

Buy (old: Buy)

Price target: EUR 10.50 (old: EUR 12.00)

Price:	EUR 6.85	Next result:	Final Q4/FY: 20.04.15
Bloomberg:	ERMK GR	Market cap:	EUR 112.0 m
Reuters:	ERMGK.DE	Enterprise Value:	EUR 94.8 m

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Prelim. FY results: Lower revenues and provision booked but investment case remains intact, chg. in est. & PT

DEAG released prelim FY 14 results of € 172m in sales (eH&A: € 196m) adj. for consolidation with an EBIT of € 9m (eH&A: € 10.9m) which came in significantly below our estimates.

The **shortfall of group revenues is mainly attributable to operational issues and the completed reorganisation in CH** (34% of sales, FY 13), which led to an improved cost structure but however resulted in significantly lower revenues in FY 14. In Q1 15, the region seems to have returned to growth with based on a solid pipeline (Foo Fighters, Tote Hosen, Incubus, The Hives, David Garrett) which should continue for the rest of the year. Adjusting for this effect, DEAG's core business should have posted solid organic growth in FY 14 (e.g. Classic UK/Germany, Family Entertainment). In Q1 15, the solid organic momentum looks set to have continued.

On the **EBIT line, the shortfall to our estimates is related to the early launch of myticket.de** which is expected to have resulted in € 1.5-2m one-off costs (mainly for marketing and product development). While the overall investment and its earlier launch date look strategically sensible backed by solid sell-through data already in Q4, the timing and magnitude of the costs booked came as a surprise.

One-off effects and implications: DEAG had to book one-off costs of ca. € 1.5m for the potential cancellation of the planned festival 'Grüne Hölle' as the new owner of DEAG's JV partner does not seem to be willing to meet contractual obligations. While the company looks set to be insured against any financial risk of up to € 7.5m which should limit the financial impact, in our view, DEAG has been approached by the 'Arena auf Schalke' (total capacity: 70,000) as an alternative venue location. According to plans, DEAG would stage 3 festival days at the venue involving all main headliner bands (Metallica, Muse, Kiss). Positively, the potentially new venue would reduce overall operating expenses given it operates more efficiently and requires less equipment. Additionally, pricing for the event should remain unchanged (eH&A: € 65/day ticket). Accordingly, the booked provision would be temporary and might be reversed even in FY 15. However, given that this has been accounted for during the past few days, DEAG will report final FY 14 results only on April 20.

Action: Estimates are reduced by 10-11% on sales and 13-16% on EBIT level for FY '15E and '16E respectively, mainly to take a more conservative stance towards DEAG's move into the festival business and the projected return to growth in CH while accounting for some negative operating leverage.

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Y/E 31.12 (EUR m)	2010	2011	2012	2013	2014P	2015E	2016E
Sales	125.8	128.3	155.7	165.5	172.0	203.1	219.3
Sales growth	8 %	2 %	21 %	6 %	4 %	18 %	8 %
EBITDA	10.0	8.4	8.6	8.9	9.5	13.9	19.4
EBIT	8.2	7.4	7.2	7.3	9.0	12.2	17.7
Net income	1.3	2.5	2.7	1.0	3.5	5.7	9.5
Net debt	-9.3	-15.1	-7.7	-0.7	-21.2	-23.1	-30.7
Net gearing	-84.0 %	-100.9 %	-72.0 %	-24.3 %	-69.1 %	-81.2 %	-92.2 %
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EPS pro forma	0.11	0.21	0.22	0.26	0.21	0.35	0.58
CPS	0.82	0.20	-0.25	0.00	0.35	0.35	0.69
DPS	0.00	0.04	0.08	0.12	0.16	0.21	0.30
Dividend yield	0.0 %	0.6 %	1.2 %	1.8 %	2.3 %	3.0 %	4.4 %
Gross profit margin	24.9 %	25.4 %	24.1 %	22.3 %	26.4 %	27.0 %	27.5 %
EBITDA margin	8.0 %	6.5 %	5.5 %	5.4 %	5.5 %	6.8 %	8.8 %
EBIT margin	6.5 %	5.8 %	4.6 %	4.4 %	5.2 %	6.0 %	8.1 %
ROCE	17.1 %	14.9 %	13.7 %	13.3 %	14.0 %	16.7 %	23.0 %
EV/sales	0.7	0.7	0.5	0.6	0.6	0.5	0.4
EV/EBITDA	8.5	10.3	9.9	11.1	10.0	6.7	4.4
EV/EBIT	10.4	11.6	11.7	13.6	10.5	7.6	4.8
PER	63.0	33.4	31.6	26.2	32.3	19.8	11.8
Adjusted FCF yield	5.9 %	6.9 %	6.4 %	5.7 %	3.9 %	7.5 %	13.3 %

Source: Company data, Hauck & Aufhäuser Close price as of: 30.03.2015



Source: Company data, Hauck & Aufhäuser

High/low 52 weeks: 8.08 / 5.50

Price/Book Ratio: 2.4

Relative performance (SDAX):

3 months -25.3 %

6 months -9.9 %

12 months 2.3 %

Changes in estimates

		Sales	EBIT	EPS
2014	old:	196.1	10.9	0.26
	Δ	-12.3%	-17.1%	-19.4%
2015	old:	228.1	14.5	0.42
	Δ	-11.0%	-15.6%	-17.4%
2016	old:	243.6	20.3	0.66
	Δ	-10.0%	-12.7%	-12.5%

Key share data:

Number of shares: (in m pcs) 15.2

Authorised capital: (in € m) 0.0

Book value per share: (in €) 2.8

Ø trading volume: (12 months) 38,000

Major shareholders:

Free Float	44.5 %
Allianz Global Investors	12.4 %
Plutus Holdings 2 Ltd.	11.7 %
Heliad Equity Partners	9.7 %
Peter L.H. Schwenkow	7.6 %
Monolith Duitsland B.V.	7.4 %

Company description:

Leading European Live Entertainment provider with a broad basis of content in Rock/Pop, Classics, Family Entertainment and Middle of the Road.

Importantly, DEAG's remaining festival activities (e.g. Munich and Vienna) do not seem to be affected. For both festivals, the ticketing sell-through is seen to be in-line with DEAG's expectations.

Hence, recent newsflow should mark the trough and is expected to improve going forward backed by (1) a solid FY 15 pipeline as well as (2) improving ticketing sales. Accordingly, **DEAG also increased its target to sell some 4.2m tickets in 2015 to 4.5m implying >20% yoy growth**. On the back of the Ticketmaster JV as well as the recently launched own ticketing platform myticket.de, this should fuel an increasing number of directly controlled tickets. Overall, DEAG's investment case which is based on the increasing efficiency of ticket distribution via Ticketmaster and myticket.de remains intact. Our on revised estimates reflect a return to growth in CH coupled with a solid performance of acquired Kilimanjaro (eH&A: € 14m in sales, FY 13) and organic growth in DEAG's core business driven by sound demand and new shows (e.g. Classics, Family Entertainment).

Remains a BUY, new PT € 10.50 (old: € 12.00) based on FCFY '16E.

Financials

Profit and loss (EUR m)	2010	2011	2012	2013	2014E	2015E	2016E
Sales	125.8	128.3	155.7	165.5	172.0	203.1	219.3
<i>Sales growth</i>	7.8 %	2.0 %	21.4 %	6.3 %	3.9 %	18.1 %	8.0 %
Cost of sales	94.5	95.7	118.2	128.6	126.6	148.3	159.0
Gross profit	31.3	32.6	37.5	36.9	45.4	54.8	60.3
Sales and marketing	13.2	15.8	20.1	19.4	23.7	29.7	29.4
General and administration	11.4	12.9	13.4	14.9	15.3	17.0	17.4
Research and development	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other operating income	3.2	4.4	3.9	6.1	4.0	4.8	5.0
Other operating expenses	1.7	0.9	0.7	1.4	1.1	0.7	0.8
Unusual or infrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	10.0	8.4	8.6	8.9	9.5	13.9	19.4
Depreciation	0.2	0.2	0.3	0.4	0.3	0.4	0.4
EBITA	9.8	8.1	8.3	8.5	9.2	13.4	18.9
Amortisation of goodwill	0.7	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.9	0.7	1.1	1.2	0.2	1.2	1.2
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	8.2	7.4	7.2	7.3	9.0	12.2	17.7
Interest income	0.1	0.1	0.2	0.2	0.3	0.3	0.2
Interest expenses	1.2	1.2	0.5	0.6	0.5	0.5	0.5
Other financial result	-0.2	-0.3	-1.1	-0.4	-0.3	-0.1	-0.1
Financial result	-1.3	-1.5	-1.4	-0.8	-0.5	-0.3	-0.5
Recurring pretax income from continuing operations	6.9	6.0	5.9	6.5	8.5	11.9	17.3
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	6.9	6.0	5.9	6.5	8.5	11.9	17.3
Taxes	2.5	1.5	1.1	1.7	2.3	3.2	4.6
Net income from continuing operations	4.4	4.4	4.8	4.7	6.3	8.8	12.7
Result from discontinued operations (net of tax)	0.0	0.0	0.0	2.6	0.0	0.0	0.0
Net income	4.4	4.4	4.8	2.2	6.3	8.8	12.7
Minority interest	3.0	1.9	2.1	1.2	2.8	3.1	3.2
Net income (net of minority interest)	1.3	2.5	2.7	1.0	3.5	5.7	9.5
Average number of shares	12.4	12.4	12.4	13.0	15.2	16.4	16.4
EPS reported	0.11	0.21	0.22	0.08	0.23	0.35	0.58

Profit and loss (common size)	2010	2011	2012	2013	2014E	2015E	2016E
Sales	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Cost of sales	75.1 %	74.6 %	75.9 %	77.7 %	73.6 %	73.0 %	72.5 %
Gross profit	24.9 %	25.4 %	24.1 %	22.3 %	26.4 %	27.0 %	27.5 %
Sales and marketing	10.5 %	12.3 %	12.9 %	11.7 %	13.8 %	14.6 %	13.4 %
General and administration	9.1 %	10.0 %	8.6 %	9.0 %	8.9 %	8.4 %	7.9 %
Research and development	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other operating income	2.5 %	3.4 %	2.5 %	3.7 %	2.3 %	2.3 %	2.3 %
Other operating expenses	1.3 %	0.7 %	0.5 %	0.9 %	0.7 %	0.3 %	0.4 %
Unusual or infrequent items	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBITDA	8.0 %	6.5 %	5.5 %	5.4 %	5.5 %	6.8 %	8.8 %
Depreciation	0.2 %	0.2 %	0.2 %	0.2 %	0.2 %	0.2 %	0.2 %
EBITA	7.8 %	6.3 %	5.3 %	5.1 %	5.3 %	6.6 %	8.6 %
Amortisation of goodwill	0.6 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Amortisation of intangible assets	0.7 %	0.5 %	0.7 %	0.7 %	0.1 %	0.6 %	0.5 %
Impairment charges	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBIT	6.5 %	5.8 %	4.6 %	4.4 %	5.2 %	6.0 %	8.1 %
Interest income	0.1 %	0.1 %	0.1 %	0.1 %	0.2 %	0.1 %	0.1 %
Interest expenses	1.0 %	1.0 %	0.3 %	0.3 %	0.3 %	0.2 %	0.2 %
Other financial result	-0.2 %	-0.3 %	-0.7 %	-0.3 %	-0.2 %	0.0 %	0.0 %
Financial result	-1.1 %	-1.1 %	-0.9 %	-0.5 %	-0.3 %	-0.1 %	-0.2 %
Recurring pretax income from continuing operations	5.5 %	4.7 %	3.8 %	3.9 %	5.0 %	5.9 %	7.9 %
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Earnings before taxes	5.5 %	4.7 %	3.8 %	3.9 %	5.0 %	5.9 %	7.9 %
Tax rate	36.6 %	25.7 %	18.6 %	26.6 %	26.6 %	26.6 %	26.6 %
Net income from continuing operations	3.5 %	3.5 %	3.1 %	2.9 %	3.6 %	4.3 %	5.8 %
Result from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	1.6 %	0.0 %	0.0 %	0.0 %
Net income	3.5 %	3.5 %	3.1 %	1.3 %	3.6 %	4.3 %	5.8 %
Minority interest	2.4 %	1.5 %	1.4 %	0.7 %	1.6 %	1.5 %	1.5 %
Net income (net of minority interest)	1.1 %	2.0 %	1.7 %	0.6 %	2.0 %	2.8 %	4.3 %

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2010	2011	2012	2013	2014E	2015E	2016E
Intangible assets	24.2	25.0	24.7	27.0	27.0	26.0	25.0
Property, plant and equipment	9.0	9.2	10.7	11.5	11.9	12.2	12.5
Financial assets	1.0	2.6	1.7	1.5	1.5	1.5	1.5
FIXED ASSETS	34.2	36.8	37.1	40.0	40.4	39.7	39.0
Inventories	7.7	12.8	13.6	11.9	14.3	16.9	18.3
Accounts receivable	7.5	7.0	10.0	8.8	11.3	13.9	15.0
Other current assets	3.8	4.1	6.0	6.5	6.5	6.5	6.5
Liquid assets	31.8	35.7	31.6	22.9	42.7	46.3	54.7
Deferred taxes	0.0	0.0	0.5	0.4	0.0	0.0	0.0
Deferred charges and prepaid expenses	0.0	2.3	0.2	0.2	0.0	0.0	0.0
CURRENT ASSETS	50.9	61.9	61.9	50.7	74.7	83.6	94.5
TOTAL ASSETS	85.1	98.7	99.0	90.8	115.1	123.3	133.4
SHAREHOLDERS EQUITY	22.2	24.5	26.4	26.1	45.8	43.5	47.4
MINORITY INTEREST	4.7	5.6	5.4	4.0	6.8	9.9	13.1
Long-term debt	10.6	8.7	9.0	10.4	4.8	4.8	4.8
Provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other provisions	8.9	9.6	10.2	8.9	9.1	9.3	9.5
Non-current liabilities	19.4	18.4	19.3	19.3	13.9	14.1	14.3
short-term liabilities to banks	2.6	2.3	3.6	6.2	6.2	6.2	6.2
Accounts payable	9.4	9.5	11.3	5.6	10.4	12.2	13.1
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)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred taxes	2.0	2.0	2.0	2.4	2.4	2.4	2.4
Deferred income	24.8	36.5	31.0	27.2	29.7	35.1	37.0
Current liabilities	38.8	50.3	47.9	41.4	48.7	55.8	58.7
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	85.1	98.7	99.0	90.8	115.1	123.3	133.4

Balance sheet (common size)	2010	2011	2012	2013	2014E	2015E	2016E
Intangible assets	28.4 %	25.3 %	24.9 %	29.8 %	23.5 %	21.1 %	18.8 %
Property, plant and equipment	10.6 %	9.3 %	10.8 %	12.7 %	10.3 %	9.9 %	9.3 %
Financial assets	1.2 %	2.6 %	1.7 %	1.6 %	1.3 %	1.2 %	1.1 %
FIXED ASSETS	40.2 %	37.3 %	37.5 %	44.1 %	35.1 %	32.2 %	29.2 %
Inventories	9.1 %	12.9 %	13.7 %	13.2 %	12.4 %	13.7 %	13.7 %
Accounts receivable	8.9 %	7.1 %	10.1 %	9.7 %	9.8 %	11.3 %	11.3 %
Other current assets	4.4 %	4.2 %	6.1 %	7.1 %	5.6 %	5.2 %	4.8 %
Liquid assets	37.4 %	36.2 %	31.9 %	25.3 %	37.0 %	37.5 %	41.0 %
Deferred taxes	0.0 %	0.0 %	0.5 %	0.4 %	0.0 %	0.0 %	0.0 %
Deferred charges and prepaid expenses	0.0 %	2.3 %	0.2 %	0.3 %	0.0 %	0.0 %	0.0 %
CURRENT ASSETS	59.8 %	62.7 %	62.5 %	55.9 %	64.9 %	67.8 %	70.8 %
TOTAL ASSETS	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
SHAREHOLDERS EQUITY	26.1 %	24.8 %	26.6 %	28.8 %	39.7 %	35.3 %	35.5 %
MINORITY INTEREST	5.5 %	5.6 %	5.5 %	4.4 %	5.9 %	8.0 %	9.8 %
Long-term debt	12.4 %	8.9 %	9.1 %	11.4 %	4.2 %	3.9 %	3.6 %
Provisions for pensions and similar obligations	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other provisions	10.4 %	9.8 %	10.4 %	9.8 %	7.9 %	7.5 %	7.1 %
Non-current liabilities	22.8 %	18.6 %	19.4 %	21.3 %	12.1 %	11.4 %	10.7 %
short-term liabilities to banks	3.1 %	2.3 %	3.6 %	6.8 %	5.4 %	5.0 %	4.6 %
Accounts payable	11.1 %	9.7 %	11.4 %	6.2 %	9.0 %	9.9 %	9.8 %
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)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Deferred taxes	2.3 %	2.0 %	2.0 %	2.6 %	2.1 %	1.9 %	1.8 %
Deferred income	29.1 %	37.0 %	31.4 %	29.9 %	25.8 %	28.5 %	27.7 %
Current liabilities	45.6 %	51.0 %	48.4 %	45.6 %	42.3 %	45.3 %	44.0 %
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

Source: Company data, Hauck & Aufhäuser

Cash flow statement (EUR m)	2010	2011	2012	2013	2014E	2015E	2016E
Net profit/loss	4.4	4.4	4.8	2.2	6.3	8.8	12.7
Depreciation of fixed assets (incl. leases)	0.2	0.2	0.3	0.4	0.3	0.4	0.4
Amortisation of goodwill	0.7	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.9	0.7	1.1	1.2	0.2	1.2	1.2
Others	3.3	6.8	-6.6	0.0	0.0	0.0	0.0
Cash flow from operations before changes in w/c	9.5	12.1	-0.5	3.8	6.8	10.4	14.3
Increase/decrease in inventory	0.8	-8.6	-0.8	1.6	-2.4	-2.6	-1.3
Increase/decrease in accounts receivable	0.0	0.0	-3.0	1.2	-2.5	-2.6	-1.1
Increase/decrease in accounts payable	0.0	0.0	1.8	-5.7	4.8	1.8	0.9
Increase/decrease in other working capital positions	0.0	-0.7	0.0	0.0	0.0	0.0	0.0
Increase/decrease in working capital	0.8	-9.2	-2.0	-2.9	-0.1	-3.4	-1.6
Cash flow from operating activities	10.3	2.9	-2.5	0.9	6.7	7.0	12.8
CAPEX	0.3	0.4	0.6	0.7	0.9	0.9	0.9
Payments for acquisitions	0.0	0.0	0.0	5.4	0.0	0.0	0.0
Financial investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	1.0	0.1	0.0	0.0	0.0	0.0	0.0
Cash flow from investing activities	0.7	-0.4	-0.6	-6.1	-0.9	-0.9	-0.9
Cash flow before financing	11.0	2.6	-3.1	-5.3	5.8	6.1	11.9
Increase/decrease in debt position	-0.8	-1.3	1.6	4.0	-5.6	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	0.0	0.0	4.0	13.4	0.0	0.0
Dividends paid	1.5	1.9	0.5	1.0	1.6	2.4	3.4
Others	-3.1	0.0	-2.8	0.0	0.0	0.0	0.0
Effects of exchange rate changes on cash	2.8	1.8	0.7	0.0	0.0	0.0	0.0
Cash flow from financing activities	-5.5	-3.2	-1.7	7.0	6.2	-2.4	-3.4
Increase/decrease in liquid assets	8.3	1.2	-4.1	1.8	12.0	3.6	8.5
Liquid assets at end of period	31.8	33.0	28.9	30.6	42.7	46.3	54.7

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2010	2011	2012	2013	2014E	2015E	2016E
Domestic	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 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	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

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2010	2011	2012	2013	2014E	2015E	2016E
P&L growth analysis							
Sales growth	7.8 %	2.0 %	21.4 %	6.3 %	3.9 %	18.1 %	8.0 %
EBITDA growth	56.3 %	-16.5 %	2.5 %	3.9 %	6.6 %	45.8 %	39.9 %
EBIT growth	70.2 %	-9.4 %	-2.7 %	1.0 %	23.2 %	36.1 %	44.9 %
EPS growth	183.4 %	89.0 %	5.5 %	-65.3 %	203.1 %	52.1 %	67.5 %
Efficiency							
Total operating costs / sales	18.3 %	19.6 %	19.5 %	17.9 %	21.1 %	21.0 %	19.4 %
Sales per employee	638.0	621.0	674.3	607.8	564.3	585.1	567.7
EBITDA per employee	50.8	40.5	37.1	32.7	31.2	39.9	50.2
Balance sheet analysis							
Avg. working capital / sales	4.4 %	6.3 %	7.2 %	8.3 %	8.8 %	8.3 %	8.9 %
Inventory turnover (sales/inventory)	16.3	10.0	11.5	13.9	12.0	12.0	12.0
Trade debtors in days of sales	21.9	19.9	19.9	19.9	24.0	25.0	25.0
A/P turnover [(A/P*365)/sales]	36.4	36.4	35.0	15.9	30.0	30.0	30.0
Cash conversion cycle (days)	15.3	32.2	30.3	37.4	35.3	36.7	37.0
Cash flow analysis							
Free cash flow	10.0	2.5	-3.1	0.2	5.8	6.1	11.9
Free cash flow/sales	8.0 %	1.9 %	-2.0 %	0.1 %	3.4 %	3.0 %	5.4 %
FCF / net profit	746.1 %	98.3 %	-114.1 %	15.3 %	167.5 %	107.0 %	124.9 %
Capex / depre	15.3 %	45.6 %	44.8 %	43.8 %	165.4 %	56.0 %	54.9 %
Capex / maintenance capex	96.4 %	96.9 %	66.7 %	77.8 %	70.0 %	58.3 %	50.0 %
Capex / sales	0.2 %	0.3 %	0.4 %	0.4 %	0.5 %	0.4 %	0.4 %
Security							
Net debt	-9.3	-15.1	-7.7	-0.7	-21.2	-23.1	-30.7
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net debt / equity	-0.4	-0.6	-0.3	0.0	-0.5	-0.5	-0.6
Interest cover	6.8	6.0	14.1	13.1	18.0	24.5	35.5
Dividend payout ratio	0.0 %	19.5 %	36.9 %	159.6 %	70.2 %	60.1 %	51.9 %
Asset utilisation							
Capital employed turnover	2.6	2.5	2.8	3.0	2.4	2.8	2.7
Operating assets turnover	8.5	6.6	6.8	6.2	6.3	6.6	6.7
Plant turnover	13.9	14.0	14.5	14.3	14.5	16.7	17.6
Inventory turnover (sales/inventory)	16.3	10.0	11.5	13.9	12.0	12.0	12.0
Returns							
ROCE	17.1 %	14.9 %	13.7 %	13.3 %	14.0 %	16.7 %	23.0 %
ROE	6.1 %	10.4 %	10.2 %	3.7 %	7.6 %	13.0 %	20.0 %
Other							
Interest paid / avg. debt	8.8 %	10.3 %	4.3 %	3.8 %	3.6 %	4.5 %	4.5 %
No. employees (average)	197	207	231	272	305	347	386
Number of shares	12.4	12.4	12.4	13.0	15.2	16.4	16.4
DPS	0.0	0.0	0.1	0.1	0.2	0.2	0.3
EPS reported	0.11	0.21	0.22	0.08	0.23	0.35	0.58
Valuation ratios							
P/BV	3.8	3.5	3.2	3.6	2.4	2.6	2.4
EV/sales	0.7	0.7	0.5	0.6	0.6	0.5	0.4
EV/EBITDA	8.5	10.3	9.9	11.1	10.0	6.7	4.4
EV/EBITA	8.7	10.6	10.2	11.6	10.4	6.9	4.5
EV/EBIT	10.4	11.6	11.7	13.6	10.5	7.6	4.8
EV/FCF	8.5	34.6	-27.7	660.2	16.3	15.4	7.2
Adjusted FCF yield	5.9 %	6.9 %	6.4 %	5.7 %	3.9 %	7.5 %	13.3 %
Dividend yield	0.0 %	0.6 %	1.2 %	1.8 %	2.3 %	3.0 %	4.4 %

Source: Company data, Hauck & Aufhäuser

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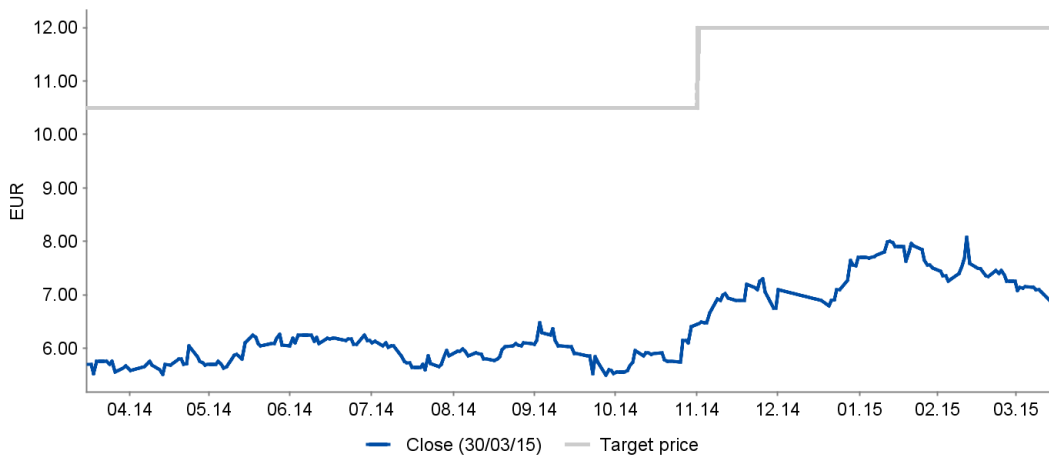
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Company	Disclosure
DEAG Deutsche Entertainment AG	2, 3, 5

Historical target price and rating changes for DEAG Deutsche Entertainment AG in the last 12 months

**Price and Rating History
DEAG Deutsche Entertainment AG as of 31/03/15**

Initiation coverage
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