

Buy (old: Buy)

Price target: EUR 27.00 (old: EUR 21.00)

Price:	EUR 18.73	Next result:	FY 15 May 2016
Bloomberg:	FLA:GR	Market cap:	EUR 314.9 m
Reuters:	FLAG.DE	Enterprise Value:	EUR 337.9 m

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Successful transformation becoming visible/chg. in est & PT

2015 was marked by the restructuring of the B2C online broker business incl. Aktionärsbank and the consolidation of the acquired XCOM/biw bank. Having reaped low hanging fruits in 2015, FinTech Group was able to significantly turn around its business (both B2B and B2C) and to streamline its operations boosting **EBITDA** (incl. interest income) to **€ 20m (eH&A '15)**. Equipped with the innovative XCOM/biw unit, biw Bank should be able to significantly increase its interest income while further cost streamlining **should allow to increase EBITDA to € 37.5m in 2016E**.

The FinTech Group is an innovative financial technology company offering its know-how and products to B2C and B2B customers. Backbone in its B2C unit is **flatex**, which is a leading German online retail broker that has started to disrupt the market in 2006. 150k retail customers value the offering for its competitive and convenient product. In the newly formed B2B segment, FinTech can bank on **XCOM** which is a leading provider of software and technology solutions for 250 institutions. Its BaFin regulated subsidiary **biw Bank** offers a wide range of white label banking solutions to the market.

For 2016E, we expect **sales to grow by 18% yoy to € 95m** driven by:

- Increasing marketing efforts and launch of a 'mobile first' solution for flatex to increase transactions. In 2015E, we forecast customer growth of 7% yoy to more than 150k while the customer base is seen to grow by > 10% in 2016E.
- Putting parts of the more than € 1bn of cash deposits (eH&A € 300-400m) at biw at work (e.g. technology based lending, special financing etc.) should allow generating an interest margin of up to 4% p.a. in the mid-term.
- XCOM's innovative firepower should allow to launch new product solutions (e.g. mobile payment system kesh) both for new and existing customers as well as for the entire FinTech Group including flatex.

The sound sales growth should translate into an increase in **EBITDA of € 37.5m in 2016E** fuelled by economies of scale and further cost savings.

Based on the sound growth prospects and positive restructuring effects, our PT is not affected by the **cut in sales/EPS estimates which are largely explained by intercompany sales adjustments and PPA related amortisation**. Moreover, we normalise the hurdle rate to 7.5% after the successful transformation is becoming visible. **BUY with a new PT of € 27 (old € 21) based on FCFY 2016E. continued...**

Y/E 31.12 (EUR m)	2011	2012	2013	2014	2015E	2016E	2017E
Sales	23.7	15.6	14.3	24.7	80.2	94.5	106.7
Sales growth	53 %	-34 %	-8 %	73 %	225 %	18 %	13 %
EBITDA	10.1	1.3	-0.3	-8.0	20.0	37.5	48.3
EBIT	8.8	0.1	-1.1	-9.5	13.8	30.5	41.3
Net income	5.8	-0.4	-1.2	-7.6	9.3	20.9	29.0
Net debt	-19.7	-9.7	-2.2	-0.6	23.0	0.7	-30.9
Net gearing	-85.2 %	-40.9 %	-61.9 %	-38.4 %	41.0 %	15.4 %	-8.1 %
Net Debt/EBITDA	0.0	0.0	0.0	0.0	1.2	0.0	0.0
EPS pro forma	0.41	-0.03	-0.09	-0.54	0.55	1.24	1.72
CPS	0.36	-0.16	0.20	0.37	0.84	1.44	1.93
DPS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dividend yield	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Gross profit margin	100.0 %	100.0 %	100.0 %	100.0 %	72.7 %	80.0 %	82.3 %
EBITDA margin	42.6 %	8.5 %	-2.3 %	-32.3 %	24.9 %	39.7 %	45.3 %
EBIT margin	37.2 %	0.5 %	-7.6 %	-38.5 %	17.2 %	32.3 %	38.7 %
ROCE	65.3 %	0.4 %	-4.0 %	-15.9 %	9.1 %	13.2 %	16.0 %
EV/sales	10.5	16.2	18.2	10.7	4.2	3.3	2.7
EV/EBITDA	24.6	191.8	-775.8	-33.1	16.9	8.4	5.9
EV/EBIT	28.2	2,991.0	-239.0	-27.8	24.5	10.3	6.9
PER	45.4	-659.1	-212.3	-34.6	33.9	15.1	10.9
Adjusted FCF yield	2.5 %	0.0 %	-0.2 %	-2.6 %	4.1 %	7.7 %	11.4 %

Source: Company data, Hauck & Aufhäuser Close price as of: 02.02.2016



Source: Company data, Hauck & Aufhäuser

High/low 52 weeks: 20.10 / 8.65

Price/Book Ratio: 3.1

Relative performance (SDAX):

3 months 45.9 %

6 months 39.0 %

12 months 109.0 %

Changes in estimates

		Sales	EBIT	EPS
2015	old:	105.1	6.3	0.63
	Δ	-23.7%	119.8%	-11.7%
2016	old:	130.2	28.7	1.64
	Δ	-27.4%	6.3%	-24.2%
2017	old:	159.0	40.9	2.11
	Δ	-32.9%	0.9%	-18.4%

Key share data:

Number of shares: (in m pcs) 16.8

Authorised capital: (in € m) 14.0

Book value per share: (in €) 6.0

Ø trading volume: (12 months) 16,500

Major shareholders:

GfBk mbH 40.1 %

Free float 37.3 %

Heliad Equity Partners 17.8 %

SafeCharge 4.8 %

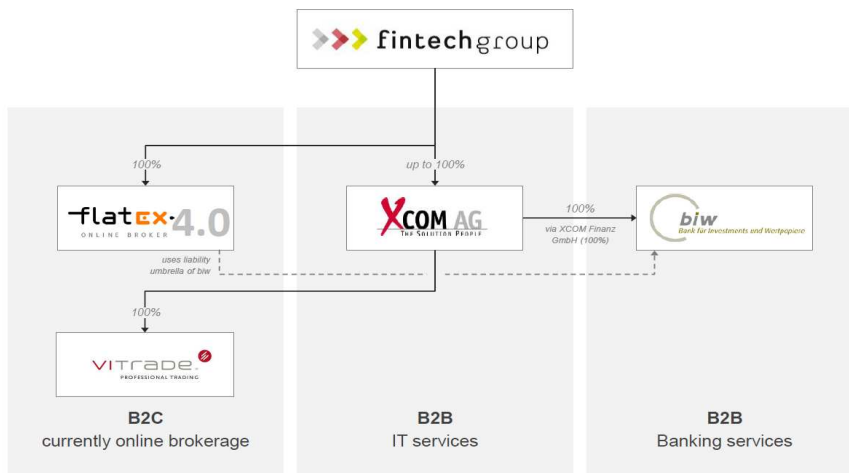
Company description:

FinTech is a German-based financial technology company and a leader in the German brokerage market.

FinTech Group AG

The German-based Fintech Group is an innovative financial technology company offering its know-how and products to B2C and B2B customers. Being in a major transformation process, the new management team is turning the group upside down forming two powerful business units (B2C and B2B) which are structured as follows:

FinTech Group new business structure (Jan 2016)



Source: Company data

- **B2C unit (60% of total 2016E sales):**

- **flatex:** The backbone of FinTech Group is flatex which is a German based online broker. In 2006, flatex has started to disrupt the German online broker market by introducing a fixed flat fee of € 5.90 per transaction for its customers.

Today, flatex holds a leading position in the German online broker market (# 2 in terms of trades and #3 in terms of customers). Its more than 150k retail customers value the company for its lean and simple pricing model. Typically, flatex serves highly active traders which especially value the cheap flat trading fee reflected in c. 6m (eH&A) trades in 2015 with an average amount of 40 trades per customer per year. In our view, active traders (c. 70% of the customer base) should do 60-70 trades p.a.

Serving exactly the needs of its niche customer group, **flatex** got rewarded by the German consumer testing magazine **‘Stiftung Warentest’ to be the first choice** for all who trade regularly.

To further monetise its well perceived and valued brand flatex, FinTech aims to **increase and optimise its marketing spending** which are currently c. € 2-3m mainly spent online (e.g. google). Increasing this to € 3-4m, in our view, should accelerate new customer growth to 15-20k p.a. which compares to historical levels of c. 10k p.a.

Furthermore, the introduction of a ‘mobile first’ solution should additionally attract customers and should allow to **increase the avg. number of trades** per customer from currently 40 p.a. by c. 10% yoy (eH&A) to 45-50 p.a.

Moreover, **new innovative product offerings** (e.g. ZinsPilot, debit cards) should increase the attractiveness for new and existing customers and hence increase customer loyalty and

most important the “share of consumer wallet”, in our view. As this is seen to come at limited costs, it should become value accretive in the near future.

Being mainly active in Germany (eH&A 95% of customer base) and Austria, a more active geographical expansion into the Austrian and Swiss market is seen to attract new customers of the German-speaking region. Even more, in our view, flatex’s fixed fee pricing model could be rolled out into and quickly adopted by new markets in Europe.

Overall, we assume these measures to increase revenues to **€ 20.8m with an incremental EBITDA contribution of c. € 2m to an EBITDA of € 12m in 2016E.**

- **ViTrade:** The **ViTrade** GmbH provides special offers to the niche group of heavy retail traders. The platform offers its customer base to trade a wide range of products like shares, CFDs, futures, SFDs, ETFs and ETCs. The platform also allows for algorithm based trading strategies. ViTrade’s trading system is provided by FinTechs biw bank guaranteeing a smooth and highly reliable order processing.

We assume stable revenues of c. € 4.5m contributing € 2m to group 2016E EBITDA.

- **New products** like the mobile payment system **kesh** show the innovative firepower of the company. Kesh is a mobile payment system for the point of sale (POS), online and P2P payments. Moreover, it provides users to withdraw money at an ATM or in a retail store with a smartphone. While still in the pilot phase, the system serves already 8.500 retail customers and 150 merchants. Already one DAX company is a customer and another large DAX company is interested in becoming a cooperation partner. During the pilot phase, the transaction volume amounted to > € 1m in 2015, according to FinTech Group.

Furthermore, kesh is offered as a white label solution to the market. In our view, a clear competitive advantage is the BaFin licensed payment solution that can bank on biw Bank in the backend for clearing. This provides a potential partner with a highly competitive, fast responding and external data secure mobile payment system.

As the system is still in an early stage, we have not reflected any EBITDA contribution in our estimates.

- **Aktionaersbank:** Before the acquisition of XCOM/biw bank in March 2015, FinTech applied for an own German banking license and set up Aktionaersbank at the end of 2013. The full service bank started operations by mid 2014, however is substantially burdened profitability of the group (€ 8m loss in 2015).

As the bank is offering a similar product portfolio compared to flatex and biw, Aktionaersbank became strategically irrelevant for FinTech and hence is **up for sale**. In our view, biw bank will act as the sole BaFin regulated German banking licensed backbone of the FinTech Group.

For **2015E**, we assume **Aktionaersbank to generate a loss of € 8m** which will not be reflected in the P&L as the bank is disclosed as discontinued operations (IFRS). We expect the

disposal of the Aktionaersbank to take place in Q1 for a price of around € 10m (eH&A). However, this is not yet reflected in our estimates.

Additionally, the deal should free up € 14m of regulatory capital, improve annual earnings and pool banking activities which should also release management capacity.

- **B2B unit (40% of total 2016E sales):** This unit comprises the latest acquisition XCOM Group which was purchased in March 2015. **XCOM** equipped the group with a leading software and technology platform in the field of innovative banking and financial service solutions with more than 250 institutional clients. The XCOM group operates four business lines: trading, e-banking, payment, banking.

On top of that, the XCOM subsidiary **biw Bank** is a German BaFin licensed bank offering a wide range of white label banking services to institutions managing > € 5bn AuM and **€ 1bn customer cash deposits (deriving mainly from flatex)**. biw is the settlement bank for flatex's customer deposit/cash accounts as well as partner of choice for other major financial institutions (e.g. IKB, pbb direkt, etc.).

FinTech's B2B service portfolio (Jan 2016)

 <p>Leading provider of software and technology solutions for banks and financial services companies in Europe with more than 250 clients</p>	
 <p>German BaFin licensed bank with full range of white label banking services (100% subsidiary of XCOM AG)</p>	
<p>Trading</p> <ul style="list-style-type: none"> - Trading system - Market maker system - Trading platforms - Market and price data supply <p>E-Banking</p> <ul style="list-style-type: none"> - Payment platform - SEPA platform incl. mandate management - Online banking - Secure transactions <p>Payment</p> <ul style="list-style-type: none"> - Payment services (physical and electronic) - Mobile payment "kesh" - Card processing - ATM operations (incl. mobile payment) <p>Banking</p> <ul style="list-style-type: none"> - Business process outsourcing (white-labeling) - Core banking - Reporting systems (client, regulatory, etc.) 	

Source: Company data

- We expect **XCOM's** technology and software capabilities to be the perfect innovation engine for the development of new fintech business lines under the roof of the group. Already today, XCOM is the technology provider for e.g. trading systems for financial institutions like Deutsche Bank, Commerzbank, HypoVereinsbank and Postbank.

In our view, the **largest source of sales and EBITDA growth potential is based on the more than € 1bn cash deposit biw has via flatex clients.**

For 2016E, FinTech plans to make better use of this source by building up a **technology-based lending business** such as P2P lending, payroll lending and consumer finance.

FinTech aims to generate an annual interest margin of up to 4% on parts of the € 1bn cash deposits (eH&A € 300-400m).

As the credit book is just starting to be built up, average interest margin for 2016E is expected to be at a lower interest margin level (eH&A 2% p.a.), while it should increase towards 4% p.a. once the credit book is fully set up.

Thanks to the latest capital increase of FinTech to strengthen the equity base of biw Bank (2015E € 35m) the potential loan book could be 12x the amount of equity. This would currently allow biw to operate a **max. loan book of c. € 400m**. At an **average margin of 2% p.a.**, this would yield **c. € 8m of additional EBITDA every year (included in our estimates)**.

- **Strategic partnerships:** In June 2015, FinTech entered a long-term agreement (until 2022) to outsource its **CFD business** (CefDex) to Commerzbank.

As part of the deal, Commerzbank took over the entire CFD order flow execution (as market maker) in Q4 2015. This is largely stemming from FinTech's own B2C online broker flatex. The deal makes Commerzbank the leading B2B CFD trading operator in Germany. In return, **FinTech received c. € 10m (eH&A) upfront and is seen to receive 40% of profits** p.a. until the termination of the agreement in 2022. Then the flow will fall back to FinTech. During the run-rate of the agreement, the company should hence continue to benefit from increasing CFD trading volumes in Germany through the profit sharing agreement.

Moreover, the wind-down of CefDex **reduces operating costs, frees up regulatory capital and reduces the overall risk exposure of the group**.

Overall, the deal should **contribute a mid single digit million amount to the bottom-line of the FinTech Group**.

Action: Following the significant repositioning of the company that resulted in the long-term agreement with Commerzbank for the CefDex business and showing the Aktionaersbank now as discontinued operations, we lower our sales expectations. This results in a total reduction of our sales estimates of up to 33% in 2017E.

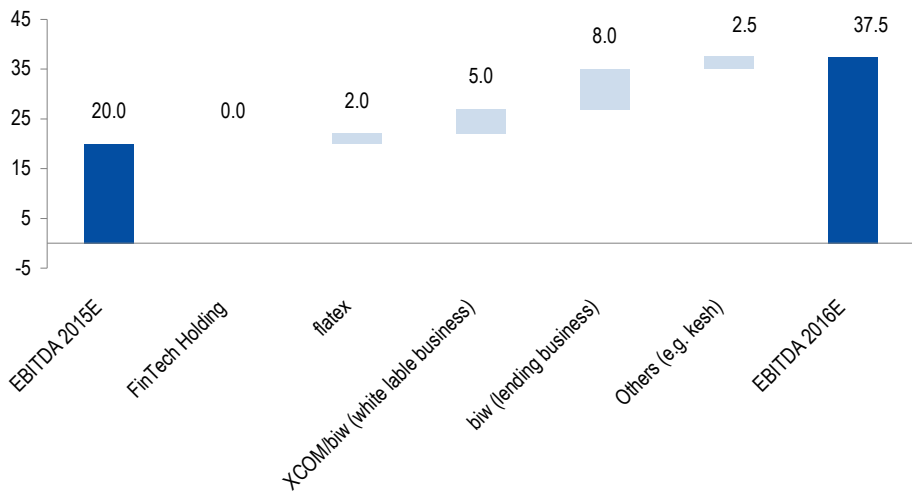
2015E EBIT benefits from the payment of € 10m from Commerzbank stemming from the long-term agreement for CefDex. The re-classification of c. € 8m net interest income from XCOM/biw which is now recognised above the EBITDA positively contributes to group EBITDA. This is partially compensated for by higher than initially expected PPA related amortisation. As a result, our EBIT estimates are increased by 6% in 2016E.

Higher PPA amortisation and somewhat higher than initially expected minorities for the former XCOM/biw owners of € 1m and € 2m in 2015E, 2016E and 2017E respectively, result in the reduction of up to 24% in our EPS forecasts.

As **reduced EPS estimates mainly reflect higher PPA related amortisation, the normalisation of the hurdle rate to 7.5% (previously 8.5%)** after the successful transformation is becoming visible, explains the **increase in our PT to € 27.00** (old € 21.00).

While restructuring measures should have materialised in significantly improved 2015E results (due to be reported in May 2016), the outlook for profitable growth looks promising. Operating a much more streamlined business model and facing ample growth opportunities along with internal business synergies, **we confirm our BUY rating with a new PT of € 27 (previously € 21) based on FCFY 2016E**.

FinTech EBITDA bridge (2015E-2016E)



Source: Company data; Hauck & Aufhäuser estimates

Financials

Profit and loss (EUR m)	2011	2012	2013	2014	2015E	2016E	2017E
Sales	23.7	15.6	14.3	24.7	80.2	94.5	106.7
Sales growth	53.1 %	-34.4 %	-8.2 %	72.8 %	224.8 %	17.9 %	12.9 %
Cost of sales	0.0	0.0	0.0	0.0	21.9	18.9	18.9
Gross profit	23.7	15.6	14.3	24.7	58.3	75.6	87.8
Sales and marketing	0.0	0.0	1.4	0.0	6.0	9.0	11.5
General and administration	3.8	4.5	5.5	11.7	30.4	20.4	20.9
Research and development	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other operating income	0.4	0.5	0.4	1.2	22.6	14.7	14.6
Other operating expenses	10.2	10.2	8.1	22.1	24.5	23.4	21.7
Unusual or infrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	10.1	1.3	-0.3	-8.0	20.0	37.5	48.3
Depreciation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITA	10.1	1.3	-0.3	-8.0	20.0	37.5	48.3
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	1.3	1.2	0.8	1.5	6.2	7.0	7.0
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	8.8	0.1	-1.1	-9.5	13.8	30.5	41.3
Interest income	0.3	0.3	0.0	0.0	0.0	0.0	0.0
Interest expenses	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Other financial result	0.2	0.1	0.2	0.0	0.0	0.0	0.0
Financial result	0.1	0.2	-0.2	0.0	0.0	0.0	0.0
Recurring pretax income from continuing operations	8.9	0.2	-1.3	-9.5	13.8	30.5	41.3
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	8.9	0.2	-1.3	-9.5	13.8	30.5	41.3
Taxes	2.6	0.2	-0.1	-1.8	3.5	7.6	10.3
Net income from continuing operations	6.3	0.0	-1.2	-7.6	10.3	22.9	31.0
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	6.3	0.0	-1.2	-7.6	10.3	22.9	31.0
Minority interest	0.5	0.4	0.0	0.0	1.0	2.0	2.0
Net income (net of minority interest)	5.8	-0.4	-1.2	-7.6	9.3	20.9	29.0
Average number of shares	14.0	14.0	14.0	14.1	16.8	16.8	16.8
EPS reported	0.41	-0.03	-0.09	-0.54	0.55	1.24	1.72

Profit and loss (common size)	2011	2012	2013	2014	2015E	2016E	2017E
Sales	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Cost of sales	0.0 %	0.0 %	0.0 %	0.0 %	27.3 %	20.0 %	17.7 %
Gross profit	100.0 %	100.0 %	100.0 %	100.0 %	72.7 %	80.0 %	82.3 %
Sales and marketing	0.0 %	0.0 %	9.7 %	0.0 %	7.5 %	9.5 %	10.8 %
General and administration	16.1 %	28.9 %	38.6 %	47.5 %	37.9 %	21.6 %	19.6 %
Research and development	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other operating income	1.6 %	3.1 %	2.9 %	4.8 %	28.2 %	15.6 %	13.7 %
Other operating expenses	42.9 %	65.7 %	56.9 %	89.6 %	30.6 %	24.8 %	20.3 %
Unusual or infrequent items	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBITDA	42.6 %	8.5 %	-2.3 %	-32.3 %	24.9 %	39.7 %	45.3 %
Depreciation	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBITA	42.6 %	8.5 %	-2.3 %	-32.3 %	24.9 %	39.7 %	45.3 %
Amortisation of goodwill	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Amortisation of intangible assets	5.4 %	7.9 %	5.3 %	6.1 %	7.7 %	7.4 %	6.6 %
Impairment charges	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBIT	37.2 %	0.5 %	-7.6 %	-38.5 %	17.2 %	32.3 %	38.7 %
Interest income	1.1 %	1.8 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Interest expenses	0.0 %	0.0 %	0.5 %	0.0 %	0.0 %	0.0 %	0.0 %
Other financial result	0.7 %	0.7 %	1.3 %	0.0 %	0.0 %	0.0 %	0.0 %
Financial result	0.3 %	1.0 %	-1.6 %	0.0 %	0.0 %	0.0 %	0.0 %
Recurring pretax income from continuing operations	37.5 %	1.5 %	-9.2 %	-38.5 %	17.2 %	32.3 %	38.7 %
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Earnings before taxes	37.5 %	1.5 %	-9.2 %	-38.5 %	17.2 %	32.3 %	38.7 %
Tax rate	29.4 %	82.2 %	6.5 %	19.5 %	25.4 %	25.0 %	25.0 %
Net income from continuing operations	26.5 %	0.3 %	-8.6 %	-31.0 %	12.8 %	24.2 %	29.0 %
Result from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income	26.5 %	0.3 %	-8.6 %	-31.0 %	12.8 %	24.2 %	29.0 %
Minority interest	2.1 %	2.8 %	0.0 %	0.0 %	1.2 %	2.1 %	1.9 %
Net income (net of minority interest)	24.3 %	-2.6 %	-8.6 %	-31.0 %	11.6 %	22.1 %	27.2 %

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2011	2012	2013	2014	2015E	2016E	2017E
Intangible assets	1.3	3.0	5.3	4.3	72.4	70.1	66.3
Property, plant and equipment	0.9	1.3	1.3	1.0	8.3	11.1	14.3
Financial assets	4.6	3.4	1.2	0.0	284.0	284.0	284.0
FIXED ASSETS	6.8	7.6	7.9	5.3	364.7	365.3	364.7
Inventories	0.0	0.0	0.0	0.0	1.3	1.3	1.3
Accounts receivable	2.1	1.8	19.7	34.9	34.9	34.9	34.9
Other current assets	0.2	1.6	1.8	2.7	344.3	344.3	344.3
Liquid assets	16.4	5.6	19.2	46.6	294.3	316.6	348.2
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred charges and prepaid expenses	0.1	0.3	2.5	4.3	8.3	8.3	8.3
CURRENT ASSETS	18.9	9.2	43.1	88.5	683.1	705.4	737.0
TOTAL ASSETS	25.7	16.8	51.0	93.9	1,047.8	1,070.7	1,101.7
SHAREHOLDERS EQUITY	19.3	13.6	30.5	44.8	100.9	123.8	154.8
MINORITY INTEREST	1.3	0.8	0.0	0.0	0.0	0.0	0.0
Long-term debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Provisions for pensions and similar obligations	3.6	1.6	7.0	7.7	13.8	13.8	13.8
Other provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	3.6	1.6	7.0	7.7	13.8	13.8	13.8
short-term liabilities to banks	0.0	0.0	0.3	29.4	104.7	104.7	104.7
Accounts payable	0.9	0.7	0.1	0.0	0.0	0.0	0.0
Advance payments received on orders	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities (incl. from lease and rental contracts)	0.6	0.1	12.5	11.6	827.1	827.1	827.1
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred income	0.0	0.0	0.5	0.4	1.3	1.3	1.3
Current liabilities	1.5	0.8	13.5	41.4	933.1	933.1	933.1
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	25.7	16.8	51.0	93.9	1,047.8	1,070.7	1,101.7

Balance sheet (common size)	2011	2012	2013	2014	2015E	2016E	2017E
Intangible assets	5.0 %	17.7 %	10.5 %	4.6 %	6.9 %	6.5 %	6.0 %
Property, plant and equipment	3.6 %	7.5 %	2.5 %	1.1 %	0.8 %	1.0 %	1.3 %
Financial assets	17.9 %	19.9 %	2.4 %	0.0 %	27.1 %	26.5 %	25.8 %
FIXED ASSETS	26.5 %	45.1 %	15.4 %	5.7 %	34.8 %	34.1 %	33.1 %
Inventories	0.0 %	0.0 %	0.0 %	0.0 %	0.1 %	0.1 %	0.1 %
Accounts receivable	8.1 %	10.4 %	38.6 %	37.2 %	3.3 %	3.3 %	3.2 %
Other current assets	0.8 %	9.4 %	3.5 %	2.8 %	32.9 %	32.2 %	31.3 %
Liquid assets	63.9 %	33.0 %	37.7 %	49.6 %	28.1 %	29.6 %	31.6 %
Deferred taxes	0.2 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Deferred charges and prepaid expenses	0.4 %	2.1 %	4.9 %	4.6 %	0.8 %	0.8 %	0.8 %
CURRENT ASSETS	73.5 %	54.9 %	84.6 %	94.3 %	65.2 %	65.9 %	66.9 %
TOTAL ASSETS	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
SHAREHOLDERS EQUITY	75.0 %	80.9 %	59.9 %	47.7 %	9.6 %	11.6 %	14.0 %
MINORITY INTEREST	4.9 %	4.9 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Long-term debt	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Provisions for pensions and similar obligations	14.2 %	9.3 %	13.7 %	8.2 %	1.3 %	1.3 %	1.3 %
Other provisions	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Non-current liabilities	14.2 %	9.3 %	13.7 %	8.2 %	1.3 %	1.3 %	1.3 %
short-term liabilities to banks	0.0 %	0.0 %	0.6 %	31.3 %	10.0 %	9.8 %	9.5 %
Accounts payable	3.5 %	4.2 %	0.3 %	0.0 %	0.0 %	0.0 %	0.0 %
Advance payments received on orders	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other liabilities (incl. from lease and rental contracts)	2.4 %	0.7 %	24.5 %	12.3 %	78.9 %	77.2 %	75.1 %
Deferred taxes	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Deferred income	0.0 %	0.0 %	1.0 %	0.5 %	0.1 %	0.1 %	0.1 %
Current liabilities	5.9 %	4.9 %	26.4 %	44.1 %	89.1 %	87.1 %	84.7 %
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

Source: Company data, Hauck & Aufhäuser

Cash flow statement (EUR m)	2011	2012	2013	2014	2015E	2016E	2017E
Net profit/loss	6.3	0.0	-1.2	-7.6	10.3	22.9	31.0
Depreciation of fixed assets (incl. leases)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	1.3	1.2	0.8	1.5	6.2	7.0	7.0
Others	0.0	-2.4	7.0	7.5	0.0	0.0	0.0
Cash flow from operations before changes in w/c	7.6	-1.2	6.6	1.4	16.5	29.9	38.0
Increase/decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in accounts receivable	-2.1	0.3	-17.9	-15.2	0.0	0.0	0.0
Increase/decrease in accounts payable	0.9	-0.2	-0.6	-0.1	0.1	0.0	0.0
Increase/decrease in other working capital positions	0.0	0.0	15.0	20.0	0.0	0.0	0.0
Increase/decrease in working capital	-1.2	0.2	-3.5	4.6	0.1	0.0	0.0
Cash flow from operating activities	6.4	-1.0	3.0	6.0	16.6	29.9	38.0
CAPEX	0.0	4.8	4.3	0.3	10.8	7.6	6.4
Payments for acquisitions	0.0	0.0	0.0	0.0	61.4	0.0	0.0
Financial investments	0.0	-1.0	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	0.0	0.0	5.4	0.0	9.0	0.0	0.0
Cash flow from investing activities	0.0	-3.7	1.1	-0.3	-63.2	-7.6	-6.4
Cash flow before financing	6.4	-4.8	4.1	5.7	-46.6	22.3	31.6
Increase/decrease in debt position	0.0	0.0	0.0	0.0	53.0	0.0	0.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	-6.2	9.5	21.8	9.9	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	231.4	0.0	0.0
Effects of exchange rate changes on cash	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from financing activities	0.0	-6.2	9.5	21.8	294.2	0.0	0.0
Increase/decrease in liquid assets	6.4	-10.9	13.6	27.5	247.6	22.3	31.6
Liquid assets at end of period	12.3	5.6	19.2	46.7	294.3	316.6	348.2

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2011	2012	2013	2014	2015E	2016E	2017E
P&L growth analysis							
Sales growth	53.1 %	-34.4 %	-8.2 %	72.8 %	224.8 %	17.9 %	12.9 %
EBITDA growth	109.5 %	-87.0 %	-125.5 %	2281.3 %	-350.5 %	87.7 %	28.8 %
EBIT growth	131.1 %	-99.0 %	-1388.4 %	773.1 %	-245.2 %	121.4 %	35.4 %
EPS growth	103.2 %	-106.9 %	210.4 %	514.0 %	-201.9 %	125.0 %	38.8 %
Efficiency							
Total operating costs / sales	57.4 %	91.5 %	102.3 %	132.3 %	47.8 %	40.3 %	37.0 %
Sales per employee	448.1	266.2	170.1	470.3	294.2	378.0	485.0
EBITDA per employee	191.0	22.5	-4.0	-152.0	73.3	150.0	219.5
Balance sheet analysis							
Avg. working capital / sales	5.2 %	7.4 %	72.1 %	110.3 %	44.4 %	38.3 %	33.9 %
Inventory turnover (sales/inventory)	n/a	n/a	n/a	n/a	61.7	61.7	61.7
Trade debtors in days of sales	32.2	41.1	502.9	516.3	159.0	134.9	119.5
A/P turnover [(A/P*365)/sales]	n/a	n/a	n/a	n/a	0.0	0.0	0.0
Cash conversion cycle (days)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Cash flow analysis							
Free cash flow	6.4	-5.8	-1.2	5.7	5.8	22.3	31.6
Free cash flow/sales	26.8 %	-37.1 %	-8.6 %	22.9 %	7.2 %	23.6 %	29.6 %
FCF / net profit	110.3 %	1451.6 %	100.0 %	-74.0 %	62.0 %	106.9 %	109.0 %
Capex / depre	0.0 %	304.4 %	566.5 %	22.2 %	174.7 %	108.1 %	91.5 %
Capex / maintenance capex	0.0 %	126.7 %	156.4 %	13.7 %	113.2 %	50.6 %	57.2 %
Capex / sales	0.0 %	24.1 %	29.8 %	1.4 %	13.5 %	8.0 %	6.0 %
Security							
Net debt	-19.7	-9.7	-2.2	-0.6	23.0	0.7	-30.9
Net Debt/EBITDA	0.0	0.0	0.0	0.0	1.2	0.0	0.0
Net debt / equity	-1.0	-0.7	-0.1	0.0	0.2	0.0	-0.2
Interest cover	999.0	999.0	0.0	999.0	999.0	999.0	999.0
Dividend payout ratio	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Asset utilisation							
Capital employed turnover	1.0	1.0	0.4	0.3	0.4	0.4	0.4
Operating assets turnover	11.1	6.7	0.7	0.7	1.8	2.0	2.1
Plant turnover	25.6	12.4	11.0	23.7	9.7	8.5	7.4
Inventory turnover (sales/inventory)	n/a	n/a	n/a	n/a	61.7	61.7	61.7
Returns							
ROCE	65.3 %	0.4 %	-4.0 %	-15.9 %	9.1 %	13.2 %	16.0 %
ROE	30.0 %	-2.9 %	-4.0 %	-17.1 %	9.2 %	16.9 %	18.7 %
Other							
Interest paid / avg. debt	n/a	n/a	23.1 %	0.0 %	0.0 %	0.0 %	0.0 %
No. employees (average)	53	59	84	53	273	250	220
Number of shares	14.0	14.0	14.0	16.8	16.8	16.8	16.8
DPS	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EPS reported	0.41	-0.03	-0.09	-0.54	0.55	1.24	1.72
Valuation ratios							
P/BV	13.6	19.3	8.6	5.9	3.1	2.5	2.0
EV/sales	10.5	16.2	18.2	10.7	4.2	3.3	2.7
EV/EBITDA	24.6	191.8	-775.8	-33.1	16.9	8.4	5.9
EV/EBITA	24.6	191.8	-775.8	-33.1	16.9	8.4	5.9
EV/EBIT	28.2	2991.0	-239.0	-27.8	24.5	10.3	6.9
EV/FCF	39.1	-43.7	-210.5	46.6	58.7	14.1	9.0
Adjusted FCF yield	2.5 %	0.0 %	-0.2 %	-2.6 %	4.1 %	7.7 %	11.4 %
Dividend yield	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %

Source: Company data, Hauck & Aufhäuser

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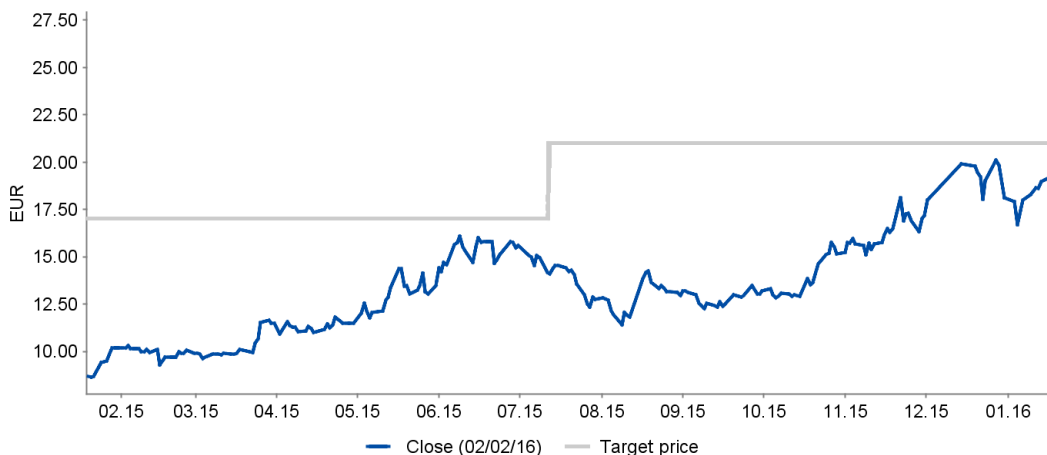
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Company	Disclosure
FinTech Group AG	3, 5, 8

Historical target price and rating changes for FinTech Group AG in the last 12 months

Price and Rating History
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