

Buy (old: Buy)

Price target: EUR 10.50 (old: EUR 10.50)

Price:	EUR 5.65	Next result:	Q1 15: 29.05.15
Bloomberg:	ERMK GR	Market cap:	EUR 92.4 m
Reuters:	ERMGK.DE	Enterprise Value:	EUR 92.3 m

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Investment case remains intact

Last Thursday evening, DEAG published its final FY 14 results confirming preliminaries figures. The company however stated that it received a qualified opinion from its auditors related to the originally planned festival at the Nuerburgring and the risk provision taken by the company (€ 1.5m) against the backdrop of pre-payments for actors (€ 6m). Notably, the auditor has not considered claims against the JV partner CNG and the insurer. Also, any compensating effect from the move of the venue to the Arena of Schalke has not been put into consideration.

- **Pre-payments for festival activities look fully hedged:** As stated earlier, DEAG has booked a provision of € 1.5m related to total pre-payments of € 6m. Importantly, downside risk looks low given an insurance cover (related to breach of contract of the new Russian owner of Nuerburgring) as well as claims against Nuerburgring of up to € 9m in total. While we have no detailed insight into the terms of contracts we follow management's statements of being able to capitalise a majority of the outstanding claims if needed.
- **New festival location is a sensible move:** In our view, the announced move of the 'Grüne Hoelle' Festival to the 'Arena auf Schalke' from the Nuerburgring venue looks sensible given that 1) the venue is significantly more cost efficient vs. a traditional green field festival location (eH&A: >50% cost savings to € 2-3m operating costs), 2) no regional competition to the 'Rock am Ring' festival (located in Mendig, 30km distance to the Nuerburgring). Overall, we see **DEAG's move into the festival business as a sensible long-term approach in order to further drive the number of tickets sold** (total ticketing volume from festival activities: 300-350k in FY 15).
- **Early indicators point towards a solid underlying business in FY 15:** As of FY 14, DEAG's deferred income stood at an impressive € 64.5m (vs. € 27.1m in FY 13) indicating healthy pre-sales for upcoming events in H1 15 (Ed Sheeran, Wembley stadium 3x sold-out; open-air activities in CH). Even more importantly, **DEAG's festival activities are seen to be only one building block for total open air activities in FY '15** which are expected to generate >1m of annual tickets (mainly: DACH and UK).

Accordingly, we are not concerned about the auditor's qualified opinion but rather see it as a consequence of the issue with the JV partner CNG, uncertainties involved in the claims against CNG and the insurer, as well as the timing of the move of the festival venues. Overall, we remain confident on DEAG's investment case which is based on increased scalability of the business model thanks to the improvement of the distribution mix (e.g. Ticketmaster, myticket). **Remains a BUY, PT € 10.50, based on FCFY '16E.**

Y/E 31.12 (EUR m)	2010	2011	2012	2013	2014	2015E	2016E
Sales	125.8	128.3	155.7	165.5	172.6	203.1	219.3
Sales growth	8 %	2 %	21 %	6 %	4 %	18 %	8 %
EBITDA	10.0	8.4	8.6	8.9	4.8	13.9	19.4
EBIT	8.2	7.4	7.2	7.3	4.2	12.2	17.7
Net income	1.3	2.5	2.7	1.0	1.0	5.7	9.5
Net debt	-9.3	-15.1	-7.7	-0.7	-28.5	-23.4	-34.0
Net gearing	-84.0 %	-100.9 %	-72.0 %	-24.3 %	-98.1 %	-120.8 %	-132.3 %
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EPS pro forma	0.11	0.21	0.22	0.26	0.07	0.35	0.58
CPS	0.82	0.20	-0.25	0.00	1.66	1.51	0.66
DPS	0.00	0.04	0.08	0.12	0.00	0.00	0.00
Dividend yield	0.0 %	0.7 %	1.4 %	2.1 %	0.0 %	0.0 %	0.0 %
Gross profit margin	24.9 %	25.4 %	24.1 %	22.3 %	21.4 %	27.0 %	27.5 %
EBITDA margin	8.0 %	6.5 %	5.5 %	5.4 %	2.8 %	6.8 %	8.8 %
EBIT margin	6.5 %	5.8 %	4.6 %	4.4 %	2.5 %	6.0 %	8.1 %
ROCE	17.1 %	14.9 %	13.7 %	13.3 %	6.9 %	19.5 %	28.5 %
EV/sales	0.6	0.6	0.4	0.5	0.5	0.6	0.5
EV/EBITDA	7.0	8.6	8.1	9.3	19.1	8.5	5.6
EV/EBIT	8.6	9.6	9.6	11.3	21.8	9.6	6.1
PER	52.0	27.5	26.1	21.6	75.9	16.3	9.7
Adjusted FCF yield	7.4 %	9.0 %	7.9 %	6.9 %	4.4 %	9.7 %	18.4 %

Source: Company data, Hauck & Aufhäuser Close price as of: 05.05.2015



Source: Company data, Hauck & Aufhäuser

High/low 52 weeks: 8.08 / 5.50

Price/Book Ratio: 2.4

Relative performance (SDAX):

3 months -36.4 %

6 months -26.6 %

12 months -20.5 %

Changes in estimates

		Sales	EBIT	EPS
2015	old:	203.1	12.2	0.35
	Δ	-	-	-
2016	old:	219.3	17.7	0.58
	Δ	-	-	-

Key share data:

Number of shares: (in m pcs) 15.2

Authorised capital: (in € m) 0.0

Book value per share: (in €) 2.3

Ø trading volume: (12 months) 38,000

Major shareholders:

Free Float	44.5 %
Allianz Global Investors	12.4 %
Plutus Holdings 2 Ltd.	11.7 %
Heliad Equity Partners	9.7 %
Peter L.H. Schwenkow	7.6 %
Monolith Duitsland B.V.	7.4 %

Company description:

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

Financials

Profit and loss (EUR m)	2010	2011	2012	2013	2014	2015E	2016E
Sales	125.8	128.3	155.7	165.5	172.6	203.1	219.3
Sales growth	7.8 %	2.0 %	21.4 %	6.3 %	4.3 %	17.7 %	8.0 %
Cost of sales	94.5	95.7	118.2	128.6	135.7	148.3	159.0
Gross profit	31.3	32.6	37.5	36.9	36.9	54.8	60.3
Sales and marketing	13.2	15.8	20.1	19.4	21.5	29.7	29.4
General and administration	11.4	12.9	13.4	14.9	14.7	17.0	17.4
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	6.1	5.1	4.8	5.0
Other operating expenses	1.7	0.9	0.7	1.4	1.5	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	8.9	4.8	13.9	19.4
Depreciation	0.2	0.2	0.3	0.4	0.4	0.4	0.4
EBITA	9.8	8.1	8.3	8.5	4.4	13.4	18.9
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	0.2	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	4.2	12.2	17.7
Interest income	0.1	0.1	0.2	0.2	0.2	0.3	0.2
Interest expenses	1.2	1.2	0.5	0.6	0.5	0.5	0.5
Other financial result	-0.2	-0.3	-1.1	-0.4	-1.5	-0.1	-0.1
Financial result	-1.3	-1.5	-1.4	-0.8	-1.8	-0.3	-0.5
Recurring pretax income from continuing operations	6.9	6.0	5.9	6.5	2.5	11.9	17.3
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	6.5	2.5	11.9	17.3
Taxes	2.5	1.5	1.1	1.7	0.0	3.2	4.6
Net income from continuing operations	4.4	4.4	4.8	4.7	2.4	8.8	12.7
Result from discontinued operations (net of tax)	0.0	0.0	0.0	2.6	0.2	0.0	0.0
Net income	4.4	4.4	4.8	2.2	2.2	8.8	12.7
Minority interest	3.0	1.9	2.1	1.2	1.2	3.1	3.2
Net income (net of minority interest)	1.3	2.5	2.7	1.0	1.0	5.7	9.5
Average number of shares	12.4	12.4	12.4	13.0	15.2	16.4	16.4
EPS reported	0.11	0.21	0.22	0.08	0.07	0.35	0.58

Profit and loss (common size)	2010	2011	2012	2013	2014	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 %	77.7 %	78.6 %	73.0 %	72.5 %
Gross profit	24.9 %	25.4 %	24.1 %	22.3 %	21.4 %	27.0 %	27.5 %
Sales and marketing	10.5 %	12.3 %	12.9 %	11.7 %	12.5 %	14.6 %	13.4 %
General and administration	9.1 %	10.0 %	8.6 %	9.0 %	8.5 %	8.4 %	7.9 %
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 %	3.7 %	2.9 %	2.3 %	2.3 %
Other operating expenses	1.3 %	0.7 %	0.5 %	0.9 %	0.8 %	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 %	5.4 %	2.8 %	6.8 %	8.8 %
Depreciation	0.2 %	0.2 %	0.2 %	0.2 %	0.2 %	0.2 %	0.2 %
EBITA	7.8 %	6.3 %	5.3 %	5.1 %	2.6 %	6.6 %	8.6 %
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 %	0.1 %	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 %	2.5 %	6.0 %	8.1 %
Interest income	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %
Interest expenses	1.0 %	1.0 %	0.3 %	0.3 %	0.3 %	0.2 %	0.2 %
Other financial result	-0.2 %	-0.3 %	-0.7 %	-0.3 %	-0.9 %	0.0 %	0.0 %
Financial result	-1.1 %	-1.1 %	-0.9 %	-0.5 %	-1.0 %	-0.1 %	-0.2 %
Recurring pretax income from continuing operations	5.5 %	4.7 %	3.8 %	3.9 %	1.4 %	5.9 %	7.9 %
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 %	3.9 %	1.4 %	5.9 %	7.9 %
Tax rate	36.6 %	25.7 %	18.6 %	26.6 %	26.6 %	26.6 %	26.6 %
Net income from continuing operations	3.5 %	3.5 %	3.1 %	2.9 %	1.4 %	4.3 %	5.8 %
Result from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	1.6 %	0.1 %	0.0 %	0.0 %
Net income	3.5 %	3.5 %	3.1 %	1.3 %	1.3 %	4.3 %	5.8 %
Minority interest	2.4 %	1.5 %	1.4 %	0.7 %	0.7 %	1.5 %	1.5 %
Net income (net of minority interest)	1.1 %	2.0 %	1.7 %	0.6 %	0.6 %	2.8 %	4.3 %

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2010	2011	2012	2013	2014	2015E	2016E
Intangible assets	24.2	25.0	24.7	27.0	33.2	32.2	31.2
Property, plant and equipment	9.0	9.2	10.7	11.5	11.0	11.3	11.6
Financial assets	1.0	2.6	1.7	1.5	3.1	3.1	3.1
FIXED ASSETS	34.2	36.8	37.1	40.0	47.4	46.7	45.9
Inventories	7.7	12.8	13.6	11.9	23.2	27.4	29.6
Accounts receivable	7.5	7.0	10.0	8.8	12.9	0.0	0.0
Other current assets	3.8	4.1	6.0	6.5	5.9	5.9	5.9
Liquid assets	31.8	35.7	31.6	22.9	54.1	49.0	59.6
Deferred taxes	0.0	0.0	0.5	0.4	0.0	0.0	0.0
Deferred charges and prepaid expenses	0.0	2.3	0.2	0.2	0.0	0.0	0.0
CURRENT ASSETS	50.9	61.9	61.9	50.7	96.1	82.4	95.1
TOTAL ASSETS	85.1	98.7	99.0	90.8	143.5	129.0	141.1
SHAREHOLDERS EQUITY	22.2	24.5	26.4	26.1	38.4	32.5	37.7
MINORITY INTEREST	4.7	5.6	5.4	4.0	5.8	8.9	12.1
Long-term debt	10.6	8.7	9.0	10.4	11.5	4.8	4.8
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	8.9	6.7	6.9	7.0
Non-current liabilities	19.4	18.4	19.3	19.3	18.3	11.7	11.8
short-term liabilities to banks	2.6	2.3	3.6	6.2	4.9	4.9	4.9
Accounts payable	9.4	9.5	11.3	5.6	9.1	15.9	15.9
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	2.4	2.5	2.5	2.5
Deferred income	24.8	36.5	31.0	27.2	64.6	76.0	80.2
Current liabilities	38.8	50.3	47.9	41.4	81.0	99.2	103.4
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	85.1	98.7	99.0	90.8	143.5	152.4	165.1

Balance sheet (common size)	2010	2011	2012	2013	2014	2015E	2016E
Intangible assets	28.4 %	25.3 %	24.9 %	29.8 %	23.2 %	21.2 %	18.9 %
Property, plant and equipment	10.6 %	9.3 %	10.8 %	12.7 %	7.7 %	7.4 %	7.0 %
Financial assets	1.2 %	2.6 %	1.7 %	1.6 %	2.2 %	2.0 %	1.9 %
FIXED ASSETS	40.2 %	37.3 %	37.5 %	44.1 %	33.0 %	30.6 %	27.8 %
Inventories	9.1 %	12.9 %	13.7 %	13.2 %	16.2 %	18.0 %	18.0 %
Accounts receivable	8.9 %	7.1 %	10.1 %	9.7 %	9.0 %	0.0 %	0.0 %
Other current assets	4.4 %	4.2 %	6.1 %	7.1 %	4.1 %	3.9 %	3.6 %
Liquid assets	37.4 %	36.2 %	31.9 %	25.3 %	37.7 %	32.1 %	36.1 %
Deferred taxes	0.0 %	0.0 %	0.5 %	0.4 %	0.0 %	0.0 %	0.0 %
Deferred charges and prepaid expenses	0.0 %	2.3 %	0.2 %	0.3 %	0.0 %	0.0 %	0.0 %
CURRENT ASSETS	59.8 %	62.7 %	62.5 %	55.9 %	67.0 %	54.0 %	57.6 %
TOTAL ASSETS	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	84.7 %	85.5 %
SHAREHOLDERS EQUITY	26.1 %	24.8 %	26.6 %	28.8 %	26.8 %	21.3 %	22.8 %
MINORITY INTEREST	5.5 %	5.6 %	5.5 %	4.4 %	4.1 %	5.9 %	7.4 %
Long-term debt	12.4 %	8.9 %	9.1 %	11.4 %	8.0 %	3.2 %	2.9 %
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 %	9.8 %	4.7 %	4.5 %	4.2 %
Non-current liabilities	22.8 %	18.6 %	19.4 %	21.3 %	12.7 %	7.7 %	7.2 %
short-term liabilities to banks	3.1 %	2.3 %	3.6 %	6.8 %	3.4 %	3.2 %	2.9 %
Accounts payable	11.1 %	9.7 %	11.4 %	6.2 %	6.4 %	10.4 %	9.6 %
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	2.3 %	2.0 %	2.0 %	2.6 %	1.7 %	1.6 %	1.5 %
Deferred income	29.1 %	37.0 %	31.4 %	29.9 %	45.0 %	49.9 %	48.6 %
Current liabilities	45.6 %	51.0 %	48.4 %	45.6 %	56.5 %	65.1 %	62.6 %
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)	2010	2011	2012	2013	2014	2015E	2016E
Net profit/loss	4.4	4.4	4.8	2.2	2.2	8.8	12.7
Depreciation of fixed assets (incl. leases)	0.2	0.2	0.3	0.4	3.2	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	0.2	1.2	1.2
Others	3.3	6.8	-6.6	0.0	2.6	0.0	0.0
Cash flow from operations before changes in w/c	9.5	12.1	-0.5	3.8	8.3	10.4	14.3
Increase/decrease in inventory	0.8	-8.6	-0.8	1.6	-15.4	-4.2	-2.2
Increase/decrease in accounts receivable	0.0	0.0	-3.0	1.2	-4.1	12.9	0.0
Increase/decrease in accounts payable	0.0	0.0	1.8	-5.7	39.4	6.8	0.0
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	-2.9	19.9	15.5	-2.2
Cash flow from operating activities	10.3	2.9	-2.5	0.9	28.1	25.8	12.1
CAPEX	0.3	0.4	0.6	0.7	0.9	0.9	0.9
Payments for acquisitions	0.0	0.0	0.0	5.4	6.4	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	-6.1	-7.3	-0.9	-0.9
Cash flow before financing	11.0	2.6	-3.1	-5.3	20.9	24.9	11.2
Increase/decrease in debt position	-0.8	-1.3	1.6	4.0	-4.8	-6.7	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	13.4	0.0	0.0
Dividends paid	1.5	1.9	0.5	1.0	1.6	0.0	0.0
Others	-3.1	0.0	-2.8	0.0	-4.4	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	7.0	2.6	-6.7	0.0
Increase/decrease in liquid assets	8.3	1.2	-4.1	1.8	23.5	18.2	11.2
Liquid assets at end of period	31.8	33.0	28.9	30.6	54.1	72.3	83.6

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2010	2011	2012	2013	2014	2015E	2016E
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)	2010	2011	2012	2013	2014	2015E	2016E
P&L growth analysis							
Sales growth	7.8 %	2.0 %	21.4 %	6.3 %	4.3 %	17.7 %	8.0 %
EBITDA growth	56.3 %	-16.5 %	2.5 %	3.9 %	-45.7 %	186.3 %	39.9 %
EBIT growth	70.2 %	-9.4 %	-2.7 %	1.0 %	-42.0 %	188.9 %	44.9 %
EPS growth	183.4 %	89.0 %	5.5 %	-65.3 %	-11.3 %	419.8 %	67.5 %
Efficiency							
Total operating costs / sales	18.3 %	19.6 %	19.5 %	17.9 %	18.9 %	21.0 %	19.4 %
Sales per employee	638.0	621.0	674.3	607.8	566.2	586.2	569.6
EBITDA per employee	50.8	40.5	37.1	32.7	15.9	40.0	50.4
Balance sheet analysis							
Avg. working capital / sales	4.4 %	6.3 %	7.2 %	8.3 %	12.2 %	9.5 %	5.8 %
Inventory turnover (sales/inventory)	16.3	10.0	11.5	13.9	7.4	7.4	7.4
Trade debtors in days of sales	21.9	19.9	23.4	19.4	27.3	30.0	32.0
A/P turnover [(A/P*365)/sales]	36.4	36.4	35.0	15.9	30.0	15.9	15.9
Cash conversion cycle (days)	15.3	32.2	30.3	37.4	65.2	n/a	n/a
Cash flow analysis							
Free cash flow	10.0	2.5	-3.1	0.2	27.3	24.9	11.2
Free cash flow/sales	8.0 %	1.9 %	-2.0 %	0.1 %	15.8 %	12.3 %	5.1 %
FCF / net profit	746.1 %	98.3 %	-114.1 %	15.3 %	2687.3 %	439.7 %	118.5 %
Capex / depre	15.3 %	45.6 %	44.8 %	43.8 %	25.0 %	56.0 %	54.9 %
Capex / maintenance capex	96.4 %	96.9 %	66.7 %	77.8 %	85.8 %	58.3 %	50.0 %
Capex / sales	0.2 %	0.3 %	0.4 %	0.4 %	0.5 %	0.4 %	0.4 %
Security							
Net debt	-9.3	-15.1	-7.7	-0.7	-28.5	-23.4	-34.0
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	0.0	-0.7	-0.7	-0.9
Interest cover	6.8	6.0	14.1	13.1	8.0	24.5	35.5
Dividend payout ratio	0.0 %	19.5 %	36.9 %	159.6 %	0.0 %	0.0 %	0.0 %
Asset utilisation							
Capital employed turnover	2.6	2.5	2.8	3.0	2.6	3.5	3.3
Operating assets turnover	8.5	6.6	6.8	6.2	4.5	8.9	8.7
Plant turnover	13.9	14.0	14.5	14.3	15.7	17.9	18.9
Inventory turnover (sales/inventory)	16.3	10.0	11.5	13.9	7.4	7.4	7.4
Returns							
ROCE	17.1 %	14.9 %	13.7 %	13.3 %	6.9 %	19.5 %	28.5 %
ROE	6.1 %	10.4 %	10.2 %	3.7 %	2.6 %	17.4 %	25.2 %
Other							
Interest paid / avg. debt	8.8 %	10.3 %	4.3 %	3.8 %	3.2 %	3.8 %	5.2 %
No. employees (average)	197	207	231	272	305	346	385
Number of shares	12.4	12.4	12.4	13.0	15.2	16.4	16.4
DPS	0.0	0.0	0.1	0.1	0.0	0.0	0.0
EPS reported	0.11	0.21	0.22	0.08	0.07	0.35	0.58
Valuation ratios							
P/BV	3.2	2.9	2.7	2.9	2.4	2.8	2.5
EV/sales	0.6	0.6	0.4	0.5	0.5	0.6	0.5
EV/EBITDA	7.0	8.6	8.1	9.3	19.1	8.5	5.6
EV/EBITA	7.2	8.8	8.4	9.7	20.8	8.7	5.7
EV/EBIT	8.6	9.6	9.6	11.3	21.8	9.6	6.1
EV/FCF	7.0	28.6	-22.8	551.2	3.4	4.7	9.7
Adjusted FCF yield	7.4 %	9.0 %	7.9 %	6.9 %	4.4 %	9.7 %	18.4 %
Dividend yield	0.0 %	0.7 %	1.4 %	2.1 %	0.0 %	0.0 %	0.0 %

Source: Company data, Hauck & Aufhäuser

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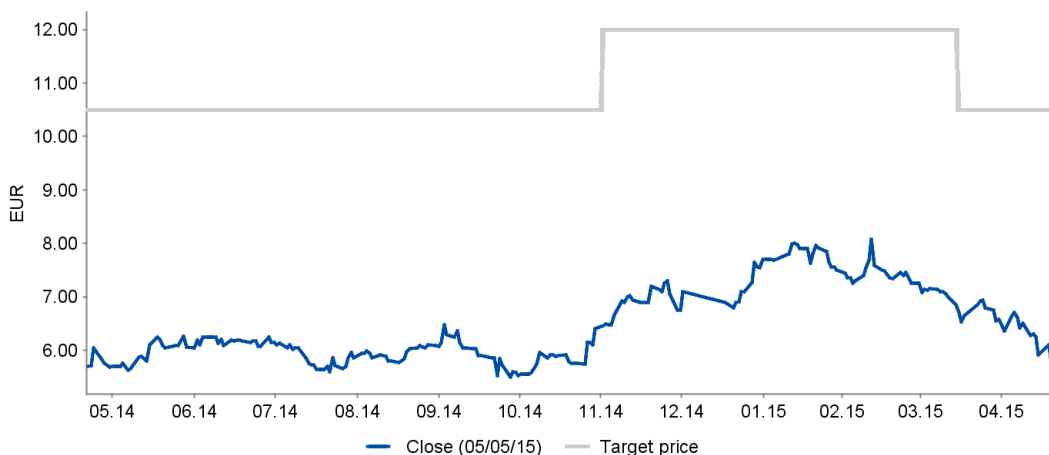
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Company	Disclosure
DEAG Deutsche Entertainment AG	2, 3, 5

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 06/05/15**

Initiation coverage
04-December-09



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