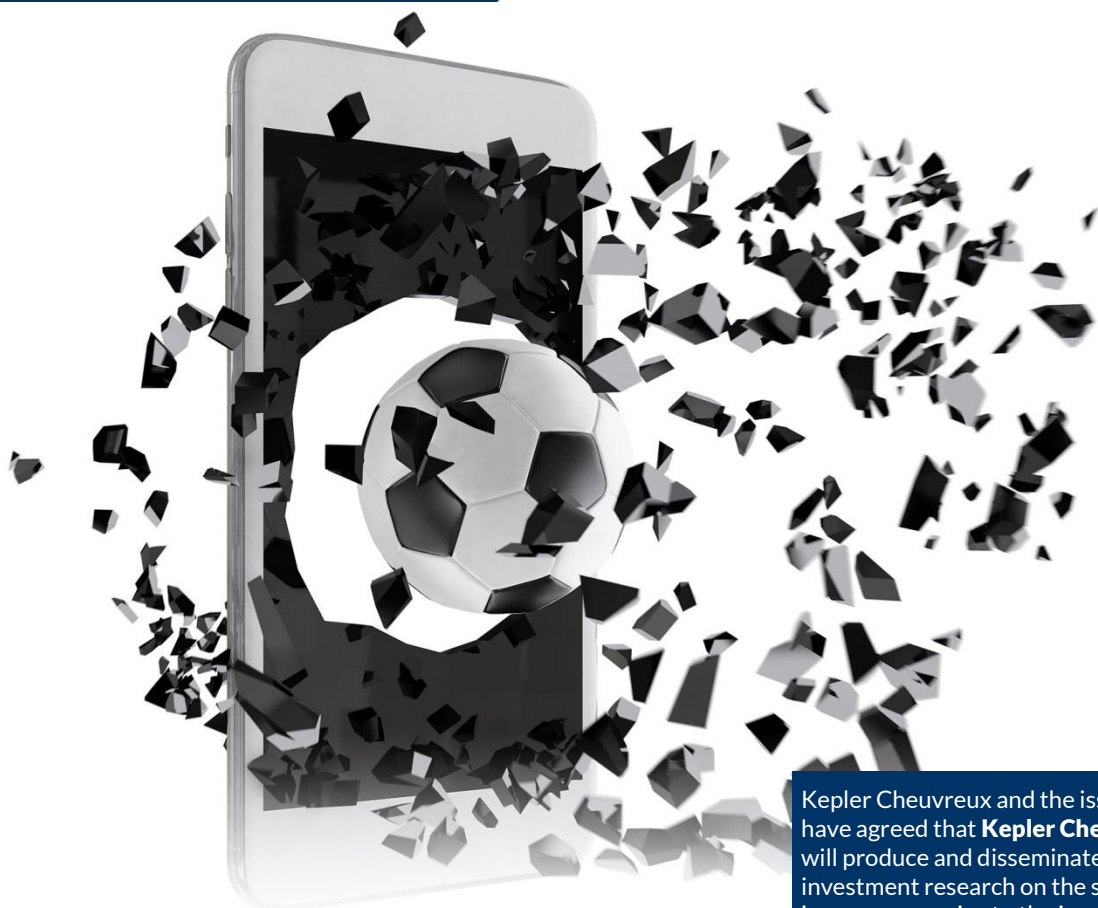


Wige Media

Germany | Media | MCAP EUR 64.7m

06 June 2017



Kepler Cheuvreux and the issuer have agreed that **Kepler Cheuvreux** will produce and disseminate investment research on the said issuer as a service to the issuer.

In motion

What's it all about?

We initiate coverage on Wige Media, a German supplier of niche technologies and marketing contents that enjoys a solid reputation in the sports business. On the back of a restructuring of its legacy business portfolio, Wige Media is about to launch sporttotal.tv, a video platform dedicated to amateur sports that consists of the production, broadcasting, and exploitation of video contents using high-quality and cost-efficient video technology. sporttotal.tv offers a balanced risk-reward profile and could radically change Wige Media's financial profile thanks to higher business scalability and the securing of a first-mover advantage. We initiate coverage on the group with a Hold rating, as potential rewards seem to be broadly priced in.

Hold (Not Rated)

Target price	EUR 3.30
Current price	EUR 3.33
Up/downside	-0.9%
Change in TP	none
Change in EPS	up nm 17E / up nm 18E

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Biographies at the end of the report

IMPORTANT. Please refer to the last page of this report for "Important disclosures" and analyst(s) certifications.

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360

in 1 minute

Investment case summary

Wige Media is shifting strategic direction after years of negative financial performance. A large portion of the loss-making legacy activities were sold in late 2016 and priority is now being given to sporttotal.tv, its video platform dedicated to amateur football. The acquisition and installation of sporttotal.tv cameras across German stadiums will require three years of heavy investments. In return, the company's financial profile is set to improve considerably, translating into greater scalability, a top-line boost and higher value.

At this stage, the investment case looks speculative, as it relies mostly on the commercial success of a single product entering a new market. A major risk, in our view, would consist of overestimating sporttotal.tv's ability to attract viewers, and in turn, local advertisers. While it should be taken into consideration, we stress that the safeguards associated with the project are robust and that company's business plan look achievable.

Key findings of the report

- Business portfolio review amid the ongoing strategic repositioning.
- In-depth description of the sporttotal.tv project (business model, revenue streams, technology, partnerships).
- Risk-reward assessment of the sporttotal.tv project.
- A comprehensive financial modelling of sporttotal.tv.
- Detailed forecasts (top-line, earnings, cash flows).

Valuation model

Our DCF yields a fair value of EUR3.30 per share. The potential rewards expected from the recent portfolio restructuring and the upcoming launch of sporttotal.tv in Germany seem to be mostly priced in. More positive assumptions point to a fair value of EUR3.60 per share.

A real catalyst for the shares would be the sound execution of the sporttotal.tv roll-out in Germany in 2017-19, followed by the export of the concept to Europe in a second step.

Company summary

Wige Media AG is a Germany-based company engaged in the sports and entertainment media sectors. Its range of products includes outside television broadcast, rental and racing services, editorial, graphic and result services, high-end technology, live events and television marketing. Wige Media employs about 200 people and reports revenues of about EUR60m.

Management

Peter Lauterbach, CEO
Oliver Grodowski, CTO

Key shareholders

Free Float: 58%
Others: 42%

Market data

Bloomberg	WIG1 GR
Reuters	WIGGk.DE
Market cap (EUR)	64.7m
Free float (%)	58.0
No. of shares outstanding (m)	19
3m avg. daily vol (EURm)	0.1
YTD abs. performance	42.0%
52-week high (EUR)	3.33
52-week low (EUR)	1.85

Strengths

- Well-connected CEO
- Niche expertise and reputation in motorsport

Weaknesses

- Low visibility in Sporttotal.tv (no track record, untapped market)
- Scarcity of available racing infrastructure projects
- High competition and pricing pressure in content production business

Opportunities

- Digitalization of traditional TV formats
- Growing interest for live sport events
- Scalability and cost-efficiency of the Sporttotal.tv business model
- Sporttotal.tv gives Wige Media a first mover advantage

Threats

- One client, Porsche, accounts for one third of revenues

Key financials (please see the end of this report for full financials)

Income Statement (EURm)	2015	2016	2017E	2018E	2019E	2020E
Sales	60.0	56.6	60.0	78.3	84.3	86.2
% Change	na	-5.7%	6.0%	30.6%	7.6%	2.2%
EBITDA adjusted	0.5	-1.5	2.5	9.7	13.1	14.5
EBIT adjusted	-1.1	-3.8	1.5	6.5	8.0	8.4
Adjusted EBIT margin (%)	-1.9%	-6.7%	2.5%	8.3%	9.5%	9.8%
Net profit reported	-1.5	-6.2	0.8	5.2	6.1	6.0
Net profit adjusted	2.7	-6.2	0.8	5.2	6.1	6.0

Cash flow statement (EURm)

CF from operating activities	-0.8	-1.4	0.4	6.8	9.6	11.6
Capex	-2.6	-3.4	-4.5	-16.4	-8.0	-6.0
Free cash flow	-3.5	-4.7	-4.1	-9.6	1.6	5.5

Balance sheet (EURm)

Intangible assets	2.0	4.4	5.0	5.8	6.6	7.5
Tangible assets	7.2	1.5	4.4	16.9	19.0	18.1
Fin. & other non-current assets	1.3	1.1	1.1	1.1	1.1	1.1
Total shareholders' equity	4.0	7.5	12.4	21.6	27.6	33.7
Pension provisions	0.5	0.5	0.5	0.5	0.5	0.5
Liabilities and provisions	18.2	14.2	14.2	18.2	18.2	18.2
Net financial debt	2.9	-1.6	-1.5	4.1	2.5	-3.0
Working capital requirement	-2.5	0.0	1.5	3.0	4.5	5.0
Invested capital	6.6	5.9	10.8	25.7	30.1	30.6

Per share data (EUR)

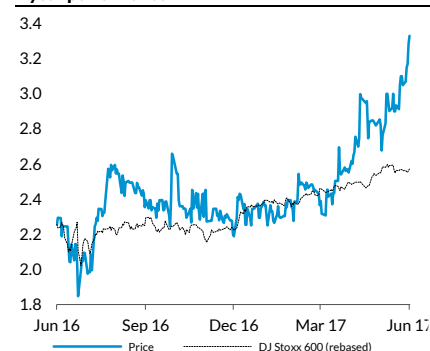
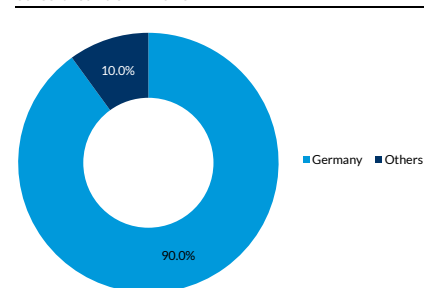
EPS adj and fully diluted	0.22	-0.41	0.05	0.26	0.29	0.29
Cash flow per share	-0.07	-0.09	0.02	0.34	0.46	0.56
Book value per share	0.33	0.50	0.67	1.07	1.33	1.62
DPS	0.00	0.00	0.00	0.00	0.00	0.00

Ratios

ROE	na	-107.3%	8.5%	30.6%	24.6%	19.7%
ROIC	na	-42.5%	12.6%	25.0%	20.2%	19.5%
Gearing	71.9%	-21.4%	-12.0%	19.2%	9.2%	-8.9%

Valuation

P/E adjusted and fully diluted	7.0	na	72.9	12.9	11.4	11.4
P/CF	na	na	na	9.8	7.2	6.0
P/BV	4.6	4.3	5.0	3.1	2.5	2.1
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield (%)	-19.5%	-13.0%	-7.4%	-15.0%	1.0%	6.7%
EV/Sales	0.4	0.6	1.1	0.9	0.9	0.8
EV/EBITDA	43.9	na	25.3	7.6	5.5	4.6
EV/EBIT	na	na	42.5	11.3	9.0	7.9
EV/IC	3.5	6.3	5.9	2.9	2.4	2.2

1 year performance

Sales breakdown 2016


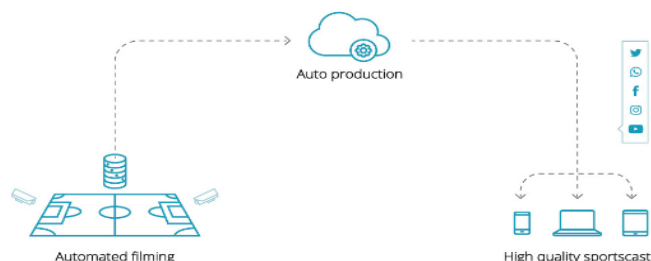
Investment case in six charts

Chart 1: sporttotal.tv: the Lemur System by Pixellot



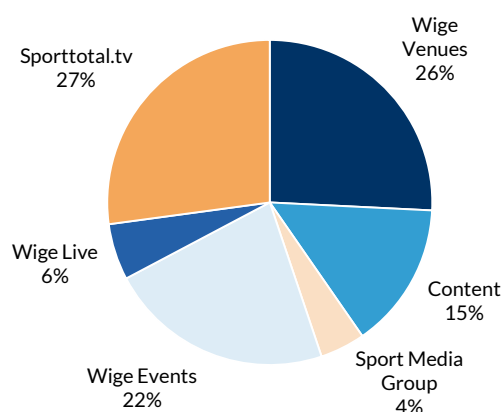
Source: Pixellot

Chart 2: sporttotal.tv: core principle



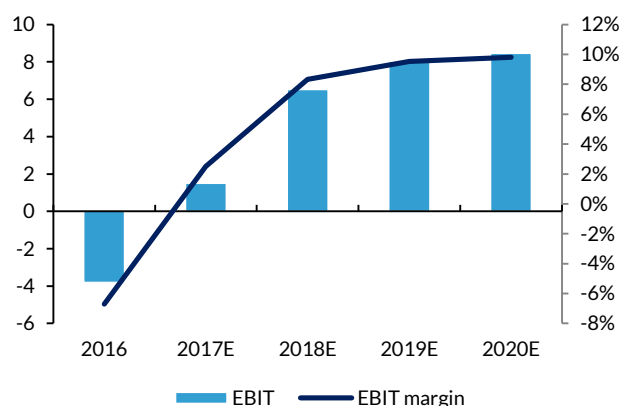
Source: Pixellot

Chart 3: Wige Media - Revenue breakdown (2020 estimates)



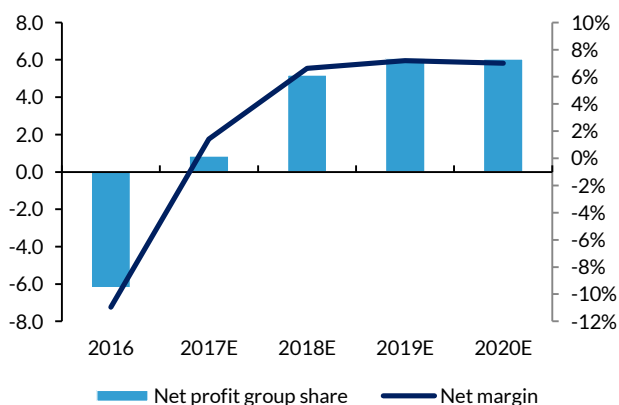
Source: Kepler Cheuvreux

Chart 4: EBIT and EBIT margin forecasts



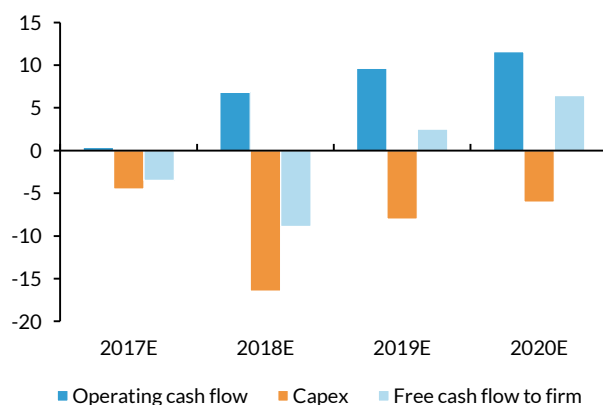
Source: Kepler Cheuvreux

Chart 5: Net profit and net margin forecasts



Source: Kepler Cheuvreux

Chart 6: Free cash flows (EURm)



Source: Kepler Cheuvreux

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Investment case summary

Wige Media is transforming

As part of its repositioning process, Wige Media sold its media technology and TV production businesses in late 2016 with the intention of focusing on high-margin and scalable businesses. The decision comes after years of financial losses due to mature legacy businesses failing to deliver in a fiercely competitive and high-pressure environment. According to management's plan, the move could boost sales from EUR60m to over EUR100m in the medium term and help the EBIT margin to increase at around 10%.

A pro among amateurs

High expectations for sporttotal.tv

With the upcoming launch of sporttotal.tv, Wige Media aims to become the leading video platform for amateur sports in Europe. sporttotal.tv consists of the automatic production, broadcast and exploitation of video contents in amateur football using high-quality and cost-efficient video technology.

Potentially a highly rewarding project

Until 2019, Wige Media plans to install around 2,600 cameras in football stadiums across Germany and broadcast more than 45,000 amateur games at the end of the rollout phase. Wige Media has an exclusivity partnership with the German Football Association and will be supported by reliable German names in the execution phase (Allianz, Telekom Deutschland, Deutsche Post).

The project implementation will require significant investments (close to EUR30m spread over 2017-19). In return, sporttotal.tv could turn out to be highly lucrative if Wige Media successfully delivers on commercial promises. Potential rewards would take the form of significantly higher returns.

Balanced risk/reward but low visibility

The investment case is speculative, as it almost exclusively relies on the commercial success of a single product in a new market. A major risk would consist of a lower-than-expected number of viewers and a resulting limited access to local advertisers. That said, the safeguards regarding execution and market depth seem robust and project assumptions look very achievable. In spite of low visibility, sporttotal.tv offers a balanced risk-reward profile.

Valuation: Hold, TP EUR3.30

Our DCF model points to a fair value of EUR3.30 per share. If Wige Media delivers well on the first phase of sporttotal.tv roll-out, this could unlock new potential for shares, as it would validate the business model, secure a first-mover advantage on the German market and open the door to the internationalisation of the sporttotal.tv concept.

Wige Media is transforming

Wige Media is a media company based in Germany which is active in the areas of technology and content with recognised expertise in motorsports. After years of inconsistent results, the group engaged in the extensive reshuffling of its activity portfolio, with the first effects to be felt in 2017.

Shifting gears

Wige Media was founded in the late 1970s, becoming a pioneer in computer-processed timing and results services for sport events. In the course of its history, Wige Media diversified as a media company offering a broad range of services to broadcasters and companies, with a clear focus on the sports and automotive businesses.

Until recently, its range of services included technology (the supply of live TV production units, broadcasting services, the supply of media technology equipment for events) and communication (consulting, content production, live communication and marketing).

However, the company's profile is changing rapidly. As part of the repositioning strategy underway, Wige Media is getting rid of low-margin/unattractive businesses to refocus on businesses that offer scalability potential and a superior margin profile.

The company's financial target is reach sales of EUR100m and a 10% EBIT margin in the medium term.

Removing legacy burden

In December 2016, Wige Media sold a large part of its technology-related business, a sector in which Wige Media was facing intense competition and pricing pressure.

- **Wige Solutions** was active in the supply of media technology (lighting, video, and audio equipment) for various kinds of events (trade fairs, corporate events, sports events). The business was merely profitable (average EBT of EUR0.5m) and capital-intensive, as it required to acquire the latest technology available for customers' events. Wige Solutions was sold for EUR3.5m.
- **Wige Broadcast** was involved in the supply of HD production technology to broadcasters, associations, and organisers in the field of sports (ex: Handball Champions League, European Boxing Heavyweight Championship, etc.). The company owned two HD broadcasting vans suitable for international production and national coverage. The business was loss-making (a EUR1m net loss on average) and cash-consuming. Wige Broadcast was sold to Wolfgang Reeh, owner of German TV service provider TV Skyline for EUR0.5m.

Chart 7: Wige Broadcast - HD-one OB vehicle (2014)

Source: Wige Media

Chart 8: Wige Solutions – audio visual equipment

Source: Wige Media

Refocus on high-margin/scalable businesses

Simultaneously, Wige Media is focusing on developing large-scale racing infrastructure projects (Wige Venues and Wige Live) and a promising digital platform for amateur sports (sporttotal.tv). Unlike recently discontinued activities, those new core businesses benefit from a scale effect, can expand internationally and potentially enjoy comfortable margins (Wige Media expects a 20% margin at cruising speed).

- Wige Venues:** Wige Media has years of experience in operating permanent and temporary racetracks. A milestone was reached in 2014 when the group was chosen as general contractor to equip a new racetrack in Sochi, Russia with electronic equipment. Wige Media was responsible for the entire technical setup, from initial planning to final installation and commissioning. The deal involved many services, including race control, video monitoring, timing, media distribution, starting lights, electronic flags, radio links, time measurement, data network installation, secured Wi-Fi access, etc. In 2016, Wige Media won a similar large-scale contract to equip a racetrack in Kuwait (2016). Large infrastructure projects are of great value for Wige Media. The Sochi project contributed EUR12.5m in revenues and EUR2.7m in EBITDA (implying a 22% margin). The Kuwait business is expected to generate revenues of EUR8.5m with a level of profitability that should be similar.
The difficulty lies in the lack of availability of large-scale infrastructure projects, which tends to create volatility in revenue inflows.
- Wige Live:** Wige Media is in charge of the organization of the 24hours Nürburgring, an annual touring car and GT endurance racing event on the Nürburgring in Central Germany.

Chart 9: Sochi racetrack I

Source: Wige Media

Chart 10: Sochi racetrack II

Source: Wige Media

- sporttotal.tv:** Wige Media is actively developing the sporttotal.tv digital platform with the aim of launching it in June. sporttotal.tv will constitute the main driver for growth and consume the bulk of future investments (close to EUR30m spread over 2017-19). The business is to be launched in Germany first and could, if successful, extend to other European countries thereafter.
 sporttotal.tv is a digital platform dedicated to amateur sports. More specifically, sporttotal.tv consists of the automatic production, broadcasting, and exploitation of video content in amateur football using high-quality and cost-efficient video technology. The next section looks at sporttotal.tv in more detail.

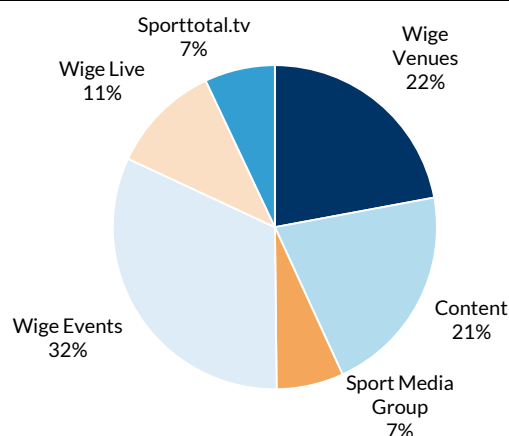
Non-core businesses remain in the scope

Wige Media is active in some other businesses that are deemed non-core:

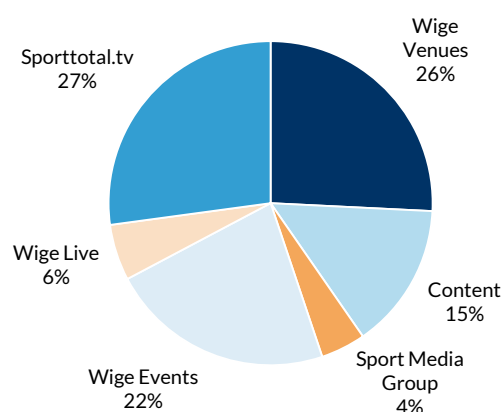
- Wige Events:** Wige Media manages the organisation of live events for Porsche. It is responsible for the conception, organisation, and implementation of the *Porsche Driving Experience* (driving school, driving tests, special events for companies and VIPs, workshops). Wige Media and Porsche recently agreed to extend their cooperation until the end of 2018, thereby securing annual revenues of EUR20m until that date.
 The significant size of this contract makes Porsche the largest customer of Wige Media by far, with the German car manufacturer accounting for one-third of total sales. However, the risks attached to the loss or the non-renewal of the partnership on earnings are limited. It is a low-margin business with a low contribution to profit (PBT of EUR0.4m expected in 2017).
- Sport Media Group:** Wige Media owns a 51% majority stake in the web portals *Motorsport-total.com* and *formel1.de*. The websites are the leading portals for motorsport in Germany, Austria, and Switzerland. The internationalisation of portals could provide further impetus but the upside is limited, in our view.
- Content/marketing/communication:** Wige Media is active in various media/marketing/communication activities. That includes editorial services, consulting, marketing and the production of contents

(commercials, TV formats, web clips, graphics, and portraits) for companies and TV channels. Notwithstanding its weight in the revenue mix, the activity tends to be commoditised and offers lacklustre growth prospects.

Taking into account the recent changes in scope and the growth profile of each business line, the revenue structure by the end of 2017 and 2020 might be as follows:

Chart 11: Revenue breakdown 2017E

Source: Kepler Cheuvreux

Chart 12: Revenue breakdown 2020E

Source: Kepler Cheuvreux

A new direction

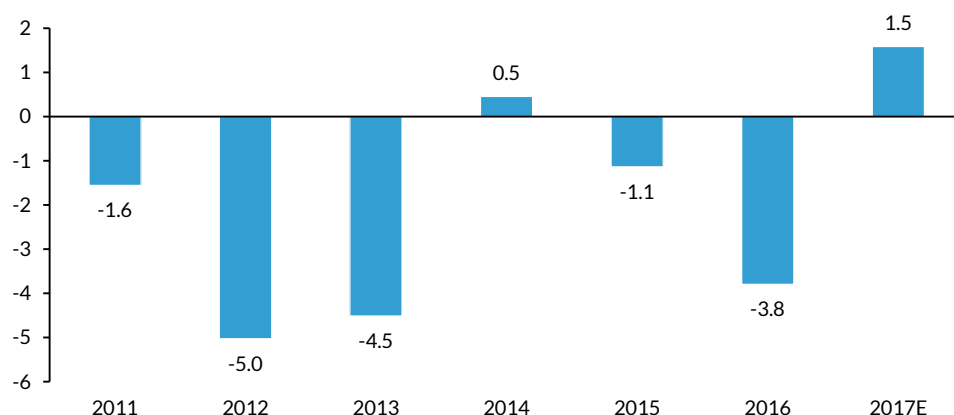
Poor historical performance

This shift in business model comes after several financially challenging years. With the exception of 2014 (when the company reached breakeven, boosted by the delivery of the Sochi racetrack infrastructure project), Wige Media was consistently loss-making.

For fiscal 2016, Wige Media has released consolidated result of -EUR6.4m (including one-off restructuring charges of EUR2.5m linked to the disposals of Wige Solutions and Wige Broadcast).

Profitable in 2017

In the current financial year, earnings are set to improve thanks to the divestments of Wige Solutions and Wige Broadcast and the corresponding cut in the labour force (from roughly 300 to 200 FTEs). The delivery of the profitable Kuwait infrastructure project will also boost results. Wige Media aims for an EBITDA of EUR2.7m and EBIT of EUR1.5m.

Chart 13: EBIT (EURm)

Source: Kepler Cheuvreux

Well-connected CEO, fragmented shareholding

The man driving this shift in strategic direction is the current CEO, Peter Lauterbach. He is a 40 year-old German entrepreneur and media personality. He joined the group as COO and member of the Executive Board in 2011 when he sold his own company, ByLauterbach, to Wige Media. Peter Lauterbach took over the CEO position in May 2013. He has been an editor, reporter and columnist for various German media platforms (Radio FFH, Kirchgruppe, Die Welt, etc.), and was active in Formula One until 2006 as a reporter and during 2007-11 as a presenter for the pay-TV channel Sky.

Peter Lauterbach has close connections in the sports and media sectors in Germany. The shareholding structure is very fragmented with no reference shareholder, and many individual investors and asset management companies have around 3% of equity. CEO Peter Lauterbach is a shareholder of the company (c. 3%).

We present a detailed breakdown of the current shareholding structure in the appendices.

A pro among amateurs

With the launch of the sporttotal.tv offering, Wige Media aims to become the leading video platform for amateur sports in Germany and Europe.

In short, sporttotal.tv consists of the automatic production, broadcasting and exploitation of video contents in amateur sports using high-quality and cost-efficient video technology.

Still at a nascent stage of development (62 systems installed so far), the business has gained support from leading German names and has attracted a lot of media attention. While visibility on the commercial and financial outcome is still low at this stage, the project offers a balanced risk-reward profile.

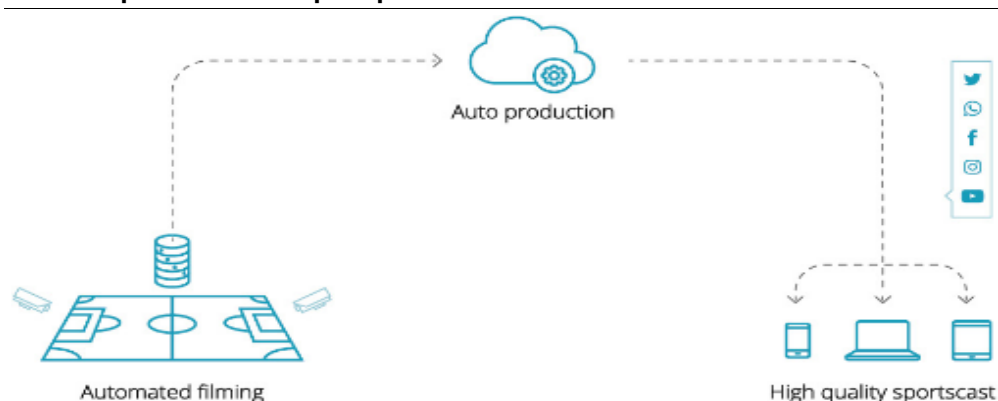
The ABCs of sporttotal.tv

Digitalising amateur sport

Wige Media plans to equip German amateur associations with special video technology that enables them to broadcast games and sports events in high quality and fully automatically on various platforms. At the same time, Wige Media provides sports followers using the sporttotal.tv platform with an individual and flexible viewing experience. Spectators can, for instance, use the sporttotal app to direct how they view a game, determine the perspective and share scenes on social media.

A first joint pilot phase is currently being carried out in cooperation with the German Football Association (DFB) and the Bavarian Football Association (BFV). sporttotal.tv will be broadcasting the second half of the season's games of the North regional league (Regionalliga Nord) as well as the Lower Saxony top league (Oberliga Niedersachsen) and the north and south Bavarian leagues (Bayernliga Nord, Bayernliga Sud).

Chart 14: sporttotal.tv: core principle



Source: Pixellot

Distribution channels

The video contents (livestream, highlights) will be made accessible to viewers on various platforms including the sporttotal.tv mobile app and website (www.sporttotal.tv) and other distribution channels from which viewers will have the opportunity to be rerouted to the sporttotal.tv platforms. Wige Media already works with some high-profile partners, including the leading portal for amateur football in Germany fussball.de (more than 3.6bn page impressions per year) and Bild.de (Axel Springer Group). Wige Media is also in talks with Telekom Deutschland to integrate the Entertain TV offering as a proper channel. However, the project is still in early draft form, as work still needs to be done on the technical aspects of the integration.

Ad-based business model mostly

For the most part, sporttotal.tv will make its revenues from advertising with the real upside occurring in 2018 (EUR14m expected). The commercial performance of sporttotal.tv will be driven by the traffic generated on platforms and the ability to attract local advertisers. We note that, in parallel, an ad-free premium option will be made available to viewers for EUR4.99 per month, generating additional revenue streams.

Based on scalable third-party technology

sporttotal.tv relies on the Lemur system developed and manufactured by Pixellot, an Israeli technology company. The device is installed and looks like a cylinder with four cameras that each record different areas of the action/field and produce a panoramic image using special software.

The value of the technology, from a business perspective, lies in its scalability. The Lemur system is an automatic end-to-end video production system that requires almost no human intervention and very limited operational costs compared to standard production equipment (costs are said to be reduced by 90%). The product is relatively affordable (EUR10,000 per system) in comparison to conventional production equipment.

Chart 15: The Lemur system by Pixellot



Source: Pixellot

The low-cost profile of the production process is not detrimental to the quality and viewing experience. The Lemur system uses HD resolution cameras and allows for many viewing options (multi-device, auto production, surround video, personal video, possibility to rewind, create replays, create game highlights, etc.). The Lemur goes beyond just filming an event - it also does much of the production and post-production thanks to auto-tracking mechanisms. An important feature is the option to include banners and virtual ads to the broadcast, which opens up sponsorship opportunities for brands.

Wige Media has an exclusive supply agreement with Pixellot to market the product in the amateur sports sector from 2017 in Germany, Austria, Switzerland and China.

Backed by credible industrial and associative partners

sporttotal.tv project is supported by big German names (Allianz, Deutsche Post, Telekom Deutschland) that will contribute their core competences during the execution phase. Allianz will be in charge of the insurance-related aspects; Deutsche Post will act as key logistic partner, and Telekom Deutschland (in partnership with Microsoft) will be responsible for connectivity and streaming. The support will also materialise in sponsoring revenues during all of the roll-out phase.

The partnerships provide credibility, ensure a rapid uptake and limit execution risk, in our view. sporttotal.tv is currently a wholly-owned subsidiary of Wige Media, but we can imagine that partners may, at some point, enter the capital to fund a new cycle of growth.

In addition, Wige Media has the support of the German Football Association (DFB), which is strongly committed to raising the public profile of amateur football. We believe that people at the head of associations have strong political incentives to do so in order to win the favour of amateur clubs. Wige Media and the DFB are about to agree on a 10-year contract.

A balanced risk-reward profile, but low visibility

Heavy investments ahead

The rollout of the sporttotal.tv project will require a heavy and unprecedented level of investment. For the first phase of the rollout (2017-19), Wige Media intends to invest close to EUR30m in capex. The financing is likely to be carried out through a mix of new debt and equity.

Audience monetisation to be key

The risks associated with sporttotal.tv lie mainly in the possible overestimation of revenue prospects. We estimate that around 75% of expected revenues are exposed to the risk of commercial failure (advertising and subscriptions), while 25% are free-risk (sponsoring). The commercial success of the sporttotal.tv offering will be based on its ability to attract viewers and monetise traffic through access to local advertisers.

Amateur football strongly anchored in German sporting culture

sporttotal.tv certainly offer some guarantees from a commercial perspective. Football is undeniably the number one sport in Germany. Among major European leagues, the Bundesliga has the highest average attendance per game (43,000). Moreover, Germany is the European country with the highest level of interest in amateur football. German football fans show real attachment to their local football teams. Amateur football in Germany has extensive national coverage that has no comparison in neighbouring countries. Dedicated websites like fussball.de (3.6bn page impressions per year) and Fupa.net attract around 15,000 to 25,000 unique visitors per day.

On a more conservative note, one could argue that fans are more willing to get out and see a game; this is especially the case for amateur games that are cheaper to see than professional football games, and the former also tend to be closer to fans and offer better seat availability. However, this is not a zero-sum game, as there is enough room for both if demand is strong enough.

No comparable project at this stage

To date and to our knowledge, there is no example of a similar project rollout anywhere in the world. Chinese sports tech company Huiti has recently installed 150 Pixellot Lemur systems on football and basketball courts in the greater Shanghai area, but the magnitude of the project is smaller, while the addressable market seems greater. The financial outcomes are not known anyway. Therefore, it is not possible to rely on any relevant track record at this stage.

Negligible technological risk

Finally, we argue that the technological risk is negligible. While there will certainly be technological improvements in the future, they are unlikely to be of a disruptive nature. That said, Pixellot committed to provide Wige Media with the latest software technology available during the full lifecycle of the products.

Deconstructing the forecasts

With sporttotal.tv fully taking off during 2018-19, Wige Media looks set to experience a period of robust growth. In return, it opens a three-year long investment cycle during which Wige Media will engage significant and unprecedented financial resources. Our modelling of the sporttotal.tv project tells us that Wige Media could generate first positive free cash flows by 2019, thus boosting ROIC to a double-digit level.

Modelling revenues

Stable revenues in 2017, acceleration in 2018-19

2017 is set to be a year of transition in terms of commercial performance. Wige Media targets revenues of EUR60m (+6% YoY). The deconsolidation of Wige Solutions and Wige Broadcast will be offset, to a large extent, by the delivery of the Kuwait racetrack project, the first contribution of Sporttotal.tv and some residual organic growth.

Top-line growth is set to accelerate during 2018-19 as a result of the rapid ramp-up of the sporttotal.tv project (from 200 systems installed at end-2017 to more than 2,615 at end-2019).

Building our estimates

While Wige Media expects revenues of EUR100m in the medium term, we believe this objective is aggressive on the sole basis of the existing rollout plan for sporttotal.tv. In our view, this would imply a deployment of greater amplitude. We factor in revenues of EUR86.2m in 2020, corresponding to a 12% CAGR.

Table 1: Revenue estimates

EURm	2017E	2018E	2019E	2020E
Revenue	60.0	78.3	84.3	86.2
Growth	8%	34%	9%	2%
Wige Venues	12.0	19.0	22.0	23.0
Content	13.0	13.0	13.0	13.0
Sport Media Group	4.0	4.0	4.0	4.0
Wige Events	20.0	20.0	20.0	20.0
Wige Live	7.0	10.0	5.0	5.0
sporttotal.tv	4.0	12.3	20.3	21.2

Source: Kepler Cheuvreux

To build our estimates, we have integrated the following:

- **Change in scope:** The disposal of Wige Solutions and Wige Broadcast will result in the deconsolidation of EUR22m of revenues over 2017-18.
- **Wige Venues:** we align our forecasts on company's business plan, which is based on the likelihood of conversion of the current project pipeline.
- Stable revenues in non-core activities (content, Sport Media Group, Wige Events).
- **Wige Live:** Wige Live already secured EUR5m revenues in 2017 and EUR10m in 2018. We have no further visibility on the pipeline from

2019 which justifies a more conservative stance from 2019 in our view (EUR5m annual sales going forward).

- **sporttotal.tv:** The sporttotal.tv business will start contributing in 2017 before really taking off in 2018. We do not factor new installations after 2019, which explains stability in revenue after 2020.
- **Live Events:** We assume the automatic renewal of the EUR20m contract with Porsche (Porsche Driving Experience).
- **Alibaba Sports partnership:** Alibaba and Wige Media entered into a partnership in early 2016 for the supply of video transmission technology and remote production in the Chinese motorsports sector. We do not include any associated revenues at this stage. Management admits that it needs more time to create ties with reliable partners in China for the collaboration to materialise.

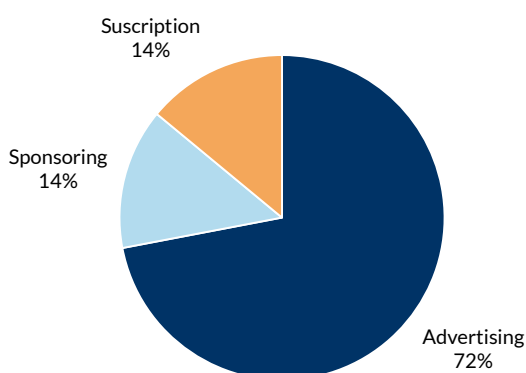
Assessing sporttotal.tv potential

We identify three revenue streams for sporttotal.tv:

- **Advertising:** Wige Media will generate revenues by attracting local/regional advertisers and stimulate traffic on various broadcast platforms.
- **Sponsoring:** Core partners have committed to pay sponsoring revenues in exchange for permanent advertising exposure (e.g. scoreboards).
- **Subscription:** An ad-free option will be offered to viewers willing to pay EUR4.99 per month. We assume that 1% of viewers will choose this option.

We estimate that advertising will account for more than 70% of sporttotal.tv revenues by 2020.

Chart 16: sporttotal.tv - revenue profile



Source: Kepler Cheuvreux

Advertising revenues are derived estimating a number of key parameters.

- Wige Media intends to equip 2,615 fields/teams by end-2019. It would correspond to a penetration rate of 10% given that 25,324 official teams

are identified in Germany. The target looks ambitious but achievable in our view.

- 2.3 games produced per team during 8 month per year. It corresponds to one team playing roughly 18 at-home games per year.
- In terms of traffic generation, we factor 6,000 views per game in average in 2017-18, then a decline to 3,000 views per game from 2019 since sporttotal.tv will start broadcasting games in lower and less popular leagues.
- In terms of traffic monetization, we retain EUR80 of revenues for a thousand views (8 cents per single view). The amount takes into account the highly-qualified nature of the audience and the length of the format (>90min) that set the ground for many advertising opportunities.

Table 2: sporttotal.tv – main assumptions

	2017E	2018E	2019E	2020E
Average number of systems installed	112	830	2,412	2,615
Games/system/year	9	18	18	18
Games/year	1,030	15,272	44,381	48,116
Views (m)	6	92	179	190

Source: Kepler Cheuvreux

Room for positive surprise

Although not included in the company's business plan (or in our estimates), other potential revenue streams are worth considering, and their non-inclusion makes management say it has a conservative business plan.

- **Social sharing:** Indirect traffic could arise from social sharing. By sharing a link, a person would be redirected to the sporttotal.tv platform and, as a result, generate additional traffic. While the potential is difficult to translate into figures, we admit that the sporttotal.tv content is potentially viral.
- **Extension to other sports:** Wige Media could open the platform to other sports (volleyball, basketball, handball, etc.). At the moment, the option is not contemplated, as it would require the full financial support of a sponsor to cover risks. Sports others than footballs are less popular and offer fewer guarantees.
- **Internationalization:** we do not include at this stage any international expansion as we feel more comfortable adopting a conservative approach. That being said, it is worth mentioning that Wige Media already carried out in-depth market research in other countries and definitely contemplates a geographical expansion in the medium-run.

Modelling earnings

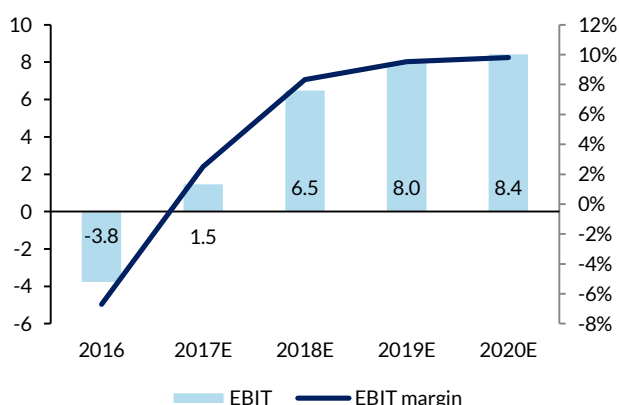
We expect EBIT to recover in 2017 (EUR1.5m after –EUR3.8m in 2016) as a result of the divestments of loss-making subsidiaries (corresponding to a big cut in the workforce, from c. 300 to c. 200 FTEs) and the full contribution of the high-margin Kuwait project at Wige Venues.

The management states that sporttotal.tv and Wige Venues have the potential to post a 20% EBIT margin at cruising speed. At group level, the medium-term target is set at 10%. Our estimates are in line with the stated objective.

With regards to labour costs, the development of sporttotal.tv will “only” require the recruitment of 30 people by 2019, far less than the workforce at the recently-divested activities (100 people) for a potentially similar amount of sales. That tells us a lot about the scalability potential of the sporttotal.tv business model.

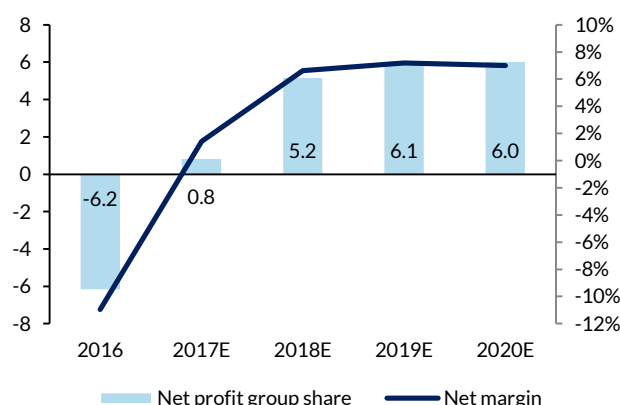
Note that we factor in an increase in depreciations to account for the obsolescence of sporttotal.tv cameras. Depreciations could reach a peak of EUR6m in 2020 (corresponding to 7% of total sales).

Chart 17: EBIT development (EURm)



Source: Kepler Cheuvreux

Chart 18: Net income development (EURm)



Source: Kepler Cheuvreux

Modelling cash flows

Starting a three-year investment cycle

To complete the first stage of the sporttotal.tv rollout programme (2017-19), Wige Media will implement an unprecedented capex effort of EUR29m over 2017-19: EUR4m in 2017 (no license fees to Pixellot), then EUR17m in 2018 (license fees will start kicking in) and EUR8m in 2019. sporttotal.tv will obviously account for the lion's share (c. 95%) of the investment effort.

We expect Wige Media to finance the entire project through a mix of debt and equity. Over the last twelve months, several capital increases were achieved. The latest was successfully completed in April at a price of EUR2.50 per share (gross proceeds of EUR4m). In 2018, we model one additional capital increase of EUR4m in 2018 (1.3m new shares) and EUR4m of new debt.

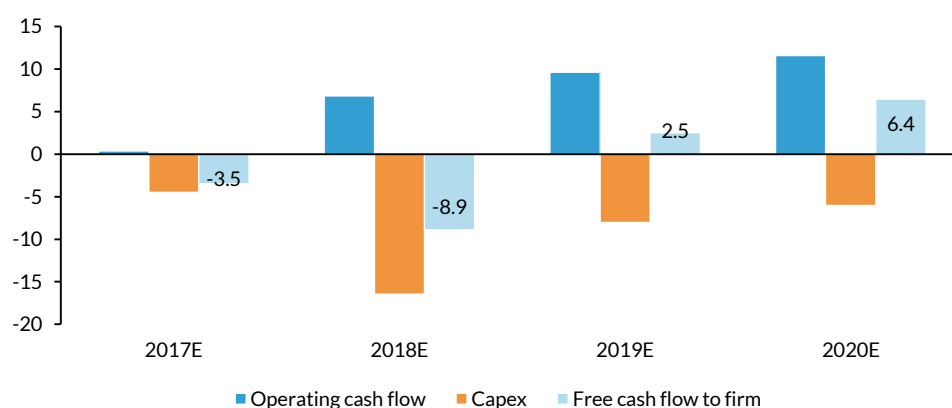
From negative to positive working capital

Historically, Wige Media has a structural negative working capital as a result of significant advance payments being paid by event organisers and customers in legacy businesses. We believe this is set to change with the rapid ramp-up of sporttotal.tv and the delivery of large-scale infrastructure projects, which will require significantly more investments in working capital.

FCF positive from 2019, ROIC above 20%

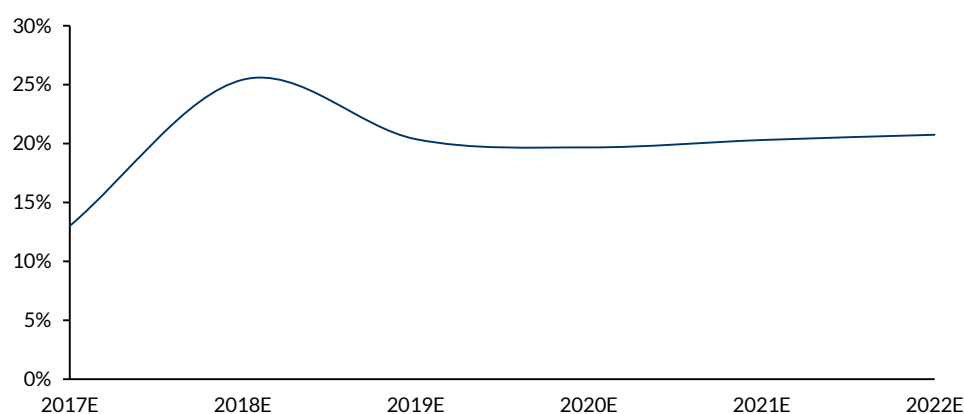
Based on previous assumptions, we expect Wige Media to turn FCF positive in 2019 and ROIC to evolve above 20% in the near future.

Chart 19: Cash flows



Source: Kepler Cheuvreux

Chart 20: Return on capital invested (ROIC)



Source: Kepler Cheuvreux

Valuation, target price, and risks

The valuation is based on a standard DCF model. The method indicates a fair value of EUR3.30 per share with more bullish scenario pointing to EUR3.60. The rewards expected from the recent portfolio restructuring and the launch of sporttotal.tv are mostly reflected in the current share price in our view.

DCF

We obtain a WACC of 9% using the assumptions summed up in table 6. A beta of 1.70 reflects the low liquidity of the shares and the perceived risk attached to the sporttotal.tv venture.

Table 3: WACC summary

Pre-tax cost of debt	5.0%
Marginal tax rate	32%
After tax cost of debt	3.4%
Risk-free rate (Rf)	2.5%
Market Return (Rm)	8.0%
Market premium (Rm-Rf)	5.5%
Beta	1.70
Cost of Equity	11.9%
Debt (% of EV)	33%
Equity (% of EV)	67%
WACC	9.0%

Source: Kepler Cheuvreux

A detailed DCF points to a fair price of **EUR3.30** per share.

Table 4: DCF summary

EURm	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2026+
Revenue	60.0	78.3	84.3	86.2	87.9	89.7	91.5	93.3	95.2	97.1	99.0
Growth	6.0%	30.6%	7.6%	2.2%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
EBIT	1.5	6.5	8.0	8.4	8.8	9.0	9.2	9.3	9.5	9.7	9.9
Growth	NA	335%	23%	5%	4%	2%	2%	1%	2%	2%	0%
EBIT margin	2.5%	8.3%	9.5%	9.8%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
EBIT(1-t)	1.5	5.9	6.8	6.8	6.6	6.3	6.4	6.5	6.7	6.8	6.9
D&A	1.0	3.1	5.1	6.0	5.7	5.4	5.5	5.6	5.7	5.8	5.9
% of sales	-1.7%	-4.0%	-6.0%	-7.0%	-6.5%	-6.0%	-6.0%	-6.0%	-6.0%	-6.0%	-6.0%
Change in WC	-1.5	-1.5	-1.5	-0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capex	-4.5	-16.4	-8.0	-6.0	-5.7	-5.4	-5.5	-5.6	-5.7	-5.8	-5.9
% of sales	-7.5%	-21.0%	-9.5%	-7.0%	-6.5%	-6.0%	-6.0%	-6.0%	-6.0%	-6.0%	-6.0%
Free cash-flow	-3.5	-8.9	2.4	6.3	6.6	6.3	6.4	6.5	6.7	6.8	6.9
Discounted FCF	-3.2	-7.5	1.8	4.4	4.3	3.8	3.5	3.3	3.1	2.9	
Sum of discounted FCF	16.3										
PV terminal value	2.9										
Terminal value	42.4										
Value of operations	58.8										
(+) Cash	7.9										
(-) Debt	2.3										
(-) Pensions	0.5										
(-) Minorities	0.6										
Equity value	63.3										
Nb shares	19.4										
Equity value per share (EUR)	3.26										

Source: Kepler Cheuvreux

For the purpose of forecasting, we have made the following assumptions:

- No new camera installations from 2020, which explains a drop in capex afterwards.
- A peak in depreciations in 2020.
- Long term sales growth: 2.0%.
- Long-term EBIT margin: 10%.

Sensitivity analysis, alternative scenario

We look at alternative valuations by varying some relevant parameters marginally (terminal growth, long-term EBIT margin, WACC). The closest scenarios provide a values ranging from roughly EUR3.00 to EUR3.60.

Table 5: Sensitivity analysis

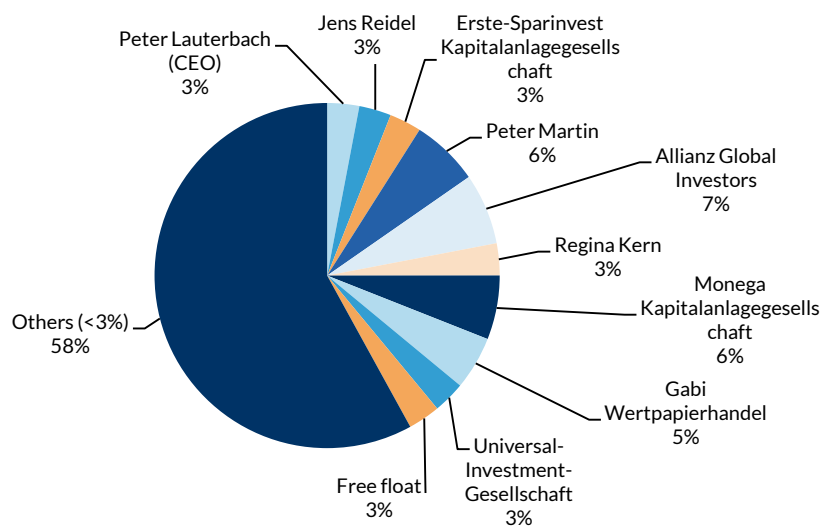
		Terminal growth					Long-term EBIT margin		
WACC		1.5%	2.0%	2.5%	WACC		9.0%	10.0%	11%
	10.0%	2.62	2.72	2.83		10.0%	2.56	2.73	2.90
	9.5%	2.83	2.95	3.09		9.5%	2.77	2.96	3.16
	9.0%	3.08	3.26	3.39		9.0%	3.02	3.26	3.45
	8.5%	3.36	3.54	3.74		8.5%	3.31	3.55	3.80
	8.0%	3.69	3.90	4.15		8.0%	3.64	3.92	4.20

Source: Kepler Cheuvreux

Appendices

Shareholding structure

Chart 21: Shareholding structure



Source: Wige Media

Valuation

FY to 31/12 (EUR)	2013	2014	2015	2016	2017E	2018E	2019E	2020E
Per share data (EUR)								
EPS adjusted			0.22	-0.41	0.05	0.26	0.29	0.29
% Change				na	na	465.9%	13.0%	-0.3%
EPS adjusted and fully diluted			0.22	-0.41	0.05	0.26	0.29	0.29
% Change				na	na	465.9%	13.0%	-0.3%
EPS reported			-0.13	-0.41	0.05	0.26	0.29	0.29
% Change				na	na	465.9%	13.0%	-0.3%
EPS Consensus					0.07	0.21	0.38	
Cash flow per share			-0.07	-0.09	0.02	0.34	0.46	0.56
Book value per share			0.33	0.50	0.67	1.07	1.33	1.62
DPS			0.00	0.00	0.00	0.00	0.00	0.00
Number of shares, YE (m)			12.8	17.7	19.4	20.8	20.8	20.8
Number of shares, fully diluted, YE (m)			12.8	17.7	19.4	20.8	20.8	20.8
Share price								
Latest price / year end	1.4	1.3	1.6	2.3	3.3	3.3	3.3	3.3
52 week high (Year high)	2.0	1.7	1.9	2.7	3.3			
52 week low (Year low)	0.5	1.1	1.1	1.4	2.3			
Average price (Year)	1.2	1.3	1.5	2.1	3.3			
Enterprise value (EURm)								
Market capitalisation			19.7	37.6	64.7	69.1	69.1	69.1
Net financial debt			2.9	-1.6	-1.5	4.1	2.5	-3.0
Pension provisions			0.5	0.5	0.5	0.5	0.5	0.5
Market value of minorities	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0
Market value of equity affiliates (net of tax)	0.0	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	0.0
Enterprise value			23.1	36.7	63.7	73.8	72.2	66.6
Valuation								
P/E adjusted			7.0	na	72.9	12.9	11.4	11.4
P/E adjusted and fully diluted			7.0	na	72.9	12.9	11.4	11.4
P/E consensus					50.7	16.2	8.7	
P/BV			4.6	4.3	5.0	3.1	2.5	2.1
P/CF			na	na	na	9.8	7.2	6.0
Dividend yield (%)			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield (%)			-19.5%	-13.0%	-7.4%	-15.0%	1.0%	6.7%
ROE (%)				-107.3%	8.5%	30.6%	24.6%	19.7%
ROIC (%)				-42.5%	12.6%	25.0%	20.2%	19.5%
EV/Sales			0.39	0.65	1.06	0.94	0.86	0.77
EV/EBITDA			43.9	na	25.3	7.6	5.5	4.6
EV/EBIT			na	na	42.5	11.3	9.0	7.9
EV/NOPAT			na	na	60.8	16.2	12.8	11.3
EV/IC			3.5	6.3	5.9	2.9	2.4	2.2
ROIC/WACC				na	1.4	2.8	2.2	2.2
EV/IC over ROIC/WACC				na	4.2	1.0	1.1	1.0

Income statement

FY to 31/12 (EURm)	2013	2014	2015	2016	2017E	2018E	2019E	2020E
Sales	na	na	60.0	56.6	60.0	78.3	84.3	86.2
Gross profit	na	na	14.1	14.4	17.4	26.8	30.7	32.6
EBITDA reported	na	na	0.5	-1.5	2.5	9.7	13.1	14.5
EBITDA adjusted	na	na	0.5	-1.5	2.5	9.7	13.1	14.5
Depreciation and amortisation	na	na	-1.7	-1.8	-1.0	-3.1	-5.1	-6.0
Goodwill impairment	na	na	0.0	-0.5	0.0	0.0	0.0	0.0
Other financial result and associates	na	na	0.0	0.0	0.0	0.0	0.0	0.0
EBIT reported	na	na	-1.1	-3.8	1.5	6.5	8.0	8.4
EBIT adjusted	na	na	-1.1	-3.8	1.5	6.5	8.0	8.4
Net financial items	na	na	-0.5	-0.4	-0.7	-0.8	-0.9	-0.9
Associates	na	na	0.0	0.0	0.0	0.0	0.0	0.0
Others	na	na	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before tax	na	na	-1.7	-4.2	0.8	5.8	7.1	7.5
Tax	na	na	0.2	0.3	0.0	-0.6	-1.1	-1.5
Net profit from continuing operations	na	na	-1.4	-3.9	0.8	5.2	6.1	6.0
Net profit from discontinuing activities	na	na	-0.1	-2.5	0.0	0.0	0.0	0.0
Net profit before minorities	na	na	-1.5	-6.4	0.8	5.2	6.1	6.0
Minorities	na	na	0.0	0.2	0.0	0.0	0.0	0.0
Net profit reported	na	na	-1.5	-6.2	0.8	5.2	6.1	6.0
Adjustments	na	na	4.2	0.0	0.0	0.0	0.0	0.0
Net profit adjusted	na	na	2.7	-6.2	0.8	5.2	6.1	6.0
Sales % Change	na	na	na	-5.7%	6.0%	30.6%	7.6%	2.2%
EBITDA reported % Change	na	na	na	na	na	283.4%	35.6%	10.7%
EBITDA adjusted % Change	na	na	na	na	na	283.4%	35.6%	10.7%
EBIT reported % Change	na	na	na	na	na	335.3%	23.2%	5.2%
EBIT adjusted % Change	na	na	na	na	na	335.3%	23.2%	5.2%
Earnings before tax % Change	na	na	na	na	na	580.7%	23.6%	5.9%
Net profit from continuing operations % Change	na	na	na	na	na	512.7%	16.7%	-0.3%
Net profit reported % Change	na	na	na	na	na	512.7%	16.7%	-0.3%
Net profit adjusted % Change	na	na	na	na	na	512.7%	16.7%	-0.3%
Gross profit margin (%)	na	na	23.6%	25.5%	29.0%	34.2%	36.4%	37.8%
EBITDA margin (%)	na	na	0.9%	-2.6%	4.2%	12.3%	15.5%	16.8%
EBIT margin (%)	na	na	-1.9%	-6.7%	2.5%	8.3%	9.5%	9.8%
Net profit margin (%)	na	na	4.4%	-11.0%	1.4%	6.6%	7.2%	7.0%
Tax rate (%)	na	na	-13.1%	-6.2%	0.0%	-10.0%	-15.0%	-20.0%
Payout ratio (%)	na	na	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EPS reported (EUR)	na	na	-0.13	-0.41	0.05	0.26	0.29	0.29
EPS adjusted (EUR)	na	na	0.22	-0.41	0.05	0.26	0.29	0.29
EPS adj and fully diluted (EUR)	na	na	0.22	-0.41	0.05	0.26	0.29	0.29
DPS (EUR)	na	na	0.00	0.00	0.00	0.00	0.00	0.00
EPS reported % Change	na	na	na	na	na	465.9%	13.0%	-0.3%
EPS adjusted % Change	na	na	na	na	na	465.9%	13.0%	-0.3%
EPS adj and fully diluted % Change	na	na	na	na	na	465.9%	13.0%	-0.3%
DPS % Change	na	na	na	na	na	na	na	na
Consensus Sales (EURm)					61.5	74.7	83.1	na
Consensus EBITDA (EURm)					3.2	9.7	15.7	na
Consensus EBIT (EURm)					1.7	5.0	9.1	na
Consensus EPS (EUR)					0.07	0.21	0.38	na
Consensus DPS (EUR)					0.00	0.00	0.03	na

Cash flow statement

FY to 31/12 (EURm)	2013	2014	2015	2016	2017E	2018E	2019E	2020E
Net profit before minorities	na	na	-1.5	-6.4	0.8	5.2	6.1	6.0
Depreciation and amortisation	na	na	3.3	3.0	1.0	3.1	5.1	6.0
Goodwill impairment	na	na	0.0	0.0	0.0	0.0	0.0	0.0
Change in working capital	na	na	-2.0	0.7	-1.5	-1.5	-1.5	-0.5
Others	na	na	-0.6	1.3	0.0	0.0	0.0	0.0
Cash Flow from operating activities	na	na	-0.8	-1.4	0.4	6.8	9.6	11.6
% Change	na	na	na	na	na	1758.3%	40.9%	20.3%
Capex	na	na	-2.6	-3.4	-4.5	-16.4	-8.0	-6.0
Free cash flow	na	na	-3.5	-4.7	-4.1	-9.6	1.6	5.5
% Change	na	na	na	na	na	na	na	244.3%
Acquisitions	na	na	0.0	0.0	0.0	0.0	0.0	0.0
Divestments	na	na	0.3	0.1	0.0	0.0	0.0	0.0
Dividend paid	na	na	0.0	0.0	0.0	0.0	0.0	0.0
Share buy back	na	na	0.0	0.0	0.0	0.0	0.0	0.0
Capital increases	na	na	1.6	6.8	4.0	4.0	0.0	0.0
Others	na	na	0.0	0.0	0.0	0.0	0.0	0.0
Change in net financial debt	na	na	-1.6	2.2	-0.1	-5.6	1.6	5.5
Change in cash and cash equivalents	na	na	na	0.5	-0.1	-1.6	1.6	5.5
Attributable FCF	na	na	-3.8	-4.9	-4.8	-10.4	0.7	4.6
Cash flow per share (EUR)	na	na	-0.07	-0.09	0.02	0.34	0.46	0.56
% Change	na	na	na	na	na	1616.4%	36.4%	20.3%
FCF per share (EUR)	na	na	-0.32	-0.32	-0.26	-0.52	0.03	0.22
% Change	na	na	na	na	na	na	na	554.4%
Capex / Sales (%)	na	na	4.4%	5.9%	7.5%	21.0%	9.5%	7.0%
Capex / D&A (%)	na	na	159.0%	186.1%	441.2%	525.0%	158.3%	100.0%
Cash flow / Sales (%)	na	na	-1.4%	-2.4%	0.6%	8.7%	11.4%	13.4%
FCF / Sales (%)	na	na	-5.8%	-8.3%	-6.9%	-12.3%	1.9%	6.4%
FCF Yield (%)	na	na	-19.5%	-13.0%	-7.4%	-15.0%	1.0%	6.7%
Unlevered FCF Yield (%)	na	na	-14.1%	-12.3%	-6.5%	-12.9%	2.4%	8.6%

Balance sheet

FY to 31/12 (EURm)	2013	2014	2015	2016	2017E	2018E	2019E	2020E
Cash and cash equivalents	na	na	3.4	3.9	3.7	2.1	3.7	9.3
Inventories	na	na	0.8	1.2	2.7	4.2	5.7	6.2
Accounts receivable	na	na	4.8	3.3	3.3	3.3	3.3	3.3
Other current assets	na	na	3.4	6.9	6.9	6.9	6.9	6.9
Current assets	na	na	12.4	15.3	16.7	16.5	19.7	25.7
Tangible assets	na	na	7.2	1.5	4.4	16.9	19.0	18.1
Goodwill	na	na	0.0	0.0	0.0	0.0	0.0	0.0
Other Intangible assets	na	na	2.0	4.4	5.0	5.8	6.6	7.5
Financial assets	na	na	0.0	0.0	0.0	0.0	0.0	0.0
Other non-current assets	na	na	1.3	1.1	1.1	1.1	1.1	1.1
Non-current assets	na	na	10.4	7.0	10.4	23.8	26.7	26.7
Short term debt	na	na	1.8	1.1	1.1	1.1	1.1	1.1
Accounts payable	na	na	5.3	3.1	3.1	3.1	3.1	3.1
Other short term liabilities	na	na	6.2	8.3	8.3	8.3	8.3	8.3
Current liabilities	na	na	13.3	12.5	12.5	12.5	12.5	12.5
Long term debt	na	na	4.5	1.2	1.2	5.2	5.2	5.2
Pension provisions	na	na	0.5	0.5	0.5	0.5	0.5	0.5
Other long term provisions	na	na	0.0	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	na	na	0.5	0.5	0.5	0.5	0.5	0.5
Non-current liabilities	na	na	5.5	2.2	2.2	6.2	6.2	6.2
Shareholders' equity	na	na	4.0	7.5	12.4	21.6	27.6	33.7
Minority interests	na	na	0.0	0.0	0.0	0.0	0.0	0.0
Total equity	na	na	4.0	7.5	12.4	21.6	27.6	33.7
Balance sheet total	na	na	22.7	22.3	27.1	40.3	46.4	52.4
% Change	na	na	na	-2.1%	21.8%	48.7%	15.0%	13.0%
Book value per share (EUR)	na	na	0.33	0.50	0.67	1.07	1.33	1.62
% Change	na	na	na	48.8%	34.7%	60.9%	24.0%	21.9%
Net debt	na	na	3.4	-1.1	-1.0	4.6	3.0	-2.5
Net financial debt	na	na	2.9	-1.6	-1.5	4.1	2.5	-3.0
Trade working capital	na	na	0.3	1.4	2.9	4.4	5.9	6.4
Working capital	na	na	-2.5	0.0	1.5	3.0	4.5	5.0
Inventories/sales	na	na	1.3%	2.2%	4.5%	5.4%	6.8%	7.2%
Invested capital	na	na	6.6	5.9	10.8	25.7	30.1	30.6
Net fin. debt / EBITDA (x)	na	na	5.5	1.1	-0.6	0.4	0.2	-0.2
Net fin. debt / FCF (x)	na	na	-0.8	0.3	0.4	-0.4	1.6	-0.5
Gearing (%)	na	na	71.9%	-21.4%	-12.0%	19.2%	9.2%	-8.9%
Goodwill / Equity (%)	na	na	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

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Prices in this report are taken as of the previous day's close (to the date of this report) on the home market unless otherwise stated.

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Deutsche Post	DE0005552004	nothing to disclose	EUR	32.64
Deutsche Telekom	DE0005557508	nothing to disclose	EUR	17.38
Wige Media	DE000A1EMG56	8	EUR	3.33

Source: Factset closing prices of 02/06/2017

Companies mentioned

Stock	Disclosure (See Below)
Microsoft	nothing to disclose

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Rating Breakdown	A	B
Buy	47%	53%
Hold	34%	28%
Reduce	16%	5%
Not Rated/Under Review/Accept Offer	3%	14%
Total	100%	100%

Source: Kepler Cheuvreux

A: % of all research recommendations

B: % of issuers to which material services of investment firms are supplied

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Company Name	Date	Business Line	Rating	Target Price	Closing Price
Allianz (EUR)	29/06/2016 07:39	Equity Research	Buy	157.00	124.00
	08/08/2016 08:37	Equity Research	Buy	155.00	126.45
	11/11/2016 10:41	Credit Research	Not Rated		148.75
	14/11/2016 08:06	Equity Research	Buy	164.00	150.80
	29/11/2016 08:18	Equity Research	Buy	175.00	148.55
	12/01/2017 08:40	Equity Research	Buy	185.00	160.20
	20/02/2017 09:27	Equity Research	Buy	190.00	162.80
	13/03/2017 08:10	Equity Research	Buy	195.00	169.15
Deutsche Post (EUR)	09/05/2017 08:18	Equity Research	Reduce	29.00	33.09
Deutsche Telekom (EUR)	16/06/2016 07:28	Equity Research	Buy	19.00	14.45
	30/06/2016 09:04	Equity Research	Buy	18.00	15.02
	24/05/2017 07:06	Equity Research	Hold	19.00	18.00

Credit research does not issue target prices. Left intentionally blank.

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Credit research

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