



Buy (old: Buy)

Price target: EUR 10.50 (old: EUR 10.50)

Price:	EUR 5.75	Next result:	Q4/FY 13 31.03.13
Bloomberg:	ERMK GR	Market cap:	EUR 75.4 m
Reuters:	ERMGk.DE	Enterprise Value:	EUR 80.7 m

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Preliminary Q4 results: Disproportionate bottom-line growth

DEAG published a mixed set of prelim Q4 results yesterday with sales below expectations but net income exceeding expectations. Generally, DEAG's business is characterised by seasonality due to the fact that concerts, tours distribute differently across the quarters. This somewhat limits the significance of a quarterly comparison (e.g. Q2 '13 revenues increased by 74% yoy to € 67m).

- Q4 sales came in at € 40.3m, down 32.0% yoy** (eH&A: € 53.8m, cons: € 56.7m). While we had initially expected the Riverdance Tour (eH&A: € 10m in sales) as well as other German concerts (e.g. LangLang, Andrea Bocelli) which we expected to have a different revenue recognition policy. This explains the revenue gap between reported and eH&A revenues in Q4. That said, structural organic growth looks fully intact thanks to the company's strong content as well as exclusive top acts within DEAG's niche markets such as David Garrett, Anna Netrebko but also Lady Gaga.
- Most importantly, Q4 net income from continued operations increased disproportionately to € 1.4m** (eH&A: € 1.1m, eH&A reported net income: € 0.9m) exceeding expectations with the margin up 3.9pp yoy to healthy 3.5% thanks to a significantly improved channel mix (more tickets sold via Ticketmaster JV, € 2-3 net income / ticket vs. only < € 1 with third party operators). As previously flagged, the dynamically increasing share of tickets sold via Ticketmaster (30% in FYE '13 vs. only 3% in FY '12) seems to have already positively impacted DEAG's bottom-line in FY '13.
- Sound FY '14 outlook:** Overall, the company looks well on track to further organically increase group sales and net income disproportionately already indicated by a promising pipeline of exciting events: 1) Rolling Stones (2 concerts in Germany, c. 64k total ticketing volume already sold in c. 30min pre-sale, distributed via Ticketmaster) as well as 2) Hockenheim concerts (eH&A: 200k tickets which have been solely sold via Ticketmaster within hours). Additionally, the current Ticketmaster share of 30% FYE '13 seems to be already ahead of management's schedule, underpinning its dynamically growing market share.

– continued –

Y/E 31.12 (EUR m)	2010	2011	2012	2013P	2014E	2015E	2016E
Sales	125.8	128.3	155.7	165.5	195.7	208.2	218.6
Sales growth	8 %	2 %	21 %	6 %	18 %	6 %	5 %
EBITDA	10.0	8.4	8.6	10.2	14.3	17.3	20.3
EBIT	8.2	7.4	7.2	7.3	12.7	15.7	18.6
Net income	1.3	2.5	2.6	3.6	4.7	7.8	9.9
Net debt	-9.3	-15.1	-7.7	-5.6	-5.4	-12.1	-21.2
Net gearing	-84.0 %	-100.9 %	-72.0 %	-72.5 %	-81.3 %	-100.8 %	-117.0 %
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EPS pro forma	0.11	0.21	0.21	0.27	0.34	0.57	0.73
CPS	0.82	0.20	-0.25	0.26	0.25	0.72	0.94
DPS	0.00	0.04	0.08	0.12	0.16	0.21	0.25
Dividend yield	0.0 %	0.7 %	1.4 %	2.1 %	2.8 %	3.6 %	4.3 %
Gross profit margin	24.9 %	25.4 %	24.1 %	27.6 %	26.4 %	27.0 %	27.5 %
EBITDA margin	8.0 %	6.5 %	5.5 %	6.2 %	7.3 %	8.3 %	9.3 %
EBIT margin	6.5 %	5.8 %	4.6 %	4.4 %	6.5 %	7.5 %	8.5 %
ROCE	17.1 %	14.9 %	13.7 %	13.6 %	23.3 %	26.5 %	28.1 %
EV/sales	0.6	0.6	0.5	0.5	0.4	0.4	0.3
EV/EBITDA	7.2	8.8	8.4	7.9	5.6	4.2	3.2
EV/EBIT	8.8	9.9	9.9	11.1	6.3	4.7	3.5
PER	53.4	28.2	27.6	21.5	17.0	10.1	8.0
Adjusted FCF yield	7.2 %	8.6 %	7.6 %	9.9 %	9.6 %	14.8 %	21.4 %

Source: Company data, Hauck & Aufhäuser Close price as of: 27.03.2014



Source: Company data, Hauck & Aufhäuser

High/low 52 weeks: 5.87 / 3.05

Price/Book Ratio: 3.2

Relative performance (SDAX):

3 months	-
6 months	35.6 %
12 months	30.0 %

Changes in estimates

		Sales	EBIT	EPS
2013	old:	179.1	9.9	0.26
	Δ	-7.6%	-26.3%	3.8%
2014	old:	195.7	12.7	0.34
	Δ	-	-	-
2015	old:	208.2	15.7	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 €)	1.8
Ø trading volume: (12 months)	38,000

Major shareholders:

Free Float	44.0 %
Lion Capital	24.1 %
Peter Schwenkow	15.0 %
Plutus Holdings 2 Ltd.	10.3 %
Allianz Global Investors	5.0 %

Company description:

Leading European Live Entertainment provider with a broad basis of content in Rock/Pop, Classics, Family Entertainment and Middle of the Road.

Conclusion: Despite the somewhat mixed set of Q4 results, the solid bottom-line performance well supports our view of DEAG's overall focus on profitable events in combination with a higher-margin share of the ticketing revenues remains well intact.

The top-events already sold as well as the high number of tickets in the new segment Family Entertainment look set to further solidify this trend.

Trading at only 4.2 EV/EBITDA '15E, valuation looks appealing, in our view.

BUY, PT € 10.50, based on FCFY '15E.

DEAG in € m	Q4 13 prel	Q4 13 est	Q4 12	yoy	FY 13 prel.	FY 13 est	FY '12
Sales	40.3	53.8	59.2	-32.0%	165.5	179.1	155.7
Adjusted EBIT*	4.3	6.2	3.7	15.6%	8.7	9.9	7.9
<i>Adj. EBIT margin</i>	10.7%	11.5%	6.3%	+ 4.4 pp	5.3%	5.5%	5.1%
Reported EBIT	2.3	4.9	2.0	15.0%	7.3	9.9	7.2
<i>EBIT margin</i>	5.7%	5.7%	3.4%	+ 2.3 pp	4.4%	5.5%	4.6%
Adjusted net profit**	1.4	1.1	-0.2	n.a.	3.6	3.3	2.6
<i>Adj. Net profit</i>	3.5%	2.1%	-0.4%	+ 3.9 pp	2.2%	1.9%	1.7%
Adjusted EPS	0.11	0.09	0.07	52.6%	0.27	0.26	0.21

Source: Company data, Hauck&Aufhäuser, * adj. for PPA amortisation, ** adj. for discontinued operations

Financials

Profit and loss (EUR m)	2010	2011	2012	2013P	2014E	2015E	2016E
Sales	125.8	128.3	155.7	165.5	195.7	208.2	218.6
Sales growth	7.8 %	2.0 %	21.4 %	6.3 %	18.3 %	6.3 %	5.0 %
Cost of sales	94.5	95.7	118.2	123.3	144.1	152.0	158.5
Gross profit	31.3	32.6	37.5	45.7	51.7	56.2	60.1
Sales and marketing	13.2	15.8	20.1	22.5	26.1	27.1	27.5
General and administration	11.4	12.9	13.4	14.2	16.6	17.6	18.3
Research and development	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other operating income	3.2	4.4	3.9	4.3	4.5	4.8	5.0
Other operating expenses	1.7	0.9	0.7	0.6	0.8	0.7	0.8
Unusual or infrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	10.0	8.4	8.6	10.2	14.3	17.3	20.3
Depreciation	0.2	0.2	0.3	0.4	0.4	0.4	0.4
EBITA	9.8	8.1	8.3	9.0	13.9	16.9	19.8
Amortisation of goodwill	0.7	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.9	0.7	1.1	1.2	1.2	1.2	1.2
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	8.2	7.4	7.2	7.3	12.7	15.7	18.6
Interest income	0.1	0.1	0.2	0.2	0.1	0.2	0.2
Interest expenses	1.2	1.2	0.5	1.0	1.0	0.7	0.7
Other financial result	-0.2	-0.3	-1.1	-0.1	-0.3	-0.1	-0.1
Financial result	-1.3	-1.5	-1.4	-1.0	-1.2	-0.6	-0.6
Recurring pretax income from continuing operations	6.9	6.0	5.9	6.4	11.5	15.0	18.0
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	6.9	6.0	5.9	6.4	11.5	15.0	18.0
Taxes	2.5	1.5	1.1	1.8	3.2	4.2	5.0
Net income from continuing operations	4.4	4.4	4.8	3.6	8.3	10.8	13.0
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	4.4	4.4	4.8	3.6	8.3	10.8	13.0
Minority interest	3.0	1.9	2.2	1.1	3.6	3.0	3.1
Net income (net of minority interest)	1.3	2.5	2.6	3.6	4.7	7.8	9.9
Average number of shares	12.4	12.4	12.4	13.0	13.6	13.6	13.6
EPS reported	0.11	0.21	0.21	0.28	0.34	0.57	0.73

Profit and loss (common size)	2010	2011	2012	2013E	2014E	2015E	2016E
Sales	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Cost of sales	75.1 %	74.6 %	75.9 %	74.5 %	73.6 %	73.0 %	72.5 %
Gross profit	24.9 %	25.4 %	24.1 %	27.6 %	26.4 %	27.0 %	27.5 %
Sales and marketing	10.5 %	12.3 %	12.9 %	13.6 %	13.3 %	13.0 %	12.6 %
General and administration	9.1 %	10.0 %	8.6 %	8.6 %	8.5 %	8.5 %	8.4 %
Research and development	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other operating income	2.5 %	3.4 %	2.5 %	2.6 %	2.3 %	2.3 %	2.3 %
Other operating expenses	1.3 %	0.7 %	0.5 %	0.4 %	0.4 %	0.3 %	0.4 %
Unusual or infrequent items	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBITDA	8.0 %	6.5 %	5.5 %	6.2 %	7.3 %	8.3 %	9.3 %
Depreciation	0.2 %	0.2 %	0.2 %	0.2 %	0.2 %	0.2 %	0.2 %
EBITA	7.8 %	6.3 %	5.3 %	5.4 %	7.1 %	8.1 %	9.1 %
Amortisation of goodwill	0.6 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Amortisation of intangible assets	0.7 %	0.5 %	0.7 %	0.7 %	0.6 %	0.6 %	0.5 %
Impairment charges	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBIT	6.5 %	5.8 %	4.6 %	4.4 %	6.5 %	7.5 %	8.5 %
Interest income	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %
Interest expenses	1.0 %	1.0 %	0.3 %	0.6 %	0.5 %	0.3 %	0.3 %
Other financial result	-0.2 %	-0.3 %	-0.7 %	-0.1 %	-0.2 %	0.0 %	0.0 %
Financial result	-1.1 %	-1.1 %	-0.9 %	-0.6 %	-0.6 %	-0.3 %	-0.3 %
Recurring pretax income from continuing operations	5.5 %	4.7 %	3.8 %	3.8 %	5.9 %	7.2 %	8.2 %
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Earnings before taxes	5.5 %	4.7 %	3.8 %	3.8 %	5.9 %	7.2 %	8.2 %
Tax rate	36.6 %	25.7 %	18.6 %	28.0 %	28.0 %	28.0 %	28.0 %
Net income from continuing operations	3.5 %	3.5 %	3.1 %	2.2 %	4.2 %	5.2 %	5.9 %
Result from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income	3.5 %	3.5 %	3.1 %	2.2 %	4.2 %	5.2 %	5.9 %
Minority interest	2.4 %	1.5 %	1.4 %	0.7 %	1.8 %	1.4 %	1.4 %
Net income (net of minority interest)	1.1 %	2.0 %	1.7 %	2.2 %	2.4 %	3.8 %	4.5 %

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2010	2011	2012	2013E	2014E	2015E	2016E
Intangible assets	24.2	25.0	24.7	29.1	28.1	27.1	26.1
Property, plant and equipment	9.0	9.2	10.7	11.0	11.3	11.6	11.9
Financial assets	1.0	2.6	1.7	1.7	1.7	1.7	1.7
FIXED ASSETS	34.2	36.8	37.1	41.8	41.1	40.4	39.6
Inventories	7.7	12.8	13.6	14.4	19.6	20.8	21.9
Accounts receivable	7.5	7.0	10.0	10.4	12.9	14.3	15.0
Other current assets	3.8	4.1	6.0	6.0	6.0	6.0	6.0
Liquid assets	31.8	35.7	31.6	29.2	30.9	38.3	48.1
Deferred taxes	0.0	0.0	0.5	0.0	0.0	0.0	0.0
Deferred charges and prepaid expenses	0.0	2.3	0.2	0.0	0.0	0.0	0.0
CURRENT ASSETS	50.9	61.9	61.9	60.0	69.4	79.4	90.9
TOTAL ASSETS	85.1	98.7	99.0	101.8	110.5	119.8	130.6
SHAREHOLDERS EQUITY	22.2	24.5	26.4	23.6	23.1	26.0	30.7
MINORITY INTEREST	4.7	5.6	5.4	6.5	10.1	13.1	16.2
Long-term debt	10.6	8.7	9.0	8.5	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	8.9	9.6	10.2	10.5	10.7	11.0	11.2
Non-current liabilities	19.4	18.4	19.3	19.0	19.2	19.5	19.7
short-term liabilities to banks	2.6	2.3	3.6	3.6	3.6	3.6	3.6
Accounts payable	9.4	9.5	11.3	11.5	13.4	14.2	14.8
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	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Deferred income	24.8	36.5	31.0	35.7	39.0	41.5	43.6
Current liabilities	38.8	50.3	47.9	52.7	58.0	61.2	63.9
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	85.1	98.7	99.0	101.8	110.5	119.8	130.6

Balance sheet (common size)	2010	2011	2012	2013E	2014E	2015E	2016E
Intangible assets	28.4 %	25.3 %	24.9 %	28.6 %	25.4 %	22.6 %	20.0 %
Property, plant and equipment	10.6 %	9.3 %	10.8 %	10.8 %	10.3 %	9.7 %	9.1 %
Financial assets	1.2 %	2.6 %	1.7 %	1.7 %	1.5 %	1.4 %	1.3 %
FIXED ASSETS	40.2 %	37.3 %	37.5 %	41.0 %	37.2 %	33.7 %	30.4 %
Inventories	9.1 %	12.9 %	13.7 %	14.1 %	17.7 %	17.4 %	16.7 %
Accounts receivable	8.9 %	7.1 %	10.1 %	10.2 %	11.7 %	11.9 %	11.5 %
Other current assets	4.4 %	4.2 %	6.1 %	5.9 %	5.5 %	5.0 %	4.6 %
Liquid assets	37.4 %	36.2 %	31.9 %	28.7 %	28.0 %	32.0 %	36.8 %
Deferred taxes	0.0 %	0.0 %	0.5 %	0.0 %	0.0 %	0.0 %	0.0 %
Deferred charges and prepaid expenses	0.0 %	2.3 %	0.2 %	0.0 %	0.0 %	0.0 %	0.0 %
CURRENT ASSETS	59.8 %	62.7 %	62.5 %	59.0 %	62.8 %	66.3 %	69.6 %
TOTAL ASSETS	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
SHAREHOLDERS EQUITY	26.1 %	24.8 %	26.6 %	23.1 %	20.9 %	21.7 %	23.5 %
MINORITY INTEREST	5.5 %	5.6 %	5.5 %	6.4 %	9.2 %	11.0 %	12.4 %
Long-term debt	12.4 %	8.9 %	9.1 %	8.3 %	7.7 %	7.1 %	6.5 %
Provisions for pensions and similar obligations	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other provisions	10.4 %	9.8 %	10.4 %	10.3 %	9.7 %	9.1 %	8.6 %
Non-current liabilities	22.8 %	18.6 %	19.4 %	18.6 %	17.4 %	16.2 %	15.1 %
short-term liabilities to banks	3.1 %	2.3 %	3.6 %	3.5 %	3.3 %	3.0 %	2.8 %
Accounts payable	11.1 %	9.7 %	11.4 %	11.3 %	12.1 %	11.8 %	11.3 %
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)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Deferred taxes	2.3 %	2.0 %	2.0 %	1.9 %	1.8 %	1.6 %	1.5 %
Deferred income	29.1 %	37.0 %	31.4 %	35.1 %	35.3 %	34.6 %	33.4 %
Current liabilities	45.6 %	51.0 %	48.4 %	51.8 %	52.5 %	51.1 %	48.9 %
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)	2010	2011	2012	2013E	2014E	2015E	2016E
Net profit/loss	4.4	4.4	4.8	3.6	8.3	10.8	13.0
Depreciation of fixed assets (incl. leases)	0.2	0.2	0.3	0.4	0.4	0.4	0.4
Amortisation of goodwill	0.7	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.9	0.7	1.1	1.2	1.2	1.2	1.2
Others	3.3	6.8	-6.6	0.0	0.0	0.0	0.0
Cash flow from operations before changes in w/c	9.5	12.1	-0.5	5.2	9.8	12.4	14.6
Increase/decrease in inventory	0.8	-8.6	-0.8	-0.8	-5.2	-1.2	-1.0
Increase/decrease in accounts receivable	0.0	0.0	-3.0	-0.5	-2.4	-1.4	-0.7
Increase/decrease in accounts payable	0.0	0.0	1.8	0.2	1.9	0.7	0.6
Increase/decrease in other working capital positions	0.0	-0.7	0.0	0.0	0.0	0.0	0.0
Increase/decrease in working capital	0.8	-9.2	-2.0	-1.1	-5.7	-1.9	-1.1
Cash flow from operating activities	10.3	2.9	-2.5	4.1	4.2	10.5	13.5
CAPEX	0.3	0.4	0.6	0.9	0.9	0.9	0.9
Payments for acquisitions	0.0	0.0	0.0	5.4	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	1.0	0.1	0.0	0.0	0.0	0.0	0.0
Cash flow from investing activities	0.7	-0.4	-0.6	-6.3	-0.9	-0.9	-0.9
Cash flow before financing	11.0	2.6	-3.1	-2.2	3.3	9.6	12.6
Increase/decrease in debt position	-0.8	-1.3	1.6	-0.5	0.0	0.0	0.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	0.0	4.0	0.0	0.0	0.0
Dividends paid	1.5	1.9	0.5	1.0	1.6	2.2	2.9
Others	-3.1	0.0	-2.8	0.0	0.0	0.0	0.0
Effects of exchange rate changes on cash	2.8	1.8	0.7	0.0	0.0	0.0	0.0
Cash flow from financing activities	-5.5	-3.2	-1.7	2.5	-1.6	-2.2	-2.9
Increase/decrease in liquid assets	8.3	1.2	-4.1	0.3	1.7	7.5	9.7
Liquid assets at end of period	31.8	33.0	28.9	29.2	30.9	38.3	48.1

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2010	2011	2012	2013E	2014E	2015E	2016E
P&L growth analysis							
Sales growth	7.8 %	2.0 %	21.4 %	6.3 %	18.3 %	6.3 %	5.0 %
EBITDA growth	56.3 %	-16.5 %	2.5 %	18.9 %	39.8 %	21.1 %	17.3 %
EBIT growth	70.2 %	-9.4 %	-2.7 %	0.9 %	73.6 %	23.6 %	18.9 %
EPS growth	183.4 %	89.0 %	2.5 %	31.5 %	23.5 %	67.8 %	26.4 %
Efficiency							
Total operating costs / sales	18.3 %	19.6 %	19.5 %	20.0 %	19.9 %	19.5 %	19.0 %
Sales per employee	638.0	621.0	674.3	607.9	642.2	633.8	629.9
EBITDA per employee	50.8	40.5	37.1	37.5	46.8	52.6	58.4
Balance sheet analysis							
Avg. working capital / sales	4.4 %	6.3 %	7.2 %	7.7 %	8.3 %	9.6 %	9.8 %
Inventory turnover (sales/inventory)	16.3	10.0	15.0	11.5	10.0	10.0	10.0
Trade debtors in days of sales	21.9	19.9	19.9	23.0	24.0	25.0	25.0
A/P turnover [(A/P*365)/sales]	36.4	36.4	35.0	34.0	34.0	34.0	34.0
Cash conversion cycle (days)	15.3	32.2	30.3	31.6	39.6	41.0	41.3
Cash flow analysis							
Free cash flow	10.0	2.5	-3.1	3.2	3.3	9.6	12.6
Free cash flow/sales	8.0 %	1.9 %	-2.0 %	1.9 %	1.7 %	4.6 %	5.8 %
FCF / net profit	746.1 %	98.3 %	-117.4 %	88.6 %	70.0 %	123.3 %	127.2 %
Capex / depn	15.3 %	45.6 %	44.8 %	56.3 %	56.6 %	55.7 %	55.0 %
Capex / maintenance capex	96.4 %	96.9 %	66.7 %	100.0 %	100.0 %	100.0 %	100.0 %
Capex / sales	0.2 %	0.3 %	0.4 %	0.5 %	0.5 %	0.4 %	0.4 %
Security							
Net debt	-9.3	-15.1	-7.7	-5.6	-5.4	-12.1	-21.2
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net debt / equity	-0.4	-0.6	-0.3	-0.2	-0.2	-0.5	-0.7
Interest cover	6.8	6.0	14.1	7.3	12.7	21.5	25.6
Dividend payout ratio	0.0 %	19.5 %	38.0 %	43.4 %	46.8 %	36.5 %	34.7 %
Asset utilisation							
Capital employed turnover	2.6	2.5	2.8	3.1	3.5	3.3	3.1
Operating assets turnover	8.5	6.6	6.8	6.8	6.4	6.4	6.4
Plant turnover	13.9	14.0	14.5	15.0	17.3	17.9	18.4
Inventory turnover (sales/inventory)	16.3	10.0	15.0	11.5	10.0	10.0	10.0
Returns							
ROCE	17.1 %	14.9 %	13.7 %	13.6 %	23.3 %	26.5 %	28.1 %
ROE	6.1 %	10.4 %	9.9 %	15.3 %	20.2 %	30.0 %	32.2 %
Other							
Interest paid / avg. debt	8.8 %	10.3 %	4.3 %	8.1 %	8.3 %	6.0 %	6.0 %
No. employees (average)	197	207	231	272	305	328	347
Number of shares	12.4	12.4	12.4	13.0	13.6	13.6	13.6
DPS	0.0	0.0	0.1	0.1	0.2	0.2	0.3
EPS reported	0.11	0.21	0.21	0.28	0.34	0.57	0.73
Valuation ratios							
P/BV	3.2	2.9	2.7	3.2	3.4	3.0	2.6
EV/sales	0.6	0.6	0.5	0.5	0.4	0.4	0.3
EV/EBITDA	7.2	8.8	8.4	7.9	5.6	4.2	3.2
EV/EBITA	7.4	9.0	8.6	9.0	5.8	4.4	3.3
EV/EBIT	8.8	9.9	9.9	11.1	6.3	4.7	3.5
EV/FCF	7.2	29.4	-23.4	25.3	24.6	7.6	5.1
Adjusted FCF yield	7.2 %	8.6 %	7.6 %	9.9 %	9.6 %	14.8 %	21.4 %
Dividend yield	0.0 %	0.7 %	1.4 %	2.1 %	2.8 %	3.6 %	4.3 %

Source: Company data, Hauck & Aufhäuser

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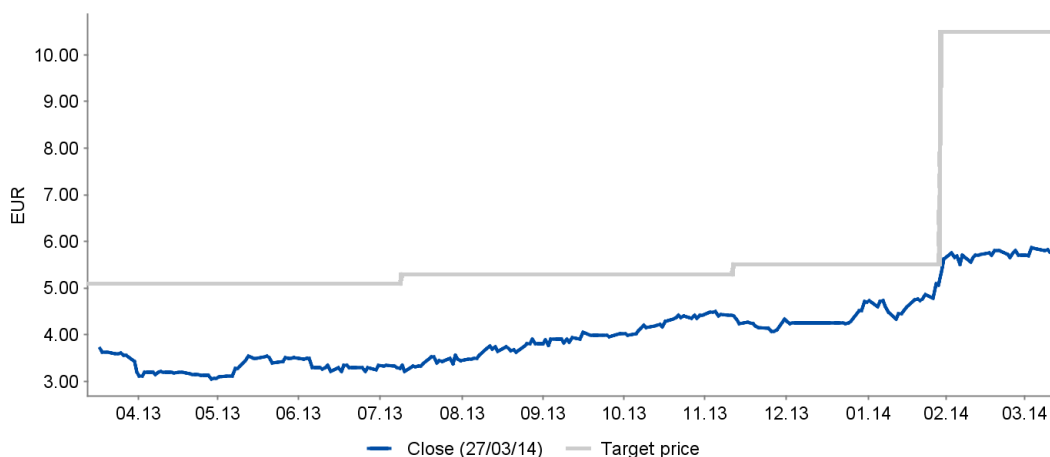
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Company	Disclosure
DEAG Deutsche Entertainment AG	2, 5

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 28/03/14**

Initiation coverage
04-December-09



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