

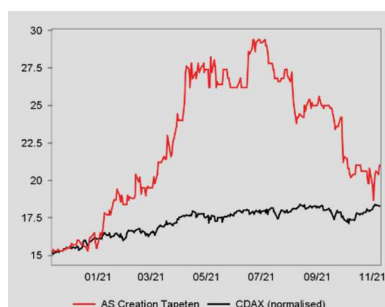
Buy EUR 29.00 (EUR 34.00) Price EUR 21.00 Upside 38.1 %	Value Indicators: EUR DCF: 29.00 FCF-Value Potential 22e: 29.00	Warburg ESG Risk Score: 2.3 ESG Score (MSCI based): 3.0 Balance Sheet Score: 4.0 Market Liquidity Score: 0.0	Description: A.S.Création is the leading wallpaper manufacturer in Europe.
	Market Snapshot: EUR m Market cap: 57.9 No. of shares (m): 2.8 EV: 61.3 Freefloat MC: 21.2 Ø Trad. Vol. (30d): 14.27 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: 0.7 x Equity Ratio: 64 % Net Debt / EBITDA: 0.3 x

Raw-material price-pressure and lockdown in Russia pose stiff headwinds

We reviewed our model after the release of the full set of Q3 figures.

- Management already warned on September 29 about the unabated increase in prices for raw materials (paper, vinyl, pigments etc.) and energy. Despite a price increase in Q3, input prices were outpacing selling prices, which triggered the warning shot by A.S. to be prepared for a gross margin of around 45% (Q1: 54.5%, Q2: 48.5%) and an operating loss of EUR -0.4m in July and August. In the full quarter, the gross margin reached 45.5% and currency-adjusted operating EBIT was EUR -0.3m, i.e. September was marginally profitable again.
- Q3 sales declined some 7%. However, in light of the tough comparison base, i.e. a summer with very little travel activity, the sales decline is no real surprise and we already warned in August that Q3 sales would be negative.
- Management is now guiding for sales of EUR 140-147m and adj. EBIT of EUR 3-4m (i.e. EBIT before currency effects; in the 9M-period there was a positive currency effect of EUR 1.1m).
- Although our estimates were already substantially lower than the former guidance (sales of EUR 147-157m, adj. EBIT of EUR 9-11m), we still need to cut our estimates to account for new top-line risks like the temporary lockdown in Russia, which has now been enacted. Although the operating profit in September was certainly encouraging, we expect a slight loss in Q4 overall, as December in particular is typically a weak DIY month.
- We expect a further price increase as of January 2022 which should help raise the gross margin again. The beauty of the business model is that the stickiness of pricing acts in the company's favour, i.e. once raw-material prices decline, A.S. Creation should be able to defend its price points and stage a decent margin recovery. In light of A.S. Creation's solid balance sheet, low P/B multiple and the expected margin-rebound in 2022 we stick to our Buy rating despite the weak news-flow. We cut our DCF-based price target to EUR 29.

Changes in Estimates:				Comment on Changes:			
FY End: 31.12. in EUR m	2021e (old)	+ / -	2022e (old)	+ / -	2023e (old)	+ / -	
Sales	150.0	-3.3 %	165.0	-3.0 %	173.3	-3.0 %	<ul style="list-style-type: none"> Raw-material price-pressure Lockdown in Russia
EBIT adj.	6.0	-18.1 %	9.9	-18.9 %	12.0	-15.9 %	
EPS	1.50	-30.1 %	2.29	-19.9 %	2.84	-16.3 %	
DPS	0.67	-30.5 %	1.05	-19.5 %	1.28	-16.3 %	
Net Debt	5.1	-33.1 %	6.9	-14.5 %	5.1	-6.8 %	



Rel. Performance vs CDAX:	
1 month:	-1.3 %
6 months:	-29.0 %
Year to date:	21.9 %
Trailing 12 months:	21.5 %

Company events:

FY End: 31.12. in EUR m	CAGR (20-23e)	2017	2018	2019	2020	2021e	2022e	2023e
Sales	5.1 %	143.3	134.5	141.1	144.9	145.0	160.0	168.0
Change Sales yoy		-6.1 %	-6.2 %	4.9 %	2.7 %	0.1 %	10.3 %	5.0 %
Gross profit margin		48.9 %	48.8 %	50.6 %	52.8 %	49.0 %	49.5 %	50.5 %
EBIT adj.	4.5 %	-1.2	-1.3	3.4	8.8	4.9	8.0	10.1
Margin		-0.8 %	-1.0 %	2.4 %	6.1 %	3.4 %	5.0 %	6.0 %
EBIT	31.5 %	-15.8	-2.9	4.5	4.4	4.9	8.0	10.1
Margin		-11.0 %	-2.1 %	3.2 %	3.1 %	3.4 %	5.0 %	6.0 %
Net income	62.1 %	-17.8	-6.0	2.4	1.5	2.9	5.1	6.5
EPS	62.1 %	-6.45	-2.17	5.13	0.56	1.05	1.84	2.37
EPS adj.	3.3 %	-1.15	-1.59	0.88	2.15	1.05	1.84	2.37
DPS	5.9 %	0.00	0.00	0.90	0.90	0.46	0.85	1.07
Dividend Yield		n.a.	n.a.	6.8 %	6.4 %	2.2 %	4.0 %	5.1 %
FCFPS		-2.36	-1.76	4.41	2.80	1.31	-0.31	1.36
FCF / Market cap		-8.7 %	-10.1 %	33.3 %	19.9 %	6.2 %	-1.5 %	6.5 %
EV / Sales		0.7 x	0.6 x	0.4 x	0.4 x	0.4 x	0.4 x	0.4 x
EV / EBITDA		n.a.	24.0 x	5.6 x	5.5 x	5.6 x	4.6 x	3.7 x
EV / EBIT		n.a.	n.a.	12.6 x	12.4 x	12.5 x	8.0 x	6.2 x
P / E		n.a.	n.a.	2.6 x	25.3 x	20.0 x	11.4 x	8.8 x
P / E adj.		n.a.	n.a.	15.0 x	6.5 x	20.0 x	11.4 x	8.8 x
FCF Potential Yield		-14.9 %	-3.1 %	7.2 %	8.7 %	7.2 %	10.1 %	14.1 %
Net Financial Debt		-0.4	3.4	-6.1	-11.4	-12.6	-10.4	-11.9
ROCE (NOPAT)		n.a.	n.a.	3.5 %	2.1 %	3.9 %	6.2 %	7.5 %
Guidance:		EUR 140m to EUR 147m sales, adj. EBIT EUR 3m to EUR 4m						

Analyst

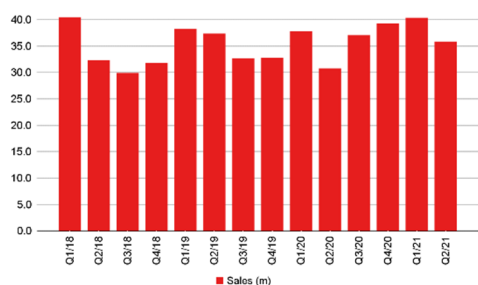
Jörg Philipp Frey
 jfrey@warburg-research.com
 +49 40 309537-258

COMMENT

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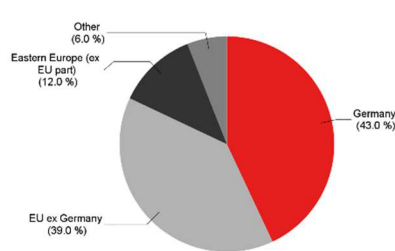
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Sales development
in EUR m



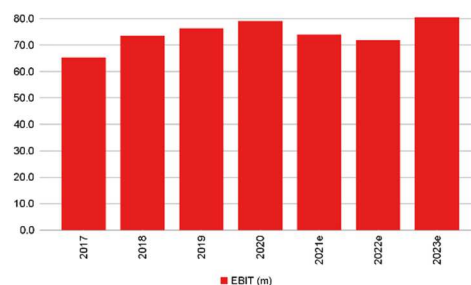
Source: Warburg Research

Sales by regions
2020; in %



Source: Warburg Research

EBIT development
in EUR m



Source: Warburg Research

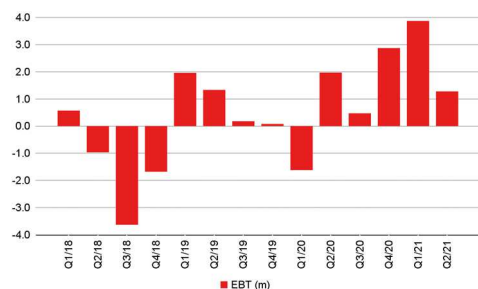
Company Background

- 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.
- Since the opening of a plant in Belarus, the adressable market has grown, as the company can now competet in the entry price level as well.

Competitive Quality

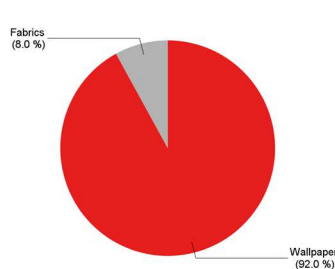
- A.S. Création stays ahead of competition mainly through high product quality and the implementation of high-class designs with sophisticated print technology like e.g. a combination of gravure and screen printing.
- The company is a pioneer in the development of licence brands outside the wallpaper segment. The portfolio includes Versace, Karl Lagerfeld, Daniel Hecter 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



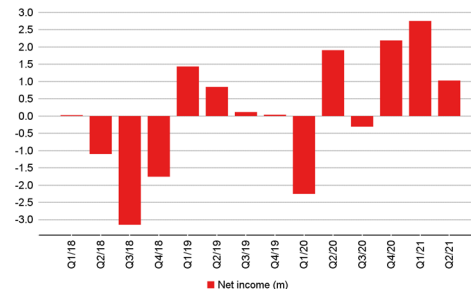
Source: Warburg Research

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	145.0	160.0	168.0	176.4	185.2	188.9	192.7	196.6	200.5	204.5	208.6	212.8	217.0	0.0 %
Sales change	2.7 %	0.1 %	10.3 %	5.0 %	5.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	
EBIT	4.9	8.0	10.1	10.6	11.1	11.3	11.6	11.8	12.0	12.3	12.5	12.8	13.0	
EBIT-margin	3.4 %	5.0 %	6.0 %	6.0 %	6.0 %	6.0 %	6.0 %	6.0 %	6.0 %	6.0 %	6.0 %	6.0 %	6.0 %	
Tax rate (EBT)	30.6 %	31.1 %	32.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	
NOPAT	3.4	5.5	6.8	7.4	7.8	7.9	8.1	8.3	8.4	8.6	8.8	8.9	9.1	
Depreciation	6.0	6.0	7.0	7.9	8.3	8.5	8.7	8.8	9.0	9.2	9.4	9.6	9.8	
in % of Sales	4.1 %	3.8 %	4.2 %	4.5 %	4.5 %	4.5 %	4.5 %	4.5 %	4.5 %	4.5 %	4.5 %	4.5 %	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	-1.0	4.6	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	9.3	9.4	9.6	9.8	10.0	10.2	10.4	10.6	10.9	
Capex in % of Sales	4.6 %	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)	3.8	-0.7	3.7	3.6	3.8	5.7	5.8	5.9	6.0	6.2	6.3	6.4	6.5	
PV of FCF	3.6	-0.6	3.0	2.7	2.6	3.7	3.5	3.4	3.2	3.0	2.9	2.7	2.6	48
share of PVs	7.13 %			36.00 %										56.87 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	10.00 %	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	7.50 %	Beta	1.20

Valuation (m)

Present values 2033e	36		
Terminal Value	48		
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	80	Value per share (EUR)	29.01

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
1.40	8.5 %	23.30	23.64	24.01	24.40	24.81	25.25	25.72	1.40	8.5 %	15.62	18.54	21.47	24.40	27.33	30.25	33.18
1.30	8.0 %	25.23	25.64	26.08	26.55	27.04	27.57	28.13	1.30	8.0 %	17.17	20.30	23.42	26.55	29.67	32.80	35.92
1.25	7.8 %	26.29	26.75	27.22	27.73	28.28	28.86	29.48	1.25	7.8 %	18.04	21.27	24.50	27.73	30.97	34.20	37.43
1.20	7.5 %	27.43	27.92	28.45	29.01	29.61	30.25	30.94	1.20	7.5 %	18.96	22.31	25.66	29.01	32.36	35.71	39.05
1.15	7.3 %	28.64	29.18	29.76	30.38	31.04	31.75	32.52	1.15	7.3 %	19.96	23.43	26.91	30.38	33.85	37.32	40.79
1.10	7.0 %	29.94	30.53	31.17	31.85	32.59	33.37	34.23	1.10	7.0 %	21.04	24.64	28.25	31.85	35.46	39.06	42.67
1.00	6.5 %	32.83	33.55	34.33	35.17	36.07	37.05	38.12	1.00	6.5 %	23.47	27.37	31.27	35.17	39.07	42.97	46.87

- 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	2.9	5.1	6.5	
+ Depreciation + Amortisation	6.5	6.1	5.7	5.5	6.0	6.0	7.0	
- Net Interest Income	-2.0	-2.8	-1.0	-0.7	-0.5	-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	4.4	6.5	8.8	
FCF Potential Yield (on market EV)	-14.9 %	-3.1 %	7.2 %	8.7 %	7.2 %	10.1 %	14.1 %	
WACC	7.50 %	7.50 %	7.50 %	7.50 %	7.50 %	7.50 %	7.50 %	
= Enterprise Value (EV)	98.9	76.1	56.8	55.0	61.3	63.7	62.6	
= Fair Enterprise Value	n.a.	n.a.	54.7	63.6	58.6	86.3	117.9	
- Net Debt (Cash)	-11.4	-11.4	-11.4	-11.4	-12.6	-10.4	-11.9	
- 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.	38.5	47.4	55.2	80.4	113.1	
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.	13.98	17.21	20.02	29.17	41.05	
premium (-) / discount (+) in %					-4.6 %	38.9 %	95.5 %	
Sensitivity Fair value per Share (EUR)								
	10.50 %	n.a.	n.a.	8.31	10.62	13.95	20.23	28.83
	9.50 %	n.a.	n.a.	9.80	12.35	15.55	22.58	32.05
	8.50 %	n.a.	n.a.	11.65	14.49	17.52	25.49	36.02
WACC	7.50 %	n.a.	n.a.	13.98	17.21	20.02	29.17	41.05
	6.50 %	n.a.	n.a.	17.03	20.75	23.30	33.98	47.63
	5.50 %	n.a.	n.a.	21.19	25.59	27.76	40.55	56.60
	4.50 %	n.a.	n.a.	27.21	32.58	34.20	50.03	69.56

■ 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	0.7 x	0.7 x	0.7 x
Book value per share ex intangibles	24.44	23.18	25.77	25.52	25.69	27.08	28.62
EV / Sales	0.7 x	0.6 x	0.4 x	0.4 x	0.4 x	0.4 x	0.4 x
EV / EBITDA	n.a.	24.0 x	5.6 x	5.5 x	5.6 x	4.6 x	3.7 x
EV / EBIT	n.a.	n.a.	12.6 x	12.4 x	12.5 x	8.0 x	6.2 x
EV / EBIT adj.*	n.a.	n.a.	16.7 x	6.2 x	12.5 x	8.0 x	6.2 x
P / FCF	n.a.	n.a.	3.0 x	5.0 x	16.1 x	n.a.	15.5 x
P / E	n.a.	n.a.	2.6 x	25.3 x	20.0 x	11.4 x	8.8 x
P / E adj.*	n.a.	n.a.	15.0 x	6.5 x	20.0 x	11.4 x	8.8 x
Dividend Yield	n.a.	n.a.	6.8 %	6.4 %	2.2 %	4.0 %	5.1 %
FCF Potential Yield (on market EV)	-14.9 %	-3.1 %	7.2 %	8.7 %	7.2 %	10.1 %	14.1 %

*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	145.0	160.0	168.0
Change Sales yoy	-6.1 %	-6.2 %	4.9 %	2.7 %	0.1 %	10.3 %	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	145.0	160.0	168.0
Material expenses	73.5	67.2	69.9	67.9	74.0	80.8	83.2
Gross profit	70.0	65.6	71.3	76.6	71.1	79.2	84.8
<i>Gross profit margin</i>	<i>48.9 %</i>	<i>48.8 %</i>	<i>50.6 %</i>	<i>52.8 %</i>	<i>49.0 %</i>	<i>49.5 %</i>	<i>50.5 %</i>
Personnel expenses	40.3	36.9	37.4	38.8	37.8	39.1	40.4
Other operating income	1.3	0.9	2.9	1.7	2.1	0.9	0.9
Other operating expenses	40.3	26.4	26.6	29.5	24.4	27.0	28.3
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	10.9	14.0	17.1
<i>Margin</i>	<i>-6.5 %</i>	<i>2.4 %</i>	<i>7.2 %</i>	<i>6.9 %</i>	<i>7.5 %</i>	<i>8.7 %</i>	<i>10.2 %</i>
Depreciation of fixed assets	6.5	6.1	5.7	5.5	6.0	6.0	7.0
EBITA	-15.8	-2.9	4.5	4.4	4.9	8.0	10.1
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	4.9	8.0	10.1
<i>Margin</i>	<i>-11.0 %</i>	<i>-2.1 %</i>	<i>3.2 %</i>	<i>3.1 %</i>	<i>3.4 %</i>	<i>5.0 %</i>	<i>6.0 %</i>
EBIT adj.	-1.2	-1.3	3.4	8.8	4.9	8.0	10.1
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	0.5	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	4.4	7.5	9.8
<i>Margin</i>	<i>-12.4 %</i>	<i>-4.2 %</i>	<i>2.5 %</i>	<i>2.6 %</i>	<i>3.0 %</i>	<i>4.7 %</i>	<i>5.8 %</i>
Total taxes	0.0	0.3	1.1	2.2	1.5	2.5	3.2
Net income from continuing operations	-17.8	-6.0	2.4	1.5	2.9	5.1	6.5
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	2.9	5.1	6.5
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	2.9	5.1	6.5
<i>Margin</i>	<i>-12.4 %</i>	<i>-4.4 %</i>	<i>1.7 %</i>	<i>1.1 %</i>	<i>2.0 %</i>	<i>3.2 %</i>	<i>3.9 %</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	1.05	1.84	2.37
EPS adj.	-1.15	-1.59	0.88	2.15	1.05	1.84	2.37

*Adjustments made for:

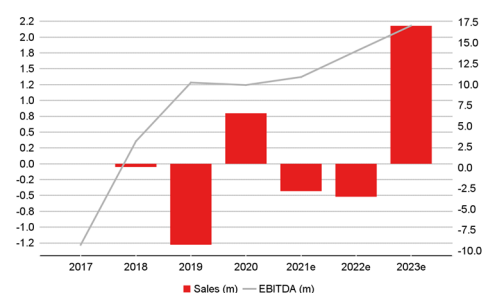
Guidance: EUR 140m to EUR 147m sales, adj. EBIT EUR 3m to EUR 4m

Financial Ratios

	2017	2018	2019	2020	2021e	2022e	2023e
Total Operating Costs / Sales	59.9 %	50.9 %	47.4 %	49.8 %	45.6 %	44.5 %	44.5 %
Operating Leverage	n.a.	13.2 x	n.a.	-0.6 x	116.2 x	6.1 x	5.2 x
EBITDA / Interest expenses	n.m.	3.9 x	10.3 x	13.2 x	21.8 x	31.1 x	56.9 x
Tax rate (EBT)	0.0 %	-4.7 %	31.4 %	59.3 %	34.1 %	33.0 %	33.0 %
Dividend Payout Ratio	0.0 %	0.0 %	101.9 %	161.5 %	44.0 %	46.1 %	45.0 %
Sales per Employee	188,343	178,126	188,076	192,644	192,053	211,082	221,053

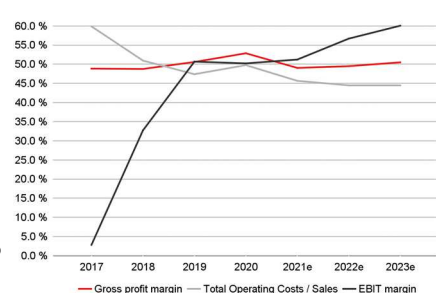
Sales, EBITDA

in EUR m

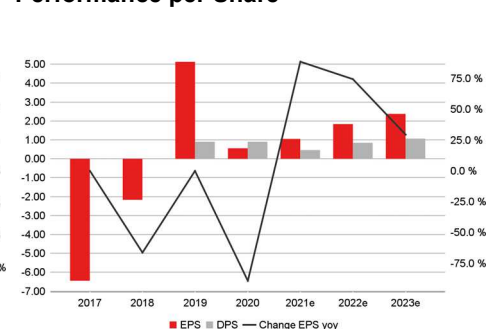


Operating Performance

in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

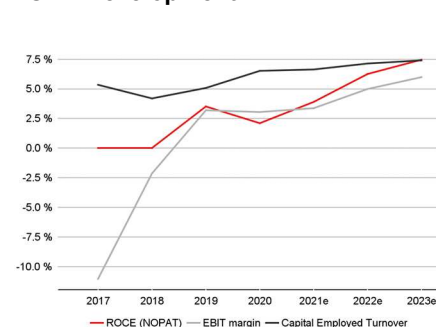
Consolidated balance sheet

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	34.8	37.6	38.6
Accounts receivable	25.9	23.1	22.5	25.4	23.2	25.6	26.9
Liquid assets	8.8	11.9	20.6	21.9	18.0	10.9	12.0
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	84.6	82.7	86.0
Total Assets	130.7	128.6	128.0	127.5	123.6	123.3	127.8
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	56.2	59.9	64.2
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	79.3	83.1	87.3
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	79.3	83.1	87.3
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	5.8	6.4	6.7
Other liabilities	27.0	22.9	14.0	16.4	16.8	16.8	16.8
Liabilities	55.0	56.4	48.6	48.6	44.3	40.2	40.5
Total liabilities and shareholders' equity	130.7	128.6	128.0	127.5	123.6	123.3	127.8

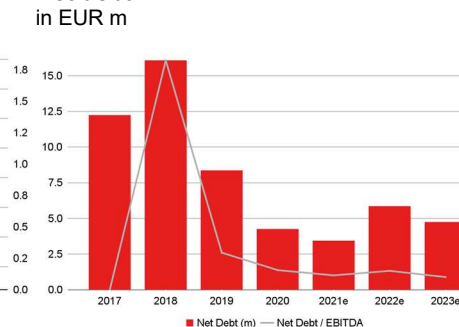
Financial Ratios

	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	2.0 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 %	7.4 %	12.4 %	15.7 %
Return on Capital							
ROCE (NOPAT)	n.a.	n.a.	3.5 %	2.1 %	3.9 %	6.2 %	7.5 %
ROE	-20.6 %	-8.1 %	3.2 %	1.9 %	3.7 %	6.2 %	7.7 %
Adj. ROE	-20.6 %	-8.1 %	3.2 %	1.9 %	3.7 %	6.2 %	7.7 %
Balance sheet quality							
Net Debt	12.2	16.1	8.4	4.3	3.4	5.9	4.7
Net Financial Debt	-0.4	3.4	-6.1	-11.4	-12.6	-10.4	-11.9
Net Gearing	16.2 %	22.3 %	10.5 %	5.4 %	4.3 %	7.0 %	5.4 %
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	28.8	30.1	31.7
Book value per share ex intangibles	24.4	23.2	25.8	25.5	25.7	27.1	28.6

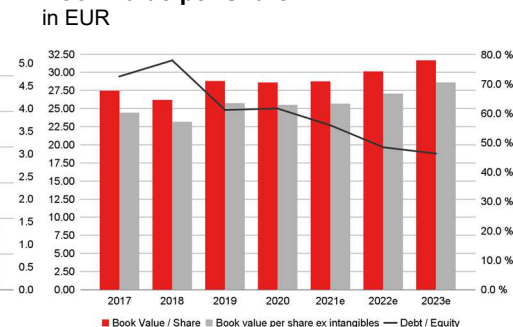
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

Consolidated cash flow statement

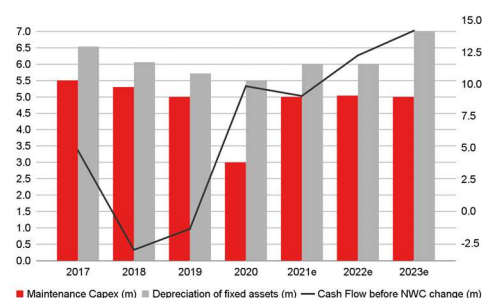
In EUR m	2017	2018	2019	2020	2021e	2022e	2023e
Net income	-17.8	-6.0	2.4	1.5	2.9	5.1	6.5
Depreciation of fixed assets	6.5	6.1	5.7	5.5	6.0	6.0	7.0
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in long-term provisions	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	0.2	1.2	0.6
Cash Flow before NWC change	4.8	-3.0	-1.4	9.8	9.1	12.3	14.2
Increase / decrease in inventory	0.6	-3.0	0.9	-0.4	1.3	2.8	1.0
Increase / decrease in accounts receivable	1.2	-2.0	-0.8	3.7	-2.2	2.4	1.3
Increase / decrease in accounts payable	-0.2	-1.4	0.0	-0.5	0.1	0.6	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	-0.8	5.8	2.6
Net cash provided by operating activities [1]	3.2	3.3	-1.5	7.0	9.9	6.5	11.5
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	1.3	2.3
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	-6.0	-2.4
Change in liquid funds [1]+[2]+[3]	-12.5	2.6	8.9	-2.5	-3.9	-7.1	1.0
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	18.0	10.9	12.0

Financial Ratios

	2017	2018	2019	2020	2021e	2022e	2023e
Cash Flow							
FCF	-6.5	-4.9	12.2	7.7	3.6	-0.8	3.7
Free Cash Flow / Sales	-4.5 %	-3.6 %	8.6 %	5.3 %	2.5 %	-0.5 %	2.2 %
Free Cash Flow Potential	-14.8	-2.4	4.1	4.8	4.4	6.5	8.8
Free Cash Flow / Net Profit	36.7 %	81.2 %	499.7 %	502.2 %	124.2 %	-16.6 %	57.2 %
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 %	6.3 %	15.1 %	105.2 %
Management of Funds							
Investment ratio	7.2 %	6.2 %	4.2 %	2.6 %	4.6 %	4.8 %	4.8 %
Maint. Capex / Sales	3.8 %	3.9 %	3.5 %	2.1 %	3.4 %	3.1 %	3.0 %
Capex / Dep	72.5 %	60.3 %	44.2 %	28.2 %	48.2 %	55.5 %	55.1 %
Avg. Working Capital / Sales	34.0 %	34.7 %	31.6 %	31.5 %	31.5 %	29.7 %	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	2.1 x	2.1 x	2.2 x
Receivables collection period (days)	66	63	58	64	58	58	58
Payables payment period (days)	34	29	28	31	29	29	29
Cash conversion cycle (Days)	180	178	175	176	167	168	168

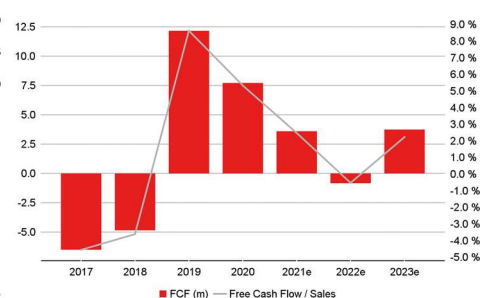
CAPEX and Cash Flow

in EUR m



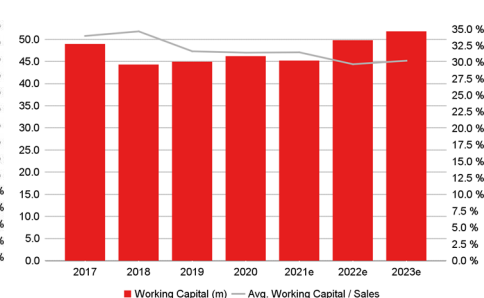
Source: Warburg Research

Free Cash Flow Generation



Source: Warburg Research

Working Capital



Source: Warburg Research

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Company	Disclosure	Link to the historical price targets and rating changes (last 12 months)
AS Création	3, 5	http://www.mmwarburg.com/disclaimer/disclaimer_en/DE000A1TNNN5.htm

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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.
-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	151	70
Hold	57	27
Sell	5	2
Rating suspended	2	1
Total	215	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	49	83
Hold	8	14
Sell	0	0
Rating suspended	2	3
Total	59	100

PRICE AND RATING HISTORY AS CRÉATION AS OF 10.11.2021


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.

EQUITIES

Matthias Rode +49 40 3282-2678
Head of Equities mrode@mmwarburg.com

RESEARCH

Michael Heider +49 40 309537-280
Head of Research mheider@warburg-research.com

Henner Rüschemier +49 40 309537-270
Head of Research hrueschmeier@warburg-research.com

Stefan Augustin +49 40 309537-168
Cap. Goods, Engineering saugustin@warburg-research.com

Jan Bauer +49 40 309537-155
Renewables jbauer@warburg-research.com

Jonas Blum +49 40 309537-240
Telco, Media, Construction jblum@warburg-research.com

Christian Cohrs +49 40 309537-175
Industrials & Transportation ccohrs@warburg-research.com

Dr. Christian Ehmann +49 40 309537-167
BioTech, Life Science cehmann@warburg-research.com

Felix Ellmann +49 40 309537-120
Software, IT fellmann@warburg-research.com

Jörg Philipp Frey +49 40 309537-258
Retail, Consumer Goods jfrey@warburg-research.com

Marius Fuhrberg +49 40 309537-185
Financial Services mfuhrberg@warburg-research.com

Mustafa Hidir +49 40 309537-230
Automobiles, Car Suppliers mhidir@warburg-research.com

Philipp Kaiser +49 40 309537-260
Real Estate pkaiser@warburg-research.com

Thilo Kleibauer +49 40 309537-257
Retail, Consumer Goods tkleibauer@warburg-research.com

Eggert Kuls +49 40 309537-256
Engineering ekuls@warburg-research.com

Andreas Pläsier +49 40 309537-246
Banks, Financial Services aplaesier@warburg-research.com

Malte Schaumann +49 40 309537-170
Technology mschaumann@warburg-research.com

Oliver Schwarz +49 40 309537-250
Chemicals, Agriculture oschwarz@warburg-research.com

Simon Stippig +49 40 309537-265
Real Estate sstippig@warburg-research.com

Cansu Tatar +49 40 309537-248
Cap. Goods, Engineering ctatar@warburg-research.com

Marc-René Tonn +49 40 309537-259
Automobiles, Car Suppliers mtonn@warburg-research.com

Robert-Jan van der Horst +49 40 309537-290
Technology rvanderhorst@warburg-research.com

Andreas Wolf +49 40 309537-140
Software, IT awolf@warburg-research.com

INSTITUTIONAL EQUITY SALES

Marc Niemann +49 40 3282-2660
Head of Equity Sales, Germany mniemann@mmwarburg.com

Klaus Schilling +49 69 5050-7400
Head of Equity Sales, Germany kschilling@mmwarburg.com

Tim Beckmann +49 40 3282-2665
United Kingdom tbeckmann@mmwarburg.com

Lea Bogdanova +49 69 5050-7411
United Kingdom, Ireland lbogdanova@mmwarburg.com

Jens Buchmüller +49 69 5050-7415
Scandinavia, Austria jbuchmueller@mmwarburg.com

Alexander Eschweiler +49 40 3282-2669
Germany, Luxembourg aeschweiler@mmwarburg.com

Matthias Fritsch +49 40 3282-2696
United Kingdom mfritsch@mmwarburg.com

Maximilian Martin +49 69 5050-7413
Austria, Poland mmartin@mmwarburg.com

Christopher Seedorf +49 40 3282-2695
Switzerland cseedorf@mmwarburg.com

Sophie Hauer +49 69 5050-7417
Roadshow/Marketing shauer@mmwarburg.com

Juliane Niemann +49 40 3282-2694
Roadshow/Marketing jniemann@mmwarburg.com

SALES TRADING

Oliver Merckel +49 40 3282-2634
Head of Sales Trading omerckel@mmwarburg.com

Elyaz Dust +49 40 3282-2702
Sales Trading edust@mmwarburg.com

Michael Ilgenstein +49 40 3282-2700
Sales Trading milgenstein@mmwarburg.com

Marcel Magiera +49 40 3282-2662
Sales Trading mmagiera@mmwarburg.com

Bastian Quast +49 40 3282-2701
Sales Trading bquast@mmwarburg.com

Jörg Treptow +49 40 3282-2658
Sales Trading jtreptow@mmwarburg.com

MACRO RESEARCH

Carsten Klude +49 40 3282-2572
Macro Research cklude@mmwarburg.com

Dr. Christian Jasperneite +49 40 3282-2439
Investment Strategy cjasperneite@mmwarburg.com

Our research can be found under:

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Capital IQ www.capitaliq.com

For access please contact:

Andrea Schaper +49 40 3282-2632
Sales Assistance aschaper@mmwarburg.com

Kerstin Muthig +49 40 3282-2703
Sales Assistance kmuthig@mmwarburg.com