

DFV Deutsche Familienversicherung AG

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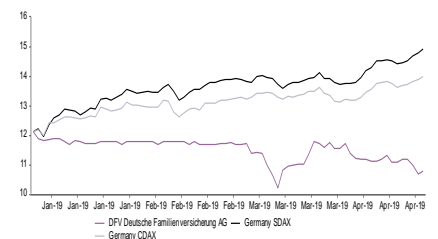
BUY

Old rec.: BUY

Price target EUR 15.00 (15.00)
Price* EUR 10.60

*XETRA trading price at the close of the previous day

Change	2019e	2020e	2021e
Total income	2.4-	2.6-	-
EBIT	-6.5-	-6.2-	-
EPS	-0.37-	-0.46-	-



Source: Facts&figures

Share Data

Shares (millions)	13.26
Free Float (%)	38.18%
Market Cap (EURm)	138
Daily turnover (€)	500
High (EUR, 52 weeks)	12.0
Low (EUR, 52 weeks)	10.0

Shareholders

SK Beteiligungen (Dr. Knoll)	21.31%
Heirs & Supervisory board	21.03%
Luca Pesarini	22.91%
Free float, others	34.75%

Company events

Q1 2019 report	23.05.2019
H1 2019 report	13.09.2019

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In cooperation with



ODDO SEYDLER

New guidance pushes profits further into future

DFV published its 2018 annual report last Thursday (April 11). While the healthcare and supplementary long-term care insurance segment saw continued growth - both in terms of gross written premiums (+15.8%) and the number of insurance contracts (+9.7%) - the property and accident insurance segment reported a decline. In addition to the decision to end the co-insurance participation in a residential property portfolio, on a group level the increase in gross written premiums and the overall contract portfolio were hit by the DFV management decision to deliberately downsize technical insurance (electronics).

Fortunately, the resulting decline in gross written premiums (-5.8%) on a group level was more than offset by the disproportionately large reduction in the share of reinsurance (as a result of the exit from residential property insurances) which led to a significant rise in net premiums earned of 14.3% to EUR 36.1m (FMR: EUR 36.4m). The EBIT came in considerably lower than expected. We had expected a loss of EUR -0.8m, with the company actually achieving EBIT of EUR -4.1m. A disappointing investment result impacted the EBIT with EUR -2.3m. However, at EUR 14.5m (FMR: EUR 12.1m), operating expenses for the insurance business also came in higher than we anticipated.

As a result of the more precise business prognosis available to us after the publication of the annual report, we have made corresponding adjustments to our estimates and to the valuation model. While DFV management continues to hold on to the growth story and aims to acquire 100,000 new customers in 2019e (Q1 status: 30,000 new customers acquired), the expected pre-tax result (EBT) for 2019e is now much more negative within a range of EUR -9m and EUR -11m. Profits are now not expected to be achieved until 2021e.

Based on the new information, we now expect the total income in 2019e to be EUR 43.6m (old: EUR 41.2m) and EUR 58.0m in 2020e (old: EUR 54.2m). Our 2019e EBIT is now at EUR -9.6m (old: EUR -3.1m) and at EUR -3.6m for 2020e (old: EUR -4.7m).

We confirm our BUY recommendation with a share price of EUR 15.00 per share. Our target price is linked to the achievement of the respective growth targets and not to any further adjustment of the guidance.

FY End: 31.12. in EURm	CAGR	2016	2017	2018	2019e	2020e	2021e
	(17-20e)						
Gross written premium	27.8%	64.1	70.7	66.5	86.2	113.9	138.9
Total income	26.9%	28.1	33.1	34.7	43.6	58.0	71.1
EBIT		2.0	2.1	-4.1	-9.6	-3.6	3.9
EBIT margin		7.2%	6.4%	-11.8%	-22.1%	-6.2%	5.4%
Net income		1.5	0.9	-5.9	-7.2	-2.7	2.9
Net margin		5.3%	2.8%	-16.9%	-16.6%	-4.6%	4.1%
EPS		0.16	0.10	-0.44	-0.54	-0.20	0.22
Dividend per share		0.00	0.00	0.00	0.00	0.00	0.00
Price/Book		-	-	-	2.6	2.8	2.6
Combined ratio		86.8%	93.2%	96.4%	115.6%	100.3%	89.0%
Equity ratio		25.5%	20.6%	38.1%	31.7%	24.6%	21.7%

Source: DFV, FMR

Adjustment of estimates

We have revised our estimates on the basis of the new guidance (see table below). First of all, the reinsurance portions were reduced to 50%. This assumption reflects the fact that DFV has withdrawn from the residential property insurance segment. On the one hand, this represents a boost to total earnings. On the other, a lower amount of the premiums paid to customers and fewer operating expenses are borne by the reinsurers, which is why we have increased the premiums paid to customers as well as the operating expenses. While sales costs are reflected in the higher operating expenses for the insurance business, claims payments and allocations to the provision for future policy benefits increase with the net premiums earned.

**Reinsurance portions
reduced to 50%**

P&L – Change in estimates

IFRS EURm	Change in %2019e (old)	2019e	2019e	Change in %2020e (old)	2020e	2020e
Gross written premiums	0.0%	86.2	86.2	0.0%	113.9	113.9
YoY growth		15.0%	29.6%		32.1%	32.1%
Share of reinsurers as % of gross written premiums	-5.3%	45.5	43.1	-4.5%	59.6	56.9
		52.8%	50.0%		52.3%	50.0%
Net written premiums	5.9%	40.7	43.1	4.9%	54.3	56.9
as % of gross written premiums		47.3%	50.0%		47.7%	50.0%
Net change in unearned premiums as % of net written premiums	-100.0%	-0.2	0.0	-100.0%	0.0	0.0
		-0.4%	0.0%		0.1%	0.0%
Earned net premiums	5.4%	40.9	43.1	5.1%	54.2	56.9
as % of gross written premiums		47.4%	50.0%		47.6%	50.0%
Result from investments as % of earned net premiums	0.0%	0.0	0.0	-35.7%	0.9	0.6
		0.0%	0.0%		1.7%	1.0%
Other income as % of earned net premiums	51.9%	0.3	0.5	51.9%	0.3	0.5
		0.7%	1.1%		0.6%	0.8%
Total income	5.7%	41.2	43.6	4.7%	55.4	58.0
as % of gross written premiums		47.8%	50.5%		48.6%	50.9%
Net change in benefits paid to customers as % of gross written premiums	9.2%	22.5	24.6	8.5%	28.3	30.7
		26.1%	28.5%		24.8%	27.0%
Net change of expenses for insurance operations	40.3%	18.0	25.3	27.6%	20.7	26.4
as % of gross written premiums		20.9%	29.3%		18.2%	23.2%
Other expenses as % of gross written premiums	-11.2%	3.8	3.4	147.6%	1.8	4.5
		4.4%	3.9%		1.6%	3.9%
EBIT (Operating result)	210.8%	-3.1	-9.6	-176.1%	4.7	-3.6
as % of gross written premiums		-3.6%	-11.2%		4.1%	-3.1%
EBT (Earnings before income taxes)	210.8%	-3.1	-9.6	-176.1%	4.7	-3.6
as % of gross written premiums		-3.6%	-11.2%		4.1%	-3.1%
Income taxes as % of EBT	210.8%	-0.8	-2.4	-174.5%	1.2	-0.9
		25.0%	25.0%		25.5%	25.0%
Income from continuing operations	210.8%	-2.3	-7.2	-176.6%	3.5	-2.7
Other results (recognized directly in equity)	0.0%	0.0	0.0	0.0%	0.0	0.0
Total result	210.8%	-2.3	-7.2	-176.6%	3.5	-2.7
Minorities	0.0%	0.0	0.0	0.0%	0.0	0.0
Shares outstanding (in m)	0.0%	13.3	13.3	0.0%	13.3	13.3
Basic earnings per share (EUR)	211.7%	-0.17	-0.54	-176.8%	0.26	-0.20

Source: DFV, FMR

In total, our adjustments lead to an expected EBT of EUR -9.6m in 2019e (guidance EUR -9m to EUR -11m) and an EBT of EUR -3.6m in 2020e (guidance: not positive). According to our model, operational profitability will be achieved in 2021e (FMRe EBT 2021e: EUR 3.85m).

DCF valuation

The reduction of reinsurance portions of the gross written premiums should increase the net premiums earned by 5.4% to EUR 43.1m in 2019e and by 5.1% to EUR 56.9m in 2020e.

Free cash flow will first enter into positive territory in 2021e. This assumption was also valid before the estimates were adjusted. However, positive free cash flow in 2021e will now come in significantly lower than before at EUR 2.1m (FCF 2021e old: EUR 6.4m).

The forecasted operating result (EBIT) is also at a lower level and will not reach the value of our initial forecast until the year 2027e. The reason for this is the linear increase in the EBIT margin, which according to our original evaluation reaches a peak in 2022e, falling to a moderate 11% afterwards. At 12%, our terminal EBIT margin is slightly above the value from the initial study, because the profit projections have been pushed 2 years further into the future and the reinsurance shares have fallen further.

Discounted cash flow model

EURm	PHASE 1			PHASE 2						PHASE 3	
	2019e	2020e	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	∞
Earned net premiums	43.10	56.94	69.45	87.80	105.36	121.17	136.92	151.98	165.66	173.94	
growth YoY in %	-99.9%	32.1%	22.0%	26.4%	20.0%	15.0%	13.0%	11.0%	9.0%	5.0%	
Operating result	-9.63	-3.57	3.85	5.74	7.90	10.30	13.01	15.96	19.05	20.87	
Margin in % of earned net premiums	-22.4%	-6.3%	5.5%	6.5%	7.5%	8.5%	9.5%	10.5%	11.5%	12.0%	
Income tax on operating result	2.41	0.89	-0.96	-1.43	-1.98	-2.57	-3.25	-3.99	-4.76	-5.22	
Depreciation and amortisation	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	
Change in net working capital	-0.92	-0.25	-0.02	-0.06	-0.06	-0.06	-0.06	-0.06	-0.06	-0.06	
Net capital expenditure	-1.50	-8.50	-1.50	-1.50	-1.50	-1.31	-1.14	-0.99	-0.86	-0.75	
Free cash flow	-8.9	-10.7	2.1	3.5	5.1	7.1	9.3	11.7	14.1	15.6	
Present values	-8.9	-9.8	1.8	2.7	3.7	4.7	5.7	6.6	7.3	7.5	124.4
Present value Phase 1	-16.9	-14%									
Present value Phase 2	38.3	26%									
Present value Phase 3	124.4	85%									
Total present value	145.8	100%									
+ Net Cash	39.1										
- Minority interest (est. market value)	0.0										
Fair value of equity	184.9										
Number of shares (m)	13.3										
Fair value per share (EUR)	13.94										

Risk free rate	2.0%	Target equity ratio	80.0%
Equity risk premium	6.0%	Tax shield	25.0%
Debt risk premium	2.0%	Beta (fundamental)	1.30
CAGR Sales Phase 2	12.1%	WACC	8.50%
∅ EBIT-margin Phase 2	9.4%	Terminal growth	2.0%

Sensitivity analysis						
	Terminal growth (Phase 3)					
	1.0%	1.5%	2.0%	2.5%	3.0%	
7.5%	13.95	14.77	15.73	16.89	18.31	
8.0%	12.81	13.49	14.27	15.20	16.32	
WACC 8.5%	11.83	12.40	13.94	13.80	14.69	
9.0%	10.98	11.46	12.00	12.62	13.34	
9.5%	10.24	10.64	11.09	11.61	12.21	

Source: DFV, FMR

There are no changes to our assumptions for depreciations and CAPEX. For 2020e we are still expecting the planned establishment of two new business units (estimated investment volume EUR ~7m).

According to the balance sheet statement, the cash holdings at the end of 2018 was around EUR 9.0m. The majority of the freely available funds from the IPO have been deposited in time deposits and call money, which according to the management can be accessed at any time. We estimate the freely available time deposits and call money at EUR 30.1m.

On the basis of these assumptions we arrive at a company value of EUR 145.8m. Taking into account net liquidity, which we estimate to be EUR 39.1m at the end of 2018, we determine a fair value of equity capital of EUR 184.9m. The fair value per share is EUR 13.94, slightly below our fair value in the initial study (EUR 14.32 per share).

**Fair value drops slightly to
EUR 13.94 per share**

Market multiple valuation

After the adjustment of the estimates, our peer group evaluation shows a lower fair value per share of EUR 15.45 (old: EUR 17.63 per share).

Peer group valuation

Peer Group: Insurance brokerage (EURm)	Market cap.	EV	Price/Book		EV/EBITDA		EV/EBIT		EV / Total income	
			2019e	2020e	2019e	2020e	2019e	2020e	2019e	2020e
Arthur J Gallagher Co	13182.2	14445.7	2.7x	2.4x	12.8x	11.4x	24.7x	20.9x	2.2x	2.1x
Brown & Brown	7600.0	8226.8	2.6x	2.4x	13.4x	12.6x	17.1x	15.7x	4.0x	3.7x
Goosehead Insurance	933.6	304.3	-	-	16.4x	10.4x	17.3x	10.7x	4.1x	2.9x
Willis Towers Watson	20637.3	23840.7	2.3x	2.1x	12.1x	11.2x	14.2x	13.9x	3.0x	2.9x
Average	10,588	11,704	2.5x	2.3x	14.3x	10.8x	15.7x	12.3x	3.6x	2.9x
Median	10,391	11,336	2.6x	2.4x	14.3x	10.8x	15.7x	12.3x	3.6x	2.9x

Peer Group: Insurance software & consulting (EURm)	Market cap.	EV	Price/Book		EV/EBITDA		EV/EBIT		EV / Total income	
			2019e	2020e	2019e	2020e	2019e	2020e	2019e	2020e
Guidewire Software	7418.3	6760.1	5.5x	5.2x	60.6x	50.5x	65.6x	53.6x	10.5x	9.1x
Ebix	1363.4	1895.4	-	-	10.6x	9.0x	11.2x	9.6x	3.5x	2.9x
Sapiens International	691.4	706.1	-	-	14.8x	13.3x	16.4x	14.3x	2.5x	2.3x
Symbility Solutions	-	82.4	-	-	-	-	-	-	-	-
Aon	37448.3	42245.6	8.6x	7.0x	15.3x	14.0x	16.0x	14.8x	4.2x	4.0x
Marsh & McLennan	42470.3	46696.3	-	-	13.2x	12.2x	15.9x	14.2x	3.4x	3.2x
Average	17,878	16,398	7.0x	6.1x	14.4x	13.2x	16.1x	14.4x	3.4x	3.2x
Median	7,418	4,328	7.0x	6.1x	14.8x	13.3x	16.0x	14.3x	3.4x	3.2x

Peer Group: Online Distribution (EURm)	Market cap.	EV	Price/Book		EV/EBITDA		EV/EBIT		EV / Total income	
			2019e	2020e	2019e	2020e	2019e	2020e	2019e	2020e
Moneysupermarket.com Grp	2141.7	2108.5	8.1x	6.9x	12.8x	12.1x	14.8x	13.7x	4.7x	4.4x
Gocompare.com Group	422.5	497.7	-	-	10.9x	9.0x	12.5x	10.5x	2.7x	2.5x
QuinStreet	583.7	529.1	-	-	13.0x	9.7x	24.5x	16.7x	1.3x	1.1x
eHealth	1318.8	1311.7	-	-	30.2x	21.6x	51.0x	29.6x	4.9x	4.1x
iSelect	87.1	73.9	-	-	4.6x	4.1x	7.5x	6.2x	0.7x	0.6x
Average	911	904	8.1x	6.9x	15.9x	11.8x	27.7x	17.5x	2.3x	2.0x
Median	584	529	8.1x	6.9x	13.0x	9.7x	24.5x	16.7x	1.3x	1.1x

Peer Group: Online Banking and financial services (EURm)	Market cap.	EV	Price/Book		EV/EBITDA		EV/EBIT		EV / Total income	
			2019e	2020e	2019e	2020e	2019e	2020e	2019e	2020e
1st Source	1071.5	1277.8	1.5x	1.4x	-	-	12.9x	12.1x	4.4x	4.2x
Hypoport	1120.0	1178.6	6.4x	5.3x	23.8x	19.4x	30.6x	24.5x	3.7x	3.3x
Sparebank 1 Ringerike	320.8	873.2	0.9x	0.8x	-	-	15.9x	17.2x	9.8x	9.8x
Kakaku.com	3722.6	3537.4	9.6x	7.9x	15.2x	13.9x	16.0x	14.8x	7.4x	6.8x
Average	1,559	1,717	4.6x	3.8x	15.2x	13.9x	16.0x	16.0x	8.6x	8.3x
Median	1,096	1,228	3.9x	3.3x	15.2x	13.9x	16.0x	16.0x	8.6x	8.3x
Weighted average			4.8x	4.2x	17.5x	14.6x	21.3x	17.4x	4.3x	3.9x

	EURm, except EPS (EUR)	Book		EBITDA		EBIT		Total income	
		2019e	2020e	2019e	2020e	2019e	2020e	2019e	2020e
DFV: Financial estimates by FMR		51.94	49.26	-8.88	-2.82	-9.63	-3.57	43.56	57.98
Applied multiples: Peer group Price/Book 2020e		4.8x	4.2x	17.5x	14.6x	21.3x	17.4x	4.3x	3.9x
Enterprise value (derived)								186.30	225.98
Financial net debt & minority interests	39.1								
Market capitalisation (derived)		249.57	204.83					225.38	265.07
Price/Book 2020e			204.83						
Premium (discount) vs. Peer Group			0%						
Fair market capitalisation			204.83						
Number of shares (m)			13.3						
Fair value per share (EUR)			15.45						

Source: DFV, FMR

The reduction is attributable to the lower carrying value of equity as a result of the reduced profit forecasts for 2019e and 2020e. Since we have not changed the methodology and for the purposes of the multiple valuation are simply using the Price/Book value multiplier for the forecast year 2020e, our peer group comparison now shows a fair market value of EUR 204.83m and a fair value of EUR 15.45 per DFV share.

**Fair value drops to EUR
15.45 per share**

Summary

Valuation summary

Valuation method	Fair value per share (EUR)	Mcap (in EURm)
DCF	13.94	184.85
Target price	15.00	198.92
Peer group	15.45	204.83

Source: DFV, FMR

Appendix

IFRS EURm	2016	2017	2018	2019e	2020e	2021e
Gross written premiums	64.1	70.7	66.5	86.2	113.9	138.9
YoY growth	1.4%	10.3%	-5.8%	29.6%	32.1%	22.0%
Share of reinsurers	36.3	39.7	30.8	43.1	56.9	69.5
as % of gross written premiums	56.7%	56.1%	46.3%	50.0%	50.0%	50.0%
Net written premiums	27.8	31.0	35.7	43.1	56.9	69.5
as % of gross written premiums	43.3%	43.9%	53.7%	50.0%	50.0%	50.0%
Net change in unearned premiums	-0.7	-0.6	-0.4	0.0	0.0	0.0
as % of net written premiums	-2.4%	-1.8%	-1.0%	0.0%	0.0%	0.0%
Earned net premiums	28.4	31.6	36.1	43.1	56.9	69.5
as % of gross written premiums	44.4%	44.7%	54.2%	50.0%	50.0%	50.0%
Result from investments	-0.6	1.1	-2.3	0.0	0.6	1.2
as % of earned net premiums	-2.1%	3.4%	-6.5%	0.0%	1.0%	1.7%
Other income	0.2	0.5	1.0	0.5	0.5	0.5
as % of earned net premiums	0.9%	1.5%	2.9%	1.1%	0.8%	0.7%
Total income	28.1	33.1	34.7	43.6	58.0	71.1
as % of gross written premiums	43.8%	46.8%	52.2%	50.5%	50.9%	51.2%
Net change in benefits paid to customers	16.8	18.0	20.2	24.6	30.7	34.6
as % of gross written premiums	26.2%	25.5%	30.4%	28.5%	27.0%	24.9%
Net change of expenses for insurance operations	7.9	11.4	14.5	25.3	26.4	27.2
as % of gross written premiums	12.3%	16.2%	21.9%	29.3%	23.2%	19.6%
Other expenses	1.4	1.6	4.1	3.4	4.5	5.4
as % of gross written premiums	2.1%	2.2%	6.2%	3.9%	3.9%	3.9%
Total expenses	26.0	31.0	38.8	53.2	61.6	67.2
as % of gross written premiums	40.6%	43.8%	58.4%	61.7%	54.0%	48.4%
EBIT (Operating result)	2.0	2.1	-4.1	-9.6	-3.6	3.9
as % of gross written premiums	3.2%	3.0%	-6.2%	-11.2%	-3.1%	2.8%
EBT (Earnings before income taxes)	2.0	2.1	-4.1	-9.6	-3.6	3.9
as % of gross written premiums	3.2%	3.0%	-6.2%	-11.2%	-3.1%	2.8%
Income taxes	0.3	0.6	-0.8	-2.4	-0.9	1.0
as % of EBT	16.0%	30.1%	18.7%	25.0%	25.0%	25.0%
Income from continuing operations	1.7	1.5	-3.3	-7.2	-2.7	2.9
Other results (recognized directly in equity)	-0.2	-0.5	-0.1	0.0	0.0	0.0
Expenses for the procurement of equity capital	0.0	0.0	-2.5	0.0	0.0	0.0
Total result	1.5	0.9	-5.9	-7.2	-2.7	2.9
Minorities	0.0	0.0	0.0	0.0	0.0	0.0
Shares outstanding (in m)	9.0	9.0	13.3	13.3	13.3	13.3
Basic earnings per share (EUR)	0.16	0.10	-0.44	-0.54	-0.20	0.22

Source: DFV Deutsche Familienversicherung AG, FMR

Balance sheet

IFRS EURm	2016	2017	2018	2019e	2020e	2021e
Assets						
Intangible Assets	9.6	9.3	9.2	10.0	17.7	18.5
as % of total assets	13.2%	9.9%	5.9%	6.1%	8.8%	7.7%
Investments	31.7	46.4	90.1	89.8	98.3	115.9
as % of total assets	43.7%	49.2%	58.0%	54.7%	49.1%	48.1%
Financial investments available for sale	31.7	44.1	33.7	36.9	57.9	78.0
Time Deposits and call money	0.0	2.3	56.4	52.9	40.4	37.9
Receivables from direct insurance business	3.4	1.9	4.9	4.9	4.9	4.9
as % of total assets	4.7%	2.0%	3.2%	3.0%	2.5%	2.0%
Current accounts at banks	4.7	5.5	9.0	3.6	5.5	10.1
as % of total assets	6.4%	5.8%	5.8%	2.2%	2.7%	4.2%
Share of reinsurers in underwriting provisions	20.7	29.4	35.0	48.6	66.9	84.4
Assets	28.5%	31.2%	22.5%	29.7%	33.4%	35.0%
Unearned premiums	2.0	2.0	0.6	3.1	3.9	4.3
Actuarial reserves	14.1	22.0	30.5	38.9	53.9	68.7
Reserves for outstanding claims	4.5	5.4	4.0	6.7	9.1	11.4
Other underwriting provisions	0.0	0.0	0.0	0.0	0.0	0.0
Tax refund claims	0.5	0.4	2.0	2.0	2.0	2.0
as % of total assets	0.6%	0.4%	1.3%	1.2%	1.0%	0.8%
Other assets	2.1	1.4	5.1	5.1	5.1	5.1
as % of total assets	2.9%	1.5%	3.3%	3.1%	2.5%	2.1%
Total assets	72.6	94.3	155.3	164.0	200.3	240.8
Shareholders' equity and liabilities						
Shareholders' equity	18.5	19.5	59.2	51.9	49.3	52.2
as % of total equity and liabilities	25.5%	20.6%	38.1%	31.7%	24.6%	21.7%
Gross underwriting provisions	35.3	46.8	56.2	67.4	91.4	114.4
as % of total equity and liabilities	48.6%	49.7%	36.2%	41.1%	45.6%	47.5%
Unearned premiums	4.9	4.3	2.5	5.0	5.9	6.3
Actuarial reserves	20.2	30.9	42.6	47.7	65.8	83.6
Reserves for outstanding claims	9.5	10.7	10.3	13.8	18.9	23.8
Other underwriting provisions	0.8	0.8	0.9	0.8	0.8	0.8
Other reserves	0.7	0.5	0.9	0.9	0.9	0.9
as % of total equity and liabilities	1.0%	0.5%	0.6%	0.5%	0.4%	0.4%
Liabilities from direct insurance business	16.8	26.0	37.9	42.7	57.7	72.2
as % of total equity and liabilities	23.1%	27.6%	24.4%	26.0%	28.8%	30.0%
to policyholders	0.2	0.2	0.2	0.2	0.2	0.2
to insurance brokers	0.8	0.5	1.4	1.4	1.4	1.4
Other liabilities	15.7	25.3	36.3	41.0	56.1	70.6
Tax debt	1.3	1.5	1.2	1.2	1.2	1.2
as % of total equity and liabilities	1.8%	1.6%	0.7%	0.7%	0.6%	0.5%
Total equity and liabilities	72.6	94.3	155.3	164.0	200.3	240.8

Source: DFV Deutsche Familienversicherung AG, FMR

Cash Flow Statement

IFRS EURm	2016	2017	2018	2019e	2020e	2021e
Results for the period before extraordinary items	1.7	1.5	-3.3	-7.2	-2.7	2.9
Change of gross underwriting provisions	2.0	2.7	3.8	-2.5	5.8	5.5
Change in deposits retained and accounts payable as well as accounts receivables and accounts payable	8.2	11.0	6.1	4.8	15.0	14.6
Change in other receivables and liabilities	1.0	-0.2	2.7	0.0	0.0	0.0
Gains and losses on the disposal of investments	0.5	-0.3	2.0	0.0	0.0	0.0
Change in other balance sheet items	-0.2	0.4	-7.7	0.0	0.0	0.0
Other non-cash expenses and income	1.6	1.6	3.0	0.8	0.8	0.8
Cash flow from operating activities	14.8	16.6	6.6	-4.2	18.8	23.7
Proceeds from the sale and maturities of other investments	0.0	2.2	-0.1	0.0	0.0	0.0
Payments from the acquisition of other investments	-17.0	-17.0	-46.7	-1.2	-10.0	-19.1
Other proceeds	-0.3	0.0	-0.3	0.0	0.0	0.0
Other payments	-1.4	-1.0	-1.5	0.0	-7.0	0.0
Cash flow from investing activities	-18.7	-15.8	-48.7	-1.2	-17.0	-19.1
Proceeds from additional equity	0.0	0.0	45.6	0.0	0.0	0.0
Payments to company owners and minority shareholders	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from financing activities	0.0	0.0	45.6	0.0	0.0	0.0
Total change in cash and cash equivalents	-3.9	0.9	3.5	-5.4	1.8	4.6
Cash and cash equivalents at the start of the period	8.5	4.7	5.5	9.0	3.6	5.5
Cash and cash equivalents at year's end	4.7	5.5	9.0	3.6	5.5	10.1

Source: DFV Deutsche Familienversicherung AG, FMR

Declaration of liability (disclaimer) and mandatory details pursuant to Section 85 Securities Trading Act (WpHG), EU Market Abuse Regulation (EU Regulation No. 596/2014), Delegated Regulation 2016/958 and Delegated Regulation 2017/565 including details of possible conflicts of interest (disclosures), the author and the responsible supervisory authority

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- b) Time conditions of expected updates: quarterly
- c) Supervisory authority: Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht), Lurgiallee 12, 60439 Frankfurt am Main
- d) Previous analyses: No analysis was published in the 12 months before publication of this analysis that contains a recommendation for a specific investment decision which contradicts this analysis.
- e) The analysis was made available to the issuer, to the extent that is legally permissible, before publication and was not amended thereafter.
- f) All prices and price developments listed in the analysis are based on closing prices insofar as no contradictory details were provided about prices and price developments.

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 - (v.) is in possession of a net sales or purchase position which exceeds the threshold of 0.5% of the total issued share capital of the issuer;
 - (vi.) has concluded an agreement regarding the preparation of investment recommendations with the issuer.

(vii.) has other significant interests with regard to the company being analysed, for example clients with the company being analysed.

Company	Disclosure(s)
DFV Deutsche Familienversicherung AG	-

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(ii.) was involved in the management of a syndicate within the past five months that issued financial instruments of the issuer in the context of a public tender;

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(vi.) has concluded an agreement regarding the preparation of investment recommendations with the issuer.

(vii.) has other significant interests with regard to the company being analysed, for example clients with the company being analysed.

Company	Disclosure(s)
DFV Deutsche Familienversicherung AG	iii, vi

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FMR Frankfurt Main Research AG

Registered office: Frankfurt am Main; Commercial Register No. HRB 113537, Frankfurt am Main district court; Chairman: Marcus Silbe

b) Issuer

Enid Omerovic, Senior Analyst

Marcus Silbe (CEFA), Head of Research, Senior Analyst

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Trend prediction details – thematic information:

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- Risks/losers/negative: In our opinion, the company will be negatively affected by the assumed development.
- Neutral/balanced: In our opinion, the assumed development will not have any decisive impact on the company.

A possible indicated ranking position of the issuers demonstrates the relatively strong impact we believe the assumed development will have on the various issuers.

6. Sensitivity of the evaluation parameters

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