

Nexway AG

Reuters: A5AB.GF

Bloomberg: A5AB GR EQU

USP through new AI-powered reseller module

More and more benefits from the merger with asknet become visible. While technology rationalization and synergies remain on top of the agenda, Nexway has announced a new modular, API-based SaaS reseller module offering the channel network a customizable AI-powered portal with specific incentive, timesaving, and loyalty-building features in the subscription, transaction, payment, and remittance management.

According to the company, using Monetize Reseller, software vendors will be able to identify and track revenues to their value-added resellers and managed service providers, f. ex. in the course of subscription renewal. In addition, by allowing for bespoke pricing and management of major resellers and by offering automating onboarding and transactions with the long-tail distributors, Nexway Monetize aims to contribute to creating a preference for the software products Nexway's customers offer.

Since Monetize Reseller creates an USP, in our view, we confirm our buy rating for the shares of Nexway AG and our price target of EUR 21.80 per share (base case scenario) based on a three-stage DCF entity model. In a Monte Carlo analysis, where we have used alternative revenue and earnings scenarios, we derive best case and worst-case equity values of EUR 8.00 and EUR 41.60 per share respectively. Based on yesterday's closing price of EUR 10.30, we expect a price potential of 111.7% over the next 24 months.

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: (1) Currently no audited consolidated financial statements of the merged companies, (2) improvable profitability, as Nexway has not been able to achieve positive operating results in many of the past years, (3) high dependency on individual customers, (4) stock overhang after the merger, (5) low liquidity of the shares, (6) dependencies on management.

Catalysts for performance

We consider the most important catalysts for the performance of Nexway's share price in the coming months to be (1) news regarding a better than expected earnings performance, (2) news regarding new customer acquisitions.

Rating: Buy **Risk:** Very high
Price: EUR 10.30
Price target: EUR 21.80 (unchanged)

WKN / ISIN: A2E370 / DE000A2E3707

Indices: -

Transparency level: Open market Frankfurt

Weighted number of shares: 0.654 mn

Market cap: EUR 6.7 mn

Daily trading volume: 500 shares

Annual report: Expected May 2020

EUR mn (12/31)	2018	2019e	2020e	2021e
Revenues	85.8	189.9	207.6	224.7
EBITDA	-0.3	-2.2	6.4	7.8
EBIT	-1.9	-6.8	0.9	1.7
EBT	-1.9	-7.2	0.9	1.7
EAT	-1.8	-6.6	0.7	1.3

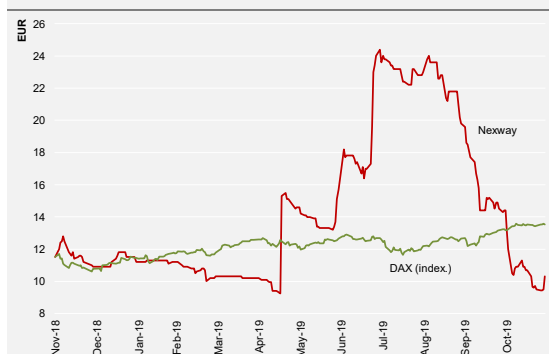
% gross profit	2018	2019e	2020e	2021e
EBITDA	-2.7%	-15.3%	27.2%	30.2%
EBIT	-19.7%	-47.2%	3.6%	6.5%
EBT	-19.8%	-49.5%	3.7%	6.6%
EAT	-19.4%	-45.5%	2.8%	5.0%

Per share (EUR)	2018	2019e	2020e	2021e
EPS	-3.26	-10.10	1.00	1.95
Dividend	0.00	0.00	0.00	0.00
Book value	2.35	1.42	2.42	4.36
Cash flow	-0.17	43.84	9.43	11.23

%	2018	2019e	2020e	2021e
Equity ratio	11.9%	2.2%	3.5%	6.1%
Gearing	-15%	-46%	-30%	-19%

x	2018	2019e	2020e	2021e
P/BR	n/a	n/a	10.3	5.3
EV/sales	0.07	0.03	0.03	0.03
EV/EBITDA	n/a	n/a	7.3	3.7
P/BR	4.6	7.3	4.3	2.4

EUR mn	2019e	2020e	2021e
Guidance: Revenues	from 180 to 200	n/a	n/a
Guidance: EBIT	from -2.0 to -2.8	n/a	n/a



SOURCE: COMPANY DATA, SPHENE CAPITAL FORECAST

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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 21.80 per share is reached, Nexway will be valued at the following multiples:

TABLE 1: VALUATION MULTIPLES

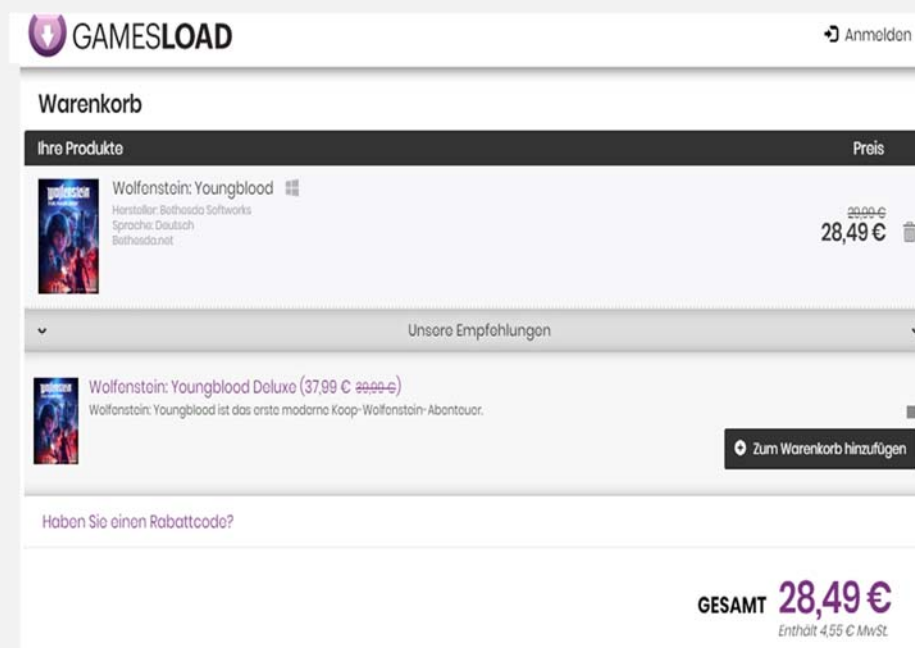
		Valuation at current share price			Valuation at price target		
		2019e	2020e	2021e	2019e	2020e	2021e
P/ER	x	n/a	10.3x	5.3x	n/a	21.9x	11.2x
EV/sales	x	0.0x	0.0x	0.0x	0.1x	0.1x	0.1x
EV/EBIT	x	n/a	7.3x	3.7x	n/a	16.1x	8.2x
P/BR	x	7.3x	4.3x	2.4x	15.4x	9.0x	5.0x
Dividend yield	%	0.0%	0,0%	0.0%	0.0%	0.0%	0.0%

SOURCE: SPHENE CAPITAL FORECAST

Nexway's core business is the creation and operation of online shops that enable the worldwide download of digital products such as software or online games for small to medium-sized, but generally globally active companies directly from their websites. Since asknet's reverse takeover at the end of 2018, Nexway has become one of the leading global providers of Internet download services for third parties. In particular, the previously exclusive focus on software developers has given way after the merger to a much broader perspective in which online game developers, hardware manufacturers, retailers, and service providers have not only been included, but also play a significant role. Nexway offers the complete value chain of downloading digital products, starting with the creation of an individualized online shop that seamlessly integrates into the corporate identity or existing website of the provider from an end customer's perspective. Additional services offered range from the processing of product sales made in the online shop on servers maintained by Nexway—in its own name and for its own account—to a range of downstream services such as telephone customer service, cross-selling offers, and AI-supported marketing services, with the means of which traffic to the websites can be increased. Nexway supports numerous currencies, languages, and payment methods that small or mid-sized companies could hardly offer by themselves. In addition, direct sales via the online shop give companies access to their customers for the first time, enabling them to pursue innovative sales and customer loyalty strategies.

Apart from download services, Nexway's Academics division creates procurement portals for universities, colleges, and research institutions, which allow authorized users to purchase software products at usually more favourable conditions than in stand-alone.

EXHIBIT 1: SCREENSHOT OF A TYPICAL ONLINE SHOPPING CART HOSTED BY NEXWAY



On the left side the screenshot of an online shop operated by Nexway can be seen. After selecting the product, here the computer game Wolfenstein: Youngblood, the buyer is directed to the shopping cart operated by Nexway, where Nexway acts as Merchant of Record (MOR), i.e. as a company authorised and liable by a financial institution to process credit card and debit transactions of the consumer in its own name. MOR not only handles the payment processes, but also ensures that the customer company complies with all tax laws (local and global).

SOURCE: COMPANY DATA, SPHENE CAPITAL

Outsourcing of sales and procurement of digital products

The products and services offered by Nexway enable customers of Nexway, small and medium-sized businesses, to distribute their digital products globally over the Internet. This is made possible by creating an online shop on the customer's website and seamlessly integrating it into the customer's existing website. Nexway then handles all product sales made in the online shop. In addition to the actual product sales, Nexway

Overview of the business model

offers its customers a broad range of downstream services such as telephone customer services, cross-selling offers, or branding solutions.

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	207.6	224.7
YoY	%	-18.0%	-6.3%	-3.7%	29.7%	121.2%	9.3%	8.3%
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	208.3	225.4
YoY	%	-17.8%	-6.3%	-0.9%	27.2%	118.0%	9.3%	8.2%
Material costs	EUR mn	-63.4	-60.2	-57.9	-76.4	-175.4	-184.0	-199.0
In % of total output	%	-85.6%	-86.7%	-84.2%	-87.4%	-92.0%	-88.4%	-88.3%
Gross profit	EUR mn	10.6	9.2	10.9	11.0	15.2	24.2	26.4
YoY	%	-1.9%	-13.4%	18.1%	1.4%	37.8%	59.4%	9.2%
In % of total output	%	14.4%	13.3%	15.8%	12.6%	8.0%	11.6%	11.7%
Gross profit (adjusted)	EUR mn	10.0	8.6	8.3	9.4	14.5	23.5	25.7
YoY	%	-38.6%	23.8%	-3.3%	14.0%	53.6%	62.1%	9.4%
In % of total output	%	13.5%	12.3%	12.1%	10.8%	7.6%	11.3%	11.4%
Personnel costs	EUR mn	-5.2	-5.4	-4.9	-5.6	-11.6	-11.5	-11.9
In % of gross revenues	%	-7.1%	-7.8%	-7.5%	-6.5%	-6.1%	-5.6%	-5.3%
Other operating expenses	EUR mn	-5.2	-5.3	-4.9	-5.7	-5.8	-6.3	-6.8
In % of gross revenues	%	-7.1%	-7.8%	-7.5%	-6.7%	-3.0%	-3.0%	-3.0%
EBITDA	EUR mn	0.2	-1.5	1.0	-0.3	-2.2	6.4	7.8
in % of gross profit (adjusted)	%	2.3%	-17.6%	12.0%	-2.7%	-15.3%	27.2%	30.2%
Depreciation	EUR mn	-0.1	-0.1	-0.4	-1.6	-4.6	-5.5	-6.1
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	0.9	1.7
YoY	%	-16.5%	n/a	-135.6%	-415.8%	267.9%	-112.5%	96.7%
YoY	EUR mn	-1.2	0.3	0.8	-6.1	4.8	0.5	0.4
in % of gross profit (adjusted)	%	1.0%	-19.3%	7.1%	-19.7%	-47.2%	3.6%	6.5%
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	0.9	1.7
in % of gross profit (adjusted)	%	0.9%	-21.4%	7.0%	-19.8%	-49.5%	3.7%	6.6%
Taxes	EUR mn	0.0	0.0	-0.5	0.0	0.6	-0.2	-0.4
In % of EBT (implied tax rate)	%	-11.2%	0.0%	-85.9%	-2.0%	-8.0%	-25.0%	-25.0%
Net income	EUR mn	0.1	-1.8	0.1	-1.8	-6.6	0.7	1.3
in % of gross profit (adjusted)	%	0.8%	-21.4%	1.0%	-19.4%	-45.5%	2.8%	5.0%
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	0.6	0.6	0.7	0.7	0.7
EPS	EUR	0.16	-3.60	0.15	-3.26	-10.10	1.00	1.95

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	26.5	26.5
Intangible assets	EUR mn	1.1	1.6	2.9	2.3	26.2	26.2	26.2
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	16.1	18.0	20.4
Inventory	EUR mn	0.8	0.1	0.0	0.0	0.1	0.1	0.1
DIO	d	5	1	0	0	0	0	0
Trade receivables	EUR mn	3.6	3.8	3.2	3.7	6.7	7.7	8.7
DSO	d	18	20	17	15	13	13	14
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	8.6	9.4	10.9
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	42.8	44.6	47.1
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	1.6	2.9
Equity ratio	%	33.9%	14.3%	19.1%	11.9%	2.2%	3.5%	6.1%
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	-5.9	-4.6
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	40.0	41.2	42.4
Bank debt	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trade payables	EUR mn	3.6	4.6	4.7	5.2	38.0	39.0	40.0
DPO	d	18	24	26	22	72	68	64
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	42.8	44.6	47.1
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%	62.0%	59.4%	56.3%
Intangible assets	%	8.7%	13.7%	26.0%	21.0%	61.4%	58.8%	55.7%
Property, plant & equipment	%	2.8%	2.2%	1.8%	1.4%	0.4%	0.4%	0.4%
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%	0.2%	0.2%
Current assets	%	85.1%	82.1%	71.1%	71.9%	37.7%	40.3%	43.4%
Inventory	%	6.7%	0.8%	0.4%	0.4%	0.2%	0.2%	0.3%
Trade receivables	%	29.4%	33.1%	28.2%	33.3%	15.6%	17.2%	18.4%
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%	1.8%	1.7%	1.6%
Cash & cash equivalents	%	43.9%	44.9%	39.8%	35.1%	20.1%	21.1%	23.1%
Deferred items	%	3.5%	2.0%	1.2%	1.2%	0.4%	0.3%	0.3%
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%	2.2%	3.5%	6.1%
Issued capital	%	41.9%	44.4%	5.0%	5.9%	1.5%	1.5%	1.4%
Capital reserve	%	0.4%	0.4%	12.2%	20.4%	15.8%	15.2%	14.4%
Currency adjustments	%	0.6%	0.8%	0.5%	0.7%	0.1%	0.1%	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%	-15.2%	-13.2%	-9.8%
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%	4.2%	4.0%	3.8%
Current liabilities	%	37.7%	53.8%	51.4%	64.3%	93.6%	92.4%	90.1%
Bank debt	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Trade payables	%	29.3%	40.0%	41.8%	47.1%	88.9%	87.4%	84.9%
Other current liabilities	%	8.3%	13.8%	9.6%	17.2%	4.7%	4.9%	5.1%
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	0.7	1.3
Depreciation & Amortisation	EUR mn	0.1	0.1	0.4	1.6	4.6	5.5	6.1
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	-1.0	-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	32.8	1.0	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	2.2	0.0	0.0
Operating cash flow	EUR mn	-2.2	0.4	0.6	-0.1	28.7	6.2	7.3
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	0.0	0.0
Investments in tangible assets	EUR mn	-0.2	-0.1	-0.3	-1.6	-4.6	-5.6	-6.1
Cash flow from investing	EUR mn	-0.2	-0.6	-1.7	-1.5	-28.5	-5.6	-6.1
Free cash flow	EUR mn	-2.3	-0.2	-1.1	-1.6	0.1	0.6	1.2
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	0.0	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	0.2	0.2
Net cash inflow	EUR mn	-2.2	-0.2	-0.7	-0.6	4.7	0.8	1.5
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	8.6	9.4
Net cash closing balance	EUR mn	5.3	5.2	4.5	3.9	8.6	9.4	10.9

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	207.6	224.7
Gross profit	EUR mn	10.6	9.2	10.9	11.0	15.2	24.2	26.4
Gross profit (adjusted)	EUR mn	10.0	8.6	8.3	9.4	14.5	23.5	25.7
EBITDA	EUR mn	0.2	-1.5	1.0	-0.3	-2.2	6.4	7.8
EBIT	EUR mn	0.1	-1.7	0.6	-1.9	-6.8	0.9	1.7
EBT	EUR mn	0.1	-1.8	0.6	-1.9	-7.2	0.9	1.7
Net income	EUR mn	0.1	-1.8	0.1	-1.8	-6.6	0.7	1.3
Nr. of employees		99	96	85	85	175	194	215
Per share data								
Price high	EUR	18.60	29.20	17.00	13.20	24.40		
Price low	EUR	13.70	11.10	7.41	9.70	9.25		
Price average/last	EUR	16.40	15.80	12.05	11.16	14.62		
Price average/last	EUR	16.50	12.50	10.49	10.90	10.30	10.30	10.30
EPS	EUR	0.16	-3.60	0.15	-3.26	-10.10	1.00	1.95
BVPS	EUR	8.10	3.23	3.83	2.35	1.42	2.42	4.36
CFPS	EUR	-4.28	0.71	1.08	-0.17	43.84	9.43	11.23
Dividend	EUR	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Price target	EUR							21.80
Performance to price target	%							111.7%
Profitability ratios (based on adjusted gross profit)								
EBITDA margin	%	2.3%	-17.6%	12.0%	-2.7%	-15.3%	27.2%	30.2%
EBIT margin	%	1.0%	-19.3%	7.1%	-19.7%	-47.2%	3.6%	6.5%
Pre-tax margin	%	0.9%	-21.4%	7.0%	-19.8%	-49.5%	3.7%	6.6%
Net margin	%	0.8%	-21.4%	1.0%	-19.4%	-45.5%	2.8%	5.0%
FCF margin	%	-23.5%	-2.6%	-13.5%	-16.8%	0.9%	2.6%	4.8%
ROE	%	2.0%	-111.5%	3.8%	-138.6%	-711.5%	41.2%	44.6%
NWC/Sales	%	22.3%	13.2%	19.7%	10.5%	-33.5%	-20.5%	-18.6%
Revenues per head	EURk	741	716	778	1,010	1,085	1,071	1,044
EBIT per head	EURk	1.0	-17.2	6.9	-21.9	-39.1	4.4	7.8
Capex/Sales	%	0.2%	0.1%	0.5%	1.8%	2.4%	2.7%	2.7%
Gross profit premium	%	176.2%	153.9%	184.5%	142.0%	342.1%	520.4%	554.4%
Growth rates								
Sales	%	-18.0%	-6.3%	-3.7%	29.7%	121.2%	9.3%	8.3%
Gross profit	%	-1.9%	-13.4%	18.1%	1.4%	37.8%	59.4%	9.2%
Gross profit (adjusted)	%	-2.7%	-14.0%	-3.3%	14.0%	53.6%	62.1%	9.4%
EBITDA	%	-4.6%	n/a	n/a	n/a	756.7%	n/a	21.6%
EBIT	%	-16.5%	n/a	n/a	n/a	267.9%	n/a	96.7%
EBT	%	-19.3%	n/a	n/a	n/a	284.8%	n/a	95.4%
Net income	%	-21.8%	n/a	n/a	n/a	261.4%	n/a	95.4%
EPS	%	-22.6%	n/a	n/a	n/a	209.7%	n/a	95.4%
CFPS	%	n/a	n/a	53.1%	n/a	n/a	-78.5%	19.1%
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	26.5	26.5
Current assets	EUR mn	10.8	9.7	8.1	8.1	16.3	18.1	20.6
Equity	EUR mn	4.1	1.6	2.1	1.3	0.9	1.6	2.9
Liabilities	EUR mn	8.0	9.8	9.1	9.7	41.8	43.0	44.2
Equity ratio	%	33.9%	14.3%	19.1%	11.9%	2.2%	3.5%	6.1%
Gearing	%	-25.8%	-31.3%	-10.4%	-14.7%	-46.4%	-29.8%	-19.1%
Working Capital	EUR mn	0.8	-0.7	-1.5	-1.5	-31.2	-31.2	-31.2
Capital Employed	EUR mn	2.2	1.1	1.6	1.0	-4.9	-4.8	-4.8
Asset Turnover	x	6.0	6.0	5.9	7.8	4.4	4.7	4.8
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	0.0	0.0
Market cap.	EUR mn	7.0	5.7	4.2	5.4	6.0	0.0	0.0
Market cap.	EUR mn	8.4	8.0	6.8	6.3	9.6	0.0	0.0
Market cap.	EUR mn	8.4	6.4	5.9	6.1	6.7	6.7	6.7
Net debt	EUR mn	-1.1	-0.5	-0.2	-0.2	-0.4	-0.5	-0.5
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	15.5	-0.5	-0.5
EV low	EUR mn	5.9	5.1	3.9	5.2	5.6	-0.5	-0.5
EV average	EUR mn	7.3	7.5	6.5	6.1	9.1	-0.5	-0.5
Enterprise Value	EUR mn	7.3	5.9	5.7	5.9	6.3	6.3	6.2
Valuation ratios								
EV/sales high	x	0.11	0.21	0.14	0.08	0.08	n/a	n/a
EV/sales low	x	0.08	0.07	0.06	0.06	0.03	n/a	n/a
EV/sales average	x	0.10	0.11	0.10	0.07	0.05	n/a	n/a
EV/sales	x	0.10	0.09	0.09	0.07	0.03	0.03	0.03
EV/EBITDA high	x	36.7	-9.5	9.4	-27.8	-7.0	n/a	n/a
EV/EBITDA low	x	25.8	-3.4	3.9	-20.2	-2.5	n/a	n/a
EV/EBITDA average	x	31.8	-5.0	6.6	-23.4	-4.1	n/a	n/a
EV/EBITDA	x	32.0	-3.9	5.7	-22.8	-2.8	1.0	0.8
EV/EBIT last	x	77.4	-3.5	9.6	-3.2	-0.9	7.3	3.7
P/E high	x	116.5	n/a	117.0	n/a	n/a	0.0	0.0
P/E low	x	85.8	n/a	51.0	n/a	n/a	0.0	0.0
P/E average	x	102.8	n/a	83.0	n/a	n/a	0.0	0.0
P/E last	x	103.4	n/a	72.2	n/a	n/a	10.3	5.3
P/BV last	x	2.0	3.9	2.7	4.6	7.3	4.3	2.4
P/CF last	x	n/a	22.3	11.1	n/a	0.3	0.0	0.0
FCF yield	%	-27.8%	-3.5%	-19.0%	-25.9%	1.9%	9.1%	18.3%
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	189.9	207.6	224.7	240.9	255.7	266.6	273.9	278.6	281.6	283.6	285.3	286.7	288.2	289.6	291.1	292.5
YoY	%	121.2%	9.3%	8.3%	7.2%	6.2%	4.3%	2.8%	1.7%	1.1%	0.7%	0.6%	0.5%	0.5%	0.5%	0.5%	0.5%
EBIT	EUR mn	-6.8	0.9	1.7	2.4	2.9	3.1	3.2	3.3	3.4	3.5	3.6	3.7	3.8	3.9	4.0	4.4
EBIT margin	%	-3.6%	0.4%	0.7%	1.0%	1.1%	1.2%	1.2%	1.2%	1.2%	1.3%	1.3%	1.3%	1.3%	1.4%	1.4%	1.5%
Taxes	EUR mn	0.6	-0.2	-0.4	-0.6	-0.7	-0.8	-0.8	-0.8	-0.9	-0.9	-0.9	-0.9	-1.0	-1.0	-1.0	-1.1
Tax rate (τ)	%	8.4%	25.4%	25.2%	25.2%	25.2%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
Adjusted EBIT(1-τ)	EUR mn	-6.3	0.6	1.3	1.8	2.2	2.3	2.4	2.5	2.6	2.7	2.7	2.8	2.9	2.9	3.0	3.3
Reinvestment	EUR mn	-0.8	-0.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	1.0	-0.3	-0.2	-0.2	-0.2	-0.3
FCFF	EUR mn	-7.0	-0.3	1.3	1.8	2.2	2.3	2.4	2.5	2.6	2.8	3.8	2.5	2.7	2.8	2.8	3.0
WACC	%	11.9%	11.8%	11.8%	11.8%	11.8%	11.1%	10.5%	9.9%	9.3%	8.6%	8.0%	7.4%	6.8%	6.1%	5.5%	
Discount rate	%	100.0%	100.0%	100.0%	71.6%	64.1%	57.7%	52.2%	47.5%	43.4%	40.0%	37.0%	34.5%	32.3%	30.4%	28.9%	
Present value of free cash flows	EUR mn	-7.0	-0.3	1.3	1.3	1.4	1.3	1.3	1.2	1.1	1.1	1.4	0.9	0.9	0.8	0.8	
TV Insolvency rate	%	7.2%															
Terminal Cost of capital	%	5.5%															
Present value of terminal value	EUR mn	6.6															
in % of enterprise value	%	46.6%															
PV FCFF detailed planning phase	EUR mn	-3.3															
in % of Enterprise Value	%	-23.7%															
PV FCFF rough planning phase	EUR mn	10.8															
in % of Enterprise Value	%	77.1%															
Enterprise Value	EUR mn	14.1															
Financial debt	EUR mn	0.0															
Excess cash	EUR mn	0.2															
Value of equity	EUR mn	14.3															
Number of shares	mn	0.7															
Value of equity per share	EUR	21.80															

SOURCE: SPHENE CAPITAL FORECAST

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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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This report has been finalized on 29 11 2019 at 10:00 h. Last price at the time of completion: EUR 10.30.