

Hold (Buy) EUR 3.50 (EUR 5.30) Price EUR 3.47 Upside 0.9 %	Value Indicators: EUR DCF: 3.46	Share data: Bloomberg: FPH GR Reuters: FPHG ISIN: DE000FPH9000	Description: Manufacturer of franking machines and provider of mail services.
	Market Snapshot: EUR m Market cap: 53.6 No. of shares (m): 15.5 EV: 79.6 Freefloat MC: 43.0 Ø Trad. Vol. (30d): 60.66 th	Shareholders: Freefloat 80.2 % Obotritia Capital 10.3 % Active Ownership Fund 9.5 %	Risk Profile (WRe): 2019e Beta: 2.5 Price / Book: 1.6 x Equity Ratio: 21 % Net Fin. Debt / EBITDA: 0.3 x Net Debt / EBITDA: 1.0 x

H1 not satisfactory

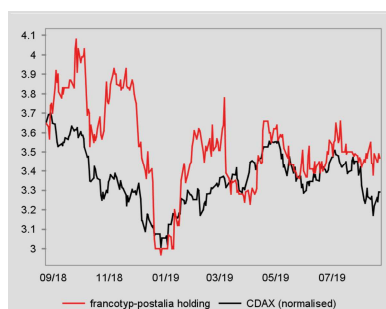
Stated Figures Q2/2019:							
in EUR m	Q2/19	Q2/19e	Q2/18	yoy	6M/19	6M/18	yoy
Sales	46.9	54.0	51.8	-9.4%	99.0	104.8	-5.5%
EBITDA	4.7	7.0	5.3	-12.6%	11.6	12.8	-9.2%
<i>margin</i>	<i>9.9%</i>	<i>14.8%</i>	<i>10.3%</i>		<i>11.7%</i>	<i>12.2%</i>	
EPS in EUR	-0.04	0.09	0.06	-	0.04	0.20	-80.0%

Comment on Figures:

- On 22.08.19 Francotyp Postalia Holding AG released preliminary half-year figures. The communication of the figures came as a surprise as they were well below expectations.
- The development of the problem area, Mail Services, was especially negative. However, the remaining areas did not fulfil the expectations either.

After a weak Q1, particular focus had already turned to the further course of the year (see our Comment dated 17.05.2019 *Sales momentum must become visible in H2*). It is becoming clear however, that the original expectations (WRe) will be clearly missed. A decrease in revenue in the problematic area of Mail Services had a particularly burdening impact on the first half of the year (-18.3 % auf EUR 26.2m). This area continued to be influenced by results-oriented management of the client portfolio and a general decline in the volume of mail. The area of Franking too also had to come to terms with a decline of 2.1% in H1 (EUR 64m). While there is a chance of a catch-up effect in this area (new generation of machine), at least a slight rise was to have been expected. The area of Software too, while growing by 20.6% to EUR 8.9m, also failed to reach the expectations. FP has consistently expanded the range of services in this area. Making a positive contribution to development were mainly the Hybrid-Mail solutions as well as the area of IoT. Here, a significant increase would have been possible. Group revenue growth, the most important aim of the strategic efforts since 2016, was thus once again not shown. The missing revenue had a correspondingly negative effect on the results. Based on the fact that no growth has been shown since 2016, the expectations (WRe) are being reduced once again and a much higher risk factor is being included in the valuation approach (beta rises from 2.0 to 2.5). Against this background, the share of **Francotyp is downgraded from Buy to Hold with a price target of EUR 3.50**

Changes in Estimates:						Comment on Changes:	
FY End: 31.12. in EUR m	2019e (old)	+ / -	2020e (old)	+ / -	2021e (old)	+ / -	
Sales	221.6	-6.9 %	232.6	-6.9 %	244.3	-6.9 %	Based on the weak H1, the revenue expectation is being reduced again.
EBITDA	28.8	-6.9 %	38.9	-6.9 %	40.8	-6.9 %	Core of the model adjustment is, however, the clear rise in the risk factor (beta and the associated WACC: 12%) based on the considerable uncertainties in the context of future growth expectations as none of the business segments have met the specified growth targets to date.
EBIT	5.8	-34.3 %	15.9	-16.9 %	16.8	-16.8 %	
EPS	0.25	-32.0 %	0.68	-17.6 %	0.72	-16.7 %	

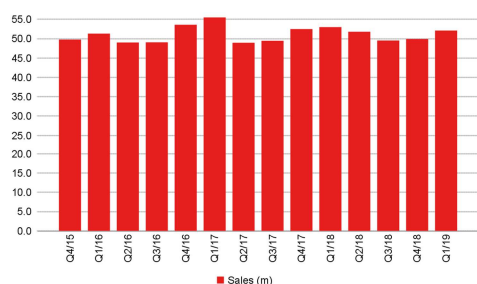


Rel. Performance vs CDAX:	
1 month:	3.9 %
6 months:	-0.4 %
Year to date:	7.9 %
Trailing 12 months:	6.0 %

Company events:	

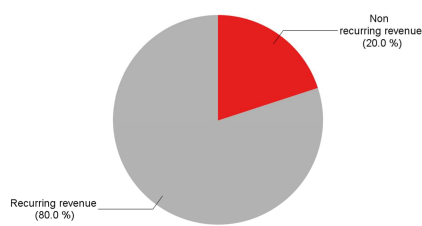
FY End: 31.12. in EUR m	CAGR (18-21e)	2015	2016	2017	2018	2019e	2020e	2021e
Sales	3.6 %	191.1	203.0	206.3	204.2	206.2	216.6	227.4
Change Sales yoy		12.2 %	6.2 %	1.7 %	-1.0 %	1.0 %	5.0 %	5.0 %
Gross profit margin		60.4 %	58.1 %	55.6 %	57.0 %	59.0 %	59.0 %	59.0 %
EBITDA	30.5 %	26.8	27.2	26.3	17.1	26.8	36.2	38.0
Margin		14.0 %	13.4 %	12.8 %	8.4 %	13.0 %	16.7 %	16.7 %
EBIT	-	9.0	9.7	7.3	-0.3	3.8	13.2	14.0
Margin		4.7 %	4.8 %	3.5 %	-0.1 %	1.8 %	6.1 %	6.1 %
Net income	120.7 %	3.5	5.9	4.6	0.9	2.7	9.1	9.6
EPS	115.4 %	0.22	0.36	0.29	0.06	0.17	0.56	0.60
EPS adj.	115.4 %	0.22	0.36	0.29	0.06	0.17	0.56	0.60
DPS	100.0 %	0.12	0.16	0.12	0.03	0.07	0.22	0.24
Dividend Yield		2.7 %	3.8 %	2.3 %	0.8 %	2.0 %	6.5 %	6.9 %
FCF		-0.10	0.28	0.36	0.38	0.00	0.50	0.59
FCF / Market cap		-2.2 %	0.2 %	6.9 %	10.2 %	-0.1 %	14.3 %	17.0 %
EV / Sales		0.5 x	0.5 x	0.5 x	0.4 x	0.4 x	0.4 x	0.3 x
EV / EBITDA		3.9 x	3.6 x	4.2 x	5.0 x	3.1 x	2.1 x	1.9 x
EV / EBIT		11.5 x	9.9 x	15.1 x	n.a.	21.5 x	5.8 x	5.0 x
P / E		19.8 x	11.7 x	17.9 x	62.6 x	20.4 x	6.2 x	5.8 x
P / E adj.		19.8 x	11.7 x	17.9 x	62.6 x	20.4 x	6.2 x	5.8 x
FCF Potential Yield		6.1 %	12.0 %	11.2 %	2.2 %	12.5 %	21.0 %	23.8 %
Net Debt		32.9	28.4	25.2	24.6	25.9	19.8	14.3
ROCE (NOPAT)		6.8 %	9.5 %	7.7 %	n.a.	4.3 %	14.3 %	14.9 %
Guidance:								

Sales development in EUR m



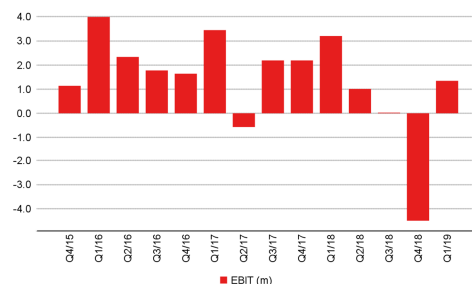
Source: Warburg Research

Recurring revenue proportion 2019e; in %



Source: Warburg Research

EBIT development in EUR m



Source: Warburg Research

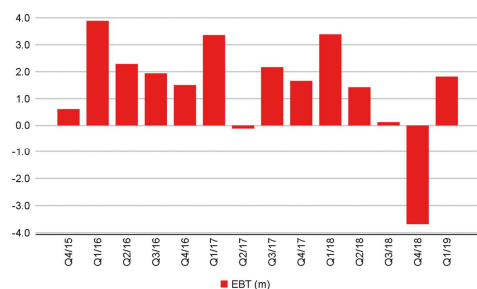
Company Background

- 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 thus more than 80 years of experience in the postal market.
- In the course of the liberalisation of the postal market, the FP group transformed itself from a producer of franking machines to a solutions provider for mail management and processing.
- Franking and inserting machines are still the core business activity.
- With new solutions e.g. In the field of IoT and electronic signature, the company strategically expanded its portfolio.

Competitive Quality

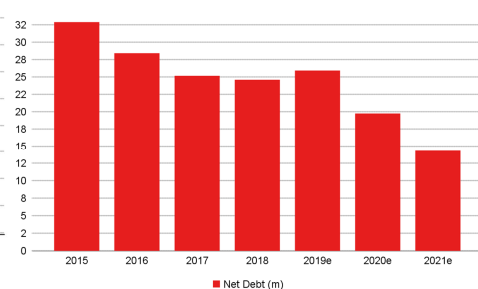
- Focusing on customers with low to medium postal needs, Francotyp Postalia caters for two stable segments in the generally difficult market for franking machines.
- The 45% market share in the German market for franking machines demonstrates its reputation as the market leader in Germany based on the 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 three-quarters) 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



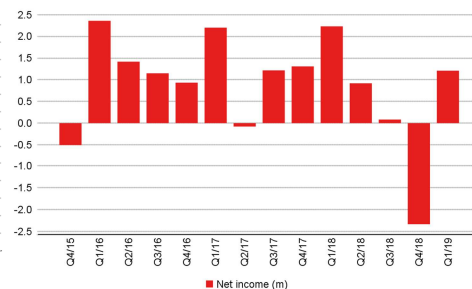
Source: Warburg Research

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
	2019e	2020e	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	
Sales	206.2	216.6	227.4	234.2	241.2	248.5	255.9	263.6	271.5	279.7	288.0	296.7	305.6	1.0 %
Sales change	1.0 %	5.0 %	5.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	
EBIT	3.8	13.2	14.0	15.2	15.7	16.2	16.6	17.1	17.6	18.2	18.7	19.3	19.9	
EBIT-margin	1.8 %	6.1 %	6.1 %	6.5 %	6.5 %	6.5 %	6.5 %	6.5 %	6.5 %	6.5 %	6.5 %	6.5 %	6.5 %	
Tax rate (EBT)	32.0 %	32.0 %	32.0 %	33.0 %	33.0 %	33.0 %	33.0 %	33.0 %	33.0 %	33.0 %	33.0 %	33.0 %	33.0 %	
NOPAT	2.6	9.0	9.5	10.2	10.5	10.8	11.1	11.5	11.8	12.2	12.5	12.9	13.3	
Depreciation	23.0	23.0	24.0	21.1	21.7	22.4	23.0	23.7	24.4	25.2	25.9	26.7	27.5	
in % of Sales	11.2 %	10.6 %	10.6 %	9.0 %	9.0 %	9.0 %	9.0 %	9.0 %	9.0 %	9.0 %	9.0 %	9.0 %	9.0 %	
Changes in provisions	0.8	0.9	0.9	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	
Change in Liquidity from														
- Working Capital	2.6	0.9	1.0	2.8	0.7	0.7	0.7	0.8	0.8	0.8	0.8	0.9	0.9	
- Capex	26.0	26.0	26.0	23.4	24.1	24.8	23.0	23.7	24.4	25.2	25.9	26.7	27.5	
Capex in % of Sales	12.6 %	12.0 %	11.4 %	10.0 %	10.0 %	10.0 %	9.0 %	9.0 %	9.0 %	9.0 %	9.0 %	9.0 %	9.0 %	
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)	-2.2	5.9	7.4	5.2	7.5	7.7	10.5	10.8	11.1	11.4	11.7	12.0	12.4	12
PV of FCF	-2.1	5.0	5.7	3.6	4.6	4.2	5.1	4.7	4.3	4.0	3.6	3.3	3.1	28
share of PVs	11.23 %			52.59 %										36.18 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	25.00 %	Financial Strength	2.50
Cost of debt (after tax)	2.1 %	Liquidity (share)	2.50
Market return	7.00 %	Cyclicality	2.50
Risk free rate	1.50 %	Transparency	2.50
		Others	2.50
WACC	11.96 %	Beta	2.50

Valuation (m)

Present values 2031e	49		
Terminal Value	28		
Financial liabilities	39		
Pension liabilities	16		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	32	No. of shares (m)	15.5
Equity Value	53	Value per share (EUR)	3.46

Sensitivity Value per Share (EUR)

Terminal Growth									Delta EBIT-margin								
Beta	WACC	0.25 %	0.50 %	0.75 %	1.00 %	1.25 %	1.50 %	1.75 %	Beta	WACC	-1.5 pp	-1.0 pp	-0.5 pp	+0.0 pp	+0.5 pp	+1.0 pp	+1.5 pp
2.74	13.0 %	2.87	2.89	2.92	2.95	2.98	3.02	3.05	2.74	13.0 %	1.53	2.01	2.48	2.95	3.43	3.90	4.37
2.62	12.5 %	3.09	3.12	3.16	3.19	3.23	3.27	3.31	2.62	12.5 %	1.71	2.20	2.70	3.19	3.69	4.18	4.67
2.56	12.2 %	3.21	3.25	3.28	3.32	3.36	3.40	3.44	2.56	12.2 %	1.81	2.31	2.82	3.32	3.83	4.33	4.84
2.50	12.0 %	3.34	3.38	3.42	3.46	3.50	3.54	3.59	2.50	12.0 %	1.91	2.42	2.94	3.46	3.97	4.49	5.00
2.44	11.7 %	3.47	3.51	3.55	3.60	3.64	3.69	3.74	2.44	11.7 %	2.01	2.54	3.07	3.60	4.13	4.65	5.18
2.38	11.5 %	3.61	3.65	3.70	3.75	3.79	3.85	3.90	2.38	11.5 %	2.12	2.66	3.21	3.75	4.29	4.83	5.37
2.26	11.0 %	3.91	3.96	4.01	4.07	4.12	4.18	4.25	2.26	11.0 %	2.36	2.93	3.50	4.07	4.63	5.20	5.77

- Francotyp generates high steady cash flows in a normal business year.
- In 2016, however, these are strongly influenced by strategy programs (ACT)
- However, this has so far failed to deliver the hoped-for growth momentum.

Valuation	2015	2016	2017	2018	2019e	2020e	2021e
Price / Book	2.1 x	1.9 x	2.5 x	1.8 x	1.6 x	1.3 x	1.1 x
Book value per share ex intangibles	0.04	0.07	-0.09	-0.46	-0.75	-0.69	-0.73
EV / Sales	0.5 x	0.5 x	0.5 x	0.4 x	0.4 x	0.4 x	0.3 x
EV / EBITDA	3.9 x	3.6 x	4.2 x	5.0 x	3.1 x	2.1 x	1.9 x
EV / EBIT	11.5 x	9.9 x	15.1 x	n.a.	21.5 x	5.8 x	5.0 x
EV / EBIT adj.*	11.5 x	9.9 x	15.1 x	n.a.	21.5 x	5.8 x	5.0 x
P / FCF	n.a.	426.4 x	14.6 x	9.8 x	n.a.	7.0 x	5.9 x
P / E	19.8 x	11.7 x	17.9 x	62.6 x	20.4 x	6.2 x	5.8 x
P / E adj.*	19.8 x	11.7 x	17.9 x	62.6 x	20.4 x	6.2 x	5.8 x
Dividend Yield	2.7 %	3.8 %	2.3 %	0.8 %	2.0 %	6.5 %	6.9 %
FCF Potential Yield (on market EV)	6.1 %	12.0 %	11.2 %	2.2 %	12.5 %	21.0 %	23.8 %
*Adjustments made for: -							

Consolidated profit & loss

In EUR m	2015	2016	2017	2018	2019e	2020e	2021e
Sales	191.1	203.0	206.3	204.2	206.2	216.6	227.4
Change Sales yoy	12.2 %	6.2 %	1.7 %	-1.0 %	1.0 %	5.0 %	5.0 %
Increase / decrease in inventory	-0.1	0.2	0.5	-0.3	0.0	0.0	0.0
Own work capitalised	15.8	11.4	10.8	14.1	14.4	15.2	15.9
Total Sales	206.7	214.5	217.7	218.0	220.7	231.7	243.3
Material expenses	91.3	96.5	102.9	101.6	99.0	103.9	109.1
Gross profit	115.4	118.0	114.8	116.3	121.7	127.8	134.2
Gross profit margin	60.4 %	58.1 %	55.6 %	57.0 %	59.0 %	59.0 %	59.0 %
Personnel expenses	57.4	57.4	59.2	64.7	61.9	60.6	63.7
Other operating income	4.3	3.8	4.8	1.9	2.1	3.7	3.9
Other operating expenses	35.6	37.1	34.1	36.4	35.1	34.6	36.4
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	26.8	27.2	26.3	17.1	26.8	36.2	38.0
Margin	14.0 %	13.4 %	12.8 %	8.4 %	13.0 %	16.7 %	16.7 %
Depreciation of fixed assets	17.8	17.5	19.1	17.3	23.0	23.0	24.0
EBITA	9.0	9.7	7.3	-0.3	3.8	13.2	14.0
Amortisation of intangible assets	0.0	0.0	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
EBIT	9.0	9.7	7.3	-0.3	3.8	13.2	14.0
Margin	4.7 %	4.8 %	3.5 %	-0.1 %	1.8 %	6.1 %	6.1 %
EBIT adj.	9.0	9.7	7.3	-0.3	3.8	13.2	14.0
Interest income	0.7	1.3	2.1	2.8	0.8	0.8	0.8
Interest expenses	2.2	1.6	1.9	1.4	0.6	0.6	0.6
Other financial income (loss)	0.2	0.1	-0.4	0.1	0.0	0.0	0.0
EBT	7.7	9.6	7.1	1.3	4.0	13.4	14.2
Margin	4.0 %	4.7 %	3.4 %	0.6 %	1.9 %	6.2 %	6.2 %
Total taxes	3.9	3.4	2.4	0.4	1.3	4.3	4.5
Net income from continuing operations	3.7	6.2	4.6	0.9	2.7	9.1	9.6
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income before minorities	3.7	6.2	4.6	0.9	2.7	9.1	9.6
Minority interest	0.2	0.3	0.0	0.0	0.0	0.0	0.0
Net income	3.5	5.9	4.6	0.9	2.7	9.1	9.6
Margin	1.9 %	2.9 %	2.3 %	0.4 %	1.3 %	4.2 %	4.2 %
Number of shares, average	16.2	16.2	16.2	16.2	16.2	16.2	16.2
EPS	0.22	0.36	0.29	0.06	0.17	0.56	0.60
EPS adj.	0.22	0.36	0.29	0.06	0.17	0.56	0.60

*Adjustments made for:

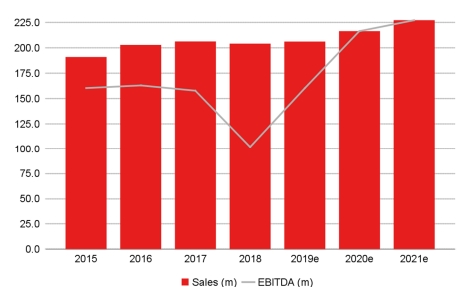
Guidance: n.a.

Financial Ratios

	2015	2016	2017	2018	2019e	2020e	2021e
Total Operating Costs / Sales	94.2 %	92.3 %	92.8 %	98.4 %	94.0 %	90.3 %	90.3 %
Operating Leverage	-0.7 x	1.3 x	-15.3 x	n.a.	n.a.	49.1 x	1.2 x
EBITDA / Interest expenses	11.9 x	17.4 x	13.8 x	12.3 x	44.7 x	60.3 x	63.3 x
Tax rate (EBT)	51.3 %	35.5 %	34.3 %	28.4 %	32.0 %	32.0 %	32.0 %
Dividend Payout Ratio	52.1 %	41.7 %	41.7 %	54.1 %	40.3 %	39.8 %	40.2 %
Sales per Employee	164,180	170,997	170,431	165,358	163,737	168,553	173,511

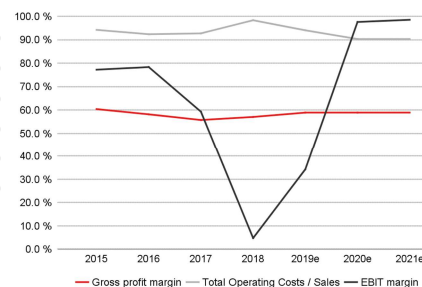
Sales, EBITDA

in EUR m

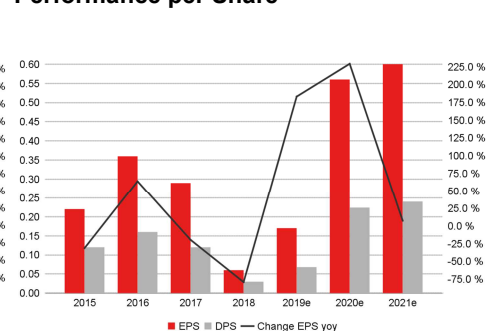


Operating Performance

in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

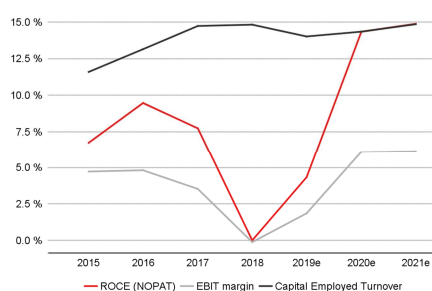
Consolidated balance sheet

In EUR m	2015	2016	2017	2018	2019e	2020e	2021e
Assets							
Goodwill and other intangible assets	33.0	34.9	35.1	40.8	47.8	54.8	61.8
thereof other intangible assets	24.5	26.4	26.7	30.3	37.3	44.3	51.3
thereof Goodwill	8.5	8.5	8.5	10.4	10.4	10.4	10.4
Property, plant and equipment	42.0	39.3	31.8	29.9	25.9	21.9	16.9
Financial assets	6.0	9.7	11.6	13.4	13.4	13.4	13.4
Other long-term assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fixed assets	81.0	83.9	78.5	84.1	87.1	90.1	92.1
Inventories	11.7	11.2	10.6	11.2	11.3	11.9	12.5
Accounts receivable	16.9	19.0	19.5	19.0	18.6	19.6	20.6
Liquid assets	18.9	27.1	34.9	30.9	29.3	34.3	40.7
Other short-term assets	27.6	26.2	27.1	21.6	21.6	21.6	21.6
Current assets	75.1	83.4	92.1	82.7	80.9	87.4	95.3
Total Assets	156.2	167.3	170.6	166.7	167.9	177.4	187.4
Liabilities and shareholders' equity							
Subscribed capital	16.2	16.2	16.3	16.3	16.3	16.3	16.3
Capital reserve	34.9	34.6	34.8	34.7	34.7	34.7	34.7
Retained earnings	3.5	0.0	0.0	0.0	-18.1	-16.6	-10.7
Other equity components	-20.9	-14.9	-17.4	-17.7	2.7	9.1	9.6
Shareholders' equity	33.7	35.9	33.7	33.3	35.7	43.6	50.0
Minority interest	1.5	0.0	0.0	0.0	0.0	0.0	0.0
Total equity	35.2	35.9	33.7	33.3	35.7	43.6	50.0
Provisions	22.3	18.0	17.7	17.6	18.4	19.3	20.2
thereof provisions for pensions and similar obligations	15.5	17.1	16.5	16.2	17.0	17.9	18.8
Financial liabilities (total)	36.3	38.4	43.6	39.3	38.2	36.2	36.2
thereof short-term financial liabilities	4.6	0.9	0.4	0.2	0.2	0.2	0.2
Accounts payable	9.9	10.6	11.2	14.0	11.2	11.8	12.4
Other liabilities	52.5	64.3	64.5	62.6	64.5	66.6	68.7
Liabilities	120.9	131.4	137.0	133.4	132.3	133.8	137.4
Total liabilities and shareholders' equity	156.2	167.3	170.6	166.7	167.9	177.4	187.4

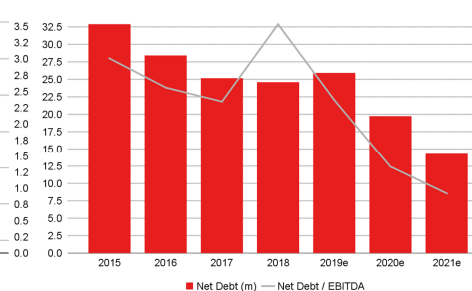
Financial Ratios

	2015	2016	2017	2018	2019e	2020e	2021e
Efficiency of Capital Employment							
Operating Assets Turnover	3.1 x	3.4 x	4.1 x	4.4 x	4.6 x	5.2 x	6.1 x
Capital Employed Turnover	2.8 x	3.2 x	3.5 x	3.5 x	3.3 x	3.4 x	3.5 x
ROA	4.4 %	7.0 %	5.9 %	1.1 %	3.1 %	10.1 %	10.5 %
Return on Capital							
ROCE (NOPAT)	6.8 %	9.5 %	7.7 %	n.a.	4.3 %	14.3 %	14.9 %
ROE	11.4 %	16.8 %	13.4 %	2.7 %	7.9 %	22.9 %	20.6 %
Adj. ROE	11.4 %	16.8 %	13.4 %	2.7 %	7.9 %	22.9 %	20.6 %
Balance sheet quality							
Net Debt	32.9	28.4	25.2	24.6	25.9	19.8	14.3
Net Financial Debt	17.4	11.4	8.6	8.4	8.9	1.9	-4.5
Net Gearing	93.3 %	79.1 %	74.7 %	73.9 %	72.7 %	45.3 %	28.6 %
Net Fin. Debt / EBITDA	65.0 %	41.8 %	32.8 %	49.1 %	33.2 %	5.2 %	n.a.
Book Value / Share	2.1	2.2	2.1	2.1	2.2	2.7	3.1
Book value per share ex intangibles	0.0	0.1	-0.1	-0.5	-0.8	-0.7	-0.7

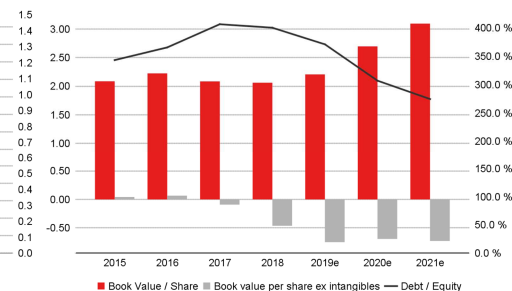
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

Consolidated cash flow statement

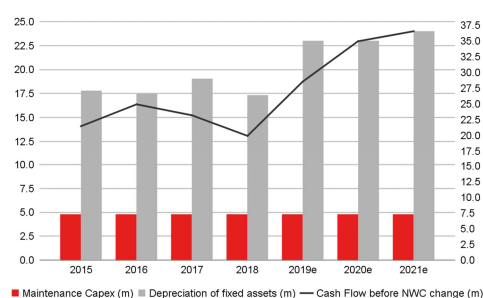
In EUR m	2015	2016	2017	2018	2019e	2020e	2021e
Net income	3.5	5.9	4.6	0.9	2.7	9.1	9.6
Depreciation of fixed assets	17.8	17.5	19.1	17.3	23.0	23.0	24.0
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in long-term provisions	-1.9	1.6	-0.5	-0.3	0.8	0.9	0.9
Other non-cash income and expenses	2.0	0.0	0.0	2.0	2.0	2.0	2.0
Cash Flow before NWC change	21.4	24.9	23.2	19.9	28.5	34.9	36.5
Increase / decrease in inventory	-1.7	0.5	0.6	-0.6	-0.1	-0.6	-0.6
Increase / decrease in accounts receivable	0.4	-2.0	-0.6	0.6	0.3	-0.9	-1.0
Increase / decrease in accounts payable	0.4	0.8	0.6	2.8	-2.8	0.6	0.6
Increase / decrease in other working capital positions	-2.0	-2.0	-2.5	1.5	0.0	0.0	0.0
Increase / decrease in working capital (total)	-2.9	-2.8	-1.9	4.3	-2.6	-0.9	-1.0
Net cash provided by operating activities [1]	18.6	22.2	21.3	24.2	26.0	34.0	35.5
Investments in intangible assets	-5.8	-6.7	-6.9	-9.0	-7.0	-7.0	-7.0
Investments in property, plant and equipment	-14.3	-15.3	-8.6	-9.0	-19.0	-19.0	-19.0
Payments for acquisitions	0.0	0.0	0.0	-3.5	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	0.0	0.0	0.0	0.3	0.0	0.0	0.0
Net cash provided by investing activities [2]	-20.1	-17.6	-15.5	-21.2	-26.0	-26.0	-26.0
Change in financial liabilities	4.5	4.5	4.5	-4.3	-1.1	-2.0	0.0
Dividends paid	-2.6	-2.6	-0.8	-1.9	-0.5	-1.0	-3.2
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	0.4	-2.6	-2.6	-0.2	0.0	0.0	0.0
Net cash provided by financing activities [3]	2.4	-0.7	1.1	-6.4	-1.6	-3.0	-3.2
Change in liquid funds [1]+[2]+[3]	0.8	3.9	6.9	-3.4	-1.6	5.0	6.3
Effects of exchange-rate changes on cash	0.8	0.5	-1.4	0.5	0.0	0.0	0.0
Cash and cash equivalent at end of period	15.9	18.7	24.2	32.0	29.3	34.3	40.7

Financial Ratios

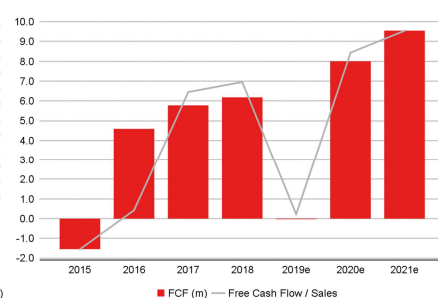
	2015	2016	2017	2018	2019e	2020e	2021e
Cash Flow							
FCF	-1.5	4.6	5.8	6.2	0.0	8.0	9.5
Free Cash Flow / Sales	-0.8 %	0.1 %	2.8 %	3.0 %	0.0 %	3.7 %	4.2 %
Free Cash Flow Potential	6.3	11.6	12.3	1.8	10.3	15.9	16.7
Free Cash Flow / Net Profit	-43.7 %	2.7 %	124.3 %	690.1 %	-1.2 %	88.1 %	99.1 %
Interest Received / Avg. Cash	3.8 %	5.9 %	6.9 %	8.7 %	2.7 %	2.5 %	2.1 %
Interest Paid / Avg. Debt	6.6 %	4.2 %	4.7 %	3.4 %	1.5 %	1.6 %	1.7 %
Management of Funds							
Investment ratio	10.5 %	10.8 %	7.5 %	8.8 %	12.6 %	12.0 %	11.4 %
Maint. Capex / Sales	2.5 %	2.4 %	2.3 %	2.4 %	2.3 %	2.2 %	2.1 %
Capex / Dep	112.9 %	125.8 %	81.2 %	104.2 %	113.0 %	113.0 %	108.3 %
Avg. Working Capital / Sales	9.6 %	9.4 %	9.3 %	8.6 %	8.5 %	8.9 %	8.9 %
Trade Debtors / Trade Creditors	171.9 %	178.9 %	174.2 %	135.7 %	166.4 %	166.4 %	166.4 %
Inventory Turnover	7.8 x	8.6 x	9.7 x	9.1 x	8.8 x	8.8 x	8.8 x
Receivables collection period (days)	32	34	35	34	33	33	33
Payables payment period (days)	39	40	40	50	41	41	41
Cash conversion cycle (Days)	40	36	32	24	33	33	33

CAPEX and Cash Flow

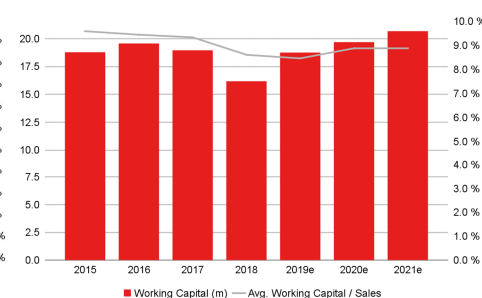
in EUR m



Free Cash Flow Generation



Working Capital



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

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

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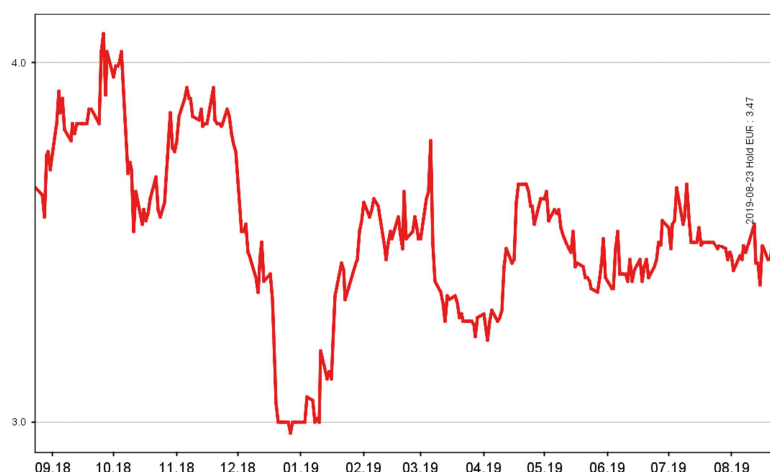
Rating	Number of stocks	% of Universe
Buy	119	60
Hold	68	34
Sell	7	4
Rating suspended	5	3
Total	199	100

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	32	76
Hold	8	19
Sell	0	0
Rating suspended	2	5
Total	42	100

PRICE AND RATING HISTORY FRANCO-TYP-POSTALIA AS OF 23.08.2019



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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