



Buy (old: Buy)

Price target: EUR 6.00 (old: EUR 4.90)

Price: EUR 3.42 **Next result:** FY 18 29.03.19
Bloomberg: ERMK@GR **Market cap:** EUR 62.9 m
Reuters: ERMGK.DE **Enterprise Value:** EUR 64.7 m

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2018 and strategy execution on track, PT up

Management meeting in the course of coverage transfer.

- **2018 estimates on track:** Q4 is seasonally the strongest quarter accounting for 70-80% of annual EBIT. We continue to see € 52.8m in revenues, 2.1% up yoy and € 4.2m in EBIT, 7% up yoy (8% margin) with the company achieving therefore its 2018 guidance of over € 200m in revenues and at least € 10m in EBIT. The Christmas Gardens in particular now present in three German cities performed according to expectations at around 350k visitors.
- **A differentiated, margin accretive live entertainment strategy:** DEAG is focusing on the more profitable live entertainment formats such as (a). Classics & Jazz, where artists are mostly booked two to three years in advance and economics are more favorable than the exponentially growing guarantees demanded by rock stars. (b). Family Entertainment/Arts + Exhibitions formats which should be making up 30-35% of revenues mid-term up from 23% currently. The ability of DEAG to scale these "own content" shows, for which it also markets the great majority of tickets, is less contested than the promotion of a rock star. The company is planning to launch three additional Christmas Gardens in 2019, including two abroad, which should drive margins.
- **Acquisitions in advanced negotiations.** The revenue and EBIT shortfall resulting from the divestiture of Raymond Gubbay Ltd. (H&A est. € 22m in revenues and € 2m in EBIT) is largely the reason why our revenue and EBIT estimates are revised down for 2019 and 2020 for now. We learned however that the company is already in advanced negotiations with promoters in the UK which could make up for that shortfall. The company placed a € 20m bond in Q4 2018 in preparation for M&A activity in 2019.
- **Myticket now fully controlled and with a new ticketing partner:** DEAG acquired the residual 24.9%, it did not own from Axel Springer further delivering on its minority reduction strategy and announced that, starting summer 2019, it will work with SecuTix of Switzerland as its ticketing software provider. SecuTix is innovative (e.g. dynamic pricing and group purchase capabilities) is focused on culture and seems to have a strong presence in France, which should help DEAG acquire more content there.
- **BUY: PT up to € 6.00 (€ 4.90),** currently trading at an undemanding 6.1x EV/EBIT 19e. PT of € 6.10 based on FCFY 2019e is up despite a cut in estimates as the tax rate and minorities were all high. We believe that the current core shareholder group around Apeiron will strongly support DEAG's focus on their core skills hence keeping the mistakes of the past at bay.



Source: Company data, Hauck & Aufhäuser

High/low 52 weeks: 3.91 / 2.34

Price/Book Ratio: 4.5

Relative performance (SDAX):

3 months -
6 months -
12 months -

Changes in estimates

		Sales	EBIT	EPS
2018	old:	205.7	12.4	0.35
	Δ	-	0.6%	-3.9%
2019	old:	220.1	10.5	0.22
	Δ	-6.4%	-14.5%	-16.4%
2020	old:	231.1	12.9	0.31
	Δ	-2.5%	-9.4%	1.5%

Key share data:

Number of shares: (in m pcs) 18.4
 Authorised capital: (in € m) 0.0
 Book value per share: (in €) 0.8
 Ø trading volume: (12 months) 38,000

Major shareholders:

Free Float 52.1 %
 Apeiron Investment Ltd. 15.7 %
 Allianz SE 10.0 %
 Plutus Holdings 2 LTD 9.2 %
 SRE Holding GmbH 7.6 %
 Quaero Capital 5.4 %

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	206.1	225.3
Sales growth	4 %	16 %	-10 %	-11 %	29 %	0 %	9 %
EBITDA	8.6	-24.5	5.2	6.5	14.8	11.4	14.1
EBIT	5.3	-26.2	3.7	5.1	12.4	9.0	11.7
Net income	1.0	-29.8	-3.6	-2.3	6.2	3.4	5.8
Net debt	-33.6	-6.4	-2.4	-14.9	1.8	-7.7	-14.9
Net gearing	-111.2 %	-63.1 %	-40.1 %	-199.0 %	12.7 %	-44.4 %	-63.6 %
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.1	0.0	0.0
EPS pro forma	0.15	-1.73	0.02	0.04	0.34	0.18	0.31
CPS	1.56	-2.53	-0.40	0.81	-1.03	0.47	0.34
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 %	18.5 %	19.0 %	19.2 %
EBITDA margin	5.0 %	-12.2 %	2.9 %	4.1 %	7.2 %	5.5 %	6.3 %
EBIT margin	3.1 %	-13.1 %	2.1 %	3.2 %	6.0 %	4.4 %	5.2 %
ROCE	9.4 %	-48.8 %	8.0 %	10.6 %	20.3 %	11.6 %	14.0 %
EV/sales	0.1	0.2	0.3	0.3	0.3	0.3	0.2
EV/EBITDA	1.5	-2.0	10.4	7.3	4.4	4.8	3.4
EV/EBIT	2.5	-1.9	14.4	9.5	5.2	6.1	4.1
PER	22.8	-2.0	167.9	83.0	10.2	18.6	10.9
Adjusted FCF yield	27.4 %	-62.7 %	6.0 %	14.1 %	29.5 %	13.8 %	21.4 %

Source: Company data, Hauck & Aufhäuser Close price as of: 29.01.2019

Financials

Profit and loss (EUR m)	2014	2015	2016	2017	2018E	2019E	2020E
Sales	172.2	200.4	179.5	159.8	205.7	206.1	225.3
Sales growth	4.1 %	16.3 %	-10.4 %	-11.0 %	28.7 %	0.2 %	9.4 %
Cost of sales	135.3	186.3	148.7	130.5	167.7	166.9	182.1
Gross profit	37.0	14.1	30.8	29.3	38.1	39.2	43.3
Sales and marketing	21.2	24.5	20.7	13.1	16.5	16.0	16.9
General and administration	14.2	15.7	13.6	12.6	16.0	16.1	16.9
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	3.5	4.5
Other operating expenses	1.5	9.6	0.8	1.2	1.5	1.6	2.3
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	11.4	14.1
Depreciation	3.2	1.7	1.4	1.5	2.4	2.4	2.4
EBITA	5.3	-26.2	3.7	5.1	12.4	9.0	11.7
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	0.0	0.0	0.0
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	9.0	11.7
Interest income	0.2	0.0	0.0	0.0	0.1	0.1	0.1
Interest expenses	0.5	0.9	1.0	1.2	2.3	3.0	3.0
Other financial result	-1.5	0.0	-0.5	-0.9	-0.3	-0.3	-0.3
Financial result	-1.7	-0.9	-1.5	-2.1	-2.5	-3.2	-3.2
Recurring pretax income from continuing operations	3.6	-27.2	2.2	2.9	9.9	5.8	8.6
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	9.9	5.8	8.6
Taxes	0.0	0.2	0.5	0.6	2.0	1.2	1.7
Net income from continuing operations	3.6	-27.4	1.7	2.3	8.0	4.7	6.9
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	8.0	4.7	6.9
Minority interest	1.2	0.9	1.4	1.6	1.8	1.3	1.1
Net profit (reported)	1.0	-29.8	-3.6	-2.3	6.2	3.4	5.8
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	0.34	0.18	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 %	81.5 %	81.0 %	80.8 %
Gross profit	21.5 %	7.0 %	17.2 %	18.4 %	18.5 %	19.0 %	19.2 %
Sales and marketing	12.3 %	12.3 %	11.5 %	8.2 %	8.0 %	7.8 %	7.5 %
General and administration	8.3 %	7.8 %	7.6 %	7.9 %	7.8 %	7.8 %	7.5 %
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 %	1.7 %	2.0 %
Other operating expenses	0.8 %	4.8 %	0.5 %	0.7 %	0.7 %	0.8 %	1.0 %
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 %	5.5 %	6.3 %
Depreciation	1.9 %	0.9 %	0.8 %	0.9 %	1.2 %	1.2 %	1.1 %
EBITA	3.1 %	neg.	2.1 %	3.2 %	6.0 %	4.4 %	5.2 %
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 %
EBIT (inc revaluation net)	3.1 %	neg.	2.1 %	3.2 %	6.0 %	4.4 %	5.2 %
Interest income	0.1 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Interest expenses	0.3 %	0.5 %	0.6 %	0.7 %	1.1 %	1.5 %	1.3 %
Other financial result	-0.9 %	0.0 %	-0.3 %	-0.6 %	-0.1 %	-0.1 %	-0.1 %
Financial result	neg.	neg.	neg.	neg.	neg.	neg.	neg.
Recurring pretax income from continuing operations	2.1 %	neg.	1.2 %	1.8 %	4.8 %	2.8 %	3.8 %
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 %	4.8 %	2.8 %	3.8 %
Tax rate	1.1 %	-0.7 %	22.1 %	20.4 %	20.0 %	20.0 %	20.0 %
Net income from continuing operations	2.1 %	neg.	1.0 %	1.5 %	3.9 %	2.3 %	3.0 %
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.	3.9 %	2.3 %	3.0 %
Minority interest	0.7 %	0.4 %	0.8 %	1.0 %	0.9 %	0.6 %	0.5 %
Net profit (reported)	0.6 %	neg.	neg.	neg.	3.0 %	1.6 %	2.6 %

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	33.7	33.9	34.1
Property, plant and equipment	11.0	6.2	6.4	7.8	6.4	5.0	3.6
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	43.8	42.6	41.4
Inventories	23.2	14.5	13.0	11.2	14.4	14.4	15.7
Accounts receivable	12.9	13.0	15.3	25.9	34.4	35.0	38.9
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	45.2	54.7	61.8
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	98.6	108.7	121.1
TOTAL ASSETS	146.0	104.3	107.4	132.0	142.3	151.2	162.4
SHAREHOLDERS EQUITY	38.4	10.1	6.0	7.5	13.8	17.4	23.4
MINORITY INTEREST	5.8	5.9	4.7	5.2	6.9	8.2	9.3
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	12.9	12.3	13.5
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)	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	52.0	56.4	59.2
Current liabilities	90.5	68.8	75.7	101.8	83.9	87.8	91.7
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	146.0	104.3	107.4	132.0	142.3	151.3	162.4

Balance sheet (common size)	2014	2015	2016	2017	2018E	2019E	2020E
Intangible assets	22.7 %	32.2 %	29.8 %	26.5 %	23.7 %	22.4 %	21.0 %
Property, plant and equipment	7.6 %	5.9 %	5.9 %	5.9 %	4.5 %	3.3 %	2.2 %
Financial assets	2.1 %	3.1 %	4.2 %	2.7 %	2.5 %	2.4 %	2.2 %
FIXED ASSETS	32.4 %	41.2 %	40.0 %	35.2 %	30.7 %	28.1 %	25.5 %
Inventories	15.9 %	13.9 %	12.1 %	8.5 %	10.1 %	9.5 %	9.7 %
Accounts receivable	8.9 %	12.5 %	14.3 %	19.6 %	24.2 %	23.1 %	23.9 %
Other current assets	5.2 %	7.5 %	7.0 %	4.4 %	3.3 %	3.1 %	2.9 %
Liquid assets	37.0 %	24.7 %	26.4 %	31.7 %	31.7 %	36.1 %	38.0 %
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 %	69.2 %	71.9 %	74.5 %
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 %	11.5 %	14.4 %
MINORITY INTEREST	4.0 %	5.7 %	4.4 %	3.9 %	4.9 %	5.4 %	5.7 %
Long-term debt	3.1 %	9.2 %	9.0 %	7.6 %	21.1 %	19.9 %	18.5 %
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 %	5.4 %	5.2 %	4.9 %
Non-current liabilities	7.7 %	18.7 %	19.5 %	13.3 %	26.5 %	25.0 %	23.4 %
short-term liabilities to banks	4.7 %	9.4 %	15.2 %	12.8 %	11.9 %	11.2 %	10.4 %
Accounts payable	6.3 %	10.7 %	12.6 %	7.9 %	9.0 %	8.2 %	8.3 %
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)	5.2 %	3.8 %	6.4 %	3.6 %	0.0 %	0.0 %	0.0 %
Deferred taxes	1.7 %	2.1 %	1.5 %	1.6 %	1.5 %	1.4 %	1.3 %
Deferred income	44.2 %	40.0 %	34.7 %	51.3 %	36.5 %	37.3 %	36.4 %
Current liabilities	62.0 %	66.0 %	70.5 %	77.2 %	58.9 %	58.0 %	56.5 %
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	8.0	4.7	6.9
Depreciation of fixed assets (incl. leases)	3.2	1.7	1.4	1.5	2.4	2.4	2.4
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	-3.4	0.3	-7.7	-9.2	-19.4	4.6	3.0
Cash flow from operations before changes in w/c	3.4	-25.4	-4.5	-5.4	-9.1	11.6	12.3
Increase/decrease in inventory	-10.6	9.0	1.3	2.1	-3.2	0.0	-1.3
Increase/decrease in accounts receivable	-4.1	-0.1	-2.3	-10.6	-8.5	-0.6	-3.9
Increase/decrease in accounts payable	39.4	-21.4	0.3	30.5	2.4	-0.5	1.1
Increase/decrease in other working capital positions	0.0	0.0	0.0	0.0	1.2	0.0	0.0
Increase/decrease in working capital	24.7	-12.5	-0.6	22.0	-8.1	-1.2	-4.1
Cash flow from operating activities	28.1	-37.9	-5.2	16.7	-17.1	10.5	8.1
CAPEX	1.4	0.8	3.8	1.2	1.0	1.0	1.0
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	6.0	0.0	0.0
Cash flow from investing activities	-2.4	5.8	3.2	-5.5	0.5	-1.0	-1.0
Cash flow before financing	25.7	-32.0	-1.9	11.2	-16.6	9.5	7.1
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	3.4	9.5	7.1
Liquid assets at end of period	54.1	25.8	28.4	41.8	45.2	54.7	61.8

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 %	0.2 %	9.4 %
EBITDA growth	-16.2 %	-386.0 %	-121.0 %	27.0 %	126.8 %	-23.2 %	23.9 %
EBIT growth	-26.9 %	-591.1 %	-114.2 %	35.7 %	146.4 %	-27.7 %	30.3 %
EPS growth	-10.7 %	-	-88.0 %	-40.6 %	-358.2 %	-45.3 %	70.4 %
Efficiency							
Total operating costs / sales	18.4 %	20.1 %	15.1 %	15.2 %	12.5 %	14.6 %	14.0 %
Sales per employee	962.2	1,001.8	923.8	920.5	1,207.5	1,115.5	1,143.8
EBITDA per employee	47.9	-122.6	26.5	37.7	87.1	61.7	71.7
Balance sheet analysis							
Avg. working capital / sales	12.2 %	10.8 %	9.0 %	13.7 %	15.5 %	17.7 %	17.4 %
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	64.3	66.5	67.6
Cash flow analysis							
Free cash flow	26.7	-38.6	-9.0	15.4	-18.1	9.5	7.1
Free cash flow/sales	15.5 %	-19.3 %	-5.0 %	9.7 %	-8.8 %	4.6 %	3.2 %
FCF / net profit	2616.6 %	neg.	neg.	neg.	neg.	280.8 %	124.0 %
Capex / depn	44.2 %	43.6 %	265.1 %	81.9 %	41.7 %	41.7 %	41.7 %
Capex / maintenance capex	34.2 %	19.0 %	239.8 %	42.8 %	55.6 %	55.6 %	55.6 %
Capex / sales	0.8 %	0.4 %	2.1 %	0.8 %	0.5 %	0.5 %	0.4 %
Security							
Net debt	-33.6	-6.4	-2.4	-14.9	1.8	-7.7	-14.9
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.1	0.0	0.0
Net debt / equity	neg.	neg.	neg.	neg.	0.1	neg.	neg.
Interest cover	10.7	0.0	3.7	4.2	5.3	3.0	3.9
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	2.6	2.6
Operating assets turnover	4.5	8.9	8.5	4.6	4.9	4.9	5.0
Plant turnover	15.6	32.3	28.1	20.5	32.1	41.2	62.6
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 %	20.3 %	11.6 %	14.0 %
ROE	2.7 %	-295.4 %	-59.7 %	-30.6 %	44.6 %	19.4 %	24.6 %
Other							
Interest paid / avg. debt	4.2 %	6.1 %	4.4 %	4.5 %	6.4 %	6.4 %	6.4 %
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	0.34	0.18	0.31
Valuation ratios							
P/BV	1.5	5.5	9.3	8.4	4.5	3.6	2.7
EV/sales	0.1	0.2	0.3	0.3	0.3	0.3	0.2
EV/EBITDA	1.5	-2.0	10.4	7.3	4.4	4.8	3.4
EV/EBITA	2.5	-1.9	14.4	9.5	5.2	6.1	4.1
EV/EBIT	2.5	-1.9	14.4	9.5	5.2	6.1	4.1
EV/FCF	0.5	-1.3	-6.0	3.1	-3.6	5.8	6.7
Adjusted FCF yield	27.4 %	-62.7 %	6.0 %	14.1 %	29.5 %	13.8 %	21.4 %
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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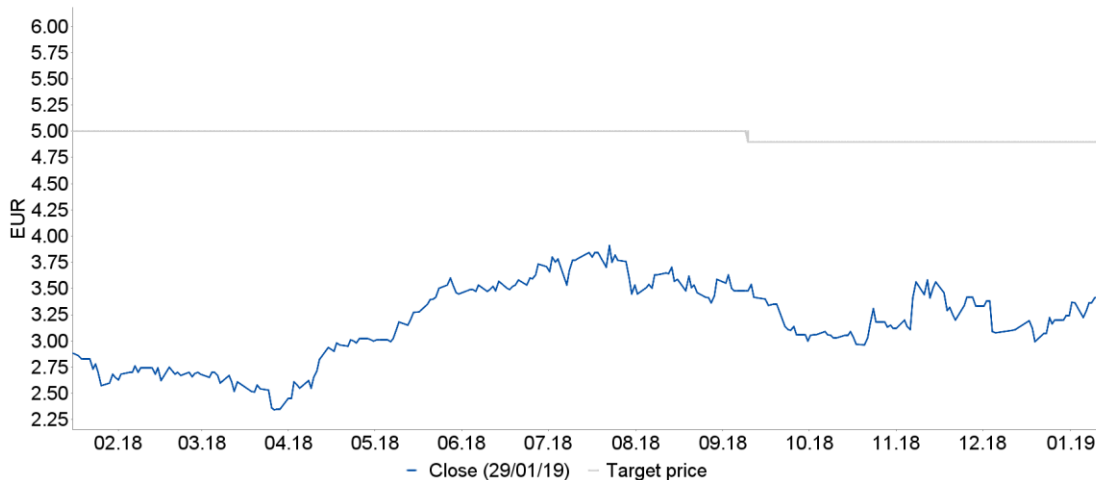
Company	Disclosure
DEAG Deutsche Entertainment AG	2, 3, 6, 8

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 29/01/19

Initiation coverage

04-December-09



Company	Date	Analyst	Rating	Target price	Close
DEAG Deutsche Entertainment AG	26.11.2018	Gröning, Pierre	Buy	EUR 4,90	EUR 3,44
	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

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