

Buy EUR 159.00 Price EUR 120.00 Upside 32.5 %	Value Indicators: EUR SotP: 156.35	Share data: Bloomberg: HYQ GR Reuters: HYQGn.DE ISIN: DE0005493365	Description: Technology-based financial services provider
	Market Snapshot: EUR m Market cap: 713.02 No. of shares (m): 5.94 EV: 675.65 Freefloat MC: 424.96 Ø Trad. Vol. (30d): 1.22 m	Shareholders: Freefloat 59.6 % Revenia (Ronald Slabke) 36.3 % Treasury shares 4.1 %	Risk Profile (WRe): 2017e Beta: 1.2 Price / Book: 8.8 x Equity Ratio: 61 %

Preliminary FY 17 results released

Q4 17p									
in EUR m	Q4 17p	Q4 17e	Q4 16	yoy	2017p	2017e	2016	yoy	
Sales	50	50	43	17%	194	193	167	24%	
EBIT	4.4	6.0	6.1	-28%	23.0	24.6	23.2	-0.9%	

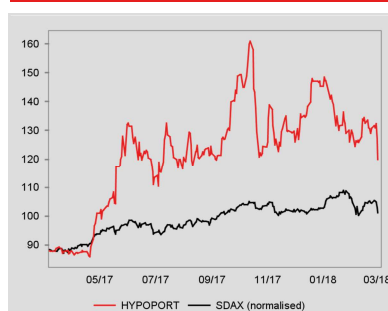
Comment on Figures:

- Q4 revenues were up 17% yoy and in line with our expectations, driven by further market share gains of the EUROPACE platform and a stronger Private Clients business.
- Q4 EBIT was down 28% yoy and 27% lower than expected, due to larger investments in the Credit platform business unit and higher than anticipated onboarding costs in the Private Clients business.
- Figures are preliminary on a full-year basis and rounded by the company. Therefore, Q4 interpretations have to be made cautiously, as rounding effects could have a major impact on the quarterly segment figures.

The company reported preliminary Q4/FY 2017 figures, reaching its FY 2017 guidance of a slight double-digit revenue growth, while missing the targets on EBIT level. Detailed preliminary figures will follow on March 12 and the full annual report is set to be published on March 26.

- Credit Platform (40% of group revenues):** Q4 revenues were EUR 19.5m, up 15% yoy. Growth is driven by ongoing market share gains of EUROPACE. HYPOPORT already released Q4 transaction volumes for EUROPACE in mid-January, which were up 3.3% yoy. For the full year 2017, EUROPACE's transaction volumes were up by 7.8%, vs. an overall German mortgage financing market that was down by 2.2% yoy. Uncertainties related to the German federal elections held mortgage activity back, particularly in H2. This should change in H1 2018 when a new government is formed. Q4 EBIT amounted to EUR 3.3m, up 16% yoy, while the margin was 16.9% (+110 bps yoy). The decline in margin compared to previous quarters can be explained by higher investments in the new real estate valuation tool that is assigned to the credit platform business. Furthermore, HYPOPORT is continuously investing in the platform and scaling distribution, which is still putting a brake on margin expansion.
- Private Clients (42% of group revenues):** Q4 revenues amounted to EUR 20.4m, up 26% yoy. Q4 EBIT was EUR 2.6m, up 16% yoy with the margin at 15.4% (+150 bps). The EBIT came in below our expectations (Q4e: EUR 3.3m), mainly due to higher than expected onboarding costs. At the same time, this can be seen as the foundation of further business growth. In FY 2017, nearly 40 sales reps were added.
- Institutional Clients (10% of group revenues):** Q4 revenues were EUR 4.5m, down 33% yoy. The nature of the business is project-driven and lumpy. The company has been diversifying from the public sector in the hope of smoothing activity levels and has therefore been investing in its advisor network to better target a private institutional client base. This had already put margins under pressure as of 9M. The trend is slightly reversed in Q4, with an EBIT of EUR 0.9m, down 67% yoy, but up 55% qoq. Regarding the lack of stimulus from interest rates and the governmental uncertainties in H2 2017, the past two quarters might be considered as the lower boundary of volatility.
- Insurance Platform (8% of group revenues):** Q4 revenues were EUR 4.1m, up 17% qoq and Q4 EBIT amounted to EUR -0.1m, vs. an expected Q4e EBIT of EUR -0.4m. This division is at a very early stage in terms of revenue growth. The company has already informed the market that, based on its existing client base, revenues should grow by 50% yoy in 2018. In view of the better than expected development in this segment, it seems possible that the point of profitability could be reached earlier than we expected and be reached in 2018.

Although our Q4 estimates might have been a bit too ambitious, the investment story is still intact. In the credit platform business, EUROPACE is gaining market shares, as more and more savings and cooperative banks are migrated to the platform. The Private Clients segment is growing strongly as well, and we still see a lot of upside potential for the Institutional Clients business after a comparably weak H2 2017. Therefore we stick to our Buy rating with a PT of EUR 159.

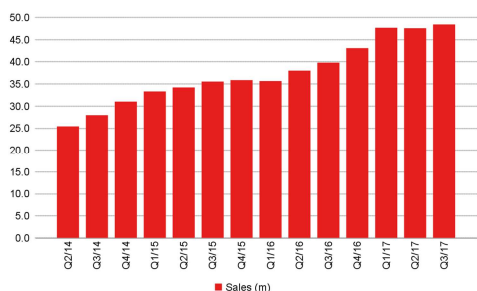


Rel. Performance vs SDAX:	
1 month:	-2.0 %
6 months:	-2.3 %
Year to date:	-15.9 %
Trailing 12 months:	22.2 %

Company events:	
12.03.18	Prel. FY 2017
26.03.18	FY 2017
03.05.18	Q1
04.05.18	AGM

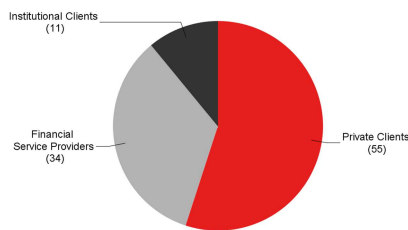
FY End: 31.12. in EUR m	CAGR (16-19e)	2013	2014	2015	2016	2017e	2018e	2019e
Sales	14.8 %	98.09	112.33	138.98	156.60	194.00	215.58	237.09
Change Sales yoy		11.8 %	14.5 %	23.7 %	12.7 %	23.9 %	11.1 %	10.0 %
Gross profit margin		54.3 %	53.9 %	54.9 %	58.0 %	57.9 %	57.9 %	57.9 %
EBITDA	9.6 %	8.12	12.70	25.08	28.20	29.96	33.00	37.15
Margin		8.3 %	11.3 %	18.0 %	18.0 %	15.4 %	15.3 %	15.7 %
EBIT	10.2 %	3.95	7.94	19.26	23.12	24.30	27.05	30.97
Margin		4.0 %	7.1 %	13.9 %	14.8 %	12.5 %	12.5 %	13.1 %
Net income	10.1 %	3.18	5.92	15.87	17.97	18.67	20.85	23.95
EPS	10.3 %	0.52	0.97	2.56	3.00	3.14	3.51	4.03
EPS adj.	10.3 %	0.52	0.97	2.56	3.00	3.14	3.51	4.03
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		0.61	0.37	3.16	1.90	1.64	2.73	3.25
FCF / Market cap		7.4 %	3.3 %	10.2 %	2.4 %	1.3 %	2.2 %	2.7 %
EV / Sales		0.6 x	0.6 x	1.4 x	2.8 x	3.6 x	3.2 x	2.8 x
EV / EBITDA		7.0 x	5.6 x	7.8 x	15.6 x	23.5 x	20.8 x	18.0 x
EV / EBIT		14.4 x	9.0 x	10.2 x	19.0 x	28.9 x	25.4 x	21.6 x
P / E		15.9 x	11.3 x	13.2 x	25.0 x	38.2 x	34.2 x	29.8 x
P / E adj.		15.9 x	11.3 x	13.2 x	25.0 x	38.2 x	34.2 x	29.8 x
FCF Potential Yield		14.5 %	15.9 %	11.2 %	5.3 %	3.6 %	4.0 %	4.6 %
Net Debt		5.97	4.08	-13.29	-11.46	-21.18	-37.37	-56.70
ROCE (NOPAT)		10.3 %	15.8 %	38.9 %	39.6 %	33.5 %	33.4 %	35.6 %
Guidance:	2017: revenues and earnings growth just into double digit figures							

Sales development
in EUR m



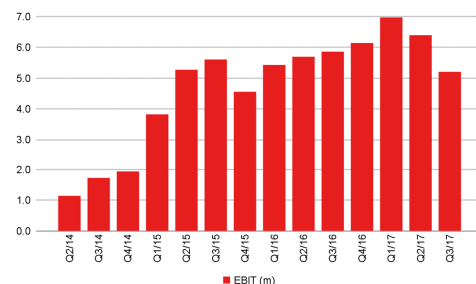
Source: Warburg Research

Sales by Segments
2016; in %



Source: Warburg Research

EBIT development
in EUR m



Source: Warburg Research

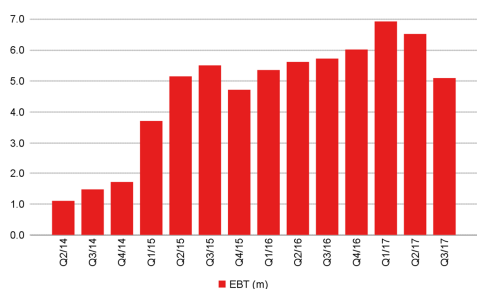
Company Background

- The company, founded in 1999, is specialised as a property financing intermediary
- With Europace, Hypoport operates the largest German online B2B 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

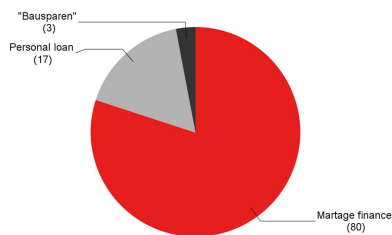
- The online B2B marketplace for property financing (Europace) is the largest of its kind in Germany
- As the number of affiliated suppliers is decisive for marketplaces of this type, this forms a central competitive advantage and a considerable market entry barrier for third parties.
- The Dr. Klein business segments (private clients) benefits from market access over Europace but also from the many years of experience in the area of property financing
- 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



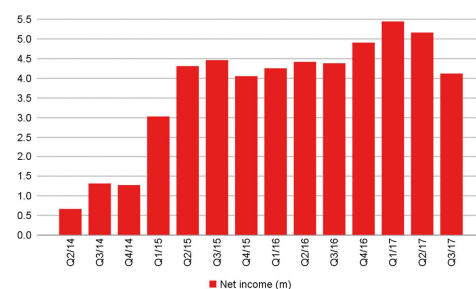
Source: Warburg Research

Europace by product segments
2016; 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
	2017e	2018e	2019e	2020e	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	
Sales	179.00	196.53	212.90	234.19	257.60	283.37	311.70	333.52	356.87	381.85	400.94	420.99	431.51	
Sales change	23.9 %	11.1 %	10.0 %	10.0 %	10.0 %	10.0 %	10.0 %	7.0 %	7.0 %	7.0 %	5.0 %	5.0 %	2.5 %	2.5 %
EBIT	25.60	27.55	30.97	37.47	42.50	48.17	56.11	60.03	64.24	68.73	72.17	75.78	77.67	
EBIT-margin	14.3 %	14.0 %	14.5 %	16.0 %	16.5 %	17.0 %	18.0 %	18.0 %	18.0 %	18.0 %	18.0 %	18.0 %	18.0 %	
Tax rate (EBT)	20.9 %	20.9 %	20.9 %	20.9 %	20.9 %	20.9 %	20.9 %	20.9 %	20.9 %	20.9 %	20.9 %	20.9 %	20.9 %	
NOPAT	20.26	21.80	24.51	29.65	33.63	38.12	44.39	47.50	50.83	54.38	57.10	59.96	61.46	
Depreciation	4.36	5.44	6.18	9.37	10.30	11.33	12.47	13.34	14.27	15.27	16.04	16.84	17.26	
in % of Sales	2.4 %	2.8 %	2.9 %	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	-0.01	0.02	0.03	0.03	0.02	0.02	0.02	0.02	0.02	0.01	
Change in Liquidity from														
- Working Capital	4.62	2.60	2.80	2.94	3.23	3.56	3.91	3.01	3.22	3.45	2.64	2.77	1.45	
- Capex	10.00	8.00	8.00	11.71	12.88	14.17	15.59	16.68	17.84	19.09	20.05	21.05	21.58	
Capex in % of Sales	5.6 %	4.1 %	3.8 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	
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)	10.00	16.64	19.88	24.36	27.85	31.75	37.39	41.18	44.06	47.14	50.48	53.00	55.70	57
PV of FCF	10.13	15.59	17.21	19.48	20.58	21.68	23.60	24.01	23.75	23.48	23.23	22.55	21.90	393
share of PVs	6.50 %			33.97 %										59.53 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	0.00 %	Financial Strength	1.00
Cost of debt (after tax)	2.4 %	Liquidity (share)	1.00
Market return	7.00 %	Cyclicality	1.50
Risk free rate	1.50 %	Transparency	1.30
		Others	1.30
WACC	8.21 %	Beta	1.22

Valuation (m)

Present values 2029e	267		
Terminal Value	393		
Financial liabilities	11		
Pension liabilities	0		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	22	No. of shares (m)	5.9
Equity Value	671	Value per share (EUR)	113.00

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
1.40	9.2 %	89.71	91.29	92.97	94.79	96.74	98.85	101.14	1.40	9.2 %	85.54	88.63	91.71	94.79	97.87	100.95	104.03
1.31	8.7 %	96.94	98.85	100.91	103.14	105.56	108.19	111.05	1.31	8.7 %	93.12	96.46	99.80	103.14	106.48	109.82	113.16
1.27	8.5 %	100.97	103.09	105.38	107.86	110.56	113.51	116.74	1.27	8.5 %	97.40	100.89	104.37	107.86	111.34	114.83	118.31
1.22	8.2 %	105.32	107.67	110.22	113.00	116.03	119.35	123.00	1.22	8.2 %	102.07	105.71	109.35	113.00	116.64	120.29	123.93
1.17	8.0 %	110.03	112.65	115.50	118.62	122.03	125.78	129.94	1.17	8.0 %	107.17	110.98	114.80	118.62	122.44	126.25	130.07
1.13	7.7 %	115.15	118.08	121.28	124.79	128.65	132.92	137.67	1.13	7.7 %	112.76	116.77	120.78	124.79	128.80	132.80	136.81
1.04	7.2 %	126.84	130.54	134.62	139.13	144.15	149.76	156.08	1.04	7.2 %	125.78	130.23	134.68	139.13	143.58	148.03	152.48

- 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.

Sum of the parts

■ ...

Valuation	2013	2014	2015	2016	2017e	2018e	2019e
Price / Book	1.5 x	1.7 x	4.0 x	7.0 x	8.8 x	7.0 x	5.7 x
Book value per share ex intangibles	0.53	1.25	3.40	3.72	6.23	9.46	13.27
EV / Sales	0.6 x	0.6 x	1.4 x	2.8 x	3.6 x	3.2 x	2.8 x
EV / EBITDA	7.0 x	5.6 x	7.8 x	15.6 x	23.5 x	20.8 x	18.0 x
EV / EBIT	14.4 x	9.0 x	10.2 x	19.0 x	28.9 x	25.4 x	21.6 x
EV / EBIT adj.*	14.4 x	9.0 x	10.2 x	19.0 x	28.9 x	25.4 x	21.6 x
P / FCF	13.5 x	29.9 x	9.8 x	42.4 x	73.4 x	44.0 x	36.9 x
P / E	15.9 x	11.3 x	13.2 x	25.0 x	38.2 x	34.2 x	29.8 x
P / E adj.*	15.9 x	11.3 x	13.2 x	25.0 x	38.2 x	34.2 x	29.8 x
Dividend Yield	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
FCF Potential Yield (on market EV)	14.5 %	15.9 %	11.2 %	5.3 %	3.6 %	4.0 %	4.6 %

*Adjustments made for: -

Consolidated profit & loss

In EUR m	2013	2014	2015	2016	2017e	2018e	2019e
Sales	98.09	112.33	138.98	156.60	194.00	215.58	237.09
Change Sales yoy	11.8 %	14.5 %	23.7 %	12.7 %	23.9 %	11.1 %	10.0 %
Increase / decrease in inventory	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Own work capitalised	4.25	4.18	4.66	5.66	6.79	7.55	8.30
Total Sales	102.34	116.50	143.65	162.26	200.79	223.13	245.39
Material expenses	49.11	55.95	67.31	71.44	88.46	98.31	108.11
Gross profit	53.23	60.55	76.34	90.82	112.33	124.82	137.28
<i>Gross profit margin</i>	<i>54.3 %</i>	<i>53.9 %</i>	<i>54.9 %</i>	<i>58.0 %</i>	<i>57.9 %</i>	<i>57.9 %</i>	<i>57.9 %</i>
Personnel expenses	32.68	35.33	38.22	46.36	56.84	62.73	68.76
Other operating income	2.77	1.83	2.18	3.07	4.27	4.96	5.69
Other operating expenses	15.23	14.50	15.25	19.33	29.79	34.05	37.06
Unfrequent items	0.04	0.15	0.03	0.00	0.00	0.00	0.00
EBITDA	8.12	12.70	25.08	28.20	29.96	33.00	37.15
<i>Margin</i>	<i>8.3 %</i>	<i>11.3 %</i>	<i>18.0 %</i>	<i>18.0 %</i>	<i>15.4 %</i>	<i>15.3 %</i>	<i>15.7 %</i>
Depreciation of fixed assets	1.06	0.97	1.12	1.24	1.20	1.20	1.20
EBITA	7.07	11.73	23.96	26.96	28.76	31.80	35.95
Amortisation of intangible assets	3.12	3.80	4.70	3.84	4.46	4.74	4.98
Goodwill amortisation	0.00	0.00	0.00	0.00	0.00	0.00	0.00
EBIT	3.95	7.94	19.26	23.12	24.30	27.05	30.97
<i>Margin</i>	<i>4.0 %</i>	<i>7.1 %</i>	<i>13.9 %</i>	<i>14.8 %</i>	<i>12.5 %</i>	<i>12.5 %</i>	<i>13.1 %</i>
EBIT adj.	3.95	7.94	19.26	23.12	24.30	27.05	30.97
Interest income	0.11	0.14	0.37	0.23	0.10	0.10	0.10
Interest expenses	0.99	0.82	0.52	0.63	0.80	0.80	0.80
Other financial income (loss)	0.00	0.00	0.00	0.01	0.00	0.00	0.00
EBT	3.07	7.25	19.10	22.73	23.60	26.35	30.27
<i>Margin</i>	<i>3.1 %</i>	<i>6.5 %</i>	<i>13.7 %</i>	<i>14.5 %</i>	<i>12.2 %</i>	<i>12.2 %</i>	<i>12.8 %</i>
Total taxes	-0.10	1.32	3.24	4.76	4.93	5.50	6.32
Net income from continuing operations	3.18	5.93	15.87	17.97	18.67	20.85	23.95
Income from discontinued operations (net of tax)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net income before minorities	3.18	5.93	15.87	17.97	18.67	20.85	23.95
Minority interest	0.00	0.01	0.00	0.00	0.00	0.00	0.00
Net income	3.18	5.92	15.87	17.97	18.67	20.85	23.95
<i>Margin</i>	<i>3.2 %</i>	<i>5.3 %</i>	<i>11.4 %</i>	<i>11.5 %</i>	<i>9.6 %</i>	<i>9.7 %</i>	<i>10.1 %</i>
Number of shares, average	6.14	6.12	6.19	6.01	5.94	5.94	5.94
EPS	0.52	0.97	2.56	3.00	3.14	3.51	4.03
EPS adj.	0.52	0.97	2.56	3.00	3.14	3.51	4.03

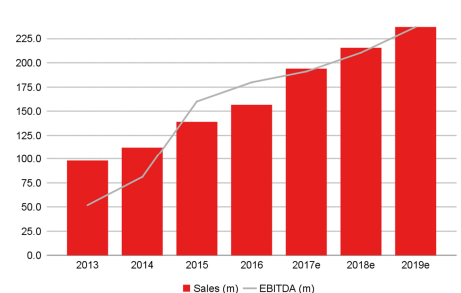
*Adjustments made for:

Guidance: 2017: revenues and earnings growth just into double digit figures**Financial Ratios**

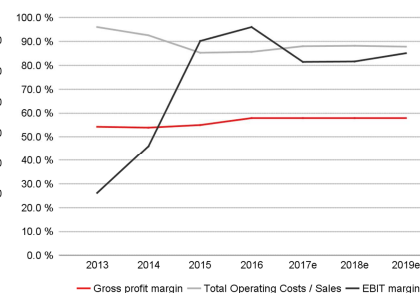
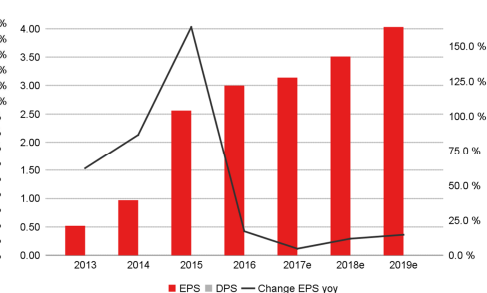
	2013	2014	2015	2016	2017e	2018e	2019e
Total Operating Costs / Sales	96.1 %	92.5 %	85.3 %	85.6 %	88.1 %	88.2 %	87.8 %
Operating Leverage	2.0 x	7.0 x	6.0 x	1.6 x	0.2 x	1.0 x	1.5 x
EBITDA / Interest expenses	8.2 x	15.4 x	48.0 x	44.9 x	37.5 x	41.2 x	46.4 x
Tax rate (EBT)	-3.3 %	18.2 %	16.9 %	20.9 %	20.9 %	20.9 %	20.9 %
Dividend Payout Ratio	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Sales per Employee	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Sales, EBITDA

in EUR m

**Operating Performance**

in %

**Performance per Share**

Source: Warburg Research

Source: Warburg Research

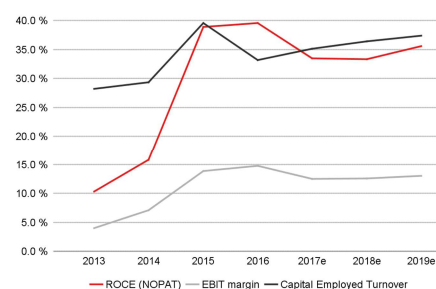
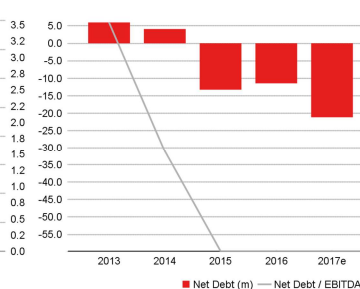
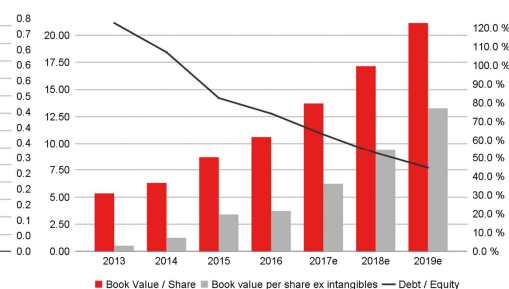
Source: Warburg Research

Consolidated balance sheet

In EUR m	2013	2014	2015	2016	2017e	2018e	2019e
Assets							
Goodwill and other intangible assets	29.57	30.95	31.89	41.66	45.20	46.46	47.48
thereof other intangible assets	0.00	0.00	0.00	3.06	6.59	7.85	8.87
thereof Goodwill	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Property, plant and equipment	2.50	2.66	3.04	2.63	3.43	4.23	5.03
Financial assets	0.07	0.08	0.03	1.09	1.09	1.09	1.09
Other long-term assets	0.71	1.12	1.42	3.01	3.01	3.01	3.01
Fixed assets	32.85	34.82	36.38	48.39	52.73	54.79	56.61
Inventories	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Accounts receivable	24.45	29.62	32.85	38.09	47.20	52.40	57.70
Liquid assets	10.95	12.02	24.76	22.41	32.13	48.32	67.65
Other short-term assets	5.40	3.94	2.09	3.21	3.21	3.21	3.21
Current assets	40.80	45.59	59.70	63.71	82.53	103.93	128.56
Total Assets	73.60	80.40	96.10	112.10	135.30	158.70	185.20
Liabilities and shareholders' equity							
Subscribed capital	6.20	6.20	6.20	6.20	6.20	6.20	6.20
Capital reserve	2.06	2.21	2.35	2.35	2.35	2.35	2.35
Retained earnings	24.60	30.26	44.01	55.54	74.22	95.07	119.02
Other equity components	-0.06	-0.08	-0.16	0.05	0.05	-0.05	0.05
Shareholders' equity	32.80	38.59	52.39	64.13	82.81	103.56	127.61
Minority interest	0.26	0.26	0.27	0.27	0.27	0.27	0.27
Total equity	33.05	38.85	52.66	64.40	83.08	103.83	127.88
Provisions	0.11	0.20	0.21	0.25	0.25	0.25	0.25
thereof provisions for pensions and similar obligations	0.11	0.20	0.21	0.24	0.24	0.24	0.24
Financial liabilities (total)	16.82	15.90	11.26	10.71	10.71	10.71	10.71
thereof short-term financial liabilities	4.76	4.64	4.34	6.27	6.27	6.27	6.27
Accounts payable	15.20	16.49	20.39	18.71	23.20	25.80	28.30
Other liabilities	8.41	8.96	11.55	18.07	18.07	18.07	18.07
Liabilities	40.54	41.56	43.42	47.74	52.23	54.83	57.33
Total liabilities and shareholders' equity	73.60	80.40	96.10	112.10	135.30	158.70	185.20

Financial Ratios

	2013	2014	2015	2016	2017e	2018e	2019e
Efficiency of Capital Employment							
Operating Assets Turnover	8.4 x	7.1 x	9.0 x	7.1 x	7.1 x	7.0 x	6.9 x
Capital Employed Turnover	2.5 x	2.6 x	3.5 x	3.0 x	3.1 x	3.2 x	3.3 x
ROA	9.7 %	17.0 %	43.6 %	37.1 %	35.4 %	38.1 %	42.3 %
Return on Capital							
ROCE (NOPAT)	10.3 %	15.8 %	38.9 %	39.6 %	33.5 %	33.4 %	35.6 %
ROE	10.2 %	16.6 %	34.9 %	30.8 %	25.4 %	22.4 %	20.7 %
Adj. ROE	10.2 %	16.6 %	34.9 %	30.8 %	25.4 %	22.4 %	20.7 %
Balance sheet quality							
Net Debt	5.97	4.08	-13.29	-11.46	-21.18	-37.37	-56.70
Net Financial Debt	5.87	3.88	-13.50	-11.70	-21.42	-37.61	-56.94
Net Gearing	18.1 %	10.5 %	-25.2 %	-17.8 %	-25.5 %	-36.0 %	-44.3 %
Net Fin. Debt / EBITDA	72.2 %	30.5 %	n.a.	n.a.	n.a.	n.a.	n.a.
Book Value / Share	5.3	6.3	8.7	10.6	13.7	17.2	21.1
Book value per share ex intangibles	0.5	1.2	3.4	3.7	6.2	9.5	13.3

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

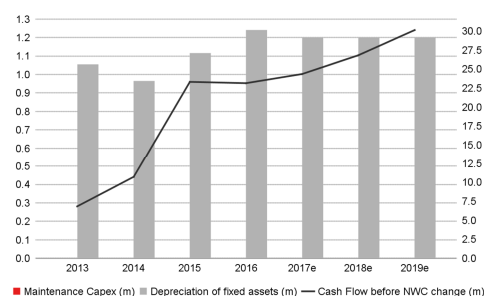
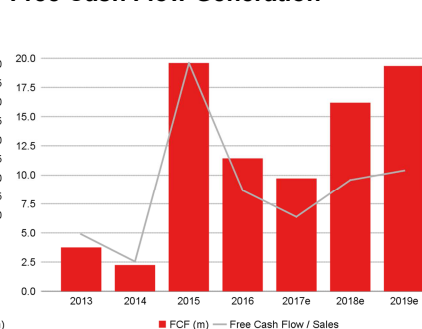
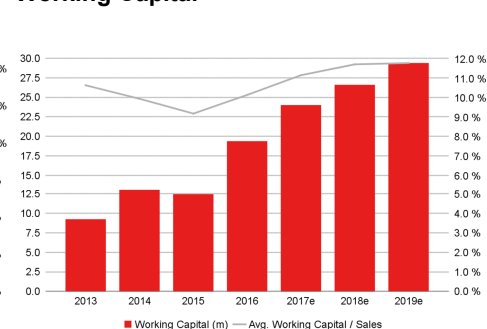
In EUR m	2013	2014	2015	2016	2017e	2018e	2019e
Net income	3.18	5.93	15.87	18.05	18.67	20.85	23.95
Depreciation of fixed assets	1.06	0.97	1.12	1.24	1.20	1.20	1.20
Amortisation of goodwill	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Amortisation of intangible assets	3.12	3.80	4.70	3.84	4.46	4.74	4.98
Increase/decrease in long-term provisions	0.00	0.00	0.00	0.03	0.00	0.00	0.00
Other non-cash income and expenses	-0.54	0.03	1.60	0.00	0.00	0.00	0.00
Cash Flow before NWC change	6.81	10.72	23.28	23.16	24.34	26.80	30.13
Increase / decrease in inventory	0.96	-4.13	-1.66	0.00	0.00	0.00	0.00
Increase / decrease in accounts receivable	0.00	0.00	0.00	-5.24	-9.11	-5.20	-5.30
Increase / decrease in accounts payable	2.77	1.77	4.60	-1.69	4.49	2.60	2.50
Increase / decrease in other working capital positions	-1.05	0.05	0.47	2.10	0.00	0.00	0.00
Increase / decrease in working capital (total)	2.68	-2.31	3.41	-4.83	-4.62	-2.60	-2.80
Net cash provided by operating activities [1]	9.49	8.42	26.69	18.34	19.72	24.20	27.33
Investments in intangible assets	-5.16	-5.55	-4.70	-6.90	-8.00	-6.00	-6.00
Investments in property, plant and equipment	-0.57	-0.62	-0.62	-0.80	-2.00	-2.00	-2.00
Payments for acquisitions	0.00	0.00	0.00	-3.40	0.00	0.00	0.00
Financial investments	0.00	0.02	0.01	3.00	0.00	0.00	0.00
Income from asset disposals	0.04	0.00	0.05	0.00	0.00	0.00	0.00
Net cash provided by investing activities [2]	-5.70	-6.18	-7.06	-13.30	-10.00	-8.00	-8.00
Change in financial liabilities	-1.39	-0.85	-4.60	-0.55	0.00	0.00	0.00
Dividends paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Purchase of own shares	0.00	-0.31	-2.30	-6.91	0.00	0.00	0.00
Capital measures	0.00	0.00	0.00	0.50	0.00	0.00	0.00
Other	0.00	0.00	0.00	-0.50	0.00	0.00	0.00
Net cash provided by financing activities [3]	-1.39	-1.16	-6.90	-7.46	0.00	0.00	0.00
Change in liquid funds [1]+[2]+[3]	2.40	1.07	12.73	-2.42	9.72	16.20	19.33
Effects of exchange-rate changes on cash	0.00	0.00	0.00	0.10	0.00	0.00	0.00
Cash and cash equivalent at end of period	10.95	12.02	24.76	22.43	32.13	48.32	67.65

Financial Ratios

	2013	2014	2015	2016	2017e	2018e	2019e
Cash Flow							
FCF	3.75	2.25	19.59	11.44	9.72	16.20	19.33
Free Cash Flow / Sales	3.8 %	2.0 %	15.4 %	6.8 %	5.0 %	7.5 %	8.2 %
Free Cash Flow Potential	8.23	11.38	21.84	23.52	25.04	27.50	30.83
Free Cash Flow / Net Profit	118.2 %	38.0 %	134.7 %	59.2 %	52.0 %	77.7 %	80.7 %
Interest Received / Avg. Cash	1.1 %	1.2 %	2.0 %	1.0 %	0.4 %	0.2 %	0.2 %
Interest Paid / Avg. Debt	5.6 %	5.0 %	3.8 %	5.7 %	7.5 %	7.5 %	7.5 %
Management of Funds							
Investment ratio	5.8 %	5.5 %	3.8 %	4.9 %	5.2 %	3.7 %	3.4 %
Maint. Capex / Sales	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Capex / Dep	137.4 %	129.5 %	91.4 %	151.4 %	176.6 %	134.6 %	129.5 %
Avg. Working Capital / Sales	10.7 %	10.0 %	9.2 %	10.2 %	11.2 %	11.7 %	11.8 %
Trade Debtors / Trade Creditors	160.8 %	179.6 %	161.1 %	203.6 %	203.4 %	203.1 %	203.9 %
Inventory Turnover	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Receivables collection period (days)	91	96	86	89	89	89	89
Payables payment period (days)	113	108	111	96	96	96	96
Cash conversion cycle (Days)	n.a.	n.a.	n.a.	n.a.	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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HYPOPORT	5	http://www.mmwarburg.com/disclaimer/disclaimer_en/DE0005493365.htm

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-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	111	54
Hold	90	44
Sell	5	2
Rating suspended	0	0
Total	206	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	32	78
Hold	9	22
Sell	0	0
Rating suspended	0	0
Total	41	100

PRICE AND RATING HISTORY HYPOPORT AS OF 05.03.2018


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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