

<b>Buy</b> <b>EUR 115.00</b> (EUR 117.00)  Price <b>EUR 79.48</b> <b>Upside 44.7 %</b>	<b>Value Indicators:</b> EUR DCF: 115.49	<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: 492.4 No. of shares (m): 6.2 EV: 465.3 Freefloat MC: 310.7 Ø Trad. Vol. (30d): 1.41 m	<b>Shareholders:</b> Freefloat: 63.1 % Revenia (Slabke): 36.9 %	<b>Risk Profile (WRe):</b> 2016e Beta: 1.2 Price / Book: 6.9 x Equity Ratio: 63 %

## Europace performance strong; Institutional clients unit weak

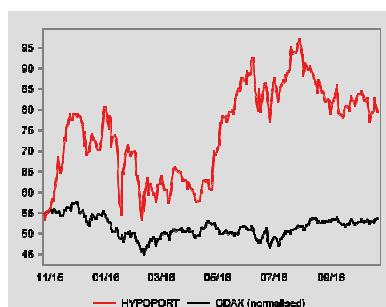
<b>Figures Q3/2016:</b> in EUR m										<b>Comment on Figures:</b> <ul style="list-style-type: none"> <li>On October 24 Hypoport AG announced preliminary Q3/16 figures.</li> <li>While the top line was in line with expectations, the bottom-line numbers fell slightly short (WRe).</li> <li>The complete set of figures will be released on October 31.</li> </ul>			
	Q3/16	Q3/16e	Q3/15	yoy	9M/16	9M/16e	9M/15	yoy					
<b>Sales</b>	39.8	40.5	35.6	12.0%	113.5	114.2	103.1	10.1%					
<b>EBIT</b>	5.8	7.0	5.6	4.1%	17.0	18.1	14.7	15.3%					
<b>margin</b>	14.7%	17.3%	15.8%		14.9%	15.9%	14.3%						

Preliminary Q3/16 figures indicate that the growth trend is intact and support the equity story of scaling earnings. On October 8, Hypoport announced transaction numbers for Europace, the basis of the most important business segments "private clients" and "financial institutions". The Q3 transaction volume was the strongest ever (EUR 11.8bn, +8% yoy compared to a very strong Q3/15). Following a first half that was burdened by regulatory issues (WIKR) and, in this context, required adjustments to procedure, the pick-up in growth was very impressive. While at first glance the Europace 9M numbers would seem to be unchanged and indicate no growth (original expectation of +10% for 12 months), the numbers include a change in the counting method and thus already represent growth of 10%. Preliminary Q3/16 top-line figures show a 10% growth rate on the top line. EBIT, however, came in below expectations. In view of strong Europace numbers, it seems as if the quarter was weaker at Hypoport's unit for institutional clients ("IK", high-margin consultancy for institutional real estate)

Even though a recovery in the institutional clients segment seems likely, the full-year estimates (WRe) will be reduced slightly.

The stock is rated Buy with a PT of 115 (117).

<b>Changes in Estimates:</b> FY End: 31.12. in EUR m						<b>Comment on Changes:</b> <ul style="list-style-type: none"> <li>As a temporarily weak IK segment seems to be the reason for the lower Q3, the numbers for the years to come are corrected only slightly.</li> <li>The IK segment represented 46% of segment EBIT in 2013 and 27% in 2015. A further reduction is expected in the years to come (2016 c. 20%) in light of strong growth of the Europace-related segments.</li> </ul>			
	2016e (old)	+ / -	2017e (old)	+ / -	2018e (old)	+ / -			
<b>Sales</b>	155.7	-1.8 %	171.9	-1.3 %	187.0	-1.1 %			
<b>EBIT</b>	24.4	-5.7 %	29.2	-5.9 %	34.4	-5.4 %			
<b>EPS</b>	3.33	-5.7 %	4.01	-6.2 %	4.73	-5.5 %			

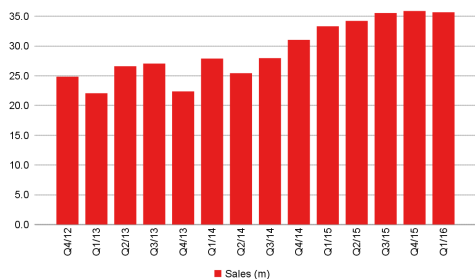


<b>Rel. Performance vs CDAX:</b>	
1 month:	-3.9 %
6 months:	28.7 %
Year to date:	1.0 %
Trailing 12 months:	48.2 %

<b>Company events:</b>	
31.10.16	Q3

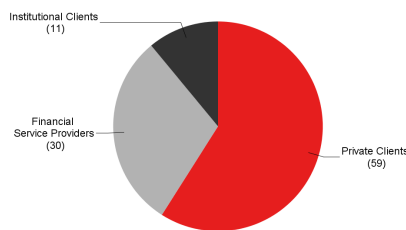
FY End: 31.12. in EUR m	CAGR (15-18e)	2012	2013	2014	2015	2016e	2017e	2018e
<b>Sales</b>	10.0 %	87.8	98.1	112.3	139.0	152.9	169.7	185.0
Change Sales yoy		n.a.	11.8 %	14.5 %	23.7 %	10.0 %	11.0 %	9.0 %
Gross profit margin		55.7 %	54.3 %	53.9 %	54.9 %	54.7 %	55.5 %	55.9 %
<b>EBITDA</b>	15.5 %	8.1	8.1	12.7	25.1	28.1	33.1	38.7
Margin		9.3 %	8.3 %	11.3 %	18.0 %	18.4 %	19.5 %	20.9 %
<b>EBIT</b>	19.1 %	3.2	3.9	7.9	19.3	23.0	27.5	32.6
Margin		3.6 %	4.0 %	7.1 %	13.9 %	15.1 %	16.2 %	17.6 %
<b>Net income</b>	20.4 %	1.9	3.2	5.9	15.9	19.4	23.3	27.7
<b>EPS</b>	20.4 %	0.32	0.52	0.97	2.56	3.14	3.76	4.47
<b>EPS adj.</b>	20.4 %	0.32	0.52	0.97	2.56	3.14	3.76	4.47
<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>		0.20	0.61	0.37	3.16	2.23	3.41	4.14
<b>FCF / Market cap</b>		2.3 %	7.4 %	3.3 %	10.2 %	2.8 %	4.3 %	5.2 %
<b>EV / Sales</b>		0.7 x	0.6 x	0.6 x	1.4 x	3.0 x	2.6 x	2.3 x
<b>EV / EBITDA</b>		8.0 x	7.0 x	5.6 x	7.8 x	16.5 x	13.4 x	10.8 x
<b>EV / EBIT</b>		20.3 x	14.4 x	9.0 x	10.2 x	20.2 x	16.2 x	12.9 x
<b>P / E</b>		27.9 x	15.9 x	11.3 x	13.2 x	25.3 x	21.1 x	17.8 x
<b>P / E adj.</b>		27.9 x	15.9 x	11.3 x	13.2 x	25.3 x	21.1 x	17.8 x
<b>FCF Yield Potential</b>		11.9 %	14.5 %	15.9 %	11.2 %	5.4 %	6.7 %	8.2 %
<b>Net Debt</b>		10.1	6.0	4.1	-13.3	-27.1	-48.2	-73.9
<b>ROCE (NOPAT)</b>		13.3 %	10.3 %	15.8 %	38.9 %	47.5 %	51.9 %	58.7 %
<b>Guidance:</b>		2016: slight double digit percentage growth in revenue and earnings						

**Sales development**  
in EUR m



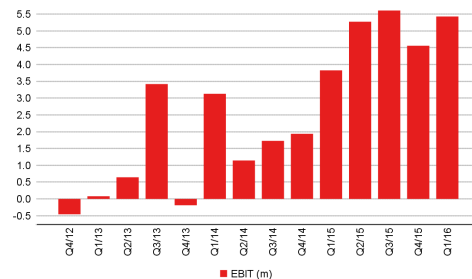
Source: Warburg Research

**Sales by Segments**  
2016e; in %



Source: Warburg Research

**EBIT development**  
in EUR m



Source: Warburg Research

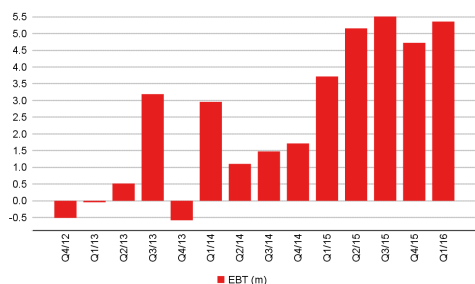
**Company Background**

- The company, founded in 1999, is specialised as a property financing intermediary
- With Europace, Hypoport operates the largest German internet platform for property financing and similar products
- Under the Dr. Klein brand, Hypoport operates a franchise system of stationary advisors
- Hypoport is also in a leading position in the area of institutional property financing (also under the Dr. Klein brand)
- An advanced level of technology is shown in all segments (fintech)

**Competitive Quality**

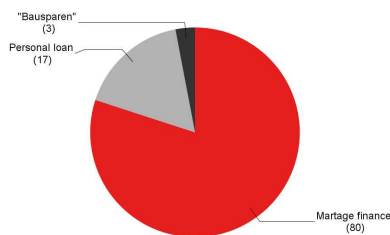
- The online marketplace for property financing operated by Hypoport (Europace) is the largest of its kind in Germany
- As the number of affiliated suppliers is decisive for marketplaces of this type, this forms a central competitive advantage and a considerable market entry barrier for third parties.
- The Dr. Klein business segments (private and institutional customers) benefit from market access over Europace but also from the many years of experience in the area of property financing
- Dr. Klein has regional presence (200 branches) and, in this way, achieves customer proximity.
- Most importantly however Dr. Klein is strongly focused (mainly property financing) and neutral (with offers from every provider). Other financial sales teams or retail banks normally cannot afford both.

**EBT development**  
in EUR m



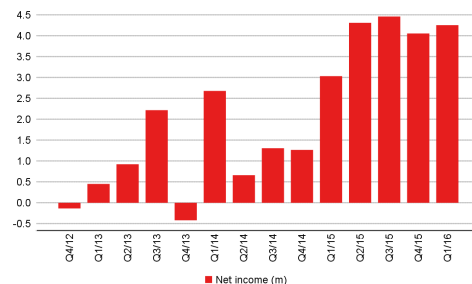
Source: Warburg Research

**Europace by product segments**  
2016e; 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
	2016e	2017e	2018e	2019e	2020e	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	
Sales	152.9	169.7	185.0	194.2	203.9	214.1	224.8	236.1	247.9	255.3	263.0	270.9	277.6	2.5 %
Sales change	10.0 %	11.0 %	9.0 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	3.0 %	3.0 %	3.0 %	2.5 %	
EBIT	23.0	27.5	32.6	36.9	41.8	45.0	48.3	51.9	55.8	58.7	60.5	62.3	63.9	23.0 %
EBIT-margin	15.1 %	16.2 %	17.6 %	19.0 %	20.5 %	21.0 %	21.5 %	22.0 %	22.5 %	23.0 %	23.0 %	23.0 %	23.0 %	
Tax rate (EBT)	13.0 %	13.0 %	13.0 %	13.0 %	13.0 %	13.0 %	13.0 %	13.0 %	13.0 %	13.0 %	13.0 %	13.0 %	13.0 %	13.0 %
NOPAT	20.0	23.9	28.3	32.1	36.4	39.1	42.1	45.2	48.5	51.1	52.6	54.2	55.6	
Depreciation	5.1	5.6	6.1	5.8	6.1	6.4	6.7	7.1	7.4	7.7	7.9	8.1	8.3	3.0 %
in % of Sales	3.3 %	3.3 %	3.3 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	
Changes in provisions	0.0	0.0	0.0	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in Liquidity from														
- Working Capital	5.3	1.9	1.8	-2.1	1.0	1.0	1.1	1.1	1.2	0.7	0.8	0.8	0.7	0.7
- Capex	5.4	5.9	6.3	5.8	6.1	6.4	6.7	7.1	7.4	7.7	7.9	8.1	8.3	
Capex in % of Sales	3.5 %	3.5 %	3.4 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Free Cash Flow (WACC Model)	14.4	21.7	26.3	34.0	35.4	38.1	41.0	44.1	47.3	50.3	51.9	53.4	54.9	56
PV of FCF	14.2	19.9	22.2	26.6	25.7	25.6	25.5	25.4	25.3	24.9	23.7	22.6	21.5	399
share of PVs	8.02 %			35.15 %										56.83 %

**Model parameter**

Derivation of WACC:		Derivation of Beta:	
Debt ratio	0.00 %	Financial Strength	1.00
Cost of debt (after tax)	2.7 %	Liquidity (share)	1.00
Market return	7.00 %	Cyclicality	1.30
Risk free rate	1.50 %	Transparency	1.30
		Others	1.30
<b>WACC</b>	<b>7.99 %</b>	<b>Beta</b>	<b>1.18</b>

**Valuation (m)**

Present values 2028e	303		
Terminal Value	399		
Financial liabilities	11		
Pension liabilities	0		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	25	No. of shares (m)	6.2
<b>Equity Value</b>	<b>715</b>	<b>Value per share (EUR)</b>	<b>115.49</b>

**Sensitivity Value per Share (EUR)**

Beta	WACC	Terminal Growth							Beta	WACC	Delta EBIT-margin						
		1.75 %	2.00 %	2.25 %	2.50 %	2.75 %	3.00 %	3.25 %			-1.5 pp	-1.0 pp	-0.5 pp	+0.0 pp	+0.5 pp	+1.0 pp	+1.5 pp
1.36	9.0 %	91.97	93.53	95.21	97.01	98.97	101.08	103.38	1.36	9.0 %	90.25	92.51	94.76	97.01	99.27	101.52	103.78
1.27	8.5 %	99.26	101.17	103.23	105.47	107.90	110.55	113.46	1.27	8.5 %	98.15	100.59	103.03	105.47	107.91	110.35	112.79
1.23	8.2 %	103.33	105.46	107.76	110.26	112.99	115.97	119.26	1.23	8.2 %	102.62	105.16	107.71	110.26	112.80	115.35	117.90
1.18	8.0 %	107.74	110.11	112.68	115.49	118.56	121.94	125.68	1.18	8.0 %	107.50	110.16	112.82	115.49	118.15	120.81	123.47
1.13	7.7 %	112.52	115.17	118.06	121.22	124.70	128.54	132.82	1.13	7.7 %	112.85	115.64	118.43	121.22	124.01	126.79	129.58
1.09	7.5 %	117.73	120.70	123.95	127.53	131.49	135.88	140.80	1.09	7.5 %	118.75	121.68	124.60	127.53	130.46	133.38	136.31
1.00	7.0 %	129.66	133.45	137.63	142.29	147.49	153.34	159.98	1.00	7.0 %	132.53	135.78	139.04	142.29	145.54	148.79	152.04

- The growth anticipated for Hypoport is based on robust business development in all segments
- Financial Services (Europace) in particular offers systematic potential for economies of scale and margin growth
- On this basis the group assumes a positive long-term margin trend
- Based on a sophisticated regional dispersion of tax obligations a low tax rate is assumed long term.

Valuation	2012	2013	2014	2015	2016e	2017e	2018e
Price / Book	1.9 x	1.5 x	1.7 x	4.0 x	6.9 x	5.2 x	4.0 x
Book value per share ex intangibles	0.31	0.53	1.25	3.31	6.45	10.21	14.68
EV / Sales	0.7 x	0.6 x	0.6 x	1.4 x	3.0 x	2.6 x	2.3 x
EV / EBITDA	8.0 x	7.0 x	5.6 x	7.8 x	16.5 x	13.4 x	10.8 x
EV / EBIT	20.3 x	14.4 x	9.0 x	10.2 x	20.2 x	16.2 x	12.9 x
EV / EBIT adj.*	20.3 x	14.4 x	9.0 x	10.2 x	20.2 x	16.2 x	12.9 x
P / FCF	44.4 x	13.5 x	29.9 x	9.8 x	35.7 x	23.3 x	19.2 x
P / E	27.9 x	15.9 x	11.3 x	13.2 x	25.3 x	21.1 x	17.8 x
P / E adj.*	27.9 x	15.9 x	11.3 x	13.2 x	25.3 x	21.1 x	17.8 x
Dividend Yield	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Free Cash Flow Yield Potential	11.9 %	14.5 %	15.9 %	11.2 %	5.4 %	6.7 %	8.2 %

\*Adjustments made for: -

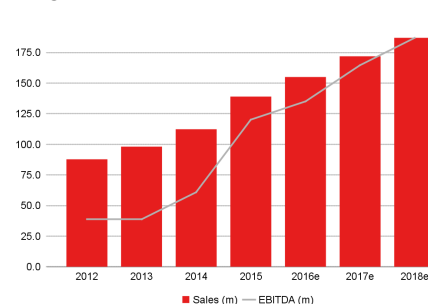
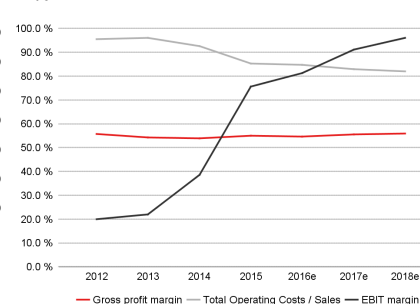
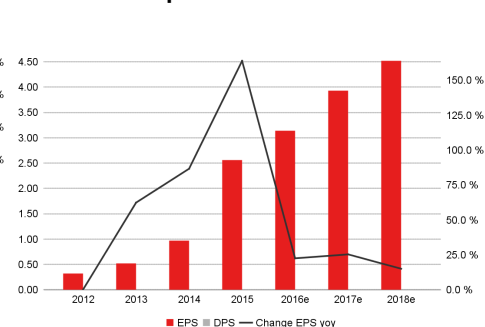
**Consolidated profit & loss**

In EUR m	2012	2013	2014	2015	2016e	2017e	2018e
<b>Sales</b>	<b>87.8</b>	<b>98.1</b>	<b>112.3</b>	<b>139.0</b>	<b>152.9</b>	<b>169.7</b>	<b>185.0</b>
Change Sales yoy	n.a.	11.8 %	14.5 %	23.7 %	10.0 %	11.0 %	9.0 %
Increase / decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Own work capitalised	4.2	4.2	4.2	4.7	4.6	5.1	5.4
<b>Total Sales</b>	<b>91.9</b>	<b>102.3</b>	<b>116.5</b>	<b>143.6</b>	<b>157.5</b>	<b>174.8</b>	<b>190.3</b>
Material expenses	43.0	49.1	55.9	67.3	73.8	80.6	86.9
<b>Gross profit</b>	<b>48.9</b>	<b>53.2</b>	<b>60.6</b>	<b>76.3</b>	<b>83.6</b>	<b>94.2</b>	<b>103.4</b>
<i>Gross profit margin</i>	<i>55.7 %</i>	<i>54.3 %</i>	<i>53.9 %</i>	<i>54.9 %</i>	<i>54.7 %</i>	<i>55.5 %</i>	<i>55.9 %</i>
Personnel expenses	29.9	32.7	35.3	38.2	41.7	45.0	47.2
Other operating income	2.4	2.8	1.8	2.2	2.3	1.7	1.8
Other operating expenses	13.2	15.2	14.5	15.2	16.1	17.8	19.4
Unfrequent items	0.0	0.0	0.1	0.0	0.0	0.0	0.0
<b>EBITDA</b>	<b>8.1</b>	<b>8.1</b>	<b>12.7</b>	<b>25.1</b>	<b>28.1</b>	<b>33.1</b>	<b>38.7</b>
<i>Margin</i>	<i>9.3 %</i>	<i>8.3 %</i>	<i>11.3 %</i>	<i>18.0 %</i>	<i>18.4 %</i>	<i>19.5 %</i>	<i>20.9 %</i>
Depreciation of fixed assets	0.9	1.1	1.0	1.1	0.5	0.5	0.6
<b>EBITA</b>	<b>7.2</b>	<b>7.1</b>	<b>11.7</b>	<b>24.0</b>	<b>27.6</b>	<b>32.6</b>	<b>38.1</b>
Amortisation of intangible assets	4.0	3.1	3.8	4.7	4.6	5.1	5.5
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBIT</b>	<b>3.2</b>	<b>3.9</b>	<b>7.9</b>	<b>19.3</b>	<b>23.0</b>	<b>27.5</b>	<b>32.6</b>
<i>Margin</i>	<i>3.6 %</i>	<i>4.0 %</i>	<i>7.1 %</i>	<i>13.9 %</i>	<i>15.1 %</i>	<i>16.2 %</i>	<i>17.6 %</i>
<b>EBIT adj.</b>	<b>3.2</b>	<b>3.9</b>	<b>7.9</b>	<b>19.3</b>	<b>23.0</b>	<b>27.5</b>	<b>32.6</b>
Interest income	0.2	0.1	0.1	0.4	0.1	0.1	0.1
Interest expenses	1.0	1.0	0.8	0.5	0.8	0.8	0.8
Other financial income (loss)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBT</b>	<b>2.3</b>	<b>3.1</b>	<b>7.3</b>	<b>19.1</b>	<b>22.3</b>	<b>26.8</b>	<b>31.9</b>
<i>Margin</i>	<i>2.7 %</i>	<i>3.1 %</i>	<i>6.5 %</i>	<i>13.7 %</i>	<i>14.6 %</i>	<i>15.8 %</i>	<i>17.2 %</i>
Total taxes	0.4	-0.1	1.3	3.2	2.9	3.5	4.1
<b>Net income from continuing operations</b>	<b>1.9</b>	<b>3.2</b>	<b>5.9</b>	<b>15.9</b>	<b>19.4</b>	<b>23.3</b>	<b>27.7</b>
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income before minorities</b>	<b>1.9</b>	<b>3.2</b>	<b>5.9</b>	<b>15.9</b>	<b>19.4</b>	<b>23.3</b>	<b>27.7</b>
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income</b>	<b>1.9</b>	<b>3.2</b>	<b>5.9</b>	<b>15.9</b>	<b>19.4</b>	<b>23.3</b>	<b>27.7</b>
<i>Margin</i>	<i>2.2 %</i>	<i>3.2 %</i>	<i>5.3 %</i>	<i>11.4 %</i>	<i>12.7 %</i>	<i>13.7 %</i>	<i>15.0 %</i>
Number of shares, average	6.1	6.1	6.1	6.2	6.2	6.2	6.2
<b>EPS</b>	<b>0.32</b>	<b>0.52</b>	<b>0.97</b>	<b>2.56</b>	<b>3.14</b>	<b>3.76</b>	<b>4.47</b>
EPS adj.	0.32	0.52	0.97	2.56	3.14	3.76	4.47

\*Adjustments made for:

**Guidance: 2016: slight double digit percentage growth in revenue and earnings**
**Financial Ratios**

	2012	2013	2014	2015	2016e	2017e	2018e
Total Operating Costs / Sales	95.5 %	96.1 %	92.5 %	85.3 %	84.6 %	83.5 %	82.0 %
Operating Leverage	n.a.	2.0 x	7.0 x	6.0 x	2.0 x	1.8 x	2.0 x
EBITDA / Interest expenses	7.8 x	8.2 x	15.4 x	48.0 x	35.2 x	41.4 x	48.3 x
Tax rate (EBT)	16.9 %	-3.3 %	18.2 %	16.9 %	13.0 %	13.0 %	13.0 %
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

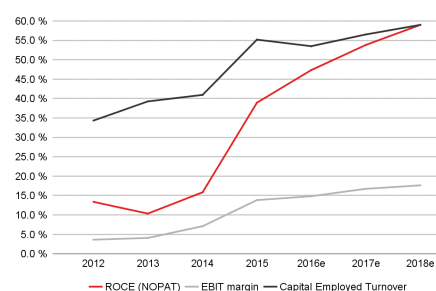
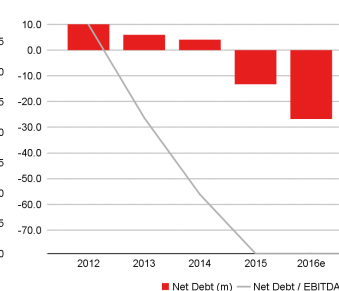
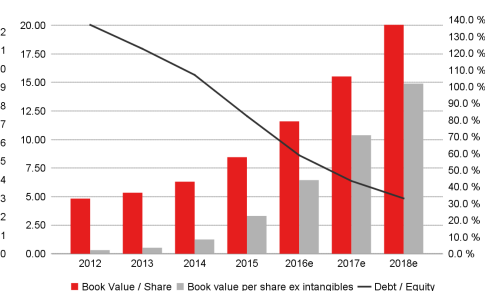
Source: Warburg Research

**Consolidated balance sheet**

In EUR m	2012	2013	2014	2015	2016e	2017e	2018e
<b>Assets</b>							
Goodwill and other intangible assets	27.7	29.6	31.0	31.9	31.9	31.9	31.9
thereof other intangible assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
thereof Goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Property, plant and equipment	2.6	2.5	2.7	3.0	3.3	3.6	3.9
Financial assets	0.1	0.1	0.1	0.0	0.0	0.0	0.0
Other long-term assets	0.0	0.7	1.1	1.4	1.4	1.4	1.4
<b>Fixed assets</b>	<b>30.4</b>	<b>32.8</b>	<b>34.8</b>	<b>36.4</b>	<b>36.7</b>	<b>37.0</b>	<b>37.2</b>
Inventories	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	25.7	24.4	29.6	32.8	40.2	44.6	48.6
Liquid assets	8.6	11.0	12.0	24.8	35.3	53.4	76.1
Other short-term assets	6.0	5.4	3.9	2.1	2.1	2.1	2.1
<b>Current assets</b>	<b>40.3</b>	<b>40.8</b>	<b>45.6</b>	<b>59.7</b>	<b>77.6</b>	<b>100.1</b>	<b>126.8</b>
<b>Total Assets</b>	<b>70.7</b>	<b>73.6</b>	<b>80.4</b>	<b>96.1</b>	<b>114.3</b>	<b>137.1</b>	<b>164.0</b>
<b>Liabilities and shareholders' equity</b>							
Subscribed capital	6.2	6.2	6.2	6.2	6.2	6.2	6.2
Capital reserve	2.1	2.1	2.2	2.3	2.3	2.3	2.3
Retained earnings	21.4	24.6	30.3	44.0	63.4	86.8	114.5
Other equity components	-0.1	-0.1	-0.1	-0.2	-0.2	-0.2	-0.2
Shareholders' equity	29.6	32.8	38.6	52.4	71.8	95.1	122.9
Minority interest	0.2	0.3	0.3	0.3	0.3	0.3	0.3
<b>Total equity</b>	<b>29.8</b>	<b>33.1</b>	<b>38.9</b>	<b>52.7</b>	<b>72.1</b>	<b>95.4</b>	<b>123.1</b>
Provisions	0.3	0.1	0.2	0.2	0.2	0.2	0.2
thereof provisions for pensions and similar obligations	0.3	0.1	0.2	0.2	0.2	0.2	0.2
Financial liabilities (total)	18.3	16.8	15.9	11.3	8.0	5.0	2.0
thereof short-term financial liabilities	5.4	4.8	4.6	4.3	4.0	3.0	2.0
Accounts payable	14.1	15.2	16.5	20.4	22.4	24.9	27.1
Other liabilities	8.2	8.4	9.0	11.5	11.5	11.5	11.5
<b>Liabilities</b>	<b>40.9</b>	<b>40.5</b>	<b>41.6</b>	<b>43.4</b>	<b>42.2</b>	<b>41.7</b>	<b>40.9</b>
<b>Total liabilities and shareholders' equity</b>	<b>70.7</b>	<b>73.6</b>	<b>80.4</b>	<b>96.1</b>	<b>114.3</b>	<b>137.1</b>	<b>164.0</b>

**Financial Ratios**

	2012	2013	2014	2015	2016e	2017e	2018e
<b>Efficiency of Capital Employment</b>							
Operating Assets Turnover	6.1 x	8.4 x	7.1 x	9.0 x	7.2 x	7.3 x	7.3 x
Capital Employed Turnover	2.2 x	2.5 x	2.6 x	3.5 x	3.4 x	3.6 x	3.8 x
ROA	6.4 %	9.7 %	17.0 %	43.6 %	53.0 %	63.1 %	74.5 %
<b>Return on Capital</b>							
ROCE (NOPAT)	13.3 %	10.3 %	15.8 %	38.9 %	47.5 %	51.9 %	58.7 %
ROE	13.1 %	10.2 %	16.6 %	34.9 %	31.3 %	27.9 %	25.4 %
Adj. ROE	13.1 %	10.2 %	16.6 %	34.9 %	31.3 %	27.9 %	25.4 %
<b>Balance sheet quality</b>							
Net Debt	10.1	6.0	4.1	-13.3	-27.1	-48.2	-73.9
Net Financial Debt	9.7	5.9	3.9	-13.5	-27.3	-48.4	-74.1
Net Gearing	33.7 %	18.1 %	10.5 %	-25.2 %	-37.6 %	-50.5 %	-60.0 %
Net Fin. Debt / EBITDA	119.8 %	72.2 %	30.5 %	n.a.	n.a.	n.a.	n.a.
Book Value / Share	4.8	5.3	6.3	8.5	11.6	15.4	19.8
Book value per share ex intangibles	0.3	0.5	1.2	3.3	6.4	10.2	14.7

**ROCE Development**

**Net debt in EUR m**

**Book Value per Share in EUR**


Source: Warburg Research

Source: Warburg Research

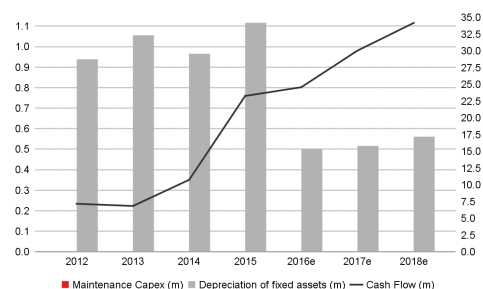
Source: Warburg Research

**Consolidated cash flow statement**

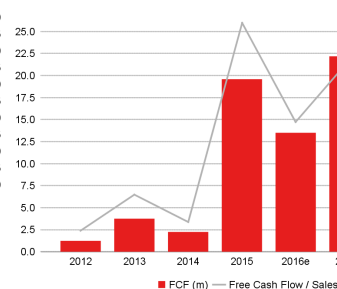
In EUR m	2012	2013	2014	2015	2016e	2017e	2018e
Net income	1.9	3.2	5.9	15.9	19.4	23.3	27.7
Depreciation of fixed assets	0.9	1.1	1.0	1.1	0.5	0.5	0.6
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	4.0	3.1	3.8	4.7	4.6	5.1	5.5
Increase/decrease in long-term provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other non-cash income and expenses	0.3	-0.5	0.0	1.6	0.0	0.0	0.0
<b>Cash Flow</b>	<b>7.1</b>	<b>6.8</b>	<b>10.7</b>	<b>23.3</b>	<b>24.5</b>	<b>28.9</b>	<b>33.8</b>
Increase / decrease in inventory	1.6	1.0	-4.1	-1.7	0.0	0.0	0.0
Increase / decrease in accounts receivable	0.0	0.0	0.0	0.0	-7.4	-4.4	-4.0
Increase / decrease in accounts payable	-0.1	2.8	1.8	4.6	2.0	2.5	2.2
Increase / decrease in other working capital positions	-0.8	-1.0	0.1	0.5	0.0	0.0	0.0
Increase / decrease in working capital (total)	0.6	2.7	-2.3	3.4	-5.3	-1.9	-1.8
<b>Net cash provided by operating activities</b>	<b>7.8</b>	<b>9.5</b>	<b>8.4</b>	<b>26.7</b>	<b>19.2</b>	<b>27.0</b>	<b>32.0</b>
Investments in intangible assets	-5.9	-5.2	-5.5	-4.7	-4.6	-5.1	-5.5
Investments in property, plant and equipment	-0.7	-0.6	-0.6	-0.6	-0.8	-0.8	-0.8
Payments for acquisitions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	0.1	0.0	0.0	0.1	0.0	0.0	0.0
<b>Net cash provided by investing activities</b>	<b>-6.5</b>	<b>-5.7</b>	<b>-6.2</b>	<b>-7.1</b>	<b>-5.4</b>	<b>-5.9</b>	<b>-6.3</b>
Change in financial liabilities	0.4	-1.4	-0.9	-4.6	-3.3	-3.0	-3.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Purchase of own shares	-0.6	0.0	-0.3	-2.3	0.0	0.0	0.0
Capital measures	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net cash provided by financing activities</b>	<b>-0.3</b>	<b>-1.4</b>	<b>-1.2</b>	<b>-6.9</b>	<b>-3.3</b>	<b>-3.0</b>	<b>-3.0</b>
Change in liquid funds	1.0	2.4	1.1	12.7	10.5	18.1	22.7
Effects of exchange-rate changes on cash	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Cash and cash equivalent at end of period</b>	<b>8.6</b>	<b>11.0</b>	<b>12.0</b>	<b>24.8</b>	<b>35.3</b>	<b>53.4</b>	<b>76.1</b>

**Financial Ratios**

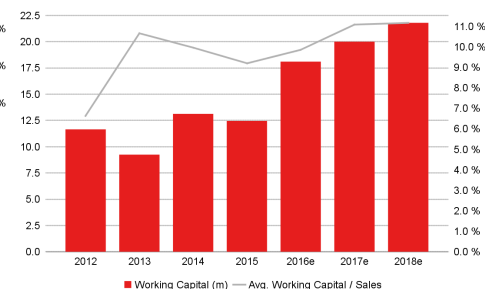
	2012	2013	2014	2015	2016e	2017e	2018e
<b>Cash Flow</b>							
FCF	1.2	3.8	2.2	19.6	13.8	21.1	25.7
Free Cash Flow / Sales	1.4 %	3.8 %	2.0 %	15.4 %	9.0 %	12.4 %	13.9 %
Free Cash Flow Potential	7.7	8.2	11.4	21.8	25.2	29.6	34.5
Free Cash Flow / Net Profit	63.5 %	118.2 %	38.0 %	134.7 %	71.0 %	90.6 %	92.6 %
Interest Received / Avg. Cash	4.2 %	1.1 %	1.2 %	2.0 %	0.3 %	0.2 %	0.2 %
Interest Paid / Avg. Debt	11.3 %	5.6 %	5.0 %	3.8 %	8.3 %	12.3 %	22.9 %
<b>Management of Funds</b>							
Investment ratio	7.4 %	5.8 %	5.5 %	3.8 %	3.5 %	3.5 %	3.4 %
Maint. Capex / Sales	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Capex / Dep	132.1 %	137.4 %	129.5 %	91.4 %	105.9 %	105.2 %	104.0 %
Avg. Working Capital / Sales	6.6 %	10.7 %	10.0 %	9.2 %	9.9 %	11.0 %	11.1 %
Trade Debtors / Trade Creditors	182.8 %	160.8 %	179.6 %	161.1 %	179.5 %	179.1 %	179.3 %
Inventory Turnover	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Receivables collection period (days)	107	91	96	86	96	96	96
Payables payment period (days)	119	113	108	111	111	113	114
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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Company	Disclosure	Link to the historical price targets and rating changes (last 12 months)
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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.

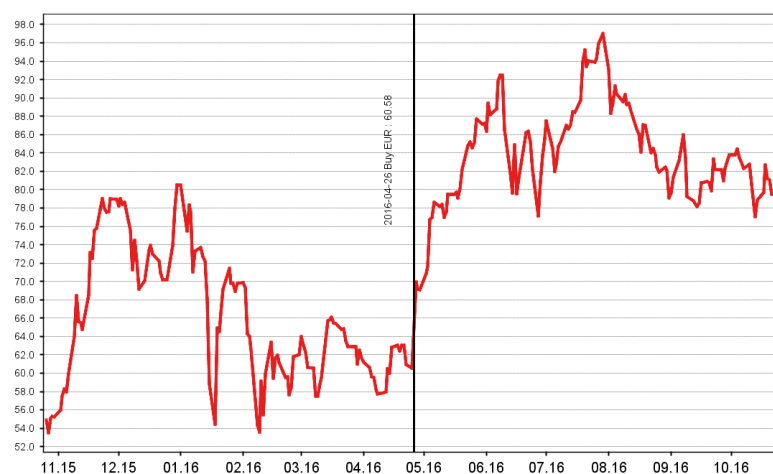
**WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING**

Rating	Number of stocks	% of Universe
Buy	120	63
Hold	66	35
Sell	5	3
Rating suspended	0	0
<b>Total</b>	<b>191</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	25	69
Hold	11	31
Sell	0	0
Rating suspended	0	0
<b>Total</b>	<b>36</b>	<b>100</b>

**PRICE AND RATING HISTORY HYPOPORT AS OF 24.10.2016**


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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