29th April 2015

Media | Europe | Germany

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INTERNATIONAL RESEARCH GmbH

Initial Coverage

SendR SE

BUY

Target price: EUR 27.98

A leading media intermediary in digital music market.

Industry:	Media
Country:	Germany
Reuters:	MLSDR.PA
WKN	A1YDAZ
Website:	www.sendr.se

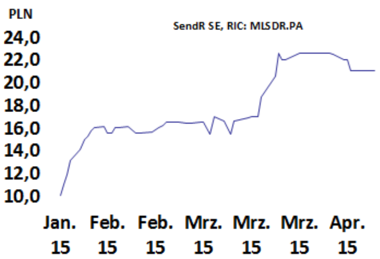
	High	Low
Current Price:		21,00
Price 52W.:	214,45	10,00
Market Cap. (Mill. EUR)		25
No. Of Shares (in Mill.)		1,2

Shareholders	
Free Float	1,10%
XOMOX GmbH	47,60%
Göttlich GmbH	42,10%
Others	9,20%

Performance	
4 Weeks	-7,1%
13 Weeks	40,0%
26 Weeks	-
52 Weeks	-
YTD	-

Dividend	EUR/Share	in %
2011	0,00	0%
2012	0,00	0%
2013	0,00	0%
2014e	0,00	0%
2015e	0,00	0%

1-year Chart



- We initiate a **buy** recommendation with a target price of EUR 27.98. It implies 33% holding period return. SendR is a technologically leading, vertically integrated independent clearing house for the music industry. The main strengths of the company are the founders‘ many years of experience and well-established connection to innumerable labels as well as global distribution platforms.

- Music industry is entering into a transition to a new phase. In 2014, digital music revenue for the first time matched the sales of physical music industry at $6.9bn, each contributed 46% to the total revenue of music industry. The digital market is forecasted to greatly expand in the future. With a plan to acquire EUR 3.0mn of rights package, SendR aims to capitalize on the potential of this growing segment.

- Our valuation methods lead to a target price of EUR 27.98 by the end of 2015. In our opinion, SendR is a promising company with a great upside potential. The company is leaded by a consistent and experience management team and follows a sound business model.

- Main risks to our target price are: high dependence of SendR on three tier-1 platforms; cluster risks from the acquisition of sizable license-rights package.

- **Key Facts**

in EUR Mio.	2011	2012	2013	2014E	2015E	2016E
Nettoumsatz	6.82	8.92	8.75	9.10	12.28	16.22
EBITDA	0.52	0.71	0.82	0.70	1.56	2.09
EBIT	0.47	0.63	0.76	0.63	1.47	1.97
Nettoergebnis	0.24	0.40	0.51	0.44	1.01	1.34
EPS	3.01	0.33	0.42	0.36	0.83	1.11
Tangible BVPS	15.16	0.80	0.90	1.24	1.99	1.71
RoE	28.12%	36.65%	49.52%	33.96%	51.64%	60.11%
EBIT-Marge	6.82 %	7.01 %	8.67 %	6.96 %	12.00 %	12.13 %
P/E	6.98x	63.64x	50.00x	57.69x	25.18x	18.88x
P/Tangible BVPS	1.38x	26.40x	23.34x	16.88x	10.57x	12.26x
EV/EBITDA	49.34x	36.01x	31.02x	36.47x	16.33x	12.24x

Source: company data, Dr. Kalliwoda International Research GmbH

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Content

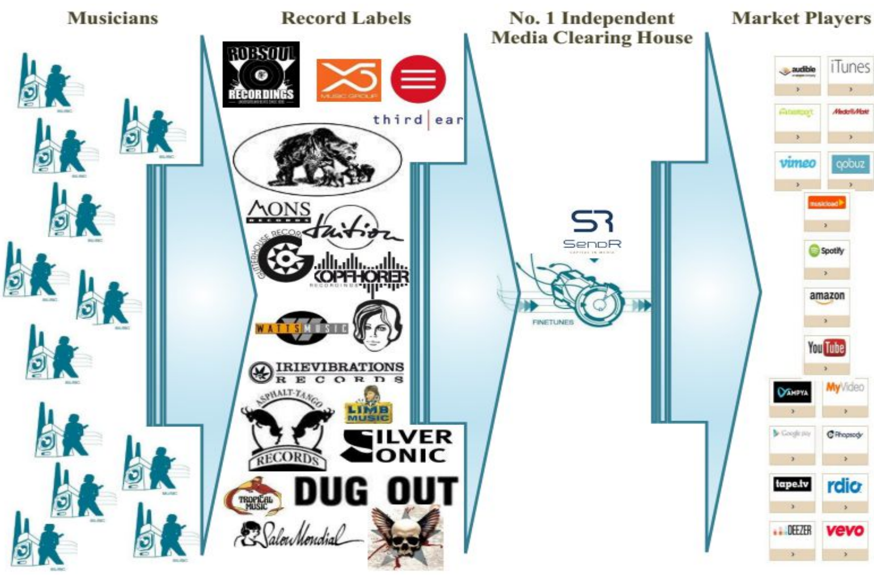
1 Company profile

Overview

SendR SE is a German media company, pioneering in digital media distribution and exploitation of aggregated license rights. Originated from the establishment of finetunes in 2003, the Hamburg-based company is a technologically leading, vertically integrated independent clearing house for the music industry. The company aggregates music license rights from independent labels and subsequently distributes/ exploits them via a broad range of à-la-carte online portals such as iTunes or Amazon and/or streaming platforms such as YouTube, Spotify or Deezer. The main strengths of the company are the founders‘ many years of experience and well-established connection to innumerable labels as well as global distribution platforms. With a fundraising target of €3 million, SendR currently focuses on the acquisition sizeable license-rights packages from leading independent labels, aiming to gain considerable and profitability-boosting economies of scale. Boasting a catalog of more than 120,000 artists, more than 600,000 distributable assets (tracks) generating over 1 billion usage (downloads and streams), and more than 3,500 direct and indirect licensors, SendR is among the top 5 independent clearing houses worldwide.

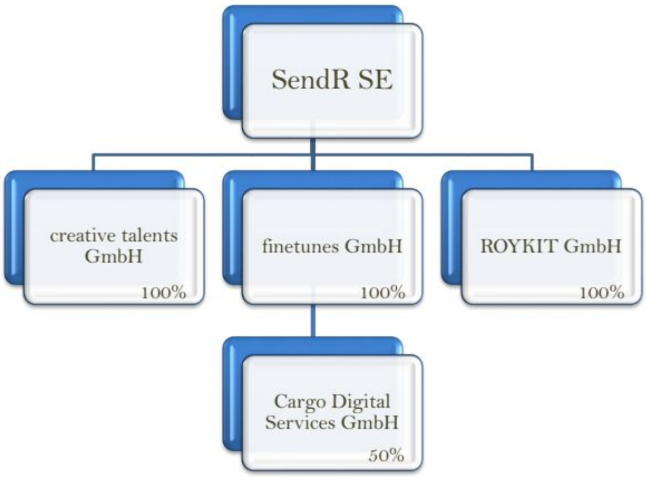
Business Model

SendR’s business essentially conducts the aggregation of license rights (contracting with rights-holders such as creators, authors, artists, and record labels), and then the distribution/ exploitation of these license rights via point of sales. The company derives its volume-dependent revenue mainly from the sales of these portals and platforms – in form of commission (5-30%) from paid royalties. It therefore offers or has to offer auxiliary services such as digitizing content, offering marketing solutions, metadata services, delivery of license-assets and accounting millions of lines/usages up to a detail of 15 fraction digits. Although distributing to approximately 450 licensees, SendR’s revenue is mainly contributed by the three largest third-party shops (TPS), iTunes, Spotify and Amazon (more than 70%).



Source: Company Data

Business units. The company offers its products and services through 4 subsidiaries:



- **Finetunes** is one of Europe's largest digital distributors of music, leading European Digital Service Providers (DSP) and one of the few suppliers of licensable music download store technology. The business fundamentals are unique proprietary software technologies (mass encoding software, digital warehouse, label admin software, web shop, contenthub etc.), in conjunction with a comprehensive roster of independent labels. In addition, finetunes offers a full-service solution that allows third parties to offer a "white label" music download store. This effectively makes finetunes the leading technology and content provider for exploitation of license rights in Germany, Europe and the rest of the world!
- **Creative Talents** is the artist-centered distribution extension of finetunes. Established especially to offer emerging artists a complete solution to distribute their music directly to all digital platforms, keeping the maximum of royalties.
- **ROYKIT** is the music-publishing extension of its older digital-distribution sister, finetunes. As a tech-driven, innovative and digital independent music publisher ROYKIT is committed to administer the composition-rights as efficiently as possible.
- **Cargo Digital Services** is founded to achieve the goal of presenting and promoting, as well as effectively managing its digital releases to all relevant media partners, thereby maximizing its content's visibility in the digital world. Cargo Digital works with more than 450 digital platforms, from major platforms like iTunes, Amazon, Musicload and Spotify to specialized shops like Beatport, Boomkat, Juno and regional services like Deezer (France), Musicload (GSA), WiMP (Scandinavia), rdio (US) and iMusica (Latin America).

Products & Services

SendR's wide range of products and services comprise

- **PromoTool** is an interface between labels and online distribution platforms, radio stations, journalists and bloggers, which provides right-holders and rights distributors with comprehensive information about finetunes' catalog – from release dates to artist and band biographies to current tour data, from images of bands and musicians to tour and music videos. Additionally, PromoTool offers Online Promotion to support the promotion campaign of new releases.

- **Direct 2 Fan** is a distribution solution that combines online media with physical products such as tickets, CDs, vinyl LPs, T-shirts or other merchandise articles.
- **Banner Network** is a target-group-specific banner advertising campaign that can be carried out on special occasions such as release announcements.
- **ContentHub** is an upload application enabling customers to upload content at any time and perform their own quality checks.
- **White-label** is a music download store solution for labels to have their own customized online shop.

Management

The company's management team comprises two executive directors, the founding partners back in 2003

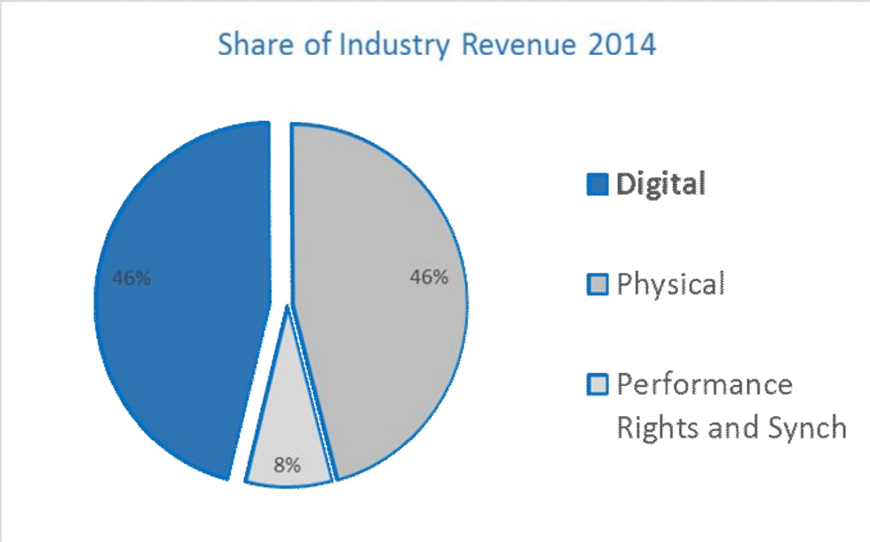
- *Henning Thieß* is executive director and responsible for the operational processes and technical management. In the late 2000 he founded GUDBERG Unprinted Media GmbH & Co.KG when he was studying Law and then Information Technologies+Economics, which developed an audio watermark and especially the P2P Gopher "blue ice", which was then used by "GVU", the German Society for the Prosecution of Copyright Infringement, to detect illegal material (mainly video) in P2P-networks. Based on this experience, he established finetunes in 2003 to serve as a legally acceptable solution for media consumption.
- *Oke Göttlich* is Executive director and responsible for the marketing, distribution and label management. He is alsoa member of the board of VUT, the German association of 1200 independent music companies and member of the advisory board of RKW, advising the German federal Ministry of Economics & Technology on the creative industries. He co-founded finetunes in 2005 in search of a distribution solution for his own label Nonplace which he ran from 1999 to 2008.

Shareholder Structure

Two major stakeholders of the company are XOMOX GmbH and Göttlich GmbH, each owning approximately 47.6% and 42.1%, established by two company founders, Henning Thieß and Oke Göttlich, respectively. The rest is owned by institutional investors (9.2%) and free float of 1.1%. Although no post listing lock-up period has been agreed, the shares of the existing shareholders are subject to a consortium agreement granting all members preemptive rights to the other shareholding.

2 Industry Overview

The Fast-Evolving Digital Music Market



Source: IFPI

The year of 2014 saw for the first time the proportion of revenue contributed by digital channels (46%) is on the same level as physical sales (46%). With 39% increase in revenue to US$ 1.57 billion, music subscription services were a major driver of global digital growth; digital revenue rose by 6.9% to US$6.85 billion, sustaining a sharp upward trend of recent years. However, it was unable to compensate for a global decline in physical format sales (-8.1%), as the overall recorded music revenues in 2014 fell slightly by 0.4% to US$14.97 billion.

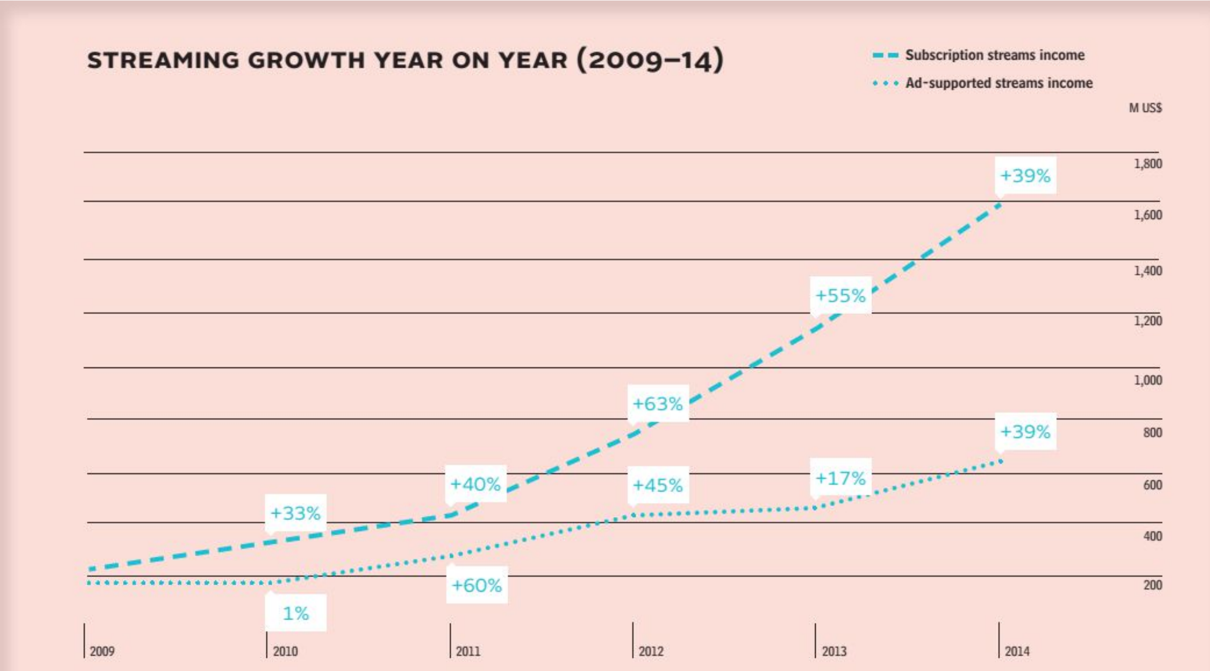
In North America, digital revenues topped US$3.5 billion in 2014 and now account for nearly three-quarters of the recorded music market (71%). Latin America continued to grow strongly in 2014, with digital growth in the region over the last year reached 32.1%, compared to a global average of 6.9%. An increase in revenue by 4.9% saw Japan experiencing digital growth for the first time in five year. Streaming gains and strong advances in subscription services also help painting a positive picture for music industry in Germany, Europe's largest market.

A Steady Shift from Music Ownership to Music Access

The music industry is moving through a digital revolution to a new phase, driven by the customer's desire for access to, rather than ownership of, music. A number of factors are attributed for the transition towards instant, real-time, anytime-anywhere-music access: better technology infrastructure, higher smartphone penetration, cheaper prices for devices, more storage space to store tracks for offline users and improved car integration. Streaming, which comprises ad-supported and subscription streaming, accounts for 32% of global digital revenue.

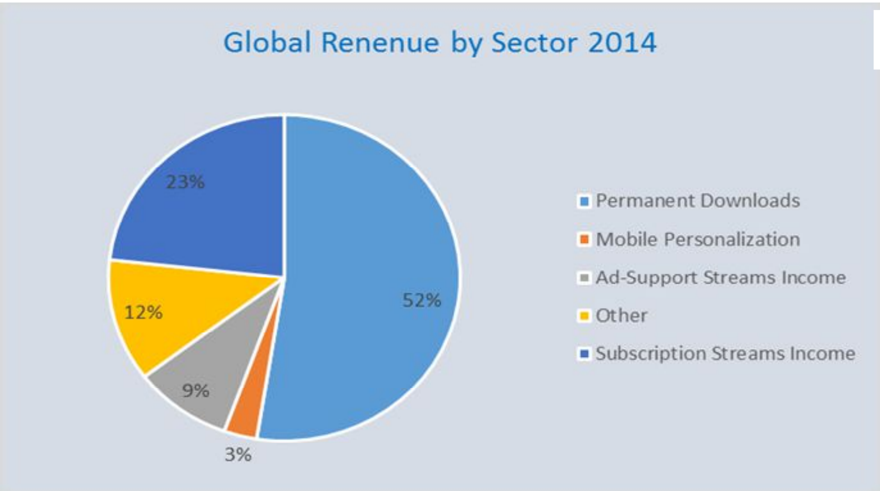
More specifically, music subscription services is the recorded music industry's fastest growing revenue stream, increasing by 39.0% in 2014. The number of paying subscribers increased significantly, up 46.4% to approximately 41 million. Subscription's revenue has increased six-fold for the last five year, now accounts for

23% of digital revenue. Ad-supported streaming, 9% of total digital revenue, also enjoyed an accelerating global growth, up from 16.6% in 2013 to 38.6% in 2014.



Source: IFPI

Despite strong growth in streaming service, downloads, decreased by 8.1% in 2014, is still the major source of revenue for the digital music market, accounts for 52%. Performance rights revenue – income from the use of recorded music by broadcasters and public venues – increased by 8.3% and now accounts for 6% of total industry revenues or US$948 million. Synchronization revenues – income from the use of music in advertising, film, games and television programs – increased by 8.4% in 2014.



Source: IFPI

Big Global Players Enter the Streaming Market

The lucrative market of subscription music does not only give rise to geographical expansion from recognized global brands, such as Deezer and Spotify, it also attracts entry from biggest global players. YouTube, owned by

Google, launched its own subscription service Music Key in late 2014 and Apple made its entrance into the market through its US$3 billion acquisition of Beats.

Untapped Potential

In spite of strong growth in the music streaming sector, there is still a challenging task to get subscription service to the mass market. The Ipsos 2015 research shows that 35% respondents across the 13 selected markets have accessed free music streaming services in the last six months, compared to 16% using paid-for music streaming subscription services. While consumer use of free and paid-for services varies markedly between countries, there are showcase markets proving that consumers will pay in large numbers for premium music subscription.

The solutions include increasing bundling partnerships and integrating more music subscriptions into phone billing; better consumer education to improve awareness of the value of the paid subscription service; more varied payment options to supplant the basic payment model of free versus premium, curation of music playlist.

3 Competitive Positioning

The digital music market is growing at an accelerating rate, with the entrances of two big global players: Google and Apple. We are convinced, with a sound business model and a favorable position in music industry, SendR is well-positioned to exploit this opportunity to its advantage.

Products & Services cover the entire chain of value

Majority of independent labels ranges from one-person companies to medium-sized companies with niche music style. Unlike major labels, who enjoy ample capacity to perform the entire media value chain, indie labels face capital constraints. It therefore exists the necessity for them to outsource non-artist related elements - i.e. marketing, promoting and distribution - to major labels or specialist service providers, like SendR.

SendR's business as rights aggregator and distributor can be easily replicated. However, as an experienced service providers and supplier, SendR, with its value-added products & services, makes it a go-to company for its customers and prospective customers. This, together with years of technical experience, effectively create a high barrier to entry in the lucrative market of digital music.

Favorable Position in Competitive Market

Another substantial market-entry barrier is SendR's well-known reputation in the music industry and well-established connections to innumerable labels and distributors. It is therefore well-positioned to take advantage of the digital music market trend, strike new agreements with licensors (SendR's plan to acquire € 3 million rights-package) as well as big global players – i.e. Google and Apple.

Moreover, by settling for a completely digital business model, SendR is not only able to avoid risks associated with a physical distributor, but it also possesses a highly scalable capacity, enabling it to employ additional resource to meet the rising demand of the accelerating music market. We are convinced that SendR will be able to utilize its potential to expand in the future.

4 SWOT

Strengths	Weaknesses
- Technologically leading, vertically integrated independent clearing house - Located in downstream segments of media value chain, which means it is less capital intensive from scouting and development and less risky from time-consuming promotion of creative talent and actual production - Comprehensive portfolio of products and services - Management's years of technical expertise and experience - Well-established connections and reputation - Highly scalable capacity - High credit quality customer base	- High dependence of tier-1 platform: 70% reveunue iTunes, Spotify and Amazon - Cluster risk from sizable acquisition of rights packages - Personnel risk from single layer of management - Lack of patent protection for the download platforms developed by SendR
Opportunities	**Threats**
- Substaintial growth segment of music market - Low competitions due to high market-entry barriers	- Switching risk due to limited duration of agreements with customers - SendR is a small enterprise in a market of significantly larger international media corporations with immense financial power.

5 Valuation

Due to the lack of listed peers, we use solely the Discount Cash Flow (DCF) model to value SendR

WACC

All figures in EUR'000	
PV of FCFs in explicit period	8.9
Residual free cash flow	3.5
FV Residual period CFs in last year explicit period	43.3
PV of FCFs in terminal period	22.3
Terminal sales growth	1.0%
Terminal EBIT margin	10.9%
Terminal ROCE	64.3%
Terminal tax rate	32.0%
Terminal incremental investment rate	11.5%
Enterprise value (EV)	**31.1**
+ Net cash / - net debt	-0.3
+ investments / - minorities	0.0
Shareholder value	**30.8**
Number of shares outstanding (m)	1.2
Fair value per share in € (today)	**26**
Fair value per share in € (in 12 months)	**27.98**
Assumptions	
WACC	**9.0%**

Source: Dr. Kalliwoda International Research GmbH

DCF-Model

The following table present our financial forecasts and DCF calculation.

Discounted-Cash-Flow-Modell

					Phase 1				
in EUR Mio.	2014E	2015E	2016E	2017E	2018E	2019E	2020E	2021E	2022E
Net sales	**9.10**	**12.28**	**16.22**	**20.59**	**25.53**	**30.89**	**36.45**	**41.91**	**47.35**
(y-o-y change)	4.0%	34.9%	32.1%	27.0%	24.0%	21.0%	18.0%	15.0%	13.0%
EBIT	**0.63**	**1.47**	**1.97**	**2.09**	**2.70**	**3.29**	**3.89**	**4.62**	**5.15**
(EBIT margin)	12.1%	10.2%	10.6%	10.6%	10.7%	11.0%	10.9%	#REF!	#REF!
NOPLAT	**0.44**	**1.00**	**1.34**	**1.42**	**1.83**	**2.24**	**2.65**	**3.14**	**3.50**
+ Depreciation & Amortization	0.07	0.09	0.12	0.15	0.19	0.23	0.27	0.31	0.35
= Net operating cash flow	0.50	1.09	1.46	1.57	2.02	2.46	2.91	3.45	3.84
- Total investments (Capex and WC)	-0.39	-0.70	0.35	-0.86	-0.75	-0.41	-0.49	-1.07	-1.41
Capital expenditure	-0.14	-0.10	-0.15	-0.18	-0.21	-0.25	-0.30	-0.33	-0.38
Working capital	-0.25	-0.60	0.50	-0.69	-0.54	-0.16	-0.19	-0.74	-1.03
= Free cash flow (FCF)	0.11	0.39	1.80	0.71	1.26	2.05	2.42	2.38	2.44
PV of FCF's	**0.00**	**0.37**	**1.56**	**0.56**	**0.92**	**1.37**	**1.48**	**1.34**	**1.25**

PV of FCFs in explicit period	8.85
PV of FCFs in terminal period	22.27
Enterprise value (EV)	**31.12**
+ Net cash / - net debt	-0.33
+ Investitionen / - Minderheiten	0.00
Shareholder value	**30.79**
Number of shares outstanding (m)	**1.20**
WACC	9.0%
Cost of equity	9.0%
Pre-tax cost of debt	7.5%
Normal tax rate	32.0%
After-tax cost of debt	5.1%
Share of equity	100.0%
Share of debt	0.0%
Fair value per share in € (today)	**25.66**
Fair value per share in € (in 12 months)	**27.98**

Sensitivitätsanalyse — **Terminal EBIT-Marge**

WACC	**7.9%**	**8.9%**	**9.9%**	**10.9%**	**11.9%**	**12.9%**	**13.9%**
6.0%	37.65	41.38	45.12	48.86	52.60	56.33	60.07
7.0%	30.81	33.71	36.62	39.52	42.42	45.32	48.22
8.0%	25.94	28.26	30.58	32.90	35.21	37.53	39.85
9.0%	22.30	24.19	26.08	**27.98**	29.87	31.76	33.65
10.0%	19.48	21.05	22.62	24.19	25.75	27.32	28.89
11.0%	17.24	18.55	19.87	21.19	22.51	23.82	25.14

Source: Dr. Kalliwoda International Research GmbH

6 FY2014 results and outlook

Revenues

In 2014 SendR's revenue increases by 4%, from € 8.75 million in 2013 to €9.10 million.

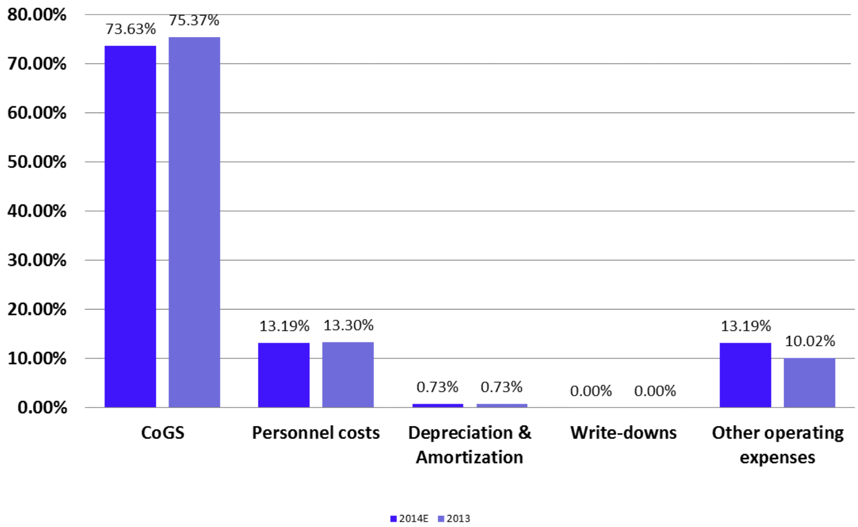
FY14 results vs. previous year

in EURm	2014E	2013	Y-o-Y Change
Net sales	**9.10**	**8.75**	4.0%
EBITDA	**0.70**	**0.82**	-14.9%
EBITDA-Marge	*7.7%*	*9.4%*	
EBIT	**0.63**	**0.76**	-16.5%
EBIT margin	*7.0%*	*8.7%*	
Net income	**0.44**	**0.51**	-13.3%
Net margin	*4.8%*	*5.8%*	

Source: company data, Dr. Kalliwoda International Research GmbH

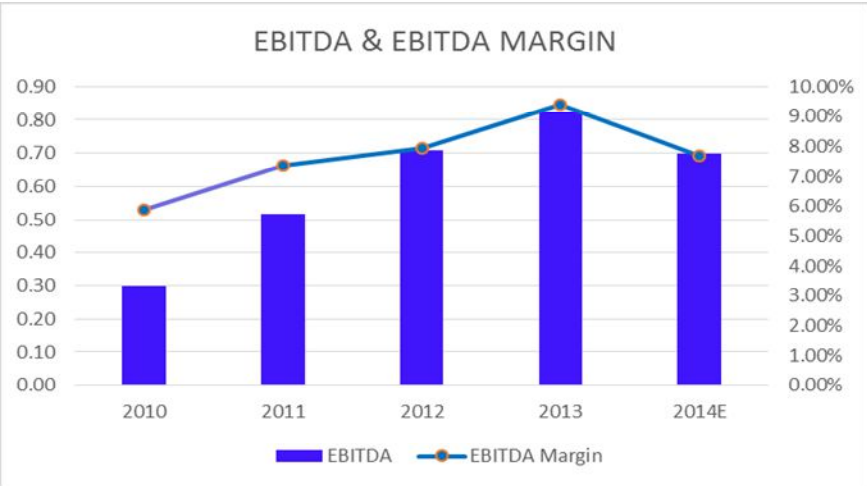
Profitability

Share in sales 2014 vs. 2013



Source: company data, Dr. Kalliwoda International Research GmbH

EBITDA decreased slightly by 15% to €0.70mn, pretax income dropped to €0.64mn (-16%) and net income came at €0.44mn (-13.3%). Despite these declines, we are convinced that SendR will be able to take advantage of the favorable market outlook in 2015 to improve its financial position.



Source: company data, Dr. Kalliwoda International Research GmbH

Outlook

In our opinion, SendR is a promising company. Favorably positioned in an accelerating market, SendR, with its sound business model and technical expertise as well as great reputation, will be able to achieve profitable growth in the coming years. Based on our estimate, SendR's 12-month target price will enjoy an upside potential of 33%, at €27.98 per share.

Our estimates for fiscal-year 2015E-17E

in EURm	2015E	2016E	2017E
Net sales	**12.28**	**16.22**	**20.59**
EBITDA	**1.56**	**2.09**	**2.24**
EBITDA margin	12.73%	12.86%	10.90%
EBIT	**1.47**	**1.97**	**2.09**
EBIT margin	12.00%	12.13%	10.17%
Net income	**1.01**	**1.34**	**1.43**
Net margin	8.19%	8.27%	6.93%

Source: company data, Dr. Kalliwoda International Research GmbH

7 Financials

Profit and Loss Statement

Profit & Loss						
	Fiscal Year					
in EUR Mio.	2011	2012	2013	2014E	2015E	2016E
Net sales	**6.82**	**8.92**	**8.75**	**9.10**	**12.28**	**16.22**
Change in inventories	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*
Capitalised assets	*0.19*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*
Total Output	***7.01***	***8.92***	***8.75***	***9.10***	***12.28***	***16.22***
Cost of goods sold	*-4.64*	*-6.86*	*-6.60*	*-6.70*	*-8.70*	*-11.23*
Gross profit	**2.37**	**2.06**	**2.16**	**2.40**	**3.58**	**4.99**
Other operating income	0.14	0.54	0.71	0.70	0.71	0.73
Personnel costs	-0.78	-0.89	-1.16	-1.20	-1.51	-1.91
Depreciation & Amortization	-0.05	-0.08	-0.06	-0.07	-0.09	-0.12
Write-downs	-0.08	0.00	0.00	0.00	0.00	0.00
Other operating expenses	-1.13	-1.00	-0.88	-1.20	-1.22	-1.71
EBIT	**0.47**	**0.63**	**0.76**	**0.63**	**1.47**	**1.97**
Net financial results	0.01	0.02	0.01	0.01	0.01	0.01
EBT	**0.47**	**0.64**	**0.76**	**0.64**	**1.48**	**1.97**
Income taxes	-0.23	-0.24	-0.26	-0.20	-0.47	-0.63
Minority interests	0.00	0.00	0.00	0.00	0.00	0.00
Net income / loss	**0.24**	**0.40**	**0.51**	**0.44**	**1.01**	**1.34**
EPS	3.01	0.33	0.42	0.36	0.83	1.11
DPS	0.00	0.00	0.00	0.00	0.00	0.00
Y-o-Y						
Net sales	n.a	30.81%	-1.88%	3.98%	34.94%	32.08%
Total Output	n.a	27.26%	-1.88%	3.98%	34.94%	32.08%
Cost of goods sold	n.a	47.85%	-3.79%	1.58%	29.85%	29.11%
Gross profit	n.a	-12.98%	4.46%	11.32%	49.13%	39.29%
Other operating income	n.a	300.00%	31.11%	-1.13%	2.00%	2.00%
Personnel costs	n.a	13.79%	30.64%	3.09%	25.86%	26.71%
Depreciation & Amortization	n.a	61.36%	-23.81%	3.98%	34.94%	32.08%
Write-downs	n.a	-100.00%	#DIV/0!	n.a	n.a	n.a
Other operating expenses	n.a	-11.04%	-12.65%	36.83%	1.59%	40.63%
EBIT	n.a	34.30%	21.44%	-16.54%	132.68%	33.44%
Net financial results	n.a	177.43%	-68.10%	0.00%	0.00%	0.00%
EBT	n.a	36.20%	19.02%	-16.42%	131.53%	33.31%
Income taxes	n.a	5.75%	5.81%	-22.48%	136.71%	33.31%
Minority interests	n.a	n.a	n.a	n.a	n.a	n.a
Net income / loss	n.a	65.33%	27.10%	-13.33%	129.17%	33.31%
EPS	n.a	-89.04%	27.27%	-13.33%	129.17%	33.31%
DPS	n.a	n.a	n.a	n.a	n.a	n.a
Percetange of Sales						
Net sales	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Total Output	102.79 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Cost of goods sold	-68.00 %	-76.86 %	-75.37 %	-73.63 %	-70.85 %	-69.26 %
Gross profit	34.79 %	23.14 %	24.63 %	26.37 %	29.15 %	30.74 %
Other operating income	1.98 %	6.05 %	8.09 %	7.69 %	5.81 %	4.49 %
Personnel costs	-11.48 %	-9.99 %	-13.30 %	-13.19 %	-12.30 %	-11.80 %
Depreciation & Amortization	-0.76 %	-0.94 %	-0.73 %	-0.73 %	-0.73 %	-0.73 %
Write-downs	-1.14 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Other operating expenses	-16.55 %	-11.26 %	-10.02 %	-13.19 %	-9.93 %	-10.57 %
EBIT	6.82 %	7.01 %	8.67 %	6.96 %	12.00 %	12.13 %
Net financial results	0.09 %	0.19 %	0.06 %	0.06 %	0.05 %	0.03 %
EBT	6.92 %	7.20 %	8.74 %	7.02 %	12.05 %	12.16 %
Income taxes	-3.38 %	-2.73 %	-2.95 %	-2.20 %	-3.86 %	-3.89 %
Minority interests	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Net income / loss	3.54 %	4.47 %	5.79 %	4.82 %	8.19 %	8.27 %

Source: company data, Dr. Kalliwoda International Research GmbH

Balance Sheet

Balance Sheet						
	Fiscal year					
in EUR Mio.	2011	2012	2013	2014E	2015E	2016E
Assets						
Cash and cash equivalents	0.62	1.29	0.79	0.60	1.03	1.13
Inventories	0.00	0.00	0.00	0.00	0.00	0.00
Trade accounts and notes receivables	0.00	0.01	0.28	0.50	0.39	0.52
Other current assets	1.80	1.19	1.92	1.90	1.92	2.10
Current assets	**2.42**	**2.49**	**2.99**	**3.00**	**3.34**	**3.75**
Property, plant and equipment	0.11	0.14	0.13	0.20	0.21	0.25
Intangible Assets	0.23	0.22	0.22	0.20	0.34	0.40
Goodwill	0.00	0.00	0.00	0.00	0.00	0.00
Other assets	0.01	0.00	0.00	0.10	0.25	0.32
Deferred tax assets	0.00	0.00	0.00	0.00	0.00	0.00
Non-current assets	**0.35**	**0.36**	**0.34**	**0.50**	**0.80**	**0.97**
Assets	**2.77**	**2.85**	**3.33**	**3.50**	**4.14**	**4.72**
Liabilities & Equity						
Trade payables	0.54	0.50	0.99	1.00	0.30	0.68
Other liabilities	0.23	0.22	0.07	0.03	0.43	0.52
Short-term financial debt	0.00	0.00	0.31	0.00	0.00	0.00
Provisions	0.72	1.09	0.81	0.90	0.95	1.39
Current liabilities	**1.49**	**1.82**	**2.17**	**1.93**	**1.67**	**2.58**
Long-term financial debt	0.00	0.00	0.00	0.00	0.00	0.00
Special benefits	0.00	0.00	0.00	0.00	0.00	0.00
Pension obligations	0.00	0.00	0.00	0.00	0.00	0.00
Deferred tax liabilities	0.07	0.07	0.07	0.07	0.07	0.07
Long-term liabilities	**0.07**	**0.07**	**0.07**	**0.07**	**0.07**	**0.07**
Liabilities	**1.56**	**1.89**	**2.25**	**2.00**	**1.75**	**2.66**
Shareholders equity	**1.21**	**0.96**	**1.09**	**1.50**	**2.40**	**2.07**
Minority interests	0.00	0.00	0.00	0.00	0.00	0.00
Total Liabilities & Equity	**2.77**	**2.85**	**3.33**	**3.50**	**4.14**	**4.72**

Source: company data, Dr. Kalliwoda International Research GmbH

Cash Flow Statement

Cash Flow Statement						
	Fiscal Year					
in EUR Mio.	2011	2012	2013	2014E	2015E	2016E
Net income / loss	0.24	0.40	0.51	0.44	1.01	1.34
Depreciation & Amortization	0.05	0.08	0.06	0.07	0.09	0.12
Change in Working Capital	-0.47	-0.05	0.14	0.25	0.60	-0.50
Others	0.64	0.37	-0.28	0.09	0.05	0.44
Net Operating Cash Flow	**0.47**	**0.80**	**0.43**	**0.85**	**1.74**	**1.40**
Cash Flow from Investing	**-0.20**	**-0.07**	**-0.05**	**-0.14**	**-0.10**	**-0.15**
Free Cash flow	0.27	0.72	0.38	0.71	1.64	1.24
Cash Flow from Financing	**-0.30**	**0.00**	**-0.38**	**-1.42**	**-1.21**	**-1.14**
Change in Cash	-0.03	0.72	0.00	-0.71	0.43	0.10
Cash, Beginning of the period	0.62	0.59	1.31	1.31	0.60	1.03
Cash, End of the period	0.59	1.31	1.31	0.60	1.03	1.13

Source: company data, Dr. Kalliwoda International Research GmbH

Financial Ratios

Fiscal Year	2011	2012	2013	2014E	2015E	2016E
Gross Margin	33.84%	23.14%	24.63%	26.37%	29.15%	30.74%
EBITDA Margin	7.38%	7.95%	9.40%	7.69%	12.73%	12.86%
EBIT Margin	6.64%	7.01%	8.67%	12.13%	10.17%	10.56%
Net Margin	3.44%	4.47%	5.79%	4.82%	8.19%	8.27%
Return on equity (ROE)	28.12%	36.65%	49.52%	33.96%	51.64%	60.11%
Return on assets (ROA)	10.74%	13.56%	16.21%	12.69%	26.18%	30.14%
Return on capital employed (ROCE)	18.49%	37.55%	43.46%	27.68%	40.61%	62.55%
Equity Ratio	43.77%	33.71%	32.57%	42.80%	57.84%	43.76%
Current ratio	1.63	1.37	1.37	1.55	1.99	1.45
Quick ratio	0.42	0.72	0.49	0.57	0.85	0.64

Source: company data, Dr. Kalliwoda International Research GmbH

Equity Research | DR. KALLIWODA | INTERNATIONAL RESEARCH GmbH | Company Analysis

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