

M1 Kliniken AG

Germany / Healthcare Facilities & Services
 Frankfurt
 Bloomberg: M12 GR
 ISIN: DE000A0STSQ8

Mid-term guidance
 2023 report &
 Q1 KPIs

RATING
PRICE TARGET

Return Potential
 Risk Rating

BUY
€ 28.00
 28.4%
 High

GOING ALL IN

Audited 2023 reporting was close to prelims confirming the good profitable growth notched last year. But the real headline was a new mid-term outlook calling for an eye-popping 150 to 200 M1 Beauty centres by YE29. This compares to 58 facilities exiting 2023 and towers above consensus. We have overhauled FBe to align with the mid-point of clinic network guide. M1 brass sees Beauty segment sales between €200m and €300m in 2029, while holding the EBIT margin north of 20%. The new targets are ambitious in today's volatile world, but not impossible. Meanwhile, today's Q1 KPI's build upon the positive business momentum witnessed last year with group sales up 10% Y/Y to €85m spearheaded by an 18% rise in Beauty segment turnover. We now target 2029 Beauty sales of €220m (old: €13m), which ups our TP to €28 (old: €18). M1 shares caught a sizeable bid on the newsflow, and the rally looks justified. We remain Buy-rated on M1.

Going all in M1 recently provided a bullish 5-year outlook calling for a massive expansion of the Beauty network to between 150 to 200 centres by YE29 (now: 61), which towers above our old target (105). The beauty specialist has traditionally been rather tight lipped about future expansion plans and guidance in general, so this is a bold departure from prior communication policies. M1 has its flag in the ground in ten countries thus far and sees great opportunities for fast expansion abroad—particularly in Eastern Europe.

M1 is about improve the narrative Last year, the Beauty segment only chipped in around 22% of the M1 topline but delivered >99% of operating income. This segment blend led to a 5% margin at the group level vs 22% for the Beauty business. Management hinted in today's Q1 update that they are weighing strategic options for the Trade business including a potential exit. For now, we assume M1 will continue to develop these operations. The dilutive effect of the low margin (~1%) Trade business has often been considered the rub with the overall business, but management can flip the script, if they fulfil their 5 year mission. On our revised numbers, the... (p.t.o.)

FINANCIAL HISTORY & PROJECTIONS

	2021	2022	2023	2024E	2025E	2026E
Revenue (€m)	314.61	285.29	316.32	333.15	371.73	414.84
Y/Y growth	97.1%	-9.3%	10.9%	5.3%	11.6%	11.6%
EBIT (€m)	12.14	9.35	15.70	19.74	24.88	30.45
EBIT margin	3.9%	3.3%	5.0%	5.9%	6.7%	7.3%
Net income (€m)	8.90	4.32	10.27	12.45	16.16	19.90
EPS (diluted) (€)	0.45	0.22	0.53	0.65	0.84	1.04
DPS (€)	0.00	0.00	0.50	0.55	0.60	0.65
FCF (€m)	15.90	19.65	-1.55	22.08	21.11	25.02
Net gearing	7.5%	-10.8%	-20.4%	-11.3%	-15.0%	-17.9%
Liquid assets (€m)	37.87	35.15	22.38	26.66	32.16	40.54

RISKS

Risks include, but are not limited to the ability to retain management and key medical staff, legal and market risks.

COMPANY PROFILE

M1 Kliniken AG is a provider of aesthetic medical procedures at competitive prices. The company is headquartered in Berlin and controls an extensive network of ~60 beauty clinics across Germany, continental Europe, the UK, and Australia. The company also operates a pharmaceutical trade and parallel import business through its Haemato AG subsidiary.

MARKET DATA

As of 05 Jun 2024

Closing Price	€ 21.80
Shares outstanding	19.64m
Market Capitalisation	€ 428.22m
52-week Range	€ 7.22 / 22.60
Avg. Volume (12 Months)	16,852

Multiples	2023	2024E	2025E
P/E	41.1	33.6	25.9
EV/Sales	1.4	1.3	1.2
EV/EBIT	28.2	22.4	17.8
Div. Yield	2.3%	2.5%	2.8%

STOCK OVERVIEW



COMPANY DATA

As of 31 Dec 2023

Liquid Assets	€ 22.38m
Current Assets	€ 110.59m
Intangible Assets	€ 87.36m
Total Assets	€ 212.95m
Current Liabilities	€ 58.25m
Shareholders' Equity	€ 143.22m

SHAREHOLDERS

MPH Healthcare AG	69.1%
Free Float	30.9%

. . . injectables business should account for ~40% of the M1 topline in 2029 and help prod the group EBIT margin above 11%. Revved up clinic expansions normally drag on profitability, due to start-up costs, but M1 expects Beauty margins to stay north of 20%. The high profitability reported by Beauty in 2023 included an EBIT margin topping 27% for the two quarters during the April-to-September period giving us confidence in the 20% margin guide. The stable of mature clinics should help absorb enough roll-out and business ramp up costs to shield margins. We thus regard 20% more as a floor with upside to harness as newly opened clinics mature.

INVESTMENT CASE

Beauty is now a lifestyle M1 Kliniken finds itself at the vanguard of the thriving med spa economy with its network of branded beauty clinics. The company pursues a “highest quality at the best price” strategy for its cosmetic treatment services. M1 was a first mover in this segment helping make cosmetic procedures affordable for the mainstream, while also succeeding in making treatments feel less clinical with lifestyle branding and concepts.

Figure 1: Expanding network of branded beauty centres



Source: First Berlin Equity Research; M1 Kliniken

M1's strong growth trajectory was interrupted by the pandemic, but expansion has picked up steam of late with 21 openings in 2021 to 2023. A stable of 60 M1 Med Beauty clinics—including 2 new outpatient centres this year—serves as the operational backbone with several more set to come online in the coming months. This build-up has positioned M1 Med Beauty brand as the top dog in Europe, and now the company is widening its geographic lens.

More than just a boutique beauty centre In our view, M1 differentiates itself in an extremely fragmented cosmetic treatment market with a highly scalable business that is centrally orchestrated by the M1 mothership in Berlin. Strong purchasing power also entrenches M1 as a price leader and drives a self-reinforcing business model, whereby affordable pricing attracts new clients into a complete lifestyle and beauty ecosystem.



Treatment specialisation Although the company offers a full spectrum of cosmetic treatments, M1 specialises in a handful of the most popular injectable procedures providing the company with several key advantages: (1) high order volumes leading to procurement savings for materials such as botox and hyaluronic acid; (2) accelerated ramp-up of medical staff expertise; and (3) higher capacity utilisation rates throughout the clinics.

Below market pricing This business model allows M1 Kliniken to pass savings on to patients and execute its “best price” strategy, which in turn generates perpetual motion effects—highly affordable treatments self-reinforce with treatment renewals at ~4 to 6 month intervals to sustain the anti-aging effects.

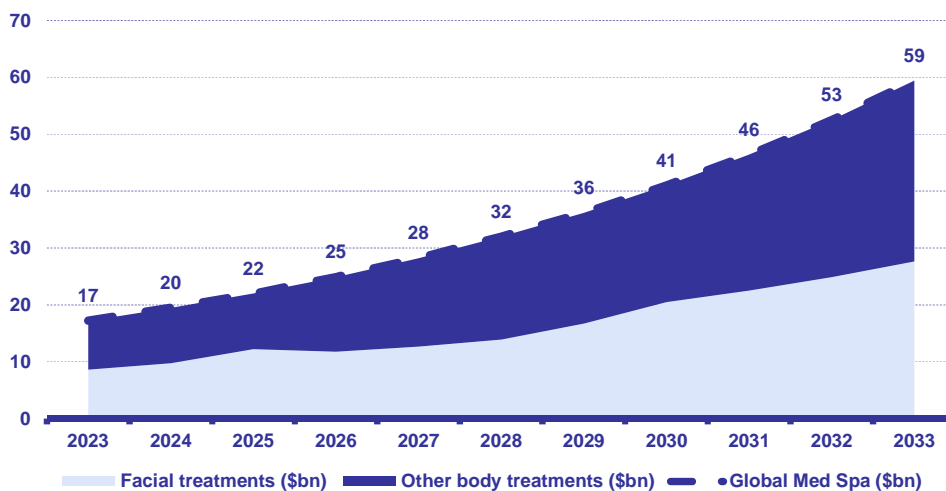
Table 1: Price comparison of most common procedures

	M1 pricing	Market pricing	Discount
Fillers	From €99	€300 to €500	67% to 80%
Botox	From €100	€200 to €250	50% to 60%
Liposuction	From €1,200	€1,500 to €5,000	20% to 76%
Breast augmentation	From €2,400	€6,000 to €8,000	60% to 70%

Source: First Berlin Equity Research; M1 Kliniken

We estimate the company can undercut rivals by an average of ~50% for most procedures (Table 1). And since these treatments are elective and self-paid, demand is highly price-sensitive, which means M1 is in essence creating market demand by making affordable treatments accessible to lower income earners.

Figure 2: Global Med Spa forecasts



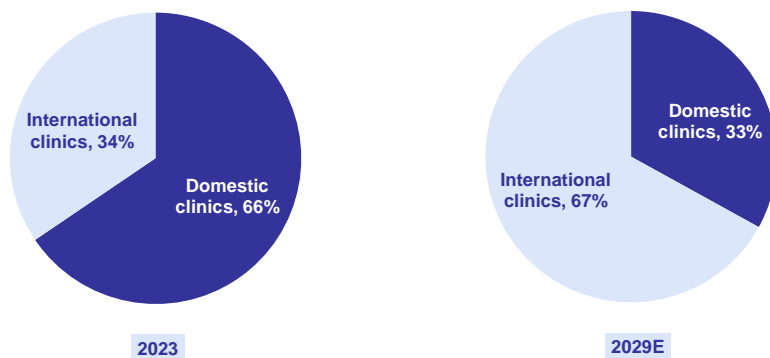
Source: First Berlin Equity Research; Market.us estimates

Bullish outlook for beauty and lifestyle economy Not so long ago, cosmetic “enhancements” were largely frowned upon. But thanks to shifting social attitudes at the turn of the century, cosmetic treatments have become commonplace. Market.us reckons the global med spa market was worth some \$17bn in 2023, while beauty-obsessed folk were thought to have shelled out close to \$10bn for fresher facial appearances last year. The data analyst sees the market climbing at a 13% CAGR for the period 2024 to 2033 to \$59bn, of which around \$28bn should fall into the facial treatments bucket. Other market watchers are equally bullish.



Addressable market is wide open To seize on this market opportunity, the lifestyle and beauty specialist wants to open up the expansion throttle and targets 150 to 200 aesthetic medicine centres by YE29. The portfolio tallied 58 centres at YE23 including 38 in its home German market and 20 abroad (figure 4). By 2029, the company thinks the portfolio will comprise roughly 67% international centres vs 33% at home, basically flipping the YE23 ratios.

Figure 3: Geographic clinic ratio YE23 vs 2029 target



Source: First Berlin Equity Research; M1 Kliniken

The company also wants to get in on the action of the beauty-obsessed American market, and we think a clinic could open its doors in Florida later in 2024. Domestic expansion is also back on the agenda for 2024 with a sharpened focus on Germany's smaller towns, where locals generally have few options for quality and affordable beauty treatments (see our note of 24 March 2024).

Figure 4: Clinic overview

Group	2012	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
German M1 Med Beauty	Berlin 1	Cologne	Nuremberg	Mannheim	Dresden	Dortmund		Kiel	Wolsburg	Kassel	Berlin IV
		Düsseldorf	Frankfurt	Münster	Hamburg 2	Stuttgart 2		Erfurt	Gräfelfing Munich	Passau	DE2
		Essen	Hanover	Wiesbaden	Munich 2	Bielefeld		Freiburg			DE3
		Munich 1	Brunswick	Leipzig	Constance	Rostock		Karlsruhe			DE4
			Stuttgart 1	Berlin 2				Augsburg			DE5
			Bremen	Berlin 3				Aachen			DE6
			Hamburg 1					Würzburg			DE7
								Potsdam			DE8
	+1	+4	+7	+6	+4	+4	+0	+8	+2	+2	+8
International M1 Med Beauty					Vienna	Melbourne	Liverpool	The Hague	Gold Coast	Bucharest	Austria 1
						Sydney	London		Brisbane	Sofia	Florida
						Amsterdam	Graz		London-Westfield		
						Rotterdam	Zagreb		Budapest		
						Linz			Glasgow		
						Zürich			Perth		
	+0	+0	+0	+0	+1	+6	+4	+1	+6	+2	+2
Surgical clinics		Schlossklinik			Frankfurt		Hamburg	Zürich			
					Munich		Hannover				
				Düsseldorf							
	+0	+1	+0	+0	+3	+0	+2	+1	+0	+0	+0

Source: First Berlin Equity Research; M1 Kliniken

M1 also says Eastern Europe looks particularly inviting given the weak competition and low wage environment to leverage M1's now proven business formula that leans on entrenched cost leadership and high quality treatments. M1 highlighted the quick path to break-even for its maiden shop in Bucharest that opened its doors in 2023.

International expansion to drag less on earnings After opening 11 beauty centres abroad in 2020 - 2022, the company brought two more international clinics online last year in Bucharest, Romania and Sofia, Bulgaria. The international portfolio now has a much higher ratio of more established clinics to offset the start-up costs of planned openings abroad. This could help keep earnings of the foreign sub-group within spitting distance of break-even this year. We note the international network posted a positive operating result in Q3/23 and narrowly missed break even in the October-to-December period.

ANNUAL REPORT 2023 HIGHLIGHTS

M1 revenue chiefly comprises the sale of pharmaceuticals, cosmeceuticals, medical products and services, all traced to the aesthetic medicine field. Audited 2023 results confirmed preliminary numbers that featured a strong showing by the Beauty segment. Group turnover rose 11% Y/Y to €316m.

Table 2: 2022 results vs FBe and prior year

EURm	Q4/23	Q4/23E	Variance	Q4/22	Variance	2023	2022	Variance
Revenue	79.7	68.8	16%	71.3	12%	316.3	285.3	11%
Beauty	17.6	15.8	11%	18.8	-6%	70.8	60.2	18%
Trade	62.1	53.0	17%	52.5	18%	245.5	225.1	9%
EBITDA	4.1	5.1	-20%	4.5	-9%	21.0	15.4	36%
Margin	5.1%	7.4%	-	6.3%	-	6.6%	5.4%	-
EBIT	2.8	2.5	12%	2.8	0%	15.7	9.3	69%
Margin	3.5%	3.6%	-	3.9%	-	5.0%	3.3%	-

Source: First Berlin Equity Research; M1 Kliniken

Beauty segment Twelve month Beauty performance was led by the German clinic network that chipped in turnover of €56m at a 28% EBIT margin, including a 24% margin in the October-to-December period. The group of international clinics narrowly missed a first-time positive EBIT result on an annualised basis, reporting €-0.2m (2022: €-2.4m). M1 opened four new beauty centres in three countries in 2023 and a further two YTD bringing the tally to 60. The overall Beauty segment racked up €71m in sales (+18% Y/Y), and the 22% EBIT margin nearly doubled the prior year comp (11.7%)

Trade segment Revenue of €246m topped the prior year comp, but EBIT (€0.2m) fell short Y/Y owing to a one-time inventory write-down for the Diagnostics segment (covid rapid test kits). This led to an impairment of some €-2.6m accounting for a drop-off in earnings. On an adjusted basis EBIT tallied €2.8m compared to €2.3m in the prior year with earnings again led by Haemato's self-payer Lifestyle & Aesthetics (L&A) segment.

Table 3: Financial highlights

in EURm	2023	2022	Variance
Liquid assets	22.4	35.1	-36%
Interest bearing debt	6.3	5.9	7%
Net cash	16.1	29.2	-45%
Intangible assets	87.4	60.3	45%
Total assets	213.0	197.0	8%
Shareholders' equity	143.2	143.1	0%
Equity ratio	67%	73%	-

Source: First Berlin Equity Research; M1 Kliniken



Capital structure features high net cash position The balance sheet total climbed 8% to €213m (2022: €197m), due mainly to the 100% acquisition of Nutri Care GmbH, which in turn boosted goodwill 82% to €62m. M1 exited the year with a strong net cash position that will help finance M1's clinic expansion without having to raise hefty sums of money, which should cheer dilution sensitive investors. The equity ratio dipped to 67% on the expanded balance sheet total traced to the aforementioned corporate activity.

Table 4: Cash flow development

in EURm	2023	2022	Variance
Operating cash flow	7.8	20.8	-63%
Cash flow from investments	-9.4	-1.1	n.a.
Free cash flow	-1.6	19.7	n.a.
Conversion rate ¹	-8%	128%	-
Cash flow from financing	-14.8	-22.4	n.a.
Consolidation adjustments	13.0	0.0	n.a.
Net cash flow	-3.4	-2.7	n.a.

¹ percent of EBITDA

Source: First Berlin Equity Research; M1 Kliniken

Net operating cash flow tallied ~€8m, thanks to the positive net result. The strong bottom line was somewhat offset by higher working capital traced to a YE inventory build-up. M1 was able to strike a deeply discounted deal for medical products required for its injectables business. Cash flow from investing (€-9m) reflects further investments in the Haemato stake and the Nutri Care deal, while the cash flow from financing result (€-15m) was chiefly impacted by the payback of loans in the course of the Direct Apotheke Venlo B.V acquisition.

Q1/24 KPIS

M1 also published KPIs for the January-to-March period building upon the good business momentum witnessed last year. Group sales were up 9.6% Y/Y to €85m, and EBIT surged 70% on the prior year comp to €6.8m (Q1/23: €4.0m). The Beauty segment again led the good performance chipping in turnover of €25m (+18% Y/Y) and EBIT of €5.4m (+50%) equal to a 21.9% margin. The latter KPI was up 460 basis points on the Q1/23 comp. Management expect the strong trends to continue. The clinic tally reached 61, and three new openings are around the corner.

Meanwhile, the Trade segment notched €60 in sales for the three month period and EBIT of €1.4m. The margin improved from 0.4% in the prior year quarter to 1.4%. M1 brass hinted they are weighing strategic options for the Haemato-driven Trade business noting that a potential exit is also under consideration, which would eliminate the dilutive impact on margins and please long-time backers.



OUTLOOK

Table 5: Mid-term guide vs 2029 FBe

	Guide	2029E		variance
		FBe (old)	FBe (new)	
YE clinic total (#)	150 to 200	105	170	62%
Revenue (€m)	200 to 300	139	213	53%

Source: First Berlin Equity Research estimates; M1 Kliniken

Mid-term corporate goals By YE29, M1 management want to operate up to 150 to 200 treatment centres with 280 to 350 doctors and cosmetic physicians. This would give the company capacity to generate revenues ranging from €200m to €300m, while holding the EBIT above 20%. The 2029 targets could prove ambitious in today's volatile world, but not impossible. We note that the previous record for clinic openings in a year is 9. M1 would have to more than double that figure to hit our 2029 total of 170 centres.

That said, we spoke with M1 brass about the accelerated expansion. They pointed out that M1 could accomplish the same mid-term revenue goals by simply increasing the number of doctors at existing facilities in lieu of opening a whole new clinic. For the sake of simplicity, we model clinic openings instead of trying to guess the eventual blend of hired beauty physicians and M1 Med Beauty centres.

Table 6: Changes to FBe and target price

	old	new	revision	upside	dividend yield	total return
Price target (€)	18.0	28.0	55.6%	28.4%	2.5%	31.0%
All figures in €'000	2024E			2025E		
	old	new	revision	old	new	revision
Revenue	329,963	333,149	1.0%	363,195	371,733	2.4%
Beauty sales	80,545	81,298	0.9%	99,116	105,078	6.0%
Trade sales	249,418	251,851	1.0%	266,655	266,655	0.0%
EBITDA	26,268	24,772	-5.7%	32,866	30,346	-7.7%
Margin (%)	8.0%	7.4%	-	9.0%	8.2%	-
EBIT	19,688	19,744	0.3%	24,829	24,879	0.2%
Margin (%)	6.0%	5.9%	-	6.8%	6.7%	-

Source: First Berlin Equity Research estimates; M1 Kliniken

Revised forecasts back-loaded We have recalibrated our targets towards the mid-point of 2029 guidance. The overhauled forecasts assume a considerably higher number of clinic roll outs starting in 2025. We now model 100 openings for the period 2025 to 2029 vs 37 new beauty centres in our prior forecasts (+70%). This means the upgraded forecasts are back loaded since new clinics need time to establish their markets.

Upping TP to €28 (old: €18) We have also tapped down our WACC estimate to 9.8% (old: 10.5%) to account for: (1) improved transparency; (2) a heftier market cap after recent stock gains; and (3) the improving profitability of the Beauty segment that can now better compensate for the low margin Trade business. Plus, the minority investment in our DCF model has been reduced to reflect the higher stake in Haemato AG (82%).



VALUATION MODEL

We believe the time is right to rev up expansion. M1 has boots on the ground in multiple countries and has garnered enormous experience to greatly improve the learning curve. Importantly, the maturity of the existing stable of clinics can help prop up profitability and absorb start costs associated with new facilities. We remain Buy-rated on M1.

Figure 5: DCF model

	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E
Sales	333,149	371,733	414,840	456,421	497,125	533,766	565,490	591,996
NOPLAT	14,808	18,659	22,839	28,976	34,760	41,213	47,286	52,869
(+) depreciation & amortisation	5,028	5,467	5,601	5,978	6,212	6,483	6,562	6,718
(=) Net operating cash flow	19,836	24,126	28,440	34,954	40,972	47,696	53,848	59,587
(-) Total investments (CapEx and WC)	-3,731	-9,544	-10,203	-10,448	-10,634	-10,454	-10,098	-9,691
(-) Capital expenditures	-4,918	-5,431	-5,638	-6,090	-6,391	-6,721	-6,842	-7,031
(-) Working capital	1,187	-4,113	-4,565	-4,358	-4,243	-3,733	-3,256	-2,661
(=) Free cash flows (FCF)	16,105	14,582	18,237	24,506	30,338	37,242	43,750	49,895
PV of FCF's	15,258	12,576	14,319	17,516	19,741	22,061	23,593	24,495

All figures in EUR '000		Terminal EBIT margin							
		11.9%	12.4%	12.9%	13.4%	13.9%	14.4%	14.9%	
PV of FCFs in explicit period	199,474	6.8%	42.97	44.82	46.67	48.52	50.37	52.21	54.06
PV of FCFs in terminal period	324,519	7.8%	35.08	36.48	37.88	39.28	40.68	42.08	43.48
Enterprise value (EV)	523,992	8.8%	29.51	30.61	31.71	32.80	33.90	34.99	36.09
+ Net cash / - net debt	16,132	9.8%	25.39	26.27	27.14	28.02	28.89	29.77	30.65
+ Investments / minority interests	-2,395	10.8%	22.22	22.93	23.64	24.36	25.07	25.78	26.49
Shareholder value	537,729	11.8%	19.71	20.30	20.88	21.47	22.06	22.64	23.23
Fair value per share in EUR	28.00	12.8%	17.67	18.16	18.65	19.14	19.63	20.12	20.61

		Terminal growth rate							
		0.5%	1.0%	1.5%	2.0%	2.5%	3.0%	3.5%	
Cost of equity	10.4%	6.8%	39.71	42.15	45.03	48.52	52.80	58.20	65.22
Pre-tax cost of debt	7.0%	7.8%	33.46	35.12	37.03	39.28	41.95	45.17	49.12
Tax rate	25.0%	8.8%	28.76	29.93	31.27	32.80	34.57	36.65	39.12
After-tax cost of debt	5.3%	9.8%	25.10	25.97	26.93	28.02	29.25	30.67	32.31
Share of equity capital	90.0%	10.8%	22.19	22.84	23.56	24.36	25.25	26.26	27.40
Share of debt capital	10.0%	11.8%	19.83	20.33	20.87	21.47	22.13	22.87	23.70
WACC	9.8%	12.8%	17.87	18.26	18.68	19.14	19.65	20.20	20.82

*Please note our model runs through 2033 and we have only shown the abbreviated version for formatting purposes



INCOME STATEMENT

	2021	2022	2023	2024E	2025E	2026E
Revenues	314,610	285,291	316,319	333,149	371,733	414,840
Cost of goods sold	-259,305	-235,211	-266,075	-274,710	-298,089	-323,609
Gross profit	55,305	50,080	50,244	58,439	73,644	91,230
Personnel expenses	-22,129	-20,946	-17,375	-19,864	-25,546	-32,555
Other operating expenses	-16,232	-15,207	-13,533	-14,814	-19,051	-24,278
Other operating income	879	1,483	1,675	1,010	1,299	1,655
EBITDA	17,823	15,410	21,011	24,772	30,346	36,053
Depreciation & amortisation	-5,688	-6,062	-5,311	-5,028	-5,467	-5,601
Operating income (EBIT)	12,135	9,348	15,700	19,744	24,879	30,452
Net financial result	963	31	-565	-1,414	-1,485	-1,559
Other financial results	1,327	854	1,311	787	818	851
Pre-tax income (EBT)	14,425	10,232	16,446	19,117	24,212	29,743
Tax result	-3,545	-3,162	-4,779	-5,279	-6,253	-7,636
Minority interests	-1,975	-2,753	-1,392	-1,384	-1,796	-2,211
Net income / loss	8,905	4,317	10,275	12,454	16,163	19,897
Diluted EPS (in €)	0.45	0.22	0.53	0.65	0.84	1.04
Ratios						
Gross margin	17.6%	17.6%	15.9%	17.5%	19.8%	22.0%
EBITDA margin	5.7%	5.4%	6.6%	7.4%	8.2%	8.7%
EBIT margin	3.9%	3.3%	5.0%	5.9%	6.7%	7.3%
Net margin	2.8%	1.5%	3.2%	3.7%	4.3%	4.8%
Tax rate	24.6%	23.3%	36.6%	25.0%	25.0%	25.0%
Expenses as % of revenues						
Personnel costs	7.0%	7.3%	5.5%	6.0%	6.9%	7.8%
Other operating expenses	5.2%	5.3%	4.3%	4.4%	5.1%	5.9%
Depreciation & amortisation	1.8%	2.1%	1.7%	1.5%	1.5%	1.4%
Y-Y Growth						
Revenues	97.1%	-9.3%	10.9%	5.3%	11.6%	11.6%
Operating income	175.5%	-23.0%	68.0%	25.8%	26.0%	22.4%
Net income/ loss	30.5%	-51.5%	138.0%	21.2%	29.8%	23.1%



BALANCE SHEET

	2020	2021	2022	2023	2024E	2025E	2026E
Assets							
Current assets, total	122,406	110,195	107,308	110,589	98,170	109,711	124,734
Cash and cash equivalents	21,960	37,868	35,149	22,382	26,656	32,157	40,540
Short-term investments	32,184	18,155	17,102	4,103	4,226	4,353	4,483
Receivables	20,480	16,308	21,773	28,021	25,557	28,517	31,823
Inventories	42,327	35,202	27,586	45,526	30,858	33,484	36,351
Other current assets	5,455	2,662	5,699	10,557	10,874	11,200	11,536
Non-current assets, total	66,336	87,916	89,716	102,364	102,255	102,219	102,257
Property, plant & equipment	15,763	15,267	17,178	13,794	13,901	14,019	14,139
Goodwill & other intangibles	38,328	60,393	60,270	87,362	87,144	86,991	86,909
Financial assets	12,003	12,003	12,003	939	939	939	939
Other assets	242	253	265	270	270	270	270
Total assets	188,741	198,111	197,025	212,954	200,425	211,930	226,990
Shareholders' equity & debt							
Current liabilities, total	58,070	43,417	37,466	58,249	42,990	46,731	50,835
Short-term debt	25,536	18,432	2,842	4,375	3,000	3,000	3,000
Accounts payable	15,841	12,845	19,222	33,256	17,310	18,784	20,392
Accruals	3,506	3,821	3,977	7,269	7,996	8,795	9,675
Other current liabilities	13,187	8,319	11,425	13,349	14,684	16,152	17,768
Long-term liabilities, total	15,353	14,791	16,508	11,481	12,139	12,499	12,864
Long-term debt	5,027	4,375	3,125	1,875	1,875	1,875	1,875
Other liabilities	1,569	2,289	3,059	1,782	2,283	2,484	2,686
Shareholders' equity	85,754	95,026	95,520	113,249	113,938	119,545	127,927
Minority interests	29,565	44,877	47,531	29,975	31,359	33,154	35,365
Total equity	115,319	139,903	143,051	143,223	145,296	152,700	163,292
Total consolidated equity and debt	188,741	198,111	197,025	212,954	200,425	211,930	226,990
Ratios							
Current ratio (x)	7.9	4.1	2.1	2.5	2.9	1.9	2.3
Quick ratio (x)	7.6	4.0	1.4	1.7	2.1	1.1	1.6
Net debt/(net cash)	-25,234	-6,638	8,603	-15,061	-29,182	-16,132	-21,781
Net debt / EBITDA	1.0	-0.8	-1.9	-0.8	-0.9	-0.9	-1.0
Net gearing	-29.4%	-7.0%	9.0%	-13.3%	-25.6%	-13.5%	-17.0%
Equity ratio	61.1%	70.6%	72.6%	67.3%	72.5%	72.1%	71.9%
Book value per share (in €)	4.4	4.8	4.9	5.8	5.8	6.1	6.5
Return on equity (ROE)	8.0%	9.4%	4.5%	9.1%	10.9%	13.5%	15.6%



CASH FLOW STATEMENT

	2020	2021	2022	2023	2024E	2025E	2026E
Net income	7,427	10,880	7,070	11,667	13,837	17,959	22,108
Depreciation and amortisation	4,483	5,644	5,862	5,311	5,028	5,467	5,601
Tax expense	1,352	3,545	3,163	4,779	5,279	6,253	7,636
Other adjustments	-4,213	-1,150	-729	-1,347	-787	-818	-851
Net interest result	417	437	199	629	1,414	1,485	1,559
Operating cash flow	9,466	19,356	15,565	21,039	24,772	30,346	36,053
Changes in working capital	-595	-3,650	7,585	-8,851	2,966	-2,137	-2,372
Tax paid	-726	-30	-2,164	-4,381	-4,779	-6,053	-7,436
Net operating cash flow	9,538	15,686	20,769	7,809	22,959	22,155	26,244
CapEx	-1,446	-1,335	-1,773	-1,009	-1,666	-1,859	-2,074
Other investments and disposals	4,390	1,069	28	-9,048	787	818	851
Interest income	172	479	630	694	0	0	0
Cash flow from investing	3,116	213	-1,115	-9,363	-879	-1,041	-1,223
Free cash flow	12,654	15,899	19,654	-1,554	22,080	21,115	25,021
Debt financing, net	4,043	-4,219	-13,405	-28,372	-1,375	0	0
Equity financing, net	0	14,485	0	0	0	0	0
Paid dividend	-129	-1,658	-1,823	-1,981	-9,681	-10,556	-11,515
Interest expense	-335	-506	-399	-888	-1,414	-1,485	-1,559
Share buy-back	0	0	-2,146	7,577	-2,084	0	0
Redemption rights	-3,201	-4,075	-4,594	-4,157	-3,252	-3,573	-3,564
Cash flow from financing	378	4,027	-22,367	-27,821	-17,806	-15,613	-16,638
Consolidation adjustments	-4,175	0	0	16,536	0	0	0
Net cash flow	8,857	19,913	-2,720	-12,767	4,274	5,502	8,383
Cash, start of the year	9,098	21,960	37,868	35,149	22,382	26,656	32,157
Cash, end of the year	21,960	37,868	35,149	22,382	26,656	32,157	40,540
EBITDA/share (in €)	0.48	0.91	0.78	1.09	1.29	1.58	1.88
Y-Y Growth							
Operating cash flow	-23.3%	104.5%	-19.6%	35.2%	17.7%	22.5%	18.8%
Free cash flow	n.m.	25.6%	23.6%	n.m.	n.m.	-4.4%	18.5%
EBITDA/share	-26.3%	89.7%	-13.5%	38.3%	18.9%	22.5%	18.8%

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Category		1	2
Current market capitalisation (in €)		0 - 2 billion	> 2 billion
Strong Buy ¹	An expected favourable price trend of:	> 50%	> 30%
Buy	An expected favourable price trend of:	> 25%	> 15%
Add	An expected favourable price trend of:	0% to 25%	0% to 15%
Reduce	An expected negative price trend of:	0% to -15%	0% to -10%
Sell	An expected negative price trend of:	< -15%	< -10%

¹ The expected price trend is in combination with sizable confidence in the quality and forecast security of management.

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Report No.:	Date of publication	Previous day closing price	Recommendation	Price target
Initial Report	2 December 2021	€6.98	Buy	€14.00
2...5	↓	↓	↓	↓
6	31 August 2022	€4.70	Buy	€11.70
7	24 November 2022	€4.84	Buy	€11.10
8	2 May 2023	€7.78	Buy	€10.50
9	26 June 2023	€7.28	Buy	€10.50
10	28 September 2023	€9.16	Buy	€11.90
11	20 December 2023	€10.10	Buy	€13.20
12	26 March 2024	€12.70	Buy	€18.00
13	4 June 2024	€21.40	Buy	€18.00
14	Today	€21.80	Buy	€28.00

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