



**Buy** (old: Buy)

**Price target: EUR 43.00** (old: EUR 39.00)

**Price:** EUR 27.00      **Next result:** FY 2019 tbd  
**Bloomberg:** FTK GR      **Market cap:** EUR 528.0 m  
**Reuters:** FTKG.DE      **Enterprise Value:** EUR 443.2 m

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## Creating a European powerhouse with DeGiro

Just before christmas, flatex announced the acquisition of non-listed Dutch competitor DeGiro BV. Adding the extensive footprint of DeGiro, flatex becomes the largest European online broker.

**Good strategic fit with wide reach and high savings potential:** Starting the brokerage business in 2013, DeGiro is already active in 18 countries – a perfect fit to propel flatex' European expansion. This comes along with partnerships to more than 50 exchange venues and highly complementary products (DeGiro adding Options and Futures). The brokerage business is a game of volumes, which flatex now has won with more than 30m trades p.a. following the acquisition (#1 in Europe, #2: Avanza with 28m trades).

**Expensive pre-synergies but value and earnings accretive:** More transactions means more negotiation power to reshape partnerships. Now, contract conditions can be renegotiated (trading flow, exchange venues) with potential synergies of up to € 30m (€ 25m eH&A). Most of the synergies should be easily realised as DeGiro was acquiring a number of services externally, which flatex offers in-house (IT). Additionally, bringing DeGiro products under the banking license will allow for cost savings and enable the company to offer more products under the DeGiro brand. While the acquisition price of € 250m looks expensive pre-synergies with a post-tax FCFY of only 3%, this picture changes by 2021E, when the synergies should be fully realised, to 10% FCFY. Thanks to the synergies, we expect an EBITDA margin of 46% by 2021E (30.1% 2019E eH&A), which brings the company's new mid-term target of € 50% EBITDA margin in reach. The transaction was financed via € 60m in cash and € 190m in new flatex shares issued to DeGiro management and team. Even with a higher amount of shares, the deal is EPS accretive with with € 2.37 post-synergies vs € 1.82 stand-alone in 2021 (eH&A).

**New valuation:** Following the acquisition, valuation is rolled over to FCFY 2021 to adequately reflect synergies. The combined group should grow by 21% 2019-21E on the back of: 1) continued strong growth in flatex' home markets Germany and Austria (9% in 2020 eH&A) despite an already high market share of c. 25-30%, 2) even stronger start-up growth at many DeGiro markets, and 3) the introduction of new products.

The DeGiro acquisition clearly brings flatex in a favourable position. Becoming a pan-European brand makes the company even more attractive for, say, US brokers or banks wanting to establish a European footprint. **BUY** with a new **PT of € 43** based on **FCFY 2021**.

Y/E 31.12 (EUR m)	2015	2016	2017	2018	2019E	2020E	2021E
Sales	75.2	95.0	107.0	125.1	133.3	186.9	238.5
Sales growth	339 %	26 %	13 %	17 %	7 %	40 %	28 %
EBITDA	19.7	30.6	32.1	42.4	40.3	77.8	110.3
EBIT	17.2	25.5	26.5	34.2	32.1	66.3	95.7
Net income	-1.7	8.4	16.8	21.0	20.4	45.5	64.3
Net debt	-0.6	-26.8	-59.6	-118.5	-84.8	-61.0	-117.1
Net gearing	-240.1 %	-59.5 %	-70.0 %	-202.7 %	-225.1 %	-172.7 %	-158.0 %
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	1.04	1.68	2.37
CPS	-3.43	-8.81	-0.25	1.21	1.02	1.56	2.26
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 %	77.0 %	79.0 %
EBITDA margin	26.3 %	32.2 %	30.0 %	33.9 %	30.2 %	41.6 %	46.3 %
EBIT margin	23.0 %	26.8 %	24.8 %	27.3 %	24.1 %	35.5 %	40.1 %
ROCE	10.7 %	11.4 %	11.7 %	12.9 %	11.6 %	24.0 %	31.6 %
EV/sales	5.7	4.5	3.9	3.1	3.3	3.6	2.6
EV/EBITDA	21.7	13.9	12.9	9.1	11.0	8.6	5.6
EV/EBIT	24.8	16.8	15.6	11.3	13.8	10.1	6.4
PER	30.6	27.7	27.8	24.0	25.9	16.1	11.4
Adjusted FCF yield	3.7 %	5.3 %	4.8 %	6.4 %	5.3 %	7.1 %	11.3 %

Source: Company data, Hauck & Aufhäuser Close price as of: 20.01.2020



Source: Company data, Hauck & Aufhäuser

**High/low 52 weeks:** 29.00 / 16.40  
**Price/Book Ratio:** 3.4  
**Relative performance (SDAX):**  
3 months 9.6 %  
6 months 3.1 %  
12 months -

### Changes in estimates

		Sales	EBIT	EPS
2019	old:	146.6	35.1	1.15
	Δ	-9.1%	-8.5%	-9.3%
2020	old:	172.3	44.4	1.50
	Δ	8.5%	49.3%	11.7%
2021	old:	196.4	54.8	1.82
	Δ	21.4%	74.7%	30.6%

### Key share data:

Number of shares: (in m pcs) 19.6  
Authorised capital: (in € m) 14.0  
Book value per share: (in €) 7.9  
Ø trading volume: (12 months) 20,000

### Major shareholders:

Free float 45.0 %  
DeGiro team 27.7 %  
GfBk mbH 17.1 %  
Heliad Equity Partners 7.2 %  
Oesterr. Post (Austria Post) 4.5 %  
Management 3.1 %

### Company description:

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

Post-acquisition company overview																		
	Flatex		DeGiro	Group														
<b>Segments</b>	Technologies (B2B)	Financial Services (B2C)																
<b>Products</b>	White-label banking service platform	Shares and Bonds, ETFs, ETPs, FX/ Commodities/ CFD etc.	Shares, ETFs, Leveraged Products, Bonds, Options, Futures															
<b>Sales 2019E* (in € m)</b>	28	105	60	<b>193</b>														
<b>Sales share 2019E*</b>	15%	54%	31%															
<b>Countries</b>		Germany, Austria, Netherlands	Germany, Austria, Netherlands, UK, Spain, Italy, France, Finland, Switzerland, Sweden, Norway, Poland, Ireland, Greece, Denmark,															
<b>Partners</b>	Products Exchange venues	Multiple overlapping product partners 11 international stock exchanges in the US and Europe + German trading venues	Over 50 exchange venues															
<b>Market access to exchange venues</b>		USA & Canada, Austria, Switzerland, France, Italy, Belgium, Portugal, Netherlands	Europe, US, Australia, Hong Kong, Japan, ...															
<b>Transactions 2019E* (in m)</b>		11.5	18.6	<b>30.1</b>														
<b>IT system</b>		in-house	external															
<b>Regulatory framework</b>		banking license	no banking license															
<b>Customers/ End markets</b>	B2B clients, banks etc.	Retail clients																
<b>Clients 2019E* (in '000)</b>	>30	306	470	<b>776</b>														
<b>Employees</b>		>500	>200	<b>&gt;700</b>														
<b>EBITDA 2019E* (in € m)</b>		40.3	13.7	<b>54</b>														
<b>EBITDA margin 2019E*</b>		30%	23%	<b>28%</b>														
<b>Competition</b>		ComDirect, Consors, OnVista, IngDiBa, S-Broker, LYNX, Maxblue, Just Trade, Traderepublic, Wallstreet Online	Robin Hood, Revolut, local competition (Avanza, Nordnet, Fineco...)															
<b>Shareholder structure</b>	<table border="1"> <caption>Shareholder Structure</caption> <thead> <tr> <th>Shareholder</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>DeGiro management</td> <td>27.70%</td> </tr> <tr> <td>flatex management</td> <td>40.50%</td> </tr> <tr> <td>heliald</td> <td>3.10%</td> </tr> <tr> <td>GFBK (Bernd Förtsch)</td> <td>7.20%</td> </tr> <tr> <td>Free float</td> <td>17.10%</td> </tr> <tr> <td>Oesterr. Post</td> <td>4.50%</td> </tr> </tbody> </table>			Shareholder	Percentage	DeGiro management	27.70%	flatex management	40.50%	heliald	3.10%	GFBK (Bernd Förtsch)	7.20%	Free float	17.10%	Oesterr. Post	4.50%	
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\*based on company estimates

synergy potential

## Financials

Profit and loss (EUR m)	2015	2016	2017	2018	2019E	2020E	2021E
<b>Sales</b>	<b>75.2</b>	<b>95.0</b>	<b>107.0</b>	<b>125.1</b>	<b>133.3</b>	<b>186.9</b>	<b>238.5</b>
<i>Sales growth</i>	338.7 %	26.4 %	12.6 %	16.9 %	6.6 %	40.2 %	27.6 %
Cost of sales	13.6	25.5	31.0	36.8	34.7	43.0	50.1
<b>Gross profit</b>	<b>61.6</b>	<b>69.5</b>	<b>76.0</b>	<b>88.3</b>	<b>98.7</b>	<b>143.9</b>	<b>188.5</b>
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	30.1	37.4	45.3
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	28.3	28.8	32.8
Unusual or infrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBITDA</b>	<b>19.7</b>	<b>30.6</b>	<b>32.1</b>	<b>42.4</b>	<b>40.3</b>	<b>77.8</b>	<b>110.3</b>
Depreciation	2.5	5.2	0.0	0.0	0.0	0.0	0.0
<b>EBITA</b>	<b>17.2</b>	<b>25.5</b>	<b>32.1</b>	<b>42.4</b>	<b>40.3</b>	<b>77.8</b>	<b>110.3</b>
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	8.2	11.5	14.6
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBIT (inc revaluation net)</b>	<b>17.2</b>	<b>25.5</b>	<b>26.5</b>	<b>34.2</b>	<b>32.1</b>	<b>66.3</b>	<b>95.7</b>
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	5.4
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	-5.4
<b>Recurring pretax income from continuing operations</b>	<b>14.6</b>	<b>24.2</b>	<b>25.2</b>	<b>32.0</b>	<b>29.1</b>	<b>63.9</b>	<b>90.3</b>
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Earnings before taxes</b>	<b>14.6</b>	<b>24.2</b>	<b>25.2</b>	<b>32.0</b>	<b>29.1</b>	<b>63.9</b>	<b>90.3</b>
Taxes	1.0	4.0	8.2	11.0	8.7	18.4	26.0
<b>Net income from continuing operations</b>	<b>13.6</b>	<b>20.3</b>	<b>17.0</b>	<b>21.0</b>	<b>20.4</b>	<b>45.5</b>	<b>64.3</b>
Result from discontinued operations (net of tax)	15.8	8.0	0.2	0.0	0.0	0.0	0.0
<b>Net income</b>	<b>-2.2</b>	<b>8.4</b>	<b>16.8</b>	<b>21.0</b>	<b>20.4</b>	<b>45.5</b>	<b>64.3</b>
Minority interest	-0.4	3.9	0.0	0.0	0.0	0.0	0.0
<b>Net profit (reported)</b>	<b>-1.7</b>	<b>8.4</b>	<b>16.8</b>	<b>21.0</b>	<b>20.4</b>	<b>45.5</b>	<b>64.3</b>
Average number of shares	15.9	16.8	17.5	18.7	19.6	27.1	27.1
<b>EPS reported</b>	<b>-0.11</b>	<b>0.50</b>	<b>0.96</b>	<b>1.12</b>	<b>1.04</b>	<b>1.68</b>	<b>2.37</b>

Profit and loss (common size)	2015	2016	2017	2018	2019E	2020E	2021E
<b>Sales</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>
Cost of sales	18.0 %	26.8 %	29.0 %	29.5 %	26.0 %	23.0 %	21.0 %
<b>Gross profit</b>	<b>82.0 %</b>	<b>73.2 %</b>	<b>71.0 %</b>	<b>70.5 %</b>	<b>74.0 %</b>	<b>77.0 %</b>	<b>79.0 %</b>
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 %	20.0 %	19.0 %
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 %	21.2 %	15.4 %	13.8 %
Unusual or infrequent items	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>EBITDA</b>	<b>26.3 %</b>	<b>32.2 %</b>	<b>30.0 %</b>	<b>33.9 %</b>	<b>30.2 %</b>	<b>41.6 %</b>	<b>46.3 %</b>
Depreciation	3.3 %	5.4 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>EBITA</b>	<b>22.9 %</b>	<b>26.8 %</b>	<b>30.0 %</b>	<b>33.9 %</b>	<b>30.2 %</b>	<b>41.6 %</b>	<b>46.3 %</b>
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 %	6.1 %	6.1 %	6.1 %
Impairment charges	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>EBIT (inc revaluation net)</b>	<b>22.9 %</b>	<b>26.8 %</b>	<b>24.8 %</b>	<b>27.3 %</b>	<b>24.1 %</b>	<b>35.5 %</b>	<b>40.1 %</b>
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 %	2.2 %	1.3 %	2.2 %
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.
<b>Recurring pretax income from continuing operations</b>	<b>19.4 %</b>	<b>25.5 %</b>	<b>23.5 %</b>	<b>25.6 %</b>	<b>21.8 %</b>	<b>34.2 %</b>	<b>37.9 %</b>
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Earnings before taxes</b>	<b>19.4 %</b>	<b>25.5 %</b>	<b>23.5 %</b>	<b>25.6 %</b>	<b>21.8 %</b>	<b>34.2 %</b>	<b>37.9 %</b>
Tax rate	6.7 %	16.3 %	32.5 %	34.3 %	30.0 %	28.8 %	28.8 %
<b>Net income from continuing operations</b>	<b>18.1 %</b>	<b>21.3 %</b>	<b>15.9 %</b>	<b>16.8 %</b>	<b>15.3 %</b>	<b>24.3 %</b>	<b>27.0 %</b>
Result from discontinued operations (net of tax)	21.0 %	8.4 %	0.2 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Net income</b>	<b>neg.</b>	<b>8.9 %</b>	<b>15.7 %</b>	<b>16.8 %</b>	<b>15.3 %</b>	<b>24.3 %</b>	<b>27.0 %</b>
Minority interest	neg.	4.1 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Net profit (reported)</b>	<b>neg.</b>	<b>8.9 %</b>	<b>15.7 %</b>	<b>16.8 %</b>	<b>15.3 %</b>	<b>24.3 %</b>	<b>27.0 %</b>

Source: Company data, Hauck &amp; Aufhäuser

Balance sheet (EUR m)	2015	2016	2017	2018	2019E	2020E	2021E
<b>Intangible assets</b>	<b>54.3</b>	<b>57.3</b>	<b>63.0</b>	<b>59.8</b>	<b>81.3</b>	<b>112.4</b>	<b>104.9</b>
Property, plant and equipment	5.4	5.6	7.0	9.5	12.1	15.9	20.7
Financial assets	131.8	0.8	1.0	1.0	1.0	1.0	1.0
<b>FIXED ASSETS</b>	<b>191.4</b>	<b>63.7</b>	<b>70.9</b>	<b>70.2</b>	<b>94.4</b>	<b>129.3</b>	<b>126.6</b>
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	8.1	11.3	14.5
Other current assets	437.8	1,060.7	631.8	631.8	631.8	631.8	631.8
Liquid assets	541.3	389.2	413.8	472.7	439.0	415.2	471.3
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
<b>CURRENT ASSETS</b>	<b>1,016.8</b>	<b>1,470.3</b>	<b>1,053.3</b>	<b>1,112.3</b>	<b>1,079.0</b>	<b>1,058.5</b>	<b>1,117.7</b>
<b>TOTAL ASSETS</b>	<b>1,208.2</b>	<b>1,534.0</b>	<b>1,124.2</b>	<b>1,182.5</b>	<b>1,173.4</b>	<b>1,187.8</b>	<b>1,244.3</b>
SHAREHOLDERS EQUITY	73.2	75.6	129.5	187.8	154.1	187.1	239.9
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
<b>Non-current liabilities</b>	<b>16.3</b>	<b>122.3</b>	<b>44.8</b>	<b>44.8</b>	<b>44.8</b>	<b>44.8</b>	<b>44.8</b>
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
<b>Current liabilities</b>	<b>1,106.1</b>	<b>1,321.0</b>	<b>949.9</b>	<b>949.9</b>	<b>949.9</b>	<b>949.9</b>	<b>949.9</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>1,208.2</b>	<b>1,534.0</b>	<b>1,124.2</b>	<b>1,182.5</b>	<b>1,148.8</b>	<b>1,181.8</b>	<b>1,234.6</b>

Balance sheet (common size)	2015	2016	2017	2018	2019E	2020E	2021E
<b>Intangible assets</b>	<b>4.5 %</b>	<b>3.7 %</b>	<b>5.6 %</b>	<b>5.1 %</b>	<b>7.1 %</b>	<b>9.5 %</b>	<b>8.5 %</b>
Property, plant and equipment	0.4 %	0.4 %	0.6 %	0.8 %	1.1 %	1.3 %	1.7 %
Financial assets	10.9 %	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %
<b>FIXED ASSETS</b>	<b>15.8 %</b>	<b>4.2 %</b>	<b>6.3 %</b>	<b>5.9 %</b>	<b>8.2 %</b>	<b>10.9 %</b>	<b>10.3 %</b>
Inventories	0.1 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Accounts receivable	2.5 %	0.6 %	0.7 %	0.6 %	0.7 %	1.0 %	1.2 %
Other current assets	36.2 %	69.1 %	56.2 %	53.4 %	55.0 %	53.5 %	51.2 %
Liquid assets	44.8 %	25.4 %	36.8 %	40.0 %	38.2 %	35.1 %	38.2 %
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 %
<b>CURRENT ASSETS</b>	<b>84.2 %</b>	<b>95.8 %</b>	<b>93.7 %</b>	<b>94.1 %</b>	<b>93.9 %</b>	<b>89.6 %</b>	<b>90.5 %</b>
<b>TOTAL ASSETS</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>102.1 %</b>	<b>100.5 %</b>	<b>100.8 %</b>
SHAREHOLDERS EQUITY	6.1 %	4.9 %	11.5 %	15.9 %	13.4 %	15.8 %	19.4 %
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 %	2.6 %	2.7 %	2.6 %	2.5 %
Provisions for pensions and similar obligations	0.4 %	0.5 %	0.6 %	0.6 %	0.6 %	0.6 %	0.6 %
Other provisions	0.4 %	0.3 %	0.6 %	0.6 %	0.6 %	0.6 %	0.5 %
<b>Non-current liabilities</b>	<b>1.4 %</b>	<b>8.0 %</b>	<b>4.0 %</b>	<b>3.8 %</b>	<b>3.9 %</b>	<b>3.8 %</b>	<b>3.6 %</b>
short-term liabilities to banks	10.5 %	0.2 %	5.4 %	5.2 %	5.3 %	5.2 %	4.9 %
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 %	78.7 %	74.9 %	77.0 %	74.9 %	71.7 %
Deferred taxes	0.7 %	1.0 %	0.2 %	0.2 %	0.2 %	0.2 %	0.2 %
Deferred income	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Current liabilities</b>	<b>91.5 %</b>	<b>86.1 %</b>	<b>84.5 %</b>	<b>80.3 %</b>	<b>82.7 %</b>	<b>80.4 %</b>	<b>76.9 %</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>

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	20.4	45.5	64.3
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	8.2	11.5	14.6
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	28.5	57.0	78.9
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	-0.5	-3.3	-3.1
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	-0.5	-3.3	-3.1
<b>Cash flow from operating activities</b>	<b>-51.5</b>	<b>-144.0</b>	<b>0.1</b>	<b>29.2</b>	<b>28.0</b>	<b>53.7</b>	<b>75.8</b>
CAPEX	3.7	8.0	12.6	7.5	9.3	9.3	11.9
Payments for acquisitions	43.6	0.0	0.0	0.0	23.0	37.0	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
<b>Cash flow from investing activities</b>	<b>-48.3</b>	<b>-9.2</b>	<b>-12.6</b>	<b>-7.5</b>	<b>-67.3</b>	<b>-58.8</b>	<b>-24.4</b>
Cash flow before financing	-99.8	-153.2	-12.5	21.7	-39.3	-5.1	51.4
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
<b>Cash flow from financing activities</b>	<b>20.2</b>	<b>1.1</b>	<b>20.3</b>	<b>35.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Increase/decrease in liquid assets	479.8	-152.1	7.8	56.7	-39.3	-5.1	52.4
<b>Liquid assets at end of period</b>	<b>541.3</b>	<b>389.2</b>	<b>397.0</b>	<b>453.7</b>	<b>414.4</b>	<b>409.3</b>	<b>461.7</b>

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
<b>TTL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>5.0</b>
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
<b>P&amp;L growth analysis</b>							
Sales growth	338.7 %	26.4 %	12.6 %	16.9 %	6.6 %	40.2 %	27.6 %
EBITDA growth	406.2 %	55.2 %	4.7 %	32.1 %	-5.0 %	93.1 %	174.0 %
EBIT growth	435.4 %	47.7 %	4.0 %	29.1 %	-6.1 %	106.6 %	198.2 %
EPS growth	-80.9 %	-555.0 %	91.6 %	17.0 %	-7.3 %	61.3 %	128.0 %
<b>Efficiency</b>							
Total operating costs / sales	55.7 %	41.0 %	41.1 %	36.7 %	43.8 %	35.4 %	32.8 %
Sales per employee	275.9	380.1	486.4	n/a	n/a	n/a	477,095.
EBITDA per employee	72.4	122.5	145.8	n/a	n/a	n/a	220,656.
<b>Balance sheet analysis</b>							
Avg. working capital / sales	15.0 %	11.8 %	5.5 %	6.7 %	6.5 %	5.6 %	5.1 %
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	22.2	22.2	22.2
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	13.2	14.9	16.0
<b>Cash flow analysis</b>							
Free cash flow	-55.2	-152.0	-12.5	21.7	18.7	44.4	63.9
Free cash flow/sales	-73.5 %	-159.9 %	-11.7 %	17.4 %	14.0 %	23.7 %	26.8 %
FCF / net profit	neg.	neg.	neg.	103.2 %	91.9 %	97.5 %	99.3 %
Capex / deprn	63.5 %	155.5 %	225.3 %	91.8 %	542.0 %	190.5 %	166.9 %
Capex / maintenance capex	60.4 %	46.0 %	72.5 %	38.2 %	32.6 %	32.6 %	32.6 %
Capex / sales	6.3 %	8.4 %	11.8 %	6.0 %	33.2 %	11.7 %	10.2 %
<b>Security</b>							
Net debt	-0.6	-26.8	-59.6	-118.5	-84.8	-61.0	-117.1
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	10.7	27.6	17.8
Dividend payout ratio	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Asset utilisation</b>							
Capital employed turnover	0.3	0.4	0.5	0.4	0.5	0.6	0.7
Operating assets turnover	3.3	11.0	7.8	7.7	6.9	7.1	7.0
Plant turnover	14.0	17.0	15.3	13.2	11.0	11.8	11.6
Inventory turnover (sales/inventory)	69.3	284.5	946.9	946.9	946.9	946.9	946.9
<b>Returns</b>							
ROCE	10.7 %	11.4 %	11.7 %	12.9 %	11.6 %	24.0 %	31.6 %
ROE	-2.4 %	11.1 %	13.0 %	11.2 %	13.2 %	24.3 %	26.8 %
<b>Other</b>							
Interest paid / avg. debt	3.0 %	1.0 %	1.6 %	2.4 %	3.3 %	2.6 %	5.8 %
No. employees (average)	273	250	220	n/a	0	0	1
Number of shares	15.9	16.8	17.5	18.7	19.6	27.1	27.1
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	1.04	1.68	2.37
<b>Valuation ratios</b>							
P/BV	5.9	6.0	3.6	2.7	3.4	3.9	3.0
EV/sales	5.7	4.5	3.9	3.1	3.3	3.6	2.6
EV/EBITDA	21.7	13.9	12.9	9.1	11.0	8.6	5.6
EV/EBITA	24.8	16.8	12.9	9.1	11.0	8.6	5.6
EV/EBIT	24.8	16.8	15.6	11.3	13.8	10.1	6.4
EV/FCF	-7.8	-2.8	-33.1	17.8	23.7	15.1	9.6
Adjusted FCF yield	3.7 %	5.3 %	4.8 %	6.4 %	5.3 %	7.1 %	11.3 %
Dividend yield	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %

Source: Company data, Hauck &amp; Aufhäuser

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Company	Disclosure
flatex AG	

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

#### Price and Rating History flatex AG as of 20/01/20

Initiation coverage

01-December-14



Company	Date	Analyst	Rating	Target price	Close
flatex AG	08.10.2019	Claes, Catharina	Buy	EUR 39.00	EUR 22.85
	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

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