

Buy EUR 4.00	Value Indicators: EUR DCF: 4.00	Warburg ESG Risk Score: 2.8 ESG Score (MSCI based): 3.0 Balance Sheet Score: 2.3 Market Liquidity Score: 3.0	Description: MGI is an advertising software platform with strong first-party games content.
	Market Snapshot: EUR m Market cap: 172.0 No. of shares (m): 159.2 EV: 436.7 Freefloat MC: 127.3 Ø Trad. Vol. (30d): 60.69 th	Shareholders: Freefloat 74.00 % Bodhivas (Remco Westernm.) 26.20 % Oaktree Capital Management 17.70 % Sterling Active Fund 2.90 % Henderson Global Investors 2.50 %	Key Figures (WRE): 2023e Beta: 1.4 Price / Book: 0.5 x Equity Ratio: 31 % Net Fin. Debt / EBITDA: 2.9 x Net Debt / EBITDA: 2.9 x
Price EUR 1.08 Upside 270.4 %			

Establishing a market-leading position in a remarkably short period

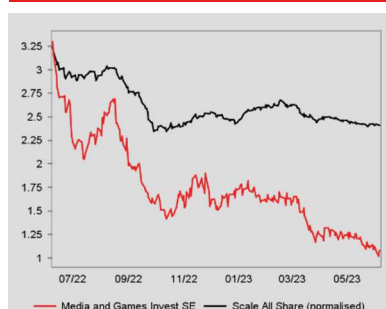
Stated Figures Q1/2023:

in EUR m	Q1/23	Q1/23e	Q1/22	yoy
Sales	68.8	67.0	65.9	4.4%
EBITDA margin	17.4	16.0	16.9	3.0%
	25.3%	23.9%	25.6%	
EBITDA adjusted margin	19.1	17.0	17.6	8.5%
	27.8%	25.4%	26.7%	

Comment on Figures:

- Sales grew 4%, equivalent to 1% organic constant currency growth. Programmatic advertising revenues, i.e. the core business, grew 8% whereas games revenues declined 6%.
- Operating cost control was a particularly positive surprise as, despite the general inflationary environment, operating expenses declined 1% yoy.
- Therefore, there was even a 110bps-increase in the adj. operating margin in Q1.
- Adding back the seasonal WC swing of EUR 26.4m, net debt would have decreased by EUR 12m from EUR 273.9m to EUR 261.9m: This includes cash-in of around EUR 18m from the sale of the Enad stake.

- In Q1, organic revenue growth continued to slow (2pp relative to Q4 22 on a constant currency basis) as a high comparison base (2Y organic CAGR of 28%) and a weak market took its toll. Bear in mind that in Q1, even advertising behemoths such as Google did not show growth in advertising and a broad ad-tech peer group grew by a mere 2%. This compares to 8% growth in MGI's core business of mobile in-app advertising (84% of media volume; lower growth on group level reflects sales declines in desktop and gaming revenues). Decent growth in the core business and improving margins in the seasonally weak Q1 is, in our view, an attractive combination.
- Just recently, Picalate, a market-leading analytics platform, confirmed MGI's strong position in mobile in-app SSPs, ranking it market leader in Google Play for both North America and EMEA with a market share of 12% and 13% respectively (for MGI's subsidiary Verve). For Apple, MGI ranks fourth. While we don't have a consistent market-share history, Picalate's figures nevertheless suggest that MGI has continued to gain market share. As the market is still fragmented, with the top five SSP platforms commanding a market share of just 40%, we expect this market structure to offer significant growth potential for MGI.
- In the wake of the Q1 reporting, management issued its full-year guidance and is now anticipating a full-year sales range of EUR 335-345m, implying 5% sales growth at the midpoint, in line with our estimates. Management is looking for adj. EBITDA of EUR 95-105m, which corresponds to a stable adj. EBITDA margin. For the time being, we stick to our estimates as the stronger euro should lead to some negative currency effects in H2 which should counterbalance some of the base effects of a weaker advertising market in H2 2022. However, MGI's own organic growth was still strong in H2 2022, which does not make for an easy comparison base. In light of the strong Q1 margin, the slight margin decline that we have modelled for the full year now looks somewhat conservative. Nevertheless, the valuation is attractive even on our estimates, and we reiterate our Buy rating and DCF-based price target of EUR 4. While the stock has performed poorly ytd, an expected reacceleration of top-line growth later in the year as well as improving cash-flow should drive the share in the remainder of the year.

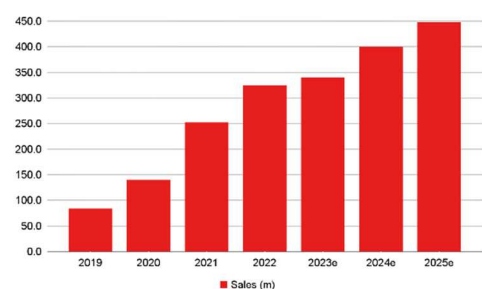


Rel. Performance vs Scale All	
1 month:	-10.7 %
6 months:	-25.1 %
Year to date:	-36.3 %
Trailing 12 months:	-41.0 %

Company events:	
30.06.23	AGM
31.08.23	Q2

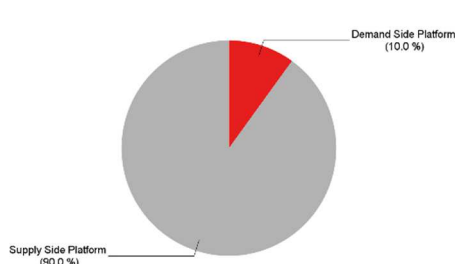
FY End: 31.12. in EUR m	CAGR (22-25e)	2019	2020	2021	2022	2023e	2024e	2025e
Sales	11.4 %	83.9	140.2	252.2	324.4	340.0	400.0	448.0
Change Sales yoy		85.2 %	67.1 %	79.8 %	28.7 %	4.8 %	17.6 %	12.0 %
EBITDA adj.		18.1	29.1	71.1	93.2	95.0	114.0	126.0
Margin	-0.7 %	21.6 %	20.8 %	28.2 %	28.7 %	27.9 %	28.5 %	28.1 %
EBITDA		15.5	26.5	65.0	84.8	91.0	110.0	122.0
EBIT adj.	8.2 %	10.5	17.5	54.8	76.6	75.0	90.0	97.0
Margin		12.5 %	12.5 %	21.7 %	23.6 %	22.1 %	22.5 %	21.7 %
Net income	-	-0.3	3.1	16.1	-20.3	7.2	20.3	27.4
EPS	-	-0.01	0.03	0.11	-0.13	0.04	0.13	0.17
EPS adj.	26.0 %	0.07	0.09	0.20	0.14	0.15	0.23	0.28
DPS	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dividend Yield		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
FCFPS		0.06	0.09	0.27	0.73	0.03	0.19	0.26
FCF / Market cap		5.4 %	6.9 %	6.0 %	27.8 %	2.7 %	17.7 %	24.5 %
EV / Sales		1.4 x	1.5 x	3.4 x	2.1 x	1.3 x	1.0 x	0.9 x
EV / EBITDA		7.8 x	7.9 x	13.1 x	8.0 x	4.8 x	3.7 x	3.3 x
EV / EBIT		24.1 x	18.9 x	23.1 x	25.6 x	7.7 x	5.7 x	5.0 x
P / E		n.a.	43.8 x	41.6 x	n.a.	27.0 x	8.3 x	6.4 x
P / E adj.		16.6 x	14.6 x	22.9 x	18.7 x	7.2 x	4.7 x	3.9 x
FCF Potential Yield		11.7 %	10.2 %	7.3 %	10.5 %	17.8 %	23.2 %	26.4 %
Net Debt		46.1	79.8	198.6	271.3	259.7	234.3	223.1
ROCE (NOPAT)		n.a.	3.3 %	10.4 %	8.7 %	4.3 %	8.0 %	9.1 %
Guidance:		Sales EUR 335m-345m and adj. EBITDA of EUR 95m to EUR 105m						

Sales development
in EUR m



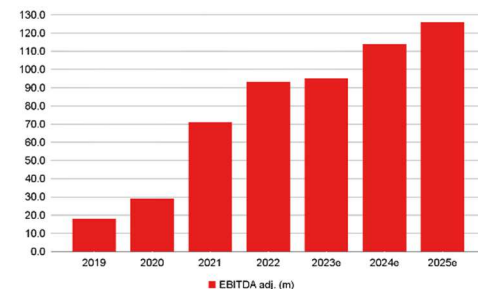
Source: Warburg Research

Revenues by Segment
2022; in %



Source: Warburg Research

Adj. EBITDA development
in EUR m



Source: Warburg Research

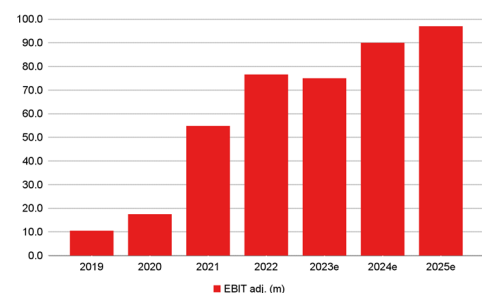
Company Background

- MGI is an advertising software platform that helps advertisers efficiently acquire customers via smartphones, computers, connected TV or DOOH as well as publishers optimally monetize their advertising space
- MGI has its own games portfolio with >5,000 casual & mobile games and >5 premium games with a total of >1bn registered players. In addition, MGI's SDK's are integrated into the apps of >20,000 publishers.
- MGI one of the largest proprietary first-party data platforms. First-party data enables better targeting as well as greater transparency in reporting and monitoring of advertising campaigns.
- MGI is one of a few providers in the Open Internet covering the entire value chain. The advantage of a full stack approach is that all processes between the advertiser and the publisher are integrated in one platform.
- The MGI business model is based on a flywheel that is driven by the software platform synergies between advertising technology and games. This relationship can be further accelerated by both M&A and innovation.

Competitive Quality

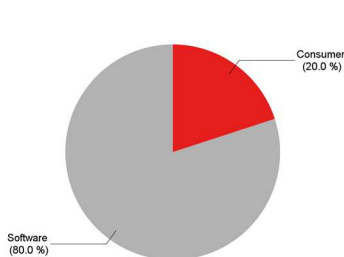
- The combination of ads & games allows MGI to optimally sell the ad-spaces in the games and leads to more efficient user acquisition representing a significant competitive advantage for the Company's own games portfolio.
- The high share of first-party data reduces vulnerability from fraud. It also makes MGI's Advertising Software Platform less reliant on third-party data, which are increasingly regulated.
- MGI's stack approach leads to improved measurability of campaign success and more targeted identification of appropriate user profiles, i.e. higher ROI for advertisers & better monetization for publishers.
- The strong proprietary games portfolio (i.e. more first-party data) will lead to more advertisers using MGI for user acquisition as they can reach a broader audience in a more targeted way (i.e. higher ROI).
- This in turn attracts more publishers who also want to monetize their ad inventory via MGI's Ad Software Platform, as there is higher demand and as the ability to sell their ad inventory at a higher price.

adj. EBIT development
in EUR m



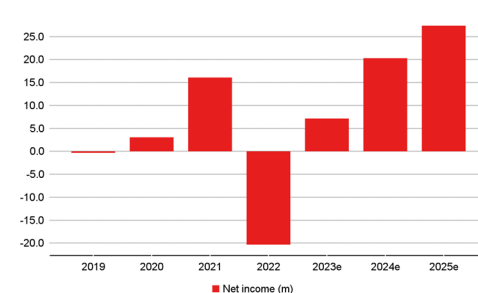
Source: Warburg Research

Sales by segments
2022; in %



Source: Warburg Research

Net income development
in EUR m



Source: Warburg Research

DCF model

Figures in EUR m	Detailed forecast period			Transitional period										Term. Value
	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	
Sales	340.0	400.0	448.0	501.8	551.9	607.1	649.6	682.1	716.2	752.0	774.6	797.8	817.8	1.5 %
Sales change	4.8 %	17.6 %	12.0 %	12.0 %	10.0 %	10.0 %	7.0 %	5.0 %	5.0 %	5.0 %	3.0 %	3.0 %	2.5 %	
EBIT	57.0	72.0	79.0	90.3	99.3	109.3	116.9	122.8	128.9	135.4	139.4	143.6	147.2	
EBIT-margin	16.8 %	18.0 %	17.6 %	18.0 %	18.0 %	18.0 %	18.0 %	18.0 %	18.0 %	18.0 %	18.0 %	18.0 %	18.0 %	
Tax rate (EBT)	55.0 %	35.0 %	32.0 %	20.0 %	20.0 %	20.0 %	20.0 %	22.0 %	25.0 %	27.0 %	28.0 %	28.0 %	28.0 %	
NOPAT	25.7	46.8	53.7	72.3	79.5	87.4	93.5	95.8	96.7	98.8	100.4	103.4	106.0	
Depreciation	34.0	38.0	43.0	50.2	55.2	60.7	65.0	68.2	71.6	75.2	77.5	79.8	81.8	
in % of Sales	10.0 %	9.5 %	9.6 %	10.0 %	10.0 %	10.0 %	10.0 %	10.0 %	10.0 %	10.0 %	10.0 %	10.0 %	10.0 %	
Changes in provisions	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	
Change in Liquidity from														
- Working Capital	7.1	-1.6	-1.3	37.4	2.5	2.8	2.1	1.6	1.7	1.8	1.1	1.2	1.0	
- Capex	30.0	30.0	30.0	50.2	55.2	60.7	65.0	68.2	71.6	75.2	77.5	79.8	81.8	
Capex in % of Sales	8.8 %	7.5 %	6.7 %	10.0 %	10.0 %	10.0 %	10.0 %	10.0 %	10.0 %	10.0 %	10.0 %	10.0 %	10.0 %	
- Other	10.0	5.0	31.0	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)	12.6	51.4	37.0	34.9	77.0	84.7	91.4	94.1	95.0	97.0	99.3	102.2	105.0	
PV of FCF	11.9	44.6	29.3	25.2	50.9	51.1	50.4	47.5	43.8	40.8	38.2	35.9	33.7	432
share of PVs	9.17 %			44.65 %										46.18 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	20.00 %	Financial Strength	2.30
Cost of debt (after tax)	6.3 %	Liquidity (share)	1.00
Market return	8.25 %	Cyclicality	1.25
Risk free rate	2.75 %	Transparency	1.25
		Others	1.00
WACC	9.45 %	Beta	1.36

Valuation (m)

Present values 2035e	503		
Terminal Value	432		
Financial liabilities	421		
Pension liabilities	0		
Hybrid capital	0		
Minority interest	5		
Market val. of investments	0		
Liquidity	189	No. of shares (m)	174.4
Equity Value	698	Value per share (EUR)	4.00

Sensitivity Value per Share (EUR)

Beta	WACC	Terminal Growth							Beta	WACC	Delta EBIT-margin						
		0.75 %	1.00 %	1.25 %	1.50 %	1.75 %	2.00 %	2.25 %			-1.5 pp	-1.0 pp	-0.5 pp	+0.0 pp	+0.5 pp	+1.0 pp	+1.5 pp
1.59	10.5 %	3.16	3.21	3.26	3.31	3.37	3.43	3.49	1.59	10.5 %	2.90	3.03	3.17	3.31	3.45	3.59	3.73
1.48	10.0 %	3.46	3.51	3.57	3.64	3.70	3.77	3.85	1.48	10.0 %	3.19	3.34	3.49	3.64	3.78	3.93	4.08
1.42	9.7 %	3.62	3.68	3.74	3.81	3.89	3.96	4.05	1.42	9.7 %	3.35	3.51	3.66	3.81	3.97	4.12	4.27
1.36	9.5 %	3.79	3.86	3.93	4.00	4.08	4.17	4.26	1.36	9.5 %	3.53	3.68	3.84	4.00	4.16	4.32	4.48
1.30	9.2 %	3.97	4.04	4.12	4.20	4.29	4.39	4.49	1.30	9.2 %	3.71	3.87	4.04	4.20	4.37	4.53	4.70
1.25	9.0 %	4.16	4.24	4.33	4.42	4.51	4.62	4.73	1.25	9.0 %	3.91	4.08	4.25	4.42	4.59	4.76	4.93
1.13	8.5 %	4.58	4.68	4.78	4.89	5.01	5.14	5.28	1.13	8.5 %	4.34	4.53	4.71	4.89	5.08	5.26	5.45

- Our DCF approach is based on a detailed planning phase, a transitional phase, and a perpetuity term
- Long-term tax rate is assumed to be at 28%

Valuation	2019	2020	2021	2022	2023e	2024e	2025e
Price / Book	0.8 x	0.7 x	2.1 x	1.3 x	0.5 x	0.5 x	0.5 x
Book value per share ex intangibles	-1.93	-0.82	-1.99	-2.94	-2.86	-2.66	-2.39
EV / Sales	1.4 x	1.5 x	3.4 x	2.1 x	1.3 x	1.0 x	0.9 x
EV / EBITDA	7.8 x	7.9 x	13.1 x	8.0 x	4.8 x	3.7 x	3.3 x
EV / EBIT	24.1 x	18.9 x	23.1 x	25.6 x	7.7 x	5.7 x	5.0 x
EV / EBIT adj.*	11.5 x	11.9 x	15.5 x	8.9 x	5.8 x	4.5 x	4.1 x
P / FCF	18.6 x	14.4 x	16.8 x	3.6 x	42.0 x	6.3 x	4.5 x
P / E	n.a.	43.8 x	41.6 x	n.a.	27.0 x	8.3 x	6.4 x
P / E adj.*	16.6 x	14.6 x	22.9 x	18.7 x	7.2 x	4.7 x	3.9 x
Dividend Yield	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
FCF Potential Yield (on market EV)	11.7 %	10.2 %	7.3 %	10.5 %	17.8 %	23.2 %	26.4 %

*Adjustments made for: mostly relate to PPA amortisation

Consolidated profit & loss

In EUR m	2019	2020	2021	2022	2023e	2024e	2025e
Sales	83.9	140.2	252.2	324.4	340.0	400.0	448.0
Change Sales yoy	85.2 %	67.1 %	79.8 %	28.7 %	4.8 %	17.6 %	12.0 %
Increase / decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Own work capitalised	10.2	16.0	22.9	28.9	30.0	30.0	30.0
Total Sales	94.1	156.2	275.0	353.4	370.0	430.0	478.0
Material expenses	45.8	77.6	138.0	188.6	200.0	225.0	252.0
Gross profit	48.3	78.6	137.0	164.8	170.0	205.0	226.0
<i>Gross profit margin</i>	<i>57.5 %</i>	<i>56.1 %</i>	<i>54.3 %</i>	<i>50.8 %</i>	<i>50.0 %</i>	<i>51.3 %</i>	<i>50.4 %</i>
Personnel expenses	27.4	39.6	56.0	76.2	74.0	85.0	93.0
Other operating income	4.6	6.3	8.6	23.2	25.0	25.0	26.0
Other operating expenses	10.0	18.7	24.7	27.0	30.0	35.0	37.0
EBITDA adj.	18.1	29.1	71.1	93.2	95.0	114.0	126.0
<i>Margin</i>	<i>21.6 %</i>	<i>20.8 %</i>	<i>28.2 %</i>	<i>28.7 %</i>	<i>27.9 %</i>	<i>28.5 %</i>	<i>28.1 %</i>
EBITDA	15.5	26.5	65.0	84.8	91.0	110.0	122.0
<i>Margin</i>	<i>18.5 %</i>	<i>18.9 %</i>	<i>25.8 %</i>	<i>26.1 %</i>	<i>26.8 %</i>	<i>27.5 %</i>	<i>27.2 %</i>
Depreciation of fixed assets	2.8	3.0	3.0	5.0	3.0	3.0	3.0
EBITA	12.7	23.5	62.0	79.8	88.0	107.0	119.0
Amortisation of intangible assets	7.7	12.5	25.2	53.1	31.0	35.0	40.0
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	5.0	11.0	36.8	26.6	57.0	72.0	79.0
<i>Margin</i>	<i>6.0 %</i>	<i>7.9 %</i>	<i>14.6 %</i>	<i>8.2 %</i>	<i>16.8 %</i>	<i>18.0 %</i>	<i>17.6 %</i>
EBIT adj.	10.5	17.5	54.8	76.6	75.0	90.0	97.0
Interest income	0.1	0.4	0.9	0.3	0.0	0.0	0.0
Interest expenses	5.8	7.5	22.8	38.3	40.0	40.0	38.0
Other financial income (loss)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBT	-0.8	3.9	14.9	-11.3	17.0	32.0	41.0
<i>Margin</i>	<i>-0.9 %</i>	<i>2.8 %</i>	<i>5.9 %</i>	<i>-3.5 %</i>	<i>5.0 %</i>	<i>8.0 %</i>	<i>9.2 %</i>
Total taxes	-2.0	1.2	-1.2	9.1	9.4	11.2	13.1
Net income from continuing operations	1.3	2.7	16.1	-20.4	7.7	20.8	27.9
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	1.3	2.7	16.1	-20.4	7.7	20.8	27.9
Minority interest	1.6	-0.4	0.0	-0.1	0.5	0.5	0.5
Net income	-0.3	3.1	16.1	-20.3	7.2	20.3	27.4
<i>Margin</i>	<i>-0.4 %</i>	<i>2.2 %</i>	<i>6.4 %</i>	<i>-6.3 %</i>	<i>2.1 %</i>	<i>5.1 %</i>	<i>6.1 %</i>
Number of shares, average	64.1	98.5	142.5	156.2	159.2	159.2	159.2
EPS	-0.01	0.03	0.11	-0.13	0.04	0.13	0.17
EPS adj.	0.07	0.09	0.20	0.14	0.15	0.23	0.28

*Adjustments made for: mostly relate to PPA amortisation

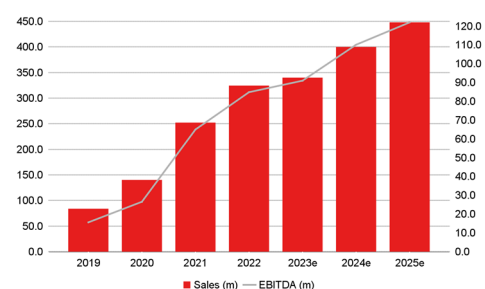
Guidance: Sales EUR 335m-345m and adj. EBITDA of EUR 95m to EUR 105m

Financial Ratios

	2019	2020	2021	2022	2023e	2024e	2025e
Total Operating Costs / Sales	93.6 %	92.5 %	83.3 %	82.8 %	82.1 %	80.0 %	79.5 %
Operating Leverage	1.1 x	1.8 x	2.9 x	-1.0 x	23.8 x	1.5 x	0.8 x
EBITDA / Interest expenses	2.7 x	3.5 x	2.8 x	2.2 x	2.3 x	2.8 x	3.2 x
Tax rate (EBT)	265.4 %	30.6 %	-7.8 %	-79.9 %	55.0 %	35.0 %	32.0 %
Dividend Payout Ratio	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %

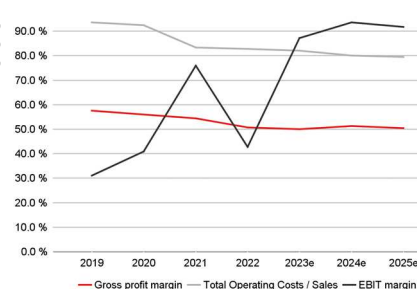
Sales, EBITDA

in EUR m

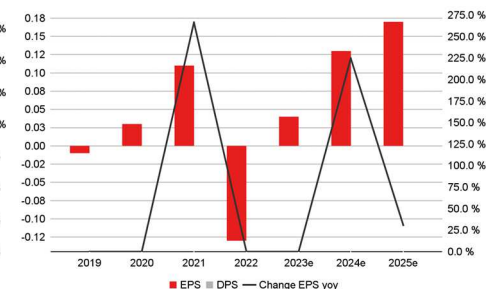


Operating Performance

in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

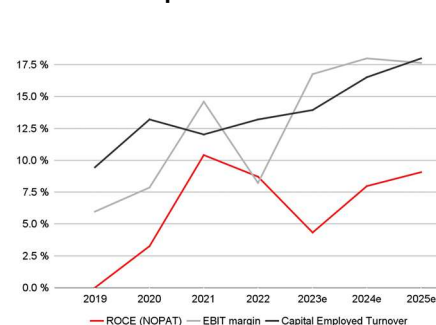
Consolidated balance sheet

In EUR m	2019	2020	2021	2022	2023e	2024e	2025e
Assets							
Goodwill and other intangible assets	233.2	272.8	605.7	791.3	785.3	775.3	760.3
thereof other intangible assets	73.7	85.4	149.4	130.6	124.6	114.6	99.6
thereof Goodwill	147.3	164.0	412.0	587.7	587.7	587.7	587.7
Property, plant and equipment	3.5	1.7	4.7	5.5	7.5	9.5	11.5
Financial assets	19.9	18.9	40.1	20.2	13.2	13.2	13.2
Other long-term assets	0.0	0.0	0.0	6.7	6.7	6.7	6.7
Fixed assets	256.6	293.5	650.5	823.6	812.6	804.6	791.6
Inventories	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	17.0	37.0	97.5	52.2	60.5	71.2	79.8
Liquid assets	33.0	46.3	180.2	150.0	161.6	187.0	198.1
Other short-term assets	5.8	9.1	5.9	18.8	18.8	18.8	18.8
Current assets	55.9	92.4	283.6	221.0	240.9	277.0	296.7
Total Assets	312.4	385.8	934.1	1,044.7	1,053.5	1,081.6	1,088.4
Liabilities and shareholders' equity							
Subscribed capital	98.1	117.1	149.7	159.2	159.2	159.2	159.2
Capital reserve	0.0	57.3	137.7	158.6	158.6	158.6	158.6
Retained earnings	0.0	5.6	21.7	1.4	8.5	28.8	56.2
Other equity components	0.0	-3.2	-1.6	3.7	4.2	4.7	5.2
Shareholders' equity	98.1	176.8	307.4	323.0	330.6	351.4	379.3
Minority interest	70.5	0.1	0.1	-1.2	-1.2	-1.2	-1.2
Total equity	168.6	176.8	307.5	321.7	329.4	350.2	378.1
Provisions	12.6	17.3	54.0	65.2	65.2	65.2	65.2
thereof provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial liabilities (total)	79.1	126.0	378.7	421.3	421.3	421.3	421.3
Short-term financial liabilities	6.7	6.1	32.0	31.9	31.9	31.9	31.9
Accounts payable	20.3	30.0	53.8	68.7	69.9	82.2	92.1
Other liabilities	31.9	35.7	140.1	167.7	167.7	167.7	131.7
Liabilities	143.8	209.0	626.6	722.9	724.1	731.4	710.3
Total liabilities and shareholders' equity	312.4	385.8	934.1	1,044.7	1,053.5	1,081.6	1,088.4

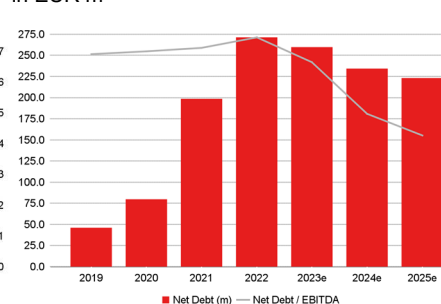
Financial Ratios

	2019	2020	2021	2022	2023e	2024e	2025e
Efficiency of Capital Employment							
Operating Assets Turnover	285.4 x	16.1 x	5.2 x	-29.6 x	-181.0 x	-270.6 x	-575.8 x
Capital Employed Turnover	0.4 x	0.5 x	0.5 x	0.5 x	0.6 x	0.7 x	0.7 x
ROA	-0.1 %	1.0 %	2.5 %	-2.5 %	0.9 %	2.5 %	3.5 %
Return on Capital							
ROCE (NOPAT)	n.a.	3.3 %	10.4 %	8.7 %	4.3 %	8.0 %	9.1 %
ROE	-0.4 %	2.2 %	6.6 %	-6.4 %	2.2 %	6.0 %	7.5 %
Adj. ROE	5.3 %	6.4 %	11.6 %	6.7 %	7.3 %	10.9 %	12.1 %
Balance sheet quality							
Net Debt	46.1	79.8	198.6	271.3	259.7	234.3	223.1
Net Financial Debt	46.1	79.8	198.6	271.3	259.7	234.3	223.1
Net Gearing	27.3 %	45.1 %	64.6 %	84.3 %	78.9 %	66.9 %	59.0 %
Net Fin. Debt / EBITDA	296.4 %	300.4 %	305.3 %	319.9 %	285.4 %	213.0 %	182.9 %
Book Value / Share	1.4	1.5	2.1	2.0	2.1	2.2	2.4
Book value per share ex intangibles	-1.9	-0.8	-2.0	-2.9	-2.9	-2.7	-2.4

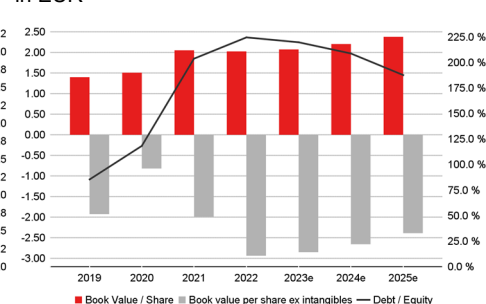
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

Consolidated cash flow statement

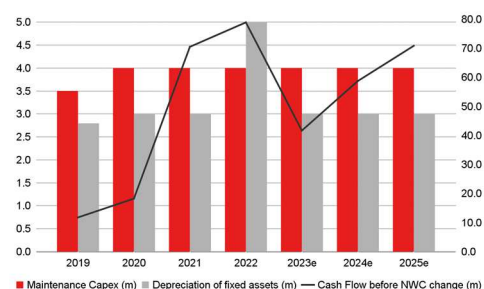
In EUR m	2019	2020	2021	2022	2023e	2024e	2025e
Net income	1.3	2.7	16.1	-20.4	7.7	20.8	27.9
Depreciation of fixed assets	2.8	3.0	3.0	5.0	3.0	3.0	3.0
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	7.7	12.5	25.2	53.1	31.0	35.0	40.0
Increase/decrease in long-term provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other non-cash income and expenses	0.0	0.0	26.2	41.2	0.0	0.0	0.0
Cash Flow before NWC change	11.8	18.2	70.5	79.0	41.7	58.8	70.9
Increase / decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increase / decrease in accounts receivable	-7.0	-2.8	-60.5	45.3	-8.3	-10.7	-8.6
Increase / decrease in accounts payable	12.2	9.8	23.7	15.0	1.2	12.3	9.9
Increase / decrease in other working capital positions	0.0	0.0	31.1	13.9	0.0	0.0	0.0
Increase / decrease in working capital (total)	5.2	7.0	-5.7	74.1	-7.1	1.6	1.3
Net cash provided by operating activities [1]	17.0	25.2	64.8	153.1	34.6	60.4	72.2
Investments in intangible assets	-11.0	-15.0	-20.0	-23.0	-25.0	-25.0	-25.0
Investments in property, plant and equipment	-2.0	-1.2	-6.0	-4.0	-5.0	-5.0	-5.0
Payments for acquisitions	0.0	-21.5	-269.6	-137.5	-10.0	-5.0	-31.0
Financial investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	0.0	0.0	0.0	0.0	17.0	0.0	0.0
Net cash provided by investing activities [2]	-13.0	-37.7	-295.6	-176.7	-23.0	-35.0	-61.0
Change in financial liabilities	16.4	-2.7	245.0	-16.2	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	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	9.0	28.5	113.2	28.5	0.0	0.0	0.0
Other	0.0	0.0	6.0	0.0	0.0	0.0	0.0
Net cash provided by financing activities [3]	25.4	25.8	364.2	12.3	0.0	0.0	0.0
Change in liquid funds [1]+[2]+[3]	29.4	13.3	133.4	-11.3	11.6	25.4	11.2
Effects of exchange-rate changes on cash	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash and cash equivalent at end of period	33.8	46.3	179.7	168.9	161.6	187.0	198.1

Financial Ratios

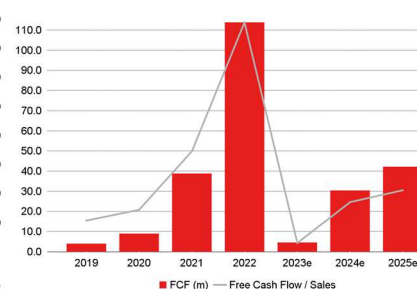
	2019	2020	2021	2022	2023e	2024e	2025e
Cash Flow							
FCF	4.0	9.0	38.8	113.9	4.6	30.4	42.2
Free Cash Flow / Sales	4.8 %	6.4 %	15.4 %	35.1 %	1.3 %	7.6 %	9.4 %
Free Cash Flow Potential	14.1	21.4	62.2	71.7	77.7	94.8	104.9
Free Cash Flow / Net Profit	-1237.5 %	293.5 %	241.3 %	-560.4 %	63.9 %	149.8 %	154.1 %
Interest Received / Avg. Cash	0.4 %	0.9 %	0.8 %	0.2 %	0.0 %	0.0 %	0.0 %
Interest Paid / Avg. Debt	9.6 %	7.3 %	9.0 %	9.6 %	9.5 %	9.5 %	9.0 %
Management of Funds							
Investment ratio	15.5 %	11.6 %	10.3 %	8.3 %	8.8 %	7.5 %	6.7 %
Maint. Capex / Sales	4.2 %	2.9 %	1.6 %	1.2 %	1.2 %	1.0 %	0.9 %
Capex / Dep	123.3 %	104.5 %	92.2 %	46.4 %	88.2 %	78.9 %	69.8 %
Avg. Working Capital / Sales	-0.3 %	1.3 %	10.1 %	4.2 %	-3.8 %	-2.6 %	-2.6 %
Trade Debtors / Trade Creditors	84.1 %	123.2 %	181.4 %	76.0 %	86.6 %	86.6 %	86.6 %
Inventory Turnover	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Receivables collection period (days)	74	96	141	59	65	65	65
Payables payment period (days)	162	141	142	133	128	133	133
Cash conversion cycle (Days)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

CAPEX and Cash Flow

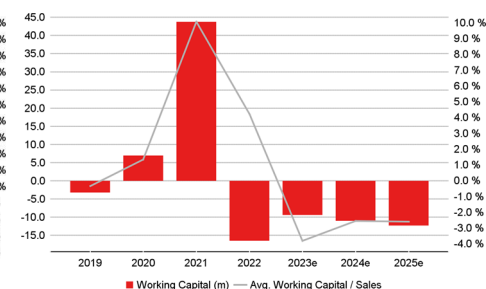
in EUR m



Free Cash Flow Generation



Working Capital



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

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Company	Disclosure	Link to the historical price targets and rating changes (last 12 months)
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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.
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“-“	Rating suspended:	The available information currently does not permit an evaluation of the company.

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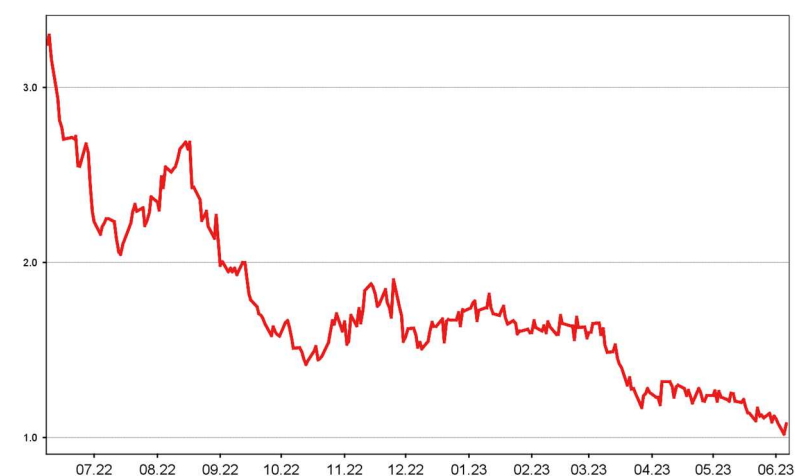
Rating	Number of stocks	% of Universe
Buy	159	75
Hold	43	20
Sell	7	3
Rating suspended	3	1
Total	212	100

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	45	88
Hold	5	10
Sell	0	0
Rating suspended	1	2
Total	51	100

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