



Buy (old: Buy)

Price target: EUR 5.00 (old: EUR 5.00)

Price:	EUR 3.05	Next result:	Q1 17 31.05.17
Bloomberg:	ERMK GR	Market cap:	EUR 49.9 m
Reuters:	ERMGK.DE	Enterprise Value:	EUR 80.5 m

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Final Q4 out: a major step towards profitable ground; chg. est.

On Friday, DEAG issued final Q4 / FY '16 figures in line with prelims released two weeks ago. **A recap: Q4 was strong** with sales rising by 60% yoy to € 87m reflecting growing demand for the increasing number of DEAG's Christmas-related events including Christmas at Kew and Blenheim as well as Christmas Garden Berlin.

Positively, **the UK business showed sound organic growth** driving its sales share up to 35% vs. 30% in FY 15. This reflects DEAG's growing presence in the appealing UK market with its two well-established live event promotion companies Kilimanjaro Live and Raymond Gubby.

Q4 EBIT soared to € 7m vs. € -6m in Q4 15. Key drivers were positive EBIT contributions from the UK business, the well-performing Christmas activities as well as a positive one-off relating to the divestment of the "Jahrhunderthalle" business unit.

With the release of final figures, **DEAG confirmed and specified its FY '17E guidance** expecting sales to slightly exceed the prior year's level while EBIT should arrive at a "mid to high single-digit € m" range.

Overall, **2016 was a transition year** for DEAG characterised by the streamlining of the unprofitable festival business. Even so, the company managed to significantly improve profitability (FY 16 EBIT € 0.5m vs. € -26m in FY 15) while initiating further sensible strategic measures to return the business to profitable growth. In fact, **prospects for 2017E look promising** driven by:

- **The continued dynamic development in the UK.** DEAG is planning to further expand its UK business lifting the regional sales share to 40% in the mid term.
- An expected expansion of the company's appealing Family Entertainment business and Christmas-related events.
- A further increase in the distribution share of its high-margin direct ticketing channel 'myticket' (target: 40% distribution share by year-end FY 17 vs. > 20% in FY 16).

In sum, **DEAG is seen to have learned its lessons** and should be on track for a much improved operating performance this year. In light of this, we roll valuation from FCFY 2017E to 2018E resulting in an **unchanged PT of € 5.00** despite estimate reductions. – See next page for estimate changes –

Y/E 31.12 (EUR m)	2013	2014	2015	2016	2017E	2018E	2019E
Sales	165.5	172.2	200.4	184.8	196.7	213.2	231.2
Sales growth	6 %	4 %	16 %	-8 %	6 %	8 %	8 %
EBITDA	10.2	8.6	-24.5	2.0	8.9	12.2	15.2
EBIT	7.3	5.3	-26.2	0.5	6.2	9.6	12.6
Net income	1.0	1.0	-29.8	-3.6	1.6	3.8	5.5
Net debt	-5.0	-33.6	4.8	11.2	4.6	-0.5	-7.8
Net gearing	-41.4 %	-111.2 %	-63.1 %	-40.1 %	-42.0 %	-91.5 %	-140.5 %
Net Debt/EBITDA	0.0	0.0	-0.2	5.6	0.5	0.0	0.0
EPS pro forma	0.26	0.15	-1.73	-0.17	0.10	0.23	0.34
CPS	-0.66	1.56	-2.53	-0.38	0.09	0.31	0.44
DPS	0.12	0.00	0.00	0.00	0.00	0.00	0.00
Dividend yield	3.9 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Gross profit margin	22.3 %	21.5 %	7.0 %	15.5 %	22.6 %	23.2 %	23.5 %
EBITDA margin	6.2 %	5.0 %	-12.2 %	1.1 %	4.5 %	5.7 %	6.6 %
EBIT margin	4.4 %	3.1 %	-13.1 %	0.3 %	3.2 %	4.5 %	5.5 %
ROCE	13.8 %	9.4 %	-48.8 %	1.1 %	12.0 %	16.8 %	20.6 %
EV/sales	0.3	0.3	0.3	0.4	0.4	0.3	0.2
EV/EBITDA	4.2	5.2	-2.8	34.7	9.0	5.8	3.6
EV/EBIT	5.9	8.4	-2.6	130.4	12.9	7.4	4.3
PER	11.7	20.3	-1.8	-17.4	31.5	13.2	9.1
Adjusted FCF yield	18.9 %	41.7 %	-56.5 %	-3.7 %	24.4 %	23.8 %	19.9 %

Source: Company data, Hauck & Aufhäuser Close price as of: 28.04.2017



Source: Company data, Hauck & Aufhäuser

High/low 52 weeks: 3.95 / 2.19

Price/Book Ratio: 4.2

Relative performance (SDAX):

3 months -14.4 %

6 months 7.2 %

12 months -43.1 %

Changes in estimates

		Sales	EBIT	EPS
2017	old:	196.7	11.1	0.22
	Δ	-	-43.9%	-55.8%
2018	old:	206.7	15.0	0.38
	Δ	3.1%	-36.0%	-39.7%

Key share data:

Number of shares: (in m pcs) 16.4

Authorised capital: (in € m) 0.0

Book value per share: (in €) 0.7

Ø trading volume: (12 months) 38,000

Major shareholders:

Free Float 48.0 %

Monolith Investment Management 10.2 %

Plutus Holdings 2 Ltd. 10.0 %

Allianz Global Investors 10.0 %

Heliad Equity Partners 9.7 %

Moritz Schwenkow 3.1 %

Company description:

Leading European live entertainment provider with a broad basis of content in rock/pop, classics, family entertainment and middle-of-the-road music.

Action: We increase our sales estimate for FY 18E to reflect the expected expansion of the UK activities and the increasing number of highly attractive Christmas formats. EBIT estimates for FY 17-18E are reduced as previously expected proceeds from legal claims are eliminated due to limited visibility on the back of longer-than-expected legal proceedings. Moreover, estimates for FY 19E are introduced.

Given the undemanding valuation at current levels on 6x adj. PER 2018E, a successful expansion of the UK operations and the exploitation of the underlying distribution potential of direct ticketing would imply **attractive upside potential**, in our view. **BUY**.

Financials

Profit and loss (EUR m)	2013	2014	2015	2016	2017E	2018E	2019E
Sales	165.5	172.2	200.4	184.8	196.7	213.2	231.2
Sales growth	6.3 %	4.1 %	16.3 %	-7.8 %	6.5 %	8.4 %	8.4 %
Cost of sales	128.6	135.3	186.3	156.2	152.2	163.8	176.9
Gross profit	36.9	37.0	14.1	28.6	44.5	49.5	54.3
Sales and marketing	19.4	21.2	24.5	21.1	23.6	24.8	26.4
General and administration	14.9	14.2	15.7	14.1	15.3	16.0	16.6
Research and development	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other operating income	6.1	5.3	9.5	8.1	5.9	6.4	6.9
Other operating expenses	1.4	1.5	9.6	0.8	5.2	5.4	5.7
Unusual or infrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	10.2	8.6	-24.5	2.0	8.9	12.2	15.2
Depreciation	2.9	3.2	1.7	1.5	1.6	1.6	1.7
EBITA	7.3	5.3	-26.2	0.5	7.3	10.6	13.5
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	1.1	1.0	0.9
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	7.3	5.3	-26.2	0.5	6.2	9.6	12.6
Interest income	0.2	0.2	0.0	0.0	0.2	0.2	0.2
Interest expenses	0.6	0.5	0.9	1.0	1.6	1.6	1.6
Other financial result	-0.4	-1.5	0.0	-0.5	0.0	0.0	0.0
Financial result	-0.8	-1.7	-0.9	-1.5	-1.4	-1.4	-1.3
Recurring pretax income from continuing operations	6.5	3.6	-27.2	-1.0	4.9	8.3	11.3
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	6.5	3.6	-27.2	-1.0	4.9	8.3	11.3
Taxes	1.7	0.0	0.2	0.5	1.3	2.2	3.0
Net income from continuing operations	4.7	3.6	-27.4	-1.5	3.6	6.1	8.3
Result from discontinued operations (net of tax)	2.6	1.3	1.6	0.7	0.0	0.0	0.0
Net income	2.2	2.2	-29.0	-2.2	3.6	6.1	8.3
Minority interest	1.2	1.2	0.9	1.4	2.0	2.3	2.8
Net income (net of minority interest)	1.0	1.0	-29.8	-3.6	1.6	3.8	5.5
Average number of shares	13.0	15.2	16.4	16.4	16.4	16.4	16.4
EPS reported	0.07	0.07	-1.83	-0.22	0.10	0.23	0.34

Profit and loss (common size)	2013	2014	2015	2016	2017E	2018E	2019E
Sales	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Cost of sales	77.7 %	78.5 %	93.0 %	84.5 %	77.4 %	76.8 %	76.5 %
Gross profit	22.3 %	21.5 %	7.0 %	15.5 %	22.6 %	23.2 %	23.5 %
Sales and marketing	11.7 %	12.3 %	12.3 %	11.4 %	12.0 %	11.7 %	11.4 %
General and administration	9.0 %	8.3 %	7.8 %	7.6 %	7.8 %	7.5 %	7.2 %
Research and development	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other operating income	3.7 %	3.1 %	4.7 %	4.4 %	3.0 %	3.0 %	3.0 %
Other operating expenses	0.9 %	0.8 %	4.8 %	0.5 %	2.6 %	2.5 %	2.4 %
Unusual or infrequent items	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBITDA	6.2 %	5.0 %	-12.2 %	1.1 %	4.5 %	5.7 %	6.6 %
Depreciation	1.8 %	1.9 %	0.9 %	0.8 %	0.8 %	0.8 %	0.7 %
EBITA	4.4 %	3.1 %	-13.1 %	0.3 %	3.7 %	5.0 %	5.8 %
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 %	0.6 %	0.5 %	0.4 %
Impairment charges	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBIT	4.4 %	3.1 %	-13.1 %	0.3 %	3.2 %	4.5 %	5.5 %
Interest income	0.1 %	0.1 %	0.0 %	0.0 %	0.1 %	0.1 %	0.1 %
Interest expenses	0.3 %	0.3 %	0.5 %	0.5 %	0.8 %	0.7 %	0.7 %
Other financial result	-0.3 %	-0.9 %	0.0 %	-0.3 %	0.0 %	0.0 %	0.0 %
Financial result	-0.5 %	-1.0 %	-0.5 %	-0.8 %	-0.7 %	-0.6 %	-0.6 %
Recurring pretax income from continuing operations	3.9 %	2.1 %	-13.6 %	-0.5 %	2.5 %	3.9 %	4.9 %
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Earnings before taxes	3.9 %	2.1 %	-13.6 %	-0.5 %	2.5 %	3.9 %	4.9 %
Tax rate	26.6 %	1.1 %	-0.7 %	-48.6 %	26.6 %	26.6 %	26.6 %
Net income from continuing operations	2.9 %	2.1 %	-13.7 %	-0.8 %	1.8 %	2.8 %	3.6 %
Result from discontinued operations (net of tax)	1.6 %	0.8 %	0.8 %	0.4 %	0.0 %	0.0 %	0.0 %
Net income	1.3 %	1.3 %	-14.5 %	-1.2 %	1.8 %	2.8 %	3.6 %
Minority interest	0.7 %	0.7 %	0.4 %	0.7 %	1.0 %	1.1 %	1.2 %
Net income (net of minority interest)	0.6 %	0.6 %	-14.9 %	-1.9 %	0.8 %	1.8 %	2.4 %

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2013	2014	2015	2016	2017E	2018E	2019E
Intangible assets	27.0	33.2	33.6	32.0	31.1	30.3	29.6
Property, plant and equipment	10.9	11.0	6.2	6.4	5.5	4.6	3.6
Financial assets	1.5	3.1	3.2	4.5	4.5	4.5	4.5
FIXED ASSETS	39.4	47.3	43.0	42.9	41.1	39.4	37.8
Inventories	11.9	23.2	14.5	14.2	15.1	16.4	17.7
Accounts receivable	8.8	12.9	13.0	15.3	13.2	14.6	15.8
Other current assets	6.5	7.6	7.8	6.3	6.3	6.3	6.3
Liquid assets	22.9	54.1	25.8	28.4	30.9	36.9	45.1
Deferred taxes	0.4	0.3	0.2	0.3	0.0	0.0	0.0
Deferred charges and prepaid expenses	0.2	0.5	0.0	0.0	0.0	0.0	0.0
CURRENT ASSETS	50.7	98.7	61.3	64.5	65.4	74.2	85.0
TOTAL ASSETS	90.1	146.0	104.3	107.4	106.6	113.6	122.7
SHAREHOLDERS EQUITY	25.7	38.4	10.1	6.0	11.9	12.1	13.7
MINORITY INTEREST	4.0	5.8	5.9	4.7	6.7	9.0	11.8
Long-term debt	6.1	4.5	9.6	9.6	9.5	9.5	9.5
Provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other provisions	9.1	6.7	9.9	11.3	11.6	11.9	12.1
Non-current liabilities	15.2	11.2	19.5	21.0	21.1	21.4	21.7
short-term liabilities to banks	6.2	6.8	9.8	16.4	16.4	16.4	16.4
Accounts payable	5.6	9.1	11.1	13.6	9.6	10.5	11.4
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)	4.1	7.6	4.0	6.8	0.0	0.0	0.0
Deferred taxes	2.2	2.5	2.2	1.6	1.6	1.6	1.6
Deferred income	27.2	64.6	41.7	37.3	39.3	42.6	46.2
Current liabilities	45.2	90.5	68.8	75.7	66.9	71.1	75.6
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	90.1	146.0	104.3	107.4	106.6	113.6	122.7

Balance sheet (common size)	2013	2014	2015	2016	2017E	2018E	2019E
Intangible assets	30.0 %	22.7 %	32.2 %	29.8 %	29.2 %	26.7 %	24.1 %
Property, plant and equipment	12.1 %	7.6 %	5.9 %	5.9 %	5.2 %	4.1 %	3.0 %
Financial assets	1.6 %	2.1 %	3.1 %	4.2 %	4.2 %	4.0 %	3.7 %
FIXED ASSETS	43.7 %	32.4 %	41.2 %	40.0 %	38.6 %	34.7 %	30.8 %
Inventories	13.3 %	15.9 %	13.9 %	13.2 %	14.2 %	14.4 %	14.5 %
Accounts receivable	9.8 %	8.9 %	12.5 %	14.3 %	12.4 %	12.9 %	12.9 %
Other current assets	7.2 %	5.2 %	7.5 %	5.9 %	5.9 %	5.5 %	5.1 %
Liquid assets	25.5 %	37.0 %	24.7 %	26.4 %	29.0 %	32.5 %	36.7 %
Deferred taxes	0.4 %	0.2 %	0.2 %	0.3 %	0.0 %	0.0 %	0.0 %
Deferred charges and prepaid expenses	0.3 %	0.3 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
CURRENT ASSETS	56.3 %	67.6 %	58.8 %	60.0 %	61.4 %	65.3 %	69.2 %
TOTAL ASSETS	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
SHAREHOLDERS EQUITY	28.5 %	26.3 %	9.7 %	5.6 %	11.1 %	10.6 %	11.1 %
MINORITY INTEREST	4.4 %	4.0 %	5.7 %	4.4 %	6.3 %	7.9 %	9.6 %
Long-term debt	6.8 %	3.1 %	9.2 %	9.0 %	8.9 %	8.4 %	7.8 %
Provisions for pensions and similar obligations	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other provisions	10.1 %	4.6 %	9.5 %	10.6 %	10.9 %	10.4 %	9.9 %
Non-current liabilities	16.9 %	7.7 %	18.7 %	19.5 %	19.8 %	18.8 %	17.7 %
short-term liabilities to banks	6.9 %	4.7 %	9.4 %	15.2 %	15.3 %	14.4 %	13.3 %
Accounts payable	6.2 %	6.3 %	10.7 %	12.6 %	9.0 %	9.3 %	9.3 %
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)	4.5 %	5.2 %	3.8 %	6.4 %	0.0 %	0.0 %	0.0 %
Deferred taxes	2.4 %	1.7 %	2.1 %	1.5 %	1.5 %	1.4 %	1.3 %
Deferred income	30.2 %	44.2 %	40.0 %	34.7 %	36.9 %	37.5 %	37.6 %
Current liabilities	50.2 %	62.0 %	66.0 %	70.5 %	62.7 %	62.6 %	61.6 %
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)	2013	2014	2015	2016	2017E	2018E	2019E
Net profit/loss	4.7	3.6	-27.4	-1.5	3.6	6.1	8.3
Depreciation of fixed assets (incl. leases)	2.9	3.2	1.7	1.5	1.6	1.6	1.7
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	1.1	1.0	0.9
Others	-4.6	-3.4	0.3	-4.5	0.0	0.0	0.0
Cash flow from operations before changes in w/c	3.0	3.4	-25.4	-4.5	6.3	8.7	10.9
Increase/decrease in inventory	8.2	-10.6	9.0	1.3	-0.9	-1.3	-1.4
Increase/decrease in accounts receivable	1.2	-4.1	-0.1	-2.3	2.1	-1.4	-1.2
Increase/decrease in accounts payable	-20.5	39.4	-21.4	0.3	-4.0	0.9	0.8
Increase/decrease in other working capital positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in working capital	-11.1	24.7	-12.5	-0.6	-2.8	-1.7	-1.8
Cash flow from operating activities	-8.1	28.1	-37.9	-5.1	3.5	7.0	9.1
CAPEX	2.0	1.4	0.8	3.8	0.9	0.9	0.9
Payments for acquisitions	-3.0	3.2	0.0	0.0	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	0.2	2.2	6.6	7.0	0.0	0.0	0.0
Cash flow from investing activities	1.1	-2.4	5.8	3.2	-0.9	-0.9	-0.9
Cash flow before financing	-6.9	25.7	-32.0	-1.9	2.6	6.1	8.2
Increase/decrease in debt position	-0.3	-1.0	8.1	6.5	-0.1	0.0	0.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	1.9	12.5	0.0	0.0	0.0	0.0	0.0
Dividends paid	1.0	1.6	0.0	0.0	0.0	0.0	0.0
Others	0.7	-4.3	-4.0	-1.6	0.0	0.0	0.0
Effects of exchange rate changes on cash	-0.3	-0.3	-0.3	-0.4	0.0	0.0	0.0
Cash flow from financing activities	1.3	5.7	4.1	4.9	-0.1	0.0	0.0
Increase/decrease in liquid assets	-5.9	31.1	-28.3	2.6	2.5	6.1	8.2
Liquid assets at end of period	22.9	54.1	25.8	28.4	30.9	36.9	45.1

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2013	2014	2015	2016	2017E	2018E	2019E
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

DEAG Deutsche Entertainment AG

Key ratios (EUR m)	2013	2014	2015	2016	2017E	2018E	2019E
P&L growth analysis							
Sales growth	6.3 %	4.1 %	16.3 %	-7.8 %	6.5 %	8.4 %	8.4 %
EBITDA growth	19.3 %	-16.2 %	-386.0 %	-108.1 %	348.9 %	37.3 %	24.2 %
EBIT growth	1.0 %	-26.9 %	-591.1 %	-102.0 %	1080.3 %	54.5 %	30.9 %
EPS growth	-65.4 %	-10.7 %	-2825.5 %	-88.0 %	-144.2 %	138.6 %	45.2 %
Efficiency							
Total operating costs / sales	17.9 %	18.4 %	20.1 %	15.2 %	19.4 %	18.7 %	18.0 %
Sales per employee	582.7	962.2	1,001.8	937.8	1,013.7	1,028.0	1,028.2
EBITDA per employee	36.0	47.9	-122.6	10.1	45.9	59.0	67.5
Balance sheet analysis							
Avg. working capital / sales	8.3 %	12.2 %	10.8 %	8.7 %	8.8 %	9.2 %	9.2 %
Inventory turnover (sales/inventory)	13.9	7.4	13.8	13.0	13.0	13.0	13.0
Trade debtors in days of sales	19.4	27.4	23.7	30.2	24.5	25.0	25.0
A/P turnover [(A/P*365)/sales]	15.9	24.7	21.8	31.7	23.0	23.5	23.5
Cash conversion cycle (days)	37.4	65.4	30.3	31.7	37.7	38.0	38.1
Cash flow analysis							
Free cash flow	-10.1	26.7	-38.6	-9.0	2.6	6.1	8.2
Free cash flow/sales	-6.1 %	15.5 %	-19.3 %	-4.9 %	1.3 %	2.8 %	3.5 %
FCF / net profit	-1033.2	2616.6 %	129.3 %	250.8 %	163.6 %	160.4 %	149.4 %
Capex / depre	67.9 %	44.2 %	43.6 %	262.2 %	33.7 %	34.6 %	34.9 %
Capex / maintenance capex	167.1 %	34.2 %	19.0 %	315.8 %	34.9 %	35.9 %	36.2 %
Capex / sales	1.2 %	0.8 %	0.4 %	2.1 %	0.5 %	0.4 %	0.4 %
Security							
Net debt	-5.0	-33.6	4.8	11.2	4.6	-0.5	-7.8
Net Debt/EBITDA	0.0	0.0	-0.2	5.6	0.5	0.0	0.0
Net debt / equity	-0.2	-0.9	0.5	1.9	0.4	0.0	-0.6
Interest cover	13.1	10.7	0.0	0.5	4.0	6.2	8.1
Dividend payout ratio	160.1 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Asset utilisation							
Capital employed turnover	3.2	2.8	4.4	3.8	3.5	3.6	3.6
Operating assets turnover	6.4	4.5	8.9	8.3	8.1	8.5	9.0
Plant turnover	15.2	15.6	32.3	28.9	35.7	46.2	63.6
Inventory turnover (sales/inventory)	13.9	7.4	13.8	13.0	13.0	13.0	13.0
Returns							
ROCE	13.8 %	9.4 %	-48.8 %	1.1 %	12.0 %	16.8 %	20.6 %
ROE	3.8 %	2.7 %	-295.4 %	-59.7 %	13.3 %	31.3 %	40.0 %
Other							
Interest paid / avg. debt	4.5 %	4.2 %	6.1 %	4.4 %	6.0 %	6.0 %	6.0 %
No. employees (average)	284	179	200	197	194	207	225
Number of shares	13.0	15.2	16.4	16.4	16.4	16.4	16.4
DPS	0.1	0.0	0.0	0.0	0.0	0.0	0.0
EPS reported	0.07	0.07	-1.83	-0.22	0.10	0.23	0.34
Valuation ratios							
P/BV	1.6	1.3	4.9	8.3	4.2	4.1	3.6
EV/sales	0.3	0.3	0.3	0.4	0.4	0.3	0.2
EV/EBITDA	4.2	5.2	-2.8	34.7	9.0	5.8	3.6
EV/EBITA	5.9	8.4	-2.6	130.4	11.0	6.7	4.0
EV/EBIT	5.9	8.4	-2.6	130.4	12.9	7.4	4.3
EV/FCF	-4.3	1.7	-1.8	-7.7	31.1	11.7	6.7
Adjusted FCF yield	18.9 %	41.7 %	-56.5 %	-3.7 %	24.4 %	23.8 %	19.9 %
Dividend yield	3.9 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %

Source: Company data, Hauck & Aufhäuser

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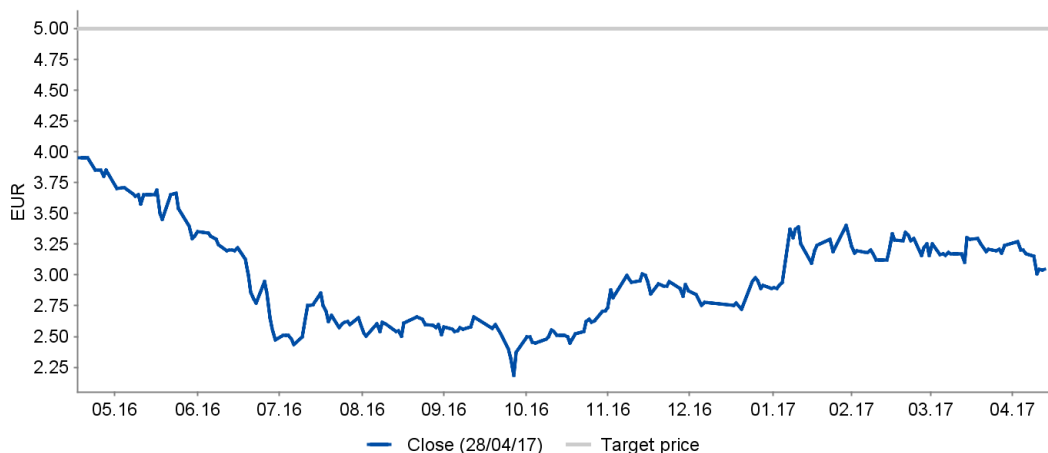
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Company	Disclosure
DEAG Deutsche Entertainment AG	2, 6

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 02/05/17

Initiation coverage
04-December-09



Company	Date	Analyst	Rating	Target price	Close
DEAG Deutsche Entertainment AG	14.10.2016	Schwenkenbecher, Christian	Buy	EUR 5,00	EUR 2,37
	29.09.2016	Schwenkenbecher, Christian	Buy	EUR 5,00	EUR 2,66
	30.08.2016	Schwenkenbecher, Christian	Buy	EUR 5,00	EUR 2,55

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