



**Buy** (old: Buy)

**Price target: EUR 41.50** (old: EUR 41.50)

<b>Price:</b>	EUR 29.58	<b>Next result:</b>	Q2 17: 22.02.17tba
<b>Bloomberg:</b>	D6H:GR	<b>Market cap:</b>	EUR 247.0 m
<b>Reuters:</b>	D6HG.DE	<b>Enterprise Value:</b>	EUR 288.2 m

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### Successful capital raise; Strong current trading; Chg. Est.

Datagroup announced it has successfully executed a 10% capital increase issuing 759,000 share at € 28.60 for a gross cash inflow of € 21.7m. Reasons for the capital increase:

- **Finance bolt-on acquisitions in the Cloud Services and SAP space.** Buy-and-build is a key part of the strategy and Datagroup has an excellent track record of integrating M&A targets.
- **Improve the equity ratio** (now: 32%) which had dropped below 20% following last year's assumption of € 56m pension liabilities from HPE in conjunction with the outsourcing deal. Notably, as Cloud Services involve long-running contracts, a strong balance sheet should be paramount to attract new customers.

As the capital increase was oversubscribed, founder and CEO Schaber (i.e. HHS Beteiligung) decided to sell 400,000 of his owns shares. As a result, free float has risen to 55% which is expected to boost liquidity of the shares. Mr. Schaber will remain a major anchor investor now owning 51% of shares outstanding.

In conjunction with the capital raise, **Datagroup issued a positive current trading update.** In the first half of its fiscal year, Datagroup has won nine major new CORBOX clients bringing the total count up to 133. Importantly, the average recurring revenue per year should exceed € 1m for the new customers, in our view. For instance, new client DLR (German Aerospace Center) should pay an annual recurring fee of € 2.5m (eH&A).

In consequence, **Datagroup is seen on track to outperform our expectations regarding CORBOX customer wins for FY '17E.** We expect Datagroup to win new clients worth € 15m of annual recurring sales (20 new clients / € 0.75m ASP) whereas Datagroup looks on track for € 20m (18-20 new clients / € 1m+ ASP). **The visible growth story hence is fully intact.**

Our model is adjusted for the 10% capital raise explaining the cut in EPS estimates. **Remains a BUY with an unchanged € 41.50 PT** (DCF) as the cash inflow from the capital raise largely offsets the value-dilutive share count increase.

Y/E 30.9 (EUR m)	2012/13	2013/14	2014/15	2015/16	2016/17E	2017/18E	2018/19E
Sales	156.9	152.4	157.6	174.9	224.6	248.1	263.0
Sales growth	7 %	-3 %	3 %	11 %	28 %	10 %	6 %
EBITDA	10.8	10.3	15.3	19.1	22.9	28.1	31.8
EBIT	4.3	4.8	9.6	12.7	15.9	21.8	25.4
Net income	1.9	1.1	4.9	5.7	8.7	12.7	15.1
Net debt	32.1	28.0	37.0	31.0	10.6	2.5	-8.1
Net gearing	142.7 %	131.6 %	153.6 %	109.1 %	19.0 %	4.1 %	-11.2 %
Net Debt/EBITDA	3.0	2.7	2.4	1.6	0.5	0.1	0.0
EPS pro forma	0.25	0.41	0.91	1.00	1.28	1.68	1.95
CPS	1.17	0.93	0.94	0.92	0.97	1.64	2.01
DPS	0.20	0.20	0.25	0.30	0.35	0.40	0.45
Dividend yield	0.7 %	0.7 %	0.8 %	1.0 %	1.2 %	1.4 %	1.5 %
Gross profit margin	64.0 %	63.9 %	66.3 %	66.8 %	67.5 %	68.0 %	68.3 %
EBITDA margin	6.9 %	6.8 %	9.7 %	10.9 %	10.2 %	11.3 %	12.1 %
EBIT margin	2.8 %	3.2 %	6.1 %	7.2 %	7.1 %	8.8 %	9.7 %
ROCE	5.5 %	6.1 %	12.1 %	11.9 %	11.5 %	14.9 %	17.1 %
EV/sales	1.7	1.7	1.7	1.7	1.3	1.1	1.0
EV/EBITDA	24.8	25.8	17.9	15.6	12.6	9.8	8.1
EV/EBIT	61.8	55.1	28.6	23.5	18.1	12.6	10.1
PER	118.3	71.9	32.7	29.7	23.1	17.7	15.2
Adjusted FCF yield	3.1 %	2.7 %	3.9 %	4.2 %	5.5 %	6.9 %	8.3 %

Source: Company data, Hauck & Aufhäuser Close price as of: 06.04.2017



Source: Company data, Hauck & Aufhäuser

<b>High/low 52 weeks:</b>	35.00 / 13.30
<b>Price/Book Ratio:</b>	4.4
<b>Relative performance (TecDAX):</b>	
3 months	17.3 %
6 months	34.5 %
12 months	88.8 %

#### Changes in estimates

		Sales	EBIT	EPS
2017	old:	224.6	15.9	1.28
	Δ	-	-	-
2018	old:	248.1	21.8	1.68
	Δ	-	-	-
2019	old:	263.0	25.4	1.95
	Δ	-	-	-

#### Key share data:

Number of shares: (in m pcs)	8.0
Authorised capital: (in € m)	3.0
Book value per share: (in €)	6.7
Ø trading volume: (12 months)	6,500

#### Major shareholders:

HHS Beteiligung (CEO)	51.0 %
Free Float	45.0 %
Executive Board	4.0 %

#### Company description:

Leading cloud / IT outsourcing provider in Germany

## Financials

Profit and loss (EUR m)	2012/13	2013/14	2014/15	2015/16	2016/17E	2017/18E	2018/19E
<b>Net sales</b>	<b>156.9</b>	<b>152.4</b>	<b>157.6</b>	<b>174.9</b>	<b>224.6</b>	<b>248.1</b>	<b>263.0</b>
<i>Sales growth</i>	7.4 %	-2.9 %	3.4 %	11.0 %	28.4 %	10.5 %	6.0 %
Increase/decrease in finished goods and work-in-process	0.4	0.1	0.3	0.5	0.4	0.5	0.5
<b>Total sales</b>	<b>157.4</b>	<b>152.5</b>	<b>157.9</b>	<b>175.4</b>	<b>225.0</b>	<b>248.6</b>	<b>263.5</b>
Other operating income	3.8	3.0	4.6	8.4	3.8	3.4	3.4
Material expenses	56.6	55.0	53.2	58.2	73.2	79.6	83.6
Personnel expenses	74.4	71.5	77.1	85.7	109.2	119.1	125.2
Other operating expenses	19.3	18.7	16.9	20.8	23.6	25.2	26.4
Total operating expenses	146.6	142.2	142.6	156.3	202.1	220.5	231.7
<b>EBITDA</b>	<b>10.8</b>	<b>10.3</b>	<b>15.3</b>	<b>19.1</b>	<b>22.9</b>	<b>28.1</b>	<b>31.8</b>
Depreciation	2.4	1.9	2.1	2.8	3.1	3.4	3.7
<b>EBITA</b>	<b>8.4</b>	<b>8.4</b>	<b>13.3</b>	<b>16.3</b>	<b>19.8</b>	<b>24.7</b>	<b>28.1</b>
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	4.0	3.6	3.7	3.6	3.9	2.9	2.7
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBIT</b>	<b>4.3</b>	<b>4.8</b>	<b>9.6</b>	<b>12.7</b>	<b>15.9</b>	<b>21.8</b>	<b>25.4</b>
Interest income	1.0	0.5	0.6	0.9	0.3	0.5	0.6
Interest expenses	2.9	2.9	2.4	3.5	3.0	3.0	3.0
Other financial result	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial result	-1.9	-2.5	-1.8	-2.6	-2.7	-2.6	-2.5
<b>Recurring pretax income from continuing operations</b>	<b>2.5</b>	<b>2.4</b>	<b>7.8</b>	<b>10.1</b>	<b>13.2</b>	<b>19.2</b>	<b>22.9</b>
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Earnings before taxes</b>	<b>2.5</b>	<b>2.4</b>	<b>7.8</b>	<b>10.1</b>	<b>13.2</b>	<b>19.2</b>	<b>22.9</b>
Taxes	0.6	1.3	2.9	4.4	4.5	6.5	7.8
<b>Net income from continuing operations</b>	<b>1.9</b>	<b>1.1</b>	<b>4.9</b>	<b>5.7</b>	<b>8.7</b>	<b>12.7</b>	<b>15.1</b>
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income</b>	<b>1.9</b>	<b>1.1</b>	<b>4.9</b>	<b>5.7</b>	<b>8.7</b>	<b>12.7</b>	<b>15.1</b>
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income (net of minority interest)</b>	<b>1.9</b>	<b>1.1</b>	<b>4.9</b>	<b>5.7</b>	<b>8.7</b>	<b>12.7</b>	<b>15.1</b>
Average number of shares	7.6	7.6	7.6	7.6	8.0	8.3	8.3
<b>EPS reported</b>	<b>0.25</b>	<b>0.14</b>	<b>0.65</b>	<b>0.75</b>	<b>1.09</b>	<b>1.52</b>	<b>1.81</b>

Profit and loss (common size)	2012/13	2013/14	2014/15	2015/16	2016/17E	2017/18E	2018/19E
<b>Net sales</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>
Increase/decrease in finished goods and work-in-process	0.3 %	0.1 %	0.2 %	0.3 %	0.2 %	0.2 %	0.2 %
<b>Total sales</b>	<b>100.3 %</b>	<b>100.1 %</b>	<b>100.2 %</b>	<b>100.3 %</b>	<b>100.2 %</b>	<b>100.2 %</b>	<b>100.2 %</b>
Other operating income	2.4 %	2.0 %	2.9 %	4.8 %	1.7 %	1.4 %	1.3 %
Material expenses	36.1 %	36.1 %	33.7 %	33.3 %	32.6 %	32.1 %	31.8 %
Personnel expenses	47.4 %	46.9 %	48.9 %	49.0 %	48.6 %	48.0 %	47.6 %
Other operating expenses	12.3 %	12.3 %	10.7 %	11.9 %	10.5 %	10.2 %	10.0 %
Total operating expenses	93.4 %	93.3 %	90.5 %	89.4 %	90.0 %	88.9 %	88.1 %
<b>EBITDA</b>	<b>6.9 %</b>	<b>6.8 %</b>	<b>9.7 %</b>	<b>10.9 %</b>	<b>10.2 %</b>	<b>11.3 %</b>	<b>12.1 %</b>
Depreciation	1.5 %	1.2 %	1.3 %	1.6 %	1.4 %	1.4 %	1.4 %
<b>EBITA</b>	<b>5.3 %</b>	<b>5.5 %</b>	<b>8.4 %</b>	<b>9.3 %</b>	<b>8.8 %</b>	<b>9.9 %</b>	<b>10.7 %</b>
Amortisation of goodwill	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Amortisation of intangible assets	2.6 %	2.4 %	2.3 %	2.1 %	1.7 %	1.2 %	1.0 %
Impairment charges	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>EBIT</b>	<b>2.8 %</b>	<b>3.2 %</b>	<b>6.1 %</b>	<b>7.2 %</b>	<b>7.1 %</b>	<b>8.8 %</b>	<b>9.7 %</b>
Interest income	0.7 %	0.3 %	0.4 %	0.5 %	0.2 %	0.2 %	0.2 %
Interest expenses	1.8 %	1.9 %	1.5 %	2.0 %	1.4 %	1.2 %	1.2 %
Other financial result	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Financial result	-1.2 %	-1.6 %	-1.2 %	-1.5 %	-1.2 %	-1.0 %	-0.9 %
<b>Recurring pretax income from continuing operations</b>	<b>1.6 %</b>	<b>1.5 %</b>	<b>4.9 %</b>	<b>5.8 %</b>	<b>5.9 %</b>	<b>7.7 %</b>	<b>8.7 %</b>
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Earnings before taxes</b>	<b>1.6 %</b>	<b>1.5 %</b>	<b>4.9 %</b>	<b>5.8 %</b>	<b>5.9 %</b>	<b>7.7 %</b>	<b>8.7 %</b>
Tax rate	23.5 %	53.7 %	36.7 %	43.4 %	34.0 %	34.0 %	34.0 %
<b>Net income from continuing operations</b>	<b>1.2 %</b>	<b>0.7 %</b>	<b>3.1 %</b>	<b>3.3 %</b>	<b>3.9 %</b>	<b>5.1 %</b>	<b>5.8 %</b>
Income from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Net income</b>	<b>1.2 %</b>	<b>0.7 %</b>	<b>3.1 %</b>	<b>3.3 %</b>	<b>3.9 %</b>	<b>5.1 %</b>	<b>5.8 %</b>
Minority interest	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Net income (net of minority interest)</b>	<b>1.2 %</b>	<b>0.7 %</b>	<b>3.1 %</b>	<b>3.3 %</b>	<b>3.9 %</b>	<b>5.1 %</b>	<b>5.8 %</b>

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2012/13	2013/14	2014/15	2015/16	2016/17E	2017/18E	2018/19E
<b>Intangible assets</b>	<b>49.6</b>	<b>46.5</b>	<b>50.0</b>	<b>48.3</b>	<b>50.6</b>	<b>49.9</b>	<b>49.5</b>
Property, plant and equipment	4.7	3.9	7.3	7.3	7.5	7.8	8.0
Financial assets	6.5	6.5	9.3	5.6	5.6	5.6	5.6
<b>FIXED ASSETS</b>	<b>60.7</b>	<b>56.9</b>	<b>66.6</b>	<b>61.2</b>	<b>63.7</b>	<b>63.3</b>	<b>63.1</b>
Inventories	1.5	1.1	1.5	1.4	2.2	2.5	2.7
Accounts receivable	13.9	12.8	16.7	16.1	20.6	22.8	24.2
Other current assets	12.2	12.7	14.8	52.0	40.0	29.0	23.4
Liquid assets	11.4	9.4	2.3	24.4	44.8	52.9	63.5
Deferred taxes	1.9	2.1	1.5	4.7	4.7	4.7	4.7
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>CURRENT ASSETS</b>	<b>41.0</b>	<b>38.2</b>	<b>36.8</b>	<b>98.6</b>	<b>112.3</b>	<b>111.8</b>	<b>118.4</b>
<b>TOTAL ASSETS</b>	<b>101.7</b>	<b>95.1</b>	<b>103.3</b>	<b>159.7</b>	<b>176.0</b>	<b>175.1</b>	<b>181.5</b>
SHAREHOLDERS EQUITY	22.5	21.3	24.1	28.4	55.9	60.6	72.8
MINORITY INTEREST	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term debt	35.9	29.9	24.6	51.8	51.8	51.8	51.8
Provisions for pensions and similar obligations	11.3	12.8	13.6	42.6	30.6	24.6	18.6
Other provisions	3.9	4.8	5.5	4.8	4.8	4.8	4.8
<b>Non-current liabilities</b>	<b>51.0</b>	<b>47.6</b>	<b>43.8</b>	<b>99.3</b>	<b>87.3</b>	<b>81.3</b>	<b>75.3</b>
short-term liabilities to banks	7.7	7.5	14.6	3.5	3.5	3.5	3.5
Accounts payable	5.0	3.3	4.7	2.6	3.4	3.8	4.0
Advance payments received on orders	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities (incl. from lease and rental contracts)	13.5	14.2	15.4	23.0	23.0	23.0	23.0
Deferred taxes	2.1	1.3	0.8	2.9	2.9	2.9	2.9
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Current liabilities</b>	<b>28.2</b>	<b>26.3</b>	<b>35.5</b>	<b>32.1</b>	<b>32.9</b>	<b>33.2</b>	<b>33.4</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>101.7</b>	<b>95.1</b>	<b>103.3</b>	<b>159.7</b>	<b>176.0</b>	<b>175.1</b>	<b>181.5</b>

Balance sheet (common size)	2012/13	2013/14	2014/15	2015/16	2016/17E	2017/18E	2018/19E
<b>Intangible assets</b>	<b>48.7 %</b>	<b>48.9 %</b>	<b>48.3 %</b>	<b>30.2 %</b>	<b>28.8 %</b>	<b>28.5 %</b>	<b>27.3 %</b>
Property, plant and equipment	4.6 %	4.1 %	7.1 %	4.6 %	4.3 %	4.5 %	4.4 %
Financial assets	6.4 %	6.8 %	9.0 %	3.5 %	3.2 %	3.2 %	3.1 %
<b>FIXED ASSETS</b>	<b>59.7 %</b>	<b>59.8 %</b>	<b>64.4 %</b>	<b>38.3 %</b>	<b>36.2 %</b>	<b>36.1 %</b>	<b>34.8 %</b>
Inventories	1.5 %	1.1 %	1.5 %	0.9 %	1.3 %	1.4 %	1.5 %
Accounts receivable	13.7 %	13.5 %	16.1 %	10.1 %	11.7 %	13.0 %	13.3 %
Other current assets	12.0 %	13.4 %	14.4 %	32.5 %	22.7 %	16.6 %	12.9 %
Liquid assets	11.2 %	9.9 %	2.2 %	15.3 %	25.4 %	30.2 %	35.0 %
Deferred taxes	1.9 %	2.2 %	1.4 %	2.9 %	2.7 %	2.7 %	2.6 %
Deferred charges and prepaid expenses	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>CURRENT ASSETS</b>	<b>40.3 %</b>	<b>40.2 %</b>	<b>35.6 %</b>	<b>61.7 %</b>	<b>63.8 %</b>	<b>63.9 %</b>	<b>65.2 %</b>
<b>TOTAL ASSETS</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>
SHAREHOLDERS EQUITY	22.1 %	22.4 %	23.3 %	17.8 %	31.7 %	34.6 %	40.1 %
MINORITY INTEREST	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Long-term debt	35.3 %	31.5 %	23.8 %	32.4 %	29.5 %	29.6 %	28.6 %
Provisions for pensions and similar obligations	11.1 %	13.5 %	13.2 %	26.7 %	17.4 %	14.1 %	10.3 %
Other provisions	3.8 %	5.1 %	5.3 %	3.0 %	2.7 %	2.7 %	2.6 %
<b>Non-current liabilities</b>	<b>50.2 %</b>	<b>50.0 %</b>	<b>42.3 %</b>	<b>62.1 %</b>	<b>49.6 %</b>	<b>46.4 %</b>	<b>41.5 %</b>
short-term liabilities to banks	7.5 %	7.9 %	14.1 %	2.2 %	2.0 %	2.0 %	1.9 %
Accounts payable	4.9 %	3.5 %	4.6 %	1.7 %	1.9 %	2.1 %	2.2 %
Advance payments received on orders	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other liabilities (incl. from lease and rental contracts)	13.2 %	14.9 %	14.9 %	14.4 %	13.1 %	13.2 %	12.7 %
Deferred taxes	2.0 %	1.3 %	0.8 %	1.8 %	1.6 %	1.6 %	1.6 %
Deferred income	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Current liabilities</b>	<b>27.7 %</b>	<b>27.6 %</b>	<b>34.4 %</b>	<b>20.1 %</b>	<b>18.7 %</b>	<b>19.0 %</b>	<b>18.4 %</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>

Source: Company data, Hauck & Aufhäuser

Cash flow statement (EUR m)	2012/13	2013/14	2014/15	2015/16	2016/17E	2017/18E	2018/19E
Net profit/loss	1.9	1.1	4.9	5.7	8.7	12.7	15.1
Depreciation of fixed assets (incl. leases)	2.4	1.9	2.1	6.4	3.1	3.4	3.7
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	4.0	3.6	3.7	0.0	3.9	2.9	2.7
Others	2.1	2.8	1.3	-3.7	0.0	0.0	0.0
Cash flow from operations before changes in w/c	10.4	9.4	11.9	8.4	15.7	19.0	21.5
Increase/decrease in inventory	0.5	0.4	0.6	0.1	-0.8	-0.3	-0.2
Increase/decrease in accounts receivable	1.6	1.1	-1.5	-5.1	-4.6	-2.2	-1.4
Increase/decrease in accounts payable	-1.5	-1.7	-1.1	5.7	0.8	0.4	0.2
Increase/decrease in other working capital positions	0.0	0.0	-0.5	0.4	0.0	0.0	0.0
Increase/decrease in working capital	0.6	-0.1	-2.5	1.1	-4.6	-2.1	-1.3
<b>Cash flow from operating activities</b>	<b>10.9</b>	<b>9.3</b>	<b>9.4</b>	<b>9.5</b>	<b>11.1</b>	<b>16.9</b>	<b>20.2</b>
CAPEX	3.1	2.2	3.7	3.3	5.5	5.9	6.3
Payments for acquisitions	3.0	2.2	4.5	2.0	4.0	0.0	0.0
Financial investments	0.0	0.8	1.6	-1.2	0.0	0.0	0.0
Income from asset disposals	0.8	0.9	0.5	0.4	0.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>-5.2</b>	<b>-4.3</b>	<b>-9.3</b>	<b>-3.7</b>	<b>-9.5</b>	<b>-5.9</b>	<b>-6.3</b>
Cash flow before financing	5.7	5.0	0.1	5.8	1.6	11.0	14.0
Increase/decrease in debt position	6.1	-3.8	-4.3	19.6	0.0	0.0	0.0
Purchase of own shares	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	0.0	0.0	21.1	0.0	0.0
Dividends paid	1.5	1.5	1.5	1.9	2.3	2.9	3.3
Others	-1.7	-1.6	-1.7	-1.2	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Cash flow from financing activities</b>	<b>2.8</b>	<b>-6.9</b>	<b>-7.5</b>	<b>16.5</b>	<b>18.8</b>	<b>-2.9</b>	<b>-3.3</b>
Increase/decrease in liquid assets	8.5	-2.0	-7.4	22.4	20.4	8.1	10.6
<b>Liquid assets at end of period</b>	<b>11.4</b>	<b>9.4</b>	<b>2.1</b>	<b>24.4</b>	<b>44.8</b>	<b>52.9</b>	<b>63.5</b>

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2012/13	2013/14	2014/15	2015/16	2016/17E	2017/18E	2018/19E
Domestic	156.0	151.2	156.0	172.1	221.7	245.1	260.1
yoy change	8.1 %	-3.1 %	3.2 %	10.3 %	28.8 %	10.6 %	6.1 %
Rest of Europe	0.9	1.2	1.6	2.8	2.9	3.0	2.9
yoy change	-50.5 %	29.5 %	29.3 %	77.6 %	4.3 %	2.0 %	-2.8 %
NAFTA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Asia Pacific	0.0	0.0	0.0	0.0	0.0	0.0	0.0
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Rest of world	0.0	0.0	0.0	0.0	0.0	0.0	0.0
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>TTL</b>	<b>156.9</b>	<b>152.4</b>	<b>157.6</b>	<b>174.9</b>	<b>224.6</b>	<b>248.1</b>	<b>263.0</b>
yoy change	7.4 %	-2.9 %	3.4 %	11.0 %	28.4 %	10.5 %	6.0 %

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2012/13	2013/14	2014/15	2015/16	2016/17E	2017/18E	2018/19E
<b>P&amp;L growth analysis</b>							
Sales growth	7.4 %	-2.9 %	3.4 %	11.0 %	28.4 %	10.5 %	6.0 %
EBITDA growth	13.1 %	-4.7 %	49.1 %	24.5 %	19.9 %	22.6 %	13.2 %
EBIT growth	14.3 %	11.1 %	99.5 %	32.0 %	25.5 %	36.9 %	16.6 %
EPS growth	-26.3 %	-42.5 %	351.3 %	16.1 %	45.3 %	38.9 %	19.3 %
<b>Efficiency</b>							
Total operating costs / sales	93.4 %	93.3 %	90.5 %	89.4 %	90.0 %	88.9 %	88.1 %
Sales per employee	120.9	128.5	124.4	124.6	136.1	146.8	151.8
EBITDA per employee	8.3	8.7	12.1	13.6	13.9	16.6	18.4
<b>Balance sheet analysis</b>							
Avg. working capital / sales	6.8 %	6.9 %	7.6 %	8.1 %	7.6 %	8.3 %	8.4 %
Inventory turnover (sales/inventory)	103.7	141.2	102.8	125.6	101.0	100.0	99.0
Trade debtors in days of sales	32.4	30.7	38.6	33.5	33.5	33.5	33.5
A/P turnover [(A/P*365)/sales]	11.6	8.0	11.0	5.5	5.5	5.5	5.5
Cash conversion cycle (days)	9.9	15.7	16.5	25.7	27.7	27.7	27.8
<b>Cash flow analysis</b>							
Free cash flow	7.9	7.0	5.8	6.2	5.6	11.0	14.0
Free cash flow/sales	5.0 %	4.6 %	3.7 %	3.5 %	2.5 %	4.4 %	5.3 %
FCF / net profit	416.0 %	646.1 %	117.0 %	108.4 %	63.9 %	86.9 %	92.2 %
Capex / depre	47.7 %	56.0 %	91.4 %	32.6 %	78.6 %	93.7 %	97.8 %
Capex / maintenance capex	142.9 %	82.3 %	91.9 %	115.5 %	110.0 %	115.6 %	116.0 %
Capex / sales	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Security</b>							
Net debt	32.1	28.0	37.0	31.0	10.6	2.5	-8.1
Net Debt/EBITDA	3.0	2.7	2.4	1.6	0.5	0.1	0.0
Net debt / equity	1.4	1.3	1.5	1.1	0.2	0.0	-0.1
Interest cover	1.5	1.6	4.0	3.6	5.2	7.2	8.3
Dividend payout ratio	80.0 %	139.2 %	38.5 %	39.8 %	33.5 %	26.3 %	24.8 %
<b>Asset utilisation</b>							
Capital employed turnover	1.9	2.0	1.9	1.3	1.5	1.7	1.7
Operating assets turnover	10.4	10.5	7.6	7.9	8.3	8.5	8.5
Plant turnover	33.7	38.9	21.5	23.9	29.9	31.8	32.7
Inventory turnover (sales/inventory)	103.7	141.2	102.8	125.6	101.0	100.0	99.0
<b>Returns</b>							
ROCE	5.5 %	6.1 %	12.1 %	11.9 %	11.5 %	14.9 %	17.1 %
ROE	8.4 %	5.1 %	20.5 %	20.1 %	15.6 %	20.9 %	20.8 %
<b>Other</b>							
Interest paid / avg. debt	6.9 %	7.2 %	6.2 %	7.3 %	5.5 %	5.5 %	5.5 %
No. employees (average)	1298	1186	1267	1404	1650	1691	1732
Number of shares	7.6	7.6	7.6	7.6	8.0	8.3	8.3
DPS	0.2	0.2	0.3	0.3	0.4	0.4	0.5
EPS reported	0.25	0.14	0.65	0.75	1.09	1.52	1.81
<b>Valuation ratios</b>							
P/BV	10.0	10.6	9.3	7.9	4.4	4.1	3.4
EV/sales	1.7	1.7	1.7	1.7	1.3	1.1	1.0
EV/EBITDA	24.8	25.8	17.9	15.6	12.6	9.8	8.1
EV/EBITA	32.0	31.5	20.7	18.3	14.5	11.1	9.2
EV/EBIT	61.8	55.1	28.6	23.5	18.1	12.6	10.1
EV/FCF	33.9	37.6	47.8	48.1	51.7	24.8	18.4
Adjusted FCF yield	3.1 %	2.7 %	3.9 %	4.2 %	5.5 %	6.9 %	8.3 %
Dividend yield	0.7 %	0.7 %	0.8 %	1.0 %	1.2 %	1.4 %	1.5 %

Source: Company data, Hauck & Aufhäuser

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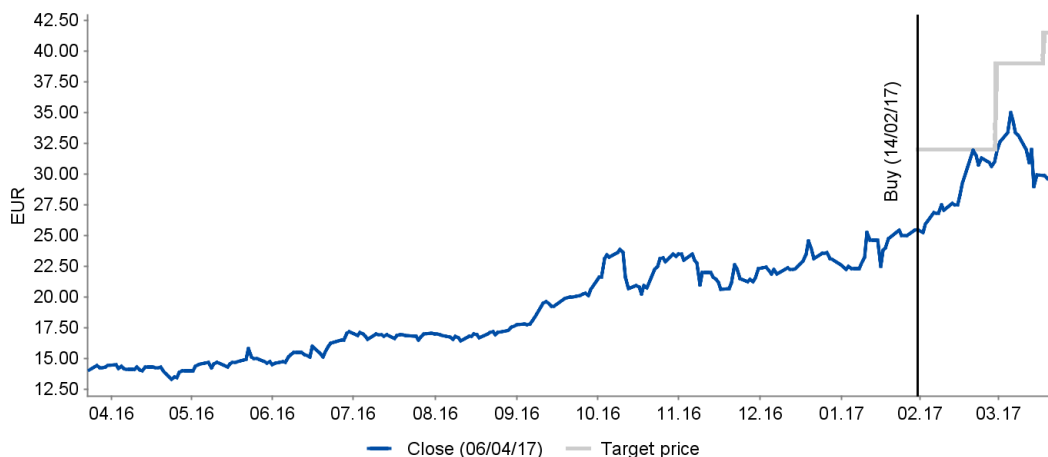
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Company	Disclosure
Datagroup SE	3, 8

### Historical target price and rating changes for Datagroup SE in the last 12 months

#### Price and Rating History Datagroup SE as of 07/04/17

**Initiation coverage**  
17-February-17



Company	Date	Analyst	Rating	Target price	Close
Datagroup SE	07.04.2017	Wunderlich, CFA, Tim	Buy	EUR 41.50	EUR 29.58
	04.04.2017	Wunderlich, CFA, Tim	Buy	EUR 41.50	EUR 29.61
	23.03.2017	Wunderlich, CFA, Tim	Buy	EUR 39.00	EUR 33.38
	16.03.2017	Wunderlich, CFA, Tim	Buy	EUR 39.00	EUR 31.87
	22.02.2017	Wunderlich, CFA, Tim	Buy	EUR 32.00	EUR 26.79
	17.02.2017	Wunderlich, CFA, Tim	Buy	EUR 32.00	EUR 25.91

17.02.2017 Wunderlich, CFA, Tim Buy EUR 32.00 EUR 25.91

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