

<b>Buy</b>  <b>EUR 250.00</b>  Price <b>EUR 244.50</b> Upside <b>2.2 %</b>	<b>Value Indicators:</b> EUR DCF: 249.48	<b>Share data:</b> Bloomberg: HYQ GR Reuters: HYQGn.DE ISIN: DE0005493365	<b>Description:</b> Technology-based financial services provider
	<b>Market Snapshot:</b> EUR m Market cap: 1,527.63 No. of shares (m): 6.25 EV: 1,570.32 Freefloat MC: 941.02 Ø Trad. Vol. (30d): 2.79 m	<b>Shareholders:</b> Freefloat: 61.6 % Revenia (Ronald Slabke): 34.6 % Treasury shares: 3.8 %	<b>Risk Profile (WRe):</b> 2019e Beta: 1.3 Price / Book: 8.5 x Equity Ratio: 53 % Net Fin. Debt / EBITDA: 0.9 x Net Debt / EBITDA: 0.9 x

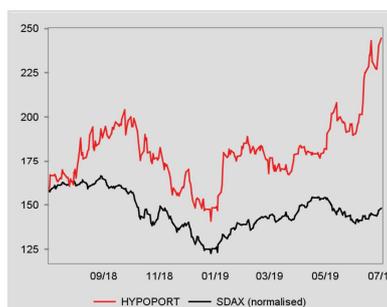
## Growth momentum to remain high; Significant long-term margin potential

### Presentation and meeting highlights

- The credit platform segment appears fully on track. While Hypoport already has a high market share among independent mortgage advisors (about 50% market share), the future growth driver will be the savings banks and cooperative banks, which has already become visible in recent quarters. An increasing number of savings and cooperative banks are using the sub-marketplaces Finmas and Genopace to replace their own IT solutions within the mortgage sales process. While the savings banks sector has already been showing high double-digit growth rates within this adoption process for some time, the cooperative banks sector has been catching up recently, partly driven by the joint venture with Baufinax, which is accelerating adoption among cooperative banks. The potential of these customer groups is still enormous as the sectors of savings and cooperative banks combined account for about 60% of the German mortgage market. Hypoport's share among both is still in the low to mid single-digit rates.
- The picture within the real estate platform segment is becoming ever clearer. The target is to increasingly digitise parts of the mortgage and real estate value chain. Hypoport is currently gaining market share with the valuation services it offers to banks. While this business is currently still labour-intensive as employees visit the individual properties, which limits the scalability, the clear vision is to digitise and automate the process which implies significant scale and efficiency potential once Hypoport has reached a certain market share.
- For the insurance business, Mr. Slabke had good and bad news. The "bad" is that the customer group of Hypoport is still characterised by a high level of lethargy and there is potential for a higher speed of adoption of Smart insurtech within the broker market, even though growth rates are still satisfying. However, there is a high level of conviction that market development towards greater digitisation is necessary and it appears to be only a matter of time before momentum picks up. A trigger point for this development could be the announcement of a larger independent insurance broker in Germany using Hypoport's solution, which could be the case within the next months. The good news is that Hypoport is gaining distance over its competitors. Fonds Finanz, which we consider to be one of the closest competitors, decided recently to sell Softair, the main part of its software business.

### Conclusion

- Hypoport is expanding its excellent market position within its credit platform business and is showing high growth momentum within the savings banks and cooperative banks sectors.
- Market positions within the real estate and insurance platforms are gradually improving and show high potential for growth and margins.
- Based on the strong market position with high entry barriers, excellent growth prospects and significant margin potential once investments in further growth decrease, we reiterate our Buy rating.

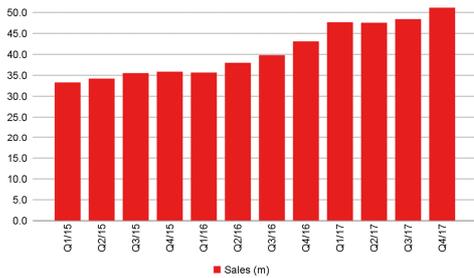


Rel. Performance vs SDAX:	
1 month:	23.5 %
6 months:	46.7 %
Year to date:	46.8 %
Trailing 12 months:	58.3 %

Company events:	
05.08.19	Q2
04.11.19	Q3

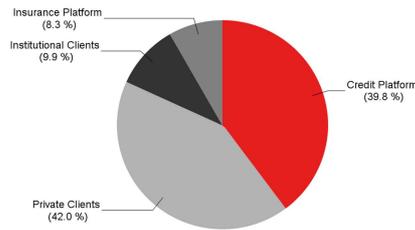
FY End: 31.12. in EUR m	CAGR (18-21e)	2015	2016	2017	2018	2019e	2020e	2021e
<b>Sales</b>	18.1 %	138.98	156.64	194.86	265.96	331.84	388.17	438.13
Change Sales yoy		23.7 %	12.7 %	24.4 %	36.5 %	24.8 %	17.0 %	12.9 %
Gross profit margin		54.9 %	58.0 %	56.1 %	56.7 %	56.0 %	56.9 %	56.7 %
<b>EBITDA</b>	22.1 %	25.08	28.24	30.12	39.09	47.62	59.86	71.20
Margin		18.0 %	18.0 %	15.5 %	14.7 %	14.4 %	15.4 %	16.3 %
<b>EBIT</b>	23.4 %	19.26	23.16	23.32	29.29	35.01	45.49	54.98
Margin		13.9 %	14.8 %	12.0 %	11.0 %	10.6 %	11.7 %	12.6 %
<b>Net income</b>	23.3 %	15.87	18.07	18.42	22.47	26.77	34.19	42.16
<b>EPS</b>	23.3 %	2.56	3.00	3.10	3.60	4.28	5.47	6.75
EPS adj.	23.3 %	2.56	3.00	3.10	3.60	4.28	5.47	6.75
DPS	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dividend Yield		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>FCF / Market cap</b>		10.2 %	2.2 %	-0.3 %	2.5 %	1.2 %	1.9 %	2.6 %
<b>EV / Sales</b>		1.4 x	2.8 x	3.5 x	3.9 x	4.7 x	4.0 x	3.5 x
<b>EV / EBITDA</b>		7.8 x	15.6 x	22.6 x	26.7 x	33.0 x	25.9 x	21.4 x
<b>EV / EBIT</b>		10.2 x	19.0 x	29.1 x	35.6 x	44.9 x	34.1 x	27.7 x
<b>P / E</b>		13.2 x	25.0 x	36.8 x	44.2 x	57.1 x	44.7 x	36.2 x
<b>P / E adj.</b>		13.2 x	25.0 x	36.8 x	44.2 x	57.1 x	44.7 x	36.2 x
<b>FCF Potential Yield</b>		11.2 %	5.3 %	3.8 %	3.2 %	2.5 %	3.2 %	3.9 %
<b>Net Debt</b>		-13.29	-11.46	2.15	49.26	42.69	24.95	-3.19
<b>ROCE (NOPAT)</b>		38.9 %	39.7 %	27.1 %	16.3 %	12.8 %	15.1 %	17.4 %
<b>Guidance:</b>		2019: Revenue between EUR 310m and 340m and EBIT between EUR 32m and 40m						

## Sales development in EUR m



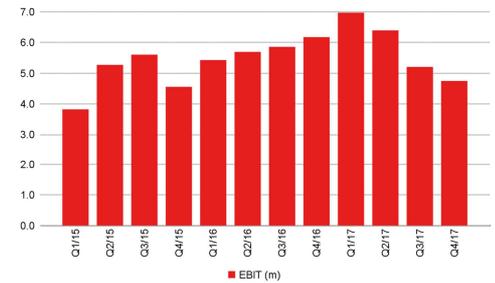
Source: Warburg Research

## Sales by Segments 2017; in %



Source: Warburg Research

## EBIT development in EUR m



Source: Warburg Research

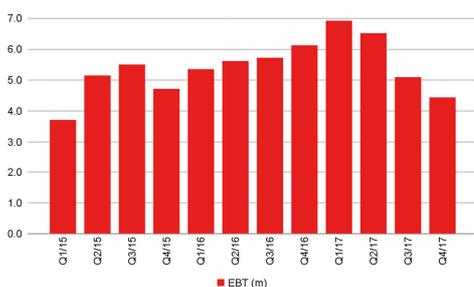
## Company Background

- The company, founded in 1999, is specialised as a property financing intermediary and is expanding its value chain towards the insurance and real estate sectors
- With EUROPACE, Hypoport operates the largest German online B2B platform for property financing and similar products
- Under the Dr. Klein brand, Hypoport operates a franchise system of stationary advisors for private customers
- Hypoport is also in a leading position in the area of institutional property financing (also under the Dr. Klein brand)
- An advanced level of technology is shown in all segments (fintech)

## Competitive Quality

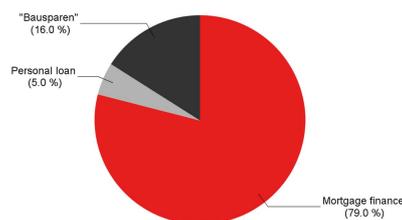
- The online B2B marketplace for property financing (EUROPACE) is the largest of its kind in Germany
- As the number of affiliated suppliers is decisive for marketplaces of this type, this forms a central competitive advantage and a considerable market entry barrier for third parties.
- The Dr. Klein business segments (private clients) benefits from market access over EUROPACE but also from the many years of experience in the area of property financing
- Most importantly however Dr. Klein is strongly focused on property financing and neutral (with offers from every provider). Other financial sales teams or retail banks normally cannot afford both.
- The new platform businesses insurance platform and real estate platform should strongly benefit of the market-leading credit platform and the excellent track record of the company.

## EBT development in EUR m



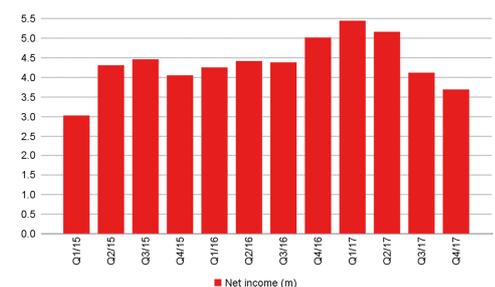
Source: Warburg Research

## EUROPACE by product segments 2017; in %



Source: Warburg Research

## Net income development in EUR m



Source: Warburg Research

## DCF model

Figures in EUR m	Detailed forecast period			Transitional period										Term. Value
	2019e	2020e	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	
Sales	332.32	388.74	438.76	484.13	526.30	568.77	618.09	659.41	699.96	727.96	749.80	768.55	787.76	
Sales change	25.0 %	17.0 %	12.9 %	10.3 %	8.7 %	8.1 %	8.7 %	6.7 %	6.1 %	4.0 %	3.0 %	2.5 %	2.5 %	2.5 %
EBIT	29.28	34.99	45.48	65.79	76.37	87.21	115.75	147.05	162.93	169.45	179.95	192.14	204.82	
EBIT-margin	10.5 %	11.7 %	12.5 %	13.6 %	14.5 %	15.3 %	18.7 %	22.3 %	23.3 %	23.3 %	24.0 %	25.0 %	26.0 %	
Tax rate (EBT)	22.2 %	23.5 %	22.2 %	22.0 %	22.0 %	22.0 %	22.0 %	22.0 %	22.0 %	22.0 %	22.0 %	22.0 %	22.0 %	
NOPAT	22.78	26.77	35.39	51.32	59.57	68.02	90.29	114.70	127.08	132.17	140.36	149.87	159.76	
Depreciation	18.34	24.87	25.71	19.37	21.05	22.75	24.72	26.38	28.00	29.12	29.99	30.74	31.51	
in % of Sales	5.5 %	6.4 %	5.9 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	
Changes in provisions	0.00	0.00	0.00	0.20	0.04	0.04	0.05	0.04	0.04	0.03	0.02	0.02	0.02	
Change in Liquidity from														
- Working Capital	8.29	5.30	4.70	26.48	5.90	5.95	6.90	5.78	5.68	3.92	3.06	2.62	2.69	
- Capex	12.52	13.52	13.52	19.37	21.05	22.75	24.72	26.38	28.00	29.12	29.99	30.74	31.51	
Capex in % of Sales	3.8 %	3.5 %	3.1 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Free Cash Flow (WACC Model)	20.31	32.82	42.88	25.04	53.70	62.12	83.43	108.96	121.45	128.28	137.33	147.26	157.09	167
PV of FCF	19.12	28.53	34.41	18.54	36.72	39.20	48.60	58.59	60.28	58.77	58.08	57.49	56.61	1,033
share of PVs	5.10 %			30.65 %										64.25 %

## Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	5.00 %	Financial Strength	1.00
Cost of debt (after tax)	2.3 %	Liquidity (share)	1.20
Market return	7.00 %	Cyclicality	1.60
Risk free rate	1.50 %	Transparency	1.40
		Others	1.30
<b>WACC</b>	<b>8.33 %</b>	<b>Beta</b>	<b>1.30</b>

## Valuation (m)

Present values 2031e	575		
Terminal Value	1,033		
Financial liabilities	81		
Pension liabilities	0		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	32	No. of shares (m)	6.2
<b>Equity Value</b>	<b>1,559</b>	<b>Value per share (EUR)</b>	<b>249.48</b>

## Sensitivity Value per Share (EUR)

Beta	WACC	Terminal Growth							Beta	WACC	Delta EBIT-margin						
		1.75 %	2.00 %	2.25 %	2.50 %	2.75 %	3.00 %	3.25 %			-1.5 pp	-1.0 pp	-0.5 pp	+0.0 pp	+0.5 pp	+1.0 pp	+1.5 pp
1.49	9.3 %	190.86	194.72	198.85	203.28	208.05	213.19	218.76	1.49	9.3 %	191.18	196.11	201.04	205.97	210.90	215.83	220.77
1.40	8.8 %	209.26	213.96	219.01	224.47	230.37	236.78	243.76	1.40	8.8 %	211.13	216.48	221.83	227.18	232.53	237.88	243.23
1.35	8.6 %	219.53	224.74	230.36	236.43	243.03	250.22	258.08	1.35	8.6 %	222.41	227.99	233.57	239.16	244.74	250.33	255.91
1.30	8.3 %	230.64	236.42	242.68	249.48	256.88	264.98	273.87	1.30	8.3 %	234.69	240.53	246.37	252.21	258.05	263.89	269.73
1.25	8.1 %	242.67	249.12	256.11	263.74	272.08	281.24	291.35	1.25	8.1 %	248.13	254.25	260.37	266.49	272.61	278.73	284.84
1.20	7.8 %	255.75	262.95	270.81	279.40	288.83	299.24	310.79	1.20	7.8 %	262.89	269.31	275.73	282.16	288.58	295.01	301.43
1.11	7.3 %	285.60	294.71	304.72	315.77	328.02	341.68	357.02	1.11	7.3 %	297.16	304.29	311.42	318.55	325.68	332.81	339.94

- The growth anticipated for Hypoport is based on robust business development in all segments
- Credit platform segment (EUROPACE) in particular offers systematic potential for economies of scale and margin growth
- On this basis we assume a positive long-term margin trend
- Based on a sophisticated regional dispersion of tax obligations a low tax rate is assumed long term.

Valuation	2015	2016	2017	2018	2019e	2020e	2021e
Price / Book	4.0 x	7.0 x	8.2 x	6.5 x	8.5 x	7.1 x	6.0 x
Book value per share ex intangibles	3.40	3.72	4.41	-6.00	-3.75	-0.25	4.76
EV / Sales	1.4 x	2.8 x	3.5 x	3.9 x	4.7 x	4.0 x	3.5 x
EV / EBITDA	7.8 x	15.6 x	22.6 x	26.7 x	33.0 x	25.9 x	21.4 x
EV / EBIT	10.2 x	19.0 x	29.1 x	35.6 x	44.9 x	34.1 x	27.7 x
EV / EBIT adj.*	10.2 x	19.0 x	29.1 x	35.6 x	44.9 x	34.1 x	27.7 x
P / FCF	9.8 x	45.6 x	n.a.	40.4 x	82.3 x	51.4 x	38.1 x
P / E	13.2 x	25.0 x	36.8 x	44.2 x	57.1 x	44.7 x	36.2 x
P / E adj.*	13.2 x	25.0 x	36.8 x	44.2 x	57.1 x	44.7 x	36.2 x
Dividend Yield	n.a.						
FCF Potential Yield (on market EV)	11.2 %	5.3 %	3.8 %	3.2 %	2.5 %	3.2 %	3.9 %

\*Adjustments made for: -

**Consolidated profit & loss**

In EUR m	2015	2016	2017	2018	2019e	2020e	2021e
<b>Sales</b>	<b>138.98</b>	<b>156.64</b>	<b>194.86</b>	<b>265.96</b>	<b>331.84</b>	<b>388.17</b>	<b>438.13</b>
Change Sales yoy	23.7 %	12.7 %	24.4 %	36.5 %	24.8 %	17.0 %	12.9 %
Increase / decrease in inventory	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Own work capitalised	4.66	5.66	6.99	10.71	9.96	13.35	14.02
<b>Total Sales</b>	<b>143.65</b>	<b>162.30</b>	<b>201.84</b>	<b>276.67</b>	<b>341.79</b>	<b>401.53</b>	<b>452.15</b>
Material expenses	67.31	71.44	92.57	125.78	156.13	180.50	203.73
<b>Gross profit</b>	<b>76.34</b>	<b>90.86</b>	<b>109.27</b>	<b>150.89</b>	<b>185.66</b>	<b>221.03</b>	<b>248.42</b>
<i>Gross profit margin</i>	<i>54.9 %</i>	<i>58.0 %</i>	<i>56.1 %</i>	<i>56.7 %</i>	<i>56.0 %</i>	<i>56.9 %</i>	<i>56.7 %</i>
Personnel expenses	38.22	46.36	58.56	81.75	102.21	119.17	132.31
Other operating income	2.18	3.07	4.52	3.95	7.30	7.76	8.76
Other operating expenses	15.25	19.33	25.35	34.27	43.14	49.76	53.67
Unfrequent items	0.03	0.00	0.26	0.26	0.00	0.00	0.00
<b>EBITDA</b>	<b>25.08</b>	<b>28.24</b>	<b>30.12</b>	<b>39.09</b>	<b>47.62</b>	<b>59.86</b>	<b>71.20</b>
<i>Margin</i>	<i>18.0 %</i>	<i>18.0 %</i>	<i>15.5 %</i>	<i>14.7 %</i>	<i>14.4 %</i>	<i>15.4 %</i>	<i>16.3 %</i>
Depreciation of fixed assets	1.12	1.24	1.69	2.89	2.32	2.72	3.07
<b>EBITA</b>	<b>23.96</b>	<b>27.00</b>	<b>28.44</b>	<b>36.20</b>	<b>45.30</b>	<b>57.14</b>	<b>68.13</b>
Amortisation of intangible assets	4.70	3.84	5.12	6.91	10.29	11.65	13.14
Goodwill amortisation	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>EBIT</b>	<b>19.26</b>	<b>23.16</b>	<b>23.32</b>	<b>29.29</b>	<b>35.01</b>	<b>45.49</b>	<b>54.98</b>
<i>Margin</i>	<i>13.9 %</i>	<i>14.8 %</i>	<i>12.0 %</i>	<i>11.0 %</i>	<i>10.6 %</i>	<i>11.7 %</i>	<i>12.6 %</i>
<b>EBIT adj.</b>	<b>19.26</b>	<b>23.16</b>	<b>23.32</b>	<b>29.29</b>	<b>35.01</b>	<b>45.49</b>	<b>54.98</b>
Interest income	0.37	0.23	0.55	0.58	0.80	0.80	0.80
Interest expenses	0.52	0.63	0.88	1.74	1.60	1.80	1.80
Other financial income (loss)	0.00	0.08	0.00	0.00	0.20	0.20	0.20
<b>EBT</b>	<b>19.10</b>	<b>22.84</b>	<b>22.99</b>	<b>28.13</b>	<b>34.41</b>	<b>44.69</b>	<b>54.18</b>
<i>Margin</i>	<i>13.7 %</i>	<i>14.6 %</i>	<i>11.8 %</i>	<i>10.6 %</i>	<i>10.4 %</i>	<i>11.5 %</i>	<i>12.4 %</i>
Total taxes	3.24	4.76	4.56	5.67	7.64	10.50	12.03
<b>Net income from continuing operations</b>	<b>15.87</b>	<b>18.07</b>	<b>18.43</b>	<b>22.47</b>	<b>26.77</b>	<b>34.19</b>	<b>42.16</b>
Income from discontinued operations (net of tax)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Net income before minorities</b>	<b>15.87</b>	<b>18.07</b>	<b>18.43</b>	<b>22.47</b>	<b>26.77</b>	<b>34.19</b>	<b>42.16</b>
Minority interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Net income</b>	<b>15.87</b>	<b>18.07</b>	<b>18.42</b>	<b>22.47</b>	<b>26.77</b>	<b>34.19</b>	<b>42.16</b>
<i>Margin</i>	<i>11.4 %</i>	<i>11.5 %</i>	<i>9.5 %</i>	<i>8.4 %</i>	<i>8.1 %</i>	<i>8.8 %</i>	<i>9.6 %</i>
Number of shares, average	6.19	6.01	5.94	6.25	6.25	6.25	6.25
<b>EPS</b>	<b>2.56</b>	<b>3.00</b>	<b>3.10</b>	<b>3.60</b>	<b>4.28</b>	<b>5.47</b>	<b>6.75</b>
EPS adj.	2.56	3.00	3.10	3.60	4.28	5.47	6.75

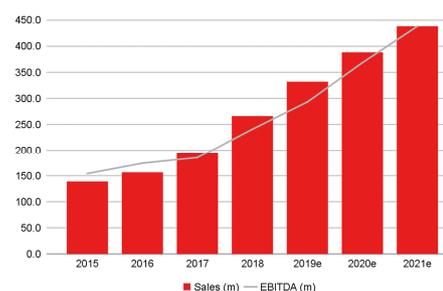
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**Guidance: 2019: Revenue between EUR 310m and 340m and EBIT between EUR 32m and 40m**
**Financial Ratios**

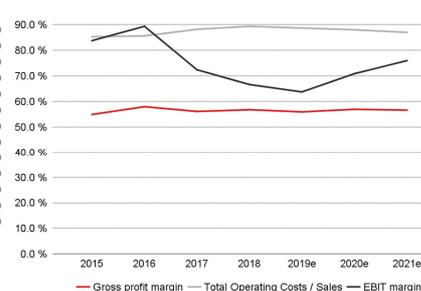
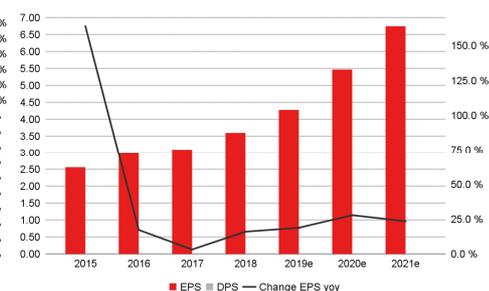
	2015	2016	2017	2018	2019e	2020e	2021e
Total Operating Costs / Sales	85.3 %	85.6 %	88.3 %	89.4 %	88.7 %	88.0 %	87.0 %
Operating Leverage	6.0 x	1.6 x	0.0 x	0.7 x	0.8 x	1.8 x	1.6 x
EBITDA / Interest expenses	48.0 x	45.0 x	34.3 x	22.5 x	29.8 x	33.3 x	39.6 x
Tax rate (EBT)	16.9 %	20.8 %	19.9 %	20.1 %	22.2 %	23.5 %	22.2 %
Dividend Payout Ratio	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Sales per Employee	n.a.						

**Sales, EBITDA**

in EUR m


**Operating Performance**

in %


**Performance per Share**


Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

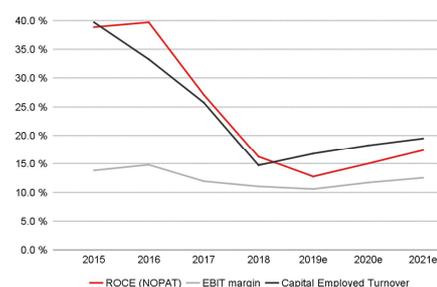
## Consolidated balance sheet

In EUR m	2015	2016	2017	2018	2019e	2020e	2021e
<b>Assets</b>							
Goodwill and other intangible assets	31.89	41.66	55.97	190.64	203.35	215.70	226.56
thereof other intangible assets	0.00	3.83	6.77	25.74	38.45	50.81	61.66
thereof Goodwill	0.00	0.00	24.77	140.46	140.46	140.46	140.46
Property, plant and equipment	3.04	2.63	4.45	10.33	9.53	8.33	6.79
Financial assets	0.03	1.09	1.43	0.29	0.29	0.29	0.29
Other long-term assets	1.42	3.01	4.09	12.15	12.15	12.15	12.15
<b>Fixed assets</b>	<b>36.38</b>	<b>48.39</b>	<b>65.93</b>	<b>213.41</b>	<b>225.32</b>	<b>236.48</b>	<b>245.79</b>
Inventories	0.00	0.00	0.00	0.78	0.00	0.00	0.00
Accounts receivable	32.85	38.09	49.14	54.22	67.70	79.10	89.30
Liquid assets	24.76	22.41	14.33	31.76	41.93	63.27	95.01
Other short-term assets	2.09	3.21	11.57	5.45	5.45	5.45	5.45
<b>Current assets</b>	<b>59.70</b>	<b>63.71</b>	<b>75.05</b>	<b>92.21</b>	<b>115.07</b>	<b>147.81</b>	<b>189.76</b>
<b>Total Assets</b>	<b>96.10</b>	<b>112.10</b>	<b>141.00</b>	<b>305.60</b>	<b>340.40</b>	<b>384.30</b>	<b>435.50</b>
<b>Liabilities and shareholders' equity</b>							
Subscribed capital	6.20	6.20	6.20	6.49	6.49	6.49	6.49
Capital reserve	2.35	2.35	2.91	50.59	50.59	50.59	50.59
Retained earnings	44.01	55.54	73.75	96.34	123.11	157.30	199.46
Other equity components	-0.16	0.05	-0.25	-0.25	-0.25	-0.25	-0.25
Shareholders' equity	52.39	64.13	82.60	153.17	179.94	214.13	256.29
Minority interest	0.27	0.27	0.31	0.31	0.31	0.31	0.31
<b>Total equity</b>	<b>52.66</b>	<b>64.40</b>	<b>82.91</b>	<b>153.48</b>	<b>180.25</b>	<b>214.45</b>	<b>256.60</b>
Provisions	0.21	0.25	0.18	0.28	0.28	0.28	0.28
thereof provisions for pensions and similar obligations	0.21	0.24	0.18	0.28	0.28	0.28	0.28
Financial liabilities (total)	11.26	10.71	16.30	80.74	84.34	87.94	91.54
thereof short-term financial liabilities	4.34	4.44	2.94	9.78	9.78	9.78	9.78
Accounts payable	20.39	18.71	23.06	31.99	36.40	42.50	48.00
Other liabilities	11.55	18.07	18.53	39.12	39.12	39.12	39.12
<b>Liabilities</b>	<b>43.42</b>	<b>47.74</b>	<b>58.07</b>	<b>152.13</b>	<b>160.14</b>	<b>169.84</b>	<b>178.94</b>
<b>Total liabilities and shareholders' equity</b>	<b>96.10</b>	<b>112.10</b>	<b>141.00</b>	<b>305.60</b>	<b>340.40</b>	<b>384.30</b>	<b>435.50</b>

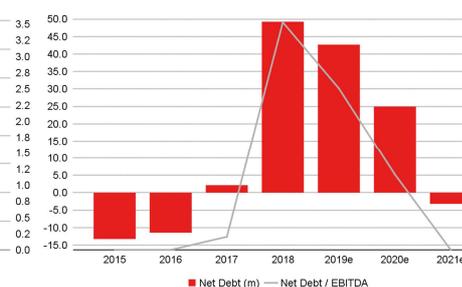
## Financial Ratios

	2015	2016	2017	2018	2019e	2020e	2021e
<b>Efficiency of Capital Employment</b>							
Operating Assets Turnover	9.0 x	7.1 x	6.4 x	8.0 x	8.1 x	8.6 x	9.1 x
Capital Employed Turnover	3.5 x	3.0 x	2.3 x	1.3 x	1.5 x	1.6 x	1.7 x
ROA	43.6 %	37.3 %	27.9 %	10.5 %	11.9 %	14.5 %	17.2 %
<b>Return on Capital</b>							
ROCE (NOPAT)	38.9 %	39.7 %	27.1 %	16.3 %	12.8 %	15.1 %	17.4 %
ROE	34.9 %	31.0 %	25.1 %	19.1 %	16.1 %	17.4 %	17.9 %
Adj. ROE	34.9 %	31.0 %	25.1 %	19.1 %	16.1 %	17.4 %	17.9 %
<b>Balance sheet quality</b>							
Net Debt	-13.29	-11.46	2.15	49.26	42.69	24.95	-3.19
Net Financial Debt	-13.50	-11.70	1.97	48.98	42.41	24.67	-3.48
Net Gearing	-25.2 %	-17.8 %	2.6 %	32.1 %	23.7 %	11.6 %	-1.2 %
Net Fin. Debt / EBITDA	n.a.	n.a.	6.5 %	125.3 %	89.1 %	41.2 %	n.a.
Book Value / Share	8.7	10.6	13.7	24.5	28.8	34.3	41.0
Book value per share ex intangibles	3.4	3.7	4.4	-6.0	-3.7	-0.3	4.8

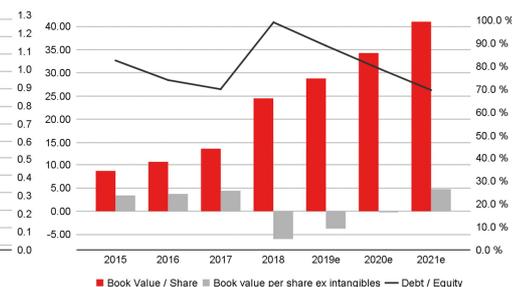
## ROCE Development



## Net debt in EUR m



## Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

### Consolidated cash flow statement

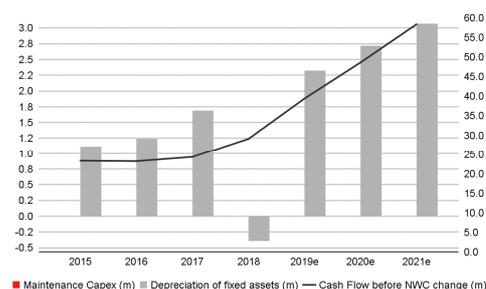
In EUR m	2015	2016	2017	2018	2019e	2020e	2021e
Net income	15.87	18.07	18.43	22.47	26.77	34.19	42.16
Depreciation of fixed assets	1.12	1.24	1.69	-0.39	2.32	2.72	3.07
Amortisation of goodwill	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Amortisation of intangible assets	4.70	3.84	5.12	6.91	10.29	11.65	13.14
Increase/decrease in long-term provisions	0.00	0.03	0.00	0.10	0.00	0.00	0.00
Other non-cash income and expenses	1.60	0.00	-0.92	0.00	0.00	0.00	0.00
<b>Cash Flow before NWC change</b>	<b>23.28</b>	<b>23.19</b>	<b>24.31</b>	<b>29.09</b>	<b>39.38</b>	<b>48.56</b>	<b>58.37</b>
Increase / decrease in inventory	-1.66	0.00	0.00	-0.78	0.78	0.00	0.00
Increase / decrease in accounts receivable	0.00	-5.24	-11.05	-5.08	-13.48	-11.40	-10.20
Increase / decrease in accounts payable	4.60	-1.69	4.35	8.93	4.41	6.10	5.50
Increase / decrease in other working capital positions	0.47	2.10	-9.36	7.67	0.00	0.00	0.00
Increase / decrease in working capital (total)	3.41	-4.83	-16.06	10.75	-8.29	-5.30	-4.70
<b>Net cash provided by operating activities [1]</b>	<b>26.69</b>	<b>18.36</b>	<b>8.26</b>	<b>39.83</b>	<b>31.09</b>	<b>43.26</b>	<b>53.67</b>
Investments in intangible assets	-4.70	-7.67	-8.00	-13.70	-11.00	-12.00	-12.00
Investments in property, plant and equipment	-0.62	-0.80	-2.00	-1.52	-1.52	-1.52	-1.52
Payments for acquisitions	0.00	-5.56	-9.56	-63.26	-12.00	-12.00	-12.00
Financial investments	0.01	0.03	0.55	0.00	0.00	0.00	0.00
Income from asset disposals	0.05	0.01	0.02	0.24	0.00	0.00	0.00
<b>Net cash provided by investing activities [2]</b>	<b>-7.06</b>	<b>-13.25</b>	<b>-21.19</b>	<b>-85.64</b>	<b>-24.52</b>	<b>-25.52</b>	<b>-25.52</b>
Change in financial liabilities	-4.60	-0.50	4.85	70.51	3.60	3.60	3.60
Dividends paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Purchase of own shares	-2.30	-6.91	0.00	0.00	0.00	0.00	0.00
Capital measures	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.00	-7.27	0.00	0.00	0.00
<b>Net cash provided by financing activities [3]</b>	<b>-6.90</b>	<b>-7.41</b>	<b>4.85</b>	<b>63.23</b>	<b>3.60</b>	<b>3.60</b>	<b>3.60</b>
<b>Change in liquid funds [1]+[2]+[3]</b>	<b>12.73</b>	<b>-2.29</b>	<b>-8.08</b>	<b>17.43</b>	<b>10.17</b>	<b>21.34</b>	<b>31.75</b>
Effects of exchange-rate changes on cash	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Cash and cash equivalent at end of period</b>	<b>24.76</b>	<b>22.46</b>	<b>14.33</b>	<b>31.76</b>	<b>41.93</b>	<b>63.27</b>	<b>95.01</b>

### Financial Ratios

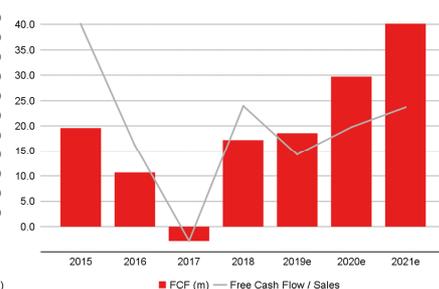
	2015	2016	2017	2018	2019e	2020e	2021e
<b>Cash Flow</b>							
FCF	19.59	10.69	-2.84	17.21	18.57	29.74	40.15
Free Cash Flow / Sales	15.4 %	6.3 %	-0.9 %	9.3 %	5.6 %	7.7 %	9.2 %
Free Cash Flow Potential	21.84	23.48	25.56	33.42	39.98	49.36	59.17
Free Cash Flow / Net Profit	134.7 %	54.7 %	-9.5 %	109.5 %	69.4 %	87.0 %	95.2 %
Interest Received / Avg. Cash	2.0 %	1.0 %	3.0 %	2.5 %	2.2 %	1.5 %	1.0 %
Interest Paid / Avg. Debt	3.8 %	5.7 %	6.5 %	3.6 %	1.9 %	2.1 %	2.0 %
<b>Management of Funds</b>							
Investment ratio	3.8 %	5.4 %	5.1 %	5.7 %	3.8 %	3.5 %	3.1 %
Maint. Capex / Sales	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Capex / Dep	91.4 %	166.6 %	146.9 %	155.4 %	99.3 %	94.1 %	83.4 %
Avg. Working Capital / Sales	9.2 %	10.2 %	11.7 %	9.2 %	8.2 %	8.7 %	8.9 %
Trade Debtors / Trade Creditors	161.1 %	203.6 %	213.1 %	169.5 %	186.0 %	186.1 %	186.0 %
Inventory Turnover	n.a.	n.a.	n.a.	161.3 x	n.a.	n.a.	n.a.
Receivables collection period (days)	86	89	92	74	74	74	74
Payables payment period (days)	111	96	91	93	85	86	86
Cash conversion cycle (Days)	n.a.	n.a.	n.a.	-16	n.a.	n.a.	n.a.

### CAPEX and Cash Flow

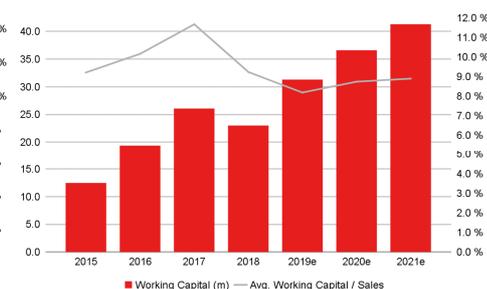
in EUR m



### Free Cash Flow Generation



### Working Capital



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

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-B-	<b>Buy:</b>	The price of the analysed financial instrument is expected to rise over the next 12 months.
-H-	<b>Hold:</b>	The price of the analysed financial instrument is expected to remain mostly flat over the next 12 months.
-S-	<b>Sell:</b>	The price of the analysed financial instrument is expected to fall over the next 12 months.
“-“	<b>Rating suspended:</b>	The available information currently does not permit an evaluation of the company.

**WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING**

Rating	Number of stocks	% of Universe
Buy	121	61
Hold	69	35
Sell	4	2
Rating suspended	6	3
<b>Total</b>	<b>200</b>	<b>100</b>

**WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING ...**

... taking into account only those companies which were provided with major investment services in the last twelve months.

Rating	Number of stocks	% of Universe
Buy	33	80
Hold	6	15
Sell	0	0
Rating suspended	2	5
<b>Total</b>	<b>41</b>	<b>100</b>

**PRICE AND RATING HISTORY HYPOPORT AS OF 02.07.2019**


Markings in the chart show rating changes by Warburg Research GmbH in the last 12 months. Every marking details the date and closing price on the day of the rating change.

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## Our research can be found under:

Warburg Research [research.mmwarburg.com/en/index.html](http://research.mmwarburg.com/en/index.html)  
Bloomberg MMWA GO  
FactSet [www.factset.com](http://www.factset.com)

Thomson Reuters [www.thomsonreuters.com](http://www.thomsonreuters.com)  
Capital IQ [www.capitaliq.com](http://www.capitaliq.com)

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