

**Buy** (old: Buy)

**Price target: EUR 7.30** (old: EUR 7.00)

<b>Price:</b>	EUR 4.53	<b>Next result:</b>	Q2 19 30.08.19
<b>Bloomberg:</b>	ERMK@GR	<b>Market cap:</b>	EUR 86.2 m
<b>Reuters:</b>	ERMKG.DE	<b>Enterprise Value:</b>	EUR 112.2 m

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### Strong Q1 19, two acquisitions announced, est. & PT up

**Q1 revenues amounted to € 25.5m**, down only 5.5% yoy, hence 11% higher than our € 23m estimate. Adjusting Q1 2018 figures for the € 6.5m contribution of UK promoter Raymond Gubby Ltd. ("RG"), sold mid-2018, **organic revenue growth amounted to an impressive 24.4% yoy**. The expansion of family entertainment formats such as Disney on Ice or Thriller Live, exhibitions such as Harry Potter, Jazz formats such as the sold out concerts of Till Brönner and Joja Wendt, and Classics (Anna Netrebko's and Yusif Eyvazov first Swiss joint concert) all underpinned this growth: **DEAG continues to consistently grow in its core competence areas and in core geographies** (UK, Switzerland, Germany). In Rock/Pop, advance sales for the upcoming open air season are running on track (the Belladrum Festival in Scotland, Ed Sheeran, KISS etc.).

**EBITDA came in at € 1.0m** (in line) up 25% yoy, in the seasonally weak Q1 and includes a € 0.3m positive effect from IRFS accounting changes. Adjusting for this in Q1 19 and RG's € 0.3m contribution in Q1 18, EBITDA is up a strong 40% yoy.

As of Q1, DEAG has **some € 45m of cash to finance growth**, including via acquisitions. In that regard, the company recently announced it is taking a minority interest in a new company it set up with **ally4ever Entertainment GmbH**, an experienced **eSports event specialist**. The objective is to set up eSports stadium events in Germany. DEAG has options to increase its stake by 2022. While the **financial impact is moderate for now**, the transaction is congruent with the company's strategy of focusing on live entertainment segments where it can leverage with its touring expertise, sponsorship competence and access to artists. The eSports market is expected to net in USD 1.7 billion by 2021, and is growing 30% p.a.

DEAG also just announced the acquisition of a **51% stake in German live entertainment promoter and producer C<sup>2</sup> Concerts**, offering a broad portfolio of 200+ events and 400K tickets p.a. and generating € 7m in revenues in 2018. The company has been cooperating with DEAG on the Christmas Gardens format notably in Stuttgart. DEAG sees C<sup>2</sup> revenues expanding to € 10m mid-term, also by selling their tickets through myticket going forward. We estimate the company paid € 1.5m for the stake, valuing C<sup>2</sup> at an estimated 6-8x EV/EBITDA, in-line with what it usually pays.

We increase EPS by 11.7% over '18-21e on the back of stronger Q1 and recent announcements. **BUY. PT € 7.30 (€ 7.00) on FCFY 2020e**. We would expect even more M&A announcements near-term in light of language in the Q1 report.

Y/E 31.12 (EUR m)	2015	2016	2017	2018	2019E	2020E	2021E
Sales	200.4	179.5	159.8	200.2	200.5	216.1	235.6
Sales growth	16 %	-10 %	-11 %	25 %	0 %	8 %	18 %
EBITDA	-24.5	5.2	6.5	14.6	12.1	14.8	18.2
EBIT	-26.2	3.7	5.1	10.6	7.6	10.3	13.7
Net income	-29.8	-3.6	-2.3	3.6	2.3	4.7	7.6
Net debt	-6.4	-2.4	-14.9	22.1	26.0	16.3	6.5
Net gearing	-63.1 %	-40.1 %	-199.0 %	223.3 %	209.0 %	94.0 %	25.8 %
Net Debt/EBITDA	0.0	0.0	0.0	1.5	2.2	1.1	0.4
EPS pro forma	-1.73	0.02	0.04	0.18	0.12	0.24	0.38
CPS	-2.53	-0.40	0.81	-0.82	-0.11	0.52	0.53
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	7.0 %	17.2 %	18.4 %	19.2 %	19.3 %	19.4 %	19.7 %
EBITDA margin	-12.2 %	2.9 %	4.1 %	7.3 %	6.0 %	6.9 %	7.7 %
EBIT margin	-13.1 %	2.1 %	3.2 %	5.3 %	3.8 %	4.8 %	5.8 %
ROCE	-48.8 %	8.0 %	10.6 %	16.4 %	9.2 %	12.1 %	15.2 %
EV/sales	0.3	0.4	0.4	0.5	0.6	0.5	0.4
EV/EBITDA	-2.8	14.0	10.5	7.3	9.3	6.9	5.1
EV/EBIT	-2.6	19.4	13.7	10.0	14.8	9.9	6.8
PER	-2.6	223.9	110.7	25.2	39.2	19.2	12.0
Adjusted FCF yield	-44.7 %	3.7 %	9.1 %	255.3 %	8.1 %	11.6 %	16.3 %

Source: Company data, Hauck & Aufhäuser Close price as of: 05.06.2019



Source: Company data, Hauck & Aufhäuser

**High/low 52 weeks:** 4.71 / 2.96

**Price/Book Ratio:** 7.4

**Relative performance (SDAX):**

3 months	-
6 months	-
12 months	48.2 %

#### Changes in estimates

		Sales	EBIT	EPS
2019	old:	192.5	7.0	0.10
	Δ	+4.2%	+8.6%	+20.0%
2020	old:	208.5	9.9	0.22
	Δ	+3.6%	+4.0%	+9.0%
2021	old:	226.0	13.1	0.30
	Δ	+4.2%	+4.6%	+5.6%

#### Key share data:

Number of shares: (in m pcs)	18.9
Authorised capital: (in € m)	0.0
Book value per share: (in €)	0.6
Ø trading volume: (12 months)	38,000

#### Major shareholders:

Free float	45.7 %
Apeiron Investment Ltd.	19.0 %
Allianz SE	10.0 %
Plutus Holdings 2 LTD	10.4 %
SRE Holding GmbH	9.8 %
Quaero Capital	5.4 %

#### Company description:

Leading European live entertainment provider with a broad basis of content in rock/pop, jazz, classics, family entertainment, arts and exhibitions.

## Financials

Profit and loss (EUR m)	2015	2016	2017	2018	2019E	2020E	2021E
<b>Sales</b>	<b>200.4</b>	<b>179.5</b>	<b>159.8</b>	<b>200.2</b>	<b>200.5</b>	<b>216.1</b>	<b>235.6</b>
<i>Sales growth</i>	16.3 %	-10.4 %	-11.0 %	25.3 %	0.1 %	7.8 %	17.5 %
Cost of sales	186.3	148.7	130.5	161.7	161.8	174.2	189.2
<b>Gross profit</b>	<b>14.1</b>	<b>30.8</b>	<b>29.3</b>	<b>38.5</b>	<b>38.7</b>	<b>41.9</b>	<b>46.4</b>
Sales and marketing	24.5	20.7	13.1	19.0	18.5	18.9	20.2
General and administration	15.7	13.6	12.6	16.5	16.0	16.6	17.0
Research and development	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other operating income	9.5	8.1	2.6	8.5	4.5	4.9	5.4
Other operating expenses	9.6	0.8	1.2	1.0	1.0	1.0	1.0
Unusual or infrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBITDA</b>	<b>-24.5</b>	<b>5.2</b>	<b>6.5</b>	<b>14.6</b>	<b>12.1</b>	<b>14.8</b>	<b>18.2</b>
Depreciation	1.7	1.4	1.5	4.0	4.5	4.5	4.5
<b>EBITA</b>	<b>-26.2</b>	<b>3.7</b>	<b>5.1</b>	<b>10.6</b>	<b>7.6</b>	<b>10.3</b>	<b>13.7</b>
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBIT (inc revaluation net)</b>	<b>-26.2</b>	<b>3.7</b>	<b>5.1</b>	<b>10.6</b>	<b>7.6</b>	<b>10.3</b>	<b>13.7</b>
Interest income	0.0	0.0	0.0	0.1	0.1	0.1	0.1
Interest expenses	0.9	1.0	1.2	3.1	2.9	2.9	2.9
Other financial result	0.0	-0.5	-0.9	-0.2	-0.3	-0.3	0.0
Financial result	-0.9	-1.5	-2.1	-3.2	-3.0	-3.0	-2.8
<b>Recurring pretax income from continuing operations</b>	<b>-27.2</b>	<b>2.2</b>	<b>2.9</b>	<b>7.4</b>	<b>4.5</b>	<b>7.3</b>	<b>10.9</b>
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Earnings before taxes</b>	<b>-27.2</b>	<b>2.2</b>	<b>2.9</b>	<b>7.4</b>	<b>4.5</b>	<b>7.3</b>	<b>10.9</b>
Taxes	0.2	0.5	0.6	0.7	0.9	1.5	2.2
<b>Net income from continuing operations</b>	<b>-27.4</b>	<b>1.7</b>	<b>2.3</b>	<b>6.7</b>	<b>3.6</b>	<b>5.8</b>	<b>8.7</b>
Result from discontinued operations (net of tax)	1.6	3.9	3.0	0.0	0.0	0.0	0.0
<b>Net income</b>	<b>-29.0</b>	<b>-2.2</b>	<b>-0.7</b>	<b>6.7</b>	<b>3.6</b>	<b>5.8</b>	<b>8.7</b>
Minority interest	0.9	1.4	1.6	3.1	1.3	1.1	1.1
<b>Net profit (reported)</b>	<b>-29.8</b>	<b>-3.6</b>	<b>-2.3</b>	<b>3.6</b>	<b>2.3</b>	<b>4.7</b>	<b>7.6</b>
Average number of shares	16.4	16.4	17.6	18.4	18.9	18.9	18.9
<b>EPS reported</b>	<b>-1.83</b>	<b>-0.22</b>	<b>-0.13</b>	<b>0.20</b>	<b>0.12</b>	<b>0.25</b>	<b>0.40</b>

Profit and loss (common size)	2015	2016	2017	2018	2019E	2020E	2021E
<b>Sales</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>
Cost of sales	93.0 %	82.8 %	81.6 %	80.8 %	80.7 %	80.6 %	80.3 %
<b>Gross profit</b>	<b>7.0 %</b>	<b>17.2 %</b>	<b>18.4 %</b>	<b>19.2 %</b>	<b>19.3 %</b>	<b>19.4 %</b>	<b>19.7 %</b>
Sales and marketing	12.3 %	11.5 %	8.2 %	9.5 %	9.3 %	8.8 %	8.6 %
General and administration	7.8 %	7.6 %	7.9 %	8.2 %	8.0 %	7.7 %	7.2 %
Research and development	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other operating income	4.7 %	4.5 %	1.6 %	4.3 %	2.3 %	2.3 %	2.3 %
Other operating expenses	4.8 %	0.5 %	0.7 %	0.5 %	0.5 %	0.5 %	0.4 %
Unusual or infrequent items	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>EBITDA</b>	<b>neg.</b>	<b>2.9 %</b>	<b>4.1 %</b>	<b>7.3 %</b>	<b>6.0 %</b>	<b>6.9 %</b>	<b>7.7 %</b>
Depreciation	0.9 %	0.8 %	0.9 %	2.0 %	2.2 %	2.1 %	1.9 %
<b>EBITA</b>	<b>neg.</b>	<b>2.1 %</b>	<b>3.2 %</b>	<b>5.3 %</b>	<b>3.8 %</b>	<b>4.8 %</b>	<b>5.8 %</b>
Amortisation of goodwill	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Amortisation of intangible assets	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Impairment charges	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>EBIT (inc revaluation net)</b>	<b>neg.</b>	<b>2.1 %</b>	<b>3.2 %</b>	<b>5.3 %</b>	<b>3.8 %</b>	<b>4.8 %</b>	<b>5.8 %</b>
Interest income	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Interest expenses	0.5 %	0.6 %	0.7 %	1.5 %	1.4 %	1.3 %	1.2 %
Other financial result	0.0 %	-0.3 %	-0.6 %	-0.1 %	-0.1 %	-0.1 %	0.0 %
Financial result	neg.	neg.	neg.	neg.	neg.	neg.	neg.
<b>Recurring pretax income from continuing operations</b>	<b>neg.</b>	<b>1.2 %</b>	<b>1.8 %</b>	<b>3.7 %</b>	<b>2.3 %</b>	<b>3.4 %</b>	<b>4.6 %</b>
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Earnings before taxes</b>	<b>neg.</b>	<b>1.2 %</b>	<b>1.8 %</b>	<b>3.7 %</b>	<b>2.3 %</b>	<b>3.4 %</b>	<b>4.6 %</b>
Tax rate	-0.7 %	22.1 %	20.4 %	9.0 %	20.0 %	20.0 %	20.0 %
<b>Net income from continuing operations</b>	<b>neg.</b>	<b>1.0 %</b>	<b>1.5 %</b>	<b>3.4 %</b>	<b>1.8 %</b>	<b>2.7 %</b>	<b>3.7 %</b>
Result from discontinued operations (net of tax)	0.8 %	2.2 %	1.9 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Net income</b>	<b>neg.</b>	<b>neg.</b>	<b>neg.</b>	<b>3.4 %</b>	<b>1.8 %</b>	<b>2.7 %</b>	<b>3.7 %</b>
Minority interest	0.4 %	0.8 %	1.0 %	1.6 %	0.6 %	0.5 %	0.5 %
<b>Net profit (reported)</b>	<b>neg.</b>	<b>neg.</b>	<b>neg.</b>	<b>1.8 %</b>	<b>1.2 %</b>	<b>2.2 %</b>	<b>3.2 %</b>

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2015	2016	2017	2018	2019E	2020E	2021E
<b>Intangible assets</b>	<b>33.6</b>	<b>32.0</b>	<b>35.0</b>	<b>36.1</b>	<b>36.3</b>	<b>36.5</b>	<b>36.7</b>
Property, plant and equipment	6.2	6.4	7.8	19.4	18.4	15.9	13.4
Financial assets	3.2	4.5	3.6	12.2	12.2	12.2	12.2
<b>FIXED ASSETS</b>	<b>43.0</b>	<b>42.9</b>	<b>46.5</b>	<b>67.7</b>	<b>66.9</b>	<b>64.6</b>	<b>62.3</b>
Inventories	14.5	13.0	0.1	0.2	0.2	0.2	0.2
Accounts receivable	13.0	15.3	25.9	10.3	22.0	23.7	25.8
Other current assets	7.8	7.5	16.8	17.1	17.1	17.1	17.1
Liquid assets	25.8	28.4	41.8	36.4	29.1	38.7	48.5
Deferred taxes	0.2	0.3	0.8	1.3	1.3	1.3	1.3
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>CURRENT ASSETS</b>	<b>61.3</b>	<b>64.5</b>	<b>85.4</b>	<b>65.3</b>	<b>69.6</b>	<b>81.0</b>	<b>92.9</b>
<b>TOTAL ASSETS</b>	<b>104.3</b>	<b>107.4</b>	<b>131.9</b>	<b>133.0</b>	<b>136.5</b>	<b>145.6</b>	<b>155.2</b>
SHAREHOLDERS EQUITY	10.1	6.0	7.5	9.9	12.4	17.4	25.2
MINORITY INTEREST	5.9	4.7	5.2	5.1	6.4	7.5	8.6
Long-term debt	9.6	9.6	10.1	48.4	44.9	44.9	44.9
Provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other provisions	9.9	11.3	7.4	8.7	8.9	9.1	9.1
<b>Non-current liabilities</b>	<b>19.5</b>	<b>21.0</b>	<b>17.5</b>	<b>57.1</b>	<b>53.8</b>	<b>54.0</b>	<b>54.0</b>
short-term liabilities to banks	9.8	16.4	16.9	10.1	10.1	10.1	10.1
Accounts payable	11.1	13.6	10.5	11.9	12.0	12.9	14.0
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)	4.0	6.8	4.7	1.0	1.0	1.0	1.0
Deferred taxes	2.2	1.6	2.2	3.3	3.3	3.3	3.3
Deferred income	41.7	37.3	67.6	34.7	37.6	39.5	39.1
<b>Current liabilities</b>	<b>68.8</b>	<b>75.7</b>	<b>101.8</b>	<b>60.9</b>	<b>63.9</b>	<b>66.7</b>	<b>67.5</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>104.3</b>	<b>107.4</b>	<b>132.0</b>	<b>133.0</b>	<b>136.5</b>	<b>145.6</b>	<b>155.3</b>

Balance sheet (common size)	2015	2016	2017	2018	2019E	2020E	2021E
<b>Intangible assets</b>	<b>32.2 %</b>	<b>29.8 %</b>	<b>26.5 %</b>	<b>27.2 %</b>	<b>26.6 %</b>	<b>25.1 %</b>	<b>23.6 %</b>
Property, plant and equipment	5.9 %	5.9 %	5.9 %	14.6 %	13.5 %	10.9 %	8.6 %
Financial assets	3.1 %	4.2 %	2.7 %	9.2 %	8.9 %	8.4 %	7.8 %
<b>FIXED ASSETS</b>	<b>41.2 %</b>	<b>40.0 %</b>	<b>35.2 %</b>	<b>50.9 %</b>	<b>49.0 %</b>	<b>44.4 %</b>	<b>40.1 %</b>
Inventories	13.9 %	12.1 %	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %
Accounts receivable	12.5 %	14.3 %	19.6 %	7.7 %	16.1 %	16.3 %	16.6 %
Other current assets	7.5 %	7.0 %	12.7 %	12.9 %	12.5 %	11.8 %	11.0 %
Liquid assets	24.7 %	26.4 %	31.7 %	27.4 %	21.3 %	26.6 %	31.2 %
Deferred taxes	0.2 %	0.3 %	0.6 %	1.0 %	0.9 %	0.9 %	0.8 %
Deferred charges and prepaid expenses	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>CURRENT ASSETS</b>	<b>58.8 %</b>	<b>60.0 %</b>	<b>64.7 %</b>	<b>49.1 %</b>	<b>51.0 %</b>	<b>55.6 %</b>	<b>59.8 %</b>
<b>TOTAL ASSETS</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>99.9 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>
SHAREHOLDERS EQUITY	9.7 %	5.6 %	5.7 %	7.4 %	9.1 %	11.9 %	16.2 %
MINORITY INTEREST	5.7 %	4.4 %	3.9 %	3.8 %	4.7 %	5.1 %	5.5 %
Long-term debt	9.2 %	9.0 %	7.6 %	36.4 %	32.9 %	30.9 %	28.9 %
Provisions for pensions and similar obligations	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other provisions	9.5 %	10.6 %	5.6 %	6.5 %	6.5 %	6.3 %	5.9 %
<b>Non-current liabilities</b>	<b>18.7 %</b>	<b>19.5 %</b>	<b>13.3 %</b>	<b>42.9 %</b>	<b>39.4 %</b>	<b>37.1 %</b>	<b>34.8 %</b>
short-term liabilities to banks	9.4 %	15.2 %	12.8 %	7.6 %	7.4 %	6.9 %	6.5 %
Accounts payable	10.7 %	12.6 %	7.9 %	8.9 %	8.8 %	8.9 %	9.0 %
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)	3.8 %	6.4 %	3.6 %	0.8 %	0.7 %	0.7 %	0.6 %
Deferred taxes	2.1 %	1.5 %	1.6 %	2.5 %	2.4 %	2.3 %	2.1 %
Deferred income	40.0 %	34.7 %	51.3 %	26.1 %	27.5 %	27.1 %	25.2 %
<b>Current liabilities</b>	<b>66.0 %</b>	<b>70.5 %</b>	<b>77.2 %</b>	<b>45.8 %</b>	<b>46.8 %</b>	<b>45.8 %</b>	<b>43.5 %</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>

Source: Company data, Hauck & Aufhäuser

Cash flow statement (EUR m)	2015	2016	2017	2018	2019E	2020E	2021E
Net profit/loss	-27.4	1.7	2.3	6.7	3.6	5.8	8.7
Depreciation of fixed assets (incl. leases)	1.7	1.4	1.5	4.0	4.5	4.5	4.5
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Others	0.3	-7.7	-9.2	-34.7	3.1	2.1	-0.4
Cash flow from operations before changes in w/c	-25.4	-4.5	-5.4	-26.3	11.2	12.4	12.9
Increase/decrease in inventory	9.0	1.3	2.1	0.0	0.0	0.0	0.0
Increase/decrease in accounts receivable	-0.1	-2.3	-10.6	15.6	-11.7	-1.7	-2.1
Increase/decrease in accounts payable	-21.4	0.3	30.5	1.4	0.1	0.9	1.1
Increase/decrease in other working capital positions	0.0	0.0	0.0	-4.0	0.0	0.0	0.0
Increase/decrease in working capital	-12.5	-0.6	22.0	13.0	-11.6	-0.8	-1.0
<b>Cash flow from operating activities</b>	<b>-37.9</b>	<b>-5.2</b>	<b>16.7</b>	<b>-13.3</b>	<b>-0.3</b>	<b>11.6</b>	<b>11.8</b>
CAPEX	0.8	3.8	1.2	1.8	2.0	2.0	2.0
Payments for acquisitions	0.0	0.0	2.1	3.3	1.5	0.0	0.0
Financial investments	0.0	0.0	0.0	0.4	0.0	0.0	0.0
Income from asset disposals	6.6	7.0	-2.2	7.6	0.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>5.8</b>	<b>3.2</b>	<b>-5.5</b>	<b>2.9</b>	<b>-3.5</b>	<b>-2.0</b>	<b>-2.0</b>
Cash flow before financing	-32.0	-1.9	11.2	-11.1	-3.8	9.6	0.0
Increase/decrease in debt position	8.1	6.5	1.0	12.2	-3.5	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	4.5	0.0	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Others	-4.0	-1.6	-3.3	-6.5	0.0	0.0	0.0
Effects of exchange rate changes on cash	-0.3	-0.4	0.1	-0.8	0.0	0.0	0.0
<b>Cash flow from financing activities</b>	<b>4.1</b>	<b>4.9</b>	<b>2.2</b>	<b>5.7</b>	<b>-3.5</b>	<b>0.0</b>	<b>0.0</b>
Increase/decrease in liquid assets	-28.3	2.6	13.4	-6.2	-7.3	9.6	n/a
<b>Liquid assets at end of period</b>	<b>25.8</b>	<b>28.4</b>	<b>41.8</b>	<b>36.4</b>	<b>29.1</b>	<b>38.7</b>	<b>48.5</b>

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2015	2016	2017	2018	2019E	2020E	2021E
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
<b>TTL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
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)	2015	2016	2017	2018	2019E	2020E	2021E
<b>P&amp;L growth analysis</b>							
Sales growth	16.3 %	-10.4 %	-11.0 %	25.3 %	0.1 %	7.8 %	17.5 %
EBITDA growth	-386.0 %	-121.0 %	27.0 %	122.9 %	-17.3 %	23.0 %	50.8 %
EBIT growth	-591.1 %	-114.2 %	35.7 %	109.7 %	-28.5 %	36.7 %	80.9 %
EPS growth	-	-88.0 %	-40.6 %	-251.5 %	-37.5 %	103.9 %	227.7 %
<b>Efficiency</b>							
Total operating costs / sales	20.1 %	15.1 %	15.2 %	13.9 %	15.5 %	14.7 %	13.9 %
Sales per employee	1,001.8	923.8	920.5	1,018.9	992.3	1,049.3	1,127.3
EBITDA per employee	-122.6	26.5	37.7	74.3	59.7	72.1	87.1
<b>Balance sheet analysis</b>							
Avg. working capital / sales	10.8 %	9.0 %	10.2 %	3.8 %	2.2 %	4.9 %	4.7 %
Inventory turnover (sales/inventory)	13.8	13.8	1,331.7	1,331.7	1,331.7	1,331.7	1,331.7
Trade debtors in days of sales	23.7	31.1	59.2	18.8	40.0	40.0	40.0
A/P turnover [(A/P*365)/sales]	21.8	33.3	29.3	28.0	27.0	27.0	27.0
Cash conversion cycle (days)	30.3	29.7	30.3	-7.7	13.3	13.3	13.3
<b>Cash flow analysis</b>							
Free cash flow	-38.6	-9.0	15.4	-15.0	-2.3	9.6	9.8
Free cash flow/sales	-19.3 %	-5.0 %	9.7 %	-7.5 %	-1.2 %	4.5 %	4.2 %
FCF / net profit	neg.	neg.	neg.	neg.	neg.	203.0 %	128.6 %
Capex / depre	43.6 %	265.1 %	81.9 %	53.2 %	44.4 %	44.4 %	44.4 %
Capex / maintenance capex	19.0 %	239.8 %	42.8 %	97.3 %	111.1 %	111.1 %	111.1 %
Capex / sales	0.4 %	2.1 %	0.8 %	1.1 %	1.0 %	0.9 %	0.8 %
<b>Security</b>							
Net debt	-6.4	-2.4	-14.9	22.1	26.0	16.3	6.5
Net Debt/EBITDA	0.0	0.0	0.0	1.5	2.2	1.1	0.4
Net debt / equity	neg.	neg.	neg.	2.2	2.1	0.9	0.3
Interest cover	0.0	3.7	4.2	3.4	2.6	3.6	4.8
Dividend payout ratio	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Asset utilisation</b>							
Capital employed turnover	4.4	3.7	3.4	2.4	2.4	2.4	2.4
Operating assets turnover	8.9	8.5	6.8	11.1	7.0	8.0	9.3
Plant turnover	32.3	28.1	20.5	10.3	10.9	13.6	17.6
Inventory turnover (sales/inventory)	13.8	13.8	1,331.7	1,331.7	1,331.7	1,331.7	1,331.7
<b>Returns</b>							
ROCE	-48.8 %	8.0 %	10.6 %	16.4 %	9.2 %	12.1 %	15.2 %
ROE	-295.4 %	-59.7 %	-30.6 %	36.6 %	18.7 %	27.3 %	30.3 %
<b>Other</b>							
Interest paid / avg. debt	6.1 %	4.4 %	4.5 %	7.2 %	5.1 %	5.2 %	5.2 %
No. employees (average)	200	194	174	197	202	206	209
Number of shares	16.4	16.4	17.6	18.4	18.9	18.9	18.9
DPS	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EPS reported	-1.83	-0.22	-0.13	0.20	0.12	0.25	0.40
<b>Valuation ratios</b>							
P/BV	7.4	12.4	11.2	9.2	7.4	5.3	3.6
EV/sales	0.3	0.4	0.4	0.5	0.6	0.5	0.4
EV/EBITDA	-2.8	14.0	10.5	7.3	9.3	6.9	5.1
EV/EBITA	-2.6	19.4	13.7	10.0	14.8	9.9	6.8
EV/EBIT	-2.6	19.4	13.7	10.0	14.8	9.9	6.8
EV/FCF	-1.8	-8.0	4.5	-7.0	-48.2	10.6	9.4
Adjusted FCF yield	-44.7 %	3.7 %	9.1 %	255.3 %	8.1 %	11.6 %	16.3 %
Dividend yield	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %

Source: Company data, Hauck & Aufhäuser

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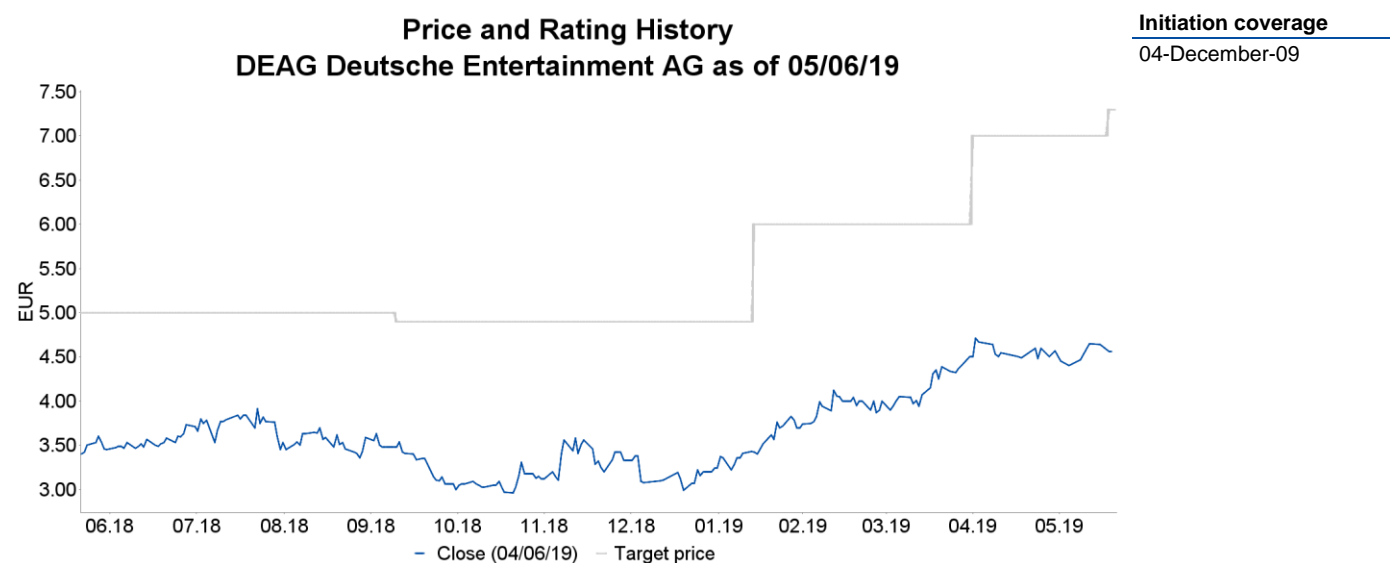
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Company	Disclosure
DEAG Deutsche Entertainment AG	2, 3, 8

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



Company	Date	Analyst	Rating	Target price	Close
DEAG Deutsche Entertainment AG	16.04.2019	Gruebner, Marie-Therese	Buy	EUR 7,00	EUR 4,50
	30.01.2019	Gruebner, Marie-Therese	Buy	EUR 6,00	EUR 3,40
	26.11.2018	Gröning, Pierre	Buy	EUR 4,90	EUR 3,44
	27.09.2018	Gröning, Pierre	Buy	EUR 4,90	EUR 3,42

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