



**Buy** (old: Buy)

**Price target: EUR 39.00** (old: EUR 39.00)

<b>Price:</b>	EUR 34.31	<b>Next result:</b>	Q2 17: tba
<b>Bloomberg:</b>	D6H:GR	<b>Market cap:</b>	EUR 260.4 m
<b>Reuters:</b>	D6HG.DE	<b>Enterprise Value:</b>	EUR 318.4 m

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## FY guidance lifted; Strong five-months trading update

As expected, **Datagroup yesterday raised its FY guidance** in light of the strong Q1 performance (sales +28% yoy / EBIT +270% yoy) and excellent visibility on future sales and earnings growth. The latter is reflected in the high proportion of recurring business (85% of gross profit) and supported by 15 new CORBOX clients which will go live within the next 8-10 months (eH&A: € 12-15m incremental sales).

For FY 2017E, Datagroup now expects sales of € 210-220m (previously: more than € 200m) and an EBITDA of € 21.5-22.5m (previously: more than € 20m). The new guidance is in-line with expectations (eCons: € 216m sales / € 22m EBITDA) and implies 23% yoy sales growth as well as 15% yoy EBITDA growth at the midpoint.

**The underlying EBITDA performance should be much stronger than revealed at first glance.** Note that Datagroup incurred a € 3m net positive one-off in 2016 relating mostly to the take-over of HPE's outsourcing business. Adjusted for this, the guidance would imply **EBITDA growth of above 30% yoy in 2017E.**

**The operating performance continues to excel.** Its five-months trading update reveals that both sales growth and the EBITDA margin have further improved in the first two months of Q2 '17 compared to Q1 '17. In detail: For the first two months of Q2, sales growth accelerated to 35% yoy (Q1: +28% yoy) and the EBITDA margin rose to 10.4% (Q1: 9.7%). Due to this and the high likelihood of additional value-accretive M&A activity this year **news flow is expected to remain very positive.**

**We remain bullish on Datagroup** in light of outstanding visibility, clockwork-like growth, and substantial efficiency improvement potential (automation and optimisation of data centre footprint). **BUY with a € 39.00 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	217.9	232.1	247.0
Sales growth	7 %	-3 %	3 %	11 %	25 %	7 %	6 %
EBITDA	10.8	10.3	15.3	19.1	22.2	26.0	29.7
EBIT	4.3	4.8	9.6	12.7	15.5	20.0	23.6
Net income	1.9	1.1	4.9	5.7	8.4	11.4	13.8
Net debt	32.1	28.0	37.0	31.0	27.4	19.6	9.9
Net gearing	142.7 %	131.6 %	153.6 %	109.1 %	79.4 %	45.4 %	20.0 %
Net Debt/EBITDA	3.0	2.7	2.4	1.6	1.2	0.8	0.3
EPS pro forma	0.25	0.41	0.91	1.00	1.37	1.67	1.97
CPS	1.17	0.93	0.94	0.92	1.06	1.70	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 %	11.2 %	12.0 %
EBIT margin	2.8 %	3.2 %	6.1 %	7.2 %	7.1 %	8.6 %	9.6 %
ROCE	5.5 %	6.1 %	12.1 %	11.9 %	12.1 %	15.8 %	18.4 %
EV/sales	1.9	2.0	2.0	1.9	1.5	1.3	1.2
EV/EBITDA	28.1	29.3	20.3	17.5	14.3	11.7	9.7
EV/EBIT	70.1	62.6	32.4	26.3	20.5	15.3	12.2
PER	137.2	83.4	37.9	34.4	25.1	20.5	17.4
Adjusted FCF yield	2.7 %	2.3 %	3.4 %	3.7 %	4.8 %	5.7 %	6.8 %

Source: Company data, Hauck & Aufhäuser Close price as of: 22.03.2017



Source: Company data, Hauck & Aufhäuser

**High/low 52 weeks:** 35.00 / 13.30

**Price/Book Ratio:** 7.5

**Relative performance (TecDAX):**

3 months 47.4 %

6 months 78.1 %

12 months 118.9 %

### Changes in estimates

		Sales	EBIT	EPS
2017	old:	217.9	15.5	1.37
	Δ	-	-	-
2018	old:	232.1	20.0	1.67
	Δ	-	-	-
2019	old:	247.0	23.6	1.97
	Δ	-	-	-

### Key share data:

Number of shares: (in m pcs) 7.6

Authorised capital: (in € m) 3.0

Book value per share: (in €) 4.5

Ø trading volume: (12 months) 6,500

### Major shareholders:

HHS Beteiligung (CEO) 61.4 %

Free Float 34.2 %

Executive Board 4.4 %

### 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>217.9</b>	<b>232.1</b>	<b>247.0</b>
<i>Sales growth</i>	7.4 %	-2.9 %	3.4 %	11.0 %	24.6 %	6.5 %	6.4 %
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>218.3</b>	<b>232.6</b>	<b>247.5</b>
Other operating income	3.8	3.0	4.6	8.4	3.7	3.2	3.2
Material expenses	56.6	55.0	53.2	58.2	71.0	74.4	78.5
Personnel expenses	74.4	71.5	77.1	85.7	105.9	111.6	117.8
Other operating expenses	19.3	18.7	16.9	20.8	22.9	23.7	24.7
Total operating expenses	146.6	142.2	142.6	156.3	196.1	206.6	217.8
<b>EBITDA</b>	<b>10.8</b>	<b>10.3</b>	<b>15.3</b>	<b>19.1</b>	<b>22.2</b>	<b>26.0</b>	<b>29.7</b>
Depreciation	2.4	1.9	2.1	2.8	2.8	3.1	3.4
<b>EBITA</b>	<b>8.4</b>	<b>8.4</b>	<b>13.3</b>	<b>16.3</b>	<b>19.4</b>	<b>22.9</b>	<b>26.3</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>15.5</b>	<b>20.0</b>	<b>23.6</b>
Interest income	1.0	0.5	0.6	0.9	0.3	0.3	0.4
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	-2.8	-2.7	-2.6
<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>12.7</b>	<b>17.2</b>	<b>21.0</b>
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Earnings before taxes</b>	<b>2.5</b>	<b>2.4</b>	<b>7.8</b>	<b>10.1</b>	<b>12.7</b>	<b>17.2</b>	<b>21.0</b>
Taxes	0.6	1.3	2.9	4.4	4.3	5.9	7.1
<b>Net income from continuing operations</b>	<b>1.9</b>	<b>1.1</b>	<b>4.9</b>	<b>5.7</b>	<b>8.4</b>	<b>11.4</b>	<b>13.8</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>8.4</b>	<b>11.4</b>	<b>13.8</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>1.9</b>	<b>1.1</b>	<b>4.9</b>	<b>5.7</b>	<b>8.4</b>	<b>11.4</b>	<b>13.8</b>
Average number of shares	7.6	7.6	7.6	7.6	7.6	7.6	7.6
<b>EPS reported</b>	<b>0.25</b>	<b>0.14</b>	<b>0.65</b>	<b>0.75</b>	<b>1.11</b>	<b>1.50</b>	<b>1.82</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 %	48.1 %	47.7 %
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 %	89.0 %	88.2 %
<b>EBITDA</b>	<b>6.9 %</b>	<b>6.8 %</b>	<b>9.7 %</b>	<b>10.9 %</b>	<b>10.2 %</b>	<b>11.2 %</b>	<b>12.0 %</b>
Depreciation	1.5 %	1.2 %	1.3 %	1.6 %	1.3 %	1.3 %	1.4 %
<b>EBITA</b>	<b>5.3 %</b>	<b>5.5 %</b>	<b>8.4 %</b>	<b>9.3 %</b>	<b>8.9 %</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 %	1.8 %	1.2 %	1.1 %
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>8.6 %</b>	<b>9.6 %</b>
Interest income	0.7 %	0.3 %	0.4 %	0.5 %	0.1 %	0.1 %	0.2 %
Interest expenses	1.8 %	1.9 %	1.5 %	2.0 %	1.4 %	1.3 %	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 %	-1.3 %	-1.2 %	-1.1 %
<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>5.8 %</b>	<b>7.4 %</b>	<b>8.5 %</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>5.8 %</b>	<b>7.4 %</b>	<b>8.5 %</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>4.9 %</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>1.2 %</b>	<b>0.7 %</b>	<b>3.1 %</b>	<b>3.3 %</b>	<b>3.9 %</b>	<b>4.9 %</b>	<b>5.6 %</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>4.9 %</b>	<b>5.6 %</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>46.6</b>	<b>45.9</b>	<b>45.4</b>
Property, plant and equipment	4.7	3.9	7.3	7.3	7.5	7.9	8.2
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>59.7</b>	<b>59.4</b>	<b>59.2</b>
Inventories	1.5	1.1	1.5	1.4	2.2	2.3	2.5
Accounts receivable	13.9	12.8	16.7	16.1	20.0	21.3	22.7
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	28.0	35.8	45.5
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>94.8</b>	<b>93.1</b>	<b>98.7</b>
<b>TOTAL ASSETS</b>	<b>101.7</b>	<b>95.1</b>	<b>103.3</b>	<b>159.7</b>	<b>154.5</b>	<b>152.5</b>	<b>157.9</b>
SHAREHOLDERS EQUITY	22.5	21.3	24.1	28.4	34.5	43.2	49.4
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	3.3	3.5	3.7
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>32.8</b>	<b>33.0</b>	<b>33.2</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>154.5</b>	<b>157.5</b>	<b>157.9</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>30.2 %</b>	<b>29.2 %</b>	<b>28.7 %</b>
Property, plant and equipment	4.6 %	4.1 %	7.1 %	4.6 %	4.9 %	5.0 %	5.2 %
Financial assets	6.4 %	6.8 %	9.0 %	3.5 %	3.6 %	3.5 %	3.5 %
<b>FIXED ASSETS</b>	<b>59.7 %</b>	<b>59.8 %</b>	<b>64.4 %</b>	<b>38.3 %</b>	<b>38.6 %</b>	<b>37.7 %</b>	<b>37.5 %</b>
Inventories	1.5 %	1.1 %	1.5 %	0.9 %	1.4 %	1.5 %	1.6 %
Accounts receivable	13.7 %	13.5 %	16.1 %	10.1 %	13.0 %	13.5 %	14.4 %
Other current assets	12.0 %	13.4 %	14.4 %	32.5 %	25.9 %	18.4 %	14.8 %
Liquid assets	11.2 %	9.9 %	2.2 %	15.3 %	18.1 %	22.7 %	28.8 %
Deferred taxes	1.9 %	2.2 %	1.4 %	2.9 %	3.0 %	3.0 %	3.0 %
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>61.4 %</b>	<b>59.1 %</b>	<b>62.5 %</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>96.8 %</b>	<b>100.0 %</b>
SHAREHOLDERS EQUITY	22.1 %	22.4 %	23.3 %	17.8 %	22.3 %	27.5 %	31.3 %
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 %	33.5 %	32.9 %	32.8 %
Provisions for pensions and similar obligations	11.1 %	13.5 %	13.2 %	26.7 %	19.8 %	15.6 %	11.8 %
Other provisions	3.8 %	5.1 %	5.3 %	3.0 %	3.1 %	3.0 %	3.0 %
<b>Non-current liabilities</b>	<b>50.2 %</b>	<b>50.0 %</b>	<b>42.3 %</b>	<b>62.1 %</b>	<b>56.5 %</b>	<b>51.6 %</b>	<b>47.7 %</b>
short-term liabilities to banks	7.5 %	7.9 %	14.1 %	2.2 %	2.3 %	2.2 %	2.2 %
Accounts payable	4.9 %	3.5 %	4.6 %	1.7 %	2.1 %	2.2 %	2.4 %
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 %	14.9 %	14.6 %	14.6 %
Deferred taxes	2.0 %	1.3 %	0.8 %	1.8 %	1.9 %	1.8 %	1.8 %
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>21.2 %</b>	<b>20.9 %</b>	<b>21.0 %</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	8.4	11.4	13.8
Depreciation of fixed assets (incl. leases)	2.4	1.9	2.1	6.4	2.8	3.1	3.4
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	15.1	17.4	19.9
Increase/decrease in inventory	0.5	0.4	0.6	0.1	-0.8	-0.2	-0.2
Increase/decrease in accounts receivable	1.6	1.1	-1.5	-5.1	-3.9	-1.3	-1.4
Increase/decrease in accounts payable	-1.5	-1.7	-1.1	5.7	0.7	0.2	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	-4.1	-1.3	-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>11.0</b>	<b>16.1</b>	<b>18.6</b>
CAPEX	3.1	2.2	3.7	3.3	5.2	5.7	5.9
Payments for acquisitions	3.0	2.2	4.5	2.0	0.0	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>-5.2</b>	<b>-5.7</b>	<b>-5.9</b>
Cash flow before financing	5.7	5.0	0.1	5.8	5.8	10.4	12.7
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	0.0	0.0	0.0
Dividends paid	1.5	1.5	1.5	1.9	2.3	2.7	3.0
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>-2.3</b>	<b>-2.7</b>	<b>-3.0</b>
Increase/decrease in liquid assets	8.5	-2.0	-7.4	22.4	3.6	7.8	9.7
<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>28.0</b>	<b>35.8</b>	<b>45.5</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	215.1	229.3	244.3
yoy change	8.1 %	-3.1 %	3.2 %	10.3 %	25.0 %	6.6 %	6.5 %
Rest of Europe	0.9	1.2	1.6	2.8	2.8	2.8	2.7
yoy change	-50.5 %	29.5 %	29.3 %	77.6 %	1.2 %	-1.7 %	-2.4 %
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>217.9</b>	<b>232.1</b>	<b>247.0</b>
yoy change	7.4 %	-2.9 %	3.4 %	11.0 %	24.6 %	6.5 %	6.4 %

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 %	24.6 %	6.5 %	6.4 %
EBITDA growth	13.1 %	-4.7 %	49.1 %	24.5 %	16.3 %	16.9 %	14.4 %
EBIT growth	14.3 %	11.1 %	99.5 %	32.0 %	22.5 %	28.6 %	18.2 %
EPS growth	-26.3 %	-42.5 %	351.3 %	16.1 %	47.1 %	35.3 %	21.6 %
<b>Efficiency</b>							
Total operating costs / sales	93.4 %	93.3 %	90.5 %	89.4 %	90.0 %	89.0 %	88.2 %
Sales per employee	120.9	128.5	124.4	124.6	132.1	137.3	142.6
EBITDA per employee	8.3	8.7	12.1	13.6	13.5	15.4	17.2
<b>Balance sheet analysis</b>							
Avg. working capital / sales	6.8 %	6.9 %	7.6 %	8.1 %	7.7 %	8.4 %	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	5.8	10.4	12.7
Free cash flow/sales	5.0 %	4.6 %	3.7 %	3.5 %	2.7 %	4.5 %	5.2 %
FCF / net profit	416.0 %	646.1 %	117.0 %	108.4 %	69.5 %	91.6 %	92.1 %
Capex / depre	47.7 %	56.0 %	91.4 %	32.6 %	77.6 %	95.0 %	96.4 %
Capex / maintenance capex	142.9 %	82.3 %	91.9 %	115.5 %	100.0 %	109.4 %	109.0 %
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	27.4	19.6	9.9
Net Debt/EBITDA	3.0	2.7	2.4	1.6	1.2	0.8	0.3
Net debt / equity	1.4	1.3	1.5	1.1	0.8	0.5	0.2
Interest cover	1.5	1.6	4.0	3.6	5.1	6.6	7.8
Dividend payout ratio	80.0 %	139.2 %	38.5 %	39.8 %	31.6 %	26.7 %	24.7 %
<b>Asset utilisation</b>							
Capital employed turnover	1.9	2.0	1.9	1.3	1.7	1.8	1.9
Operating assets turnover	10.4	10.5	7.6	7.9	8.3	8.3	8.3
Plant turnover	33.7	38.9	21.5	23.9	29.0	29.4	30.1
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 %	12.1 %	15.8 %	18.4 %
ROE	8.4 %	5.1 %	20.5 %	20.1 %	24.4 %	26.3 %	28.0 %
<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	7.6	7.6	7.6
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	1.11	1.50	1.82
<b>Valuation ratios</b>							
P/BV	11.6	12.2	10.8	9.2	7.5	6.0	5.3
EV/sales	1.9	2.0	2.0	1.9	1.5	1.3	1.2
EV/EBITDA	28.1	29.3	20.3	17.5	14.3	11.7	9.7
EV/EBITA	36.3	35.7	23.4	20.5	16.4	13.3	11.0
EV/EBIT	70.1	62.6	32.4	26.3	20.5	15.3	12.2
EV/FCF	38.5	42.7	54.0	53.9	54.5	29.2	22.7
Adjusted FCF yield	2.7 %	2.3 %	3.4 %	3.7 %	4.8 %	5.7 %	6.8 %
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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Company	Disclosure
Datagroup SE	8

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

#### Price and Rating History Datagroup SE as of 23/03/17

**Initiation coverage**  
17-February-17



Company	Date	Analyst	Rating	Target price	Close
Datagroup SE	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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