

Buy EUR 45.00	Value Indicators: EUR DCF: 45.17	Warburg ESG Risk Score: 3.0 ESG Score (MSCI based): 3.0 Balance Sheet Score: 5.0 Market Liquidity Score: 1.0	Description: Wholesaler of speciality drugs and manufacturer of individualised infusions in Germany
	Market Snapshot: EUR m Market cap: 698.1 No. of shares (m): 20.3 EV: 707.8 Freefloat MC: 380.5 Ø Trad. Vol. (30d): 342.29 th	Shareholders: Freefloat: 54.5 % Martin Hesse: 23.1 % M. Schneider (Founder): 22.4 %	Key Figures (WRE): 2021e Beta: 1.0 Price / Book: 2.5 x Equity Ratio: 76 % Net Fin. Debt / EBITDA: 0.3 x Net Debt / EBITDA: 0.3 x
Price: EUR 34.45 Upside: 30.6 %			

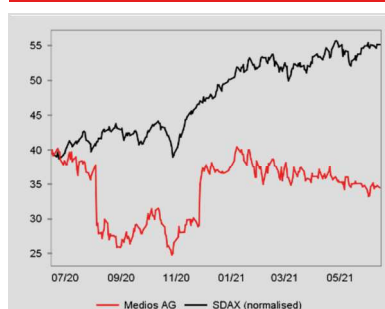
Business progressing well; Acquisitions still on the agenda

Meeting Highlights

- We welcomed CEO Matthias Gärtner and IR Claudia Nickolaus to our Warburg Highlights conference. The management gave an update on the following key topics:
- Current business and growth prospects:** Medios had a very strong Q1 2021, which benefitted from the first-time consolidation of Cranach but also showed progress in the underlying business. While group sales rose 94% yoy, reported organic growth came to 7.4%. However, adjusting for inter-company sales in the previous year (pro forma I-I basis) organic growth seems to have been rather in the area of 20%. This organic growth rate also seems to be at a level that the CEO considers appropriate for Medios in its current set-up. While the specialty pharmaceutical market in Germany is growing at around 10% p.a., Medios is striving for continued market-share gains in both segments. The key driver on the wholesale side remains the extension of the product range and the customer pharmacy base from some 500 today to some 1,000 in the medium term. Cross-selling opportunities with the 170 new pharmacies added by Cranach should also help to drive growth. The compounding business is currently undergoing a massive capacity expansion (almost tripling to appr. 300k compounds p.a.) and is ready to accommodate acquired volumes. Organic growth in this area is driven by product innovation, a clear focus on highest product quality, a dedicated sales team focusing on physicians and an innovative software tool (Medios Connect) connecting pharmacies, physicians, insurance companies and Medios, which enables a seamless settlement of individualized compounds. The new indication hemophilia has made good progress and management expects to achieve a market share of about 20% in year-one of this newly accessible EUR 800m market. One reason for the regulatory change (opening this business for pharmacies in H2 2020) was to reduce the overall reimbursement value of this indication. The associated price decline will mainly be seen in Q2, which partly explains why multiplying Q1 sales by four (quarters) results in more than the upper end of the FY guidance. The rest is prudence.
- Acquisitions:** Medios is financially strong and still actively seeking acquisitions. At the end of Q1 2021, the total liquidity amounted to EUR 105m, including EUR 74m cash and equivalents and EUR 31m undrawn loans. During its AGM on June 10, Medios received approval for the creation of new authorized capital of up to 50% of its share capital (10.1m new shares). At a share price of EUR 35, this allows for another EUR 350m in fresh capital. This makes even bigger acquisitions possible. The acquisition focus clearly lies on the compounding business, where Medios is striving for additional indications. The company's particular know-how makes it a perfect buyer for smaller pharmacy labs. Medios could also strengthen its technological know-how, an area that is increasingly becoming a differentiating factor, now that the German healthcare systems are digitalizing (introduction of e-prescripts, e-health records, telemedicine, etc.).

Conclusion

- Medios remains a fast-growing player in the German specialty pharmaceutical market with a strong market position in compounding and specialty wholesale. The company is striving to play an active role in the ongoing market consolidation and has ample financial means to quickly react to opportunities as they arise. The investment case is fully confirmed as is our Buy rating.

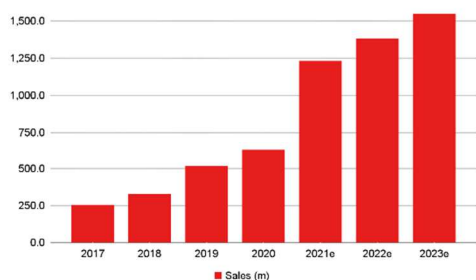


Rel. Performance vs SDAX:	
1 month:	-6.0 %
6 months:	-20.9 %
Year to date:	-17.8 %
Trailing 12 months:	-54.0 %

Company events:	
12.08.21	Q2
09.11.21	Q3

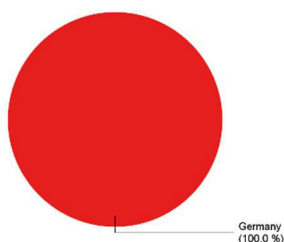
FY End: 31.12. in EUR m	CAGR (20-23e)	2017	2018	2019	2020	2021e	2022e	2023e
Sales	35.2 %	253.6	327.8	516.8	626.5	1,231.8	1,381.2	1,547.6
Change Sales yoy		58.1 %	29.3 %	57.6 %	21.2 %	96.6 %	12.1 %	12.1 %
Gross profit margin		6.8 %	7.1 %	6.6 %	6.0 %	6.3 %	6.5 %	6.5 %
EBITDA adj.	49.2 %	8.5	11.7	17.7	15.1	37.7	44.7	50.0
Margin		3.4 %	3.6 %	3.4 %	2.4 %	3.1 %	3.2 %	3.2 %
EBIT	64.0 %	6.8	7.4	14.4	9.5	31.8	36.9	42.1
Margin		2.7 %	2.3 %	2.8 %	1.5 %	2.6 %	2.7 %	2.7 %
Net income	63.6 %	4.1	4.3	9.8	6.1	19.4	23.1	26.6
EPS	36.8 %	0.32	0.54	0.67	0.57	1.16	1.29	1.46
EPS adj.	36.8 %	0.39	0.67	0.76	0.57	1.16	1.29	1.46
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.
FCF / Market cap		-0.38	-0.36	-0.34	-2.67	-0.50	0.43	0.48
		-3.4 %	-1.9 %	-1.9 %	-8.3 %	-1.5 %	1.2 %	1.4 %
EV / Sales		0.5 x	0.8 x	0.5 x	0.8 x	0.6 x	0.5 x	0.4 x
EV / EBITDA		17.6 x	31.4 x	15.3 x	39.5 x	19.5 x	16.0 x	14.1 x
EV / EBIT		18.9 x	36.2 x	17.4 x	54.2 x	22.2 x	18.9 x	16.4 x
P / E		35.6 x	35.6 x	26.7 x	56.5 x	29.7 x	26.7 x	23.6 x
P / E adj.		29.2 x	28.7 x	23.5 x	56.5 x	29.7 x	26.7 x	23.6 x
FCF Potential Yield		2.9 %	1.7 %	4.3 %	1.8 %	3.4 %	4.3 %	4.9 %
Net Debt		-16.7	-11.6	-9.4	-0.6	9.6	0.9	-8.7
ROCE (NOPAT)		18.2 %	9.9 %	15.1 %	6.1 %	10.0 %	8.4 %	9.1 %
Guidance:		FY21: sales EUR 1.15-1.2bn, adj. EBITDA EUR 38-39m; adj. EBT EUR 31-32m						

Sales development
in EUR m



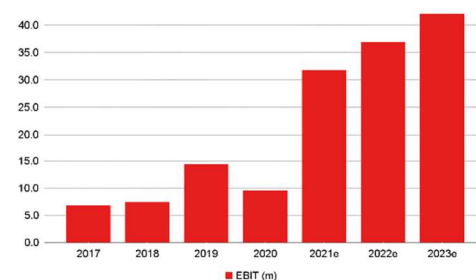
Source: Warburg Research

Sales by regions
2020; in %



Source: Warburg Research

EBIT development
in EUR m



Source: Warburg Research

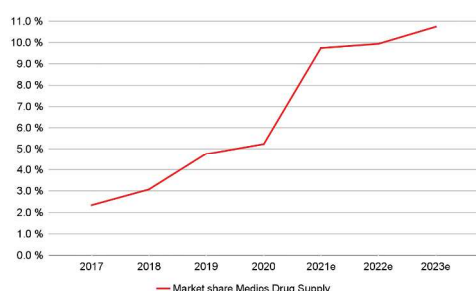
Company Background

- Medios AG is a solutions provider for speciality pharmaceuticals. In the company's definition, these are drugs with cost per unit of more than EUR 800.
- Medios operates a wholesale business for speciality pharmaceuticals in Germany (Drug Supply) and laboratories for individualised prescription-based parenteral infusions based in Berlin (Patient-specific Therapies).
- Medios "Drug Supply" is a licensed pharmaceutical wholesaler in Germany (§52a AMG). It supplies its partner pharmacies and manufacturers with speciality pharmaceuticals from its centralised warehouse in Berlin.
- "Patient-specific Therapies" is a licensed pharmaceutical producer of individualised prescription-based parenteral infusions (§13 AMG). It operates 2 labs with cleanrooms, supplying >100 practices via 10 pharmacies.
- Medios was created in 2016 but the operations originated in 2008 (compounding) and 2013 (wholesale). Founder Manfred Schneider and his team are highly experienced in the pharmacy and pharma market.

Competitive Quality

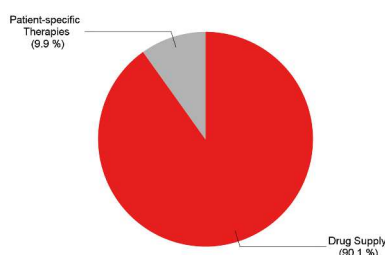
- First-mover in the growing niche market of speciality pharmaceuticals with a proven business concept.
- The EUR 3bn market for patient-specific infusions is undergoing structural change. Today, the market is supplied by more than 300 local pharmacies. A new bill aiming to save costs will drive market consolidation.
- Medios is set to be a major beneficiary of the industrialisation of the sector as it emerged as the winner of a tender process in the test market Berlin. Hence, its operations are probably the most efficient in Germany.
- In the wholesale business, it adds value for all partners: Pharmacies benefit from better buying conditions and pharma companies from efficient buying patterns and access to relevant market data.
- Key competitive advantages lie in better buying conditions owing to the pooling of volumes and direct negotiation with pharma companies on specialty pharmaceuticals, the company's expertise and network of pharmacies.

Market share Medios Pharma
in %



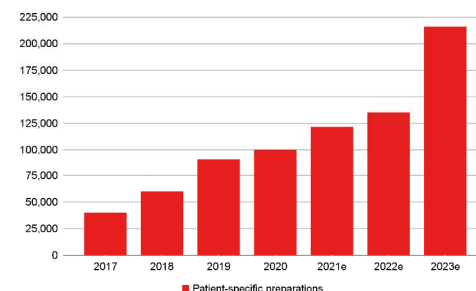
Source: Warburg Research

Sales by segments
2020; in %



Source: Warburg Research

Patient-specific preparations
Quantity



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	1,231.8	1,381.2	1,547.6	1,670.0	1,801.8	1,943.8	2,096.8	2,261.6	2,439.1	2,630.3	2,836.3	3,058.2	3,297.3	
Sales change	96.6 %	12.1 %	12.1 %	7.9 %	7.9 %	7.9 %	7.9 %	7.9 %	7.8 %	7.8 %	7.8 %	7.8 %	7.8 %	3.0 %
EBIT	31.8	36.9	42.1	45.6	47.2	48.3	54.1	60.2	66.3	72.7	79.3	86.3	93.6	
EBIT-margin	2.6 %	2.7 %	2.7 %	2.7 %	2.6 %	2.5 %	2.6 %	2.7 %	2.7 %	2.8 %	2.8 %	2.8 %	2.8 %	
Tax rate (EBT)	32.0 %	32.0 %	32.0 %	32.0 %	32.0 %	32.0 %	32.0 %	32.0 %	32.0 %	32.0 %	32.0 %	32.0 %	32.0 %	
NOPAT	21.6	25.1	28.6	31.0	32.1	32.9	36.8	40.9	45.1	49.4	53.9	58.7	63.7	
Depreciation	4.4	6.8	7.0	7.2	10.7	14.0	12.9	12.1	11.6	11.4	11.3	11.5	11.8	
in % of Sales	0.4 %	0.5 %	0.5 %	0.4 %	0.6 %	0.7 %	0.6 %	0.5 %	0.5 %	0.4 %	0.4 %	0.4 %	0.4 %	
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	13.7	12.2	13.8	10.0	11.0	11.5	12.7	13.5	14.6	15.7	17.1	18.2	19.7	
- Capex	20.3	9.0	10.1	10.9	8.1	8.7	9.4	10.2	11.0	11.8	12.8	13.8	14.8	
Capex in % of Sales	1.7 %	0.7 %	0.7 %	0.7 %	0.5 %	0.5 %	0.5 %	0.5 %	0.5 %	0.5 %	0.5 %	0.5 %	0.5 %	
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)	-8.0	10.7	11.7	17.4	23.7	26.6	27.5	29.3	31.1	33.3	35.4	38.2	40.9	57
PV of FCF	-7.7	9.7	10.0	13.9	17.9	18.8	18.3	18.4	18.3	18.4	18.4	18.7	18.8	783
share of PVs	1.23 %			18.45 %										80.32 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	15.00 %	Financial Strength	1.00
Cost of debt (after tax)	2.8 %	Liquidity (share)	1.00
Market return	7.00 %	Cyclicality	1.00
Risk free rate	1.50 %	Transparency	1.00
		Others	1.00
WACC	6.37 %	Beta	1.00

Valuation (m)

Present values 2033e	192		
Terminal Value	783		
Financial liabilities	37		
Pension liabilities	0		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	29		
Liquidity	20	No. of shares (m)	21.8
Equity Value	987	Value per share (EUR)	45.17

Sensitivity Value per Share (EUR)

Beta	WACC	Terminal Growth							Beta	WACC	Delta EBIT-margin						
		2.25 %	2.50 %	2.75 %	3.00 %	3.25 %	3.50 %	3.75 %			-1.5 pp	-1.0 pp	-0.5 pp	+0.0 pp	+0.5 pp	+1.0 pp	+1.5 pp
1.21	7.4 %	29.67	30.75	31.94	33.27	34.76	36.45	38.36	1.21	7.4 %	10.54	18.11	25.69	33.27	40.85	48.43	56.00
1.11	6.9 %	33.65	35.06	36.64	38.43	40.46	42.80	45.51	1.11	6.9 %	12.51	21.15	29.79	38.43	47.07	55.71	64.35
1.05	6.6 %	36.00	37.63	39.47	41.56	43.97	46.76	50.03	1.05	6.6 %	13.72	23.00	32.28	41.56	50.84	60.12	69.40
1.00	6.4 %	38.64	40.54	42.70	45.17	48.05	51.42	55.44	1.00	6.4 %	15.12	25.14	35.15	45.17	55.19	65.21	75.23
0.95	6.1 %	41.64	43.86	46.42	49.38	52.85	56.99	62.01	0.95	6.1 %	16.75	27.62	38.50	49.38	60.25	71.13	82.00
0.89	5.9 %	45.07	47.70	50.75	54.33	58.59	63.76	70.14	0.89	5.9 %	18.68	30.56	42.44	54.33	66.21	78.10	89.98
0.79	5.4 %	53.62	57.42	61.95	67.43	74.20	82.79	94.02	0.79	5.4 %	23.79	38.34	52.88	67.43	81.97	96.52	111.06

- Medios targets an EBITDA margin of above 4% in the medium term
- We fully reflect the dilution from the ESOP in the number of shares (max. 1.6m shares) as well as the cash inflow
- Cranach net debt of EUR 18m (WRe) is reflected in financial liabilities

Valuation							
	2017	2018	2019	2020	2021e	2022e	2023e
Price / Book	3.2 x	4.0 x	3.2 x	3.6 x	2.5 x	2.3 x	2.1 x
Book value per share ex intangibles	2.67	2.67	3.46	6.66	7.13	8.20	9.45
EV / Sales	0.5 x	0.8 x	0.5 x	0.8 x	0.6 x	0.5 x	0.4 x
EV / EBITDA	17.6 x	31.4 x	15.3 x	39.5 x	19.5 x	16.0 x	14.1 x
EV / EBIT	18.9 x	36.2 x	17.4 x	54.2 x	22.2 x	18.9 x	16.4 x
EV / EBIT adj.*	18.9 x	36.2 x	17.4 x	54.2 x	22.2 x	18.9 x	16.4 x
P / FCF	n.a.	n.a.	n.a.	n.a.	n.a.	82.5 x	74.1 x
P / E	35.6 x	35.6 x	26.7 x	56.5 x	29.7 x	26.7 x	23.6 x
P / E adj.*	29.2 x	28.7 x	23.5 x	56.5 x	29.7 x	26.7 x	23.6 x
Dividend Yield	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
FCF Potential Yield (on market EV)	2.9 %	1.7 %	4.3 %	1.8 %	3.4 %	4.3 %	4.9 %

*Adjustments made for: extraord. exp. (stock options (non-cash), start-up); going forward not planned; reflected in valuation through dilution

Company Specific Items							
	2017	2018	2019	2020	2021e	2022e	2023e
Market share Medios Drug Supply	2.3 %	3.1 %	4.7 %	5.2 %	9.7 %	9.9 %	10.7 %
Patient-specific preparations	40,000	60,000	90,000	100,000	121,516	135,214	216,014

Consolidated profit & loss

In EUR m	2017	2018	2019	2020	2021e	2022e	2023e
Sales	253.6	327.8	516.8	626.5	1,231.8	1,381.2	1,547.6
Change Sales yoy	58.1 %	29.3 %	57.6 %	21.2 %	96.6 %	12.1 %	12.1 %
Increase / decrease in inventory	0.8	0.0	0.0	0.0	0.0	0.0	0.0
Own work capitalised	0.4	0.9	0.5	0.4	0.0	0.0	0.0
Total Sales	254.8	328.8	517.4	626.9	1,231.8	1,381.2	1,547.6
Material expenses	237.4	305.6	483.4	589.3	1,153.9	1,291.3	1,446.9
Gross profit	17.4	23.1	34.0	37.6	77.9	89.9	100.7
<i>Gross profit margin</i>	<i>6.8 %</i>	<i>7.1 %</i>	<i>6.6 %</i>	<i>6.0 %</i>	<i>6.3 %</i>	<i>6.5 %</i>	<i>6.5 %</i>
Personnel expenses	6.1	9.8	11.0	15.3	23.4	26.2	29.4
Other operating income	0.1	0.3	1.3	0.5	1.2	1.4	1.5
Other operating expenses	4.1	5.1	8.0	9.7	19.5	21.3	23.8
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	7.3	8.5	16.4	13.1	36.2	43.7	49.0
<i>Margin</i>	<i>2.9 %</i>	<i>2.6 %</i>	<i>3.2 %</i>	<i>2.1 %</i>	<i>2.9 %</i>	<i>3.2 %</i>	<i>3.2 %</i>
EBITDA adj.	8.5	11.7	17.7	15.1	37.7	44.7	50.0
Depreciation of fixed assets	0.4	0.6	1.1	2.5	3.4	5.8	5.9
EBITA	6.9	7.9	15.3	10.6	32.8	38.0	43.1
Amortisation of intangible assets	0.1	0.5	0.9	1.1	1.0	1.0	1.1
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	6.8	7.4	14.4	9.5	31.8	36.9	42.1
<i>Margin</i>	<i>2.7 %</i>	<i>2.3 %</i>	<i>2.8 %</i>	<i>1.5 %</i>	<i>2.6 %</i>	<i>2.7 %</i>	<i>2.7 %</i>
Interest income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest expenses	0.1	0.0	0.2	0.7	1.2	1.5	1.5
Other financial income (loss)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBT	6.7	7.4	14.2	8.9	28.6	33.9	39.1
<i>Margin</i>	<i>2.6 %</i>	<i>2.3 %</i>	<i>2.8 %</i>	<i>1.4 %</i>	<i>2.3 %</i>	<i>2.5 %</i>	<i>2.5 %</i>
Total taxes	2.6	3.1	4.5	2.8	9.1	10.9	12.5
Net income from continuing operations	4.1	4.3	9.8	6.1	19.4	23.1	26.6
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	4.1	4.3	9.8	6.1	19.4	23.1	26.6
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	4.1	4.3	9.8	6.1	19.4	23.1	26.6
<i>Margin</i>	<i>1.6 %</i>	<i>1.3 %</i>	<i>1.9 %</i>	<i>1.0 %</i>	<i>1.6 %</i>	<i>1.7 %</i>	<i>1.7 %</i>
Number of shares, average	12.7	14.6	14.6	16.1	20.3	20.3	20.3
EPS	0.32	0.54	0.67	0.57	1.16	1.29	1.46
EPS adj.	0.39	0.67	0.76	0.57	1.16	1.29	1.46

*Adjustments made for: extraord. exp. (stock options (non-cash), start-up); going forward not planned; reflected in valuation through dilution

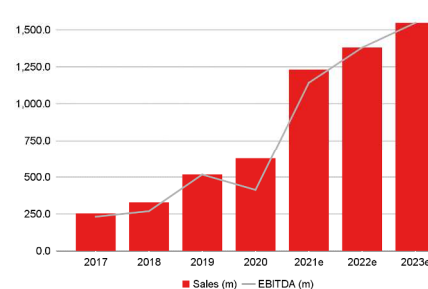
Guidance: FY21: sales EUR 1.15-1.2bn, adj. EBITDA EUR 38-39m; adj. EBT EUR 31-32m

Financial Ratios

	2017	2018	2019	2020	2021e	2022e	2023e
Total Operating Costs / Sales	97.6 %	97.7 %	96.9 %	98.0 %	97.1 %	96.8 %	96.8 %
Operating Leverage	0.3 x	0.3 x	1.6 x	-1.6 x	2.4 x	1.3 x	1.2 x
EBITDA / Interest expenses	75.6 x	243.6 x	84.4 x	19.5 x	29.5 x	29.4 x	32.9 x
Tax rate (EBT)	38.4 %	41.4 %	31.4 %	31.9 %	32.0 %	32.0 %	32.0 %
Dividend Payout Ratio	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Sales per Employee	2,415,587	2,245,410	3,468,489	2,516,237	4,497,276	4,802,556	5,125,085

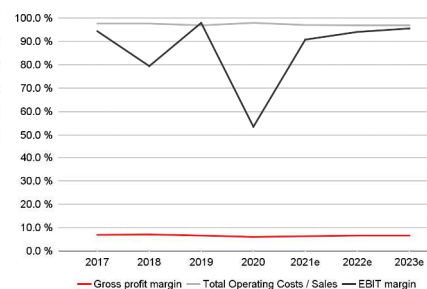
Sales, EBITDA

in EUR m

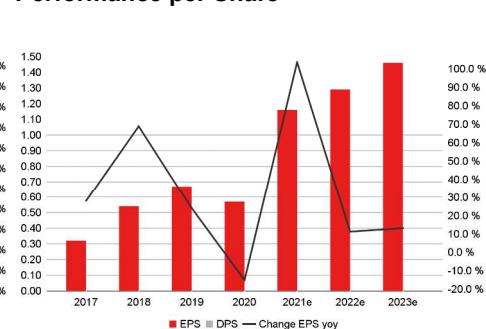


Operating Performance

in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

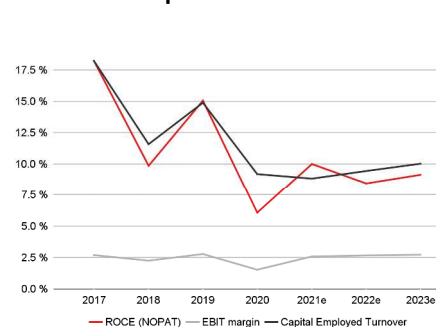
Consolidated balance sheet

In EUR m	2017	2018	2019	2020	2021e	2022e	2023e
Assets							
Goodwill and other intangible assets	9.3	31.6	31.3	35.2	136.2	137.2	138.5
thereof other intangible assets	2.0	14.9	14.0	12.9	11.9	10.9	9.8
thereof Goodwill	7.2	16.7	16.7	18.4	119.2	119.2	119.2
Property, plant and equipment	5.4	5.6	5.6	22.6	57.7	58.8	60.7
Financial assets	0.0	0.1	0.3	0.4	0.4	0.4	0.4
Other long-term assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fixed assets	14.7	37.4	37.1	58.2	194.3	196.5	199.5
Inventories	10.6	14.0	16.1	35.3	44.0	49.3	55.3
Accounts receivable	17.1	31.1	42.8	74.8	97.9	109.7	123.0
Liquid assets	16.7	11.8	15.6	19.8	27.6	36.3	46.0
Other short-term assets	2.6	4.3	5.0	6.4	7.4	8.3	9.3
Current assets	47.0	61.1	79.4	136.3	176.9	203.6	233.6
Total Assets	61.7	98.4	116.6	194.5	371.2	400.0	433.1
Liabilities and shareholders' equity							
Subscribed capital	6.5	14.6	14.6	16.1	16.1	16.1	16.1
Capital reserve	37.4	49.9	51.3	104.5	104.5	104.5	104.5
Retained earnings	0.7	6.0	15.8	21.9	41.3	64.4	90.9
Other equity components	1.0	0.0	0.0	0.0	118.8	118.5	118.4
Shareholders' equity	45.7	70.5	81.6	142.4	280.7	303.4	329.9
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total equity	45.7	70.5	81.6	142.4	280.7	303.4	329.9
Provisions	2.6	2.6	8.1	4.2	5.3	5.9	6.7
thereof provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial liabilities (total)	0.0	0.2	6.2	19.2	37.2	37.2	37.2
Short-term financial liabilities	0.0	0.2	3.7	2.6	20.6	20.6	20.6
Accounts payable	11.9	18.8	12.9	22.4	40.5	45.4	50.9
Other liabilities	1.6	6.3	7.7	6.3	7.5	7.9	8.4
Liabilities	16.0	27.9	34.9	52.1	90.5	96.5	103.2
Total liabilities and shareholders' equity	61.7	98.4	116.6	194.5	371.2	400.0	433.1

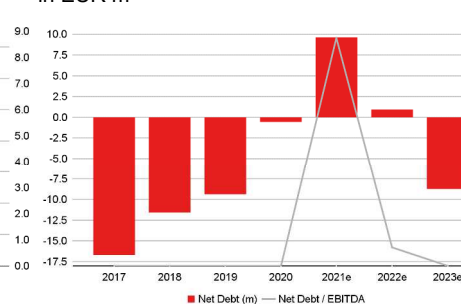
Financial Ratios

	2017	2018	2019	2020	2021e	2022e	2023e
Efficiency of Capital Employment							
Operating Assets Turnover	11.9 x	10.3 x	10.0 x	5.7 x	7.7 x	8.0 x	8.2 x
Capital Employed Turnover	8.7 x	5.6 x	7.2 x	4.4 x	4.2 x	4.5 x	4.8 x
ROA	28.1 %	11.6 %	26.3 %	10.4 %	10.0 %	11.8 %	13.3 %
Return on Capital							
ROCE (NOPAT)	18.2 %	9.9 %	15.1 %	6.1 %	10.0 %	8.4 %	9.1 %
ROE	10.6 %	7.4 %	12.8 %	5.4 %	9.2 %	7.9 %	8.4 %
Adj. ROE	12.6 %	10.7 %	14.6 %	5.4 %	9.2 %	7.9 %	8.4 %
Balance sheet quality							
Net Debt	-16.7	-11.6	-9.4	-0.6	9.6	0.9	-8.7
Net Financial Debt	-16.7	-11.6	-9.4	-0.6	9.6	0.9	-8.7
Net Gearing	-36.5 %	-16.4 %	-11.5 %	-0.4 %	3.4 %	0.3 %	-2.7 %
Net Fin. Debt / EBITDA	n.a.	n.a.	n.a.	n.a.	26.6 %	2.1 %	n.a.
Book Value / Share	3.3	4.8	5.6	8.9	13.8	15.0	16.3
Book value per share ex intangibles	2.7	2.7	3.5	6.7	7.1	8.2	9.4

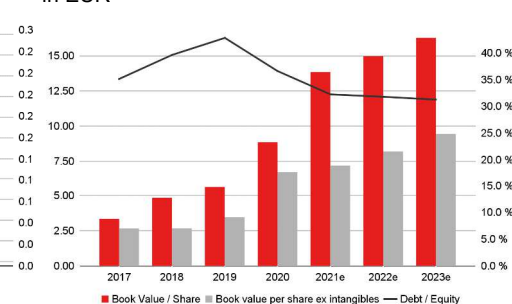
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

Consolidated cash flow statement

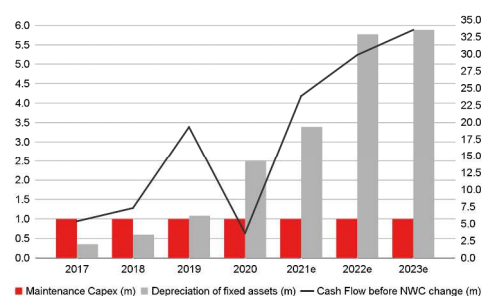
In EUR m	2017	2018	2019	2020	2021e	2022e	2023e
Net income	4.1	4.3	9.8	6.1	19.4	23.1	26.6
Depreciation of fixed assets	0.4	0.6	1.1	2.5	3.4	5.8	5.9
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.1	0.5	0.9	1.1	1.0	1.0	1.1
Increase/decrease in long-term provisions	0.0	-0.8	0.0	0.0	0.0	0.0	0.0
Other non-cash income and expenses	0.7	2.6	7.6	-6.0	0.0	0.0	0.0
Cash Flow before NWC change	5.4	7.3	19.3	3.6	23.8	29.9	33.5
Increase / decrease in inventory	-4.0	-3.4	-2.1	-19.3	-8.7	-5.3	-6.0
Increase / decrease in accounts receivable	-2.6	-14.0	-11.7	-32.0	-23.1	-11.8	-13.3
Increase / decrease in accounts payable	2.0	6.9	-5.9	9.5	18.1	4.9	5.5
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)	-4.6	-10.4	-19.8	-41.7	-13.7	-12.2	-13.8
Net cash provided by operating activities [1]	0.8	-3.1	-0.4	-38.1	10.1	17.7	19.7
Investments in intangible assets	-1.3	-1.3	-1.2	-2.1	-1.8	-2.1	-2.3
Investments in property, plant and equipment	-4.4	-0.9	-3.2	-19.3	-18.5	-6.9	-7.7
Payments for acquisitions	-1.7	0.0	0.0	-1.2	0.0	0.0	0.0
Financial investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	0.3	0.3	4.3	0.1	0.0	0.0	0.0
Net cash provided by investing activities [2]	-7.2	-1.8	-0.2	-5.9	-20.3	-9.0	-10.1
Change in financial liabilities	0.0	0.2	-0.5	1.5	18.0	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	14.9	-0.4	0.0	53.2	0.0	0.0	0.0
Other	-8.9	0.0	-0.2	-3.5	0.0	0.0	0.0
Net cash provided by financing activities [3]	6.0	-0.2	-0.7	51.1	18.0	0.0	0.0
Change in liquid funds [1]+[2]+[3]	-0.4	-5.1	-1.3	7.1	7.8	8.7	9.7
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	16.7	11.6	10.3	19.8	27.6	36.3	46.0

Financial Ratios

	2017	2018	2019	2020	2021e	2022e	2023e
Cash Flow							
FCF	-4.9	-5.3	-4.9	-43.0	-10.2	8.7	9.7
Free Cash Flow / Sales	-1.9 %	-1.6 %	-0.9 %	-6.9 %	-0.8 %	0.6 %	0.6 %
Free Cash Flow Potential	3.7	4.5	10.9	9.3	24.1	30.4	34.0
Free Cash Flow / Net Profit	-118.3 %	-122.3 %	-50.1 %	-708.7 %	-52.4 %	37.7 %	36.4 %
Interest Received / Avg. Cash	0.0 %	0.1 %	0.2 %	0.2 %	0.0 %	0.0 %	0.0 %
Interest Paid / Avg. Debt	n.a.	34.5 %	6.0 %	5.3 %	4.4 %	4.0 %	4.0 %
Management of Funds							
Investment ratio	2.3 %	0.7 %	0.9 %	3.4 %	1.7 %	0.7 %	0.7 %
Maint. Capex / Sales	0.4 %	0.3 %	0.2 %	0.2 %	0.1 %	0.1 %	0.1 %
Capex / Dep	1162.1 %	188.6 %	224.1 %	604.9 %	461.5 %	132.2 %	144.4 %
Avg. Working Capital / Sales	5.3 %	6.4 %	7.0 %	10.7 %	7.7 %	7.8 %	7.8 %
Trade Debtors / Trade Creditors	143.8 %	165.2 %	332.3 %	333.9 %	241.7 %	241.6 %	241.7 %
Inventory Turnover	22.4 x	21.9 x	30.1 x	16.7 x	26.2 x	26.2 x	26.2 x
Receivables collection period (days)	25	35	30	44	29	29	29
Payables payment period (days)	18	22	10	14	13	13	13
Cash conversion cycle (Days)	23	29	33	52	30	30	30

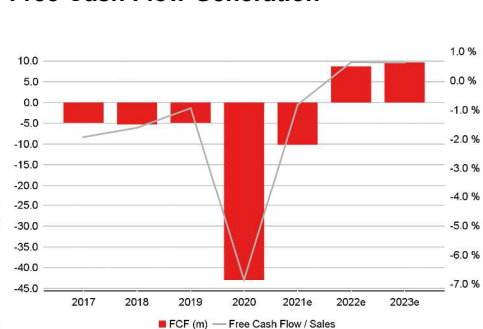
CAPEX and Cash Flow

in EUR m



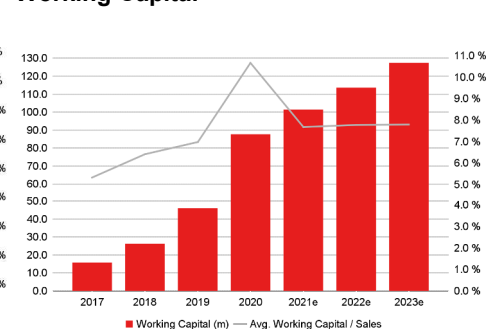
Source: Warburg Research

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)
Medios	3, 5	http://www.mmwarburg.com/disclaimer/disclaimer_en/DE000A1MMCC8.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.
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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	152	70
Hold	56	26
Sell	5	2
Rating suspended	4	2
Total	217	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	44	88
Hold	3	6
Sell	0	0
Rating suspended	3	6
Total	50	100

PRICE AND RATING HISTORY MEDIOS AS OF 15.06.2021


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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