

<b>Buy</b>  <b>EUR 62.00</b> (EUR 57.00)  Price <b>EUR 40.45</b> <b>Upside 53.3 %</b>	Value Indicators:	EUR	Share data:	Description:
	DCF:	62.01	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:	1,094	Freefloat 50.5 % Management 3.1 % DeGiro founders 27.7 % GfBk mbH 13.4 % Heliad Equity Partners 5.3 %	2020e Beta: 1.5 Price / Book: 2.6 x Equity Ratio: 28 %
	No. of shares (m):	27		
	EV:	759		
	Freefloat MC:	553		
	Ø Trad. Vol. (30d):	2.30 m		

## Guidance upgrade reflected in higher customer growth assumptions; PT up

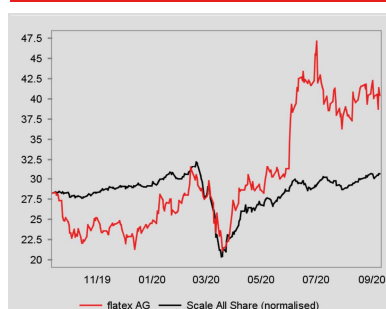
Stated Figures Q2/2020:							Comment on Figures:
in EUR m	6M/20	6M/19	yoy	2020e	2019	yoy	
<b>Sales</b>	<b>99.8</b>	64.4	55.1%	262.8	132.0	99.1%	<ul style="list-style-type: none"> <li>Final figures for sales and EBITDA in line with preliminaries published mid-July</li> <li>Strong top-line growth is the result of high trading activities of B2C brokerage customers in light of high market volatilities</li> <li>Higher EBITDA and EBIT growth is the result of a highly scalable business model</li> </ul>
<b>EBITDA</b>	<b>42.7</b>	19.7	116.3%	97.5	37.6	159.4%	
<i>margin</i>	<i>42.8%</i>	<i>30.7%</i>		<i>37.1%</i>	<i>28.5%</i>		
<b>EBIT</b>	<b>35.8</b>	13.8	159.6%	75.7	24.8	205.8%	
<i>margin</i>	<i>35.9%</i>	<i>21.4%</i>		<i>28.8%</i>	<i>18.8%</i>		
<b>Net income</b>	<b>22.4</b>	8.5	161.8%	49.4	14.9	232.2%	
<i>margin</i>	<i>22.4%</i>	<i>13.3%</i>		<i>18.8%</i>	<i>11.3%</i>		
<b>EPS in EUR</b>	<b>1.14</b>	0.44	159.1%	1.83	0.76	140.8%	

After the publication of the final figures for the first half of the year and a significant guidance upgrade, our financial model is adjusted accordingly, leading to a higher PT.

- The guidance was increased again to 1.2m customers and 70m transactions (was 50m transactions) and reflects the favourable market environment for online brokerage services, which has continued so far in H2 as market volatilities remain high.
- While the high trading activity for 2020e (guidance implies some 58 trades per customer and year) should be seen as unique, a lower range of some 30-40 trades per customer and year appears more likely going forward.
- The newly published five-year guidance for at least 3m customers and 100m transactions shall be reached organically. However, with our estimates of 1.2m customers in 2020e, this would require average gains of 360k new customers per year. Even though our assumptions were lifted, we assume a slightly lower run-rate, pointing to 2.5m customers in 2025e.

Assessment: The increased guidance for 2020e and the newly published guidance for 2025 should be regarded as strong signs from flatex. Even though we assume that the current very favourable market conditions will normalise, the company is well positioned to grow its business strongly on a European basis. Therefore, our assumptions for customer and top-line growth are lifted, leading to our new PT of EUR 62. Buy.

Changes in Estimates:							Comment on Changes:
FY End: 31.12. in EUR m	2020e (old)	+ / -	2021e (old)	+ / -	2022e (old)	+ / -	
<b>Sales</b>	251	4.9 %	296	1.7 %	344	1.0 %	<ul style="list-style-type: none"> <li>High trading activity in 2020 leads to higher top-line assumptions</li> <li>Lower assumptions on revenues per trade at DeGiro incorporated</li> <li>Mid-term sales growth assumptions after 2022e lifted</li> <li>Lower EBITDA development in 2021e is the result of strong customer growth and therefore higher customer acquisition costs in the short run</li> </ul>
<b>EBITDA</b>	86	13.8 %	131	-2.7 %	158	1.5 %	
<b>Net income</b>	41	21.1 %	70	-3.0 %	86	2.6 %	
<b>EPS</b>	0	21.2 %	0	-3.1 %	0	2.5 %	

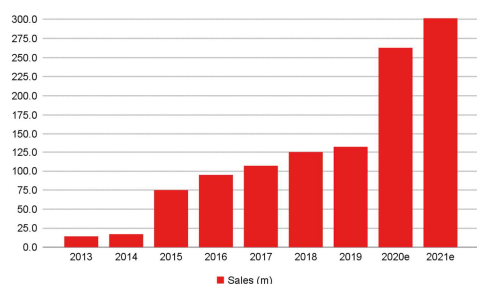


Rel. Performance vs Scale All	
1 month:	-5.0 %
6 months:	41.5 %
Year to date:	59.8 %
Trailing 12 months:	32.4 %

**Company events:**  
30.09.20 Q2

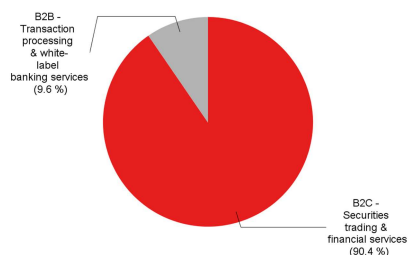
FY End: 31.12. in EUR m	CAGR (19-22e)	2016	2017	2018	2019	2020e	2021e	2022e
<b>Sales</b>	38.1 %	95	107	125	132	263	301	348
Change Sales yoy		26.7 %	12.6 %	16.9 %	5.5 %	99.1 %	14.7 %	15.3 %
Gross profit margin		73.2 %	71.0 %	70.5 %	71.1 %	74.5 %	76.6 %	78.3 %
<b>EBITDA</b>	62.3 %	31	32	42	38	97	127	161
Margin		32.2 %	30.0 %	33.9 %	28.5 %	37.1 %	42.1 %	46.2 %
<b>EBIT</b>	75.1 %	25	26	35	25	76	103	133
Margin		26.8 %	24.7 %	27.6 %	18.8 %	28.8 %	34.2 %	38.2 %
<b>Net income</b>	81.1 %	8	17	21	15	49	68	88
<b>EPS</b>	62.6 %	0.50	0.96	1.08	0.76	1.83	2.51	3.27
<b>EPS adj.</b>	62.6 %	0.97	0.96	1.08	0.76	1.83	2.51	3.27
<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	2.83	3.71
<b>FCF / Market cap</b>		-58.3 %	-3.9 %	0.2 %	3.8 %	4.3 %	7.0 %	9.2 %
Book Value / Share		4.50	6.43	8.53	9.29	15.56	18.08	21.35
<b>Price / Book</b>		3.5 x	2.9 x	3.3 x	2.4 x	2.6 x	2.2 x	1.9 x
<b>ROE</b>		11 %	18 %	15 %	9 %	16 %	15 %	17 %
<b>P / E</b>		31.3 x	19.2 x	25.7 x	28.9 x	22.1 x	16.1 x	12.4 x
<b>P / E adj.</b>		16.1 x	19.2 x	25.7 x	28.9 x	22.1 x	16.1 x	12.4 x
<b>Guidance:</b>	pro forma 1.2m customers and 70m transactions							

### Sales development in EUR m



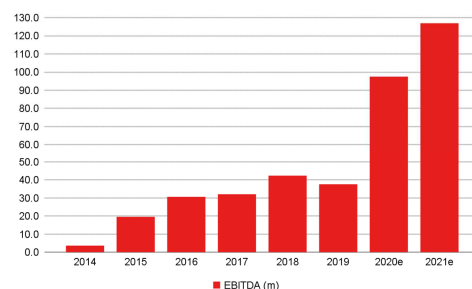
Source: Warburg Research

### Sales by segments 2020e; in %



Source: Warburg Research

### EBITDA development in EUR m



Source: Warburg Research

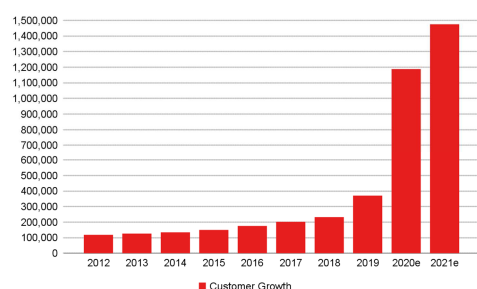
## Company Background

- 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

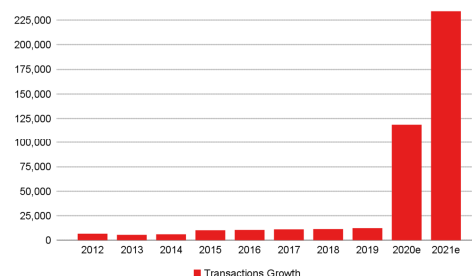
- The acquisition of DeGiro position Flatex in a European leading role in the fields of B2C discount brokerage. This enables the company to leverage high synergies and realise effects of scale.
- Flatex differentiates itself from competitors by offering B2C as well as B2B services, which offers synergy 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	263	301	348	393	436	475	508	534	555	572	583	595	607	1.5 %
Sales change	99.1 %	14.7 %	15.3 %	13.0 %	11.0 %	9.0 %	7.0 %	5.0 %	4.0 %	3.0 %	2.0 %	2.0 %	2.0 %	
EBIT	76	103	133	161	183	200	214	224	233	240	245	250	255	42.0 %
EBIT-margin	28.8 %	34.2 %	38.2 %	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	74	96	113	128	140	149	157	163	168	171	175	178	
Depreciation	22	24	28	29	31	31	31	27	28	29	29	30	30	5.0 %
in % of Sales	8.3 %	7.9 %	8.0 %	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	3	0	3	2	2	2	1	1	1	1	1	5.0 %
- Capex	13	13	13	20	22	24	25	27	28	29	29	30	30	
Capex in % of Sales	4.8 %	4.2 %	3.6 %	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	82	108	128	136	146	154	156	163	168	171	174	178	180
PV of FCF	49	74	88	95	92	90	87	80	76	72	66	62	57	702
share of PVs	12.49 %			45.98 %										41.53 %

## 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	989		
Terminal Value	702		
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>1,678</b>	<b>Value per share (EUR)</b>	<b>62.01</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 %	53.33	53.82	54.34	54.88	55.46	56.07	56.71	1.68	10.8 %	52.88	53.55	54.22	54.88	55.55	56.22	56.88
1.59	10.3 %	56.41	56.99	57.60	58.24	58.92	59.64	60.41	1.59	10.3 %	56.12	56.83	57.53	58.24	58.95	59.65	60.36
1.55	10.0 %	58.08	58.71	59.37	60.07	60.81	61.60	62.44	1.55	10.0 %	57.88	58.61	59.34	60.07	60.80	61.52	62.25
1.50	9.8 %	59.85	60.53	61.25	62.01	62.82	63.68	64.60	1.50	9.8 %	59.75	60.51	61.26	62.01	62.76	63.51	64.26
1.45	9.5 %	61.71	62.45	63.24	64.07	64.96	65.91	66.92	1.45	9.5 %	61.74	62.52	63.30	64.07	64.85	65.63	66.40
1.41	9.3 %	63.70	64.50	65.36	66.27	67.25	68.29	69.40	1.41	9.3 %	63.86	64.67	65.47	66.27	67.07	67.88	68.68
1.32	8.8 %	68.04	69.00	70.03	71.13	72.31	73.58	74.94	1.32	8.8 %	68.55	69.41	70.27	71.13	71.99	72.85	73.71

- 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							
	2016	2017	2018	2019	2020e	2021e	2022e
Price / Book	3.5 x	2.9 x	3.3 x	2.4 x	2.6 x	2.2 x	1.9 x
Book value per share ex intangibles	1.08	2.84	4.30	4.55	5.35	8.14	11.80
EV / Sales	n.a.	0.2 x	n.a.	0.5 x	2.9 x	2.0 x	1.2 x
EV / EBITDA	n.a.	0.7 x	n.a.	1.8 x	7.8 x	4.8 x	2.5 x
EV / EBIT	n.a.	0.8 x	n.a.	2.8 x	10.0 x	5.9 x	3.0 x
EV / EBIT adj.*	n.a.	0.8 x	n.a.	2.8 x	10.0 x	5.9 x	3.0 x
P / FCF	n.a.	n.a.	455.0 x	26.5 x	23.1 x	14.3 x	10.9 x
P / E	31.3 x	19.2 x	25.7 x	28.9 x	22.1 x	16.1 x	12.4 x
P / E adj.*	16.1 x	19.2 x	25.7 x	28.9 x	22.1 x	16.1 x	12.4 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 %	9.9 %	16.5 %	31.2 %
*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	1474996.4	1735906.4
Transactions Growth	10462.5	11104.7	11377.5	12274.5	118756.7	233991.1	107513.0

## 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>301</b>	<b>348</b>
Change Sales yoy	26.7 %	12.6 %	16.9 %	5.5 %	99.1 %	14.7 %	15.3 %
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>301</b>	<b>348</b>
Material expenses	25	31	37	38	67	71	75
<b>Gross profit</b>	<b>70</b>	<b>76</b>	<b>88</b>	<b>94</b>	<b>196</b>	<b>231</b>	<b>272</b>
<b>Gross profit margin</b>	<b>73.2 %</b>	<b>71.0 %</b>	<b>70.5 %</b>	<b>71.1 %</b>	<b>74.5 %</b>	<b>76.6 %</b>	<b>78.3 %</b>
Personnel expenses	19	23	22	25	46	49	52
Other operating income	0	0	0	0	0	0	0
Other operating expenses	19	21	24	31	52	55	60
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>127</b>	<b>161</b>
<b>Margin</b>	<b>32.2 %</b>	<b>30.0 %</b>	<b>33.9 %</b>	<b>28.5 %</b>	<b>37.1 %</b>	<b>42.1 %</b>	<b>46.2 %</b>
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>120</b>	<b>152</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>103</b>	<b>133</b>
<b>Margin</b>	<b>26.8 %</b>	<b>24.7 %</b>	<b>27.6 %</b>	<b>18.8 %</b>	<b>28.8 %</b>	<b>34.2 %</b>	<b>38.2 %</b>
<b>EBIT adj.</b>	<b>25</b>	<b>26</b>	<b>35</b>	<b>25</b>	<b>76</b>	<b>103</b>	<b>133</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>95</b>	<b>123</b>
<b>Margin</b>	<b>25.5 %</b>	<b>23.5 %</b>	<b>25.6 %</b>	<b>16.4 %</b>	<b>27.3 %</b>	<b>31.6 %</b>	<b>35.4 %</b>
Total taxes	4	8	11	7	22	27	34
<b>Net income from continuing operations</b>	<b>20</b>	<b>17</b>	<b>21</b>	<b>15</b>	<b>49</b>	<b>68</b>	<b>88</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>68</b>	<b>88</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>68</b>	<b>88</b>
<b>Margin</b>	<b>8.9 %</b>	<b>15.7 %</b>	<b>16.8 %</b>	<b>11.3 %</b>	<b>18.8 %</b>	<b>22.6 %</b>	<b>25.4 %</b>
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>2.51</b>	<b>3.27</b>
EPS adj.	0.97	0.96	1.08	0.76	1.83	2.51	3.27

\*Adjustments made for:

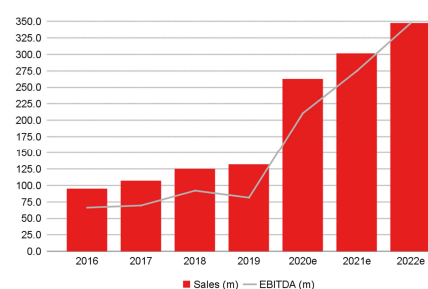
**Guidance: pro forma 1.2m customers and 70m transactions**

## Financial Ratios

	2016	2017	2018	2019	2020e	2021e	2022e
Total Operating Costs / Sales	67.8 %	70.0 %	66.1 %	71.5 %	62.9 %	57.9 %	53.8 %
Operating Leverage	2.0 x	0.3 x	1.8 x	-5.2 x	2.1 x	2.5 x	1.9 x
EBITDA / Interest expenses	19.1 x	24.9 x	19.4 x	12.0 x	24.4 x	15.9 x	16.1 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.

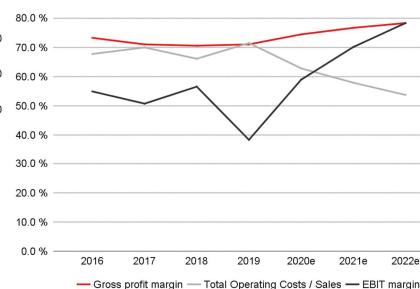
### Sales, EBITDA

in EUR m

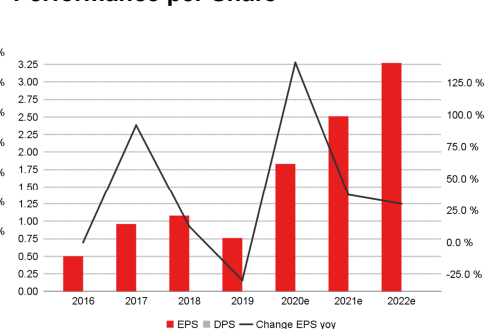


### Operating Performance

in %



### Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

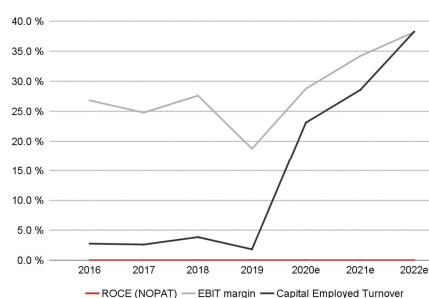
## Consolidated balance sheet

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	29	33
Liquid assets	389	397	655	469	464	525	616
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>1,160</b>	<b>1,254</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>1,569</b>	<b>1,649</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	173	261
Other equity components	0	0	0	0	0	0	0
Shareholders' equity	76	113	167	182	421	489	578
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>490</b>	<b>578</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	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>1,070</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>1,515</b>	<b>1,569</b>	<b>1,649</b>

## Financial Ratios

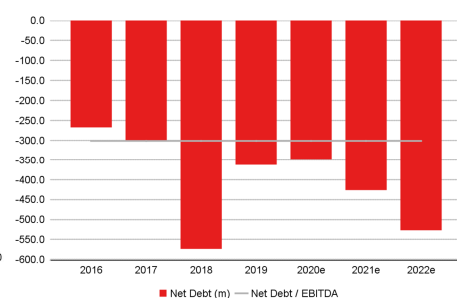
	2016	2017	2018	2019	2020e	2021e	2022e
<b>Efficiency of Capital Employment</b>							
Operating Assets Turnover	11.0 x	7.7 x	6.1 x	5.7 x	2.9 x	3.3 x	3.9 x
Capital Employed Turnover	-0.5 x	-0.6 x	-0.3 x	-0.7 x	3.7 x	4.8 x	6.8 x
ROA	13.2 %	17.2 %	15.9 %	8.3 %	11.8 %	16.6 %	22.4 %
<b>Return on Capital</b>							
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 %	14.9 %	16.6 %
Adj. ROE	22.0 %	17.9 %	15.1 %	8.5 %	16.4 %	14.9 %	16.6 %
<b>Balance sheet quality</b>							
Net Cash	267	302	573	363	350	426	527
	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 %	-87.1 %	-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	18.1	21.3
Book value per share ex intangibles	1.1	2.8	4.3	4.5	5.3	8.1	11.8

### ROCE Development



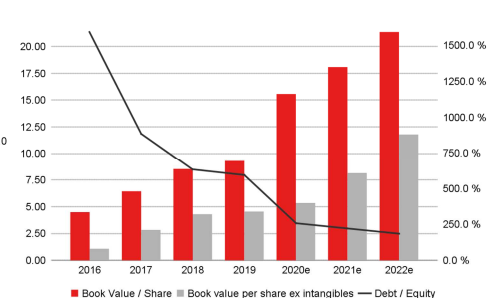
Source: Warburg Research

### Net debt in EUR m



Source: Warburg Research

### Book Value per Share in EUR



Source: Warburg Research

## Consolidated cash flow statement

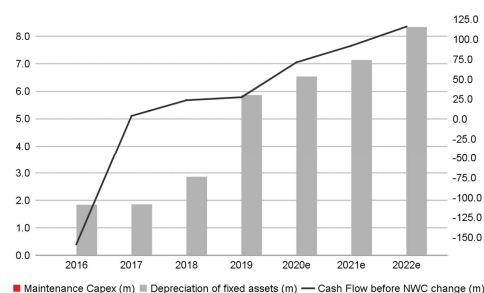
In EUR m	2016	2017	2018	2019	2020e	2021e	2022e
Net income	12	17	21	15	49	68	88
Depreciation of fixed assets	2	2	3	6	7	7	8
Amortisation of goodwill	0	0	0	0	0	0	0
Amortisation of intangible assets	3	4	5	7	15	17	19
Increase/decrease in long-term provisions	3	0	-1	5	0	0	0
Other non-cash income and expenses	-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>92</b>	<b>116</b>
Increase / decrease in inventory	1	0	0	0	0	0	0
Increase / decrease in accounts receivable	21	1	-8	3	-13	-4	-4
Increase / decrease in accounts payable	-8	-5	2	3	2	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	-11	-3	-3
<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>89</b>	<b>113</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>62</b>	<b>90</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>72</b>	<b>163</b>

## Financial Ratios

	2016	2017	2018	2019	2020e	2021e	2022e
<b>Cash Flow</b>							
FCF	-153	-12	1	16	47	77	100
Free Cash Flow / Sales	-161.2 %	-11.7 %	1.0 %	12.3 %	18.0 %	25.4 %	28.9 %
Free Cash Flow Potential	19	24	31	31	75	100	126
Free Cash Flow / Net Profit	-1819.4 %	-74.3 %	5.7 %	109.2 %	95.7 %	112.7 %	113.6 %
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 %	4.8 %	4.2 %	3.6 %
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 %	6.4 %	6.4 %
Trade Debtors / Trade Creditors	146.1 %	788.5 %	558.0 %	219.0 %	350.0 %	348.2 %	350.5 %
Inventory Turnover	76.3 x	92.8 x	196.0 x	385.6 x	677.1 x	712.6 x	760.6 x
Receivables collection period (days)	33	26	45	34	35	35	35
Payables payment period (days)	84	11	28	53	39	43	46
Cash conversion cycle (Days)	-46	18	20	-19	-4	-7	-11

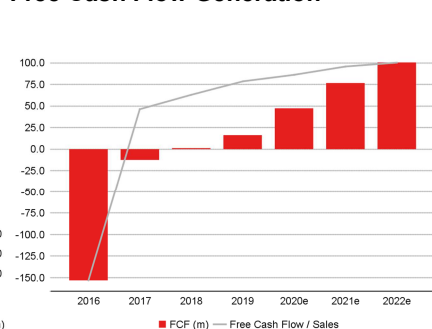
### CAPEX and Cash Flow

in EUR m



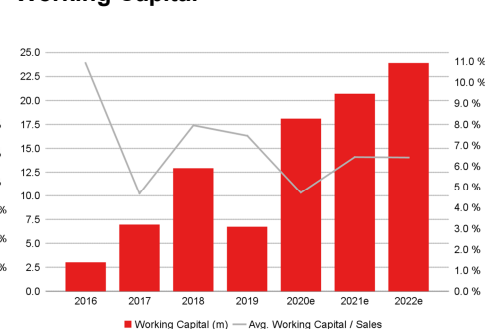
Source: Warburg Research

### Free Cash Flow Generation



Source: Warburg Research

### Working Capital



Source: Warburg Research

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-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	133	65
Hold	55	27
Sell	12	6
Rating suspended	5	2
<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	87
Hold	3	8
Sell	0	0
Rating suspended	2	5
<b>Total</b>	<b>39</b>	<b>100</b>

## PRICE AND RATING HISTORY FLATEX AS OF 11.09.2020



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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