

DFV Deutsche Familienversicherung AG

Germany - Financial Services



HAUCK
AUFHÄUSER
INVESTMENT BANKING

Buy (old: Buy)

Price target: EUR 21.00 (old: EUR 22.00)

Price: EUR 12.02 **Next result:** Final Q4 results 24.03.22
Bloomberg: DFVA GR **Market cap:** EUR 170.1 m
Reuters: DFV.DE **Enterprise Value:** EUR 157.4 m

18-February-22

Christian Salis
Analyst

christian.salis@ha-ib.de
Tel.: +49 40 414 3885 96

On track to become profitable in 2022, chg

DFV released Q4 prelims that were broadly in-line with expectations. Profitability arrived ahead of expectations, underpinning the scalability of DFV's business model and providing confidence into the company's target to reach a positive EBIT in 2022.

- **GWP rose by 35% yoy to € 155m in FY 21** (eHAIB: € 159m) mostly driven by the first-time consolidation of reinsurance premiums of CareFlex Chemie (€ 18m). In Q4, this implies **underlying GWP growth of 16% yoy to € 36m** (eHAIB: € 37m) supported by disproportionate growth in pet insurance. With that, DFV slightly missed its revised FY 21 GWP guidance of € 24m incremental GWP (€ 23m, eHAIB: € 24m).
- **Q4 EBIT arrived at € -0.9m** (eHAIB: € -1.9m) **ahead of expectations**, on the back of tight cost control and positive effects from capital investments. Consequently, DFV exceeded its upgraded FY 21 guidance of € -2m, fully underpinning DFV's scalability and providing confidence into the company's business quality.

DFV announced that Chief Sales Officer Schinnenburg will leave the company end of February as the sales performance has been below expectations in FY 21 and the already adjusted GWP target was slightly missed. CEO Knoll will take over responsibility for the sales department until a successor is appointed.

Overall, the Q4 release indicates that DFV needs more time than expected to recover from COVID especially in travel insurance. Moreover, rising inflation seems to weigh on the growth trajectory in the short-term. Hence, the company has started to reinforce its sales strategy and aims for more effective cross- and up-selling of existing clients in 2022. At the same time, the strong profitability improvement in Q4 is reassuring and management confirmed its target to become profitable in 2022.

In sum, DFV should be able to sustain solid double-digit growth p.a. going forward fuelled by the digital transition in the European insurance industry. Meanwhile, the stock is trading close to 3-year lows despite 2x higher sales volumes and solid progress on profitability improvement, rendering the stock's risk/reward profile attractive.

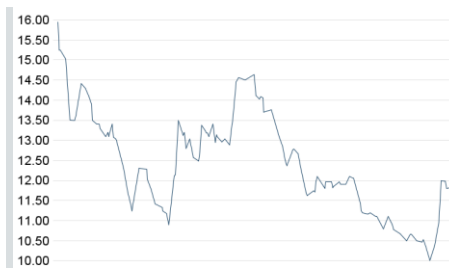
Action: Sales estimates are reduced to reflect a slower than expected recovery post COVID. EBIT estimates are reduced proportionally to sales as tight cost control looks set to compensate for lower operating leverage.

BUY, new PT € 21.00 (old: € 22.00), based on DCF.

Y/E 31.12 (EUR m)	2017	2018	2019	2020	2021P	2022E	2023E
Sales	70.7	66.5	90.9	114.7	155.4	210.0	256.2
Sales growth	10 %	-6 %	37 %	26 %	35 %	35 %	22 %
EBITDA	3.7	-1.1	-2.2	-8.1	1.7	8.6	13.3
EBIT	2.1	-4.1	-5.2	-10.6	-0.8	5.7	10.2
Net income	1.5	-3.3	-2.0	-7.4	-0.5	4.0	7.3
Net debt	-5.5	-9.0	-3.7	-37.8	-33.6	-47.2	-65.0
Net gearing	-28.3 %	-14.8 %	-5.7 %	-41.6 %	-37.2 %	-50.0 %	-64.0 %
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EPS pro forma	0.10	-0.25	-0.15	-0.51	-0.03	0.28	0.50
CPS	1.07	0.40	0.97	1.10	0.53	0.80	1.08
DPS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dividend yield	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Gross profit margin	44.7 %	54.2 %	59.8 %	54.0 %	53.8 %	54.1 %	54.2 %
EBITDA margin	5.2 %	-1.7 %	-1.6 %	-7.0 %	1.1 %	4.1 %	5.2 %
EBIT margin	3.0 %	-6.2 %	-3.8 %	-9.2 %	-0.5 %	2.7 %	4.0 %
ROCE	3.5 %	-4.4 %	-4.0 %	-7.0 %	-0.5 %	2.9 %	4.7 %
EV/sales	2.6	2.4	1.2	1.3	1.0	0.7	0.5
EV/EBITDA	48.9	-140.0	-76.2	-18.7	92.6	17.1	10.0
EV/EBIT	85.2	-38.6	-32.3	-14.2	-199.7	26.0	13.0
PER	114.8	-46.6	-76.1	-22.9	-337.2	42.3	23.5
Adjusted FCF yield	1.5 %	2.1 %	8.0 %	1.0 %	3.4 %	7.8 %	8.9 %

Source: Company data, Hauck Aufhäuser Investment Banking Close price as of: 17.02.2022

Please refer to important disclosures at the end of the report



Source: Company data, Hauck Aufhäuser Investment Banking

High/low 52 weeks: 16.10 / 10.00

Price/Book Ratio: 2.0

Relative performance (-):

3 months -
6 months -
12 months -

Changes in estimates

		Sales	EBIT	EPS
2021	old:	159.6	-1.9	-0.09
	Δ	-2.6%	n.m.	n.m.
2022	old:	220.0	5.9	0.29
	Δ	-4.5%	-4.5%	-4.5%
2023	old:	275.0	11.0	0.53
	Δ	-6.8%	-6.8%	-6.8%

Key share data:

Number of shares: (in m pcs) 14.6
 Authorised capital: (in € m) -
 Book value per share: (in €) 6.2
 Ø trading volume: (12 months) 13,500

Major shareholders:

Free Float 26.1 %
 Luca Pesarini 21.1 %
 Dr. Stefan Knoll (CEO) 19.5 %
 Vogel Family & Heir 19.1 %
 VPV Versicherungen 14.3 %

Company description:

The DFV is an early mover in the insurtech field being the first fully digital insurance company in Europe and among the healthiest worldwide.

Financials

Profit and loss (EUR m)	2017	2018	2019	2020	2021E	2022E	2023E
Sales	70.7	66.5	90.9	114.7	155.4	210.0	256.2
<i>Sales growth</i>	10.3 %	-5.9 %	36.7 %	26.2 %	35.4 %	35.1 %	22.0 %
Cost of sales	39.1	30.4	36.6	52.8	71.8	96.4	117.4
Gross profit	31.6	36.1	54.4	62.0	83.6	113.6	138.8
Sales and marketing	1.5	-1.3	4.0	1.2	8.9	10.5	12.8
General and administration	18.0	20.2	33.0	39.5	57.5	76.7	93.0
Research and development	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other operating income	11.4	14.5	25.4	30.2	34.2	39.9	46.1
Other operating expenses	1.6	4.1	5.2	4.0	1.6	1.9	2.3
Unusual or infrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	3.7	-1.1	-2.2	-8.1	1.7	8.6	13.3
Depreciation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITA	3.7	-1.1	-2.2	-8.1	1.7	8.6	13.3
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	1.6	3.0	3.0	2.5	2.5	2.9	3.1
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT (inc revaluation net)	2.1	-4.1	-5.2	-10.6	-0.8	5.7	10.2
Interest income	0.0	0.0	0.0	0.0	0.1	0.1	0.1
Interest expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other financial result	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial result	0.0	0.0	0.0	0.0	0.1	0.1	0.1
Recurring pretax income from continuing operations	2.1	-4.1	-5.2	-10.6	-0.7	5.7	10.4
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	2.1	-4.1	-5.2	-10.6	-0.7	5.7	10.4
Taxes	0.6	-0.8	-3.1	-3.1	-0.2	1.7	3.1
Net income from continuing operations	1.5	-3.3	-2.0	-7.4	-0.5	4.0	7.3
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	1.5	-3.3	-2.0	-7.4	-0.5	4.0	7.3
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit (reported)	1.5	-3.3	-2.0	-7.4	-0.5	4.0	7.3
Average number of shares	13.9	13.3	13.3	13.9	14.6	14.6	14.6
EPS reported	0.11	-0.25	-0.15	-0.53	-0.03	0.28	0.50

Profit and loss (common size)	2017	2018	2019	2020	2021E	2022E	2023E
Sales	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Cost of sales	55.3 %	45.8 %	40.2 %	46.0 %	46.2 %	45.9 %	45.8 %
Gross profit	44.7 %	54.2 %	59.8 %	54.0 %	53.8 %	54.1 %	54.2 %
Sales and marketing	2.2 %	neg.	4.4 %	1.0 %	5.7 %	5.0 %	5.0 %
General and administration	25.5 %	30.4 %	36.2 %	34.5 %	37.0 %	36.5 %	36.3 %
Research and development	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other operating income	16.2 %	21.9 %	27.9 %	26.3 %	22.0 %	19.0 %	18.0 %
Other operating expenses	2.2 %	6.2 %	5.7 %	3.5 %	1.0 %	0.9 %	0.9 %
Unusual or infrequent items	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBITDA	5.2 %	neg.	neg.	neg.	1.1 %	4.1 %	5.2 %
Depreciation	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBITA	5.2 %	neg.	neg.	neg.	1.1 %	4.1 %	5.2 %
Amortisation of goodwill	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Amortisation of intangible assets	2.2 %	4.5 %	3.3 %	2.2 %	1.6 %	1.4 %	1.2 %
Impairment charges	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBIT (inc revaluation net)	3.0 %	neg.	neg.	neg.	neg.	2.7 %	4.0 %
Interest income	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.1 %
Interest expenses	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other financial result	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Financial result	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.1 %
Recurring pretax income from continuing operations	3.0 %	neg.	neg.	neg.	neg.	2.7 %	4.0 %
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Earnings before taxes	3.0 %	neg.	neg.	neg.	neg.	2.7 %	4.0 %
Tax rate	30.1 %	18.7 %	60.6 %	29.8 %	30.0 %	30.0 %	30.0 %
Net income from continuing operations	2.1 %	neg.	neg.	neg.	neg.	1.9 %	2.8 %
Result from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income	2.1 %	neg.	neg.	neg.	neg.	1.9 %	2.8 %
Minority interest	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net profit (reported)	2.1 %	neg.	neg.	neg.	neg.	1.9 %	2.8 %

Source: Company data, Hauck Aufhäuser Investment Banking

Balance sheet (EUR m)	2017	2018	2019	2020	2021E	2022E	2023E
Intangible assets	9.3	9.2	8.7	8.8	8.8	9.7	6.7
Property, plant and equipment	1.4	1.4	1.4	1.4	1.4	1.4	1.4
Financial assets	46.4	90.1	121.7	135.1	150.0	159.0	168.5
FIXED ASSETS	57.1	100.6	131.8	145.3	160.2	170.1	176.6
Inventories	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	1.9	4.9	5.3	4.1	4.0	5.5	6.7
Other current assets	29.4	35.0	40.5	55.8	61.7	70.5	80.6
Liquid assets	5.5	9.0	3.7	37.8	33.6	47.2	65.0
Deferred taxes	0.4	2.0	5.9	5.0	5.0	5.0	5.0
Deferred charges and prepaid expenses	0.0	5.1	2.8	2.6	2.6	2.6	2.6
CURRENT ASSETS	37.2	56.0	58.1	105.3	106.9	130.7	159.9
TOTAL ASSETS	94.3	156.7	189.8	250.6	267.1	300.8	336.5
SHAREHOLDERS EQUITY	19.5	60.7	64.5	90.8	90.3	94.3	101.6
MINORITY INTEREST	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Provisions for pensions and similar obligations	15.9	12.8	16.0	18.1	20.9	24.0	27.6
Other provisions	31.4	44.3	58.0	72.9	83.5	95.7	109.7
Non-current liabilities	47.3	57.1	74.0	91.1	104.4	119.7	137.3
short-term liabilities to banks	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Advance payments received on orders	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities (incl. from lease and rental contracts)	26.0	37.9	48.1	68.7	72.4	86.8	97.6
Deferred taxes	1.5	1.0	3.3	0.0	0.0	0.0	0.0
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current liabilities	27.5	38.8	51.4	68.7	72.4	86.8	97.6
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	94.3	156.7	189.9	250.6	267.1	300.8	336.5

Balance sheet (common size)	2017	2018	2019	2020	2021E	2022E	2023E
Intangible assets	9.9 %	5.9 %	4.6 %	3.5 %	3.3 %	3.2 %	2.0 %
Property, plant and equipment	1.5 %	0.9 %	0.7 %	0.5 %	0.5 %	0.5 %	0.4 %
Financial assets	49.2 %	57.5 %	64.1 %	53.9 %	56.2 %	52.9 %	50.1 %
FIXED ASSETS	60.5 %	64.2 %	69.4 %	58.0 %	60.0 %	56.5 %	52.5 %
Inventories	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Accounts receivable	2.0 %	3.1 %	2.8 %	1.6 %	1.5 %	1.8 %	2.0 %
Other current assets	31.2 %	22.3 %	21.3 %	22.3 %	23.1 %	23.4 %	24.0 %
Liquid assets	5.8 %	5.7 %	1.9 %	15.1 %	12.6 %	15.7 %	19.3 %
Deferred taxes	0.4 %	1.3 %	3.1 %	2.0 %	1.9 %	1.7 %	1.5 %
Deferred charges and prepaid expenses	0.0 %	3.2 %	1.5 %	1.0 %	1.0 %	0.8 %	0.8 %
CURRENT ASSETS	39.5 %	35.8 %	30.6 %	42.0 %	40.0 %	43.5 %	47.5 %
TOTAL ASSETS	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
SHAREHOLDERS EQUITY	20.6 %	38.8 %	33.9 %	36.2 %	33.8 %	31.4 %	30.2 %
MINORITY INTEREST	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Long-term debt	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Provisions for pensions and similar obligations	16.8 %	8.2 %	8.4 %	7.2 %	7.8 %	8.0 %	8.2 %
Other provisions	33.3 %	28.3 %	30.6 %	29.1 %	31.3 %	31.8 %	32.6 %
Non-current liabilities	50.2 %	36.5 %	39.0 %	36.3 %	39.1 %	39.8 %	40.8 %
short-term liabilities to banks	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Accounts payable	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Advance payments received on orders	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other liabilities (incl. from lease and rental contracts)	27.6 %	24.2 %	25.3 %	27.4 %	27.1 %	28.9 %	29.0 %
Deferred taxes	1.6 %	0.6 %	1.7 %	0.0 %	0.0 %	0.0 %	0.0 %
Deferred income	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Current liabilities	29.2 %	24.8 %	27.1 %	27.4 %	27.1 %	28.9 %	29.0 %
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

Source: Company data, Hauck Aufhäuser Investment Banking

Cash flow statement (EUR m)	2017	2018	2019	2020	2021E	2022E	2023E
Net profit/loss	1.5	-3.3	-2.0	-7.4	-0.5	4.0	7.3
Depreciation of fixed assets (incl. leases)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	1.6	3.0	3.0	2.5	2.5	2.9	3.1
Others	2.8	9.9	13.7	21.5	7.7	8.1	8.6
Cash flow from operations before changes in w/c	5.9	9.6	14.6	16.6	9.7	15.1	18.9
Increase/decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in accounts receivable	10.8	-3.0	-0.3	1.1	0.1	-1.4	-1.2
Increase/decrease in accounts payable	0.0	0.0	0.0	0.0	0.0	0.0	0.0
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	10.8	-3.0	-0.3	1.1	0.1	-1.4	-1.2
Cash flow from operating activities	16.6	6.6	14.3	17.7	9.8	13.7	17.7
CAPEX	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Payments for acquisitions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial investments	14.8	48.7	25.0	14.1	14.0	0.0	0.0
Income from asset disposals	-1.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from investing activities	-15.8	-48.7	-25.0	-14.1	-14.0	0.0	0.0
Cash flow before financing	0.9	-42.1	-10.7	3.6	-4.2	13.7	17.7
Increase/decrease in debt position	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	45.6	6.1	31.2	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	-0.7	-0.7	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from financing activities	0.0	45.6	5.4	30.5	0.0	0.0	0.0
Increase/decrease in liquid assets	0.9	3.5	-5.3	34.1	-4.2	13.7	17.7
Liquid assets at end of period	5.5	9.0	3.7	37.8	33.6	47.2	65.0

Source: Company data, Hauck Aufhäuser Investment Banking

Regional split (EUR m)	2017	2018	2019	2020	2021E	2022E	2023E
Domestic	70.7	66.5	90.9	114.7	155.4	210.0	0.0
yoy change	10.3 %	-5.9 %	36.7 %	26.2 %	35.4 %	35.1 %	n/a
Rest of Europe	0.0	0.0	0.0	0.0	0.0	0.0	0.0
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
NAFTA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Asia Pacific	0.0	0.0	0.0	0.0	0.0	0.0	0.0
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Rest of world	0.0	0.0	0.0	0.0	0.0	0.0	0.0
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TTL	70.7	66.5	90.9	114.7	155.4	210.0	0.0
yoy change	10.3 %	-5.9 %	36.7 %	26.2 %	35.4 %	35.1 %	n/a

Source: Company data, Hauck Aufhäuser Investment Banking

DFV Deutsche Familienversicherung AG

Key ratios (EUR m)	2017	2018	2019	2020	2021E	2022E	2023E
P&L growth analysis							
Sales growth	10.3 %	-5.9 %	36.7 %	26.2 %	35.4 %	35.1 %	22.0 %
EBITDA growth	4.3 %	-130.7 %	93.5 %	612.2 %	-177.6 %	-206.6 %	683.3 %
EBIT growth	4.8 %	-293.7 %	25.8 %	157.4 %	-84.7 %	-153.5 %	-
EPS growth	-16.9 %	-335.3 %	-38.8 %	112.7 %	-77.4 %	-151.8 %	-
Efficiency							
Total operating costs / sales	41.7 %	60.4 %	65.5 %	63.2 %	54.3 %	51.4 %	50.2 %
Sales per employee	593.7	583.3	821.8	1,021.5	1,343.3	1,762.3	2,087.4
EBITDA per employee	31.0	-9.9	-19.8	-71.8	14.7	72.1	108.4
Balance sheet analysis							
Avg. working capital / sales	3.8 %	5.1 %	5.6 %	3.9 %	3.0 %	2.3 %	2.1 %
Inventory turnover (sales/inventory)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trade debtors in days of sales	9.8	27.0	21.1	13.1	9.5	9.5	9.5
A/P turnover [(A/P*365)/sales]	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash conversion cycle (days)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Cash flow analysis							
Free cash flow	16.6	6.6	14.3	17.7	9.8	13.7	17.7
Free cash flow/sales	23.5 %	9.9 %	10.6 %	15.4 %	6.3 %	6.5 %	6.9 %
FCF / net profit	1122.1 %	neg.	neg.	neg.	neg.	339.7 %	244.4 %
Capex / depre	937.6 %	1638.6 %	841.6 %	564.0 %	563.1 %	0.0 %	0.0 %
Capex / maintenance capex	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Capex / sales	20.9 %	73.2 %	27.5 %	12.3 %	9.0 %	0.0 %	0.0 %
Security							
Net debt	-5.5	-9.0	-3.7	-37.8	-33.6	-47.2	-65.0
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net debt / equity	neg.	neg.	neg.	neg.	neg.	neg.	neg.
Interest cover	999.0	999.0	999.0	999.0	999.0	999.0	999.0
Dividend payout ratio	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Asset utilisation							
Capital employed turnover	1.1	0.6	0.7	0.6	0.8	1.0	1.1
Operating assets turnover	21.5	10.6	13.7	20.9	28.7	30.7	31.8
Plant turnover	51.3	48.3	66.0	83.3	112.9	152.6	186.1
Inventory turnover (sales/inventory)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Returns							
ROCE	3.5 %	-4.4 %	-4.0 %	-7.0 %	-0.5 %	2.9 %	4.7 %
ROE	7.6 %	-5.5 %	-3.2 %	-8.2 %	-0.6 %	4.3 %	7.1 %
Other							
Interest paid / avg. debt	n/a	n/a	n/a	n/a	n/a	n/a	n/a
No. employees (average)	119	114	111	112	116	119	123
Number of shares	13.9	13.3	13.3	13.9	14.6	14.6	14.6
DPS	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EPS reported	0.11	-0.25	-0.15	-0.53	-0.03	0.28	0.50
Valuation ratios							
P/BV	8.7	2.5	2.4	1.9	1.9	1.8	1.7
EV/sales	2.6	2.4	1.2	1.3	1.0	0.7	0.5
EV/EBITDA	48.9	-140.0	-76.2	-18.7	92.6	17.1	10.0
EV/EBITA	48.9	-140.0	-76.2	-18.7	92.6	17.1	10.0
EV/EBIT	85.2	-38.6	-32.3	-14.2	-199.7	26.0	13.0
EV/FCF	10.9	24.1	11.7	8.5	16.1	10.7	7.5
Adjusted FCF yield	1.5 %	2.1 %	8.0 %	1.0 %	3.4 %	7.8 %	8.9 %
Dividend yield	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %

Source: Company data, Hauck Aufhäuser Investment Banking

Disclosures regarding research publications of Hauck Aufhäuser Lampe Privatbank AG pursuant to section 85 of the German Securities Trading Act (WpHG) and distributed in the UK under the Temporary Permission Regime for EEA firms, subject to the FCA requirements on research recommendation disclosures

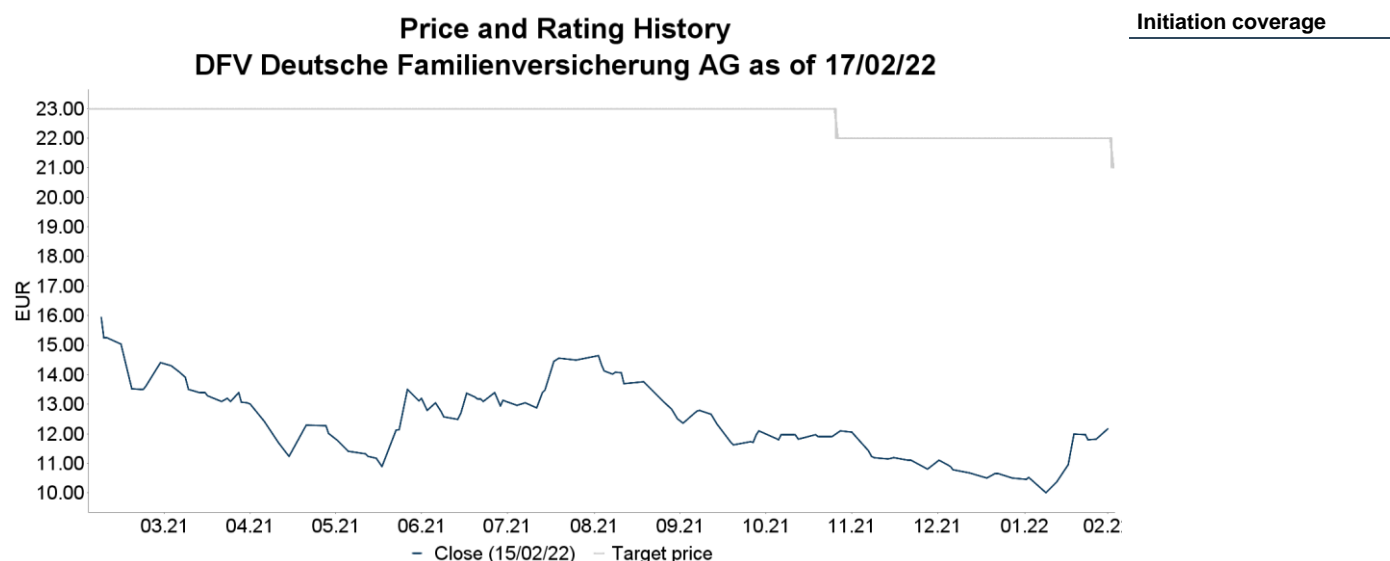
It is essential that any research recommendation is fairly presented and discloses interests of indicates relevant conflicts of interest. Pursuant to section 85 of the German Securities Trading Act (WpHG) a research report has to point out possible conflicts of interest in connection with the analysed company. Further to this, under the FCA's rules on research recommendations, any conflicts of interest in connection with the recommendation must be disclosed. A conflict of interest is presumed to exist in particular if Hauck Aufhäuser Lampe Privatbank AG

- (1) or any other person belonging to the same group with it was part of a consortium within the past twelve months that issued the financial instruments of the analysed company by way of a public offer.
- (2) or any other person belonging to the same group with it has entered into an agreement on the production of the research report with the analysed company.
- (3) or any other person belonging to the same group with it has been party to an agreement on the provision of investment banking services with the analysed company or have received services or a promise of services under the term of such an agreement within the past twelve month.
- (4) The analysed company holds 5% or more of the share capital of Hauck Aufhäuser Lampe Privatbank AG.
- (5) holds (a) a net short position or (b) a net long position of 0.5% of the outstanding share capital of the analysed company.
- (6) or any other person belonging to the same group with it is a market maker or liquidity provider in the financial instruments of the issuer.
- (7) or the analyst has any other significant financial interests relating to the analysed company such as, for example, exercising mandates in the interest of the analysed company.
- (8) The research report has been made available to the analysed company prior to its publication. Thereafter, only factual changes have been made to the report.

Conflicts of interest that existed at the time when this research report was published:

Company	Disclosure
DFV Deutsche Familienversicherung AG	

Historical target price and rating changes for DFV Deutsche Familienversicherung AG in the last 12 months



Company	Date	Analyst	Rating	Target price	Close
DFV Deutsche Familienversicherung AG	12.11.2021	Salis, Christian	Buy	EUR 22,00	EUR 12,10
	11.06.2021	Salis, Christian	Buy	EUR 23,00	EUR 13,50

Hauck Aufhäuser Investment Banking distribution of ratings and in proportion to investment banking services

Buy	79.11 %	96.43 %
Sell	5.06 %	0.00 %
Hold	15.82 %	3.57 %

Date of publication creation: 18/02/2022 07:45 AM

Date of publication dissemination: 18/02/2022 07:47 AM

1. General Information/Liabilities

This research report has been produced for the information purposes of institutional investors only, and is not in any way a personal recommendation, offer or solicitation to buy or sell the financial instruments mentioned herein. The document is confidential and is made available by Hauck Aufhäuser Lampe Privatbank AG, exclusively to selected recipients [in DE, GB, FR, CH, US, UK, Scandinavia, and Benelux or, in individual cases, also in other countries]. A distribution to private investors in the sense of the German Securities Trading Act (WpHG) is excluded. It is not allowed to pass the research report on to persons other than the intended recipient without the permission of Hauck Aufhäuser Lampe Privatbank AG. Reproduction of this document, in whole or in part, is not permitted without prior permission Hauck Aufhäuser Lampe Privatbank AG. All rights reserved.

Under no circumstances shall Hauck Aufhäuser Lampe Privatbank AG, any of its employees involved in the preparation, have any liability for possible errors or incompleteness of the information included in this research report – neither in relation to indirect or direct nor consequential damages. Liability for damages arising either directly or as a consequence of the use of information, opinions and estimates is also excluded. Past performance of a financial instrument is not necessarily indicative of future performance.

2. Responsibilities

This research report was prepared by the research analyst named on the front page (the "Producer"). The Producer is solely responsible for the views and estimates expressed in this report. The report has been prepared independently. The content of the research report was not influenced by the issuer of the analysed financial instrument at any time. It may be possible that parts of the research report were handed out to the issuer for information purposes prior to the publication without any major amendments being made thereafter.

3. Organisational Requirements

Hauck Aufhäuser Lampe Privatbank AG took internal organisational and regulative precautions to avoid or accordingly disclose possible conflicts of interest in connection with the preparation and distribution of the research report. All members of Hauck Aufhäuser Lampe Privatbank AG involved in the preparation of the research report are subject to internal compliance regulations. No part of the Producer's compensation is directly or indirectly related to the preparation of this financial analysis. In case a research analyst or a closely related person is confronted with a conflict of interest, the research analyst is restricted from covering this company.

4. Information Concerning the Methods of Valuation/Update

The determination of the fair value per share, i.e. the price target, and the resultant rating is done on the basis of the adjusted free cash flow (adj. FCF) method and on the basis of the discounted cash flow – DCF model. Furthermore, a peer group comparison is made.

The adj. FCF method is based on the assumption that investors purchase assets only at a price (enterprise value) at which the operating cash flow return after taxes on this investment exceeds their opportunity costs in the form of a hurdle rate of 7.5%. The operating cash flow is calculated as EBITDA less maintenance capex and taxes.

Within the framework of the DCF approach, the future free cash flows are calculated initially on the basis of a fictitious capital structure of 100% equity, i.e. interest and repayments on debt capital are not factored in initially. The adjustment towards the actual capital structure is done by discounting the calculated free cash flows with the weighted average cost of capital (WACC), which takes into account both the cost of equity capital and the cost of debt. After discounting, the calculated total enterprise value is reduced by the interest-bearing debt capital in order to arrive at the equity value.

Hauck Aufhäuser Lampe Privatbank AG uses the following three-step rating system for the analysed companies:

Buy: Sustainable upside potential of more than 10% within 12 months
Sell: Sustainable downside potential of more than 10% within 12 months.
Hold: Upside/downside potential is limited. No immediate catalyst visible.

NB: The ratings of Hauck Aufhäuser Lampe Privatbank AG are not based on a performance that is expected to be "relative" to the market.

The decision on the choice of the financial instruments analysed in this document was solely made by Hauck Aufhäuser Lampe Privatbank AG. The opinions and estimates in this research report are subject to change without notice. It is within the discretion of Hauck Aufhäuser Lampe Privatbank AG whether and when it publishes an update to this research report, but in general updates are created on a regular basis, after 6 months at the latest. A sensitivity analysis is included and published in company's initial studies.

5. Major Sources of Information

Part of the information required for this research report was made available by the issuer of the financial instrument. Furthermore, this report is based on publicly available sources (such as, for example, Bloomberg, Reuters, VWD-Trader and the relevant daily press) believed to be reliable. Hauck Aufhäuser Lampe Privatbank AG has checked the information for plausibility but not for accuracy or completeness.

6. Competent Supervisory Authority

Hauck Aufhäuser Lampe Privatbank AG are under supervision of the BaFin – German Federal Financial Supervisory Authority Bundesanstalt für Finanzdienstleistungsaufsicht), Graurheindorfer Straße 108, 53117 Bonn and Marie-Curie-Straße 24 – 28, 60439 Frankfurt a.M.

This document is distributed in the UK under the Temporary Permission Regime for EEA firms and in compliance with the applicable FCA requirements.

7. Specific Comments for Recipients Outside of Germany

This research report is subject to the law of the Federal Republic of Germany. The distribution of this information to other states in particular to the USA, Canada, Australia and Japan may be restricted or prohibited by the laws applicable within this state.

8. Miscellaneous

According to Article 4(1) No. i of the delegated regulation 2016/958 supplementing regulation 596/2014 of the European Parliament, further information regarding investment recommendations of the last 12 months are published under:

<https://www.hal-privatbank.com/en/investmentbank/investment-banking>

Disclosures for U.S. persons only

This research report is a product of HAUCK AUFHÄUSER LAMPE PRIVATBANK AG, which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution by HAUCK AUFHÄUSER LAMPE PRIVATBANK AG, only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor.

In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, HAUCK AUFHÄUSER LAMPE PRIVATBANK AG, has entered into an agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo"). Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

Contacts: Hauck Aufhäuser Investment Banking

HAIB Research

Hauck Aufhäuser Investment Banking
Mittelweg 16/17
20148 Hamburg
Germany

Tel.: +49 (0) 40 414 3885 91
Fax: +49 (0) 40 414 3885 71
E-Mail: research@ha-ib.de
www.ha-research.de

Tim Wunderlich, CFA
Head of Transactional Research
Tel.: +49 40 414 3885 81
E-Mail: tim.wunderlich@ha-ib.de

Henning Breiter
Head of Research
Tel.: +49 40 414 3885 73
E-Mail: henning.breiter@ha-ib.de

Marie-Thérèse Grübner
Head of Capital Advisory
Tel.: +49 40 450 6342 3097
E-Mail: marie-therese.gruebner@ha-ib.de

Christian Sandherr
Head of Equity Advisory
Tel.: +49 40 414 3885 79
E-Mail: christian.sandherr@ha-ib.de

Alexander Galitsa
Analyst
Tel.: +49 40 414 3885 83
E-Mail: alexander.galitsa@ha-ib.de

Alina Köhler
Analyst
Tel.: +49 40 450 6342 3095
E-Mail: alina.koehler@ha-ib.de

Christian Glowa
Analyst
Tel.: +49 40 414 3885 95
E-Mail: christian.glowa@ha-ib.de

Christian Salis
Analyst
Tel.: +49 40 414 3885 96
E-Mail: christian.salis@ha-ib.de

Frederik Jarchow
Analyst
Tel.: +49 40 414 3885 76
E-Mail: frederik.jarchow@ha-ib.de

Jonah Emerson
Analyst
Tel.: +49 40 450 6342 3098
E-Mail: jonah.emerson@ha-ib.de

Jorge González Sadornil
Analyst
Tel.: +49 40 414 3885 84
E-Mail: jorge.gonzalez@ha-ib.de

Nicole Winkler
Analyst
Tel.: +49 40 414 3885 97
E-Mail: nicole.winkler@ha-ib.de

Philipp Sennewald
Analyst
Tel.: +49 40 450 6342 3091
E-Mail: philipp.sennewald@ha-ib.de

Simon Bentlage
Analyst
Tel.: +49 40 450 6342 3096
E-Mail: simon.bentlage@ha-ib.de

Simon Jouck
Analyst
Tel.: +49 40 450 6342 3093
E-Mail: simon.jouck@ha-ib.de

HAIB Sales

Alexander Lachmann
Equity Sales
Tel.: +41 43 497 30 23
E-Mail: alexander.lachmann@ha-ib.de

Carlos Becke
Equity Sales
Tel.: +44 203 84 107 97
E-Mail: carlos.becke@ha-ib.de

Christian Bybjerg
Equity Sales
Tel.: +49 414 3885 74
E-Mail: christian.bybjerg@ha-ib.de

Hugues Madelin
Equity Sales
Tel.: +33 1 78 41 40 62
E-Mail: hugues.madelin@ha-ib.de

Imogen Voorspuy
Equity Sales
Tel.: +44 203 84 107 98
E-Mail: imogen.voorspuy@ha-ib.de

Markus Scharhag
Equity Sales
Tel.: +49 89 23 93 2813
E-Mail: markus.scharhag@ha-ib.de

Vincent Bischoff
Equity Sales
Tel.: +49 40 414 38 85 88
E-Mail: vincent.bischoff@ha-ib.de

HAIB Trading

Hauck Aufhäuser Investment Banking
Privatbank AG
Mittelweg 16/17
20148 Hamburg
Germany

Tel.: +49 40 414 3885 78
Fax: +49 40 414 3885 71
E-Mail: info@hal-privatbank.com
www.hal-privatbank.com

Fin Schaffer
Trading
Tel.: +49 40 414 38 85 98
E-Mail: fin.schaffer@hal-privatbank.com

Nils Carstens
Trading
Tel.: +49 40 414 38 85 85
E-Mail: nils.carstens@ha-ib.de

Tom Warlich
Middle-Office
Tel.: +49 40 414 3885 78
E-Mail: tom.warlich@hal-privatbank.com

Martin Aruschanjan
Middle-Office
Tel.: +49 40 450 6342 35 87
E-Mail: martin.aruschanjan@hal-privatbank.com