

Buy EUR 26.00 (EUR 27.00) Price EUR 18.10 Upside 43.6 %	Value Indicators: EUR DCF: 26.30	Warburg ESG Risk Score: 2.3 ESG Score (MSCI based): 2.0 Balance Sheet Score: 5.0 Market Liquidity Score: 0.0	Description: Online-Sport-Bettingprovider with a strong focus on horse racing
	Market Snapshot: EUR m Market cap: 78.3 No. of shares (m): 4.3 EV: 65.2 Freefloat MC: 46.0 Ø Trad. Vol. (30d): 62.07 th	Shareholders: Freefloat 58.8 % Management 8.9 % Tullina AG 7.5 % dicons AG 7.1 % Weiss media 6.9 %	Key Figures (WRe): 2021e Beta: 1.3 Price / Book: 4.0 x Equity Ratio: 56 %

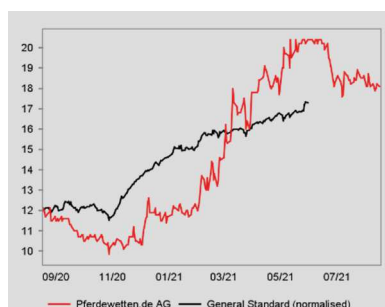
Robust horseracing business behind a strong Q2

Stated Figures Q2/2021: in EUR m	Comment on Figures: <ul style="list-style-type: none"> On August 16, 2021, Pferdewetten.de AG announced its business figures for the second quarter and the first half of 2021. Again, the business of betting on horseracing showed strong development while the area of sports betting continued to fall short of expectations. 																																
<table border="1"> <thead> <tr> <th></th> <th>Q2/21</th> <th>Q2/21e</th> <th>Q2/20</th> <th>yoy</th> <th>6M/21</th> <th>6M/20</th> <th>yoy</th> </tr> </thead> <tbody> <tr> <td>Sales</td> <td>4.0</td> <td>4.1</td> <td>2.6</td> <td>56.9%</td> <td>7.9</td> <td>6.0</td> <td>31.9%</td> </tr> <tr> <td>EBIT</td> <td>0.8</td> <td>0.9</td> <td>-0.1</td> <td>-</td> <td>1.6</td> <td>0.1</td> <td>1700.4%</td> </tr> <tr> <td>margin</td> <td>20.9%</td> <td>22.0%</td> <td>-4.0%</td> <td></td> <td>20.7%</td> <td>1.5%</td> <td></td> </tr> </tbody> </table>		Q2/21	Q2/21e	Q2/20	yoy	6M/21	6M/20	yoy	Sales	4.0	4.1	2.6	56.9%	7.9	6.0	31.9%	EBIT	0.8	0.9	-0.1	-	1.6	0.1	1700.4%	margin	20.9%	22.0%	-4.0%		20.7%	1.5%		
	Q2/21	Q2/21e	Q2/20	yoy	6M/21	6M/20	yoy																										
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The horseracing betting business was very impressive in the first half of the year. With an EBIT of EUR 4.1m in H1, the company has already achieved almost the entire value of the previous year (EUR 4.5m). Even if the sustainability of such a pace cannot be presumed for the rest of the year, this segment can be expected to produce a very good result for the FY. In contrast, the sports betting business was weak due to high payouts, and generated EBIT of EUR -2.5m in H1. Statistically, disproportionately negative payouts in the betting business should normalize over the course of the year. However, the marketing effort remains high. The decision to spend another EUR 1m this year (EUR 0.6m of which in Q2) will thus have a negative impact in the further course of the year. The expenditure of an additional EUR 1m per year is likely to continue in the coming years. Nevertheless, the increased capitalization of own work has the effect of increasing earnings at group level in 2021. For the first time, the company made large-scale capitalization (EUR 0.6m, mainly in Q2, EUR 0.8m planned for the FY and 0.2 in the coming year). This became necessary because the front-end of the horse-betting platform is being prepared for use by third-party providers (under license). The back-end will also be renewed.

The price target for the share declines slightly from EUR 27 to EUR 26 (despite the roll-over).

Changes in Estimates: FY End: 31.12. in EUR m	Comment on Changes: <ul style="list-style-type: none"> DCF model now accordingly takes activation of EUR 0.8m for 2021 into account as well as depreciation (five years) and higher marketing expenses, as mentioned above. In the forecasts (WRe), these effects almost balance out. In contrast to higher marketing expenses, the earnings-positive activation of own work does not have a cash effect, which leads to a slight burden in the context of the DCF model. 																					
<table border="1"> <thead> <tr> <th></th> <th>2021e (old)</th> <th>+ / -</th> <th>2022e (old)</th> <th>+ / -</th> <th>2023e (old)</th> <th>+ / -</th> </tr> </thead> <tbody> <tr> <td>Sales</td> <td>19.5</td> <td>0.0 %</td> <td>21.5</td> <td>0.0 %</td> <td>23.6</td> <td>0.0 %</td> </tr> <tr> <td>EBIT</td> <td>4.0</td> <td>-4.4 %</td> <td>5.1</td> <td>-12.8 %</td> <td>5.8</td> <td>-10.2 %</td> </tr> </tbody> </table>		2021e (old)	+ / -	2022e (old)	+ / -	2023e (old)	+ / -	Sales	19.5	0.0 %	21.5	0.0 %	23.6	0.0 %	EBIT	4.0	-4.4 %	5.1	-12.8 %	5.8	-10.2 %	
	2021e (old)	+ / -	2022e (old)	+ / -	2023e (old)	+ / -																
Sales	19.5	0.0 %	21.5	0.0 %	23.6	0.0 %																
EBIT	4.0	-4.4 %	5.1	-12.8 %	5.8	-10.2 %																

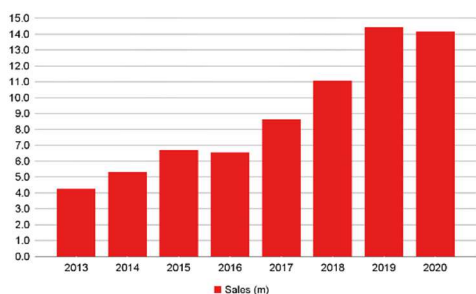


Rel. Performance vs General	
1 month:	n/a
6 months:	n/a
Year to date:	n/a
Trailing 12 months:	n/a

Company events:	
15.11.21	Q3

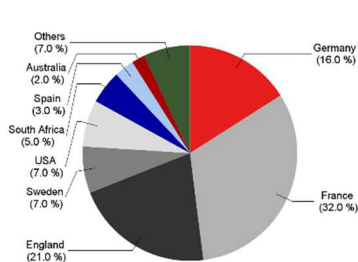
FY End: 31.12. in EUR m	CAGR (20-23e)	2017	2018	2019	2020	2021e	2022e	2023e
Sales	18.5 %	8.6	11.1	14.4	14.2	19.5	21.5	23.6
Change Sales yoy		31.7 %	28.3 %	30.2 %	-1.8 %	37.6 %	10.0 %	10.0 %
Gross profit margin		75.4 %	56.4 %	57.0 %	61.9 %	64.1 %	62.9 %	64.0 %
EBITDA	25.7 %	2.6	1.2	3.0	3.0	4.6	5.2	6.0
Margin		29.8 %	10.5 %	21.0 %	21.4 %	23.4 %	24.4 %	25.5 %
EBIT	27.1 %	2.2	0.8	2.4	2.5	3.9	4.4	5.2
Margin		26.0 %	7.2 %	16.9 %	17.9 %	19.8 %	20.7 %	22.1 %
Net income	41.9 %	2.6	-0.5	3.3	1.5	3.1	3.6	4.2
EPS	41.8 %	0.60	-0.11	0.77	0.34	0.71	0.83	0.97
EPS adj.	41.8 %	0.60	-0.11	0.77	0.34	0.71	0.83	0.97
DPS	24.4 %	0.14	0.16	0.20	0.26	0.30	0.40	0.50
Dividend Yield		1.1 %	1.5 %	1.9 %	2.5 %	1.7 %	2.2 %	2.8 %
FCFPS		0.48	0.44	0.94	0.36	0.60	0.85	1.04
FCF / Market cap		3.9 %	4.1 %	9.0 %	3.4 %	3.3 %	4.7 %	5.7 %
EV / Sales		5.3 x	3.5 x	2.4 x	2.4 x	3.3 x	2.9 x	2.5 x
EV / EBITDA		17.8 x	33.0 x	11.5 x	11.2 x	14.3 x	12.0 x	10.0 x
EV / EBIT		20.4 x	47.8 x	14.3 x	13.4 x	16.9 x	14.1 x	11.5 x
P / E		20.3 x	n.a.	13.6 x	31.0 x	25.5 x	21.8 x	18.7 x
P / E adj.		20.3 x	n.a.	13.6 x	31.0 x	25.5 x	21.8 x	18.7 x
FCF Potential Yield		6.2 %	-0.6 %	10.9 %	5.4 %	5.8 %	6.9 %	8.3 %
Net Debt		-6.9	-8.3	-10.4	-11.6	-13.1	-15.5	-18.2
ROCE (NOPAT)		41.3 %	n.a.	63.6 %	24.7 %	50.6 %	56.7 %	68.8 %
Guidance:		2021: GGR EUR 45-50m, EBIT EUR 3-4m						

Sales development
in EUR m



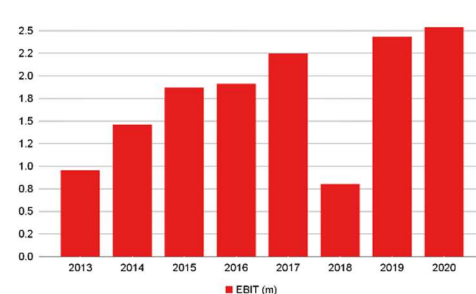
Source: Warburg Research

Sales by regions (Events)
2021e; WRe; in %



Source: Warburg Research

EBIT development
in EUR m



Source: Warburg Research

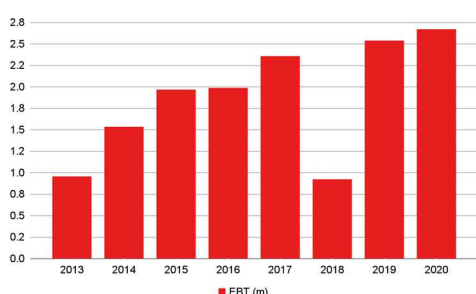
Company Background

- Pferdewetten.de is an online betting provider with a strong focus on horse racing and is one of the top 2 providers in Germany.
- In May 2017 the Board announced the reentering of the sportsbetting market with Pferdewetten's two platforms sportwetten.de and sportwetten.com

Competitive Quality

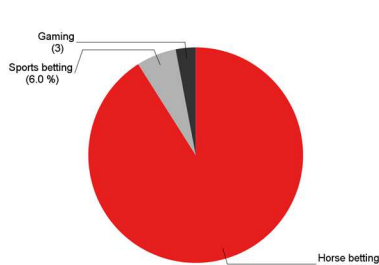
- Pferdewetten.de AG has a very good positioning in the niche market for horse betting and has valuable market know-how thanks to its own bookmaker software.
- The company has an active and loyal customer base in the horse betting sector.
- The outsourcing of platform operations as part of the restart of sportwetten.de and sportwetten.com by the betting odds provider BetConstruct enables a strong focus on customer acquisition.
- Furthermore, BetConstruct offers a state-of-the-art product portfolio, which is always kept at the highest level in terms of technology and product range.

EBT development
in EUR m



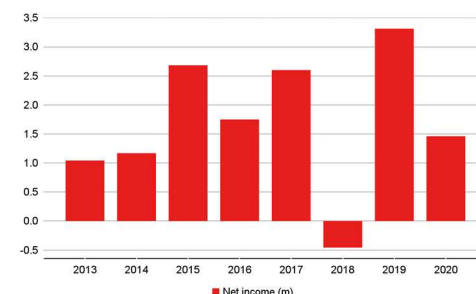
Source: Warburg Research

GGR by segment
2021e; 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	19.5	21.5	23.6	26.0	28.3	30.8	33.3	36.0	38.5	40.8	42.8	44.5	45.9	
Sales change	37.6 %	10.0 %	10.0 %	10.0 %	9.0 %	9.0 %	8.0 %	8.0 %	7.0 %	6.0 %	5.0 %	4.0 %	3.0 %	2.0 %
EBIT	3.9	4.4	5.2	6.0	6.5	7.4	8.0	9.0	9.6	10.6	11.1	12.0	12.4	
EBIT-margin	19.8 %	20.7 %	22.1 %	23.0 %	23.0 %	24.0 %	24.0 %	25.0 %	25.0 %	26.0 %	26.0 %	27.0 %	27.0 %	
Tax rate (EBT)	20.0 %	20.0 %	20.0 %	20.0 %	20.0 %	20.0 %	20.0 %	20.0 %	20.0 %	20.0 %	20.0 %	20.0 %	20.0 %	
NOPAT	3.1	3.6	4.2	4.8	5.2	5.9	6.4	7.2	7.7	8.5	8.9	9.6	9.9	
Depreciation	0.7	0.8	0.8	0.9	1.0	1.0	1.1	1.2	1.3	1.3	1.4	1.4	1.4	
in % of Sales	3.6 %	3.7 %	3.4 %	3.5 %	3.5 %	3.4 %	3.4 %	3.3 %	3.3 %	3.2 %	3.2 %	3.2 %	3.1 %	
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	-0.4	-0.1	-0.1	0.3	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.0	0.0	
- Capex	1.6	0.8	0.6	0.6	0.7	0.8	0.8	0.9	1.0	1.0	1.1	1.1	1.1	
Capex in % of Sales	8.2 %	3.7 %	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %	
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)	2.6	3.7	4.5	4.7	5.2	6.0	6.5	7.4	7.9	8.7	9.2	9.9	10.2	10
PV of FCF	2.5	3.3	3.7	3.6	3.7	3.9	3.9	4.0	4.0	4.0	3.9	3.9	3.7	54
share of PVs	9.27 %			37.58 %										53.15 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	0.00 %	Financial Strength	1.00
Cost of debt (after tax)	3.5 %	Liquidity (share)	1.30
Market return	7.00 %	Cyclicality	1.40
Risk free rate	1.50 %	Transparency	1.50
		Others	1.30
WACC	8.65 %	Beta	1.30

Valuation (m)

Present values 2033e	48		
Terminal Value	54		
Financial liabilities	1		
Pension liabilities	0		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	12	No. of shares (m)	4.3
Equity Value	114	Value per share (EUR)	26.30

Sensitivity Value per Share (EUR)

Beta	WACC	Terminal Growth							Beta	WACC	Delta EBIT-margin						
		1.25 %	1.50 %	1.75 %	2.00 %	2.25 %	2.50 %	2.75 %			-1.5 pp	-1.0 pp	-0.5 pp	+0.0 pp	+0.5 pp	+1.0 pp	+1.5 pp
1.48	9.7 %	21.98	22.25	22.54	22.85	23.18	23.53	23.91	1.48	9.7 %	21.66	22.06	22.46	22.85	23.25	23.65	24.04
1.39	9.2 %	23.41	23.73	24.08	24.45	24.85	25.28	25.74	1.39	9.2 %	23.17	23.60	24.03	24.45	24.88	25.31	25.73
1.35	8.9 %	24.19	24.55	24.93	25.34	25.78	26.26	26.78	1.35	8.9 %	24.01	24.45	24.90	25.34	25.79	26.23	26.67
1.30	8.7 %	25.03	25.42	25.85	26.30	26.79	27.32	27.90	1.30	8.7 %	24.92	25.38	25.84	26.30	26.76	27.22	27.69
1.25	8.4 %	25.93	26.36	26.83	27.34	27.88	28.47	29.12	1.25	8.4 %	25.89	26.37	26.86	27.34	27.82	28.30	28.78
1.21	8.2 %	26.90	27.38	27.90	28.46	29.07	29.73	30.45	1.21	8.2 %	26.95	27.45	27.96	28.46	28.96	29.46	29.97
1.12	7.7 %	29.07	29.66	30.31	31.01	31.77	32.61	33.54	1.12	7.7 %	29.36	29.91	30.46	31.01	31.56	32.11	32.66

- We anticipate strong sales growth as a result of entering the sports betting market.
- Due to the market entry and Corona, we expect a temporarily declining EBIT margin.

Valuation	2017	2018	2019	2020	2021e	2022e	2023e
Price / Book	3.8 x	3.6 x	2.9 x	2.6 x	4.0 x	3.6 x	3.2 x
Book value per share ex intangibles	2.73	2.31	3.04	3.49	3.76	4.29	4.95
EV / Sales	5.3 x	3.5 x	2.4 x	2.4 x	3.3 x	2.9 x	2.5 x
EV / EBITDA	17.8 x	33.0 x	11.5 x	11.2 x	14.3 x	12.0 x	10.0 x
EV / EBIT	20.4 x	47.8 x	14.3 x	13.4 x	16.9 x	14.1 x	11.5 x
EV / EBIT adj.*	20.4 x	47.8 x	14.3 x	13.4 x	16.9 x	14.1 x	11.5 x
P / FCF	25.6 x	24.4 x	11.1 x	29.6 x	31.9 x	22.3 x	18.2 x
P / E	20.3 x	n.a.	13.6 x	31.0 x	25.5 x	21.8 x	18.7 x
P / E adj.*	20.3 x	n.a.	13.6 x	31.0 x	25.5 x	21.8 x	18.7 x
Dividend Yield	1.1 %	1.5 %	1.9 %	2.5 %	1.7 %	2.2 %	2.8 %
FCF Potential Yield (on market EV)	6.2 %	-0.6 %	10.9 %	5.4 %	5.8 %	6.9 %	8.3 %

*Adjustments made for: -

Consolidated profit & loss

In EUR m	2017	2018	2019	2020	2021e	2022e	2023e
Sales	8.6	11.1	14.4	14.2	19.5	21.5	23.6
Change Sales yoy	31.7 %	28.3 %	30.2 %	-1.8 %	37.6 %	10.0 %	10.0 %
Increase / decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Own work capitalised	0.0	0.0	0.0	0.0	0.8	0.2	0.0
Total Sales	8.6	11.1	14.4	14.2	20.3	21.7	23.6
Material expenses	2.1	4.8	6.2	5.4	7.8	8.2	8.5
Gross profit	6.5	6.2	8.2	8.8	12.5	13.5	15.1
<i>Gross profit margin</i>	<i>75.4 %</i>	<i>56.4 %</i>	<i>57.0 %</i>	<i>61.9 %</i>	<i>64.1 %</i>	<i>62.9 %</i>	<i>64.0 %</i>
Personnel expenses	2.4	3.1	3.3	3.7	5.1	5.1	5.7
Other operating income	0.4	0.3	0.4	0.5	0.7	0.8	0.8
Other operating expenses	1.9	2.3	2.4	2.6	3.5	3.9	4.2
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	2.6	1.2	3.0	3.0	4.6	5.2	6.0
<i>Margin</i>	<i>29.8 %</i>	<i>10.5 %</i>	<i>21.0 %</i>	<i>21.4 %</i>	<i>23.4 %</i>	<i>24.4 %</i>	<i>25.5 %</i>
Depreciation of fixed assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITA	2.6	1.2	3.0	3.0	4.6	5.2	6.0
Amortisation of intangible assets	0.3	0.4	0.6	0.5	0.7	0.8	0.8
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	2.2	0.8	2.4	2.5	3.9	4.4	5.2
<i>Margin</i>	<i>26.0 %</i>	<i>7.2 %</i>	<i>16.9 %</i>	<i>17.9 %</i>	<i>19.8 %</i>	<i>20.7 %</i>	<i>22.1 %</i>
EBIT adj.	2.2	0.8	2.4	2.5	3.9	4.4	5.2
Interest income	0.1	0.1	0.2	0.1	0.0	0.0	0.0
Interest expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other financial income (loss)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBT	2.4	0.9	2.5	2.7	3.9	4.4	5.2
<i>Margin</i>	<i>27.3 %</i>	<i>8.3 %</i>	<i>17.6 %</i>	<i>18.8 %</i>	<i>19.8 %</i>	<i>20.7 %</i>	<i>22.1 %</i>
Total taxes	-0.2	1.4	-0.8	1.2	0.8	0.9	1.0
Net income from continuing operations	2.6	-0.5	3.3	1.5	3.1	3.6	4.2
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	2.6	-0.5	3.3	1.5	3.1	3.6	4.2
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	2.6	-0.5	3.3	1.5	3.1	3.6	4.2
<i>Margin</i>	<i>30.1 %</i>	<i>-4.1 %</i>	<i>23.0 %</i>	<i>10.3 %</i>	<i>15.9 %</i>	<i>16.6 %</i>	<i>17.7 %</i>
Number of shares, average	4.3	4.3	4.3	4.3	4.3	4.3	4.3
EPS	0.60	-0.11	0.77	0.34	0.71	0.83	0.97
EPS adj.	0.60	-0.11	0.77	0.34	0.71	0.83	0.97

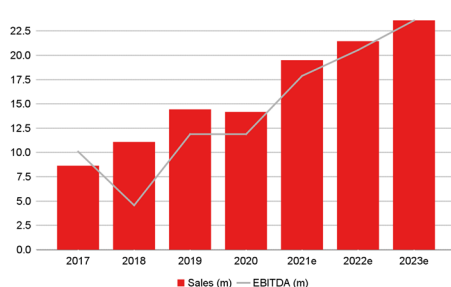
*Adjustments made for:

Guidance: 2021: GGR EUR 45-50m, EBIT EUR 3-4m

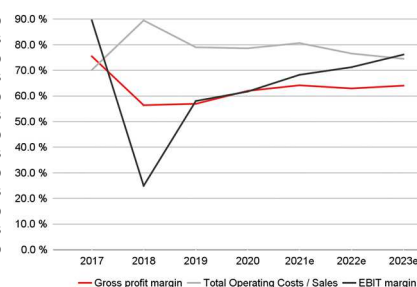
Financial Ratios

	2017	2018	2019	2020	2021e	2022e	2023e
Total Operating Costs / Sales	70.2 %	89.5 %	79.0 %	78.6 %	80.7 %	76.5 %	74.5 %
Operating Leverage	0.6 x	-2.3 x	6.7 x	-2.3 x	1.4 x	1.5 x	1.7 x
EBITDA / Interest expenses	367.9 x	n.a.	178.3 x	189.4 x	n.a.	n.a.	n.a.
Tax rate (EBT)	-10.3 %	149.6 %	-30.5 %	45.3 %	20.0 %	20.0 %	20.0 %
Dividend Payout Ratio	23.3 %	n.m.	26.1 %	77.0 %	42.0 %	48.4 %	51.5 %
Sales per Employee	254,147	263,929	335,744	329,605	453,488	498,837	548,721

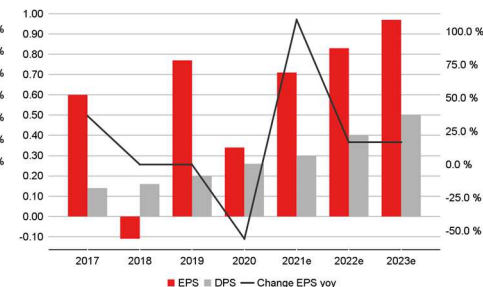
Sales, EBITDA
in EUR m



Operating Performance
in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

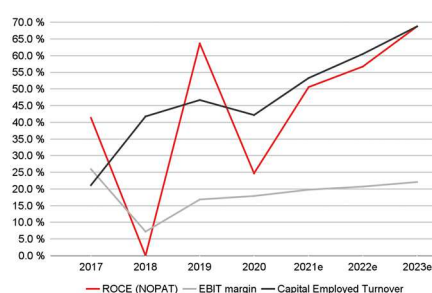
Consolidated balance sheet

In EUR m	2017	2018	2019	2020	2021e	2022e	2023e
Assets							
Goodwill and other intangible assets	3.2	3.0	2.7	2.4	3.2	3.1	2.8
thereof other intangible assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
thereof Goodwill	1.3	1.3	1.3	1.3	1.3	1.3	1.3
Property, plant and equipment	0.3	0.3	1.3	1.2	1.3	1.4	1.5
Financial assets	4.8	5.5	5.9	8.2	8.2	8.2	8.2
Other long-term assets	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Fixed assets	8.9	9.3	10.4	12.3	13.2	13.2	13.0
Inventories	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	1.1	1.0	2.1	2.3	2.9	3.2	3.5
Liquid assets	6.9	8.3	11.4	12.5	13.9	16.3	19.0
Other short-term assets	2.2	2.3	4.2	4.4	4.4	4.4	4.4
Current assets	10.2	11.6	17.7	19.2	21.3	23.9	27.0
Total Assets	19.1	20.9	28.0	31.5	34.5	37.1	40.0
Liabilities and shareholders' equity							
Subscribed capital	4.3	4.3	4.3	4.3	4.3	4.3	4.3
Capital reserve	2.2	2.2	2.2	2.2	2.2	2.2	2.2
Retained earnings	7.2	6.0	8.7	9.3	11.2	13.5	15.9
Other equity components	0.3	0.3	0.6	1.7	1.7	1.6	1.7
Shareholders' equity	14.0	12.9	15.8	17.5	19.5	21.6	24.2
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total equity	14.0	12.9	15.8	17.5	19.5	21.6	24.2
Provisions	0.1	0.1	0.0	0.0	0.0	0.0	0.0
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	0.0	1.0	0.8	0.8	0.8	0.8
Short-term financial liabilities	0.0	0.0	0.2	0.2	0.2	0.2	0.2
Accounts payable	1.0	1.2	2.1	2.8	3.8	4.2	4.6
Other liabilities	4.0	6.7	9.1	10.4	10.4	10.4	10.4
Liabilities	5.1	8.0	12.1	14.0	15.1	15.5	15.9
Total liabilities and shareholders' equity	19.1	20.9	28.0	31.5	34.5	37.1	40.0

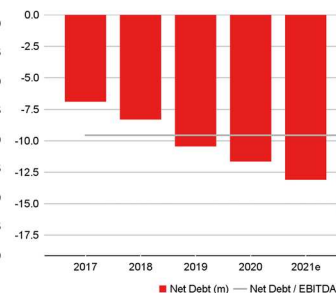
Financial Ratios

	2017	2018	2019	2020	2021e	2022e	2023e
Efficiency of Capital Employment							
Operating Assets Turnover	22.1 x	79.2 x	10.5 x	22.4 x	55.7 x	61.3 x	67.4 x
Capital Employed Turnover	1.2 x	2.4 x	2.7 x	2.4 x	3.1 x	3.5 x	4.0 x
ROA	29.1 %	-4.9 %	31.9 %	11.9 %	23.4 %	26.9 %	32.1 %
Return on Capital							
ROCE (NOPAT)	41.3 %	n.a.	63.6 %	24.7 %	50.6 %	56.7 %	68.8 %
ROE	20.2 %	-3.4 %	23.0 %	8.8 %	16.7 %	17.3 %	18.2 %
Adj. ROE	20.2 %	-3.4 %	23.0 %	8.8 %	16.7 %	17.3 %	18.2 %
Balance sheet quality							
Net Debt	-6.9	-8.3	-10.4	-11.6	-13.1	-15.5	-18.2
Net Financial Debt	-6.9	-8.3	-10.4	-11.6	-13.1	-15.5	-18.2
Net Gearing	-49.2 %	-64.3 %	-66.0 %	-66.6 %	-67.3 %	-71.5 %	-75.3 %
Net Fin. Debt / EBITDA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Book Value / Share	3.6	3.0	3.7	4.0	4.5	5.0	5.6
Book value per share ex intangibles	2.7	2.3	3.0	3.5	3.8	4.3	4.9

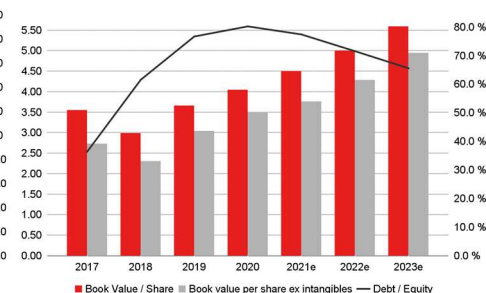
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

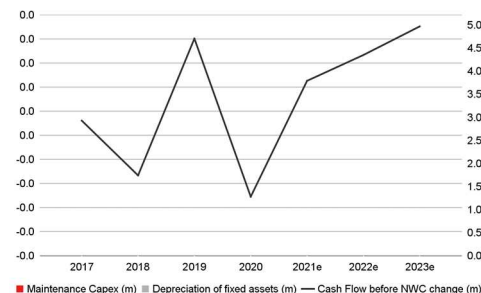
Consolidated cash flow statement

In EUR m	2017	2018	2019	2020	2021e	2022e	2023e
Net income	2.6	-0.6	3.3	1.5	3.1	3.6	4.2
Depreciation of fixed assets	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	0.3	0.4	0.6	0.5	0.7	0.8	0.8
Increase/decrease in long-term provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other non-cash income and expenses	0.0	1.9	0.8	-0.7	0.0	0.0	0.0
Cash Flow before NWC change	2.9	1.7	4.7	1.3	3.8	4.4	5.0
Increase / decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increase / decrease in accounts receivable	-0.1	0.1	-1.1	-0.1	-0.6	-0.3	-0.3
Increase / decrease in accounts payable	-0.6	0.2	0.9	0.7	1.0	0.4	0.4
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)	-0.7	0.3	-0.3	0.6	0.4	0.1	0.1
Net cash provided by operating activities [1]	2.3	2.0	4.4	1.9	4.2	4.5	5.1
Investments in intangible assets	-0.2	0.0	0.0	0.0	-1.5	-0.7	-0.5
Investments in property, plant and equipment	0.0	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
Payments for acquisitions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial investments	0.0	0.0	0.3	0.3	0.0	0.0	0.0
Income from asset disposals	0.0	0.0	0.0	0.4	0.0	0.0	0.0
Net cash provided by investing activities [2]	-0.2	-0.1	-0.6	-0.3	-1.6	-0.8	-0.6
Change in financial liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividends paid	-0.5	-0.6	-0.7	-0.9	-1.1	-1.3	-1.7
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	0.0	0.0	0.0	0.3	0.0	0.0	0.0
Net cash provided by financing activities [3]	-0.5	-0.6	-0.7	-0.5	-1.1	-1.3	-1.7
Change in liquid funds [1]+[2]+[3]	1.5	1.3	3.1	1.1	1.4	2.4	2.8
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	8.5	8.2	11.4	12.5	13.9	16.3	19.0

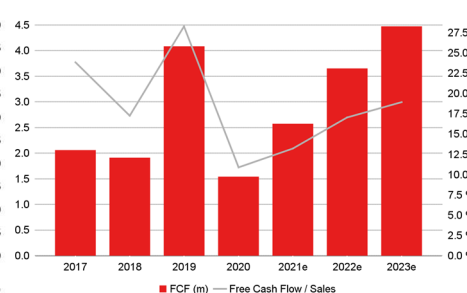
Financial Ratios

	2017	2018	2019	2020	2021e	2022e	2023e
Cash Flow							
FCF	2.1	1.9	4.1	1.5	2.6	3.7	4.5
Free Cash Flow / Sales	23.8 %	17.2 %	28.3 %	10.9 %	13.2 %	17.0 %	19.0 %
Free Cash Flow Potential	2.8	-0.2	3.8	1.8	3.8	4.4	5.0
Free Cash Flow / Net Profit	79.2 %	-417.5 %	123.2 %	105.5 %	83.3 %	102.8 %	107.2 %
Interest Received / Avg. Cash	1.7 %	1.6 %	1.7 %	1.0 %	0.0 %	0.0 %	0.0 %
Interest Paid / Avg. Debt	14.9 %	n.a.	3.6 %	1.8 %	0.0 %	0.0 %	0.0 %
Management of Funds							
Investment ratio	2.3 %	0.9 %	0.7 %	0.6 %	8.2 %	3.7 %	2.5 %
Maint. Capex / Sales	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Capex / Dep	60.8 %	27.9 %	16.8 %	16.0 %	228.6 %	100.0 %	75.0 %
Avg. Working Capital / Sales	-3.2 %	-0.7 %	-0.5 %	-1.6 %	-3.6 %	-4.4 %	-4.5 %
Trade Debtors / Trade Creditors	105.9 %	82.6 %	103.5 %	81.4 %	76.3 %	76.2 %	76.1 %
Inventory Turnover	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Receivables collection period (days)	46	32	54	58	54	54	54
Payables payment period (days)	179	90	121	188	178	188	198
Cash conversion cycle (Days)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

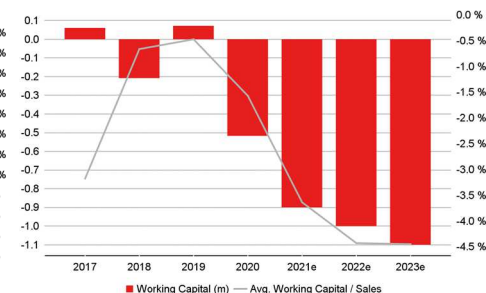
CAPEX and Cash Flow in EUR m



Free Cash Flow Generation



Working Capital



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

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Company	Disclosure	Link to the historical price targets and rating changes (last 12 months)
pferdewetten.de	5	http://www.mmwarburg.com/disclaimer/disclaimer_en/DE000A2YN777.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	146	68
Hold	61	28
Sell	6	3
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	40	75
Hold	11	21
Sell	0	0
Rating suspended	2	4
Total	53	100

PRICE AND RATING HISTORY PFERDEWETTEN.DE AS OF 17.08.2021



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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