

**Buy** (old: Buy)

**Price target: EUR 5.00** (old: EUR 7.50)

<b>Price:</b>	EUR 3.65	<b>Next result:</b>	Q1 16: 31.05.16
<b>Bloomberg:</b>	ERMK GR	<b>Market cap:</b>	EUR 59.7 m
<b>Reuters:</b>	ERMGK.DE	<b>Enterprise Value:</b>	EUR 78.6 m

18-April-16

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## FY 15 strongly biased by festival activities, chg. in est. & PT

DEAG reported FY 15 results which came in broadly in-line with our estimates on sales but significantly below our expectations on reported EBIT due to one-off effects related to the company's ramp-up of its festival business. Key points are:

- FY 15 sales driven by festival volumes:** FY 15 sales increased by 16% yoy to € 200m (eH&A: € 211m) mainly driven by higher volumes resulting from the ramp-up of festival activities and supported by a solid core business (i.e. DEAG Classics, Family Entertainment, Rock/Pop). Positively, the roll-out of myticket is on track with a distribution share of 10% in FY 15. Total ticketing volumes reached the upper end of the targeted 4.5-5m tickets sold (eH&A: 5.2m) confirming DEAG's content quality.
- FY 15 EBIT negatively affected by festival activities:** Given this year's substantial ramp-up costs of DEAG's festival activities inflated by a drop-out of the JV partner and an associated legal dispute, profitability suffered significantly which is the reason why FY 15 reported EBIT came in at €-17.8m (vs. eH&A: € 5.1m, still incl. a gain of € 7m from the outstanding claims). The claims against the insurance/CNG were not accrued for in FY 15 as initially projected. Importantly, FY 15 profitability is affected by one-off factors: 1) ramp-up of festival activities (c. € 23m negative effect) and 2) sale of non-core assets of the Jahrhunderthalle (c. € 12m positive effect). The company had to book a € 4m in provisions for the festival business in FY 16 which is however seen as conservative given that 1) festival activities in CH serve as proof of concept and 2) ramp-up costs related to festivals in FY 15/16 are now fully booked.
- FY 16 outlook:** While FY 15 revenues had been strongly boosted by unprofitable festival sales, we expect current cost-optimisation efforts to focus on a better quality of sales in FY 16E. Given the generally solid momentum seen at myticket, its distribution share should reach 20-25% in FY 16E. This should be supported by the roll-out in Austria and UK and a stepped-up marketing push delivered by media partners Pro7Sat1/Axel Springer (20% stake each in myticket). Hence, DEAG's FY 16 EBIT guidance of € 3-5m (eH&A new: € 7m) looks conservative, in our view also not including any potential legal claims of € 10m or future real estate proceeds.

**Action:** Estimates are lowered by 18% on sales and by 50% on EBIT in FY 16E given the company's focus on better sales quality and previously expected claims of c. € 7m and are eliminated due to limited visibility. Given the longer-than-expected ramp-up, we now expect festival activities to be slightly positive in FY 17E (old: 7% EBIT margin).

**BUY, new PT € 5.00 (old: € 7.50) based on FCFY 16E.**

Y/E 31.12 (EUR m)	2012	2013	2014	2015	2016E	2017E	2018E
Sales	155.7	165.5	172.2	200.4	186.8	196.7	206.7
Sales growth	21 %	6 %	4 %	16 %	-7 %	5 %	5 %
EBITDA	8.6	8.9	5.9	-17.8	8.7	12.6	16.4
EBIT	7.2	7.3	5.3	-17.8	7.1	11.1	15.0
Net income	2.7	1.0	1.0	-21.4	3.8	6.7	9.5
Net debt	-7.7	-0.7	-33.6	4.8	-12.9	-19.2	-28.4
Net gearing	-72.0 %	-24.3 %	-111.3 %	-34.5 %	-66.6 %	-77.2 %	-86.8 %
Net Debt/EBITDA	0.0	0.0	0.0	-0.3	0.0	0.0	0.0
EPS pro forma	0.22	0.26	0.15	-1.21	0.23	0.41	0.58
CPS	-0.25	0.00	1.65	-2.43	0.27	0.38	0.57
DPS	0.08	0.12	0.00	0.00	0.00	0.00	0.00
Dividend yield	2.2 %	3.3 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Gross profit margin	24.1 %	22.3 %	21.5 %	7.0 %	21.5 %	22.5 %	22.7 %
EBITDA margin	5.5 %	5.4 %	3.5 %	-8.9 %	4.7 %	6.4 %	7.9 %
EBIT margin	4.6 %	4.4 %	3.1 %	-8.9 %	3.8 %	5.7 %	7.3 %
ROCE	13.7 %	13.3 %	9.1 %	-30.7 %	11.8 %	16.0 %	19.7 %
EV/sales	0.3	0.3	0.3	0.4	0.3	0.3	0.2
EV/EBITDA	5.3	6.2	9.2	-4.4	6.9	4.3	2.7
EV/EBIT	6.2	7.6	10.2	-4.4	8.4	4.9	3.0
PER	16.9	14.0	24.3	-3.0	15.6	8.9	6.3
Adjusted FCF yield	13.5 %	11.0 %	10.3 %	-36.5 %	10.8 %	20.4 %	37.1 %

Source: Company data, Hauck & Aufhäuser Close price as of: 15.04.2016



Source: Company data, Hauck & Aufhäuser

**High/low 52 weeks:** 7.00 / 2.45

**Price/Book Ratio:** 3.2

**Relative performance (SDAX):**

3 months 0.4 %

6 months -20.3 %

12 months -43.3 %

### Changes in estimates

		Sales	EBIT	EPS
2016	old:	227.8	14.3	0.47
	Δ	-18.0%	-50.1%	-50.0%
2017	old:	239.2	16.3	0.55
	Δ	-17.8%	-31.9%	-24.9%

### Key share data:

Number of shares: (in m pcs) 16.4

Authorised capital: (in € m) 0.0

Book value per share: (in €) 1.1

Ø trading volume: (12 months) 38,000

### Major shareholders:

Free Float	54.7 %
Allianz Global Investors	11.7 %
Monolith Investment Management	10.0 %
Heliad Equity Partners	9.7 %
Plutus Holdings 2 Ltd.	7.9 %
Kabouter Management, LLC	6.0 %

### Company description:

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

## Financials

Profit and loss (EUR m)	2012	2013	2014	2015	2016E	2017E	2018E
<b>Sales</b>	<b>155.7</b>	<b>165.5</b>	<b>172.2</b>	<b>200.4</b>	<b>186.8</b>	<b>196.7</b>	<b>206.7</b>
Sales growth	21.4 %	6.3 %	4.1 %	16.3 %	-6.8 %	5.3 %	5.1 %
Cost of sales	118.2	128.6	135.3	186.3	146.6	152.4	159.8
<b>Gross profit</b>	<b>37.5</b>	<b>36.9</b>	<b>37.0</b>	<b>14.1</b>	<b>40.2</b>	<b>44.3</b>	<b>46.9</b>
Sales and marketing	20.1	19.4	21.2	24.5	22.1	20.7	20.7
General and administration	13.4	14.9	14.2	15.7	13.6	15.3	15.5
Research and development	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other operating income	3.9	6.1	5.3	15.3	5.6	5.9	6.2
Other operating expenses	0.7	1.4	1.5	7.0	2.9	3.0	1.9
Unusual or infrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBITDA</b>	<b>8.6</b>	<b>8.9</b>	<b>5.9</b>	<b>-17.8</b>	<b>8.7</b>	<b>12.6</b>	<b>16.4</b>
Depreciation	0.3	0.4	0.4	0.0	0.4	0.4	0.4
<b>EBITA</b>	<b>8.3</b>	<b>8.5</b>	<b>5.5</b>	<b>-17.8</b>	<b>8.3</b>	<b>12.2</b>	<b>16.0</b>
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	1.1	1.2	0.2	0.0	1.2	1.1	1.0
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBIT</b>	<b>7.2</b>	<b>7.3</b>	<b>5.3</b>	<b>-17.8</b>	<b>7.1</b>	<b>11.1</b>	<b>15.0</b>
Interest income	0.2	0.2	0.2	0.1	0.1	0.1	0.1
Interest expenses	0.5	0.6	0.5	1.0	1.0	1.0	1.0
Other financial result	-1.1	-0.4	-1.4	0.0	0.0	0.0	0.0
Financial result	-1.4	-0.8	-1.7	-0.9	-0.9	-0.9	-0.9
<b>Recurring pretax income from continuing operations</b>	<b>5.9</b>	<b>6.5</b>	<b>3.6</b>	<b>-18.8</b>	<b>6.2</b>	<b>10.2</b>	<b>14.1</b>
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Earnings before taxes</b>	<b>5.9</b>	<b>6.5</b>	<b>3.6</b>	<b>-18.8</b>	<b>6.2</b>	<b>10.2</b>	<b>14.1</b>
Taxes	1.1	1.7	0.0	0.2	1.7	2.7	3.8
<b>Net income from continuing operations</b>	<b>4.8</b>	<b>4.7</b>	<b>3.6</b>	<b>-18.9</b>	<b>4.6</b>	<b>7.5</b>	<b>10.4</b>
Result from discontinued operations (net of tax)	0.0	2.6	1.3	1.6	0.0	0.0	0.0
<b>Net income</b>	<b>4.8</b>	<b>2.2</b>	<b>2.2</b>	<b>-20.6</b>	<b>4.6</b>	<b>7.5</b>	<b>10.4</b>
Minority interest	2.1	1.2	1.2	0.9	0.7	0.8	0.8
<b>Net income (net of minority interest)</b>	<b>2.7</b>	<b>1.0</b>	<b>1.0</b>	<b>-21.4</b>	<b>3.8</b>	<b>6.7</b>	<b>9.5</b>
Average number of shares	12.4	13.0	15.2	16.4	16.4	16.4	16.4
<b>EPS reported</b>	<b>0.22</b>	<b>0.08</b>	<b>0.07</b>	<b>-1.31</b>	<b>0.23</b>	<b>0.41</b>	<b>0.58</b>

Profit and loss (common size)	2012	2013	2014	2015	2016E	2017E	2018E
<b>Sales</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>
Cost of sales	75.9 %	77.7 %	78.5 %	93.0 %	78.5 %	77.5 %	77.3 %
<b>Gross profit</b>	<b>24.1 %</b>	<b>22.3 %</b>	<b>21.5 %</b>	<b>7.0 %</b>	<b>21.5 %</b>	<b>22.5 %</b>	<b>22.7 %</b>
Sales and marketing	12.9 %	11.7 %	12.3 %	12.3 %	11.9 %	10.5 %	10.0 %
General and administration	8.6 %	9.0 %	8.3 %	7.8 %	7.3 %	7.8 %	7.5 %
Research and development	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other operating income	2.5 %	3.7 %	3.1 %	7.6 %	3.0 %	3.0 %	3.0 %
Other operating expenses	0.5 %	0.9 %	0.8 %	3.5 %	1.6 %	1.6 %	0.9 %
Unusual or infrequent items	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>EBITDA</b>	<b>5.5 %</b>	<b>5.4 %</b>	<b>3.5 %</b>	<b>-8.9 %</b>	<b>4.7 %</b>	<b>6.4 %</b>	<b>7.9 %</b>
Depreciation	0.2 %	0.2 %	0.2 %	0.0 %	0.2 %	0.2 %	0.2 %
<b>EBITA</b>	<b>5.3 %</b>	<b>5.1 %</b>	<b>3.2 %</b>	<b>-8.9 %</b>	<b>4.5 %</b>	<b>6.2 %</b>	<b>7.8 %</b>
Amortisation of goodwill	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Amortisation of intangible assets	0.7 %	0.7 %	0.1 %	0.0 %	0.6 %	0.6 %	0.5 %
Impairment charges	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>EBIT</b>	<b>4.6 %</b>	<b>4.4 %</b>	<b>3.1 %</b>	<b>-8.9 %</b>	<b>3.8 %</b>	<b>5.7 %</b>	<b>7.3 %</b>
Interest income	0.1 %	0.1 %	0.1 %	0.0 %	0.1 %	0.1 %	0.0 %
Interest expenses	0.3 %	0.3 %	0.3 %	0.5 %	0.5 %	0.5 %	0.5 %
Other financial result	-0.7 %	-0.3 %	-0.8 %	0.0 %	0.0 %	0.0 %	0.0 %
Financial result	-0.9 %	-0.5 %	-1.0 %	-0.5 %	-0.5 %	-0.5 %	-0.4 %
<b>Recurring pretax income from continuing operations</b>	<b>3.8 %</b>	<b>3.9 %</b>	<b>2.1 %</b>	<b>-9.4 %</b>	<b>3.3 %</b>	<b>5.2 %</b>	<b>6.8 %</b>
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Earnings before taxes</b>	<b>3.8 %</b>	<b>3.9 %</b>	<b>2.1 %</b>	<b>-9.4 %</b>	<b>3.3 %</b>	<b>5.2 %</b>	<b>6.8 %</b>
Tax rate	18.6 %	26.6 %	1.1 %	-1.0 %	26.6 %	26.6 %	26.6 %
<b>Net income from continuing operations</b>	<b>3.1 %</b>	<b>2.9 %</b>	<b>2.1 %</b>	<b>-9.5 %</b>	<b>2.4 %</b>	<b>3.8 %</b>	<b>5.0 %</b>
Result from discontinued operations (net of tax)	0.0 %	1.6 %	0.8 %	0.8 %	0.0 %	0.0 %	0.0 %
<b>Net income</b>	<b>3.1 %</b>	<b>1.3 %</b>	<b>1.3 %</b>	<b>-10.3 %</b>	<b>2.4 %</b>	<b>3.8 %</b>	<b>5.0 %</b>
Minority interest	1.4 %	0.7 %	0.7 %	0.4 %	0.4 %	0.4 %	0.4 %
<b>Net income (net of minority interest)</b>	<b>1.7 %</b>	<b>0.6 %</b>	<b>0.6 %</b>	<b>-10.7 %</b>	<b>2.0 %</b>	<b>3.4 %</b>	<b>4.6 %</b>

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2012	2013	2014	2015	2016E	2017E	2018E
<b>Intangible assets</b>	<b>24.7</b>	<b>27.0</b>	<b>33.2</b>	<b>33.2</b>	<b>32.2</b>	<b>31.3</b>	<b>30.5</b>
Property, plant and equipment	10.7	11.5	11.0	8.8	9.1	9.4	9.7
Financial assets	1.7	1.5	3.1	3.1	3.1	3.1	3.1
<b>FIXED ASSETS</b>	<b>37.1</b>	<b>40.0</b>	<b>47.3</b>	<b>45.1</b>	<b>44.4</b>	<b>43.8</b>	<b>43.3</b>
Inventories	13.6	11.9	23.2	14.5	13.5	14.2	14.9
Accounts receivable	10.0	8.8	12.9	13.0	12.2	13.2	14.2
Other current assets	6.0	6.5	7.6	7.0	7.0	7.0	7.0
Liquid assets	31.6	22.9	54.1	25.8	38.9	45.8	55.7
Deferred taxes	0.5	0.4	0.3	0.2	0.0	0.0	0.0
Deferred charges and prepaid expenses	0.2	0.2	0.5	0.0	0.0	0.0	0.0
<b>CURRENT ASSETS</b>	<b>61.9</b>	<b>50.7</b>	<b>98.7</b>	<b>60.5</b>	<b>71.6</b>	<b>80.3</b>	<b>91.8</b>
<b>TOTAL ASSETS</b>	<b>99.0</b>	<b>90.8</b>	<b>146.0</b>	<b>112.7</b>	<b>116.0</b>	<b>124.1</b>	<b>135.1</b>
SHAREHOLDERS EQUITY	26.4	26.1	38.4	18.5	32.9	37.3	44.6
MINORITY INTEREST	5.4	4.0	5.8	5.9	6.7	7.5	8.3
Long-term debt	9.0	10.4	4.5	9.6	7.2	7.2	7.2
Provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other provisions	10.2	8.9	6.7	9.9	10.1	10.3	10.6
<b>Non-current liabilities</b>	<b>19.3</b>	<b>19.3</b>	<b>11.3</b>	<b>19.5</b>	<b>17.3</b>	<b>17.5</b>	<b>17.7</b>
short-term liabilities to banks	3.6	6.2	6.8	9.8	9.8	9.8	9.8
Accounts payable	11.3	5.6	9.1	11.1	9.0	9.6	10.3
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	2.0	2.4	2.5	2.2	2.2	2.2	2.2
Deferred income	31.0	27.2	64.6	41.7	38.8	40.9	43.0
<b>Current liabilities</b>	<b>47.9</b>	<b>41.4</b>	<b>83.0</b>	<b>64.8</b>	<b>59.9</b>	<b>62.5</b>	<b>65.3</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>99.0</b>	<b>90.8</b>	<b>146.0</b>	<b>112.7</b>	<b>116.8</b>	<b>124.8</b>	<b>135.9</b>

Balance sheet (common size)	2012	2013	2014	2015	2016E	2017E	2018E
<b>Intangible assets</b>	<b>24.9 %</b>	<b>29.8 %</b>	<b>22.7 %</b>	<b>29.4 %</b>	<b>27.6 %</b>	<b>25.1 %</b>	<b>22.4 %</b>
Property, plant and equipment	10.8 %	12.7 %	7.6 %	7.8 %	7.8 %	7.6 %	7.2 %
Financial assets	1.7 %	1.6 %	2.1 %	2.8 %	2.7 %	2.5 %	2.3 %
<b>FIXED ASSETS</b>	<b>37.5 %</b>	<b>44.1 %</b>	<b>32.4 %</b>	<b>40.0 %</b>	<b>38.1 %</b>	<b>35.1 %</b>	<b>31.9 %</b>
Inventories	13.7 %	13.2 %	15.9 %	12.9 %	11.6 %	11.4 %	11.0 %
Accounts receivable	10.1 %	9.7 %	8.9 %	11.6 %	10.4 %	10.6 %	10.4 %
Other current assets	6.1 %	7.1 %	5.2 %	6.2 %	6.0 %	5.6 %	5.2 %
Liquid assets	31.9 %	25.3 %	37.0 %	22.9 %	33.3 %	36.7 %	41.0 %
Deferred taxes	0.5 %	0.4 %	0.2 %	0.2 %	0.0 %	0.0 %	0.0 %
Deferred charges and prepaid expenses	0.2 %	0.3 %	0.3 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>CURRENT ASSETS</b>	<b>62.5 %</b>	<b>55.9 %</b>	<b>67.6 %</b>	<b>53.7 %</b>	<b>61.3 %</b>	<b>64.3 %</b>	<b>67.6 %</b>
<b>TOTAL ASSETS</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>99.4 %</b>	<b>99.4 %</b>	<b>99.5 %</b>
SHAREHOLDERS EQUITY	26.6 %	28.8 %	26.3 %	16.4 %	28.2 %	29.9 %	32.8 %
MINORITY INTEREST	5.5 %	4.4 %	4.0 %	5.3 %	5.7 %	6.0 %	6.1 %
Long-term debt	9.1 %	11.4 %	3.1 %	8.5 %	6.1 %	5.7 %	5.3 %
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 %	4.6 %	8.8 %	8.7 %	8.3 %	7.8 %
<b>Non-current liabilities</b>	<b>19.4 %</b>	<b>21.3 %</b>	<b>7.7 %</b>	<b>17.3 %</b>	<b>14.8 %</b>	<b>14.0 %</b>	<b>13.1 %</b>
short-term liabilities to banks	3.6 %	6.8 %	4.7 %	8.7 %	8.4 %	7.9 %	7.2 %
Accounts payable	11.4 %	6.2 %	6.3 %	9.9 %	7.7 %	7.7 %	7.6 %
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	2.0 %	2.6 %	1.7 %	1.9 %	1.9 %	1.7 %	1.6 %
Deferred income	31.4 %	29.9 %	44.2 %	37.0 %	33.3 %	32.8 %	31.6 %
<b>Current liabilities</b>	<b>48.4 %</b>	<b>45.6 %</b>	<b>56.8 %</b>	<b>57.5 %</b>	<b>51.3 %</b>	<b>50.1 %</b>	<b>48.1 %</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>

Source: Company data, Hauck & Aufhäuser

Cash flow statement (EUR m)	2012	2013	2014	2015	2016E	2017E	2018E
Net profit/loss	4.8	2.2	3.6	-18.9	4.6	7.5	10.4
Depreciation of fixed assets (incl. leases)	0.3	0.4	3.2	1.7	0.4	0.4	0.4
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	1.1	1.2	0.2	0.0	1.2	1.1	1.0
Others	-6.6	0.0	2.6	-6.4	0.0	0.0	0.0
Cash flow from operations before changes in w/c	-0.5	3.8	9.6	-23.7	6.1	9.0	11.8
Increase/decrease in inventory	-0.8	1.6	-15.4	8.9	1.0	-0.7	-0.7
Increase/decrease in accounts receivable	-3.0	1.2	-4.1	-0.1	0.9	-1.1	-1.0
Increase/decrease in accounts payable	1.8	-5.7	39.4	-21.4	-2.1	0.6	0.7
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	-2.0	-2.9	19.9	-12.6	-0.2	-1.2	-1.0
<b>Cash flow from operating activities</b>	<b>-2.5</b>	<b>0.9</b>	<b>29.5</b>	<b>-36.3</b>	<b>5.9</b>	<b>7.8</b>	<b>10.8</b>
CAPEX	0.6	0.7	0.9	0.9	0.9	0.9	0.9
Payments for acquisitions	0.0	5.4	1.5	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	0.0	0.0	0.0	6.7	0.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>-0.6</b>	<b>-6.1</b>	<b>-2.4</b>	<b>5.8</b>	<b>-0.9</b>	<b>-0.9</b>	<b>-0.9</b>
Cash flow before financing	-3.1	-5.3	27.1	-30.4	5.0	6.9	9.9
Increase/decrease in debt position	1.6	4.0	-4.8	8.1	-2.4	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	4.0	13.4	0.0	0.0	0.0	0.0
Dividends paid	0.5	1.0	1.6	0.0	0.0	0.0	0.0
Others	-2.8	0.0	-1.3	-4.0	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.7	0.0	0.0	0.0	0.0	0.0	0.0
<b>Cash flow from financing activities</b>	<b>-1.7</b>	<b>7.0</b>	<b>5.7</b>	<b>4.1</b>	<b>-2.4</b>	<b>0.0</b>	<b>0.0</b>
Increase/decrease in liquid assets	-4.1	1.8	32.8	-26.3	2.6	6.9	9.9
<b>Liquid assets at end of period</b>	<b>28.9</b>	<b>30.6</b>	<b>63.4</b>	<b>37.1</b>	<b>39.7</b>	<b>46.6</b>	<b>56.4</b>

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2012	2013	2014	2015	2016E	2017E	2018E
<b>P&amp;L growth analysis</b>							
Sales growth	21.4 %	6.3 %	4.1 %	16.3 %	-6.8 %	5.3 %	5.1 %
EBITDA growth	2.5 %	3.9 %	-33.3 %	-400.0 %	-148.8 %	45.0 %	30.3 %
EBIT growth	-2.7 %	1.0 %	-26.9 %	-433.7 %	-140.0 %	55.9 %	35.3 %
EPS growth	5.5 %	-65.3 %	-10.9 %	-2057.7 %	-117.8 %	75.1 %	42.4 %
<b>Efficiency</b>							
Total operating costs / sales	19.5 %	17.9 %	18.4 %	15.9 %	17.7 %	16.9 %	15.4 %
Sales per employee	674.3	607.8	565.1	581.9	522.1	555.0	554.5
EBITDA per employee	37.1	32.7	19.5	-51.8	24.3	35.6	44.1
<b>Balance sheet analysis</b>							
Avg. working capital / sales	7.2 %	8.3 %	12.2 %	10.8 %	8.8 %	8.8 %	8.9 %
Inventory turnover (sales/inventory)	11.5	13.9	7.4	13.8	13.8	13.8	13.8
Trade debtors in days of sales	23.4	19.4	27.4	23.7	23.7	24.5	25.0
A/P turnover [(A/P*365)/sales]	35.0	15.9	24.7	21.8	22.5	23.0	23.5
Cash conversion cycle (days)	30.3	37.4	65.4	30.3	34.9	35.6	35.6
<b>Cash flow analysis</b>							
Free cash flow	-3.1	0.2	28.6	-37.1	5.0	6.9	9.9
Free cash flow/sales	-2.0 %	0.1 %	16.6 %	-18.5 %	2.7 %	3.5 %	4.8 %
FCF / net profit	-114.1 %	15.3 %	2808.7 %	173.2 %	131.0 %	102.8 %	103.4 %
Capex / depre	44.8 %	43.8 %	25.0 %	50.2 %	57.2 %	60.0 %	64.3 %
Capex / maintenance capex	66.7 %	77.8 %	34.2 %	19.0 %	44.5 %	46.7 %	50.0 %
Capex / sales	0.4 %	0.4 %	0.5 %	0.4 %	0.5 %	0.5 %	0.4 %
<b>Security</b>							
Net debt	-7.7	-0.7	-33.6	4.8	-12.9	-19.2	-28.4
Net Debt/EBITDA	0.0	0.0	0.0	-0.3	0.0	0.0	0.0
Net debt / equity	-0.3	0.0	-0.9	0.3	-0.4	-0.5	-0.6
Interest cover	14.1	13.1	10.0	0.0	7.1	10.9	14.7
Dividend payout ratio	36.9 %	159.6 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Asset utilisation</b>							
Capital employed turnover	2.8	3.0	2.8	3.7	2.8	2.7	2.6
Operating assets turnover	6.8	6.2	4.5	8.0	7.3	7.2	7.2
Plant turnover	14.5	14.3	15.6	22.8	20.5	20.9	21.2
Inventory turnover (sales/inventory)	11.5	13.9	7.4	13.8	13.8	13.8	13.8
<b>Returns</b>							
ROCE	13.7 %	13.3 %	9.1 %	-30.7 %	11.8 %	16.0 %	19.7 %
ROE	10.2 %	3.7 %	2.7 %	-116.0 %	11.6 %	17.9 %	21.4 %
<b>Other</b>							
Interest paid / avg. debt	4.3 %	3.8 %	3.8 %	6.8 %	5.5 %	6.0 %	6.0 %
No. employees (average)	231	272	305	344	358	354	373
Number of shares	12.4	13.0	15.2	16.4	16.4	16.4	16.4
DPS	0.1	0.1	0.0	0.0	0.0	0.0	0.0
EPS reported	0.22	0.08	0.07	-1.31	0.23	0.41	0.58
<b>Valuation ratios</b>							
P/BV	1.7	1.9	1.6	3.2	1.8	1.6	1.3
EV/sales	0.3	0.3	0.3	0.4	0.3	0.3	0.2
EV/EBITDA	5.3	6.2	9.2	-4.4	6.9	4.3	2.7
EV/EBITA	5.4	6.5	9.8	-4.4	7.2	4.4	2.8
EV/EBIT	6.2	7.6	10.2	-4.4	8.4	4.9	3.0
EV/FCF	-14.7	369.5	1.9	-2.1	12.0	7.8	4.6
Adjusted FCF yield	13.5 %	11.0 %	10.3 %	-36.5 %	10.8 %	20.4 %	37.1 %
Dividend yield	2.2 %	3.3 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %

Source: Company data, Hauck & Aufhäuser

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