



Buy (old: Buy)

Price target: EUR 39.00 (old: EUR 39.00)

Price: EUR 23.75 **Next result:** FY 2019 tbd
Bloomberg: FTK GR **Market cap:** EUR 464.4 m
Reuters: FTKG.DE **Enterprise Value:** EUR 376.7 m

08-October-19

Catharina Claes
Analyst

Catharina.claes@ha-ib.de
Tel.: +49 40 450 6342 3092

High customer growth to push guidance; est. chg.

The expansion to the Netherlands faces unbroken demand. Coupled with continuously high customer growth in Germany and Austria (35k), flatex has already reached its full year target of 60k new customers just after nine months. Additionally, the company is seen to extend the expansion to Eastern Europe in 2021E.

High customer growth and increased trading activity in Netherlands: With 10k new customers in September alone, flatex has now reached 33k customers in the Netherlands, as much as we initially expected for three new countries by the end of 2020E (Netherlands, Spain and France). Moreover, with 60-70 trades per year (eH&A), these customers also trade more than those in Germany and Austria (40-50x p.a.), which was taken as a blueprint for the Netherlands so far. Consequently, we have raised our revenue estimates slightly, which also poses upside to management's guidance.

Spain slightly delayed but further expansion likely: Spain is now announced to be entered on 02 January 2020, instead of end of Q4 (eH&A). Hence, we assume a slight shift of part of the start-up costs into 2020 from 2019 (c. € 1m, eH&A). Management also indicated that a fourth country could be entered in 2020E, should the expansion continue to go smoothly. Additionally, Eastern Europe is seen to be the next target in 2021 (eH&A). Consequently, we lower our 2020-21E earnings estimates.

Mid-term targets confirm attractiveness for potential take-over: After announcing a mid-term guidance of € 250m revenues and € 125m EBITDA by 2024, flatex extended this outlook to the number of customers. Now aiming for 1m customers by the end of 2024 (currently 313k) provides upside to said mid-term guidance with a current revenue of € 273 p.a. per customer (excl. higher trading activity in the Netherlands). This should bode well for negotiations with potential investors. According to the company, Lazard is progressing on the potential execution of strategic options with flatex.

Action: We raised our sales estimates slightly to reflect higher customer growth and trading activity, while lowering earnings estimates due to the extended expansion and negative implications from higher D&A due to MiFID II effects.

In our view, the management guidance of > € 138m revenues in 2019E looks conservative (€ 147m eH&A), especially due to 1) a seasonally stronger H2, and most importantly, 2) higher customer growth than expected.

We reiterate our BUY recommendation with a PT of € 39 based on FCFY.

Y/E 31.12 (EUR m)	2015	2016	2017	2018	2019E	2020E	2021E
Sales	75.2	95.0	107.0	125.1	146.6	172.3	196.4
Sales growth	339 %	26 %	13 %	17 %	17 %	17 %	14 %
EBITDA	19.7	30.6	32.1	42.4	46.0	56.9	68.8
EBIT	17.2	25.5	26.5	34.2	35.1	44.4	54.8
Net income	-1.7	8.4	16.8	21.0	22.5	29.4	35.5
Net debt	-0.6	-26.8	-42.8	-80.5	-87.7	-108.4	-136.6
Net gearing	-240.1 %	-59.5 %	-65.6 %	-228.8 %	-223.9 %	-214.0 %	-202.2 %
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EPS pro forma	0.88	0.97	0.97	1.12	1.15	1.50	1.82
CPS	-3.43	-8.81	-0.25	1.21	1.15	1.50	1.82
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	82.0 %	73.2 %	71.0 %	70.5 %	74.0 %	75.5 %	76.0 %
EBITDA margin	26.3 %	32.2 %	30.0 %	33.9 %	31.4 %	33.0 %	35.0 %
EBIT margin	23.0 %	26.8 %	24.8 %	27.3 %	23.9 %	25.8 %	27.9 %
ROCE	10.7 %	11.4 %	12.2 %	14.4 %	13.6 %	16.4 %	19.4 %
EV/sales	5.0	3.9	3.5	2.9	2.6	2.1	1.7
EV/EBITDA	19.1	12.2	11.6	8.6	8.2	6.3	4.8
EV/EBIT	21.8	14.6	14.1	10.7	10.7	8.0	6.0
PER	26.9	24.4	24.4	21.1	20.7	15.8	13.1
Adjusted FCF yield	4.2 %	6.1 %	5.3 %	6.8 %	6.8 %	8.9 %	12.1 %

Source: Company data, Hauck & Aufhäuser Close price as of: 07.10.2019



Source: Company data, Hauck & Aufhäuser

High/low 52 weeks: 29.00 / 15.22
Price/Book Ratio: 3.0
Relative performance (SDAX):
3 months 8.1 %
6 months 16.0 %
12 months -

Changes in estimates

		Sales	EBIT	EPS
2019	old:	145.1	36.6	1.20
	Δ	1.1%	-4.3%	-4.6%
2020	old:	171.8	50.8	1.73
	Δ	0.3%	-12.6%	-13.2%
2021	old:	195.8	65.5	2.20
	Δ	0.3%	-16.4%	-17.4%

Key share data:

Number of shares: (in m pcs) 19.6
Authorised capital: (in € m) 14.0
Book value per share: (in €) 8.0
Ø trading volume: (12 months) 20,000

Major shareholders:

Free float 56.5 %
GfBk mbH 23.7 %
Heliad Equity Partners 9.9 %
Oesterr. Post (Austria Post) 6.3 %
Management 4.0 %
Morgan Stanley 3.7 %

Company description:

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

Financials

Profit and loss (EUR m)	2015	2016	2017	2018	2019E	2020E	2021E
Sales	75.2	95.0	107.0	125.1	146.6	172.3	196.4
<i>Sales growth</i>	338.7 %	26.4 %	12.6 %	16.9 %	17.2 %	17.5 %	14.0 %
Cost of sales	13.6	25.5	31.0	36.8	38.1	42.2	47.1
Gross profit	61.6	69.5	76.0	88.3	108.5	130.1	149.3
Sales and marketing	2.9	0.0	0.0	0.0	0.0	0.0	0.0
General and administration	23.8	19.5	23.1	21.9	33.1	37.0	39.3
Research and development	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other operating income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other operating expenses	15.2	19.4	20.8	24.0	29.3	36.2	41.3
Unusual or infrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	19.7	30.6	32.1	42.4	46.0	56.9	68.8
Depreciation	2.5	5.2	0.0	0.0	0.0	0.0	0.0
EBITA	17.2	25.5	32.1	42.4	46.0	56.9	68.8
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	5.6	8.2	11.0	12.5	14.0
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT (inc revaluation net)	17.2	25.5	26.5	34.2	35.1	44.4	54.8
Interest income	0.0	0.0	0.4	0.0	0.0	0.0	0.0
Interest expenses	2.7	1.2	1.7	2.2	3.0	2.4	4.0
Other financial result	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial result	-2.7	-1.2	-1.3	-2.2	-3.0	-2.4	-4.0
Recurring pretax income from continuing operations	14.6	24.2	25.2	32.0	32.1	42.0	50.8
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	14.6	24.2	25.2	32.0	32.1	42.0	50.8
Taxes	1.0	4.0	8.2	11.0	9.6	12.6	15.2
Net income from continuing operations	13.6	20.3	17.0	21.0	22.5	29.4	35.5
Result from discontinued operations (net of tax)	15.8	8.0	0.2	0.0	0.0	0.0	0.0
Net income	-2.2	8.4	16.8	21.0	22.5	29.4	35.5
Minority interest	-0.4	3.9	0.0	0.0	0.0	0.0	0.0
Net profit (reported)	-1.7	8.4	16.8	21.0	22.5	29.4	35.5
Average number of shares	15.9	16.8	17.5	18.7	19.6	19.6	19.6
EPS reported	-0.11	0.50	0.96	1.12	1.15	1.50	1.82

Profit and loss (common size)	2015	2016	2017	2018	2019E	2020E	2021E
Sales	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Cost of sales	18.0 %	26.8 %	29.0 %	29.5 %	26.0 %	24.5 %	24.0 %
Gross profit	82.0 %	73.2 %	71.0 %	70.5 %	74.0 %	75.5 %	76.0 %
Sales and marketing	3.8 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
General and administration	31.6 %	20.5 %	21.6 %	17.5 %	22.6 %	21.5 %	20.0 %
Research and development	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other operating income	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other operating expenses	20.2 %	20.4 %	19.5 %	19.2 %	20.0 %	21.0 %	21.0 %
Unusual or infrequent items	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBITDA	26.3 %	32.2 %	30.0 %	33.9 %	31.4 %	33.0 %	35.0 %
Depreciation	3.3 %	5.4 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBITA	22.9 %	26.8 %	30.0 %	33.9 %	31.4 %	33.0 %	35.0 %
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 %	5.2 %	6.5 %	7.5 %	7.2 %	7.1 %
Impairment charges	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBIT (inc revaluation net)	22.9 %	26.8 %	24.8 %	27.3 %	23.9 %	25.8 %	27.9 %
Interest income	0.0 %	0.0 %	0.4 %	0.0 %	0.0 %	0.0 %	0.0 %
Interest expenses	3.6 %	1.3 %	1.6 %	1.7 %	2.0 %	1.4 %	2.0 %
Other financial result	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Financial result	neg.	neg.	neg.	neg.	neg.	neg.	neg.
Recurring pretax income from continuing operations	19.4 %	25.5 %	23.5 %	25.6 %	21.9 %	24.4 %	25.8 %
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Earnings before taxes	19.4 %	25.5 %	23.5 %	25.6 %	21.9 %	24.4 %	25.8 %
Tax rate	6.7 %	16.3 %	32.5 %	34.3 %	30.0 %	30.0 %	30.0 %
Net income from continuing operations	18.1 %	21.3 %	15.9 %	16.8 %	15.3 %	17.1 %	18.1 %
Result from discontinued operations (net of tax)	21.0 %	8.4 %	0.2 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income	neg.	8.9 %	15.7 %	16.8 %	15.3 %	17.1 %	18.1 %
Minority interest	neg.	4.1 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net profit (reported)	neg.	8.9 %	15.7 %	16.8 %	15.3 %	17.1 %	18.1 %

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2015	2016	2017	2018	2019E	2020E	2021E
Intangible assets	54.3	57.3	63.0	59.8	56.1	48.9	40.8
Property, plant and equipment	5.4	5.6	7.0	9.5	12.4	15.9	19.8
Financial assets	131.8	0.8	1.0	1.0	1.0	1.0	1.0
FIXED ASSETS	191.4	63.7	70.9	70.2	69.5	65.7	61.5
Inventories	1.1	0.3	0.1	0.1	0.1	0.1	0.1
Accounts receivable	30.0	8.5	7.6	7.6	7.6	7.6	7.6
Other current assets	437.8	1,060.7	631.8	631.8	631.8	631.8	631.8
Liquid assets	541.3	389.2	397.0	434.7	441.9	462.6	490.8
Deferred taxes	4.9	6.5	0.0	0.0	0.0	0.0	0.0
Deferred charges and prepaid expenses	1.7	5.0	0.0	0.0	0.0	0.0	0.0
CURRENT ASSETS	1,016.8	1,470.3	1,036.6	1,074.3	1,081.5	1,102.2	1,130.4
TOTAL ASSETS	1,208.2	1,534.0	1,107.4	1,144.5	1,151.0	1,167.8	1,191.9
SHAREHOLDERS EQUITY	73.2	75.6	112.7	149.8	156.2	173.1	197.2
MINORITY INTEREST	12.7	15.1	0.0	0.0	0.0	0.0	0.0
Long-term debt	7.2	110.4	31.1	31.1	31.1	31.1	31.1
Provisions for pensions and similar obligations	4.3	7.5	7.2	7.2	7.2	7.2	7.2
Other provisions	4.8	4.4	6.6	6.6	6.6	6.6	6.6
Non-current liabilities	16.3	122.3	44.8	44.8	44.8	44.8	44.8
short-term liabilities to banks	127.4	2.9	61.0	61.0	61.0	61.0	61.0
Accounts payable	13.4	5.8	1.0	1.0	1.0	1.0	1.0
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)	956.8	1,296.7	885.1	885.1	885.1	885.1	885.1
Deferred taxes	8.5	15.6	2.8	2.8	2.8	2.8	2.8
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current liabilities	1,106.1	1,321.0	949.9	949.9	949.9	949.9	949.9
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	1,208.2	1,534.0	1,107.4	1,144.5	1,150.9	1,167.8	1,191.9

Balance sheet (common size)	2015	2016	2017	2018	2019E	2020E	2021E
Intangible assets	4.5 %	3.7 %	5.7 %	5.2 %	4.9 %	4.2 %	3.4 %
Property, plant and equipment	0.4 %	0.4 %	0.6 %	0.8 %	1.1 %	1.4 %	1.7 %
Financial assets	10.9 %	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %
FIXED ASSETS	15.8 %	4.2 %	6.4 %	6.1 %	6.0 %	5.6 %	5.2 %
Inventories	0.1 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Accounts receivable	2.5 %	0.6 %	0.7 %	0.7 %	0.7 %	0.7 %	0.6 %
Other current assets	36.2 %	69.1 %	57.1 %	55.2 %	54.9 %	54.1 %	53.0 %
Liquid assets	44.8 %	25.4 %	35.8 %	38.0 %	38.4 %	39.6 %	41.2 %
Deferred taxes	0.4 %	0.4 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Deferred charges and prepaid expenses	0.1 %	0.3 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
CURRENT ASSETS	84.2 %	95.8 %	93.6 %	93.9 %	94.0 %	94.4 %	94.8 %
TOTAL ASSETS	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
SHAREHOLDERS EQUITY	6.1 %	4.9 %	10.2 %	13.1 %	13.6 %	14.8 %	16.5 %
MINORITY INTEREST	1.1 %	1.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Long-term debt	0.6 %	7.2 %	2.8 %	2.7 %	2.7 %	2.7 %	2.6 %
Provisions for pensions and similar obligations	0.4 %	0.5 %	0.7 %	0.6 %	0.6 %	0.6 %	0.6 %
Other provisions	0.4 %	0.3 %	0.6 %	0.6 %	0.6 %	0.6 %	0.6 %
Non-current liabilities	1.4 %	8.0 %	4.0 %	3.9 %	3.9 %	3.8 %	3.8 %
short-term liabilities to banks	10.5 %	0.2 %	5.5 %	5.3 %	5.3 %	5.2 %	5.1 %
Accounts payable	1.1 %	0.4 %	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %
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)	79.2 %	84.5 %	79.9 %	77.3 %	76.9 %	75.8 %	74.3 %
Deferred taxes	0.7 %	1.0 %	0.3 %	0.2 %	0.2 %	0.2 %	0.2 %
Deferred income	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Current liabilities	91.5 %	86.1 %	85.8 %	83.0 %	82.5 %	81.3 %	79.7 %
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)	2015	2016	2017	2018	2019E	2020E	2021E
Net profit/loss	-2.2	20.3	17.0	21.0	22.5	29.4	35.5
Depreciation of fixed assets (incl. leases)	7.5	5.2	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	0.0	0.0	5.6	8.2	11.0	12.5	14.0
Others	3.0	-159.5	-18.8	0.0	0.0	0.0	0.0
Cash flow from operations before changes in w/c	8.3	-134.1	3.8	29.2	33.4	41.9	49.5
Increase/decrease in inventory	0.0	0.0	0.2	0.0	0.0	0.0	0.0
Increase/decrease in accounts receivable	15.8	17.9	0.9	0.0	0.0	0.0	0.0
Increase/decrease in accounts payable	-75.6	-13.0	-4.9	0.0	0.0	0.0	0.0
Increase/decrease in other working capital positions	0.0	-14.8	0.0	0.0	0.0	0.0	0.0
Increase/decrease in working capital	-59.8	-9.9	-3.7	0.0	0.0	0.0	0.0
Cash flow from operating activities	-51.5	-144.0	0.1	29.2	33.4	41.9	49.5
CAPEX	3.7	8.0	12.6	7.5	10.3	8.6	9.8
Payments for acquisitions	43.6	0.0	0.0	0.0	0.0	0.0	0.0
Financial investments	1.1	0.0	0.0	0.0	35.0	12.5	12.5
Income from asset disposals	0.0	-1.2	0.0	0.0	0.0	0.0	0.0
Cash flow from investing activities	-48.3	-9.2	-12.6	-7.5	-45.3	-21.1	-22.3
Cash flow before financing	-99.8	-153.2	-12.5	21.7	-11.8	20.7	27.2
Increase/decrease in debt position	0.0	-1.8	15.5	0.0	0.0	0.0	0.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	20.1	0.0	4.8	35.0	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Others	0.1	2.9	0.0	0.0	0.0	0.0	0.0
Effects of exchange rate changes on cash	559.4	0.0	0.0	0.0	0.0	0.0	1.0
Cash flow from financing activities	20.2	1.1	20.3	35.0	0.0	0.0	0.0
Increase/decrease in liquid assets	479.8	-152.1	7.8	56.7	-11.8	20.7	28.2
Liquid assets at end of period	541.3	389.2	397.0	453.7	441.9	462.6	490.8

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2015	2016	2017	2018	2019E	2020E	2021E
Domestic	0.0	0.0	0.0	0.0	0.0	0.0	1.0
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Rest of Europe	0.0	0.0	0.0	0.0	0.0	0.0	1.0
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
NAFTA	0.0	0.0	0.0	0.0	0.0	0.0	1.0
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Asia Pacific	0.0	0.0	0.0	0.0	0.0	0.0	1.0
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Rest of world	0.0	0.0	0.0	0.0	0.0	0.0	1.0
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TTL	0.0	0.0	0.0	0.0	0.0	0.0	5.0
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2015	2016	2017	2018	2019E	2020E	2021E
P&L growth analysis							
Sales growth	338.7 %	26.4 %	12.6 %	16.9 %	17.2 %	17.5 %	14.0 %
EBITDA growth	406.2 %	55.2 %	4.7 %	32.1 %	8.7 %	23.5 %	49.3 %
EBIT growth	435.4 %	47.7 %	4.0 %	29.1 %	2.6 %	26.5 %	56.2 %
EPS growth	-80.9 %	-555.0 %	91.6 %	17.0 %	2.2 %	30.9 %	58.2 %
Efficiency							
Total operating costs / sales	55.7 %	41.0 %	41.1 %	36.7 %	42.6 %	42.5 %	41.0 %
Sales per employee	275.9	380.1	486.4	n/a	n/a	n/a	392,859.
EBITDA per employee	72.4	122.5	145.8	n/a	n/a	n/a	137,501.
Balance sheet analysis							
Avg. working capital / sales	15.0 %	11.8 %	5.5 %	6.7 %	5.7 %	4.9 %	4.3 %
Inventory turnover (sales/inventory)	69.3	284.5	946.9	946.9	946.9	946.9	946.9
Trade debtors in days of sales	145.6	32.8	25.9	22.2	18.9	16.1	14.1
A/P turnover [(A/P*365)/sales]	359.3	83.7	11.3	11.3	11.3	11.3	11.3
Cash conversion cycle (days)	-184.1	-46.1	15.9	13.7	10.8	8.7	7.5
Cash flow analysis							
Free cash flow	-55.2	-152.0	-12.5	21.7	23.2	33.2	39.7
Free cash flow/sales	-73.5 %	-159.9 %	-11.7 %	17.4 %	15.8 %	19.3 %	20.2 %
FCF / net profit	neg.	neg.	neg.	103.2 %	103.1 %	113.1 %	111.7 %
Capex / deprn	63.5 %	155.5 %	225.3 %	91.8 %	412.9 %	169.4 %	159.9 %
Capex / maintenance capex	60.4 %	46.0 %	72.5 %	38.2 %	26.8 %	27.7 %	28.1 %
Capex / sales	6.3 %	8.4 %	11.8 %	6.0 %	30.9 %	12.3 %	11.4 %
Security							
Net debt	-0.6	-26.8	-42.8	-80.5	-87.7	-108.4	-136.6
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net debt / equity	neg.	neg.	neg.	neg.	neg.	neg.	neg.
Interest cover	6.5	20.8	15.9	15.7	11.7	18.5	13.6
Dividend payout ratio	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Asset utilisation							
Capital employed turnover	0.3	0.4	0.5	0.5	0.6	0.6	0.6
Operating assets turnover	3.3	11.0	7.8	7.7	7.7	7.6	7.4
Plant turnover	14.0	17.0	15.3	13.2	11.8	10.9	9.9
Inventory turnover (sales/inventory)	69.3	284.5	946.9	946.9	946.9	946.9	946.9
Returns							
ROCE	10.7 %	11.4 %	12.2 %	14.4 %	13.6 %	16.4 %	19.4 %
ROE	-2.4 %	11.1 %	14.9 %	14.1 %	14.4 %	17.0 %	18.0 %
Other							
Interest paid / avg. debt	3.0 %	1.0 %	1.6 %	2.4 %	3.3 %	2.6 %	4.4 %
No. employees (average)	273	250	220	n/a	0	0	1
Number of shares	15.9	16.8	17.5	18.7	19.6	19.6	19.6
DPS	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EPS reported	-0.11	0.50	0.96	1.12	1.15	1.50	1.82
Valuation ratios							
P/BV	5.1	5.3	3.7	3.0	3.0	2.7	2.4
EV/sales	5.0	3.9	3.5	2.9	2.6	2.1	1.7
EV/EBITDA	19.1	12.2	11.6	8.6	8.2	6.3	4.8
EV/EBITA	21.8	14.6	11.6	8.6	8.2	6.3	4.8
EV/EBIT	21.8	14.6	14.1	10.7	10.7	8.0	6.0
EV/FCF	-6.8	-2.5	-29.9	16.8	16.3	10.7	8.3
Adjusted FCF yield	4.2 %	6.1 %	5.3 %	6.8 %	6.8 %	8.9 %	12.1 %
Dividend yield	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %

Source: Company data, Hauck & Aufhäuser

Disclosures regarding research publications of Hauck & Aufhäuser Privatbankiers AG pursuant to section 85 of the German Securities Trading Act (WpHG) and distributed in the UK under an EEA branch passport, subject to the FCA requirements on research recommendation disclosures

It is essential that any research recommendation is fairly presented and discloses interests of indicates relevant conflicts of interest. Pursuant to section 85 of the German Securities Trading Act (WpHG) a research report has to point out possible conflicts of interest in connection with the analysed company. Further to this, under the FCA's rules on research recommendations, any conflicts of interest in connection with the recommendation must be disclosed. A conflict of interest is presumed to exist in particular if Hauck & Aufhäuser Privatbankiers AG

- (1) or its affiliate(s) (either in its own right or as part of a consortium) within the past twelve months, acquired the financial instruments of the analysed company,
- (2) has entered into an agreement on the production of the research report with the analysed company,
- (3) or its affiliate(s) has, within the past twelve months, been party to an agreement on the provision of investment banking services with the analysed company or have received services or a promise of services under the term of such an agreement,
- (4) or its affiliate(s) holds a) 5% or more of the share capital of the analysed company, or b) the analysed company holds 5% or more of the share capital of Hauck & Aufhäuser Privatbankiers AG or its affiliate(s),
- (5) or its affiliate(s) holds a net long (a) or a net short (b) position of 0.5% of the outstanding share capital of the analysed company or derivatives thereof,
- (6) or its affiliate(s) is a market maker or liquidity provider in the financial instruments of the issuer,
- (7) or the analyst has any other significant financial interests relating to the analysed company such as, for example, exercising mandates in the interest of the analysed company or a significant conflict of interest with respect to the issuer,
- (8) The research report has been made available to the company prior to its publication. Thereafter, only factual changes have been made to the report.

Conflicts of interest that existed at the time when this research report was published:

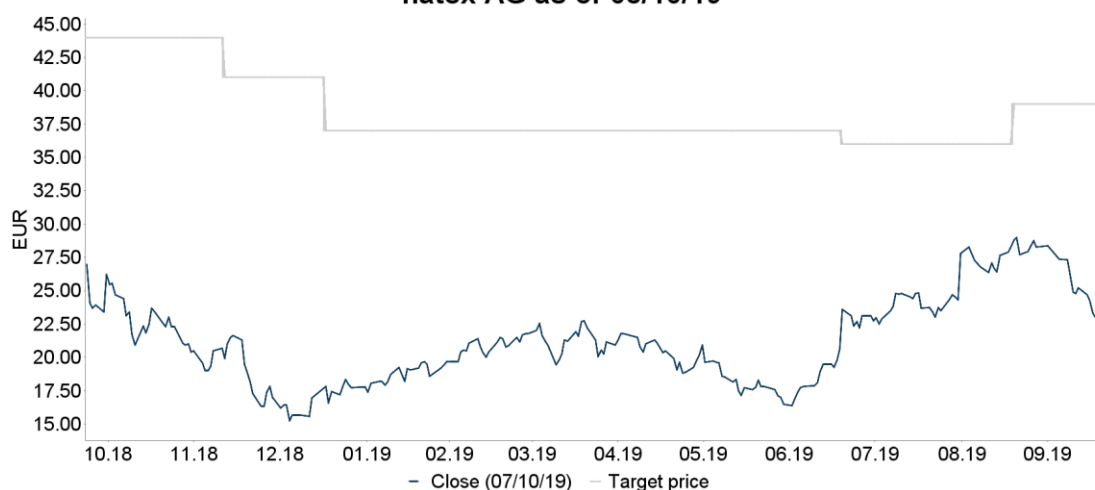
Company	Disclosure
flatex AG	

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

Initiation coverage

01-December-14

Price and Rating History flatex AG as of 08/10/19



Company	Date	Analyst	Rating	Target price	Close
flatex AG	05.09.2019	Claes, Catharina	Buy	EUR 39.00	EUR 29.00
	03.09.2019	Claes, Catharina	Buy	EUR 36.00	EUR 28.25
	15.08.2019	Claes, Catharina	Buy	EUR 36.00	EUR 24.30
	25.07.2019	Claes, Catharina	Buy	EUR 36.00	EUR 24.75
	05.07.2019	Claes, Catharina	Buy	EUR 36.00	EUR 23.60
	14.05.2019	Brass, CFA, Robin	Buy	EUR 37.00	EUR 19.76

29.03.2019	Brass, CFA, Robin	Buy	EUR 37.00	EUR 21.20
04.01.2019	Brass, CFA, Robin	Buy	EUR 37.00	EUR 17.44
29.11.2018	Brass, CFA, Robin	Buy	EUR 41.00	EUR 21.50
22.10.2018	Brass, CFA, Robin	Buy	EUR 44.00	EUR 24.40

Hauck & Aufhäuser distribution of ratings and in proportion to investment banking services

Buy	62.50 %	73.68 %
Sell	11.88 %	5.26 %
Hold	25.63 %	21.05 %

Date of publication creation: 08/10/2019 08:25 AM

Date of publication dissemination: 08/10/2019 08:26 AM

1. General Information/Liabilities

This research report has been produced for the information purposes of institutional investors only, and is not in any way a personal recommendation, offer or solicitation to buy or sell the financial instruments mentioned herein. The document is confidential and is made available by Hauck & Aufhäuser Privatbankiers AG, exclusively to selected recipients [in DE, GB, FR, CH, US, UK, Scandinavia, and Benelux or, in individual cases, also in other countries]. A distribution to private investors in the sense of the German Securities Trading Act (WpHG) is excluded. It is not allowed to pass the research report on to persons other than the intended recipient without the permission of Hauck & Aufhäuser Privatbankiers AG. Reproduction of this document, in whole or in part, is not permitted without prior permission Hauck & Aufhäuser Privatbankiers AG. All rights reserved.

Under no circumstances shall Hauck & Aufhäuser Privatbankiers AG, any of its employees involved in the preparation, have any liability for possible errors or incompleteness of the information included in this research report – neither in relation to indirect or direct nor consequential damages. Liability for damages arising either directly or as a consequence of the use of information, opinions and estimates is also excluded. Past performance of a financial instrument is not necessarily indicative of future performance.

2. Responsibilities

This research report was prepared by the research analyst named on the front page (the "Producer"). The Producer is solely responsible for the views and estimates expressed in this report. The report has been prepared independently. The content of the research report was not influenced by the issuer of the analysed financial instrument at any time. It may be possible that parts of the research report were handed out to the issuer for information purposes prior to the publication without any major amendments being made thereafter.

3. Organisational Requirements

Hauck & Aufhäuser Privatbankiers AG took internal organisational and regulative precautions to avoid or accordingly disclose possible conflicts of interest in connection with the preparation and distribution of the research report. All members of Hauck & Aufhäuser Privatbankiers AG involved in the preparation of the research report are subject to internal compliance regulations. No part of the Producer's compensation is directly or indirectly related to the preparation of this financial analysis. In case a research analyst or a closely related person is confronted with a conflict of interest, the research analyst is restricted from covering this company.

4. Information Concerning the Methods of Valuation/Update

The determination of the fair value per share, i.e. the price target, and the resultant rating is done on the basis of the adjusted free cash flow (adj. FCF) method and on the basis of the discounted cash flow – DCF model. Furthermore, a peer group comparison is made.

The adj. FCF method is based on the assumption that investors purchase assets only at a price (enterprise value) at which the operating cash flow return after taxes on this investment exceeds their opportunity costs in the form of a hurdle rate of 7.5%. The operating cash flow is calculated as EBITDA less maintenance capex and taxes.

Within the framework of the DCF approach, the future free cash flows are calculated initially on the basis of a fictitious capital structure of 100% equity, i.e. interest and repayments on debt capital are not factored in initially. The adjustment towards the actual capital structure is done by discounting the calculated free cash flows with the weighted average cost of capital (WACC), which takes into account both the cost of equity capital and the cost of debt. After discounting, the calculated total enterprise value is reduced by the interest-bearing debt capital in order to arrive at the equity value.

Hauck & Aufhäuser Privatbankiers AG uses the following three-step rating system for the analysed companies:

Buy: Sustainable upside potential of more than 10% within 12 months
 Sell: Sustainable downside potential of more than 10% within 12 months.
 Hold: Upside/downside potential is limited. No immediate catalyst visible.

NB: The ratings of Hauck & Aufhäuser Privatbankiers AG are not based on a performance that is expected to be "relative" to the market.

The decision on the choice of the financial instruments analysed in this document was solely made by Hauck & Aufhäuser Privatbankiers AG. The opinions and estimates in this research report are subject to change without notice. It is within the discretion of Hauck & Aufhäuser Privatbankiers AG whether and when it publishes an update to this research report, but in general updates are created on a regular basis, after 6 months at the latest. A sensitivity analysis is included and published in company's initial studies.

5. Major Sources of Information

Part of the information required for this research report was made available by the issuer of the financial instrument. Furthermore, this report is based on publicly available sources (such as, for example, Bloomberg, Reuters, VWD-Trader and the relevant daily press) believed to be reliable. Hauck & Aufhäuser Privatbankiers AG has checked the information for plausibility but not for accuracy or completeness.

6. Competent Supervisory Authority

Hauck & Aufhäuser Privatbankiers AG are under supervision of the BaFin – German Federal Financial Supervisory Authority Bundesanstalt für Finanzdienstleistungsaufsicht), Graurheindorfer Straße 108, 53117 Bonn and Marie-Curie-Straße 24 – 28, 60439 Frankfurt a.M.

This document is distributed in the UK under a MiFID EEA branch passport and in compliance with the applicable FCA requirements.

7. Specific Comments for Recipients Outside of Germany

This research report is subject to the law of the Federal Republic of Germany. The distribution of this information to other states in particular to the USA, Canada, Australia and Japan may be restricted or prohibited by the laws applicable within this state.

8. Miscellaneous

According to Article 4(1) No. i of the delegated regulation 2016/958 supplementing regulation 596/2014 of the European Parliament, further information regarding investment recommendations of the last 12 months are published under:
<https://www.hauck-aufhaeuser.com/en/investment-banking/equities#institutionalresearch>

Contacts: Hauck & Aufhäuser Privatbankiers AG

Hauck & Aufhäuser Research

Hauck & Aufhäuser
Privatbankiers AG
Mittelweg 16/17
20148 Hamburg
Germany

Tel.: +49 (0) 40 414 3885 91
Fax: +49 (0) 40 414 3885 71
Email: research@ha-ib.de
www.ha-research.de

Tim Wunderlich, CFA
Head of Transactional Research
Tel.: +49 40 414 3885 81
E-Mail: tim.wunderlich@ha-ib.de

Henning Breiter
Head of Research
Tel.: +49 40 414 3885 73
E-Mail: henning.breiter@ha-ib.de

Marie-Thérèse Grübner
Head of Corporate Brokerage
Tel.: +49 40 450 6342 3097
E-Mail: marie-therese.gruebner@ha-ib.de

Aliaksandr Halitsa
Analyst
Tel.: +49 40 414 3885 83
E-Mail: aliaksandr.halitsa@ha-ib.de

Alina Köhler
Analyst
Tel.: +49 40 450 6342 3095
E-Mail: alina.koehler@ha-ib.de

Catharina Claes
Analyst
Tel.: +49 40 450 6342 3092
E-Mail: catharina.claes@ha-ib.de

Christian Glowa
Analyst
Tel.: +49 40 414 3885 95
E-Mail: christian.glowa@ha-ib.de

Christian Salis
Analyst
Tel.: +49 40 414 3885 96
E-Mail: christian.salis@ha-ib.de

Christian Sandherr
Analyst
Tel.: +49 40 414 3885 79
E-Mail: christian.sandherr@ha-ib.de

Frederik Bitter
Analyst
Tel.: +49 40 450 6342 3091
E-Mail: frederik.bitter@ha-ib.de

Julius Stinauer
Analyst
Tel.: +49 40 414 3885 84
E-Mail: julius.stinauer@ha-ib.de

Simon Bentlage
Analyst
Tel.: +49 40 450 6342 3096
E-Mail: simon.bentlage@ha-ib.de

Hauck & Aufhäuser Sales

Alexander Lachmann
Equity Sales
Tel.: +41 43 497 30 23
E-Mail: alexander.lachmann@ha-ib.de

Carlos Becke
Equity Sales
Tel.: +44 203 9473 245
E-Mail: carlos.becke@ha-ib.de

Christian Alisch
Equity Sales
Tel.: +49 40 414 3885 99
E-Mail: christian.alisch@ha-ib.de

Christian Schwenkenbecher
Equity Sales
Tel.: +44 203 9473 246
E-Mail: christian.schwenkenbecher@ha-ib.de

Christian Bybjerg
Equity Sales
Tel.: +40 414 3885 74
E-Mail: christian.bybjerg@ha-ib.de

Hugues Madelin
Equity Sales
Tel.: +33 1 78 41 40 62
E-Mail: hugues.madelin@ha-ib.de

Vincent Bischoff
Equity Sales
Tel.: +49 40 414 3885 88
E-Mail: vincent.bischoff@ha-ib.de

Imogen Voorspuy
Equity Junior Sales
Tel.: +44 203 9473 244
E-Mail: imogen.voorspuy@ha-ib.de

Hauck & Aufhäuser Sales Trading

Hauck & Aufhäuser
Privatbankiers AG
Mittelweg 16/17
20148 Hamburg
Germany

Tel.: +49 40 414 3885 78
Fax: +49 40 414 3885 71
Email: info@hauck-aufhaeuser.com
www.hauck-aufhaeuser.com

Mirko Brueggemann
Trading
Tel.: +49 40 414 3885 78
E-Mail: mirko.brueggemann@hauck-aufhaeuser.com

Christian von Schuler
Trading
Tel.: +49 40 414 3885 77
E-Mail: christian.schuler@hauck-aufhaeuser.com

Fin Schaffer
Trading
Tel.: +49 40 414 3885 98
E-Mail: fin.schaffer@hauck-aufhaeuser.com

Kathleen Jonas
Middle-Office
Tel.: +49 40 414 3885 97
E-Mail: kathleen.jonas@hauck-aufhaeuser.com

Alexander Hanisch
Middle-Office
Tel.: +49 40 414 3885 87
E-Mail: alexander.hanisch@hauck-aufhaeuser.com