>5,478</b>	<b>3,722</b>
Cash and equivalents	1,018	1,797	369	1,843	2,815	1,005
ST financial assets	64	305	3,865	2,599	2,651	2,704
Trade receivables	3	4	0	0	0	0
Inventories	7	0	0	0	0	0
Other ST assets	60	131	84	11	12	13
<b>Non-current assets, total</b>	<b>285,101</b>	<b>290,908</b>	<b>206,390</b>	<b>193,543</b>	<b>207,394</b>	<b>232,999</b>
Property, plant & equipment	2	56	43	41	42	44
Goodwill & other intangibles	1	1	0	0	0	0
Financial assets	285,098	290,851	206,346	193,502	207,352	232,955
<b>Total assets</b>	<b>286,253</b>	<b>293,144</b>	<b>210,707</b>	<b>197,996</b>	<b>212,872</b>	<b>236,721</b>
<b>Shareholders' equity &amp; debt</b>						
<b>Current liabilities, total</b>	<b>327</b>	<b>15,724</b>	<b>4,742</b>	<b>4,200</b>	<b>176</b>	<b>180</b>
Trade payables	28	24	36	51	51	51
Provisions	99	91	74	101	104	107
Other ST financial liabilities	87	15,578	4,613	4,028	0	0
Other current liabilities	113	31	19	20	21	22
<b>Long-term liabilities, total</b>	<b>16,798</b>	<b>5,779</b>	<b>4,703</b>	<b>1,490</b>	<b>1,497</b>	<b>1,504</b>
Long-term debt	14,000	3,000	3,000	0	0	0
Deferred tax liabilities & others	2,798	2,779	1,703	1,490	1,497	1,504
<b>Shareholders' equity</b>	<b>269,127</b>	<b>271,641</b>	<b>201,262</b>	<b>192,306</b>	<b>211,200</b>	<b>235,037</b>
Minority interests	0	0	0	0	0	0
<b>Total equity</b>	<b>269,128</b>	<b>271,641</b>	<b>201,262</b>	<b>192,306</b>	<b>211,200</b>	<b>235,037</b>
<b>Total consolidated equity and debt</b>	<b>286,253</b>	<b>293,144</b>	<b>210,707</b>	<b>197,996</b>	<b>212,872</b>	<b>236,721</b>
<b>NAV</b>	<b>269,128</b>	<b>271,641</b>	<b>201,262</b>	<b>192,306</b>	<b>211,200</b>	<b>235,037</b>
<b>NAVPS (€)</b>	<b>62.9</b>	<b>63.5</b>	<b>47.0</b>	<b>44.9</b>	<b>49.3</b>	<b>54.9</b>

## CASH FLOW STATEMENT

All figures in EUR '000	2018	2019	2020	2021	2022E	2023E
<b>Net income</b>	<b>37,025</b>	<b>11,076</b>	<b>-70,379</b>	<b>-8,956</b>	<b>18,893</b>	<b>30,687</b>
Depreciation and amortisation	45	11	17	20	15	23
Revaluation gains	-30,360	-6,540	60,720	12,165	-16,350	-28,103
Changes in working capital	7,058	-93	-3,581	1,619	-42	-43
Other adjustments	-830	384	12,453	-761	0	0
Net financial result	299	526	510	195	0	0
Tax expense	317	-26	-1,071	-233	386	626
<b>Operating cash flow</b>	<b>13,554</b>	<b>5,337</b>	<b>-1,331</b>	<b>4,049</b>	<b>2,901</b>	<b>3,191</b>
Investment income	-8,317	-6,651	-1,500	-5,173	-3,820	-4,175
Tax paid	-41	-38	41	38	-386	-626
<b>Net operating cash flow</b>	<b>5,196</b>	<b>-1,352</b>	<b>-2,790</b>	<b>-1,086</b>	<b>-1,304</b>	<b>-1,610</b>
CapEx	-11	-52	-4	-2	-15	-25
Payments from acquisitions of consolidated companies & other business units	0	1,856	0	0	0	0
Proceeds from disposal of fixed assets	11,783	17,661	11,332	6,248	2,500	2,500
Payments for investment in financial assets	-16,644	-19,116	0	-4,780	0	0
Investment income	8,317	6,378	1,500	4,901	3,820	4,175
Interest income	208	15	0	0	0	0
<b>Cash flow from investing</b>	<b>3,653</b>	<b>6,742</b>	<b>12,828</b>	<b>6,366</b>	<b>6,305</b>	<b>6,650</b>
Equity inflow , net	0	-1	-4	0	0	0
Debt inflow , net	0	4,492	-11,000	-12	-4,028	0
Dividend paid to shareholders	-8,563	-8,562	0	0	0	-6,850
Interest expense	-507	-540	-462	-194	0	0
<b>Cash flow from financing</b>	<b>-9,070</b>	<b>-4,611</b>	<b>-11,466</b>	<b>-206</b>	<b>-4,028</b>	<b>-6,850</b>
<b>Liabilities due at beginning of the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-3,600</b>	<b>0</b>	<b>0</b>
<b>Net cash flows</b>	<b>-221</b>	<b>779</b>	<b>-1,428</b>	<b>5,075</b>	<b>972</b>	<b>-1,810</b>
Cash, start of the year	1,239	1,018	1,797	369	1,843	2,815
<b>Cash, end of the year</b>	<b>1,018</b>	<b>1,797</b>	<b>369</b>	<b>1,843</b>	<b>2,815</b>	<b>1,005</b>
<b>Free cash flow (FCF)</b>	<b>8,849</b>	<b>5,390</b>	<b>10,038</b>	<b>5,280</b>	<b>5,000</b>	<b>5,040</b>
<b>Y-Y Growth</b>						
Operating cash flow	415.0%	n.m.	n.m.	n.m.	n.m.	n.m.
Free cash flow	50.2%	-39.1%	86.2%	-47.4%	-5.3%	0.8%

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Category	1		2
	0 - 2 billion	> 2 billion	
Strong Buy <sup>1</sup>	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%	

<sup>1</sup> 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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**RECOMMENDATION & PRICE TARGET HISTORY**

Report No.:	Date of publication	Previous day closing price	Recommendation	Price target
Initial Report	29 October 2012	€24.55	Buy	€55.00
2...19	↓	↓	↓	↓
20	30 June 2020	€27.94	Buy	€75.00
21	16 September 2020	€26.00	Buy	€75.00
22	7 December 2020	€22.20	Buy	€75.00
23	6 May 2021	€27.40	Buy	€75.00
24	11 June 2021	€28.50	Buy	€75.00
25	20 September 2021	€23.30	Buy	€75.00
26	24 February 2022	€21.20	Buy	€67.00
27	2 May 2022	€22.30	Buy	€67.00
28	Today	€16.95	Buy	€67.00

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- key sources of information in the preparation of this research report
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