

Buy EUR 5.30 (EUR 6.40) Price EUR 3.49 Upside 51.9 %	Value Indicators: EUR DCF: 5.27	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: 54.0 No. of shares (m): 15.5 EV: 90.4 Freefloat MC: 43.3 Ø Trad. Vol. (30d): 95.64 th	Shareholders: Freefloat 80.2 % Obotritia Capital 10.3 % Active Ownership Fund 9.5 %	Risk Profile (WRe): 2018e Beta: 1.8 Price / Book: 1.8 x Equity Ratio: 19 % Net Fin. Debt / EBITDA: 0.9 x Net Debt / EBITDA: 1.9 x

FP has to deliver now

Figures Q4/2018:

in EUR m	Q4/18	Q4/18e	Q4/17	yoy	2018	2018e	2017	yoy
Sales	49.9	53.7	52.5	-4.9%	204.2	208.0	206.3	-10%
EBITDA	0.1	3.0	6.7	-99.2%	17.1	20.0	26.3	-35.1%
margin	0.1%	14.8%	12.7%		8.4%	14.0%	12.8%	
EPS in EUR	-0.14	-0.09	0.08	-	0.06	0.11	0.29	-79.3%

Comment on Figures:

- Francotyp Postalia Holding AG presented its preliminary figures for 2018 on 7 March 2018.
- These fell short of revenue expectations and were also below earnings forecasts (WRe). The latter, however, can be explained by FX effects. Expenses for the Jump programme (2018 EUR 8m) were mainly incurred in Q4 and were at the upper end of expectations.

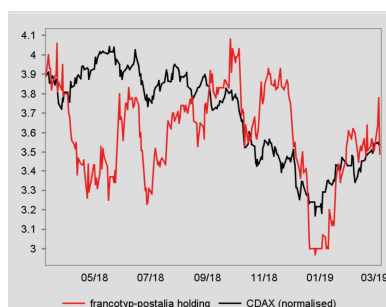
As expected, the cost situation is strongly influenced by the expenses of the Jump programme. This sub-project of the ACT strategy (2016ff) aims at structural changes in almost all areas, which should lead to falling costs and increasing revenues. With expenses of EUR 8m, this programme was at the upper end of the targeted range of EUR 6-8m for 2018. The earnings trend can be explained against the background of strong structural changes in the group, which will continue to have a negative impact on costs in 2019. The stagnating sales trend since 2016 (despite smaller acquisitions) should be viewed critically: Although Q4 includes negative FX effects (EUR 2.7m), ACT's main target (significant increase in sales) has not yet been achieved. Thus, the key element of the company's valuation, i.e. the company's renewed target of sales of EUR 250m with an EBITDA margin of 17% in 2020, is subject to uncertainties. Although the forecast (2020 WRe) only included a part of this earnings improvement (EBITA of EUR 34.3m WRe vs. EUR 42.5m FPe), this could also be too optimistic. The course of 2019 will be decisive in this respect. Against this backdrop, the share is now valued with a significantly higher beta (DCF, 1.6 to 1.8). The resulting value per share is only slightly above what would imply a continuation of the old business in its current state (EPS: EUR 0.30x15). **With a reduced price target of EUR 5.30 (6.40), the share continues to be rated as Buy.**

Changes in Estimates:

FY End: 31.12. in EUR m	2018e (old)	+ / -	2019e (old)	+ / -	2020e (old)	+ / -
Sales	213.2	-4.2 %	223.9	0.0 %	235.1	0.0 %
EBITDA	20.0	-14.7 %	31.0	-21.7 %	34.3	0.0 %
EBIT	2.0	n.m.	13.0	-51.7 %	16.3	0.0 %
EPS	0.11	-45.5 %	0.56	-51.8 %	0.70	0.0 %

Comment on Changes:

- Changes for 2018 are mentioned above. Changes for 2019 result from the higher recognition of further expenses in connection with the restructuring programme.
- For 2019, a further EUR 3m increase in costs and a more cautious savings potential (WRe) are now expected. Previously, a roughly balanced ratio of positive effects and expenses from Jump had been anticipated. Operating cost forecasts also raised slightly.
- The forecast for 2020 remains unchanged.



Rel. Performance vs CDAX:

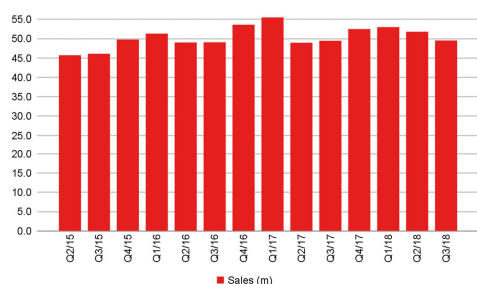
1 month:	-9.1 %
6 months:	-3.6 %
Year to date:	6.3 %
Trailing 12 months:	-0.4 %

Company events:

15.05.19	Q1
27.05.19	AGM

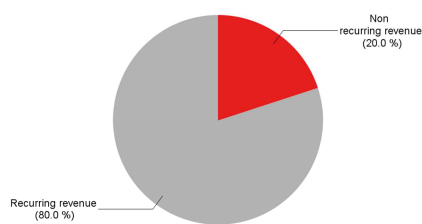
FY End: 31.12. in EUR m	CAGR (17-20e)	2014	2015	2016	2017	2018e	2019e	2020e
Sales	4.4 %	170.3	191.1	203.0	206.3	204.2	223.9	235.1
Change Sales yoy		0.8 %	12.2 %	6.2 %	1.7 %	-1.0 %	9.7 %	5.0 %
Gross profit margin		61.3 %	60.4 %	58.1 %	55.6 %	56.3 %	57.3 %	57.1 %
EBITDA	9.3 %	23.1	26.8	27.2	26.3	17.1	24.3	34.3
Margin		13.6 %	14.0 %	13.4 %	12.8 %	8.4 %	10.8 %	14.6 %
EBIT	31.1 %	9.8	9.0	9.7	7.3	-0.3	6.3	16.3
Margin		5.8 %	4.7 %	4.8 %	3.5 %	-0.1 %	2.8 %	7.0 %
Net income	34.3 %	5.1	3.5	5.9	4.6	0.9	4.4	11.3
EPS	34.1 %	0.32	0.22	0.36	0.29	0.06	0.27	0.70
EPS adj.	34.1 %	0.32	0.22	0.36	0.29	0.06	0.27	0.70
DPS	32.6 %	0.16	0.12	0.16	0.12	0.03	0.11	0.28
Dividend Yield		3.6 %	2.7 %	3.8 %	2.3 %	0.9 %	3.1 %	8.0 %
FCF		-0.36	-0.10	0.28	0.35	-0.29	-0.15	0.32
FCF / Market cap		-8.3 %	-2.2 %	0.2 %	6.8 %	-8.3 %	-4.4 %	9.2 %
EV / Sales		0.6 x	0.5 x	0.5 x	0.5 x	0.4 x	0.4 x	0.4 x
EV / EBITDA		4.4 x	3.9 x	3.6 x	4.2 x	5.2 x	3.8 x	2.6 x
EV / EBIT		10.5 x	11.5 x	9.9 x	15.1 x	n.a.	14.8 x	5.5 x
P / E		13.7 x	19.8 x	11.7 x	17.9 x	58.2 x	12.9 x	5.0 x
P / E adj.		13.7 x	19.8 x	11.7 x	17.9 x	58.2 x	12.9 x	5.0 x
FCF Potential Yield		3.5 %	6.1 %	12.0 %	11.2 %	7.2 %	11.4 %	19.3 %
Net Debt		31.6	32.9	28.4	25.2	32.6	36.4	33.7
ROCE (NOPAT)		11.0 %	6.8 %	9.5 %	7.8 %	5.1 %	6.2 %	14.7 %
Guidance:	n.a.							

Sales development in EUR m



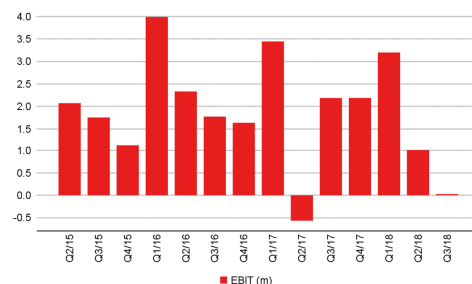
Source: Warburg Research

Recurring revenue proportion 2018e; in %



Source: Warburg Research

EBIT development in EUR m



Source: Warburg Research

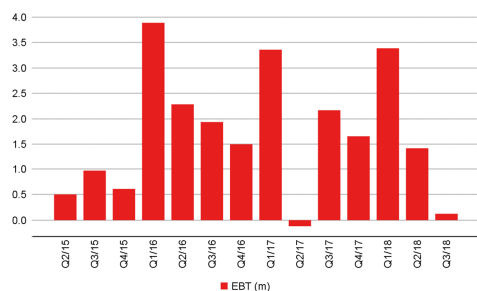
Company Background

- 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 services like collection, sorting and bundling of outgoing mail as well as electronic hybrid mail solutions, the company expanded its product portfolio.

Competitive Quality

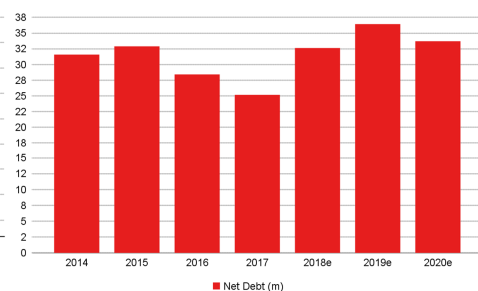
- Focusing on customers with low to medium postal needs, Francotyp Postalia caters for two stable segments in the generally difficult market for franking machines.
- The 45% market share in the German market for franking machines demonstrates its reputation as the market leader in Germany based on the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



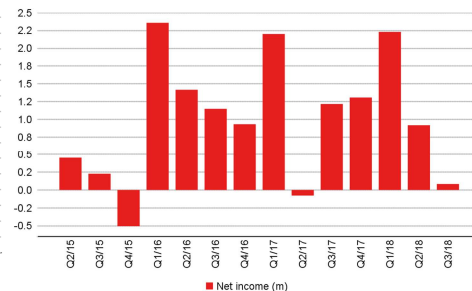
Source: Warburg Research

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
	2018e	2019e	2020e	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	
Sales	204.2	223.9	235.1	241.0	247.0	253.2	259.5	266.0	272.6	279.5	286.4	293.6	300.9	1.0 %
Sales change	-1.0 %	9.7 %	5.0 %	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %	
EBIT	-0.3	6.3	16.3	16.9	17.3	17.7	18.2	18.6	19.1	19.6	20.1	20.6	21.1	7.0 %
EBIT-margin	-0.1 %	2.8 %	7.0 %	7.0 %	7.0 %	7.0 %	7.0 %	7.0 %	7.0 %	7.0 %	7.0 %	7.0 %	7.0 %	
Tax rate (EBT)	1206.3 %	32.0 %	32.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	14
NOPAT	3.1	4.3	11.1	11.8	12.1	12.4	12.7	13.0	13.4	13.7	14.0	14.4	14.7	
Depreciation	17.4	18.0	18.0	21.7	22.2	22.8	23.4	23.9	24.5	25.2	25.8	26.4	27.1	9.0 %
in % of Sales	8.5 %	8.0 %	7.7 %	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	0.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	61
Change in Liquidity from														
- Working Capital	-0.2	1.7	1.0	9.5	1.2	1.3	1.3	1.4	1.4	1.5	1.5	1.6	1.6	57.50 %
- Capex	26.0	26.0	26.0	24.1	24.7	25.3	26.0	23.9	24.5	25.2	25.8	26.4	27.1	
Capex in % of Sales	12.7 %	11.6 %	11.1 %	10.0 %	10.0 %	10.0 %	10.0 %	9.0 %	9.0 %	9.0 %	9.0 %	9.0 %	9.0 %	14
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)	-4.5	-4.6	3.0	0.7	8.4	8.6	8.8	11.7	11.9	12.2	12.5	12.8	13.1	61
PV of FCF	-4.6	-4.3	2.6	0.6	6.1	5.7	5.4	6.5	6.1	5.7	5.4	5.0	4.7	
share of PVs	-5.93 %			48.43 %										57.50 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	25.00 %	Financial Strength	1.80
Cost of debt (after tax)	2.1 %	Liquidity (share)	1.80
Market return	7.00 %	Cyclicality	1.80
Risk free rate	1.50 %	Transparency	1.80
		Others	1.80
WACC	9.08 %	Beta	1.80

Valuation (m)

Present values 2030e	45		
Terminal Value	61		
Financial liabilities	44		
Pension liabilities	17		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	36	No. of shares (m)	15.5
Equity Value	81	Value per share (EUR)	5.27

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
2.04	10.1 %	4.02	4.09	4.17	4.26	4.35	4.44	4.54	2.04	10.1 %	4.62	4.50	4.38	4.26	4.14	4.02	3.90
1.92	9.6 %	4.45	4.54	4.63	4.73	4.84	4.95	5.07	1.92	9.6 %	4.98	4.90	4.81	4.73	4.65	4.56	4.48
1.86	9.3 %	4.68	4.78	4.88	4.99	5.10	5.23	5.36	1.86	9.3 %	5.18	5.11	5.05	4.99	4.93	4.86	4.80
1.80	9.1 %	4.93	5.04	5.15	5.27	5.39	5.52	5.67	1.80	9.1 %	5.39	5.35	5.31	5.27	5.22	5.18	5.14
1.74	8.8 %	5.20	5.31	5.43	5.56	5.70	5.84	6.00	1.74	8.8 %	5.61	5.60	5.58	5.56	5.54	5.52	5.51
1.68	8.6 %	5.48	5.60	5.73	5.87	6.03	6.19	6.36	1.68	8.6 %	5.85	5.86	5.87	5.87	5.88	5.89	5.89
1.56	8.1 %	6.09	6.24	6.40	6.57	6.76	6.95	7.16	1.56	8.1 %	6.39	6.45	6.51	6.57	6.63	6.69	6.75

- Francotyp generates high steady cash flows in a normal business year.
- For 2013 and beyond, cash flows are characterised by high investments in the installed base for years
- The company's cash flow strength will only be revealed in the long term

Valuation	2014	2015	2016	2017	2018e	2019e	2020e
Price / Book	2.5 x	2.1 x	1.9 x	2.6 x	1.8 x	1.6 x	1.2 x
Book value per share ex intangibles	-0.26	0.04	0.07	-0.13	-0.64	-0.82	-0.65
EV / Sales	0.6 x	0.5 x	0.5 x	0.5 x	0.4 x	0.4 x	0.4 x
EV / EBITDA	4.4 x	3.9 x	3.6 x	4.2 x	5.2 x	3.8 x	2.6 x
EV / EBIT	10.5 x	11.5 x	9.9 x	15.1 x	n.a.	14.8 x	5.5 x
EV / EBIT adj.*	10.5 x	11.5 x	9.9 x	15.1 x	n.a.	14.8 x	5.5 x
P / FCF	n.a.	n.a.	426.4 x	14.7 x	n.a.	n.a.	10.9 x
P / E	13.7 x	19.8 x	11.7 x	17.9 x	58.2 x	12.9 x	5.0 x
P / E adj.*	13.7 x	19.8 x	11.7 x	17.9 x	58.2 x	12.9 x	5.0 x
Dividend Yield	3.6 %	2.7 %	3.8 %	2.3 %	0.9 %	3.1 %	8.0 %
FCF Potential Yield (on market EV)	3.5 %	6.1 %	12.0 %	11.2 %	7.2 %	11.4 %	19.3 %
*Adjustments made for: -							

Consolidated profit & loss

In EUR m	2014	2015	2016	2017	2018e	2019e	2020e
Sales	170.3	191.1	203.0	206.3	204.2	223.9	235.1
Change Sales yoy	0.8 %	12.2 %	6.2 %	1.7 %	-1.0 %	9.7 %	5.0 %
Increase / decrease in inventory	0.6	-0.1	0.2	0.5	0.0	0.0	0.0
Own work capitalised	15.5	15.8	11.4	10.8	10.8	10.8	10.8
Total Sales	186.4	206.7	214.5	217.7	215.0	234.7	245.9
Material expenses	82.0	91.3	96.5	102.9	100.1	106.4	111.7
Gross profit	104.3	115.4	118.0	114.8	115.0	128.4	134.3
Gross profit margin	61.3 %	60.4 %	58.1 %	55.6 %	56.3 %	57.3 %	57.1 %
Personnel expenses	53.5	57.4	57.4	59.2	63.3	69.4	63.5
Other operating income	2.4	4.3	3.8	4.8	4.1	4.5	4.7
Other operating expenses	30.1	35.6	37.1	34.1	38.7	39.2	41.1
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	23.1	26.8	27.2	26.3	17.1	24.3	34.3
Margin	13.6 %	14.0 %	13.4 %	12.8 %	8.4 %	10.8 %	14.6 %
Depreciation of fixed assets	8.6	17.8	17.5	19.1	17.4	18.0	18.0
EBITA	14.5	9.0	9.7	7.3	-0.3	6.3	16.3
Amortisation of intangible assets	4.6	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	9.8	9.0	9.7	7.3	-0.3	6.3	16.3
Margin	5.8 %	4.7 %	4.8 %	3.5 %	-0.1 %	2.8 %	7.0 %
EBIT adj.	9.8	9.0	9.7	7.3	-0.3	6.3	16.3
Interest income	0.5	0.7	1.3	2.1	0.8	0.8	0.8
Interest expenses	2.6	2.2	1.6	1.9	0.6	0.6	0.6
Other financial income (loss)	0.7	0.2	0.1	-0.4	0.0	0.0	0.0
EBT	8.4	7.7	9.6	7.1	-0.1	6.5	16.5
Margin	4.9 %	4.0 %	4.7 %	3.4 %	0.0 %	2.9 %	7.0 %
Total taxes	3.2	3.9	3.4	2.4	-1.0	2.1	5.3
Net income from continuing operations	5.2	3.7	6.2	4.6	0.9	4.4	11.3
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	5.2	3.7	6.2	4.6	0.9	4.4	11.3
Minority interest	0.1	0.2	0.3	0.0	0.0	0.0	0.0
Net income	5.1	3.5	5.9	4.6	0.9	4.4	11.3
Margin	3.0 %	1.9 %	2.9 %	2.3 %	0.4 %	2.0 %	4.8 %
Number of shares, average	16.2	16.2	16.2	16.2	16.2	16.2	16.2
EPS	0.32	0.22	0.36	0.29	0.06	0.27	0.70
EPS adj.	0.32	0.22	0.36	0.29	0.06	0.27	0.70

*Adjustments made for:

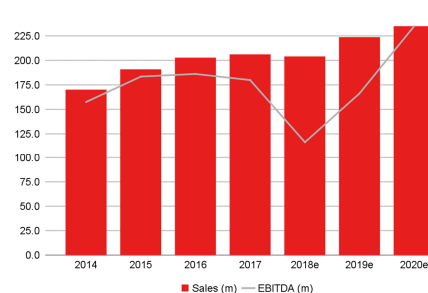
Guidance: n.a.

Financial Ratios

	2014	2015	2016	2017	2018e	2019e	2020e
Total Operating Costs / Sales	95.9 %	94.2 %	92.3 %	92.8 %	97.0 %	94.0 %	90.0 %
Operating Leverage	-6.5 x	-0.7 x	1.3 x	-15.3 x	n.a.	n.a.	32.1 x
EBITDA / Interest expenses	8.8 x	11.9 x	17.4 x	13.8 x	28.4 x	40.5 x	57.2 x
Tax rate (EBT)	38.0 %	51.3 %	35.5 %	34.3 %	1206.3 %	32.0 %	32.0 %
Dividend Payout Ratio	49.6 %	52.1 %	41.7 %	41.7 %	52.9 %	39.6 %	40.2 %
Sales per Employee	149,276	164,180	170,997	170,431	165,354	177,756	182,984

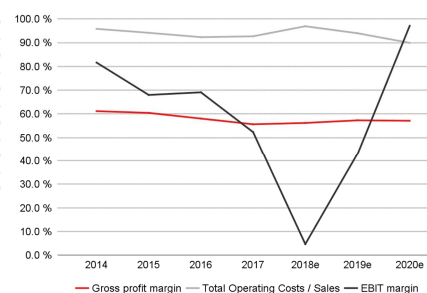
Sales, EBITDA

in EUR m

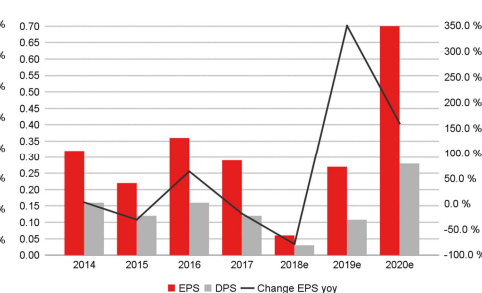


Operating Performance

in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

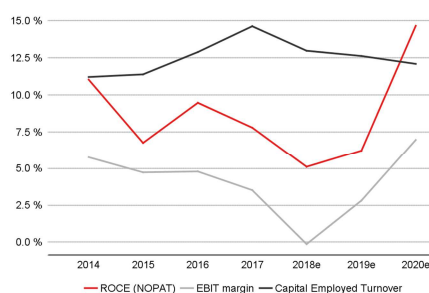
Consolidated balance sheet

In EUR m	2014	2015	2016	2017	2018e	2019e	2020e
Assets							
Goodwill and other intangible assets	32.9	33.0	34.9	35.1	42.1	49.1	56.1
thereof other intangible assets	23.8	24.5	26.4	26.7	33.7	40.7	47.7
thereof Goodwill	9.1	8.5	8.5	8.5	8.5	8.5	8.5
Property, plant and equipment	37.0	42.0	39.3	31.8	33.4	34.4	35.4
Financial assets	3.0	6.0	9.7	11.6	11.6	11.6	11.6
Other long-term assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fixed assets	73.0	81.0	83.9	78.5	87.1	95.1	103.1
Inventories	10.0	11.7	11.2	10.6	10.5	11.5	12.1
Accounts receivable	17.3	16.9	19.0	18.7	18.5	20.2	21.3
Liquid assets	17.2	18.9	27.1	34.9	25.1	20.2	21.8
Other short-term assets	24.6	27.6	26.2	27.1	26.5	26.5	26.5
Current assets	69.2	75.1	83.4	91.3	80.6	78.5	81.7
Total Assets	142.1	156.2	167.3	169.8	167.7	173.6	184.8
Liabilities and shareholders' equity							
Subscribed capital	16.2	16.2	16.2	16.3	16.3	16.3	16.3
Capital reserve	35.0	34.9	34.6	34.8	34.8	34.8	34.8
Retained earnings	5.1	3.5	0.0	0.0	-20.1	-19.5	-16.8
Other equity components	-27.6	-20.9	-14.9	-18.1	0.9	4.4	11.3
Shareholders' equity	28.7	33.7	35.9	33.0	31.8	36.0	45.6
Minority interest	1.4	1.5	0.0	0.0	0.0	0.0	0.0
Total equity	30.1	35.2	35.9	33.0	31.8	36.0	45.6
Provisions	22.9	22.3	18.0	17.7	18.5	19.4	20.3
thereof provisions for pensions and similar obligations	17.4	15.5	17.1	16.5	17.4	18.2	19.1
Financial liabilities (total)	31.4	36.3	38.4	43.6	40.4	38.4	36.4
thereof short-term financial liabilities	5.5	4.6	0.9	0.4	0.4	0.4	0.4
Accounts payable	9.5	9.9	10.6	11.2	11.1	12.2	12.8
Other liabilities	48.3	52.5	64.3	64.4	65.8	67.7	69.8
Liabilities	112.1	120.9	131.4	136.8	135.8	137.7	139.3
Total liabilities and shareholders' equity	142.1	156.2	167.3	169.8	167.7	173.6	184.8

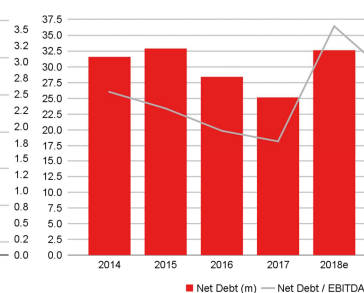
Financial Ratios

	2014	2015	2016	2017	2018e	2019e	2020e
Efficiency of Capital Employment							
Operating Assets Turnover	3.1 x	3.1 x	3.4 x	4.1 x	4.0 x	4.1 x	4.2 x
Capital Employed Turnover	2.8 x	2.8 x	3.2 x	3.5 x	3.2 x	3.1 x	3.0 x
ROA	7.0 %	4.4 %	7.0 %	5.9 %	1.1 %	4.6 %	10.9 %
Return on Capital							
ROCE (NOPAT)	11.0 %	6.8 %	9.5 %	7.8 %	5.1 %	6.2 %	14.7 %
ROE	18.9 %	11.4 %	16.8 %	13.5 %	2.8 %	13.0 %	27.6 %
Adj. ROE	18.9 %	11.4 %	16.8 %	13.5 %	2.8 %	13.0 %	27.6 %
Balance sheet quality							
Net Debt	31.6	32.9	28.4	25.2	32.6	36.4	33.7
Net Financial Debt	14.2	17.4	11.4	8.6	15.3	18.2	14.6
Net Gearing	105.1 %	93.3 %	79.1 %	76.3 %	102.5 %	101.3 %	74.0 %
Net Fin. Debt / EBITDA	61.6 %	65.0 %	41.8 %	32.8 %	89.5 %	75.0 %	42.4 %
Book Value / Share	1.8	2.1	2.2	2.0	2.0	2.2	2.8
Book value per share ex intangibles	-0.3	0.0	0.1	-0.1	-0.6	-0.8	-0.7

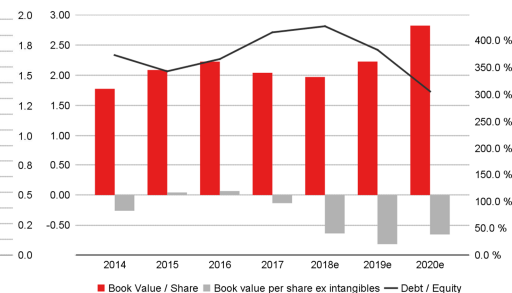
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

Consolidated cash flow statement

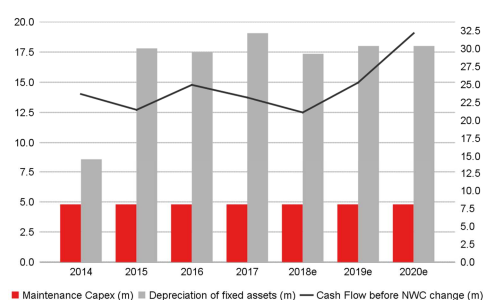
In EUR m	2014	2015	2016	2017	2018e	2019e	2020e
Net income	5.1	3.5	5.9	4.6	0.9	4.4	11.3
Depreciation of fixed assets	8.6	17.8	17.5	19.1	17.4	18.0	18.0
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	4.6	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in long-term provisions	3.3	-1.9	1.6	-0.5	0.8	0.9	0.9
Other non-cash income and expenses	2.0	2.0	0.0	0.0	2.0	2.0	2.0
Cash Flow before NWC change	23.6	21.4	24.9	23.2	21.1	25.3	32.2
Increase / decrease in inventory	-1.2	-1.7	0.5	0.6	0.1	-1.0	-0.6
Increase / decrease in accounts receivable	-0.3	0.4	-2.0	0.3	0.2	-1.8	-1.0
Increase / decrease in accounts payable	2.0	0.4	0.8	0.6	-0.1	1.1	0.6
Increase / decrease in other working capital positions	-6.7	-2.0	-2.0	-3.5	0.0	0.0	0.0
Increase / decrease in working capital (total)	-6.2	-2.9	-2.8	-2.0	0.2	-1.7	-1.0
Net cash provided by operating activities [1]	17.5	18.6	22.2	21.2	21.3	23.5	31.2
Investments in intangible assets	-5.1	-5.8	-6.7	-6.9	-7.0	-7.0	-7.0
Investments in property, plant and equipment	-18.3	-14.3	-15.3	-8.6	-19.0	-19.0	-19.0
Payments for acquisitions	0.0	0.0	0.0	0.0	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	0.3	0.0	0.0	0.0	0.0	0.0	0.0
Net cash provided by investing activities [2]	-23.1	-20.1	-17.6	-15.5	-26.0	-26.0	-26.0
Change in financial liabilities	-6.9	4.5	4.5	4.5	-3.1	-2.0	-2.0
Dividends paid	-1.3	-2.6	-2.6	-0.8	-1.9	-0.5	-1.5
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	0.4	-2.6	-2.6	0.0	0.0	0.0
Net cash provided by financing activities [3]	-7.8	2.4	-0.7	1.1	-5.1	-2.5	-3.5
Change in liquid funds [1]+[2]+[3]	-13.4	0.8	3.9	6.8	-9.8	-4.9	1.6
Effects of exchange-rate changes on cash	0.6	0.8	0.5	-1.4	0.0	0.0	0.0
Cash and cash equivalent at end of period	16.9	15.9	18.7	24.1	25.1	20.2	21.8

Financial Ratios

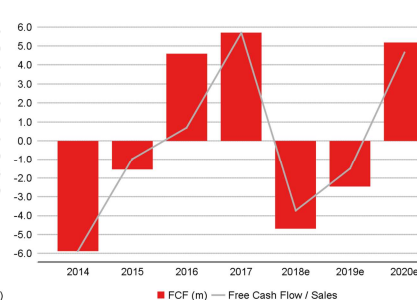
	2014	2015	2016	2017	2018e	2019e	2020e
Cash Flow							
FCF	-5.9	-1.5	4.6	5.7	-4.7	-2.5	5.2
Free Cash Flow / Sales	-3.5 %	-0.8 %	0.1 %	2.8 %	-2.3 %	-1.1 %	2.2 %
Free Cash Flow Potential	3.6	6.3	11.6	12.3	6.4	10.6	17.4
Free Cash Flow / Net Profit	-115.4 %	-43.7 %	2.7 %	122.7 %	-511.4 %	-55.8 %	46.1 %
Interest Received / Avg. Cash	2.2 %	3.8 %	5.9 %	6.9 %	2.7 %	3.5 %	3.8 %
Interest Paid / Avg. Debt	7.5 %	6.6 %	4.2 %	4.7 %	1.4 %	1.5 %	1.6 %
Management of Funds							
Investment ratio	13.7 %	10.5 %	10.8 %	7.5 %	12.7 %	11.6 %	11.1 %
Maint. Capex / Sales	2.8 %	2.5 %	2.4 %	2.3 %	2.4 %	2.1 %	2.0 %
Capex / Dep	175.9 %	112.9 %	125.8 %	81.2 %	149.9 %	144.4 %	144.4 %
Avg. Working Capital / Sales	10.7 %	9.6 %	9.4 %	9.1 %	8.8 %	8.4 %	8.6 %
Trade Debtors / Trade Creditors	182.9 %	171.9 %	178.9 %	166.7 %	166.4 %	166.4 %	166.4 %
Inventory Turnover	8.2 x	7.8 x	8.6 x	9.7 x	9.5 x	9.2 x	9.2 x
Receivables collection period (days)	37	32	34	33	33	33	33
Payables payment period (days)	42	39	40	40	40	42	42
Cash conversion cycle (Days)	40	40	36	31	31	31	31

CAPEX and Cash Flow

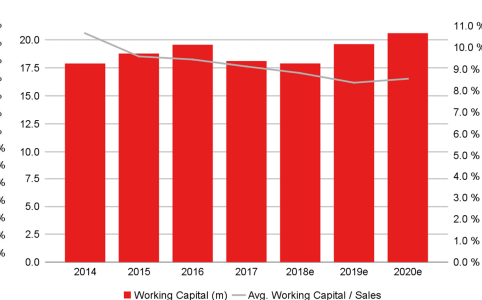
in EUR m



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	131	66
Hold	55	28
Sell	6	3
Rating suspended	8	4
Total	200	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	29	74
Hold	8	21
Sell	0	0
Rating suspended	2	5
Total	39	100

PRICE AND RATING HISTORY FRANCOTYP-POSTALIA AS OF 08.03.2019



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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