

<b>Buy</b> <b>EUR 117.00</b>  Price <b>EUR 96.64</b> <b>Upside 21.1 %</b>	<b>Value Indicators:</b> EUR DCF: 117.35	<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: 574.22 No. of shares (m): 5.94 EV: 548.84 Freefloat MC: 342.23 Ø Trad. Vol. (30d): 963.15 th	<b>Shareholders:</b> Freefloat 59.6 % Revenia (Ronald Slabke) 36.3 % Treasury shares 4.1 %	<b>Risk Profile (WRe):</b> 2017e Beta: 1.2 Price / Book: 6.8 x Equity Ratio: 63 %

## Strong preliminary Q1 figures

Q4 17p				
in Mio. EUR	Q1 17p	Q1 17e	Q1 16	yoy
Sales	47.0	46.6	35.7	318%
EBIT	7.0	6.8	5.4	29.0%
Margin	14.9%	14.7%	15.2%	

**Comment on Figures:**

- Strong 31.8% yoy sales growth but Q1 16 basis weakish at +7.1%, as the mortgage directive issue as of March 2016 held back business.
- EBIT up 29% yoy despite a strong basis in Q1 16, when EBIT rose by 41.9% yoy, carried by strong profitability in Private Clients in particular.

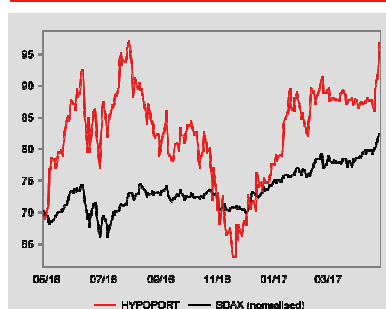
The company released headline Q1 2017 figures yesterday that were largely in line with our estimates. The EBIT margin was more or less flat at around 15% yoy. We spoke to company. They will not give a breakdown by division at this stage but all divisions seem to have performed well. Operating leverage seems to be held back slightly by ongoing investments in key account support, digitalization in the Private Client segment and the integration of the insurance-based businesses acquired last year.

On a full-year basis, we are expecting 13% top-line growth to EUR 177.09m (FactSet consensus: EUR 176.5m, 12.7%) and 19% EBIT growth to EUR 27.45m (FactSet consensus EUR 25.9m, +12% growth yoy), which implies a slowdown in growth from Q1 17 levels. The comparison base will become more challenging particularly in H2. Furthermore, the company is still in "investment mode". It is therefore too early to extrapolate the growth levels seen in Q1.

The strong preliminary figures come on the back of a bullish data set regarding Q1 transaction volumes - up 17% yoy on Europace at EUR 12.2 billion in an otherwise flat market, at least in January and February. The FINMAS and GENOPACE platforms, rolled out at savings banks and cooperative banks respectively, saw strong volume growth: +63% to EUR 0.5 billion and +52% to EUR 0.3 billion, highlighting ongoing progress with those underpenetrated customer segments, albeit on low levels. This shows that investments are paying off.

Full Q1 17 numbers will be released on May 4. The same day, the company hosts an investor day in Berlin which will focus on prospects in the InsureTech area and EUROPACE, according to the agenda we received, which should highlight continued strong growth prospects going forward.

Remains a Buy, PT EUR 117.0, +21% upside based on DCF.

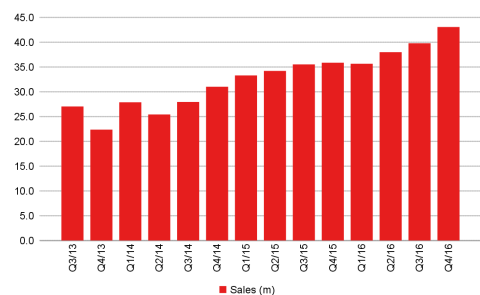


Rel. Performance vs SDAX:	
1 month:	4.5 %
6 months:	15.2 %
Year to date:	13.3 %
Trailing 12 months:	29.9 %

Company events:	
04.05.17	Q1
05.05.17	AGM
07.08.17	Q2
30.10.17	Q3

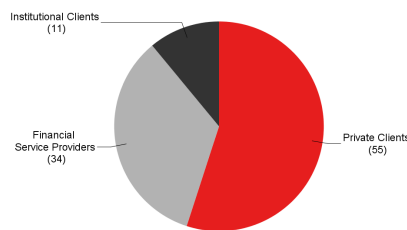
FY End: 31.12. in EUR m	CAGR (16-19e)	2013	2014	2015	2016	2017e	2018e	2019e
Sales	12.8 %	98.09	112.33	138.98	156.60	177.09	199.85	224.53
Change Sales yoy		11.8 %	14.5 %	23.7 %	12.7 %	13.1 %	12.9 %	12.3 %
Gross profit margin		54.3 %	53.9 %	54.9 %	58.0 %	57.9 %	57.9 %	57.9 %
EBITDA	16.4 %	8.12	12.70	25.08	28.20	32.72	37.96	44.53
Margin		8.3 %	11.3 %	18.0 %	18.0 %	18.5 %	19.0 %	19.8 %
EBIT	18.6 %	3.95	7.94	19.26	23.12	27.45	32.36	38.61
Margin		4.0 %	7.1 %	13.9 %	14.8 %	15.5 %	16.2 %	17.2 %
Net income	18.6 %	3.18	5.92	15.87	17.97	21.16	25.05	30.00
EPS	19.0 %	0.52	0.97	2.56	3.00	3.56	4.22	5.05
EPS adj.	19.0 %	0.52	0.97	2.56	3.00	3.56	4.22	5.05
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		0.61	0.37	3.16	1.90	2.34	3.34	4.18
FCF / Market cap		7.4 %	3.3 %	10.2 %	2.4 %	2.4 %	3.4 %	4.3 %
EV / Sales		0.6 x	0.6 x	1.4 x	2.8 x	3.2 x	2.7 x	2.3 x
EV / EBITDA		7.0 x	5.6 x	7.8 x	15.6 x	17.1 x	14.2 x	11.5 x
EV / EBIT		14.4 x	9.0 x	10.2 x	19.0 x	20.3 x	16.6 x	13.3 x
P / E		15.9 x	11.3 x	13.2 x	25.0 x	27.1 x	22.9 x	19.1 x
P / E adj.		15.9 x	11.3 x	13.2 x	25.0 x	27.1 x	22.9 x	19.1 x
FCF Yield Potential		14.5 %	15.9 %	11.2 %	5.3 %	4.9 %	5.8 %	7.1 %
Net Debt		5.97	4.08	-13.29	-11.46	-25.38	-45.22	-70.04
ROCE (NOPAT)		10.3 %	15.8 %	38.9 %	39.6 %	38.4 %	40.8 %	44.9 %
Guidance:	2017: revenues and earnings growth just into double digit figures							

Sales development in EUR m



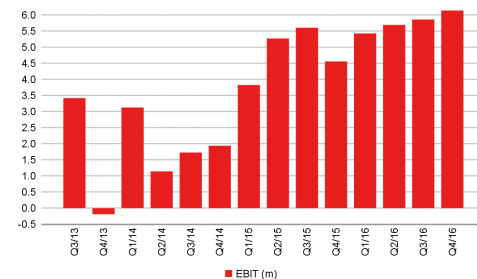
Source: Warburg Research

Sales by Segments 2016e; in %



Source: Warburg Research

EBIT development in EUR m



Source: Warburg Research

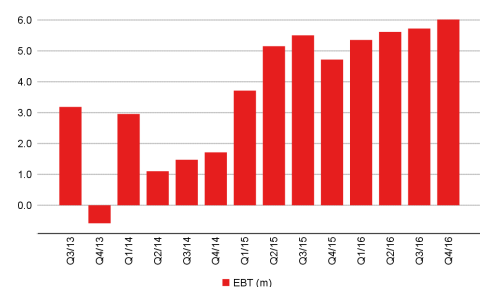
Company Background

- 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

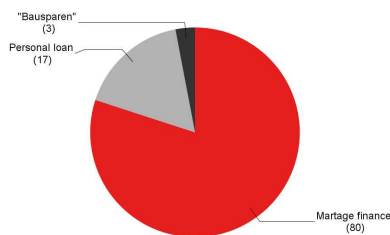
- The online marketplace for property financing operated by Hypoport (Europace) is the largest of its kind in Germany
- As the number of affiliated suppliers is decisive for marketplaces of this type, this forms a central competitive advantage and a considerable market entry barrier for third parties.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



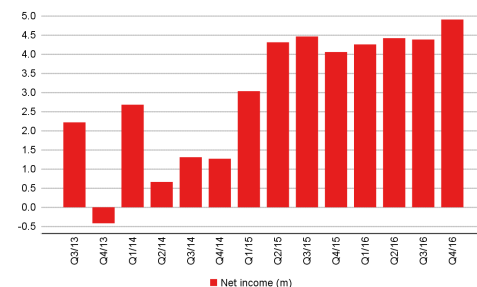
Source: Warburg Research

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
	2017e	2018e	2019e	2020e	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	
Sales	177.09	199.85	224.53	246.98	271.68	298.85	328.73	351.74	376.36	402.71	422.84	443.99	455.09	
Sales change	13.1 %	12.9 %	12.3 %	10.0 %	10.0 %	10.0 %	10.0 %	7.0 %	7.0 %	7.0 %	5.0 %	5.0 %	2.5 %	2.5 %
EBIT	27.45	32.36	38.61	44.46	48.90	53.79	59.17	63.31	67.75	72.49	76.11	79.92	81.92	
EBIT-margin	15.5 %	16.2 %	17.2 %	18.0 %	18.0 %	18.0 %	18.0 %	18.0 %	18.0 %	18.0 %	18.0 %	18.0 %	18.0 %	
Tax rate (EBT)	20.9 %	20.9 %	20.9 %	20.9 %	20.9 %	20.9 %	20.9 %	20.9 %	20.9 %	20.9 %	20.9 %	20.9 %	20.9 %	
NOPAT	21.72	25.60	30.55	35.18	38.69	42.56	46.82	50.10	53.60	57.36	60.22	63.23	64.82	
Depreciation	5.27	5.60	5.92	9.88	10.87	11.95	13.15	14.07	15.05	16.11	16.91	17.76	18.20	
in % of Sales	3.0 %	2.8 %	2.6 %	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	0.01	0.02	0.03	0.03	0.02	0.02	0.03	0.02	0.02	0.01	
Change in Liquidity from														
- Working Capital	2.52	2.80	3.10	2.78	3.06	3.36	3.70	2.85	3.05	3.26	2.49	2.62	1.37	
- Capex	10.00	8.00	8.00	12.35	13.58	14.94	16.44	17.59	18.82	20.14	21.14	22.20	22.75	
Capex in % of Sales	5.6 %	4.0 %	3.6 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	
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)	14.47	20.40	25.37	29.93	32.94	36.24	39.86	43.75	46.82	50.09	53.52	56.20	58.90	60
PV of FCF	13.74	17.92	20.61	22.50	22.90	23.31	23.72	24.08	23.84	23.59	23.32	22.65	21.96	402
share of PVs	7.62 %			33.79 %										58.59 %

**Model parameter**

Derivation of WACC:		Derivation of Beta:	
Debt ratio	0.00 %	Financial Strength	1.00
Cost of debt (after tax)	2.4 %	Liquidity (share)	1.00
Market return	7.00 %	Cyclicality	1.40
Risk free rate	1.50 %	Transparency	1.30
		Others	1.30
<b>WACC</b>	<b>8.10 %</b>	<b>Beta</b>	<b>1.20</b>

**Valuation (m)**

Present values 2029e	284		
Terminal Value	402		
Financial liabilities	11		
Pension liabilities	0		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	22	No. of shares (m)	5.9
<b>Equity Value</b>	<b>697</b>	<b>Value per share (EUR)</b>	<b>117.35</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
1.38	9.1 %	92.62	94.23	95.97	97.83	99.84	102.02	104.38	1.38	9.1 %	88.64	91.71	94.77	97.83	100.89	103.96	107.02
1.29	8.6 %	100.36	102.34	104.47	106.77	109.28	112.00	114.99	1.29	8.6 %	96.76	100.10	103.44	106.77	110.11	113.45	116.79
1.25	8.4 %	104.69	106.88	109.25	111.83	114.64	117.71	121.08	1.25	8.4 %	101.35	104.85	108.34	111.83	115.33	118.82	122.31
1.20	8.1 %	109.36	111.81	114.46	117.35	120.52	123.99	127.82	1.20	8.1 %	106.36	110.03	113.69	117.35	121.02	124.68	128.34
1.15	7.9 %	114.44	117.17	120.15	123.40	126.98	130.92	135.29	1.15	7.9 %	111.86	115.71	119.56	123.40	127.25	131.10	134.95
1.11	7.6 %	119.96	123.03	126.38	130.06	134.12	138.62	143.64	1.11	7.6 %	117.90	121.95	126.01	130.06	134.11	138.17	142.22
1.02	7.1 %	132.60	136.50	140.81	145.58	150.91	156.88	163.63	1.02	7.1 %	131.99	136.52	141.05	145.58	150.12	154.65	159.18

- 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.

<b>Valuation</b>							
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017e</b>	<b>2018e</b>	<b>2019e</b>
Price / Book	1.5 x	1.7 x	4.0 x	7.0 x	6.8 x	5.3 x	4.2 x
Book value per share ex intangibles	0.53	1.25	3.40	3.72	6.58	10.46	15.22
EV / Sales	0.6 x	0.6 x	1.4 x	2.8 x	3.2 x	2.7 x	2.3 x
EV / EBITDA	7.0 x	5.6 x	7.8 x	15.6 x	17.1 x	14.2 x	11.5 x
EV / EBIT	14.4 x	9.0 x	10.2 x	19.0 x	20.3 x	16.6 x	13.3 x
EV / EBIT adj.*	14.4 x	9.0 x	10.2 x	19.0 x	20.3 x	16.6 x	13.3 x
P / FCF	13.5 x	29.9 x	9.8 x	42.4 x	41.3 x	28.9 x	23.1 x
P / E	15.9 x	11.3 x	13.2 x	25.0 x	27.1 x	22.9 x	19.1 x
P / E adj.*	15.9 x	11.3 x	13.2 x	25.0 x	27.1 x	22.9 x	19.1 x
Dividend Yield	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Free Cash Flow Yield Potential	14.5 %	15.9 %	11.2 %	5.3 %	4.9 %	5.8 %	7.1 %

\*Adjustments made for: -

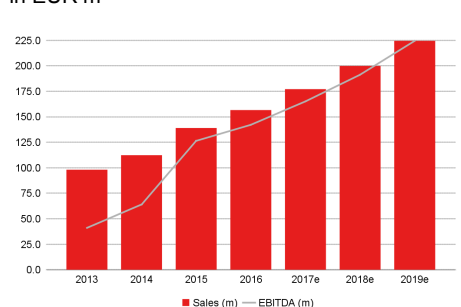
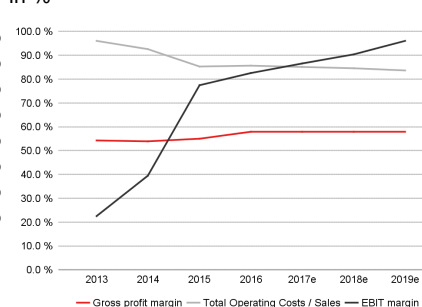
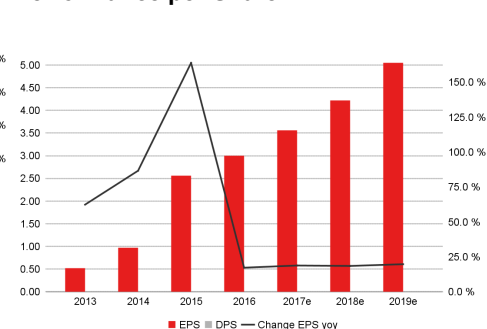
**Consolidated profit & loss**

In EUR m	2013	2014	2015	2016	2017e	2018e	2019e
<b>Sales</b>	<b>98.09</b>	<b>112.33</b>	<b>138.98</b>	<b>156.60</b>	<b>177.09</b>	<b>199.85</b>	<b>224.53</b>
Change Sales yoy	11.8 %	14.5 %	23.7 %	12.7 %	13.1 %	12.9 %	12.3 %
Increase / decrease in inventory	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Own work capitalised	4.25	4.18	4.66	5.66	6.20	6.99	7.86
<b>Total Sales</b>	<b>102.34</b>	<b>116.50</b>	<b>143.65</b>	<b>162.26</b>	<b>183.29</b>	<b>206.85</b>	<b>232.39</b>
Material expenses	49.11	55.95	67.31	71.44	80.75	91.13	102.38
<b>Gross profit</b>	<b>53.23</b>	<b>60.55</b>	<b>76.34</b>	<b>90.82</b>	<b>102.53</b>	<b>115.72</b>	<b>130.00</b>
<i>Gross profit margin</i>	<i>54.3 %</i>	<i>53.9 %</i>	<i>54.9 %</i>	<i>58.0 %</i>	<i>57.9 %</i>	<i>57.9 %</i>	<i>57.9 %</i>
Personnel expenses	32.68	35.33	38.22	46.36	51.89	58.16	65.11
Other operating income	2.77	1.83	2.18	3.07	3.90	4.60	5.39
Other operating expenses	15.23	14.50	15.25	19.33	21.82	24.20	25.75
Unfrequent items	0.04	0.15	0.03	0.00	0.00	0.00	0.00
<b>EBITDA</b>	<b>8.12</b>	<b>12.70</b>	<b>25.08</b>	<b>28.20</b>	<b>32.72</b>	<b>37.96</b>	<b>44.53</b>
<i>Margin</i>	<i>8.3 %</i>	<i>11.3 %</i>	<i>18.0 %</i>	<i>18.0 %</i>	<i>18.5 %</i>	<i>19.0 %</i>	<i>19.8 %</i>
Depreciation of fixed assets	1.06	0.97	1.12	1.24	1.20	1.20	1.20
<b>EBITA</b>	<b>7.07</b>	<b>11.73</b>	<b>23.96</b>	<b>26.96</b>	<b>31.52</b>	<b>36.76</b>	<b>43.33</b>
Amortisation of intangible assets	3.12	3.80	4.70	3.84	4.07	4.40	4.72
Goodwill amortisation	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>EBIT</b>	<b>3.95</b>	<b>7.94</b>	<b>19.26</b>	<b>23.12</b>	<b>27.45</b>	<b>32.36</b>	<b>38.61</b>
<i>Margin</i>	<i>4.0 %</i>	<i>7.1 %</i>	<i>13.9 %</i>	<i>14.8 %</i>	<i>15.5 %</i>	<i>16.2 %</i>	<i>17.2 %</i>
<b>EBIT adj.</b>	<b>3.95</b>	<b>7.94</b>	<b>19.26</b>	<b>23.12</b>	<b>27.45</b>	<b>32.36</b>	<b>38.61</b>
Interest income	0.11	0.14	0.37	0.23	0.10	0.10	0.10
Interest expenses	0.99	0.82	0.52	0.63	0.80	0.80	0.80
Other financial income (loss)	0.00	0.00	0.00	0.01	0.00	0.00	0.00
<b>EBT</b>	<b>3.07</b>	<b>7.25</b>	<b>19.10</b>	<b>22.73</b>	<b>26.75</b>	<b>31.66</b>	<b>37.91</b>
<i>Margin</i>	<i>3.1 %</i>	<i>6.5 %</i>	<i>13.7 %</i>	<i>14.5 %</i>	<i>15.1 %</i>	<i>15.8 %</i>	<i>16.9 %</i>
Total taxes	-0.10	1.32	3.24	4.76	5.58	6.61	7.91
<b>Net income from continuing operations</b>	<b>3.18</b>	<b>5.93</b>	<b>15.87</b>	<b>17.97</b>	<b>21.16</b>	<b>25.05</b>	<b>30.00</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>3.18</b>	<b>5.93</b>	<b>15.87</b>	<b>17.97</b>	<b>21.16</b>	<b>25.05</b>	<b>30.00</b>
Minority interest	0.00	0.01	0.00	0.00	0.00	0.00	0.00
<b>Net income</b>	<b>3.18</b>	<b>5.92</b>	<b>15.87</b>	<b>17.97</b>	<b>21.16</b>	<b>25.05</b>	<b>30.00</b>
<i>Margin</i>	<i>3.2 %</i>	<i>5.3 %</i>	<i>11.4 %</i>	<i>11.5 %</i>	<i>12.0 %</i>	<i>12.5 %</i>	<i>13.4 %</i>
Number of shares, average	6.14	6.12	6.19	6.01	5.94	5.94	5.94
<b>EPS</b>	<b>0.52</b>	<b>0.97</b>	<b>2.56</b>	<b>3.00</b>	<b>3.56</b>	<b>4.22</b>	<b>5.05</b>
EPS adj.	0.52	0.97	2.56	3.00	3.56	4.22	5.05

\*Adjustments made for:

**Guidance: 2017: revenues and earnings growth just into double digit figures****Financial Ratios**

	2013	2014	2015	2016	2017e	2018e	2019e
Total Operating Costs / Sales	96.1 %	92.5 %	85.3 %	85.6 %	85.0 %	84.5 %	83.7 %
Operating Leverage	2.0 x	7.0 x	6.0 x	1.6 x	1.4 x	1.4 x	1.6 x
EBITDA / Interest expenses	8.2 x	15.4 x	48.0 x	44.9 x	40.9 x	47.4 x	55.7 x
Tax rate (EBT)	-3.3 %	18.2 %	16.9 %	20.9 %	20.9 %	20.9 %	20.9 %
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

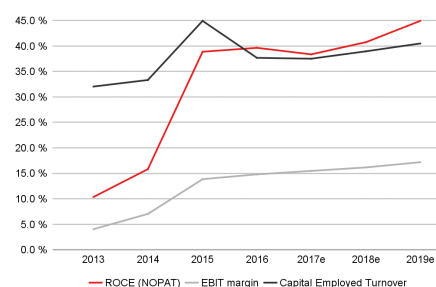
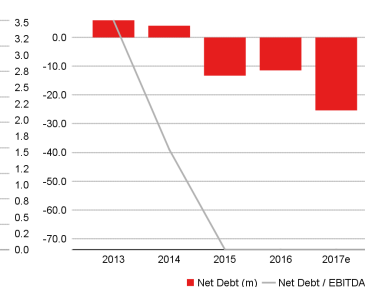
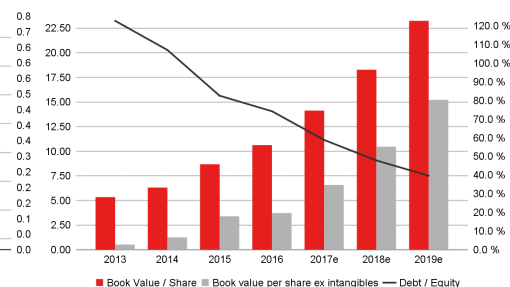
Source: Warburg Research

**Consolidated balance sheet**

In EUR m	2013	2014	2015	2016	2017e	2018e	2019e
<b>Assets</b>							
Goodwill and other intangible assets	29.57	30.95	31.89	41.66	45.59	47.19	48.48
thereof other intangible assets	0.00	0.00	0.00	3.06	6.98	8.59	9.87
thereof Goodwill	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Property, plant and equipment	2.50	2.66	3.04	2.63	3.43	4.23	5.03
Financial assets	0.07	0.08	0.03	1.09	1.09	1.09	1.09
Other long-term assets	0.71	1.12	1.42	3.01	3.01	3.01	3.01
<b>Fixed assets</b>	<b>32.85</b>	<b>34.82</b>	<b>36.38</b>	<b>48.39</b>	<b>53.12</b>	<b>55.52</b>	<b>57.61</b>
Inventories	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Accounts receivable	24.45	29.62	32.85	38.09	43.10	48.60	54.60
Liquid assets	10.95	12.02	24.76	22.41	36.33	56.18	80.99
Other short-term assets	5.40	3.94	2.09	3.21	3.21	3.21	3.21
<b>Current assets</b>	<b>40.80</b>	<b>45.59</b>	<b>59.70</b>	<b>63.71</b>	<b>82.64</b>	<b>107.98</b>	<b>138.80</b>
<b>Total Assets</b>	<b>73.60</b>	<b>80.40</b>	<b>96.10</b>	<b>112.10</b>	<b>135.80</b>	<b>163.50</b>	<b>196.40</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	2.06	2.21	2.35	2.35	2.35	2.35	2.35
Retained earnings	24.60	30.26	44.01	55.54	76.71	101.76	131.76
Other equity components	-0.06	-0.08	-0.16	0.05	0.05	0.05	0.05
Shareholders' equity	32.80	38.59	52.39	64.13	85.30	110.35	140.35
Minority interest	0.26	0.26	0.27	0.27	0.27	0.27	0.27
<b>Total equity</b>	<b>33.05</b>	<b>38.85</b>	<b>52.66</b>	<b>64.40</b>	<b>85.57</b>	<b>110.62</b>	<b>140.62</b>
Provisions	0.11	0.20	0.21	0.25	0.25	0.25	0.25
thereof provisions for pensions and similar obligations	0.11	0.20	0.21	0.24	0.24	0.24	0.24
Financial liabilities (total)	16.82	15.90	11.26	10.71	10.71	10.71	10.71
thereof short-term financial liabilities	4.76	4.64	4.34	6.27	6.27	6.27	6.27
Accounts payable	15.20	16.49	20.39	18.71	21.20	23.90	26.80
Other liabilities	8.41	8.96	11.55	18.07	18.07	18.07	18.07
<b>Liabilities</b>	<b>40.54</b>	<b>41.56</b>	<b>43.42</b>	<b>47.74</b>	<b>50.23</b>	<b>52.93</b>	<b>55.83</b>
<b>Total liabilities and shareholders' equity</b>	<b>73.60</b>	<b>80.40</b>	<b>96.10</b>	<b>112.10</b>	<b>135.80</b>	<b>163.50</b>	<b>196.40</b>

**Financial Ratios**

	2013	2014	2015	2016	2017e	2018e	2019e
<b>Efficiency of Capital Employment</b>							
Operating Assets Turnover	8.4 x	7.1 x	9.0 x	7.1 x	7.0 x	6.9 x	6.8 x
Capital Employed Turnover	2.5 x	2.6 x	3.5 x	3.0 x	2.9 x	3.1 x	3.2 x
ROA	9.7 %	17.0 %	43.6 %	37.1 %	39.8 %	45.1 %	52.1 %
<b>Return on Capital</b>							
ROCE (NOPAT)	10.3 %	15.8 %	38.9 %	39.6 %	38.4 %	40.8 %	44.9 %
ROE	10.2 %	16.6 %	34.9 %	30.8 %	28.3 %	25.6 %	23.9 %
Adj. ROE	10.2 %	16.6 %	34.9 %	30.8 %	28.3 %	25.6 %	23.9 %
<b>Balance sheet quality</b>							
Net Debt	5.97	4.08	-13.29	-11.46	-25.38	-45.22	-70.04
Net Financial Debt	5.87	3.88	-13.50	-11.70	-25.62	-45.47	-70.28
Net Gearing	18.1 %	10.5 %	-25.2 %	-17.8 %	-29.7 %	-40.9 %	-49.8 %
Net Fin. Debt / EBITDA	72.2 %	30.5 %	n.a.	n.a.	n.a.	n.a.	n.a.
Book Value / Share	5.3	6.3	8.7	10.6	14.1	18.3	23.2
Book value per share ex intangibles	0.5	1.2	3.4	3.7	6.6	10.5	15.2

**ROCE Development**

**Net debt**  
in EUR m

**Book Value per Share**  
in EUR


Source: Warburg Research

Source: Warburg Research

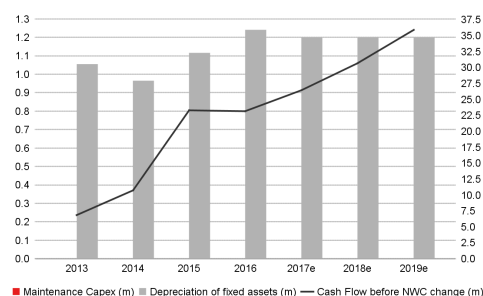
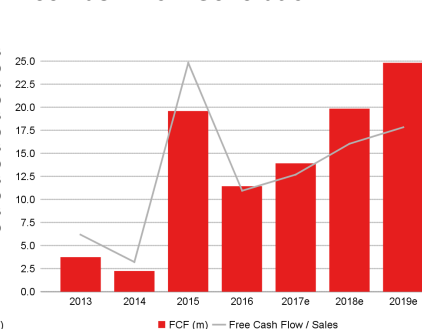
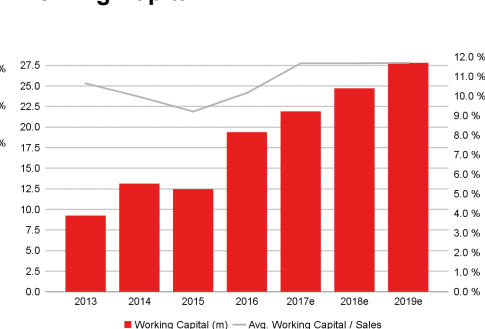
Source: Warburg Research

**Consolidated cash flow statement**

In EUR m	2013	2014	2015	2016	2017e	2018e	2019e
Net income	3.18	5.93	15.87	18.05	21.16	25.05	30.00
Depreciation of fixed assets	1.06	0.97	1.12	1.24	1.20	1.20	1.20
Amortisation of goodwill	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Amortisation of intangible assets	3.12	3.80	4.70	3.84	4.07	4.40	4.72
Increase/decrease in long-term provisions	0.00	0.00	0.00	0.03	0.00	0.00	0.00
Other non-cash income and expenses	-0.54	0.03	1.60	0.00	0.00	0.00	0.00
<b>Cash Flow before NWC change</b>	<b>6.81</b>	<b>10.72</b>	<b>23.28</b>	<b>23.16</b>	<b>26.44</b>	<b>30.65</b>	<b>35.91</b>
Increase / decrease in inventory	0.96	-4.13	-1.66	0.00	0.00	0.00	0.00
Increase / decrease in accounts receivable	0.00	0.00	0.00	-5.24	-5.01	-5.50	-6.00
Increase / decrease in accounts payable	2.77	1.77	4.60	-1.69	2.49	2.70	2.90
Increase / decrease in other working capital positions	-1.05	0.05	0.47	2.10	0.00	0.00	0.00
Increase / decrease in working capital (total)	2.68	-2.31	3.41	-4.83	-2.52	-2.80	-3.10
<b>Net cash provided by operating activities [1]</b>	<b>9.49</b>	<b>8.42</b>	<b>26.69</b>	<b>18.34</b>	<b>23.92</b>	<b>27.85</b>	<b>32.81</b>
Investments in intangible assets	-5.16	-5.55	-4.70	-6.90	-8.00	-6.00	-6.00
Investments in property, plant and equipment	-0.57	-0.62	-0.62	-0.80	-2.00	-2.00	-2.00
Payments for acquisitions	0.00	0.00	0.00	-3.40	0.00	0.00	0.00
Financial investments	0.00	0.02	0.01	3.00	0.00	0.00	0.00
Income from asset disposals	0.04	0.00	0.05	0.00	0.00	0.00	0.00
<b>Net cash provided by investing activities [2]</b>	<b>-5.70</b>	<b>-6.18</b>	<b>-7.06</b>	<b>-13.30</b>	<b>-10.00</b>	<b>-8.00</b>	<b>-8.00</b>
Change in financial liabilities	-1.39	-0.85	-4.60	-0.55	0.00	0.00	0.00
Dividends paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Purchase of own shares	0.00	-0.31	-2.30	-6.91	0.00	0.00	0.00
Capital measures	0.00	0.00	0.00	0.50	0.00	0.00	0.00
Other	0.00	0.00	0.00	-0.50	0.00	0.00	0.00
<b>Net cash provided by financing activities [3]</b>	<b>-1.39</b>	<b>-1.16</b>	<b>-6.90</b>	<b>-7.46</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Change in liquid funds [1]+[2]+[3]</b>	<b>2.40</b>	<b>1.07</b>	<b>12.73</b>	<b>-2.42</b>	<b>13.92</b>	<b>19.85</b>	<b>24.81</b>
Effects of exchange-rate changes on cash	0.00	0.00	0.00	0.10	0.00	0.00	0.00
<b>Cash and cash equivalent at end of period</b>	<b>10.95</b>	<b>12.02</b>	<b>24.76</b>	<b>22.43</b>	<b>36.33</b>	<b>56.18</b>	<b>80.99</b>

**Financial Ratios**

	2013	2014	2015	2016	2017e	2018e	2019e
<b>Cash Flow</b>							
FCF	3.75	2.25	19.59	11.44	13.92	19.85	24.81
Free Cash Flow / Sales	3.8 %	2.0 %	15.4 %	6.8 %	7.9 %	9.9 %	11.1 %
Free Cash Flow Potential	8.23	11.38	21.84	23.52	27.14	31.35	36.61
Free Cash Flow / Net Profit	118.2 %	38.0 %	134.7 %	59.2 %	65.8 %	79.2 %	82.7 %
Interest Received / Avg. Cash	1.1 %	1.2 %	2.0 %	1.0 %	0.3 %	0.2 %	0.1 %
Interest Paid / Avg. Debt	5.6 %	5.0 %	3.8 %	5.7 %	7.5 %	7.5 %	7.5 %
<b>Management of Funds</b>							
Investment ratio	5.8 %	5.5 %	3.8 %	4.9 %	5.6 %	4.0 %	3.6 %
Maint. Capex / Sales	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Capex / Dep	137.4 %	129.5 %	91.4 %	151.4 %	189.6 %	142.9 %	135.2 %
Avg. Working Capital / Sales	10.7 %	10.0 %	9.2 %	10.2 %	11.7 %	11.7 %	11.7 %
Trade Debtors / Trade Creditors	160.8 %	179.6 %	161.1 %	203.6 %	203.3 %	203.3 %	203.7 %
Inventory Turnover	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Receivables collection period (days)	91	96	86	89	89	89	89
Payables payment period (days)	113	108	111	96	96	96	96
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

**Free Cash Flow Generation**

**Working Capital**


Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

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-B-	<b>Buy:</b>	The price of the analysed financial instrument is expected to rise over the next 12 months.
-H-	<b>Hold:</b>	The price of the analysed financial instrument is expected to remain mostly flat over the next 12 months.
-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	114	58
Hold	72	37
Sell	9	5
Rating suspended	1	1
<b>Total</b>	<b>196</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	26	70
Hold	8	22
Sell	2	5
Rating suspended	1	3
<b>Total</b>	<b>37</b>	<b>100</b>

**PRICE AND RATING HISTORY HYPOPORT AS OF 26.04.2017**


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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**Our research can be found under:**

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