

<b>Buy</b>  <b>EUR 115.00</b> (EUR 105.00)  Price <b>EUR 89.45</b> <b>Upside 28.6 %</b>	<b>Value Indicators:</b> EUR DCF: 114.92	<b>Warburg ESG Risk Score: 3.0</b> ESG Score (MSCI based): 2.0 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: 2,440 No. of shares (m): 27 EV: 1,287 Freefloat MC: 1,232 Ø Trad. Vol. (30d): 5.70 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> 2021e Beta: 1.4 Price / Book: 4.4 x Equity Ratio: 19 %

## Excellent operative development and growth prospects

FlatexDEGIRO Q4/2020					
in EUR m	2020	2020e	2019	yoy Consensus	
<b>Sales</b>	261.5	262.8	132.0	98.2%	251.0
<b>EBITDA</b>	98.4	97.5	37.6	161.9%	99.1
<i>margin</i>	37.6%	37.1%	28.5%		39.5%
<b>EBITDA adjusted</b>	114.0	97.5	37.6	203.2%	99.1
<i>margin</i>	43.6%	37.1%	28.5%		39.5%
<b>Net income</b>	49.9	50.9	14.9	235.3%	50.2
<i>margin</i>	19.1%	19.4%	11.3%		20.0%

### Comment on Figures:

- Final 2020 figures in line with detailed preliminary figures
- Adjusted EBITDA figures were adjusted for costs of EUR 15.5m related to the new long-term incentive programme
- Sales nearly doubled to EUR 261.5m in 2020 owing to strong customer growth, a favourable market environment and consolidation of DeGiro,
- The high scalability becomes visible in proportionately greater EBITDA and net income growth

FlatexDEGIRO published its final 2020 annual report. Final figures were in line with preliminaries. The strong operative performance of the company is underlined by a strong net customer growth of +450k to more than 1.25m per end of 2020. The average number of trades came in at a record high of 73, resulting in a total of more than 75 executed transactions (+138.7% yoy on a pro forma basis).

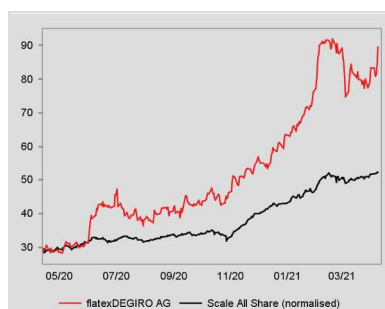
As a result of strong transaction growth, sales also grew significantly by +98.2% yoy to EUR 261.5m. The proportionately greater EBITDA growth demonstrates the high scalability of the business model. Even including the costs for the newly established share-based long-term incentive programme, EBITDA grew by +161.9% to EUR 98.4. The costs of this programme amounted to EUR 15.5m in 2020, which we did not originally account for, but EBITDA met our expectations nonetheless, due to lower than assumed transaction and marketing costs. Our updated model incorporates higher personnel costs going forward as we assume the share-based programme will result in comparable costs in 2022e. However, with lower trading and customer acquisition costs, profitability should increase overall.

Assessment: FlatexDEGIRO performed very well in a highly favourable market environment, resulting in impressive 2020 figures. However, 2021 got off to an even stronger start and the trading patterns already published appear highly promising (record January and record single trading day in February). Therefore Q1 should be another record quarter with strong transaction and customer growth. The company expects its addressable market of 65m customers to double in the mid term, in line with the strong increase in general interest in capital markets. Overall, growth prospects remain bright. Our PT rises on the back of higher margin assumptions and the roll-forward of the financial model.

Changes in Estimates:						
FY End: 31.12. in EUR m	2021e (old)	+ / -	2022e (old)	+ / -	2023e (old)	+ / -
<b>Sales</b>	407	0.0 %	477	-1.4 %	n.a.	n.m.
<b>EBITDA</b>	173	9.4 %	242	2.9 %	n.a.	n.m.
<b>Net income</b>	102	11.6 %	149	3.4 %	n.a.	n.m.

### Comment on Changes:

- First inclusion of detailed 2023 estimates
- Financial model rolled forward
- High scalability of the business model should lead to faster margin expansion than originally expected.



Rel. Performance vs Scale All	
1 month:	4.6 %
6 months:	39.6 %
Year to date:	19.3 %
Trailing 12 months:	130.1 %

Company events:	
28.04.21	FY 2020
04.05.21	Q1
31.08.21	Q2
09.11.21	Q3

FY End: 31.12. in EUR m	CAGR (20-23e)	2017	2018	2019	2020	2021e	2022e	2023e
<b>Sales</b>	25.8 %	107	125	132	261	407	470	520
Change Sales yoy		12.6 %	16.9 %	5.5 %	98.2 %	55.5 %	15.6 %	10.6 %
Gross profit margin		71.0 %	70.5 %	71.1 %	81.1 %	85.8 %	87.8 %	88.5 %
<b>EBITDA</b>	42.1 %	32	42	38	98	190	249	282
Margin		30.0 %	33.9 %	28.5 %	37.6 %	46.7 %	52.9 %	54.3 %
<b>EBIT</b>	50.5 %	26	35	25	74	166	221	251
Margin		24.7 %	27.6 %	18.8 %	28.2 %	40.8 %	47.0 %	48.3 %
<b>Net income</b>	52.3 %	17	21	15	50	114	154	176
<b>EPS</b>	44.1 %	0.96	1.08	0.76	2.16	4.17	5.65	6.46
<b>EPS adj.</b>	44.1 %	0.96	1.08	0.76	2.16	4.17	5.65	6.46
<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>		-0.71	0.06	0.83	5.41	3.69	6.05	7.01
<b>FCF / Market cap</b>		-3.9 %	0.2 %	3.8 %	14.2 %	4.1 %	6.8 %	7.8 %
Book Value / Share		6.43	8.53	9.29	16.33	20.50	26.15	32.61
<b>Price / Book</b>		2.9 x	3.3 x	2.4 x	2.0 x	4.4 x	3.4 x	2.7 x
<b>ROE</b>		18 %	15 %	9 %	16 %	23 %	24 %	22 %
<b>P / E</b>		19.2 x	25.7 x	28.9 x	17.6 x	21.5 x	15.8 x	13.8 x
<b>P / E adj.</b>		19.2 x	25.7 x	28.9 x	17.6 x	21.5 x	15.8 x	13.8 x

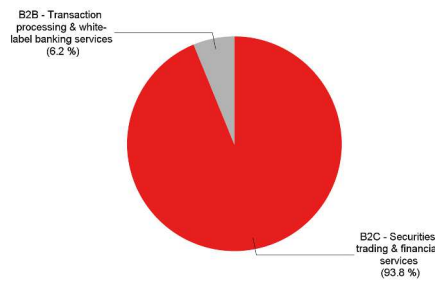
**Guidance:** 1.8-2m customers and 75-90m transactions

**Sales development**  
in EUR m



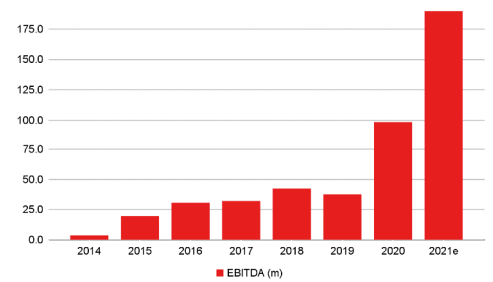
Source: Warburg Research

**Sales by segments**  
2021e; in %



Source: Warburg Research

**EBITDA development**  
in EUR m



Source: Warburg Research

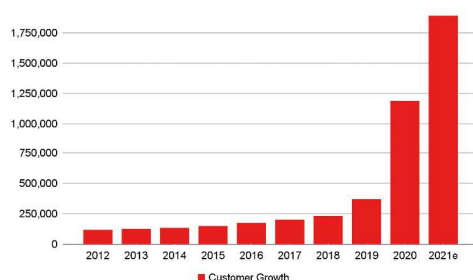
**Company Background**

- 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**

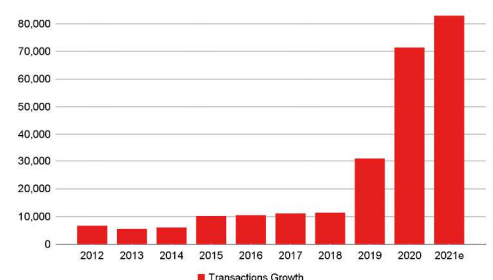
- The acquisition of DeGiro position FlatexDEGIRO in a European leading role in the fields of B2C discount brokerage. This enables the company to leverage high synergies and realise effects of scale.
- FlatexDEGIRO differentiates itself from competitors by offering B2C as well as B2B services, which 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
	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	
Sales	407	470	520	572	624	674	721	764	802	830	847	860	873	
Sales change	55.5 %	15.6 %	10.6 %	10.0 %	9.0 %	8.0 %	7.0 %	6.0 %	5.0 %	3.5 %	2.0 %	1.5 %	1.5 %	1.5 %
EBIT	166	221	251	286	312	337	360	382	401	415	423	430	436	
EBIT-margin	40.8 %	47.0 %	48.3 %	50.0 %	50.0 %	50.0 %	50.0 %	50.0 %	50.0 %	50.0 %	50.0 %	50.0 %	50.0 %	
Tax rate (EBT)	28.0 %	27.0 %	27.0 %	27.0 %	27.0 %	27.0 %	27.0 %	27.0 %	2.0 %	27.0 %	27.0 %	27.0 %	27.0 %	
NOPAT	119	161	184	209	228	246	263	279	393	303	309	314	318	
Depreciation	24	28	31	29	31	34	36	38	40	42	42	43	44	
in % of Sales	5.9 %	5.9 %	5.9 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	
Changes in provisions	0	0	0	8	2	2	2	2	2	1	0	0	0	
Change in Liquidity from														
- Working Capital	24	4	3	-1	3	3	3	3	2	2	1	1	1	
- Capex	13	13	13	29	31	34	36	38	40	42	42	43	44	
Capex in % of Sales	3.1 %	2.7 %	2.4 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	
Free Cash Flow (WACC Model)	106	172	198	218	227	245	262	278	392	303	308	313	317	321
PV of FCF	100	149	157	158	150	149	146	142	183	129	120	112	104	1,368
share of PVs	12.82 %			43.99 %										43.19 %

## Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	0.00 %	Financial Strength	1.30
Cost of debt (after tax)	2.1 %	Liquidity (share)	1.30
Market return	7.00 %	Cyclicality	1.60
Risk free rate	1.50 %	Transparency	1.40
		Others	1.40
<b>WACC</b>	<b>9.20 %</b>	<b>Beta</b>	<b>1.40</b>

## Valuation (m)

Present values 2033e	1,799		
Terminal Value	1,368		
Financial liabilities	29		
Pension liabilities	15		
Hybrid capital	0		
Minority interest	1		
Market val. of investments	0		
Liquidity	11	No. of shares (m)	27.3
<b>Equity Value</b>	<b>3,134</b>	<b>Value per share (EUR)</b>	<b>114.92</b>

## Sensitivity Value per Share (EUR)

Beta	WACC	Terminal Growth							Beta	WACC	Delta EBIT-margin						
		0.75 %	1.00 %	1.25 %	1.50 %	1.75 %	2.00 %	2.25 %			-1.5 pp	-1.0 pp	-0.5 pp	+0.0 pp	+0.5 pp	+1.0 pp	+1.5 pp
1.58	10.2 %	97.43	98.42	99.46	100.57	101.74	102.98	104.30	1.58	10.2 %	97.47	98.50	99.54	100.57	101.60	102.63	103.66
1.49	9.7 %	103.58	104.75	105.99	107.30	108.70	110.19	111.78	1.49	9.7 %	104.01	105.11	106.20	107.30	108.40	109.50	110.60
1.45	9.5 %	106.92	108.20	109.55	110.99	112.52	114.16	115.91	1.45	9.5 %	107.59	108.72	109.86	110.99	112.13	113.26	114.40
1.40	9.2 %	110.47	111.87	113.35	114.92	116.61	118.41	120.34	1.40	9.2 %	111.40	112.57	113.75	114.92	116.10	117.27	118.45
1.35	9.0 %	114.24	115.77	117.39	119.12	120.98	122.96	125.10	1.35	9.0 %	115.47	116.69	117.91	119.12	120.34	121.56	122.77
1.31	8.7 %	118.25	119.93	121.71	123.62	125.66	127.86	130.23	1.31	8.7 %	119.83	121.09	122.36	123.62	124.88	126.14	127.40
1.22	8.2 %	127.10	129.13	131.30	133.62	136.14	138.85	141.79	1.22	8.2 %	129.54	130.90	132.26	133.62	134.99	136.35	137.71

- 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	2017	2018	2019	2020	2021e	2022e	2023e
Price / Book	2.9 x	3.3 x	2.4 x	2.0 x	4.4 x	3.4 x	2.7 x
Book value per share ex intangibles	2.84	4.30	4.55	2.05	6.41	12.34	19.15
EV / Sales	0.2 x	n.a.	0.5 x	n.a.	3.2 x	2.2 x	1.3 x
EV / EBITDA	0.7 x	n.a.	1.8 x	n.a.	6.8 x	4.1 x	2.4 x
EV / EBIT	0.8 x	n.a.	2.8 x	n.a.	7.8 x	4.6 x	2.6 x
EV / EBIT adj.*	0.8 x	n.a.	2.8 x	n.a.	7.8 x	4.6 x	2.6 x
P / FCF	n.a.	455.0 x	26.5 x	7.0 x	24.2 x	14.8 x	12.8 x
P / E	19.2 x	25.7 x	28.9 x	17.6 x	21.5 x	15.8 x	13.8 x
P / E adj.*	19.2 x	25.7 x	28.9 x	17.6 x	21.5 x	15.8 x	13.8 x
Dividend Yield	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
FCF Potential Yield (on market EV)	113.3 %	-105.8 %	45.3 %	-40.8 %	11.3 %	18.8 %	32.6 %

\*Adjustments made for: -

Company Specific Items	2017	2018	2019	2020	2021e	2022e	2023e
Customer Growth	201700.4	231955.5	370490.0	1187891.3	1891651.4	2311324.6	250000.0
Transactions Growth	11104.7	11377.5	30874.5	71404.2	82927.6	95096.6	157.3

**Consolidated profit & loss**

In EUR m	2017	2018	2019	2020	2021e	2022e	2023e
<b>Sales</b>	<b>107</b>	<b>125</b>	<b>132</b>	<b>261</b>	<b>407</b>	<b>470</b>	<b>520</b>
Change Sales yoy	12.6 %	16.9 %	5.5 %	98.2 %	55.5 %	15.6 %	10.6 %
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>107</b>	<b>125</b>	<b>132</b>	<b>261</b>	<b>407</b>	<b>470</b>	<b>520</b>
Material expenses	31	37	38	49	58	58	60
<b>Gross profit</b>	<b>76</b>	<b>88</b>	<b>94</b>	<b>212</b>	<b>349</b>	<b>413</b>	<b>460</b>
<i>Gross profit margin</i>	<i>71.0 %</i>	<i>70.5 %</i>	<i>71.1 %</i>	<i>81.1 %</i>	<i>85.8 %</i>	<i>87.8 %</i>	<i>88.5 %</i>
Personnel expenses	23	22	25	66	81	84	91
Other operating income	0	0	0	0	0	0	0
Other operating expenses	21	24	31	47	79	80	87
Unfrequent items	0	0	0	0	0	0	0
<b>EBITDA</b>	<b>32</b>	<b>42</b>	<b>38</b>	<b>98</b>	<b>190</b>	<b>249</b>	<b>282</b>
<i>Margin</i>	<i>30.0 %</i>	<i>33.9 %</i>	<i>28.5 %</i>	<i>37.6 %</i>	<i>46.7 %</i>	<i>52.9 %</i>	<i>54.3 %</i>
Depreciation of fixed assets	2	3	6	9	10	11	12
<b>EBITA</b>	<b>30</b>	<b>40</b>	<b>32</b>	<b>90</b>	<b>180</b>	<b>238</b>	<b>270</b>
Amortisation of intangible assets	4	5	7	11	14	17	18
Goodwill amortisation	0	0	0	5	0	0	0
<b>EBIT</b>	<b>26</b>	<b>35</b>	<b>25</b>	<b>74</b>	<b>166</b>	<b>221</b>	<b>251</b>
<i>Margin</i>	<i>24.7 %</i>	<i>27.6 %</i>	<i>18.8 %</i>	<i>28.2 %</i>	<i>40.8 %</i>	<i>47.0 %</i>	<i>48.3 %</i>
<b>EBIT adj.</b>	<b>26</b>	<b>35</b>	<b>25</b>	<b>74</b>	<b>166</b>	<b>221</b>	<b>251</b>
Interest income	0	0	0	0	0	0	0
Interest expenses	1	2	3	4	8	10	10
Other financial income (loss)	0	0	0	0	0	0	0
<b>EBT</b>	<b>25</b>	<b>32</b>	<b>22</b>	<b>70</b>	<b>158</b>	<b>211</b>	<b>241</b>
<i>Margin</i>	<i>23.5 %</i>	<i>25.6 %</i>	<i>16.4 %</i>	<i>26.7 %</i>	<i>38.9 %</i>	<i>44.9 %</i>	<i>46.4 %</i>
Total taxes	8	11	7	20	44	57	65
<b>Net income from continuing operations</b>	<b>17</b>	<b>21</b>	<b>15</b>	<b>50</b>	<b>114</b>	<b>154</b>	<b>176</b>
Income from discontinued operations (net of tax)	0	0	0	0	0	0	0
<b>Net income before minorities</b>	<b>17</b>	<b>21</b>	<b>15</b>	<b>50</b>	<b>114</b>	<b>154</b>	<b>176</b>
Minority interest	0	0	0	0	0	0	0
<b>Net income</b>	<b>17</b>	<b>21</b>	<b>15</b>	<b>50</b>	<b>114</b>	<b>154</b>	<b>176</b>
<i>Margin</i>	<i>15.7 %</i>	<i>16.8 %</i>	<i>11.3 %</i>	<i>19.1 %</i>	<i>28.0 %</i>	<i>32.8 %</i>	<i>33.9 %</i>
Number of shares, average	18	20	20	23	27	27	27
<b>EPS</b>	<b>0.96</b>	<b>1.08</b>	<b>0.76</b>	<b>2.16</b>	<b>4.17</b>	<b>5.65</b>	<b>6.46</b>
EPS adj.	0.96	1.08	0.76	2.16	4.17	5.65	6.46

\*Adjustments made for:

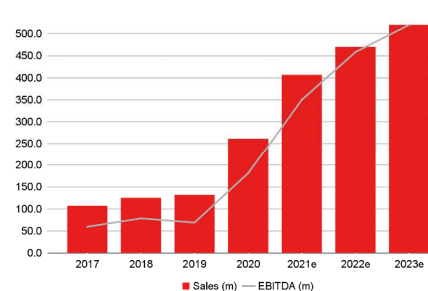
**Guidance: 1.8-2m customers and 75-90m transactions**

**Financial Ratios**

	2017	2018	2019	2020	2021e	2022e	2023e
Total Operating Costs / Sales	70.0 %	66.1 %	71.5 %	62.4 %	53.3 %	47.1 %	45.7 %
Operating Leverage	0.3 x	1.8 x	-5.2 x	2.0 x	2.3 x	2.1 x	1.3 x
EBITDA / Interest expenses	24.9 x	19.4 x	12.0 x	25.1 x	24.0 x	24.9 x	28.2 x
Tax rate (EBT)	32.5 %	34.3 %	31.1 %	28.5 %	28.0 %	27.0 %	27.0 %
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.

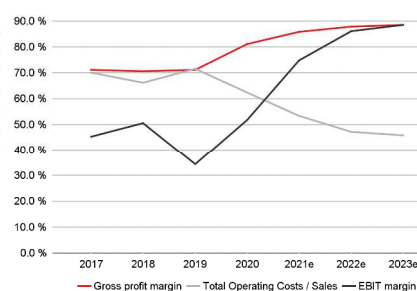
**Sales, EBITDA**

in EUR m

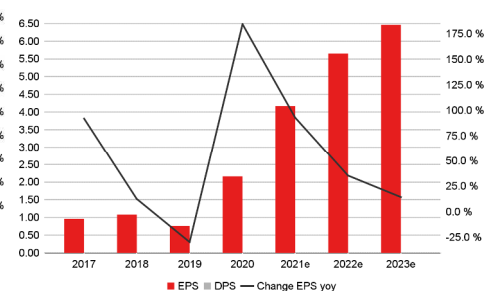


**Operating Performance**

in %



**Performance per Share**



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

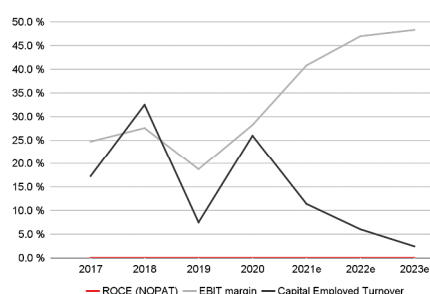
## Consolidated balance sheet

In EUR m	2017	2018	2019	2020	2021e	2022e	2023e
<b>Assets</b>							
Goodwill and other intangible assets	63	83	93	389	384	376	367
thereof other intangible assets	8	11	10	159	154	146	137
thereof Goodwill	29	37	37	183	183	183	183
Property, plant and equipment	7	8	16	33	27	19	11
Financial assets	1	1	1	1	1	1	1
Other long-term assets	26	41	69	138	138	138	138
<b>Fixed assets</b>	<b>97</b>	<b>132</b>	<b>180</b>	<b>561</b>	<b>550</b>	<b>535</b>	<b>517</b>
Inventories	0	0	0	0	0	0	0
Accounts receivable	8	16	12	14	39	45	50
Liquid assets	397	655	469	1,255	1,337	1,492	1,683
Other short-term assets	605	424	605	988	988	988	988
<b>Current assets</b>	<b>1,010</b>	<b>1,095</b>	<b>1,086</b>	<b>2,257</b>	<b>2,364</b>	<b>2,525</b>	<b>2,721</b>
<b>Total Assets</b>	<b>1,107</b>	<b>1,228</b>	<b>1,266</b>	<b>2,818</b>	<b>2,914</b>	<b>3,060</b>	<b>3,238</b>
<b>Liabilities and shareholders' equity</b>							
Subscribed capital	18	19	20	27	27	27	27
Capital reserve	68	101	107	311	311	311	311
Retained earnings	28	47	55	107	221	375	551
Other equity components	0	0	0	0	0	0	0
Shareholders' equity	113	167	182	445	559	713	889
Minority interest	0	0	1	1	1	1	1
<b>Total equity</b>	<b>113</b>	<b>167</b>	<b>182</b>	<b>446</b>	<b>560</b>	<b>714</b>	<b>890</b>
Provisions	18	19	31	78	78	78	78
thereof provisions for pensions and similar obligations	7	6	11	15	15	15	15
Financial liabilities (total)	88	75	95	171	152	142	142
thereof short-term financial liabilities	61	57	72	97	97	97	97
Accounts payable	1	3	6	10	11	13	14
Other liabilities	888	964	952	2,114	2,114	2,114	2,114
<b>Liabilities</b>	<b>995</b>	<b>1,061</b>	<b>1,084</b>	<b>2,372</b>	<b>2,354</b>	<b>2,346</b>	<b>2,348</b>
<b>Total liabilities and shareholders' equity</b>	<b>1,107</b>	<b>1,228</b>	<b>1,266</b>	<b>2,818</b>	<b>2,914</b>	<b>3,060</b>	<b>3,238</b>

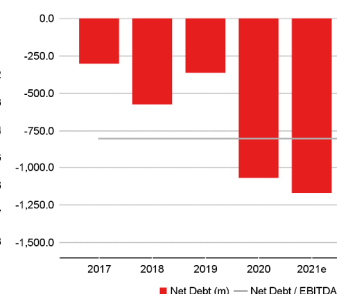
## Financial Ratios

	2017	2018	2019	2020	2021e	2022e	2023e
<b>Efficiency of Capital Employment</b>							
Operating Assets Turnover	7.7 x	6.1 x	5.7 x	7.2 x	7.4 x	9.1 x	11.2 x
Capital Employed Turnover	-0.6 x	-0.3 x	-0.7 x	-0.4 x	-0.7 x	-0.8 x	-0.8 x
ROA	17.2 %	15.9 %	8.3 %	8.9 %	20.7 %	28.8 %	34.1 %
<b>Return on Capital</b>							
ROCE (NOPAT)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
ROE	17.9 %	15.1 %	8.5 %	15.9 %	22.7 %	24.2 %	22.0 %
Adj. ROE	17.9 %	15.1 %	8.5 %	15.9 %	22.7 %	24.2 %	22.0 %
<b>Balance sheet quality</b>							
Net Cash	302	573	363	1,070	1,170	1,335	1,526
	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Net Gearing	-268.1 %	-342.9 %	-199.0 %	-240.0 %	-209.1 %	-187.1 %	-171.5 %
Net Fin. Debt / EBITDA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Book Value / Share	6.4	8.5	9.3	16.3	20.5	26.1	32.6
Book value per share ex intangibles	2.8	4.3	4.5	2.0	6.4	12.3	19.2

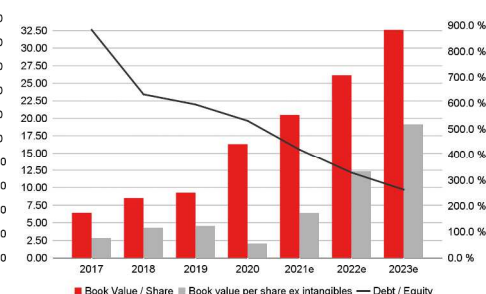
### ROCE Development



### Net debt in EUR m



### Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

## Consolidated cash flow statement

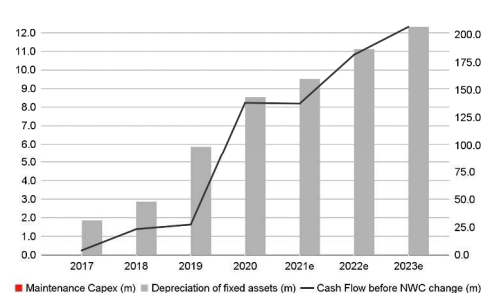
In EUR m	2017	2018	2019	2020	2021e	2022e	2023e
Net income	17	21	15	50	114	154	176
Depreciation of fixed assets	2	3	6	9	10	11	12
Amortisation of goodwill	0	0	0	5	0	0	0
Amortisation of intangible assets	4	5	7	11	14	17	18
Increase/decrease in long-term provisions	0	-1	5	4	0	0	0
Other non-cash income and expenses	-18	-4	-5	60	0	0	0
<b>Cash Flow before NWC change</b>	<b>4</b>	<b>23</b>	<b>27</b>	<b>138</b>	<b>138</b>	<b>182</b>	<b>207</b>
Increase / decrease in inventory	0	0	0	0	0	0	0
Increase / decrease in accounts receivable	1	-8	3	-2	-25	-6	-5
Increase / decrease in accounts payable	-5	2	3	5	1	2	1
Increase / decrease in other working capital positions	0	0	16	0	0	0	0
Increase / decrease in working capital (total)	-4	-6	22	3	-24	-4	-3
<b>Net cash provided by operating activities [1]</b>	<b>0</b>	<b>17</b>	<b>49</b>	<b>141</b>	<b>113</b>	<b>178</b>	<b>204</b>
Investments in intangible assets	-9	-13	0	-9	-9	-9	-9
Investments in property, plant and equipment	-3	-3	-15	-25	-4	-4	-4
Payments for acquisitions	0	0	0	-298	0	0	0
Financial investments	0	0	0	0	0	0	0
Income from asset disposals	0	-11	0	0	0	0	0
<b>Net cash provided by investing activities [2]</b>	<b>-13</b>	<b>-28</b>	<b>-33</b>	<b>-315</b>	<b>-13</b>	<b>-13</b>	<b>-13</b>
Change in financial liabilities	15	-6	1	-7	-19	-10	0
Dividends paid	0	0	0	0	0	0	0
Purchase of own shares	0	0	0	0	0	0	0
Capital measures	18	35	6	192	0	0	0
Other	-13	3	-3	22	0	0	0
<b>Net cash provided by financing activities [3]</b>	<b>20</b>	<b>32</b>	<b>4</b>	<b>206</b>	<b>-19</b>	<b>-10</b>	<b>0</b>
<b>Change in liquid funds [1]+[2]+[3]</b>	<b>8</b>	<b>22</b>	<b>20</b>	<b>33</b>	<b>82</b>	<b>155</b>	<b>191</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>22</b>	<b>285</b>	<b>32</b>	<b>49</b>	<b>93</b>	<b>248</b>	<b>439</b>

## Financial Ratios

	2017	2018	2019	2020	2021e	2022e	2023e
<b>Cash Flow</b>							
FCF	-12	1	16	125	101	165	191
Free Cash Flow / Sales	-11.7 %	1.0 %	12.3 %	47.8 %	24.8 %	35.1 %	36.7 %
Free Cash Flow Potential	24	31	31	78	146	192	217
Free Cash Flow / Net Profit	-74.3 %	5.7 %	109.2 %	250.3 %	88.5 %	107.1 %	108.4 %
Interest Received / Avg. Cash	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Interest Paid / Avg. Debt	1.3 %	2.7 %	3.7 %	2.9 %	4.9 %	6.8 %	7.0 %
<b>Management of Funds</b>							
Investment ratio	11.8 %	13.0 %	11.0 %	13.1 %	3.1 %	2.7 %	2.4 %
Maint. Capex / Sales	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Capex / Dep	225.2 %	208.5 %	113.3 %	138.5 %	52.9 %	45.3 %	40.9 %
Avg. Working Capital / Sales	4.7 %	7.9 %	7.4 %	2.0 %	3.9 %	6.4 %	6.5 %
Trade Debtors / Trade Creditors	788.5 %	558.0 %	219.0 %	134.1 %	351.4 %	349.6 %	349.0 %
Inventory Turnover	92.8 x	196.0 x	385.6 x	6180.8 x	7224.2 x	7199.1 x	7474.4 x
Receivables collection period (days)	26	45	34	20	35	35	35
Payables payment period (days)	11	28	53	77	70	82	87
Cash conversion cycle (Days)	18	20	-19	-58	-35	-47	-52

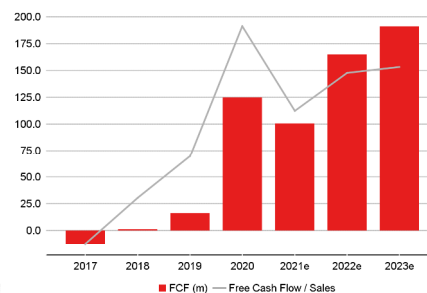
### CAPEX and Cash Flow

in EUR m



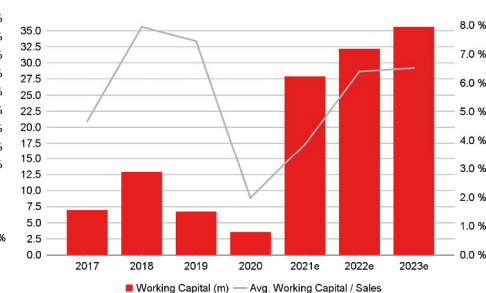
Source: Warburg Research

### 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.
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“-“	<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	135	65
Hold	62	30
Sell	5	2
Rating suspended	5	2
<b>Total</b>	<b>207</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	38	79
Hold	7	15
Sell	0	0
Rating suspended	3	6
<b>Total</b>	<b>48</b>	<b>100</b>

**PRICE AND RATING HISTORY FLATEXDEGIRO AS OF 12.04.2021**



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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