

Buy EUR 74.00 Price EUR 63.20 Upside 17.1 %	Value Indicators: EUR DCF: 74.30 FCF-Value Potential 22e: 62.80	Share data: Bloomberg: D6H GR Reuters: D6HG ISIN: DE000A0JC8S7	Description: IT service provider with focus on recurring services
	Market Snapshot: EUR m Market cap: 526.5 No. of shares (m): 8.3 EV: 599.8 Freefloat MC: 259.0 Ø Trad. Vol. (30d): 1.14 m	Shareholders: Freefloat 49.2 % HHS Beteiligungsges. mbH 50.8 %	Risk Profile (WRe): 2019/20e Beta: 1.3 Price / Book: 6.5 x Equity Ratio: 26 % Net Fin. Debt / EBITDA: 1.1 x Net Debt / EBITDA: 1.9 x

First Glance: Q1 figures burdened by one-offs

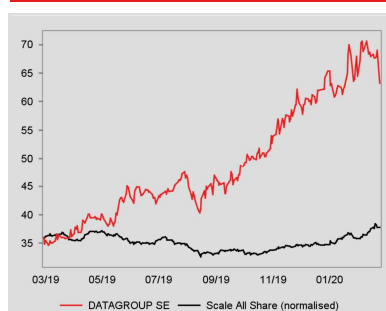
Datagroup reported Q1 figures which reflected **top line** growth of EUR 19.3% to EUR 82.8m which was about in line with our FY projection. In the first quarter, DATAGROUP acquired eleven new customers and was able to upsell products to seven existing customers on the basis of the CORBOX. This offering has recently been extended by SAP on Azure and Robots-as-a-Service. The service revenue share increased by 1.7 pp. to 82.8% (PY 81.1 %).

EBITDA, however, grew by only 4.4% which was due to one-offs. Adjusted for this impact, EBITDA jumped by 34.2%. The one-off effects were caused by the first-time consolidation of the assets of IT-Informatik Ulm, which were acquired from insolvency in August 2019. This company had suffered losses over the last few years and had to be restructured completely. The EBITDA impact of about EUR 1.3m reflects extraordinary charges such as severance payments. Rents and other costs had to be reduced as well. The company has already reached the break-even level.

Additional EUR 1.1m were related to ramp-up costs for new projects which should deliver positive earnings contributions during the course of this year. Adjusted for one-off effects on profits, EBITDA would have grown by 34.2 % to EUR 12.2m, corresponding to an EBITDA margin of 14.6 %. EBIT would have increased by 33.2 % to EUR 5.4m.

We view the Q1 EBITDA weakness as a one-off and the negative share price impact as a buying opportunity.

The Q1 conference call will take place on March 10. An outlook for the fiscal year will be provided at the Annual General Meeting which will take place on March 3.

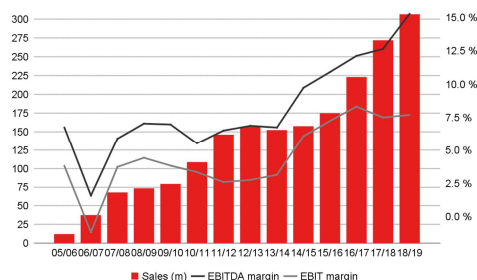


Rel. Performance vs Scale All	
1 month:	-10.1 %
6 months:	28.3 %
Year to date:	-12.2 %
Trailing 12 months:	69.3 %

Company events:	
03.03.20	AGM
14.05.20	Q2
01.09.20	Q3

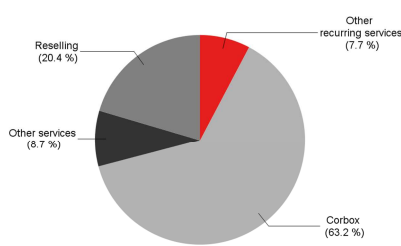
FY End: 30.9. in EUR m	CAGR (18/19-21/22e)	2015/16	2016/17	2017/18	2018/19	2019/20e	2020/21e	2021/22e
Sales	13.7 %	174.9	223.1	272.1	306.8	378.2	429.0	450.5
Change Sales yoy		11.0 %	27.6 %	21.9 %	12.7 %	23.3 %	13.4 %	5.0 %
Gross profit margin		67.0 %	71.5 %	70.7 %	67.9 %	71.2 %	71.3 %	71.4 %
EBITDA	13.7 %	19.1	27.0	34.5	46.9	57.8	65.7	68.9
Margin		10.9 %	12.1 %	12.7 %	15.3 %	15.3 %	15.3 %	15.3 %
EBIT adj.	19.9 %	15.3	21.8	24.4	27.8	37.3	45.7	47.9
Margin		8.8 %	9.8 %	9.0 %	9.1 %	9.9 %	10.6 %	10.6 %
EBIT	23.9 %	12.7	18.6	20.4	23.6	33.3	42.2	44.9
Net income	21.7 %	5.7	11.2	12.9	14.5	18.3	24.4	26.2
EPS	21.7 %	0.75	1.41	1.55	1.74	2.20	2.93	3.14
DPS	8.7 %	0.30	0.45	0.60	0.70	0.75	0.80	0.90
Dividend Yield		2.1 %	1.5 %	1.5 %	1.8 %	1.2 %	1.3 %	1.3 %
FCFPS		0.82	2.76	0.34	-2.69	0.55	2.08	1.96
FCF / Market cap		5.6 %	9.2 %	0.8 %	-7.0 %	0.9 %	3.3 %	2.9 %
EV / Sales		0.8 x	1.1 x	1.3 x	1.3 x	1.6 x	1.4 x	1.4 x
EV / EBITDA		7.8 x	9.4 x	10.2 x	8.2 x	10.4 x	9.0 x	9.0 x
EV / EBIT		11.7 x	13.7 x	17.2 x	16.3 x	18.0 x	14.0 x	13.8 x
EV / EBIT adj.		9.7 x	11.7 x	14.4 x	13.8 x	16.1 x	12.9 x	12.9 x
P / E		19.5 x	21.3 x	25.5 x	22.2 x	28.7 x	21.6 x	21.6 x
FCF Potential Yield		8.2 %	7.1 %	6.2 %	6.9 %	5.7 %	6.7 %	6.7 %
Net Debt		72.8	49.3	56.8	98.1	108.6	98.5	89.8
ROCE (NOPAT)		8.2 %	12.0 %	12.3 %	10.7 %	12.6 %	15.2 %	16.1 %
Guidance:	2018/19: sales: > EUR 295m; EBITDA: > EUR 45m							

Sales development in EUR m



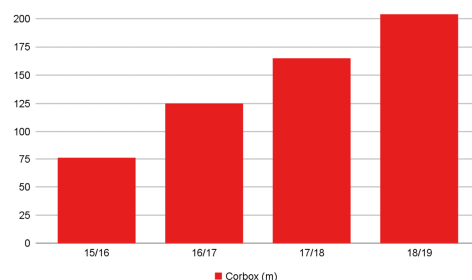
Source: Warburg Research

Revenue share 2018/19; in %



Source: Warburg Research

Corbox revenues in EUR m



Source: Warburg Research

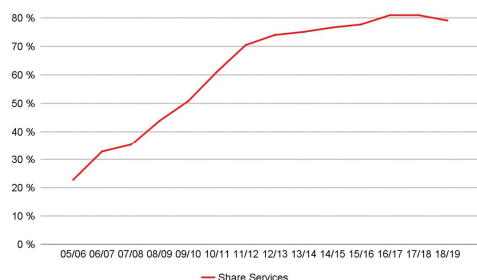
Company Background

- Datagroup is among the leading independent IT service providers in Germany and is present nationwide.
- Corbox is Datagroup's main offering. This is Datagroup's modular full-service offering, mainly for medium-sized companies, which is Datagroup's chief customer target group.
- Corbox services range from cloud-based data center services to security and big data. It comprises a total of 12 sets of IT services, which cover the essential elements of a company's IT.
- The offering is rounded off with project-related services and the reselling of IT.
- Acquisitions are an essential element of the corporate strategy. These include restructuring cases, successor regulation, as well as takeovers that complement and expand the portfolio.

Competitive Quality

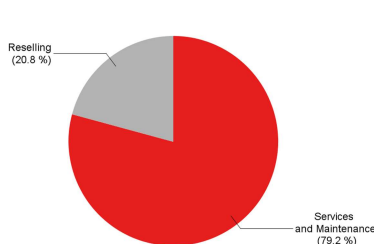
- With its wide service offering, Datagroup is positioned as a one-stop-shop for its customers.
- The focus on the service business means that Datagroup differentiates itself from the competition with the quality of its services (e.g. Services 24x7). The service level is signified by its ISO 20000 certification.
- The IT processes outsourced to Datagroup on the basis of multi-year contracts lead to high customer loyalty and a corresponding reduction in competition.
- Customer satisfaction of nearly 80% supports renewal rates of more than 98%.
- Datagroup has a successful takeover track record.

Services in % of sales



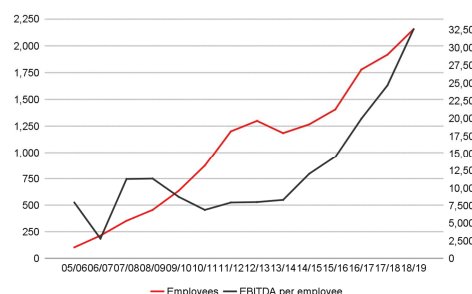
Source: Warburg Research

Sales by segments 2018/19; in %



Source: Warburg Research

Employees



Source: Warburg Research

DCF model

Figures in EUR m	Detailed forecast period			Transitional period										Term. Value
	19/20e	20/21e	21/22e	22/23e	23/24e	24/25e	25/26e	26/27e	27/28e	28/29e	29/30e	30/31e	31/32e	
Sales	378.2	429.0	450.5	473.0	495.1	516.8	537.9	558.5	578.4	597.7	616.4	634.4	647.1	2.0 %
Sales change	23.3 %	13.4 %	5.0 %	5.0 %	4.7 %	4.4 %	4.1 %	3.8 %	3.6 %	3.3 %	3.1 %	2.9 %	2.0 %	
EBIT	33.3	42.2	44.9	46.8	49.0	51.2	53.3	55.3	57.3	59.2	61.0	62.8	64.1	9.9 %
EBIT-margin	8.8 %	9.8 %	10.0 %	9.9 %	9.9 %	9.9 %	9.9 %	9.9 %	9.9 %	9.9 %	9.9 %	9.9 %	9.9 %	
Tax rate (EBT)	31.5 %	31.5 %	31.5 %	31.5 %	31.5 %	31.5 %	31.5 %	31.5 %	31.5 %	31.5 %	31.5 %	31.5 %	31.5 %	45
NOPAT	22.8	28.9	30.8	32.1	33.6	35.0	36.5	37.9	39.2	40.5	41.8	43.0	43.9	
Depreciation	24.5	23.5	24.0	25.5	26.7	27.9	29.0	30.2	31.2	32.3	33.3	34.3	34.9	380
in % of Sales	6.5 %	5.5 %	5.3 %	5.4 %	5.4 %	5.4 %	5.4 %	5.4 %	5.4 %	5.4 %	5.4 %	5.4 %	5.4 %	
Changes in provisions	9.3	1.0	1.0	29.0	-0.2	-0.4	-0.6	-0.8	-1.0	-1.1	-1.3	-1.4	-2.0	53.76 %
Change in Liquidity from														
- Working Capital	17.7	0.1	1.6	-6.5	-1.9	-2.4	2.5	2.5	2.4	2.3	2.2	2.2	1.5	45
- Capex	20.2	21.0	22.0	25.1	26.2	27.4	28.5	29.6	30.7	31.7	32.7	33.6	34.3	
Capex in % of Sales	5.3 %	4.9 %	4.9 %	5.3 %	5.3 %	5.3 %	5.3 %	5.3 %	5.3 %	5.3 %	5.3 %	5.3 %	5.3 %	380
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)	18.7	32.3	32.2	68.1	35.7	37.5	33.9	35.2	36.4	37.7	38.9	40.1	41.0	380
PV of FCF	18.7	30.1	28.0	55.3	27.1	26.5	22.4	21.7	20.9	20.2	19.5	18.7	17.9	
share of PVs	10.86 %			35.37 %										53.76 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	18.00 %	Financial Strength	1.30
Cost of debt (after tax)	1.4 %	Liquidity (share)	1.25
Market return	7.00 %	Cyclicality	1.25
Risk free rate	1.50 %	Transparency	1.25
		Others	1.25
WACC	7.16 %	Beta	1.26

Valuation (m)

Present values 2031/32e	327		
Terminal Value	380		
Financial liabilities	108		
Pension liabilities	28		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	47	No. of shares (m)	8.3
Equity Value	619	Value per share (EUR)	74.33

Sensitivity Value per Share (EUR)

		Terminal Growth									Delta EBIT-margin						
Beta	WACC	1.25 %	1.50 %	1.75 %	2.00 %	2.25 %	2.50 %	2.75 %	Beta	WACC	-1.5 pp	-1.0 pp	-0.5 pp	+0.0 pp	+0.5 pp	+1.0 pp	+1.5 pp
1.48	8.2 %	57.30	58.45	59.68	61.01	62.46	64.03	65.75	1.48	8.2 %	50.55	54.04	57.53	61.01	64.50	67.99	71.48
1.37	7.7 %	62.48	63.89	65.42	67.08	68.90	70.89	73.09	1.37	7.7 %	55.71	59.50	63.29	67.08	70.87	74.66	78.46
1.32	7.4 %	65.39	66.96	68.67	70.54	72.59	74.84	77.34	1.32	7.4 %	58.64	62.61	66.57	70.54	74.50	78.47	82.43
1.26	7.2 %	68.54	70.30	72.22	74.33	76.65	79.22	82.08	1.26	7.2 %	61.86	66.02	70.17	74.33	78.48	82.64	86.79
1.20	6.9 %	71.98	73.95	76.12	78.51	81.15	84.09	87.39	1.20	6.9 %	65.41	69.78	74.14	78.51	82.87	87.24	91.60
1.15	6.7 %	75.73	77.96	80.42	83.14	86.16	89.55	93.38	1.15	6.7 %	69.35	73.94	78.54	83.14	87.73	92.33	96.93
1.04	6.2 %	84.40	87.27	90.48	94.06	98.11	102.71	107.98	1.04	6.2 %	78.63	83.77	88.92	94.06	99.21	104.35	109.50

- The intact outsourcing trend lays the basis for future growth.
- The rising service business share has a positive effect on the margin development.

Free Cash Flow Value Potential

Warburg Research's valuation tool "FCF Value Potential" reflects the ability of the company to generate sustainable free cash flows. It is based on the "FCF potential" - a FCF "ex growth" figure - which assumes unchanged working capital and pure maintenance capex. A value indication is derived via the perpetuity of a given year's "FCF potential" with consideration of the weighted costs of capital. The fluctuating value indications over time add a timing element to the DCF model (our preferred valuation tool).

in EUR m	2015/16	2016/17	2017/18	2018/19	2019/20e	2020/21e	2021/22e	
Net Income before minorities	5.7	11.2	12.9	14.5	19.9	26.0	27.9	
+ Depreciation + Amortisation	6.4	8.5	14.0	23.3	24.5	23.5	24.0	
- Net Interest Income	-2.6	-2.0	-1.9	-1.9	-4.2	-4.2	-4.2	
- Maintenance Capex	2.7	3.7	7.1	13.3	14.4	14.0	14.7	
+ Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
= Free Cash Flow Potential	12.1	18.0	21.8	26.4	34.3	39.7	41.4	
FCF Potential Yield (on market EV)	8.2 %	7.1 %	6.2 %	6.9 %	5.7 %	6.7 %	6.7 %	
WACC	7.16 %	7.16 %	7.16 %	7.16 %	7.16 %	7.16 %	7.16 %	
= Enterprise Value (EV)	148.1	253.8	350.4	384.0	599.8	589.7	620.1	
= Fair Enterprise Value	168.6	250.7	304.4	367.9	479.1	554.6	577.7	
- Net Debt (Cash)	60.4	60.4	60.4	60.4	61.6	50.5	40.8	
- Pension Liabilities	37.7	37.7	37.7	37.7	47.0	48.0	49.0	
- Other	-35.4	-35.4	-35.4	-35.4	-35.4	-35.4	-35.4	
- Market value of minorities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
+ Market value of investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
= Fair Market Capitalisation	105.9	187.9	241.7	305.2	405.9	491.4	523.2	
Number of shares, average	7.6	8.0	8.3	8.3	8.3	8.3	8.3	
= Fair value per share (EUR)	13.98	23.58	29.01	36.63	48.72	58.99	62.81	
premium (-) / discount (+) in %					-22.9 %	-6.7 %	-7.5 %	
Sensitivity Fair value per Share (EUR)								
WACC	10.16 %	6.74	13.68	18.22	23.60	31.75	39.34	42.34
	9.16 %	8.29	15.99	21.03	26.99	36.17	44.46	47.67
	8.16 %	10.23	18.88	24.53	31.22	41.68	50.84	54.31
	7.16 %	12.71	22.56	29.01	36.63	48.72	58.99	62.81
	6.16 %	15.99	27.44	34.93	43.79	58.05	69.79	74.06
	5.16 %	20.54	34.21	43.15	53.73	70.99	84.77	89.66
	4.16 %	27.28	44.23	55.32	68.44	90.15	106.94	112.76

- As an IT service provider, Datagroup has low investment requirements.
- Free cash flow was used for acquisitions, which supported FCF growth.
- FCF-Value-CAGR 2016-2022e: 31%

Valuation							
	2015/16	2016/17	2017/18	2018/19	2019/20e	2020/21e	2021/22e
Price / Book	3.9 x	4.1 x	4.9 x	4.3 x	6.5 x	5.7 x	5.6 x
Book value per share ex intangibles	-2.63	0.36	0.66	-1.03	1.12	2.37	3.25
EV / Sales	0.8 x	1.1 x	1.3 x	1.3 x	1.6 x	1.4 x	1.4 x
EV / EBITDA	7.8 x	9.4 x	10.2 x	8.2 x	10.4 x	9.0 x	9.0 x
EV / EBIT	11.7 x	13.7 x	17.2 x	16.3 x	18.0 x	14.0 x	13.8 x
EV / EBIT adj.*	9.7 x	11.7 x	14.4 x	13.8 x	16.1 x	12.9 x	12.9 x
P / FCF	17.8 x	10.9 x	117.8 x	n.a.	114.7 x	30.4 x	34.6 x
P / E	19.5 x	21.3 x	25.5 x	22.2 x	28.7 x	21.6 x	21.6 x
P / E adj.*	19.5 x	21.3 x	25.5 x	22.2 x	28.7 x	21.6 x	21.6 x
Dividend Yield	2.1 %	1.5 %	1.5 %	1.8 %	1.2 %	1.3 %	1.3 %
FCF Potential Yield (on market EV)	8.2 %	7.1 %	6.2 %	6.9 %	5.7 %	6.7 %	6.7 %
*Adjustments made for: PPA amortisation							

Company Specific Items							
	2015/16	2016/17	2017/18	2018/19	2019/20e	2020/21e	2021/22e
Share Services	77.7 %	80.9 %	80.9 %	79.1 %	82.6 %	84.9 %	85.7 %
Employees	1,404	1,776	1,915	2,155	2,100	2,205	2,315
EBITDA per employee	14.5	20.0	24.7	32.6	39.1	43.1	43.9
Other recurring services	39.0	32.0	34.0	25.0	25.8	26.5	27.3
Corbox	76.0	125.0	165.0	204.0	224.2	247.3	269.9
Other services	21.0	24.0	23.0	28.0	27.7	27.4	27.2
Reselling	39.0	42.0	50.0	66.0	65.3	64.7	64.0

Consolidated profit & loss

In EUR m	2015/16	2016/17	2017/18	2018/19	2019/20e	2020/21e	2021/22e
Sales	174.9	223.1	272.1	306.8	378.2	429.0	450.5
Change Sales yoy	11.0 %	27.6 %	21.9 %	12.7 %	23.3 %	13.4 %	5.0 %
Increase / decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Own work capitalised	0.5	0.6	0.7	0.8	0.7	0.5	0.5
Total Sales	175.4	223.8	272.8	307.5	378.9	429.5	451.0
Material expenses	58.2	64.2	80.4	99.2	109.7	123.6	129.3
Gross profit	117.2	159.5	192.4	208.3	269.3	306.0	321.7
Gross profit margin	67.0 %	71.5 %	70.7 %	67.9 %	71.2 %	71.3 %	71.4 %
Personnel expenses	85.7	119.9	134.7	145.2	188.4	212.8	223.4
Other operating income	8.4	9.1	5.7	11.1	5.0	6.0	7.0
Other operating expenses	20.8	21.8	28.8	27.4	28.0	33.5	36.3
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	19.1	27.0	34.5	46.9	57.8	65.7	68.9
Margin	10.9 %	12.1 %	12.7 %	15.3 %	15.3 %	15.3 %	15.3 %
Depreciation of fixed assets	2.8	4.1	8.1	16.8	20.0	20.0	21.0
EBITA	16.3	23.0	26.3	30.1	37.8	45.7	47.9
Amortisation of intangible assets	3.6	4.4	5.9	6.4	4.5	3.5	3.0
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	12.7	18.6	20.4	23.6	33.3	42.2	44.9
Margin	7.2 %	8.3 %	7.5 %	7.7 %	8.8 %	9.8 %	10.0 %
EBIT adj.	15.3	21.8	24.4	27.8	37.3	45.7	47.9
Interest income	0.0	0.0	0.0	0.0	0.1	0.1	0.1
Interest expenses	2.6	2.0	1.9	1.9	4.3	4.3	4.3
Other financial income (loss)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBT	10.1	16.6	18.5	21.7	29.1	37.9	40.7
Margin	5.8 %	7.4 %	6.8 %	7.1 %	7.7 %	8.8 %	9.0 %
Total taxes	4.4	5.4	5.6	7.2	9.2	12.0	12.8
Net income from continuing operations	5.7	11.2	12.9	14.5	19.9	26.0	27.9
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income before minorities	5.7	11.2	12.9	14.5	19.9	26.0	27.9
Minority interest	0.0	0.0	0.0	0.0	1.6	1.6	1.7
Net income	5.7	11.2	12.9	14.5	18.3	24.4	26.2
Margin	3.3 %	5.0 %	4.7 %	4.7 %	4.8 %	5.7 %	5.8 %
Number of shares, average	7.6	8.0	8.3	8.3	8.3	8.3	8.3
EPS	0.75	1.41	1.55	1.74	2.20	2.93	3.14
EPS adj.	0.75	1.41	1.55	1.74	2.20	2.93	3.14

*Adjustments made for: PPA amortisation

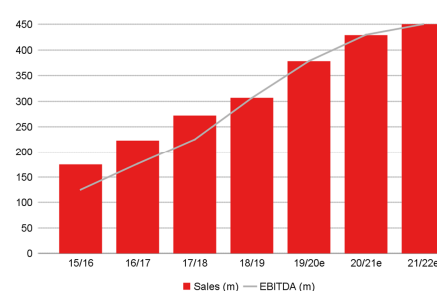
Guidance: 2018/19: sales: > EUR 295m; EBITDA: > EUR 45m

Financial Ratios

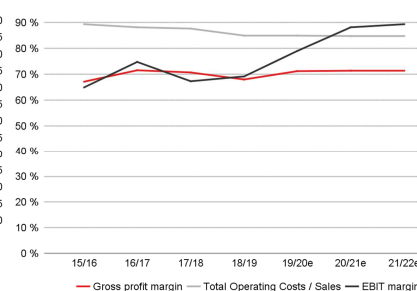
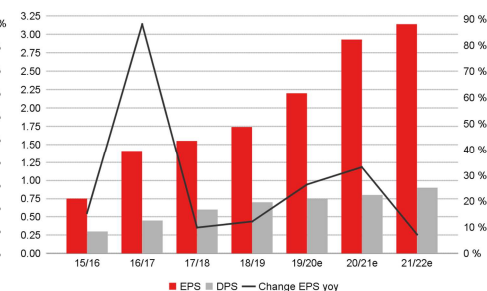
	2015/16	2016/17	2017/18	2018/19	2019/20e	2020/21e	2021/22e
Total Operating Costs / Sales	89.4 %	88.2 %	87.6 %	85.0 %	84.9 %	84.8 %	84.8 %
Operating Leverage	2.9 x	1.7 x	0.4 x	1.2 x	1.8 x	2.0 x	1.3 x
EBITDA / Interest expenses	7.4 x	13.6 x	17.7 x	24.2 x	13.5 x	15.3 x	16.0 x
Tax rate (EBT)	43.4 %	32.5 %	30.3 %	33.1 %	31.5 %	31.5 %	31.5 %
Dividend Payout Ratio	39.7 %	32.0 %	38.8 %	40.2 %	31.3 %	25.6 %	26.9 %
Sales per Employee	132,965	164,683	194,966	213,401	255,460	281,332	286,795

Sales, EBITDA

in EUR m


Operating Performance

in %


Performance per Share


Source: Warburg Research

Source: Warburg Research

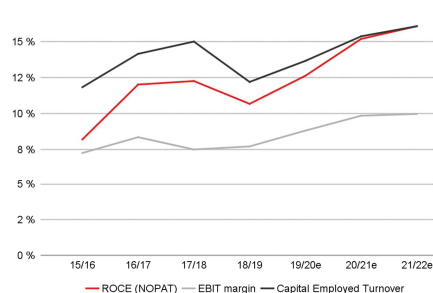
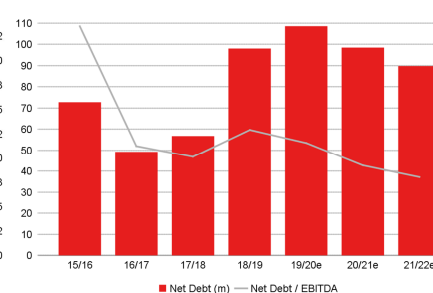
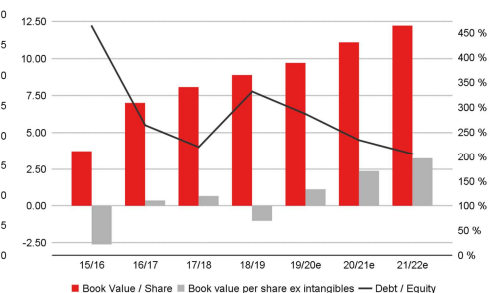
Source: Warburg Research

Consolidated balance sheet

In EUR m	2015/16	2016/17	2017/18	2018/19	2019/20e	2020/21e	2021/22e
Assets							
Goodwill and other intangible assets	48.3	55.6	61.8	82.6	71.6	72.7	74.8
thereof other intangible assets	9.8	15.9	4.8	5.8	5.5	6.5	8.5
thereof Goodwill	38.5	39.6	46.6	64.0	64.0	64.0	64.0
Property, plant and equipment	7.3	19.3	22.4	60.1	56.1	52.6	48.6
Financial assets	10.9	10.2	8.2	23.6	23.6	23.6	23.6
Other long-term assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fixed assets	66.5	85.0	92.4	166.3	151.2	148.8	146.9
Inventories	1.4	3.5	2.0	19.1	22.0	23.0	24.0
Accounts receivable	19.1	29.3	37.7	54.3	57.0	57.0	58.0
Liquid assets	24.4	53.2	38.7	47.5	44.4	36.5	36.2
Other short-term assets	48.3	42.4	44.8	32.9	38.6	43.6	46.6
Current assets	93.2	128.4	123.2	153.8	162.0	160.1	164.7
Total Assets	159.7	213.4	215.5	320.1	313.2	308.9	311.7
Liabilities and shareholders' equity							
Subscribed capital	7.6	8.3	8.3	8.3	8.3	8.3	8.3
Capital reserve	11.7	32.2	32.3	32.3	32.3	32.3	32.3
Retained earnings	12.6	21.5	30.6	40.1	52.6	70.8	90.3
Other equity components	-3.5	-3.5	-3.9	-6.7	-12.4	-19.0	-29.1
Shareholders' equity	28.4	58.6	67.4	74.1	80.9	92.4	101.8
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total equity	28.4	58.6	67.4	74.1	80.9	92.4	101.8
Provisions	47.4	52.4	55.7	56.2	54.3	55.6	56.6
thereof provisions for pensions and similar obligations	41.8	38.6	40.6	37.7	47.0	48.0	49.0
Financial liabilities (total)	55.4	63.8	54.9	107.8	106.0	87.0	77.0
thereof short-term financial liabilities	3.5	11.1	12.3	8.7	7.0	7.0	7.0
Accounts payable	2.7	4.8	5.6	9.1	7.3	8.2	8.6
Other liabilities	25.9	33.8	32.1	72.9	64.7	65.7	67.7
Liabilities	131.4	154.9	148.2	246.0	232.3	216.5	209.9
Total liabilities and shareholders' equity	159.7	213.4	215.5	320.1	313.2	308.9	311.7

Financial Ratios

	2015/16	2016/17	2017/18	2018/19	2019/20e	2020/21e	2021/22e
Efficiency of Capital Employment							
Operating Assets Turnover	8.3 x	5.2 x	4.8 x	2.7 x	3.0 x	3.5 x	3.7 x
Capital Employed Turnover	1.7 x	2.1 x	2.2 x	1.8 x	2.0 x	2.2 x	2.4 x
ROA	8.6 %	13.2 %	13.9 %	8.7 %	12.1 %	16.4 %	17.8 %
Return on Capital							
ROCE (NOPAT)	8.2 %	12.0 %	12.3 %	10.7 %	12.6 %	15.2 %	16.1 %
ROE	21.8 %	25.8 %	20.4 %	20.5 %	23.7 %	28.1 %	26.9 %
Adj. ROE	21.8 %	25.8 %	20.4 %	20.5 %	23.7 %	28.1 %	26.9 %
Balance sheet quality							
Net Debt	72.8	49.3	56.8	98.1	108.6	98.5	89.8
Net Financial Debt	31.0	10.6	16.2	60.4	61.6	50.5	40.8
Net Gearing	256.6 %	84.1 %	84.3 %	132.3 %	134.2 %	106.5 %	88.2 %
Net Fin. Debt / EBITDA	162.0 %	39.3 %	47.0 %	128.7 %	106.5 %	76.9 %	59.2 %
Book Value / Share	3.7	7.0	8.1	8.9	9.7	11.1	12.2
Book value per share ex intangibles	-2.6	0.4	0.7	-1.0	1.1	2.4	3.2

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

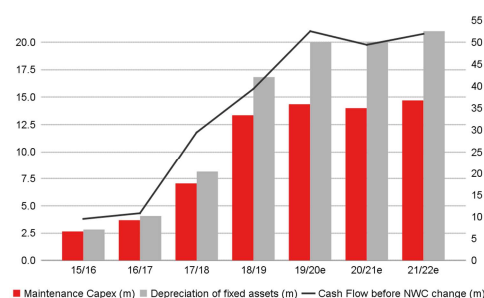
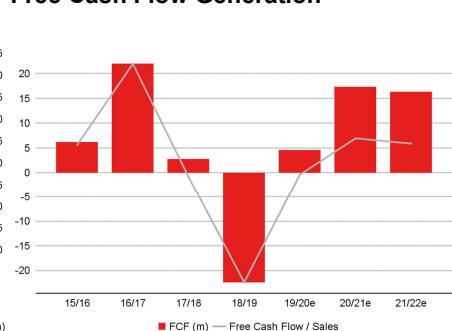
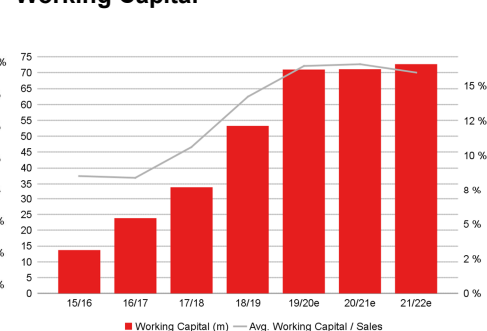
In EUR m	2015/16	2016/17	2017/18	2018/19	2019/20e	2020/21e	2021/22e
Net income	5.7	11.2	12.9	14.5	19.9	26.0	27.9
Depreciation of fixed assets	2.8	4.1	8.1	16.8	20.0	20.0	21.0
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	3.6	4.4	5.9	6.4	4.5	3.5	3.0
Increase/decrease in long-term provisions	-0.1	-7.7	1.1	0.8	9.3	1.0	1.0
Other non-cash income and expenses	-2.6	-1.1	1.4	0.9	-1.2	-1.1	-0.9
Cash Flow before NWC change	9.5	10.8	29.5	39.4	52.5	49.4	52.0
Increase / decrease in inventory	0.0	0.0	0.0	0.0	-2.9	-1.0	-1.0
Increase / decrease in accounts receivable	-5.1	5.5	-6.2	-47.5	-2.7	0.0	-1.0
Increase / decrease in accounts payable	5.7	16.2	-4.3	12.6	-12.1	0.9	0.4
Increase / decrease in other working capital positions	-0.6	0.0	0.0	0.0	0.0	0.0	0.0
Increase / decrease in working capital (total)	0.0	21.7	-10.5	-34.9	-17.7	-0.1	-1.6
Net cash provided by operating activities [1]	9.5	32.5	19.0	4.5	34.8	49.3	50.4
Investments in intangible assets	-1.5	-8.5	-3.5	-3.1	-4.2	-4.5	-5.0
Investments in property, plant and equipment	-1.8	-1.9	-11.3	-15.6	-16.0	-16.5	-17.0
Payments for acquisitions	-2.0	-10.5	-4.8	-21.7	0.0	0.0	0.0
Financial investments	-4.2	-7.8	-0.1	-2.5	0.0	0.0	0.0
Income from asset disposals	5.8	9.0	0.7	0.9	0.0	0.0	0.0
Net cash provided by investing activities [2]	-3.7	-19.7	-19.1	-42.1	-20.2	-21.0	-22.0
Change in financial liabilities	19.6	-0.3	-8.3	-9.9	-1.8	-19.0	-10.0
Dividends paid	-1.9	-2.3	-3.7	-5.0	-5.8	-6.2	-6.7
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	21.1	0.0	69.0	0.0	0.0	0.0
Other	-1.2	-2.6	-1.0	-1.1	0.0	0.0	0.0
Net cash provided by financing activities [3]	16.5	16.0	-14.4	44.7	-17.6	-36.2	-28.7
Change in liquid funds [1]+[2]+[3]	22.4	28.8	-14.5	7.1	-3.1	-7.9	-0.3
Effects of exchange-rate changes on cash	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash and cash equivalent at end of period	24.6	53.2	38.7	45.8	44.4	36.5	36.2

Financial Ratios

	2015/16	2016/17	2017/18	2018/19	2019/20e	2020/21e	2021/22e
Cash Flow							
FCF	6.2	22.0	2.8	-22.4	4.6	17.3	16.4
Free Cash Flow / Sales	3.5 %	9.9 %	1.0 %	-7.3 %	1.2 %	4.0 %	3.6 %
Free Cash Flow Potential	12.1	18.0	21.8	26.4	34.3	39.7	41.4
Free Cash Flow / Net Profit	108.5 %	196.6 %	21.7 %	-154.6 %	25.0 %	71.1 %	62.5 %
Interest Received / Avg. Cash	0.0 %	0.0 %	0.0 %	0.0 %	0.1 %	0.1 %	0.2 %
Interest Paid / Avg. Debt	5.5 %	3.3 %	3.3 %	2.4 %	4.0 %	4.5 %	5.2 %
Management of Funds							
Investment ratio	1.9 %	4.7 %	5.4 %	6.1 %	5.3 %	4.9 %	4.9 %
Maint. Capex / Sales	1.5 %	1.7 %	2.6 %	4.4 %	3.8 %	3.3 %	3.3 %
Capex / Dep	51.7 %	123.7 %	105.5 %	80.3 %	82.4 %	89.4 %	91.7 %
Avg. Working Capital / Sales	8.5 %	8.4 %	10.6 %	14.2 %	16.4 %	16.6 %	16.0 %
Trade Debtors / Trade Creditors	716.6 %	606.5 %	676.8 %	595.3 %	780.8 %	695.1 %	674.4 %
Inventory Turnover	41.8 x	18.5 x	40.8 x	5.2 x	5.0 x	5.4 x	5.4 x
Receivables collection period (days)	40	48	51	65	55	48	47
Payables payment period (days)	17	27	25	34	24	24	24
Cash conversion cycle (Days)	6	17	34	61	102	90	88

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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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-	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.

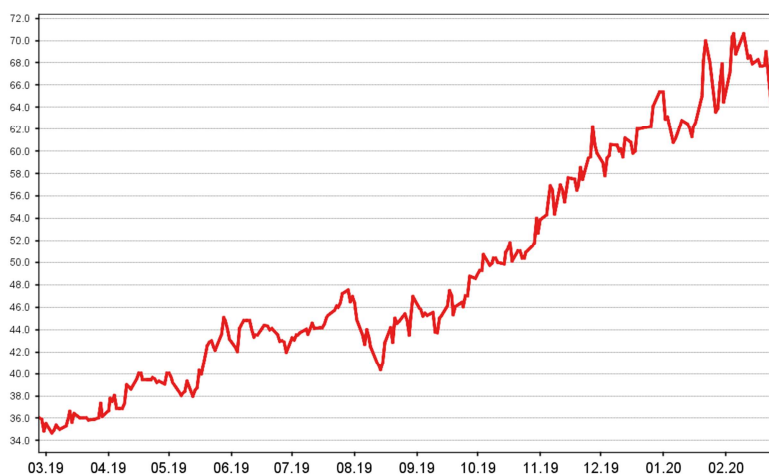
WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING

Rating	Number of stocks	% of Universe
Buy	117	58
Hold	71	35
Sell	10	5
Rating suspended	5	2
Total	203	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	33	80
Hold	6	15
Sell	0	0
Rating suspended	2	5
Total	41	100

PRICE AND RATING HISTORY DATAGROUP AS OF 25.02.2020


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.

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