

Buy EUR 6.60 Price EUR 3.60 Upside 83.3 %	Value Indicators: EUR DCF: 6.55	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: 58.2 No. of shares (m): 16.2 EV: 72.1 Freefloat MC: 35.0 Ø Trad. Vol. (30d): 15.18 th	Shareholders: Freefloat 60.15 % OSP Alpha 25.34 % Active Ownership Fund 9.51 % SALTARAX GmbH 5.00 %	Key Figures (WRe): 2023e Beta: 1.3 Price / Book: 1.9 x Equity Ratio: 17 % Net Debt / EBITDA: 0.5 x

On track

Stated Figures Q4/2022:							
in EUR m	Q4/22	Q4/22e	Q4/21	yoy	2022	2021	yoy
Sales	62.2	60.3	54.8	13.5%	251.0	203.7	23.2%
EBITDA	5.2	5.8	3.2	61.6%	27.6	18.5	49.6%
<i>margin</i>	<i>8.4%</i>	<i>9.6%</i>	<i>5.9%</i>		<i>11.0%</i>	<i>9.1%</i>	
EBIT	-0.5	1.0	-2.4	-78.9%	6.6	-0.7	-
<i>margin</i>	<i>-0.8%</i>	<i>1.7%</i>	<i>-4.4%</i>		<i>2.6%</i>	<i>-0.3%</i>	

Comment on Figures:

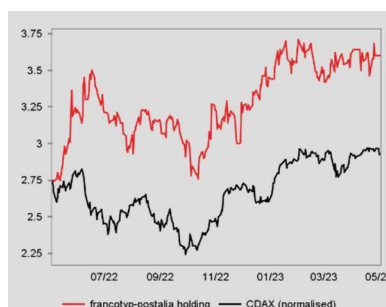
- Revenues in Q4 were in line with expectations (WRe).
- Higher costs, however, led to a miss of the earnings expectations.
- Compared to the revenue base, the deviation from the EBITDA expectations is low. Together with higher depreciation levels, however, the EBIT line shows a small loss rather than a small profit.

In 2022, all segments contributed to profitable growth. In the **Digital Business Solutions area**, FP recorded revenue growth of 34% to EUR 28.4m (21.1m). The document workflow management business recorded higher customer activity, mainly in the outgoing communication of customers. The business process automation area grew across all solution areas including FP Sign, e-justice communication and De-Mail. Further, the acquired Azolver digital business solutions in the shipping and logistics area contributed to growth (nine months). This promising and growing segment will account for well over 10% of revenues in 2023 and is a future-oriented business, parallel to the mailing activities. In the **Mailing, Shipping & Office Solutions area**, revenue increased by 23% to EUR 151.3m (123.2). The company recorded positive currency effects of EUR 6.2m and benefited from one-time revenues of EUR 2.9m due to the postage-rate change in Germany. The acquired Azolver Group also strengthened FP's market position here. In 2023, the revenue levels of this area will probably be maintained. In the **Mail Services area** (collection, franking and consolidation of business mail), revenue rose by 23% to EUR 73.4m (59.8m). Revenue benefitted from a higher share of franked mail due to pandemic-related staff shortages on the customer side and special one-time mailings from customers. The effect was EUR 12.7m. This segment is unlikely to grow in 2023. **Bottom line:** Two years of transformation have led FP to a trend of profitable growth. In 2023, costs will decrease further, especially considering the integration of Azolver and positive effects of the new ERP system (completed in 2023, positive effects 2024+, i.e. automate and digitalise back office and front office). Overall, sales expectations for 2023+ remain merely unchanged (see below). However, it is becoming apparent that costs will be higher than we were initially expecting despite measures taken to counter general cost pressure. **With a PT of EUR 6.60 (slight modifications and rollover of the DCF model) the stock continues to be rated Buy.**

Changes in Estimates:							
FY End: 31.12. in EUR m	2023e (old)	+ / -	2024e (old)	+ / -	2025e (old)	+ / -	
Sales	254.0	0.0 %	261.6	0.0 %	n.a.	n.m.	
EBITDA	32.4	-4.3 %	33.0	-3.2 %	n.a.	n.m.	
EBIT	12.9	-22.5 %	13.5	-20.4 %	n.a.	n.m.	
EPS	0.63	-19.0 %	0.66	-18.2 %	n.a.	n.m.	

Comment on Changes:

- A higher cost base and higher depreciation levels led to a reduction of earnings expectations (WRe) for 2023 and onwards.
- Nevertheless, significant earnings growth remains at the core of the expectations.

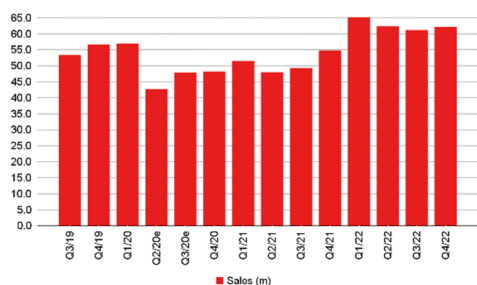


Rel. Performance vs CDAX:	
1 month:	-1.3 %
6 months:	-4.0 %
Year to date:	-7.9 %
Trailing 12 months:	24.5 %

Company events:	
25.05.23	Q1
14.06.23	AGM
31.08.23	Q2
23.11.23	Q3

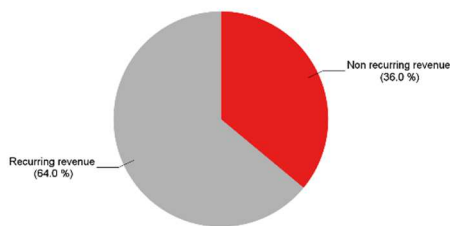
FY End: 31.12. in EUR m	CAGR (22-25e)	2019	2020	2021	2022	2023e	2024e	2025e
Sales	2.4 %	209.1	195.9	203.7	251.0	254.0	261.6	269.5
Change Sales yoy		2.4 %	-6.3 %	4.0 %	23.2 %	1.2 %	3.0 %	3.0 %
Gross profit margin		60.3 %	55.8 %	53.8 %	53.5 %	53.0 %	52.8 %	52.8 %
EBITDA	6.6 %	33.3	8.0	18.5	27.6	31.0	31.9	33.4
Margin		15.9 %	4.1 %	9.1 %	11.0 %	12.2 %	12.2 %	12.4 %
EBIT	21.8 %	5.9	-14.0	-0.7	6.6	10.0	10.7	12.0
Margin		2.8 %	-7.1 %	-0.3 %	2.6 %	3.9 %	4.1 %	4.5 %
Net income	20.4 %	1.7	-15.2	0.4	5.5	8.2	8.8	9.7
EPS	20.8 %	0.11	-0.94	0.02	0.34	0.51	0.54	0.60
EPS adj.	20.8 %	0.11	-0.94	0.02	0.34	0.51	0.54	0.60
DPS	-	0.03	0.00	0.00	0.00	0.20	0.22	0.24
Dividend Yield		0.9 %	n.a.	n.a.	n.a.	5.7 %	6.0 %	6.7 %
FCFPS		0.17	0.86	0.40	0.77	0.45	0.64	0.71
FCF / Market cap		5.0 %	26.3 %	13.0 %	25.3 %	12.5 %	17.9 %	19.8 %
EV / Sales		0.5 x	0.4 x	0.4 x	0.3 x	0.3 x	0.2 x	0.2 x
EV / EBITDA		2.9 x	10.6 x	4.5 x	2.5 x	2.3 x	2.0 x	1.7 x
EV / EBIT		16.3 x	n.a.	n.a.	10.6 x	7.2 x	6.0 x	4.7 x
P / E		31.5 x	n.a.	154.2 x	8.9 x	7.1 x	6.7 x	6.0 x
P / E adj.		31.5 x	n.a.	154.2 x	8.9 x	7.1 x	6.7 x	6.0 x
FCF Potential Yield		10.0 %	-1.3 %	11.7 %	22.8 %	26.6 %	31.0 %	37.2 %
Net Debt		40.3	31.4	33.4	21.2	13.9	6.5	-2.0
ROCE (NOPAT)		2.6 %	n.a.	n.a.	9.3 %	15.9 %	17.3 %	20.2 %
Guidance:	Revenues EUR 245-255m, EBITDA EUR 28-31m							

Sales development in EUR m



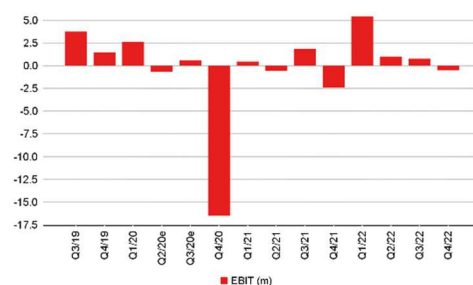
Source: Warburg Research

Recurring revenue proportion 2023e; in %



Source: Warburg Research

EBIT development in EUR m



Source: Warburg Research

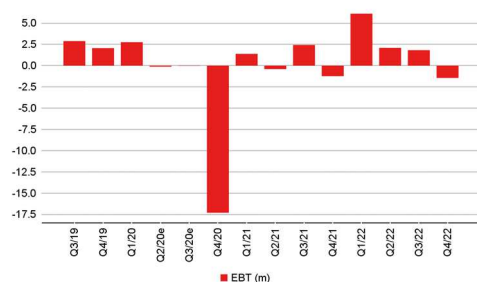
Company Background

- 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 100 years of experience in the postal market.
- Franking and inserting machines are still the core business activity.
- With new solutions digital business is to become an important part of the business model. The company strategically expanded its portfolio here.

Competitive Quality

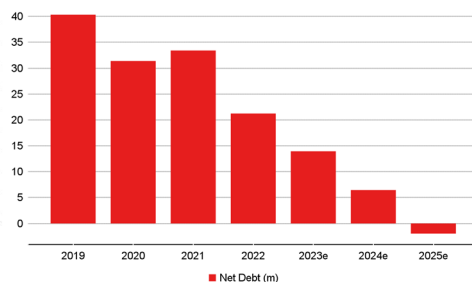
- Focusing on customers with low to medium postal needs, Francotyp Postalia caters for two stable segments in the generally difficult market for franking machines.
- The 45% market share in the German market for franking machines demonstrates its reputation as the market leader in Germany based on the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



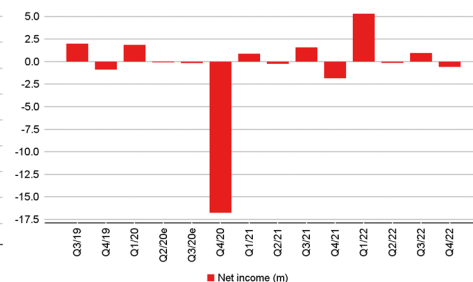
Source: Warburg Research

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
	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	
Sales	254.0	261.6	269.5	277.6	285.9	294.5	303.3	312.4	321.8	331.4	338.0	344.8	351.7	1.5 %
Sales change	1.2 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	2.0 %	2.0 %	2.0 %	
EBIT	10.0	10.7	12.0	13.9	14.3	16.2	16.7	17.2	17.7	18.2	18.6	19.0	19.3	
EBIT-margin	3.9 %	4.1 %	4.5 %	5.0 %	5.0 %	5.5 %	5.5 %	5.5 %	5.5 %	5.5 %	5.5 %	5.5 %	5.5 %	
Tax rate (EBT)	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	31.0 %	31.0 %	32.0 %	32.0 %	32.0 %	33.0 %	33.0 %	34.0 %	
NOPAT	7.0	7.5	8.4	9.7	10.0	11.2	11.5	11.7	12.0	12.4	12.5	12.7	12.8	
Depreciation	21.0	21.2	21.4	22.2	22.9	23.6	24.3	25.0	25.7	26.5	27.0	27.6	28.1	
in % of Sales	8.3 %	8.1 %	7.9 %	8.0 %	8.0 %	8.0 %	8.0 %	8.0 %	8.0 %	8.0 %	8.0 %	8.0 %	8.0 %	
Changes in provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.0	0.0	0.0	
Change in Liquidity from														
- Working Capital	2.9	0.5	0.6	0.0	0.0	0.0	0.0	0.0	-0.1	-0.1	-0.3	-0.3	-0.3	
- Capex	21.0	21.0	21.0	22.2	22.9	23.6	24.3	25.0	25.7	26.5	27.0	27.6	28.1	
Capex in % of Sales	8.3 %	8.0 %	7.8 %	8.0 %	8.0 %	8.0 %	8.0 %	8.0 %	8.0 %	8.0 %	8.0 %	8.0 %	8.0 %	
- 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)	4.1	7.2	8.2	9.7	10.0	11.2	11.5	11.8	12.2	12.5	12.7	13.0	13.1	13
PV of FCF	3.9	6.3	6.7	7.3	7.0	7.2	6.9	6.5	6.2	5.9	5.5	5.2	4.8	71
share of PVs	11.31 %			41.36 %										47.34 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	20.00 %	Financial Strength	1.30
Cost of debt (after tax)	2.1 %	Liquidity (share)	1.30
Market return	8.25 %	Cyclicality	1.30
Risk free rate	2.75 %	Transparency	1.30
		Others	1.30
WACC	8.34 %	Beta	1.30

Valuation (m)

Present values 2035e	79		
Terminal Value	71		
Financial liabilities	41		
Pension liabilities	15		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	11	No. of shares (m)	16.2
Equity Value	106	Value per share (EUR)	6.55

Sensitivity Value per Share (EUR)

Beta WACC		Terminal Growth							Beta WACC		Delta EBIT-margin						
		0.75 %	1.00 %	1.25 %	1.50 %	1.75 %	2.00 %	2.25 %			-1.5 pp	-1.0 pp	-0.5 pp	+0.0 pp	+0.5 pp	+1.0 pp	+1.5 pp
1.53	9.3 %	5.00	5.09	5.19	5.30	5.41	5.53	5.66	1.53	9.3 %	2.95	3.73	4.51	5.30	6.08	6.86	7.64
1.41	8.8 %	5.52	5.63	5.75	5.88	6.02	6.16	6.32	1.41	8.8 %	3.38	4.22	5.05	5.88	6.71	7.55	8.38
1.36	8.6 %	5.81	5.93	6.06	6.20	6.35	6.52	6.69	1.36	8.6 %	3.62	4.48	5.34	6.20	7.06	7.93	8.79
1.30	8.3 %	6.12	6.25	6.40	6.55	6.72	6.90	7.09	1.30	8.3 %	3.88	4.77	5.66	6.55	7.44	8.34	9.23
1.24	8.1 %	6.44	6.59	6.75	6.93	7.11	7.31	7.53	1.24	8.1 %	4.15	5.08	6.00	6.93	7.85	8.78	9.70
1.19	7.8 %	6.80	6.96	7.14	7.33	7.54	7.76	8.01	1.19	7.8 %	4.45	5.41	6.37	7.33	8.29	9.25	10.21
1.07	7.3 %	7.58	7.78	8.00	8.24	8.50	8.79	9.10	1.07	7.3 %	5.12	6.16	7.20	8.24	9.28	10.33	11.37

- The core business (franking machines) achieves high, steady cash flows.

Valuation	2019	2020	2021	2022	2023e	2024e	2025e
Price / Book	1.7 x	3.9 x	3.2 x	2.2 x	1.9 x	1.6 x	1.4 x
Book value per share ex intangibles	-0.42	-1.60	-0.89	-0.80	-0.55	-0.44	-0.29
EV / Sales	0.5 x	0.4 x	0.4 x	0.3 x	0.3 x	0.2 x	0.2 x
EV / EBITDA	2.9 x	10.6 x	4.5 x	2.5 x	2.3 x	2.0 x	1.7 x
EV / EBIT	16.3 x	n.a.	n.a.	10.6 x	7.2 x	6.0 x	4.7 x
EV / EBIT adj.*	16.3 x	n.a.	n.a.	10.6 x	7.2 x	6.0 x	4.7 x
P / FCF	20.1 x	3.8 x	7.7 x	3.9 x	8.0 x	5.6 x	5.1 x
P / E	31.5 x	n.a.	154.2 x	8.9 x	7.1 x	6.7 x	6.0 x
P / E adj.*	31.5 x	n.a.	154.2 x	8.9 x	7.1 x	6.7 x	6.0 x
Dividend Yield	0.9 %	n.a.	n.a.	n.a.	5.7 %	6.0 %	6.7 %
FCF Potential Yield (on market EV)	10.0 %	-1.3 %	11.7 %	22.8 %	26.6 %	31.0 %	37.2 %
*Adjustments made for: -							

Consolidated profit & loss

In EUR m	2019	2020	2021	2022	2023e	2024e	2025e
Sales	209.1	195.9	203.7	251.0	254.0	261.6	269.5
Change Sales yoy	2.4 %	-6.3 %	4.0 %	23.2 %	1.2 %	3.0 %	3.0 %
Increase / decrease in inventory	0.0	-0.4	3.1	0.4	0.0	0.0	0.0
Own work capitalised	18.6	7.8	6.2	7.7	7.5	7.3	7.5
Total Sales	227.6	203.2	213.0	259.0	261.5	268.9	277.0
Material expenses	101.6	93.9	103.3	124.7	127.0	130.8	134.7
Gross profit	126.0	109.3	109.6	134.3	134.5	138.1	142.3
Gross profit margin	60.3 %	55.8 %	53.8 %	53.5 %	53.0 %	52.8 %	52.8 %
Personnel expenses	60.2	67.8	57.6	65.7	64.9	66.5	67.9
Other operating income	2.9	4.5	1.7	2.1	2.0	2.1	2.2
Other operating expenses	35.4	36.8	33.8	40.3	40.6	41.9	43.1
Unfrequent items	0.0	-1.2	-1.5	-2.8	0.0	0.0	0.0
EBITDA	33.3	8.0	18.5	27.6	31.0	31.9	33.4
Margin	15.9 %	4.1 %	9.1 %	11.0 %	12.2 %	12.2 %	12.4 %
Depreciation of fixed assets	24.7	18.9	19.1	21.0	21.0	21.2	21.4
EBITA	8.6	-11.0	-0.7	6.6	10.0	10.7	12.0
Amortisation of intangible assets	2.7	3.0	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	5.9	-14.0	-0.7	6.6	10.0	10.7	12.0
Margin	2.8 %	-7.1 %	-0.3 %	2.6 %	3.9 %	4.1 %	4.5 %
EBIT adj.	5.9	-14.0	-0.7	6.6	10.0	10.7	12.0
Interest income	2.2	2.5	2.6	3.0	2.7	2.8	2.8
Interest expenses	1.8	2.6	1.4	1.5	1.0	1.0	1.0
Other financial income (loss)	-0.3	-0.6	1.6	0.4	0.0	0.0	0.0
EBT	5.9	-14.7	2.2	8.6	11.7	12.5	13.8
Margin	2.8 %	-7.5 %	1.1 %	3.4 %	4.6 %	4.8 %	5.1 %
Total taxes	4.2	0.4	1.8	3.0	3.5	3.8	4.1
Net income from continuing operations	1.7	-15.1	0.4	5.5	8.2	8.8	9.7
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	1.7	-15.1	0.4	5.5	8.2	8.8	9.7
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	1.7	-15.2	0.4	5.5	8.2	8.8	9.7
Margin	0.8 %	-7.7 %	0.2 %	2.2 %	3.2 %	3.3 %	3.6 %
Number of shares, average	16.2	16.2	16.2	16.2	16.2	16.2	16.2
EPS	0.11	-0.94	0.02	0.34	0.51	0.54	0.60
EPS adj.	0.11	-0.94	0.02	0.34	0.51	0.54	0.60

*Adjustments made for:

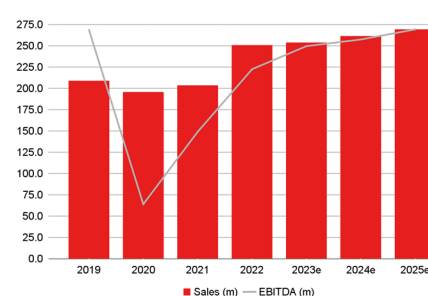
Guidance: Revenues EUR 245-255m, EBITDA EUR 28-31m

Financial Ratios

	2019	2020	2021	2022	2023e	2024e	2025e
Total Operating Costs / Sales	92.9 %	99.1 %	94.8 %	91.1 %	90.8 %	90.6 %	90.4 %
Operating Leverage	n.a.	n.a.	-23.8 x	n.a.	41.4 x	2.4 x	4.0 x
EBITDA / Interest expenses	18.5 x	3.1 x	13.2 x	18.6 x	31.0 x	31.9 x	33.4 x
Tax rate (EBT)	71.3 %	-3.0 %	83.1 %	35.4 %	30.0 %	30.0 %	30.0 %
Dividend Payout Ratio	28.4 %	0.0 %	0.0 %	0.0 %	40.3 %	39.8 %	40.1 %
Sales per Employee	165,992	152,436	155,434	187,735	186,291	188,117	189,961

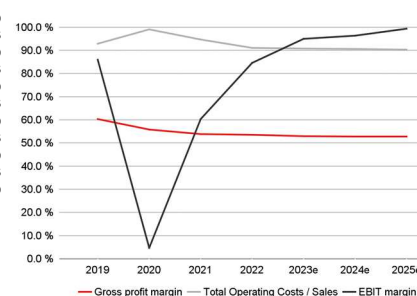
Sales, EBITDA

in EUR m

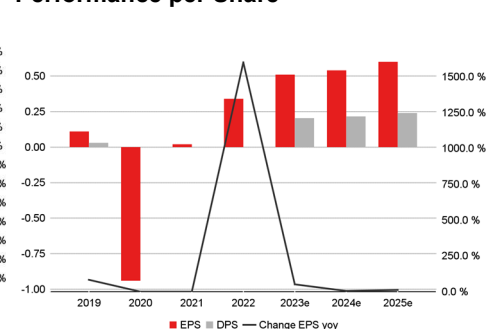


Operating Performance

in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

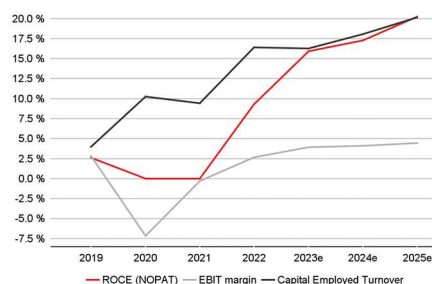
Consolidated balance sheet

In EUR m	2019	2020	2021	2022	2023e	2024e	2025e
Assets							
Goodwill and other intangible assets	38.8	39.5	30.1	35.2	39.2	43.2	47.2
thereof other intangible assets	34.1	35.6	30.1	30.8	34.8	38.8	42.8
thereof Goodwill	4.6	3.8	0.0	4.4	4.4	4.4	4.4
Property, plant and equipment	29.2	24.9	25.9	26.9	22.9	18.7	14.3
Financial assets	18.1	16.3	16.8	15.8	15.8	15.8	15.8
Other long-term assets	11.2	0.0	0.0	1.4	1.4	1.4	1.4
Fixed assets	97.3	80.7	72.8	79.2	79.2	79.0	78.6
Inventories	12.4	11.5	16.5	19.5	19.7	20.3	20.9
Accounts receivable	18.1	18.1	19.5	20.7	23.7	24.4	25.1
Liquid assets	30.5	36.1	33.3	34.4	41.7	49.2	57.6
Other short-term assets	28.0	27.6	24.8	18.9	18.9	18.9	18.9
Current assets	89.0	93.3	94.1	93.4	103.9	112.7	122.5
Total Assets	186.3	174.0	166.9	172.7	183.2	191.8	201.1
Liabilities and shareholders' equity							
Subscribed capital	16.3	16.3	15.7	16.3	16.3	16.3	16.3
Capital reserve	34.7	34.3	34.3	34.3	34.3	34.3	34.3
Retained earnings	0.0	0.0	-29.6	-30.5	-28.4	-23.3	-17.7
Other equity components	-19.0	-36.9	-4.8	2.2	8.2	8.8	9.7
Shareholders' equity	32.0	13.7	15.7	22.3	30.3	36.1	42.6
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total equity	32.0	13.7	15.7	22.3	30.3	36.1	42.6
Provisions	24.0	25.9	36.8	29.6	29.6	29.6	29.6
thereof provisions for pensions and similar obligations	20.6	20.5	19.0	14.6	14.6	14.6	14.6
Financial liabilities (total)	50.2	47.0	47.8	41.0	41.0	41.0	41.0
Short-term financial liabilities	4.1	3.7	11.1	11.5	11.5	11.5	11.5
Accounts payable	14.6	14.1	12.9	24.8	25.1	25.9	26.6
Other liabilities	65.5	73.3	53.8	55.0	57.1	59.2	61.3
Liabilities	154.3	160.3	151.3	150.4	152.8	155.7	158.6
Total liabilities and shareholders' equity	186.3	174.0	166.9	172.7	183.2	191.8	201.1

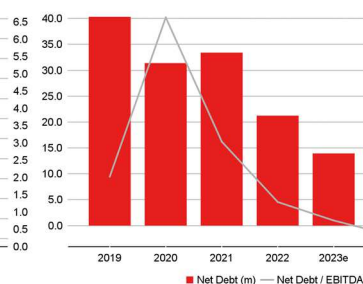
Financial Ratios

	2019	2020	2021	2022	2023e	2024e	2025e
Efficiency of Capital Employment							
Operating Assets Turnover	4.6 x	4.8 x	4.2 x	5.9 x	6.2 x	7.0 x	8.0 x
Capital Employed Turnover	2.9 x	4.3 x	4.2 x	5.8 x	5.7 x	6.1 x	6.6 x
ROA	1.8 %	-18.8 %	0.5 %	7.0 %	10.3 %	11.1 %	12.3 %
Return on Capital							
ROCE (NOPAT)	2.6 %	n.a.	n.a.	9.3 %	15.9 %	17.3 %	20.2 %
ROE	5.2 %	-66.3 %	2.5 %	29.2 %	31.1 %	26.4 %	24.6 %
Adj. ROE	5.2 %	-66.3 %	2.5 %	29.2 %	31.1 %	26.4 %	24.6 %
Balance sheet quality							
Net Debt	40.3	31.4	33.4	21.2	13.9	6.5	-2.0
Net Financial Debt	19.7	10.9	14.5	6.6	-0.7	-8.2	-16.6
Net Gearing	125.9 %	229.7 %	213.5 %	95.4 %	46.0 %	17.9 %	-4.6 %
Net Fin. Debt / EBITDA	59.3 %	136.5 %	78.3 %	23.9 %	n.a.	n.a.	n.a.
Book Value / Share	2.0	0.8	1.0	1.4	1.9	2.2	2.6
Book value per share ex intangibles	-0.4	-1.6	-0.9	-0.8	-0.5	-0.4	-0.3

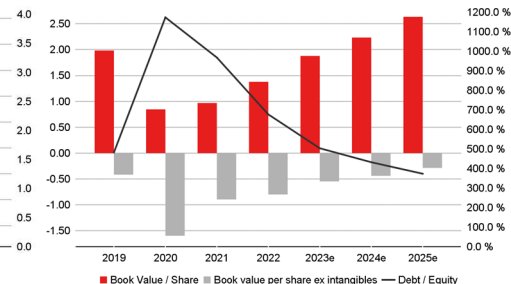
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

Consolidated cash flow statement

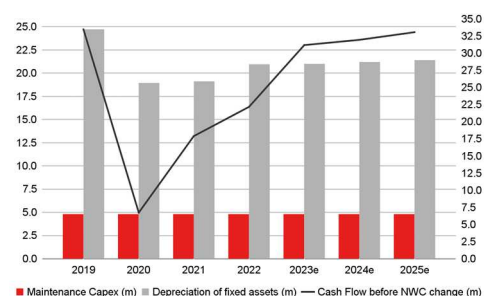
In EUR m	2019	2020	2021	2022	2023e	2024e	2025e
Net income	1.7	-15.2	0.4	5.5	8.2	8.8	9.7
Depreciation of fixed assets	24.7	18.9	19.1	21.0	21.0	21.2	21.4
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	2.7	3.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in long-term provisions	4.4	-0.1	-1.6	-4.3	0.0	0.0	0.0
Other non-cash income and expenses	0.0	0.0	0.0	0.0	2.0	2.0	2.0
Cash Flow before NWC change	33.5	6.7	17.9	22.2	31.2	32.0	33.1
Increase / decrease in inventory	-1.2	0.8	-5.0	-3.0	-0.2	-0.6	-0.6
Increase / decrease in accounts receivable	0.8	0.0	-1.3	-1.2	-3.0	-0.7	-0.7
Increase / decrease in accounts payable	0.6	-0.4	-1.2	11.9	0.3	0.8	0.8
Increase / decrease in other working capital positions	-10.7	15.6	4.8	-7.5	0.0	0.0	0.0
Increase / decrease in working capital (total)	-10.4	16.0	-2.8	0.2	-2.9	-0.5	-0.6
Net cash provided by operating activities [1]	23.1	22.8	15.1	22.4	28.3	31.4	32.5
Investments in intangible assets	-13.8	-4.0	-1.0	-1.4	-4.0	-4.0	-4.0
Investments in property, plant and equipment	-6.5	-4.8	-7.6	-8.6	-17.0	-17.0	-17.0
Payments for acquisitions	0.0	-2.2	0.0	-4.3	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	-1.1	-0.3	0.1	0.0	0.0	0.0	0.0
Net cash provided by investing activities [2]	-21.4	-11.4	-8.5	-14.3	-21.0	-21.0	-21.0
Change in financial liabilities	11.0	-3.3	0.8	-6.8	0.0	0.0	0.0
Dividends paid	-0.5	-0.5	0.0	0.0	0.0	-2.9	-3.1
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	-15.2	-1.9	-4.1	1.9	0.0	0.0	0.0
Net cash provided by financing activities [3]	-4.7	-5.7	-3.2	-4.9	0.0	-2.9	-3.1
Change in liquid funds [1]+[2]+[3]	-3.0	5.1	3.3	3.2	7.3	7.5	8.4
Effects of exchange-rate changes on cash	0.0	-1.0	0.9	-0.1	0.0	0.0	0.0
Cash and cash equivalent at end of period	18.1	22.2	27.3	22.8	30.1	37.6	46.0

Financial Ratios

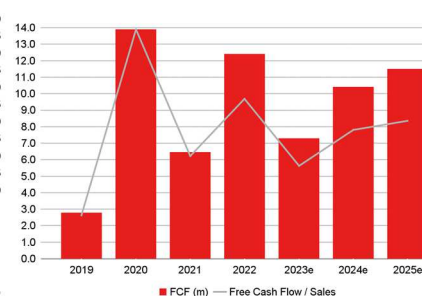
	2019	2020	2021	2022	2023e	2024e	2025e
Cash Flow							
FCF	2.8	13.9	6.5	12.4	7.3	10.4	11.5
Free Cash Flow / Sales	1.3 %	7.1 %	3.2 %	4.9 %	2.9 %	4.0 %	4.3 %
Free Cash Flow Potential	9.7	-1.1	9.7	16.0	19.2	20.0	20.9
Free Cash Flow / Net Profit	163.8 %	-91.7 %	1769.9 %	224.2 %	89.2 %	118.8 %	119.0 %
Interest Received / Avg. Cash	7.2 %	7.4 %	7.4 %	8.8 %	7.1 %	6.2 %	5.2 %
Interest Paid / Avg. Debt	4.0 %	5.2 %	2.9 %	3.3 %	2.4 %	2.4 %	2.4 %
Management of Funds							
Investment ratio	9.7 %	4.5 %	4.2 %	4.0 %	8.3 %	8.0 %	7.8 %
Maint. Capex / Sales	2.3 %	2.5 %	2.4 %	1.9 %	1.9 %	1.8 %	1.8 %
Capex / Dep	73.9 %	40.4 %	45.0 %	47.5 %	100.0 %	99.1 %	98.1 %
Avg. Working Capital / Sales	7.7 %	8.0 %	9.5 %	7.7 %	6.6 %	7.1 %	7.1 %
Trade Debtors / Trade Creditors	124.4 %	128.3 %	150.9 %	83.5 %	94.3 %	94.3 %	94.3 %
Inventory Turnover	8.2 x	8.2 x	6.3 x	6.4 x	6.4 x	6.4 x	6.4 x
Receivables collection period (days)	32	34	35	30	34	34	34
Payables payment period (days)	52	55	46	73	72	72	72
Cash conversion cycle (Days)	24	24	48	15	19	19	19

CAPEX and Cash Flow

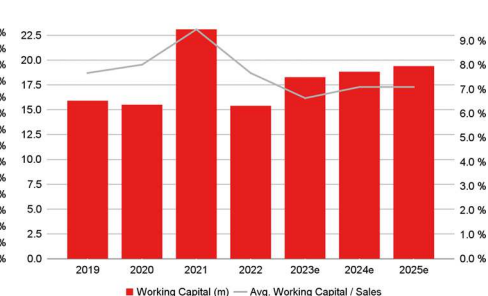
in EUR m



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-	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	161	76
Hold	41	19
Sell	8	4
Rating suspended	3	1
Total	213	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	45	87
Hold	6	12
Sell	0	0
Rating suspended	1	2
Total	52	100

PRICE AND RATING HISTORY FRANCO TYP-POSTALIA AS OF 03.05.2023



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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