

**Buy** (old: Buy)

**Price target: EUR 7.40** (old: EUR 7.30)

**Price:** EUR 4.58      **Next result:** Q2 19 30.08.19  
**Bloomberg:** ERMK@GR      **Market cap:** EUR 87.6 m  
**Reuters:** ERMGK.DE      **Enterprise Value:** EUR 118.5 m

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## A further promoter is acquired: est. & PT up

DEAG announced the **acquisition of a 50.1% stake in I-Motion GmbH, Germany's largest electronic music promoter**, with for formats such as "Mayday"(since 1991), "Nature One" (since 1995), "Ruhr in Love" (since 2003). These are essentially open-air concerts featuring a range of techno/electronic music DJs.

What they have in common with DEAG's most recent live entertainment focus is that the **events, when featuring stars, do not come at the exorbitant artist guarantees of rock/pop concerts**. The events live mostly by their reputation and their brand names. I-Motion organizes five to seven events annually. **Revenues are estimated at € 15m**. EBIT was not disclosed but should be higher than the run-of the mill live concert promotion margins given lower "content" costs, as well as gastronomy and sponsoring rights. We estimate a **7-7.5% margin**. Pricing was not disclosed but the company does not seem to have exceeded its typical 6-8x EBITA corridor.

I-Motion sells 200k tickets annually and DEAG's unit myticket should be marketing the bulk of those starting in 2020, which could add up to an estimated € 1m in revenues.

This transaction together with C2 announced last week, should **essentially make up for the revenue shortfall of Raymond Gubbay Ltd on a run-rate basis** and shows that DEAG is still building its live entertainment competence in core markets at a time where other consolidators are limited in their ability to acquire because of already dominant positions.

Action: EPS estimates are increased by 8% on average into 2021e to reflect the impact of the acquisition.

The company will release Q2 on August 30<sup>th</sup>. Even though the original guidance of moderate growth in revenues and EBITDA included some M&A activity, we see room for upgrades based on the strong trends in Q1, and potentially pending announcements.

**Buy. Our FCFY 2020e based PT is increased to € 7.40 (old: € 7.30).**

Y/E 31.12 (EUR m)	2015	2016	2017	2018	2019E	2020E	2021E
Sales	200.4	179.5	159.8	200.2	206.5	231.1	252.6
Sales growth	16 %	-10 %	-11 %	25 %	3 %	12 %	22 %
EBITDA	-24.5	5.2	6.5	14.6	12.5	15.9	19.5
EBIT	-26.2	3.7	5.1	10.6	8.0	11.4	15.0
Net income	-29.8	-3.6	-2.3	3.6	2.5	5.2	8.1
Net debt	-6.4	-2.4	-14.9	22.1	30.9	20.9	10.2
Net gearing	-63.1 %	-40.1 %	-199.0 %	223.3 %	245.6 %	116.2 %	38.6 %
Net Debt/EBITDA	0.0	0.0	0.0	1.5	2.5	1.3	0.5
EPS pro forma	-1.73	0.02	0.04	0.18	0.12	0.26	0.41
CPS	-2.53	-0.40	0.81	-0.82	-0.11	0.54	0.58
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 %	3.9 %	4.9 %	5.9 %
ROCE	-48.8 %	8.0 %	10.6 %	16.4 %	9.7 %	13.2 %	16.3 %
EV/sales	0.3	0.4	0.4	0.5	0.6	0.5	0.4
EV/EBITDA	-2.8	14.2	10.7	7.4	9.5	6.8	5.0
EV/EBIT	-2.6	19.7	13.9	10.1	14.8	9.5	6.5
PER	-2.7	227.4	112.4	25.6	37.1	17.9	11.4
Adjusted FCF yield	-44.0 %	3.6 %	8.7 %	187.1 %	7.7 %	11.3 %	15.9 %

Source: Company data, Hauck & Aufhäuser Close price as of: 12.06.2019



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 44.6 %

### Changes in estimates

		Sales	EBIT	EPS
2019	old:	200.5	7.6	0.12
	Δ	3.0%	5.5%	7.4%
2020	old:	216.1	10.3	0.24
	Δ	6.9%	10.4%	9.3%
2021	old:	235.6	13.7	0.38
	Δ	7.2%	9.3%	6.8%

### 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>206.5</b>	<b>231.1</b>	<b>252.6</b>
Sales growth	16.3 %	-10.4 %	-11.0 %	25.3 %	3.1 %	12.0 %	22.4 %
Cost of sales	186.3	148.7	130.5	161.7	166.6	186.3	202.8
<b>Gross profit</b>	<b>14.1</b>	<b>30.8</b>	<b>29.3</b>	<b>38.5</b>	<b>39.8</b>	<b>44.8</b>	<b>49.8</b>
Sales and marketing	24.5	20.7	13.1	19.0	19.1	20.2	21.7
General and administration	15.7	13.6	12.6	16.5	16.5	17.8	18.2
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	4.6	5.2	5.8
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>12.5</b>	<b>15.9</b>	<b>19.5</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>8.0</b>	<b>11.4</b>	<b>15.0</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>8.0</b>	<b>11.4</b>	<b>15.0</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>5.0</b>	<b>8.4</b>	<b>12.2</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>5.0</b>	<b>8.4</b>	<b>12.2</b>
Taxes	0.2	0.5	0.6	0.7	1.0	1.7	2.4
<b>Net income from continuing operations</b>	<b>-27.4</b>	<b>1.7</b>	<b>2.3</b>	<b>6.7</b>	<b>4.0</b>	<b>6.7</b>	<b>9.7</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>4.0</b>	<b>6.7</b>	<b>9.7</b>
Minority interest	0.9	1.4	1.6	3.1	1.5	1.5	1.6
<b>Net profit (reported)</b>	<b>-29.8</b>	<b>-3.6</b>	<b>-2.3</b>	<b>3.6</b>	<b>2.5</b>	<b>5.2</b>	<b>8.1</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>0.13</b>	<b>0.27</b>	<b>0.43</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 %	0.4 %	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 %	1.9 %	1.8 %
<b>EBITA</b>	<b>neg.</b>	<b>2.1 %</b>	<b>3.2 %</b>	<b>5.3 %</b>	<b>3.9 %</b>	<b>4.9 %</b>	<b>5.9 %</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>3.9 %</b>	<b>4.9 %</b>	<b>5.9 %</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 %	1.2 %	1.1 %
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>2.4 %</b>	<b>3.6 %</b>	<b>4.8 %</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>2.4 %</b>	<b>3.6 %</b>	<b>4.8 %</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>1.9 %</b>	<b>2.9 %</b>	<b>3.9 %</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>1.9 %</b>	<b>2.9 %</b>	<b>3.9 %</b>
Minority interest	0.4 %	0.8 %	1.0 %	1.6 %	0.7 %	0.7 %	0.6 %
<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	23.4	20.9	18.4
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>71.9</b>	<b>69.6</b>	<b>67.3</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	22.6	25.3	27.7
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	24.1	34.1	44.9
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>65.3</b>	<b>78.0</b>	<b>91.1</b>
<b>TOTAL ASSETS</b>	<b>104.3</b>	<b>107.4</b>	<b>131.9</b>	<b>133.0</b>	<b>137.2</b>	<b>147.7</b>	<b>158.4</b>
SHAREHOLDERS EQUITY	10.1	6.0	7.5	9.9	12.6	18.0	26.3
MINORITY INTEREST	5.9	4.7	5.2	5.1	6.5	8.0	9.6
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	12.3	13.8	15.0
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>64.3</b>	<b>67.6</b>	<b>68.5</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>137.2</b>	<b>147.7</b>	<b>158.5</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>26.5 %</b>	<b>24.7 %</b>	<b>23.2 %</b>
Property, plant and equipment	5.9 %	5.9 %	5.9 %	14.6 %	17.1 %	14.2 %	11.6 %
Financial assets	3.1 %	4.2 %	2.7 %	9.2 %	8.9 %	8.2 %	7.7 %
<b>FIXED ASSETS</b>	<b>41.2 %</b>	<b>40.0 %</b>	<b>35.2 %</b>	<b>50.9 %</b>	<b>52.4 %</b>	<b>47.1 %</b>	<b>42.5 %</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 %	16.5 %	17.2 %	17.5 %
Other current assets	7.5 %	7.0 %	12.7 %	12.9 %	12.5 %	11.6 %	10.8 %
Liquid assets	24.7 %	26.4 %	31.7 %	27.4 %	17.6 %	23.1 %	28.3 %
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>47.6 %</b>	<b>52.8 %</b>	<b>57.5 %</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 %	9.2 %	12.2 %	16.6 %
MINORITY INTEREST	5.7 %	4.4 %	3.9 %	3.8 %	4.8 %	5.4 %	6.1 %
Long-term debt	9.2 %	9.0 %	7.6 %	36.4 %	32.7 %	30.4 %	28.3 %
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 %	6.2 %	5.8 %
<b>Non-current liabilities</b>	<b>18.7 %</b>	<b>19.5 %</b>	<b>13.3 %</b>	<b>42.9 %</b>	<b>39.2 %</b>	<b>36.6 %</b>	<b>34.1 %</b>
short-term liabilities to banks	9.4 %	15.2 %	12.8 %	7.6 %	7.4 %	6.8 %	6.4 %
Accounts payable	10.7 %	12.6 %	7.9 %	8.9 %	9.0 %	9.3 %	9.5 %
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 %	2.2 %	2.1 %
Deferred income	40.0 %	34.7 %	51.3 %	26.1 %	27.4 %	26.7 %	24.7 %
<b>Current liabilities</b>	<b>66.0 %</b>	<b>70.5 %</b>	<b>77.2 %</b>	<b>45.8 %</b>	<b>46.9 %</b>	<b>45.8 %</b>	<b>43.2 %</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	4.0	6.7	9.7
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	11.6	13.3	13.9
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	-12.3	-2.7	-2.4
Increase/decrease in accounts payable	-21.4	0.3	30.5	1.4	0.5	1.5	1.2
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	-11.9	-1.3	-1.1
<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>12.0</b>	<b>12.7</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	6.5	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>-8.5</b>	<b>-2.0</b>	<b>-2.0</b>
Cash flow before financing	-32.0	-1.9	11.2	-11.1	-8.8	10.0	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	-12.3	10.0	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>24.1</b>	<b>34.1</b>	<b>44.9</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 %	3.1 %	12.0 %	22.4 %
EBITDA growth	-386.0 %	-121.0 %	27.0 %	122.9 %	-14.4 %	27.5 %	55.9 %
EBIT growth	-591.1 %	-114.2 %	35.7 %	109.7 %	-24.6 %	43.0 %	87.4 %
EPS growth	-	-88.0 %	-40.6 %	-251.5 %	-32.9 %	107.6 %	226.0 %
<b>Efficiency</b>							
Total operating costs / sales	20.1 %	15.1 %	15.2 %	13.9 %	15.5 %	14.6 %	13.9 %
Sales per employee	1,001.8	923.8	920.5	1,018.9	1,022.0	1,122.1	1,208.6
EBITDA per employee	-122.6	26.5	37.7	74.3	61.8	77.3	93.2
<b>Balance sheet analysis</b>							
Avg. working capital / sales	10.8 %	9.0 %	10.2 %	3.8 %	2.2 %	4.8 %	4.6 %
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	10.0	10.7
Free cash flow/sales	-19.3 %	-5.0 %	9.7 %	-7.5 %	-1.1 %	4.3 %	4.2 %
FCF / net profit	neg.	neg.	neg.	neg.	neg.	193.6 %	131.7 %
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	30.9	20.9	10.2
Net Debt/EBITDA	0.0	0.0	0.0	1.5	2.5	1.3	0.5
Net debt / equity	neg.	neg.	neg.	2.2	2.5	1.2	0.4
Interest cover	0.0	3.7	4.2	3.4	2.8	4.0	5.2
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	2.5	2.6	2.5
Operating assets turnover	8.9	8.5	6.8	11.1	6.1	7.1	8.1
Plant turnover	32.3	28.1	20.5	10.3	8.8	11.1	13.7
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 %	9.7 %	13.2 %	16.3 %
ROE	-295.4 %	-59.7 %	-30.6 %	36.6 %	19.8 %	28.9 %	30.9 %
<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	0.13	0.27	0.43
<b>Valuation ratios</b>							
P/BV	7.5	12.6	11.4	9.4	7.4	5.2	3.5
EV/sales	0.3	0.4	0.4	0.5	0.6	0.5	0.4
EV/EBITDA	-2.8	14.2	10.7	7.4	9.5	6.8	5.0
EV/EBITA	-2.6	19.7	13.9	10.1	14.8	9.5	6.5
EV/EBIT	-2.6	19.7	13.9	10.1	14.8	9.5	6.5
EV/FCF	-1.8	-8.2	4.6	-7.1	-51.6	10.8	9.1
Adjusted FCF yield	-44.0 %	3.6 %	8.7 %	187.1 %	7.7 %	11.3 %	15.9 %
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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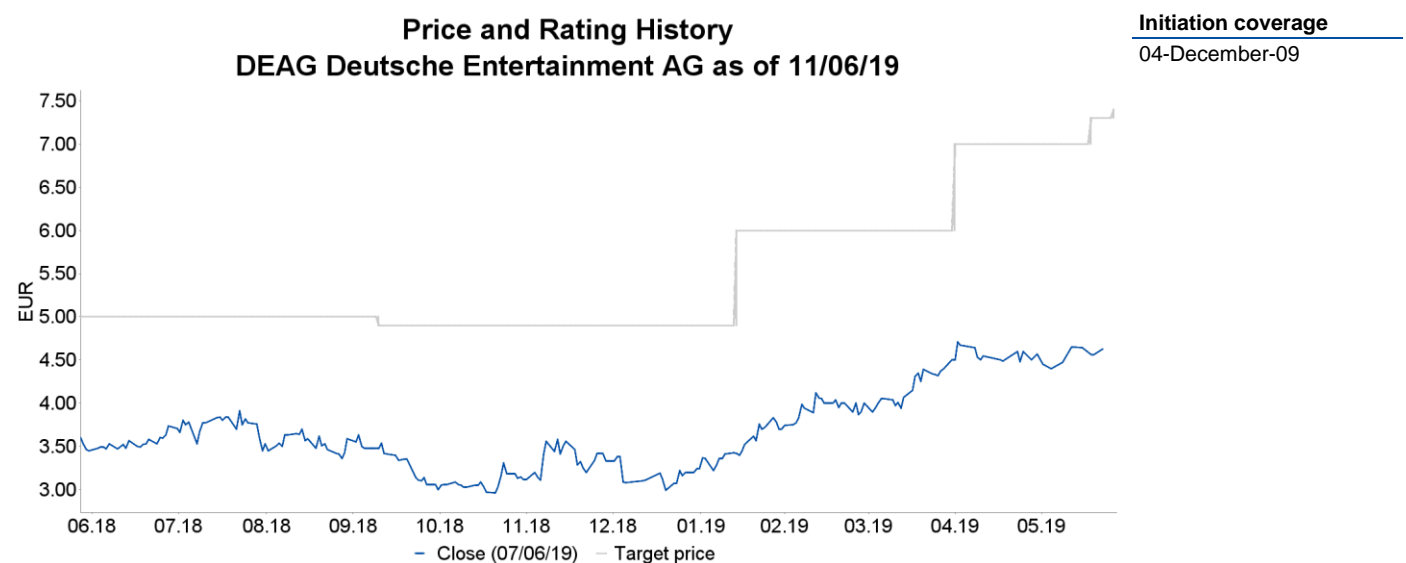
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Company	Disclosure
DEAG Deutsche Entertainment AG	2, 3, 8

### 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	06.06.2019	Gruebner, Marie-Therese	Buy	EUR 7,30	EUR 4,56
	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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