

asknet Solutions AG

Reuters: A5AB.GF

Bloomberg: A5AB GR EQU

New major client in the e-learning segment

Contract with leading EduTech company

As announced at the German Equity Forum, asknet Solutions has signed a reselling agreement with the US educational technology company Blackboard. With approximately 3,000 employees and sales of USD 700 million, the company, founded in 1997, is one of the world's leading providers of e-learning software. The company's core product is Blackboard Learn, a virtual learning management system that enables educators to operate a learning system partially or completely online, asynchronously or synchronously. Although the software is proprietary, developers can extend the functionality of the system via open APIs and web services, enabling customised course management and delivery. For example, courses can be delivered and managed in both linear and non-linear ways, student evaluation results can be recorded and analysed, and other functionalities include a community and portal system for communication and a content management system for centralised control of course content.

Target customers of Blackboard are schools, universities, companies, and governmental organisations.

Positioning in the e-learning segment pays off

By winning Blackboard as a new major e-learning mandate, we see confirmation of the company's strategy of further strengthening the Academics division and successively expanding its focus, which has hitherto been on universities, colleges, research institutes, university hospitals, and companies, to include educational institutions. It is precisely here that the COVID 19 pandemic revealed considerable organisational deficits, so that in our opinion, IT will be integrated into teaching to a much greater extent in the future.

Increasing the price target to EUR 18.40 from EUR 17.50—Buy

As we expect the Blackboard mandate to generate initial earnings contributions in the coming year, we are raising our price target, which is derived from a DCF entity model, to EUR 18.40 from the previous EUR 17.50 (base case scenario). In a Monte Carlo scenario analysis, in which we used 1,000 alternative sales and earnings scenarios, the values of equity in the best-case and worst-case scenarios are EUR 20.30 and EUR 13.90 per share, respectively. On the basis of yesterday's closing price of EUR 12.20, our new price target gives a price potential of 50.8% over a period of 24 months. We confirm our Buy rating for asknet Solutions AG shares.

Rating: Buy **Risk:** High
Price: EUR 12.20
Price target: EUR 18.40 (previously EUR 17.50)

WKN / ISIN: A2E370 / DE000A2E3707

Indices: -

Transparency level: Open market Frankfurt

Weighted number of shares: 1.308 mn

Market cap: EUR 16.0 mn

Daily trading volume: 1,000 shares

Annual report 2020: Expected June 2021

P&L (EUR mn)	2019	2020e	2021e	2022e
Revenues	84.3	75.2	86.4	100.0
EBITDA	-1.9	1.0	0.8	1.0
EBIT	-2.7	0.3	0.0	0.2
EBT	-2.7	-1.0	-0.4	-0.3
EAT	-2.6	-1.0	-0.4	-0.2

% gross profit	2019	2020e	2021e	2022e
EBITDA	-20.7%	10.0%	7.2%	7.8%
EBIT	-30.0%	2.6%	0.4%	1.5%
EBT	-29.9%	-10.3%	-3.8%	-2.1%
EAT	-29.3%	-10.0%	-3.6%	-2.0%

Per share (EUR)	2019	2020e	2021e	2022e
EPS	-4.05	-0.75	-0.30	-0.19
Dividend	0.00	0.00	0.00	0.00
Book value	0.00	0.98	0.68	0.50
Cash flow	-0.84	-12.19	11.91	0.76

B/S (%)	2019	2020e	2021e	2022e
Equity ratio	0.0%	4.7%	4.3%	2.9%
Gearing	n/a	n/a	-51%	-77%

Multiples (x)	2019	2020e	2021e	2022e
P/ER	n/a	n/a	n/a	n/a
EV/sales	0.07	0.32	0.18	0.15
EV/EBIT	n/a	93.7	n/a	81.8
P/BR	n/a	12.4	17.9	24.6

Guidance (EUR mn)	2020e	2021e	2022e
EBIT	>0	n/a	n/a
EBT	<0	n/a	n/a



SOURCE: COMPANY DATA, SPHENE CAPITAL FORECAST

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We value the equity of asknet Solutions AG using a three-phase DCF entity model (base case scenario), which we believe best reflects the company's long-term earnings prospects. Following the acquisition of Blackboard as a new client in the Academics business segment, we calculate a new price target of EUR 18.40 (previously EUR 17.50) per share. In view of our expectation of a potential share price increase of 50.8% in the base case scenario over the next 24 months, we confirm our Buy rating for the shares of asknet Solutions AG.

TABLE 1: DCF VALUATION MODEL SUMMARY

				Comment	Δ
TV Insolvency rate	%	6.4%		Synthetic corporate bond B+ rating with 30% RR and credit default spread 450 bps	⇔
Terminal Cost of capital	%	4.5%		500 bps long-term equity risk premium compared to 30-years Bunds	⇔
Present value of terminal value	EUR mn	6.6		Based on the terminal value in 2034e	⇔
in % of Enterprise Value	%	39.6%			⇔
PV FCFF Detailed planning phase	EUR mn	-1.6		Based on the present value of the FCFF for the period 2020e-24e	⇔
in % of Enterprise Value	%	-9.3%			⇔
PV FCFF rough planning phase	EUR mn	11.6		Based on the present value of the FCFF for the period 2025e-34e	↗
in % of Enterprise Value	%	69.7%			↗
Enterprise Value	EUR mn	16.7			↗
Financial debt	EUR mn	-8.0		Data as of 31 12 2020e	⇔
Excess Cash	EUR mn	15.3		Data as of 31 12 2020e including securities	⇔
Value of equity	EUR mn	24.1			↗
Number of shares	mn	1.3			⇔
Value of equity per share	EUR	18.40		On a 24-month investment horizon	↗
Current share price	EUR	12.20		Xetra closing price as of 18 11 2020	
Expected price potential	%	50.8%		Expected price potential within the next 24 months	

SOURCE: SPHENE CAPITAL FORECAST

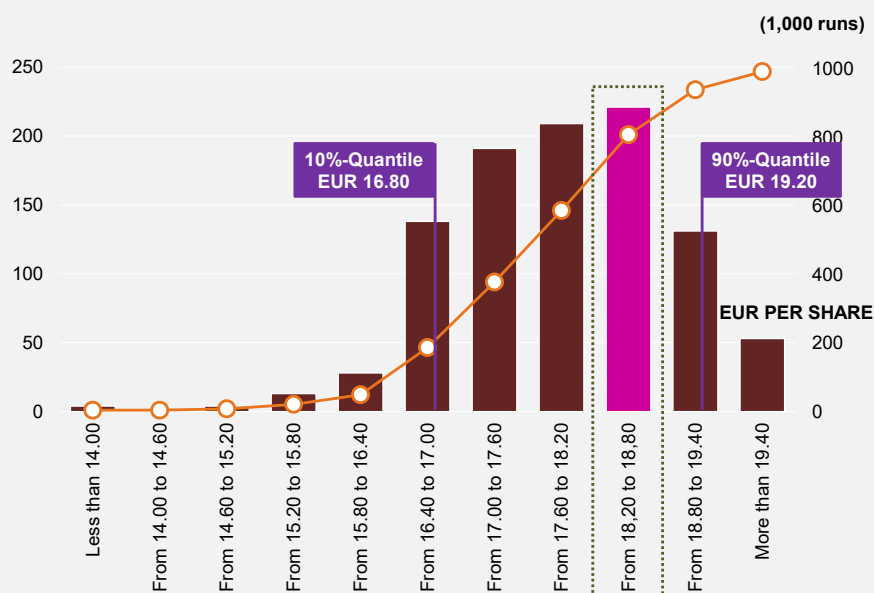
Scenario analysis through Monte Carlo simulation

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.

Monte Carlo simulation with a modus price target between EUR 18.20 and EUR 18.80 per share

The results show that equity values of less than EUR 18.2 mn or more than EUR 26.5 mn or less than EUR 13.90 and more than EUR 20.30 per share can hardly be achieved by combinations of the two variables growth rate and terminal EBIT margin. The 10% quantile is EUR 16.80 per share and the 90% quantile is EUR 19.20 per share.

EXHIBIT 1: MONTE CARLO SIMULATION



SOURCE: SPHENE CAPITAL FORECAST

Confirmation of our Buy rating for the shares of asknet Solutions

Compared to the current share price of EUR 12.20, the value of equity we calculated gives an expected price increase potential of 50.8% over a 24-month period. We accordingly confirm our Buy rating for the shares of asknet Solutions AG.

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, asknet Solutions will be valued at the following multiples:

TABLE 2: VALUATION MULTIPLES

		Valuation at current share price				Valuation at price target			
		2020e	2021e	2022e	2023e	2020e	2021e	2022e	2023e
P/ER	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EV/sales	x	0.3x	0.2x	0.2x	0.1x	0.4x	0.3x	0.2x	0.2x
EV/EBIT	x	93.7x	n/a	81.8x	46.4x	n/a	n/a	n/a	70.8x
P/BR	x	12.4x	17.9x	24.6x	23.5x	18.7x	27.0x	37.1x	35.5x
Dividend yield	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

SOURCE: SPHENE CAPITAL FORECAST

Downside risks for reaching our target 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 asknet Solutions has not been able to achieve positive operating results in many of the past years,
- ⊖ obligations to pay **default interest on sales tax claims** in the amount of EUR 0.764 mn,
- ⊖ **low liquidity** of the shares,
- ⊖ **dependencies on management** (“key-man-risk”).

Catalysts for performance

We consider the most important catalysts for the performance of asknet Solutions’ 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.

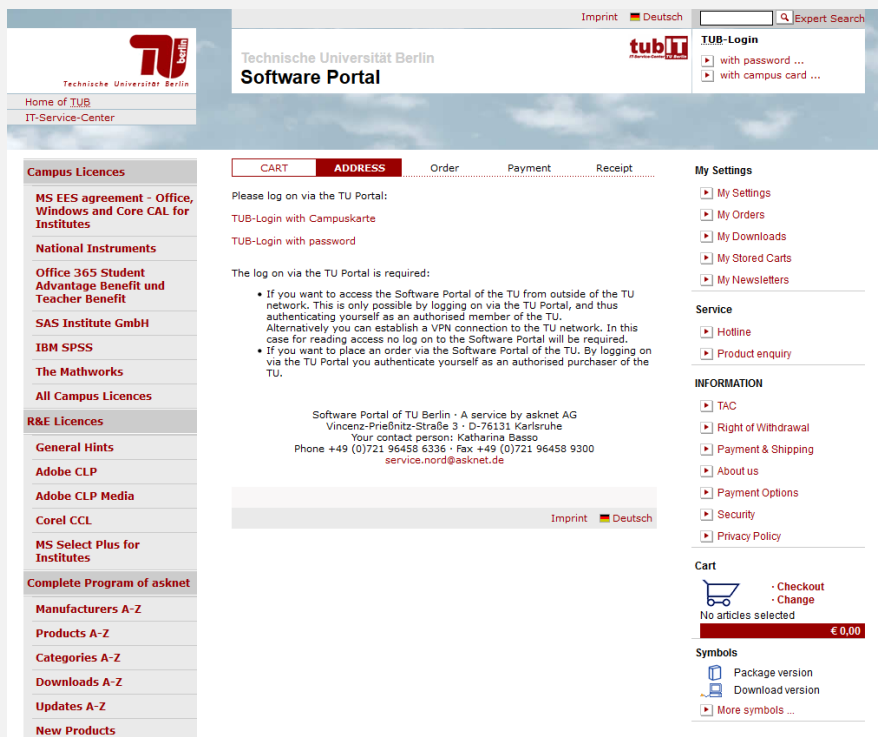
Following the majority sale of the e-commerce services activities, the development and operation of software procurement portals for universities, colleges, research institutes, university clinics and companies in form of central intranet portals constitutes the core business of asknet Solutions. These procurement portals enable authorized users to purchase software products, usually at more favourable terms than in the stand-alone case. In this business area, asknet Solutions operates exclusively in German-speaking countries.

Core business

asknet Solutions' 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 asknet Solutions, users can purchase the software products, particularly in the scientific field, at significantly cheaper terms.

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

EXHIBIT 2: SCREENSHOT OF A UNIVERSITY PORTAL



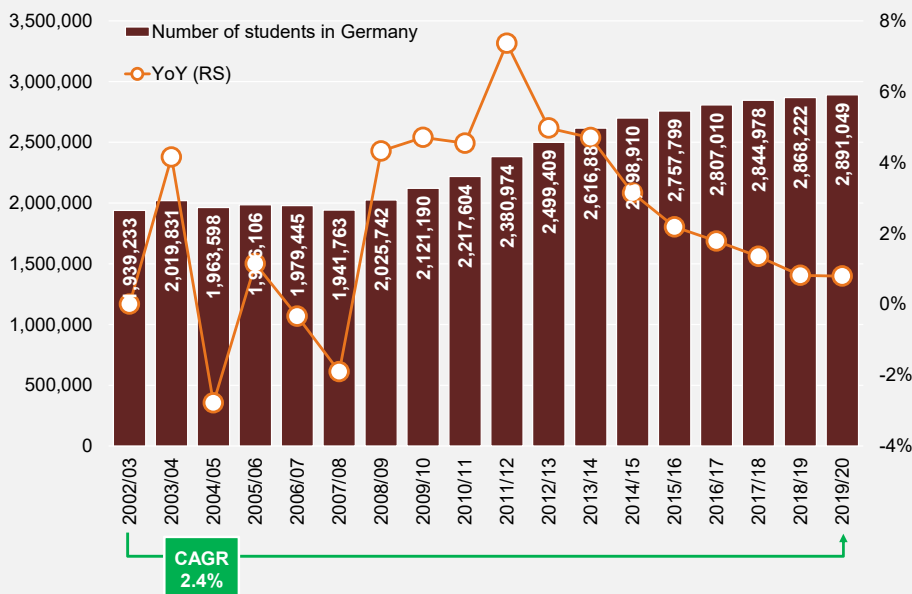
More than 80% of German universities use the procurement portals offered by asknet Solutions.

SOURCE: COMPANY DATA, SPHENE CAPITAL

For these services, asknet Solutions 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.

EXHIBIT 3: NUMBER OF STUDENTS IN GERMANY



SOURCE: FEDERAL STATISTICAL OFFICE OF GERMANY, SPHENE CAPITAL

Significant savings potentials

German universities have entered into high-volume licensing agreements in recent years, both at university and state level, in order to save costs. The advantage of a central procurement portal is that the individual universities can rely on a central information, procurement, and distribution platform that enables them to obtain, distribute, and bill software efficiently. Thus it is no longer necessary to purchase software licenses 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 on their private computers. In addition, the framework contracts concluded with asknet Solutions offer 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 asknet Solutions.

asknet Solutions' 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.

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

asknet Solutions' 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 in

German-speaking countries. According to the company, the customer structure is highly diversified.

Competitive environment

Currently, more than 80% of German universities and colleges are asknet Solutions customers. The competition is based on three companies: Software 1, Cancom, and Crayon. In our opinion, however, the competitors are less well positioned than asknet Solutions in key aspects, as shown in table 4 below:

TABLE 3: COMPETITION

	asknet Solutions	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, 2010-16

HGB (12/31)		2010	2011	2012	2013	2014	2015	2016
Gross revenues	EUR mn	72.7	65.4	74.8	82.2	89.4	73.3	68.7
YoY	%	5.4%	-10.0%	14.4%	9.9%	8.7%	-18.0%	-6.3%
Other operating income	EUR mn	0.1	0.2	0.9	0.6	0.6	0.7	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	72.8	65.6	75.7	82.8	90.0	74.0	69.4
YoY	%	5.3%	-9.8%	15.4%	9.4%	8.7%	-17.8%	-6.3%
Material costs	EUR mn	-62.4	-55.6	-64.9	-72.1	-79.1	-63.4	-60.2
In % of total output	%	-85.7%	-84.7%	-85.8%	-87.1%	-88.0%	-85.6%	-86.7%
Gross profit	EUR mn	10.4	10.0	10.8	10.7	10.8	10.6	9.2
YoY	%	7.8%	-3.4%	7.1%	-0.5%	1.3%	-1.9%	-13.4%
In % of total output	%	14.3%	15.3%	14.2%	12.9%	12.0%	14.4%	13.3%
Gross profit (adjusted)	EUR mn	10.3	9.8	9.9	10.1	10.2	10.0	8.6
YoY	%	-12.0%	5.0%	0.5%	-9.9%	43.4%	-38.6%	23.8%
In % of total output	%	14.1%	15.0%	13.1%	12.3%	11.4%	13.5%	12.3%
Personnel costs	EUR mn	-5.7	-5.9	-4.8	-5.0	-5.4	-5.2	-5.4
In % of gross revenues	%	-7.8%	-9.0%	-6.3%	-6.1%	-6.1%	-7.1%	-7.8%
Other operating expenses	EUR mn	-5.3	-4.9	-5.8	-5.4	-5.2	-5.2	-5.3
In % of gross revenues	%	-7.2%	-7.5%	-7.8%	-6.5%	-5.8%	-7.1%	-7.8%
EBITDA	EUR mn	-0.5	-0.8	0.2	0.4	0.2	0.2	-1.5
in % of gross profit (adjusted)	%	-5.2%	-7.7%	2.0%	3.7%	2.3%	2.3%	-17.6%
Depreciation	EUR mn	-0.1	-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	-0.7	-0.9	0.1	0.2	0.1	0.1	-1.7
YoY	%	-46.5%	34.7%	-109.5%	180.0%	-52.2%	-16.5%	n/a
YoY	EUR mn	-0.1	0.3	0.0	-0.2	0.8	-1.2	0.3
in % of gross profit (adjusted)	%	-6.4%	-9.1%	0.9%	2.3%	1.1%	1.0%	-19.3%
Income from participations	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net financial result	EUR mn	0.1	0.0	0.0	0.0	0.0	0.0	-0.2
Extraordinary items	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBT	EUR mn	-0.6	-0.8	0.1	0.2	0.1	0.1	-1.8
in % of gross profit (adjusted)	%	-5.7%	-8.6%	1.0%	2.4%	1.1%	0.9%	-21.4%
Taxes	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
In % of EBT (implied tax rate)	%	6.0%	3.3%	-23.8%	-4.2%	-8.3%	-11.2%	0.0%
Net income	EUR mn	-0.6	-0.9	0.1	0.2	0.1	0.1	-1.8
in % of gross profit (adjusted)	%	-6.0%	-8.9%	0.8%	2.3%	1.0%	0.8%	-21.4%
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	-1.23	-1.74	0.16	0.46	0.21	0.16	-3.60

SOURCE: COMPANY DATA, SPHENE CAPITAL

Profit and Loss Account, 2017-23e

HGB (12/31)		2017	2018	2019	2020e	2021e	2022e	2023e
Gross revenues	EUR mn	66.2	85.8	84.3	75.2	86.4	100.0	116.3
YoY	%	-3.7%	29.7%	-1.8%	-10.8%	14.8%	15.8%	16.3%
Other operating income	EUR mn	0.9	0.9	0.2	1.7	1.7	1.7	1.7
Own work capitalized	EUR mn	1.6	0.7	0.0	0.0	0.0	0.0	0.0
Total output	EUR mn	68.7	87.4	84.5	76.9	88.1	101.7	118.0
YoY	%	-0.9%	27.2%	-3.3%	-9.0%	14.5%	15.5%	16.0%
Material costs	EUR mn	-57.9	-76.4	-75.3	-65.4	-75.4	-87.7	-102.4
In % of total output	%	-84.2%	-87.4%	-89.1%	-85.0%	-85.6%	-86.2%	-86.8%
Gross profit	EUR mn	10.9	11.0	9.2	11.5	12.6	14.0	15.6
YoY	%	18.1%	1.4%	-16.4%	24.9%	9.8%	10.7%	11.1%
In % of total output	%	15.8%	12.6%	10.9%	15.0%	14.4%	13.8%	13.2%
Gross profit (adjusted)	EUR mn	8.3	9.4	9.0	9.8	11.0	12.3	13.8
YoY	%	-3.3%	14.0%	-4.4%	9.0%	11.3%	12.2%	12.5%
In % of total output	%	12.1%	10.8%	10.7%	12.8%	12.4%	12.1%	11.7%
Personnel costs	EUR mn	-4.9	-5.6	-4.4	-4.3	-4.7	-4.8	-4.9
In % of gross revenues	%	-7.5%	-6.5%	-5.2%	-5.8%	-5.4%	-4.8%	-4.2%
Other operating expenses	EUR mn	-4.9	-5.7	-6.7	-6.2	-7.2	-8.3	-9.6
In % of gross revenues	%	-7.5%	-6.7%	-7.9%	-8.2%	-8.3%	-8.3%	-8.2%
EBITDA	EUR mn	1.0	-0.3	-1.9	1.0	0.8	1.0	1.1
in % of gross profit (adjusted)	%	12.0%	-2.7%	-20.7%	10.0%	7.2%	7.8%	8.2%
Depreciation	EUR mn	-0.4	-1.6	-0.8	-0.7	-0.7	-0.8	-0.8
Amortisation	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	EUR mn	0.6	-1.9	-2.7	0.3	0.0	0.2	0.3
YoY	%	-135.6%	-415.8%	45.8%	-109.4%	-84.0%	363.9%	75.8%
YoY	EUR mn	0.8	-6.1	5.6	-0.4	-0.1	-0.2	-0.3
in % of gross profit (adjusted)	%	7.1%	-19.7%	-30.0%	2.6%	0.4%	1.5%	2.4%
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	0.0	0.0	-1.3	-0.5	-0.5	-0.3
Extraordinary items	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBT	EUR mn	0.6	-1.9	-2.7	-1.0	-0.4	-0.3	0.0
in % of gross profit (adjusted)	%	7.0%	-19.8%	-29.9%	-10.3%	-3.8%	-2.1%	0.2%
Taxes	EUR mn	-0.5	0.0	0.0	0.0	0.0	0.0	0.0
In % of EBT (implied tax rate)	%	-85.9%	-2.0%	-1.8%	-3.1%	-5.0%	-5.0%	-5.0%
Net income	EUR mn	0.1	-1.8	-2.6	-1.0	-0.4	-0.2	0.0
in % of gross profit (adjusted)	%	1.0%	-19.4%	-29.3%	-10.0%	-3.6%	-2.0%	0.2%
Minorities	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nr of shares	mn	0.6	0.6	0.7	1.3	1.3	1.3	1.3
EPS	EUR	0.15	-3.26	-4.05	-0.75	-0.30	-0.19	0.02

SOURCE: COMPANY DATA, SPHENE CAPITAL FORECAST

Balance Sheet (Assets), 2010-16

HGB (12/31)		2010	2011	2012	2013	2014	2015	2016
ASSETS								
Non-current assets	EUR mn	0.3	0.2	0.3	0.3	1.4	1.4	1.8
Intangible assets	EUR mn	0.0	0.0	0.0	0.0	1.1	1.1	1.6
Property, plant & equipment	EUR mn	0.3	0.2	0.1	0.3	0.3	0.3	0.3
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	0.1	0.0	0.0	0.0	0.0
Current assets	EUR mn	14.4	11.3	13.0	12.5	16.2	10.3	9.4
Inventory	EUR mn	0.2	0.1	0.4	1.0	1.0	0.8	0.1
DIO	d	1	1	2	5	4	5	1
Trade receivables	EUR mn	5.1	4.8	5.4	6.4	7.6	3.6	3.8
DSO	d	25	26	26	28	30	18	20
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	0.6	0.2	0.2	0.6	0.4
Cash & cash equivalents	EUR mn	8.8	6.1	6.6	4.9	7.5	5.3	5.2
Deferred items	EUR mn	0.2	0.1	0.2	0.2	0.2	0.4	0.2
Equity deficit	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total assets	EUR mn	14.9	11.7	13.5	13.1	17.7	12.2	11.5
SOURCE: COMPANY DATA, SPHENE CAPITAL								

Balance Sheet (Assets), 2017-23e

HGB (12/31)		2017	2018	2019	2020e	2021e	2022e	2023e
ASSETS								
Non-current assets	EUR mn	3.1	3.0	2.3	3.6	3.7	3.8	3.8
Intangible assets	EUR mn	2.9	2.3	1.5	3.5	3.6	3.6	3.7
Property, plant & equipment	EUR mn	0.2	0.2	0.1	0.1	0.1	0.2	0.2
Shares in affiliated companies	EUR mn	0.0	0.0	0.7	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	0.5	0.0	0.0	0.0	0.0	0.0
Current assets	EUR mn	8.0	7.9	8.8	23.6	16.8	18.2	20.0
Inventory	EUR mn	0.0	0.0	0.0	0.1	0.1	0.1	0.1
DIO	d	0	0	0	0	0	0	1
Trade receivables	EUR mn	3.2	3.7	4.0	6.4	6.9	7.4	7.9
DSO	d	17	15	17	31	29	27	25
Receivables from affiliated companies	EUR mn	0.0	0.0	0.4	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	1.2	15.5	0.8	0.8	0.8
Cash & cash equivalents	EUR mn	4.5	3.9	3.2	1.6	9.0	10.0	11.2
Deferred items	EUR mn	0.1	0.1	0.2	0.2	0.2	0.2	0.2
Equity deficit	EUR mn	0.0	0.0	1.6	0.0	0.0	0.0	0.0
Total assets	EUR mn	11.2	11.0	12.9	27.3	20.6	22.1	24.0
SOURCE: COMPANY DATA, SPHENE CAPITAL FORECAST								

Balance Sheet (Liabilities), 2010-16

HGB (12/31)		2010	2011	2012	2013	2014	2015	2016
LIABILITIES AND EQUITY								
Total shareholder's equity	EUR mn	4.4	3.5	3.6	3.8	3.9	4.1	1.6
Equity ratio	%	29.6%	30.3%	26.7%	29.1%	22.1%	33.9%	14.3%
Issued capital	EUR mn	5.0	5.0	5.0	5.0	5.0	5.1	5.1
Capital reserve	EUR mn	0.0	0.0	0.0	0.0	0.0	0.1	0.1
Currency adjustments	EUR mn	0.1	0.1	0.1	0.0	0.0	0.1	0.1
Accumulated deficit	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit/Loss of period	EUR mn	-0.7	-1.6	-1.5	-1.3	-1.2	-1.1	-3.6
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	1.1	1.2	1.4	3.0	3.2	2.8	3.1
Current liabilities	EUR mn	9.2	6.8	8.5	6.2	10.2	4.6	6.2
Bank debt	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trade payables	EUR mn	8.4	6.2	7.5	5.2	7.3	3.6	4.6
DPO	d	41	34	36	23	29	18	24
Other current liabilities	EUR mn	0.9	0.6	1.0	1.1	2.9	1.0	1.6
Deferred items	EUR mn	0.1	0.1	0.0	0.0	0.5	0.6	0.6
Total liabilities and shareholders' equity	EUR mn	14.9	11.7	13.5	13.1	17.7	12.2	11.5
SOURCE: COMPANY DATA, SPHENE CAPITAL								

Balance Sheet (Liabilities), 2017-23e

HGB (12/31)		2017	2018	2019	2020e	2021e	2022e	2023e
LIABILITIES AND EQUITY								
Total shareholder's equity	EUR mn	2.1	1.3	0.0	1.3	0.9	0.6	0.7
Equity ratio	%	19.1%	11.9%	0.0%	4.7%	4.3%	2.9%	2.8%
Issued capital	EUR mn	0.6	0.7	0.7	1.3	1.3	1.3	1.3
Capital reserve	EUR mn	1.4	2.3	2.3	5.4	5.4	5.4	5.4
Currency adjustments	EUR mn	0.1	0.1	0.0	0.0	0.0	0.0	0.0
Accumulated deficit	EUR mn	0.0	0.0	0.0	-4.5	-4.5	-4.5	-4.5
Profit/Loss of period	EUR mn	0.2	-1.7	-4.5	-1.0	-1.4	-1.6	-1.6
Equity deficit	EUR mn	0.0	0.0	1.6	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	2.7	2.2	2.9	1.8	1.8	1.8	1.8
Current liabilities	EUR mn	5.8	7.1	9.7	24.2	17.9	19.7	21.5
Bank debt	EUR mn	0.0	0.0	0.0	8.0	0.0	0.0	0.0
Trade payables	EUR mn	4.7	5.2	7.2	9.2	10.2	11.2	12.2
DPO	d	26	22	31	44	43	40	38
Other current liabilities	EUR mn	1.1	1.9	2.1	7.0	7.7	8.5	9.3
Deferred items	EUR mn	0.6	0.4	0.3	0.0	0.0	0.0	0.0
Total liabilities and shareholders' equity	EUR mn	11.2	11.0	12.9	27.3	20.6	22.1	24.0
SOURCE: COMPANY DATA, SPHENE CAPITAL FORECAST								

Balance Sheet (Assets, Normalized), 2010-16

HGB (12/31)		2010	2011	2012	2013	2014	2015	2016
ASSETS								
Non-current assets	%	2.0%	2.0%	2.2%	2.6%	7.7%	11.4%	15.9%
Intangible assets	%	0.3%	0.2%	0.1%	0.1%	6.0%	8.7%	13.7%
Property, plant & equipment	%	1.7%	1.8%	1.1%	2.5%	1.7%	2.8%	2.2%
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%	1.1%	0.0%	0.0%	0.0%	0.0%
Current assets	%	96.9%	96.9%	96.3%	95.7%	91.4%	85.1%	82.1%
Inventory	%	1.5%	1.1%	2.7%	7.8%	5.6%	6.7%	0.8%
Trade receivables	%	34.1%	41.1%	40.1%	48.7%	42.7%	29.4%	33.1%
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	%	1.9%	2.7%	4.8%	1.8%	1.0%	5.1%	3.3%
Cash & cash equivalents	%	59.3%	52.0%	48.7%	37.5%	42.1%	43.9%	44.9%
Deferred items	%	1.1%	1.2%	1.5%	1.7%	0.9%	3.5%	2.0%
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), 2017-23e

HGB (12/31)		2017	2018	2019	2020e	2021e	2022e	2023e
ASSETS								
Non-current assets	%	27.7%	26.9%	17.9%	13.2%	17.8%	17.0%	15.9%
Intangible assets	%	26.0%	21.0%	12.0%	12.8%	17.2%	16.3%	15.2%
Property, plant & equipment	%	1.8%	1.4%	0.8%	0.4%	0.6%	0.7%	0.7%
Shares in affiliated companies	%	0.0%	0.0%	5.2%	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%	4.5%	0.0%	0.0%	0.0%	0.0%	0.0%
Current assets	%	71.1%	71.9%	68.7%	86.3%	81.4%	82.4%	83.4%
Inventory	%	0.4%	0.4%	0.2%	0.2%	0.4%	0.5%	0.6%
Trade receivables	%	28.2%	33.3%	31.2%	23.5%	33.5%	33.5%	33.0%
Receivables from affiliated companies	%	0.0%	0.0%	3.3%	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	%	2.7%	3.1%	9.0%	56.8%	3.6%	3.4%	3.1%
Cash & cash equivalents	%	39.8%	35.1%	25.0%	5.8%	43.8%	45.0%	46.7%
Deferred items	%	1.2%	1.2%	1.2%	0.5%	0.7%	0.7%	0.6%
Equity deficit	%	0.0%	0.0%	12.2%	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), 2010-16

HGB (12/31)		2010	2011	2012	2013	2014	2015	2016
LIABILITIES AND EQUITY								
Total shareholder's equity	%	29.6%	30.3%	26.7%	29.1%	22.1%	33.9%	14.3%
Issued capital	%	33.9%	43.1%	37.3%	38.6%	28.5%	41.9%	44.4%
Capital reserve	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	0.4%
Currency adjustments	%	0.5%	0.8%	0.5%	0.3%	0.3%	0.6%	0.8%
Accumulated deficit	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Profit/Loss of period	%	-4.8%	-13.6%	-11.2%	-9.8%	-6.6%	-9.0%	-31.3%
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	%	7.6%	10.1%	10.4%	22.8%	17.9%	23.2%	27.1%
Current liabilities	%	62.0%	58.5%	62.6%	47.8%	57.4%	37.7%	53.8%
Bank debt	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Trade payables	%	56.2%	53.3%	55.2%	39.4%	41.1%	29.3%	40.0%
Other current liabilities	%	5.8%	5.2%	7.4%	8.4%	16.3%	8.3%	13.8%
Deferred items	%	0.8%	1.1%	0.3%	0.3%	2.6%	5.2%	4.8%
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), 2017-23e

HGB (12/31)		2017	2018	2019	2020e	2021e	2022e	2023e
LIABILITIES AND EQUITY								
Total shareholder's equity	%	19.1%	11.9%	0.0%	4.7%	4.3%	2.9%	2.8%
Issued capital	%	5.0%	5.9%	5.1%	4.8%	6.3%	5.9%	5.4%
Capital reserve	%	12.2%	20.4%	17.6%	19.8%	26.2%	24.4%	22.5%
Currency adjustments	%	0.5%	0.7%	0.0%	0.1%	0.1%	0.1%	0.1%
Accumulated deficit	%	0.0%	0.0%	0.0%	-16.4%	-21.7%	-20.2%	-18.6%
Profit/Loss of period	%	1.4%	-15.1%	-34.8%	-3.6%	-6.7%	-7.3%	-6.6%
Equity deficit	%	0.0%	0.0%	12.2%	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	%	24.2%	20.0%	22.3%	6.6%	8.7%	8.1%	7.5%
Current liabilities	%	51.4%	64.3%	75.1%	88.6%	86.8%	88.8%	89.6%
Bank debt	%	0.0%	0.0%	0.1%	29.3%	0.0%	0.0%	0.0%
Trade payables	%	41.8%	47.1%	56.0%	33.7%	49.5%	50.6%	50.8%
Other current liabilities	%	9.6%	17.2%	16.5%	25.6%	37.4%	38.3%	38.8%
Deferred items	%	5.3%	3.7%	2.6%	0.1%	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, 2010-16

HGB (12/31)		2010	2011	2012	2013	2014	2015	2016
Net income	EUR mn	-0.6	-0.9	0.1	0.2	0.1	0.1	-1.8
Depreciation & Amortisation	EUR mn	0.1	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	0.0	0.1	-0.2	-0.7	0.0	0.2	0.7
Δ trade receivables	EUR mn	-0.5	0.3	-0.6	-0.9	-1.2	4.0	-0.2
Δ other receivables	EUR mn	0.0	0.0	-0.3	0.4	0.1	-0.4	0.2
Δ deferred tax assets	EUR mn	0.0	0.0	-0.1	0.0	0.1	-0.3	0.2
Δ other long-term provisions	EUR mn	-0.3	0.1	0.2	1.6	0.2	-0.3	0.3
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	2.0	-2.1	1.2	-2.3	2.1	-3.7	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	0.1	0.0	-0.1	0.0	0.4	0.2	-0.1
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	-0.3	0.4	0.2	1.7	-2.0	-0.1
Operating cash flow	EUR mn	1.0	-2.7	0.7	-1.4	3.7	-2.2	0.4
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	0.0	0.0	0.0	-1.0	0.0	-0.5
Investments in tangible assets	EUR mn	-0.2	-0.1	-0.1	-0.3	-0.1	-0.2	-0.1
Cash flow from investing	EUR mn	-0.2	-0.1	-0.2	-0.2	-1.2	-0.2	-0.6
Free cash flow	EUR mn	0.8	-2.8	0.5	-1.6	2.5	-2.3	-0.2
Δ Capital stock	EUR mn	0.0	0.0	0.0	0.0	0.0	0.1	0.0
Δ Capital reserves	EUR mn	0.0	0.0	0.0	0.0	0.0	0.1	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	0.4	0.1	1.8	-1.9	0.6
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	-0.2	0.2	-0.4	-0.1	-1.8	1.9	-0.6
Financing cash flow	EUR mn	0.0	0.0	0.0	0.0	0.0	0.1	0.0
Net cash inflow	EUR mn	0.8	-2.8	0.5	-1.6	2.5	-2.2	-0.2
Currency adjustments	EUR mn	0.0	0.0	0.0	-0.1	0.0	0.1	0.0
Net cash opening balance	EUR mn	8.0	8.8	6.1	6.6	4.9	7.5	5.3
Net cash closing balance	EUR mn	8.8	6.1	6.6	4.9	7.5	5.3	5.2

SOURCE: COMPANY DATA, SPHENE CAPITAL

Cash Flow Statement, 2017-23e

HGB (12/31)		2017	2018	2019	2020e	2021e	2022e	2023e
Net income	EUR mn	0.1	-1.8	-2.6	-1.0	-0.4	-0.2	0.0
Depreciation & Amortisation	EUR mn	0.4	1.6	0.8	0.7	0.7	0.8	0.8
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	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Δ trade receivables	EUR mn	0.6	-0.5	-0.3	-2.4	-0.5	-0.5	-0.5
Δ other receivables	EUR mn	0.1	0.0	-1.2	-13.9	14.8	0.0	0.0
Δ deferred tax assets	EUR mn	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Δ other long-term provisions	EUR mn	-0.4	-0.5	0.6	-1.1	0.0	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	0.1	0.5	2.0	2.0	1.0	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	0.0	-0.2	-0.1	-0.3	0.0	0.0	0.0
Currency adjustments	EUR mn	0.0	0.0	-0.1	0.0	0.0	0.0	0.0
Other operational adjustments	EUR mn	-0.4	0.8	0.3	0.0	0.0	0.0	0.0
Operating cash flow	EUR mn	0.6	-0.1	-0.5	-15.9	15.6	1.0	1.3
Investments in financial assets	EUR mn	0.0	0.0	-0.7	0.7	0.0	0.0	0.0
Investments in intangible assets	EUR mn	-1.3	0.6	0.8	-2.0	-0.1	-0.1	-0.1
Investments in tangible assets	EUR mn	-0.3	-1.6	-0.8	-0.7	-0.8	-0.8	-0.8
Cash flow from investing	EUR mn	-1.7	-1.5	-0.7	-2.0	-0.8	-0.8	-0.9
Free cash flow	EUR mn	-1.1	-1.6	-1.2	-18.0	14.8	0.2	0.4
Δ Capital stock	EUR mn	-4.5	0.1	0.0	0.7	0.0	0.0	0.0
Δ Capital reserves	EUR mn	1.3	0.9	0.0	3.1	0.0	0.0	0.0
Δ Bank debt	EUR mn	0.0	0.0	0.0	8.0	-8.0	0.0	0.0
Δ other interest-bearing liabilities	EUR mn	-0.5	0.8	0.6	4.5	0.7	0.8	0.8
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	4.2	-0.8	0.0	0.0	0.0	0.0	0.0
Financing cash flow	EUR mn	0.5	1.0	0.6	16.3	-7.3	0.8	0.8
Net cash inflow	EUR mn	-0.7	-0.6	-0.7	-1.6	7.5	0.9	1.3
Currency adjustments	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net cash opening balance	EUR mn	5.2	4.5	3.9	3.2	1.6	9.0	10.0
Net cash closing balance	EUR mn	4.5	3.9	3.2	1.6	9.0	10.0	11.2

SOURCE: COMPANY DATA, SPHENE CAPITAL FORECAST

One View, 2010-16

HGB (12/31)		2010	2011	2012	2013	2014	2015	2016
Key data								
Sales	EUR mn	72.7	65.4	74.8	82.2	89.4	73.3	68.7
Gross profit	EUR mn	10.4	10.0	10.8	10.7	10.8	10.6	9.2
Gross profit (adjusted)	EUR mn	10.3	9.8	9.9	10.1	10.2	10.0	8.6
EBITDA	EUR mn	-0.5	-0.8	0.2	0.4	0.2	0.2	-1.5
EBIT	EUR mn	-0.7	-0.9	0.1	0.2	0.1	0.1	-1.7
EBT	EUR mn	-0.6	-0.8	0.1	0.2	0.1	0.1	-1.8
Net income	EUR mn	-0.6	-0.9	0.1	0.2	0.1	0.1	-1.8
Nr. of employees		98	81	87	92	88	99	96
Per share data								
Price high	EUR	41.70	34.90	22.50	30.00	28.00	18.60	29.20
Price low	EUR	25.60	8.90	10.90	12.80	13.50	13.70	11.10
Price average/last	EUR	32.40	22.50	15.30	17.60	21.20	16.40	15.80
Price average/last	EUR	27.60	12.60	12.80	25.80	17.20	16.50	12.50
EPS	EUR	-1.23	-1.74	0.16	0.46	0.21	0.16	-3.60
BVPS	EUR	8.74	7.03	7.15	7.53	7.77	8.10	3.23
CFPS	EUR	1.94	-5.36	1.44	-2.79	7.30	-4.28	0.71
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	%	-5.2%	-7.7%	2.0%	3.7%	2.3%	2.3%	-17.6%
EBIT margin	%	-6.4%	-9.1%	0.9%	2.3%	1.1%	1.0%	-19.3%
Pre-tax margin	%	-5.7%	-8.6%	1.0%	2.4%	1.1%	0.9%	-21.4%
Net margin	%	-6.0%	-8.9%	0.8%	2.3%	1.0%	0.8%	-21.4%
FCF margin	%	7.8%	-28.1%	5.4%	-15.6%	24.7%	-23.5%	-2.6%
ROE	%	-14.1%	-24.7%	2.2%	6.1%	2.7%	2.0%	-111.5%
NWC/Sales	%	-26.9%	-10.8%	-15.4%	25.2%	25.7%	22.3%	13.2%
Revenues per head	EURk	741	808	860	894	1,016	741	716
EBIT per head	EURk	-6.8	-11.0	1.0	2.6	1.3	1.0	-17.2
Capex/Sales	%	0.3%	0.1%	0.1%	0.4%	0.1%	0.2%	0.1%
Gross profit premium	%	212.6%	179.5%	194.3%	170.1%	214.9%	176.2%	153.9%
Growth rates								
Sales	%	5.4%	-10.0%	14.4%	9.9%	8.7%	-18.0%	-6.3%
Gross profit	%	7.8%	-3.4%	7.1%	-0.5%	1.3%	-1.9%	-13.4%
Gross profit (adjusted)	%	8.8%	-4.3%	0.4%	2.7%	0.8%	-2.7%	-14.0%
EBITDA	%	-51.1%	41.7%	n/a	87.7%	-36.4%	-4.6%	n/a
EBIT	%	-46.5%	34.7%	n/a	180.0%	-52.2%	-16.5%	n/a
EBT	%	-48.6%	45.0%	n/a	131.7%	-52.8%	-19.3%	n/a
Net income	%	-46.0%	41.2%	n/a	191.4%	-54.8%	-21.8%	n/a
EPS	%	-46.0%	41.1%	n/a	191.4%	-54.8%	-22.6%	n/a
CFPS	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
SOURCE: COMPANY DATA, SPHENE CAPITAL								

One View, 2017-23e

HGB (12/31)		2017	2018	2019	2020e	2021e	2022e	2023e
Key data								
Sales	EUR mn	66.2	85.8	84.3	75.2	86.4	100.0	116.3
Gross profit	EUR mn	10.9	11.0	9.2	11.5	12.6	14.0	15.6
Gross profit (adjusted)	EUR mn	8.3	9.4	9.0	9.8	11.0	12.3	13.8
EBITDA	EUR mn	1.0	-0.3	-1.9	1.0	0.8	1.0	1.1
EBIT	EUR mn	0.6	-1.9	-2.7	0.3	0.0	0.2	0.3
EBT	EUR mn	0.6	-1.9	-2.7	-1.0	-0.4	-0.3	0.0
Net income	EUR mn	0.1	-1.8	-2.6	-1.0	-0.4	-0.2	0.0
Nr. of employees		85	85	71	71	71	71	71
Per share data								
Price high	EUR	17.00	13.20	24.40	10.90			
Price low	EUR	7.41	9.70	9.25	5.85			
Price average/last	EUR	12.05	11.16	14.29	8.63			
Price average/last	EUR	10.49	10.90	9.80	12.20	12.20	12.20	12.20
EPS	EUR	0.15	-3.26	-4.05	-0.75	-0.30	-0.19	0.02
BVPS	EUR	3.83	2.35	0.00	0.98	0.68	0.50	0.52
CFPS	EUR	1.08	-0.17	-0.84	-12.19	11.91	0.76	0.99
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	%							50.8%
Profitability ratios (based on adjusted gross profit)								
EBITDA margin	%	12.0%	-2.7%	-20.7%	10.0%	7.2%	7.8%	8.2%
EBIT margin	%	7.1%	-19.7%	-30.0%	2.6%	0.4%	1.5%	2.4%
Pre-tax margin	%	7.0%	-19.8%	-29.9%	-10.3%	-3.8%	-2.1%	0.2%
Net margin	%	1.0%	-19.4%	-29.3%	-10.0%	-3.6%	-2.0%	0.2%
FCF margin	%	-13.5%	-16.8%	-13.5%	-182.7%	134.7%	1.2%	3.1%
ROE	%	3.8%	-138.6%	n/a	-76.4%	-44.0%	-37.6%	4.4%
NWC/Sales	%	19.7%	10.5%	-16.8%	8.9%	4.4%	0.7%	-2.2%
Revenues per head	EURk	778	1,010	1,187	1,060	1,216	1,408	1,637
EBIT per head	EURk	6.9	-21.9	-38.2	3.6	0.6	2.7	4.7
Capex/Sales	%	0.5%	1.8%	0.9%	1.0%	0.9%	0.8%	0.7%
Gross profit premium	%	184.5%	142.0%	140.5%	418.0%	301.9%	310.0%	321.3%
Growth rates								
Sales	%	-3.7%	29.7%	-1.8%	-10.8%	14.8%	15.8%	16.3%
Gross profit	%	18.1%	1.4%	-16.4%	24.9%	9.8%	10.7%	11.1%
Gross profit (adjusted)	%	-3.3%	14.0%	-4.4%	9.0%	11.3%	12.2%	12.5%
EBITDA	%	n/a	n/a	621.2%	n/a	-19.6%	21.6%	17.3%
EBIT	%	n/a	n/a	45.8%	n/a	-84.0%	363.9%	75.8%
EBT	%	n/a	n/a	44.5%	-62.4%	-59.2%	-37.9%	n/a
Net income	%	n/a	n/a	44.8%	-62.9%	-60.0%	-37.9%	n/a
EPS	%	n/a	n/a	24.1%	-81.5%	-60.0%	-37.9%	n/a
CFPS	%	53.1%	n/a	405.8%	n/a	n/a	-93.6%	29.6%
SOURCE: COMPANY DATA, SPHENE CAPITAL FORECAST								

One View II, 2010-16

HGB (12/31)		2010	2011	2012	2013	2014	2015	2016
Balance sheet ratios								
Fixed assets	EUR mn	0.3	0.2	0.3	0.3	1.4	1.4	1.8
Current assets	EUR mn	14.6	11.5	13.2	12.7	16.4	10.8	9.7
Equity	EUR mn	4.4	3.5	3.6	3.8	3.9	4.1	1.6
Liabilities	EUR mn	10.5	8.2	9.9	9.3	13.8	8.0	9.8
Equity ratio	%	29.6%	30.3%	26.7%	29.1%	22.1%	33.9%	14.3%
Gearing	%	-140.1%	-102.9%	-91.2%	-51.5%	-57.2%	-25.8%	-31.3%
Working Capital	EUR mn	-3.1	-1.3	-1.7	2.2	1.3	0.8	-0.7
Capital Employed	EUR mn	-2.8	-1.1	-1.5	2.6	2.6	2.2	1.1
Asset Turnover	x	4.9	5.6	5.5	6.3	5.0	6.0	6.0
Enterprise Value								
Nr. of shares	1.000	504	504	504	504	504	509	509
Market cap.	EUR mn	21.0	17.6	11.3	15.1	14.1	9.5	14.9
Market cap.	EUR mn	12.9	4.5	5.5	6.5	6.8	7.0	5.7
Market cap.	EUR mn	16.3	11.3	7.7	8.9	10.7	8.4	8.0
Market cap.	EUR mn	13.9	6.4	6.5	13.0	8.7	8.4	6.4
Net debt	EUR mn	-6.2	-3.6	-3.3	-2.0	-2.2	-1.1	-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	14.8	14.0	8.1	13.2	11.9	8.4	14.4
EV low	EUR mn	6.7	0.8	2.2	4.5	4.6	5.9	5.1
EV average	EUR mn	10.2	7.7	4.4	6.9	8.5	7.3	7.5
Enterprise Value	EUR mn	7.7	2.7	3.2	11.1	6.4	7.3	5.9
Valuation ratios								
EV/sales high	x	0.20	0.21	0.11	0.16	0.13	0.11	0.21
EV/sales low	x	0.09	0.01	0.03	0.05	0.05	0.08	0.07
EV/sales average	x	0.14	0.12	0.06	0.08	0.09	0.10	0.11
EV/sales	x	0.11	0.04	0.04	0.13	0.07	0.10	0.09
EV/EBITDA high	x	-27.7	-18.4	40.0	34.9	49.5	36.7	-9.5
EV/EBITDA low	x	-12.6	-1.1	11.0	11.9	19.0	25.8	-3.4
EV/EBITDA average	x	-19.0	-10.1	22.0	18.3	35.2	31.8	-5.0
EV/EBITDA	x	-14.4	-3.6	15.7	29.3	26.8	32.0	-3.9
EV/EBIT last	x	-11.7	-3.0	37.3	46.5	56.7	77.4	-3.5
P/E high	x	n/a	n/a	143.6	65.7	135.8	116.5	n/a
P/E low	x	n/a	n/a	69.6	28.0	65.5	85.8	n/a
P/E average	x	n/a	n/a	97.7	38.6	102.8	102.8	n/a
P/E last	x	n/a	n/a	81.7	56.5	83.4	103.4	n/a
P/BV last	x	3.2	1.8	1.8	3.4	2.2	2.0	3.9
P/CF last	x	16.7	n/a	10.6	n/a	2.9	n/a	22.3
FCF yield	%	5.8%	-43.6%	8.2%	-12.2%	29.2%	-27.8%	-3.5%
Dividend-yield	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
SOURCE: COMPANY DATA, SPHENE CAPITAL								

One View II, 2017-23e

HGB (12/31)		2017	2018	2019	2020e	2021e	2022e	2023e
Balance sheet ratios								
Fixed assets	EUR mn	3.1	3.0	2.3	3.6	3.7	3.8	3.8
Current assets	EUR mn	8.1	8.1	9.0	23.7	16.9	18.4	20.2
Equity	EUR mn	2.1	1.3	0.0	1.3	0.9	0.6	0.7
Liabilities	EUR mn	9.1	9.7	12.9	26.0	19.7	21.5	23.3
Equity ratio	%	19.1%	11.9%	0.0%	4.7%	4.3%	2.9%	2.8%
Gearing	%	-10.4%	-14.7%	n/a	616.9%	-50.7%	-76.8%	-82.9%
Working Capital	EUR mn	-1.5	-1.5	-3.2	-2.7	-3.2	-3.7	-4.1
Capital Employed	EUR mn	1.6	1.0	-1.5	0.9	0.5	0.1	-0.3
Asset Turnover	x	5.9	7.8	6.6	2.8	4.2	4.5	4.8
Enterprise Value								
Nr. of shares	1.000	560	560	654	1,308	1,308	1,308	1,308
Market cap.	EUR mn	9.5	7.4	16.0	14.3	0.0	0.0	0.0
Market cap.	EUR mn	4.2	5.4	6.0	7.6	0.0	0.0	0.0
Market cap.	EUR mn	6.8	6.3	9.3	11.3	0.0	0.0	0.0
Market cap.	EUR mn	5.9	6.1	6.4	16.0	16.0	16.0	16.0
Net debt	EUR mn	-0.2	-0.2	-0.2	7.9	-0.5	-0.5	-0.6
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	9.3	7.2	15.8	22.2	-0.5	-0.5	-0.6
EV low	EUR mn	3.9	5.2	5.9	15.6	-0.5	-0.5	-0.6
EV average	EUR mn	6.5	6.1	9.2	19.2	-0.5	-0.5	-0.6
Enterprise Value	EUR mn	5.7	5.9	6.3	23.9	15.5	15.5	15.4
Valuation ratios								
EV/sales high	x	0.14	0.08	0.19	0.29	n/a	n/a	n/a
EV/sales low	x	0.06	0.06	0.07	0.21	n/a	n/a	n/a
EV/sales average	x	0.10	0.07	0.11	0.26	n/a	n/a	n/a
EV/sales	x	0.09	0.07	0.07	0.32	0.18	0.15	0.13
EV/EBITDA high	x	9.4	-27.8	-8.4	22.6	n/a	n/a	n/a
EV/EBITDA low	x	3.9	-20.2	-3.2	15.8	n/a	n/a	n/a
EV/EBITDA average	x	6.6	-23.4	-4.9	19.5	n/a	n/a	n/a
EV/EBITDA	x	5.7	-22.8	-3.3	24.3	19.6	16.1	13.7
EV/EBIT last	x	9.6	-3.2	-2.3	93.7	380.8	81.8	46.4
P/ER high	x	117.0	n/a	n/a	n/a	n/a	n/a	0.0
P/ER low	x	51.0	n/a	n/a	n/a	n/a	n/a	0.0
P/ER average	x	83.0	n/a	n/a	n/a	n/a	n/a	0.0
P/ER last	x	72.2	n/a	n/a	n/a	n/a	n/a	540.7
P/BV last	x	2.7	4.6	n/a	12.4	17.9	24.6	23.5
P/CF last	x	11.1	n/a	n/a	n/a	0.0	0.0	0.0
FCF yield	%	-19.0%	-25.9%	-19.0%	-112.7%	92.5%	0.9%	2.7%
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)		2020e	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	Terminal year
Revenues	EUR mn	75.2	86.4	100.0	116.3	135.6	149.9	158.5	162.7	164.1	164.1	163.5	162.7	161.9	161.1	160.3	159.5
YoY	%	-10.8%	14.8%	15.8%	16.3%	16.6%	10.5%	5.8%	2.6%	0.8%	0.0%	-0.4%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%
EBIT	EUR mn	0.3	0.0	0.2	0.3	0.4	0.6	0.8	1.0	1.2	1.4	1.6	1.7	1.9	2.1	2.2	2.4
EBIT margin	%	0.3%	0.0%	0.2%	0.3%	0.3%	0.4%	0.5%	0.6%	0.7%	0.8%	1.0%	1.1%	1.2%	1.3%	1.4%	1.5%
Taxes	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.6
Tax rate (τ)	%	-11.9%	-40.0%	-6.4%	0.4%	6.2%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	24.2%
Adjusted EBIT(1-τ)	EUR mn	0.3	0.1	0.2	0.3	0.4	0.6	0.8	1.0	1.2	1.4	1.5	1.7	1.9	2.0	2.2	1.9
Reinvestment	EUR mn	-0.9	-0.5	-0.5	-0.5	-0.5	-0.6	-0.7	-0.6	-0.5	0.0	1.2	2.8	3.6	3.8	3.7	0.2
FCFF	EUR mn	-0.6	-0.5	-0.3	-0.2	-0.2	0.0	0.2	0.4	0.7	1.4	2.7	4.5	5.5	5.8	6.0	2.1
WACC	%	10.0%	9.2%	9.2%	9.2%	8.7%	8.3%	7.8%	7.3%	6.9%	6.4%	5.9%	5.4%	5.0%	4.5%	4.5%	
Discount rate	%	100.0%	91.6%	83.9%	76.8%	70.6%	65.2%	60.5%	56.4%	52.8%	49.6%	46.8%	44.4%	42.3%	40.5%	38.7%	
Present value of free cash flows	EUR mn	-0.6	-0.4	-0.3	-0.2	-0.1	0.0	0.1	0.2	0.4	0.7	1.3	2.0	2.3	2.3	2.3	
TV Insolvency rate	%	6.4%															
Terminal Cost of capital	%	4.5%															
Present value of terminal value	EUR mn	6.6															
in % of enterprise value	%	39.6%															
PV FCFF detailed planning phase	EUR mn	-1.6															
in % of Enterprise Value	%	-9.3%															
PV FCFF rough planning phase	EUR mn	11.6															
in % of Enterprise Value	%	69.7%															
Enterprise Value	EUR mn	16.7															
Financial debt	EUR mn	-8.0															
Excess cash	EUR mn	15.3															
Value of equity	EUR mn	24.1															
Number of shares	mn	1.3															
Value of equity per share	EUR	18.40															

SOURCE: SPHENE CAPITAL FORECAST

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- ☉ holds a more than 5% interest in the capital stock of the issuer that is the subject of the analysis,
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Date/Time of publication:	Price target/Current share price:	Rating/Validity:	Conflict of Interest (key)
19 11 2020/09:25 h	EUR 18.40/EUR 12.20	Buy, 24 months	1, 8
29 10 2020/07:00 h	EUR 17.50/EUR 9.50	Buy, 24 months	1, 8
07 10 2020/17:00 h	EUR 17.50/EUR 9.60	Buy, 24 months	1, 8
16 09 2020/08:00 h	EUR 17.30/EUR 8.60	Buy, 24 months	1, 8
18 08 2020/11:00 h	EUR 17.90/EUR 8.15	Buy, 24 months	1, 8
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

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