

<b>Buy</b>  <b>EUR 6.20</b> (EUR 6.60)  <b>Price</b> EUR 3.56 <b>Upside</b> 74.2 %	<b>Value Indicators:</b> EUR DCF: 6.19	<b>Warburg ESG Risk Score: 2.4</b> <b>ESG Score (MSCI based): 3.0</b> 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: 57.5 No. of shares (m): 16.2 EV: 73.5 Freefloat MC: 34.6 Ø Trad. Vol. (30d): 13.41 th	<b>Shareholders:</b> Freefloat 60.15 % OSP Alpha 25.34 % Active Ownership Fund 9.51 % SALTARAX GmbH 5.00 %	<b>Key Figures (WRe):</b> 2023e Beta: 1.3 Price / Book: 2.0 x Equity Ratio: 16 % Net Fin. Debt / EBITDA: 0.0 x Net Debt / EBITDA: 0.5 x

## Outlook confirmed despite weaker Q1 than expected

<b>Stated Figures Q1/2023:</b> in EUR m							
	<b>Q1/23</b>	<b>Q1/23e</b>	<b>Q1/22</b>	<b>yoy</b>	<b>2023e</b>	<b>2022</b>	<b>yoy</b>
<b>Sales</b>	63.8	65.0	65.2	-2.1%	252.0	251.0	0.4%
<b>EBITDA</b>	8.7	10.0	10.3	-16.1%	28.2	27.6	2.3%
<i>margin</i>	13.6%	15.4%	15.8%		11.2%	11.0%	
<b>EBIT</b>	4.3	5.1	5.4	-20.9%	7.2	6.6	8.7%
<i>margin</i>	6.7%	7.8%	8.3%		2.9%	2.6%	

### Comment on Figures:

- On May 25, 2023, Francotyp Postalia Holding AG presented the figures for the first quarter of 2023.
- The figures were lower than expected and lower than last year's Q1 which was characterized by significant positive special effects.

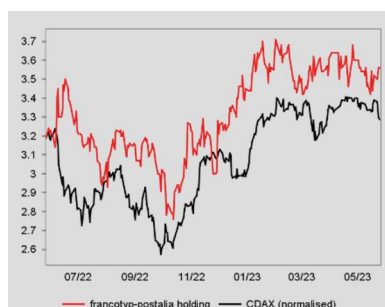
Several positive one-time effects amounting to almost EUR 10m supported last year's Q1 sales but did not reoccur in Q1 2023. Last year's Q1 EBITDA also benefited from these positive one-time effects to the tune of more than EUR 2m. Compared to WRe the burden of lower revenues and slightly higher cost levels (WRe) on earnings meant that it was not possible to compensate for these effects to the expected extent.

We were expecting slightly better numbers overall considering the acquisition of Azolver, which was only consolidated as of March 2022 and was thus not included in last year's Q1 (in 2021, Azolver reported sales of EUR 30m / EBITDA 3.8m). Nevertheless, the quality of the revenues improved. The attractive Digital Business Solutions area recorded revenue growth of 10.5% to EUR 8.4m and now represents more than 13% of group revenue. FP is continuously investing in the development of new features and further integration of FP Sign into third-party platforms or the first international launch of FP's own SaaS-solution by going live with FP Parcel Shipping in Norway. Revenue in the Mailing, Shipping & Office Solutions business unit increased by 8.5% to EUR 38.2m as it benefited from recurring revenues and the revenue contribution of the Azolver companies acquired in March 2022. In contrast, revenue in the Mail Services area, which is related to the collection, franking and consolidation of business mail, fell by 23.2% to EUR 17.2m. Revenue in the year-earlier quarter was higher than usual owing to pandemic-related non-recurring effects (EUR 5.2m). Hence, management has confirmed the FY forecast for revenues of EUR 245- 255m and EBITDA of EUR 28-31m. Our new expectations are at the midpoints of these ranges. **The share remains rated Buy with a PT of EUR 6.20 (6.60).**

<b>Changes in Estimates:</b> FY End: 31.12. in EUR m						
	<b>2023e</b>	<b>+ / -</b>	<b>2024e</b>	<b>+ / -</b>	<b>2025e</b>	<b>+ / -</b>
	(old)		(old)		(old)	
<b>Sales</b>	254.0	-0.8 %	261.6	-0.8 %	269.5	-0.8 %
<b>EBITDA</b>	31.0	-4.9 %	31.9	-4.9 %	33.4	-4.8 %
<b>EBIT</b>	10.0	-5.0 %	10.7	-5.1 %	12.0	-5.0 %
<b>EPS</b>	0.51	-15.7 %	0.54	-11.1 %	0.60	-10.0 %

### Comment on Changes:

- Following the presentation of first-quarter figures, the company will probably present weaker results than initially expected. Our estimates have been reduced as Q1 normally contributes the largest portion of the earnings within the business year.
- The new estimates take the higher cost levels into consideration.

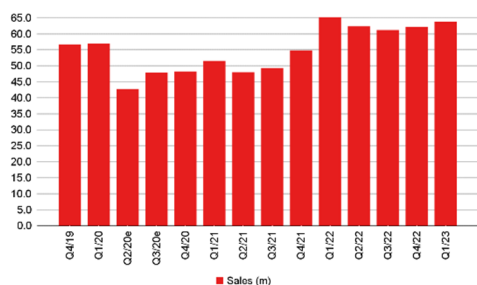


<b>Rel. Performance vs CDAX:</b>	
1 month:	-0.5 %
6 months:	13.0 %
Year to date:	-6.9 %
Trailing 12 months:	1.5 %

<b>Company events:</b>	
14.06.23	AGM
31.08.23	Q2
23.11.23	Q3

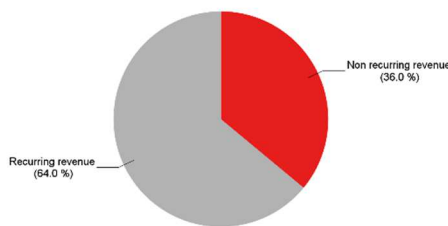
FY End: 31.12. in EUR m	CAGR (22-25e)	2019	2020	2021	2022	2023e	2024e	2025e
<b>Sales</b>	2.1 %	209.1	195.9	203.7	251.0	252.0	259.6	267.3
Change Sales yoy		2.4 %	-6.3 %	4.0 %	23.2 %	0.4 %	3.0 %	3.0 %
Gross profit margin		60.3 %	55.8 %	53.8 %	53.5 %	53.0 %	52.8 %	52.8 %
<b>EBITDA</b>	4.8 %	33.3	8.0	18.5	27.6	29.5	30.4	31.8
Margin		15.9 %	4.1 %	9.1 %	11.0 %	11.7 %	11.7 %	11.9 %
<b>EBIT</b>	19.8 %	5.9	-14.0	-0.7	6.6	9.5	10.2	11.4
Margin		2.8 %	-7.1 %	-0.3 %	2.6 %	3.8 %	3.9 %	4.3 %
<b>Net income</b>	16.2 %	1.7	-15.2	0.4	5.5	7.0	7.8	8.7
<b>EPS</b>	16.7 %	0.11	-0.94	0.02	0.34	0.43	0.48	0.54
<b>EPS adj.</b>	16.7 %	0.11	-0.94	0.02	0.34	0.43	0.48	0.54
<b>DPS</b>	-	0.03	0.00	0.00	0.00	0.17	0.19	0.22
Dividend Yield		0.9 %	n.a.	n.a.	n.a.	4.8 %	5.4 %	6.1 %
<b>FCFPS</b>		0.17	0.86	0.40	0.77	0.32	0.52	0.59
<b>FCF / Market cap</b>		5.0 %	26.3 %	13.0 %	25.3 %	9.1 %	14.7 %	16.6 %
<b>EV / Sales</b>		0.5 x	0.4 x	0.4 x	0.3 x	0.3 x	0.3 x	0.2 x
<b>EV / EBITDA</b>		2.9 x	10.6 x	4.5 x	2.5 x	2.5 x	2.2 x	1.9 x
<b>EV / EBIT</b>		16.3 x	n.a.	n.a.	10.6 x	7.8 x	6.6 x	5.3 x
<b>P / E</b>		31.5 x	n.a.	154.2 x	8.9 x	8.3 x	7.4 x	6.6 x
<b>P / E adj.</b>		31.5 x	n.a.	154.2 x	8.9 x	8.3 x	7.4 x	6.6 x
<b>FCF Potential Yield</b>		10.0 %	-1.3 %	11.7 %	22.8 %	24.8 %	28.1 %	32.6 %
<b>Net Debt</b>		40.3	31.4	33.4	21.2	16.0	10.0	3.2
<b>ROCE (NOPAT)</b>		2.6 %	n.a.	n.a.	9.3 %	15.0 %	15.9 %	18.2 %
<b>Guidance:</b>	Revenues EUR 245-255m, EBITDA EUR 28-31m							

## Sales development in EUR m



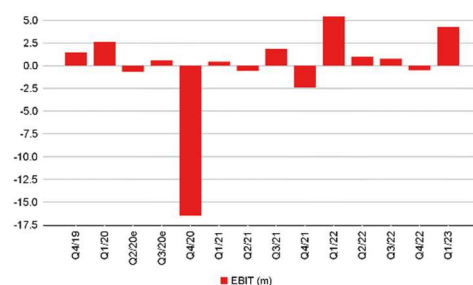
Source: Warburg Research

## Recurring revenue proportion 2023e; in %



Source: Warburg Research

## EBIT development in EUR m



Source: Warburg Research

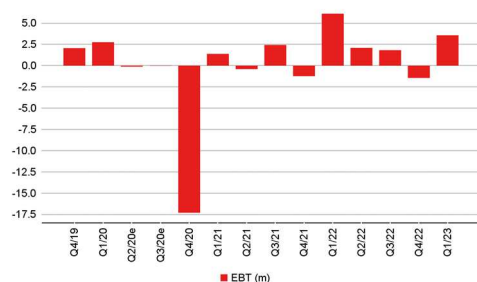
## Company Background

- 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

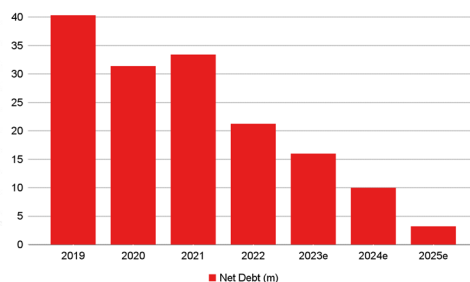
- Focusing on customers with low to medium postal needs, Francotyp Postalia caters for two stable segments in the generally difficult market for franking machines.
- The 45% market share in the German market for franking machines demonstrates its reputation as the market leader in Germany based on the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



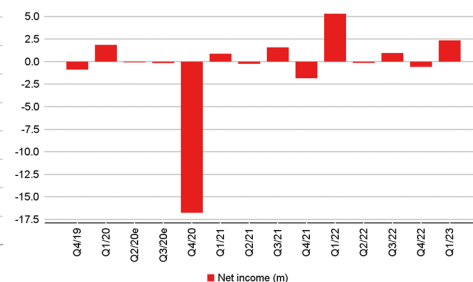
Source: Warburg Research

## 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	252.0	259.6	267.3	275.4	283.6	292.1	300.9	309.9	319.2	328.8	335.4	342.1	348.9	1.5 %
Sales change	0.4 %	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	9.5	10.2	11.4	12.4	14.2	16.1	16.5	17.0	17.6	18.1	18.4	18.8	19.2	
EBIT-margin	3.8 %	3.9 %	4.3 %	4.5 %	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	6.6	7.1	8.0	8.7	9.9	11.1	11.4	11.6	11.9	12.3	12.4	12.6	12.7	
Depreciation	20.0	20.2	20.4	22.0	22.7	23.4	24.1	24.8	25.5	26.3	26.8	27.4	27.9	
in % of Sales	7.9 %	7.8 %	7.6 %	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	2.7	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	22.0	22.7	23.4	24.1	24.8	25.5	26.3	26.8	27.4	27.9	
Capex 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 %	
- 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)	2.9	5.8	6.8	8.6	9.9	11.1	11.4	11.7	12.1	12.5	12.6	12.9	13.0	13
PV of FCF	2.8	5.1	5.6	6.5	6.9	7.1	6.8	6.4	6.1	5.8	5.4	5.1	4.8	71
share of PVs	9.28 %			42.04 %										48.68 %

### 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
<b>WACC</b>	<b>8.34 %</b>	<b>Beta</b>	<b>1.30</b>

### Valuation (m)

Present values 2035e	74		
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
<b>Equity Value</b>	<b>100</b>	<b>Value per share (EUR)</b>	<b>6.19</b>

### 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 %	4.66	4.75	4.85	4.95	5.06	5.18	5.31	1.53	9.3 %	2.64	3.41	4.18	4.95	5.72	6.50	7.27
1.41	8.8 %	5.17	5.29	5.40	5.53	5.67	5.81	5.97	1.41	8.8 %	3.06	3.88	4.71	5.53	6.35	7.18	8.00
1.36	8.6 %	5.46	5.58	5.71	5.85	6.00	6.16	6.33	1.36	8.6 %	3.30	4.15	5.00	5.85	6.70	7.55	8.40
1.30	8.3 %	5.76	5.90	6.04	6.19	6.36	6.54	6.73	1.30	8.3 %	3.55	4.43	5.31	6.19	7.08	7.96	8.84
1.24	8.1 %	6.09	6.24	6.39	6.56	6.75	6.95	7.16	1.24	8.1 %	3.82	4.73	5.65	6.56	7.48	8.39	9.31
1.19	7.8 %	6.44	6.60	6.77	6.96	7.17	7.39	7.63	1.19	7.8 %	4.11	5.06	6.01	6.96	7.91	8.86	9.81
1.07	7.3 %	7.21	7.41	7.63	7.87	8.12	8.40	8.71	1.07	7.3 %	4.78	5.81	6.84	7.87	8.90	9.93	10.96

- 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	2.0 x	1.7 x	1.4 x
Book value per share ex intangibles	-0.42	-1.60	-0.89	-0.80	-0.62	-0.54	-0.43
EV / Sales	0.5 x	0.4 x	0.4 x	0.3 x	0.3 x	0.3 x	0.2 x
EV / EBITDA	2.9 x	10.6 x	4.5 x	2.5 x	2.5 x	2.2 x	1.9 x
EV / EBIT	16.3 x	n.a.	n.a.	10.6 x	7.8 x	6.6 x	5.3 x
EV / EBIT adj.*	16.3 x	n.a.	n.a.	10.6 x	7.8 x	6.6 x	5.3 x
P / FCF	20.1 x	3.8 x	7.7 x	3.9 x	11.0 x	6.8 x	6.0 x
P / E	31.5 x	n.a.	154.2 x	8.9 x	8.3 x	7.4 x	6.6 x
P / E adj.*	31.5 x	n.a.	154.2 x	8.9 x	8.3 x	7.4 x	6.6 x
Dividend Yield	0.9 %	n.a.	n.a.	n.a.	4.8 %	5.4 %	6.1 %
FCF Potential Yield (on market EV)	10.0 %	-1.3 %	11.7 %	22.8 %	24.8 %	28.1 %	32.6 %
*Adjustments made for: -							

## Consolidated profit & loss

In EUR m	2019	2020	2021	2022	2023e	2024e	2025e
<b>Sales</b>	<b>209.1</b>	<b>195.9</b>	<b>203.7</b>	<b>251.0</b>	<b>252.0</b>	<b>259.6</b>	<b>267.3</b>
Change Sales yoy	2.4 %	-6.3 %	4.0 %	23.2 %	0.4 %	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	7.4	7.3	7.5
<b>Total Sales</b>	<b>227.6</b>	<b>203.2</b>	<b>213.0</b>	<b>259.0</b>	<b>259.4</b>	<b>266.8</b>	<b>274.8</b>
Material expenses	101.6	93.9	103.3	124.7	126.0	129.8	133.7
<b>Gross profit</b>	<b>126.0</b>	<b>109.3</b>	<b>109.6</b>	<b>134.3</b>	<b>133.4</b>	<b>137.0</b>	<b>141.2</b>
<b>Gross profit margin</b>	<b>60.3 %</b>	<b>55.8 %</b>	<b>53.8 %</b>	<b>53.5 %</b>	<b>53.0 %</b>	<b>52.8 %</b>	<b>52.8 %</b>
Personnel expenses	60.2	67.8	57.6	65.7	64.4	65.9	67.4
Other operating income	2.9	4.5	1.7	2.1	2.0	2.1	2.1
Other operating expenses	35.4	36.8	33.8	40.3	41.6	42.8	44.1
Unfrequent items	0.0	-1.2	-1.5	-2.8	0.0	0.0	0.0
<b>EBITDA</b>	<b>33.3</b>	<b>8.0</b>	<b>18.5</b>	<b>27.6</b>	<b>29.5</b>	<b>30.4</b>	<b>31.8</b>
<b>Margin</b>	<b>15.9 %</b>	<b>4.1 %</b>	<b>9.1 %</b>	<b>11.0 %</b>	<b>11.7 %</b>	<b>11.7 %</b>	<b>11.9 %</b>
Depreciation of fixed assets	24.7	18.9	19.1	21.0	20.0	20.2	20.4
<b>EBITA</b>	<b>8.6</b>	<b>-11.0</b>	<b>-0.7</b>	<b>6.6</b>	<b>9.5</b>	<b>10.2</b>	<b>11.4</b>
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
<b>EBIT</b>	<b>5.9</b>	<b>-14.0</b>	<b>-0.7</b>	<b>6.6</b>	<b>9.5</b>	<b>10.2</b>	<b>11.4</b>
<b>Margin</b>	<b>2.8 %</b>	<b>-7.1 %</b>	<b>-0.3 %</b>	<b>2.6 %</b>	<b>3.8 %</b>	<b>3.9 %</b>	<b>4.3 %</b>
<b>EBIT adj.</b>	<b>5.9</b>	<b>-14.0</b>	<b>-0.7</b>	<b>6.6</b>	<b>9.5</b>	<b>10.2</b>	<b>11.4</b>
Interest income	2.2	2.5	2.6	3.0	2.7	3.0	3.0
Interest expenses	1.8	2.6	1.4	1.5	2.2	2.0	2.0
Other financial income (loss)	-0.3	-0.6	1.6	0.4	0.0	0.0	0.0
<b>EBT</b>	<b>5.9</b>	<b>-14.7</b>	<b>2.2</b>	<b>8.6</b>	<b>10.0</b>	<b>11.2</b>	<b>12.4</b>
<b>Margin</b>	<b>2.8 %</b>	<b>-7.5 %</b>	<b>1.1 %</b>	<b>3.4 %</b>	<b>4.0 %</b>	<b>4.3 %</b>	<b>4.6 %</b>
Total taxes	4.2	0.4	1.8	3.0	3.0	3.4	3.7
<b>Net income from continuing operations</b>	<b>1.7</b>	<b>-15.1</b>	<b>0.4</b>	<b>5.5</b>	<b>7.0</b>	<b>7.8</b>	<b>8.7</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>1.7</b>	<b>-15.1</b>	<b>0.4</b>	<b>5.5</b>	<b>7.0</b>	<b>7.8</b>	<b>8.7</b>
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income</b>	<b>1.7</b>	<b>-15.2</b>	<b>0.4</b>	<b>5.5</b>	<b>7.0</b>	<b>7.8</b>	<b>8.7</b>
<b>Margin</b>	<b>0.8 %</b>	<b>-7.7 %</b>	<b>0.2 %</b>	<b>2.2 %</b>	<b>2.8 %</b>	<b>3.0 %</b>	<b>3.3 %</b>
Number of shares, average	16.2	16.2	16.2	16.2	16.2	16.2	16.2
<b>EPS</b>	<b>0.11</b>	<b>-0.94</b>	<b>0.02</b>	<b>0.34</b>	<b>0.43</b>	<b>0.48</b>	<b>0.54</b>
EPS adj.	0.11	-0.94	0.02	0.34	0.43	0.48	0.54

\*Adjustments made for:

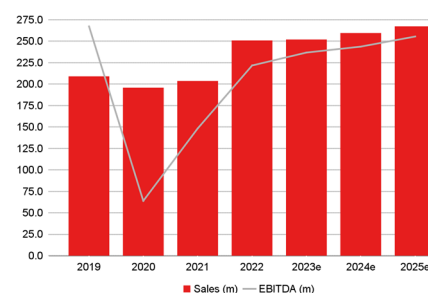
**Guidance: Revenues EUR 245-255m, EBITDA EUR 28-31m**

## Financial Ratios

	2019	2020	2021	2022	2023e	2024e	2025e
Total Operating Costs / Sales	92.9 %	99.1 %	94.8 %	91.1 %	91.3 %	91.1 %	90.9 %
Operating Leverage	n.a.	n.a.	-23.8 x	n.a.	102.1 x	2.4 x	4.1 x
EBITDA / Interest expenses	18.5 x	3.1 x	13.2 x	18.6 x	13.4 x	15.2 x	15.9 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 %	39.8 %	39.7 %	40.2 %
Sales per Employee	165,992	152,436	155,434	187,735	184,824	186,636	188,465

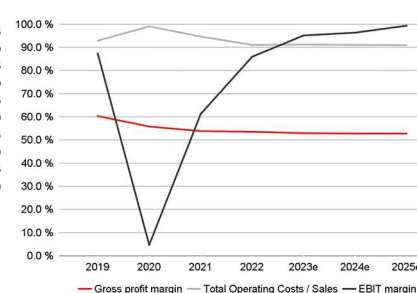
### Sales, EBITDA

in EUR m

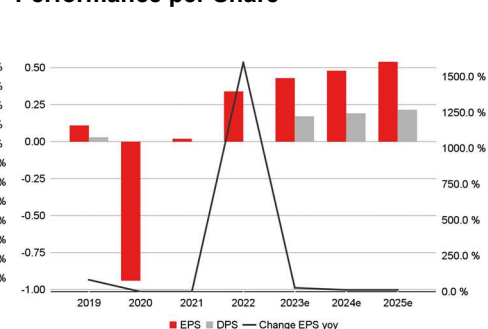


### Operating Performance

in %



### Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

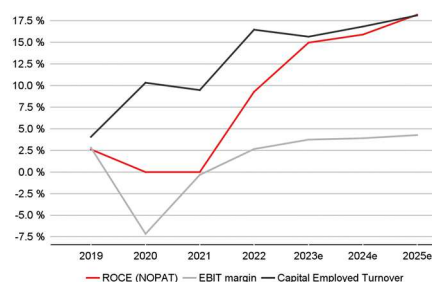
## Consolidated balance sheet

In EUR m	2019	2020	2021	2022	2023e	2024e	2025e
<b>Assets</b>							
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	23.9	20.7	17.3
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
<b>Fixed assets</b>	<b>97.3</b>	<b>80.7</b>	<b>72.8</b>	<b>79.2</b>	<b>80.2</b>	<b>81.0</b>	<b>81.6</b>
Inventories	12.4	11.5	16.5	19.5	19.6	20.2	20.8
Accounts receivable	18.1	18.1	19.5	20.7	23.5	24.2	24.9
Liquid assets	30.5	36.1	33.3	34.4	39.6	45.6	52.4
Other short-term assets	28.0	27.6	24.8	18.9	18.9	18.9	18.9
<b>Current assets</b>	<b>89.0</b>	<b>93.3</b>	<b>94.1</b>	<b>93.4</b>	<b>101.5</b>	<b>108.8</b>	<b>116.9</b>
<b>Total Assets</b>	<b>186.3</b>	<b>174.0</b>	<b>166.9</b>	<b>172.7</b>	<b>181.8</b>	<b>189.9</b>	<b>198.6</b>
<b>Liabilities and shareholders' equity</b>							
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	-24.0	-19.0
Other equity components	-19.0	-36.9	-4.8	2.2	7.0	7.8	8.7
Shareholders' equity	32.0	13.7	15.7	22.3	29.2	34.4	40.2
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total equity</b>	<b>32.0</b>	<b>13.7</b>	<b>15.7</b>	<b>22.3</b>	<b>29.2</b>	<b>34.4</b>	<b>40.2</b>
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	24.9	25.7	26.4
Other liabilities	65.5	73.3	53.8	55.0	57.1	59.2	61.3
<b>Liabilities</b>	<b>154.3</b>	<b>160.3</b>	<b>151.3</b>	<b>150.4</b>	<b>152.6</b>	<b>155.5</b>	<b>158.4</b>
<b>Total liabilities and shareholders' equity</b>	<b>186.3</b>	<b>174.0</b>	<b>166.9</b>	<b>172.7</b>	<b>181.8</b>	<b>189.9</b>	<b>198.6</b>

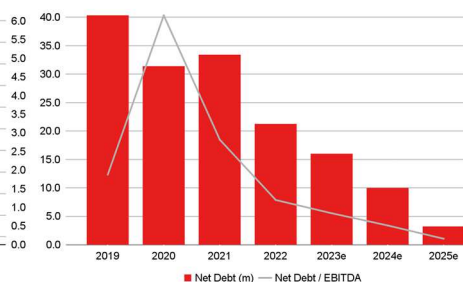
## Financial Ratios

	2019	2020	2021	2022	2023e	2024e	2025e
<b>Efficiency of Capital Employment</b>							
Operating Assets Turnover	4.6 x	4.8 x	4.2 x	5.9 x	6.0 x	6.6 x	7.3 x
Capital Employed Turnover	2.9 x	4.3 x	4.2 x	5.8 x	5.6 x	5.8 x	6.2 x
ROA	1.8 %	-18.8 %	0.5 %	7.0 %	8.7 %	9.6 %	10.6 %
<b>Return on Capital</b>							
ROCE (NOPAT)	2.6 %	n.a.	n.a.	9.3 %	15.0 %	15.9 %	18.2 %
ROE	5.2 %	-66.3 %	2.5 %	29.2 %	27.2 %	24.6 %	23.3 %
Adj. ROE	5.2 %	-66.3 %	2.5 %	29.2 %	27.2 %	24.6 %	23.3 %
<b>Balance sheet quality</b>							
Net Debt	40.3	31.4	33.4	21.2	16.0	10.0	3.2
Net Financial Debt	19.7	10.9	14.5	6.6	1.4	-4.7	-11.4
Net Gearing	125.9 %	229.7 %	213.5 %	95.4 %	54.9 %	29.0 %	8.0 %
Net Fin. Debt / EBITDA	59.3 %	136.5 %	78.3 %	23.9 %	4.6 %	n.a.	n.a.
Book Value / Share	2.0	0.8	1.0	1.4	1.8	2.1	2.5
Book value per share ex intangibles	-0.4	-1.6	-0.9	-0.8	-0.6	-0.5	-0.4

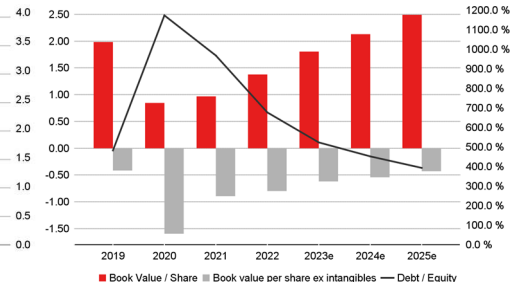
## ROCE Development



## Net debt in EUR m



## Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

## Consolidated cash flow statement

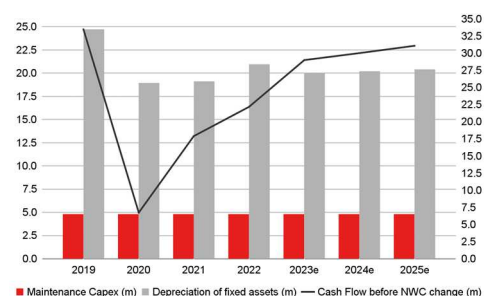
In EUR m	2019	2020	2021	2022	2023e	2024e	2025e
Net income	1.7	-15.2	0.4	5.5	7.0	7.8	8.7
Depreciation of fixed assets	24.7	18.9	19.1	21.0	20.0	20.2	20.4
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	2.7	3.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in long-term provisions	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
<b>Cash Flow before NWC change</b>	<b>33.5</b>	<b>6.7</b>	<b>17.9</b>	<b>22.2</b>	<b>29.0</b>	<b>30.0</b>	<b>31.1</b>
Increase / decrease in inventory	-1.2	0.8	-5.0	-3.0	-0.1	-0.6	-0.6
Increase / decrease in accounts receivable	0.8	0.0	-1.3	-1.2	-2.8	-0.7	-0.7
Increase / decrease in accounts payable	0.6	-0.4	-1.2	11.9	0.1	0.7	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	-2.7	-0.5	-0.6
<b>Net cash provided by operating activities [1]</b>	<b>23.1</b>	<b>22.8</b>	<b>15.1</b>	<b>22.4</b>	<b>26.2</b>	<b>29.5</b>	<b>30.5</b>
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
<b>Net cash provided by investing activities [2]</b>	<b>-21.4</b>	<b>-11.4</b>	<b>-8.5</b>	<b>-14.3</b>	<b>-21.0</b>	<b>-21.0</b>	<b>-21.0</b>
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	-2.5	-2.8
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
<b>Net cash provided by financing activities [3]</b>	<b>-4.7</b>	<b>-5.7</b>	<b>-3.2</b>	<b>-4.9</b>	<b>0.0</b>	<b>-2.5</b>	<b>-2.8</b>
<b>Change in liquid funds [1]+[2]+[3]</b>	<b>-3.0</b>	<b>5.1</b>	<b>3.3</b>	<b>3.2</b>	<b>5.2</b>	<b>6.0</b>	<b>6.8</b>
Effects of exchange-rate changes on cash	0.0	-1.0	0.9	-0.1	0.0	0.0	0.0
<b>Cash and cash equivalent at end of period</b>	<b>18.1</b>	<b>22.2</b>	<b>27.3</b>	<b>22.8</b>	<b>28.1</b>	<b>34.1</b>	<b>40.9</b>

## Financial Ratios

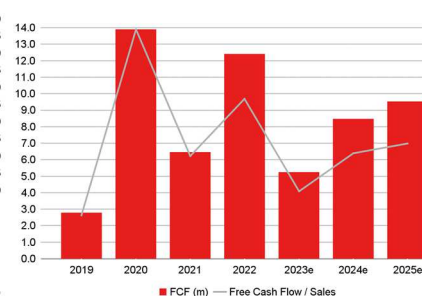
	2019	2020	2021	2022	2023e	2024e	2025e
<b>Cash Flow</b>							
FCF	2.8	13.9	6.5	12.4	5.2	8.5	9.5
Free Cash Flow / Sales	1.3 %	7.1 %	3.2 %	4.9 %	2.1 %	3.3 %	3.6 %
Free Cash Flow Potential	9.7	-1.1	9.7	16.0	18.3	19.0	19.8
Free Cash Flow / Net Profit	163.8 %	-91.7 %	1769.9 %	224.2 %	75.1 %	108.4 %	109.7 %
Interest Received / Avg. Cash	7.2 %	7.4 %	7.4 %	8.8 %	7.3 %	7.0 %	6.1 %
Interest Paid / Avg. Debt	4.0 %	5.2 %	2.9 %	3.3 %	5.4 %	4.9 %	4.9 %
<b>Management of Funds</b>							
Investment ratio	9.7 %	4.5 %	4.2 %	4.0 %	8.3 %	8.1 %	7.9 %
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 %	105.0 %	104.0 %	102.9 %
Avg. Working Capital / Sales	7.7 %	8.0 %	9.5 %	7.7 %	6.7 %	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

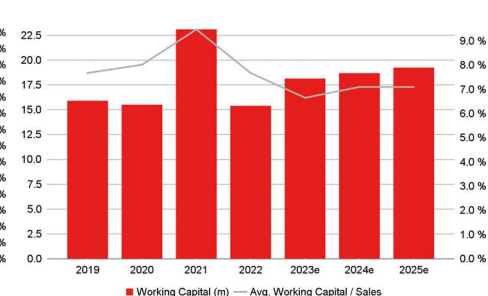
in EUR m



## Free Cash Flow Generation



## Working Capital



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research



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This report has been made accessible to the company analysed.

Company	Disclosure	Link to the historical price targets and rating changes (last 12 months)
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## INVESTMENT RECOMMENDATION

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.

## WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING

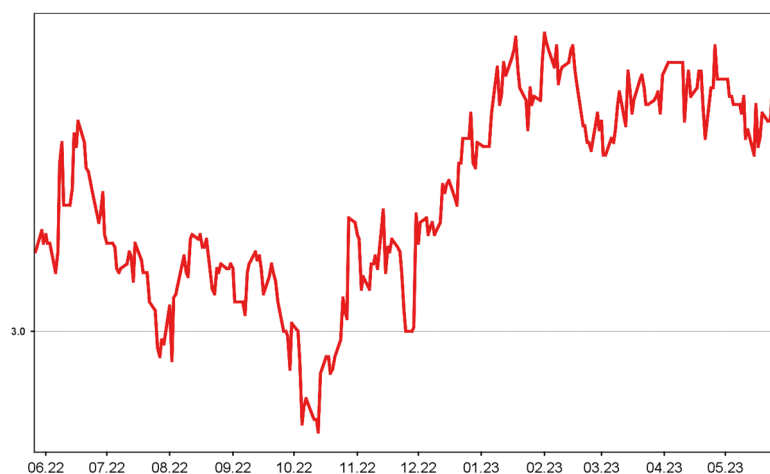
Rating	Number of stocks	% of Universe
Buy	159	75
Hold	44	21
Sell	7	3
Rating suspended	3	1
<b>Total</b>	<b>213</b>	<b>100</b>

## 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	46	88
Hold	5	10
Sell	0	0
Rating suspended	1	2
<b>Total</b>	<b>52</b>	<b>100</b>

## PRICE AND RATING HISTORY FRANCO TYP-POSTALIA AS OF 26.05.2023



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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