

## Datagroup (D6H GY) | IT-Services

August 29, 2023

### Topline growth pressured by headwinds

Following the publication of Datagroup's Q3 results, we confirm our BUY recommendation with an updated price target of EUR 86. Similar to Q2, Datagroup had to cope with headwinds that put pressure on topline growth. The loss of corona-related revenues from vaccination centres, IFRS 15 accounting changes and the transformation of low-margin business will impact revenues by around EUR 40m in FY 22/23. The companies CORBOX services remain in high demand and thus will be able to offset mentioned headwinds. We adjust our estimates and now expect a flattish revenue development with increased profitability thanks to the continued improvement of operational efficiency and transformation of low-margin business.

- **Revenues** in Q3 declined by -1.0% y/y to EUR 124m. **EBITDA** declined by -3% y/y to EUR 20.2m which corresponds to a margin of 16.3%. **EBIT** decreased by -5% y/y to a total of EUR 11.5m and a margin of 9.3%.
- **Guidance update:** Management decreased its revenue guidance to EUR 485m - EUR 500m but confirmed its EBITDA (EUR 76m - EUR 80m) and EBIT (EUR 45m - EUR 48m) guidance.
- **Changes in estimates:** We adjust our estimates following heavier than expected headwinds on revenues. Our FY 22/23 revenue estimate is now at the upper end of the updated guidance.
- **Valuation:** We continue to value Datagroup shares based on the weighted average of our DCF model and peer comparison which derive a new fair value of EUR 86 per share.

Fundamentals (in EUR m) <sup>1</sup>	2019/20	2020/21	2021/22	2022/23e	2023/24e	2024/25e
Sales	358	445	501	503	536	574
EBITDA	42	67	76	79	84	91
EBIT	9	29	41	45	49	53
EPS adj. (EUR)	0.05	3.05	3.18	3.98	4.12	4.54
DPS (EUR)	0.70	0.00	1.00	1.10	1.20	1.30
BVPS (EUR)	7.94	11.28	15.32	14.47	17.85	20.60
Net Debt incl. Provisions	164	214	174	164	140	114
Ratios <sup>1</sup>	2019/20	2020/21	2021/22	2022/23e	2023/24e	2024/25e
EV/EBITDA	12.8	13.0	8.1	7.7	6.9	6.2
EV/EBIT	59.6	30.5	15.0	13.5	12.0	10.6
P/E adj.	875.4	26.0	16.9	13.5	13.0	11.8
Dividend yield (%)	1.6	0.0	1.9	2.1	2.2	2.4
EBITDA margin (%)	11.7	15.1	15.2	15.7	15.8	15.8
EBIT margin (%)	2.5	6.4	8.3	9.0	9.1	9.2
Net debt/EBITDA	3.9	3.2	2.3	2.1	1.7	1.3
PBV	5.6	7.0	3.5	3.7	3.0	2.6

<sup>1</sup>Sources: Bloomberg, Metzler Research

**Buy**



**unchanged**

**Price\***

**EUR 53.60**

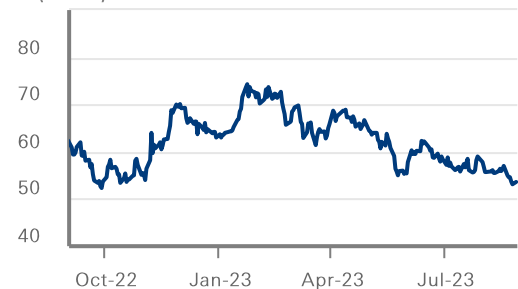
**Price target**

**EUR 86.00 (88.00)**

\* XETRA trading price at the close of the previous day unless stated otherwise in the Disclosures

Market Cap (EUR m) <sup>1</sup>	447
Enterprise Value (EUR m) <sup>1</sup>	611
Free Float (%) <sup>1</sup>	42.3

Price (in EUR)<sup>1</sup>



Performance (in %) <sup>1</sup>	1m	3m	12m
Share	-9.2	-4.3	-17.2
Rel. to SDAX	-5.2	-2.8	-24.7

Changes in estimates (in %) <sup>1</sup>	2022/23e	2023/24e	2024/25e
Sales	-4.5	-5.5	-6.1
EBIT	-5.5	-6.4	-6.3
EPS	-6.4	-6.7	-5.9

### Sponsored Research



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# company note

<b>Results 3Q 23</b>						
in EUR m	9M 23	9M 22	y/y	Q3 23	Q3 22	y/y
<b>Revenue</b>	<b>375.0</b>	<b>372.9</b>	0.6%	<b>123.9</b>	<b>125.2</b>	-1.0%
Services & Maintenance	304.1	306.5	-0.8%	102.8	102.1	0.7%
Trade	70.7	66.2	6.8%	21.0	23.0	-8.7%
<b>EBITDA</b>	<b>59.6</b>	<b>58.3</b>	2.2%	<b>20.2</b>	<b>20.9</b>	-3.4%
<b>EBITDA Margin</b>	<b>15.9%</b>	<b>15.6%</b>	+30 bp	<b>16.3%</b>	<b>16.7%</b>	-40 bp
<b>EBIT</b>	<b>34.3</b>	<b>32.7</b>	5.0%	<b>11.5</b>	<b>12.2</b>	-5.6%
<b>EBIT Margin</b>	<b>9.1%</b>	<b>8.8%</b>	+30 bp	<b>9.3%</b>	<b>9.7%</b>	-40 bp
<b>EPS</b>	<b>2.56</b>	<b>2.4</b>	7.0%	<b>0.82</b>	<b>0.90</b>	-8.8%

Source: Company data, Metzler Research

- Topline growth has been impacted by headwinds resulting from the loss of corona-related business, IFRS 15 related accounting changes and the transformation of low-margin business, which sum up to around EUR 40m in FY 22/23. In the first 9 months, revenues grew by 0.6% y/y to EUR 375 and the company was thus able to offset these headwinds. The Service segment with Datagroup's CORBOX offering saw a revenue decline of -0.8% y/y to EUR 304m while the Trade segment grew by 6.8% y/y to EUR 70.7m. Datagroup keeps transforming their low-margin business to improve profitability. This will lead to weaker growth in the short term, but will be rewarded with higher margins and earnings stability.
- Further improvements in operational efficiency decreased total cost of materials and personnel expenses by -1.2% y/y. EBITDA grew by 2.2% to EUR 59.6m which corresponds to a margin of 15.9% (up from 15.6% last year). EBIT improved by 5% y/y to a total of EUR 34.3m (EBIT-margin: 9.1% compared to 8.1% last year).
- Updated guidance: Management now expects revenues of EUR 485 to EUR 500 (Previously: EUR 520m - EUR 540m) and confirmed their EBITDA (EUR 76m - EUR 80m) and EBIT (EUR 45m - EUR 48m) guidance.
- Changes in estimates: Due to heavier than expected headwinds we decrease our revenue estimate for FY22/23 by -4.5% to EUR 503m and our EBITDA estimate by -1.6% to EUR 79m.

## Changes in Estimates

	New estimates FY 2023	Old estimates FY 2023	Change in %
Revenue	EUR 503m	EUR 527m	-4.50%
y/y	0.40%	5.10%	
<b>EBITDA</b>	EUR 79	EUR 80.3	-1.60%
<b>EBITDA margin</b>	15.70%	15.30%	
<b>EBIT</b>	EUR 45.3	EUR 47.9	-5.50%
<b>EBIT Margin</b>	9.0%	9.10%	
<b>EPS</b>	EUR 3.4	EUR 3.6	-5.80%

Source: Metzler Research

## Valuation - New PT of EUR 86

Our PT is derived as the equally weighted average of a DCF valuation (fair value: EUR 83) and our peer group analysis (fair value: EUR 89).

DCF valuation derives a fair value of EUR 83 per share

DCF valuation Datagroup	Forecast period			Transition period					TV
	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e
<b>DCF (EURm)</b>									
<b>Sales</b>	<b>503</b>	<b>536</b>	<b>574</b>	<b>614</b>	<b>651</b>	<b>684</b>	<b>711</b>	<b>728.9</b>	<b>740</b>
<i>Growth Rate (%)</i>	0.4%	6.5%	7.1%	7.0%	6.0%	5.0%	4.0%	2.5%	1.5%
<b>EBIT</b>	<b>45.3</b>	<b>48.8</b>	<b>53.0</b>	<b>56.5</b>	<b>59.9</b>	<b>63.6</b>	<b>66.8</b>	<b>69.2</b>	<b>70.3</b>
<i>EBIT Margin (%)</i>	9.0%	9.1%	9.2%	9.2%	9.2%	9.3%	9.4%	9.5%	9.5%
Taxes	13.2	14.2	15.3	17.5	18.6	19.7	20.7	21.5	21.8
<i>Tax rate (%)</i>	-32.0%	-31.5%	-31.0%	31.0%	31.0%	31.0%	31.0%	31.0%	31.0%
<b>NOPAT</b>	<b>32.1</b>	<b>34.6</b>	<b>37.7</b>	<b>39.0</b>	<b>41.3</b>	<b>43.9</b>	<b>46.1</b>	<b>47.8</b>	<b>48.5</b>
Depreciation & Amortisation	33.7	35.6	38.0	36.9	39.1	41.0	42.7	43.7	44.4
Effect of changes in NWC	5.5	-19.1	-14.9	-6.8	-7.2	-7.5	-7.8	-8.0	-8.1
<b>Operating cash flow to EV</b>	<b>71.3</b>	<b>51.2</b>	<b>60.9</b>	<b>69.1</b>	<b>73.2</b>	<b>77.4</b>	<b>81.0</b>	<b>83.5</b>	<b>84.7</b>
Capital expenditure	17.0	18.0	20.0	18.4	20.8	23.2	25.6	27.7	29.6
<b>Free cash flow</b>	<b>54.3</b>	<b>33.2</b>	<b>40.9</b>	<b>50.7</b>	<b>52.4</b>	<b>54.1</b>	<b>55.4</b>	<b>55.8</b>	<b>55.2</b>
Discounted free cash flow	52.1	29.7	34.2	39.6	38.2	36.9	35.2	33.1	30.6
Sum of DCF	299								
Terminal Value	554								
<b>Enterprise value</b>	<b>853</b>								
- Net Debt	164								
- Minorities	0.2								
<b>Equity Value</b>	<b>689</b>								
Number of shares (m)	8.3								
<b>Value per share (EUR)</b>	<b>83</b>								
<b>Our assumptions</b>									
Sales growth (%), TV year	1.5%								
Operating margin (%), TV year	9.5%								
Tax rate (%), years 3-7	31%								
Beta	1.1								
LT debt interest rate (%)	3.9%								
Risk Free Rate (%)	2.0%								
Market Risk Premium (%)	6.5%								

Source: Metzler Research

Our DCF model is sensitive to selected input factors. We hence provide a sensitivity analysis of our estimated fair value vs. the terminal growth rate and WACC.

### Sensitivity analysis of estimated fair value to FCF growth and WACC

		FCF growth				
		1.1%	1%	1.5%	1.7%	1.9%
WACC	6.7%	85.1	87.8	90.7	93.8	97.1
	6.9%	81.4	83.9	86.5	89.4	92.4
	7.1%	78.0	80.3	<b>83</b>	85.3	88.1
	7.3%	74.8	76.9	79.1	81.5	84.0
	7.5%	71.8	73.7	75.8	78.0	80.3

Source: Metzler Research

Peer group analysis derives a fair value of EUR 89 per share

Datagroup shares are currently trading at around 7.0x 12m fwd EBITDA and thus at a 35% discount to peers. We believe they should trade in line with peers and that the gap is closing, as earnings stability and predictability continue to improve and profitability metrics remain above peer average.

## Peer comparison

Peers	BB Ticker	Price	M' Cap in EURm	Sales CAGR** '22-'24	EBITDA Margin		EV/EBITDA	
					12m	24m	12m	24m
Adesso SE	ADN1 GY	111.4 €	726 €	9.6%	9.3%	9.8%	9.0x	7.6x
Allgeier SE	AEIN GY	21.8 €	249 €	7.6%	13.2%	13.5%	6.8x	5.9x
Bechtle AG *	BC8 GY	44.6 €	5,621 €	5.7%	7.6%	7.6%	11.3x	10.5x
CANCOM SE	COK GY	24.6 €	957 €	12.1%	7.8%	7.9%	7.4x	6.7x
Nagarro SE	NA9 GY	74.9 €	1,032 €	6.9%	14.2%	14.7%	9.2x	7.8x
Softcat PLC	SCT LN	14.1 €	3,282 €	18.1%	13.2%	13.1%	17.1x	15.5x
CDW Corp/DE	CDW US	204.0 €	25,304 €	3.9%	9.7%	9.7%	14.6x	13.5x
<b>Peers (mean)</b>				<b>9.1%</b>	<b>10.7%</b>	<b>10.9%</b>	<b>10.8x</b>	<b>9.6x</b>
<b>Datagroup SE</b>	<b>D6H GY</b>	<b>53.3 €</b>	<b>445 €</b>	<b>4.8%</b>	<b>15.6%</b>	<b>15.6%</b>	<b>7.0x</b>	<b>6.6x</b>

Source: Bloomberg, Metzler Research \* = Metzler Coverage \*\* Calculation based on LTM sales and 24m fwd sales

Applying this valuation level (12m forward EBITDA 10.8x), we derive a fair value of EUR 89 per share.

## Fair value derived from our peer group

EV/EBITDA 12m forward	10.8x
Datagroup EBITDA 12m forward	EUR 84.4m
Implied Enterprise Value	EUR 911m
Net Debt	EUR 164m
Implied Equity Value	EUR 747m
Outstanding shares	8.349m
<b>Datagroup value per share</b>	<b>EUR 89</b>

Source: Bloomberg, Metzler Research

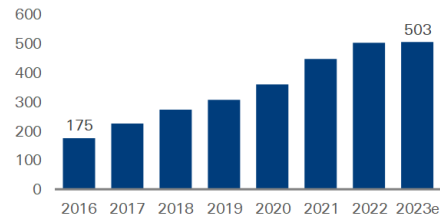
## Datagroup in a nutshell

Datagroup is among Germany's Top 5 IT service providers. It operates IT infrastructure and business applications with a clear focus on recurring cloud-related services. Customers can select from a range of solutions (e.g. Network Services, Application Management Services and SAP services) which are based on standardized processes and backed by service level agreements (SLAs). The company is a one-stop-shop for its customers which often outsource their IT processes completely to Datagroup on the basis of multi-year contracts. Our positive stance is based on consistent and healthy top-line growth, a strongly diversified customer base, its focus on small & mid-sized companies and typical German Mittelstand companies (e.g. Boehringer, LH Technik, all not rated) mainly in Germany as well as a high but still growing proportion of recurring revenues. Its organizational and structural setup with central supply units and decentralized sales and services give the company an edge in terms of quality and costs. By offering centralized and standardized services based on an SLA approach, it continues gaining market share, especially vs. smaller competitors.

# company note

## Revenue development

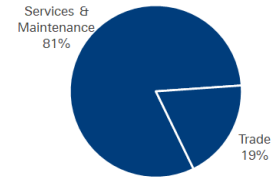
in EUR m



Source: Company data, Metzler Research

## Revenue Split

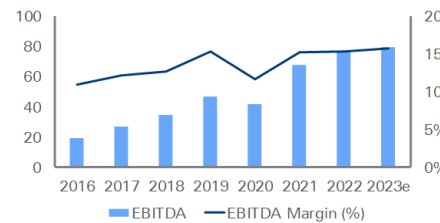
in %



Source: Company data, Metzler Research

## EBITDA development

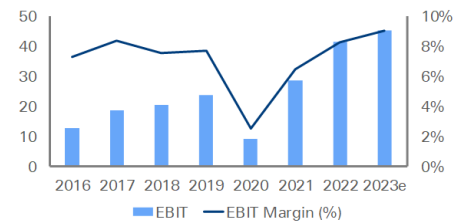
in EUR m



Source: Company data, Metzler Research

## EBIT development

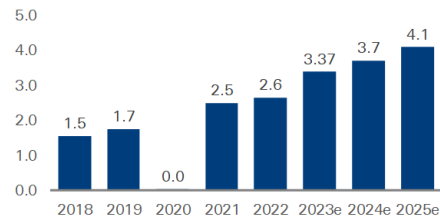
in EUR m



Source: Company data, Metzler Research

## EPS development

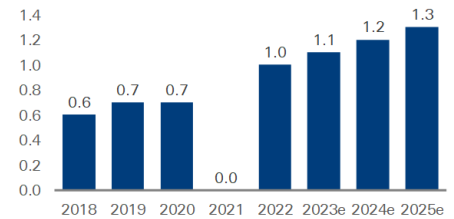
in EUR



Source: Company data, Metzler Research

## DPS development

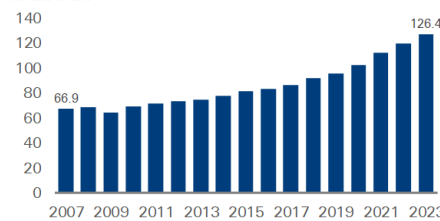
in EUR



Source: Company data, Metzler Research

## German IT-market

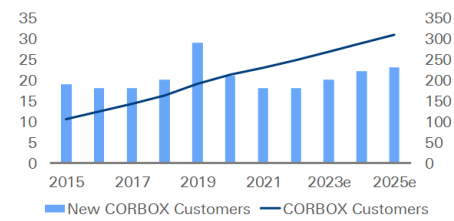
in EUR bn



Source: Bitkom, IDC

## CORBOX: Customer development

in EUR bn



Source: Company data, Metzler Research

# company note

## Key Data

### Company profile

CEO: Andreas Baresel

CFO: Oliver Thome

Pliezhausen, Germany

### Major shareholders

HHS Beteiligungsgesellschaft mbH (53.6%), Management and Supervisory Board (4.1%)

### Key figures

P&L (in EUR m)	2019/20	%	2020/21	%	2021/22	%	2022/23e	%	2023/24e	%	2024/25e	%
<b>Sales</b>	<b>358</b>	<b>16.8</b>	<b>445</b>	<b>24.1</b>	<b>501</b>	<b>12.8</b>	<b>503</b>	<b>0.4</b>	<b>536</b>	<b>6.5</b>	<b>574</b>	<b>7.1</b>
<b>EBITDA</b>	<b>42</b>	<b>-10.8</b>	<b>67</b>	<b>60.9</b>	<b>76</b>	<b>13.6</b>	<b>79</b>	<b>3.3</b>	<b>84</b>	<b>6.8</b>	<b>91</b>	<b>7.8</b>
EBITDA margin (%)	11.7	-23.6	15.1	29.6	15.2	0.8	15.7	3.0	15.8	0.3	15.8	0.6
<b>EBIT</b>	<b>9</b>	<b>-62.0</b>	<b>29</b>	<b>218.8</b>	<b>41</b>	<b>44.7</b>	<b>45</b>	<b>9.3</b>	<b>49</b>	<b>7.7</b>	<b>53</b>	<b>8.6</b>
EBIT margin (%)	2.5	-67.4	6.4	156.8	8.3	28.3	9.0	8.9	9.1	1.1	9.2	1.4
<b>Financial result</b>	<b>-2</b>	<b>-22.7</b>	<b>-2</b>	<b>18.9</b>	<b>-5</b>	<b>-144.9</b>	<b>-4</b>	<b>15.2</b>	<b>-4</b>	<b>3.9</b>	<b>-4</b>	<b>3.1</b>
<b>EBT</b>	<b>7</b>	<b>-69.5</b>	<b>27</b>	<b>304.2</b>	<b>37</b>	<b>37.4</b>	<b>41</b>	<b>12.4</b>	<b>45</b>	<b>8.8</b>	<b>49</b>	<b>9.7</b>
Taxes	6	-11.3	6	-5.7	15	145.1	13	-10.1	14	7.1	15	7.9
Tax rate (%)	96.2	n.a.	22.4	n.a.	40.0	n.a.	32.0	n.a.	31.5	n.a.	31.0	n.a.
Net income	0	-98.3	21	n.m.	22	6.3	28	27.5	31	9.6	34	10.5
Minority interests	0	n.a.	0	n.a.	-0	n.a.	0	100.0	0	n.a.	0	n.a.
<b>Net Income after minorities</b>	<b>0</b>	<b>-98.3</b>	<b>21</b>	<b>n.m.</b>	<b>22</b>	<b>5.6</b>	<b>28</b>	<b>28.3</b>	<b>31</b>	<b>9.6</b>	<b>34</b>	<b>10.5</b>
Number of shares outstanding (m)	8	0.0	8	0.0	8	0.0	8	0.0	8	0.0	8	0.0
<b>EPS adj. (EUR)</b>	<b>0.05</b>	<b>-97.5</b>	<b>3.05</b>	<b>n.m.</b>	<b>3.18</b>	<b>4.2</b>	<b>3.98</b>	<b>25.2</b>	<b>4.12</b>	<b>3.6</b>	<b>4.54</b>	<b>10.2</b>
<b>DPS (EUR)</b>	<b>0.70</b>	<b>0.0</b>	<b>0.00</b>	<b>-100.0</b>	<b>1.00</b>	<b>n.a.</b>	<b>1.10</b>	<b>10.0</b>	<b>1.20</b>	<b>9.1</b>	<b>1.30</b>	<b>8.3</b>
Dividend yield (%)	1.6	n.a.	0.0	n.a.	1.9	n.a.	2.1	n.a.	2.2	n.a.	2.4	n.a.
<b>Cash Flow (in EUR m)</b>	<b>2019/20</b>	<b>%</b>	<b>2020/21</b>	<b>%</b>	<b>2021/22</b>	<b>%</b>	<b>2022/23e</b>	<b>%</b>	<b>2023/24e</b>	<b>%</b>	<b>2024/25e</b>	<b>%</b>
<b>Gross Cash Flow</b>	<b>25</b>	<b>586.7</b>	<b>63</b>	<b>151.4</b>	<b>60</b>	<b>-5.4</b>	<b>54</b>	<b>-9.4</b>	<b>61</b>	<b>13.4</b>	<b>72</b>	<b>17.2</b>
<b>Increase in working capital</b>	<b>8</b>	<b>n.a.</b>	<b>14</b>	<b>n.a.</b>	<b>-10</b>	<b>n.a.</b>	<b>-6</b>	<b>n.a.</b>	<b>19</b>	<b>n.a.</b>	<b>15</b>	<b>n.a.</b>
<b>Capital expenditures</b>	<b>22</b>	<b>20.1</b>	<b>11</b>	<b>-50.4</b>	<b>9</b>	<b>-20.2</b>	<b>17</b>	<b>93.0</b>	<b>18</b>	<b>5.9</b>	<b>20</b>	<b>11.1</b>
D+A/Capex (%)	147.6	n.a.	350.0	n.a.	397.3	n.a.	198.4	n.a.	198.0	n.a.	190.1	n.a.
<b>Free cash flow (Metzler definition)</b>	<b>-5</b>	<b>63.7</b>	<b>38</b>	<b>798.6</b>	<b>61</b>	<b>62.9</b>	<b>43</b>	<b>-30.5</b>	<b>24</b>	<b>-43.0</b>	<b>37</b>	<b>52.8</b>
Free cash flow yield (%)	-1.5	n.a.	5.7	n.a.	13.7	n.a.	9.6	n.a.	5.4	n.a.	8.3	n.a.
Dividend paid	6	0.0	0	-100.0	8	n.a.	9	10.0	10	9.1	11	8.3
<b>Free cash flow (post dividend)</b>	<b>36</b>	<b>217.1</b>	<b>2</b>	<b>-94.3</b>	<b>34</b>	<b>n.m.</b>	<b>52</b>	<b>52.3</b>	<b>34</b>	<b>-33.8</b>	<b>48</b>	<b>39.8</b>
<b>Balance sheet (in EUR m)</b>	<b>2019/20</b>	<b>%</b>	<b>2020/21</b>	<b>%</b>	<b>2021/22</b>	<b>%</b>	<b>2022/23e</b>	<b>%</b>	<b>2023/24e</b>	<b>%</b>	<b>2024/25e</b>	<b>%</b>
<b>Assets</b>	<b>385</b>	<b>20.4</b>	<b>463</b>	<b>20.1</b>	<b>484</b>	<b>4.4</b>	<b>466</b>	<b>-3.6</b>	<b>490</b>	<b>5.1</b>	<b>514</b>	<b>4.9</b>
<b>Goodwill</b>	<b>63</b>	<b>-2.4</b>	<b>126</b>	<b>101.5</b>	<b>151</b>	<b>20.2</b>	<b>151</b>	<b>0.0</b>	<b>151</b>	<b>0.0</b>	<b>151</b>	<b>0.0</b>
<b>Shareholders' equity</b>	<b>66</b>	<b>-10.7</b>	<b>94</b>	<b>42.1</b>	<b>127</b>	<b>35.6</b>	<b>121</b>	<b>-5.4</b>	<b>149</b>	<b>23.4</b>	<b>172</b>	<b>15.4</b>
Equity/total assets (%)	17.2	n.a.	20.3	n.a.	26.4	n.a.	25.8	n.a.	30.3	n.a.	33.4	n.a.
<b>Net Debt incl. Provisions</b>	<b>164</b>	<b>35.1</b>	<b>214</b>	<b>30.4</b>	<b>174</b>	<b>-18.6</b>	<b>164</b>	<b>-5.7</b>	<b>140</b>	<b>-14.8</b>	<b>114</b>	<b>-18.8</b>
<b>thereof pension provisions</b>	<b>73</b>	<b>93.1</b>	<b>64</b>	<b>-12.0</b>	<b>36</b>	<b>-43.6</b>	<b>36</b>	<b>0.0</b>	<b>36</b>	<b>0.0</b>	<b>36</b>	<b>0.0</b>
Gearing (%)	248.3	n.a.	227.8	n.a.	136.8	n.a.	136.3	n.a.	94.2	n.a.	66.3	n.a.
Net debt/EBITDA	3.9	n.a.	3.2	n.a.	2.3	n.a.	2.1	n.a.	1.7	n.a.	1.3	n.a.

Sources: Bloomberg, Metzler Research

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### Recommendation history

Recommendations for each financial instrument or issuer - mentioned in this document - published by Metzler in the past twelve months

Date of dissemination	Metzler recommendation *		Current price **	Price target *	Author ***
	Previous	Current			
<b>Issuer/Financial Instrument (ISIN): Bechtle (DE0005158703)</b>					
14.08.2023	Buy	Buy	42.72 EUR	50.00 EUR	Frey, Oliver
12.05.2023	Buy	Buy	39.06 EUR	50.00 EUR	Frey, Oliver
21.03.2023	Buy	Buy	39.99 EUR	50.00 EUR	Frey, Oliver
<b>Issuer/Financial Instrument (ISIN): Datagroup (DE000A0JC8S7)</b>					
24.05.2023	Buy	Buy	56.40 EUR	88.00 EUR	Frey, Oliver
10.03.2023	Buy	Buy	65.90 EUR	93.00 EUR	Frey, Oliver
22.02.2023	Buy	Buy	70.40 EUR	93.00 EUR	Frey, Oliver
23.11.2022	Buy	Buy	64.20 EUR	93.00 EUR	Frey, Oliver

\* Effective until the price target and/or investment recommendation is updated (FI/FX recommendations are valid solely at the time of publication)

\*\* XETRA trading price at the close of the previous day unless stated otherwise herein

\*\*\* All authors are financial analysts

### Datagroup

13. Metzler, a company affiliated with Metzler and/or a person that has worked on compiling this report has reached an agreement with the issuer relating to the production of investment recommendations.

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