

Hold (Buy) EUR 486.00 (EUR 490.00) Price EUR 477.00 Upside 1.9 %	Value Indicators: EUR DCF: 485.87	Warburg ESG Risk Score: 3.7 ESG Score (MSCI based): 4.0 Balance Sheet Score: 4.0 Market Liquidity Score: 3.0	Description: Technology-based financial services provider
	Market Snapshot: EUR m Market cap: 2,980.28 No. of shares (m): 6.25 EV: 3,081.93 Freefloat MC: 1,838.83 Ø Trad. Vol. (30d): 5.77 m	Shareholders: Freefloat 61.7 % Revenia (Ronald Slabke) 34.6 % Treasury shares 3.7 %	Key Figures (WRe): 2020e Beta: 1.1 Price / Book: 14.6 x Equity Ratio: 48 % Net Fin. Debt / EBITDA: 2.0 x Net Debt / EBITDA: 2.0 x

Strong Q4 required to reach lower end of guidance; Downgrade to Hold

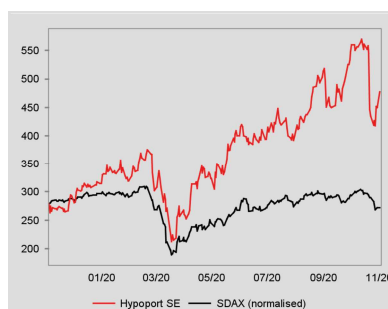
Stated Figures Q3/2020:												Comment on Figures:				
in EUR m	Q3/20	Q3/19	yoy	Q3/20e	Δ WRe	9M/20	9M/19	yoy	9M/20e	Δ WRe	FY/20e	FY/19	yoy			
Private Clients																
Revenue	30.7	29.3	5%	34.7	-11%	93.4	79.8	17%	97.4	-4%	124.0	104.6	19%			
EBIT	4.3	4.0	8%	3.6	21%	13.8	8.5	62%	13.1	5%	18.0	11.1	62%			
margin	14.0%	13.7%		10.3%		14.8%	10.7%		14.5%		14.5%	10.6%				
Credit Platform																
Revenue	41.4	36.4	14%	45.3	-9%	120.9	101.9	19%	124.8	-3%	170.2	141.5	20%			
EBIT	9	8.4	7%	8.8	2%	25.2	22.6	12%	25.0	1%	36.0	31.2	15%			
margin	21.7%	23.1%		19.4%		20.8%	22.2%		20%		21.2%	22.0%				
Real estate Platform																
Revenue	12.2	13.1	-7%	24.3	-50%	36.9	34.0	14%	51.0	-24%	60.1	50.1	20%			
EBIT	-2.2	2.3	-196%	1.2	-176%	-1.9	4.7	-140%	3.1	-161%	-1.8	5.4	-133%			
margin	-18.0%	17.6%		11.6%		-4.9%	13.8%		6%		-3.0%	10.8%				
Insurance Platform																
Revenue	11.7	12.0	-3%	16.8	-30%	32.9	32.5	1%	38.0	-13%	43.7	42.6	3%			
EBIT	-0.2	-0.3	-33%	1.2	-117%	-1.0	-0.6	67%	0.4		-0.9	-1.4				
margin	-1.7%	-2.5%		7.2%		0.0%	-1.8%		1%		-2.0%	-3.3%				
Consolidation effects																
Revenue	-0.6	-0.2	200%	0.0		-1.3	-0.5	160%	0.0		0.0	-1.6				
EBIT	-3.8	-5.2	-27%	-4.6		-11.9	-10.2	17%	-12.6		-16.0	-13.3				
Group																
Revenue	95.4	90.6	5%	121.1	-21%	284.8	247.7	15%	311.2	-8%	398.0	337.2	18%			
EBIT	7.1	9.2	-23%	11.8	-40%	24.2	25.0	-3%	29.0	-17%	35.3	33.0	7%			
margin	7.4%	10.2%		9.7%		8.5%	10.1%		9%		8.9%	9.8%				

As already indicated by preliminary figures in October Hypoport published weaker Q3 figures than expected. It also hosted a conference call.

The performance of the real estate platform segment was well below our assumptions. CEO Slabke attributed this to a deliberate waiving of single project-based business in order to focus on transforming the segment to a real platform business. In this context, the transformation of customer contracts towards transaction-based payment methods was pushed forward which led to temporary weaknesses. Furthermore, Hypoport is investing heavily in the digitisation and ramp-up of capacities in this segment. In the insurance platform segment, the transition of customer contracts and the low pace of customers towards the platform limited the performance as well temporarily. However, Mr. Slabke showed high conviction regarding the long-term success story and we also regard this to be a temporary issue.

Assessment: Whilst the success story of the private clients business and credit platform continues, we regard the long-term investment case as fully intact. Despite the temporary weakness, we highlight the economic sense of the real estate and insurance platforms and see their growth potential. Nevertheless, a record quarter is needed in order to reach even the lower end of the reiterated guidance. In light of the stretched valuation and despite the consistently high quality of the company, we downgrade to Hold with a slightly reduced PT of EUR 486.

Changes in Estimates:							Comment on Changes:		
FY End: 31.12. in EUR m	2020e (old)	+ / -	2021e (old)	+ / -	2022e (old)	+ / -			
Sales	420.59	-5.4 %	516.16	-4.3 %	614.57	-3.6 %			2020 estimates were reduced to reflect the weaker Q3 development than expected.
EBIT	39.04	-9.5 %	57.81	-3.1 %	78.36	-3.3 %			2021 and onwards slightly reduced due to basis effects
EPS	4.71	-9.8 %	7.05	-3.3 %	9.61	-3.4 %			The lower end of the guidance still appears within reach but requires a record final quarter for Hypoport

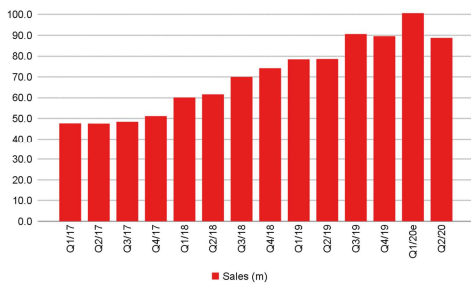


Rel. Performance vs SDAX:	
1 month:	-7.5 %
6 months:	36.4 %
Year to date:	59.7 %
Trailing 12 months:	70.4 %

Company events:	
04.11.20	RS Calls
26.11.20	Meet the Future

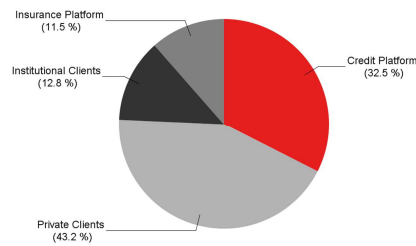
FY End: 31.12. in EUR m	CAGR (19-22e)	2016	2017	2018	2019	2020e	2021e	2022e
Sales	20.7 %	156.64	194.86	265.96	337.24	398.00	493.73	592.58
Change Sales yoy		12.7 %	24.4 %	36.5 %	26.8 %	18.0 %	24.1 %	20.0 %
Gross profit margin		58.0 %	56.1 %	56.7 %	58.9 %	57.6 %	58.8 %	59.5 %
EBITDA	22.7 %	28.24	30.12	39.09	52.22	49.84	73.51	96.44
Margin		18.0 %	15.5 %	14.7 %	15.5 %	12.5 %	14.9 %	16.3 %
EBIT	31.9 %	23.16	23.32	29.29	33.01	35.34	56.00	75.76
Margin		14.8 %	12.0 %	11.0 %	9.8 %	8.9 %	11.3 %	12.8 %
Net income	33.5 %	18.07	18.42	22.47	24.40	26.56	42.64	58.01
EPS	33.5 %	3.00	3.10	3.60	3.90	4.25	6.82	9.28
EPS adj.	33.5 %	3.00	3.10	3.60	3.90	4.25	6.82	9.28
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		1.78	-0.48	2.75	3.07	0.20	4.28	8.03
FCF / Market cap		2.4 %	-0.4 %	1.7 %	1.4 %	0.0 %	0.9 %	1.7 %
EV / Sales		2.8 x	3.5 x	3.9 x	4.4 x	7.7 x	6.2 x	5.1 x
EV / EBITDA		15.6 x	22.6 x	26.7 x	28.5 x	61.8 x	41.7 x	31.4 x
EV / EBIT		19.0 x	29.1 x	35.6 x	45.0 x	87.2 x	54.8 x	40.0 x
P / E		25.0 x	36.8 x	44.2 x	57.2 x	112.2 x	69.9 x	51.4 x
P / E adj.		25.0 x	36.8 x	44.2 x	57.2 x	112.2 x	69.9 x	51.4 x
FCF Potential Yield		5.3 %	3.8 %	3.2 %	3.0 %	1.4 %	2.0 %	2.6 %
Net Debt		-11.46	2.15	49.26	90.89	101.65	86.90	48.72
ROCE (NOPAT)		39.7 %	27.1 %	16.3 %	10.9 %	9.5 %	13.6 %	17.1 %
Guidance:		2020: Revenue between EUR 400m and 440m and EBIT between EUR 35m and 40m						

Sales development in EUR m



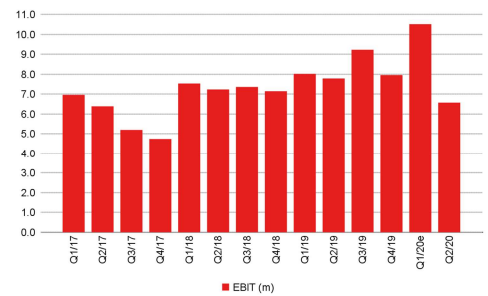
Source: Warburg Research

Sales by Segments 2018; in %



Source: Warburg Research

EBIT development in EUR m



Source: Warburg Research

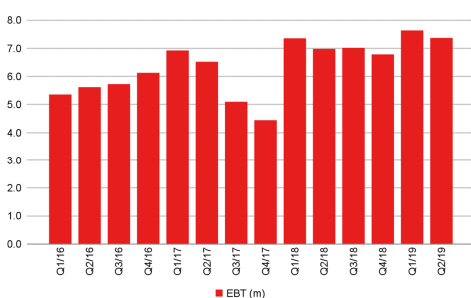
Company Background

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

Competitive Quality

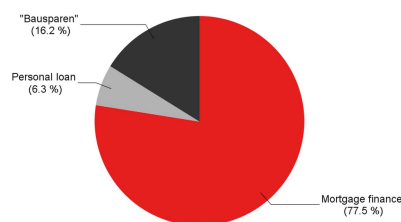
- The online B2B marketplace for property financing (EUROPACE) is the largest of its kind in Germany
- As the number of affiliated suppliers is decisive for marketplaces of this type, this forms a central competitive advantage and a considerable market entry barrier for third parties.
- The Dr. Klein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

EBT development in EUR m



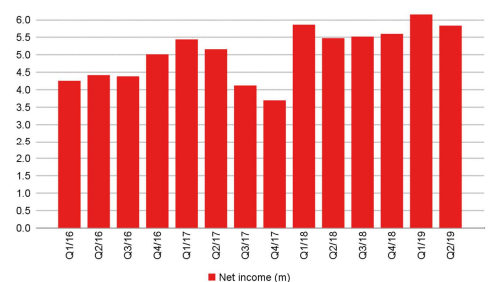
Source: Warburg Research

EUROPACE by product segments 2018; 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
	2020e	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	
Sales	396.16	491.45	589.84	686.74	773.99	877.66	963.62	1,044.36	1,112.25	1,156.74	1,191.44	1,215.27	1,239.57	
Sales change	17.5 %	24.1 %	20.0 %	16.4 %	12.7 %	13.4 %	9.8 %	8.4 %	6.5 %	4.0 %	3.0 %	2.0 %	2.0 %	2.0 %
EBIT	32.99	35.29	55.96	100.00	123.73	164.01	193.63	223.13	244.69	277.62	297.86	303.82	309.89	
EBIT-margin	8.9 %	11.3 %	12.8 %	14.6 %	16.0 %	18.7 %	20.1 %	21.4 %	22.0 %	24.0 %	25.0 %	25.0 %	25.0 %	
Tax rate (EBT)	22.2 %	22.2 %	22.2 %	22.0 %	22.0 %	22.0 %	22.0 %	22.0 %	22.0 %	22.0 %	22.0 %	22.0 %	22.0 %	
NOPAT	25.66	27.46	43.54	78.00	96.51	127.93	151.03	174.04	190.86	216.54	232.33	236.98	241.72	
Depreciation	16.86	38.22	40.47	27.47	30.96	35.11	38.54	41.77	44.49	46.27	47.66	48.61	49.58	
in % of Sales	4.3 %	7.8 %	6.9 %	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	-0.23	0.09	0.10	0.09	0.08	0.07	0.04	0.03	0.02	0.02	
Change in Liquidity from														
- Working Capital	9.82	8.40	8.50	17.37	8.73	10.37	8.60	8.07	6.79	4.45	3.47	2.38	2.43	
- Capex	30.00	25.00	20.00	27.47	30.96	35.11	38.54	41.77	44.49	46.27	47.66	48.61	49.58	
Capex in % of Sales	7.6 %	5.1 %	3.4 %	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)	2.70	32.28	55.51	60.40	87.87	117.66	142.52	166.05	184.14	212.14	228.89	234.62	239.31	244
PV of FCF	2.71	30.30	48.65	49.40	67.10	83.86	94.82	103.12	106.74	114.79	115.61	110.61	105.32	2,094
share of PVs	2.61 %			30.43 %										66.96 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	4.00 %	Financial Strength	1.00
Cost of debt (after tax)	2.3 %	Liquidity (share)	1.20
Market return	7.00 %	Cyclicality	1.00
Risk free rate	1.50 %	Transparency	1.00
		Others	1.10
WACC	7.13 %	Beta	1.06

Valuation (m)

Present values 2032e	1,033		
Terminal Value	2,094		
Financial liabilities	115		
Pension liabilities	1		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	25	No. of shares (m)	6.2
Equity Value	3,036	Value per share (EUR)	485.87

Sensitivity Value per Share (EUR)

Beta	WACC	Terminal Growth							Beta	WACC	Delta EBIT-margin						
		1.25 %	1.50 %	1.75 %	2.00 %	2.25 %	2.50 %	2.75 %			-1.5 pp	-1.0 pp	-0.5 pp	+0.0 pp	+0.5 pp	+1.0 pp	+1.5 pp
1.25	8.1 %	363.45	371.88	380.98	390.82	401.49	413.11	425.81	1.25	8.1 %	367.17	376.62	386.07	395.53	404.98	414.43	423.89
1.15	7.6 %	400.05	410.44	421.72	434.00	447.43	462.16	478.40	1.15	7.6 %	407.71	418.06	428.40	438.74	449.09	459.43	469.77
1.11	7.4 %	420.68	432.27	444.90	458.70	473.84	490.54	509.04	1.11	7.4 %	430.90	441.75	452.60	463.45	474.30	485.15	496.01
1.06	7.1 %	443.12	456.11	470.29	485.87	503.03	522.05	543.25	1.06	7.1 %	456.40	467.81	479.22	490.63	502.04	513.45	524.86
1.01	6.9 %	467.63	482.22	498.23	515.88	535.44	557.23	581.66	1.01	6.9 %	484.59	496.62	508.64	520.67	532.69	544.71	556.74
0.97	6.6 %	494.49	510.96	529.11	549.22	571.63	596.75	625.10	0.97	6.6 %	515.89	528.60	541.31	554.02	566.72	579.43	592.14
0.87	6.1 %	556.72	577.99	601.69	628.26	658.25	692.37	731.53	0.87	6.1 %	590.11	604.44	618.76	633.08	647.40	661.73	676.05

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

Valuation	2016	2017	2018	2019	2020e	2021e	2022e
Price / Book	7.0 x	8.2 x	6.5 x	7.8 x	14.6 x	12.1 x	9.8 x
Book value per share ex intangibles	3.72	4.41	-6.00	-11.24	-11.97	-8.96	-2.32
EV / Sales	2.8 x	3.5 x	3.9 x	4.4 x	7.7 x	6.2 x	5.1 x
EV / EBITDA	15.6 x	22.6 x	26.7 x	28.5 x	61.8 x	41.7 x	31.4 x
EV / EBIT	19.0 x	29.1 x	35.6 x	45.0 x	87.2 x	54.8 x	40.0 x
EV / EBIT adj.*	19.0 x	29.1 x	35.6 x	45.0 x	87.2 x	54.8 x	40.0 x
P / FCF	42.2 x	n.a.	57.8 x	72.7 x	n.a.	111.4 x	59.4 x
P / E	25.0 x	36.8 x	44.2 x	57.2 x	112.2 x	69.9 x	51.4 x
P / E adj.*	25.0 x	36.8 x	44.2 x	57.2 x	112.2 x	69.9 x	51.4 x
Dividend Yield	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
FCF Potential Yield (on market EV)	5.3 %	3.8 %	3.2 %	3.0 %	1.4 %	2.0 %	2.6 %

*Adjustments made for: -

Consolidated profit & loss

In EUR m	2016	2017	2018	2019	2020e	2021e	2022e
Sales	156.64	194.86	265.96	337.24	398.00	493.73	592.58
Change Sales yoy	12.7 %	24.4 %	36.5 %	26.8 %	18.0 %	24.1 %	20.0 %
Increase / decrease in inventory	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Own work capitalised	5.66	6.99	10.71	16.58	12.74	15.80	18.96
Total Sales	162.30	201.84	276.67	353.82	410.73	509.53	611.54
Material expenses	71.44	92.57	125.78	155.32	181.35	219.32	259.23
Gross profit	90.86	109.27	150.89	198.50	229.38	290.21	352.31
<i>Gross profit margin</i>	<i>58.0 %</i>	<i>56.1 %</i>	<i>56.7 %</i>	<i>58.9 %</i>	<i>57.6 %</i>	<i>58.8 %</i>	<i>59.5 %</i>
Personnel expenses	46.36	58.56	81.75	106.64	134.20	161.97	191.26
Other operating income	3.07	4.52	3.95	3.03	5.44	6.57	7.75
Other operating expenses	19.33	25.35	34.27	42.06	50.78	61.29	72.37
Unfrequent items	0.00	0.26	0.26	-0.62	0.00	0.00	0.00
EBITDA	28.24	30.12	39.09	52.22	49.84	73.51	96.44
<i>Margin</i>	<i>18.0 %</i>	<i>15.5 %</i>	<i>14.7 %</i>	<i>15.5 %</i>	<i>12.5 %</i>	<i>14.9 %</i>	<i>16.3 %</i>
Depreciation of fixed assets	1.24	1.69	2.89	9.69	3.63	4.38	5.17
EBITA	27.00	28.44	36.20	42.52	46.22	69.14	91.27
Amortisation of intangible assets	3.84	5.12	6.91	9.52	10.88	13.13	15.51
Goodwill amortisation	0.00	0.00	0.00	0.00	0.00	0.00	0.00
EBIT	23.16	23.32	29.29	33.01	35.34	56.00	75.76
<i>Margin</i>	<i>14.8 %</i>	<i>12.0 %</i>	<i>11.0 %</i>	<i>9.8 %</i>	<i>8.9 %</i>	<i>11.3 %</i>	<i>12.8 %</i>
EBIT adj.	23.16	23.32	29.29	33.01	35.34	56.00	75.76
Interest income	0.23	0.55	0.58	0.51	0.80	0.80	0.80
Interest expenses	0.63	0.88	1.74	2.07	2.20	2.20	2.20
Other financial income (loss)	0.08	0.00	0.00	0.00	0.20	0.20	0.20
EBT	22.84	22.99	28.13	31.44	34.14	54.80	74.56
<i>Margin</i>	<i>14.6 %</i>	<i>11.8 %</i>	<i>10.6 %</i>	<i>9.3 %</i>	<i>8.6 %</i>	<i>11.1 %</i>	<i>12.6 %</i>
Total taxes	4.76	4.56	5.67	7.04	7.58	12.17	16.55
Net income from continuing operations	18.07	18.43	22.47	24.40	26.56	42.64	58.01
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	18.07	18.43	22.47	24.40	26.56	42.64	58.01
Minority interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net income	18.07	18.42	22.47	24.40	26.56	42.64	58.01
<i>Margin</i>	<i>11.5 %</i>	<i>9.5 %</i>	<i>8.4 %</i>	<i>7.2 %</i>	<i>6.7 %</i>	<i>8.6 %</i>	<i>9.8 %</i>
Number of shares, average	6.01	5.94	6.25	6.25	6.25	6.25	6.25
EPS	3.00	3.10	3.60	3.90	4.25	6.82	9.28
EPS adj.	3.00	3.10	3.60	3.90	4.25	6.82	9.28

*Adjustments made for:

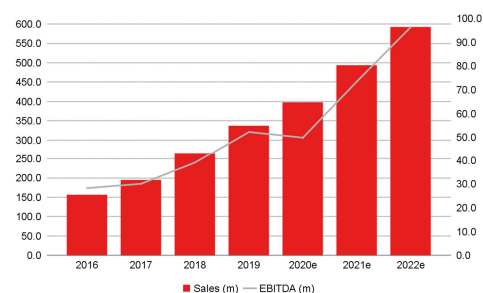
Guidance: 2020: Revenue between EUR 400m and 440m and EBIT between EUR 35m and 40m

Financial Ratios

	2016	2017	2018	2019	2020e	2021e	2022e
Total Operating Costs / Sales	85.6 %	88.3 %	89.4 %	89.2 %	90.7 %	88.3 %	86.9 %
Operating Leverage	1.6 x	0.0 x	0.7 x	0.5 x	0.4 x	2.4 x	1.8 x
EBITDA / Interest expenses	45.0 x	34.3 x	22.5 x	25.2 x	22.7 x	33.4 x	43.8 x
Tax rate (EBT)	20.8 %	19.9 %	20.1 %	22.4 %	22.2 %	22.2 %	22.2 %
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.

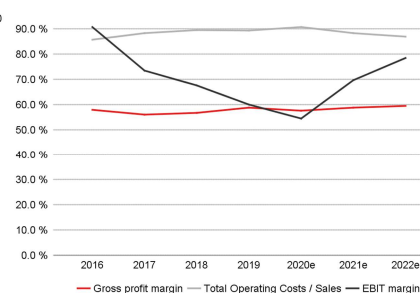
Sales, EBITDA

in EUR m

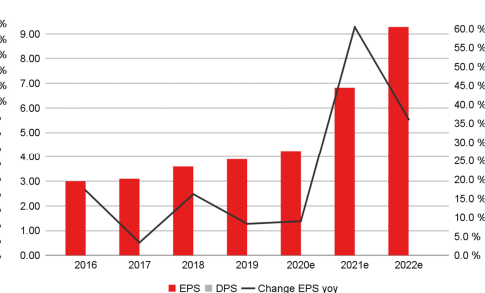


Operating Performance

in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

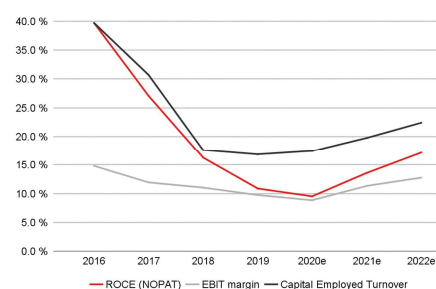
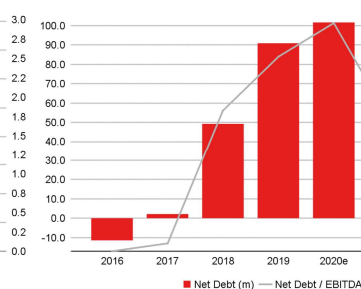
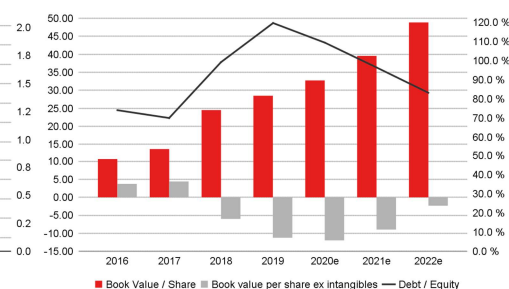
Source: Warburg Research

Consolidated balance sheet

In EUR m	2016	2017	2018	2019	2020e	2021e	2022e
Assets							
Goodwill and other intangible assets	41.66	55.97	190.64	248.24	279.36	303.23	319.72
thereof other intangible assets	3.83	6.77	25.74	14.64	45.76	69.63	86.12
thereof Goodwill	0.00	24.77	140.46	186.40	186.40	186.40	186.40
Property, plant and equipment	2.63	4.45	10.33	34.99	31.36	26.98	21.81
Financial assets	1.09	1.43	0.29	0.19	0.19	0.19	0.19
Other long-term assets	3.01	4.09	12.15	14.14	14.14	14.14	14.14
Fixed assets	48.39	65.93	213.41	297.56	325.05	344.54	355.87
Inventories	0.00	0.00	0.78	1.09	0.00	0.00	0.00
Accounts receivable	38.09	49.14	54.22	63.07	81.10	100.70	120.80
Liquid assets	22.41	14.33	31.76	24.89	17.73	36.08	77.86
Other short-term assets	3.21	11.57	5.45	4.97	4.97	4.97	4.97
Current assets	63.71	75.05	92.21	94.02	103.80	141.75	203.63
Total Assets	112.10	141.00	305.60	391.60	428.90	486.30	559.50
Liabilities and shareholders' equity							
Subscribed capital	6.20	6.20	6.49	6.49	6.49	6.49	6.49
Capital reserve	2.35	2.91	50.59	51.11	51.11	51.11	51.11
Retained earnings	55.54	73.75	96.34	120.67	147.23	189.86	247.87
Other equity components	0.05	-0.25	-0.25	-0.24	-0.24	-0.24	-0.24
Shareholders' equity	64.13	82.60	153.17	178.03	204.59	247.23	305.23
Minority interest	0.27	0.31	0.31	0.34	0.34	0.34	0.34
Total equity	64.40	82.91	153.48	178.38	204.93	247.57	305.58
Provisions	0.25	0.18	0.28	0.92	0.92	0.92	0.92
thereof provisions for pensions and similar obligations	0.24	0.18	0.28	0.92	0.92	0.92	0.92
Financial liabilities (total)	10.71	16.30	80.74	114.87	118.47	122.07	125.67
thereof short-term financial liabilities	4.44	2.94	9.78	16.41	16.41	16.41	16.41
Accounts payable	18.71	23.06	31.99	39.58	46.70	57.90	69.50
Other liabilities	18.07	18.53	39.12	57.84	57.84	57.84	57.84
Liabilities	47.74	58.07	152.13	213.20	223.92	238.72	253.92
Total liabilities and shareholders' equity	112.10	141.00	305.60	391.60	428.90	486.30	559.50

Financial Ratios

	2016	2017	2018	2019	2020e	2021e	2022e
Efficiency of Capital Employment							
Operating Assets Turnover	7.1 x	6.4 x	8.0 x	5.7 x	6.1 x	7.1 x	8.1 x
Capital Employed Turnover	3.0 x	2.3 x	1.3 x	1.3 x	1.3 x	1.5 x	1.7 x
ROA	37.3 %	27.9 %	10.5 %	8.2 %	8.2 %	12.4 %	16.3 %
Return on Capital							
ROCE (NOPAT)	39.7 %	27.1 %	16.3 %	10.9 %	9.5 %	13.6 %	17.1 %
ROE	31.0 %	25.1 %	19.1 %	14.7 %	13.9 %	18.9 %	21.0 %
Adj. ROE	31.0 %	25.1 %	19.1 %	14.7 %	13.9 %	18.9 %	21.0 %
Balance sheet quality							
Net Debt	-11.46	2.15	49.26	90.89	101.65	86.90	48.72
Net Financial Debt	-11.70	1.97	48.98	89.98	100.73	85.99	47.80
Net Gearing	-17.8 %	2.6 %	32.1 %	51.0 %	49.6 %	35.1 %	15.9 %
Net Fin. Debt / EBITDA	n.a.	6.5 %	125.3 %	172.3 %	202.1 %	117.0 %	49.6 %
Book Value / Share	10.6	13.7	24.5	28.5	32.7	39.6	48.9
Book value per share ex intangibles	3.7	4.4	-6.0	-11.2	-12.0	-9.0	-2.3

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

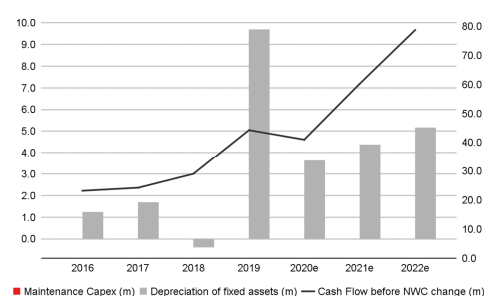
In EUR m	2016	2017	2018	2019	2020e	2021e	2022e
Net income	18.07	18.43	22.47	24.40	26.56	42.64	58.01
Depreciation of fixed assets	1.24	1.69	-0.39	9.69	3.63	4.38	5.17
Amortisation of goodwill	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Amortisation of intangible assets	3.84	5.12	6.91	9.52	10.88	13.13	15.51
Increase/decrease in long-term provisions	0.03	0.00	0.10	0.63	0.00	0.00	0.00
Other non-cash income and expenses	0.00	-0.92	0.00	0.00	0.00	0.00	0.00
Cash Flow before NWC change	23.19	24.31	29.09	44.24	41.07	60.15	78.68
Increase / decrease in inventory	0.00	0.00	-0.78	-0.31	1.09	0.00	0.00
Increase / decrease in accounts receivable	-5.24	-11.05	-5.08	-8.85	-18.03	-19.60	-20.10
Increase / decrease in accounts payable	-1.69	4.35	8.93	7.59	7.12	11.20	11.60
Increase / decrease in other working capital positions	2.10	-9.36	7.67	3.53	0.00	0.00	0.00
Increase / decrease in working capital (total)	-4.83	-16.06	10.75	1.97	-9.82	-8.40	-8.50
Net cash provided by operating activities [1]	18.36	8.26	39.83	46.21	31.24	51.75	70.18
Investments in intangible assets	-7.67	-8.00	-13.70	-27.02	-30.00	-25.00	-20.00
Investments in property, plant and equipment	-0.80	-2.00	-1.52	0.00	0.00	0.00	0.00
Payments for acquisitions	-5.56	-9.56	-63.26	-33.04	-12.00	-12.00	-12.00
Financial investments	0.03	0.55	0.00	0.02	0.00	0.00	0.00
Income from asset disposals	0.01	0.02	0.24	0.20	0.00	0.00	0.00
Net cash provided by investing activities [2]	-13.25	-21.19	-85.64	-59.88	-42.00	-37.00	-32.00
Change in financial liabilities	-0.50	4.85	70.51	23.50	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	-6.91	0.00	0.00	0.00	0.00	0.00	0.00
Capital measures	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other	0.00	0.00	-7.27	-16.72	0.00	0.00	0.00
Net cash provided by financing activities [3]	-7.41	4.85	63.23	6.78	3.60	3.60	3.60
Change in liquid funds [1]+[2]+[3]	-2.29	-8.08	17.43	-6.90	-7.16	18.35	41.78
Effects of exchange-rate changes on cash	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cash and cash equivalent at end of period	22.46	14.33	31.76	24.86	17.73	36.08	77.86

Financial Ratios

	2016	2017	2018	2019	2020e	2021e	2022e
Cash Flow							
FCF	10.69	-2.84	17.21	19.19	1.24	26.75	50.18
Free Cash Flow / Sales	6.8 %	-1.5 %	6.5 %	5.7 %	0.3 %	5.4 %	8.5 %
Free Cash Flow Potential	23.48	25.56	33.42	45.18	42.27	61.35	79.88
Free Cash Flow / Net Profit	59.2 %	-15.4 %	76.6 %	78.6 %	4.7 %	62.7 %	86.5 %
Interest Received / Avg. Cash	1.0 %	3.0 %	2.5 %	1.8 %	3.8 %	3.0 %	1.4 %
Interest Paid / Avg. Debt	5.7 %	6.5 %	3.6 %	2.1 %	1.9 %	1.8 %	1.8 %
Management of Funds							
Investment ratio	5.4 %	5.1 %	5.7 %	8.0 %	7.5 %	5.1 %	3.4 %
Maint. Capex / Sales	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Capex / Dep	166.6 %	146.9 %	155.4 %	140.7 %	206.8 %	142.8 %	96.7 %
Avg. Working Capital / Sales	10.2 %	11.7 %	9.2 %	7.1 %	7.4 %	7.8 %	7.9 %
Trade Debtors / Trade Creditors	203.6 %	213.1 %	169.5 %	159.3 %	173.7 %	173.9 %	173.8 %
Inventory Turnover	n.a.	n.a.	161.3 x	142.9 x	n.a.	n.a.	n.a.
Receivables collection period (days)	89	92	74	68	74	74	74
Payables payment period (days)	96	91	93	93	94	96	98
Cash conversion cycle (Days)	n.a.	n.a.	-16	-22	n.a.	n.a.	n.a.

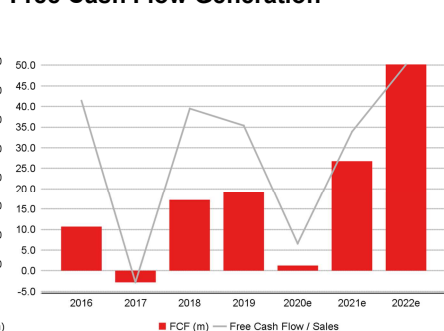
CAPEX and Cash Flow

in EUR m



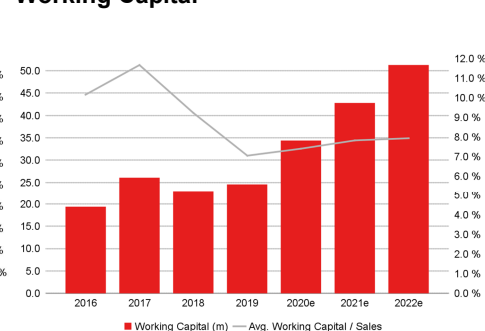
Source: Warburg Research

Free Cash Flow Generation



Source: Warburg Research

Working Capital



Source: Warburg Research

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Company	Disclosure	Link to the historical price targets and rating changes (last 12 months)
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	135	66
Hold	54	26
Sell	9	4
Rating suspended	6	3
Total	204	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	36	84
Hold	5	12
Sell	0	0
Rating suspended	2	5
Total	43	100

PRICE AND RATING HISTORY HYPOPORT AS OF 03.11.2020



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

Matthias Rode +49 40 3282-2678
Head of Equities mrode@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

Stefan Augustin +49 40 309537-168
Cap. Goods, Engineering saugustin@warburg-research.com

Jan Bauer +49 40 309537-155
Renewables jbauer@warburg-research.com

Jonas Blum +49 40 309537-240
Telco, Media, Construction jblum@warburg-research.com

Christian Cohrs +49 40 309537-175
Industrials & Transportation ccohrs@warburg-research.com

Dr. Christian Ehmann +49 40 309537-167
BioTech, Life Science cehmann@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
Financial Services mfuhrberg@warburg-research.com

Mustafa Hidir +49 40 309537-230
Automobiles, Car Suppliers mhidir@warburg-research.com

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

Philipp Kaiser +49 40 309537-260
Real Estate pkaiser@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

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

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

Simon Stippig +49 40 309537-265
Real Estate sstippig@warburg-research.com

Cansu Tatar +49 40 309537-248
Cap. Goods, Engineering ctatar@warburg-research.com

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

Robert-Jan van der Horst +49 40 309537-290
Technology rvanderhorst@warburg-research.com

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

INSTITUTIONAL EQUITY SALES

Marc Niemann +49 40 3282-2660
Head of Equity Sales, Germany mniemann@mmwarburg.com

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

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

Lea Bogdanova +49 69 5050-7411
United Kingdom, Ireland lbogdanova@mmwarburg.com

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

Alexander Eschweiler +49 40 3282-2669
Germany, Luxembourg aeschweiler@mmwarburg.com

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

Maximilian Martin +49 69 5050-7413
Austria, Poland mmartin@mmwarburg.com

Christopher Seedorf +49 69 5050-7414
Switzerland cseedorf@mmwarburg.com

Sophie Hauer +49 69 5050-7417
Roadshow/Marketing shauer@mmwarburg.com

Juliane Niemann +49 40 3282-2694
Roadshow/Marketing jniemann@mmwarburg.com

SALES TRADING

Oliver Merckel +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

Marcel Magiera +49 40 3282-2662
Sales Trading mmagiera@mmwarburg.com

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

Jörg Treptow +49 40 3282-2658
Sales Trading jtreptow@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

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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