

**Buy** (old: Buy)

**Price target: EUR 5.30** (old: EUR 5.30)

**Price:** EUR 3.71      **Next result:** Final Q2 2013: 30.08.13  
**Bloomberg:** ERMK GR      **Market cap:** EUR 48.3 m  
**Reuters:** ERMGk.DE      **Enterprise Value:** EUR 40.3 m

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## Sound Q2 results provide confidence; positive outlook for H2

This morning **DEAG released sound preliminary Q2 results**; final figures are due on Friday 30 August. Reported numbers are shown in the table below.

DEAG in € m	Q2 2013 prel.	Q2 2013 est	Q2 2012	yoy	Q1 2013	qoq	H1 2013 prel.	H1 2013 est	H1 12	yoy
<b>Sales</b>	<b>67.1</b>	<b>61.2</b>	<b>38.6</b>	73.7%	<b>28.5</b>	135.0%	<b>95.6</b>	<b>89.7</b>	<b>65.8</b>	45.2%
<b>EBIT</b>	<b>3.9</b>	<b>3.4</b>	<b>2.8</b>	39.4%	<b>1.3</b>	188.3%	<b>5.2</b>	<b>4.7</b>	<b>4.0</b>	29.4%
<b>EBIT margin</b>	<b>5.8%</b>	<b>5.6%</b>	<b>7.2%</b>	- 1.4 pp	<b>4.7%</b>	+ 1.1 pp	<b>5.4%</b>	<b>5.3%</b>	<b>6.1%</b>	- 0.7 pp
<b>Net Profit</b>	<b>2.0</b>	<b>1.7</b>	<b>1.4</b>	45.4%	<b>0.7</b>	197.6%	<b>2.7</b>	<b>2.4</b>	<b>1.8</b>	46.4%
<b>Net margin</b>	<b>3.0%</b>	<b>2.8%</b>	<b>3.6%</b>	- 0.6 pp	<b>2.4%</b>	+ 0.6 pp	<b>2.8%</b>	<b>2.7%</b>	<b>2.8%</b>	+ 0.0 pp
<b>EPS</b>	<b>0.16</b>	<b>0.14</b>	<b>0.11</b>	45.4%	<b>0.05</b>	197.6%	<b>0.22</b>	<b>0.19</b>	<b>0.15</b>	46.4%

Source: Company data; Hauck & Aufhäuser

Q2 2013 sales came in higher than expected at € 67m (eH&A € 61m) mainly driven by successful concerts e.g. of Black Sabbath, Neil Young and Iron Maiden. Furthermore sound results posted by the Swiss operation as well as open air concerts (e.g. Bruce Springsteen) and the tour of Andreas Gabalier supported the top-line. Q2 2013 EBIT reached € 3.9m and exceeded expectations (eH&A € 3.4m) thanks to a continuous successful cooperation with Ticketmaster Germany. As the digitisation of ticket sales is increasing, we expect this positive trend to continue going forward.

DEAG's business is characterised by seasonality differing every year, as concerts, tours and productions vary in their distribution across the quarters and therefore limit a quarterly comparison. While 2012 showed a particular strong Q4 (EURO 2012, Olympics) in 2013 Q2 and Q4 look set to be particular strong. After today's sound numbers a strong Q4 is indicated by solid advance ticket sales and the bulging concert pipeline.

Valuation based on FCFY 2013E yields a **PT of € 5.30** which is supported by an undemanding PER 2013E of 9.0x and supported by a dividend yield of 3.2% in our view. Therefore the stock remains a **clear BUY** against the backdrop of high visibility coupled with a strong market position in growing niches and an attractive valuation.

Y/E 31.12 (EUR m)	2009	2010	2011	2012	2013E	2014E	2015E
Sales	116.7	125.8	128.3	155.7	174.5	188.2	197.1
Sales growth	7 %	8 %	2 %	21 %	12 %	8 %	5 %
EBITDA	6.4	10.0	8.4	8.6	14.9	17.0	17.7
EBIT	4.8	8.2	7.4	7.2	14.0	16.0	16.7
Net income	0.5	1.3	2.5	2.7	5.4	6.2	7.7
Net debt	4.2	0.3	1.6	-0.2	-7.9	-15.5	-23.4
Net gearing	-42.0 %	-84.0 %	-100.9 %	-72.0 %	-86.8 %	-91.9 %	-96.3 %
Net Debt/EBITDA	0.7	0.0	0.2	0.0	0.0	0.0	0.0
EPS pro forma	0.10	0.11	0.21	0.22	0.41	0.45	0.57
CPS	-0.02	0.75	0.15	-0.30	0.87	0.66	0.75
DPS	0.00	0.00	0.04	0.08	0.12	0.16	0.17
Dividend yield	0.0 %	0.0 %	1.1 %	2.2 %	3.2 %	4.3 %	4.7 %
Gross profit margin	22.7 %	24.9 %	25.4 %	24.1 %	26.7 %	27.1 %	27.2 %
EBITDA margin	5.5 %	8.0 %	6.5 %	5.5 %	8.5 %	9.0 %	9.0 %
EBIT margin	4.1 %	6.5 %	5.8 %	4.6 %	8.0 %	8.5 %	8.5 %
ROCE	9.9 %	17.1 %	14.9 %	13.7 %	23.9 %	24.3 %	22.8 %
EV/sales	0.4	0.4	0.4	0.3	0.2	0.2	0.1
EV/EBITDA	7.8	4.6	5.7	5.3	2.7	2.1	1.5
EV/EBIT	10.4	5.6	6.4	6.3	2.9	2.2	1.6
PER	36.4	34.2	18.1	17.1	9.0	8.2	6.6
Adjusted FCF yield	8.0 %	8.0 %	8.9 %	9.6 %	15.6 %	21.7 %	33.6 %

Source: Company data, Hauck & Aufhäuser Close price as of: 26.08.2013



Source: Company data, Hauck & Aufhäuser

**High/low 52 weeks:** 3.74 / 2.60  
**Price/Book Ratio:** 1.4  
**Relative performance (SDAX):**  
3 months 4.0 %  
6 months 2.5 %  
12 months 14.2 %

### Changes in estimates

		Sales	EBIT	EPS
2013	old:	174.5	14.0	0.41
	Δ	-	-	-
2014	old:	188.2	16.0	0.45
	Δ	-	-	-
2015	old:	197.1	16.7	0.57
	Δ	-	-	-

### Key share data:

Number of shares: (in m pcs) 13.0  
Authorised capital: (in € m) 0.0  
Book value per share: (in €) 2.6  
Ø trading volume: (12 months) 38,000

### Major shareholders:

Free Float 42.9 %  
Bernd Förtsch 29.2 %  
Peter Schwenkow 24.9 %  
David Garrett (incl. in free float) 3.0 %

### Company description:

DEAG is one of the leading live entertainment providers in Europe. While it is the dominant market leader in the organisation of Rock/Pop tours in Switzerland, it is the second biggest player in Germany and the biggest European concert promoter in the classical music business.

## Financials

Profit and loss (EUR m)	2009	2010	2011	2012	2013E	2014E	2015E
<b>Sales</b>	<b>116.7</b>	<b>125.8</b>	<b>128.3</b>	<b>155.7</b>	<b>174.5</b>	<b>188.2</b>	<b>197.1</b>
<i>Sales growth</i>	6.6 %	7.8 %	2.0 %	21.4 %	12.1 %	7.8 %	4.8 %
Cost of sales	90.2	94.5	95.7	118.2	128.0	137.3	143.6
<b>Gross profit</b>	<b>26.5</b>	<b>31.3</b>	<b>32.6</b>	<b>37.5</b>	<b>46.5</b>	<b>50.9</b>	<b>53.5</b>
Sales and marketing	14.7	13.2	15.8	20.1	21.0	22.4	23.2
General and administration	11.0	11.4	12.9	13.4	16.1	17.4	18.0
Research and development	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other operating income	5.2	3.2	4.4	3.9	5.6	6.0	5.9
Other operating expenses	1.1	1.7	0.9	0.7	1.0	1.1	1.5
Unusual or infrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBITDA</b>	<b>6.4</b>	<b>10.0</b>	<b>8.4</b>	<b>8.6</b>	<b>14.9</b>	<b>17.0</b>	<b>17.7</b>
Depreciation	0.2	0.2	0.2	0.3	0.2	0.2	0.2
<b>EBITA</b>	<b>6.2</b>	<b>9.8</b>	<b>8.1</b>	<b>8.3</b>	<b>14.7</b>	<b>16.7</b>	<b>17.4</b>
Amortisation of goodwill	0.4	0.7	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	1.0	0.9	0.7	1.1	0.7	0.7	0.7
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBIT</b>	<b>4.8</b>	<b>8.2</b>	<b>7.4</b>	<b>7.2</b>	<b>14.0</b>	<b>16.0</b>	<b>16.7</b>
Interest income	0.1	0.1	0.1	0.2	0.2	0.1	0.3
Interest expenses	1.4	1.2	1.2	0.5	1.0	1.0	0.7
Other financial result	-0.3	-0.2	-0.3	-1.1	-0.1	-0.3	-0.1
Financial result	-1.6	-1.3	-1.5	-1.4	-1.0	-1.2	-0.5
<b>Recurring pretax income from continuing operations</b>	<b>3.3</b>	<b>6.9</b>	<b>6.0</b>	<b>5.9</b>	<b>13.1</b>	<b>14.8</b>	<b>16.2</b>
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Earnings before taxes</b>	<b>3.3</b>	<b>6.9</b>	<b>6.0</b>	<b>5.9</b>	<b>13.1</b>	<b>14.8</b>	<b>16.2</b>
Taxes	0.4	2.5	1.5	1.1	3.9	4.6	5.0
<b>Net income from continuing operations</b>	<b>2.9</b>	<b>4.4</b>	<b>4.4</b>	<b>4.8</b>	<b>9.1</b>	<b>10.2</b>	<b>11.2</b>
Result from discontinued operations (net of tax)	0.8	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income</b>	<b>2.1</b>	<b>4.4</b>	<b>4.4</b>	<b>4.8</b>	<b>9.1</b>	<b>10.2</b>	<b>11.2</b>
Minority interest	1.6	3.0	1.9	2.1	3.8	4.1	3.5
<b>Net income (net of minority interest)</b>	<b>0.5</b>	<b>1.3</b>	<b>2.5</b>	<b>2.7</b>	<b>5.4</b>	<b>6.2</b>	<b>7.7</b>
Average number of shares	12.4	12.4	12.4	12.4	13.0	13.6	13.6
<b>EPS reported</b>	<b>0.04</b>	<b>0.11</b>	<b>0.21</b>	<b>0.22</b>	<b>0.41</b>	<b>0.45</b>	<b>0.57</b>

Profit and loss (common size)	2009	2010	2011	2012	2013E	2014E	2015E
<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	77.3 %	75.1 %	74.6 %	75.9 %	73.4 %	73.0 %	72.9 %
<b>Gross profit</b>	<b>22.7 %</b>	<b>24.9 %</b>	<b>25.4 %</b>	<b>24.1 %</b>	<b>26.7 %</b>	<b>27.1 %</b>	<b>27.2 %</b>
Sales and marketing	12.6 %	10.5 %	12.3 %	12.9 %	12.0 %	11.9 %	11.8 %
General and administration	9.5 %	9.1 %	10.0 %	8.6 %	9.2 %	9.2 %	9.1 %
Research and development	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other operating income	4.5 %	2.5 %	3.4 %	2.5 %	3.2 %	3.2 %	3.0 %
Other operating expenses	0.9 %	1.3 %	0.7 %	0.5 %	0.6 %	0.6 %	0.8 %
Unusual or infrequent items	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>EBITDA</b>	<b>5.5 %</b>	<b>8.0 %</b>	<b>6.5 %</b>	<b>5.5 %</b>	<b>8.5 %</b>	<b>9.0 %</b>	<b>9.0 %</b>
Depreciation	0.2 %	0.2 %	0.2 %	0.2 %	0.1 %	0.1 %	0.1 %
<b>EBITA</b>	<b>5.3 %</b>	<b>7.8 %</b>	<b>6.3 %</b>	<b>5.3 %</b>	<b>8.4 %</b>	<b>8.9 %</b>	<b>8.9 %</b>
Amortisation of goodwill	0.3 %	0.6 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Amortisation of intangible assets	0.8 %	0.7 %	0.5 %	0.7 %	0.4 %	0.4 %	0.4 %
Impairment charges	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>EBIT</b>	<b>4.1 %</b>	<b>6.5 %</b>	<b>5.8 %</b>	<b>4.6 %</b>	<b>8.0 %</b>	<b>8.5 %</b>	<b>8.5 %</b>
Interest income	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %
Interest expenses	1.2 %	1.0 %	1.0 %	0.3 %	0.6 %	0.5 %	0.4 %
Other financial result	-0.2 %	-0.2 %	-0.3 %	-0.7 %	-0.1 %	-0.2 %	-0.1 %
Financial result	-1.3 %	-1.1 %	-1.1 %	-0.9 %	-0.5 %	-0.6 %	-0.3 %
<b>Recurring pretax income from continuing operations</b>	<b>2.8 %</b>	<b>5.5 %</b>	<b>4.7 %</b>	<b>3.8 %</b>	<b>7.5 %</b>	<b>7.9 %</b>	<b>8.2 %</b>
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Earnings before taxes</b>	<b>2.8 %</b>	<b>5.5 %</b>	<b>4.7 %</b>	<b>3.8 %</b>	<b>7.5 %</b>	<b>7.9 %</b>	<b>8.2 %</b>
Tax rate	11.9 %	36.6 %	25.7 %	18.6 %	30.0 %	31.0 %	31.0 %
<b>Net income from continuing operations</b>	<b>2.5 %</b>	<b>3.5 %</b>	<b>3.5 %</b>	<b>3.1 %</b>	<b>5.2 %</b>	<b>5.4 %</b>	<b>5.7 %</b>
Result from discontinued operations (net of tax)	0.7 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Net income</b>	<b>1.8 %</b>	<b>3.5 %</b>	<b>3.5 %</b>	<b>3.1 %</b>	<b>5.2 %</b>	<b>5.4 %</b>	<b>5.7 %</b>
Minority interest	1.4 %	2.4 %	1.5 %	1.4 %	2.2 %	2.2 %	1.8 %
<b>Net income (net of minority interest)</b>	<b>0.4 %</b>	<b>1.1 %</b>	<b>2.0 %</b>	<b>1.7 %</b>	<b>3.1 %</b>	<b>3.3 %</b>	<b>3.9 %</b>

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2009	2010	2011	2012	2013E	2014E	2015E
<b>Intangible assets</b>	<b>25.4</b>	<b>24.2</b>	<b>25.0</b>	<b>24.7</b>	<b>25.7</b>	<b>25.2</b>	<b>24.7</b>
Property, plant and equipment	9.1	9.0	9.2	10.7	10.9	11.1	11.2
Financial assets	1.6	1.0	2.6	1.7	1.7	1.7	1.7
<b>FIXED ASSETS</b>	<b>36.1</b>	<b>34.2</b>	<b>36.8</b>	<b>37.1</b>	<b>38.3</b>	<b>37.9</b>	<b>37.6</b>
Inventories	6.5	7.7	12.8	13.6	12.0	13.0	13.6
Accounts receivable	8.9	7.5	7.0	10.0	9.5	10.2	10.7
Other current assets	3.0	3.8	4.1	6.0	6.0	6.0	6.0
Liquid assets	23.5	31.8	35.7	31.6	41.9	50.1	59.0
Deferred taxes	0.0	0.0	0.0	0.5	0.0	0.0	0.0
Deferred charges and prepaid expenses	0.0	0.0	2.3	0.2	0.0	0.0	0.0
<b>CURRENT ASSETS</b>	<b>41.8</b>	<b>50.9</b>	<b>61.9</b>	<b>61.9</b>	<b>69.5</b>	<b>79.4</b>	<b>89.3</b>
<b>TOTAL ASSETS</b>	<b>77.9</b>	<b>85.1</b>	<b>98.7</b>	<b>99.0</b>	<b>107.8</b>	<b>117.3</b>	<b>126.9</b>
SHAREHOLDERS EQUITY	21.7	22.2	24.5	26.4	34.4	41.4	48.7
MINORITY INTEREST	4.1	4.7	5.6	5.4	5.4	5.4	5.4
Long-term debt	12.0	10.6	8.7	9.0	8.5	8.5	8.5
Provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other provisions	7.3	8.9	9.6	10.2	10.5	10.7	11.0
<b>Non-current liabilities</b>	<b>19.3</b>	<b>19.4</b>	<b>18.4</b>	<b>19.3</b>	<b>19.0</b>	<b>19.2</b>	<b>19.5</b>
short-term liabilities to banks	2.4	2.6	2.3	3.6	3.6	3.6	3.6
Accounts payable	10.2	9.4	9.5	11.3	11.9	12.8	13.4
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	1.7	2.0	2.0	2.0	2.0	2.0	2.0
Deferred income	18.5	24.8	36.5	31.0	31.5	32.9	34.4
<b>Current liabilities</b>	<b>32.9</b>	<b>38.8</b>	<b>50.3</b>	<b>47.9</b>	<b>49.0</b>	<b>51.3</b>	<b>53.4</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>77.9</b>	<b>85.1</b>	<b>98.7</b>	<b>99.0</b>	<b>107.8</b>	<b>117.3</b>	<b>126.9</b>

Balance sheet (common size)	2009	2010	2011	2012	2013E	2014E	2015E
<b>Intangible assets</b>	<b>32.6 %</b>	<b>28.4 %</b>	<b>25.3 %</b>	<b>24.9 %</b>	<b>23.9 %</b>	<b>21.5 %</b>	<b>19.4 %</b>
Property, plant and equipment	11.6 %	10.6 %	9.3 %	10.8 %	10.1 %	9.4 %	8.8 %
Financial assets	2.0 %	1.2 %	2.6 %	1.7 %	1.6 %	1.4 %	1.3 %
<b>FIXED ASSETS</b>	<b>46.3 %</b>	<b>40.2 %</b>	<b>37.3 %</b>	<b>37.5 %</b>	<b>35.5 %</b>	<b>32.3 %</b>	<b>29.6 %</b>
Inventories	8.3 %	9.1 %	12.9 %	13.7 %	11.2 %	11.1 %	10.7 %
Accounts receivable	11.4 %	8.9 %	7.1 %	10.1 %	8.8 %	8.7 %	8.5 %
Other current assets	3.8 %	4.4 %	4.2 %	6.1 %	5.6 %	5.1 %	4.8 %
Liquid assets	30.2 %	37.4 %	36.2 %	31.9 %	38.9 %	42.7 %	46.5 %
Deferred taxes	0.0 %	0.0 %	0.0 %	0.5 %	0.0 %	0.0 %	0.0 %
Deferred charges and prepaid expenses	0.0 %	0.0 %	2.3 %	0.2 %	0.0 %	0.0 %	0.0 %
<b>CURRENT ASSETS</b>	<b>53.7 %</b>	<b>59.8 %</b>	<b>62.7 %</b>	<b>62.5 %</b>	<b>64.5 %</b>	<b>67.7 %</b>	<b>70.4 %</b>
<b>TOTAL ASSETS</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>
SHAREHOLDERS EQUITY	27.9 %	26.1 %	24.8 %	26.6 %	31.9 %	35.3 %	38.3 %
MINORITY INTEREST	5.2 %	5.5 %	5.6 %	5.5 %	5.0 %	4.6 %	4.3 %
Long-term debt	15.4 %	12.4 %	8.9 %	9.1 %	7.9 %	7.2 %	6.7 %
Provisions for pensions and similar obligations	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other provisions	9.4 %	10.4 %	9.8 %	10.4 %	9.7 %	9.1 %	8.6 %
<b>Non-current liabilities</b>	<b>24.7 %</b>	<b>22.8 %</b>	<b>18.6 %</b>	<b>19.4 %</b>	<b>17.6 %</b>	<b>16.4 %</b>	<b>15.3 %</b>
short-term liabilities to banks	3.1 %	3.1 %	2.3 %	3.6 %	3.3 %	3.1 %	2.8 %
Accounts payable	13.1 %	11.1 %	9.7 %	11.4 %	11.1 %	10.9 %	10.5 %
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)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Deferred taxes	2.2 %	2.3 %	2.0 %	2.0 %	1.8 %	1.7 %	1.5 %
Deferred income	23.7 %	29.1 %	37.0 %	31.4 %	29.2 %	28.1 %	27.1 %
<b>Current liabilities</b>	<b>42.2 %</b>	<b>45.6 %</b>	<b>51.0 %</b>	<b>48.4 %</b>	<b>45.5 %</b>	<b>43.7 %</b>	<b>42.0 %</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)	2009	2010	2011	2012	2013E	2014E	2015E
Net profit/loss	2.1	4.4	4.4	4.8	9.1	10.2	11.2
Depreciation of fixed assets (incl. leases)	0.2	0.2	0.2	0.3	0.2	0.2	0.2
Amortisation of goodwill	0.4	0.7	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	1.0	0.9	0.7	1.1	0.7	0.7	0.7
Others	-0.3	3.3	6.8	-6.6	0.0	0.0	0.0
Cash flow from operations before changes in w/c	3.4	9.5	12.1	-0.5	10.0	11.2	12.1
Increase/decrease in inventory	-3.0	0.8	-8.6	-0.8	1.5	-0.9	-0.6
Increase/decrease in accounts receivable	0.0	0.0	0.0	-3.0	0.5	-0.7	-0.5
Increase/decrease in accounts payable	0.0	0.0	0.0	1.8	0.6	0.9	0.6
Increase/decrease in other working capital positions	0.0	0.0	-0.7	0.0	0.0	0.0	0.0
Increase/decrease in working capital	-3.0	0.8	-9.2	-2.0	2.6	-0.8	-0.5
<b>Cash flow from operating activities</b>	<b>0.4</b>	<b>10.3</b>	<b>2.9</b>	<b>-2.5</b>	<b>12.6</b>	<b>10.4</b>	<b>11.6</b>
CAPEX	0.3	0.3	0.4	0.6	0.6	0.6	0.6
Payments for acquisitions	0.0	0.0	0.0	0.0	1.5	0.0	0.0
Financial investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	-0.1	1.0	0.1	0.0	0.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>-0.4</b>	<b>0.7</b>	<b>-0.4</b>	<b>-0.6</b>	<b>-2.1</b>	<b>-0.6</b>	<b>-0.6</b>
Cash flow before financing	0.0	11.0	2.6	-3.1	10.5	9.8	11.0
Increase/decrease in debt position	3.6	-0.8	-1.3	1.6	-0.5	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	0.0	0.0	4.0	0.0	0.0
Dividends paid	1.2	1.5	1.9	0.5	1.0	1.6	2.2
Others	-1.4	-3.1	0.0	-2.8	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.1	2.8	1.8	0.7	0.0	0.0	0.0
<b>Cash flow from financing activities</b>	<b>1.1</b>	<b>-5.5</b>	<b>-3.2</b>	<b>-1.7</b>	<b>2.5</b>	<b>-1.6</b>	<b>-2.2</b>
Increase/decrease in liquid assets	1.2	8.3	1.2	-4.1	13.1	8.2	8.8
<b>Liquid assets at end of period</b>	<b>23.5</b>	<b>31.8</b>	<b>33.0</b>	<b>28.9</b>	<b>41.9</b>	<b>50.1</b>	<b>59.0</b>

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2009	2010	2011	2012	2013E	2014E	2015E
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)	2009	2010	2011	2012	2013E	2014E	2015E
<b>P&amp;L growth analysis</b>							
Sales growth	6.6 %	7.8 %	2.0 %	21.4 %	12.1 %	7.8 %	4.8 %
EBITDA growth	72.5 %	56.3 %	-16.5 %	2.5 %	73.7 %	14.0 %	4.2 %
EBIT growth	-254.1 %	70.2 %	-9.4 %	-2.7 %	93.4 %	14.6 %	4.2 %
EPS growth	-108.3 %	183.4 %	89.0 %	5.5 %	90.4 %	9.5 %	25.4 %
<b>Efficiency</b>							
Total operating costs / sales	18.5 %	18.3 %	19.6 %	19.5 %	18.6 %	18.5 %	18.7 %
Sales per employee	634.6	638.0	621.0	674.3	683.8	715.7	717.5
EBITDA per employee	34.9	50.8	40.5	37.1	58.4	64.6	64.4
<b>Balance sheet analysis</b>							
Avg. working capital / sales	4.6 %	4.4 %	6.3 %	7.2 %	6.3 %	5.3 %	5.4 %
Inventory turnover (sales/inventory)	18.0	16.3	10.0	15.0	14.5	14.5	14.5
Trade debtors in days of sales	27.8	21.9	19.9	19.9	19.9	19.9	19.9
A/P turnover [(A/P*365)/sales]	41.4	36.4	36.4	35.0	34.0	34.0	34.0
Cash conversion cycle (days)	12.6	15.3	32.2	30.3	20.2	20.4	20.4
<b>Cash flow analysis</b>							
Free cash flow	0.1	10.0	2.5	-3.1	12.0	9.8	11.0
Free cash flow/sales	0.1 %	8.0 %	1.9 %	-2.0 %	6.9 %	5.2 %	5.6 %
FCF / net profit	20.2 %	746.1 %	98.3 %	-114.1 %	224.6 %	158.6 %	143.0 %
FCF yield	0.2 %	21.8 %	5.4 %	-6.7 %	25.0 %	19.3 %	21.8 %
Capex / deprec	18.7 %	15.3 %	45.6 %	44.8 %	66.7 %	63.8 %	61.0 %
Capex / maintenance capex	49.0 %	16.0 %	37.4 %	33.3 %	29.9 %	28.6 %	28.6 %
Capex / sales	0.3 %	0.2 %	0.3 %	0.4 %	0.3 %	0.3 %	0.3 %
<b>Security</b>							
Net debt	4.2	0.3	1.6	-0.2	-7.9	-15.5	-23.4
Net Debt/EBITDA	0.7	0.0	0.2	0.0	0.0	0.0	0.0
Net debt / equity	0.2	0.0	0.1	0.0	-0.2	-0.4	-0.5
Interest cover	3.4	6.8	6.0	14.1	14.0	16.0	23.0
Dividend payout ratio	0.0 %	0.0 %	19.5 %	36.9 %	29.1 %	35.4 %	30.8 %
<b>Asset utilisation</b>							
Capital employed turnover	2.5	2.6	2.5	2.8	2.8	2.7	2.6
Operating assets turnover	8.2	8.5	6.6	6.8	8.5	8.8	8.9
Plant turnover	12.9	13.9	14.0	14.5	16.0	17.0	17.6
Inventory turnover (sales/inventory)	18.0	16.3	10.0	15.0	14.5	14.5	14.5
<b>Returns</b>							
ROCE	9.9 %	17.1 %	14.9 %	13.7 %	23.9 %	24.3 %	22.8 %
ROE	2.2 %	6.1 %	10.4 %	10.2 %	15.6 %	14.9 %	15.9 %
<b>Other</b>							
Interest paid / avg. debt	8.7 %	8.8 %	10.3 %	4.3 %	8.1 %	8.3 %	6.0 %
No. employees (average)	184	197	207	231	255	263	275
Number of shares	12.4	12.4	12.4	12.4	13.0	13.6	13.6
DPS	0.0	0.0	0.0	0.1	0.1	0.2	0.2
EPS reported	0.04	0.11	0.21	0.22	0.41	0.45	0.57
<b>Valuation ratios</b>							
P/BV	2.1	2.1	1.9	1.7	1.4	1.2	1.0
EV/sales	0.4	0.4	0.4	0.3	0.2	0.2	0.1
EV/EBITDA	7.8	4.6	5.7	5.3	2.7	2.1	1.5
EV/EBITA	8.1	4.7	5.8	5.5	2.7	2.1	1.6
EV/EBIT	10.4	5.6	6.4	6.3	2.9	2.2	1.6
EV/FCF	523.0	4.6	19.0	-15.0	3.3	3.6	2.5
Dividend yield	0.0 %	0.0 %	1.1 %	2.2 %	3.2 %	4.3 %	4.7 %

Source: Company data, Hauck & Aufhäuser

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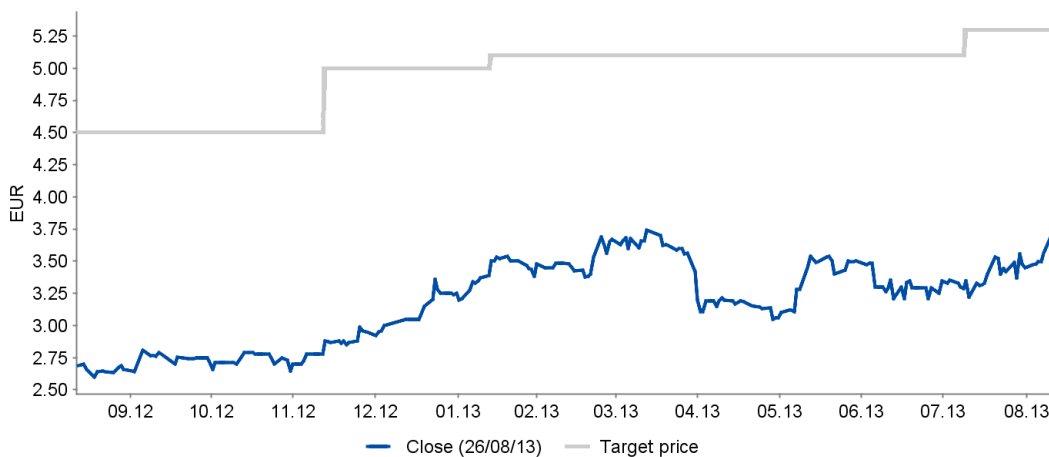
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Company	Disclosure
DEAG Deutsche Entertainment AG	2, 5

**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 27/08/13**

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