

<b>Buy</b>  <b>EUR 6.20</b> (EUR 6.40)  <b>Price</b> EUR 3.06 <b>Upside</b> 102.6 %	<b>Value Indicators:</b> EUR DCF: 6.17	<b>Warburg ESG Risk Score:</b> 2.4 <b>ESG Score (MSCI based):</b> 3.0 Balance Sheet Score: 4.3 Market Liquidity Score: 0.0	<b>Description:</b> Manufacturer of franking machines and provider of mail services.
	<b>Market Snapshot:</b> EUR m Market cap: 49.4 No. of shares (m): 16.2 EV: 67.3 Freefloat MC: 29.7 Ø Trad. Vol. (30d): 14.94 th	<b>Shareholders:</b> Freefloat 60.15 % OSP Alpha 25.34 % Active Ownership Fund 9.51 % SALTARAX GmbH 5.00 %	<b>Key Figures (WRe):</b> 2023e Beta: 1.3 Price / Book: 1.7 x Equity Ratio: 16 % Net Fin. Debt / EBITDA: 0.1 x Net Debt / EBITDA: 0.6 x

## Slightly weaker outlook

<b>Stated Figures Q3/2023:</b>							
in EUR m	Q3/23	Q3/23e	Q3/22	yoy	9M/23	9M/22	yoy
<b>Sales</b>	57.8	62.0	61.2	-5.5%	182.5	188.7	-3.3%
<b>EBITDA</b>	6.9	6.9	6.1	13.2%	22.2	22.4	-0.9%
<i>margin</i>	11.9%	11.1%	10.0%		12.2%	11.9%	
<b>EBIT</b>	2.6	2.5	0.8	237.2%	9.1	7.2	26.9%
<i>margin</i>	4.4%	4.0%	1.2%		5.0%	3.8%	

### Comment on Figures:

- Third-quarter sales figures fell short of our expectations as a result of a decline in the business of a larger customer.
- However, favourable cost development compensated for the sales shortfall as costs were lower than we were expecting.

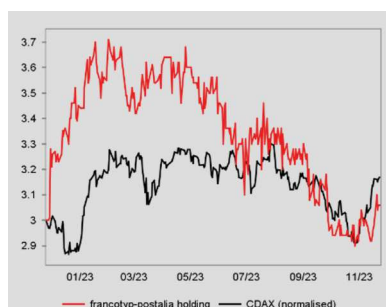
With weaker sales in the third quarter, it now appears realistic to expect lower sales for the entire year. In this context, the company specified its sales outlook for the current year and is now expecting to achieve the lower end of the sales guidance of EUR 245-255m. However, this will not have a significant impact on results as the company has made good progress in reducing costs. Only an unusually high tax rate (special effect) will have a one-off impact on the financial year.

Sales in the Digital Business Solutions (DBS) division rose only moderately by 3.1% to EUR 21.7m in the reporting period. Sales in the Document Workflow Management area declined, primarily due to the decline in business of a larger customer. All other areas of DBS continue to grow steadily. Sales in the Mailing, Shipping & Office Solutions division fell very slightly by 1.5% to EUR 110.0m in the first nine months of 2023. Sales in the same period last year were supported by positive one-off effects from the postage increase in Germany amounting to EUR 2.9m. Overall, FP is showing resilience in a challenging market environment and continues to dynamically adapt the business model to market dynamics and customer needs. As expected, sales in the Mail Services division, which relates to the collection, franking and consolidation of business mail, recorded a sales decline of 9.6% to EUR 50.5m compared to the same period last year, which was positively influenced by pandemic-related one-off effects of EUR 10.0m. **Overall, only moderate changes have been made to the model (WRe DCF, including rollover). The share is still rated Buy with a price target of EUR 6.20 (6.40).**

<b>Changes in Estimates:</b>						
FY End: 31.12. in EUR m	2023e (old)	+ / -	2024e (old)	+ / -	2025e (old)	+ / -
<b>Sales</b>	252.0	-2.8 %	259.6	-2.8 %	267.3	-2.8 %
<b>EBITDA</b>	29.5	-2.8 %	30.4	-2.8 %	31.8	-2.8 %
<b>EBIT</b>	9.5	7.2 %	10.2	1.5 %	11.4	1.0 %
<b>EPS</b>	0.43	-11.6 %	0.48	-4.2 %	0.54	-5.6 %

### Comment on Changes:

- In 2023 a temporarily high tax rate will burden EPS.
- The new model also factors in several other minor changes.

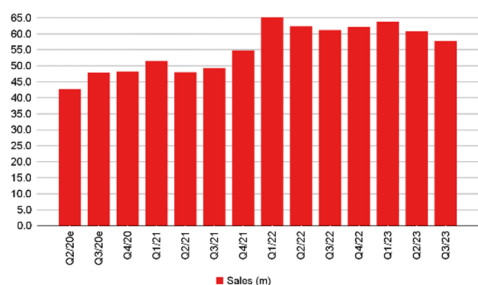


<b>Rel. Performance vs CDAX:</b>	
1 month:	-2.5 %
6 months:	-13.7 %
Year to date:	-21.4 %
Trailing 12 months:	-5.3 %

<b>Company events:</b>	

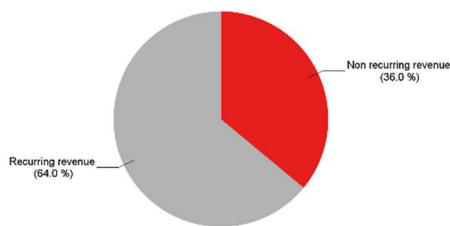
FY End: 31.12. in EUR m	CAGR (22-25e)	2019	2020	2021	2022	2023e	2024e	2025e
<b>Sales</b>	1.2 %	209.1	195.9	203.7	251.0	245.0	252.4	259.9
Change Sales yoy		2.4 %	-6.3 %	4.0 %	23.2 %	-2.4 %	3.0 %	3.0 %
Gross profit margin		60.3 %	55.8 %	53.8 %	53.5 %	54.5 %	52.8 %	52.8 %
<b>EBITDA</b>	3.9 %	33.3	8.0	18.5	27.6	28.7	29.5	30.9
Margin		15.9 %	4.1 %	9.1 %	11.0 %	11.7 %	11.7 %	11.9 %
<b>EBIT</b>	20.2 %	5.9	-14.0	-0.7	6.6	10.2	10.3	11.5
Margin		2.8 %	-7.1 %	-0.3 %	2.6 %	4.1 %	4.1 %	4.4 %
<b>Net income</b>	14.4 %	1.7	-15.2	0.4	5.5	6.2	7.4	8.3
<b>EPS</b>	14.5 %	0.11	-0.94	0.02	0.34	0.38	0.46	0.51
<b>EPS adj.</b>	14.5 %	0.11	-0.94	0.02	0.34	0.38	0.46	0.51
<b>DPS</b>	-	0.03	0.00	0.00	0.00	0.15	0.18	0.20
Dividend Yield		0.9 %	n.a.	n.a.	n.a.	5.0 %	6.0 %	6.7 %
<b>FCFPS</b>		0.17	0.86	0.40	0.77	0.21	0.44	0.50
<b>FCF / Market cap</b>		5.0 %	26.3 %	13.0 %	25.3 %	6.9 %	14.4 %	16.5 %
<b>EV / Sales</b>		0.5 x	0.4 x	0.4 x	0.3 x	0.3 x	0.2 x	0.2 x
<b>EV / EBITDA</b>		2.9 x	10.6 x	4.5 x	2.5 x	2.3 x	2.1 x	1.8 x
<b>EV / EBIT</b>		16.3 x	n.a.	n.a.	10.6 x	6.6 x	6.0 x	4.9 x
<b>P / E</b>		31.5 x	n.a.	154.2 x	8.9 x	8.1 x	6.7 x	6.0 x
<b>P / E adj.</b>		31.5 x	n.a.	154.2 x	8.9 x	8.1 x	6.7 x	6.0 x
<b>FCF Potential Yield</b>		10.0 %	-1.3 %	11.7 %	22.8 %	24.6 %	29.6 %	34.0 %
<b>Net Debt</b>		40.3	31.4	33.4	21.2	17.8	12.9	7.4
<b>ROCE (NOPAT)</b>		2.6 %	n.a.	n.a.	9.3 %	13.6 %	15.6 %	17.4 %
<b>Guidance:</b>	Revenues EUR 245-255m, EBITDA EUR 28-31m							

## Sales development in EUR m



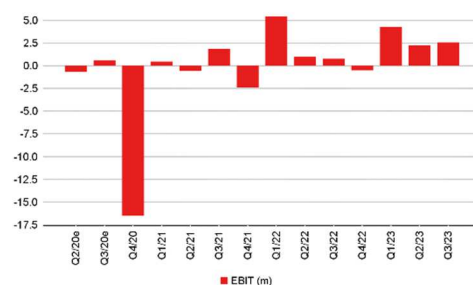
Source: Warburg Research

## Recurring revenue proportion 2023e; in %



Source: Warburg Research

## EBIT development in EUR m



Source: Warburg Research

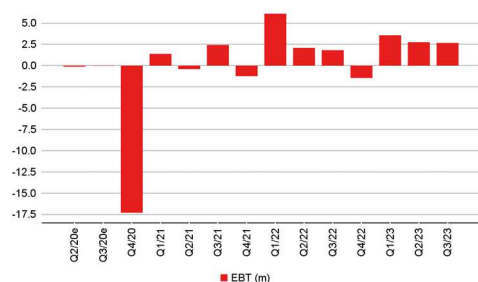
## Company Background

- Francotyp-Postalia Holding AG, headquartered in Berlin, is a globally-active supplier of products and services for the postal market.
- The company was formed in 1983 with the merger of Francotyp (founded 1923) and Postalia (founded 1938) and has 100 years of experience in the postal market.
- Franking and inserting machines are still the core business activity.
- With new solutions digital business is to become an important part of the business model. The company strategically expanded its portfolio here.

## Competitive Quality

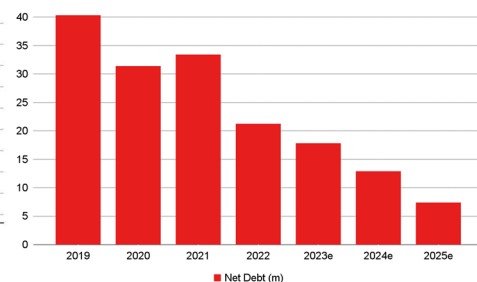
- Focusing on customers with low to medium postal needs, Francotyp Postalia caters for two stable segments in the generally difficult market for franking machines.
- The 45% market share in the German market for franking machines demonstrates its reputation as the market leader in Germany based on the following distinguishing characteristics:
  - established customer relationships and 80 years of experience in the German market with knowledge of customer demands and an efficient service network with rapid reaction times.
- The high proportion (about two thirds) of recurring revenues as a share of total revenue underlines the successful transformation of the competitive quality into a high company quality.
- For new market entrants, Francotyp Postalia's existing customer base is an unachievable target and the franking machines niche is unattractive.

## EBT development in EUR m



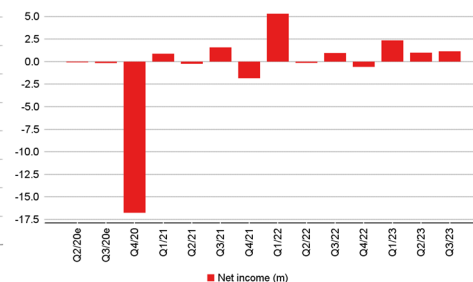
Source: Warburg Research

## Net debt in EURm



Source: Warburg Research

## Net income development in EUR m



Source: Warburg Research

## DCF model

Figures in EUR m	Detailed forecast period			Transitional period										Term. Value
	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	
Sales	245.0	252.4	259.9	267.7	275.7	284.0	292.5	301.3	310.4	319.7	326.1	332.6	339.2	1.5 %
Sales change	-2.4 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	2.0 %	2.0 %	2.0 %	
EBIT	10.2	10.3	11.5	12.0	13.8	15.6	16.1	16.6	17.1	17.6	17.9	18.3	18.7	
EBIT-margin	4.1 %	4.1 %	4.4 %	4.5 %	5.0 %	5.5 %	5.5 %	5.5 %	5.5 %	5.5 %	5.5 %	5.5 %	5.5 %	
Tax rate (EBT)	40.0 %	30.0 %	30.0 %	30.0 %	30.0 %	31.0 %	31.0 %	32.0 %	32.0 %	32.0 %	33.0 %	33.0 %	34.0 %	
NOPAT	6.1	7.2	8.1	8.4	9.7	10.8	11.1	11.3	11.6	12.0	12.0	12.3	12.3	
Depreciation	18.5	19.2	19.4	21.4	22.1	22.7	23.4	24.1	24.8	25.6	26.1	26.6	27.1	
in % of Sales	7.6 %	7.6 %	7.5 %	8.0 %	8.0 %	8.0 %	8.0 %	8.0 %	8.0 %	8.0 %	8.0 %	8.0 %	8.0 %	
Changes in provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.0	0.0	0.0	
Change in Liquidity from														
- Working Capital	2.2	0.5	0.5	0.0	0.0	0.0	0.0	0.0	-0.1	-0.1	-0.3	-0.3	-0.3	
- Capex	21.0	21.0	21.0	21.4	22.1	22.7	23.4	24.1	24.8	25.6	26.1	26.6	27.1	
Capex in % of Sales	8.6 %	8.3 %	8.1 %	8.0 %	8.0 %	8.0 %	8.0 %	8.0 %	8.0 %	8.0 %	8.0 %	8.0 %	8.0 %	
- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Free Cash Flow (WACC Model)	1.4	4.9	5.9	8.4	9.7	10.8	11.1	11.4	11.8	12.1	12.3	12.6	12.7	13
PV of FCF	1.4	4.5	5.0	6.6	7.0	7.2	6.9	6.5	6.2	5.9	5.5	5.2	4.8	72
share of PVs	7.57 %			42.84 %										49.59 %

### Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	20.00 %	Financial Strength	1.30
Cost of debt (after tax)	2.1 %	Liquidity (share)	1.30
Market return	8.25 %	Cyclicality	1.30
Risk free rate	2.75 %	Transparency	1.30
		Others	1.30
<b>WACC</b>	<b>8.34 %</b>	<b>Beta</b>	<b>1.30</b>

### Valuation (m)

Present values 2035e	73		
Terminal Value	72		
Financial liabilities	41		
Pension liabilities	15		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	11	No. of shares (m)	16.2
<b>Equity Value</b>	<b>100</b>	<b>Value per share (EUR)</b>	<b>6.17</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
1.53	9.3 %	4.65	4.74	4.84	4.95	5.06	5.19	5.32	1.53	9.3 %	2.61	3.39	4.17	4.95	5.73	6.51	7.29
1.41	8.8 %	5.16	5.27	5.39	5.52	5.66	5.80	5.96	1.41	8.8 %	3.03	3.86	4.69	5.52	6.35	7.18	8.01
1.36	8.6 %	5.43	5.56	5.69	5.83	5.98	6.15	6.32	1.36	8.6 %	3.26	4.12	4.97	5.83	6.69	7.55	8.41
1.30	8.3 %	5.73	5.87	6.01	6.17	6.34	6.52	6.72	1.30	8.3 %	3.51	4.39	5.28	6.17	7.06	7.95	8.83
1.24	8.1 %	6.05	6.20	6.36	6.53	6.72	6.92	7.14	1.24	8.1 %	3.77	4.69	5.61	6.53	7.45	8.37	9.29
1.19	7.8 %	6.39	6.56	6.73	6.93	7.13	7.36	7.61	1.19	7.8 %	4.06	5.02	5.97	6.93	7.88	8.84	9.79
1.07	7.3 %	7.15	7.36	7.58	7.81	8.07	8.36	8.67	1.07	7.3 %	4.71	5.75	6.78	7.81	8.85	9.88	10.91

- The core business (franking machines) achieves high, steady cash flows.

Valuation	2019	2020	2021	2022	2023e	2024e	2025e
Price / Book	1.7 x	3.9 x	3.2 x	2.2 x	1.7 x	1.5 x	1.3 x
Book value per share ex intangibles	-0.42	-1.60	-0.89	-0.80	-0.67	-0.61	-0.51
EV / Sales	0.5 x	0.4 x	0.4 x	0.3 x	0.3 x	0.2 x	0.2 x
EV / EBITDA	2.9 x	10.6 x	4.5 x	2.5 x	2.3 x	2.1 x	1.8 x
EV / EBIT	16.3 x	n.a.	n.a.	10.6 x	6.6 x	6.0 x	4.9 x
EV / EBIT adj.*	16.3 x	n.a.	n.a.	10.6 x	6.6 x	6.0 x	4.9 x
P / FCF	20.1 x	3.8 x	7.7 x	3.9 x	14.5 x	7.0 x	6.1 x
P / E	31.5 x	n.a.	154.2 x	8.9 x	8.1 x	6.7 x	6.0 x
P / E adj.*	31.5 x	n.a.	154.2 x	8.9 x	8.1 x	6.7 x	6.0 x
Dividend Yield	0.9 %	n.a.	n.a.	n.a.	5.0 %	6.0 %	6.7 %
FCF Potential Yield (on market EV)	10.0 %	-1.3 %	11.7 %	22.8 %	24.6 %	29.6 %	34.0 %
*Adjustments made for: -							

## Consolidated profit & loss

In EUR m	2019	2020	2021	2022	2023e	2024e	2025e
<b>Sales</b>	<b>209.1</b>	<b>195.9</b>	<b>203.7</b>	<b>251.0</b>	<b>245.0</b>	<b>252.4</b>	<b>259.9</b>
Change Sales yoy	2.4 %	-6.3 %	4.0 %	23.2 %	-2.4 %	3.0 %	3.0 %
Increase / decrease in inventory	0.0	-0.4	3.1	0.4	0.0	0.0	0.0
Own work capitalised	18.6	7.8	6.2	7.7	7.2	7.1	7.3
<b>Total Sales</b>	<b>227.6</b>	<b>203.2</b>	<b>213.0</b>	<b>259.0</b>	<b>252.2</b>	<b>259.4</b>	<b>267.2</b>
Material expenses	101.6	93.9	103.3	124.7	118.8	126.2	130.0
<b>Gross profit</b>	<b>126.0</b>	<b>109.3</b>	<b>109.6</b>	<b>134.3</b>	<b>133.4</b>	<b>133.2</b>	<b>137.2</b>
<b>Gross profit margin</b>	<b>60.3 %</b>	<b>55.8 %</b>	<b>53.8 %</b>	<b>53.5 %</b>	<b>54.5 %</b>	<b>52.8 %</b>	<b>52.8 %</b>
Personnel expenses	60.2	67.8	57.6	65.7	62.6	64.1	65.5
Other operating income	2.9	4.5	1.7	2.1	2.0	2.0	2.1
Other operating expenses	35.4	36.8	33.8	40.3	44.1	41.6	42.9
Unfrequent items	0.0	-1.2	-1.5	-2.8	0.0	0.0	0.0
<b>EBITDA</b>	<b>33.3</b>	<b>8.0</b>	<b>18.5</b>	<b>27.6</b>	<b>28.7</b>	<b>29.5</b>	<b>30.9</b>
<b>Margin</b>	<b>15.9 %</b>	<b>4.1 %</b>	<b>9.1 %</b>	<b>11.0 %</b>	<b>11.7 %</b>	<b>11.7 %</b>	<b>11.9 %</b>
Depreciation of fixed assets	24.7	18.9	19.1	21.0	18.5	19.2	19.4
<b>EBITA</b>	<b>8.6</b>	<b>-11.0</b>	<b>-0.7</b>	<b>6.6</b>	<b>10.2</b>	<b>10.3</b>	<b>11.5</b>
Amortisation of intangible assets	2.7	3.0	0.0	0.0	0.0	0.0	0.0
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBIT</b>	<b>5.9</b>	<b>-14.0</b>	<b>-0.7</b>	<b>6.6</b>	<b>10.2</b>	<b>10.3</b>	<b>11.5</b>
<b>Margin</b>	<b>2.8 %</b>	<b>-7.1 %</b>	<b>-0.3 %</b>	<b>2.6 %</b>	<b>4.1 %</b>	<b>4.1 %</b>	<b>4.4 %</b>
<b>EBIT adj.</b>	<b>5.9</b>	<b>-14.0</b>	<b>-0.7</b>	<b>6.6</b>	<b>10.2</b>	<b>10.3</b>	<b>11.5</b>
Interest income	2.2	2.5	2.6	3.0	2.3	2.3	2.3
Interest expenses	1.8	2.6	1.4	1.5	2.2	2.0	2.0
Other financial income (loss)	-0.3	-0.6	1.6	0.4	0.0	0.0	0.0
<b>EBT</b>	<b>5.9</b>	<b>-14.7</b>	<b>2.2</b>	<b>8.6</b>	<b>10.3</b>	<b>10.6</b>	<b>11.8</b>
<b>Margin</b>	<b>2.8 %</b>	<b>-7.5 %</b>	<b>1.1 %</b>	<b>3.4 %</b>	<b>4.2 %</b>	<b>4.2 %</b>	<b>4.6 %</b>
Total taxes	4.2	0.4	1.8	3.0	4.1	3.2	3.5
<b>Net income from continuing operations</b>	<b>1.7</b>	<b>-15.1</b>	<b>0.4</b>	<b>5.5</b>	<b>6.2</b>	<b>7.4</b>	<b>8.3</b>
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income before minorities</b>	<b>1.7</b>	<b>-15.1</b>	<b>0.4</b>	<b>5.5</b>	<b>6.2</b>	<b>7.4</b>	<b>8.3</b>
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income</b>	<b>1.7</b>	<b>-15.2</b>	<b>0.4</b>	<b>5.5</b>	<b>6.2</b>	<b>7.4</b>	<b>8.3</b>
<b>Margin</b>	<b>0.8 %</b>	<b>-7.7 %</b>	<b>0.2 %</b>	<b>2.2 %</b>	<b>2.5 %</b>	<b>2.9 %</b>	<b>3.2 %</b>
Number of shares, average	16.2	16.2	16.2	16.2	16.2	16.2	16.2
<b>EPS</b>	<b>0.11</b>	<b>-0.94</b>	<b>0.02</b>	<b>0.34</b>	<b>0.38</b>	<b>0.46</b>	<b>0.51</b>
EPS adj.	0.11	-0.94	0.02	0.34	0.38	0.46	0.51

\*Adjustments made for:

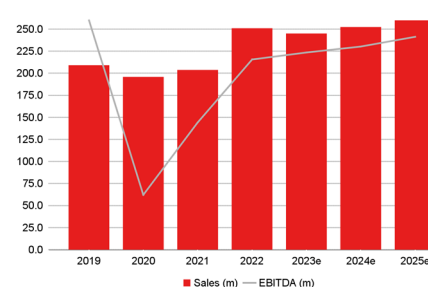
**Guidance: Revenues EUR 245-255m, EBITDA EUR 28-31m**

## Financial Ratios

	2019	2020	2021	2022	2023e	2024e	2025e
Total Operating Costs / Sales	92.9 %	99.1 %	94.8 %	91.1 %	91.3 %	91.1 %	90.9 %
Operating Leverage	n.a.	n.a.	-23.8 x	n.a.	-22.3 x	0.5 x	3.9 x
EBITDA / Interest expenses	18.5 x	3.1 x	13.2 x	18.6 x	13.0 x	14.8 x	15.5 x
Tax rate (EBT)	71.3 %	-3.0 %	83.1 %	35.4 %	40.0 %	30.0 %	30.0 %
Dividend Payout Ratio	28.4 %	0.0 %	0.0 %	0.0 %	39.9 %	40.0 %	39.8 %
Sales per Employee	165,992	152,436	155,434	187,735	179,690	181,451	183,230

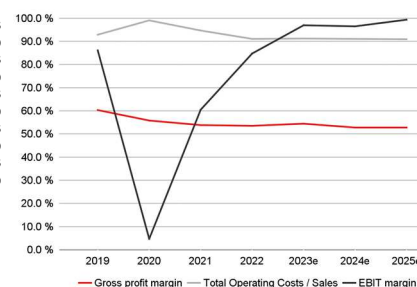
### Sales, EBITDA

in EUR m

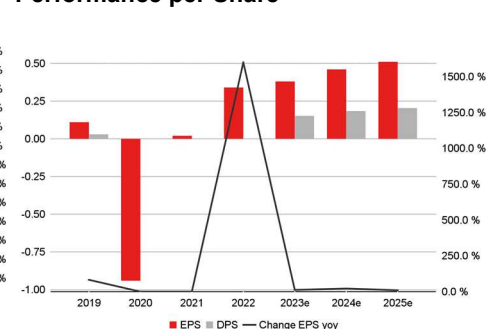


### Operating Performance

in %



### Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

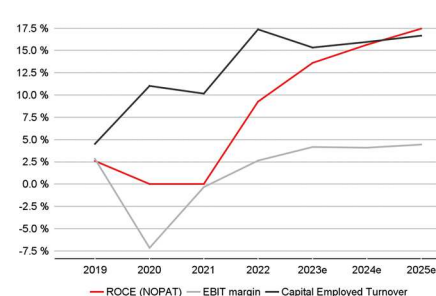
## Consolidated balance sheet

In EUR m	2019	2020	2021	2022	2023e	2024e	2025e
<b>Assets</b>							
Goodwill and other intangible assets	38.8	39.5	30.1	35.2	39.2	43.2	47.2
thereof other intangible assets	34.1	35.6	30.1	30.8	34.8	38.8	42.8
thereof Goodwill	4.6	3.8	0.0	4.4	4.4	4.4	4.4
Property, plant and equipment	29.2	24.9	25.9	26.9	25.4	23.2	20.8
Financial assets	18.1	16.3	16.8	15.8	15.8	15.8	15.8
Other long-term assets	11.2	0.0	0.0	1.4	1.4	1.4	1.4
<b>Fixed assets</b>	<b>97.3</b>	<b>80.7</b>	<b>72.8</b>	<b>79.2</b>	<b>81.7</b>	<b>83.5</b>	<b>85.1</b>
Inventories	12.4	11.5	16.5	19.5	19.0	19.6	20.2
Accounts receivable	18.1	18.1	19.5	20.7	22.8	23.5	24.2
Liquid assets	30.5	36.1	33.3	34.4	37.8	42.7	48.2
Other short-term assets	28.0	27.6	24.8	18.9	18.9	18.9	18.9
<b>Current assets</b>	<b>89.0</b>	<b>93.3</b>	<b>94.1</b>	<b>93.4</b>	<b>98.5</b>	<b>104.7</b>	<b>111.5</b>
<b>Total Assets</b>	<b>186.3</b>	<b>174.0</b>	<b>166.9</b>	<b>172.7</b>	<b>180.3</b>	<b>188.2</b>	<b>196.6</b>
<b>Liabilities and shareholders' equity</b>							
Subscribed capital	16.3	16.3	15.7	16.3	16.3	16.3	16.3
Capital reserve	34.7	34.3	34.3	34.3	34.3	34.3	34.3
Retained earnings	0.0	0.0	-29.6	-30.5	-28.4	-24.7	-20.0
Other equity components	-19.0	-36.9	-4.8	2.2	6.2	7.4	8.3
Shareholders' equity	32.0	13.7	15.7	22.3	28.3	33.4	38.9
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total equity</b>	<b>32.0</b>	<b>13.7</b>	<b>15.7</b>	<b>22.3</b>	<b>28.3</b>	<b>33.4</b>	<b>38.9</b>
Provisions	24.0	25.9	36.8	29.6	29.6	29.6	29.6
thereof provisions for pensions and similar obligations	20.6	20.5	19.0	14.6	14.6	14.6	14.6
Financial liabilities (total)	50.2	47.0	47.8	41.0	41.0	41.0	41.0
Short-term financial liabilities	4.1	3.7	11.1	11.5	11.5	11.5	11.5
Accounts payable	14.6	14.1	12.9	24.8	24.2	24.9	25.7
Other liabilities	65.5	73.3	53.8	55.0	57.1	59.2	61.3
<b>Liabilities</b>	<b>154.3</b>	<b>160.3</b>	<b>151.3</b>	<b>150.4</b>	<b>152.0</b>	<b>154.8</b>	<b>157.6</b>
<b>Total liabilities and shareholders' equity</b>	<b>186.3</b>	<b>174.0</b>	<b>166.9</b>	<b>172.7</b>	<b>180.3</b>	<b>188.2</b>	<b>196.6</b>

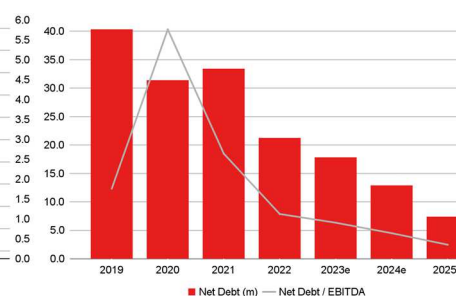
## Financial Ratios

	2019	2020	2021	2022	2023e	2024e	2025e
<b>Efficiency of Capital Employment</b>							
Operating Assets Turnover	4.6 x	4.8 x	4.2 x	5.9 x	5.7 x	6.1 x	6.6 x
Capital Employed Turnover	2.9 x	4.3 x	4.2 x	5.8 x	5.3 x	5.5 x	5.6 x
ROA	1.8 %	-18.8 %	0.5 %	7.0 %	7.5 %	8.9 %	9.7 %
<b>Return on Capital</b>							
ROCE (NOPAT)	2.6 %	n.a.	n.a.	9.3 %	13.6 %	15.6 %	17.4 %
ROE	5.2 %	-66.3 %	2.5 %	29.2 %	24.3 %	24.1 %	22.9 %
Adj. ROE	5.2 %	-66.3 %	2.5 %	29.2 %	24.3 %	24.1 %	22.9 %
<b>Balance sheet quality</b>							
Net Debt	40.3	31.4	33.4	21.2	17.8	12.9	7.4
Net Financial Debt	19.7	10.9	14.5	6.6	3.2	-1.7	-7.2
Net Gearing	125.9 %	229.7 %	213.5 %	95.4 %	62.9 %	38.6 %	19.0 %
Net Fin. Debt / EBITDA	59.3 %	136.5 %	78.3 %	23.9 %	11.1 %	n.a.	n.a.
Book Value / Share	2.0	0.8	1.0	1.4	1.8	2.1	2.4
Book value per share ex intangibles	-0.4	-1.6	-0.9	-0.8	-0.7	-0.6	-0.5

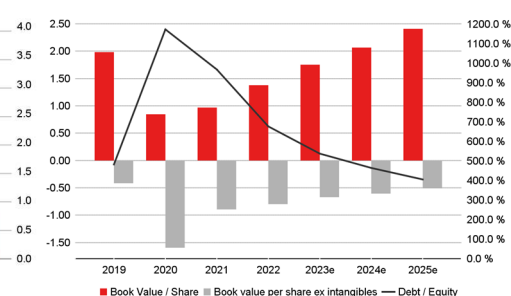
## ROCE Development



## Net debt in EUR m



## Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

## Consolidated cash flow statement

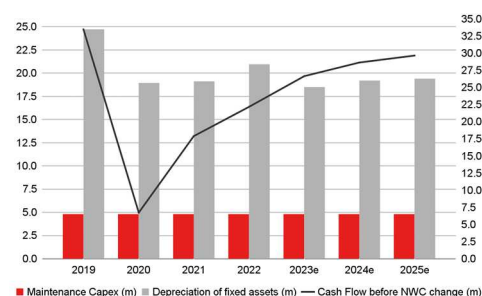
In EUR m	2019	2020	2021	2022	2023e	2024e	2025e
Net income	1.7	-15.2	0.4	5.5	6.2	7.4	8.3
Depreciation of fixed assets	24.7	18.9	19.1	21.0	18.5	19.2	19.4
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	2.7	3.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in long-term provisions	4.4	-0.1	-1.6	-4.3	0.0	0.0	0.0
Other non-cash income and expenses	0.0	0.0	0.0	0.0	2.0	2.0	2.0
<b>Cash Flow before NWC change</b>	<b>33.5</b>	<b>6.7</b>	<b>17.9</b>	<b>22.2</b>	<b>26.7</b>	<b>28.6</b>	<b>29.7</b>
Increase / decrease in inventory	-1.2	0.8	-5.0	-3.0	0.5	-0.6	-0.6
Increase / decrease in accounts receivable	0.8	0.0	-1.3	-1.2	-2.1	-0.7	-0.7
Increase / decrease in accounts payable	0.6	-0.4	-1.2	11.9	-0.6	0.7	0.7
Increase / decrease in other working capital positions	-10.7	15.6	4.8	-7.5	0.0	0.0	0.0
Increase / decrease in working capital (total)	-10.4	16.0	-2.8	0.2	-2.2	-0.5	-0.5
<b>Net cash provided by operating activities [1]</b>	<b>23.1</b>	<b>22.8</b>	<b>15.1</b>	<b>22.4</b>	<b>24.4</b>	<b>28.1</b>	<b>29.1</b>
Investments in intangible assets	-13.8	-4.0	-1.0	-1.4	-4.0	-4.0	-4.0
Investments in property, plant and equipment	-6.5	-4.8	-7.6	-8.6	-17.0	-17.0	-17.0
Payments for acquisitions	0.0	-2.2	0.0	-4.3	0.0	0.0	0.0
Financial investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	-1.1	-0.3	0.1	0.0	0.0	0.0	0.0
<b>Net cash provided by investing activities [2]</b>	<b>-21.4</b>	<b>-11.4</b>	<b>-8.5</b>	<b>-14.3</b>	<b>-21.0</b>	<b>-21.0</b>	<b>-21.0</b>
Change in financial liabilities	11.0	-3.3	0.8	-6.8	0.0	0.0	0.0
Dividends paid	-0.5	-0.5	0.0	0.0	0.0	-2.2	-2.6
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	-15.2	-1.9	-4.1	1.9	0.0	0.0	0.0
<b>Net cash provided by financing activities [3]</b>	<b>-4.7</b>	<b>-5.7</b>	<b>-3.2</b>	<b>-4.9</b>	<b>0.0</b>	<b>-2.2</b>	<b>-2.6</b>
<b>Change in liquid funds [1]+[2]+[3]</b>	<b>-3.0</b>	<b>5.1</b>	<b>3.3</b>	<b>3.2</b>	<b>3.4</b>	<b>4.9</b>	<b>5.5</b>
Effects of exchange-rate changes on cash	0.0	-1.0	0.9	-0.1	0.0	0.0	0.0
<b>Cash and cash equivalent at end of period</b>	<b>18.1</b>	<b>22.2</b>	<b>27.3</b>	<b>22.8</b>	<b>26.3</b>	<b>31.2</b>	<b>36.7</b>

## Financial Ratios

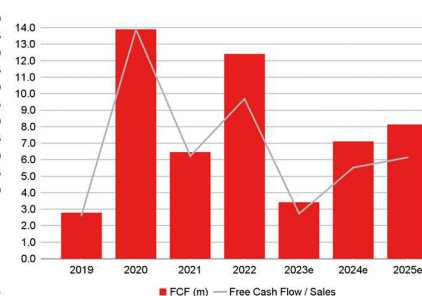
	2019	2020	2021	2022	2023e	2024e	2025e
<b>Cash Flow</b>							
FCF	2.8	13.9	6.5	12.4	3.4	7.1	8.1
Free Cash Flow / Sales	1.3 %	7.1 %	3.2 %	4.9 %	1.4 %	2.8 %	3.1 %
Free Cash Flow Potential	9.7	-1.1	9.7	16.0	16.5	18.5	19.3
Free Cash Flow / Net Profit	163.8 %	-91.7 %	1769.9 %	224.2 %	55.5 %	95.6 %	98.2 %
Interest Received / Avg. Cash	7.2 %	7.4 %	7.4 %	8.8 %	6.4 %	5.7 %	5.1 %
Interest Paid / Avg. Debt	4.0 %	5.2 %	2.9 %	3.3 %	5.4 %	4.9 %	4.9 %
<b>Management of Funds</b>							
Investment ratio	9.7 %	4.5 %	4.2 %	4.0 %	8.6 %	8.3 %	8.1 %
Maint. Capex / Sales	2.3 %	2.5 %	2.4 %	1.9 %	2.0 %	1.9 %	1.8 %
Capex / Dep	73.9 %	40.4 %	45.0 %	47.5 %	113.5 %	109.4 %	108.2 %
Avg. Working Capital / Sales	7.7 %	8.0 %	9.5 %	7.7 %	6.7 %	7.1 %	7.1 %
Trade Debtors / Trade Creditors	124.4 %	128.3 %	150.9 %	83.5 %	94.3 %	94.3 %	94.3 %
Inventory Turnover	8.2 x	8.2 x	6.3 x	6.4 x	6.2 x	6.4 x	6.4 x
Receivables collection period (days)	32	34	35	30	34	34	34
Payables payment period (days)	52	55	46	73	74	72	72
Cash conversion cycle (Days)	24	24	48	15	18	19	19

## CAPEX and Cash Flow

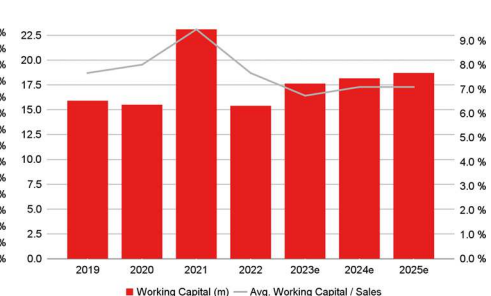
in EUR m



## Free Cash Flow Generation



## Working Capital



Source: Warburg Research

Source: Warburg Research

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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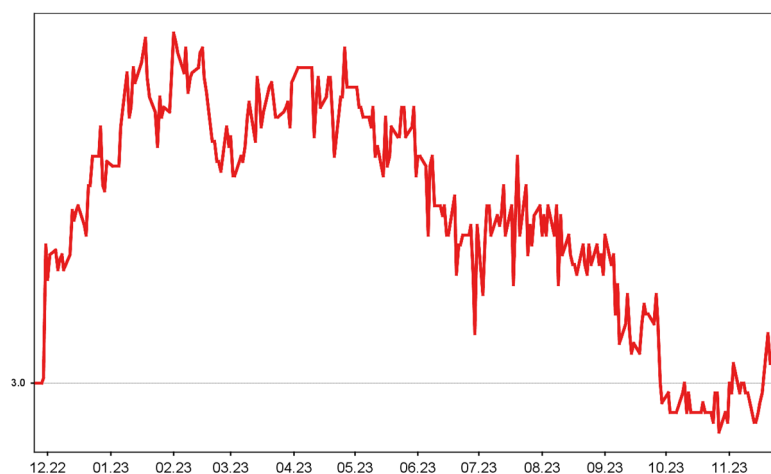
Rating	Number of stocks	% of Universe
Buy	155	73
Hold	46	22
Sell	5	2
Rating suspended	7	3
<b>Total</b>	<b>213</b>	<b>100</b>

## 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	43	81
Hold	7	13
Sell	0	0
Rating suspended	3	6
<b>Total</b>	<b>53</b>	<b>100</b>

## PRICE AND RATING HISTORY FRANCO-TYP-POSTALIA AS OF 24.11.2023



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.

## EQUITIES

**Matthias Rode** +49 40 3282-2678  
Head of Equities mrode@mmwarburg.com

## RESEARCH

**Michael Heider** +49 40 309537-280  
Head of Research mheider@warburg-research.com

**Henner Rueschmeier** +49 40 309537-270  
Head of Research hrueschmeier@warburg-research.com

**Stefan Augustin** +49 40 309537-168  
Cap. Goods, Engineering saugustin@warburg-research.com

**Jan Bauer** +49 40 309537-155  
Renewables jbauer@warburg-research.com

**Christian Cohrs** +49 40 309537-175  
Industrials & Transportation ccohrs@warburg-research.com

**Dr. Christian Ehmann** +49 40 309537-167  
BioTech, Life Science cehmann@warburg-research.com

**Felix Ellmann** +49 40 309537-120  
Software, IT fellmann@warburg-research.com

**Jörg Philipp Frey** +49 40 309537-258  
Retail, Consumer Goods jfrey@warburg-research.com

**Marius Fuhrberg** +49 40 309537-185  
Financial Services mfuhrberg@warburg-research.com

**Fabio Hölscher** +49 40 309537-240  
Automobiles, Car Suppliers fhoelscher@warburg-research.com

**Philipp Kaiser** +49 40 309537-260  
Real Estate, Construction pkaiser@warburg-research.com

**Thilo Kleibauer** +49 40 309537-257  
Retail, Consumer Goods tkleibauer@warburg-research.com

**Hannes Müller** +49 40 309537-255  
Software, IT hmueller@warburg-research.com

**Andreas Pläsier** +49 40 309537-246  
Banks, Financial Services aplaesier@warburg-research.com

**Malte Schaumann** +49 40 309537-170  
Technology mschaumann@warburg-research.com

**Oliver Schwarz** +49 40 309537-250  
Chemicals, Agriculture oschwarz@warburg-research.com

**Simon Stippig** +49 40 309537-265  
Real Estate, Telco sstippig@warburg-research.com

**Marc-René Tonn** +49 40 309537-259  
Automobiles, Car Suppliers mtonn@warburg-research.com

**Robert-Jan van der Horst** +49 40 309537-290  
Technology rvanderhorst@warburg-research.com

**Andreas Wolf** +49 40 309537-140  
Software, IT awolf@warburg-research.com

## INSTITUTIONAL EQUITY SALES

**Marc Niemann** +49 40 3282-2660  
Head of Equity Sales, Germany mniemann@mmwarburg.com

**Tim Beckmann** +49 40 3282-2665  
United Kingdom tbeckmann@mmwarburg.com

**Lea Bogdanova** +49 69 5050-7411  
United Kingdom, Ireland lbogdanova@mmwarburg.com

**Jens Buchmüller** +49 69 5050-7415  
Scandinavia, Austria jbuchmueller@mmwarburg.com

**Matthias Fritsch** +49 40 3282-2696  
United Kingdom mfritsch@mmwarburg.com

**Maximilian Martin** +49 69 5050-7413  
Austria, Poland mmartin@mmwarburg.com

**Rudolf Alexander Michaelis** +49 40 3282-2649  
Germany rmichaelis@mmwarburg.com

**Roman Alexander Niklas** +49 69 5050-7412  
Switzerland rniklas@mmwarburg.com

**Antonia Möller** +49 69 5050-7417  
Roadshow/Marketing amoeller@mmwarburg.com

**Charlotte Wernicke** +49 40 3282-2669  
Roadshow/Marketing cwernicke@mmwarburg.com

**Juliane Niemann** +49 40 3282-2694  
Roadshow/Marketing jniemann@mmwarburg.com

## SALES TRADING

**Oliver Merckel** +49 40 3282-2634  
Head of Sales Trading omerckel@mmwarburg.com

**Rico Müller** +49 40 3282-2685  
Sales Trading rmuller@mmwarburg.com

**Bastian Quast** +49 40 3282-2701  
Sales Trading bquast@mmwarburg.com

## DESIGNATED SPONSORING

**Marcel Magiera** +49 40 3282-2662  
Designated Sponsoring mmagiera@mmwarburg.com

**Sebastian Schulz** +49 40 3282-2631  
Designated Sponsoring sschulz@mmwarburg.com

**Jörg Treptow** +49 40 3282-2658  
Designated Sponsoring jtreptow@mmwarburg.com

## MACRO RESEARCH

**Carsten Klude** +49 40 3282-2572  
Macro Research cklude@mmwarburg.com

**Dr. Christian Jasperneite** +49 40 3282-2439  
Investment Strategy cjasperneite@mmwarburg.com

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## For access please contact:

**Andrea Schaper** +49 40 3282-2632  
Sales Assistance aschaper@mmwarburg.com

**Kerstin Muthig** +49 40 3282-2703  
Sales Assistance kmuthig@mmwarburg.com