

<b>Buy</b> <b>EUR 5.00</b> (EUR 4.80)  Price <b>EUR 3.14</b> Upside <b>59.2 %</b>	<b>Value Indicators:</b> EUR DCF: 4.94	<b>Warburg ESG Risk Score: 2.4</b> ESG Score (MSCI based): 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: 48.5 No. of shares (m): 15.5 EV: 80.5 Freefloat MC: 24.6 Ø Trad. Vol. (30d): 12.28 th	<b>Shareholders:</b> Freefloat 50.7 % Obotritia Capital 28.0 % Active Ownership Fund 9.5 % SALTARAX GmbH 5.0 %	<b>Key Figures (WRe):</b> 2021e Beta: 1.6 Price / Book: 4.1 x Equity Ratio: 7 % Net Fin. Debt / EBITDA: 0.7 x Net Debt / EBITDA: 2.0 x

## Continued improvement

<b>Stated Figures Q3/2021:</b> in EUR m					<b>Comment on Figures:</b>		
	Q3/21	Q3/21e	Q3/20	yoy	9M/21	9M/20	yoy
<b>Sales</b>	49.3	48.3	47.9	3.1%	148.9	147.6	0.9%
<b>EBITDA margin</b>	6.4 12.9%	6.0 12.4%	5.9 12.2%	9.0%	15.2 10.2%	19.5 13.2%	-21.9%
<b>EPS in EUR</b>	0.10	0.05	-0.01	-	0.14	0.10	40.0%

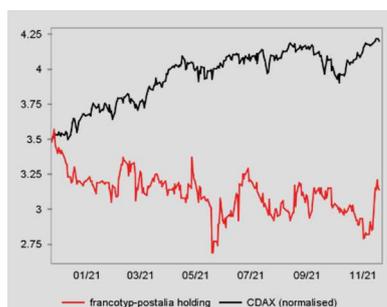
■ Francotyp Postalia Holding AG (FP) on Thursday (18.11.21) presented the figures for the third quarter and the first nine months of 2021.  
 ■ These figures exceeded expectations and showed further progress in the transformation process.

The figures presented showed robust development in all areas. Sales in the Software & BPA and IoT division recorded sales growth of 8.3% to EUR 13.2m (12.2). Especially in the area of input management, the solution portfolio was expanded and new customers were won. In addition, the FP Sign signature solution continued to show positive business development, which can be attributed to sales success and the further development of the products. Revenue in the Mail Services division (collection, franking and consolidation of business mail) rose to EUR 45.6 (42.9) + 6.4%. Sales in the most important Franking & Office Solutions division remained stable, adjusted for currency effects (-2.6% to EUR 90.1m vs. EUR 92.5m, including a negative currency effect of EUR 2.1m). The solutions from HEFTER Systemform, which was taken over in 2020, e.g. with air filter systems or high-security shredders, have made a positive contribution to sales, together with recurring sales in the franking area.

Flanked by this operational development, the cost side continued to benefit from the implementation of the FUTURE @ FP transformation programme. Together with the introduction of a new ERP / CRM system, further cost reductions are possible in 2022.

On the basis of slightly adjusted forecasts / rollover, the share continues to be rated Buy with a price target of EUR 5.00 (4.80).

<b>Changes in Estimates:</b>					<b>Comment on Changes:</b>		
FY End: 31.12. in EUR m	2021e (old)	+ / -	2022e (old)	+ / -	2023e (old)	+ / -	
<b>Sales</b>	198.0	1.0 %	203.9	1.0 %	210.1	1.0 %	■ The figures presented provide the basis for somewhat higher expectations for the coming periods. EBITDA includes slightly higher costs for the transformation programme than originally expected (WRe). ■ On the bottom line, there is also lower depreciation and a better financial result than initially expected (WRe).
<b>EBITDA</b>	15.8	1.0 %	27.5	-2.7 %	30.5	-2.5 %	
<b>EBIT</b>	-3.7	n.m.	8.0	3.1 %	11.0	2.3 %	
<b>EPS</b>	-0.16	n.m.	0.33	12.1 %	0.45	8.9 %	

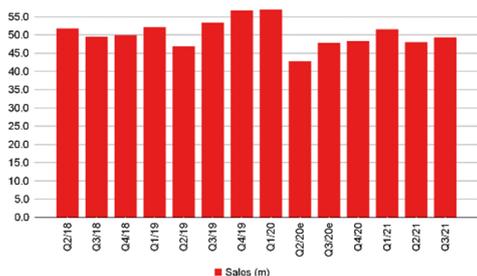


<b>Rel. Performance vs CDAX:</b>	
1 month:	1.7 %
6 months:	8.5 %
Year to date:	-16.3 %
Trailing 12 months:	-32.1 %

<b>Company events:</b>	

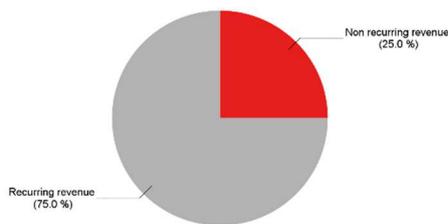
FY End: 31.12. in EUR m	CAGR (20-23e)	2017	2018	2019	2020	2021e	2022e	2023e
<b>Sales</b>	2.7 %	206.3	204.2	209.1	195.9	200.0	206.0	212.2
<b>Change Sales yoy</b>		1.7 %	-1.0 %	2.4 %	-6.3 %	2.1 %	3.0 %	3.0 %
<b>Gross profit margin</b>		55.6 %	57.0 %	60.3 %	55.8 %	52.0 %	55.5 %	55.5 %
<b>EBITDA</b>	55.2 %	26.3	17.1	33.3	8.0	16.0	26.8	29.7
<b>Margin</b>		12.8 %	8.4 %	15.9 %	4.1 %	8.0 %	13.0 %	14.0 %
<b>EBIT</b>		7.3	-0.3	5.9	-14.0	-2.5	8.3	11.2
<b>Margin</b>		3.5 %	-0.1 %	2.8 %	-7.1 %	-1.3 %	4.0 %	5.3 %
<b>Net income</b>		4.6	0.9	1.7	-15.2	-1.2	6.0	7.9
<b>EPS</b>		0.29	0.06	0.11	-0.94	-0.07	0.37	0.49
<b>EPS adj.</b>		0.29	0.06	0.11	-0.94	-0.07	0.37	0.49
<b>DPS</b>		0.12	0.03	0.03	0.00	0.00	0.15	0.20
<b>Dividend Yield</b>		2.3 %	0.8 %	0.9 %	n.a.	n.a.	4.7 %	6.2 %
<b>FCFPS</b>		0.36	0.38	0.17	0.86	-0.03	0.31	0.24
<b>FCF / Market cap</b>		6.9 %	10.1 %	5.0 %	26.3 %	-1.1 %	10.0 %	7.7 %
<b>EV / Sales</b>		0.5 x	0.4 x	0.5 x	0.4 x	0.4 x	0.4 x	0.4 x
<b>EV / EBITDA</b>		4.2 x	5.0 x	2.9 x	10.6 x	5.2 x	2.9 x	2.6 x
<b>EV / EBIT</b>		15.1 x	n.a.	16.3 x	n.a.	n.a.	9.4 x	6.8 x
<b>P / E</b>		17.9 x	62.6 x	31.5 x	n.a.	n.a.	8.5 x	6.4 x
<b>P / E adj.</b>		17.9 x	62.6 x	31.5 x	n.a.	n.a.	8.5 x	6.4 x
<b>FCF Potential Yield</b>		11.2 %	2.2 %	10.0 %	-1.3 %	11.8 %	21.9 %	24.8 %
<b>Net Debt</b>		25.2	24.6	40.3	31.4	31.9	26.9	25.1
<b>ROCE (NOPAT)</b>		7.7 %	n.a.	2.6 %	n.a.	n.a.	12.6 %	16.2 %
<b>Guidance:</b>		Revenues EUR 198-201m, EBITDA EUR 17-18m (2021)						

## Sales development in EUR m



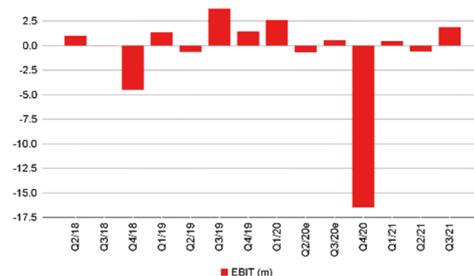
Source: Warburg Research

## Recurring revenue proportion 2021e; in %



Source: Warburg Research

## EBIT development in EUR m



Source: Warburg Research

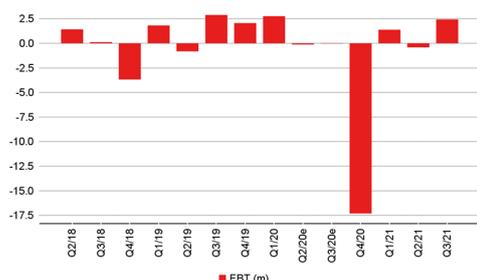
## Company Background

- 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

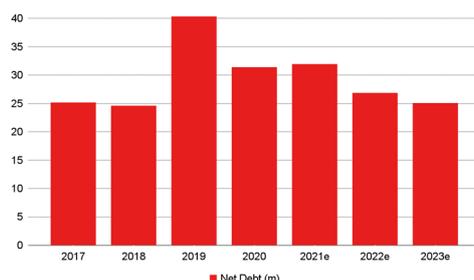
- Focusing on customers with low to medium postal needs, Francotyp Postalia caters for two stable segments in the generally difficult market for franking machines.
- The 45% market share in the German market for franking machines demonstrates its reputation as the market leader in Germany based on the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



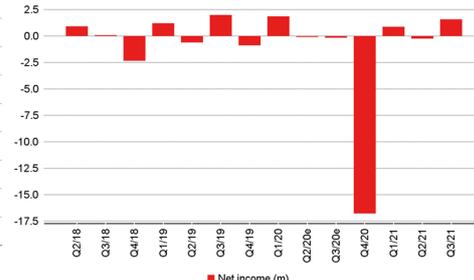
Source: Warburg Research

## 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	200.0	206.0	212.2	218.5	225.1	231.9	238.8	246.0	253.4	261.0	268.8	276.8	285.2	1.0 %
Sales change	2.1 %	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	-2.5	8.3	11.2	13.1	13.5	13.9	14.3	14.8	15.2	15.7	16.1	16.6	17.1	6.0 %
EBIT-margin	-1.3 %	4.0 %	5.3 %	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 %	33.0 %
NOPAT	-1.7	5.6	7.6	8.8	9.0	9.3	9.6	9.9	10.2	10.5	10.8	11.1	11.5	
Depreciation	18.5	18.5	18.5	19.7	20.3	18.5	19.1	17.2	17.7	18.3	18.8	19.4	20.0	7.0 %
in % of Sales	9.3 %	9.0 %	8.7 %	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	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Change in Liquidity from														
- Working Capital	-0.1	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.6
- Capex	20.0	21.0	24.0	24.0	22.5	20.9	16.7	17.2	17.7	18.3	18.8	19.4	20.0	
Capex in % of Sales	10.0 %	10.2 %	11.3 %	11.0 %	10.0 %	9.0 %	7.0 %	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)	-3.1	2.7	1.6	4.1	6.5	6.6	11.6	9.5	9.8	10.0	10.3	10.6	10.9	13
PV of FCF	-3.1	2.4	1.4	3.2	4.6	4.4	7.0	5.3	5.0	4.7	4.5	4.2	4.0	60
share of PVs	0.70 %			43.41 %										55.89 %

### Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	20.00 %	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
<b>WACC</b>	<b>8.66 %</b>	<b>Beta</b>	<b>1.60</b>

### Valuation (m)

Present values 2033e	48		
Terminal Value	60		
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
<b>Equity Value</b>	<b>76</b>	<b>Value per share (EUR)</b>	<b>4.94</b>

### 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
1.83	9.7 %	3.68	3.76	3.84	3.93	4.02	4.11	4.22	1.83	9.7 %	2.05	2.67	3.30	3.93	4.55	5.18	5.80
1.71	9.2 %	4.11	4.20	4.30	4.40	4.51	4.63	4.75	1.71	9.2 %	2.41	3.07	3.74	4.40	5.06	5.73	6.39
1.66	8.9 %	4.34	4.44	4.55	4.66	4.78	4.91	5.05	1.66	8.9 %	2.61	3.29	3.98	4.66	5.35	6.03	6.71
1.60	8.7 %	4.59	4.70	4.82	<b>4.94</b>	5.07	5.21	5.36	1.60	8.7 %	2.82	3.53	4.24	<b>4.94</b>	5.65	6.35	7.06
1.54	8.4 %	4.86	4.98	5.11	5.24	5.39	5.54	5.71	1.54	8.4 %	3.05	3.78	4.51	5.24	5.97	6.70	7.43
1.49	8.2 %	5.14	5.27	5.41	5.56	5.72	5.89	6.08	1.49	8.2 %	3.30	4.05	4.81	5.56	6.32	7.07	7.82
1.37	7.7 %	5.77	5.93	6.10	6.28	6.48	6.69	6.92	1.37	7.7 %	3.85	4.66	5.47	6.28	7.09	7.90	8.71

- 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	4.1 x	2.8 x	2.1 x
Book value per share ex intangibles	-0.09	-0.46	-0.42	-1.60	-1.98	-1.92	-2.01
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	5.2 x	2.9 x	2.6 x
EV / EBIT	15.1 x	n.a.	16.3 x	n.a.	n.a.	9.4 x	6.8 x
EV / EBIT adj.*	15.1 x	n.a.	16.3 x	n.a.	n.a.	9.4 x	6.8 x
P / FCF	14.6 x	9.9 x	20.1 x	3.8 x	n.a.	10.0 x	13.0 x
P / E	17.9 x	62.6 x	31.5 x	n.a.	n.a.	8.5 x	6.4 x
P / E adj.*	17.9 x	62.6 x	31.5 x	n.a.	n.a.	8.5 x	6.4 x
Dividend Yield	2.3 %	0.8 %	0.9 %	n.a.	n.a.	4.7 %	6.2 %
FCF Potential Yield (on market EV)	11.2 %	2.2 %	10.0 %	-1.3 %	11.8 %	21.9 %	24.8 %

\*Adjustments made for: -

## Consolidated profit & loss

In EUR m	2017	2018	2019	2020	2021e	2022e	2023e
<b>Sales</b>	<b>206.3</b>	<b>204.2</b>	<b>209.1</b>	<b>195.9</b>	<b>200.0</b>	<b>206.0</b>	<b>212.2</b>
Change Sales yoy	1.7 %	-1.0 %	2.4 %	-6.3 %	2.1 %	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	6.0	6.2	6.4
<b>Total Sales</b>	<b>217.7</b>	<b>218.0</b>	<b>227.6</b>	<b>203.2</b>	<b>206.0</b>	<b>212.2</b>	<b>218.5</b>
Material expenses	102.9	101.6	101.6	93.9	102.0	97.9	100.8
<b>Gross profit</b>	<b>114.8</b>	<b>116.3</b>	<b>126.0</b>	<b>109.3</b>	<b>104.0</b>	<b>114.3</b>	<b>117.8</b>
<i>Gross profit margin</i>	<i>55.6 %</i>	<i>57.0 %</i>	<i>60.3 %</i>	<i>55.8 %</i>	<i>52.0 %</i>	<i>55.5 %</i>	<i>55.5 %</i>
Personnel expenses	59.2	64.7	60.2	67.8	58.0	58.7	60.5
Other operating income	4.8	1.9	2.9	4.5	2.0	2.1	2.1
Other operating expenses	34.1	36.4	35.4	36.8	32.0	30.9	29.7
Unfrequent items	0.0	0.0	0.0	-1.2	0.0	0.0	0.0
<b>EBITDA</b>	<b>26.3</b>	<b>17.1</b>	<b>33.3</b>	<b>8.0</b>	<b>16.0</b>	<b>26.8</b>	<b>29.7</b>
<i>Margin</i>	<i>12.8 %</i>	<i>8.4 %</i>	<i>15.9 %</i>	<i>4.1 %</i>	<i>8.0 %</i>	<i>13.0 %</i>	<i>14.0 %</i>
Depreciation of fixed assets	19.1	17.3	24.7	18.9	18.5	18.5	18.5
<b>EBITA</b>	<b>7.3</b>	<b>-0.3</b>	<b>8.6</b>	<b>-11.0</b>	<b>-2.5</b>	<b>8.3</b>	<b>11.2</b>
Amortisation of intangible assets	0.0	0.0	2.7	3.0	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>7.3</b>	<b>-0.3</b>	<b>5.9</b>	<b>-14.0</b>	<b>-2.5</b>	<b>8.3</b>	<b>11.2</b>
<i>Margin</i>	<i>3.5 %</i>	<i>-0.1 %</i>	<i>2.8 %</i>	<i>-7.1 %</i>	<i>-1.3 %</i>	<i>4.0 %</i>	<i>5.3 %</i>
<b>EBIT adj.</b>	<b>7.3</b>	<b>-0.3</b>	<b>5.9</b>	<b>-14.0</b>	<b>-2.5</b>	<b>8.3</b>	<b>11.2</b>
Interest income	2.1	2.8	2.2	2.5	1.8	1.6	1.4
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
<b>EBT</b>	<b>7.1</b>	<b>1.3</b>	<b>5.9</b>	<b>-14.7</b>	<b>-1.7</b>	<b>8.9</b>	<b>11.6</b>
<i>Margin</i>	<i>3.4 %</i>	<i>0.6 %</i>	<i>2.8 %</i>	<i>-7.5 %</i>	<i>-0.9 %</i>	<i>4.3 %</i>	<i>5.5 %</i>
Total taxes	2.4	0.4	4.2	0.4	-0.5	2.8	3.7
<b>Net income from continuing operations</b>	<b>4.6</b>	<b>0.9</b>	<b>1.7</b>	<b>-15.1</b>	<b>-1.2</b>	<b>6.0</b>	<b>7.9</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>4.6</b>	<b>0.9</b>	<b>1.7</b>	<b>-15.1</b>	<b>-1.2</b>	<b>6.0</b>	<b>7.9</b>
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income</b>	<b>4.6</b>	<b>0.9</b>	<b>1.7</b>	<b>-15.2</b>	<b>-1.2</b>	<b>6.0</b>	<b>7.9</b>
<i>Margin</i>	<i>2.3 %</i>	<i>0.4 %</i>	<i>0.8 %</i>	<i>-7.7 %</i>	<i>-0.6 %</i>	<i>2.9 %</i>	<i>3.7 %</i>
Number of shares, average	16.2	16.2	16.2	16.2	16.2	16.2	16.2
<b>EPS</b>	<b>0.29</b>	<b>0.06</b>	<b>0.11</b>	<b>-0.94</b>	<b>-0.07</b>	<b>0.37</b>	<b>0.49</b>
EPS adj.	0.29	0.06	0.11	-0.94	-0.07	0.37	0.49

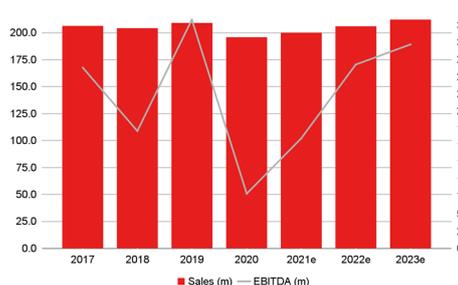
\*Adjustments made for:

**Guidance: Revenues EUR 198-201m, EBITDA EUR 17-18m (2021)**

## Financial Ratios

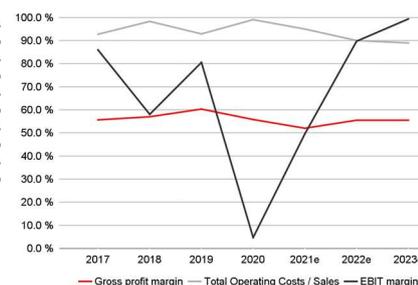
	2017	2018	2019	2020	2021e	2022e	2023e
Total Operating Costs / Sales	92.8 %	98.4 %	92.9 %	99.1 %	95.0 %	90.0 %	89.0 %
Operating Leverage	-15.3 x	n.a.	n.a.	n.a.	-38.8 x	n.a.	11.8 x
EBITDA / Interest expenses	13.8 x	12.3 x	18.5 x	3.1 x	53.3 x	89.3 x	99.0 x
Tax rate (EBT)	34.3 %	28.4 %	71.3 %	-3.0 %	32.0 %	32.0 %	32.0 %
Dividend Payout Ratio	41.7 %	54.1 %	28.4 %	0.0 %	0.0 %	39.6 %	40.1 %
Sales per Employee	170,431	165,358	165,992	152,436	152,612	154,108	155,619

**Sales, EBITDA**  
in EUR m



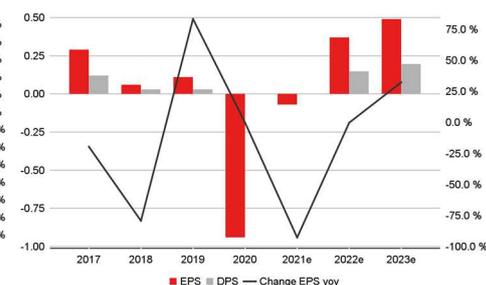
Source: Warburg Research

**Operating Performance**  
in %



Source: Warburg Research

**Performance per Share**



Source: Warburg Research

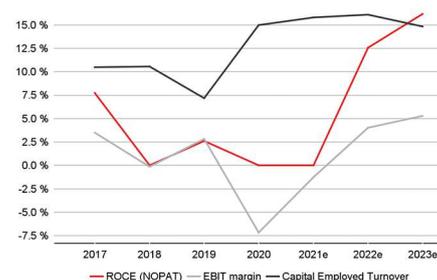
## Consolidated balance sheet

In EUR m	2017	2018	2019	2020	2021e	2022e	2023e
<b>Assets</b>							
Goodwill and other intangible assets	35.1	40.8	38.8	39.5	44.5	49.5	56.5
thereof other intangible assets	26.7	30.3	34.1	35.6	40.6	45.6	52.6
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	21.4	18.9	17.4
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
<b>Fixed assets</b>	<b>78.5</b>	<b>84.1</b>	<b>97.3</b>	<b>80.7</b>	<b>82.2</b>	<b>84.7</b>	<b>90.2</b>
Inventories	10.6	11.2	12.4	11.5	11.8	12.1	12.5
Accounts receivable	19.5	19.0	18.1	18.1	18.1	18.6	19.2
Liquid assets	34.9	30.9	30.5	36.1	35.6	40.6	42.4
Other short-term assets	27.1	21.6	28.0	27.6	27.6	27.6	27.6
<b>Current assets</b>	<b>92.1</b>	<b>82.7</b>	<b>89.0</b>	<b>93.3</b>	<b>93.0</b>	<b>99.0</b>	<b>101.7</b>
<b>Total Assets</b>	<b>170.6</b>	<b>166.7</b>	<b>186.3</b>	<b>174.0</b>	<b>175.2</b>	<b>183.6</b>	<b>191.8</b>
<b>Liabilities and shareholders' equity</b>							
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	-38.3	-34.5
Other equity components	-17.4	-17.7	-19.0	-36.9	-1.2	6.0	7.9
Shareholders' equity	33.7	33.3	32.0	13.7	12.5	18.3	24.0
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total equity</b>	<b>33.7</b>	<b>33.3</b>	<b>32.0</b>	<b>13.7</b>	<b>12.5</b>	<b>18.3</b>	<b>24.0</b>
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	14.4	14.9	15.3
Other liabilities	64.5	62.6	65.5	73.3	75.4	77.5	79.6
<b>Liabilities</b>	<b>137.0</b>	<b>133.4</b>	<b>154.3</b>	<b>160.3</b>	<b>162.7</b>	<b>165.2</b>	<b>167.8</b>
<b>Total liabilities and shareholders' equity</b>	<b>170.6</b>	<b>166.7</b>	<b>186.3</b>	<b>174.0</b>	<b>175.2</b>	<b>183.6</b>	<b>191.8</b>

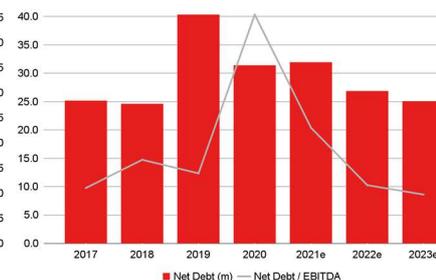
## Financial Ratios

	2017	2018	2019	2020	2021e	2022e	2023e
<b>Efficiency of Capital Employment</b>							
Operating Assets Turnover	4.1 x	4.4 x	4.6 x	4.8 x	5.4 x	5.9 x	6.3 x
Capital Employed Turnover	3.5 x	3.5 x	2.9 x	4.3 x	4.5 x	4.6 x	4.3 x
ROA	5.9 %	1.1 %	1.8 %	-18.8 %	-1.4 %	7.1 %	8.8 %
<b>Return on Capital</b>							
ROCE (NOPAT)	7.7 %	n.a.	2.6 %	n.a.	n.a.	12.6 %	16.2 %
ROE	13.4 %	2.7 %	5.2 %	-66.3 %	-8.8 %	39.1 %	37.3 %
Adj. ROE	13.4 %	2.7 %	5.2 %	-66.3 %	-8.8 %	39.1 %	37.3 %
<b>Balance sheet quality</b>							
Net Debt	25.2	24.6	40.3	31.4	31.9	26.9	25.1
Net Financial Debt	8.6	8.4	19.7	10.9	11.4	6.3	4.5
Net Gearing	74.7 %	73.9 %	125.9 %	229.7 %	255.2 %	146.4 %	104.3 %
Net Fin. Debt / EBITDA	32.8 %	49.1 %	59.3 %	136.5 %	71.2 %	23.6 %	15.2 %
Book Value / Share	2.1	2.1	2.0	0.8	0.8	1.1	1.5
Book value per share ex intangibles	-0.1	-0.5	-0.4	-1.6	-2.0	-1.9	-2.0

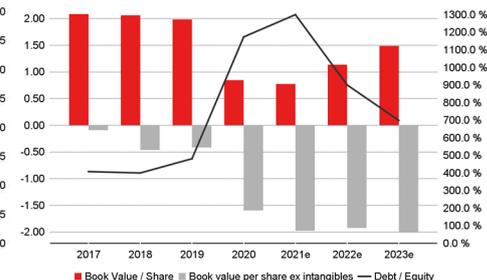
### ROCE Development



### Net debt in EUR m



### Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

## Consolidated cash flow statement

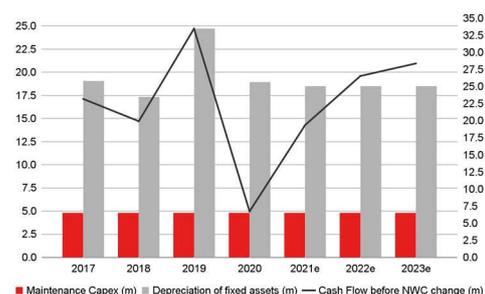
In EUR m	2017	2018	2019	2020	2021e	2022e	2023e
Net income	4.6	0.9	1.7	-15.2	-1.2	6.0	7.9
Depreciation of fixed assets	19.1	17.3	24.7	18.9	18.5	18.5	18.5
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	2.7	3.0	0.0	0.0	0.0
Increase/decrease in long-term provisions	-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
<b>Cash Flow before NWC change</b>	<b>23.2</b>	<b>19.9</b>	<b>33.5</b>	<b>6.7</b>	<b>19.3</b>	<b>26.5</b>	<b>28.4</b>
Increase / decrease in inventory	0.6	-0.6	-1.2	0.8	-0.2	-0.4	-0.4
Increase / decrease in accounts receivable	-0.6	0.6	0.8	0.0	0.1	-0.5	-0.6
Increase / decrease in accounts payable	0.6	2.8	0.6	-0.4	0.3	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	0.1	-0.5	-0.5
<b>Net cash provided by operating activities [1]</b>	<b>21.3</b>	<b>24.2</b>	<b>23.1</b>	<b>22.8</b>	<b>19.5</b>	<b>26.1</b>	<b>27.9</b>
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
<b>Net cash provided by investing activities [2]</b>	<b>-15.5</b>	<b>-21.2</b>	<b>-21.4</b>	<b>-11.4</b>	<b>-20.0</b>	<b>-21.0</b>	<b>-24.0</b>
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	-2.1
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
<b>Net cash provided by financing activities [3]</b>	<b>1.1</b>	<b>-6.4</b>	<b>-4.7</b>	<b>-5.7</b>	<b>0.0</b>	<b>0.0</b>	<b>-2.1</b>
<b>Change in liquid funds [1]+[2]+[3]</b>	<b>6.9</b>	<b>-3.5</b>	<b>-3.0</b>	<b>5.1</b>	<b>-0.5</b>	<b>5.1</b>	<b>1.8</b>
Effects of exchange-rate changes on cash	-1.4	0.5	0.0	-1.0	0.0	0.0	0.0
<b>Cash and cash equivalent at end of period</b>	<b>24.2</b>	<b>21.2</b>	<b>18.1</b>	<b>22.2</b>	<b>21.7</b>	<b>26.7</b>	<b>28.5</b>

## Financial Ratios

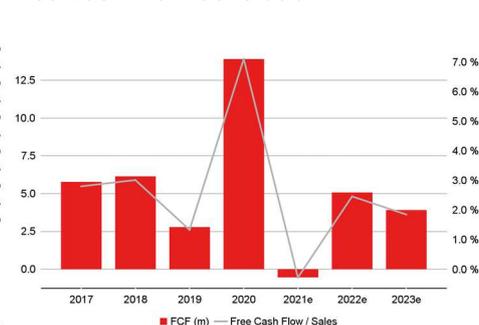
	2017	2018	2019	2020	2021e	2022e	2023e
<b>Cash Flow</b>							
FCF	5.8	6.1	2.8	13.9	-0.5	5.1	3.9
Free Cash Flow / Sales	2.8 %	3.0 %	1.3 %	7.1 %	-0.3 %	2.5 %	1.8 %
Free Cash Flow Potential	12.3	1.8	9.7	-1.1	9.7	17.0	18.8
Free Cash Flow / Net Profit	124.3 %	685.7 %	163.8 %	-91.7 %	46.8 %	84.1 %	49.6 %
Interest Received / Avg. Cash	6.9 %	8.7 %	7.2 %	7.4 %	5.0 %	4.2 %	3.4 %
Interest Paid / Avg. Debt	4.7 %	3.4 %	4.0 %	5.2 %	0.6 %	0.6 %	0.6 %
<b>Management of Funds</b>							
Investment ratio	7.5 %	8.8 %	9.7 %	4.5 %	10.0 %	10.2 %	11.3 %
Maint. Capex / Sales	2.3 %	2.4 %	2.3 %	2.5 %	2.4 %	2.3 %	2.3 %
Capex / Dep	81.2 %	104.2 %	73.9 %	40.4 %	108.1 %	113.5 %	129.7 %
Avg. Working Capital / Sales	9.3 %	8.6 %	7.7 %	8.0 %	7.7 %	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	8.1 x	8.1 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

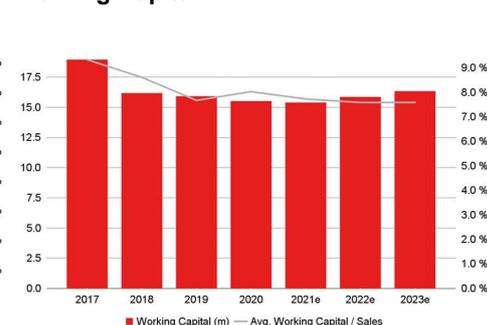
in EUR m



### 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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-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.
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“-“	<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	154	71
Hold	56	26
Sell	5	2
Rating suspended	3	1
<b>Total</b>	<b>218</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	49	83
Hold	8	14
Sell	0	0
Rating suspended	2	3
<b>Total</b>	<b>59</b>	<b>100</b>

## PRICE AND RATING HISTORY FRANCO TYP-POSTALIA AS OF 22.11.2021



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.

**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 Rüschemier** +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

**Jonas Blum** +49 40 309537-240  
Telco, Media, Construction jblum@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

**Mustafa Hidir** +49 40 309537-230  
Automobiles, Car Suppliers mhidir@warburg-research.com

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

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

**Eggert Kuls** +49 40 309537-256  
Engineering ekuls@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 sstippig@warburg-research.com

**Cansu Tatar** +49 40 309537-248  
Cap. Goods, Engineering ctatar@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

**Klaus Schilling** +49 69 5050-7400  
Head of Equity Sales, Germany kschilling@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

**Alexander Eschweiler** +49 40 3282-2669  
Germany, Luxembourg aeschweiler@mmwarburg.com

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

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

**Christopher Seedorf** +49 40 3282-2695  
Switzerland cseedorf@mmwarburg.com

**Sophie Hauer** +49 69 5050-7417  
Roadshow/Marketing shauer@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

**Elyaz Dust** +49 40 3282-2702  
Sales Trading edust@mmwarburg.com

**Michael Ilgenstein** +49 40 3282-2700  
Sales Trading milgenstein@mmwarburg.com

**Marcel Magiera** +49 40 3282-2662  
Sales Trading mmagiera@mmwarburg.com

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

**Jörg Treptow** +49 40 3282-2658  
Sales Trading 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

**Our research can be found under:**

Warburg Research [research.mmwarburg.com/en/index.html](http://research.mmwarburg.com/en/index.html)  
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Capital IQ [www.capitaliq.com](http://www.capitaliq.com)

**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