

<b>Buy</b>  <b>EUR 190.00</b> (EUR 178.50)  Price <b>EUR 161.40</b> <b>Upside 17.7 %</b>	<b>Value Indicators:</b> EUR DCF: 188.66	<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: 1,048.03 No. of shares (m): 6.49 EV: 1,087.48 Freefloat MC: 645.59 Ø Trad. Vol. (30d): 1.11 m	<b>Shareholders:</b> Freefloat: 61.6 % Revenia (Ronald Slabke): 34.6 % Treasury shares: 3.8 %	<b>Risk Profile (WRe):</b> 2018e Beta: 1.3 Price / Book: 6.9 x Equity Ratio: 62 % Net Fin. Debt / EBITDA: 1.0 x Net Debt / EBITDA: 1.0 x

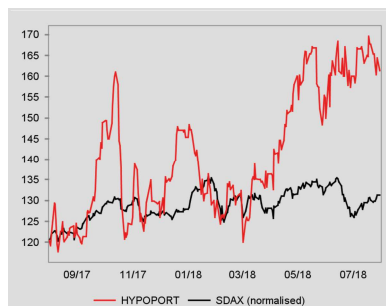
## Re-segmentation expected with final H1 figures; PT up

After the strong preliminary Q2/18 figures, we updated our financial model before the upcoming final figures. Firstly, we incorporated the latest acquisitions and expected synergies into our model. Secondly, we anticipate a re-segmentation of the company with the half-yearly report on August 6, resulting from indications of the management to focus on a customer-oriented approach. We have adjusted our estimates for the second quarter accordingly and assume the following effects on the individual segments:

- Private clients and credit platform:** Consumer loans that were mediated by banks in cooperation with Dr. Klein are expected to be included in the credit platform segment. While Dr. Klein acts as an intermediary service in this constellation, the work or profit should be more attributed to EUROPACE. Therefore, we expect Q2/18e revenues in the private clients segment to come in at EUR 20.5m (vs. EUR 26.2m in Q1/18) and EBIT at EUR 2.7m (vs. EUR 4.3m in Q1/18). In contrast, the credit platform segment is expected to benefit, and therefore we assume an increase in revenues to EUR 27.6m in Q2/18e (vs. EUR 22.7m in Q1/18) and EBIT of EUR 6.4m (vs. EUR 4.2m in Q1/18).
- Institutional clients:** This segment will presumably comprise the previous institutional clients business and the services of the acquired companies FIO Systems AG and Value AG. Therefore, this segment should concentrate on the real estate services of the company. Over time, this should reduce volatilities and we expect substantial synergy potential that should materialise over the next years. The traditional institutional clients business was very strong in the first quarter, however, this should not have continued in the second quarter due to a lack of stimulus from the interest environment. Reflecting the acquired companies for just two months, we expect revenues in this segment to come in at EUR 7m in Q2/18e (vs. EUR 6m in Q1/18) and EBIT at EUR 1.4m (vs. EUR 2.2m in Q1/18).
- Insurance platform:** This segment will be enhanced by the acquired ASC in H2/18. While this should add another EUR 10m in revenues to the segment, organic revenue growth is expected to be around 50%.

While the re-segmentation makes a yoy comparison more difficult, we believe it makes sense from an operative perspective. The strong preliminary figures for the second quarter support our investment case and strengthen confidence that the company is on track to meet our expectations. We regard the latest acquisitions as positive and have adjusted our financial model. We reiterate our **Buy** rating and increase our DCF-based **PT to EUR 190**.

Changes in Estimates:						Comment on Changes:	
FY End: 31.12. in EUR m	2018e (old)	+ / -	2019e (old)	+ / -	2020e (old)	+ / -	
<b>Sales</b>	231.40	8.8 %	268.84	10.8 %	308.98	12.3 %	<ul style="list-style-type: none"> <li>Acquisition of Value AG and ASC GmbH reflected in estimates</li> <li>Sales and EBIT contributions of ASC and Value AG in 18e: ASC (sales EUR 10m; EBIT EUR 1m) Value AG (sales EUR 4.5m; EBIT EUR 0.5m)</li> <li>Further positive effects from development of traditional business</li> <li>Synergies to be realised from 2019 onwards</li> </ul>
<b>EBIT</b>	29.62	4.7 %	36.08	12.3 %	43.88	12.3 %	
<b>EPS</b>	3.69	0.5 %	4.47	8.5 %	5.44	8.3 %	

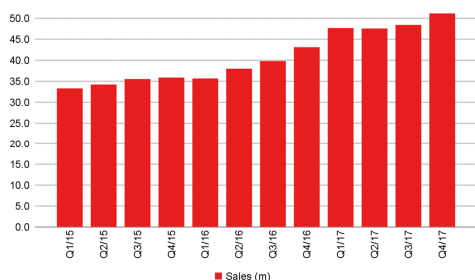


Rel. Performance vs SDAX:	
1 month:	-2.7 %
6 months:	27.2 %
Year to date:	8.4 %
Trailing 12 months:	28.8 %

**Company events:**  
06.08.18 Q2

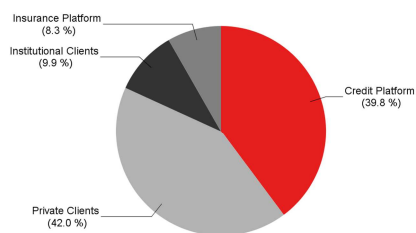
FY End: 31.12. in EUR m	CAGR (17-20e)	2014	2015	2016	2017	2018e	2019e	2020e
<b>Sales</b>	21.2 %	112.33	138.98	156.64	194.86	251.67	297.88	346.95
Change Sales yoy		14.5 %	23.7 %	12.7 %	24.4 %	29.2 %	18.4 %	16.5 %
Gross profit margin		53.9 %	54.9 %	58.0 %	56.1 %	57.2 %	57.6 %	57.9 %
<b>EBITDA</b>	27.3 %	12.70	25.08	28.24	30.12	40.82	51.53	62.10
Margin		11.3 %	18.0 %	18.0 %	15.5 %	16.2 %	17.3 %	17.9 %
<b>EBIT</b>	28.3 %	7.94	19.26	23.16	23.32	31.01	40.51	49.27
Margin		7.1 %	13.9 %	14.8 %	12.0 %	12.3 %	13.6 %	14.2 %
<b>Net income</b>	27.6 %	5.92	15.87	18.07	18.42	24.11	31.51	38.27
<b>EPS</b>	23.9 %	0.97	2.56	3.00	3.10	3.71	4.85	5.89
<b>EPS adj.</b>	23.9 %	0.97	2.56	3.00	3.10	3.71	4.85	5.89
<b>DPS</b>	-	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>FCFPS</b>		0.37	3.16	1.78	-0.48	1.96	3.52	4.64
<b>FCF / Market cap</b>		3.3 %	10.2 %	2.2 %	-0.3 %	1.2 %	2.2 %	2.9 %
<b>EV / Sales</b>		0.6 x	1.4 x	2.8 x	3.5 x	4.3 x	3.6 x	3.1 x
<b>EV / EBITDA</b>		5.6 x	7.8 x	15.6 x	22.6 x	26.6 x	20.9 x	17.0 x
<b>EV / EBIT</b>		9.0 x	10.2 x	19.0 x	29.1 x	35.1 x	26.6 x	21.5 x
<b>P / E</b>		11.3 x	13.2 x	25.0 x	36.8 x	43.5 x	33.3 x	27.4 x
<b>P / E adj.</b>		11.3 x	13.2 x	25.0 x	36.8 x	43.5 x	33.3 x	27.4 x
<b>FCF Potential Yield</b>		15.9 %	11.2 %	5.3 %	3.8 %	3.2 %	4.0 %	4.9 %
<b>Net Debt</b>		4.08	-13.29	-11.46	2.15	39.45	28.61	10.51
<b>ROCE (NOPAT)</b>		15.8 %	38.9 %	39.7 %	27.1 %	17.7 %	15.8 %	17.5 %
<b>Guidance:</b>		2018: Revenue between EUR 240m and 260m and EBIT between EUR 29m and 34m						

## Sales development in EUR m



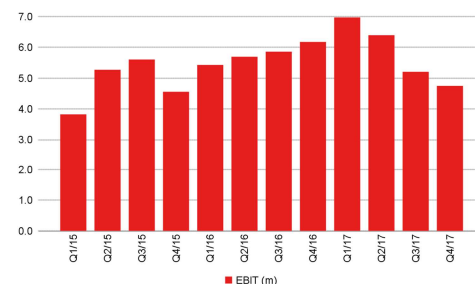
Source: Warburg Research

## Sales by Segments 2017; in %



Source: Warburg Research

## EBIT development in EUR m



Source: Warburg Research

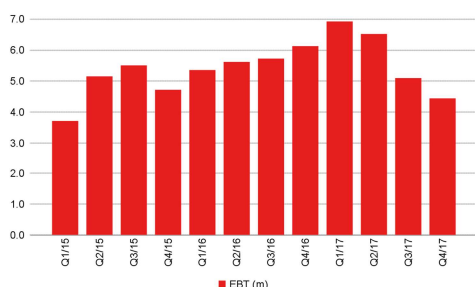
## Company Background

- The company, founded in 1999, is specialised as a property financing intermediary and is targeting the insurance market as next field of growth
- 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

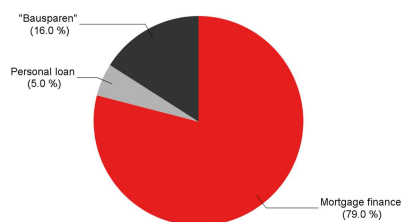
- The online B2B marketplace for property financing (EUROPACE) is the largest of its kind in Germany
- As the number of affiliated suppliers is decisive for marketplaces of this type, this forms a central competitive advantage and a considerable market entry barrier for third parties.
- The Dr. Klein business segments (private clients) benefits from market access over EUROPACE but also from the many years of experience in the area of property financing
- Dr. Klein has regional presence (approx. 200 branches) and, in this way, achieves customer proximity.
- 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.

## EBT development in EUR m



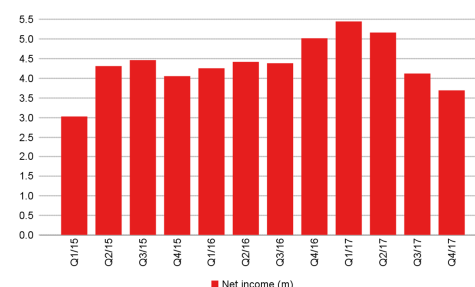
Source: Warburg Research

## 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
	2018e	2019e	2020e	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	
Sales	251.67	297.88	346.95	395.52	444.96	493.91	543.30	592.20	636.61	668.44	695.18	716.04	737.52	
Sales change	29.2 %	18.4 %	16.5 %	14.0 %	12.5 %	11.0 %	10.0 %	9.0 %	7.5 %	5.0 %	4.0 %	3.0 %	3.0 %	3.0 %
EBIT	31.01	40.51	49.27	59.33	68.97	81.50	95.08	109.56	120.96	127.00	132.08	136.05	140.13	
EBIT-margin	12.3 %	13.6 %	14.2 %	15.0 %	15.5 %	16.5 %	17.5 %	18.5 %	19.0 %	19.0 %	19.0 %	19.0 %	19.0 %	
Tax rate (EBT)	21.0 %	21.0 %	21.0 %	22.0 %	22.0 %	22.0 %	22.0 %	22.0 %	22.0 %	22.0 %	22.0 %	22.0 %	22.0 %	
NOPAT	24.50	31.99	38.90	46.28	53.80	63.57	74.16	85.45	94.35	99.06	103.03	106.12	109.30	
Depreciation	9.82	11.02	12.84	15.82	17.80	19.76	21.73	23.69	25.46	26.74	27.81	28.64	29.50	
in % of Sales	3.9 %	3.7 %	3.7 %	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	0.21	0.05	0.05	0.05	0.05	0.04	0.03	0.03	0.02	0.02	
Change in Liquidity from														
- Working Capital	9.72	6.70	7.00	5.87	6.92	6.85	6.91	6.85	6.22	4.46	3.74	2.92	3.01	
- Capex	11.50	13.00	14.00	15.82	17.80	19.76	21.73	23.69	25.46	26.74	27.81	28.64	29.50	
Capex in % of Sales	4.6 %	4.4 %	4.0 %	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)	13.10	23.31	30.74	40.62	46.92	56.76	67.30	78.66	88.17	94.64	99.31	103.22	106.31	110
PV of FCF	12.75	20.95	25.51	31.12	33.19	37.06	40.56	43.77	45.29	44.88	43.47	41.71	39.66	768
share of PVs	4.82 %			32.64 %										62.53 %

## Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	5.00 %	Financial Strength	1.00
Cost of debt (after tax)	2.1 %	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>8.32 %</b>	<b>Beta</b>	<b>1.30</b>

## Valuation (m)

Present values 2030e	460		
Terminal Value	768		
Financial liabilities	16		
Pension liabilities	0		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	14	No. of shares (m)	6.5
<b>Equity Value</b>	<b>1,225</b>	<b>Value per share (EUR)</b>	<b>188.66</b>

## Sensitivity Value per Share (EUR)

Beta	WACC	Terminal Growth							Beta	WACC	Delta EBIT-margin						
		2.25 %	2.50 %	2.75 %	3.00 %	3.25 %	3.50 %	3.75 %			-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 %	145.36	148.27	151.40	154.78	158.44	162.41	166.74	1.49	9.3 %	140.91	145.53	150.16	154.78	159.41	164.03	168.66
1.40	8.8 %	158.58	162.16	166.03	170.23	174.81	179.82	185.33	1.40	8.8 %	155.09	160.13	165.18	170.23	175.28	180.33	185.38
1.35	8.6 %	166.00	169.99	174.31	179.02	184.18	189.84	196.09	1.35	8.6 %	163.15	168.44	173.73	179.02	184.31	189.60	194.89
1.30	8.3 %	174.06	178.51	183.35	188.66	194.48	200.91	208.05	1.30	8.3 %	172.00	177.55	183.11	188.66	194.21	199.76	205.32
1.25	8.1 %	182.82	187.81	193.27	199.26	205.88	213.22	221.41	1.25	8.1 %	181.74	187.58	193.42	199.26	205.11	210.95	216.79
1.20	7.8 %	192.40	198.02	204.18	210.99	218.54	226.97	236.43	1.20	7.8 %	192.50	198.66	204.83	210.99	217.15	223.32	229.48
1.11	7.3 %	214.46	221.67	229.67	238.59	248.61	259.94	272.85	1.11	7.3 %	217.84	224.76	231.67	238.59	245.51	252.42	259.34

- 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 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	2014	2015	2016	2017	2018e	2019e	2020e
Price / Book	1.7 x	4.0 x	7.0 x	8.2 x	6.9 x	5.7 x	4.7 x
Book value per share ex intangibles	1.25	3.40	3.72	4.41	-0.14	2.53	6.35
EV / Sales	0.6 x	1.4 x	2.8 x	3.5 x	4.3 x	3.6 x	3.1 x
EV / EBITDA	5.6 x	7.8 x	15.6 x	22.6 x	26.6 x	20.9 x	17.0 x
EV / EBIT	9.0 x	10.2 x	19.0 x	29.1 x	35.1 x	26.6 x	21.5 x
EV / EBIT adj.*	9.0 x	10.2 x	19.0 x	29.1 x	35.1 x	26.6 x	21.5 x
P / FCF	29.9 x	9.8 x	45.6 x	n.a.	82.5 x	45.9 x	34.8 x
P / E	11.3 x	13.2 x	25.0 x	36.8 x	43.5 x	33.3 x	27.4 x
P / E adj.*	11.3 x	13.2 x	25.0 x	36.8 x	43.5 x	33.3 x	27.4 x
Dividend Yield	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
FCF Potential Yield (on market EV)	15.9 %	11.2 %	5.3 %	3.8 %	3.2 %	4.0 %	4.9 %

\*Adjustments made for: -

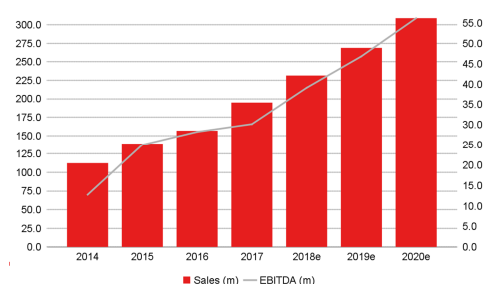
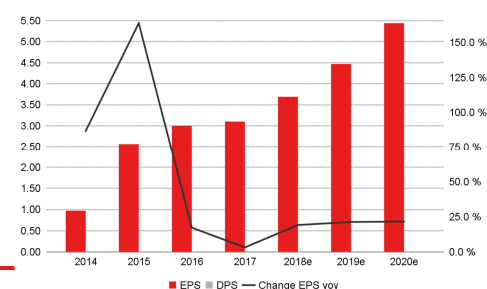
**Consolidated profit & loss**

In EUR m	2014	2015	2016	2017	2018e	2019e	2020e
<b>Sales</b>	<b>112.33</b>	<b>138.98</b>	<b>156.64</b>	<b>194.86</b>	<b>251.67</b>	<b>297.88</b>	<b>346.95</b>
Change Sales yoy	14.5 %	23.7 %	12.7 %	24.4 %	29.2 %	18.4 %	16.5 %
Increase / decrease in inventory	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Own work capitalised	4.18	4.66	5.66	6.99	9.06	10.72	12.49
<b>Total Sales</b>	<b>116.50</b>	<b>143.65</b>	<b>162.30</b>	<b>201.84</b>	<b>260.73</b>	<b>308.60</b>	<b>359.44</b>
Material expenses	55.95	67.31	71.44	92.57	116.78	137.02	158.56
<b>Gross profit</b>	<b>60.55</b>	<b>76.34</b>	<b>90.86</b>	<b>109.27</b>	<b>143.96</b>	<b>171.58</b>	<b>200.88</b>
<i>Gross profit margin</i>	<i>53.9 %</i>	<i>54.9 %</i>	<i>58.0 %</i>	<i>56.1 %</i>	<i>57.2 %</i>	<i>57.6 %</i>	<i>57.9 %</i>
Personnel expenses	35.33	38.22	46.36	58.56	75.00	88.47	102.35
Other operating income	1.83	2.18	3.07	4.52	5.79	6.55	6.94
Other operating expenses	14.50	15.25	19.33	25.35	33.93	38.13	43.37
Unfrequent items	0.15	0.03	0.00	0.26	0.00	0.00	0.00
<b>EBITDA</b>	<b>12.70</b>	<b>25.08</b>	<b>28.24</b>	<b>30.12</b>	<b>40.82</b>	<b>51.53</b>	<b>62.10</b>
<i>Margin</i>	<i>11.3 %</i>	<i>18.0 %</i>	<i>18.0 %</i>	<i>15.5 %</i>	<i>16.2 %</i>	<i>17.3 %</i>	<i>17.9 %</i>
Depreciation of fixed assets	0.97	1.12	1.24	1.69	2.01	2.09	2.43
<b>EBITA</b>	<b>11.73</b>	<b>23.96</b>	<b>27.00</b>	<b>28.44</b>	<b>38.81</b>	<b>49.45</b>	<b>59.68</b>
Amortisation of intangible assets	3.80	4.70	3.84	5.12	7.80	8.94	10.41
Goodwill amortisation	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>EBIT</b>	<b>7.94</b>	<b>19.26</b>	<b>23.16</b>	<b>23.32</b>	<b>31.01</b>	<b>40.51</b>	<b>49.27</b>
<i>Margin</i>	<i>7.1 %</i>	<i>13.9 %</i>	<i>14.8 %</i>	<i>12.0 %</i>	<i>12.3 %</i>	<i>13.6 %</i>	<i>14.2 %</i>
<b>EBIT adj.</b>	<b>7.94</b>	<b>19.26</b>	<b>23.16</b>	<b>23.32</b>	<b>31.01</b>	<b>40.51</b>	<b>49.27</b>
Interest income	0.14	0.37	0.23	0.55	0.80	0.80	0.80
Interest expenses	0.82	0.52	0.63	0.88	1.40	1.60	1.80
Other financial income (loss)	0.00	0.00	0.08	0.00	0.10	0.20	0.20
<b>EBT</b>	<b>7.25</b>	<b>19.10</b>	<b>22.84</b>	<b>22.99</b>	<b>30.51</b>	<b>39.91</b>	<b>48.47</b>
<i>Margin</i>	<i>6.5 %</i>	<i>13.7 %</i>	<i>14.6 %</i>	<i>11.8 %</i>	<i>12.1 %</i>	<i>13.4 %</i>	<i>14.0 %</i>
Total taxes	1.32	3.24	4.76	4.56	6.40	8.40	10.20
<b>Net income from continuing operations</b>	<b>5.93</b>	<b>15.87</b>	<b>18.07</b>	<b>18.43</b>	<b>24.11</b>	<b>31.51</b>	<b>38.27</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>5.93</b>	<b>15.87</b>	<b>18.07</b>	<b>18.43</b>	<b>24.11</b>	<b>31.51</b>	<b>38.27</b>
Minority interest	0.01	0.00	0.00	0.00	0.00	0.00	0.00
<b>Net income</b>	<b>5.92</b>	<b>15.87</b>	<b>18.07</b>	<b>18.42</b>	<b>24.11</b>	<b>31.51</b>	<b>38.27</b>
<i>Margin</i>	<i>5.3 %</i>	<i>11.4 %</i>	<i>11.5 %</i>	<i>9.5 %</i>	<i>9.6 %</i>	<i>10.6 %</i>	<i>11.0 %</i>
Number of shares, average	6.12	6.19	6.01	5.94	6.49	6.49	6.49
<b>EPS</b>	<b>0.97</b>	<b>2.56</b>	<b>3.00</b>	<b>3.10</b>	<b>3.71</b>	<b>4.85</b>	<b>5.89</b>
EPS adj.	0.97	2.56	3.00	3.10	3.71	4.85	5.89

\*Adjustments made for:

**Guidance: 2018: Revenue between EUR 240m and 260m and EBIT between EUR 29m and 34m**
**Financial Ratios**

	2014	2015	2016	2017	2018e	2019e	2020e
Total Operating Costs / Sales	92.5 %	85.3 %	85.6 %	88.3 %	87.4 %	86.3 %	85.7 %
Operating Leverage	7.0 x	6.0 x	1.6 x	0.0 x	1.1 x	1.7 x	1.3 x
EBITDA / Interest expenses	15.4 x	48.0 x	45.0 x	34.3 x	29.2 x	32.2 x	34.5 x
Tax rate (EBT)	18.2 %	16.9 %	20.8 %	19.9 %	21.0 %	21.0 %	21.0 %
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

**Performance per Share**


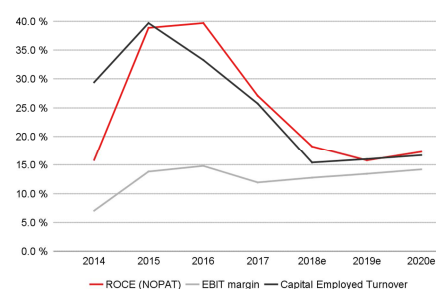
## Consolidated balance sheet

In EUR m	2014	2015	2016	2017	2018e	2019e	2020e
<b>Assets</b>							
Goodwill and other intangible assets	30.95	31.89	41.66	55.97	152.67	166.73	180.32
thereof other intangible assets	0.00	0.00	3.83	6.77	103.47	117.53	131.12
thereof Goodwill	0.00	0.00	0.00	24.77	24.77	24.77	24.77
Property, plant and equipment	2.66	3.04	2.63	4.45	4.43	4.35	3.92
Financial assets	0.08	0.03	1.09	1.43	1.43	1.43	1.43
Other long-term assets	1.12	1.42	3.01	4.09	4.09	4.09	4.09
<b>Fixed assets</b>	<b>34.82</b>	<b>36.38</b>	<b>48.39</b>	<b>65.93</b>	<b>162.62</b>	<b>176.60</b>	<b>189.76</b>
Inventories	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Accounts receivable	29.62	32.85	38.09	49.14	63.40	75.10	87.50
Liquid assets	12.02	24.76	22.41	14.33	8.39	22.82	44.52
Other short-term assets	3.94	2.09	3.21	11.57	11.57	11.57	11.57
<b>Current assets</b>	<b>45.59</b>	<b>59.70</b>	<b>63.71</b>	<b>75.05</b>	<b>83.36</b>	<b>109.49</b>	<b>143.60</b>
<b>Total Assets</b>	<b>80.40</b>	<b>96.10</b>	<b>112.10</b>	<b>141.00</b>	<b>246.00</b>	<b>286.10</b>	<b>333.40</b>
<b>Liabilities and shareholders' equity</b>							
Subscribed capital	6.20	6.20	6.20	6.20	6.49	6.49	6.49
Capital reserve	2.21	2.35	2.35	2.91	47.67	47.67	47.67
Retained earnings	30.26	44.01	55.54	73.75	97.85	129.37	167.63
Other equity components	-0.08	-0.16	0.05	-0.25	-0.25	-0.35	-0.25
Shareholders' equity	38.59	52.39	64.13	82.60	151.77	183.18	221.55
Minority interest	0.26	0.27	0.27	0.31	0.31	0.31	0.31
<b>Total equity</b>	<b>38.85</b>	<b>52.66</b>	<b>64.40</b>	<b>82.91</b>	<b>152.07</b>	<b>183.48</b>	<b>221.85</b>
Provisions	0.20	0.21	0.25	0.18	0.18	0.18	0.18
thereof provisions for pensions and similar obligations	0.20	0.21	0.24	0.18	0.18	0.18	0.18
Financial liabilities (total)	15.90	11.26	10.71	16.30	47.65	51.25	54.85
thereof short-term financial liabilities	4.64	4.34	4.44	2.94	2.94	2.94	2.94
Accounts payable	16.49	20.39	18.71	23.06	27.60	32.60	38.00
Other liabilities	8.96	11.55	18.07	18.53	18.53	18.53	18.53
<b>Liabilities</b>	<b>41.56</b>	<b>43.42</b>	<b>47.74</b>	<b>58.07</b>	<b>93.97</b>	<b>102.57</b>	<b>111.57</b>
<b>Total liabilities and shareholders' equity</b>	<b>80.40</b>	<b>96.10</b>	<b>112.10</b>	<b>141.00</b>	<b>246.00</b>	<b>286.10</b>	<b>333.40</b>

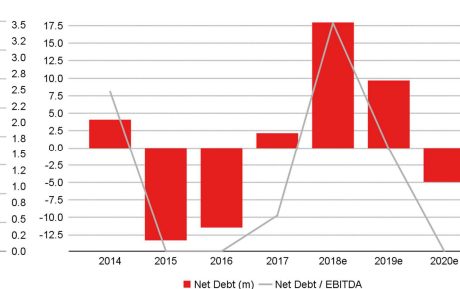
## Financial Ratios

	2014	2015	2016	2017	2018e	2019e	2020e
<b>Efficiency of Capital Employment</b>							
Operating Assets Turnover	7.1 x	9.0 x	7.1 x	6.4 x	6.3 x	6.4 x	6.5 x
Capital Employed Turnover	2.6 x	3.5 x	3.0 x	2.3 x	1.3 x	1.4 x	1.5 x
ROA	17.0 %	43.6 %	37.3 %	27.9 %	14.8 %	17.8 %	20.2 %
<b>Return on Capital</b>							
ROCE (NOPAT)	15.8 %	38.9 %	39.7 %	27.1 %	17.7 %	15.8 %	17.5 %
ROE	16.6 %	34.9 %	31.0 %	25.1 %	20.6 %	18.8 %	18.9 %
Adj. ROE	16.6 %	34.9 %	31.0 %	25.1 %	20.6 %	18.8 %	18.9 %
<b>Balance sheet quality</b>							
Net Debt	4.08	-13.29	-11.46	2.15	39.45	28.61	10.51
Net Financial Debt	3.88	-13.50	-11.70	1.97	39.27	28.43	10.33
Net Gearing	10.5 %	-25.2 %	-17.8 %	2.6 %	25.9 %	15.6 %	4.7 %
Net Fin. Debt / EBITDA	30.5 %	n.a.	n.a.	6.5 %	96.2 %	55.2 %	16.6 %
Book Value / Share	6.3	8.7	10.6	13.7	23.4	28.2	34.1
Book value per share ex intangibles	1.2	3.4	3.7	4.4	-0.1	2.5	6.3

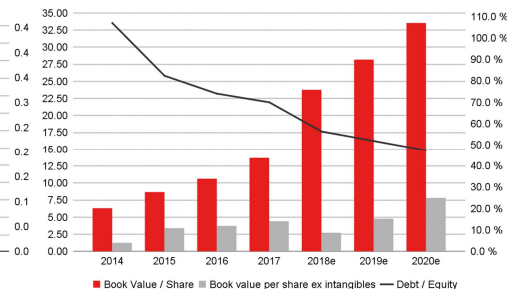
### ROCE Development



### Net debt in EUR m



### Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

### Consolidated cash flow statement

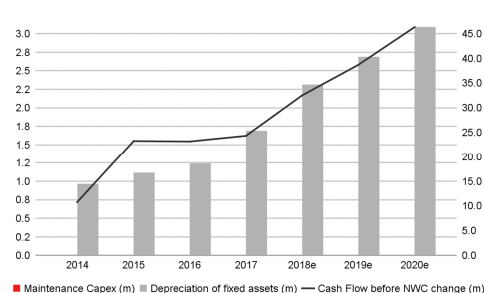
In EUR m	2014	2015	2016	2017	2018e	2019e	2020e
Net income	5.93	15.87	18.07	18.43	24.11	31.51	38.27
Depreciation of fixed assets	0.97	1.12	1.24	1.69	2.01	2.09	2.43
Amortisation of goodwill	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Amortisation of intangible assets	3.80	4.70	3.84	5.12	7.80	8.94	10.41
Increase/decrease in long-term provisions	0.00	0.00	0.03	0.00	0.00	0.00	0.00
Other non-cash income and expenses	0.03	1.60	0.00	-0.92	0.00	0.00	0.00
<b>Cash Flow before NWC change</b>	<b>10.72</b>	<b>23.28</b>	<b>23.19</b>	<b>24.31</b>	<b>33.92</b>	<b>42.53</b>	<b>51.10</b>
Increase / decrease in inventory	-4.13	-1.66	0.00	0.00	0.00	0.00	0.00
Increase / decrease in accounts receivable	0.00	0.00	-5.24	-11.05	-14.26	-11.70	-12.40
Increase / decrease in accounts payable	1.77	4.60	-1.69	4.35	4.54	5.00	5.40
Increase / decrease in other working capital positions	0.05	0.47	2.10	-9.36	0.00	0.00	0.00
Increase / decrease in working capital (total)	-2.31	3.41	-4.83	-16.06	-9.72	-6.70	-7.00
<b>Net cash provided by operating activities [1]</b>	<b>8.42</b>	<b>26.69</b>	<b>18.36</b>	<b>8.26</b>	<b>24.20</b>	<b>35.83</b>	<b>44.10</b>
Investments in intangible assets	-5.55	-4.70	-7.67	-8.00	-9.50	-11.00	-12.00
Investments in property, plant and equipment	-0.62	-0.62	-0.80	-2.00	-2.00	-2.00	-2.00
Payments for acquisitions	0.00	0.00	-5.56	-9.56	-95.00	-12.00	-12.00
Financial investments	0.02	0.01	0.03	0.55	0.00	0.00	0.00
Income from asset disposals	0.00	0.05	0.01	0.02	0.00	0.00	0.00
<b>Net cash provided by investing activities [2]</b>	<b>-6.18</b>	<b>-7.06</b>	<b>-13.25</b>	<b>-21.19</b>	<b>-106.50</b>	<b>-25.00</b>	<b>-26.00</b>
Change in financial liabilities	-0.85	-4.60	-0.50	4.85	31.35	3.60	3.60
Dividends paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Purchase of own shares	-0.31	-2.30	-6.91	0.00	0.00	0.00	0.00
Capital measures	0.00	0.00	0.00	0.00	45.00	0.00	0.00
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Net cash provided by financing activities [3]</b>	<b>-1.16</b>	<b>-6.90</b>	<b>-7.41</b>	<b>4.85</b>	<b>76.35</b>	<b>3.60</b>	<b>3.60</b>
<b>Change in liquid funds [1]+[2]+[3]</b>	<b>1.07</b>	<b>12.73</b>	<b>-2.29</b>	<b>-8.08</b>	<b>-5.95</b>	<b>14.43</b>	<b>21.70</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>12.02</b>	<b>24.76</b>	<b>22.46</b>	<b>14.33</b>	<b>8.39</b>	<b>22.82</b>	<b>44.52</b>

### Financial Ratios

	2014	2015	2016	2017	2018e	2019e	2020e
<b>Cash Flow</b>							
FCF	2.25	19.59	10.69	-2.84	12.70	22.83	30.10
Free Cash Flow / Sales	2.0 %	15.4 %	6.3 %	-0.9 %	5.0 %	7.7 %	8.7 %
Free Cash Flow Potential	11.38	21.84	23.48	25.56	34.42	43.13	51.90
Free Cash Flow / Net Profit	38.0 %	134.7 %	54.7 %	-9.5 %	52.7 %	72.5 %	78.7 %
Interest Received / Avg. Cash	1.2 %	2.0 %	1.0 %	3.0 %	7.0 %	5.1 %	2.4 %
Interest Paid / Avg. Debt	5.0 %	3.8 %	5.7 %	6.5 %	4.4 %	3.2 %	3.4 %
<b>Management of Funds</b>							
Investment ratio	5.5 %	3.8 %	5.4 %	5.1 %	4.6 %	4.4 %	4.0 %
Maint. Capex / Sales	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Capex / Dep	129.5 %	91.4 %	166.6 %	146.9 %	117.2 %	118.0 %	109.1 %
Avg. Working Capital / Sales	10.0 %	9.2 %	10.2 %	11.7 %	12.3 %	13.1 %	13.3 %
Trade Debtors / Trade Creditors	179.6 %	161.1 %	203.6 %	213.1 %	229.7 %	230.4 %	230.3 %
Inventory Turnover	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Receivables collection period (days)	96	86	89	92	92	92	92
Payables payment period (days)	108	111	96	91	86	87	87
Cash conversion cycle (Days)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

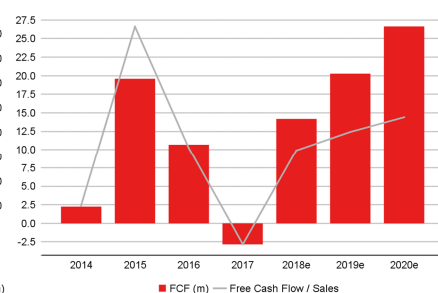
### CAPEX and Cash Flow

in EUR m



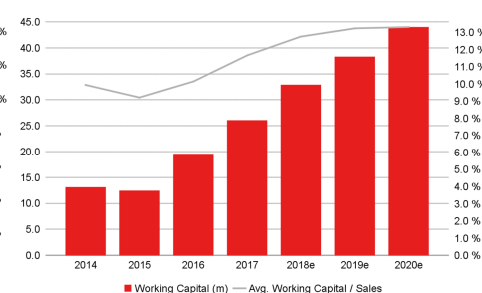
Source: Warburg Research

### Free Cash Flow Generation



Source: Warburg Research

### Working Capital



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.
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“-“	<b>Rating suspended:</b>	The available information currently does not permit an evaluation of the company.

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Rating	Number of stocks	% of Universe
Buy	113	55
Hold	88	43
Sell	4	2
Rating suspended	0	0
<b>Total</b>	<b>205</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	70
Hold	14	30
Sell	0	0
Rating suspended	0	0
<b>Total</b>	<b>47</b>	<b>100</b>

## PRICE AND RATING HISTORY HYPOPORT AS OF 31.07.2018



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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