

Buy EUR 66.00 Price EUR 51.10 Upside 29.2 %	Value Indicators: EUR DCF: 66.30 FCF-Value Potential 22e: 36.60	Share data: Bloomberg: D6H GR Reuters: D6HG ISIN: DE000A0JC8S7	Description: IT service provider with focus on recurring services
	Market Snapshot: EUR m Market cap: 425.7 No. of shares (m): 8.3 EV: 589.5 Freefloat MC: 209.5 Ø Trad. Vol. (30d): 892.88 th	Shareholders: Freefloat 49.2 % HHS Beteiligungsges. mbH 50.8 %	Risk Profile (WRe): 2019/20e Beta: 1.3 Price / Book: 5.6 x Equity Ratio: 20 % Net Fin. Debt / EBITDA: 2.3 x Net Debt / EBITDA: 3.5 x

Corbox leads to recurring revenues but customer transition created volatility

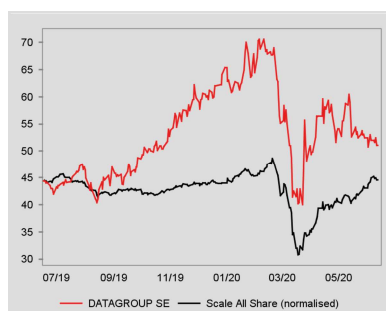
On Friday, we hosted a virtual roadshow with Board Member Peter Schneck. The business model and the recent operative development were the main topics. At the core of Datagroup's comprehensive IT service offering is Corbox. This is Datagroup's modular full-service offering, mainly for medium-sized companies, 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 nine core 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.

As clients are increasingly focussing on their core activities, IT services are being outsourced to specialised providers in order to achieve a higher IT quality and cope with the scarcity of qualified IT staff. As Corbox services are based on multi-year contracts and linked to service level agreements, Datagroup's clients also have defined opex "subscriptions" that they can calculate with for their budgets. 90-95% of the Corbox services are highly standardised, facilitating efficiency in the IT service delivery. About 5-10% of the managed services are tailored to customers' needs, where necessary.

Currently, the domestic market provides ample growth opportunities. However, some key roles which are essential for customer transitions to Corbox, are creating bottlenecks for further growth. Therefore, Datagroup is onboarding only 20-25 new Corbox customer per year in order to ensure its quality requirements. At present, about 20% of Datagroup's revenues are related to the financial sector. With regard to banks, these are mainly system-relevant creating long-term business reliability. The public sector has a similar revenue share and should provide growth opportunities given the recently introduced economic recovery packages.

In the current environment, which is impacted by COVID-19, Corbox revenues have remained robust. However, the transition of customers in recently won big managed services contracts is being pushed out due to staff bottlenecks and remote work on the client side. Furthermore, IT-Informatik (now Datagroup Ulm), which was acquired in August in an asset deal, is still in a revenue model where IT services are predominantly provided on a time-and-material basis. The company was loss-making when it was acquired and is now about break-even. While IT-Informatik is currently margin-dilutive, it also provided Datagroup with access to about 400 mid-sized customers, which would otherwise have been very difficult to gain. Datagroup aims to provide the IT services for these customers as part of a Corbox offering which should increase revenue reliability. However, the COVID-19 environment also had a negative impact on this customer contract transition.

Datagroup's business model is associated with low capex. Over the last few quarters, however, capex increased significantly, mainly due to customer requirements within a big project. We assume that Datagroup carried out these investments in order to secure the corresponding deal. Management highlighted that low-capex contracts will remain Datagroup's focus. While capex will still be > EUR 20m this year, it should normalise again thereafter. We expect recent hiccups, such as those reflected in the Q2 figures, to be resolved. Thus, Datagroup will return to its path targeting a 9-10% EBIT margin in the medium term. **The Buy rating as well as PT of EUR 66 are confirmed.**

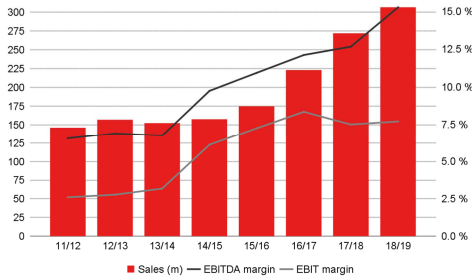


Rel. Performance vs Scale All	
1 month:	-12.4 %
6 months:	-17.9 %
Year to date:	-23.1 %
Trailing 12 months:	17.1 %

Company events:
01.09.20 Q3

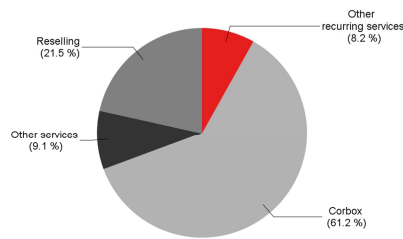
FY End: 30.9. in EUR m	CAGR (18/19-21/22e)	2015/16	2016/17	2017/18	2018/19	2019/20e	2020/21e	2021/22e
Sales	11.0 %	174.9	223.1	272.1	306.8	370.0	400.0	420.0
Change Sales yoy		11.0 %	27.6 %	21.9 %	12.7 %	20.6 %	8.1 %	5.0 %
Gross profit margin		67.0 %	71.5 %	70.7 %	67.9 %	67.6 %	71.3 %	71.4 %
EBITDA	8.7 %	19.1	27.0	34.5	46.9	47.0	56.3	60.1
Margin		10.9 %	12.1 %	12.7 %	15.3 %	12.7 %	14.1 %	14.3 %
EBIT adj.	4.9 %	15.3	21.8	24.4	27.8	21.5	29.3	32.1
Margin		8.8 %	9.8 %	9.0 %	9.1 %	5.8 %	7.3 %	7.7 %
EBIT	7.5 %	12.7	18.6	20.4	23.6	17.3	25.9	29.3
Net income	1.7 %	5.7	11.2	12.9	14.5	7.2	13.0	15.2
EPS	1.7 %	0.75	1.41	1.55	1.74	0.86	1.56	1.83
DPS	6.7 %	0.30	0.45	0.60	0.70	0.70	0.75	0.85
Dividend Yield		2.1 %	1.5 %	1.5 %	1.8 %	1.4 %	1.5 %	1.7 %
FCFPS		0.82	2.76	0.34	-2.69	-0.47	1.75	1.39
FCF / Market cap		5.6 %	9.2 %	0.8 %	-7.0 %	-0.9 %	3.4 %	2.7 %
EV / Sales		1.0 x	1.3 x	1.4 x	1.4 x	1.6 x	1.5 x	1.4 x
EV / EBITDA		9.6 x	10.7 x	11.2 x	8.9 x	12.6 x	10.4 x	9.6 x
EV / EBIT		14.5 x	15.6 x	18.9 x	17.8 x	34.1 x	22.5 x	19.8 x
EV / EBIT adj.		12.0 x	13.3 x	15.8 x	15.1 x	27.5 x	19.9 x	18.0 x
P / E		19.5 x	21.3 x	25.5 x	22.2 x	59.4 x	32.8 x	27.9 x
FCF Potential Yield		6.6 %	6.2 %	5.0 %	6.7 %	4.2 %	5.2 %	5.6 %
Net Debt		72.8	49.3	56.8	98.1	163.8	157.3	154.0
ROCE (NOPAT)		8.2 %	12.0 %	12.3 %	10.7 %	5.7 %	7.0 %	7.2 %
Guidance:	2019/20: no guidance							

Sales development
in EUR m



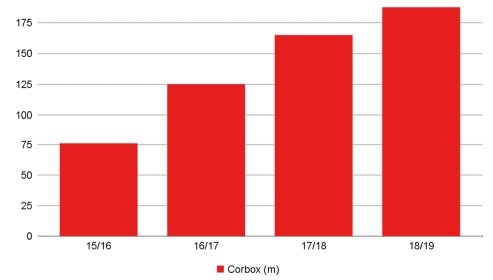
Source: Warburg Research

Revenue share
2018/19; in %



Source: Warburg Research

Corbox revenues
in EUR m



Source: Warburg Research

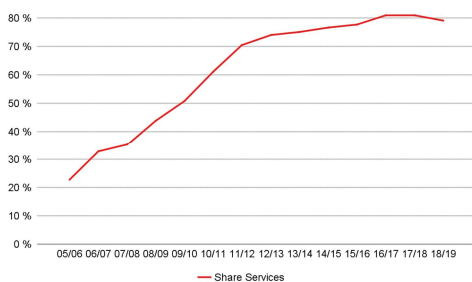
Company Background

- 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

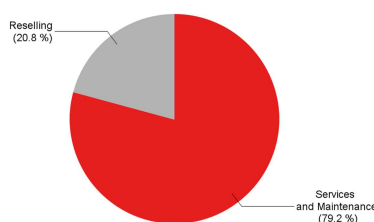
- With its wide service offering, Datagroup is positioned as a one-stop-shop for its customers.
- The focus on the service business means that Datagroup differentiates itself from the competition with the quality of its services (e.g. Services 24x7). The service level is signified by its ISO 20000 certification.
- 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



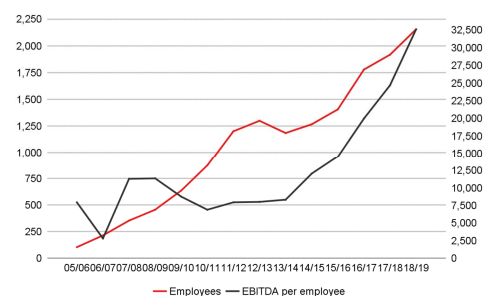
Source: Warburg Research

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	370.0	400.0	420.0	441.0	461.6	481.8	501.5	520.6	539.3	557.3	574.7	591.5	603.3	
Sales change	20.6 %	8.1 %	5.0 %	5.0 %	4.7 %	4.4 %	4.1 %	3.8 %	3.6 %	3.3 %	3.1 %	2.9 %	2.0 %	2.0 %
EBIT	17.3	25.9	29.3	39.7	45.7	47.7	49.6	51.5	53.4	55.2	56.9	58.6	59.7	
EBIT-margin	4.7 %	6.5 %	7.0 %	9.0 %	9.9 %	9.9 %	9.9 %	9.9 %	9.9 %	9.9 %	9.9 %	9.9 %	9.9 %	
Tax rate (EBT)	32.5 %	32.5 %	32.5 %	31.5 %	31.5 %	31.5 %	31.5 %	31.5 %	31.5 %	31.5 %	31.5 %	31.5 %	31.5 %	
NOPAT	11.7	17.5	19.8	27.2	31.3	32.7	34.0	35.3	36.6	37.8	39.0	40.1	40.9	
Depreciation	29.7	30.4	30.8	24.3	24.9	26.0	27.1	28.1	29.1	30.1	31.0	31.9	32.6	
in % of Sales	8.0 %	7.6 %	7.3 %	5.5 %	5.4 %	5.4 %	5.4 %	5.4 %	5.4 %	5.4 %	5.4 %	5.4 %	5.4 %	
Changes in provisions	20.0	2.3	2.0	10.8	-0.2	-0.4	-0.6	-0.8	-0.9	-1.1	-1.2	-1.3	-1.9	
Change in Liquidity from														
- Working Capital	0.5	4.2	6.3	-0.4	-3.9	-2.2	2.4	2.3	2.2	2.2	2.1	2.0	1.4	
- Capex	19.2	16.5	19.0	24.7	24.5	25.5	26.6	27.6	28.6	29.5	30.5	31.3	32.0	
Capex in % of Sales	5.2 %	4.1 %	4.5 %	5.6 %	5.3 %	5.3 %	5.3 %	5.3 %	5.3 %	5.3 %	5.3 %	5.3 %	5.3 %	
Other	12.0	12.0	13.0	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)	29.6	17.5	14.3	37.9	35.5	35.0	31.6	32.8	34.0	35.1	36.3	37.4	38.2	42
PV of FCF	29.6	16.3	12.5	30.9	27.0	24.9	21.0	20.3	19.7	19.0	18.3	17.7	16.9	366
share of PVs	9.12 %			33.68 %										57.20 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	19.50 %	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	7.06 %	Beta	1.26

Valuation (m)

Present values 2031/32e	274		
Terminal Value	366		
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	552	Value per share (EUR)	66.28

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
1.49	8.1 %	49.87	50.99	52.19	53.49	54.90	56.44	58.13	1.49	8.1 %	43.57	46.87	50.18	53.49	56.80	60.11	63.41
1.37	7.6 %	54.81	56.18	57.67	59.30	61.08	63.04	65.20	1.37	7.6 %	48.50	52.10	55.70	59.30	62.90	66.51	70.11
1.32	7.3 %	57.58	59.12	60.79	62.62	64.64	66.86	69.33	1.32	7.3 %	51.32	55.09	58.86	62.62	66.39	70.16	73.93
1.26	7.1 %	60.60	62.33	64.21	66.28	68.56	71.10	73.93	1.26	7.1 %	54.42	58.37	62.32	66.28	70.23	74.19	78.14
1.20	6.8 %	63.90	65.84	67.97	70.32	72.92	75.84	79.10	1.20	6.8 %	57.84	62.00	66.16	70.32	74.47	78.63	82.79
1.15	6.6 %	67.51	69.70	72.12	74.80	77.80	81.16	84.96	1.15	6.6 %	61.65	66.03	70.42	74.80	79.19	83.57	87.95
1.03	6.1 %	75.88	78.72	81.89	85.44	89.47	94.06	99.34	1.03	6.1 %	70.68	75.60	80.52	85.44	90.37	95.29	100.21

- 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	8.8	14.6	16.9	
+ Depreciation + Amortisation	6.4	8.5	14.0	23.3	29.7	30.4	30.8	
- Net Interest Income	-2.6	-2.0	-1.9	-1.9	-4.2	-4.2	-4.2	
- Maintenance Capex	2.7	3.7	9.7	11.7	17.9	18.9	19.6	
+ Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
= Free Cash Flow Potential	12.1	18.0	19.2	28.1	24.9	30.4	32.4	
FCF Potential Yield (on market EV)	6.6 %	6.2 %	5.0 %	6.7 %	4.2 %	5.2 %	5.6 %	
WACC	7.06 %	7.06 %	7.06 %	7.06 %	7.06 %	7.06 %	7.06 %	
= Enterprise Value (EV)	183.4	289.1	385.8	419.4	589.5	583.0	579.7	
= Fair Enterprise Value	171.1	254.4	271.7	397.4	352.5	430.0	458.8	
- Net Debt (Cash)	60.4	60.4	60.4	60.4	106.1	97.3	92.0	
- Pension Liabilities	37.7	37.7	37.7	37.7	57.7	60.0	62.0	
- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- 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	73.0	156.3	173.6	299.3	188.7	272.6	304.8	
Number of shares, average	7.6	8.0	8.3	8.3	8.3	8.3	8.3	
= Fair value per share (EUR)	9.64	19.62	20.84	35.93	22.66	32.73	36.59	
premium (-) / discount (+) in %					-55.7 %	-36.0 %	-28.4 %	
Sensitivity Fair value per Share (EUR)								
	10.06 %	2.64	9.66	11.11	21.71	10.04	17.33	20.17
	9.06 %	4.23	12.02	13.64	25.40	13.31	21.33	24.43
	8.06 %	6.22	14.98	16.79	30.01	17.40	26.32	29.76
WACC	7.06 %	8.77	18.77	20.84	35.93	22.66	32.73	36.59
	6.06 %	12.16	23.81	26.22	43.80	29.64	41.24	45.68
	5.06 %	16.88	30.84	33.73	54.79	39.38	53.13	58.36
	4.06 %	23.94	41.33	44.94	71.19	53.93	70.87	77.29

- 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: 27%

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	5.6 x	4.0 x	3.2 x
Book value per share ex intangibles	-2.63	0.36	0.66	-1.03	-6.84	-3.32	-0.59
EV / Sales	1.0 x	1.3 x	1.4 x	1.4 x	1.6 x	1.5 x	1.4 x
EV / EBITDA	9.6 x	10.7 x	11.2 x	8.9 x	12.6 x	10.4 x	9.6 x
EV / EBIT	14.5 x	15.6 x	18.9 x	17.8 x	34.1 x	22.5 x	19.8 x
EV / EBIT adj.*	12.0 x	13.3 x	15.8 x	15.1 x	27.5 x	19.9 x	18.0 x
P / FCF	17.8 x	10.9 x	117.8 x	n.a.	n.a.	29.2 x	36.7 x
P / E	19.5 x	21.3 x	25.5 x	22.2 x	59.4 x	32.8 x	27.9 x
P / E adj.*	19.5 x	21.3 x	25.5 x	22.2 x	59.4 x	32.8 x	27.9 x
Dividend Yield	2.1 %	1.5 %	1.5 %	1.8 %	1.4 %	1.5 %	1.7 %
FCF Potential Yield (on market EV)	6.6 %	6.2 %	5.0 %	6.7 %	4.2 %	5.2 %	5.6 %

*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 %	82.3 %	83.8 %	84.7 %
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	31.7	36.9	38.3
Other recurring services	39.0	32.0	34.0	25.0	25.8	26.5	27.3
Corbox	76.0	125.0	165.0	187.7	208.3	231.8	254.8
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	370.0	400.0	420.0
Change Sales yoy	11.0 %	27.6 %	21.9 %	12.7 %	20.6 %	8.1 %	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	1.0	0.5	0.5
Total Sales	175.4	223.8	272.8	307.5	371.0	400.5	420.5
Material expenses	58.2	64.2	80.4	99.2	121.0	115.2	120.5
Gross profit	117.2	159.5	192.4	208.3	250.0	285.3	299.9
<i>Gross profit margin</i>	<i>67.0 %</i>	<i>71.5 %</i>	<i>70.7 %</i>	<i>67.9 %</i>	<i>67.6 %</i>	<i>71.3 %</i>	<i>71.4 %</i>
Personnel expenses	85.7	119.9	134.7	145.2	192.0	205.0	215.0
Other operating income	8.4	9.1	5.7	11.1	17.0	6.0	7.0
Other operating expenses	20.8	21.8	28.8	27.4	28.0	30.0	31.8
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	47.0	56.3	60.1
<i>Margin</i>	<i>10.9 %</i>	<i>12.1 %</i>	<i>12.7 %</i>	<i>15.3 %</i>	<i>12.7 %</i>	<i>14.1 %</i>	<i>14.3 %</i>
Depreciation of fixed assets	2.8	4.1	8.1	16.8	25.0	27.0	28.0
EBITA	16.3	23.0	26.3	30.1	22.0	29.3	32.1
Amortisation of intangible assets	3.6	4.4	5.9	6.4	4.7	3.4	2.8
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	17.3	25.9	29.3
<i>Margin</i>	<i>7.2 %</i>	<i>8.3 %</i>	<i>7.5 %</i>	<i>7.7 %</i>	<i>4.7 %</i>	<i>6.5 %</i>	<i>7.0 %</i>
EBIT adj.	15.3	21.8	24.4	27.8	21.5	29.3	32.1
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	13.0	21.6	25.1
<i>Margin</i>	<i>5.8 %</i>	<i>7.4 %</i>	<i>6.8 %</i>	<i>7.1 %</i>	<i>3.5 %</i>	<i>5.4 %</i>	<i>6.0 %</i>
Total taxes	4.4	5.4	5.6	7.2	4.2	7.0	8.2
Net income from continuing operations	5.7	11.2	12.9	14.5	8.8	14.6	16.9
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	8.8	14.6	16.9
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	7.2	13.0	15.2
<i>Margin</i>	<i>3.3 %</i>	<i>5.0 %</i>	<i>4.7 %</i>	<i>4.7 %</i>	<i>1.9 %</i>	<i>3.3 %</i>	<i>3.6 %</i>
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	0.86	1.56	1.83
EPS adj.	0.75	1.41	1.55	1.74	0.86	1.56	1.83

*Adjustments made for: PPA amortisation

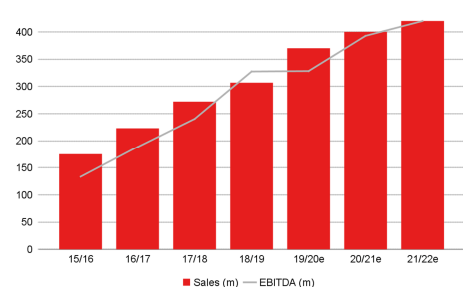
Guidance: 2019/20: no guidance

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 %	87.6 %	86.1 %	85.8 %
Operating Leverage	2.9 x	1.7 x	0.4 x	1.2 x	-1.3 x	6.2 x	2.7 x
EBITDA / Interest expenses	7.4 x	13.6 x	17.7 x	24.2 x	10.9 x	13.1 x	14.0 x
Tax rate (EBT)	43.4 %	32.5 %	30.3 %	33.1 %	32.5 %	32.5 %	32.5 %
Dividend Payout Ratio	39.7 %	32.0 %	38.8 %	40.2 %	66.3 %	42.8 %	41.8 %
Sales per Employee	132,965	164,683	194,966	213,401	249,894	262,288	267,381

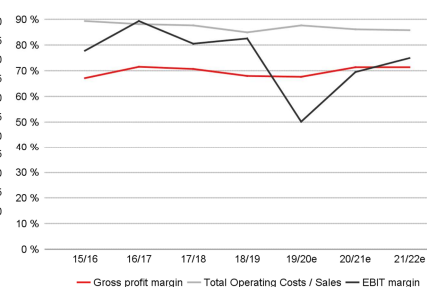
Sales, EBITDA

in EUR m

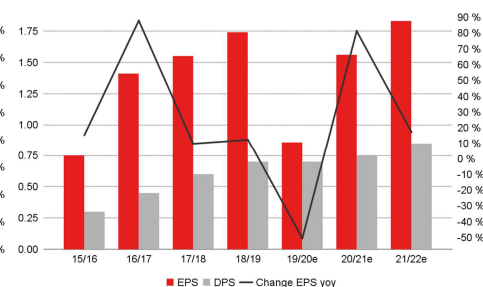


Operating Performance

in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

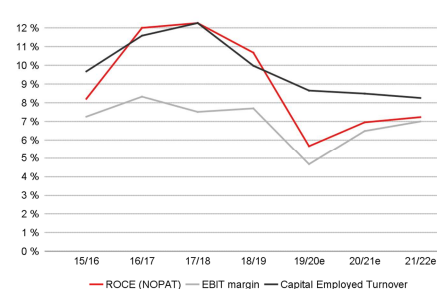
Consolidated balance sheet

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	132.6	133.8	136.1
thereof other intangible assets	9.8	15.9	4.8	5.8	30.5	31.6	33.8
thereof Goodwill	38.5	39.6	46.6	64.0	100.0	100.0	100.0
Property, plant and equipment	7.3	19.3	22.4	60.1	75.1	87.1	101.1
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	231.2	244.4	260.7
Inventories	1.4	3.5	2.0	19.1	22.0	22.0	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	22.9	19.7	15.0
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	140.5	142.2	143.6
Total Assets	159.7	213.4	215.5	320.1	371.7	386.6	404.3
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	41.5	48.7	57.7
Other equity components	-3.5	-3.5	-3.9	-6.7	-6.6	16.8	32.8
Shareholders' equity	28.4	58.6	67.4	74.1	75.6	106.1	131.1
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	75.6	106.1	131.1
Provisions	47.4	52.4	55.7	56.2	77.9	77.5	81.5
thereof provisions for pensions and similar obligations	41.8	38.6	40.6	37.7	57.7	60.0	62.0
Financial liabilities (total)	55.4	63.8	54.9	107.8	129.0	117.0	107.0
thereof short-term financial liabilities	3.5	11.1	12.3	8.7	9.0	7.0	7.0
Accounts payable	2.7	4.8	5.6	9.1	11.2	11.0	12.7
Other liabilities	25.9	33.8	32.1	72.9	78.0	75.0	72.0
Liabilities	131.4	154.9	148.2	246.0	296.1	280.5	273.2
Total liabilities and shareholders' equity	159.7	213.4	215.5	320.1	371.7	386.6	404.3

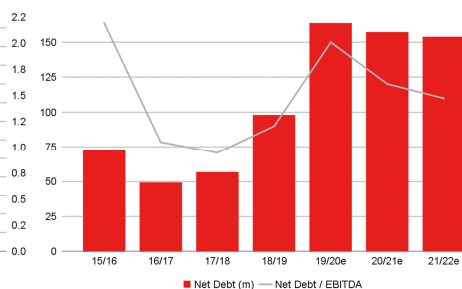
Financial Ratios

	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	2.9 x	2.8 x	2.5 x
Capital Employed Turnover	1.7 x	2.1 x	2.2 x	1.8 x	1.5 x	1.5 x	1.5 x
ROA	8.6 %	13.2 %	13.9 %	8.7 %	3.1 %	5.3 %	5.8 %
Return on Capital							
ROCE (NOPAT)	8.2 %	12.0 %	12.3 %	10.7 %	5.7 %	7.0 %	7.2 %
ROE	21.8 %	25.8 %	20.4 %	20.5 %	9.6 %	14.3 %	12.9 %
Adj. ROE	21.8 %	25.8 %	20.4 %	20.5 %	9.6 %	14.3 %	12.9 %
Balance sheet quality							
Net Debt	72.8	49.3	56.8	98.1	163.8	157.3	154.0
Net Financial Debt	31.0	10.6	16.2	60.4	106.1	97.3	92.0
Net Gearing	256.6 %	84.1 %	84.3 %	132.3 %	216.8 %	148.2 %	117.4 %
Net Fin. Debt / EBITDA	162.0 %	39.3 %	47.0 %	128.7 %	225.9 %	172.9 %	152.9 %
Book Value / Share	3.7	7.0	8.1	8.9	9.1	12.7	15.7
Book value per share ex intangibles	-2.6	0.4	0.7	-1.0	-6.8	-3.3	-0.6

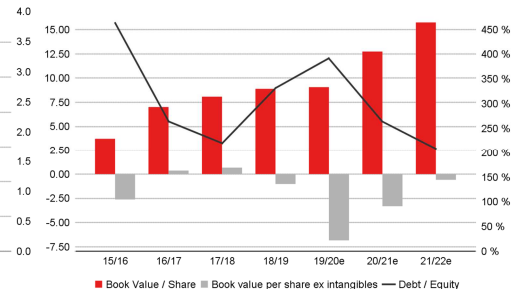
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

Consolidated cash flow statement

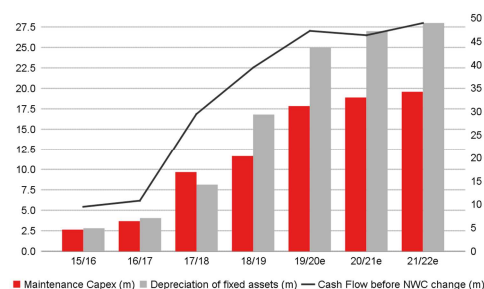
In EUR m	2015/16	2016/17	2017/18	2018/19	2019/20e	2020/21e	2021/22e
Net income	5.7	11.2	12.9	14.5	8.8	14.6	16.9
Depreciation of fixed assets	2.8	4.1	8.1	16.8	25.0	27.0	28.0
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	3.6	4.4	5.9	6.4	4.7	3.4	2.8
Increase/decrease in long-term provisions	-0.1	-7.7	1.1	0.8	20.0	2.3	2.0
Other non-cash income and expenses	-2.6	-1.1	1.4	0.9	-11.3	-1.0	-0.8
Cash Flow before NWC change	9.5	10.8	29.5	39.4	47.2	46.3	48.9
Increase / decrease in inventory	0.0	0.0	0.0	0.0	-2.9	0.0	-2.0
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	5.7	-3.2	-2.3
Increase / decrease in other working capital positions	-0.6	0.0	0.0	0.0	-20.0	0.0	0.0
Increase / decrease in working capital (total)	0.0	21.7	-10.5	-34.9	-19.9	-3.2	-5.3
Net cash provided by operating activities [1]	9.5	32.5	19.0	4.5	27.3	43.1	43.6
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	-15.0	-12.0	-14.0
Payments for acquisitions	-2.0	-10.5	-4.8	-21.7	-36.0	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	-55.2	-16.5	-19.0
Change in financial liabilities	19.6	-0.3	-8.3	-9.9	21.2	-12.0	-10.0
Dividends paid	-1.9	-2.3	-3.7	-5.0	-5.8	-5.8	-6.2
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	3.4	-29.8	-29.2
Change in liquid funds [1]+[2]+[3]	22.4	28.8	-14.5	7.1	-24.5	-3.2	-4.6
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	22.9	19.7	15.0

Financial Ratios

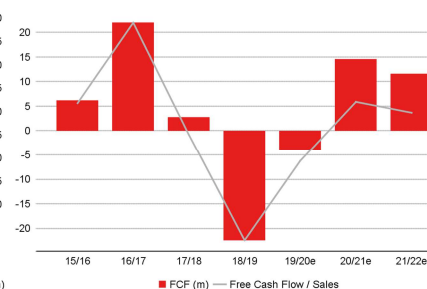
	2015/16	2016/17	2017/18	2018/19	2019/20e	2020/21e	2021/22e
Cash Flow							
FCF	6.2	22.0	2.8	-22.4	-3.9	14.6	11.6
Free Cash Flow / Sales	3.5 %	9.9 %	1.0 %	-7.3 %	-1.1 %	3.6 %	2.8 %
Free Cash Flow Potential	12.1	18.0	19.2	28.1	24.9	30.4	32.4
Free Cash Flow / Net Profit	108.5 %	196.6 %	21.7 %	-154.6 %	-54.2 %	112.1 %	76.1 %
Interest Received / Avg. Cash	0.0 %	0.0 %	0.0 %	0.0 %	0.2 %	0.3 %	0.3 %
Interest Paid / Avg. Debt	5.5 %	3.3 %	3.3 %	2.4 %	3.6 %	3.5 %	3.8 %
Management of Funds							
Investment ratio	1.9 %	4.7 %	5.4 %	6.1 %	5.2 %	4.1 %	4.5 %
Maint. Capex / Sales	1.5 %	1.7 %	3.6 %	3.8 %	4.8 %	4.7 %	4.7 %
Capex / Dep	51.7 %	123.7 %	105.5 %	80.3 %	64.6 %	54.3 %	61.7 %
Avg. Working Capital / Sales	8.5 %	8.4 %	10.6 %	14.2 %	14.5 %	14.0 %	14.6 %
Trade Debtors / Trade Creditors	716.6 %	606.5 %	676.8 %	595.3 %	508.9 %	518.2 %	456.7 %
Inventory Turnover	41.8 x	18.5 x	40.8 x	5.2 x	5.5 x	5.2 x	5.0 x
Receivables collection period (days)	40	48	51	65	56	52	50
Payables payment period (days)	17	27	25	34	34	35	38
Cash conversion cycle (Days)	6	17	34	61	47	55	69

CAPEX and Cash Flow

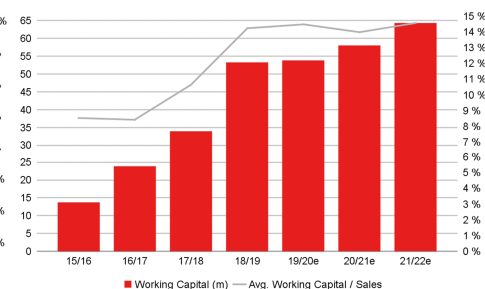
in EUR m



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)
DATAGROUP	5	http://www.mmwarburg.com/disclaimer/disclaimer_en/DE000A0JC8S7.htm

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Investment recommendation: expected direction of the share price development of the financial instrument up to the given price target in the opinion of the analyst who covers this financial instrument.

-B-	Buy:	The price of the analysed financial instrument is expected to rise over the next 12 months.
-H-	Hold:	The price of the analysed financial instrument is expected to remain mostly flat over the next 12 months.
-S-	Sell:	The price of the analysed financial instrument is expected to fall over the next 12 months.
“-“	Rating suspended:	The available information currently does not permit an evaluation of the company.

WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING

Rating	Number of stocks	% of Universe
Buy	131	64
Hold	55	27
Sell	12	6
Rating suspended	6	3
Total	204	100

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

... taking into account only those companies which were provided with major investment services in the last twelve months.

Rating	Number of stocks	% of Universe
Buy	32	82
Hold	5	13
Sell	0	0
Rating suspended	2	5
Total	39	100

PRICE AND RATING HISTORY DATAGROUP AS OF 15.06.2020



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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