

**Buy** (old: Buy)

**Price target: EUR 106.00** (old: EUR 106.00)

<b>Price:</b>	EUR 51.50	<b>Next result:</b>	Q4/FY 16: tba
<b>Bloomberg:</b>	PAL:GR	<b>Market cap:</b>	EUR 56.7 m
<b>Reuters:</b>	PALG.XE	<b>Enterprise Value:</b>	EUR 50.0 m

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## PANTAFLIX to start its global roll-out in December

Last Friday, Pantaleon announced the **global roll-out of its video-on-demand (VoD) platform PANTAFLIX** which is expected to leave its beta version status in December. In our view, Pantaleon looks set to **disrupt the traditional and outdated distribution** of movies and become a global leader in VoD distribution.

- **Global roll-out to gain traction:** Importantly, the end of the beta version enables the global roll-out of the platform which is expected to **reach global availability in FY 17**. Already by December, the platform will be available in the **key markets of Europe and the US as well as in selected Asian countries** (Indonesia, Japan, Philippines, Vietnam). With the roll-out in Asia, PANTAFLIX is gaining **access to additional c. 600m potential users** (eH&A: 0.8m active customers in FY 17E, 0.2% implied penetration rate, 4m in FY 18E, 0.7% implied penetration rate).
- **Focus on niche market content & first-mover advantages:** Overall, the Asian roll-out will primarily focus on markets where global competitors (i.e. Netflix) are either not available or unable to match PANTAFLIX' content catalogue. With this, **Pantaleon is seen to capture first-mover advantages** (higher marketing efficiency).
- **Interface improvement to drive user experience:** With the Beta version status to be terminated, PANTAFLIX looks set to display interface improvements and additional features such as a state-of-the-art **mobile/tablet usability** (iOS availability, >1bn mobile iOS devices worldwide).

**Timing and outlook:** The news is highly positive and strongly supports our positive view. Overall, **PANTAFLIX is seen to boost sales and disproportionate earnings growth** after the digestion of launch costs, adding a highly scalable business model which should by far outgrow today's solid core production business (eH&A: 35% of sales in FY 18E). **The successful ramp up explains the substantial acceleration in sales growth of 50% p.a. CAGR 15-18E to € 53m** while the earnings contribution from high-margin incremental sales should become fully visible from FY 18E onwards (c. 80% incremental EBITDA margin).

Overall, a successful roll-out of PANTAFLIX implies significant value accretion, in our view. **BUY, PT € 106 based on DCF** (10% terminal EBIT margin vs. avg. >25% assuming a successful roll-out of PANTA in FY '20E).

Y/E 31.12 (EUR m)	2012	2013	2014	2015	2016E	2017E	2018E
Sales	2.7	7.2	6.0	15.6	33.2	34.7	52.8
Sales growth	n/a	165 %	-17 %	160 %	113 %	4 %	52 %
EBITDA	0.4	3.1	-0.3	8.8	-6.7	-4.5	11.7
EBIT	0.4	2.9	-0.3	0.1	-7.2	-5.0	10.9
Net income	0.4	2.8	-0.4	0.2	-7.1	-4.9	7.7
Net debt	-0.7	-7.0	-5.9	-17.9	-6.6	-3.9	-11.2
Net gearing	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EPS pro forma	0.37	2.76	-0.39	0.18	-6.48	-4.46	6.99
CPS	0.37	6.45	-1.08	5.44	-10.26	-2.46	6.60
DPS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dividend yield	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Gross profit margin	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EBITDA margin	14.0 %	42.7 %	-5.5 %	56.3 %	-20.2 %	-12.9 %	22.2 %
EBIT margin	13.8 %	40.7 %	-5.8 %	0.6 %	-21.7 %	-14.4 %	20.7 %
ROCE	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EV/sales	n/a	6.2	7.6	2.5	1.5	1.5	0.9
EV/EBITDA	n/a	14.4	n/a	n/a	-7.5	-11.8	3.9
EV/EBIT	n/a	15.2	n/a	n/a	-6.9	-10.6	4.2
PER	n/a	n/a	n/a	n/a	-8.0	-11.5	7.4
Adjusted FCF yield	n/a	n/a	-1.1 %	0.3 %	-14.7 %	-9.7 %	17.2 %

Source: Company data, Hauck & Aufhäuser Close price as of: 25.11.2016



Source: Company data, Hauck & Aufhäuser

**High/low 52 weeks:** 65.51 / 30.00

**Price/Book Ratio:** -26.4

**Relative performance (SDAX):**

3 months -11.4 %

6 months -9.9 %

12 months -30.1 %

### Changes in estimates

		Sales	EBIT	EPS
2016	old:	33.2	-7.2	-6.48
	Δ	-	-	-
2017	old:	34.7	-5.0	-4.46
	Δ	-	-	-
2018	old:	52.8	10.9	6.99
	Δ	-	-	-

### Key share data:

Number of shares: (in m pcs) 1.1

Authorised capital: (in € m) -

Book value per share: (in €) -1.6

Ø trading volume: (12 months) 1,900

### Major shareholders:

BlackMars Capital 80.0 %  
GmbH

Free Float 20.0 %

### Company description:

PANTALEON Entertainment AG develops and produces films in Germany and internationally. It is also involved in the exploitation of the rights to films through international film distributors. In Q2 '16, the company launched a beta version of its online streaming platform PANTAFLIX (PANTA).

## Financials

Profit and loss (EUR m)	2012	2013	2014	2015	2016E	2017E	2018E
<b>Net sales</b>	<b>2.7</b>	<b>7.2</b>	<b>6.0</b>	<b>15.6</b>	<b>33.2</b>	<b>34.7</b>	<b>52.8</b>
<i>Sales growth</i>	<i>n/a</i>	<i>164.8 %</i>	<i>-16.6 %</i>	<i>160.2 %</i>	<i>112.5 %</i>	<i>4.3 %</i>	<i>52.2 %</i>
Increase/decrease in finished goods and work-in-process	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total sales</b>	<b>2.7</b>	<b>7.2</b>	<b>6.0</b>	<b>15.6</b>	<b>33.2</b>	<b>34.7</b>	<b>52.8</b>
Other operating income	1.8	2.6	1.9	7.6	11.6	10.4	13.2
Material expenses	3.7	5.7	7.0	21.8	31.6	25.9	21.1
Personnel expenses	0.2	0.5	0.5	0.7	3.4	4.3	7.4
Other operating expenses	0.2	0.5	0.8	1.1	16.6	19.4	25.7
Total operating expenses	2.3	4.1	6.3	16.0	39.9	39.2	41.1
<b>EBITDA</b>	<b>0.4</b>	<b>3.1</b>	<b>-0.3</b>	<b>8.8</b>	<b>-6.7</b>	<b>-4.5</b>	<b>11.7</b>
Depreciation	0.0	0.1	0.0	8.7	0.5	0.5	0.8
<b>EBITA</b>	<b>0.4</b>	<b>2.9</b>	<b>-0.3</b>	<b>0.1</b>	<b>-7.2</b>	<b>-5.0</b>	<b>10.9</b>
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBIT</b>	<b>0.4</b>	<b>2.9</b>	<b>-0.3</b>	<b>0.1</b>	<b>-7.2</b>	<b>-5.0</b>	<b>10.9</b>
Interest income	0.0	0.0	0.1	0.1	0.1	0.1	0.1
Interest expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Other financial result	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial result	0.0	0.0	0.1	0.1	0.1	0.1	0.1
<b>Recurring pretax income from continuing operations</b>	<b>0.4</b>	<b>2.9</b>	<b>-0.2</b>	<b>0.2</b>	<b>-7.1</b>	<b>-4.9</b>	<b>11.0</b>
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Earnings before taxes</b>	<b>0.4</b>	<b>2.9</b>	<b>-0.2</b>	<b>0.2</b>	<b>-7.1</b>	<b>-4.9</b>	<b>11.0</b>
Taxes	0.0	0.2	0.1	0.0	0.0	0.0	3.3
<b>Net income from continuing operations</b>	<b>0.4</b>	<b>2.8</b>	<b>-0.4</b>	<b>0.2</b>	<b>-7.1</b>	<b>-4.9</b>	<b>7.7</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>0.4</b>	<b>2.8</b>	<b>-0.4</b>	<b>0.2</b>	<b>-7.1</b>	<b>-4.9</b>	<b>7.7</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>0.4</b>	<b>2.8</b>	<b>-0.4</b>	<b>0.2</b>	<b>-7.1</b>	<b>-4.9</b>	<b>7.7</b>
Average number of shares	1.0	1.0	1.0	1.1	1.1	1.1	1.1
<b>EPS reported</b>	<b>0.37</b>	<b>2.76</b>	<b>-0.39</b>	<b>0.18</b>	<b>-6.48</b>	<b>-4.46</b>	<b>6.99</b>

Profit and loss (common size)	2012	2013	2014	2015	2016E	2017E	2018E
<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	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Total 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>
Other operating income	64.9 %	35.6 %	31.9 %	48.7 %	35.0 %	30.0 %	25.0 %
Material expenses	136.1 %	78.6 %	116.0 %	139.4 %	95.0 %	74.6 %	40.0 %
Personnel expenses	6.3 %	6.8 %	8.6 %	4.6 %	10.2 %	12.3 %	14.0 %
Other operating expenses	8.5 %	7.4 %	12.7 %	7.0 %	50.0 %	56.0 %	48.8 %
Total operating expenses	86.0 %	57.3 %	105.5 %	102.3 %	120.2 %	112.9 %	77.8 %
<b>EBITDA</b>	<b>14.0 %</b>	<b>42.7 %</b>	<b>-5.5 %</b>	<b>56.3 %</b>	<b>-20.2 %</b>	<b>-12.9 %</b>	<b>22.2 %</b>
Depreciation	0.2 %	2.1 %	0.3 %	55.6 %	1.5 %	1.5 %	1.5 %
<b>EBITA</b>	<b>13.8 %</b>	<b>40.7 %</b>	<b>-5.8 %</b>	<b>0.6 %</b>	<b>-21.7 %</b>	<b>-14.4 %</b>	<b>20.7 %</b>
Amortisation of goodwill	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Amortisation of intangible assets	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Impairment charges	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>EBIT</b>	<b>13.8 %</b>	<b>40.7 %</b>	<b>-5.8 %</b>	<b>0.6 %</b>	<b>-21.7 %</b>	<b>-14.4 %</b>	<b>20.7 %</b>
Interest income	0.1 %	0.1 %	1.9 %	0.8 %	0.4 %	0.3 %	0.2 %
Interest expenses	0.4 %	0.4 %	0.3 %	0.1 %	0.1 %	0.1 %	0.1 %
Other financial result	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Financial result	-0.2 %	-0.2 %	1.7 %	0.7 %	0.3 %	0.2 %	0.1 %
<b>Recurring pretax income from continuing operations</b>	<b>13.5 %</b>	<b>40.4 %</b>	<b>-4.1 %</b>	<b>1.3 %</b>	<b>-21.4 %</b>	<b>-14.2 %</b>	<b>20.8 %</b>
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Earnings before taxes</b>	<b>13.5 %</b>	<b>40.4 %</b>	<b>-4.1 %</b>	<b>1.3 %</b>	<b>-21.4 %</b>	<b>-14.2 %</b>	<b>20.8 %</b>
Tax rate	0.0 %	5.4 %	-58.3 %	-58.3 %	-58.3 %	-58.3 %	30.0 %
<b>Net income from continuing operations</b>	<b>13.5 %</b>	<b>38.3 %</b>	<b>-6.5 %</b>	<b>1.3 %</b>	<b>-21.4 %</b>	<b>-14.2 %</b>	<b>14.6 %</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>13.5 %</b>	<b>38.3 %</b>	<b>-6.5 %</b>	<b>1.3 %</b>	<b>-21.4 %</b>	<b>-14.2 %</b>	<b>14.6 %</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>13.5 %</b>	<b>38.3 %</b>	<b>-6.5 %</b>	<b>1.3 %</b>	<b>-21.4 %</b>	<b>-14.2 %</b>	<b>14.6 %</b>

Source: Company data, Hauck & Aufhäuser

# Pantaleon Entertainment AG

Balance sheet (EUR m)	2012	2013	2014	2015	2016E	2017E	2018E
<b>Intangible assets</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Property, plant and equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial assets	1.1	1.1	1.1	1.1	1.1	1.1	1.1
<b>FIXED ASSETS</b>	<b>1.1</b>	<b>1.1</b>	<b>1.1</b>	<b>1.1</b>	<b>1.1</b>	<b>1.1</b>	<b>1.1</b>
Inventories	2.9	2.3	6.2	5.2	7.4	5.8	5.9
Accounts receivable	1.6	1.9	6.0	6.2	8.2	7.6	8.0
Other current assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Liquid assets	0.7	7.0	5.9	17.9	6.6	3.9	11.2
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>CURRENT ASSETS</b>	<b>5.2</b>	<b>11.3</b>	<b>18.1</b>	<b>29.3</b>	<b>22.2</b>	<b>17.3</b>	<b>25.0</b>
<b>TOTAL ASSETS</b>	<b>6.3</b>	<b>12.4</b>	<b>19.2</b>	<b>30.4</b>	<b>23.3</b>	<b>18.4</b>	<b>26.1</b>
SHAREHOLDERS EQUITY	-0.5	-0.5	-0.9	5.3	-1.8	-6.7	1.0
MINORITY INTEREST	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other provisions	0.0	0.3	0.8	0.8	0.8	0.8	0.8
<b>Non-current liabilities</b>	<b>0.0</b>	<b>0.3</b>	<b>0.8</b>	<b>0.8</b>	<b>0.8</b>	<b>0.8</b>	<b>0.8</b>
short-term liabilities to banks	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable	0.6	0.1	0.3	0.3	0.3	0.3	0.3
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)	6.2	12.7	19.0	24.0	24.0	24.0	24.0
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Current liabilities</b>	<b>6.8</b>	<b>12.8</b>	<b>19.3</b>	<b>24.3</b>	<b>24.3</b>	<b>24.3</b>	<b>24.3</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>6.3</b>	<b>12.5</b>	<b>19.2</b>	<b>30.4</b>	<b>23.3</b>	<b>18.4</b>	<b>26.1</b>

Balance sheet (common size)	2012	2013	2014	2015	2016E	2017E	2018E
<b>Intangible assets</b>	<b>0.0 %</b>	<b>0.0 %</b>	<b>0.0 %</b>	<b>0.0 %</b>	<b>0.0 %</b>	<b>0.0 %</b>	<b>0.0 %</b>
Property, plant and equipment	0.2 %	0.2 %	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %
Financial assets	17.1 %	8.6 %	5.6 %	3.5 %	4.6 %	5.8 %	4.1 %
<b>FIXED ASSETS</b>	<b>17.3 %</b>	<b>8.8 %</b>	<b>5.7 %</b>	<b>3.6 %</b>	<b>4.7 %</b>	<b>6.0 %</b>	<b>4.2 %</b>
Inventories	46.3 %	18.6 %	32.1 %	17.1 %	31.7 %	31.4 %	22.5 %
Accounts receivable	26.3 %	15.3 %	31.4 %	20.4 %	35.2 %	41.3 %	30.5 %
Other current assets	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Liquid assets	10.4 %	56.2 %	30.7 %	58.8 %	28.4 %	21.3 %	42.8 %
Deferred taxes	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Deferred charges and prepaid expenses	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>CURRENT ASSETS</b>	<b>83.0 %</b>	<b>90.1 %</b>	<b>94.1 %</b>	<b>96.4 %</b>	<b>95.3 %</b>	<b>94.0 %</b>	<b>95.8 %</b>
<b>TOTAL ASSETS</b>	<b>100.3 %</b>	<b>99.0 %</b>	<b>99.9 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>
SHAREHOLDERS EQUITY	-8.6 %	-4.0 %	-4.5 %	17.5 %	-7.7 %	-36.5 %	3.8 %
MINORITY INTEREST	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Long-term debt	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Provisions for pensions and similar obligations	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other provisions	0.5 %	2.0 %	3.9 %	2.5 %	3.3 %	4.1 %	2.9 %
<b>Non-current liabilities</b>	<b>0.5 %</b>	<b>2.0 %</b>	<b>3.9 %</b>	<b>2.5 %</b>	<b>3.3 %</b>	<b>4.1 %</b>	<b>2.9 %</b>
short-term liabilities to banks	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Accounts payable	9.0 %	0.7 %	1.6 %	1.0 %	1.3 %	1.6 %	1.2 %
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)	99.1 %	101.3 %	99.0 %	79.0 %	103.2 %	130.7 %	92.2 %
Deferred taxes	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Deferred income	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Current liabilities</b>	<b>108.1 %</b>	<b>102.0 %</b>	<b>100.5 %</b>	<b>80.0 %</b>	<b>104.5 %</b>	<b>132.3 %</b>	<b>93.3 %</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

# Pantaleon Entertainment AG

Cash flow statement (EUR m)	2012	2013	2014	2015	2016E	2017E	2018E
Net profit/loss	0.4	2.8	-0.4	0.2	-7.1	-4.9	7.7
Depreciation of fixed assets (incl. leases)	0.0	0.1	0.0	8.7	0.5	0.5	0.8
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from operations before changes in w/c	0.4	2.9	-0.4	8.9	-6.6	-4.4	8.5
Increase/decrease in inventory	n/a	0.6	-3.8	1.0	-2.2	1.6	-0.1
Increase/decrease in accounts receivable	n/a	-0.3	-4.1	-0.2	-2.0	0.6	-0.4
Increase/decrease in accounts payable	n/a	-0.5	0.2	0.0	0.0	0.0	0.0
Increase/decrease in other working capital positions	n/a	3.9	7.1	5.0	0.0	0.0	0.0
Increase/decrease in working capital	0.0	3.7	-0.7	5.8	-4.2	2.2	-0.4
<b>Cash flow from operating activities</b>	<b>0.4</b>	<b>6.6</b>	<b>-1.1</b>	<b>14.7</b>	<b>-10.8</b>	<b>-2.2</b>	<b>8.1</b>
CAPEX	0.0	0.0	0.0	8.7	0.5	0.5	0.8
Payments for acquisitions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-8.7</b>	<b>-0.5</b>	<b>-0.5</b>	<b>-0.8</b>
Cash flow before financing	0.4	6.6	-1.1	6.0	-11.3	-2.7	7.3
Increase/decrease in debt position	0.0	0.0	0.0	0.0	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	0.0	6.0	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	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>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>6.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Increase/decrease in liquid assets	0.4	6.6	-1.1	12.0	-11.3	-2.7	7.3
<b>Liquid assets at end of period</b>	<b>0.4</b>	<b>7.0</b>	<b>5.9</b>	<b>17.9</b>	<b>6.6</b>	<b>3.9</b>	<b>11.2</b>

Source: Company data, Hauck & Aufhäuser

# Pantaleon Entertainment AG

Key ratios (EUR m)	2012	2013	2014	2015	2016E	2017E	2018E
<b>P&amp;L growth analysis</b>							
Sales growth	n/a	164.8 %	-16.6 %	160.2 %	112.5 %	4.3 %	52.2 %
EBITDA growth	n/a	708.9 %	-110.7 %	-2766.1	-176.3 %	-33.4 %	-361.8 %
EBIT growth	n/a	683.0 %	-111.8 %	-128.9 %	-7312.2	-30.8 %	-318.7 %
EPS growth	n/a	649.8 %	-114.1 %	-147.3 %	-3621.5	-31.1 %	-256.7 %
<b>Efficiency</b>							
Total operating costs / sales	86.0 %	57.3 %	105.5 %	102.3 %	120.2 %	112.9 %	77.8 %
Sales per employee	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EBITDA per employee	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Balance sheet analysis</b>							
Avg. working capital / sales	146.4 %	56.4 %	133.6 %	73.7 %	39.7 %	40.9 %	25.2 %
Inventory turnover (sales/inventory)	0.9	3.1	1.0	3.0	4.5	6.0	9.0
Trade debtors in days of sales	221.2	96.8	367.0	145.0	90.0	80.0	55.0
A/P turnover [(A/P*365)/sales]	75.5	n/a	n/a	n/a	n/a	n/a	n/a
Cash conversion cycle (days)	451.2	241.1	674.2	227.3	171.9	157.3	151.2
<b>Cash flow analysis</b>							
Free cash flow	0.4	6.6	-1.1	6.0	-11.3	-2.7	7.3
Free cash flow/sales	13.7 %	91.6 %	-17.7 %	38.3 %	-33.9 %	-7.8 %	13.8 %
FCF / net profit	101.8 %	239.3 %	272.8 %	2958.9 %	158.3 %	55.2 %	94.4 %
Capex / depre	0.0 %	0.0 %	0.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Capex / maintenance capex	0.0 %	0.0 %	0.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Capex / sales	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Security</b>							
Net debt	-0.7	-7.0	-5.9	-17.9	-6.6	-3.9	-11.2
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net debt / equity	1.2	13.9	6.9	-3.4	3.7	0.6	-11.3
Interest cover	36.9	112.4	0.0	5.7	0.0	0.0	207.0
Dividend payout ratio	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Asset utilisation</b>							
Capital employed turnover	-5.4	-28.8	-60.5	2.6	-32.0	-5.8	30.2
Operating assets turnover	0.7	1.7	0.5	1.4	2.2	2.6	3.9
Plant turnover	275.0	253.7	212.8	598.4	1,271.8	1,327.0	2,019.1
Inventory turnover (sales/inventory)	0.9	3.1	1.0	3.0	4.5	6.0	9.0
<b>Returns</b>							
ROCE	n/a	n/a	n/a	n/a	n/a	n/a	n/a
ROE	-68.3 %	-546.6 %	45.3 %	3.8 %	396.4 %	73.2 %	779.6 %
<b>Other</b>							
Interest paid / avg. debt	n/a	n/a	n/a	n/a	n/a	n/a	n/a
No. employees (average)	0	0	0	0	0	0	0
Number of shares	1.0	1.0	1.0	1.1	1.1	1.1	1.1
DPS	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EPS reported	0.37	2.76	-0.39	0.18	-6.48	-4.46	6.99
<b>Valuation ratios</b>							
P/BV	-95.7	-102.1	-60.0	10.6	-31.5	-8.4	57.4
EV/sales	n/a	6.2	7.6	2.5	1.5	1.5	0.9
EV/EBITDA	n/a	14.4	n/a	n/a	-7.5	-11.8	3.9
EV/EBITA	n/a	15.2	n/a	n/a	-6.9	-10.6	4.2
EV/EBIT	n/a	15.2	n/a	n/a	-6.9	-10.6	4.2
EV/FCF	135.9	6.7	-43.0	6.5	-4.4	-19.5	6.3
Adjusted FCF yield	n/a	n/a	-1.1 %	0.3 %	-14.7 %	-9.7 %	17.2 %
Dividend yield	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %

Source: Company data, Hauck & Aufhäuser

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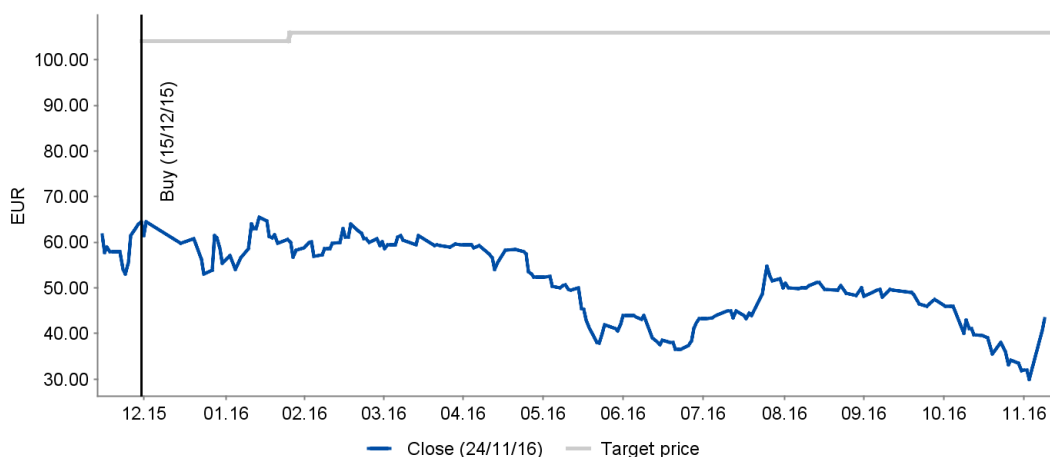
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Company	Disclosure
Pantaleon Entertainment AG	3

### Historical target price and rating changes for Pantaleon Entertainment AG in the last 12 months

#### Price and Rating History Pantaleon Entertainment AG as of 28/11/16

**Initiation coverage**  
15-December-15



Company	Date	Analyst	Rating	Target price	Close
Pantaleon Entertainment AG	16.09.2016	Schwenkenbecher, Christian	Buy	EUR 106.00	-
	27.07.2016	Schwenkenbecher, Christian	Buy	EUR 106.00	-
	15.06.2016	Schwenkenbecher, Christian	Buy	EUR 106.00	-
	25.05.2016	Schwenkenbecher, Christian	Buy	EUR 106.00	-
	10.02.2016	Schwenkenbecher, Christian	Buy	EUR 106.00	-
	05.02.2016	Schwenkenbecher, Christian	Buy	EUR 104.00	-

## Pantaleon Entertainment AG

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18.12.2015	Schwenkenbecher, Christian	Buy	EUR 104.00	-
16.12.2015	Schwenkenbecher, Christian	Buy	EUR 104.00	-
15.12.2015	Schwenkenbecher, Christian	Buy	EUR 104.00	-

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<b>Buy</b>	59.40 %	100.00 %
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