

<b>Buy</b>  <b>EUR 66.00</b> (EUR 62.00)  Price <b>EUR 54.80</b> <b>Upside 20.4 %</b>	<b>Value Indicators:</b> EUR DCF: 66.06	<b>Warburg ESG Risk Score: 3.0</b> <b>ESG Score (MSCI based): 2.0</b> Balance Sheet Score: 5.0 Market Liquidity Score: 2.0	<b>Description:</b> FlatexDEGIRO is a financial services technology company in Germany
	<b>Market Snapshot:</b> EUR m Market cap: 1,483 No. of shares (m): 27 EV: 1,147 Freefloat MC: 749 Ø Trad. Vol. (30d): 3.70 m	<b>Shareholders:</b> Freefloat 50.5 % Management 3.1 % DeGiro founders 27.7 % GfBk mbH 13.4 % Heliad Equity Partners 5.3 %	<b>Key Figures (WRe):</b> 2020e Beta: 1.5 Price / Book: 3.5 x Equity Ratio: 28 %

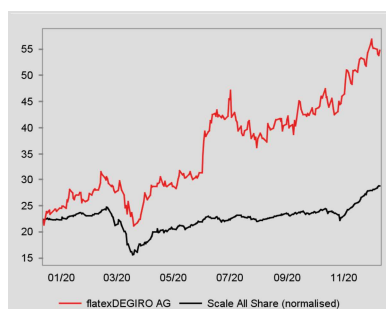
## Flatex next - next stage of growth

flatexDEGIRO launched a more simplified version of its trading app in the German market at the end of November. With flatex next, the company is addressing the broad mass market and initiated a comprehensive marketing campaign.

- The additional market potential with the flatex next approach is expected to exceed 6 million customers. Roughly 1-2 million of those are considered addressable. Those potential customers are currently served by competitors, such as ING, comdirect, DKB or S-broker, which offer less attractive pricing.
- The new app is designed for financially less experienced customers and comprises a reduced range of functions with less technical linguistics.
- Parallel to the market start of flatex next, a broad marketing campaign was initiated. FlatexDEGIRO will use social media marketing and plans to exploit its sponsorship of German football club Borussia Mönchengladbach even further. However, the most relevant marketing tool should be the temporary offering of zero trading fees for six months after opening a new account.
- We expect these additional customers to be less active and dilute the number of trades per customer and year slightly. Nevertheless, they should be value-accretive over time. Our updated estimates reflect some 50k additional customers per year from 2021 onwards with an assumed trading activity of 20 trades per year.

Assessment: The initiation of flatex next should clearly help to accelerate customer growth in Germany. Besides that, the management shared in an analyst call that it was able to increase pricing agreements with five out of seven ETP product providers. On the back of higher pricing power following higher trading volumes, this should help drive revenues per trade and offset marketing expenses for free trades. Overall, assumptions regarding customer development have been increased, leading to rises in the P&L estimates. Therefore, we reiterate our Buy rating with an increased PT of EUR 66.

Changes in Estimates:							Comment on Changes:
FY End: 31.12. in EUR m	2020e (old)	+ / -	2021e (old)	+ / -	2022e (old)	+ / -	
<b>Sales</b>	263	0.0 %	301	3.4 %	348	5.0 %	<ul style="list-style-type: none"> <li>▪ Increase in assumptions regarding customer gains leads to stronger top-line development from 2021 onwards</li> <li>▪ EBITDA and net income growth is assumed to be proportionately higher in light of the high scalability of the business model</li> </ul>
<b>EBITDA</b>	97	0.0 %	127	3.1 %	161	6.5 %	
<b>Net income</b>	49	0.0 %	68	4.1 %	88	8.5 %	
<b>EPS</b>	0	0.0 %	0	4.4 %	0	8.6 %	

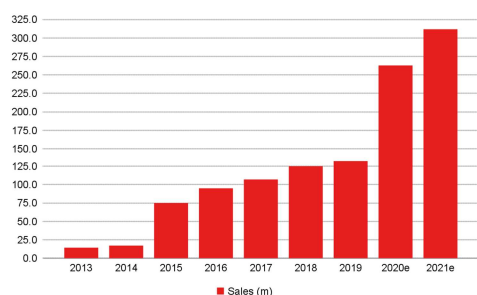


Rel. Performance vs Scale All	
1 month:	-7.9 %
6 months:	6.4 %
Year to date:	94.8 %
Trailing 12 months:	110.8 %

### Company events:

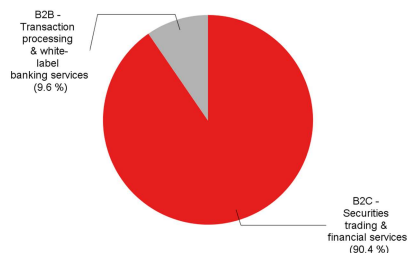
FY End: 31.12. in EUR m	CAGR (19-22e)	2016	2017	2018	2019	2020e	2021e	2022e
<b>Sales</b>	40.4 %	95	107	125	132	263	312	365
Change Sales yoy		26.7 %	12.6 %	16.9 %	5.5 %	99.1 %	18.7 %	17.0 %
Gross profit margin		73.2 %	71.0 %	70.5 %	71.1 %	74.5 %	76.4 %	78.5 %
<b>EBITDA</b>	65.7 %	31	32	42	38	97	131	171
Margin		32.2 %	30.0 %	33.9 %	28.5 %	37.1 %	41.9 %	46.9 %
<b>EBIT</b>	79.6 %	25	26	35	25	76	107	143
Margin		26.8 %	24.7 %	27.6 %	18.8 %	28.8 %	34.3 %	39.3 %
<b>Net income</b>	86.1 %	8	17	21	15	49	71	96
<b>EPS</b>	67.2 %	0.50	0.96	1.08	0.76	1.83	2.62	3.55
<b>EPS adj.</b>	67.2 %	0.97	0.96	1.08	0.76	1.83	2.62	3.55
<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>FCF</b>		-9.11	-0.71	0.06	0.83	1.75	2.90	3.98
<b>FCF / Market cap</b>		-58.3 %	-3.9 %	0.2 %	3.8 %	3.2 %	5.3 %	7.3 %
Book Value / Share		4.50	6.43	8.53	9.29	15.56	18.18	21.73
<b>Price / Book</b>		3.5 x	2.9 x	3.3 x	2.4 x	3.5 x	3.0 x	2.5 x
<b>ROE</b>		11 %	18 %	15 %	9 %	16 %	16 %	18 %
<b>P / E</b>		31.3 x	19.2 x	25.7 x	28.9 x	29.9 x	20.9 x	15.4 x
<b>P / E adj.</b>		16.1 x	19.2 x	25.7 x	28.9 x	29.9 x	20.9 x	15.4 x
<b>Guidance:</b>	pro forma 1.2m customers and 70m transactions							

### Sales development in EUR m



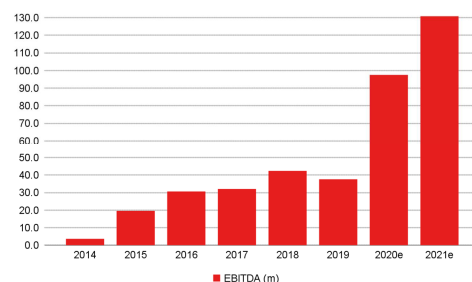
Source: Warburg Research

### Sales by segments 2020e; in %



Source: Warburg Research

### EBITDA development in EUR m



Source: Warburg Research

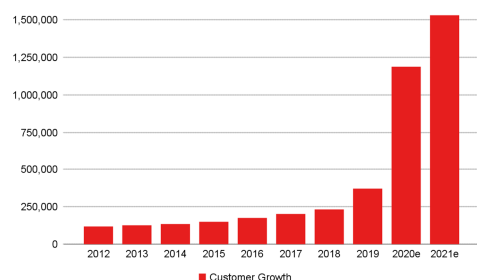
## Company Background

- FlatexDEGIRO is among the market leaders in Germany in the fields of B2C online securities. 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, FlatexDEGIRO 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

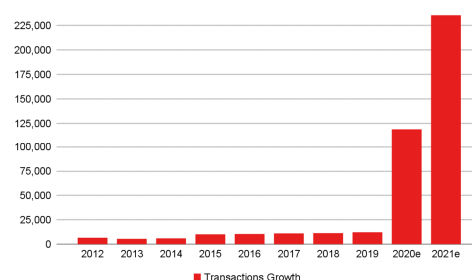
- The acquisition of DeGiro position FlatexDEGIRO in a European leading role in the fields of B2C discount brokerage. This enables the company to leverage high synergies and realise effects of scale.
- FlatexDEGIRO differentiates itself from competitors by offering B2C as well as B2B services, which offers synergy potential
- In the field of B2C, FlatexDEGIRO has a strong competitive position which is supported by its flat fee pricing model
- FlatexDEGIRO 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	263	312	365	412	458	499	534	560	583	600	612	625	637	1.5 %
Sales change	99.1 %	18.7 %	17.0 %	13.0 %	11.0 %	9.0 %	7.0 %	5.0 %	4.0 %	3.0 %	2.0 %	2.0 %	2.0 %	
EBIT	76	107	143	169	192	210	224	235	245	252	257	262	268	42.0 %
EBIT-margin	28.8 %	34.3 %	39.3 %	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	52	77	103	118	135	147	157	165	171	177	180	184	187	
Depreciation	22	24	28	31	32	32	32	28	29	30	31	31	32	5.0 %
in % of Sales	8.3 %	7.6 %	7.6 %	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	5	2	2	1	1	1	1	0	0	0	5.0 %
Change in Liquidity from														
- Working Capital	11	3	4	0	3	2	2	2	1	1	1	1	1	5.0 %
- Capex	13	13	13	21	23	25	27	28	29	30	31	31	32	
Capex in % of Sales	4.8 %	4.0 %	3.5 %	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)	50	84	115	134	143	153	162	164	171	176	179	183	186	189
PV of FCF	50	77	95	102	98	96	92	86	81	76	71	66	61	749
share of PVs	12.34 %			46.07 %										41.59 %

**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	1,052		
Terminal Value	749		
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>1,787</b>	<b>Value per share (EUR)</b>	<b>66.06</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 %	56.89	57.41	57.97	58.55	59.16	59.81	60.50	1.68	10.8 %	56.42	57.13	57.84	58.55	59.26	59.97	60.68
1.59	10.3 %	60.14	60.75	61.40	62.09	62.81	63.58	64.40	1.59	10.3 %	59.83	60.58	61.34	62.09	62.84	63.59	64.34
1.55	10.0 %	61.90	62.56	63.27	64.01	64.81	65.65	66.54	1.55	10.0 %	61.69	62.46	63.24	64.01	64.79	65.56	66.34
1.50	9.8 %	63.75	64.48	65.25	66.06	66.92	67.84	68.83	1.50	9.8 %	63.66	64.46	65.26	66.06	66.86	67.66	68.46
1.45	9.5 %	65.72	66.51	67.35	68.23	69.18	70.19	71.27	1.45	9.5 %	65.76	66.58	67.41	68.23	69.06	69.89	70.71
1.41	9.3 %	67.81	68.67	69.58	70.55	71.59	72.70	73.89	1.41	9.3 %	67.99	68.85	69.70	70.55	71.40	72.26	73.11
1.32	8.8 %	72.38	73.40	74.50	75.67	76.93	78.28	79.73	1.32	8.8 %	72.93	73.84	74.76	75.67	76.59	77.50	78.41

- 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	3.5 x	3.0 x	2.5 x
Book value per share ex intangibles	1.08	2.84	4.30	4.55	5.35	8.24	12.18
EV / Sales	n.a.	0.2 x	n.a.	0.5 x	4.4 x	3.2 x	2.1 x
EV / EBITDA	n.a.	0.7 x	n.a.	1.8 x	11.8 x	7.6 x	4.5 x
EV / EBIT	n.a.	0.8 x	n.a.	2.8 x	15.2 x	9.2 x	5.4 x
EV / EBIT adj.*	n.a.	0.8 x	n.a.	2.8 x	15.2 x	9.2 x	5.4 x
P / FCF	n.a.	n.a.	455.0 x	26.5 x	31.3 x	18.9 x	13.8 x
P / E	31.3 x	19.2 x	25.7 x	28.9 x	29.9 x	20.9 x	15.4 x
P / E adj.*	16.1 x	19.2 x	25.7 x	28.9 x	29.9 x	20.9 x	15.4 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 %	6.6 %	10.4 %	17.3 %
*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	1529840.5	1836865.2
Transactions Growth	10462.5	11104.7	11377.5	12274.5	118756.7	235385.1	109789.3

## 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>263</b>	<b>312</b>	<b>365</b>
Change Sales yoy	26.7 %	12.6 %	16.9 %	5.5 %	99.1 %	18.7 %	17.0 %
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>263</b>	<b>312</b>	<b>365</b>
Material expenses	25	31	37	38	67	73	79
<b>Gross profit</b>	<b>70</b>	<b>76</b>	<b>88</b>	<b>94</b>	<b>196</b>	<b>238</b>	<b>286</b>
<i>Gross profit margin</i>	<i>73.2 %</i>	<i>71.0 %</i>	<i>70.5 %</i>	<i>71.1 %</i>	<i>74.5 %</i>	<i>76.4 %</i>	<i>78.5 %</i>
Personnel expenses	19	23	22	25	46	50	54
Other operating income	0	0	0	0	0	0	0
Other operating expenses	19	21	24	31	52	57	61
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>97</b>	<b>131</b>	<b>171</b>
<i>Margin</i>	<i>32.2 %</i>	<i>30.0 %</i>	<i>33.9 %</i>	<i>28.5 %</i>	<i>37.1 %</i>	<i>41.9 %</i>	<i>46.9 %</i>
Depreciation of fixed assets	2	2	3	6	7	7	8
<b>EBITA</b>	<b>29</b>	<b>30</b>	<b>40</b>	<b>32</b>	<b>91</b>	<b>124</b>	<b>163</b>
Amortisation of intangible assets	3	4	5	7	15	17	19
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>76</b>	<b>107</b>	<b>143</b>
<i>Margin</i>	<i>26.8 %</i>	<i>24.7 %</i>	<i>27.6 %</i>	<i>18.8 %</i>	<i>28.8 %</i>	<i>34.3 %</i>	<i>39.3 %</i>
<b>EBIT adj.</b>	<b>25</b>	<b>26</b>	<b>35</b>	<b>25</b>	<b>76</b>	<b>107</b>	<b>143</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>72</b>	<b>99</b>	<b>133</b>
<i>Margin</i>	<i>25.5 %</i>	<i>23.5 %</i>	<i>25.6 %</i>	<i>16.4 %</i>	<i>27.3 %</i>	<i>31.8 %</i>	<i>36.5 %</i>
Total taxes	4	8	11	7	22	28	37
<b>Net income from continuing operations</b>	<b>20</b>	<b>17</b>	<b>21</b>	<b>15</b>	<b>49</b>	<b>71</b>	<b>96</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>49</b>	<b>71</b>	<b>96</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>49</b>	<b>71</b>	<b>96</b>
<i>Margin</i>	<i>8.9 %</i>	<i>15.7 %</i>	<i>16.8 %</i>	<i>11.3 %</i>	<i>18.8 %</i>	<i>22.7 %</i>	<i>26.3 %</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>1.83</b>	<b>2.62</b>	<b>3.55</b>
EPS adj.	0.97	0.96	1.08	0.76	1.83	2.62	3.55

\*Adjustments made for:

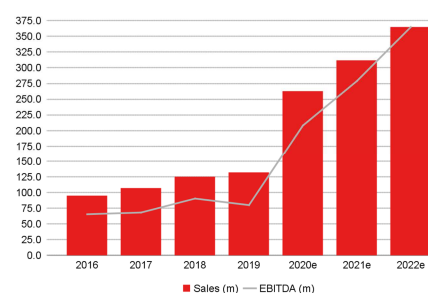
**Guidance: pro forma 1.2m customers and 70m transactions**

## Financial Ratios

	2016	2017	2018	2019	2020e	2021e	2022e
Total Operating Costs / Sales	67.8 %	70.0 %	66.1 %	71.5 %	62.9 %	58.1 %	53.1 %
Operating Leverage	2.0 x	0.3 x	1.8 x	-5.2 x	2.1 x	2.2 x	2.0 x
EBITDA / Interest expenses	19.1 x	24.9 x	19.4 x	12.0 x	24.4 x	16.4 x	17.1 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.

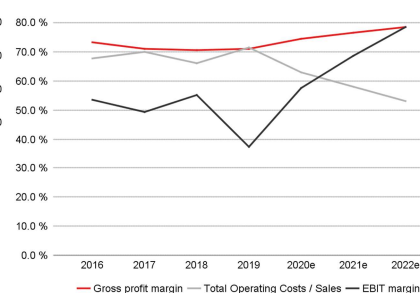
### Sales, EBITDA

in EUR m

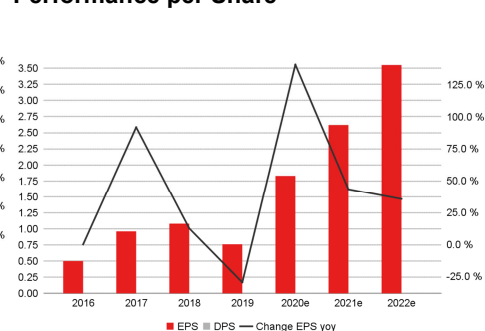


### Operating Performance

in %



### Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

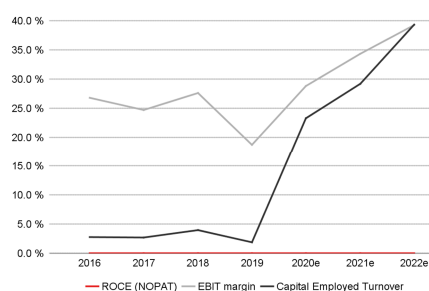
## Consolidated balance sheet

In EUR m	2016	2017	2018	2019	2020e	2021e	2022e
<b>Assets</b>							
Goodwill and other intangible assets	57	63	83	93	276	269	258
thereof other intangible assets	29	8	11	10	194	187	176
thereof Goodwill	29	29	37	37	37	37	37
Property, plant and equipment	6	7	8	16	73	70	65
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>421</b>	<b>409</b>	<b>394</b>
Inventories	0	0	0	0	0	0	0
Accounts receivable	9	8	16	12	25	30	35
Liquid assets	389	397	655	469	464	527	625
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>1,094</b>	<b>1,163</b>	<b>1,265</b>
<b>Total Assets</b>	<b>1,534</b>	<b>1,107</b>	<b>1,228</b>	<b>1,266</b>	<b>1,515</b>	<b>1,572</b>	<b>1,659</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	105	175	271
Other equity components	0	0	0	0	0	0	0
Shareholders' equity	76	113	167	182	421	492	588
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>422</b>	<b>492</b>	<b>588</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	9	10
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>1,071</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>1,515</b>	<b>1,572</b>	<b>1,659</b>

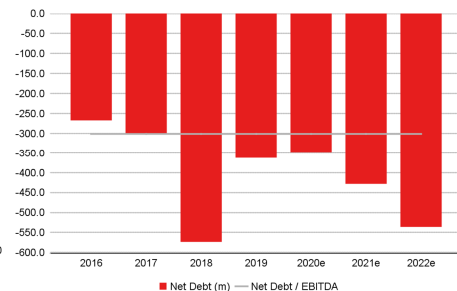
## Financial Ratios

	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	2.9 x	3.4 x	4.0 x
Capital Employed Turnover	-0.5 x	-0.6 x	-0.3 x	-0.7 x	3.7 x	4.9 x	7.0 x
ROA	13.2 %	17.2 %	15.9 %	8.3 %	11.8 %	17.3 %	24.4 %
<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 %	16.4 %	15.5 %	17.8 %
Adj. ROE	22.0 %	17.9 %	15.1 %	8.5 %	16.4 %	15.5 %	17.8 %
<b>Balance sheet quality</b>							
Net Cash	267	302	573	363	350	428	536
	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 %	-87.0 %	-91.1 %
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	15.6	18.2	21.7
Book value per share ex intangibles	1.1	2.8	4.3	4.5	5.3	8.2	12.2

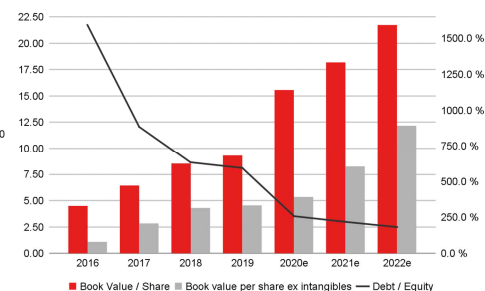
### ROCE Development



### Net debt in EUR m



### Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

## Consolidated cash flow statement

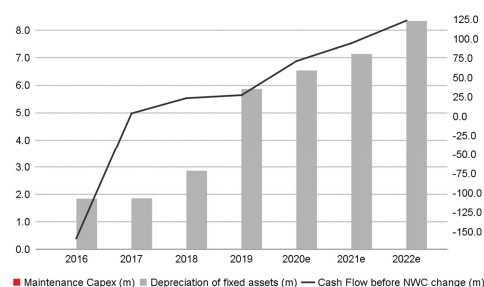
In EUR m	2016	2017	2018	2019	2020e	2021e	2022e
Net income	12	17	21	15	49	71	96
Depreciation of fixed assets	2	2	3	6	7	7	8
Amortisation of goodwill	0	0	0	0	0	0	0
Amortisation of intangible assets	3	4	5	7	15	17	19
Increase/decrease in long-term provisions	3	0	-1	5	0	0	0
Other non-cash income and expenses	-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>71</b>	<b>95</b>	<b>124</b>
Increase / decrease in inventory	1	0	0	0	0	0	0
Increase / decrease in accounts receivable	21	1	-8	3	-13	-5	-5
Increase / decrease in accounts payable	-8	-5	2	3	2	1	2
Increase / decrease in other working capital positions	0	0	0	16	0	0	0
Increase / decrease in working capital (total)	15	-4	-6	22	-11	-3	-4
<b>Net cash provided by operating activities [1]</b>	<b>-144</b>	<b>0</b>	<b>17</b>	<b>49</b>	<b>60</b>	<b>91</b>	<b>120</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>-5</b>	<b>64</b>	<b>98</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>11</b>	<b>74</b>	<b>172</b>

## Financial Ratios

	2016	2017	2018	2019	2020e	2021e	2022e
<b>Cash Flow</b>							
FCF	-153	-12	1	16	47	79	108
Free Cash Flow / Sales	-161.2 %	-11.7 %	1.0 %	12.3 %	18.0 %	25.2 %	29.5 %
Free Cash Flow Potential	19	24	31	31	75	103	134
Free Cash Flow / Net Profit	-1819.4 %	-74.3 %	5.7 %	109.2 %	95.7 %	111.0 %	112.1 %
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 %	4.8 %	4.0 %	3.5 %
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 %	57.8 %	52.9 %	45.3 %
Avg. Working Capital / Sales	10.9 %	4.7 %	7.9 %	7.4 %	4.7 %	6.3 %	6.4 %
Trade Debtors / Trade Creditors	146.1 %	788.5 %	558.0 %	219.0 %	350.0 %	351.8 %	350.0 %
Inventory Turnover	76.3 x	92.8 x	196.0 x	385.6 x	677.1 x	741.8 x	793.0 x
Receivables collection period (days)	33	26	45	34	35	35	35
Payables payment period (days)	84	11	28	53	39	42	46
Cash conversion cycle (Days)	-46	18	20	-19	-4	-7	-11

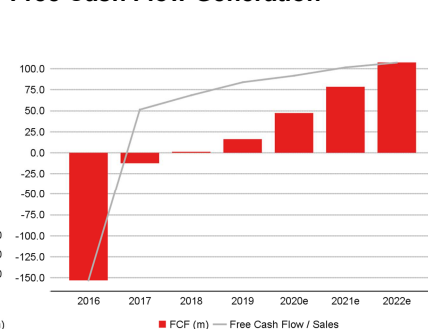
## CAPEX and Cash Flow

in EUR m



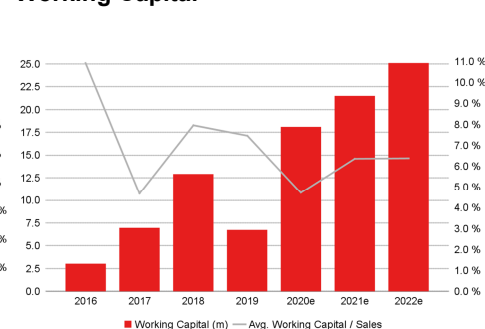
Source: Warburg Research

## Free Cash Flow Generation



Source: Warburg Research

## Working Capital



Source: Warburg Research

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Company	Disclosure	Link to the historical price targets and rating changes (last 12 months)
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Investment recommendation: expected direction of the share price development of the financial instrument up to the given price target in the opinion of the analyst who covers this financial instrument.

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

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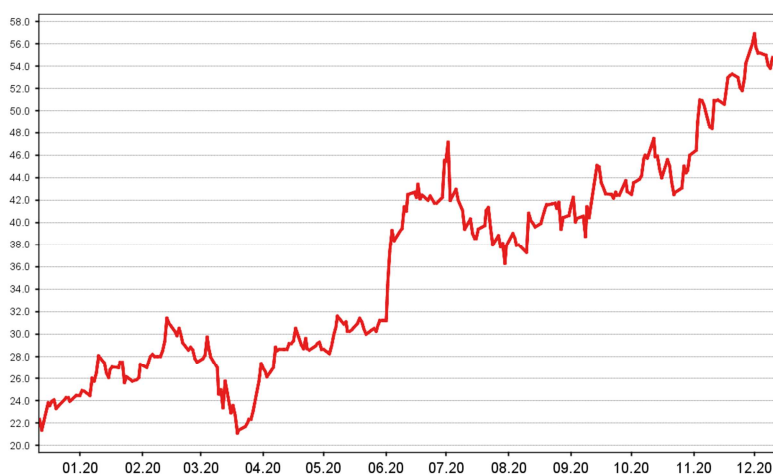
Rating	Number of stocks	% of Universe
Buy	131	64
Hold	59	29
Sell	8	4
Rating suspended	6	3
<b>Total</b>	<b>204</b>	<b>100</b>

## 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	37	84
Hold	5	11
Sell	0	0
Rating suspended	2	5
<b>Total</b>	<b>44</b>	<b>100</b>

## PRICE AND RATING HISTORY FLATEXDEGIRO AS OF 11.12.2020



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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