

Buy EUR 115.00 Price EUR 71.64 Upside 60.5 %	Value Indicators: EUR DCF: 114.86	Share data: Bloomberg: HYQ GR Reuters: HYQGn.DE ISIN: DE0005493365	Description: Technology-based financial services provider
	Market Snapshot: EUR m Market cap: 443.8 No. of shares (m): 6.2 EV: 411.9 Freefloat MC: 280.0 Ø Trad. Vol. (30d): 2.10 m	Shareholders: Freefloat 63.1 % Revenia (Slabke) 36.9 %	Risk Profile (WRe): 2016e Beta: 1.2 Price / Book: 6.2 x Equity Ratio: 63 %

Strong Q4 expected, estimates up

The share has lost some 15% since mid-October due to a disappointing Q3. **Current levels offer an attractive entry point** in light of an intact equity story in the Financial Service Providers segment, which features the Europace mortgage brokerage platform. Moreover, **Q4 16 EBIT is seen up 27% yoy** (adj. for insurance one-off of EUR 0.9m in Q4 15) as fears of rising interest rates prompt clients to refinance existing loans and/or close transactions before year-end, which supports all of HYQ's business units. Preliminary 2016 figures are due March 13, 2017.

Financial Service Providers (approx. 65% of group EBIT): 18% estimated average growth ahead. Hypoport is the leading online mortgage brokerage platform in Germany with an estimated 18% market share, and is aiming for 50% in the medium term. Europace's market share is strongest amongst independent mortgage brokers (50%). Future growth is expected to stem from a growing presence in the private banks (current 33% market share) and public banks segments (current 2% market share). Combined, these segments account for 60% of Germany's EUR 240 billion mortgage market. The unique selling proposition of Europace: a) independence; b) its open source nature, which enables distribution partners to use their own lenders; c) technological edge - marketplace competence means that an estimated EUR 8m is spent annually on improving the software for better processing times, training times, user interfaces. A third version, already in the pipeline, could feature pure online options, all of which help banks cut costs. While gradually rising interest rates should not influence client decisions to purchase a home, declining asset prices could mean declining volumes. Nevertheless, buying an apartment in Germany for EUR 3,000 /sqm yields EUR 2-3/sqm/month in financing costs, which is still far less expensive than rent of more than EUR 10/sqm.

Institutional Clients (30% of group EBIT). This smaller business saw EBIT plunge 25% in Q3. Despite low deal flow, the company seems to have invested in resources. Structurally, demand for independent advice is strong amongst housing associations or municipal investment companies. However deal flow is volatile and 70% of divisional revenues is deal-related (brokered loans). With institutional clients reacting early to seek refinancing amid rising rates, we expect a rebound in profitability in Q4, with EBIT seen up 36% sequentially at EUR 1.9m.

We maintain our Buy recommendation PT EUR 115.0, based on DCF method, 63% upside. Potential bolt-on acquisitions in the real estate appraisal business and insurance marketplace offering (each in the single-digit million Euro bracket) should provide further thematic support.

Changes in Estimates:				Comment on Changes:			
FY End: 31.12. in EUR m	2016e (old)	+ / -	2017e (old)	+ / -	2018e (old)	+ / -	
Sales	152.9	2.0 %	169.7	2.3 %	185.0	4.0 %	2016e Q4 expected to be strong, tax rate increased to 18% vs. 13%
EBIT	23.0	3.5 %	27.5	3.3 %	32.6	-0.9 %	2017e: higher growth rate in FSP assumed (16% vs. 14%), tax rate up to 17% vs. 13%
EPS	3.14	-3.2 %	3.76	-1.3 %	4.47	-4.9 %	2018e: higher sales growth FSP (16% vs. 11%), higher cost base to execute growth and higher tax rate 16.5% vs. 13.0%

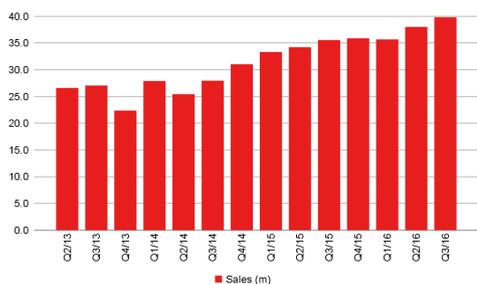


Rel. Performance vs CDAX:	
1 month:	-1.8 %
6 months:	-31.4 %
Year to date:	-11.7 %
Trailing 12 months:	-5.8 %

Company events:
23.01.17 RS AMS

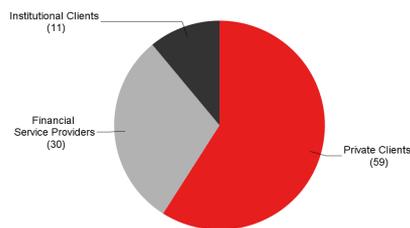
FY End: 31.12. in EUR m	CAGR (15-18e)	2012	2013	2014	2015	2016e	2017e	2018e
Sales	11.4 %	87.8	98.1	112.3	139.0	156.0	173.6	192.3
Change Sales yoy		n.a.	11.8 %	14.5 %	23.7 %	12.2 %	11.3 %	10.8 %
Gross profit margin		55.7 %	54.3 %	53.9 %	54.9 %	54.2 %	55.0 %	55.4 %
EBITDA	16.0 %	8.1	8.1	12.7	25.1	29.6	34.7	39.1
Margin		9.3 %	8.3 %	11.3 %	18.0 %	19.0 %	20.0 %	20.4 %
EBIT	18.8 %	3.2	3.9	7.9	19.3	23.9	28.4	32.3
Margin		3.6 %	4.0 %	7.1 %	13.9 %	15.3 %	16.4 %	16.8 %
Net income	18.4 %	1.9	3.2	5.9	15.9	18.8	23.0	26.3
EPS	18.4 %	0.32	0.52	0.97	2.56	3.04	3.71	4.25
EPS adj.	18.4 %	0.32	0.52	0.97	2.56	3.04	3.71	4.25
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.
FCFPS		0.20	0.61	0.37	3.16	3.00	3.49	4.03
FCF / Market cap		2.3 %	7.4 %	3.3 %	10.2 %	4.2 %	4.9 %	5.6 %
EV / Sales		0.7 x	0.6 x	0.6 x	1.4 x	2.6 x	2.2 x	1.9 x
EV / EBITDA		8.0 x	7.0 x	5.6 x	7.8 x	13.9 x	11.2 x	9.3 x
EV / EBIT		20.3 x	14.4 x	9.0 x	10.2 x	17.3 x	13.7 x	11.3 x
P / E		27.9 x	15.9 x	11.3 x	13.2 x	23.6 x	19.3 x	16.9 x
P / E adj.		27.9 x	15.9 x	11.3 x	13.2 x	23.6 x	19.3 x	16.9 x
FCF Yield Potential		11.9 %	14.5 %	15.9 %	11.2 %	6.3 %	7.7 %	9.3 %
Net Debt		10.1	6.0	4.1	-13.3	-31.9	-53.5	-78.5
ROCE (NOPAT)		13.3 %	10.3 %	15.8 %	38.9 %	48.7 %	57.4 %	63.5 %
Guidance:		2016: slight double digit percentage growth in revenue and earnings						

Sales development
in EUR m



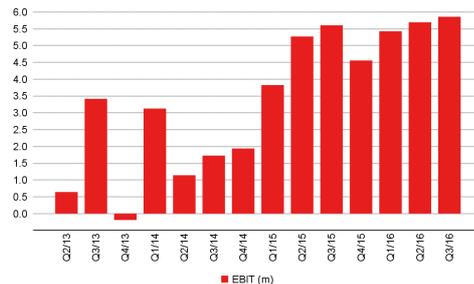
Source: Warburg Research

Sales by Segments
2016e; in %



Source: Warburg Research

EBIT development
in EUR m



Source: Warburg Research

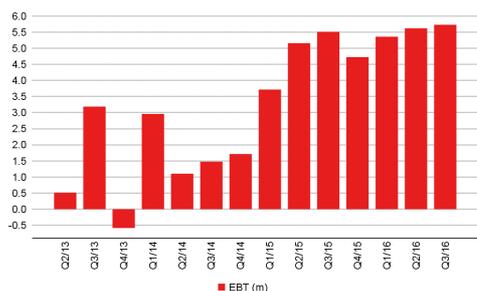
Company Background

- The company, founded in 1999, is specialised as a property financing intermediary
- With Europace, Hypoport operates the largest German internet platform for property financing and similar products
- Under the Dr. Klein brand, Hypoport operates a franchise system of stationary advisors
- 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

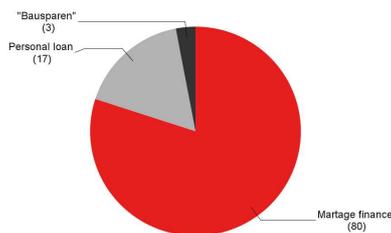
- The online marketplace for property financing operated by Hypoport (Europace) is the largest of its kind in Germany
- As the number of affiliated suppliers is decisive for marketplaces of this type, this forms a central competitive advantage and a considerable market entry barrier for third parties.
- 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
- Dr. Klein has regional presence (200 branches) and, in this way, achieves customer proximity.
- Most importantly however Dr. Klein is strongly focused (mainly property financing) and neutral (with offers from every provider). Other financial sales teams or retail banks normally cannot afford both.

EBT development
in EUR m



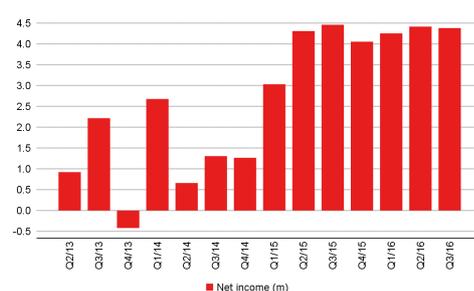
Source: Warburg Research

Europace by product segments
2016e; 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
	2016e	2017e	2018e	2019e	2020e	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	
Sales	156.0	173.6	192.3	201.9	212.0	222.6	233.7	245.4	257.7	265.4	273.4	281.6	288.6	
Sales change	12.2 %	11.3 %	10.8 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	3.0 %	3.0 %	3.0 %	2.5 %	2.5 %
EBIT	24.7	28.3	32.3	34.3	42.4	46.7	50.2	54.0	58.0	59.7	61.5	63.4	64.9	
EBIT-margin	15.8 %	16.3 %	16.8 %	17.0 %	20.0 %	21.0 %	21.5 %	22.0 %	22.5 %	22.5 %	22.5 %	22.5 %	22.5 %	
Tax rate (EBT)	18.0 %	17.0 %	16.5 %	15.0 %	15.0 %	15.0 %	15.0 %	15.0 %	15.0 %	15.0 %	15.0 %	15.0 %	15.0 %	
NOPAT	20.2	23.5	27.0	29.2	36.0	39.7	42.7	45.9	49.3	50.8	52.3	53.8	55.2	
Depreciation	5.8	6.3	6.9	6.1	6.4	6.7	7.0	7.4	7.7	8.0	8.2	8.4	8.7	
in % of Sales	3.7 %	3.6 %	3.6 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	
Changes in provisions	0.0	0.0	0.0	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Change in Liquidity from														
- Working Capital	1.3	1.6	1.7	3.1	1.0	1.1	1.1	1.2	1.2	0.8	0.8	0.8	0.7	
- Capex	5.5	6.0	6.6	6.1	6.4	6.7	7.0	7.4	7.7	8.0	8.2	8.4	8.7	
Capex in % of Sales	3.5 %	3.5 %	3.4 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Free Cash Flow (WACC Model)	19.2	22.2	25.6	25.9	35.0	38.7	41.6	44.7	48.1	50.0	51.5	53.0	54.5	55
PV of FCF	18.9	20.3	21.7	20.3	25.4	26.0	25.9	25.8	25.6	24.7	23.6	22.5	21.4	396
share of PVs	8.72 %			34.52 %										56.76 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	0.00 %	Financial Strength	1.00
Cost of debt (after tax)	2.7 %	Liquidity (share)	1.00
Market return	7.00 %	Cyclicality	1.30
Risk free rate	1.50 %	Transparency	1.30
		Others	1.30
WACC	7.99 %	Beta	1.18

Valuation (m)

Present values 2028e	302		
Terminal Value	396		
Financial liabilities	11		
Pension liabilities	0		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	25	No. of shares (m)	6.2
Equity Value	712	Value per share (EUR)	114.86

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
1.36	9.0 %	91.51	93.06	94.73	96.52	98.46	100.56	102.85	1.36	9.0 %	89.69	91.97	94.25	96.52	98.80	101.08	103.36
1.27	8.5 %	98.75	100.65	102.70	104.92	107.33	109.97	112.86	1.27	8.5 %	97.52	99.98	102.45	104.92	107.38	109.85	112.32
1.23	8.2 %	102.79	104.90	107.19	109.67	112.38	115.35	118.62	1.23	8.2 %	101.95	104.52	107.10	109.67	112.25	114.82	117.39
1.18	8.0 %	107.17	109.52	112.08	114.86	117.92	121.28	124.99	1.18	8.0 %	106.79	109.48	112.17	114.86	117.55	120.25	122.94
1.13	7.7 %	111.92	114.55	117.41	120.56	124.01	127.83	132.08	1.13	7.7 %	112.10	114.92	117.74	120.56	123.37	126.19	129.01
1.09	7.5 %	117.09	120.04	123.27	126.82	130.75	135.12	140.00	1.09	7.5 %	117.94	120.90	123.86	126.82	129.79	132.75	135.71
1.00	7.0 %	128.94	132.70	136.86	141.48	146.65	152.46	159.05	1.00	7.0 %	131.61	134.90	138.19	141.48	144.77	148.06	151.35

- The growth anticipated for Hypoport is based on robust business development in all segments
- Financial Services (Europace) in particular offers systematic potential for economies of scale and margin growth
- On this basis the group assumes a positive long-term margin trend
- Based on a sophisticated regional dispersion of tax obligations a low tax rate is assumed long term.

Valuation							
	2012	2013	2014	2015	2016e	2017e	2018e
Price / Book	1.9 x	1.5 x	1.7 x	4.0 x	6.2 x	4.7 x	3.7 x
Book value per share ex intangibles	0.31	0.53	1.25	3.31	6.48	10.18	14.45
EV / Sales	0.7 x	0.6 x	0.6 x	1.4 x	2.6 x	2.2 x	1.9 x
EV / EBITDA	8.0 x	7.0 x	5.6 x	7.8 x	13.9 x	11.2 x	9.3 x
EV / EBIT	20.3 x	14.4 x	9.0 x	10.2 x	17.3 x	13.7 x	11.3 x
EV / EBIT adj.*	20.3 x	14.4 x	9.0 x	10.2 x	17.3 x	13.7 x	11.3 x
P / FCF	44.4 x	13.5 x	29.9 x	9.8 x	23.9 x	20.5 x	17.8 x
P / E	27.9 x	15.9 x	11.3 x	13.2 x	23.6 x	19.3 x	16.9 x
P / E adj.*	27.9 x	15.9 x	11.3 x	13.2 x	23.6 x	19.3 x	16.9 x
Dividend Yield	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Free Cash Flow Yield Potential	11.9 %	14.5 %	15.9 %	11.2 %	6.3 %	7.7 %	9.3 %
*Adjustments made for: -							

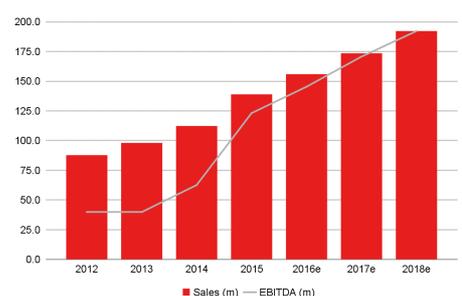
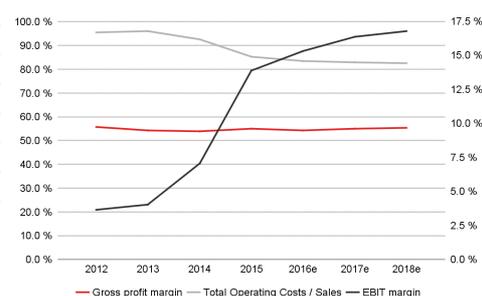
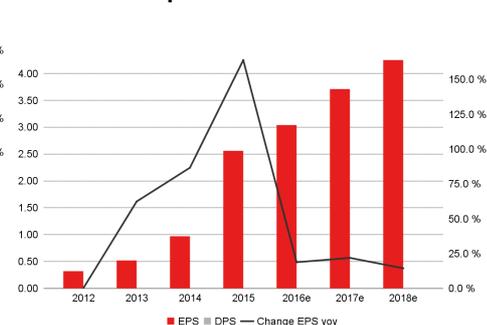
Consolidated profit & loss

In EUR m	2012	2013	2014	2015	2016e	2017e	2018e
Sales	87.8	98.1	112.3	139.0	156.0	173.6	192.3
Change Sales yoy	n.a.	11.8 %	14.5 %	23.7 %	12.2 %	11.3 %	10.8 %
Increase / decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Own work capitalised	4.2	4.2	4.2	4.7	3.9	5.2	5.6
Total Sales	91.9	102.3	116.5	143.6	159.9	178.8	197.9
Material expenses	43.0	49.1	55.9	67.3	75.3	83.3	91.3
Gross profit	48.9	53.2	60.6	76.3	84.5	95.5	106.5
<i>Gross profit margin</i>	<i>55.7 %</i>	<i>54.3 %</i>	<i>53.9 %</i>	<i>54.9 %</i>	<i>54.2 %</i>	<i>55.0 %</i>	<i>55.4 %</i>
Personnel expenses	29.9	32.7	35.3	38.2	42.1	45.1	50.1
Other operating income	2.4	2.8	1.8	2.2	2.8	1.7	1.9
Other operating expenses	13.2	15.2	14.5	15.2	15.6	17.4	19.2
Unfrequent items	0.0	0.0	0.1	0.0	0.0	0.0	0.0
EBITDA	8.1	8.1	12.7	25.1	29.6	34.7	39.1
<i>Margin</i>	<i>9.3 %</i>	<i>8.3 %</i>	<i>11.3 %</i>	<i>18.0 %</i>	<i>19.0 %</i>	<i>20.0 %</i>	<i>20.4 %</i>
Depreciation of fixed assets	0.9	1.1	1.0	1.1	1.1	1.1	1.1
EBITA	7.2	7.1	11.7	24.0	28.5	33.6	38.0
Amortisation of intangible assets	4.0	3.1	3.8	4.7	4.7	5.2	5.8
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	3.2	3.9	7.9	19.3	23.9	28.4	32.3
<i>Margin</i>	<i>3.6 %</i>	<i>4.0 %</i>	<i>7.1 %</i>	<i>13.9 %</i>	<i>15.3 %</i>	<i>16.4 %</i>	<i>16.8 %</i>
EBIT adj.	3.2	3.9	7.9	19.3	23.9	28.4	32.3
Interest income	0.2	0.1	0.1	0.4	0.1	0.1	0.1
Interest expenses	1.0	1.0	0.8	0.5	0.8	0.8	0.8
Other financial income (loss)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBT	2.3	3.1	7.3	19.1	23.2	27.7	31.6
<i>Margin</i>	<i>2.7 %</i>	<i>3.1 %</i>	<i>6.5 %</i>	<i>13.7 %</i>	<i>14.8 %</i>	<i>16.0 %</i>	<i>16.4 %</i>
Total taxes	0.4	-0.1	1.3	3.2	4.3	4.7	5.2
Net income from continuing operations	1.9	3.2	5.9	15.9	18.8	23.0	26.3
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income before minorities	1.9	3.2	5.9	15.9	18.8	23.0	26.3
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	1.9	3.2	5.9	15.9	18.8	23.0	26.3
<i>Margin</i>	<i>2.2 %</i>	<i>3.2 %</i>	<i>5.3 %</i>	<i>11.4 %</i>	<i>12.1 %</i>	<i>13.3 %</i>	<i>13.7 %</i>
Number of shares, average	6.1	6.1	6.1	6.2	6.2	6.2	6.2
EPS	0.32	0.52	0.97	2.56	3.04	3.71	4.25
EPS adj.	0.32	0.52	0.97	2.56	3.04	3.71	4.25

*Adjustments made for:

Guidance: 2016: slight double digit percentage growth in revenue and earnings
Financial Ratios

	2012	2013	2014	2015	2016e	2017e	2018e
Total Operating Costs / Sales	95.5 %	96.1 %	92.5 %	85.3 %	83.5 %	83.0 %	82.6 %
Operating Leverage	n.a.	2.0 x	7.0 x	6.0 x	2.0 x	1.7 x	1.3 x
EBITDA / Interest expenses	7.8 x	8.2 x	15.4 x	48.0 x	37.0 x	43.4 x	48.9 x
Tax rate (EBT)	16.9 %	-3.3 %	18.2 %	16.9 %	18.6 %	17.0 %	16.5 %
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

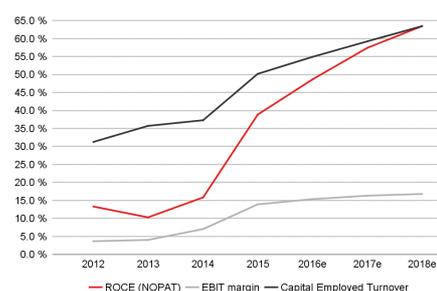
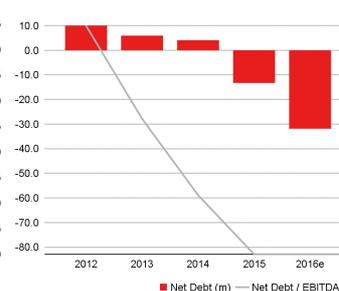
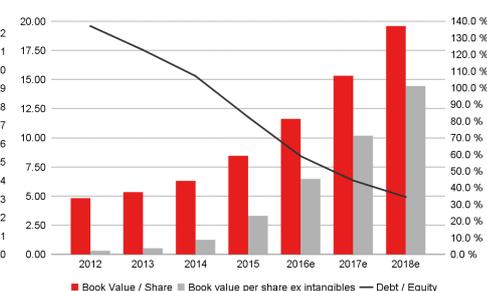
Source: Warburg Research

Consolidated balance sheet

In EUR m	2012	2013	2014	2015	2016e	2017e	2018e
Assets							
Goodwill and other intangible assets	27.7	29.6	31.0	31.9	31.9	31.9	31.9
thereof other intangible assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
thereof Goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Property, plant and equipment	2.6	2.5	2.7	3.0	2.7	2.4	2.1
Financial assets	0.1	0.1	0.1	0.0	0.0	0.0	0.0
Other long-term assets	0.0	0.7	1.1	1.4	1.4	1.4	1.4
Fixed assets	30.4	32.8	34.8	36.4	36.1	35.8	35.5
Inventories	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	25.7	24.4	29.6	32.8	36.7	40.9	45.3
Liquid assets	8.6	11.0	12.0	24.8	40.1	58.7	80.7
Other short-term assets	6.0	5.4	3.9	2.1	2.1	2.1	2.1
Current assets	40.3	40.8	45.6	59.7	78.9	101.7	128.1
Total Assets	70.7	73.6	80.4	96.1	115.0	137.5	163.6
Liabilities and shareholders' equity							
Subscribed capital	6.2	6.2	6.2	6.2	6.2	6.2	6.2
Capital reserve	2.1	2.1	2.2	2.3	2.3	2.3	2.3
Retained earnings	21.4	24.6	30.3	44.0	63.6	86.6	113.0
Other equity components	-0.1	-0.1	-0.1	-0.2	-0.2	-0.2	-0.2
Shareholders' equity	29.6	32.8	38.6	52.4	72.0	95.0	121.4
Minority interest	0.2	0.3	0.3	0.3	0.3	0.3	0.3
Total equity	29.8	33.1	38.9	52.7	72.3	95.2	121.6
Provisions	0.3	0.1	0.2	0.2	0.2	0.2	0.2
thereof provisions for pensions and similar obligations	0.3	0.1	0.2	0.2	0.2	0.2	0.2
Financial liabilities (total)	18.3	16.8	15.9	11.3	8.0	5.0	2.0
thereof short-term financial liabilities	5.4	4.8	4.6	4.3	4.0	3.0	2.0
Accounts payable	14.1	15.2	16.5	20.4	22.9	25.5	28.2
Other liabilities	8.2	8.4	9.0	11.5	11.5	11.5	11.5
Liabilities	40.9	40.5	41.6	43.4	42.7	42.3	42.0
Total liabilities and shareholders' equity	70.7	73.6	80.4	96.1	115.0	137.5	163.6

Financial Ratios

	2012	2013	2014	2015	2016e	2017e	2018e
Efficiency of Capital Employment							
Operating Assets Turnover	6.1 x	8.4 x	7.1 x	9.0 x	9.4 x	9.7 x	10.0 x
Capital Employed Turnover	2.2 x	2.5 x	2.6 x	3.5 x	3.9 x	4.2 x	4.5 x
ROA	6.4 %	9.7 %	17.0 %	43.6 %	52.2 %	64.3 %	74.3 %
Return on Capital							
ROCE (NOPAT)	13.3 %	10.3 %	15.8 %	38.9 %	48.7 %	57.4 %	63.5 %
ROE	13.1 %	10.2 %	16.6 %	34.9 %	30.3 %	27.6 %	24.4 %
Adj. ROE	13.1 %	10.2 %	16.6 %	34.9 %	30.3 %	27.6 %	24.4 %
Balance sheet quality							
Net Debt	10.1	6.0	4.1	-13.3	-31.9	-53.5	-78.5
Net Financial Debt	9.7	5.9	3.9	-13.5	-32.1	-53.7	-78.7
Net Gearing	33.7 %	18.1 %	10.5 %	-25.2 %	-44.1 %	-56.2 %	-64.6 %
Net Fin. Debt / EBITDA	119.8 %	72.2 %	30.5 %	n.a.	n.a.	n.a.	n.a.
Book Value / Share	4.8	5.3	6.3	8.5	11.6	15.3	19.6
Book value per share ex intangibles	0.3	0.5	1.2	3.3	6.5	10.2	14.4

ROCE Development

Net debt in EUR m

Book Value per Share in EUR


Source: Warburg Research

Source: Warburg Research

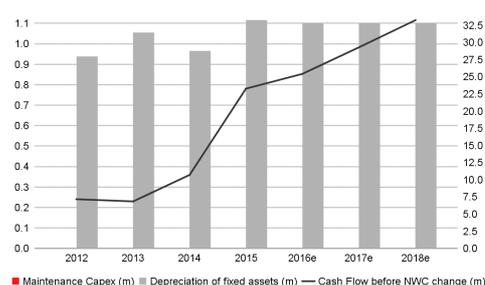
Source: Warburg Research

Consolidated cash flow statement

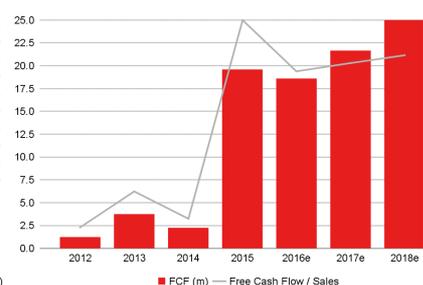
In EUR m	2012	2013	2014	2015	2016e	2017e	2018e
Net income	1.9	3.2	5.9	15.9	19.6	22.9	26.4
Depreciation of fixed assets	0.9	1.1	1.0	1.1	1.1	1.1	1.1
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	4.0	3.1	3.8	4.7	4.7	5.2	5.8
Increase/decrease in long-term provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other non-cash income and expenses	0.3	-0.5	0.0	1.6	0.0	0.0	0.0
Cash Flow before NWC change	7.1	6.8	10.7	23.3	25.4	29.3	33.3
Increase / decrease in inventory	1.6	1.0	-4.1	-1.7	0.0	0.0	0.0
Increase / decrease in accounts receivable	0.0	0.0	0.0	0.0	-3.9	-4.2	-4.4
Increase / decrease in accounts payable	-0.1	2.8	1.8	4.6	2.5	2.6	2.7
Increase / decrease in other working capital positions	-0.8	-1.0	0.1	0.5	0.0	0.0	0.0
Increase / decrease in working capital (total)	0.6	2.7	-2.3	3.4	-1.3	-1.6	-1.7
Net cash provided by operating activities [1]	7.8	9.5	8.4	26.7	24.1	27.7	31.6
Investments in intangible assets	-5.9	-5.2	-5.5	-4.7	-4.7	-5.2	-5.8
Investments in property, plant and equipment	-0.7	-0.6	-0.6	-0.6	-0.8	-0.8	-0.8
Payments for acquisitions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	0.1	0.0	0.0	0.1	0.0	0.0	0.0
Net cash provided by investing activities [2]	-6.5	-5.7	-6.2	-7.1	-5.5	-6.0	-6.6
Change in financial liabilities	0.4	-1.4	-0.9	-4.6	-3.3	-3.0	-3.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Purchase of own shares	-0.6	0.0	-0.3	-2.3	0.0	0.0	0.0
Capital measures	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net cash provided by financing activities [3]	-0.3	-1.4	-1.2	-6.9	-3.3	-3.0	-3.0
Change in liquid funds [1]+[2]+[3]	1.0	2.4	1.1	12.7	15.3	18.6	22.0
Effects of exchange-rate changes on cash	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash and cash equivalent at end of period	8.6	11.0	12.0	24.8	40.1	58.7	80.7

Financial Ratios

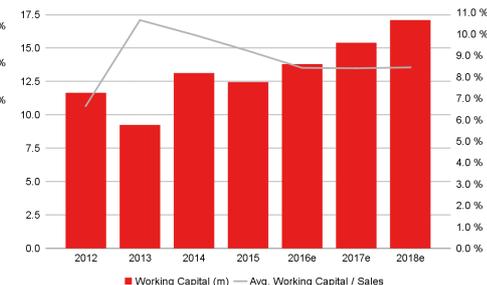
	2012	2013	2014	2015	2016e	2017e	2018e
Cash Flow							
FCF	1.2	3.8	2.2	19.6	18.6	21.6	25.0
Free Cash Flow / Sales	1.4 %	3.8 %	2.0 %	15.4 %	11.9 %	12.5 %	13.0 %
Free Cash Flow Potential	7.7	8.2	11.4	21.8	26.1	30.0	34.0
Free Cash Flow / Net Profit	63.5 %	118.2 %	38.0 %	134.7 %	98.7 %	94.1 %	94.9 %
Interest Received / Avg. Cash	4.2 %	1.1 %	1.2 %	2.0 %	0.3 %	0.2 %	0.1 %
Interest Paid / Avg. Debt	11.3 %	5.6 %	5.0 %	3.8 %	8.3 %	12.3 %	22.9 %
Management of Funds							
Investment ratio	7.4 %	5.8 %	5.5 %	3.8 %	3.5 %	3.5 %	3.4 %
Maint. Capex / Sales	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Capex / Dep	132.1 %	137.4 %	129.5 %	91.4 %	94.8 %	95.2 %	95.6 %
Avg. Working Capital / Sales	6.6 %	10.7 %	10.0 %	9.2 %	8.4 %	8.4 %	8.5 %
Trade Debtors / Trade Creditors	182.8 %	160.8 %	179.6 %	161.1 %	160.3 %	160.4 %	160.6 %
Inventory Turnover	n.a.						
Receivables collection period (days)	107	91	96	86	86	86	86
Payables payment period (days)	119	113	108	111	111	112	113
Cash conversion cycle (Days)	n.a.						

CAPEX and Cash Flow
in EUR m


Source: Warburg Research

Free Cash Flow Generation


Source: Warburg Research

Working Capital


Source: Warburg Research

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HYPOPORT	5	http://www.mmwarburg.com/disclaimer/disclaimer_en/DE0005493365.htm

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Investment recommendation: expected direction of the share price development of the financial instrument up to the given price target in the opinion of the analyst who covers this financial instrument.

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

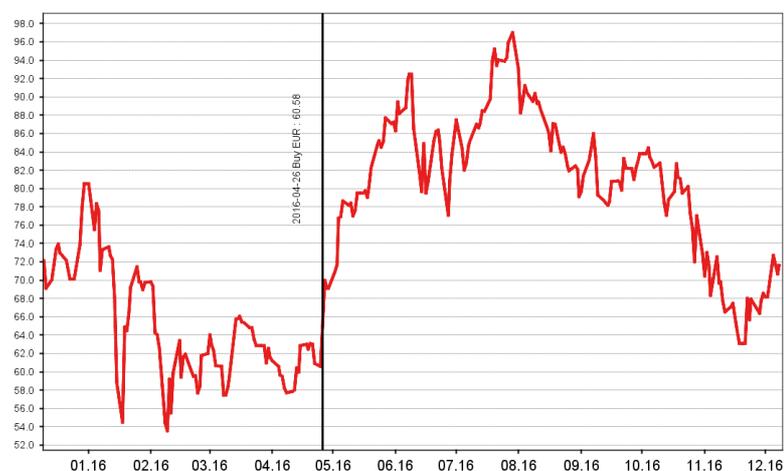
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Rating	Number of stocks	% of Universe
Buy	125	65
Hold	62	32
Sell	4	2
Rating suspended	1	1
Total	192	100

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	27	71
Hold	10	26
Sell	0	0
Rating suspended	1	3
Total	38	100

PRICE AND RATING HISTORY HYPOPORT AS OF 09.12.2016


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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