

<b>Buy</b> <b>EUR 30.00</b>  Price <b>EUR 20.80</b> Upside <b>44.2 %</b>	<b>Value Indicators:</b> EUR DCF: 30.00	<b>Warburg ESG Risk Score: 1.5</b> ESG Score (MSCI based): 3.0 Balance Sheet Score: 1.5 Market Liquidity Score: 0.0	<b>Description:</b> Developer for existing residential property in German second/third tier locations
	<b>Market Snapshot:</b> EUR m Market cap: 100.2 No. of shares (m): 4.8 EV: 428.2 Freefloat MC: 45.1 Ø Trad. Vol. (30d): 51.24 th	<b>Shareholders:</b> Freefloat 45.0 % Merz Real Estate GmbH 49.1 % I. C. Bugarski (CEO) 5.9 %	<b>Key Figures (WRe):</b> 2021e Beta: 1.4 Price / Book: 1.3 x Equity Ratio: 17 % Net Fin. Debt / EBITDA: 20.9 x Net Debt / EBITDA: 20.9 x

## Foundation laid for accelerated growth in coming years; Buy confirmed

Noratis AG released promising figures for the first half of the year on 30.09.21. We have included all new information and slightly adjusted our estimates for 2021.

- Revenues:** Revenues amounted to EUR 59.8m (WRe: EUR 57.4m). The strong increase in income compared to the previous year's period is, as planned, primarily due to higher property sales. Revenues from property sales amounted to EUR 49.5m (WRe: EUR 48.8m). Rental income amounted to EUR 10.2m (WRe: EUR 8.6m) in the first half of 2021.
- Property sales:** Following two block sales and individual privatisations, Noratis sold a total of 289 units during the first half of 2021. In mid-May, Noratis sold its real estate portfolio in **Neu-Isenburg**, Rhine-Main region, with a total of 185 residential units and living space of around 11,600 sqm. The company also sold 96 units from its **Ratzeburg** portfolio. In addition, Noratis sold six units in Mönchengladbach and two in Erlensee. We envisage no further property sales during the second half of this year.
- Acquisitions H1/21:** In the first half, the company acquired around 543 units with a total living space of approximately 37,000 sqm. At the beginning of January, Noratis announced the acquisition of 242 residential units with 18,800 sqm of rental space in **Münster**. In mid-May, the company acquired a real-estate portfolio with 150 units in **Gelsenkirchen**, North Rhine-Westphalia. At the beginning of June, Noratis acquired a further residential portfolio in **Celle**, Lower Saxony with 82 residential units and a total rental area of around 5,300 sqm. At the end of June, Noratis announced the acquisition of 60 residential units with a total living space of around 3,700 sqm in **Bremen**. The portfolio consists of an apartment building with 48 flats and 12 semi-detached houses.
- Recent acquisition:** In mid-October, Noratis acquired another property portfolio in the state of Lower Saxony. In the city of Aurich, 95 flats with a rental area of 5,650 sqm were purchased. This is Noratis' second real-estate portfolio in the Eastern Friesian region and its ninth in the state of Lower Saxony. The expansion of the site has resulted in synergies in property management at Noratis, which are gradually being leveraged.

Despite the resumption of sales activities as planned, it was nonetheless possible to further expand the property portfolio due to very active acquisition development. This goes hand-in-hand with Noratis' strategy of targeted portfolio growth and fully supports our investment case. We reiterate our Buy recommendation.

Changes in Estimates:				Comment on Changes:			
FY End: 31.12. in EUR m	2021e (old)	+ / -	2022e (old)	+ / -	2023e (old)	+ / -	
<b>Sales</b>	68.5	3.1 %	103.8	0.0 %	114.5	0.0 %	<ul style="list-style-type: none"> <li>Slight increase in property sales estimates following slightly higher income than expected from the sale of residential units in the first half</li> </ul>
<b>Property Sales</b>	48.8	1.6 %	74.2	0.0 %	82.2	0.0 %	
<b>Rental income</b>	19.7	6.6 %	29.6	0.0 %	32.3	0.0 %	<ul style="list-style-type: none"> <li>Increase in rental income mainly driven by a faster transfer of benefits and burdens of the acquired portfolios than previously assumed</li> </ul>
<b>EBT</b>	8.8	1.2 %	13.8	0.0 %	15.4	0.0 %	
<b>EPS</b>	1.29	1.6 %	2.03	0.0 %	2.26	0.0 %	

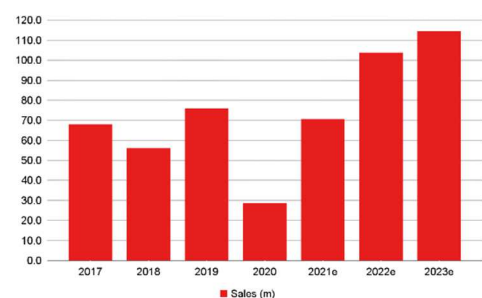


Rel. Performance vs Scale All	
1 month:	-0.2 %
6 months:	-4.1 %
Year to date:	-17.0 %
Trailing 12 months:	-49.0 %

**Company events:**

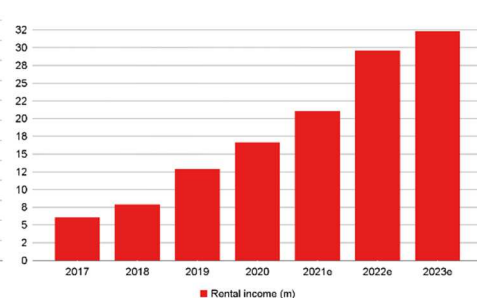
FY End: 31.12. in EUR m	CAGR (20-23e)	2017	2018	2019	2020	2021e	2022e	2023e
<b>Sales</b>	58.6 %	68.0	56.1	75.9	28.7	70.6	103.8	114.5
<i>Change Sales yoy</i>		52.6 %	-17.5 %	35.2 %	-62.2 %	146.0 %	47.0 %	10.3 %
Property Sales		61.9	48.2	63.0	12.0	49.6	74.2	82.2
Rental income		6.1	7.9	12.9	16.7	21.0	29.6	32.3
<b>Gross profit</b>		21.5	21.6	21.6	15.0	23.8	31.1	34.2
<i>Gross profit margin</i>		31.7 %	38.5 %	28.5 %	52.1 %	33.7 %	30.0 %	29.9 %
<b>EBIT</b>	41.9 %	15.2	15.5	15.8	8.2	15.3	21.2	23.5
<i>Margin</i>		22.4 %	27.7 %	20.8 %	28.6 %	21.7 %	20.4 %	20.5 %
<b>EBT</b>	54.7 %	12.2	12.8	12.1	4.2	8.9	13.8	15.4
<i>Margin</i>		18.0 %	22.8 %	15.9 %	14.5 %	12.6 %	13.3 %	13.4 %
<b>Net income</b>	57.4 %	8.7	9.2	8.7	2.8	6.3	9.8	10.9
<b>EPS</b>	57.4 %	2.99	2.57	2.41	0.58	1.31	2.03	2.26
<b>EPS adj.</b>	57.4 %	2.99	2.57	2.41	0.58	1.31	2.03	2.26
<b>DPS</b>	59.2 %	1.50	1.29	1.20	0.28	0.66	1.02	1.13
Dividend Yield		8.3 %	5.4 %	5.6 %	1.5 %	3.1 %	4.9 %	5.4 %
<b>EV / Sales</b>		1.7 x	4.1 x	3.3 x	12.2 x	6.1 x	4.3 x	4.5 x
<b>EV / EBITDA</b>		7.6 x	14.7 x	15.7 x	40.4 x	27.3 x	20.7 x	21.2 x
<b>EV / EBIT</b>		7.7 x	14.8 x	15.9 x	42.5 x	27.9 x	21.3 x	21.8 x
<b>P / E</b>		6.0 x	9.2 x	8.9 x	33.2 x	15.9 x	10.2 x	9.2 x
<b>ROE</b>		29.6 %	18.7 %	16.4 %	3.6 %	8.2 %	11.8 %	12.2 %
<b>Net Debt</b>		64.4	145.4	172.4	256.5	327.8	349.1	409.9

**Sales development**  
in EUR m



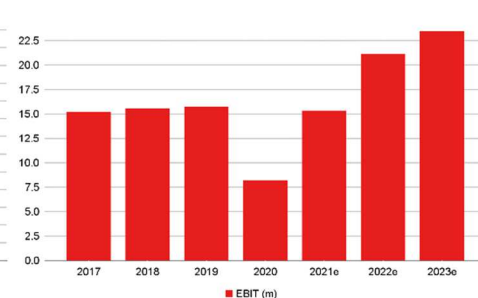
Source: Warburg Research

**Rental income development**  
in EUR m



Source: Warburg Research

**EBIT development**  
in EUR m



Source: Warburg Research

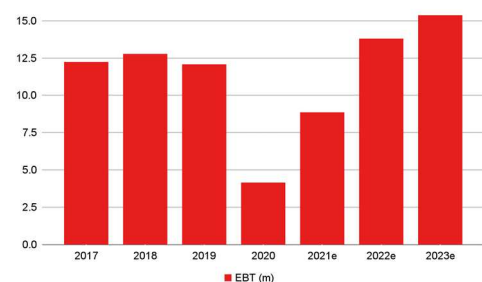
## Company Background

- Developer of existing residential property portfolios in German second/third tier locations, listed in the Scale Segment of Frankfurt Stock Exchange
- 80-90% of total revenues are generated from property sales in a small segment (100-800 units) with very stable transaction volumes in the past
- Focus on renovation and restructuring measures with high value increase potential over a period of two to three years
- Covering the entire value chain from acquisition, asset management, (including the planning of value accretive modernisation) and disposals by internal employees, who also manage external service providers

## Competitive Quality

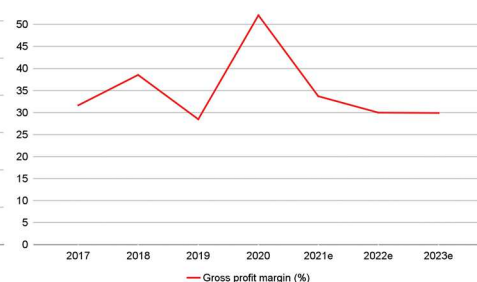
- Specialized in affordable basic and medium standard residential property development, a niche which is too big for private investors and too small for larger institutional investors, which leads to lower competition
- Business model can be applied on broader scale to additional locations in Germany
- The planning of project development is carried out by internal employees (e.g. architects, draftsmen, business economists and engineers) which reduces dependency on third parties and increases flexibility in processes
- In contrast to many smaller competitors Noratis is well capitalized and, as a listed company with a strong majority shareholder, has better access to capital
- Noratis has a strong purchasing network with excellent access to big real estate holding companies as well as regional brokers, involving them at very early stage of the portfolio bidding processes

**EBT development**  
in EUR m



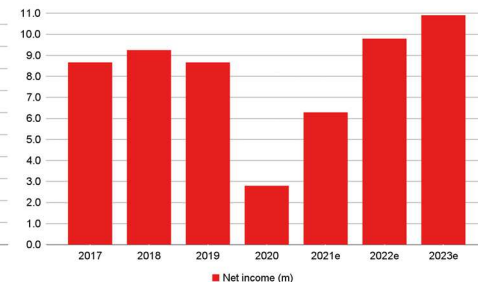
Source: Warburg Research

**Gross margin development**  
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	70.6	103.8	114.5	119.4	124.3	129.0	133.6	137.9	142.2	145.7	148.8	151.3	153.6	1.5 %
Sales change	146.0 %	47.0 %	10.3 %	4.3 %	4.1 %	3.8 %	3.6 %	3.2 %	3.1 %	2.5 %	2.1 %	1.7 %	1.5 %	
EBIT	8.9	13.8	15.4	13.1	13.4	12.5	13.8	15.1	16.6	18.3	20.1	20.5	21.6	
EBIT-margin	12.6 %	13.3 %	13.4 %	11.0 %	10.8 %	9.7 %	10.3 %	11.0 %	11.7 %	12.6 %	13.5 %	13.5 %	14.1 %	
Tax rate (EBT)	29.0 %	29.0 %	29.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	
NOPAT	6.3	9.8	10.9	9.2	9.4	8.8	9.6	10.6	11.7	12.8	14.1	14.3	15.1	
Depreciation	0.4	0.5	0.6	0.5	0.5	0.4	0.4	0.4	0.3	0.1	0.1	0.2	0.2	
in % of Sales	0.5 %	0.5 %	0.5 %	0.4 %	0.4 %	0.3 %	0.3 %	0.3 %	0.2 %	0.1 %	0.1 %	0.1 %	0.1 %	
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	77.5	27.1	66.7	56.0	35.8	37.3	38.7	40.1	41.4	42.6	43.7	44.6	51.6	
- Capex	0.1	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	
Capex in % of Sales	0.2 %	0.2 %	0.2 %	0.2 %	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %	
Other	-71.5	-21.4	-52.7	-29.6	-29.6	-30.8	-31.9	-33.1	-34.1	-35.2	-36.1	-36.8	-42.6	
Free Cash Flow (WACC Model)	0.5	4.4	-2.7	-17.0	3.5	2.5	3.1	3.8	4.6	5.3	6.4	6.5	6.1	
PV of FCF	0.5	4.0	-2.3	-12.9	2.4	1.6	1.8	2.1	2.2	2.4	2.6	2.5	2.1	106
share of PVs	1.94 %			5.96 %										92.11 %

Model parameter				Valuation (m)			
Derivation of WACC:		Derivation of Beta:		Present values 2033e	9		
Debt ratio	0.00 %	Financial Strength	1.20	Terminal Value	106		
Cost of debt (after tax)	1.7 %	Liquidity (share)	2.00	Financial liabilities	86		
Market return	7.00 %	Cyclicality	1.30	Pension liabilities	0		
Risk free rate	1.50 %	Transparency	1.20	Hybrid capital	0		
		Others	1.20	Minority interest	0		
				Market val. of investments	0		
				Liquidity	31	No. of shares (m)	4.8
<b>WACC</b>	<b>9.09 %</b>	<b>Beta</b>	<b>1.38</b>	<b>Equity Value</b>	<b>146</b>	<b>Value per share (EUR)</b>	<b>30.33</b>

Sensitivity Value per Share (EUR)																	
		Terminal Growth							Delta EBIT-margin								
Beta	WACC	0.75 %	1.00 %	1.25 %	1.50 %	1.75 %	2.00 %	2.25 %	Beta	WACC	-1.5 pp	-1.0 pp	-0.5 pp	+0.0 pp	+0.5 pp	+1.0 pp	+1.5 pp
1.56	10.1 %	24.08	24.52	24.99	25.48	26.00	26.56	27.15	1.56	10.1 %	22.22	23.31	24.39	25.48	26.57	27.65	28.74
1.47	9.6 %	26.06	26.58	27.14	27.72	28.35	29.02	29.73	1.47	9.6 %	24.26	25.42	26.57	27.72	28.88	30.03	31.19
1.43	9.3 %	27.16	27.73	28.33	28.98	29.66	30.39	31.18	1.43	9.3 %	25.40	26.59	27.78	28.98	30.17	31.36	32.55
1.38	9.1 %	28.34	28.96	29.62	30.33	31.08	31.88	32.75	1.38	9.1 %	26.64	27.87	29.10	30.33	31.56	32.79	34.02
1.33	8.8 %	29.61	30.29	31.01	31.78	32.61	33.50	34.46	1.33	8.8 %	27.97	29.24	30.51	31.78	33.06	34.33	35.60
1.29	8.6 %	30.97	31.72	32.51	33.36	34.28	35.26	36.32	1.29	8.6 %	29.41	30.73	32.05	33.36	34.68	36.00	37.32
1.20	8.1 %	34.04	34.94	35.90	36.94	38.07	39.28	40.60	1.20	8.1 %	32.69	34.11	35.53	36.94	38.36	39.78	41.20

- DCF equity method
- Decline in EBT margin in 2024e due to declining rents as a result of a higher volume of disposals in 2024 onwards
- The position "working capital" includes properties held for sale as current assets
- "Others" contains the part of the WC that is financed by debt and must therefore be deducted from the WC build-up
- From 2027e onwards a slight increase in the margin again as a result of the shift towards higher-margin rental income

Valuation							
	2017	2018	2019	2020	2021e	2022e	2023e
Price / Book	1.8 x	1.7 x	1.5 x	1.3 x	1.3 x	1.2 x	1.1 x
Book value per share ex intangibles	9.99	13.66	14.76	15.31	15.76	17.15	18.44
EV / Sales	1.7 x	4.1 x	3.3 x	12.2 x	6.1 x	4.3 x	4.5 x
EV / EBITDA	7.6 x	14.7 x	15.7 x	40.4 x	27.3 x	20.7 x	21.2 x
EV / EBIT	7.7 x	14.8 x	15.9 x	42.5 x	27.9 x	21.3 x	21.8 x
EV / EBIT adj.*	7.7 x	14.8 x	15.9 x	42.5 x	27.9 x	21.3 x	21.8 x
P / FCF	4.2 x	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
P / E	6.0 x	9.2 x	8.9 x	33.2 x	15.9 x	10.2 x	9.2 x
P / E adj.*	6.0 x	9.2 x	8.9 x	33.2 x	15.9 x	10.2 x	9.2 x
Dividend Yield	8.3 %	5.4 %	5.6 %	1.5 %	3.1 %	4.9 %	5.4 %
FCF Potential Yield (on market EV)	10.0 %	5.3 %	5.0 %	2.1 %	3.1 %	3.9 %	3.8 %

\*Adjustments made for: -

Company Specific Items							
	2017	2018	2019	2020	2021e	2022e	2023e
Property Sales	61.9	48.2	63.0	12.0	49.6	74.2	82.2
Rental income	6.1	7.9	12.9	16.7	21.0	29.6	32.3
Gross profit	21.5	21.6	21.6	15.0	23.8	31.1	34.2
Payout Ratio	50.2 %	50.0 %	49.8 %	50.0 %	50.0 %	50.0 %	50.0 %
Properties for Sale	99.2	176.7	238.8	333.5	411.0	438.1	504.8
Total equity	29.3	49.5	53.4	74.3	76.4	83.2	89.4
ROE	29.6 %	18.7 %	16.4 %	3.6 %	8.2 %	11.8 %	12.2 %
Property sales margin	28.6 %	35.9 %	22.9 %	41.5 %	22.8 %	20.0 %	20.0 %
Rental income margin	62.9 %	54.4 %	55.8 %	59.8 %	59.3 %	55.0 %	55.0 %

**Consolidated profit & loss**

In EUR m	2017	2018	2019	2020	2021e	2022e	2023e
<b>Sales</b>	<b>68.0</b>	<b>56.1</b>	<b>75.9</b>	<b>28.7</b>	<b>70.6</b>	<b>103.8</b>	<b>114.5</b>
Change Sales yoy	52.6 %	-17.5 %	35.2 %	-62.2 %	146.0 %	47.0 %	10.3 %
Property Sales	61.9	48.2	63.0	12.0	49.6	74.2	82.2
Property sales margin	28.6 %	35.9 %	22.9 %	41.5 %	22.8 %	20.0 %	20.0 %
Rental income	6.1	7.9	12.9	16.7	21.0	29.6	32.3
Rental income margin	62.9 %	54.4 %	55.8 %	59.8 %	59.3 %	55.0 %	55.0 %
<b>Gross profit</b>	<b>21.5</b>	<b>21.6</b>	<b>21.6</b>	<b>15.0</b>	<b>23.8</b>	<b>31.1</b>	<b>34.2</b>
Gross profit margin	31.7 %	38.5 %	28.5 %	52.1 %	33.7 %	30.0 %	29.9 %
Personnel expenses	2.4	3.5	4.1	5.0	5.3	5.8	6.2
Other operating income	0.2	0.7	1.0	0.8	0.2	1.6	1.7
Other operating expenses	4.0	3.1	2.6	2.2	3.0	5.2	5.7
<b>EBIT</b>	<b>15.2</b>	<b>15.5</b>	<b>15.8</b>	<b>8.2</b>	<b>15.3</b>	<b>21.2</b>	<b>23.5</b>
Margin	22.4 %	27.7 %	20.8 %	28.6 %	21.7 %	20.4 %	20.5 %
Interest income	0.2	0.2	0.2	0.2	0.0	0.4	0.5
Interest expenses	3.1	3.0	3.8	4.3	6.5	7.8	8.5
<b>EBT</b>	<b>12.2</b>	<b>12.8</b>	<b>12.1</b>	<b>4.2</b>	<b>8.9</b>	<b>13.8</b>	<b>15.4</b>
Margin	18.0 %	22.8 %	15.9 %	14.5 %	12.6 %	13.3 %	13.4 %
Total taxes	3.6	3.5	3.4	1.4	2.6	4.0	4.5
<b>Net income before minorities</b>	<b>8.7</b>	<b>9.3</b>	<b>8.7</b>	<b>2.8</b>	<b>6.3</b>	<b>9.8</b>	<b>10.9</b>
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income</b>	<b>8.7</b>	<b>9.2</b>	<b>8.7</b>	<b>2.8</b>	<b>6.3</b>	<b>9.8</b>	<b>10.9</b>
Margin	12.7 %	16.5 %	11.4 %	9.7 %	8.9 %	9.4 %	9.5 %
Number of shares, current	2.9	4.2	4.2	4.8	4.8	0.0	0.0
<b>EPS</b>	<b>2.99</b>	<b>2.57</b>	<b>2.41</b>	<b>0.58</b>	<b>1.31</b>	<b>2.03</b>	<b>2.26</b>

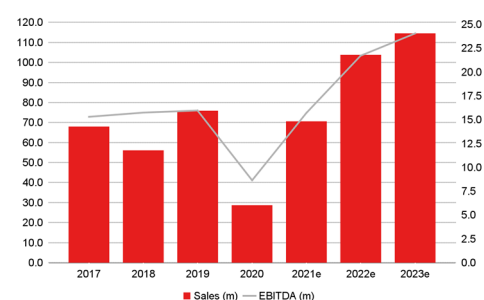
\*Adjustments made for:

**Guidance: n.a.**

**Financial Ratios**

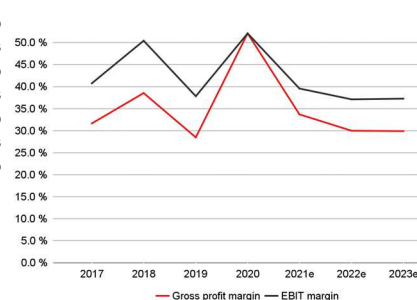
	2017	2018	2019	2020	2021e	2022e	2023e
Tax rate (EBT)	29.1 %	27.4 %	28.3 %	32.7 %	29.0 %	29.0 %	29.0 %
DPS	1.50	1.29	1.20	0.28	0.66	1.02	1.13
Dividend Yield	8.3 %	5.4 %	5.6 %	1.5 %	3.1 %	4.9 %	5.4 %
Payout Ratio	50.2 %	50.0 %	49.8 %	50.0 %	50.0 %	50.0 %	50.0 %

**Sales, EBITDA**  
in EUR m



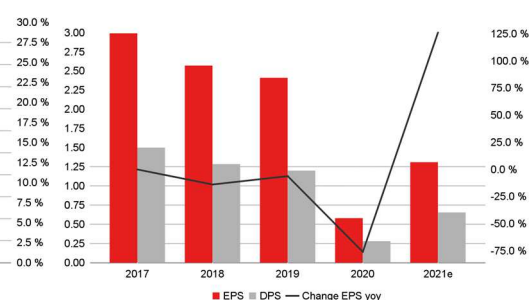
Source: Warburg Research

**Operating Performance**  
in %



Source: Warburg Research

**Performance per Share**



Source: Warburg Research

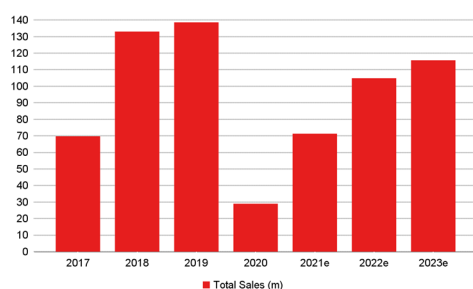
**Consolidated balance sheet**

In EUR m	2017	2018	2019	2020	2021e	2022e	2023e
<b>Assets</b>							
Property, plant and equipment	0.4	0.5	0.4	1.0	1.1	1.2	1.3
Inventories	99.2	176.7	238.8	333.5	411.0	438.1	504.8
Accounts receivable	1.7	24.1	8.2	1.3	3.3	4.8	5.3
Liquid assets	21.8	9.7	8.6	31.0	31.2	31.3	23.2
Other short-term assets	4.7	3.2	2.8	0.2	0.4	0.4	0.4
<b>Total Assets</b>	<b>127.8</b>	<b>214.1</b>	<b>258.9</b>	<b>367.6</b>	<b>447.6</b>	<b>476.4</b>	<b>535.6</b>
<b>Liabilities and shareholders' equity</b>							
Subscribed capital	2.9	3.6	3.6	4.8	4.8	4.8	4.8
Capital reserve	16.8	31.5	31.5	51.8	51.8	51.8	51.8
Retained earnings	9.3	14.1	18.1	17.2	19.3	26.1	32.3
Shareholders' equity	29.0	49.2	53.2	73.8	75.9	82.7	88.9
Minority interest	0.2	0.2	0.2	0.5	0.5	0.5	0.5
<b>Total equity</b>	<b>29.3</b>	<b>49.5</b>	<b>53.4</b>	<b>74.3</b>	<b>76.4</b>	<b>83.2</b>	<b>89.4</b>
Provisions	7.3	5.4	5.0	1.8	5.9	5.9	5.9
Financial liabilities (total)	86.2	155.0	181.0	287.5	359.0	380.4	433.1
Short-term financial liabilities	1.6	20.4	4.5	3.6	4.9	4.9	4.9
Accounts payable	0.8	1.9	18.5	1.4	1.2	1.7	1.9
Other liabilities	4.3	2.2	1.1	2.6	5.1	5.2	5.3
<b>Liabilities</b>	<b>98.6</b>	<b>164.6</b>	<b>205.5</b>	<b>293.3</b>	<b>371.2</b>	<b>393.2</b>	<b>446.2</b>
<b>Total liabilities and shareholders' equity</b>	<b>127.8</b>	<b>214.1</b>	<b>258.9</b>	<b>367.6</b>	<b>447.6</b>	<b>476.4</b>	<b>535.6</b>

**Financial Ratios**

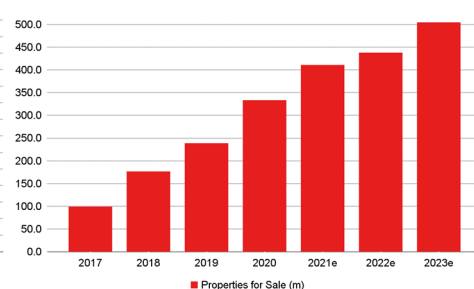
	2017	2018	2019	2020	2021e	2022e	2023e
-	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
-							

**Total Sales**  
in EUR m



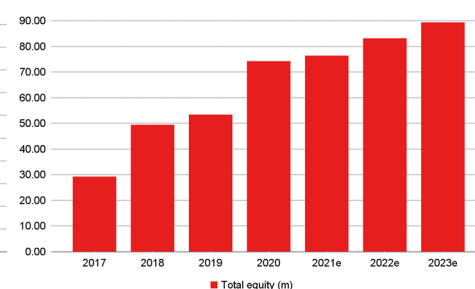
Source: Warburg Research

**Properties for sale**  
in EUR m



Source: Warburg Research

**Total equity**  
in EUR m



Source: Warburg Research

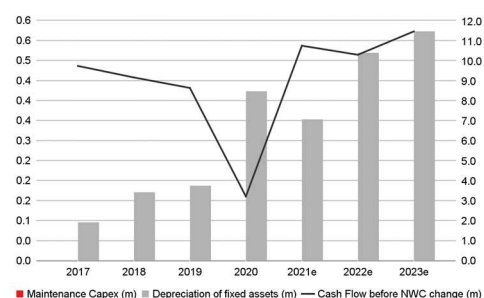
**Consolidated cash flow statement**

In EUR m	2017	2018	2019	2020	2021e	2022e	2023e
Net income	8.7	9.3	8.7	2.8	6.3	9.8	10.9
Increase/decrease in long-term provisions	1.2	-0.3	-0.3	0.0	4.1	0.0	0.0
<b>Cash Flow before NWC change</b>	<b>9.8</b>	<b>9.2</b>	<b>8.7</b>	<b>3.2</b>	<b>10.8</b>	<b>10.3</b>	<b>11.5</b>
Increase / decrease in inventory	-3.6	-99.8	-46.1	-90.4	-79.5	-28.6	-67.2
Increase / decrease in working capital (total)	-3.1	-101.1	-29.2	-100.8	-79.7	-28.1	-67.0
<b>Net cash provided by operating activities [1]</b>	<b>12.9</b>	<b>-85.9</b>	<b>-18.3</b>	<b>-94.0</b>	<b>-62.3</b>	<b>-10.2</b>	<b>-47.2</b>
<b>Net cash provided by investing activities [2]</b>	<b>-4.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>-0.1</b>	<b>-0.2</b>	<b>-0.2</b>
Change in financial liabilities	-6.4	68.8	26.0	103.4	71.5	21.4	52.7
<b>Net cash provided by financing activities [3]</b>	<b>3.4</b>	<b>75.9</b>	<b>17.4</b>	<b>118.0</b>	<b>62.6</b>	<b>10.5</b>	<b>39.3</b>
<b>Change in liquid funds [1]+[2]+[3]</b>	<b>12.1</b>	<b>-10.0</b>	<b>-0.9</b>	<b>24.1</b>	<b>0.2</b>	<b>0.1</b>	<b>-8.2</b>
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	17.9	7.9	7.0	31.0	31.2	31.3	23.2

**Financial Ratios**

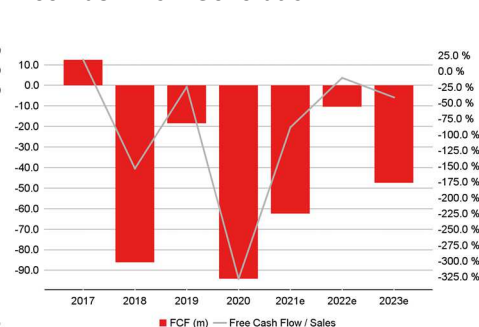
	2017	2018	2019	2020	2021e	2022e	2023e
<b>Cash Flow</b>							
FCF	12.4	-86.1	-18.5	-94.1	-62.4	-10.4	-47.4
Free Cash Flow Potential	11.8	12.2	12.6	7.3	13.1	17.7	19.6
Interest Received / Avg. Cash	1.1 %	1.3 %	1.6 %	1.0 %	0.0 %	1.3 %	1.7 %
Interest Paid / Avg. Debt	4.0 %	2.5 %	2.3 %	1.8 %	2.0 %	2.1 %	2.1 %
<b>Management of Funds</b>							
Investment ratio	0.7 %	0.4 %	0.2 %	0.3 %	0.2 %	0.2 %	0.2 %
Maint. Capex / Sales	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Capex / Dep	480.1 %	125.3 %	56.6 %	18.8 %	32.6 %	31.3 %	36.6 %
Avg. Working Capital / Sales	132.2 %	266.2 %	281.6 %	979.1 %	528.7 %	411.5 %	414.5 %
Trade Debtors / Trade Creditors	204.2 %	1256.0 %	44.6 %	90.9 %	275.0 %	282.4 %	278.9 %
Inventory Turnover	0.5 x	0.6 x	0.2 x	0.1 x	0.1 x	0.2 x	0.2 x
Receivables collection period (days)	9	156	40	16	17	17	17
Payables payment period (days)	6	6	127	26	9	9	9
Cash conversion cycle (Days)	753	729	1,554	6,050	3,044	2,209	2,307

**CAPEX and Cash Flow**  
in EUR m



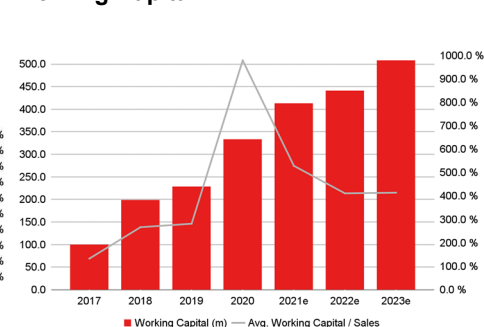
Source: Warburg Research

**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)
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-B-	<b>Buy:</b>	The price of the analysed financial instrument is expected to rise over the next 12 months.
-H-	<b>Hold:</b>	The price of the analysed financial instrument is expected to remain mostly flat over the next 12 months.
-S-	<b>Sell:</b>	The price of the analysed financial instrument is expected to fall over the next 12 months.
“-“	<b>Rating suspended:</b>	The available information currently does not permit an evaluation of the company.

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Rating	Number of stocks	% of Universe
Buy	144	67
Hold	60	28
Sell	7	3
Rating suspended	3	1
<b>Total</b>	<b>214</b>	<b>100</b>

**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	46	78
Hold	11	19
Sell	0	0
Rating suspended	2	3
<b>Total</b>	<b>59</b>	<b>100</b>

**PRICE AND RATING HISTORY NORATIS AS OF 28.10.2021**



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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