

<b>Buy</b>  <b>EUR 57.00</b> (EUR 53.00)  Price <b>EUR 42.00</b> <b>Upside 35.7 %</b>	Value Indicators:	EUR	Share data:	Description:
	DCF:	56.98	Bloomberg: FTK GR Reuters: FTKG.DE ISIN: DE000FTG1111	Flatex is a financial services technology company in Germany
	Market Snapshot:	EUR m	Shareholders:	Risk Profile (WRe):
	Market cap:	1,136	Freefloat 50.5 %	2020e Beta: 1.5
	No. of shares (m):	27	Management 3.1 %	Price / Book: 2.8 x
	EV:	815	DeGiro founders 27.7 %	Equity Ratio: 27 %
	Freefloat MC:	574	GfBk mbH 13.4 %	
	Ø Trad. Vol. (30d):	5.52 m	Heliad Equity Partners 5.3 %	

## Stronger than expected customer growth leads to estimation uplifts

Flatex announced on July 2 a current trading update on its B2C brokerage business that marks an absolute record in H1 2020. On a pro forma basis, Flatex and DeGiro were able to grow their customer base by 288k. In view of the COVID-19-induced capital market volatility and strong customer growth, the number of transactions increased by +152% to 37.6m. Flatex's customers contributed 13.1m trades to this number, representing a yoy growth rate of +127%. Furthermore, the company announced that it expects some 1.2m customers by the end of 2020 and a total of 50m trades (our previous assumptions were 1m customers and 45.6m trades, now updated to 1.19m and 51m respectively).

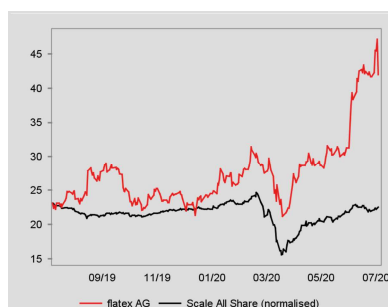
While the amount of transactions at DeGiro will presumably first affect Flatex's P&L from July onwards, as we assume a full consolidation for H2 2020, especially the increased amount of customers is highly beneficial in a medium to long-term perspective. Even though we assume that some of these new customers are mainly attracted by the current market volatility and presumably will not be as active as the already existing customers over the next years, the main share of new customers should increase the number of transactions in the long run.

Furthermore, Flatex signed a contract with German Bundesliga club Borussia Mönchengladbach in which they agreed on jersey sponsorship for the next three years. This should be seen as marketing expenses as the football team is competing in the European Champion's League and should therefore be known to the current target market of Flatex. Based on the previous contract of the team, we assume a yearly payment of some EUR 7-9m which constitutes basically brand awareness expenses.

Lastly, on July 3, the company announced a change in the shareholder structure. The current main shareholder Bernd Förtsch and his entities GfBk and Heliad (which partly belongs to Mr. Förtsch) sold some 2.3m shares to institutional investors. This increases the freefloat significantly (to currently 70% of shares, please keep in mind that the figures in the table above represent the post-transaction shareholder structure). Additionally, the Austrian Post confirmed to the company that it has sold all of its shares and is not a shareholder of Flatex AG anymore. This means that a possible share overhang from this side is off the agenda.

**Assessment:** H1 2020 clearly constituted an outstanding period for the company. Even though this should not be seen as normal, the significantly increased number of customers should be supportive in the mid- to long-term perspective. Based on these developments, we increase our future assumptions for customer and transaction development but also consider higher marketing expenses for the coming years. In total, our updated DCF model points to a fair value of EUR 57, which is also our new PT. Buy rating confirmed.

Changes in Estimates:							Comment on Changes:
FY End: 31.12. in EUR m	2020e (old)	+ / -	2021e (old)	+ / -	2022e (old)	+ / -	
<b>Sales</b>	225	11.3 %	275	7.7 %	319	7.9 %	<ul style="list-style-type: none"> <li>Lifted assumptions on customer and transaction development lead to increased top-line expectations</li> <li>Higher than initially assumed marketing expenses result in a proportionately lower bottom-line development</li> </ul>
<b>EBITDA</b>	86	0.1 %	126	3.5 %	156	1.3 %	
<b>Net income</b>	41	0.1 %	66	5.9 %	84	2.5 %	
<b>EPS</b>	0	0.0 %	0	5.7 %	0	2.6 %	

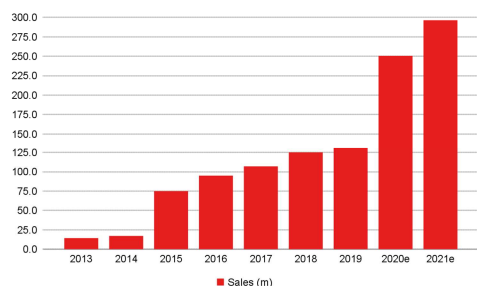


Rel. Performance vs Scale All	
1 month:	10.3 %
6 months:	70.8 %
Year to date:	70.3 %
Trailing 12 months:	80.4 %

**Company events:**  
30.09.20 Q2

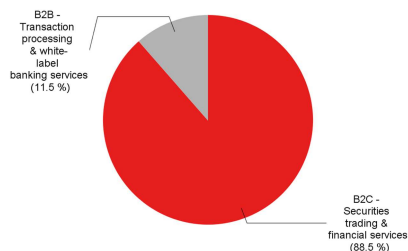
FY End: 31.12. in EUR m	CAGR (19-22e)	2016	2017	2018	2019	2020e	2021e	2022e
<b>Sales</b>	37.6 %	95	107	125	132	251	296	344
Change Sales yoy		26.7 %	12.6 %	16.9 %	5.5 %	89.9 %	18.3 %	16.1 %
Gross profit margin		73.2 %	71.0 %	70.5 %	71.1 %	73.7 %	77.8 %	78.5 %
<b>EBITDA</b>	61.5 %	31	32	42	38	86	131	158
Margin		32.2 %	30.0 %	33.9 %	28.5 %	34.2 %	44.0 %	46.0 %
<b>EBIT</b>	73.7 %	25	26	35	25	63	106	130
Margin		26.8 %	24.7 %	27.6 %	18.8 %	25.2 %	35.8 %	37.7 %
<b>Net income</b>	79.6 %	8	17	21	15	41	70	86
<b>EPS</b>	61.3 %	0.50	0.96	1.08	0.76	1.51	2.59	3.19
<b>EPS adj.</b>	61.3 %	0.97	0.96	1.08	0.76	1.51	2.59	3.19
<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>		-9.11	-0.71	0.06	0.83	1.49	2.91	3.65
<b>FCF / Market cap</b>		-58.3 %	-3.9 %	0.2 %	3.8 %	3.5 %	6.9 %	8.7 %
Book Value / Share		4.50	6.43	8.53	9.29	15.25	17.84	21.02
<b>Price / Book</b>		3.5 x	2.9 x	3.3 x	2.4 x	2.8 x	2.4 x	2.0 x
<b>ROE</b>		11 %	18 %	15 %	9 %	14 %	16 %	16 %
<b>P / E</b>		31.3 x	19.2 x	25.7 x	28.9 x	27.8 x	16.2 x	13.2 x
P / E adj.		16.1 x	19.2 x	25.7 x	28.9 x	27.8 x	16.2 x	13.2 x
<b>Guidance:</b>	pro forma 1.2m customers and 50m transactions							

### Sales development in EUR m



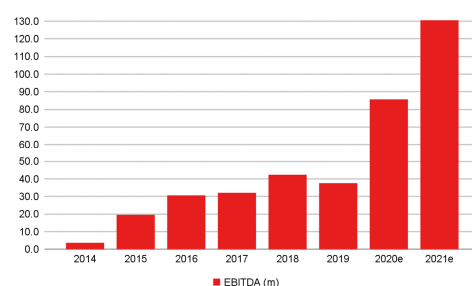
Source: Warburg Research

### Sales by segments 2020e; in %



Source: Warburg Research

### EBITDA development in EUR m



Source: Warburg Research

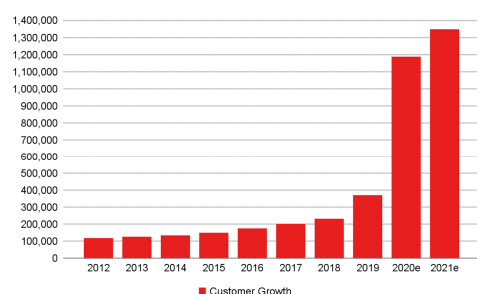
## Company Background

- Flatex is among the market leaders in Germany in the fields of B2C online securities brokerage under its brand name, Flatex. With the acquisition of DeGiro, the company emerges into a leading role also on European scale.
- The brokerage business bases on a discount pricing model with a flat fee at Flatex and considerably low fees per trade at DeGiro. This puts the company in a highly competitive position all across Europe.
- In its Tech unit, Flatex offers innovative software and IT outsourcing services for its B2B clients.
- Flatex Bank as a deposit bank gives the company access to a banking license and provides the full range of white-label-banking services to its B2B clients.

## Competitive Quality

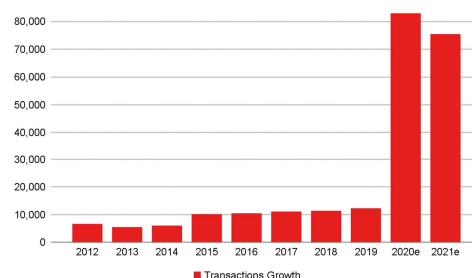
- The acquisition of DeGiro position Flatex in a European leading role in the fields of B2C discount brokerage. This enables the company to leverage high synergies and realise effects of scale.
- Flatex differentiates itself from competitors by offering B2C as well as B2B services, which offers synergy potential
- In the field of B2C, Flatex has a strong competitive position which is supported by its flat fee pricing model
- Flatex has more than 25 years' experience as an IT-infrastructure provider in B2B. The company has a strong track record of completed projects with high-profile companies in the financial services sector

### Customer Growth - Flatex



Source: Warburg Research

### Transaction Growth in k



Source: Warburg Research

## DCF model

Figures in EUR m	Detailed forecast period			Transitional period										Term. Value
	2020e	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	
Sales	251	296	344	382	416	447	474	498	518	533	549	563	574	1.5 %
Sales change	89.9 %	18.3 %	16.1 %	11.0 %	9.0 %	7.5 %	6.0 %	5.0 %	4.0 %	3.0 %	3.0 %	2.5 %	2.0 %	
EBIT	63	106	130	157	175	188	199	209	217	224	231	237	241	42.0 %
EBIT-margin	25.2 %	35.8 %	37.7 %	41.0 %	42.0 %	42.0 %	42.0 %	42.0 %	42.0 %	42.0 %	42.0 %	42.0 %	42.0 %	
Tax rate (EBT)	31.0 %	28.5 %	28.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %
NOPAT	44	76	93	110	122	132	139	146	152	157	162	166	169	
Depreciation	22	24	28	29	29	29	28	25	26	27	27	28	29	5.0 %
in % of Sales	9.0 %	8.3 %	8.3 %	7.5 %	7.0 %	6.5 %	6.0 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	
Changes in provisions	0	0	0	4	1	1	1	1	1	1	0	0	0	5.0 %
Change in Liquidity from														
- Working Capital	10	3	3	-1	2	2	2	1	1	1	1	1	1	5.0 %
- Capex	13	13	13	19	21	22	24	25	26	27	27	28	29	
Capex in % of Sales	5.0 %	4.3 %	3.7 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	0
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	
Free Cash Flow (WACC Model)	43	84	106	124	130	138	144	146	152	157	161	165	168	170
PV of FCF	41	73	84	90	86	82	78	73	69	65	60	57	53	644
share of PVs	12.77 %			45.79 %										41.44 %

## Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	0.00 %	Financial Strength	1.40
Cost of debt (after tax)	2.1 %	Liquidity (share)	1.40
Market return	7.00 %	Cyclicality	1.70
Risk free rate	1.50 %	Transparency	1.60
		Others	1.40
<b>WACC</b>	<b>9.75 %</b>	<b>Beta</b>	<b>1.50</b>

## Valuation (m)

Present values 2032e	910		
Terminal Value	644		
Financial liabilities	17		
Pension liabilities	11		
Hybrid capital	0		
Minority interest	1		
Market val. of investments	0		
Liquidity	16	No. of shares (m)	27.1
<b>Equity Value</b>	<b>1,542</b>	<b>Value per share (EUR)</b>	<b>56.98</b>

## Sensitivity Value per Share (EUR)

		Terminal Growth									Delta EBIT-margin						
Beta	WACC	0.75 %	1.00 %	1.25 %	1.50 %	1.75 %	2.00 %	2.25 %	Beta	WACC	-1.5 pp	-1.0 pp	-0.5 pp	+0.0 pp	+0.5 pp	+1.0 pp	+1.5 pp
1.68	10.8 %	48.87	49.32	49.79	50.29	50.82	51.37	51.96	1.68	10.8 %	48.46	49.07	49.68	50.29	50.90	51.51	52.13
1.59	10.3 %	51.77	52.29	52.85	53.44	54.06	54.73	55.43	1.59	10.3 %	51.49	52.14	52.79	53.44	54.09	54.74	55.39
1.55	10.0 %	53.34	53.91	54.52	55.16	55.84	56.56	57.33	1.55	10.0 %	53.15	53.82	54.49	55.16	55.83	56.50	57.17
1.50	9.8 %	55.00	55.62	56.28	56.98	57.72	58.52	59.36	1.50	9.8 %	54.90	55.60	56.29	56.98	57.67	58.36	59.05
1.45	9.5 %	56.75	57.43	58.15	58.92	59.73	60.60	61.53	1.45	9.5 %	56.77	57.49	58.20	58.92	59.63	60.35	61.06
1.41	9.3 %	58.62	59.36	60.14	60.98	61.88	62.83	63.86	1.41	9.3 %	58.76	59.50	60.24	60.98	61.72	62.46	63.20
1.32	8.8 %	62.70	63.59	64.53	65.55	66.63	67.80	69.05	1.32	8.8 %	63.16	63.96	64.75	65.55	66.34	67.14	67.93

- Liquid assets were adjusted for deposit volumes
- A strong EBIT margin expansion until 2022 should be the result of increasing synergies from the DeGiro transaction

Valuation							
	2016	2017	2018	2019	2020e	2021e	2022e
Price / Book	3.5 x	2.9 x	3.3 x	2.4 x	2.8 x	2.4 x	2.0 x
Book value per share ex intangibles	1.08	2.84	4.30	4.55	5.05	7.94	11.53
EV / Sales	n.a.	0.2 x	n.a.	0.5 x	3.3 x	2.2 x	1.3 x
EV / EBITDA	n.a.	0.7 x	n.a.	1.8 x	9.5 x	5.0 x	2.9 x
EV / EBIT	n.a.	0.8 x	n.a.	2.8 x	12.9 x	6.2 x	3.5 x
EV / EBIT adj.*	n.a.	0.8 x	n.a.	2.8 x	12.9 x	6.2 x	3.5 x
P / FCF	n.a.	n.a.	455.0 x	26.5 x	28.2 x	14.4 x	11.5 x
P / E	31.3 x	19.2 x	25.7 x	28.9 x	27.8 x	16.2 x	13.2 x
P / E adj.*	16.1 x	19.2 x	25.7 x	28.9 x	27.8 x	16.2 x	13.2 x
Dividend Yield	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
FCF Potential Yield (on market EV)	-465.3 %	113.4 %	-105.7 %	45.3 %	8.3 %	15.6 %	27.1 %
*Adjustments made for: -							

Company Specific Items							
	2016	2017	2018	2019	2020e	2021e	2022e
Customer Growth	175400.0	201700.4	231955.5	370490.0	1187891.3	1348299.0	1524162.0
Transactions Growth	10462.5	11104.7	11377.5	12274.5	82960.5	75448.2	89068.4

## Consolidated profit & loss

In EUR m	2016	2017	2018	2019	2020e	2021e	2022e
<b>Sales</b>	<b>95</b>	<b>107</b>	<b>125</b>	<b>132</b>	<b>251</b>	<b>296</b>	<b>344</b>
Change Sales yoy	26.7 %	12.6 %	16.9 %	5.5 %	89.9 %	18.3 %	16.1 %
Increase / decrease in inventory	0	0	0	0	0	0	0
Own work capitalised	0	0	0	0	0	0	0
<b>Total Sales</b>	<b>95</b>	<b>107</b>	<b>125</b>	<b>132</b>	<b>251</b>	<b>296</b>	<b>344</b>
Material expenses	25	31	37	38	66	66	74
<b>Gross profit</b>	<b>70</b>	<b>76</b>	<b>88</b>	<b>94</b>	<b>185</b>	<b>230</b>	<b>270</b>
<i>Gross profit margin</i>	<i>73.2 %</i>	<i>71.0 %</i>	<i>70.5 %</i>	<i>71.1 %</i>	<i>73.7 %</i>	<i>77.8 %</i>	<i>78.5 %</i>
Personnel expenses	19	23	22	25	47	47	52
Other operating income	0	0	0	0	0	0	0
Other operating expenses	19	21	24	31	52	53	59
Unfrequent items	0	0	0	0	0	0	0
<b>EBITDA</b>	<b>31</b>	<b>32</b>	<b>42</b>	<b>38</b>	<b>86</b>	<b>131</b>	<b>158</b>
<i>Margin</i>	<i>32.2 %</i>	<i>30.0 %</i>	<i>33.9 %</i>	<i>28.5 %</i>	<i>34.2 %</i>	<i>44.0 %</i>	<i>46.0 %</i>
Depreciation of fixed assets	2	2	3	6	7	7	9
<b>EBITA</b>	<b>29</b>	<b>30</b>	<b>40</b>	<b>32</b>	<b>79</b>	<b>123</b>	<b>150</b>
Amortisation of intangible assets	3	4	5	7	16	17	20
Goodwill amortisation	0	0	0	0	0	0	0
<b>EBIT</b>	<b>25</b>	<b>26</b>	<b>35</b>	<b>25</b>	<b>63</b>	<b>106</b>	<b>130</b>
<i>Margin</i>	<i>26.8 %</i>	<i>24.7 %</i>	<i>27.6 %</i>	<i>18.8 %</i>	<i>25.2 %</i>	<i>35.8 %</i>	<i>37.7 %</i>
<b>EBIT adj.</b>	<b>25</b>	<b>26</b>	<b>35</b>	<b>25</b>	<b>63</b>	<b>106</b>	<b>130</b>
Interest income	0	0	0	0	0	0	0
Interest expenses	2	1	2	3	4	8	10
Other financial income (loss)	0	0	0	0	0	0	0
<b>EBT</b>	<b>24</b>	<b>25</b>	<b>32</b>	<b>22</b>	<b>59</b>	<b>98</b>	<b>120</b>
<i>Margin</i>	<i>25.5 %</i>	<i>23.5 %</i>	<i>25.6 %</i>	<i>16.4 %</i>	<i>23.6 %</i>	<i>33.1 %</i>	<i>34.8 %</i>
Total taxes	4	8	11	7	18	28	34
<b>Net income from continuing operations</b>	<b>20</b>	<b>17</b>	<b>21</b>	<b>15</b>	<b>41</b>	<b>70</b>	<b>86</b>
Income from discontinued operations (net of tax)	-8	0	0	0	0	0	0
<b>Net income before minorities</b>	<b>12</b>	<b>17</b>	<b>21</b>	<b>15</b>	<b>41</b>	<b>70</b>	<b>86</b>
Minority interest	4	0	0	0	0	0	0
<b>Net income</b>	<b>8</b>	<b>17</b>	<b>21</b>	<b>15</b>	<b>41</b>	<b>70</b>	<b>86</b>
<i>Margin</i>	<i>8.9 %</i>	<i>15.7 %</i>	<i>16.8 %</i>	<i>11.3 %</i>	<i>16.3 %</i>	<i>23.7 %</i>	<i>25.1 %</i>
Number of shares, average	17	18	20	20	27	27	27
<b>EPS</b>	<b>0.50</b>	<b>0.96</b>	<b>1.08</b>	<b>0.76</b>	<b>1.51</b>	<b>2.59</b>	<b>3.19</b>
EPS adj.	0.97	0.96	1.08	0.76	1.51	2.59	3.19

\*Adjustments made for:

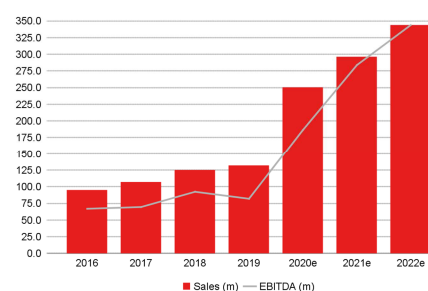
**Guidance: pro forma 1.2m customers and 50m transactions**

## Financial Ratios

	2016	2017	2018	2019	2020e	2021e	2022e
Total Operating Costs / Sales	67.8 %	70.0 %	66.1 %	71.5 %	65.8 %	56.0 %	54.0 %
Operating Leverage	2.0 x	0.3 x	1.8 x	-5.2 x	1.7 x	3.7 x	1.4 x
EBITDA / Interest expenses	19.1 x	24.9 x	19.4 x	12.0 x	21.4 x	16.3 x	15.8 x
Tax rate (EBT)	16.3 %	32.5 %	34.3 %	31.1 %	31.0 %	28.5 %	28.0 %
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.

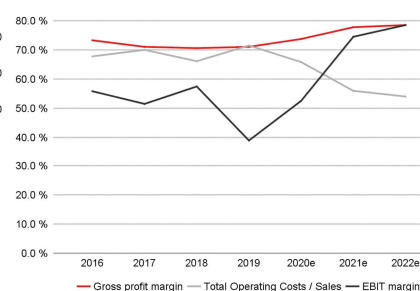
### Sales, EBITDA

in EUR m

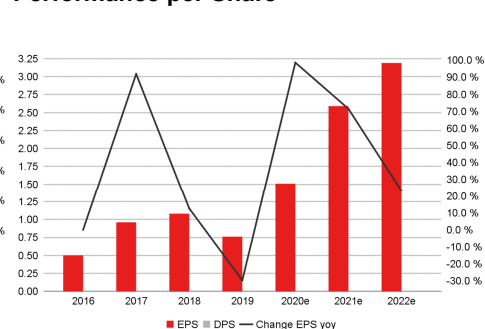


### Operating Performance

in %



### Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

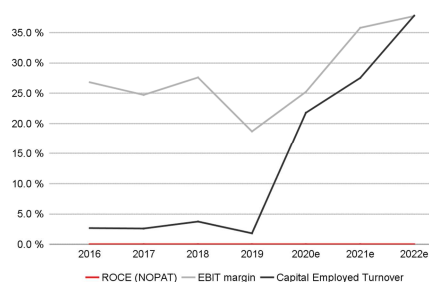
## Consolidated balance sheet

In EUR m	2016	2017	2018	2019	2020e	2021e	2022e
<b>Assets</b>							
Goodwill and other intangible assets	57	63	83	93	276	268	257
thereof other intangible assets	29	8	11	10	194	186	175
thereof Goodwill	29	29	37	37	37	37	37
Property, plant and equipment	6	7	8	16	73	69	64
Financial assets	1	1	1	1	1	1	1
Other long-term assets	0	26	41	69	69	69	69
<b>Fixed assets</b>	<b>64</b>	<b>97</b>	<b>132</b>	<b>180</b>	<b>420</b>	<b>408</b>	<b>392</b>
Inventories	0	0	0	0	0	0	0
Accounts receivable	9	8	16	12	24	28	33
Liquid assets	389	397	655	469	457	520	609
Other short-term assets	1,072	605	424	605	605	605	605
<b>Current assets</b>	<b>1,470</b>	<b>1,010</b>	<b>1,095</b>	<b>1,086</b>	<b>1,086</b>	<b>1,154</b>	<b>1,248</b>
<b>Total Assets</b>	<b>1,534</b>	<b>1,107</b>	<b>1,228</b>	<b>1,266</b>	<b>1,506</b>	<b>1,562</b>	<b>1,640</b>
<b>Liabilities and shareholders' equity</b>							
Subscribed capital	17	18	19	20	27	27	27
Capital reserve	50	68	101	107	289	289	289
Retained earnings	9	28	47	55	96	166	252
Other equity components	0	0	0	0	0	0	0
Shareholders' equity	76	113	167	182	413	483	569
Minority interest	15	0	0	1	1	1	1
<b>Total equity</b>	<b>91</b>	<b>113</b>	<b>167</b>	<b>182</b>	<b>413</b>	<b>483</b>	<b>569</b>
Provisions	26	18	19	31	31	31	31
thereof provisions for pensions and similar obligations	8	7	6	11	11	11	11
Financial liabilities (total)	114	88	75	95	103	88	78
thereof short-term financial liabilities	60	61	57	72	72	72	72
Accounts payable	6	1	3	6	7	8	9
Other liabilities	1,297	888	964	952	952	952	952
<b>Liabilities</b>	<b>1,443</b>	<b>995</b>	<b>1,061</b>	<b>1,084</b>	<b>1,093</b>	<b>1,079</b>	<b>1,070</b>
<b>Total liabilities and shareholders' equity</b>	<b>1,534</b>	<b>1,107</b>	<b>1,228</b>	<b>1,266</b>	<b>1,506</b>	<b>1,562</b>	<b>1,640</b>

## Financial Ratios

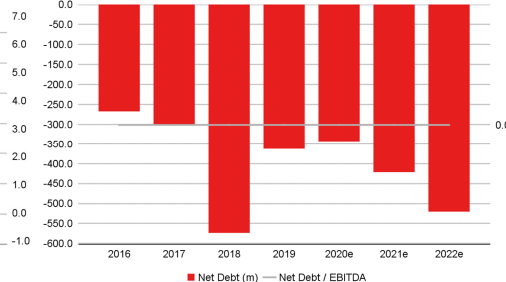
	2016	2017	2018	2019	2020e	2021e	2022e
<b>Efficiency of Capital Employment</b>							
Operating Assets Turnover	11.0 x	7.7 x	6.1 x	5.7 x	2.8 x	3.3 x	3.9 x
Capital Employed Turnover	-0.5 x	-0.6 x	-0.3 x	-0.7 x	3.6 x	4.8 x	7.0 x
ROA	13.2 %	17.2 %	15.9 %	8.3 %	9.7 %	17.2 %	22.0 %
<b>Return on Capital</b>							
ROCE (NOPAT)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
ROE	11.3 %	17.9 %	15.1 %	8.5 %	13.7 %	15.7 %	16.4 %
Adj. ROE	22.0 %	17.9 %	15.1 %	8.5 %	13.7 %	15.7 %	16.4 %
<b>Balance sheet quality</b>							
Net Cash	267	302	573	363	343	422	520
	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Net Gearing	-295.0 %	-268.1 %	-342.9 %	-199.0 %	-83.0 %	-87.3 %	-91.4 %
Net Fin. Debt / EBITDA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Book Value / Share	4.5	6.4	8.5	9.3	15.2	17.8	21.0
Book value per share ex intangibles	1.1	2.8	4.3	4.5	5.0	7.9	11.5

### ROCE Development



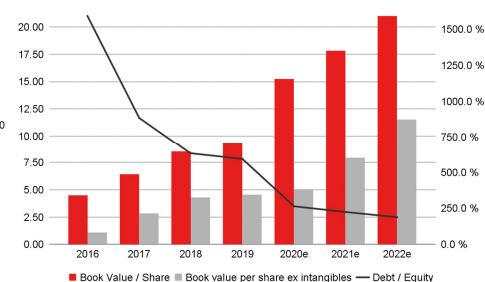
Source: Warburg Research

### Net debt in EUR m



Source: Warburg Research

### Book Value per Share in EUR



Source: Warburg Research

## Consolidated cash flow statement

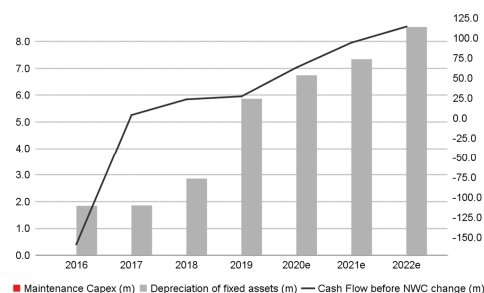
In EUR m	2016	2017	2018	2019	2020e	2021e	2022e
Net income	12	17	21	15	41	70	86
Depreciation of fixed assets	2	2	3	6	7	7	9
Amortisation of goodwill	0	0	0	0	0	0	0
Amortisation of intangible assets	3	4	5	7	16	17	20
Increase/decrease in long-term provisions	3	0	-1	5	0	0	0
Other non-cash income and expenses	-179	-18	-4	-5	0	0	0
<b>Cash Flow before NWC change</b>	<b>-159</b>	<b>4</b>	<b>23</b>	<b>27</b>	<b>63</b>	<b>95</b>	<b>115</b>
Increase / decrease in inventory	1	0	0	0	0	0	0
Increase / decrease in accounts receivable	21	1	-8	3	-12	-4	-5
Increase / decrease in accounts payable	-8	-5	2	3	1	1	1
Increase / decrease in other working capital positions	0	0	0	16	0	0	0
Increase / decrease in working capital (total)	15	-4	-6	22	-10	-3	-3
<b>Net cash provided by operating activities [1]</b>	<b>-144</b>	<b>0</b>	<b>17</b>	<b>49</b>	<b>53</b>	<b>91</b>	<b>111</b>
Investments in intangible assets	-6	-9	-13	0	-9	-9	-9
Investments in property, plant and equipment	-2	-3	-3	-15	-4	-4	-4
Payments for acquisitions	0	0	0	0	-250	0	0
Financial investments	0	0	0	0	0	0	0
Income from asset disposals	0	0	-11	0	0	0	0
<b>Net cash provided by investing activities [2]</b>	<b>-9</b>	<b>-13</b>	<b>-28</b>	<b>-33</b>	<b>-263</b>	<b>-13</b>	<b>-13</b>
Change in financial liabilities	-3	15	-6	1	8	-15	-10
Dividends paid	0	0	0	0	0	0	0
Purchase of own shares	0	0	0	0	0	0	0
Capital measures	0	18	35	6	190	0	0
Other	4	-13	3	-3	0	0	0
<b>Net cash provided by financing activities [3]</b>	<b>1</b>	<b>20</b>	<b>32</b>	<b>4</b>	<b>198</b>	<b>-15</b>	<b>-10</b>
<b>Change in liquid funds [1]+[2]+[3]</b>	<b>-152</b>	<b>8</b>	<b>22</b>	<b>20</b>	<b>-12</b>	<b>64</b>	<b>89</b>
Effects of exchange-rate changes on cash	0	0	0	0	0	0	0
<b>Cash and cash equivalent at end of period</b>	<b>-116</b>	<b>22</b>	<b>285</b>	<b>32</b>	<b>4</b>	<b>68</b>	<b>156</b>

## Financial Ratios

	2016	2017	2018	2019	2020e	2021e	2022e
<b>Cash Flow</b>							
FCF	-153	-12	1	16	40	79	99
Free Cash Flow / Sales	-161.2 %	-11.7 %	1.0 %	12.3 %	16.1 %	26.6 %	28.7 %
Free Cash Flow Potential	19	24	31	31	67	103	125
Free Cash Flow / Net Profit	-1819.4 %	-74.3 %	5.7 %	109.2 %	98.6 %	112.4 %	114.6 %
Interest Received / Avg. Cash	0.1 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Interest Paid / Avg. Debt	1.3 %	1.3 %	2.7 %	3.7 %	4.0 %	8.4 %	12.1 %
<b>Management of Funds</b>							
Investment ratio	8.4 %	11.8 %	13.0 %	11.0 %	5.0 %	4.3 %	3.7 %
Maint. Capex / Sales	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Capex / Dep	155.4 %	225.2 %	208.5 %	113.3 %	56.1 %	51.5 %	44.3 %
Avg. Working Capital / Sales	10.9 %	4.7 %	7.9 %	7.4 %	4.8 %	6.3 %	6.4 %
Trade Debtors / Trade Creditors	146.1 %	788.5 %	558.0 %	219.0 %	347.8 %	350.6 %	351.1 %
Inventory Turnover	76.3 x	92.8 x	196.0 x	385.6 x	665.0 x	665.1 x	746.9 x
Receivables collection period (days)	33	26	45	34	35	35	35
Payables payment period (days)	84	11	28	53	38	45	46
Cash conversion cycle (Days)	-46	18	20	-19	-3	-9	-11

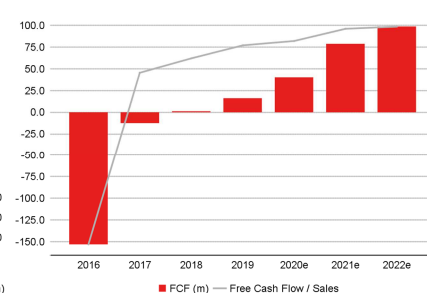
### CAPEX and Cash Flow

in EUR m



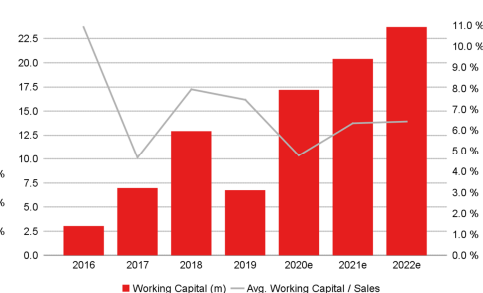
Source: Warburg Research

### Free Cash Flow Generation



Source: Warburg Research

### Working Capital



Source: Warburg Research



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-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	132	64
Hold	54	26
Sell	12	6
Rating suspended	7	3
<b>Total</b>	<b>205</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	34	85
Hold	4	10
Sell	0	0
Rating suspended	2	5
<b>Total</b>	<b>40</b>	<b>100</b>

## PRICE AND RATING HISTORY FLATEX AS OF 06.07.2020



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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