

**Buy** (old: Buy)

**Price target: EUR 29.30** (old: EUR 30.80)

**Price:** EUR 20.70      **Next result:** FY 18: tba  
**Bloomberg:** A7A@GR      **Market cap:** EUR 108.3 m  
**Reuters:** A7AGN.DE      **Enterprise Value:** EUR 97.0 m

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## Better days ahead

FinLab AG (FinLab) is a German listed investment company with a buy-and-build strategy focused on German fintech start-ups. H1 results reveal a **negative net profit** development due to the revaluation of Heliad Equity Partners. Importantly, H1 results do not yet include recent news flow of **DS Solutions successfully closing a € \$ 100m financing round**.

**FinLab's H1 overall result** was negative at - € 7.3m compared to a positive overall result of € 7.6m in H1 2017. Key reason is a change to the revaluation reserves in the amount of - € 8.9m attributed to the development of FinLab's 45% stake in Heliad (43% of our fair NAV). With the revaluation of Heliad FinLab's reported **NAV decreased by 6%** from € 20.83 per share by the end of 2017 to € 19.51 per share as of H1.

As a listed German investment company, Heliad purchases minority stakes in publicly listed and private small cap companies with a focus on technology and digital brands in the DACH region. Heliad's share price went from € 9.48 at the end of last year to € 7.45 as of June 29<sup>th</sup> triggering the revaluation. We still see **Heliad trading at a discount to our new fair NAV of € 12.3 per share (prior € 13.9)** and expect this gap to close as positive news from the announcement of Q2 NAV on September 28<sup>th</sup> and potentially further acquisitions to diversify Heliad's Portfolio should support the stock in H2.

Furthermore, H1 results do not include the recent news about FinLab's stake in Deposit Solutions (DS, 25% of our fair NAV). DS operates a unique Open Banking platform for deposits that allows banks either to source retail deposits or offer their own clients attractive third-party deposit products under existing account relationships. Bank clients gain access to attractive deposit products offered by various banks without having to switch or open new bank accounts. In August the company announced that it successfully closed a **€ 100m financing round, which implies an enterprise value of € 440m for DS** (prior € 300m). In the course of the transaction FinLab also reduced its stake from 11% to 8%, which should lead to cash inflow of c. € 10m in H2. Note, the deal should add about € 1.90 to FinLab's reported NAV.

Overall, we expect a lift in reported NAV from the DS deal and positive development of FinLab's stake in Heliad for H2. We reiterate our **Buy** recommendation with a new **PT of € 29.30** (old: € 30.80) based on NAV calculation.

Y/E 31.12 (EUR m)	2014	2015	2016	2017	2018E	2019E	2020E
Sales	2.9	4.2	1.7	1.5	1.5	1.5	1.5
Sales growth	87 %	46 %	-59 %	-12 %	0 %	0 %	0 %
EBITDA	0.5	4.0	2.3	1.5	1.8	1.8	1.8
EBIT	0.5	4.0	2.3	1.5	1.8	1.8	1.8
Net income	1.6	6.5	14.0	14.2	2.0	2.1	2.1
Net debt	-4.6	-1.8	-1.4	-4.2	-11.3	-13.4	-15.5
Net gearing	-11.7 %	-3.2 %	-2.1 %	-4.0 %	-10.2 %	-11.8 %	-13.4 %
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EPS pro forma	0.36	1.44	3.08	2.97	0.39	0.40	0.41
CPS	-0.01	0.58	0.18	0.37	0.37	0.40	0.41
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	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
EBITDA margin	17.1 %	96.4 %	132.3 %	96.1 %	117.1 %	117.1 %	117.1 %
EBIT margin	17.1 %	96.4 %	132.3 %	96.1 %	117.1 %	117.1 %	117.1 %
ROCE	1.3 %	8.2 %	3.6 %	1.7 %	1.6 %	1.6 %	1.6 %
EV/sales	31.3	22.1	59.3	65.5	64.0	62.6	61.2
EV/EBITDA	182.7	22.9	44.8	68.1	54.7	53.5	52.3
EV/EBIT	182.7	22.9	44.8	68.1	54.7	53.5	52.3
PER	57.1	14.4	6.7	7.0	53.6	52.2	51.0
Adjusted FCF yield	0.9 %	8.6 %	6.3 %	675.2 %	-85.5 %	-42.3 %	-27.9 %

Source: Company data, Hauck & Aufhäuser Close price as of: 19.09.2018



Source: Company data, Hauck & Aufhäuser

**High/low 52 weeks:** 28.29 / 19.15

**Price/Book Ratio:** 1.0

**Relative performance (SDAX):**

3 months -  
6 months -  
12 months -

### Changes in estimates

		Sales	EBIT	EPS
2018	old:	1.5	1.8	0.39
	Δ	-	-	-
2019	old:	1.5	1.8	0.40
	Δ	-	-	-
2020	old:	1.5	1.8	0.41
	Δ	-	-	-

### Key share data:

Number of shares: (in m pcs) 5.2  
 Authorised capital: (in € m) 0.0  
 Book value per share: (in €) 21.2  
 Ø trading volume: (12 months) 800

### Major shareholders:

BF Holding 43.0 %  
 Apeiron Investment Group 35.0 %  
 Free Float 22.0 %

### Company description:

FinLab is a German investment company active as a company builder for FinTech companies.

## Financials

Profit and loss (EUR m)	2014	2015	2016	2017	2018E	2019E	2020E
<b>Net sales</b>	<b>2.9</b>	<b>4.2</b>	<b>1.7</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>
<i>Sales growth</i>	87.1 %	46.3 %	-58.9 %	-11.8 %	0.0 %	0.0 %	0.0 %
Increase/decrease in finished goods and work-in-process	1.9	2.3	3.2	2.8	0.8	0.8	0.8
<b>Total sales</b>	<b>4.8</b>	<b>6.5</b>	<b>4.9</b>	<b>4.4</b>	<b>2.3</b>	<b>2.3</b>	<b>2.3</b>
Other operating income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Material expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Personnel expenses	2.1	1.6	1.6	1.8	0.4	0.4	0.4
Other operating expenses	2.2	0.9	1.0	1.1	0.2	0.2	0.2
Total operating expenses	4.3	2.4	2.7	2.9	0.6	0.6	0.6
<b>EBITDA</b>	<b>0.5</b>	<b>4.0</b>	<b>2.3</b>	<b>1.5</b>	<b>1.8</b>	<b>1.8</b>	<b>1.8</b>
Depreciation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBITA</b>	<b>0.5</b>	<b>4.0</b>	<b>2.3</b>	<b>1.5</b>	<b>1.8</b>	<b>1.8</b>	<b>1.8</b>
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
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBIT (inc revaluation net)</b>	<b>0.5</b>	<b>4.0</b>	<b>2.3</b>	<b>1.5</b>	<b>1.8</b>	<b>1.8</b>	<b>1.8</b>
Interest income	0.0	0.0	0.0	0.1	0.3	0.3	0.4
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	1.2	3.1	11.8	13.0	0.3	0.3	0.4
<b>Recurring pretax income from continuing operations</b>	<b>1.7</b>	<b>7.1</b>	<b>14.0</b>	<b>14.5</b>	<b>2.1</b>	<b>2.1</b>	<b>2.2</b>
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Earnings before taxes</b>	<b>1.7</b>	<b>7.1</b>	<b>14.0</b>	<b>14.5</b>	<b>2.1</b>	<b>2.1</b>	<b>2.2</b>
Taxes	0.0	0.6	0.0	0.2	0.0	0.0	0.0
<b>Net income from continuing operations</b>	<b>1.6</b>	<b>6.5</b>	<b>14.0</b>	<b>14.2</b>	<b>2.0</b>	<b>2.1</b>	<b>2.1</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>1.6</b>	<b>6.5</b>	<b>14.0</b>	<b>14.2</b>	<b>2.0</b>	<b>2.1</b>	<b>2.1</b>
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net profit (reported)</b>	<b>1.6</b>	<b>6.5</b>	<b>14.0</b>	<b>14.2</b>	<b>2.0</b>	<b>2.1</b>	<b>2.1</b>
Average number of shares	4.5	4.5	5.0	5.0	5.2	5.2	5.2
<b>EPS reported</b>	<b>0.36</b>	<b>1.44</b>	<b>3.08</b>	<b>2.97</b>	<b>0.39</b>	<b>0.40</b>	<b>0.41</b>

Profit and loss (common size)	2014	2015	2016	2017	2018E	2019E	2020E
<b>Net 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>
Increase/decrease in finished goods and work-in-process	66.7 %	54.8 %	187.7 %	187.5 %	54.8 %	54.8 %	54.8 %
<b>Total sales</b>	<b>166.7 %</b>	<b>154.8 %</b>	<b>287.7 %</b>	<b>287.5 %</b>	<b>154.8 %</b>	<b>154.8 %</b>	<b>154.8 %</b>
Other operating income	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Material expenses	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Personnel expenses	73.2 %	37.3 %	95.7 %	116.2 %	24.1 %	24.1 %	24.1 %
Other operating expenses	76.3 %	21.1 %	59.6 %	75.2 %	13.6 %	13.6 %	13.6 %
Total operating expenses	149.5 %	58.4 %	155.3 %	191.4 %	37.7 %	37.7 %	37.7 %
<b>EBITDA</b>	<b>17.1 %</b>	<b>96.4 %</b>	<b>132.3 %</b>	<b>96.1 %</b>	<b>117.1 %</b>	<b>117.1 %</b>	<b>117.1 %</b>
Depreciation	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>EBITA</b>	<b>17.1 %</b>	<b>96.4 %</b>	<b>132.3 %</b>	<b>96.1 %</b>	<b>117.1 %</b>	<b>117.1 %</b>	<b>117.1 %</b>
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 %
Impairment charges	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>EBIT (inc revaluation net)</b>	<b>17.1 %</b>	<b>96.4 %</b>	<b>132.3 %</b>	<b>96.1 %</b>	<b>117.1 %</b>	<b>117.1 %</b>	<b>117.1 %</b>
Interest income	0.0 %	0.0 %	2.0 %	6.9 %	18.6 %	22.1 %	25.6 %
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	41.1 %	74.6 %	685.6 %	858.2 %	18.6 %	22.1 %	25.6 %
<b>Recurring pretax income from continuing operations</b>	<b>58.2 %</b>	<b>171.0 %</b>	<b>817.9 %</b>	<b>954.3 %</b>	<b>135.7 %</b>	<b>139.1 %</b>	<b>142.7 %</b>
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Earnings before taxes</b>	<b>58.2 %</b>	<b>171.0 %</b>	<b>817.9 %</b>	<b>954.3 %</b>	<b>135.7 %</b>	<b>139.1 %</b>	<b>142.7 %</b>
Tax rate	1.0 %	8.3 %	0.3 %	1.7 %	1.7 %	1.7 %	1.7 %
<b>Net income from continuing operations</b>	<b>57.6 %</b>	<b>156.8 %</b>	<b>815.4 %</b>	<b>938.2 %</b>	<b>133.4 %</b>	<b>136.8 %</b>	<b>140.2 %</b>
Income 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>57.6 %</b>	<b>156.8 %</b>	<b>815.4 %</b>	<b>938.2 %</b>	<b>133.4 %</b>	<b>136.8 %</b>	<b>140.2 %</b>
Minority interest	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Net profit (reported)</b>	<b>57.6 %</b>	<b>156.8 %</b>	<b>815.4 %</b>	<b>938.2 %</b>	<b>133.4 %</b>	<b>136.8 %</b>	<b>140.2 %</b>

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2014	2015	2016	2017	2018E	2019E	2020E
<b>Intangible assets</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Property, plant and equipment	0.2	0.1	0.1	0.1	0.1	0.1	0.1
Financial assets	36.0	52.4	66.6	99.0	99.0	99.0	99.0
<b>FIXED ASSETS</b>	<b>36.2</b>	<b>52.5</b>	<b>66.7</b>	<b>99.1</b>	<b>99.1</b>	<b>99.1</b>	<b>99.1</b>
Inventories	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other current assets	0.9	2.5	2.2	1.6	1.6	1.6	1.6
Liquid assets	5.6	1.8	1.4	4.2	11.3	13.4	15.5
Deferred taxes	0.1	0.5	1.1	1.2	1.2	1.2	1.2
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>CURRENT ASSETS</b>	<b>6.7</b>	<b>4.7</b>	<b>4.7</b>	<b>7.1</b>	<b>14.2</b>	<b>16.2</b>	<b>18.4</b>
<b>TOTAL ASSETS</b>	<b>42.9</b>	<b>57.3</b>	<b>71.4</b>	<b>106.2</b>	<b>113.3</b>	<b>115.3</b>	<b>117.5</b>
<b>SHAREHOLDERS EQUITY</b>	<b>39.5</b>	<b>55.0</b>	<b>67.1</b>	<b>103.9</b>	<b>111.1</b>	<b>113.2</b>	<b>115.3</b>
MINORITY INTEREST	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term debt	1.0	0.0	0.0	0.0	0.0	0.0	0.0
Provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other provisions	1.4	1.5	1.0	0.7	0.7	0.7	0.7
<b>Non-current liabilities</b>	<b>2.4</b>	<b>1.5</b>	<b>1.0</b>	<b>0.7</b>	<b>0.7</b>	<b>0.7</b>	<b>0.7</b>
short-term liabilities to banks	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable	0.1	0.1	0.0	0.1	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)	0.7	0.3	2.7	0.5	0.5	0.5	0.5
Deferred taxes	0.2	0.4	0.5	1.0	1.0	1.0	1.0
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Current liabilities</b>	<b>1.0</b>	<b>0.7</b>	<b>3.2</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>42.9</b>	<b>57.3</b>	<b>71.4</b>	<b>106.2</b>	<b>113.3</b>	<b>115.3</b>	<b>117.5</b>

Balance sheet (common size)	2014	2015	2016	2017	2018E	2019E	2020E
<b>Intangible assets</b>	<b>0.0 %</b>	<b>0.0 %</b>	<b>0.0 %</b>	<b>0.0 %</b>	<b>0.0 %</b>	<b>0.0 %</b>	<b>0.0 %</b>
Property, plant and equipment	0.5 %	0.2 %	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %
Financial assets	84.0 %	91.5 %	93.3 %	93.3 %	87.4 %	85.8 %	84.3 %
<b>FIXED ASSETS</b>	<b>84.5 %</b>	<b>91.7 %</b>	<b>93.4 %</b>	<b>93.4 %</b>	<b>87.5 %</b>	<b>85.9 %</b>	<b>84.4 %</b>
Inventories	0.1 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Accounts receivable	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other current assets	2.1 %	4.3 %	3.0 %	1.5 %	1.4 %	1.4 %	1.4 %
Liquid assets	13.1 %	3.1 %	2.0 %	3.9 %	10.0 %	11.6 %	13.2 %
Deferred taxes	0.3 %	0.9 %	1.6 %	1.2 %	1.1 %	1.1 %	1.0 %
Deferred charges and prepaid expenses	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>CURRENT ASSETS</b>	<b>15.5 %</b>	<b>8.3 %</b>	<b>6.6 %</b>	<b>6.7 %</b>	<b>12.5 %</b>	<b>14.1 %</b>	<b>15.6 %</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>
<b>SHAREHOLDERS EQUITY</b>	<b>92.1 %</b>	<b>96.1 %</b>	<b>94.1 %</b>	<b>97.9 %</b>	<b>98.1 %</b>	<b>98.1 %</b>	<b>98.2 %</b>
MINORITY INTEREST	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Long-term debt	2.3 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Provisions for pensions and similar obligations	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other provisions	3.3 %	2.6 %	1.4 %	0.6 %	0.6 %	0.6 %	0.6 %
<b>Non-current liabilities</b>	<b>5.6 %</b>	<b>2.6 %</b>	<b>1.4 %</b>	<b>0.6 %</b>	<b>0.6 %</b>	<b>0.6 %</b>	<b>0.6 %</b>
short-term liabilities to banks	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Accounts payable	0.3 %	0.1 %	0.0 %	0.1 %	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)	1.6 %	0.5 %	3.8 %	0.5 %	0.4 %	0.4 %	0.4 %
Deferred taxes	0.5 %	0.7 %	0.7 %	0.9 %	0.9 %	0.9 %	0.8 %
Deferred income	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Current liabilities</b>	<b>2.3 %</b>	<b>1.3 %</b>	<b>4.5 %</b>	<b>1.5 %</b>	<b>1.3 %</b>	<b>1.3 %</b>	<b>1.3 %</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)	2014	2015	2016	2017	2018E	2019E	2020E
Net profit/loss	1.6	6.5	14.0	14.2	2.0	2.1	2.1
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	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Others	-1.7	-3.9	-13.1	-12.4	0.0	0.0	0.0
Cash flow from operations before changes in w/c	-0.1	2.6	0.9	1.8	2.0	2.1	2.1
Increase/decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in accounts receivable	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in accounts payable	0.0	0.0	0.0	0.0	-0.1	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	0.0	0.0	0.0	0.0	-0.1	0.0	0.0
<b>Cash flow from operating activities</b>	<b>-0.1</b>	<b>2.6</b>	<b>0.9</b>	<b>1.8</b>	<b>2.0</b>	<b>2.1</b>	<b>2.1</b>
CAPEX	0.0	0.0	0.0	0.1	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	-2.6	6.9	1.8	5.3	0.0	0.0	0.0
Income from asset disposals	0.0	3.3	0.5	1.0	0.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>2.6</b>	<b>-3.7</b>	<b>-1.2</b>	<b>-4.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Cash flow before financing	2.5	-1.0	-0.3	-2.5	2.0	2.1	2.1
Increase/decrease in debt position	-1.4	-1.0	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	0.0	5.6	5.2	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	0.0	0.0	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>-1.4</b>	<b>-1.0</b>	<b>0.0</b>	<b>5.6</b>	<b>5.2</b>	<b>0.0</b>	<b>0.0</b>
Increase/decrease in liquid assets	1.1	-2.0	-0.3	3.1	7.2	2.1	2.1
<b>Liquid assets at end of period</b>	<b>3.3</b>	<b>1.3</b>	<b>1.0</b>	<b>4.1</b>	<b>11.3</b>	<b>13.4</b>	<b>15.5</b>

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2014	2015	2016	2017	2018E	2019E	2020E
Domestic	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 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>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2014	2015	2016	2017	2018E	2019E	2020E
<b>P&amp;L growth analysis</b>							
Sales growth	87.1 %	46.3 %	-58.9 %	-11.8 %	0.0 %	0.0 %	0.0 %
EBITDA growth	-111.3 %	722.9 %	-43.5 %	-35.9 %	21.8 %	0.0 %	0.0 %
EBIT growth	-111.3 %	722.9 %	-43.5 %	-35.9 %	21.8 %	0.0 %	0.0 %
EPS growth	-231.7 %	297.9 %	113.7 %	-3.6 %	-87.0 %	2.5 %	5.1 %
<b>Efficiency</b>							
Total operating costs / sales	149.5 %	58.4 %	155.3 %	191.4 %	37.7 %	37.7 %	37.7 %
Sales per employee	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EBITDA per employee	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Balance sheet analysis</b>							
Avg. working capital / sales	30.0 %	16.3 %	89.8 %	115.9 %	100.3 %	102.6 %	102.6 %
Inventory turnover (sales/inventory)	n/a	n/a	0.0	0.0	0.0	0.0	0.0
Trade debtors in days of sales	0.0	0.0	0.0	0.0	0.0	0.0	0.0
A/P turnover [(A/P*365)/sales]	n/a	n/a	n/a	n/a	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	-0.1	2.6	0.9	1.8	2.0	2.1	2.1
Free cash flow/sales	-2.8 %	62.4 %	52.1 %	117.2 %	128.7 %	136.8 %	140.2 %
FCF / net profit	neg.	39.8 %	6.4 %	12.5 %	96.5 %	100.0 %	100.0 %
Capex / depn	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Capex / maintenance capex	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Capex / sales	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Security</b>							
Net debt	-4.6	-1.8	-1.4	-4.2	-11.3	-13.4	-15.5
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	0.1	0.1	0.0	0.0	0.0	0.0	0.0
Operating assets turnover	24.4	69.6	41.9	84.2	17.0	17.0	17.0
Plant turnover	13.8	36.3	26.8	17.2	17.2	17.2	17.2
Inventory turnover (sales/inventory)	n/a	n/a	0.0	0.0	0.0	0.0	0.0
<b>Returns</b>							
ROCE	1.3 %	8.2 %	3.6 %	1.7 %	1.6 %	1.6 %	1.6 %
ROE	4.2 %	11.9 %	20.9 %	13.7 %	1.8 %	1.8 %	1.8 %
<b>Other</b>							
Interest paid / avg. debt	0.0 %	0.0 %	n/a	n/a	n/a	n/a	n/a
No. employees (average)	0	0	0	0	0	0	0
Number of shares	4.5	4.5	5.0	5.0	5.2	5.2	5.2
DPS	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EPS reported	0.36	1.44	3.08	2.97	0.39	0.40	0.41
<b>Valuation ratios</b>							
P/BV	2.4	1.7	1.5	1.0	1.0	1.0	0.9
EV/sales	31.3	22.1	59.3	65.5	64.0	62.6	61.2
EV/EBITDA	182.7	22.9	44.8	68.1	54.7	53.5	52.3
EV/EBITA	182.7	22.9	44.8	68.1	54.7	53.5	52.3
EV/EBIT	182.7	22.9	44.8	68.1	54.7	53.5	52.3
EV/FCF	-1130.8	35.4	113.9	55.9	49.7	45.8	43.7
Adjusted FCF yield	0.9 %	8.6 %	6.3 %	675.2 %	-85.5 %	-42.3 %	-27.9 %
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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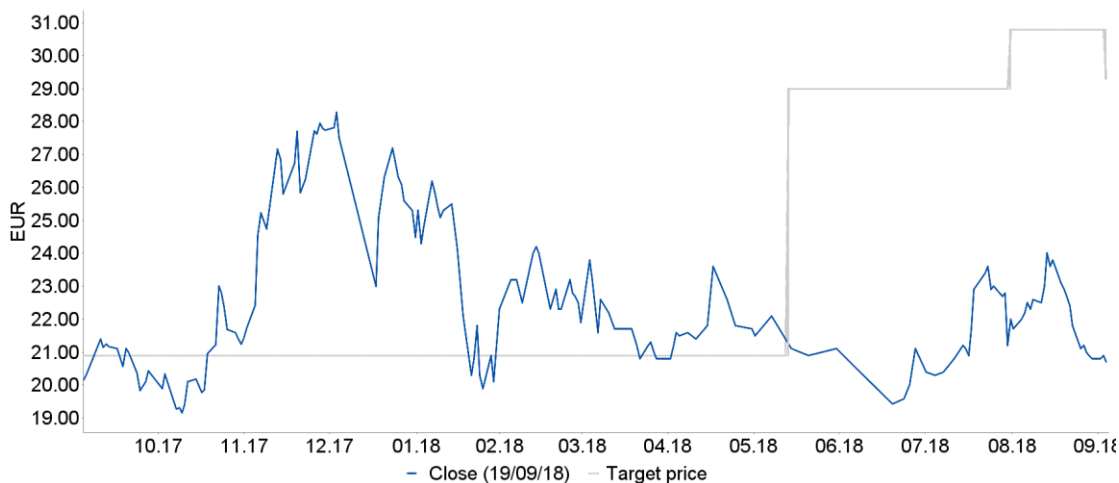
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Company	Disclosure
FinLab AG	2, 6, 8

**Historical target price and rating changes for FinLab AG in the last 12 months**

**Price and Rating History  
FinLab AG as of 19/09/18**

**Initiation coverage**  
08-June-17



Company	Date	Analyst	Rating	Target price	Close
FinLab AG	17.08.2018	Bentlage, Simon	Buy	EUR 30,80	EUR 21,70
	29.05.2018	Bentlage, Simon	Buy	EUR 29,00	EUR 22,10

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