

Buy EUR 4.20 Price EUR 2.90 Upside 44.8 %	Value Indicators: EUR DCF: 4.17	Warburg ESG Risk Score: 2.4 ESG Score (MSCI based): 3.0 Balance Sheet Score: 4.3 Market Liquidity Score: 0.0	Description: Manufacturer of franking machines and provider of mail services.
	Market Snapshot: EUR m Market cap: 44.8 No. of shares (m): 15.5 EV: 80.8 Freefloat MC: 22.7 Ø Trad. Vol. (30d): 24.77 th	Shareholders: Freefloat 50.7 % Obotritia Capital 28.0 % Active Ownership Fund 9.5 % SALTARAX GmbH 5.0 %	Key Figures (WRe): 2021e Beta: 1.6 Price / Book: 7.0 x Equity Ratio: 4 % Net Fin. Debt / EBITDA: 1.6 x Net Debt / EBITDA: 3.8 x

Refocusing continues

Stated Figures Q1/2021:							
in EUR m	Q1/21	Q1/21e	Q1/20	yoy	2021e	2020	yoy
Sales	51.5	53.0	57.0	-9.5%	190.0	195.9	-3.0%
EBITDA	4.9	4.6	8.0	-38.3%	9.5	8.0	19.5%
<i>margin</i>	9.6%	8.7%	14.0%		5.0%	4.1%	
EPS in EUR	0.05	0.04	0.12	-58.3%	-0.43	-0.94	-54.3%

Comment on Figures:

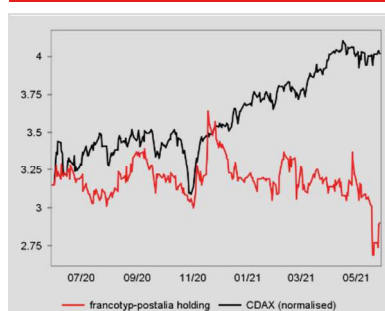
- Francotyp Postalia Holding AG (FP) presented the business figures for the first quarter of 2021 on May 27, 2021. As expected, these showed a decline in sales in the structurally shrinking market.
- The cost side turned out to be slightly better than expected which meant results were in line with expectations, based on very good cost management and lower depreciation than expected (WRe).

While the operational development of the group in Q1 was largely in line with expectations (WRe), the company highlighted some interesting aspects during the conference call. A special highlight was the signature solution FP Sign, which resulted in increasing business volume and positive development in the order pipeline. In this process, FP identifies sub-markets for the solutions that are to be targeted with a focused approach. A successful example of this process is FP Sign with the target market of tax consultants. Only recently FP signed an important partnership with DATEV eG, the third-largest provider of business software in Germany and one of the major European IT service providers for tax consultants, auditors and lawyers. This enables tax advisors and their clients to digitally sign documents. This underlines the success of new businesses (software business increased from EUR 4.5m to EUR 4.8m in Q1) while the legacy business is declining. With regard to the business figures, the depreciation was particularly low in Q1 and significantly below expectations (EUR 4.5m vs. 5.1m WRe). The statements of the board on this topic suggest a lower burden on an annual basis than previously expected (2021 WRe, new EUR 19.5m vs. 21.5m previously). The comment on the balance sheet situation is also worth mentioning. The company still has credit lines of around EUR 150m (up to 200m). Since this dimension is normally too high for a company the size of FP, it was reaffirmed that the strong balance sheet positions could also be used for inorganic business development by acquisition (mid term). In view of the market capitalization and strategic orientation of FP, this is a very interesting option. The share continues to be rated Buy with a price target of EUR 4.20.

Changes in Estimates:						
FY End: 31.12. in EUR m	2021e (old)	+ / -	2022e (old)	+ / -	2023e (old)	+ / -
Sales	190.0	0.0 %	195.7	0.0 %	201.6	0.0 %
EBITDA	9.5	0.0 %	25.0	0.0 %	30.0	0.0 %
EBIT	-12.0	n.m.	3.5	57.0 %	8.5	23.4 %
EPS	-0.51	n.m.	0.14	57.1 %	0.35	22.9 %

Comment on Changes:

- The EBITDA forecasts for the next few years remain unchanged.
- However, there are signs of a lower level of depreciation in the coming periods. Even a small change in absolute depreciation leads to very high relative fluctuations on the bottom line.
- Changes in depreciation have no influence on the determination of the value of the share (DCF).

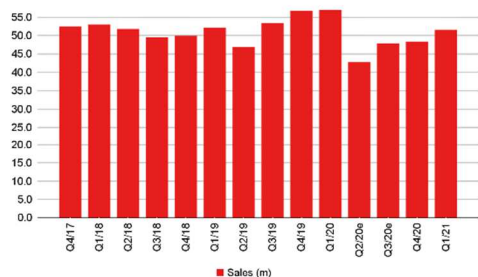


Rel. Performance vs CDAX:	
1 month:	-10.4 %
6 months:	-29.6 %
Year to date:	-18.6 %
Trailing 12 months:	-34.5 %

Company events:	
16.06.21	AGM
31.08.21	Q2
18.11.21	Q3

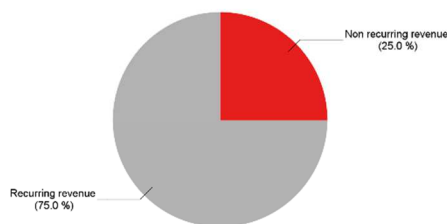
FY End: 31.12. in EUR m	CAGR (20-23e)	2017	2018	2019	2020	2021e	2022e	2023e
Sales	1.0 %	206.3	204.2	209.1	195.9	190.0	195.7	201.6
Change Sales yoy		1.7 %	-1.0 %	2.4 %	-6.3 %	-3.0 %	3.0 %	3.0 %
Gross profit margin	55.6 %	55.6 %	57.0 %	60.3 %	55.8 %	53.0 %	56.0 %	56.0 %
EBITDA		26.3	17.1	33.3	8.0	9.5	25.0	30.0
Margin		12.8 %	8.4 %	15.9 %	4.1 %	5.0 %	12.8 %	14.9 %
EBIT	-	7.3	-0.3	5.9	-14.0	-10.0	5.5	10.5
Margin		3.5 %	-0.1 %	2.8 %	-7.1 %	-5.3 %	2.8 %	5.2 %
Net income	-	4.6	0.9	1.7	-15.2	-6.9	3.6	7.0
EPS	-	0.29	0.06	0.11	-0.94	-0.43	0.22	0.43
EPS adj.	-	0.29	0.06	0.11	-0.94	-0.43	0.22	0.43
DPS	-	0.12	0.03	0.03	0.00	0.00	0.09	0.17
Dividend Yield		2.3 %	0.8 %	0.9 %	n.a.	n.a.	3.0 %	5.9 %
FCF		0.36	0.38	0.17	0.86	-0.28	0.23	0.25
FCF / Market cap		6.9 %	10.1 %	5.0 %	26.3 %	-9.7 %	7.8 %	8.7 %
EV / Sales		0.5 x	0.4 x	0.5 x	0.4 x	0.4 x	0.4 x	0.4 x
EV / EBITDA		4.2 x	5.0 x	2.9 x	10.6 x	8.7 x	3.2 x	2.5 x
EV / EBIT		15.1 x	n.a.	16.3 x	n.a.	n.a.	14.4 x	7.2 x
P / E		17.9 x	62.6 x	31.5 x	n.a.	n.a.	13.2 x	6.7 x
P / E adj.		17.9 x	62.6 x	31.5 x	n.a.	n.a.	13.2 x	6.7 x
FCF Potential Yield		11.2 %	2.2 %	10.0 %	-1.3 %	5.3 %	18.6 %	23.4 %
Net Debt		25.2	24.6	40.3	31.4	35.9	32.3	29.5
ROCE (NOPAT)		7.7 %	n.a.	2.6 %	n.a.	n.a.	8.8 %	16.3 %
Guidance:	EBITDA 2020 EUR 6-12m (2021)							

Sales development
in EUR m



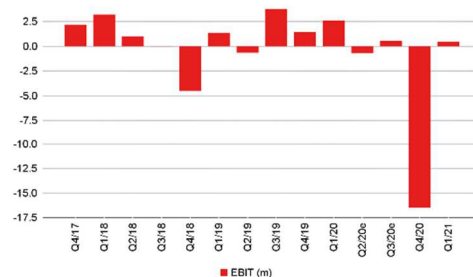
Source: Warburg Research

Recurring revenue proportion
2021e; in %



Source: Warburg Research

EBIT development
in EUR m



Source: Warburg Research

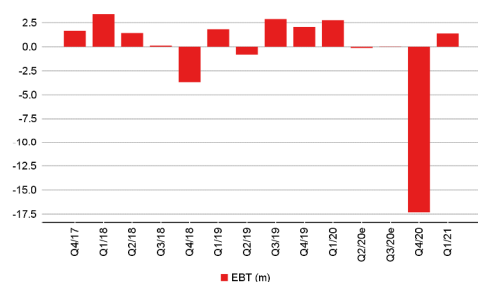
Company Background

- 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.
- 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

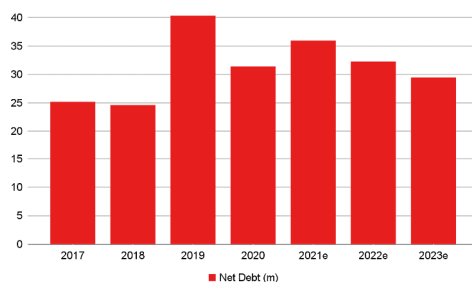
- Focusing on customers with low to medium postal needs, Francotyp Postalia caters for two stable segments in the generally difficult market for franking machines.
- The 45% market share in the German market for franking machines demonstrates its reputation as the market leader in Germany based on the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



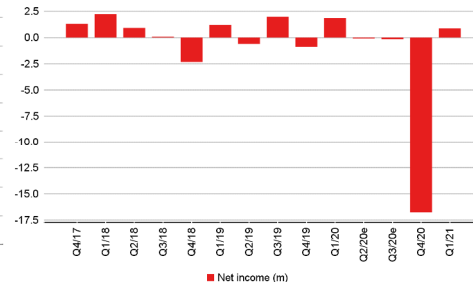
Source: Warburg Research

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
	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	
Sales	190.0	195.7	201.6	207.6	213.8	220.3	226.9	233.7	240.7	247.9	255.3	263.0	270.9	1.0 %
Sales change	-3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	
EBIT	-10.0	5.5	10.5	12.5	12.8	13.2	13.6	14.0	14.4	14.9	15.3	15.8	16.3	
EBIT-margin	-5.3 %	2.8 %	5.2 %	6.0 %	6.0 %	6.0 %	6.0 %	6.0 %	6.0 %	6.0 %	6.0 %	6.0 %	6.0 %	
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	-6.8	3.7	7.2	8.3	8.6	8.9	9.1	9.4	9.7	10.0	10.3	10.6	10.9	
Depreciation	19.5	19.5	19.5	18.7	19.2	17.6	18.1	16.4	16.8	17.4	17.9	18.4	19.0	
in % of Sales	10.3 %	10.0 %	9.7 %	9.0 %	9.0 %	8.0 %	8.0 %	7.0 %	7.0 %	7.0 %	7.0 %	7.0 %	7.0 %	
Changes in provisions	0.0	0.0	0.0	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	
Change in Liquidity from														
- Working Capital	-0.9	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.6	
- Capex	20.0	21.0	24.0	22.8	21.4	19.8	15.9	16.4	16.8	17.4	17.9	18.4	19.0	
Capex in % of Sales	10.5 %	10.7 %	11.9 %	11.0 %	10.0 %	9.0 %	7.0 %	7.0 %	7.0 %	7.0 %	7.0 %	7.0 %	7.0 %	
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)	-6.4	1.8	2.2	3.9	6.2	6.3	11.1	9.0	9.3	9.6	9.8	10.1	10.4	11
PV of FCF	-6.2	1.6	1.8	3.0	4.3	4.1	6.6	5.0	4.7	4.5	4.3	4.1	3.9	54
share of PVs	-2.86 %			46.36 %										56.50 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	25.00 %	Financial Strength	1.60
Cost of debt (after tax)	2.1 %	Liquidity (share)	1.60
Market return	7.00 %	Cyclicality	1.60
Risk free rate	1.50 %	Transparency	1.60
		Others	1.60
WACC	8.25 %	Beta	1.60

Valuation (m)

Present values 2033e	42		
Terminal Value	54		
Financial liabilities	47		
Pension liabilities	21		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	36	No. of shares (m)	15.5
Equity Value	64	Value per share (EUR)	4.17

Sensitivity Value per Share (EUR)

Beta WACC		Terminal Growth							Beta WACC		Delta EBIT-margin						
		0.25 %	0.50 %	0.75 %	1.00 %	1.25 %	1.50 %	1.75 %			-1.5 pp	-1.0 pp	-0.5 pp	+0.0 pp	+0.5 pp	+1.0 pp	+1.5 pp
1.84	9.3 %	2.98	3.05	3.13	3.21	3.29	3.38	3.48	1.84	9.3 %	1.40	2.00	2.61	3.21	3.81	4.41	5.01
1.72	8.8 %	3.38	3.47	3.56	3.66	3.76	3.87	3.99	1.72	8.8 %	1.74	2.38	3.02	3.66	4.30	4.94	5.58
1.66	8.5 %	3.61	3.70	3.80	3.90	4.02	4.14	4.27	1.66	8.5 %	1.92	2.58	3.24	3.90	4.57	5.23	5.89
1.60	8.3 %	3.84	3.94	4.05	4.17	4.30	4.43	4.58	1.60	8.3 %	2.12	2.80	3.49	4.17	4.86	5.54	6.22
1.54	8.0 %	4.10	4.21	4.33	4.46	4.59	4.74	4.90	1.54	8.0 %	2.33	3.04	3.75	4.46	5.17	5.88	6.58
1.48	7.8 %	4.37	4.49	4.62	4.76	4.92	5.08	5.26	1.48	7.8 %	2.56	3.29	4.03	4.76	5.50	6.24	6.97
1.36	7.3 %	4.97	5.12	5.28	5.46	5.65	5.85	6.08	1.36	7.3 %	3.07	3.87	4.66	5.46	6.25	7.05	7.84

- Francotyp generates high steady cash flows in a normal business year.

Valuation	2017	2018	2019	2020	2021e	2022e	2023e
Price / Book	2.5 x	1.8 x	1.7 x	3.9 x	7.0 x	4.6 x	2.9 x
Book value per share ex intangibles	-0.09	-0.46	-0.42	-1.60	-2.21	-2.18	-2.14
EV / Sales	0.5 x	0.4 x	0.5 x	0.4 x	0.4 x	0.4 x	0.4 x
EV / EBITDA	4.2 x	5.0 x	2.9 x	10.6 x	8.7 x	3.2 x	2.5 x
EV / EBIT	15.1 x	n.a.	16.3 x	n.a.	n.a.	14.4 x	7.2 x
EV / EBIT adj.*	15.1 x	n.a.	16.3 x	n.a.	n.a.	14.4 x	7.2 x
P / FCF	14.6 x	9.9 x	20.1 x	3.8 x	n.a.	12.8 x	11.5 x
P / E	17.9 x	62.6 x	31.5 x	n.a.	n.a.	13.2 x	6.7 x
P / E adj.*	17.9 x	62.6 x	31.5 x	n.a.	n.a.	13.2 x	6.7 x
Dividend Yield	2.3 %	0.8 %	0.9 %	n.a.	n.a.	3.0 %	5.9 %
FCF Potential Yield (on market EV)	11.2 %	2.2 %	10.0 %	-1.3 %	5.3 %	18.6 %	23.4 %
*Adjustments made for: -							

Consolidated profit & loss

In EUR m	2017	2018	2019	2020	2021e	2022e	2023e
Sales	206.3	204.2	209.1	195.9	190.0	195.7	201.6
Change Sales yoy	1.7 %	-1.0 %	2.4 %	-6.3 %	-3.0 %	3.0 %	3.0 %
Increase / decrease in inventory	0.5	-0.3	0.0	-0.4	0.0	0.0	0.0
Own work capitalised	10.8	14.1	18.6	7.8	7.6	7.8	8.1
Total Sales	217.7	218.0	227.6	203.2	197.6	203.5	209.6
Material expenses	102.9	101.6	101.6	93.9	96.9	93.9	96.8
Gross profit	114.8	116.3	126.0	109.3	100.7	109.6	112.9
Gross profit margin	55.6 %	57.0 %	60.3 %	55.8 %	53.0 %	56.0 %	56.0 %
Personnel expenses	59.2	64.7	60.2	67.8	62.7	58.7	56.4
Other operating income	4.8	1.9	2.9	4.5	3.8	3.9	4.0
Other operating expenses	34.1	36.4	35.4	36.8	32.3	29.8	30.4
Unfrequent items	0.0	0.0	0.0	-1.2	0.0	0.0	0.0
EBITDA	26.3	17.1	33.3	8.0	9.5	25.0	30.0
Margin	12.8 %	8.4 %	15.9 %	4.1 %	5.0 %	12.8 %	14.9 %
Depreciation of fixed assets	19.1	17.3	24.7	18.9	17.5	17.5	17.5
EBITA	7.3	-0.3	8.6	-11.0	-8.0	7.5	12.5
Amortisation of intangible assets	0.0	0.0	2.7	3.0	2.0	2.0	2.0
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	7.3	-0.3	5.9	-14.0	-10.0	5.5	10.5
Margin	3.5 %	-0.1 %	2.8 %	-7.1 %	-5.3 %	2.8 %	5.2 %
EBIT adj.	7.3	-0.3	5.9	-14.0	-10.0	5.5	10.5
Interest income	2.1	2.8	2.2	2.5	0.8	0.8	0.8
Interest expenses	1.9	1.4	1.8	2.6	0.3	0.3	0.3
Other financial income (loss)	-0.4	0.1	-0.3	-0.6	-0.7	-0.7	-0.7
EBT	7.1	1.3	5.9	-14.7	-10.2	5.3	10.3
Margin	3.4 %	0.6 %	2.8 %	-7.5 %	-5.4 %	2.7 %	5.1 %
Total taxes	2.4	0.4	4.2	0.4	-3.3	1.7	3.3
Net income from continuing operations	4.6	0.9	1.7	-15.1	-6.9	3.6	7.0
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	4.6	0.9	1.7	-15.1	-6.9	3.6	7.0
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	4.6	0.9	1.7	-15.2	-6.9	3.6	7.0
Margin	2.3 %	0.4 %	0.8 %	-7.7 %	-3.7 %	1.8 %	3.5 %
Number of shares, average	16.2	16.2	16.2	16.2	16.2	16.2	16.2
EPS	0.29	0.06	0.11	-0.94	-0.43	0.22	0.43
EPS adj.	0.29	0.06	0.11	-0.94	-0.43	0.22	0.43

*Adjustments made for:

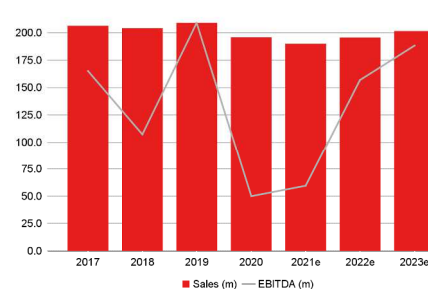
Guidance: EBITDA 2020 EUR 6-12m (2021)

Financial Ratios

	2017	2018	2019	2020	2021e	2022e	2023e
Total Operating Costs / Sales	92.8 %	98.4 %	92.9 %	99.1 %	99.0 %	91.2 %	89.1 %
Operating Leverage	-15.3 x	n.a.	n.a.	n.a.	9.5 x	n.a.	30.4 x
EBITDA / Interest expenses	13.8 x	12.3 x	18.5 x	3.1 x	31.7 x	83.4 x	100.1 x
Tax rate (EBT)	34.3 %	28.4 %	71.3 %	-3.0 %	32.0 %	32.0 %	32.0 %
Dividend Payout Ratio	41.7 %	54.1 %	28.4 %	0.0 %	0.0 %	39.4 %	39.6 %
Sales per Employee	170,431	165,358	165,992	152,436	144,981	146,402	147,838

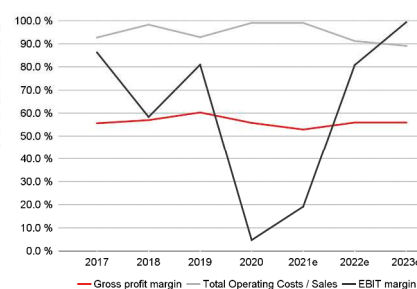
Sales, EBITDA

in EUR m

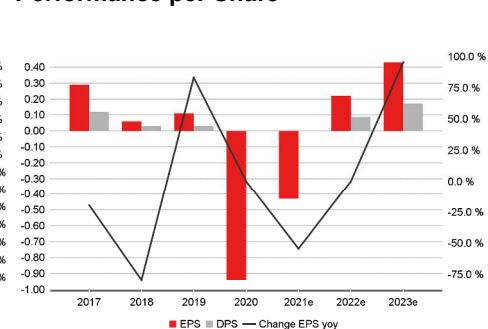


Operating Performance

in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

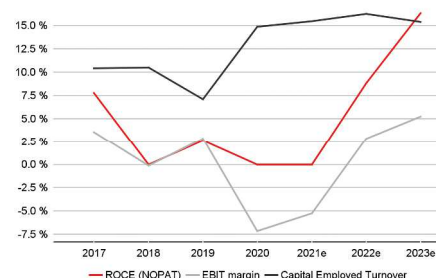
Consolidated balance sheet

In EUR m	2017	2018	2019	2020	2021e	2022e	2023e
Assets							
Goodwill and other intangible assets	35.1	40.8	38.8	39.5	42.5	45.5	50.5
thereof other intangible assets	26.7	30.3	34.1	35.6	38.6	41.6	46.6
thereof Goodwill	8.5	10.4	4.6	3.8	3.8	3.8	3.8
Property, plant and equipment	31.8	29.9	29.2	24.9	22.4	20.9	20.4
Financial assets	11.6	13.4	18.1	16.3	16.3	16.3	16.3
Other long-term assets	0.0	0.0	11.2	0.0	0.0	0.0	0.0
Fixed assets	78.5	84.1	97.3	80.7	81.2	82.7	87.2
Inventories	10.6	11.2	12.4	11.5	11.2	11.5	11.8
Accounts receivable	19.5	19.0	18.1	18.1	17.2	17.7	18.2
Liquid assets	34.9	30.9	30.5	36.1	31.6	35.2	38.0
Other short-term assets	27.1	21.6	28.0	27.6	27.6	27.6	27.6
Current assets	92.1	82.7	89.0	93.3	87.5	92.0	95.7
Total Assets	170.6	166.7	186.3	174.0	168.7	174.7	182.9
Liabilities and shareholders' equity							
Subscribed capital	16.3	16.3	16.3	16.3	16.3	16.3	16.3
Capital reserve	34.8	34.7	34.7	34.3	34.3	34.3	34.3
Retained earnings	0.0	0.0	0.0	0.0	-36.9	-44.0	-41.7
Other equity components	-17.4	-17.7	-19.0	-36.9	-6.9	3.6	7.0
Shareholders' equity	33.7	33.3	32.0	13.7	6.7	10.2	15.9
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total equity	33.7	33.3	32.0	13.7	6.7	10.2	15.9
Provisions	17.7	17.6	24.0	25.9	25.9	25.9	25.9
thereof provisions for pensions and similar obligations	16.5	16.2	20.6	20.5	20.5	20.5	20.5
Financial liabilities (total)	43.6	39.3	50.2	47.0	47.0	47.0	47.0
Short-term financial liabilities	0.4	0.2	4.1	3.7	3.7	3.7	3.7
Accounts payable	11.2	14.0	14.6	14.1	13.7	14.1	14.6
Other liabilities	64.5	62.6	65.5	73.3	75.4	77.5	79.6
Liabilities	137.0	133.4	154.3	160.3	162.0	164.5	167.0
Total liabilities and shareholders' equity	170.6	166.7	186.3	174.0	168.7	174.7	182.9

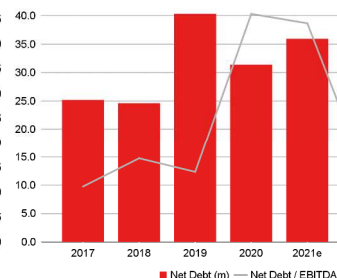
Financial Ratios

	2017	2018	2019	2020	2021e	2022e	2023e
Efficiency of Capital Employment							
Operating Assets Turnover	4.1 x	4.4 x	4.6 x	4.8 x	5.1 x	5.4 x	5.6 x
Capital Employed Turnover	3.5 x	3.5 x	2.9 x	4.3 x	4.5 x	4.6 x	4.4 x
ROA	5.9 %	1.1 %	1.8 %	-18.8 %	-8.5 %	4.4 %	8.1 %
Return on Capital							
ROCE (NOPAT)	7.7 %	n.a.	2.6 %	n.a.	n.a.	8.8 %	16.3 %
ROE	13.4 %	2.7 %	5.2 %	-66.3 %	-68.0 %	42.6 %	53.7 %
Adj. ROE	13.4 %	2.7 %	5.2 %	-66.3 %	-68.0 %	42.6 %	53.7 %
Balance sheet quality							
Net Debt	25.2	24.6	40.3	31.4	35.9	32.3	29.5
Net Financial Debt	8.6	8.4	19.7	10.9	15.4	11.7	8.9
Net Gearing	74.7 %	73.9 %	125.9 %	229.7 %	534.0 %	315.1 %	185.2 %
Net Fin. Debt / EBITDA	32.8 %	49.1 %	59.3 %	136.5 %	162.2 %	46.9 %	29.7 %
Book Value / Share	2.1	2.1	2.0	0.8	0.4	0.6	1.0
Book value per share ex intangibles	-0.1	-0.5	-0.4	-1.6	-2.2	-2.2	-2.1

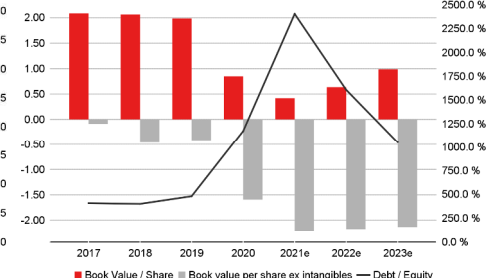
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

Consolidated cash flow statement

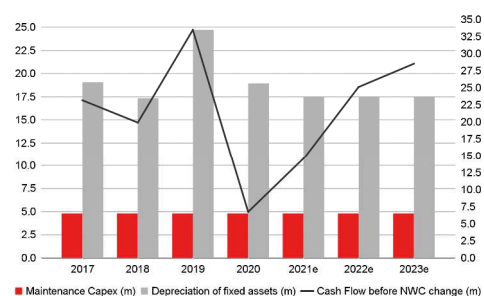
In EUR m	2017	2018	2019	2020	2021e	2022e	2023e
Net income	4.6	0.9	1.7	-15.2	-6.9	3.6	7.0
Depreciation of fixed assets	19.1	17.3	24.7	18.9	17.5	17.5	17.5
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	2.7	3.0	2.0	2.0	2.0
Increase/decrease in long-term provisions	-0.5	-0.3	4.4	-0.1	0.0	0.0	0.0
Other non-cash income and expenses	0.0	2.0	0.0	0.0	2.0	2.0	2.0
Cash Flow before NWC change	23.2	19.9	33.5	6.7	14.6	25.1	28.5
Increase / decrease in inventory	0.6	-0.6	-1.2	0.8	0.3	-0.3	-0.3
Increase / decrease in accounts receivable	-0.6	0.6	0.8	0.0	1.0	-0.5	-0.5
Increase / decrease in accounts payable	0.6	2.8	0.6	-0.4	-0.4	0.4	0.4
Increase / decrease in other working capital positions	-2.5	1.5	-10.7	15.6	0.0	0.0	0.0
Increase / decrease in working capital (total)	-1.9	4.3	-10.4	16.0	0.9	-0.4	-0.5
Net cash provided by operating activities [1]	21.3	24.2	23.1	22.8	15.4	24.7	28.1
Investments in intangible assets	-6.9	-9.0	-13.8	-4.0	-5.0	-5.0	-7.0
Investments in property, plant and equipment	-8.6	-9.0	-6.5	-4.8	-15.0	-16.0	-17.0
Payments for acquisitions	0.0	-3.5	0.0	-2.2	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	0.3	-1.1	-0.3	0.0	0.0	0.0
Net cash provided by investing activities [2]	-15.5	-21.2	-21.4	-11.4	-20.0	-21.0	-24.0
Change in financial liabilities	4.5	-4.3	11.0	-3.3	0.0	0.0	0.0
Dividends paid	-0.8	-1.9	-0.5	-0.5	0.0	0.0	-1.3
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	-2.6	-0.2	-15.2	-1.9	0.0	0.0	0.0
Net cash provided by financing activities [3]	1.1	-6.4	-4.7	-5.7	0.0	0.0	-1.3
Change in liquid funds [1]+[2]+[3]	6.9	-3.5	-3.0	5.1	-4.6	3.7	2.8
Effects of exchange-rate changes on cash	-1.4	0.5	0.0	-1.0	0.0	0.0	0.0
Cash and cash equivalent at end of period	24.2	21.2	18.1	22.2	17.6	21.3	24.1

Financial Ratios

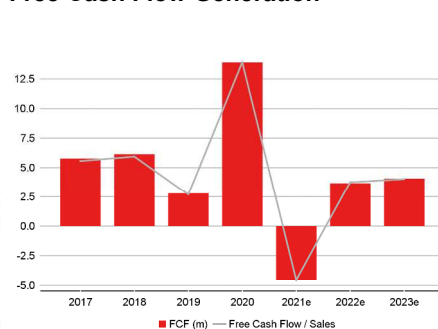
	2017	2018	2019	2020	2021e	2022e	2023e
Cash Flow							
FCF	5.8	6.1	2.8	13.9	-4.6	3.7	4.1
Free Cash Flow / Sales	2.8 %	3.0 %	1.3 %	7.1 %	-2.4 %	1.9 %	2.0 %
Free Cash Flow Potential	12.3	1.8	9.7	-1.1	4.4	14.7	17.9
Free Cash Flow / Net Profit	124.3 %	685.7 %	163.8 %	-91.7 %	65.6 %	101.7 %	58.0 %
Interest Received / Avg. Cash	6.9 %	8.7 %	7.2 %	7.4 %	2.4 %	2.4 %	2.2 %
Interest Paid / Avg. Debt	4.7 %	3.4 %	4.0 %	5.2 %	0.6 %	0.6 %	0.6 %
Management of Funds							
Investment ratio	7.5 %	8.8 %	9.7 %	4.5 %	10.5 %	10.7 %	11.9 %
Maint. Capex / Sales	2.3 %	2.4 %	2.3 %	2.5 %	2.5 %	2.5 %	2.4 %
Capex / Dep	81.2 %	104.2 %	73.9 %	40.4 %	102.6 %	107.7 %	123.1 %
Avg. Working Capital / Sales	9.3 %	8.6 %	7.7 %	8.0 %	7.9 %	7.6 %	7.6 %
Trade Debtors / Trade Creditors	174.2 %	135.7 %	124.4 %	128.3 %	125.2 %	125.2 %	125.2 %
Inventory Turnover	9.7 x	9.1 x	8.2 x	8.2 x	8.7 x	8.2 x	8.2 x
Receivables collection period (days)	35	34	32	34	33	33	33
Payables payment period (days)	40	50	52	55	52	55	55
Cash conversion cycle (Days)	32	24	24	24	23	23	23

CAPEX and Cash Flow

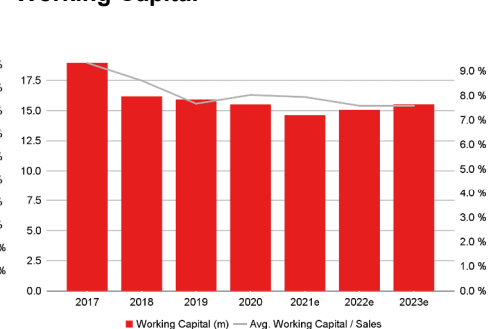
in EUR m



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-	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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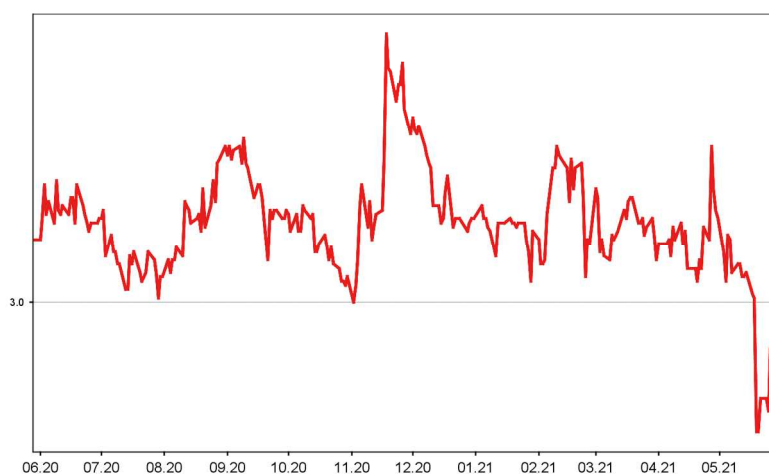
Rating	Number of stocks	% of Universe
Buy	151	70
Hold	55	26
Sell	5	2
Rating suspended	4	2
Total	215	100

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	43	88
Hold	3	6
Sell	0	0
Rating suspended	3	6
Total	49	100

PRICE AND RATING HISTORY FRANCOTYP-POSTALIA AS OF 28.05.2021



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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