

Buy EUR 36.00 Price EUR 29.00 Upside 24.1 %	Value Indicators: EUR DCF: 36.09 FCF-Value Potential: 36.11	Warburg ESG Risk Score: 2.4 ESG Score (MSCI based): 3.0 Balance Sheet Score: 4.3 Market Liquidity Score: 0.0	Description: Stemmer provides components, systems & software for industrial imaging and machine vision
	Market Snapshot: EUR m Market cap: 188.5 No. of shares (m): 6.5 EV: 156.4 Freefloat MC: 82.0 Ø Trad. Vol. (30d): 81.99 th	Shareholders: Freefloat: 43.5 % Management: 9.0 % Primepulse SE: 59.0 %	Key Figures (WRe): 2021e Beta: 1.3 Price / Book: 2.5 x Equity Ratio: 70 %

Business almost unaffected by bottlenecks thanks to well-managed supply chain

Stated Figures Q2/2021:					Comment on Figures:				
FY End: 31.12. in EUR m	Q2 21	Q2 21e	Q2 20	yoy	6M 21	6M 21e	6M 20	yoy	
Sales	33.0	33.0	23.0	44 %	64.7	64.7	52.2	24 %	High demand, especially for value-added solutions, drove order intake to EUR 47.2m in Q2 (+120.6% yoy)
EBITDA	4.2	4.2	1.3	227 %	7.9	7.9	2.3	244 %	Sales grew by 43.5% to EUR 33.0m despite supply chain bottlenecks
Margin	12.8 %	12.8 %	5.6 %		12.2 %	12.2 %	4.4 %		Demand was especially high for value-add systems, which improved the product mix and thus profitability
EBIT	3.2	3.1	-4.2	n.a.	5.9	5.8	-4.3	n.a.	Gross margin increased from 35.9% to 38.2%
Margin	9.8 %	9.4 %	-18.1 %		9.1 %	8.9 %	-8.2 %		Last year's EBIT margin was burdened by an impairment on Infaimon
EPS	0.00	0.00	0.00	n.a.	0.00	0.00	0.00	n.a.	Adjusted for this effect, the EBIT margin increased from 0.6% to 9.8%

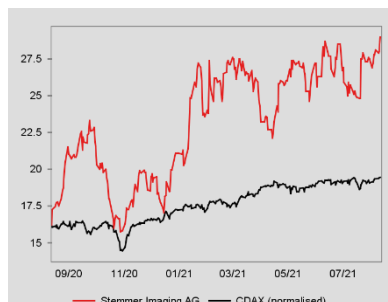
Stemmer published its Q2 report, which was in line with the strong preliminary figures, and confirmed the recently increased full-year guidance. Revenue of EUR 33.0m (+44% yoy) was driven by a strong business with the customer segments Sports & Entertainment, Automotive and other Industrials. The demand for Artificial Vision products and value-add services (sales share 40%) was especially high compared to the distribution business (sales share 60%). With this, Stemmer outperformed both the market for robotics & automation (Germany +6%, Europe +21%) and industrial imaging (Germany +1%, Europe +2%) according to VDMA data.

As a result of the beneficial product mix, the gross margin improved from 35.9% to 38.2%. In combination with last year's cost-saving measures, the EBITDA margin more than doubled from 5.6% to 12.8%. Last year's EBIT margin of -18.1% was heavily burdened by an impairment on intangible assets from the Infaimon acquisition. Even adjusted for this effect, the Q2 EBIT margin increased from 0.6% to 9.8%.

The recently increased guidance (sales of EUR 123-131m, EBITDA of EUR 12.2-15.4m) implies top-line growth between 10% and 25% and an EBITDA margin of 7.4% to 11.3%. The strong order intake in the first six months of EUR 82.8m (+56% yoy, book-to-bill 1.3) and the accelerating order momentum in Q2 (order intake EUR 47.2m. +121% yoy) make the outlook appear conservative. We believe this caution reflects the risk that bottlenecks could intensify in H2. So far, Stemmer has maintained its ability to deliver, with the average delivery time currently only slightly up from 3 to 4 weeks, and purchasing costs have been passed on to customers. However, visibility going forward is still limited. Thus, a slight margin decline in H2 compared to the strong H1 figure appears reasonable if supplies become more tense. Considering these risks, we maintain our cautious estimates at the upper end of the guidance.

Despite short-term effects from bottlenecks, demand should remain strong well into 2022. In H1, the design wins increased by 31%, including a promising battery inspection application for the fast-growing e-mobility industry. With the successful implementation of cost-saving measures and the ongoing improvements of the product mix, Stemmer should reach its mid-term EBITDA margin goal of 10% this year. For 2022 and beyond, we anticipate further profitability increases driven by a growing contribution of value-add services and Artificial Vision systems. We confirm our target price of EUR 36 and our Buy recommendation for Stemmer.

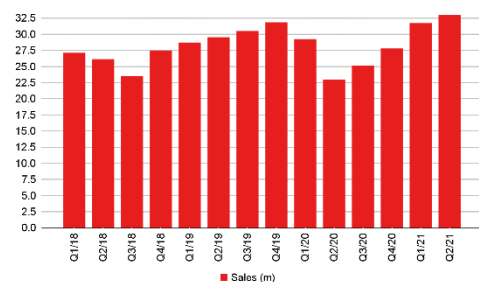
FY End: 31.12. in EUR m	CAGR (20-23e)	2017	2018	2019	2020	2021e	2022e	2023e
Sales	15.6 %	93.6	104.3	120.6	105.2	129.4	144.8	162.5
Change Sales yoy		n.a.	11.4 %	15.6 %	-12.8 %	23.0 %	11.9 %	12.2 %
Gross profit margin		35.7 %	35.2 %	36.5 %	36.8 %	37.7 %	38.0 %	37.1 %
EBITDA	40.4 %	7.2	7.3	6.1	7.2	14.1	17.2	20.0
Margin		7.7 %	7.0 %	5.1 %	6.9 %	10.9 %	11.9 %	12.3 %
EBIT	-	5.4	5.8	2.8	-1.6	9.6	12.5	14.9
Margin		5.7 %	5.6 %	2.3 %	-1.5 %	7.4 %	8.6 %	9.2 %
EBIT adj.	74.8 %	7.8	8.3	7.5	2.8	9.6	12.5	14.9
Margin		8.3 %	8.0 %	6.2 %	2.7 %	7.4 %	8.6 %	9.2 %
Net income	-	3.6	4.7	1.2	-3.3	6.8	8.9	10.5
EPS	-	0.63	0.73	0.19	-0.51	1.05	1.37	1.61
EPS adj.	115.9 %	0.94	1.01	0.63	0.16	1.05	1.37	1.61
FCFPS		1.11	0.22	0.11	1.61	0.95	1.30	1.49
FCF / Market cap		2.8 %	0.6 %	0.5 %	7.2 %	3.3 %	4.5 %	5.1 %
EV / Sales		2.4 x	1.8 x	1.1 x	1.2 x	1.2 x	1.0 x	0.8 x
EV / EBITDA		30.4 x	26.0 x	22.0 x	16.9 x	11.1 x	8.4 x	6.6 x
EV / EBIT		41.0 x	32.6 x	47.7 x	n.a.	16.3 x	11.5 x	8.8 x
EV / EBIT adj.		28.2 x	22.8 x	17.9 x	43.5 x	16.3 x	11.5 x	8.8 x
P / E		62.8 x	50.0 x	118.8 x	n.a.	27.6 x	21.2 x	18.0 x
P / E adj.		42.1 x	36.1 x	35.8 x	138.8 x	27.6 x	21.2 x	18.0 x
Net Debt		-7.1	-47.1	-12.4	-22.6	-32.1	-43.9	-57.0
ROCE (NOPAT)		77.0 %	27.3 %	4.5 %	n.a.	16.7 %	21.3 %	24.7 %
Guidance:		2021: Sales EUR 123-131m, EBITDA EUR 12.2-15.4m						



Rel. Performance vs CDAX:	
1 month:	14.2 %
6 months:	2.8 %
Year to date:	24.5 %
Trailing 12 months:	61.4 %

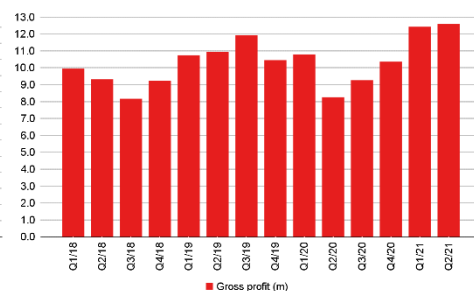
Company events:
10.11.21 Q3

Sales development
in EUR m



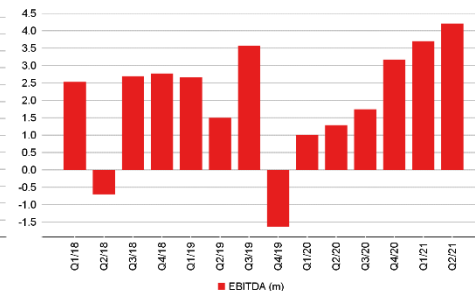
Source: Warburg Research

Gross profit development
in EUR m



Source: Warburg Research

EBITDA development
in EUR m



Source: Warburg Research

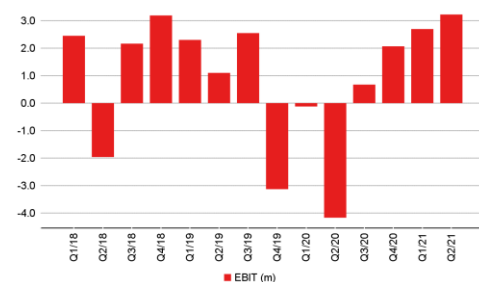
Company Background

- Stemmer is the leading supplier of components, systems, software and customer-specific solutions for industrial imaging and machine vision. The technology is a key-enabler of fast, precise and flexible automation.
- The product portfolio comprises a wide range of applications for numerous end-markets, including factory automation, print, packaging, automotive, electronics, semiconductor, pharmaceuticals, and food & beverage
- Systems and solutions make up 70% of total sales, including software proceeds and service revenues. We estimate this business contributes roughly 80% of Stemmer's operating profit.
- Component business should account for 30% of sales. Although these revenues are margin-dilutive, the component business strengthens Stemmer's purchasing power and makes the company a one-stop-shop for its customers.

Competitive Quality

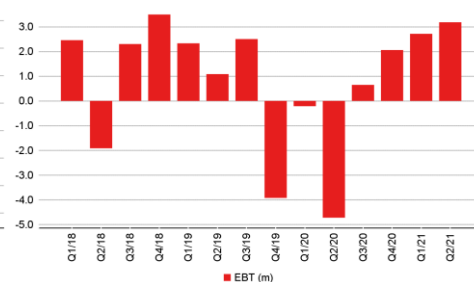
- Stemmer holds leading positions in important European end-markets like Germany, Austria, Switzerland UK, France, Benelux and the Nordics, ahead of the No. 2 in each market by a factor of at least 2x in terms of revenue.
- Purchasing power for the relatively high sales volumes in highly fragmented European market for industrial imaging solutions and its own distributor business.
- High level of diversification with over 3,400 customers in 19 European countries and more than 20 different industries and no single client responsible for more than 9% of the company's revenue.
- Trusted and certified partner status with well-known clients like Siemens or Thales result in long-standing business relationships averaging at 14 years among the top five customers.

EBIT development
in EUR m



Source: Warburg Research

EBT development
in EUR m



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	129.4	144.8	162.5	176.3	190.4	204.7	219.0	233.2	247.2	260.8	273.8	284.8	290.5	2.0 %
Sales change	23.0 %	11.9 %	12.2 %	8.5 %	8.0 %	7.5 %	7.0 %	6.5 %	6.0 %	5.5 %	5.0 %	4.0 %	2.0 %	
EBIT	9.6	12.5	14.9	16.4	17.1	18.4	19.7	21.0	22.2	23.5	24.6	25.6	26.1	9.0 %
EBIT-margin	7.4 %	8.6 %	9.2 %	9.3 %	9.0 %	9.0 %	9.0 %	9.0 %	9.0 %	9.0 %	9.0 %	9.0 %	9.0 %	
Tax rate (EBT)	27.0 %	28.0 %	29.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %
NOPAT	7.0	9.0	10.6	11.5	12.0	12.9	13.8	14.7	15.6	16.4	17.3	17.9	18.3	
Depreciation	2.5	2.7	3.0	3.2	3.0	3.1	3.1	3.0	3.2	3.4	3.6	3.7	3.8	1.3 %
in % of Sales	2.0 %	1.9 %	1.9 %	1.8 %	1.6 %	1.5 %	1.4 %	1.3 %	1.3 %	1.3 %	1.3 %	1.3 %	1.3 %	
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	0.0
Change in Liquidity from														
- Working Capital	3.1	2.9	3.5	2.7	2.1	2.1	2.1	2.1	2.1	2.0	2.0	1.6	0.9	0.9
- Capex	2.1	2.3	2.3	2.3	2.5	2.7	2.8	3.0	3.2	3.4	3.6	3.7	3.8	
Capex in % of Sales	1.6 %	1.6 %	1.4 %	1.3 %	1.3 %	1.3 %	1.3 %	1.3 %	1.3 %	1.3 %	1.3 %	1.3 %	1.3 %	1.3 %
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)	4.3	6.6	7.8	9.7	10.4	11.2	11.9	12.6	13.5	14.4	15.3	16.3	17.4	18
PV of FCF share of PVs	4.3	6.0	6.7	7.6	7.6	7.6	7.5	7.3	7.3	7.2	7.1	7.0	7.0	122
	8.01 %			34.50 %										57.50 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	10.00 %	Financial Strength	1.00
Cost of debt (after tax)	2.5 %	Liquidity (share)	1.40
Market return	7.00 %	Cyclicality	1.10
Risk free rate	1.50 %	Transparency	1.40
		Others	1.40
WACC	7.83 %	Beta	1.26

Valuation (m)

Present values 2033e	90		
Terminal Value	122		
Financial liabilities	12		
Pension liabilities	0		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	35	No. of shares (m)	6.5
Equity Value	235	Value per share (EUR)	36.09

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
1.46	8.8 %	29.45	29.88	30.36	30.86	31.40	31.99	32.63	1.46	8.8 %	25.71	27.43	29.15	30.86	32.58	34.29	36.01
1.36	8.3 %	31.54	32.07	32.65	33.27	33.94	34.67	35.46	1.36	8.3 %	27.69	29.55	31.41	33.27	35.12	36.98	38.84
1.31	8.1 %	32.70	33.29	33.93	34.62	35.37	36.19	37.08	1.31	8.1 %	28.81	30.75	32.68	34.62	36.56	38.50	40.43
1.26	7.8 %	33.96	34.61	35.32	36.09	36.94	37.85	38.86	1.26	7.8 %	30.02	32.05	34.07	36.09	38.12	40.14	42.17
1.21	7.6 %	35.32	36.05	36.84	37.70	38.65	39.69	40.83	1.21	7.6 %	31.35	33.47	35.58	37.70	39.82	41.94	44.06
1.16	7.3 %	36.79	37.61	38.50	39.47	40.54	41.71	43.02	1.16	7.3 %	32.80	35.02	37.24	39.47	41.69	43.91	46.14
1.06	6.8 %	40.15	41.18	42.31	43.55	44.94	46.48	48.21	1.06	6.8 %	36.16	38.63	41.09	43.55	46.02	48.48	50.94

▪ The cash outflow of EUR 25m in the "Other" line is due to the already announced acquisition of Infaimon

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	2017	2018	2019	2020	2021e	2022e	2023e	
Net Income before minorities	3.9	4.7	1.2	-3.3	6.8	8.9	10.5	
+ Depreciation + Amortisation	1.9	1.5	3.3	8.8	4.5	4.7	5.0	
- Net Interest Income	0.0	0.5	-0.8	-0.7	-0.2	-0.2	-0.2	
- Maintenance Capex	0.0	0.0	0.0	0.0	1.4	1.6	1.8	
+ Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
= Free Cash Flow Potential	5.7	5.7	5.3	6.1	10.1	12.2	13.9	
FCF Potential Yield (on market EV)	2.6 %	3.0 %	4.0 %	5.0 %	6.5 %	8.4 %	10.6 %	
WACC	7.83 %	7.83 %	7.83 %	7.83 %	7.83 %	7.83 %	7.83 %	
= Enterprise Value (EV)	220.2	190.0	134.3	121.7	156.4	144.6	131.5	
= Fair Enterprise Value	73.0	72.6	68.1	78.2	129.6	155.6	177.7	
- Net Debt (Cash)	-22.6	-22.6	-22.6	-22.6	-32.2	-43.9	-57.0	
- Pension Liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- 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	95.5	95.2	90.6	100.8	161.7	199.5	234.7	
Number of shares, average	5.8	6.5	6.5	6.5	6.5	6.5	6.5	
= Fair value per share (EUR)	16.61	14.64	13.94	15.50	24.88	30.69	36.11	
premium (-) / discount (+) in %					-14.2 %	5.8 %	24.5 %	
Sensitivity Fair value per Share (EUR)								
	10.83 %	11.59	11.55	11.04	12.17	19.36	24.06	28.53
	9.83 %	12.41	12.37	11.81	13.06	20.82	25.82	30.54
	8.83 %	13.43	13.38	12.76	14.14	22.62	27.98	33.01
WACC	7.83 %	14.70	14.64	13.94	15.50	24.88	30.69	36.11
	6.83 %	16.34	16.27	15.48	17.26	27.80	34.20	40.11
	5.83 %	18.55	18.47	17.54	19.63	31.72	38.90	45.48
	4.83 %	21.67	21.57	20.45	22.97	37.26	45.56	53.08

Valuation	2017	2018	2019	2020	2021e	2022e	2023e
Price / Book	13.3 x	3.4 x	2.2 x	2.3 x	2.5 x	2.2 x	1.9 x
Book value per share ex intangibles	2.47	9.21	5.12	5.56	7.23	9.22	11.49
EV / Sales	2.4 x	1.8 x	1.1 x	1.2 x	1.2 x	1.0 x	0.8 x
EV / EBITDA	30.4 x	26.0 x	22.0 x	16.9 x	11.1 x	8.4 x	6.6 x
EV / EBIT	41.0 x	32.6 x	47.7 x	n.a.	16.3 x	11.5 x	8.8 x
EV / EBIT adj.*	28.2 x	22.8 x	17.9 x	43.5 x	16.3 x	11.5 x	8.8 x
P / FCF	35.6 x	167.0 x	214.8 x	13.8 x	30.4 x	22.4 x	19.4 x
P / E	62.8 x	50.0 x	118.8 x	n.a.	27.6 x	21.2 x	18.0 x
P / E adj.*	42.1 x	36.1 x	35.8 x	138.8 x	27.6 x	21.2 x	18.0 x
Dividend Yield	n.a.	1.4 %	n.a.	2.3 %	1.7 %	1.7 %	1.7 %
FCF Potential Yield (on market EV)	2.6 %	3.0 %	4.0 %	5.0 %	6.5 %	8.4 %	10.6 %

*Adjustments made for: Financial history: non-audited pro-forma figures after change in reporting period

Consolidated profit & loss

In EUR m	2017	2018	2019	2020	2021e	2022e	2023e
Sales	93.6	104.3	120.6	105.2	129.4	144.8	162.5
Change Sales yoy	n.a.	11.4 %	15.6 %	-12.8 %	23.0 %	11.9 %	12.2 %
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	93.6	104.3	120.5	105.2	129.4	144.8	162.5
Material expenses	60.2	67.7	76.5	66.5	80.6	89.8	102.2
Gross profit	33.4	36.7	44.1	38.7	48.8	55.0	60.3
<i>Gross profit margin</i>	<i>35.7 %</i>	<i>35.2 %</i>	<i>36.5 %</i>	<i>36.8 %</i>	<i>37.7 %</i>	<i>38.0 %</i>	<i>37.1 %</i>
Personnel expenses	20.5	19.8	23.9	23.4	25.6	26.9	28.4
Other operating income	2.6	1.1	1.0	1.6	3.9	1.2	1.3
Other operating expenses	8.2	10.7	15.0	9.7	12.9	12.0	13.2
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	7.2	7.3	6.1	7.2	14.1	17.2	20.0
<i>Margin</i>	<i>7.7 %</i>	<i>7.0 %</i>	<i>5.1 %</i>	<i>6.9 %</i>	<i>10.9 %</i>	<i>11.9 %</i>	<i>12.3 %</i>
Depreciation of fixed assets	0.7	1.0	1.9	2.8	3.0	3.0	3.1
EBITA	6.5	6.3	4.2	4.4	11.1	14.3	16.9
Amortisation of intangible assets	0.3	0.5	1.4	1.6	1.6	1.7	1.9
Goodwill amortisation	0.8	0.0	0.0	4.3	0.0	0.0	0.0
EBIT	5.4	5.8	2.8	-1.6	9.6	12.5	14.9
<i>Margin</i>	<i>5.7 %</i>	<i>5.6 %</i>	<i>2.3 %</i>	<i>-1.5 %</i>	<i>7.4 %</i>	<i>8.6 %</i>	<i>9.2 %</i>
EBIT adj.	7.8	8.3	7.5	2.8	9.6	12.5	14.9
Interest income	0.0	0.5	0.0	0.0	0.0	0.0	0.0
Interest expenses	0.1	0.0	0.8	0.1	0.2	0.2	0.2
Other financial income (loss)	0.1	0.0	0.0	-0.6	0.0	0.0	0.0
EBT	5.4	6.3	2.0	-2.2	9.4	12.3	14.7
<i>Margin</i>	<i>5.7 %</i>	<i>6.1 %</i>	<i>1.7 %</i>	<i>-2.1 %</i>	<i>7.2 %</i>	<i>8.5 %</i>	<i>9.1 %</i>
Total taxes	1.5	1.6	0.8	1.1	2.5	3.5	4.3
Net income from continuing operations	3.9	4.7	1.2	-3.3	6.8	8.9	10.5
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	3.9	4.7	1.2	-3.3	6.8	8.9	10.5
Minority interest	0.2	0.0	0.0	0.0	0.0	0.0	0.0
Net income	3.6	4.7	1.2	-3.3	6.8	8.9	10.5
<i>Margin</i>	<i>3.9 %</i>	<i>4.5 %</i>	<i>1.0 %</i>	<i>-3.2 %</i>	<i>5.3 %</i>	<i>6.1 %</i>	<i>6.4 %</i>
Number of shares, average	5.8	6.5	6.5	6.5	6.5	6.5	6.5
EPS	0.63	0.73	0.19	-0.51	1.05	1.37	1.61
EPS adj.	0.94	1.01	0.63	0.16	1.05	1.37	1.61

*Adjustments made for: Financial history: non-audited pro-forma figures after change in reporting period

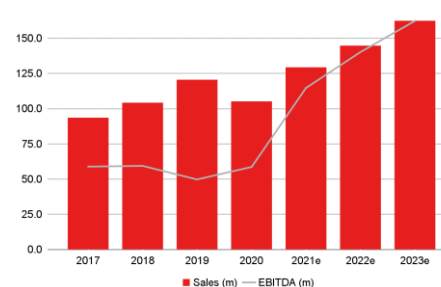
Guidance: 2021: Sales EUR 123-131m, EBITDA EUR 12.2-15.4m

Financial Ratios

	2017	2018	2019	2020	2021e	2022e	2023e
Total Operating Costs / Sales	92.3 %	93.0 %	94.9 %	93.1 %	89.1 %	88.1 %	87.7 %
Operating Leverage	n.a.	0.8 x	-3.3 x	n.a.	n.a.	2.6 x	1.6 x
EBITDA / Interest expenses	77.4 x	n.a.	7.4 x	59.1 x	70.5 x	86.2 x	99.9 x
Tax rate (EBT)	28.3 %	25.5 %	38.8 %	-48.8 %	27.0 %	28.0 %	29.0 %
Dividend Payout Ratio	0.0 %	68.8 %	0.0 %	n.m.	47.5 %	36.6 %	31.0 %
Sales per Employee	391,632	415,406	306,028	294,625	331,579	352,971	375,158

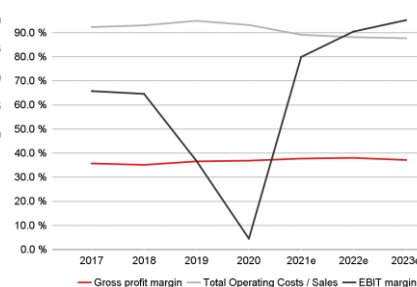
Sales, EBITDA

in EUR m

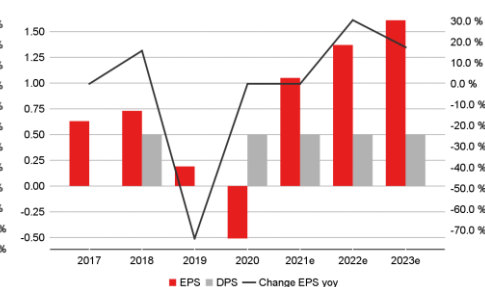


Operating Performance

in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

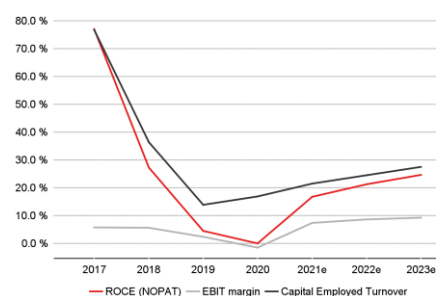
Consolidated balance sheet

In EUR m	2017	2018	2019	2020	2021e	2022e	2023e
Assets							
Goodwill and other intangible assets	1.0	9.2	33.9	28.0	27.3	26.6	25.6
thereof other intangible assets	0.1	1.8	10.1	8.5	7.9	7.2	6.2
thereof Goodwill	0.9	7.4	23.9	19.4	19.4	19.4	19.4
Property, plant and equipment	3.0	2.9	8.0	5.9	4.1	2.4	0.6
Financial assets	0.0	0.0	0.6	0.1	0.1	0.1	0.1
Other long-term assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fixed assets	4.0	12.1	42.5	33.9	31.5	29.0	26.3
Inventories	7.1	11.6	11.2	11.0	12.3	14.2	16.2
Accounts receivable	12.0	12.7	16.6	15.1	17.2	19.0	21.4
Liquid assets	7.1	47.7	28.0	34.7	43.3	55.0	68.1
Other short-term assets	0.8	1.1	2.7	1.9	1.9	1.9	1.9
Current assets	27.0	73.0	58.4	62.8	74.6	90.1	107.6
Total Assets	31.0	85.1	100.9	96.7	106.1	119.2	133.9
Liabilities and shareholders' equity							
Subscribed capital	5.0	6.5	6.5	6.5	6.5	6.5	6.5
Capital reserve	0.0	47.5	47.5	47.5	47.5	47.5	47.5
Retained earnings	12.4	15.1	13.2	10.1	20.2	32.3	46.0
Other equity components	-0.3	0.0	0.0	0.0	0.1	0.2	0.3
Shareholders' equity	17.1	69.1	67.2	64.1	74.3	86.5	100.3
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total equity	17.1	69.1	67.2	64.1	74.3	86.5	100.3
Provisions	3.4	0.6	0.3	0.5	0.5	0.5	0.5
thereof provisions for pensions and similar obligations	0.0	0.1	0.1	0.0	0.0	0.0	0.0
Financial liabilities (total)	0.0	0.4	15.5	12.1	11.1	11.1	11.1
Short-term financial liabilities	0.0	0.1	2.0	2.0	2.0	2.0	2.0
Accounts payable	6.5	10.4	9.1	9.6	9.9	10.7	11.6
Other liabilities	4.0	4.6	8.8	10.4	10.4	10.4	10.4
Liabilities	13.9	16.0	33.7	32.6	31.9	32.7	33.6
Total liabilities and shareholders' equity	31.0	85.1	100.9	96.7	106.1	119.2	133.9

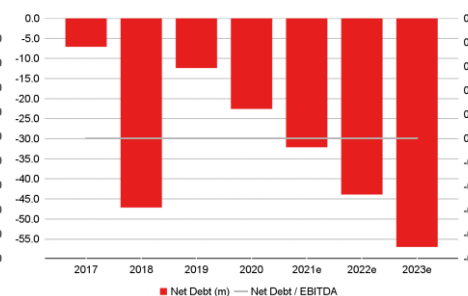
Financial Ratios

	2017	2018	2019	2020	2021e	2022e	2023e
Efficiency of Capital Employment							
Operating Assets Turnover	6.1 x	6.3 x	4.6 x	5.2 x	6.0 x	6.4 x	6.7 x
Capital Employed Turnover	9.4 x	4.8 x	2.2 x	2.5 x	3.1 x	3.4 x	3.7 x
ROA	91.0 %	39.1 %	2.9 %	-9.8 %	21.7 %	30.5 %	39.8 %
Return on Capital							
ROCE (NOPAT)	77.0 %	27.3 %	4.5 %	n.a.	16.7 %	21.3 %	24.7 %
ROE	42.6 %	11.0 %	1.8 %	-5.1 %	9.9 %	11.0 %	11.2 %
Adj. ROE	63.4 %	15.3 %	6.0 %	1.6 %	9.9 %	11.0 %	11.2 %
Balance sheet quality							
Net Debt	-7.1	-47.1	-12.4	-22.6	-32.1	-43.9	-57.0
Net Financial Debt	-7.1	-47.2	-12.4	-22.6	-32.2	-43.9	-57.0
Net Gearing	-41.5 %	-68.3 %	-18.4 %	-35.2 %	-43.3 %	-50.8 %	-56.8 %
Net Fin. Debt / EBITDA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Book Value / Share	2.6	10.6	10.3	9.9	11.4	13.3	15.4
Book value per share ex intangibles	2.5	9.2	5.1	5.6	7.2	9.2	11.5

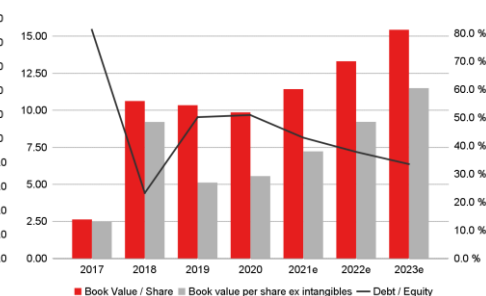
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

Consolidated cash flow statement

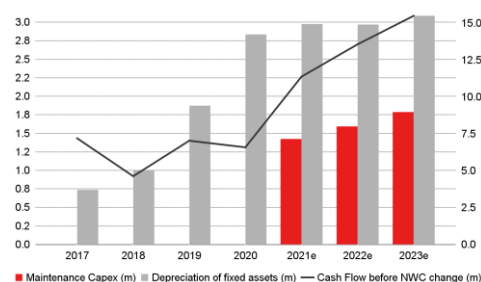
In EUR m	2017	2018	2019	2020	2021e	2022e	2023e
Net income	3.9	4.7	1.2	-3.3	6.8	8.9	10.5
Depreciation of fixed assets	0.7	1.0	1.9	2.8	3.0	3.0	3.1
Amortisation of goodwill	0.8	0.0	0.0	4.3	0.0	0.0	0.0
Amortisation of intangible assets	0.3	0.5	1.4	2.2	1.6	1.7	1.9
Increase/decrease in long-term provisions	0.0	0.1	0.0	0.2	0.0	0.0	0.0
Other non-cash income and expenses	1.5	-1.6	2.6	0.3	0.0	0.0	0.0
Cash Flow before NWC change	7.2	4.6	7.0	6.6	11.4	13.6	15.5
Increase / decrease in inventory	-0.2	-4.5	0.4	0.1	-1.3	-1.9	-2.0
Increase / decrease in accounts receivable	-2.4	-0.7	-3.9	1.5	-2.1	-1.8	-2.4
Increase / decrease in accounts payable	3.2	3.8	-0.9	2.3	0.3	0.8	0.9
Increase / decrease in other working capital positions	0.0	-0.2	0.4	0.4	0.0	0.0	0.0
Increase / decrease in working capital (total)	0.7	-1.6	-4.0	4.3	-3.1	-2.9	-3.5
Net cash provided by operating activities [1]	7.9	3.0	3.1	10.9	8.3	10.7	12.0
Investments in intangible assets	-0.1	-0.7	-1.3	0.0	-0.9	-1.0	-1.0
Investments in property, plant and equipment	-1.3	-0.9	-1.0	-0.4	-1.2	-1.3	-1.3
Payments for acquisitions	-4.4	-7.6	-23.9	0.0	0.0	0.0	0.0
Financial investments	0.0	28.3	-26.9	0.0	0.0	0.0	0.0
Income from asset disposals	11.6	-3.4	5.2	0.1	0.1	0.1	0.1
Net cash provided by investing activities [2]	5.7	-40.9	5.8	-0.4	-2.0	-2.2	-2.2
Change in financial liabilities	0.0	0.4	15.1	-4.1	-1.0	0.0	0.0
Dividends paid	-8.1	-1.8	-1.8	0.0	3.3	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	48.2	0.0	0.0	0.0	0.0	0.0
Other	-0.8	-2.3	-8.2	0.6	0.0	0.0	0.0
Net cash provided by financing activities [3]	-8.9	44.6	5.2	-3.5	2.3	3.3	3.3
Change in liquid funds [1]+[2]+[3]	4.7	6.6	14.1	7.0	8.6	11.8	13.1
Effects of exchange-rate changes on cash	0.0	0.0	0.2	-0.3	0.0	0.0	0.0
Cash and cash equivalent at end of period	7.1	13.7	28.0	34.7	43.3	55.0	68.1

Financial Ratios

	2017	2018	2019	2020	2021e	2022e	2023e
Cash Flow							
FCF	6.4	1.4	0.7	10.5	6.2	8.4	9.7
Free Cash Flow / Sales	6.8 %	1.4 %	0.6 %	9.9 %	4.8 %	5.8 %	6.0 %
Free Cash Flow Potential	5.7	5.7	5.3	6.1	10.1	12.2	13.9
Free Cash Flow / Net Profit	175.7 %	30.1 %	56.0 %	-314.7 %	90.6 %	95.0 %	92.7 %
Interest Received / Avg. Cash	0.6 %	1.8 %	0.0 %	0.1 %	0.0 %	0.0 %	0.0 %
Interest Paid / Avg. Debt	n.a.	0.0 %	10.3 %	0.9 %	1.7 %	1.8 %	1.8 %
Management of Funds							
Investment ratio	1.6 %	1.5 %	2.0 %	0.4 %	1.6 %	1.6 %	1.4 %
Maint. Capex / Sales	0.0 %	0.0 %	0.0 %	0.0 %	1.1 %	1.1 %	1.1 %
Capex / Dep	79.3 %	109.4 %	72.2 %	4.8 %	46.4 %	47.8 %	45.7 %
Avg. Working Capital / Sales	6.6 %	12.5 %	13.3 %	15.4 %	12.2 %	13.0 %	13.6 %
Trade Debtors / Trade Creditors	185.1 %	121.7 %	182.5 %	156.9 %	173.7 %	177.6 %	184.5 %
Inventory Turnover	8.5 x	5.9 x	6.9 x	6.0 x	6.6 x	6.3 x	6.3 x
Receivables collection period (days)	47	44	50	52	49	48	48
Payables payment period (days)	39	56	43	53	45	44	41
Cash conversion cycle (Days)	49	50	58	48	49	53	57

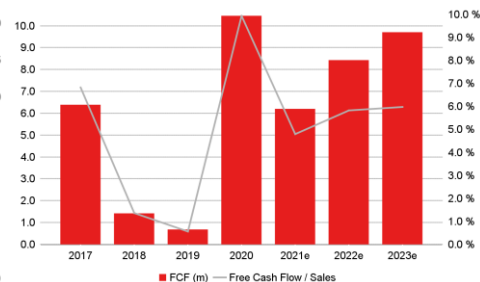
CAPEX and Cash Flow

in EUR m



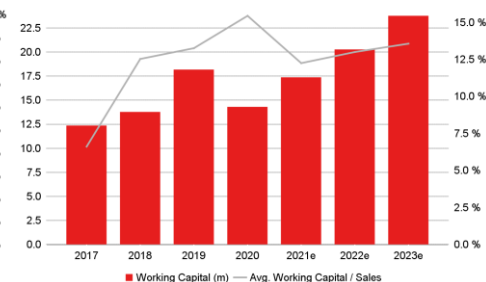
Source: Warburg Research

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)
STEMMER IMAGING	5	http://www.mmwarburg.com/disclaimer/disclaimer_en/DE000A2G9MZ9.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	149	69
Hold	59	27
Sell	5	2
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	42	79
Hold	9	17
Sell	0	0
Rating suspended	2	4
Total	53	100

PRICE AND RATING HISTORY STEMMER IMAGING AS OF 12.08.2021


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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