

<b>Buy</b> (Hold) <b>EUR 535.00</b> (EUR 480.00) Price <b>EUR 433.00</b> <b>Upside 23.6 %</b>	<b>Value Indicators:</b> EUR DCF: 535.12	<b>Warburg ESG Risk Score: 3.7</b> ESG Score (MSCI based): 4.0 Balance Sheet Score: 4.0 Market Liquidity Score: 3.0	<b>Description:</b> Technology-based financial services provider
	<b>Market Snapshot:</b> EUR m Market cap: 2,942.79 No. of shares (m): 6.25 EV: 3,037.10 Freefloat MC: 1,815.70 Ø Trad. Vol. (30d): 4.31 m	<b>Shareholders:</b> Freefloat 61.7 % Revenia (Ronald Slabke) 34.6 % Treasury shares 3.7 %	<b>Key Figures (WRe):</b> 2021e Beta: 1.1 Price / Book: 12.4 x Equity Ratio: 50 % Net Fin. Debt / EBITDA: 1.6 x Net Debt / EBITDA: 1.6 x

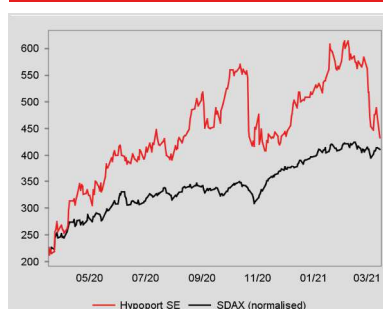
## Future growth investments burden short-term margin but raise mid-term prospects

Hypoport reported detailed preliminary results and held a conference call, raising conviction regarding the mid-term growth prospects of the company. The company provided guidance for 2021, which is significantly affected by further growth investments and makes the EBIT outlook somewhat disappointing at first sight. However, with the slight guidance miss on the top line for 2020 and the lower than initially expected guidance for 2020, the bad news should be out by now. In the conference call, CEO Slabke pointed out the excellent growth opportunities of the company and we emphasize and increase the mid-term growth prospects in our model.

- For the established segments, private clients and credit platform, sustainable top-line growth and roughly stable margin development should also be expected for 2021. The credit platform is assumed to benefit from further market share gains. However, strong growth of private loans (grew only by +2% in 2020) or better than assumed development in the corporate finance platform still incorporate some positive surprise potential.
- The real estate platform was clearly influenced by the transition from project-based revenues to recurring revenue models. Especially in the fields of property sales and property management solutions, Hypoport waived project business to a large extent, resulting in a revenue decline of EUR 4.6m or 19%. Together with strong growth of +42% in the valuation business, the segment showed slight overall growth of +5%. Going forward, Hypoport will be broadly relying on recurring revenues in this segment but will continue to invest mainly in sales and development staff for the next years. CEO Slabke made a convincing impression that strong top-line growth should be expected in the years to come, which is also underlined by the huge market potential (only 7-8% of the market currently occupied by Hypoport) and the company's excellent cross-selling opportunities. Mr. Slabke also made clear that two to three more years of investment would be required until the point of break-even but that attractive margins (10%+) can be expected in the mid term.

Assessment: Once again, Hypoport focuses strongly on top-line growth, also at cost of potential margin expansion in the short run. However, the strategy of gaining market share and transforming the acquired businesses towards recurring revenue models appears highly convincing. Hypoport is mainly investing in sales and IT personnel which should lead to longer standing high growth rates. Based on the high level of recurring revenues, margin expansion will surely follow in the mid term, which was also confirmed by the CEO. While our short-term margin assumptions were reduced significantly, we expect the company to show double-digit top-line growth for a longer period of time. Furthermore, our financial model was rolled forward, leading to our new PT of 535. Highlighting the high quality of the company, we upgrade to Buy.

Changes in Estimates:				Comment on Changes:			
FY End: 31.12. in EUR m	2021e (old)	+ / -	2022e (old)	+ / -	2023e (old)	+ / -	
Sales	452.86	0.0 %	533.47	0.3 %	n.a.	n.m.	<ul style="list-style-type: none"> <li>Margin assumptions were reduced for the next two years, assuming a longer period of growth investment</li> <li>Top-line assumptions remain unchanged in the short run but were lifted in the mid term</li> <li>First-time inclusion of detailed 2023e estimates</li> </ul>
EBIT	53.39	-20.6 %	71.70	-20.9 %	n.a.	n.m.	
EPS	6.50	-21.1 %	8.78	-21.3 %	n.a.	n.m.	

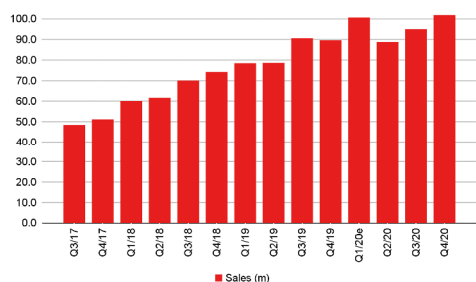


Rel. Performance vs SDAX:	
1 month:	-21.6 %
6 months:	-33.4 %
Year to date:	-19.6 %
Trailing 12 months:	6.3 %

Company events:	
29.03.21	FY 2020
10.05.21	Q1
09.08.21	Q2
08.11.21	Q3

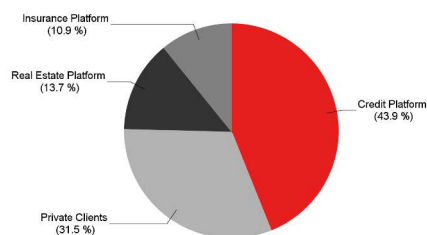
FY End: 31.12. in EUR m	CAGR (20-23e)	2017	2018	2019	2020	2021e	2022e	2023e
Sales	17.7 %	194.86	265.96	337.24	386.21	452.86	534.83	629.91
Change Sales yoy		24.4 %	36.5 %	26.8 %	14.5 %	17.3 %	18.1 %	17.8 %
Gross profit margin		56.1 %	56.7 %	58.9 %	57.9 %	57.8 %	58.4 %	59.2 %
EBITDA	25.3 %	30.12	39.09	52.22	50.75	58.81	75.83	99.73
Margin		15.5 %	14.7 %	15.5 %	13.1 %	13.0 %	14.2 %	15.8 %
EBIT	28.3 %	23.32	29.29	33.01	36.76	42.40	56.72	77.65
Margin		12.0 %	11.0 %	9.8 %	9.5 %	9.4 %	10.6 %	12.3 %
Net income	29.1 %	18.42	22.47	24.40	27.67	32.05	43.20	59.48
EPS	29.0 %	3.10	3.60	3.90	4.43	5.13	6.91	9.52
EPS adj.	29.0 %	3.10	3.60	3.90	4.43	5.13	6.91	9.52
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		-0.48	2.75	3.07	0.45	2.84	5.64	8.52
FCF / Market cap		-0.4 %	1.7 %	1.4 %	0.1 %	0.6 %	1.2 %	1.8 %
EV / Sales		3.5 x	3.9 x	4.4 x	6.7 x	6.7 x	5.6 x	4.7 x
EV / EBITDA		22.6 x	26.7 x	28.5 x	51.4 x	51.6 x	39.7 x	29.8 x
EV / EBIT		29.1 x	35.6 x	45.0 x	70.9 x	71.6 x	53.1 x	38.3 x
P / E		36.8 x	44.2 x	57.2 x	90.6 x	91.8 x	68.2 x	49.5 x
P / E adj.		36.8 x	44.2 x	57.2 x	90.6 x	91.8 x	68.2 x	49.5 x
FCF Potential Yield		3.8 %	3.2 %	3.0 %	1.6 %	1.6 %	2.1 %	2.8 %
Net Debt		2.15	49.26	90.89	100.07	94.31	71.10	29.84
ROCE (NOPAT)		27.1 %	16.3 %	10.9 %	9.9 %	10.3 %	12.9 %	16.7 %
Guidance:		2021: Revenue between EUR 430m and 460m and EBIT between EUR 40m and 45m						

## Sales development in EUR m



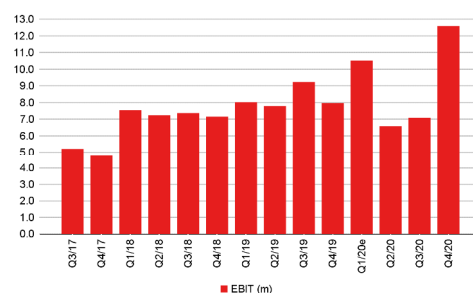
Source: Warburg Research

## Sales by Segments 2020; in %



Source: Warburg Research

## EBIT development in EUR m



Source: Warburg Research

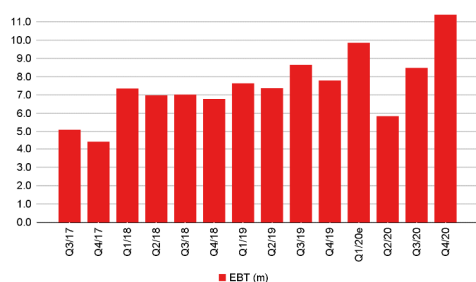
## Company Background

- 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

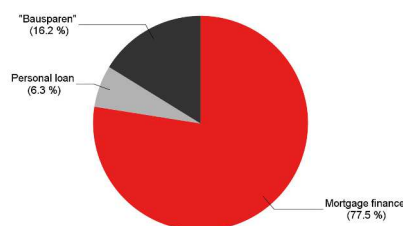
- The online B2B marketplace for property financing (EUROPACE) is the largest of its kind in Germany
- As the number of affiliated suppliers is decisive for marketplaces of this type, this forms a central competitive advantage and a considerable market entry barrier for third parties.
- The Dr. Klein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



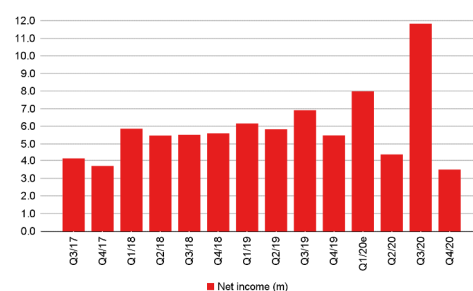
Source: Warburg Research

## 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
	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	
Sales	452.86	534.83	629.91	729.95	824.19	915.27	1,007.04	1,107.75	1,218.52	1,303.82	1,355.97	1,396.65	1,438.55	
Sales change	17.3 %	18.1 %	17.8 %	15.9 %	12.9 %	11.1 %	10.0 %	10.0 %	10.0 %	7.0 %	4.0 %	3.0 %	3.0 %	2.0 %
EBIT	33.22	36.64	42.68	107.03	136.62	173.21	214.18	243.70	280.26	312.92	338.99	349.16	359.64	
EBIT-margin	9.4 %	10.7 %	12.4 %	14.7 %	16.6 %	18.9 %	21.3 %	22.0 %	23.0 %	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	25.85	28.50	33.20	83.49	106.56	135.11	167.06	190.09	218.60	244.08	264.41	272.35	280.52	
Depreciation	25.58	39.20	57.05	29.20	32.97	36.61	40.28	44.31	48.74	52.15	54.24	55.87	57.54	
in % of Sales	5.6 %	7.3 %	9.1 %	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	-0.19	0.09	0.09	0.09	0.10	0.11	0.09	0.05	0.04	0.04	
Change in Liquidity from														
- Working Capital	5.70	7.10	8.30	18.50	9.42	9.11	9.18	10.07	11.08	8.53	5.22	4.07	4.19	
- Capex	25.00	20.00	20.00	29.20	32.97	36.61	40.28	44.31	48.74	52.15	54.24	55.87	57.54	
Capex in % of Sales	5.5 %	3.7 %	3.2 %	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)	20.73	40.60	61.95	64.80	97.23	126.09	157.97	180.12	207.64	235.63	259.25	268.32	276.37	283
PV of FCF	19.70	36.02	51.33	50.14	70.26	85.08	99.55	106.00	114.11	120.94	124.26	120.10	115.53	2,331
share of PVs	3.11 %			29.21 %										67.68 %

## Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	5.00 %	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
<b>WACC</b>	<b>7.08 %</b>	<b>Beta</b>	<b>1.06</b>

## Valuation (m)

Present values 2033e	1,113		
Terminal Value	2,331		
Financial liabilities	118		
Pension liabilities	1		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	19	No. of shares (m)	6.2
<b>Equity Value</b>	<b>3,343</b>	<b>Value per share (EUR)</b>	<b>535.12</b>

## 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 %	395.54	404.90	415.00	425.94	437.81	450.74	464.89	1.25	8.1 %	402.52	412.62	422.71	432.81	442.91	453.00	463.10
1.16	7.6 %	437.54	449.14	461.73	475.45	490.46	506.95	525.14	1.16	7.6 %	449.04	460.16	471.28	482.39	493.51	504.63	515.74
1.11	7.3 %	461.27	474.24	488.38	503.84	520.82	539.56	560.35	1.11	7.3 %	475.71	487.41	499.11	510.81	522.51	534.21	545.91
1.06	7.1 %	487.13	501.69	517.62	535.12	554.42	575.84	599.72	1.06	7.1 %	505.09	517.44	529.78	542.12	554.47	566.81	579.16
1.01	6.8 %	515.42	531.83	549.85	569.74	591.80	616.41	644.04	1.01	6.8 %	537.62	550.68	563.73	576.78	589.84	602.89	615.95
0.96	6.6 %	546.47	565.04	585.53	608.27	633.62	662.08	694.26	0.96	6.6 %	573.81	587.66	601.50	615.34	629.19	643.03	656.88
0.87	6.1 %	618.61	642.74	669.67	699.89	734.05	772.99	817.77	0.87	6.1 %	659.88	675.60	691.32	707.04	722.75	738.47	754.19

- 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	2017	2018	2019	2020	2021e	2022e	2023e
Price / Book	8.2 x	6.5 x	7.8 x	12.2 x	12.4 x	10.5 x	8.6 x
Book value per share ex intangibles	4.41	-6.00	-11.24	-11.85	-10.67	-6.59	0.46
EV / Sales	3.5 x	3.9 x	4.4 x	6.7 x	6.7 x	5.6 x	4.7 x
EV / EBITDA	22.6 x	26.7 x	28.5 x	51.4 x	51.6 x	39.7 x	29.8 x
EV / EBIT	29.1 x	35.6 x	45.0 x	70.9 x	71.6 x	53.1 x	38.3 x
EV / EBIT adj.*	29.1 x	35.6 x	45.0 x	70.9 x	71.6 x	53.1 x	38.3 x
P / FCF	n.a.	57.8 x	72.7 x	886.9 x	165.7 x	83.6 x	55.3 x
P / E	36.8 x	44.2 x	57.2 x	90.6 x	91.8 x	68.2 x	49.5 x
P / E adj.*	36.8 x	44.2 x	57.2 x	90.6 x	91.8 x	68.2 x	49.5 x
Dividend Yield	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
FCF Potential Yield (on market EV)	3.8 %	3.2 %	3.0 %	1.6 %	1.6 %	2.1 %	2.8 %

\*Adjustments made for: -

**Consolidated profit & loss**

In EUR m	2017	2018	2019	2020	2021e	2022e	2023e
<b>Sales</b>	<b>194.86</b>	<b>265.96</b>	<b>337.24</b>	<b>386.21</b>	<b>452.86</b>	<b>534.83</b>	<b>629.91</b>
Change Sales yoy	24.4 %	36.5 %	26.8 %	14.5 %	17.3 %	18.1 %	17.8 %
Increase / decrease in inventory	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Own work capitalised	6.99	10.71	16.58	12.36	14.49	17.11	20.16
<b>Total Sales</b>	<b>201.84</b>	<b>276.67</b>	<b>353.82</b>	<b>398.57</b>	<b>467.35</b>	<b>551.94</b>	<b>650.06</b>
Material expenses	92.57	125.78	155.32	174.79	205.50	239.61	277.10
<b>Gross profit</b>	<b>109.27</b>	<b>150.89</b>	<b>198.50</b>	<b>223.79</b>	<b>261.85</b>	<b>312.34</b>	<b>372.96</b>
<i>Gross profit margin</i>	<i>56.1 %</i>	<i>56.7 %</i>	<i>58.9 %</i>	<i>57.9 %</i>	<i>57.8 %</i>	<i>58.4 %</i>	<i>59.2 %</i>
Personnel expenses	58.56	81.75	106.64	129.34	151.77	176.78	204.24
Other operating income	4.52	3.95	3.03	5.24	6.15	7.17	8.28
Other operating expenses	25.35	34.27	42.06	48.94	57.43	66.89	77.28
Unfrequent items	0.26	0.26	-0.62	0.00	0.00	0.00	0.00
<b>EBITDA</b>	<b>30.12</b>	<b>39.09</b>	<b>52.22</b>	<b>50.75</b>	<b>58.81</b>	<b>75.83</b>	<b>99.73</b>
<i>Margin</i>	<i>15.5 %</i>	<i>14.7 %</i>	<i>15.5 %</i>	<i>13.1 %</i>	<i>13.0 %</i>	<i>14.2 %</i>	<i>15.8 %</i>
Depreciation of fixed assets	1.69	2.89	9.69	3.50	4.10	4.78	5.52
<b>EBITA</b>	<b>28.44</b>	<b>36.20</b>	<b>42.52</b>	<b>47.25</b>	<b>54.71</b>	<b>71.06</b>	<b>94.21</b>
Amortisation of intangible assets	5.12	6.91	9.52	10.49	12.31	14.33	16.56
Goodwill amortisation	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>EBIT</b>	<b>23.32</b>	<b>29.29</b>	<b>33.01</b>	<b>36.76</b>	<b>42.40</b>	<b>56.72</b>	<b>77.65</b>
<i>Margin</i>	<i>12.0 %</i>	<i>11.0 %</i>	<i>9.8 %</i>	<i>9.5 %</i>	<i>9.4 %</i>	<i>10.6 %</i>	<i>12.3 %</i>
<b>EBIT adj.</b>	<b>23.32</b>	<b>29.29</b>	<b>33.01</b>	<b>36.76</b>	<b>42.40</b>	<b>56.72</b>	<b>77.65</b>
Interest income	0.55	0.58	0.51	0.80	0.80	0.80	0.80
Interest expenses	0.88	1.74	2.07	2.20	2.20	2.20	2.20
Other financial income (loss)	0.00	0.00	0.00	0.20	0.20	0.20	0.20
<b>EBT</b>	<b>22.99</b>	<b>28.13</b>	<b>31.44</b>	<b>35.56</b>	<b>41.20</b>	<b>55.52</b>	<b>76.45</b>
<i>Margin</i>	<i>11.8 %</i>	<i>10.6 %</i>	<i>9.3 %</i>	<i>9.2 %</i>	<i>9.1 %</i>	<i>10.4 %</i>	<i>12.1 %</i>
Total taxes	4.56	5.67	7.04	7.89	9.15	12.33	16.97
<b>Net income from continuing operations</b>	<b>18.43</b>	<b>22.47</b>	<b>24.40</b>	<b>27.67</b>	<b>32.05</b>	<b>43.20</b>	<b>59.48</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>18.43</b>	<b>22.47</b>	<b>24.40</b>	<b>27.67</b>	<b>32.05</b>	<b>43.20</b>	<b>59.48</b>
Minority interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Net income</b>	<b>18.42</b>	<b>22.47</b>	<b>24.40</b>	<b>27.67</b>	<b>32.05</b>	<b>43.20</b>	<b>59.48</b>
<i>Margin</i>	<i>9.5 %</i>	<i>8.4 %</i>	<i>7.2 %</i>	<i>7.2 %</i>	<i>7.1 %</i>	<i>8.1 %</i>	<i>9.4 %</i>
Number of shares, average	5.94	6.25	6.25	6.25	6.25	6.25	6.25
<b>EPS</b>	<b>3.10</b>	<b>3.60</b>	<b>3.90</b>	<b>4.43</b>	<b>5.13</b>	<b>6.91</b>	<b>9.52</b>
EPS adj.	3.10	3.60	3.90	4.43	5.13	6.91	9.52

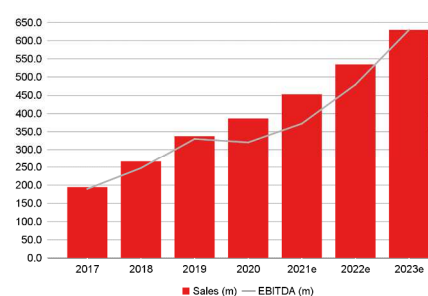
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**Guidance: 2021: Revenue between EUR 430m and 460m and EBIT between EUR 40m and 45m**
**Financial Ratios**

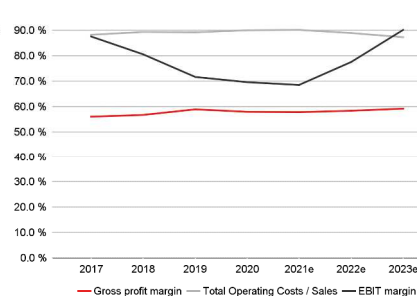
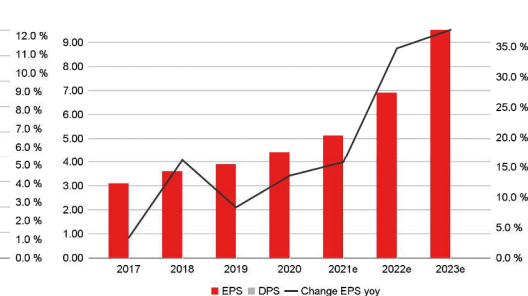
	2017	2018	2019	2020	2021e	2022e	2023e
Total Operating Costs / Sales	88.3 %	89.4 %	89.2 %	90.1 %	90.2 %	89.0 %	87.4 %
Operating Leverage	0.0 x	0.7 x	0.5 x	0.8 x	0.9 x	1.9 x	2.1 x
EBITDA / Interest expenses	34.3 x	22.5 x	25.2 x	23.1 x	26.7 x	34.5 x	45.3 x
Tax rate (EBT)	19.9 %	20.1 %	22.4 %	22.2 %	22.2 %	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

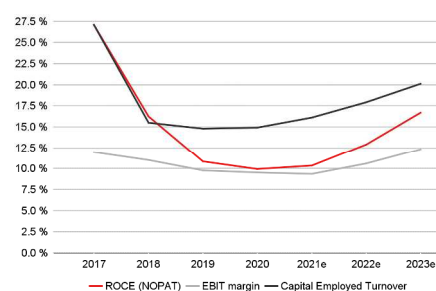
## Consolidated balance sheet

In EUR m	2017	2018	2019	2020	2021e	2022e	2023e
<b>Assets</b>							
Goodwill and other intangible assets	55.97	190.64	248.24	279.75	304.45	322.11	337.55
thereof other intangible assets	6.77	25.74	14.64	46.15	70.85	88.51	103.95
thereof Goodwill	24.77	140.46	186.40	186.40	186.40	186.40	186.40
Property, plant and equipment	4.45	10.33	34.99	31.49	27.39	22.61	17.09
Financial assets	1.43	0.29	0.19	0.19	0.19	0.19	0.19
Other long-term assets	4.09	12.15	14.14	14.14	14.14	14.14	14.14
<b>Fixed assets</b>	<b>65.93</b>	<b>213.41</b>	<b>297.56</b>	<b>325.58</b>	<b>346.17</b>	<b>359.06</b>	<b>368.98</b>
Inventories	0.00	0.78	1.09	0.00	0.00	0.00	0.00
Accounts receivable	49.14	54.22	63.07	78.70	92.30	109.00	128.40
Liquid assets	14.33	31.76	24.89	19.32	28.68	55.49	100.34
Other short-term assets	11.57	5.45	4.97	4.97	4.97	4.97	4.97
<b>Current assets</b>	<b>75.05</b>	<b>92.21</b>	<b>94.02</b>	<b>102.99</b>	<b>125.95</b>	<b>169.46</b>	<b>233.71</b>
<b>Total Assets</b>	<b>141.00</b>	<b>305.60</b>	<b>391.60</b>	<b>428.60</b>	<b>472.10</b>	<b>528.50</b>	<b>602.70</b>
<b>Liabilities and shareholders' equity</b>							
Subscribed capital	6.20	6.49	6.49	6.49	6.49	6.49	6.49
Capital reserve	2.91	50.59	51.11	51.11	51.11	51.11	51.11
Retained earnings	73.75	96.34	120.67	148.34	180.39	223.59	283.06
Other equity components	-0.25	-0.25	-0.24	-0.24	-0.24	-0.24	-0.24
Shareholders' equity	82.60	153.17	178.03	205.70	237.75	280.95	340.43
Minority interest	0.31	0.31	0.34	0.34	0.34	0.34	0.34
<b>Total equity</b>	<b>82.91</b>	<b>153.48</b>	<b>178.38</b>	<b>206.04</b>	<b>238.10</b>	<b>281.29</b>	<b>340.77</b>
Provisions	0.18	0.28	0.92	0.92	0.92	0.92	0.92
thereof provisions for pensions and similar obligations	0.18	0.28	0.92	0.92	0.92	0.92	0.92
Financial liabilities (total)	16.30	80.74	114.87	118.47	122.07	125.67	129.27
thereof short-term financial liabilities	2.94	9.78	16.41	16.41	16.41	16.41	16.41
Accounts payable	23.06	31.99	39.58	45.30	53.20	62.80	73.90
Other liabilities	18.53	39.12	57.84	57.84	57.84	57.84	57.84
<b>Liabilities</b>	<b>58.07</b>	<b>152.13</b>	<b>213.20</b>	<b>222.52</b>	<b>234.02</b>	<b>247.22</b>	<b>261.92</b>
<b>Total liabilities and shareholders' equity</b>	<b>141.00</b>	<b>305.60</b>	<b>391.60</b>	<b>428.60</b>	<b>472.10</b>	<b>528.50</b>	<b>602.70</b>

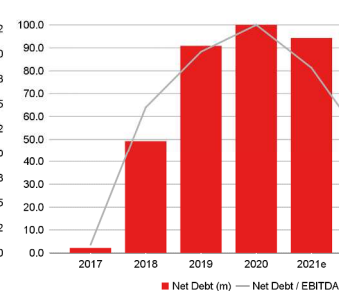
## Financial Ratios

	2017	2018	2019	2020	2021e	2022e	2023e
<b>Efficiency of Capital Employment</b>							
Operating Assets Turnover	6.4 x	8.0 x	5.7 x	6.0 x	6.8 x	7.8 x	8.8 x
Capital Employed Turnover	2.3 x	1.3 x	1.3 x	1.3 x	1.4 x	1.5 x	1.7 x
ROA	27.9 %	10.5 %	8.2 %	8.5 %	9.3 %	12.0 %	16.1 %
<b>Return on Capital</b>							
ROCE (NOPAT)	27.1 %	16.3 %	10.9 %	9.9 %	10.3 %	12.9 %	16.7 %
ROE	25.1 %	19.1 %	14.7 %	14.4 %	14.5 %	16.7 %	19.1 %
Adj. ROE	25.1 %	19.1 %	14.7 %	14.4 %	14.5 %	16.7 %	19.1 %
<b>Balance sheet quality</b>							
Net Debt	2.15	49.26	90.89	100.07	94.31	71.10	29.84
Net Financial Debt	1.97	48.98	89.98	99.15	93.39	70.18	28.92
Net Gearing	2.6 %	32.1 %	51.0 %	48.6 %	39.6 %	25.3 %	8.8 %
Net Fin. Debt / EBITDA	6.5 %	125.3 %	172.3 %	195.4 %	158.8 %	92.5 %	29.0 %
Book Value / Share	13.7	24.5	28.5	32.9	38.1	45.0	54.5
Book value per share ex intangibles	4.4	-6.0	-11.2	-11.9	-10.7	-6.6	0.5

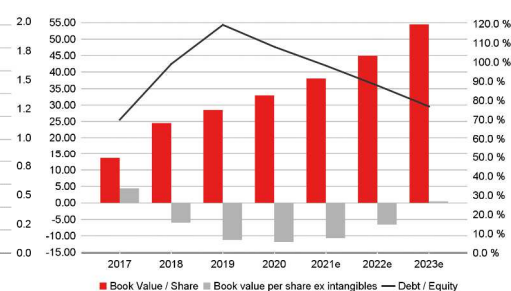
## ROCE Development



## Net debt in EUR m



## Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

## Consolidated cash flow statement

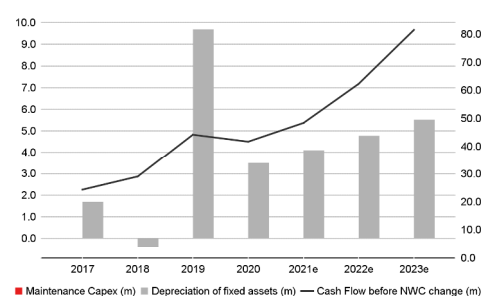
In EUR m	2017	2018	2019	2020	2021e	2022e	2023e
Net income	18.43	22.47	24.40	27.67	32.05	43.20	59.48
Depreciation of fixed assets	1.69	-0.39	9.69	3.50	4.10	4.78	5.52
Amortisation of goodwill	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Amortisation of intangible assets	5.12	6.91	9.52	10.49	12.31	14.33	16.56
Increase/decrease in long-term provisions	0.00	0.10	0.63	0.00	0.00	0.00	0.00
Other non-cash income and expenses	-0.92	0.00	0.00	0.00	0.00	0.00	0.00
<b>Cash Flow before NWC change</b>	<b>24.31</b>	<b>29.09</b>	<b>44.24</b>	<b>41.65</b>	<b>48.46</b>	<b>62.31</b>	<b>81.56</b>
Increase / decrease in inventory	0.00	-0.78	-0.31	1.09	0.00	0.00	0.00
Increase / decrease in accounts receivable	-11.05	-5.08	-8.85	-15.63	-13.60	-16.70	-19.40
Increase / decrease in accounts payable	4.35	8.93	7.59	5.72	7.90	9.60	11.10
Increase / decrease in other working capital positions	-9.36	7.67	3.53	0.00	0.00	0.00	0.00
Increase / decrease in working capital (total)	-16.06	10.75	1.97	-8.82	-5.70	-7.10	-8.30
<b>Net cash provided by operating activities [1]</b>	<b>8.26</b>	<b>39.83</b>	<b>46.21</b>	<b>32.83</b>	<b>42.76</b>	<b>55.21</b>	<b>73.26</b>
Investments in intangible assets	-8.00	-13.70	-27.02	-30.00	-25.00	-20.00	-20.00
Investments in property, plant and equipment	-2.00	-1.52	0.00	0.00	0.00	0.00	0.00
Payments for acquisitions	-9.56	-63.26	-33.04	-12.00	-12.00	-12.00	-12.00
Financial investments	0.55	0.00	0.02	0.00	0.00	0.00	0.00
Income from asset disposals	0.02	0.24	0.20	0.00	0.00	0.00	0.00
<b>Net cash provided by investing activities [2]</b>	<b>-21.19</b>	<b>-85.64</b>	<b>-59.88</b>	<b>-42.00</b>	<b>-37.00</b>	<b>-32.00</b>	<b>-32.00</b>
Change in financial liabilities	4.85	70.51	23.50	3.60	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	0.00	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	-7.27	-16.72	0.00	0.00	0.00	0.00
<b>Net cash provided by financing activities [3]</b>	<b>4.85</b>	<b>63.23</b>	<b>6.78</b>	<b>3.60</b>	<b>3.60</b>	<b>3.60</b>	<b>3.60</b>
<b>Change in liquid funds [1]+[2]+[3]</b>	<b>-8.08</b>	<b>17.43</b>	<b>-6.90</b>	<b>-5.57</b>	<b>9.36</b>	<b>26.81</b>	<b>44.86</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>14.33</b>	<b>31.76</b>	<b>24.86</b>	<b>19.32</b>	<b>28.68</b>	<b>55.49</b>	<b>100.34</b>

## Financial Ratios

	2017	2018	2019	2020	2021e	2022e	2023e
<b>Cash Flow</b>							
FCF	-2.84	17.21	19.19	2.83	17.76	35.21	53.26
Free Cash Flow / Sales	-1.5 %	6.5 %	5.7 %	0.7 %	3.9 %	6.6 %	8.5 %
Free Cash Flow Potential	25.56	33.42	45.18	42.85	49.66	63.51	82.76
Free Cash Flow / Net Profit	-15.4 %	76.6 %	78.6 %	10.2 %	55.4 %	81.5 %	89.5 %
Interest Received / Avg. Cash	3.0 %	2.5 %	1.8 %	3.6 %	3.3 %	1.9 %	1.0 %
Interest Paid / Avg. Debt	6.5 %	3.6 %	2.1 %	1.9 %	1.8 %	1.8 %	1.7 %
<b>Management of Funds</b>							
Investment ratio	5.1 %	5.7 %	8.0 %	7.8 %	5.5 %	3.7 %	3.2 %
Maint. Capex / Sales	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Capex / Dep	146.9 %	155.4 %	140.7 %	214.5 %	152.4 %	104.7 %	90.6 %
Avg. Working Capital / Sales	11.7 %	9.2 %	7.1 %	7.5 %	8.0 %	8.0 %	8.0 %
Trade Debtors / Trade Creditors	213.1 %	169.5 %	159.3 %	173.7 %	173.5 %	173.6 %	173.7 %
Inventory Turnover	n.a.	161.3 x	142.9 x	n.a.	n.a.	n.a.	n.a.
Receivables collection period (days)	92	74	68	74	74	74	74
Payables payment period (days)	91	93	93	95	94	96	97
Cash conversion cycle (Days)	n.a.	-16	-22	n.a.	n.a.	n.a.	n.a.

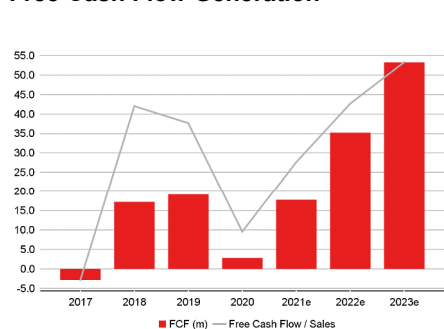
## CAPEX and Cash Flow

in EUR m



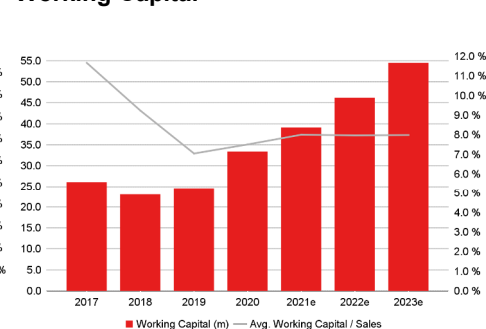
Source: Warburg Research

## 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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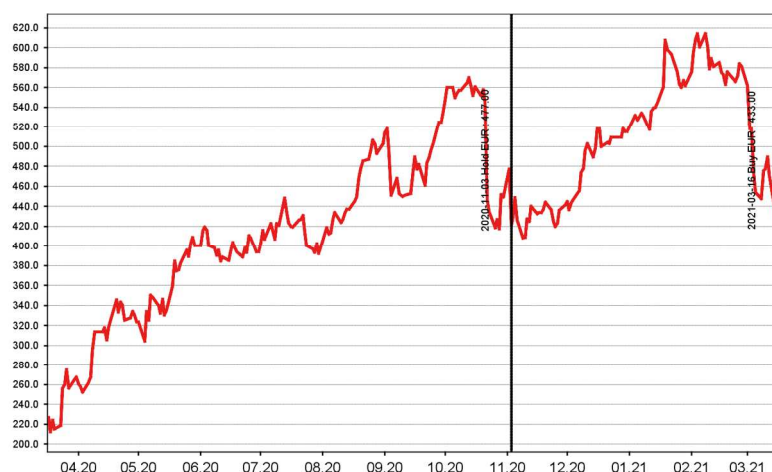
Rating	Number of stocks	% of Universe
Buy	131	63
Hold	64	31
Sell	7	3
Rating suspended	6	3
<b>Total</b>	<b>208</b>	<b>100</b>

## 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	39	80
Hold	7	14
Sell	0	0
Rating suspended	3	6
<b>Total</b>	<b>49</b>	<b>100</b>

## PRICE AND RATING HISTORY HYPOPORT AS OF 16.03.2021



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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