

Nexway AG

Reuters: A5AB.GF

Bloomberg: A5AB GR EQU

Focussing on the education segment

After the sale of the e-commerce services activities in Switzerland and France for an amount of EUR 2.0 million (corresponding to 43.4% of the current market capitalization) and the announced sale of the remaining e-commerce outsourcing activities, Nexway will focus on the education business segment, a segment with substantial profitability. In this segment, Nexway creates and operates software procurement portals for universities, colleges, research institutes, university clinics and companies by means of central intranet portals, which enable authorised users to purchase software products such as new releases and updates, usually at more favourable conditions than in the stand-alone case purchase. We assume that this business will be strengthened and expanded thematically by selective acquisitions in German-speaking countries.

The current majority shareholder of the company, Facebank Group, is to be proposed to the Annual General Meeting at the end of May as buyer of 75% of the remaining e-commerce services activities. After its merger with FuboTV, one of the fastest growing OTT content streaming platforms in the USA according to company statements, the payment and merchant of record services will be provided both internally and for external third parties. Nexway will then only participate in the company's previous core business in the form of a minority stake of 25%.

Additional components of the measures published yesterday are a relocation of the headquarter of Nexway AG, which will in future act as a holding company, and a change in the company name, which is intended to reflect the new educational focus. No further details have yet been released.

If we assume—from our point of view conservatively—an amount of EUR 5 million as sales proceeds for the remaining e-commerce activities, our three-stage DCF entity model results in a price target of EUR 18.40 (previously EUR 21.80) per share (base case scenario). A Monte Carlo scenario analysis, based on alternative sales and earnings scenarios, shows best-case and worst-case values of equity of EUR 16.70 and EUR 20.70 per share. Based on yesterday's closing price of EUR 7.05, our 24-months forecast indicates a share price potential of 161.0%. We confirm our buy rating for the shares of Nexway AG.

Rating: Buy **Risk:** Very high
Price: EUR 7.05
Price target: EUR 18.40 (previously EUR 21.80)

WKN / ISIN: A2E370 / DE000A2E3707

Indices: -

Transparency level: Open market Frankfurt

Weighted number of shares: 0.654 mn

Market cap: EUR 4.6 mn

Daily trading volume: 500 shares

Annual report: Expected 29 May 2020

EUR mn (12/31)	2018	2019e	2020e	2021e
Revenues	85.8	189.9	22.3	27.7
EBITDA	-0.3	-2.2	0.5	1.2
EBIT	-1.9	-6.8	0.4	1.1
EBT	-1.9	-7.2	0.4	1.1
EAT	-1.8	-6.6	0.4	1.0

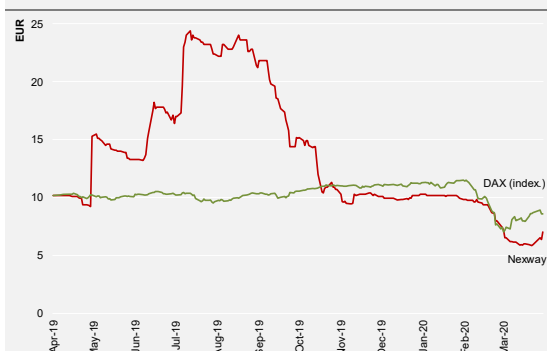
% gross profit	2018	2019e	2020e	2021e
EBITDA	-2.7%	-15.3%	14.4%	23.9%
EBIT	-19.7%	-47.2%	11.6%	21.6%
EBT	-19.8%	-49.5%	12.6%	22.4%
EAT	-19.4%	-45.5%	11.9%	21.3%

Per share (EUR)	2018	2019e	2020e	2021e
EPS	-3.26	-10.10	0.65	1.60
Dividend	0.00	0.00	0.00	0.00
Book value	2.35	1.42	2.07	3.66
Cash flow	-0.17	43.61	-49.97	1.72

%	2018	2019e	2020e	2021e
Equity ratio	11.9%	2.1%	8.0%	12.5%
Gearing	-15%	-57%	560%	313%

x	2018	2019e	2020e	2021e
P/ER	n/a	n/a	10.9	4.4
EV/sales	0.07	0.03	0.54	0.44
EV/EBIT	n/a	n/a	29.6	11.4
P/BR	4.6	6.9	3.4	1.9

EUR mn	2019e	2020e	2021e
Guidance: Revenues	n/a	n/a	n/a
Guidance: EBIT	n/a	n/a	n/a



SOURCE: COMPANY DATA, SPHENE CAPITAL FORECAST

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Over the medium term, our base case scenario gives an equity value of EUR 12.0 mn or EUR 18.40 per share.

Price target EUR 18.40 per share

In our model, the enterprise value of Nexway AG is EUR 11.5 mn. 22.0% of this is derived from the terminal value, 18.0% and 60.1%, respectively, from the cash flows generated in the detailed and rough planning phase.

In addition to the current net financial position (as at 12/2020e) of EUR 0.5 mn (based on excess cash, which we have classified as 97.5% of the balance sheet liquidity position), this results in a value of equity of EUR 12.0 mn. With 0.654 mn shares, this corresponds to a value of EUR 18.40 per share.

TABLE 1: DCF VALUATION MODEL SUMMARY

			Comment
TV Insolvency rate	%	7.2%	Synthetic corporate bond B- rating with 10% RR and default spread 600 bps
Terminal Cost of capital	%	5.5%	500 bps long-term equity risk premium compared to 30-years Bunds
Present value of terminal value	EUR mn	2.5	Based on the terminal value in 2034e
in % of Enterprise Value	%	22.0%	
PV FCFF Detailed planning phase	EUR mn	2.1	Based on the present value of the FCFF for the period 2020e-22e
in % of Enterprise Value	%	18.0%	
PV FCFF rough planning phase	EUR mn	6.9	Based on the present value of the FCFF for the period 2023e-33e
in % of Enterprise Value	%	60.1%	
Enterprise Value	EUR mn	11.5	
Financial debt	EUR mn	-8.0	Data as of 31 12 2020e
Excess Cash	EUR mn	8.5	Data as of 31 12 2020e
Value of equity	EUR mn	12.0	
Number of shares	mn	0.7	
Value of equity per share	EUR	18.40	On a 24 months investment horizon

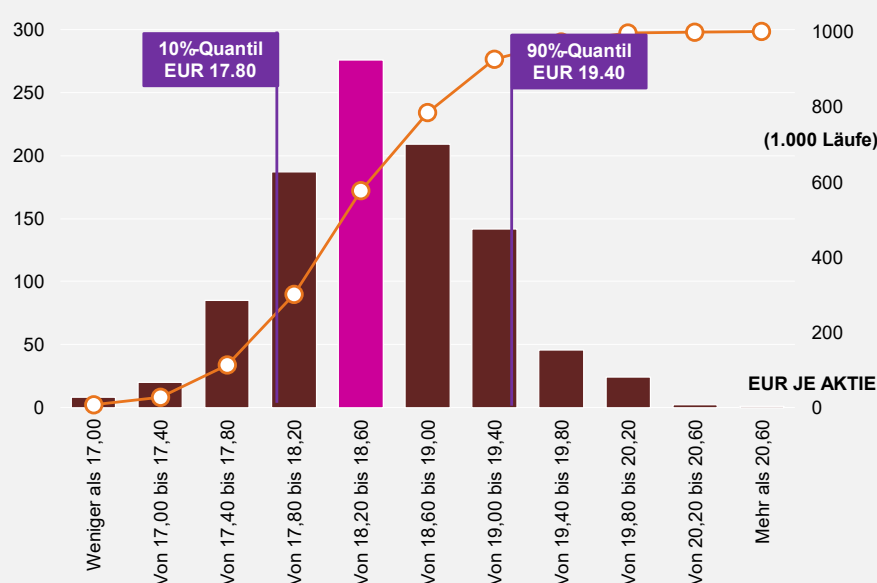
SOURCE: SPHENE CAPITAL FORECAST

Scenario analysis through Monte Carlo simulation

In the following exhibit 1, the limits for the growth rate and the EBIT margin in Terminal Value were further extended and a total of 1,000 combinations of the two parameters were tested and evaluated. The results show that equity values of less than EUR 10.9 mn or more than EUR 13.5 mn or less than EUR 16.70 and more than EUR 20.70 per share can hardly be achieved by combinations of the two variables growth rate and terminal EBIT margin.

Monte Carlo simulation with price targets between EUR 16.70 and EUR 20.70 per share

EXHIBIT 1: MONTE CARLO SIMULATION



The figure shows a right-skewed histogram with a mode between EUR 18.20 and EUR 18.60 per share. The 10% and 90% quantiles are at EUR 17.80 and EUR 19.40 per share, respectively.

SOURCE: SPHENE CAPITAL FORECAST

Multiples in reaching our DCF based equity value

Based on our financial forecasts and if the equity value we calculated (base case scenario in the DCF valuation model) of EUR 18.40 per share is reached, Nexway will be valued at the following multiples:

TABLE 2: VALUATION MULTIPLES

		Valuation at current share price			Valuation at price target		
		2020e	2021e	2022e	2020e	2021e	2022e
P/ER	x	10.9x	4.4x	4.2x	28.5x	11.5x	10.9x
EV/sales	x	0.5x	0.4x	0.4x	0.9x	0.7x	0.7x
EV/EBIT	x	29.6x	11.4x	10.7x	47.6x	18.4x	17.4x
P/BR	x	3.4x	1.9x	1.3x	8.9x	5.0x	3.4x
Dividend yield	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

SOURCE: SPHENE CAPITAL FORECAST

Downside risks for reaching our equity value

We have identified the following weaknesses and downside risks, which could affect the company reaching our equity value range:

- Ⓢ Currently **no audited consolidated financial statements** of the company, which is now focused on the educational segment,
- Ⓢ **improvable profitability**, as Nexway has not been able to achieve positive operating results in many of the past years,

- Ⓢ potential **stock overhang** after the merger,
- Ⓢ **low liquidity** of the shares,
- Ⓢ **dependencies on management** (“key-man-risk”).

Catalysts for performance

We consider the most important catalysts for the performance of Nexway’s share price in the coming months to be

- Ⓢ news regarding a better than expected **earnings performance**,
- Ⓢ **M&A activities** in the educational business,
- Ⓢ news regarding **new client wins**, f. ex. among school facilities that should be considered in the future, in our view.

Management guidance

Following the sale of the e-commerce services activities, Nexway has not yet issued any guidance for the current financial year with regard to the expected sales and earnings development.

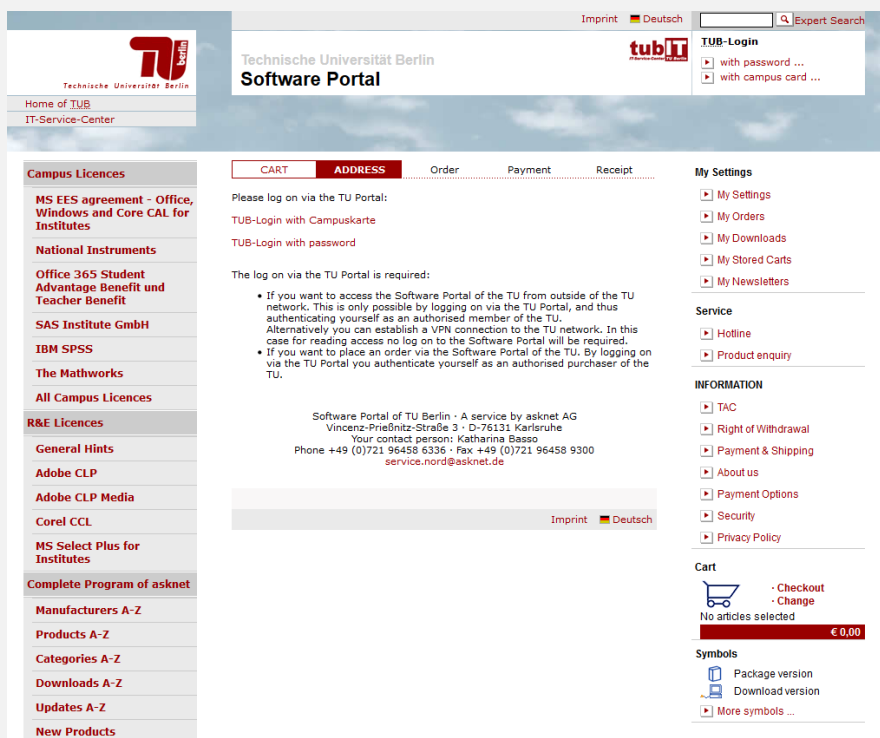
Following the majority sale of the e-commerce services activities, the development and operation of software procurement portals for universities, colleges, research institutes, university clinics and companies in form of central intranet portals constitutes the core business segment of Nexway AG. These procurement portals enable authorized users to purchase software products, usually at more favourable terms than in the stand-alone case. In this business area, Nexway operates exclusively in German-speaking countries. Typical users of the products offered by Nexway are professional customers who download updates or new releases.

Core business segment Academics

Nexway's core business is the development and operation of customer-specific software procurement portals that are used in universities, research institutions, university hospitals, and companies. Via a central intranet site, authorized employees, research assistants and students of the educational institutions can obtain software products and download them to their computers. The procurement portals are seamlessly linked to the intranet of the respective facilities. As part of volume licenses agreements offered by Nexway, users can purchase the software products, particularly in the scientific field, at significantly cheaper terms.

Nexway's procurement portals enable students and university employees the download of software (packages) at discounted prices.

EXHIBIT 2: SCREENSHOT OF A UNIVERSITY PORTAL



More than 80% of German universities use the procurement portals offered by Nexway.

SOURCE: COMPANY DATA, SPHENE CAPITAL

For these services, Nexway receives a percentage share of the gross or net proceeds that are achieved through the sale of digital products or through software updates via the online shop. According to our estimates, 85% of the proceeds are from the resale of software from more than 130 software manufacturers and 15% from the development and maintenance of the e-procurement portal via a software-as-a-service (SaaS) Model

as well as other customer-specific services, such as Office 365, marketing or SEO services.

Significant savings potentials

In Germany, universities have always tried to obtain larger volume licenses at university or state level in order to save costs. The advantage of a central procurement portal is that the individual universities have a central information, procurement, and distribution platform that enables them to obtain, distribute, and bill software efficiently. This means that software licenses no longer have to be purchased for each individual PC; instead, the universities pay royalties depending on the number of employees and users who can use the licensed desktop software on any computer and device of the respective university as well as to work on their private computers. In addition, the framework contracts concluded with Nexway offer the universities uniform conditions. These facilitate license management and enable a higher degree of standardization. Therefore, the savings potential in terms of procurement time and costs are considerable, in our opinion.

In principle, all higher education institutions are potential customers of Nexway.

Nexway's Academics suppliers and customers

Suppliers of the software are developers such as Microsoft or Adobe on the one hand, and classic distributors such as Ingram or TechData on the other. Four software manufacturers—Microsoft (49%), Adobe (21%), Ansys (11%), and IBM (6%)—are responsible for approximately 85% of the resale gross revenues, according to the management.

In the Academics division, Nexway is exclusively present in German-speaking countries and, according to Nexway, has clearly assumed market leadership with more than 80% of the universities.

Nexway's customers are universities and technical colleges such as the Freie Universität Berlin or the RWTH Aachen, university hospitals, and scientific research institutions such as the Max Planck Society or the Forschungszentrum Karlsruhe. The Academics division is only active in German-speaking countries. According to the company, the customer structure is highly diversified.

Competition in the Academics segment

Currently, more than 80% of German universities and colleges are Nexway customers. The competition is based on three companies: Software 1, Cancom, and Crayon. In our opinion, however, these are less well positioned than Nexway in key aspects, as shown in table 3 below:

	Nexway	Software 1	Cancom	Crayon
Complexity of the procurement portal	●	◐	◐	○
Number of offered software manufacturers	●	◐	◐	◑
Client specific adjustments	●	◐	◐	○
SAP interface	●	○	○	○
Role based functionalities	●	○	○	○

SOURCE: COMPANY DATA, SPHENE CAPITAL

Profit and Loss Account, 2008-14

HGB (12/31)		2008	2009	2010	2011	2012	2013	2014
Gross revenues	EUR mn	74.7	68.9	72.7	65.4	74.8	82.2	89.4
YoY	%	15.1%	-7.7%	5.4%	-10.0%	14.4%	9.9%	8.7%
Other operating income	EUR mn	0.7	0.2	0.1	0.2	0.9	0.6	0.6
Own work capitalized	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total output	EUR mn	75.4	69.1	72.8	65.6	75.7	82.8	90.0
YoY	%	15.5%	-8.3%	5.3%	-9.8%	15.4%	9.4%	8.7%
Material costs	EUR mn	-65.8	-59.5	-62.4	-55.6	-64.9	-72.1	-79.1
In % of total output	%	-87.3%	-86.1%	-85.7%	-84.7%	-85.8%	-87.1%	-88.0%
Gross profit	EUR mn	9.6	9.6	10.4	10.0	10.8	10.7	10.8
YoY	%	6.3%	0.5%	7.8%	-3.4%	7.1%	-0.5%	1.3%
In % of total output	%	12.7%	13.9%	14.3%	15.3%	14.2%	12.9%	12.0%
Gross profit (adjusted)	EUR mn	8.9	9.5	10.3	9.8	9.9	10.1	10.2
YoY	%	12.3%	8.3%	-12.0%	5.0%	0.5%	-9.9%	43.4%
In % of total output	%	11.8%	13.7%	14.1%	15.0%	13.1%	12.3%	11.4%
Personnel costs	EUR mn	-6.3	-5.7	-5.7	-5.9	-4.8	-5.0	-5.4
In % of gross revenues	%	-8.4%	-8.2%	-7.8%	-9.0%	-6.3%	-6.1%	-6.1%
Other operating expenses	EUR mn	-6.2	-5.0	-5.3	-4.9	-5.8	-5.4	-5.2
In % of gross revenues	%	-8.3%	-7.3%	-7.2%	-7.5%	-7.8%	-6.5%	-5.8%
EBITDA	EUR mn	-2.9	-1.1	-0.5	-0.8	0.2	0.4	0.2
in % of gross profit (adjusted)	%	-32.7%	-11.6%	-5.2%	-7.7%	2.0%	3.7%	2.3%
Depreciation	EUR mn	-0.2	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
Amortisation	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	EUR mn	-3.1	-1.2	-0.7	-0.9	0.1	0.2	0.1
YoY	%	3.9%	-59.9%	-46.5%	34.7%	-109.5%	180.0%	-52.2%
YoY	EUR mn	0.4	0.1	-0.1	0.3	0.0	-0.2	0.8
in % of gross profit (adjusted)	%	-34.8%	-13.1%	-6.4%	-9.1%	0.9%	2.3%	1.1%
Income from participations	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net financial result	EUR mn	0.3	0.1	0.1	0.0	0.0	0.0	0.0
Extraordinary items	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBT	EUR mn	-2.9	-1.1	-0.6	-0.8	0.1	0.2	0.1
in % of gross profit (adjusted)	%	-32.2%	-12.0%	-5.7%	-8.6%	1.0%	2.4%	1.1%
Taxes	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
In % of EBT (implied tax rate)	%	1.0%	1.0%	6.0%	3.3%	-23.8%	-4.2%	-8.3%
Net income	EUR mn	-2.9	-1.1	-0.6	-0.9	0.1	0.2	0.1
in % of gross profit (adjusted)	%	-32.5%	-12.1%	-6.0%	-8.9%	0.8%	2.3%	1.0%
Minorities	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nr of shares	mn	0.5	0.5	0.5	0.5	0.5	0.5	0.5
EPS	EUR	-5.74	-2.28	-1.23	-1.74	0.16	0.46	0.21

SOURCE: COMPANY DATA, SPHENE CAPITAL

Profit and Loss Account, 2015-21e

HGB (12/31)		2015	2016	2017	2018	2019e	2020e	2021e
Gross revenues	EUR mn	73.3	68.7	66.2	85.8	189.9	22.3	27.7
YoY	%	-18.0%	-6.3%	-3.7%	29.7%	121.2%	-88.2%	23.9%
Other operating income	EUR mn	0.7	0.6	0.9	0.9	0.2	0.2	0.2
Own work capitalized	EUR mn	0.0	0.0	1.6	0.7	0.5	0.5	0.6
Total output	EUR mn	74.0	69.4	68.7	87.4	190.5	23.1	28.4
YoY	%	-17.8%	-6.3%	-0.9%	27.2%	118.0%	-87.9%	23.3%
Material costs	EUR mn	-63.4	-60.2	-57.9	-76.4	-175.4	-18.8	-22.8
In % of total output	%	-85.6%	-86.7%	-84.2%	-87.4%	-92.0%	-81.6%	-80.2%
Gross profit	EUR mn	10.6	9.2	10.9	11.0	15.2	4.2	5.6
YoY	%	-1.9%	-13.4%	18.1%	1.4%	37.8%	-72.0%	32.6%
In % of total output	%	14.4%	13.3%	15.8%	12.6%	8.0%	18.4%	19.8%
Gross profit (adjusted)	EUR mn	10.0	8.6	8.3	9.4	14.5	3.5	4.9
YoY	%	-38.6%	23.8%	-3.3%	14.0%	53.6%	-75.6%	38.6%
In % of total output	%	13.5%	12.3%	12.1%	10.8%	7.6%	15.4%	17.3%
Personnel costs	EUR mn	-5.2	-5.4	-4.9	-5.6	-11.6	-1.5	-1.7
In % of gross revenues	%	-7.1%	-7.8%	-7.5%	-6.5%	-6.1%	-6.7%	-6.1%
Other operating expenses	EUR mn	-5.2	-5.3	-4.9	-5.7	-5.8	-2.2	-2.8
In % of gross revenues	%	-7.1%	-7.8%	-7.5%	-6.7%	-3.0%	-10.0%	-10.0%
EBITDA	EUR mn	0.2	-1.5	1.0	-0.3	-2.2	0.5	1.2
in % of gross profit (adjusted)	%	2.3%	-17.6%	12.0%	-2.7%	-15.3%	14.4%	23.9%
Depreciation	EUR mn	-0.1	-0.1	-0.4	-1.6	-4.6	-0.1	-0.1
Amortisation	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	EUR mn	0.1	-1.7	0.6	-1.9	-6.8	0.4	1.1
YoY	%	-16.5%	-1843.0%	-135.6%	-415.8%	267.9%	-106.0%	157.9%
YoY	EUR mn	-1.2	0.3	0.8	-6.1	5.9	0.6	0.0
in % of gross profit (adjusted)	%	1.0%	-19.3%	7.1%	-19.7%	-47.2%	11.6%	21.6%
Income from participations	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net financial result	EUR mn	0.0	-0.2	0.0	0.0	-0.3	0.0	0.0
Extraordinary items	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBT	EUR mn	0.1	-1.8	0.6	-1.9	-7.2	0.4	1.1
in % of gross profit (adjusted)	%	0.9%	-21.4%	7.0%	-19.8%	-49.5%	12.6%	22.4%
Taxes	EUR mn	0.0	0.0	-0.5	0.0	0.6	0.0	-0.1
In % of EBT (implied tax rate)	%	-11.2%	0.0%	-85.9%	-2.0%	-8.0%	-5.0%	-5.0%
Net income	EUR mn	0.1	-1.8	0.1	-1.8	-6.6	0.4	1.0
in % of gross profit (adjusted)	%	0.8%	-21.4%	1.0%	-19.4%	-45.5%	11.9%	21.3%
Minorities	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nr of shares	mn	0.5	0.5	0.6	0.6	0.7	0.7	0.7
EPS	EUR	0.16	-3.60	0.15	-3.26	-10.10	0.65	1.60

SOURCE: COMPANY DATA, SPHENE CAPITAL FORECAST

Balance Sheet (Assets), 2008-14

HGB (12/31)		2008	2009	2010	2011	2012	2013	2014
ASSETS								
Non-current assets	EUR mn	0.3	0.2	0.3	0.2	0.3	0.3	1.4
Intangible assets	EUR mn	0.1	0.1	0.0	0.0	0.0	0.0	1.1
Property, plant & equipment	EUR mn	0.1	0.2	0.3	0.2	0.1	0.3	0.3
Shares in affiliated companies	EUR mn	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Loans to affiliated companies	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Advance payments	EUR mn	0.0	0.0	0.0	0.0	0.1	0.0	0.0
Current assets	EUR mn	13.8	13.0	14.4	11.3	13.0	12.5	16.2
Inventory	EUR mn	0.3	0.2	0.2	0.1	0.4	1.0	1.0
DIO	d	2	1	1	1	2	5	4
Trade receivables	EUR mn	5.0	4.6	5.1	4.8	5.4	6.4	7.6
DSO	d	24	24	25	26	26	28	30
Receivables from affiliated companies	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Receivables from called capital	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other current assets	EUR mn	0.3	0.3	0.3	0.3	0.6	0.2	0.2
Cash & cash equivalents	EUR mn	8.2	8.0	8.8	6.1	6.6	4.9	7.5
Deferred items	EUR mn	0.2	0.2	0.2	0.1	0.2	0.2	0.2
Equity deficit	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total assets	EUR mn	14.4	13.4	14.9	11.7	13.5	13.1	17.7
SOURCE: COMPANY DATA, SPHENE CAPITAL								

Balance Sheet (Assets), 2015-21e

HGB (12/31)		2015	2016	2017	2018	2019e	2020e	2021e
ASSETS								
Non-current assets	EUR mn	1.4	1.8	3.1	3.0	26.5	3.8	3.8
Intangible assets	EUR mn	1.1	1.6	2.9	2.3	26.2	3.5	3.6
Property, plant & equipment	EUR mn	0.3	0.3	0.2	0.2	0.2	0.2	0.2
Shares in affiliated companies	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loans to affiliated companies	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Advance payments	EUR mn	0.0	0.0	0.0	0.5	0.1	0.1	0.1
Current assets	EUR mn	10.3	9.4	8.0	7.9	18.1	13.0	15.2
Inventory	EUR mn	0.8	0.1	0.0	0.0	0.1	0.1	0.1
DIO	d	5	1	0	0	0	2	2
Trade receivables	EUR mn	3.6	3.8	3.2	3.7	6.7	3.3	4.3
DSO	d	18	20	17	15	13	54	56
Receivables from affiliated companies	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Receivables from called capital	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other current assets	EUR mn	0.6	0.4	0.3	0.3	0.8	0.8	0.8
Cash & cash equivalents	EUR mn	5.3	5.2	4.5	3.9	10.6	8.8	9.9
Deferred items	EUR mn	0.4	0.2	0.1	0.1	0.2	0.2	0.2
Equity deficit	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total assets	EUR mn	12.2	11.5	11.2	11.0	44.8	16.9	19.1
SOURCE: COMPANY DATA, SPHENE CAPITAL FORECAST								

Balance Sheet (Liabilities), 2008-14

HGB (12/31)		2008	2009	2010	2011	2012	2013	2014
LIABILITIES AND EQUITY								
Total shareholder's equity	EUR mn	6.2	5.0	4.4	3.5	3.6	3.8	3.9
Equity ratio	%	42.8%	37.2%	29.6%	30.3%	26.7%	29.1%	22.1%
Issued capital	EUR mn	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Capital reserve	EUR mn	1.3	0.0	0.0	0.0	0.0	0.0	0.0
Currency adjustments	EUR mn	0.1	0.1	0.1	0.1	0.1	0.0	0.0
Accumulated deficit	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit/Loss of period	EUR mn	-0.2	-0.1	-0.7	-1.6	-1.5	-1.3	-1.2
Equity deficit	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Special items	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pension reserves	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other provisions	EUR mn	1.3	1.4	1.1	1.2	1.4	3.0	3.2
Current liabilities	EUR mn	6.9	7.0	9.2	6.8	8.5	6.2	10.2
Bank debt	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trade payables	EUR mn	6.4	6.3	8.4	6.2	7.5	5.2	7.3
DPO	d	26.6	25.3	34.1	22.6	14.9	18.8	32.0
Other current liabilities	EUR mn	0.5	0.6	0.9	0.6	1.0	1.1	2.9
Deferred items	EUR mn	0.0	0.0	0.1	0.1	0.0	0.0	0.5
Total liabilities and shareholders' equity	EUR mn	14.4	13.4	14.9	11.7	13.5	13.1	17.7
SOURCE: COMPANY DATA, SPHENE CAPITAL								

Balance Sheet (Liabilities), 2015-21e

HGB (12/31)		2015	2016	2017	2018	2019e	2020e	2021e
LIABILITIES AND EQUITY								
Total shareholder's equity	EUR mn	4.1	1.6	2.1	1.3	0.9	1.4	2.4
Equity ratio	%	33.9%	14.3%	19.1%	11.9%	2.1%	8.0%	12.5%
Issued capital	EUR mn	5.1	5.1	0.6	0.7	0.7	0.7	0.7
Capital reserve	EUR mn	0.1	0.1	1.4	2.3	6.8	6.8	6.8
Currency adjustments	EUR mn	0.1	0.1	0.1	0.1	0.0	0.0	0.0
Accumulated deficit	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit/Loss of period	EUR mn	-1.1	-3.6	0.2	-1.7	-6.5	-6.1	-5.1
Equity deficit	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Special items	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pension reserves	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other provisions	EUR mn	2.8	3.1	2.7	2.2	1.8	1.8	1.8
Current liabilities	EUR mn	4.6	6.2	5.8	7.1	42.0	13.7	14.9
Bank debt	EUR mn	0.0	0.0	0.0	0.0	0.0	8.0	8.0
Trade payables	EUR mn	3.6	4.6	4.7	5.2	40.0	3.5	4.5
DPO	d	18	24	26	22	76	56	59
Other current liabilities	EUR mn	1.0	1.6	1.1	1.9	2.0	2.2	2.4
Deferred items	EUR mn	0.6	0.6	0.6	0.4	0.0	0.0	0.0
Total liabilities and shareholders' equity	EUR mn	12.2	11.5	11.2	11.0	44.8	16.9	19.1
SOURCE: COMPANY DATA, SPHENE CAPITAL FORECAST								

Balance Sheet (Assets, Normalized), 2008-14

HGB (12/31)		2008	2009	2010	2011	2012	2013	2014
ASSETS								
Non-current assets	%	2.3%	1.9%	2.0%	2.0%	2.2%	2.6%	7.7%
Intangible assets	%	0.7%	0.5%	0.3%	0.2%	0.1%	0.1%	6.0%
Property, plant & equipment	%	1.0%	1.4%	1.7%	1.8%	1.1%	2.5%	1.7%
Shares in affiliated companies	%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Loans to affiliated companies	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Advance payments	%	0.0%	0.0%	0.0%	0.0%	1.1%	0.0%	0.0%
Current assets	%	96.1%	96.8%	96.9%	96.9%	96.3%	95.7%	91.4%
Inventory	%	2.2%	1.4%	1.5%	1.1%	2.7%	7.8%	5.6%
Trade receivables	%	34.6%	34.0%	34.1%	41.1%	40.1%	48.7%	42.7%
Receivables from affiliated companies	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Receivables from called capital	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other current assets	%	2.4%	2.1%	1.9%	2.7%	4.8%	1.8%	1.0%
Cash & cash equivalents	%	57.0%	59.3%	59.3%	52.0%	48.7%	37.5%	42.1%
Deferred items	%	1.6%	1.4%	1.1%	1.2%	1.5%	1.7%	0.9%
Equity deficit	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total assets	%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
SOURCE: COMPANY DATA, SPHENE CAPITAL								

Balance Sheet (Assets, Normalized), 2015-21e

HGB (12/31)		2015	2016	2017	2018	2019e	2020e	2021e
ASSETS								
Non-current assets	%	11.4%	15.9%	27.7%	26.9%	59.2%	22.3%	20.0%
Intangible assets	%	8.7%	13.7%	26.0%	21.0%	58.6%	20.7%	18.5%
Property, plant & equipment	%	2.8%	2.2%	1.8%	1.4%	0.3%	1.0%	1.0%
Shares in affiliated companies	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Loans to affiliated companies	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Advance payments	%	0.0%	0.0%	0.0%	4.5%	0.2%	0.6%	0.5%
Current assets	%	85.1%	82.1%	71.1%	71.9%	40.5%	76.8%	79.2%
Inventory	%	6.7%	0.8%	0.4%	0.4%	0.2%	0.6%	0.7%
Trade receivables	%	29.4%	33.1%	28.2%	33.3%	14.9%	19.8%	22.7%
Receivables from affiliated companies	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Receivables from called capital	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other current assets	%	5.1%	3.3%	2.7%	3.1%	1.7%	4.4%	3.9%
Cash & cash equivalents	%	43.9%	44.9%	39.8%	35.1%	23.7%	52.0%	51.9%
Deferred items	%	3.5%	2.0%	1.2%	1.2%	0.3%	0.9%	0.8%
Equity deficit	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total assets	%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
SOURCE: COMPANY DATA, SPHENE CAPITAL FORECAST								

Balance Sheet (Liabilities, Normalized), 2008-14

HGB (12/31)		2008	2009	2010	2011	2012	2013	2014
LIABILITIES AND EQUITY								
Total shareholder's equity	%	42.8%	37.2%	29.6%	30.3%	26.7%	29.1%	22.1%
Issued capital	%	35.1%	37.5%	33.9%	43.1%	37.3%	38.6%	28.5%
Capital reserve	%	8.9%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Currency adjustments	%	0.4%	0.4%	0.5%	0.8%	0.5%	0.3%	0.3%
Accumulated deficit	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Profit/Loss of period	%	-1.6%	-1.0%	-4.8%	-13.6%	-11.2%	-9.8%	-6.6%
Equity deficit	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Minorities	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Special items	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Pension reserves	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other provisions	%	8.9%	10.5%	7.6%	10.1%	10.4%	22.8%	17.9%
Current liabilities	%	47.9%	51.9%	62.0%	58.5%	62.6%	47.8%	57.4%
Bank debt	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Trade payables	%	44.8%	47.1%	56.2%	53.3%	55.2%	39.4%	41.1%
Other current liabilities	%	3.1%	4.8%	5.8%	5.2%	7.4%	8.4%	16.3%
Deferred items	%	0.3%	0.4%	0.8%	1.1%	0.3%	0.3%	2.6%
Total liabilities and shareholders' equity	%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
SOURCE: COMPANY DATA, SPHENE CAPITAL								

Balance Sheet (Liabilities, Normalized), 2015-21e

HGB (12/31)		2015	2016	2017	2018	2019e	2020e	2021e
LIABILITIES AND EQUITY								
Total shareholder's equity	%	33.9%	14.3%	19.1%	11.9%	2.1%	8.0%	12.5%
Issued capital	%	41.9%	44.4%	5.0%	5.9%	1.5%	3.9%	3.4%
Capital reserve	%	0.4%	0.4%	12.2%	20.4%	15.1%	40.1%	35.4%
Currency adjustments	%	0.6%	0.8%	0.5%	0.7%	0.1%	0.2%	0.1%
Accumulated deficit	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Profit/Loss of period	%	-9.0%	-31.3%	1.4%	-15.1%	-14.6%	-36.1%	-26.4%
Equity deficit	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Minorities	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Special items	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Pension reserves	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other provisions	%	23.2%	27.1%	24.2%	20.0%	4.0%	10.7%	9.4%
Current liabilities	%	37.7%	53.8%	51.4%	64.3%	93.9%	81.2%	78.0%
Bank debt	%	0.0%	0.0%	0.0%	0.0%	0.0%	47.4%	41.8%
Trade payables	%	29.3%	40.0%	41.8%	47.1%	89.4%	20.7%	23.5%
Other current liabilities	%	8.3%	13.8%	9.6%	17.2%	4.5%	13.0%	12.6%
Deferred items	%	5.2%	4.8%	5.3%	3.7%	0.1%	0.1%	0.1%
Total liabilities and shareholders' equity	%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
SOURCE: COMPANY DATA, SPHENE CAPITAL FORECAST								

Cash Flow Statement, 2008-14

HGB (12/31)		2008	2009	2010	2011	2012	2013	2014
Net income	EUR mn	-2.9	-1.1	-0.6	-0.9	0.1	0.2	0.1
Depreciation & Amortisation	EUR mn	0.2	0.1	0.1	0.1	0.1	0.1	0.1
Income from sale of assets	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Δ inventory	EUR mn	0.1	0.1	0.0	0.1	-0.2	-0.7	0.0
Δ trade receivables	EUR mn	0.5	0.4	-0.5	0.3	-0.6	-0.9	-1.2
Δ other receivables	EUR mn	0.4	0.1	0.0	0.0	-0.3	0.4	0.1
Δ deferred tax assets	EUR mn	-0.1	0.0	0.0	0.0	-0.1	0.0	0.1
Δ other long-term provisions	EUR mn	-0.3	0.1	-0.3	0.1	0.2	1.6	0.2
Δ other short-term provisions	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Δ trade payables	EUR mn	0.7	-0.1	2.0	-2.1	1.2	-2.3	2.1
Δ special items	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Δ deferred liabilities	EUR mn	0.0	0.0	0.1	0.0	-0.1	0.0	0.4
Currency adjustments	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other operational adjustments	EUR mn	-0.2	0.2	0.2	-0.3	0.4	0.2	1.7
Operating cash flow	EUR mn	-1.7	-0.1	1.0	-2.7	0.7	-1.4	3.7
Investments in financial assets	EUR mn	0.0	0.1	0.0	0.0	0.0	0.0	0.0
Investments in intangible assets	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	-1.0
Investments in tangible assets	EUR mn	-0.1	-0.2	-0.2	-0.1	-0.1	-0.3	-0.1
Cash flow from investing	EUR mn	-0.1	-0.1	-0.2	-0.1	-0.2	-0.2	-1.2
Free cash flow	EUR mn	-1.8	-0.2	0.8	-2.8	0.5	-1.6	2.5
Δ Capital stock	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Δ Capital reserves	EUR mn	-3.0	-1.2	0.0	0.0	0.0	0.0	0.0
Δ Bank debt	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Δ other interest-bearing liabilities	EUR mn	-0.2	0.2	0.2	-0.2	0.4	0.1	1.8
Other operational adjustments	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Less prior-year dividend	EUR mn	3.3	1.0	-0.2	0.2	-0.4	-0.1	-1.8
Financing cash flow	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net cash inflow	EUR mn	-1.8	-0.2	0.8	-2.8	0.5	-1.6	2.5
Currency adjustments	EUR mn	0.0	0.0	0.0	0.0	0.0	-0.1	0.0
Net cash opening balance	EUR mn	9.9	8.2	8.0	8.8	6.1	6.6	4.9
Net cash closing balance	EUR mn	8.2	8.0	8.8	6.1	6.6	4.9	7.5

SOURCE: COMPANY DATA, SPHENE CAPITAL

Cash Flow Statement, 2015-21e

HGB (12/31)		2015	2016	2017	2018	2019e	2020e	2021e
Net income	EUR mn	0.1	-1.8	0.1	-1.8	-6.6	0.4	1.0
Depreciation & Amortisation	EUR mn	0.1	0.1	0.4	1.6	4.6	0.1	0.1
Income from sale of assets	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Δ inventory	EUR mn	0.2	0.7	0.0	0.0	0.0	0.0	0.0
Δ trade receivables	EUR mn	4.0	-0.2	0.6	-0.5	-3.0	3.3	-1.0
Δ other receivables	EUR mn	-0.4	0.2	0.1	0.0	-0.4	0.0	0.0
Δ deferred tax assets	EUR mn	-0.3	0.2	0.1	0.0	0.0	0.0	0.0
Δ other long-term provisions	EUR mn	-0.3	0.3	-0.4	-0.5	-0.4	0.0	0.0
Δ other short-term provisions	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Δ trade payables	EUR mn	-3.7	1.0	0.1	0.5	34.8	-36.5	1.0
Δ special items	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Δ deferred liabilities	EUR mn	0.2	-0.1	0.0	-0.2	-0.4	0.0	0.0
Currency adjustments	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other operational adjustments	EUR mn	-2.0	-0.1	-0.4	0.8	0.0	0.0	0.0
Operating cash flow	EUR mn	-2.2	0.4	0.6	-0.1	28.5	-32.7	1.1
Investments in financial assets	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Investments in intangible assets	EUR mn	0.0	-0.5	-1.3	0.6	-23.9	22.7	-0.1
Investments in tangible assets	EUR mn	-0.2	-0.1	-0.3	-1.6	-4.6	-0.1	-0.1
Cash flow from investing	EUR mn	-0.2	-0.6	-1.7	-1.5	-26.4	22.6	-0.2
Free cash flow	EUR mn	-2.3	-0.2	-1.1	-1.6	2.1	-10.0	0.9
Δ Capital stock	EUR mn	0.1	0.0	-4.5	0.1	0.0	0.0	0.0
Δ Capital reserves	EUR mn	0.1	0.0	1.3	0.9	4.5	0.0	0.0
Δ Bank debt	EUR mn	0.0	0.0	0.0	0.0	0.0	8.0	0.0
Δ other interest-bearing liabilities	EUR mn	-1.9	0.6	-0.5	0.8	0.1	0.2	0.2
Other operational adjustments	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Less prior-year dividend	EUR mn	1.9	-0.6	4.2	-0.8	0.0	0.0	0.0
Financing cash flow	EUR mn	0.1	0.0	0.5	1.0	4.6	8.2	0.2
Net cash inflow	EUR mn	-2.2	-0.2	-0.7	-0.6	6.7	-1.8	1.2
Currency adjustments	EUR mn	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Net cash opening balance	EUR mn	7.5	5.3	5.2	4.5	3.9	10.6	8.8
Net cash closing balance	EUR mn	5.3	5.2	4.5	3.9	10.6	8.8	9.9

SOURCE: COMPANY DATA, SPHENE CAPITAL FORECAST

One View, 2008-14

HGB (12/31)		2008	2009	2010	2011	2012	2013	2014
Key data								
Sales	EUR mn	74.7	68.9	72.7	65.4	74.8	82.2	89.4
Gross profit	EUR mn	9.6	9.6	10.4	10.0	10.8	10.7	10.8
Gross profit (adjusted)	EUR mn	8.9	9.5	10.3	9.8	9.9	10.1	10.2
EBITDA	EUR mn	-2.9	-1.1	-0.5	-0.8	0.2	0.4	0.2
EBIT	EUR mn	-3.1	-1.2	-0.7	-0.9	0.1	0.2	0.1
EBT	EUR mn	-2.9	-1.1	-0.6	-0.8	0.1	0.2	0.1
Net income	EUR mn	-2.9	-1.1	-0.6	-0.9	0.1	0.2	0.1
Nr. of employees		99	95	98	81	87	92	88
Per share data								
Price high	EUR	124.90	41.00	41.70	34.90	22.50	30.00	28.00
Price low	EUR	40.00	20.80	25.60	8.90	10.90	12.80	13.50
Price average/last	EUR	75.80	31.00	32.40	22.50	15.30	17.60	21.20
Price average/last	EUR	41.00	30.30	27.60	12.60	12.80	25.80	17.20
EPS	EUR	-5.74	-2.28	-1.23	-1.74	0.16	0.46	0.21
BVPS	EUR	12.20	9.92	8.74	7.03	7.15	7.53	7.77
CFPS	EUR	-3.34	-0.28	1.94	-5.36	1.44	-2.79	7.30
Dividend	EUR	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Profitability ratios (based on adjusted gross profit)								
EBITDA margin	%	-32.7%	-11.6%	-5.2%	-7.7%	2.0%	3.7%	2.3%
EBIT margin	%	-34.8%	-13.1%	-6.4%	-9.1%	0.9%	2.3%	1.1%
Pre-tax margin	%	-32.2%	-12.0%	-5.7%	-8.6%	1.0%	2.4%	1.1%
Net margin	%	-32.5%	-12.1%	-6.0%	-8.9%	0.8%	2.3%	1.0%
FCF margin	%	-20.1%	-2.2%	7.8%	-28.1%	5.4%	-15.6%	24.7%
ROE	%	-47.0%	-23.0%	-14.1%	-24.7%	2.2%	6.1%	2.7%
NWC/Sales	%	-9.2%	-14.0%	-27.4%	-10.1%	-14.7%	23.4%	15.7%
Revenues per head	EURk	755	726	741	808	860	894	1.016
EBIT per head	EURk	-31.2	-13.0	-6.8	-11.0	1.0	2.6	1.3
Capex/Sales	%	0.2%	0.3%	0.3%	0.1%	0.1%	0.4%	0.1%
Gross profit premium	%	184.2%	187.7%	212.6%	179.5%	194.3%	170.1%	214.9%
Growth rates								
Sales	%	15.1%	-7.7%	5.4%	-10.0%	14.4%	9.9%	8.7%
Gross profit	%	6.3%	0.5%	7.8%	-3.4%	7.1%	-0.5%	1.3%
Gross profit (adjusted)	%	2.6%	6.3%	8.8%	-4.3%	0.4%	2.7%	0.8%
EBITDA	%	4.8%	-62.4%	-51.1%	41.7%	n/a	87.7%	-36.4%
EBIT	%	3.9%	-59.9%	-46.5%	34.7%	n/a	180.0%	-52.2%
EBT	%	5.5%	-60.3%	-48.6%	45.0%	n/a	131.7%	-52.8%
Net income	%	6.2%	-60.3%	-46.0%	41.2%	n/a	191.4%	-54.8%
EPS	%	6.2%	-60.3%	-46.0%	41.1%	n/a	191.4%	-54.8%
CFPS	%	-40.9%	-91.8%	n/a	n/a	n/a	n/a	n/a
SOURCE: COMPANY DATA, SPHENE CAPITAL								

One View, 2015-21e

HGB (12/31)		2015	2016	2017	2018	2019e	2020e	2021e
Key data								
Sales	EUR mn	73.3	68.7	66.2	85.8	189.9	22.3	27.7
Gross profit	EUR mn	10.6	9.2	10.9	11.0	15.2	4.2	5.6
Gross profit (adjusted)	EUR mn	10.0	8.6	8.3	9.4	14.5	3.5	4.9
EBITDA	EUR mn	0.2	-1.5	1.0	-0.3	-2.2	0.5	1.2
EBIT	EUR mn	0.1	-1.7	0.6	-1.9	-6.8	0.4	1.1
EBT	EUR mn	0.1	-1.8	0.6	-1.9	-7.2	0.4	1.1
Net income	EUR mn	0.1	-1.8	0.1	-1.8	-6.6	0.4	1.0
Nr. of employees		99	96	85	85	175	21	23
Per share data								
Price high	EUR	18.60	29.20	17.00	13.20	24.40	10.30	
Price low	EUR	13.70	11.10	7.41	9.70	9.25	5.85	
Price average/last	EUR	16.40	15.80	12.05	11.16	14.29	8.79	
Price average/last	EUR	16.50	12.50	10.49	10.90	9.80	7.05	7.05
EPS	EUR	0.16	-3.60	0.15	-3.26	-10.10	0.65	1.60
BVPS	EUR	8.10	3.23	3.83	2.35	1.42	2.07	3.66
CFPS	EUR	-4.28	0.71	1.08	-0.17	43.61	-49.97	1.72
Dividend	EUR	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Price target	EUR							18.40
Performance to price target	%							161.0%
Profitability ratios (based on adjusted gross profit)								
EBITDA margin	%	2.3%	-17.6%	12.0%	-2.7%	-15.3%	14.4%	23.9%
EBIT margin	%	1.0%	-19.3%	7.1%	-19.7%	-47.2%	11.6%	21.6%
Pre-tax margin	%	0.9%	-21.4%	7.0%	-19.8%	-49.5%	12.6%	22.4%
Net margin	%	0.8%	-21.4%	1.0%	-19.4%	-45.5%	11.9%	21.3%
FCF margin	%	-23.5%	-2.6%	-13.5%	-16.8%	14.7%	-283.4%	19.1%
ROE	%	2.0%	-111.5%	3.8%	-138.6%	-711.5%	31.3%	43.6%
NWC/Sales	%	22.3%	13.2%	19.7%	10.5%	-47.3%	101.8%	75.6%
Revenues per head	EURk	741	716	778	1,010	1,085	1,064	1,204
EBIT per head	EURk	1.0	-17.2	6.9	-21.9	-39.1	19.6	46.2
Capex/Sales	%	0.2%	0.1%	0.5%	1.8%	2.4%	0.5%	0.5%
Gross profit premium	%	176.2%	153.9%	184.5%	142.0%	358.1%	320.8%	389.3%
Growth rates								
Sales	%	-18.0%	-6.3%	-3.7%	29.7%	121.2%	-88.2%	23.9%
Gross profit	%	-1.9%	-13.4%	18.1%	1.4%	37.8%	-72.0%	32.6%
Gross profit (adjusted)	%	-2.7%	-14.0%	-3.3%	14.0%	53.6%	-75.6%	38.6%
EBITDA	%	-4.6%	n/a	n/a	n/a	756.7%	n/a	129.0%
EBIT	%	-16.5%	n/a	n/a	n/a	267.9%	n/a	157.9%
EBT	%	-19.3%	n/a	n/a	n/a	284.8%	n/a	146.9%
Net income	%	-21.8%	n/a	n/a	n/a	261.4%	n/a	146.9%
EPS	%	-22.6%	n/a	n/a	n/a	209.7%	n/a	146.9%
CFPS	%	n/a	n/a	53.1%	n/a	n/a	n/a	n/a
SOURCE: COMPANY DATA, SPHENE CAPITAL FORECAST								

One View II, 2008-14

HGB (12/31)		2008	2009	2010	2011	2012	2013	2014
Balance sheet ratios								
Fixed assets	EUR mn	0.3	0.2	0.3	0.2	0.3	0.3	1.4
Current assets	EUR mn	14.0	13.2	14.6	11.5	13.2	12.7	16.4
Equity	EUR mn	6.2	5.0	4.4	3.5	3.6	3.8	3.9
Liabilities	EUR mn	8.2	8.4	10.5	8.2	9.9	9.3	13.8
Equity ratio	%	42.8%	37.2%	29.6%	30.3%	26.7%	29.1%	22.1%
Gearing	%	-133.0%	-159.3%	-200.2%	-171.5%	-182.5%	-128.8%	-190.6%
Working Capital	EUR mn	-1.1	-1.6	-3.1	-1.3	-1.7	2.2	1.3
Capital Employed	EUR mn	-0.8	-1.3	-2.8	-1.0	-1.4	2.4	1.6
Asset Turnover	x	5.2	5.1	4.9	5.6	5.5	6.3	5.0
Enterprise Value								
Nr. of shares	1.000	504	504	504	504	504	504	504
Market cap.	EUR mn	62.9	20.7	21.0	17.6	11.3	15.1	14.1
Market cap.	EUR mn	20.2	10.5	12.9	4.5	5.5	6.5	6.8
Market cap.	EUR mn	38.2	15.6	16.3	11.3	7.7	8.9	10.7
Market cap.	EUR mn	20.7	15.3	13.9	6.4	6.5	13.0	8.7
Net debt	EUR mn	-8.2	-8.0	-8.8	-6.1	-6.6	-4.9	-7.5
Pension reserves	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Excess Cash	EUR mn	-0.1	0.0	0.0	0.0	0.0	0.0	0.0
EV high	EUR mn	54.7	12.7	12.2	11.5	4.8	10.2	6.7
EV low	EUR mn	11.9	2.5	4.1	-1.6	-1.1	1.6	-0.7
EV average	EUR mn	29.9	7.7	7.5	5.3	1.1	4.0	3.2
Enterprise Value	EUR mn	12.4	7.3	5.1	0.3	-0.1	8.1	1.2
Valuation ratios								
EV/sales high	x	0.73	0.18	0.17	0.18	0.06	0.12	0.07
EV/sales low	x	0.16	0.04	0.06	n/a	n/a	0.02	n/a
EV/sales average	x	0.40	0.11	0.10	0.08	0.02	0.05	0.04
EV/sales	x	0.17	0.11	0.07	0.00	n/a	0.10	0.01
EV/EBITDA high	x	n/a	n/a	n/a	n/a	23.7	27.1	27.7
EV/EBITDA low	x	n/a	n/a	n/a	2.1	n/a	4.1	n/a
EV/EBITDA average	x	n/a	n/a	n/a	n/a	5.7	10.5	13.4
EV/EBITDA	x	n/a	n/a	n/a	n/a	n/a	21.5	5.0
EV/EBIT last	x	n/a	n/a	n/a	n/a	n/a	34.2	10.6
P/E high	x	n/a	n/a	n/a	n/a	143.6	65.7	135.8
P/E low	x	n/a	n/a	n/a	n/a	69.6	28.0	65.5
P/E average	x	n/a	n/a	n/a	n/a	97.7	38.6	102.8
P/E last	x	n/a	n/a	n/a	n/a	81.7	56.5	83.4
P/BV last	x	3.4	3.1	3.2	1.8	1.8	3.4	2.2
P/CF last	x	n/a	n/a	16.7	n/a	10.6	n/a	2.9
FCF yield	%	-8.7%	-1.3%	5.8%	-43.6%	8.2%	-12.2%	29.2%
Dividend-yield	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

SOURCE: COMPANY DATA, SPHENE CAPITAL

One View II, 2015-21e

HGB (12/31)		2015	2016	2017	2018	2019e	2020e	2021e
Balance sheet ratios								
Fixed assets	EUR mn	1.4	1.8	3.1	3.0	26.5	3.8	3.8
Current assets	EUR mn	10.8	9.7	8.1	8.1	18.3	13.1	15.3
Equity	EUR mn	4.1	1.6	2.1	1.3	0.9	1.4	2.4
Liabilities	EUR mn	8.0	9.8	9.1	9.7	43.8	15.5	16.7
Equity ratio	%	33.9%	14.3%	19.1%	11.9%	2.1%	8.0%	12.5%
Gearing	%	-25.8%	-31.3%	-10.4%	-14.7%	-57.2%	559.8%	313.4%
Working Capital	EUR mn	0.8	-0.7	-1.5	-1.5	-33.2	-0.1	0.0
Capital Employed	EUR mn	2.2	1.1	1.6	1.0	-6.9	3.6	3.7
Asset Turnover	x	6.0	6.0	5.9	7.8	4.2	1.3	1.4
Enterprise Value								
Nr. of shares	1.000	509	509	560	560	654	654	654
Market cap.	EUR mn	9.5	14.9	9.5	7.4	16.0	6.7	0.0
Market cap.	EUR mn	7.0	5.7	4.2	5.4	6.0	3.8	0.0
Market cap.	EUR mn	8.4	8.0	6.8	6.3	9.3	5.7	0.0
Market cap.	EUR mn	8.4	6.4	5.9	6.1	6.4	4.6	4.6
Net debt	EUR mn	-1.1	-0.5	-0.2	-0.2	-0.5	7.6	7.5
Pension reserves	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Excess Cash	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EV high	EUR mn	8.4	14.4	9.3	7.2	15.4	14.3	7.5
EV low	EUR mn	5.9	5.1	3.9	5.2	5.5	11.4	7.5
EV average	EUR mn	7.3	7.5	6.5	6.1	8.8	13.3	7.5
Enterprise Value	EUR mn	7.3	5.9	5.7	5.9	5.9	12.2	12.1
Valuation ratios								
EV/sales high	x	0.11	0.21	0.14	0.08	0.08	0.64	0.27
EV/sales low	x	0.08	0.07	0.06	0.06	0.03	0.51	0.27
EV/sales average	x	0.10	0.11	0.10	0.07	0.05	0.60	0.27
EV/sales	x	0.10	0.09	0.09	0.07	0.03	0.54	0.44
EV/EBITDA high	x	36.7	-9.5	9.4	-27.8	-6.9	27.9	6.4
EV/EBITDA low	x	25.8	-3.4	3.9	-20.2	-2.5	22.2	6.4
EV/EBITDA average	x	31.8	-5.0	6.6	-23.4	-4.0	26.0	6.4
EV/EBITDA	x	32.0	-3.9	5.7	-22.8	-2.6	23.8	10.3
EV/EBIT last	x	77.4	-3.5	9.6	-3.2	-0.9	29.6	11.4
P/ER high	x	116.5	n/a	117.0	n/a	n/a	15.9	0.0
P/ER low	x	85.8	n/a	51.0	n/a	n/a	9.1	0.0
P/ER average	x	102.8	n/a	83.0	n/a	n/a	13.6	0.0
P/ER last	x	103.4	n/a	72.2	n/a	n/a	10.9	4.4
P/BV last	x	2.0	3.9	2.7	4.6	6.9	3.4	1.9
P/CF last	x	n/a	22.3	11.1	n/a	0.3	n/a	0.0
FCF yield	%	-27.8%	-3.5%	-19.0%	-25.9%	33.2%	-217.9%	20.4%
Dividend-yield	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

SOURCE: COMPANY DATA, SPHENE CAPITAL FORECAST

Discounted Cash Flow Valuation

HGB (12/31)		2019e	2020e	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	Terminal year
Revenues	EUR mn	22.3	27.7	29.8	31.7	33.2	34.2	35.0	35.4	35.7	35.9	36.1	36.3	36.5	36.7	36.8	37.0
YoY	%	-88.2%	23.9%	7.5%	6.4%	4.7%	3.2%	2.1%	1.3%	0.8%	0.6%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
EBIT	EUR mn	0.4	1.1	1.1	1.1	1.2	1.2	1.3	1.3	1.3	1.3	1.4	1.4	1.4	1.4	1.4	1.5
EBIT margin	%	1.8%	3.8%	3.8%	3.6%	3.6%	3.6%	3.7%	3.7%	3.7%	3.7%	3.8%	3.8%	3.8%	3.8%	3.9%	4.0%
Taxes	EUR mn	0.0	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.4
Tax rate (τ)	%	5.3%	5.1%	5.1%	5.1%	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%	24.7%
Adjusted EBIT(1-τ)	EUR mn	0.4	1.0	1.1	1.1	1.2	1.2	1.2	1.3	1.3	1.3	1.3	1.3	1.3	1.4	1.4	1.1
Reinvestment	EUR mn	-0.1	0.0	0.0	0.0	0.0	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
FCFF	EUR mn	0.3	1.0	1.0	1.0	1.1	1.1	1.2	1.2	1.2	1.2	1.2	1.3	1.3	1.3	1.3	1.0
WACC	%	10.9%	10.9%	10.9%	10.9%	10.3%	9.8%	9.3%	8.7%	8.2%	7.6%	7.1%	6.6%	6.0%	5.5%	5.5%	
Discount rate	%	100.0%	90.2%	81.4%	73.4%	66.5%	60.6%	55.5%	51.0%	47.1%	43.8%	40.9%	38.4%	36.2%	34.3%	32.5%	
Present value of free cash flows	EUR mn	0.3	0.9	0.8	0.8	0.7	0.7	0.7	0.6	0.6	0.5	0.5	0.5	0.5	0.4	0.4	
TV Insolvency rate	%	7.2%															
Terminal Cost of capital	%	5.5%															
Present value of terminal value	EUR mn	2.5															
in % of enterprise value	%	22.0%															
PV FCFF detailed planning phase	EUR mn	2.1															
in % of Enterprise Value	%	18.0%															
PV FCFF rough planning phase	EUR mn	6.9															
in % of Enterprise Value	%	60.1%															
Enterprise Value	EUR mn	11.5															
Financial debt	EUR mn	-8.0															
Excess cash	EUR mn	8.5															
Value of equity	EUR mn	12.1															
Number of shares	mn	0.7															
Value of equity per share	EUR	18.40															

SOURCE: SPHENE CAPITAL FORECAST

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Date/Time of publication:	Price target/Current share price:	Rating/Validity:	Conflict of Interest (key)
17 04 2020/11:10 h	EUR 18.40/EUR 7.05	Buy, 24 months	1, 8
29 11 2019/10:55 h	EUR 21.80/EUR 10.30	Buy, 24 months	1, 8
04 11 2019/08:00 h	EUR 21.80/EUR 12.00	Buy, 24 months	1, 8
02 09 2019/07:45 h	EUR 39.10/EUR 22.80	Buy, 24 months	1, 2, 8

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