

Buy EUR 17.20 Price EUR 11.10 Upside 55.0 %	Value Indicators: EUR DCF: 17.23 FCF-Value Potential 20-21: 8.77	Share data: Bloomberg: IBU GR Reuters: IBU.DE ISIN: DE000A0XYHT5	Description: Thermal treatment of inorganic materials (service provider), Organometallics (producer)
	Market Snapshot: EUR m Market cap: 44.40 No. of shares (m): 4.00 EV: 60.84 Freefloat MC: 13.76 Ø Trad. Vol. (30d): 22.54 th	Shareholders: Freefloat: 31.0 % Weitz family: 39.7 % Management (incl. CEO Weitz): 29.3 %	Risk Profile (WRe): 2020e Beta: 1.6 Price / Book: 1.3 x Equity Ratio: 59 % Net Fin. Debt / EBITDA: 3.1 x Net Debt / EBITDA: 3.1 x

Unexpected contract prolongation adds to visibility

IBU-tec was informed by a pharmaceutical group that the collaboration between the two companies will be extended beyond the initially planned end-date in October 2020. It is now expected that IBU-tec will supply its customer with a tin-based chemical catalyst until at least the end of 2021. The catalyst is produced by IBU-tec's group company BNT Chemicals. The respective production facilities used to generate the product are not among the three that were damaged by a fire in December 2019 and which are currently under repair. Among other things, the organotin compound is used in various synthesis steps in the pharmaceutical industry. In this specific case, it is used for the manufacturing of an antihypertensive drug. IBU-tec expects additional revenue potential in the mid-single-digit million euro bracket by the end of 2021 (WRe: EUR 3m). The company stated that the sales contribution in 2020 is in the "noticeable six-figure euro range" (WRe: EUR 600k).

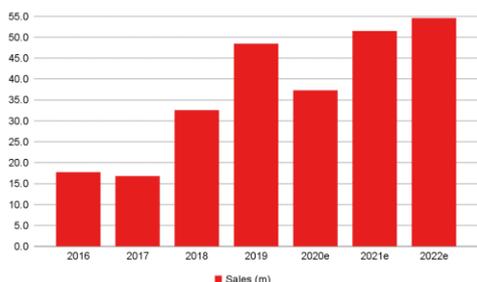
The additional sales and earnings from the prolonged contract increase the predictability of business development at IBU-tec for both 2020 and 2021. However, given the ongoing uncertainty regarding the impact of the COVID-19 pandemic on IBU-tec's performance, the continuation of the contract is likely to enable the company to iron out the business shortfall in other areas. Thus, it creates a higher safety margin when it comes to meeting, or beating, the guidance for FY 2020. The group's EBITDA margin is expected to remain in double-digit terrain (FY 2019: 14.7%) despite a rather high exposure to the automotive industry (WRe: IBU-tec "old" 30-40%, BNT Chemicals 10-20% of sales). In regard to the fallout from the COVID-19 pandemic, management stated that customers have so far requested only very limited modifications to new contracts terms and there has been hardly any delay in the signing of new contracts. However, given that IBU-tec's business relies mostly on project-by-project contracting (IBU-tec worked on 370 projects for customers in FY 2019), visibility remains rather low.

As a consequence of the COVID-19 pandemic, it seems highly likely that the concentration on supplier relationships and products from the Far East is being reassessed by many companies, especially in the healthcare sector. This might well motivate companies to source from a larger number of suppliers from diverse regions, which should boost IBU-tec's business in the mid term. In addition, the regulation-driven megatrends of increasing sustainability, both in power generation and mobility, are set to remain firmly in place or are even accelerate in comparison with the original timetable. Increasing battery demand will also go hand-in-hand with increasing demand for battery materials recycling, providing attractive business opportunities for the company. As a result, demand for IBU-tec's services from a large variety of industries should pick up strongly both in the short and mid term, once the crisis is over.

Despite the highly welcome contract prolongation for the tin-organic catalysts, we have not changed our estimates, owing to the need to adequately reflect the looming uncertainty stemming from the COVID-19 pandemic. We reiterate our Buy recommendation and our PT of EUR 17.20 (based on a DCF calculation).

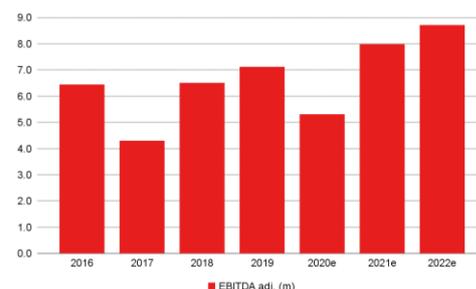
	FY End: 31.12. in EUR m	CAGR (19-22e)	2016	2017	2018	2019	2020e	2021e	2022e
	Sales	4.0 %	17.74	16.81	32.56	48.45	37.31	51.49	54.57
Change Sales yoy		6.6 %	-5.3 %	93.7 %	48.8 %	-23.0 %	38.0 %	6.0 %	
Gross profit margin		92.5 %	90.9 %	66.2 %	50.9 %	52.0 %	51.7 %	51.5 %	
EBITDA	7.0 %	6.20	2.66	6.51	7.12	5.31	7.99	8.72	
Margin		35.0 %	15.9 %	20.0 %	14.7 %	14.2 %	15.5 %	16.0 %	
EBIT	10.6 %	4.14	0.36	2.95	1.95	0.21	1.83	2.64	
Margin		23.3 %	2.1 %	9.1 %	4.0 %	0.6 %	3.5 %	4.8 %	
Net income	17.5 %	2.83	0.17	1.87	0.87	-0.16	0.85	1.40	
EPS	17.5 %	0.94	0.04	0.47	0.22	-0.04	0.21	0.35	
EPS adj.	9.9 %	1.02	0.45	0.47	0.36	0.08	0.34	0.48	
DPS	7.7 %	0.00	0.13	0.20	0.20	0.00	0.20	0.25	
Dividend Yield		n.a.	0.7 %	1.2 %	1.2 %	n.a.	1.8 %	2.3 %	
FCFPS		-0.31	-0.34	-5.49	-0.74	-0.22	0.46	0.52	
FCF / Market cap		n.a.	-1.9 %	-32.0 %	-4.5 %	-2.0 %	4.1 %	4.7 %	
EV / Sales		n.a.	3.4 x	2.4 x	1.6 x	1.6 x	1.1 x	n.a.	
EV / EBITDA		n.a.	21.7 x	12.2 x	11.2 x	11.5 x	7.4 x	n.a.	
EV / EBIT		n.a.	162.2 x	27.0 x	40.8 x	293.7 x	32.3 x	n.a.	
P / E		n.a.	413.6 x	36.7 x	75.0 x	n.a.	52.2 x	31.6 x	
P / E adj.		n.a.	39.0 x	36.7 x	45.3 x	132.1 x	32.9 x	23.3 x	
FCF Potential Yield		n.a.	2.3 %	4.8 %	4.2 %	4.8 %	8.5 %	n.a.	
Net Debt		1.95	-12.69	10.97	14.56	16.44	14.60	13.32	
ROCE (NOPAT)		20.6 %	1.2 %	6.5 %	2.5 %	0.3 %	2.3 %	3.4 %	
Guidance:	FY 2020: sales decline by a low 2-digit percentage number, 2-digit EBITDA margin								

Sales development
in EUR m



Source: Warburg Research

EBITDA (adjusted) development
in EUR m



Source: Warburg Research

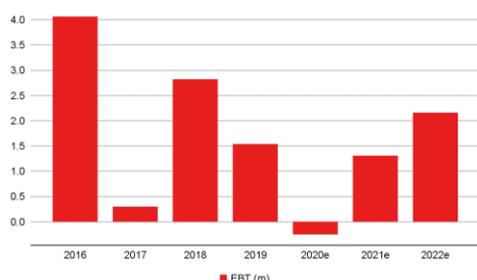
Company Background

- IBU-tec, which is based in Weimar, Germany, was founded in 1885 as a manufacturer of decorative stone from travertine and cast stone from quicklime.
- In 1975 the Weimar SKET institute took over the site and began using it as a pilot plant. This led to the installation of the first rotary kiln. Analysis, trials and measurements became core competences.
- Following German reunification, the institute was privatized in 1993. Catalyst research started in 2001 when Ulrich Weitz became CEO. The company went public in 2017.
- In 2018, IBU-tec announced the acquisition of organometallic compounds producer BNT Chemicals (Bitterfeld, Germany) and acquired a site to build a new production facility in Bitterfeld.
- In H1 2018, IBU-tec employed about 150 people. The company operated 16 rotary kilns, 8 pulsation reactors as well as equipment for pre- and post-treatment of solid materials

Competitive Quality

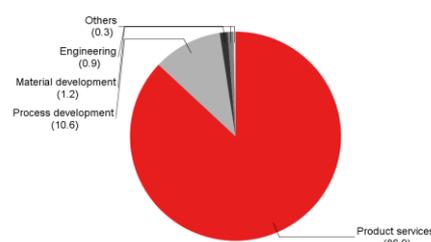
- The company provides R&D capabilities, services and toll manufacturing for the thermal processing of inorganic solid materials.
- Following the acquisition of BNT Chemicals, the company is set to expand into upstream activities of solid material handling, e.g. the preparation of the repective solid materials which includes the handling of liquids.
- It is a service provider for a very wide range of customer industries which includes battery material providers, manufacturers of mobile catalysts, implant producers and others.
- Continuous high quality in regard to purity and structure of the processed materials make IBU-tec an attractive supplier as e.g. in battery manufacturing the performance heavily relies on the quality of its materials.
- As a supplier of services and production capacities, the company mostly competes with customers' own R&D and their respective production facilities.

EBT development
in EUR m



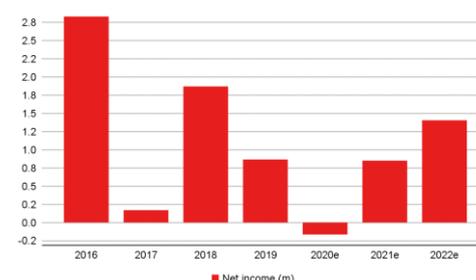
Source: Warburg Research

Sales by segments
2019; 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
	2020e	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	
Sales	37.31	51.49	54.57	59.49	64.84	70.68	77.04	83.97	91.11	98.40	105.78	113.18	120.54	1.0 %
Sales change	-23.0 %	38.0 %	6.0 %	9.0 %	9.0 %	9.0 %	9.0 %	9.0 %	8.5 %	8.0 %	7.5 %	7.0 %	6.5 %	
EBIT	0.21	1.83	2.64	3.91	4.45	5.06	5.75	6.52	7.35	8.13	9.56	10.23	10.89	9.0 %
EBIT-margin	0.6 %	3.5 %	4.8 %	6.6 %	6.9 %	7.2 %	7.5 %	7.8 %	8.1 %	8.3 %	9.0 %	9.0 %	9.0 %	
Tax rate (EBT)	35.0 %	35.0 %	35.0 %	35.0 %	35.0 %	35.0 %	35.0 %	35.0 %	35.0 %	35.0 %	35.0 %	35.0 %	35.0 %	
NOPAT	0.13	1.19	1.72	2.54	2.89	3.29	3.74	4.24	4.78	5.29	6.21	6.65	7.08	
Depreciation	5.10	6.16	6.08	6.50	6.96	7.45	7.96	8.51	9.05	9.58	9.48	10.14	10.80	
in % of Sales	13.7 %	12.0 %	11.1 %	10.9 %	10.7 %	10.5 %	10.3 %	10.1 %	9.9 %	9.7 %	9.0 %	9.0 %	9.0 %	
Changes in provisions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Change in Liquidity from														
- Working Capital	0.09	1.18	0.55	0.88	0.93	0.99	1.04	1.10	1.08	1.04	1.01	1.48	1.47	
- Capex	10.00	5.00	5.00	5.39	5.81	6.33	6.90	7.53	8.16	8.82	9.48	10.14	10.80	
Capex in % of Sales	26.8 %	9.7 %	9.2 %	9.1 %	9.0 %	9.0 %	9.0 %	9.0 %	9.0 %	9.0 %	9.0 %	9.0 %	9.0 %	
Other	-6.50	-5.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Free Cash Flow (WACC Model)	1.65	6.17	2.25	2.77	3.11	3.42	3.75	4.12	4.59	5.01	5.21	5.17	5.61	9
PV of FCF	1.57	5.44	1.84	2.10	2.19	2.23	2.27	2.31	2.39	2.42	2.33	2.14	2.16	52
share of PVs	10.60 %			26.99 %										62.41 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	35.00 %	Financial Strength	2.00
Cost of debt (after tax)	3.3 %	Liquidity (share)	2.00
Market return	7.00 %	Cyclicality	1.00
Risk free rate	1.50 %	Transparency	2.00
		Others	1.00
WACC	7.83 %	Beta	1.60

Valuation (m)

Present values 2032e	31		
Terminal Value	52		
Financial liabilities	15		
Pension liabilities	0		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	1	No. of shares (m)	4.0
Equity Value	69	Value per share (EUR)	17.23

Sensitivity Value per Share (EUR)

Beta	WACC	Terminal Growth							Beta	WACC	Delta EBIT-margin						
		0.25 %	0.50 %	0.75 %	1.00 %	1.25 %	1.50 %	1.75 %			-0.8 pp	-0.5 pp	-0.3 pp	+0.0 pp	+0.3 pp	+0.5 pp	+0.8 pp
1.88	8.8 %	12.98	13.26	13.56	13.87	14.20	14.56	14.94	1.88	8.8 %	12.54	12.98	13.43	13.87	14.31	14.75	15.19
1.74	8.3 %	14.36	14.69	15.05	15.42	15.83	16.26	16.73	1.74	8.3 %	13.99	14.47	14.94	15.42	15.90	16.38	16.86
1.67	8.1 %	15.12	15.49	15.87	16.29	16.74	17.22	17.74	1.67	8.1 %	14.80	15.30	15.79	16.29	16.79	17.29	17.78
1.60	7.8 %	15.94	16.34	16.77	17.23	17.72	18.26	18.83	1.60	7.8 %	15.67	16.19	16.71	17.23	17.75	18.27	18.78
1.53	7.6 %	16.82	17.26	17.73	18.24	18.79	19.39	20.03	1.53	7.6 %	16.62	17.16	17.70	18.24	18.79	19.33	19.87
1.46	7.3 %	17.77	18.25	18.78	19.35	19.96	20.62	21.35	1.46	7.3 %	17.65	18.21	18.78	19.35	19.91	20.48	21.05
1.32	6.8 %	19.90	20.50	21.15	21.86	22.63	23.47	24.39	1.32	6.8 %	19.99	20.61	21.23	21.86	22.48	23.10	23.73

- The company's beta value reflects limited liquidity (strategic investors hold 69% of the shares)

Free Cash Flow Value Potential

Warburg Research's valuation tool "FCF Value Potential" reflects the ability of the company to generate sustainable free cash flows. It is based on the "FCF potential" - a FCF "ex growth" figure - which assumes unchanged working capital and pure maintenance capex. A value indication is derived via the perpetuity of a given year's "FCF potential" with consideration of the weighted costs of capital. The fluctuating value indications over time add a timing element to the DCF model (our preferred valuation tool).

in EUR m	2016	2017	2018	2019	2020e	2021e	2022e	
Net Income before minorities	2.83	0.17	1.87	0.87	-0.16	0.85	n.a.	
+ Depreciation + Amortisation	2.07	2.31	3.56	5.17	5.10	6.16	n.a.	
- Net Interest Income	-0.07	-0.06	-0.12	-0.41	-0.46	-0.52	n.a.	
- Maintenance Capex	1.18	1.20	1.77	3.11	2.50	2.50	n.a.	
+ Other	1.18	0.00	0.00	0.00	0.00	0.00	n.a.	
= Free Cash Flow Potential	4.97	1.34	3.79	3.34	2.90	5.03	n.a.	
FCF Potential Yield (on market EV)	n/a	2.3 %	4.8 %	4.2 %	4.8 %	8.5 %	n/a	
WACC	7.83 %	7.83 %	7.83 %	7.83 %	7.83 %	7.83 %	7.83 %	
= Enterprise Value (EV)	n.a.	57.73	79.59	79.54	60.84	59.00	n.a.	
= Fair Enterprise Value	63.46	17.09	48.38	42.67	37.02	64.21	n.a.	
- Net Debt (Cash)	10.97	10.97	10.97	14.56	16.44	14.60	n.a.	
- Pension Liabilities	0.00	0.00	0.00	0.00	0.00	0.00	n.a.	
- Other	0.00	0.00	0.00	0.00	0.00	0.00	n.a.	
- Market value of minorities	0.00	0.00	0.00	0.00	0.00	0.00	n.a.	
+ Market value of investments	0.00	0.00	0.00	0.00	0.00	0.00	n.a.	
= Fair Market Capitalisation	52.49	6.13	37.41	28.11	20.57	49.60	n.a.	
Number of shares, average	3.00	4.00	4.00	4.00	4.00	4.00	4.00	
= Fair value per share (EUR)	17.50	1.53	9.35	7.03	5.14	12.40	n.a.	
premium (-) / discount (+) in %					-53.7 %	11.7 %		
Sensitivity Fair value per Share (EUR)								
	10.83 %	8.73	0.35	6.00	4.07	2.58	7.96	n.a.
	9.83 %	9.90	0.66	6.89	4.86	3.26	9.14	n.a.
	8.83 %	11.33	1.05	7.98	5.82	4.10	10.58	n.a.
WACC	7.83 %	13.12	1.53	9.35	7.03	5.14	12.40	n.a.
	6.83 %	15.44	2.16	11.12	8.59	6.50	14.75	n.a.
	5.83 %	18.56	3.00	13.50	10.68	8.32	17.91	n.a.
	4.83 %	22.97	4.18	16.86	13.65	10.89	22.37	n.a.

■ Historical volatility of the value indication is due to cyclical operative development, portfolio changes.

Valuation	2016	2017	2018	2019	2020e	2021e	2022e
Price / Book	n.a.	2.3 x	2.2 x	2.0 x	1.3 x	1.2 x	1.2 x
Book value per share ex intangibles	4.50	7.42	6.83	6.74	7.66	7.76	7.82
EV / Sales	n.a.	3.4 x	2.4 x	1.6 x	1.6 x	1.1 x	n.a.
EV / EBITDA	n.a.	21.7 x	12.2 x	11.2 x	11.5 x	7.4 x	n.a.
EV / EBIT	n.a.	162.2 x	27.0 x	40.8 x	293.7 x	32.3 x	n.a.
EV / EBIT adj.*	n.a.	29.0 x	27.0 x	31.6 x	86.0 x	25.4 x	n.a.
P / FCF	n.a.	n.a.	n.a.	n.a.	n.a.	24.1 x	21.3 x
P / E	n.a.	413.6 x	36.7 x	75.0 x	n.a.	52.2 x	31.6 x
P / E adj.*	n.a.	39.0 x	36.7 x	45.3 x	132.1 x	32.9 x	23.3 x
Dividend Yield	n.a.	0.7 %	1.2 %	1.2 %	n.a.	1.8 %	2.3 %
FCF Potential Yield (on market EV)	n.a.	2.3 %	4.8 %	4.2 %	4.8 %	8.5 %	n.a.

*Adjustments made for: Restructuring costs, value adjustments, one-off earnings/losses

Consolidated profit & loss

In EUR m	2016	2017	2018	2019	2020e	2021e	2022e
Sales	17.74	16.81	32.56	48.45	37.31	51.49	54.57
Change Sales yoy	6.6 %	-5.3 %	93.7 %	48.8 %	-23.0 %	38.0 %	6.0 %
Increase / decrease in inventory	0.14	0.26	2.73	-0.05	0.15	0.05	0.05
Own work capitalised	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Sales	17.88	17.07	35.29	48.40	37.46	51.54	54.62
Material expenses	1.47	1.78	13.72	23.74	18.07	24.92	26.51
Gross profit	16.41	15.29	21.57	24.66	19.38	26.62	28.11
<i>Gross profit margin</i>	<i>92.5 %</i>	<i>90.9 %</i>	<i>66.2 %</i>	<i>50.9 %</i>	<i>52.0 %</i>	<i>51.7 %</i>	<i>51.5 %</i>
Personnel expenses	7.63	8.31	10.67	12.71	11.34	13.30	13.75
Other operating income	0.85	0.62	0.87	2.17	3.08	1.07	1.13
Other operating expenses	3.19	3.30	5.26	6.99	5.81	6.40	6.78
Unfrequent items	-0.24	-1.64	0.00	0.00	0.00	0.00	0.00
EBITDA	6.20	2.66	6.51	7.12	5.31	7.99	8.72
<i>Margin</i>	<i>35.0 %</i>	<i>15.9 %</i>	<i>20.0 %</i>	<i>14.7 %</i>	<i>14.2 %</i>	<i>15.5 %</i>	<i>16.0 %</i>
Depreciation of fixed assets	2.07	2.31	3.56	4.61	4.60	5.66	5.58
EBITA	4.14	0.36	2.95	2.52	0.71	2.33	3.14
Amortisation of intangible assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Goodwill amortisation	0.00	0.00	0.00	0.00	0.00	0.00	0.00
EBIT	4.14	0.36	2.95	1.95	0.21	1.83	2.64
<i>Margin</i>	<i>23.3 %</i>	<i>2.1 %</i>	<i>9.1 %</i>	<i>4.0 %</i>	<i>0.6 %</i>	<i>3.5 %</i>	<i>4.8 %</i>
EBIT adj.	4.38	1.99	2.95	2.52	0.71	2.33	3.14
Interest income	0.00	0.00	0.00	0.00	0.00	0.00	0.01
Interest expenses	0.07	0.06	0.12	0.41	0.46	0.52	0.49
Other financial income (loss)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
EBT	4.06	0.30	2.82	1.54	-0.25	1.31	2.16
<i>Margin</i>	<i>22.9 %</i>	<i>1.8 %</i>	<i>8.7 %</i>	<i>3.2 %</i>	<i>-0.7 %</i>	<i>2.5 %</i>	<i>4.0 %</i>
Total taxes	1.23	0.13	0.95	0.67	-0.09	0.46	0.76
Net income from continuing operations	2.83	0.17	1.87	0.87	-0.16	0.85	1.40
Income from discontinued operations (net of tax)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net income before minorities	2.83	0.17	1.87	0.87	-0.16	0.85	1.40
Minority interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net income	2.83	0.17	1.87	0.87	-0.16	0.85	1.40
<i>Margin</i>	<i>16.0 %</i>	<i>1.0 %</i>	<i>5.7 %</i>	<i>1.8 %</i>	<i>-0.4 %</i>	<i>1.7 %</i>	<i>2.6 %</i>
Number of shares, average	3.00	4.00	4.00	4.00	4.00	4.00	4.00
EPS	0.94	0.04	0.47	0.22	-0.04	0.21	0.35
EPS adj.	1.02	0.45	0.47	0.36	0.08	0.34	0.48

*Adjustments made for: Restructuring costs, value adjustments, one-off earnings/losses

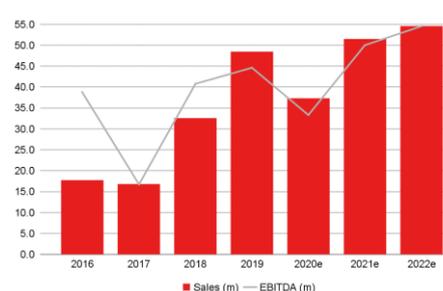
Guidance: FY 2020: sales decline by a low 2-digit percentage number, 2-digit EBITDA margin

Financial Ratios

	2016	2017	2018	2019	2020e	2021e	2022e
Total Operating Costs / Sales	26.2 %	30.2 %	58.3 %	63.4 %	64.0 %	60.8 %	61.0 %
Operating Leverage	-1.6 x	17.3 x	7.8 x	-0.7 x	3.9 x	20.6 x	7.4 x
EBITDA / Interest expenses	84.0 x	47.3 x	52.5 x	17.3 x	11.5 x	15.4 x	17.9 x
Tax rate (EBT)	30.4 %	43.3 %	33.8 %	43.7 %	35.0 %	35.0 %	35.0 %
Dividend Payout Ratio	0.0 %	305.5 %	42.8 %	92.3 %	0.0 %	94.0 %	71.2 %
Sales per Employee	113,744	n.a.	16,281,000	n.a.	n.a.	n.a.	n.a.

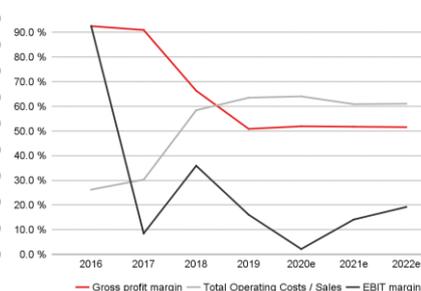
Sales, EBITDA

in EUR m

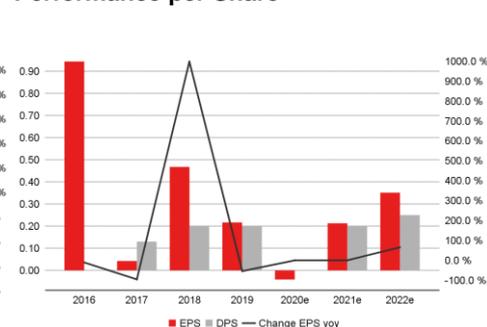


Operating Performance

in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

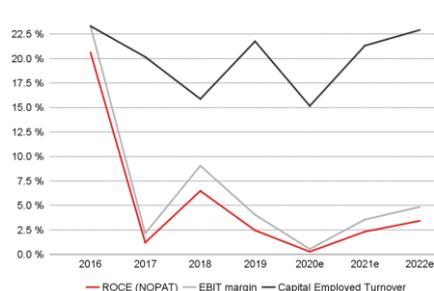
Consolidated balance sheet

In EUR m	2016	2017	2018	2019	2020e	2021e	2022e
Assets							
Goodwill and other intangible assets	0.39	0.38	4.47	4.88	4.23	4.69	5.06
thereof other intangible assets	0.39	0.38	0.57	0.50	0.35	1.31	2.18
thereof Goodwill	0.00	0.00	3.89	4.38	3.88	3.38	2.88
Property, plant and equipment	16.41	16.23	32.18	33.75	38.50	36.87	35.43
Financial assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other long-term assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fixed assets	16.81	16.61	36.65	38.63	42.73	41.56	40.49
Inventories	0.00	0.32	9.83	8.88	9.02	10.31	10.72
Accounts receivable	2.14	2.61	8.01	5.28	4.57	5.30	5.62
Liquid assets	2.10	15.72	0.37	0.70	0.67	1.45	1.88
Other short-term assets	0.37	0.66	2.79	2.12	2.00	2.20	2.29
Current assets	4.61	19.31	20.99	16.99	16.26	19.27	20.51
Total Assets	21.42	35.92	57.64	55.62	58.99	60.83	61.00
Liabilities and shareholders' equity							
Subscribed capital	3.00	4.00	4.00	4.00	4.00	4.00	4.00
Capital reserve	1.31	3.13	3.33	3.34	3.70	3.81	3.88
Retained earnings	7.96	19.02	20.27	20.32	22.54	23.16	23.60
Other equity components	1.63	3.91	4.17	4.18	4.63	4.76	4.85
Shareholders' equity	13.90	30.06	31.77	31.83	34.87	35.72	36.33
Minority interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total equity	13.90	30.06	31.77	31.83	34.87	35.72	36.33
Provisions	2.66	2.10	2.18	1.72	1.45	1.82	1.89
thereof provisions for pensions and similar obligations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Financial liabilities (total)	4.06	3.03	11.34	15.26	17.12	16.06	15.20
thereof short-term financial liabilities	0.95	0.78	7.50	3.93	3.33	1.67	1.74
Accounts payable	0.40	0.51	4.52	2.89	2.22	3.07	3.25
Other liabilities	0.38	0.21	7.83	3.92	3.32	4.16	4.33
Liabilities	7.49	5.86	25.87	23.78	24.12	25.11	24.67
Total liabilities and shareholders' equity	21.39	35.92	57.64	55.62	58.99	60.83	61.00

Financial Ratios

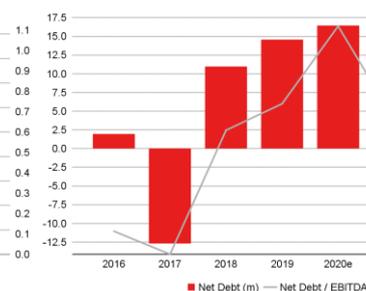
	2016	2017	2018	2019	2020e	2021e	2022e
Efficiency of Capital Employment							
Operating Assets Turnover	1.0 x	0.9 x	0.7 x	1.1 x	0.7 x	1.0 x	1.1 x
Capital Employed Turnover	1.1 x	1.0 x	0.8 x	1.0 x	0.7 x	1.0 x	1.1 x
ROA	16.8 %	1.0 %	5.1 %	2.2 %	-0.4 %	2.0 %	3.5 %
Return on Capital							
ROCE (NOPAT)	20.6 %	1.2 %	6.5 %	2.5 %	0.3 %	2.3 %	3.4 %
ROE	22.1 %	0.8 %	6.0 %	2.7 %	-0.5 %	2.4 %	3.9 %
Adj. ROE	24.0 %	8.2 %	6.0 %	4.5 %	1.0 %	3.8 %	5.3 %
Balance sheet quality							
Net Debt	1.95	-12.69	10.97	14.56	16.44	14.60	13.32
Net Financial Debt	1.95	-12.69	10.97	14.56	16.44	14.60	13.32
Net Gearing	14.1 %	-42.2 %	34.5 %	45.7 %	47.2 %	40.9 %	36.7 %
Net Fin. Debt / EBITDA	31.5 %	n.a.	168.4 %	204.4 %	309.6 %	182.8 %	152.8 %
Book Value / Share	4.6	7.5	7.9	8.0	8.7	8.9	9.1
Book value per share ex intangibles	4.5	7.4	6.8	6.7	7.7	7.8	7.8

ROCE Development



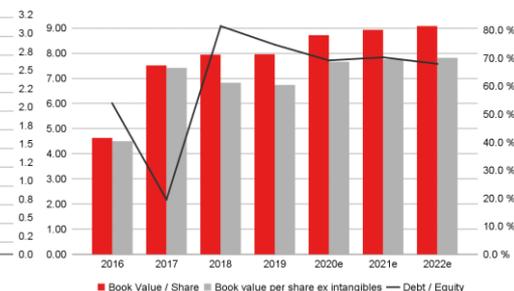
Source: Warburg Research

Net debt in EUR m



Source: Warburg Research

Book Value per Share in EUR



Source: Warburg Research

Consolidated cash flow statement

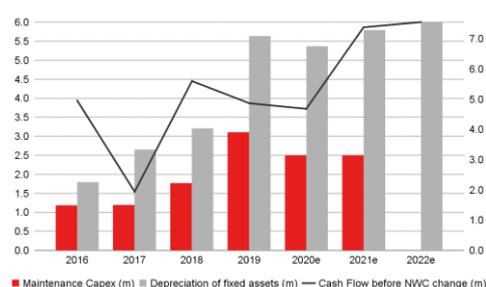
In EUR m	2016	2017	2018	2019	2020e	2021e	2022e
Net income	2.83	0.17	1.87	0.87	-0.16	0.85	1.40
Depreciation of fixed assets	1.79	2.65	3.21	5.64	5.37	5.79	6.00
Amortisation of goodwill	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Amortisation of intangible assets	0.27	-0.34	0.35	-0.46	-0.26	0.37	0.07
Increase/decrease in long-term provisions	0.27	-0.34	0.35	-0.46	-0.26	0.37	0.07
Other non-cash income and expenses	-0.22	-0.20	-0.19	-0.71	0.00	0.00	0.00
Cash Flow before NWC change	4.95	1.94	5.60	4.87	4.68	7.38	7.55
Increase / decrease in inventory	0.00	0.00	0.00	0.00	-0.14	-1.29	-0.41
Increase / decrease in accounts receivable	-0.28	-1.08	-1.55	4.34	0.84	-0.94	-0.41
Increase / decrease in accounts payable	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Increase / decrease in other working capital positions	-0.90	-0.09	0.68	-4.98	-1.27	1.69	0.35
Increase / decrease in working capital (total)	-1.18	-1.16	-0.87	-0.64	-0.56	-0.54	-0.47
Net cash provided by operating activities [1]	3.77	0.78	4.73	4.23	4.11	6.84	7.09
Investments in intangible assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investments in property, plant and equipment	-4.74	-2.17	-8.84	-6.21	-10.00	-5.00	-5.00
Payments for acquisitions	0.00	0.00	0.00	-0.97	0.00	0.00	0.00
Financial investments	0.00	0.00	6.62	0.00	0.00	0.00	0.00
Income from asset disposals	0.03	0.05	0.05	0.00	0.00	0.00	0.00
Net cash provided by investing activities [2]	-4.71	-2.13	-26.70	-7.18	-5.00	-5.00	-5.00
Change in financial liabilities	0.71	-1.02	7.85	3.92	1.86	-1.06	-0.86
Dividends paid	-0.65	-0.51	-0.16	-0.80	-0.80	0.00	-0.80
Purchase of own shares	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Capital measures	0.00	16.50	0.00	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.14	0.15	0.00	0.00	0.00
Net cash provided by financing activities [3]	0.06	14.97	7.82	3.28	1.06	-1.06	-1.66
Change in liquid funds [1]+[2]+[3]	-0.88	13.62	-14.15	0.33	0.17	0.78	0.43
Effects of exchange-rate changes on cash	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cash and cash equivalent at end of period	2.10	15.72	0.37	0.70	0.67	1.45	1.88

Financial Ratios

	2016	2017	2018	2019	2020e	2021e	2022e
Cash Flow							
FCF	-0.93	-1.35	-21.97	-2.95	-0.89	1.84	2.09
Free Cash Flow / Sales	-5.3 %	-8.0 %	-67.5 %	-6.1 %	-2.4 %	3.6 %	3.8 %
Free Cash Flow Potential	4.97	1.34	3.79	3.34	2.90	5.03	n.a.
Free Cash Flow / Net Profit	-33.0 %	-792.2 %	-1174.9 %	-340.1 %	540.8 %	216.2 %	148.5 %
Interest Received / Avg. Cash	0.1 %	0.0 %	0.0 %	0.4 %	0.7 %	0.4 %	0.6 %
Interest Paid / Avg. Debt	2.0 %	1.6 %	1.7 %	3.1 %	2.9 %	3.1 %	3.1 %
Management of Funds							
Investment ratio	26.7 %	12.9 %	27.1 %	12.8 %	26.8 %	9.7 %	9.2 %
Maint. Capex / Sales	6.7 %	7.1 %	5.4 %	6.4 %	6.7 %	4.9 %	n.a.
Capex / Dep	229.2 %	94.1 %	248.1 %	134.9 %	217.2 %	88.3 %	89.7 %
Avg. Working Capital / Sales	7.5 %	12.4 %	24.1 %	25.4 %	30.3 %	23.2 %	23.5 %
Trade Debtors / Trade Creditors	538.6 %	508.9 %	177.1 %	182.8 %	205.3 %	172.7 %	172.7 %
Inventory Turnover	1490.0 x	5.6 x	1.4 x	2.7 x	2.0 x	2.4 x	2.5 x
Receivables collection period (days)	44	57	90	40	45	38	38
Payables payment period (days)	99	105	120	44	45	45	45
Cash conversion cycle (Days)	-54	16	231	132	182	144	140

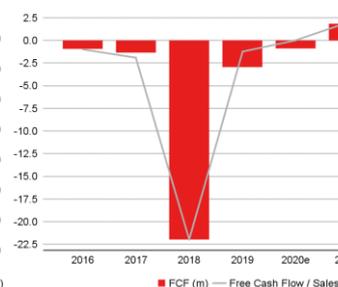
CAPEX and Cash Flow

in EUR m



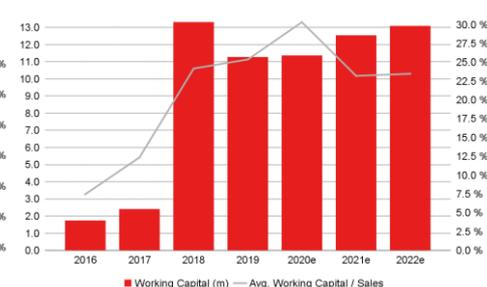
Source: Warburg Research

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)
IBU-tec	5	http://www.mmwarburg.com/disclaimer/disclaimer_en/DE000A0XYHT5.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	132	64
Hold	56	27
Sell	11	5
Rating suspended	7	3
Total	206	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	33	83
Hold	5	13
Sell	0	0
Rating suspended	2	5
Total	40	100

PRICE AND RATING HISTORY IBU-TEC AS OF 29.06.2020



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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