



Buy (old: Buy)

Price target: EUR 4.90 (old: EUR 4.90)

Price: EUR 3.56 **Next result:** FY 18: tba
Bloomberg: ERMK@GR **Market cap:** EUR 65.5 m
Reuters: ERMGK.DE **Enterprise Value:** EUR 49.6 m

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Guidance raise amidst earnings improvement in Q3, chg.

While DEAG's preliminary Q3 18 results reveal the inherent seasonality of the live entertainment business, the profitability improvements achieved year to date supported by the deconsolidation gain from the sale of Raymond Gubbay Ltd. (RGL) put DEAG well on track to record a meaningful earnings rise this year.

In fact, Q3 is a seasonally soft quarter with disproportionately low contributions (10% of sales in FY 16, 13% in FY 17). Still, **DEAG managed to visibly improve both its Q3 top line (+65% yoy to € 35m) and its operating profitability (€ 0.1m vs. € -1.2m in Q3 17)** thanks to a range of large-volume events such as the sold-out UK summer tour with Ed Sheeran as well as further improved cost discipline.

On the back of € 153m sales and € 8.2m EBIT after 9M 18 (including € 5.3m gain from the sale of RGL) and in light of a well-filled pipeline for the seasonally strong Q4, **management has raised its targets for this year:** It now expects sales of more than € 200m (prior: at least +20% yoy, i.e. € 190m) and EBIT of at least € 10m (prior: at least 40% yoy, i.e. € 7m), requiring a minimum of c. € 50m sales and € 2m EBIT in Q4.

With that, all eyes are set to focus on the company's finish to the year in the winter season which indeed looks promising. Keep in mind: Q4 as DEAG's seasonally strongest quarter with disproportionate contributions (c. 30% of sales in FY 17 with € 4m EBIT) is **set to benefit from an expansion of the profitable Christmas Garden formats** in Germany from one city last year to three in FY 18 as well as several Family Entertainment formats rolled-out into Switzerland, hence likely compensating for the fading contribution of RGL (eH&A pro forma € 22m sales and € 2m EBIT in FY 18E).

Action: We raise our top-line estimate for FY 18 in light of the stronger-than-expected performance in Q3. Moreover, interest expenses are lifted to reflect the € 20m bond (6% coupon p.a., due 2023) placed in October which is seen to be mainly used for further external growth opportunities and a reduction of minorities (not incl. in eH&A).

Overall, DEAG appears on track for a further improved operating performance this year. On top of that, **management shows continuous progress in its strategic aim to gradually reduce minority interest** having acquired the remaining 50% stake in The Classcial Company in early Q4 after several successful transactions already closed during the past months (e.g. increased stake in DEAG Classics and myticket as well as sale of RGL). **Reiterate BUY, PT of € 4.90** based on FCFY 2019E.



Source: Company data, Hauck & Aufhäuser

High/low 52 weeks: 3.91 / 2.34

Price/Book Ratio: 4.1

Relative performance (SDAX):

3 months -
6 months -
12 months -

Changes in estimates

		Sales	EBIT	EPS
2018	old:	191.7	12.4	0.36
	Δ	7.3%	-	-2.3%
2019	old:	212.9	10.5	0.26
	Δ	3.4%	0.3%	-16.5%
2020	old:	223.6	12.8	0.35
	Δ	3.4%	0.8%	-11.7%

Key share data:

Number of shares: (in m pcs) 18.4
 Authorised capital: (in € m) 0.0
 Book value per share: (in €) 0.9
 Ø trading volume: (12 months) 38,000

Major shareholders:

Free Float 53.7 %
 Apeiron Investment Group 15.7 %
 Plutus Holdings 2 Ltd. 10.4 %
 Allianz Global Investors 10.0 %
 SRE Holding GmbH 7.6 %
 Moritz Schwenkow 2.7 %

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.

Y/E 31.12 (EUR m)	2014	2015	2016	2017	2018E	2019E	2020E
Sales	172.2	200.4	179.5	159.8	205.7	220.1	231.1
Sales growth	4 %	16 %	-10 %	-11 %	29 %	7 %	5 %
EBITDA	8.6	-24.5	5.2	6.5	14.8	13.0	15.5
EBIT	5.3	-26.2	3.7	5.1	12.4	10.5	12.9
Net income	1.0	-29.8	-3.6	-2.3	6.4	4.0	5.7
Net debt	-33.6	-6.4	-2.4	-14.9	-15.9	-19.5	-26.0
Net gearing	-111.2 %	-63.1 %	-40.1 %	-199.0 %	-99.1 %	-142.0 %	-170.4 %
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EPS pro forma	0.15	-1.73	0.02	0.04	0.35	0.22	0.31
CPS	1.56	-2.53	-0.40	0.82	-0.36	0.11	0.26
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	21.5 %	7.0 %	17.2 %	18.4 %	20.0 %	21.1 %	21.9 %
EBITDA margin	5.0 %	-12.2 %	2.9 %	4.1 %	7.2 %	5.9 %	6.7 %
EBIT margin	3.1 %	-13.1 %	2.1 %	3.2 %	6.0 %	4.8 %	5.6 %
ROCE	9.4 %	-48.8 %	8.0 %	10.6 %	19.9 %	13.6 %	16.4 %
EV/sales	0.1	0.3	0.3	0.3	0.2	0.2	0.2
EV/EBITDA	1.8	-2.1	10.8	7.7	3.3	3.5	2.5
EV/EBIT	2.9	-2.0	15.0	10.0	4.0	4.4	3.1
PER	23.7	-2.1	174.8	86.4	10.2	16.2	11.5
Adjusted FCF yield	24.2 %	-59.8 %	5.5 %	13.8 %	27.0 %	15.9 %	23.3 %

Source: Company data, Hauck & Aufhäuser Close price as of: 23.11.2018

Financials

Profit and loss (EUR m)	2014	2015	2016	2017	2018E	2019E	2020E
Sales	172.2	200.4	179.5	159.8	205.7	220.1	231.1
Sales growth	4.1 %	16.3 %	-10.4 %	-11.0 %	28.7 %	7.0 %	5.0 %
Cost of sales	135.3	186.3	148.7	130.5	164.6	173.8	180.6
Gross profit	37.0	14.1	30.8	29.3	41.1	46.3	50.5
Sales and marketing	21.2	24.5	20.7	13.1	18.9	20.2	21.3
General and administration	14.2	15.7	13.6	12.6	16.0	16.7	17.6
Research and development	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other operating income	5.3	9.5	8.1	2.6	8.4	3.3	3.5
Other operating expenses	1.5	9.6	0.8	1.2	1.6	1.7	1.8
Unusual or infrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	8.6	-24.5	5.2	6.5	14.8	13.0	15.5
Depreciation	3.2	1.7	1.4	1.5	1.5	1.6	1.7
EBITA	5.3	-26.2	3.7	5.1	13.3	11.4	13.8
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	0.9	0.9	0.9
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT (inc revaluation net)	5.3	-26.2	3.7	5.1	12.4	10.5	12.9
Interest income	0.2	0.0	0.0	0.0	0.2	0.3	0.4
Interest expenses	0.5	0.9	1.0	1.2	2.0	3.0	3.0
Other financial result	-1.5	0.0	-0.5	-0.9	0.0	0.0	0.0
Financial result	-1.7	-0.9	-1.5	-2.1	-1.8	-2.7	-2.7
Recurring pretax income from continuing operations	3.6	-27.2	2.2	2.9	10.5	7.8	10.2
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	3.6	-27.2	2.2	2.9	10.5	7.8	10.2
Taxes	0.0	0.2	0.5	0.6	2.3	2.0	2.7
Net income from continuing operations	3.6	-27.4	1.7	2.3	8.2	5.8	7.6
Result from discontinued operations (net of tax)	1.3	1.6	3.9	3.0	0.0	0.0	0.0
Net income	2.2	-29.0	-2.2	-0.7	8.2	5.8	7.6
Minority interest	1.2	0.9	1.4	1.6	1.8	1.7	1.9
Net profit (reported)	1.0	-29.8	-3.6	-2.3	6.4	4.0	5.7
Average number of shares	15.2	16.4	16.4	17.6	18.4	18.4	18.4
EPS reported	0.07	-1.83	-0.22	-0.13	0.35	0.22	0.31

Profit and loss (common size)	2014	2015	2016	2017	2018E	2019E	2020E
Sales	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Cost of sales	78.5 %	93.0 %	82.8 %	81.6 %	80.0 %	79.0 %	78.2 %
Gross profit	21.5 %	7.0 %	17.2 %	18.4 %	20.0 %	21.1 %	21.9 %
Sales and marketing	12.3 %	12.3 %	11.5 %	8.2 %	9.2 %	9.2 %	9.2 %
General and administration	8.3 %	7.8 %	7.6 %	7.9 %	7.8 %	7.6 %	7.6 %
Research and development	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other operating income	3.1 %	4.7 %	4.5 %	1.6 %	4.1 %	1.5 %	1.5 %
Other operating expenses	0.8 %	4.8 %	0.5 %	0.7 %	0.8 %	0.8 %	0.8 %
Unusual or infrequent items	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBITDA	5.0 %	neg.	2.9 %	4.1 %	7.2 %	5.9 %	6.7 %
Depreciation	1.9 %	0.9 %	0.8 %	0.9 %	0.8 %	0.7 %	0.7 %
EBITA	3.1 %	neg.	2.1 %	3.2 %	6.5 %	5.2 %	6.0 %
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 %	0.4 %	0.4 %	0.4 %
Impairment charges	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBIT (inc revaluation net)	3.1 %	neg.	2.1 %	3.2 %	6.0 %	4.8 %	5.6 %
Interest income	0.1 %	0.0 %	0.0 %	0.0 %	0.1 %	0.2 %	0.2 %
Interest expenses	0.3 %	0.5 %	0.6 %	0.7 %	1.0 %	1.4 %	1.3 %
Other financial result	-0.9 %	0.0 %	-0.3 %	-0.6 %	0.0 %	0.0 %	0.0 %
Financial result	neg.	neg.	neg.	neg.	neg.	neg.	neg.
Recurring pretax income from continuing operations	2.1 %	neg.	1.2 %	1.8 %	5.1 %	3.5 %	4.4 %
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Earnings before taxes	2.1 %	neg.	1.2 %	1.8 %	5.1 %	3.5 %	4.4 %
Tax rate	1.1 %	-0.7 %	22.1 %	20.4 %	22.0 %	26.0 %	26.0 %
Net income from continuing operations	2.1 %	neg.	1.0 %	1.5 %	4.0 %	2.6 %	3.3 %
Result from discontinued operations (net of tax)	0.8 %	0.8 %	2.2 %	1.9 %	0.0 %	0.0 %	0.0 %
Net income	1.3 %	neg.	neg.	neg.	4.0 %	2.6 %	3.3 %
Minority interest	0.7 %	0.4 %	0.8 %	1.0 %	0.9 %	0.8 %	0.8 %
Net profit (reported)	0.6 %	neg.	neg.	neg.	3.1 %	1.8 %	2.5 %

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2014	2015	2016	2017	2018E	2019E	2020E
Intangible assets	33.2	33.6	32.0	35.0	38.8	38.1	37.4
Property, plant and equipment	11.0	6.2	6.4	7.8	7.0	6.1	5.1
Financial assets	3.1	3.2	4.5	3.6	3.6	3.6	3.6
FIXED ASSETS	47.3	43.0	42.9	46.5	49.4	47.8	46.1
Inventories	23.2	14.5	13.0	11.2	14.4	15.4	16.1
Accounts receivable	12.9	13.0	15.3	25.9	34.4	37.4	39.9
Other current assets	7.6	7.8	7.5	5.9	4.6	4.6	4.6
Liquid assets	54.1	25.8	28.4	41.8	62.9	66.4	72.9
Deferred taxes	0.3	0.2	0.3	0.8	0.0	0.0	0.0
Deferred charges and prepaid expenses	0.5	0.0	0.0	0.0	0.0	0.0	0.0
CURRENT ASSETS	98.7	61.3	64.5	85.5	116.2	123.8	133.6
TOTAL ASSETS	146.0	104.3	107.4	132.0	165.7	171.7	179.7
SHAREHOLDERS EQUITY	38.4	10.1	6.0	7.5	16.1	13.7	15.3
MINORITY INTEREST	5.8	5.9	4.7	5.2	6.9	8.7	10.6
Long-term debt	4.5	9.6	9.6	10.1	30.0	30.0	30.0
Provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other provisions	6.7	9.9	11.3	7.4	7.6	7.8	8.0
Non-current liabilities	11.2	19.5	21.0	17.5	37.7	37.8	38.0
short-term liabilities to banks	6.8	9.8	16.4	16.9	16.9	16.9	16.9
Accounts payable	9.1	11.1	13.6	10.5	12.6	12.9	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)	7.6	4.0	6.8	4.7	0.0	0.0	0.0
Deferred taxes	2.5	2.2	1.6	2.2	2.2	2.2	2.2
Deferred income	64.6	41.7	37.3	67.6	73.3	79.5	83.5
Current liabilities	90.5	68.8	75.7	101.8	105.0	111.4	115.9
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	146.0	104.3	107.4	132.0	165.7	171.7	179.7

Balance sheet (common size)	2014	2015	2016	2017	2018E	2019E	2020E
Intangible assets	22.7 %	32.2 %	29.8 %	26.5 %	23.4 %	22.2 %	20.8 %
Property, plant and equipment	7.6 %	5.9 %	5.9 %	5.9 %	4.2 %	3.5 %	2.8 %
Financial assets	2.1 %	3.1 %	4.2 %	2.7 %	2.2 %	2.1 %	2.0 %
FIXED ASSETS	32.4 %	41.2 %	40.0 %	35.2 %	29.8 %	27.9 %	25.7 %
Inventories	15.9 %	13.9 %	12.1 %	8.5 %	8.7 %	9.0 %	9.0 %
Accounts receivable	8.9 %	12.5 %	14.3 %	19.6 %	20.8 %	21.8 %	22.2 %
Other current assets	5.2 %	7.5 %	7.0 %	4.4 %	2.8 %	2.7 %	2.6 %
Liquid assets	37.0 %	24.7 %	26.4 %	31.7 %	37.9 %	38.7 %	40.6 %
Deferred taxes	0.2 %	0.2 %	0.3 %	0.6 %	0.0 %	0.0 %	0.0 %
Deferred charges and prepaid expenses	0.3 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
CURRENT ASSETS	67.6 %	58.8 %	60.0 %	64.8 %	70.2 %	72.1 %	74.3 %
TOTAL ASSETS	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
SHAREHOLDERS EQUITY	26.3 %	9.7 %	5.6 %	5.7 %	9.7 %	8.0 %	8.5 %
MINORITY INTEREST	4.0 %	5.7 %	4.4 %	3.9 %	4.2 %	5.1 %	5.9 %
Long-term debt	3.1 %	9.2 %	9.0 %	7.6 %	18.1 %	17.5 %	16.7 %
Provisions for pensions and similar obligations	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other provisions	4.6 %	9.5 %	10.6 %	5.6 %	4.6 %	4.5 %	4.4 %
Non-current liabilities	7.7 %	18.7 %	19.5 %	13.3 %	22.7 %	22.0 %	21.2 %
short-term liabilities to banks	4.7 %	9.4 %	15.2 %	12.8 %	10.2 %	9.8 %	9.4 %
Accounts payable	6.3 %	10.7 %	12.6 %	7.9 %	7.6 %	7.5 %	7.4 %
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)	5.2 %	3.8 %	6.4 %	3.6 %	0.0 %	0.0 %	0.0 %
Deferred taxes	1.7 %	2.1 %	1.5 %	1.6 %	1.3 %	1.3 %	1.2 %
Deferred income	44.2 %	40.0 %	34.7 %	51.3 %	44.3 %	46.3 %	46.4 %
Current liabilities	62.0 %	66.0 %	70.5 %	77.2 %	63.4 %	64.9 %	64.5 %
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)	2014	2015	2016	2017	2018E	2019E	2020E
Net profit/loss	3.6	-27.4	1.7	2.3	8.2	5.8	7.6
Depreciation of fixed assets (incl. leases)	3.2	1.7	1.4	1.5	1.5	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	0.9	0.9	0.9
Others	-3.4	0.3	-7.7	-9.2	-5.3	0.0	0.0
Cash flow from operations before changes in w/c	3.4	-25.4	-4.5	-5.4	5.4	8.3	10.2
Increase/decrease in inventory	-10.6	9.0	1.3	2.1	-3.2	-1.0	-0.8
Increase/decrease in accounts receivable	-4.1	-0.1	-2.3	-10.6	-8.5	-3.0	-2.5
Increase/decrease in accounts payable	39.4	-21.4	0.3	30.5	2.2	0.2	0.5
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	24.7	-12.5	-0.6	22.0	-9.5	-3.8	-2.8
Cash flow from operating activities	28.1	-37.9	-5.2	16.7	-4.1	4.5	7.4
CAPEX	1.4	0.8	3.8	1.2	0.9	0.9	0.9
Payments for acquisitions	3.2	0.0	0.0	2.1	4.5	0.0	0.0
Financial investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	2.2	6.6	7.0	-2.2	10.6	0.0	0.0
Cash flow from investing activities	-2.4	5.8	3.2	-5.5	5.2	-0.9	-0.9
Cash flow before financing	25.7	-32.0	-1.9	11.2	1.1	3.6	6.5
Increase/decrease in debt position	-1.0	8.1	6.5	1.0	20.0	0.0	0.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	12.5	0.0	0.0	4.5	0.0	0.0	0.0
Dividends paid	1.6	0.0	0.0	0.0	0.0	0.0	0.0
Others	-4.3	-4.0	-1.6	-3.3	0.0	0.0	0.0
Effects of exchange rate changes on cash	-0.3	-0.3	-0.4	0.1	0.0	0.0	0.0
Cash flow from financing activities	5.7	4.1	4.9	2.2	20.0	0.0	0.0
Increase/decrease in liquid assets	31.1	-28.3	2.6	13.4	21.0	3.6	6.5
Liquid assets at end of period	54.1	25.8	28.4	41.8	62.9	66.4	72.9

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2014	2015	2016	2017	2018E	2019E	2020E
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)	2014	2015	2016	2017	2018E	2019E	2020E
P&L growth analysis							
Sales growth	4.1 %	16.3 %	-10.4 %	-11.0 %	28.7 %	7.0 %	5.0 %
EBITDA growth	-16.2 %	-386.0 %	-121.0 %	27.0 %	126.4 %	-12.2 %	19.2 %
EBIT growth	-26.9 %	-591.1 %	-114.2 %	35.7 %	145.0 %	-15.0 %	22.9 %
EPS growth	-10.7 %	-	-88.0 %	-40.6 %	-368.8 %	-37.1 %	40.4 %
Efficiency							
Total operating costs / sales	18.4 %	20.1 %	15.1 %	15.2 %	13.7 %	16.1 %	16.1 %
Sales per employee	962.2	1,001.8	923.8	920.5	1,207.5	1,191.5	1,173.1
EBITDA per employee	47.9	-122.6	26.5	37.7	87.0	70.4	78.7
Balance sheet analysis							
Avg. working capital / sales	12.2 %	10.8 %	9.0 %	13.7 %	15.5 %	17.3 %	17.9 %
Inventory turnover (sales/inventory)	7.4	13.8	13.8	14.3	14.3	14.3	14.3
Trade debtors in days of sales	27.4	23.7	31.1	59.2	61.0	62.0	63.0
A/P turnover [(A/P*365)/sales]	24.7	21.8	33.3	29.3	28.0	27.0	27.0
Cash conversion cycle (days)	65.4	30.3	29.7	61.2	64.9	67.3	68.6
Cash flow analysis							
Free cash flow	26.7	-38.6	-9.0	15.4	-5.0	3.6	6.5
Free cash flow/sales	15.5 %	-19.3 %	-5.0 %	9.7 %	-2.4 %	1.6 %	2.8 %
FCF / net profit	2616.6 %	neg.	neg.	neg.	neg.	88.8 %	114.5 %
Capex / depn	44.2 %	43.6 %	265.1 %	81.9 %	36.8 %	36.1 %	34.9 %
Capex / maintenance capex	34.2 %	19.0 %	239.8 %	51.5 %	28.7 %	28.0 %	27.2 %
Capex / sales	0.8 %	0.4 %	2.1 %	0.8 %	0.4 %	0.4 %	0.4 %
Security							
Net debt	-33.6	-6.4	-2.4	-14.9	-15.9	-19.5	-26.0
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net debt / equity	neg.	neg.	neg.	neg.	neg.	neg.	neg.
Interest cover	10.7	0.0	3.7	4.2	6.0	3.5	4.2
Dividend payout ratio	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Asset utilisation							
Capital employed turnover	2.8	4.4	3.7	3.4	2.7	2.9	2.9
Operating assets turnover	4.5	8.9	8.5	4.6	4.8	4.8	4.8
Plant turnover	15.6	32.3	28.1	20.5	29.6	36.3	45.4
Inventory turnover (sales/inventory)	7.4	13.8	13.8	14.3	14.3	14.3	14.3
Returns							
ROCE	9.4 %	-48.8 %	8.0 %	10.6 %	19.9 %	13.6 %	16.4 %
ROE	2.7 %	-295.4 %	-59.7 %	-30.6 %	40.0 %	29.4 %	37.2 %
Other							
Interest paid / avg. debt	4.2 %	6.1 %	4.4 %	4.5 %	5.5 %	6.5 %	6.5 %
No. employees (average)	179	200	194	174	170	185	197
Number of shares	15.2	16.4	16.4	17.6	18.4	18.4	18.4
DPS	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EPS reported	0.07	-1.83	-0.22	-0.13	0.35	0.22	0.31
Valuation ratios							
P/BV	1.5	5.8	9.7	8.8	4.1	4.8	4.3
EV/sales	0.1	0.3	0.3	0.3	0.2	0.2	0.2
EV/EBITDA	1.8	-2.1	10.8	7.7	3.3	3.5	2.5
EV/EBITA	2.9	-2.0	15.0	10.0	3.7	4.0	2.9
EV/EBIT	2.9	-2.0	15.0	10.0	4.0	4.4	3.1
EV/FCF	0.6	-1.3	-6.2	3.3	-9.8	12.8	6.1
Adjusted FCF yield	24.2 %	-59.8 %	5.5 %	13.8 %	27.0 %	15.9 %	23.3 %
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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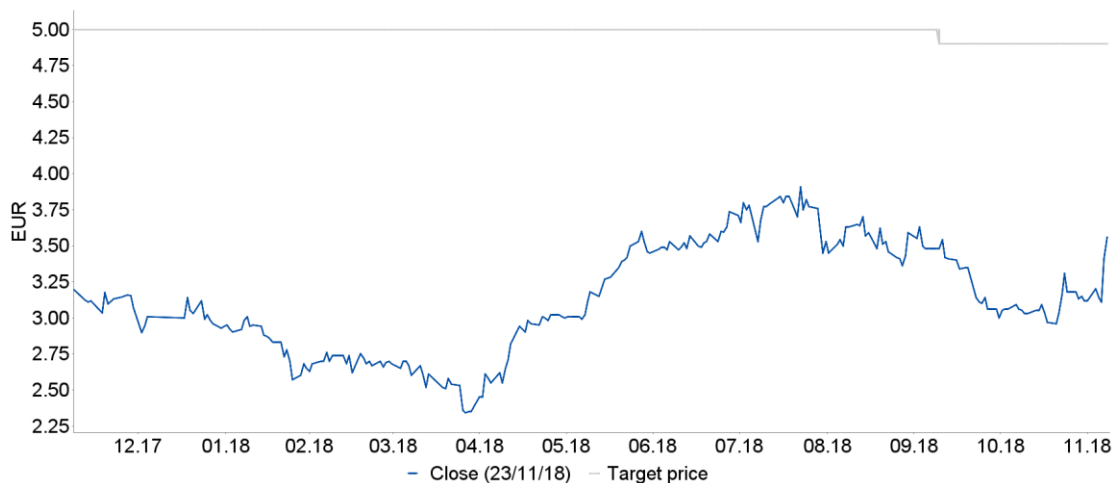
Company	Disclosure
DEAG Deutsche Entertainment AG	2, 3, 6

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 23/11/18

Initiation coverage

04-December-09



Company	Date	Analyst	Rating	Target price	Close
DEAG Deutsche Entertainment AG	27.09.2018	Gröning, Pierre	Buy	EUR 4,90	EUR 3,42
	05.06.2018	Gröning, Pierre	Buy	EUR 5,00	EUR 3,39
	09.04.2018	Gröning, Pierre	Buy	EUR 5,00	EUR 2,53
	09.04.2018	Gröning, Pierre	Buy	EUR 5,00	EUR 2,53
	27.11.2017	Gröning, Pierre	Buy	EUR 5,00	EUR 3,20

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