

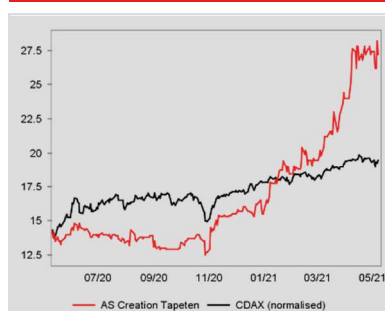
| | | | |
|------------------------------------|---|--|---|
| Buy EUR 37.00 | Value Indicators: EUR DCF: 37.00 FCF-Value Potential 22e: 35.00 | Warburg ESG Risk Score: 2.3 ESG Score (MSCI based): 3.0 Balance Sheet Score: 4.0 Market Liquidity Score: 0.0 | Description: A.S.Création is the leading wallpaper manufacturer in Europe. |
| | Market Snapshot: EUR m Market cap: 75.0 No. of shares (m): 2.8 EV: 78.0 Freefloat MC: 27.4 Ø Trad. Vol. (30d): 31.58 th | Shareholders: Freefloat: 36.6 % Franz Juergen Schneider: 29.5 % Lins Wallpaper: 15.0 % Karin Schneider: 10.1 % A.S. Creation Foundation: 5.7 % | Key Figures (WRE): 2021e Beta: 1.2 Price / Book: 0.9 x Equity Ratio: 65 % Net Debt / EBITDA: 0.2 x |
| Price: EUR 27.20 Upside: 36.0 % | | | |

On track for double-digit earnings growth in 2021

| Stated Figures Q1/2021: | | | | |
|-----------------------------------|--------------|------------|-------------|--------------|
| in EURm, except EPS | actual | +/- in % | Q1 2021e | Q1 2020 |
| Sales | 40,3 | 7% | 41,0 | 37,8 |
| Gross margin | 54,5% | | 54,0% | 53,0% |
| EBIT reported | 4,0 | | 3,9 | -1,5 |
| Margin | 10,0% | | 9,5% | -3,8% |
| EBIT const. currency | 3,7 | 85% | 3,6 | 2,0 |
| Margin | 9,2% | | 8,8% | 5,3% |
| Net income const. currency | 2,8 | | 2,7 | -2,3 |
| EPS const. currency | 1,00 | | 0,98 | -0,82 |

Comment on Figures:

- Q1 sales rose 7% on the back of 27% growth in the EU ex-Germany as well as growth rates in the low teens in Eastern Europe and the Rest of the World. Although management remarked that Q1 sales were a touch lower than the original plan of EUR 41-44m, this deviation can be fully explained by the prolonged lockdown in Germany and the closure of DIY stores (bear in mind, if German sales were at the prior-year level, sales would have been EUR 2.3m higher and thus squarely in the middle of the planned range)
 - The gross margin was strong and improved by 150bp, reflecting the strong product mix. However, towards the end of the quarter, input price pressure started to kick in.
 - Underlying operating expenses, which exclude currency effects, declined EUR 0.3m in Q1, demonstrating the strong cost discipline as well as the positive impact of lower travel expenses and lower bad debt allowances.
- Although Q1 sales were a touch lower than management's initial expectations, this was solely down to the lockdown in Germany which has lasted for longer than expected. Nevertheless, the sales decline of 12% in Germany represents a strong showing, bearing in mind that brick-and-mortar retail was nearly fully closed during the quarter. In light of double-digit growth in all other regions, there should be no doubt about the strong demand for A.S. Création's products and we are therefore comfortable with our forecast of 5% top-line growth for the full year.
- The Q1 EBIT margin of 9.2% (excluding FX effects) was even somewhat better than we were expecting on the back of a strong gross margin. Management is cautioning that, towards the end of Q1, significant increases in raw material prices put the gross margin under pressure. Considering A.S. Création's historical track record of passing on input price pressure – albeit with some delay – we are not worried that this will have a lasting impact. Furthermore, our model already assumes higher input prices, which is the only reason for our expectation of a slight decline in the gross margin over the full year. Overall, A.S. Création is well on track to reach our estimates of double-digit earnings growth in 2021.
- In light of the decent outlook for continued growth, the solid balance sheet, and the attractive valuation with the stock trading at just over 11 times our 2021 EPS, we reiterate our Buy rating and price target of EUR 37.

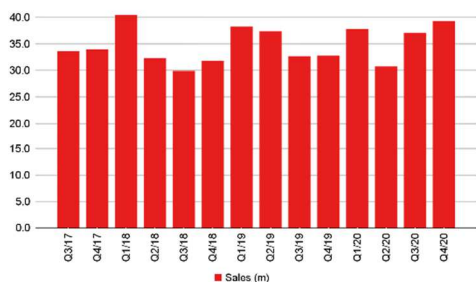


| Rel. Performance vs CDAX: | |
|---------------------------|--------|
| 1 month: | -1.1 % |
| 6 months: | 68.1 % |
| Year to date: | 66.0 % |
| Trailing 12 months: | 61.8 % |

| Company events: | |
|-----------------|----|
| 05.08.21 | Q2 |
| 04.11.21 | Q3 |

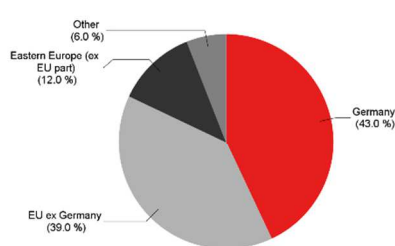
| FY End: 31.12. in EUR m | CAGR (20-23e) | 2017 | 2018 | 2019 | 2020 | 2021e | 2022e | 2023e |
|----------------------------|------------------|---|---------------|---------------|---------------|---------------|---------------|---------------|
| Sales | 5.0 % | 143.3 | 134.5 | 141.1 | 144.9 | 152.0 | 159.6 | 167.6 |
| Change Sales yoy | | -6.1 % | -6.2 % | 4.9 % | 2.7 % | 4.9 % | 5.0 % | 5.0 % |
| Gross profit margin | | 48.9 % | 48.8 % | 50.6 % | 52.8 % | 52.5 % | 52.7 % | 52.9 % |
| EBIT adj. | 11.3 % | -1.2 | -1.3 | 3.4 | 8.8 | 9.9 | 11.2 | 12.2 |
| Margin | | -0.8 % | -1.0 % | 2.4 % | 6.1 % | 6.5 % | 7.0 % | 7.3 % |
| EBIT | 40.0 % | -15.8 | -2.9 | 4.5 | 4.4 | 9.9 | 11.2 | 12.2 |
| Margin | | -11.0 % | -2.1 % | 3.2 % | 3.1 % | 6.5 % | 7.0 % | 7.3 % |
| Net income | 72.9 % | -17.8 | -6.0 | 2.4 | 1.5 | 6.2 | 7.2 | 7.9 |
| EPS | 72.9 % | -6.45 | -2.17 | 5.13 | 0.56 | 2.25 | 2.62 | 2.88 |
| EPS adj. | 10.2 % | -1.15 | -1.59 | 0.88 | 2.15 | 2.25 | 2.62 | 2.88 |
| DPS | 12.9 % | 0.00 | 0.00 | 0.90 | 0.90 | 1.00 | 1.20 | 1.30 |
| Dividend Yield | | n.a. | n.a. | 6.8 % | 6.4 % | 3.7 % | 4.4 % | 4.8 % |
| FCFPS | | -2.36 | -1.76 | 4.41 | 2.80 | 1.46 | 1.45 | 1.87 |
| FCF / Market cap | | -8.7 % | -10.1 % | 33.3 % | 19.9 % | 5.4 % | 5.3 % | 6.9 % |
| EV / Sales | | 0.7 x | 0.6 x | 0.4 x | 0.4 x | 0.5 x | 0.5 x | 0.5 x |
| EV / EBITDA | | n.a. | 24.0 x | 5.6 x | 5.5 x | 5.0 x | 4.5 x | 3.9 x |
| EV / EBIT | | n.a. | n.a. | 12.6 x | 12.4 x | 7.9 x | 6.9 x | 6.2 x |
| P / E | | n.a. | n.a. | 2.6 x | 25.3 x | 12.1 x | 10.4 x | 9.4 x |
| P / E adj. | | n.a. | n.a. | 15.0 x | 6.5 x | 12.1 x | 10.4 x | 9.4 x |
| FCF Potential Yield | | -14.9 % | -3.1 % | 7.2 % | 8.7 % | 9.6 % | 11.2 % | 13.6 % |
| Net Financial Debt | | -0.4 | 3.4 | -6.1 | -11.4 | -13.0 | -14.2 | -16.1 |
| ROCE (NOPAT) | | n.a. | n.a. | 3.5 % | 2.1 % | 7.8 % | 8.6 % | 9.0 % |
| Guidance: | | EUR 147m to EUR 157m sales, EUR 9 to EUR 11m EBIT (const. currency) | | | | | | |

Sales development in EUR m



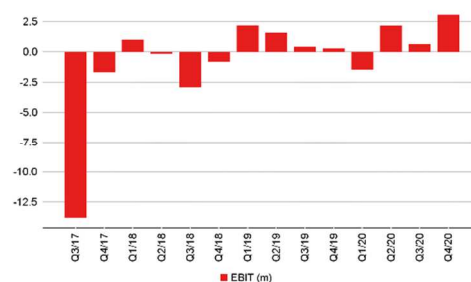
Source: Warburg Research

Sales by regions 2020; in %



Source: Warburg Research

EBIT development in EUR m



Source: Warburg Research

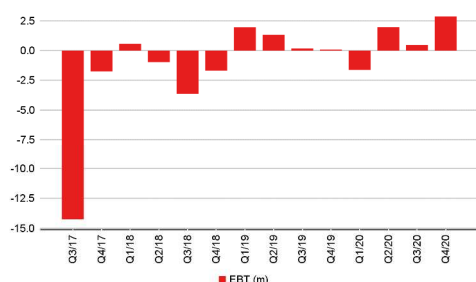
Company Background

- A.S. Création, the leading wallpaper manufacturer in Europe, generates more than 35% of sales in the German wallpaper industry. The Furnishing Fabrics Division complements the product range.
- The product range is clearly segmented into price points and sales lines. The main brands are "A.S. Création" and "Living Walls" for the premium price segment and "Innova" for the entry-level market segment.
- Germany and France are the most important markets and together represent well over half of sales. Altogether more than 80% of sales are generated in the EU.
- Production is mainly in Germany. With modern machinery and proximity to the main markets, the production is competitively viable. That said in 2018 A.S. opened a factory in Belarus, chiefly for entry price products.

Competitive Quality

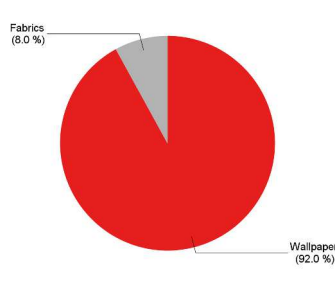
- A.S. Création stays ahead of competition mainly through high product quality and the implementation of high-class designs with sophisticated print technology like e.g. a combination of gravure and screen printing.
- The company is a pioneer in the development of licence brands outside the wallpaper segment. The portfolio includes Esprit Home, Versace, Porsche Design, NafNaf and others.
- Management is very innovative in the development of new concepts for point of sales. An e-shop for instance was set up at an early stage and in 2016 the mobile shopping tool was re-launched.
- With efficient logistics A.S. can guarantee a delivery rate of above 99% within 24hrs. Furthermore traders can outsource the entire management of their wallpaper business to A.S.

EBT development in EUR m



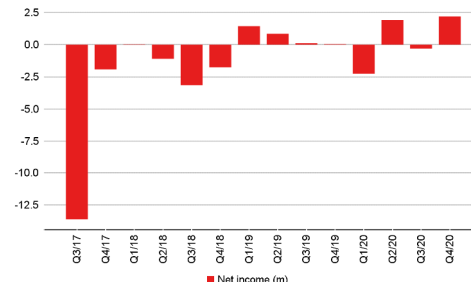
Source: Warburg Research

Sales by segments 2020; 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 | |
|--------------------------------|--------------------------|--------------|--------------|---------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|----|
| | 2021e | 2022e | 2023e | 2024e | 2025e | 2026e | 2027e | 2028e | 2029e | 2030e | 2031e | 2032e | 2033e | | |
| Sales | 152.0 | 159.6 | 167.6 | 176.0 | 184.8 | 188.5 | 192.2 | 196.1 | 200.0 | 204.0 | 208.1 | 212.2 | 216.5 | 0.0 % | |
| Sales change | 2.7 % | 4.9 % | 5.0 % | 5.0 % | 5.0 % | 2.0 % | 2.0 % | 2.0 % | 2.0 % | 2.0 % | 2.0 % | 2.0 % | 2.0 % | | |
| EBIT | 9.9 | 11.2 | 12.2 | 13.2 | 12.9 | 12.2 | 12.5 | 12.7 | 13.0 | 13.3 | 13.5 | 13.8 | 14.1 | | |
| EBIT-margin | 6.5 % | 7.0 % | 7.3 % | 7.5 % | 7.0 % | 6.5 % | 6.5 % | 6.5 % | 6.5 % | 6.5 % | 6.5 % | 6.5 % | 6.5 % | | |
| Tax rate (EBT) | 31.0 % | 31.7 % | 32.2 % | 30.0 % | 30.0 % | 30.0 % | 30.0 % | 30.0 % | 30.0 % | 30.0 % | 30.0 % | 30.0 % | 30.0 % | | |
| NOPAT | 6.8 | 7.7 | 8.2 | 9.2 | 9.1 | 8.6 | 8.7 | 8.9 | 9.1 | 9.3 | 9.5 | 9.7 | 9.8 | | |
| Depreciation in % of Sales | 5.7 3.7 % | 6.0 3.8 % | 7.0 4.2 % | 7.9 4.5 % | 8.3 4.5 % | 8.5 4.5 % | 8.6 4.5 % | 8.8 4.5 % | 9.0 4.5 % | 9.2 4.5 % | 9.4 4.5 % | 9.6 4.5 % | 9.7 4.5 % | | |
| 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 | 1.5 | 1.9 | 2.0 | 2.9 | 3.1 | 1.3 | 1.3 | 1.3 | 1.4 | 1.4 | 1.4 | 1.5 | 1.5 | | |
| - Capex | 6.6 | 7.6 | 8.1 | 8.8 | 9.2 | 9.4 | 9.6 | 9.8 | 10.0 | 10.2 | 10.4 | 10.6 | 10.8 | | |
| Capex in % of Sales | 4.3 % | 4.8 % | 4.8 % | 5.0 % | 5.0 % | 5.0 % | 5.0 % | 5.0 % | 5.0 % | 5.0 % | 5.0 % | 5.0 % | 5.0 % | | |
| Other | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | | |
| Free Cash Flow (WACC Model) | 4.3 | 4.1 | 5.1 | 5.4 | 5.1 | 6.3 | 6.5 | 6.6 | 6.7 | 6.9 | 7.0 | 7.1 | 7.3 | | 10 |
| PV of FCF | 4.1 | 3.7 | 4.3 | 4.2 | 3.6 | 4.3 | 4.1 | 3.9 | 3.7 | 3.5 | 3.3 | 3.2 | 3.0 | | 57 |
| share of PVs | 11.36 % | | | 34.64 % | | | | | | | | | | 54.00 % | |

Model parameter

| | | | |
|--------------------------|---------------|---------------------|-------------|
| Derivation of WACC: | | Derivation of Beta: | |
| Debt ratio | 16.00 % | Financial Strength | 1.00 |
| Cost of debt (after tax) | 2.1 % | Liquidity (share) | 1.00 |
| Market return | 7.00 % | Cyclicality | 1.50 |
| Risk free rate | 1.50 % | Transparency | 1.00 |
| | | Others | 1.50 |
| WACC | 7.14 % | Beta | 1.20 |

Valuation (m)

| | | | |
|----------------------------|------------|------------------------------|--------------|
| Present values 2033e | 49 | | |
| Terminal Value | 57 | | |
| Financial liabilities | 10 | | |
| Pension liabilities | 16 | | |
| Hybrid capital | 0 | | |
| Minority interest | 0 | | |
| Market val. of investments | 0 | | |
| Liquidity | 22 | No. of shares (m) | 2.8 |
| Equity Value | 102 | Value per share (EUR) | 37.04 |

Sensitivity Value per Share (EUR)

| Beta | WACC | Terminal Growth | | | | | | | Beta | WACC | Delta EBIT-margin | | | | | | |
|------|-------|-----------------|---------|---------|--------|--------|--------|--------|------|-------|-------------------|---------|---------|---------|---------|---------|---------|
| | | -0.75 % | -0.50 % | -0.25 % | 0.00 % | 0.25 % | 0.50 % | 0.75 % | | | -1.5 pp | -1.0 pp | -0.5 pp | +0.0 pp | +0.5 pp | +1.0 pp | +1.5 pp |
| 1.42 | 8.1 % | 30.06 | 30.49 | 30.94 | 31.43 | 31.94 | 32.49 | 33.08 | 1.42 | 8.1 % | 22.11 | 25.22 | 28.32 | 31.43 | 34.53 | 37.64 | 40.74 |
| 1.31 | 7.6 % | 32.40 | 32.91 | 33.45 | 34.04 | 34.66 | 35.32 | 36.03 | 1.31 | 7.6 % | 24.07 | 27.39 | 30.71 | 34.04 | 37.36 | 40.68 | 44.00 |
| 1.25 | 7.4 % | 33.68 | 34.24 | 34.84 | 35.48 | 36.17 | 36.90 | 37.69 | 1.25 | 7.4 % | 25.16 | 28.60 | 32.04 | 35.48 | 38.92 | 42.36 | 45.80 |
| 1.20 | 7.1 % | 35.06 | 35.67 | 36.33 | 37.04 | 37.79 | 38.60 | 39.48 | 1.20 | 7.1 % | 26.33 | 29.90 | 33.47 | 37.04 | 40.60 | 44.17 | 47.74 |
| 1.15 | 6.9 % | 36.53 | 37.21 | 37.93 | 38.71 | 39.55 | 40.45 | 41.43 | 1.15 | 6.9 % | 27.60 | 31.30 | 35.01 | 38.71 | 42.41 | 46.12 | 49.82 |
| 1.09 | 6.6 % | 38.11 | 38.85 | 39.66 | 40.52 | 41.45 | 42.45 | 43.55 | 1.09 | 6.6 % | 28.96 | 32.82 | 36.67 | 40.52 | 44.37 | 48.22 | 52.07 |
| 0.98 | 6.1 % | 41.63 | 42.55 | 43.54 | 44.60 | 45.76 | 47.02 | 48.40 | 0.98 | 6.1 % | 32.06 | 36.24 | 40.42 | 44.60 | 48.79 | 52.97 | 57.15 |

- We assume an EBIT margin of 6.5% in our DCF model, which is nearly on the level of long term median margin.
- Due to the mature stage of the wallpaper industry we assume no growth in terminal value sales.

Free Cash Flow Value Potential

Warburg Research's valuation tool "FCF Value Potential" reflects the ability of the company to generate sustainable free cash flows. It is based on the "FCF potential" - a FCF "ex growth" figure - which assumes unchanged working capital and pure maintenance capex. A value indication is derived via the perpetuity of a given year's "FCF potential" with consideration of the weighted costs of capital. The fluctuating value indications over time add a timing element to the DCF model (our preferred valuation tool).

| in EUR m | 2017 | 2018 | 2019 | 2020 | 2021e | 2022e | 2023e | |
|---|---------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Net Income before minorities | -17.8 | -6.0 | 2.4 | 1.5 | 6.2 | 7.2 | 7.9 | |
| + Depreciation + Amortisation | 6.5 | 6.1 | 5.7 | 5.5 | 5.7 | 6.0 | 7.0 | |
| - Net Interest Income | -2.0 | -2.8 | -1.0 | -0.7 | -0.6 | -0.5 | -0.3 | |
| - Maintenance Capex | 5.5 | 5.3 | 5.0 | 3.0 | 5.0 | 5.0 | 5.0 | |
| + Other | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| = Free Cash Flow Potential | -14.8 | -2.4 | 4.1 | 4.8 | 7.5 | 8.6 | 10.2 | |
| FCF Potential Yield (on market EV) | -14.9 % | -3.1 % | 7.2 % | 8.7 % | 9.6 % | 11.2 % | 13.6 % | |
| WACC | 7.14 % | 7.14 % | 7.14 % | 7.14 % | 7.14 % | 7.14 % | 7.14 % | |
| = Enterprise Value (EV) | 98.9 | 76.1 | 56.8 | 55.0 | 78.0 | 77.0 | 75.5 | |
| = Fair Enterprise Value | n.a. | n.a. | 57.4 | 66.8 | 104.4 | 121.0 | 143.5 | |
| - Net Debt (Cash) | -11.4 | -11.4 | -11.4 | -11.4 | -13.0 | -14.2 | -16.1 | |
| - Pension Liabilities | 15.7 | 15.7 | 15.7 | 15.7 | 16.0 | 16.3 | 16.6 | |
| - Other | 11.9 | 11.9 | 11.9 | 11.9 | 0.0 | 0.0 | 0.0 | |
| - Market value of minorities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| + Market value of investments | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| = Fair Market Capitalisation | n.a. | n.a. | 41.3 | 50.6 | 101.4 | 119.0 | 142.9 | |
| Number of shares, average | 2.8 | 2.8 | 2.8 | 2.8 | 2.8 | 2.8 | 2.8 | |
| = Fair value per share (EUR) | n.a. | n.a. | 14.98 | 18.37 | 36.80 | 43.16 | 51.85 | |
| premium (-) / discount (+) in % | | | | | 35.3 % | 58.7 % | 90.6 % | |
| Sensitivity Fair value per Share (EUR) | | | | | | | | |
| | 10.14 % | n.a. | n.a. | 8.81 | 11.20 | 25.59 | 30.17 | 36.45 |
| | 9.14 % | n.a. | n.a. | 10.42 | 13.07 | 28.51 | 33.55 | 40.46 |
| | 8.14 % | n.a. | n.a. | 12.42 | 15.39 | 32.14 | 37.77 | 45.46 |
| WACC | 7.14 % | n.a. | n.a. | 14.98 | 18.37 | 36.80 | 43.16 | 51.85 |
| | 6.14 % | n.a. | n.a. | 18.37 | 22.32 | 42.97 | 50.32 | 60.33 |
| | 5.14 % | n.a. | n.a. | 23.09 | 27.80 | 51.54 | 60.25 | 72.10 |
| | 4.14 % | n.a. | n.a. | 30.08 | 35.93 | 64.25 | 74.99 | 89.57 |

■ Management regularly discloses the maintenance capex level, which is around EUR 5m.

| Valuation | 2017 | 2018 | 2019 | 2020 | 2021e | 2022e | 2023e |
|-------------------------------------|---------|--------|--------|--------|--------|--------|--------|
| Price / Book | 1.0 x | 0.7 x | 0.5 x | 0.5 x | 0.9 x | 0.9 x | 0.8 x |
| Book value per share ex intangibles | 24.44 | 23.18 | 25.77 | 25.52 | 26.89 | 28.52 | 30.22 |
| EV / Sales | 0.7 x | 0.6 x | 0.4 x | 0.4 x | 0.5 x | 0.5 x | 0.5 x |
| EV / EBITDA | n.a. | 24.0 x | 5.6 x | 5.5 x | 5.0 x | 4.5 x | 3.9 x |
| EV / EBIT | n.a. | n.a. | 12.6 x | 12.4 x | 7.9 x | 6.9 x | 6.2 x |
| EV / EBIT adj.* | n.a. | n.a. | 16.7 x | 6.2 x | 7.9 x | 6.9 x | 6.2 x |
| P / FCF | n.a. | n.a. | 3.0 x | 5.0 x | 18.6 x | 18.8 x | 14.6 x |
| P / E | n.a. | n.a. | 2.6 x | 25.3 x | 12.1 x | 10.4 x | 9.4 x |
| P / E adj.* | n.a. | n.a. | 15.0 x | 6.5 x | 12.1 x | 10.4 x | 9.4 x |
| Dividend Yield | n.a. | n.a. | 6.8 % | 6.4 % | 3.7 % | 4.4 % | 4.8 % |
| FCF Potential Yield (on market EV) | -14.9 % | -3.1 % | 7.2 % | 8.7 % | 9.6 % | 11.2 % | 13.6 % |

*Adjustments made for: -

Consolidated profit & loss

| In EUR m | 2017 | 2018 | 2019 | 2020 | 2021e | 2022e | 2023e |
|--|----------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Sales | 143.3 | 134.5 | 141.1 | 144.9 | 152.0 | 159.6 | 167.6 |
| Change Sales yoy | -6.1 % | -6.2 % | 4.9 % | 2.7 % | 4.9 % | 5.0 % | 5.0 % |
| Increase / decrease in inventory | 0.2 | -1.7 | 0.1 | -0.4 | 0.0 | 0.0 | 0.0 |
| Own work capitalised | 0.0 | 0.0 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Sales | 143.6 | 132.8 | 141.2 | 144.5 | 152.0 | 159.6 | 167.6 |
| Material expenses | 73.5 | 67.2 | 69.9 | 67.9 | 72.2 | 75.5 | 78.9 |
| Gross profit | 70.0 | 65.6 | 71.3 | 76.6 | 79.8 | 84.1 | 88.6 |
| <i>Gross profit margin</i> | <i>48.9 %</i> | <i>48.8 %</i> | <i>50.6 %</i> | <i>52.8 %</i> | <i>52.5 %</i> | <i>52.7 %</i> | <i>52.9 %</i> |
| Personnel expenses | 40.3 | 36.9 | 37.4 | 38.8 | 40.0 | 41.3 | 42.7 |
| Other operating income | 1.3 | 0.9 | 2.9 | 1.7 | 0.9 | 0.9 | 1.9 |
| Other operating expenses | 40.3 | 26.4 | 26.6 | 29.5 | 25.2 | 26.4 | 28.7 |
| Unfrequent items | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| EBITDA | -9.3 | 3.2 | 10.2 | 9.9 | 15.5 | 17.2 | 19.2 |
| <i>Margin</i> | <i>-6.5 %</i> | <i>2.4 %</i> | <i>7.2 %</i> | <i>6.9 %</i> | <i>10.2 %</i> | <i>10.8 %</i> | <i>11.4 %</i> |
| Depreciation of fixed assets | 6.5 | 6.1 | 5.7 | 5.5 | 5.7 | 6.0 | 7.0 |
| EBITA | -15.8 | -2.9 | 4.5 | 4.4 | 9.9 | 11.2 | 12.2 |
| Amortisation of intangible assets | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Goodwill amortisation | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| EBIT | -15.8 | -2.9 | 4.5 | 4.4 | 9.9 | 11.2 | 12.2 |
| <i>Margin</i> | <i>-11.0 %</i> | <i>-2.1 %</i> | <i>3.2 %</i> | <i>3.1 %</i> | <i>6.5 %</i> | <i>7.0 %</i> | <i>7.3 %</i> |
| EBIT adj. | -1.2 | -1.3 | 3.4 | 8.8 | 9.9 | 11.2 | 12.2 |
| Interest income | 1.1 | 1.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Interest expenses | 0.6 | 0.8 | 1.0 | 0.8 | 0.6 | 0.5 | 0.3 |
| Other financial income (loss) | -2.5 | -3.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| EBT | -17.8 | -5.7 | 3.6 | 3.7 | 9.3 | 10.8 | 11.9 |
| <i>Margin</i> | <i>-12.4 %</i> | <i>-4.2 %</i> | <i>2.5 %</i> | <i>2.6 %</i> | <i>6.1 %</i> | <i>6.8 %</i> | <i>7.1 %</i> |
| Total taxes | 0.0 | 0.3 | 1.1 | 2.2 | 3.1 | 3.6 | 3.9 |
| Net income from continuing operations | -17.8 | -6.0 | 2.4 | 1.5 | 6.2 | 7.2 | 7.9 |
| 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 | -17.8 | -6.0 | 2.4 | 1.5 | 6.2 | 7.2 | 7.9 |
| Minority interest | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net income | -17.8 | -6.0 | 2.4 | 1.5 | 6.2 | 7.2 | 7.9 |
| <i>Margin</i> | <i>-12.4 %</i> | <i>-4.4 %</i> | <i>1.7 %</i> | <i>1.1 %</i> | <i>4.1 %</i> | <i>4.5 %</i> | <i>4.7 %</i> |
| Number of shares, average | 2.8 | 2.8 | 2.8 | 2.8 | 2.8 | 2.8 | 2.8 |
| EPS | -6.45 | -2.17 | 5.13 | 0.56 | 2.25 | 2.62 | 2.88 |
| EPS adj. | -1.15 | -1.59 | 0.88 | 2.15 | 2.25 | 2.62 | 2.88 |

*Adjustments made for:

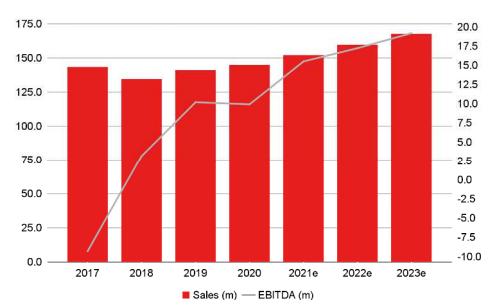
Guidance: EUR 147m to EUR 157m sales, EUR 9 to EUR 11m EBIT (const. currency)

Financial Ratios

| | 2017 | 2018 | 2019 | 2020 | 2021e | 2022e | 2023e |
|-------------------------------|---------|---------|---------|---------|---------|---------|---------|
| Total Operating Costs / Sales | 59.9 % | 50.9 % | 47.4 % | 49.8 % | 46.0 % | 45.7 % | 45.6 % |
| Operating Leverage | n.a. | 13.2 x | n.a. | -0.6 x | 24.9 x | 2.8 x | 1.6 x |
| EBITDA / Interest expenses | n.m. | 3.9 x | 10.3 x | 13.2 x | 25.9 x | 38.3 x | 63.8 x |
| Tax rate (EBT) | 0.0 % | -4.7 % | 31.4 % | 59.3 % | 33.0 % | 33.0 % | 33.0 % |
| Dividend Payout Ratio | 0.0 % | 0.0 % | 101.9 % | 161.5 % | 44.6 % | 45.8 % | 45.0 % |
| Sales per Employee | 188,343 | 178,126 | 188,076 | 192,644 | 201,325 | 210,554 | 220,500 |

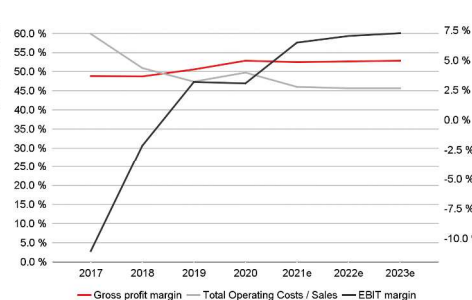
Sales, EBITDA

in EUR m

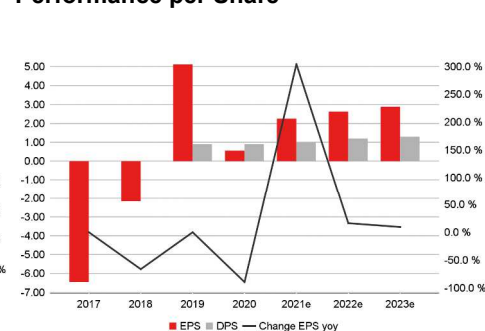


Operating Performance

in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

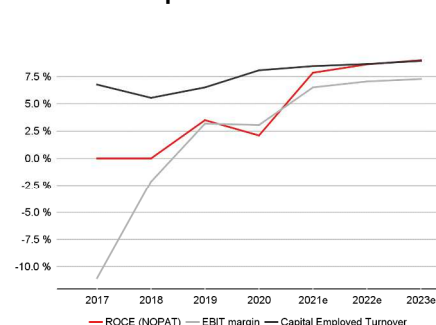
Consolidated balance sheet

| In EUR m | 2017 | 2018 | 2019 | 2020 | 2021e | 2022e | 2023e |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Assets | | | | | | | |
| Goodwill and other intangible assets | 8.3 | 8.3 | 8.4 | 8.5 | 8.5 | 8.4 | 8.4 |
| thereof other intangible assets | 0.6 | 0.3 | 0.3 | 0.5 | 0.4 | 0.4 | 0.3 |
| thereof Goodwill | 7.7 | 8.1 | 8.1 | 8.1 | 8.1 | 8.1 | 8.1 |
| Property, plant and equipment | 30.6 | 32.2 | 33.9 | 29.5 | 30.5 | 32.2 | 33.3 |
| Financial assets | 8.0 | 5.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other long-term assets | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Fixed assets | 46.9 | 46.1 | 42.3 | 38.1 | 39.0 | 40.6 | 41.7 |
| Inventories | 36.9 | 33.6 | 34.8 | 33.5 | 36.5 | 37.5 | 38.5 |
| Accounts receivable | 25.9 | 23.1 | 22.5 | 25.4 | 24.3 | 25.5 | 26.8 |
| Liquid assets | 8.8 | 11.9 | 20.6 | 21.9 | 18.5 | 14.7 | 16.2 |
| Other short-term assets | 12.3 | 14.0 | 7.7 | 8.6 | 8.6 | 8.6 | 8.6 |
| Current assets | 83.9 | 82.6 | 85.7 | 89.4 | 87.8 | 86.3 | 90.1 |
| Total Assets | 130.7 | 128.6 | 128.0 | 127.5 | 126.9 | 127.0 | 131.8 |
| Liabilities and shareholders' equity | | | | | | | |
| Subscribed capital | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 |
| Capital reserve | 13.8 | 13.8 | 13.8 | 13.8 | 13.8 | 13.8 | 13.8 |
| Retained earnings | 69.0 | 51.9 | 44.2 | 55.7 | 59.5 | 63.9 | 68.6 |
| Other equity components | -16.0 | -2.4 | 12.5 | 0.4 | 0.4 | 0.4 | 0.4 |
| Shareholders' equity | 75.7 | 72.2 | 79.4 | 78.9 | 82.6 | 87.1 | 91.7 |
| Minority interest | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total equity | 75.7 | 72.2 | 79.4 | 78.9 | 82.6 | 87.1 | 91.7 |
| Provisions | 12.8 | 12.8 | 14.7 | 16.0 | 16.3 | 16.6 | 16.9 |
| thereof provisions for pensions and similar obligations | 12.7 | 12.7 | 14.5 | 15.7 | 16.0 | 16.3 | 16.6 |
| Financial liabilities (total) | 8.4 | 15.3 | 14.5 | 10.5 | 5.5 | 0.5 | 0.1 |
| Short-term financial liabilities | 3.7 | 2.7 | 3.8 | 2.5 | 5.5 | 0.5 | 0.1 |
| Accounts payable | 6.8 | 5.4 | 5.4 | 5.7 | 6.1 | 6.4 | 6.7 |
| Other liabilities | 27.0 | 22.9 | 14.0 | 16.4 | 16.4 | 16.4 | 16.4 |
| Liabilities | 55.0 | 56.4 | 48.6 | 48.6 | 44.3 | 39.9 | 40.1 |
| Total liabilities and shareholders' equity | 130.7 | 128.6 | 128.0 | 127.5 | 126.9 | 127.0 | 131.8 |

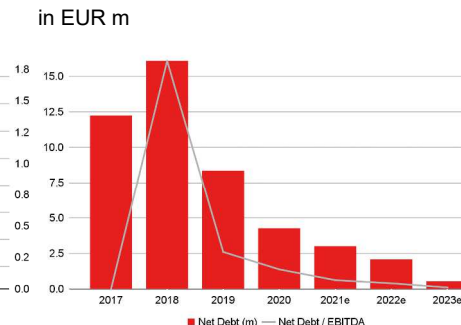
Financial Ratios

| | 2017 | 2018 | 2019 | 2020 | 2021e | 2022e | 2023e |
|---|---------|---------|--------|-------|--------|--------|--------|
| Efficiency of Capital Employment | | | | | | | |
| Operating Assets Turnover | 1.8 x | 1.8 x | 1.8 x | 1.9 x | 1.9 x | 1.9 x | 2.0 x |
| Capital Employed Turnover | 1.6 x | 1.5 x | 1.6 x | 1.7 x | 1.8 x | 1.8 x | 1.8 x |
| ROA | -37.9 % | -13.0 % | 5.8 % | 4.0 % | 15.9 % | 17.8 % | 19.0 % |
| Return on Capital | | | | | | | |
| ROCE (NOPAT) | n.a. | n.a. | 3.5 % | 2.1 % | 7.8 % | 8.6 % | 9.0 % |
| ROE | -20.6 % | -8.1 % | 3.2 % | 1.9 % | 7.7 % | 8.5 % | 8.9 % |
| Adj. ROE | -20.6 % | -8.1 % | 3.2 % | 1.9 % | 7.7 % | 8.5 % | 8.9 % |
| Balance sheet quality | | | | | | | |
| Net Debt | 12.2 | 16.1 | 8.4 | 4.3 | 3.0 | 2.1 | 0.5 |
| Net Financial Debt | -0.4 | 3.4 | -6.1 | -11.4 | -13.0 | -14.2 | -16.1 |
| Net Gearing | 16.2 % | 22.3 % | 10.5 % | 5.4 % | 3.6 % | 2.4 % | 0.6 % |
| Net Fin. Debt / EBITDA | n.a. | 106.1 % | n.a. | n.a. | n.a. | n.a. | n.a. |
| Book Value / Share | 27.5 | 26.2 | 28.8 | 28.6 | 30.0 | 31.6 | 33.3 |
| Book value per share ex intangibles | 24.4 | 23.2 | 25.8 | 25.5 | 26.9 | 28.5 | 30.2 |

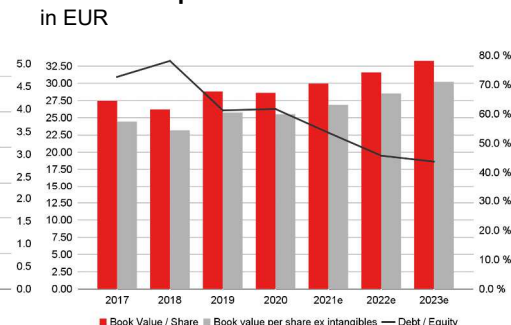
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

Consolidated cash flow statement

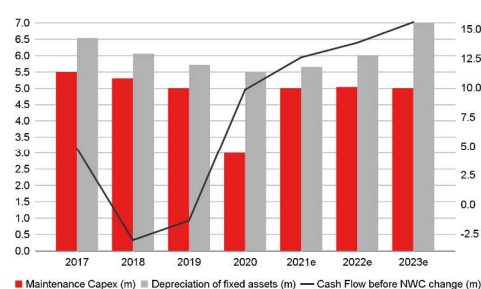
| In EUR m | 2017 | 2018 | 2019 | 2020 | 2021e | 2022e | 2023e |
|--|--------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Net income | -17.8 | -6.0 | 2.4 | 1.5 | 6.2 | 7.2 | 7.9 |
| Depreciation of fixed assets | 6.5 | 6.1 | 5.7 | 5.5 | 5.7 | 6.0 | 7.0 |
| Amortisation of goodwill | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Amortisation of intangible assets | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Increase/decrease in long-term provisions | 0.2 | 0.2 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other non-cash income and expenses | 15.8 | -3.3 | -9.7 | 2.8 | 0.7 | 0.6 | 0.6 |
| Cash Flow before NWC change | 4.8 | -3.0 | -1.4 | 9.8 | 12.6 | 13.8 | 15.6 |
| Increase / decrease in inventory | 0.6 | -3.0 | 0.9 | -0.4 | 2.9 | 1.0 | 1.0 |
| Increase / decrease in accounts receivable | 1.2 | -2.0 | -0.8 | 3.7 | -1.1 | 1.2 | 1.3 |
| Increase / decrease in accounts payable | -0.2 | -1.4 | 0.0 | -0.5 | 0.4 | 0.3 | 0.3 |
| Increase / decrease in other working capital positions | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Increase / decrease in working capital (total) | 1.6 | -6.3 | 0.2 | 2.8 | 2.3 | 2.5 | 2.6 |
| Net cash provided by operating activities [1] | 3.2 | 3.3 | -1.5 | 7.0 | 10.3 | 11.3 | 12.9 |
| Investments in intangible assets | 0.1 | 0.2 | 0.2 | 0.3 | 0.1 | 0.1 | 0.1 |
| Investments in property, plant and equipment | 10.3 | 8.1 | 5.7 | 3.5 | 6.5 | 7.5 | 8.0 |
| Payments for acquisitions | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Financial investments | -0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Income from asset disposals | 0.2 | 0.1 | 19.1 | 0.1 | 0.0 | 0.0 | 0.0 |
| Net cash provided by investing activities [2] | -10.1 | -8.2 | 13.2 | -3.7 | -6.6 | -7.6 | -8.1 |
| Change in financial liabilities | -2.5 | 7.5 | -2.8 | -3.7 | -5.0 | -5.0 | -0.4 |
| Dividends paid | 3.4 | 0.0 | 0.0 | 2.5 | 2.5 | 2.8 | 3.3 |
| Purchase of own shares | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Capital measures | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other | 0.3 | 0.0 | 0.0 | 0.3 | 0.3 | 0.3 | 0.3 |
| Net cash provided by financing activities [3] | -5.7 | 7.5 | -2.8 | -5.9 | -7.2 | -7.5 | -3.4 |
| Change in liquid funds [1]+[2]+[3] | -12.5 | 2.6 | 8.9 | -2.5 | -3.4 | -3.8 | 1.5 |
| 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 | 8.8 | 11.9 | 20.6 | 21.9 | 18.5 | 14.7 | 16.2 |

Financial Ratios

| | 2017 | 2018 | 2019 | 2020 | 2021e | 2022e | 2023e |
|--------------------------------------|---------|---------|---------|---------|---------|---------|---------|
| Cash Flow | | | | | | | |
| FCF | -6.5 | -4.9 | 12.2 | 7.7 | 4.0 | 4.0 | 5.1 |
| Free Cash Flow / Sales | -4.5 % | -3.6 % | 8.6 % | 5.3 % | 2.7 % | 2.5 % | 3.1 % |
| Free Cash Flow Potential | -14.8 | -2.4 | 4.1 | 4.8 | 7.5 | 8.6 | 10.2 |
| Free Cash Flow / Net Profit | 36.7 % | 81.2 % | 499.7 % | 502.2 % | 65.0 % | 55.2 % | 64.8 % |
| Interest Received / Avg. Cash | 7.6 % | 10.2 % | 0.3 % | 0.1 % | 0.0 % | 0.0 % | 0.0 % |
| Interest Paid / Avg. Debt | 6.5 % | 6.8 % | 6.7 % | 6.0 % | 7.5 % | 15.1 % | 105.2 % |
| Management of Funds | | | | | | | |
| Investment ratio | 7.2 % | 6.2 % | 4.2 % | 2.6 % | 4.3 % | 4.8 % | 4.8 % |
| Maint. Capex / Sales | 3.8 % | 3.9 % | 3.5 % | 2.1 % | 3.3 % | 3.2 % | 3.0 % |
| Capex / Dep | 72.5 % | 60.3 % | 44.2 % | 28.2 % | 49.4 % | 55.5 % | 55.1 % |
| Avg. Working Capital / Sales | 34.0 % | 34.7 % | 31.6 % | 31.5 % | 30.9 % | 30.5 % | 30.2 % |
| Trade Debtors / Trade Creditors | 380.6 % | 430.2 % | 419.0 % | 444.2 % | 400.0 % | 400.0 % | 400.0 % |
| Inventory Turnover | 2.0 x | 2.0 x | 2.0 x | 2.0 x | 2.0 x | 2.0 x | 2.0 x |
| Receivables collection period (days) | 66 | 63 | 58 | 64 | 58 | 58 | 58 |
| Payables payment period (days) | 34 | 29 | 28 | 31 | 31 | 31 | 31 |
| Cash conversion cycle (Days) | 180 | 178 | 175 | 176 | 177 | 175 | 173 |

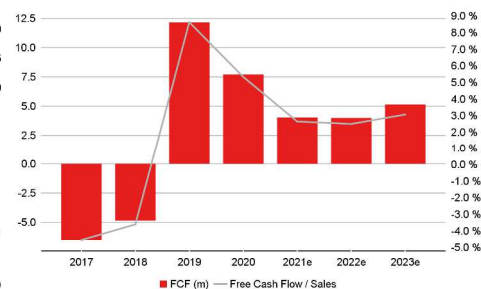
CAPEX and Cash Flow

in EUR m



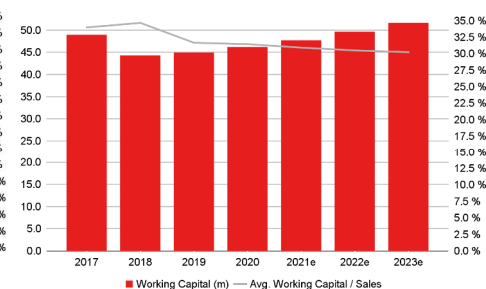
Source: Warburg Research

Free Cash Flow Generation



Source: Warburg Research

Working Capital



Source: Warburg Research

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|-------------|------------|---|
| AS Création | 3, 5 | http://www.mmwarburg.com/disclaimer/disclaimer_en/DE000A1TNNN5.htm |

INVESTMENT RECOMMENDATION

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

WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING

| Rating | Number of stocks | % of Universe |
|------------------|------------------|---------------|
| Buy | 147 | 70 |
| Hold | 54 | 26 |
| Sell | 5 | 2 |
| Rating suspended | 5 | 2 |
| Total | 211 | 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 | 42 | 88 |
| Hold | 3 | 6 |
| Sell | 0 | 0 |
| Rating suspended | 3 | 6 |
| Total | 48 | 100 |

PRICE AND RATING HISTORY AS CRÉATION AS OF 10.05.2021


Markings in the chart show rating changes by Warburg Research GmbH in the last 12 months. Every marking details the date and closing price on the day of the rating change.

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