

Buy (old: Buy)

Price target: EUR 5.00 (old: EUR 5.00)

Price:	EUR 2.37	Next result:	Q3 16 30.11.16
Bloomberg:	ERMK GR	Market cap:	EUR 38.8 m
Reuters:	ERMGK.DE	Enterprise Value:	EUR 38.3 m

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Business is fully intact & shares look attractive

DEAG's share price has been under pressure without any company-specific newsflow. Contrary to this, **DEAG's business remains in solid shape backed by a strong H2 pipeline**. In fact, the company has already sold c 2m pre-sale tickets and c 2m tickets for regularly core business formats in H1. Given a usual x-mas run-rate of additional 1.5m tickets, **DEAG looks set to sell >5m in tickets in FY 16** (eH&A: 5.5m).

- **Family Entertainment (FE) is seen to grow disproportionately:** Thanks to its high-quality content and established new formats, **DEAG looks set to dynamically increase the sales of its most profitable business segment FE**. This is backed by a strong pipeline of H2 activities such as Disney on Ice, Marvel Universe, Disney's Violetta/Tini as well as dedicated x-mas formats ('Christmas at Blenheim', 'Christmas at Kew'). On the back of this, DEAG is seen to become the market leader in FE (DACH) and should **further improve its product mix by targeting to generate 20-25% of mid-term sales** in Family Entertainment vs. currently only 15% of sales. In our view, this is highly positive given that **FE provides a recurring revenue base driving the number of directly controlled tickets sold via myticket**.
- **Successful launch of myticket.at (Austria):** Overall, rising volumes of directly controlled tickets bode well for the company's transformation into direct distribution (myticket). With that, **DEAG should be able to gradually increase its operating leverage and structurally improve mid- to long-term profitability** (eH&A: +3.5pp EBIT margin until FY 18E). Just recently, the company successfully launched myticket.at with first volumes being sold from Q3 onwards. Given that DEAG already generates c 15% in Austria/CH, myticket.at faces attractive future growth potential.
- **Festival business seen to turn profitable in FY 17:** Yesterday, the company announced the **German Rock band 'Die Toten Hosen' (fan base of >1m) to be the first headline band for its festival activities in FY 17** (pre-sale starts today). Given that the announcement comes significantly earlier than in recent years, this indicates that **DEAG has notably improved its festival operations as its festival brand has been gradually established**. Thanks the strong focus to turn its festival activities profitable in FY 17, the company will not continue its 'Rock im Revier' festival. In our view, this is good news as it highlights **management willingness to focus on profitable formats** and discontinue underperforming formats.

BUY, PT € 5.00, based on FCFY 17E.

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	1.0	3.6	6.3
Net debt	-7.7	-0.7	-33.6	4.8	-13.6	-20.0	-29.1
Net gearing	-72.0 %	-24.3 %	-111.3 %	-34.5 %	-73.6 %	-92.0 %	-111.3 %
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	0.06	0.22	0.38
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	3.4 %	5.1 %	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 %	15.8 %	19.6 %
EV/sales	0.2	0.2	0.2	0.3	0.2	0.2	0.2
EV/EBITDA	3.4	4.3	5.6	-3.2	4.4	3.7	2.0
EV/EBIT	4.0	5.2	6.3	-3.2	5.4	4.3	2.2
PER	10.9	9.1	15.8	-2.0	39.9	10.8	6.2
Adjusted FCF yield	24.5 %	17.5 %	458.8 %	-55.4 %	5.2 %	16.6 %	17.6 %

Source: Company data, Hauck & Aufhäuser Close price as of: 13.10.2016



Source: Company data, Hauck & Aufhäuser

High/low 52 weeks: 4.65 / 2.19

Price/Book Ratio: 1.3

Relative performance (SDAX):

3 months -10.2 %

6 months -39.2 %

12 months -56.8 %

Changes in estimates

		Sales	EBIT	EPS
2016	old:	186.8	7.1	0.06
	Δ	-	-	-
2017	old:	196.7	11.1	0.22
	Δ	-	-	-
2018	old:	206.7	15.0	0.38
	Δ	-	-	-

Key share data:

Number of shares: (in m pcs) 16.4

Authorised capital: (in € m) 0.0

Book value per share: (in €) 1.9

Ø trading volume: (12 months) 38,000

Major shareholders:

Free Float	51.5 %
Plutus Holdings 2 Ltd.	10.4 %
Monolith Investment Management	10.0 %
Allianz Global Investors	10.0 %
Heliad Equity Partners	9.7 %
Moritz Schwenkow	3.1 %

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
Sales	155.7	165.5	172.2	200.4	186.8	196.7	206.7
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
Gross profit	37.5	36.9	37.0	14.1	40.2	44.3	46.9
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
EBITDA	8.6	8.9	5.9	-17.8	8.7	12.6	16.4
Depreciation	0.3	0.4	0.4	0.0	0.4	0.4	0.4
EBITA	8.3	8.5	5.5	-17.8	8.3	12.2	16.0
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
EBIT	7.2	7.3	5.3	-17.8	7.1	11.1	15.0
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
Recurring pretax income from continuing operations	5.9	6.5	3.6	-18.8	6.2	10.2	14.1
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	5.9	6.5	3.6	-18.8	6.2	10.2	14.1
Taxes	1.1	1.7	0.0	0.2	1.7	2.7	3.8
Net income from continuing operations	4.8	4.7	3.6	-18.9	4.6	7.5	10.4
Result from discontinued operations (net of tax)	0.0	2.6	1.3	1.6	0.0	0.0	0.0
Net income	4.8	2.2	2.2	-20.6	4.6	7.5	10.4
Minority interest	2.1	1.2	1.2	0.9	3.6	3.9	4.1
Net income (net of minority interest)	2.7	1.0	1.0	-21.4	1.0	3.6	6.3
Average number of shares	12.4	13.0	15.2	16.4	16.4	16.4	16.4
EPS reported	0.22	0.08	0.07	-1.31	0.06	0.22	0.38

Profit and loss (common size)	2012	2013	2014	2015	2016E	2017E	2018E
Sales	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Cost of sales	75.9 %	77.7 %	78.5 %	93.0 %	78.5 %	77.5 %	77.3 %
Gross profit	24.1 %	22.3 %	21.5 %	7.0 %	21.5 %	22.5 %	22.7 %
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 %
EBITDA	5.5 %	5.4 %	3.5 %	-8.9 %	4.7 %	6.4 %	7.9 %
Depreciation	0.2 %	0.2 %	0.2 %	0.0 %	0.2 %	0.2 %	0.2 %
EBITA	5.3 %	5.1 %	3.2 %	-8.9 %	4.5 %	6.2 %	7.8 %
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 %
EBIT	4.6 %	4.4 %	3.1 %	-8.9 %	3.8 %	5.7 %	7.3 %
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 %
Recurring pretax income from continuing operations	3.8 %	3.9 %	2.1 %	-9.4 %	3.3 %	5.2 %	6.8 %
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Earnings before taxes	3.8 %	3.9 %	2.1 %	-9.4 %	3.3 %	5.2 %	6.8 %
Tax rate	18.6 %	26.6 %	1.1 %	-1.0 %	26.6 %	26.6 %	26.6 %
Net income from continuing operations	3.1 %	2.9 %	2.1 %	-9.5 %	2.4 %	3.8 %	5.0 %
Result from discontinued operations (net of tax)	0.0 %	1.6 %	0.8 %	0.8 %	0.0 %	0.0 %	0.0 %
Net income	3.1 %	1.3 %	1.3 %	-10.3 %	2.4 %	3.8 %	5.0 %
Minority interest	1.4 %	0.7 %	0.7 %	0.4 %	1.9 %	2.0 %	2.0 %
Net income (net of minority interest)	1.7 %	0.6 %	0.6 %	-10.7 %	0.5 %	1.8 %	3.0 %

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2012	2013	2014	2015	2016E	2017E	2018E
Intangible assets	24.7	27.0	33.2	33.2	32.2	31.3	30.5
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
FIXED ASSETS	37.1	40.0	47.3	45.1	44.4	43.8	43.3
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	39.7	46.6	56.4
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
CURRENT ASSETS	61.9	50.7	98.7	60.5	72.3	81.0	92.5
TOTAL ASSETS	99.0	90.8	146.0	112.7	116.8	124.8	135.9
SHAREHOLDERS EQUITY	26.4	26.1	38.4	18.5	30.8	32.1	35.4
MINORITY INTEREST	5.4	4.0	5.8	5.9	9.5	13.4	17.5
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
Non-current liabilities	19.3	19.3	11.3	19.5	17.3	17.5	17.7
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
Current liabilities	47.9	41.4	83.0	64.8	59.9	62.5	65.3
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	99.0	90.8	146.0	112.7	117.5	125.6	136.0

Balance sheet (common size)	2012	2013	2014	2015	2016E	2017E	2018E
Intangible assets	24.9 %	29.8 %	22.7 %	29.4 %	27.4 %	24.9 %	22.4 %
Property, plant and equipment	10.8 %	12.7 %	7.6 %	7.8 %	7.8 %	7.5 %	7.2 %
Financial assets	1.7 %	1.6 %	2.1 %	2.8 %	2.7 %	2.5 %	2.3 %
FIXED ASSETS	37.5 %	44.1 %	32.4 %	40.0 %	37.8 %	34.9 %	31.9 %
Inventories	13.7 %	13.2 %	15.9 %	12.9 %	11.5 %	11.3 %	11.0 %
Accounts receivable	10.1 %	9.7 %	8.9 %	11.6 %	10.3 %	10.5 %	10.4 %
Other current assets	6.1 %	7.1 %	5.2 %	6.2 %	6.0 %	5.6 %	5.1 %
Liquid assets	31.9 %	25.3 %	37.0 %	22.9 %	33.8 %	37.1 %	41.5 %
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 %
CURRENT ASSETS	62.5 %	55.9 %	67.6 %	53.7 %	61.6 %	64.5 %	68.1 %
TOTAL ASSETS	100.0 %	100.0 %	100.0 %	100.0 %	99.4 %	99.4 %	99.9 %
SHAREHOLDERS EQUITY	26.6 %	28.8 %	26.3 %	16.4 %	26.2 %	25.6 %	26.0 %
MINORITY INTEREST	5.5 %	4.4 %	4.0 %	5.3 %	8.1 %	10.7 %	12.9 %
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 %	8.6 %	8.2 %	7.8 %
Non-current liabilities	19.4 %	21.3 %	7.7 %	17.3 %	14.7 %	13.9 %	13.0 %
short-term liabilities to banks	3.6 %	6.8 %	4.7 %	8.7 %	8.4 %	7.8 %	7.2 %
Accounts payable	11.4 %	6.2 %	6.3 %	9.9 %	7.7 %	7.6 %	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 %	1.8 %	1.7 %	1.6 %
Deferred income	31.4 %	29.9 %	44.2 %	37.0 %	33.1 %	32.6 %	31.6 %
Current liabilities	48.4 %	45.6 %	56.8 %	57.5 %	51.0 %	49.8 %	48.0 %
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)	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
Cash flow from operating activities	-2.5	0.9	29.5	-36.3	5.9	7.8	10.8
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
Cash flow from investing activities	-0.6	-6.1	-2.4	5.8	-0.9	-0.9	-0.9
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
Cash flow from financing activities	-1.7	7.0	5.7	4.1	-2.4	0.0	0.0
Increase/decrease in liquid assets	-4.1	1.8	32.8	-26.3	2.6	6.9	9.9
Liquid assets at end of period	28.9	30.6	63.4	37.1	39.7	46.6	56.4

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2012	2013	2014	2015	2016E	2017E	2018E
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)	2012	2013	2014	2015	2016E	2017E	2018E
P&L growth analysis							
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 %	-104.5 %	269.0 %	74.8 %
Efficiency							
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
Balance sheet analysis							
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
Cash flow analysis							
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 %	516.2 %	192.1 %	157.5 %
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 %
Security							
Net debt	-7.7	-0.7	-33.6	4.8	-13.6	-20.0	-29.1
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	-0.6	-0.8
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 %
Asset utilisation							
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
Returns							
ROCE	13.7 %	13.3 %	9.1 %	-30.7 %	11.8 %	15.8 %	19.6 %
ROE	10.2 %	3.7 %	2.7 %	-116.0 %	3.1 %	11.1 %	17.7 %
Other							
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	0.06	0.22	0.38
Valuation ratios							
P/BV	1.1	1.2	1.0	2.1	1.3	1.2	1.1
EV/sales	0.2	0.2	0.2	0.3	0.2	0.2	0.2
EV/EBITDA	3.4	4.3	5.6	-3.2	4.4	3.7	2.0
EV/EBITA	3.5	4.5	6.1	-3.2	4.6	3.9	2.1
EV/EBIT	4.0	5.2	6.3	-3.2	5.4	4.3	2.2
EV/FCF	-9.5	253.2	1.2	-1.6	7.6	6.9	3.4
Adjusted FCF yield	24.5 %	17.5 %	458.8 %	-55.4 %	5.2 %	16.6 %	17.6 %
Dividend yield	3.4 %	5.1 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %

Source: Company data, Hauck & Aufhäuser

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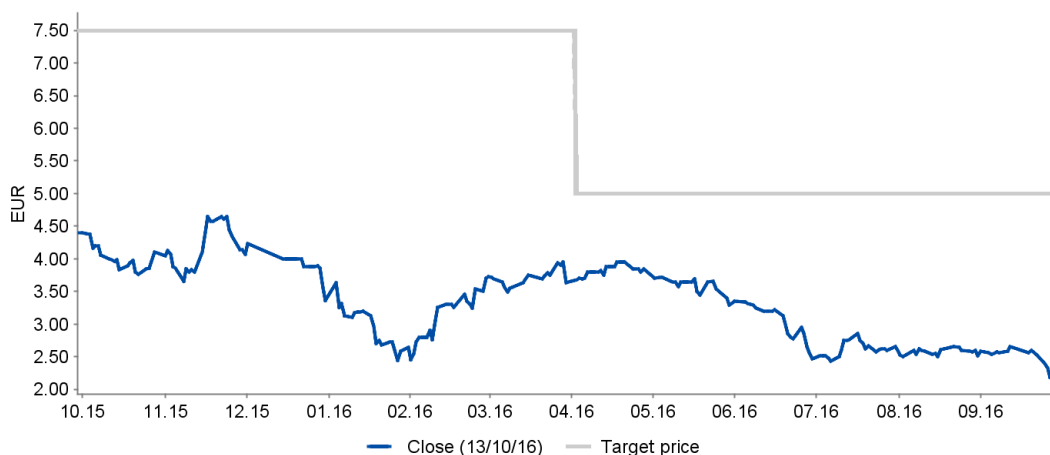
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Company	Disclosure
DEAG Deutsche Entertainment AG	2, 3

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 14/10/16**

Initiation coverage
04-December-09



Company	Date	Analyst	Rating	Target price	Close
DEAG	29.09.2016		Buy	EUR 5.00	-
	30.08.2016		Buy	EUR 5.00	-
	18.04.2016		Buy	EUR 5.00	-
	01.12.2015		Buy	EUR 7.50	-

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