

HAEMATO AG

Germany / Pharma
 Frankfurt
 Bloomberg: HAE GR
 ISIN: DE0006190705

2016 Annual Results

RATING
BUY

PRICE TARGET
€ 8.40

Return Potential 26.1%
 Risk Rating High

PRIMED FOR ANOTHER YEAR OF GROWTH

Full year results confirmed the preliminary headline figures. Revenues rose 20% Y/Y to €276m and were just below our target (FBe: €281m). Gross profit beat our figure on a stronger than expected margin, which increased some 50 basis points to 7.1% in 2016 (FBe: 6.7%). HAEMATO generated net income (NI) of €11.0m for 2016 and will pay out a €0.30 dividend to shareholders matching the previous year distribution. The company is also set to launch its first HAEMATO branded product this year. Our updated DCF model yields a €8.40 price target, which corresponds to a Buy rating.

Solid prospects for further growth in 2017 Current sales momentum is spurred by favourable market conditions for cancer therapy and oncology products, where HAEMATO traditionally generates some 60% of its turnover. Operations are benefiting from improved sourcing and higher margin products in the sales mix, which pushed the gross margin north of 7% last year. HAEMATO is also poised to launch its own branded hyaluronic acid product with a much higher margin structure. We see this as a pivotal step in the evolution of HAEMATO's operations. Traction with proprietary medical products can potentially offset some of the sourcing fluctuations associated with the parallel import and generics operations. Finally, regulatory uncertainty has stabilised after the German Federal Council upheld the import quota in a November 2016 vote. In our view, HAEMATO is well positioned to continue its growth trend this year with an eye on improving profitability.

Higher margin products drive higher profitability Revenue growth was driven chiefly by the parallel import business, which benefited from overall growth (4.1%) in the German pharmaceuticals market last year. This was spearheaded by growth of 17% - 22% for cancer therapy. Brisk sales were supported by higher margins throughout the year. The H1 gross margin (GM) stood at 6.9% and increased to 7.3% in the second half of the year. We trace this to the increased sales of higher margin products in the overall mix. (p.t.o.)

FINANCIAL HISTORY & PROJECTIONS

| | 2014 | 2015 | 2016 | 2017E | 2018E | 2019E |
|--------------------|--------|--------|--------|--------|--------|--------|
| Revenue (€m) | 202.67 | 229.73 | 275.61 | 311.62 | 345.90 | 383.95 |
| Y/Y growth | 16.8% | 13.3% | 20.0% | 13.1% | 11.0% | 11.0% |
| EBIT (€m) | 8.23 | 8.22 | 13.44 | 11.20 | 12.83 | 14.25 |
| EBIT margin | 4.1% | 3.6% | 4.9% | 3.6% | 3.7% | 3.7% |
| Net income (€m) | 6.98 | 5.54 | 11.04 | 9.13 | 10.35 | 11.12 |
| EPS (diluted) (€) | 0.34 | 0.27 | 0.53 | 0.44 | 0.50 | 0.54 |
| DPS (€) | 0.30 | 0.30 | 0.30 | 0.30 | 0.30 | 0.34 |
| FCF (€m) | 4.73 | 0.95 | 10.95 | -0.34 | 6.88 | 7.13 |
| Net gearing | 44.2% | 53.8% | 25.9% | 21.2% | 19.6% | 17.9% |
| Liquid assets (€m) | 2.42 | 2.45 | 9.79 | 21.63 | 23.36 | 23.20 |

RISKS

Regulatory changes in healthcare systems, spending cuts in healthcare systems, homogenization of pharmaceutical prices within the European Union.

COMPANY PROFILE

HAEMATO AG, a subsidiary of MPH Mittelständische Pharma Holding AG, is a pharma company focusing on the sale of generics and parallel imports in high priced niches. The company is targeting selected pharmaceutical products in a small number of clinical indications such as oncology or HIV.

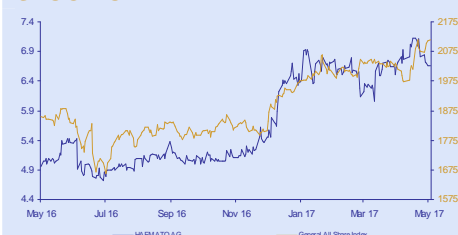
MARKET DATA

As of 08 May 2017

| | |
|-------------------------|---------------|
| Closing Price | € 6.66 |
| Shares outstanding | 21.58m |
| Market Capitalisation | € 143.72m |
| 52-week Range | € 4.72 / 7.13 |
| Avg. Volume (12 Months) | 21,767 |

| Multiples | 2016 | 2017E | 2018E |
|------------|------|-------|-------|
| P/E | 12.5 | 15.2 | 13.4 |
| EV/Sales | 0.6 | 0.5 | 0.5 |
| EV/EBIT | 11.9 | 14.3 | 12.5 |
| Div. Yield | 4.5% | 4.5% | 4.5% |

STOCK OVERVIEW



COMPANY DATA

As of 31 Dec 2016

| | |
|----------------------|-----------|
| Liquid Assets | € 9.79m |
| Current Assets | € 59.43m |
| Intangible Assets | € 34.58m |
| Total Assets | € 116.77m |
| Current Liabilities | € 28.71m |
| Shareholders' Equity | € 63.09m |

SHAREHOLDERS

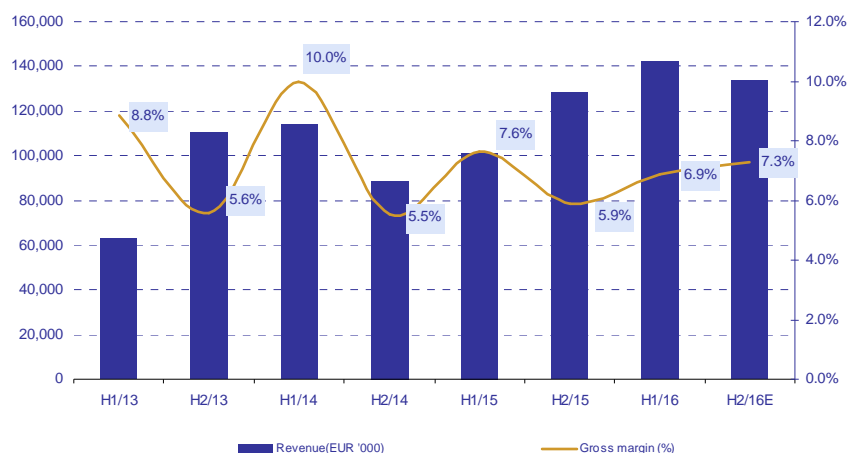
| | |
|-------------------------|-------|
| MPH AG | 50.1% |
| Baring Asset Management | 2.9% |
| Free Float | 47.0% |

Table 1: Results vs forecasts

| All figures in EUR '000 | H2 2016 | H2 2016E | % delta | H2 2015 | % delta | 2016 | 2015 | % delta |
|-------------------------|---------|----------|---------|---------|---------|---------|---------|---------|
| Revenue | 133,340 | 138,000 | -3.4% | 128,250 | 4.0% | 275,614 | 229,727 | 20.0% |
| Gross profit | 9,689 | 9,142 | 6.0% | 7,534 | 28.6% | 19,469 | 15,273 | 27.5% |
| Margin (%) | 7.3% | 6.6% | - | 5.9% | - | 7.1% | 6.6% | - |
| EBIT | 7,585 | 4,735 | 60.2% | 4,014 | 89.0% | 13,441 | 8,225 | 63.4% |
| Margin (%) | 5.7% | 3.4% | - | 3.1% | - | 4.9% | 3.6% | - |
| Net Income | 6,622 | 3,659 | 81.0% | 2,772 | 138.9% | 11,037 | 5,539 | 99.3% |
| Margin (%) | 5.0% | 2.7% | - | 2.2% | - | 4.0% | 2.4% | - |

Source: First Berlin Equity Research; HAEMATO

Gross profit for the year amounted to €19.5m thus topping our €18.9m target despite the minor shortfall to our top line forecast. HAEMATO sources pharmaceuticals for its parallel import business from a variety of regions, which can lead to price swings when supply is short. Moreover, HAEMATO continues to expand its product offering (currently over 800 medications), and each new pharmaceutical requires an import approval that adds to the direct costs. The company is set to launch the first of its own branded products in Q4. Hyaluronic acid is a lifestyle and beauty product to address this booming industry. We believe the margin structure will be highly attractive and help smooth the margin fluctuations in the core business as shown below.

Figure 1: Revenue and gross margin development

Source: First Berlin Equity Research; HAEMATO

Operational structure stable Personnel expenses climbed to €6.0m in 2015 compared to €5.4m in the prior year. The 11% Y/Y rise is mainly occasioned by the increase in staff to facilitate the higher sales volumes. The company employed an average staff of 181 employees in 2016 (2015: 173). Other operating expenses increased some 29% Y/Y to €8.4m (2014: €6.5m). This was caused by one-off bank fees associated with last year's debt portfolio optimisation, which resulted in improved financing terms for the company. Other operating income of €10.2m (2015: 6.6m) was much higher than expected (FBe: €7.1m). This line item consists mainly of revaluation gains on the financial assets.



Thanks largely to the higher GM and the other operating income result, EBIT increased to €13.4m for the year (2015: €8.2m) equating to a 4.9% margin (2015: 3.6%). On a six month basis, EBIT totalled €7.6m at a 5.6% margin. The strong deviation from our targets stems chiefly from the higher other operating income result. The net financial result amounted to €1.2m (2015: €2.2m). HAEMATO doubled NI to €11.0m vs €5.5m in the prior year corresponding to EPS of €0.53 (2015: €0.27).

Balance sheet remains solid; boosted by recent capital increase Total assets grew to €117m (2015: €107m), mainly due the increase in non-current financial assets to €16.7m (2014: €12.5m). These include stakes in listed companies. Net debt, including the €5.2m participation certificate, totalled €16.3m at year end. Shareholders' equity improved to €63.1m (2015: €58.3m) after distributing dividends of €6.2m to shareholders. The equity ratio remained stable at 54% vs 55% in 2015.

Table 2: Balance sheet KPIs

| All figures in EUR '000 | 2016 | 2015 | Delta |
|---------------------------------------|---------|---------|--------|
| Cash | 9,790 | 2,449 | 299.7% |
| Short-term investments | 2,813 | 2,791 | 0.8% |
| Financial debt (short- and long-term) | 26,120 | 28,617 | -8.7% |
| Net debt | 16,331 | 26,168 | -37.6% |
| Total assets | 116,774 | 106,989 | 9.1% |
| Shareholders' equity | 63,091 | 58,289 | 8.2% |
| Equity ratio | 54.0% | 54.5% | - |

Source: First Berlin Equity Research; HAEMATO

On 5 May, the company announced the placement of 1,201,102 new shares from its authorised capital at €6.20 per share. Consequently, the share capital increased to 21.98m shares (previously: 20.78m). Gross proceeds of some €7.4m will strengthen the balance sheet and facilitate the growth strategy including the expansion into branded medical products.

Operational performance drives free cash flow Net operating cash flow totalled €10.9m for the year compared to €1.4m 2014. The sharp increase can be traced to the strong bottom line growth (+99%) and working capital improvements. Cash flow from investing totalled €0.0m in 2016 resulting in free cash flow €10.9m for the year. Cash flow from financing amounted to €-3.6m owing mainly to the dividend payout to shareholders. Thus, change in cash for the year equalled €2.4m leaving HAEMATO with some €9.8m in cash and equivalents on the balance sheet (2015: €2.5m).



Updating forecasts to reflect margin environment We have edged our GM assumption higher to 6.9% (previously: 6.6%) to reflect the favourable market conditions including exchange rate effects. The company is set to introduce its first medical product into the market with the launch of its own hyaluronic acid in Q4/17, which we believe will support a more stable GM going forward. However, we expect to see the first meaningful sales volumes in 2018. We look for operating expenses to come at 2.6% of revenue compared to 3.1% in 2016. The jump stemmed from the aforementioned one-off bank fees. We have lowered our tax expense estimates for the next two years. We believe HAEMATO will benefit from tax loss carried forwards (TLFC) in connection with its wholly owned subsidiary HAEMATO Pharm.

Table 3: Changes to our forecasts

| All figures in € '000 | 2017E | | | 2018E | | |
|-----------------------|---------|---------|---------|---------|---------|---------|
| | old | new | % delta | old | new | % delta |
| Revenue | 311,670 | 311,625 | 0.0% | 345,953 | 345,904 | 0.0% |
| Gross profit | 20,724 | 21,502 | 3.8% | 23,525 | 23,867 | 1.5% |
| Margin (%) | 6.6% | 6.9% | - | 6.8% | 6.9% | - |
| EBIT | 10,849 | 11,202 | 3.3% | 12,625 | 12,831 | 1.6% |
| Margin (%) | 3.5% | 3.6% | - | 3.6% | 3.7% | - |
| Net income | 8,164 | 9,129 | 11.8% | 9,180 | 10,346 | 12.7% |
| EPS diluted (€) | 0.39 | 0.44 | 11.8% | 0.44 | 0.50 | 12.7% |

Source: First Berlin Equity Research



VALUATION MODEL

| All figures in EUR '000 | 2017E | 2018E | 2019E | 2020E | 2021E | 2022E | 2023E | 2024E |
|------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Sales | 311,625 | 345,904 | 383,953 | 424,268 | 466,695 | 508,697 | 549,393 | 582,357 |
| NOPLAT | 8,514 | 9,752 | 10,833 | 12,414 | 14,072 | 15,802 | 17,768 | 19,491 |
| + depreciation & amortisation | 1,450 | 1,213 | 1,065 | 976 | 925 | 902 | 891 | 641 |
| Net operating cash flow | 9,963 | 10,964 | 11,899 | 13,390 | 14,997 | 16,703 | 18,659 | 20,132 |
| - total investments (CAPEX and WC) | -1,863 | -4,708 | -5,127 | -5,438 | -4,528 | -4,309 | -5,380 | -2,976 |
| Capital expenditures | -606 | -653 | -627 | -669 | -710 | -746 | -775 | -731 |
| Working capital | -1,257 | -4,054 | -4,500 | -4,768 | -3,817 | -3,563 | -4,605 | -2,245 |
| Free cash flows (FCF) | 8,101 | 6,257 | 6,771 | 7,952 | 10,469 | 12,394 | 13,279 | 17,155 |
| PV of FCF's | 7,631 | 5,372 | 5,299 | 5,672 | 6,806 | 7,343 | 7,170 | 8,443 |

| All figures in thousands | |
|------------------------------------|---------|
| PV of FCFs in explicit period | 102,044 |
| PV of FCFs in terminal period | 88,047 |
| Enterprise value (EV) | 190,090 |
| + Net cash / - net debt (2016) | -16,331 |
| + Investments / minority interests | 0 |
| Shareholder value | 173,760 |
| Fair value per share (€) | 8.36 |

| | |
|-------------------------|-------|
| Cost of equity | 14.3% |
| Pre-tax cost of debt | 5.5% |
| Tax rate | 24.0% |
| After-tax cost of debt | 4.2% |
| Share of equity capital | 55.0% |
| Share of debt capital | 45.0% |
| WACC | 9.7% |

| | | Terminal growth rate | | | | | | |
|------|-------|----------------------|-------|-------|-------|-------|-------|-------|
| | | 0.0% | 0.5% | 1.0% | 1.5% | 2.0% | 2.5% | 3.0% |
| WACC | 6.7% | 12.75 | 13.39 | 14.14 | 15.04 | 16.12 | 17.47 | 19.17 |
| | 7.7% | 10.58 | 11.01 | 11.50 | 12.06 | 12.73 | 13.53 | 14.49 |
| | 8.7% | 8.94 | 9.23 | 9.56 | 9.94 | 10.38 | 10.89 | 11.48 |
| | 9.7% | 7.66 | 7.87 | 8.10 | 8.36 | 8.66 | 9.00 | 9.38 |
| | 10.7% | 6.63 | 6.79 | 6.96 | 7.14 | 7.35 | 7.59 | 7.85 |
| | 11.7% | 5.80 | 5.92 | 6.04 | 6.18 | 6.33 | 6.49 | 6.68 |
| | 12.7% | 5.11 | 5.20 | 5.29 | 5.40 | 5.51 | 5.63 | 5.76 |

*Please note our model runs through 2030 and we have only shown the abbreviated version for formatting purposes



INCOME STATEMENT

| All figures in EUR '000 | 2014 | 2015 | 2016 | 2017E | 2018E | 2019E |
|----------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Revenues | 202,674 | 229,727 | 275,614 | 311,625 | 345,904 | 383,953 |
| Cost of goods sold | -186,376 | -214,454 | -256,145 | -290,123 | -322,036 | -357,460 |
| Gross profit | 16,298 | 15,273 | 19,469 | 21,502 | 23,867 | 26,493 |
| Personnel expenses | -4,501 | -5,409 | -6,005 | -6,856 | -7,264 | -7,564 |
| Other OpEx | -6,009 | -6,462 | -8,420 | -8,227 | -9,132 | -10,136 |
| Other income | 4,501 | 6,622 | 10,202 | 6,232 | 6,572 | 6,527 |
| EBITDA | 10,289 | 10,024 | 15,246 | 12,652 | 14,044 | 15,320 |
| Depreciation & amortisation | -2,056 | -1,799 | -1,805 | -1,450 | -1,213 | -1,065 |
| Operating income (EBIT) | 8,233 | 8,225 | 13,441 | 11,202 | 12,831 | 14,254 |
| Net financial result | -1,366 | -2,197 | -1,182 | -1,692 | -1,883 | -1,899 |
| Pre-tax income (EBT) | 6,867 | 6,028 | 12,259 | 9,510 | 10,948 | 12,356 |
| Income taxes | 112 | -489 | -1,222 | -380 | -602 | -1,236 |
| Minority interests | 0 | 0 | 0 | 0 | 0 | 0 |
| Net income / loss | 6,979 | 5,539 | 11,037 | 9,129 | 10,346 | 11,120 |
| Diluted EPS (in €) | 0.34 | 0.27 | 0.53 | 0.44 | 0.50 | 0.54 |
| Ratios | | | | | | |
| Gross margin | 8.0% | 6.6% | 7.1% | 6.9% | 6.9% | 6.9% |
| EBIT margin on revenues | 4.1% | 3.6% | 4.9% | 3.6% | 3.7% | 3.7% |
| EBITDA margin on revenues | 5.1% | 4.4% | 5.5% | 4.1% | 4.1% | 4.0% |
| Net margin on revenues | 3.4% | 2.4% | 4.0% | 2.9% | 3.0% | 2.9% |
| Tax rate | -1.6% | 8.1% | 10.0% | 15.0% | 19.0% | 20.3% |
| Expenses as % of revenues | | | | | | |
| Personnel expenses | -2.2% | -2.4% | -2.2% | -2.2% | -2.1% | -2.0% |
| Other OpEx | -3.0% | -2.8% | -3.1% | -2.6% | -2.6% | -2.6% |
| Depreciation & amortisation | -1.0% | -0.8% | -0.7% | -0.5% | -0.4% | -0.3% |
| Y-Y Growth | | | | | | |
| Revenues | 16.8% | 13.3% | 20.0% | 13.1% | 11.0% | 11.0% |
| Operating income | -17.1% | -0.1% | 63.4% | -16.7% | 14.5% | 11.1% |
| Net income/ loss | -16.7% | -20.6% | 99.3% | -17.3% | 13.3% | 7.5% |



BALANCE SHEET

| All figures in EUR '000 | 2014 | 2015 | 2016 | 2017E | 2018E | 2019E |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| Assets | | | | | | |
| Current assets, total | 51,559 | 52,860 | 59,431 | 76,982 | 84,015 | 89,756 |
| Cash and equivalents | 2,424 | 2,449 | 9,790 | 21,632 | 23,355 | 23,204 |
| ST financial assets and securities | 2,743 | 2,791 | 7,084 | 7,084 | 7,084 | 7,084 |
| Trade receivables | 10,478 | 4,725 | 4,118 | 4,269 | 4,738 | 5,260 |
| Inventories | 34,188 | 41,677 | 37,893 | 42,127 | 46,761 | 51,905 |
| Other ST assets | 1,727 | 1,218 | 546 | 1,870 | 2,075 | 2,304 |
| Non-current assets, total | 50,142 | 54,129 | 57,342 | 57,243 | 57,308 | 57,517 |
| Property, plant & equipment | 1,094 | 1,308 | 1,178 | 1,247 | 1,331 | 1,350 |
| Goodwill & other intangibles | 41,354 | 40,213 | 39,259 | 38,346 | 37,703 | 37,245 |
| Financial assets | 7,480 | 12,474 | 16,769 | 17,339 | 17,929 | 18,538 |
| Deferred taxes | 214 | 134 | 136 | 312 | 346 | 384 |
| Total assets | 101,702 | 106,989 | 116,772 | 134,225 | 141,322 | 147,274 |
| Shareholders' equity & debt | | | | | | |
| Current liabilities, total | 25,663 | 35,588 | 28,709 | 34,818 | 36,560 | 31,531 |
| Trade payables | 7,244 | 5,684 | 6,410 | 9,538 | 10,587 | 11,752 |
| ST debt | 12,554 | 21,636 | 1,912 | 12,688 | 12,688 | 5,736 |
| Provisions | 3,243 | 4,309 | 7,187 | 7,295 | 7,404 | 7,515 |
| Other ST financial liabilities | 474 | 539 | 813 | 623 | 692 | 768 |
| Other current liabilities | 2,148 | 3,420 | 12,387 | 4,674 | 5,189 | 5,759 |
| Long-term liabilities, total | 17,056 | 13,112 | 24,972 | 26,092 | 27,576 | 34,030 |
| Long-term debt | 15,959 | 12,190 | 24,209 | 24,521 | 25,834 | 32,097 |
| LT provisions | 20 | 21 | 13 | 13 | 13 | 13 |
| Deferred tax liabilities | 1,077 | 901 | 750 | 1,558 | 1,730 | 1,920 |
| Shareholders' equity | 58,982 | 58,289 | 63,092 | 73,315 | 77,187 | 81,713 |
| Total consolidated equity and debt | 101,702 | 106,989 | 116,772 | 134,225 | 141,322 | 147,274 |
| Ratios | | | | | | |
| Current ratio (x) | 2.0 | 1.5 | 2.1 | 2.2 | 2.3 | 2.8 |
| Quick ratio (x) | 0.7 | 0.3 | 0.8 | 1.0 | 1.0 | 1.2 |
| Net debt | 26,089 | 31,377 | 16,331 | 15,576 | 15,166 | 14,630 |
| Net gearing | 44% | 54% | 26% | 21% | 20% | 18% |
| Return on equity (ROE) | 11.8% | 9.5% | 17.5% | 12.5% | 13.4% | 13.6% |
| Capital employed (CE) | 45,285.6 | 47,655.2 | 41,453.5 | 41,866.4 | 45,361.4 | 49,423.6 |
| Return on capital employed (ROCE) | 18% | 17% | 32% | 27% | 28% | 29% |



CASH FLOW STATEMENT

| All figures in EUR '000 | 2014 | 2015 | 2016 | 2017E | 2018E | 2019E |
|--|---------------|--------------|---------------|---------------|---------------|---------------|
| Pre-tax income | 6,867 | 6,028 | 12,259 | 9,510 | 10,948 | 12,356 |
| Depreciation and amortisation | 2,056 | 1,799 | 1,805 | 1,450 | 1,213 | 1,065 |
| Change to LT accruals | -57 | 1,712 | 1,828 | 0 | 0 | 0 |
| Change in financial asset valuations | -3,185 | -4,994 | -9,657 | -570 | -590 | -610 |
| Asset disposals | -4,447 | -899 | 59 | 0 | 0 | 0 |
| Interest income | -185 | -8 | -44 | -10 | -10 | -10 |
| Interest expense | 1,551 | 1,629 | 1,858 | 1,583 | 1,893 | 1,909 |
| Change in trade rec & other assets | 6,645 | 4,947 | 1,137 | -1,650 | -710 | -788 |
| Change in inventory | -3,402 | -7,489 | 3,784 | -4,234 | -4,634 | -5,144 |
| Change in payable & other liabilities | 2,989 | 786 | 902 | -3,858 | 1,913 | 2,113 |
| Operating cash flow | 8,832 | 3,510 | 13,931 | 2,220 | 10,023 | 10,892 |
| Interest income | 183 | 8 | 44 | 10 | 10 | 10 |
| Interest expense paid | -1,551 | -1,629 | -1,858 | -1,583 | -1,893 | -1,909 |
| Tax paid | -902 | -489 | -1,222 | -380 | -602 | -1,236 |
| Net operating cash flow | 6,561 | 1,400 | 10,895 | 267 | 7,538 | 7,757 |
| CapEx | -5,645 | -796 | 52 | -606 | -653 | -627 |
| Proceeds from disposal of fixed assets | 3,813 | 342 | 0 | 0 | 0 | 0 |
| Cash flow from investing | -1,832 | -454 | 52 | -606 | -653 | -627 |
| Free cash flow (FCF) | 4,729 | 946 | 10,947 | -339 | 6,885 | 7,130 |
| Equity inflow, net | 430 | 0 | 0 | 7,327 | 0 | 0 |
| Debt inflow, net | 183 | 5,313 | 1,695 | 11,089 | 1,313 | -688 |
| Dividend paid to shareholders | -6,234 | -6,234 | -5,301 | -6,234 | -6,474 | -6,594 |
| Cash flow from financing | -5,621 | -921 | -3,606 | 12,182 | -5,161 | -7,282 |
| Net cash flows | -892 | 25 | 7,341 | 11,843 | 1,723 | -151 |
| Cash, start of the year | 3,316 | 2,424 | 2,449 | 9,790 | 21,632 | 23,355 |
| Cash, end of the year | 2,424 | 2,449 | 9,790 | 21,632 | 23,355 | 23,204 |
| EBITDA/share (in €) | 0.50 | 0.48 | 0.73 | 0.59 | 0.64 | 0.70 |
| Y-Y Growth | | | | | | |
| Operating cash flow | n.m. | -78.7% | 678.1% | -97.6% | 2726.4% | 2.9% |
| Free cash flow | n.m. | -80.0% | 1056.9% | n.m. | n.m. | 3.6% |
| EBITDA/share | -17.4% | -2.6% | 52.1% | -20.1% | 9.0% | 9.1% |

FIRST BERLIN RECOMMENDATION & PRICE TARGET HISTORY

| Report No.: | Date of publication | Previous day closing price | Recommendation | Price target |
|----------------|---------------------|----------------------------|----------------|--------------|
| Initial Report | 27 August 2013 | €3.00 | Buy | €5.70 |
| 2...12 | ↓ | ↓ | ↓ | ↓ |
| 13 | 5 September 2016 | €5.25 | Buy | €7.00 |
| 14 | 7 December 2016 | €5.45 | Buy | €7.00 |
| 15 | 17 March 2017 | €6.05 | Buy | €8.40 |
| 16 | Today | €6.66 | Buy | €8.40 |

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INFORMATION PURSUANT TO SECTION 34B OF THE GERMAN SECURITIES TRADING ACT [WPHG], TO REGULATION (EU) NO 596/2014 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF APRIL 16, 2014, ON MARKET ABUSE (MARKET ABUSE REGULATION) AND TO THE GERMAN ORDINANCE ON THE ANALYSIS OF FINANCIAL INSTRUMENTS [FINANV]

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