

Buy EUR 16.00 (EUR 18.00) Price EUR 9.16 Upside 74.7 %	Value Indicators: EUR DCF: 16.00 FCF-Value Potential 21e: 17.60	Share data: Bloomberg: CSH GR Reuters: CSHG ISIN: DE0005407100	Description: PLM and EIM specialist; worldwide biggest Dassault VAR
	Market Snapshot: EUR m Market cap: 76.6 No. of shares (m): 8.4 EV: 58.8 Freefloat MC: 76.6 Ø Trad. Vol. (30d): 125.86 th	Shareholders: Freefloat 100.0 %	Risk Profile (WRe): 2020e Beta: 1.2 Price / Book: 1.5 x Equity Ratio: 60 %

Weaker demand expected; Estimates and PT lowered

Cenit's 2019 figures (see table next page) reflected a stronger top line than targeted. This development was mainly driven by encouraging proprietary software sales and a solid development in third-party software sales. Proprietary software products comprise products such as FASTSUITE Edition 2, which serves to digitalise the production process, the Cenit Connect product suite which enables customers to connect their PLM data with SAP or Cenit Eclisio allowing customers to file, index, administer and archive documents. EBIT was met at the midpoint of the target range which was provided in the context of the 9M figures release. However, sales of Cenit's proprietary software solutions were still lower than targeted at the beginning of the FY 2019.

While the figures were solid, the focus is on the current year. Management's 2020 guidance does not take into account the impact of the COVID-19 pandemic as these effects can hardly be quantified. Economic forecasts expect consequences for the manufacturing and industrial sector to be more severe than during the financial crisis. Despite the need for further digitalisation, this development looks set to negatively impact demand. Against this backdrop, our estimates are lowered. Lower business levels are also indicated by the order book decline of about 11% to EUR 47m at the end of the year. While we expect a solid Q1, the main impact of the measures to contain the coronavirus looks set to occur in the second quarter. Home office allows for the execution of existing projects.

Both of Cenit's segments grew at about the same pace in 2019. While the EIM segment (document management and BI) should be rather stable in 2020, winning new clients in the PLM segment looks set to be challenging in the current environment. Cenit is the biggest Dassault value-added reseller worldwide. Its position is built on its expertise related to the 3DEXPERIENCE suite. The software maker published its preliminary Q1 figures last week. Revenue growth is 2.5-5pp below the forecast, already reflecting weaker demand.

Cenit's 2025 targets are still in place. Management targets revenues of more than EUR 300m and an EBIT margin of 8-10%. We consider the pandemic to be an external shock, which should allow for a gradual return to normal levels, once the measures to contain the pandemic are relaxed. However, we also believe that the impact on the overall economy has been so profound that a recovery will not be V-shaped. Nevertheless, trends to digitalise company processes and create holistic processes spanning CAD and ERP systems remain intact.

To reflect lower estimates, PT is lowered to EUR 16 from EUR 18. Given upside to our PT, the Buy rating is confirmed.

Changes in Estimates:				Comment on Changes:			
FY End: 31.12. in EUR m	2020e (old)	+ / -	2021e (old)	+ / -	2022e (old)	+ / -	
Sales	180.3	-10.5 %	184.8	-10.5 %	n.a.	n.m.	<ul style="list-style-type: none"> The EIM segment should be more stable in 2020. Dassault's recent quarterly figures and Cenit's lower order book indicate lower business levels.
EBIT	9.4	-53.5 %	10.9	-40.4 %	n.a.	n.m.	
EPS	0.75	-56.0 %	0.87	-41.4 %	n.a.	n.m.	



Rel. Performance vs CDAX:	
1 month:	-6.8 %
6 months:	-11.9 %
Year to date:	-5.5 %
Trailing 12 months:	-9.5 %

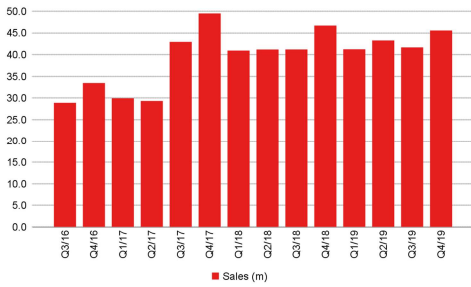
Company events:	
12.05.20	Q1
15.05.20	AGM
04.08.20	Q2
04.11.20	Q3

FY End: 31.12. in EUR m	CAGR (19-22e)	2016	2017	2018	2019	2020e	2021e	2022e
Sales	-0.2 %	123.8	151.7	170.0	171.7	161.4	165.4	170.9
Change Sales yoy		1.9 %	22.6 %	12.1 %	1.0 %	-6.0 %	2.5 %	3.3 %
Gross profit margin		61.4 %	54.3 %	50.4 %	49.8 %	51.0 %	51.0 %	51.0 %
EBITDA	2.4 %	14.1	15.3	11.9	15.2	11.5	14.1	16.4
Margin		11.4 %	10.1 %	7.0 %	8.9 %	7.1 %	8.5 %	9.6 %
EBIT	-1.8 %	11.8	12.8	9.0	9.2	4.3	6.5	8.7
Margin		9.6 %	8.5 %	5.3 %	5.4 %	2.7 %	3.9 %	5.1 %
Net income	-5.5 %	8.1	8.8	5.9	6.9	2.7	4.2	5.8
EPS	-5.6 %	0.97	1.05	0.71	0.82	0.33	0.51	0.69
EPS adj.	-5.6 %	0.97	1.05	0.71	0.82	0.33	0.51	0.69
DPS	-3.9 %	1.00	1.00	0.60	0.45	0.40	0.40	0.40
Dividend Yield		5.2 %	4.7 %	3.3 %	3.3 %	4.4 %	4.4 %	4.4 %
FCFPS		0.98	0.28	0.95	0.70	1.13	1.16	1.32
FCF / Market cap		5.1 %	1.3 %	5.2 %	5.1 %	12.3 %	12.6 %	14.4 %
EV / Sales		1.0 x	1.0 x	0.8 x	0.6 x	0.4 x	0.3 x	0.3 x
EV / EBITDA		9.1 x	10.1 x	11.3 x	6.3 x	5.1 x	4.1 x	3.4 x
EV / EBIT		10.8 x	12.0 x	15.0 x	10.5 x	13.5 x	8.9 x	6.3 x
P / E		19.9 x	20.2 x	25.7 x	16.5 x	27.8 x	18.0 x	13.3 x
P / E adj.		19.9 x	20.2 x	25.7 x	16.5 x	27.8 x	18.0 x	13.3 x
FCF Potential Yield		7.5 %	6.6 %	5.7 %	11.5 %	14.4 %	18.1 %	21.7 %
Net Debt		-33.4	-23.5	-17.9	-17.0	-17.8	-18.9	-21.4
ROCE (NOPAT)		n.a.	74.2 %	32.0 %	31.9 %	10.4 %	13.6 %	19.8 %
Guidance:		2020: EUR 170m; EBIT EUR 9m (ex. COVID-19)						

CENIT - Q4 2019

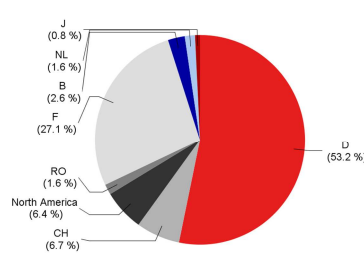
in EUR m	Q4/19	Q4/19e	Q4/18	yoy	2019	2018	yoy
Sales	45.6	48.8	46.7	-2.4%	171.7	170.0	10%
EBIT	4.6	4.6	4.3	8.2%	9.2	9.0	18%
<i>margin</i>	<i>10.2%</i>	<i>9.4%</i>	<i>9.2%</i>		<i>5.4%</i>	<i>5.3%</i>	
EPS in EUR	0.46	0.36	0.32	43.8%	0.82	0.71	15.5%
PLM	40.8	42.2	41.8	-2.3%	155.7	154.1	10%
EIM	4.7	6.7	4.9	-3.8%	16.0	15.9	1.1%

Sales development
in EUR m



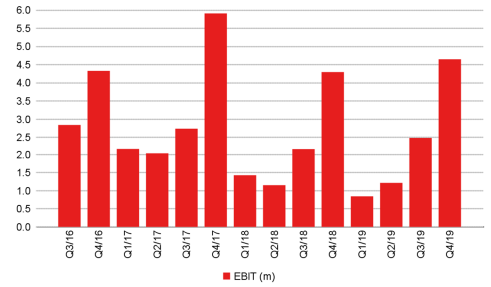
Source: Warburg Research

Sales by regions
2019; in %



Source: Warburg Research

EBIT development
in EUR m



Source: Warburg Research

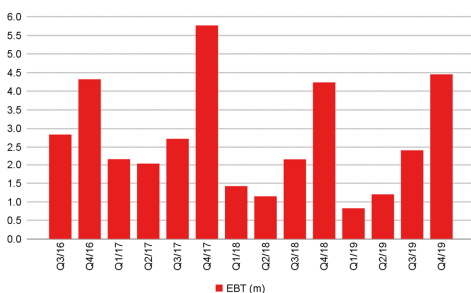
Company Background

- Cenit is an independent software reseller providing complementary IT services and proprietary software.
- The business activities are divided into two segments: Product Lifecycle Management (PLM) and Enterprise Information Management (EIM).
- In the PLM segment, Cenit provides its customers with the full range of consulting, software and IT service offerings which are a necessity to operate an integrated PLM infrastructure.
- In the Enterprise Information Management (EIM) segment, Cenit addresses customers in trade and commerce, banks, insurance companies as well as utilities. IBM is an important software partner.
- PLM and EIM comprise submarkets such as Computer-aided Design (CAD), collaborative Product Definition Management (cPDM), Digital Manufacturing (DM), Enterprise Content Management (ECM) and Business Intelligence (BI).

Competitive Quality

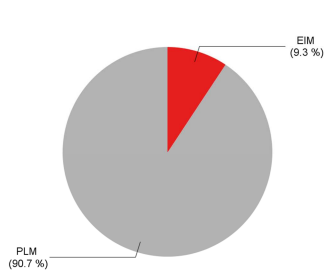
- Cenit is Dassault's worldwide biggest value-added reseller
- Dassault's dominant market position in the PLM software market is reflected in its market share north of 30% laying the foundation for Cenit's competitive quality.
- Proprietary add-on software refines off-the-shelf products and provides bridges to industry standard software such as SAP.
- Cenit is IBM's top-3 European partner for Cognos and FileNet

EBT development
in EUR m



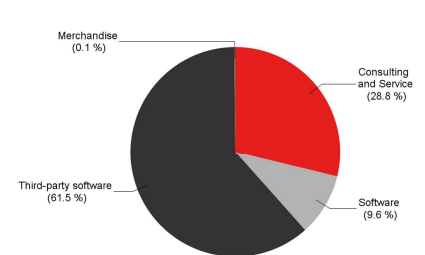
Source: Warburg Research

Sales by segments
2019; in %



Source: Warburg Research

Revenue types
2019



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	161.4	165.4	170.9	175.0	179.0	183.1	187.4	191.7	196.1	200.6	205.2	209.9	214.1	2.0 %
Sales change	-6.0 %	2.5 %	3.3 %	2.4 %	2.3 %	2.3 %	2.3 %	2.3 %	2.3 %	2.3 %	2.3 %	2.3 %	2.3 %	
EBIT	4.3	6.5	8.7	9.6	10.9	11.2	11.4	11.7	12.0	12.2	12.5	12.8	13.1	
EBIT-margin	2.7 %	3.9 %	5.1 %	5.5 %	6.1 %	6.1 %	6.1 %	6.1 %	6.1 %	6.1 %	6.1 %	6.1 %	6.1 %	
Tax rate (EBT)	30.0 %	30.0 %	30.0 %	31.0 %	31.0 %	31.0 %	31.0 %	31.0 %	31.0 %	31.0 %	31.0 %	31.0 %	31.0 %	
NOPAT	3.0	4.5	6.1	6.6	7.5	7.7	7.9	8.1	8.3	8.4	8.6	8.8	9.0	
Depreciation	7.2	7.7	7.7	5.3	5.4	5.5	5.6	5.8	5.9	6.0	6.2	6.3	6.4	
in % of Sales	4.4 %	4.6 %	4.5 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	
Changes in provisions	0.0	0.0	0.0	-1.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Change in Liquidity from														
- Working Capital	-1.3	0.4	0.6	0.2	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	
- Capex	2.0	2.0	2.0	5.3	5.4	5.5	5.6	5.8	5.9	6.0	6.2	6.3	6.4	
Capex in % of Sales	1.2 %	1.2 %	1.2 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	
Other	3.0	3.0	3.0	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)	6.5	6.8	8.2	4.9	7.2	7.3	7.5	7.7	7.8	8.0	8.2	8.4	8.6	
PV of FCF	6.5	6.3	7.0	3.9	5.2	5.0	4.7	4.4	4.2	4.0	3.8	3.5	3.4	56
share of PVs	16.81 %			35.68 %										47.51 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	2.00 %	Financial Strength	1.25
Cost of debt (after tax)	2.1 %	Liquidity (share)	1.30
Market return	7.00 %	Cyclicality	1.25
Risk free rate	1.50 %	Transparency	1.10
		Others	1.25
WACC	8.14 %	Beta	1.23

Valuation (m)

Present values 2032e	62		
Terminal Value	56		
Financial liabilities	0		
Pension liabilities	1		
Hybrid capital	0		
Minority interest	1		
Market val. of investments	0		
Liquidity	18	No. of shares (m)	8.4
Equity Value	134	Value per share (EUR)	15.97

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
1.42	9.1 %	13.60	13.75	13.92	14.09	14.28	14.48	14.70	1.42	9.1 %	10.93	11.98	13.04	14.09	15.15	16.20	17.25
1.32	8.6 %	14.37	14.55	14.75	14.96	15.19	15.44	15.70	1.32	8.6 %	11.57	12.70	13.83	14.96	16.09	17.22	18.35
1.28	8.4 %	14.79	14.99	15.21	15.45	15.70	15.98	16.28	1.28	8.4 %	11.93	13.10	14.28	15.45	16.62	17.79	18.96
1.23	8.1 %	15.24	15.47	15.71	15.97	16.26	16.56	16.90	1.23	8.1 %	12.32	13.54	14.76	15.97	17.19	18.40	19.62
1.18	7.9 %	15.73	15.98	16.25	16.54	16.86	17.21	17.59	1.18	7.9 %	12.75	14.01	15.28	16.54	17.81	19.07	20.34
1.14	7.6 %	16.26	16.54	16.84	17.16	17.52	17.91	18.34	1.14	7.6 %	13.21	14.53	15.84	17.16	18.48	19.80	21.12
1.04	7.1 %	17.45	17.79	18.17	18.59	19.04	19.55	20.11	1.04	7.1 %	14.26	15.71	17.15	18.59	20.03	21.47	22.91

- We expect Cenit to return to its historical margin levels.

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	8.1	9.0	6.1	7.0	2.9	4.4	6.0	
+ Depreciation + Amortisation	2.2	2.4	2.9	6.0	7.2	7.7	7.7	
- Net Interest Income	0.0	-0.2	-0.1	-0.3	-0.2	-0.2	-0.2	
- Maintenance Capex	0.8	1.4	1.5	2.3	1.8	1.8	1.8	
+ Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
= Free Cash Flow Potential	9.6	10.2	7.7	11.0	8.5	10.4	12.0	
FCF Potential Yield (on market EV)	7.5 %	6.6 %	5.7 %	11.5 %	14.4 %	18.1 %	21.7 %	
WACC	8.14 %	8.14 %	8.14 %	8.14 %	8.14 %	8.14 %	8.14 %	
= Enterprise Value (EV)	128.3	154.0	135.1	96.3	58.8	57.7	55.2	
= Fair Enterprise Value	117.7	125.1	94.0	135.7	103.9	128.2	147.5	
- Net Debt (Cash)	-18.5	-18.5	-18.5	-18.5	-19.3	-20.4	-22.9	
- Pension Liabilities	1.5	1.5	1.5	1.5	1.5	1.5	1.5	
- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Market value of minorities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
+ Market value of investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
= Fair Market Capitalisation	134.7	142.1	111.0	152.6	121.8	147.2	168.9	
Number of shares, average	8.4	8.4	8.4	8.4	8.4	8.4	8.4	
= Fair value per share (EUR)	16.10	16.98	13.27	18.24	14.55	17.59	20.19	
premium (-) / discount (+) in %					58.8 %	92.0 %	120.4 %	
Sensitivity Fair value per Share (EUR)								
	11.14 %	12.31	12.95	10.24	13.88	11.21	13.46	15.44
	10.14 %	13.32	14.03	11.05	15.04	12.10	14.57	16.71
	9.14 %	14.56	15.34	12.04	16.47	13.19	15.91	18.26
WACC	8.14 %	16.10	16.98	13.27	18.24	14.55	17.59	20.19
	7.14 %	18.07	19.07	14.84	20.51	16.29	19.73	22.66
	6.14 %	20.68	21.85	16.93	23.52	18.59	22.58	25.93
	5.14 %	24.31	25.70	19.82	27.70	21.80	26.53	30.47

- Business model with low capex requirements and high FCF...
- ...provides scope for acquisitions and a shareholder-friendly dividend policy.
- FCF-Value-CAGR 2016-2022e: 4%

Valuation	2016	2017	2018	2019	2020e	2021e	2022e
Price / Book	4.1 x	4.5 x	4.0 x	2.8 x	1.5 x	1.5 x	1.5 x
Book value per share ex intangibles	4.10	2.96	2.90	3.30	4.61	4.41	4.40
EV / Sales	1.0 x	1.0 x	0.8 x	0.6 x	0.4 x	0.3 x	0.3 x
EV / EBITDA	9.1 x	10.1 x	11.3 x	6.3 x	5.1 x	4.1 x	3.4 x
EV / EBIT	10.8 x	12.0 x	15.0 x	10.5 x	13.5 x	8.9 x	6.3 x
EV / EBIT adj.*	10.8 x	12.0 x	15.0 x	10.5 x	13.5 x	8.9 x	6.3 x
P / FCF	19.8 x	75.1 x	19.1 x	19.5 x	8.1 x	7.9 x	6.9 x
P / E	19.9 x	20.2 x	25.7 x	16.5 x	27.8 x	18.0 x	13.3 x
P / E adj.*	19.9 x	20.2 x	25.7 x	16.5 x	27.8 x	18.0 x	13.3 x
Dividend Yield	5.2 %	4.7 %	3.3 %	3.3 %	4.4 %	4.4 %	4.4 %
FCF Potential Yield (on market EV)	7.5 %	6.6 %	5.7 %	11.5 %	14.4 %	18.1 %	21.7 %

*Adjustments made for: -

Company Specific Items	2016	2017	2018	2019	2020e	2021e	2022e
Consulting and Service	48.42	51.62	49.78	49.49	53.00	53.00	53.00
Software	17.57	17.56	15.45	16.54	18.00	18.00	18.00
Third-party software	57.59	82.36	104.30	105.63	112.00	112.00	112.00
Merchandise	0.19	0.16	0.47	0.24	0.70	0.70	0.70

Consolidated profit & loss

In EUR m	2016	2017	2018	2019	2020e	2021e	2022e
Sales	123.8	151.7	170.0	171.7	161.4	165.4	170.9
Change Sales yoy	1.9 %	22.6 %	12.1 %	1.0 %	-6.0 %	2.5 %	3.3 %
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	0.0	0.0	0.0
Total Sales	123.8	151.7	170.0	171.7	161.4	165.4	170.9
Material expenses	47.8	69.3	84.2	86.3	79.1	81.1	83.7
Gross profit	76.0	82.4	85.8	85.5	82.3	84.4	87.2
<i>Gross profit margin</i>	<i>61.4 %</i>	<i>54.3 %</i>	<i>50.4 %</i>	<i>49.8 %</i>	<i>51.0 %</i>	<i>51.0 %</i>	<i>51.0 %</i>
Personnel expenses	48.9	53.1	58.6	60.3	61.0	60.5	61.0
Other operating income	1.1	1.5	1.9	1.3	1.4	1.5	1.5
Other operating expenses	14.1	15.5	17.1	11.3	11.2	11.2	11.3
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	14.1	15.3	11.9	15.2	11.5	14.1	16.4
<i>Margin</i>	<i>11.4 %</i>	<i>10.1 %</i>	<i>7.0 %</i>	<i>8.9 %</i>	<i>7.1 %</i>	<i>8.5 %</i>	<i>9.6 %</i>
Depreciation of fixed assets	0.8	0.9	1.1	4.4	5.5	6.0	6.0
EBITA	13.2	14.3	10.9	10.9	6.0	8.1	10.4
Amortisation of intangible assets	1.4	1.5	1.9	1.7	1.7	1.7	1.7
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	11.8	12.8	9.0	9.2	4.3	6.5	8.7
<i>Margin</i>	<i>9.6 %</i>	<i>8.5 %</i>	<i>5.3 %</i>	<i>5.4 %</i>	<i>2.7 %</i>	<i>3.9 %</i>	<i>5.1 %</i>
EBIT adj.	11.8	12.8	9.0	9.2	4.3	6.5	8.7
Interest income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest expenses	0.0	0.2	0.1	0.3	0.2	0.2	0.2
Other financial income (loss)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBT	11.8	12.7	9.0	8.9	4.2	6.3	8.5
<i>Margin</i>	<i>9.6 %</i>	<i>8.4 %</i>	<i>5.3 %</i>	<i>5.2 %</i>	<i>2.6 %</i>	<i>3.8 %</i>	<i>5.0 %</i>
Total taxes	3.7	3.7	2.8	1.9	1.3	1.9	2.6
Net income from continuing operations	8.1	9.0	6.1	7.0	2.9	4.4	6.0
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	8.1	9.0	6.1	7.0	2.9	4.4	6.0
Minority interest	0.1	0.2	0.2	0.1	0.2	0.2	0.2
Net income	8.1	8.8	5.9	6.9	2.7	4.2	5.8
<i>Margin</i>	<i>6.5 %</i>	<i>5.8 %</i>	<i>3.5 %</i>	<i>4.0 %</i>	<i>1.7 %</i>	<i>2.6 %</i>	<i>3.4 %</i>
Number of shares, average	8.4	8.4	8.4	8.4	8.4	8.4	8.4
EPS	0.97	1.05	0.71	0.82	0.33	0.51	0.69
EPS adj.	0.97	1.05	0.71	0.82	0.33	0.51	0.69

*Adjustments made for:

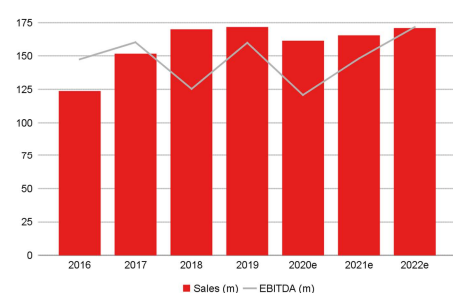
Guidance: 2020: EUR 170m; EBIT EUR 9m (ex. COVID-19)

Financial Ratios

	2016	2017	2018	2019	2020e	2021e	2022e
Total Operating Costs / Sales	88.6 %	89.9 %	93.0 %	91.1 %	92.9 %	91.5 %	90.4 %
Operating Leverage	6.2 x	0.4 x	-2.5 x	1.8 x	8.8 x	19.4 x	10.5 x
EBITDA / Interest expenses	827.3 x	92.0 x	168.3 x	51.1 x	69.4 x	85.1 x	98.6 x
Tax rate (EBT)	31.2 %	29.1 %	31.6 %	21.8 %	30.0 %	30.0 %	30.0 %
Dividend Payout Ratio	102.7 %	93.1 %	81.9 %	54.1 %	114.2 %	75.9 %	56.0 %
Sales per Employee	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

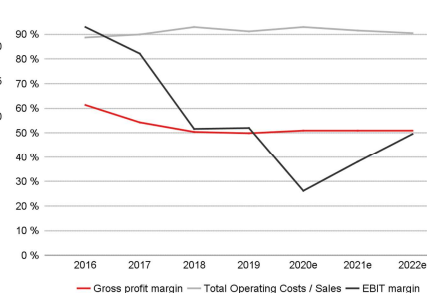
Sales, EBITDA

in EUR m

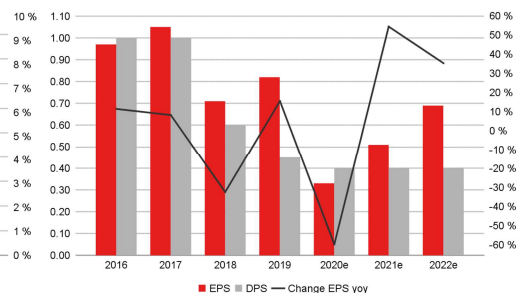


Operating Performance

in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

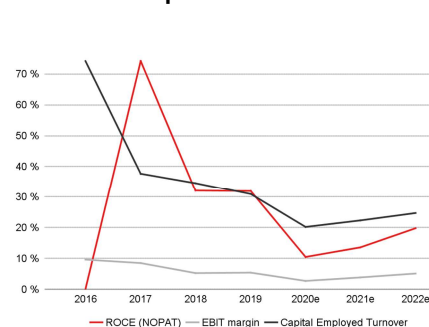
Consolidated balance sheet

In EUR m	2016	2017	2018	2019	2020e	2021e	2022e
Assets							
Goodwill and other intangible assets	5.2	14.8	13.5	12.2	12.6	12.9	13.2
thereof other intangible assets	2.0	2.0	1.6	1.3	1.6	2.0	2.3
thereof Goodwill	1.3	6.6	6.6	6.6	6.6	6.6	6.6
Property, plant and equipment	2.2	2.7	2.7	16.5	14.2	11.4	8.6
Financial assets	0.1	0.1	2.6	2.7	2.7	2.7	2.7
Other long-term assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fixed assets	7.5	17.6	18.7	31.4	29.4	26.9	24.5
Inventories	0.4	0.1	0.0	0.3	0.1	0.1	0.1
Accounts receivable	19.6	28.6	25.0	24.1	22.6	23.1	23.9
Liquid assets	33.6	23.7	18.0	18.5	19.3	20.4	22.9
Other short-term assets	11.1	17.3	17.3	15.1	15.1	15.1	15.1
Current assets	64.7	69.7	60.3	58.0	57.1	58.7	62.0
Total Assets	72.2	87.3	79.1	89.3	86.5	85.7	86.5
Liabilities and shareholders' equity							
Subscribed capital	8.4	8.4	8.4	8.4	8.4	8.4	8.4
Capital reserve	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Retained earnings	13.5	13.7	14.1	14.2	13.2	14.0	16.5
Other equity components	16.6	16.5	14.3	16.2	28.5	26.3	24.1
Shareholders' equity	39.5	39.6	37.8	39.8	51.1	49.8	50.0
Minority interest	1.1	1.2	1.3	1.1	1.1	1.1	1.1
Total equity	40.6	40.9	39.1	40.9	52.2	50.9	51.1
Provisions	0.6	0.7	0.9	1.9	1.9	1.9	1.9
thereof provisions for pensions and similar obligations	0.2	0.2	0.1	1.5	1.5	1.5	1.5
Financial liabilities (total)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
thereof short-term financial liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable	3.7	7.9	7.9	6.0	5.6	5.7	5.9
Other liabilities	27.3	37.8	31.1	40.5	26.7	27.2	27.6
Liabilities	31.6	46.4	40.0	48.4	34.3	34.8	35.4
Total liabilities and shareholders' equity	72.2	87.3	79.1	89.3	86.5	85.7	86.5

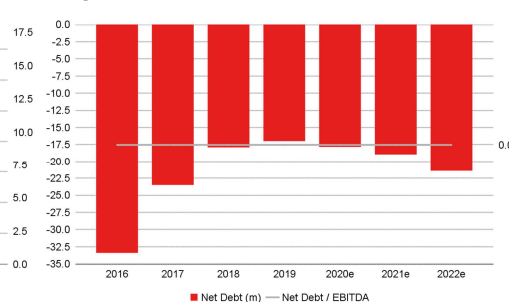
Financial Ratios

	2016	2017	2018	2019	2020e	2021e	2022e
Efficiency of Capital Employment							
Operating Assets Turnover	6.7 x	7.5 x	9.9 x	5.2 x	5.5 x	6.1 x	6.9 x
Capital Employed Turnover	17.2 x	8.7 x	8.0 x	7.2 x	4.7 x	5.2 x	5.7 x
ROA	107.7 %	50.0 %	31.8 %	21.9 %	9.3 %	15.7 %	23.7 %
Return on Capital							
ROCE (NOPAT)	n.a.	74.2 %	32.0 %	31.9 %	10.4 %	13.6 %	19.8 %
ROE	20.4 %	22.2 %	15.4 %	17.7 %	6.0 %	8.4 %	11.6 %
Adj. ROE	20.4 %	22.2 %	15.4 %	17.7 %	6.0 %	8.4 %	11.6 %
Balance sheet quality							
Net Debt	-33.4	-23.5	-17.9	-17.0	-17.8	-18.9	-21.4
Net Financial Debt	-33.6	-23.7	-18.0	-18.5	-19.3	-20.4	-22.9
Net Gearing	-82.3 %	-57.5 %	-45.8 %	-41.5 %	-34.2 %	-37.2 %	-41.9 %
Net Fin. Debt / EBITDA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Book Value / Share	4.7	4.7	4.5	4.8	6.1	6.0	6.0
Book value per share ex intangibles	4.1	3.0	2.9	3.3	4.6	4.4	4.4

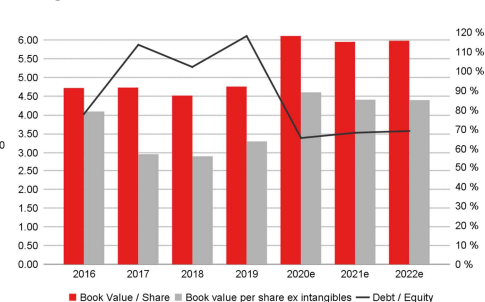
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

Consolidated cash flow statement

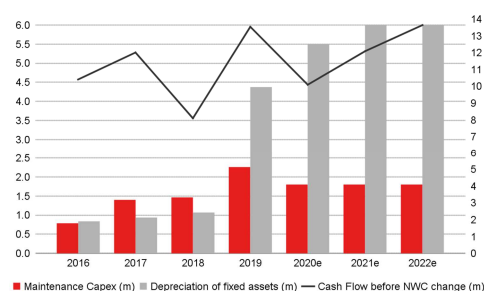
In EUR m	2016	2017	2018	2019	2020e	2021e	2022e
Net income	8.1	9.0	6.1	7.0	2.9	4.4	6.0
Depreciation of fixed assets	0.8	0.9	1.1	4.4	5.5	6.0	6.0
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	1.4	1.5	1.9	1.7	1.7	1.7	1.7
Increase/decrease in long-term provisions	0.0	0.0	0.0	0.7	0.0	0.0	0.0
Other non-cash income and expenses	0.0	0.6	-1.0	-0.2	0.0	0.0	0.0
Cash Flow before NWC change	10.4	12.0	8.1	13.5	10.1	12.1	13.6
Increase / decrease in inventory	-0.3	0.4	0.1	-0.2	0.2	0.0	0.0
Increase / decrease in accounts receivable	-3.7	-2.5	4.5	3.0	1.5	-0.5	-0.8
Increase / decrease in accounts payable	2.7	-6.0	-3.1	-4.6	-0.4	0.1	0.2
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)	-1.3	-8.1	1.5	-1.9	1.3	-0.4	-0.6
Net cash provided by operating activities [1]	9.1	3.9	9.6	11.7	11.4	11.7	13.0
Investments in intangible assets	-0.9	-1.6	-1.6	-2.5	-2.0	-2.0	-2.0
Investments in property, plant and equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Payments for acquisitions	-0.3	-6.2	-0.2	-0.1	0.0	0.0	0.0
Financial investments	0.0	0.0	2.0	0.1	0.0	0.0	0.0
Income from asset disposals	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net cash provided by investing activities [2]	-1.2	-7.7	-3.8	-2.8	-2.0	-2.0	-2.0
Change in financial liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividends paid	-8.4	-8.4	-8.4	-5.0	-3.8	-3.3	-3.3
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	-0.1	-0.1	-0.2	-3.0	-3.0	-3.0
Net cash provided by financing activities [3]	-8.4	-8.5	-8.5	-8.6	-8.6	-8.6	-8.6
Change in liquid funds [1]+[2]+[3]	-0.5	-12.3	-2.7	0.3	0.9	1.1	2.5
Effects of exchange-rate changes on cash	0.2	-0.7	0.2	0.1	0.0	0.0	0.0
Cash and cash equivalent at end of period	33.6	20.5	21.2	18.5	19.3	20.4	22.9

Financial Ratios

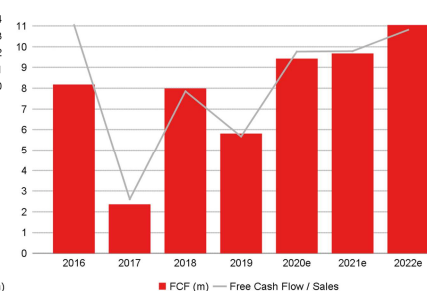
	2016	2017	2018	2019	2020e	2021e	2022e
Cash Flow							
FCF	8.2	2.4	8.0	5.8	9.4	9.7	11.0
Free Cash Flow / Sales	6.6 %	1.6 %	4.7 %	3.4 %	5.8 %	5.9 %	6.5 %
Free Cash Flow Potential	9.6	10.2	7.7	11.0	8.5	10.4	12.0
Free Cash Flow / Net Profit	101.2 %	26.8 %	134.3 %	84.6 %	343.3 %	229.0 %	190.6 %
Interest Received / Avg. Cash	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Interest Paid / Avg. Debt	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Management of Funds							
Investment ratio	0.7 %	1.0 %	1.0 %	1.5 %	1.2 %	1.2 %	1.2 %
Maint. Capex / Sales	0.6 %	0.9 %	0.9 %	1.3 %	1.1 %	1.1 %	1.1 %
Capex / Dep	39.5 %	63.9 %	55.7 %	41.5 %	27.9 %	26.1 %	26.1 %
Avg. Working Capital / Sales	12.8 %	11.2 %	9.5 %	9.1 %	9.8 %	9.3 %	9.3 %
Trade Debtors / Trade Creditors	533.6 %	360.4 %	315.4 %	404.5 %	403.6 %	405.3 %	405.1 %
Inventory Turnover	120.7 x	796.8 x	2807.9 x	334.3 x	909.1 x	931.8 x	962.6 x
Receivables collection period (days)	58	69	54	51	51	51	51
Payables payment period (days)	28	42	34	25	26	26	26
Cash conversion cycle (Days)	33	11	9	19	17	17	18

CAPEX and Cash Flow

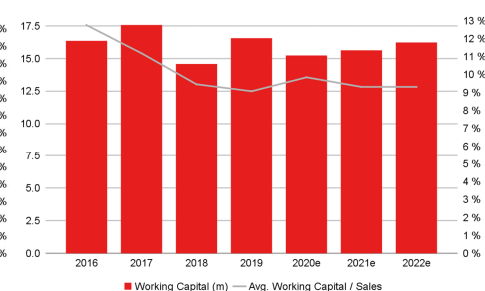
in EUR m



Free Cash Flow Generation



Working Capital



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

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CENIT	5	http://www.mmwarburg.com/disclaimer/disclaimer_en/DE0005407100.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.

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Rating	Number of stocks	% of Universe
Buy	125	61
Hold	63	31
Sell	10	5
Rating suspended	6	3
Total	204	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	79
Hold	6	14
Sell	0	0
Rating suspended	3	7
Total	42	100

PRICE AND RATING HISTORY CENIT AS OF 06.04.2020



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.

EQUITIES

Matthias Rode +49 40 3282-2678
Head of Equities mrode@mmwarburg.com

RESEARCH

Michael Heider +49 40 309537-280
Head of Research mheider@warburg-research.com

Henner Rüschemeyer +49 40 309537-270
Head of Research hrueschmeier@warburg-research.com

Jan Bauer +49 40 309537-155
Renewables jbauer@warburg-research.com

Jonas Blum +49 40 309537-240
Telco, Construction jblum@warburg-research.com

Christian Cohrs +49 40 309537-175
Industrials & Transportation ccohrs@warburg-research.com

Felix Ellmann +49 40 309537-120
Software, IT fellmann@warburg-research.com

Jörg Philipp Frey +49 40 309537-258
Retail, Consumer Goods jfrey@warburg-research.com

Marius Fuhrberg +49 40 309537-185
Financial Services mfuhrberg@warburg-research.com

Mustafa Hidir +49 40 309537-230
Automobiles, Car Suppliers mhidir@warburg-research.com

Ulrich Huwald +49 40 309537-255
Health Care, Pharma uhuwald@warburg-research.com

Philipp Kaiser +49 40 309537-260
Real Estate pkaiser@warburg-research.com

Thilo Kleibauer +49 40 309537-257
Retail, Consumer Goods tkleibauer@warburg-research.com

Eggert Kuls +49 40 309537-256
Engineering ekuls@warburg-research.com

Andreas Pläsier +49 40 309537-246
Banks, Financial Services aplaesier@warburg-research.com

Franz Schall +49 40 309537-230
Automobiles, Car Suppliers fschall@warburg-research.com

Malte Schaumann +49 40 309537-170
Technology mschaumann@warburg-research.com

Patrick Schmidt +49 40 309537-125
Leisure, Internet pschmidt@warburg-research.com

Oliver Schwarz +49 40 309537-250
Chemicals, Agriculture oschwarz@warburg-research.com

Simon Stippig +49 40 309537-265
Real Estate sstippig@warburg-research.com

Cansu Tatar +49 40 309537-248
Cap. Goods, Engineering ctatar@warburg-research.com

Marc-René Tonn +49 40 309537-259
Automobiles, Car Suppliers mtonn@warburg-research.com

Robert-Jan van der Horst +49 40 309537-290
Technology rvanderhorst@warburg-research.com

Andreas Wolf +49 40 309537-140
Software, IT awolf@warburg-research.com

INSTITUTIONAL EQUITY SALES

Marc Niemann +49 40 3282-2660
Head of Equity Sales, Germany mniemann@mmwarburg.com

Klaus Schilling +49 40 3282-2664
Head of Equity Sales, Germany kschilling@mmwarburg.com

Tim Beckmann +49 40 3282-2665
United Kingdom tbeckmann@mmwarburg.com

Lyubka Bogdanova +49 69 5050-7411
Ireland, Poland, Australia lbogdanova@mmwarburg.com

Jens Buchmüller +49 69 5050-7415
Scandinavia, Austria jbuchmueller@mmwarburg.com

Alexander Eschweiler +49 40 3282-2669
Germany, Luxembourg aeschweiler@mmwarburg.com

Matthias Fritsch +49 40 3282-2696
United Kingdom mfritsch@mmwarburg.com

Tobias Hald +49 40 3282-2695
United Kingdom thald@mmwarburg.com

Maximilian Martin +49 69 5050-7413
Austria, Poland mmartin@mmwarburg.com

Christopher Seedorf +49 69 5050-7414
Switzerland cseedorf@mmwarburg.com

Sophie Hauer +49 69 5050-7417
Roadshow/Marketing shauer@mmwarburg.com

Juliane Niemann +49 40 3282-2694
Roadshow/Marketing jniemann@mmwarburg.com

SALES TRADING

Oliver Merckel +49 40 3282-2634
Head of Sales Trading omerckel@mmwarburg.com

Elyaz Dust +49 40 3282-2702
Sales Trading edust@mmwarburg.com

Michael Ilgenstein +49 40 3282-2700
Sales Trading milgenstein@mmwarburg.com

Marcel Magiera +49 40 3282-2662
Sales Trading mmagiera@mmwarburg.com

Bastian Quast +49 40 3282-2701
Sales Trading bquast@mmwarburg.com

Jörg Treptow +49 40 3282-2658
Sales Trading jtreptow@mmwarburg.com

MACRO RESEARCH

Carsten Klude +49 40 3282-2572
Macro Research cklude@mmwarburg.com

Dr. Christian Jasperneite +49 40 3282-2439
Investment Strategy cjasperneite@mmwarburg.com

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For access please contact:

Andrea Schaper +49 40 3282-2632
Sales Assistance aschaper@mmwarburg.com

Kerstin Muthig +49 40 3282-2703
Sales Assistance kmuthig@mmwarburg.com