

<b>Buy</b> <b>EUR 178.50</b> (EUR 159.00) Price EUR 151.60 <b>Upside 17.7 %</b>	<b>Value Indicators:</b> EUR DCF: 178.29	<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: 900.96 No. of shares (m): 5.94 EV: 900.97 Freefloat MC: 536.97 Ø Trad. Vol. (30d): 1.48 m	<b>Shareholders:</b> Freefloat 59.6 % Revenia (Ronald Slabke) 36.3 % Treasury shares 4.1 %	<b>Risk Profile (WRe):</b> 2018e Beta: 1.3 Price / Book: 8.7 x Equity Ratio: 63 % Net Debt / EBITDA: 0.0 x

## Strong start to the year; Model update and fine-tuning of expectations; PT up

With the release of the preliminary figures for Q1/18, Hypoport demonstrated a strong start to the year. Revenues should come in at EUR 60m (+25% yoy) and EBIT at EUR 7.5 (+8% yoy) which is around 10% above our expectations. EBIT growth was proportionately lower, due to high investments in market share gains in the insurance business. Nevertheless, this marks a strong operative development, further supported by the good transaction volume released last week. Furthermore we applied a new financial model in the course of the transfer of coverage with new assumptions. As a result we **increase our price target from EUR 159 to EUR 178.50 and reiterate our Buy rating.**

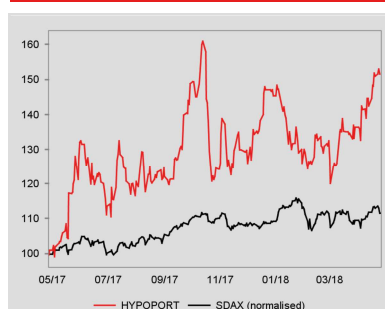
Our core changes are as follows:

- Short term, we increased our growth assumptions in the detailed forecast period mainly based on **stronger growth assumptions in the credit platform segment** (2018e: 15% against previous 10%) as we believe that double-digit growth rates of previous years will not fall that fast.
- Furthermore, we assume **higher growth rates for the insurance business** (2018e: 50% against 27%). This segment should grow at double-digit growth rates in the medium to long term and we see a realistic chance of reaching breakeven already in 2018.
- We turn away from the Sum of the Parts model as the insurance business showed a good starting year in 2017 and can therefore be included into a single DCF model.
- Inclusion of insurance business results in slightly higher overall **beta** for the company of **1.3** (old beta was 1.2).

Besides the financial aspects, we remain convinced of Hypoport's business model. The company is perfectly placed as a financial intermediary. The transaction-based credit platform business is highly scalable and the large number of integrated partners builds a natural competitive advantage. The good position of the company is supported by the expanding branch network of Dr. Klein, the high-margin institutional clients business and the promising entry to the insurance market.

To put it together, we still see the company on an **excellent growth track**. Together with **ongoing margin expansion** and the indication of our new DCF-based model we reiterate our Buy rating and increase the PT to EUR 178.50.

Changes in Estimates:							Comment on Changes:	
FY End: 31.12. in EUR m	2018e (old)	+ / -	2019e (old)	+ / -	2020e (old)	+ / -		
Sales	215.58	3.4 %	237.09	7.3 %	n.a.	n.m.	Increased sales expectations due to stronger developments in the credit platform and insurance business	
EBIT	27.05	5.4 %	30.97	10.3 %	n.a.	n.m.	Missing data for 2020e resulting from rolling forward effect and no detailed previous expectations	
EPS	3.51	6.6 %	4.03	9.9 %	n.a.	n.m.		

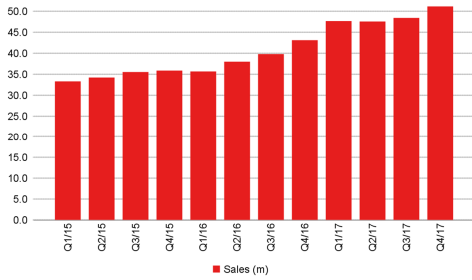


Rel. Performance vs SDAX:	
1 month:	11.3 %
6 months:	22.6 %
Year to date:	2.2 %
Trailing 12 months:	43.6 %

Company events:	
03.05.18	Q1
04.05.18	AGM
06.08.18	Q2
05.11.18	Q3

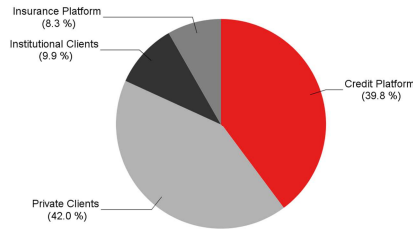
FY End: 31.12. in EUR m	CAGR (17-20e)	2014	2015	2016	2017	2018e	2019e	2020e
Sales	14.3 %	112.33	138.98	156.64	194.86	222.83	254.49	291.00
Change Sales yoy		14.5 %	23.7 %	12.7 %	24.4 %	14.4 %	14.2 %	14.3 %
Gross profit margin		53.9 %	54.9 %	58.0 %	56.1 %	57.4 %	57.9 %	58.2 %
EBITDA	20.7 %	12.70	25.08	28.24	30.12	37.66	44.33	52.96
Margin		11.3 %	18.0 %	18.0 %	15.5 %	16.9 %	17.4 %	18.2 %
EBIT	21.0 %	7.94	19.26	23.16	23.32	28.52	34.15	41.32
Margin		7.1 %	13.9 %	14.8 %	12.0 %	12.8 %	13.4 %	14.2 %
Net income	20.1 %	5.92	15.87	18.07	18.42	22.22	26.35	31.92
EPS	20.1 %	0.97	2.56	3.00	3.10	3.74	4.43	5.37
EPS adj.	20.1 %	0.97	2.56	3.00	3.10	3.74	4.43	5.37
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		0.37	3.16	1.78	-0.48	2.38	3.22	4.10
FCF / Market cap		3.3 %	10.2 %	2.2 %	-0.3 %	1.5 %	2.1 %	2.7 %
EV / Sales		0.6 x	1.4 x	2.8 x	3.5 x	4.1 x	3.6 x	3.1 x
EV / EBITDA		5.6 x	7.8 x	15.6 x	22.6 x	24.3 x	20.5 x	16.9 x
EV / EBIT		9.0 x	10.2 x	19.0 x	29.1 x	32.1 x	26.6 x	21.7 x
P / E		11.3 x	13.2 x	25.0 x	36.8 x	40.5 x	34.2 x	28.2 x
P / E adj.		11.3 x	13.2 x	25.0 x	36.8 x	40.5 x	34.2 x	28.2 x
FCF Potential Yield		15.9 %	11.2 %	5.3 %	3.8 %	3.4 %	4.1 %	4.9 %
Net Debt		4.08	-13.29	-11.46	2.15	0.01	-7.12	-19.48
ROCE (NOPAT)		15.8 %	38.9 %	39.7 %	27.1 %	23.5 %	23.2 %	24.0 %
Guidance:	2018: Revenue between EUR 220m and 240m and EBIT between EUR 26m and 31m							

Sales development in EUR m



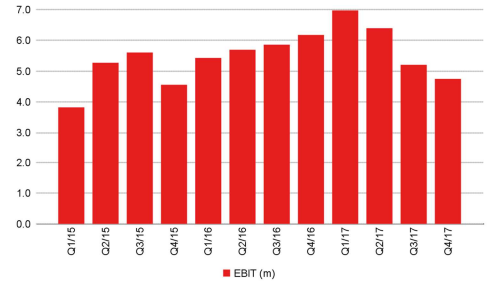
Source: Warburg Research

Sales by Segments 2017; in %



Source: Warburg Research

EBIT development in EUR m



Source: Warburg Research

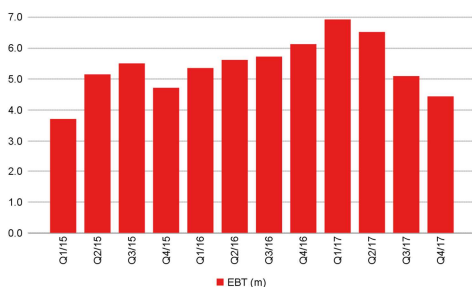
## Company Background

- 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

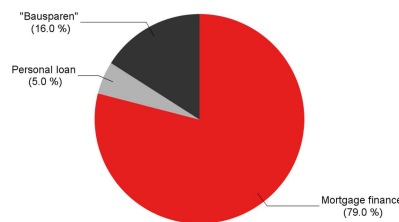
- The online B2B marketplace for property financing (EUROPACE) is the largest of its kind in Germany
- As the number of affiliated suppliers is decisive for marketplaces of this type, this forms a central competitive advantage and a considerable market entry barrier for third parties.
- The Dr. Klein 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 (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



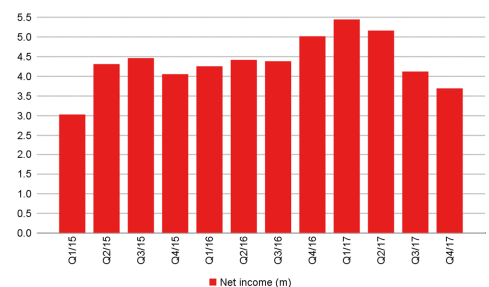
Source: Warburg Research

EUROPACE by product segments 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	222.83	254.49	291.00	333.19	379.84	429.22	480.72	528.79	568.45	596.88	620.75	639.37	658.55	
Sales change	14.4 %	14.2 %	14.3 %	14.5 %	14.0 %	13.0 %	12.0 %	10.0 %	7.5 %	5.0 %	4.0 %	3.0 %	3.0 %	3.0 %
EBIT	28.52	34.15	41.32	49.98	60.77	72.97	86.53	97.83	108.01	113.41	117.94	121.48	125.13	
EBIT-margin	12.8 %	13.4 %	14.2 %	15.0 %	16.0 %	17.0 %	18.0 %	18.5 %	19.0 %	19.0 %	19.0 %	19.0 %	19.0 %	19.0 %
Tax rate (EBT)	21.5 %	22.2 %	22.0 %	22.0 %	22.0 %	22.0 %	22.0 %	22.0 %	22.0 %	22.0 %	22.0 %	22.0 %	22.0 %	22.0 %
NOPAT	22.38	26.59	32.23	38.98	47.40	56.91	67.49	76.30	84.24	88.46	92.00	94.76	97.60	
Depreciation	9.14	10.18	11.64	13.33	15.19	17.17	19.23	21.15	22.74	23.88	24.83	25.57	26.34	
in % of Sales	4.1 %	4.0 %	4.0 %	4.0 %	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	0.15	0.05	0.05	0.05	0.05	0.04	0.03	0.02	0.02	0.02	
Change in Liquidity from														
- Working Capital	5.72	4.40	5.20	5.25	6.53	6.91	7.21	6.73	5.55	3.98	3.34	2.61	2.69	
- Capex	11.50	13.00	14.00	14.99	17.09	19.31	21.63	23.80	25.58	23.88	24.83	25.57	26.34	
Capex in % of Sales	5.2 %	5.1 %	4.8 %	4.5 %	4.5 %	4.5 %	4.5 %	4.5 %	4.5 %	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)	14.30	19.37	24.67	32.22	39.02	47.90	57.93	66.98	75.89	84.51	88.68	92.17	94.93	98
PV of FCF	13.64	17.06	20.07	24.20	27.05	30.66	34.22	36.53	38.21	39.28	38.05	36.51	34.72	672
share of PVs	4.78 %			31.96 %										63.26 %

## 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	390		
Terminal Value	672		
Financial liabilities	16		
Pension liabilities	0		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	14	No. of shares (m)	5.9
<b>Equity Value</b>	<b>1,060</b>	<b>Value per share (EUR)</b>	<b>178.29</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 %	136.67	139.45	142.43	145.66	149.15	152.94	157.07	1.49	9.3 %	132.56	136.93	141.29	145.66	150.03	154.39	158.76
1.40	8.8 %	149.41	152.82	156.52	160.53	164.91	169.69	174.95	1.40	8.8 %	146.21	150.98	155.76	160.53	165.31	170.08	174.86
1.35	8.6 %	156.56	160.37	164.50	169.00	173.93	179.34	185.31	1.35	8.6 %	153.98	158.99	163.99	169.00	174.01	179.02	184.03
1.30	8.3 %	164.33	168.58	173.22	178.29	183.86	190.01	196.83	1.30	8.3 %	162.50	167.76	173.03	178.29	183.55	188.81	194.08
1.25	8.1 %	172.78	177.56	182.78	188.51	194.84	201.87	209.70	1.25	8.1 %	171.89	177.43	182.97	188.51	194.06	199.60	205.14
1.20	7.8 %	182.03	187.40	193.31	199.82	207.05	215.12	224.18	1.20	7.8 %	182.27	188.12	193.97	199.82	205.68	211.53	217.38
1.11	7.3 %	203.33	210.24	217.90	226.46	236.06	246.92	259.30	1.11	7.3 %	206.72	213.30	219.88	226.46	233.04	239.62	246.20

- 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	8.7 x	7.0 x	5.6 x
Book value per share ex intangibles	1.25	3.40	3.72	4.41	5.67	7.49	10.25
EV / Sales	0.6 x	1.4 x	2.8 x	3.5 x	4.1 x	3.6 x	3.1 x
EV / EBITDA	5.6 x	7.8 x	15.6 x	22.6 x	24.3 x	20.5 x	16.9 x
EV / EBIT	9.0 x	10.2 x	19.0 x	29.1 x	32.1 x	26.6 x	21.7 x
EV / EBIT adj.*	9.0 x	10.2 x	19.0 x	29.1 x	32.1 x	26.6 x	21.7 x
P / FCF	29.9 x	9.8 x	45.6 x	n.a.	63.8 x	47.1 x	37.0 x
P / E	11.3 x	13.2 x	25.0 x	36.8 x	40.5 x	34.2 x	28.2 x
P / E adj.*	11.3 x	13.2 x	25.0 x	36.8 x	40.5 x	34.2 x	28.2 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 %	3.4 %	4.1 %	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>222.83</b>	<b>254.49</b>	<b>291.00</b>
Change Sales yoy	14.5 %	23.7 %	12.7 %	24.4 %	14.4 %	14.2 %	14.3 %
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	8.02	9.16	10.48
<b>Total Sales</b>	<b>116.50</b>	<b>143.65</b>	<b>162.30</b>	<b>201.84</b>	<b>230.85</b>	<b>263.66</b>	<b>301.47</b>
Material expenses	55.95	67.31	71.44	92.57	102.95	116.30	132.11
<b>Gross profit</b>	<b>60.55</b>	<b>76.34</b>	<b>90.86</b>	<b>109.27</b>	<b>127.90</b>	<b>147.35</b>	<b>169.36</b>
<i>Gross profit margin</i>	<i>53.9 %</i>	<i>54.9 %</i>	<i>58.0 %</i>	<i>56.1 %</i>	<i>57.4 %</i>	<i>57.9 %</i>	<i>58.2 %</i>
Personnel expenses	35.33	38.22	46.36	58.56	66.85	76.35	86.13
Other operating income	1.83	2.18	3.07	4.52	4.46	5.09	5.82
Other operating expenses	14.50	15.25	19.33	25.35	27.85	31.76	36.08
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>37.66</b>	<b>44.33</b>	<b>52.96</b>
<i>Margin</i>	<i>11.3 %</i>	<i>18.0 %</i>	<i>18.0 %</i>	<i>15.5 %</i>	<i>16.9 %</i>	<i>17.4 %</i>	<i>18.2 %</i>
Depreciation of fixed assets	0.97	1.12	1.24	1.69	2.23	2.54	2.91
<b>EBITA</b>	<b>11.73</b>	<b>23.96</b>	<b>27.00</b>	<b>28.44</b>	<b>35.43</b>	<b>41.79</b>	<b>50.05</b>
Amortisation of intangible assets	3.80	4.70	3.84	5.12	6.91	7.63	8.73
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>28.52</b>	<b>34.15</b>	<b>41.32</b>
<i>Margin</i>	<i>7.1 %</i>	<i>13.9 %</i>	<i>14.8 %</i>	<i>12.0 %</i>	<i>12.8 %</i>	<i>13.4 %</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>28.52</b>	<b>34.15</b>	<b>41.32</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	1.10	1.30	1.40
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>28.32</b>	<b>33.85</b>	<b>40.92</b>
<i>Margin</i>	<i>6.5 %</i>	<i>13.7 %</i>	<i>14.6 %</i>	<i>11.8 %</i>	<i>12.7 %</i>	<i>13.3 %</i>	<i>14.1 %</i>
Total taxes	1.32	3.24	4.76	4.56	6.10	7.50	9.00
<b>Net income from continuing operations</b>	<b>5.93</b>	<b>15.87</b>	<b>18.07</b>	<b>18.43</b>	<b>22.22</b>	<b>26.35</b>	<b>31.92</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>22.22</b>	<b>26.35</b>	<b>31.92</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>22.22</b>	<b>26.35</b>	<b>31.92</b>
<i>Margin</i>	<i>5.3 %</i>	<i>11.4 %</i>	<i>11.5 %</i>	<i>9.5 %</i>	<i>10.0 %</i>	<i>10.4 %</i>	<i>11.0 %</i>
Number of shares, average	6.12	6.19	6.01	5.94	5.94	5.94	5.94
<b>EPS</b>	<b>0.97</b>	<b>2.56</b>	<b>3.00</b>	<b>3.10</b>	<b>3.74</b>	<b>4.43</b>	<b>5.37</b>
EPS adj.	0.97	2.56	3.00	3.10	3.74	4.43	5.37

\*Adjustments made for:

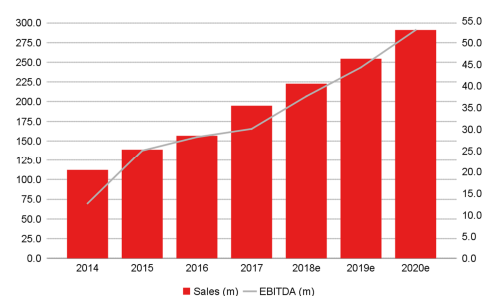
**Guidance: 2018: Revenue between EUR 220m and 240m and EBIT between EUR 26m and 31m**

## Financial Ratios

	2014	2015	2016	2017	2018e	2019e	2020e
Total Operating Costs / Sales	92.5 %	85.3 %	85.6 %	88.3 %	86.7 %	86.2 %	85.4 %
Operating Leverage	7.0 x	6.0 x	1.6 x	0.0 x	1.6 x	1.4 x	1.5 x
EBITDA / Interest expenses	15.4 x	48.0 x	45.0 x	34.3 x	34.2 x	34.1 x	37.8 x
Tax rate (EBT)	18.2 %	16.9 %	20.8 %	19.9 %	21.5 %	22.2 %	22.0 %
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.

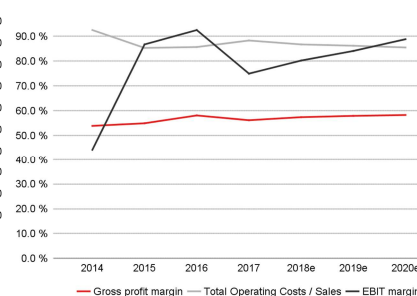
### Sales, EBITDA

in EUR m

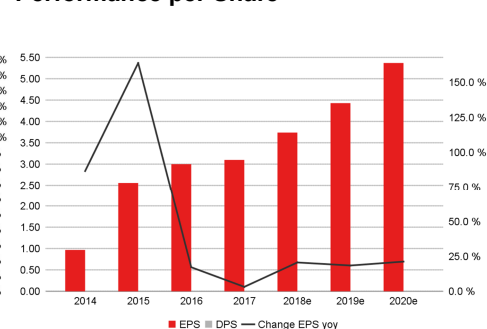


### Operating Performance

in %



### Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

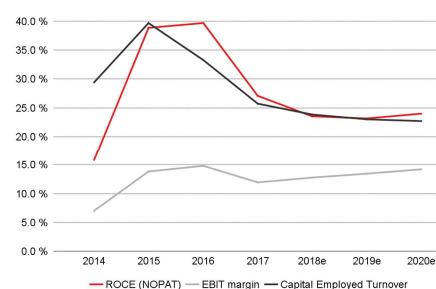
## Consolidated balance sheet

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	70.56	85.93	101.20
thereof other intangible assets	0.00	0.00	3.83	6.77	21.36	36.73	52.00
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	4.22	3.67	2.76
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>80.30</b>	<b>95.12</b>	<b>109.48</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	56.20	64.10	73.30
Liquid assets	12.02	24.76	22.41	14.33	20.07	30.81	46.77
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>87.85</b>	<b>106.48</b>	<b>131.64</b>
<b>Total Assets</b>	<b>80.40</b>	<b>96.10</b>	<b>112.10</b>	<b>141.00</b>	<b>168.10</b>	<b>201.60</b>	<b>241.10</b>
<b>Liabilities and shareholders' equity</b>							
Subscribed capital	6.20	6.20	6.20	6.20	6.20	6.20	6.20
Capital reserve	2.21	2.35	2.35	2.91	2.91	2.91	2.91
Retained earnings	30.26	44.01	55.54	73.75	95.97	122.32	154.24
Other equity components	-0.08	-0.16	0.05	-0.25	-0.25	-0.25	-0.25
Shareholders' equity	38.59	52.39	64.13	82.60	104.82	131.17	163.10
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>105.13</b>	<b>131.48</b>	<b>163.40</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	19.90	23.50	27.10
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	24.40	27.90	31.90
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>63.02</b>	<b>70.12</b>	<b>77.72</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>168.10</b>	<b>201.60</b>	<b>241.10</b>

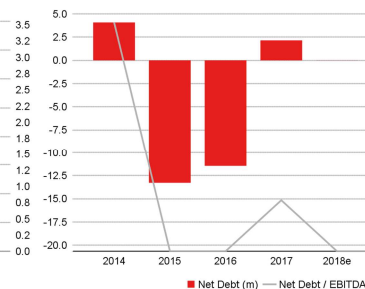
## Financial Ratios

	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	6.2 x	6.4 x	6.6 x
Capital Employed Turnover	2.6 x	3.5 x	3.0 x	2.3 x	2.1 x	2.0 x	2.0 x
ROA	17.0 %	43.6 %	37.3 %	27.9 %	27.7 %	27.7 %	29.2 %
<b>Return on Capital</b>							
ROCE (NOPAT)	15.8 %	38.9 %	39.7 %	27.1 %	23.5 %	23.2 %	24.0 %
ROE	16.6 %	34.9 %	31.0 %	25.1 %	23.7 %	22.3 %	21.7 %
Adj. ROE	16.6 %	34.9 %	31.0 %	25.1 %	23.7 %	22.3 %	21.7 %
<b>Balance sheet quality</b>							
Net Debt	4.08	-13.29	-11.46	2.15	0.01	-7.12	-19.48
Net Financial Debt	3.88	-13.50	-11.70	1.97	-0.17	-7.30	-19.66
Net Gearing	10.5 %	-25.2 %	-17.8 %	2.6 %	0.0 %	-5.4 %	-11.9 %
Net Fin. Debt / EBITDA	30.5 %	n.a.	n.a.	6.5 %	n.a.	n.a.	n.a.
Book Value / Share	6.3	8.7	10.6	13.7	17.4	21.7	27.0
Book value per share ex intangibles	1.2	3.4	3.7	4.4	5.7	7.5	10.3

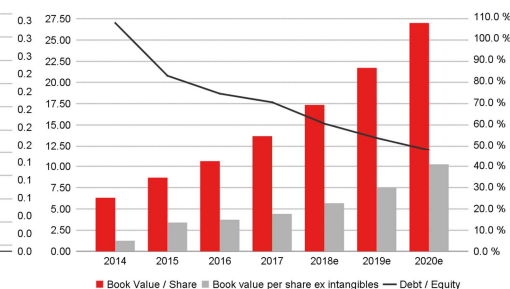
## ROCE Development



## Net debt in EUR m



## Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

### Consolidated cash flow statement

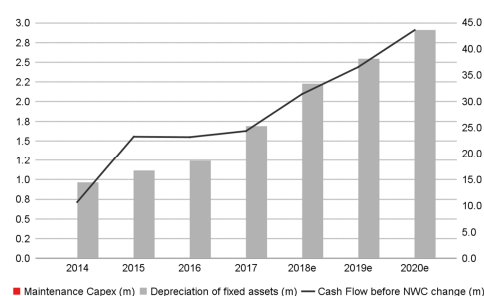
In EUR m	2014	2015	2016	2017	2018e	2019e	2020e
Net income	5.93	15.87	18.07	18.43	22.22	26.35	31.92
Depreciation of fixed assets	0.97	1.12	1.24	1.69	2.23	2.54	2.91
Amortisation of goodwill	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Amortisation of intangible assets	3.80	4.70	3.84	5.12	6.91	7.63	8.73
Increase/decrease 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>31.36</b>	<b>36.53</b>	<b>43.56</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	-7.06	-7.90	-9.20
Increase / decrease in accounts payable	1.77	4.60	-1.69	4.35	1.34	3.50	4.00
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	-5.72	-4.40	-5.20
<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>25.64</b>	<b>32.13</b>	<b>38.36</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	-12.00	-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>-23.50</b>	<b>-25.00</b>	<b>-26.00</b>
Change in financial liabilities	-0.85	-4.60	-0.50	4.85	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	-0.31	-2.30	-6.91	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	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>3.60</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>5.74</b>	<b>10.73</b>	<b>15.96</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>20.07</b>	<b>30.81</b>	<b>46.77</b>

### Financial Ratios

	2014	2015	2016	2017	2018e	2019e	2020e
<b>Cash Flow</b>							
FCF	2.25	19.59	10.69	-2.84	14.14	19.13	24.36
Free Cash Flow / Sales	2.0 %	15.4 %	6.3 %	-0.9 %	6.3 %	7.5 %	8.4 %
Free Cash Flow Potential	11.38	21.84	23.48	25.56	31.56	36.83	43.96
Free Cash Flow / Net Profit	38.0 %	134.7 %	54.7 %	-9.5 %	63.6 %	72.6 %	76.3 %
Interest Received / Avg. Cash	1.2 %	2.0 %	1.0 %	3.0 %	4.7 %	3.1 %	2.1 %
Interest Paid / Avg. Debt	5.0 %	3.8 %	5.7 %	6.5 %	6.1 %	6.0 %	5.5 %
<b>Management of Funds</b>							
Investment ratio	5.5 %	3.8 %	5.4 %	5.1 %	5.2 %	5.1 %	4.8 %
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 %	125.9 %	127.7 %	120.3 %
Avg. Working Capital / Sales	10.0 %	9.2 %	10.2 %	11.7 %	13.0 %	13.4 %	13.3 %
Trade Debtors / Trade Creditors	179.6 %	161.1 %	203.6 %	213.1 %	230.3 %	229.7 %	229.8 %
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	87	88	88
Cash conversion cycle (Days)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

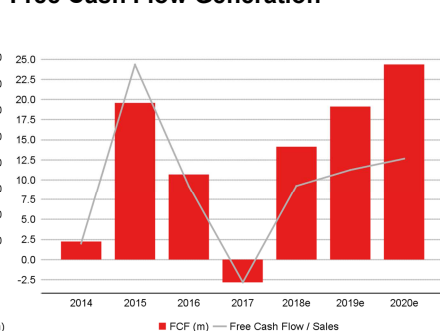
### CAPEX and Cash Flow

in EUR m



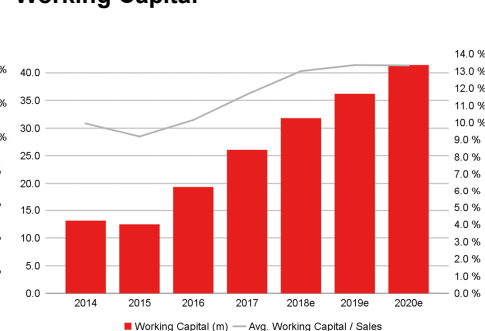
Source: Warburg Research

### Free Cash Flow Generation



Source: Warburg Research

### Working Capital



Source: Warburg Research

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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-	<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.

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Rating	Number of stocks	% of Universe
Buy	110	53
Hold	92	45
Sell	4	2
Rating suspended	0	0
<b>Total</b>	<b>206</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	32	73
Hold	12	27
Sell	0	0
Rating suspended	0	0
<b>Total</b>	<b>44</b>	<b>100</b>

## PRICE AND RATING HISTORY HYPOPORT AS OF 26.04.2018



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.

**EQUITIES**

**Roland Rapelius** +49 40 3282-2673  
Head of Equities rrapelius@mmwarburg.com

**RESEARCH**

**Michael Heider** +49 40 309537-280  
Head of Research mheider@warburg-research.com

**Henner Rüschemier** +49 40 309537-270  
Head of Research hrueschmeier@warburg-research.com

**Lucas Boventer** +49 40 309537-290  
Renewables, Internet, Media lboventer@warburg-research.com

**Christian Cohrs** +49 40 309537-175  
Engineering, Logistics ccohrs@warburg-research.com

**Felix Ellmann** +49 40 309537-120  
Software, IT fellmann@warburg-research.com

**Jörg Philipp Frey** +49 40 309537-258  
Retail, Consumer Goods jfrey@warburg-research.com

**Marius Fuhrberg** +49 40 309537-185  
Small Cap Research mfuhrberg@warburg-research.com

**Ulrich Huwald** +49 40 309537-255  
Health Care, Pharma uhuwald@warburg-research.com

**Thilo Kleibauer** +49 40 309537-257  
Retail, Consumer Goods tkleibauer@warburg-research.com

**Eggert Kuls** +49 40 309537-256  
Engineering ekuls@warburg-research.com

**Andreas Pläsier** +49 40 309537-246  
Banks, Financial Services aplaesier@warburg-research.com

**Jochen Reichert** +49 40 309537-130  
Telco, Internet, Media jreichert@warburg-research.com

**J. Moritz Rieser** +49 40 309537-260  
Real Estate mrieser@warburg-research.com

**Arash Roshan Zamir** +49 40 309537-155  
Cap. Goods, Renewables aroshanzamir@warburg-research.com

**Malte Schaumann** +49 40 309537-170  
Technology mschaumann@warburg-research.com

**Patrick Schmidt** +49 40 309537-125  
Leisure, Internet pschmidt@warburg-research.com

**Oliver Schwarz** +49 40 309537-250  
Chemicals, Agriculture oschwarz@warburg-research.com

**Marc-René Tonn** +49 40 309537-259  
Automobiles, Car Suppliers mtonn@warburg-research.com

**Björn Voss** +49 40 309537-254  
Steel, Car Suppliers bvoss@warburg-research.com

**Alexander Wahl** +49 40 309537-230  
Car Suppliers, Construction awahl@warburg-research.com

**Andreas Wolf** +49 40 309537-140  
Software, IT awolf@warburg-research.com

**INSTITUTIONAL EQUITY SALES**

**Holger Nass** +49 40 3282-2669  
Head of Equity Sales, USA hnass@mmwarburg.com

**Klaus Schilling** +49 40 3282-2664  
Dep. Head of Equity Sales, GER kschilling@mmwarburg.com

**Tim Beckmann** +49 40 3282-2665  
United Kingdom tbeckmann@mmwarburg.com

**Lyubka Bogdanova** +49 69 5050-7411  
United Kingdom, Australia lbogdanova@mmwarburg.com

**Jens Buchmüller** +49 69 5050-7415  
Scandinavia, Austria jbuchmueller@mmwarburg.com

**Paul Döntenwill** +49 40 3282-2666  
USA, Poland, The Netherlands pdontenwill@mmwarburg.com

**Matthias Fritsch** +49 40 3282-2696  
United Kingdom mfritsch@mmwarburg.com

**Michael Kriszun** +49 40 3282-2695  
United Kingdom mkriszun@mmwarburg.com

**Marc Niemann** +49 40 3282-2660  
Germany mniemann@mmwarburg.com

**Sanjay Oberoi** +49 69 5050-7410  
United Kingdom soberoi@mmwarburg.com

**Simon Pallhuber** +49 69 5050-7414  
Switzerland, France spallhuber@mmwarburg.com

**Angelika Flegler** +49 69 5050-7417  
Roadshow/Marketing aflegler@mmwarburg.com

**Juliane Willenbruch** +49 40 3282-2694  
Roadshow/Marketing jwillenbruch@mmwarburg.com

**SALES TRADING**

**Oliver Merkel** +49 40 3282-2634  
Head of Sales Trading omerckel@mmwarburg.com

**Elyaz Dust** +49 40 3282-2702  
Sales Trading edust@mmwarburg.com

**Michael Ilgenstein** +49 40 3282-2700  
Sales Trading milgenstein@mmwarburg.com

**Bastian Quast** +49 40 3282-2701  
Sales Trading bquast@mmwarburg.com

**Jörg Treptow** +49 40 3282-2658  
Sales Trading jtreptow@mmwarburg.com

**Jan Walter** +49 40 3282-2662  
Sales Trading jwalter@mmwarburg.com

**MACRO RESEARCH**

**Carsten Klude** +49 40 3282-2572  
Macro Research cklude@mmwarburg.com

**Dr. Christian Jasperneite** +49 40 3282-2439  
Investment Strategy cjasperneite@mmwarburg.com

**Our research can be found under:**

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**For access please contact:**

**Andrea Schaper** +49 40 3282-2632  
Sales Assistance aschaper@mmwarburg.com

**Kerstin Muthig** +49 40 3282-2703  
Sales Assistance kmuthig@mmwarburg.com