



**Buy** (old: Buy)

**Price target: EUR 25.00** (old: EUR 25.00)

**Price:** EUR 17.14      **Next result:** Q2 13.08.20  
**Bloomberg:** DFVA GR      **Market cap:** EUR 218.8 m  
**Reuters:** DFV.DE      **Enterprise Value:** EUR 230.6 m

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### Lemonade IPO should underscore DFV's undervaluation

The first fully digitized insurance company in Europe, **DFV is in the driver seat to disrupt the traditional insurance industry**. Its automated insurance platform offers an excellent customer experience while at the same time enabling a **highly scalable business** model. In fact, having more than doubled its new business since 2017 (units), DFV's headcount rose by only 3%. Meanwhile, the stock looks undervalued trading at a significant discount to insurtech peers. Hence, we remain bullish.

- **85% discount to US peer Lemonade** - Lemonade filed to go public aiming to raise c. USD 100m. While details about pricing have not been announced, yet, Lemonade was valued at around USD 2bn in its latest USD 300m financing round (April '19). This implies **USD 3,100 per contract for Lemonade which compares to € 450 for DFV**, highlighting DFV's undervaluation. In our view, this looks unjustified as both companies are growing strongly while **DFV needs significantly less capital to finance growth reflected in an EBIT of € -5.2m vs USD -109m for Lemonade in FY'19**.
- **COVID-19 to accelerate market share gains** - While there has been an initial demand shock for dental insurance (64% of total premiums) as clients were unable to visit dentists during lockdown, demand should have recovered since May. While DFV's fully digitized insurance platform was available for clients throughout the lockdown, traditional insurers were unable to serve their customers still heavily relying on personal meetings. That said, **DFV's market share gains are seen to even speed-up as COVID-19 looks set to support the trend towards digital**. Moreover, given its focus on supplementary health insurance, rising health awareness among clients should further accelerate DFV's growth trajectory. This should also explain why **management confirmed its FY'20 targets** of 30% GWP growth yoy, 100k new customers and an EBIT of € -9m to € -11m (eH&A: € -10.6m).

Overall, DFV remains one of the **most exciting growth stories in Europe**. As COVID-19 looks set to accelerate the trend towards digital, DFV should be in the pole position to snap up market share from traditional insurers. The company's **state-of-the-art insurtech platform also explains why DFV was chosen to execute the 'CareFlex Chemie' partnership** with the German chemical and pharmaceutical industry, which is expected to boost top- and bottom-line growth from 2021E onwards.

**BUY, PT € 25.00, based on DCF.**

Y/E 31.12 (EUR m)	2016	2017	2018	2019	2020E	2021E	2022E
Sales	64.1	70.7	66.5	90.9	118.2	187.3	264.2
Sales growth	1 %	10 %	-6 %	37 %	30 %	59 %	41 %
EBITDA	3.5	3.7	-1.1	-2.2	-8.1	14.1	25.1
EBIT	2.0	2.1	-4.1	-5.2	-10.6	11.1	21.4
Net income	1.7	1.5	-3.3	-2.0	-7.4	7.8	15.0
Net debt	-4.7	-5.5	-9.0	-3.7	-4.2	-10.6	-22.6
Net gearing	-25.2 %	-28.3 %	-14.8 %	-5.8 %	-8.2 %	-23.1 %	-50.5 %
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EPS pro forma	0.13	0.11	-0.25	-0.15	-0.56	0.58	1.13
CPS	1.06	1.18	0.40	0.97	0.25	0.80	1.24
DPS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dividend yield	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Gross profit margin	44.4 %	44.7 %	54.2 %	59.8 %	60.0 %	60.8 %	61.3 %
EBITDA margin	5.5 %	5.2 %	-1.7 %	-1.6 %	-6.9 %	7.5 %	9.5 %
EBIT margin	3.2 %	3.0 %	-6.2 %	-3.8 %	-9.0 %	5.9 %	8.1 %
ROCE	4.1 %	3.5 %	-4.4 %	-4.0 %	-8.4 %	7.8 %	14.5 %
EV/sales	3.6	3.2	3.3	1.7	2.0	1.2	0.8
EV/EBITDA	64.7	62.1	-196.7	-105.5	-28.3	16.1	8.6
EV/EBIT	113.4	108.2	-54.2	-44.8	-21.7	20.4	10.1
PER	128.8	147.7	-65.9	-107.7	-29.4	28.2	14.6
Adjusted FCF yield	1.3 %	1.1 %	-1.2 %	-0.5 %	-6.1 %	8.9 %	20.5 %

Source: Company data, Hauck & Aufhäuser Close price as of: 15.06.2020



Source: Company data, Hauck & Aufhäuser

**High/low 52 weeks:** 19.50 / 9.85

**Price/Book Ratio:** 4.5

**Relative performance (-):**

3 months -  
6 months -  
12 months -

#### Changes in estimates

		Sales	EBIT	EPS
2020	old:	118.2	-10.6	-0.56
	Δ	-	-	-
2021	old:	187.3	11.1	0.58
	Δ	-	-	-
2022	old:	264.2	21.4	1.13
	Δ	-	-	-

#### Key share data:

Number of shares: (in m pcs) 13.3  
 Authorised capital: (in € m) -  
 Book value per share: (in €) 3.9  
 Ø trading volume: (12 months) 8,179

#### Major shareholders:

Luca Pesarini 22.9 %  
 Dr. Stefan Knoll (CEO) 21.3 %  
 Vogel Family & Heir 21.0 %  
 VPV Versicherungen 15.7 %  
 Free Float 12.3 %  
 Ethenea 6.8 %

#### Company description:

The DFV is an early mover in the insurtech field being the first fully digital insurance company in Europe and among the healthiest worldwide.

## Financials

Profit and loss (EUR m)	2016	2017	2018	2019	2020E	2021E	2022E
<b>Sales</b>	<b>64.1</b>	<b>70.7</b>	<b>66.5</b>	<b>90.9</b>	<b>118.2</b>	<b>187.3</b>	<b>264.2</b>
Sales growth	1.4 %	10.3 %	-5.9 %	36.7 %	30.0 %	58.5 %	41.0 %
Cost of sales	35.6	39.1	30.4	36.6	47.3	73.4	102.3
<b>Gross profit</b>	<b>28.4</b>	<b>31.6</b>	<b>36.1</b>	<b>54.4</b>	<b>70.9</b>	<b>113.9</b>	<b>162.0</b>
Sales and marketing	-0.4	1.5	-1.3	4.0	2.4	5.6	7.9
General and administration	16.8	18.0	20.2	33.0	43.7	66.5	92.0
Research and development	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other operating income	7.9	11.4	14.5	25.4	33.1	34.7	47.3
Other operating expenses	1.4	1.6	4.1	5.2	7.1	7.3	9.2
Unusual or infrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBITDA</b>	<b>3.5</b>	<b>3.7</b>	<b>-1.1</b>	<b>-2.2</b>	<b>-8.1</b>	<b>14.1</b>	<b>25.1</b>
Depreciation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBITA</b>	<b>3.5</b>	<b>3.7</b>	<b>-1.1</b>	<b>-2.2</b>	<b>-8.1</b>	<b>14.1</b>	<b>25.1</b>
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	1.5	1.6	3.0	3.0	2.5	3.0	3.7
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBIT (inc revaluation net)</b>	<b>2.0</b>	<b>2.1</b>	<b>-4.1</b>	<b>-5.2</b>	<b>-10.6</b>	<b>11.1</b>	<b>21.4</b>
Interest income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other financial result	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial result	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Recurring pretax income from continuing operations</b>	<b>2.0</b>	<b>2.1</b>	<b>-4.1</b>	<b>-5.2</b>	<b>-10.6</b>	<b>11.1</b>	<b>21.4</b>
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Earnings before taxes</b>	<b>2.0</b>	<b>2.1</b>	<b>-4.1</b>	<b>-5.2</b>	<b>-10.6</b>	<b>11.1</b>	<b>21.4</b>
Taxes	0.3	0.6	-0.8	-3.1	-3.2	3.3	6.4
<b>Net income from continuing operations</b>	<b>1.7</b>	<b>1.5</b>	<b>-3.3</b>	<b>-2.0</b>	<b>-7.4</b>	<b>7.8</b>	<b>15.0</b>
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income</b>	<b>1.7</b>	<b>1.5</b>	<b>-3.3</b>	<b>-2.0</b>	<b>-7.4</b>	<b>7.8</b>	<b>15.0</b>
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net profit (reported)</b>	<b>1.7</b>	<b>1.5</b>	<b>-3.3</b>	<b>-2.0</b>	<b>-7.4</b>	<b>7.8</b>	<b>15.0</b>
Average number of shares	13.3	13.3	13.3	13.3	13.3	13.3	13.3
<b>EPS reported</b>	<b>0.13</b>	<b>0.11</b>	<b>-0.25</b>	<b>-0.15</b>	<b>-0.56</b>	<b>0.58</b>	<b>1.13</b>

Profit and loss (common size)	2016	2017	2018	2019	2020E	2021E	2022E
<b>Sales</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>
Cost of sales	55.6 %	55.3 %	45.8 %	40.2 %	40.0 %	39.2 %	38.7 %
<b>Gross profit</b>	<b>44.4 %</b>	<b>44.7 %</b>	<b>54.2 %</b>	<b>59.8 %</b>	<b>60.0 %</b>	<b>60.8 %</b>	<b>61.3 %</b>
Sales and marketing	neg.	2.2 %	neg.	4.4 %	2.0 %	3.0 %	3.0 %
General and administration	26.2 %	25.5 %	30.4 %	36.2 %	37.0 %	35.5 %	34.8 %
Research and development	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other operating income	12.3 %	16.2 %	21.9 %	27.9 %	28.0 %	18.5 %	17.9 %
Other operating expenses	2.1 %	2.2 %	6.2 %	5.7 %	6.0 %	3.9 %	3.5 %
Unusual or infrequent items	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>EBITDA</b>	<b>5.5 %</b>	<b>5.2 %</b>	<b>neg.</b>	<b>neg.</b>	<b>neg.</b>	<b>7.5 %</b>	<b>9.5 %</b>
Depreciation	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>EBITA</b>	<b>5.5 %</b>	<b>5.2 %</b>	<b>neg.</b>	<b>neg.</b>	<b>neg.</b>	<b>7.5 %</b>	<b>9.5 %</b>
Amortisation of goodwill	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Amortisation of intangible assets	2.4 %	2.2 %	4.5 %	3.3 %	2.1 %	1.6 %	1.4 %
Impairment charges	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>EBIT (inc revaluation net)</b>	<b>3.2 %</b>	<b>3.0 %</b>	<b>neg.</b>	<b>neg.</b>	<b>neg.</b>	<b>5.9 %</b>	<b>8.1 %</b>
Interest income	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Interest expenses	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other financial result	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Financial result	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Recurring pretax income from continuing operations</b>	<b>3.2 %</b>	<b>3.0 %</b>	<b>neg.</b>	<b>neg.</b>	<b>neg.</b>	<b>5.9 %</b>	<b>8.1 %</b>
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Earnings before taxes</b>	<b>3.2 %</b>	<b>3.0 %</b>	<b>neg.</b>	<b>neg.</b>	<b>neg.</b>	<b>5.9 %</b>	<b>8.1 %</b>
Tax rate	16.0 %	30.1 %	18.7 %	60.6 %	30.0 %	30.0 %	30.0 %
<b>Net income from continuing operations</b>	<b>2.7 %</b>	<b>2.1 %</b>	<b>neg.</b>	<b>neg.</b>	<b>neg.</b>	<b>4.1 %</b>	<b>5.7 %</b>
Result from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Net income</b>	<b>2.7 %</b>	<b>2.1 %</b>	<b>neg.</b>	<b>neg.</b>	<b>neg.</b>	<b>4.1 %</b>	<b>5.7 %</b>
Minority interest	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Net profit (reported)</b>	<b>2.7 %</b>	<b>2.1 %</b>	<b>neg.</b>	<b>neg.</b>	<b>neg.</b>	<b>4.1 %</b>	<b>5.7 %</b>

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2016	2017	2018	2019	2020E	2021E	2022E
<b>Intangible assets</b>	<b>9.6</b>	<b>9.3</b>	<b>9.2</b>	<b>8.7</b>	<b>9.5</b>	<b>10.5</b>	<b>11.5</b>
Property, plant and equipment	2.1	1.4	1.4	1.4	1.4	1.4	1.4
Financial assets	31.7	46.4	90.1	121.7	121.7	127.8	134.2
<b>FIXED ASSETS</b>	<b>43.4</b>	<b>57.1</b>	<b>100.6</b>	<b>131.8</b>	<b>132.7</b>	<b>139.7</b>	<b>147.1</b>
Inventories	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	3.4	1.9	4.9	5.3	5.3	5.0	7.1
Other current assets	20.7	29.4	35.0	40.5	46.0	52.7	60.4
Liquid assets	4.7	5.5	9.0	3.7	4.2	10.6	22.6
Deferred taxes	0.5	0.4	2.0	5.9	5.9	5.9	5.9
Deferred charges and prepaid expenses	0.0	0.0	5.1	2.8	2.8	2.8	2.8
<b>CURRENT ASSETS</b>	<b>29.2</b>	<b>37.2</b>	<b>56.0</b>	<b>58.1</b>	<b>64.1</b>	<b>77.0</b>	<b>98.8</b>
<b>TOTAL ASSETS</b>	<b>72.6</b>	<b>94.3</b>	<b>156.7</b>	<b>189.8</b>	<b>196.8</b>	<b>216.7</b>	<b>245.9</b>
SHAREHOLDERS EQUITY	18.5	19.5	60.7	64.3	51.4	45.8	44.7
MINORITY INTEREST	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Provisions for pensions and similar obligations	15.1	15.9	12.8	16.0	16.0	17.6	19.4
Other provisions	20.9	31.4	44.3	58.0	68.2	80.5	95.2
<b>Non-current liabilities</b>	<b>36.1</b>	<b>47.3</b>	<b>57.1</b>	<b>74.0</b>	<b>84.2</b>	<b>98.1</b>	<b>114.6</b>
short-term liabilities to banks	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Advance payments received on orders	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities (incl. from lease and rental contracts)	16.8	26.0	37.9	48.2	57.9	69.5	83.4
Deferred taxes	1.3	1.5	1.0	3.3	3.3	3.3	3.3
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Current liabilities</b>	<b>18.0</b>	<b>27.5</b>	<b>38.8</b>	<b>51.5</b>	<b>61.2</b>	<b>72.8</b>	<b>86.6</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>72.6</b>	<b>94.3</b>	<b>156.7</b>	<b>189.9</b>	<b>196.8</b>	<b>216.7</b>	<b>246.0</b>

Balance sheet (common size)	2016	2017	2018	2019	2020E	2021E	2022E
<b>Intangible assets</b>	<b>13.2 %</b>	<b>9.9 %</b>	<b>5.9 %</b>	<b>4.6 %</b>	<b>4.8 %</b>	<b>4.8 %</b>	<b>4.7 %</b>
Property, plant and equipment	2.9 %	1.5 %	0.9 %	0.7 %	0.7 %	0.6 %	0.6 %
Financial assets	43.7 %	49.2 %	57.5 %	64.1 %	61.9 %	59.0 %	54.6 %
<b>FIXED ASSETS</b>	<b>59.8 %</b>	<b>60.5 %</b>	<b>64.2 %</b>	<b>69.4 %</b>	<b>67.4 %</b>	<b>64.5 %</b>	<b>59.8 %</b>
Inventories	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Accounts receivable	4.7 %	2.0 %	3.1 %	2.8 %	2.7 %	2.3 %	2.9 %
Other current assets	28.4 %	31.2 %	22.3 %	21.3 %	23.4 %	24.3 %	24.6 %
Liquid assets	6.4 %	5.8 %	5.7 %	1.9 %	2.1 %	4.9 %	9.2 %
Deferred taxes	0.6 %	0.4 %	1.3 %	3.1 %	3.0 %	2.7 %	2.4 %
Deferred charges and prepaid expenses	0.0 %	0.0 %	3.2 %	1.5 %	1.4 %	1.3 %	1.1 %
<b>CURRENT ASSETS</b>	<b>40.2 %</b>	<b>39.5 %</b>	<b>35.8 %</b>	<b>30.6 %</b>	<b>32.6 %</b>	<b>35.5 %</b>	<b>40.2 %</b>
<b>TOTAL ASSETS</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>
SHAREHOLDERS EQUITY	25.5 %	20.6 %	38.8 %	33.9 %	26.1 %	21.1 %	18.2 %
MINORITY INTEREST	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Long-term debt	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Provisions for pensions and similar obligations	20.8 %	16.8 %	8.2 %	8.4 %	8.1 %	8.1 %	7.9 %
Other provisions	28.8 %	33.3 %	28.3 %	30.6 %	34.7 %	37.1 %	38.7 %
<b>Non-current liabilities</b>	<b>49.7 %</b>	<b>50.2 %</b>	<b>36.5 %</b>	<b>39.0 %</b>	<b>42.8 %</b>	<b>45.3 %</b>	<b>46.6 %</b>
short-term liabilities to banks	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Accounts payable	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Advance payments received on orders	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other liabilities (incl. from lease and rental contracts)	23.1 %	27.6 %	24.2 %	25.4 %	29.4 %	32.1 %	33.9 %
Deferred taxes	1.8 %	1.6 %	0.6 %	1.7 %	1.7 %	1.5 %	1.3 %
Deferred income	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Current liabilities</b>	<b>24.8 %</b>	<b>29.2 %</b>	<b>24.8 %</b>	<b>27.1 %</b>	<b>31.1 %</b>	<b>33.6 %</b>	<b>35.2 %</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>

Source: Company data, Hauck & Aufhäuser

Cash flow statement (EUR m)	2016	2017	2018	2019	2020E	2021E	2022E
Net profit/loss	1.7	1.5	-3.3	-2.0	-7.4	7.8	15.0
Depreciation of fixed assets (incl. leases)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	1.5	1.6	3.0	3.0	2.5	3.0	3.7
Others	2.3	2.8	9.9	13.7	10.0	1.6	1.8
Cash flow from operations before changes in w/c	5.6	5.9	9.6	14.6	5.1	12.4	20.5
Increase/decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in accounts receivable	9.2	10.8	-3.0	-0.3	0.0	0.2	-2.1
Increase/decrease in accounts payable	0.0	0.0	0.0	0.0	0.0	0.0	0.0
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	9.2	10.8	-3.0	-0.3	0.0	0.2	-2.1
<b>Cash flow from operating activities</b>	<b>14.8</b>	<b>16.6</b>	<b>6.6</b>	<b>14.3</b>	<b>5.1</b>	<b>12.6</b>	<b>18.4</b>
CAPEX	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Payments for acquisitions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial investments	17.0	14.8	48.7	25.0	10.0	6.1	6.4
Income from asset disposals	-1.7	-1.0	0.0	0.0	0.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>-18.7</b>	<b>-15.8</b>	<b>-48.7</b>	<b>-25.0</b>	<b>-10.0</b>	<b>-6.1</b>	<b>-6.4</b>
Cash flow before financing	-3.9	0.9	-42.1	-10.7	-4.9	6.5	12.0
Increase/decrease in debt position	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	0.0	0.0	45.6	6.1	6.1	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	-0.7	-0.7	0.0	0.0
Effects of exchange rate changes on cash	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Cash flow from financing activities</b>	<b>0.0</b>	<b>0.0</b>	<b>45.6</b>	<b>5.4</b>	<b>5.4</b>	<b>0.0</b>	<b>0.0</b>
Increase/decrease in liquid assets	-3.9	0.9	3.5	-5.3	0.5	6.5	12.0
<b>Liquid assets at end of period</b>	<b>4.7</b>	<b>5.5</b>	<b>9.0</b>	<b>3.7</b>	<b>4.2</b>	<b>10.6</b>	<b>22.6</b>

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2016	2017	2018	2019	2020E	2021E	2022E
Domestic	64.1	70.7	66.5	90.9	118.2	187.3	264.2
yoy change	1.4 %	10.3 %	-5.9 %	36.7 %	30.0 %	58.5 %	41.0 %
Rest of Europe	0.0	0.0	0.0	0.0	0.0	0.0	0.0
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
NAFTA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Asia Pacific	0.0	0.0	0.0	0.0	0.0	0.0	0.0
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Rest of world	0.0	0.0	0.0	0.0	0.0	0.0	0.0
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>TTL</b>	<b>64.1</b>	<b>70.7</b>	<b>66.5</b>	<b>90.9</b>	<b>118.2</b>	<b>187.3</b>	<b>264.2</b>
yoy change	1.4 %	10.3 %	-5.9 %	36.7 %	30.0 %	58.5 %	41.0 %

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2016	2017	2018	2019	2020E	2021E	2022E
<b>P&amp;L growth analysis</b>							
Sales growth	1.4 %	10.3 %	-5.9 %	36.7 %	30.0 %	58.5 %	41.0 %
EBITDA growth	82.3 %	4.3 %	-130.7 %	93.5 %	618.9 %	-741.6 %	-408.5 %
EBIT growth	185.8 %	4.8 %	-293.7 %	25.8 %	159.2 %	-314.1 %	-301.2 %
EPS growth	95.7 %	-12.8 %	-324.1 %	-38.8 %	124.1 %	-481.4 %	-301.8 %
<b>Efficiency</b>							
Total operating costs / sales	41.2 %	41.7 %	60.4 %	65.5 %	69.0 %	54.9 %	53.2 %
Sales per employee	481.8	593.7	583.3	821.8	1,052.3	1,619.3	2,217.5
EBITDA per employee	26.6	31.0	-9.9	-19.8	-72.5	121.5	210.7
<b>Balance sheet analysis</b>							
Avg. working capital / sales	7.7 %	3.8 %	5.1 %	5.6 %	4.3 %	2.7 %	2.3 %
Inventory turnover (sales/inventory)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trade debtors in days of sales	19.4	9.8	9.8	9.8	9.8	9.8	9.8
A/P turnover [(A/P*365)/sales]	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash conversion cycle (days)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Cash flow analysis</b>							
Free cash flow	14.8	16.6	6.6	14.3	5.1	12.6	18.4
Free cash flow/sales	23.1 %	23.5 %	9.9 %	10.6 %	4.3 %	6.7 %	7.0 %
FCF / net profit	870.1 %	1122.1 %	neg.	neg.	neg.	161.9 %	122.6 %
Capex / deprn	1118.1 %	937.6 %	1638.6 %	841.6 %	400.0 %	203.1 %	172.8 %
Capex / maintenance capex	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Capex / sales	26.5 %	20.9 %	73.2 %	27.5 %	8.5 %	3.2 %	2.4 %
<b>Security</b>							
Net debt	-4.7	-5.5	-9.0	-3.7	-4.2	-10.6	-22.6
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net debt / equity	neg.	neg.	neg.	neg.	neg.	neg.	neg.
Interest cover	999.0	999.0	999.0	999.0	999.0	999.0	999.0
Dividend payout ratio	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Asset utilisation</b>							
Capital employed turnover	1.2	1.1	0.6	0.7	0.9	1.3	1.7
Operating assets turnover	11.6	21.5	10.6	13.7	17.8	29.2	31.1
Plant turnover	30.5	51.3	48.3	66.0	85.9	136.1	192.0
Inventory turnover (sales/inventory)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Returns</b>							
ROCE	4.1 %	3.5 %	-4.4 %	-4.0 %	-8.4 %	7.8 %	14.5 %
ROE	9.2 %	7.6 %	-5.5 %	-3.2 %	-14.5 %	16.9 %	33.6 %
<b>Other</b>							
Interest paid / avg. debt	n/a	n/a	n/a	n/a	n/a	n/a	n/a
No. employees (average)	133	119	114	111	112	116	119
Number of shares	13.3	13.3	13.3	13.3	13.3	13.3	13.3
DPS	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EPS reported	0.13	0.11	-0.25	-0.15	-0.56	0.58	1.13
<b>Valuation ratios</b>							
P/BV	11.8	11.2	3.6	3.4	4.3	4.8	4.9
EV/sales	3.6	3.2	3.3	1.7	2.0	1.2	0.8
EV/EBITDA	64.7	62.1	-196.7	-105.5	-28.3	16.1	8.6
EV/EBITA	64.7	62.1	-196.7	-105.5	-28.3	16.1	8.6
EV/EBIT	113.4	108.2	-54.2	-44.8	-21.7	20.4	10.1
EV/FCF	15.5	13.8	33.9	16.1	45.6	18.0	11.7
Adjusted FCF yield	1.3 %	1.1 %	-1.2 %	-0.5 %	-6.1 %	8.9 %	20.5 %
Dividend yield	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %

Source: Company data, Hauck & Aufhäuser

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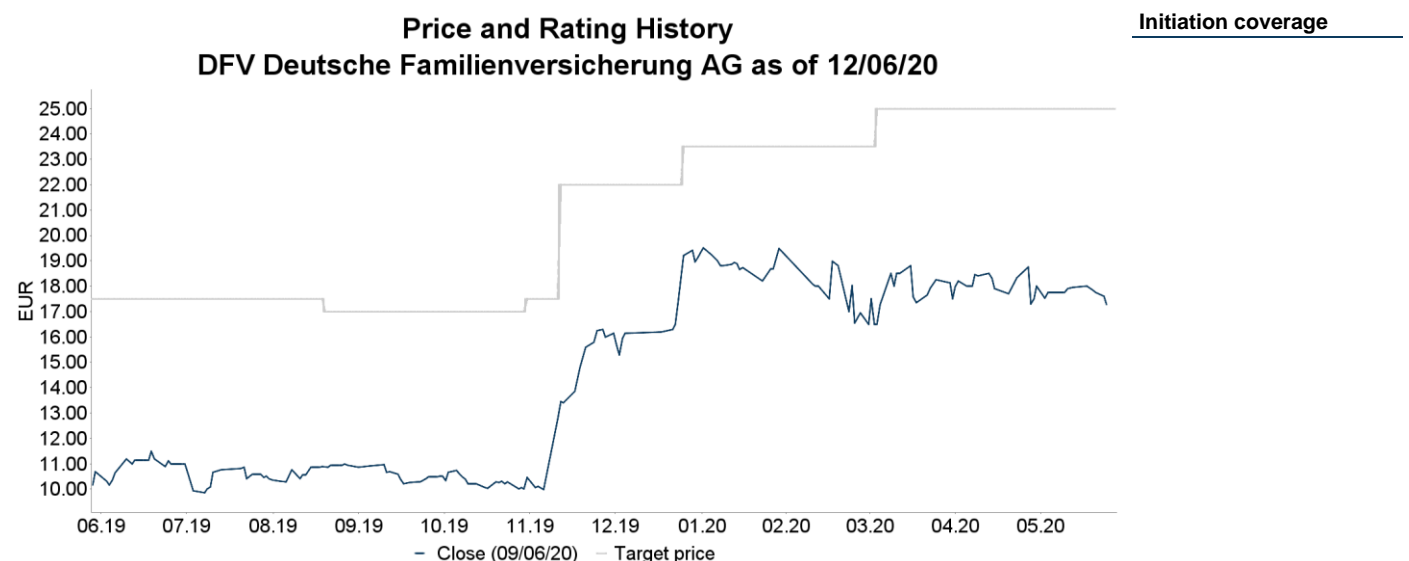
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Company	Date	Analyst	Rating	Target price	Close
DFV Deutsche Familienversicherung AG	15.05.2020	Salis, Christian	Buy	EUR 25,00	EUR 18,00
	20.03.2020	Salis, Christian	Buy	EUR 25,00	EUR 17,26
	13.01.2020	Salis, Christian	Buy	EUR 23,50	EUR 19,42
	28.11.2019	Salis, Christian	Buy	EUR 22,00	EUR 13,40

18.11.2019	Salis, Christian	Buy	EUR 17,50	EUR 10,07
06.09.2019	Salis, Christian	Buy	EUR 17,00	EUR 10,95

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