

Buy EUR 4.00 (EUR 3.40) Price EUR 3.19 Upside 25.4 %	Value Indicators: EUR DCF: 4.01	Share data: Bloomberg: FPH GR Reuters: FPHG ISIN: DE000FPH9000	Description: Manufacturer of franking machines and provider of mail services.
	Market Snapshot: EUR m Market cap: 49.3 No. of shares (m): 15.5 EV: 87.5 Freefloat MC: 25.0 Ø Trad. Vol. (30d): 36.55 th	Shareholders: Freefloat 50.7 % Obotritia Capital 28.0 % Active Ownership Fund 9.5 % SALTARAX GmbH 5.0 %	Risk Profile (WRe): 2020e Beta: 1.8 Price / Book: 1.5 x Equity Ratio: 18 % Net Fin. Debt / EBITDA: 0.6 x Net Debt / EBITDA: 1.4 x

Very strong Q1

Figures Q1/2020:							
in EUR m	Q1/20	Q1/20e	Q1/19	yoy	2020e	2019	yoy
Sales	57.0	53.0	52.1	9.4%	192.4	209.1	-8.0%
EBITDA	8.0	7.0	6.9	14.9%	27.9	33.3	-16.3%
margin	14.0%	14.8%	13.3%		14.5%	15.9%	

Comment on Figures:

- Francotyp-Postalia AG announced the key data for the first quarter yesterday, May 26, 2020. Sales and earnings were significantly above expectations (WRe).
- The publication of the final quarterly report is scheduled for May 28, 2020.

The strong figures were especially driven by significant growth in the Mail Services segment and in the core business of franking machines. The COVID-19 pandemic meant business in the Software/Digital product area remained rather weak. Apart from this, the company is strictly controlling its cost structure and the strategic adjustments of the recent years are showing success.

Overall, the pandemic continues to be a major factor of uncertainty, especially as regards the forecast for the current year. In principle, weak economic development can also have a negative (long-term) impact on the customer base (see also our publication dated April 6, 2020).

Against the background of the excellent first quarter and considering that the burden from the COVID-19 pandemic is proving rather moderate in the German core market, the forecasts are now being adjusted upwards again after an initial significant negative adjustment (WRe).

Based on the increased forecasts and the adjustment of the risk parameter (beta) used in the DCF model, the price target is now significantly higher again. **With a target price of EUR 4.00 (3.40), the share continues to be rated Buy.**

Changes in Estimates:						
FY End: 31.12. in EUR m	2020e (old)	+ / -	2021e (old)	+ / -	2022e (old)	+ / -
Sales	188.1	2.3 %	193.7	2.3 %	n.a.	n.m.
EBITDA	23.5	18.6 %	29.1	2.3 %	n.a.	n.m.
EBIT	1.0	432.6 %	6.1	10.9 %	n.a.	n.m.
EPS	0.03	633.3 %	0.25	8.0 %	n.a.	n.m.

Comment on Changes:

- The basis of the new earnings estimate is slightly higher sales than the original forecast (WRe).
- Together with a better cost structure, this leads to the positive adjustments shown.
- The high percentage deviation in the current year is caused by a base effect.

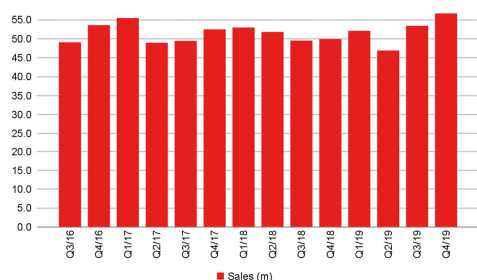


Rel. Performance vs CDAX:	
1 month:	0.8 %
6 months:	4.2 %
Year to date:	6.6 %
Trailing 12 months:	0.7 %

Company events:	
28.05.20	Q1
17.06.20	AGM
27.08.20	Q2
16.11.20	Q3

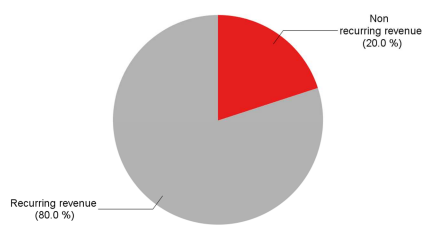
FY End: 31.12. in EUR m	CAGR (19-22e)	2016	2017	2018	2019	2020e	2021e	2022e
Sales	-0.8 %	203.0	206.3	204.2	209.1	192.4	198.1	204.1
Change Sales yoy		6.2 %	1.7 %	-1.0 %	2.4 %	-8.0 %	3.0 %	3.0 %
Gross profit margin		58.1 %	55.6 %	57.0 %	60.3 %	59.0 %	58.5 %	58.5 %
EBITDA	-2.8 %	27.2	26.3	17.1	33.3	27.9	29.7	30.6
Margin		13.4 %	12.8 %	8.4 %	15.9 %	14.5 %	15.0 %	15.0 %
EBIT	8.9 %	9.7	7.3	-0.3	5.9	5.4	6.7	7.6
Margin		4.8 %	3.5 %	-0.1 %	2.8 %	2.8 %	3.4 %	3.7 %
Net income	43.6 %	5.9	4.6	0.9	1.7	3.5	4.4	5.0
EPS	41.3 %	0.36	0.29	0.06	0.11	0.22	0.27	0.31
EPS adj.	41.3 %	0.36	0.29	0.06	0.11	0.22	0.27	0.31
DPS	60.5 %	0.16	0.12	0.03	0.03	0.09	0.11	0.12
Dividend Yield		3.8 %	2.3 %	0.8 %	0.9 %	2.8 %	3.4 %	3.9 %
FCF		0.28	0.36	0.38	0.17	0.22	0.25	0.29
FCF / Market cap		6.7 %	6.9 %	10.1 %	5.0 %	7.0 %	7.9 %	9.1 %
EV / Sales		0.5 x	0.5 x	0.4 x	0.5 x	0.5 x	0.4 x	0.4 x
EV / EBITDA		3.6 x	4.2 x	5.0 x	2.9 x	3.2 x	3.0 x	2.8 x
EV / EBIT		9.9 x	15.1 x	n.a.	16.3 x	16.6 x	13.1 x	11.3 x
P / E		11.7 x	17.9 x	62.6 x	31.5 x	14.5 x	11.8 x	10.3 x
P / E adj.		11.7 x	17.9 x	62.6 x	31.5 x	14.5 x	11.8 x	10.3 x
FCF Potential Yield		12.0 %	11.2 %	2.2 %	10.0 %	13.3 %	15.9 %	16.5 %
Net Debt		28.4	25.2	24.6	40.3	38.2	36.4	34.4
ROCE (NOPAT)		9.5 %	7.7 %	n.a.	2.6 %	5.0 %	6.2 %	6.9 %
Guidance:	n.a.							

Sales development in EUR m



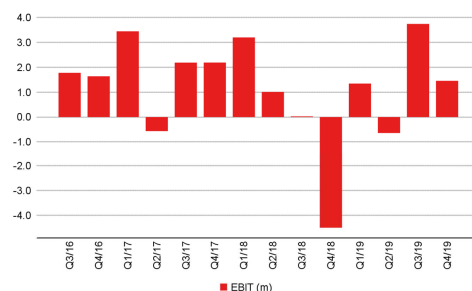
Source: Warburg Research

Recurring revenue proportion 2019e; in %



Source: Warburg Research

EBIT development in EUR m



Source: Warburg Research

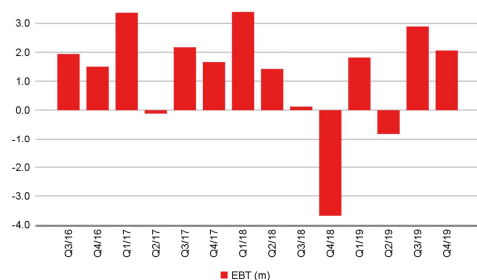
Company Background

- 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.
- In the course of the liberalisation of the postal market, the FP group transformed itself from a producer of franking machines to a solutions provider for mail management and processing.
- 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

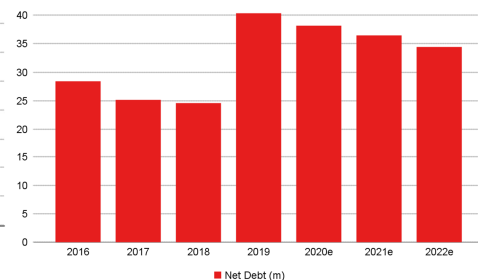
- Focusing on customers with low to medium postal needs, Francotyp Postalia caters for two stable segments in the generally difficult market for franking machines.
- The 45% market share in the German market for franking machines demonstrates its reputation as the market leader in Germany based on the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



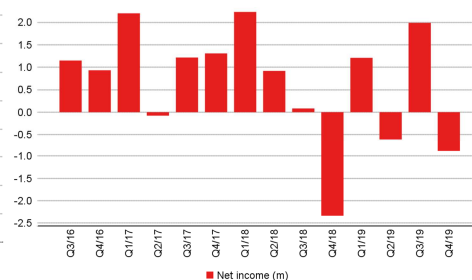
Source: Warburg Research

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
	2020e	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	
Sales	192.4	198.1	204.1	210.2	216.5	223.0	229.7	236.6	243.7	251.0	258.5	266.3	274.3	1.0 %
Sales change	-8.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	
EBIT	5.4	6.7	7.6	10.5	13.0	13.4	13.8	14.2	14.6	15.1	15.5	16.0	16.5	
EBIT-margin	2.8 %	3.4 %	3.7 %	5.0 %	6.0 %	6.0 %	6.0 %	6.0 %	6.0 %	6.0 %	6.0 %	6.0 %	6.0 %	
Tax rate (EBT)	32.0 %	32.0 %	32.0 %	33.0 %	33.0 %	33.0 %	33.0 %	33.0 %	33.0 %	33.0 %	33.0 %	33.0 %	33.0 %	
NOPAT	3.7	4.6	5.2	7.0	8.7	9.0	9.2	9.5	9.8	10.1	10.4	10.7	11.0	
Depreciation	22.5	23.0	23.0	18.9	19.5	20.1	20.7	21.3	21.9	22.6	23.3	24.0	24.7	
in % of Sales	11.7 %	11.6 %	11.3 %	9.0 %	9.0 %	9.0 %	9.0 %	9.0 %	9.0 %	9.0 %	9.0 %	9.0 %	9.0 %	
Changes in provisions	1.0	1.1	1.1	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2	
Change in Liquidity from														
- Working Capital	-0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.6	
- Capex	26.0	26.0	26.0	21.0	21.7	20.1	20.7	21.3	21.9	22.6	23.3	24.0	24.7	
Capex in % of Sales	13.5 %	13.1 %	12.7 %	10.0 %	10.0 %	9.0 %	9.0 %	9.0 %	9.0 %	9.0 %	9.0 %	9.0 %	9.0 %	
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)	1.8	2.2	2.8	4.7	6.3	8.7	9.0	9.2	9.5	9.8	10.0	10.3	10.6	10
PV of FCF	1.7	1.9	2.3	3.5	4.3	5.4	5.1	4.8	4.5	4.3	4.0	3.8	3.6	43
share of PVs	6.39 %			46.96 %										46.65 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	25.00 %	Financial Strength	1.80
Cost of debt (after tax)	2.1 %	Liquidity (share)	1.80
Market return	7.00 %	Cyclicality	1.80
Risk free rate	1.50 %	Transparency	1.80
		Others	1.80
WACC	9.08 %	Beta	1.80

Valuation (m)

Present values 2032e	49		
Terminal Value	43		
Financial liabilities	50		
Pension liabilities	21		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	41	No. of shares (m)	15.5
Equity Value	62	Value per share (EUR)	4.01

Sensitivity Value per Share (EUR)

Terminal Growth									Delta EBIT-margin								
Beta	WACC	0.25 %	0.50 %	0.75 %	1.00 %	1.25 %	1.50 %	1.75 %	Beta	WACC	-1.5 pp	-1.0 pp	-0.5 pp	+0.0 pp	+0.5 pp	+1.0 pp	+1.5 pp
2.04	10.1 %	3.07	3.12	3.17	3.23	3.30	3.36	3.43	2.04	10.1 %	1.58	2.13	2.68	3.23	3.79	4.34	4.89
1.92	9.6 %	3.40	3.46	3.53	3.60	3.67	3.75	3.83	1.92	9.6 %	1.84	2.43	3.01	3.60	4.18	4.77	5.35
1.86	9.3 %	3.58	3.65	3.72	3.80	3.88	3.96	4.06	1.86	9.3 %	1.99	2.59	3.19	3.80	4.40	5.00	5.60
1.80	9.1 %	3.77	3.84	3.92	4.01	4.10	4.19	4.29	1.80	9.1 %	2.14	2.76	3.39	4.01	4.63	5.25	5.87
1.74	8.8 %	3.97	4.05	4.14	4.23	4.33	4.43	4.55	1.74	8.8 %	2.31	2.95	3.59	4.23	4.87	5.52	6.16
1.68	8.6 %	4.19	4.28	4.37	4.47	4.58	4.69	4.82	1.68	8.6 %	2.48	3.15	3.81	4.47	5.14	5.80	6.46
1.56	8.1 %	4.66	4.77	4.88	5.01	5.14	5.28	5.43	1.56	8.1 %	2.87	3.58	4.29	5.01	5.72	6.43	7.14

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

Valuation	2016	2017	2018	2019	2020e	2021e	2022e
Price / Book	1.9 x	2.5 x	1.8 x	1.7 x	1.5 x	1.4 x	1.2 x
Book value per share ex intangibles	0.07	-0.09	-0.46	-0.42	-0.67	-0.91	-1.14
EV / Sales	0.5 x	0.5 x	0.4 x	0.5 x	0.5 x	0.4 x	0.4 x
EV / EBITDA	3.6 x	4.2 x	5.0 x	2.9 x	3.2 x	3.0 x	2.8 x
EV / EBIT	9.9 x	15.1 x	n.a.	16.3 x	16.6 x	13.1 x	11.3 x
EV / EBIT adj.*	9.9 x	15.1 x	n.a.	16.3 x	16.6 x	13.1 x	11.3 x
P / FCF	14.9 x	14.6 x	9.9 x	20.1 x	14.2 x	12.7 x	11.0 x
P / E	11.7 x	17.9 x	62.6 x	31.5 x	14.5 x	11.8 x	10.3 x
P / E adj.*	11.7 x	17.9 x	62.6 x	31.5 x	14.5 x	11.8 x	10.3 x
Dividend Yield	3.8 %	2.3 %	0.8 %	0.9 %	2.8 %	3.4 %	3.9 %
FCF Potential Yield (on market EV)	12.0 %	11.2 %	2.2 %	10.0 %	13.3 %	15.9 %	16.5 %
*Adjustments made for: -							

Consolidated profit & loss

In EUR m	2016	2017	2018	2019	2020e	2021e	2022e
Sales	203.0	206.3	204.2	209.1	192.4	198.1	204.1
Change Sales yoy	6.2 %	1.7 %	-1.0 %	2.4 %	-8.0 %	3.0 %	3.0 %
Increase / decrease in inventory	0.2	0.5	-0.3	0.0	0.0	0.0	0.0
Own work capitalised	11.4	10.8	14.1	18.6	13.5	12.9	13.3
Total Sales	214.5	217.7	218.0	227.6	205.8	211.0	217.3
Material expenses	96.5	102.9	101.6	101.6	92.3	95.1	98.0
Gross profit	118.0	114.8	116.3	126.0	113.5	115.9	119.4
Gross profit margin	58.1 %	55.6 %	57.0 %	60.3 %	59.0 %	58.5 %	58.5 %
Personnel expenses	57.4	59.2	64.7	60.2	53.9	55.5	57.1
Other operating income	3.8	4.8	1.9	2.9	1.0	1.0	1.0
Other operating expenses	37.1	34.1	36.4	35.4	32.7	31.7	32.7
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	27.2	26.3	17.1	33.3	27.9	29.7	30.6
Margin	13.4 %	12.8 %	8.4 %	15.9 %	14.5 %	15.0 %	15.0 %
Depreciation of fixed assets	17.5	19.1	17.3	27.4	22.5	23.0	23.0
EBITA	9.7	7.3	-0.3	5.9	5.4	6.7	7.6
Amortisation of intangible assets	0.0	0.0	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	9.7	7.3	-0.3	5.9	5.4	6.7	7.6
Margin	4.8 %	3.5 %	-0.1 %	2.8 %	2.8 %	3.4 %	3.7 %
EBIT adj.	9.7	7.3	-0.3	5.9	5.4	6.7	7.6
Interest income	1.3	2.1	2.8	2.2	0.8	0.8	0.8
Interest expenses	1.6	1.9	1.4	1.8	0.3	0.3	0.3
Other financial income (loss)	0.1	-0.4	0.1	-0.3	-0.7	-0.7	-0.7
EBT	9.6	7.1	1.3	5.9	5.2	6.5	7.4
Margin	4.7 %	3.4 %	0.6 %	2.8 %	2.7 %	3.3 %	3.6 %
Total taxes	3.4	2.4	0.4	4.2	1.7	2.1	2.4
Net income from continuing operations	6.2	4.6	0.9	1.7	3.5	4.4	5.0
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income before minorities	6.2	4.6	0.9	1.7	3.5	4.4	5.0
Minority interest	0.3	0.0	0.0	0.0	0.0	0.0	0.0
Net income	5.9	4.6	0.9	1.7	3.5	4.4	5.0
Margin	2.9 %	2.3 %	0.4 %	0.8 %	1.8 %	2.2 %	2.5 %
Number of shares, average	16.2	16.2	16.2	16.2	16.2	16.2	16.2
EPS	0.36	0.29	0.06	0.11	0.22	0.27	0.31
EPS adj.	0.36	0.29	0.06	0.11	0.22	0.27	0.31

*Adjustments made for:

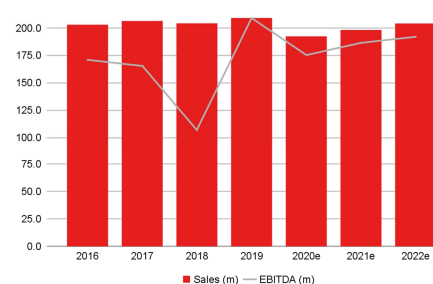
Guidance: n.a.

Financial Ratios

	2016	2017	2018	2019	2020e	2021e	2022e
Total Operating Costs / Sales	92.3 %	92.8 %	98.4 %	92.9 %	92.5 %	91.5 %	91.5 %
Operating Leverage	1.3 x	-15.3 x	n.a.	n.a.	1.1 x	8.2 x	4.4 x
EBITDA / Interest expenses	17.4 x	13.8 x	12.3 x	18.5 x	93.0 x	99.1 x	102.0 x
Tax rate (EBT)	35.5 %	34.3 %	28.4 %	71.3 %	32.0 %	32.0 %	32.0 %
Dividend Payout Ratio	41.7 %	41.7 %	54.1 %	28.4 %	40.3 %	39.4 %	39.8 %
Sales per Employee	170,997	170,431	165,358	165,992	149,718	151,186	152,668

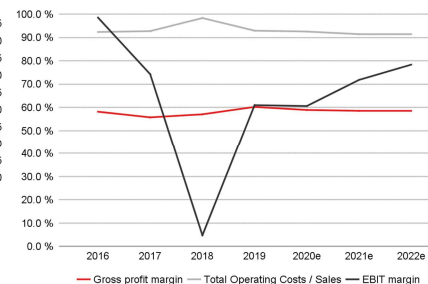
Sales, EBITDA

in EUR m

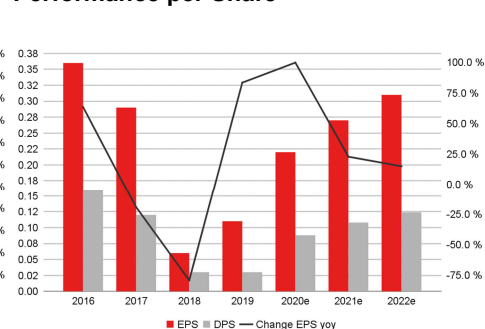


Operating Performance

in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

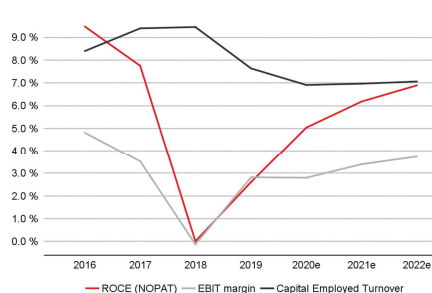
Consolidated balance sheet

In EUR m	2016	2017	2018	2019	2020e	2021e	2022e
Assets							
Goodwill and other intangible assets	34.9	35.1	40.8	38.8	45.8	52.8	59.8
thereof other intangible assets	26.4	26.7	30.3	34.1	41.1	48.1	55.1
thereof Goodwill	8.5	8.5	10.4	4.6	4.6	4.6	4.6
Property, plant and equipment	39.3	31.8	29.9	29.2	25.7	21.7	17.7
Financial assets	9.7	11.6	13.4	18.1	18.1	18.1	18.1
Other long-term assets	0.0	0.0	0.0	11.2	11.2	11.2	11.2
Fixed assets	83.9	78.5	84.1	97.3	100.8	103.8	106.8
Inventories	11.2	10.6	11.2	12.4	11.4	11.7	12.1
Accounts receivable	19.0	19.5	19.0	18.1	17.4	17.9	18.5
Liquid assets	27.1	34.9	30.9	30.5	33.7	36.5	39.7
Other short-term assets	26.2	27.1	21.6	28.0	28.0	28.0	28.0
Current assets	83.4	92.1	82.7	89.0	90.5	94.2	98.2
Total Assets	167.3	170.6	166.7	186.3	191.2	197.9	204.9
Liabilities and shareholders' equity							
Subscribed capital	16.2	16.3	16.3	16.3	16.3	16.3	16.3
Capital reserve	34.6	34.8	34.7	34.7	34.7	34.7	34.7
Retained earnings	0.0	0.0	0.0	0.0	-19.6	-17.4	-14.7
Other equity components	-14.9	-17.4	-17.7	-19.0	3.5	4.4	5.0
Shareholders' equity	35.9	33.7	33.3	32.0	34.9	38.1	41.4
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total equity	35.9	33.7	33.3	32.0	34.9	38.1	41.4
Provisions	18.0	17.7	17.6	24.0	25.0	26.1	27.2
thereof provisions for pensions and similar obligations	17.1	16.5	16.2	20.6	21.6	22.7	23.8
Financial liabilities (total)	38.4	43.6	39.3	50.2	50.2	50.2	50.2
thereof short-term financial liabilities	0.9	0.4	0.2	4.1	4.1	4.1	4.1
Accounts payable	10.6	11.2	14.0	14.6	13.4	13.8	14.2
Other liabilities	64.3	64.5	62.6	65.5	67.6	69.7	71.8
Liabilities	131.4	137.0	133.4	154.3	156.2	159.8	163.5
Total liabilities and shareholders' equity	167.3	170.6	166.7	186.3	191.2	197.9	204.9

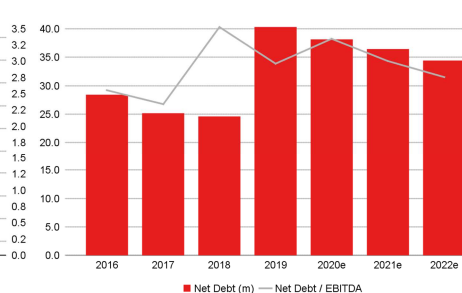
Financial Ratios

	2016	2017	2018	2019	2020e	2021e	2022e
Efficiency of Capital Employment							
Operating Assets Turnover	3.4 x	4.1 x	4.4 x	4.6 x	4.7 x	5.3 x	6.0 x
Capital Employed Turnover	3.2 x	3.5 x	3.5 x	2.9 x	2.6 x	2.7 x	2.7 x
ROA	7.0 %	5.9 %	1.1 %	1.8 %	3.5 %	4.3 %	4.7 %
Return on Capital							
ROCE (NOPAT)	9.5 %	7.7 %	n.a.	2.6 %	5.0 %	6.2 %	6.9 %
ROE	16.8 %	13.4 %	2.7 %	5.2 %	10.5 %	12.1 %	12.7 %
Adj. ROE	16.8 %	13.4 %	2.7 %	5.2 %	10.5 %	12.1 %	12.7 %
Balance sheet quality							
Net Debt	28.4	25.2	24.6	40.3	38.2	36.4	34.4
Net Financial Debt	11.4	8.6	8.4	19.7	16.5	13.7	10.6
Net Gearing	79.1 %	74.7 %	73.9 %	125.9 %	109.2 %	95.6 %	83.1 %
Net Fin. Debt / EBITDA	41.8 %	32.8 %	49.1 %	59.3 %	59.3 %	46.2 %	34.6 %
Book Value / Share	2.2	2.1	2.1	2.0	2.2	2.4	2.6
Book value per share ex intangibles	0.1	-0.1	-0.5	-0.4	-0.7	-0.9	-1.1

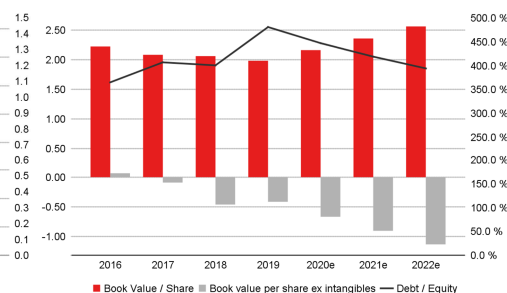
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

Consolidated cash flow statement

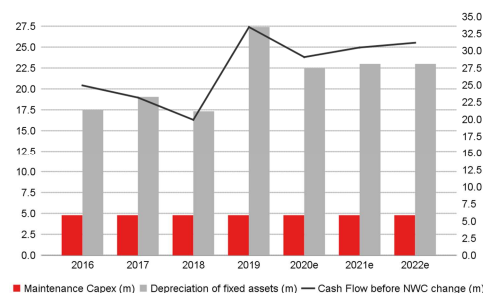
In EUR m	2016	2017	2018	2019	2020e	2021e	2022e
Net income	5.9	4.6	0.9	1.7	3.5	4.4	5.0
Depreciation of fixed assets	17.5	19.1	17.3	27.4	22.5	23.0	23.0
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in long-term provisions	1.6	-0.5	-0.3	4.4	1.0	1.1	1.1
Other non-cash income and expenses	0.0	0.0	2.0	0.0	2.0	2.0	2.0
Cash Flow before NWC change	24.9	23.2	19.9	33.5	29.1	30.5	31.2
Increase / decrease in inventory	0.5	0.6	-0.6	-1.2	1.0	-0.3	-0.4
Increase / decrease in accounts receivable	-2.0	-0.6	0.6	0.8	0.8	-0.5	-0.5
Increase / decrease in accounts payable	0.8	0.6	2.8	0.6	-1.2	0.4	0.4
Increase / decrease in other working capital positions	-2.0	-2.5	1.5	-10.7	0.0	0.0	0.0
Increase / decrease in working capital (total)	-2.8	-1.9	4.3	-10.4	0.6	-0.5	-0.5
Net cash provided by operating activities [1]	22.2	21.3	24.2	23.1	29.6	30.1	30.7
Investments in intangible assets	-6.7	-6.9	-9.0	-13.8	-7.0	-7.0	-7.0
Investments in property, plant and equipment	-15.3	-8.6	-9.0	-6.5	-19.0	-19.0	-19.0
Payments for acquisitions	0.0	0.0	-3.5	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	0.3	-1.1	0.0	0.0	0.0
Net cash provided by investing activities [2]	-17.6	-15.5	-21.2	-21.4	-26.0	-26.0	-26.0
Change in financial liabilities	4.5	4.5	-4.3	11.0	0.0	0.0	0.0
Dividends paid	-2.6	-0.8	-1.9	-0.5	-0.4	-1.3	-1.5
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	-2.6	-0.2	-15.2	0.0	0.0	0.0
Net cash provided by financing activities [3]	-0.7	1.1	-6.4	-4.7	-0.4	-1.3	-1.5
Change in liquid funds [1]+[2]+[3]	3.9	6.9	-3.5	-3.0	3.2	2.8	3.2
Effects of exchange-rate changes on cash	0.5	-1.4	0.5	0.0	0.0	0.0	0.0
Cash and cash equivalent at end of period	18.7	24.2	21.2	18.1	21.3	24.1	27.3

Financial Ratios

	2016	2017	2018	2019	2020e	2021e	2022e
Cash Flow							
FCF	4.6	5.8	6.1	2.8	3.6	4.1	4.7
Free Cash Flow / Sales	2.3 %	2.8 %	3.0 %	1.3 %	1.9 %	2.0 %	2.3 %
Free Cash Flow Potential	11.6	12.3	1.8	9.7	12.0	14.0	14.2
Free Cash Flow / Net Profit	78.4 %	124.3 %	685.7 %	163.8 %	102.9 %	91.4 %	93.3 %
Interest Received / Avg. Cash	5.9 %	6.9 %	8.7 %	7.2 %	2.5 %	2.3 %	2.1 %
Interest Paid / Avg. Debt	4.2 %	4.7 %	3.4 %	4.0 %	0.6 %	0.6 %	0.6 %
Management of Funds							
Investment ratio	10.8 %	7.5 %	8.8 %	9.7 %	13.5 %	13.1 %	12.7 %
Maint. Capex / Sales	2.4 %	2.3 %	2.4 %	2.3 %	2.5 %	2.4 %	2.4 %
Capex / Dep	125.8 %	81.2 %	104.2 %	73.9 %	115.6 %	113.0 %	113.0 %
Avg. Working Capital / Sales	9.4 %	9.3 %	8.6 %	7.7 %	8.1 %	7.9 %	7.9 %
Trade Debtors / Trade Creditors	178.9 %	174.2 %	135.7 %	124.4 %	129.6 %	129.6 %	129.6 %
Inventory Turnover	8.6 x	9.7 x	9.1 x	8.2 x	8.1 x	8.1 x	8.1 x
Receivables collection period (days)	34	35	34	32	33	33	33
Payables payment period (days)	40	40	50	52	53	53	53
Cash conversion cycle (Days)	36	32	24	24	25	25	25

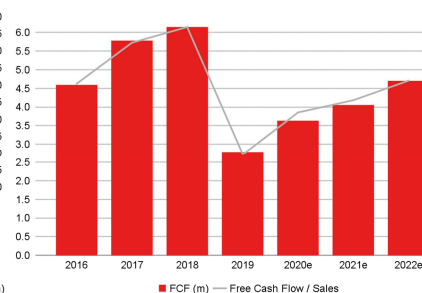
CAPEX and Cash Flow

in EUR m



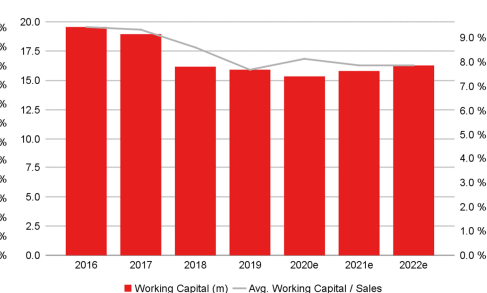
Free Cash Flow Generation

in EUR m



Working Capital

in EUR m



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

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

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

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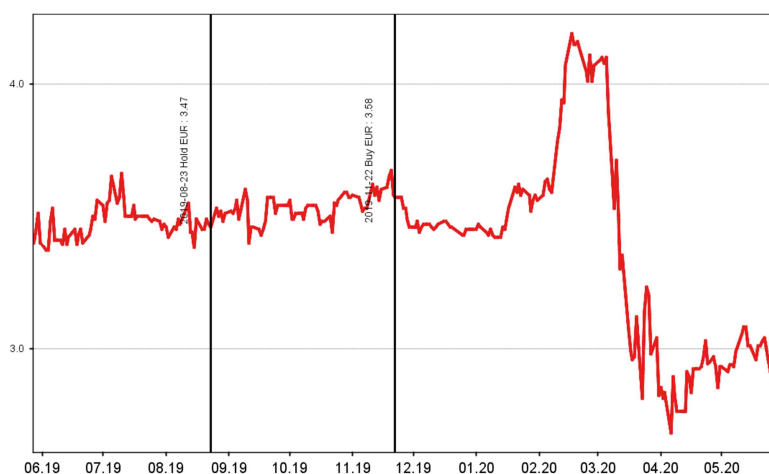
Rating	Number of stocks	% of Universe
Buy	130	63
Hold	59	29
Sell	9	4
Rating suspended	7	3
Total	205	100

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	34	81
Hold	5	12
Sell	0	0
Rating suspended	3	7
Total	42	100

PRICE AND RATING HISTORY FRANCOTYP-POSTALIA AS OF 27.05.2020



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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