

<b>Buy</b>  <b>EUR 50.00</b> (EUR 48.00)  Price <b>EUR 28.65</b> <b>Upside 74.5 %</b>	Value Indicators:	EUR	Share data:	Description:
	DCF:	50.26	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:	775	Freefloat 45.0 %	2019e
	No. of shares (m):	27	Management 3.1 %	Beta: 1.5
	EV:	750	GfBk mbH 17.1 %	Price / Book: 3.0 x
	Freefloat MC:	349	Heliad Equity Partners 7.2 %	Equity Ratio: 15 %
	Ø Trad. Vol. (30d):	2.72 m	Austrian Post 4.7 %	

## High capital market volatility triggers significant rise in trading; PT up

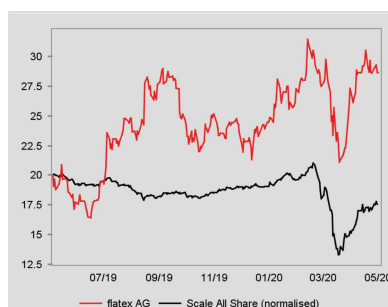
We hosted a virtual roadshow with Flatex CFO Muhamad Chahrour, which confirmed the positive business developments once again and reiterated the benefits of the DeGiro transaction. While this reinforced our general investment case, the current high volatility in capital markets is now reflected in our financial model, indicating significantly higher trading volumes in H1 2020 which lifts the top and bottom lines. However, as the CFO stated that DeGiro would only be consolidated for the second half of the year, H1 results were deducted from our previous pro forma estimates for 2020. During the investor calls, the following topics were of major interest:

- Synergies were well explained and can partly be considered as low-hanging fruit. These include the connection fee to public exchanges, for example, which is currently paid twice and will be reduced going forward. Furthermore, each company currently has a single trading system but Flatex's self-developed trading engine is easily capable of handling the joint flow.
- The product offering at DeGiro should be significantly enlarged by offering ETP products provided by Flatex's current product partners. Thereby, the revenue per trade should increase for DeGiro without increasing prices for usual cash-equity trades.
- Customer elasticity was broadly discussed in order to reflect potential price increases at DeGiro. However, even though this is not yet planned, the management showed high confidence that a slight price rise would not lead to significant customer churn. This fits our expectation as well, as DeGiro would still be among the brokers with the lowest prices, by simultaneously offering a broad product offering on a very convenient platform.
- The current high volatility was said to be providing enormous tailwind for the brokerage business. Transactions climbed to record high levels in Q1 and customer activity remains high as markets continue to be volatile.

**Assessment:** The CFO made a very convincing impression, also supporting our investment case. The DeGiro transaction continues to be seen as highly beneficial and should add massively to the European expansion plans. Our model was adjusted to reflect the current record high trading volumes. This increases the 2020e estimates significantly by assuming a higher number of trades per customer but it also has a long-term effect based on the extraordinarily high new customer inflow figures. Buy reiterated and PT up to EUR 50.

Changes in Estimates:						Comment on Changes:
FY End: 31.12. in EUR m	2019e (old)	+ / -	2020e (old)	+ / -	2021e (old)	
Sales	133	0.7 %	228	-0.7 %	266	3.3 %
EBITDA	41	-0.9 %	85	2.0 %	117	7.4 %
EBIT	31	-1.4 %	69	-3.7 %	100	3.0 %
EPS	1.01	-2.0 %	1.63	-2.5 %	2.40	4.2 %

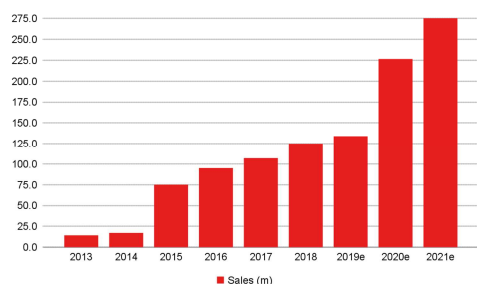
▪ While previous 2020 figures were based on pro forma consolidation of DeGiro for the full year, our updated assumptions reflect consolidation for H2 only.  
 ▪ The current market volatility leads to an increase in estimates, balancing out the DeGiro deconsolidation for H1 2020.  
 ▪ Reflection of long-term positive effect of higher number of customers



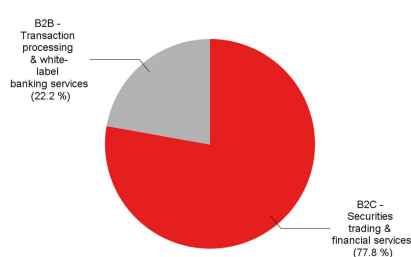
Rel. Performance vs Scale All	
1 month:	-4.4 %
6 months:	22.8 %
Year to date:	24.7 %
Trailing 12 months:	53.1 %

### Company events:

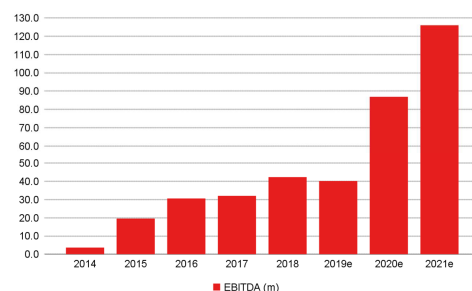
FY End: 31.12. in EUR m	CAGR (18-21e)	2015	2016	2017	2018	2019e	2020e	2021e
Sales	30.1 %	75	95	107	125	134	227	275
Change Sales yoy		337.7 %	26.7 %	12.6 %	16.9 %	7.2 %	69.0 %	21.5 %
Gross profit margin		81.9 %	73.2 %	71.0 %	70.5 %	72.0 %	75.8 %	78.5 %
EBITDA	43.8 %	20	31	32	42	40	87	126
Margin		26.1 %	32.2 %	30.0 %	33.9 %	30.0 %	38.4 %	45.8 %
EBIT	43.7 %	17	25	26	35	31	66	103
Margin		22.3 %	26.8 %	24.7 %	27.6 %	23.1 %	29.3 %	37.3 %
Net income	47.6 %	-3	8	17	21	19	43	68
EPS	32.3 %	-0.19	0.50	0.96	1.08	0.99	1.59	2.50
EPS adj.	32.3 %	-0.19	0.97	0.96	1.08	0.99	1.59	2.50
DPS	-	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.
FCFPS		-3.93	-9.11	-0.71	0.06	1.08	1.65	2.78
FCF / Market cap		-30.8 %	-58.3 %	-3.9 %	0.2 %	3.8 %	5.8 %	9.7 %
Book Value / Share		4.35	4.50	6.43	8.53	9.52	15.49	17.99
Price / Book		2.8 x	3.5 x	2.9 x	3.3 x	3.0 x	1.8 x	1.6 x
ROE		-5 %	11 %	18 %	15 %	11 %	14 %	15 %
P / E		n.a.	31.3 x	19.2 x	25.7 x	28.9 x	18.0 x	11.5 x
P / E adj.		n.a.	16.1 x	19.2 x	25.7 x	28.9 x	18.0 x	11.5 x
Guidance:	2019: Sales EUR 138m; EBITDA margin of 31%							

**Sales development**  
in EUR m


Source: Warburg Research

**Sales by segments**  
2019e; in %


Source: Warburg Research

**EBITDA development**  
in EUR m


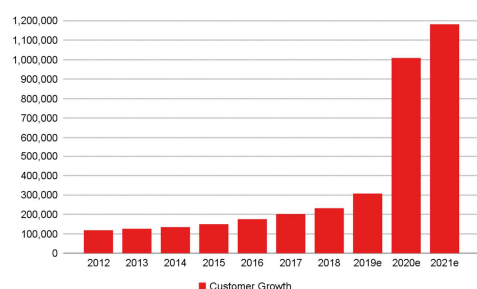
Source: Warburg Research

## Company Background

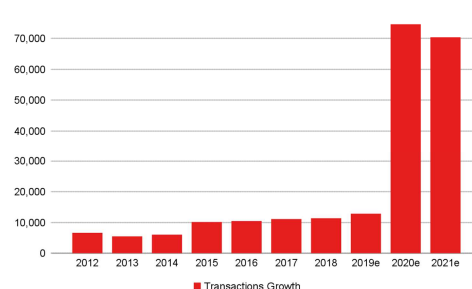
- Flatex is among the market leaders in Germany in the fields of B2C online securities brokerage under its brand name, Flatex. With the acquisition of DeGiro, the company emerges into a leading role also on European scale.
- The brokerage business bases on a discount pricing model with a flat fee at 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
	2019e	2020e	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	
Sales	134	227	275	319	354	386	413	438	459	478	492	504	515	1.5 %
Sales change	7.2 %	69.0 %	21.5 %	15.8 %	11.0 %	9.0 %	7.0 %	6.0 %	5.0 %	4.0 %	3.0 %	2.5 %	2.0 %	
EBIT	31	66	103	128	149	162	173	184	193	201	207	212	216	42.0 %
EBIT-margin	23.1 %	29.3 %	37.3 %	40.0 %	42.0 %	42.0 %	42.0 %	42.0 %	42.0 %	42.0 %	42.0 %	42.0 %	42.0 %	
Tax rate (EBT)	32.0 %	31.0 %	28.5 %	32.0 %	32.0 %	32.0 %	32.0 %	32.0 %	32.0 %	32.0 %	32.0 %	32.0 %	32.0 %	32.0 %
NOPAT	21	46	73	87	101	110	118	125	131	136	141	144	147	
Depreciation	9	20	23	24	25	25	25	22	23	24	25	25	26	5.0 %
in % of Sales	6.9 %	9.0 %	8.5 %	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	7	1	1	1	1	1	1	0	0	0	5.0 %
Change in Liquidity from														
- Working Capital	-4	6	3	0	2	2	2	1	1	1	1	1	1	5.0 %
- Capex	11	13	13	16	18	19	21	22	23	24	25	25	26	
Capex in % of Sales	8.2 %	5.6 %	4.6 %	5.0 %	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)	23	47	81	101	107	115	121	124	131	136	140	143	146	148
PV of FCF	23	44	68	78	75	74	71	66	63	60	56	52	49	596
share of PVs	9.84 %			46.77 %										43.39 %

## 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 2031e	778		
Terminal Value	596		
Financial liabilities	19		
Pension liabilities	6		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	12	No. of shares (m)	27.1
<b>Equity Value</b>	<b>1,360</b>	<b>Value per share (EUR)</b>	<b>50.26</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 %	43.07	43.49	43.93	44.39	44.88	45.40	45.95	1.68	10.8 %	42.76	43.30	43.85	44.39	44.94	45.48	46.03
1.59	10.3 %	45.60	46.09	46.61	47.16	47.74	48.35	49.00	1.59	10.3 %	45.42	46.00	46.58	47.16	47.73	48.31	48.89
1.55	10.0 %	46.98	47.51	48.07	48.66	49.30	49.97	50.68	1.55	10.0 %	46.88	47.47	48.07	48.66	49.26	49.86	50.45
1.50	9.8 %	48.43	49.00	49.62	50.26	50.95	51.69	52.47	1.50	9.8 %	48.42	49.03	49.65	50.26	50.88	51.49	52.11
1.45	9.5 %	49.96	50.59	51.26	51.97	52.72	53.52	54.38	1.45	9.5 %	50.06	50.70	51.33	51.97	52.60	53.24	53.87
1.41	9.3 %	51.59	52.28	53.01	53.78	54.60	55.49	56.43	1.41	9.3 %	51.81	52.47	53.12	53.78	54.44	55.09	55.75
1.32	8.8 %	55.17	55.98	56.86	57.79	58.79	59.86	61.01	1.32	8.8 %	55.67	56.38	57.08	57.79	58.49	59.20	59.90

- 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							
	2015	2016	2017	2018	2019e	2020e	2021e
Price / Book	2.8 x	3.5 x	2.9 x	3.3 x	3.0 x	1.8 x	1.6 x
Book value per share ex intangibles	1.12	1.08	2.84	4.30	2.15	3.35	6.12
EV / Sales	n.a.	n.a.	0.2 x	n.a.	n.a.	3.3 x	2.5 x
EV / EBITDA	n.a.	n.a.	0.7 x	n.a.	n.a.	8.6 x	5.4 x
EV / EBIT	n.a.	n.a.	0.8 x	n.a.	n.a.	11.3 x	6.6 x
EV / EBIT adj.*	n.a.	n.a.	0.8 x	n.a.	n.a.	11.3 x	6.6 x
P / FCF	n.a.	n.a.	n.a.	455.0 x	26.5 x	17.4 x	10.3 x
P / E	n.a.	31.3 x	19.2 x	25.7 x	28.9 x	18.0 x	11.5 x
P / E adj.*	n.a.	16.1 x	19.2 x	25.7 x	28.9 x	18.0 x	11.5 x
Dividend Yield	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
FCF Potential Yield (on market EV)	-1.4 %	-462.8 %	113.5 %	-105.8 %	-16.9 %	9.0 %	14.7 %
*Adjustments made for: -							

Company Specific Items							
	2015	2016	2017	2018	2019e	2020e	2021e
Customer Growth	149600.0	175400.0	201700.4	231955.5	307357.0	1008457.0	1181491.0
Transactions Growth	10143.2	10462.5	11104.7	11377.5	12850.0	74592.7	70372.9

## Consolidated profit & loss

In EUR m	2015	2016	2017	2018	2019e	2020e	2021e
<b>Sales</b>	<b>75</b>	<b>95</b>	<b>107</b>	<b>125</b>	<b>134</b>	<b>227</b>	<b>275</b>
Change Sales yoy	337.7 %	26.7 %	12.6 %	16.9 %	7.2 %	69.0 %	21.5 %
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>75</b>	<b>95</b>	<b>107</b>	<b>125</b>	<b>134</b>	<b>227</b>	<b>275</b>
Material expenses	14	25	31	37	38	55	59
<b>Gross profit</b>	<b>61</b>	<b>70</b>	<b>76</b>	<b>88</b>	<b>97</b>	<b>172</b>	<b>216</b>
<b>Gross profit margin</b>	<b>81.9 %</b>	<b>73.2 %</b>	<b>71.0 %</b>	<b>70.5 %</b>	<b>72.0 %</b>	<b>75.8 %</b>	<b>78.5 %</b>
Personnel expenses	24	19	23	22	25	40	43
Other operating income	0	0	0	0	0	0	0
Other operating expenses	18	19	21	24	28	45	47
Unfrequent items	0	0	0	0	-3	0	0
<b>EBITDA</b>	<b>20</b>	<b>31</b>	<b>32</b>	<b>42</b>	<b>40</b>	<b>87</b>	<b>126</b>
<b>Margin</b>	<b>26.1 %</b>	<b>32.2 %</b>	<b>30.0 %</b>	<b>33.9 %</b>	<b>30.0 %</b>	<b>38.4 %</b>	<b>45.8 %</b>
Depreciation of fixed assets	1	2	2	3	3	6	7
<b>EBITA</b>	<b>19</b>	<b>29</b>	<b>30</b>	<b>40</b>	<b>38</b>	<b>81</b>	<b>119</b>
Amortisation of intangible assets	2	3	4	5	7	14	16
Goodwill amortisation	0	0	0	0	0	0	0
<b>EBIT</b>	<b>17</b>	<b>25</b>	<b>26</b>	<b>35</b>	<b>31</b>	<b>66</b>	<b>103</b>
<b>Margin</b>	<b>22.3 %</b>	<b>26.8 %</b>	<b>24.7 %</b>	<b>27.6 %</b>	<b>23.1 %</b>	<b>29.3 %</b>	<b>37.3 %</b>
<b>EBIT adj.</b>	<b>17</b>	<b>25</b>	<b>26</b>	<b>35</b>	<b>31</b>	<b>66</b>	<b>103</b>
Interest income	0	0	0	0	0	0	0
Interest expenses	3	2	1	2	3	4	8
Other financial income (loss)	0	0	0	0	0	0	0
<b>EBT</b>	<b>14</b>	<b>24</b>	<b>25</b>	<b>32</b>	<b>28</b>	<b>62</b>	<b>95</b>
<b>Margin</b>	<b>18.7 %</b>	<b>25.5 %</b>	<b>23.5 %</b>	<b>25.6 %</b>	<b>21.2 %</b>	<b>27.6 %</b>	<b>34.4 %</b>
Total taxes	1	4	8	11	9	19	27
<b>Net income from continuing operations</b>	<b>13</b>	<b>20</b>	<b>17</b>	<b>21</b>	<b>19</b>	<b>43</b>	<b>68</b>
Income from discontinued operations (net of tax)	-16	-8	0	0	0	0	0
<b>Net income before minorities</b>	<b>-3</b>	<b>12</b>	<b>17</b>	<b>21</b>	<b>19</b>	<b>43</b>	<b>68</b>
Minority interest	0	4	0	0	0	0	0
<b>Net income</b>	<b>-3</b>	<b>8</b>	<b>17</b>	<b>21</b>	<b>19</b>	<b>43</b>	<b>68</b>
<b>Margin</b>	<b>-4.1 %</b>	<b>8.9 %</b>	<b>15.7 %</b>	<b>16.8 %</b>	<b>14.4 %</b>	<b>19.0 %</b>	<b>24.6 %</b>
Number of shares, average	16	17	18	20	20	27	27
<b>EPS</b>	<b>-0.19</b>	<b>0.50</b>	<b>0.96</b>	<b>1.08</b>	<b>0.99</b>	<b>1.59</b>	<b>2.50</b>
EPS adj.	-0.19	0.97	0.96	1.08	0.99	1.59	2.50

\*Adjustments made for:

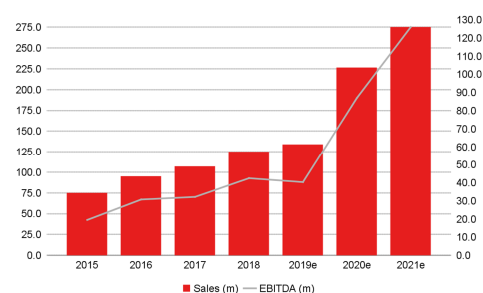
**Guidance: 2019: Sales EUR 138m; EBITDA margin of 31%**

## Financial Ratios

	2015	2016	2017	2018	2019e	2020e	2021e
Total Operating Costs / Sales	73.7 %	67.8 %	70.0 %	66.1 %	67.5 %	61.6 %	54.2 %
Operating Leverage	1.4 x	2.0 x	0.3 x	1.8 x	-1.5 x	1.7 x	2.5 x
EBITDA / Interest expenses	7.3 x	19.1 x	24.9 x	19.4 x	16.1 x	21.7 x	15.8 x
Tax rate (EBT)	6.9 %	16.3 %	32.5 %	34.3 %	32.0 %	31.0 %	28.5 %
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.

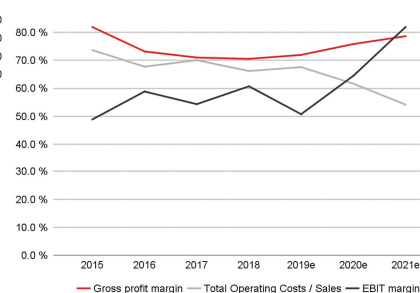
### Sales, EBITDA

in EUR m

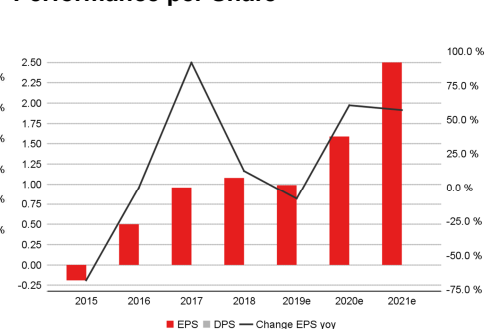


### Operating Performance

in %



### Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

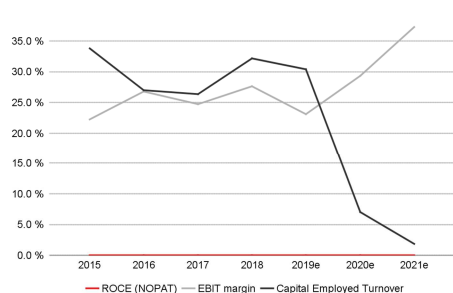
## Consolidated balance sheet

In EUR m	2015	2016	2017	2018	2019e	2020e	2021e
<b>Assets</b>							
Goodwill and other intangible assets	54	57	63	83	144	329	321
thereof other intangible assets	25	29	8	11	72	257	250
thereof Goodwill	29	29	29	37	37	37	37
Property, plant and equipment	5	6	7	8	8	6	2
Financial assets	0	1	1	1	1	1	1
Other long-term assets	0	0	26	41	41	41	41
<b>Fixed assets</b>	<b>60</b>	<b>64</b>	<b>97</b>	<b>132</b>	<b>194</b>	<b>376</b>	<b>366</b>
Inventories	1	0	0	0	0	0	0
Accounts receivable	30	9	8	16	13	22	26
Liquid assets	541	389	397	655	646	680	750
Other short-term assets	576	1,072	605	424	424	424	424
<b>Current assets</b>	<b>1,148</b>	<b>1,470</b>	<b>1,010</b>	<b>1,095</b>	<b>1,084</b>	<b>1,126</b>	<b>1,201</b>
<b>Total Assets</b>	<b>1,208</b>	<b>1,534</b>	<b>1,107</b>	<b>1,228</b>	<b>1,278</b>	<b>1,503</b>	<b>1,567</b>
<b>Liabilities and shareholders' equity</b>							
Subscribed capital	17	17	18	19	19	26	26
Capital reserve	49	50	68	101	101	284	284
Retained earnings	7	9	28	47	66	109	177
Other equity components	0	0	0	0	0	0	0
Shareholders' equity	73	76	113	167	186	419	487
Minority interest	13	15	0	0	0	0	0
<b>Total equity</b>	<b>86</b>	<b>91</b>	<b>113</b>	<b>167</b>	<b>187</b>	<b>420</b>	<b>487</b>
Provisions	22	26	18	19	19	19	19
thereof provisions for pensions and similar obligations	4	8	7	6	6	6	6
Financial liabilities (total)	135	114	88	75	105	94	89
thereof short-term financial liabilities	64	60	61	57	87	87	87
Accounts payable	13	6	1	3	4	6	8
Other liabilities	952	1,297	888	964	964	964	964
<b>Liabilities</b>	<b>1,122</b>	<b>1,443</b>	<b>995</b>	<b>1,061</b>	<b>1,091</b>	<b>1,083</b>	<b>1,079</b>
<b>Total liabilities and shareholders' equity</b>	<b>1,208</b>	<b>1,534</b>	<b>1,107</b>	<b>1,228</b>	<b>1,278</b>	<b>1,503</b>	<b>1,567</b>

## Financial Ratios

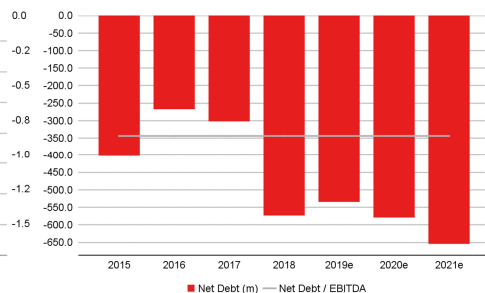
	2015	2016	2017	2018	2019e	2020e	2021e
<b>Efficiency of Capital Employment</b>							
Operating Assets Turnover	3.2 x	11.0 x	7.7 x	6.1 x	7.7 x	10.7 x	13.0 x
Capital Employed Turnover	-0.2 x	-0.5 x	-0.6 x	-0.3 x	-0.4 x	-1.4 x	-1.6 x
ROA	-5.1 %	13.2 %	17.2 %	15.9 %	10.0 %	11.4 %	18.5 %
<b>Return on Capital</b>							
ROCE (NOPAT)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
ROE	-5.0 %	11.3 %	17.9 %	15.1 %	11.0 %	14.2 %	14.9 %
Adj. ROE	-5.0 %	22.0 %	17.9 %	15.1 %	11.0 %	14.2 %	14.9 %
<b>Balance sheet quality</b>							
Net Cash	402	267	302	573	535	579	654
	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Net Gearing	-468.6 %	-295.0 %	-268.1 %	-342.9 %	-286.5 %	-138.0 %	-134.3 %
Net Fin. Debt / EBITDA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Book Value / Share	4.4	4.5	6.4	8.5	9.5	15.5	18.0
Book value per share ex intangibles	1.1	1.1	2.8	4.3	2.2	3.3	6.1

### ROCE Development



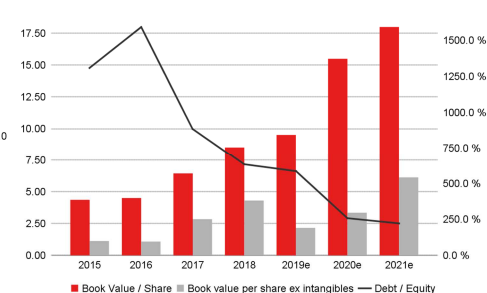
Source: Warburg Research

### Net debt in EUR m



Source: Warburg Research

### Book Value per Share in EUR



Source: Warburg Research

## Consolidated cash flow statement

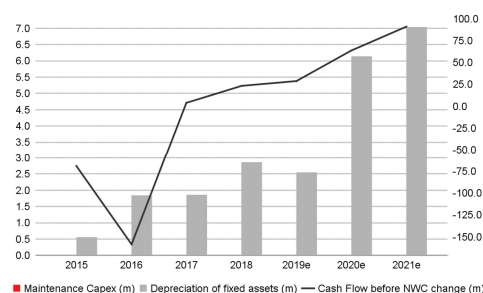
In EUR m	2015	2016	2017	2018	2019e	2020e	2021e
Net income	-3	12	17	21	19	43	68
Depreciation of fixed assets	1	2	2	3	3	6	7
Amortisation of goodwill	0	0	0	0	0	0	0
Amortisation of intangible assets	2	3	4	5	7	14	16
Increase/decrease in long-term provisions	4	3	0	-1	0	0	0
Other non-cash income and expenses	-74	-179	-18	-4	0	0	0
<b>Cash Flow before NWC change</b>	<b>-69</b>	<b>-159</b>	<b>4</b>	<b>23</b>	<b>29</b>	<b>64</b>	<b>91</b>
Increase / decrease in inventory	-1	1	0	0	0	0	0
Increase / decrease in accounts receivable	0	21	1	-8	3	-9	-5
Increase / decrease in accounts payable	12	-8	-5	2	1	3	1
Increase / decrease in other working capital positions	0	0	0	0	0	0	0
Increase / decrease in working capital (total)	11	15	-4	-6	4	-6	-3
<b>Net cash provided by operating activities [1]</b>	<b>-59</b>	<b>-144</b>	<b>0</b>	<b>17</b>	<b>32</b>	<b>57</b>	<b>88</b>
Investments in intangible assets	0	-6	-9	-13	-8	-9	-9
Investments in property, plant and equipment	0	-2	-3	-3	-3	-4	-4
Payments for acquisitions	0	0	0	0	-60	-190	0
Financial investments	44	0	0	0	0	0	0
Income from asset disposals	0	0	0	-11	0	0	0
<b>Net cash provided by investing activities [2]</b>	<b>-47</b>	<b>-9</b>	<b>-13</b>	<b>-28</b>	<b>-71</b>	<b>-203</b>	<b>-13</b>
Change in financial liabilities	7	-3	15	-6	30	-11	-5
Dividends paid	0	0	0	0	0	0	0
Purchase of own shares	0	0	0	0	0	0	0
Capital measures	20	0	18	35	0	190	0
Other	-1	4	-13	3	0	0	0
<b>Net cash provided by financing activities [3]</b>	<b>26</b>	<b>1</b>	<b>20</b>	<b>32</b>	<b>30</b>	<b>179</b>	<b>-5</b>
<b>Change in liquid funds [1]+[2]+[3]</b>	<b>-80</b>	<b>-152</b>	<b>8</b>	<b>22</b>	<b>-9</b>	<b>34</b>	<b>70</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>541</b>	<b>389</b>	<b>397</b>	<b>655</b>	<b>646</b>	<b>680</b>	<b>750</b>

## Financial Ratios

	2015	2016	2017	2018	2019e	2020e	2021e
<b>Cash Flow</b>							
FCF	-62	-153	-12	1	21	45	75
Free Cash Flow / Sales	-83.2 %	-161.2 %	-11.7 %	1.0 %	15.8 %	19.7 %	27.3 %
Free Cash Flow Potential	3	19	24	31	31	68	99
Free Cash Flow / Net Profit	2019.7 %	-1819.4 %	-74.3 %	5.7 %	109.2 %	103.6 %	111.0 %
Interest Received / Avg. Cash	0.0 %	0.1 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Interest Paid / Avg. Debt	4.0 %	1.3 %	1.3 %	2.7 %	2.8 %	4.0 %	8.7 %
<b>Management of Funds</b>							
Investment ratio	0.0 %	8.4 %	11.8 %	13.0 %	8.2 %	5.6 %	4.6 %
Maint. Capex / Sales	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Capex / Dep	0.0 %	155.4 %	225.2 %	208.5 %	118.9 %	61.6 %	53.7 %
Avg. Working Capital / Sales	14.2 %	10.9 %	4.7 %	7.9 %	8.3 %	5.5 %	6.3 %
Trade Debtors / Trade Creditors	224.6 %	146.1 %	788.5 %	558.0 %	348.6 %	350.0 %	352.0 %
Inventory Turnover	12.5 x	76.3 x	92.8 x	196.0 x	199.7 x	291.8 x	314.1 x
Receivables collection period (days)	146	33	26	45	35	35	35
Payables payment period (days)	359	84	11	28	36	41	46
Cash conversion cycle (Days)	-184	-46	18	20	1	-5	-10

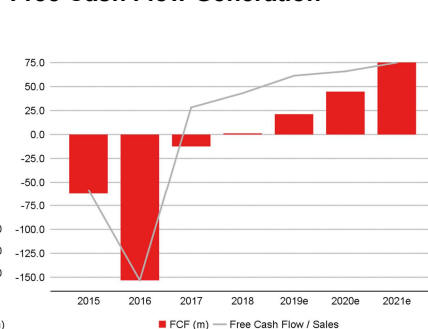
## CAPEX and Cash Flow

in EUR m



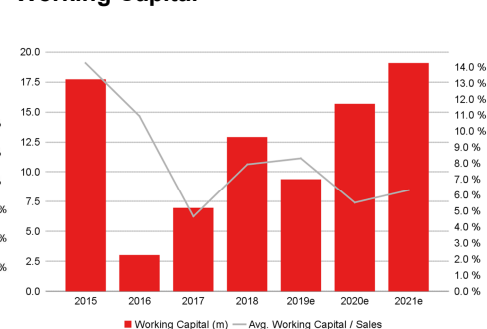
Source: Warburg Research

## 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	129	63
Hold	62	30
Sell	8	4
Rating suspended	6	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	35	81
Hold	5	12
Sell	0	0
Rating suspended	3	7
<b>Total</b>	<b>43</b>	<b>100</b>

## PRICE AND RATING HISTORY FLATEX AS OF 04.05.2020



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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