



Buy (old: Buy)

Price target: EUR 5.50 (old: EUR 5.30)

Price: EUR 4.40 **Next result:** Q3 2013: 29.11.13
Bloomberg: ERMK GR **Market cap:** EUR 57.2 m
Reuters: ERMGk.DE **Enterprise Value:** EUR 50.7 m

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Preliminary Q3 figures; chg. est. and PT

DEAG released preliminary **Q3 results in-line with our expectations**. Final figures are due Friday 29 November. In general, **DEAG's business is biased by a strong seasonality** due to varying schedules of concerts, projects and events every year. This dynamic limits the significance of quarterly comparisons. In general, **DEAGs business is however back-end loaded**, Q4 historically explains c. 50% of FY EBIT.

DEAG in € m	Q3 2013 prel.	Q3 2013 est	Q3 2012	yoy	Q2 2013	qoq	9M 2013 prel.	9M 2013 est	9M 12	yoy
Sales	29.6	31.5	30.7	-3.7%	67.1	-55.9%	125.2	127.1	96.5	29.7%
EBIT	-0.2	0.0	0.0	n.a.	3.9	n.a.	5.0	5.2	4.1	23.1%
EBIT margin	-0.8%	-0.1%	0.1%	- 0.9 pp	5.8%	- 6.6 pp	4.0%	4.1%	4.2%	- 0.2 pp
Net Profit	2.0	2.1	0.0	n.a.	-0.5	n.a.	2.2	2.3	1.8	22.6%
Net margin	6.7%	6.6%	-0.2%	+ 6.9 pp	-0.7%	+ 7.4 pp	1.8%	1.8%	1.9%	- 0.1 pp
EPS	0.16	0.17	0.00	n.a.	-0.04	n.a.	0.18	0.19	0.14	22.6%

Source: Company data; Hauck & Aufhäuser

Q3 sales came in 4% lower yoy, however 30% higher yoy at € 125m on a 9M basis. This was mainly achieved by sold-out events such as Swan Lake and Carmen in the Royal Albert Hall as well as successful concerts by David Garrett, Peter Maffay and Eric Clapton. The 9M performance was further supported by high demand for the Circus FlicFlac shows in the Family Entertainment business.

Q3 EBIT slightly declined yoy to € -0.2m. Nevertheless, on a 9M basis EBIT increased by 23% yoy to € 5m. The slight decline in the EBIT margin of 0.2pp yoy can be explained with PPA amortisation related to the acquisitions of *Wizard Promotions* and *Manfred Hertlein* as the EBITDA margin increased by 0.2pp yoy.

Due to the Christmas season, Q4 is generally the most relevant quarter. 2013 is expected to be no exception and sold-out tours, such as those from Andreas Gabalier, Black Sabbath, Jamie Cullum and Musikantenstadl already **point towards a strong finish**.

Nevertheless, we adjust our estimates for higher than expected PPA amortisation as well as lifted SG&A budgets to facilitate future growth (e.g. event ticket sale cooperation with BILD.de, increasing footprint in local concert promotion, market share gains of Ticketmaster Germany). However, **as visibility on 2014 is already high**, thanks to advance ticket sales, we roll over valuation. Consequently we derive a **new PT of € 5.50** (old: € 5.30) now based on FCFY 2014E. The stock **remains a Buy**.

Y/E 31.12 (EUR m)	2009	2010	2011	2012	2013E	2014E	2015E
Sales	116.7	125.8	128.3	155.7	184.5	201.6	214.2
Sales growth	7 %	8 %	2 %	21 %	18 %	9 %	6 %
EBITDA	6.4	10.0	8.4	8.6	12.2	15.4	18.2
EBIT	4.8	8.2	7.4	7.2	10.6	13.8	16.5
Net income	0.5	1.3	2.5	2.7	3.3	4.6	7.6
Net debt	4.2	0.3	1.6	-0.2	-6.4	-13.1	-21.6
Net gearing	-42.0 %	-84.0 %	-100.9 %	-72.0 %	-86.9 %	-93.0 %	-98.6 %
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	0.26	0.34	0.56
CPS	-0.02	0.75	0.15	-0.30	0.73	0.57	0.77
DPS	0.00	0.00	0.04	0.08	0.12	0.16	0.20
Dividend yield	0.0 %	0.0 %	0.9 %	1.8 %	2.7 %	3.6 %	4.6 %
Gross profit margin	22.7 %	24.9 %	25.4 %	24.1 %	25.5 %	26.4 %	26.8 %
EBITDA margin	5.5 %	8.0 %	6.5 %	5.5 %	6.6 %	7.6 %	8.5 %
EBIT margin	4.1 %	6.5 %	5.8 %	4.6 %	5.7 %	6.8 %	7.7 %
ROCE	9.9 %	17.1 %	14.9 %	13.7 %	18.4 %	21.8 %	23.8 %
EV/sales	0.5	0.4	0.4	0.3	0.3	0.2	0.2
EV/EBITDA	9.2	5.5	6.7	6.3	4.2	3.0	2.1
EV/EBIT	12.2	6.7	7.5	7.5	4.8	3.4	2.3
PER	43.1	40.5	21.4	20.3	17.2	13.1	7.9
Adjusted FCF yield	6.8 %	6.7 %	7.5 %	8.0 %	9.4 %	13.8 %	24.3 %

Source: Company data, Hauck & Aufhäuser Close price as of: 27.11.2013



Source: Company data, Hauck & Aufhäuser

High/low 52 weeks: 4.50 / 2.85
Price/Book Ratio: 1.8
Relative performance (SDAX):
3 months 6.8 %
6 months 12.6 %
12 months 17.9 %

Changes in estimates

		Sales	EBIT	EPS
2013	old:	174.5	14.0	0.41
	Δ	5.7%	-24.5%	-38.0%
2014	old:	188.2	16.0	0.45
	Δ	7.1%	-14.1%	-25.5%
2015	old:	197.1	16.7	0.57
	Δ	8.7%	-1.0%	-1.6%

Key share data:

Number of shares: (in m pcs) 13.0
Authorised capital: (in € m) 0.0
Book value per share: (in €) 2.5
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
Sales	116.7	125.8	128.3	155.7	184.5	201.6	214.2
<i>Sales growth</i>	6.6 %	7.8 %	2.0 %	21.4 %	18.5 %	9.3 %	6.2 %
Cost of sales	90.2	94.5	95.7	118.2	137.5	148.4	156.8
Gross profit	26.5	31.3	32.6	37.5	47.0	53.2	57.4
Sales and marketing	14.7	13.2	15.8	20.1	23.1	25.0	25.2
General and administration	11.0	11.4	12.9	13.4	17.0	18.7	19.5
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	4.2	5.0	5.6
Other operating expenses	1.1	1.7	0.9	0.7	0.7	0.7	1.7
Unusual or infrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	6.4	10.0	8.4	8.6	12.2	15.4	18.2
Depreciation	0.2	0.2	0.2	0.3	0.4	0.4	0.4
EBITA	6.2	9.8	8.1	8.3	11.8	15.0	17.7
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	1.2	1.2	1.2
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	4.8	8.2	7.4	7.2	10.6	13.8	16.5
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
Recurring pretax income from continuing operations	3.3	6.9	6.0	5.9	9.6	12.6	16.0
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	3.3	6.9	6.0	5.9	9.6	12.6	16.0
Taxes	0.4	2.5	1.5	1.1	2.7	3.9	5.0
Net income from continuing operations	2.9	4.4	4.4	4.8	6.9	8.7	11.0
Result from discontinued operations (net of tax)	0.8	0.0	0.0	0.0	0.0	0.0	0.0
Net income	2.1	4.4	4.4	4.8	6.9	8.7	11.0
Minority interest	1.6	3.0	1.9	2.1	3.6	4.1	3.5
Net income (net of minority interest)	0.5	1.3	2.5	2.7	3.3	4.6	7.6
Average number of shares	12.4	12.4	12.4	12.4	13.0	13.6	13.6
EPS reported	0.04	0.11	0.21	0.22	0.26	0.34	0.56

Profit and loss (common size)	2009	2010	2011	2012	2013E	2014E	2015E
Sales	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Cost of sales	77.3 %	75.1 %	74.6 %	75.9 %	74.5 %	73.6 %	73.2 %
Gross profit	22.7 %	24.9 %	25.4 %	24.1 %	25.5 %	26.4 %	26.8 %
Sales and marketing	12.6 %	10.5 %	12.3 %	12.9 %	12.5 %	12.4 %	11.8 %
General and administration	9.5 %	9.1 %	10.0 %	8.6 %	9.2 %	9.3 %	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 %	2.3 %	2.5 %	2.6 %
Other operating expenses	0.9 %	1.3 %	0.7 %	0.5 %	0.4 %	0.4 %	0.8 %
Unusual or infrequent items	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBITDA	5.5 %	8.0 %	6.5 %	5.5 %	6.6 %	7.6 %	8.5 %
Depreciation	0.2 %	0.2 %	0.2 %	0.2 %	0.2 %	0.2 %	0.2 %
EBITA	5.3 %	7.8 %	6.3 %	5.3 %	6.4 %	7.4 %	8.3 %
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 %	0.7 %	0.6 %	0.6 %
Impairment charges	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBIT	4.1 %	6.5 %	5.8 %	4.6 %	5.7 %	6.8 %	7.7 %
Interest income	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %	0.0 %	0.1 %
Interest expenses	1.2 %	1.0 %	1.0 %	0.3 %	0.5 %	0.5 %	0.3 %
Other financial result	-0.2 %	-0.2 %	-0.3 %	-0.7 %	-0.1 %	-0.1 %	0.0 %
Financial result	-1.3 %	-1.1 %	-1.1 %	-0.9 %	-0.5 %	-0.6 %	-0.3 %
Recurring pretax income from continuing operations	2.8 %	5.5 %	4.7 %	3.8 %	5.2 %	6.2 %	7.5 %
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Earnings before taxes	2.8 %	5.5 %	4.7 %	3.8 %	5.2 %	6.2 %	7.5 %
Tax rate	11.9 %	36.6 %	25.7 %	18.6 %	28.0 %	31.0 %	31.0 %
Net income from continuing operations	2.5 %	3.5 %	3.5 %	3.1 %	3.8 %	4.3 %	5.2 %
Result from discontinued operations (net of tax)	0.7 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income	1.8 %	3.5 %	3.5 %	3.1 %	3.8 %	4.3 %	5.2 %
Minority interest	1.4 %	2.4 %	1.5 %	1.4 %	2.0 %	2.0 %	1.6 %
Net income (net of minority interest)	0.4 %	1.1 %	2.0 %	1.7 %	1.8 %	2.3 %	3.5 %

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2009	2010	2011	2012	2013E	2014E	2015E
Intangible assets	25.4	24.2	25.0	24.7	25.2	24.2	23.2
Property, plant and equipment	9.1	9.0	9.2	10.7	10.7	10.7	10.7
Financial assets	1.6	1.0	2.6	1.7	1.7	1.7	1.7
FIXED ASSETS	36.1	34.2	36.8	37.1	37.6	36.6	35.5
Inventories	6.5	7.7	12.8	13.6	12.7	13.9	14.8
Accounts receivable	8.9	7.5	7.0	10.0	10.0	11.0	11.7
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	40.1	47.1	56.2
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
CURRENT ASSETS	41.8	50.9	61.9	61.9	68.9	78.0	88.7
TOTAL ASSETS	77.9	85.1	98.7	99.0	106.5	114.6	124.2
SHAREHOLDERS EQUITY	21.7	22.2	24.5	26.4	32.2	37.6	44.8
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
Non-current liabilities	19.3	19.4	18.4	19.3	19.0	19.2	19.5
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	12.8	13.8	14.6
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
Current liabilities	32.9	38.8	50.3	47.9	49.9	52.3	54.6
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	77.9	85.1	98.7	99.0	106.5	114.6	124.2

Balance sheet (common size)	2009	2010	2011	2012	2013E	2014E	2015E
Intangible assets	32.6 %	28.4 %	25.3 %	24.9 %	23.7 %	21.1 %	18.7 %
Property, plant and equipment	11.6 %	10.6 %	9.3 %	10.8 %	10.1 %	9.3 %	8.6 %
Financial assets	2.0 %	1.2 %	2.6 %	1.7 %	1.6 %	1.5 %	1.4 %
FIXED ASSETS	46.3 %	40.2 %	37.3 %	37.5 %	35.3 %	31.9 %	28.6 %
Inventories	8.3 %	9.1 %	12.9 %	13.7 %	12.0 %	12.1 %	11.9 %
Accounts receivable	11.4 %	8.9 %	7.1 %	10.1 %	9.4 %	9.6 %	9.4 %
Other current assets	3.8 %	4.4 %	4.2 %	6.1 %	5.7 %	5.3 %	4.9 %
Liquid assets	30.2 %	37.4 %	36.2 %	31.9 %	37.6 %	41.1 %	45.3 %
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 %
CURRENT ASSETS	53.7 %	59.8 %	62.7 %	62.5 %	64.7 %	68.1 %	71.4 %
TOTAL ASSETS	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
SHAREHOLDERS EQUITY	27.9 %	26.1 %	24.8 %	26.6 %	30.2 %	32.8 %	36.0 %
MINORITY INTEREST	5.2 %	5.5 %	5.6 %	5.5 %	5.1 %	4.7 %	4.4 %
Long-term debt	15.4 %	12.4 %	8.9 %	9.1 %	8.0 %	7.4 %	6.8 %
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 %	9.8 %	9.4 %	8.8 %
Non-current liabilities	24.7 %	22.8 %	18.6 %	19.4 %	17.8 %	16.8 %	15.7 %
short-term liabilities to banks	3.1 %	3.1 %	2.3 %	3.6 %	3.4 %	3.2 %	2.9 %
Accounts payable	13.1 %	11.1 %	9.7 %	11.4 %	12.0 %	12.1 %	11.8 %
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	2.2 %	2.3 %	2.0 %	2.0 %	1.8 %	1.7 %	1.6 %
Deferred income	23.7 %	29.1 %	37.0 %	31.4 %	29.6 %	28.7 %	27.7 %
Current liabilities	42.2 %	45.6 %	51.0 %	48.4 %	46.9 %	45.7 %	43.9 %
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)	2009	2010	2011	2012	2013E	2014E	2015E
Net profit/loss	2.1	4.4	4.4	4.8	6.9	8.7	11.0
Depreciation of fixed assets (incl. leases)	0.2	0.2	0.2	0.3	0.4	0.4	0.4
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	1.2	1.2	1.2
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	8.5	10.3	12.7
Increase/decrease in inventory	-3.0	0.8	-8.6	-0.8	0.9	-1.2	-0.9
Increase/decrease in accounts receivable	0.0	0.0	0.0	-3.0	-0.1	-0.9	-0.7
Increase/decrease in accounts payable	0.0	0.0	0.0	1.8	1.5	1.0	0.8
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	2.3	-1.1	-0.8
Cash flow from operating activities	0.4	10.3	2.9	-2.5	10.8	9.2	11.9
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
Cash flow from investing activities	-0.4	0.7	-0.4	-0.6	-2.1	-0.6	-0.6
Cash flow before financing	0.0	11.0	2.6	-3.1	8.7	8.6	11.3
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
Cash flow from financing activities	1.1	-5.5	-3.2	-1.7	2.5	-1.6	-2.2
Increase/decrease in liquid assets	1.2	8.3	1.2	-4.1	11.2	7.0	9.1
Liquid assets at end of period	23.5	31.8	33.0	28.9	40.1	47.1	56.2

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
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)	2009	2010	2011	2012	2013E	2014E	2015E
P&L growth analysis							
Sales growth	6.6 %	7.8 %	2.0 %	21.4 %	18.5 %	9.3 %	6.2 %
EBITDA growth	72.5 %	56.3 %	-16.5 %	2.5 %	41.9 %	26.5 %	18.1 %
EBIT growth	-254.1 %	70.2 %	-9.4 %	-2.7 %	46.0 %	30.3 %	20.1 %
EPS growth	-108.3 %	183.4 %	89.0 %	5.5 %	18.0 %	31.7 %	65.4 %
Efficiency							
Total operating costs / sales	18.5 %	18.3 %	19.6 %	19.5 %	19.8 %	19.6 %	19.1 %
Sales per employee	634.6	638.0	621.0	674.3	723.0	766.8	779.6
EBITDA per employee	34.9	50.8	40.5	37.1	47.7	58.5	66.2
Balance sheet analysis							
Avg. working capital / sales	4.6 %	4.4 %	6.3 %	7.2 %	6.0 %	5.2 %	5.3 %
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	19.7	20.1	20.3
Cash flow analysis							
Free cash flow	0.1	10.0	2.5	-3.1	10.2	8.6	11.3
Free cash flow/sales	0.1 %	8.0 %	1.9 %	-2.0 %	5.5 %	4.3 %	5.3 %
FCF / net profit	20.2 %	746.1 %	98.3 %	-114.1 %	306.2 %	187.5 %	149.0 %
FCF yield	0.2 %	18.4 %	4.6 %	-5.6 %	17.8 %	14.4 %	18.9 %
Capex / deprec	18.7 %	15.3 %	45.6 %	44.8 %	37.5 %	37.1 %	36.7 %
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 %
Security							
Net debt	4.2	0.3	1.6	-0.2	-6.4	-13.1	-21.6
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	-0.3	-0.5
Interest cover	3.4	6.8	6.0	14.1	10.6	13.8	22.8
Dividend payout ratio	0.0 %	0.0 %	19.5 %	36.9 %	46.9 %	47.5 %	36.6 %
Asset utilisation							
Capital employed turnover	2.5	2.6	2.5	2.8	3.1	3.1	2.9
Operating assets turnover	8.2	8.5	6.6	6.8	8.9	9.3	9.5
Plant turnover	12.9	13.9	14.0	14.5	17.2	18.8	20.1
Inventory turnover (sales/inventory)	18.0	16.3	10.0	15.0	14.5	14.5	14.5
Returns							
ROCE	9.9 %	17.1 %	14.9 %	13.7 %	18.4 %	21.8 %	23.8 %
ROE	2.2 %	6.1 %	10.4 %	10.2 %	10.3 %	12.2 %	17.0 %
Other							
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	0.26	0.34	0.56
Valuation ratios							
P/BV	2.5	2.5	2.2	2.1	1.8	1.6	1.3
EV/sales	0.5	0.4	0.4	0.3	0.3	0.2	0.2
EV/EBITDA	9.2	5.5	6.7	6.3	4.2	3.0	2.1
EV/EBITA	9.5	5.6	6.9	6.5	4.3	3.1	2.2
EV/EBIT	12.2	6.7	7.5	7.5	4.8	3.4	2.3
EV/FCF	611.3	5.4	22.4	-17.7	5.0	5.4	3.4
Dividend yield	0.0 %	0.0 %	0.9 %	1.8 %	2.7 %	3.6 %	4.6 %

Source: Company data, Hauck & Aufhäuser

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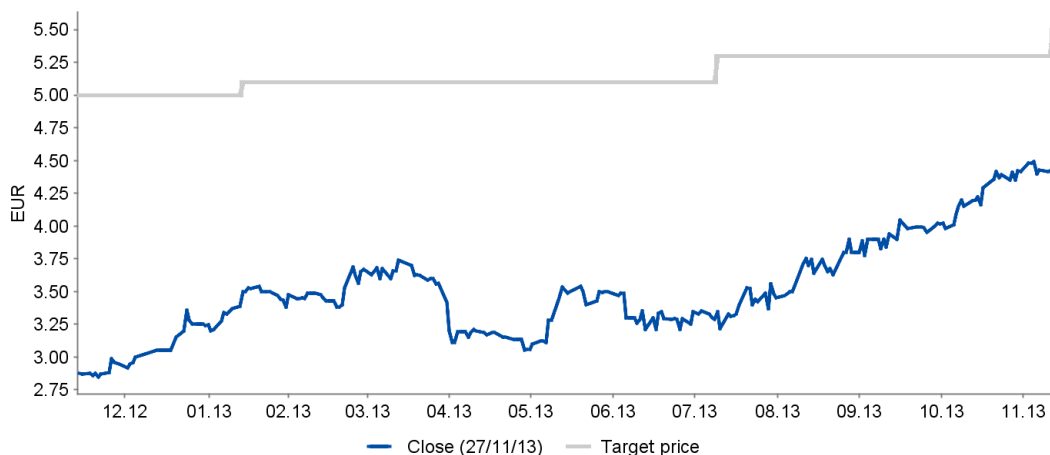
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Company	Disclosure
DEAG Deutsche Entertainment AG	2, 5

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 28/11/13**

Initiation coverage
04-December-09



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