

Buy (old: Buy)

Price target: EUR 41.50 (old: EUR 41.50)

Price:	EUR 34.39	Next result:	Q3 17: 21.08.17
Bloomberg:	D6H:GR	Market cap:	EUR 287.1 m
Reuters:	D6HG.DE	Enterprise Value:	EUR 328.3 m

30-June-17

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Still sunny skies for this cloud player – Reiterate BUY

Latest market research from Bitkom shows that the trend towards Cloud Computing remains unbroken. Cloud usage amongst small to mid-sized enterprises in Germany has risen by 14pp to 69% between 2014 and 2016.

Key drivers include the desire to save costs and boost efficiency. On top of this, latest cyber attacks should be a boon for Cloud Computing demand as experts such as Datagroup can provide more advanced IT security vs. in-house solutions.

Despite the already high level of cloud usage in Germany, **growth potential is seen to remain attractive.** While 50% of companies in Germany rely on some form of IT infrastructure and software from the cloud (i.e. Datagroup's key offering / a sub-segment of the total cloud market), most companies "start small" using mainly standard software such as Microsoft Office. In contrast, ERP software such as SAP or industry-specific software is only used by around 30% of companies **leaving significant penetration potential.**

The healthy market growth provides the **perfect backdrop for Datagroup to continue to thrive.** With its CORBOX cloud platform offering unparalleled breadth (12 cloud services), flexibility (modular set-up) and efficiency, the company looks well-prepared to not only win new clients but also upgrade the existing client base to new CORBOX modules (see *next page*). This coupled with M&A (i.e. HPE deal and Hansecom) explains our 15% p.a. sales growth expectation (CAGR 16-19E).

Current trading looks positive. Datagroup continues to see outstanding demand driving strong customer adoption and upselling activity. While the company has already upgraded its guidance twice this fiscal year, **we see renewed upside potential (eH&A: 2-3%) to guidance and our estimates** as Q3 (quarter ending June) should have been another very strong quarter. The current guidance is for sales of € 215-225m (+26% yoy) and EBITDA of € 22-23m (+33% yoy adj.) while consensus expects € 222m sales and € 22m EBITDA.

The attractive investment case remains fully intact. As a leading cloud service provider with its highly efficient "Corbox" cloud platform, Datagroup should thrive on the growing IT cloud computing trend. The company hence continues to shift its business model from legacy (onsite) IT services to higher-margin and recurring cloud services (c. 60% of sales 2018E). **BUY with a € 41.50 PT based on DCF.**

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	0.6 %	0.6 %	0.7 %	0.9 %	1.0 %	1.2 %	1.3 %
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	1.9	2.0	2.0	1.9	1.5	1.3	1.1
EV/EBITDA	28.2	29.3	20.3	17.5	14.3	11.2	9.4
EV/EBIT	70.2	62.7	32.4	26.4	20.6	14.4	11.7
PER	137.5	83.6	38.0	34.5	26.9	20.5	17.7
Adjusted FCF yield	2.7 %	2.3 %	3.4 %	3.7 %	4.8 %	6.0 %	7.1 %

Source: Company data, Hauck & Aufhäuser Close price as of: 29.06.2017



Source: Company data, Hauck & Aufhäuser

High/low 52 weeks: 38.00 / 15.09

Price/Book Ratio: 5.1

Relative performance (TecDAX):

3 months 12.1 %

6 months 32.1 %

12 months 91.6 %

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

Datagroup: Sales growth 2010-2019E											
	2010	2011	2012	2013	2014	2015	2016	2017E	2018E	2019E	CAGR 2016-19E
Sales	79.3	108.6	146.2	156.9	152.4	157.6	174.9	224.6	248.1	263.0	15%
yoy	na	37%	35%	7%	-3%	3%	11%	28%	10%	6%	
Cloud Services	11	24	32	37	42	57	76	119	145	163	29%
yoy	na	118%	33%	16%	14%	36%	33%	57%	22%	13%	
in % of sales	14%	22%	22%	24%	28%	36%	43%	53%	58%	62%	
Hardware	39	42	43	41	38	37	39	40	39	40	1%
yoy	na	8%	2%	-5%	-7%	-3%	5%	1%	0%	1%	
in % of sales	49%	39%	29%	26%	25%	23%	22%	18%	16%	15%	
Other Services	4	9	15	16	15	19	21	27	28	30	12%
yoy	na	101%	75%	7%	-6%	27%	11%	29%	5%	5%	
in % of sales	5%	8%	10%	10%	10%	12%	12%	12%	11%	11%	
Non-cloud Services	25	34	56	63	57	45	39	39	35	30	-8%
yoy	na	36%	65%	13%	-10%	-21%	-13%	0%	-9%	-14%	
in % of sales	32%	31%	38%	40%	37%	29%	22%	17%	14%	12%	

Cloud Services: Growth model 2014-2019E							
€ m	2014	2015	2016	2017E	2018E	2019E	
Cloud Services	42	57	76	119	145	163	
yoy	14%	36%	33%	57%	22%	13%	
Incremental sales development:							
(1) Revenue (t-1)				76	119	145	
(2) Revenue from new customers				15	17	17	
Total CORBOX customers (number)	87	106	124	144	166	189	
New customers (number)		19	18	20	22	23	
ASP per customer (€ m)				0.75	0.75	0.75	
(3) Revenue from upselling				4	5	7	
Upselling ratio				10%	12%	14%	
Successful upselling (# of customers)				13	18	24	
Additional revenue per customer (€ m)				0.3	0.3	0.3	
(4) Revenue contribution (incremental) HPE deal				20	-3	-3	
(5) Revenue contribution Hansecom (incremental)				7	9	0	
(6) Revenue lost due to churn				-2	-2	-2	
Churn rate				1.5%	1.5%	1.5%	
(7) Revenue lost due to price pressure				-1	-1	-1	
Price pressure (when contract is prolonged)				5%	5%	5%	
(1) + (2) + (3) + (4) + (5) + (6) + (7): Revenue (t)				119	145	163	

Source: Company data, Hauck & Aufhäuser

Financials

Profit and loss (EUR m)	2012/13	2013/14	2014/15	2015/16	2016/17E	2017/18E	2018/19E
Net sales	156.9	152.4	157.6	174.9	224.6	248.1	263.0
<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
Total sales	157.4	152.5	157.9	175.4	225.0	248.6	263.5
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
EBITDA	10.8	10.3	15.3	19.1	22.9	28.1	31.8
Depreciation	2.4	1.9	2.1	2.8	3.1	3.4	3.7
EBITA	8.4	8.4	13.3	16.3	19.8	24.7	28.1
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
EBIT	4.3	4.8	9.6	12.7	15.9	21.8	25.4
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
Recurring pretax income from continuing operations	2.5	2.4	7.8	10.1	13.2	19.2	22.9
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	2.5	2.4	7.8	10.1	13.2	19.2	22.9
Taxes	0.6	1.3	2.9	4.4	4.5	6.5	7.8
Net income from continuing operations	1.9	1.1	4.9	5.7	8.7	12.7	15.1
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	1.9	1.1	4.9	5.7	8.7	12.7	15.1
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income (net of minority interest)	1.9	1.1	4.9	5.7	8.7	12.7	15.1
Average number of shares	7.6	7.6	7.6	7.6	8.0	8.3	8.3
EPS reported	0.25	0.14	0.65	0.75	1.09	1.52	1.81

Profit and loss (common size)	2012/13	2013/14	2014/15	2015/16	2016/17E	2017/18E	2018/19E
Net sales	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Increase/decrease in finished goods and work-in-process	0.3 %	0.1 %	0.2 %	0.3 %	0.2 %	0.2 %	0.2 %
Total sales	100.3 %	100.1 %	100.2 %	100.3 %	100.2 %	100.2 %	100.2 %
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 %
EBITDA	6.9 %	6.8 %	9.7 %	10.9 %	10.2 %	11.3 %	12.1 %
Depreciation	1.5 %	1.2 %	1.3 %	1.6 %	1.4 %	1.4 %	1.4 %
EBITA	5.3 %	5.5 %	8.4 %	9.3 %	8.8 %	9.9 %	10.7 %
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 %
EBIT	2.8 %	3.2 %	6.1 %	7.2 %	7.1 %	8.8 %	9.7 %
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 %
Recurring pretax income from continuing operations	1.6 %	1.5 %	4.9 %	5.8 %	5.9 %	7.7 %	8.7 %
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Earnings before taxes	1.6 %	1.5 %	4.9 %	5.8 %	5.9 %	7.7 %	8.7 %
Tax rate	23.5 %	53.7 %	36.7 %	43.4 %	34.0 %	34.0 %	34.0 %
Net income from continuing operations	1.2 %	0.7 %	3.1 %	3.3 %	3.9 %	5.1 %	5.8 %
Income from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income	1.2 %	0.7 %	3.1 %	3.3 %	3.9 %	5.1 %	5.8 %
Minority interest	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income (net of minority interest)	1.2 %	0.7 %	3.1 %	3.3 %	3.9 %	5.1 %	5.8 %

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2012/13	2013/14	2014/15	2015/16	2016/17E	2017/18E	2018/19E
Intangible assets	49.6	46.5	50.0	48.3	50.6	49.9	49.5
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
FIXED ASSETS	60.7	56.9	66.6	61.2	63.7	63.3	63.1
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
CURRENT ASSETS	41.0	38.2	36.8	98.6	112.3	111.8	118.4
TOTAL ASSETS	101.7	95.1	103.3	159.7	176.0	175.1	181.5
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
Non-current liabilities	51.0	47.6	43.8	99.3	87.3	81.3	75.3
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
Current liabilities	28.2	26.3	35.5	32.1	32.9	33.2	33.4
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	101.7	95.1	103.3	159.7	176.0	175.1	181.5

Balance sheet (common size)	2012/13	2013/14	2014/15	2015/16	2016/17E	2017/18E	2018/19E
Intangible assets	48.7 %	48.9 %	48.3 %	30.2 %	28.8 %	28.5 %	27.3 %
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 %
FIXED ASSETS	59.7 %	59.8 %	64.4 %	38.3 %	36.2 %	36.1 %	34.8 %
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 %
CURRENT ASSETS	40.3 %	40.2 %	35.6 %	61.7 %	63.8 %	63.9 %	65.2 %
TOTAL ASSETS	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
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 %
Non-current liabilities	50.2 %	50.0 %	42.3 %	62.1 %	49.6 %	46.4 %	41.5 %
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 %
Current liabilities	27.7 %	27.6 %	34.4 %	20.1 %	18.7 %	19.0 %	18.4 %
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

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
Cash flow from operating activities	10.9	9.3	9.4	9.5	11.1	16.9	20.2
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
Cash flow from investing activities	-5.2	-4.3	-9.3	-3.7	-9.5	-5.9	-6.3
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
Cash flow from financing activities	2.8	-6.9	-7.5	16.5	18.8	-2.9	-3.3
Increase/decrease in liquid assets	8.5	-2.0	-7.4	22.4	20.4	8.1	10.6
Liquid assets at end of period	11.4	9.4	2.1	24.4	44.8	52.9	63.5

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
TTL	156.9	152.4	157.6	174.9	224.6	248.1	263.0
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
P&L growth analysis							
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 %
Efficiency							
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
Balance sheet analysis							
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
Cash flow analysis							
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
Security							
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 %
Asset utilisation							
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
Returns							
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 %
Other							
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
Valuation ratios							
P/BV	11.6	12.3	10.9	9.2	5.1	4.7	3.9
EV/sales	1.9	2.0	2.0	1.9	1.5	1.3	1.1
EV/EBITDA	28.2	29.3	20.3	17.5	14.3	11.2	9.4
EV/EBITA	36.4	35.8	23.5	20.6	16.6	12.7	10.6
EV/EBIT	70.2	62.7	32.4	26.4	20.6	14.4	11.7
EV/FCF	38.6	42.8	54.1	54.0	58.9	28.5	21.3
Adjusted FCF yield	2.7 %	2.3 %	3.4 %	3.7 %	4.8 %	6.0 %	7.1 %
Dividend yield	0.6 %	0.6 %	0.7 %	0.9 %	1.0 %	1.2 %	1.3 %

Source: Company data, Hauck & Aufhäuser

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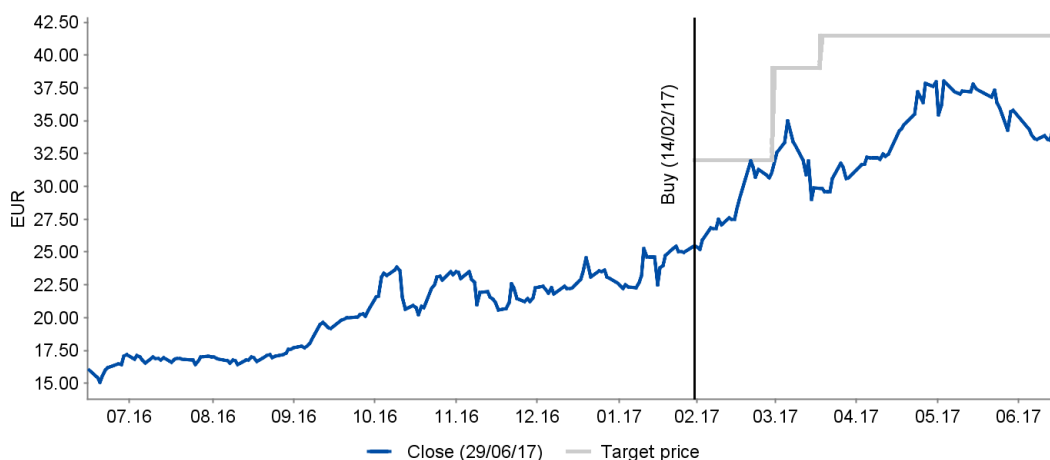
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Company	Disclosure
Datagroup SE	3, 8

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

Price and Rating History Datagroup SE as of 30/06/17

Initiation coverage
17-February-17



Company	Date	Analyst	Rating	Target price	Close
Datagroup SE	08.05.2017	Wunderlich, CFA, Tim	Buy	EUR 41.50	EUR 35.49
	07.04.2017	Wunderlich, CFA, Tim	Buy	EUR 41.50	EUR 30.60
	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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