

**Buy** (old: Buy)

**Price target: EUR 52.00** (old: EUR 52.00)

<b>Price:</b>	EUR 39.00	<b>Next result:</b>	Q2 19: 21.05.19
<b>Bloomberg:</b>	D6H@GR	<b>Market cap:</b>	EUR 296.8 m
<b>Reuters:</b>	D6HG.DE	<b>Enterprise Value:</b>	EUR 378.0 m

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### Bolt-on M&A to strengthen cloud business; chg.

**Topic:** Datagroup announced the bolt-on acquisition of German UBL, a Cloud and Managed Service provider. Our insights:

- **UBL key metrics.** The target is seen to generate more than € 20m of sales at approx. 13% EBITDA margin, which equals roughly € 2.6m EBITDA per year (eH&A / no disclosure). The top-line should have grown at high single-digits to low double-digits per year over the past five years (source: *Bundesanzeiger*) with continuous margin expansion. Recurring annual revenues should easily exceed 50% and capital efficiency is seen in-line with Datagroup.

- **Value and margin-neutral deal.** Assuming a multiple of 8x EBITDA vs. the typical 4-5x given the high quality of UBL (attractive margins, recurring sales, cloud know-how), we expect Datagroup to pay € 21m in cash for the target (eH&A / no disclosure). At € 0.5m maintenance capex p.a., this would imply a **fair 10% cash flow return on the target's EV**, indicating a value-neutral deal. Same goes for EBITDA margins when noting that Datagroup's underlying margins should amount to 13% in FY'19E when stripping out the € 6m positive accounting impact from IFRS 16.

- **The deal should offer various synergies**, mostly in cross-selling opportunities thanks to a complementary service offering, regional footprint and customer portfolio. The transaction could hence turn out value-accretive post synergies, which we conservatively do not incorporate into our estimates. Note that Datagroup has a track record of successful M&A deals, suggesting low integration risk.

**Action:** We expect consolidation starting April and incorporate € 20m sales, growing at high single-digits, with 13% EBITDA and immaterial PPA amortization.

Overall, **the transaction looks solid and should be an incremental positive for the investment case.** Reiterate BUY with an unchanged € 52.00 PT based on DCF.

Y/E 30.9 (EUR m)	2014/15	2015/16	2016/17	2017/18	2018/19E	2019/20E	2020/21E
Sales	157.6	174.9	223.1	272.1	300.0	329.4	351.8
Sales growth	3 %	11 %	28 %	22 %	10 %	10 %	7 %
EBITDA	15.3	19.1	27.0	34.5	45.2	49.9	54.0
EBIT	9.6	12.7	18.6	20.4	24.1	28.3	32.6
Net income	4.9	5.7	11.2	12.9	14.2	16.7	19.7
Net debt	37.0	31.0	10.6	16.2	45.6	27.0	5.5
Net gearing	153.6 %	109.1 %	17.9 %	24.1 %	59.7 %	30.8 %	5.4 %
Net Debt/EBITDA	2.4	1.6	0.4	0.5	1.0	0.5	0.1
EPS pro forma	1.14	1.19	1.83	2.03	2.33	2.52	2.84
CPS	0.94	0.92	3.53	1.82	3.24	3.62	3.99
DPS	0.25	0.30	0.45	0.60	0.65	0.70	0.75
Dividend yield	0.7 %	0.8 %	1.3 %	1.7 %	1.8 %	2.0 %	2.1 %
Gross profit margin	66.3 %	66.8 %	71.3 %	70.5 %	70.4 %	70.4 %	70.4 %
EBITDA margin	9.7 %	10.9 %	12.1 %	12.7 %	15.1 %	15.1 %	15.3 %
EBIT margin	6.1 %	7.2 %	8.3 %	7.5 %	8.0 %	8.6 %	9.3 %
ROCE	12.1 %	11.9 %	12.2 %	11.6 %	12.7 %	14.7 %	15.5 %
EV/sales	2.0	2.0	1.5	1.3	1.3	1.1	0.9
EV/EBITDA	20.9	18.0	12.8	10.3	8.4	7.1	6.2
EV/EBIT	33.4	27.1	18.6	17.4	15.7	12.5	10.2
PER	31.2	29.9	19.4	17.5	15.2	14.1	12.5
Adjusted FCF yield	3.3 %	3.6 %	5.5 %	7.2 %	9.2 %	10.7 %	12.1 %

Source: Company data, Hauck & Aufhäuser Close price as of: 11.04.2019



Source: Company data, Hauck & Aufhäuser

**High/low 52 weeks:** 41.55 / 29.55

**Price/Book Ratio:** 4.3

**Relative performance (TecDAX):**

3 months -

6 months -

12 months -10.2 %

#### Changes in estimates

		Sales	EBIT	EPS
2019	old:	290.0	23.0	2.25
	Δ	3.4%	4.7%	3.5%
2020	old:	308.9	26.3	2.37
	Δ	6.7%	7.7%	6.2%
2021	old:	328.0	30.4	2.68
	Δ	7.3%	7.2%	6.1%

#### Key share data:

Number of shares: (in m pcs) 8.3

Authorised capital: (in € m) 3.0

Book value per share: (in €) 9.2

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)	2014/15	2015/16	2016/17	2017/18	2018/19E	2019/20E	2020/21E
<b>Net sales</b>	<b>157.6</b>	<b>174.9</b>	<b>223.1</b>	<b>272.1</b>	<b>300.0</b>	<b>329.4</b>	<b>351.8</b>
<i>Sales growth</i>	3.4 %	11.0 %	27.6 %	21.9 %	10.3 %	9.8 %	6.8 %
Increase/decrease in finished goods and work-in-process	0.3	0.5	0.6	0.7	0.6	0.7	0.7
<b>Total sales</b>	<b>157.9</b>	<b>175.4</b>	<b>223.8</b>	<b>272.8</b>	<b>300.6</b>	<b>330.1</b>	<b>352.5</b>
Other operating income	4.6	8.4	9.1	5.7	6.0	6.3	6.3
Material expenses	53.2	58.2	64.2	80.4	88.9	97.8	104.5
Personnel expenses	77.1	85.7	119.9	134.7	146.7	160.3	170.5
Other operating expenses	16.9	20.8	21.7	28.8	25.8	28.3	29.9
Total operating expenses	142.6	156.3	196.7	238.3	255.4	280.2	298.5
<b>EBITDA</b>	<b>15.3</b>	<b>19.1</b>	<b>27.0</b>	<b>34.5</b>	<b>45.2</b>	<b>49.9</b>	<b>54.0</b>
Depreciation	2.1	2.8	4.1	8.1	15.2	15.7	15.9
<b>EBITA</b>	<b>13.3</b>	<b>16.3</b>	<b>23.0</b>	<b>26.3</b>	<b>30.0</b>	<b>34.2</b>	<b>38.1</b>
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	3.7	3.6	4.4	5.9	5.9	5.9	5.5
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBIT (inc revaluation net)</b>	<b>9.6</b>	<b>12.7</b>	<b>18.6</b>	<b>20.4</b>	<b>24.1</b>	<b>28.3</b>	<b>32.6</b>
Interest income	0.6	0.9	0.8	0.5	0.3	0.4	0.6
Interest expenses	2.4	3.5	2.8	2.4	3.6	4.1	4.1
Other financial result	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial result	-1.8	-2.6	-2.0	-1.9	-3.2	-3.7	-3.5
<b>Recurring pretax income from continuing operations</b>	<b>7.8</b>	<b>10.1</b>	<b>16.6</b>	<b>18.5</b>	<b>20.9</b>	<b>24.5</b>	<b>29.0</b>
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Earnings before taxes</b>	<b>7.8</b>	<b>10.1</b>	<b>16.6</b>	<b>18.5</b>	<b>20.9</b>	<b>24.5</b>	<b>29.0</b>
Taxes	2.9	4.4	5.4	5.6	6.7	7.9	9.3
<b>Net income from continuing operations</b>	<b>4.9</b>	<b>5.7</b>	<b>11.2</b>	<b>12.9</b>	<b>14.2</b>	<b>16.7</b>	<b>19.7</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>4.9</b>	<b>5.7</b>	<b>11.2</b>	<b>12.9</b>	<b>14.2</b>	<b>16.7</b>	<b>19.7</b>
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net profit (reported)</b>	<b>4.9</b>	<b>5.7</b>	<b>11.2</b>	<b>12.9</b>	<b>14.2</b>	<b>16.7</b>	<b>19.7</b>
Average number of shares	7.6	7.6	8.0	8.3	8.3	8.3	8.3
<b>EPS reported</b>	<b>0.65</b>	<b>0.75</b>	<b>1.41</b>	<b>1.54</b>	<b>1.70</b>	<b>2.00</b>	<b>2.36</b>

Profit and loss (common size)	2014/15	2015/16	2016/17	2017/18	2018/19E	2019/20E	2020/21E
<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	0.2 %	0.3 %	0.3 %	0.3 %	0.2 %	0.2 %	0.2 %
<b>Total sales</b>	<b>100.2 %</b>	<b>100.3 %</b>	<b>100.3 %</b>	<b>100.3 %</b>	<b>100.2 %</b>	<b>100.2 %</b>	<b>100.2 %</b>
Other operating income	2.9 %	4.8 %	4.1 %	2.1 %	2.0 %	1.9 %	1.8 %
Material expenses	33.7 %	33.3 %	28.8 %	29.5 %	29.6 %	29.7 %	29.7 %
Personnel expenses	48.9 %	49.0 %	53.7 %	49.5 %	48.9 %	48.7 %	48.5 %
Other operating expenses	10.7 %	11.9 %	9.7 %	10.6 %	8.6 %	8.6 %	8.5 %
Total operating expenses	90.5 %	89.4 %	88.2 %	87.6 %	85.1 %	85.1 %	84.9 %
<b>EBITDA</b>	<b>9.7 %</b>	<b>10.9 %</b>	<b>12.1 %</b>	<b>12.7 %</b>	<b>15.1 %</b>	<b>15.1 %</b>	<b>15.3 %</b>
Depreciation	1.3 %	1.6 %	1.8 %	3.0 %	5.1 %	4.8 %	4.5 %
<b>EBITA</b>	<b>8.4 %</b>	<b>9.3 %</b>	<b>10.3 %</b>	<b>9.7 %</b>	<b>10.0 %</b>	<b>10.4 %</b>	<b>10.8 %</b>
Amortisation of goodwill	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Amortisation of intangible assets	2.3 %	2.1 %	2.0 %	2.2 %	2.0 %	1.8 %	1.6 %
Impairment charges	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>EBIT (inc revaluation net)</b>	<b>6.1 %</b>	<b>7.2 %</b>	<b>8.3 %</b>	<b>7.5 %</b>	<b>8.0 %</b>	<b>8.6 %</b>	<b>9.3 %</b>
Interest income	0.4 %	0.5 %	0.4 %	0.2 %	0.1 %	0.1 %	0.2 %
Interest expenses	1.5 %	2.0 %	1.3 %	0.9 %	1.2 %	1.3 %	1.2 %
Other financial result	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Financial result	neg.	neg.	neg.	neg.	neg.	neg.	neg.
<b>Recurring pretax income from continuing operations</b>	<b>4.9 %</b>	<b>5.8 %</b>	<b>7.4 %</b>	<b>6.8 %</b>	<b>7.0 %</b>	<b>7.4 %</b>	<b>8.3 %</b>
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Earnings before taxes</b>	<b>4.9 %</b>	<b>5.8 %</b>	<b>7.4 %</b>	<b>6.8 %</b>	<b>7.0 %</b>	<b>7.4 %</b>	<b>8.3 %</b>
Tax rate	36.7 %	43.4 %	32.5 %	30.3 %	32.0 %	32.0 %	32.0 %
<b>Net income from continuing operations</b>	<b>3.1 %</b>	<b>3.3 %</b>	<b>5.0 %</b>	<b>4.7 %</b>	<b>4.7 %</b>	<b>5.1 %</b>	<b>5.6 %</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>3.1 %</b>	<b>3.3 %</b>	<b>5.0 %</b>	<b>4.7 %</b>	<b>4.7 %</b>	<b>5.1 %</b>	<b>5.6 %</b>
Minority interest	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Net profit (reported)</b>	<b>3.1 %</b>	<b>3.3 %</b>	<b>5.0 %</b>	<b>4.7 %</b>	<b>4.7 %</b>	<b>5.1 %</b>	<b>5.6 %</b>

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2014/15	2015/16	2016/17	2017/18	2018/19E	2019/20E	2020/21E
<b>Intangible assets</b>	<b>50.0</b>	<b>48.3</b>	<b>55.6</b>	<b>61.8</b>	<b>79.9</b>	<b>76.3</b>	<b>73.1</b>
Property, plant and equipment	7.3	7.3	19.3	22.4	19.2	12.3	5.6
Financial assets	9.3	5.6	2.6	3.1	3.1	3.1	3.1
<b>FIXED ASSETS</b>	<b>66.6</b>	<b>61.2</b>	<b>77.5</b>	<b>87.3</b>	<b>102.2</b>	<b>91.8</b>	<b>81.8</b>
Inventories	1.5	1.4	3.5	2.0	3.0	3.3	3.6
Accounts receivable	16.7	16.1	26.8	31.2	34.4	37.8	40.4
Other current assets	14.8	52.0	47.9	51.6	66.0	66.0	66.0
Liquid assets	2.3	24.4	53.2	38.7	29.3	47.9	69.4
Deferred taxes	1.5	4.7	4.6	4.6	4.6	4.6	4.6
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>CURRENT ASSETS</b>	<b>36.8</b>	<b>98.6</b>	<b>135.9</b>	<b>128.2</b>	<b>137.4</b>	<b>159.7</b>	<b>184.0</b>
<b>TOTAL ASSETS</b>	<b>103.3</b>	<b>159.7</b>	<b>213.4</b>	<b>215.5</b>	<b>239.6</b>	<b>251.5</b>	<b>265.8</b>
<b>SHAREHOLDERS EQUITY</b>	<b>24.1</b>	<b>28.4</b>	<b>59.6</b>	<b>67.3</b>	<b>76.4</b>	<b>87.7</b>	<b>101.6</b>
MINORITY INTEREST	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term debt	24.6	51.8	52.7	42.6	62.6	62.6	62.6
Provisions for pensions and similar obligations	13.6	42.6	37.6	41.6	35.6	29.6	29.6
Other provisions	5.5	4.8	13.8	14.0	14.0	14.0	14.0
<b>Non-current liabilities</b>	<b>43.8</b>	<b>99.3</b>	<b>104.1</b>	<b>98.2</b>	<b>112.2</b>	<b>106.2</b>	<b>106.2</b>
short-term liabilities to banks	14.6	3.5	11.1	12.3	12.3	12.3	12.3
Accounts payable	4.7	2.6	4.5	5.4	6.0	6.6	7.0
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)	15.4	23.0	32.2	31.1	31.5	37.6	37.6
Deferred taxes	0.8	2.9	1.9	0.9	0.9	0.9	0.9
Deferred income	0.0	0.0	0.0	0.2	0.2	0.2	0.2
<b>Current liabilities</b>	<b>35.5</b>	<b>32.1</b>	<b>49.7</b>	<b>50.0</b>	<b>50.9</b>	<b>57.6</b>	<b>58.0</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>103.3</b>	<b>159.7</b>	<b>213.4</b>	<b>215.5</b>	<b>239.6</b>	<b>251.5</b>	<b>265.8</b>

Balance sheet (common size)	2014/15	2015/16	2016/17	2017/18	2018/19E	2019/20E	2020/21E
<b>Intangible assets</b>	<b>48.3 %</b>	<b>30.2 %</b>	<b>26.0 %</b>	<b>28.7 %</b>	<b>33.4 %</b>	<b>30.3 %</b>	<b>27.5 %</b>
Property, plant and equipment	7.1 %	4.6 %	9.0 %	10.4 %	8.0 %	4.9 %	2.1 %
Financial assets	9.0 %	3.5 %	1.2 %	1.4 %	1.3 %	1.2 %	1.2 %
<b>FIXED ASSETS</b>	<b>64.4 %</b>	<b>38.3 %</b>	<b>36.3 %</b>	<b>40.5 %</b>	<b>42.7 %</b>	<b>36.5 %</b>	<b>30.8 %</b>
Inventories	1.5 %	0.9 %	1.6 %	0.9 %	1.3 %	1.3 %	1.3 %
Accounts receivable	16.1 %	10.1 %	12.5 %	14.5 %	14.4 %	15.0 %	15.2 %
Other current assets	14.4 %	32.5 %	22.5 %	24.0 %	27.6 %	26.3 %	24.8 %
Liquid assets	2.2 %	15.3 %	24.9 %	18.0 %	12.2 %	19.0 %	26.1 %
Deferred taxes	1.4 %	2.9 %	2.1 %	2.1 %	1.9 %	1.8 %	1.7 %
Deferred charges and prepaid expenses	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>CURRENT ASSETS</b>	<b>35.6 %</b>	<b>61.7 %</b>	<b>63.7 %</b>	<b>59.5 %</b>	<b>57.4 %</b>	<b>63.5 %</b>	<b>69.2 %</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>
<b>SHAREHOLDERS EQUITY</b>	<b>23.3 %</b>	<b>17.8 %</b>	<b>27.9 %</b>	<b>31.2 %</b>	<b>31.9 %</b>	<b>34.9 %</b>	<b>38.2 %</b>
MINORITY INTEREST	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Long-term debt	23.8 %	32.4 %	24.7 %	19.8 %	26.1 %	24.9 %	23.5 %
Provisions for pensions and similar obligations	13.2 %	26.7 %	17.6 %	19.3 %	14.9 %	11.8 %	11.1 %
Other provisions	5.3 %	3.0 %	6.5 %	6.5 %	5.9 %	5.6 %	5.3 %
<b>Non-current liabilities</b>	<b>42.3 %</b>	<b>62.1 %</b>	<b>48.8 %</b>	<b>45.6 %</b>	<b>46.8 %</b>	<b>42.2 %</b>	<b>40.0 %</b>
short-term liabilities to banks	14.1 %	2.2 %	5.2 %	5.7 %	5.1 %	4.9 %	4.6 %
Accounts payable	4.6 %	1.7 %	2.1 %	2.5 %	2.5 %	2.6 %	2.6 %
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)	14.9 %	14.4 %	15.1 %	14.4 %	13.2 %	15.0 %	14.1 %
Deferred taxes	0.8 %	1.8 %	0.9 %	0.4 %	0.4 %	0.4 %	0.4 %
Deferred income	0.0 %	0.0 %	0.0 %	0.1 %	0.1 %	0.1 %	0.1 %
<b>Current liabilities</b>	<b>34.4 %</b>	<b>20.1 %</b>	<b>23.3 %</b>	<b>23.2 %</b>	<b>21.3 %</b>	<b>22.9 %</b>	<b>21.8 %</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)	2014/15	2015/16	2016/17	2017/18	2018/19E	2019/20E	2020/21E
Net profit/loss	4.9	5.7	11.2	12.9	14.2	16.7	19.7
Depreciation of fixed assets (incl. leases)	2.1	6.4	8.5	10.1	15.2	15.7	15.9
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	3.7	0.0	0.0	4.0	5.9	5.9	5.5
Others	1.3	-3.7	-9.9	-5.9	0.0	0.0	0.0
Cash flow from operations before changes in w/c	11.9	8.4	9.7	21.0	35.3	38.3	41.1
Increase/decrease in inventory	0.6	0.1	4.7	1.5	-1.1	-0.3	-0.2
Increase/decrease in accounts receivable	-1.5	-5.1	16.2	-4.5	-3.2	-3.4	-2.6
Increase/decrease in accounts payable	-1.1	5.7	1.8	1.0	0.6	0.6	0.4
Increase/decrease in other working capital positions	-0.5	0.4	0.0	0.0	0.0	0.0	0.0
Increase/decrease in working capital	-2.5	1.1	22.7	-2.0	-3.7	-3.1	-2.4
<b>Cash flow from operating activities</b>	<b>9.4</b>	<b>9.5</b>	<b>32.5</b>	<b>19.0</b>	<b>31.6</b>	<b>35.2</b>	<b>38.8</b>
CAPEX	3.7	3.3	10.5	14.8	15.0	11.2	11.4
Payments for acquisitions	4.5	2.0	10.5	4.8	21.0	0.0	0.0
Financial investments	1.6	-1.2	-0.8	-0.1	0.0	0.0	0.0
Income from asset disposals	0.5	0.4	0.4	0.4	0.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>-9.3</b>	<b>-3.7</b>	<b>-19.7</b>	<b>-19.1</b>	<b>-36.0</b>	<b>-11.2</b>	<b>-11.4</b>
Cash flow before financing	0.1	5.8	12.7	-0.1	-4.4	24.0	27.4
Increase/decrease in debt position	-4.3	19.6	-1.3	-9.2	0.0	0.0	0.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	21.1	0.0	0.0	0.0	0.0
Dividends paid	1.5	1.9	2.3	3.7	5.0	5.4	5.8
Others	-1.7	-1.2	-1.5	-1.4	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>-7.5</b>	<b>16.5</b>	<b>16.0</b>	<b>-14.4</b>	<b>-5.0</b>	<b>-5.4</b>	<b>-5.8</b>
Increase/decrease in liquid assets	-7.4	22.4	28.8	-14.5	-9.4	18.6	21.5
<b>Liquid assets at end of period</b>	<b>2.1</b>	<b>24.4</b>	<b>53.2</b>	<b>38.7</b>	<b>29.3</b>	<b>47.8</b>	<b>69.3</b>

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2014/15	2015/16	2016/17	2017/18	2018/19E	2019/20E	2020/21E
Domestic	156.0	172.1	220.2	268.8	296.7	326.1	348.3
yoy change	3.2 %	10.3 %	28.0 %	22.1 %	10.4 %	9.9 %	6.8 %
Rest of Europe	1.6	2.8	2.9	3.3	3.3	3.3	3.5
yoy change	29.3 %	77.6 %	3.6 %	12.6 %	1.1 %	-0.2 %	6.8 %
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>157.6</b>	<b>174.9</b>	<b>223.1</b>	<b>272.1</b>	<b>300.0</b>	<b>329.4</b>	<b>351.8</b>
yoy change	3.4 %	11.0 %	27.6 %	21.9 %	10.3 %	9.8 %	6.8 %

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2014/15	2015/16	2016/17	2017/18	2018/19E	2019/20E	2020/21E
<b>P&amp;L growth analysis</b>							
Sales growth	3.4 %	11.0 %	27.6 %	21.9 %	10.3 %	9.8 %	6.8 %
EBITDA growth	49.1 %	24.5 %	41.6 %	27.4 %	31.1 %	44.7 %	19.4 %
EBIT growth	99.5 %	32.0 %	46.7 %	9.9 %	17.9 %	38.4 %	35.2 %
EPS growth	351.3 %	16.1 %	86.6 %	9.7 %	10.1 %	29.6 %	39.2 %
<b>Efficiency</b>							
Total operating costs / sales	90.5 %	89.4 %	88.2 %	87.6 %	85.1 %	85.1 %	84.9 %
Sales per employee	124.4	124.6	125.6	142.1	150.7	163.8	171.5
EBITDA per employee	12.1	13.6	15.2	18.0	22.7	24.8	26.3
<b>Balance sheet analysis</b>							
Avg. working capital / sales	7.6 %	8.1 %	9.1 %	9.8 %	9.9 %	9.5 %	9.7 %
Inventory turnover (sales/inventory)	102.8	125.6	64.4	138.0	99.0	99.0	99.0
Trade debtors in days of sales	38.6	33.5	43.8	41.9	41.9	41.9	41.9
A/P turnover [(A/P*365)/sales]	11.0	5.5	7.3	7.3	7.3	7.3	7.3
Cash conversion cycle (days)	16.5	25.7	38.1	26.3	29.8	29.8	29.8
<b>Cash flow analysis</b>							
Free cash flow	5.8	6.2	22.0	4.2	16.6	24.0	27.4
Free cash flow/sales	3.7 %	3.5 %	9.9 %	1.5 %	5.5 %	7.3 %	7.8 %
FCF / net profit	117.0 %	108.4 %	196.6 %	32.5 %	116.9 %	143.8 %	138.6 %
Capex / depre	91.4 %	32.6 %	113.7 %	104.4 %	71.1 %	51.9 %	53.4 %
Capex / maintenance capex	91.9 %	115.5 %	284.8 %	297.0 %	266.7 %	177.9 %	166.3 %
Capex / sales	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Security</b>							
Net debt	37.0	31.0	10.6	16.2	45.6	27.0	5.5
Net Debt/EBITDA	2.4	1.6	0.4	0.5	1.0	0.5	0.1
Net debt / equity	1.5	1.1	0.2	0.2	0.6	0.3	0.1
Interest cover	4.0	3.6	6.6	8.4	6.7	6.9	7.9
Dividend payout ratio	38.5 %	39.8 %	33.5 %	38.9 %	38.3 %	35.0 %	31.7 %
<b>Asset utilisation</b>							
Capital employed turnover	1.9	1.3	1.3	1.5	1.5	1.6	1.6
Operating assets turnover	7.6	7.9	5.0	5.4	5.9	7.0	8.3
Plant turnover	21.5	23.9	11.6	12.2	15.7	26.7	62.9
Inventory turnover (sales/inventory)	102.8	125.6	64.4	138.0	99.0	99.0	99.0
<b>Returns</b>							
ROCE	12.1 %	11.9 %	12.2 %	11.6 %	12.7 %	14.7 %	15.5 %
ROE	20.5 %	20.1 %	18.8 %	19.1 %	18.6 %	19.0 %	19.4 %
<b>Other</b>							
Interest paid / avg. debt	6.2 %	7.3 %	4.7 %	4.1 %	5.5 %	6.3 %	5.5 %
No. employees (average)	1267	1404	1776	1915	1991	2011	2051
Number of shares	7.6	7.6	8.0	8.3	8.3	8.3	8.3
DPS	0.3	0.3	0.5	0.6	0.7	0.7	0.8
EPS reported	0.65	0.75	1.41	1.54	1.70	2.00	2.36
<b>Valuation ratios</b>							
P/BV	11.2	9.5	5.0	4.4	3.9	3.4	2.9
EV/sales	2.0	2.0	1.5	1.3	1.3	1.1	0.9
EV/EBITDA	20.9	18.0	12.8	10.3	8.4	7.1	6.2
EV/EBITA	24.2	21.1	15.0	13.5	12.6	10.3	8.7
EV/EBIT	33.4	27.1	18.6	17.4	15.7	12.5	10.2
EV/FCF	55.6	55.4	15.7	84.8	22.8	14.7	12.1
Adjusted FCF yield	3.3 %	3.6 %	5.5 %	7.2 %	9.2 %	10.7 %	12.1 %
Dividend yield	0.7 %	0.8 %	1.3 %	1.7 %	1.8 %	2.0 %	2.1 %

Source: Company data, Hauck & Aufhäuser

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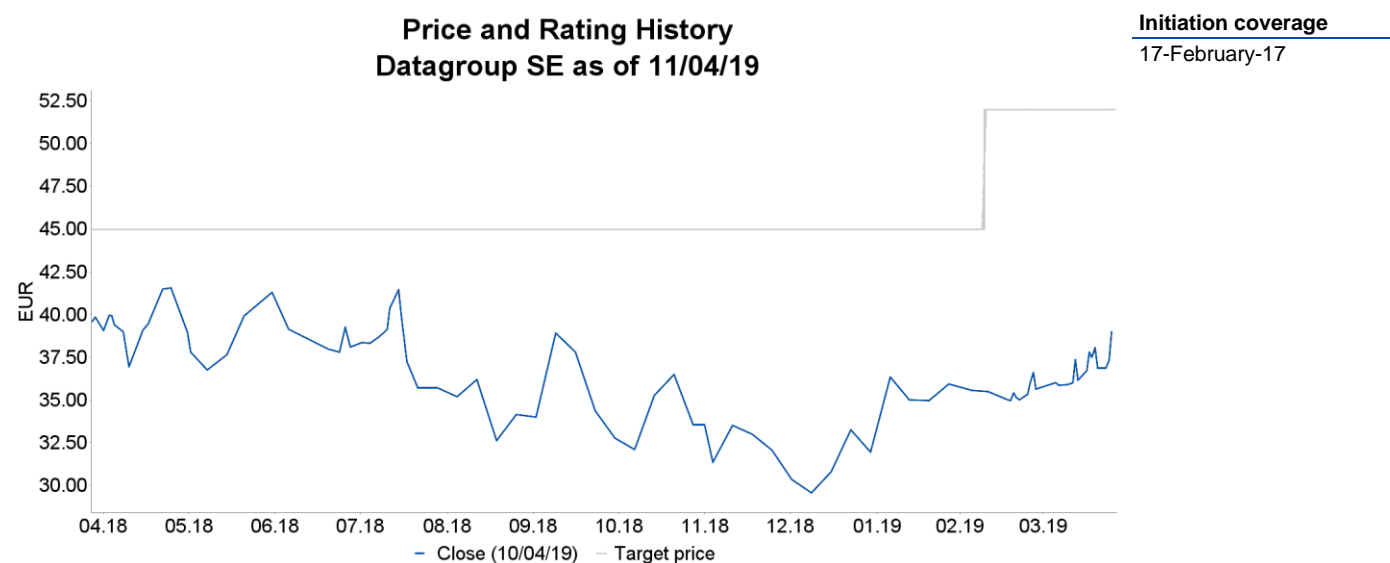
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Company	Disclosure
Datagroup SE	3, 6

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



Company	Date	Analyst	Rating	Target price	Close
Datagroup SE	15.03.2019	Wunderlich, CFA, Tim	Buy	EUR 52,00	EUR 35,65
	25.02.2019	Wunderlich, CFA, Tim	Buy	EUR 52,00	EUR 35,50

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