

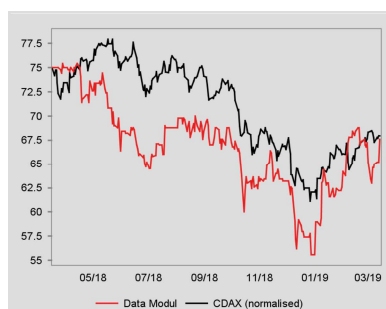
<b>Buy</b> <b>EUR 88.00</b> (EUR 78.00)  Price <b>EUR 67.60</b> Upside <b>30.2 %</b>	<b>Value Indicators:</b> EUR DCF: 88.00	<b>Share data:</b> Bloomberg: DAM GR Reuters: DAMG ISIN: DE0005498901	<b>Description:</b> Producer and Distributor of displays for special applications in the industry.
	<b>Market Snapshot:</b> EUR m Market cap: 0.0 No. of shares (m): 0.0 EV: -29.0 Freefloat MC: 0.0 Ø Trad. Vol. (30d): 18.98 th	<b>Shareholders:</b> Freefloat 30.8 % Arrow Electronics 69.2 %	<b>Risk Profile (WRe):</b> 2019e Beta: 1.2 Price / Book: 2.1 x Equity Ratio: 72 %

## 2018 was an excellent year

<b>Stated Figures Q4/2018:</b>								<b>Comment on Figures:</b> <ul style="list-style-type: none"> <li>On 13.03.19, Data Modul presented its business figures for FY/Q4 18.</li> <li>As in the previous quarters, these exceeded expectations (WRe).</li> <li>In addition to a good general demand situation, the successful structural change of the company from distribution to systems business was the reason for exceeding the forecasts.</li> </ul>	
Figures in EUR m	Q4/18	Q4/18e	Q4/17	yoy	2018	2017	yoy		
Sales	59,4	59,0	53,7	10,6%	241,4	218,3	10,6%		
EBIT margin	5,8	4,1	3,5	65,1%	20,8	15,9	30,7%		
	9,7%	6,9%	6,5%		8,6%	7,3%			

The very strong FY 2018 was particularly impressive on the earnings side. The main reason for exceeding the forecasts is the very rapid transformation from distributor to systems provider. Sales in the Systems segment increased significantly by 29.4% (EUR 124m), while sales in the Displays segment declined by 4% (EUR 118m). As a premium supplier of system solutions, the company can avoid the typical price war in the distribution business. Much was also achieved from a structural point of view in 2018. The global sales network was expanded and production and logistics capacities were increased with a new location in Poland. In addition, the Chinese activities are to be expanded and a further production line is to be added in the USA. With an unchanged high share of international business (49%), this approach supports the company's goal of reducing time-to-market in regional markets and serving demanding system customers locally ("local-to-local"). Together with capacity expansions planned for the future, the company continues to work on the standardisation of production technology to further increase efficiency. In addition to the developments described above, the current order backlog (see table below), which indicates a continuing positive development, is particularly relevant for the future. The transformation into a systems provider is expected to continue in 2019, as the order backlog in the Systems segment once again increased disproportionately (29%). **On the basis of new forecasts, the Data Modul share is still rated as Buy with a PT of EUR 88 (78).**

<b>Changes in Estimates:</b>							<b>Comment on Changes:</b> <ul style="list-style-type: none"> <li>The reported figures, in particular regarding the order situation, provide the basis for a further forecast increase.</li> <li>Group order intake rose significantly from EUR 232m in 2017 to EUR 254m in 2018 (+9%). The order backlog increased from EUR 109m to EUR 122m (+12%).</li> </ul>	
FY End: 31.12. in EUR m	2019e (old)	+ / -	2020e (old)	+ / -	2021e (old)	+ / -		
Sales	261.5	0.0 %	282.4	0.0 %	n.a.	n.m.		
EBIT	20.6	10.7 %	22.7	11.4 %	n.a.	n.m.		
EPS	4.08	11.0 %	4.49	12.0 %	n.a.	n.m.		

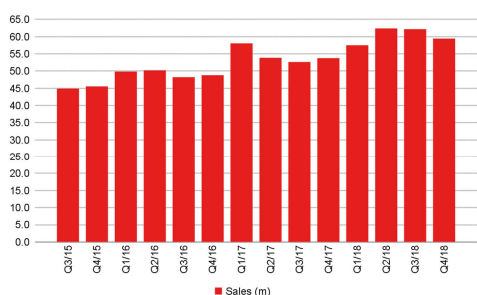


<b>Rel. Performance vs CDAX:</b>	
1 month:	-3.2 %
6 months:	4.6 %
Year to date:	12.0 %
Trailing 12 months:	-0.6 %

<b>Company events:</b>	

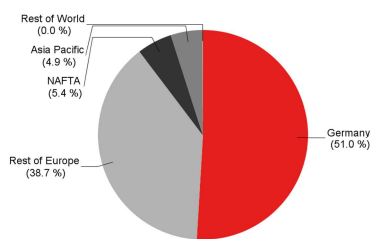
FY End: 31.12. in EUR m	CAGR (18-21e)	2015	2016	2017	2018	2019e	2020e	2021e
Sales	8.1 %	180.3	197.1	218.3	241.4	261.5	282.4	305.0
Change Sales yoy		15.6 %	9.3 %	10.7 %	10.6 %	8.3 %	8.0 %	8.0 %
Gross profit margin		24.7 %	23.2 %	21.8 %	22.3 %	22.5 %	22.5 %	22.5 %
EBITDA	12.0 %	15.3	17.1	18.3	23.4	25.2	27.8	32.8
Margin		8.5 %	8.7 %	8.4 %	9.7 %	9.7 %	9.8 %	10.8 %
EBIT	13.5 %	12.6	15.0	15.9	20.8	22.8	25.3	30.4
Margin		7.0 %	7.6 %	7.3 %	8.6 %	8.7 %	9.0 %	10.0 %
Net income	14.2 %	8.4	10.2	10.6	14.3	16.0	17.7	21.3
EPS	14.3 %	2.41	2.90	3.01	4.05	4.53	5.03	6.04
EPS adj.	14.3 %	2.41	2.90	3.01	4.05	4.53	5.03	6.04
DPS	0.0 %	0.12	0.12	0.12	0.12	0.12	0.12	0.12
Dividend Yield		0.4 %	0.3 %	0.2 %	0.2 %	0.2 %	0.2 %	0.2 %
FCFPS		1.24	0.65	0.64	1.45	2.91	3.11	3.98
FCF / Market cap		3.9 %	1.3 %	0.9 %	2.0 %	4.3 %	4.6 %	5.9 %
EV / Sales		0.6 x	0.7 x	1.1 x	0.9 x	0.8 x	0.7 x	0.6 x
EV / EBITDA		6.5 x	8.3 x	13.2 x	9.6 x	8.3 x	7.2 x	5.6 x
EV / EBIT		8.0 x	9.5 x	15.2 x	10.7 x	9.2 x	7.8 x	6.1 x
P / E		13.1 x	15.1 x	24.1 x	17.0 x	14.9 x	13.4 x	11.2 x
P / E adj.		13.1 x	15.1 x	24.1 x	17.0 x	14.9 x	13.4 x	11.2 x
FCF Potential Yield		8.7 %	5.8 %	3.7 %	5.1 %	7.2 %	8.5 %	11.1 %
Net Debt		-9.9	-12.6	-14.4	-19.1	-29.0	-39.5	-53.1
ROCE (NOPAT)		17.9 %	19.1 %	17.4 %	20.5 %	20.4 %	20.7 %	23.0 %
Guidance:	n.a.							

**Sales development**  
in EUR m



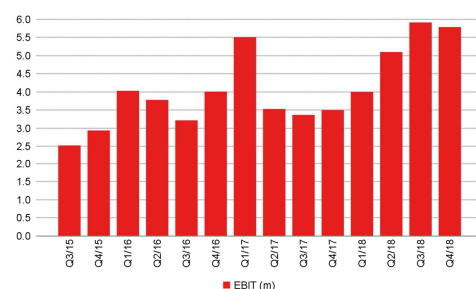
Source: Warburg Research

**Sales by regions**  
2018; in %



Source: Warburg Research

**EBIT development**  
in EUR m



Source: Warburg Research

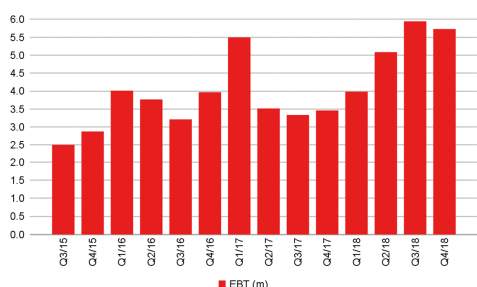
**Company Background**

- Display solutions for OEMs. With its own products, Data Modul forms the value-added connection between panel producers (LG, Sharp, Samsung etc.) and customers. Trade products complete the offering.
- Displays segment: distribution of standard and added-value products (e.g. additional equipping of the displays with PC components and software).
- In the Systems segment, Data Modul mainly develops and sells its own products and customer-specific solutions. This includes e.g. special monitors for marine navigation or medical technology.
- Increasingly important areas of business growth are embedded computer solutions and touch solutions.

**Competitive Quality**

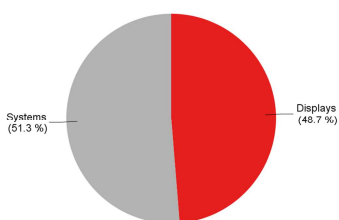
- Europe's largest display distributor.
- Focus on niche markets that are too small to be directly served by large display manufacturers, which leads to comparatively low competitive intensity.
- Strong customer loyalty with in-house design (Design-In) of customers' products.
- Earlier access to new technologies through the Distribution business.
- Expertise built up over 40 years.

**EBT development**  
in EUR m



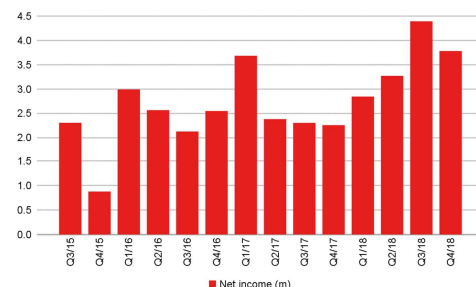
Source: Warburg Research

**Sales by segments**  
2018; in %



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	261.9	282.9	305.5	326.9	348.4	370.0	391.4	412.8	434.0	454.9	475.5	495.7	515.6	
Sales change	8.5 %	8.0 %	8.0 %	7.0 %	6.6 %	6.2 %	5.8 %	5.5 %	5.1 %	4.8 %	4.5 %	4.3 %	4.0 %	2.0 %
EBIT	22.8	25.3	30.4	32.7	34.2	35.6	36.9	38.1	39.3	40.4	41.4	42.3	43.1	
EBIT-margin	8.7 %	9.0 %	10.0 %	10.0 %	9.8 %	9.6 %	9.4 %	9.2 %	9.1 %	8.9 %	8.7 %	8.5 %	8.4 %	
Tax rate (EBT)	30.0 %	30.0 %	30.0 %	31.5 %	31.5 %	31.5 %	31.5 %	31.5 %	31.5 %	31.5 %	31.5 %	31.5 %	31.5 %	
NOPAT	16.0	17.7	21.3	22.4	23.4	24.4	25.3	26.1	26.9	27.7	28.3	29.0	29.5	
Depreciation	2.4	2.4	2.4	2.7	3.1	3.5	3.9	4.4	4.9	5.4	6.0	6.6	7.3	
in % of Sales	0.9 %	0.9 %	0.8 %	0.8 %	0.9 %	0.9 %	1.0 %	1.1 %	1.1 %	1.2 %	1.3 %	1.3 %	1.4 %	
Changes in provisions	0.0	0.0	0.0	2.0	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	
Change in Liquidity from														
- Working Capital	4.8	5.8	6.3	-3.3	5.4	5.4	5.4	5.3	5.3	5.2	5.2	5.1	5.0	
- Capex	3.4	3.4	3.4	4.9	5.2	5.5	5.9	6.2	6.5	6.8	7.1	7.4	7.7	
Capex in % of Sales	1.3 %	1.2 %	1.1 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	
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)	10.2	10.9	14.0	25.5	16.0	17.0	18.1	19.1	20.1	21.1	22.1	23.2	24.2	26
PV of FCF	9.6	9.6	11.3	19.1	11.1	10.9	10.7	10.4	10.2	9.9	9.6	9.3	9.0	159
share of PVs	10.17 %			36.69 %										53.14 %

### Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	0.00 %	Financial Strength	1.00
Cost of debt (after tax)	1.7 %	Liquidity (share)	1.40
Market return	7.00 %	Cyclicality	1.10
Risk free rate	1.50 %	Transparency	1.50
		Others	1.00
<b>WACC</b>	<b>8.10 %</b>	<b>Beta</b>	<b>1.20</b>

### Valuation (m)

Present values 2031e	141		
Terminal Value	159		
Financial liabilities	4		
Pension liabilities	2		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	16	No. of shares (m)	3.5
<b>Equity Value</b>	<b>310</b>	<b>Value per share (EUR)</b>	<b>88.00</b>

### Sensitivity Value per Share (EUR)

Beta	WACC	Terminal Growth							Beta	WACC	Delta EBIT-margin						
		1.25 %	1.50 %	1.75 %	2.00 %	2.25 %	2.50 %	2.75 %			-1.5 pp	-1.0 pp	-0.5 pp	+0.0 pp	+0.5 pp	+1.0 pp	+1.5 pp
1.38	9.1 %	71.76	72.78	73.88	75.06	76.32	77.67	79.13	1.38	9.1 %	59.80	64.89	69.97	75.06	80.14	85.22	90.31
1.29	8.6 %	77.01	78.25	79.59	81.02	82.58	84.25	86.07	1.29	8.6 %	64.53	70.03	75.53	81.02	86.52	92.02	97.52
1.25	8.4 %	79.92	81.29	82.77	84.37	86.10	87.97	90.02	1.25	8.4 %	67.18	72.91	78.64	84.37	90.10	95.83	101.56
1.20	8.1 %	83.05	84.57	86.22	88.00	89.93	92.03	94.33	1.20	8.1 %	70.06	76.04	82.02	88.00	93.98	99.96	105.94
1.15	7.9 %	86.43	88.12	89.95	91.94	94.11	96.48	99.08	1.15	7.9 %	73.18	79.44	85.69	91.94	98.19	104.45	110.70
1.11	7.6 %	90.08	91.97	94.01	96.25	98.69	101.37	104.32	1.11	7.6 %	76.60	83.15	89.70	96.25	102.80	109.35	115.90
1.02	7.1 %	98.34	100.71	103.30	106.14	109.28	112.76	116.64	1.02	7.1 %	84.44	91.68	98.91	106.14	113.38	120.61	127.85

- Revenue is expected to grow based on the continuous expansion in the use of display technology.

Valuation	2015	2016	2017	2018	2019e	2020e	2021e
Price / Book	1.8 x	2.2 x	3.2 x	2.6 x	2.1 x	1.9 x	1.6 x
Book value per share ex intangibles	15.82	18.47	21.01	25.09	29.32	34.09	39.84
EV / Sales	0.6 x	0.7 x	1.1 x	0.9 x	0.8 x	0.7 x	0.6 x
EV / EBITDA	6.5 x	8.3 x	13.2 x	9.6 x	8.3 x	7.2 x	5.6 x
EV / EBIT	8.0 x	9.5 x	15.2 x	10.7 x	9.2 x	7.8 x	6.1 x
EV / EBIT adj.*	6.7 x	9.5 x	15.2 x	10.7 x	9.2 x	7.8 x	6.1 x
P / FCF	25.4 x	76.2 x	115.1 x	49.0 x	23.3 x	21.7 x	17.0 x
P / E	13.1 x	15.1 x	24.1 x	17.0 x	14.9 x	13.4 x	11.2 x
P / E adj.*	13.1 x	15.1 x	24.1 x	17.0 x	14.9 x	13.4 x	11.2 x
Dividend Yield	0.4 %	0.3 %	0.2 %	0.2 %	0.2 %	0.2 %	0.2 %
FCF Potential Yield (on market EV)	8.7 %	5.8 %	3.7 %	5.1 %	7.2 %	8.5 %	11.1 %

\*Adjustments made for: -

## Consolidated profit and loss

In EUR m	2015	2016	2017	2018	2019e	2020e	2021e
<b>Sales</b>	<b>180.3</b>	<b>197.1</b>	<b>218.3</b>	<b>241.4</b>	<b>261.5</b>	<b>282.4</b>	<b>305.0</b>
Change Sales yoy	15.6 %	9.3 %	10.7 %	10.6 %	8.3 %	8.0 %	8.0 %
COGS	135.8	151.3	170.7	187.6	202.7	218.9	236.4
<b>Gross profit</b>	<b>44.5</b>	<b>45.7</b>	<b>47.6</b>	<b>53.8</b>	<b>58.8</b>	<b>63.5</b>	<b>68.6</b>
<i>Gross margin</i>	<i>24.7 %</i>	<i>23.2 %</i>	<i>21.8 %</i>	<i>22.3 %</i>	<i>22.5 %</i>	<i>22.5 %</i>	<i>22.5 %</i>
Research and development	6.5	5.9	5.4	5.4	6.0	6.2	6.2
Sales and marketing	25.4	24.8	26.3	27.6	30.0	32.0	32.0
Administration expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other operating expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other operating income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBITDA</b>	<b>15.3</b>	<b>17.1</b>	<b>18.3</b>	<b>23.4</b>	<b>25.2</b>	<b>27.8</b>	<b>32.8</b>
<i>Margin</i>	<i>8.5 %</i>	<i>8.7 %</i>	<i>8.4 %</i>	<i>9.7 %</i>	<i>9.7 %</i>	<i>9.8 %</i>	<i>10.8 %</i>
Depreciation of fixed assets	1.1	1.2	1.5	1.7	1.5	1.5	1.5
<b>EBITA</b>	<b>14.2</b>	<b>15.8</b>	<b>16.8</b>	<b>21.7</b>	<b>23.7</b>	<b>26.3</b>	<b>31.3</b>
Amortisation of intangible assets	1.7	0.8	0.9	0.9	0.9	0.9	0.9
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBIT</b>	<b>12.6</b>	<b>15.0</b>	<b>15.9</b>	<b>20.8</b>	<b>22.8</b>	<b>25.3</b>	<b>30.4</b>
<i>Margin</i>	<i>7.0 %</i>	<i>7.6 %</i>	<i>7.3 %</i>	<i>8.6 %</i>	<i>8.7 %</i>	<i>9.0 %</i>	<i>10.0 %</i>
<b>EBIT adj.</b>	<b>15.0</b>	<b>15.0</b>	<b>15.9</b>	<b>20.8</b>	<b>22.8</b>	<b>25.3</b>	<b>30.4</b>
Interest income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest expenses	0.2	0.1	0.1	0.1	0.0	0.0	0.0
Other financial income (loss)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBT</b>	<b>12.4</b>	<b>15.0</b>	<b>15.8</b>	<b>20.7</b>	<b>22.8</b>	<b>25.3</b>	<b>30.4</b>
<i>Margin</i>	<i>6.9 %</i>	<i>7.6 %</i>	<i>7.2 %</i>	<i>8.6 %</i>	<i>8.7 %</i>	<i>9.0 %</i>	<i>10.0 %</i>
Total taxes	4.0	4.7	5.2	6.5	6.9	7.6	9.1
<b>Net income from continuing operations</b>	<b>8.4</b>	<b>10.2</b>	<b>10.6</b>	<b>14.3</b>	<b>16.0</b>	<b>17.7</b>	<b>21.3</b>
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income before minorities</b>	<b>8.4</b>	<b>10.2</b>	<b>10.6</b>	<b>14.3</b>	<b>16.0</b>	<b>17.7</b>	<b>21.3</b>
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income</b>	<b>8.4</b>	<b>10.2</b>	<b>10.6</b>	<b>14.3</b>	<b>16.0</b>	<b>17.7</b>	<b>21.3</b>
<i>Margin</i>	<i>4.7 %</i>	<i>5.2 %</i>	<i>4.9 %</i>	<i>5.9 %</i>	<i>6.1 %</i>	<i>6.3 %</i>	<i>7.0 %</i>
Number of shares, average	3.5	3.5	3.5	3.5	3.5	3.5	3.5
<b>EPS</b>	<b>2.41</b>	<b>2.90</b>	<b>3.01</b>	<b>4.05</b>	<b>4.53</b>	<b>5.03</b>	<b>6.04</b>
EPS adj.	2.41	2.90	3.01	4.05	4.53	5.03	6.04

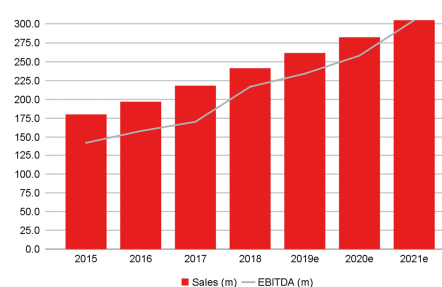
\*Adjustments made for:

Guidance: n.a.

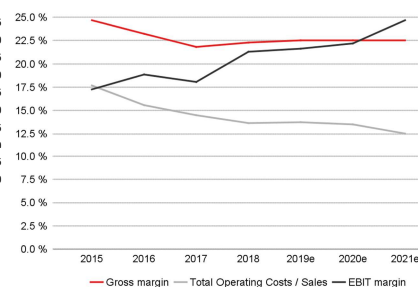
## Financial Ratios

	2015	2016	2017	2018	2019e	2020e	2021e
Total Operating Costs / Sales	17.7 %	15.6 %	14.5 %	13.7 %	13.8 %	13.5 %	12.5 %
Operating Leverage	0.7 x	2.1 x	0.5 x	2.9 x	1.2 x	1.4 x	2.5 x
EBITDA / Interest expenses	82.9 x	193.9 x	152.7 x	320.1 x	2103.7 x	2312.6 x	2736.2 x
Tax rate (EBT)	32.2 %	31.6 %	32.8 %	31.1 %	30.0 %	30.0 %	30.0 %
Dividend Payout Ratio	5.0 %	4.1 %	4.0 %	3.0 %	2.6 %	2.4 %	2.0 %
Sales per Employee	541,441	591,829	655,423	724,976	785,240	848,059	915,904

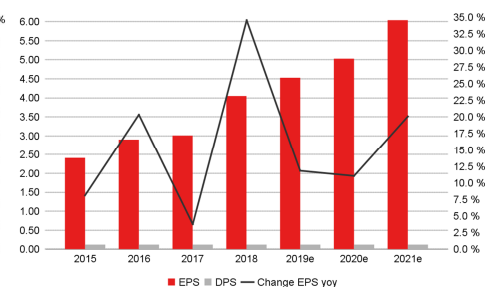
### Sales, EBITDA in EUR m



### Operating Performance in %



### Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

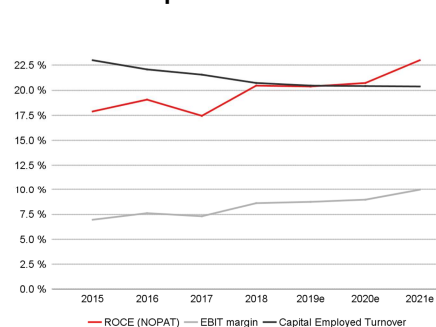
## Consolidated balance sheet

In EUR m	2015	2016	2017	2018	2019e	2020e	2021e
<b>Assets</b>							
Goodwill and other intangible assets	4.4	4.9	5.5	5.5	7.7	8.3	8.9
thereof other intangible assets	0.5	1.2	1.8	3.1	3.7	4.3	4.9
thereof Goodwill	2.4	2.4	2.4	2.4	2.4	2.4	2.4
Property, plant and equipment	10.0	11.6	13.0	15.8	16.2	16.6	17.0
Financial assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other long-term assets	0.1	0.0	0.0	0.0	0.0	0.0	0.0
<b>Fixed assets</b>	<b>14.6</b>	<b>16.5</b>	<b>18.5</b>	<b>21.3</b>	<b>23.9</b>	<b>24.9</b>	<b>25.9</b>
Inventories	37.0	44.0	42.8	52.9	57.3	61.8	66.8
Accounts receivable	17.8	23.0	27.1	29.0	31.4	33.9	36.6
Liquid assets	19.3	17.2	20.2	24.9	34.7	45.3	58.9
Other short-term assets	1.7	2.3	2.3	6.0	6.0	6.0	6.0
<b>Current assets</b>	<b>75.8</b>	<b>86.6</b>	<b>92.4</b>	<b>112.8</b>	<b>129.5</b>	<b>147.0</b>	<b>168.3</b>
<b>Total Assets</b>	<b>90.4</b>	<b>103.0</b>	<b>110.9</b>	<b>134.1</b>	<b>153.3</b>	<b>171.9</b>	<b>194.2</b>
<b>Liabilities and shareholders' equity</b>							
Subscribed capital	10.6	10.6	10.6	10.6	10.6	10.6	10.6
Capital reserve	24.1	24.1	24.1	24.1	24.1	24.1	24.1
Retained earnings	26.6	36.4	46.5	58.6	74.1	91.5	112.5
Other equity components	-1.1	-1.1	-1.7	0.8	2.3	2.3	2.2
Shareholders' equity	60.2	70.0	79.6	94.0	111.1	128.5	149.4
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total equity</b>	<b>60.2</b>	<b>70.0</b>	<b>79.6</b>	<b>94.0</b>	<b>111.1</b>	<b>128.5</b>	<b>149.4</b>
Provisions	5.5	5.7	4.9	3.8	3.8	3.8	3.8
thereof provisions for pensions and similar obligations	2.5	1.6	1.6	1.6	1.6	1.6	1.6
Financial liabilities (total)	7.0	3.0	4.2	4.2	4.2	4.2	4.2
thereof short-term financial liabilities	7.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable	10.1	14.2	13.7	13.7	15.8	17.0	18.4
Other liabilities	7.5	10.1	8.4	18.4	18.4	18.4	18.4
<b>Liabilities</b>	<b>30.1</b>	<b>33.0</b>	<b>31.3</b>	<b>40.1</b>	<b>42.2</b>	<b>43.4</b>	<b>44.9</b>
<b>Total liabilities and shareholders' equity</b>	<b>90.4</b>	<b>103.0</b>	<b>110.9</b>	<b>134.1</b>	<b>153.3</b>	<b>171.9</b>	<b>194.2</b>

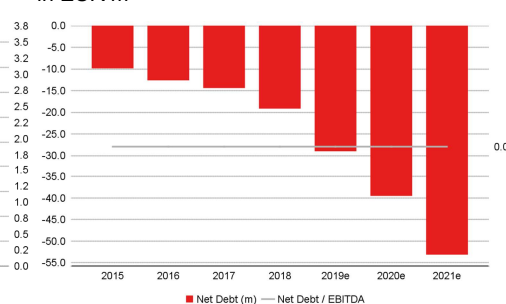
## Financial Ratios

	2015	2016	2017	2018	2019e	2020e	2021e
<b>Efficiency of Capital Employment</b>							
Operating Assets Turnover	3.3 x	3.1 x	3.2 x	2.9 x	2.9 x	3.0 x	3.0 x
Capital Employed Turnover	3.6 x	3.4 x	3.3 x	3.2 x	3.2 x	3.2 x	3.2 x
ROA	57.7 %	62.1 %	57.5 %	67.0 %	66.9 %	71.3 %	82.4 %
<b>Return on Capital</b>							
ROCE (NOPAT)	17.9 %	19.1 %	17.4 %	20.5 %	20.4 %	20.7 %	23.0 %
ROE	15.5 %	15.7 %	14.2 %	16.5 %	15.6 %	14.8 %	15.3 %
Adj. ROE	15.5 %	15.7 %	14.2 %	16.5 %	15.6 %	14.8 %	15.3 %
<b>Balance sheet quality</b>							
Net Debt	-9.9	-12.6	-14.4	-19.1	-29.0	-39.5	-53.1
Net Financial Debt	-12.3	-14.2	-16.0	-20.7	-30.5	-41.1	-54.7
Net Gearing	-16.4 %	-18.0 %	-18.1 %	-20.4 %	-26.1 %	-30.8 %	-35.6 %
Net Fin. Debt / EBITDA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Book Value / Share	17.1	19.9	22.6	26.7	31.5	36.4	42.4
Book value per share ex intangibles	15.8	18.5	21.0	25.1	29.3	34.1	39.8

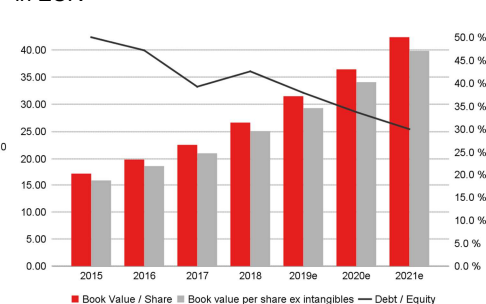
### ROCE Development



### Net debt in EUR m



### Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

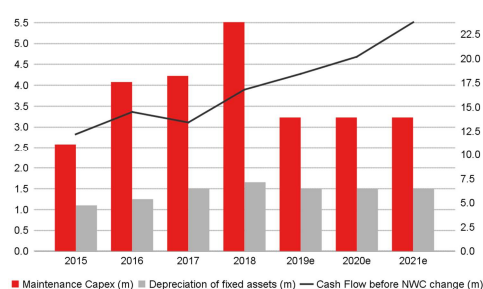
**Consolidated cash flow statement**

In EUR m	2015	2016	2017	2018	2019e	2020e	2021e
Net income	8.4	10.2	10.6	14.3	16.0	17.7	21.3
Depreciation of fixed assets	1.1	1.2	1.5	1.7	1.5	1.5	1.5
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	1.7	0.8	0.9	0.9	0.9	0.9	0.9
Increase/decrease in long-term provisions	0.7	-0.9	0.0	0.0	0.0	0.0	0.0
Other non-cash income and expenses	0.3	3.1	0.3	0.0	0.0	0.0	0.0
<b>Cash Flow before NWC change</b>	<b>12.2</b>	<b>14.5</b>	<b>13.4</b>	<b>16.8</b>	<b>18.4</b>	<b>20.2</b>	<b>23.7</b>
Increase / decrease in inventory	-8.1	-7.0	1.3	-10.1	-4.4	-4.5	-5.0
Increase / decrease in accounts receivable	0.5	-5.2	-4.1	-1.8	-2.4	-2.5	-2.7
Increase / decrease in accounts payable	2.4	4.1	-0.5	0.0	2.1	1.2	1.4
Increase / decrease in other working capital positions	0.0	0.0	-3.4	5.9	0.0	0.0	0.0
Increase / decrease in working capital (total)	-5.1	-8.2	-6.7	-6.1	-4.8	-5.8	-6.3
<b>Net cash provided by operating activities [1]</b>	<b>7.0</b>	<b>6.3</b>	<b>6.7</b>	<b>10.7</b>	<b>13.7</b>	<b>14.4</b>	<b>17.4</b>
Investments in intangible assets	-1.2	-1.5	-1.5	-1.8	-1.5	-1.5	-1.5
Investments in property, plant and equipment	-1.5	-2.8	-2.9	-4.0	-1.9	-1.9	-1.9
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	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net cash provided by investing activities [2]</b>	<b>-2.7</b>	<b>-4.0</b>	<b>-4.4</b>	<b>-5.6</b>	<b>-3.4</b>	<b>-3.4</b>	<b>-3.4</b>
Change in financial liabilities	-5.1	-4.0	1.2	0.0	0.0	0.0	0.0
Dividends paid	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4
Purchase of own shares	3.6	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	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net cash provided by financing activities [3]</b>	<b>-1.8</b>	<b>-4.4</b>	<b>0.7</b>	<b>-0.4</b>	<b>-0.4</b>	<b>-0.4</b>	<b>-0.4</b>
<b>Change in liquid funds [1]+[2]+[3]</b>	<b>2.5</b>	<b>-2.1</b>	<b>3.0</b>	<b>4.7</b>	<b>9.8</b>	<b>10.6</b>	<b>13.6</b>
Effects of exchange-rate changes on cash	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Cash and cash equivalent at end of period</b>	<b>19.3</b>	<b>17.2</b>	<b>20.2</b>	<b>24.9</b>	<b>34.7</b>	<b>45.3</b>	<b>58.9</b>

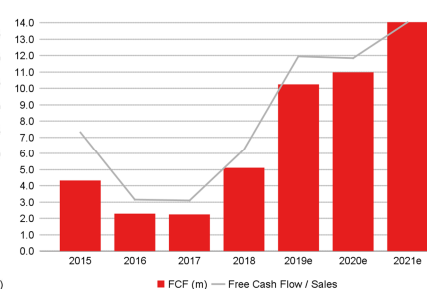
**Financial Ratios**

	2015	2016	2017	2018	2019e	2020e	2021e
<b>Cash Flow</b>							
FCF	4.3	2.3	2.2	5.1	10.3	11.0	14.0
Free Cash Flow / Sales	2.4 %	1.0 %	1.0 %	2.0 %	3.9 %	3.9 %	4.6 %
Free Cash Flow Potential	8.8	8.2	8.9	11.4	15.2	16.9	20.5
Free Cash Flow / Net Profit	51.5 %	19.9 %	21.0 %	34.6 %	64.1 %	61.9 %	65.9 %
Interest Received / Avg. Cash	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %	0.0 %	0.0 %
Interest Paid / Avg. Debt	1.9 %	1.8 %	3.3 %	1.7 %	0.3 %	0.3 %	0.3 %
<b>Management of Funds</b>							
Investment ratio	1.5 %	2.2 %	2.0 %	2.4 %	1.3 %	1.2 %	1.1 %
Maint. Capex / Sales	1.4 %	2.1 %	1.9 %	2.3 %	1.2 %	1.1 %	1.1 %
Capex / Dep	98.7 %	212.4 %	184.4 %	226.1 %	141.1 %	141.1 %	141.1 %
Avg. Working Capital / Sales	23.4 %	24.7 %	25.0 %	25.7 %	27.0 %	26.8 %	26.8 %
Trade Debtors / Trade Creditors	176.1 %	162.1 %	198.1 %	211.4 %	198.7 %	199.4 %	198.9 %
Inventory Turnover	3.7 x	3.4 x	4.0 x	3.5 x	3.5 x	3.5 x	3.5 x
Receivables collection period (days)	36	43	45	44	44	44	44
Payables payment period (days)	27	34	29	27	28	28	28
Cash conversion cycle (Days)	108	115	108	120	119	119	119

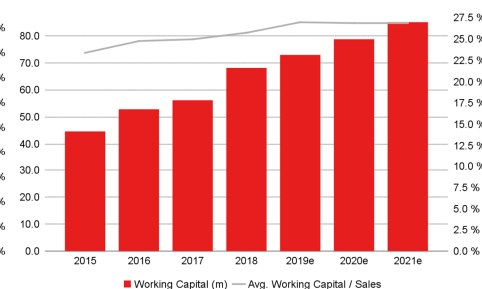
**CAPEX and Cash Flow**  
in EUR m



**Free Cash Flow Generation**



**Working Capital**



Source: Warburg Research

Source: Warburg Research

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Company	Disclosure	Link to the historical price targets and rating changes (last 12 months)
Data Modul	3, 5, 6	<a href="http://www.mmwarburg.com/disclaimer/disclaimer_en/DE0005498901.htm">http://www.mmwarburg.com/disclaimer/disclaimer_en/DE0005498901.htm</a>

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Investment recommendation: expected direction of the share price development of the financial instrument up to the given price target in the opinion of the analyst who covers this financial instrument.

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

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Rating	Number of stocks	% of Universe
Buy	129	65
Hold	57	29
Sell	6	3
Rating suspended	8	4
<b>Total</b>	<b>200</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	29	74
Hold	8	21
Sell	0	0
Rating suspended	2	5
<b>Total</b>	<b>39</b>	<b>100</b>

## PRICE AND RATING HISTORY DATA MODUL AS OF 15.03.2019



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.

## EQUITIES

**Roland Rapelius** +49 40 3282-2673  
Head of Equities rrapelius@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

**Jonas Blum** +40 40 309537-240  
Small/Mid Cap Research jblum@warburg-research.com

**Christian Cohrs** +49 40 309537-175  
Industrials & Transportation ccohrs@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

**Ulrich Huwald** +49 40 309537-255  
Health Care, Pharma uhuwald@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

**Franz Schall** +40 40 309537-230  
Automobiles, Car Suppliers fschall@warburg-research.com

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

**Patrick Schmidt** +49 40 309537-125  
Leisure, Internet pschmidt@warburg-research.com

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

**Cansu Tatar** +49 40 309537-248  
Cap. Goods 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

**Klaus Schilling** +49 40 3282-2664  
Head of Equity Sales, Germany kschilling@mmwarburg.com

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

**Lyubka Bogdanova** +49 69 5050-7411  
Ireland, Poland, Australia lbogdanova@mmwarburg.com

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

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

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

**Michael Kriszun** +49 40 3282-2695  
United Kingdom mkriszun@mmwarburg.com

**Sanjay Oberoi** +49 69 5050-7410  
United Kingdom, USA soberoi@mmwarburg.com

**Simon Pallhuber** +49 69 5050-7414  
Switzerland, France spallhuber@mmwarburg.com

**Julia Fesenberg** +49 69 5050-7417  
Roadshow/Marketing jfesenberg@mmwarburg.com

**Juliane Willenbruch** +49 40 3282-2694  
Roadshow/Marketing jwillenbruch@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

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

**Jörg Treptow** +49 40 3282-2658  
Sales Trading jtreptow@mmwarburg.com

**Jan Walter** +49 40 3282-2662  
Sales Trading jwalter@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)  
Bloomberg MMWA GO  
FactSet [www.factset.com](http://www.factset.com)

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### For access please contact:

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

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